



**Report of the
Comptroller and Auditor General of India
State Finances Audit Report
for the year ended March 2022**



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यहिष्णु
Dedicated to Truth in Public Interest



Government of Odisha
Report No. 1 of the year 2023



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Preface

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

The State Finances Audit Report of the Government of Odisha intends to assess the financial performance of the State during 2021-22 and to provide the State Legislature with inputs based on audit analysis of financial data. The Report contains five Chapters.

Chapter I - Overview: This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of Government Accounts, budgetary processes, macro-fiscal analysis of key indices and the State's fiscal position, including the deficits/ surplus.

Chapter II – The Finances of the State: This Chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2017-18 to 2021-22, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.

Chapter III - Budgetary Management: This Chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.

Chapter IV - Quality of Accounts & Financial Reporting Practices: This Chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various Departmental officials of the State Government.

Chapter V - State Public Sector Enterprises: This Chapter contains a Summary of the financial performance of State Public Enterprises and the Oversight Role of CAG on State Public Sector Enterprises.

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

EXECUTIVE SUMMARY

Executive Summary

Chapter I: Overview

Gross State Domestic Product and Sectoral Composition

The Gross State Domestic Product (GSDP) of Odisha in 2021-22 at current prices, was ₹6,38,342 crore and at constant prices, was ₹4,27,592 crore, registering a growth rate of 17.58 *per cent* and 10.11 *per cent*, respectively, over the previous year. In 2021-22, Service Sector was the biggest contributor to the GSDP with 34.67 *per cent*, followed closely by Industry Sector at 34.35 *per cent*, while Agriculture Sector contributed 17.91 *per cent*.

(Paragraph 1.4)

Fiscal Position of the State

The State recorded a Revenue Surplus of ₹43,471 crore and Fiscal Surplus of ₹20,627 crore. Revenue Surplus (₹43,471 crore) of the State in 2021-22, had increased (379 *per cent*) from the Revenue Surplus for the previous year (₹9,076 crore). During 2021-22, there was increase in Revenue Receipts by ₹48,672 crore, while Revenue Expenditure increased by ₹14,277 crore, as compared to the last year.

(Paragraphs 1.4 & 1.5)

Chapter II: Finances of the State

Sources and Application of Resources

Revenue Receipts (₹ 1,53,059 crore) of the Government constituted 23.98 *per cent* of the Gross State Domestic Product (GSDP) (₹ 6,38,342 crore) during 2021-22. Revenue Expenditure (₹ 1,09,588 crore) of the State was 17.17 *per cent* of GSDP during 2021-22. It increased by ₹14,277 crore (14.98 *per cent*) over 2020-21 (₹ 95,311 crore).

Own Tax Revenue (₹40,748 crore) increased by 18.94 *per cent* over the previous year and Non-Tax Revenue (₹54,257 crore) increased by 177.98 *per cent* over the previous year.

Capital Expenditure (₹ 22,726 crore) during 2021-22, constituted 16.96 *per cent* of Total Expenditure (₹ 1,34,000 crore). It increased by ₹4,777 crore (26.61 *per cent*) over the previous year (₹17,949 crore).

(Paragraph 2.3 & 2.4)

Committed Expenditure

Committed Expenditure of the Government consists of interest payments (₹ 6,342 crore), salaries and wages (₹23,456 crore) and pension (₹ 16,459 crore). The Committed Expenditure in 2021-22 was ₹ 46,257 crore and constituted 42.21 *per cent* of Revenue Expenditure (₹1,09,588 crore).

(Paragraph 2.4.2.2)

Loans and Advances given by the State Government

As of 31 March 2022, Loans and Advances given by the Government to Public Sector Companies, Autonomous Bodies and Corporations were ₹ 9,196 crore. Loans and Advances outstanding, rose from ₹ 6,326 crore in 2017-18 to ₹ 9,196 crore in 2021-22. Major portion of loans advanced during 2021-22, was to Indian Oil Corporation Limited (₹ 700 crore).

(Paragraph 2.5.3)

Chapter III: Budgetary Management

Savings

Against the overall savings of ₹ 37,706.59 crore, ₹ 37,608.04 crore (99.73 *per cent*) was surrendered during the year 2021-22. Out of the surrendered amount of ₹ 37,608.04 crore, ₹ 35,600.04 crore was surrendered on the last day of the financial year *i.e.*, 31 March 2022. Out of the remaining savings of ₹ 2,008 crore, ₹ 98.55 crore were not surrendered during 2021-22.

(Paragraph 3.3.3)

Substantial surrenders

Surrenders of 100 *per cent* of total provision of ₹7,757.06 crore, were made in 29 cases (₹ 50 crore or more in each case) under 14 grants.

(Paragraph 3.3.4)

Surrender in excess of savings

In two cases (two grants), the amounts surrendered (one crore or more in each case), were in excess of savings, indicating inadequate budgetary control in these Departments. As against the savings of ₹ 2,789.31 crore, the amount surrendered was ₹ 3,044.08 crore, resulting in excess surrender of ₹ 254.77 crore.

(Paragraph 3.3.4.1)

Non-Regularisation of excess expenditure of previous financial years

There were instances of excess expenditures amounting to ₹262.65 crore over and above the allocation, pertaining to the years, 2013-14 to 2020-21. The State Government, however, failed to get the excess expenditure, regularised as of March

2022. Excess expenditure remaining un-regularised for extended periods is in violation of Article 205 of the Constitution of India and dilutes legislative control over the Executive.

(Paragraph 3.3.5)

Chapter IV: Quality of Accounts and Financial Reporting Practices

Delay in submission of Utilisation Certificates (UCs)

During the year 2021-22, Government released ₹25,930.97 crore as Grants-in-Aid (45,124 vouchers). Out of this amount, UCs were not received in respect of ₹18,104.15 crore (69.82 per cent) (2,974 vouchers) by 30.06.2022. There is, therefore, no assurance that the expenditure of ₹18,104.15 crore had actually been incurred for the purposes, for which it was authorised. Further, UCs for an amount aggregating ₹45,527.18 crore remained outstanding against 36 Departments of the State, as of March 2022, from 2003-04 onwards. Non-submission of the UCs implies that there is a level of administrative failure and that the authorities have not clearly explained how these funds were spent over the years. There is also no assurance that the intended objectives of providing these funds have been achieved. This assumes greater importance if such UCs are pending against Grants-in-Aid meant for capital expenditure. Since non-submission of UCs is fraught with the risk of misappropriation, it is imperative that the State Government monitor this aspect closely and hold the concerned persons accountable for submission of UCs in a timely manner

(Paragraph 4.3)

Outstanding Detailed Contingent bills

During the financial year 2021-22, 10 departments had drawn an amount of ₹ 128.52 crore through 858 Abstract Contingent (AC) bills. However, only an amount of ₹ 0.58 crore (0.45 per cent) was adjusted by furnishing Detailed Contingent (DC) Bills by one department. Thus, DC bills amounting to ₹ 127.94 crore, pertaining to nine departments, were not submitted, as of 31 March 2022. There is, therefore, no assurance that the amount of ₹ 127.94 crore had actually been utilised for the purpose, for which it was sanctioned. Advances drawn but not adjusted indicated the possibility of diversion of end use of funds/ misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills.

(Paragraph 4.4)

Personal Deposit (PD) Accounts

There were 404 PD Accounts with closing unspent balance of ₹ 4,356.80 crore, as of 31 March 2022. There was a net increase of ₹ 577 crore (15.27 per cent) in the cumulative closing balance at the end of 2021-22, as compared to the previous year.

Non-reconciliation of balances in PD accounts and not transferring the unspent balances lying in PD accounts to Consolidated Fund of State is fraught with risks of potential misuse of public funds, fraud and misappropriation

(Paragraph 4.5.1)

Chapter V: State Public Sector Enterprises

Number of State Public Sector Enterprises (SPSEs)

As on 31 March 2022, there were 82 SPSEs under the audit jurisdiction of the CAG. These included 64 Government Companies, 03 Statutory Corporations and 15 Government controlled other Companies. Of these SPSEs, there were 39 SPSEs whose accounts were in arrears for three years or more or were defunct/ under liquidation.

(Paragraph 5.1.3)

Timeliness in preparation of accounts by Government SPSEs and Government Controlled Other SPSEs

SPSEs were not adhering to the prescribed timelines regarding submission of their Financial Statements as per the Companies Act, 2013. As a result, 994 accounts of 56 Government SPSEs and 13 Government Controlled Other SPSEs, were in arrears.

(Paragraph 5.7.2)

Chapter-I

Overview

1.1 Profile of Odisha

Odisha, a state on the eastern coast of India, is divided into 30 administrative geographical districts. It is the ninth largest State of India in terms of geographical area (1,55,707 sq. km) having 4.87 *per cent* of the total area of the nation. According to the 2011 census of India, the total population of Odisha is 4.20 crore (11th largest state), of which 2.12 crore (50.54 *per cent*) are male and 2.08 crore (49.46 *per cent*) are female. The percentage of population below the poverty line was 32.59 *per cent*, which was higher than the national average of 21.9 *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. A profile of the State, with demographic and other details, is at *Appendix 1.1*.

The structure of Government Accounts is explained in *Part A* and the layout of Finance Accounts of Government of Odisha is given in *Part B of Appendix 1.2*.

1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the Reports of the Comptroller and Auditor General of India (CAG) relating to the Accounts of a State, are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) is prepared and submitted under Article 151 (2) of the Constitution of India.

The Office of the Principal Accountant General (Accounts and Entitlements), Odisha, compiles and prepares the Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans and initial and subsidiary accounts, rendered by the treasuries, offices and departments, responsible for keeping of such accounts, functioning under the control of the State Government and the statements received from the Reserve Bank of India. These Accounts are audited independently by the Office of the Principal Accountant General (Audit-I), Odisha.

The Finance Accounts and Appropriation Accounts of the State constitute the core data for this Report. Other sources include the following:

- Budget of the State, for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit, carried out by the Office of the Principal Accountant General (Audit);

- Other data with Departmental Authorities and Treasuries (accounting as well as MIS);
- GSDP data and other State related statistics and
- Various Audit Reports of the CAG of India.

The analysis is also carried out in the context of the recommendations of the XV Finance Commission (FC), Odisha Fiscal Responsibility and Budget Management (Amendment) Act, 2021, best practices and guidelines of the Government of India. A meeting was held in January 2023 with the Finance Department, Government of Odisha, wherein the issues taken up in the State Finances Audit Report, were discussed. Replies of the Government have been incorporated in this Report at appropriate places.

1.3 Report Structure

The State Finances Audit Report is structured into the following five Chapters:

Chapter – I	Overview This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of Government Accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position, including the deficit/ surplus.
Chapter – II	Finances of the State This Chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2017-18 to 2021-22, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
Chapter – III	Budgetary Management This Chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.
Chapter – IV	Quality of Accounts & Financial Reporting Practices This Chapter comments on the quality of accounts, rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various Departmental officials of the State Government.
Chapter – V	State Public Sector Enterprises This Chapter discusses financial performance of Government Companies, Statutory Corporations and Government Controlled Other Companies, as revealed from their accounts.

1.4 Overview of Government Accounts Structure and Budgetary Processes

Article 202 of the Constitution mandates that a statement of the estimated receipts and expenditure of the Government, be laid before the House or Houses of the Legislature of the State, in respect of every financial year. This 'Annual Financial Statement' constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

Revenue Receipts consist of Tax Revenue (Own tax Revenue plus Share of Union Taxes/Duties), Non-Tax Revenue and Grants-in-Aid from Government of India.

Revenue Expenditure consists of all those expenditures of the Government, which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the Government departments and various services, interest payments on debt incurred by the Government and Grants-in-Aid given to various institutions (even though some of the grants may be meant for creation of assets).

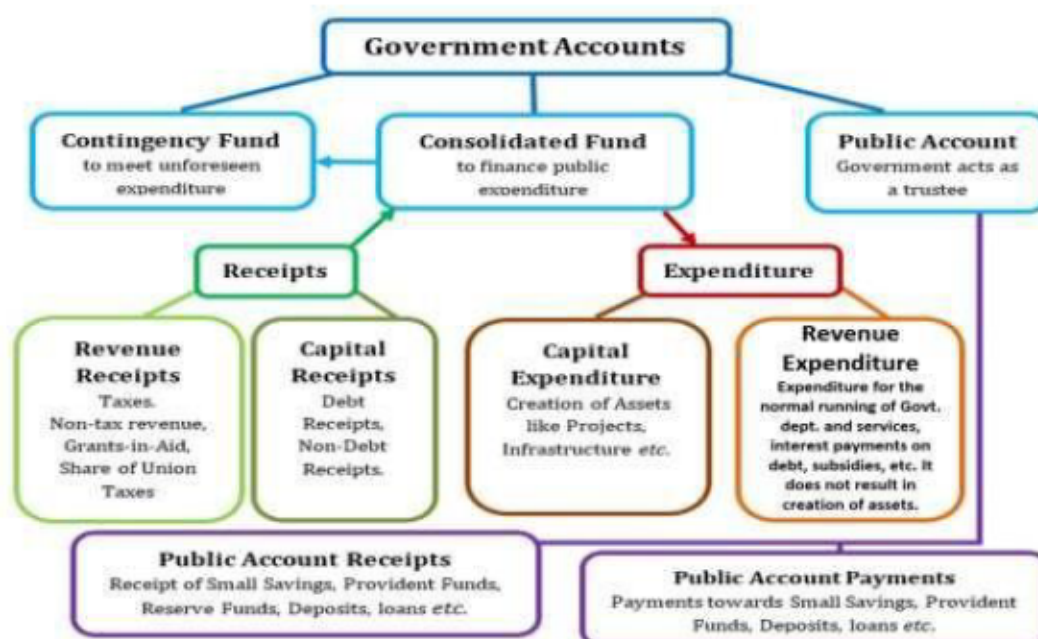
Capital receipts consist of:

Debt receipts: Market loans, bonds, loans from financial institutions, loans and advances from Central Government, etc.,

Non-debt receipts: Proceeds from disinvestment, recoveries of loans and advances.

Capital Expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares and loans and advances given by the Government to PSUs and other parties.

Structure of Government Accounts



The Accounts of the State Government are kept in three parts:

1. Consolidated Fund of the State, constituted under Article 266(1) of the Constitution of India,
2. Contingency Fund of the State, constituted under Article 267(2) of the Constitution of India,
3. Public Account of the State, constituted under Article 266(2) of the Constitution.

The extant accounting classification system in Government is based on both the functional, as well as the economic characteristics of the expenditure.

	Attribute of transaction	Classification
Standardised in List of Major and Minor Head of Account by CGA	Function (Education, Health, <i>etc.</i> / Department)	Major Head under Grants (4-digit)
	Sub-Function	Sub Major Head (2-digit)
	Programme	Minor Head (3-digit)
Flexibility left for States	Scheme	Sub Head (2-digit)
	Sub- scheme	Detailed Head (2-digit)
	Economic nature / Activity	Object Head (salary, minor works, <i>etc.</i>) (2-digit)

The functional classification lets us know the department, function, scheme or programme, and object of the expenditure. The economic classification helps organise these payments as revenue, capital, debt, *etc.* and is achieved by the numbering logic embedded in the first digit of the 4-digit Major Heads. For instance, 0 and 1 are for revenue receipts, 2 and 3 for revenue expenditure *etc.* Economic classification is also achieved by an inherent definition and distribution of some object heads. For instance, while the “salary” object head is revenue expenditure, the “construction” object head is capital expenditure. The Object head is the primary unit of appropriation in the budget documents.

Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of the State, causes to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year, in the form of an Annual Financial Statement. In terms of Article 203, the statement is submitted to the State Legislature in the form of Demands for Grants/ Appropriations and, after approval of these, the Appropriation Bill is passed by the Legislature, under Article 204, to provide for appropriation of the required money out of the Consolidated Fund. Some States have more than one consolidated Budget – there could be sub-budgets like Child Budget, Agriculture Budget, Weaker sections (SC/ST) Budget, Disability Budget *etc.*

The State Budget Manual details the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities. Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in Chapter III of this Report.

1.4.1 Gross State Domestic Product of the State

The Gross Domestic Product (GDP) and Gross State Domestic Product (GSDP) refer to the market value of all officially recognised final goods and services produced within the Country and the State, respectively, in a given period of time, accounted without duplication and are important indicators of the economy of the Country and the State. The Gross State Domestic Product (GSDP) of Odisha in 2021-22, at current prices, was ₹6,38,342 crore. The trends in annual growth of GDP and GSDP, at current prices and constant prices (Base year: 2011-12), are shown in Table 1.1.

Table 1.1: Trends in GSDP compared to the GDP

(₹ in crore)					
Year	2017-18	2018-19	2019-20	2020-21	2021-22
Current Prices					
GDP (₹ in crore)	1,70,90,042	1,88,99,668	2,00,74,856	1,98,00,914	2,36,64,637
Growth rate (<i>per cent</i>)	11.03	10.59	6.22	-1.36	19.51
GSDP (₹ in crore)	4,40,974	4,98,576	5,46,413	5,42,889	6,38,342
Growth rate (<i>per cent</i>)	12.26	13.06	9.59	-0.64	17.58
Constant Prices (Base Year 2011-12)					
GDP (₹ in crore)	1,31,44,582	1,39,92,914	1,45,15,958	1,35,58,473	1,47,35,515
Growth rate (<i>per cent</i>)	6.80	6.53	4.04	-7.25	9.18
GSDP (₹ in crore)	3,61,657	3,86,798	4,10,260	3,88,328	4,27,592
Growth rate (<i>per cent</i>)	7.21	6.95	6.07	-5.35	10.11

Source: GDP - Central Statistical Office (2017-18: Final, 2018-19: Third Revised, 2019-20: Second Revised, 2020-21: First Revised and 2021-22: Provisional Estimate)

GSDP - Directorate of Economics & Statistics, Odisha (2017-18: Final, 2018-19: Third Revised, 2019-20: Second Revised, 2020-21: First Revised and 2021-22: 1st Advance Estimate)

1.4.1.1 Sectoral Composition

In regard to the sectoral composition of GSDP, the share of Agriculture and Allied Activities Sector was 17.91 *per cent* during 2021-22, which was higher than its share of 16.99 *per cent* during 2017-18.

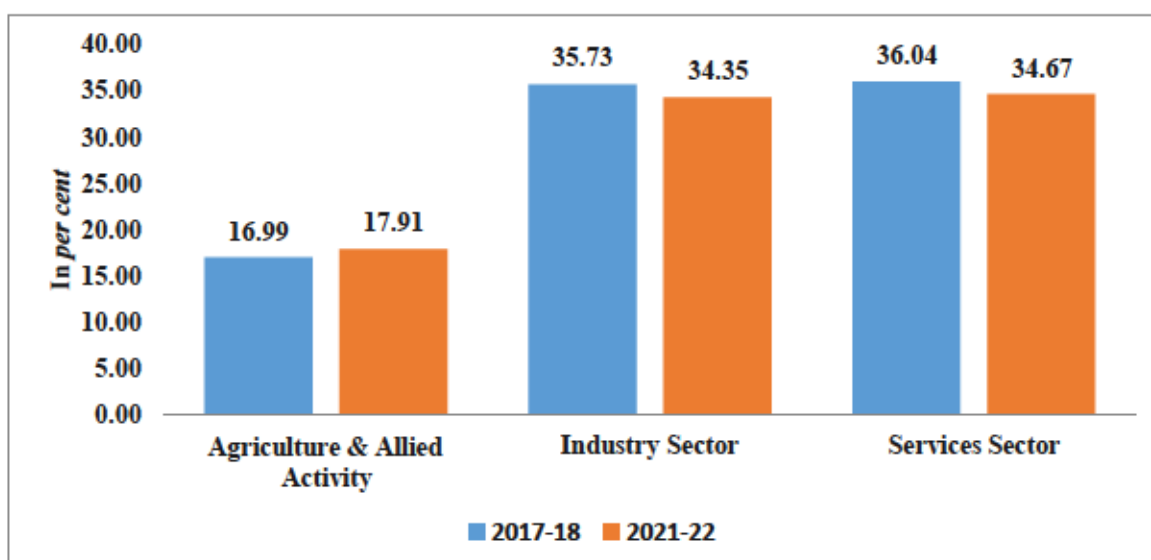
The share of the Industry Sector was 34.35 *per cent* of GSDP during 2021-22, which was lower than its share of 35.73 *per cent* during 2017-18, due to the shut-down and restrictions imposed on operations of industries during the Covid-19 outbreak. This Sector comprises: (i) Mining and Quarrying (ii) Manufacturing (iii) Electricity, Gas and Water-supply and (iv) Construction activities. Manufacturing is the leading sub-sector, with a 55.93 *per cent* share under the Industry Sector.

The share of the Services Sector during 2021-22 was 34.67 *per cent* of GSDP, as against 36.04 *per cent* during 2017-18. This Sector comprises: (i) Trade, Repair, Hotels and Restaurants (ii) Transport, Storage, Communication *etc.* (iii) Financial Services (iv) Real estate, Professional Services (v) Public Administration and Defence and (vi) Other Services. Trade, Repair, Hotels and Restaurants is the leading sub-sector, with 24.10 *per cent* share under the Services Sector. The share of Taxes on Product (less subsidy) showed an increase from 11.23 *per cent* in 2017-18 to 13.06 *per cent* of

GSDP in 2021-22.

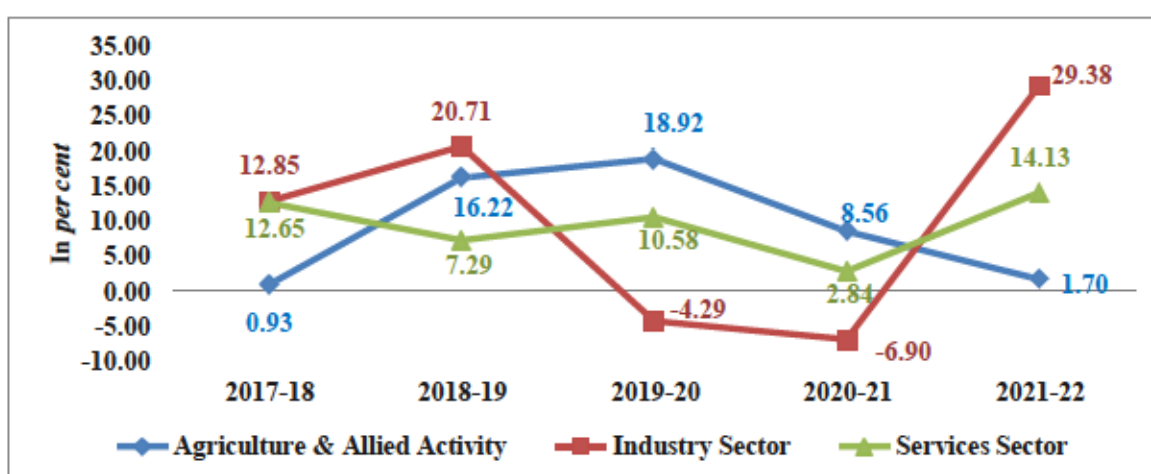
The changes in sectoral contribution to GSDP and trends in sectoral growth of GSDP, over the years 2017-18 to 2021-22, are detailed in Charts 1.1 and 1.2 below:

Chart 1.1: Change in Sectoral Contribution to GSDP (2017-18 to 2021-22)



Source: Directorate of Economics & Statistics, Government of Odisha

Chart 1.2: Sectoral Growth in GSDP (Over Previous Year)



Source: Directorate of Economics & Statistics, Government of Odisha

The Agriculture sector showed a growth of 1.70 per cent, despite heavy crop loss due to the adverse impact of Cyclone “Jawad”, in the form of unseasonal rain, during December 2021. Despite meagre growth in the Agriculture sector, the overall growth rate reached 17.58 per cent because of better performance in the Industry sector (29.38 per cent) and the Services sector (14.13 per cent). The maximum growth rates were observed under sub-sectors of Manufacturing (36.30 per cent), followed by Mining and Quarrying (32.21 per cent), Public Administration (18.07 per cent), Trade Repair, Hotels and Restaurants (17.13 per cent) and Construction (16.18 per cent).

1.4.2 Snapshot of Finances

Table 1.2 provides the details of actual financial results, i.e., Budget Estimates vis-à-vis Actuals of 2021-22.

Table 1.2: Actual Financial Results vis-à-vis Budget Estimates

(₹ in crore)						
Sl. No.	Components	2020-21 Actual	2021-22 B.E.	2021-22 Actual	Percentage of Actual to B.E.	Percentage of Actual to GSDP
1	Tax Revenue	61,801	67,637	78,892	116.64	12.36
i.	Own Tax Revenue	34,258	37,500	40,748	108.66	6.38
ii.	Share of Union taxes / duties	27,543	30,137	38,144	126.57	5.98
2	Non Tax Revenue	19,518	20,000	54,257	271.25	8.50
3	Grants-in-Aid and Contributions	23,068	37,963	19,910	52.45	3.12
4	Revenue Receipts (1+2+3)	1,04,387	1,25,600	1,53,059	121.86	23.98
5	Recovery of Loans and Advances	684	414	1,566	378.26	0.25
6	Other Receipts	0	0	0		0.00
7	Borrowings and other Liabilities (a)	9,786	20,465	-20,627	-100.79	-3.23
8	Revenue Expenditure, of which	95,311	1,19,567	1,09,588	91.29	17.17
9	Interest payments	6,644	8,000	6,342	79.28	0.99
10	Grants-in-Aid for creation of capital assets	8,567	NA	5,388	NA	0.84
11	Capital Expenditure, of which	19,546	26,912	24,412	90.71	3.82
12	Capital Outlay	17,949	25,374	22,726	89.56	3.56
13	Loan and Advances	1,597	1,538	1,686	109.62	0.26
14	Total Expenditure (8+11)	1,14,857	1,46,479	1,34,000	91.48	20.99
15	Revenue Surplus (4-8)	9,076	6033	43,471	720.55	6.81
16	Fiscal Deficit (-)/Surplus (+) {14-(4+5+6)}	(-)9,786 [#]	(-)20,465	20,627 ¹	-100.78	3.23
17	Primary Surplus (+) (16+9)	3,142	(-)12,465	26,969	-216.34	4.22

Source: Finance Accounts & Budget at a Glance

[#] Difference of ₹ 2 crore is due to rounding off.

(a) Borrowings and other Liabilities: Net (Receipts – Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts – Disbursements) of Public Account + Net of Opening and Closing Cash Balance

The increase in Revenue Receipts by ₹48,672 crore over last year, was due to an increase in State's Non-tax Revenue by ₹34,739 crore, share of Union Taxes and Duties by ₹10,601 crore and State's Own Tax Revenue by ₹ 6,490 crore.

GST Compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. However, in addition to receiving the GST compensation as Revenue Receipts, due to inadequate balance in GST compensation fund during the years 2020-21 and 2021-22, Odisha also received back-to-back loans of ₹3,822 crore and ₹6,430 crore, respectively, under debt receipts of the State Government. The

¹ Difference of ₹2 crore is due to rounding off [(RR: ₹1,53,059.44 crore + Recovery of Loans & Advances: ₹1,566.38 crore) – (RE: ₹1,09,587.53 crore + CE: ₹22,725.48 crore + Disbursement of Loans and Advances: ₹1,685.68 crore) = ₹20,627.13 crore]

Department of Expenditure, GoI, has decided that the back-to-back loan will not be treated as debt of the State for any norms, which may be prescribed by the Finance Commission. Due to this arrangement, the Revenue Surplus of ₹ 43,471 crore and Fiscal Surplus of ₹20,627 crore during the year 2021-22, may be read in conjunction with debt receipts ₹10,252 crore (₹3,822 crore and ₹ 6,430 crore), in lieu of GST compensation.

Table 1.3 indicates the trend analysis of Receipts *vis-à-vis* Expenditure for the last five years:

Table 1.3: Trends of Receipts *vis-à-vis* Expenditure

Year	Revenue		Percentage of Revenue Expenditure to Revenue Receipts	Capital*		Percentage of Capital Expenditure to Capital Receipts
	Receipts	Expenditure		Receipts	Expenditure (Capital Expenditure + Loans and Advances)	
2017-18	85,204	71,837	84.31	13,119	22,984	195.70
2018-19	99,546	85,356	85.75	10,308	24,652	277.38
2019-20	1,01,568	99,137	97.61	14,966	21,536	173.93
2020-21	1,04,387	95,311	91.31	21,002	19,546	137.12
2021-22	1,53,059	1,09,588	71.60	14,346	24,412	308.17

Source: Finance Accounts of respective years

- In 2019-20, for every ₹100 received as revenue, ₹ 97.61 had been spent on Revenue Expenditure, which was reduced to ₹91.31 in 2020-21 and ₹71.60 in 2021-22.
- While Revenue Expenditure increased by ₹37,751 crore (52.55 per cent) from 2017-18 to 2021-22, Capital Expenditure increased by ₹ 1,428 crore (6.21 per cent).
- The percentage of Revenue Expenditure over Revenue Receipts was decreasing since 2019-20.
- Out of the Capital Expenditure (CAPEX) booked (₹24,412 crore) during the year 2021-22, only ₹19,348 crore (79.25 per cent of amount booked) was actual CAPEX, resulting in creation of assets. The remaining ₹5,064 crore was
 - (i) misclassification of revenue expenditure as capital expenditure (1,338 crore),
 - (ii) accounting adjustment (conversion of loans worth ₹981.35 crore of GRIDCO to equity investment and conversion of ₹1,058.34 crore interest accrued on loans issued to GRIDCO, as equity) and
 - (iii) Loans and Advances disbursed (₹1,686 crore).

1.4.3 Snapshot of Assets and liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The liabilities consist mainly of internal

borrowings, loans and advances from GoI, receipts from the Public Account and reserve funds, and the assets comprise mainly of the Capital Expenditure and loans and advances given by the State Government and cash balances. Summarised position of assets and liabilities for the years 2020-21 and 2021-22 is given in Table 1.4.

Table 1.4: Summarised position of assets and liabilities

(₹ in crore)

Liabilities					Assets				
		2020-21	2021-22	Per cent increase/ decrease			2020-21	2021-22	Per cent increas e/ decreas e
Consolidated Fund									
A	Internal Debt	67,521.41	53,977.24	(-)20.06	A	Gross Capital Expenditure on Fixed Assets	1,79,684.79	2,02,410.27	12.65
B	Loans and Advances from GoI	11,981.95	18,507.82	54.46	B	Loans and Advances	9,066.17	9,185.47	1.32
Contingency Fund		229.00	400.00	74.67					
Public Account									
A	Small Savings, Provident Funds etc.	24,949.37	25,257.58	1.24	A	Advances	16.48	17.33	5.16
B	Deposits	16,225.05	16,997.92	4.76	B	Remittances	82.23	65.54	(-)20.30
C	Reserve Funds	20,333.44	23,833.30	17.21	C	Suspense and Miscellaneous	—	—	—
D	Suspense and Miscellaneous balances	117.62	306.03	160.19	D	Cash Balance (including investment of Earmarked Fund)	32,636.04	51,231.05	56.98
E	Miscellaneous Capital Receipts	698.15	698.15	Nil					
F	Cumulative excess of receipts over expenditure	79,429.72	1,22,901.62	54.73					
	Total	2,21,485.71	2,62,909.66	18.70		Total	2,21,485.71	2,62,909.66	18.70

Source: Finance Accounts of respective years

The growth rate of assets in the Consolidated Fund increased by 12.10 per cent from ₹1,88,751 crore in 2020-21 to ₹2,11,596 crore in 2021-22, while that of liabilities decreased by 8.83 per cent from ₹ 79,503 crore in 2020-21 to ₹ 72,485 crore in 2021-22. The cash balance of the State at the end of the year was ₹51,231 crore, which substantially increased by ₹18,595 crore (56.98 per cent) over the previous year.

1.5 Fiscal Balance: Achievement of deficit and total debt targets

The Central and individual State Governments have passed Fiscal Responsibility and Budget Management (FRBM) Acts, with the objective of ensuring prudence in fiscal management by eliminating revenue deficit, reducing fiscal deficit and overall/outstanding debt to an acceptable level, establishing improved debt management and improving transparency in a medium-term framework. In this context, the Act provides quantitative targets to be adhered to by the State, with regard to deficit measures and debt level.

Achievements *vis-à-vis* fiscal targets prescribed in the State FRBM Act, for the years 2017-22, are detailed in Table 1.5 and comparison of targets for fiscal parameters projected in Medium Term Fiscal Plan (MTFP), 2021, presented to the State Legislature, with actuals for the current year, are presented in Table 1.6.

Table 1.5: Compliance with provisions of State FRBM Act

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Revenue Surplus	13,367	14,190	2,430	9,076	43,471
		□	□	□	□	□
Fiscal Deficit (-) / Surplus (+) (as percentage of GSDP)	3 per cent (5 per cent for 2020-21)	-2.12	-2.04	-3.45	-1.80	3.23
		□	□	×	□	□
Ratio of total outstanding debt to GSDP (in per cent)	25 per cent	22.03	21.71	23.09	22.61	17.21 ²
		□	□	□	□	□
Interest payment as percentage of Revenue Receipts	15 per cent	5.85	5.83	5.97	6.36	4.14
		□	□	□	□	□
Ratio of Salary to State's Own Revenue	80 per cent	48.74	43.50	44.39	39.34	24.86
		□	□	□	□	□
Primary Surplus as a percent of GSDP	2 per cent	-0.99	-0.87	-2.34	-0.58	4.22
		×	×	×	×	□

Source: FRBM Act and Finance Accounts of respective years, Government of Odisha

During 2021-22, the State was able to achieve all the fiscal parameters set out in the FRBM Act.

Table 1.6: Actuals *vis-à-vis* projection in MTFP for 2021-22

(₹ in crore)

Sl. No.	Fiscal Variables	Projection as per MTFP	Actuals (2021-22)	Variation (in per cent)
1	Tax Revenue	67,637	78,892	16.64
i.	Own Tax Revenue	37,500	40,748	8.66
ii.	Share of Central Taxes	30,137	38,144	26.57
2	Non Tax Revenue	20,000	54,257	171.28
3	Grants-in-Aid from GoI	37,963	19,910	-47.55
4	Revenue Receipts (1+2+3)	1,25,600	1,53,059	21.86
5	Revenue Expenditure	1,19,567	1,09,588	-8.35
6	Revenue Deficit (-) / Surplus (+) (4-5)	6,033	43,471	620.55
7	Fiscal Deficit (-) / Surplus (+)	(-)20,465	20,627	-200.78
8	Debt-GSDP ratio (per cent)	21.33	17.21 ²	(-)11.77
9	GSDP growth rate at current prices (per cent)	15.00	17.57	17.20

Source: Medium Term Fiscal Plan, 2021 and Finance Accounts 2021-22, Government of Odisha.

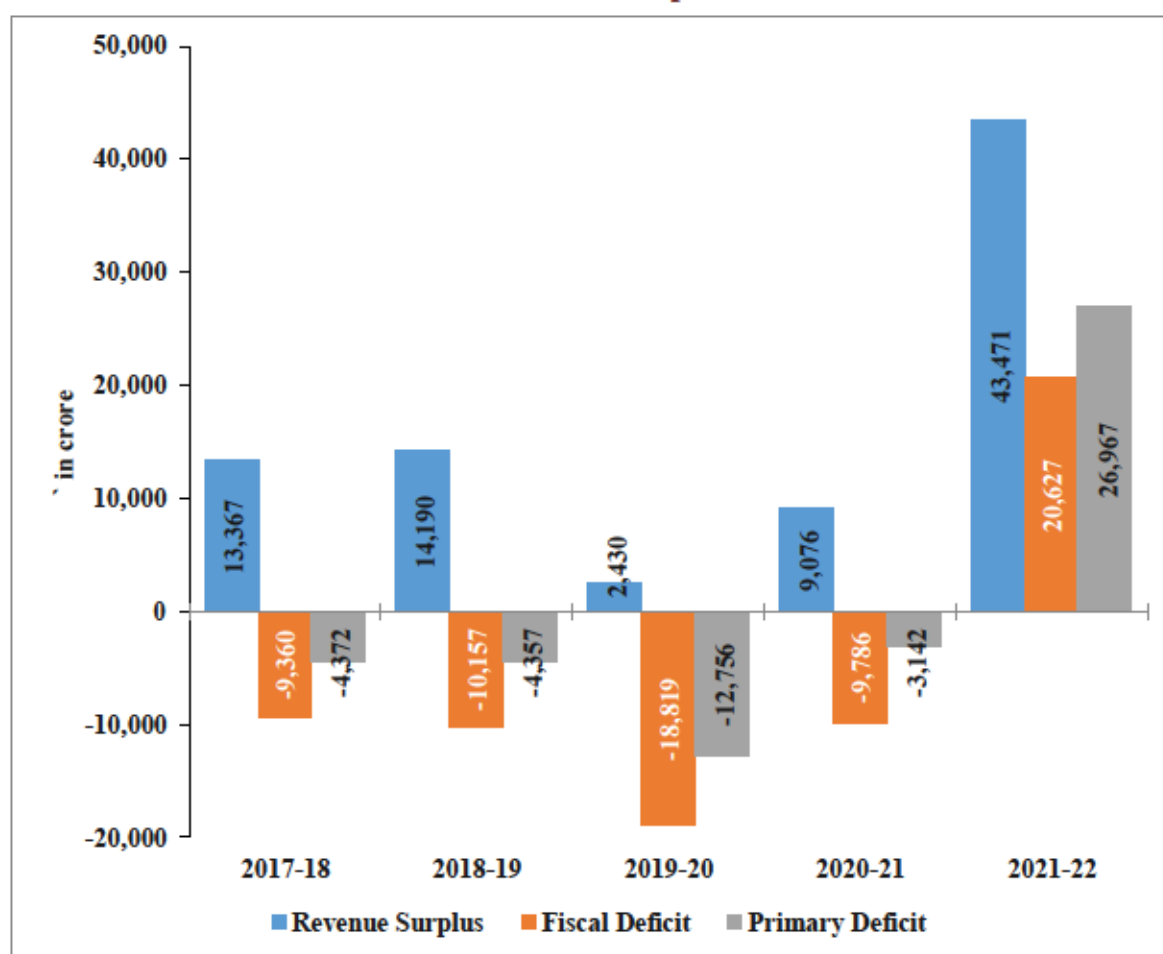
² This debt does not include ₹10,252.20 crore (₹3,822.00 crore during 2020-21 and ₹6,430.20 crore during 2021-22), which was passed on as back to back loans by Government of India in lieu of shortfall in GST Compensation, vide GoI's No. F. No. 40(1) PF- S/2021-22 dated 10-12-2021.

The effective debt to GSDP ratio (17.21 *per cent*) has been arrived at after excluding GST compensation of ₹ 10,252 crore, received as back-to-back loan, under debt receipts from the total outstanding debt, as the Department of Expenditure, GoI, has decided that it will not be treated as debt of the State for any norms, which may be prescribed by the Finance Commission.

1.5.1 Fiscal parameters

Three key fiscal parameters *viz.*, (i) Revenue Surplus/Deficit³, (ii) Fiscal Surplus/Deficit⁴ and (iii) Primary Surplus/Deficit⁵ help in assessing the fiscal situation of the Government. The way these deficits are financed, assist in assessing the fiscal health of the Government. Trends in fiscal parameters are shown in **Chart 1.3**. Trends in Debt Sustainability (*i.e.*, Ratio between Fiscal Liabilities and GSDP in *per cent*) are shown in **Chart 1.4**.

Chart 1.3: Trends of Fiscal parameters



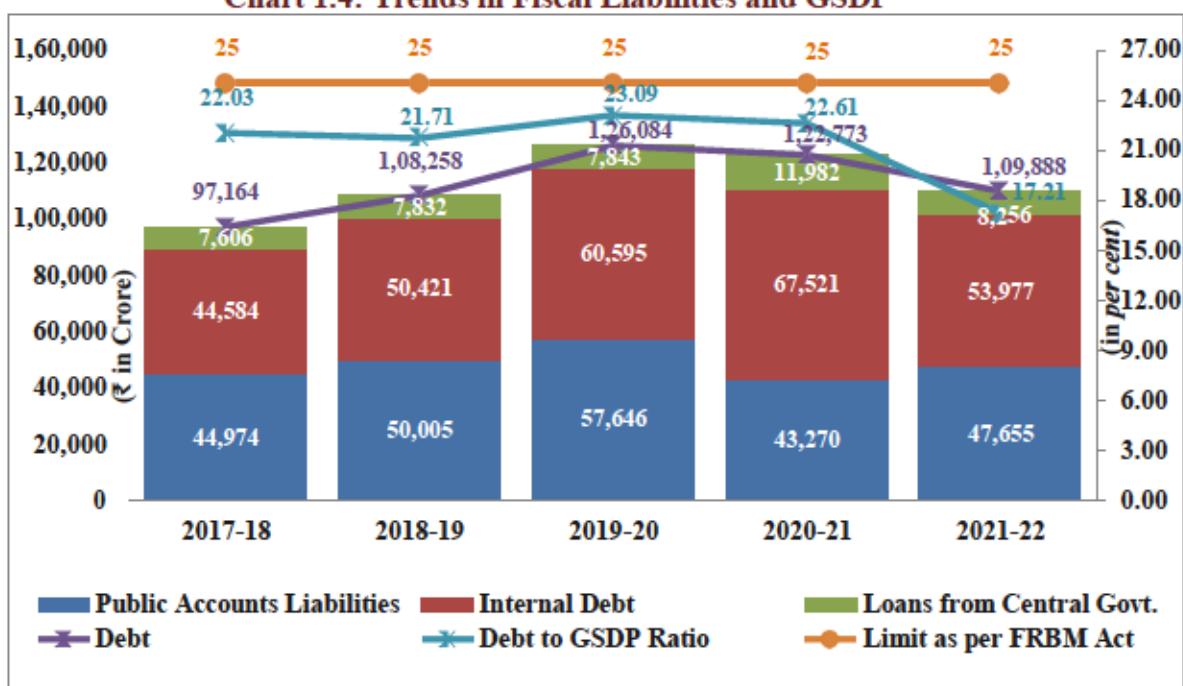
Source: Finance Accounts 2021-22, Government of Odisha

³ Revenue Deficit = Revenue Expenditure - Revenue Receipts

⁴ Fiscal Deficit = Revenue Expenditure + Capital Expenditure + Net Loans and Advances (-) Revenue Receipts (-) Miscellaneous Capital Receipts

⁵ Primary Deficit = Fiscal Deficit - Interest Payments.

Chart 1.4: Trends in Fiscal Liabilities and GSDP



Source: Finance Accounts 2021-22, Government of Odisha

Some important deficit parameters are discussed below:

- Revenue Surplus:** Revenue Surplus (₹43,471 crore) of the State in 2021-22 increased (379 *per cent*) compared to 2020-21 (₹9,076 crore). The State achieved the target of being a Revenue Surplus State, as laid out in the State's FRBM (Amendment) Act, 2021, and was 621 *per cent* more than the MTFP projections (₹6,033 crore).
- Fiscal Surplus:** Fiscal Deficit for the year 2019-20 was ₹18,819 crore, which was reduced to ₹9,786 crore in 2020-21. In the year 2021-22, the State was able to achieve Fiscal Surplus of ₹20,627 crore. Being a Fiscal Surplus State, the fiscal target set out in its FRBM (Amendment) Act, 2021, of maintaining the Fiscal Deficit within 3 *per cent* of the GSDP, was achieved.
- Primary Surplus:** Primary Deficit for the year 2019-20 was ₹12,756 crore, which was reduced to ₹3,142 crore in 2020-21. In the year 2021-22, the State was able to achieve Primary Surplus of ₹26,967 crore. Primary Surplus, as a percentage of GSDP was 4.22 *per cent* and the State achieved the fiscal target set out in FRBM (Amendment) Act, 2021, of maintaining the Primary Surplus at 2 *per cent* of the GSDP.

Major reasons for surge in Revenue Surplus, during 2021-22

During 2021-22, the Government of Odisha observed steep rise in collection of revenue receipts, resulting in huge Revenue Surplus of ₹43,471 crore. Revenue Surplus of ₹43,471 crore was due to windfall growth under State's Non Tax Revenue from ₹19,518 crore in 2020-21 to ₹54,257 crore in 2021-22. Tax Revenue also

increased from ₹34,258 crore in 2020-21 to ₹40,748 crore in 2021-22. The main reasons for revenue surplus were as follows:

1. The growth was mainly under Major Head 0853- Non Ferrous Mining and Metallurgical Industry. During the year 2021-22, the Government auctioned mines (iron ore, manganese, bauxite and dolomite mines) following the Mines and Minerals (Development and Regulation) amendment Act, 2015, which required the government to auction all new mines and those with expired leases, resulting in high collection of mining revenue.
2. Due to auction of coal mines, the State also received around ₹1,000 crore more than the previous year.
3. During 2021-22, the State received ₹11,434 crore as net proceeds of Central Goods and Services Tax (CGST), against ₹8,160 crore, received during 2020-21 (40 per cent rise).
4. During the financial year 2021-22, the State also got a good collection of SGST to the tune of ₹16,392 crore, as against ₹13,043 crore collected, during the previous year.

Due to the above reasons, the Revenue Receipts of the State reached to a height of ₹1,53,059 crore, in comparison to last year's collection of ₹1,04,387 crore, with a gigantic leap of ₹48,672 crore (47 per cent), resulting in enormous Revenue Surplus of ₹43,471 crore.

1.6 Surplus/ Deficit and Total Debt, after examination by Audit

After examination by Audit, there may be identification of certain financial transactions of the State Government whose corresponding accounting entries have resulted in misclassification of expenditure between revenue and capital heads of account. The following section describes such identified financial transactions.

1.6.1 Post audit Surplus/ Deficit

Misclassification of revenue expenditure as capital expenditure impacts Revenue Surplus figure. Besides, non-credit of interest to Reserve Funds and Deposits (bearing interest), not depositing cess/ royalty to Consolidated Fund *etc.* also impact the Revenue Surplus and Fiscal Surplus figures. In order to arrive at actual deficit figures, the impact of such irregularities need to be reversed.

Audit noticed overstatement of Revenue Surplus by ₹1,525.45 crore and overstatement of Fiscal Surplus by ₹187.25 crore for 2021-22, as detailed in Table 1.7:

Table 1.7: Revenue Surplus and Fiscal Deficit, post examination by Audit

(₹ in crore)

Particulars	Impact on Revenue Surplus (₹ in crore)		Impact on Fiscal Surplus (₹ in crore)	
	Over Statement	Under Statement	Over Statement	Under Statement
Misclassifications between Revenue and Capital Expenditure	1,338.20	--	--	--
Non-Credit of Interest to Reserve Funds and Deposits (bearing interest)	131.88	--	131.88	--
Labour Welfare Cess collected, but not transferred to Board's Account	1.61	--	1.61	--
Non-transfer of Land Revenue Cess to Local Bodies	53.76	--	53.76	-
Total Impact	1,525.45 (Over-Statement)		187.25 (Over-Statement)	

Source: Audited Finance Accounts 2021-22, Government of Odisha

As can be seen from the above Table, there was an overstatement of Revenue Surplus and Fiscal Surplus by ₹1,525.45 crore and ₹187.25 crore, respectively, during the year. As per Finance Accounts, the Revenue Surplus and Fiscal Surplus were ₹43,471.90 crore and ₹20,627.13 crore, respectively, which would actually be ₹41,946.45 crore and ₹20,439.88 crore, respectively, in 2021-22.

The Government stated (January 2023) that many accounting corrections have already been incorporated in the Annual Budget, 2022-23, as per the recommendations of Audit in C&AG's previous State Finances Audit Reports and recommendations of Audit on current SFAR would be considered during the next Budget cycle.

Recommendations

- 1) Government should take necessary steps to transfer Land Revenue Cess to Local Bodies and Labour Welfare Cess to Board's Account.
- 2) Government should take necessary steps to credit interest to Reserve Funds and Deposit Accounts.

Chapter II

Finances of the State

2.1 Major changes in key fiscal aggregates vis-à-vis 2020-21

This section gives a bird's eye view of the major changes in key fiscal aggregates of the State during 2021-22, as compared to 2020-21. Each of these indicators has been analysed in the succeeding paragraphs.

Table 2.1: Changes in key fiscal aggregates in 2021-22, compared to 2020-21

Revenue Receipts	<ul style="list-style-type: none"> ✓ Revenue receipts of the State increased by 46.63 per cent ✓ Own Tax receipts of the State increased 18.94 per cent ✓ Own Non-tax receipts increased by 177.98 per cent ✓ State's Share of Union Taxes and Duties increased by 38.49 per cent ✓ Grants-in-Aid from Government of India decreased by 13.69 per cent
Revenue Expenditure	<ul style="list-style-type: none"> ✓ Revenue expenditure increased by 14.98 per cent ✓ Revenue expenditure on General Services increased by 16.62 per cent ✓ Revenue expenditure on Social Services increased by 18.57 per cent ✓ Revenue expenditure on Economic Services increased by 7.68 per cent ✓ Expenditure on Grants-in-Aid increased by 13.83 per cent
Capital Expenditure	<ul style="list-style-type: none"> ✓ Capital Expenditure increased by 26.61 per cent ✓ Capital Expenditure on General Services remained the same. ✓ Capital Expenditure on Social Services increased by 32.70 per cent ✓ Capital Expenditure on Economic Services increased by 26.25 per cent
Loans and Advances	<ul style="list-style-type: none"> ✓ Disbursement of Loans and Advances increased by 5.57 per cent ✓ Recoveries of Loans and Advances increased by 128.95 per cent
Public Debt	<ul style="list-style-type: none"> ✓ Public Debt Receipts decreased by 37.10 per cent ✓ Repayment of Public Debt increased by 113.99 per cent
Public Account	<ul style="list-style-type: none"> ✓ Public Account Receipts increased by 18.89 per cent ✓ Disbursement of Public Account decreased by 5.10 per cent
Cash Balance	<ul style="list-style-type: none"> ✓ Cash balance increased by ₹18,595 crore (56.98 per cent) during 2021-22, as compared to previous year

2.2 Sources and Application of Funds

This section compares the components of the sources and application of funds of the State during the financial year 2021-22, as compared to 2020-21. The details are given in *Appendix 2.1* and *Appendix 2.2*.

Table 2.2: Details of Sources and Application of funds during 2020-21 and 2021-22

(₹ in crore)				
	Particulars	2020-21	2021-22	Increase / Decrease (% of variation)
Sources	Opening Cash Balance	42,438	32,636	-9,802 (23.10)
	Revenue Receipts	1,04,387	1,53,060	48,673 (46.63)
	Recoveries of Loans and Advances	684	1,566	882 (128.95)
	Public Debt Receipts (Net)	11,066	(-)7,018	-18,084 (163.42)
	Public Account Receipts (Net)	(-)10,911	4,815	15,726 (144.13)
	Total	1,47,664	1,85,059	37,395 (25.32)
Application	Revenue Expenditure	95,311	1,09,588	14,277 (14.98)
	Capital Expenditure	17,949	22,725	4,776 (26.61)
	Disbursement of Loans and Advances	1,597	1,686	89 (5.57)
	Contingency Fund (Net)	171	(-)171	-342 (200.00)
	Closing Cash Balance	32,636	51,231	18,595 (56.98)
	Total	1,47,664	1,85,059	37,395 (25.32)

Source: Finance Accounts of respective years, Government of Odisha

Chart 2.1: Composition of Resources
(in per cent)

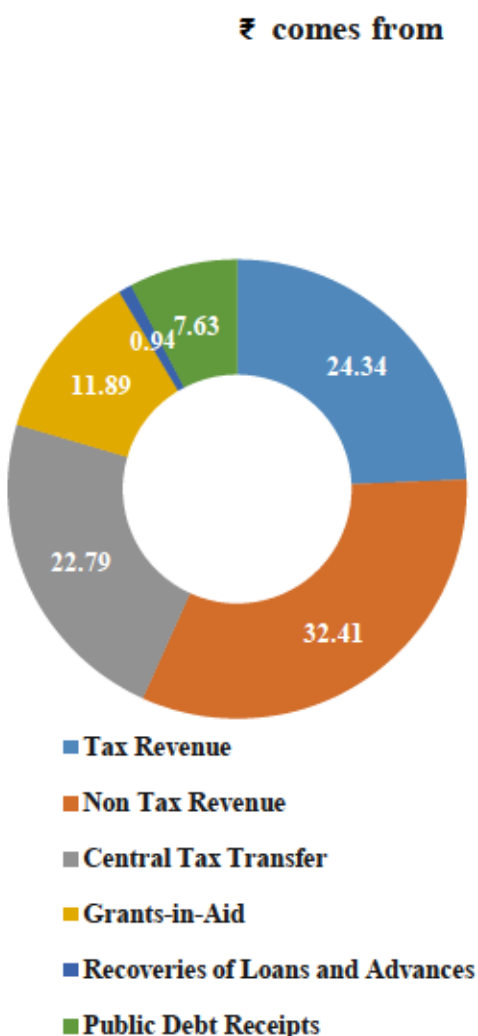
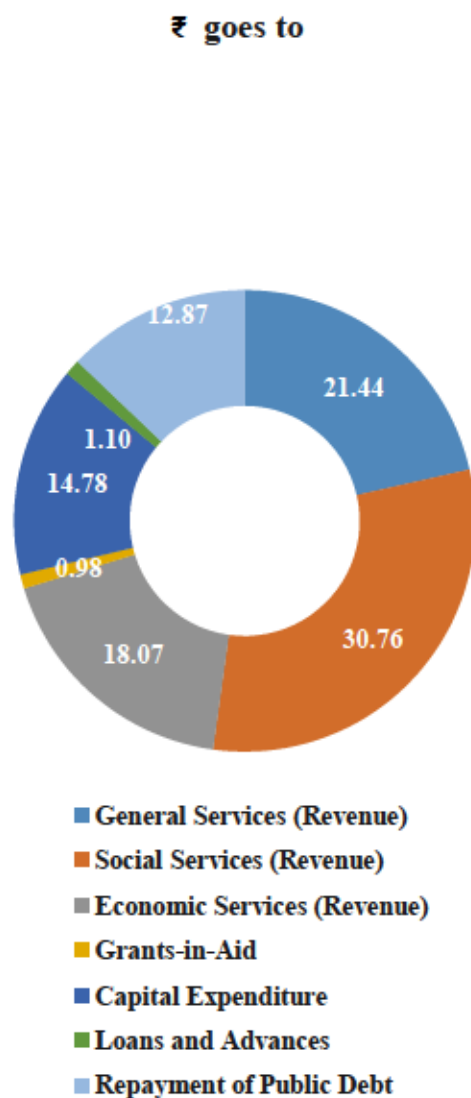


Chart 2.2: Application of Resources
(in per cent)



2.3 Resources of the State

The resources of the State are described below:

1. Revenue Receipts consist of tax revenue, non-tax revenue, State's share of Union taxes and duties and Grants-in-Aid from the Government of India (GoI).

2. Capital Receipts comprise of miscellaneous capital receipts, such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Both revenue and capital receipts form part of the Consolidated Fund of the State.

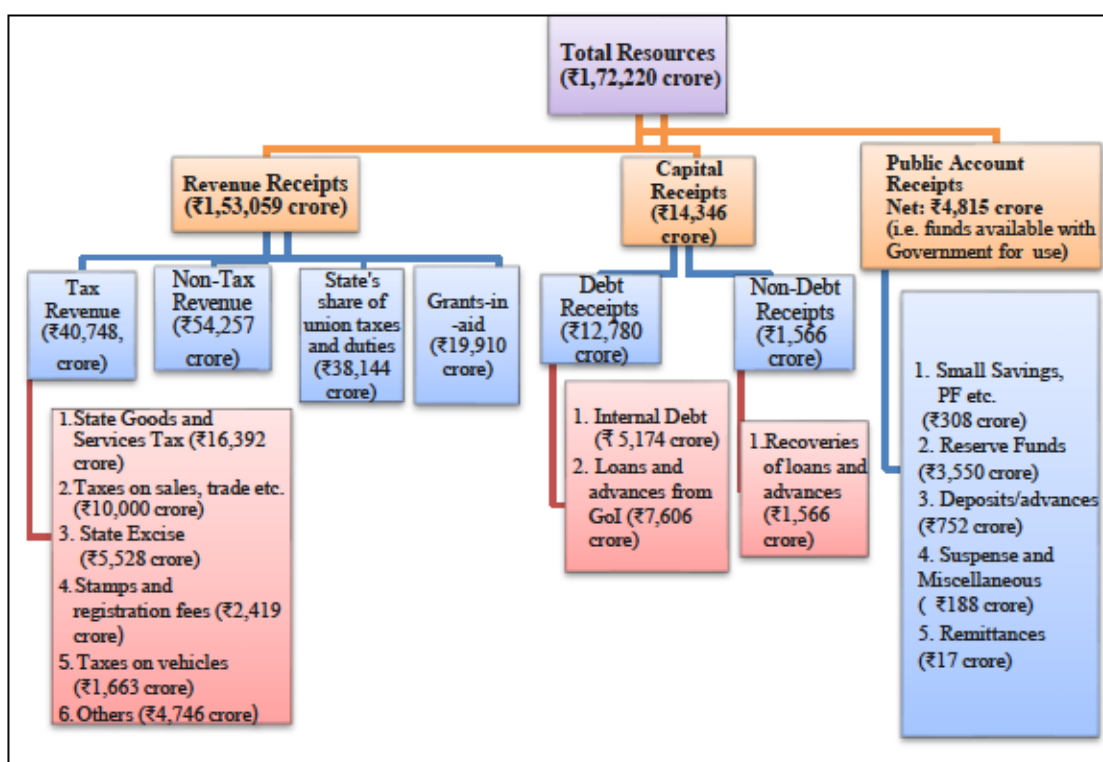
3. Net Public Account receipts: These are receipts and disbursements in respect of certain transactions, such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.*, which do not form part of the Consolidated Fund.

These 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. Here, the Government acts as a banker. The balance, after disbursements, is the fund available with the Government for use.

2.3.1 Receipts of the State

The overall composition of the State resources (₹1,72,220 crore) in 2021-22, is shown in Chart 2.3:

Chart 2.3: Composition of Resources in 2021-22



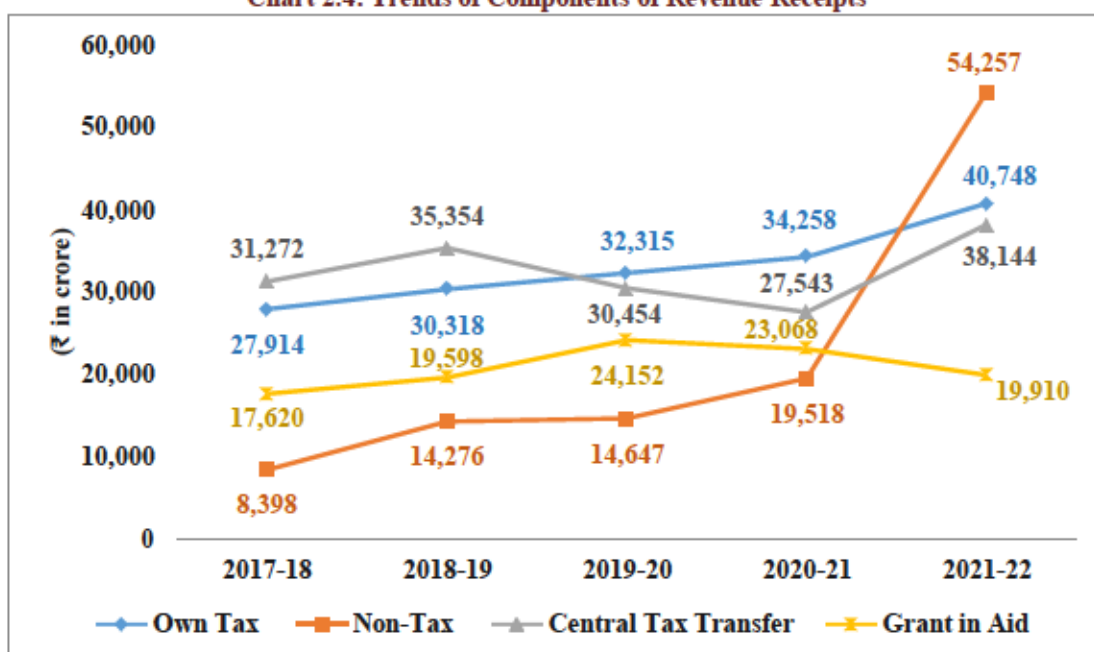
Source: Finance Accounts 2021-22, Government of Odisha

Chart 2.3 shows that, out of the total resources of ₹1,72,220 crore of the State Government during the year 2021-22, Revenue Receipts (₹1,53,059 crore) constituted 88.87 per cent of total resources. Capital Receipts (₹14,346 crore) and Public Account Receipts (net: ₹ 4,815 crore) constituted 8.33 per cent and 2.80 per cent of the total resources, respectively.

2.3.2 State's Revenue Receipts

Statement 14 of the Finance Accounts gives details of the Revenue Receipts of the Government. Revenue Receipts (₹ 1,53,059 crore) of the Government, constituting 23.98 per cent of the GSDP⁶ (₹ 6,38,342 crore), increased by 46.63 per cent over the previous year (₹ 1,04,387 crore). Revenue Receipts were more than the budget estimates (₹1,25,600 crore) by ₹ 27,459 crore (21.86 per cent). The trends and composition of the Revenue Receipts, during the years 2017-18 to 2021-22, are shown in Chart 2.4.

Chart 2.4: Trends of Components of Revenue Receipts



Source: Finance Accounts of respective years, Government of Odisha

As can be seen from the above Chart, Own Tax Revenue and Non Tax Revenue have been increasing over the last five years. During 2021-22, the Non Tax Revenue shoot up to ₹54,257 crore, with a significant growth of 177.98 per cent.

Central Tax Transfers followed decreasing trend for the period 2018-19 to 2020-21. However, these increased by 38.49 per cent during 2021-22, compared to the previous year. On the other hand, the Grants-in-aid, received from Government of India, have been decreasing since 2019-20.

⁶GSDP at current prices

2.3.2.1 Trends and Growth of Revenue Receipts

This following paragraph shows the trends and growth of revenue receipts as well as revenue buoyancy with respect to GSDP over the five-year period.

The trends of Revenue Receipts relative to GSDP are presented in Table 2.3 and Chart 2.5:

Table 2.3: Trends of Revenue Receipts relative to GSDP

	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Receipts (RR) (₹ in crore)	85,204	99,546	1,01,568	1,04,387	1,53,059
Rate of growth of RR (<i>per cent</i>)	14.68	16.83	2.03	2.78	46.63
Own Tax Revenue	27,914	30,318	32,315	34,258	40,748
Non Tax Revenue	8,398	14,276	14,647	19,518	54,257
State Own Revenue (Own Tax and Non-tax Revenue)	36,312	44,594	46,962	53,776	95,005
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>)	17.53	22.81	5.31	14.51	76.69
Gross State Domestic Product (GSDP) (₹ in crore)	4,40,974	4,98,576	5,46,413	5,42,889	6,38,342
Rate of growth of GSDP (<i>per cent</i>)	12.26	13.06	9.59	-0.64	17.58
R R/GSDP (<i>per cent</i>)	19.32	19.97	18.59	19.23	23.98
Buoyancy Ratio ⁷					
Revenue Buoyancy with respect to GSDP	1.20	1.29	0.21	--	2.65
State's Own Revenue Buoyancy with respect to GSDP	1.43	1.75	0.55	--	4.36

Source: GSDP- Directorate of Economics and Statistics, Government of Odisha
Revenue Receipts - Finance Accounts of the respective years.

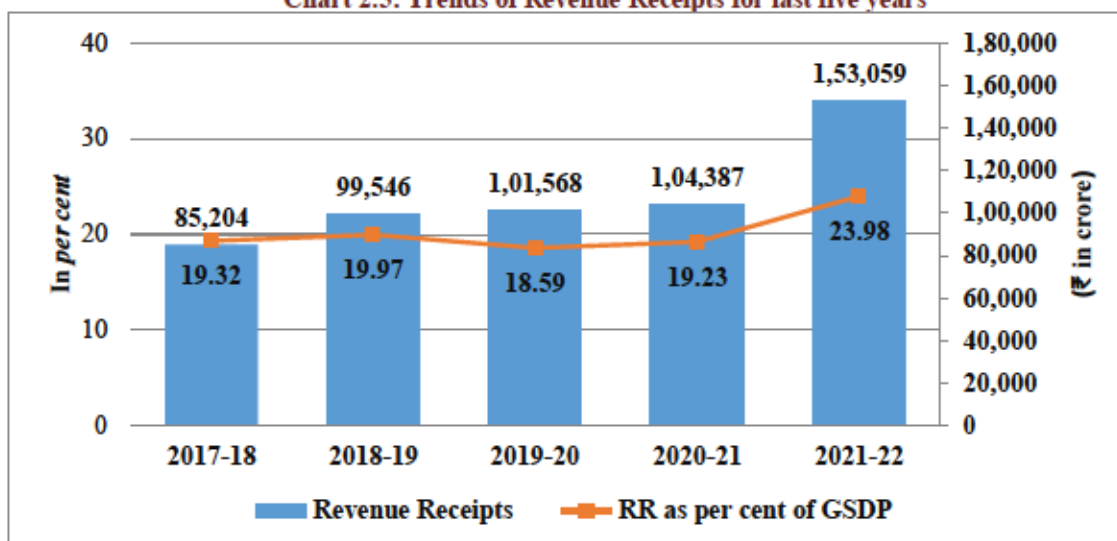
From the above table, it can be inferred that:

- **Revenue Buoyancy:** Revenue buoyancy measures the response of revenues to Gross State Domestic Product (GSDP), and is, therefore, a key metric for understanding tax system performance and the outlook for revenues. A buoyancy coefficient greater than one implies that tax revenues grow faster than GSDP, and less than one indicates the opposite. Revenue buoyancy as well as State's own tax buoyancy with reference to GSDP was above one during last five years, except 2019-20. During the year 2020-21, Revenue Receipts as well as State Own Revenue showed positive growth even after the GSDP showed negative growth. Where tax buoyancy is greater than one, tax revenues are rising more than proportionately to an increase in GSDP. In this scenario, tax revenues are structurally increased and sufficiently buoyant to support fiscal sustainability. In contrast, when tax buoyancy is less than one, tax revenues are structurally decreased and weak taxes pose a risk to fiscal sustainability.
- Revenue Receipts as a *per cent* of GSDP for the year 2021-22 (23.98 *per cent*) increased in comparison to 2020-21 (19.23 *per cent*) due to increase in Non Tax

⁷ 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 0.72 implies that Revenue Receipts tend to increase by 0.72 percentage points, if the GSDP increases by one per cent.

Revenue and Tax Revenue (Own Tax plus Share of Union Taxes and Duties) as compared to previous year. The same is also depicted in Chart 2.5 below.

Chart 2.5: Trends of Revenue Receipts for last five years



Source: GSDP: DES, Government of Odisha; Revenue Receipts: Finance Accounts of the respective years.

2.3.2.2 State's Own Resources

The State's performance in mobilisation of resources is assessed in terms of Tax Revenue and Non Tax Revenue, not including the State's share in Central Taxes and Grants-in-Aid, which is based on the recommendations of the Finance Commission. State's Own Revenue (Tax Revenue and Non Tax Revenue) during 2021-22, grew by 76.69 per cent, which was much higher than the increase (17.58 per cent) in the economic base, measured in terms of GSDP during the same period. The Budget Estimate for Own Resources during 2021-22, was ₹ 57,500 crore.

a) State's Own Tax Revenue

Components of State's Own Tax Revenue are shown in Table 2.4.

Table 2.4: Components of State's Own Tax Revenue

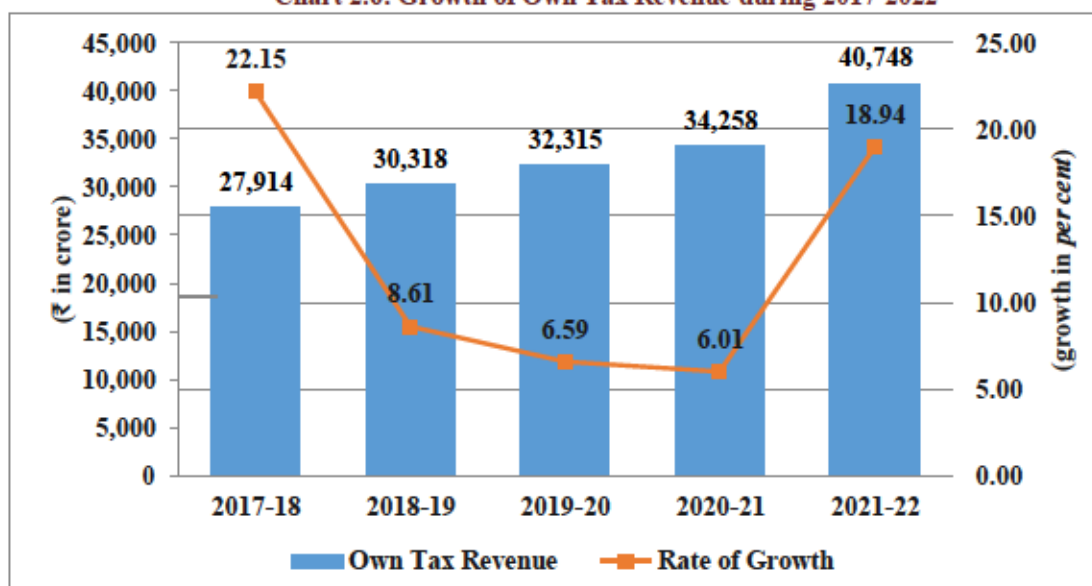
Revenue Head						(₹ in crore)
	2017-18	2018-19	2019-20	2020-21	2021-22	Spark Line
State Goods and Services Tax (SGST)	6,609	11,943	13,204	13,043	16,392	
Taxes on Sales, Trade, etc	11,522	7,310	7,455	7,777	10,000	
State Excise	3,221	3,925	4,495	4,053	5,528	
Taxes on Vehicles	1,535	1,746	1,836	1,526	1,663	
Stamps and Registration fees	1,037	1,237	1,435	2,942	2,419	
Land Revenue	542	511	721	603	664	
Taxes on Goods and Passengers	1,260	182	133	146	111	
Other Taxes	2,188	3,464	3,036	4,168	3,971	
Total	27,914	30,318	32,315	34,258	40,748	

Source: Finance Accounts of respective years, Government of Odisha

From Table 2.4, it can be inferred that:

- In comparison to the Budget Estimates (₹ 37,500 crore) of 2021-22, the State's actual Own Tax Revenue in 2021-22, was ₹ 40,748 crore (108.66 per cent). The increase in comparison to the Budget Estimates was mainly under SGST by ₹1,392 crore, under Taxes on Sales, Trade, etc., by ₹ 1,000 crore, under Stamps and Registration Fees by ₹ 619 crore and under State Excise by ₹ 128 crore, which was partly set off by decrease under Taxes on Vehicles by ₹ 437 crore. Own tax Revenue constituted 26.62 per cent of total Revenue Receipts for 2021-22.
- As per the provision of Odisha Cess Act, 1962, collections from Land Revenue Cess are to be distributed among Panchayati Raj Institutions (PRIs) i.e., Gram Panchayats (GPs), Panchayat Samitis (PSs) and Zilla Parishads (ZPs) in the ratio of 60:20:20. However, during 2021-22, an amount of ₹ 53.76 crore was collected towards Land Revenue Cess and not distributed to the PRIs. This had the impact of overstatement of Revenue Surplus and overstatement of Fiscal Surplus by ₹53.76 crore. This had also happened in 2018-19, 2019-20 and 2020-21, when ₹48.07 crore, ₹36.60 crore and ₹73.58 crore respectively, were collected and not transferred to PRIs.
- The Own Tax revenue of the State during the years 2017-18 to 2021-22, showed increasing trend in absolute terms. However, in terms of growth over previous year, it started declining from 2017-18 to 2020-21 and the trend was reversed in 2021-22, which is depicted in Chart 2.6 below. As can be seen in comparison to the last financial year, the growth rate of own tax revenue of the State shot up from 6.01 per cent in 2020-21 to 18.94 per cent in 2021-22.

Chart 2.6: Growth of Own Tax Revenue during 2017-2022



Source: Finance Accounts of respective years, Government of Odisha

b) State Goods and Services Tax (SGST)

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

In case of Odisha, the revenue in the base year (2015-16) was ₹ 11,049.34 crore. The protected revenue for the year 2021-22 assessed with respect to base year, was ₹ 24,253 crore. In 2021-22, the State's receipt of GST (SGST) was ₹16,392.24 crore. GoO received GST compensation of ₹ 2,465.14 crore as GIA under revenue receipts and ₹ 6,430.20 crore as back-to-back loan.

Details of SGST, pre-GST taxes and compensation received by the State during 2021-22, are given in Table 2.5:

Table 2.5: Details of SGST, pre-GST taxes and compensation received by the State during April 2021 to March 2022

Particulars	Amount (₹ in crore)
Revenue to be Protected (A)	24,253.00
State Goods & Services Tax (including IGST advance apportionment of ₹994.28 crore) (B)	16,392.24
Collection of pre-GST Taxes (April 2021 to March 2022) (C)	144.37
Total Collection (D) = (B+C)	16,536.61
Compensation received (E)	2,465.14
Back to back loan towards shortfall in GST Compensation	6,430.20

Source: Finance Accounts, Commercial Tax & GST wing of the Finance Department

Details of State Goods and Services Tax projection *vis-à-vis* actual receipts for the years 2017-18 to 2021-22, are given in Table 2.6.

Table 2.6: Details of SGST during the years 2017-22

Base Year	Projection at a growth rate of 14 per cent	(₹ in crore)
		Actual
2015-16	11,049	-
2016-17	12,596	-
2017-18	14,359	11,229 [#]
2018-19	16,369	12,129
2019-20	18,662	13,330
2020-21	21,275	13,209
2021-22	24,253	16,537

Source: Finance Accounts, Commercial Tax & GST wing of the Finance Department

[#] Actual receipts of 9 months was ₹ 8,422 crore; average of 12 months has been calculated.

