



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

## Report of the Comptroller and Auditor General of India on State Finances for the year 2023-24



Government of Odisha  
Report No. 3 of 2025  
(State Finances Audit Report)



**Report of the  
Comptroller and Auditor General of India  
on State Finances for the year 2023-24**

**Government of Odisha**

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## Table of Contents

<i>Contents</i>	<i>Paragraph</i>	<i>Reference Page No.</i>
Preface		v
Executive Summary		vii-xi
<b>CHAPTER I: Overview</b>		
Profile of Odisha	1.1	1
Basis and Approach to State Finances Audit Report	1.2	3
Overview of the Government Accounts Structure and Budgetary Processes	1.3	4
Fiscal Balance: Achievement of deficit and total debt targets	1.4	9
Deficits post examination by Audit	1.5	14
Post Audit – Total Outstanding Debt	1.6	15
<b>CHAPTER II: Finances of the State</b>		
Major Changes in key fiscal aggregates in FY 2023-24 <i>vis-à-vis</i> FY 2022-23	2.1	17
Sources and Application of Funds	2.2	17
Resources of the State	2.3	19
Application of Resources	2.4	30
Contingency Fund	2.5	50
Public Accounts Receipts	2.6	51
Debt Management	2.7	59
Debt Sustainability Analysis	2.8	67
Salient features	2.9	75
Conclusion	2.10	75
Recommendations	2.11	76
<b>CHAPTER III: Budgetary Management</b>		
Budget Process	3.1	79
Appropriation Accounts	3.2	82
Integrity of budgetary and accounting process	3.3	83
Effectiveness of Budgetary and Accounting Process	3.4	88
Review of Selected Grants	3.5	96
Review of Specific Budgets	3.6	108
Conclusion	3.7	113
Recommendations	3.8	113
<b>CHAPTER IV: Quality of Accounts and Financial Reporting Practices</b>		
Non-discharge of liability in respect of interest towards interest bearing Reserve Funds	4.1	115
Funds Transferred Directly to State Implementing Agencies	4.2	116
Delay in Submission of Utilisation Certificates (UCs)	4.3	117
Abstract Contingent Bills	4.4	119
Personal Deposit (PD) Accounts	4.5	121
Indiscriminate use of Minor Head 800	4.6	123

<i>Contents</i>	<i>Paragraph</i>	<i>Reference Page No.</i>
Outstanding Balance Under Major Suspense Heads	4.7	126
Reconciliation of Cash Balances	4.8	127
Unspent amount lying with DDO Bank Account	4.9	127
Non-compliance with Accounting Standards	4.10	128
Non-Submission of Annual Accounts/ Separate Audit Reports of Autonomous Bodies	4.11	128
Non-submission of Details of Grants/Loans Given to Bodies and Authorities	4.12	129
Maintenance of Odisha Electricity Regulatory Commission fund in Bank Accounts instead of Public Account	4.13	129
Timeliness and Quality of Accounts	4.14	130
Misappropriations, losses, thefts etc.	4.15	131
Discrepancy of ₹ 64.70 crore due to non-reconciliation between bank balance and cash book balance	4.16	131
Follow up Action on State Finances Audit Report	4.17	132
Conclusion	4.18	132
Recommendations	4.19	132
<b>Appendices</b>		
A brief profile of Odisha	1.1	135
Structure and Form of Government Accounts	1.2	136
Summarised financial position of the Government of Odisha as on 31 March 2024	1.3	137
Abstract of receipts and disbursements for the year 2023-24	2.1	139
Time Series data on the State Government Finances	2.2	142
Misclassification of revenue expenditure as capital expenditure for the financial year 2023-24	2.3	146
Cases where supplementary provision (₹ 100 crore or more in each case) proved unnecessary	3.1	149
Cases where Supplementary Provision (₹ five crore or more in each case) proved excessive	3.2	150
Unnecessary / Inadequate re-appropriation of funds during FY 2023-24	3.3	151
Grants having large savings, after surrender (exceeding ₹ 25 crore), during FY 2023-24	3.4	152
Grants having persistent savings (exceeding ₹ 100 crore) during FYs 2021-22 to 2023-24	3.5	153
Grant-wise percentage of utilisation of budget and savings, during FY 2023-24	3.6	154
Surrender of funds in excess of ₹100 crore, on the last day of March 2024	3.7	156
Surrender of 100 per cent of total provisions during FY 2023-24	3.8	158
Release of funds at the end of the Financial Year 2023-24	3.9	161

<i>Contents</i>	<i>Paragraph</i>	<i>Reference Page No.</i>
Sub-heads where entire expenditure (exceeding ₹ 5 crore in each case) was incurred in March 2024	3.10	166
Central Scheme Funds, transferred by Government of India directly to the State implementing agencies	4.1	168
Details of GIA for which utilisation certificates were pending since 2003-04 from different Departments at the end of 31.03.2024	4.2	171
Department-wise UCs not received by AG(A&E) and pending reconciliation, for more than ten years, as on 31 March 2024	4.3	172
Department-wise Outstanding AC/DC Bills, as on 31 March 2024	4.4	173
Substantial expenditure (50 per cent and above of the total expenditure) booked under Minor Head- 800- Other Expenditure, during FY 2023-24	4.5	174
Substantial receipts (50 per cent and above (more than one lakh) of the total receipts) booked under Minor Head-800- Other Receipts, during FY 2023-24	4.6	175
Unspent amount lying with DDOs in bank accounts	4.7	176
Pendency of Accounts and delays in preparation of Separate Audit Reports of Autonomous Bodies	4.8	177
Pending cases of misappropriation, losses, theft, etc.	4.9	178
Discrepancies between Cash Book and Passbook balance as on 31 March 2024	4.10	179
Glossary of important Budget related terms	5.1	180





# *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 the financial year 2023-24 and to provide the State Legislature with inputs, based on audit analysis of financial data. The Report contains four 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 – 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 FY 2019-20 to FY 2023-24, 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 and 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.

The Report containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.



# **Executive Summary**



# Executive Summary

## About the Report

*This Report of the CAG of India is on the State Finances for the year 2023-24. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.*

*This executive summary highlights the contents of this report and through snapshots of the important figures and aspects, provides an insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and its impact.*

Gross State Domestic Product (GSDP) (at current prices) grew at a Compounded Annual Growth Rate (CAGR) of 12.26 per cent from ₹5,37,502 crore in FY 2019-20 to ₹8,53,524 crore in FY 2023-24. There was 12.37 per cent growth in GSDP over FY 2022-23.

The State recorded a Revenue Surplus of ₹30,761 crore and Fiscal Deficit of ₹14,743 crore, during the FY 2023-24. Revenue Surplus increased from ₹19,456 crore to ₹30,761 crore, registering 58.11 per cent increase over FY 2022-23, while fiscal deficit decreased by 3.13 per cent from ₹15,219 crore in 2022-23 to ₹14,743 crore in FY 2023-24.

During 2023-24, there was an increase in Revenue Receipts by ₹29,131 crore, while Revenue Expenditure increased by ₹17,826 crore, as compared to the last year. The revenue receipts increased by 19.36 per cent and the percentage of revenue receipts over GSDP increased from 19.81 per cent in FY 2022-23 to 21.04 per cent in FY 2023-24. The tax revenue (including Central Tax Transfers) increased by 17.90 per cent during the period and the State's own tax revenue increased by 16.91 per cent. The total expenditure (revenue expenditure, capital expenditure and loans and advances) of the State of Odisha increased from ₹1,66,513 crore in FY 2022-23 to ₹1,94,895 crore in FY 2023-24, registering an increase of 17.04 per cent. Of this, revenue expenditure showed 13.61 per cent increase from FY 2022-23.

## Receipt vis-à-vis Expenditure

The State has different sources of receipts such as State's Own Tax Revenue, Non-tax Revenue, Devolution of States' share in taxes, Grants in aid and transfers from the Union Government and non-debt capital receipts. The State Government's expenditure includes expenditure on revenue account as well as capital expenditure (assets creation, loans and advances, investments etc).

From FY 2019-20 to FY 2023-24, revenue receipts increased by 76.82 *per cent* from ₹ 1,01,568 crore to ₹1,79,593 crore, with an annual average growth rate of 15.31 *per cent*. Tax revenue (including Central Tax Transfers) increased by ₹42,802 crore (68.19 *per cent*), whereas, non-tax revenue increased by ₹ 38,364 crore (261.92 *per cent*) in FY 2023-24 compared to FY 2019-20. Grant-in-aid from GoI, on the other hand, decreased by 13 *per cent*, during the period from FYs 2019-20 to 2023-24, indicating decreased reliance on support from the Government of India. However, it increased by 15.46 *per cent* over the previous year.

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligations. As such, it does not result in any addition to the State's infrastructure and service network. Between FYs 2019-20 and 2023-24, revenue expenditure increased from ₹99,137 crore to ₹1,48,832 crore. It consistently made up a significant portion (76 to 83 *per cent*) of the total expenditure during this period, growing at an average annual rate of 10.69 *per cent*.

### **Capital Expenditure**

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

Between FY 2019-20 and FY 2023-24, Capital expenditure increased from ₹20,277 crore to ₹43,273 crore. It consistently made up a significant portion (16 to 22 *per cent*) of the total expenditure during this period, growing at an average annual rate of 20.87 *per cent*.

### **Committed Expenditure**

Under the revenue expenditure, the quantum of committed expenditure constitutes the substantial share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions constituted 36 *per cent* of revenue expenditure during FY 2023-24. The Committed expenditure increased at an annual average growth rate of 6.82 *per cent*, *i.e.* from ₹41,019 crore in FY 2019-20 to ₹53,410 crore in FY 2023-24.

### **Misclassification of Revenue Expenditure as Capital Expenditure**

During the financial year 2023-24, the State Government had booked ₹43,273.38 crore as Capital Expenditure. During audit, it was noticed that out of the amount of ₹43,273.38 crore, ₹4,564.63 crore of expenditure of Revenue nature had been booked under Capital Expenditure. Out of this amount, ₹ 170.55 crore was expenditure towards operation, maintenance, repair and renovation *etc.*, which was required to be booked under Revenue Expenditure, as per Rule 31 (2)(b) of the

Government Accounting Rules, 1990. The remaining amount of ₹ 4,394.08 crore had been transferred for creation of assets by entities other than the Government of Odisha, which was required to be classified as Revenue Expenditure, in accordance with Note below Rule 30(1) of GAR 1990.

### ***Funds to Single Nodal Agency***

The Government of India and the State Government have introduced system of Single Nodal Agency (SNA) for implementation and fund flow for each Centrally Sponsored Scheme (CSS). The share of the Government of India and the State Government is transferred to the Bank Account of the SNA lying outside the Government Account.

The State Government had received ₹14,851.42 crore, being the Central share, during FY 2023-24, in its Treasury Accounts. As per the VLC database, the State Government transferred ₹26,671.54 crore (Central share ₹14,561.02 crore and State Government share ₹12,110.52 crore) to the SNAs, during FY 2023-24. As per SNA PFMS report, the State Government transferred ₹25,475.87 crore (Central share of ₹13,696.81 crore and State share of ₹11,779.06 crore) to the SNAs. This difference in two databases (VLC and PFMS) needs reconciliation.

### **Fiscal Sustainability**

#### ***OFRBM requirements and compliance with fiscal parameters***

The OFRBM Act / Rules prescribes certain limits within which, revenue deficit, fiscal deficit, debt as a percentage of the Gross State Domestic Product (GSDP) should be, and similarly for guarantees as a percentage of revenue receipts of the previous year. In FY 2023-24, revenue surplus was ₹30,761 crore; fiscal deficit was 1.73 *per cent* as against the limit of 3.00 *per cent*; debt was 14.39 *per cent* as against limit of 25.00 *per cent*. The outstanding guarantees at the beginning of the FY 2023-24, were 3.84 *per cent* as against the prescribed limit of 100 *per cent*.

As per the debt stabilisation analysis, the outstanding liabilities of the State Government decreased, during FY 2019-24, from ₹1,26,084 crore in FY 2019-20 to ₹1,22,837 crore in FY 2023-24. However, they increased by ₹21,137 crore (20.78 *per cent*) to ₹ 1,22,837 crore from FYs 2022-23 to 2023-24. Outstanding liabilities to GSDP ratio of Odisha decreased from 23.46 *per cent* in FY 2019-20 to 14.39 *per cent* in FY 2023-24.

During 2019-24, the Domar gap was generally positive, indicating that real economic growth outpaced the real interest burden, supporting manageable debt levels. An exception occurred in FY 2020-21 due to the COVID-19 pandemic, which turned the gap negative.

The State needs to maintain a balanced approach to fiscal policy, which is crucial to ensure debt sustainability to move forward. The State needs to allow the debt to grow in tandem with nominal growth in order to keep the debt-GSDP ratio stable.

## **Budget performance**

### ***Aggregate budget outturn***

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/ actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved. In Revenue Section, deviation in outturn compared with BE was (-) 8.70 *per cent*. This was due to deviation between 0 and ( $\pm$ ) 25 *per cent* in 29 grants and two appropriations, between ( $\pm$ ) 25 *per cent* to ( $\pm$ ) 50 *per cent* in 11 grants and one appropriation, between ( $\pm$ ) 50 *per cent* to ( $\pm$ ) 100 *per cent* in two grants and above 100 *per cent* in two grants. In Capital Section, deviation in outturn compared with BE, was (-) 23.53 *per cent*. This was due to deviation between 0 and ( $\pm$ ) 25 *per cent* in 25 grants and one appropriation, between ( $\pm$ ) 25 *per cent* to ( $\pm$ ) 50 *per cent* in eight grants and one appropriation, between ( $\pm$ ) 50 *per cent* to ( $\pm$ ) 100 *per cent* in five grants and one Appropriation and above 100 *per cent* in six grants.

### ***Expenditure composition outturn***

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution, have contributed to variance in expenditure composition. In Revenue Section, deviation in outturn compared with RE was (-) 6.91 *per cent*. This was due to deviation between 0 and  $\pm$  25 *per cent* in 34 grants and three Appropriations, between  $\pm$  25 *per cent* to  $\pm$  50 *per cent* in seven grants, between  $\pm$  50 *per cent* to  $\pm$  100 *per cent* in one grant.

In Capital Section, deviation in outturn compared with RE was (-) 16.48 *per cent*. This was due to deviation between 0 and  $\pm$  25 *per cent* in 33 grants, between  $\pm$  25 *per cent* to  $\pm$  50 *per cent* in five grants, between  $\pm$  50 *per cent* to  $\pm$  100 *per cent* in six grants and more than 100 *per cent* in three grants. No provision was made under capital section in six grants.

It was noticed that supplementary provisions of ₹ 16,328.90 crore during the year 2023-24, in 15 cases (more than ₹ 100 crore in each case), proved unnecessary, as the expenditure did not come up even to the level of the original provision.

### ***Regularisation of Excess over Grants/ Appropriations***

The State Government has to get excesses over grants/appropriations regularised by the State Legislature, as per Articles 204 and 205 (1) (b) of the Constitution of India. Excess expenditure, remaining un-regularised for extended periods, dilutes legislative control over the executive. Excess disbursements of ₹262.65 crore, pertaining to FYs 2013-14 to 2020-21 (no excess expenditure during FYs 2019-20, 2021-22 & 2022-23), and ₹ 6.69 crore pertaining to the financial year 2023-24, are yet to be regularised by the State Legislature.



### ***Savings***

In 2023-24, the total savings were ₹59,856.09 crore, out of which ₹47,812 crore (79.88 per cent) was surrendered and the balance of ₹12,044 crore (20.12 per cent) remained unsurrendered.

### **Quality of Accounts and Financial Reporting**

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the actual expenditure. It also highlights issues pertaining to the accounts and financial reporting, such as parking of funds outside the Government accounts, non- or short discharging of liabilities and misclassification of transactions and data gaps.

### ***Operation of PD Accounts***

There were 397 PD Accounts with a closing unspent balance of ₹11,526.18 crore as of 31 March 2024. There was an increase of 60.60 per cent in unspent balances of PD accounts over the previous year. Against the requirement of reconciliation between Treasury and Personal Deposit (PD) Accounts with respective administrators, there was no reconciliation in 91 cases, as of 31 March 2024.

### ***Utilisation Certificates against conditional grants***

Despite the requirement of submitting Utilisation Certificates (UCs) against conditional grants within a stipulated time period, 11,014 outstanding UCs amounting to ₹12,361.26 crore were not received by AG(A&E) and were pending for reconciliation, as on March 2024.

### ***DC bills against AC bills***

Similarly, despite the requirement of submitting Detailed Contingent (DC) Bills against the advance money withdrawn through Abstract Contingent (AC) Bills, 1,222 AC bills of ₹103.06 crore were pending for submission of DC bills, as on March 2024, out of which 816 AC Bills, amounting to ₹39.78 crore pertained to the period up to March 2023.



# **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 eighth 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 (11<sup>th</sup> largest State), of which 2.12 crore (50.48 *per cent*) are male and 2.08 crore (49.52 *per cent*) are female. The percentage of population below the poverty line is 32.59 *per cent*, which is higher than the national average of 21.92 *per cent*. The State's literacy rate is 72.90 *per cent*. A brief profile of the State is given in *Appendix 1.1*.

### 1.1.1 Gross State Domestic Product of the State

Gross State Domestic Product (GSDP) is the value of all the goods and services produced within the boundaries of the State in a given period of time. Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time.

Changes in the sectoral contribution to the GSDP are important for understanding the changing structure of the economy. Economic activity is generally divided into the Primary, Secondary and Tertiary sectors, which correspond to the Agriculture, Industry and Services sectors.

Gross Value Added (GVA) is however, considered to be a more accurate indicator of economic growth as compared to GDP, as it ignores the impact of taxes and subsidies. From a policymaker's perspective, it is, therefore, vital to have a comparison of the GVA and Gross State Value Added (GSVA) data, for better analysis and focused policy interventions.

Trends of GSDP and GSVA compared to GDP and GVA, respectively, are shown in **Table 1.1**.

**Table 1.1: Trends in GSDP and GSVA, compared to the GDP and GVA  
(at current prices)**

Year	2019-20	2020-21	2021-22	2022-23	2023-24
<b>INDIA</b>					
GDP (2011-12 Series) (₹ in crore)	2,01,03,593	1,98,54,096	2,35,97,399	2,69,49,646	2,95,35,667
GVA (₹ in crore)	1,83,81,117	1,82,10,997	2,16,35,584	2,46,59,041	2,67,62,147
Growth rate of GDP over previous year (in <i>per cent</i> )	6.37	-1.24	18.85	14.21	9.60
Growth rate of GVA over previous year (in <i>per cent</i> )	7.02	-0.93	18.81	13.97	8.53
Per Capita GDP (in ₹)	1,49,915	1,46,480	1,72,422	1,94,879	2,11,725

Year	2019-20	2020-21	2021-22	2022-23	2023-24
<b>ODISHA</b>					
GSDP (2011-12 Series) (₹ in crore)	5,37,502	5,40,185	6,97,013	7,59,560	8,53,524
GSVA (₹ in crore)	4,74,482	4,80,842	6,18,522	6,76,899	7,59,729
Growth rate of GSDP over previous year (in per cent)	7.80	0.50	29.03	8.97	12.37
Growth rate of GSVA over previous year (in per cent)	5.94	1.34	28.63	9.44	12.24
Per Capita GSDP (in ₹)	1,18,903	1,18,586	1,51,971	1,64,564	1,83,767

Source: Ministry of Statistics and Programme Implementation, Government of India

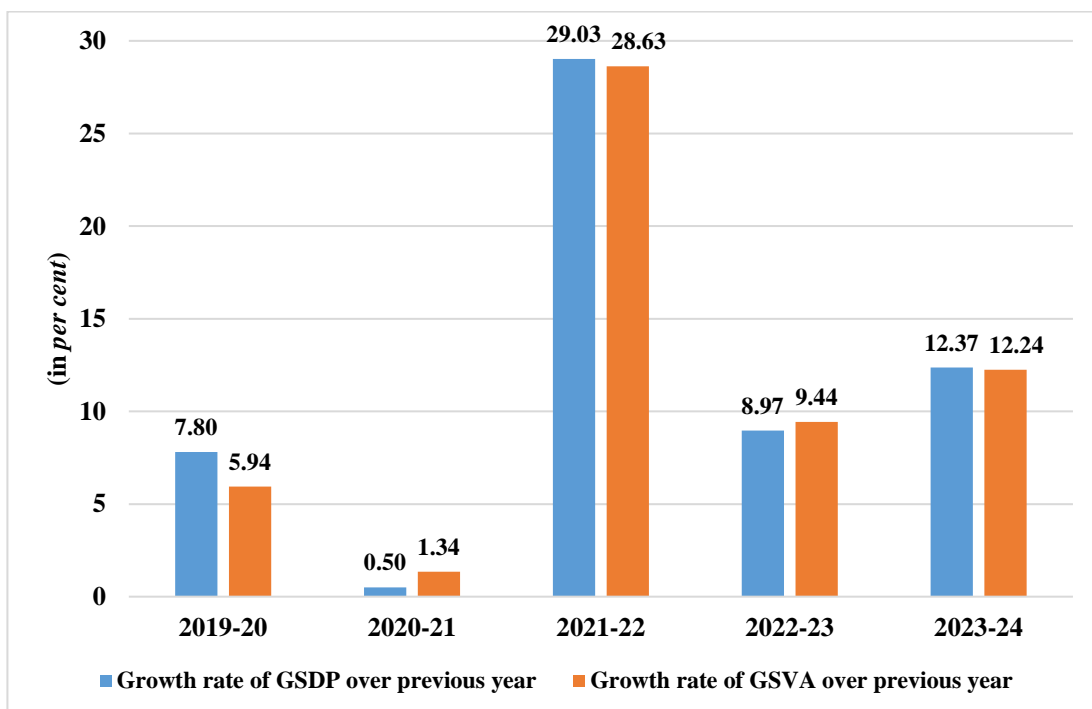
(For GSDP: 2021-22: Provisional Estimates, 2022-23: Quick Estimates, 2023-24: Advance Estimates)

(For GDP: 2022-23: First Revised, 2023-24: Provisional Estimates)

Thus, the GSDP in FY 2023-24, at current prices, was ₹8,53,524 crore and the GDP, in FY 2023-24, at current prices, was ₹ 2,95,35,667 crore. GSDP (at current prices) grew at a Compounded Annual Growth Rate<sup>1</sup> (CAGR) of 12.26 per cent from ₹5,37,502 crore in FY 2019-20 to ₹8,53,524 crore in FY 2023-24. Further, the per capita GSDP of the State, for FY 2023-24, was lower by ₹ 27,958 (13.20 per cent) as compared to the per capita GDP of the country.

The trends of GSDP and GSVA, for the period from FYs 2019-20 to 2023-24, are indicated in **Chart 1.1**.

**Chart 1.1: Growth rate of GSDP vs growth rate of GSVA (FYs 2019-20 to 2023-24)**

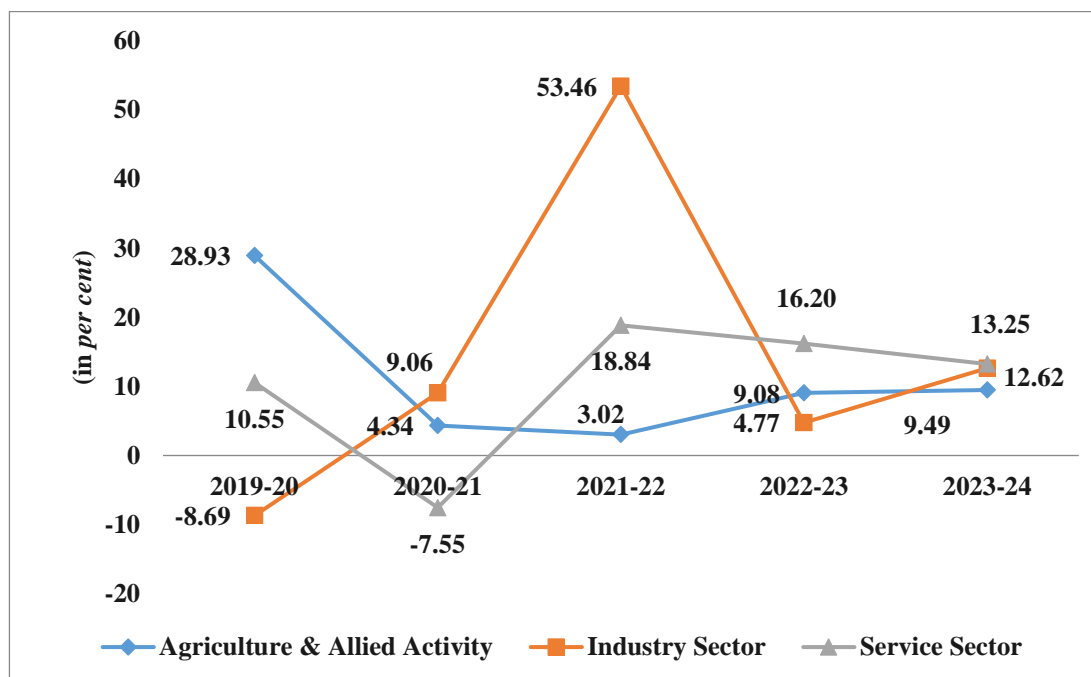


Source: Ministry of Statistics and Programme Implementation, GoI

<sup>1</sup> Compounded Annual Growth Rate =  $[(\text{Ending Value}/\text{Beginning Value})^{(1/\text{Number of Years})} - 1] \times 100 = [(\text{₹}8,53,524 \text{ crore} / \text{₹}5,37,502 \text{ crore})^{(1/4)} - 1] \times 100 = 12.26 \text{ per cent}$ .

The sectoral growth in GSDP during the last five years is depicted in **Chart 1.2**.

**Chart 1.2: Sectoral growth in GSDP**



Source: Ministry of Statistics and Programme Implementation, GoI

**Chart 1.2** shows that, during FY 2023-24, the service sector grew at 13.25 per cent, followed by the Industry Sector at 12.62 per cent and the Agriculture sector at 9.49 per cent. The industry sector demonstrated a significant improvement, accelerating from 4.77 per cent in the previous year to 12.62 per cent in 2023-24, primarily driven by increased activities in manufacturing, mining and quarrying. However, the growth rate of the services sector at 13.25 per cent was lower than the previous year's robust growth of 16.20 per cent. This deceleration may be attributed to subdued performance in key economic activities such as transport and financial services.

## 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 *ibid* of the Constitution of India.

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 -I)
- Other data with the 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 has also been carried out in the context of the recommendations of the Fourteenth and Fifteenth Finance Commissions (14<sup>th</sup> and 15<sup>th</sup> FCs); the Odisha Fiscal Responsibility and Budget Management (FRBM) (Amendment) Act, 2022; and best practices and guidelines of the Government of India (GoI). An Entry Conference was held on 07 August 2024, with the Principal Secretary to Government of Odisha, Finance Department, wherein the audit approach followed in the preparation of SFAR was explained. Audit findings were discussed with the Principal Secretary, Finance Department on 15 October 2024 and the responses of the Government have been incorporated in the Report appropriately.

### 1.3 Overview of the Government Accounts Structure and Budgetary Processes

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

#### I. Consolidated Fund of the State (Article 266 (1) of the Constitution of India)

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from Central Government, loans from financial institutions, special securities issued to National Small Savings Fund *etc.*), Ways and Means Advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund, except in accordance with the law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (*e.g.* salaries of Constitutional authorities, loan repayments *etc.*) constitute a charge on the Consolidated Fund of the State (Charged Expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

#### II. Contingency Fund of the State (Article 267 (2) of the Constitution of India)

This Fund is in the nature of an Imprest, which is established by the State Legislature by law, and is placed at the disposal of the Governor, to enable advances to be made for meeting unforeseen expenditure, pending authorisation of such expenditure by the



State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head, relating to the Consolidated Fund of the State.

### III. Public Account of the State (Article 266 (2) of the Constitution of India)

Apart from the above, all other moneys, received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account.

The Public Account includes repayable like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to vote by the Legislature.

### Budget Document

Article 202 of the Constitution of India requires that a statement of the estimated receipts and expenditures of the Government, for every financial year, to be placed before the House of the Legislature of the State. This 'Annual Financial Statement' constitutes the main budget document. Further, Article 112(2) of the Constitution of India requires that the budget must distinguish expenditure on the revenue account from other expenditure.

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

**Revenue expenditure** consists of all expenditures of the Government, which do not result in the creation of physical or financial assets. It relates to expenses incurred for the normal functioning of 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.*; and
- **Non-debt receipts:** Proceeds from disinvestment, recoveries of loans and advances *etc.*

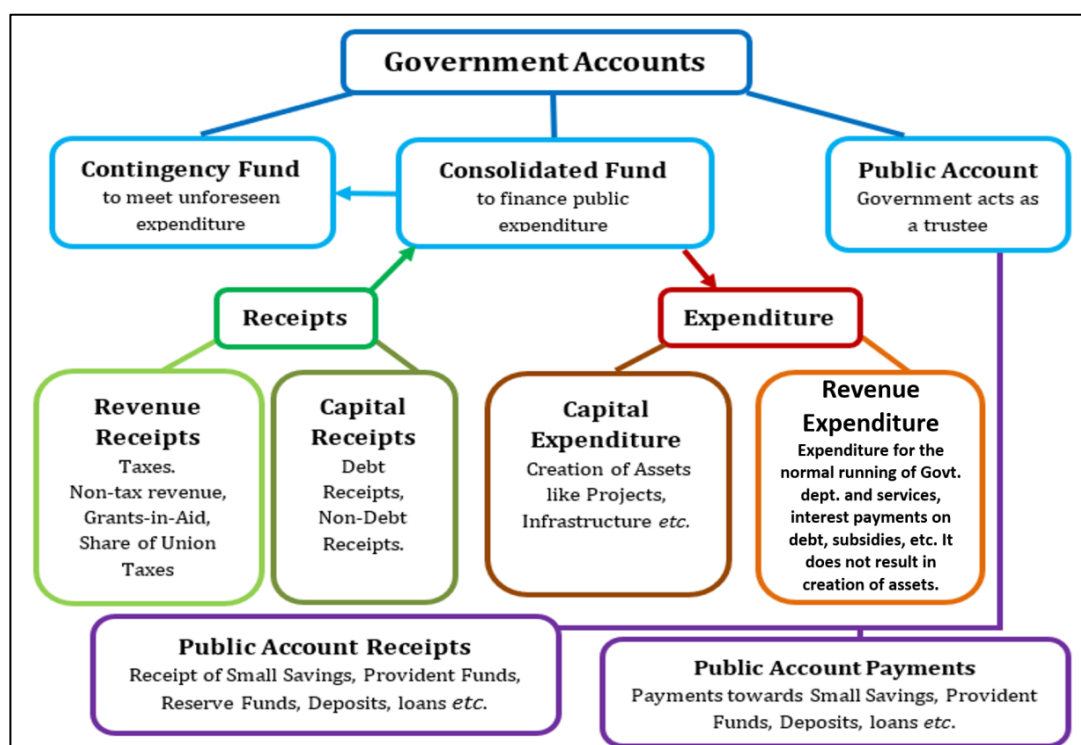
**Capital expenditure** includes expenditure on the acquisition of land, building, machinery, equipment and investment by Government in shares of Public Sector Undertakings (PSUs).

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

	Attribute of transaction	Classification
Standardised in the List of Major and Minor Heads 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 indicates 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. The structure of Government Accounts is indicated in **Appendix 1.2** and **Chart 1.3**.

**Chart 1.3: Structure of Government Accounts**



Source: *Finance Accounts*

**Public Debt and Public Liability:**

In this Report, ‘Public Debt’ has been taken to comprise market borrowings, institutional loans, special securities issued to National Small Savings Fund (NSSF), loans given by Central Government *etc.* For this purpose, the major heads 6003 and 6004 – Public Debt, have been taken into consideration.

Further, transactions relating to ‘Small Savings, Provident Fund, *etc.*’, ‘Reserve Funds’ and ‘Deposit and Advances’, under the Public Account, are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. Transactions relating to ‘Remittances’ and ‘Suspense’, under the Public Account, relate to adjusting heads, and include transactions, such as remittances of cash between treasuries and currency chests, as well as transfers between different accounting circles.

In this Report, ‘Public Liability’ has been taken to include transactions under the major heads 8001 to 8554, relating to ‘Small Savings, Provident Fund, *etc.*’, ‘Reserve Funds’ and ‘Deposit and Advances’ along with transactions under the major heads 6003 and 6004.

### Budgetary Process

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 the audit scrutiny of the budget and implementation of other budgetary initiatives of the State Government, are detailed in **Chapter III** of this Report.

### 1.3.1 Snapshot of Finances

**Table 1.2** shows the details of actual financial results for the years 2022-23 and 2023-24, *vis-à-vis* the Budget Estimates (BE) and GSDP for the year 2023-24.

**Table 1.2: Snapshot of Finances**

Sl. No.	Components	2022-23 Actual	2023-24		Percentage of Actual to	
			B.E.	Actual	B.E.	GSDP
1	Tax Revenue (including central tax transfers)	89,543	99,251	1,05,571	106.37	12.37
i.	Own Tax Revenue	46,554	53,000	54,427	102.69	6.38
ii.	Share of Union taxes / duties	42,989	46,251	51,144	110.58	5.99
2	Non-Tax Revenue	42,720	52,500	53,011	100.97	6.21
3	Grants-in-Aid and Contributions	18,199	32,749	21,011	64.16	2.46
<b>4</b>	<b>Revenue Receipts (1+2+3)</b>	<b>1,50,462</b>	<b>1,84,500</b>	<b>1,79,593</b>	97.34	21.04
5	Recovery of Loans and Advances	832	870	559	64.25	0.07
6	Other Receipts	0.00	0.00	0.00	0.00	0.00
7	Borrowings and other Liabilities*	15,219	25,844	14,743	57.05	1.73

Sl. No.	Components	2022-23	2023-24	2023-24	Percentage of Actual to B.E.	Percentage of Actual to GSDP
		Actual	B.E.	Actual		
8	Capital Receipts (5+6+7)	16,051	26,714	15,302	57.28	1.79
9	Total Receipts (4+8)	1,66,513	2,11,214	1,94,895	92.27	22.83
10	Revenue Expenditure	1,31,006	1,57,761	1,48,832	94.34	17.44
11	Interest payments	5,502	7,241	5,181	71.55	0.61
12	Capital Expenditure	33,349	50,813	43,273	85.16	5.07
13	Loan and Advances	2,158	2,640	2,790	105.68	0.33
14	Total Expenditure (10+12+13)	1,66,513	2,11,214	1,94,895	92.27	22.83
15	Revenue Surplus/Deficit (4-10)	19,456	26,739	30,761	115.04	3.60
16	Fiscal Deficit (-)/Surplus (+) {(4+5+6)-14}	(-) 15,219	(-) 25,844	(-) 14,743	57.05	(-)1.73
17	Primary Deficit (-)/ Surplus (+) (16+11)	(-) 9,717	(-) 18,603	(-) 9,562	51.40	(-)1.12

Source: Finance Accounts & Budget at a Glance

\* 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.

Thus, during the year 2023-24, the revenue receipts of the State increased by 19.36 per cent over the previous year but fell short of ₹4,907 crore (2.66 per cent) as compared to the budget estimates. The recovery of loans and advances was ₹273 crore less than the previous year (₹832 crore) and fell short of ₹311 crore as compared to the budget estimates. The Revenue Expenditure and Capital Expenditure, during 2023-24, increased by 13.61 per cent and 29.76 per cent respectively, over the previous year. However, the total expenditure was 7.73 per cent (₹16,319 crore) less than the budget estimate.

### 1.3.2 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. **Appendix 1.3** gives an abstract of such liabilities and assets, as on 31 March 2024, compared with the corresponding position of the previous year. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from the Public Account and reserve funds. Assets comprise mainly of the Capital Expenditure, and loans and advances, given by the State Government and cash balances. A summarised position of assets and liabilities, for the financial years 2022-23 and 2023-24, is given in **Table 1.3**.

Table 1.3: Summarised position of assets and liabilities

(₹ in crore)

Liabilities					Assets				
		2022-23	2023-24	Per cent increase/decrease			2022-23	2023-24	Per cent increase/decrease
<b>Consolidated Fund</b>									
A	Internal Debt	45,531.68	50,985.33	11.98	A	Gross Capital Expenditure on Fixed Assets	2,35,759.68	2,79,033.06	18.35
B	Loans and Advances from GoI*	18,373.34	21,808.04	18.69	B	Loans and Advances	10,511.25	12,742.11	21.22

Liabilities					Assets				
		2022-23	2023-24	Per cent increase/decrease			2022-23	2023-24	Per cent increase/decrease
<b>Contingency Fund</b>		400	400	--			0	274.34	
A	Small Savings, Provident Funds etc.	24,755.72	23,955.45	(-) 3.23	A	Advances with Departmental officers	18.18	18.23	0.28
B	Deposits	19,781.94	25,430.26	28.55	B	Remittances	44.63	18.05	(-) 59.56
C	Reserve Funds	39,398.13	50,168.01	27.34	C	Suspense and Miscellaneous	--	--	--
D	Suspense and Miscellaneous balances	482.60	332.05	(-) 31.20	D	Cash Balance (including investment of Earmarked Fund)	45,440.22	54,805.37	20.61
E	Miscellaneous Capital Receipts	698.15	698.15	0.00					
F	Cumulative excess of receipts over expenditure	1,42,352.40	1,73,113.87	21.61					
<b>Total</b>		<b>2,91,773.96</b>	<b>3,46,891.16</b>	<b>18.89</b>	<b>Total</b>		<b>2,91,773.96</b>	<b>3,46,891.16</b>	<b>18.89</b>

Source: Finance Accounts of respective years

\* Includes back-to-back loan of ₹10,252 crore (FY 2020-21: ₹ 3,822 crore and FY 2021-22: ₹ 6,430 crore)

## 1.4 Fiscal Balance: Achievement of deficit and total debt targets

When Government spends more than it collects by way of revenue, it incurs a deficit. There are various measures to capture Government deficit.

Deficit is financed by borrowings, giving rise to Government debt. The concepts of deficit and debt are closely related. Deficit can be thought of as a flow, which adds to the stock of debt. If the Government continues to borrow year after year, it leads to accumulation of debt and the Government has to pay more and more by way of interest. These interest payments themselves contribute to the debt.

Government borrowing entails the burden of reduced consumption on future generations, because Government borrows by issuing bonds to the people living at present, but may decide to pay off the bonds in future by raising taxes or reducing expenditure. Moreover, Government's borrowing from people reduces the savings available to the private sector. To the extent that this reduces capital formation and growth, debt acts as a 'burden' on future generations.

However, if Government deficits succeed in their goal of raising production, there will be more income and, therefore, more savings. In this case, both Government and industry can borrow more. Also, if Government invests in infrastructure, future generations may be better off, provided the return on such investments is greater than the rate of interest. The actual debt can be paid off by the growth in output. The debt should not then be considered as burdensome. The growth in debt will, therefore, have to be judged by the growth of the economy (GSDP) as a whole.

Government deficit can be reduced by an increase in taxes or reduction in expenditure. However, the major thrust has been towards reduction in Government expenditure. This can be achieved by making Government activities more efficient, through better planning of programmes and better administration.

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 State FRBM Acts provide quantitative targets to be adhered to, by the States, in regard to deficit measures and debt levels.

In May 2005, the Odisha Government enacted the Odisha FRBM Act, 2005, to ensure prudence in fiscal management and fiscal stability, by progressive elimination of Revenue Deficit and sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a Medium-Term Fiscal Framework. Subsequently, in February 2012, the State Government amended the OFRBM Act, on the recommendations of the Thirteenth Finance Commission (13<sup>th</sup> FC) and enacted the OFRBM (Amendment) Act, 2012, on the basis of which the fiscal targets for the financial years 2010-11 to 2014-15 were fixed.

The Fourteenth Finance Commission (14<sup>th</sup> FC) recommended that the State Government may amend its FRBM Act, to provide for statutory flexible limits on fiscal deficit and also to provide a statutory ceiling on the sanction of new capital works to an appropriate multiple of the annual budget provision, so as to ensure that liabilities on account of incomplete and ongoing capital projects do not accumulate.

The 14<sup>th</sup> FC also recommended that the State Government adopt a template for collating, analysing and annually reporting the total extended public debt in the budget, as a supplement to the budget, to assess the debt position of the State, in the context of risks arising from guarantees, off-budget borrowings and accumulated losses from financially weak public sector enterprises. In order to accord greater sanctity and legitimacy to fiscal management legislation, it recommended replacing the existing FRBM Act, with a Debt Ceiling and Fiscal Responsibility Legislation, specifically invoking Article 293(1) of the Constitution of India.

The State Government amended its FRBM Act, as per recommendations of the 14<sup>th</sup> FC, in November 2016. The statutory flexible limit on fiscal deficit was fixed at three *per cent* of the GSDP for the financial years 2015-16 to 2019-20. Besides, an additional 0.50 *per cent* of the projected GSDP was to be allowed, if the debt to GSDP ratio in the preceding financial year was less than or equal to 25 *per cent* and the ratio of interest payments to revenue receipts in the preceding financial year was less than or equal to 10 *per cent*.

As per the Fifteenth Finance Commission (15<sup>th</sup> FC), the State Government further amended its FRBM Act in May 2021. The statutory flexible limit on fiscal deficit was

fixed at three *per cent* of GSDP and an additional two *per cent* in the financial year 2020-21, out of which one *per cent* was unconditional and another one *per cent* was subject to reforms, as laid out therein, and was to be maintained, thereafter, at three *per cent* or as allowed by the Government of India from time to time. The additional one *per cent*, in the financial year 2020-21, was conditional on the following reforms:

- (i) Implementation of One Nation One Ration Card System
- (ii) Ease of doing business reforms
- (iii) Urban Local body/utility reforms and
- (iv) Power Sector reforms.

The weightage of each reform was 0.25 *per cent* of the GSDP, totalling one *per cent*. The State Government further amended the FRBM Act in September 2022. The statutory flexible limit on fiscal target was fixed at three *per cent* of the GSDP and an additional 0.50 *per cent* of GSDP, for the financial years 2021-22 to 2024-25, subject to fulfilment of conditions linked to power sector reforms in Distribution Companies (DISCOMS), prescribed by the Government of India, from time to time.

Achievements, *vis-à-vis* the fiscal targets, prescribed in the State FRBM Act for the FYs 2019-20 to 2023-24, are detailed in **Table 1.4**.

**Table 1.4: Compliance with provisions of State FRBM Act**

Fiscal Parameters	Fiscal targets set in the Act	Achievement <i>vis-à-vis</i> target (₹ in crore)				
		2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Revenue Surplus	2,430	9,076	43,471	19,456	30,761 <sup>2</sup>
		✓	✓	✓	✓	✓
Fiscal Deficit (-) (as percentage of GSDP)	3 <i>per cent</i>	-3.50	-1.81	2.96	-2.00	-1.73 <sup>3</sup>
	(5 <i>per cent</i> for 2020-21)	×	✓	✓	✓	✓
Ratio of total outstanding liabilities <sup>4</sup> to GSDP (in <i>per cent</i> )	25 <i>per cent</i>	23.46	22.02 <sup>5</sup>	15.77	13.39	14.39
		✓	✓	✓	✓	✓
Interest payment as percentage of Revenue Receipts	15 <i>per cent</i>	5.97	6.36	4.14	3.66	2.88
		✓	✓	✓	✓	✓
Ratio of Salary to State's Own Revenue	80 <i>per cent</i>	44.39	39.34	24.86	27.36	26.17
		✓	✓	✓	✓	✓
Primary Surplus as a <i>per cent</i> of GSDP	2 <i>per cent</i>	-2.37	-0.58	3.87	-1.28	-1.12
		×	×	✓	×	×

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

<sup>2</sup> Post audit adjusted Revenue Surplus is ₹25,692 crore

<sup>3</sup> Post audit adjusted Fiscal Deficit, as percentage of GSDP is 1.80 *per cent*.

<sup>4</sup> Total Outstanding liabilities = ₹ 1,22,837 crore (Internal Debt: ₹ 50,985 crore + Other liabilities: ₹82,104 crore - back to back loan: ₹ 10,252 crore) which are not to be repaid by the State from its sources

<sup>5</sup> Excluding back-to-back loans of ₹ 3,822 crore in 2020-21, received from GoI, in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources

The State was able to achieve all the fiscal parameters during the last two fiscal years 2022-24, except Primary Surplus as a *per cent* of GSDP, set out in the FRBM Act.

Comparison of targets for fiscal parameters, projected in the Medium-Term Fiscal Plan (MTFP), 2024, presented to the State Legislature, with actuals for the current year, the targets set by the 15<sup>th</sup> FC and those projected in the State Budget *vis-à-vis* achievements, in regard to major fiscal aggregates with reference to GSDP, during FY 2023-24, are given in **Table 1.5**.

**Table 1.5: Targets *vis-à-vis* achievements in regard to major fiscal aggregates for FY 2023-24**

Fiscal Variables	Targets as prescribed by 15 <sup>th</sup> FC	Targets in the Budget / MTFP	Actuals	Percentage variation of actuals over	
				Targets of 15 <sup>th</sup> FC	Targets in Budget
Revenue Surplus/ GSDP ( <i>per cent</i> )	2.78	3.10	3.60 <sup>6</sup>	(+) 0.82	(+) 0.50
Fiscal Deficit/ GSDP ( <i>per cent</i> )	3.00	3.00	1.73 <sup>7</sup>	(+) 1.27	(+) 1.27
Total outstanding liability/GSDP ( <i>per cent</i> )	31.80	13.10	14.39 <sup>8</sup>	(+) 17.41	(-) 1.29

Source: Recommendations of 15<sup>th</sup> FC, Medium Term Fiscal Plan 2023-24 of GoO and Finance Accounts

Note (+) Denotes achievement and (-) denotes non-achievement or short-achievement. Surplus figures have been shown in plus

As per the Odisha FRBM Act, 2005, the MTFP statement is to set forth a three-year rolling target for prescribed fiscal indicators, with specification of underlying assumptions. Actuals, *vis-à-vis* projections made in the MTFP, are shown in **Table 1.6**.

**Table 1.6: Actuals *vis-à-vis* projection in MTFP for FY 2023-24**

(₹ in crore)				
Sl. No.	Fiscal Variables	Projection as per MTFP	Actuals (2023-24)	Variation (in <i>per cent</i> )
1	Tax Revenue (including central tax transfers)	99,251	1,05,571	6.37
i.	Own Tax Revenue	53,000	54,427	2.69
ii.	Share of Central Taxes	46,251	51,144	10.58
2	State's Own Non Tax Revenue	52,500	53,011	0.97
3	Grants-in-Aid from GoI	32,749	21,011	-35.84
<b>4</b>	<b>Revenue Receipts (1+2+3)</b>	<b>1,84,500</b>	<b>1,79,593</b>	-2.66
<b>5</b>	<b>Revenue Expenditure</b>	<b>1,57,761</b>	<b>1,48,832</b>	-5.66
<b>6</b>	<b>Revenue Deficit (-) / Surplus (+) (4-5)</b>	<b>26,739</b>	<b>30,761</b>	15.04
<b>7</b>	<b>Fiscal Deficit (-) / Surplus (+)</b>	<b>(-)25,844</b>	<b>(-)14,743</b>	-42.95
8	Debt-GSDP ratio ( <i>per cent</i> )	13.10	14.39 <sup>9</sup>	9.85
9	GSDP growth rate at current prices ( <i>per cent</i> )	12.50	12.37	-1.04

Source: Medium Term Fiscal Plan, 2023 and Finance Accounts of FY 2023-24, Government of Odisha

<sup>6</sup> Post audit adjusted Revenue Surplus as percentage of GSDP is 3 *per cent*.

<sup>7</sup> Post audit adjusted Fiscal Deficit as percentage of GSDP is 1.80 *per cent*.

<sup>8</sup> Excluding back-to-back loans of ₹ 10,252 crore, received from GoI, in lieu of GST Compensation shortfall (₹ 3,822 crore in 2020-21 and ₹ 6,340 crore in 2021-22), which are not to be repaid by the State from its sources

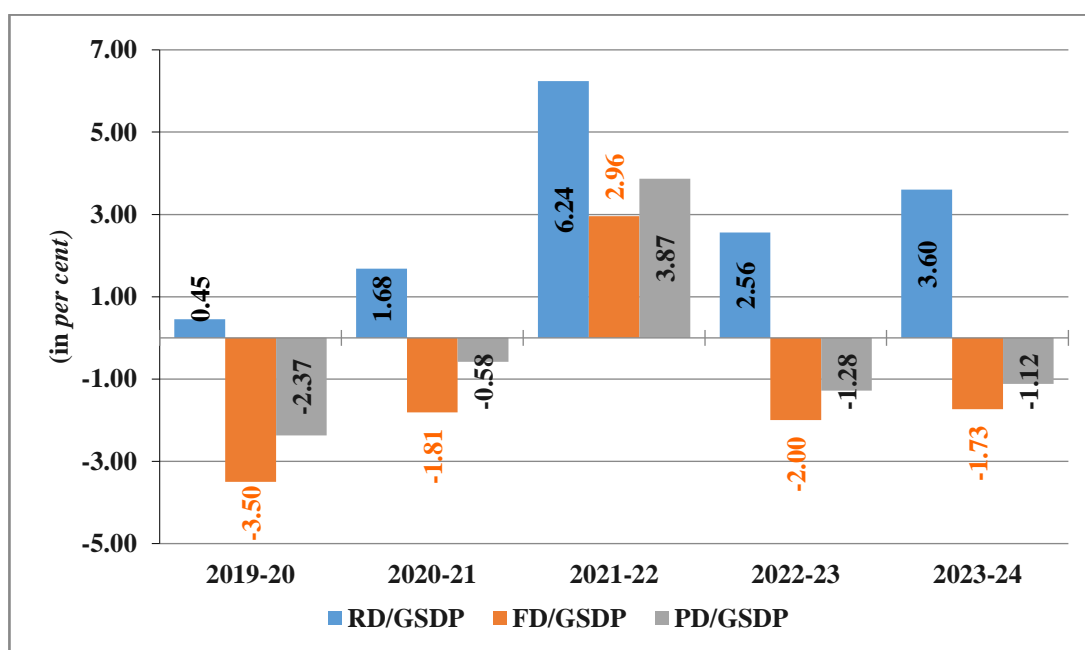
<sup>9</sup> Excluding back-to-back loans of ₹10,252 crore, received from GoI, in lieu of GST Compensation shortfall, during FYs 2020-21 to 2022-23, which are not to be repaid by the State from its sources



During the financial year 2023-24, Government was unable to achieve the level of Revenue Receipts, as projected in the MTFP, due to short receipt of 35.84 *per cent* in Grants-in-aid from Government of India (GoI). The actual tax revenue exceeded the projection by 6.37 *per cent*, which was mainly due to an increase in the share of central taxes (by 10.58 *per cent*) than anticipated. Further, Revenue Expenditure also fell short by 5.66 *per cent*, as projected in MTFP. The Government was able to contain the Fiscal Deficit-GSDP target within the level projected in the MTFP, but could not contain Debt-GSDP ratio within the stipulated target.

**Chart 1.4** presents the trends in deficit parameters and trends relative to GSDP, respectively over the period of FYs 2019-20 to 2023-24.

**Chart 1.4: Trends in Deficit/Surplus relative to GSDP, during FYs 2019-20 to 2023-24**



Source: Finance Accounts, Government of Odisha

- Revenue Surplus** indicates the excess of revenue receipts over revenue expenditure. Government of Odisha had prescribed in the FRBM Act, 2005, to bring down Revenue Deficit to zero, by 2008-09. However, in 2005-06, the State was able to attain a Revenue surplus of ₹ 481 crore and has continued to be a Revenue Surplus State since then. Revenue Surplus (₹30,761 crore) of the State during 2023-24 has increased (by 58.11 *per cent*) as compared to FY 2022-23 (₹19,456 crore). After adjustment of misclassification between Revenue and Capital expenditure and deferment of clear-cut liabilities, such as non-credit of interest to Reserve funds and Deposits, short contribution to the National Pension System (NPS), non-transfer of Labour Welfare Cess to the Board's account, non-transfer of Land Revenue cess to Local Bodies *etc.*, the Revenue Surplus would work out to be ₹ 25,692 crore (3 *per cent* of GSDP) *i.e.*, a reduction of ₹5,069 crore.

- **Fiscal Deficit**, which represents the total borrowings of the State, *i.e.* its total resource gap, was ₹14,743 crore (1.73 *per cent* of GSDP) in FY 2023-24, as against Fiscal deficit of ₹15,219 crore in FY 2022-23. The fiscal target set out in its FRBM (Amendment) Act, 2022 and MTFP projection of maintaining the Fiscal Deficit within 3 *per cent* of the GSDP, was achieved during the year 2023-24. After adjustment of deferment of clear-cut liabilities, such as non-credit of interest to Reserve funds and Deposits, short contribution to the NPS, non-transfer of Labour Welfare Cess to the Board's account, non-transfer of Land Revenue cess to Local Bodies *etc.*, the Fiscal Deficit would increase to ₹ 15,404 crore (1.80 *per cent* of GSDP). However this was still within the targets set.
- **Primary Deficit** indicates the excess of primary expenditure (total expenditure net of interest payments) over non-debt receipts. The Primary Deficit during 2023-24 was ₹9,562 crore (1.12 *per cent* of GSDP) as against ₹9,717 crore (1.28 *per cent* of GSDP) in 2022-23 and the State was unable to achieve the fiscal target set out in FRBM (Amendment) Act, 2021, of maintaining Primary Surplus over two *per cent* of the GSDP. However, during 2021-22, there had been a primary surplus of ₹26,969 crore (3.87 *per cent* of GSDP).

## 1.5 Deficits post examination by Audit

As per the FRBM Act, the State Government must ensure compliance with the targets for fiscal indicators, such as deficits, ceiling on debt and on guarantees, *etc.* The Revenue Surplus and Fiscal deficit as worked out for the State get impacted, due to various circumstances, such as misclassification of revenue expenditure as capital expenditure and off-budget fiscal operations. Besides, deferment of clear-cut liabilities, not depositing cess/royalty to Consolidated Fund, short contribution to the New Pension System, Sinking Fund and Guarantee Redemption Fund *etc.*, also impact the revenue and fiscal deficit figures. In order to arrive at the actual deficit figures, the effect of misclassification of revenue expenditure/capital outlay and/or any such misclassification, needs to be included and the impact of such irregularities needs to be reversed. Analysis of deficits, after examination in audit, is given in **Table 1.7**.

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

(₹ in crore)

Particulars	Impact on Revenue Surplus (Understated (-) / overstated (+))	Impact on Fiscal Deficit (Understated (+) / overstated (-))	Paragraph Reference
Misclassifications between Revenue and Capital Expenditure	(+) 4,564.63	--	2.4.2.1
Non-Credit of Interest to Reserve Funds and Deposits (bearing interest)	(+) 305.83	(+) 305.83	2.6.1
Less Government contribution to National Pension System	(+) 23.49	(+) 23.49	2.4.1.2
Non-recoupment of contingency fund	(+) 117.87	(+) 274.34	2.5
Labour Welfare Cess collected, but not transferred to Board's Account	(+) 2.26	(+) 2.26	2.6.2.6
Non-transfer of Land Revenue Cess to Local Bodies	(+) 54.85	(+) 54.85	2.3.2.2
<b>Total Impact</b>	<b>(+) 5,068.93</b>	<b>(+) 660.77</b>	

Source: Audited Finance Accounts for FY 2023-24, Government of Odisha

During FY 2023-24, the revenue surplus and fiscal deficit was ₹30,761 crore (3.60 per cent of GSDP) and ₹14,743 crore (1.73 per cent of GSDP) respectively, as shown in **Chart 1.4**. If the above transactions are taken into account, the actual revenue surplus and fiscal deficit would work out to ₹25,692 crore (3 per cent of GSDP) and ₹15,404 crore (1.80 per cent of GSDP), respectively. However, these fiscal targets are still within the ceiling fixed by the FRBM Act.

## 1.6 Post Audit – Total Outstanding Debt

As per the Odisha Fiscal Responsibility and Budget Management Act, 2005, 'total liabilities' means the liabilities under Consolidated Fund and the Public Account of the State, referred to in Article 266 of the Constitution of India. The outstanding debt/liabilities can be split into various components, as given in **Table 1.8**.

**Table 1.8: Components of outstanding debt/liabilities, as on 31 March 2024**

Borrowings and other liabilities, as per Finance Accounts	Amount (₹ in crore)
<b>Internal Debt (A)</b>	<b>50,985.33</b>
Market Loans bearing interest	16,401.31
Compensation and other Bonds	0.28
Loans from other Institutions <i>etc.</i>	29,823.43
Special Securities issued to the National Small Savings Fund of the Central Government	4,760.31
<b>Loans and Advances from Central Government (B)</b>	<b>11,556.04</b>
Non-Plan Loans	6.10
Loans for State Plan Schemes	2,165.01
Others	19,636.93
Less back-to-back loans received from GoI, in lieu of GST Compensation shortfall	(-)10,252

*Overview*

Borrowings and other liabilities, as per Finance Accounts	Amount (₹ in crore)
<b>Liabilities upon Public Accounts (C)</b>	<b>60,295.60</b>
Small Savings, Provident Funds <i>etc.</i>	23,955.45
Deposits	25,430.26
Reserve Funds	10,909.89
<b>Total (A+B+C)</b>	<b>1,22,836.97</b>

*Source: Finance Accounts for FY 2023-24, Government of Odisha.*

Thus, at the end of the FY 2023-24, the overall outstanding debt/ liabilities of the State, were ₹1,22,836.97 crore, *i.e.* 14.39 *per cent* of the GSDP (₹8,53,524 crore), which is well within the FRBM target (25 *per cent*).

**Chapter II**  
**Finances of the State**



### 2.1 Major changes in key fiscal aggregates in FY 2023-24 vis-à-vis FY 2022-23

Major changes in key fiscal aggregates of the State, during the financial year 2023-24, compared to the previous year, are shown in **Table 2.1**.

**Table 2.1: Changes in key fiscal aggregates in FY 2023-24 compared to FY 2022-23**

<b>Revenue Receipts</b>	<ul style="list-style-type: none"> <li>✓ Revenue receipts of the State increased by <b>19.36 per cent</b></li> <li>✓ Own Tax receipts of the State increased by <b>16.91 per cent</b></li> <li>✓ State's Own Non-tax receipts increased by <b>24.09 per cent</b></li> <li>✓ State's Share of Union Taxes and Duties increased by <b>18.97 per cent</b></li> <li>✓ Grants-in-Aid from Government of India increased by <b>15.45 per cent</b></li> </ul>
<b>Revenue Expenditure</b>	<ul style="list-style-type: none"> <li>✓ Revenue expenditure increased by <b>13.61 per cent</b></li> <li>✓ Revenue expenditure on General Services decreased by <b>12.35 per cent</b></li> <li>✓ Revenue expenditure on Social Services increased by <b>20.67 per cent</b></li> <li>✓ Revenue expenditure on Economic Services increased by <b>43.41 per cent</b></li> <li>✓ Expenditure on Grants-in-Aid decreased by <b>2.15 per cent</b></li> </ul>
<b>Capital Expenditure</b>	<ul style="list-style-type: none"> <li>✓ Capital Expenditure increased by <b>29.76 per cent</b></li> <li>✓ Capital Expenditure on General Services increased by <b>8.47 per cent</b></li> <li>✓ Capital Expenditure on Social Services increased by <b>12.18 per cent</b></li> <li>✓ Capital Expenditure on Economic Services increased by <b>38.16 per cent</b></li> </ul>
<b>Loans and Advances</b>	<ul style="list-style-type: none"> <li>✓ Disbursement of Loans and Advances increased by <b>29.29 per cent</b></li> <li>✓ Recoveries of Loans and Advances decreased by <b>32.81 per cent</b></li> </ul>
<b>Public Debt</b>	<ul style="list-style-type: none"> <li>✓ Public Debt Receipts increased by <b>238.94 per cent</b></li> <li>✓ Repayment of Public Debt decreased by <b>33.69 per cent</b></li> </ul>
<b>Public Account</b>	<ul style="list-style-type: none"> <li>✓ Public Account Receipts increased by <b>20.96 per cent</b></li> <li>✓ Disbursement of Public Account increased by <b>29.38 per cent</b></li> </ul>
<b>Cash Balance</b>	<ul style="list-style-type: none"> <li>✓ Cash balance increased by ₹9,365 crore (<b>20.61 per cent</b>) during 2023-24, as compared to the previous year</li> </ul>

Source: Finance Accounts 2022-23 and 2023-24, Government of Odisha

### 2.2 Sources and Application of Funds

Comparison of components of the sources and application of funds of the State during the current year with those of the previous year, is given in **Table 2.2**.

**Table 2.2: Details of Sources and Application of funds during 2022-23 and 2023-24**

(₹ in crore)

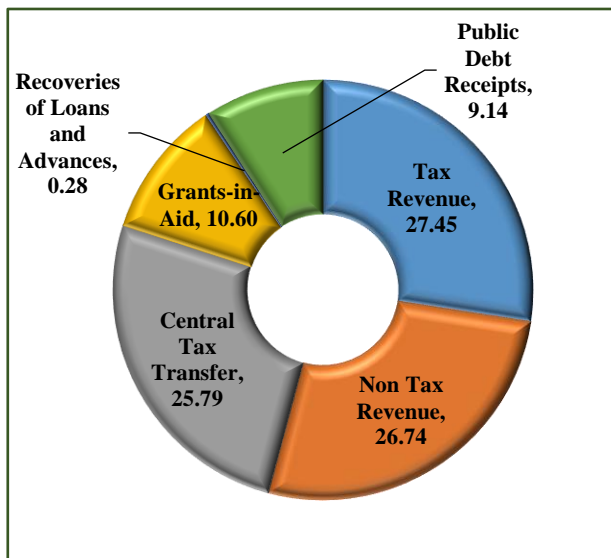
	Particulars	2022-23	2023-24	Increase (+) / Decrease (-) (percentage of variation)
<b>Sources</b>	Opening Cash Balance	51,231	45,440	(-) 5,791 (-11)
	Revenue Receipts	1,50,462	1,79,593	(+) 29,131 (19)
	Recoveries of Loans and Advances	832	559	(-) 273 (-33)
	Public Debt Receipts (Net)	(-) 8,580	8,888	(+) 17,468 (-204)
	Public Account Receipts (Net)	18,008	15,494	(-) 2,514 (-14)
	<b>Total</b>	<b>2,11,953</b>	<b>2,49,974</b>	<b>(+) 38,021 (18)</b>
<b>Application</b>	Revenue Expenditure	1,31,006	1,48,832	(+) 17,826 (14)
	Capital Expenditure	33,349	43,273	(+) 9,924 (30)
	Disbursement of Loans and Advances	2,158	2,790	(+) 632 (29)
	Contingency Fund (Net)	-	274	(+) 274 (100)
	Closing Cash Balance	45,440	54,805	(+) 9,365 (21)
	<b>Total</b>	<b>2,11,953</b>	<b>2,49,974</b>	<b>(+) 38,021 (18)</b>

Source: Finance Accounts of respective years, Government of Odisha  
Percentages in the Table rounded off to zero decimal places.

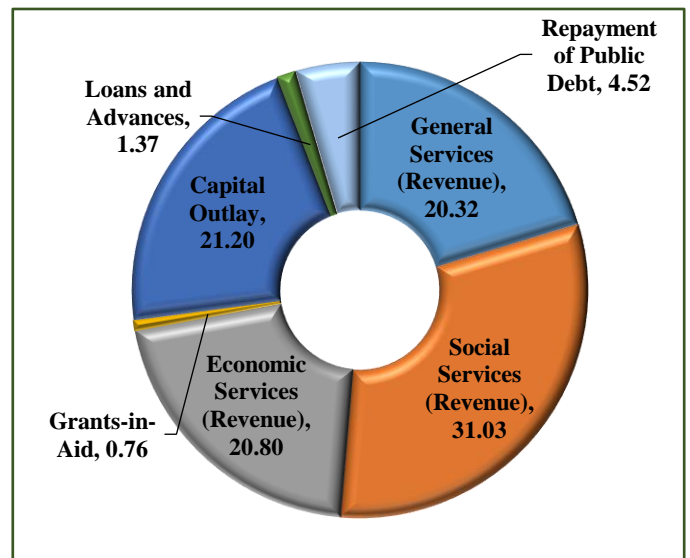
Appendix 2.1 provides details of the receipts and disbursements and the overall fiscal position of the State, during the current year as well as the previous year.

Composition and application of resources, in the Consolidated Fund of the State, during FY 2023-24, are given in Chart 2.1 and Chart 2.2.

**Chart 2.1: Composition of Resources**  
(in per cent)  
(₹ comes from)



**Chart 2.2: Application of Resources**  
(in per cent)  
(₹ goes to)



Source: Finance Accounts for FY 2023-24, Government of Odisha



### 2.3 Resources of the State

The resources of the State are described below:

**1. Revenue Receipts** consist of tax revenue (Own Tax revenue plus share of Union taxes/duties), non-tax revenue and Grants-in-Aid from the Government of India (GoI).

**2. Capital Receipts** (debt and non-debt capital receipts) consist 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.

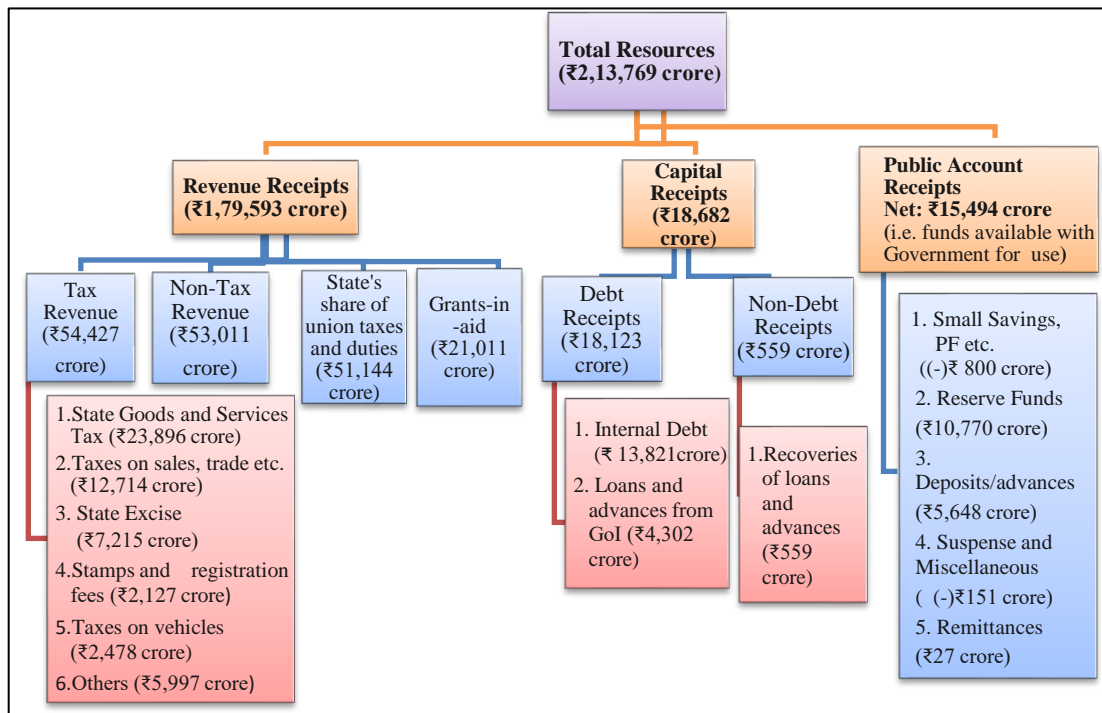
**3. Net Public Account receipts:** There are receipts and disbursements in respect of certain transactions, such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.*, which do not form part of the Consolidated Fund.

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

This paragraph provides the composition of the overall receipts. Besides, the Revenue and Capital Receipts, funds available in the Public Account (net of disbursements made from it) are also utilised by the Government to finance its deficit. The composition of total receipts of the State is depicted in **Chart 2.3**.

**Chart 2.3: Composition of receipts of the State during FY 2023-24**



Source: Finance Accounts for FY 2023-24, Government of Odisha

Out of the total resources of ₹ 2,13,769 crore of the State Government, during the year 2023-24, Revenue Receipts (₹1,79,593 crore) constituted 84.01 *per cent*. Public Account Receipts (net: ₹ 15,494 crore) and Capital Receipts (₹18,682 crore) constituted 7.25 *per cent* and 8.74 *per cent* of the total resources respectively.

## 2.3.2 State's Revenue Receipts

### 2.3.2.1 Trends and growth of Revenue Receipts

Trends and growth of revenue receipts *vis a vis* Gross State Domestic Product (GSDP) over the five-year period (FYs 2019-20 to 2023-24), are shown in **Table 2.3**. The trends and composition of the Revenue Receipts over the same period, are detailed in **Appendix 2.2**.

**Table 2.3: Trends in Revenue Receipts**

(₹ in crore)					
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<b>(1) Revenue Receipts (RR)</b>	<b>1,01,568</b>	<b>1,04,387</b>	<b>1,53,059</b>	<b>1,50,462</b>	<b>1,79,593</b>
(2) Rate of growth of RR ( <i>per cent</i> )	2.03	2.78	46.63	-1.69	19.36
<b>(3) Tax Revenue (including central tax transfers)</b>	<b>62,769</b>	<b>61,801</b>	<b>78,892</b>	<b>89,543</b>	<b>1,05,571</b>
(i) Own Tax Revenue	32,315	34,258	40,748	46,554	54,427
(ii) State's share in Union taxes and duties	30,454	27,543	38,144	42,989	51,144
<b>(4) Non-Tax Revenue</b>	<b>14,647</b>	<b>19,518</b>	<b>54,257</b>	<b>42,720</b>	<b>53,011</b>
<b>(5) Grant-in aid from GoI</b>	<b>24,152</b>	<b>23,068</b>	<b>19,910</b>	<b>18,199</b>	<b>21,011</b>
(6) Rate of growth of GIA ( <i>per cent</i> )	23.24	-4.49	-13.69	-8.59	15.45
(7) State's Own Revenue (Own Tax and Non-tax Revenue)	46,962	53,776	95,005	89,274	1,07,438
(8) Rate of growth of Own Revenue ( <i>per cent</i> )	5.31	14.51	76.69	-6.03	20.35
<b>(9) GSDP (2011-12 Series)</b>	<b>5,37,502</b>	<b>5,40,185</b>	<b>6,97,013</b>	<b>7,59,560</b>	<b>8,53,524</b>
<b>(10) Rate of growth of GSDP (<i>per cent</i>)</b>	<b>7.80</b>	<b>0.50</b>	<b>29.03</b>	<b>8.97</b>	<b>12.37</b>
(11) R R/GSDP ( <i>per cent</i> )	18.90	19.32	21.96	19.81	21.04
<b>Buoyancy Ratio<sup>10</sup></b>					
<b>(12) Revenue Buoyancy w.r.t GSDP (Sl. No. 2/ Sl. No. 10)</b>	<b>0.26</b>	<b>5.56</b>	<b>1.61</b>	<b>-</b>	<b>1.57</b>
<b>(13) State's Own Revenue Buoyancy w.r.t GSDP (Sl. No. 8 / Sl. No. 10)</b>	<b>0.68</b>	<b>29.02</b>	<b>2.64</b>	<b>-</b>	<b>1.65</b>

Source: For Revenue Receipts - Finance Accounts for respective years and, For GSDP – Ministry of Statistics and Programme Implementation (MoSPI), Government of India.

**Table 2.3** shows that the revenue receipts increased by 76.82 *per cent* from ₹ 1,01,568 crore in 2019-20 to ₹1,79,593 crore in 2023-24. During the period of five years, they

<sup>10</sup> Buoyancy indicates the degree of responsiveness of a fiscal variable in regard to a given change in the base variable. For instance, Revenue buoyancy at 1.57 implies that Revenue Receipts tend to increase by 1.57 percentage points, if the GSDP increases by one per cent. (Negative buoyancy not calculated)

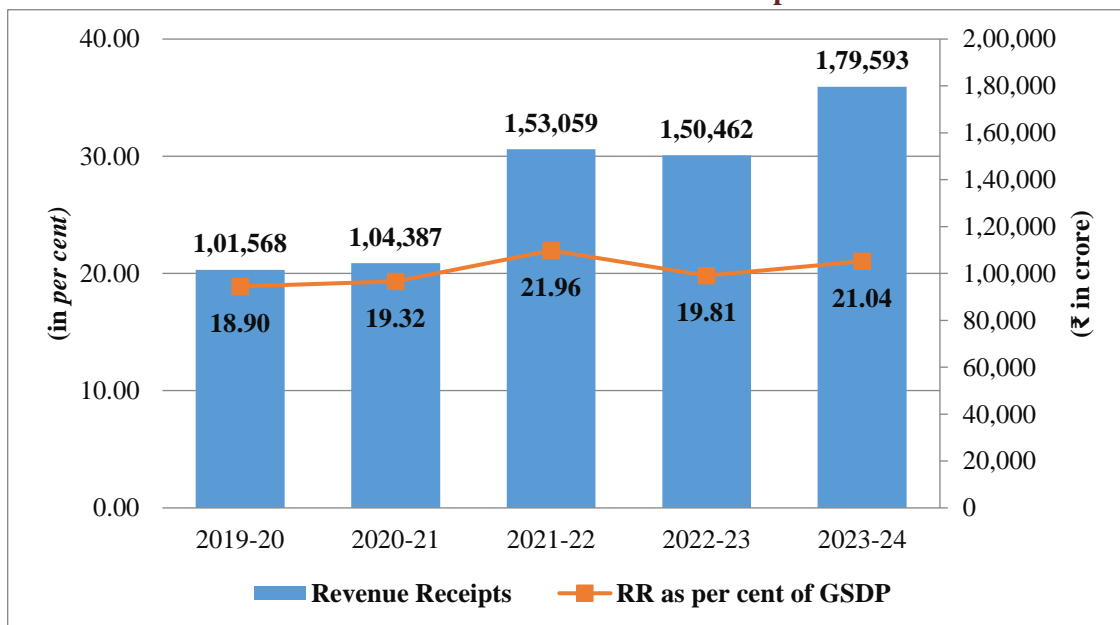
increased at annual average growth rate of 15.31 per cent. Tax revenue (including central tax transfers) increased by ₹42,802 crore (68.19 per cent), whereas non-tax revenue increased by ₹ 38,364 crore (261.92 per cent) in FY 2023-24 as compared to FY 2019-20. Grants-in-aid from GoI, on the other hand, decreased by 13.01 per cent, during the period from FYs 2019-20 to 2023-24. However, they increased by 15.45 per cent over the previous year.

Revenue buoyancy with reference to GSDP increased from 0.26 per cent in FY 2019-20 to 1.57 per cent in FY 2023-24, and State’s own revenue buoyancy in regard to GSDP also increased from 0.68 per cent in FY 2019-20 to 1.65 per cent in FY 2023-24. The tax revenue (including central tax transfers) as well as state’s own tax revenue showed growth of 17.90 per cent and 16.91 per cent respectively, during FY 2023-24 over the previous year, due to sharp increase in collection of State Goods and Services tax (₹5,296 crore), State Excise (₹760 crore), Taxes on sales, trade (₹691 crore) etc. Under State’s own revenue component, only Taxes on Goods and passengers showed negative growth of 2.61 per cent (₹3 crore) during FY 2023-24 over the previous year.

The non-tax revenue had increased sharply by 261.92 per cent from ₹ 14,647 crore in 2019-20 to ₹ 53,011 crore in 2023-24. During 2023-24, the non-tax revenue (₹53,011 crore) increased by 24.09 per cent over the previous year (₹42,720 crore), due to increase under Non-Ferrous Mining and Metallurgical Industries, coal and lignite, dividends from the State Public Sector Enterprises etc.

Trends of revenue receipts are shown in **Chart 2.4**.

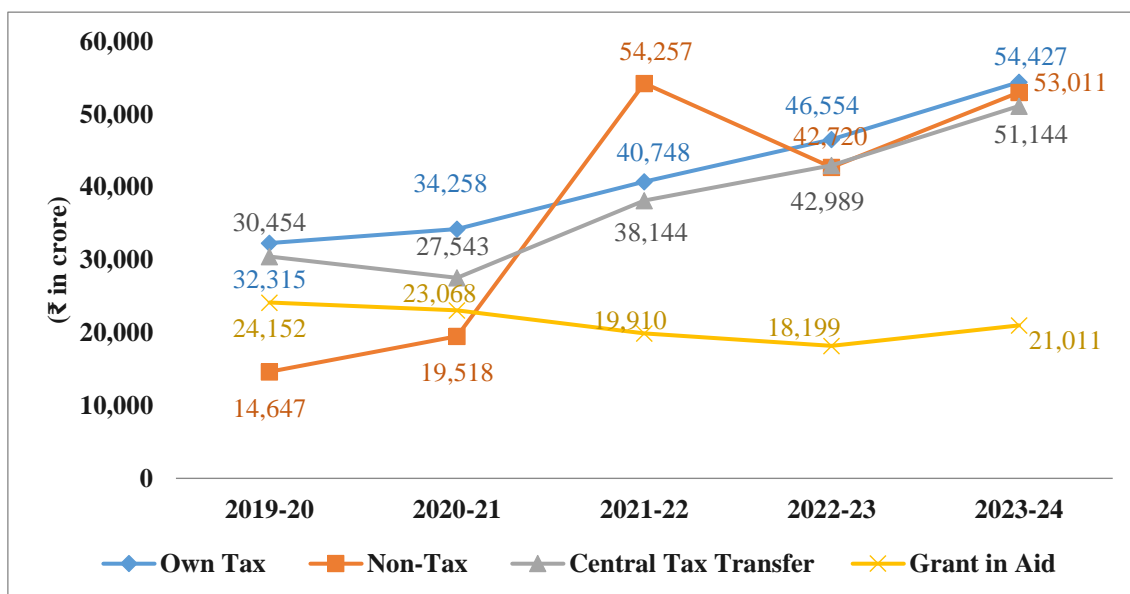
**Chart 2.4: Trends of Revenue Receipts**



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

Trends in composition of revenue receipts are given in **Chart 2.5**.

**Chart 2.5: Trends in composition of Revenue Receipts**



Source: Finance Accounts of respective years, Government of Odisha

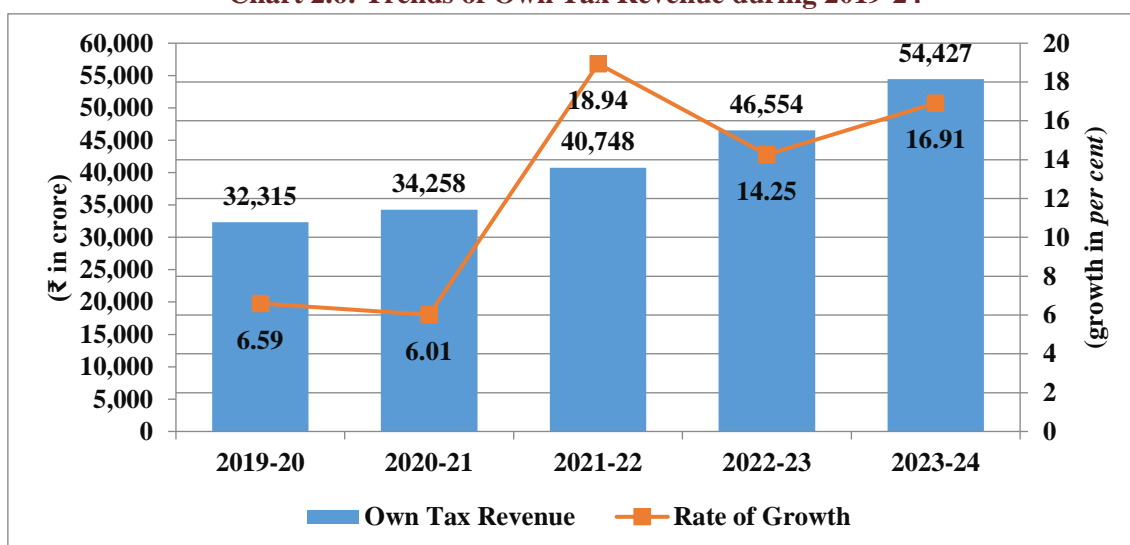
### 2.3.2.2 State's Own Resources

#### (i) Own tax revenue

Own tax revenue of the State consists of State Goods and Services Tax (SGST), State Excise, Taxes on Vehicles, Stamp Duty and Registration Fees, Land Revenue, Taxes on Goods and Passengers etc.

Trends of own tax revenue and analysis of its components during the period from FYs 2019-20 to 2023-24, are shown in **Chart 2.6** and **Table 2.4**, respectively.

**Chart 2.6: Trends of Own Tax Revenue during 2019-24**



Source: Finance Accounts of respective years, Government of Odisha

Table 2.4: Components of State's Own Tax Revenue

Revenue Head	2019-20	2020-21	2021-22	2022-23	2023-24	Spark Line
State Goods and Services Tax (SGST)	13,204	13,043	16,392	18,600	23,896	
Taxes on Sales, Trade, etc	7,455	7,777	10,000	12,023	12,714	
State Excise	4,495	4,053	5,528	6,455	7,215	
Taxes on Vehicles	1,836	1,526	1,663	2,133	2,478	
Stamps and Registration fees	1,435	2,942	2,419	1,997	2,127	
Land Revenue	721	603	664	739	1,123	
Taxes on Goods and Passengers	133	146	111	115	112	
Other Taxes	3,036	4,168	3,971	4,492	4,762	
Total	32,315	34,258	40,748	46,554	54,427	

Source: Finance Accounts of respective years, Government of Odisha

The total own tax revenue increased by ₹7,873 crore (16.91 per cent) during the current year over the previous year. The major increase was under (i) State GST receipts (₹5,296 crore), (ii) State Excise (₹760 crore), (iii) Taxes on Sales, Trade, etc. (₹691 crore), and (iv) Land revenue (₹384 crore).

#### State Goods and Services Tax (SGST)

As per the books of RBI and Finance Accounts for the FY 2023-24, the amount of SGST was ₹ 23,895.66 crore, as against the Budget Estimate of ₹ 22,004.00 crore.

#### Audit of GST Receipts

The Government of India's decision to provide audit access to PAN-India data at the GSTN premises was conveyed on 22 June 2020. In case of Odisha, which is a Model-II State, role-based access to the back-end application only was provided to the office of the Principal Accountant General (Audit-I), Odisha, in March 2021. However, the access was limited only to the premises of CT&GST Department and the matter of providing remote access was under consideration. The accounts for the financial year 2023-24 have, therefore, been certified on the basis of test-audit, as was being done when records were being maintained manually, pending full implementation of the GoI's decision to provide Audit access to GSTN data.

#### Non Transfer of Cess to Local Bodies

During the year 2023-24, the Government collected ₹54.85 crore (2022-23: ₹59.91 crore) being the collection of cess/fee/surcharge (other than Labour Cess). The entire collected amount of ₹54.85 crore, however, was not transferred to Urban Local Bodies and Rural Local Bodies by the State Government, in violation of Odisha Cess Act, 1962. This had an impact on overstatement of Revenue Surplus and understatement of Fiscal Deficit.

The State Government stated (October 2024) that steps would be taken for early transfer of the amount to concerned Authorities.

(ii) Non-Tax Revenue

Non-Tax Revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc. Trends in the components of State’s non-tax revenue during FYs 2019-20 to 2023-24, are shown in **Table 2.5**.

**Table 2.5: Components of State’s Non-Tax Revenue**

Revenue Head	2019-20	2020-21	2021-22	2022-23	2023-24	(₹ in crore) Spark line
Non-Ferrous Mining and Metallurgical Industries	11,020	13,792	48,642	37,642	45,046	
Interest Receipts	1,487	1,262	1,823	1,657	921	
Dividends and Profits	321	1,063	523	584	1800	
<b>Other Non-tax receipts</b>	<b>1,819</b>	<b>3,401</b>	<b>3,269</b>	<b>2,837</b>	<b>5,244</b>	
a) Major and Medium Irrigation	669	796	790	909	936	
b) Road and Bridges	44	54	48	43	31	
c) Education	27	62	46	67	46	
d) Misc. General Services	411	1,729	438	571	1889	
e) Others or Miscellaneous	668	760	1,947	1,247	2,342	
<b>Total</b>	<b>14,647</b>	<b>19,518</b>	<b>54,257</b>	<b>42,720</b>	<b>53,011</b>	

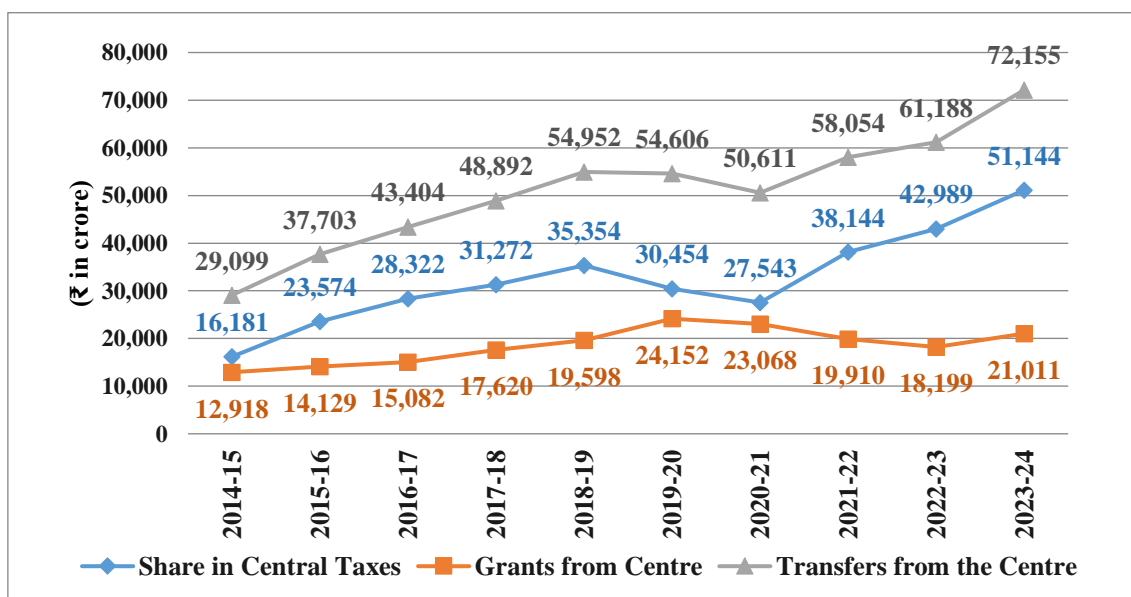
Source: Finance Account of respective years

During FY 2023-24 (₹ 53,011 crore), non-tax revenue had increased by ₹ 10,291 crore (24.09 per cent) over FY 2022-23 (₹ 42,720 crore). This increase was majorly due to increase in receipt of Non-ferrous mining and Metallurgical Industries by ₹7,404 crore and increase in receipt of dividend and profits from the companies/ corporation etc., by ₹ 1,216 crore.

2.3.2.3 Transfers from the Centre

Trends in transfers from the Centre, for the last ten years, are shown in **Chart 2.7**.

**Chart 2.7: Trends in Transfers from the Centre**



Source: Finance Accounts of respective years, Government of Odisha

**(i) Central tax transfer**

The actual release of share in Union taxes and duties to the State Government *vis-à-vis* the projections made by the Fourteenth Finance Commission (14<sup>th</sup> FC) and Fifteenth Finance Commission (15<sup>th</sup> FC), during the period from FYs 2019-20 to 2023-24, is shown in **Table 2.6**.

**Table 2.6: State's share in Union taxes and duties: Actual devolution *vis-à-vis* Finance Commission's projections**

(₹ in crore)

Year	Finance Commission Projections	Projections in Finance Commission Reports (FCRs)	Actual Tax Devolution	Difference
1.	2.	3.	4.	5. (4-3)
2019-20	4.642 <i>per cent</i> of net proceeds of all shareable taxes excluding service tax and 4.744 <i>per cent</i> of net proceeds of shareable service tax (As per the recommendations of the 14 <sup>th</sup> FC)	48,250	30,454	(-) 17,796
2020-21	4.629 <i>per cent</i> of net proceeds of all shareable taxes (As per the recommendations of the 15 <sup>th</sup> FC)	39,586	27,543	(-) 12,043
2021-22	4.528 <i>per cent</i> of net proceeds of all shareable taxes (As per the recommendations of the 15 <sup>th</sup> FC)	29,821	38,144	(+) 8,323
2022-23		33,173	42,989	(+) 9,816
2023-24		37,328	51,144	(+) 13,816
<b>TOTAL</b>		<b>1,88,158</b>	<b>1,90,274</b>	<b>(+) 2,116</b>

Source: Finance Commission Reports, Budget at a Glance & Finance Accounts of respective years

As can be seen from the table, the actual devolution of taxes during 2019-20 and 2020-21 was less than FCRs projections. However, State's share in Union taxes for the years 2021-22 to 2023-24, was more than FCR projection, leading to excess receipts of ₹ 2,116 crore to the State, during the period 2019-24.

Trends in the components of Central tax transfers are shown in **Table 2.7**.

**Table 2.7: Central Tax transfers**

(₹ in crore)

Component of State's share of Union taxes	2019-20	2020-21	2021-22	2022-23	2023-24
Central Goods and Services Tax (CGST)	8,642	8,160	11,434	12,150	15,522
Integrated Goods and Services Tax (IGST)	--	--	--	--	--
Corporation Tax	10,384	8,328	9,583	14,407	15,351
Taxes on Income other than Corporation Tax	8,136	8,540	11,743	14,074	17,728
Customs	1,930	1,447	3,031	1,690	1,792
Union Excise Duties	1,342	923	1,719	530	678
Service Tax	--	124	589	67	10

Component of State's share of Union taxes	2019-20	2020-21	2021-22	2022-23	2023-24
Other <sup>11</sup> Taxes	20	21	45	71	63
<b>Grand total</b>	<b>30,454</b>	<b>27,543</b>	<b>38,144</b>	<b>42,989</b>	<b>51,144</b>
Percentage of increase over previous year	-14	-10	38	13	19
Component of State's share as percentage of Revenue Receipts of the State	30	26	25	29	28

Source: Finance Accounts of respective years, Government of Odisha  
Percentages in the table rounded off to zero decimal places.

As can be seen from the above table, during the FY 2023-24, the State's share of Union taxes had increased by 18.97 per cent over the previous year. However, as per cent of Revenue Receipt, it has been continuously fluctuating between 25 per cent and 30 per cent during 2019-24, with a decline of one percentage point during 2023-24.

**(ii) Grants-in-Aid from the Government of India**

Trend of Grants-in-aid (GIA) from GoI and its components are shown in **Table 2.8**.

**Table 2.8: Grants-in-Aid from the Government of India**

(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Grants for Centrally Sponsored Schemes	13,056	12,698	11,820	11,741	15,685
Finance Commission Grants	3,563	4,949	4,557	4,221	4,867
Other Transfers/Grants to States/Union Territories with Legislatures	7,533	5,421	3,533	2,238	459
<b>Total</b>	<b>24,152</b>	<b>23,068</b>	<b>19,910</b>	<b>18,200</b>	<b>21,011</b>
Percentage of increase over the previous year Receipts	23.24	-4.49	-13.69	-8.59	15.45
Total grants as a percentage of Revenue Receipts	23.78	22.10	13.01	12.10	11.70

Source: Finance Accounts of respective years, Government of Odisha

**Table 2.8** shows that the GIA, as a percentage of the revenue receipts of the State, decreased continuously from FY 2019-20 to FY 2023-24. The increase in GIA, during the current year (15.45 per cent) over the previous year, was mainly due to increase in grants to Centrally Sponsored schemes by 33.59 per cent and Finance Commission grants by 15.30 per cent. Other major transfers to the State, during FY 2023-24, include Central Road Fund (₹423.41 crore).

**(a) Grants for Centrally Sponsored Schemes**

Out of the Grants of ₹15,685 crore for Centrally Sponsored Schemes (CSS), during 2023-24, the major amounts were given to:

<sup>11</sup> Include taxes on Wealth, Other Taxes on Income and Expenditure and Other taxes and Duties on Commodities and Services.



- **Pradhan Mantri Awas Yojana (PMAY) - Rural:** ₹4,310.71 crore; 150.15 per cent increase over the previous year (₹1,723.28 crore).
- **National Health Mission** including NRHM: ₹1,972.10 crore; 42.43 per cent increase over the previous year (₹1,384.61 crore).
- **Samagra Shiksha Abhiyan:** ₹1,379.13 crore; 29.63 per cent decrease over the previous year (₹1,959.89 crore).
- **Pradhan Mantri Gram Sadak Yojana (PMGSY):** ₹1,262.55 crore; 2.16 per cent increase over the previous year (₹1,235.88)
- **Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS):** ₹974.01 crore; 1.07 per cent increase over the previous year (₹963.66 crore).
- **Integrated Child Development Scheme (ICDS):** ₹968.81 crore; 4.86 per cent decrease over the previous year (₹923.92 crore).
- **National Rural Livelihood Mission (NRLM):** ₹763.08 crore; 14.88 per cent increase over the previous year (₹664.25 crore).
- **National Social Assistance Programme (NSAP):** ₹685.47 crore; 0.72 per cent increase over the previous year (₹680.58 crore).

### Single Nodal Agency

Ministry of Finance, Government of India, vide letter No. 1(13)/PFMS/FCD/2020, dated 23.03.2021, had notified the procedure for release of funds under each Centrally Sponsored Scheme (CSS) through a Single Nodal Agency (SNA) for each CSS, and monitoring their utilisation. For each CSS, a SNA is set up, with its own Bank Account in a Scheduled Commercial Bank, that is authorised to conduct Government business, by the State Government. As per procedure, the State Government is to transfer the Central Share, received in its account, to the concerned SNA's account, along with the corresponding State share.

Audit analysed the VLC data and SNA PFMS report and found that there was discrepancy in data of Central and State share transfer to SNA accounts, as shown in **Table 2.9**.

**Table 2.9: Discrepancies in Central and State share transfer**

(₹ in crore)

Source of Data	Central share received	Central share transferred	State share transferred	Less amount released by State
VLC	14,851.42	14,561.02	12,110.52	290.40
SNA PFMS Report	14,851.42	13,696.81	11,779.06	1,154.61
<b>Difference Amount</b>	<b>Nil</b>	<b>864.21</b>	<b>331.46</b>	

*Source: Notes to Finance Accounts for FY 2023-24*

As can be seen from the above table, as per the VLC database, the State Government received ₹14,851.42 crore, being the Central share, during FY 2023-24, in its Treasury Accounts. As on 31 March 2024, it had transferred Central share of ₹14,561.02 crore, received in the Treasury Account, along with the State share of ₹12,110.52 crore, to the SNAs. Out of the total transfer of ₹26,671.54 crore, ₹24,179.11 crore was transferred through Miscellaneous Bills, ₹2,456.74 crore through GIA bills and ₹35.69 crore through

Other Contingent Bills. Detailed vouchers and supporting documents, in regard to the actual expenditure, were not received by the Office of the Principal Accountant General (A&E). The remaining balance of ₹ 290.40 crore remained un-transferred.

As per SNA PFMS report, the State Government had received ₹14,851.42 crore, being the Central share, during FY 2023-24, in its Treasury Accounts. As on 31 March 2024, the Government has transferred Central share of ₹13,696.81 crore, received in Treasury Accounts and State share of ₹11,779.06 crore to the SNAs. As per the SNA report on the PFMS portal, ₹10,016.50 crore was lying unspent in the bank accounts of SNAs, as on 31 March 2024. The difference needs reconciliation. The remaining balance of ₹ 1,154.61 crore remained un-transferred.

**(b) Fifteenth Finance Commission Grants**

The Fifteenth Finance Commission (15<sup>th</sup> FC) grants were provided to the States for local bodies, State Disaster Response Fund (SDRF) and State Disaster Mitigation Fund (SDMF). Details of the grants provided by GoI, are given in **Table 2.10**.