It can be seen from the above table that the projection of the GST growth was 14 *per cent* per annum over the base year revenue, *i.e.*, 2015-16. However, the actual growth of SGST was much lower than the projected growth of 14 *per cent* per annum.

c) Non-Tax Revenue

Non-Tax Revenue (NTR) accounts for receipts of interest, dividends and profits, mining receipts and other departmental receipts. NTR received during the last five years, is shown in Table 2.7:

Table 2.7: Components of State's Non-Tax Revenue

(₹ in crore)					
Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22
Non-Ferrous Mining and Metallurgical Industries	6,131	10,480	11,020	13,792	48,642
Interest Receipts	601	1,462	1,487	1,262	1,823
Dividends and Profits	66	544	321	1,063	523
Other Non-tax receipts	1,600	1,791	1,819	3,401	3,269
a) Major and Medium Irrigation	663	702	669	796	790
b) Road and Bridges	66	67	44	54	48
c) Education	24	26	27	62	46
d) Misc. General Services	240	419	411	1,729	438
e) Others or Miscellaneous	607	577	668	760	1,947
Total	8,398	14,277	14,647	19,518	54,257

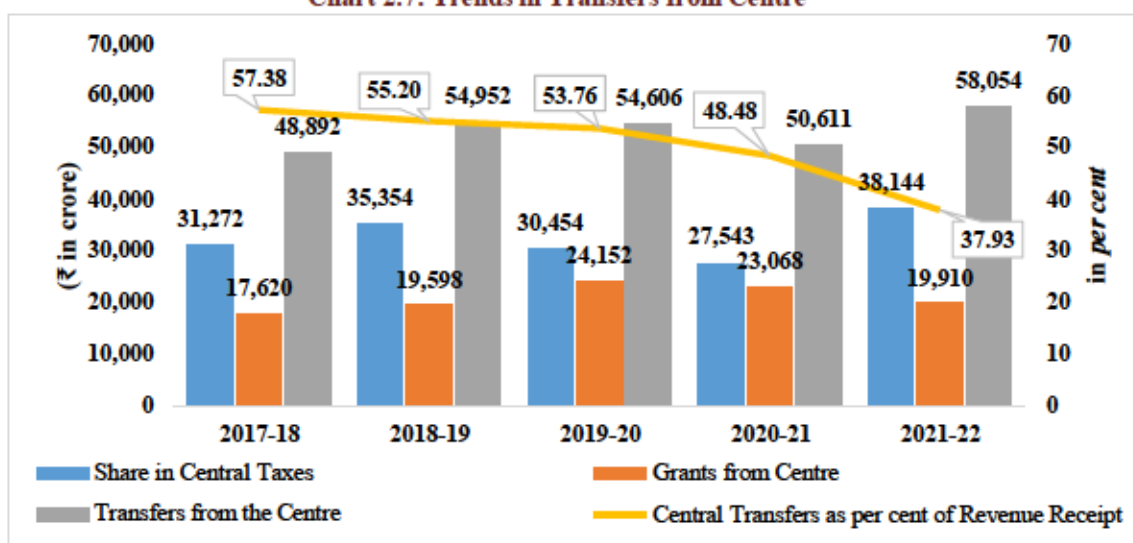
Source: Finance Accounts of respective years, Government of Odisha

The NTR in 2021-22 was ₹54,257 crore, which constituted 35.45 *per cent* of Revenue Receipts (₹1,53,059 crore) and increased by ₹ 34,739 crore (177.98 *per cent*) over previous year (₹ 19,518 crore). The major increase (₹34,850 crore) was under Non-Ferrous Mining and Metallurgical Industries. Mining royalty constitutes an important component of Non Tax Revenue. Due to renewal of existing mining leases and auction of mines, there has been substantial growth (252.69 *per cent*) in mining revenue, during 2021-22. The Non Tax Revenue also includes arrears of interest receipts from Public Sector and Other Undertakings. However, the receipts under Dividends and Profits decreased during 2021-22, due to less receipt of dividend from Odisha Mining Corporation.

2.3.2.3 Transfers from the Centre

The Union Government transfers funds to States in two ways: (i) Devolution of Central taxes to States and (ii) Grants-in-aid given by the Centre. The central taxes devolved to states are untied funds, and states can spend them according to their discretion, whereas grants given by the centre to states and local bodies are meant for specific purposes and are to be used only for the specified scheme or purpose. The transfers to states are dependent on the tax collection of the GoI and the states get their share as per the percentage recommended by the respective Finance Commissions. Trends in transfers from Centre, for the last five years, are given in Chart 2.7.

Chart 2.7: Trends in Transfers from Centre



Source: Finance Accounts of respective years, Government of Odisha

As can be seen from the above Chart, Central transfers as percentage of Revenue Receipts, have been consistently decreasing from 57 per cent in 2017-18 to 38 per cent in 2021-22. However, in terms of absolute figures, Central Transfer had increased by ₹7,443 crore during 2021-22 over the previous year.

The BE for Central Tax Transfer was ₹ 30,137 crore, while the actual receipt was ₹38,144 crore during 2021-22. Similarly, the BE for Grants-in-Aid from Government of India was ₹ 37,963 crore, while the actual receipts were only ₹19,910 crore.

a) State's Share of Union Taxes and Duties

State's share of Union taxes recommended by Fourteenth Finance Commission (FFC) (2015-16 to 2019-20) and Fifteenth Finance Commission (2020-21 to 2025-26), as compared with the actual devolution made by the Centre, is summarised in Table 2.8.

Table 2.8: State's share in Union taxes and duties: Actual devolution vis-à-vis projections in Finance Commission Reports (FCRs)

(₹ in crore)

Year	Finance Commission Projections	Projections in FCRs	Actual Tax Devolution	Difference
1.	2.	3.	4.	5. (4-3)
2015-16	4.642 per cent of net proceeds of all shareable taxes excluding service tax	27,001	23,574	(-)3,427
2016-17	and 4.744 per cent of net proceeds of shareable service tax (As per the recommendations of Fourteenth FC)	31,158	28,322	(-) 2,836
2017-18		36,005	31,272	(-) 4,733
2018-19		41,656	35,354	(-) 6,302
2019-20		48,250	30,454	(-) 17,796
2020-21	4.629 per cent of net proceeds of all shareable taxes (As per the recommendations of Fifteenth FC)	39,586	27,543	(-) 12,043
2021-22	4.528 per cent of net proceeds of all shareable taxes (As per the recommendations of Fifteenth FC)	29,821	38,144	(+)8,323

Source: Finance Commission Report, Budget at a Glance & Finance Accounts

As seen from the table above, the actual tax devolution to the State fell short of FCR projections from 2015-16 to 2020-21. However, during 2021-22, the actual devolution exceeded the FCR by ₹8,323 crore.

The State's share of Union Taxes, under different components during the years 2017-18 to 2021-22, is shown in Table 2.9.

Table 2.9: State's share of Union Taxes under different components for the last five years
(₹ in crore)

Component of State's share of Union taxes	2017-18	2018-19	2019-20	2020-21	2021-22
Corporation Tax	9,575	12,294	10,384	8,328	9,583
Customs	3,156	2,506	1,930	1,447	3,031
Income Tax	8,085	9,054	8,136	8,540	11,743
Other Taxes and Duties on commodities and services	--	18	19	21	42
Service Tax	3,561	326	--	124	589
Wealth Tax	--	5	1	--	3
Union Excise Duties	3,298	1,665	1,342	923	1,719
CGST	441	8,726	8,642	8,160	11,434
IGST	3,156	696	--	--	--
Other Taxes on Income and Expenditure	--	64	--	--	--
Grand total	31,272	35,354	30,454	27,543	38,144
Percentage of increase over previous year	10.42	13.05	-13.86	-9.56	38.49
Component of State's share as percentage of Revenue Receipts of the State	37	36	30	26	25

Source: Finance Accounts of respective years, Government of Odisha

As can be seen from the above table, the State's share of Union taxes, as a percentage of the revenue receipts of the State, has been continuously decreasing from 2018-19 to 2021-22.

b) Grants-in-Aid from the Government of India

Details of the Grants-in-Aid and their composition during the years 2017-18 to 2021-22, are in Table 2.10.

Table 2.10: Grants-in-Aid from the Government of India

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Non Plan Grants	--	--	--	--	--
State Plan Grants	--	--	--	--	--
Grants for Central Plan Schemes	--	--	--	--	--
Grants for Centrally Sponsored Plan Schemes	--	--	--	--	--
Grants for Centrally Sponsored Schemes	12,900	13,025	13,056	12,698	11,820
Finance Commission Grants	2,406	2,840	3,563	4,949	4,557
Other Transfers/Grants to States/Union Territories with Legislatures	2,314	3,733	7,533	5,421	3,533
Total	17,620	19,598	24,152	23,068	19,910
Percentage of increase over the previous year Receipts	16.83	11.23	23.24	-4.49	-13.69
Total grants as a percentage of Revenue Receipts	20.68	19.69	23.78	22.10	13.01

Source: Finance Accounts of respective years, Government of Odisha

The Government of India decided to give effect to the merger of plan/ non-plan provisions in the Estimates for Budget 2017-18, after conclusion of the 12th Plan period (2012-17). With the removal of the Plan and Non-Plan distinction, Grants-in-Aid from Centre comprises only of: (i) Finance Commission recommended grants for Local Bodies, (ii) grants for Disaster Response and (iii) grants for the Central share of Central Sector and Centrally Sponsored Schemes. It can be seen from the above table, that the Grants-in-Aid received from the Government of India, in absolute figures, as well as percentage to Revenue Receipts, have been decreasing since 2019-20.

c) Finance Commission Grants

The 73rd Constitutional Amendment requires both the Centre and the States to help Panchayati Raj Institutions to evolve as units of self-governance, by assigning them funds, functions and functionaries. Finance Commission Grants are the funds provided by the Centre to local bodies, as well as state disaster relief funds and these compensate any revenue loss to states after devolution of taxes. Details of Finance Commission Recommendations (FCR) *vis-a-vis* actual receipts are given in Table 2.11.

Table 2.11: Grants-in-aid released by GoI, as per recommendations of Finance Commissions
(₹ in crore)

Department	Sectors	2020-21		2021-22		Increase (+) / Decrease (-) over last year
		FCR	Actuals	FCR	Actuals	
1	2	3	4	5	6	7 (4-6)
Panchayati Raj & Drinking Water Department						
Rural Local Bodies	Basic Grant	2,258	2,258	1,669	1,669	(-) 589
	Performance Grant	--	--	--	--	--
	Total	2,258	2,258	1,669	1,669	(-) 589
Housing & Urban Development						
Urban Local Bodies	Basic Grant	1,087	1,087	822	822	(-) 265
	Performance Grant	--	--	--	--	--
	Total	1,087	1,087	822	822	(-) 265
Revenue and Disaster Management						
State Disaster Response Fund (SDRF)		1,604	1,604	1,604	1,604	--
Grand Total		4,949	4,949	4,095	4,095	(-) 854

Source: Finance Accounts and Finance Commission Recommendations (FCR)

It is evident from the above table that Central Government had released the Fifteenth Finance Commission Grants at par with the recommendations, during 2020-21 and 2021-22. Grants under the Fifteenth Finance Commission recommendations, for the year 2021-22, under Rural Local Bodies and Urban Local Bodies, substantially decreased over the previous year, by 26 per cent and 24 per cent, respectively.

2.3.3 Receipts under the Capital Section

Capital receipts comprise miscellaneous capital receipts, such as proceeds from disinvestment, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/ commercial banks) and loans and advances from Government of India (GoI). Details of Capital Receipts and their

composition for the years 2017-18 to 2021-22, are given in Table 2.12.

Table 2.12: Trends in the Growth and Composition of Capital Receipts

(₹ in crore)					
Sources of State's Receipts	2017-18	2018-19	2019-20	2020-21	2021-22
Capital Receipts (CR)	13,119	10,308	14,966	21,002	14,346
Miscellaneous Capital Receipts	0	0	0	0	0
Recovery of Loans and Advances	257	305	287	684	1,566
Public Debt Receipts	12,862	10,003	14,679	20,318	12,780
Net Public Debt Receipts	10,172	6,063	10,185	11,066	-7,018
Internal Debt	10,031	5,837	10,174	6,926	-13,544
Growth Rate	24.95	-41.81	74.30	-31.92	-295.55
Loans and Advances from GoI	141	226	11	4,140	6,526
Growth rate	-39.48	60.28	-95.13	37,536.36	57.63
Rate of growth of debt Capital Receipts	14.60	-22.23	46.75	38.42	-37.10
Rate of growth of non-debt Capital Receipts	188.76	18.68	-5.90	138.33	128.95
Rate of growth of GSDP	12.26	13.06	9.59	-0.64	17.58
Rate of growth of Capital Receipts (per cent)	15.97	-21.43	45.19	40.33	-31.69

Source: Finance Accounts of respective years, Government of Odisha

During 2021-22, Capital Receipts (₹14,346 crore) constituted 8.33 per cent of the total receipts (₹1,72,220 crore) of the State. During 2021-22, the State Government had not borrowed any amount from open market. However, an amount of ₹ 3,224 crore was borrowed from National Bank for Agricultural and Rural Development, ₹1,800 crore was borrowed from Odisha Mineral Bearing Areas Development Corporation (OMBADC) and ₹150 crore was borrowed from the Small Industries Development Bank of India (SIDBI) Cluster Development Fund. In addition to this, GoO borrowed ₹ 7,606 crore from GoI (this included ₹6,430.20 crore received as back to back loan in lieu of GST compensation).

2.3.4 State's performance in mobilisation of resources

Mobilisation of resources allows governments to ensure sustainable funding for social programmes and for public investments, to promote economic growth and development. As the State Government does not have control over receipt of Grants-in-Aid from the Government of India and Share of Central Taxes, State Government's own resources (tax and non-tax) are necessary to sustain its institutions and programmes. Tax and non-tax receipts vis-à-vis Budget Estimates and Fifteenth Finance Commission (FFC) Projections, are given in Table 2.13.

Table 2.13: Tax and non-tax receipts vis-à-vis Budget Estimates

(₹ in crore)					
	Budget Estimates	FFC Projections	Actual	Percentage of variation of actual over	
				Budget Estimates	FFC Projections
Own Tax Revenue	37,500	33,238	40,748	(+) 8.66	(+) 22.59
Non Tax Revenue	20,000	16,228	54,257	(+) 171.28	(+) 234.34

Source: Finance Accounts and Budget at a Glance of GoO

During 2021-22, the receipts under State's own tax revenue as well as State's non-tax revenue were more than the assessment made in the Budget Estimates (by 8.66 per cent and 171.28 per cent, respectively) and FFC Projections (by 22.59 per cent and 234.34 per cent, respectively). During 2021-22, the existing mining leases were renewed and some new mines were auctioned, which resulted in more collection of the State's non-tax revenue, as compared to the Budget Estimates by ₹34,257 crore and FFC projections by ₹38,029 crore.

2.4 Application of Resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector. This paragraph along with sub-paragraphs gives the analysis of allocation of expenditure in the State.

2.4.1 Growth and Composition of Expenditure

The total expenditure in 2021-22 was ₹1,34,000 crore. Table 2.14 presents the trends and composition of total expenditure during 2017-18 to 2021-22.

Table 2.14: Total Expenditure and its Composition

(₹ in crore)					
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total Expenditure (TE)	94,821	1,10,008	1,20,673	1,14,857	1,34,000
Revenue Expenditure (RE)	71,837	85,356	99,137	95,311	1,09,588
Capital Expenditure (CE)	21,109	23,482	20,277	17,949	22,726
Loans and Advances	1,875	1,170	1,259	1,597	1,686
As a percentage of GSDP					
TE/GSDP	21.50	22.06	22.08	21.16	20.99
RE/GSDP	16.29	17.12	18.14	17.56	17.17
Capital Expenditure /GSDP	4.79	4.71	3.71	3.31	3.56
Loans and Advances/GSDP	0.43	0.23	0.23	0.29	0.26

Source: Finance Accounts of respective years, Government of Odisha

As can be seen from the above table, there had been a combining decline in the Capital Expenditure as a percentage of the GSDP, from 2017-18 to 2020-21, with a slight increase during 2021-22. On the contrary, Revenue Expenditure as a percentage of GSDP, had risen during 2017-18 to 2019-20 and started declining since 2020-21.

The share of various sectors in the overall expenditure of the State is detailed in Table 2.15.

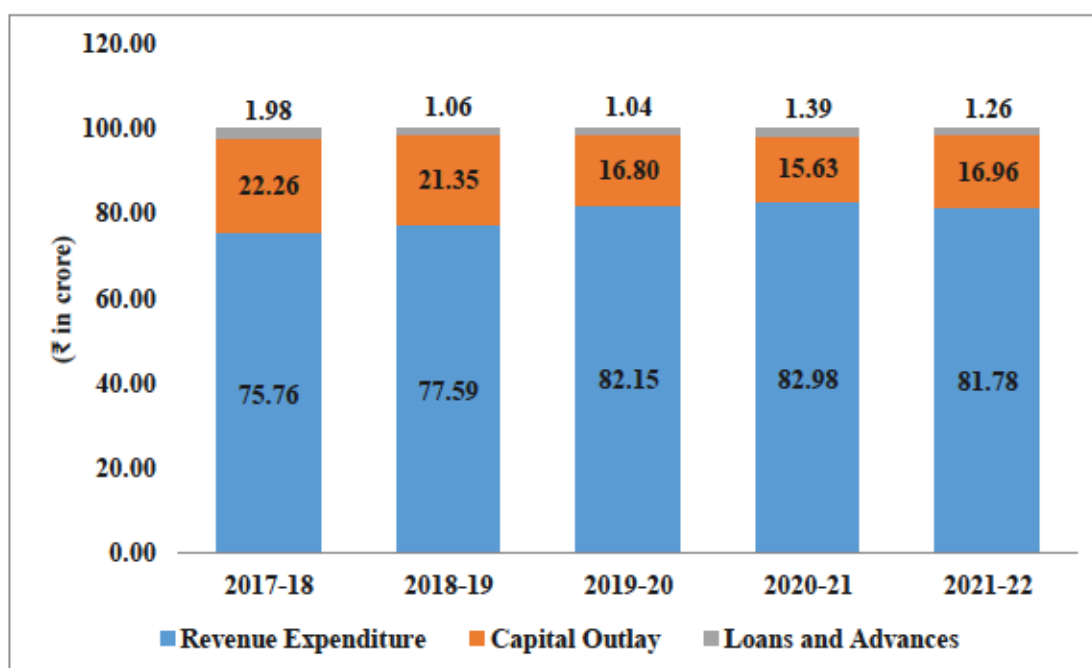
Table 2.15: Relative share of various sectors of expenditure

(₹ in crore)					
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
General Services	22,126	25,483	30,106	29,839	34,539
Social Services	33,758	40,972	48,781	44,424	53,315

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Economic Services	37,595	42,081	40,244	39,169	43,986
Others (Grants to Local Bodies and Loans and Advances)	1,343	1,472	1,542	1,425	2,160
Share of Total Expenditure (in per cent)					
General Services	23.33	23.16	24.95	25.98	25.78
Social Services	35.60	37.24	40.42	38.68	39.79
Economic Services	39.65	38.25	33.35	34.10	32.83
Others (Grants to Local Bodies and Loans and Advances)	1.42	1.34	1.28	1.24	1.61

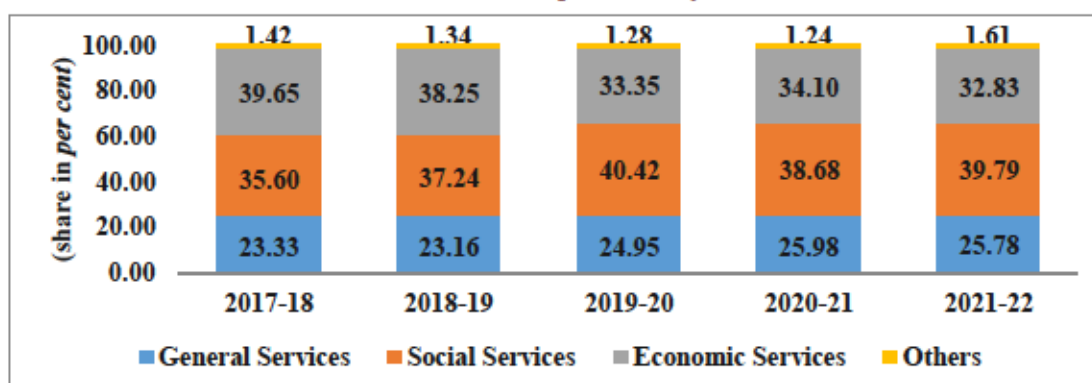
Source: Finance Accounts of respective years, Government of Odisha

Chart 2.8: Relative share of various sectors of expenditure



Source: Finance Accounts of respective years, Government of Odisha

Chart 2.9: Share of Expenditure by Activities



Source: Finance Accounts of respective years, Government of Odisha

From the preceding table and charts, it is evident that around 82 per cent of the total expenditure in 2021-22 was Revenue Expenditure as compared to 83 per cent during

2020-21. Social Services⁸ Expenditure took precedence (with 39.79 per cent) over Economic Services⁹ (32.83 per cent), General Services (25.78 per cent), and Others (1.61 per cent) in the total expenditure. Capital Expenditure (₹22,726 crore) constituted 16.96 per cent of the total expenditure, as compared to 15.63 per cent during

2020-21 and 16.80 per cent during 2019-20.

Components of major expenditure, incurred under the Revenue and Capital sections, during 2020-21 and 2021-22, are shown in Table 2.16.

Table 2.16: Major expenditure components under Revenue and Capital

(₹ in crore)

Revenue				Capital			
Component	Sector	2020-21	2021-22	Component	Sector	2020-21	2021-22
Education, Sports, Art and Culture	Social	17,242	19,044	Transport	Economic	6,671	6,655
Rural Development	Economic	11,352	10,547	Irrigation and Flood Control	Economic	3,108	4,757
Agriculture and Allied Activities	Economic	8,569	9,713	Water Supply, Sanitation, Housing and Urban Development	Social	2,796	3,048
Social Welfare and Nutrition	Social	7,991	9,366	Energy	Economic	1,284	3,446
Water Supply, Sanitation, Housing and Urban Development	Social	4,844	7,195	Rural Development	Economic	231	227
Health and Family Welfare	Social	7,244	8,743	Health and Family Welfare	Social	631	1,690
Welfare of SCs, STs, Minorities and OBCs	Social	2,113	2,486	Welfare of SCs, STs, Minorities and OBCs	Social	269	432
Transport	Economic	2,257	2,619	Education, Sports, Art and Culture	Social	581	676
Irrigation and Flood Control	Economic	1,685	2,356				
Industry and Minerals	Economic	757	1,154				

Source: Finance Accounts of respective years, Government of Odisha

From the above table, it can be inferred that:

- Revenue Expenditure (₹ 1,09,588 crore) was higher than that of the previous year (₹ 95,311 crore) by 14.98 per cent. The increase over the previous year was mainly

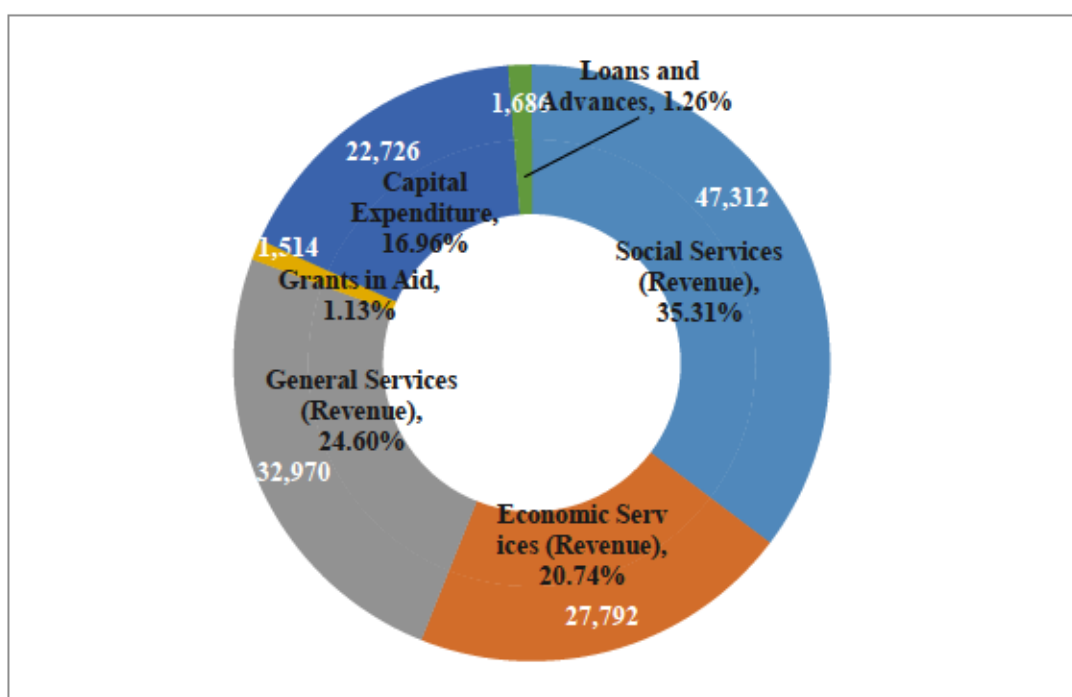
⁸ Refers to welfare activities of the Government, including (i) Education, Sports, Art and Culture (ii) Health and Family Welfare (iii) Water Supply, Sanitation, Housing and Urban Development (iv) Information and Broadcasting (v) Welfare of Scheduled Castes, Scheduled Tribes and Backward Classes (vi) Labour and Labour Welfare (vii) Social Welfare and Nutrition and (viii) Others.

⁹ Refers to economic development activity sectors of the Government, including (i) Agriculture and allied services (ii) Irrigation and Flood Control (iii) Energy (iv) Industries and Minerals (v) Transport (vi) Science, Technology and Environment and (vii) General and Economic Services.

due to higher outgo on Water Supply, Sanitation, Housing and Urban Development (₹ 2,351 crore), Education, Sports, Art and Culture (₹1,802 crore), Health and Family Welfare (₹ 1,499 crore), Social Welfare and Nutrition (₹1,375 crore), Agriculture and Allied activities (₹ 1,144 crore), Irrigation and Flood Control (₹ 671 crore), Industry and Minerals (₹ 397 crore), Welfare of SCs, STs, Minorities and OBCs (₹ 373 crore) and Transport (₹ 362 crore), which was partly set off by decrease of expenditure under Rural Development (₹ 895 crore).

- Capital Expenditure during the current year (₹22,726 crore) was higher than that of the previous year (₹17,949 crore) by 26.61 *per cent*. This was mainly due to increase of expenditure under Energy (₹2,162 crore), Irrigation and Flood Control (₹1,649 crore), Health and Family Welfare (₹1,059 crore), Water Supply, Sanitation, Housing and Urban Development (₹252 crore), Welfare of SCs, STs, OBCs and Minorities (₹ 163 crore) and Education, Sports, Art & Culture (₹ 95 crore).
- Major component-wise share over Total Expenditure (₹1,34,000 crore) during 2021-22 is depicted in **Chart 2.10**.

Chart 2.10: Composition of Expenditure



Source: Finance Accounts 2021-22, Government of Odisha

It can be seen from the above chart that major shares of Total Expenditure were under Social Services in Revenue Sector (35.31 *per cent*), General Services in Revenue Sector (24.60 *per cent*) and Economic Services in Revenue Sector (20.74 *per cent*).

2.4.2 Revenue Expenditure

Revenue Expenditure is incurred to maintain the current level of services and to make payments for past obligations. As such, it does not result in any addition to the State's infrastructure and service network.

Revenue expenditure during 2021-22 (₹1,09,588 crore) was 17.17 *per cent* of GSDP. The Revenue Expenditure during the year increased by 14.98 *per cent* from 2020-21 (₹ 95,311 crore). It was, however lower than the budget estimates (₹1,19,567 crore) by ₹ 9,979 crore (8.35 *per cent*).

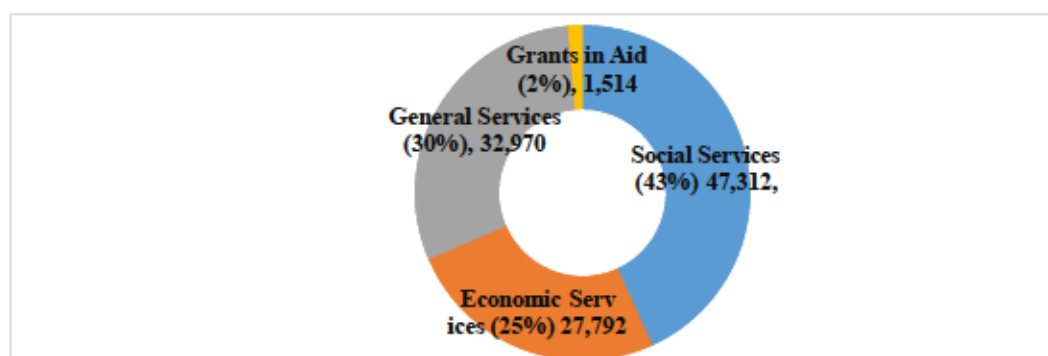
Table 2.17: Revenue Expenditure - Basic Parameters

(₹ in crore)					
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total Expenditure (TE)	94,821	1,10,008	1,20,673	1,14,857	1,34,000
Revenue Expenditure (RE)	71,837	85,356	99,137	95,311	1,09,588
Rate of Growth of RE (<i>per cent</i>)	10.45	18.82	16.14	-3.86	14.98
RE as percentage of TE	75.76	77.59	82.15	82.98	81.78
RE/GSDP (<i>per cent</i>)	16.52	17.21	18.57	18.70	17.17
RE as percentage of RR	84.31	85.75	97.61	91.31	71.60
Buoyancy of Revenue Expenditure (RE) with GSDP and Revenue Receipts (RR)					
Buoyancy of RE with GSDP (ratio) ¹⁰	0.85	1.44	1.68	6.03	0.85
Buoyancy of RE with Revenue Receipts (ratio) ¹¹	0.71	1.12	7.95	-1.39	0.32

Source: Finance Accounts of respective years, Government of Odisha

Revenue Expenditure of GoO consisted of General Services (₹32,970 crore), Social Services (₹ 47,312 crore), Economic Services (₹27,792 crore) and Grants-in-Aid and Contribution (₹ 1,514 crore). The sector-wise composition of Revenue Expenditure is given in Chart 2.11.

Chart 2.11: Composition of Revenue Expenditure



Source: Finance Accounts 2021-22, Government of Odisha

¹⁰ Buoyancy of RE with GSDP: Revenue Expenditure buoyancy at 0.85 (2021-22) implies that Revenue Expenditure tends to increase by 0.85 percentage points, if the GSDP increases by one per cent.

¹¹ Buoyancy of RE with Revenue Receipts: Revenue Expenditure buoyancy at 0.32 (2021-22) implies that Revenue Expenditure tends to increase by 0.32 percentage points, if the Revenue Receipts increase by one per cent.

The Government stated (January 2023) that Revenue Expenditure does not directly contribute to asset creation, however, it is critical to the welfare of the population, service delivery, maintenance of assets, and meeting the committed expenditures, such as salaries, pension and debt servicing obligations of the State Government. The fact, however, remains that the Government should make efforts to increase the share of Capital Expenditure in Total Expenditure, to achieve faster economic growth.

2.4.2.1 Major changes in Revenue Expenditure

Significant variations under various Heads of Account with regard to Revenue expenditure of the State during the current year and the previous year are detailed in Table 2.18.

Table 2.18: Variation in Revenue Expenditure during 2021-22 compared to 2020-21

Major Heads of Account	2020-21	2021-22	(₹ in crore)
			Increase (+) / Decrease (-)
2071 – Pension and Other Retirement Benefits	13,629	16,459	2,830
2235 – Social Security and Welfare	4,171	5,517	1,346
2215 – Water Supply and Sanitation	2,265	4,659	2,394
2210 – Medical and Public Health	6,822	8,223	1,401
2702 – Minor Irrigation	846	1,364	518
2225 – Welfare of Scheduled Castes, Scheduled Tribes Other Backward Classes and Minorities	2,113	2,486	373
2408 – Food, Storage and Warehousing	1,608	2,130	522
2075 – Miscellaneous General Services	720	40	-680
2501 – Special Programmes for Rural Development	1,045	1,368	323

Source: Finance Accounts of respective years, Government of Odisha

Audit noticed that, during 2021-22, Revenue Expenditure of the State increased by ₹14,277 crore, while Revenue Receipts increased by ₹48,672 crore, as compared to the last year. There was significant increase of expenditure under Social Services (₹7,411 crore) and General Services (₹4,699 crore) as compared to the previous year. Major increase in expenditure during 2021-22 was noticed under MH 2071- Pension and Other Retirement Benefits (₹2,830 crore), which was due to revision of Government Contribution for Defined Contribution Pension Scheme from 10 per cent to 14 per cent with retrospective effect from April 2019. Expenditure had also increased under MH 2215 - Water Supply and Sanitation, due to enhancement of expenditure in Rural Water Supply Programmes (under the Jal Jivan Mission Scheme); under 2210 - Medical and Public Health, due to increase in expenditure under National Rural Health Mission; and under 2235 - Social Security and Welfare, due to increase in expenditure under the National Old Age Pension to Destitutes, Madhubabu Pension for Destitutes and Indira Gandhi National Widow Pension Scheme.

2.4.2.2 Committed Expenditure

Committed Expenditure of the Government on revenue account consists of interest payments (₹6,342 crore), salaries and wages (₹23,456 crore) and pension (₹16,459 crore). It has the first charge on Government resources and, therefore, an upward trend of committed expenditure leaves Government with lesser flexibility for

the development sector. The Committed Expenditure in 2021-22 was ₹ 46,257 crore and constituted 42.21 *per cent* of Revenue Expenditure (₹ 1,09,588 crore), as compared to ₹ 41,276 crore (43.31 *per cent* of Revenue Expenditure) during 2020-21. The details are shown in Table 2.19.

Table 2.19: Components of Committed Expenditure

(₹ in crore)					
Components of Committed Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22
Salaries & Wages	17,527	19,399	20,683	21,003	23,456
Expenditure on Pensions	8,693	10,520	14,273	13,629	16,459
Interest Payments	4,988	5,800	6,063	6,644	6,342
Total	31,208	35,719	41,019	41,276	46,257
As a percentage of Revenue Receipts (RR)					
Salaries & Wages	20.57	19.49	20.36	20.12	15.32
Expenditure on Pensions	10.20	10.57	14.05	13.06	10.75
Interest Payments	5.85	5.83	5.97	6.36	4.14
Total	36.62	35.89	40.38	39.54	30.22
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	24.40	22.73	20.86	22.04	21.40
Expenditure on Pensions	12.10	12.32	14.40	14.30	15.02
Interest Payments	6.94	6.80	6.12	6.97	5.79
Total	43.44	41.85	41.38	43.31	42.21

Source: Finance Accounts of respective years, Government of Odisha

From the above table, it can be inferred that:

- Three items of expenditure *i.e.*, salary, pension and interest payment made up 41 to 43 *per cent* of the revenue expenditure of the State Government during the last five years. As these expenditures are non-developmental in nature, barely 57 to 59 *per cent* is left over for developmental purposes out of the Revenue Expenditure.
- Committed expenditure during 2021-22 increased by ₹4,981 crore (12.07 *per cent*) over the previous year. However, measured as a percentage of Revenue Receipts, its share decreased in 2021-22, due to higher collection of Revenue Receipts.
- Committed Expenditure as a percentage of Revenue Expenditure was 43.31 *per cent* in 2020-21. However, it decreased to 42.21 *per cent* in 2021-22.
- Expenditure on payment of pension during 2021-22, increased by ₹2,830 crore (20.76 *per cent*) over the previous year, due to enhancement of Government Contribution for the Defined Contribution Pension Scheme from 10 *per cent* to 14 *per cent* with retrospective effect from April 2019.
- Expenditure on Salaries and Wages, during 2021-22, increased by ₹2,453 crore (11.68 *per cent*) over the previous year.
- Interest payment (₹ 6,342 crore) as a percentage of Revenue Expenditure constituted 5.79 *per cent* in 2021-22, which was less than the previous year's ratio (6.97 *per cent*). In absolute terms, while interest payment had been consistently increasing from 2017-18 to 2020-21, during 2021-22, it decreased by ₹302 crore, due to repayment of Open Market Loan and swapping of high interest rate loan

with low interest rate loan. Interest payment relative to Revenue Receipts (₹ 1,53,059 crore) was 4.14 *per cent*, which was well below the fiscal target of 15 *per cent* set out in the Odisha FRBM (Amendment) Act, 2016.

2.4.2.3 National Pension System

State Government employees recruited on or after 1 January 2005 are covered under the National Pension System (NPS), which is a defined contributory pension scheme. It is mandatory for employees to contribute 10 *per cent* of basic pay and dearness allowance every month. During the year 2021-22, GoO enhanced the Government Contribution for the Defined Contribution Pension Scheme, from 10 *per cent* of basic pay and dearness allowance, to 14 *per cent* of basic pay and dearness allowance, with retrospective effect from April 2019. The State Government has to contribute 14 *per cent* of basic pay and dearness allowance every month and transfer these contribution amounts along with details, to the National Securities Depository Limited (NSDL) and to the fund managers appointed by the NPS Trust. Though the State Government started collecting pension contribution from the employees from 2006-07, it started transferring the same to NSDL only in 2010-11 (₹ 0.01 crore), leaving a balance of ₹39.62 crore to be transferred to NSDL, as on 31 March 2011. Similarly, every year thereafter, there had been a short transfer to NSDL, with the last being ₹6.00 crore in 2020-21. As of 31 March 2022, there was a cumulative short transfer of ₹ 7.83 crore to the NSDL and the current liability thus, stands deferred to future year(s). Further, the State Government has created interest liability on the amount not transferred to NSDL, incorrectly used funds that belong to its employees and created uncertainty in regard to benefits due to the employees affected/ avoidable financial liability to Government, in future.

It was observed that, during 2021-22, the State Government collected from its employees an amount of ₹947.81 crore under the NPS. It contributed ₹1,719.95 crore and transferred ₹2,665.93 crore to NSDL. Therefore, there was a short transfer of ₹1.83 crore, during 2021-22.

The Government stated (January 2023) that the short transfer to the NSDL is due to the time-lag in transfer of matching Government contribution. However, such short transfers are being made good in subsequent months, after the closure of a financial year.

2.4.2.4 Subsidies

The State Government, in its Medium Term Fiscal Plan (MTFP) for 2007-08, had aimed at rationalisation of general subsidies and reduction at a rate of 10 *per cent* per annum, beginning with 2005-06. However, on the contrary, subsidies have increased over the years and during 2017-22, general subsidy increased from ₹2,830 crore to ₹ 4,695 crore. Department-wise major subsidies for the years 2017-18 to 2021-22 are shown in Table 2.20:

Table 2.20: Department-wise Subsidies during 2017-18 to 2021-22

(₹ in crore)						
Sl. No.	Departments	2017-18	2018-19	2019-20	2020-21	2021-22
1	Food Supplies & Consumer Welfare	886	981	1,088	2,085	2,058
2	Revenue & Disaster Management	754	468	312	224	470
3	Co-operation	697	1,185	1,344	1,269	1,451
4	Agriculture & Farmers' Empowerment	203	207	307	301	329
5	Industries	170	200	178	47	32
6	Fisheries & Animal Resources Development	56	50	50	81	45
7	Handlooms, Textiles & Handicrafts	50	50	42	37	37
8	Women and Child Development	1	1	1	183	185
9	Micro Small and Medium Enterprises	-	-	35	53	42
10	Transport	-	-	-	2	40
11	Others	13	26	9	6	6
Total Subsidy		2,830	3,168	3,366	4,288	4,695
Total Revenue Expenditure (RE)		71,837	85,356	99,137	95,311	1,09,588
Subsidy as a percentage of RE		3.94	3.71	3.39	4.50	4.28
Revenue Receipts (RR)		85,204	99,546	1,01,568	1,04,387	1,53,059
Subsidy as a percentage of RR		3.32	3.18	3.31	4.11	3.07

Source: Finance Accounts of respective years, Government of Odisha

From the above table, it can be seen that during 2021-22, Subsidies for Department of Food Supplies and Consumer Welfare (₹ 2,058 crore), which accounted for 43.83 per cent of the total subsidies, decreased by ₹ 27 crore (1.29 per cent) as compared to the previous year. Major subsidies in the Food Supplies and Consumer Welfare Department were under the Public Distribution System. Subsidies for the Cooperation Department substantially increased from ₹697 crore in 2017-18 to ₹1,451 crore in 2021-22. Major subsidies in the Cooperation Department were given under Pradhan Mantri Fasal Bima Yojana, interest subvention to Co-operative Banks/Regional Rural Banks/Commercial Banks for providing crop loan at 5 per cent to farmers and Farmers Welfare Scheme - KALIA.

2.4.2.5 Financial Assistance to Local Bodies and other institutions

Financial assistance to the tune of ₹25,931 crore was provided by the State Government to local bodies and other institutions, by way of grants and loans in 2021-22, as shown in Table 2.21.

Table 2.21: Financial Assistance to Local Bodies and other institutions

	(₹ in crore)	
	2020-21	2021-22
Educational institutions (Aided Schools, Aided Colleges, Universities, etc.)	6,633	6,029
Municipal Corporations and Municipalities	2,662	1,992
Zilla Parishads and other Panchayati Raj Institutions	2,509	1,907
Development Agencies	1,483	1,613
Other institutions	13,982	14,390
TOTAL	27,269	25,931
Assistance as a percentage of Revenue Expenditure	26	24

Source: Finance Accounts of respective years, Government of Odisha

From the above table, it can be seen that the grants extended to local bodies and other institutions decreased by ₹ 1,338 crore (4.90 per cent) from ₹ 27,269 crore in 2020-21 to ₹ 25,931 crore in 2021-22. This decrease was mainly due to decrease in assistance to Rural Local Bodies (₹ 602 crore), Educational Institutions (₹ 604 crore) and Urban Local Bodies (₹ 670 crore). The decrease was partly set off by increase in assistance to Other Institutions (₹ 408 crore) and Development Agencies (₹ 130 crore).

2.4.3 Capital Expenditure (CE)

Capital Expenditure (Capex) is primarily the expenditure on creation of fixed infrastructure assets such as roads, buildings etc. Capex in both Centre and State is being met from budgetary support and extra budgetary resources/off budget.

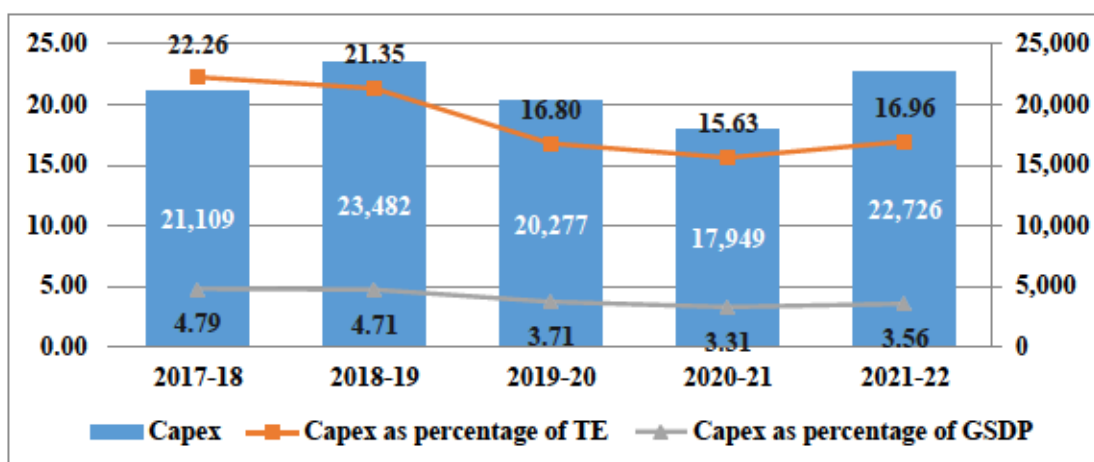
The State Government's Capital Expenditure has increased by ₹4,777 crore from ₹17,949 crore in 2020-21 to ₹22,726 crore in 2021-22. However, it is still short of ₹756 crore to achieve the mark of Capital Expenditure incurred during 2018-19.

The Capital Expenditure during 2021-22 was ₹22,726 crore, which was nearly 89.56 per cent of Budget Estimate (₹25,374 crore). Capital Expenditure relative to Total Expenditure (₹ 1,34,000 crore) and GSDP (₹6,38,342 crore) during 2021-22 was 16.96 per cent and 3.56 per cent respectively, with corresponding figures of 15.63 per cent and 3.56 per cent in 2020-21.

In its Monetary Policy Report, 2019, the Reserve Bank of India cited several research studies to highlight the multiplier effect and stated that every rupee on capex spent by the Centre, has a multiplier effect of 3.25 rupees on economic growth, while every rupee spent on capex by the States, has a multiplier effect of two rupees on economic growth of the State. Besides this, capital expenditure of States is considered to have a higher multiplier effect on the economy relative to the Centre, since State projects are more rooted to the local economy. Keeping this in mind, the Centre has incentivised States to spend more on capex through various methods, including enhanced ceiling for borrowings (0.5 per cent of GSDP), interest-free loans and front-loading the share of devolution to the States. In October 2020, the Centre announced the "Special Assistance to States for Capital Expenditure" scheme as part of the 'Atmanirbhar

Bharat' package. Under this scheme, GoO got interest-free loan of ₹417.50 crore and ₹517.12 crore during 2020-21 and 2021-22 respectively, to fund Capital Expenditure in various sectors. Despite several steps taken by the Government of India to augment capex of the State, GoO did not achieve its budgeted target, despite having significant Revenue Surplus (₹43,471 crore) and Fiscal Surplus (₹20,627 crore). Capital Expenditure, as a part of total expenditure/GSDP, is detailed in Chart 2.12.

Chart 2.12: Capital Expenditure as a percentage of GSDP and Total Expenditure



Source: Finance Accounts of respective years, Government of Odisha

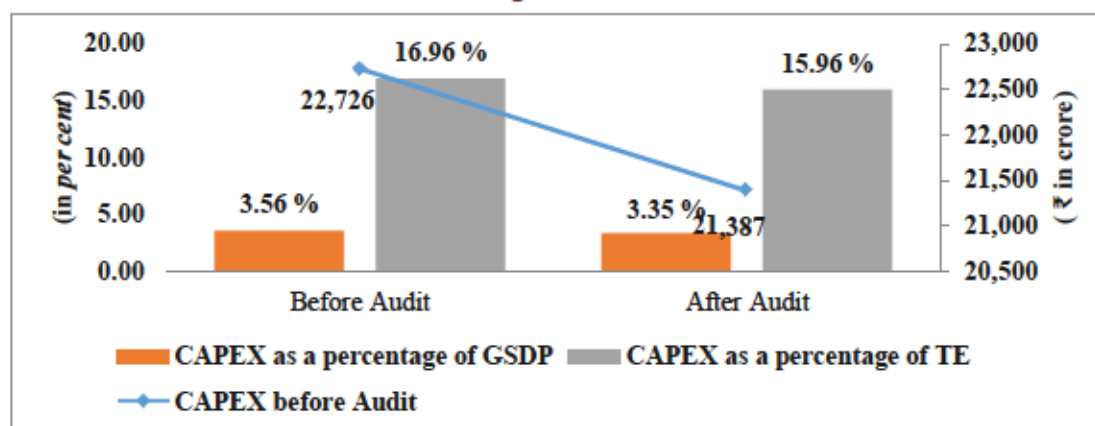
The State Government stated (January 2023) that the Substantial Revenue Surplus (₹43,471 crore) and Fiscal Surplus (₹20,625 crore) was primarily due to windfall growth in mining revenue during the year. However, the State Government is committed for creation of capital assets by increasing Capital spending. During 2022-23, GoO has provisioned ₹38,721 crore under Capital Expenditure, which is about 5.4 per cent of GSDP and this would result in formation of capital assets and lead to economic growth.

Misclassification of Revenue Expenditure as Capital Expenditure

During the year 2021-22, the State Government had booked ₹22,725.48 crore as Capital Expenditure. Audit examined Sanction Orders and expenditure vouchers related to this amount, from the Office of the Accountant General (Accounts and Entitlements) and noticed that, out of the amount of ₹22,725.48 crore, ₹1338.20 crore of expenditure of Revenue nature had been booked under Capital Expenditure. Out of this amount, ₹57.45 crore was expenditure towards operation, maintenance, repair and renovation etc. As per Rule 31(2)(b) of the Government Accounting Rules, 1990, the Revenue Account should bear all charges relating to such expenditure. The remaining amount of ₹1,280.75 crore had been transferred for creation of assets by entities other than the Government of Odisha. In accordance with Note below Rule 30(1) of GAR 1990, this amount is required to be classified as Revenue Expenditure, instead of Capital Expenditure.

Thus, there was a misclassification of ₹1,338.20 crore, which resulted in overstatement of Revenue Surplus to that extent. The resulting Capital Expenditure, after Audit, for the year 2021-22, was ₹21,387.28 crore (Chart 2.13).

Chart 2.13: Changes in CAPEX after Audit



Source: Audited Finance Accounts 2021-22, Government of Odisha

The State Government stated (January 2023) that the issues pertaining to misclassification of revenue expenditure as capital expenditure have already been taken up in the Annual Budget, 2022-23.

2.4.3.1 Major changes in Capital Expenditure

Capital Expenditure during 2021-22, increased by ₹ 4,777 crore over the previous year, which is detailed in Table 2.22.

Table 2.22: Variation in Capital Expenditure under various Major Heads during 2021-22, compared to 2020-21

(₹ in crore)

Major Heads of Account	2020-21	2021-22	Increase (+) / Decrease (-)
4801- Capital Expenditure on Power Projects	1,284	3,446	(+)2,162
4210- Capital Expenditure on Medical and Public Health	631	1,690	(+)1,059
4701- Capital Expenditure on Medium Irrigation	431	814	(+)383
4216- Capital Expenditure on Housing	239	590	(+)351
4225- Capital Expenditure on Welfare of SC, ST and OBC	269	432	(+)163
5452- Capital Expenditure on Tourism	240	349	(+)109
4217- Capital Expenditure on Urban Development	276	123	(-)153
5475- Capital Expenditure General Economic Services	637	291	(-)346

Source: Finance Accounts of respective years, Government of Odisha

Increase in Capital Expenditure during 2021-22, over the previous year, was mainly due to increased expenditure under (1) Capital Expenditure on Power Projects by ₹2,162 crore, due to share capital investment in Public Sector and Other Undertakings, (2) Capital Expenditure on Medical and Public Health by ₹1,059 crore, due to increase in expenditure under Mukhya Mantri Swasthya Seva Mission, (3) Capital Expenditure on Irrigation by ₹383 crore, due to increase in expenditure under various irrigation projects, (4) Capital Expenditure on Housing by ₹351 crore, due to increase in expenditure for construction of residential buildings *etc.* The increase in expenditure was partly set off by decrease in expenditure under General Economic Services and Urban Development.

Out of ₹2,162 crore share capital investment in Public Sector and Other Undertakings, an amount of ₹2,039.69 crore was invested in GRIDCO through accounting adjustment (conversion of loans worth ₹981.35 crore of GRIDCO to equity investment and conversion of ₹1,058.34 crore interest accrued on loans issued to GRIDCO as equity).

The conversion of loans to equity is required to be done through Proforma Transfer, without affecting the current year's transactions. However, the transaction was accounted for as receipt under repayment of loans (MH 6801) and then accounted for as expenditure under MH 4801-190. During the process, there was no actual cash transfer and both receipt and expenditure was accounted for, through book adjustment at the Treasury.

2.4.3.2 Quality of Capital Expenditure in Companies, Corporations and Other bodies

Investments by the State Government in Companies, Corporations and other bodies which result in equity infusion are classified under Capital expenditure. Such equity infusion is intended for procurement and use of fixed assets such as land, buildings, plant and machinery, equipment and other infrastructure by these PSUs. Such Capital expenditure in the form of investments by the Government is expected to give rise to income in the form of dividends or capital gains in future periods. Capital expenditure in companies and corporations, which are loss making and whose net worth is completely eroded, is not sustainable. Return on investment in share capital invested in PSUs is, therefore, an important determinant of the quality of Capital Expenditure.

As of 31 March 2022, the State Government's investment stood at ₹ 10,642.65 crore in Public Sector Undertakings (PSUs), comprising Government Companies (₹ 8,859.70 crore), Co-operative Societies (₹ 1,107.74 crore), Statutory Corporations (₹ 673.06 crore) and others¹² (₹ 2.15 crore). Details of investment for the years 2017-22 are given in Table 2.23:

¹² Joint Stock Companies and Partnerships and Rural Banks

Table 2.23: Return on Investment

Sl. No.	Details	2017-18	2018-19	2019-20	2020-21	2021-22
1	Investment at the end of the year (₹ in crore)	4,974.21	5,353.76	5,698.65	7,288.29	10,642.65
2	Return in the form of Dividend (₹ in crore)	66.22	543.94	321.38	1,062.81	523.43
3	Rate of Return (RoR) (per cent)	1.33	10.16	5.64	14.58	4.92
4	Average rate of interest on Government borrowings (per cent)	7.58	7.74	7.09	7.04	7.09
5	Difference between RoR (per cent) and interest rate (3-4)	(-)6.25	2.42	(-)1.45	7.54	(-)2.17
6	Difference between interest on Government borrowings and return on investment (₹ in crore) [#]	(-) 310.89	129.56	(-) 82.63	549.71	(-)230.95

Source: Finance Accounts of respective years, Government of Odisha

[#] Investment at the end of the year* Difference between interest rate and return

The above table shows that ₹523.43 crore was received as dividend against total investment of ₹10,642.65 crore, during 2021-22, which was less than the dividend received during previous year, by ₹539.38 crore (50.75 per cent). The rate of return on Investment (4.92 per cent) was also much less than the average rate of interest on Government borrowings (7.09 per cent).

- It was observed that, out of 149 entities, only 11 entities had paid dividend. These included one Statutory Corporation¹³, eight Government Companies¹⁴ (which included one Power Sector Company), one Co-operative Society¹⁵ and one Rural Bank¹⁶.
- Out of the total investment of ₹ 10,642.65 crore, ₹ 6,871.64 crore (65 per cent) was invested in four¹⁷ Power Sector Companies. Out of these, only one¹⁸ company paid dividend of ₹ 1.73 crore (0.33 per cent).
- The return on investment was mainly dependent on Odisha Mining Corporation (OMC). OMC paid ₹500 crore dividend in 2021-22, which was 50 per cent less than the previous year (₹1,000 crore) 2020-21. As a result, return on investment decreased from ₹1,063 crore during 2020-21 to ₹523 crore during 2021-22. OMC was the highest contributor of dividend in 2016-17: ₹ 500 crore, 2018-19: ₹ 500 crore, 2019-20: ₹ 250 crore and 2020-21: ₹ 1,000 crore and 2021-22: ₹500 crore.

¹³ Statutory Corporation - Odisha State Warehousing Corporation: ₹ 1.98 crore

¹⁴ Government Companies - (1) Odisha Agro Industries Corporation Limited: ₹ 3.30 crore, (2) Odisha State Cashew Development Corporation Limited: ₹ 0.47 crore, (3) Odisha Forest Development Corporation Limited: ₹ 1.58 crore, (4) Odisha Bridge and Construction Corporation Limited (OCC) ₹ 1.63 crore, (5) Odisha State Housing and Welfare Corporation: ₹ 6.29 crore, (6) Odisha Mining Corporation Limited (OMC) ₹ 500.00 crore, (7) Odisha State Beverage Corporation Limited: ₹ 6.26 crore and (8) Odisha Hydro Power Corporation (OHPC): ₹ 1.73 crore.

¹⁵ Co-operative Society - Credit Co-operative: ₹ 0.19 crore

¹⁶ Rural Bank - Odisha State Cooperative Land Development Bank: ₹ 0.01 crore

¹⁷ OPGC: ₹1337.46 crore, OPTCL: ₹1886.71 crore, GRIDCO: ₹2613.13 crore and OHPC: ₹1034.34 crore.

¹⁸ OHPC: ₹1.73 crore

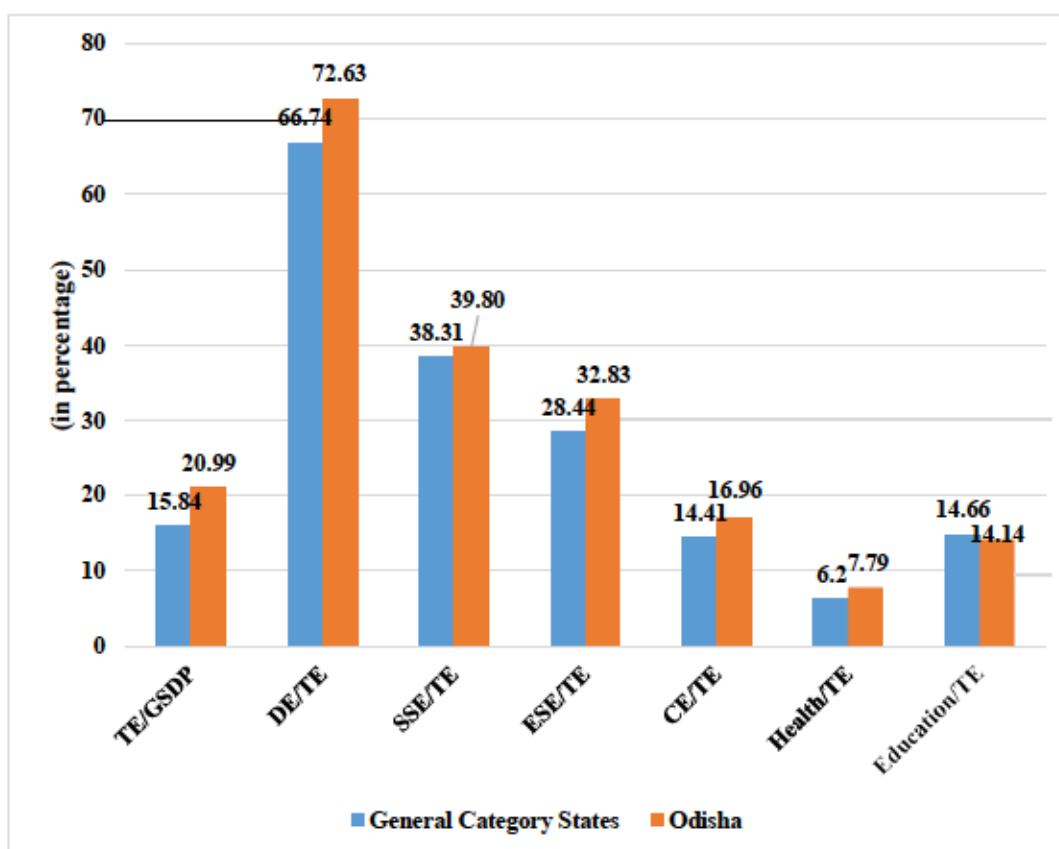
- Out of total 149 entities, 72 were inactive. Of the remaining active 77 entities, 66 had not paid any dividend in 2021-22.

2.4.4 Expenditure Priorities

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 the allocation is below the respective national average. The higher the ratio of these components to total expenditure, better is the quality of expenditure.

Chart 2.14 analyses the fiscal priority of the State Government with regard to Development Expenditure¹⁹, Social Services Expenditure, Economic Services Expenditure and Capital Expenditure during 2021-22, *vis-à-vis* the average of the General Category States²⁰.

Chart 2.14: Prioritisation in public expenditure in percentage



Note- TE- Total Expenditure, DE- Development Expenditure, SSE- Social Services Expenditure, ESE- Economic Services Expenditure, CE- Capital Expenditure

From the above Chart, it can be inferred that the Total Expenditure relative to GSDP in Odisha was better than the General Category States. Odisha fared favourably in its focus on Development Expenditure, Social Services Expenditure, Economic Services

¹⁹ Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans & Advances disbursed

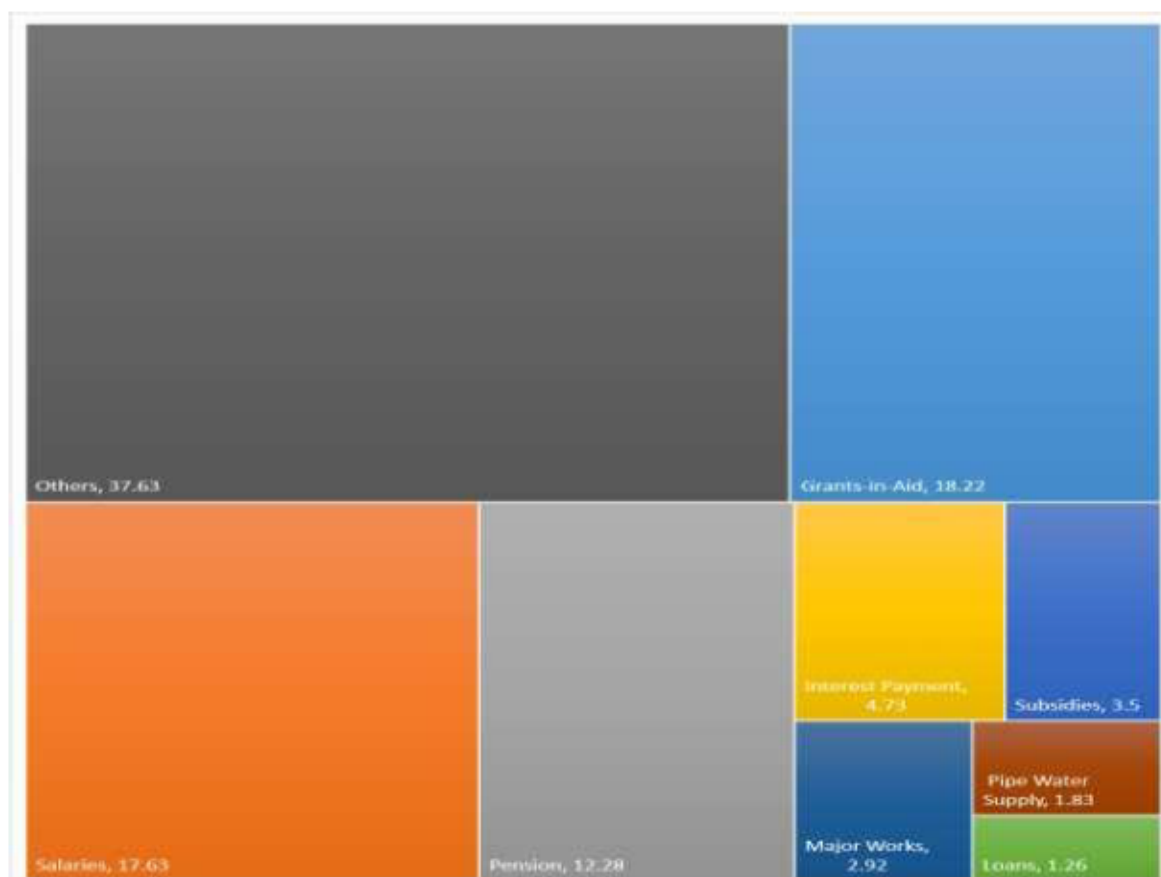
²⁰ States other than North Eastern (NE) and Himalayan States.

Expenditure, Capital Expenditure and Expenditure on Health *vis-à-vis* General Category States. The State, however, lagged behind General Category States in the areas of Educational Expenditure.

2.4.5 Object head-wise expenditure

Finance Accounts depict transactions only up to the Minor Head level. Object head-wise expenditure gives information about the object/ purpose of the expenditure. The object head-wise expenditure of Odisha is depicted in Chart 2.15.

Chart 2.15: Object Head-wise Expenditure (in percentage)



Source: Finance Accounts 2021-22, Government of Odisha

Note- Object Heads contributing less than one per cent are included in Others

It can be seen from the above chart that 18.22 *per cent* of total expenditure was booked under the detailed head grants-in-aid released to local bodies, followed by salaries (17.63 *per cent*), pension (12.28 *per cent*), interest payment (4.73 *per cent*) *etc.*

2.5 Public Account Receipts

Receipts and disbursements in respect of transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances *etc.*, which do not form part of the Consolidated Fund, are kept in the Public Account, set up under Article 266(2) of the Constitution. These are not subject to vote by the State Legislature. Government acts as a banker or trustee. The balance, after disbursements during the year, is the fund available with the Government for its own use.

2.5.1 Net Public Account Balances

Composition of Public Account receipts and disbursements is detailed in Table 2.24:

Table 2.24: Component-wise net balances in Public Accounts as of 31 March 2022

		(₹ in crore)				
Sector	Sub Sector	2017-18	2018-19	2019-20	2020-21	2021-22
I. Small Savings, Provident Fund etc.	Small Savings, Provident Fund etc.	1,558	1,748	915	612	308
J. Reserve Funds	a) Reserve Funds bearing interest	-88	-916	6,201	178	444
	b) Reserve Funds not bearing interest	2	7,828	1,053	-1,207	3106
K. Deposits and Advances	a) Deposits bearing interest	-14	-3	7	-19	2
	b) Deposit not bearing interest	13,912	4,206	3,422	-13,013	751
	c) Advances	0	0	1	-5	-1
L. Suspense and Miscellaneous	b) Suspense	105	-54	-80	26	188
	c) Other Accounts	0	0	0	0	0
	d) Accounts with Governments of Foreign Countries	0	0	0	0	0
	e) Miscellaneous	-27	0	0	2,500	0
M. Remittances	a) Money Orders and other Remittances	-7	10	-21	24	18
	b) Inter Governmental Adjustment Account	-5	4	0	-6	-1
TOTAL		15,435	12,821	11,497	-10,910	4,815

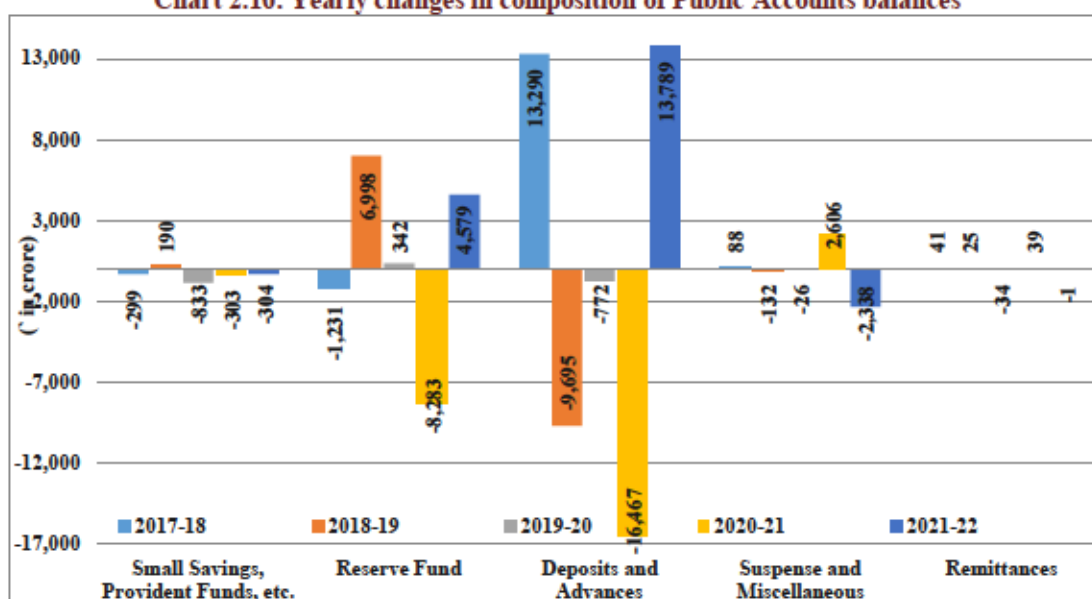
Source: Finance Accounts of respective years, Government of Odisha

Note: +ve denotes debit balances and -ve denotes credit balances

From the above table, it can be seen that, during the year 2021-22, the net Public Account receipts (₹4,815 crore) contributed 2.80 per cent of the total resources (₹ 1,72,220 crore) of the State. The major source of Public Account receipts was Reserve Funds (₹3,550 crore), due to contribution of ₹2,000 crore and accumulation of interest amounting to ₹ 988 crore in the Consolidated Sinking Fund.

Government is liable to pay/adjust interest in respect of interest-bearing Reserve Funds and Deposits. During the year 2021-22, interest amounts payable on State Disaster Response Fund (₹98.20 crore), State Compensatory Afforestation Fund (₹32.94 crore), Deposits on Government Companies (₹0.73 crore) and Miscellaneous Deposits (₹0.01 crore), totalling ₹131.88 crore, were not credited to the Public Account, which impacted favourably on the revenue and fiscal position of the State.

Chart 2.16: Yearly changes in composition of Public Accounts balances



Source: Finance Accounts of respective years, Government of Odisha

2.5.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Accounts of the State Government. These funds are met from contribution or grants from Consolidated Fund of India or the State. Out of the gross accumulated balance of ₹23,883 crore lying in these Funds as on 31 March 2022, ₹18,464 crore was invested in Government Stock by Reserve Bank of India, leaving the total net accumulated balance of ₹ 5,419 crore, as on 31 March 2022.

The transactions during the year 2021-22, under major Reserve Funds are detailed below:

i) Consolidated Sinking Fund (CSF): As per 12th Finance Commission recommendation, GoO set up Consolidated Sinking Fund for amortisation of outstanding liabilities. The guidelines of the Reserve Bank of India, stipulate a minimum annual contribution of at least 0.5 *per cent* of the outstanding liabilities at the end of the previous financial year to the CSF, during the year. In consultation with RBI, the State Government vide notification dated November 2018, revised the scheme for Constitution and Administration of the Consolidated Sinking Fund of Government of Odisha and inserted that the State Government is at liberty of not contributing to the fund, if the balance in the fund is maintained at a level higher than 5 *per cent* of the total liability of the State Government at the end of the previous year. As on 31 March 2022, the balance in the Consolidated Sinking Fund was ₹14,681.68 crore, which was 11.96 *per cent* (more than the mandated level of 5 *per cent*) of the total liability of the State Government at the end of the previous year (₹1,22,773.59 crore). The State Government contributed ₹2,000 crore to the fund in 2021-22 and from the investment of the fund, interest amounting to ₹987.93 crore was accumulated in the fund. The entire outstanding amount of the fund was invested in Government of India securities by the Reserve Bank of India.

ii) Guarantee Redemption Fund (GRF): GRF was constituted in the year 2002-03, with the objective of meeting the payment obligations, arising out of default in debt servicing of loans guaranteed by the Government. The State Government is required to contribute an amount equivalent at least to 1/5th of the outstanding invoked guarantees plus amount likely to be invoked as a result of the incremental guarantees issued during the year. No guarantees were invoked and the Government of Odisha had not made any contributions to the Fund during 2021-22. Interest accrued for the year 2021-22 from investment, amounting to ₹123.58 crore, was accounted for in the fund. The balance at the credit of the fund as on 31 March 2022 was ₹1,646.41 crore, which had been invested in Government of India securities by the Reserve Bank of India.

iii) State Compensatory Afforestation Fund Management and Planning (CAMPA) Fund: The opening Balance of CAMPA Fund as on 01 April 2021, was ₹5,136.21 crore. During the year 2021-22, the State Government had received ₹458.05 crore from National Compensatory Afforestation Fund (NCAF) and an amount of ₹101.42 crore was received as interest from investment of the fund. The expenditure incurred out of the fund during the year, was ₹836.40 crore and the balance in the State CAMPA Fund as on March 2022, stood at ₹4,859.28 crore. Out of ₹4,859.28 crore, ₹1,145.23 crore was invested in RBI Treasury Bills, leaving an amount of ₹3,714.05 crore, un-invested. The State neither invested the balance amount nor paid the interest liable to be paid *i.e.* ₹ 32.94 crore (as per 364 days Treasury Bill interest) at the end of the year. This had an impact of overstatement of Revenue Surplus and overstatement of Fiscal Surplus to the tune of ₹32.94 crore.

The Government stated that the funds of CAMPA are managed by the State Authority and the decisions on investments, are being taken by them and the State Government does not have a significant role in this respect.

iv) State Disaster Response Fund (SDRF): During the year 2021-22, the Central Government had contributed ₹1,604 crore (SDRF: ₹1283.20 crore and State Disaster Mitigation Fund (SDMF): ₹320.80 crore) and the State Government contributed ₹535.00 crore (SDRF: ₹428.00 crore and SDMF: ₹107.00 crore) to SDRF. Grants from National Disaster Response Fund (NDRF) amounted to ₹500.00 crore. Total funds in SDRF amounted to ₹4,341.15 crore (including Opening Balance ₹1,690.02 crore and interest earned ₹12.13 crore). Out of this amount, State Government incurred expenditure of ₹1,930.69 crore during the year, leaving a balance of ₹2,410.46 crore as on 31 March 2022, as against ₹1,690.02 crore as on 31 March 2021. Out of this, an amount of ₹ 990.88 crore was invested in RBI Treasury Bills, leaving ₹ 1,419.58 crore, un-invested, as on 31 March 2022. The State neither invested the balance amount nor paid the interest liable to be paid, *i.e.* ₹ 98.20 crore (as per 364 days Treasury Bill interest) at the end of the year, which overstated the revenue surplus and overstated the fiscal surplus to the tune of ₹98.20 crore.

2.5.3 Position of loans and advances and interest received/ paid by the State Government

In addition to investments in Co-operative societies, Corporations and Companies, the State Government has also provided loans and advances to Public Sector Undertakings and autonomous bodies, such as Universities, Local Bodies and Urban Development Authorities and Corporations *etc.* Table 2.25 shows the details of outstanding Loans and Advances for the years 2017-22:

Table 2.25: Position of Loans and Advances

(₹ in crore)						
S.No.	Quantum of Loans/Interest Receipts/ Cost of Borrowings	2017-18	2018-19	2019-20	2020-21	2021-22
1	Opening Balance (₹ in crore)	4,708	6,326	7,191	8,163	9,076
	Amount advanced during the year (₹ in crore)	1,875	1,170	1,259	1,597	1,686
	Amount recovered during the year (₹ in crore)	257	305	287	684	1,566
2	Closing Balance (₹ in crore)	6,326	7,191	8,163	9,076	9,196
I	Net addition (₹ in crore)	(+) 1,618	(+) 865	(+) 972	(+) 913	(+) 120
ii	Interest Receipts (₹ in crore)	41	35	64	316	1,315
iii	Interest Receipts as a percentage of outstanding loans and advances (in per cent)	0.65	0.49	0.78	3.48	14.30
iv	Interest Payments (₹ in crore)	4,988	5,800	6,063	6,644	6,342
v	Outstanding Debt (₹ in crore)	97,164	1,08,258	1,26,084	1,22,774	1,20,140
vi	Interest Payments as percentage to total outstanding Debt of the State Government (in per cent)	5.13	5.36	4.81	5.41	5.28
vii	Difference between Interest Receipts as a percentage of outstanding loans and advances and Interest Payments as percentage to total outstanding Liabilities of the State Government (iii – vi)	(-) 4.48	(-) 4.87	(-) 4.03	(-) 1.93	(+) 9.02

Source: Finance Accounts of respective years, Government of Odisha

From the above table, it can be inferred that:

- Outstanding Loans and Advances rose from ₹6,326 crore in 2017-18 to ₹9,196 crore in 2021-22. Major portion of loans advanced during 2021-22 was to Indian Oil Corporation Limited (₹700 crore), MARKFED (₹140 crore), Odisha Power Transmission Corporation Limited (₹100 crore), Odisha State Seeds Corporation Limited (₹80 crore), Odisha Agro Industries Corporation Limited (₹10 crore) and Government Servants (₹646.84 crore).
- Government of Odisha had entered into an agreement with Indian Oil Corporation Limited, for providing fiscal incentive of ₹10,500 crore interest free loan over a period of 15 years for the Paradeep Refinery Project, as Viability Gap Funding (VGF²¹). As a part of this, the State Government disbursed ₹1,400 crore in

²¹ Viability Gap Funding means a grant to support projects that are economically justified but not financially viable.

2017-18 and ₹700 crore each in 2018-19, 2019-20, 2020-21 and 2021-22.

- The current recovery of loan (₹1,566 crore) was 92.88 *per cent* of the advances (₹ 1,686 crore) made during the year and was more than previous year's recovery (₹ 684 crore). The actual recovery (₹1,566 crore) for 2021-22, was more than what was estimated in the Budget for recovery (₹ 414 crore) by 278.26 *per cent*. The recovery of Loans and Advances during the year 2021-22, spiked due to conversion of loans worth ₹981.35 crore, issued to Grid Corporation of Odisha Limited (GRIDCO) to equity investment of Government.
- Interest receipts increased from ₹41 crore in 2017-18 to ₹1,315 crore in 2021-22, with percentage of interest received to total outstanding loans and advances increasing from 0.65 *per cent* in 2017-18 to 14.30 *per cent* in 2021-22. Interest receipt during 2021-22 (₹1,315 crore) surged by 316.14 *per cent* over 2020-21 (₹316 crore) due to conversion of ₹1058.34 crore interest accrued on loans issued to GRIDCO, to equity investment of government in GRIDCO. As compared to interest receipt of 14.30 *per cent* on outstanding loans, interest payment (₹6,342 crore) during 2021-22 was 5.28 *per cent* of its total outstanding liabilities (₹1,20,140 crore). As a result, interest spread of Government borrowings was positive (9.02 *per cent*) during the year.

2.6 Debt Management

Debt management is the process of establishing and executing a strategy for managing the Government's debt in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals, that the Government may have set through enactment or any other annual budget announcement.

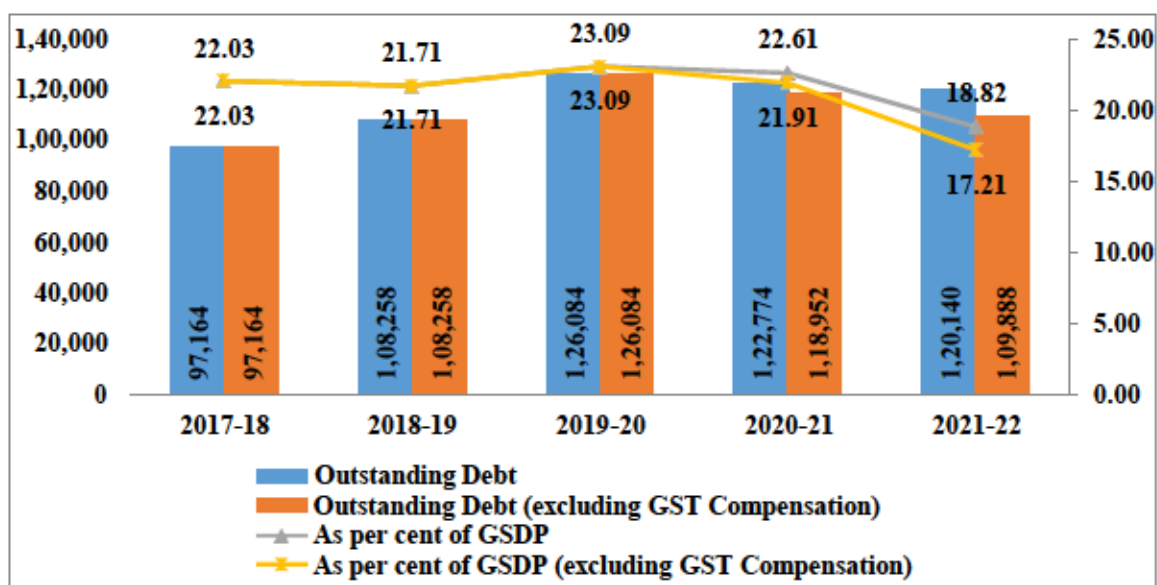
Outstanding Debt of the State Government (Internal Debt, Loans and Advances from GoI and Public Account Liabilities) as of 31 March 2022, stood at ₹1,20,140 crore, which was less by 2.14 *per cent* over the preceding year. Out of ₹1,20,140 crore of Outstanding debt, ₹27,489 crore carried no interest obligations (Back to Back Loans from Central Government in lieu of GST Compensation shortfall: ₹10,252 crore, Deposits not bearing interest: ₹16,952 crore and Reserve Funds not bearing interest: ₹285 crore).

During the year 2021-22, Internal Debt decreased by ₹13,544 crore, Loans from Government of India increased by ₹6,525 crore and Public Accounts Liabilities increased by ₹4,385 crore. Outstanding Debt as a whole, decreased by ₹2,634 crore. During 2021-22, GoO repaid market loans (₹6,473 crore), NSSF loans (₹882 crore), loan from National Bank for agriculture and Rural Development (NABARD) (₹2,426 crore), loan from Odisha Mineral Bearing Areas Development Corporation (OMBADC) (₹6,030 crore) and loan from CAMPA (₹2,895 crore). On the other hand, GoO received Back to Back Loans from Central Government in lieu of GST Compensation shortfall (₹6,430 crore), Special Central Assistance to States for Capital

Expenditure (₹517 crore), Other loans from GoI (₹659 crore), loan from NABARD (₹3,224 crore), loan from OMBADC (₹1,800 crore) and loan from SIDBI Cluster Development Fund (₹150 crore).

An abstract of liabilities and assets as on 31 March 2022, compared with corresponding position of last year is given in *Appendix 2.3*. Trend analysis of the outstanding debt of the State is depicted in *Chart 2.17*.

Chart 2.17: Outstanding Debt vis-à-vis GSDP



Source: Finance Accounts of respective years, Government of Odisha

2.6.1 Debt profile: Components of Outstanding Debt

The components of Outstanding Liabilities are given in *Chart 2.18*.

Chart 2.18: Components of Outstanding Debt of the State Government

Outstanding Debt (₹ 1,20,140 crore)		
Internal Debt from Market, financial institutions, etc. (₹ 53,977 crore)	Loans and Advances from Government of India (₹ 18,507 crore)	Public Account Liabilities where Government acts as a banker (₹ 47,655 crore)
Market Loans (₹ 28,559 crore)	Loans for Plan Schemes (₹ 8,245 crore)	Small Savings, Provident Fund, etc. (₹ 25,258 crore)
Loans from Financial Institutions (₹ 16,740 crore)	Loans in Lieu of GST Compensation (₹ 10,252 crore)	Reserve Funds bearing Interest (₹ 5,134 crore)
Special Securities issued to NSSF (₹ 6,525 crore)	Non Plan Loans (₹ 10 crore)	Reserve Funds not bearing Interest (₹ 285 crore)
Other Loans (₹ 2,153 [#] crore)		Deposits bearing interest (₹ 26 crore)
		Deposits not bearing interest (₹ 16,952 crore)

[#] includes loans taken from OMBADC and SIDBI fund

Source: Finance Accounts, Government of Odisha.

Debt Sustainability is defined as the ability of the State to service its debt in future. Table 2.26 analyses the debt sustainability of the State during the five-year period 2017-22.

Table 2.26: Debt Sustainability Indicators during 2017-22

Indicators of Debt* Sustainability	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding Debt (₹ in crore)	97,164	1,08,258	1,26,084	1,22,774	1,20,140
Public Debt - Internal Debt	44,584	50,421	60,595	67,521	53,977
Public Debt - Loans from Government of India	7,606	7,832	7,843	11,982	18,507
Public Accounts Liabilities	44,974	50,005	57,646	43,270	47,655
Rate of growth of Outstanding Debt (in per cent)	35.66	11.42	16.47	(-) 2.63	(-) 2.15
GSDP (at current prices) (₹ in crore)	4,40,975	4,98,577	5,46,141	5,42,890	6,38,342
Rate of growth of GSDP	12.26	13.06	9.59	-0.64	17.58
Debt/GSDP ratio (in per cent)	22.03	21.71	23.09	21.91 ²²	17.21 ²³
Total Debt Receipts (₹ in crore)	61,698	48,103	60,314	60,649	65,043
Total Debt Repayments (₹ in crore)	36,157	37,009	42,487	63,960	67,677
Net Debt (after payment of interest)	20,553	5,294	11,764	(-) 3,311	(-) 2,634
Debt Repayment/ Debt Receipts (in per cent)	58.60	76.94	70.44	105.46	104.05

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

*Internal Debt, Loans from GoI and Public Account Liabilities

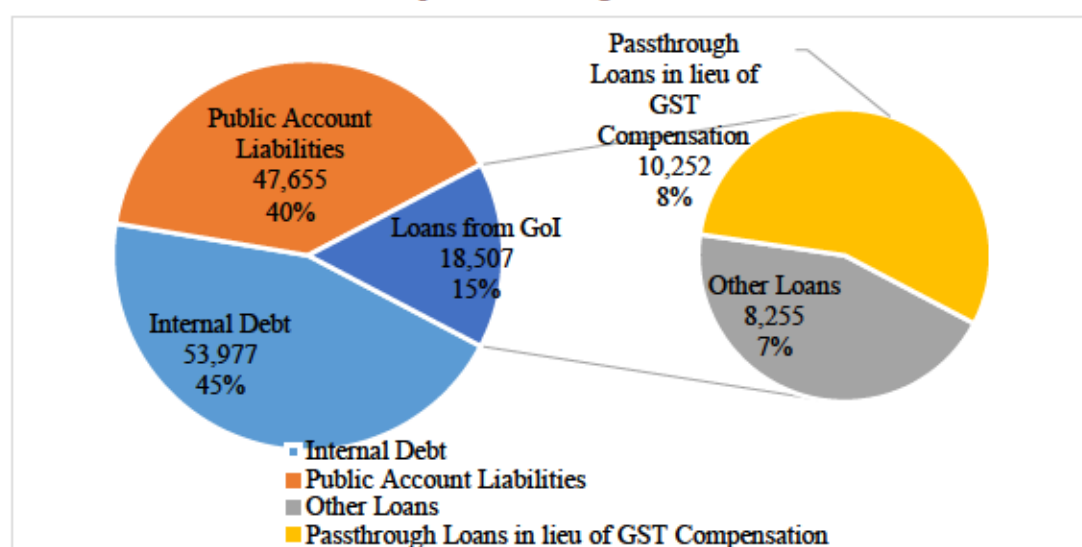
The effective outstanding overall debt would be ₹ 1,09,888 crore as the Department of Expenditure, GoI, has decided that GST compensation of ₹ 10,252.20 crore (2020-21: ₹ 3,822 crore and 2021-22: ₹ 6,430.20 crore) given to the State as back to back loan under debt receipts, would not be treated as debt of the State for any norms, which may be prescribed by the Finance Commission.

Out of the total outstanding debt of ₹ 1,20,140 crore, Internal Debt constituted major share (45 per cent) followed by Public Account Liabilities (40 per cent) and Loans from Government of India (15 per cent), which is shown in Chart 2.19. Component-wise debt trends are depicted in Chart 2.20.

²² This debt does not include ₹ 3,822.00 crore, which was passed on as back to back loans by Government of India in lieu of shortfall in GST Compensation, vide GoI's No. F. No. 40(1) PF-S/2021-22 dated 10-12-2021

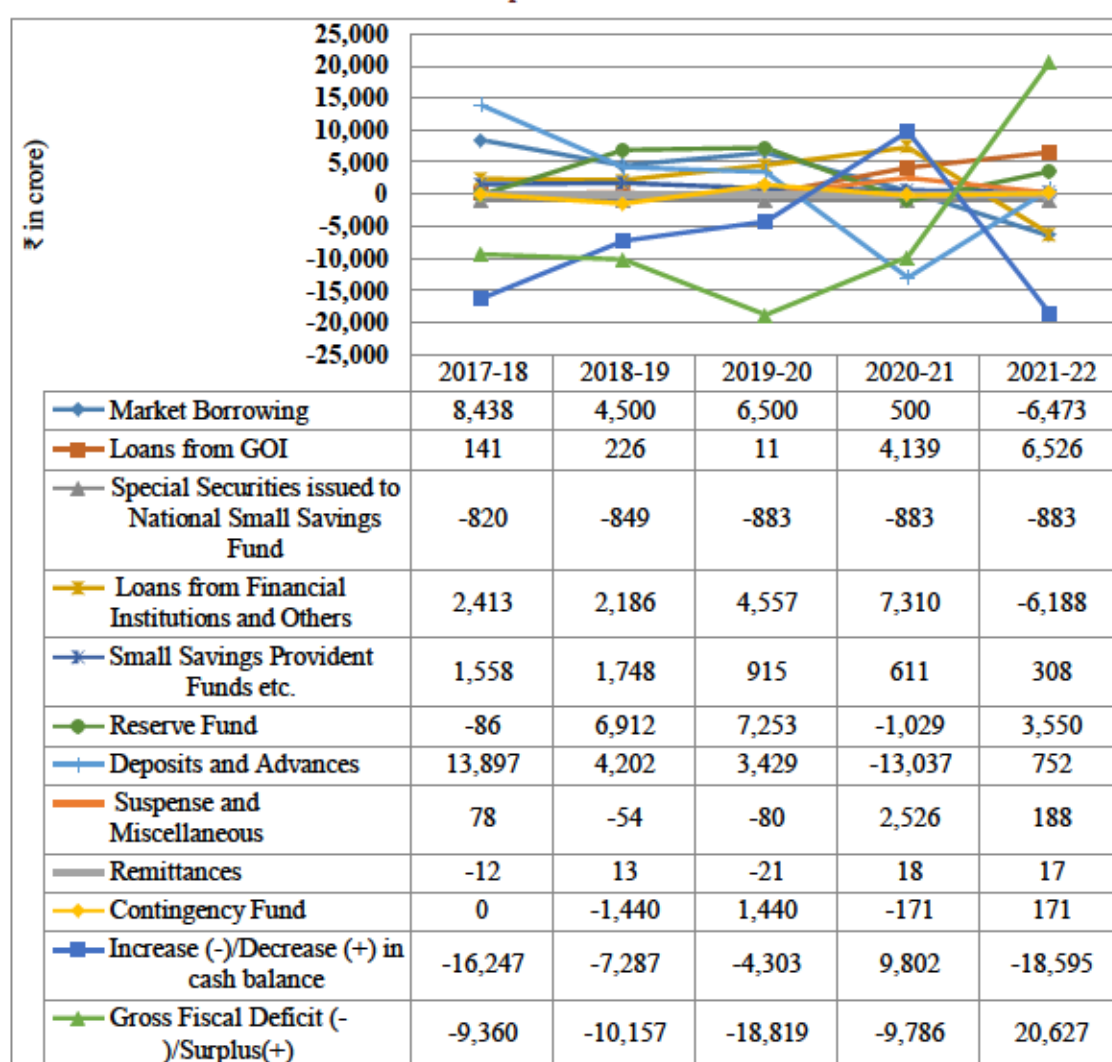
²³ This debt does not include ₹ 10,252.20 crore (2020-21: ₹ 3,822 crore and 2021-22: ₹ 6,430.20 crore), which was passed on as back to back loans by Government of India in lieu of shortfall in GST Compensation, vide GoI's No. F. No. 40(1) PF-S/2021-22 dated 10-12-2021

Chart 2.19: Break up of Outstanding Debt at the end of 2021-22



Source: Finance Accounts 2021-22, Government of Odisha.

Chart 2.20: Components wise Debt Trends

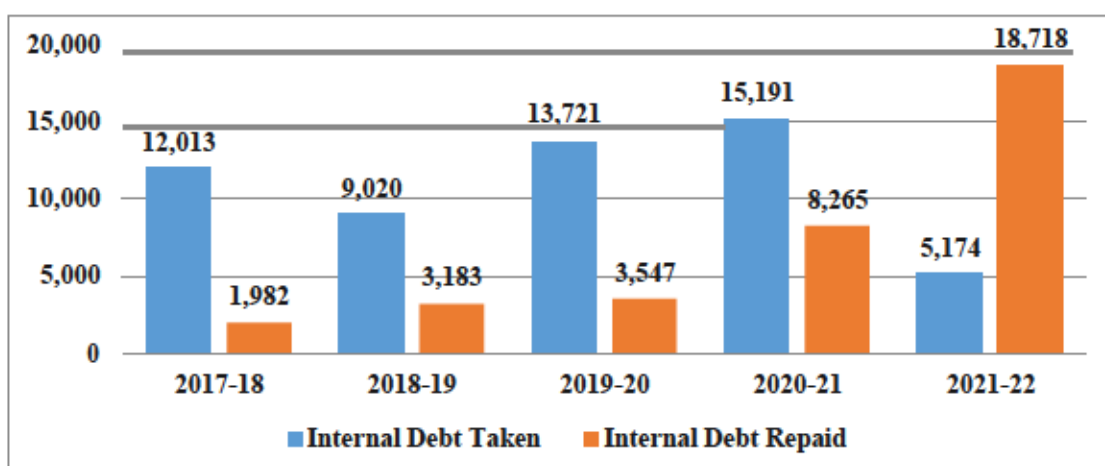


Source: Finance Accounts of respective years, Government of Odisha.

It can be seen from Chart 2.20 that the decrease in Outstanding Debt was mainly due to decrease in Loans from Financial Institutions by ₹6,188 crore, Loans from Market by ₹6,473 crore, Special Securities issued to National Small Savings Fund by ₹883 crore, which was compensated by increase of Loans from Government of India by ₹6,526 crore, Reserve Fund by ₹3,550 crore, Deposit and advances by ₹752 crore and Small Savings and Provident Fund by ₹308 crore.

Internal Debt taken *vis-a-vis* repayment during 2017-18 to 2021-22 is given in Chart 2.21.

Chart 2.21: Internal debt taken *vis-à-vis* repaid



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

During 2021-22, Revenue Receipts of the state increased substantially, which reduced the dependency on debt and helped GoO to repay internal debt of ₹18,718 crore. The internal debt repayment was much higher (261.77 per cent) than the internal debt receipt.

2.6.1.1 Composition and Financing pattern of Fiscal Deficit

Fiscal deficit represents the total financing that the State requires (predominantly by drawing on its cash and investment balances with the RBI and by borrowing) to meet the excess of the revenue and capital expenditure (including loans and advances) over revenue and non-debt receipts. The composition and financing pattern of fiscal deficit are shown in Table 2.27.

Table 2.27: Components of Fiscal Deficit and their financing pattern

(₹ in crore)

Particulars		2017-18	2018-19	2019-20	2020-21	2021-22
		Net	Net	Net	Net	Net
A.	Composition of Fiscal Deficit (1 to 3)	(-)9,360	(-) 10,157	(-) 18,819	(-)9,786	20,627
1	Revenue Surplus	13,367	14,190	2,430	9,076	43,471
2	Capital Expenditure	(-)21,109	(-) 23,482	(-)20,277	(-)17,949	(-)22,726
3	Net Loans and Advances	(-)1,618	(-) 865	(-)971	(-)913	(-)120

Particulars		2017-18	2018-19	2019-20	2020-21	2021-22
		Net	Net	Net	Net	Net
B	Financing Pattern of Fiscal Deficit/Surplus					
1	Net Borrowings	10,172	6,063	10,185	11,066	-7,018
a	Market Borrowings	8,438	4,500	6,500	500	-6,473
b	Special Securities issued to NSSF	-820	-849	-883	-883	-883
c	Loans from Financial Institutions and Others	2,413	2,186	4,557	7,310	-6,188
d	Loans from GoI	141	226	11	4,139	6,526
2	Net Public Account	15,435	12,821	11,496	(-10,911)	4,815
a	Small Savings, Provident Fund etc.	1,558	1,748	914	611	308
b	Reserve Funds	(-86)	6,912	7,254	(-1,029)	3,550
c	Deposits and Advances	13,897	4,202	3430	(-13,037)	752
d	Suspense and Miscellaneous	78	(-) 54	-80	2,526	188
e	Remittances	(-) 12	13	-22	18	17
3	Contingency Fund	—	(-) 1,440	1,440	(-171)	171
4	Total (1 to 3)	25,607	17,444	23,121	(-)16	(-)2,032
5	(-) Increase / (+) Decrease in Cash Balance	(-)16,427	(-) 7287	(-) 4,303	9,802	(-)18,595
6	Overall Surplus (+)/ Deficit(-) (4+5)	9,360	10,157	18,819@	9,786	(-)20,627

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

Includes market borrowings & borrowings from other institutions also

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

@ difference of ₹one crore is due to rounding off

It can be seen from above table that during 2021-22, Revenue Surplus of ₹43,471 crore even after financing Capital Expenditure ₹22,726 crore, net Loans discharged ₹120 crore, net public debt repayment ₹7018 crore left with surplus of ₹13,607 crore. The surplus (₹13,607 crore) supplemented with net Public Account Receipt ₹4,815 crore and recoupment of Contingency Fund ₹171 crore formed additional cash balance of ₹18,595 crore during the year.

2.6.2 Debt profile, Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Table 2.28 and Chart 2.22 show the debt maturity profile of repayment of State Debt.

Table 2.28: Debt Maturity Profile of repayment of State Debt

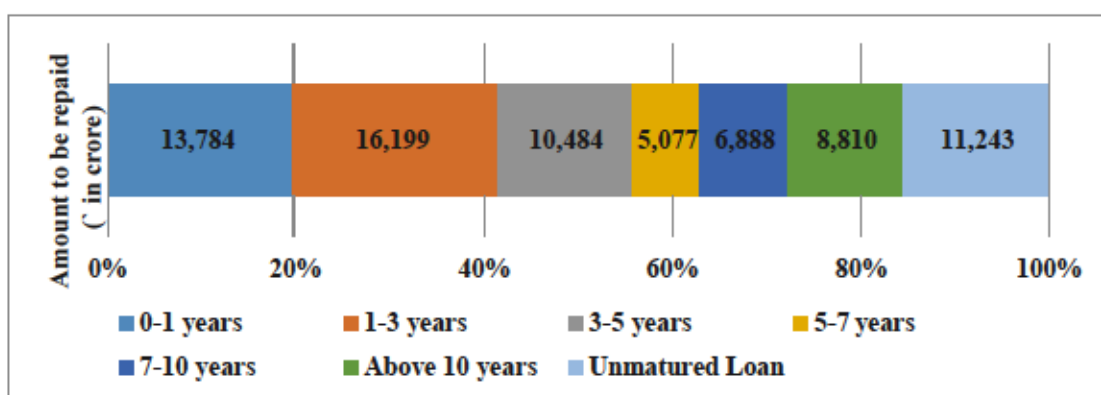
Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public Debt)
0-1	13,784	19.02
1-3	16,199	22.35

Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public Debt)
3-5	10,484	14.46
5-7	5,077	7.00
7-10	6,888	9.50
Above 10	8,810	12.15
Un-matured Loan*	11,243	15.51
Total	72,485	100.00

Source: Finance Accounts 2021-22, Government of Odisha.

*includes back to back loan in lieu of GST compensation/ shortfall

Chart 2.22: Debt Maturity Profile



Source: Finance Accounts, Government of Odisha.

It can be seen from the Table 2.28 and Chart 2.22 that ₹13,784 crore (19.02 per cent) of the outstanding Public Debt will mature within one year. Out of the ₹13,784 crore, loan of ₹1,725 crore was taken from the Public Account, which is matured as well as renewed on yearly basis. Further, ₹40,467 crore (55.83 per cent) of the outstanding public debt is going to be matured within five years, which would create extra burden on the finances of the State.

The repayment of Principal and Interest of the outstanding debt stock in the next 10 years, on the present debt liabilities, is shown in Table 2.29 and Chart 2.23.

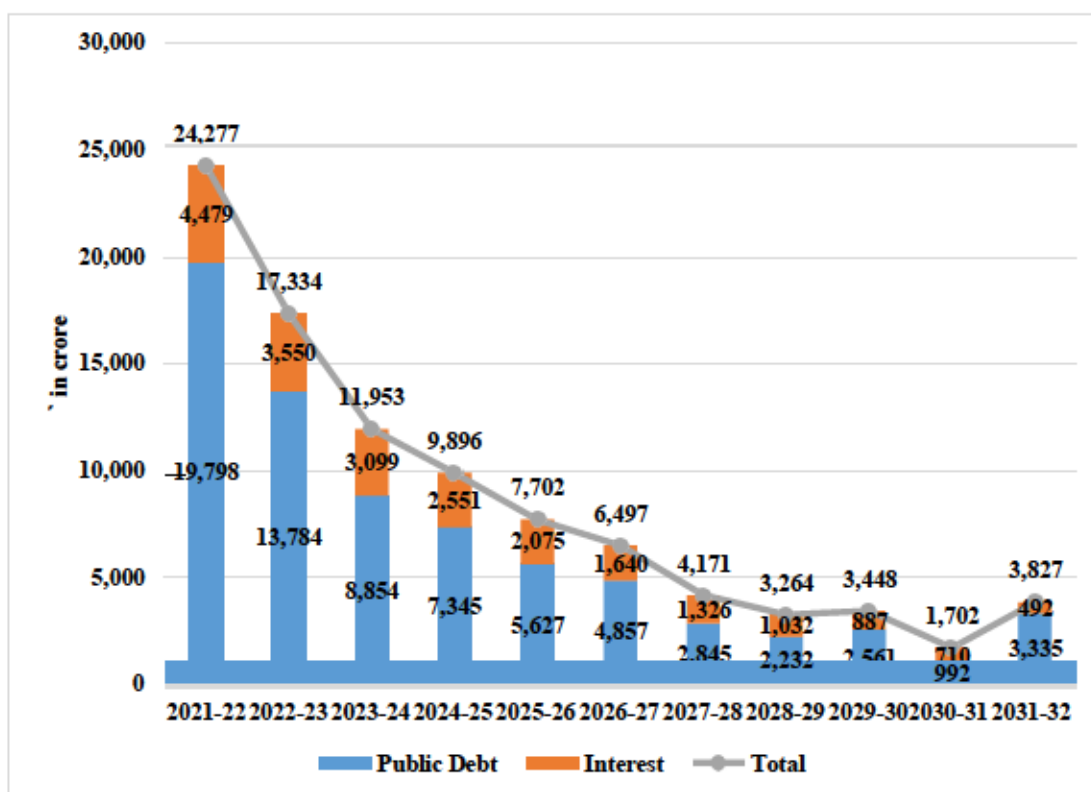
Table 2.29: Repayment of Debt and Interest

Year	(₹ in crore)		
	Public Debt	Interest	Total
2021-22	19,798	4,479	24,277
2022-23	13,784	3,550	17,334
2023-24	8,854	3,099	11,953
2024-25	7,345	2,551	9,896
2025-26	5,627	2,075	7,702
2026-27	4,857	1,640	6,497
2027-28	2,845	1,326	4,171
2028-29	2,232	1,032	3,264
2029-30	2,561	887	3,448
2030-31	992	710	1,702
2031-32	3,335	492	3,827

Source: For public Debt - Finance Accounts of Government of Odisha

For Interest - information furnished by Finance Department, Government of Odisha.

Chart 2.23: Repayment of Debt and Interest



Source: For public Debt - Finance Accounts of Government of Odisha

For Interest - information furnished by Finance Department, Government of Odisha.

It can be seen from Table 2.29 and Chart 2.23 that the State Government has to bear huge financial burden of ₹17,334 crore, ₹11,953 crore and ₹9,896 crore towards servicing of debt, during the years 2022-23, 2023-24 and 2024-25, respectively. Considering the future financial constraints, owing to repayment of principal of ₹52,432 crore and repayment of interest of ₹17,362 crore in coming ten years, the State Government is required to maintain its Revenue Surplus, so that the Revenue Surplus is sufficient enough to service the debt.

2.6.3 Net availability of borrowed funds

The Net availability (₹11,497 crore) of borrowed funds (₹12,780 crore) after providing for interest payments (₹4,479 crore) and repayment of borrowings (₹19,798 crore), was negative (89.96 per cent). Revenue Surplus during the year 2021-22, was ₹43,471 crore, which helped Government of Odisha to curtail its dependency on borrowed funds and discharge its debt obligations, even after financing Capital Expenditure of ₹22,726 crore.

2.7 Debt Sustainability Analysis

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. Debt Sustainability Analysis (DSA) considers the feasibility of meeting debt related financial obligations during a period and is a crucial aspect for assessing financial health of an economy. The cornerstone of DSA is the Debt to GSDP ratio. The Debt to GSDP ratio rises mainly because higher levels of debt lead to higher net interest expenditures, and in turn, to higher deficits and debt. A sustainable fiscal policy is one, where the debt to GSDP ratio is stable or declining over the long term. The sustainability of the debt of the State is analysed through Debt Sustainability Indicators.

2.7.1 Debt Stabilisation- Debt Sustainability Indicators

Trends in Debt Sustainability Indicators are shown in Table 2.30.

Table 2.30: Trends in debt Sustainability Indicators

(₹ in crore)					
Debt Sustainability Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding Public Debt ²⁴	52,190	58,253	68,438	79,503	72,485
Rate of Growth of Outstanding Public Debt	24.21	11.62	17.48	16.17	(-)8.83
GSDP	4,40,974	4,98,576	5,46,413	5,42,889	6,38,342
Rate of Growth of GSDP	12.26	13.06	9.59	-0.64	17.58
Public Debt/GSDP	11.84	11.68	12.52	14.64	11.36
Debt Maturity profile of repayment of State Debt					
Interest paid on Public Debt	3,318	3,986	4,226	4,748	4,479
Average interest Rate of Outstanding Public Debt ²⁵ (per cent)	7.04	7.22	6.67	6.42	5.89
Percentage of Interest payment to Revenue Receipts	5.85	5.83	5.97	6.36	4.14
Percentage of Debt Repayment to Debt Receipts	20.91	39.39	30.62	45.54	154.91
Net Debt available to the State ²⁶	6,854	2,077	5,959	6,318	-11,497
Net Debt available as per cent of Debt Receipts	53.29	20.76	40.60	31.10	-89.96
Interest Spread ²⁷	5.22	5.84	2.92	-7.06	11.69
Quantum Spread ²⁸	2,724	3,402	1,998	-5,613	8,473
Primary Deficit (-)/Surplus(+)	-4,372	-4,357	-12,756	-3,142	26,967
Debt Stabilisation (Quantum spread + Primary Deficit)	-1,648	-955	-10,758	-8,755	35,440

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

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 – interest rate) and quantum spread (Debt x rate

²⁴ Outstanding Public Debt is the sum of outstanding balances under the heads 6003- Internal Debt and 6004- Loans and Advances from the Central Government.

²⁵ Average interest rate = Interest paid / (OB of Public Debt + CB of Public Debt)/2

²⁶ Net debt available to the State Government is calculated as excess of Public Debt receipts over Public debt repayment and interest payment on Public Debt.

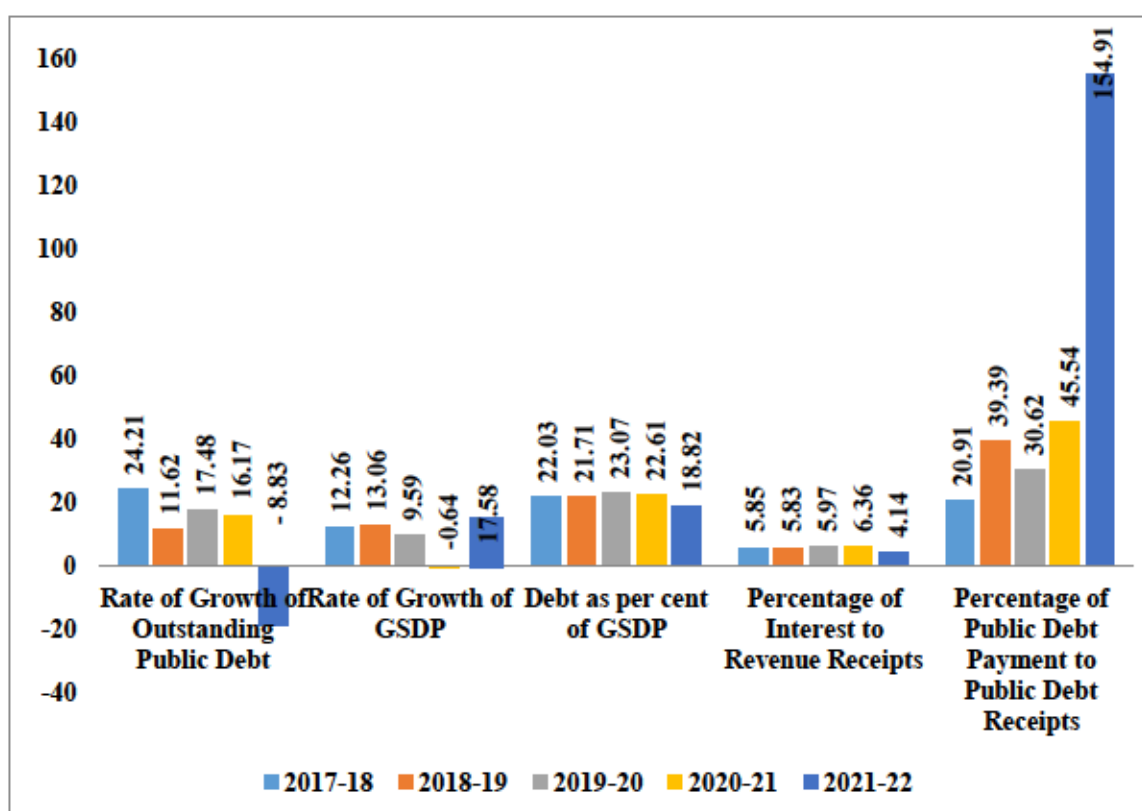
²⁷ Interest Spread with reference to Debt Sustainability Analysis of the State is the difference between the rate of growth of GSDP and interest paid on the borrowings of the Government. It is a key determinant of an institution's profitability. The greater the spread, the more profitable the Government is likely to be.

²⁸ Quantum Spread = Outstanding Public Debt X Interest Spread/100

spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilise eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.

It can be seen from Table 2.29 that, during the last five years, except for 2020-21, the rate of growth of the economy (*i.e.* rate of growth of GSDP) exceeded the interest rate or cost of public borrowings. The primary balances (*i.e.* primary deficit), except in 2021-22 remained negative, resulting in non-fulfilment of a necessary condition for debt stabilisation. However, during 2021-22, the necessary condition of the rate of growth of economy exceeding the interest rate or cost of public borrowings and the primary balances being positive, was fulfilled, indicating that the debt of the State was stable.

Chart 2.24: Trends in debt Sustainability Indicators



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

2.7.2 Utilisation of borrowed funds

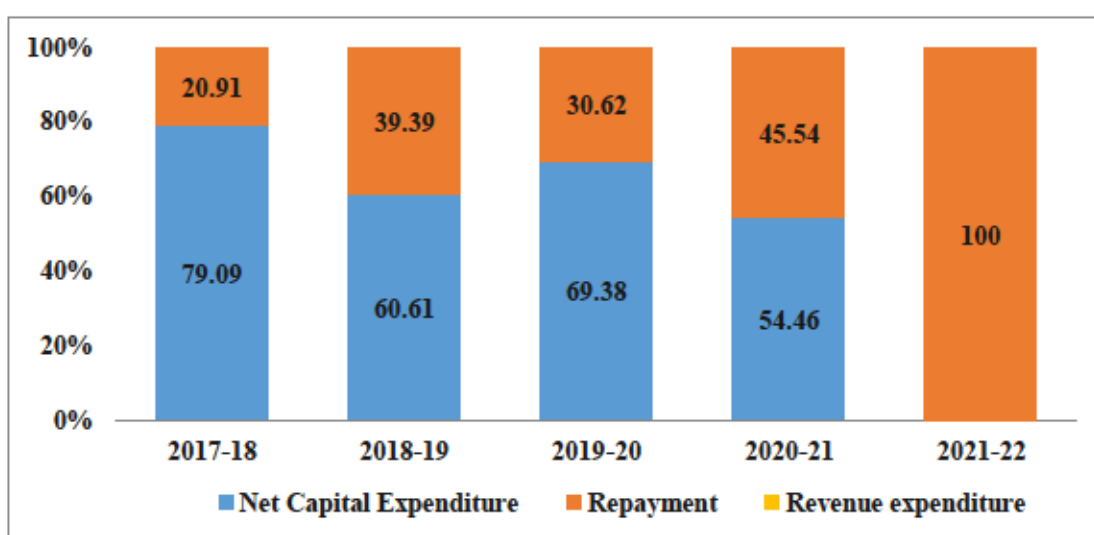
Borrowed funds should be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans, is not sustainable.

Table 2.31: Utilisation of borrowed funds

Debt Sustainability Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
Total borrowings (₹ in crore)	12,862	10,003	14,679	20,318	12,780
Repayment of earlier borrowings (Principal) (₹ in crore)	2,690	3,940	4,494	9,252	19,798
Repayment of earlier borrowings (Principal) (Percentage)	20.91	39.39	30.62	45.54	100.00
Net Loans and Advances (Percentage)					
Net Capital Expenditure (Percentage)	79.09	60.61	69.38	54.46	--
Revenue expenditure met out of net available borrowings (Percentage)	--	--	--	--	--

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

Chart 2.25: Trends of Utilisation of borrowed funds



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

From Table 2.31 and Chart 2.25, it can be seen that repayment of earlier borrowings expressed as a percentage of Total Borrowings varied from 20.91 *per cent* in 2017-18 to 45.54 *per cent* during 2020-21. However, the percentage of repayment of earlier borrowings to Total Borrowings rose to 100 *per cent* during the current year, due to availability of sufficient Fiscal Surplus (₹20,627 crore). Meanwhile, the Net Capital Expenditure consistently exceeded the Total Borrowings of the State, during 2017-18 to 2020-21. The portion of Capital Expenditure met out of net available borrowings, ranged from 54.46 *per cent* to 79.09 *per cent* from 2017-18 to 2020-21, however it was nil during 2021-22, due to more repayment than borrowings. Revenue Expenditure met out of borrowings throughout the last five years, was nil.

2.7.3 Status of Guarantees- Contingent Liabilities

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. Finance Department, Government of Odisha, instructed (November 2002) that the total

outstanding guarantee, as on 1st April of every year, should not exceed hundred *per cent* of the State's Revenue Receipts (excluding Grants-in-Aid) of the 2nd preceding year. The trends of Outstanding Guarantees for the years 2017-18 to 2021-22, are shown in Table 2.32. The outstanding guarantees (₹ 7,086 crore) at the beginning of 2021-22 stood at 9.15 *per cent* of total Revenue Receipts, less grants-in-aid of the second preceding year²⁹ (₹77,416 crore) and was within the ceiling (100 *per cent*) laid down in the said resolution.

Table 2.32: Guarantees given by the Government

Guarantees	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Ceiling applicable to the outstanding amount of guarantees including interest (Criteria)	54,812	59,217	67,584	79,948	77,416
Outstanding guarantees at the beginning of the year	2,256	1,711	4,170	3,532	7,086
Outstanding guarantees at the end of the year	1,711	4,170	3,532	7,086	6,156

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

Government categorised the guarantees as 100 *per cent* risk weighted *i.e.*, the risk of default was borne by the State Government. During the year 2020-21, no guarantee was extended by GoO. On the other hand, guarantees amounting to ₹925.63 crore (GRIDCO: ₹922.73 crore, OSFCL: ₹0.90 crore and Odisha Khadi and Village Industries Limited: ₹2.00 crore) were withdrawn and no guarantee was invoked during the year. Out of the total outstanding loans guaranteed by the Government (₹6,156 crore), 98.42 *per cent* (₹6,062.57 crore) pertained to the Grid Corporation of Odisha Limited (GRIDCO).

In consideration of the guarantees given by the Government, the institutions, in some cases, are required to pay guarantee commission, at rates varying from 0.01 *per cent* to one *per cent*. As per the Finance Accounts, the State received Guarantee Commission of ₹33.15 crore, during 2021-22. The cumulative guarantee commission, received as on 31 March 2022, was ₹373.39 crore, as against the receivable amount of ₹454.55 crore. The balance guarantee commission of ₹81.16 crore is yet to be received. Details are shown in Table 2.33.

Table 2.33: Guarantee Commission received/receivable by the Government

Name of the Sector	No. of entities	(₹ in crore)		
		Commission receivable	Commission received	Commission yet to be received
Power	4	383.56	333.65	49.91
Co-operatives	42	4.63	2.22	2.41
State Financial Corporation	7	8.55	2.90	5.65
Housing and Urban Development	86	41.32	28.53	12.79
Roads and Transport	2	1.84	1.84	0

²⁹ second preceding year is 2019-20: Revenue Receipts (₹1,01,568 crore) of 2019-20 minus Grants-in-aid (₹24,152 crore) equals ₹77,416 crore.

Name of the Sector	No. of entities	Commission receivable	Commission received	Commission yet to be received
Other Infrastructure	15	13.39	4.25	9.14
Others	4	1.26	0.00	1.26
TOTAL	160	454.55	373.39	81.16

Source: Finance Accounts 2021-22, Government of Odisha.

2.7.4 Cash Balance

As per an agreement with the Reserve Bank of India, State Governments have to maintain a minimum daily cash balance with the Bank.

State Governments invest their surplus cash balance in short and long-term GoI Securities and Treasury Bills. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'. The cash balances are invested in the Consolidated Sinking Fund and Guarantee Redemption Fund, as well.

It is not desirable that the State Government takes recourse to market loans, despite having large cash balance, leading to further accretion to cash balance, without putting the available cash balance to productive use.

The cash balance at the end of March 2022, was ₹51,231.05 crore. Cash balances and investments thereof, made by the State Government, up to the end of March 2022 and the closing balances at the end of March 2021, are given in Table 2.34.

Table 2.34: Cash Balance and Investment of Cash Balance

(₹ in crore)		
	Closing balance on 31/3/2021	Closing balance on 31/3/2022
(a) General Cash Balance -		
Cash in Treasuries	--	--
Deposits with Reserve Bank	27.48	44.64
Deposits with other Banks	--	--
Remittances in transit - Local	--	--
Investments held in Cash Balance investment account	14,351.36	32,701.46
Total (a)	14,378.84	32,746.10
(b) Other Cash Balances and Investments		
Cash with departmental officers viz. Public Works Department Officers, Forest Department Officers, District Collectors	19.24	20.40
Permanent advances for contingent expenditure with departmental officers	0.33	0.34
Investment in earmarked funds (Consolidated Sinking Fund- ₹14,681.68 crore, Guarantee Redemption Fund- ₹1,646.41 crore, State Compensatory Afforestation Fund ₹ 1,145.23 crore and State Disaster Response Fund ₹990.89 crore, as on 31 March 2022)	18,237.63	18,464.21
Total (b)	18,257.20	18,484.95
Grand total (a)+ (b)	32,636.04	51,231.05
Interest realised	945.88	508.08

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

- During the year 2021-22, amounts of ₹987.93 crore (interest accrued towards investment of Consolidated Sinking Fund), ₹123.58 crore (interest accrued towards investment of Guarantee Redemption Fund) and ₹12.13 crore (interest accrued towards investment of SDRF), were credited in the respective funds, under Earmarked Funds.

- The Government invested surplus cash balances throughout the year in GoI Stock and GoI Treasury Bills. As of 31 March 2022, an amount of ₹32,701.46 crore remained invested in GoI Treasury Bills (TB) and GoI Stocks (GoI Stocks: ₹95.42 crore, 14 days TB: ₹18,510.65 crore, 91 days TB: ₹8,421.22 crore, 182 days TB: ₹5,385.71 crore and 364 days TB: ₹288.46 crore). On these investments, the Government earned an interest of ₹508.08 crore during the year.
- The 13th Finance Commission had recommended that the States with large cash balances should make efforts to utilise their cash balances before resorting to fresh borrowings. During the year 2021-22, GoO took a loan of ₹1,800 crore from OMBADC from the General Cash Balance.

The balances under Cash Balance Investment Account of the State Government for the last five years, are given in Table 2.35.

Table 2.35: Cash Balance Investment Account (Major Head 8673)

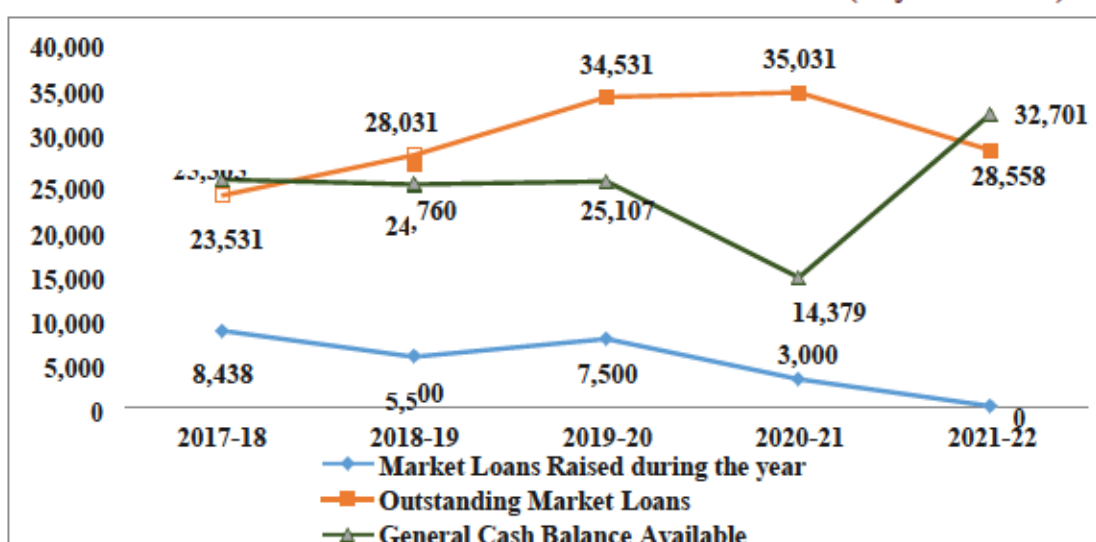
(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / Decrease (-)	Interest earned
2015-16	3,870.55	5,836.24	(+) 1,965.69	365.34
2016-17	5,836.24	8,738.10	(+) 2,901.86	391.09
2017-18	8,738.10	24,747.97	(+) 16,009.87	559.32
2018-19	24,747.97	23,135.59	(-) 1,612.38	1,427.13
2019-20	23,135.59	24,865.00	(+) 1,729.41	1,422.96
2020-21	24,865.00	14,351.36	(-) 10,513.64	945.88
2021-22	14,351.36	32,701.46	(+) 18,350.10	508.08

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

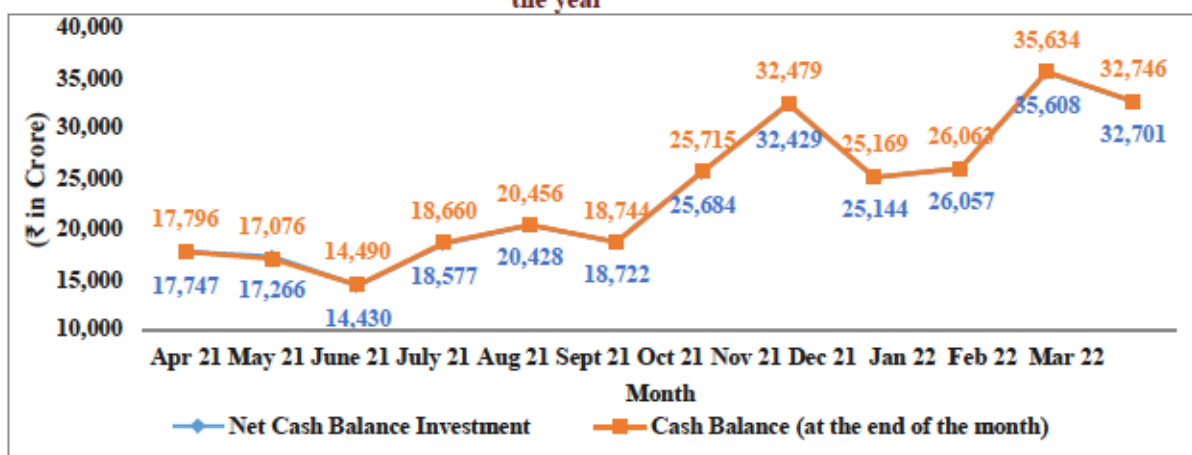
A comparison of year wise Market loans raised *vis-à-vis* Cash Balance available in Cash Balance investment account for the years 2017-18 to 2021-22, is shown in Chart 2.26 and month-wise Cash Balance available *vis-à-vis* Cash Balance invested in cash balance investment account, is shown in Chart 2.27.

Chart 2.26: Market Loans vis-à-vis Cash Balance Investment Account (Major Head 8673)



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

Chart 2.27: Month wise movement of Cash Balances and net cash balance investments during the year



Source: Monthly Civil Accounts, Government of Odisha.

It can be seen from Chart 2.27 that the State Government maintained huge cash balance throughout the year.

The Government stated (January 2023) that the surplus cash balance has a negative impact. Accordingly, steps have been taken to maintain the cash balance at a sustainable level, by availing loan from a portion of the surplus cash balance of the dedicated funds (like OMBADC/ CAMPA etc.) at the rate equivalent to 364-days Auctioned Treasury Bills and not resorting to Open Market Borrowing. This effort has substantially reduced the cash balance.

However, the fact remains that excluding OMBADC, CAMPA and Other Earmarked funds, GoO still has ₹32,701.46 crore, which is free cash balance, kept at the disposal of State Government and could have been utilised for development purposes.

2.8 Recommendations

- 1) It is imperative for the State Government to review the classification of expenditure met out of grants-in-aid and take necessary corrective action in formulating its budget and booking its expenditure in this regard, to ensure that its fiscal parameters like revenue surplus and fiscal surplus reflect the correct position of its finances.
- 2) The Government should review the budget preparation exercise, so that the persisting gap between estimates and actuals may be bridged.
- 3) Capital Expenditure is known to have the highest multiplier effect in the economy and the impact of Capital Expenditure is higher in stimulating economic activities of the Government. Being a Revenue and Fiscal Surplus State, Government of Odisha has a lot of scope to augment its Capital Expenditure and, therefore, the Government needs to explore all the possibilities to augment its Capital Expenditure.

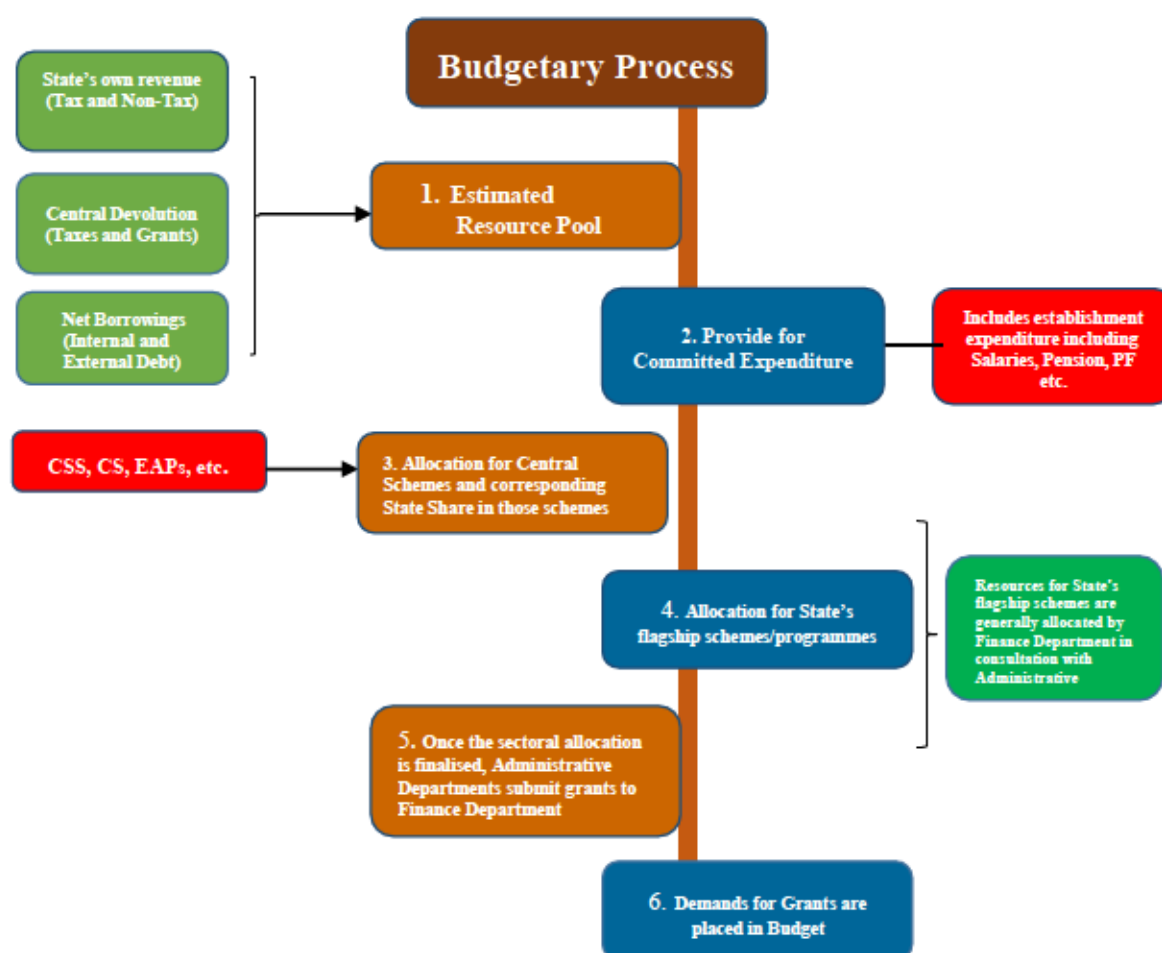
Chapter-III

Budgetary Management

3.1 Budget Process

The Budget process commences with the issue of the Budget circular, normally in August each year, providing guidance to Departments in framing their estimates, for the next financial year. The Budget of the State is based on the Departmental estimates submitted by the controlling officers and these Departmental estimates are themselves mostly based on the estimates submitted by the District officers of the departments. The budget preparation process in the State is given in Chart 3.1.

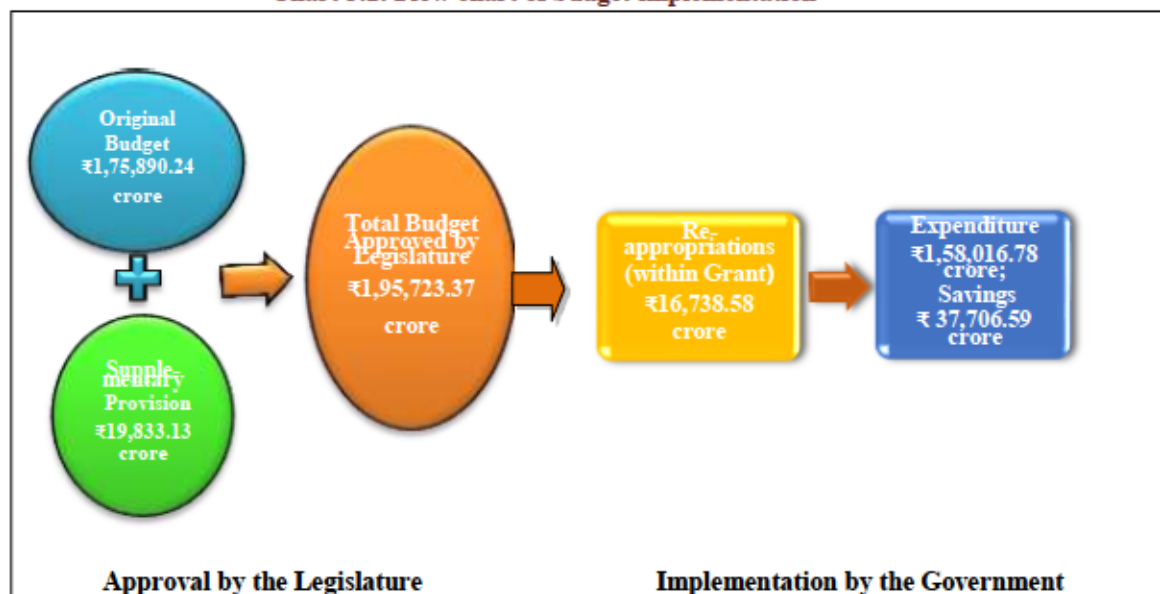
Chart 3.1: Flow Chart of the Budgetary Process



The annual financial statement, also called the general budget, is placed prior to the commencement of the financial year in the State Legislature, in accordance with Article 202 of the Constitution. The State Legislature initially approves the annual

Budget. When the initial allocation is found to be inadequate or expenditure has to be incurred on a new item, the Government presents supplementary demands (Para 166 of the Budget Manual of the Government of Odisha) before the Legislature. Further, the mechanism of re-appropriation allows the State Government to transfer savings from one sub-head (usually a scheme) to another, provided such transfers occur within the same grant³⁰ and under the same section³¹. The various components of the budget are depicted in Chart 3.2.

Chart 3.2: Flow chart of budget implementation



Source: Appropriation Accounts: 2021-22, Government of Odisha

3.1.1 Summary of total provisions, disbursements and savings during 2021-22

The annual financial statement or Budget, should show the expenditure charged on consolidated fund and other expenditure separately. It should also distinguish expenditure on revenue account from other expenditure. A summarised position of total Budget provision, disbursement and savings/ excess during 2021-22, with further bifurcation into voted/charged, is given in Table 3.1 below:

Table: 3.1 Summarised position of Expenditure *vis-à-vis* Budget provision (₹ in crore)

Total Budget (O+S) Provision		Total	Disbursements		Total	Savings		Total
Voted	Charged		Voted	Charged		Voted	Charged	
1,61,802.92	33,920.45	1,95,723.37	1,29,607.31	28,409.46	1,58,016.78	32,195.61	5,510.98	37,706.59

Source: Appropriation Accounts 2021-22, Government of Odisha

It can be seen from the table that the utilisation (gross) of budgeted funds was 80.73 per cent in 2021-22, which was 6.70 per cent increase as compared to the utilisation of budgeted funds in 2020-21.

³⁰ Grant means the amount voted by the Legislative Assembly in regard to demand for grant.

³¹ Capital, Revenue or Loans.

3.1.2 Charged and voted disbursements

Table 3.2 shows the break-up of charged and voted disbursements during the five-year period from 2017-18 to 2021-22.

Table: 3.2 Break-up of total disbursement into charged and voted during 2017-22

Year	Disbursements		Total	Savings/ Excess		
	Voted	Charged		Voted	Charged	Total
2017-18	89,635.62	9,186.48	98,822.10	20,405.17 (22.76)	801.31 (8.72)	21,206.48 (21.46)
2018-19	1,06,767.30	9,850.56	1,16,617.86	18,577.34 (17.40)	318.40 (3.23)	18,895.74 (16.20)
2019-20	1,20,176.20	10,676.63	1,30,852.83	24,046.16 (20.01)	731.55 (6.85)	24,777.71 (18.94)
2020-21	1,08,063.73	16,045.41	1,24,109.14	42,691.29 (39.51)	862.84 (5.38)	43,554.13 (35.09)
2021-22	1,29,607.31	28,409.46	1,58,016.78	32,195.61 (24.84)	5,510.98 (19.40)	37,706.59 (23.86)

Source: Appropriation Accounts of respective years. Figures inside the bracket denote percentage of corresponding disbursements.

As can be seen from the table above, the percentage of savings under 'Voted' ranged between 17.40 per cent to 39.51 per cent and under 'Charged', it ranged between 3.23 per cent to 19.40 per cent, during 2017-22. The overall savings of ₹37,706.59 crore during 2021-22 were around twice the supplementary budget of ₹19,833.13 crore obtained during the year, indicating deficiencies in the budget formulation process.

The large amount of savings in allotted funds indicate both- inaccurate assessment of requirements, as well as inadequate capacity to utilise the funds for the intended purposes.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, as specified in the schedules appended to the Appropriation Act, passed under Articles 204 and 205 of the Constitution of India. Appropriation Accounts are on Gross basis. They facilitate understanding of the utilisation of funds, management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the C&AG seeks to ascertain whether the expenditure actually incurred under various grants was in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution was so charged. It also seeks to ascertain whether the expenditure incurred is in conformity with the law, relevant rules, regulations and instructions.

3.3 Comments on integrity of budgetary and accounting process

The following section explores in detail the State Government's compliance to the budgetary and accounting process, as duly required by law.

3.3.1 Supplementary grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year, can be made during the current financial year, but not after the expiry of the current financial year, as is necessary to meet:

- i. Expenditure on Schemes of New Expenditure to be taken up within the current financial year.
- ii. Inadequacy of provision.
- iii. Fresh expenditure, but not technically “Schemes of New Expenditure.”
- iv. Omissions of provision.

When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the Grant to cover the excess by Re-Appropriation, the Secretary in the Department concerned proposes to the Finance Department for Supplementary or Additional Grant or Appropriation.

3.3.1.1 Un-necessary supplementary grants

Audit analysis showed that supplementary grants³² (₹ one crore and above) of ₹9,742.06 crore *i.e.*, 49.12 *per cent* of the total supplementary grants was entirely unnecessary in 43 cases, relating to 31 grants (*Appendix 3.1*), as the expenditure did not even reach the threshold of original provision. This indicated significant errors in accurate estimation of Budget.

The Government stated (January 2023) that, many times funds, as indicated in the Union Budget, are not released to the State, thereby leading to surrender of funds. In certain cases of Centrally Sponsored Schemes, funds are released by Government of India very late in the year with limited scope for expenditure. Provision taken against a scheme is also surrendered, due to delay in scheme appraisal and approval. This situation also leads to surrender of supplementary grants. The reply is not convincing as the surrender of funds does not take place only in case of Centrally Sponsored schemes.

3.3.1.2 Excessive supplementary grants

Supplementary provision (₹ one crore and above) aggregating ₹7,894.35 crore, proved excessive by ₹2,081.07 crore, in 17 cases under 15 grants. (*Appendix 3.2*).

3.3.2 Un-necessary or excessive re-appropriations

By definition, Re-appropriations are meant for transfer of savings from one scheme / unit to another within the same grant and under the same section (*i.e.*, Capital, Revenue or Loans). During 2021-22, re-appropriation orders, amounting to ₹ 16,738.58 crore (988 cases), were issued.

³² ‘Supplementary grant’ means a grant voted by the Legislative Assembly on a supplementary statement of expenditure, presented to it within a financial year, under Article 205 of the Constitution.

Audit analysis of re-appropriation orders showed that the re-appropriation of funds proved unnecessary/excessive in 11 cases, since the amounts were not fully utilised, resulting in less expenditure of ₹ 39.23 crore, as detailed in *Appendix 3.3*.

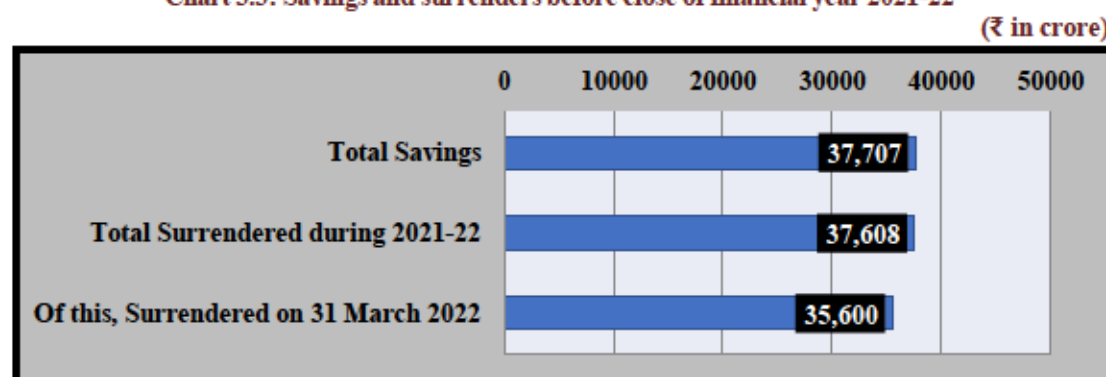
The Finance Department had instructed (07 February 2022) that the deadline of the re-appropriations was 25 February 2022. Despite that, 32 cases of re-appropriation orders amounting to ₹6,610.03 crore (₹ one crore and above in each case) were issued under 10 Grants and two Appropriations on 31 March 2022, as detailed in *Appendix 3.4*.

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

3.3.3 Savings/ Surrenders

Against the overall savings of ₹37,706.59 crore, ₹37,608.04 crore (99.73 per cent) was surrendered during the year 2021-22. Out of the surrendered amount of ₹37,608.04 crore, ₹35,600.04 crore was surrendered on the last day of the year i.e., 31 March 2022. Out of the remaining savings of ₹ 2,008 crore, ₹ 98.55 crore were not surrendered during 2021-22. The details are shown in *Chart 3.3*.

Chart 3.3: Savings and surrenders before close of financial year 2021-22

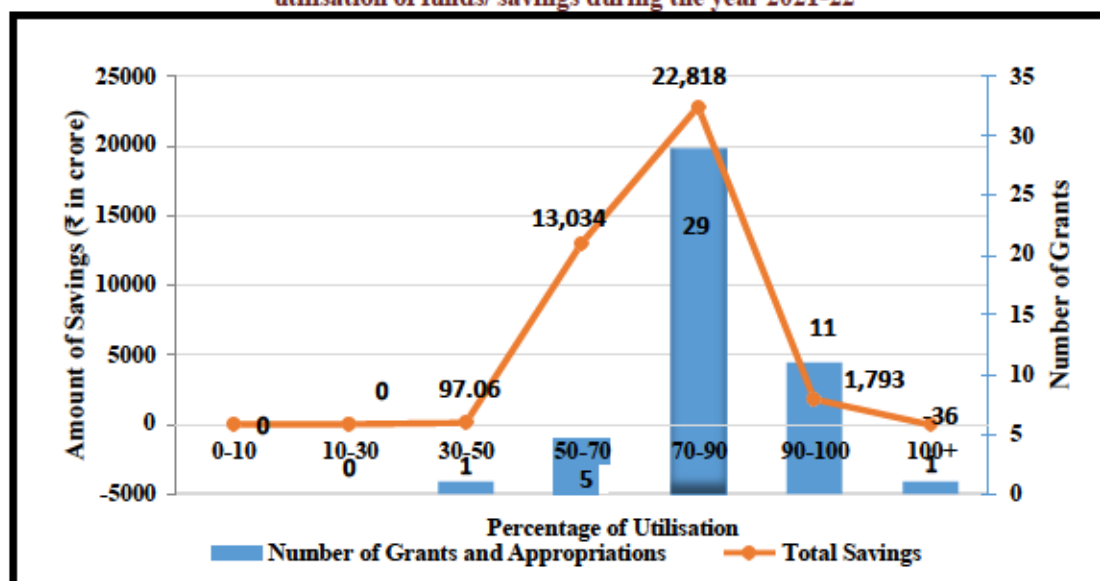


Source: Appropriation Accounts for the year 2021-22, Government of Odisha

Of these overall savings, ₹ 31,325.92 crore (83.08 per cent) pertained to 23 grants and one appropriation with savings of more than ₹100 crore each (*Appendix 3.5*). The main Departments with substantial savings were Panchayati Raj and Drinking Water (₹7,670.90 crore), Finance (₹4,519.17), School and Mass Education (₹3,423.94 crore), and Disaster Management (₹2,963.21). Such large savings under these departments indicated deficiencies in expenditure monitoring mechanism, scheme implementation capacities and weak internal controls.

The distribution of the number of Grants/ Appropriations grouped by the percentage of savings along with total savings in each group is detailed in *Chart 3.4*.

Chart 3.4: Distribution of number of Grants/Appropriations grouped by the Percentage of utilisation of funds/ savings during the year 2021-22



Source: Appropriation Accounts 2021-22, Government of Odisha

As can be seen from Chart 3.4 above, out of 47 grants and appropriations (43 grants and four appropriations), there were only eleven grants and one appropriation, where the utilisation of funds was more than 90 per cent.

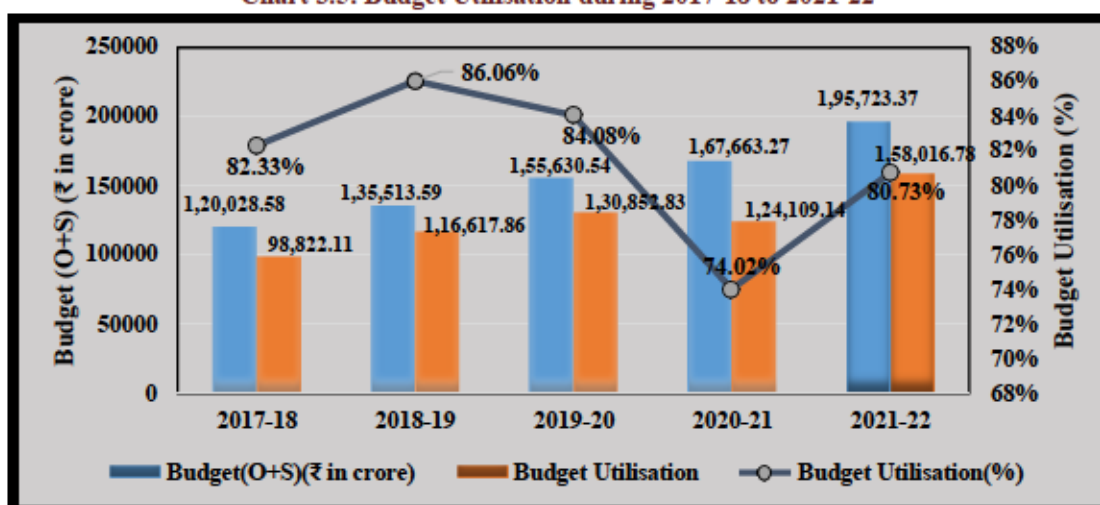
Panchayati Raj and Drinking Water (67.87 per cent), Labour and Employees State Insurance (64.25 per cent), Rural Development (63.01 per cent), Disaster Management (62.23 per cent), Commerce (52.03 per cent), and Information and Public Relations (49.09 per cent) were amongst the Departments, where utilisation of funds was less than 70 per cent.

The State Government stated (January 2023) that large savings are surrendered due to non-receipt of Central Assistance under CSS schemes provided in the Budget Estimate. As part of a control mechanism, Chief Secretary reviews the expenditure in the All-Secretaries' Meeting on monthly basis. Necessary instructions are also issued from time to time by Finance Department to expedite (or curtail) expenditure depending on the prevailing priorities.

3.3.3.1 Trends in Utilisation of Budgeted Funds

The extent of utilisation of budget during the five-year period from 2017-18 to 2021-22 is given in Chart 3.5.

Chart 3.5: Budget Utilisation during 2017-18 to 2021-22



Source: Appropriation Accounts 2021-22, Government of Odisha

Large amount of savings in allotted funds indicated both - inaccurate assessments of requirements, as well as inadequate capacity to utilise the funds for intended purposes.

3.3.4 Substantial surrenders

Surrenders of 100 per cent of total provision of ₹ 7,757.06 crore were made in 29 cases (₹ 50 crore or more in each case) under 14 grants. These represented different schemes/ programmes/ projects and activities (*Appendix 3.6*). The surrenders were mainly attributed to non-receipt of Central Assistance, non-receipt of project proposals, diversions to AMRUT mission and Smart City mission, non-finalisation of work and tender process, delay in land acquisition and forest clearance, non-concurrence of proposal by Finance Department and closure of the scheme. In 14 cases, the concerned Departments did not furnish any reasons for 100 per cent surrender.

3.3.4.1 Surrender in excess of savings

In two cases (two grants), the amounts surrendered (one crore or more in each case), were in excess of savings, indicating inadequate budgetary control in these Departments. As against the savings of ₹ 2,789.31 crore, the amount surrendered was ₹ 3,044.08 crore, resulting in excess surrender of ₹ 254.77 crore. The details are given in *Table 3.3*.

Table 3.3: Surrender of funds in excess of savings

(₹ in crore)							
Sl. No.	Grant Number & Name	Original	Supplementary	Total Provisions	Savings (-)/ Excess (+)	Amount Surrendered	Excess surrender
Revenue (Voted)							
1	7 - Works	2,133.28	76.42	2,209.70	80.81	137.34	56.53
2	10 - School & Mass Education	17,525.60	1,580.73	19,106.33	2708.50	2,906.74	198.24
	Total	19,658.88	1,657.15	21,316.03	2,789.31	3,044.08	254.77

Source: Appropriation Accounts 2021-22, Government of Odisha

3.3.4.2 Anticipated savings not surrendered/ partially surrendered

As per Rule 146 of the Odisha Budget Manual (OBM), the spending Departments are required to surrender the grants/ appropriations or portion thereof to the Finance Department, as and when savings are anticipated. Finance Department's instructions also stipulated that the surrender of unutilised funds should be made on or before 28 February 2022. Audit reviewed figures of savings and surrender and noticed that:

- Out of the total savings of ₹37,706.59 crore, only ₹37,608.04 crore was surrendered and ₹ 98.55 crore were not surrendered during 2021-22. Out of the surrendered amount of ₹37,608.04 crore, ₹35,600.04 crore was surrendered on 31 March 2022.
- Some instances where savings were only partially surrendered are detailed in *Appendix 3.7*. The major Departments where savings were not surrendered well in advance were Health and Family Welfare (₹61.45 crore) and Disaster Management (₹33.36 crore).

3.3.5 Regularisation of excess expenditure of previous financial years

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

The State Government, however, failed to get the excess expenditure amounting to ₹262.65 crore over and above the allocation, pertaining to the years 2013-14 to 2020-21, regularized as of March 2022, details of which are given in **Table 3.4**.

Table 3.4: Excess Expenditure of previous years

(₹ in crore)

Year	Grant No. / Appropriation	Grant/ Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts	Status of regularisation
2013-14	22	Forest and Environment	0.29	Not yet regularised
	26	Excise	0.27	-do-
	31	Handlooms, Textile and Handicrafts	18.00	-do-
2015-16	22	Forest and Environment	0.25	-do-
	26	Excise	0.01	-do-
2016-17	6003	Internal Debt	56.63	-do-
	13	Housing and Urban Development	3.63	-do-
2017-18	8	Odisha Legislative Assembly	0.52	-do-
2018-19	7	Works	169.77	-do-
	8	Odisha Legislative Assembly	3.65	-do-
2020-21	7	Works	9.63	-do-
Total			262.65	

Source: Appropriation Accounts 2021-22, Government of Odisha

Excess expenditure, remaining un-regularised for extended periods, dilutes legislative control over the Executive.

The State Government stated (January 2023) that steps are being taken for regularisation of the excess expenditures incurred during the previous years.

3.3.6 Grants-in-aid for creation of capital assets

Grants-in-Aid are payments in the nature of assistance, donations or contributions made by one government to another government, body, institution or individual. Grants-in-Aid are given for specified purpose of supporting an institution, including construction of assets. As per Indian Government Accounting Standards (IGAS) 2, Grant-in-aid disbursed by a grantor to a grantee shall be classified and accounted for as revenue expenditure, irrespective of the purpose for which the funds disbursed as Grants-in-Aid, are to be spent by the grantee, except in cases where it has been specifically authorised by the President on the advice of the Comptroller and Auditor General of India.

As per Appendix III of the Finance Accounts for the year 2021-22, total funds released as Grants-in-Aid were ₹25,930.97 crore, of which, funds allotted for creation of Capital Assets were ₹5,387.86 crore (20.78 per cent).

3.4 Comments on the effectiveness of the budgetary and accounting process

Efficient management of tax administration/ other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some Departments deprives other Departments of funds which they could have utilised.

3.4.1 Major policy announcements in budget and their actual funding for ensuring implementation

Several policy initiatives/ schemes (₹ one crore and above) were initiated by the State Government during 2021-22 and it was seen that these were either partially executed or not executed at all, as detailed below:

Table 3.5: New Schemes, not executed by the State Government during the year 2021-22
(₹ in crore)

Sl. No.	Name of the new scheme	Grant No. and Department	Budget provision, 2021-22	Expenditure
1	Free Treatment for Trauma Fund (FTTF)	12 - Health and Family Welfare	40	0
2	SOPAN	36 - Women and Child Development and Mission Shakti	51	0
3	SAMBAL	-do-	12	4.20
4	Innovative Projects	23 - Agriculture and Farmer's Empowerment	20	0
5	Use of Solar Photovoltaic System	30 - Energy	24	20
Total			147	24.20

Source: Budget Speech (Part-II) and Odisha Budget 2021-22

Further, Audit noticed that under 64 existing sub-schemes, the Original Budget provision as well as Supplementary Budget provision, involving an amount of ₹8,615.12 crore (*Appendix 3.8*), remained completely unutilised during the year 2021-22, as no expenditure was incurred.