**Table 2.10: Recommended amount, actual release and transfers of Grant-in-aid**

(₹ in crore)

Transfers	Recommendation of 15 <sup>th</sup> FC for 2023-24	Actual release by GoI, during 2023-24	Release by State Government (Total percentage of the amount released by GoI)
<b>(i) Grants to PRIs</b>	<b>1,747</b>	1,746.91	1,748.39 (100)
(a) Performance/Tied Grants #	1,048.20	1,048.15	1,049.04 (100)
(b) Untied Grants	698.80	698.76	699.36 (100)
<b>(ii) Grants to ULBs</b>	<b>900</b>	846.66	846.66 (100)
(a) Non-Million Plus Cities (Performance/Tied Grant) #	540	508.00	508 (100)
(b) Non-Million Plus Cities (General Basic/Untied Grant)	360	338.66	338.66 (100)
<b>(iii) Grant for Health Sector</b>	<b>485</b>	<b>336.15</b>	<b>336.15 (100)</b>
<b>Total for Local Bodies (i+ii+iii)</b>	<b>3,132.00</b>	<b>2,593.57</b>	<b>2,595.05 (100)</b>
State Disaster Response Fund (SDRF)	Central Share	1,415.20	1,415.20(100)
	State Share	471.20	471.20 (100)
State Disaster Mitigation Fund (SDMF)	Central Share	353.80	522.30 <sup>12</sup>
	State Share	117.80	173.90 <sup>13</sup>
<b>Total for SDRMF</b>	<b>2,358.00</b>	<b>2,582.60</b>	<b>2,582.60 (100)</b>

Source: Finance Accounts for FY 2023-24 and Finance Commission Recommendations (FCRs)

#: For drinking water, rainwater harvesting, sanitation etc.

As against the amount of ₹1,747.00 crore, recommended by the 15<sup>th</sup> FC for release to PRIs, GoI had released ₹1,746.91 crore, during FY 2023-24. The entire amount released by GoI, was further released by Government of Odisha to PRIs, during the same period.

<sup>12</sup> Out of ₹ 522.30 crore, ₹ 168.50 crore was arrear amount of 2022-23 released by GoI during 2023-24

<sup>13</sup> Out of ₹ 173.90 crore, ₹ 56.10 crore was the share of arrear amount of 2022-23 released by GoI during 2023-24

- Regarding ULBs, GoI had released the amount of ₹ 846.66 crore, against the recommended amount of ₹ 900 crore by the 15<sup>th</sup> FC and the same amount had been released by Government of Odisha to the ULBs, during the year 2023-24.
- During the year 2023-24, as per the recommendation of 15<sup>th</sup> FC, the GoI released ₹1,415.20 crore under State Disaster Response Fund (SDRF) to the State, Government of Odisha released ₹ 1,886.40 crore (Centre share of ₹ 1,415.20 crore and State share of ₹ 471.20 crore) to the fund.
- Regarding State Disaster Response Fund (SDMF), GoI released ₹522.30 crore including arrear amount of the previous year. The State released the entire fund without any short transfer.

### 2.3.3 Receipts under the Capital Section

Capital receipts comprise of 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.

Trends of capital receipts and their components, during FYs 2019-20 to 2023-24, are shown in **Table 2.11**.

**Table 2.11: Trends in the Growth and Composition of Capital Receipts**

(₹ in crore)					
Sources of State's Receipts	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Capital Receipts (CR)</b>	<b>14,966</b>	<b>21,002</b>	<b>14,346</b>	<b>6,179</b>	<b>18,682</b>
Miscellaneous Capital Receipts	0	0	0	0	0
Recovery of Loans and Advances	287	684	1,566	832	559
Public Debt Receipts	14,679	20,318	12,780	5,347	18,123
<i>Internal Debt</i>	13,721	15,191	5,174	4,328	13,821
<i>Growth rate (per cent)</i>	52.12	10.71	-65.94	-16.35	219.34
<i>Loans and Advances from GoI<sup>#</sup></i>	958	5,127	7,606	1019	4,302
<i>Growth rate (per cent)</i>	-2.54	435.18	48.35	-86.6	322.18
Rate of growth of debt Capital Receipts ( <i>per cent</i> )	46.75	38.42	-37.10	-58.16	238.94
Rate of growth of non-debt Capital Receipts ( <i>per cent</i> )	-5.90	138.33	128.95	-46.87	-32.81
Rate of growth of GSDP ( <i>per cent</i> )	7.80	0.50	29.03	8.97	12.37
Rate of growth of Capital Receipts ( <i>per cent</i> )	45.19	40.33	-31.69	-56.93	202.35

Source: Finance Accounts of respective years, Government of Odisha

# For FYs 2020-21 and 2021-22, the figure includes debt of ₹3,822 crore and ₹6,430 crore respectively, as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources.

During FY 2023-24, Capital Receipts (₹18,682 crore) constituted 8.74 per cent of the total receipts (₹2,13,769 crore) of the State. As can be seen from **Table 2.11**, there was a substantial increase (202.35 per cent) in Capital Receipts (₹18,682 crore) compared to the previous year (₹6,179 crore). This was due to 239 per cent increase in public debt receipts from ₹ 5,347 crore in FY 2022-23 to ₹18,123 crore in FY 2023-24.

During FY 2023-24, the State Government had borrowed ₹1.25 crore from the open market, ₹ 4,106.54 crore from the National Bank for Agricultural and Rural Development and ₹9,713.60 crore was borrowed from the other financial institutions. In addition to this, Government of Odisha borrowed ₹4,301.93 crore from GoI.

### 2.3.4 State's performance in mobilisation of resources

The State's performance in mobilisation of resources is assessed in terms of its own resources, comprising of own tax and non-tax sources.

The State's actual own tax and non-tax revenue for the year 2023-24 *vis-a-vis* the assessment made by the Fifteenth Finance Commission (15<sup>th</sup> FC) and Budget Estimates, are given in **Table 2.12**.

**Table 2.12: Tax and non-tax receipts *vis-à-vis* projections during FY 2023-24**

(₹ in crore)

Resources	15 <sup>th</sup> FC projections	Budget Estimates	Actual	Percentage of variation of actual over	
				15 <sup>th</sup> FC projections	Budget estimates
Own Tax Revenue	40,254	53,000	54,427	35.21 ↑	2.69 ↑
State own Non-Tax Revenue	19,275	52,500	53,011	175.02 ↑	0.97 ↑

Source: 15<sup>th</sup> FC Report, Finance Accounts for FY 2023-24 and Budget at a Glance of Government of Odisha

Thus, the Own tax revenue and Non-tax revenue of the State during 2023-24 were higher than the projections made by the 15<sup>th</sup> FC and Budget Estimates, respectively.

### 2.4 Application of Resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while ensuring, at the same time, 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. An analysis of the allocation of expenditure in the State, is given in the succeeding paragraphs.

### Growth and Composition of Expenditure

**Revenue Expenditure:** Charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order, as also all other expenses incurred for the day-to-day running of the organisation, including establishment and administrative expenses, are to be classified as revenue expenditure.

**Capital Expenditure:** All charges for the first construction of a project, as well as charges for immediate maintenance of the work, while not opened for service and also charges for such further additions and improvements, as may be sanctioned under the rules made by competent authority, are to be classified as capital expenditure.

**Loans and Advances:** Loans and advances by the Government to Public Sector Undertakings (PSUs) and other parties.

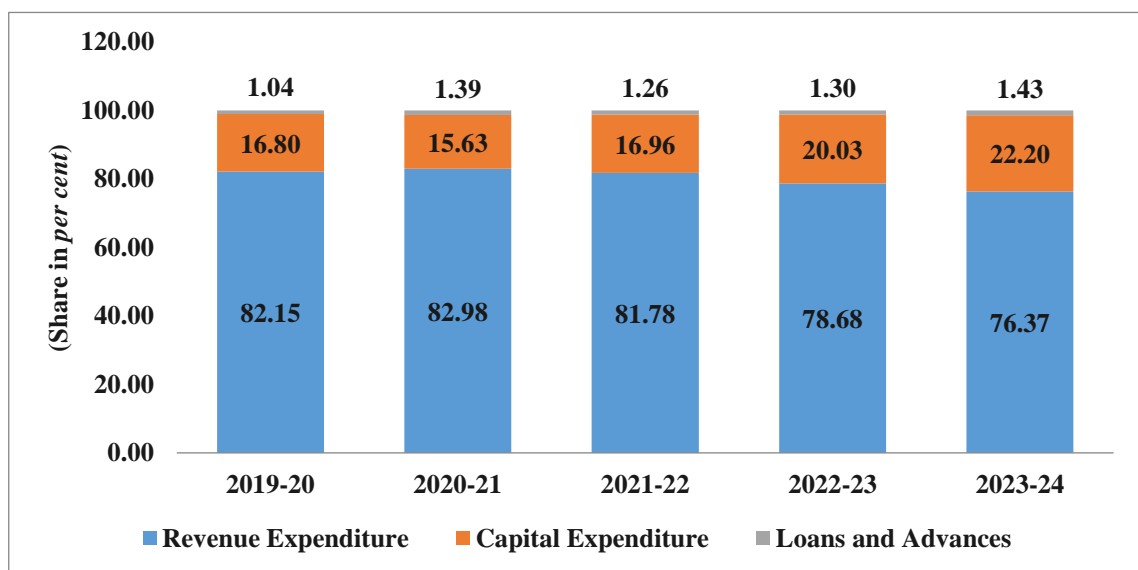
Trends of overall expenditure and its components are shown in *Appendix 2.2, Table 2.13* and *Chart 2.8*.

**Table 2.13: Total Expenditure and its Composition**

(₹ in crore)					
Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Total Expenditure (TE)	1,20,673	1,14,857	1,34,000	1,66,513	1,94,895
Revenue Expenditure (RE)	99,137	95,311	1,09,588	1,31,006	1,48,832
Capital Expenditure (CE)	20,277	17,949	22,726	33,349	43,273
Loans and Advances	1,259	1,597	1,686	2,158	2,790
<b>As a percentage of GSDP</b>					
TE/GSDP	22.45	21.26	19.22	21.92	22.83
RE/GSDP	18.44	17.64	15.72	17.25	17.44
Capital Expenditure /GSDP	3.77	3.32	3.26	4.39	5.07

Source: Finance Accounts of respective years, Government of Odisha

**Chart 2.8: Total Expenditure: Trends in share of its components**



Source: Finance Accounts of respective years, Government of Odisha

**Table 2.13** shows that the total expenditure increased by ₹74,222 crore (61.51 per cent) from ₹1,20,673 crore in FY 2019-20 to ₹1,94,895 crore in FY 2023-24 and ranged between 19.22 per cent to 22.83 per cent of GSDP, during the period of five years. **Chart 2.8** shows that revenue expenditure constituted the dominant proportion (76.37 to 82.98 per cent), during FYs 2019-20 to 2023-24, of the total expenditure. However, proportion of Revenue expenditure in total expenditure has been declining since 2019-20. Capital expenditure, on the other hand, constituted between 15.63 per cent to 22.20 per cent of the total expenditure. Capital expenditure, as a percentage of GSDP, during the COVID period, ranged between 3.26 per cent to 3.32 per cent, but picked up during FY 2022-23, reaching 5.07 per cent of GSDP during 2023-24.

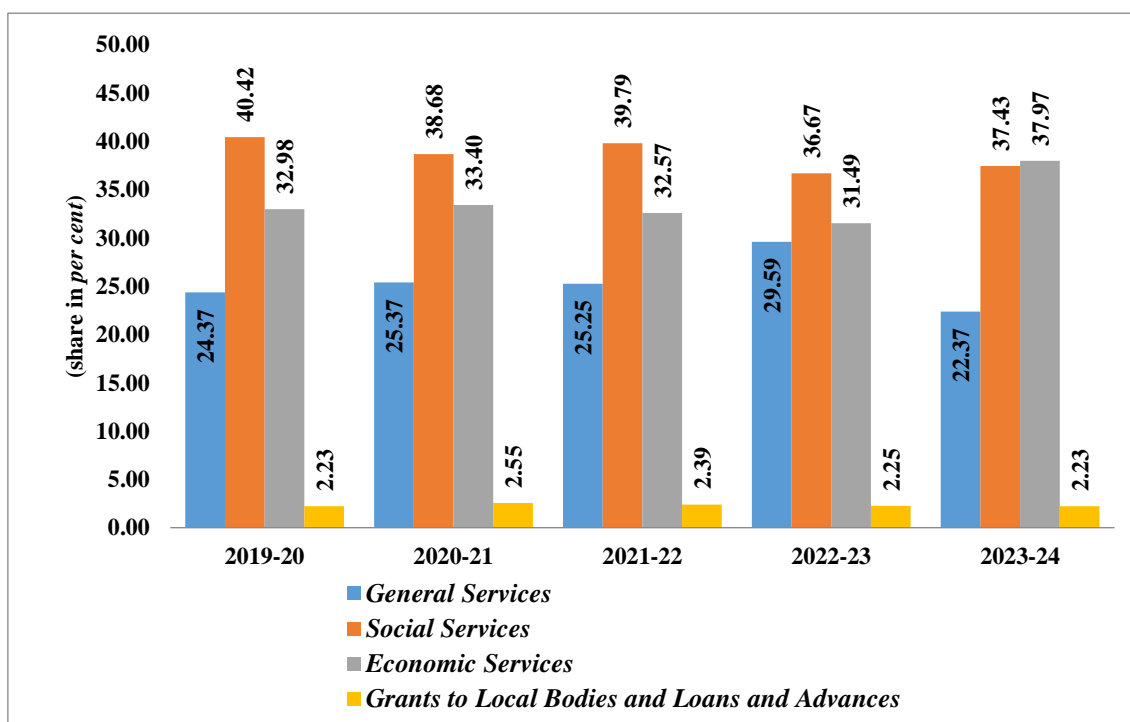
The relative share of various sectors of expenditure, during FYs 2019-20 to 2023-24, is shown in **Table 2.14** and **Chart 2.9**.

**Table 2.14: Relative share of various sectors of expenditure**

Parameters	₹ in crore)				
	2019-20	2020-21	2021-22	2022-23	2023-24
General Services	29,406	29,139	33,838	49,268	43,591
Social Services	48,781	44,424	53,315	61,061	72,954
Economic Services	39,793	38,367	43,647	52,442	74,010
Others (Grants to Local Bodies and Loans and Advances)	2,693	2,927	3,200	3,742	4,340

Source: Finance Accounts of respective years, Government of Odisha

**Chart 2.9: Total expenditure - Expenditure by activities**



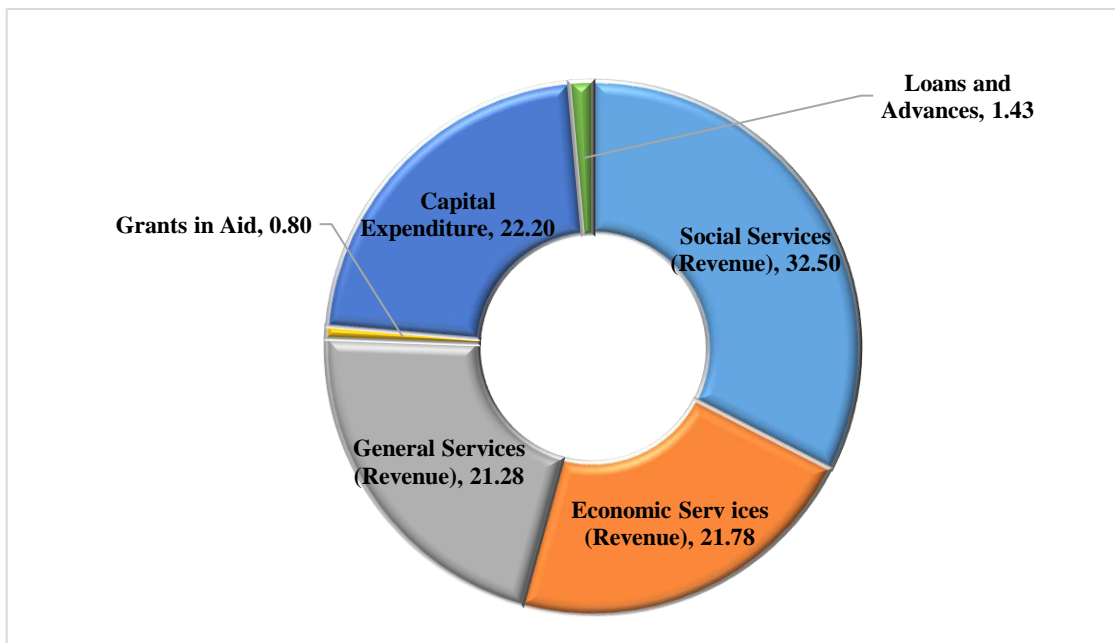
Source: Finance Accounts of respective years, Government of Odisha

**Chart 2.9** shows that the relative share of General Services remained relatively stable over the last five years, fluctuating slightly between 22.37 per cent and 29.59 per cent. There was a noticeable increase in FY 2022-23 to 29.59 per cent, followed by a significant decrease to 22.37 per cent in 2023-24. The decrease was attributed to less transfer of ₹8,700 crore to the Budget Stabilisation Fund as compared to FY 2022-23, under Miscellaneous General Services. During the period from FYs 2019-20 to 2022-23, expenditure under Social services dominated the expenditure (ranging between 36.67 per cent to 40.42 per cent), followed by Economic services (ranging between 31.49 per cent to 37.97 per cent). However, during FY 2023-24, Economic Services with significant increase (₹21,568 crore) in the share, slightly surpassed Social Services for the first time in the period, with a difference of 0.54 per cent.

Grants to Local Bodies and Loans and Advances consistently had the smallest share of expenditure, ranging from 2.23 per cent to 2.55 per cent. There were minor fluctuations, but the share remained fairly constant over the years. **Chart 2.10** shows the composition of expenditure by function.

**Chart 2.10: Composition of Expenditure by function during FY 2023-24**

(in per cent)



Source: Finance Accounts for FY 2023-24

### 2.4.1 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. Growth of revenue expenditure, its ratio to total expenditure, GSDP and revenue receipts, are shown in **Table 2.15** and the sectoral distribution of revenue expenditure is shown in **Chart 2.11**.

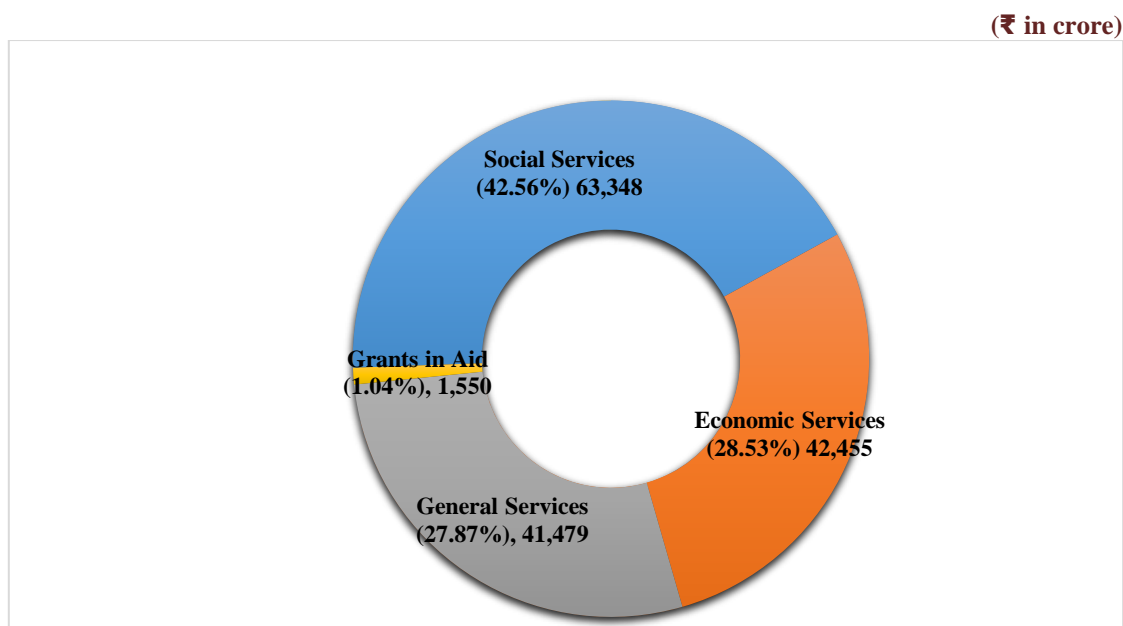
**Table 2.15: Revenue Expenditure - Basic Parameters**

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Total Expenditure (TE)	1,20,673	1,14,857	1,34,000	1,66,513	1,94,895
Revenue Expenditure (RE)	99,137	95,311	1,09,588	1,31,006	1,48,832
RE as percentage of TE	82.15	82.98	81.78	78.68	76.37
RE/GSDP ( <i>per cent</i> )	18.44	17.64	15.72	17.25	17.44
Revenue Receipts	1,01,568	1,04,387	1,53,059	1,50,462	1,79,593
Rate of Growth of RR ( <i>per cent</i> )	2.03	2.78	46.63	-1.70	19.36
RE as percentage of RR	97.61	91.31	71.60	87.07	82.87
Rate of Growth of GSDP ( <i>per cent</i> )	7.80	0.50	29.03	8.97	12.37
Rate of Growth of RE ( <i>per cent</i> )	16.15	-3.86	14.98	19.54	13.61

Source: Finance Accounts of respective years, Government of Odisha

The revenue expenditure increased by ₹49,695 crore (50.13 *per cent*) from ₹99,137 crore in FY 2019-20 to ₹1,48,832 crore in FY 2023-24. It increased at annual average growth rate of 10.69 *per cent*, whereas, as percentage of GSDP, it ranged between 15.72 *per cent* to 18.44 *per cent*, during this period.

**Chart 2.11: Sector-wise distribution of revenue expenditure during FY 2023-24**



Source: Finance Accounts for FY 2023-24, Government of Odisha

#### 2.4.1.1 Major changes in revenue expenditure

The revenue expenditure increased substantially by ₹17,826 crore (13.61 *per cent*) from ₹1,31,006 crore in FY 2022-23 to ₹1,48,832 crore in FY 2023-24. Significant variations under various Major Heads of Accounts, in regard to the revenue expenditure of the State,



during the current year, as compared to the previous year, are depicted in Table 2.16.

**Table 2.16: Variation in revenue expenditure during FY 2023-24 compared to FY 2022-23**

(₹ in crore)			
Major Heads of Account	2022-23	2023-24	Increase (+) / Decrease (-)
2515-Other Rural Development Programmes	6,999.53	11,980.86	4,981.33
2202-General Education	22,135.54	24,861.71	2,726.17
2210-Medical and Public Health	9,504.81	11,856.18	2,351.37
3451-Secretariat-Economic Services	1,184.46	3,396.86	2,212.40
2235-Social Security and Welfare	6,237.29	8,387.41	2,150.12
2071-Pensions and Other Retirement Benefits	18,595.66	20,107.54	1,511.88
2401-Crop Husbandry	5,787.90	7,046.58	1,258.68
2075-Miscellaneous General Services	13,750.75	5,050.35	-8,700.40
2505-Rural Employment	1,861.98	1,351.51	-510.47
2049-Interest Payments	5,502.32	5,181.14	-321.18

Source: Finance Accounts of respective years, Government of Odisha

Table 2.16 shows:

- Increase of ₹4,981 crore (71.17 per cent) under Other Rural Development Programmes was mainly due to increase in expenditure under Panchayati Raj (by ₹1,539 crore), Tribal Area Sub-Plan (by ₹2,412 crore) and Special Component plan for Scheduled Caste (by ₹732 crore).
- Increase of ₹2,726 crore (12.32 per cent) in General Education was mainly due to increase in expenditure under Government Secondary Schools (by ₹498 crore), assistance to Non-government secondary schools (by ₹577 crore) and Assistance to Non-government colleges (by ₹260 crore) etc.
- Increase of ₹2,351 crore (24.74 per cent) in Medical and Public Health was mainly due to increase in expenditure under Urban Health Services – Allopathy (₹5,209 crore) by ₹1,374 crore.
- Increase of ₹2,212 crore (186.79 per cent) in Secretariat-Economic Services was mainly due to increase in expenditure by 227.02 per cent under District Planning Machinery (₹3,018 crore).
- Increase of ₹2,150 crore (34.47 per cent) in Social Security and Welfare was mainly due to increase in expenditure on Women welfare (₹1,334 crore), Tribal Area sub-plan (₹727 crore) etc. under Social welfare, which were partly set off due to decrease under National Social Assistance Programme (NSAP) by ₹89.34 crore.
- Increase of ₹1,512 crore (8.13 per cent) in Pension and Other retirement benefits was mainly due to increase under Pensions to Employees of State Aided

Educational Institutions (by ₹565 crore), Government Contribution for Defined Contribution Pension Scheme (by ₹505 crore), Family Pensions (₹141 crore), which were partly set off by decrease under Gratuities (₹111 crore).

- Increase of ₹1,258.68 crore (21.75 per cent) in Crop Husbandry was mainly due to increase in expenditure under Tribal Area Sub Plan (by ₹414 crore), commercial crops (by ₹283 crore), crop insurance (₹140 crore) and Special component plan for Scheduled Castes (by ₹191 crore), and other expenditure (₹175 crore).
- Decrease of ₹8,700 crore (63.27 per cent) in Miscellaneous General Services was mainly due to decrease in transfer of fund to the Budget Stabilisation Fund (by ₹8,700 crore), which was created during FY 2022-23, vide Government of Odisha notification of March 2023, under the Reserve Fund in Public Accounts, to ensure financial stability during periods of unexpected revenue shortfall or budget deficit.
- Decrease of ₹510 crore (27.42 per cent) in Rural Employment was due to decrease in expenditure under Rural Employment Guarantee Scheme (by ₹340 crore) and no expenditure under other schemes, as compared to ₹170 crore spent during 2022-23.
- Decrease of ₹321 crore (5.84 per cent) in Interest Payments was due to repayment of market borrowings (₹4,658 crore) and funds borrowed from special securities issued to NSSF of Central Government (₹883 crore).

#### 2.4.1.2 Committed Expenditure

The committed expenditure of the State Government on the revenue account, consists of interest payments; expenditure on salaries and wages; and pensions. It has the first charge on Government resources.

Apart from the above, there are certain items of *inflexible expenditure*, which cannot be ordinarily altered or varied or are statutorily required on an annual basis. For example, the following items may be considered as inflexible expenditure:

- (i) Devolution to local bodies - statutory devolutions to local bodies for pay and allowances (devolution/transfer for capital expenditure).
- (ii) Statutory requirements of contribution to Reserve Funds - Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State Disaster Mitigation/Response Fund (SDMF/SDRF) etc.
- (iii) Recoupment of Contingency Fund – amount recouped within the year.
- (iv) Transfer of cess to reserve fund/other body, which are statutorily required.
- (v) Share contribution of Central Sector Schemes against the Central Fund received - Amount of State share to be transferred to SNAs/ spent by the State.
- (vi) Payment of interest on the balances of the interest-bearing funds, as if they could have been invested and payment of interest on public debt as charged expenditure - Interest payments.

An upward trend on committed expenditure leaves the Government with lesser flexibility for development sector. A trend analysis of committed and inflexible expenditure and their components, is shown in **Table 2.17** and the share of committed expenditure in revenue expenditure, is shown in **Chart 2.12**.

**Table 2.17: Components of Committed Expenditure**

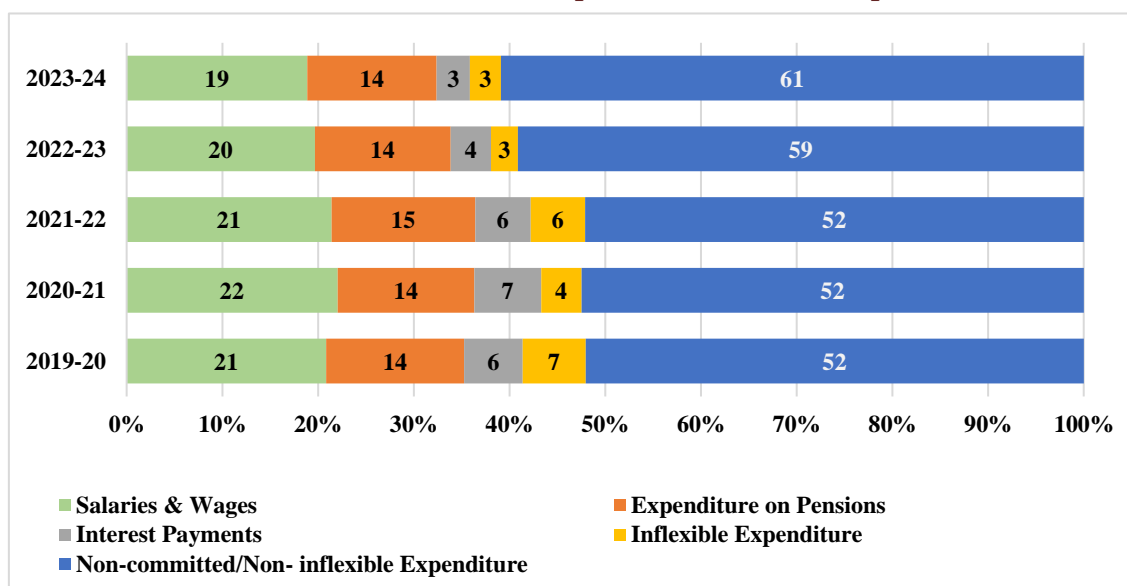
(₹ in crore)					
Components of Committed Expenditure	2019-20	2020-21	2021-22	2022-23	2023-24
Salaries and Wages	20,683	21,003	23,456	25,770	28,121
Expenditure on Pensions	14,273	13,629	16,459	18,596	20,108
Interest Payments	6,063	6,644	6,342	5,502	5,181
<b>Total</b>	<b>41,019</b>	<b>41,276</b>	<b>46,257</b>	<b>49,868</b>	<b>53,410</b>
Components of Inflexible Expenditure	2019-20	2020-21	2021-22	2022-23	2023-24
Statutory Devolution to local bodies	658.37	1,213.72	1,225.96	1,220.14	1,220.06
Contribution to Reserve Funds	4,203.10	2,639.00	4,639.00	1,796.80	3,217.29
Recoupment of Contingency Fund	1,440	0	171	0	0
Non transfer of cess to reserve fund/other body	41.2	78.07	55.37	63.23	57.11
Non transfer of fund to State Disaster Mitigation Fund	--	--	--	224.60	0.00
Share contribution of CSS against the Central Fund received	0	0	0	0	0
Payment of interest on the balance of the interest-bearing funds as if they could have been invested and payment of interest on public debt as charged expenditure – Interest payment	179.22	93.83	131.88	231.76	305.83
Less Government contribution to National Payment System.	-	-	-	172.53	23.49
<b>Total</b>	<b>6,521.89</b>	<b>4,024.62</b>	<b>6,223.21</b>	<b>3,709.06</b>	<b>4,823.78</b>
<b>Grand Total</b>	<b>47,541</b>	<b>45,301</b>	<b>52,480</b>	<b>53,577.06</b>	<b>58,233.78</b>
As a percentage of Revenue Receipts (RR)					
Committed expenditure					
Salaries & Wages	20.36	20.12	15.32	17.13	15.66
Expenditure on Pensions	14.05	13.06	10.75	12.36	11.20
Interest Payments	5.97	6.36	4.14	3.66	2.88
<b>Total</b>	<b>40.38</b>	<b>39.54</b>	<b>30.22</b>	<b>33.14</b>	<b>29.74</b>
Inflexible expenditure					
<b>Total</b>	<b>6.42</b>	<b>3.86</b>	<b>4.07</b>	<b>2.46</b>	<b>2.69</b>
<b>Total</b>	<b>46.8</b>	<b>43.4</b>	<b>34.29</b>	<b>35.61</b>	<b>32.43</b>
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	20.86	22.04	21.40	19.67	18.89
Expenditure on Pensions	14.40	14.30	15.02	14.19	13.51
Interest Payments	6.12	6.97	5.79	4.20	3.48
<b>Total</b>	<b>41.38</b>	<b>43.31</b>	<b>42.21</b>	<b>38.06</b>	<b>35.89</b>
Inflexible expenditure					
<b>Total</b>	<b>6.58</b>	<b>4.22</b>	<b>5.68</b>	<b>2.83</b>	<b>3.24</b>
<b>Total</b>	<b>47.96</b>	<b>47.53</b>	<b>47.89</b>	<b>40.77</b>	<b>39.13</b>
<b>Non-committed RE</b>	<b>58,118</b>	<b>54,035</b>	<b>63,331</b>	<b>81,138</b>	<b>95,422</b>
Percentage of RE	58.62	56.69	57.79	61.93	64.11

Percentage of TE	48.16	47.05	47.26	48.73	48.96
<b>Subsidies</b>	3,366	4,288	4,695	3,979	4,123
Subsidies as <i>percentage</i> of non-committed expenditure	5.79	7.94	7.41	4.90	4.32

Source: Finance Accounts of respective years, Government of Odisha

**Table 2.17** shows that the committed expenditure as a percentage of revenue expenditure decreased from 41.38 *per cent* in FY 2019-20 to 35.89 *per cent* in FY 2023-24. On the other hand, the percentage of non-committed expenditure to revenue expenditure increased from 58.62 *per cent* in FY 2019-20 to 64.11 *per cent* in FY 2023-24, in which subsidies ranged between 4.32 *per cent* and 7.94 *per cent*.

**Chart 2.12: Share of committed expenditure in revenue expenditure**



Source: Finance Accounts of respective years, Government of Odisha  
Percentages in the Chart rounded off to zero decimal places.

### Salaries and wages

Expenditure on salaries and wages (₹28,121 crore) increased by 9.12 *per cent* during FY 2023-24 over the previous year (₹25,770 crore) and constituted 18.89 *per cent* of revenue expenditure.

### Interest payment

Interest payments (₹ 5,181 crore) as a percentage of Revenue Expenditure constituted 3.48 *per cent* in 2023-24, which was less than the previous year's ratio (4.20 *per cent*). In absolute terms, while interest payments had increased during FYs 2019-20 and 2020-21, they had started decreasing from FY 2021-22, due to repayment of Open Market Loans, National Small Savings Fund and swapping of high interest rate loans with low interest rate loans. Interest payment relative to Revenue Receipts (₹ 1,79,593 crore), was 2.88 *per cent*, which was well below the fiscal target of 15 *per cent*, set out in the Odisha FRBM (Amendment) Act, 2016.

## Pensions

During the year the expenditure on pension and other retirement benefits to State Government pensioners was ₹20,108 crore and constituted 13.51 *per cent* of the revenue expenditure. During the year, expenditure under pension and other retirement benefits increased by ₹1,512 crore (8.13 *per cent*) over the previous year. The increase was mainly due to increase in Superannuation and Retirement Allowances (₹6,202 crore) by ₹431 crore, Pensions to Employees of State Aided Educational Institutions (₹5,690 crore) by ₹565 crore and Family Pensions (₹2,183 crore) by ₹141 crore.

## Inflexible expenditure

The components of inflexible expenditure, which include among others, statutory devolution to local bodies and contribution to Reserve Funds, fluctuated during the period from FYs 2019-20 to 2023-24. As a percentage of revenue expenditure, the inflexible expenditure ranged between 2.83 *per cent* to 6.58 *per cent*. The inflexible expenditure during FY 2023-24 substantially increased by 30 *per cent* over the previous year, majorly due to increase in contribution towards State Disaster Response Fund and State Disaster Mitigation Fund under Reserve funds.

### (i) Undischarged liabilities to the National Pension System

The State Government introduced (September 2005) the 'National Pension System' (NPS) in the name of Defined Contributory Pension Scheme (DCPS), applicable to all new entrants joining the State Government Services on or after 1 January 2005. Under this system, employees contribute 10 *per cent* of basic pay and dearness allowances, which is matched by the State Government (Government's share has been increased to 14 *per cent*, with effect from 1 April 2019). The employees' contribution is booked in the Public Account, under the Major Head '8342-Other Deposits, 117- Defined Contribution Pension Scheme' and the employer's contribution is transferred by debiting the Major Head '2071-Pension and Other Retirement Benefits, 01-Civil, 117 - Defined Contributory Pension Schemes', to the Major Head '8342-Other Deposits, 117- Defined Contributory Pension Scheme'. The employer's share, along with employees' share, is then to be transferred to the National Securities Depository Limited (NSDL), from the Public Account. The State Government has the responsibility to deposit both employees' and employer's share with the NSDL, for further investment, as per the guidelines of NPS, issued by GoI.

Though the State Government started collecting pension contribution from the employees from FY 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.

During FY 2023-24, ₹4,028.11 crore (employees' contribution of ₹1,635.50 crore and Government contribution of ₹2,266.21 crore) was deposited under Major Head '8342-Other Deposits 117- Defined Contributory Pension Scheme' in Public Account. This transferred amount also included an amount of ₹126.39 crore deposited in the Public Account on account of contribution of employees on foreign service. Since the

Government was required to contribute 14 *per cent* to NPS, the Government contribution for the year 2023-24 would be ₹2,289.70 crore ( $(₹1,635.50 \times 14) / 10 = ₹2,289.70$  crore), against which the Government contributed only ₹2,266.21 crore. As such, the Government's contribution to the NPS was less by ₹23.49 crore. This had resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit, to that extent.

During FY 2023-24, against the balance of ₹4,056.75 crore (including opening balance of ₹28.64 crore) lying in the Public Account, the State Government had transferred ₹4,025.14 crore to NSDL, leaving a balance of ₹31.61 crore, as on 31 March 2024.

Details of the receipts from the employees' share, Government's contribution and investment in pension fund, are given in **Table 2.18**.

**Table 2.18: Details of contribution and investment under Defined Contributory Pension Scheme**

Years	Receipts				Disbursement (Transferred to NSDL)	Short transfer (-) / Excess transfer (+)
	Opening Balance	Employees' share	Government contribution	Total		
1	2	3	4	5	6	7 (6-5)
2006-07	0.00	0.05	0.00	0.05	0.00	(-)0.05
2007-08	0.05	1.29	0.13	1.47	0.00	(-)1.47
2008-09	1.47	3.73	0.01	5.21	0.00	(-)5.21
2009-10	5.21	6.58	0.00	11.79	0.00	(-)11.79
2010-11	11.79	13.84	14.00	39.63	0.01	(-)39.62
2011-12	39.62	44.87	46.44	130.93	70.83	(-)60.10
2012-13	60.10	68.54	65.52	194.16	132.59	(-)61.57
2013-14	61.57	112.28	107.26	281.11	251.49	(-)29.62
2014-15	29.62	163.68	160.77	354.07	331.52	(-)22.55
2015-16	22.55	238.51	232.63	493.69	465.35	(-)28.33
2016-17	28.33	295.25	291.12	614.70	579.49	(-)35.21
2017-18	35.21	414.92	432.83	882.96	862.24	(-)20.72
2018-19	20.72	501.03	507.36	1,029.11	1,011.68	(-)17.44
2019-20	17.44	597.94	592.98	1,208.36	1,184.18	(-)24.18
2020-21	24.18	719.84	737.65	1,481.67	1,475.67	(-)6.00
2021-22	6.00	947.81	1,719.95	2,673.76	2,665.93	(-)7.83
2022-23	7.83	1,380.87	1,760.68	3,149.38	3,120.74	(+)28.64
2023-24	28.64	1,761.90	2,266.21	4,056.75	4,025.14	(-) 31.61
<b>TOTAL</b>		<b>7,272.93</b>	<b>8,935.54</b>	<b>16,208.47</b>	<b>16,176.86</b>	<b>31.61</b>

Source: Finance Account of respective years

During the period from FYs 2006-07 to 2023-24, against the total receipts of ₹16,208.47 crore (employees' share: ₹7,272.93 crore and State Government contribution: ₹8,935.54 crore), an amount of ₹16,176 crore was transferred to the pension fund. Thus, there was short transfer of ₹31.61 crore, which is a deferred liability of the State Government. The

short contribution/ transfer of funds to NSDL would impact the pensionary yield of the employees.

### 2.4.1.3 Subsidies

**Table 2.19** shows the expenditure on subsidies, during the period from FYs 2019-20 to 2023-24. The subsidies during the current year increased marginally by ₹144 crore (3.62 *per cent*) from the previous year. The increase was mainly due to increase of Pradhan Mantri Fasal Bima Yojana (PMFBY) subsidy (under Co-operation Department) by ₹ 400 crore. The increase was partly set off by decrease of subsidy under Agriculture and Farmers' Empowerment department.

Department-wise major subsidies for FYs 2019-20 to 2023-24, are shown in **Table 2.19**:

**Table 2.19: Department-wise Subsidies during FYs 2019-20 to 2023-24**

(₹ in crore)						
Sl. No.	Departments	2019-20	2020-21	2021-22	2022-23	2023-24
1	Food Supplies & Consumer Welfare	1,088	2,085	2,058	1,170	1,185
2	Co-operation	1,344	1,269	1,451	1,388	1,791
3	Agriculture & Farmers' Empowerment	307	301	329	679	218
4	Revenue & Disaster Management	312	224	470	274	36
5	Other Departments <sup>14</sup>	315	409	387	468	893
<b>Total Subsidy</b>		<b>3,366</b>	<b>4,288</b>	<b>4,695</b>	<b>3,979</b>	<b>4,123</b>
<b>Subsidies as a percentage of Revenue Receipts</b>		<b>3.31</b>	<b>4.11</b>	<b>3.07</b>	<b>2.64</b>	<b>2.30</b>
<b>Subsidies as a percentage of Revenue Expenditure</b>		<b>3.39</b>	<b>4.50</b>	<b>4.28</b>	<b>3.04</b>	<b>2.77</b>
<b>Subsidies as a percentage of Total Expenditure</b>		<b>2.79</b>	<b>3.73</b>	<b>3.50</b>	<b>2.39</b>	<b>2.12</b>

Source: Finance Accounts of respective years, Government of Odisha

The State Government, in its Medium Term Fiscal Plan (MTFP) for FY 2007-08 had aimed at rationalisation of general subsidies and their reduction at a rate of 10 *per cent* per annum, beginning with FY 2005-06. As can be seen from the table, there has been a decrease in subsidy as *per cent* of Revenue expenditure, from 3.39 *per cent* in FY 2019-20 to 2.77 *per cent* in FY 2023-24. However, the absolute value of subsidies did not consistently decrease each year, as they increased from ₹3,366 crore in 2019-20 to ₹4,123 crore in 2023-24.

<sup>14</sup> Other Departments include (i) ST&SC Development, Minorities & Backward Classes Welfare, (ii) Transport, (iii) Industries, (iv) Water Resources, (v) Handlooms, Textiles & Handicrafts, (vi) Fisheries and Animal Resources Department, (vii) Women & Child Development (viii) Mission Shakti

**2.4.1.4 Financial assistance by the State Government to Local Bodies and other institutions**

Assistance provided by way of grants, to local bodies and other institutions, during the period from FYs 2019-20 to 2023-24, is shown in **Table 2.20**.

**Table 2.20: Financial assistance to Local Bodies and other institutions**

(₹ in crore)

Institutions	2019-20	2020-21	2021-22	2022-23	2023-24
<b>(A) Local Bodies</b>					
Municipal Corporations and Municipalities	1,886.04	2,661.52	1,992.35	1,811.96	3,419.27
Zilla Parishads and other Panchayati Raj Institutions	4,415.45	2,508.08	1,906.85	1,809.56	5,638.61
<b>Total (A)</b>	<b>6,301.49</b>	<b>5,169.60</b>	<b>3,899.20</b>	<b>3,621.52</b>	<b>9,057.88</b>
<b>(B) Others</b>					
Educational institutions (Aided Schools, Colleges, Universities, etc.)	6,862.60	6,632.48	6,028.73	5,903.00	8,859.77
Development Authorities	2,153.92	1,483.12	1,612.69	1,085.73	2,933.11
Hospitals and Other Charitable Institutions	1,789.38	21,027.82	1,561.05	800.07	2,537.35
Other institutions	11,358.07	11,856.37	12,829.30	7,673.97	4,466.20
<b>Total (B)</b>	<b>22,163.97</b>	<b>22,099.79</b>	<b>22,031.77</b>	<b>15,462.77</b>	<b>18,796.43</b>
<b>TOTAL (A+B)</b>	<b>28,465.46</b>	<b>27,269.36</b>	<b>25,930.97</b>	<b>19,084.29</b>	<b>27,854.31</b>
GIA for creation of Capital assets	7,487.48	8,567.39	5,387.86	4,229.43	8,276.12
Revenue Expenditure	99,137	95,311	1,09,588	1,31,006	1,48,832
Assistance as a percentage of Revenue Expenditure	28.71	28.61	23.66	14.57	18.72

Source: Finance Accounts of respective years, Government of Odisha

During the year 2023-24, financial assistance to the local bodies and other institutions increased by ₹8,770.02 crore (45.95 per cent) over the previous year. The increase was mainly due to increase in assistance to Urban Local Bodies by ₹1,607.31 crore, Rural Local Bodies by ₹3,829.05 crore, Educational Institutions by ₹2,956.77 crore, Development Authorities by ₹1,847.38 crore, Hospitals and other charitable institutions by ₹1,737.28 crore, which was partially set off by decrease in assistance to other institutions like Co-operatives, Odisha Renewable Energy Development Agency (OREDA), NGOs etc. by ₹3,207.77 crore. The overall quantum of financial assistance to the local bodies and other institutions, as a percentage of revenue expenditure had persistently decreased from FY 2019-20 (28.71 per cent) to FY 2022-23 (14.57 per cent). However, it increased to 18.72 per cent in FY 2023-24.

It was also observed that the assistance given for creation of capital assets, had substantially decreased by ₹3,258 crore (43.51 per cent) from ₹ 7,487.48 crore in

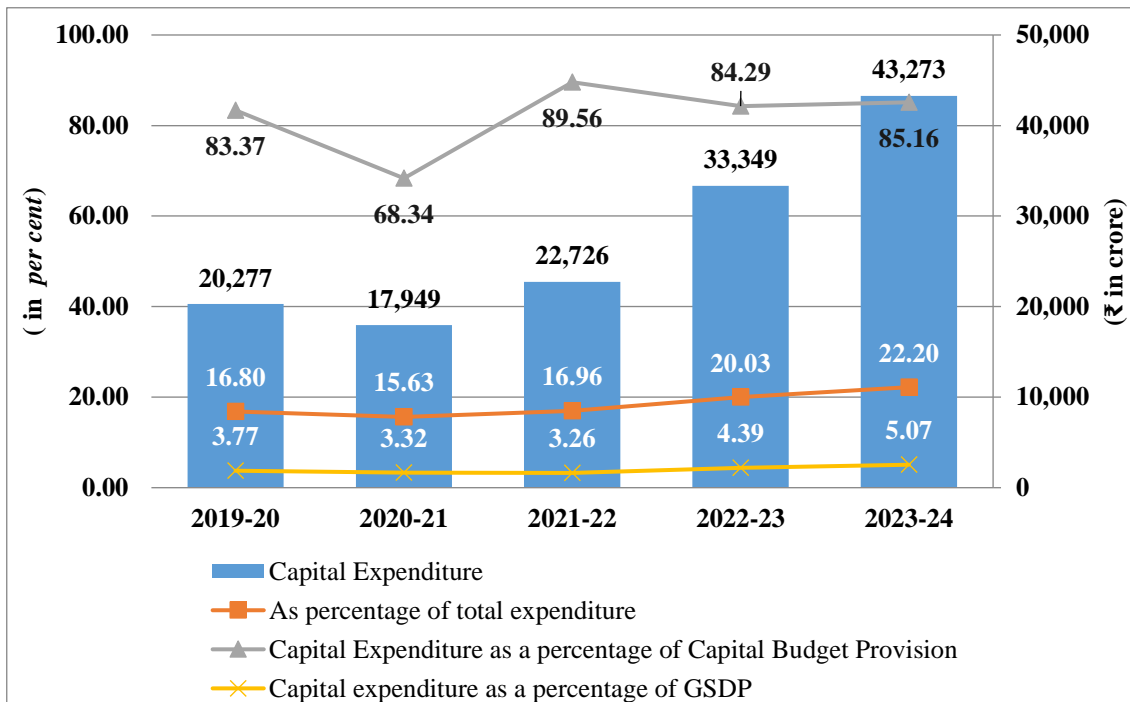


2019-20 to ₹ 4,229.43 crore in 2022-23. However, it increased to ₹ 8,276.12 crore (95.68 per cent) in FY 2023-24.

### 2.4.2 Capital Expenditure (CE)

Capital expenditure is primarily expenditure on creation of fixed infrastructure assets, such as roads, buildings etc. Capital expenditure, at both the Centre and the State, is being met from budgetary support and extra budgetary resources/ off-budget borrowings. It also includes investments made by the State Government in Companies/ Corporations. Trend of capital expenditure in the State, over the last five years, i.e. FYs 2019-24, is given in **Chart 2.13**.