This not only deprived beneficiaries of the intended benefits of these schemes, but also deprived other Departments of the funds, where these could have been utilised.

3.5 Cash Management System

Pursuant to the provisions of sub-section (1-a) of Section 8 of the Odisha Fiscal Responsibility and Budget Management Act, 2016, Government of Odisha laid down guidelines for timely spending of Budgetary grants through the Cash Management System in 20 Departments, during 2021-22.

As per the Circular issued by Finance Department, Government of Odisha on Regulation of Expenditure, 2021-22 in Cash Management System, the flow of expenditure should be evenly placed. In terms of Finance Department's instructions dated 23 March 2020, the level of expenditure, at the end of the third quarter, should not be less than 60 per cent and, during the month of March, the same should not be more than 15 per cent of the budget provision.

During 2021-22, the Cash Management System was implemented in 20 Departments. Out of these 20 Departments, only six Departments had spent at least 60 per cent of their original budget provisions by the end of the third quarter. The Industries Department had utilised only 19.86 per cent of its original provision, by the end of the third quarter. Similarly, 12 Departments had exceeded the expenditure of 15 per cent of the original budget provision in the month of March 2022 (the excess ranged from 15.52 to 164.41 per cent), as indicated in Table 3.6:

Table 3.6: Analysis of Cash Management System

(₹ in crore)

Sl. No.	Grant No/Name of the Department	Original Budget Provision	Up to December 2021		March 2022 (Pre)	
			Expenditure during first three quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
The following Departments have followed the guidelines						
1	10-School and Mass Education	18,280	11,899.6	65.10	1,982.54	10.85
2	23-Agriculture and Farmer's Empowerment	5,919	3,722.12	62.88	596.37	10.08
3	38-Higher Education	2,417	1,509.71	62.46	314.14	13.00
4	41-Department of Social Security and Empowerment of Persons with Disability	2,767	2,072.13	74.89	215.23	7.78
5	9-Food Supplies and Consumer Welfare	1,098	1,996.57	181.84	8.24	0.75

Sl. No.	Grant No/Name of the Department	Original Budget Provision	Up to December 2021		March 2022 (Pre)	
			Expenditure during first three quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
6	36-Women and Child Development and Mission Shakti	3,906	2,367.86	60.62	454.71	11.64
The following Departments have not followed the guidelines						
7	7-Works	7,015	3,243.74	46.24	1,088.67	15.52
8	11-Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	3,606	1,611.99	44.70	941.17	26.10
9	Health & Family Welfare	9,164	6,328.46	69.06	2,112.21	23.05
10	13-Housing and Urban Development	5,811	2,892.47	49.78	2,195.63	37.78
11	17-Panchyati Raj & Drinking Water	20,301	10,988.78	54.13	2,589.64	12.76
12	19-Industries	431	85.6	19.86	210.08	48.74
13	20-Water Resources	8,272	4,260.15	51.50	1,634.74	19.76
14	22-Forest & Environment	1,892	956.81	50.57	941.17	49.74
15	28-Rural Development	5,489	1,229.03	22.39	1,466.75	26.72
16	30-Energy	1,799	592.23	32.92	2,957.7	164.41
17	31-Handlooms, Textiles & Handicrafts	163	85.07	52.19	18.71	11.48
18	33-Fisheries & Animal Resources Development	1,415	802.7	56.73	274.97	19.43
19	39-Skill Development & Technical Education	664	389.09	58.60	154.75	23.31
20	40-Micro, Small & Medium Enterprises	465	246.43	53.00	85.52	18.39

Source: Monthly Appropriation Reports for December 2021 and March (Pre) 2022.

It is evident from the above table that, out of 20 Departments, only four Departments (Sl. Nos. 01 to 06) had followed the guidelines for timely spending of budgetary grants through the Cash Management System.

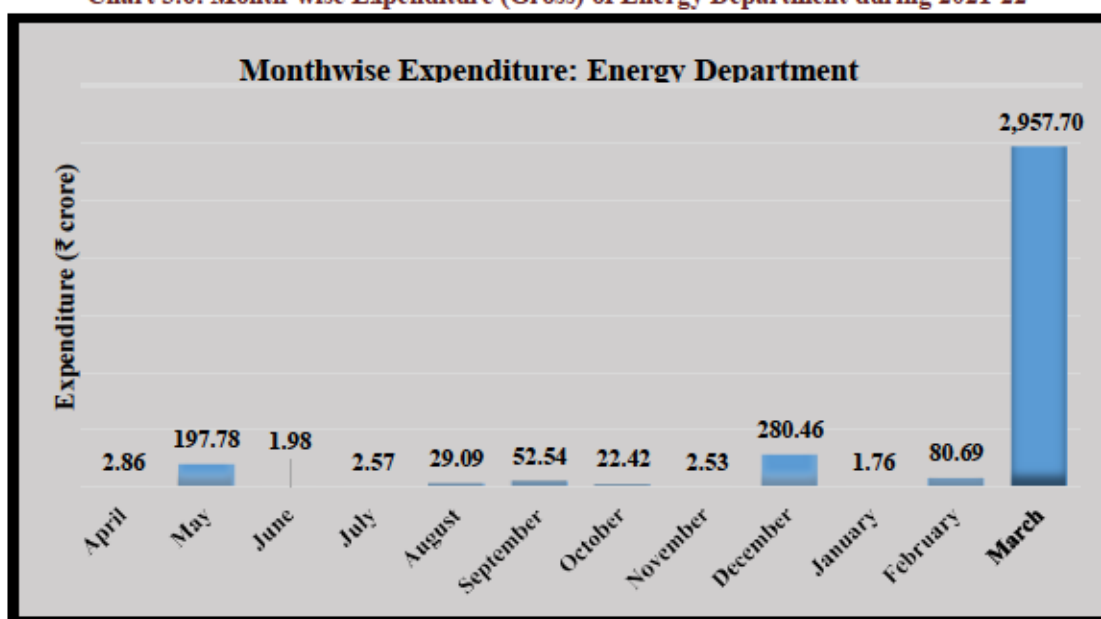
Thus, contrary to the spirit of financial regulation, a substantial quantum of expenditure was incurred by the Government at the end of the year.

3.5.1 Rush of expenditure

In terms of Rule 147 of OBM, rush of expenditure in the closing month of the financial year is a breach of financial regularity, which should be avoided. Contrary to this, there were 68 schemes (sub heads) in 25 Departments and two appropriations, where 100 *per cent* of the total expenditure was incurred (with one crore or more in each case) in March 2022, as detailed in *Appendix 3.9*.

High percentage of expenditure in March indicates that uniform flow of expenditure during the year, a primary requirement of budgetary control, was not maintained. It also indicates deficiencies in monitoring the Cash Management System in these Departments. As an example, month-wise expenditure incurred by the Energy Department, is given below:

Chart 3.6: Month-wise Expenditure (Gross) of Energy Department during 2021-22



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

As seen from the chart above, contrary to the spirit of financial regulation, a substantial quantum of expenditure *i.e.*, ₹2,957.70 crore (81.43 *per cent* of the total expenditure of ₹3,632.38 crore) was incurred by the department during March 2022, indicating inadequate control over expenditure monitoring.

3.6 Review of selected grants

Audit conducted detailed scrutiny of three grants, *viz.*, (i) Grant No. 7 – Works (ii) Grant No. 10 – School and Mass Education and (iii) Grant No. 17 – Panchayati Raj and Drinking Water Departments. Outcome of the Audit is discussed in the succeeding paragraphs.

3.6.1 Grant No. 7 - Works Department

Road communication is a key element for the economic development of the State. Development and maintenance of an extensive road network is a major pre-requisite on which the pace and pattern of development rests. As assigned by the State

Government, Public Works like construction of roads, bridges, Cross Drainage works on nallahs, etc. are being executed by the Works Department. Besides, this Department has also an important role for improvement of building infrastructure of the State. Construction of new building infrastructures / maintaining the existing ones and above all planning for the upcoming building projects by tapping funds from various sources *i.e.*, the State Budget / Central schemes / Deposits *etc.* Nine Major Heads *viz.*, 2052-Secretariat-General Services, 2059-Public Works, 2216-Housing, 2230-Labour and Employment, 3053-Civil Aviation, 3054-Roads and Bridges, 4059-Capital Outlay on Public Works, 4216-Capital Outlay on Housing and 5054-Capital Outlay on Roads and Bridges, are operated under this Grant.

3.6.1.1 Budget and Expenditure

The overall position of budget provisions, actual expenditure and savings/ excess under this Grant during the last three years, *i.e.*, 2019-22, is given in Table 3.7.

Table 3.7: Budget provision vis-à-vis Expenditure

(₹ in crore)

	Particulars	2019-20	2020-21	2021-22
	Total Budget provision (Revenue + Capital)	5,810.97	6,606.15	7,123.86
	Expenditure	5,627.46	6,139.49	6,108.58
	Savings	183.51	466.67	1,015.28
	Percentage of Savings to total provision	3.16	7.06	14.25
Revenue (voted & Charge)	Original budget (O)	1,812.25	2,010.10	2,140.24
	Supplementary budget (S)	108.45	5.28	78.42
	Total Budget Provision (O+S)	1,920.70	2,015.38	2,218.66
	Expenditure	1,752.90	2,023.24	2,136.62
	(-) Savings/ Excess	(-)167.80	7.86	(-) 82.04
	Surrender	165.12	526.64	138.57
	Percentage of savings to total revenue provision	8.74	0.00	3.70
Capital (voted & Charge)	Original budget (O)	2,247.3	4,420.92	4,875
	Supplementary budget (S)	1,642.97	169.85	30.2
	Total Budget Provision (O+S)	3,890.27	4,590.77	4,905.2
	Expenditure	3,874.56	4,116.25	3,971.96
	(-) Savings/ Excess	(-) 15.71	(-) 474.52	(-) 933.24
	Surrender	15.71	469.2	933.1
	Percentage of savings to total capital provision	0.40	10.34	19.03

Source: Appropriation Accounts for the years 2019-20 to 2021-22, Government of Odisha

As can be seen from the above table, savings, as a percentage of the total budget provision, ranged between 3.16 *per cent* and 14.25 *per cent*, during 2019-22.

Persistent large savings are indicative of incorrect assessment of actual needs and call for a critical review of the budget preparation exercise of the Department. The

Department attributed savings to non-receipt of Central Assistance and constraints in the functioning of implementing agencies.

3.6.1.2 Surrender of Savings

The savings were surrendered mainly under the Heads 5054-04-337-1219 - Road Works under Road Development Programme (₹ 433.41 crore), 5054-04-789-1219 - Road Works under Road Development Programme (₹258.20 crore) and 2059-80-1-0442 - Executive Engineer Roads and Buildings Establishment (Salary Component) (₹ 36.79 crore). There was excess surrender of ₹56.53 crore during 2021-22, against savings of ₹82.04 crore. During 2020-21, ₹526.64 crore had been surrendered against excess expenditure of ₹7.86 crore

3.6.1.3 Unnecessary Supplementary Grant

From Table 3.7, it can be seen that, under the Revenue section, the entire supplementary provisions during 2019-20 and 2021-22 were unnecessary, as the actual expenditure did not come up to the level of original provision. Similarly, under the Capital Section, the entire supplementary provisions during the year 2020-21 and 2021-22 were unnecessary, as the actual expenditure did not come even up to the level of original provision.

3.6.1.4 Excess Expenditure

Excess expenditure of ₹56.52 crore was incurred over and above the budgeted funds of ₹478.54 crore under the Head 3054-80-797-1361-State Road Fund. Reply of the Department on reasons for the excess expenditure, is awaited.

3.6.1.5 Programme implementation

Details of financial and physical targets and achievements under the schemes mentioned in Table 3.8, were test-checked in Audit.

Table 3.8: Achievement against financial and physical targets

Table 3.8: Achievement against financial and physical targets								
Sl No.	Head of Accounts	Financial Target (₹ in crore)			Physical Targets v/s Achievements (Nos.)			Reasons stated by the department for non- achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
1	Name of the Scheme: Biju Expressway Projects (BEP)							No specific reasons furnished by the Department.
(i)	5054-03-337 (Road Works)-3010-BEP	50	0	50	<u>Roads:</u> 10.00 km	<u>Roads:</u> Nil <u>Bridges:</u> 2 Nos.	<u>Roads:</u> 10.00 km – (1) Sohella Nuapada Road and (2) Sinapalli Dharma-garh Road	
(ii)	5054-03-789 (Special component Plan for Scheduled Castes)-3010-BEP	50	34.68	15.32				
(iii)	5054-03-796 (Tribal Area Sub-Plan)-3010- BEP	100	20.56	79.44				
	Total	200	55.24	144.76				

Sl No.	Head of Accounts	Financial Target (₹ in crore)			Physical Targets v/s Achievements (Nos.)			Reasons stated by the department for non- achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
2	Name of the Scheme: Rural Infrastructure Development Fund (RIDF)							
(i)	5054-04-337-2161	276	275.45	0.55	<u>Bridges:</u> 8 Nos. <u>Roads:</u> 200 km	<u>Bridges:</u> 3 Nos. <u>Roads:</u> 220 km	<u>Bridges:</u> 5 Nos. <u>Roads:</u> Nil	Due to non-acquisition of land, design issue, shifting of utilities and slow progress of the agency.
(ii)	5054-04-789-2161	34.82	22.24	12.58				
(iii)	5054-04-789-2161	172.43	168.32	4.11				
(iv)	5054-04-796-2161	47.12	26.81	20.31				
(v)	5054-04-800(Other Expenditure)-2161	122.92	67.92	55.00				
	Total	653.29	560.74	92.55				
3	Name of the Scheme: Road Works under Road Development							
(i)	5054-04-337-1219	950.03	556.62	393.41	<u>Roads:</u> 1000 km. <u>Bridges:</u> 30 Nos. <u>Railway over Bridges:</u> 2 Nos. <u>Fly-over:</u> 1 No.	<u>Roads:</u> 631.66 km and <u>Bridges:</u> 29 Nos.	<u>Roads:</u> 368.34 km <u>Bridge:</u> 1 No. <u>Railway Overbridge:</u> 2 Nos. <u>Fly-over:</u> 1 No.	Progress of work hampered due to cyclone 'Yass', continuous flood, rains, Panchayat / Urban Elections and non-finalisation of Tender
(ii)	5054-04-789-1219	634.12	375.92	258.20				
(iii)	5054-04-796-1219	202	198.89	3.11				
	Total	1,786.15	1,131.43	654.72				
4	Name of the Scheme: Odisha State Road Project-Road Improvement Component (EAP)							Non-settlement/dispute of final bill
(i)	5054-03-337-1994	20	5	15	No data available with the Department			
(ii)	5054-03-337-1994	6	4.52	1.48				
	Total	26	9.52	16.48				
5	Name of the Scheme: Construction of Check Dams/ Bridge-cum-weirs across the State Primary on Small bridges resting on raft foundation							
	5054-04-101(Bridges)-3526	30	4.08	25.92	<u>Check dams:</u> 49 Nos.	<u>Check dams:</u> 12 Nos.	<u>Check dams:</u> 37 Nos.	Due to non-finalisation of Tenders and slow progress of work owing to Panchayat & Urban Elections
6	Name of the Scheme: Road Reconstruction Plan in Left Wing Extremism Affected Areas							
	5054-04-796-3204	46.46	0	46.46	<u>Bridges:</u> 2 Nos. <u>Roads:</u> 97.072 km.	<u>Bridges:</u> 2 Nos. <u>Roads:</u> 49 km.	<u>Roads:</u> 48.072 km.	Due to slow progress of work and effect of COVID-19 pandemic during the period from April 2020 to September 2020, the progress of work was continuously hampered and the targets for works could not be achieved.

Source: Information furnished by Works Department, Government of Odisha.

Thus, due to non-completion of roads / bridges *etc.*, the intended benefits to the beneficiaries could not be achieved.

3.6.2 Grant No. 10 - School and Mass Education Department

The School and Mass Education Department was created as a separate Department in January 1993, to look into the issues pertaining to Elementary Education, Secondary Education *etc.* The provision of funds for the development of these sectors is being made, keeping in view the availability of State resources for education sector and assistance from the Central Government under various schemes. Five Major Heads *viz.*, 2202 - General Education, 2235 - Social Security and Welfare, 2251- Secretariat-Social Services, 4202 - Capital Expenditure on Education, Sports, Art and Culture and 4216 - Capital Expenditure on Housing, are operated under this Grant.

3.6.2.1 Budget and Expenditure

The budget provisions, actual expenditure and savings under this Grant, during the three-year period from 2019-20 to 2021-22, are given in Table 3.9.

Table 3.9: Budget provision *vis-à-vis* Expenditure incurred during 2019-22

		(₹ in crore)		
	Particulars	2019-20	2020-21	2021-22
	Total Budget Provision (Revenue + Capital)	17,388.09	17,914.92	19,885.05
	Expenditure	15,292.45	15,123.72	16,460.99
	Savings	2,095.64	2,791.20	3,424.06
	Percentage of Savings to Total Provision	12.05	15.58	17.22
Revenue (Voted and Charged)	Original Budget (O)	15,979.27	16,849.42	17,525.75
	Supplementary Budget (S)	841.09	456.5	1,580.73
	Total Budget provision (O+S)	16,820.36	17,305.92	19,106.48
	Expenditure	14,839.58	14,843.73	16,397.87
	Savings	1,980.78	2,462.19	2,708.61
	Surrender	1,979.51	2,460.15	2,906.86
	Percentage of Savings to total provision	11.78	14.23	14.18
Capital Expenditure (Voted and Charged)	Original Budget (O)	487.73	609	754.07
	Supplementary Budget (S)	80	0	24.5
	Total Budget provision (O+S)	567.73	609	778.57
	Expenditure	452.87	279.99	63.12
	Savings	114.86	329.01	715.45
	Surrender	114.86	329.01	715.45
	Percentage of Savings to total provision	20.23	54.02	91.89

Source: Appropriation Accounts for the years 2019-20 to 2021-22, Government of Odisha.

3.6.2.2 Savings

During 2019-22, savings, as a percentage of the total provision, ranged between 12.05 *per cent* and 17.22 *per cent*. In the capital section, savings as a percentage of total provision ranged between 20.23 *per cent* and 91.89 *per cent*. There were persistent savings under both Revenue and Capital Sections during 2019-22, which is indicative of deficiencies in budgetary monitoring or lack of utilisation capacity or both.

3.6.2.3 Surrender of Savings

The anticipated savings were surrendered mainly under the Heads 2202-01-101-0538- General Primary School (₹861.65 crore), 2202-01-109-1261- Secondary School (₹314.84 crore), 2202-01-113-3381 Samagra Shiksha (₹385.10 crore), and 2202-01-796-3381- Samagra Shiksha (₹227.04 crore). Surrender of funds exceeded the savings by 7.32 per cent during the year 2021-22.

3.6.2.4 Unnecessary Supplementary Grant

The entire supplementary provisions proved unnecessary during all the three years under both Revenue and Capital sections, as the actual expenditure during these years did not reach the threshold of the original provision.

3.6.2.5 Programme implementation

Details of financial and physical targets and achievements under the schemes mentioned in Table 3.10, were test-checked in Audit.

Table 3.10: Achievement against financial and physical targets

Sl. No.	Particulars	Financial Target (₹ in crore)			Physical target (Nos.)			Reasons of short-fall stated by the department
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
1) NAME OF THE SCHEME: 2202-01-(113,789,796)-3381- SAMAGRA SHIKSHA Samagra Shiksha is an integrated scheme for improving school education, measured in terms of equal opportunities for schooling and equitable learning outcomes.								
(a) Distribution of Free Uniform (Girls/ST Boys/SC Boys/BPL Boys)								
i	Girls Students	128.20	123.20	5.00	21,36,681	18,41,549	2,95,132	Due to Covid 19 pandemic
ii	ST Boys	44.57	40.62	3.95	7,42,767	6,21,227	1,21,540	
iii	SC Boys	27.30	26.49	0.81	4,54,953	3,92,318	62,635	
iv	BPL Boys	45.23	44.51	0.72	7,53,905	6,51,402	1,02,503	
	Total	245.3	234.82	10.48	40,88,306	35,06,496	5,81,810	
(b) Text Books								
v	Text Books (Classes I-VIII)	137.40	102.60	34.80	44,46,922	44,24,243	22,679	Due to Covid 19 pandemic
vi	Large Print Books (Classes I-VIII)	0.15	0.10	0.05	4,574	4,574	0	
vii	Braille Books (Class VI-VIII)	0.05	0.01	0.04	1,610	1,610	0	
	Total	137.6	102.71	34.89	44,53,106	44,30,427	22,679	
(c) Special Training for Out of School Children (OoSC)								
viii	Special Training for OoSC Non-Residential (No. of students)	0.15	0	0.15	490	0	490	Due to Covid 19 pandemic

Sl. No.	Particulars	Financial Target (₹ in crore)			Physical target (Nos.)			Reasons of short-fall stated by the department
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
ix	Special Training for OoSC Residential (No. of Students)	0.22	0	0.22	218	0	218	Due to Covid 19 pandemic
(d) Community Mobilization								
x	Training of School Management Committee (SMC) / Capacity building training of SMC Members (No. of Schools)	14.17	10.25	3.92	47,247	28,271	18,976	Due to Covid 19 pandemic
xi	Community Mobilization (Active Community Participation through various initiatives like - Suravi, Enrolment drive, Street play, Shiksha Mahasabha / Potential counselling (No. of Schools)	7.09	5.16	1.93	47,247	27,627	19,620	Due to Covid 19 pandemic
Total		21.26	15.41	5.85	94,494	55,898	38,596	
(e) Innovation Projects (Elementary) (Recurring)								
xii	Safety and Security at School Level (No. of Schools)	9.45	7.40	2.05	47,247	32,344	14,903	Due to Covid 19 pandemic
xiii	Holistic Report Card for Students (No. of Students)	0.79	0	0.79	15,77,594	0	15,77,594	
xiv	Orientation programme for teachers on Safety and Security (No. of Teachers)	9.87	6.38	3.49	1,97,378	1,12,613	84,765	
Total		20.11	13.78	6.33	18,22,219	1,44,957	16,77,262	
Audit comment: Due to non-optimal use of funds, the objective of the scheme could not be achieved in full. Reasons stated by the department on each unit of the scheme (a-e) were not tenable, as lockdowns and shut downs were in force only for two months during the year 2021-22.								
2) NAME OF THE SCHEME:- 2202-02-(789,796)-3381- SAMAGRA SHIKSHA								
Rashtriya Aavishkar Abhiyan								
i	Science Exhibition / Book fair (No. of Districts)	0.06	0.01	0.05	30	5	25	Due to Covid 19 pandemic
ii	School Monitoring by Higher education institute (No. of Schools)	1.50	0.2	1.30	3,000	300	2,700	
iii	Quiz competition (No. of Districts)	0.06	0.01	0.05	30	5	25	
iv	Participation of children in Science exhibition (No. of Districts)	0.06	0.01	0.05	30	4	26	
Total		1.68	0.23	1.45	3,090	314	2,776	

Sl. No.	Particulars	Financial Target (₹ in crore)			Physical target (Nos.)			Reasons of short-fall stated by the department
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
Special Projects for equity, Recurring support VE - New/ Existing								
v	Incentive to girls @ 10 girls per District (No. of Teachers)	0.15	0	0.15	30	0	30	Due to Covid 19 pandemic
vi	Aptitude test at school Level (No. of Schools)	0.29	0	0.29	5,789	0	5,789	
vii	Total for in-Service Training (No. of Teachers)	5.54	0.91	4.63	55,399	8,910	46,489	
viii	Adolescent programme for girl students (No. of Schools)	1.07	0	1.07	5,338	0	5,338	
ix	Stipend for Girls (up to highest class-XII) (No. of Girl Students)	1.01	0.85	0.16	5,068	4,632	436	
x	Assessment and certification cost (No. of Students)	3.13	1	2.13	52,141	30,560	21,581	
Audit comment: Due to non-optimal use of funds, the objective of the scheme could not be achieved in full. Reasons stated by the department were not tenable, as lockdowns and shut downs were in force only for two months during the year 2021-22.								
3) NAME OF THE SCHEME:- 2202-02-(003,789,796)-3381- SAMAGRA SHIKSHA								
Teacher Education								
i	DIETs	1.17	0	1.17	22	0	22	Due to Covid 19 pandemic
ii	Diksha National teacher Portal (No. of Components)	0.40	0	0.40	2,000	500	1,500	
Audit comment: Thus due to non-optimal use of funds the objective of the scheme could not be achieved in full. Reasons stated by the department were not tenable, as lockdowns and shut downs were in force only for two months during the year 2021-22.								
4) NAME OF THE SCHEME- 2202-1(800)-3501-Strengthening Teaching-Learning and Results for States (STARS Project)- The programme aims at improving the assessment system in schools and ensuring equal education in all.								
i	Training for in-Service teachers (Need-based) and Head Teachers (No. of Teachers)	10.06	0	10.06	1,73,833	0	1,73,833	Due to Covid 19 pandemic
ii	Digital Library (No. of Districts)	4.50	0	4.50	30	0	30	
iii	Website design and digital creation (No. of Districts)	3.00	0	3.00	30	0	30	
iv	Online course for Skill enhancement (No. of Districts)	3.00	0	3.00	30	0	30	
v	Learning enhancement Programme	2.00	0	2.00	1,50,000	0	1,50,000	

Sl. No.	Particulars	Financial Target (₹ in crore)			Physical target (Nos.)			Reasons of short-fall stated by the department
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
vi	Holistic Report card (No. of Students)	1.36	0	1.36	27,13,805	0	27,13,805	
vii	Training for in-Service teachers (Need-based) and Head Teachers (No. of Teachers)	4.38	0	4.38	87,651	0	87,651	
viii	Establishment or strengthening of identified State Management Institutes (No. of Resource Person)	2.70	0	2.70	700	0	700	
ix	Command and control centre (State Project Office)	6.00	0	6.00	1	0	1	
x	Introduction of Vocational education at Elementary & Secondary level (State Project Offices)	7.00	0	7.00	1	0	1	
	Audit comment: Reasons stated by the department were not tenable, as lockdowns and shut downs were in force only for two months during the year 2021-22.							
5) NAME OF THE SCHEME: 2202-01-(112,789,796)-Mid-day-Meal Scheme to provide nutritional meal to children in Government and Government aided Schools.								
	2202-01-(112-789,796)-0900-Mid-day Meals	905.93	892.61	13.32	44,28,963	44,18,542	10,421	Due to Covid 19 pandemic
	Audit comment: Thus 10,421 of students were deprived of Mid-day-Meals Scheme due to non-optimal use of funds. Reasons stated by the department were not tenable, as lockdowns and shut downs were in force only for two months during the year 2021-22.							
6) NAME OF THE SCHEME: 2202-2-800 (Other Expenditure)-3306-Mo-School aims to create a platform for people and organisations to connect, collaborate and contribute to revamping school education in Odisha.								
	2202-2-800 (Other Expenditure)-3306-Mo-School Abhiyan	1,140	1,031.83	108.17	18,426 no. of Schools	3,636	14,790	Due to non-submission of UC
	Audit comment: Due to laxity in timely submission of U.Cs. by the implementing schools, 14,790 schools were deprived of the benefit of the scheme.							

Source: Information furnished by School and Mass Education Department, Government of Odisha.

The percentage of utilisation of funds ranged between zero to 95 per cent of the total funds allotted. The reasons attributed for under-utilisation of funds were not acceptable, due to the importance of education in the development of the State.

3.6.3 Grant No. 17- Panchayati Raj and Drinking Water Department

The thrust of policies and programmes of the Panchayati Raj Department focus on all-around economic development and social justice through empowerment. Sixteen Major Heads, viz., 2015 - Elections, 2059 - Public Works, 2215 - Water Supply and

Sanitation, 2216 - Housing, 2230 - Labour and Employment, 2235 - Social Security and Welfare, 2501 - Special Programmes for Rural Development, 2505 - Rural Employment, 2515 - Other Rural Development Programmes, 3054 - Roads and Bridges, 3451 - Secretariat - Economic Services, 3604 - Compensation and Assignments to Local Bodies and Panchayati Raj Institutions, 4059 - Capital Outlay on Public Works, 4215 - Capital Outlay on Water Supply and Sanitation, 4216 - Capital Outlay on Housing, and 4515 - Capital Outlay on Other Rural Development Programmes, are operated under this Grant.

3.6.3.1 Budget and Expenditure

The budget provisions, actual expenditure and savings under this Grant, during the three-year period 2019-22, are in Table 3.11.

Table 3.11: Budget provision *vis-à-vis* Expenditure incurred during 2019-22

		(₹ in crore)		
	Particulars	2019-20	2020-21	2021-22
	Total Budget provision (Revenue + Capital)	20,255.90	20,151.96	23,924.18
	Expenditure	16,856.22	15,595.05	16,246.79
	Savings	3,399.68	4,556.91	7,677.39
	Percentage of Savings to total provision	16.78	22.61	32.10
Revenue (Voted and Charged)	Original budget (O)	15,767.03	14,834.85	18,208.08
	Supplementary budget (S)	945.87	2,027.7	3,615.64
	Total budget provision (O+S)	16,712.90	16,862.55	21,823.72
	Expenditure	13,691.71	13,708.28	14,524.37
	Savings	3,021.19	3,154.27	7,299.35
	Surrender	2,479.74	3,485.93	7,298.73
	Percentage of savings to total provision	18.08	18.71	33.45
Capital (Voted and Charged)	Original (O)	3167	3,271	2,092.46
	Supplementary (S)	376	18.41	8
	Total budget provision (O+S)	3,543.00	3,289.41	2,100.46
	Expenditure	3,164.51	1,886.77	1,722.42
	Savings	378.49	1,402.64	378.04
	Surrender	359.82	1,402.57	378.04
	Percentage of savings to total provision	10.68	42.64	18.00

Source: Appropriation Accounts for the years 2019-20 to 2021-22, Government of Odisha.

3.6.3.2 Savings

During 2019-22, savings, as a percentage of the total provision, ranged between 16.78 per cent and 32.10 per cent. There were persistent savings under both Revenue and Capital sections during 2019-22, which is indicative of deficiencies in budgetary monitoring or lack of utilisation capacity or both.

3.6.3.3 Surrender of Savings

The anticipated savings were surrendered mainly under the Heads 2215-1-102-3438- Jal Jeevan Mission (₹2,051.84 crore), 2505-60-796-3122-Pradhan Mantri Awaas Yojana (PMAY) - Biju Pucca Ghar (₹1,839.65 crore) and 2505-60-101-3227-Revolving Fund for MGNREGS (₹1,000 crore). Under the Revenue Head, surrender of funds exceeded the savings by 10.51 per cent.

3.6.3.4 Unnecessary Supplementary Grant

The entire supplementary provisions proved unnecessary during all the three years under both the Revenue and Capital sections, as the actual expenditure during these years did not reach the threshold of the original provision.

3.6.3.5 Programme implementation

Audit examined nine schemes on the basis of judgemental sampling and noticed the following:

Table 3.12: Achievement against financial and physical targets

Sl No.	Head of Accounts	Financial Target (₹ in Crore)			Physical target (Nos.)			Reasons of Shortfall stated by the department
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
Name of the Scheme: Swachha Bharat Mission (SBM) – Gramin								
Household latrines (HHL)/ Community Sanitary Complex (CSC).								
1	2215-2-105 (Sanitation Services)-3235	120.00	0	120.00	1,44,270 (HHL) 1,066 (CSC)	79,585 (HHL) 316 (CSC)	64,685 (HHL) 750 (CSC)	COVID-19 lockdown & shut down
2	2215-2-789 (Special Component for Scheduled Castes)-3235	34.00	0	34.00	40,877 (HHL) 302 (CSC)	22,549 (HHL) 90 (CSC)	18,328 (HHL) 212 (CSC)	
3	2215-2-796 (Tribal Area Sub Plan)-3235	46.00	0	46.00	55,303 (HHL) 408 (CSC)	30,508 (HHL) 121 (CSC)	24,795 (HHL) 212 (CSC)	
	Total	200.00	0	200.00	2,40,450 (HHL) 1,776 (CSE)	1,32,642 (HHL) 527 (CSE)	1,07,808 (HHL) 1174 (CSE)	
Audit comment: Reasons stated by the department were not tenable, as lock downs & shut downs were only for two months during the year 2021-22.								
Name of the Scheme: Pradhan Mantri Awaas Yojana (PMAY) - Biju Pucca Ghar (BPG), aimed to provide house to the houseless poor families and those living in less than two kutchha rooms								
4	2505-60-789-3122	1,112.80	371.55	741.25	3,07,769 Units (BPG)	1,07,287 Units	2,00,482 Units	In the absence of sanction of houses, MoRD did not release Central share, due to which matching State share could not be drawn.
5	2505-60-796-3122	2,225.60	385.95	1,839.65				
6	2505-60-800-3122	2,225.60	1,803.13	422.47				
	Total	5,564.00	2,560.63	3,003.37				
Audit comment: Due to non-sanction of houses by the Central Government, the remaining targeted people were deprived of the benefit of the scheme.								
Name of the Scheme: Buxi Jagabandhu Assured Water Supply to Habitations (BASUDHA) (Piped drinking water supply to all habitations)								
7	4215-1-102-3249- (BASUDHA)	630.00	588.25	41.75	300	252	48	Non-acquisition of land.

Sl No.	Head of Accounts	Financial Target (₹ in Crore)			Physical target (Nos.)			Reasons of Shortfall stated by the department
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
8	4215-1-789-3249-(BASUDHA)	174.50	158.63	15.87	Piped Water Supply Projects			roads not connected to the villages, Covid-19 Pandemic and Cyclone
9	4215-1-796-3249-(BASUDHA)	195.50	182.74	12.76				
	Total	1,000.00	929.62	70.38				
Audit comment: Thus, 16 % of the total targeted habitations were deprived of the benefit of the scheme. The reasons cited were not tenable, since drinking water was urgently necessary during post cyclone period.								
Name of the Scheme: Jal Jeevan Mission (Pipe Water Supply to Rural homes)(PWS)								
10	2215-1-102(Rural Water Supply Programme)-3438	3,600.00	1,548.16	2,051.84	700 nos. of PWS	515	185	Non-acquisition of land, roads not connected to the villages, Covid-19 Pandemic and Cyclone
11	2215-1-789(Special Component for Scheduled Castes)-3438	1,020.00	795.55	224.45				
12	2215-1-796(Tribal Area Sub Plan)-3438-Jal Jeevan Mission	1,380.00	940.96	439.04				
	Total	6,000.00	3,284.67	2,715.33				
Audit comment: Thus, 185 Piped Water Supply Projects remained incomplete and people were deprived of the benefits of the scheme. The reasons cited were not tenable, as drinking water was an urgent necessity during the post-cyclone period.								
Name of the Scheme: National Rural Livelihood Mission (establishment of goat clusters, coverage of households under nutrition gardens, proportion of cluster level forum etc.								
13	2501-6-102 (National Rural Livelihood Mission) -2950	636.77	470.04	166.73	1088 Gram Panchayats	962 Gram Panchayats	126 Gram Panchayats	Covid-19 Pandemic
14	2501-6-789 (Special Component for Scheduled Castes)-2950	360.47	360.20	0.27				
15	2501-6-796 (Tribal Area Sub Plan)-2950	268.42	255.29	13.13				
	Total	1,265.66	1,085.53	180.13				
Audit comment: Thus, due to the Covid-19 pandemic, 126 Gram Panchayats could not benefit from the above schemes.								
Name of the Scheme: Rural Self Employment Training Institutes (RSETIs) (Training and skill upgradation of Rural Youth)								
16	2501-6-102-3532-RSETIs	0	5.88	5.88 (+excess)	No data available with the Department			No Reply furnished.
Audit comment: Non availability of data on physical targets and achievements and non- furnishing of reasons for incurring expenditure without making any provision in the State budget reflected deficient control in monitoring of the scheme by the government.								
Name of the Scheme: Revolving Fund for MGNREGS (Wages)								
17	2505-60-101-3227-MGNREGS	1,000.00	0	1,000.00	-	-	-	Non-receipt of Central Assistance.
Audit comment: Due to non-receipt of central assistance, the targeted persons were deprived of the benefits of the scheme.								

Sl No.	Head of Accounts	Financial Target (₹ in Crore)			Physical target (Nos.)			Reasons of Shortfall stated by the department
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
Name of the Scheme: Syama Prasad Mukherjee RURBAN Mission								
18	2515-00-800 (Other Expenditure) - 3127	80.00	0.7	79.30	Data not available			Non-receipt of Central assistance.
Audit comment: Due to non-receipt of central assistance, the targeted persons were deprived of the benefits of the scheme.								
Name of the Scheme: 4215-1-102-3250-Buxi Jagabandhu Assured Water Supply to Habitations (BASUDHA) under RIDF								
19	4215-1-102-3250	612.87	456.35	156.52	70 Piped Water Supply Projects	20	50	Non-acquisition of land, roads not connected to the villages, Covid-19 Pandemic and Cyclone.
20	4215-1-789-3250	177.64	143.79	33.85				
21	4215-1-796-3250	280.93	167.08	113.85				
	Total	1,071.44	767.22	304.22				
Audit comment: Due to non-completion of 50 Piped Water Supply Projects, the targeted persons were deprived of the benefits of the scheme.								

Source: Information furnished by Panchayati Raj and Drinking Water Department.

The State Government stated (January 2023) that the concerned departments would be requested to furnish detailed explanations on the issues of Budget and Expenditure, Savings, Surrender of Savings, Unnecessary Supplementary Grant and Programme implementation.

3.7 Release of funds at the end of the financial year

Timely release of funds to the implementing agencies has a direct bearing on successful implementation of the schemes and avoidance of rush of expenditure. As per Finance Department instructions (07 February 2022), the process of issuance of sanction order for release of funds, as well as surrender of provision, should be completed by 28 February 2022, in order to avoid rush of expenditure in the last month of the financial year.

An examination of sanction orders issued during the financial year 2021-22 revealed that the Government had released ₹1,614.78 crore, for the implementation of different schemes in 11 Departments, in the last week of March 2022 (*Appendix 3.10*). Of this, ₹1,292.36 crore was released on 31 March 2022 (*Table 3.13*). As such, there was no possibility of utilisation of these funds during the financial year 2021-22.

Table 3.13: Department-wise amount released on 31/03/2022

Sl No.	Name of the Department	Purpose	Sanction order No.	Date	(₹ in crore)	
					Amount	Total
1	Panchayati Raj and	National Livelihood Mission (NRLM)	202124384892	31-03-2022	42.49	1,043.06

Sl No.	Name of the Department	Purpose	Sanction order No.	Date	Amount	Total
	Drinking Water	-do-	202124384837	31-03-2022	19.62	
		-do-	202124385071	31-03-2022	5.88	
		Jal Jeevan Mission	202124384956	31-03-2022	273.12	
		NRLM	202124384755	31-03-2022	34.30	
		Shyama Prasad Mukherjee Rurban Mission (SPMRM)	202124384995	31-03-2022	0.42	
		-do-	202124385122	31-03-2022	0.28	
		NRLM	202124384803	31-03-2022	29.42	
		-do-	202124385019	31-03-2022	28.33	
		Jal Jeevan Mission	202124384964	31-03-2022	228.99	
		-do-	202124384970	31-03-2022	328.75	
		NRLM	202124384711	31-03-2022	51.46	
2	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	Umbrella Scheme - Pradhan Mantri Anusuchit Jaati Abhyudaya Yojana	202124385457	31-03-2022	10.12	26.54
		Welcome Ceremony of Students	202124385021	31-03-2022	0.72	
		Dr. Ambedkar Post Matric Scholarship for EBC Students	202124385303	31-03-2022	3.12	
		Post Matric Scholarship for OBC Students	202124385689	31-03-2022	12.58	
3	Health & Family Welfare	For continuance of NRHM	202124385070	31-03-2022	5.51	5.51
4	Agriculture and Farmers' Empowerment	Rashtriya Krishi Vikas Yojana	202124385135	31-03-2022	13.45	52.17
		-do-	202124385544	31-03-2022	4.24	
		-do-	202124385163	31-03-2022	4.98	
		-do-	202124385151	31-03-2022	6.36	
		-do-	202124385516	31-03-2022	3.32	
		-do-	202124385480	31-03-2022	8.97	
		National Food Security Mission	202124385339	31-03-2022	6.51	
		-do-	202124385344	31-03-2022	4.34	
5	Women and Child Development and Mission Shakti	POSHAN Abhiyan (Special Nutrition Programme)	202124385860	31-03-2022	71.92	160.54
		POSHAN Abhiyan (Tribal Areas Sub plan)	202124385900	31-03-2022	8.03	
		POSHAN Abhiyan (Tribal Areas Sub plan)	202124385887	31-03-2022	32.11	
		POSHAN Abhiyan (Special component plan for Scheduled Castes)	202124385883	31-03-2022	6.10	
		POSHAN Abhiyan (Special Nutrition Programme)	202124385869	31-03-2022	17.98	
		POSHAN Abhiyan (Special component plan for Scheduled Castes)	202124385879	31-03-2022	24.40	

Sl No.	Name of the Department	Purpose	Sanction order No.	Date	Amount	Total
6	Forest, Environment and Climate Change	Forest Fire Prevention and Management	408	31-03-2022	2.52	4.54
		-do-	407	31-03-2022	2.02	
Grand Total						1,292.36

Source: Sanction orders received from respective Departments

As is evident from Table 3.13, the Panchayati Raj and Drinking Water Department accounted for 80.71 per cent (₹1,043.06 crore) of the total amount released on the last day of the financial year. Release of funds on the last day indicated that the funds were released primarily to exhaust the budget provision.

3.8 Recommendations

1. The budgetary assumptions need to be made in a realistic manner and the control mechanism needs to be strengthened, in order to curtail savings/ excess expenditure.
2. The intended objectives of various schemes and projects, need to be achieved through improved execution, efficient monitoring and better financial management.
3. The budgetary process should be based on reliable assumptions of the needs of Departments and their capacity to utilise the allocated resources.

Chapter-IV
Quality of Accounts
&
Financial Reporting Practices

A sound internal financial reporting system, with relevant and reliable information, significantly contributes to efficient and effective governance. Compliance with financial rules, procedures and directives, as well as the timeliness and quality of reporting on the status of such compliance, is, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making.

4.1 Funds outside Consolidated Fund or Public Account of the State

Article 266 (1), subject to the provisions of Article 267, provides that all revenues received by the Government of a State; all loans raised by that Government, by issue of treasury bills, loans or ways and means advances; and all moneys received by that Government, in repayment of loans, shall form one consolidated fund, to be titled as the “Consolidated Fund of the State”. Article 266 (2) provides that all other public moneys, received by or on behalf of the Government of a State, shall be credited to the Public Account of the State, as the case may be.

Audit noticed that funds meant to be credited to the Consolidated Fund or the Public Account, were, instead, credited to bank accounts, as discussed below:

4.1.1 Building and Other Construction Workers Welfare Cess

Labour Cess, collected by various agencies, was sent, through cheques/ drafts, to the Odisha Building and Other Construction Workers’ Welfare Board (OB & OCWWB) or deposited in the Savings Bank Account of the Board, opened for this purpose, through District Labour Offices. The cess, amounting to ₹ 496.30 crore, collected during 2021-22, was kept outside the Government Account, in the shape of Fixed Deposits and Flexi-savings accounts at the State Bank of India, Government Treasury Branch, in violation of constitutional provisions and sub section (2) of Section 3 of the Building and Other Construction Workers (BOCW) Act, 1996.

The collection of cess fund of the OB & CWW Board and expenditure incurred thereon, during the years 2019-20 to 2021-22, is shown in Table 4.1.

Table 4.1: Amounts collected and utilised by the OB & OCWWB in Odisha

Year	Opening Balance	Receipts during the year			Total	Expenditure	Closing Balance	Utilisation of funds (per cent)
		Cess	Regd. Fees and Annual Contribution	Interest				
2019-20	490.72	408.60	6.92	51.64	957.88	230.43	727.45	24.06
2020-21	727.45	361.95	9.7	34.84	1,133.94	473.52	660.42	41.76
2021-22	660.42	454.23	12.35	29.72	1,156.72	526.92	629.80	45.55
	Total	1,224.78	28.97	116.20		1,230.87		

Source: Finance Accounts of respective years

As may be seen from Table 4.1, the utilisation of funds had increased from 24 per cent in 2019-2020 to 46 per cent in 2021-2022. During same period, the number of construction workers had increased from 29.98 lakh to 36.74 lakh (22.55 per cent increase).

Further, Labour Cess, amounting to ₹ 1.61 crore, collected through treasuries, was not transferred to the Workers' Welfare Board by the Government, during the year 2021-22. This resulted in overstatement of the Revenue Surplus and understatement of the Fiscal Deficit, by the same amount.

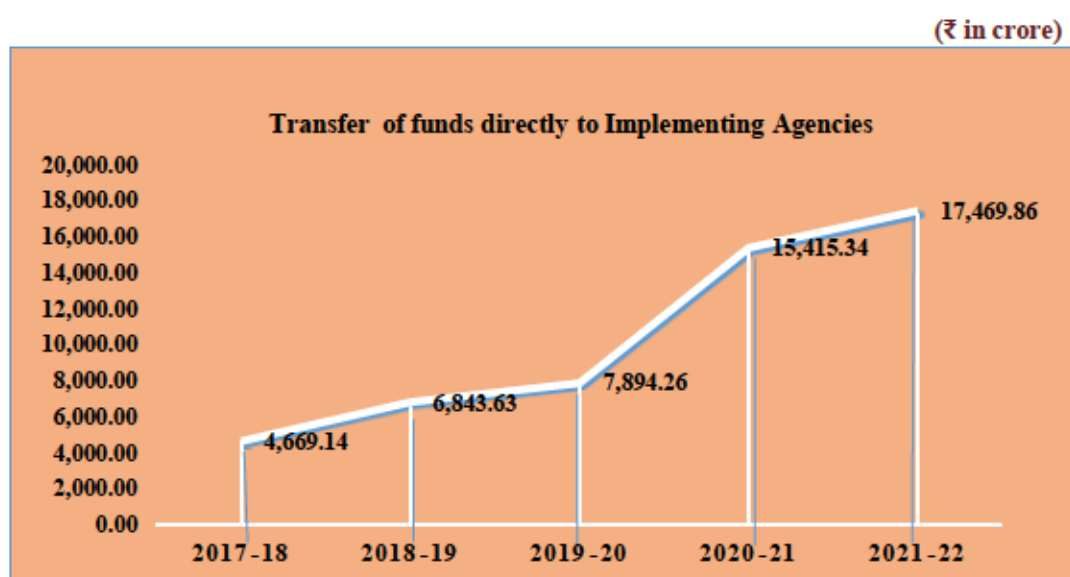
4.2 Funds transferred directly to State Implementing Agencies

The Union Government transfers substantial funds directly to State Implementing Agencies/ Non-Governmental Organisations for implementation of various schemes and programmes. Since these funds are not routed through the State Budget, they are also not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts for the year 2021-22.

4.2.1 Trends in direct transfers to implementing agencies

With effect from 01 April 2014, GoI decided to release all assistance relating to the Centrally Sponsored Schemes / Additional Central Assistance to the State Government and not directly to implementing agencies. Despite this, GoI released ₹17,469.86 crore directly to the implementing agencies, during 2021-22. Trends of such transfers directly to implementing agencies and under major schemes during the last five years, are given in Chart 4.1.

Chart 4.1: Transfer of funds directly to implementing agencies during 2017-22



Source: Finance Accounts 2021-22 – Appendix VI, Government of Odisha.

As can be seen from the Chart above, the transfer of funds increased by more than three times during the last five years from ₹4,669.14 crore in 2017-18 to ₹17,469.86 crore in 2021-22. The major agencies that received funds directly from the GoI during 2019-22, for implementing various developmental schemes and the quantum of such funds, are given in Table 4.2.

Table 4.2: Major implementing agencies that received funds directly from GoI during 2019-22
(₹ in crore)

Name of the Schemes of Government of India	Name of the Implementing Agencies	Amount transferred		
		2019-20	2020-21	2021-22
Food Subsidy	Odisha State Civil Supplies Corporation Limited, Bhubaneswar	4,148.50	8,985.73	7,892.69
Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	Odisha Rural Development and Marketing Society, Bhubaneswar	1,660.17	4,413.41	4,346.47
Pradhan Mantri Kisan Samman Nidhi	Director of Agriculture and Farmer's Empowerment, Odisha	1,634.11	1,483.85	2,759.54
National Rural Drinking Water Programme	Odisha State Water Supply and Sanitation Mission	0	0	1,661.70
Member of Parliaments' Local Area Development Scheme	District Collectors	137.50	55.00	64.00

Source: Finance Accounts, 2021-22, Appendix VI, Government of Odisha.

Direct transfer of funds to implementing agencies is fraught with the risks of inadequate monitoring by the State Government and potential risk of mis-utilisation of funds.

4.3 Delay in submission of Utilisation Certificates (UCs)

The Odisha General Financial Rules (OGFR) provide that every order sanctioning a grant should specify its objective clearly, as well as the time limit within which the grant is to be spent. Rule 173 of the OGFR states that the Departmental Officers

drawing Grants-in-Aid are primarily responsible for certifying, to the Accountant General, where necessary, the fulfilment of the conditions attached to the grant, unless there is any special rule or order to the contrary. The Utilisation Certificate (UC) should be furnished to the Administrative Department by 1st June of the succeeding year of expenditure. A copy of the UC should reach the Accountant General, Accounts and Entitlement and the Head of the Department concerned, by 30 June of that year.

Non-submission of the UCs implies that there is a level of administrative failure and that the authorities have not clearly explained how these funds were spent over the years. There is also no assurance that the intended objectives of providing these funds have been achieved. This assumes greater importance if such UCs are pending against Grants-in-Aid meant for capital expenditure. Since non-submission of UCs is fraught with the risk of misappropriation, it is imperative that the State Government monitor this aspect closely and hold the concerned persons accountable for submission of UCs in a timely manner.

During the year 2021-22, Government released ₹25,930.97 crore as Grants-in-Aid (45,124 vouchers). Out of this amount, UCs were not received in respect of ₹18,104.15 crore (69.82 per cent) (2,974 vouchers) by 30.06.2022. There is, therefore, no assurance that the expenditure of ₹18,104.15 crore had actually been incurred for the purposes for which it was authorised. Five major defaulting Departments that had not submitted UCs were Panchayati Raj and Drinking Water (₹8,713 crore), Housing and Urban Development (₹2,684 crore), School and Mass Education (₹1,881 crore), Health and Family Welfare (₹1,560 crore) and Planning and Convergence (₹823 crore).

Further, UCs for an amount aggregating ₹45,527.18 crore remained outstanding against 36 Departments of the State, as of March 2022, in the books of the PAG (A&E), Odisha, from 2003-04 onwards (*Appendix 4.1*). The age-wise break-up of the pending UCs is summarised in **Table 4.3**.

Table 4.3: Age wise arrears in submission of UCs

Year	Opening Balance		Addition		Total		Clearance		Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No. & percentage of outstanding UCs against Total UCs	Amount
Upto 2019-20	29,138	45,340.89	38,987	28,465.46	68,125	73,806.35	40,276	37,612.46	27,849 (40.88)	36,193.89
2020-21	27,849	36,193.89	42,888	27,269.36	70,737	63,463.25	43,708	20,050.58	27,029 (38.21)	43,412.68
2021-22	27,029	43,412.68	45,124	25,930.97	72,153	69,343.65	47,073	23,816.47	25,080 (34.76)	45,527.18

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

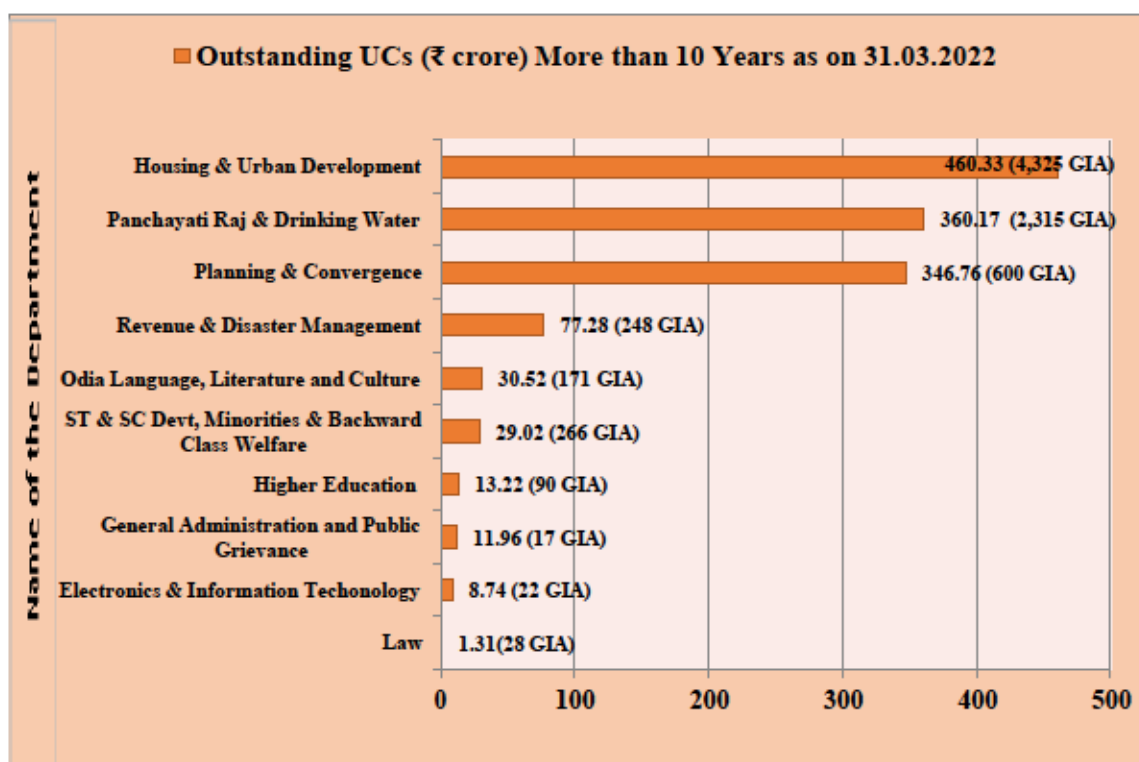
In comparison to 2020-21, the total amount for which the UCs were pending increased by ₹2,114.50 crore³³ (4.87 per cent) in 2021-22.

³³45,527.18 – 43,412.68

Five major defaulting Departments that had not submitted UCs were Panchayati Raj and Drinking Water (₹18,104.16 crore), Housing and Urban Development (₹10,323.72 crore), Planning and Convergence (₹3,855.92 crore), School and Mass Education (₹3,882 crore) and Health and Family Welfare (₹2,385.22 crore).

The department-wise position of UCs outstanding for more than 10 years is given in *Appendix 4.2*. There were 17 Departments against which UCs were outstanding for more than 10 years. Of these, the 10 major Departments where UCs were pending for more than ten years as of March 2022, are as detailed in **Chart 4.2**.

Chart 4.2: Outstanding UCs in regard to 10 major Departments for the grants paid up to 2021-22



Source: Finance Accounts, Government of Odisha

The State Government stated (January 2023) that submission of Utilization Certificates (UC) is a continuous process. Money from Centre and State go to the implementing agencies. The implementing agencies take some time for spending the money after observing the required formalities and then submit the UC, which enables them to get next tranche of release of fund. Hence, at any point of time, there would be some pendency in submission of Utilisation Certificates.

4.3.1 Delay in implementation of the Integrated Financial Management System (IFMS) - UC module

Rule 171 (4), read with Note 2 below OGFR, provides that a target date should be prescribed for submission of UCs by the grantee institutions, to the Accountant General.

In order to have control on submission of UCs, the Finance Department had executed an agreement with Tata Consultancy Services (TCS) (erstwhile M/s CMC Ltd.) on 04 December 2013, to develop and implement the UC module, in the Integrated Financial Management System (IFMS), by April 2018.

However, Audit noticed that the UC module had not been made operational (as of September 2022) in the IFMS. The UC module was being tested on a pilot basis, in the Higher Education and Co-operation Departments.

In the absence of the UC Module, IFMS was unable to assist in monitoring of pending UCs from grantee entities, by authorities at all levels, in the Administrative Departments and the Finance Department of the State.

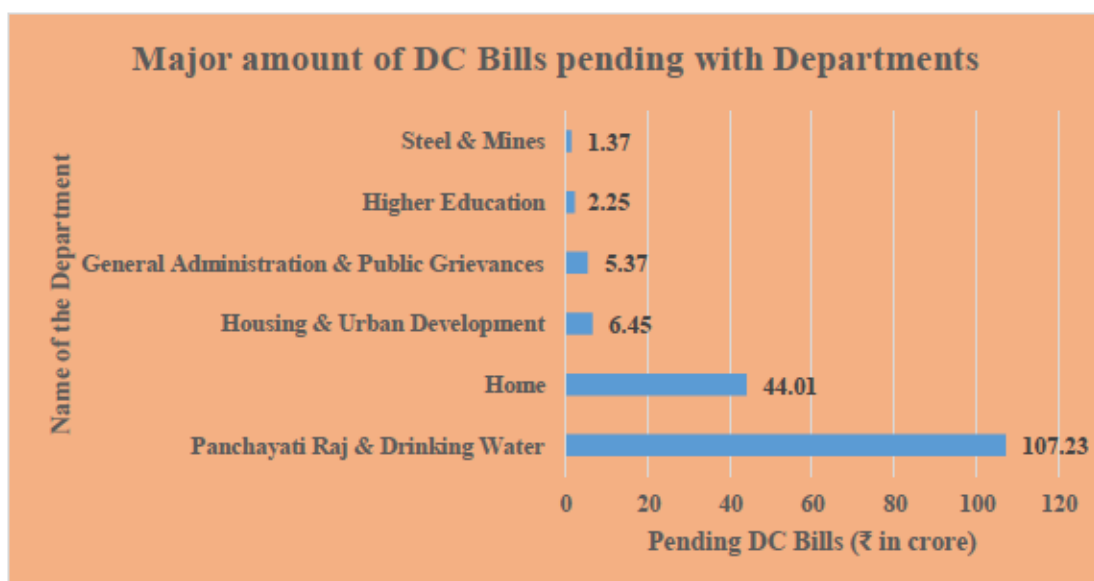
4.4 Abstract Contingent bills

In terms of Rule 261 of the Odisha Treasury Code, advances drawn through Abstract Contingent (AC) bills are required to be adjusted through Detailed Contingent (DC) bills within three months, in case of works expenditure and for expenditure incurred on natural calamities, and within one month for other contingent charges.

As of 31 March 2022, 13 Departments of Government of Odisha had not submitted DC bills for ₹167.51 crore drawn against 1,395 AC Bills (*Appendix 4.3*).

The status of major six Departments, which accounted for 99.50 *per cent* of the total outstanding DC bills, is given in **Chart 4.3**.

Chart 4.3: Major amount of DC Bills pending with six Departments



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

The year-wise details of pendency of DC bills up to 2021-22, is given in Table 4.4.

Table 4.4: Year-wise progress in submission of DC bills against AC bills, up to 2021-22
(₹ in crore)

Year	Opening Balance of AC Bills		Addition		Total		Clearance		Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No. & percentage against total no. of ACs	Amount
Upto 2019-20	1,271	213.4	735	23.95	2,006	237.35	567	67.67	1,439 (71.73)	169.68
2020-21	1439	169.68	385	14.00	1824	183.68	732	101.91	1,092 (59.87)	81.77
2021-22	1,092	81.77	858	128.52	1,950	210.29	555	42.78	1,395 (71.54)	167.51

Source: Finance Accounts of respective years, Government of Odisha

In comparison to 2020-21, the total amount for which the DC bills were pending increased by ₹85.74 crore³⁴ (104.86 per cent) in 2021-22.

Further, it was observed that, during the year 2021-22, 10 Departments had drawn 858 AC bills for an amount of ₹ 128.52 crore, as advances. Of these, 287 AC bills, amounting to ₹35.61 crore (27.71 per cent), were drawn in March 2022. However, only an amount of ₹ 0.58 crore (0.45 per cent), pertaining to one Department, was adjusted against the above advances drawn. Thus, DC bills amounting to ₹ 127.94 crore, pertaining to nine Departments, were not submitted, as of 31 March 2022 (Appendix 4.4). Five major defaulting Departments that had not submitted DC bills were Panchayati Raj and Drinking Water (₹105.62 crore), Home (₹13.48 crore), Housing and Urban Development (₹6.45 crore), Steel and Mines (₹1.18 crore) and Higher Education (₹1.16 crore). There is, therefore, no assurance that the amount of ₹ 127.94 crore had actually been utilised for the purpose for which it was sanctioned. Advances drawn but not adjusted, indicated the possibility of diversion of end use of funds/ misappropriation and, therefore, require close monitoring by the respective DDOs, for ensuring submission of DC bills.

4.4.1 Non-implementation of the DC Bill functionality under the “Online Bill Preparation and Submission” module in IFMS

As per the agreement signed (04 December 2013) between the Finance Department and the vendor (Tata Consultancy Services (TCS) (erstwhile M/s CMC Ltd.), a module was required to be developed in IFMS, for tracking and monitoring of AC/DC bills. Audit reviewed the functioning of the “On-line Bill Preparation and Submission” Module of IFMS and noticed that:

- Form and provision for ‘Abstract Contingent Bill type’ had been implemented in IFMS, as intended. However, the corresponding provision

³⁴167.51 – 81.77

for 'Detailed Contingent Bill type' had not yet been implemented, as of September 2022, defeating the purpose of the module. The scheduled timeline for implementation of the DC Bill type was April 2018, *i.e.*, the completion date of IFMS.

- ii. In the absence of 'DC Bill type', IFMS is unable to assist in monitoring of status of pending AC Bills, by authorities at all levels, in the Administrative Departments, Treasuries and the Finance Department.

The State Government stated (January 2023) that the matter is being reviewed by Finance Secretary regularly. The FAs and Controlling Officers are also sensitised about timely submission of DC Bills. IFMS presently records the DC bill number at the time of submission of fresh AC bill. It is planned to generate the DC bill in IFMS for facilitating faster submission of DC bill and regulating the non-submission.

4.5 Personal Deposit (PD) Accounts

Personal Deposits (PD) are maintained in the treasuries, in the nature of banking accounts. These are commonly known as Personal Deposit Accounts. As per Subsidiary Rule 423 of OTC Volume-I, permission for opening of PD Accounts shall not be granted, except after consultation with the Accountant General. It is authorised to open PD accounts to deposit funds required for specific purposes, by transfer of funds from the Consolidated Fund. Transfer of funds to PD accounts is booked as final expenditure from the Consolidated Fund, under the concerned service Major Heads, without any actual cash flow.

4.5.1 Personal Deposit Account framework

During 2021-22, an amount of ₹2,509.78 crore was transferred to PD Accounts. This included ₹125.93 crore transferred in March 2022, of which, ₹ 1.31 crore was transferred on the last working day of March 2022.

There were 404 PD Accounts, with an unspent balance of ₹4,356.80 crore, as of 31 March 2022, as detailed in Table 4.5.

Table 4.5: Personal Deposit Accounts

Opening Balance as on 01/04/2021		Addition during the year 2021-22		Closed/Withdrawal during the year 2021-22		Outstanding Balance as on 31/ 03/2022	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
405	3,779.59 ³⁵	01	21,691.66	02	21,114.45	404	4,356.80

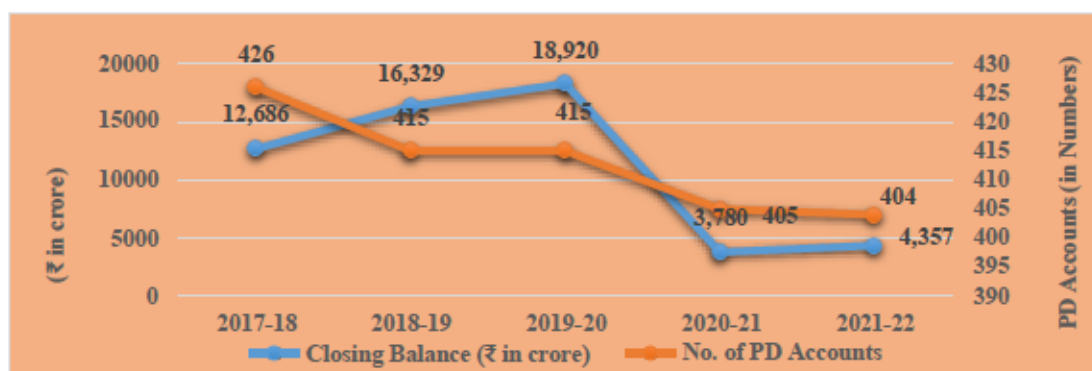
Source: Records of Office of the Principal Accountant General (A&E), Odisha

It can be seen from Table 4.6 that, during the year 2021-22, one new PD Account was opened, with an amount of ₹21,691.66 crore. There was a net increase of ₹577.21 crore

³⁵ Excludes balances under 8443-00-123-Deposits of Educational Institutions: ₹94.38 crore, 8448-00-102-Municipal Fund: ₹2,652.28 crore and 8448-00-111-Medical and Charitable Fund: ₹14.16 crore

(15.27 per cent) in the cumulative closing balance at the end of the year 2021-22, as compared to 2020-21, as detailed in Chart 4.4.

Chart 4.4: Closing Balance in PD Accounts, during 2017-22



Source: Finance Accounts of respective years

The closing balance of ₹ 4,356.80 crore pertained to 404 PD Accounts (8443-106 & 109) of District Rural Development Agencies, Zilla Parishads, Integrated Tribal Development Agencies, Odisha Mineral Bearing Areas Development Corporation (OMBADC) and 314 Blocks. The main PD Administrators with huge closing balances were Chairman, Western Odisha Development Council, Bhubaneswar (₹179.28 crore), Executive Officer, Zilla Parisad, Khurda (₹141.99 crore), Principal Chief Conservator of Forests, Odisha Mineral Bearing Areas Development Corporation (OMBADC), Bhubaneswar (₹139.91 crore), Project Director, District Rural Development Agency, Bolangir (₹75.69 crore) and Secretary, State Council of Science and Technology, Secretariat (₹72.89 crore). Non-transfer of unspent balances lying in PD Accounts to Consolidated Fund of the State entails the risk of misuse of public fund, fraud and misappropriation.

The State Government stated (January 2023) that they are continuously working with the Office of the Accountant General (A&E), to ensure due compliance in regard to PD accounts. The State has added a number of new features to the PD accounts for improved operability and reporting. Reconciliation of PD accounts is being taken up on regular basis to avoid any irregularity in their management. IFMS has been customized to provide a window to the office of Accountant General (A&E), Odisha, to withdraw the cheque drawing facility of the PD Administrators, who fail to do a timely reconciliation.

4.5.2 Inoperative PD Accounts and Non-reconciliation of PD Account balances

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

During 2021-22, two PD Accounts, with an unspent balance of ₹0.36 crore, were closed, as detailed in Table 4.6.

Table 4.6: Closure of PD Accounts, as on 31 March 2022

(₹ in lakh)		
Sl. No	Name of the Administrator of PD Accounts, closed during 2021-22	Balance
1	Treasurer, Charitable Endowment, Bhubaneswar, Pin-751001	35.65
2	Administrator, Central Provident Fund, H&UD Department, Bhubaneswar, Pin -751001	0.00
Total		35.65

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

The balances in the PD accounts are required to be reconciled annually by the administrator with the balance in the Treasury accounts. Out of a total of 404 PD accounts, 395 PD accounts (97.77 per cent) had been reconciled, as of 31 March 2022.

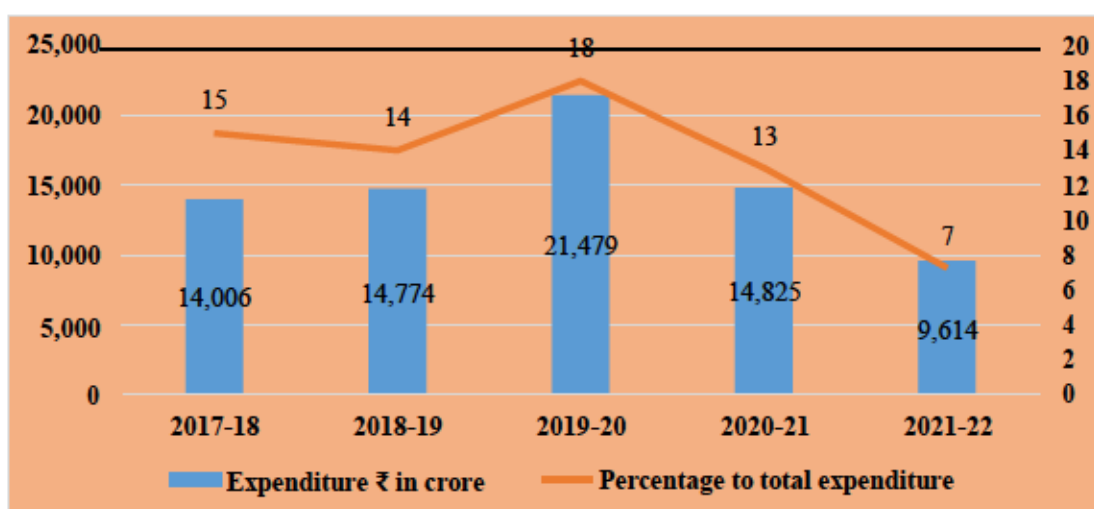
Non-reconciliation of balances in PD accounts and not transferring the unspent balances lying in PD accounts to the Consolidated Fund of State, is fraught with risks of potential misuse of public funds, fraud and misappropriation.

4.6 Indiscriminate use of Minor head 800

Minor Head 800, relating to Other Receipts and Other Expenditure, is intended to be operated only when the appropriate minor head has not been provided under a Major Head in the accounts. Routine operation of minor head 800 is to be discouraged, since it renders the accounts opaque.

During 2021-22, the State Government booked expenditure of ₹9,614.13 crore, under the Minor Head 800, under 115 revenue and capital Major Heads of Accounts, constituting 7.27 per cent of the total revenue and capital expenditure, totalling ₹1,32,313.02 crore. The extent of operation of Minor Head 800 for Other Expenditure, as a percentage of the Total Expenditure during 2017-22, is given in Chart 4.5.

Chart 4.5: Operation of Minor Head 800- Other Expenditure, during 2017-22

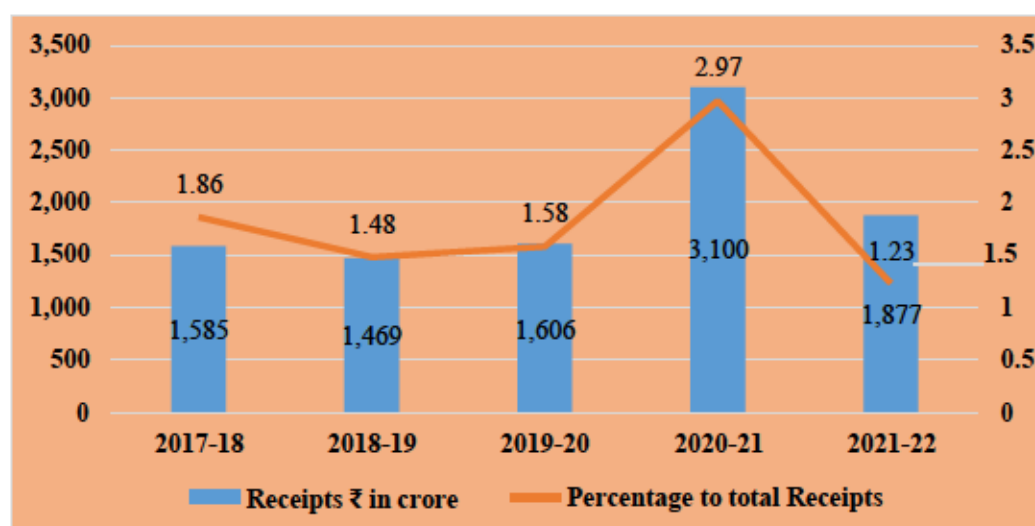


Source: Finance Accounts of respective years, Government of Odisha.

As seen from **Chart 4.5** above, there has been large scale operation of the Minor Head-800 for Other Expenditure, with its share in the total expenditure ranging from 7 per cent to 18 per cent, during the period 2017-22. Instances of substantial proportion (50 per cent or more) of the expenditure within a given Major Head, being classified under the Minor Head 800 – ‘Other Expenditure’, are given in *Appendix 4.5*. The Major Head under which highest expenditure was booked under Minor Head 800, was 4701- Capital outlay on Medium Irrigation, followed by Major Head 5075- Capital services outlay on Other Transport.

Details of operation of the Minor Head 800 for other Receipts, during the last five years, are shown in **Chart 4.6**.

Chart 4.6: Operation of the Minor Head 800- Other Receipts, during 2017-22



Source: Finance Accounts of respective years, Government of Odisha

As seen from the above Chart, the operation of Minor Head 800-Other Receipts has been lower, as compared to the use of this Head on the expenditure side and has ranged between 1.23 per cent of the total receipts in 2021-22 to 2.97 per cent of the total receipts during 2020-21. During 2021-22, the State Government classified receipts of ₹1,877.47 crore, pertaining to 66 Major Heads, under the Minor Head ‘800 - Other Receipts’. Cases where 100 per cent of receipts were classified under the Minor Head 800 – ‘Other Receipts’, are given in *Appendix 4.6*. The Major Head under which highest receipts were booked under Minor Head 800, was 1051- Port and Light houses (95.58 per cent).

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

The State Government stated (January 2023) that Expenditure and receipts are booked under the minor head ‘800-Other Expenditure’ and ‘800-Other Receipts’, only if the

nature of expenditure or receipt do not fit to the minor heads enlisted under a Major Head in the list of Major and Minor heads prescribed by the Controller General of Accounts (CGA). However, the purpose of expenditure in most of such cases is specified below minor heads. While formulating Annual Budget, 2022-23, Budget provision under '800-Other Expenditure' and '800-Other Receipts' have been duly verified and were then modified thereby reducing the amount to a great extent.

4.7 Outstanding balances under major Suspense heads

Certain intermediary/ adjusting heads of accounts, known as 'Suspense heads', are opened in Government accounts, to reflect transactions of receipt and payments which cannot be booked to a final head of account, due to lack of information, such as non-furnishing of Schedule of Settlement by the Treasuries/ PAOs, Non-receipt of clearance memos from RBI, non-receipt of vouchers, *etc.* These heads of accounts are finally cleared by minus debit or minus credit, when the accounts under them are booked to their respective final heads of accounts. Remittances embrace all transactions which are adjusting Heads of Account and the debits or credits under these heads are eventually cleared by corresponding credits or debits within the same or in another circle of accounting.

The Finance Accounts reflect the net balances under the Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately, under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/ Works and Forest Divisions, *etc.* The position of gross figures under major suspense and remittance heads, for the last three years, is given in Table 4.7.