**Chart 2.13: Capital Expenditure in the State**



Source: Finance Accounts for respective years and Budget at a Glance, Government of Odisha

**Chart 2.13** shows that capital expenditure had fluctuated during the five years’ period. It increased by ₹22,996 crore (113.41 per cent) from ₹20,277 crore in FY 2019-20 to ₹43,273 crore in FY 2023-24. It also increased, as a percentage of total expenditure, from 16.80 per cent in FY 2019-20 to 22.20 per cent in FY 2023-24. As compared to the previous year, the capital expenditure of Government of Odisha has substantially increased by ₹9,924 crore (29.76 per cent), but fell short of ₹7,540 crore from the estimated capital expenditure (₹50,813 crore). The Capital Expenditure as percentage of GSDP, during FY 2023-24 was 5.07 per cent, which was higher than that of FY 2022-23 (4.39 per cent), growing at an average annual rate of 20.87 per cent.

Besides, the State Government also gave Grants-in-aid of ₹8,276 crore to PRIs/ULBs/PSUs and Autonomous Bodies etc., during FY 2023-24 for creation of capital assets. Against the total capital budget provision of ₹50,813 crore during 2023-24, the State could spend only ₹43,273 crore (85.16 per cent). Capital Expenditure as a

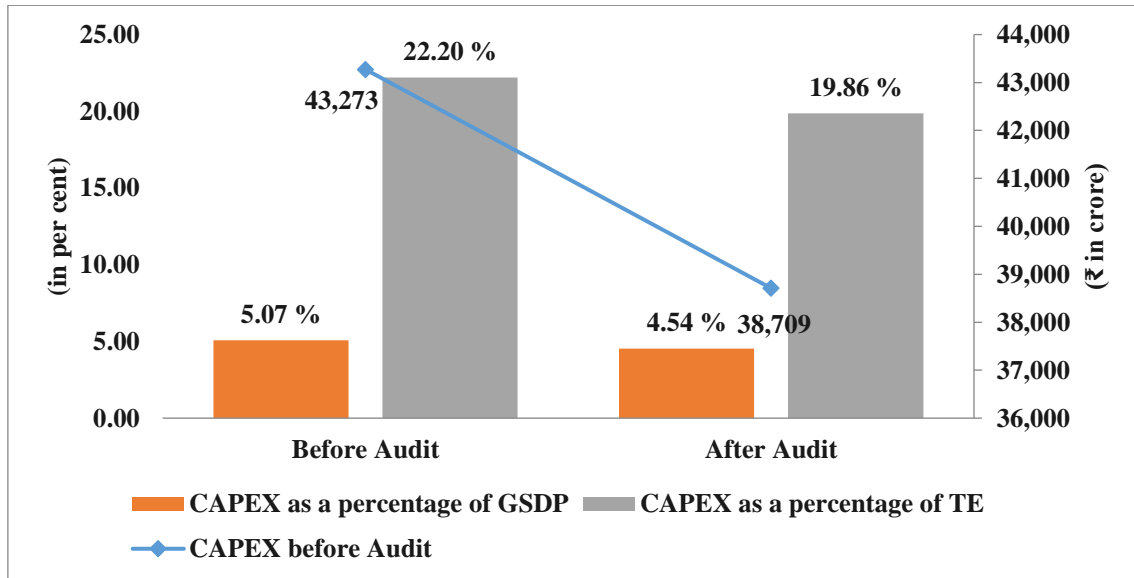
percentage of Capital Budget ranged between 68.34 per cent to 89.56 per cent during the period from 2019-20 to 2023-24.

#### 2.4.2.1 Misclassification of Revenue Expenditure as Capital Expenditure

During the financial year 2023-24, the State Government had booked ₹43,273.38 crore as Capital Expenditure. Audit examined Sanction Orders and expenditure vouchers related to this amount, from the Office of the Accountant General (A&E) and noticed that out of the amount of ₹43,273.38 crore, ₹4,564.63 crore (**Appendix 2.3**) of expenditure of Revenue nature had been booked under Capital Expenditure. Out of this amount, ₹ 170.55 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 ₹ 4,394.08 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 to be classified as Revenue Expenditure, instead of Capital Expenditure.

Thus, there was a misclassification of ₹ 4,564.63 crore, which resulted in overstatement of Revenue Surplus to that extent. The resulting Capital Expenditure, after Audit, for FY 2023-24, was ₹38,708.75 crore (**Chart 2.14**).

**Chart 2.14: Changes in Capital Expenditure after Audit**



Source: Audited Finance Accounts for FY 2023-24, Government of Odisha

The Government stated (October 2024) that issues related to clarity on ownership of assets would be taken up with the respective line Departments to prevent such misclassification. The reply is not tenable as the misclassification affects financial accuracy and resource allocation. In absence of clarity on ownership, proper guidelines and trainings, proper classification of expenditure could not be ensured.

**2.4.2.2 Major changes in Capital Expenditure**

Capital expenditure increased by ₹9,924 crore (29.76 per cent) from ₹33,349 in FY 2022-23 to ₹43,273 crore in FY 2023-24. Major changes in Capital expenditure, during FY 2023-24, as compared to FY 2022-23, are depicted in **Table 2.21**.

**Table 2.21: Capital expenditure during FY 2023-24 compared to FY 2022-23**

Major Heads of Account	(₹ in crore)		
	2022-23	2023-24	Increase (+) / Decrease (-)
4515- Capital Outlay on other Rural Development Programmes	0.00	3,302.24	(+)3,302.24
5054-Capital Outlay on Roads and Bridges	9,860.61	13,027.77	(+)3,167.16
4700-Capital Outlay on Major Irrigation	3,809.65	5,593.40	(+) 1,783.75
4210- Capital Outlay on Medical and Public Health	2,148.69	3,444.61	(+) 1,295.92
4217- Capital Outlay on Urban Development	516.90	977.50	(+) 460.60
4225- Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	414.39	875.21	(+) 460.82
4202-Capital Outlay on Education, Sports, Arts and Culture	2,192.32	1,242.28	(-) 950.04
4801-Capital Outlay on Power Projects	3,071.59	2,125.73	(-) 945.86

Source: Finance Accounts of respective years, Government of Odisha

An analysis of **Table 2.21** shows:

- Increase of ₹3,302.24 crore (100 per cent) under Capital Outlay on other Rural Development Programmes was mainly due to expenditure under Ama Odisha Nabin Odisha programme (₹3,300 crore).
- Increase of ₹3,167.16 crore (32.12 per cent) under Capital Outlay on Roads and Bridges was mainly due to increase of expenditure amounting to ₹3,029.10 crore under General category including Tribal Area Sub-plan (₹223.43 crore), which was partly set off by decrease in expenditure under State Highways by ₹88.56 crore.
- Increase of ₹1,783.75 crore (46.82 per cent) under Capital Outlay on Major Irrigation was due to increase of expenditure in Upper Indravati Irrigation Commercial Project (₹1551.83 crore), Lower Suktel Irrigation Commercial Project (₹749.94 crore) and Subarnarekha Irrigation Commercial Project (₹195.87 crore) which was partly set off by decrease in expenditure under Rengali Irrigation Commercial Project (₹ 157.46 crore), Lower Indra Irrigation Commercial Project (₹ 45.86 crore) and other projects.
- Increase of ₹1,295.92 crore (60.31 per cent) under Capital Outlay on Medical and Public Health was mainly due to increase of expenditure on Medical Education, Training and Research (₹1,093.25 crore) and Rural health services (₹253.95 crore).

- Increase of ₹460.60 crore (89.11 *per cent*) under Capital Outlay on Urban Development was mainly due to increase of expenditure on Scheme for Special Central Assistance to States for Capital Expenditure (₹460.06 crore) and Odisha Metro Rail Transport (₹210.00 crore), which was partly set off by decrease in expenditure under other schemes/ programmes.
- Increase of ₹460.82 crore (111.20 *per cent*) under Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes was mainly due to increase in expenditure on Welfare of Scheduled Castes (₹85.09 crore), Welfare of Scheduled Tribes (₹285.64 crore), Welfare of Backward Classes (₹ 32.24 crore) and Welfare of Minorities (₹ 57.55 crore).
- Decrease of ₹950.04 crore (43.33 *per cent*) under Capital Outlay on Education, Sports, Arts and Culture was mainly due to decrease in expenditure for development of Sports Stadia infrastructure (by ₹550.98 crore), development of infrastructure under Samagra Shiksha (by ₹148.77 crore) and Sarva Shiksha Abhiyan for Universalisation of Education (by ₹95.35 crore).
- Decrease of ₹945.86 crore (30.79 *per cent*) under Capital Outlay in Power Sector, was mainly due to acquisition stake of Odisha Hydra Power Corporation (OHPC) Limited in Odisha Power Generation Corporation (OPGC) Limited.

#### **2.4.2.3 Quality of Capital Expenditure**

If the State Government continues to make investment in loss making Government companies, whose net worth has completely eroded, there is minimal chance of any gains through return on investment. Similarly, loans provided to financially distressed entities are at a risk of inevitable write-offs. This section presents an analysis of investments and other Capital expenditure undertaken by the State Government during the year 2023-24.

##### **(i) Quality of investment in companies, corporations and other bodies**

Capital expenditure in the companies, corporations and other bodies, which are loss making or whose net worth has completely eroded, is not sustainable. Investments made and loans given to such companies, corporations and co-operatives affect quality of Capital expenditure. Return on investment in share capital invested in Public Sector Undertakings (PSUs) and history of repayment of loans, given to various bodies, are important determinants of the quality of capital expenditure.

As of 31 March 2024, the State Government's investment in companies, corporations and other bodies stood at ₹ 12,998.29 crore, comprising Government Companies (₹ 10,286.15 crore), Co-operative Societies (₹ 1,404.74 crore), Statutory Corporations (₹ 749.99 crore), Other Joint Stock Companies and Partnerships (₹ 538.51 crore) and Rural Banks (₹ 18.90 crore).

Trends of return on investment in companies, corporations and co-operative banks and societies, difference between the cost of Government borrowings and return on investments are depicted in **Table 2.22**.

Table 2.22: Return on Investment

(₹ in crore)

Sl. No.	Details	2019-20	2020-21	2021-22	2022-23	2023-24
1	Investment at the end of the year (₹ in crore)	5,698.65	7,288.29	10,642.65	12,417.78	12,998.29
2	Return in the form of Dividend (₹ in crore)	321.38	1,062.81	523.43	584.50	1,800.36
3	Rate of Return (RoR) ( <i>per cent</i> )	5.64	14.58	4.92	4.71	13.85
4	Average rate of interest on Government borrowings ( <i>per cent</i> )	7.09	7.04	7.09	6.95	6.53
5	Difference between RoR ( <i>per cent</i> ) and interest rate (3-4)	-1.45	7.54	-2.17	-2.24	7.32
6	<b>Difference between interest on Government borrowings and return on investment #</b>	<b>-82.63</b>	<b>549.71</b>	<b>-230.95</b>	<b>-278.16</b>	<b>951.47</b>

Source: Finance Accounts of respective years, Government of Odisha

# Investment at the end of the year X Difference between interest rate and return /100

- During FY 2023-24, the return on investment was ₹1,800.36 crore (13.85 *per cent*) (based on historical cost and not on net present value basis). The rate of return was between 4.71 *per cent* and 14.58 *per cent* during FYs 2019-20 to 2023-24, while the average rate of interest paid by the State Government on its borrowings was between 6.53 *per cent* and 7.09 *per cent* during the same period. Over the past five years, the difference in the cost of Government borrowings and return on investments in PSUs, was ₹909.44 crore.
- It was observed that out of 151 entities, only 16 entities had paid dividend. These included 15 Government Companies<sup>15</sup> (which included three Power Sector Companies) and one Co-operative Society<sup>16</sup>.
- Out of the total investment of ₹ 12,998.29 crore, ₹ 8,433.63 crore (64.88 *per cent*) was invested in five<sup>17</sup> Power Sector Companies. Out of these, only three<sup>18</sup> companies paid dividend of ₹ 284.77 crore (15.82 *per cent*).

<sup>15</sup> Government Companies – (1) Agricultural Promotion and Investment Corporation Limited : ₹ 0.07 crore (2) Odisha Agro Industries Corporation Limited: ₹ 5.63 crore (3) Odisha State Cashew Development Corporation Limited: ₹ 0.47 crore (4) Odisha Forest Development Corporation Limited: ₹ 6.08 crore (5) Odisha Small Industries Corporation Limited: ₹ 5.03 crore (6) Odisha Construction Corporation Limited: ₹10.27 crore (7) Odisha Bridge and Construction Corporation Limited: ₹ 3.41 crore (8) Odisha State Police Housing and Welfare Corporation: ₹ 16 crore (9) Regional Rural Banks: ₹ 0.20 crore (10) Odisha Mining Corporation Limited: ₹ 1420 crore (11) Odisha State Beverages Corporation Limited: ₹ 9.42 crore (12) Odisha State Co-operative Handicrafts Corporation Limited: ₹ 27.40 crore (13) Odisha Hydro Power Corporation: ₹139.40 crore (14) Odisha Power Generation Corporation Limited: ₹ 103.37 crore (15) Odisha Power Transmission Corporation Limited: ₹ 42 crore

<sup>16</sup> Co-operative Society – Credit Co-operative: ₹ 11.60 crore

<sup>17</sup> OPGC: ₹2,157.52 crore, OPTCL: ₹2,402.78 crore, GRIDCO: ₹2,613.13 crore and OHPC: ₹1,034.34 crore, Odisha Coal and Power Limited: ₹ 225.86 crore

<sup>18</sup> OHPC: ₹139.40 crore; OPGC: ₹103.37 crore; OPTCL: ₹42 crore

- The return on investment was mainly dependent on the Odisha Mining Corporation (OMC), which had paid ₹1,420 crore dividend in 2023-24. OMC was also the highest contributor of dividend in 2019-20: ₹250 crore, 2020-21: ₹1,000 crore, 2021-22: ₹500 crore and 2022-23: ₹500 crore.
- Out of total 151 entities, 72 were defunct and investment of ₹68.52 crore therein had remained un-recouped. Of the remaining active 79 entities, 63 had not paid any dividend in 2023-24.

(ii) *Loans and advances by State Government*

In addition to investments in Co-operative societies, Corporations and Companies, the State Government has also been providing loans and advances to many institutions/organisations. **Table 2.23** presents the position of outstanding loans and advances, as on 31 March 2024, and interest receipts *vis-à-vis* interest payments, by the State Government, on its borrowings during the last five financial years.

**Table 2.23: Quantum of loans disbursed and recovered during FYs 2019-20 to 2023-24**  
(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Opening Balance of loans outstanding (₹ in crore)</b>	<b>7,191</b>	<b>8,163</b>	<b>9,066</b>	<b>9,185</b>	<b>10,511</b>
Amount advanced during the year (₹ in crore)	1,259	1,597	1,685	2,158	2,790
Amount recovered during the year (₹ in crore)	287	684	1,566	832	559
<b>Closing Balance of the loans outstanding (₹ in crore)</b>	<b>8,163</b>	<b>9,066<sup>#</sup></b>	<b>9,185</b>	<b>10,511</b>	<b>12,742</b>
Net addition (₹ in crore)	(+) 972	(+) 913	(+) 119	1,326	2,231
Interest Receipts (₹ in crore)	64	316	1,315	297	300
Interest Receipts as a percentage of outstanding loans and advances (in per cent)	0.78	3.48	14.30	2.83	2.35
Interest Payments (₹ in crore)	6,063	6,644	6,342	5,502	5,181
Outstanding Borrowings (₹ in crore)	1,26,084	1,22,774	1,20,140	1,11,952	1,33,089
Rate of interest paid on the outstanding borrowings of the Government (in per cent)	4.81	5.41	5.28	4.91	3.89
Difference between the rate of interest received and interest paid (per cent)	(-) 4.03	(-) 1.93	(+) 9.02	(-) 2.08	(-) 1.54

Source: Finance Accounts of respective years, Government of Odisha

# The difference of ₹10 crore was due to proforma transfer of ₹9.51 crore from the loan head to the capital expenditure head.

During FY 2023-24, an amount of ₹2,790 crore was advanced as loan by the State, as against ₹2,158 crore during the previous year. The loans advanced during the current year included ₹700 crore extended to Indian Oil Corporation Limited, as a part of an agreement with it, for providing a fiscal incentive of ₹10,500 crore interest free Viability Gap

Funding (VGF<sup>19</sup>) loan, over a period of 15 years, for the Paradeep Refinery Project. As a part of this, the State Government had disbursed ₹1,400 crore in FY 2017-18 and ₹700 crore each in FYs 2018-19 to FY 2023-24. In addition, GRIDCO received a loan of ₹1,000 crore from the Government as soft loan to meet its financial requirements. Out of this amount, ₹500 crore was offered at an annual interest rate of five *per cent*, while the remaining ₹500 crore was provided at an annual interest rate of 5.25 *per cent*. ₹130 crore (interest free) was extended to Odisha State Cooperative Marketing Federation Limited and ₹100 crore (at the rate of 2.5 *per cent* per annum) was extended to the Odisha State Seeds Corporation Limited.

The total outstanding loans and advances by the State Government showed an increasing trend during the period 2019-20 to 2023-24. They increased by ₹2,231 crore from ₹10,511 crore in FY 2022-23 to ₹12,742 crore in FY 2023-24. Recovery of loans decreased by ₹273 crore (32.81 *per cent*) and interest receipts decreased by ₹3 crore (1.01 *per cent*) respectively in FY 2023-24, as compared to FY 2022-23. The interest received was only 2.35 *per cent* of the outstanding loans and advances during FY 2023-24.

### 2.4.3 Expenditure Priorities

Enhancing human development levels requires States to step up their expenditure on key social services like education, health *etc.* Low fiscal priority (ratio of expenditure under a category to total expenditure) is attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of these components to the total expenditure, the quality of expenditure is considered to be better. Fiscal priority of the State Government, in regard to expenditure on social and economic sectors *etc.*, is shown in **Table 2.24**.

**Table 2.24: Expenditure priority of the State, in regard to health, education and Capital expenditure**

	(in per cent)			
	TE/GSDP	CE/TE	Education/TE	Health/TE
General Category States Average (2019-20)	15.88	12.72	15.79	5.25
Odisha (2019-20)	22.45	16.80	14.58	5.13
General Category States Average (2023-24)	15.66	15.38	14.36	5.71
Odisha (2023-24)	22.83	22.20	13.24	8.17

Source: Finance Accounts, Government of Odisha

**Table 2.24** shows that:

- The State Government's total expenditure, as a proportion of the GSDP, increased slightly from 22.45 *per cent* in 2019-20 to 22.83 *per cent* in 2023-24. Simultaneously, for General Category States, it decreased from 15.88 *per cent* to 15.66 *per cent*. However, the total expenditure as a percentage of GSDP, of Odisha, was much higher than that of General Category States.

<sup>19</sup> Viability Gap Funding means a grant to support projects that are economically justified but not financially viable.

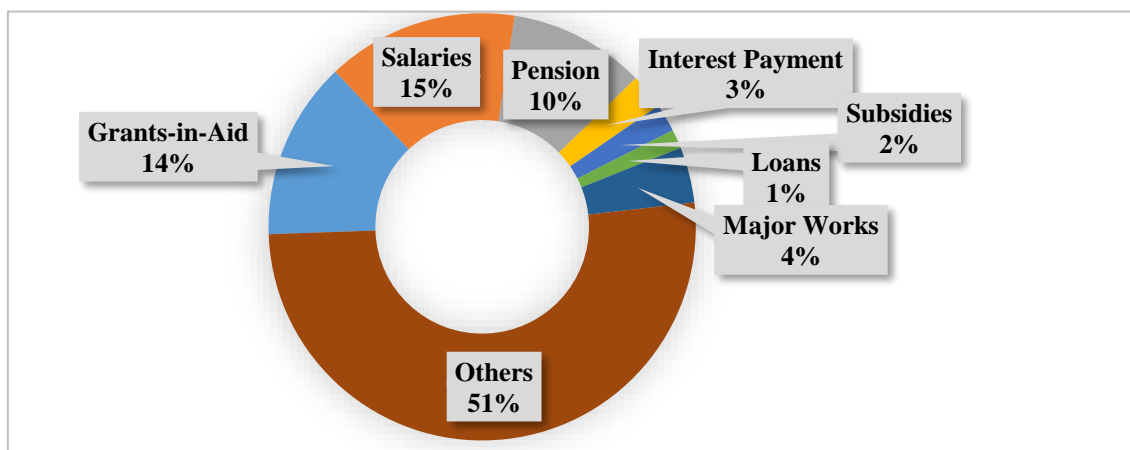
- Capital expenditure facilitates asset creation, which generates opportunities for higher growth. The ratio of capital expenditure to total expenditure increased from 16.80 per cent in 2019-20 to 22.20 per cent in 2023-24. The General Category States also saw an increase, but it was less pronounced, from 12.72 per cent in 2019-20 to 15.38 per cent in 2023-24.
- Odisha's spending on education as a proportion of total expenditure declined from 14.58 per cent in 2019-20 to 13.24 per cent in 2023-24, falling below the General Category States' average, which also saw a decline from 15.79 per cent to 14.36 per cent.
- The ratio of expenditure on health to total expenditure in Odisha increased from 5.13 per cent in 2019-20 to 8.17 per cent in 2023-24, whereas it increased from 5.25 per cent to 5.71 per cent in the case of General Category States, during the same period.

Thus, Odisha demonstrates higher fiscal activism compared to the General Category States, particularly in terms of its overall expenditure (TE/GSDP) and focus on capital investment (CE/TE). However, there is a relative decline in the prioritization of education expenditure, contrasted by a notable increase in health spending, indicating a shift in Odisha's expenditure priorities towards infrastructure and health sectors.

#### 2.4.4 Object head-wise expenditure

Object head-wise expenditure gives information about the object/ purpose of the expenditure. **Chart 2.15** shows the object head-wise expenditure.

**Chart 2.15: Object Head-wise Expenditure during 2023-24 (in per cent)**



Source: Finance Accounts, Government of Odisha

#### 2.5 Contingency Fund

The Contingency Fund of Government of Odisha was established under the Odisha Contingency Fund Act 1967. The State Government made the Odisha Contingency Fund Rules, 1967 for regulating all matters connected with or ancillary to the custody of, payment of monies into and the withdrawal of monies from the Contingency Fund of the State of Odisha for meeting unforeseen expenditure. The fund is recouped when the State Legislature authorises the additional expenditure. The corpus of the Fund is ₹ 400 crore.



During 2023-24, ₹274.34 crore had been withdrawn from the fund under various budgetary heads (2202-General Education: ₹117.73 crore, 2425-Co-operation: ₹0.14 crore, 4059-Capital Outlay on Public Works: ₹93.56 crore, 4216-Capital Outlay on Housing: ₹62.91 crore). However, the total amount of ₹ 274.34 crore had not been replenished by the end of the FY 2023-24. As on 31<sup>st</sup> March 2024, Contingency Fund had a balance of ₹125.66 crore only.

Due to non-recoupment of the advance amount by the end of 2023-24, there was overstatement of Revenue Surplus by ₹117.87 crore and understatement of Fiscal Deficit by ₹274.34 crore for the year 2023-24.

*Details of expenditure made out of the Contingency Fund are discussed in paragraph 3.5.3 of Chapter III of this Report.*

## 2.6 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. The Government acts as a banker in respect of these cases. The balance, after disbursements during the year, is the fund available with the Government for use for various purposes.

### 2.6.1 Net Public Account Balances

The component-wise net balances in the Public Account of the State, are given in **Table 2.25**. Yearly changes in the composition of Public Account balances are depicted in **Chart 2.16**.

**Table 2.25: Component-wise net balances in Public Accounts**

		(₹ in crore)				
Sector	Sub Sector	2019-20	2020-21	2021-22	2022-23	2023-24
I. Small Savings, Provident Fund <i>etc.</i>	Small Savings, Provident Fund <i>etc.</i>	915	612	308	-502	-800
J. Reserve Funds	a) Reserve Funds bearing interest	6,201	178	444	485	3,457
	b) Reserve Funds not bearing interest	1,053	-1,207	3,106	15,030	7,313
K. Deposits and Advances	a) Deposits bearing interest	7	-19	2	21	3
	b) Deposit not bearing interest	3,422	-13,013	751	2,783	5,645
	c) Advances	1	-5	-1	-1	0
L. Suspense and Miscellaneous	b) Suspense	-80	26	188	177	-151
	c) Other Accounts	0	0	0	0	0
	d) Accounts with Governments of Foreign Countries	0	0	0	0	0
	e) Miscellaneous	0	2,500	0	-6	0
M. Remittances	a) Money Orders and other Remittances	-21	24	18	16	25
	b) Inter Governmental Adjustment Account	0	-6	-1	5	2
<b>TOTAL</b>		<b>11,497</b>	<b>-10,910</b>	<b>4,815</b>	<b>18,008</b>	<b>15,494</b>

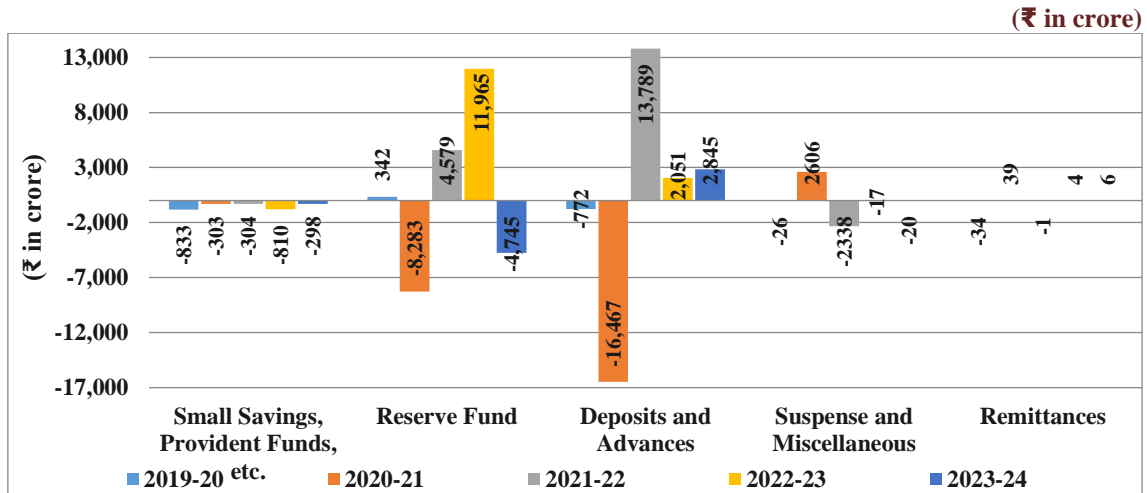
*Source: Finance Accounts of respective years, Government of Odisha*

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

From **Table 2.25**, it can be seen that, during FY 2023-24, the net Public Account receipts (₹15,494 crore) contributed 7.25 per cent of the total resources (₹ 2,13,769 crore) of the State. The major source of Public Account receipts was Reserve Funds not bearing interest (₹7,313 crore), due to transfer of ₹5,000 crore for the Budget Stabilisation Fund under the Major Head 8228 - Revenue Reserve Fund.

Government is liable to pay/adjust interest in respect of interest-bearing Reserve Funds and Deposits. During FY 2023-24, the interest amounts payable on the State Disaster Response Fund (₹235.82 crore), State Disaster Mitigation Fund (₹44.80 crore) State Compensatory Afforestation Fund (₹24.01 crore), Deposits on Government Companies, Corporation etc. (₹1.18 crore) and Miscellaneous Deposits (₹0.02 crore), totalling ₹305.83 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 the composition of Public Accounts balances**



Source: Finance Accounts of respective years, Government of Odisha

The State Government agreed (October 2024) for early transfer of the interest amount of ₹305.83 crore to the Public Account.

## 2.6.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Accounts of the State Government. These funds are met from contributions or grants from the Consolidated Fund or from outside agencies. These comprise interest bearing Reserve funds and non-interest bearing Reserve funds.

There were three interest bearing Reserve funds and eight non-interest bearing Reserve Funds, as on 31 March 2024. The balances lying in these Reserve Funds, as on 31 March 2024, are given in **Table 2.26**.

Table 2.26: Details of Reserve Funds

		(₹ in crore)
Sr. No.	Name of Reserve Fund	Balance as on 31 March 2024
<b>A</b>	<b>Reserve Funds bearing Interest</b>	<b>11,211.08</b>
1	State Disaster Response Fund	5,214.71
2	State Disaster Mitigation Fund	1,286.91
3	State Compensatory Afforestation Fund	4,709.46
<b>B.</b>	<b>Reserve Funds not bearing Interest</b>	<b>38,956.93</b>
1	Consolidated Sinking Fund	17,135.66
2	Odisha Famine Relief Fund	3.94
3	Budget Stabilisation Fund (Revenue Reserve Funds)	19,574.87
4	Development Funds for Educational Purposes	12.48
5	Development Funds for Agricultural Purposes	0.01
6	Consumer Welfare Fund	0.28
7	Other Development and Welfare Fund	0.22
8	Guarantee Redemption Fund	1,926.82
9	Other Funds- Fund for Protection of Interest of Depositors	302.65
	<b>Grand Total</b>	<b>50,168.01</b>

Source: Finance Accounts, Government of Odisha

Out of the gross accumulated balance of ₹50,168.01 crore lying in these Funds, as on 31 March 2024, ₹39,258.12 crore had been invested in Government Stocks by the Reserve Bank of India, leaving a total net accumulated balance of ₹10,909.89 crore remaining un-invested, as on 31 March 2024.

#### 2.6.2.1 Consolidated Sinking Fund (CSF)

As per the recommendations of the 12<sup>th</sup> Finance Commission, Government of Odisha set up a 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 a provision to the effect that the State Government was at liberty to not contribute to the fund, if the balance in the fund was maintained at a level higher than five per cent of the total liability of the State Government at the end of the previous year.

There was an opening balance of ₹15,914.19 crore in the Fund, at the beginning of the current year. As on 31 March 2023, the outstanding liabilities of the Government of

Odisha were ₹1,01,700<sup>20</sup> crore, which were 15.65 *per cent* (more than the mandated level of five *per cent*) of the total liabilities of the State Government at the end of the previous year. Accordingly, the State Government did not contribute to the fund in 2023-24. However, interest amounting to ₹1,221.47 crore was earned. Resultantly, there was a balance of ₹17,135.66 crore, at the end of the FY 2023-24.

### **2.6.2.2 State Disaster Risk Management Fund (erstwhile SDRF)**

The Government of India (GoI) replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF), with effect from 1 April 2010. In terms of the guidelines of the SDRF (September 2010 and July 2015), the Centre and the State Governments contributed to the Fund in the proportion of 75:25. The contributions were to be transferred under the Public Account, to the Major Head – 8121. Expenditure during the year was to be incurred by operating the Major Head – 2245. Further, GoI, Notification dated 12 January 2022, revised the guidelines as per the recommendations of the Fifteenth Finance Commission. As per the guidelines, SDRF was renamed as the State Disaster Risk Management Fund (SDRMF). The total allocation for SDRMF was divided into the State Disaster Response Fund (SDRF) and State Disaster Mitigation Fund (SDMF), to address the full cycle of disaster management needs *i.e.* response and relief; recovery and reconstruction; preparedness and capacity building; and mitigation. As per the guidelines, the share of SDRF and SDMF, in the SDRMF would be 80 *per cent* and 20 *per cent*, respectively.

State Governments are required to pay interest to the SDRMF, at the rate applicable to overdrafts under the Overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half-yearly basis. Accretions to the SDRMF, together with the income earned on the investment of SDRMF, are to be invested in Central Government Securities, auctioned Treasury Bills and other interest earning deposits with Scheduled Commercial Banks.

#### **(i) State Disaster Response Fund (SDRF)**

Eighty *per cent* of the SDRMF share was to be allocated for the SDRF. The State Disaster Response Fund is to be used for meeting the expenditure for providing immediate response and relief to the victims of a disaster (40 *per cent*), recovery and reconstruction (30 *per cent*) and preparedness and capacity building (10 *per cent*). The funding for SDRF and SDMF is not to be interchanged.

As per the Finance Accounts, as on 1 April 2023, an amount of ₹3,208.24 crore was lying in the SDRF. During FY 2023-24, ₹2,381.42 crore (₹1,415.20 as Central share, ₹471.20 crore as State share, ₹ 410.09 crore as Refund of unspent balance to SDRF and ₹84.93 crore interest receipts out of investment) were transferred to the Fund. An amount of ₹374.96 crore was spent from the Fund, during the current year, leaving a balance of

<sup>20</sup> Outstanding Liabilities as on 31.03.2023 was ₹1,01,700 crore (excluding back-to-back loans from GoI in lieu of GST compensation shortfall, amounting to ₹10,252.20 crore, which was not to be repaid by the State).

₹5,214.71 crore. Out of this, net amount of ₹927.19 crore was invested during the year, leaving a balance of ₹4,287.51 crore, lying un-invested, as on 31 March 2024, in violation of GoI guidelines *ibid*.

Due to the above, the Government of Odisha has to bear interest liability, amounting to ₹235.82 crore<sup>21</sup>, on the un-invested Fund during the year. However, the Government of Odisha had not transferred interest amounting to ₹235.82 crore, which had overstated the revenue surplus and understated the fiscal deficit to that extent.

### (ii) State Disaster Mitigation Fund (SDMF)

The State Disaster Mitigation Fund (SDMF) was constituted under Section 48(1) (c) of the Disaster Mitigation Act, 2005. This Fund is meant exclusively for the purpose of mitigation projects, in regard to disasters, covered under the State Disaster Response Fund/ National Disaster Response Fund guidelines and the State specific local disasters, notified by the State Government, from time to time. The State Government created the SDMF *vide* Notification No. 5643 dated 29.09.2021, under Major Head 8121-130 - State Disaster Mitigation Fund. Twenty *per cent* allocation out of SDRMF, was meant for SDMF.

The opening balance of SDMF, as on 1 April 2023, was ₹557.50 crore. During FY 2023-24, ₹945.15 crore (₹522.30<sup>22</sup> as Central share, ₹230<sup>23</sup> crore as State share, ₹168.50 crore of Central share not invested during the FY 2023-24 and ₹24.35 crore interest receipts out of investment) were transferred to the Fund. Out of this, an amount of ₹215.74 crore had been spent from the Fund, leaving a balance of ₹1,286.91 crore. Out of this, net amount of ₹231.80 crore was invested, leaving a balance of ₹1,055.11 crore, lying un-invested, as on 31 March 2024, in violation of GoI guidelines *ibid*.

The Government of Odisha has to bear interest liability, amounting to ₹44.80 crore<sup>21</sup> during the FY 2023-24, on the un-invested Fund. However, the Government of Odisha had not transferred interest amounting to ₹44.80 crore, which had overstated the revenue surplus and understated the fiscal deficit, to that extent.

### 2.6.2.3 Guarantee Redemption Fund (GRF)

The State Government constituted a 'Guarantee Redemption Fund', for meeting the payment obligations arising out of the guarantees issued by the Government, for bonds issued and other borrowings by State Public Sector Undertakings or other Bodies, invoked by the beneficiaries. Accumulations in the Fund are to be utilised only towards payment of the guarantees issued by the Government and not paid by the institutions, on whose behalf the guarantees were issued.

<sup>21</sup> Interest computed on the progressive balances at the end of each month at 8.50 per cent average rate paid on overdraft notified by RBI.

<sup>22</sup> Including arrears (₹ 168.50 crore) for the FY 2022-23

<sup>23</sup> Including arrears of State share (₹56.10 crore) for the FY 2022-23 and ₹ 56.10 crore of State share not invested during 2022-23

In terms of the recommendations of the Twelfth Finance Commission, the State Government had constituted the Guarantee Redemption Fund in FY 2002-03, with the objective of meeting the payment obligations, arising out of default in debt servicing of loans guaranteed by the Government. The latest amendment to the Fund, vide notification No. 13912-FIN-CI-SG-0001/2022-F dated 08.05.2023, stipulates that the minimum corpus of the State Government shall be maintained at 5 per cent of the total outstanding guarantee at the end of the previous financial year, provided that the State Government, at its discretion, may contribute to the Fund beyond 5 per cent of the total outstanding guarantees. During FY 2023-24, Government did not contribute to the Fund. However, interest, amounting to ₹138.22 crore, was credited to the fund, out of investment of ₹1,788.60 crore. The total accumulation in the Fund was ₹1,926.82 crore, as of 31 March 2024 (₹1,788.60 crore, as of 31 March 2023), which constituted 37.70 per cent of the total outstanding guarantees (₹5,111.31 crore) at the end of the previous year, i.e. 31 March 2023. The entire fund had been invested in Government of India securities, by the Reserve Bank of India.

#### **2.6.2.4 State Compensatory Afforestation Fund (SCAF)**

In terms of the Compensatory Afforestation Fund Act, 2016, the Government of Odisha established the State Compensatory Afforestation Fund in the Public Account of the State, under Reserve Funds bearing Interest. The fund is meant for crediting all monies received from user agencies towards compensatory afforestation, additional compensatory afforestation fund, penal compensatory afforestation fund, net present value and all other amounts recovered from such agencies under the Forest (Conservation) Act, 1980. The funds collected under this Act are required to be utilised for undertaking artificial regeneration (plantations), assisted natural regeneration, protection of forests, forest related infrastructure development, Green India Programme, wildlife protection and other related activities and for matters connected therewith or incidental thereto.

The opening Balance of SCAF, as on 01 April 2023, was ₹3,988.46 crore (Cash: ₹317.78 crore and Investment: ₹3,670.68 crore). During FY 2023-24, the State Government: (i) did not receive any amount from user agencies (ii) received ₹1,258.49 crore from the National Compensatory Afforestation Deposit and (iii) received ₹104.49 crore, as interest from investment of the fund. The expenditure incurred out of the fund, during the year, was ₹834.07 crore and the balance in the SCAF as on March 2024, stood at ₹4,709.46 crore. Out of ₹4,709.46 crore, ₹4,461.77 crore was invested in RBI Treasury Bills, leaving an amount of ₹247.69 crore, as un-invested.

As per Clauses 4(5) and (6) of the Compensatory Afforestation Fund Act, 2016, the State fund shall be an interest bearing fund under the public account and the monies received should receive interest as per the rates declared by the Central Government, on year-to-year basis. The interest rate fixed by the Government of India, for FY 2023-24, for the State Compensatory Afforestation Fund, was 3.35 per cent per annum. Thus, during FY 2023-24, Government of Odisha had to bear interest liabilities of ₹24.01 crore on the un-invested part of the State Compensatory Afforestation Fund, due to non-investment of the fund. However, the State Government did not contribute the interest

amount to the fund, which led to overstatement of Revenue Surplus and understatement of Fiscal Deficit to that extent.

#### 2.6.2.5 Odisha Budget Stabilisation Fund

Odisha is a Natural Resource rich State. Mining activity generates approximately 10 per cent of the State Gross Value Added (GVA). About 90 per cent of the State's Own Non-Tax Revenue and 45 per cent of the State's Own Revenue receipts stem from the mining sector. Mining revenue is quite sensitive to demand and the price of metals in national and international markets keeps on fluctuating. Accordingly, substantial risk is associated with mining revenue, due to which it became inevitable to recognize the fiscal risk stemming from the mining sector, in terms of revenue volatility. Government of Odisha, vide Notification dated 24.03.2023, constituted the "Budget Stabilisation Fund (BSF)", which would enable the State to set aside surplus revenue as Budget Reserve, for times of unexpected revenue shortfall or budget deficit. The fund was created in the Public Account of the State, under 'Reserve Fund – Reserve Funds not bearing interest' under the Account Head "8228- Revenue Reserve Fund". The accretions to the Fund are to be invested in Government of India Securities, Auction Treasury Bills and State Government Securities of other states, by the Central Accounts Section of the Reserve Bank of India.

The opening Balance of Budget Stabilisation Fund, as on 01 April 2023, was ₹13,632.52 crore. During the financial year 2023-24, an amount of ₹5,000 crore was credited through appropriation from the Head 05-2075-Miscellaneous General Services. Further, an interest of ₹942.35 crore was received due to investment, leaving a closing balance of ₹19,574.87 crore. Out of total aggregated amount of ₹5,942.35 crore received during 2023-24 in the Fund, an amount of ₹942.35 crore was invested in Government of India Securities and Government Securities of other states.

#### 2.6.2.6 Fund outside Consolidated Fund/Public Account of the State and dedicated Funds

Article 266(1) of the Constitution of India, subject to the provisions of Article 267, provides that all revenues received by Government of a State, all loans raised by that Government by the issue of treasury bills, loans or ways and means advances and all moneys received by Government in repayment of loans, shall form one consolidated fund, entitled "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.

The State Government imposed various Cesses for meeting expenditure for specific purposes. Audit collected information/data regarding the cesses being levied by the Departments concerned, which are discussed below:

#### **Building and Other Construction Workers Welfare Cess (Labour Cess)**

The Government of India enacted the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act) to levy and collect cess for providing benefits to the workers. The Act, *inter alia*, mandated constitution of a Building and Other Construction Workers'

Welfare Board and framing of rules by every State Government, to exercise the powers conferred under the Act. Accordingly, the Government of Odisha framed the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2002, under the Act and constituted the Odisha Building and Other Construction Workers Welfare Board. The Board is responsible for the operation and maintenance of the amount credited by Government as Labour Cess Deposits.

In accordance with the provisions under Section 3(1) of the Building and Other Construction Workers Welfare Cess Act, 1996, Government of Odisha, vide Resolution dated 15 December 2008, ordered for collection of Cess at the rate of one *per cent* of the cost of construction incurred by an employer / builder, which was to exclude the cost of land and any other compensation paid or payable to a worker or his kin under the Workmen Compensation Act, 1923. Further, all the heads of the Departments/ Boards/ Autonomous Bodies/ Local Authorities were instructed to collect cess at the rate of one *per cent* of cost of all construction, as also from individuals, who had got approved building plans for own residences having a cost of ₹10 lakh or more, as notified (September 1996) by the Central Government and deposit the same with the Odisha Building and Other Construction Workers' Welfare Board. The cess thus collected was required to be spent on the social security schemes and welfare measures adopted by the Board for the benefit of the building and other construction workers in the State.

However, it was noticed that, during FY 2023-24, an amount of ₹2.26 crore was collected under the Major Head 0230-Labour and Employment, but had remained un-transferred to the Odisha Building and other Construction Workers Welfare Board. This had resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit by ₹2.26 crore. It was noted that with regard to a similar observation in C&AG's State Finances Audit Report for the year ended March 2023, the Government transferred (June 2024) ₹ 17.70<sup>24</sup> crore, collected under the Major Head 0230-Labour and Employment during 2013-23, to the Odisha Building and Other Construction Workers' Welfare Board.

Apart from cess collected through Major Head 0230-Labour and Employment, Labour Cess, collected by various agencies was sent, through cheques/ drafts, to the Odisha Building and Other Construction Workers' Welfare Board or deposited in the Savings Bank Account of the Board, opened for this purpose, through District Labour Offices. The collection *vis-à-vis* utilisation of the fund, is shown in **Table 2.27**.

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<sup>24</sup> 2013-18: ₹ 1.30 crore; 2018-23: ₹ 16.40 crore



Table 2.27: Amounts collected and utilised by the OB &amp; OCWWB in Odisha

(₹ in crore)

Financial Year	Opening Balance	Receipts during the year			Total	Expenditure	Closing Balance	Utilisation of funds (per cent)
		Cess	Regd. Fees and Annual Contribution	Interest				
2020-21	727.45	361.95	9.70	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
2022-23	629.80	553.50	4.82	52.82	1,240.95	292.76	948.19	23.59
2023-24	948.19	693.83	9.57	78.45	1,730.05	638.21	1,091.83	36.89
<b>TOTAL</b>		<b>2,063.51</b>	<b>36.44</b>	<b>195.83</b>	<b>5,261.66</b>	<b>1,931.41</b>		

Source: Information collected from Odisha Building and Other Construction Workers' Welfare Board

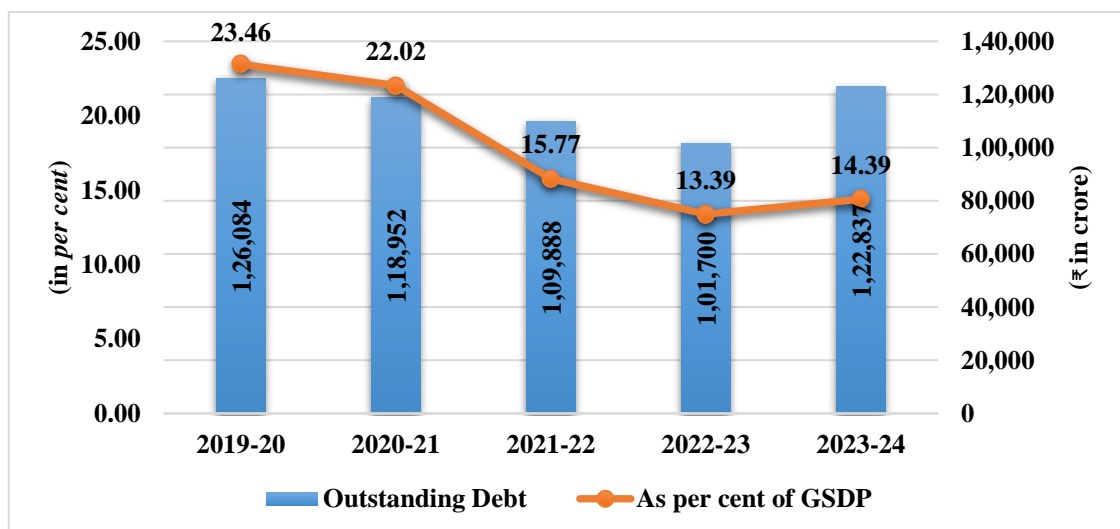
The State Government stated (October 2024) that steps would be taken for early transfer of the amount to concerned authorities.

## 2.7 Debt Management

Debt Management is the process of establishing and executing a strategy for managing the Government's liabilities 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.

The total outstanding debt of the State, along with its percentage to GSDP, for FYs 2019-20 to 2023-24, is shown in **Chart 2.17**.

Chart 2.17: Outstanding Debt vis-à-vis GSDP



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

(During the year 2020-21, debt excludes ₹3,822 crore and during 2021-22, 2022-23 and 2023-24, it excludes ₹10,252 crore (₹3,822 crore + ₹6,430 crore) which was back-to-back loan received from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its resources).

### 2.7.1 Debt profile: Components

Total liabilities of the State Government typically constitute the Internal Debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions *etc.*), loans and advances from Central Government and Public Account Liabilities. The components-wise liability trends of the State for the period of five years beginning from 2019-20, are presented in **Table 2.28**.

**Table 2.28: Debt Sustainability Indicators during FYs 2019-20 to 2023-24**

(₹ in crore)					
Components of fiscal liability	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Outstanding Total Debt*</b>	<b>1,26,084</b>	<b>1,18,952<sup>#</sup></b>	<b>1,09,888</b>	<b>1,01,700</b>	<b>1,22,837</b>
<b>Public Debt*</b>	<b>68,438</b>	<b>75,681</b>	<b>62,233</b>	<b>53,653</b>	<b>62,541</b>
<i>Internal Debt</i>	60,595	67,521	53,977	45,532	50,985
<i>Loans from GoI*</i>	7,843	8,160	8,256	8,121	11,556
<b>Public Accounts Liabilities</b>	<b>57,646</b>	<b>43,270</b>	<b>47,655</b>	<b>48,047</b>	<b>60,296</b>
<i>Small Savings, Provident Funds, etc.</i>	24,338	24,949	25,258	24,756	23,956
<i>Reserve Fund bearing Interest</i>	3,753	1,805	5,134	3,200	5,590
<i>Reserve Fund not bearing Interest</i>	299	291	285	309	5,320
<i>Deposits bearing Interest</i>	42	24	26	47	50
<i>Deposits not bearing Interest</i>	29,214	16,201	16,952	19,735	25,380
Rate of growth of Outstanding Total Debt (in per cent)	16.47	(-) 5.66	(-) 7.62	(-) 7.45	20.78
Gross State Domestic Product (GSDP)	5,37,502	5,40,185	6,97,013	7,59,560	8,53,524
Debt/GSDP (per cent)	23.46	22.02	15.77	13.39	14.39
<b>Borrowings and Other Liabilities (as per Statement 6 of Finance Accounts)</b>					
<i>Total Receipts</i>	60,314	56,827	58,613	66,466	91,995
<i>Total Repayment</i>	42,487	63,960	67,677	74,654	70,858
<i>Net funds available</i>	17,827	(-) 7,133	(-) 9,064	(-) 8,188	21,137
<i>Repayment/Receipts (per cent)</i>	70.44	112.55	115.46	112.32	77.02

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

<sup>#</sup> Difference of 1 crore is due to rounding off.

\* During the year 2020-21, debt excludes ₹3,822 crore and during 2021-22, 2022-23 and 2023-24, it excludes ₹10,252 crore (₹3,822 crore + ₹6,430 crore) which was back-to-back loan received from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its resources.

The total debt of the State Government had decreased, during FY 2019-23, by 19.34 per cent from ₹1,26,084 crore in FY 2019-20 to ₹1,01,700 crore in FY 2022-23. However, it had increased by ₹21,137 crore (20.78 per cent) to ₹ 1,22,837 crore during FY 2023-24. The increase was mainly due to borrowing of funds from SIDBI Cluster Development

Fund (₹108.60 crore), CAMPA Fund (₹ 4,145 crore), OMBADC (₹ 5,460 crore) and National Bank for Agricultural and Rural Development (₹4,106.54 crore).

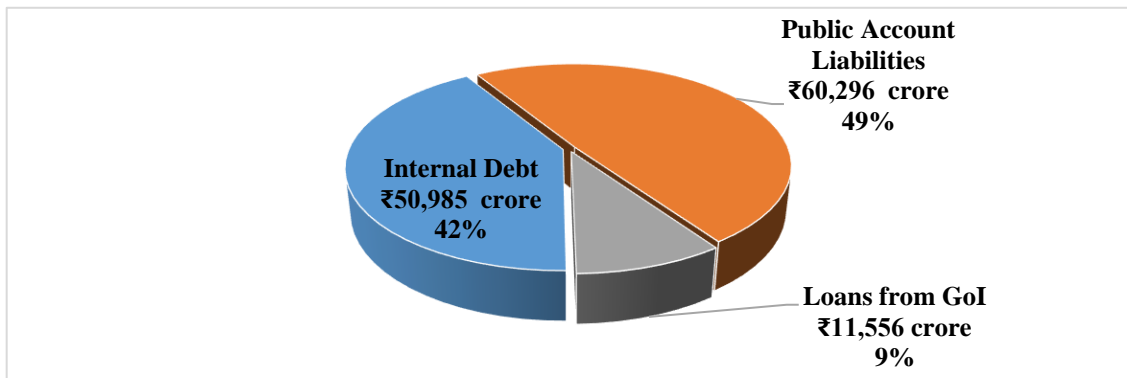
As of 1<sup>st</sup> April 2023, the outstanding market loan was ₹21,058.07 crore. In the fiscal years 2021-22 and 2022-23, the Government of Odisha did not take on any new market borrowings. However, in FY 2023-24, the government secured a loan of ₹1.25 crore from the market. Additionally, the government repaid market loans totalling ₹4,658 crore, resulting in remaining outstanding market loan balance of ₹16,401.31 crore.

Public Debt decreased by ₹5,897 crore (8.62 per cent) during the period from FYs 2019-20 to 2023-24, while Internal Debt decreased by ₹9,610 crore (15.86 per cent) and Loans from GoI increased by ₹3,713 crore (47.34 per cent). Public Account liabilities increased by ₹2,650 crore (4.60 per cent) during the same period.

The outstanding liabilities as percentage of GSDP during the last five years, ranged between 13.39 per cent to 23.46 per cent, which were below the fiscal target of 25 per cent, set out in the FRBM Act.

The break-up of outstanding liabilities at the end of FY 2023-24, is shown in **Chart 2.18**.

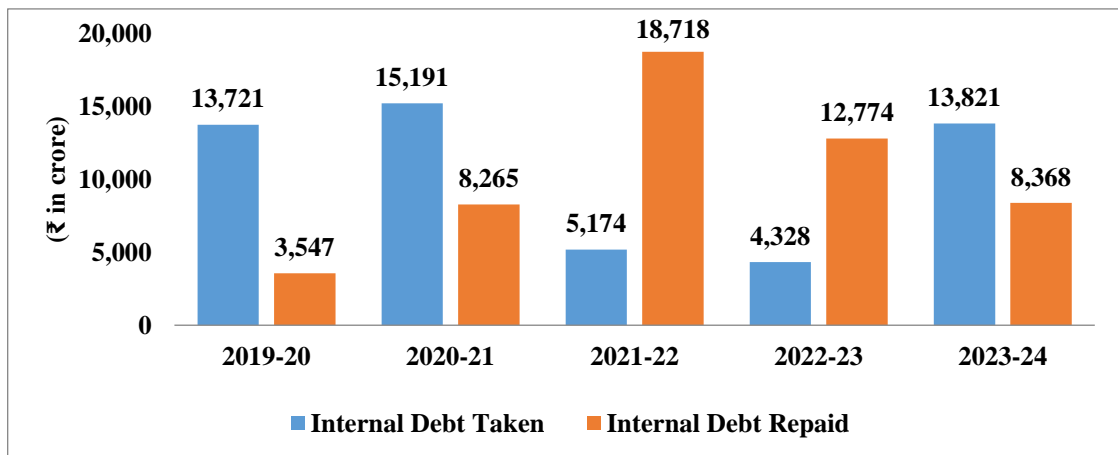
**Chart 2.18: Break up of Outstanding total liabilities at the end of FY 2023-24**



Source: Finance Accounts for FY 2023-24, Government of Odisha.

**Chart 2.19** depicts the quantum of internal debt taken vis-a-vis repaid during the period of five years i.e. from FYs 2019-20 to 2023-24.

**Chart 2.19: Internal debt taken vis-à-vis internal debt repaid**



Source: Finance Accounts of respective year

Over the past five fiscal years, the internal debt component of fiscal liability exhibited a fluctuating trend. Starting at ₹60,595 crore in 2019-20, internal debt increased to ₹67,521 crore in 2020-21. Subsequently, it decreased to ₹53,977 crore in 2021-22, followed by a further decline to ₹45,532 crore in 2022-23. However, in the FY 2023-24, internal debt rose again to ₹50,985 crore, (11.98 per cent compared to FY 2022-23), as shown in **Table 2.28**. An amount of ₹ 3,153.45 crore was paid towards interest on internal debt during FY 2023-24.

It can be seen from **Chart 2.19** that during FYs 2021-22 and 2022-23, the repayment of Internal Debt was much higher than the Internal Debt receipts, which resulted in decrease in outstanding liabilities. However, during FY 2023-24, repayment was less than the borrowed fund, leading to increase in the outstanding debt liabilities.

**Table 2.29** depicts the financing pattern of the fiscal deficit, during FYs 2019-20 to 2023-24. The financing of fiscal deficit, during FY 2023-24, is shown in **Chart 2.20**.

**Table 2.29: Components of Fiscal Deficit and their financing pattern**

(₹ in crore)

Particulars		2019-20	2020-21	2021-22	2022-23	2023-24
		Net	Net	Net	Net	Net
<b>Composition of Fiscal Deficit</b>		<b>(-)18,819</b>	<b>(-) 9,786</b>	<b>20,627</b>	<b>(-)15,219</b>	<b>(-)14,743</b>
1	Revenue Surplus	2,430	9,076	43,471	19,456	30,761
2	Capital Expenditure	(-) 20,277	(-) 17,949	(-) 22,726	(-) 33,349	(-) 43,273
3	Net Loans and Advances	(-) 971	(-) 913	(-) 120	(-) 1,326	(-) 2,231
<b>Financing Pattern of Fiscal Deficit</b>						
1	Market Borrowings	6,500	500	-6,473	-7,500	-4,657
2	Loans from GoI	11	4,139	6,526	-134	3,435
3	Special Securities issued to NSSF	-883	-883	-883	-883	-883
4	Loans from Financial Institutions and Others	4,557	7,310	-6,188	-63	10,993
5	Small Savings, Provident Fund etc.	914	611	308	-502	-800
6	Reserve Funds	7,254	(-) 1,029	3,550	15,515	10,770
7	Deposits and Advances	3,430	(-) 13,037	752	2,803	5,648
8	Suspense and Miscellaneous	-80	2,526	188	171	-151
9	Remittances	-22	18	17	21	27
10	<b>Contingency Fund</b>	<b>1,440</b>	<b>(-) 171</b>	<b>171</b>	<b>--</b>	<b>(-) 274</b>
11	<b>Overall Deficit (Total 1 to 10)</b>	<b>23,121</b>	<b>(-) 16</b>	<b>(-) 2,032</b>	<b>9,428</b>	<b>24,108</b>
12	<b>(-) Increase / (+) Decrease in Cash Balance</b>	<b>(-) 4,303</b>	<b>9,802</b>	<b>(-) 18,595</b>	<b>5,791</b>	<b>(-) 9,365</b>
13	<b>Gross Fiscal Deficit (+)/ Surplus (-) (11 + 12)</b>	<b>18,819<sup>@</sup></b>	<b>9,786</b>	<b>(-) 20,627</b>	<b>15,219</b>	<b>14,743</b>

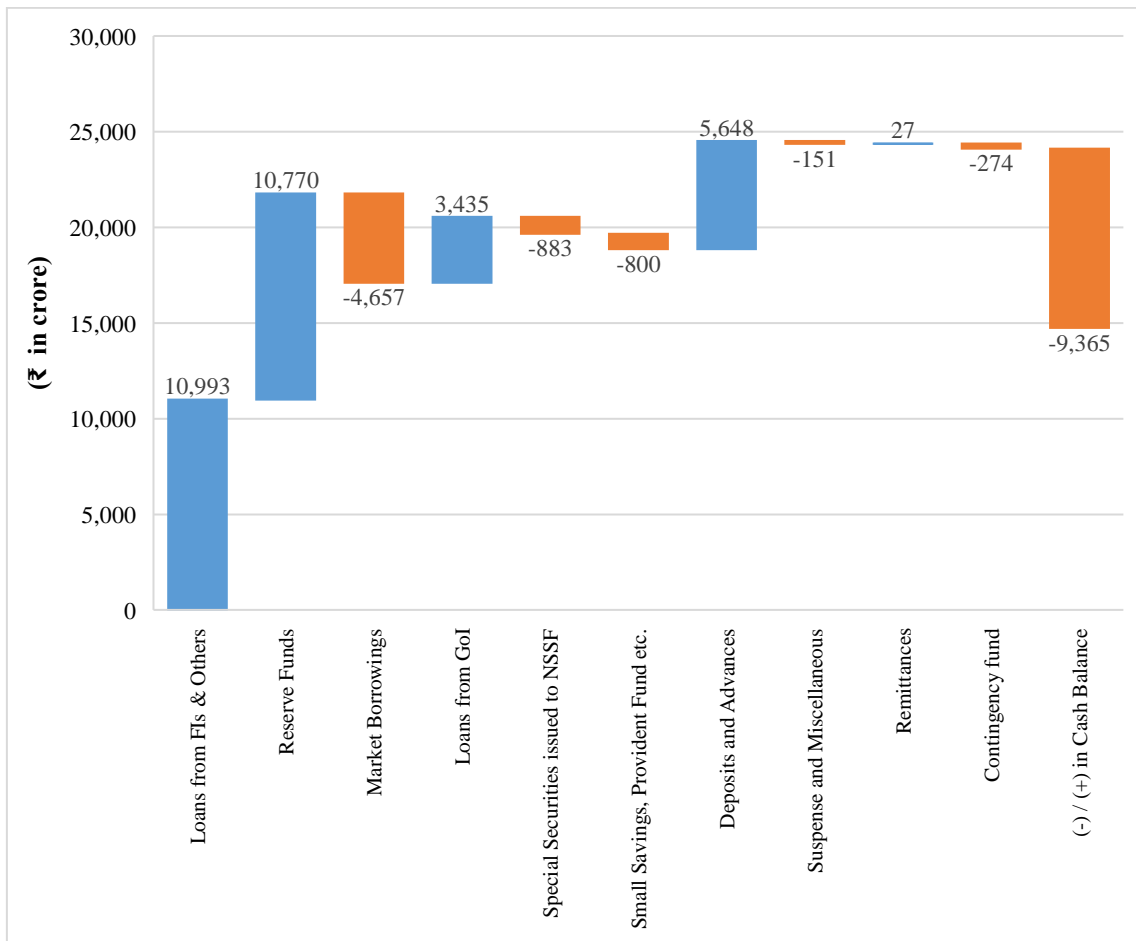
Source: Finance Accounts of respective years, Government of Odisha.

# 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

Chart 2.20: Financing of fiscal deficit during FY 2023-24



Source: Finance Accounts for FY 2023-24

Financing of fiscal deficit reveals the extent of various borrowings resorted to by the State to meet its requirement of funds over and above revenue and non-debt receipts. The components of fiscal deficit are revenue deficit, net capital outlay and Net loans and advances.

Analysis of **Table 2.29** revealed that the share of market borrowings in financing of fiscal deficit decreased from 49.28 per cent in FY 2022-23 to 31.59 per cent in FY 2023-24. The fiscal deficit decreased by ₹ 476 crore over the previous year mainly due to increase in Revenue Surplus from ₹ 19,456 crore in 2022-23 to ₹30,761 crore in 2023-24. However, the loans from financial institutions (National Bank for Agricultural and Rural Development, SIDBI Cluster Development Fund, CAMPA and OMBADC) increased by ₹10,993 crore. There was overall increase in cash balance by ₹9,365 crore.

The components of receipts and disbursements financing the fiscal deficit, during FY 2023-24, are shown in **Table 2.30**.

**Table 2.30: Receipts and Disbursements under various components financing the fiscal deficit during FY 2023-24**

(₹ in crore)

Sl. No.	Particulars	Receipts	Disbursement	Net
1	Market Borrowings	1	4,658	-4,657
2	Loans from GoI	4,302	867	3,435
3	Special Securities issued to NSSF	0	883	-883
4	Loans from Financial Institutions and Others	13,820	2,827	10,993
5	Small Savings, PF etc.	4,405	5,205	-800
6	Reserve Funds	12,211	1,441	10,770
7	Deposits and Advances	47,659	42,011	5,648
8	Suspense and Miscellaneous	-158	-7	-151
9	Remittances	47,958	47,931	27
10	Contingency Fund	0	274	-274
<b>11</b>	<b>Overall Deficit</b>			<b>24,108</b>
12	Increase (-)/ Decrease (+) in cash balance	45,440	54,805	-9,365
<b>13</b>	<b>Gross Fiscal Deficit</b>			<b>14,743</b>

Source: Finance Accounts for FY 2023-24

The State Government stated (October 2024) that steps would be taken to reduce borrowings from the market at higher rates.

### 2.7.2 Debt profile, Maturity and Repayment

Debt maturity and repayment profile indicates the commitments on the part of the Government, in regard to debt repayment or debt servicing. The debt maturity profile of the State is shown in **Table 2.31** and **Chart 2.21**.

**Table 2.31: Debt Maturity Profile of repayment of the Public Debt of the State**

Period of repayment (Years)	Principal* Amount	Interest	Public Debt (including interest)	Percentage (w.r.t. total public debt)
		Amount#		
(₹ in crore)				
0-1	16,856	3,452	20,308	22.91
1-3	12,994	5,001	17,995	20.30
3-5	8,514	3,608	12,122	13.68
5-7	6,162	2,618	8,780	9.91
7-10	6,757	2,660	9,417	10.62
Above 10	6,660	8,752	15,412	17.39
Others	4598	0	4,598	5.19
<b>TOTAL</b>	<b>62,541</b>	<b>26,091</b>	<b>88,632</b>	<b>100</b>

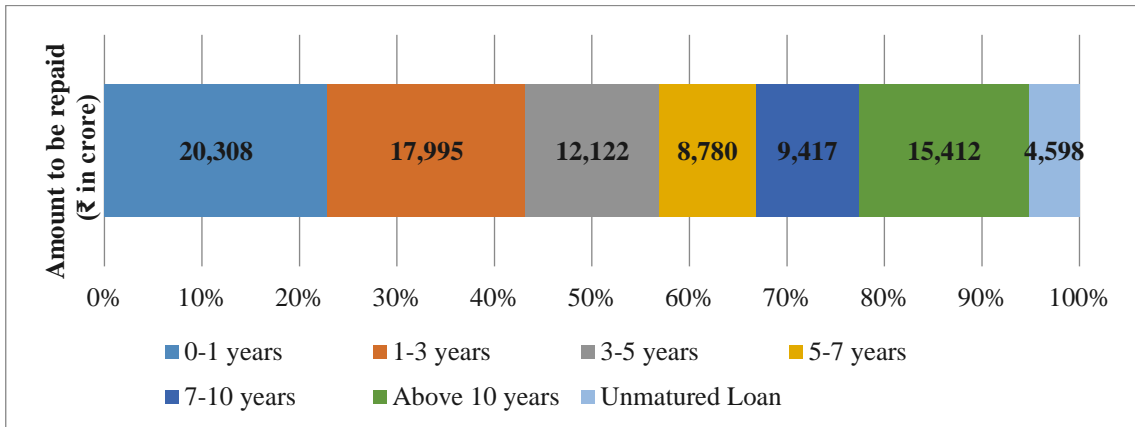
Source: Calculated on the basis of Finance Accounts for the year 2023-24

\* Excluding ₹10,252.20 crore, as back-to-back loans from GoI, in lieu of GST Compensation shortfall, received during FYs 2020-21 and 2021-22, which are not to be repaid by the State from its sources.

# Approximate interest calculated at the average interest rate of 6.38 per cent (average of interest rates for the last five years and calculated excluding ₹ 10,252.20 crore, as back-to-back loans from GoI, in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources.

**Table 2.31** indicates that the State Government has to repay 43.21 per cent (₹38,303 crore) of its public debt (including approximate interest) within the next three years, 13.68 per cent (₹12,122 crore) between 3-5 years, 9.91 per cent (₹8,780 crore) between 5-7 years and 10.62 per cent (₹9,417 crore) between 7-10 years. Thus, the State has to repay 77.42 per cent of its debt (₹68,622 crore) in the next ten years.

**Chart 2.21: Maturity Profile of Public Debt**



Source: Calculated on the basis of Finance Accounts for FY 2023-24

\* Excluding ₹10,252.20 crore, as back-to-back loans from GoI, in lieu of GST Compensation shortfall received during FY 2020-22, which are not to be repaid by the State from its sources.

**Table 2.32** and **Chart 2.22** show the year-wise repayment schedule, during the next ten years of the Public Debt outstanding, as on 31 March 2024.

**Table 2.32: Repayment Schedule of Public Debt (including interest) during the next 10 years i.e. up to FY 2033-34**

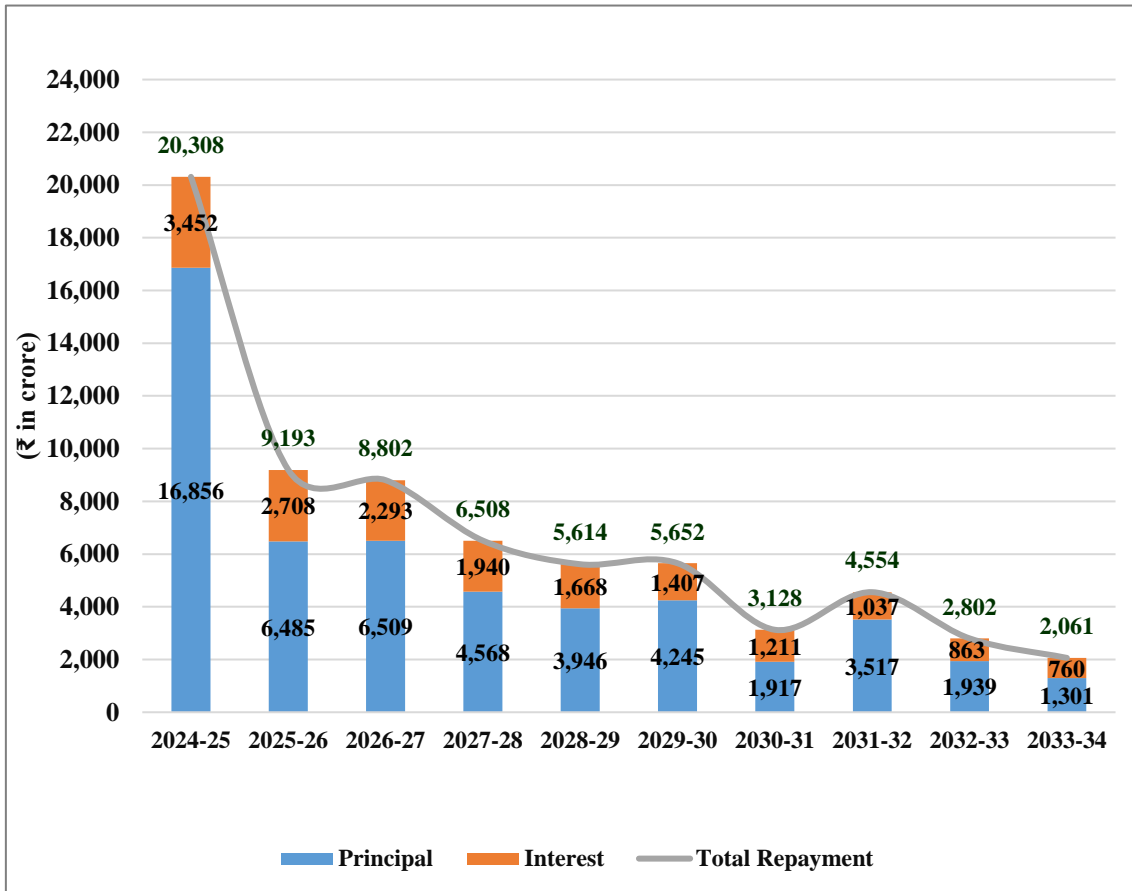
Year	Repayment of		
	Public Debt	Interest <sup>#</sup>	Total
2024-25	16,856	3,452	20,308
2025-26	6,485	2,708	9,193
2026-27	6,509	2,293	8,802
2027-28	4,568	1,940	6,508
2028-29	3,946	1,668	5,614
2029-30	4,245	1,407	5,652
2030-31	1,917	1,211	3,128
2031-32	3,517	1,037	4,554
2032-33	1,939	863	2,802
2033-34	1,301	760	2,061
<b>Total</b>	<b>51,283</b>	<b>17,339</b>	<b>68,622<sup>25</sup></b>

Source: Calculated on the basis of Finance Account 2023-24

<sup>#</sup> Approximate interest calculated at the average interest rate of 6.38 per cent (average of interest rates for the last five years).

<sup>25</sup> Amount to be paid is rounded off to zero decimal places

**Chart 2.22: Repayment schedule of Public Debt (including interest) during the next 10 years, i.e. up to FY 2033-34**



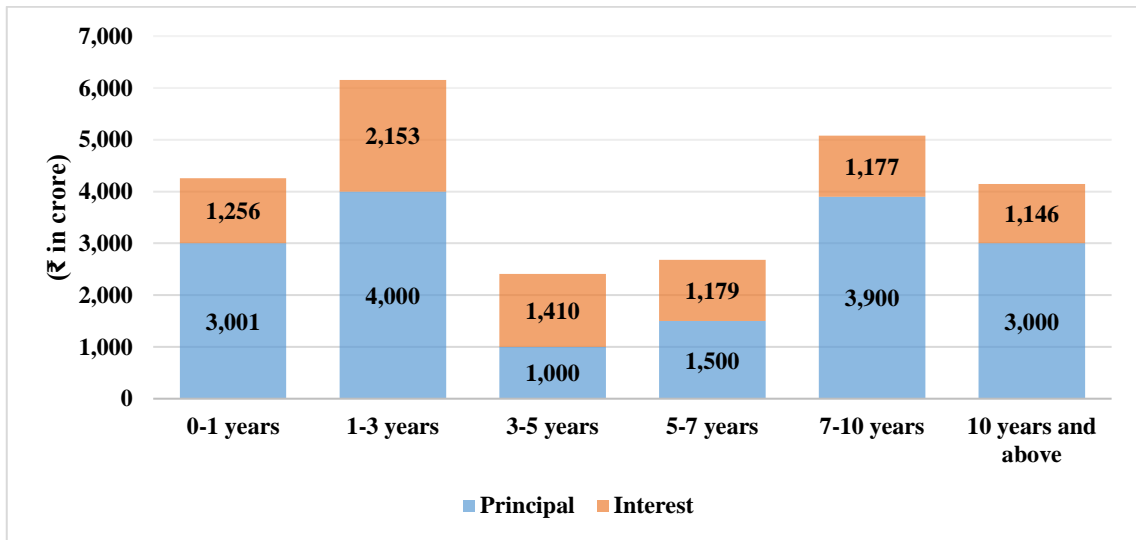
Source: For public Debt - Finance Account of Government of Odisha  
 For Interest - Approximate interest calculated at average interest rate of 6.38 per cent (average of interest rates for the last five years).

It can be seen from **Table 2.32** and **Chart 2.22** that the State Government has to bear a financial burden of ₹20,308 crore, ₹9,193 crore and ₹8,802 crore towards servicing of debt during FYs 2024-25, 2025-26 and 2026-27 respectively. Considering the future financial constraints, owing to repayment of principal of ₹51,283 crore and repayment of interest of ₹17,339 crore in coming ten years, the State Government is required to maintain its Revenue Surplus at a level that is sufficient to service the debt.

The repayment schedule of market loans, along with interest, is given in **Chart 2.23**.



Chart 2.23: Repayment Schedule of Market loans



Source: Finance Accounts of Government of Odisha

Note: The maturity profile has been evolved for outstanding market loans as on 31 March 2024 and interest has been calculated up to the financial year in which the loans are going to retire.

As of March 2024, market loans, amounting to ₹24,723 crore (Principal: ₹16,401 crore and Interest: ₹8,321 crore), were due for repayment. The State will have to repay market loans of ₹12,820 crore (51.85 per cent) (₹8,001 crore as principal and ₹4,819 crore as interest), during the next five years, i.e. up to FY 2028-29. Market loans of ₹7,756 crore (31.37 per cent) (₹5,400 crore as principal and ₹2,356 crore as interest) will have to be repaid in the subsequent five years period, up to FY 2033-34.

## 2.8 Debt Sustainability Analysis

Debt sustainability analysis has been carried out on the basis of fiscal and debt parameters, Domar approach and compliance of macro-fiscal parameters to the respective FRBM targets. The results of the analysis are given in the following paragraphs:

- (A) Debt sustainability refers to the ability of the State to service its debt obligation now and in future. Analysis of variations in debt sustainability indicators is given in **Table 2.33** and **Chart 2.24**.

Table 2.33: Trends in Public Debt Sustainability Indicators

		(₹ in crore)				
Sl. No.	Debt Sustainability Indicators	2019-20	2020-21	2021-22	2022-23	2023-24
1	Overall Liabilities or Overall Debt	1,26,084	1,18,952	1,09,888	1,01,700	1,22,837
2	Rate of Growth of Overall Debt (per cent)	16.47	-5.66	-7.62	-7.45	20.78
3	GSDP (in nominal terms)	5,37,502	5,40,185	6,97,013	7,59,560	8,53,524
4	Nominal GSDP growth (per cent)	7.80	0.50	29.03	8.97	12.37
5	Overall Debt/GSDP (per cent)	23.46	22.02	15.77	13.39	14.39

Sl. No.	Debt Sustainability Indicators	2019-20	2020-21	2021-22	2022-23	2023-24
6	Maturity profile of all kinds of borrowings (including liabilities under Public Accounts, if any)					
6 a	0-2 years	25.37	41.36	36.38	30.21	37.32
6 b	2-5 years	35.85	27.29	28.64	29.67	24.02
6 c	5-10 years	21.83	15.14	19.23	24.12	20.66
6 d	Over 10 years	16.95	15.59	14.16	14.01	10.65
6 e	Others	0	0.62	1.59	1.99	7.35
7	Repayment to Gross Borrowings ( <i>per cent</i> )	70.44	112.55	115.46	112.32	77.02
8	Net borrowings available as a percentage of Gross Borrowings	29.56	-12.55	-15.46	-12.32	22.98
9	Interest payments on Overall Debt	6,063	6,644	6,342	5,502	5,181
10	Effective rate of interest on Overall Debt <sup>26</sup> ( <i>per cent</i> )	6.78	6.69	6.55	6.39	6.16
11	Interest payment to Revenue Receipts ( <i>per cent</i> )	5.97	6.36	4.14	3.66	2.88
12	Revenue Deficit/Surplus	2,431	9,076	43,471	19,456	30,761
13	Primary Revenue Balance (PRB)	8,494	15,720	49,813	24,958	35,942
14	Primary Balance (PB)	-12,756	-3,142	26,969	-9,717	-9,562
15	PB/GSDP ( <i>per cent</i> )	-2.37	-0.58	3.87	-1.28	-1.12
16	Difference between RoI <sup>27</sup> and effective rate of interest on Overall Debt	12.58	7.96	13.43	10.43	1.76
17	Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions)	Nil	Nil	Nil	Nil	Nil
18	Debt Stabilisation (Quantum spread <sup>28</sup> + Primary balance)	-11,771	-9,455	47,575	-7,638	-4,126
19	<b>Domar Criteria</b>					
a	GSDP (in constant terms)	3,97,530	3,89,079	4,52,947	4,80,402	5,20,911
b	Real Growth (in constant terms)	2.79	-2.13	16.42	6.06	8.43
c	Inflation based on CPI ( <i>per cent</i> )	4.57	7.10	3.72	6.00	6.55
d	Effective Rate of interest	6.78	6.69	6.55	6.39	6.16
e	Real effective rate of interest (Effective rate of interest-Inflation)	2.21	-0.41	2.83	0.39	-0.39
f	Growth Interest Differential (Real growth-Real effective rate of interest)	0.58	-1.72	13.59	5.67	8.82
g	Primary Balance (PB)	-12,756	-3,142	26,969	-9,717	-9,562

Source: Finance Accounts of respective years, Government of Odisha; Inflation based on Consumer Price Index, Ministry of Statistics and Programme Implementation, GoI

Note: During the year 2020-21, overall liabilities exclude ₹3,822 crore and during 2021-22, 2022-23 and 2023-24, it excludes ₹10,252 crore which was back-to-back loan received from GoI in lieu of GST Compensation shortfall. Further, it includes debt stock of 50 years' interest free central assistance to State for Capital Expenditure received during last four years i.e. 2020-21: ₹471.50 crore; 2021-22: ₹517.12 crore; 2022-23: ₹ 75 crore and 2023-24: ₹3,532.14 crore.

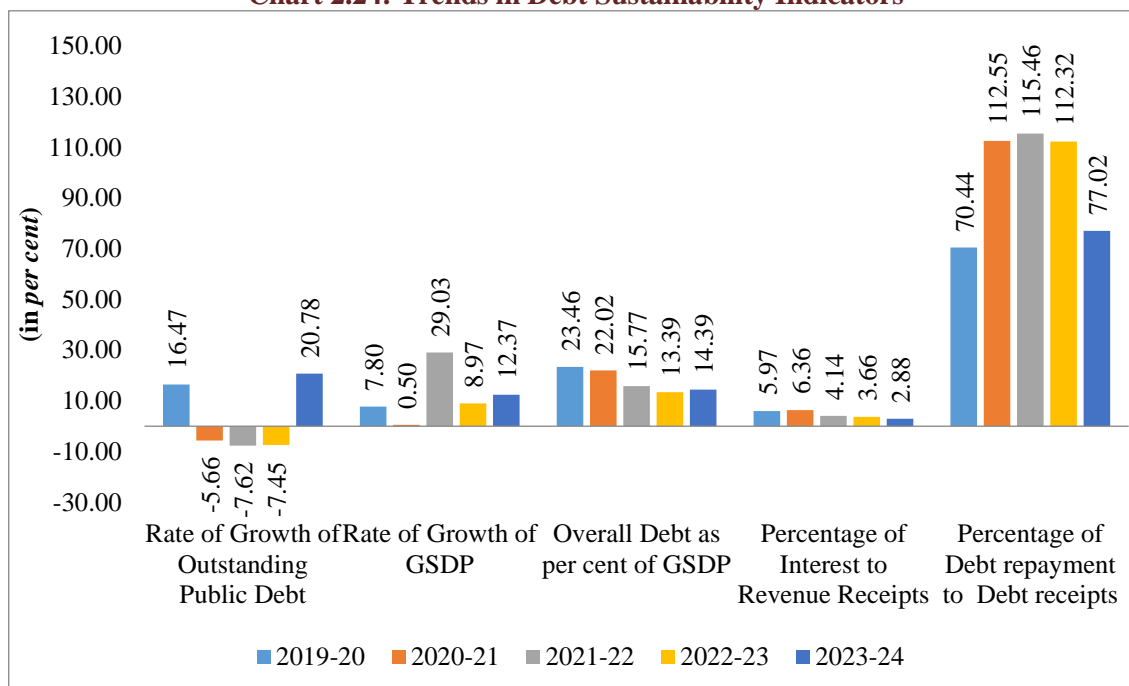
<sup>26</sup> Effective rate of interest on Overall Debt has been calculated adjusting the Reserve Funds, Deposits not bearing interest and 50 years' interest free Central assistance to State for Capital Expenditure. Effective Rate of Interest = Interest Payment/Average of Opening and Closing Stock of Debt (excluding non-interest bearing liabilities) \* 100

<sup>27</sup> Return on Investment (RoI) as measured by effective rate of interest receipts.

RoI = Interest Receipts/Average of Opening & Closing Stock of Loans and Advances Disbursed \*100

<sup>28</sup> Quantum Spread = Interest Spread x Debt (excluding non-interest bearing liabilities).

Chart 2.24: Trends in Debt Sustainability Indicators



Source: Finance Accounts for respective years

Note: Debt excluded ₹3,822 crore in 2020-21, ₹10,252 crore in 2021-22 to 2023-24, as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources.

Analysis of **Table 2.33** revealed that:

- Debt-GSDP ratio declined from 23.46 *per cent* in FY 2019-20 to 13.39 *per cent* in FY 2022-23. However, the ratio slightly increased to 14.39 *per cent* in FY 2023-24, due to increased liability growth.

The decreasing Debt/GSDP ratio over the five-year period from FYs 2019-20 to 2023-24 indicates that the growth of economy is outpacing debt accumulation, thereby improving the Government's ability to manage and service its debt obligations effectively.

- The ratio of interest payments to Revenue Receipts is also another measure of debt sustainability. Interest payments as a percentage of revenue receipts have declined from 5.97 *per cent* in FY 2019-20 to 2.88 *per cent* in FY 2023-24. This decrease indicates an improvement in fiscal health, as a lower percentage of revenue is being consumed by interest obligations, thereby possibly freeing up resources for other essential and productive expenditures.
- From the point of view of the revenue account, the primary deficit should be declining and sufficient surplus must be generated to repay current debt stock. Debt sustainability improved from FYs 2019-20 to 2021-22 with declining overall liability and a primary surplus in FY 2021-22, but deteriorated in FY 2022-23 and FY 2023-24, with increasing overall liability and persistent primary deficits.
- The structure of debt shows that over 60 *per cent* of the debt stock during 2019-24 was with short-term and medium-term residual maturities. This led to a

sharp contraction in the availability of borrowings for productive and growth-boosting effects, which were used for debt servicing during 2020-23. This indicates that there is need for more cost-effective financing strategies to manage debt sustainably.

- (B) An analysis on debt sustainability was carried out based on a study by E.D. Domar<sup>29</sup>. The Domar model states that the necessary premise for ensuring stability of public indebtedness is that the interest rates for government loans should not exceed the growth rate of GSDP.

During the period 2019-24, the Domar gap has generally remained positive. This indicates that the economy’s real growth has generally outpaced the real interest burden, contributing to manageable debt levels. However, FY 2020-21 marked an exception, as the gap turned negative due to the adverse economic impact of the COVID-19 pandemic. On an average, the real interest rate remained below inflation rate during the period, and the average nominal interest rate of 6.51 per cent during 2019-24 was largely sustainable. On an average, growth in debt compared to nominal growth supported by consistent improvement in primary balance largely contributed to keeping the debt-GSDP ratio within the indicative debt path<sup>30</sup> given by the Fifteenth FC during 2020- 2024.

Thus, maintaining a balanced approach to fiscal policy will be crucial for the State to ensure debt sustainability. The State needs to allow the debt to grow in tandem with nominal growth in order to keep the debt-GSDP ratio stable.

- (C) Details of the achievements (A) vis-à-vis targets (T) set in the FCR, are shown below:

**Table 2.34: Achievements vis-à-vis targets set in the FCR**

Fiscal Parameters		Achievement vis-à-vis targets set in the FCR				
		2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Surplus (+) / Revenue Deficit (-) (in per cent)	T	2.81	3.39	1.66	2.22	2.78
	A	0.45	1.68	6.24	2.56	3.60
Ratio of Fiscal Deficit (-)/ Surplus (+) to GSDP (in per cent)	T	(-) 3.00	(-) 5.00	(-) 3.00	(-) 3.00	(-) 3.00
	A	(-) 3.50	(-) 1.81	2.96	(-) 2.00	(-) 1.73
Ratio of total outstanding liability to GSDP (in per cent)	T	25.00	29.40	30.00	31.30	31.80
	A	23.46	22.02	15.77	13.39	14.39
Interest as percentage of Revenue Receipts	T	15.00	15.00	15.00	15.00	15.00
	A	5.97	6.36	4.14	3.66	2.88

(T- Target and A- Actuals)

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

<sup>29</sup> Domar model does not take into account the maturity profile, composition, cost and risk characteristics of debt stock.

<sup>30</sup> Debt as percentage of GSDP (2020-21: 29.40 per cent; 2021-22: 30 per cent; 2022-23: 31.30 per cent; 2023-24: 31.80 per cent)

During the last five years (FYs 2019-20 to 2023-24), Government of Odisha achieved all the fiscal targets set by the Finance Commission and FRBM Act. The outstanding liability-GSDP ratio had gradually decreased since FY 2019-20 (23.46 *per cent*) to 2022-23 (13.39 *per cent*), but it increased to 14.39 *per cent* in 2023-24. Further, the State had consistently maintained a Revenue Surplus, as set out in the FRBM Act and the Fiscal Deficit had been within the targets.

### 2.8.1 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. The 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 2<sup>nd</sup> preceding year. The trends of Outstanding Guarantees for FYs 2019-20 to 2023-24, are shown in **Table 2.35**.

The outstanding guarantees (₹ 5,111 crore), at the beginning of FY 2023-24, stood at 3.84 *per cent* of the total Revenue Receipts, less grants-in-aid of the second preceding year<sup>31</sup> (₹1,33,149 crore) and were within the ceiling (100 *per cent*) laid down in the said resolution.

**Table 2.35: Guarantees given by the Government**

	(₹ in crore)				
Guarantees	2019-20	2020-21	2021-22	2022-23	2023-24
Ceiling applicable to the outstanding amount of guarantees including interest (Criteria)	67,584	79,948	77,416	81,319	1,33,149
Outstanding guarantees at the beginning of the year	4,170	3,532	7,086	6,160	5,111
Outstanding guarantees at the end of the year	3,532	7,086	6,160	5,111	3,435

*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 2023-24, Government of Odisha had not extended any guarantee to Statutory Corporations, Government Companies and Local Bodies *etc.* On the other hand, guarantees amounting to ₹1,675.89 crore to Grid Corporation of Odisha Limited (GRIDCO) had been withdrawn and no guarantees were invoked during the year. Out of the total outstanding loans guaranteed by the Government at the end of the year (₹3,435.42 crore), 98.84 *per cent* (₹ 3395.69 crore) pertained to the 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 ₹40.43 crore, during 2023-24. The cumulative guarantee commission, received as on 31 March 2024, was ₹462.14 crore, as against the receivable amount of ₹491.29 crore. The balance guarantee commission of ₹29.15 crore was yet to be received majorly from

<sup>31</sup> Second preceding year is FY 2021-22: Revenue Receipts (₹ 1,53,059 crore) of FY 2021-22 minus Grants-in-aid (₹19,910 crore) equals ₹1,33,149 crore.

GRIDCO (₹12.20 crore), Odisha Rural Housing Development Corporation Limited (₹8.56 crore), Odisha State Housing Board (₹3.77 crore), Co-operative spinning mills (₹1.16 crore), etc.

## 2.8.2 Management of Cash Balances

As per an agreement with the Reserve Bank of India, State Governments have to maintain a minimum daily cash balance with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/ Special Ways and Means Advances (SWMA)/ Special Drawing Facility (SDF)/ Overdrafts (OD) from time to time. The limit for ordinary WMA to the State Government is revised by the RBI from time to time.

State Governments invest their surplus cash balance in short and long-term GoI Securities and Treasury Bills. The cash balances in the earmarked reserve funds, such as State Disaster Response Fund, Consolidated Sinking Fund, Guarantee Redemption Fund, State Compensatory Afforestation Fund etc. are also invested in these instruments. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'.

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. Details of cash balances and their investment during FYs 2022-23 and 2023-24, are given in **Table 2.36**.

**Table 2.36: Cash Balance and Investment of Cash Balance**

Particulars	(₹ in crore)	
	Closing balance on 31/3/2023	Closing balance on 31/3/2024
<b>(a) General Cash Balance -</b>		
Cash in Treasuries	--	--
Deposits with Reserve Bank	(-)1.09	(-)1.07
Deposits with other Banks	--	--
Remittances in transit - Local	--	--
Investments held in Cash Balance investment account	9,529.43	15,525.93
<b>Total (a)</b>	<b>9,528.34</b>	<b>15,524.86</b>
<b>(b) Other Cash Balances and Investments</b>		
Cash with departmental officers viz. Public Works Department Officers, Forest Department Officers, District Collectors	22.52	22.05
Permanent advances for contingent expenditure with departmental officers	0.34	0.34
Investment in earmarked funds (Consolidated Sinking Fund: ₹15,914.20 crore, Guarantee Redemption Fund: ₹1,788.60 crore, Odisha Budget Stabilisation Fund: ₹13,632.52 crore, State Compensatory Afforestation Fund: ₹ 3,670.68 crore and State Disaster Response Fund: ₹883.02 crore, as on 31 March 2024)	35,889.02	39,258.12
<b>Total (b)</b>	<b>35,911.88</b>	<b>39,280.51</b>
<b>Grand total (a)+ (b)</b>	<b>45,440.22</b>	<b>54,805.37</b>
<b>Interest realised</b>	<b>2,845.29</b>	<b>3,329.02</b>

Source: Finance Accounts of respective years, Government of Odisha

The closing cash balance, at the end of the current year (₹54,805.37 crore), increased by ₹9,365.15 crore over the previous year (₹45,440.22 crore). The cash balance included investment of ₹39,258.12 crore from earmarked funds. During FY 2023-24, the State Government maintained the minimum cash balance of ₹1.28 crore throughout the year.

Balances in Reserve funds are either held in cash or are required to be invested in various securities stipulated in the respective fund guidelines. Investments of Consolidated Sinking Fund (CSF) of ₹17,135.66 crore, Guarantee Redemption Fund (GRF) of ₹1,926.82 crore, Odisha Budget Stabilisation Fund (BSF) of ₹14,574.87 crore, State Compensatory Afforestation Fund (SCAF) of ₹4,461.77 crore, State Disaster Response Fund (SDRF) of ₹927.19 crore and State Disaster Mitigation Fund (SDMF) of ₹231.80 crore were made, as on 31 March 2024. On investment of Earmarked Funds, interest amounts of ₹2,707.91 crore (CSF: ₹1,221.47 crore, GRF: ₹138.22 crore, SCAF: ₹296.59 crore, SDRF: ₹84.93 crore, SDMF: ₹24.35 crore and BSF: ₹942.35 crore), were credited in the respective funds.

Other than the Earmarked Funds, the Government invested surplus general cash balances throughout the year, in GoI Stock and GoI Treasury Bills. As of 31 March 2024, an amount of ₹15,525.93 crore remained invested in GoI Treasury Bills (TB) and GoI Stocks (GoI Stocks: ₹110.23 crore and 14 days TB: ₹15,415.70 crore). On these investments, the Government earned an interest of ₹621.11 crore, which included ₹ 129.48 crore, being interest on 14 days Treasury Bills during 2023-24.

Details of Cash Balance Investment Account during the last five years and month-wise movement of cash balance and net cash balance investments at the end of the month, during FY 2023-24, are depicted in **Table 2.37** and **Chart 2.25**, respectively.

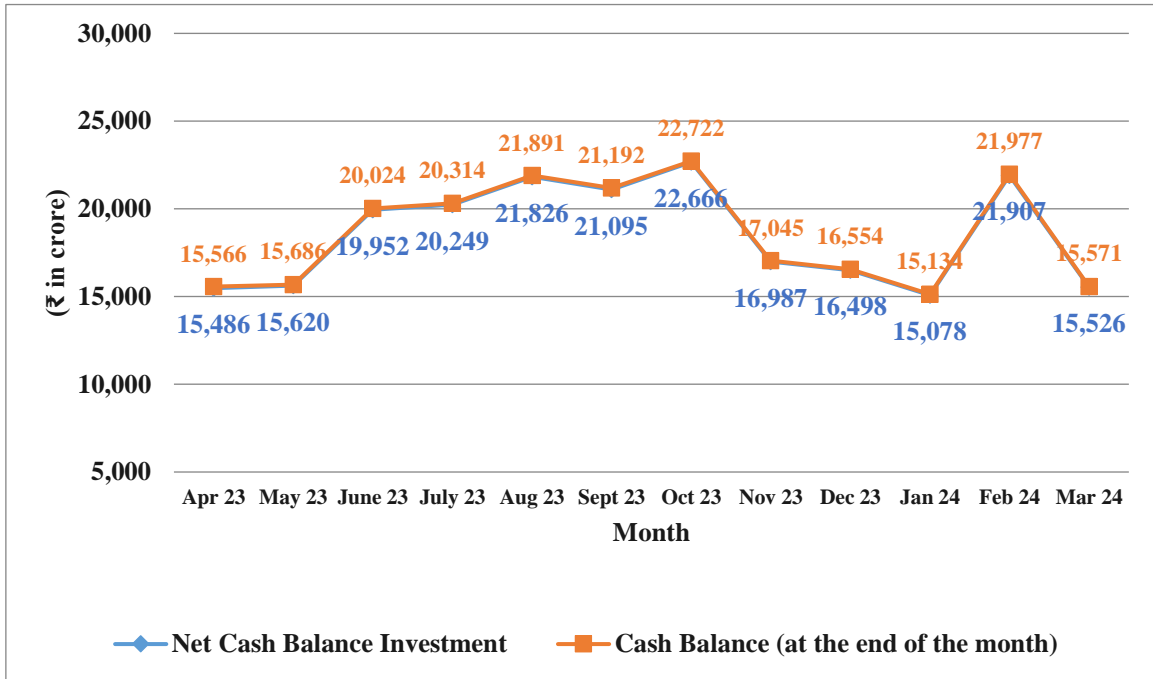
**Table 2.37: Cash Balance Investment Account (Major Head 8673)**

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / Decrease (-)	Interest earned
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
2022-23	32,701.46	9,529.43	(-) 23,172.03	1,359.34
2023-24	9,529.43	15,525.93	(+) 5,996.50	621.11

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

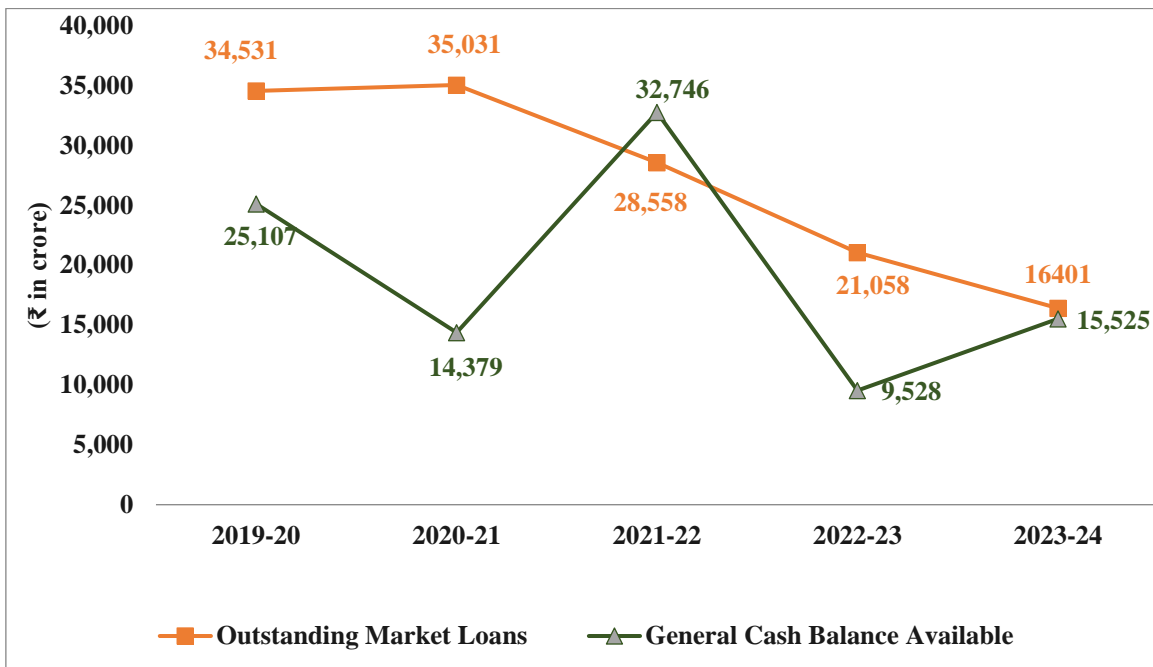
**Chart 2.25: Month wise movement of Cash Balances and net cash balance investments during the year**



Source: Monthly Civil Accounts, Government of Odisha

Details of market loans vis-à-vis cash balances, during the last five years, are depicted in Chart 2.26.