Table 4.7: Balances under Suspense and Remittance Heads

(₹ in crore)

Minor Head	2019-20		2020-21		2021-22	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 - Suspense						
101 - PAO Suspense	210.63	42.91	188.42	25.15	145.79	15.60
Net	Dr. 167.72		Dr. 163.27		Dr. 130.19	
102- Suspense Account- Civil	13.07	44.12	29.07	2.59	19.12	79.51
Net	Cr. 31.05		Cr. 26.48		Cr. 60.39	
110- Reserve Bank Suspense- CAO	1.88	..	3.11	..	236.12	..
Net	Dr. 1.88		Dr. 3.11		Dr. 236.12	
Major Head 8782- Cash Remittances and adjustment						
102-P.W. Remittances	14.80	2.33	13.46	1.62	137.23	147.13
Net	Dr. 12.47		Dr. 11.84		Cr. 9.90	
103- Forest Remittances	83.32	-	62.72	..	64.21	..
Net	Dr. 83.32		Dr. 62.72		Dr. 64.21	

Source: Finance Accounts of respective years, Government of Odisha

Increasing accumulation of balances during 2019-22 under the suspense heads, indicated inadequate accounting controls of the Government. Details of the balances under 101-PAO suspense head, are discussed below.

4.7.1 Pay and Accounts Office (PAO) Suspense (Minor Head 101)

The outstanding debit balance (31 March 2022) under this Minor Head was ₹145.79 crore and the credit balance was ₹15.60 crore. The major outstanding debit balances

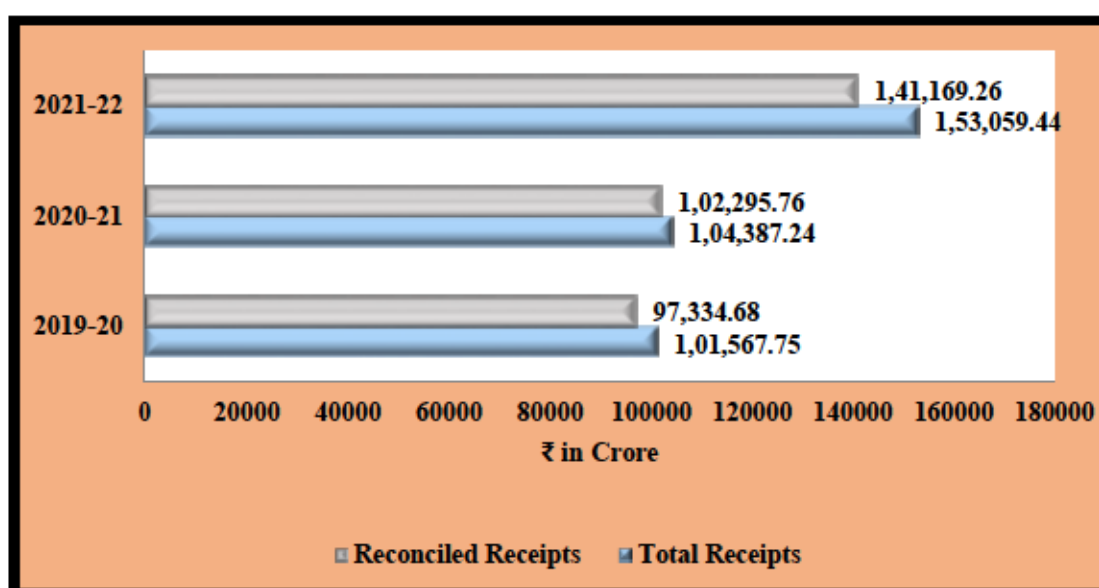
pertained to PAO, Central Pensions, New Delhi (₹136.54 crore) and PAO, Ministry of Surface Transport, Kolkata (₹ 9.19 crore). The major outstanding credit balances pertained to Ministry of Shipping and Transport, New Delhi (₹1.03 crore), and others (₹17.18 crore). The outstanding balances under the PAO Suspense head need to be adjusted.

4.8 Non-reconciliation of Departmental figures

To enable Controlling Officers (COs) of the Departments to exercise effective control over spending, to keep it within the budgeted grants and to ensure accuracy of their accounts, the OGFR (319) stipulates that the receipts and expenditure during the financial year, recorded in the books of Controlling Officers, need to be reconciled by them every month, with the records in the books of the AG (A&E).

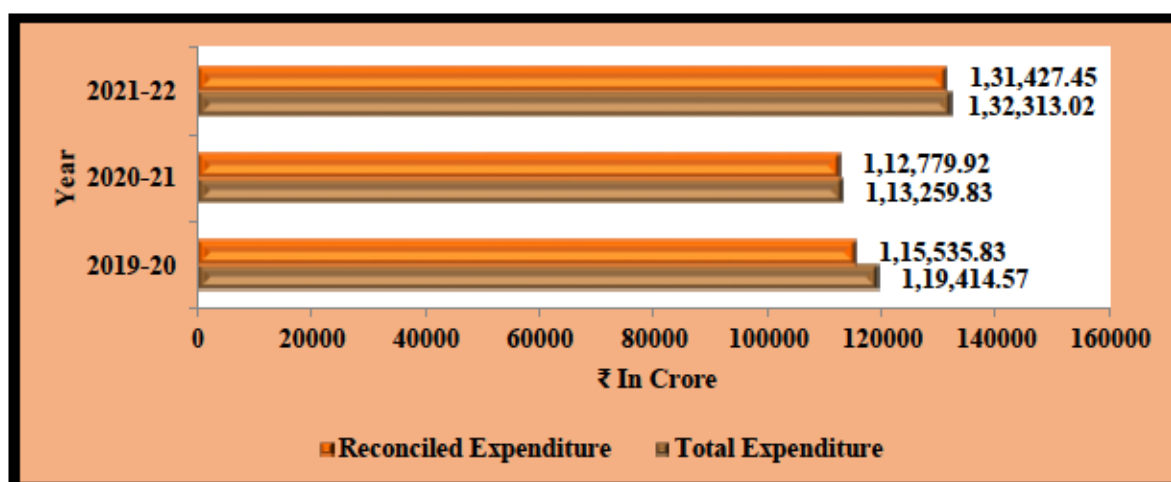
The status of reconciliation of receipts and expenditure by the Cos, during the last three years (2019-21), is shown in Chart 4.7 and Chart 4.8, respectively.

Chart 4.7: Status of reconciliation of receipts, during the last three years



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

Chart 4.8: Status of reconciliation of expenditure, during the last three years



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

4.9 Reconciliation of Cash Balances

As on 31 March 2022, there was a difference of ₹0.83 crore (Net debit), between the Cash Balance of the State Government, as per the books of Accounts of the AG (A&E), and the Cash Balance as reported by the Reserve Bank of India. The difference of ₹0.83 crore (Debit) was mainly due to incorrect reporting by treasuries and banks. However, ₹0.03 crore (Credit) remained outstanding at the end of June 2022. The difference was under reconciliation.

4.9.1 Discrepancy of ₹175.82 crore due to non-reconciliation between bank balance and cash book balance

Reconciliation of bank account figures with the cash book figures, is required to be done regularly, at the end of each month, in order to ensure accuracy of the transactions entered in the books of accounts. DDOs are required to carry out reconciliation at the end of each month, to set right the mismatches, if any. In 46 sampled DDOs, it was observed that there was a difference of ₹175.82 crore (*Appendix 4.7*) between the balances in cash books and bank pass books, as of March 2022. In the absence of reconciliation of the cash balances, the authenticity of accounts maintained by these DDOs, could not be vouched for, in audit.

4.10 Non-Compliance with Accounting Standards

The Government Accounting Standards Advisory Board (GASAB), set up by the Comptroller and Auditor General of India in 2002, has been formulating standards for government accounting and financial reporting, to enhance accountability mechanisms. Till date, three Indian Government Accounting Standards (IGAS) have been notified. Cases of non-compliance with the IGAS, by the Government of Odisha, in its financial statements for the year 2021-22, is given in **Table 4.8**.

Table 4.8: Non-Compliance with Indian Government Accounting Standards

Sl. No.	Accounting Standards	Compliance by State Government	Impact of deficiency
1.	IGAS-2: Accounting and Classification of Grants-in-Aid	Not complied	I. Certain Grants-in-Aid were classified under Capital Section (Refer Paragraph 2.4.3) II. No information was available regard to the Grants-in-Aid given in kind by the State Government.

Source: Finance Accounts & Appropriation Accounts 2021-22, Government of Odisha.

4.11 Non-Submission of Annual Accounts/ Separate Audit Reports of Autonomous Bodies

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

The ABs coming under the audit purview of CAG, as per Section 19 or 20 of CAG’s DPC Act, are required to submit their annual accounts to Audit, before 30 June every year. In regard to 18 Autonomous Bodies, which were to render annual accounts to

C&AG, there were delays in submission of accounts, ranging from one to thirty nine years, as shown in *Appendix 4.8*.

Of these 18 bodies/ authorities, nine bodies/authorities, viz. Odisha Electricity Regulatory Commission, Odisha State Legal Services Authority, Compensatory Afforestation Fund Management and Planning Authority (CAMPA), Odisha State Road Transport Corporation, Odisha Small Industries Corporation Limited (OSIC), Odisha State Financial Corporation (OSFC), Lokayukta, Odisha Building and Other Construction Workers Welfare Board and Odisha State Warehousing Corporation have submitted their accounts for financial audit, for the periods ranging from 2009-10 and 2021-22.

Annual accounts for the remaining development authorities, due up to 2021-22, had not been received, as of September 2022. The accounts of these bodies/ authorities were in arrears for 10 to 39 years.

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

The State Government stated (January 2023) that the matter of non-submission of accounts by nine Autonomous Bodies would be taken up with the concerned Administrative Departments, with the request to submit their accounts to CAG of India, for financial audit.

4.12 Departmental Commercial Undertakings

Government Departments which perform activities of a quasi-commercial nature, are required to prepare proforma accounts, in the prescribed format, annually, showing the working results of their financial operations, so that Government can assess their performance. As per Statement 5 of the Finance Accounts of 2021-22, out of 15 departmental undertakings/ Schemes, no Department had prepared proforma accounts.

In the absence of timely finalisation of accounts, the investment of the Government remains outside the scrutiny of Audit/State Legislature. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency can not be taken in time. Besides, the delay also opens the system to the risk of fraud and leakage of public money.

4.13 Non-submission of details of grants / loans given to bodies and authorities

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 was granted and
- total expenditure of the institutions.

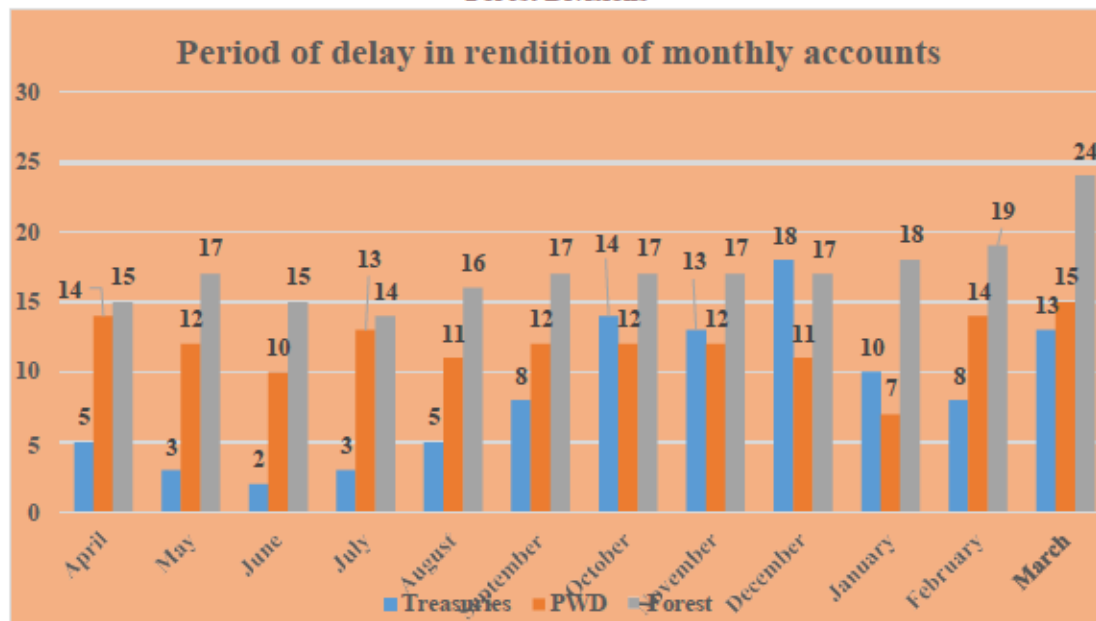
Further, Governments and HODs, who sanction grants and/ or loans to bodies or authorities, are required to furnish to Audit, by the end of July every year, a statement of such bodies and authorities, to which grants and/ or loans, aggregating ₹10 lakh or more, were paid during the preceding year, indicating (a) the amount of assistance, (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority.

Only 30 out of 43 Departments had furnished the details of Grants-in-Aid given to various bodies and authorities in the year 2021-22. In the absence of the information from remaining 13 Departments³⁶, reasonable assurance could not be provided to the Legislature/ Government about the manner in which the grants sanctioned/ released by them had been utilised. This dilutes legislative control over the Government expenditure system.

4.14 Timeliness and Quality of Accounts

The accounts of the State Government are compiled by the Accountant General (A&E) from the initial accounts rendered by district treasuries, sub-treasuries, cyber treasury and public works divisions (apart from the RBI advices). During the financial year 2021-22, there were delays in rendition of monthly accounts, ranging from 02 to 18 days, by treasuries; 07 to 15 days, by Public Works Divisions; and 15 to 24 days, by Forest Divisions. Details of delays (in days), in submission of monthly Civil Accounts, are given in Chart 4.9.

Chart 4.9: Delays (in days) in rendition of monthly accounts by Treasuries, Public Works and Forest Divisions



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

³⁶ Finance; Odisha Legislative Assembly; School and Mass Education; Health and Family Welfare; Panchayati Raj and Drinking Water; Public Grievance and Pension Administration; Rural Development; Public Enterprises; Women and Child Development and Mission Shakti; Electronics and Information Technology; Social Security and Empowerment of persons with disabilities; Disaster Management; and Odia Language, Literature and Culture.

Exclusion of accounts not only distorts the budgetary position of the Government, but also impacts its monitoring of fund flow to the last mile of implementation, its planned pacing of expenditure on developmental programmes, functioning of departments *etc.*, during the year.

4.15 Misappropriations, losses, thefts, *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, Odisha, where the amount is ₹500 or more. Various Departments of the State Government reported that there were 711 cases of loss, misappropriation and defalcation *etc.*, as detailed in *Appendix 4.9*.

The State Government stated (January 2023) that the concerned Administrative Departments would be requested to initiate disciplinary actions and criminal proceedings against the officials, held responsible.

4.16 Status of Implementation of Single Nodal Agency

As per a newly introduced procedure of the GoI (March 2021), release of funds under Centrally Sponsored Schemes (CSS) is being operated through a Single Nodal Agency (SNA) with effect from 1 July 2021.

SNA Model in respect of Centrally Sponsored Schemes was being implemented in Odisha from 2021-22, through PFMS - State Treasury Integration. SNA has been designated for all the State Linked Schemes (SLS). As of January 2023, data sharing with respect to 116 SLSs corresponding to their concerned CSS was being done and separate budget heads were created for Central Share and State Share. However, vouchers and payment details of spending by Implementing Agencies, were not shared with Audit.

4.17 Follow-up action on the State Finances Audit Report

A separate Report on State Finances is being prepared since the year 2008-09 onwards and it is being presented to the State Legislature. During 2021-22, no meetings were held to discuss the pending position of paras relating to the State Finances Audit Report (SFARs). As of March 2022, 334 paragraphs relating to SFARs, pertaining to the period 2008-09 to 2020-21, were pending.

4.18 Recommendations:

1. Government may bring all the funds lying outside the Consolidated Fund/ Public Accounts, in breach of constitutional provisions, within the fold of the Consolidated Fund/ Public Accounts.
(Paragraph 4.1)
2. Government may ensure carrying out adjustment of Abstract Contingent bills within the stipulated period, as required under the Rules.
(Paragraph 4.4)

3. Government may, in consultation with the Accountant General (A&E) Odisha, conduct a comprehensive review of all items presently appearing under Minor Head 800 and ensure that all such receipts and expenditure are, in future, booked under the appropriate heads of accounts.

(Paragraph 4.6)

4. Government may consider preparing a time-bound framework for taking prompt action, including lodging of FIRs in cases of misappropriation, loss, theft *etc.*, and strengthening its internal control system, to prevent recurrence of such cases.

(Paragraph 4.15)

Chapter-V

State Public Sector Enterprises

Summary of Financial Performance of State Public Sector Enterprises

5.1 Introduction

This Chapter presents the summary of financial performance of Government Companies, Statutory Corporations and Government controlled other Companies. The term State Public Sector Enterprises (SPSEs) encompasses those Government companies in which the direct holding of the State Government is 51 *per cent* or more and the subsidiaries of such Government companies. The Statutory Corporations set up under Statutes enacted by the Legislature and other companies owned or controlled, directly or indirectly by the State Government have also been categorised as SPSEs.

A Government Company is defined in Section 2 (45) of the Companies Act, 2013 as a Company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State government or governments, or partly by the Central Government and partly by one or more State governments and includes a Company which is a subsidiary of a Government.

Besides, any other company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government controlled other Companies.

5.1.1 Mandate of Audit

Audit of Government companies and Government controlled other companies is conducted by the CAG under the provisions of Sections 143(5) to 143(7) of the Companies Act, 2013, read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971, and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for companies and gives directions on the manner in which the accounts are to be audited. In addition, CAG has the right to conduct a supplementary audit. The statutes governing some of the Statutory Corporations require their accounts to be audited only by the CAG.

5.1.2 What this Chapter contains

This Chapter gives an overall picture of the financial performance of the State Government Companies and Corporations as revealed from their accounts.

5.1.3 Number of State Public Sector Enterprises

As on 31 March 2022, there were 82³⁷ SPSEs under the audit jurisdiction of the CAG as detailed in *Appendix 5.1*. These included 64 Government Companies, 03 Statutory Corporations and 15 Government controlled other Companies. Out of the 64 Government Companies, 8 were power sector companies and 56 were non-power sector companies. Out of 56 non-power sector companies, 26 were non-functional. Of these, summary of financial performance of 43 SPSEs (30 Government Companies, 02 Corporations and 11 Government controlled other Companies) is covered in this report and the nature of these SPSEs is indicated in the table below:

Table 5.1: Coverage and nature of SPSEs covered in this report

Nature of the SPSE	Total number of SPSEs	Number of SPSEs covered in the Report				Number of SPSEs not covered in the Report
		Accounts up to				
		2021-22	2020-21	2019-20	Total	
Government Companies	64	11	16	3	30	34
Statutory Corporations	3	0	2	0	2	1
Total Companies/ Corporations	67	11	18	3	32	35
Government Controlled other Companies	15	2	9	0	11	4
Total	82	13	27	3	43	39

(Source: Compiled based on the accounts received from PSUs during the respective years)

This Chapter does not include 39 SPSEs (34 Government Companies, 01 Statutory Corporation and 04 Government Controlled other Companies) whose accounts were in arrears for three years or more or were defunct/ under liquidation or whose first accounts have not been received yet, as indicated in *Appendix 5.2 A* and *Appendix 5.2 B*.

5.1.4 Contribution to the Gross State Domestic Product

A ratio of turnover of the Government companies and corporations to the Gross State Domestic Product (GSDP) shows the extent of their activities in the State economy. The Compounded Annual Growth Rate (CAGR) is a useful method to measure growth rate over multiple time periods. Table 5.2 provides the details of turnover of 32 Government SPSEs and 11 Government Controlled other SPSEs and GSDP of Odisha for a period of three years from 2019-20 to 2021-2022:

³⁷ Two Government Companies viz. Startup Odisha and World Skill Centre came under the purview of CAG's audit during 2020-21.

Table 5.2: Details of turnover of State PSEs vis-a-vis GSDP of Odisha

(₹ in crore)

Particulars	2019-20	2020-21	2021-22
Turnover	21,149.69	23,876.47	38,169.90
Percentage of increase of Turnover over Previous Year	0.97	12.89	59.86
GSDP of Odisha at current prices	5,46,413	5,42,889	6,38,342
Percentage of Turnover to GSDP of Odisha	3.87	4.40	5.98

(Source: Turnover reported in the latest finalised accounts of Government Companies and Corporations till 15th September 2022 and GSDP figures received from Directorate of Economics and Statistics, Odisha.)

In 2021-22, the turnover of the SPSEs relative to GSDP was 5.98 per cent and had increased by 1.58 per cent from the previous year. The department-wise position is given in Appendix 5.3.

5.1.5 Budgetary Support to State Public Sector Enterprises

The Government of Odisha (GoO) provides financial support to State PSEs in various forms, through the annual budget. During 2021-22, there was budgetary outgo towards equity, loans, grants/ subsidies, loans written off and loans converted into equity by GoO, in regard to 16 Government SPSEs and 03 Government controlled other SPSEs. The summarized details for the last three years ending March 2022, are as follows:

Table 5.3: Details regarding budgetary support to State PSEs

(Amount in ₹ crore)

Particulars ³⁸	2019-20		2020-21		2021-22	
	Number of PSUs	Amount	Number of PSUs	Amount	Number of PSUs	Amount
Equity Capital outgo (i)	2	118.70	2	32.54	4	572.80
Loans given (ii)	1	100.05	0	0	2	118.40
Grants/Subsidy provided (iii)	8	1,136.03	9	758.19	16	1436.14
Total Outgo (i+ii+iii)	8[#]	1,354.76	9[*]	790.73	19^{\$}	2127.34
Loan repayment written off	0	0	0	0	0	0
Loans converted into equity	0	0	0	0	2	2439.69
Guarantees issued	1@	600.00	1@	2,000.00	1@	600.00
Guarantee ³⁹ Commitment	1@	913.50	1@	6233.90	1@	8277.50

(Source: Compiled based on information received from SPSEs.)

One Government SPSE i.e., Odisha Power Transmission Corporation Limited received equity, loans and grants in 2019-20 and One Government SPSE i.e., Odisha Hydro Power Corporation Limited received both equity and grants in 2019-20.

* One Government SPSE i.e., Odisha Hydro Power Corporation Limited received equity and grants in 2020-21.

\$ One Government SPSE i.e., Industrial Development Corporation of Odisha Limited received equity and grants in 2021-22, One Government SPSE i.e., Odisha Power Transmission Corporation Limited received both equity and loan in 2021-22 and One Government SPSE i.e., Odisha Pisciculture Development Corporation Limited received both loans and grants in 2021-22.

@ GRIDCO Limited.

³⁸ Amount represents outgo from State Budget only.

³⁹ Closing balance of Government guarantee in respect of SPSEs at the end of a particular year

The budgetary assistance of ₹2,127.34 crore given during the year 2021-22 was in the form of equity, loan and grants/ subsidy. During the year 2021-22, maximum grants/subsidy were provided to Odisha State Civil Supplies Corporation Limited (₹584.30 crore) and Odisha Lift Irrigation Corporation Limited (₹170.99 crore). These two SPSEs have not furnished their annual accounts for the financial year 2021-22. The overall summary position of financial performance of SPSEs (Government Companies and Statutory Corporations) covered in this Report, is summarised in Table 5.4.

Table 5.4: Financial performance of SPSEs for 2021-22 covered in this Report (Government Companies and Statutory Corporations)

Number of SPSEs	67
SPSEs covered	32
Paid up capital (32 SPSEs)	₹8,985.19 crore
Long term loans (32 SPSEs)	₹15,387.41 crore
Net profit (22 SPSEs)	₹3,289.58 crore
Net loss (10 SPSEs)	₹2,423.10 crore
Dividend declared (11 SPSEs)	₹565.10 crore
Total assets (32 SPSEs)	₹74,648.11 crore
Value of production (15 SPSEs)	₹8,070.01 crore
Net worth (32 SPSEs)	₹12,235.22 crore

5.2 Investment in Government Companies and Corporations and Government controlled other Companies

Details of equity and loans in 32⁴⁰ Government Companies and Corporations and 11 Government controlled other companies as of 31 March 2021 and 31 March 2022, are given in the table below:

Table 5.5: Equity and loans in Government Companies and Corporations

(₹ in crore)

	Sources of investment	As on 31.03.2022			As on 31.03.2021		
		Equity	Long term loans	Total	Equity	Long term loans	Total
Government Companies and Corporations	1. State Government	7,313.82	1,015.57	8,329.39	4108.87	1,243.93	5,352.80
	2. State Government Companies/ Corporations/Autonomous Bodies	1,549.14	722.83	2,271.97	616.59	596.35	1,212.94
	3. Central Governments/ Central Government Companies/Corporations	44.95	6760.81	6,805.76	44.95	7241.53	7286.48
	4. Financial Institutions and Others	77.28	6,888.20	6,965.48	969.03	6912.09	7881.12
	Total	8,985.19	15,387.41	24,372.60	5,739.44	15,993.90	21,733.34
Government controlled other companies	State Government	235.00	0	235.00	235.01	0	235.01

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

⁴⁰ (67-35) SPSEs whose accounts were in arrears for more than or equal to three years were defunct/under liquidation.

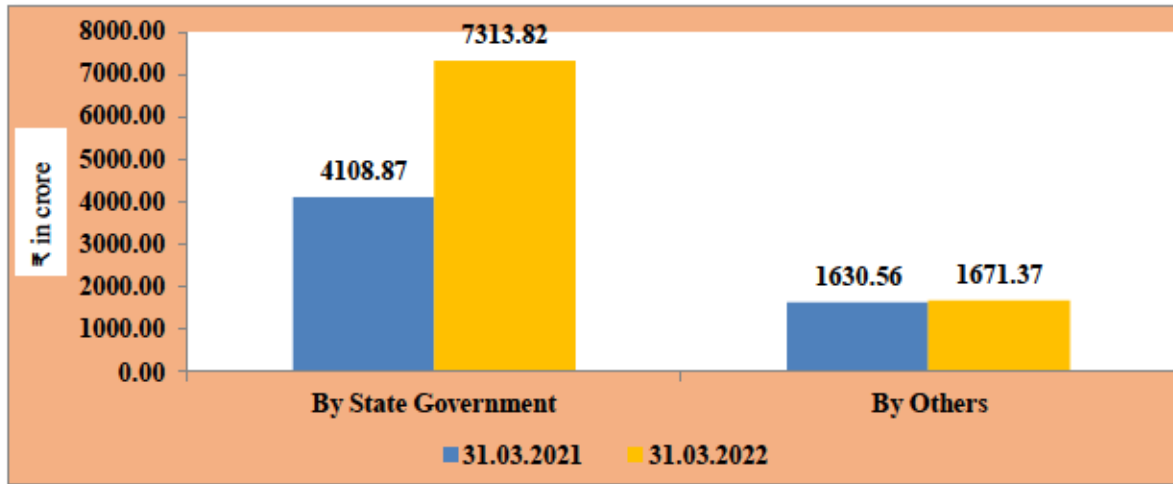
The amount of equity and loans in 11 Government controlled other companies, as of 31 March 2022 is given in the table below.

5.2.1 Equity holding

During 2021-22, the total equity holding at face value in the 32 SPSEs covered in this Report registered a net increase of ₹3,245.76 crore. This was due to increase in State Government equity share capital of ₹ 50.00 crore in Odisha State Road Transport Corporation Limited, ₹ 2214.51 crore in GRIDCO Limited, ₹ 22.54 crore in Odisha Hydro Power Corporation Limited, ₹ 207.00 crore in Odisha Power Generation Corporation Limited, ₹ 711.29 crore in Odisha Power Transmission Corporation Limited and increase in equity share capital of holding State Government companies of ₹ 39.95 crore in Odisha Coal Power Limited.

Holding in equity by State Government and others, during the last two years ended 31 March 2021 and 31 March 2022 in Government Companies and Corporations, is depicted in the Chart below:

Chart 5.1: Holding in equity in Government Companies and Corporations



(Source: Compiled on the basis of latest finalised accounts of SPSEs)

Details of significant holding (holding of more than ₹200 crore) of the State Government during 2021-22 in the paid-up capital of the SPSEs, are given in Table 5.6.

Table 5.6: Significant holding of the State Government

(₹ in crore)

Name of the SPSE	Name of the Department	Amount	Percentage of State Government holding in the individual SPSE with the total holding of the State Government
Statutory Corporation			
Odisha State Financial Corporation	Micro, Small & Medium Enterprise	342.72	4.69
Odisha State Road Transport Corporation	Commerce and Transport	328.54	4.49
Government Companies			

Odisha Power Generation Corporation Limited	Energy	1136.47	15.54
Odisha Power Transmission Corporation Limited	Energy	1571.06	21.48
Odisha Hydro Power Corporation Limited	Energy	833.19	11.39
GRIDCO Limited	Energy	2791.22	38.17

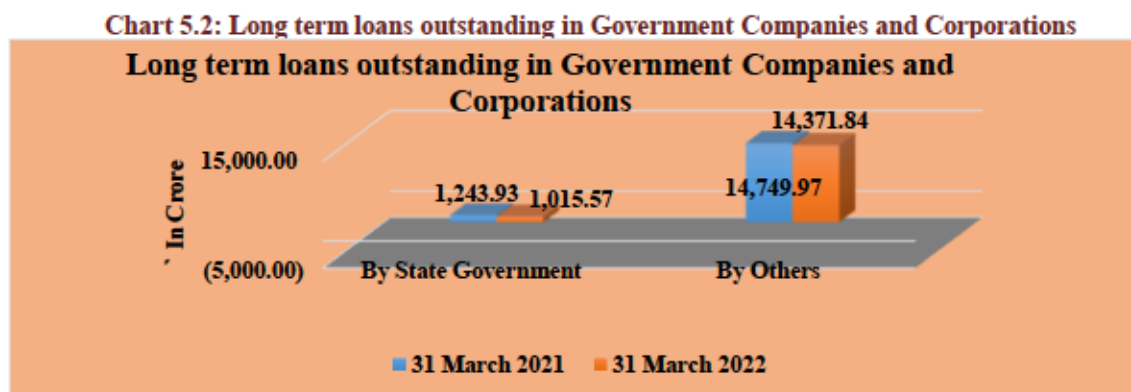
(Source: Compiled from the latest finalised accounts of SPSEs)

5.2.2 Loans given to Government Companies and Corporations

5.2.2.1 Computation of long-term loans outstanding as on 31 March 2022

Out of the 32 Government Companies and Corporations covered in this report, 11 had outstanding long term loans from all sources, amounting to ₹15,387.41 crore, as on 31 March 2022. During 2021-22, the long-term loans of Government Companies and Corporations registered a decrease of ₹606.49 crore in five SPSEs viz. GRIDCO Limited, Odisha Hydro Power Corporation Limited, Odisha Power Generation Corporation Limited, Odisha Coal and Power Limited and Kalinga Studio Limited.

Year wise details of outstanding long-term loans of Government Companies and Corporations, covered in this report, are depicted in the chart below:



(Source: Compiled on the basis of latest finalised accounts of SPSEs)

5.2.2.2 Adequacy of assets to meet loan liabilities

Ratio of total debt to total assets is one of the methods used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than the sum of its loans/debts. The coverage of long-term loans by value of total assets in 11 Government SPSEs, which had outstanding loans as on 31 March 2022, is given in the table below:

Table 5.7: Coverage of long term loans with total assets

	Positive Coverage				Negative Coverage			
	No. of SPSEs	Long term loans	Assets	Percentage of assets to loans	No. of SPSEs	Long term loans	Assets	Percentage of assets to loans
		(₹ in crore)				(₹ in crore)		
Statutory Corporations	2	107.33	1129.86	1052.70	-	-	-	-
Government Companies	9	15,280.08	33,763.54	220.96	-	-	-	-
Total	11	15,387.41	34,893.40		-	-	-	-

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

From the above table, it can be seen that all the 11 Government Companies and Corporations had positive coverage ratio, which indicates that all these Companies and Corporations possess adequate assets to meet their loan liabilities.

5.2.2.3 Interest Coverage

Interest coverage ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An ICR below one indicates that the company is not generating sufficient revenues to meet its expenses on interest. The details of positive and negative interest coverage ratio of SPSEs, which had outstanding loans during the period from 2019-20 to 2021-22 are given in the table below:

Table 5.8: Interest Coverage Ratio

Year	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	No. of SPSEs	No. of SPSEs having ICR ≥ 1	No. of SPSEs having ICR < 1
Statutory Corporations					
2019-20	0.47	5.73	1	1	-
2020-21	0.47	-1.59	1	-	1
2021-22	0.47	-0.45	1	-	1
Government Companies					
2019-20	662.75	911.48	6	4	2
2020-21	1,640.31	70.61	7	5	2
2021-22	1745.21	1547.32	9	8	1

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

It was observed that the number of SPSEs with ICR equal to or more than one, had increased in case of Government Companies and decreased in case of Statutory Corporations during 2021-22, as compared to the previous years.

5.2.2.4 Age Wise Analysis of interest outstanding on State Government loans

As on 31 March 2022, interest amounting to ₹956.09 crore was outstanding on long term loans of four SPSEs provided by the State Government. The age wise analysis of interest outstanding on State Government loans in SPSEs is depicted in the table below:

Table 5.9: Interest outstanding on State Government Loans

(₹ in crore)

Sl. No.	Name of the SPSE	Outstanding interest on State Government loans	Interest on State Government loans outstanding for less than 1 year	Interest on State Government loans outstanding for 1 - 3 years	Interest on State Government loans outstanding for more than 3 years
1	Odisha Hydro Power Corporation Limited	842.27	66.94	140.23	635.10
2	Odisha State Seeds Corporation Limited	0.98	-	-	0.98
3	Industrial Development Corporation Limited	56.53	1.66	6.04	48.83
4	Odisha Power Transmission Corporation Limited	56.31	21.58	0	34.73
Total		956.09	90.18	146.27	719.64

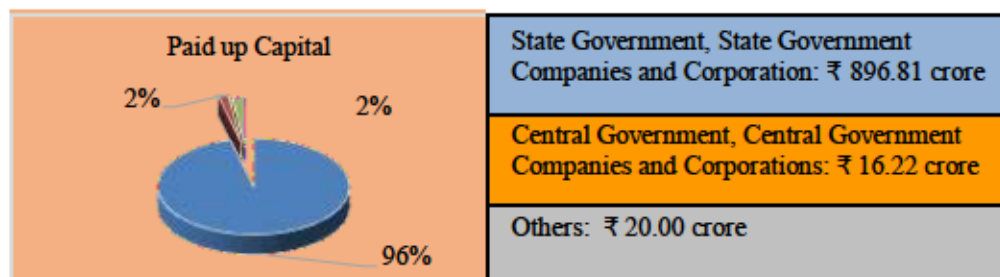
(Source: Compiled on the basis of information received from SPSEs)

It is revealed from the above table that the companies failed to pay the interest liabilities which should have been paid within one year, resulting in accumulation of interest on State Government loans, year after year.

5.2.3 Investment in Government controlled other Companies

The capital invested in 11⁴¹ Government Controlled other Companies by the State Government, Central Government and by Companies and Corporations controlled by them, during the year 2021-22, is depicted in the chart below:

Chart 5.3: Composition of share capital in Government controlled other Companies



(Source: Compiled on the basis of latest finalised accounts of SPSEs)

As on 31 March 2022, equity in these Government controlled other companies remained the same as it was in 2020-21⁴¹ i.e., 933.08 crore.

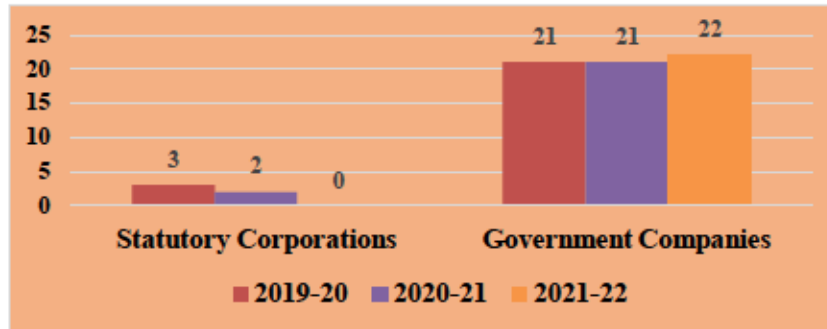
⁴¹ 15 minus 4 Government controlled other companies whose accounts were in arrears for three years or more or were defunct/under liquidation.

5.3 Returns from the Government Companies and Corporations

5.3.1 Profit earned by Government companies and Corporations

Out of the 32 Government Companies and Corporations covered in this report, 22 SPSEs earned profit of ₹3,289.58 crore during 2021-22, as against profit of ₹1,937.72 crore earned by 23 SPSEs in 2020-21. The Return on Equity (ROE) of the 22 SPSEs was 22.92 per cent in 2021-22 as compared to 20.04 per cent in 21 SPSEs in 2020-21. Number of SPSEs that earned profit during the period from 2019-20 to 2021-22 is depicted in the Chart below:

Chart 5.4: Number of Profit Earning SPSEs



(Source: Compiled on the basis of latest finalised accounts of SPSEs)

The details of top three departments, which contributed maximum profit during 2021-22 are summarised in Table 5.10.

Table 5.10: Top three departments which contributed maximum profit during the year 2021-22

Name of the Department	No. of profit earning SPSEs (Government Companies)	Net profit earned (₹ in crore)	Net profit earned by 32 SPSEs (22 profit making and 10 loss making) (₹ in crore)	Percentage of profit to total SPSE profit
Steels and Mines	1	906.12	866.48	104.57
Water Resources	1	49.05		5.66
Home	1	20.95		2.42

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

The list of Government companies which earned profit of more than ₹50 crore during the year 2021-22, is given in the table below:

Table 5.11: List of SPSEs which earned profit of more than ₹ 50 crore

Sl. No.	Name of the SPSE	Net Profit (₹ in crore)
1	Odisha Mining Corporation Limited	2,731.72
2	Odisha Hydro Power Corporation Limited	180.64
3	Odisha Power Transmission Corporation Limited	61.67
4	Odisha Coal and Power Limited	158.27
Total		

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

5.3.2 Loss incurred by Government companies and Corporations

There were 10 Government companies that incurred losses during the year 2021-22. In these SPSEs loss had reduced to ₹2,423.10 crore in 2021-22 as compared to loss of ₹3,414.88 crore incurred during 2020-21, as given in *Appendix 5.4*. The details of SPSEs that incurred loss from 2019-20 to 2021-22, are given in the table below:

Table 5.12: Number of SPSEs that incurred losses during 2019-20 to 2021-22

Year	No of SPSEs incurred loss	Net loss for the year (₹ in crore)	Accumulated loss (₹ in crore)	Net worth ⁴² (₹ in crore)
Government Company				
2019-20	7	304.52	4,982.95	-3,873.27
2020-21	10	3,568.19	7,453.93	-2,936.07
2021-22	10	2,423.10	8,035.72	-2,116.89

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

Out of total loss of ₹2,423.10 crore incurred by 10 Government SPSEs, loss of ₹2,361.39 crore was contributed by three SPSEs (GRIDCO Limited, Odisha Power Generation Corporation Limited and Odisha Mineral Bearing Area Development Corporation Limited) which function in Energy and Steel & Mines sectors respectively. Three companies which incurred major loss during 2021-22, are as follows:

- GRIDCO Limited:** Loss of ₹ 440.18 crore during 2021-22 was mainly due to the high cost of purchase of Power and expenditure towards finance costs.
- Odisha Power Generation Corporation Limited (OPGC):** The loss of ₹102.83 crore during 2021-22 was mainly due to expenditure towards Cost of material consumed and Finance cost.
- Odisha Mineral Bearing Areas Development Corporation (OMBADC) Limited:** The loss of ₹1,818.38 crore during 2021-22 in OMBADC was mainly due to expenditure towards Project expenses.

5.3.3 Erosion of capital in Government Companies and Corporations

As on 31 March 2022, there were 11 Government companies and corporations with accumulated losses of ₹9,020.65 crore. Of the 11 SPSEs, six SPSEs incurred losses in the year 2021-22, amounting to ₹497.70 crore, five SPSEs had not incurred loss in the year 2021-22, even though they had accumulated losses of ₹240.31 crore.

Net worth of eight out of 11 SPSEs had been completely eroded by accumulated loss and was negative. The net worth of these eight SPSEs was ₹ (-) 5,256.37770.91 crore as on 31 March 2022.

⁴² Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits and share premium account but do not include reserves created out of revaluation of assets and write back of depreciation provision.

Details of SPSEs whose Net Worth had been eroded, as per their latest finalised accounts

(₹ in crore)

Sl. No.	Name of SPSE	Latest year of finalised accounts	Total paid up capital	Net Profit (+) / Loss (-) after interest, tax and dividend	Accumulated Losses	Net Worth	State Government Equity as on 31 March 2022	State Government Loans as on 31 March 2022
1	GRIDCO Limited	2021-22	2791.22	(-) 440.18	(-) 7886.18	(-) 5094.96	2791.22	0
2	Odisha Forest Development Corporation Limited	2020-21	5.00	20.04	(-) 66.82	(-) 42.63	5.00	0
3	IDCOL Kalinga Iron Works Limited	2021-22	150.10	(-) 37.64	(-) 188.38	(-) 38.28	0	0
4	Odisha State Financial Corporation	2020-21	419.54	(-) 0.92	(-) 474.85	(-) 48.97	342.72	0
5	IDCOL Ferro Chrome and Alloys Limited	2021-22	18.81	(-) 1.15	(-) 33.89	(-) 15.08	0	0
6	The Industrial Development Corporation of Odisha Limited	2021-22	107.12	(-) 564.54	(-) 623.38	(-) 516.26	107.12	91.82
7	Odisha Mineral Exploration Corporation Limited	2021-22	0.43	(-) 7.22	(-) 13.48	(-) 13.05	0.43	0
8	Kalinga Studios Limited	2019-20	1.75	0.01	(-) 3.43	(-) 1.68	0	0
	Total					(-) 5,770.91		

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

Odisha Forest Development Corporation Limited (Sl. No. 2), Odisha State Financial Corporation (Sl. No. 4) and Kalinga Studios Limited (Sl. No. 8) have not furnished their annual accounts for 2021-22. Their data relating to State Government Equity as on 31 March 2022 and State Government Loans as on 31 March 2022, as mentioned in the above table are provisional, which were furnished by the management of the respective SPSEs.

5.3.4 Dividend pay-out by SPSEs

The State Government had formulated (December 2011) dividend policy under which all profit-making PSUs are required to pay annual dividend of 20 per cent of the State government equity or 20 per cent of the profit after tax, whichever is higher. The minimum dividend pay-out in respect of PSUs in power generation sector should be 30 per cent of profit after tax. Subsequently, GoO issued revised (February 2016) guidelines for payment of dividend at the rate of 30 per cent for all PSUs. However, seven SPSEs had not declared the dividend prescribed by the Government, as detailed in *Appendix 5.5*. The total shortfall on this account was ₹558.25 crore in 2021-22.

The details of profit earned and dividend declared/paid by Government companies and corporations are given in the table below:

Table 5.13: Profit earned and dividend declared/paid

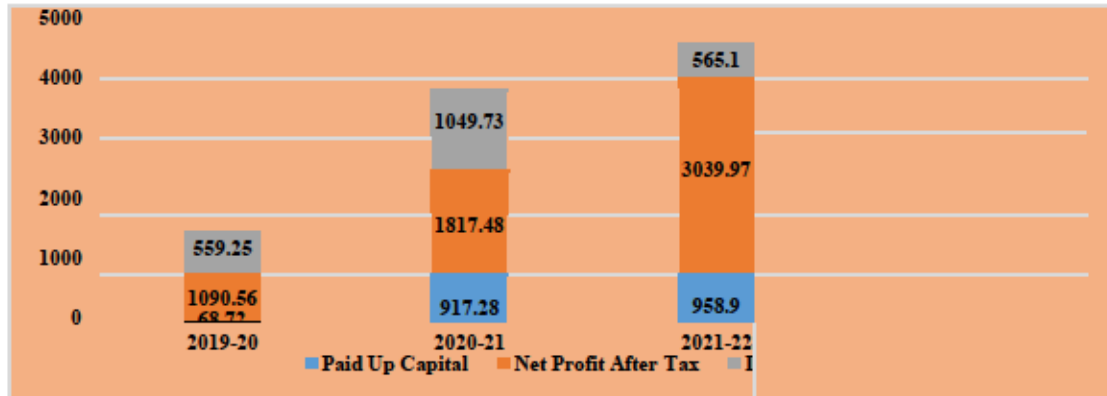
Category	No. of SPSEs	Total Paid up capital (₹ in crore)	Net profit (₹ in crore)	Dividend declared (₹ in crore)
Government Companies	11	958.90	3,039.97	565.10

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

Out of the 32 Government companies and Corporations, 11 SPSEs declared dividend in 2021-22. The dividend declared as a percentage of net profit decreased to 18.59 per cent in 2021-22 from 57.76 per cent in 2020-21. In absolute terms, the dividend declared by the

SPSEs in 2021-22 decreased by ₹484.63 crore compared to previous year. The chart below depicts the dividend declared vis-a-vis net profit earned and paid-up capital of SPSEs which declared dividend during the last three years.

Chart 5.5: Dividend declared vis-a-vis net profit earned and paid up capital
(₹ in crore)



(Source: Compiled on the basis of latest finalised accounts of SPSEs)

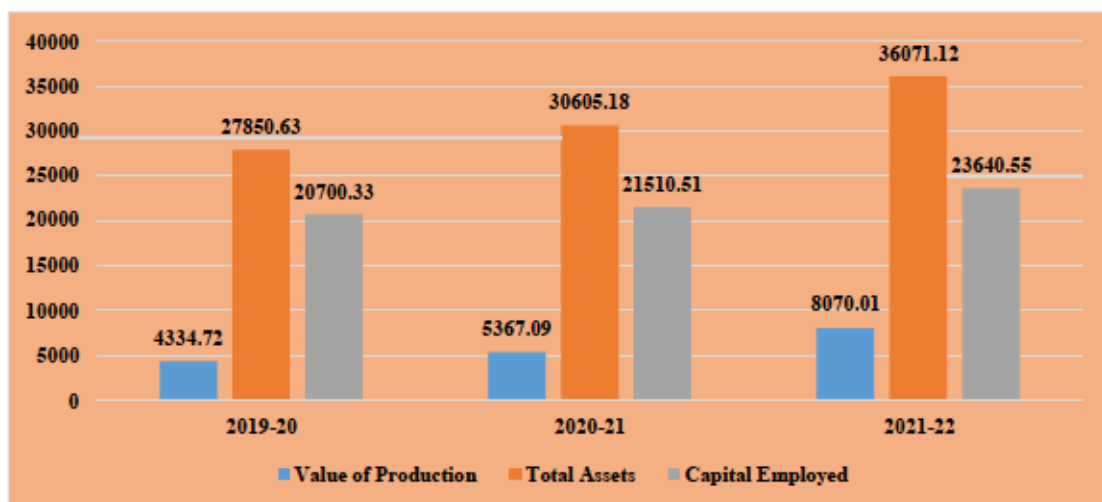
Of the 11 Government Controlled Other Companies, six companies earned profit of ₹3.33 crore during the year ended 31 March 2022. However, none of these companies declared dividend during 2021-22.

Operating efficiency of Government Companies and Corporations

5.4. Value of production

The summary indicating value of production, total assets and capital employed in Government companies and corporations related to 15 SPSEs over a period of three years is depicted in the chart below:

Chart 5.6: Value of Production, Assets and Capital Employed (₹ in crore)



(Source: Compiled on the basis of latest finalised accounts of SPSEs)

There was an increase in the value of production, total assets and capital employed in the year 2021-22 compared to the previous year. The SPSE-wise details of value of production, total assets and capital employed are given in *Appendix 5.6*.

5.4.1 Return on Capital Employed

Return on Capital employed (ROCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed. ROCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed⁴³. The SPSE wise details of ROCE are given in *Appendix 5.7*. The consolidated ROCE of 32 Government companies and corporations during the period from 2019-20 to 2021-22 is given in Table below.

Table 5.14: Return on Capital Employed

Year	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in percentage)
2019-20	2,755.96	22,763.33	12.11
2020-21	898.68	22,908.97	3.92
2021-22	3793.25	27,624.31	13.73

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

It was observed that ROCE of 32 Government companies and corporations was higher by 9.81 per cent during the year 2021-22 in comparison to the year 2020-21.

5.4.2 Return on Equity of SPSEs

Return on Equity (ROE⁴⁴) is a measure of financial performance of companies calculated by dividing net income by shareholders' equity. The SPSE-wise detail of ROE is given in *Appendix 5.8*. The consolidated ROE of 32 Government Companies and Corporations during the period from 2019-20 to 2021-22, is given in the table below:

Table 5.15: Return on Equity

Year	Net Profit after Tax and Preference Dividend (₹ in crore)	Equity (₹ in crore)	ROE (in percentage)
2019-20	1,381.20	9,594.64	14.40
2020-21	-1,651.19	6,914.22	-23.88
2021-22	866.48	8,985.19	9.65

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

It was observed that ROE of 32 Government companies and corporations had increased and turned positive during the year 2021-22 in comparison to that of negative ROE for the year 2020-21. Sector-wise detail of ROE of Government companies and corporations, where total equity of the sector was more than ₹ 50 crore during 2019-20 to 2021-22, is depicted in the table below:

⁴³ Capital Employed = Paid up Share capital + Free Reserves and surplus + Long term loans – Accumulated losses – Deferred Revenue Expenditure

⁴⁴ Return on Equity = (Net Profit after Tax and preference Dividend/Equity) *100 where Equity = Paid up Capital + Free Reserves & Surplus – Accumulated Loss – Deferred Revenue Expenditure

Table 5.16: RoE of sectors with total equity of ₹ 50 crore and more

(In per cent)

Sl. No.	Name of the Department	2019-20	2020-21	2021-22
1	Industries	-15.42	-9.58	0.77
2	Commerce and Transport	2.57	2.57	-6.26
3	Energy	3.64	-194.59	-5.46
4	Micro, Small & Medium Enterprise	13.82	14.57	1.88

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

From the above table, it can be seen that the RoE has increased in Industries sector during the year 2021-22.

5.4.3 Return on Investment

Return on Investment (RoI) is used to evaluate the efficiency of an investment and is calculated by dividing net income by investment. The consolidated RoI of 32 Government Companies and Corporations, during the period from 2019-20 to 2021-22, is given in the table below:

Table 5.14: Return on Investment

Year	Net Profit after Tax (₹ in crore)	Investment (₹ in crore)	RoI (in percentage)
2019-20	1,381.20	21,407.33	6.45
2020-21	-1,651.19	24,402.63	-6.77
2021-22	866.48	27,031.97	3.21

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

It was observed that RoI of 32 Government companies and corporations was higher by 9.98 per cent during the year 2021-22, in comparison to the year 2020-21.

5.4.4 Sales and Marketing

During 2021-22, the total sales of 26 out of 32 Government Companies were ₹39,963.81 crore as compared to ₹23,253.96 crore in 2020-21. Out of 26 SPSEs, 10 SPSEs sold goods/rendered services worth ₹4,138.75 crore to the Government sector in 2021-22, which worked out to 10.36 per cent of their total sales. No SPSEs exported or imported goods/services during the period.

The details of total sales, sales to Government sector and others thereon in regard to 26 SPSEs for three years are given in the table below:

Table 5.17: Sales details of 26 SPSEs

(₹ in crore)

Year	Total Sales	Sales to Government sector	Sales to others
2019-20	20,895.88	3,014.59	17,881.51
2020-21	23,253.96	3,765.63	19,488.33
2021-22	39,963.81	4,138.75	35,825.06

(Source: Compiled on the basis of information furnished by SPSEs)

5.5 Audit of State Public Sector Enterprises

Comptroller & Auditor General of India (CAG) appoints the statutory auditors for a Government Company and Government Controlled Other Company under Section 139 (5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. Statutes governing some corporations require that their accounts be audited by the CAG and a report be submitted to the State Legislature.

5.6 Appointment of statutory auditors of State Public Sector Enterprises by CAG

Sections 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year.

The statutory auditors of the SPSEs for the year 2021-22 were appointed by the CAG during August 2021.

5.7 Submission of accounts by SPSEs

5.7.1 Need for timely submission

According to Section 394 of the Companies Act 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM). As soon as may be after such preparation, the Annual Report shall be laid before State Legislature, together with a copy of the Audit Report and comments of the C&AG upon or as supplement to the Audit Report. Almost similar provisions exist in the respective Acts regulating statutory corporations. This mechanism provides the necessary legislative control over the utilization of public funds invested in the companies from the Consolidated Fund of the State.

Section 96 of the Companies Act, 2013 requires every company to hold Annual General Meeting (AGM) of the shareholders once in every calendar year. It also states that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statement for the financial year have to be placed in the said AGM for their consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons, including directors of a company for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

Despite the above, annual accounts of various SPSEs were pending as on 15 September 2022, as detailed in the following paragraph.

5.7.2 Timeliness in preparation of accounts by Government SPSEs and Government Controlled Other SPSEs

As of 31 March 2022, there were 67 Government SPSEs and 15 Government Controlled Other SPSEs under purview of CAG's audit. Out of these 67 Government SPSEs, three are Statutory Corporations.

Accounts for the year 2021-22 were due from all 67 Government SPSEs and 15 Government Controlled Other SPSEs. The details of accounts which were in arrears are indicated in *Appendix 5.2 A and 5.2 B* for government companies and government controlled other companies, separately. The number of accounts in arrears for the aforesaid two groups are given below:

Table 5.18: Details of submission of accounts of Government Companies

Particulars		Government SPSEs/Government Controlled Other SPSEs		
		Government SPSEs	Government Controlled Other SPSEs	Total
Total number of SPSEs under the purview of CAG's audit as on 31.03.2022		67	15	82
Unlisted		67	15	82
Less: New SPSEs from which accounts for 2021-22 were not due		-	-	-
Number of SPSEs from which accounts for 2021-22 were due		67	15	82
Number of SPSEs which presented the accounts for CAG's audit by 15 September 2022 for F Y 2021-22		11	2	13
Number of SPSEs whose accounts are in arrears		56	13	69
Break-up of SPSEs whose accounts are in Arrears	(i) Under Liquidation	16	0	16
	(ii) Defunct	10	0	10
	(iii) First Accounts not submitted	2	0	2
	(iv) Others	28	13	41
Number of accounts in arrears		966	28	994
Age-wise analysis of arrears	One year (2021-22)	18*	9	27
	Two years (2020-21 and 2021-22)	06	0	06
	Three years and more	942**	19	961

* Includes two Statutory Corporations viz., Odisha State Financial Corporation and Odisha State Road Transport Corporation

** Includes one Statutory Corporation i.e., Odisha State Warehousing Corporation.

Delay in finalisation of accounts carries the risk of fraud and leakage of public money apart from violation of the provisions of the relevant statutes. In view of the above state of arrears of accounts, the actual contribution of the State PSUs to State GDP for the year 2021-22 could not be ascertained and their contribution to State exchequer was also not reported to the State Legislature. Hence, the Administrative Departments should strictly monitor and issue necessary directions to clear the arrears in accounts. The Government may also look into the constraints in preparing the accounts of the PSUs and take necessary steps to clear the arrears in accounts.

5.8 CAG's oversight- Audit of Accounts and Supplementary Audit

5.8.1 Financial reporting framework

Companies are required to prepare the financial statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards. The statutory corporations are required to prepare their accounts in the format prescribed under the rules, framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such corporations.

5.8.2 Audit of accounts of SPSEs by Statutory Auditors

The statutory auditors appointed by the CAG under Section 139 of the Companies Act 2013, conduct audit of accounts of the Government Companies and submit their report thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of public sector undertakings with the overall objective that the statutory auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power:

- to issue directions to the statutory auditors under Section 143 (5) of the Companies Act, 2013; and
- to supplement or comment upon the statutory auditor's report under Section 143 (6) of the Companies Act, 2013.

5.8.3 Supplementary Audit of accounts of Government Companies

The prime responsibility for preparation of financial statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The statutory auditors appointed by the CAG under section 139 of the Companies Act, 2013 are responsible for expressing an opinion on the financial statements under section 143 of the Companies Act, 2013 based on independent audit in accordance with the Standard Auditing Practices of Institute of Chartered Accountants of India (ICAI) and directions

given by the CAG. The statutory auditors are required to submit the Audit Report to the CAG under Section 143 of the Companies Act, 2013.

The certified accounts of selected Government Companies along with the report of the statutory auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013, to be placed before the Annual General Meeting.

5.9 Results of CAG's oversight role

5.9.1 Audit of accounts of Government Companies/ Government Controlled Other Companies under Section 143 of the Companies Act, 2013

Financial statements for the year 2021-22 were received from 11 Government Companies and two Government Controlled Other Companies by 15 September 2022. Of these, financial statements of three Government Companies and one Government Controlled Other Companies were reviewed in audit by the CAG. Financial statements of six Government Companies and one Government Controlled Other Company were not finalized by 15 September 2022.

5.9.1.1 Revision of Auditors Report

As a result of supplementary audit of the financial statements for the year ended 31 March 2022 conducted by the CAG, there was no revision of statutory auditor's report of any SPSEs, before laying of the financial statements of the Company in its Annual General Meeting.

5.9.1.2 Significant comments of the CAG issued as supplement to the statutory auditors' reports on Government Companies/Government Controlled Other Companies

Subsequent to the audit of the financial statements by statutory auditors which were received during the period from 01 October 2021 to 15 September 2022, the CAG conducted supplementary audit of the financial statements of the selected Government Companies and Government Controlled Other Companies. The list of SPSEs, in respect of which comments were issued, is given in *Appendix 5.9*. Some of the significant comments issued on financial statements of Government Companies and Government Controlled Other Companies, the financial impact of which on the profitability was, ₹ 2.40 crore increase in profit and ₹ 56.93 crore increase in loss, as also decrease in assets (₹23.51 crore) and increase in liabilities (₹ 109.07 crore), are detailed in *Tables 5.19 to 5.22*.

Table 5.19: Significant comments on profitability of Government Companies

Sl. No.	Name of the Company	Comments
1	Odisha Hydro Power Corporation Limited	Financial Liabilities (Liability to Others) was understated by ₹ 9.96 crore with overstatement of Other Income by ₹9.96 crore due to adjustment of revenue from Department of Water Resource, which is pending for confirmation, in violation to OHPC's own Significant Accounting Policies. This also resulted in overstatement of profit by same extent. Though this was pointed out in C&AG Comments for the year ended 31 March 2020, no corrective action has been taken by the Management.
2	GRIDCO Limited	I. Expenses (Cost of Power) were understated by ₹25.25 crore due to non-accounting of claims of Central Transmission Utility of India Limited (CTUIL) for the period of October 2021 to February 2022 by ₹20.75 crore, deferred tax liability of Power Grid Corporation of India Limited (PGCIL) amounting to ₹0.70 crore materialized during 2020-21 and non-consideration of ₹3.80 crore towards Electricity Duty payable on Auxiliary Power Consumption and Regional Load Dispatch Center charges for Talcher & Darlipali super Thermal Power Station. This has also resulted in understatement of loss by ₹25.25 crore with corresponding understatement of Current Liabilities to the same extent. II. Finance Cost did not include ₹6.25 crore towards the Guarantee Fee demand of Government of Odisha on the amount of guarantee provided to the company. This had resulted in understatement of finance cost by ₹6.25 crore with corresponding understatement of loss to the same extent. This also resulted in understatement of Current Liabilities by ₹6.25 crore.
3	Odisha Power Transmission Corporation Limited	I. Other expenses were understated by ₹3.66 crore due to non-provisioning of 112 number of repair and maintenance works completed under Civil Works division, Bhubaneswar with corresponding overstatement of profit by same amount. This also resulted in understatement of current liability by ₹3.66 crore. II. Depreciation and amortisation expense was understated by ₹1.66 crore due to delay in capitalisation of works of 132/33 KV grid substation at Pratapsasan. Though the work had been completed on 30 October 2020, it was capitalised on 31 March 2021. This resulted in overstatement of profit for the year by ₹1.66 crore.
4	Water Corporation of Odisha (WATCO) Limited	I. Other Income (Rent recovery) was understated by ₹0.14 crore due to non-accounting of ₹0.80 crore towards non receipt of license fee and ₹0.60 crore towards delayed payment of interest. This resulted in understatement of Surplus and Current Assets to the same extent. II. Short Term Provision (Employee benefit expense) was understated by ₹0.92 crore due to short accounting of Pension Contribution towards employees working in WATCO on deputation on accrual basis. This also resulted in overstatement of Surplus and understatement of Short term Provision to the same extent. III. Other Expenses (Capital Reserve) were overstated due to booking of capital expenditure of ₹0.56 crore on Construction of new Chlorine leak Absorption System (Capital Assets) in Other Expenses. This also resulted in understatement of Surplus to the same extent.

Sl. No.	Name of the Company	Comments
5	Industrial Promotion and Investment Corporation of Odisha Limited	<p>Other Expenses (District Investment Promotion Agency (DIPA) Expenses) did not include ₹0.65 crore being the DIPA consultancy fees for the month of February and March 2022 payable to M/s Price Waterhouse Coopers Private Limited (PWCPL).</p> <p>As per the decision taken by Government of Odisha on 28th June 2021, a DIPA was setup for creation of infrastructure in various districts of the State as an extended wing of Odisha Industrial Infrastructure Development Corporation (IDCO) and the company. An agreement had been signed wherein M/s PWCPL (executing agency) had to provide human resources and infrastructure and raise monthly bills on the company for their expenses, which, in turn had to be passed on to M/s IDCO. As such, the company had to book the amount payable to M/s PWCPL as other expenses, and the same had to be booked as receivable from M/s IDCO as other income. During the year 2021-22, against the receipt of bill amount of ₹1.92 crore, the company had booked only ₹0.62 crore as other income and ₹1.27 crore as other expenses, leaving an amount of ₹0.02 crore unaccounted, whereas ₹1.92 crore was to be booked to income and expenses both.</p> <p>This had resulted in understatement of other income by ₹1.30 crore (₹1.92 crore - ₹0.62 crore) as well as understatement of other expenses by ₹0.65 crore (₹1.92 crore - ₹1.27 crore). As a result, profit had been understated by ₹0.65 crore.</p>
6	Odisha Mining Corporation Limited	Other Income was understated by ₹19.82 crore due to non-inclusion of interest U/s 244A of the Income Tax Act, 1961 on Income Tax Refundable for the years 2006-07 and 2007-08 assessed during the financial year 2021-22. The Corporation had received the assessment order from the office of the Asst. Commissioner of Income Tax for the year 2006-07 and 2007-08, in which interest on income tax refund receivable u/s 244A was assessed as ₹14.35 crore and ₹5.47 crore respectively. Non-inclusion of interest amount in the accounts had resulted in understatement of Current Assets as well as understatement of Profit for the years by ₹19.82 crore.
7	Odisha Bridge & Construction Corporation Limited	<p>I. Revenue from operations was overstated by ₹0.97 crore due to wrong accounting of Quality control and Contingencies as revenue instead of liability. This had also resulted in understatement of liability (Quality control and Contingency) and overstatement of profit to the same extent.</p> <p>II. Employee Benefit Expenses were understated by ₹0.97 crore due to non-accounting of Leave Salary and Pension Contribution as demanded by AG(A&E), Odisha. This had also resulted in understatement of provision as well as overstatement of profit by ₹0.97 crore.</p>
8	Odisha Construction Corporation Limited	Employee Benefit expenses included ₹1.36 crore towards payment of premium (paid on 12.06.2020) on group gratuity scheme to Life Insurance Corporation by the company for the year 2020-21. As the payment was for the year 2020-21, it should have not been shown in the annual accounts of 2019-20. This resulted in overstatement of 'Employee benefit expenses' by ₹1.36 crore with corresponding understatement of profit to the same extent.

Table 5.20: Significant comments on Financial Position of Government Companies

Sl. No.	Name of the Company	Comments
1	Odisha Hydro Power Corporation Limited	<p>I. Current Liabilities (Payable to APGENCO on Machhakund A/C) was understated by ₹1.66 crore due to non-payment of bill of APGENCO <i>i.e.</i> 30 <i>per cent</i> cost towards construction of E-type and F-type blocks in respect of Machhakund Project with corresponding understatement of PPE by same amount.</p> <p>II. Current Liabilities (Payable to APGENCO on Machhakund A/C) was understated by an amount of ₹4.98 crore due to non-accounting of the differential amount of operation & maintenance expenditure share of Machhakund Project which was revised from 30 <i>per cent</i> to 50 <i>per cent</i>. This had also resulted in understatement of 'Receivable from GRIDCO' by the same amount as per the Power Purchase Agreement.</p> <p>III. Non-current Assets (Investment) did not include ₹27.42 crore being the amount invested in Machhakund Project for acquisition of additional 20 <i>per cent</i> share. As it was a capital expenditure, it should have been accounted as Non-current Assets. Further, the company had wrongly booked it as receivable from GRIDCO. Thus, it resulted in understatement of Non-current Assets (Investment) and overstatement of Current Assets (Receivables from GRIDCO) by ₹27.42 crore each.</p>
2	Odisha Power Transmission Corporation Limited	Equity (Other Equity) was overstated by ₹15 crore with corresponding understatement of loan to the same extent due to wrong accounting of Government loan as other equity without approval of the Government.
3	Odisha Pisciculture Development Corporation Limited	<p>I. The capital work-in-progress included various abandoned work-in-progress valuing ₹6.33 lakh which are more than 20 years old. Since there was no further scope for completion of the work, the total expenditure of ₹6.33 lakh incurred on the works should have been treated as expenditure and fully charged to profit and loss account, but this had been done by the management. This had resulted in overstatement of the fixed assets (Capital work in progress) and profit by ₹6.33 lakh with corresponding understatement of expenditure to the same extent.</p> <p>II. The company maintained an account at HDFC life for payment of gratuity to its employees. As per HDFC life, the closing balance under OPDC Employee Gratuity Trust as on 31.03.2018 was ₹1.14 lakh, whereas management has considered the balance as ₹5.61 lakh. This had resulted in overstatement of current investment and profit by ₹4.47 lakh (₹5.61 lakh - ₹1.14 lakh) and corresponding understatement of expenditure to the same extent.</p>
4	Rourkela Smart City Limited	<p>I. Other Current Liabilities were understated by ₹2.08 crore due to non-accounting of price adjustment bills paid prior to the approval of the Accounts by the Board.</p> <p>II. Other Current Liabilities were overstated by ₹0.56 crore due to accounting of operation and maintenance expenses of the revenue projects in contradiction to the Ministry of Housing and Urban Affairs direction.</p>
5	Bhubaneswar Smart City Limited	I. Other equity was overstated by ₹9.96 crore (₹4.15 crore for FY 2020-21 and ₹5.81 crore for the FY 2019-20) due to accounting of interest earned on grant received from GoI in violation to the terms & conditions of Provisions

Sl. No.	Name of the Company	Comments
		<p>of GFR 2017. This also resulted in understatement of Current Liabilities to the same extent.</p> <p>II. Capital Work-in-Progress was understated by ₹27.50 crore due to accounting of consultancy charges paid to three Programme Management Consultants (PgMCs) viz. Smart Solution Projects, Area Based Development Projects and Project initiation and conceptualization, procurement of DPR consultants, contractors <i>etc.</i> as revenue expenditure. This also resulted in overstatement of other expenses and loss by ₹27.50 crore (₹3.66 crore relates to 2020-21 and ₹23.84 crore for prior period).</p>
6	Odisha Bridge & Construction Corporation Limited	<p>I. Current Assets were overstated by ₹ 3.39 crore due to wrong accounting of Income Tax deducted at source (ITDS) receivable. This had resulted in understatement of Other Current Assets to the same extent.</p> <p>II. Short Term loans and Advances included an amount of ₹0.62 crore including advance given to different suppliers (₹0.27 crore) and contractors (₹0.35 crore) which were rolling for more than 18 years in case of suppliers and more than 7 years in case of contractors. As the possibility of recovery of these advances was remote, necessary provision should have been made. Non-provision of the same resulted in understatement of other expenses and overstatement of the short-term loans and advances as well profit by ₹0.62 crore.</p> <p>III. Other Current Assets included an amount of ₹0.16 crore towards refund receivable from Income tax department for the year 2013-14 and 2014-15. As the refund had already become time barred and the possibility of getting refund was remote, necessary provision should have been made. Non provision of the same resulted in understatement of short-term provision and overstatement of other current assets and profit to the same extent.</p>
7	Odisha Construction Corporation Limited	<p>Long Term Loans and Advances included ₹1.11 crore towards advances to suppliers pertaining to eight defunct projects lying un-recovered and unadjusted for past several years. As the projects were defunct the chances of collection was very remote, so it should have been fully provided as bad and doubtful advance. Thus due to non-provision, long term loans and advances were overstated by ₹1.11 crore with consequent overstatement of profit to that extent.</p>

Table 5.21: Significant comments on Disclosure

Sl. No.	Name of the Company	Comments
1	Odisha Forest Development Corporation Limited	The Company had not disclosed the balance of Insurance Reserve Fund amounting to ₹6.01 crore as on 31.03.2021, against which there was a damage claim of ₹18.34 lakh, which should have been suitably disclosed in the notes to accounts.
2	Odisha State Civil Supplies Corporation Limited	In the FPS automation process, the Point of Sale (PoS) devices were installed to digitize all the transactions of essential commodities. An amount of ₹36.43 crore received from the GoO was utilized by the Odisha State Civil Supplies Corporation Limited for installation of hardware to automate the FPS transactions. Para 13(a) of Master Service Agreement for

SL No.	Name of the Company	Comments
		FPS automation under PDS system on 'Title to equipment and software' stated that title to all equipment procured, developed, enhanced, prepared by the vendor (2 nd party) shall rest with OSCS/GoO in perpetuity. However, the tangible assets <i>i.e.</i> PoS devices installed for FPS automation amounting to ₹36.43 crore were not taken into the accounts of OSCSCL. This fact of non accountal of the assets should have been suitably disclosed along with the reasons for such non accountal in the Notes on Accounts, forming part of financial statements. The Notes on Accounts were deficient to that extent.
3	Odisha Agro Industries Corporation Limited	The management of the company had maintained separate bank accounts for Jananidhi-II, Escrow accounts, RKVY & BKVY scheme funds and had shown the interest earned on the scheme funds under liability side of the balance sheet. Besides, a sum of ₹10.21 crore (<i>i.e.</i> 40 <i>per cent</i> of the total interest earned of ₹25.53 crore) had also been shown under other long term liabilities towards interest earned from other scheme fund deposits. The practice of taking 40 <i>per cent</i> of interest in the liability side had been considered by the management due to release of funds out of its own surplus working fund for those schemes which the Government reimburses after release of advance to fixed units. However, the practice of 40 <i>per cent</i> of interest taken in the liability side of the Balance Sheet with proper justification for the same had not been suitably disclosed under the significant accounting policies. Hence, the disclosure was deficient to that extent.
4	Odisha Mining Corporation Limited	The Corporation had obtained lease of Baitarani West Coal Mine from GoI by making payment of ₹101.33 crore (Fixed amount - ₹31.99 crore + Upfront fee - ₹69.34 crore) in August 2016. The mine could not be operated till date. Consequent to announcement of a scheme by GoI (9th May 2022) to surrender non-operating mines without penalty, the Corporation passed a resolution (19th May 2022) and with the approval of Government of Odisha submitted an application (June 2022) to surrender the Baitarani West Coal Mine under the scheme and forego the amount of ₹101.33 crore. The Corporation failed to disclose the impending impact of the event.
5	Rourkela Smart City Limited	As per the Smart City Mission Statement and guidelines, the smart city mission would be operated as a Centrally Sponsored Scheme (CSS) with matching contribution from both State and Centre. Out of ₹500 crore sanctioned, Central Government contributed an amount of ₹245 crore after deducting 2 <i>per cent</i> (<i>i.e.</i> ₹ 5 crore) towards MoHUA, A and OE expenses. Against the total matching contribution of ₹250 crore, State Government had paid ₹249 crore, resulting in short receipt of ₹1.00 crore till 31 March 2022, which should have been disclosed in the financial statement. As such, Notes to Accounts were deficient to that extent.
6	Industrial Development Corporation of Limited	Intangible Assets (Mining Rights) were understated by ₹17.02 crore on account of writing off mining rights in respect of Talangi A mines as per the decision of the Board of Directors on 9 June 2021. The operation of mine was temporarily discounted as per the notice submitted by the Managing Director, IDCOL Ferro Chrome & Alloys Limited (IFCAL) w.e.f. 26 June 2020 for a period of two years, due to its unsafe and uneconomic operations. The decision of the Board was not in order as the mining lease has neither been surrendered nor approved by government prior to writing off unamortized amount in respect of the mine. Thus, improper amortization of mining rights in one year had resulted in

Sl. No.	Name of the Company	Comments
		understatement of "Mining rights", overstatement of "Depreciation and Amortization" along with consequential understatement of "Profit" by ₹17.02 crore.
7	Odisha Construction Corporation Limited	As per AS-15, in case the liability for retirement benefits was funded through a scheme administered by an insurer, the company should disclose the information with respect to the financial effects of changes in those plans during the period, a reconciliation statement of opening and closing balance of the present value of defined obligation showing separately under each specified head, the funded status of defined benefit obligation, the fair value of the plan assets and liabilities recognized in the balance sheet showing at least the past service cost. This was not disclosed. Thus, the disclosure was deficient to that extent.
8	Odisha State Beverages Corporation Limited	<p>I. Accounting of Income tax paid for Assessment year 2014-15 under protest for an amount of ₹38.07 crore only as Contingent Liability instead of the full demand of ₹54.25 crore resulted in understatement of Contingent Liability by ₹16.18 crore.</p> <p>II. The Company had paid/ payable an amount of ₹1329.41 crore and ₹57.72 crore to Government of Odisha towards VAT (Value Added tax) and TCS (Tax collected at source) respectively on sale of Liquor during the year 2020-21. Since the amount involved in VAT and TCS was significant and was also an integral part of operation of the company, this should have been disclosed in the Accounts for the year 2020-21, which was not done.</p> <p>III. The company had paid/ payable an amount of ₹570.77 crores towards special Covid fee levied by Government of Odisha on sale of IMFL and Beer during the year 2020-21. This also should have been disclosed in the Accounts for the year 2020-21, which was not done.</p> <p>IV. As per Independent Auditors Report, the advances amounting to ₹15.59 crore are pending for more than 365 days. However, as per Audit, advances amounting to ₹7.53 crore were outstanding for more than 365 days.</p>

Table 5.22: Significant comments on Auditor's Report

Sl. No.	Name of the Company	Comments
1	Odisha State Beverages Corporation Limited	<p>I. As per Sub-direction 1 issued to Statutory Auditor under Companies Act 2013, the independent Auditor was required to comment on the accounting implication of insurance coverage expenses borne by the Company during the year. However, the Independent Auditor was silent about the accounting implication of insurance coverage expenses of ₹ 0.89 crore paid by the Company toward insurance premium, even though the Company did not account for the stock insured as its inventory.</p> <p>II. As per Sub-direction 2 issued to Statutory Auditor under Companies Act 2013, the Independent Auditor was required to comment on the completeness of accounting entries made by the Corporation towards differential excise duty between two licensee periods, as required under Odisha Excise Act. 2008. However, the report of the Independent auditor was silent about the quantification of differential excise duty.</p>

Sl. No.	Name of the Company	Comments
		As per Audit, the estimated differential excise duty that should have been collected from the suppliers during 2020-21 was ₹ 26.62 crore. III. As per sub-direction 4 issued to Statutory Auditor under Companies Act 2013, the Independent Auditor was required to ensure the correctness of stock holding charges being accounted for during the year. However, the Independent Auditor was silent about the correctness of the figures of stock holding charges of consumable stocks. The comment of the Auditor was deficient in this aspect.
2	Industrial Development Corporation of Odisha Limited	The amortization of unexpired mining right of ₹ 17.55 crore had been qualified based on the provision of AS-28, i.e. "Impairment of Assets" which was not proper. As the company had written off the unexpired mining right, the operation of which was discontinued temporarily, this should have been properly qualified by the Statutory Auditor.