**Chart 2.26: Market Loans vis-à-vis Cash**



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

During FY 2023-24, the State Government maintained huge cash balance (minimum ₹15,134 crore) throughout the year. On investment of general cash balance of



₹15,134 crore, interest of ₹621.11 crore (3.34<sup>32</sup> per cent) was earned, whereas the State Government paid average rate of interest of 8.27<sup>33</sup> per cent on market borrowings, during FY 2023-24.

## 2.9 Salient features

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. Comparison of key parameters of State Finances, during FY 2023-24, with that of the previous year *i.e.* FY 2022-23, is summarised in **Table 2.38**.

**Table 2.38: Comparison of key parameters of State Finances**

Positive Indicators	Parameters requiring close watch
↑ Increase in Revenue Expenditure on Social Services and Economic Services by 20.67 per cent and 43.41 per cent respectively.	↓ Decrease in Recovery of Loans <sup>34</sup> and advances by 32.81 per cent.
↑ Increase in Capital Expenditure by 29.76 per cent.	↑ Increase in Revenue Expenditure by 13.61 per cent.
↑ Fiscal Parameters (except Primary Deficit) within the ceiling fixed in the FRBM Act.	↑ Increase in outstanding overall Debt by 20.78 per cent.
↓ Committed Expenditure as percentage of Revenue Receipts reduced to 29.74 per cent.	↓ Decrease in Repayment of Public Debt by 33.69 per cent.

## 2.10 Conclusions

The State passed the FRBM Act, 2005, to ensure prudence in fiscal management and fiscal stability by reducing revenue deficit to nil, within a period of five financial years beginning from FY 2004-05. Government of Odisha achieved revenue surplus during FY 2004-05, and has been persistently maintaining revenue surplus since then. The revenue surplus during FY 2023-24 was ₹30,761 crore.

Fiscal Deficit of the State was ₹14,743 crore during FY 2023-24, which was 1.73 per cent of the GSDP and within the target fixed by State FRBM Act.

The Primary Deficit of the State was ₹ 9,562 crore during FY 2023-24, which was 1.12 per cent of the GSDP, that exceeded the target (Primary Surplus: over 2 per cent of GSDP) fixed in the State FRBM Act.

The State incurred 35.89 per cent of the total revenue expenditure on committed liabilities, like salaries and wages, pensions, interest payments, leaving 64.11 per cent for priority sector expenditure, which was a good indicator.

<sup>32</sup> Interest receipts (₹1,359.34 crore) on cash balance investment as a percentage of the monthly average (sum of 12 months closing cash investment divided by 12) of cash balance investment in MH 8673.

<sup>33</sup> Interest paid on market loan as percentage of average ((O.B + C.B.)/2) market loan during the year.

<sup>34</sup> Recovery of loans and advances and decrease in repayment of Public Debt depends upon the maturity profile unless there is a pre-payment.

Revenue Receipts increased by ₹ 29,131 crore (19.36 *per cent*) during the current year over the previous year whereas, Revenue Expenditure grew by ₹17,826 crore (13.61 *per cent*). Further, State's non tax revenue increased by ₹10,291 crore (24.09 *per cent*) over the previous year. There was decrease in Recoveries of loans and advances by ₹ 273 crore (32.81 *per cent*)

During FY 2023-24, the State Government had booked ₹43,273.38 crore as Capital Expenditure, which was 22.20 *per cent* of total expenditure. Audit noticed that out of the amount of ₹43,273.38 crore, expenditure of ₹4,564.63 crore of revenue nature had been booked as Capital Expenditure.

Total outstanding liabilities including public debt and public account liabilities were 14.39 *per cent* of GSDP. The total liabilities increased by 20.78 *per cent* over the previous year. The net Public Debt Receipts have increased from ₹5,347 crore in 2022-23 to ₹18,123 crore in 2023-24. This marks an increase of 238.94 *per cent*, indicating a significant rise in the government's borrowing activity. However, there was decrease in Repayment of Public Debt by ₹ 4,692 crore (33.69 *per cent*) over the previous year. The Outstanding Public Debt has grown from ₹63,905 crore in 2022-23 to ₹72,793 crore in 2023-24. This represents an increase of about 13.91 *per cent*, reflecting the cumulative effect of new borrowings and possibly the servicing of existing debt. During the year, outgo, in lieu of interest payment was equal to 3.48 *per cent* of revenue expenditure and 2.88 *per cent* of revenue receipts.

Due to non-investment of Reserve Fund, Government of Odisha had to bear interest liabilities of ₹305.83 crore during FY 2023-24, which have not been transferred to concerned Reserve Funds.

In compliance with the mandatory requirement of contributing 14 *per cent* (₹2,289.70 crore) to the National Pension System (NPS), ₹23.49 crore less was contributed by the Government of Odisha.

The closing cash balance of Government of Odisha at the end of FY 2023-24 was ₹54,805.37 crore (General cash balance: ₹15,524.86 crore, earmarked funds: ₹39,258.12 crore and cash with departmental officers: ₹22.39 crore) increased by ₹9,365.15 crore over the previous year (₹45,440.22 crore).

## **2.11 Recommendations**

- 1) The State Government should reassess the classification of expenditure covered by grants-in-aid and take appropriate corrective measures in budget formulation and expenditure recording. This will ensure that fiscal parameters, such as revenue surplus and fiscal deficit, accurately reflect the State's financial status.
- 2) The State should focus on adhering to the targets set by the FRBM Act, especially the target for primary deficit. Efforts should focus on moving from a primary deficit of 1.12 *per cent* of GSDP to achieving the target of a primary surplus of 2 *per cent* of GSDP by optimizing expenditure and enhancing revenue mobilization.

- 3) To avoid incurring interest liabilities, the State should ensure that Reserve funds are fully invested in interest-bearing instruments. This will not only preserve the fund's value but also generate additional income to support future fiscal needs.
- 4) The shortfall in the mandatory contribution to the National Pension System indicates need for better financial discipline. The State should ensure full compliance with the required contributions to avoid future liabilities and ensure the financial security of its employees.
- 5) Government should take necessary steps to transfer the un-transferred amount of Labour Cess from the Major Head 0230 - Labour and Employment, amounting to ₹2.26 crore to Odisha Building and Other Construction Workers' Welfare Board's account. Also, a well-defined system may be put in place to guarantee timely transfer of such funds.



**Chapter III**  
**Budgetary Management**

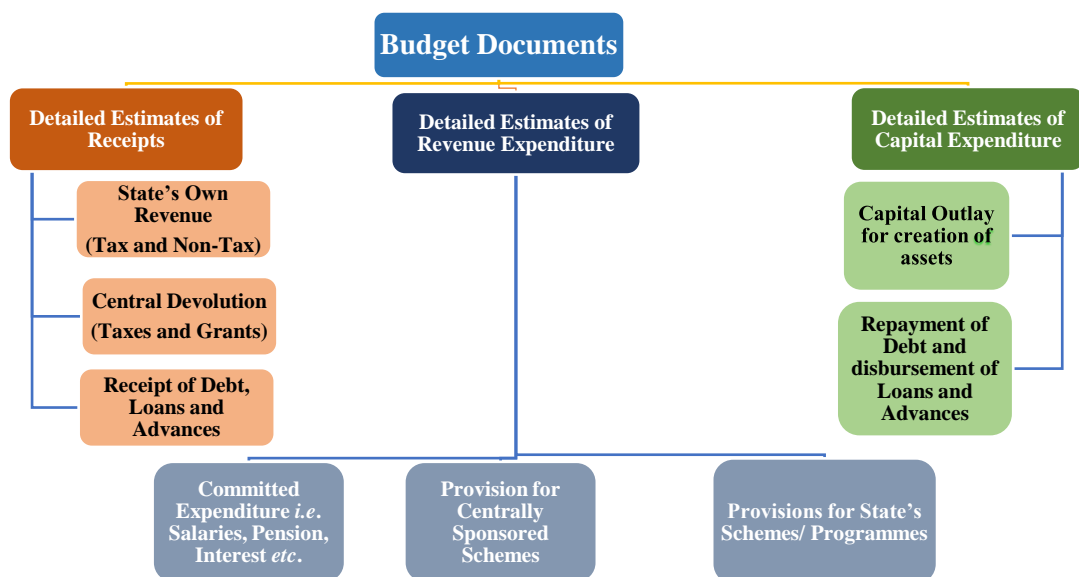


## 3.1 Budget Process

In compliance with Article 202 of the Constitution of India, in regard to every financial year, a statement of the estimated receipts and expenditure of the State for that year, called “the annual financial statement (Budget)”, is to be laid before the State Legislature. The estimates of the expenditure show ‘charged’ and ‘voted’ items<sup>35</sup> of expenditure separately and distinguish expenditure on the revenue account from other expenditure. Legislative authorisation is necessary for incurring any expenditure by the State Government.

As per the Odisha Budget Manual, the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the detailed Estimates called ‘Demand for Grants’. The State Budget comprises the following documents, as shown in **Chart 3.1**.

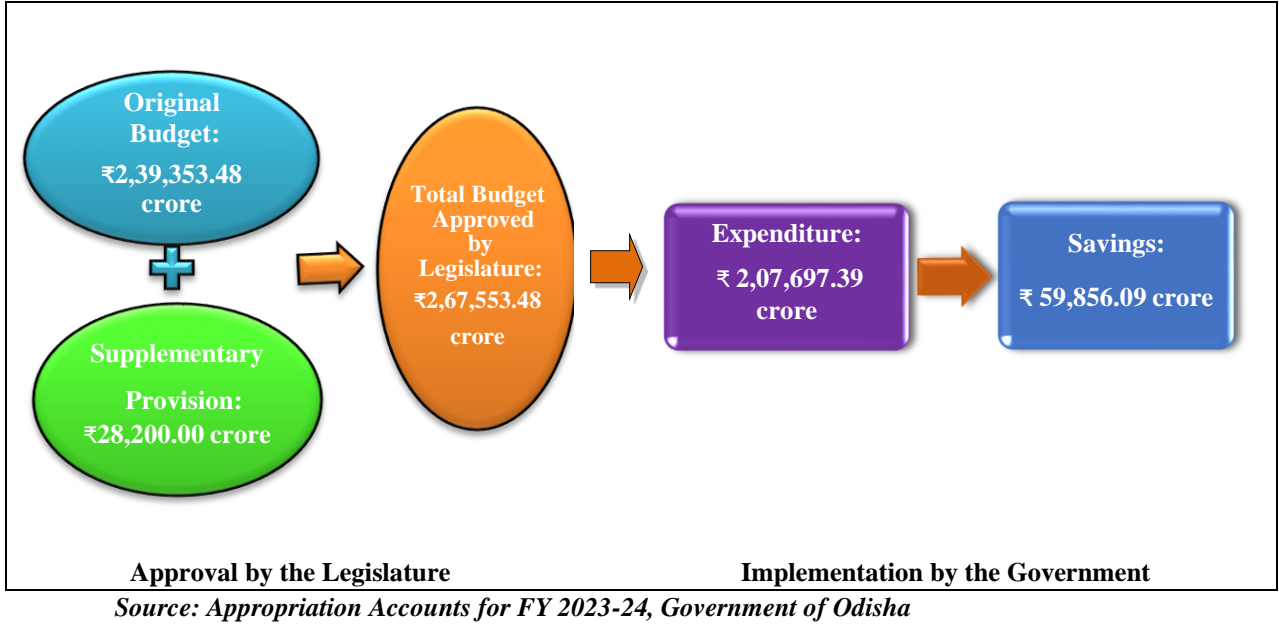
**Chart 3.1: Details of State Budget Documents**



<sup>35</sup> **Charged Expenditure:** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted by the Legislature.

The various components of the budget are depicted in **Chart 3.2**.

**Chart 3.2: Flow Chart of budget implementation**



**3.1.1 Summary of total provisions, actual disbursements and savings during financial year 2023-24**

A summarised position of total budget provision, disbursement and savings/excess, with further bifurcation into voted/ charged, during FY 2023-24, for the total 47 grants/ appropriations, is given in **Table 3.1**.

**Table 3.1: Budget provision, disbursement and savings during FY 2023-24**

(₹ in crore)

	Total Budget Provision		Disbursements		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	1,80,924.09	7,586.50	1,46,373.25	5,439.71	34,550.84	2,146.79
Capital	57,440.62	70.46	43,801.51	57.77	13,639.12	12.69
Loans and Advances	2,745.81	0	2,790.19	0	(+) 44.38	0
Public Debt	0	18,786.00	0	9,234.97	0	9,551.03
<b>TOTAL</b>	<b>2,41,110.52</b>	<b>26,442.96</b>	<b>1,92,964.95</b>	<b>14,732.45</b>	<b>48,145.58</b>	<b>11,710.51</b>
	<b>2,67,553.48</b>		<b>2,07,697.39</b>		<b>59,856.09</b>	

*Source: Appropriation Accounts for FY 2023-24, Government of Odisha*

*(There may be difference of 0.01 in absolute figure calculation, due to rounding off)*

It can be seen from **Table 3.1** that the utilisation (gross) of budgeted funds was 77.63 per cent in FY 2023-24, which was 4.67 per cent less as compared to the percentage of utilisation of budgeted funds in FY 2022-23.



### 3.1.2 Charged and Voted disbursements

Table 3.2 shows the break-up of total disbursements into Charged and Voted, during the last five-year period, from FYs 2019-20 to 2023-24.

**Table 3.2: Break-up of Total budget provisions, total disbursement into Charged and Voted, during the last five years (FYs 2019-20 to 2023-24)**

(₹ in crore)

Year	Total Budget Provisions		Disbursements		Savings (-)/ Excess(+)		Savings against total Provision ( per cent )	
	Voted	Charged	Voted	Charged	Voted	Charged	Voted	Charged
2019-20	1,44,222.36	11,408.18	1,20,176.20	10,676.63	(-) 24,046.16	(-) 731.55	16.67	6.41
2020-21	1,50,755.02	16,908.25	1,08,063.73	16,045.41	(-) 42,691.29	(-) 862.84	28.32	5.10
2021-22	1,61,802.92	33,920.45	1,29,607.31	28,409.46	(-) 32,195.61	(-) 5,510.98	19.90	16.25
2022-23	2,00,692.27	22,984.09	1,64,239.37	19,841.46	(-) 36,452.90	(-) 3,142.63	18.16	13.67
2023-24	2,41,110.52	26,442.96	1,92,964.95	14,732.45	(-) 48,145.58	(-) 11,710.51	19.97	44.29

Source: Appropriation Accounts of the respective years.

As can be seen from the table above, the percentage of savings against total provision under ‘Voted’ ranged between 16.67 per cent to 28.32 per cent and under ‘Charged’, it ranged between 5.10 per cent to 44.29 per cent during 2019-24.

### 3.1.3 Budget marksmanship

#### Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/ actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved.

**Table 3.3: Aggregated budget expenditure outturn/ actual expenditure**

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn	Difference between Actual and BE* (3-2)
(1)	(2)	(3)	(4)
Revenue	1,66,274.92	1,51,812.96	(-) 14,461.96
Capital	73,078.56	55,884.43	(-) 17,194.13
<b>TOTAL</b>	<b>2,39,353.48</b>	<b>2,07,697.39</b>	<b>(-) 31,656.09</b>

Source: Appropriation Accounts for FY 2023-24, Government of Odisha

\*Shortage of actuals over original provision is denoted as (-) figure.

In Revenue Section (44 Grants and three Appropriations), deviation in outturn compared with BE was (-) 8.70 per cent. This was due to deviation between 0 and (±) 25 per cent in 29 grants and two appropriations, between (±) 25 per cent to (±) 50 per cent in 11 grants and one appropriation, between (±) 50 per cent to (±) 100 per cent in two grants and above 100 per cent in two grants.

In Capital Section (44 Grants and three Appropriations), deviation in outturn compared with BE was (-) 23.53 *per cent*. This was due to deviation between 0 and ( $\pm$ ) 25 *per cent* in 25 grants and one appropriation, between ( $\pm$ ) 25 *per cent* to ( $\pm$ ) 50 *per cent* in eight grants and one appropriation, between ( $\pm$ ) 50 *per cent* to ( $\pm$ ) 100 *per cent* in five grants and one Appropriation and above 100 *per cent* in six grants.

### **Expenditure Composition Outturn**

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution, have contributed to variance in expenditure composition.

**Table 3.4: Expenditure composition outturn**

(₹ in crore)

Description	Original Approved Budget (BE)	Revised RE	Actual outturn	Difference between BE & RE	Difference between Actual and RE
(1)	(2)	(3)	(4)	(5)	(6)
Revenue	1,66,274.92	1,63,089.42	1,51,812.96	3,185.50	11,276.46
Capital	73,078.56	66,910.58	55,884.43	6,167.98	11,026.15
<b>TOTAL</b>	<b>2,39,353.48</b>	<b>2,30,000</b>	<b>2,07,697.39</b>	<b>9,353.48</b>	<b>22,302.61</b>

*Source: Appropriation Accounts for FY 2023-24 and Odisha Budget at a glance, 2024-25*

In Revenue Section, deviation in outturn compared with RE was (-) 6.91 *per cent*. This was due to deviation between 0 and  $\pm$  25 *per cent* in 34 grants and three Appropriations, between  $\pm$  25 *per cent* to  $\pm$  50 *per cent* in seven grants, between  $\pm$  50 *per cent* to  $\pm$  100 *per cent* in one grant.

In Capital Section, deviation in outturn compared with RE was (-) 16.48 *per cent*. This was due to deviation between 0 and  $\pm$ 25 *per cent* in 33 grants, between  $\pm$  25 *per cent*  $\pm$  50 *per cent* in five grants, between  $\pm$  50 *per cent* to  $\pm$  100 *per cent* in six grants and more than 100 *per cent* in three grants. No provision was made under capital section in six grants (Grant Nos. 18, 27, 35, 37, 41 and 42).

## **3.2 Appropriation Accounts**

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of the grants voted and appropriations charged for different purposes, as specified in the schedules, appended to the Appropriation Act, passed under Article 204 of the Constitution of India. Appropriation Accounts are on gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act, in regard to both Charged and Voted items of budget. Appropriation Accounts, thus facilitate understanding of utilisation of funds, management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the CAG 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 (Article 202), is so charged. It also ascertains whether the expenditure incurred, is in conformity with the laws, relevant rules, regulations and instructions.

### **3.3 Integrity of budgetary and accounting process**

#### **3.3.1 Un-necessary/excessive 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. 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, sends a proposal to the Finance Department, for supplementary or additional grant or appropriation.

It was noticed that supplementary provisions of ₹ 16,328.90 crore during the year 2023-24, in 15 cases (more than ₹ 100 crore in each case), proved unnecessary (*Appendix 3.1*), as the expenditure did not come up even to the level of original provision. Similarly, supplementary provisions proved excessive by ₹3,996.27 crore in 26 cases (₹ five crore and above in each case), as the full amount of supplementary provisions of ₹ 8,545.40 crore, could not be utilised (*Appendix 3.2*).

#### **3.3.2 Injudicious re-appropriation of funds**

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. During FY 2023-24, re-appropriation orders under 43 grants and two appropriations (except Grant no. 18 and Appropriation no. 6004), amounting to ₹ 20,928.70 crore, were issued. Out of these ₹20,928.70 crore, re-appropriation orders for ₹ 593.07 crore, were issued on 31 March 2024, under three grants (Grant No. 5, 14 and 41).

Further, in two schemes (*Appendix 3.3 - Sl. Nos. 1 to 2*), reduction of provision through re-appropriation orders, effected by various departments, proved injudicious, as expenditure in these cases was in excess of the re-appropriated amount. In three schemes (*Appendix 3.3 - Sl. Nos. 3 to 5*), augmentation of provision also proved injudicious because expenditure did not come up to the level of original and supplementary budget provision.

### 3.3.3 Unspent amount and surrendered appropriation and/ or large savings/ Surrenders

All estimating officers should strive to provide for all items in the budget that can be foreseen and to provide funds only to the extent necessary. The Administrative and Finance Departments need to consider this, while exercising final check on the estimates.

Budgetary allocations based on unrealistic proposals, overstretching the potential of resource mobilisation, poor expenditure monitoring mechanism, weak scheme implementation capacities and weak internal controls, promote release of funds towards the end of the financial year. Excessive savings in some heads also deprive other Departments of funds, which they could have utilised.

#### Un-surrendered Savings

During the year 2023-24, ₹ 59,856 crore remained unutilised. Out of this unutilised amount, ₹ 47,812 crore was surrendered and balance of ₹ 12,044 crore remained un-surrendered.

Analysis of grants and appropriations showed that in 10 cases (under seven grants and three Appropriations), during FY 2023-24, there were large savings, after surrender (exceeding ₹ 25 crore in each case) (*Appendix 3.4*).

#### Entire provision remaining unutilised

It was noticed that in five grants, no expenditure out of the total provision, amounting to ₹ 0.88 crore, under charged expenditure (Revenue and Capital), was incurred in FY 2023-24, as shown in **Table 3.5**.

**Table 3.5: Entire provision remaining unutilised, during the financial year 2023-24**

(₹ in crore)				
Sl. No.	Grant No.	Name of the Department	Section	Entire provision remaining unutilised
1	3	Revenue and Disaster Management	Revenue (Charged)	0.30
2	4	Law	Revenue (Charged)	0.05
3	25	Information and Public Relations	Revenue (Charged)	0.02
4	36	Women and Child Development and Mission Shakti	Revenue (Charged)	0.01
5	28	Rural Development	Capital (Charged)	0.50
<b>TOTAL</b>				<b>0.88</b>

Source: Appropriation Accounts for FY 2023-24, Government of Odisha

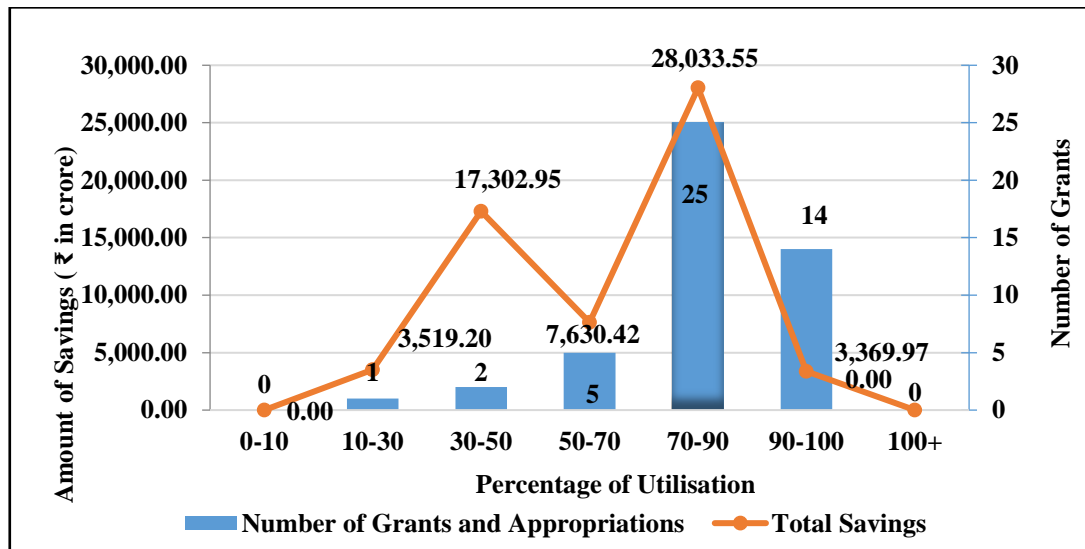
#### Persistent savings

It was also observed that, in 24 cases, under 19 grants and one appropriation, there were persistent savings, exceeding ₹100 crore in each case (*Appendix 3.5*), during

FYs 2021-22 to 2023-24. This is indicative of over assessment of requirement of funds without taking into account previous year trends.

Details of grants, grouped by the percentage of utilisation, along with total savings, during FY 2023-24, are shown in **Appendix 3.6** and a graphical presentation of the same is shown in **Chart 3.3**.

**Chart 3.3: Details of grants grouped by the percentage of utilisation, along with total savings, during FY 2023-24**



Source: Appropriation Accounts for FY 2023-24, Government of Odisha

As can be seen from **Chart 3.3**, out of 44 grants and three appropriations, there were only 14 grants, where utilisation of funds was 90 per cent or more. Electronics and Information Technology Department (99.86 per cent) and Mission Shakti (99.16 per cent) are grants having maximum utilisation.

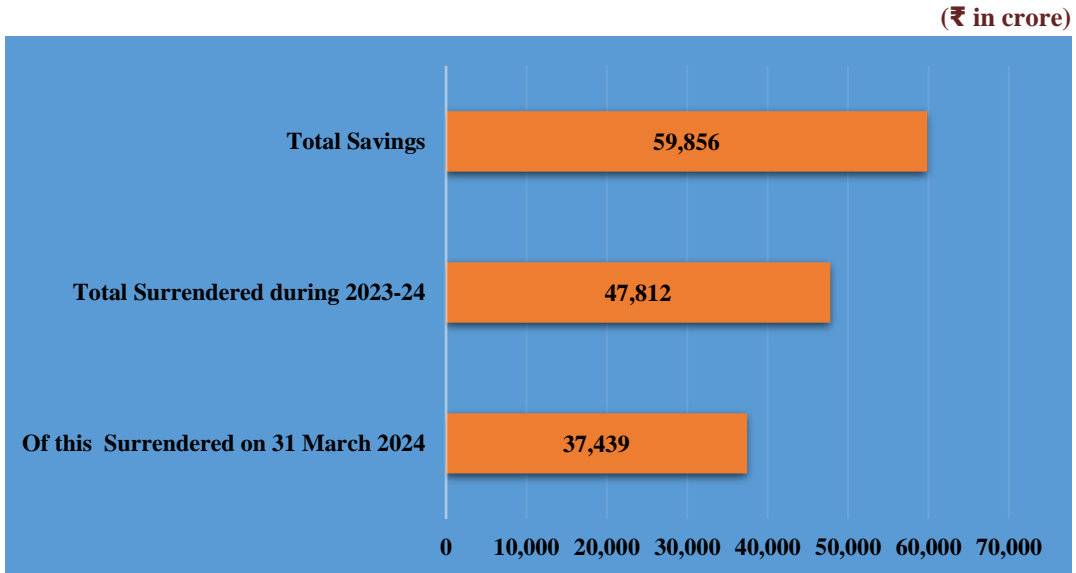
The Departments of Planning and Convergence (31.08 per cent) and Disaster Management (32.01 per cent) were amongst the Departments, where utilisation of funds was less than 50 per cent.

No object is served by keeping back savings, which should ideally be surrendered in time. For this reason, appropriations which are likely to remain unspent must be reported for surrender as early as possible. If this is not done, other spending Departments are deprived of the funds which they could have utilised and demands for Supplementary Grants could have been avoided. Surrenders are generally made in the month of March and a careful study of figures of expenditure incurred and watch over the progress of last month's expenditure, should enable a Controlling Officer to fix upon his final requirements with a reasonable degree of exactness.

When the need for surrender manifests itself, the Controlling Officers should carefully estimate the amounts that can be surrendered. The aim should be to surrender as much as they can, so as to keep the expenditure just within the modified Grant.

It was also noticed that out of the total savings of ₹59,856.09 crore, an amount of ₹37,187 crore (in cases of grants where the surrenders exceeded ₹ 100 crore in each case) was surrendered on the last day of March 2024, as shown in **Appendix 3.7** and **Chart 3.4**.

**Chart 3.4: Savings and surrenders before the close of financial year 2023-24**



Source: Appropriation Accounts for FY 2023-24, Government of Odisha

Analysis of **Chart 3.4** revealed that 79.88 per cent of the savings were surrendered. Out of the surrendered amount of ₹47,812 crore, ₹37,439 crore (78.30 per cent) was surrendered on 31 March 2024.

**Surrender in excess of savings**

In five cases (five grants), the amounts surrendered were in excess of savings, indicating inadequate budgetary control in these Departments. As against the savings of ₹ 8,308.56 crore, the amount surrendered was ₹ 8,412.30 crore, resulting in excess surrender of ₹ 103.74 crore. The details are given in **Table 3.6**.

**Table 3.6: Surrender of funds in excess of savings**

(₹ in crore)

Sl. No.	Grant Number & Name	Total provision	Expenditure	Savings (-)/ Excess (+)	Amount Surrendered	Excess surrender
<b>Revenue (Voted)</b>						
1	21-Transport	1,136.12	1,106.23	(-)29.90	30.06	0.16
2	42-Disaster Management	12,161.89	3,892.73	(-) 8,269.16	8,269.37	0.21
3	Odia, Language, Literature and Culture	254.55	245.05	(-) 9.50	9.51	0.01
<b>Capital (Voted)</b>						
4	7 - Works	7,268.00	7,274.69	*(+) 6.69	103.32	103.32

Sl. No.	Grant Number & Name	Total provision	Expenditure	Savings (-)/ Excess (+)	Amount Surrendered	Excess surrender
5	22-Forest & Environment	12.00	12.00	0.00	0.04	0.04
	<b>TOTAL</b>	<b>20,832.56</b>	<b>12,530.70</b>	<b>(-) 8,308.56</b>	<b>8,412.30</b>	<b>103.74</b>

Source: Appropriation Accounts for FY 2023-24, Government of Odisha

\*An excess expenditure for ₹ 6.69 crore was taken as zero savings.

### 3.3.4 Excess expenditure and its regularisation

As per Article 204 of the Constitution of India, no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of the Article. Further, as per Article 205 of the Constitution of India, it is mandatory for a State Government to get excess over grant/ appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

#### 3.3.4.1 Excess expenditure relating to current Financial Year

During FY 2023-24, as against the provision of ₹ 7,268.00 crore under Grant No.7- Works Department (Capital Voted), the department incurred expenditure of ₹7,274.69 crore. This resulted in excess expenditure of ₹6.69 crore. The above excess expenditure was incurred mainly under the head 5054-04-902-1581- “Works Executed from Central Road Fund”.

The State Government agreed (August 2024) that since the amount was met out from Central Road Fund, it was supposed to be adjusted as reduction of expenditure but inadvertently the amount was included in the budget provision.

#### 3.3.4.2 Excess expenditure of previous financial years

Excess expenditure remaining un-regularised for extended period dilutes legislative control over the executive. Excess disbursements of ₹262.65 crore, pertaining to FYs 2013-14 to 2020-21 (no excess expenditure during FYs 2019-20, 2021-22 and 2022-23), as shown in **Table 3.7**, are yet to be regularised by the State Legislature.

**Table 3.7: Excess Expenditure relating to previous years, requiring regularisation**  
(₹ in crore)

Year	Grant / Appropriation No.	Name of the Grant/ Appropriation	Amount of excess required to be regularised	Status of regularisation
2013-14	22	Forest and Environment	0.29	Not regularised
	26	Excise	0.27	
	31	Handlooms, Textile and Handicrafts	18.00	
2014-15	26	Excise	0.01	
2015-16	22	Forest and Environment	0.25	
2016-17	6003	Internal Debt	56.63	
	13	Housing and Urban Development	3.63	
2017-18	8	Odisha Legislative Assembly	0.52	
2018-19	7	Works	169.77	
	8	Odisha Legislative Assembly	3.65	
2020-21	7	Works	9.63	
<b>TOTAL</b>			<b>262.65</b>	

Source: Appropriation Accounts of respective years, Government of Odisha

The excess expenditure indicates that the budgetary control in the concerned Department was weak and budget estimates were not prepared on a realistic basis. Such excess expenditure, remaining unregularised for extended periods, dilutes legislative control over the executive, and therefore needs to be got regularised at the earliest.

### 3.4. Effectiveness of budgetary and accounting process

#### 3.4.1 Budget projection and gap between expectation and actual

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 and weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprive other departments of funds, which they could have utilised.

The total provision for expenditure in FY 2023-24 was ₹2,67,553.48 crore. The actual gross expenditure, during the year was ₹2,07,697.39 crore. This resulted in savings of ₹59,856.09 crore, of which only ₹47,811.98 crore (79.88 per cent) was surrendered. An amount of ₹37,439.29 crore (62.55 per cent) was surrendered on 31 March 2024. The details are given in **Table 3.8**.



**Table 3.8: Actual expenditure vis-à-vis budget provision during the financial year 2023-24**

(₹ in crore)

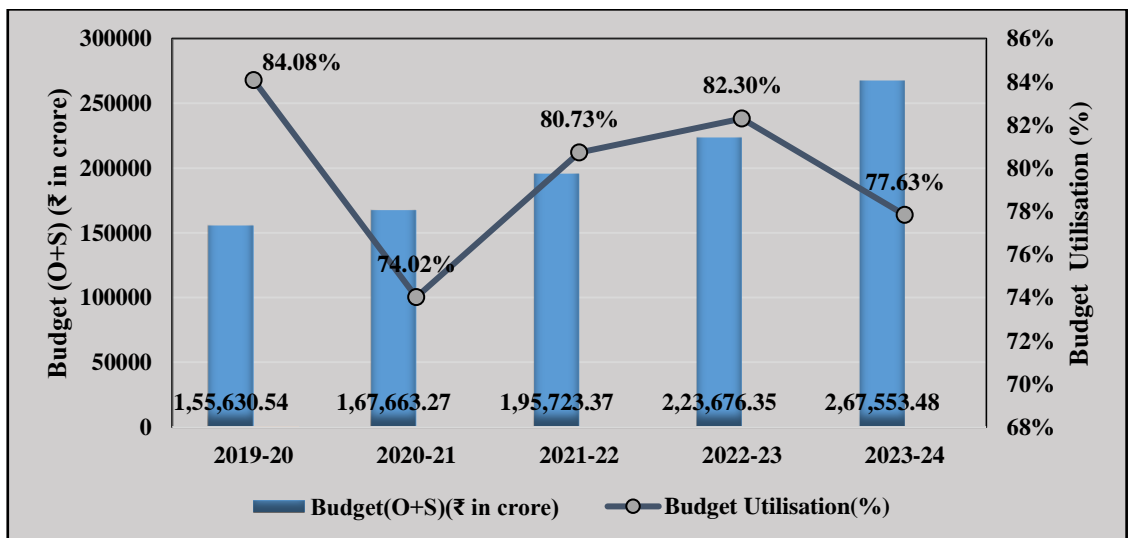
Nature of Expenditure	Original	Supplementary	Total	Actual Expenditure	Savings (-)/ Excess (+), with reference to total budget	Savings / Excess (in percentage) with reference to Total Provision	Surrendered during FY 2023-24 against savings		
							Amount	per cent	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>Voted</b>	<b>I Revenue</b>	1,58,724.07	22,200.02	1,80,924.09	1,46,373.25	(-) 34,550.84	19.10	34,104.68	98.71
	<b>II Capital</b>	52,032.10	5,408.52	57,440.62	43,801.51	(-)13,639.12	23.74	13,458.45	98.68
	<b>III Loans and Advances</b>	2,190.00	555.81	2,745.81	2,790.19	(+)44.38	0	149.30	100
<b>Total Voted</b>		<b>2,12,946.17</b>	<b>28,164.35</b>	<b>2,41,110.52</b>	<b>1,92,964.94</b>	<b>48,145.58</b>	<b>19.97</b>	<b>47,712.43</b>	<b>99.10</b>
<b>Charged</b>	<b>IV Revenue</b>	7,550.85	35.65	7,586.50	5,439.71	(-)2,146.79	28.30	86.86	4.05
	<b>V Capital</b>	70.46	0	70.46	57.77	(-) 12.69	18.01	12.69	100.00
	<b>VI Public Debt Repayment</b>	18,786.00	0	18,786.00	9,234.97	(-) 9,551.03	50.84	0	0.00
<b>Total Charged</b>		<b>26,407.31</b>	<b>35.65</b>	<b>26,442.96</b>	<b>14,732.45</b>	<b>11,710.51</b>	<b>44.29</b>	<b>99.55</b>	<b>0.85</b>
<b>GRAND TOTAL</b>		<b>2,39,353.48</b>	<b>28,200.00</b>	<b>2,67,553.48</b>	<b>2,07,697.39</b>	<b>59,856.09</b>	<b>22.37</b>	<b>47,811.98</b>	<b>79.88</b>

Source: Appropriation Accounts for FY 2023-24, Government of Odisha

Note: There may be difference of ₹ 0.01 crore in the absolute figure, due to rounding off

The position of budget utilisation during the previous five years, is given in **Chart 3.5**.

**Chart 3.5: Budget Utilisation during FYs 2019-20 to 2023-24**



Source: Appropriation Accounts for FY 2023-24, Government of Odisha

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

Trends in the original budgets, revised estimates and actual expenditure, for the period from FYs 2019-20 to 2023-24, are given in **Table 3.9**.

**Table 3.9: Original Budget, Revised Estimate and Actual Expenditure, during FYs 2019-20 to 2023-24**

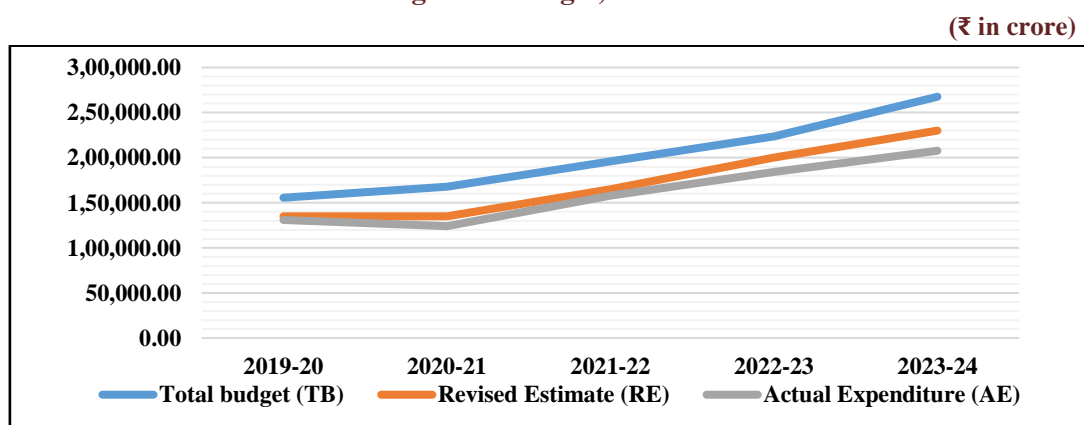
(₹ in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
Original Budget	1,46,061.09	1,55,963.27	1,75,890.24	2,06,876.35	2,39,353.48
Supplementary Budget	9,569.45	11,700.00	19,833.13	16,800	28,200
Total budget (TB)	1,55,630.54	1,67,663.27	1,95,723.37	2,23,676.35	2,67,553.48
Revised Estimate (RE)	1,35,000	1,35,000	1,64,999.66	2,00,000	2,30,000
Actual Expenditure (AE)	1,30,852.83	1,24,109.14	1,58,016.78	1,84,080.82	2,07,697.39
Savings (TB-AE)	24,777.71	43,554.13	37,706.59	39,595.53	59,856.09
Percentage of supplementary to the original provision	6.55	7.50	11.28	8.12	11.78
Percentage of overall savings/excess to the overall provision	15.92	25.98	19.27	17.70	22.37
TB-RE	20,630.54	32,663.27	30,723.71	23,676.35	37,553.49
RE-AE	4,147.17	10,890.86	6,982.88	15,919.18	22,302.61
(TB-RE) as per cent of TB	13.26	19.48	15.70	10.58	14.04
(RE-AE) as per cent of TB	2.66	6.50	3.57	7.12	8.34

Source: Appropriation Accounts of respective years and Odisha Budget at a glance, 2023-24 & 2024-25

**Table 3.9** shows that the supplementary provision of ₹ 28,200 crore during FY 2023-24, constituted 11.78 per cent of the original provision against 8.12 per cent in the previous year.

**Chart 3.6: Trend showing Total Budget, Revised Estimate and Actuals**



Source: Appropriation Accounts of respective years and Odisha Budget at a glance, 2023-24

From **Chart 3.6**, it can be seen that during the period from FYs 2019-20 to 2023-24, the Revised Estimates (RE) were always lower than the Total Budget

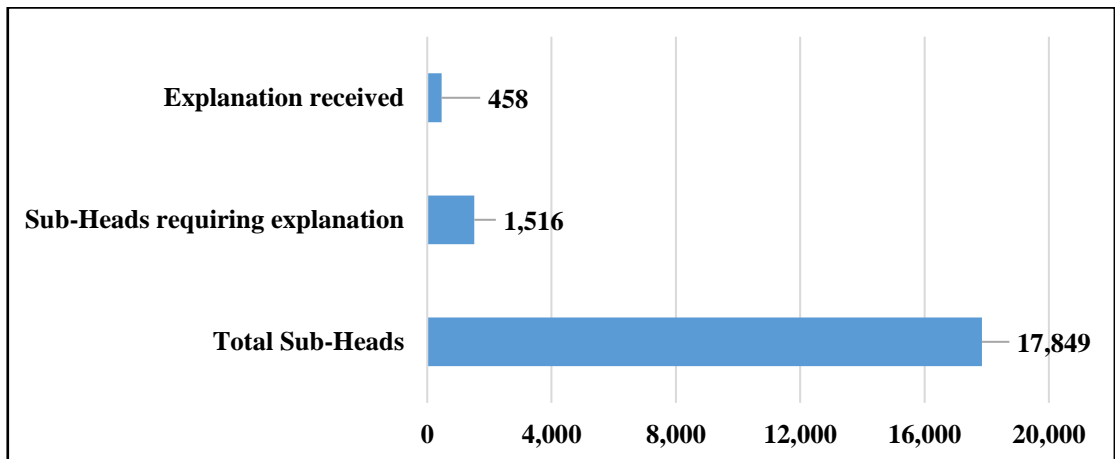
(TB) of the State. The gap between the RE and the TB was between 10.58 to 19.48 *per cent*, during the last five years, indicating large estimation errors.

In terms of percentage, the RE was 13.26 *per cent* less than the TB in FY 2019-20, which increased to 19.48 *per cent* in FY 2020-21 and reduced to 14.04 *per cent* in FY 2023-24. Further, the percentage of Actual Expenditure (AE) to TB during the same period was also lower than the RE and it ranged between 2.66 *per cent* and 8.34 *per cent*. As such, the supplementary provisions during FYs 2019-20 to 2023-24 proved unnecessary, since the actual expenditure did not come up even to the level of original budget provisions.

This indicates that the budgetary allocations were based on unrealistic proposals, as the Budget Estimates of the State were always inflated and the Actual Expenditure was less than the budgetary provisions.

A summary of explanations for variations in the Appropriation Accounts, received from various Departments, is depicted in **Chart 3.7**. These explanations include reasons like non-release of Central Assistance, delay in release of funds, surrender after actual requirements, non-receipt of proposals from implementing agencies *etc.*

**Chart 3.7: Summary of Explanations for variation in Appropriation Accounts**



Source: Information received from the Office of the PAG (A&E), Odisha

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

Several new policies/initiatives/schemes were initiated by the State Government during FY 2023-24. Audit test-checked 15 schemes and it was revealed that three schemes were not/partially executed, while the remaining 12 schemes were fully executed, as detailed in **Table 3.10**.

**Table 3.10: New Schemes not executed /partially executed, during FY 2023-24**

(₹ in crore)

Sl. No.	Grant No. and Name of the Department	Head of Account and Name of the New scheme	Budget provision	Expenditure
1	11 - Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	2225-02-102-3731 - Mukhyamantri Janajati Jeevika Mission	120.00	90.00
2	33- Fisheries and Animal Resources Development	2405-00-109-3699 - Digital Initiative for integration of offices	10.00	0
3	40-Micro, Small & Medium Enterprises	2851-00-102-3735 - Interest Subvention for working capital for MSME's Exporters	10.00	7.08
<b>Total</b>			<b>140</b>	<b>97.08</b>

Source: Appropriation Accounts of 2023-24

Further, it was also observed that in 32 existing schemes, there was cent *per cent* surrender of funds in the revised outlay, as shown in **Appendix 3.8**. No reason for surrender was furnished in 24 cases. This reflects that the budgetary allocations were based on unrealistic proposals.

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

### 3.4.3 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 (08 February 2024), the process of issuance of sanction orders for release of funds, as well as surrender of provisions, should be completed by 29 February 2024, 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 2023-24 revealed that the Government had released ₹2,884.73 crore, for the implementation of different schemes in 16 Departments, in the last week of March 2024 (**Appendix 3.9**).

Some instances of release of funds at the end of the FY 2023-24, exceeding ₹50 crore in each case are shown in **Table 3.11** and **Appendix 3.9**.

**Table 3.11 Release of funds at the end of the financial year 2023-24**

(₹ in crore)

Sl. No.	Name of the Department	Purpose	Sanction order No.	Date	Amount
1	Food Supplies and Consumer Welfare	"Payment of Central Share of assistance to Odisha towards Intra-State movement and handling of Food grains, FPS Dealer's Margin corresponding to the F.Y. 2018-19 to 2022-23 under NFSA "	202334335390	30/03/2024	441.28
		"Payment of Central Share of Assistance to Odisha towards intra State movement and handling of Food grains, FPS Dealer's Basic & Additional Margin	202334338693	30/03/2024	303.06

Sl. No.	Name of the Department	Purpose	Sanction order No.	Date	Amount
		corresponding to the F.Y.2020-21, 2021-22 & 2022-23 under PMGKAY "			
				<b>Total</b>	<b>744.34</b>
2	School and Mass Education	" Release of funds consisting of Central Share & State Share for implementation of the Centrally Sponsored Scheme of PM POSHAN in 30 districts of the State"	202334312696	28/03/2024	78.74
		"Release of final instalment under recurring grant (General Component – Central Share) towards implementation of Samagra Shiksha (Elementary Education) in the State of Odisha during FY 2023-24"	202334338531	30/03/2024	398.00
		"Release of final instalment under recurring grant (General Component – State Share) towards implementation of Samagra Shiksha (Elementary Education) in the State of Odisha during FY 2023-24"	202334338581	30/03/2024	265.33
		"Release of final instalment under recurring grant (SC Component – Central Share) towards implementation of Samagra Shiksha (Elementary Education) in the State of Odisha during FY 2023-24"	202334338616	30/03/2024	93.36
		"Release of final instalment under recurring grant (SC Component – State Share) towards implementation of Samagra Shiksha (Elementary Education) in the State of Odisha during FY 2023-24"	202334338645	30/03/2024	62.23
					<b>Total</b>
3	Health and Family Welfare	Sanction & release of GIA under Centrally Sponsored Schemes (CSS) for continuance of NHM for the year 2023-24.	202334342484	30/03/2024	176.54
				<b>Total</b>	<b>176.54</b>
<b>GROSS TOTAL</b>					<b>1,818.54</b>

Source: Sanction orders received from respective Departments

As is evident from **Appendix 3.9**, ₹ 2,884.73 crore was released during the fag end of the year. Thus, there was no possibility of utilisation of these funds during the financial year 2023-24. Release of funds in the last week of the financial year indicated that the funds were released primarily to exhaust the budget provision.

**3.4.4 Rush of expenditure**

Rule 62 (3) of the General Financial Rules provides that rush of expenditure particularly in the closing months of the financial year is regarded as a breach of financial propriety and should be avoided.

As per the Guidelines issued by the Finance Department, Government of Odisha, on Regulation of Expenditure, 2022-23, in the Cash Management System, the flow of expenditure should be evenly paced. The State Government prescribed, vide its circular dated 28.04.2023, quarter-wise percentages (1<sup>st</sup> Quarter - 15 per cent; 2<sup>nd</sup> quarter - 15 per cent; 3<sup>rd</sup> Quarter - 30 per cent, 4<sup>th</sup> Quarter - 40 per cent), for incurring expenditure in the Cash Management System during the year, with the aim of regulating the expenditure in a phased manner. In the month of March, the expenditure should not be more than 15 per cent of the budget provision.

During FY 2023-24, the Cash Management System was implemented in 20 Departments. Out of these 20 Departments, only five Departments had followed the guidelines. The quarterly details of expenditure, incurred across 20 Grants, are shown in **Table 3.12**.

**Table 3.12: Analysis of Cash Management System**

(₹ in crore)

Sl. No.	Grant No/Name of the Department	Original Budget Provision	Up to December 2023		March 2024 (Pre)	
			Expenditure during first three quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
<b>The following Departments have followed the guidelines</b>						
1	10-School and Mass Education	22,527.95	15,983.58	70.95	3,106.85	13.79
2	12-Health & Family Welfare	15,756.53	11,990.94	76.10	1,062.44	6.74
3	17-Panchyati Raj & Drinking Water	26,318.55	16,163.84	61.42	1,816.33	6.90
4	30-Energy	3,002.53	2,020.67	67.30	326.46	10.87
5	33-Fisheries & Animal Resources Development	1,769.29	1,181.58	66.78	119.13	6.73
<b>The following Departments have not followed the guidelines</b>						
6	7-Works	9,473.00	4,792.77	50.59	2,206.88	23.30
7	9-Food Supplies and Consumer Welfare	3,229.95	507.64	15.72	783.54	24.26
8	11-Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	4,651.78	2,998.04	64.45	1,031.47	22.17
9	13-Housing and Urban Development	7,923.25	4,925.42	62.16	1,895.44	23.92
10	19-Industries	790.20	624.39	79.02	215.40	27.26

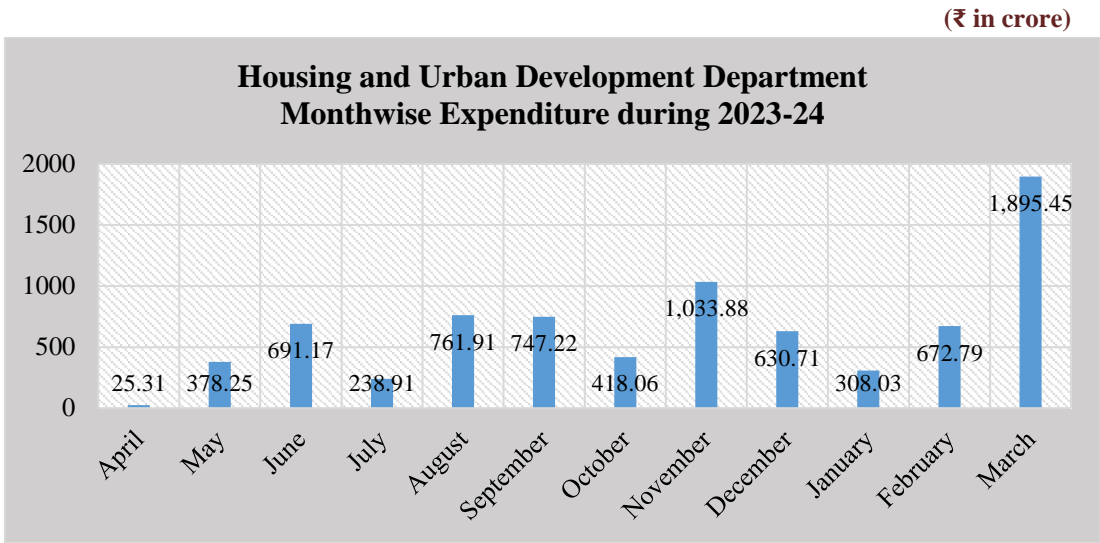
Sl. No.	Grant No/Name of the Department	Original Budget Provision	Up to December 2023		March 2024 (Pre)	
			Expenditure during first three quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
11	20-Water Resources	10,782.00	7,647.84	70.93	2,116.81	19.63
12	22-Forest & Environment	2,183.68	1,052.69	48.21	408.80	18.72
13	23-Agriculture and Farmer's Empowerment	7,135.89	4,141.27	58.03	1,930.21	27.05
14	28-Rural Development	7,500.00	4,209.11	56.12	1,541.37	20.55
15	31-Handlooms, Textiles & Handicrafts	219.49	139.21	63.42	39.04	17.79
16	36-Women and Child Development and Mission Shakti	3,670.00	2,263.45	61.67	562.90	15.34
17	38-Higher Education	3,172.87	2,388.17	75.27	501.29	15.80
18	39-Skill Development & Technical Education	986.26	827.25	83.88	215.40	21.84
19	40-Micro, Small & Medium Enterprises	647.77	343.62	53.05	25.24	3.90
20	41- Social Security and Empowerment of Persons with Disability	4,298.76	2,593.20	60.32	1,119.29	26.04

Source: Monthly Appropriation Reports for December 2023 and March (Pre) 2024.

Audit observed that in 25 sub-heads, the entire expenditure of ₹753.16 crore (exceeding ₹5 crore and more in each case of allocation of funds), was incurred in the month of March 2024 alone, in spite of allocation of funds in the original budget (24 cases) and Supplementary budget (one case). Reasons for delay in utilisation of funds were not furnished (*Appendix 3.10*).

This indicates that uniform flow of expenditure during the year, a primary requirement of budgetary control, was not maintained. This also indicates deficiencies in monitoring the Cash Management System in these Departments. As an example, month-wise expenditure incurred by the Housing and Urban Development Department, is shown in *Chart 3.8*.

**Chart 3.8: Month wise Expenditure in Housing and Urban Development Department during 2023-24**



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

As can be seen from the above Chart, contrary to the spirit of financial regulation, a substantial quantum of expenditure (₹1,895.45 crore) (24.30 per cent) of the total expenditure (₹7,801.69 crore) was incurred by the department during March 2024, indicating inadequate control over expenditure monitoring.

### 3.5 Review of selected grants

A review of budgetary procedure and control over expenditure with regard to two selected grants *i.e.* 9 – Food Supplies and Consumer Welfare Department and 28 – Rural Development Department, was conducted, wherein the magnitude of variations in original grants, supplementary demands and actual expenditure were analysed.

#### 3.5.1 Grant No. 9: Food Supplies and Consumer Welfare Department

##### (i) Introduction

Grant No. 09 includes Major Heads 2408 – Food Storage and Warehousing, 2435 – Other Agriculture Programmes, 3451 – Secretariat - Economic Services, 3456 – Civil Supplies, 3475 – Other General Economic Services, 4408 – Capital Outlay on Food Storage and Warehousing and 5475 – Capital Outlay on Other General Economic Services.

##### (ii) Budget and Expenditure

The overall position of budget provisions, actual disbursements and savings, under the grant, for the last three years (FYs 2021-22 to 2023-24), is given in **Table 3.13**.



**Table 3.13: Budget provision vis-à-vis Expenditure**

(₹ in crore)

Year	Section	Budget Provision	Total	Expenditure	Unutilized provision and its percentage
2021-22	Revenue-Original (V )	1,081.66	2,222.95	2,191.25	31.70 (2.93)
	Supplementary	1,141.29			
	Revenue-Original (C)	0	0	0	0
	Supplementary	0			
	Capital-Original (V)	16.02	16.02	3.85	12.17 (75.77)
	Supplementary	0			
	Capital-Original (C)	0	0	0	0
	Supplementary	0			
<b>Total</b>		<b>2,238.97</b>	<b>2,238.97</b>	<b>2,195.10</b>	<b>43.87 (1.96)</b>
2022-23	Revenue-Original (V )	1,201.85	1,369.94	1,347.69	22.25
	Supplementary	168.08			
	Revenue-Original (C)	0	0	0	0
	Supplementary	0			
	Capital-Original (V)	3.50	3.50	3.06	0.44
	Supplementary	0			
	Capital-Original (C)	0	0	0	0
	Supplementary	0			
<b>Total</b>		<b>1,373.44</b>	<b>1,373.44</b>	<b>1,350.75</b>	<b>22.69 (1.65)</b>
2023-24	Revenue-Original (V )	3,227.09	3,694.01	2400.62	1,293.39 (35.01)
	Supplementary	466.92			
	Revenue-Original (C)	0	0	0	0
	Supplementary	0			
	Capital-Original (V)	2.86	14.96	14.85	0.11 (0.74)
	Supplementary	12.10			
<b>GRAND TOTAL</b>		<b>3,708.97</b>	<b>3,708.97</b>	<b>2,415.47</b>	<b>1,293.50 (34.87)</b>

Source: Appropriation Accounts for FYs 2021-22 to 2023-24, Government of Odisha

**(iii) Entire provision remaining unutilised**

It was observed that in two cases the entire provision remained unutilised as shown in **Table 3.14**, indicating non-implementation of schemes.

**Table 3.14: Entire provision (₹ one crore or more) remaining unutilised under Grant No. 9**

(₹ in crore)

Sr. No.	Head of Account	Scheme	Original Budget	Re-appropriations	Savings	Total unutilised amount	Percentage of unutilised amount
1	2408-01-102-3765	SMART PDS	1.55	(-) 1.55	-	1.55	100
2	2408-01-101-0342	District Forum	2.17	(-) 2.17	-	2.17	100

Source: Appropriation Accounts for FY 2023-24, Government of Odisha

**(iv) Unnecessary 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 current financial year is over. 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.

Audit analysis showed that supplementary provisions of ₹466.92 crore (Revenue-Voted) during FY 2023-24 proved unnecessary, as the expenditure of ₹2,400.62 crore did not come up even to the level of original provision of ₹3,227.09 crore.

**(v) Unrealistic re-appropriation of funds**

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit, where additional funds are needed. During FY 2023-24, it was observed that in one scheme, re-appropriation orders were not realistic, as there were savings of ₹1,268.47 crore even after expenditure of ₹361.53 crore, as detailed in **Table 3.15**.

**Table 3.15: Unrealistic re-appropriation under Grant No. 09**

(₹ in crore)

Sl. No.	Number and Name of grant/head of Account	Original grant	Supplementary grant	Re-appropriation	Total	Expenditure	Savings (-)/ Excess (+)
1	2408-01-102-2799-Public Distribution System	2,631.30	0	(-)1,000.80	1,630.50	361.53	(-)1,268.47
<b>TOTAL</b>		<b>2,631.30</b>	<b>0</b>	<b>(-)1,000.80</b>	<b>1,630.50</b>	<b>361.53</b>	<b>(-)1,268.47</b>

Source: Appropriation Accounts for FY 2023-24, Government of Odisha

**3.5.1.1 Programme Implementation**

Status of financial and physical targets and achievements of the schemes mentioned in **Table 3.16**, was test-checked in Audit.

**Table 3.16: Achievements against financial and physical targets**

Sl. No.	Head of Accounts	Financial Targets (₹ in crore)			Physical Targets v/s Achievements			Reasons stated by the department for non-achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
1	<b>Name of the Scheme: District Forum</b> - The scheme is for digitisation and documentation, salaries of staff <i>etc.</i> in 31 district forums of the State.							

Sl. No.	Head of Accounts	Financial Targets (₹ in crore)			Physical Targets v/s Achievements			Reasons stated by the department for non-achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
(i)	2408-01-101-0342	15.18	10.16	5.02	No data for physical target and achievement maintained.			Amount surrendered after meeting actual requirement.
<b>Audit Comment:</b> It can be seen that only 66.93 <i>per cent</i> of allotted fund were utilised. The reason cited by the Department for non-utilisation and surrender of funds of ₹5.02 crore is not tenable, as the Department had overestimated requirement of funds, in contravention of Odisha Budget Manual. Further, non-maintenance of data on physical and financial achievements is indicative of poor monitoring of implementation of the scheme.								
<b>2</b>	<b>Name of the Scheme: Procurement and Supply</b> - The scheme is for Upgradation of computer facilities and computer consumables <i>etc.</i> in the Department.							
(i)	2408-01-101-1162	44.65	41.37	3.28	No data for physical target and achievement maintained.			No specific reason furnished by the Department
<b>Audit Comment:</b> Surrender of funds of ₹3.28 crore indicates that estimation of funds by the Department was incorrect and the Department had overestimated requirements, in contravention of Odisha Budget Manual								
<b>3</b>	<b>Name of the Scheme: Public Distribution System</b> - The scheme is covered under the National Food Securities Act (NFSA). Under the scheme, rice is supplied free of cost to beneficiaries in the State.							
(i)	2408-01-101-2799	2.17	0	2.17	3,26,41,800 beneficiaries	3,26,01,346 beneficiaries	40,454 beneficiaries	The selection of the eligible beneficiaries under NFSA is dynamic in nature. Amount surrendered after meeting the actual requirement.
(ii)	2408-01-102-2799	2,631.30	361.53	2,269.77				
(iii)	2408-01-789-2799	418.36	413.54	4.82				
(iv)	2408-01-796-2799	476.22	470.68	5.54				
	<b>Total</b>	<b>3,528.05</b>	<b>1,245.75</b>	<b>2,282.3</b>				
<b>Audit Comment:</b> It can be seen that only 35.31 <i>per cent</i> allotted funds were utilised. Due to non-optimal use of funds, the objective of the scheme could not be achieved in full and beneficiaries were deprived of the benefits of the scheme. Reason stated by the Department is not tenable, as selection and preparation of the beneficiaries' list had to be chalked out before Budget Estimate.								

*Source: Information furnished by Food Supplies and Consumer Welfare Department, Government of Odisha*

### 3.5.1.2 Discrepancy of ₹9.57 lakh due to non-reconciliation between bank balance and cash book balance

Reconciliation of bank account figures with those of 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. During the course of audit of Food Supplies and Consumer Welfare Department, it was found that there was a discrepancy of ₹9.57 lakh between cash book balance (₹12.64 lakh) and pass book (₹3.07 lakh), as of 31 March 2024. This was due to un-cleared Bank Drafts and advances given to employees remaining unadjusted for more than 12 years.

The Department stated that steps were being taken to adjust advance amounts and un-cleared Bank drafts. The reply (August 2024) of the Government is not tenable as the matter had remained pending for more than 12 years and no action had been taken till date.

**3.5.1.3 Under/Non utilisation of Scheme Funds**

Scrutiny of sanction orders, expenditure documents, Utilisation Certificates etc. revealed that, as against the sanctioned amount of ₹53.81 crore, no expenditure was incurred in respect of four out of five sanction orders till the end of financial year 2023-24. The details are given in **Table 3.17**.

**Table 3.17: Details of under/non-utilisation of funds**

(₹ in crore)

Sl. No.	Sanction No. /Date	Sanctioned Amount	Utilisation Amount	Balance	Purpose of the sanction of funds
1	9527/11.06.2020	12.03	9.41	2.62	Digitization of Ration Cards/Replacement of Ration Cards
2	10433/23.07.2021	13.00	0	13.00	
3	7766/26.05.2022	8.03	0	8.03	
4	17365/16.11.2022	8.03	0	8.03	
5	9016/FSCW/25.05.2023	12.72	0	12.72	
<b>TOTAL</b>		<b>53.81</b>	<b>9.41</b>	<b>44.4</b>	

Source: Information furnished by Food Supplies and Consumer Welfare Department, Government of Odisha

The Department attributed (August 2024) non-utilisation of funds to non-submission of UCs. The reply is not tenable as under/non-utilisation of funds defeated the purpose of sanction of funds for Digitization of Ration Cards/replacement of Ration Cards .

**3.5.2 Grant No. 28: Rural Development Department**

**(i) Introduction**

Grant No. 28 – Rural Development includes Major Heads 2059 - Public Works, 2216 - Housing, 2230 – Labour and Employment, 3054 – Roads and Bridges, 3451 – Secretariat-Economic Services, 4059 - Capital Outlay on Public Works, 4216 - Capital Outlay on Housing and 5054 - Capital Outlay on Roads and Bridges.

**(ii) Budget and Expenditure**

The overall position of budget provisions, actual expenditure and savings, under the grant, for the last three years (FYs 2021-22 to 2023-24), is given in **Table 3.18**.

Table 3.18: Budget provision vis-à-vis Expenditure

(₹ in crore)

Year	Section	Budget Provision	Total	Expenditure	Unutilised provision and its percentage
2021-22	Revenue-Original (V)	1,335.49	1,576.84	1,290.48	286.36 (18.16)
	Supplementary	241.35			
	Revenue-Original (C)	0	0	0	0
	Supplementary	0			
	Capital-Original (V)	4,153.10	4,488.90	2,532.08	1,956.83 (43.59)
	Supplementary	335.80			
	Capital-Original (C)	0.50	0.50	0	0.50 (100)
	Supplementary	0			
<b>GRAND TOTAL</b>		<b>6,066.24</b>	<b>6,066.24</b>	<b>3,822.56</b>	<b>2,243.69 (36.99)</b>
2022-23	Revenue-Original (V)	1,583.95	1,584.21	1,444.12	140.09 (8.84)
	Supplementary	0.26			
	Revenue-Original (C)	0	0	0	0
	Supplementary	0			
	Capital-Original (V)	5,382.18	5,934.18	4,704.53	1,229.65 (20.72)
	Supplementary	552.00			
	Capital-Original (C)	0.50	0.50	0.50	0.00
	Supplementary	0			
<b>GRAND TOTAL</b>		<b>7,518.89</b>	<b>7,518.89</b>	<b>6,149.15</b>	<b>1369.74 (18.22)</b>
2023-24	Revenue-Original (V)	1,725.00	2,064.02	1,992.91	71.11 (3.45)
	Supplementary	339.02			
	Revenue-Original (C)	0	0	0	0
	Supplementary	0			
	Capital-Original (V)	5,775.00	6,333.05	5,205.64	1,127.41 (17.80)
	Supplementary	558.05			
	Capital-Original (C)	0.50	0.50	0	0.50 (100)
	Supplementary	0			
<b>GRAND TOTAL</b>		<b>8,397.57</b>	<b>8,397.57</b>	<b>7,198.55</b>	<b>1,199.02 (14.28)</b>

Source: Appropriation Accounts of respective years

### (iii) Persistent savings

It was observed that substantial portions of the budget allocation had remained unutilised under 13 schemes, under Grant No. 28 – Rural Development, during FYs 2021-22 to 2023-24, indicating non-achievement of the projected financial outlays in the respective years, as shown in **Table 3.19**.

Table 3.19 Persistent savings under Grant No. 28

(₹ in crore)

Sl. No.	Head of Account	2021-22	2022-23	2023-24
1	2059-01-053-0853 - Maintenance of Buildings under Chief Engineer, Rural Works	15.19 (19.28)	9.78 (10.84)	10.60 (9.34)

Sl. No.	Head of Account	2021-22	2022-23	2023-24
2	3054-04-338-2583 - Maintenance of Roads and Bridges constructed under Pradhan Mantri Gram Sadak Yojana (PMGSY)	200.00 (47.40)	100.00 (100)	41.08 (41.08)
3	4059-01-051-2148 - Construction of Buildings - Rural Development Department	24.80 (58.21)	14.61 (48.22)	14.42 (44.10)
4	4216-01-106-2148 - Construction of Buildings-Rural Development Department	5.42 (50.19)	2.03 (16.91)	4.10 (29.71)
5	5054-04-101-2161 - Rural Infrastructure Development Fund (RIDF)	165.95 (19.59)	148.24 (33.61)	147.42 (44.67)
6	5054-04-337-1230 - Rural Roads	165.40 (39.93)	432.23 (75.62)	265.28 (40.19)
7	5054-04-101-3526 - Construction of Check dams/Bridge cum-weirs across the State on small bridges resting on raft foundation	17.21 (95.61)	2.85 (12.50)	24.64 (82.13)
8	5054-04-337-2373 - Miscellaneous Works - Expenditure for Roads	4.09 (35.57)	4.50 (20.45)	4.30 (19.11)
9	5054-80-789-1230 - Rural Roads	34.13 (33.07)	99.01 (61.14)	71.00 (37.97)
10	5054-80-796-1230 - Rural Roads	58.19 (41.68)	146.45 (66.84)	97.61 (38.58)

Source: Appropriation Accounts of respective years  
(Figures in parenthesis indicate percentage of total provisions)

**(iv) Entire provision remaining unutilised**

It was observed that the entire budget provision had remained unutilised under two schemes, during FY 2023-24, indicating non-implementation of schemes, as shown in **Table 3.20**.

**Table 3.20: Entire provision (₹ one crore or more) remaining unutilised**

(₹ in crore)

Sl. No.	Head of Account	Original budget	Re-appropriations	Provision remaining unutilised
1	4059-01-051-3399- Re-constructions / renovation of Government Buildings affected by natural calamities	1.50	(-) 1.50	1.50
2	4216-01-106-3399- Re-constructions / renovation of Government Buildings affected by natural calamities	1.00	(-) 1.00	1.00

Source: Appropriation Accounts for FY 2023-24, Government of Odisha

**(v) Unnecessary 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. 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, is to propose to the Finance Department, for supplementary or additional grant or appropriation.

Audit analysis showed that supplementary provisions of ₹1.94 crore, during FY 2023-24, proved unnecessary, as the expenditure of ₹156.52 crore did not come up even to the level of original provision of ₹164.21 crore, as shown in the **Table 3.21**.

**Table 3.21: Unnecessary supplementary grants under Grant No. 28**

(₹ in crore)

Sl. No.	Head of Account	Original Budget	Supplementary	Actual expenditure	Savings out of the Original provision
1	2059-80-001-0453-Executive Engineer, Rural Works-Establishment charges	143.31	1.78	137.62	5.69
2	2059-80-001-0141-Chief Engineer, Rural Works-Office Establishment	13.08	0.02	12.55	0.53
3	3451-00-090-1224-Rural Development Department	7.82	0.14	6.35	1.47
<b>TOTAL</b>		<b>164.21</b>	<b>1.94</b>	<b>156.52</b>	<b>7.69</b>

Source: Appropriation Accounts for FY 2023-24, Government of Odisha

(vi) Programme implementation

Status of financial and physical targets and achievements under the schemes mentioned in **Table 3.22**, was test-checked in Audit.

**Table 3.22: Achievements against financial and physical targets**

Sl. No.	Head of Accounts	Financial Targets (₹ in crore)			Physical Targets v/s Achievements (in numbers)			Reasons stated by department for non-achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
<b>1</b>	<b>Name of the Scheme: Construction of Bridges under Biju Setu Yojana:</b> The scheme is to provide all-weather connectivity to the rural areas of the State.							
(i)	5054-04-General (101,789,796)	1350	1,169.1	180.90	84	40 (47.60 per cent)	44 (52.40 per cent)	Land issue, non-shifting of electric pole and unseasonal rainfall.
<b>Audit Comment:</b> It can be seen that only 47.60 per cent physical target was achieved. The reasons cited by the Department are not acceptable, due to the fact that preparatory work before seeking funds, was not done. As a result, the objective of the scheme could not be achieved fully.								
<b>2</b>	<b>Name of the Scheme: Pradhan Mantri Gram Sadak Yojana:</b> This is a GoI sponsored scheme with sharing pattern of 60:40 between GoI and State Government. This scheme aims to provide all-weather connectivity to all unconnected habitations in rural areas of the State.							
(i)	5054-04-337-1077	2,055.41	1,946.59	108.82	40 roads 2 Bridges	Nil	40 roads 2 Bridges	Tendering under process.

Sl. No.	Head of Accounts	Financial Targets (₹ in crore)			Physical Targets v/s Achievements (in numbers)			Reasons stated by department for non-achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
<b>Audit Comment:</b> The reply is not tenable as due to delay in finalization of tender, the target could not be achieved and thus the beneficiaries were deprived of the intended benefits. Also, utilisation of funds despite non-achievement of target indicated that funds were used for the on-going projects of previous years.								
<b>3</b>	<b>Name of the Scheme: Construction of Buildings:</b> The objective of the scheme is to provide connectivity to unconnected rural habitations and maintain rural roads and government buildings in rural areas.							
(i)	4059-01-051-2148	32.70	18.28	14.42	35 nos.	21 nos.	14 nos.	Due to non-availability of land in time
(ii)	4216-01-106-2148	13.80	9.70	4.10	29 nos.	12 nos.	17 nos.	
	<b>Total</b>	<b>46.50</b>	<b>27.98</b>	<b>18.52</b>	<b>64 nos.</b>	<b>33 nos.</b>	<b>31 nos.</b>	
<b>Audit Comment:</b> It can be seen that only 60.17 per cent allotted funds were utilised. Due to non-optimal use of funds, the objective could not be achieved in full. The Department attributed non-achievement of both financial and physical targets under the schemes to non-availability of land in time. The reply of the Department is not tenable, as land availability should have been ensured before implementation of the scheme.								
<b>4</b>	<b>Name of the Scheme: Construction of Check dams/Bridge-cum-weirs:</b> The objective of the scheme is to construct Check dams/Bridge-cum-weirs across the State, primarily on small bridges resting on raft foundation.							
(i)	5054-80-789-3526	8.50	2.81	5.69	2 bridge-cum-weirs	2 bridge-cum-weirs	Nil	All new projects awarded almost at the fag end of the financial year.
(ii)	5054-80-796-3526	11.50	3.35	8.15				
(iii)	5054-04-101-3526	30.00	5.36	24.64				
	<b>Total</b>	<b>50.00</b>	<b>11.52</b>	<b>38.48</b>				
<b>Audit Comment:</b> It can be seen that only 23.04 per cent allotted funds were utilised. The Department stated that new projects were awarded at the fag end of the financial year. The reply is not tenable, as non-timely award of work defeated the purpose of the scheme.								
<b>5</b>	<b>Name of the Scheme: Roads under RIDF (NABARD) -</b> The objective of the scheme is construction of good road connectivity with NABARD Loan Assistance through RIDF.							
(i)	5054-04/80-800/789/796-2161-37107-Roads under RIDF (NABARD)	110.00	77.81	32.19	8 roads 44.45 Kms	5 roads 29.26 Kms	3 roads 15.19 Kms	As per actual execution, due to General Elections to Lok Sabha, 2024
<b>Audit Comment:</b> It can be seen that 70.74 per cent funds were utilised. Out of eight roads, only five roads have been completed. The reply of the Government is not tenable as the General Elections to Lok Sabha and State Legislative Assembly, 2024 were held in the month of May 2024, whereas the expenditure was required to be incurred till the end of March 2024.								
<b>6</b>	<b>Name of the Scheme: Mukhya Mantri Sadak Yojana (MMSY) Rural Infrastructure Development Fund (RIDF) –</b> The objective of the scheme is to provide all weather connectivity to the unconnected habitations, irrespective of any population.							
	28-5054-04/80-337/789/796-2161-37286 MMSY (RIDF)	560.00	494.06	65.94	226 roads 1421.71 Kms	204 roads 1348.18 Kms	22 roads 73.53 Kms	As per actual execution, due to General Elections to Lok Sabha, 2024



Sl. No.	Head of Accounts	Financial Targets (₹ in crore)			Physical Targets v/s Achievements (in numbers)			Reasons stated by department for non-achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
<b>Audit Comment:</b> It can be seen that 88 per cent funds were utilised. Out of 226 roads, only 204 roads have been completed. The reply of the Government is not tenable as General Elections to Lok Sabha and State Legislative Assembly, 2024 were held in the month of May 2024, whereas the expenditure was required to be incurred till the end of March 2024.								
7	<b>Name of the Scheme: MMSY (Non RIDF)</b> - The objective of the scheme is to provide all-weather connectivity to unconnected habitations which are not covered under PMGSY or any other Scheme.							
	28-5054-04/80-337/789/796-1230-37286 MMSY (Non RIDF)	37.00	24.20	12.80	20 roads  150.62 Kms	14 roads  94.82 Kms	6 roads  55.80 Kms	As per actual execution, due to General Elections to 2024
<b>Audit Comment:</b> It can be seen that 65.40 per cent funds were utilised. Only 14 out of 20 roads have been completed. The reply of the Government is not tenable as General Elections to Lok Sabha and State Legislative Assembly, 2024 were held in the month of May 2024, whereas the expenditure was required to be incurred till the end of March 2024. Thus, full benefits of the scheme could not be realised.								
8	<b>Name of the Scheme: Transferred Road Improvement Programme (TRIP) (under RIDF)</b> - The objective of the scheme is improvement of rural roads which were transferred during 2021-22 from the Panchayati Raj Department/ Water Resources Department to Rural Development Department.							
	28-5054-04/80-337/789/796-2161-37342 TRIP (RIDF)	330.00	272.53	57.47	107 roads  512.4 Kms	97 roads  429.05 Kms	10 roads  83.35 Kms	As per actual execution, due to General Elections to Lok Sabha, 2024
<b>Audit Comment:</b> It can be seen that 82.58 per cent funds were utilised and 97 out of 107 roads had been completed. The reply of the Government is not tenable as General Elections to Lok Sabha and State Legislative Assembly, 2024 were held in the month of May 2024, whereas the expenditure was required to be incurred till the end of March 2024.								
9	<b>Name of the Scheme: Transferred Road Improvement Programme (TRIP) (Non RIDF)</b> - The scheme is meant for improvement of newly taken up Panchayat Roads.							
	28-5054-04/80-337/789/796-1230-37342 TRIP (Non RIDF)	328.00	284.77	43.23	0	0	0	As per actual execution, due to General Elections to Lok Sabha, 2024
<b>Audit Comment:</b> It can be seen that no data is available regarding physical target and achievement. This is an indicative of lack of monitoring of the scheme by the Department. Reasons for partial utilisation of funds is not tenable as the General Elections to Lok Sabha and State Legislative Assembly, 2024 were held in the month of May 2024, whereas the expenditure was required to be incurred till the end of March 2024.								
10	<b>Name of the Scheme: Improvement to Existing RD roads</b> – The objective of the scheme is to improve important roads with increased traffic, important connectivity, damaged roads that are beyond economic repair and new Panchayat Samiti roads that have been handed over to Rural Development Department.							
	28-5054-04/80-337/789/796-1230-37247 Improvement to Existing RD roads	325.67	97.98	227.69	47 roads  238.16 Kms	39 roads  189.19 Kms	8 roads  48.97 Kms	As per actual execution, due to General Elections to Lok Sabha, 2024
<b>Audit Comment:</b> It can be seen that only 30 per cent of funds were utilised. Eight out of 47 roads remained incomplete. The reply of the Government is not tenable because General Elections to Lok Sabha and State Legislative Assembly 2024, were held in the month of May 2024, whereas the expenditure was required to be incurred till the end of March 2024.								
11	<b>Name of the Scheme: CMRL (Connecting Missing Road Links)</b> - The scheme is meant to bridge the gap of Inter State, Inter District and Inter Block as well as missing links between neighbouring States, Districts and Blocks, thereby restoring all weather connectivity.							

Sl. No.	Head of Accounts	Financial Targets (₹ in crore)			Physical Targets v/s Achievements (in numbers)			Reasons stated by department for non- achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
	28-5054-04/80-337/789/796-1230-37341 CMRL (Connecting Missing Road Links)	304.00	249.89	54.11	34 roads  109.73 Kms	32 roads  96.78 Kms	2 roads  12.95 Kms	As per actual execution, Due to General Elections to Lok Sabha, 2024
<b>Audit Comment:</b> It can be seen that 82 per cent funds were utilised. 32 out of 34 roads have been completed. The reply of the Government is not tenable as General Elections to Lok Sabha and State Legislative Assembly, 2024 were held in the month of May 2024, whereas the expenditure was required to be incurred till the end of March 2024. This resulted in beneficiaries being deprived of benefits of improvement of road of Kamarsalia to Adinaga under Jaleswar and road from Dumbaguda to Toreighat via Hatimunda in Koraput district.								
12	<b>Name of the Scheme: CUVDA (Connection of Unconnected Villages in Difficult Areas )</b> - The objective of the scheme is to provide all weather connectivity to the unconnected habitations/ villages especially in Left-wing extremist (LWE) districts of the State and to upgrade the existing village road network with any population.							
	28-5054-04-800/789/796-1230-37343 CUVDA (Connection of Unconnected Villages in Difficult Areas)	209.00	129.69	79.31	17 roads  83.83 Kms	16 roads  74.83 Kms	1 roads  9.00 Kms	As per actual execution, due to General Elections to Lok Sabha, 2024
<b>Audit Comment:</b> The reply of the Government is not tenable as General Elections to Lok Sabha and State Legislative Assembly 2024 were held in the month of May 2024, whereas the expenditure was required to be incurred till the end of March 2024. Due to partial utilisation of funds, the road from Jaddapani to Taila could not be completed, depriving beneficiaries of the intended benefits of road connectivity.								
13	<b>Name of the Scheme: Completion of Incomplete Road and Bridges</b> - The objective of the scheme is to complete the incomplete roads and bridges under different tranches of RIDF and other schemes.							
	28-5054-04/80-337/789/796-1230-37158 Completion of Incomplete Road & Bridges	23.00	9.28	13.72	11 roads  71.18 Kms	6 roads  44.96 Kms	5 roads  26.22 Kms	As per actual execution, due to General Elections to Lok Sabha, 2024
<b>Audit Comment:</b> It can be seen that 60 per cent funds were not utilised, depriving the beneficiaries to that extent. The reply of the Government is not tenable as General Elections to Lok Sabha and State Legislative Assembly 2024 were held in the month of May 2024, whereas the expenditure was required to be incurred till the end of March 2024.								

Source: Information furnished by Rural Development Department, Government of Odisha

### 3.5.3 Contingency Fund

The Contingency Fund of Government of Odisha was established under the Odisha Contingency Fund Act, 1967, and the State Government made the Odisha Contingency Fund Rules, 1967 for regulating all matters connected with or ancillary to the custody of payment of monies into and the withdrawal of monies from the Contingency Fund of the State of Odisha for meeting unforeseen expenditure. The fund is recouped when the State Legislature authorises the additional expenditure. The corpus of the Fund is ₹400 crore.

### 3.5.3.1 Advance from Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable.

During 2023-24, an amount of ₹274.34 crore was withdrawn as an advance by three Departments (School and Mass Education, Co-operation and Finance) from the Contingency Fund in respect of seven schemes/programmes. The amounts were not recouped till the end of the FY 2023-24. Major Head wise details of the expenditure incurred, are given in **Table 3.23**.

**Table 3.23: Major Head-wise Expenditure.**

(₹ in crore)

Sl. No.	Major Heads	Amount
1	2202-General Education	117.73
2	4059-Capital Outlay on Public Works	93.56
3	4216-Capital Outlay on Housing	62.91
4	2425-Co-operation	0.14
<b>TOTAL</b>		<b>274.34</b>

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

Details of schemes in which amounts were withdrawn as advances from the Contingency Fund, are given in **Table 3.24**.

**Table 3.24: Details of schemes in which amount was withdrawn as an advance from Contingency Fund**

(₹ in crore)

Sl. No.	Nomenclature of the scheme	Date of sanction	Original budget	Supplementary budget	Total	Expenditure	Savings/ Excess	Advance from Contingency fund
1	Demand No. 10-2202 - 01-112-3581- State Support for PM POSHAN	06.06.2023	52.50	83.85	136.35	76.31	60.04	60.04
2	Demand No. 10-2202 - 01-789-3581-State Support for PM POSHAN	06.06.2023	19.77	31.57	51.34	28.73	22.61	22.61
3	Demand No. 10-2202 - 01-796-3581-State Support for PM POSHAN	06.06.2023	30.68	48.99	79.67	38.73	40.94	35.08
4	Demand No. 05-4059-60 -051- 3478 -37114 Major Works	16.01.2024	0	0	0	0	0	93.56
5	Demand No. 05-4216-01-106- 3478 -37265 (Construction of residential buildings)	16.01.2024	0	0	0	0	0	62.91
6	Demand No. 34-2425-00-107-3837- Computerization of the Office of Registrar of Cooperative Societies-78768	28.03.2024	0	0	0	0	0	0.08

Sl. No.	Nomenclature of the scheme	Date of sanction	Original budget	Supplementary budget	Total	Expenditure	Savings/ Excess	Advance from Contingency fund
7	Demand No. 34-2425-00-107-3837-78769- State Share of CSS (₹ 5,73,000)	28.03.2024	0	0	0	0	0	0.06
<b>TOTAL</b>			<b>102.95</b>	<b>164.41</b>	<b>267.36</b>	<b>143.77</b>	<b>123.59</b>	<b>274.34</b>

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

From the table, it can be seen that:

- Under Demand No. 10, at Sl. No. 1 to 3, against the provision of ₹267.36 crore, only ₹143.77 crore was spent, remaining balance of ₹123.59 crore was surrendered. Despite this, withdrawal amount of ₹117.73 crore from Contingency Fund in respect of these three schemes sanctioned during June 2023, was not even recouped during the supplementary budget.
- Under Demands No. 5 and 34, the funds of ₹156.61 crore were withdrawn for Computerization of the Office of Registrar of Cooperative Societies and for construction of Government Residential Buildings and other buildings. It was found that no provision for the same had been done under the relevant schemes either in the original budget or in the supplementary budget. However, advance was withdrawn from Contingency Fund during January 2024 and end of March 2024. The amounts withdrawn from the Contingency Fund remained unutilised at the end of March 2024, indicating that the amount was not required for any emergent purposes.

Drawal of funds from the Contingency Fund for non-emergent purposes, which ultimately remained unutilised and non-recoupment of the same during the financial year, violates the provisions of the Odisha Contingency Fund Act, 1967.

### 3.6 Review of Specific Budgets

Women, children, environment, forest and climate change are among the most important areas requiring attention and public funds meant for them, require more attention, transparency and a concerted approach. Odisha prepares a Gender Budget, Child Welfare Budget and Green Budget.

The Gender Budget and Child Welfare Budget were reviewed in Audit and the findings are discussed in the succeeding paragraphs.

#### 3.6.1 Review of Gender Budget

‘Gender Budgeting’ (GB) is an important step for mainstreaming gender in the design, implementation and evaluation of financial allocations, across all government expenditures. This broadly indicates the significance of translating gender commitments into budgetary commitments.

GoI presented the Gender Budget for the first time in Budget 2005-06. In line with Government of India’s steps for achieving gender equality, Government of Odisha developed its first Gender Budget Statement (GBS) in FY 2012-13, focusing on women specific schemes and programmes. The Women and Child Development Department acts as the nodal department to co-ordinate and monitor the schemes under this budget. An overview of the Gender Budget, for the last three years (FYs 2021-22 to 2023-24), is presented in **Table 3.25**.

**Table 3.25: Total resources allotted under Gender Budget**

(₹ in crore)

Details	2021-22	2022-23	2023-24
Outlay for women (BEs)	49,145.94	56,846.81	61,830.64
Total size of State Budget (BEs)	1,75,890.24	2,06,876.35	2,39,353.48
Share outlay for women in the State Budget ( <i>per cent</i> )	27.94	27.48	25.83
GSDP	6,97,013	7,59,560	8,53,524
Outlay for women as percentage of GSDP	7.05	7.48	7.24

(Source: Gender Budget for FYs 2021-22 to 2023-24, Department of Finance, Govt. of Odisha)

☺ During FY 2023-24, an amount of ₹61,830.64 crore was allotted for Gender Budget (B.E.) for 542 schemes under 34 Departments (out of 44 Grants). Out of these 542 schemes, only 102 schemes, categorized as Category A<sup>36</sup>, were designed to specially benefit women (100 *per cent* for benefit of women: ₹ 5,783.70 crore for 102 schemes). The remaining 440 schemes were categorized as Category B<sup>37</sup>, wherein more than 30 *per cent* but less than 100 *per cent* of funds are earmarked for development, welfare and empowerment of women and girls (at least 30 *per cent* for benefit of women: ₹ 56,046.94 crore for 440 schemes).

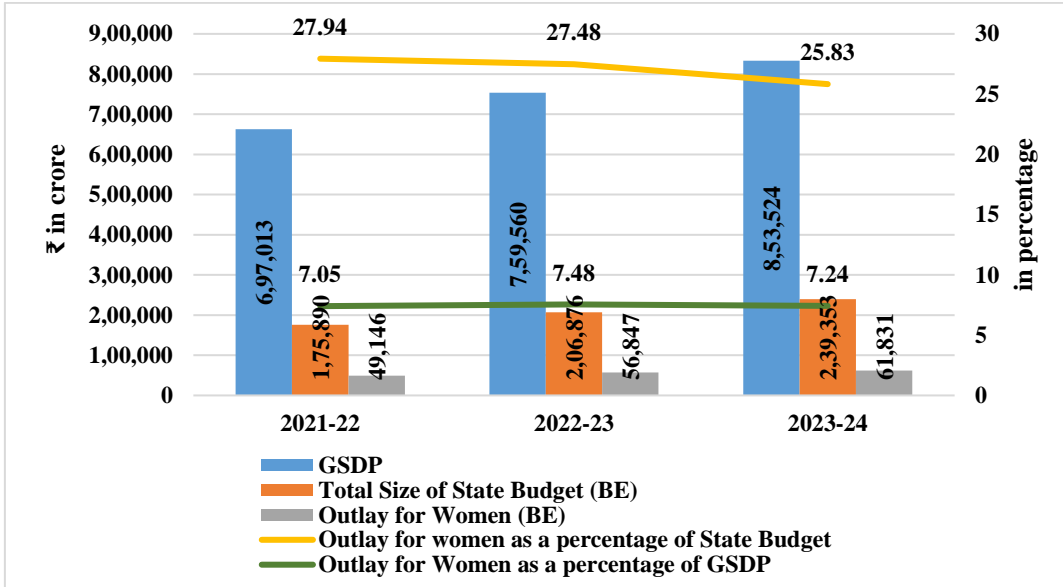
The actual utilisation was ₹ 59,201.90 crore (95.75 *per cent*) for 542 schemes, (₹ 5,299.65 crore under Category A and ₹ 53,902.25 crore under Category B), during FY 2023-24.

**Chart 3.9** highlights the percentages of gender budgets in relation to the GSDP, as also the total budgets, during FYs 2021-22 to 2023-24.

<sup>36</sup> Category A schemes: Schemes under which 100 per cent allocation earmarked for development, welfare and empowerment of women and girls

<sup>37</sup> Category B schemes: Schemes under which more than 30 per cent but less than 100 per cent of funds are earmarked for development, welfare and empowerment of women and girls

Chart 3.9: Gender Budgets as a percentage of the Budget and GSDP



(Source: Budget and Gender Budgets for FYs 2021-22 to 2023-24)

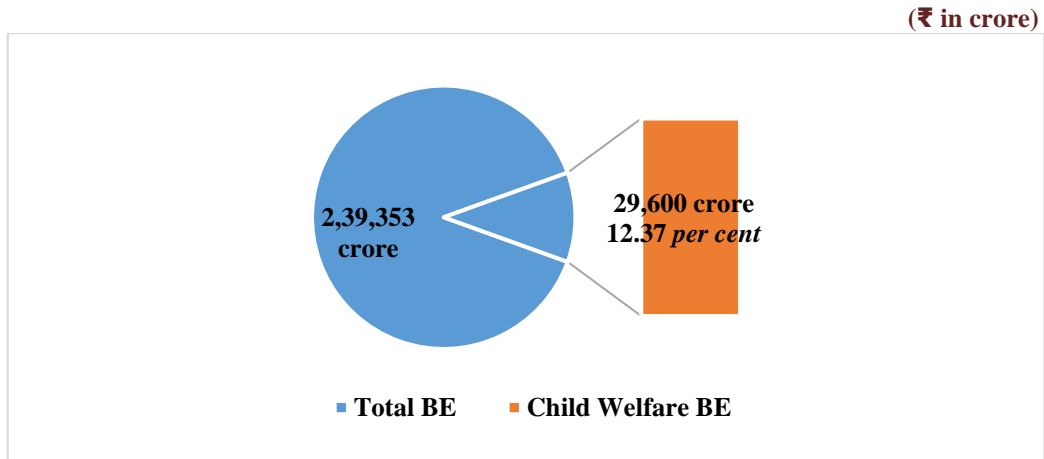
From **Chart 3.9**, it can be observed that:

- The share of the gender budget as a percentage of the total State Budget, in FY 2023-24 (BEs) was 25.83 *per cent*, registering a decrease of 1.65 *per cent* from 27.48 *per cent* in FY 2022-23.
- The overall gender budget (in absolute terms) increased from ₹ 56,847 crore in FY 2022-23 (BEs) to ₹ 61,831 crore in FY 2023-24 (BEs), registering an overall increase of 8.77 *per cent*.

### 3.6.2 Review of Child Welfare Budget

In Odisha, out of the total population of 4.20 crore, children below 18 years constitute about 34 *per cent*, which is almost one third of its total population. This is one of the most vulnerable segments of society and the State Government has to be committed to allocate public finances for their all-round development. In accordance with the United Nations Convention on the Rights of the Child (NCT) and the National Policy for Children, 2013, the Government of Odisha introduced its first Child Budget Statement in the fiscal year 2019-20. During the year 2023-24, a sum of ₹29,599.97 crore was earmarked (BEs) for the Child Budget, which was around 12.37 *per cent* of the total budget of the State.

Chart 3.10: Child Welfare Budget vis-à-vis Total Budget



(Source: Appropriation Accounts and Gender Budget for FY 2023-24)

Department-wise details of State Child Welfare Budget, from FYs 2021-22 to 2023-24, are shown in **Table 3.26**.

Table 3.26: Department-wise State Child Welfare Budget

(₹ in crore)

Grant No.	Name of the Department	2021-22 (Actual Expenditure)	2022-23 (BE)	2022-23 (RE)	2023-24 (BE)
1	Home	13.06	44.57	55.99	39.92
4	Law	0.03	0.16	0.16	0.16
7	Works	5.96	6.62	6.62	7.29
10	School and Mass Education	16,456.25	20,587.47	21,079.71	22,484.39
11	ST, SC & Minorities and Backward Classes Welfare	2,263.86	2,917.19	2,894.85	3,071.00
12	Health & Family Welfare	295.85	123.33	265.38	399.42
14	Labour and Employees' State Insurance	1.41	2.73	2.73	4.66
15	Sports and Youth Services	10.04	0.17	21.47	33.60
28	Rural Development	0.00	0.00	0.00*	0.00
36	Women and Child Development	2,764.32	3,456.59	3,189.37	3,370.12
38	Higher Education	21.75	35.06	36.83	42.91
41	Social Security & Empowerment of Person with Disability	63.47	72.65	93.23	141.50
42	Disaster Management	47.74	0.00	18.94	5.00
<b>TOTAL</b>		<b>21,943.74</b>	<b>27,246.54</b>	<b>27,665.28</b>	<b>29,599.97</b>

Source: Child Welfare Budgets of respective years, Government of Odisha

\*₹ 0.02 lakh RE and 0.02 lakh BE under RD Department

- ☸ The total budget on Child Welfare, through various child specific schemes and programmes, increased from ₹27,246.54 crore (BE) in FY 2022-23 to ₹29,599.97 crore in FY 2023-24 (BE).
- ☸ During FY 2023-24, the share of the Child Budget to the State Budget was 12.37 per cent and that of GSDP was 3.47 per cent.

The National Policy for Children, 2013, has classified public expenditure for children into four priority areas, which are: (i) child survival (ii) health and nutrition (iii) child education and development and (iv) child protection and child participation. Based on the National Policy for Children, 2013, child centric schemes and programmes of Odisha, have been classified into four sectors, viz. Development, Health, Education and Protection (DHEP)<sup>38</sup>.

The percentage share of child-centric expenditure, in terms of the sectoral distribution in regard to Development, Health, Education and Protection in Odisha, for FY 2023-24, is presented in **Table 3.27**.

**Table 3.27: Overview of Child Welfare Budget for FY 2023-24, as per the National Policy for Children, 2013**

(₹ in crore)			
Segment	No. of schemes	Amount allocated	Percentage
Education	170	25,523.96	86.23
Health	33	3,320.66	11.22
Development	25	429.14	1.45
Protection	21	326.21	1.10
<b>TOTAL</b>	<b>249</b>	<b>29,599.97</b>	<b>100</b>

(Source: Child Welfare Budgets FY 2023-24)

It can be observed from **Table 3.27** that:

- ☸ During FY 2023-24, there were 25 schemes/ programmes for Development, 33 for Health, 170 for Education and 21 for Protection.
- ☸ In FY 2023-24 (BE), 86.23 per cent of the share was concentrated in Education, followed by Health (11.22 per cent), Development (1.45 per cent), and Protection (1.10 per cent).

<sup>38</sup> (1) **Development:** ensure child development opportunity, with due regard to special needs (2) **Health:** ensure equitable access to comprehensive and essential preventive, promotive, curative and rehabilitative health care of the highest standard (3) **Education:** secure the right of every child to education, learning with regard to special needs and (4) **Protection:** create a caring, protective and safe environment for all children, to reduce their vulnerability in all situations and to keep them safe at all places.



### 3.7 Conclusion

Supplementary provisions were not made on a realistic basis in 15 cases (₹100 crore or more in each case) and were unnecessary, as the expenditure did not come up even to the level of original provision.