5.10 Statutory corporations where CAG is the sole auditor

The significant comments issued by the CAG on the accounts of statutory corporations where CAG is the sole auditor are detailed below:

Odisha State Road Transport Corporation (OSRTC)

- (i) Employee Benefit Expenses did not include an amount of ₹0.44 crore being payable to the contractual employees towards revised minimum wages during the financial year 2019-20. Non-accounting of revised minimum wages payable to contractual workers also resulted in understatement of short-term provision and loss by ₹0.44 crore.
- (ii) Tangible Assets were understated by ₹2.45 crore, due to non-accounting of the completed works of Bus terminal at Angul and Cuttack. This had also resulted in overstatement of Grants and Assistance (State Government Capital Outlay) by ₹2.45 crore and understatement of depreciation and loss by ₹0.06 crore.
- (iii) Capital Work in Progress was understated by ₹6.78 crore, due to non-accounting of the demand to release fund (₹6.78 crore) towards ongoing projects viz. bus terminal at Jeypore and Bolangir, in order to complete the same. This had also resulted in understatement of Other Liabilities by an equal amount.
- (iv) The corporation had not disclosed ₹25.61 crore, being the amount demanded by M/s ARSS Bus Terminals Pvt. Ltd. from OSRTC out of arbitration proceeding No. 68/2019 and orders passed by the Hon'ble Supreme Court of India in SLP(C) Dy. No. 10086/2020 for maintaining the arbitration proceedings. This amount should have been suitably disclosed as contingent liability (Note-21.15), in notes forming part of the accounts, as per AS 29.

5.11 Non Compliance with provisions of Accounting Standards/IND AS

In exercise of the powers conferred by Section 469 of the Companies Act, 2013, read with Section 129 (1), Section 132 and Section 133 of the said Act, the Central Government

prescribed Accounting Standards 1 to 7 and 9 to 29. Besides these, the Central Government notified 41 Indian Accounting Standards (Ind AS) through Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The statutory auditors reported that 11 companies as detailed in *Appendix 5.10* did not comply with mandatory Accounting Standards/Ind AS.

During the course of supplementary audit, the CAG observed that the following companies had also not complied with the Accounting Standards/Ind AS which were not reported by their statutory auditors as detailed in **Table 5.23**.

Table 5.23: Non-compliance to Accounting Standards/Ind AS observed during supplementary audit

Accounting Standard/Ind AS		Name of the Company	Deviation
AS-15	Non-disclosure of financial effects of changes made in the insurance plan towards retirement benefits	Odisha Construction Corporation Limited	As per AS-15, in case the liability for retirement benefits is funded through a scheme administered by an insurer, the company should disclose the information with respect to the financial effects of changes in those plans during the period. This was not disclosed by the company.

5.12 Management Letters

One of the objectives of financial audit is to establish communication on audit matters arising from the audit of financial statements between the auditor and those charged with the responsibility of governance of the corporate entity.

The material observations on the financial statements of PSEs were reported as comments by the CAG under Section 143 (5) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by CAG in the financial reports or in the reporting process were also communicated to the management through a 'Management Letter' for taking corrective action. These deficiencies generally related to:

- application and interpretation of accounting policies and practices;
- adjustments arising out of audit that could have a significant effect on the financial statements; and
- inadequate or non-disclosure of certain information on which management of the concerned PSE gave assurances that corrective action would be taken in the subsequent year.

During the year, CAG issued 'Management Letters' to 26 SPSEs, as listed in *Appendix 5.11*.

5.13 Recommendations

1. It is recommended that the process of voluntary winding up of inactive companies under the Companies Act needs to be pursued vigorously.

2. The Government may also look into the constraints in preparing the accounts of the PSUs and take necessary steps to clear the arrears in accounts.
3. The State Government may ensure timely submission of Financial Statements of SPSEs, as in the absence of finalisation of accounts, Government investments in such SPSEs remain outside the oversight of the State Legislature.



Bhubaneswar

(RAJ KUMAR)

The 21 MAR 2023

Principal Accountant General (Audit-I), Odisha

COUNTERSIGNED



New Delhi

(GIRISH CHANDRA MURMU)

The 23 MAR 2023

Comptroller & Auditor General of India

Appendices

APPENDIX - 1.1
(Refer Introductory Para in Chapter I, page 1)
A brief profile of Odisha

A. General Data					
Particulars			Figures		
1	Area		155707 Sq. Km		
2	Population				
	a.	As per 2001 Census	3.68 crore		
	b.	As per 2011 Census	4.20 crore		
3	Density of Population ⁴⁵ (as per 2011 Census). (All India Density = 382 persons per Sq. Km)		270 persons per Sq. Km		
4	Population below poverty line ⁴⁶ (BPL) (All India Average = 21.92 per cent)		32.59 per cent		
5	Literacy ⁴⁷ (as per 2011 Census) (All India Average = 73.0 per cent)		72.90 per cent		
6	Infant mortality (per 1000 live births) (2017 figure). (All India Average = 33 per 1000 live births)		41.00		
7	Life Expectancy at birth. (All India Average = 69.4 years)		69.3 years		
8	Human Development Index				
	a.	2020 (All India = 0.642)	2015 (Odisha = 0.582)		
	b.	2021 (All India = 0.633)	2019 (Odisha = 0.605)		
9	Gross State Domestic Product (GSDP) 2021-22 at current price		₹ 6,38,342 crore		
10	Per Capita GSDP CAGR (2012-13 to 2021-22)	Odisha	9.57		
		General Category States	6.84		
11	GSDP CAGR (2012-13 to 2021-22)	Odisha	10.49		
		All India	10.11		
12	Population Growth (2012 to 2022)	Odisha	8.53		
		All India	12.12		
B. Financial Data					
Particulars					
CAGR		2011-12 to 2020-21		2020-21 to 2021-22	
		General Category States	Odisha	General Category States	Odisha
		(In per cent)			
a.	of Revenue Receipts.	9.74	11.16	25.60	46.63
b.	of Own Tax Revenue.	8.23	10.95	25.62	18.94
c.	of Non Tax Revenue.	6.50	13.11	45.46	177.98
d.	of Total Expenditure.	11.36	12.50	13.96	16.64
e.	of Capital Expenditure.	8.68	16.06	25.59	24.75
f.	of Revenue Expenditure on Education.	9.75	10.90	11.47	9.89
g.	of Revenue Expenditure on Health.	14.99	20.77	19.71	20.70
h.	of Salary and Wages.	9.32	10.05	11.23	11.68
i.	of Pension.	12.53	12.45	11.88	20.76

⁴⁵ Census Info India 2011 Final Population Totals

⁴⁶ Ministry of Statistics and Programme Implementation

⁴⁷ Economic Survey 2021-22 Government of India

APPENDIX - 1.2
(Refer Introductory Para in Chapter I, page 1)
Structure and Form of Government Accounts

Part A: Structure and Form of Government Accounts

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

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

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

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

PART B: Layout of Finance Accounts

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

APPENDIX – 2.1
(Refer paragraph 2.2)
Abstract of receipts and disbursements for the year 2021-22

(₹ in crore)

2020-21	Receipts	2021-22	2020-21	Disbursements	2021-22		
					Administ rative	Programme	Total
Section A: Revenue							
1,04,387.24	I. Revenue Receipts	1,53,059.44	95,310.85	I. Revenue Expenditure-	54,905.10	54,682.43	1,09,587.53
34,258.17	Tax Revenue	40,747.92	28,271.25	General Services	32,565.65	404.44	32,970.09
—	—	—	39,901.03	Social Services-	17,061.35	30,250.80	47,312.15
19,518.06	Non-Tax Revenue	54,256.81	17,242.43	Education, Sports, Art and Culture	12,037.97	7,006.04	19,044.01
—	—	—	7,243.64	Health and Family Welfare	2,852.70	5,890.33	8,743.03
27,542.67	State's Share of Union Taxes	38,144.79	4,844.12	Water Supply, Sanitation, Housing and Urban Development	977.09	6,218.08	7,195.17
—	—	—	72.34	Information and Broadcasting	33.33	47.16	80.49
—	Non-Plan Grants	—	2,113.36	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	806.05	1,680.23	2,486.28
—	Grants for State Plan Schemes	—	111.23	Labour and Labour Welfare	110.70	51.70	162.40
—	—	—	7,990.82	Social Welfare and Nutrition	113.24	9,252.95	9,366.19
—	Grants for Central and Centrally Sponsored Plan Schemes	-	283.08	Others	130.27	104.31	234.58
—	—	—	25,808.78	Economic Services-	5,278.10	22,513.77	27,791.87
12,697.75	Grants for Centrally Sponsored Scheme	11,819.86	8,568.93	Agriculture and Allied Activities	1,678.50	8,034.32	9,712.82
—	—		11,343.57	Rural Development	39.41	10,503.25	10,542.66
4,949.00	Finance Commission Grants	4,556.77	8.38	Special Areas Programmes	—	4.58	4.58
—	—	—	1,685.14	Irrigation and Flood Control	1,215.35	1,140.31	2,355.66
5,421.59	Other Transfer/Grants to States	3,533.29	38.45	Energy	12.75	14.10	26.85
—	—	—	757.03	Industry and Minerals	147.24	1,006.95	1,154.19
—	—	—	2,257.28	Transport	1,946.83	672.18	2,619.01
—	—	—	103.94	Science, Technology and Environment	19.41	137.08	156.49
—	—	—	1,046.06	General Economic Services	218.61	1,001.00	1,219.61
—	—	—	1,329.79	Grants-in-aid and Contributions-	—	1,513.42	1,513.42

2020-21	Receipts	2021-22	2020-21	Disbursements	2021-22		
					Administrative	Programme	Total
--	II. Revenue deficit carried over to	--	9,076.39	II. Revenue Surplus carried over	--	--	43,471.90
Section B : Capital							
42,437.50	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	32,636.04	--	III. Opening Overdraft from Reserve Bank of India	--	--	--
--	IV. Miscellaneous Capital Receipts	--	17,948.98	IV. Capital Outlay-	76.74	22,648.74	22,725.48
--	--	--	867.95	General Services-	23.65	844.77	868.42
--	--	--	4,523.41	Social Services-	54.14	5,948.29	6,002.43
--	--	--	581.37	Education, Sports, Art and Culture	--	676.18	676.18
--	--	--	630.92	Health and Family Welfare	--	1,689.72	1,689.72
--	--	--	2,729.56	Water Supply, Sanitation, Housing and Urban Development	54.14	2,993.9	3,048.04
--	--	--	--	Information and Broadcasting	--	--	--
--	--	--	268.79	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	--	431.57	431.57
--	--	--	100.70	Social Welfare and Nutrition	--	33.26	33.26
--	--	--	212.07	Others	--	123.66	123.66
--	--	--	12,557.62	Economic Services-	(-)1.05	15,855.68	15,854.63
--	--	--	322.72	Agriculture and Allied Activities	(-)1.05	368.09	367.04
--	--	--	17.34	Rural Development	--	(-)4.06	(-)4.06
--	--	--	214.13	Special Areas Programmes	--	231.14	231.14
--	--	--	3,108.42	Irrigation and Flood Control	--	4,756.57	4,756.57
--	--	--	1,284.14	Energy	--	3,445.77	3,445.77
--	--	--	1.61	Industry and Minerals	--	51.42	51.42
--	--	--	6,670.99	Transport	--	6,655.24	6,655.24
--	--	--	938.27	General Economic Services	--	351.51	351.51
684.22	V. Recoveries of Loans and Advances-	1,566.38	1,597.18	V. Loans and Advances disbursed-	--	--	1,685.68
--	From Power Projects	1,024.23	536.74	For Power Projects	--	--	108.84
400.00	From Government Servants	289.69	95.44	To Government Servants	--	--	646.84
284.22	-From Others	252.46	965.00	To Others	--	--	930.00
9,076.39	VI. Revenue Surplus brought down	43,471.90	--	VI. Revenue Deficit brought down	--	--	--

2020-21	Receipts	2021-22	2020-21	Disbursements	2021-22		
					Administrative	Programme	Total
20,317.65	VII. Public Debt Receipts-	12,779.96	9,252.14	VII. Repayment of Public Debt-	--	--	19,798.27
	External debt		--	External debt	--	--	--
15,191.08	Internal debt other than Ways and Means Advances and Overdrafts	5,173.75	8,264.97	Internal Debt other than Ways and Means Advances and Overdrafts	--	--	18,717.92
--	Net transactions under Ways and Means Advances	--	--	Net transactions under Ways and Means Advances	--	--	--
--	Net transactions under Overdraft	--	--	Net transactions under Overdraft	--	--	--
5,126.57	Loans and Advances from Central Government	7,606.21	987.17	Repayment of Loans and Advances to Central Government	--	--	1,080.35
--	VIII. Appropriation to Contingency Fund	--	--	VIII. Appropriation to Contingency Fund	--	--	--
--	IX. Amount transferred to Contingency Fund	171.00	171.00	IX. Expenditure from Contingency Fund	--	--	--
63,210.13	X. Public Account Receipts-	75,153.02	74,120.55	X. Public Account Disbursements-	--	--	70,337.84
5,016.68	Small Savings and Provident Funds	5,399.15	4,405.15	Small Savings and Provident Funds	--	--	5,090.94
4,098.03	Reserve Funds	6,321.40	5,127.08	Reserve Funds	--	--	2,771.54
2,514.07	Suspense and Miscellaneous	147.40	(-)12.10	Suspense and Miscellaneous	--	--	(-)41.00
25,896.83	Remittance	28,733.84	25,878.82	Remittances	--	--	28,717.15
25,684.52	Deposits and Advances	34,551.23	38,721.60	Deposits and Advances	--	--	33,799.21
--	XI. Closing Overdraft from Reserve Bank of India	--	32,636.04	XI. Cash Balance at end-	--	--	51,231.04
--	--	--	--	Cash in Treasuries and Local Remittances	--	--	--
--	--	--	27.48	Deposits with Reserve Bank	--	--	44.64
--	--	--	19.57	Departmental Cash Balance including permanent Advances	--	--	20.74
--	--	--	32,588.99	Cash Balance Investment	--	--	51,165.66
2,40,113.13	Total	3,18,837.74	2,40,113.13	Total	--	--	3,18,837.74

APPENDIX – 2.2
(Refer paragraph 2.2)

Time Series data on the State Government Finances

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
Part A. Receipts					
1. Revenue Receipts	85,204	99,546	1,01,568	1,04,387	1,53,059
(i) Tax Revenue	27,914(33)	30,318(30)	32,315(32)	34,258(33)	40,748(27)
State Goods and Services Tax (SGST)	6,609(24)	11,943(39)	13,204(41)	13,043(38)	16,392(40)
Taxes on Agricultural Income	Nil	Nil	Nil	Nil	Nil
Taxes on Sales, Trade, etc	11,522(41)	7,310(24)	7,455(23)	7,777(23)	10,000(24)
State Excise	3,221(12)	3,925(13)	4,495(14)	4,053(12)	5,528(14)
Taxes on Vehicles	1,535(5)	1,746(6)	1,836(6)	1,526(4)	1,663(4)
Stamps and Registration fees	1,037(4)	1,237(4)	1,435(4)	2,942(9)	2,419(6)
Land Revenue	542(2)	511(2)	721(2)	603(2)	664(2)
Taxes on Goods and Passengers	1,260(5)	182(1)	133(1)	146(0)	111(0)
Other Taxes	2,188(8)	3,464(11)	3,036(9)	4,168(12)	3,971(10)
(ii) Non-Tax Revenue	8,398(10)	14,276(14)	14,647(14)	19,518(19)	54,257(35)
(iii) State's share of Union taxes and duties	31,272(37)	35,354(36)	30,454(30)	27,543(26)	38,144(25)
(iv) Grants in aid from Government of India*	17,620(20)	19,598(20)	24,152(24)	23,068(22)	19,910(13)
2. Miscellaneous Capital Receipts	Nil	Nil	Nil	Nil	Nil
3. Recoveries of Loans and Advances	257	305	287	684	1566
4. Total Revenue and Non debt capital receipts (1+2+3)	85,461	99,851	1,01,855	1,05,071	1,54,625
5. Public Debt Receipts	12,862	10,003	14,679	20,318	12,780
Internal Debt (excluding Ways and Means Advances and Overdrafts)	12,013	9,020	13,721	15191	5,174
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	849	983	958	5,127	7,606
6. Total Receipts in the Consolidated Fund (4+5)	98,323	1,09,854	1,16,534	1,25,389	1,67,405
7. Contingency Fund Receipts	—	—	1,440	—	171
8. Public Account Receipts	71,874	62,906	74,575	63,210	75,153
9. Total Receipts of the State (6+7+8)	1,70,197	1,72,760	1,92,549	1,88,599	2,42,729
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	71,837(76)	85,356(78)	99,137(82)	95,311(83)	1,09,588
Plan/Programme	34,591(48)	43,144(51)	47,362(48)	48,160(51)	54,683
Non-Plan/Administrative	37,246(52)	42,212(49)	51,775(52)	47,151(49)	54905
General Services (including interest payments)	20,261(28)	24,053(28)	28,601(29)	28,271(30)	32,970
Social Services	29,557(41)	36,427(43)	43,517(44)	39,901(42)	47,312
Economic Services	20,757(29)	23,513(27)	25,585(26)	25,809(27)	27,792
Grants-in-Aid and Contributions	1,263(2)	1,363(2)	1,434(1)	1,330(1)	1,514
11. Capital Expenditure	21,109(22)	23,482(21)	20,277(17)	17,949(16)	22,726
Plan/Program	21072(100)	23,439(100)	20,236(100)	17,857(99)	22,649
Non-Plan/Administrative	37	43	41	92(1)	77
General Services	465(2)	730(3)	805(4)	868(5)	868

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

	2017-18	2018-19	2019-20	2020-21	2021-22
Social Services	4,201(20)	4,545(19)	5,264(26)	4,523(25)	6,003
Economic Services	16,443(78)	18,207(78)	14,208(70)	12,558(70)	15,855
12. Disbursement of Loans and Advances	1,875(2)	1,170(1)	1,259(1)	1,597(1)	1,686
13. Total Expenditure (10+11+12)	94,821	1,10,008	1,20,673	1,14,857	1,34,000
14. Repayments of Public Debt	2,690	3,940	4,494	9252	19,798
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,982	3,183	3,547	8265	18,718
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	708	757	947	987	1,080
15. Appropriation to Contingency Fund	Nil	Nil	Nil	Nil	Nil
16. Total disbursement out of Consolidated Fund (13+14+15)	97,511	1,13,948	1,25,167	1,24,109	153,798
17. Contingency Fund disbursements	Nil	1,440	Nil	Nil	Nil
18. Public Account disbursements	56,439	50,085	63,078	74,121	70,338
19. Total disbursement by the State (16+17+18)	1,53,950	1,65,473	1,88,245	1,98,230	2,24,136
Part C. Deficits					
20. Revenue Deficit (-)/Revenue Surplus (+) (1-10)	13,367	14,190	2,430 ⁴⁸	9,076	43,471
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)9,360	(-)10,157	(-)18,819 ⁴⁹	(-)9,786	20,625
22. Primary Deficit(-)/Primary Surplus(+) (21+23)	(-)4,372	(-)4,357	(-)12,756	(-)3,142	26,967
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	4,988	5,800	6,063	6,644	6,342
24. Financial Assistance to local bodies etc.	21,780	25,957	28,465	27,269	25,931
25. Ways and Means Advances/Overdraft availed (days)	—	—	—	—	—
Ways and Means Advances availed (days)	Nil	Nil	Nil	Nil	Nil
Overdraft availed (days)	Nil	Nil	Nil	Nil	Nil
26. Interest on Ways and Means Advances/ Overdraft	Nil	Nil	Nil	Nil	Nil
27 Gross State Domestic Product (GSDP)	4,40,975	4,98,577	5,46,141	5,42,890	6,38,342
28 Outstanding Fiscal liabilities (year end)	97,164	1,08,258	1,26,084	1,22,774	1,20,140
29. Outstanding guarantees (year end) (including interest)	1,711	4,170	3,532	7,086	6,160
30. Maximum amount guaranteed (year end)	12,281	15,281	15,206	19,336	17,776
31. Number of incomplete projects	186	NA	NA	NA	NA
32. Capital blocked in incomplete projects	2,818	NA	NA	NA	NA
Part E: Fiscal Health Indicators (in per cent)					

⁴⁸ Difference of ₹ 1 crore is due to rounding off: RR (₹ 1,01,567.75 crore) – RE (₹ 99,137.30 crore) = ₹ 2,430.45 crore

⁴⁹ Difference of ₹ 1 crore is due to rounding off: (₹ 1,01,567.75 crore + ₹ 287.16 crore) - (₹ 99,137.30 crore + ₹ 20,277.28 crore + ₹ 1,259.31 crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
I Resource Mobilisation					
Own Tax Revenue/GSDP	6.33	6.08	5.92	6.31	6.38
Own Non-Tax Revenue/GSDP	1.90	2.86	2.68	3.60	8.50
Central Transfers/GSDP	7.09	7.09	5.58	5.07	5.98
II Expenditure Management					
Total Expenditure/GSDP	21.50	22.06	22.10	21.16	20.99
Total Expenditure/Revenue Receipts	111.29	110.51	118.81	110.03	87.55
Revenue Expenditure/Total Expenditure	75.76	77.59	82.15	82.98	81.78
Expenditure on Social Services/Total Expenditure	35.60	37.24	40.42	38.67	39.79
Expenditure on Economic Services/Total Expenditure	39.65	38.25	33.35	34.10	32.57
Capital Expenditure/Total Expenditure	22.26	21.35	16.80	15.63	16.96
Capital Expenditure on Social and Economic Services/Total Expenditure	21.77	20.68	16.14	14.87	16.31
III Management of Fiscal Imbalances					
Revenue Surplus/GSDP	3.03	2.85	0.44	1.67	6.81
Fiscal Deficit (Surplus)/GSDP	-2.12	-2.04	-3.45	-1.80	3.23
Primary Deficit (Surplus) /GSDP	-0.99	-0.87	-2.34	-0.58	4.22
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	22.03	21.71	23.09	22.61	18.82
Fiscal Liabilities/RR	114.04	108.75	124.14	117.61	78.49
V Other Fiscal Health Indicators					
Return on Investment	1.33	10.16	5.64	14.58	
Balance from Current Revenue (₹ in crore)	51,233	65,423	67,853	79,430	122902
Financial Assets/Liabilities	1.49	1.53	1.47	1.59	1.88

APPENDIX – 2.3
(Refer paragraph 2.6)

Summarised financial position of the Government of Odisha as on 31 March 2022

(₹ in crore)

As on 31 March 2021			As on 31 March 2022
	Liabilities		
67,521.41	Internal Debt -		53,977.24
35,030.82	Market Loans bearing interest	28,558.00	
0.07	Market Loans not bearing interest	0.07	
0.07	Loans from Life Insurance Corporation of India	Nil	
32,490.45	Loans from other Institutions	25,419.17	
--	Ways and Means Advances	--	
--	Overdrafts from Reserve Bank of India	--	
11,981.95	Loans and Advances from Central Government -		18,507.82
0.38	Pre 1984-85 Loans	0.38	
11.60	Non-Plan Loans	9.73	
4,280.34	Loans for State Plan Schemes	3,462.56	
--	Loans for Central Plan Schemes		
1.61	Loans for Central Sponsored Schemes	1.14	
7,688.02	Loans for State/Uts with Legislature Schemes	15,034.01	
229.00	Contingency Fund		400.00
24,949.37	Small Savings, Provident Funds, etc.		25,257.58
16,225.05	Deposits		16,977.92
20333.44	Reserve Funds Advances		23,883.30
117.62	Suspense and Miscellaneous Balances		306.03
--	Remittance Balances		--
698.15	Miscellaneous Capital Receipts		698.15
79429.72	Cumulative excess of receipts over expenditure		1,22,901.62
2,21,485.71	Total		262909.66
	Assets		
1,79,684.79	Gross Capital Outlay on Fixed Assets -		2,02,410.27
7,288.29	Investments in shares of Companies, Corporations etc.	10,642.65	
1,72,396.50	Other Capital Outlay	1,91,767.62	
9,066.17	Loans and Advances -		9,185.47
4,031.72	Loans for Power Projects		
4,593.39	Other Development Loans		

As on 31 March 2021			As on 31 March 2022
441.06	Loans to Government servants and Miscellaneous loans		
16.48	Advances		17.33
82.23	Remittance Balances		65.54
—	Suspense and Miscellaneous Balances		—
32,636.04	Cash -		5,12,31.05
—	Cash in Treasuries and Local Remittances	—	
27.48	Deposits with Reserve Bank	44.64	
19.57	Departmental Cash Balance including Permanent Advances	20.74	
—	Security Deposits	—	
18,237.63	Investment of Earmarked Funds	18,464.21	
14,351.36	Cash Balance Investments	32,701.46	
	Deficit on Government Account -		—
—	(i) Less Revenue Surplus of the current year	—	
—	(ii) Appropriation to Contingency Fund	—	
—	Accumulated deficit at the beginning of the year	—	
2,21,485.71	Total		2,62,909.66

** Included under Suspense and Miscellaneous

Note: Closing balance of the Contingency Fund has been taken under liabilities

Explanatory Notes for Appendices 2.3

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 2.2, 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 ₹ 0.83 crore (Net Debit) between the figure reflected in the Accounts ₹ 44.64 crore (Net Debit) and that intimated by the Reserve Bank of India ₹ 43.81 crore (Net Credit) relating to deposits with Reserve Bank of India included in the Cash Balance.

APPENDIX – 3.1
(Refer paragraph 3.3.1.1)

Details of cases where supplementary provisions (₹ one crore or more in each case) proved unnecessary

(₹ in crore)

SL No.	Grant No. & Name of the Grant	Original	Supplementary	Actual Expenditure	Savings out of the provisions
Revenue (Voted)					
1	1-Home	5,236.12	392.26	4,698.18	537.94
2	2-General Administration & Public Grievance	276.29	14.71	231.73	44.56
3	3-Revenue and Disaster Management	1,145.21	55.51	889.81	255.40
4	4-Law	483.08	35.81	413.32	69.76
5	6-Commerce	80.07	8.63	63.71	16.36
6	7-Works	2,133.28	76.42	2,128.89	4.39
7	8-Odisha Legislative Assembly	50.17	1.36	42.88	7.29
8	10-School and Mass Education	17,525.60	1,580.73	16,397.84	1,127.76
9	11-ST & SC Development, Minorities & Backward Classes Welfare	3,133.13	196.39	2,647.07	486.06
10	13-Housing and Urban Development	5,095.37	32.62	4,948.13	147.24
11	14-Labour and Employees State Insurance	198.04	21.31	140.99	57.05
12	16-Planning and Convergence	1,038.30	3.51	895.36	142.94
13	17-Panchayati Raj and Drinking Water	18,201.48	3,615.64	14,524.26	3,677.22
14	19-Industries	355.64	0.33	288.95	66.69
15	20-Water Resources	2,642.64	100.60	2,453.81	188.83
16	21-Transport	189.82	71.57	188.04	1.78
17	22-Forest & Environment	1,886.60	109.81	1,752.76	133.84
18	23-Agriculture and Farmers' Empowerment	5,614.77	176.19	4,255.96	1,358.81
19	24-Steel and Mines	127.12	5.01	108.99	18.13
20	25-Information and Public Relations	106.07	84.07	93.49	12.58
21	26-Excise	108.61	11.98	104.14	4.47
22	28-Rural Development	1,335.49	241.35	1,290.48	45.01
23	30-Energy	80.88	1.55	68.21	12.67
24	31-Handlooms, Textiles and Handicrafts	154.90	5.93	130.85	24.05
25	33-Fisheries & Animal Resources Development	1,158.58	79.78	935.34	223.24
26	36-Women & Child Development & Mission Shakti	3,772.47	254.95	3,442.94	329.53
27	38-Higher Education	2,352.13	189.67	2,169.23	182.90
28	39-Skill Development & Technical Education	406.16	9.23	383.87	22.29

Sl. No.	Grant No. & Name of the Grant	Original	Supplementary	Actual Expenditure	Savings out of the provisions
29	40-Micro, Small and Medium Enterprises	465.42	3.98	349.55	115.87
30	42-Disaster Management	6,160.67	1,683.74	4,881.20	1,279.47
Total		81,514.11	9,064.64	70,919.98	10,594.13
Revenue (Charged)					
31	1-Home	128.33	22.32	110.62	17.71
32	2-General Administration & Public Grievance	24.79	2.15	19.37	5.42
33	29-Parliamentary affairs	19.09	0.84	13.02	6.07
Total		172.21	25.31	143.01	29.20
Capital (Voted)					
34	7-Works	4,874.00	30.20	3,971.80	902.20
35	10-School and Mass Education	754.07	24.50	63.12	690.95
36	11-ST & SC Development, Minorities & Backward Classes Welfare	473.07	0.79	431.57	41.50
37	13-Housing and Urban Development	711.96	5.53	664.78	47.18
38	17-Panchyati Raj and Drinking Water	2,092.46	8.00	1,722.42	378.34
39	20-Water Resources	5,582.67	201.16	4,529.88	1,052.79
40	21-Transport	683.00	44.00	563.75	119.25
41	28-Rural Development	4,153.10	335.80	2,532.08	1,621.02
42	39-Skill Development & Technical Education	257.88	0.13	213.35	44.53
Total		19,582.21	650.11	14,692.75	4,889.46
Capital (Charged)					
43	29-Parliamentary affairs	12	2	1.71	10.29
Total		12	2	1.71	10.29
GRAND TOTAL		1,01,280.53	9,742.06	85,757.45	15,523.08

Source: Appropriation Accounts 2021-22, Government of Odisha

APPENDIX – 3.2
(Refer paragraph 3.3.1.2)
Excessive Supplementary Provision during 2021-22
(₹ one crore or more in each case)

(₹ in crore)

Sl. No.	Grant No./ Name of the Department	Original Provision	Supplementary provision	Total Provision	Actual expenditure	Excess Supplementary provision
Revenue (Voted)						
1	9-Food Supplies and Consumer Welfare	1,081.66	1,141.29	2,222.95	2,191.25	31.70
2	12-Health and Family Welfare	7,439.54	2,133.88	9,573.42	8,680.46	892.96
3	15-Sports and youth Services	91.94	14.59	106.53	96.20	10.33
4	27-Science and Technology	63.30	75.39	138.70	135.95	2.75
5	32-Tourism	108.62	42.32	150.94	148.48	2.46
6	34-Co-operation	1,478.69	403.36	1,882.04	1,594.67	287.37
7	37-Electronics and Information Technology	198.98	118.41	317.39	316.05	1.34
8	41-Social Security and Empowerment of Persons with Disability	2,767.15	587.39	3,354.54	3,261.95	92.59
9	43-Odia Language, Literature and Culture	129.36	66.31	195.68	177.16	18.52
Total		13,359.24	4,582.94	17,942.19	16,602.17	1,340.02
Revenue (Charged)						
10	7-Works Department	6.96	2.00	8.96	7.73	1.23
Total		6.96	2.00	8.96	7.73	1.23
Capital (Voted)						
11	1-Home	483.51	136.35	619.86	499.14	120.72
12	2-General Administration Department and Public Grievances	169.99	83.35	253.34	237.65	15.69
13	5-Finance	1,382.00	518.92	1,900.92	1,845.99	54.93
14	12-Health and Family Welfare Department	1,722.00	176.26	1,898.26	1,739.44	158.82
15	30-Energy	1,718.00	2,141.53	3,859.53	3,564.17	295.36
16	34-Co-operation	162.59	150.00	312.59	256.31	56.28
Total		5,638.09	3,206.41	8,844.5	8,142.7	701.8
Capital (Charged)						
17	20-Water Resources	44.13	103.00	147.13	109.11	38.02
Total		44.13	103.00	147.13	109.11	38.02
Grand Total		19,048.42	7,894.35	26,942.78	24,861.71	2,081.07

Source: Appropriation Accounts 2021-22, Government of Odisha

APPENDIX – 3.3
(Refer paragraph 3.3.2)
Unnecessary /Excess re-appropriation of funds during 2021-22

(₹ in crore)

Sr. No.	Grant No. and Head of Accounts	Provisions					Actual Expenditure	Final Excess (-) Saving (+)
		Original	Supplementary	Re-appropriation	Surrender	Total		
1	1-2055-00-001-1712-Introduction of Commissionerate System in Twin Cities of Cuttack and Bhubaneswar	350.79	21.08	1.44	37.41	335.90	333.98	1.92
2	5-4215-01-102-3478-Scheme for Special Central Assistance to States for Capital Expenditure	100.00	0	27.68	29.33	98.35	70.67	27.68
3	13-3604-00-193-3417-Grant & Assistance under the award of 5 th SFC	91.46	0	0.36	0	91.82	90.60	1.22
4	20-2711-01-800-1214-Rivers Embankment Maintenance	130.60	1.19	6.00	5.35	132.44	125.79	6.65
5	2049-2049-05-105-1202-Reserve Funds	0.40	0.00	0.04	0	0.44	0.04	0.40
Total (unnecessary)		673.25	22.27	35.52	72.09	658.95	621.08	37.87
6	3-2053-00-093-0617-Headquarters Establishment	167.59	8.20	0.60	40.64	135.75	135.64	0.11
7	7-5054-04-337-2161-Rural Infrastructure Development Fund (RIDF)	221.00	0	55.00	0.43	275.57	275.45	0.12
8	10-2202-02-109-1261-Secondary Schools	2,363.10	131.78	15.57	330.41	2,180.04	2,179.70	0.34
9	12-2210-05-105-0893-Medical College, Cuttack	164.95	19.41	1.05	20.07	165.34	165.01	0.33
10	12-2210-01-001-2443-Headquarter Organisation-DMET	3.10	0.46	0.49	0.69	3.36	3.20	0.16
11	33-2403-00-102-0821-Live Stock Breeding-cum-Dairy Farm	6.18	0.39	0.35	0.66	6.26	5.96	0.30
Total (Excess)		2,925.92	160.24	73.06	392.9	2,766.32	2,764.96	1.36
GRAND TOTAL		3,599.17	182.51	108.58	464.99	3,425.27	3,386.04	39.23

Source: Monthly Appropriation Reports, Govt. of Odisha

APPENDIX – 3.4
(Refer paragraph 3.3.2)
Re-appropriation of funds on 31 March 2022
(₹ One crore and above in each case)

(₹ in crore)

Sl No	Name of the Grant/ Name of the Department	Head	Name of the Scheme	Amount
1	05 - Finance	2071-01-101-1040	Pension to Government Servants	3,800.02
2		2071-01-109-1043	Pension to Teachers of Government Primary Schools and Basic Schools	1,399.50
3		2235-60-102-1039	Pension to Freedom Fighters	2.73
4	11 - ST&SC Development, Minorities & Backward Classes Welfare	2225-01-277-3052	Scheme for the Development of Scheduled Castes	12.58
5	12 - Health & Family Welfare	2210-03-103-1092	Primary Health Centre	1.70
		2210-06-789-0622	Headquarters Drug Control Organisation	5.51
6	13 - Housing & Urban Development	2215-01-101-0851	Maintenance and repair	1.00
7		4215-01-800-3249	Buxi Jagabandhu Assured Water Supply to Habitations (BASUDHA)	4.00
8		4215-01-800-3249		4.00
9		4215-01-800-3249		1.00
10	17 - Panchayati Raj and Drinking Water	2215-01-102-3438	Jal Jeevan Mission	273.12
11		2215-01-789-3438		228.99
12		2215-01-796-3438		328.75
13		2501-06-102-2950	National Rural Livelihood Mission	91.64
14		2501-06-102-2950		6.06
15		2501-06-789-2950		64.75
16		2501-06-796-2950		49.04
17		4215-01-102-3250	Buxi Jagabandhu Assured Water Supply to Habitations(BASUDHA) under RIDF	40.00
18		4215-01-789-3250		10.00
19	21 - Transport	5075-60-190-2827	Equity contribution for development of commercially viable Railway Projects in the State to be executed through SPVS	7.98
20	31 - Handloom, Textiles & Handicrafts	2851-00-104-1153	Promotion of Handicraft Industries	1.05

21	33 - Fisheries & Animal Resources Development	2403-00-101-3159	White Revolution Rashtriya Pashudhan Vikash Yojana	3.77
22		2403-00-789-3159		1.07
23		2403-00-796-3159		1.45
24		2405-00-103-3060	Promotion of Aquaculture & Shrimp export Cell	1.00
25		2405-00-109-2761	Organisation of skill upgradation Training and Awareness meet in Fisheries Sector	2.00
26		4405-00-103-3265	Integrated Development and Management of Fisheries	20.72
27	36 - Women & Child Development and Mission Shakti	2236-02-101-3513	Saksham Anganwadi and POSHAN 2.0	89.90
28		2236-02-789-3513		30.50
29		2236-02-796-3513		40.13
30	40 - Micro, Small and Medium Enterprises	2851-00-102-2329	Subsidies for small Scale Industries	17.08
31	2049- Interest payments	2049-04-101-1977	External Debt	9.54
32	6004 - Loans and Advances from the Central Government	6004-02-101-0432	Back to Back Loans	59.45
Total				6,610.03

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

APPENDIX - 3.5

(Refer paragraph 3.3.3)

List of Grants having large savings (more than ₹ 100 crore) during the year

(₹ in crore)									
Sl. No.	Number and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings/ Excess	Percentage of savings against total Provision	Surrender	Savings excluding surrender
Revenue (Voted)									
1	1-Home	5,236.12	392.26	5,628.38	4,698.18	930.20	16.53	925.12	5.08
2	3-Revenue and Disaster Management	1,145.21	55.51	1,200.72	889.81	310.91	25.89	310.57	0.34
3	4-Law	483.08	35.81	518.89	413.32	105.57	20.34	105.49	0.08
4	5-Finance	21,667.34	0.00	21,667.34	17,148.17	4,519.17	20.86	4,519.06	0.11
5	10-School and Mass Education	17,525.60	1,580.73	19,106.33	16,397.84	2,708.49	14.18	2,906.74	-198.25
6	11-ST&SC Development, Minorities & Backward Classes Welfare	3,133.13	196.39	3,329.52	2,647.07	682.45	20.50	670.73	11.72
7	12-Health and Family Welfare	7,439.54	2,133.88	9,573.42	8,680.46	892.96	9.33	831.51	61.45
8	13-Housing and Urban Development	5,095.37	32.62	5,127.99	4,948.12	179.87	3.51	175.24	4.63
9	16-Planning and Convergence	1,038.30	3.51	1,041.81	895.36	146.45	14.06	140.43	6.02
10	17-Panchayati Raj and Drinking Water	1,8201.48	3,615.64	21,817.12	14,524.26	7,292.86	33.43	7,292.24	0.62
11	20-Water Resources	2,642.64	100.60	2,743.24	2,453.81	289.43	10.55	280.91	8.52
12	22-Forest & Environment	1,886.60	109.81	1,996.42	1,752.76	243.66	12.20	242.82	0.84
13	23-Agriculture and Farmers' Empowerment	5,614.78	176.19	5,790.97	4,255.96	1,535.01	26.51	1,534.82	0.19
14	28-Rural Development	1,335.49	241.35	1,576.84	1,290.48	286.36	18.16	286.25	0.11
15	33-Fisheries and Animal Resources Development	1,158.58	79.78	1,238.36	935.34	303.02	24.47	302.66	0.36
16	34-Co-operation	1,478.68	403.36	1,882.04	1,594.67	287.37	15.27	287.35	0.02
17	36-Women and Child	3,772.47	254.95	4,027.42	3,442.94	584.48	14.51	584.66	-0.18

Sl. No.	Number and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings/ Excess	Percentage of savings against total Provision	Surrender	Savings excluding surrender
	Development and Mission Shakti								
18	38-Higher Education	2,352.13	189.67	2,541.80	2,169.23	372.57	14.66	372.35	0.22
19	40-Micro, Small and Medium Enterprises	465.42	3.98	469.40	349.55	119.85	25.53	119.91	-0.04
20	42-Disaster Management	6,160.67	1,683.74	7,844.41	4,881.20	2,963.21	37.77	2,929.85	33.36
Total		107,832.63	11,289.78	119,122.42	94,368.53	24,753.89		24,818.71	-64.81
Capital (Voted)									
21	1-Home	483.51	136.36	619.87	499.14	120.73	19.48	120.73	0.00
22	7-Works	4,874.00	30.20	4,904.20	3,971.80	932.40	19.01	932.26	0.14
23	10-School and Mass Education	754.07	24.50	778.57	63.12	715.45	91.89	715.45	0.00
24	12-Health and Family Welfare	1,722.00	176.26	1,898.26	1,739.44	158.82	8.37	158.81	0.01
25	16-Planning and Convergence	429.36	0.00	429.36	232.01	197.35	45.96	197.35	0.00
26	17-Panchayati Raj and Drinking Water	2,092.46	8.00	2,100.46	1,722.42	378.04	17.80	378.04	0.00
27	20-Water Resources	5,582.68	201.16	5,783.84	4,529.88	1,253.96	21.68	1,253.86	0.10
28	21-Transport	683.00	44.00	727.00	563.75	163.25	22.46	163.25	0.00
29	28-Rural Development	4,153.10	335.80	4,488.90	2,532.07	1,956.83	43.59	1,956.80	0.03
30	30-Energy	1,718.00	2,141.53	3,859.53	3,564.18	295.35	7.65	295.35	0.00
Total		22,492.18	3,097.81	25,589.99	19,417.81	6,172.18		6,171.9	0.28
Capital (Charged)									
31	6004-Loan and advance from the central Government (all charged)	1,480.20	0.00	1,480.20	1,080.35	399.85	27.01	400.69	-0.83
Total		1,480.20	0.00	1,480.20	1,080.35	399.85		400.69	-0.83
Grand Total		1,31,805.01	14,387.59	1,46,192.61	1,14,866.69	31,325.92		31,391.30	-65.36

Source: Monthly Appropriation Reports 2021-22, Government of Odisha

APPENDIX – 3.6

(Refer paragraph 3.3.4)

Surrenders of 100 per cent of total provisions made during the year 2021-22

(₹ 50 crore or more in each case)

(₹ in crore)

Sl. No.	Number and Name of the Grant	Name of the scheme (Head of Account)	Amount surrendered (₹ in crore)	Percentage of Surrender	Reasons for Surrender
1	03-Revenue and Disaster Management	3454-02-800-2475-Census Establishment	50.00	100	Reasons not furnished
2	05-Finance	2014-00-103-3484-15 th FC Grants for Judiciary	85.00	100	Reasons not furnished
3		2052-00-090-3125-Odisha Infrastructure Development Fund (OIDF) for PPP Projects	50.00	100	Reasons not furnished
4		2075-00-800-3275-Banking Account of Odisha Mineral Bearing Areas Development Corporation (OMBADC)	250.00	100	Reasons not furnished
5		2210-06-112-3485-15 th FC Grants for Health Sector	111.00	100	Reasons not furnished
6		2401-00-104-3486-15 th FC Grants for Agriculture Reforms	226.00	100	Reasons not furnished
7		3054-04-337-3487-15 th FC Grants for Maintenance of PMGSY Roads	275.00	100	Reasons not furnished
8		5465-01-190-1276-Share Capital Investment	50.00	100	Reasons not furnished
9	07-Works	5054-03-337-3010-Biju Expressway Projects	50.00	100	Reasons not furnished
10	10-School & Mass Education	4202-01-201-3381-Samagra Shiksha	203.64	100	Due to non-receipt of Central Assistance
11		4202-01-202-3381-Samagra Shiksha	159.30	100	
12		4202-01-789-3381-Samagra Shiksha	129.63	100	
13		4202-01-796-3381-Samagra Shiksha	185.49	100	
14	11- ST&SC Development, Minorities & Backward Classes Welfare	2225-02-794-3502-Implementation of SCA to TSS	140.00	100	Due to non-receipt of Central Assistance
15		2251-00-796-3288-Special Development Council in Tribal Dominated Districts	58.50	100	Due to non-receipt of proposals
16	13-Housing and Urban Development	2215-01-101-3438-Jal Jeevan Mission	180.00	100	Due to diversion of funds to AMRUT

Sl. No.	Number and Name of the Grant	Name of the scheme (Head of Account)	Amount surrendered (₹ in crore)	Percentage of Surrender	Reasons for Surrender
17		2215-01-789-3438-Jal Jeevan Mission	51.00	100	mission head, created by the Government of India
18		2215-01-796-3438-Jal Jeevan Mission	69.00	100	
19	16- Planning and Convergence	2575-02-800-3489-Special Initiative Programme	60.00	100	Due to non-receipt of project proposal
20	17-Panchayati Raj and Drinking Water	2215-02-105-3235-Swachha Bharat Mission (SBM)-Gramin	120.00	100	Reasons not furnished
21		2505-60-101-3227-Revolving Fund for MGNREGS	1,000.00	100	Reasons not furnished
22	20-Water Resources	4701-80-796-3439-Construction of In-stream Storage Structure	125.00	100	Due to non finalisation of work and tender process, delay in land acquisition and forest clearance and non-receipt of proposal
23	21-Transport	5055-00-050-0189-Construction of Bus Stand	100.00	100	Due to non-concurrence of proposal by Finance Department
24	23-Agriculture and Farmers' Empowerment	2401-00-800-2606-Sustainable Harnessing of Ground Water in Water Deficit areas	60.00	100	Reasons not furnished
25		2401-00-796-3345-Pradhan Mantri Krishi Sinchai Yojana (PMKSY)-Per Drop More Crop	85.10	100	Due non-receipt of Central Share from the Government of India
26	30-Energy	4801-05-051-1893-State Capital Region Improvement of Power System (SCRIP)	100.28	100	Reasons not furnished
27		4801-06-800-3304-Sahaj Bijli Har Ghar Yojana (Rural)-Saubhagya	50.00	100	Due to closure of the Scheme
28	36-Women and Child Development and Mission Shakti	2236-02-796-3513-Saksham Anganwadi and POSHAN 2.0	339.52	100	Due to non-receipt of Central Assistance
29	42-Disaster Management	2245-80-800-0836-Lump Provision for Other Works	3,393.60	100	Reasons not furnished
TOTAL			7,757.06		

Source: Monthly Appropriation Reports 2021-22, Government of Odisha

APPENDIX – 3.7

(Refer paragraph 3.3.4.2)

Statement showing details of savings of ₹100 crore and above and amounts partially surrendered during 2021-22

(₹ in crore)

Sl. No.	Grant No. and name of the department	Original	Supplementary	Total Provisions	Expenditure	Savings	Amount Surrendered	Savings which remained to be surrendered
Revenue (Voted)								
1	1-Home	5,236.12	392.26	5,628.38	4,698.18	930.20	925.12	5.08
2	11-ST & SC Development, Minorities and Backward Classes Welfare	3,133.13	196.39	3,329.52	2,647.07	682.45	670.73	11.72
3	12-Health and Family Welfare	7,439.54	2,133.88	9,573.42	8,680.46	892.96	831.51	61.45
4	13-Housing and Urban Development	5,095.37	32.62	5,127.99	4,948.13	179.86	175.24	4.62
5	16-Planning and Convergence	1,038.30	3.51	1,041.81	895.36	146.45	140.43	6.02
6	20-Water Resources	2,642.64	100.60	2,743.24	2,453.81	289.43	280.91	8.52
7	42-Disaster Management	6,160.67	1,683.74	7,844.41	4,881.20	2,963.21	2,929.85	33.36
Total		30,745.77	4,543	35,288.77	2,9204.21	6,084.56	5,953.79	130.77

Source: Appropriation Accounts 2021-22, Government of Odisha

APPENDIX – 3.8

(Refer paragraph 3.4.1)

Details of the schemes for which provision (₹10 crore and above) was made, but no expenditure was incurred during the year 2021-22

(₹ in crore)

Sl. No.	Grant No./Name of the Department	Scheme Name	Original Budget Provision	Supplementary Budget Provision	Actual expenditure	Savings
1	01-Home	2014-00-103-3406-Special Court under POCSO Act (Fast Track Special Courts (FTSCs)(B-iii)	0	33.75	0	33.75
2	03-Revenue and Disaster Management	3454-00-02-800-2475-Census Establishment	50.00	0	0	50.00
3	05-Finance	2014-00-103-3484-15 th FC Grants for Judiciary	85.00	0	0	85.00
4		2052-00-090-3125-Odisha Infrastructure Development Fund (OIDF) for PPP Projects	50.00	0	0	50.00
5		2052-00-090-3426-State Capability and Resilient Growth Policy Program-EAP	20.00	0	0	20.00
6		2075-00-800-3275-Banking Account of Odisha Mineral Bearing Areas Development Corporation (OMBADC)	250.00	0	0	250.00
7		2202-03-103-3483-15 th FC Grants for Higher Education	40.00	0	0	40.00
8		2210-06-003-3485-15 th FC Grants for Health Sector	18.00	0	0	18.00
9		2210-06-112-3485-15 th FC Grants for Health Sector	111.00	0	0	111.00
10		2210-06-200-3485-15 th FC Grants for Health Sector	43.00	0	0	43.00
11		2401-00-104-3486-15 th FC Grants for Agriculture Reforms	226.00	0	0	226.00
12		3054-04-337-3487-15 th FC Grants for Maintenance of PMGSY Roads	275.00	0	0	275.00
13		5465-01-190-1276-Share Capital Investment	50.00	0	0	50.00
14		5475-00-800-2618-State Viability Gap Fund (VGF) Assistance for Infrastructure Development	30.00	0	0	30.00
15	07-Works	5054-03-337-3010-Biju Expressway Projects	50.00	0	0	50.00
16		2202-01-800-0110 - Other Misc Funds	20.00	0	0	20.00

Sl. No.	Grant No./Name of the Department	Scheme Name	Original Budget Provision	Supplementary Budget Provision	Actual expenditure	Savings
17	10-School & Mass Education	4202-01-201-3381-Samagra Shiksha	203.64	0	0	203.64
18		4202-01-202-3381-Samagra Shiksha	159.30	0	0	159.30
19		4202-01-789-3381-Samagra Shiksha	129.63	0	0	129.63
20		4202-01-796-3381-Samagra Shiksha	185.49	0	0	185.49
21	11- ST&SC Development, Minorities and Backward Classes Welfare	2225-02-794-3502-Implementation of SCA to TSS	140.00	0	0	140.00
22		2251-796-3288-Special Development Council in Tribal Dominated Districts	58.50	0	0	58.50
23		4225-04-277-0649-Hostels	10.00	0	0	10.00
24	12-Health and Family Welfare	2210-05-105-3426-State Capability and Resilient Growth Policy Programme-EAP	10.00	0	0	10.00
25		2210-05-105-3434-Skill Lab	10.00	0	0	10.00
26	13-Housing and Urban Development	2215-01-101-3438-Jal Jeevan Mission	180.00	0	0	180.00
27		2215-01-789-3438-Jal Jeevan Mission	51.00	0	0	51.00
28		2215-01-796-3438-Jal Jeevan Mission	69.00	0	0	69.00
29	16- Planning and Convergence	2575-02-800-3489-Special Initiative Programme	60.00	0	0	60.00
30		2575-02-796-3489-Special Initiative Programme	23.00	0	0	23.00
31		4575-02-800-3489-Special Initiative Programme	104.86	0	0	104.86
32	17-Panchayati Raj and Drinking Water	2215-02-105-3235-Swachha Bharat Mission (SBM)-Gramin	120.00	0	0	120.00
33		2215-02-789-3235-Swachha Bharat Mission (SBM)-Gramin	34.00	0	0	34.00
34		2215-02-796-3235-Swachha Bharat Mission (SBM)-Gramin	46.00	0	0	46.00
35		2505-60-101-3227-Revolving Fund for MGNREGS	500.00	500	0	1,000.00
36		2515-00-800-3301-Rashtriya Gram Swaraj Abhiyan	18.00	0	0	18.00

Sl. No.	Grant No./Name of the Department	Scheme Name	Original Budget Provision	Supplementary Budget Provision	Actual expenditure	Savings
37	20-Water Resources	2702-03-102-3267-Pradhan Mantri Krushi Sichai Yojana-Har khet ko Pani (HKP)	19.00	0	0	19.00
38		4701-80-796-3439-Construction of In-stream Storage Structure	125.00	0	0	125.00
39	21-Transport	5055-00-050-0189-Construction of Bus Stand	100.00	0	0	100.00
40		5055-00-190-1276-Share Capital Investment	34.00	0	0	34.00
41	22-Forest and Environment	2406-02-796-1282-Similipal Bio-sphere Reserve	10.00	0	0	10.00
42		3435-03-102-3130-Conservation and Development of Wetland	11.00	0	0	11.00
43	23-Agriculture and Farmers' Empowerment	2401-00-108-3460-Special Fruit Specific Scheme	12.00	0	0	12.00
44		2401-00-789-2606-Sustainable Harnessing of ground water in water deficit areas	17.00	0	0	17.00
45		2401-00-789-3144-Support to Farmer Producer organization	10.20	0	0	10.20
46		2401-00-796-2606-Sustainable Harnessing of ground water in water deficit areas	23.00	0	0	23.00
47		2401-00-800-2562-Innovative Projects	12.00	0	0	12.00
48		2401-00-796-3144-Support to Farmer Producer Organisation	13.80	0	0	13.80
49		2401-00-195-3144-Support to Farmer Producer Organisation	36.00	0	0	36.00
50		2402-00-102-3441-Rejuvenating Watershed for Agricultural Resilience through Innovating Development (REWARD)	42.00	0	0	42.00
51		2402-00-789-3441-Rejuvenating Watershed for Agricultural Resilience through Innovating Development (REWARD)	11.90	0	0	11.90
52		2402-00-796-3441-Rejuvenating Watershed for Agricultural Resilience through Innovating Development (REWARD)	16.10	0	0	16.10

Sl. No.	Grant No./Name of the Department	Scheme Name	Original Budget Provision	Supplementary Budget Provision	Actual expenditure	Savings
53		2401-00-800-2606-Sustainable Harnessing of Ground Water in Water Deficit areas	60.00	0	0	60.00
54		2401-00-789-2606-Sustainable Harnessing of Ground Water in Water Deficit areas	17.00	0	0	17.00
55		2401-00-796-2606-Sustainable Harnessing of Ground Water in Water Deficit areas	23.00	0	0	23.00
56		2401-00-103-3345-Pradhan Mantri Krishi Sinchai Yojana (PMKSY)-Per Drop More Crop	85.10	0	0	85.10
57		2401-00-796-3345-Pradhan Mantri Krishi Sinchai Yojana (PMKSY)-Per Drop More Crop	32.62	0	0	32.62
58	30-Energy	4801-05-051-1893-StateCapital Region Improvement of Power System (SCRIP)	100.28	0	0	100.28
59		4801-06-800-3304-Sahaj Bijli Har Ghar Yojana (Rural)-Saubhagya	50.00	0	0	50.00
60	32-Tourism	5452-01-112-1468-Tourist Accommodation	35.08	0	0	35.08
61	36-Women and Child Development and Mission Shakti	2235-02-102-3447-Nutrition Governance	11.75	0	0	11.75
62		2236-02-796-3513-Sakshyam Anganwadi and POSHAN 2.0	339.52	0	0	339.52
63	41-Social Security and Empowerment of Persons with Disability	2235-02-101-3071-Implementation of Persons with Disabilities Act-1995	10.00	0	0	10.00
64	42-Disaster Management	2245-80-800-0836-Lumpsum Provision for Other Works	1,711.20	1,682.40	0	3,393.60
Total			6,398.97	2216.15	0	8,615.12

Source: Appropriation Accounts 2021-22, Government of Odisha

APPENDIX – 3.9
(Refer paragraph 3.5.1)

Rush of Expenditure (100 per cent) during last month of 2021-22

(₹1 crore or more)

Sl No	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Actual Expenditure during March (₹ in crore)
1	1	Home	2014-00-102-0632	High Court Establishment	18.55
2			2015-00-108-1048	Photo Identity Card	1.90
3			2055-00-113-2801	Contribution to Police Relief Fund	1.00
4			2055-00-117-3297	Nationwide Emergency Response System	2.60
5			2070-00-108-1117	Protection and Control	2.98
6			2070-00-796-1117	Protection and Control	1.14
7			2075-00-800-3407	Witness Protection Fund	1.00
8			4059-60-051-0182F	(D-01) Constructions of Buildings	1.00
9	7	Works	5054-03-337-1581	Works Executed from Central Road Fund	4.11
10	8	Odisha Legislative Assembly	4216-01-106-2543	Construction of Building of OLA	50.00
11	10	School and Mass Education	2202-01-800-2712	Reimbursement of per child expenditure in favour of un aided school under RTE Act	1.37
12			2202-02-800-0708	Information, Education and Communication	25.42
13			2202-02-800-1009	Other Educational Facilities	2.46
14			2202-02-800-2889	Youth Welfare Policy, 2013	3.00
15			2202-02-800-3307	Mukhyamantri Medhabruti	17.74
16	11	Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare	2225-01-277-3548	Scheme for the Development of SCs (Pre-Matric Scholarship)	57.89
17			2225-02-277-3552	Umbrella Scheme for Education of ST students (Post-matric Scholarship)	198.88
18			2225-03-277-2288	Pre-matric Scholarship for OBC Students	15.91
19			2225-03-277-2418	Post-matric Scholarship and Stipend to OBC Students	53.77
20			2225-80-800-3054	Scheme for the development of Economically Backward Classes (EBCs)	1.65
21			4225-03-800-0182	Construction of Buildings	4.27
22	12	Health and Family Welfare	2210-05-105-3120	De-addiction Centres in Medical College	7.50
			2210-05-105-3385	Jeevan Upahara	2.00

Sl No	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Actual Expenditure during March (₹ in crore)
23	13	Housing and Urban Development	3604-00-200-0164	Compensation and Assignments	115.32
24	14	Labour and Employees State Insurance	2230-01-277-1353	State Labour Institute	2.42
25	15	Sports and Youth Services	2204-00-104-2352	Grants & Assistance for Sports & Games	2.00
26			4202-03-789-2053	Infrastructure Development	5.00
27	17	Panchayati Raj and Drinking Water	2501-06-102-3528	National Rural Economic Transformation Project (NREPT)	25.81
28	19	Industries	2875-60-190-2222	New Scheme for promotion of other Industries	145.01
29			2875-60-190-3033	Renovation of Kalinga Studio Ltd.	15.00
30			2875-60-190-3034	Land Bank Scheme	50.00
31	20	Water Resources	4701-80-796-2826	Canal Lining and System Rehabilitation Programme	10.12
32	21	Transport	2041-00-800-3537	Implementation of Electric Vehicle Policy	5.00
33			4059-00-051-2193	Construction of building of Transport Department	10.00
34			4059-01-051-2193	Construction of Building of Transport Department	3.00
35	22	Forest and Environment	2406-01-102-2924	National Afforestation Programme	4.77
36			2406-01-796-2924	National Afforestation Programme	2.60
37	23	Agriculture and Farmers' Empowerment	2401-00-103-3538	National Food Security Mission- Oil seeds	1.25
38			2401-00-190-3151	Grants to State Fertiliser Procurement Agencies	1.47
39			2401-00-789-1642	National Horticulture Mission	3.19
40			2401-00-789-2607	Development of Agriculture Firms	1.70
41			2401-00-796-1642	National Horticulture Mission	4.09
42			2401-00-796-2161	Rural Infrastructure Development Fund (RIDF)	28.75
43			2401-00-796-2607	Development of Agriculture firms	2.30
44			2401-00-800-2607	Development of Agriculture firms	6.00
45			2402-00-789-3345	Pradhan Mantri Krishi Sinchai Yojana (PMKSY)- Per Drop More Crop	7.56
46			2402-00-796-3345	Pradhan Mantri Krishi Sinchai Yojana (PMKSY)- Per Drop More Crop	10.41

Sl No	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Actual Expenditure during March (₹ in crore)
47			2402-00-800-3345	Pradhan Mantri Krishi Sinchai Yojana (PMKSY)- Per Drop More Crop	27.29
48	30	Energy	4801-05-051-2815	Construction of Grid Substation	40.00
49			4801-05-190-1276	Share Capital Investment	2539.69
50			4801-05-190-3507	System Strengthening of OPTCL network	140.00
51			4801-05-789-2815	Construction of Grid Substation	30.00
52			4801-05-796-2815	Construction of Grid Substation	30.00
53			4801-06-789-2055	Biju Grama Jyoti	14.00
54			4801-06-796-2055	Biju Grama Jyoti	14.00
55			4801-06-800-2055	Biju Grama Jyoti	62.00
56	33	Fisheries and Animal Resources Development	2403-00-101-2488	Upgradation of Livestock Health Care Service	39.00
57			2403-00-101-3076	Animal Husbandary Extension Service through Mobile Advisory	1.89
58			2403-00-101-3511	Establishment of Odisha Veterinary, Animal & Fisheries Science University	7.00
59			2403-00-789-2488	Upgradation of Livestock Health Care Service	11.05
60			2403-00-789-3159	White Revolution-Rashtriya Pashudhan Vikash Yojana	1.00
61			2403-00-796-2488	Upgradation of Livestock Health Care Service	14.95
62			2403-00-796-3159	White Revolution-Rashtriya Pashudhan Vikash Yojana	1.35
63			2405-00-789-3266	Machha Chasa Pain Nua Pokhari Khola Yojana	2.08
64			4403-00-101-2161	Rural Infrastructure Development Fund (RIDF)	7.20
65			4403-00-101-2323	Infrastructure development for Live Stock Services	24.00
66			4403-00-789-2161	Rural Infrastructure Development Fund (RIDF)	2.04
67			4403-00-789-2323	Infrastructure development for Live Stock Services	6.80
68			4403-00-796-2161	Rural Infrastructure Development Fund (RIDF)	2.76
69			4403-00-796-2323	Infrastructure development for Live Stock Services	9.20
70	34	Co-operation	2425-00-107-2310	Financial Assistance	4.92
71			2425-00-107-2321	Grants/Assistance to Sugar Cooperatives	15.00
72			2425-00-107-2847	Modernisation of Banking	1.00
73			2425-00-796-2310	Financial Assistance	1.89

Sl No	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Actual Expenditure during March (₹ in crore)
74			4425-00-107-2322	Construction of Buildings for SCs/PACs/LAMPs	3.60
75			4425-00-190-1276	Share Capital Investment	200.00
76	36	Women and Child Development and Mission Shakti	2235-02-102-2633	Infrastructure Support for renovation of Utkal Balashram	10.00
77			2235-02-103-3105	Biju Kanya Ratna	1.00
78			2236-02-789-3553	POSHAN 2.0 (Sakshyam anganwadi and POSHAN 2.0)	30.50
79			2236-02-796-3553	POSHAN 2.0 (Sakshyam anganwadi and POSHAN 2.0)	40.13
80			2236-02-789-3560	Supplementary Nutrition programme (Sakshyam anganwadi and POSHAN 2.0)	12.63
81	37	Electronics and Information Technology	2852-07-202-3542	Implementation of Integrated Minor Mineral Management System(i4MS)	14.73
82	38	Higher Education	2202-03-103-2856	Modernisation of Quality Education	1.00
83			2202-03-104-2856	Modernisation of Quality Education	1.00
84	40	Micro, Small and Medium Enterprises	2875-60-190-0070	Assistance to PSUs and other undertakings	5.00
85	41	Social Security and Empowerment of Persons with Disability	2235-02-101-2892	Women Hostel for PWD	1.00
86	42	Disaster Management	2245-02-104-0481	Feeding Programme	1.48
87			2245-02-193-1275	World Bank Assisted EAP-Odisha Disaster Recovery Project	6.10
88			2245-02-789-1275	World Bank Assisted EAP-Odisha Disaster Recovery Project	1.60
89			2245-02-796-1275	World Bank Assisted EAP-Odisha Disaster Recovery Project	2.30
90	43	Odia, Language, Literature and Culture	2205-00-102-1612	Establishment of Kalamandap	41.84
91	2049	Interest Payments (Charged)	2049-04-109-0179	Consolidated Loans	59.05
92	6004	Loans and Advances from the Central Government (Charged)	6004-02-105-0179	Consolidated Loans	381.90
TOTAL					28,157.88

Source: Appropriation Accounts 2021-22, Government of Odisha

APPENDIX – 3.10
(Refer paragraph 3.7)

Release of funds at the end of the Financial Year 2021-22

Sl No	Name of the Department	Sanction order No.	Date	Amount (₹crore)
1	Panchayati Raj and Drinking Water	202124384892	31-03-2022	42.49
		202124384837	31-03-2022	19.62
		202124385071	31-03-2022	5.88
		202124384956	31-03-2022	273.12
		202124384755	31-03-2022	34.30
		202124384995	31-03-2022	0.42
		202124385122	31-03-2022	0.28
		202124384803	31-03-2022	29.42
		202124385019	31-03-2022	28.33
		202124384964	31-03-2022	228.99
		202124384970	31-03-2022	328.75
		202124384711	31-03-2022	51.46
		202124384011	30-03-2022	0.05
			Total	1043.11
2	Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare	202124385457	31-03-2022	10.12
		202124385021	31-03-2022	0.72
		202124383514	30-03-2022	2.51
		202124383303	31-03-2022	3.12
		202124384939	30-03-2022	0.06
		202124384719	30-03-2022	0.14
		202124384962	30-03-2022	0.33
		202124384957	30-03-2022	0.33
		202124383424	30-03-2022	0.07
		202124383434	30-03-2022	6.02
		202124383706	30-03-2022	13.25
		202124383405	30-03-2022	0.07
		202124383444	30-03-2022	4.01
		202124383509	30-03-2022	19.87
		202124385689	31-03-2022	12.58
		202124382778	29-03-2022	1.02
		202124359610	29-03-2022	0.01
		202124359189	29-03-2022	0.69
		202124359199	29-03-2022	0.69
		202124359606	29-03-2022	0.02
			Total	75.63
3	School and Mass Education	202124384944	30-03-2022	0.12
4	Health and Family Welfare	202124385056	30-03-2022	8.27

Sl No	Name of the Department	Sanction order No.	Date	Amount (₹crore)
		202124385070	31-03-2022	5.51
		202124340773	28-03-2022	12.47
		202124328787	28-03-2022	40.81
		202124358786	28-03-2022	33.42
			Total	100.6
5	Agriculture and Farmers' Empowerment	202124289021	29-03-2022	0.41
		202124289026	29-03-2022	0.28
		202123265254	29-03-2022	0.29
		202123265190	29-03-2022	0.75
		202124288735	30-03-2022	0.21
		202124288746	30-03-2022	0.14
		202124288731	30-03-2022	0.19
		202124288708	30-03-2022	0.50
		202124288725	30-03-2022	0.29
		202124288697	30-03-2022	0.75
		202124359351	30-03-2022	0.41
		202124359351	30-03-2022	0.41
		202124385135	31-03-2022	13.45
		202124385544	31-03-2022	4.24
		202124385163	31-03-2022	4.98
		202124385151	31-03-2022	6.36
		202124385516	31-03-2022	3.32
		202124385480	31-03-2022	8.97
		202124385339	31-03-2022	6.51
		202124385344	31-03-2022	4.34
		202124385056	31-03-2022	8.27
			Total	65.07
6	Social Security and Empowerment of Persons with Disability	202124385149	30-03-2022	1.58
		202124385148	30-03-2022	2.24
		202124385139	30-03-2022	4.13
		202124385084	30-03-2022	10.83
		202124385082	30-03-2022	8.01
		202124385076	30-03-2022	28.26
		202124385064	30-03-2022	23.99
		202124385055	30-03-2022	17.73
			Total	96.77
7	Women and Child Development and Mission Shakti	202124384974	30-03-2022	1.28
		202124384966	30-03-2022	1.92
		202124385153	30-03-2022	0.19
		202124385860	31-03-2022	71.92
		202124385900	31-03-2022	8.03
		202124385887	31-03-2022	32.11
		202124385883	31-03-2022	6.10
		202124385869	31-03-2022	17.98
		202124385879	31-03-2022	24.40
		202124383815	30-03-2022	0.23
		202124382806	30-03-2022	0.27

Sl No	Name of the Department	Sanction order No.	Date	Amount (₹crore)
		202124383780	30-03-2022	0.36
		202124383408	30-03-2022	0.50
		202124383775	30-03-2022	0.03
		202124383827	30-03-2022	0.64
		202124383817	30-03-2022	0.64
		202124359329	30-03-2022	0.03
		202124382797	30-03-2022	0.97
		202124385169	30-03-2022	0.14
		202124385074	30-03-2022	0.09
		202124385140	30-03-2022	0.15
		202124385154	30-03-2022	0.06
		202124385092	30-03-2022	0.05
		202124384945	30-03-2022	0.27
		202124359731	30-03-2022	1.13
		202124359774	29-03-2022	1.52
		202124359657	29-03-2022	3.97
		202124359751	29-03-2022	0.75
		202124359715	29-03-2022	2.65
		202124359797	29-03-2022	1.02
		202124316832	29-03-2022	2.13
		202124328773	29-03-2022	1.42
		202124255104	28-03-2022	0.01
		202124288628	28-03-2022	0.02
		202124377463	29-03-2022	15.00
		202124377220	29-03-2022	20.00
		202124377672	29-03-2022	2.25
		202124288771	28-03-2022	0.01
		202124287962	28-03-2022	0.49
		202124287637	28-03-2022	0.84
		202124288486	28-03-2022	0.47
		202124288483	28-03-2022	0.97
		202124288481	28-03-2022	0.03
		202124287067	28-03-2022	1.35
		Total		224.39
8	Rural Development	202124383642	30-03-2022	4.12
9	Odisha Legislative Assembly	202124288253	28-03-2022	0.03
10	Parliamentary Affairs	202124328861	28-03-2022	0.4
11	Forest, Environment and Climate Change	Sanction No.408	31-03-2022	2.52
		Sanction No.407	31-03-2022	2.02
		Total		4.54
Grand Total				1,614.78

Source: Records of the Respective Departments of Government of Odisha.

APPENDIX –

(Refer paragraph 4.3)

Statement showing details of GIA for which utilisation certificates were pending since 2003-04 from different Departments of the State Government at the end of 2021-22

(₹ in crore)

Sl. No.	Name of the Department	Amount outstanding as on 31.03.2022	No. of GIA Vouchers for which UCs were awaited
1	Law	37.73	149
2	Commerce	0.00	1
3	Water Resources	102.65	116
4	Transport	84.74	26
5	Energy	129.73	15
6	Handlooms, Textiles & Handicrafts	91.94	105
7	Micro, Small & Medium Enterprises	207.57	131
8	Health and Family Welfare	2,385.22	211
9	Panchayati Raj and Drinking Water	18,104.16	4,317
10	Women & Child Development and Mission Shakti	958.82	879
11	Fisheries & Animal Resources Development	4.41	22
12	School and Mass Education	3,882.00	185
13	Agriculture and Farmers' Empowerment	192.56	20
14	Tourism	3.50	2
15	Higher Education	1,029.76	662
16	Labour & Employees' State Insurance	12.64	17
17	Disaster Management	602.74	54
18	Rural Development	155.64	3
19	Planning and Convergence	3,855.92	2,162
20	Odia Language, Literature and Culture	190.05	601
21	Electronics & Information Technology	485.34	118
22	General Administration and Public Grievance	112.80	52
23	Skill Development & Technical Education	255.00	105
24	Parliamentary Affairs	2.74	53
25	Home	0.35	7
26	Finance	2.07	8
27	Sports & Youth Services	4.37	21
28	Housing and Urban Development	10,323.72	9,099
29	Forest & Environment	253.33	293
30	Social Security & Empowerment of Persons with Disability	548.82	2,435
31	Co-operation	56.44	38
32	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	686.94	2,608
33	Revenue and Disaster Management	150.53	265
34	Science & Technology	365.36	241
35	Food Supplies and Consumer Welfare	31.38	24
36	Industries	216.23	35
Total		45,527.18	25,080

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

*Amount shown as ₹0.00 against Commerce Department (₹4,200) is due to rounding of the amount

APPENDIX –

(Refer paragraph 4.3)

Statement showing details of GIA for which UCs are pending for more than ten years as on 31-03-2022

(₹in crore)

Sl.No	Department Name	Period for which UC wanting	Outstanding UC amount	No. of GIA Vouchers for which Ucs were awaited
1	Electronics and information Technology	2003-12	8.74	22
2	Fisheries and Animal Resources Development	2003-12	0.84	14
3	Food Supplies and Consumer Welfare	2011-12	0.03	2
4	General Administration and Public Grievance	2006-12	11.96	17
5	Handlooms, Textiles & Handicrafts	2010-12	0.09	3
6	Higher Education	2003-12	13.22	90
7	Housing and Urban Development	2003-12	460.33	4,325
8	Law	2003-12	1.31	28
9	Micro Small and Medium Enterprises	2009-12	0.33	4
10	Odia Language, Literature and Culture	2003-12	30.52	171
11	Panchayati Raj and Drinking Water	2003-12	360.17	2315
12	Planning and Convergence	2003-12	346.76	600
13	Revenue and Disaster Management	2003-12	77.28	248
14	ST & SC Development, Minorities and Backward Classes Welfare	2006-12	29.02	266
15	School and Mass Education	2003-12	1.02	8
16	Science and Technology	2006-11	0.12	2
17	Skill Development and Technical Education	2009-11	0.60	2
Total			1,342.34	8,117

Source: VLC database

APPENDIX –
(Refer paragraph-4.4)

Department wise Outstanding Report of AC/DC Bills as on 31 March 2022

(₹ in lakh)					
Sl. No.	Grant No.	Department Name	Outstanding	Item (Nos.)	Period of pendency
1	01	Home	4,400.73	408	2003-2022
2	02	General Administration and Public Grievance	536.63	33	2015-2021
3	04	Law	10.37	94	2003-2022
4	05	Finance	0.60	1	2021-2022
5	10	School and Mass Education	0.55	3	2021-2022
6	13	Housing and Urban Development	645.44	62	2005-2022
7	17	Panchayati Raj and Drinking Water	10,722.89	361	2005-2022
8	24	Steel & Mines	136.81	187	2019-2022
9	30	Energy	0.05	1	2019-2020
10	34	Co-operation	3.46	1	2013-2014
11	38	Higher Education	224.74	230	2004-2022
12	42	Disaster Management	35.00	4	2019-2020
13	43	Odia Language, Literature and Culture	33.83	10	2012-2021
Total			16,751.1	1395	

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

APPENDIX –
(Refer paragraph 4.4)

Department-wise Outstanding Report of AC/DC Bills during the year 2021-22
(₹ in lakh)

Sl. No.	Grant No.	Department Name	Outstanding	Item (Nos)
1	01	Home	1,348.01	127
2	02	General Administration and Public Grievance	0.1	1
3	04	Law	3.77	29
4	05	Finance	0.60	1
5	10	School and Mass Education	0.55	3
6	13	Housing and Urban Development	645.37	60
7	17	Panchayati Raj and Drinking Water	10,562.30	278
8	24	Steel and Mines	117.91	158
9	38	Higher Education	115.70	112
Total			12,794.31	769

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

APPENDIX – 4.5

(Refer paragraph 4.6)

**Statement of Major Head-Wise Expenditure booked under Minor Head-800-
(other expenditure) during 2021-22****(₹in crore)**

Sl. No.	Major Head	Description	Total Expenditure	Expenditure under MH 800	%age
1	2013	Council of Ministers	24.33	21.21	87.20
2	2075	Miscellaneous General Services	40.00	44.74	111.85
3	2711	Flood Control and Drainage	188.66	172.35	91.36
4	3055	Road Transport	31.60	31.60	100.00
5	4217	Capital Outlay on Urban Development	123.13	99.32	80.66
6	4250	Capital Outlay on Other Services	123.66	107.07	86.59
7	4401	Capital Outlay on Crop Husbandry	104.00	62.40	60.00
8	4408	Capital Outlay on Food Storage and Warehousing	1.49	1.49	100.00
9	4701	Capital Outlay on Medium Irrigation	813.54	450.26	55.35
10	4852	Capital Outlay on Iron and Steel Industries	1.42	1.42	100.00
11	5075	Capital Services Outlay on Other Transport	446.00	403.98	90.58
12	5475	Capital Outlay on Other General Economic Services	2.91	2.35	80.85
Total			1900.74	1,398.19	

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

APPENDIX – 4.6

(Refer paragraph-4.6)

**Statement of Major Head-Wise Receipts booked under Minor Head-800-
(other receipts) during 2021-22**

(₹in crore)

Sl. No.	Major Head	Description	Total Receipts	Minor Head 800 Receipt	% age
1	0217	Urban Development	5.33	5.33	100
2	0211	Family Welfare	0.19	0.19	100
3	0220	Information and Publicity	0.09	0.09	100
4	0235	Social Security and Welfare	3.20	3.20	100
5	0506	Land Reforms	0.08	0.08	100
6	0515	Other Rural Development Programmes	0.01	0.01	100
7	0852	Industries	0.88	0.88	100
8	1051	Ports and Light Houses	187.80	187.80	100
9	1053	Civil Aviation	0.30	0.30	100
10	1456	Civil Supplies	3.92	3.92	100
		Total	201.80	201.80	

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

APPENDIX-4.7

(Refer Paragraph 4.9.1)

Discrepancies between Cash Book and Pass Book balance as on 31 March 2022

(₹ in Crore)

Sl. No.	Name of the DDO	Balance as per Bank pass book	Balance as per Cash book	Difference
1	Collector, Ganjam	18.48	11.36	7.12
2	Commissioner-cum-Secretary, PA Department, Bhubaneswar	0.04	0	0.04
3	Principal Secretary, I & PR Department, Bhubaneswar	7.1	6.59	0.51
4	Commissioner-cum-Secretary, Sports and Youth Services Department, Odisha, Bhubaneswar	12.58	9.28	3.3
5	Comptroller of Finance, Berhampur University, Ganjam	166.56	136.86	29.7
6	Chief District Veterinary Officer (CDVO), Bargarh	9.28	9.27	0.01
7	Deputy Director, Horticulture, Berhampur, Ganjam	10.96	8	2.96
8	ADH, Bhanjanagar, Ganjam	2.56	1.14	1.42
9	DDH, Balasore	2.53	2.44	0.09
10	ADH, Nilgiri	0.29	0.24	0.05
11	Regional Transport Officer, Keonjhar	1.01	0.99	0.02
12	Superintending Engineer, R & B Division, Katabanji	4.94	0	4.94
13	Regional Transport Officer, Dhenkanal	0.58	0.51	0.07
14	Regional Transport Officer, Jajpur	0.17	0.15	0.02
15	Regional Transport Officer, Bhadrak	0.28	0.21	0.07
16	Regional Transport Officer, Mayurbhanj	0.61	0.59	0.02
17	Regional Transport Officer, Angul	0.25	0.16	0.09
18	Regional Transport Officer, Subarnapur	0.21	0.2	0.01
19	Project Director, R&R, Subamarekha Irrigation Project, Laxmiposi, Mayurbhanj	179.76	179.63	0.13
20	Jajpur Municipality, Jajpur	38.59	38.58	0.01
21	Regional Transport Officer, Talcher	0.27	0.13	0.14
22	Special Land Acquisition Officer, Upper Indravati Irrigation Project, Kusumkhunti, Kalahandi	0.14	0.03	0.11
23	Special Land Acquisition Officer, Rengali Right Canal System, Dhenkanal	60.44	57.4	3.04
24	Project Director (R&R), Kanupur Irrigation Project, Basudevpur, Keonjhar	63.45	53.44	10.01
25	Special Land Acquisition Officer, KIP, Rimuli, Keonjhar	18.61	18.02	0.59

26	Superintending Engineer, Ghatogaon R&B Division, Ghatogaon, Keonjhar	1.73	0	1.73
27	Regional Transport Officer, Kendrapara	0.51	0.17	0.34
28	Superintending Engineer, R & B Division, Nayagarh	16.9	0	16.9
29	District Social Security Officer, Balasore	6.21	5.82	0.39
30	District Social Welfare Officer, Bargarh	26.52	20.69	5.83
31	Special Officer, Chuktia Bhunjia Development Agency, Sunabeda, Nuapada	5.66	4.69	0.97
32	Project Administrator, Integrated Tribal Development Agency, Phulbani	26.19	23.73	2.46
33	Project Administrator, Integrated Tribal Development Agency, Paralakhemundi, Gajapati	73.46	59.56	13.9
34	Project Administrator, Integrated Tribal Development Agency (ITDA), Jeypore, Koraput	16.86	11.76	5.1
35	Project Administrator, Integrated Tribal Development Agency (ITDA), Koraput	63.33	51.04	12.29
36	Special Officer, Juang Development Agency, Gonasika Keonjhar Dist: Keonjhar	0.6	0.51	0.09
37	Project Administrator, Integrated Tribal Development Agency, Gunupur, Rayagada	43.02	35.11	7.91
38	Special Officer, Paudi Bhuyan Development Agency(PBDA), Khuntagaon, Sundergarh	1.15	1.14	0.01
39	District Social Security Officer, Angul	1.54	1.14	0.4
40	District Social Welfare Officer, Deogarh	2.91	2.84	0.07
41	District Social Welfare Officer, Sundargarh	59.03	51.52	7.51
42	District Social Welfare Officer, Kandhamal, Phulbani	14.51	13.03	1.48
	Total			141.85
(Minus Figures)				
43	Chief District Veterinary Officer (CDVO), Sambalpur	4.82	4.83	0.01
44	Special Land Acquisition Officer, Anandapur Barrage Project, Salapada, Keonjhar	1.17	33.5	32.33
45	Project Administrator, Integrated Tribal Development Agency (ITDA), Bonai, Sundargarh	1.15	2.13	0.98
46	District Social Security Officer, Mayurbhanj	26.08	26.73	0.65
	Total			33.97
GRAND TOTAL				175.82

Source: Information received from respective Offices of Government of Odisha

NB:-Difference comes to ₹175.82 crore (₹141.85 crore + ₹33.97 crore) irrespective of minus balances

APPENDIX-4.8
(Refer Paragraph 4.11)
Pendency of Accounts and delays in preparation of Separate Audit Reports of
Autonomous Bodies

Sl. No.	Name of the Department	Name of the Body/ Authority receiving grants	Audited under section	Accounts pending since	No. of Accounts pending up to financial year 2021-22
1	Energy	Odisha Electricity Regularity Commission, Bhubaneswar	19(2)	2021-22	01
2	Law	Odisha State Legal Services Authority, Bhubaneswar	19(2)	2018-19	04
3	Forest	Compensatory Afforestation Fund Management and Planning Authority (CAMPA), Odisha, Bhubaneswar	19(2)	2009-10	13
4	Housing and Urban Development	Bhubaneswar Development Authority(BDA), Bhubaneswar	19(3)	1983-84	39
5		Cuttack Development Authority(CDA), Cuttack	19(3)	2012-13	10
6		Rourkela Development Authority (RDA), Rourkela	19(3)	2001-02	21
7		Sambalpur Development Authority(SDA), Sambalpur	19(3)	Not furnished by the Department	Not furnished by the Department
8		Talcher Angul Development Authority(TADA), Angul	19(3)	Not furnished by the Department	Not furnished by the Department
9		Kalinga Nagar Development Authority(KNDA), Jajpur	19(3)	Not furnished by the Department	Not furnished by the Department
10		Puri Konark Development Authority (PKDA), Puri	19(3)	1997-98	25
11		Paradeep Development Authority(PDA), Paradeep	19(3)	Not furnished by the Department	Not furnished by the Department
12		Berhampur Development Authority(BDA), Berhampur	19(3)	Not furnished by the Department	Not furnished by the Department
13	Commerce and Transport	Odisha State Road Transport Corporation, Bhubaneswar	19(2)	2020-21	02
14	Micro, Small and Medium Enterprise	Orissa Small Industries Corporation Limited (OSIC), Cuttack	20(1)	2018-19	04
15		Odisha State Financial Corporation (OSFC), Cuttack	20(1)	2020-21	02
16	General Administration and Public Grievance	Lokayukta, Odisha, Bhubaneswar	19(2)	2021-22	01
17	Labour & Employees State Insurance	Odisha Building and Other Construction Workers Welfare Board (OB&OCWWB), Bhubaneswar	19(2)	2014-15	08
18	Co-operation	Odisha State Warehousing Corporation, Bhubaneswar	19(2)	2019-20	03

Source: Offices of Principal Accountant General (Audit-I) and Accountant General (Audit-II), Odisha
Note: Accounts at Sl. No.4 (BDA: 1983-2019), Sl. No. 5 (CDA: 2012-2020), Sl. No.6 (RDA: 2001-2019) and Sl. No.10 (PKDA: 1997-98), were returned by Audit, due to non-submission of accounts in proper format.

APPENDIX – 4.9

(Refer paragraph 4.15)

Pending cases of misappropriation, losses, theft, etc.

(₹ in lakh)

Name of Department	Cases of misappropriation/ losses/ theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.					
			Awaiting Departmental and criminal investigation		Departmental action initiated but not finalised		Criminal Proceedings finalised but recovery pending	
			Number	Amount	Number	Amount	Number	Amount
Finance	4	9.89	0	0	0	0	0	0
Revenue & Disaster Management	23	340.08	2	1.39	5	200.42	4	4.1
Law	1	0.16	0	0	1	0.16	0	0
Water Resources	220	263.39	109	167.31	103	84.45	4	11.11
Rural Development	53	94.4	30	77.22	22	17.18	0	0
Energy	4	243.64	1	15.98	2	226.49	0	0
Skill Development & Technical Education	7	11.8	0	0	2	2.53	2	4.39
MSME	3	11.72	1	11.59	1	0.08	1	0.05
ST&SC Development, Minorities and Backward classes Welfare	8	6.88	1	0.73	5	5.2	2	0.95
Health & Family Welfare	27	55.67	0	0	3	6.41	14	16.42
Works	81	185.17	32	38.48	45	142.28	0	0
Commerce & Transport	8	9.27	4	6.18	2	1.04	1	0.75
School & Mass Education	11	36.67	5	10.65	1	1.31	0	0
Higher Education	4	14.47	2	3.29	0	0	0	0
Fisheries & ARD	19	75.39	0	0	6	53.36	9	5.74
Agriculture & Farmers' Empowerment	64	105.94	5	13.5	19	61.16	13	4.79
Co-Operation	3	4.19	0	0	1	0.94	0	0
Panchayati Raj and Drinking Water	18	33.99	10	21.11	4	10.97	3	1.51
Home (B) Police	2	14.47	0	0	0	0	0	0
Housing & Urban Development	47	68.91	24	39.41	21	26.22	0	0
Information & Public Relations	59	6.32	49	5.53	8	0.64	0	0
Forest & Environment	45	252.95	7	82.62	29	146.78	3	21.15
TOTAL	711	1,845.37	282	494.99	280	987.62	56	70.96

Source: Information received from respective Offices of Government of Odisha

Note: Out of 711 cases, 87 cases are sub-judice and 6 certificate cases are pending.

APPENDIX- 5.1
As referred in Para No. 5.1.3
(Lists of 82 Government SPSEs and Government Controlled Other SPSEs)

Sl. No.	Sector & Name of the PSU	Name of the Department	Government Company(GC)/Government Controlled Other Company(DGC)
1	2	3	4
A. Social Sector			
I. Working Government Companies			
1	The Agricultural Promotion and Investment Corporation of Odisha Limited	Agriculture & Farmers' Empowerment	GC
2	The Odisha Agro Industries Corporation Limited	Agriculture & Farmers' Empowerment	GC
3	Odisha State Cashew Development Corporation Limited	Agriculture & Farmers' Empowerment	GC
4	Odisha Forest Development Corporation Limited	Forest & Environment	GC
5	Odisha Lift Irrigation Corporation Limited	Water Resources	GC
6	Odisha State Seeds Corporation Limited	Agriculture & Farmers' Empowerment	GC
7	Odisha Pisciculture Development Corporation Limited	Fisheries & Animal Resources Development	GC
8	The Odisha Small Industries Corporation Limited	Industries	GC
9	Odisha Mineral Bearing Areas Development Corporation Limited	Steel & Mines	GC
10	Water Corporation of Odisha Limited	Water Resources	GC
11	Odisha State Beverage Corporation Limited	Excise	GC
12	Odisha State Civil Supplies Corporation Limited	Food Supplies & Consumer Welfare	GC
13	Odisha State Medical Corporation Limited	Health & Family Welfare	GC
14	Odisha Sports Development and Promotion Company Limited	Sports & Youth Services	GC
15	Brahamani Railways Limited	Industries	DGC
16	Odisha Rail Infrastructure Development Limited	Industries	GC
17	Startup Odisha	Micro, Small & Medium Enterprise	GC
18	World Skill Center	Skill Development & Technical Education	GC
II. Inactive Government Companies			
19	Eastern Aquatic Products Limited (under voluntary liquidation since 22 February 1978)	Agriculture & Farmers' Empowerment	GC
20	Orissa Fisheries Development Corporation Limited	Fisheries & Animal Resources Development	GC
B. Competitive Sector			
I. Working Government Companies			
21	The Industrial Promotion and Investment Corporation of Odisha Limited	Industries	GC
22	The Odisha Film Development Corporation Limited	Industries	GC
23	Odisha Rural Housing and Development Corporation Limited.	Housing & Urban Development	GC
24	Paradip Investment Region Development Limited	Industries	DGC

Sl. No.	Sector & Name of the PSU	Name of the Department	Government Company(GC)/Government Controlled Other Company(DGC)
25	The Industrial Development Corporation of Odisha Limited	Industries	GC
26	Odisha Construction Corporation Limited.	Water Resources	GC
27	Orissa Bridge and Construction Corporation Limited	Works	GC
28	IDCO SEZ Development Limited	Industries	DGC
29	Odisha Electronics Park Limited	Industries	DGC
30	Baitarani West Coal Company Limited	Steel & Mines	DGC
31	IDCOL Ferro Chrome & Alloys Limited (subsidiary of Sl.No.B-23)	Industries	GC
32	IDCOL Kalinga Iron Works Limited (Subsidiary of Sl. No. B-23)	Industries	GC
33	The Mandakini B-Coal Corporation Limited	Steel & Mines	DGC
34	The Odisha Mining Corporation Limited	Steel & Mines	GC
35	Nuagaon Coal Company Limited	Steel & Mines	DGC
36	Paradeep Plastic Park Limited	Industries	DGC
37	Angul Aluminium Park Private Limited	Industries	DGC
38	Odisha Mineral Exploration Corporation Limited	Steel & Mines	GC
39	IDCOL Software Limited (Subsidiary of Sl. No.B-23)	Industries	GC
40	Lanjigarh Project Area Development Foundation	Steel & Mines	DGC
41	Odisha Tourism Development Corporation Limited	Tourism	GC
42	Shamuka Tourism Development Corporation Limited	Tourism	DGC
43	Inland Waterways Consortium of Odisha Limited	Industries	DGC
44	Kalinga Studios Limited (Subsidiary of Sl. No.B-20)	Industries	GC
45	Odisha State Financial Corporation	Micro, Small & Medium Enterprise	Government Corporation
46	Odisha State Road Transport Corporation	Commerce and Transport	Government Corporation
47	Odisha State Warehousing Corporation	Co-operation	Government Corporation
48	Odisha Hydro Power Corporation Limited	Energy	GC
49	Odisha Power Generation Corporation Limited	Energy	GC
50	Odisha Thermal Power Corporation Limited	Energy	DGC
51	Green Energy Development Corporation of Odisha Limited	Energy	GC
52	GEDCOL SAIL Power Corporation Limited	Energy	GC
53	Odisha Power Transmission Corporation Limited	Energy	GC
54	Odisha Coal and Power Limited	Energy	GC
55	GRIDCO Limited	Energy	GC
II. Inactive Government Companies			
56	ABS Spinning Orissa Limited (Subsidiary of Sl. No.B-23). (Under liquidation)	Industries	GC
57	Gajapati Steel Industries Limited (Company closed since 1969-70, under voluntary liquidation since 01 March 1974)	Industries	GC

Sl. No.	Sector & Name of the PSU	Name of the Department	Government Company(GC)/Government Controlled Other Company(DGC)
58	Hira Steel and Alloys Limited (Subsidiary of Sl. No.B-23). (Under liquidation.)	Industries	GC
59	IPITRON Times Limited (Subsidiary of Sl.No.B-69). (Under liquidation since 1998)	Industries	GC
60	Konark Detergent and Soaps Limited (Subsidiary of Sl.No.A-8)	Industries	GC
61	Konark Television Limited (Defunct since 1999-2000)	Industries	GC
62	Mayurbhanj Textiles Limited	Handlooms, Textiles & Handicrafts	GC
63	Modern Malleable Casting Company Limited (Closed since 1968. Under voluntary liquidation since 09 March 1976)	Industries	GC
64	New Mayurbhanj Textiles Limited	Handlooms, Textiles & Handicrafts	GC
65	Orissa Boat Builders Limited (under liquidation)	Industries	GC
66	Orissa Electrical Manufacturing Company Limited	Industries	GC
67	Orissa Instruments Company Limited	Industries	GC
68	Orissa Leather Industries Limited (Subsidiary of Sl. No. B-71)	Industries	GC
69	Orissa Textile Mills Limited (Under liquidation since 2001)	Handlooms, Textiles & Handicrafts	GC
70	Orissa State Electronics Development Corporation Limited	Industries	GC
71	Orissa State Handloom Development Corporation Limited (under liquidation)	Handlooms, Textiles & Handicrafts	GC
72	Orissa State Leather Corporation Limited (closed since 18 June 1998)	Industries	GC
73	Orissa State Textile Corporation Limited	Handlooms, Textiles & Handicrafts	GC
74	Orissa Tools and Engineering Company Limited (619-B)	Industries	GC
75	Premier Bolts and Nuts Limited (Under liquidation; assets have been disposed of)	Industries	GC
76	ELCOSMOS Electronics Limited (Subsidiary of Sl. No. B-69)	Industries	GC
77	ELCO Communication and Systems Limited (Subsidiary of Sl.No.B-69 Under liquidation since 1998)	Industries	GC
78	ELMARC Limited (Subsidiary of Sl. No. B-69)	Industries	GC
79	Orissa State Commercial Transport Corporation Limited	Commerce and Transport	GC
C. Other Sector			
I. Working Government Companies			
80	The Odisha State Police Housing and Welfare Corporation Limited	Home	GC
81	Bhubaneswar Smart City Limited	Industries	DGC
82	Rourkela Smart City Limited	Industries	DGC

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

APPENDIX-5.2A
(As referred to in Para No. 5.1.3)
Details of Government Companies and Corporations, having accounts in arrears / under liquidation

Sl. No.	Name of the Sector/SPSE	Year for which Accounts are not received by 15 September 2022
1	2	3
A.	Social Sector	
I. Working Government Companies		
1	The Agricultural Promotion and Investment Corporation of Odisha Limited	2021-22
2	The Odisha Agro Industries Corporation Limited	2021-22
3	Odisha State Cashew Development Corporation Limited	2020-21 to 2021-22
4	Odisha Forest Development Corporation Limited	2021-22
5	Odisha Lift Irrigation Corporation Limited	2019-20 to 2021-22
6	Odisha State Seeds Corporation Limited	2021-22
7	Odisha Pisciculture Development Corporation Limited	2018-19 to 2021-22
8	The Odisha Small Industries Corporation Limited	2019-20 to 2021-22
9	Odisha State Civil Supplies Corporation Limited	2019-20 to 2021-22
10	Odisha State Medical Corporation Limited	2021-22
11	Odisha Sports Development and Promotion Company Limited	2021-22
12	Odisha Mineral Bearing Areas Development Corporation Limited	2021-22
13	Odisha State Beverage Corporation Limited	2021-22
14	Startup Odisha	2021-22
15	World Skill Center	2021-22
II. Non-working Government Companies		
16	Eastern Aquatic Products Limited	Under voluntary liquidation since 22 February 1978
17	Orissa Fisheries Development Corporation Limited	Defunct
B.	Competitive sector	
I. Working Government Companies		
18	The Odisha Film Development Corporation Limited	2019-20 to 2021-22
19	Odisha Rural Housing and Development Corporation Limited.	2009-10 to 2021-22
20	The Industrial Development Corporation of Odisha Limited	2021-22
21	Odisha Construction Corporation Limited.	2020-21 to 2021-22
22	Orissa Bridge and Construction Corporation Limited	2021-22
23	Odisha Tourism Development Corporation Limited	2021-22
24	Kalinga Studios Limited	2020-21 to 2021-22
25	The Odisha State Police Housing and Welfare Corporation Limited	2021-22
26	Odisha Hydro Power Corporation Limited	2021-22
27	Odisha Power Transmission Corporation Limited	2021-22
28	Green Energy Development Corporation of Odisha Limited	2021-22
29	GEDCOL SAIL Power Corporation Limited	2021-22
II. Statutory Corporation		

Sl. No.	Name of the Sector/SPSE	Year for which Accounts are not received by 15 September 2022
30	Odisha State Financial Corporation	2021-22
31	Odisha State Road Transport Corporation	2021-22
32	Odisha State Warehousing Corporation	2019-20 to 2021-22
	III. Non-working Government Companies	
33	ABS Spinning Orissa Limited	Under liquidation
34	Gajapati Steel Industries Limited	Company closed since 1969-70, under voluntary liquidation since 01 March 1974
35	Hira Steel and Alloys Limited	Under liquidation
36	IPITRON Times Limited	Under liquidation since 1998
37	Konark Detergent and Soaps Limited	Defunct
38	Konark Television Limited	Under liquidation
39	Mayurbhanj Textiles Limited	Defunct
40	Modern Malleable Casting Company Limited	Closed since 1968. Under voluntary liquidation since 09 March 1976
41	New Mayurbhanj Textiles Limited	Defunct
42	Orissa Boat Builders Limited	Under liquidation
43	Orissa Electrical Manufacturing Company Limited	Under liquidation
44	Orissa Instruments Company Limited	Defunct
45	Orissa Leather Industries Limited	Defunct
46	Orissa Textile Mills Limited	Under liquidation since 2001
47	Orissa State Electronics Development Corporation Limited	Under liquidation
48	Orissa State Handloom Development Corporation Limited	Under liquidation
49	Orissa State Leather Corporation Limited	Defunct
50	Orissa State Textile Corporation Limited	Under liquidation
51	Orissa Tools and Engineering Company Limited (619-B)	Defunct
52	Premier Bolts and Nuts Limited	Under liquidation; assets have been disposed of
53	ELCOSMOS Electronics Limited	Under liquidation
54	ELCO Communication and Systems Limited	Under liquidation since 1998
55	ELMARC Limited	Defunct
56	Orissa State Commercial Transport Corporation Limited	Defunct

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

APPENDIX-5.2 B
(As referred to in Para No.5.1.3)

Details of accounts in arrears, of Government controlled other companies

Sl. No.	Name of the SPSEs	Year for which Accounts not received by 15 September 2022
1	Brahmani Railways Limited	2021-22
2	IDCO SEZ Development Limited	2021-22
3	Odisha Electronics Park Limited	2021-22
4	Angul Aluminium Park Private Limited	2021-22
5	The Mandakini B-Coal Corporation Limited	2016-17 to 2021-22
6	Nuagaon Coal Company Limited	2015-16 to 2021-22
7	Paradeep Plastic Park Limited	2021-22
8	Lanjigarh Project Area Development Foundation	2019-20 to 2021-22
9	Inland Waterways Consortium of Odisha Limited	2019-20 to 2021-22
10	Paradip Investment Region Development Limited	2021-22
11	Bhubaneswar Smart City Limited	2021-22
12	Shamuka Tourism Development Corporation Limited	2021-22
13	Odisha Thermal Power Corporation Limited	2021-22

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

APPENDIX-5.3
(As referred to in Para No. 5.1.4)
Department-wise details of turnover of State PSEs
(₹ in crore)

Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
1	Energy Department					
	Turnover	9,601.63	9,641.1	9,974.4	12,335.38	15,029.38
	Percentage of Turnover to GSDP of Odisha	2.31	1.98	1.87	2.42	2.35
2	Excise Department					
	Turnover	3,726.7	4,738.36	4,738.36	3,922.33	3922.33
	Percentage of Turnover to GSDP of Odisha	0.90	0.97	0.93	0.73	0.61
3	Steel & Mines Department					
	Turnover	2,853.14	4,052.3	4,093.2	5,587.27	17,036.16
	Percentage of Turnover to GSDP of Odisha	0.69	0.83	0.77	1.10	2.67
4	Water Resources Department					
	Turnover	867.45	763.35	486.6	486.6	595.51
	Percentage of Turnover to GSDP of Odisha	0.21	0.16	0.09	0.10	0.09
5	Home Department					
	Turnover	385.31	376.01	376.01	302.58	336.54
	Percentage of Turnover to GSDP of Odisha	0.09	0.08	0.07	0.06	0.05
6	Industries Department					
	Turnover	233.29	266.78	354.64	166.51	263.88
	Percentage of Turnover to GSDP of Odisha	0.06	0.05	0.07	0.03	0.04
7	Forest & Environment Department					
	Turnover	212.41	212.41	195.72	152.03	140.21

	Percentage of Turnover to GSDP of Odisha	0.05	0.04	0.04	0.03	0.02
8	Agriculture & Farmers' Department					
	Turnover	175.83	191.65	181.8	548.02	671.45
	Percentage of Turnover to GSDP of Odisha	0.04	0.04	0.03	0.11	0.11
9	Commerce & Transport Department					
	Turnover	85.85	88.07	98.39	98.39	33.00
	Percentage of Turnover to GSDP of Odisha	0.02	0.02	0.02	0.02	0.01
10	Works Department					
	Turnover	65.01	65.01	96.22	139.83	108.62
	Percentage of Turnover to GSDP of Odisha	0.02	0.01	0.02	0.03	0.02
11	Tourism Department					
	Turnover	25.96	25.96	44.76	37.72	27.21
	Percentage of Turnover to GSDP of Odisha	0.006	0.005	0.008	0.007	0.004
12	Health & Family Department					
	Turnover	12.26	21.81	21.81	11.93	8.64
	Percentage of Turnover to GSDP of Odisha	0.003	0.004	0.004	0.002	0.001
13	Sports & Youth Department					
	Turnover	20.84	5	0	0	0
	Percentage of Turnover to GSDP of Odisha	0.005	0.001	0.000	0.000	0.000
14	Micro, Small & Medium Enterprise					
	Turnover	3.71	6.68	6.68	1.95	1.50
	Percentage of Turnover to GSDP of Odisha	0.001	0.001	0.001	0.000	0.000

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

APPENDIX – 5.4
(As referred to in Para No. 5.3.2)
Loss incurred by 10 SPSEs during 2020-21 and 2021-22
(₹ in crore)

Sl. No.	Name of SPSEs	Profit/Loss during 2021-22	Profit/Loss during 2020-21
1	Odisha Mineral Bearing Area Development Corporation Limited	-1,818.38	-1,818.38
2	Odisha Rail Infrastructure Development Limited	-2.36	0.29
3	IDCOL Ferro Chrome & Alloys Limited	-1.15	-22.76
4	IDCOL Kalinga Iron Works Limited	-37.64	-3.45
5	Odisha Mineral Exploration Corporation Limited	-7.22	-2.31
6	Odisha Tourism Development Corporation Limited	-1.83	3.40
7	GRIDCO Limited	-440.18	-1,382.35
8	Odisha Power Generation Corporation Limited	-102.83	-190.51
9	Odisha State Financial Corporation	-0.92	-2.35
10	Odisha State Road Transport Corporation	-10.59	3.54
TOTAL		-2,423.10	-3,414.88

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

APPENDIX- 5.5
(As referred to in Para No. 5.3.4)

Shortfall in dividend by Government companies

(₹ in crore)

Sl. No.	Name of the Company	State Government equity	Net Profit after tax	Dividend on equity shares	Dividend 30% on state gov equity	Dividend 30% on profit after tax	Minimum Dividend required to be declared	Shortfall
1	The Agricultural Promotion and Investment Corporation of Odisha Limited	1.10	0.03	0.01	0.33	0.01	0.33	0.32
2	The Odisha Agro Industries Corporation Limited	38.44	6.90	1.00	11.53	2.07	11.53	10.53
3	Odisha Forest Development Corporation Limited	5.00	20.04	3.01	1.50	6.01	6.01	3.00
4	Orissa Bridge and Construction Corporation Limited	20.00	5.48	1.64	6.00	1.64	6.00	4.36
5	Odisha Hydro Power Corporation Limited	833.19	180.64	30.00	249.96	54.19	249.96	219.96
6	Odisha State Seeds Corporation Limited	2.11	2.84	0.29	0.63	0.85	0.85	0.56
7	Odisha Mining Corporation Limited	31.45	2731.72	500.00	9.44	819.52	819.52	319.52

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

APPENDIX-5.6
(As referred to in Para No. 5.4)
Value of Production, Total Assets and Capital Employed of CPSEs
(₹in crore)

Sl. No.	PSU	2021-22			2020-21			2019-20		
		Value of production	Total Assets	Capital employed	Value of production	Total Assets	Capital employed	Value of production	Total Assets	Capital employed
1	Odisha Hydro Power Corporation Limited	451.41	4294.94	3087.01	505.91	4,055.53	2,944.06	470.13	3,873.57	2,805.3
2	Odisha State Cashew Development Corporation Limited	6.8	106.39	48.97	9.06	102.58	48.07	7.71	102.58	48.07
3	The Odisha Agro Industries Corporation Limited	42.60	792.62	113.86	55.18	666.55	112.75	37.1	580.82	85.51
4	Odisha Power Generation Corporation Limited	3046.66	11590.22	9350.91	2,624.15	11,251.47	9,787.21	1,856.83	10,699.68	9,946.28
5	Green Energy Development Corporation of Odisha Limited	4.35	286.05	78.84	6.93	286.05	78.84	7.5	330.32	73.47
6	Odisha State Seeds Corporation Limited	159.79	302.21	14.40	165.35	238.09	19.3	145.27	278.34	11.45
7	The Odisha Mining Corporation Limited	3073.83	13186.53	8808.05	1,216.84	8,139.96	6,576.64	1,148.59	6,961.35	5,992.54
8	The Industrial Development Corporation of Odisha Limited	200.98	344.27	250.02	80.96	356.55	228.89	56.7	334.73	217.62
9	IDCOL Ferro Chrome & Alloys Limited	1.15	70.46	-15.08	0.47	80.55	5.99	0.42	106.91	28.75
10	Kalinga Studios Limited	0	6.05	-1.68	-0.19	6.05	-1.68	0.01	6.05	-1.68
11	Odisha Tourism Development Corporation Limited	7.82	444.15	39.05	8.8	444.15	39.05	7.59	345.39	40.88
12	Odisha Forest Development	0	904.91	-42.63	45.97	904.91	-42.63	50.24	820.59	-52.14

Sl. No.	PSU	2021-22			2020-21			2019-20		
		Value of production	Total Assets	Capital employed	Value of production	Total Assets	Capital employed	Value of production	Total Assets	Capital employed
	Corporation Limited									
13	Odisha Coal and Power Limited	464.13	1288.44	1689.56	151.11	1721.44	1494.75	75.01	1665.56	1288.44
14	Odisha Bridge Construction Corporation Limited	10.49	903.91	39.39	97.11	903.91	39.39	0	194.77	35.96
15	Odisha Construction Corporation Limited	600	1549.97	179.88	399.44	1549.97	179.88	471.62	1549.97	179.88
Total		8,070.01	36,071.12	23,640.55	5,367.09	30,605.18	21,510.51	4,334.72	27,850.63	20,700.33

(Source: Compiled on the basis of latest finalised accounts of SPSEs and information furnished by SPSEs)

APPENDIX-5.7
(As referred to in Para No. 5.4.1)
Return on Capital Employed of CPSEs

(₹ in crore)

Sl. No.	SPSE	2021-22			2020-21			2019-20		
		EBIT	Capital Employed	ROCE (in %)	EBIT	Capital Employed	ROCE (in %)	EBIT	Capital Employed	ROCE (in %)
1	The Agricultural Promotion and Investment Corporation of Odisha Limited	0.1	2.27	4.41	0.22	2.25	9.78	0.21	2.19	9.59
2	The Odisha Agro Industries Corporation Limited	11.39	113.86	10.00	26.12	112.75	23.17	20.31	85.51	23.75
3	Odisha State Cashew Development Corporation Limited	4.02	48.97	8.21	9.01	48.07	18.74	9.01	48.07	18.74
4	Odisha Forest Development Corporation Limited	28.41	-42.63	-66.64	26.16	-52.14	-50.17	36.74	-58.97	-62.30
5	Odisha State Seeds Corporation Limited	3.18	14.40	22.08	6.13	19.30	31.76	0.52	11.45	4.54
6	The Industrial Promotion and Investment Corporation of Odisha Limited	12.05	125.55	9.60	10.69	115.82	9.23	10.09	112.79	8.95
7	The Industrial Development Corporation of Odisha Limited	21.56	250.02	8.62	19.23	228.89	8.40	9.62	217.62	4.42
8	Odisha Construction Corporation Limited	76.31	179.88	42.42	77.40	149.39	51.81	77.40	149.39	51.81
9	Orissa Bridge and Construction Corporation Limited	7.61	39.39	19.32	7.53	35.96	20.94	7.94	34.63	22.93
10	The Odisha State Police Housing and Welfare	28.12	152.32	18.46	26.82	137.65	19.48	26.30	123.62	21.27

Sl. No.	SPSE	2021-22			2020-21			2019-20		
		EBIT	Capital Employed	ROCE (in %)	EBIT	Capital Employed	ROCE (in %)	EBIT	Capital Employed	ROCE (in %)
	Corporation Limited									
11	Odisha Mineral Bearing Areas Development Corporation Limited	- 1818.38	0.01	- 18183800.00	- 1,818.38	0.01	- 1,81,83,800	427.20	427.21	100.00
12	Water Corporation of Odisha Limited	0.02	0.54	3.70	-0.25	0.41	-60.98	-0.25	0.41	-60.98
13	Odisha Rail Infrastructure Development Limited	-2.36	52.38	-4.51	0.51	54.74	0.93	2.35	54.45	4.32
14	IDCOL Ferro Chrome & Alloys Limited	-1.15	-15.08	-7.63	-21.35	5.99	-356.43	-6.97	28.75	-24.24
15	IDCOL Kalinga Iron Works Limited	-37.64	-38.28	-98.33	-3.45	-16.17	-21.34	-4.70	-12.72	-36.95
16	The Odisha Mining Corporation Limited	3897.66	8808.05	44.25	2,409.43	6,576.64	36.64	1,137.63	5,992.54	18.98
17	Odisha State Beverage Corporation Limited	33.02	343.94	9.60	33.02	330.64	9.99	46.52	320.11	14.53
18	Odisha Mineral Exploration Corporation Limited	-6.67	0.02	-33350.00	-2.21	-1.88	-117.55	-1.60	0.43	0.00
19	IDCOL Software Limited	1.41	4.19	33.65	0.42	3.14	13.38	0.26	2.80	9.29
20	Odisha Tourism Development Corporation Limited	11.88	39.05	30.42	19.68	40.88	48.14	18.09	37.48	48.27
21	Odisha State Medical Corporation Limited	3.43	70.33	4.88	14.28	68.28	20.91	12.95	58.37	22.19
22	Odisha Sports Development and Promotion Company Limited	1.86	22.43	8.29	1.50	20.56	7.30	1.13	19.06	5.93

Sl. No.	SPSE	2021-22			2020-21			2019-20		
		EBIT	Capital Employed	ROCE (in %)	EBIT	Capital Employed	ROCE (in %)	EBIT	Capital Employed	ROCE (in %)
23	Odisha State Financial Corporation	-0.45	57.06	-0.79	-1.59	50.12	-3.17	5.73	52.01	11.02
24	Odisha State Road Transport Corporation	-10.59	170.4	-6.21	1.97	139.17	1.42	1.97	139.17	1.42
25	GRIDCO Limited	205.49	128.69	159.68	-951.19	-1,176.02	-80.88	216.32	-479.28	-45.13
26	Odisha Hydro Power Corporation Limited	277.95	3087.01	9.00	317.78	2,944.06	10.79	300.61	2,805.30	10.72
27	Odisha Power Generation Corporation Limited	650.86	9350.91	6.96	602.02	9,787.21	6.15	272.29	9,946.28	2.74
28	Odisha Power Transmission Corporation Limited	84.28	2880.16	2.93	-8.82	1,709.62	-0.52	112.11	1,568.78	7.15
29	Green Energy Development Corporation of Odisha Limited	10.52	78.84	13.34	10.52	78.84	13.34	14.66	73.47	19.95
30	Odisha Coal and Power Limited	299.32	1689.56	17.72	85.46	1,494.75	5.72	-0.34	992.39	-0.03
31	GEDCOL SAIL Power Corporation Limited	0.04	10.07	0.40	0.02	0.04	50.00	0.26	10.02	2.59
32	Kalinga Studios Limited	0.01	-1.68	0	-0.24	-0.93	0	0	-0.72	0
Total		3793.26	27624.31	13.73	898.44	22,908.04	3.92	2,755.96	22,762.61	12.11

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

APPENDIX-5.8
(As referred to in Para No. 5.4.2)
Return on Equity of SPSEs

(₹ in crore)

Sl. No.	SPSE	2021-22			2020-21			2019-20		
		Equity	Net Profit After Tax and Preference Dividend	ROE (in %)	Equity	Net Profit After Tax and Preference Dividend	ROE (in %)	Equity	Net Profit After Tax and Preference Dividend	ROE (in %)
1	The Agricultural Promotion and Investment Corporation of Odisha Limited	1.1	0.03	2.73	2.25	0.09	4.00	2.19	0.07	3.20
2	The Odisha Agro Industries Corporation Limited	39.85	6.9	17.31	110.14	16.55	15.03	85.51	12.80	
3	Odisha State Cashew Development Corporation Limited	1.55	1.46	94.19	48.07	7.97	16.58	48.07	7.97	16.58
4	Odisha Forest Development Corporation Limited	5.00	20.04	400.80	-52.14	10.54	-20.21	-58.97	15.28	-25.91
5	Odisha State Seeds Corporation Limited	2.63	2.84	107.98	3.58	6.02	168.16	-2.44	0.24	-9.84
6	The Industrial Promotion and Investment Corporation of Odisha Limited	83.14	9.73	11.70	115.82	8.56	7.39	112.79	6.19	5.49
7	The Industrial Development Corporation of Odisha Limited	57.12	9.53	16.68	-11.61	2.46	-21.19	-13.71	-7.26	-52.95
8	Odisha Construction Corporation Limited	17.50	49.03	280.17	149.39	50.13	33.56	149.39	50.13	33.56
9	Orissa Bridge and Construction Corporation Limited	20.00	5.48	27.40	35.96	5.43	15.10	34.63	5.73	16.55
10	The Odisha State Police Housing and Welfare Corporation Limited	5.63	20.95	372.11	137.65	20.06	14.57	123.62	17.08	13.82
11	Odisha Mineral Bearing Areas Development Corporation Limited	0.01	-1,818.38	-18183800.00	0.01	-1,818.38	-1,81,83,800	427.21	427.20	100.00
12	Water Corporation of Odisha Limited	1	0.02	2.00	0.41	-0.25	-60.98	0.41	-0.25	-60.98
13	Odisha Rail Infrastructure Development Limited	51	-2.36	-4.63	54.74	0.29	0.53	54.45	1.67	3.07
14	IDCOL Ferro Chrome & Alloys Limited	18.81	-1.15	-6.11	5.99	-22.76	-379.97	28.75	-8.43	-29.32
15	IDCOL Kalinga Iron Works Limited	150.10	-37.64	-25.08	-16.17	-3.45	-21.34	-12.72	-4.7	-36.95
16	The Odisha Mining Corporation Limited	31.45	2731.72	8685.91	6,576.64	1,586.27	24.12	5,992.54	728.72	12.16
17	Odisha State Beverage Corporation Limited	1.00	20.88	2088.00	330.64	20.88	6.32	320.11	29.99	9.37
18	Odisha Mineral Exploration Corporation Limited	0.43	-7.22	-1679.07	-1.88	-2.31	-122.87	0.43	0	0.00
19	IDCOL Software Limited	1.00	1.06	106.00	3.14	0.34	10.83	2.80	0.19	6.79

Sl. No.	SPSE	2021-22			2020-21			2019-20		
		Equity	Net Profit After Tax and Preference Dividend	ROE (in %)	Equity	Net Profit After Tax and Preference Dividend	ROE (in %)	Equity	Net Profit After Tax and Preference Dividend	ROE (in %)
20	Odisha Tourism Development Corporation Limited	9.62	-1.83	-19.02	40.88	3.40	8.32	37.48	3.47	9.26
21	Odisha State Medical Corporation Limited	10.00	2.09	20.90	68.28	9.78	14.32	58.37	9.10	15.59
22	Odisha Sports Development and Promotion Company Limited	0.25	1.86	744.00	20.56	1.50	7.30	19.06	1.13	5.93
23	Odisha State Financial Corporation	419.54	-0.92	-0.22	-48.49	-2.35	-4.85	-46.60	5.26	-11.29
24	Odisha State Road Transport Corporation	344.47	-10.59	-3.07	137.87	3.54	2.57	137.87	3.54	2.57
25	GRIDCO Limited	2791.22	-440.18	-15.77	-	-1,382.35	-20.12	-4134.80	-281.05	-6.80
26	Odisha Hydro Power Corporation Limited	833.19	180.64	21.68	1,987.77	158.06	7.95	1,818.78	144.39	7.94
27	Odisha Power Generation Corporation Limited	2029.50	-102.83	-5.07	2,731.27	-190.51	-6.98	3,063.45	171.48	5.60
28	Odisha Power Transmission Corporation Limited	1571.06	61.67	3.93	888.50	-144.37	-16.25	969.70	37.71	3.89
29	Green Energy Development Corporation of Odisha Limited	50.32	5.35	10.63	78.84	5.35	6.79	73.47	6.11	8.32
30	Odisha Coal and Power Limited	425.95	158.27	37.16	373.58	-1.46	-0.39	291.03	-2.81	-0.97
31	GEDCOL SAIL Power Corporation Limited	10.00	0.02	0.20	10.07	0.02	0.20	10.02	0.25	2.50
32	Kalinga Studios Limited	1.75	0.01		1.75	-0.24		1.75	0	
Total		8,985.19	866.48	9.65	6,914.22	-1,651.19	-23.88	9,594.64	1,381.20	14.40

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

APPENDIX-
(Referred to in Para No. 5.9.1.2)
List of SPSEs, where Comments were issued by CAG

Sl. No.	Name of the Company	Government Company(GC)/ Government Controlled Other Company(DGC)
1	GRIDCO Limited	GC
2	Industrial Development Corporation of Odisha Limited	GC
3	Industrial Promotion and Investment Corporation of Odisha Limited	GC
4	Odisha Hydro Power Corporation Limited	GC
5	Odisha Forest Development Corporation Limited	GC
6	Odisha Power Transmission Corporation Limited	GC
7	Odisha State Warehousing Corporation	GC
8	Odisha State Beverages Corporation Limited	GC
9	Odisha State Medical Corporation Limited	GC
10	Odisha State Civil Supplies Corporation Limited	GC
11	Odisha Pisciculture Development Corporation Limited	GC
12	Odisha Agro Industries Corporation Limited	GC
13	Odisha Construction Corporation Limited	GC
14	Odisha Lift Irrigation Corporation Limited	GC
15	Odisha State Road Transport Corporation	GC
16	Bhubaneswar Smart City Limited	DGC
17	Rourkela Smart City Limited	DGC
18	Odisha Bridge and Construction Corporation Limited	GC
19	Water Corporation of Odisha Limited	GC
20	Odisha Film Development Corporation Limited	GC
21	Odisha Mining Corporation Limited	GC

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

APPENDIX-5.10

(Referred to in Para No. 5.10)

Details of Companies where there was non-compliance with Accounting Standards/ Ind AS, as reported by the Statutory Auditors

Sl. No.	Name of the Company	Government Company(GC) or Government Controlled Other Company (DGC)	Number of Accounting Standard (AS)/ IND AS
1	The Odisha Small Industries Corporation Limited	GC	AS-20, AS-15, AS-17, AS-19
2	Odisha State Seeds Corporation Limited	GC	AS-2, AS-3, AS-15
3	GRIDCO Limited	GC	Ind AS 109
4	Odisha Bridge and Construction Corporation Limited	GC	AS-02 & AS-15
5	Baitarani West Coal Company Limited	GC	AS-33
6	Odisha State Civil Supplies Corporation Limited	GC	AS-1,2,3,4,5,6,9,10,12, 22, 28 & 29
7	The Agricultural Promotion and Investment Corporation of Odisha Limited	GC	AS-12
8	Industrial Development Corporation of Odisha Limited	GC	AS-9, AS-28
9	Odisha Construction Corporation Limited	GC	AS-1, AS-17, AS-22
10	The Odisha Agro Industries Corporation Limited	GC	AS-17, AS-5
11	IDCOL Kalinga Iron Works Limited	GC	AS-28

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

APPENDIX-5.11
(Referred to in Para No. 5.11)
List of SPSEs where Management Letters were issued by CAG

Sl. No.	Name of the Company
1	Odisha Agro Industries Corporation Limited
2	Odisha Bridge and Construction Corporation Limited
3	Odisha Hydro Power Corporation Limited
4	GRIDCO Limited
5	Odisha Mineral Exploration Corporation Limited
6	Agricultural Promotion and Investment Corporation Limited
7	Odisha State Beverages Corporation Limited
8	IDCOL Kalinga Iron works Limited
9	Brahmani Railways Limited
10	Industrial Promotion and Investment Corporation of Odisha Limited
11	Paradeep Plastic Park Limited
12	Kalinga Studios Limited
13	Odisha Electronics Park Limited
14	IDCO SEZ Development Limited
15	Odisha State Civil Supplies Corporation Limited
16	Odisha Pisciculture Development Corporation Limited
17	Odisha Sports Development and Promotion Company Limited
18	Odisha Construction Corporation Limited
19	Baitarani West Coal Corporation Limited
20	Odisha Power Transmission Corporation Limited
21	Odisha Hydro Power Corporation Limited
22	Odisha Film Development Corporation Limited
23	Odisha Tourism Development Corporation Limited
24	Shamuka Tourism Development Corporation Limited
25	Odisha Police Housing and Welfare Corporation Limited
26	Odisha State Seeds Corporation Limited

(Source: Compiled on the basis of latest finalised accounts of SPSEs)

APPENDIX-6.1
Glossary of important Budget related terms

Terms	Basis of Calculation
Accounts' or 'actuals' of a year.	Accounts' or 'actuals' of a year. - are the amounts of receipts and disbursements for the financial year beginning on April 1st and ending March 31 following, as finally recorded in the Accounting authority's books (as audited by C&AG). Provisional Accounts refers to the unaudited accounts.
Administrative approval' of a scheme, proposal or work	Administrative approval' is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issue.
Annual financial statement	Annual financial statement means the statement of estimated receipts and expenditure of the Central/State Government for each financial year, laid before the Parliament /State Legislature.
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 authorization by the Legislature.
Controlling Officer (budget)	Controlling Officer means an officer entrusted by a Department with the responsibility of controlling the incurring of expenditure and/or the collection of revenue.
Drawing and Disbursing Officer' (DDO)	Drawing and Disbursing Officer' (DDO) means a Head of Office and also any other Officer so designated by the Finance Department of the State Government, to draw bills and make payments on behalf of the State Government.
Public Account	Public Account means the Public Account referred to in Article 266(2) of the Constitution. The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the Parliament/State Legislature, as they are not moneys issue out of the Consolidated Fund of India/State.

Major Head	Major Head means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the State. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a 'function' of Government such as Agriculture, Education, Health, etc.
Minor Head	Minor Head means a head subordinate to a Major Head or a Sub-Major Head. A Minor Head subordinate to a Major Head identifies a "programme" undertaken to achieve the objectives of the function represented by the Major Head.
Sub Major Head	Sub Major Head means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor Heads are numerous and can conveniently be grouped together under such intermediate Head.
Sub-Head	Sub-Head means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.
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 majorhead 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)	$\frac{\text{Rate of Growth of parameter (X)}}{\text{Rate of Growth of parameter (Y)}}$
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 states that if quantum spread together with primary deficit is zero, Debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, Debt-GSDP ratio would be rising and in case it is positive, Debt-GSDP ratio would eventually be falling.
Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant Debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.
Development Expenditure	Social Services + Economic Services.
Escrow Account	In order to ensure fiscal discipline in public sector undertaking/Urban Local Bodies/Co-operative Institutions and State-owned Companies etc., and to ensure minimising the default on payment of Government guaranteed loans the Government in Finance Department vide their Resolution No.11311/F dated 19 March 2004 have issued instructions that all Public Sector Undertakings/ Urban Local Bodies/ Co-operative Institutions and State-owned Companies etc. who have borrowed against Government guarantee will open an Escrow Account in a nationalised bank for timely repayment of guaranteed loans. The proceeds of this account shall first be utilised for payment of dues of the financial Institutions and it is only after meeting such payments that the surplus amount shall be diverted for other payments including salaries.

Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts– Miscellaneous Capital Receipts.
Guarantee Redemption Fund	Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. Government of Odisha has constituted a guaranteed redemption fund during the year 2002-2003 with the objective of meeting the payment obligations arising out of the default in discharging the debt servicing for the loans guaranteed by Government.
Internal Debt	Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund.
Interest received as <i>per cent</i> to Loans Outstanding	Interest Received/ [(Opening balance + Closing balance of Loans and Advances)/2] *100.
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
Rate of Growth(ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit.
Revenue Deficit	Revenue Receipt – Revenue Expenditure.
Sinking Fund	A Fund into which the Government sets aside money over time, in order to retire its debt.
Sufficiency of Non-Debt Receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

Supplementary Grants	If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution of India to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115 (1) of the Constitution of India.
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.

Appendices

Acronyms	Full Form
AC	Abstract Contingency
AE	Aggregate Expenditure
BE	Budget Estimates
CAG	Comptroller and Auditor General of India
CE	Capital Expenditure
CFS	Consolidated Fund of the State
DC	Detailed Contingent
DDO	Drawing and Disbursing Officer
DE	Development Expenditure
DRDA	District Rural Development Agency
FCP	Fiscal Correction Path
FC XIV	Fourteenth Finance Commission
FRBM	Fiscal Responsibility and Budget Management
GDP	Gross Domestic Product
GIA	Grants-in-Aid
GoI	Government of India
GSDP	Gross State Domestic Product
H&UDD	Housing and Urban Development Department
ITDA	Integrated Tribal Development Agency
MTFP	Medium Term Fiscal Plan
NSSF	National Small Savings Fund
O&M	Operation and Maintenance
OB&OCWWB	Odisha Building and Other Construction Workers Welfare Board
OMBADC	Odisha Mineral Bearing Areas Development Corporation
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
PSU	Public Sector Undertakings
RE	Revenue Expenditure
RR	Revenue Receipts
S&W	Salaries and Wages
SFC	State Finance Commission
SSE	Social Sector Expenditure
TE	Total Expenditure
UC	Utilisation Certificates
VLC	Voucher Level Computerisation

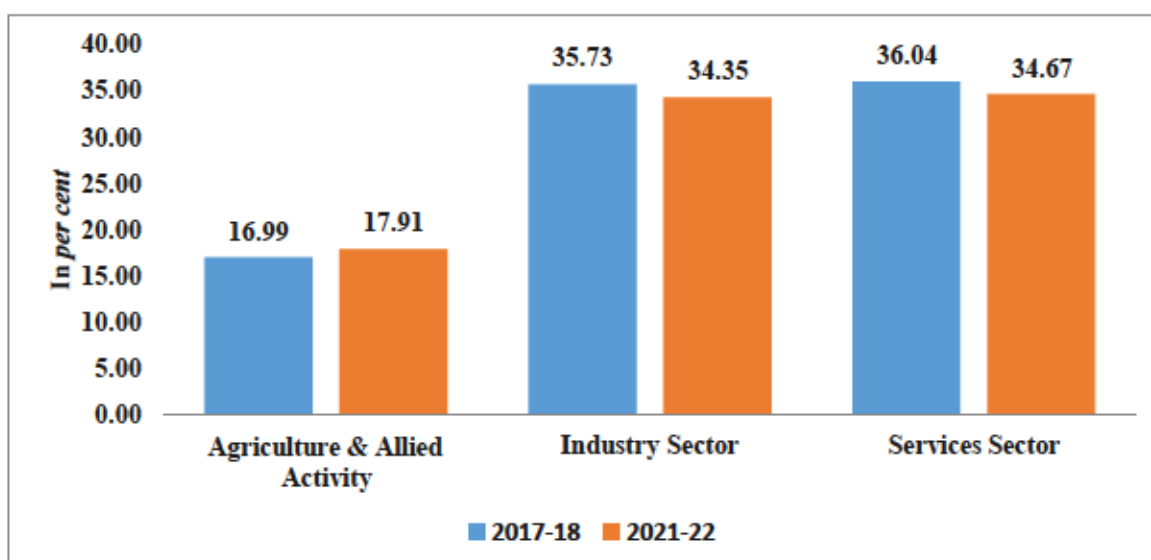
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GSDP in 2021-22.

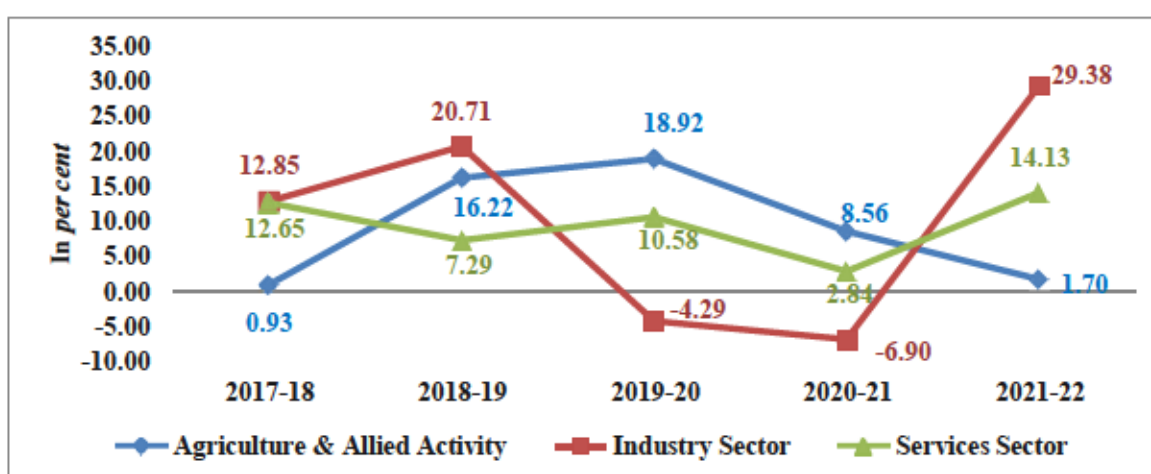
The changes in sectoral contribution to GSDP and trends in sectoral growth of GSDP, over the years 2017-18 to 2021-22, are detailed in Charts 1.1 and 1.2 below:

Chart 1.1: Change in Sectoral Contribution to GSDP (2017-18 to 2021-22)



Source: Directorate of Economics & Statistics, Government of Odisha

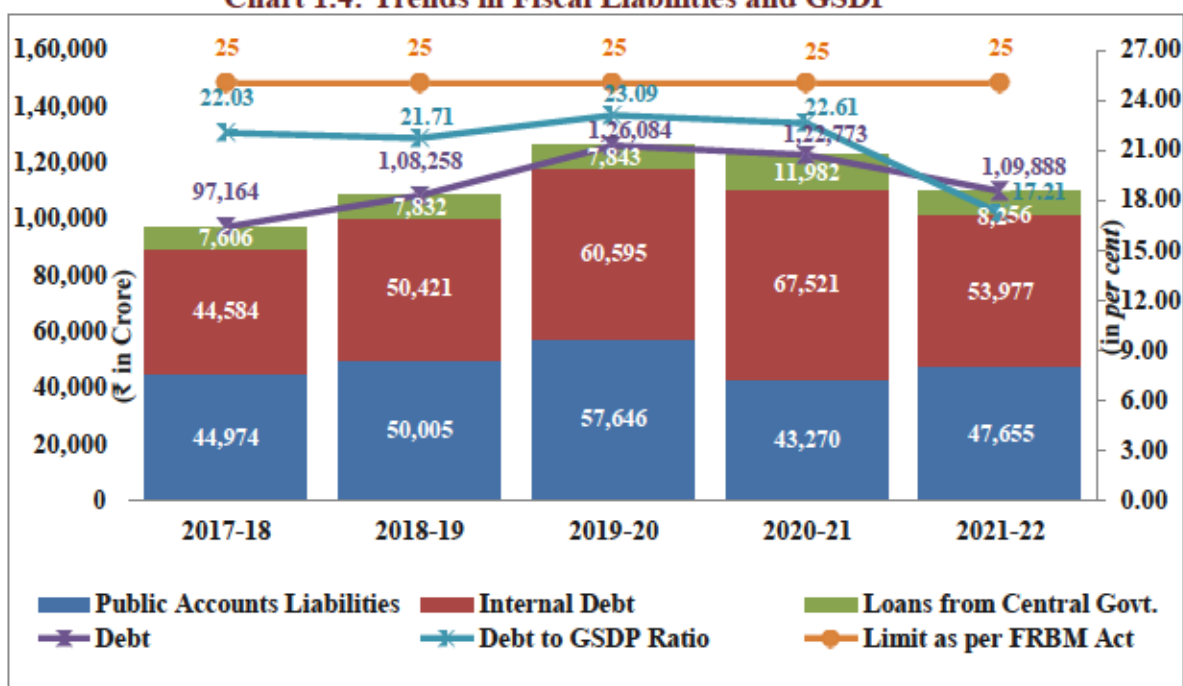
Chart 1.2: Sectoral Growth in GSDP (Over Previous Year)



Source: Directorate of Economics & Statistics, Government of Odisha

The Agriculture sector showed a growth of 1.70 *per cent*, despite heavy crop loss due to the adverse impact of Cyclone “Jawad”, in the form of unseasonal rain, during December 2021. Despite meagre growth in the Agriculture sector, the overall growth rate reached 17.58 *per cent* because of better performance in the Industry sector (29.38 *per cent*) and the Services sector (14.13 *per cent*). The maximum growth rates were observed under sub-sectors of Manufacturing (36.30 *per cent*), followed by Mining and Quarrying (32.21 *per cent*), Public Administration (18.07 *per cent*), Trade Repair, Hotels and Restaurants (17.13 *per cent*) and Construction (16.18 *per cent*).

Chart 1.4: Trends in Fiscal Liabilities and GSDP



Source: Finance Accounts 2021-22, Government of Odisha

Some important deficit parameters are discussed below:

- Revenue Surplus:** Revenue Surplus (₹43,471 crore) of the State in 2021-22 increased (379 per cent) compared to 2020-21 (₹9,076 crore). The State achieved the target of being a Revenue Surplus State, as laid out in the State's FRBM (Amendment) Act, 2021, and was 621 per cent more than the MTFP projections (₹6,033 crore).
- Fiscal Surplus:** Fiscal Deficit for the year 2019-20 was ₹18,819 crore, which was reduced to ₹9,786 crore in 2020-21. In the year 2021-22, the State was able to achieve Fiscal Surplus of ₹20,627 crore. Being a Fiscal Surplus State, the fiscal target set out in its FRBM (Amendment) Act, 2021, of maintaining the Fiscal Deficit within 3 per cent of the GSDP, was achieved.
- Primary Surplus:** Primary Deficit for the year 2019-20 was ₹12,756 crore, which was reduced to ₹3,142 crore in 2020-21. In the year 2021-22, the State was able to achieve Primary Surplus of ₹26,967 crore. Primary Surplus, as a percentage of GSDP was 4.22 per cent and the State achieved the fiscal target set out in FRBM (Amendment) Act, 2021, of maintaining the Primary Surplus at 2 per cent of the GSDP.

Major reasons for surge in Revenue Surplus, during 2021-22

During 2021-22, the Government of Odisha observed steep rise in collection of revenue receipts, resulting in huge Revenue Surplus of ₹43,471 crore. Revenue Surplus of ₹43,471 crore was due to windfall growth under State's Non Tax Revenue from ₹19,518 crore in 2020-21 to ₹54,257 crore in 2021-22. Tax Revenue also

2.3 Resources of the State

The resources of the State are described below:

1. Revenue Receipts consist of tax revenue, non-tax revenue, State's share of Union taxes and duties and Grants-in-Aid from the Government of India (GoI).

2. Capital Receipts comprise of miscellaneous capital receipts, such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI.

Both revenue and capital receipts form part of the Consolidated Fund of the State.

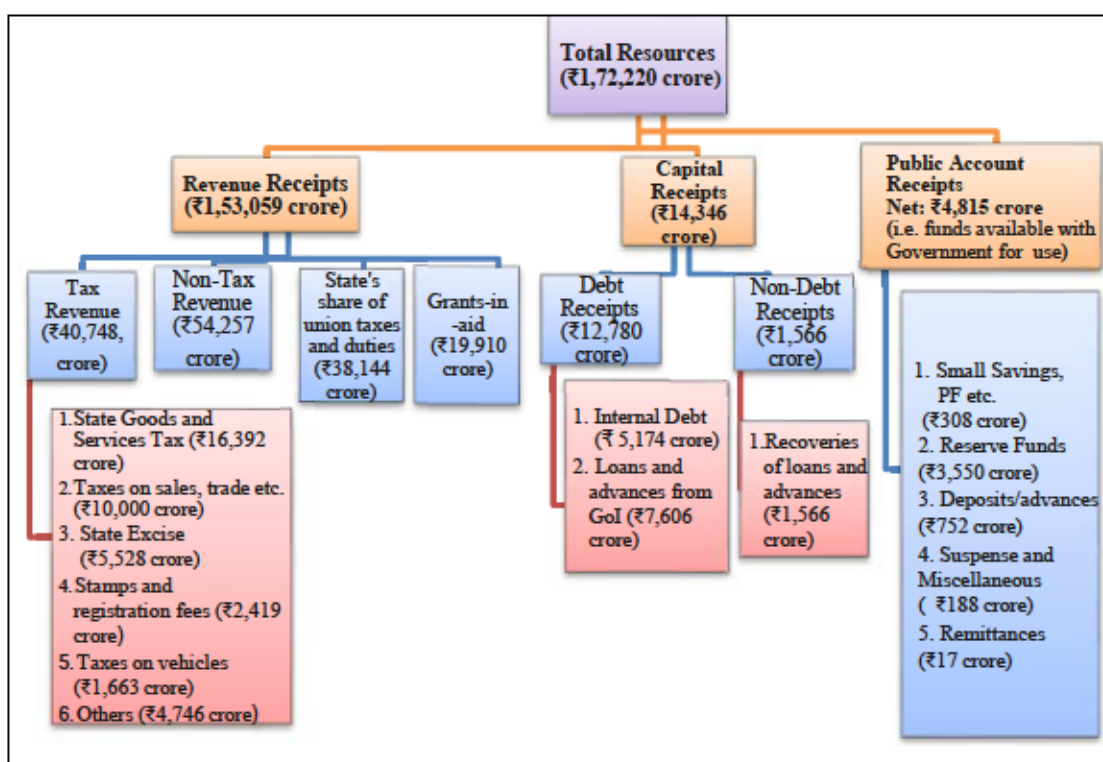
3. Net Public Account receipts: These are receipts and disbursements in respect of certain transactions, such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.*, which do not form part of the Consolidated Fund.

These 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. Here, the Government acts as a banker. The balance, after disbursements, is the fund available with the Government for use.

2.3.1 Receipts of the State

The overall composition of the State resources (₹1,72,220 crore) in 2021-22, is shown in Chart 2.3:

Chart 2.3: Composition of Resources in 2021-22



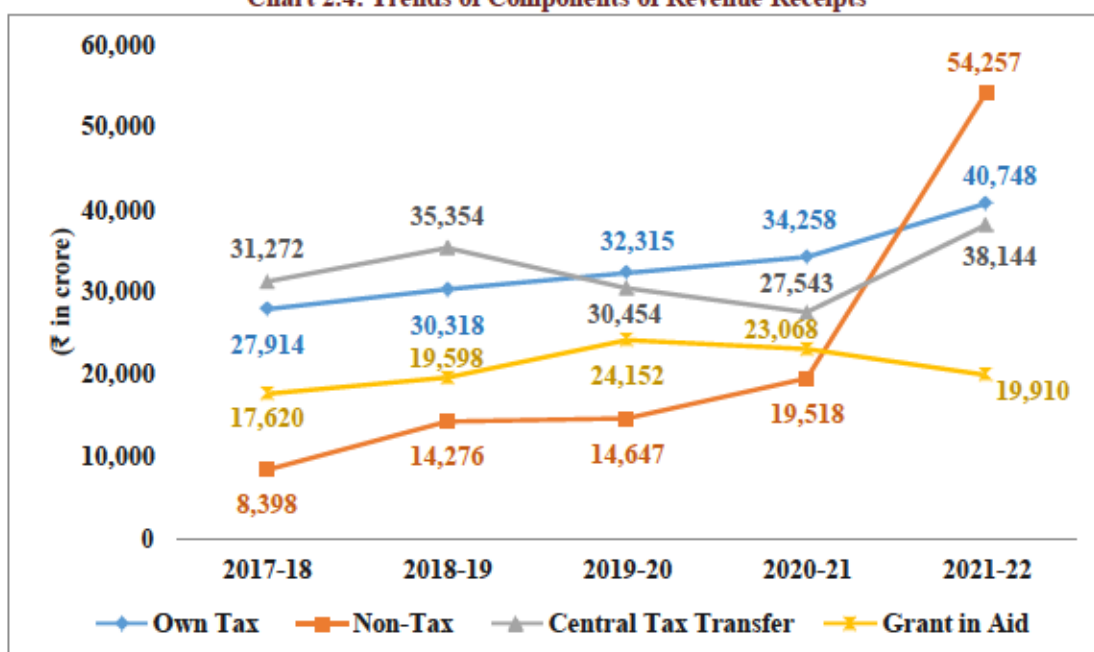
Source: Finance Accounts 2021-22, Government of Odisha

Chart 2.3 shows that, out of the total resources of ₹1,72,220 crore of the State Government during the year 2021-22, Revenue Receipts (₹1,53,059 crore) constituted 88.87 per cent of total resources. Capital Receipts (₹14,346 crore) and Public Account Receipts (net: ₹ 4,815 crore) constituted 8.33 per cent and 2.80 per cent of the total resources, respectively.

2.3.2 State's Revenue Receipts

Statement 14 of the Finance Accounts gives details of the Revenue Receipts of the Government. Revenue Receipts (₹ 1,53,059 crore) of the Government, constituting 23.98 per cent of the GSDP⁶ (₹ 6,38,342 crore), increased by 46.63 per cent over the previous year (₹ 1,04,387 crore). Revenue Receipts were more than the budget estimates (₹1,25,600 crore) by ₹ 27,459 crore (21.86 per cent). The trends and composition of the Revenue Receipts, during the years 2017-18 to 2021-22, are shown in Chart 2.4.

Chart 2.4: Trends of Components of Revenue Receipts



Source: Finance Accounts of respective years, Government of Odisha

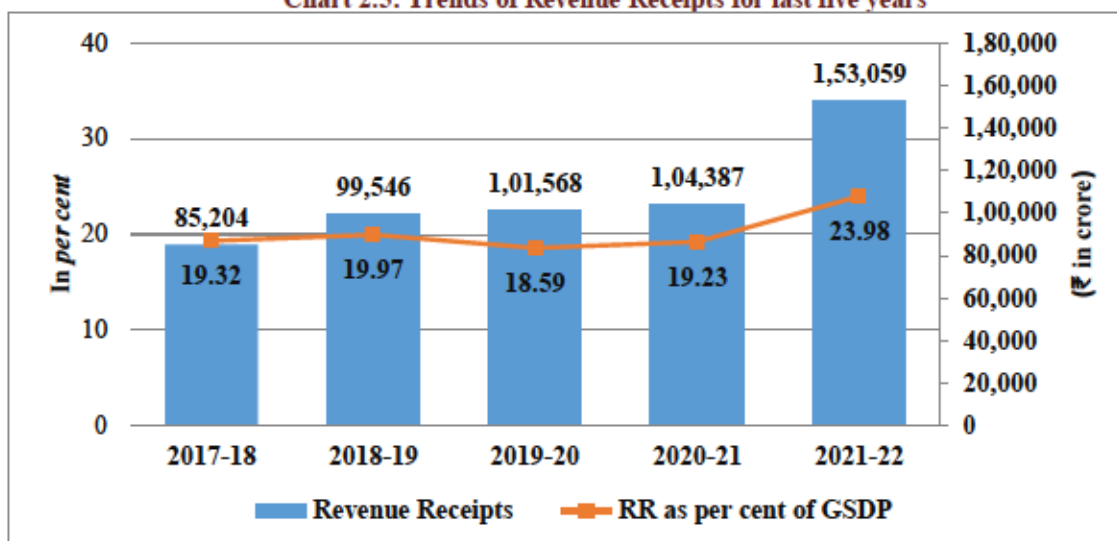
As can be seen from the above Chart, Own Tax Revenue and Non Tax Revenue have been increasing over the last five years. During 2021-22, the Non Tax Revenue shoot up to ₹54,257 crore, with a significant growth of 177.98 per cent.

Central Tax Transfers followed decreasing trend for the period 2018-19 to 2020-21. However, these increased by 38.49 per cent during 2021-22, compared to the previous year. On the other hand, the Grants-in-aid, received from Government of India, have been decreasing since 2019-20.

⁶GSDP at current prices

Revenue and Tax Revenue (Own Tax plus Share of Union Taxes and Duties) as compared to previous year. The same is also depicted in Chart 2.5 below.

Chart 2.5: Trends of Revenue Receipts for last five years



Source: GSDP: DES, Government of Odisha; Revenue Receipts: Finance Accounts of the respective years.

2.3.2.2 State's Own Resources

The State's performance in mobilisation of resources is assessed in terms of Tax Revenue and Non Tax Revenue, not including the State's share in Central Taxes and Grants-in-Aid, which is based on the recommendations of the Finance Commission. State's Own Revenue (Tax Revenue and Non Tax Revenue) during 2021-22, grew by 76.69 per cent, which was much higher than the increase (17.58 per cent) in the economic base, measured in terms of GSDP during the same period. The Budget Estimate for Own Resources during 2021-22, was ₹ 57,500 crore.

a) State's Own Tax Revenue

Components of State's Own Tax Revenue are shown in Table 2.4.

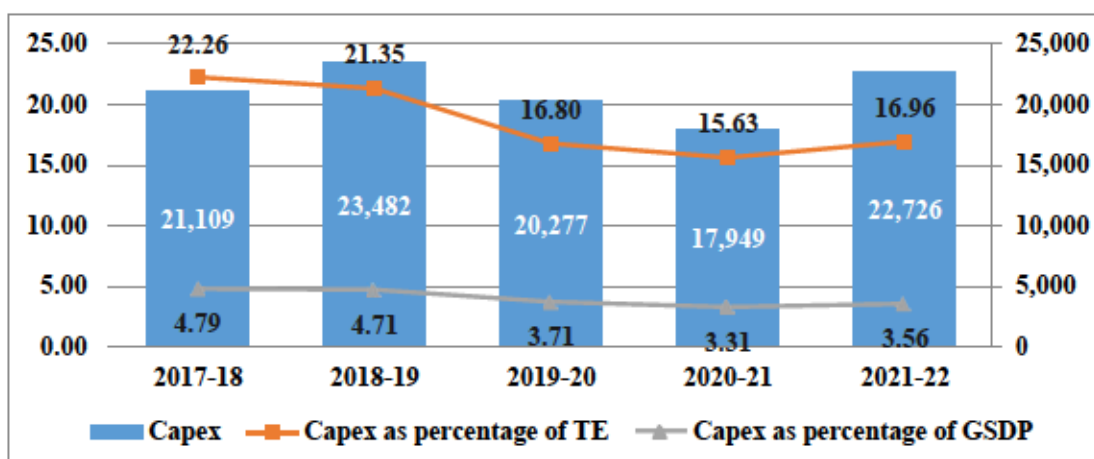
Table 2.4: Components of State's Own Tax Revenue

Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22	Spark Line
State Goods and Services Tax (SGST)	6,609	11,943	13,204	13,043	16,392	
Taxes on Sales, Trade, etc	11,522	7,310	7,455	7,777	10,000	
State Excise	3,221	3,925	4,495	4,053	5,528	
Taxes on Vehicles	1,535	1,746	1,836	1,526	1,663	
Stamps and Registration fees	1,037	1,237	1,435	2,942	2,419	
Land Revenue	542	511	721	603	664	
Taxes on Goods and Passengers	1,260	182	133	146	111	
Other Taxes	2,188	3,464	3,036	4,168	3,971	
Total	27,914	30,318	32,315	34,258	40,748	

Source: Finance Accounts of respective years, Government of Odisha

Bharat' package. Under this scheme, GoO got interest-free loan of ₹417.50 crore and ₹517.12 crore during 2020-21 and 2021-22 respectively, to fund Capital Expenditure in various sectors. Despite several steps taken by the Government of India to augment capex of the State, GoO did not achieve its budgeted target, despite having significant Revenue Surplus (₹43,471 crore) and Fiscal Surplus (₹20,627 crore). Capital Expenditure, as a part of total expenditure/GSDP, is detailed in Chart 2.12.

Chart 2.12: Capital Expenditure as a percentage of GSDP and Total Expenditure



Source: Finance Accounts of respective years, Government of Odisha

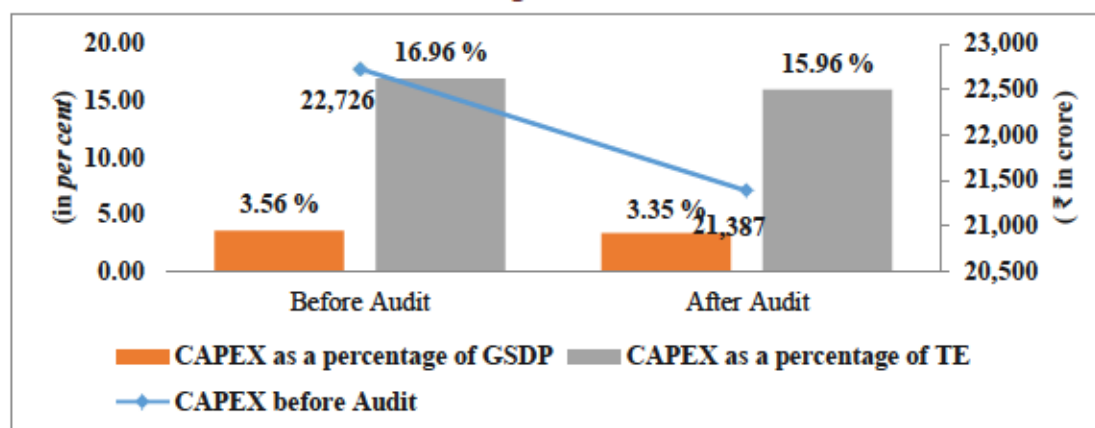
The State Government stated (January 2023) that the Substantial Revenue Surplus (₹43,471 crore) and Fiscal Surplus (₹20,625 crore) was primarily due to windfall growth in mining revenue during the year. However, the State Government is committed for creation of capital assets by increasing Capital spending. During 2022-23, GoO has provisioned ₹38,721 crore under Capital Expenditure, which is about 5.4 per cent of GSDP and this would result in formation of capital assets and lead to economic growth.

Misclassification of Revenue Expenditure as Capital Expenditure

During the year 2021-22, the State Government had booked ₹22,725.48 crore as Capital Expenditure. Audit examined Sanction Orders and expenditure vouchers related to this amount, from the Office of the Accountant General (Accounts and Entitlements) and noticed that, out of the amount of ₹22,725.48 crore, ₹1338.20 crore of expenditure of Revenue nature had been booked under Capital Expenditure. Out of this amount, ₹57.45 crore was expenditure towards operation, maintenance, repair and renovation etc. As per Rule 31(2)(b) of the Government Accounting Rules, 1990, the Revenue Account should bear all charges relating to such expenditure. The remaining amount of ₹1,280.75 crore had been transferred for creation of assets by entities other than the Government of Odisha. In accordance with Note below Rule 30(1) of GAR 1990, this amount is required to be classified as Revenue Expenditure, instead of Capital Expenditure.

Thus, there was a misclassification of ₹1,338.20 crore, which resulted in overstatement of Revenue Surplus to that extent. The resulting Capital Expenditure, after Audit, for the year 2021-22, was ₹21,387.28 crore (Chart 2.13).

Chart 2.13: Changes in CAPEX after Audit



Source: Audited Finance Accounts 2021-22, Government of Odisha

The State Government stated (January 2023) that the issues pertaining to misclassification of revenue expenditure as capital expenditure have already been taken up in the Annual Budget, 2022-23.

2.4.3.1 Major changes in Capital Expenditure

Capital Expenditure during 2021-22, increased by ₹ 4,777 crore over the previous year, which is detailed in Table 2.22.

Table 2.22: Variation in Capital Expenditure under various Major Heads during 2021-22, compared to 2020-21

(₹ in crore)			
Major Heads of Account	2020-21	2021-22	Increase (+) / Decrease (-)
4801- Capital Expenditure on Power Projects	1,284	3,446	(+)2,162
4210- Capital Expenditure on Medical and Public Health	631	1,690	(+)1,059
4701- Capital Expenditure on Medium Irrigation	431	814	(+)383
4216- Capital Expenditure on Housing	239	590	(+)351
4225- Capital Expenditure on Welfare of SC, ST and OBC	269	432	(+)163
5452- Capital Expenditure on Tourism	240	349	(+)109
4217- Capital Expenditure on Urban Development	276	123	(-)153
5475- Capital Expenditure General Economic Services	637	291	(-)346

Source: Finance Accounts of respective years, Government of Odisha

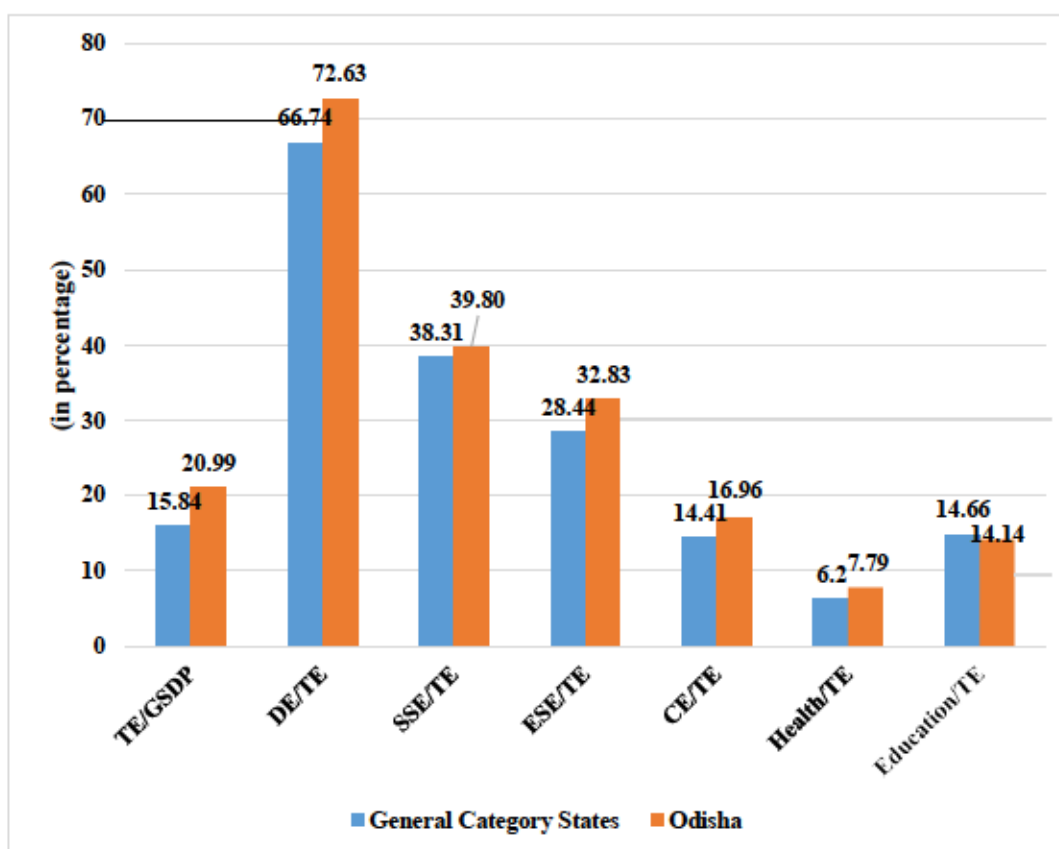
- Out of total 149 entities, 72 were inactive. Of the remaining active 77 entities, 66 had not paid any dividend in 2021-22.

2.4.4 Expenditure Priorities

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 the allocation is below the respective national average. The higher the ratio of these components to total expenditure, better is the quality of expenditure.

Chart 2.14 analyses the fiscal priority of the State Government with regard to Development Expenditure¹⁹, Social Services Expenditure, Economic Services Expenditure and Capital Expenditure during 2021-22, *vis-à-vis* the average of the General Category States²⁰.

Chart 2.14: Prioritisation in public expenditure in percentage



Note- TE- Total Expenditure, DE- Development Expenditure, SSE- Social Services Expenditure, ESE- Economic Services Expenditure, CE- Capital Expenditure

From the above Chart, it can be inferred that the Total Expenditure relative to GSDP in Odisha was better than the General Category States. Odisha fared favourably in its focus on Development Expenditure, Social Services Expenditure, Economic Services

¹⁹ Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans & Advances disbursed

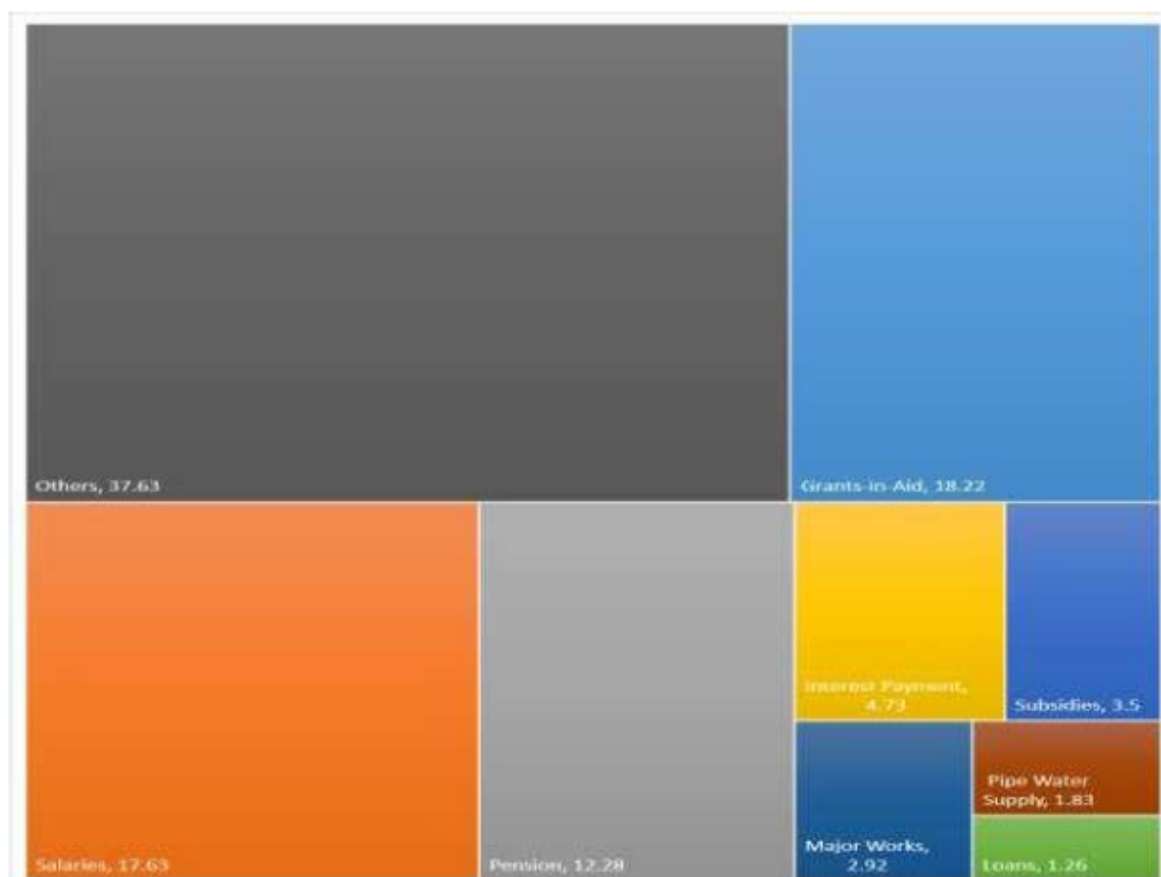
²⁰ States other than North Eastern (NE) and Himalayan States.

Expenditure, Capital Expenditure and Expenditure on Health *vis-à-vis* General Category States. The State, however, lagged behind General Category States in the areas of Educational Expenditure.

2.4.5 Object head-wise expenditure

Finance Accounts depict transactions only up to the Minor Head level. Object head-wise expenditure gives information about the object/ purpose of the expenditure. The object head-wise expenditure of Odisha is depicted in Chart 2.15.

Chart 2.15: Object Head-wise Expenditure (in percentage)



Source: Finance Accounts 2021-22, Government of Odisha

Note- Object Heads contributing less than one per cent are included in Others

It can be seen from the above chart that 18.22 per cent of total expenditure was booked under the detailed head grants-in-aid released to local bodies, followed by salaries (17.63 per cent), pension (12.28 per cent), interest payment (4.73 per cent) etc.

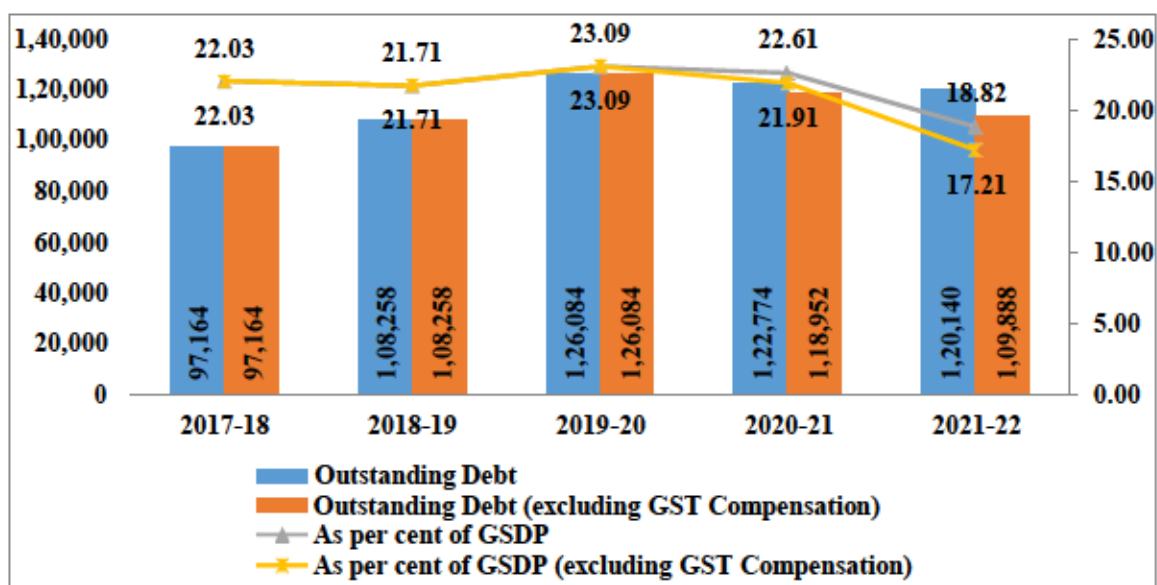
2.5 Public Account Receipts

Receipts and disbursements in respect of transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances *etc.*, which do not form part of the Consolidated Fund, are kept in the Public Account, set up under Article 266(2) of the Constitution. These are not subject to vote by the State Legislature. Government acts as a banker or trustee. The balance, after disbursements during the year, is the fund available with the Government for its own use.

Expenditure (₹517 crore), Other loans from GoI (₹659 crore), loan from NABARD (₹3,224 crore), loan from OMBADC (₹1,800 crore) and loan from SIDBI Cluster Development Fund (₹150 crore).

An abstract of liabilities and assets as on 31 March 2022, compared with corresponding position of last year is given in *Appendix 2.3*. Trend analysis of the outstanding debt of the State is depicted in *Chart 2.17*.

Chart 2.17: Outstanding Debt vis-à-vis GSDP



Source: Finance Accounts of respective years, Government of Odisha

2.6.1 Debt profile: Components of Outstanding Debt

The components of Outstanding Liabilities are given in *Chart 2.18*.

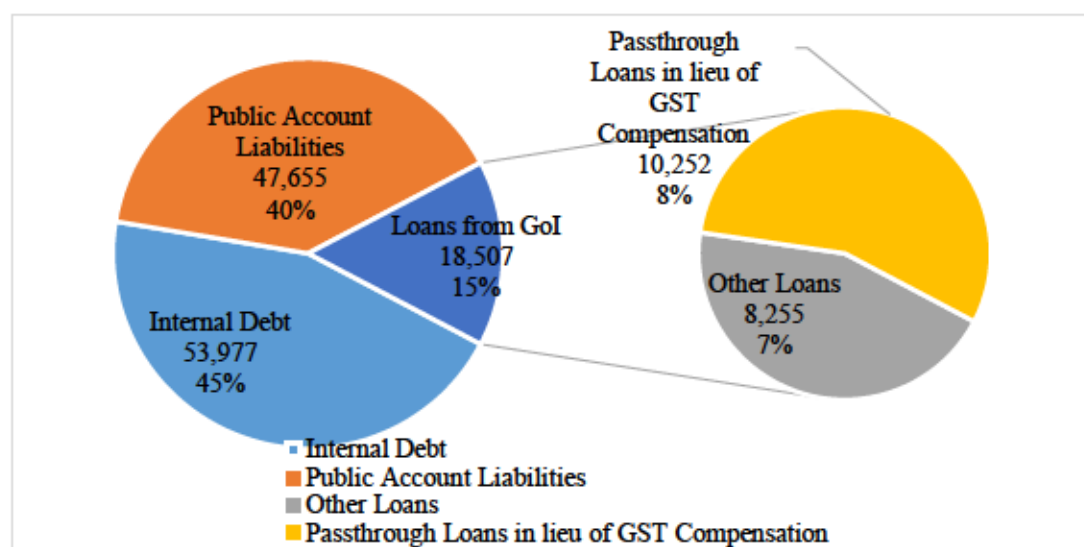
Chart 2.18: Components of Outstanding Debt of the State Government

Outstanding Debt (₹ 1,20,140 crore)		
Internal Debt from Market, financial institutions, etc. (₹ 53,977 crore)	Loans and Advances from Government of India (₹ 18,507 crore)	Public Account Liabilities where Government acts as a banker (₹ 47,655 crore)
Market Loans (₹ 28,559 crore)	Loans for Plan Schemes (₹ 8,245 crore)	Small Savings, Provident Fund, etc. (₹ 25,258 crore)
Loans from Financial Institutions (₹ 16,740 crore)	Loans in Lieu of GST Compensation (₹ 10,252 crore)	Reserve Funds bearing Interest (₹ 5,134 crore)
Special Securities issued to NSSF (₹ 6,525 crore)	Non Plan Loans (₹ 10 crore)	Reserve Funds not bearing Interest (₹ 285 crore)
Other Loans (₹ 2,153 [#] crore)		Deposits bearing interest (₹ 26 crore)
		Deposits not bearing interest (₹ 16,952 crore)

[#] includes loans taken from OMBADC and SIDBI fund

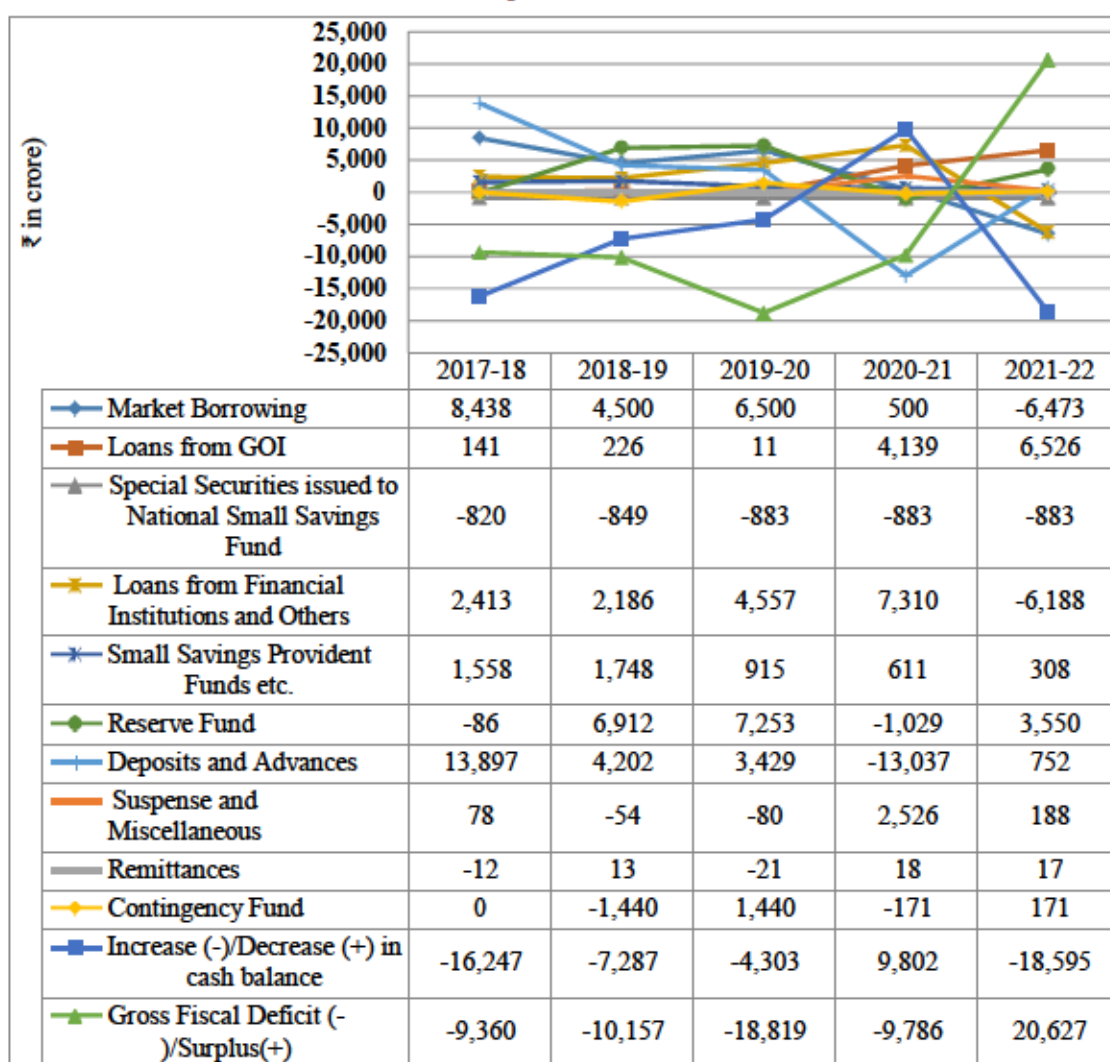
Source: Finance Accounts, Government of Odisha.

Chart 2.19: Break up of Outstanding Debt at the end of 2021-22



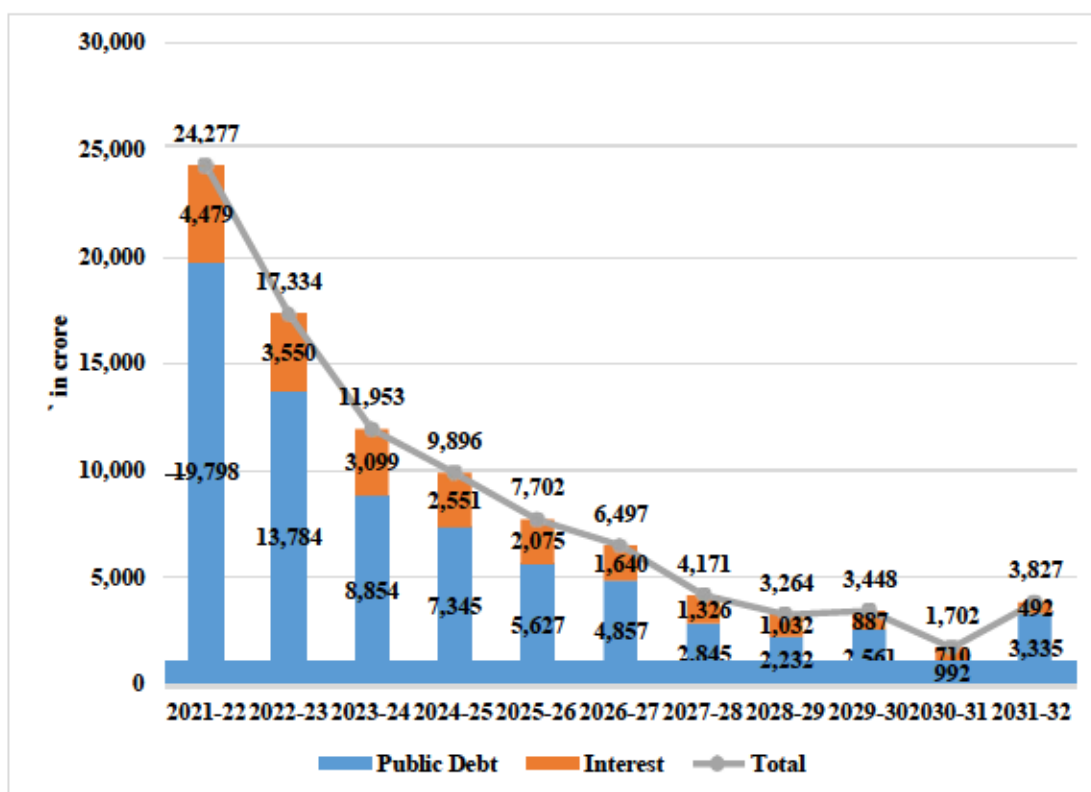
Source: Finance Accounts 2021-22, Government of Odisha.

Chart 2.20: Components wise Debt Trends



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

Chart 2.23: Repayment of Debt and Interest



Source: For public Debt - Finance Accounts of Government of Odisha

For Interest – information furnished by Finance Department, Government of Odisha.

It can be seen from Table 2.29 and Chart 2.23 that the State Government has to bear huge financial burden of ₹17,334 crore, ₹11,953 crore and ₹9,896 crore towards servicing of debt, during the years 2022-23, 2023-24 and 2024-25, respectively. Considering the future financial constraints, owing to repayment of principal of ₹52,432 crore and repayment of interest of ₹17,362 crore in coming ten years, the State Government is required to maintain its Revenue Surplus, so that the Revenue Surplus is sufficient enough to service the debt.

2.6.3 Net availability of borrowed funds

The Net availability (₹11,497 crore) of borrowed funds (₹12,780 crore) after providing for interest payments (₹4,479 crore) and repayment of borrowings (₹19,798 crore), was negative (89.96 per cent). Revenue Surplus during the year 2021-22, was ₹43,471 crore, which helped Government of Odisha to curtail its dependency on borrowed funds and discharge its debt obligations, even after financing Capital Expenditure of ₹22,726 crore.

2.7 Debt Sustainability Analysis

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

- The Government invested surplus cash balances throughout the year in GoI Stock and GoI Treasury Bills. As of 31 March 2022, an amount of ₹32,701.46 crore remained invested in GoI Treasury Bills (TB) and GoI Stocks (GoI Stocks: ₹95.42 crore, 14 days TB: ₹18,510.65 crore, 91 days TB: ₹8,421.22 crore, 182 days TB: ₹5,385.71 crore and 364 days TB: ₹288.46 crore). On these investments, the Government earned an interest of ₹508.08 crore during the year.
- The 13th Finance Commission had recommended that the States with large cash balances should make efforts to utilise their cash balances before resorting to fresh borrowings. During the year 2021-22, GoO took a loan of ₹1,800 crore from OMBADC from the General Cash Balance.

The balances under Cash Balance Investment Account of the State Government for the last five years, are given in Table 2.35.

Table 2.35: Cash Balance Investment Account (Major Head 8673)

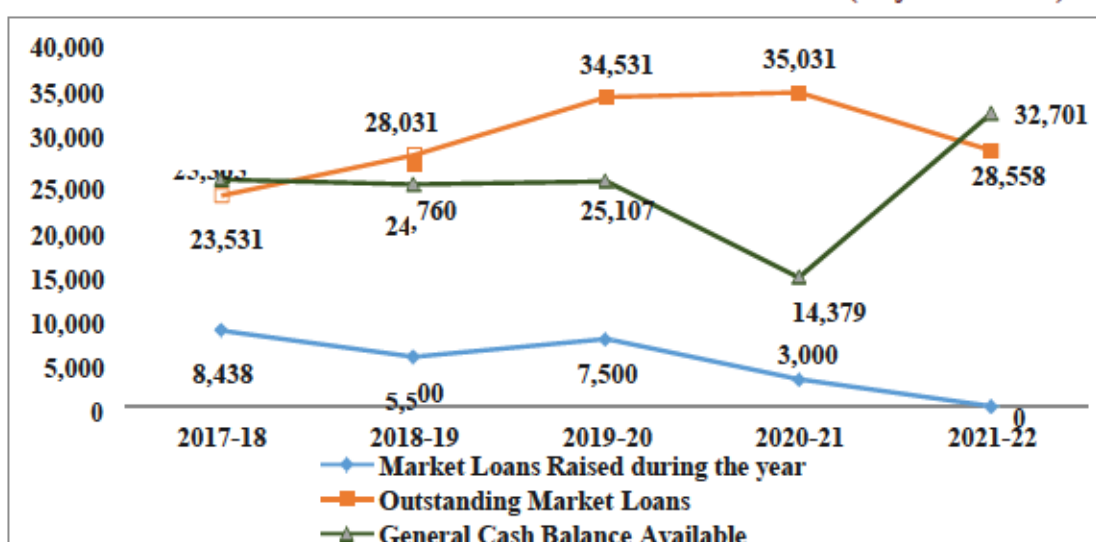
(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / Decrease (-)	Interest earned
2015-16	3,870.55	5,836.24	(+) 1,965.69	365.34
2016-17	5,836.24	8,738.10	(+) 2,901.86	391.09
2017-18	8,738.10	24,747.97	(+) 16,009.87	559.32
2018-19	24,747.97	23,135.59	(-) 1,612.38	1,427.13
2019-20	23,135.59	24,865.00	(+) 1,729.41	1,422.96
2020-21	24,865.00	14,351.36	(-) 10,513.64	945.88
2021-22	14,351.36	32,701.46	(+) 18,350.10	508.08

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

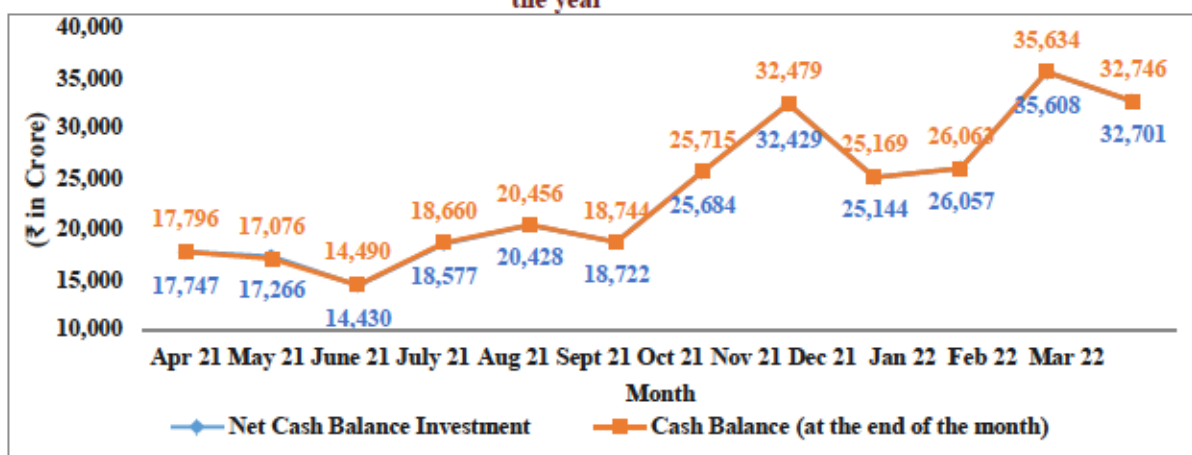
A comparison of year wise Market loans raised vis-à-vis Cash Balance available in Cash Balance investment account for the years 2017-18 to 2021-22, is shown in Chart 2.26 and month-wise Cash Balance available vis-à-vis Cash Balance invested in cash balance investment account, is shown in Chart 2.27.

Chart 2.26: Market Loans vis-à-vis Cash Balance Investment Account (Major Head 8673)



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

Chart 2.27: Month wise movement of Cash Balances and net cash balance investments during the year



Source: Monthly Civil Accounts, Government of Odisha.

It can be seen from Chart 2.27 that the State Government maintained huge cash balance throughout the year.

The Government stated (January 2023) that the surplus cash balance has a negative impact. Accordingly, steps have been taken to maintain the cash balance at a sustainable level, by availing loan from a portion of the surplus cash balance of the dedicated funds (like OMBADC/ CAMPA etc.) at the rate equivalent to 364-days Auctioned Treasury Bills and not resorting to Open Market Borrowing. This effort has substantially reduced the cash balance.

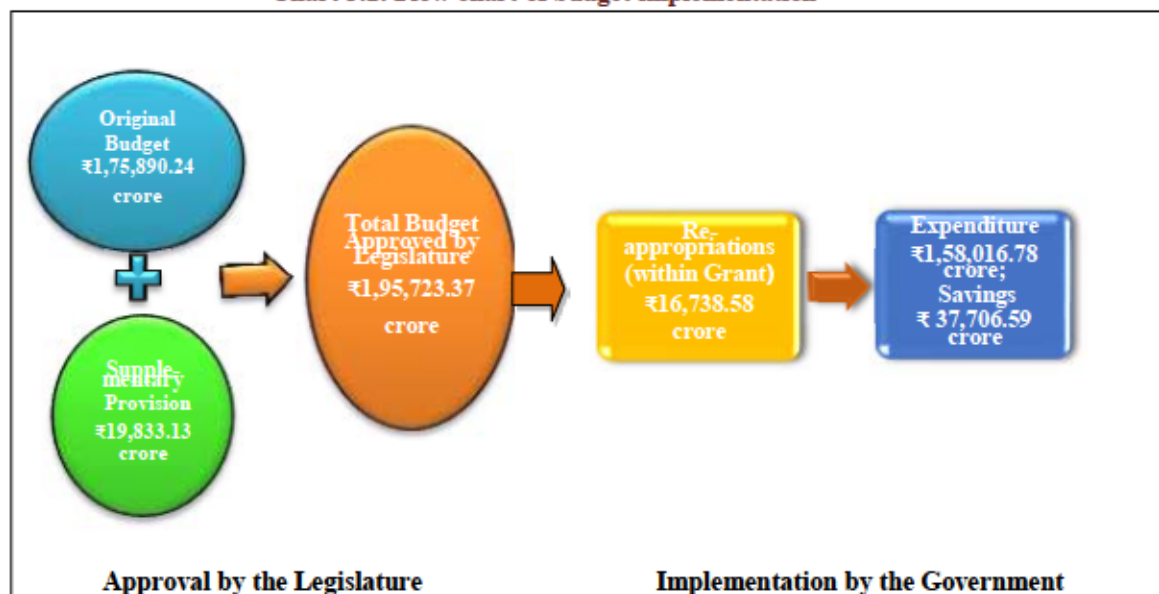
However, the fact remains that excluding OMBADC, CAMPA and Other Earmarked funds, GoO still has ₹32,701.46 crore, which is free cash balance, kept at the disposal of State Government and could have been utilised for development purposes.

2.8 Recommendations

- 1) It is imperative for the State Government to review the classification of expenditure met out of grants-in-aid and take necessary corrective action in formulating its budget and booking its expenditure in this regard, to ensure that its fiscal parameters like revenue surplus and fiscal surplus reflect the correct position of its finances.
- 2) The Government should review the budget preparation exercise, so that the persisting gap between estimates and actuals may be bridged.
- 3) Capital Expenditure is known to have the highest multiplier effect in the economy and the impact of Capital Expenditure is higher in stimulating economic activities of the Government. Being a Revenue and Fiscal Surplus State, Government of Odisha has a lot of scope to augment its Capital Expenditure and, therefore, the Government needs to explore all the possibilities to augment its Capital Expenditure.

Budget. When the initial allocation is found to be inadequate or expenditure has to be incurred on a new item, the Government presents supplementary demands (Para 166 of the Budget Manual of the Government of Odisha) before the Legislature. Further, the mechanism of re-appropriation allows the State Government to transfer savings from one sub-head (usually a scheme) to another, provided such transfers occur within the same grant³⁰ and under the same section³¹. The various components of the budget are depicted in Chart 3.2.

Chart 3.2: Flow chart of budget implementation



Source: Appropriation Accounts: 2021-22, Government of Odisha

3.1.1 Summary of total provisions, disbursements and savings during 2021-22

The annual financial statement or Budget, should show the expenditure charged on consolidated fund and other expenditure separately. It should also distinguish expenditure on revenue account from other expenditure. A summarised position of total Budget provision, disbursement and savings/ excess during 2021-22, with further bifurcation into voted/charged, is given in Table 3.1 below:

Table: 3.1 Summarised position of Expenditure *vis-à-vis* Budget provision (₹ in crore)

Total Budget (O+S) Provision		Total	Disbursements		Total	Savings		Total
Voted	Charged		Voted	Charged		Voted	Charged	
1,61,802.92	33,920.45	1,95,723.37	1,29,607.31	28,409.46	1,58,016.78	32,195.61	5,510.98	37,706.59

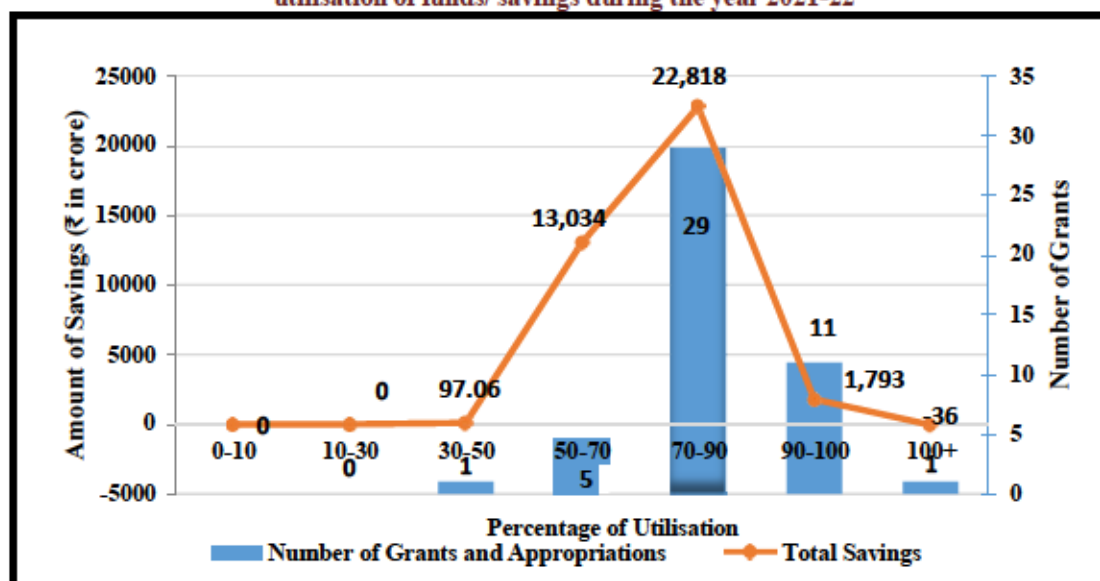
Source: Appropriation Accounts 2021-22, Government of Odisha

It can be seen from the table that the utilisation (gross) of budgeted funds was 80.73 per cent in 2021-22, which was 6.70 per cent increase as compared to the utilisation of budgeted funds in 2020-21.

³⁰ Grant means the amount voted by the Legislative Assembly in regard to demand for grant.

³¹ Capital, Revenue or Loans.

Chart 3.4: Distribution of number of Grants/Appropriations grouped by the Percentage of utilisation of funds/ savings during the year 2021-22



Source: Appropriation Accounts 2021-22, Government of Odisha

As can be seen from Chart 3.4 above, out of 47 grants and appropriations (43 grants and four appropriations), there were only eleven grants and one appropriation, where the utilisation of funds was more than 90 per cent.

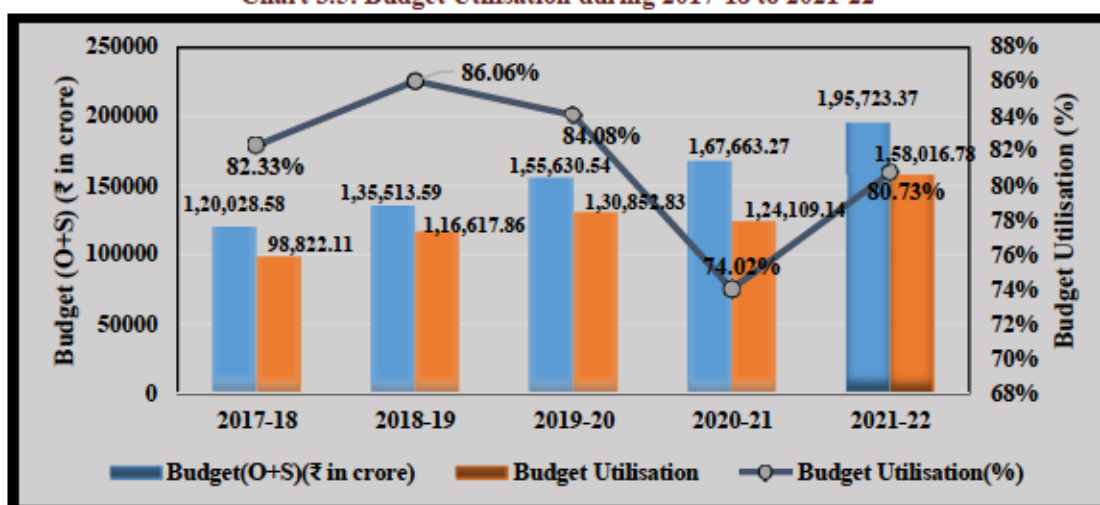
Panchayati Raj and Drinking Water (67.87 per cent), Labour and Employees State Insurance (64.25 per cent), Rural Development (63.01 per cent), Disaster Management (62.23 per cent), Commerce (52.03 per cent), and Information and Public Relations (49.09 per cent) were amongst the Departments, where utilisation of funds was less than 70 per cent.

The State Government stated (January 2023) that large savings are surrendered due to non-receipt of Central Assistance under CSS schemes provided in the Budget Estimate. As part of a control mechanism, Chief Secretary reviews the expenditure in the All-Secretaries' Meeting on monthly basis. Necessary instructions are also issued from time to time by Finance Department to expedite (or curtail) expenditure depending on the prevailing priorities.

3.3.3.1 Trends in Utilisation of Budgeted Funds

The extent of utilisation of budget during the five-year period from 2017-18 to 2021-22 is given in Chart 3.5.

Chart 3.5: Budget Utilisation during 2017-18 to 2021-22



Source: Appropriation Accounts 2021-22, Government of Odisha

Large amount of savings in allotted funds indicated both - inaccurate assessments of requirements, as well as inadequate capacity to utilise the funds for intended purposes.

3.3.4 Substantial surrenders

Surrenders of 100 per cent of total provision of ₹ 7,757.06 crore were made in 29 cases (₹ 50 crore or more in each case) under 14 grants. These represented different schemes/ programmes/ projects and activities (*Appendix 3.6*). The surrenders were mainly attributed to non-receipt of Central Assistance, non-receipt of project proposals, diversions to AMRUT mission and Smart City mission, non-finalisation of work and tender process, delay in land acquisition and forest clearance, non-concurrence of proposal by Finance Department and closure of the scheme. In 14 cases, the concerned Departments did not furnish any reasons for 100 per cent surrender.

3.3.4.1 Surrender in excess of savings

In two cases (two grants), the amounts surrendered (one crore or more in each case), were in excess of savings, indicating inadequate budgetary control in these Departments. As against the savings of ₹ 2,789.31 crore, the amount surrendered was ₹ 3,044.08 crore, resulting in excess surrender of ₹ 254.77 crore. The details are given in *Table 3.3*.

Table 3.3: Surrender of funds in excess of savings

(₹ in crore)							
Sl. No.	Grant Number & Name	Original	Supplementary	Total Provisions	Savings (-)/ Excess (+)	Amount Surrendered	Excess surrender
Revenue (Voted)							
1	7 - Works	2,133.28	76.42	2,209.70	80.81	137.34	56.53
2	10 - School & Mass Education	17,525.60	1,580.73	19,106.33	2708.50	2,906.74	198.24
	Total	19,658.88	1,657.15	21,316.03	2,789.31	3,044.08	254.77

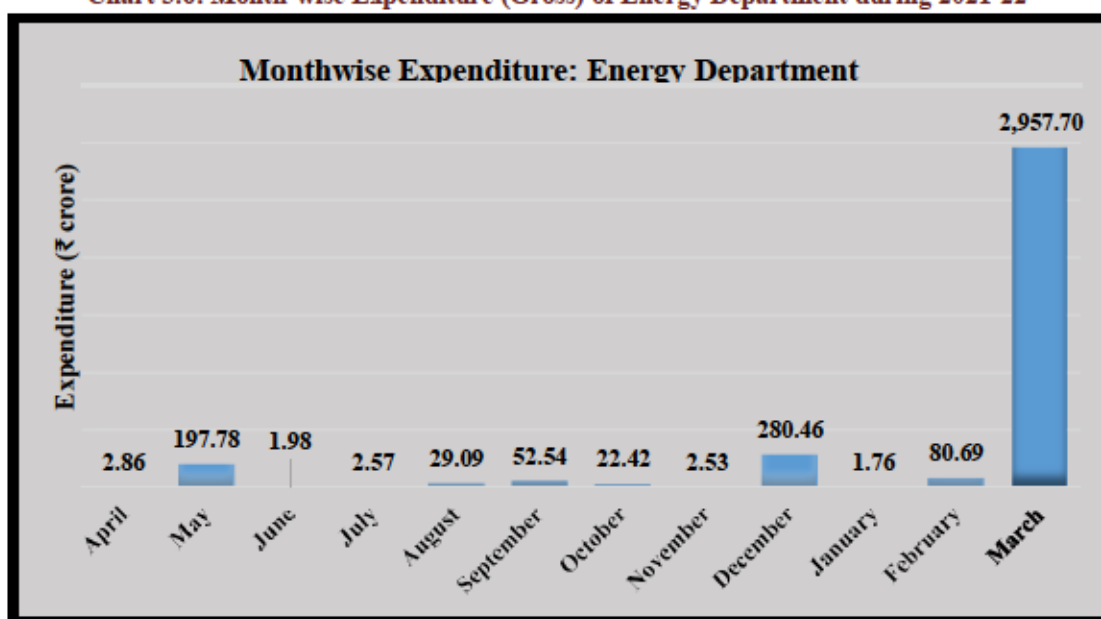
Source: Appropriation Accounts 2021-22, Government of Odisha

3.5.1 Rush of expenditure

In terms of Rule 147 of OBM, rush of expenditure in the closing month of the financial year is a breach of financial regularity, which should be avoided. Contrary to this, there were 68 schemes (sub heads) in 25 Departments and two appropriations, where 100 *per cent* of the total expenditure was incurred (with one crore or more in each case) in March 2022, as detailed in *Appendix 3.9*.

High percentage of expenditure in March indicates that uniform flow of expenditure during the year, a primary requirement of budgetary control, was not maintained. It also indicates deficiencies in monitoring the Cash Management System in these Departments. As an example, month-wise expenditure incurred by the Energy Department, is given below:

Chart 3.6: Month-wise Expenditure (Gross) of Energy Department during 2021-22



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

As seen from the chart above, contrary to the spirit of financial regulation, a substantial quantum of expenditure *i.e.*, ₹2,957.70 crore (81.43 *per cent* of the total expenditure of ₹3,632.38 crore) was incurred by the department during March 2022, indicating inadequate control over expenditure monitoring.

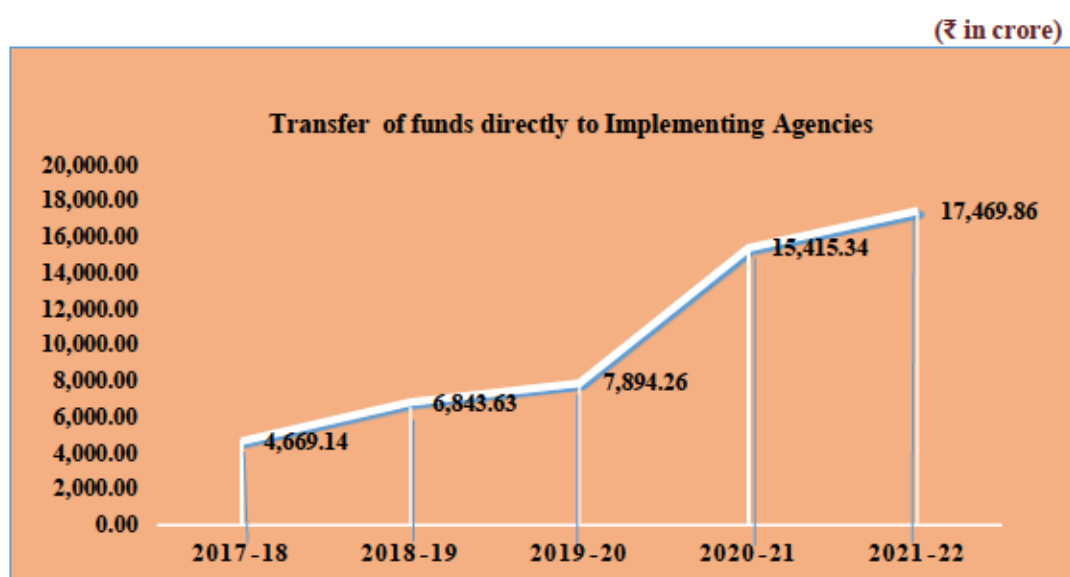
3.6 Review of selected grants

Audit conducted detailed scrutiny of three grants, *viz.*, (i) Grant No. 7 – Works (ii) Grant No. 10 – School and Mass Education and (iii) Grant No. 17 – Panchayati Raj and Drinking Water Departments. Outcome of the Audit is discussed in the succeeding paragraphs.

3.6.1 Grant No. 7 - Works Department

Road communication is a key element for the economic development of the State. Development and maintenance of an extensive road network is a major pre-requisite on which the pace and pattern of development rests. As assigned by the State

Chart 4.1: Transfer of funds directly to implementing agencies during 2017-22



Source: Finance Accounts 2021-22 – Appendix VI, Government of Odisha.

As can be seen from the Chart above, the transfer of funds increased by more than three times during the last five years from ₹4,669.14 crore in 2017-18 to ₹17,469.86 crore in 2021-22. The major agencies that received funds directly from the GoI during 2019-22, for implementing various developmental schemes and the quantum of such funds, are given in Table 4.2.

Table 4.2: Major implementing agencies that received funds directly from GoI during 2019-22
(₹ in crore)

Name of the Schemes of Government of India	Name of the Implementing Agencies	Amount transferred		
		2019-20	2020-21	2021-22
Food Subsidy	Odisha State Civil Supplies Corporation Limited, Bhubaneswar	4,148.50	8,985.73	7,892.69
Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	Odisha Rural Development and Marketing Society, Bhubaneswar	1,660.17	4,413.41	4,346.47
Pradhan Mantri Kisan Samman Nidhi	Director of Agriculture and Farmer's Empowerment, Odisha	1,634.11	1,483.85	2,759.54
National Rural Drinking Water Programme	Odisha State Water Supply and Sanitation Mission	0	0	1,661.70
Member of Parliaments' Local Area Development Scheme	District Collectors	137.50	55.00	64.00

Source: Finance Accounts, 2021-22, Appendix VI, Government of Odisha.

Direct transfer of funds to implementing agencies is fraught with the risks of inadequate monitoring by the State Government and potential risk of mis-utilisation of funds.

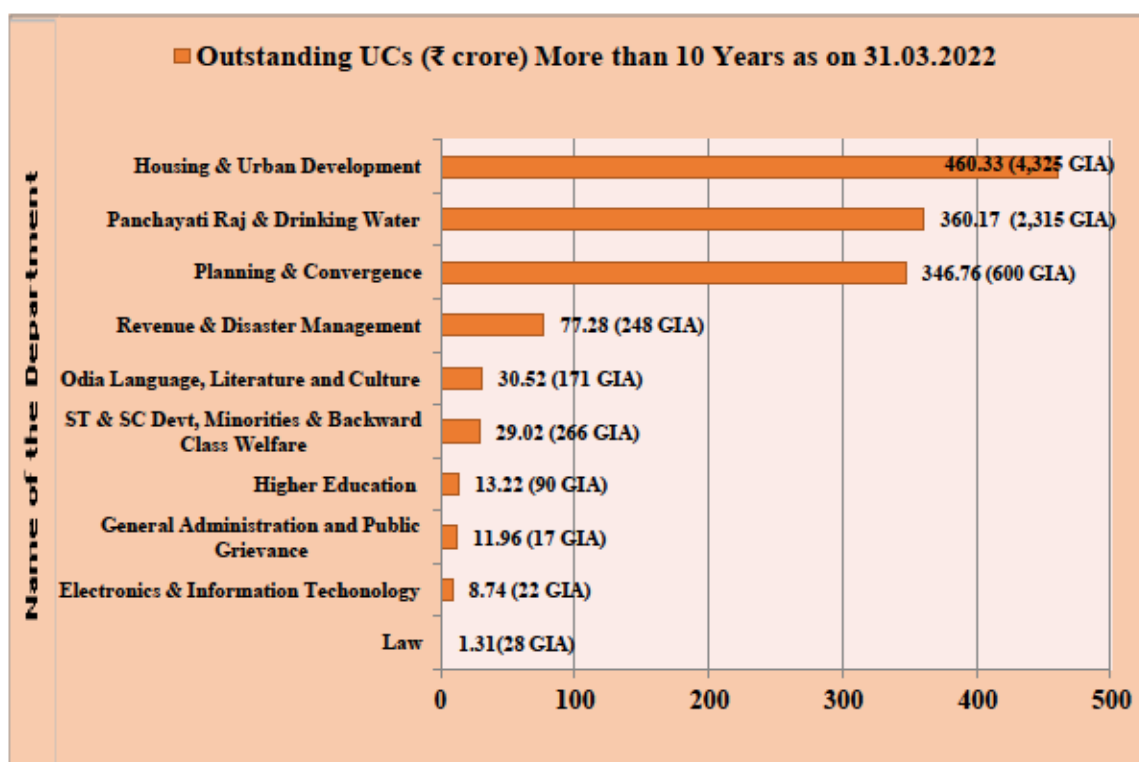
4.3 Delay in submission of Utilisation Certificates (UCs)

The Odisha General Financial Rules (OGFR) provide that every order sanctioning a grant should specify its objective clearly, as well as the time limit within which the grant is to be spent. Rule 173 of the OGFR states that the Departmental Officers

Five major defaulting Departments that had not submitted UCs were Panchayati Raj and Drinking Water (₹18,104.16 crore), Housing and Urban Development (₹10,323.72 crore), Planning and Convergence (₹3,855.92 crore), School and Mass Education (₹3,882 crore) and Health and Family Welfare (₹2,385.22 crore).

The department-wise position of UCs outstanding for more than 10 years is given in *Appendix 4.2*. There were 17 Departments against which UCs were outstanding for more than 10 years. Of these, the 10 major Departments where UCs were pending for more than ten years as of March 2022, are as detailed in **Chart 4.2**.

Chart 4.2: Outstanding UCs in regard to 10 major Departments for the grants paid up to 2021-22



Source: Finance Accounts, Government of Odisha

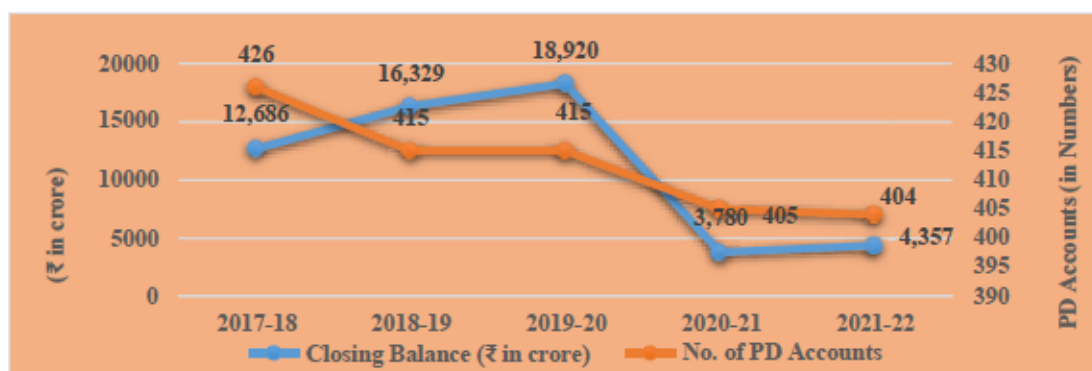
The State Government stated (January 2023) that submission of Utilization Certificates (UC) is a continuous process. Money from Centre and State go to the implementing agencies. The implementing agencies take some time for spending the money after observing the required formalities and then submit the UC, which enables them to get next tranche of release of fund. Hence, at any point of time, there would be some pendency in submission of Utilisation Certificates.

4.3.1 Delay in implementation of the Integrated Financial Management System (IFMS) - UC module

Rule 171 (4), read with Note 2 below OGFR, provides that a target date should be prescribed for submission of UCs by the grantee institutions, to the Accountant General.

(15.27 per cent) in the cumulative closing balance at the end of the year 2021-22, as compared to 2020-21, as detailed in Chart 4.4.

Chart 4.4: Closing Balance in PD Accounts, during 2017-22



Source: Finance Accounts of respective years

The closing balance of ₹ 4,356.80 crore pertained to 404 PD Accounts (8443-106 & 109) of District Rural Development Agencies, Zilla Parishads, Integrated Tribal Development Agencies, Odisha Mineral Bearing Areas Development Corporation (OMBADC) and 314 Blocks. The main PD Administrators with huge closing balances were Chairman, Western Odisha Development Council, Bhubaneswar (₹179.28 crore), Executive Officer, Zilla Parisad, Khurda (₹141.99 crore), Principal Chief Conservator of Forests, Odisha Mineral Bearing Areas Development Corporation (OMBADC), Bhubaneswar (₹139.91 crore), Project Director, District Rural Development Agency, Bolangir (₹75.69 crore) and Secretary, State Council of Science and Technology, Secretariat (₹72.89 crore). Non-transfer of unspent balances lying in PD Accounts to Consolidated Fund of the State entails the risk of misuse of public fund, fraud and misappropriation.

The State Government stated (January 2023) that they are continuously working with the Office of the Accountant General (A&E), to ensure due compliance in regard to PD accounts. The State has added a number of new features to the PD accounts for improved operability and reporting. Reconciliation of PD accounts is being taken up on regular basis to avoid any irregularity in their management. IFMS has been customized to provide a window to the office of Accountant General (A&E), Odisha, to withdraw the cheque drawing facility of the PD Administrators, who fail to do a timely reconciliation.

4.5.2 Inoperative PD Accounts and Non-reconciliation of PD Account balances

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

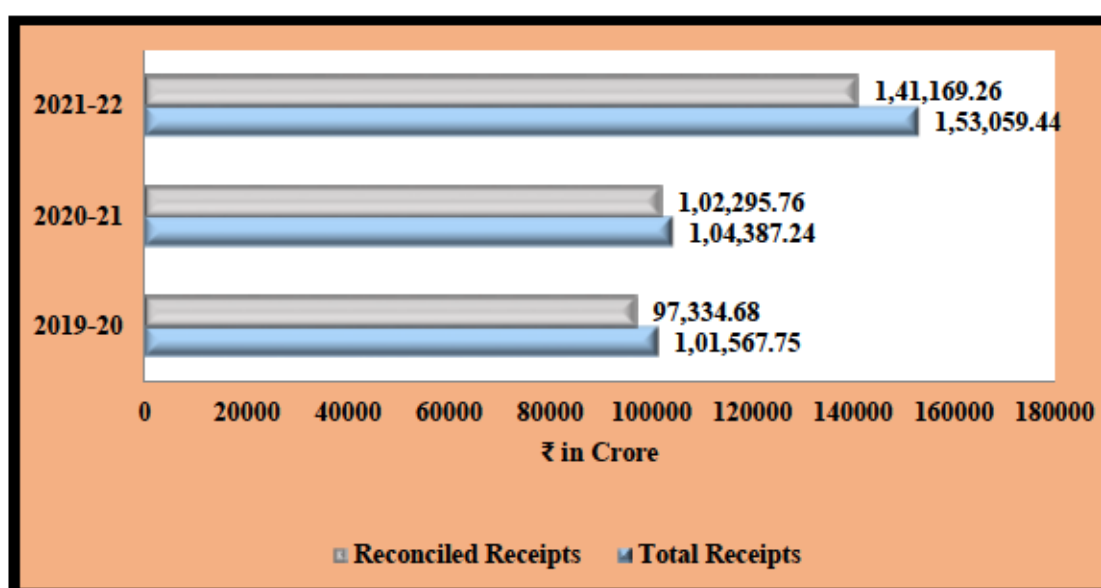
pertained to PAO, Central Pensions, New Delhi (₹136.54 crore) and PAO, Ministry of Surface Transport, Kolkata (₹ 9.19 crore). The major outstanding credit balances pertained to Ministry of Shipping and Transport, New Delhi (₹1.03 crore), and others (₹17.18 crore). The outstanding balances under the PAO Suspense head need to be adjusted.

4.8 Non-reconciliation of Departmental figures

To enable Controlling Officers (COs) of the Departments to exercise effective control over spending, to keep it within the budgeted grants and to ensure accuracy of their accounts, the OGFR (319) stipulates that the receipts and expenditure during the financial year, recorded in the books of Controlling Officers, need to be reconciled by them every month, with the records in the books of the AG (A&E).

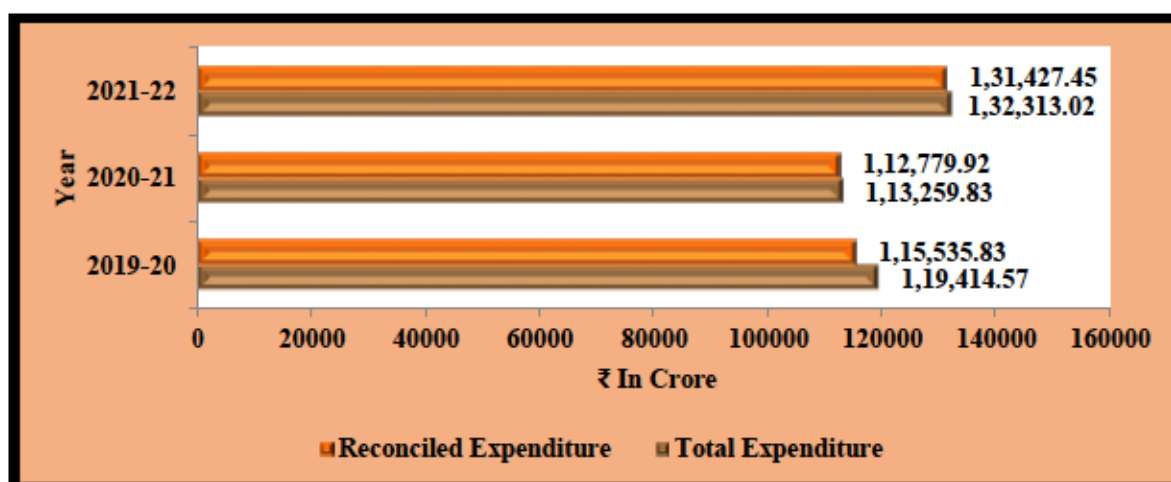
The status of reconciliation of receipts and expenditure by the Cos, during the last three years (2019-21), is shown in Chart 4.7 and Chart 4.8, respectively.

Chart 4.7: Status of reconciliation of receipts, during the last three years



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

Chart 4.8: Status of reconciliation of expenditure, during the last three years



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

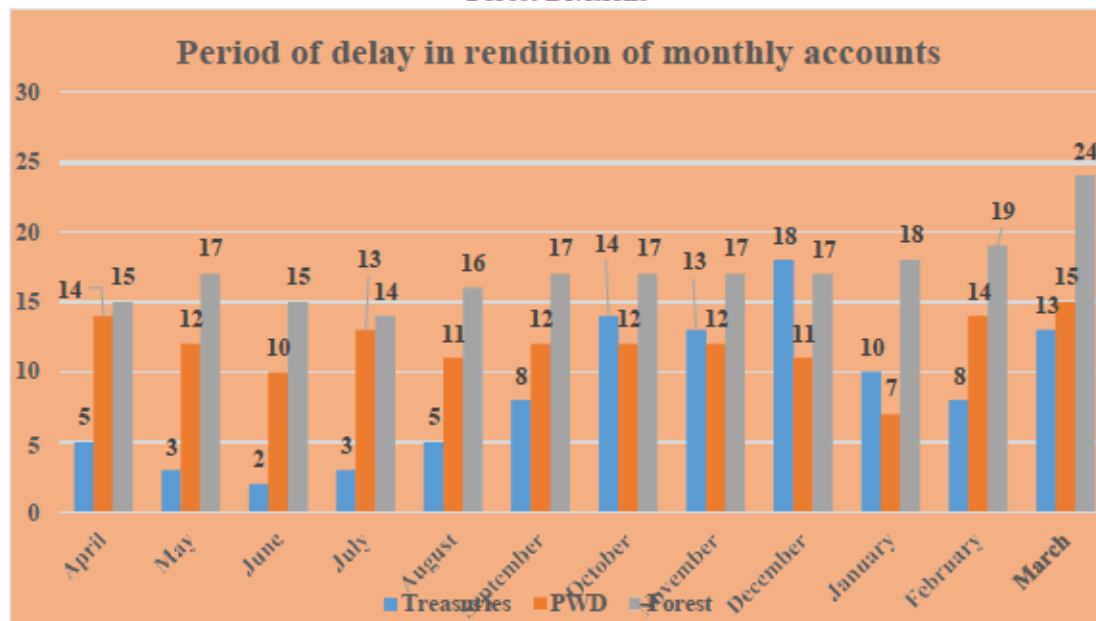
Further, Governments and HODs, who sanction grants and/ or loans to bodies or authorities, are required to furnish to Audit, by the end of July every year, a statement of such bodies and authorities, to which grants and/ or loans, aggregating ₹10 lakh or more, were paid during the preceding year, indicating (a) the amount of assistance, (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority.

Only 30 out of 43 Departments had furnished the details of Grants-in-Aid given to various bodies and authorities in the year 2021-22. In the absence of the information from remaining 13 Departments³⁶, reasonable assurance could not be provided to the Legislature/ Government about the manner in which the grants sanctioned/ released by them had been utilised. This dilutes legislative control over the Government expenditure system.

4.14 Timeliness and Quality of Accounts

The accounts of the State Government are compiled by the Accountant General (A&E) from the initial accounts rendered by district treasuries, sub-treasuries, cyber treasury and public works divisions (apart from the RBI advices). During the financial year 2021-22, there were delays in rendition of monthly accounts, ranging from 02 to 18 days, by treasuries; 07 to 15 days, by Public Works Divisions; and 15 to 24 days, by Forest Divisions. Details of delays (in days), in submission of monthly Civil Accounts, are given in Chart 4.9.

Chart 4.9: Delays (in days) in rendition of monthly accounts by Treasuries, Public Works and Forest Divisions



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

³⁶ Finance; Odisha Legislative Assembly; School and Mass Education; Health and Family Welfare; Panchayati Raj and Drinking Water; Public Grievance and Pension Administration; Rural Development; Public Enterprises; Women and Child Development and Mission Shakti; Electronics and Information Technology; Social Security and Empowerment of persons with disabilities; Disaster Management; and Odia Language, Literature and Culture.

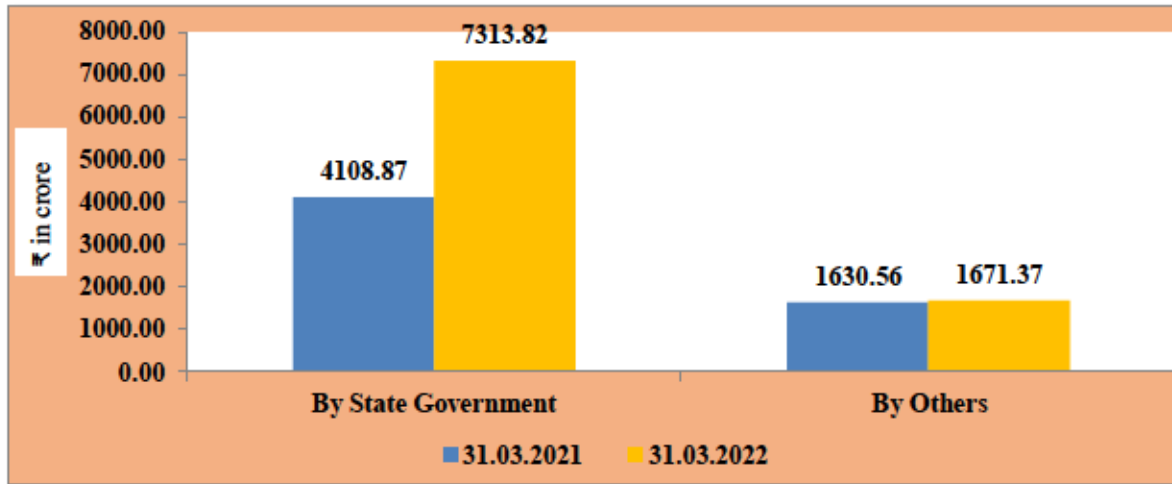
The amount of equity and loans in 11 Government controlled other companies, as of 31 March 2022 is given in the table below.

5.2.1 Equity holding

During 2021-22, the total equity holding at face value in the 32 SPSEs covered in this Report registered a net increase of ₹3,245.76 crore. This was due to increase in State Government equity share capital of ₹ 50.00 crore in Odisha State Road Transport Corporation Limited, ₹ 2214.51 crore in GRIDCO Limited, ₹ 22.54 crore in Odisha Hydro Power Corporation Limited, ₹ 207.00 crore in Odisha Power Generation Corporation Limited, ₹ 711.29 crore in Odisha Power Transmission Corporation Limited and increase in equity share capital of holding State Government companies of ₹ 39.95 crore in Odisha Coal Power Limited.

Holding in equity by State Government and others, during the last two years ended 31 March 2021 and 31 March 2022 in Government Companies and Corporations, is depicted in the Chart below:

Chart 5.1: Holding in equity in Government Companies and Corporations



(Source: Compiled on the basis of latest finalised accounts of SPSEs)

Details of significant holding (holding of more than ₹200 crore) of the State Government during 2021-22 in the paid-up capital of the SPSEs, are given in Table 5.6.

Table 5.6: Significant holding of the State Government

(₹ in crore)

Name of the SPSE	Name of the Department	Amount	Percentage of State Government holding in the individual SPSE with the total holding of the State Government
Statutory Corporation			
Odisha State Financial Corporation	Micro, Small & Medium Enterprise	342.72	4.69
Odisha State Road Transport Corporation	Commerce and Transport	328.54	4.49
Government Companies			

Odisha Power Generation Corporation Limited	Energy	1136.47	15.54
Odisha Power Transmission Corporation Limited	Energy	1571.06	21.48
Odisha Hydro Power Corporation Limited	Energy	833.19	11.39
GRIDCO Limited	Energy	2791.22	38.17

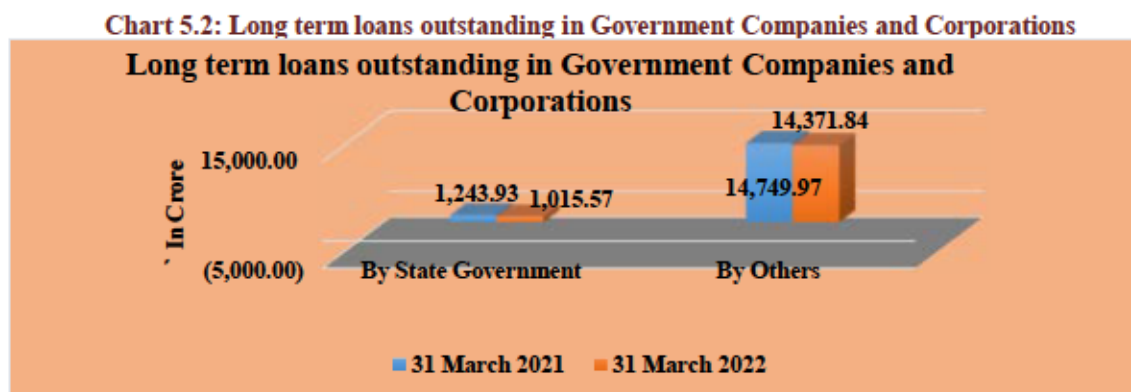
(Source: Compiled from the latest finalised accounts of SPSEs)

5.2.2 Loans given to Government Companies and Corporations

5.2.2.1 Computation of long-term loans outstanding as on 31 March 2022

Out of the 32 Government Companies and Corporations covered in this report, 11 had outstanding long term loans from all sources, amounting to ₹15,387.41 crore, as on 31 March 2022. During 2021-22, the long-term loans of Government Companies and Corporations registered a decrease of ₹606.49 crore in five SPSEs viz. GRIDCO Limited, Odisha Hydro Power Corporation Limited, Odisha Power Generation Corporation Limited, Odisha Coal and Power Limited and Kalinga Studio Limited.

Year wise details of outstanding long-term loans of Government Companies and Corporations, covered in this report, are depicted in the chart below:



(Source: Compiled on the basis of latest finalised accounts of SPSEs)

5.2.2.2 Adequacy of assets to meet loan liabilities

Ratio of total debt to total assets is one of the methods used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than the sum of its loans/debts. The coverage of long-term loans by value of total assets in 11 Government SPSEs, which had outstanding loans as on 31 March 2022, is given in the table below:

Table 5.9: Interest outstanding on State Government Loans

(₹ in crore)

Sl. No.	Name of the SPSE	Outstanding interest on State Government loans	Interest on State Government loans outstanding for less than 1 year	Interest on State Government loans outstanding for 1 - 3 years	Interest on State Government loans outstanding for more than 3 years
1	Odisha Hydro Power Corporation Limited	842.27	66.94	140.23	635.10
2	Odisha State Seeds Corporation Limited	0.98	-	-	0.98
3	Industrial Development Corporation Limited	56.53	1.66	6.04	48.83
4	Odisha Power Transmission Corporation Limited	56.31	21.58	0	34.73
Total		956.09	90.18	146.27	719.64

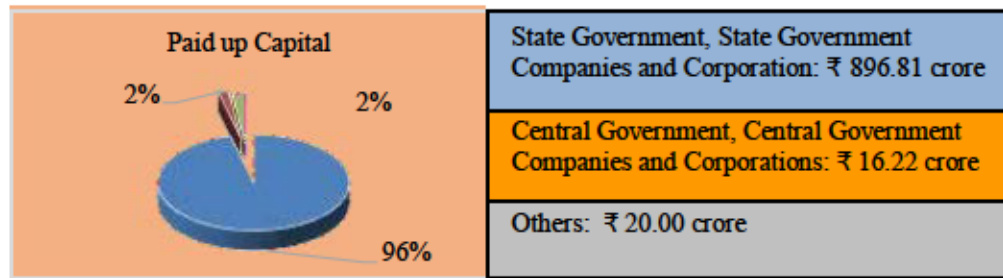
(Source: Compiled on the basis of information received from SPSEs)

It is revealed from the above table that the companies failed to pay the interest liabilities which should have been paid within one year, resulting in accumulation of interest on State Government loans, year after year.

5.2.3 Investment in Government controlled other Companies

The capital invested in 11⁴¹ Government Controlled other Companies by the State Government, Central Government and by Companies and Corporations controlled by them, during the year 2021-22, is depicted in the chart below:

Chart 5.3: Composition of share capital in Government controlled other Companies



(Source: Compiled on the basis of latest finalised accounts of SPSEs)

As on 31 March 2022, equity in these Government controlled other companies remained the same as it was in 2020-21⁴¹ i.e., 933.08 crore.

⁴¹ 15 minus 4 Government controlled other companies whose accounts were in arrears for three years or more or were defunct/under liquidation.