Excess expenditure of ₹269.34 crore for the period from FYs 2013-14 to 2023-24 (no excess expenditure during FYs 2019-20, 2021-22 and 2022-23), requires regularisation by the State Legislature.

The budgetary system of the State Government was not up to the mark, as the overall utilisation of budget was 77.63 *per cent* of the total grants and appropriations, during FY 2023-24. Under 32 schemes, there was approved outlay of ₹8,421.30 crore (₹50 crore or more in each scheme), but no expenditure was incurred.

There was rush of expenditure at the fag end of the year. In 25 Sub-Heads (16 Grants) the entire expenditure of ₹ 753.16 crore (exceeding ₹ 5 crore in each case of allocation of funds), had been incurred in the month of March 2024 alone.

### 3.8 Recommendations

- (i) Government should prepare realistic budget estimates, backed by correct assessment for availability of resources and potential to expend, to avoid large savings and supplementary provisions
- (ii) Government should ensure strict compliance with provisions of budget manual in the preparation of supplementary provisions and ensure transparency in estimation, for avoiding unnecessary supplementary provisions
- (iii) Government should adhere to quarterly targets, fixed for incurring expenditure through periodic monitoring, to avoid rush of expenditure towards the end of the year and utilisation of savings within the same grant/ appropriation through timely surrender.



**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 by the State Government. Compliance with financial rules, procedures and directives, as well as the timeliness and quality of reporting on the status of such compliance is an attribute 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.

## Issues related to completeness of accounts

### 4.1 Non-discharge of liability, in regard to interest towards interest bearing deposits/ Reserve Funds

The Government has a liability to provide and pay interest on the amounts, in the Interest-bearing Deposits/ Reserve Funds. Audit observed that ₹305.83 crore was required to be paid as interest on the balance of ₹3,218.91 crore, lying under interest bearing deposits/ Reserve Funds, as on 1 April 2023, as shown in **Table 4.1**. Non-payment of interest liability resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit to that extent.

**Table 4.1: Details of non-discharge of liability in regard to interest towards interest bearing deposits/ Reserve Funds**

(₹ in crore)

Funds/ Deposits	Balance on 1 April, 2023	Basis for calculation of interest	Interest due*	Interest paid	Interest short paid
State Disaster Response Fund (SDRF)	2,325.22	Interest calculated at 8.50 per cent, average rate paid on overdraft, as notified by RBI.	235.82	Nil	235.82
State Disaster Mitigation Fund (SDMF)	557.50	Interest calculated at 8.50 per cent, average rate paid on overdraft, as notified by RBI.	44.80	Nil	44.80
State Compensatory Afforestation Fund	317.78	Interest calculated at 3.35 per cent, as notified by Ministry of Environment and Forests.	24.01	Nil	24.01
Deposits of Government Companies, Corporations etc.	18.12	Interest calculated at 6.50 per cent average rate paid on Ways and Means, as notified by RBI.	1.18	Nil	1.18
Miscellaneous Deposits	0.29	Interest calculated at 6.50 per cent average rate paid on Ways and Means, as notified by RBI.	0.02	Nil	0.02
<b>TOTAL</b>	<b>3,218.91</b>		<b>305.83</b>	<b>Nil</b>	<b>305.83</b>

Source: Finance Accounts for FY 2023-24

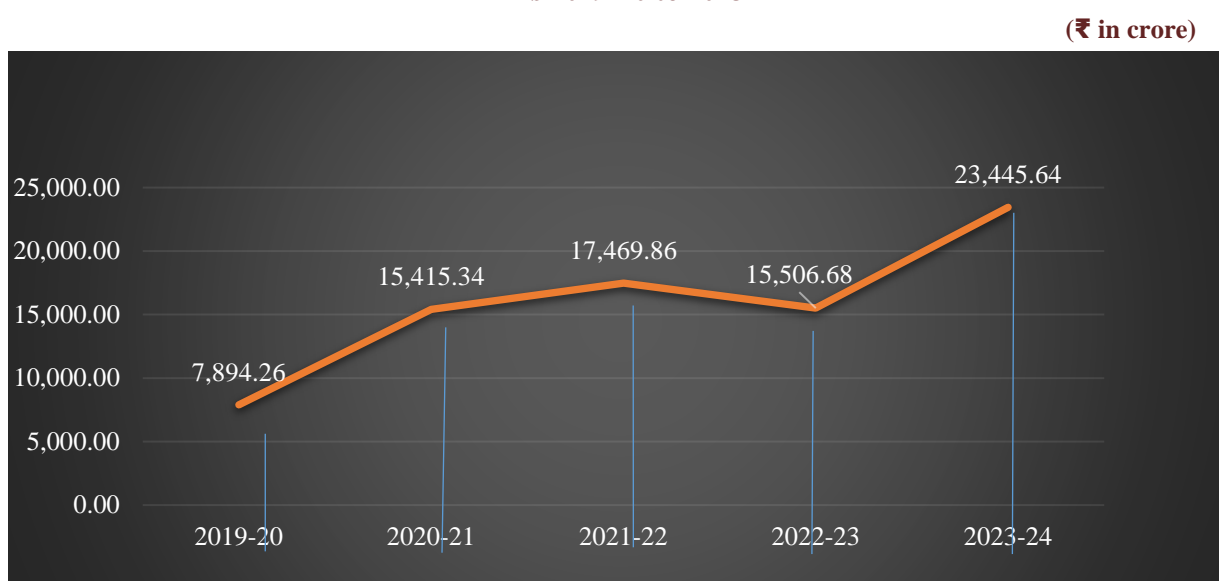
\* Interest computed on the progressive balances at the end of each month as per the applicable rates

## 4.2 Funds transferred directly to State Implementing Agencies

The Government of India (GoI) has been transferring sizeable funds directly to the State implementing agencies for implementation of various schemes. GoI decided to route these funds through the State Budget from FY 2014-15 onwards. However, during FY 2023-24, Central share of ₹23,445.64 crore, under 38 Central Schemes, as detailed in **Appendix 4.1**, was transferred directly to the Implementing Agencies, bypassing the Consolidated Fund of the State. This constituted 13.05 *per cent* and 111.58 *per cent* of total Revenue Receipts (₹1,79,593 crore) and Grants-in-Aid (₹21,011 crore) of the State, respectively.

Trends of such transfers, directly to the implementing agencies, during the last five years, are given in **Chart 4.1**.

**Chart 4.1: Transfer of funds directly to implementing agencies, during FYs 2019-20 to 2023-24**



Source: Finance Accounts for FY 2023-24 (Appendix VI)

As can be seen from **Chart 4.1**, the transfer of funds increased by 196.99 *per cent*, during the last five years, from ₹7,894.26 crore in FY 2019-20 to ₹23,445.64 crore in FY 2023-24. The major agencies that received funds directly from the GoI, during FYs 2021-22 to 2023-24, 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 FYs 2021-22 to 2023-24**

(₹ in crore)

Name of the Schemes of Government of India	Name of the Implementing Agencies	Amount transferred		
		2021-22	2022-23	2023-24
Food Subsidy	Odisha State Civil Supplies Corporation Bhubaneswar Limited	7,892.69	7,600.05	14,473.68
Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	Odisha Rural Development and Marketing Society, Bhubaneswar	4,346.47	3,788.18	3,980.92

Name of the Schemes of Government of India	Name of the Implementing Agencies	Amount transferred		
		2021-22	2022-23	2023-24
National Rural Drinking Water Programme	Engineer-In-Chief, Rural Water Supply and Sanitation, Bhubaneswar	1,661.70	1,768.73	2,108.54
Pradhan Mantri Kisan Samman Nidhi	Department of Agriculture, Odisha	2,759.54	1,782.96	2,220.73

Source: Finance Accounts for FY 2023-24, Appendix VI

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

### Issues related to Transparency

#### 4.3 Delays in submission of Utilisation Certificates (UCs)

In terms of Rule 306 of the Odisha General Financial Rules 2023, Utilisation Certificates (UCs) in respect of Grants-in-Aid received by the grantee should be furnished by the grantee to the grantor by 1<sup>st</sup> December and to the Principal Accountant General (Accounts and Entitlements) (PAG (A&E)) by 31<sup>st</sup> December of the year. The period of submission ranges from 12 to 18 months. To the extent of non-submission of UCs, there is a risk that the amount shown in Finance Accounts, may not have reached the beneficiaries and may not have been spent for the intended purposes. The status of UCs, which have not been received by PAG (A&E) and are pending reconciliation, as on 31 March 2024, is given in **Table 4.3 (A)**.

**Table 4.3 (A): Status of UCs, not received by PAG (A&E) and pending reconciliation**

(₹ in crore)

Year*	No. of UCs	Amount
Up to 2022-23	9,895	11,500.08
2023-24 (drawn up to 30 <sup>th</sup> September 2022)	1,119	861.18
<b>TOTAL</b>	<b>11,014</b>	<b>12,361.26</b>

Source: Finance Accounts for FY 2023-24

\* Year mentioned above relates to 'Due Year', i.e., after 18 months of actual drawal.

The Department-wise pending UCs are shown in **Appendix 4.2**.

Age-wise analysis of UCs, not received by PAG (A&E) and pending reconciliation is given in **Table 4.3 (B)**.

**Table 4.3 (B): Age-wise analysis of Utilisation Certificates, not received by PAG (A&E) and pending reconciliation**

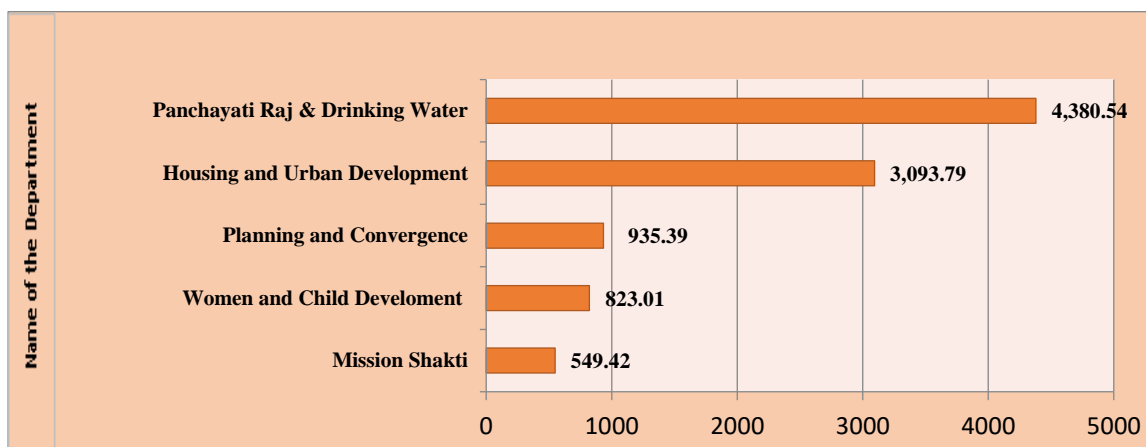
(₹ in crore)

Sl. No.	Age	No. of pending UCs	Amount
1	Between 10 years to 19 years	3,314	548.54
2	Between 5 years to 10 years	2,560	2,746.35
3	Between 1 years to 5 years	4,021	8,205.19
4	Between 0 years to 1 years	1,119	861.18
	<b>TOTAL</b>	<b>11,014</b>	<b>12,361.26</b>

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

**Chart 4.2: UCs, not received by PAG (A&E) and pending reconciliation with regard to five major Departments, as on 31 March 2024**

(₹ in crore)



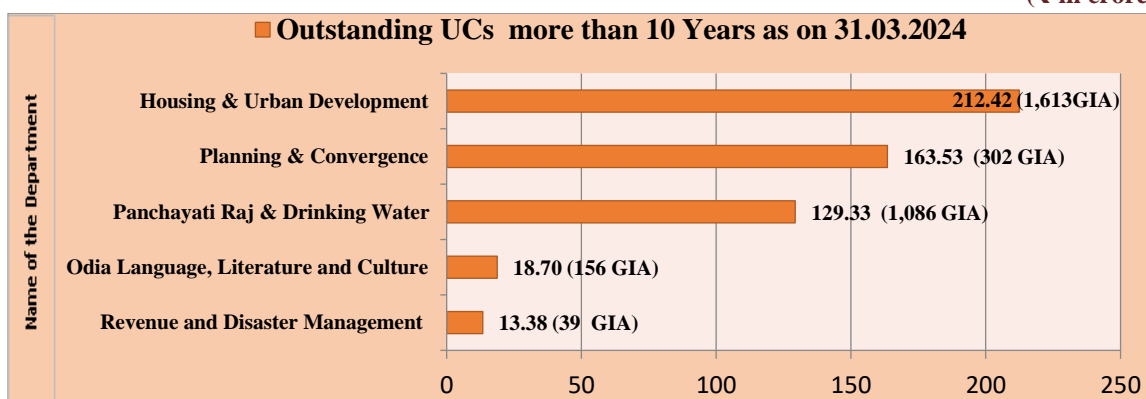
Source: Finance Accounts for FY 2023-24

From **Chart 4.2**, it is evident that ₹9,782.15 crore *i.e.* 79.14 per cent of the total UCs of ₹12,361.26 crore, which have not been received by PAG (A&E) and are pending reconciliation, pertain to five Departments, *viz.* Panchayati Raj and Drinking Water (₹4,380.54 crore), Housing and Urban Development (₹3,093.79 crore), Planning and Convergence (₹935.39 crore), Women and Child Development (₹823.01 crore) and Mission Shakti (₹549.42 crore).

The department-wise position of UCs which had not been received by PAG (A&E) and were pending reconciliation, for more than 10 years, is given in **Appendix 4.3**. There were 13 Departments, against which UCs were pending in the office of the PAG (A&E) for more than 10 years. Of these, the five major Departments, where UCs were pending for more than ten years, as of March 2024, are detailed in **Chart 4.3**.

**Chart 4.3: UCs, not received by PAG(A&E) and pending reconciliation with regard to five major Departments, where UCs were pending for more than 10 years**

(₹ in crore)



Source: Finance Accounts for FY 2023-24

Since non-submission of UCs is fraught with the risk of mis-utilisation, it is imperative that the State Government should monitor this aspect closely and hold the concerned persons accountable for submission of UCs in a timely manner.



### Examination of Sanction orders with reference to UCs

Audit examined 100 sanction orders relating to the year 2022-23, in order to ascertain compliance of OGFR by the DDOs for submission of UCs and noticed the following:

- In 63 sanction orders, UCs were not required (₹ 296.66 crore)
- In 37 sanction orders, UCs were required (₹ 282.87 crore).
- Out of 37 sanction orders for which UCs were required, time limit for submission of UCs was prescribed in only 22 sanction orders (₹ 225.11 crore)
- Of these 37 sanction orders, UCs for only 20 sanction orders (₹ 54.67 crore) had been submitted.
- The delays in submission of UCs ranged from 38 days to 152 days.

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

Rule 171 (4) of the OGFR-I, read with Note 2, 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 Limited) on 04 December 2013, to develop and implement the UC module, in the Integrated Financial Management System (IFMS) by April 2018.

Audit noticed that the UC module had been implemented in the IFMS, only in five Departments, viz., Co-operation; Handloom, Textiles & Handicrafts; Higher Education; Panchayati Raj and Drinking Water; and Skill Development & Technical Education Departments, as of September 2024.

In the absence of the UC Module in the remaining Departments, 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

When money is required in advance or when it is not possible to calculate the exact amount required, Drawing and Disbursing Officers (DDOs) are permitted to draw money without supporting documents, through Abstract Contingent (AC) bills, by debiting service heads and the expenditure is reflected as an expense under the concerned service heads. 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.

Details of AC bills, pending adjustment, as on 31 March 2024, are given in **Table 4.4**. The Department-wise pending DC Bills, are shown in **Appendix 4.4**.

Table 4.4: Age-wise pendency of AC Bills

(₹ in crore)

Year	No. of AC Bills	Amount
Up to 2022-23	816	39.78
2023-24*	406	63.28
<b>TOTAL</b>	<b>1,222</b>	<b>103.06</b>

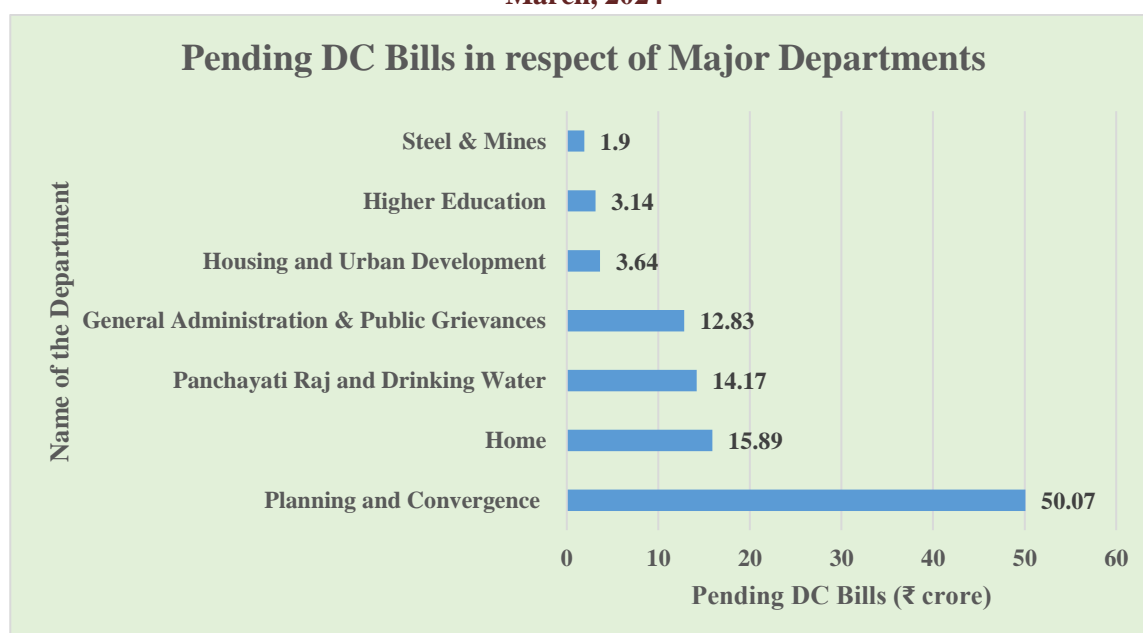
Source: Finance Accounts for FY 2023-24

\*The AC bills drawn up to December 2023 taken into account.

It was observed that 928 AC bills, amounting to ₹236.41 crore, were drawn during FY 2023-24, out of which 240 AC bills, amounting to ₹150.22 crore (63.54 per cent) were drawn in March 2024. Out of these 928 AC Bills, amounting to ₹236.41 crore, 522 AC Bills, amounting to ₹173.13 crore, were cleared and 406 AC Bills, amounting to ₹63.28 crore, were pending during the year 2023-24, as shown in **Appendix 4.4**. Expenditure against AC bills at the end of the year indicates poor public expenditure management and may point to drawals being done primarily to exhaust the budget provisions.

The status of seven major Departments, which accounted for 98.62 per cent of the total outstanding DC bills, is given in **Chart 4.4**.

**Chart 4.4: Major amount of DC Bills pending with seven Departments, at the end of March, 2024**



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

It is evident from **Chart 4.4** that ₹101.64 crore *i.e.* 98.62 per cent of the total outstanding AC Bills of ₹103.06 crore, pertains to seven Departments, *viz.* Planning and Convergence (₹50.07 crore); Home (₹15.89 crore); Panchayati Raj and Drinking Water (₹14.17 crore); General Administration & Public Grievances (₹12.83 crore); Higher Education (₹3.14 crore); Housing and Urban Development (₹3.64 crore); and Steel & Mines (₹1.9 crore) Departments.

Age-wise pendency details of the 1,222 outstanding DC bills are shown in **Table 4.5**.

Table 4.5: Age-wise details of pending DC Bills

(₹ in crore)

Sl. No.	Age	No. of pending DC Bills	Amount
1	Between 8 years to 21 years	79	1.05
2	Between 4 years to 8 years	118	8.76
3	Between 1 years to 4 years	619	29.97
4	Between 0 years to 1 years	406	63.28
	<b>TOTAL</b>	<b>1,222</b>	<b>103.06</b>

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

During the year 2022-23, 1,382 AC Bills amounting to ₹107.57 crore were pending. During FY 2023-24, the total amount of pending DC bills had decreased by 4.19 per cent as compared to last year.

Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires 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 “Online Bill Preparation and Submission” module of the IFMS and noticed that:

- i. Form and provision for ‘Abstract Contingent Bill type’ had been implemented in IFMS, as intended. However, the corresponding provision for ‘Detailed Contingent Bill type’ had not yet been implemented, as of September 2024, 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 the status of pending AC Bills, by authorities at all levels, in the Administrative Departments, Treasuries and the Finance Department.

#### 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

There were 397 PD Accounts, with an unspent balance of ₹11,526.18 crore, as of 31 March 2024, as detailed in **Table 4.6**.

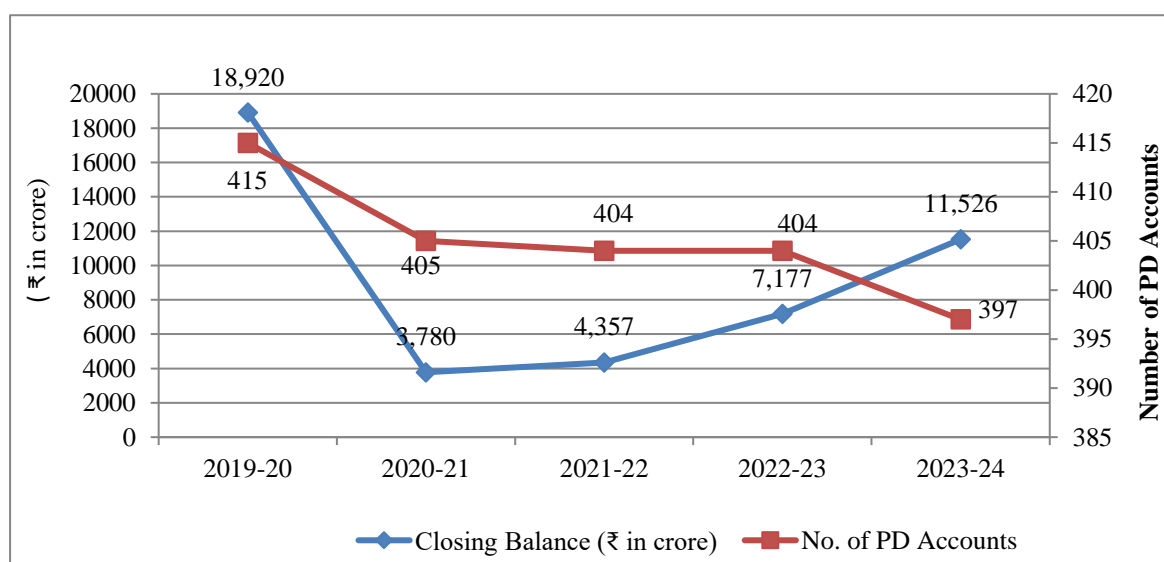
**Table 4.6: Personal Deposit Accounts**

(₹ in crore)							
Opening Balance as on 01/04/2023		Addition during the year 2023-24		Closed/ Withdrawal during the year 2023-24		Outstanding Balance as on 31/ 03/2024	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
404	7,176.85	01	30,735.18	08	26,385.85	397	11,526.18

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

It can be seen from **Table 4.6** that, during the year 2023-24, one new PD Account was opened. There was an addition of ₹30,735.18 crore into the 405 accounts. There was a net increase of ₹4,349 crore (60.60 per cent) in the cumulative closing balance at the end of the year FY 2023-24, as compared to FY 2022-23, as detailed in **Chart 4.5**.

**Chart 4.5: Closing Balance in PD Accounts, during FYs 2019-20 to 2023-24**



Source: Finance Accounts of respective years

The closing balance of ₹ 11,526.18 crore pertained to 397 PD Accounts (MH 8443-106) of 314 Blocks, District Rural Development Agencies, Zilla Parishad, Integrated Tribal Development Agencies (ITDAs), Odisha Mineral Bearing Areas Development Corporation (OMBADC), Bhubaneswar which are detailed in **Table 4.7**.

**Table 4.7: Total Administrator-wise Personal Deposit Accounts**

(₹ in crore)			
Sl. No	Name of the Administrator of PD Accounts	No. of PD Accounts	Outstanding amount
1	Block Development Officers	314	7,240.61
2	Executive Officer, Zilla Parishad	30	1,840.45

Sl. No	Name of the Administrator of PD Accounts	No. of PD Accounts	Outstanding amount
3	Project Administrator, ITDA	22	1,216.03
4	PCCF, Odisha (OMBADC Account), Bhubaneswar	1	833.74
5	Chairman Western Orissa Development Council, Bhubaneswar	1	225.88
6	Secretary, State Council of Science and Technology	1	119.46
7	Project Director, DRDA	22	31.31
8	Member Secretary, Odisha Handlooms and Handicrafts Development and Promotion Council, Bhubaneswar	1	15.32
9	Additional Director General of Police Criminal Investigation Department (Crime Branch), Witness Protection Fund, Cuttack	1	1.49
10	Commissioner of Endowments, Bhubaneswar	1	1
11	Project Director, Hirakud Command Area Development Authority	3	0.89
<b>TOTAL</b>		<b>397</b>	<b>11,526.18</b>

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

#### **4.5.2 Closure and non-reconciliation of PD Account balances**

There was no inoperative PD Account, during the year 2023-24. During 2023-24, eight PD Accounts, with an unspent balance of ₹0.92 were closed.

In terms of Odisha Treasury Code, PD Accounts are required to be reconciled annually, by the Administrator with the balance in the treasury accounts. Audit found that out of 397 PD accounts, 91 PD Accounts (22.92 *per cent*) had not been reconciled by the Administrators, as of 31 March 2024.

Non-reconciliation of balances in PD accounts with treasury accounts and non-transfer of the unspent balances lying in the PD accounts, to the Consolidated Fund of the State, is fraught with the risks of potential misuse of public funds, fraud and misappropriation.

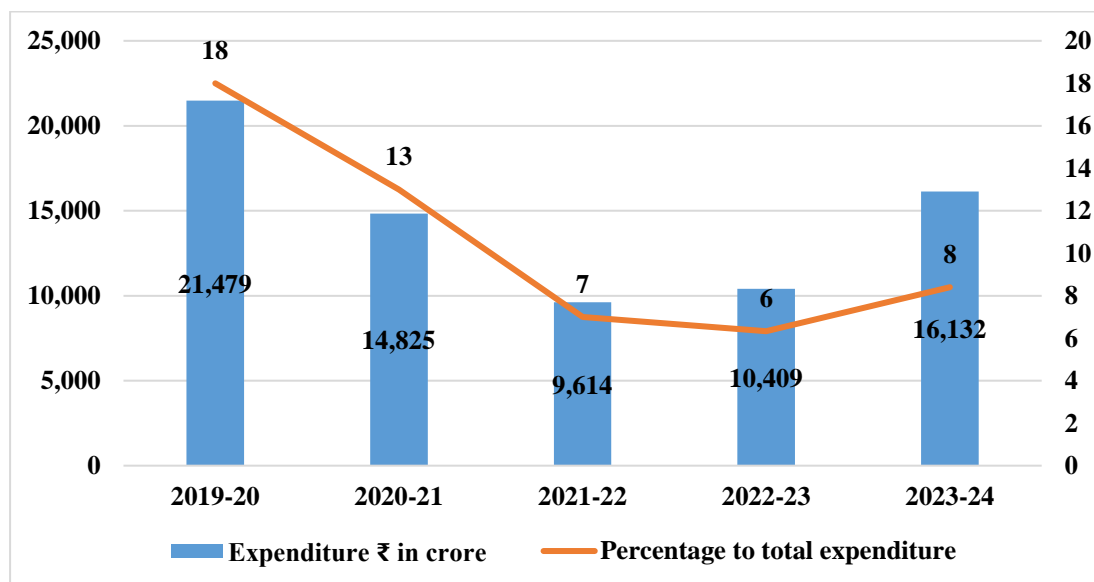
#### **4.6 Indiscriminate use of the Minor Head 800**

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 in the accounts. Routine operation of the Minor Head 800 is to be discouraged, since it renders the accounts opaque. Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

It was observed that during the year 2023-24, ₹16,132.12 crore, under 58 Major Heads of accounts, constituting 8.40 *per cent* of the total Revenue and Capital expenditure (₹1,92,105.16 crore), had been classified under the Minor Head '800-Other Expenditure', in the accounts. Cases of substantial expenditure (50 *per cent* and above of the total

expenditure under the concerned Major Heads), booked under Minor Head ‘800-Other Expenditure’, are given in **Appendix 4.5**. The extent of operation of Minor Head 800 for Other Expenditure, as a percentage of the Total Expenditure, during FYs 2019-20 to 2023-24, is shown in **Chart 4.6**.

**Chart 4.6: Operation of Minor Head 800 - Other Expenditure, during FYs 2019-20 to 2023-24**



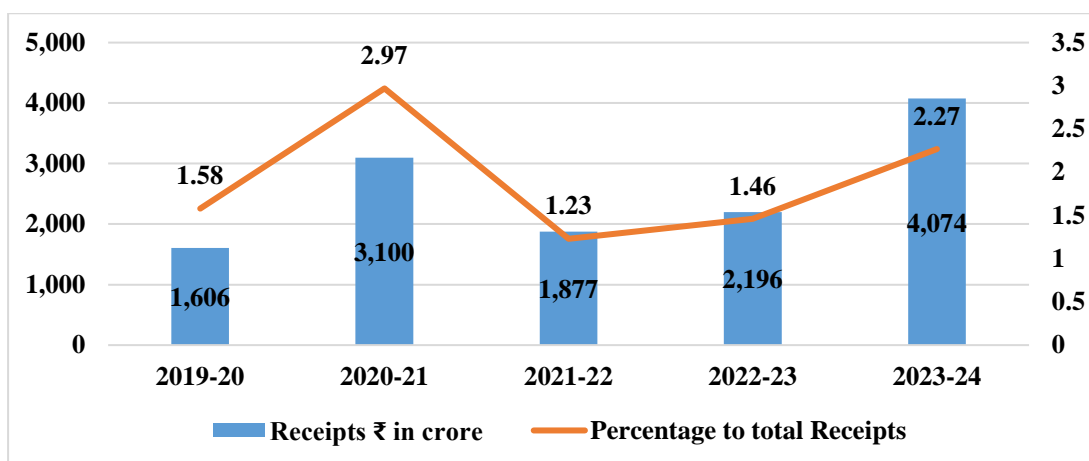
Source: Finance Accounts of respective years

As seen from **Chart 4.6**, the expenditure booked under the Minor Head 800 declined by 55 per cent from ₹21,479 crore in 2019-20 to ₹ 9,614 crore in FY 2021-22. However, the trend of booking expenditure under Minor Head 800 started increasing since 2021-22, with an increase of 54.98 per cent in FY 2023-24, as compared to the amount in FY 2022-23. The Major Head, under which the highest expenditure was booked, during FY 2023-24, was 4700-Capital Outlay on Major Irrigation (₹3,463.37 crore), 5054-Capital Outlay on Roads and Bridges (₹1,582.31 crore), 4701-Capital Outlay on Medium Irrigation (₹1,180.81 crore), and Major Head 5075-Capital Outlay on Other Transport services (₹254.12 crore).

Similarly, ₹4,073.71 crore, under 53 Major Heads of Accounts, constituting 2.27 per cent of the total Revenue Receipts (₹1,79,593 crore), was classified under 800 – Other Receipts in the accounts. Cases of substantial receipts (50 per cent and above of the total receipts under the concerned Major Heads), booked under the Minor Head 800 - Other Receipts, are given in **Appendix 4.6**.

Details of operation of the Minor Head 800 for Other Receipts, during the last five years, are shown in **Chart 4.7**.

Chart 4.7: Operation of the Minor Head 800 - Other Receipts, during FYs 2019-2024



Source: Finance Accounts of respective years

As seen from the above Chart, operation of Minor Head ‘800-Other Receipts’ has been lower, as compared to the use of this Head on the expenditure side, and ranged between 1.23 per cent to 2.97 per cent of the total receipts, during FY 2019-24. The Major Heads under which the highest amounts of receipts were booked under the Minor Head 800, included 0075-Miscellaneous General Services (₹1,581.95 crore), 0039-State Excise (₹484.75 crore) 0029-Land revenue (₹405.19 crore), 1601-Grants in Aid from Central Government (₹362.41 crore), 0701-Medium Irrigation Projects (₹247.43 crore), and 1051-Ports and Light houses (₹209.85 crore).

Audit noticed that some departments had booked expenditure under Minor Head 800, despite availability of relevant minor heads. Some instances in this regard, are given below:

- Expenditure of ₹105.48 crore was incurred by the Skill Development & Technical Education Department (Grant No. 39) for the purpose of implementation of Establishment of Technology University in the State, Information, Education and Communication and Establishment of Veer Surendra Sai University of Technology (VSSUT), Burla and booked the same under the Minor Head ‘800- Other expenditure under the Major Head 2203 ‘Technical Education’ in spite of having appropriate Minor Head 112-Engineering/Technical Colleges and Institute.
- Expenditure of ₹205.01 crore was incurred by the Water Resources Department (Grant No. 20) for conduct of ‘Rivers Embankment Maintenance’ and ‘Maintenance and Repair’, and the same was booked under the Minor Head ‘800- Other expenditure under the Major Head 2711-‘Flood Control and Drainage’, despite availability of appropriate Minor Head ‘103 – Civil Works’.
- Expenditure of ₹189.66 crore was incurred by the Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare Department (Grant No. 11) for Repair/Maintenance of Residential/Non Residential Buildings and Repair/additional/Alteration of Anganwadi Centres (Non Residential Buildings) and the same was booked under the Minor Head ‘800- Other expenditure under the Major Head 2059-Public Works’, despite availability of appropriate Minor Head 053– Maintenance and Repairs.

Though the issue of classification of the receipts/ expenditure under Minor Head 800 – Other Receipts/ Expenditure has been regularly 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 Heads, are being booked under the Minor Head 800, is a cause for concern, since it adversely impacts transparency of State’s accounts.

### Issues related to measurement

#### 4.7 Outstanding balances under major Suspense heads

Certain intermediary/ adjusting heads of accounts, known as ‘Suspense heads’, are opened in the Government accounts, to reflect transactions of receipts and payments, which cannot be immediately booked to a final head of account, due to lack of information, such as non-furnishing of Schedules 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 4.8**.

**Table 4.8: Balances under Suspense and Remittance Heads**

(₹ in crore)

Minor Head	2021-22		2022-23		2023-24	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
<b>Major Head 8658 - Suspense</b>						
101 - PAO Suspense	145.79	15.60	125.89	23.50	95.59	33.03
Net	Dr. 130.19		Dr.102.39		Dr. 62.56	
102- Suspense Account - Civil	19.12	79.51	6.08	151.21	5.53	32.55
Net	Cr. 60.39		Cr.145.13		Cr.27.02	
110- Reserve Bank Suspense - CAO	236.12	..	..	..	--	--
Net	Dr. 236.12		..		--	
<b>Major Head 8782 - Cash Remittances and adjustment</b>						
102-PW Remittances	137.23	147.13	250.56	256.14	329.74	335.59
Net	Cr. 9.90		Cr.5.58		Cr. 5.85	
103- Forest Remittances	64.21	..	43.99	..	21.04	1.85
Net	Dr. 64.21		Dr.43.99		Dr. 19.19	

Source: Finance Accounts of respective years



Increasing accumulation of balances, during FYs 2021-22 to 2023-24 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 2024) under this Minor Head was ₹95.59 crore and the credit balance was ₹33.03 crore. The major outstanding debit balances pertained to PAO, Central Pensions, New Delhi (₹ 77.47 crore) and PAO, Ministry of Surface Transport, Kolkata (₹16.35 crore). The major outstanding credit balances pertained to PAO, AG Odisha, Bhubaneswar (₹26.14 lakh), PAO, Central Pensions, New Delhi (₹0.30 crore); and others (₹31.95 crore). The outstanding balances under the PAO Suspense head need to be adjusted.

#### **4.8 Reconciliation of Cash Balances**

The Cash Balance of the State Government as on 31 March 2024, as per Accounts of the Principal Accountant General (A&E), was ₹1.07 crore (Credit), while the same was reported as ₹1.09 crore (Debit) by the Reserve Bank of India. As such, there was an unreconciled difference of ₹0.02 crore (Debit).

The difference was mainly due to wrong reporting and non-reconciliation of figures by banks with the treasuries, which is under reconciliation.

#### **4.9 Unspent amount lying with DDO Bank Account**

As per Codal provisions, funds received by Public Works Divisions, towards Deposit Works from Non-Government Agencies, are required to be credited under the Minor Head '108 - Public Works Deposits', below the Major Head '8443 - Civil Deposits'. The expenditure for related Deposit Works is also met from the same head of account. In the Monthly Divisional Accounts, the unremitted amounts of such deposits are classified under the Major Head '8671 - Departmental Balances, 101 - Civil', by the PW Divisions, under the Public Account of the State, which forms part of the Government Accounts. However, the funds received towards Deposits Works are being kept in the bank accounts of the Divisional Officers, operated by the PW Divisions, instead of being remitted into the Government Accounts, and thus, do not form part of the Cash Balance of the State, with the Reserve Bank of India.

As per the Central Public Works Accounts Code, Public Works Divisions are required to deposit the funds in the accounts, to be opened at the Treasury, under the Major Head '8443 - Civil Deposits 108 - Public Works Deposits'. However, in contravention of the Code, the Drawing and Disbursing Officers were depositing the funds in their bank accounts. As on 31 March 2024, an amount of ₹1,964.96 crore in respect of 4,270 DDOs was lying unspent in the bank accounts under 35 Departments. If the funds had been deposited in Treasury, the same would have positively impacted on the daily Cash Balance of the State Government. Department-wise details of amounts, lying in bank accounts, being operated by Drawing and Disbursing Officer, are given in *Appendix 4.7*.

Issues related to disclosure

4.10 Non-Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India (CAG), prescribe the form of accounts of the Union and of the States. On the advice of the CAG, the President of India has so far notified four Indian Government Accounting Standards (IGAS). Compliance to these Accounting Standards, by the Government of Odisha, as well as deficiencies therein, during 2023-24, are detailed in **Table 4.9**.

**Table 4.9: Compliance with Indian Government Accounting Standards**

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Deficiency
1.	IGAS-1	Guarantees Given by the Government – Disclosure requirements	<b>Complied</b> (Statements 9 and 20 of Finance Accounts)	-
2.	IGAS-2	Accounting and Classification of Grants-in-aid	<b>Not complied</b> (Statement 10 of Finance Accounts)	1) Certain Grants-in-Aid were classified under Capital Section ( <i>Refer Paragraph 2.4.3</i> ) 2) No information was available regarding Grants-in-Aid, given in kind by the State Government.
3.	IGAS-3	Loans and Advances made by Government	<b>Complied</b> (Statements 7 and 18 of Finance Accounts)	-
4.	IGAS-4	Prior Period Adjustments	<b>Not Complied</b>	No information was disclosed in Finance Accounts 2023-24 regarding any Prior Period adjustments.

Source: Finance Accounts for FY 2023-24

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 13 Autonomous Bodies, which were to render annual accounts to C&AG, there were delays in the submission of accounts, as shown in **Appendix 4.8**.

Accounts of four bodies/authorities are pending since one to 13 years (Compensatory Afforestation Fund Management and Planning Authority: 13 years; Odisha Building and Other Construction Workers Welfare Board: 10 years; Odisha State Legal Services Authority: 2 years; Odisha Electricity Regularity Commission: 1 year). None of the nine

Development Authorities under Housing and Urban Development Department had submitted the accounts for audit, since their inception.

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.

#### **4.12 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, Government 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 20 out of 44 Departments had furnished the details of Grants-in-Aid given to various bodies and authorities, in the year 2023-24. In the absence of such information from the remaining 24 Departments<sup>39</sup>, 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.

### **Other Issues**

#### **4.13 Maintenance of Odisha Electricity Regulatory Commission fund in Bank Accounts instead of Public Account**

Article 266(2) of the Constitution of India 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'. The Odisha Electricity Regulatory Commission (OERC) was constituted under the Electricity Act, 2003. Section 103 of the Act stipulates creation of a fund called 'State

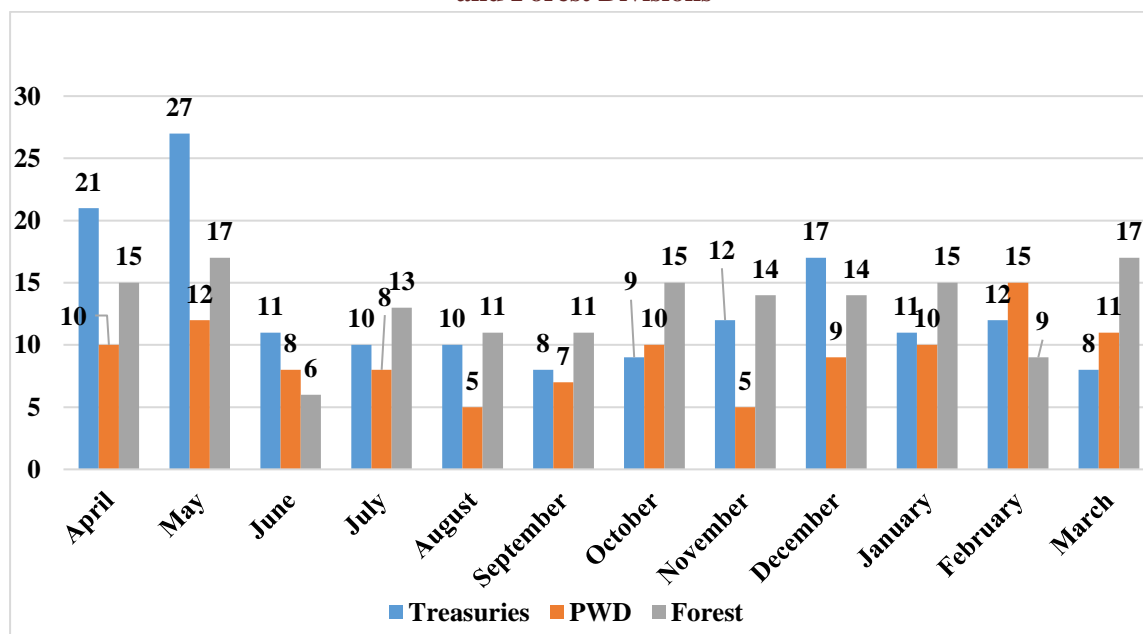
<sup>39</sup> 1) Home; 2) Law; 3) General Administration; 4) Commerce; 5) Works; 6) Odisha Legislative Assembly; 7) Food Supplies and Consumer Welfare; 8) School and Mass Education; 9) Health and Family Welfare; 10) Housing and Urban Development; 11) Sports and Youth Services; 12) Public Grievance and Pension Administration; 13) Transport; 14) Agriculture and Farmers' Empowerment; 15) Excise; 16) Rural Development; 17) Handlooms, Textiles and handicrafts; 18) Fisheries and Animal Resources Development; 19) Electronics and Information Technology; 20) Skill Development and Technical Education; 21) Micro, Small and Medium Enterprises; 22) Social Security and Empowerment of persons with disabilities; 23) Disaster Management and 24) Mission Shakti

Electricity Regulatory Commission Fund’ wherein receipts<sup>40</sup> of the commission are to be credited and expenses therefrom are to be made. GoO enacted the OERC (Fund) Rules, 2006, and in terms of Rule 3, the OERC was permitted to open a bank account for accommodating such receipts and making expenses therefrom. In keeping with the rule *ibid*, funds were kept in a bank account and as of March 2024, ₹78.02<sup>41</sup> crore remained in the bank account instead of the Public Account of the State. Resultantly, not only did the Constitutional mandate stand violated, but the Public Account balance was also understated by ₹78.02 crore, which could have helped to finance the Fiscal Deficit. In this context, it may be mentioned that funds of Central Electricity Regulatory Commission are kept in Public Account of the Government of India.

#### 4.14 Timeliness and Quality of Accounts

The accounts of the State Government are compiled by the Principal 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 2023-24, there were delays in the rendition of monthly accounts, ranging from 8 to 27 days by treasuries; 5 to 15 days by Public Works Divisions; and 6 to 17 days by Forest Divisions. Details of delays (in days), in the submission of monthly Civil Accounts, are given in **Chart 4.8**.

**Chart 4.8: Delays (in days) in rendition of monthly accounts by Treasuries, Public Works and Forest Divisions**



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

<sup>40</sup> (a) Any grants and loans given to the State Commission by the State Government; (b) all fees received by the State Commission under this Act; and (c) all sums received by the State Commission from such other sources, as may be decided upon by the State Government

<sup>41</sup> ₹ 6,823 as cash balance; ₹ 2.02 crore in flexi account of Bank and ₹76 crore invested in Fixed Deposits of Bank

#### 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. Further, as per Rule 2.34 *ibid*, cases of defalcations and losses are required to be reported to the PAG (A&E).

As on 31 March 2024, 711 cases of misappropriation, losses, theft *etc.*, involving ₹ 18.45 crore, were pending for settlement. No cases were disposed during the FY 2023-24. The department-wise break-up of pending cases, is given in **Appendix 4.9**.

The age-wise profile of the pending cases and the number of cases pending in each category – theft and misappropriation/ loss of Government material, is summarised in **Table 4.10**.

**Table 4.10: Age-wise profile of misappropriations, losses, defalcation etc.**

(₹ in crore)

Age-wise profile of pending cases			Nature of pending cases		
Range in years	Number of cases	Amount involved	Types	Number of cases	Amount involved
Up to 5	0	0.0	Theft cases	389	4.00
5-10	33	3.41			
10-15	10	0.55			
15-20	52	2.74	Misappropriation cases	322	14.45
20-25	126	2.85			
More than 25	490	8.90			
<b>TOTAL</b>	<b>711</b>	<b>18.45</b>	<b>TOTAL</b>	<b>711</b>	<b>18.45</b>

*Source: Information furnished by respective departments of Government of Odisha*

Out of the total 711 cases, 389 cases, amounting to ₹4 crore, were related to theft of Government money/ store and the remaining cases pertained to misappropriation of Government money.

#### 4.16 Discrepancy of ₹ 64.70 crore due to non-reconciliation between bank balance and cash book balance

Reconciliation of bank account figures with those of cashbook figures is required to be done regularly at the end of each month in order to ensure accuracy of 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 six sampled DDOs, it was observed that there was a difference of ₹64.70 crore (**Appendix 4.10**) between the balances in cash book and bank passbook, as of March 2024. In the absence of reconciliation of cash balances, the authenticity of accounts maintained by these DDOs could not be vouched for in Audit.

#### **4.17 Follow-up action on the State Finances Audit Report**

In every State, the Public Accounts Committee (PAC)/ Finance Department requires the line Departments to provide a *sou-motu* Explanatory Note (EN) on the paragraphs featuring in the Audit Reports, within one month of placement of the concerned Reports in the Legislature. The line Departments are also required to provide Action Taken Notes (ATNS) to the AG (for vetting and onward transmission to the PAC), within three months of tabling of the Reports.

During FY 2023-24, only one PAC meeting was held on 17 May 2023, to discuss the pending position of Audit paras and the Annual Action Plan for their disposal. As of March 2024, 387 paragraphs, relating to SFARs, pertaining to the period from financial years 2008-09 to 2022-23, were pending for discussion. The paragraphs of the SFARs, for the years 2016-17 and 2018-19 to 2022-23, are yet to be taken up for discussion by Hon'ble PAC.

#### **4.18 Conclusion**

Utilisation Certificates amounting to ₹12,361.26 crore (11,014 UCs), were outstanding, indicating lack of internal control of administrative departments and tendency of the Government to disburse fresh grants without ascertaining proper utilisation of the earlier grants.

Detailed Contingent bills (1,222 DC bills), amounting to ₹103.06 crore were also awaited.

As of 31 March 2024, an amount of ₹1,964.96 crore in respect of 4,270 DDOs, was lying unspent in the bank accounts instead of being remitted into the Government Accounts.

Thirteen autonomous bodies had not submitted their final accounts for considerable periods. As a result, their financial position could not be assessed and the results of investments of the Government remained outside the purview of the State Legislature.

Further, 711 cases of theft, misappropriation, loss of Government material and defalcation (amounting to ₹18.45 crore), action for settlement had remained pending for long periods.

#### **4.19 Recommendations**

- 1) Government should ensure timely submission of Utilisation Certificates by the departments, with regard to grants released for specific purposes.
- 2) Government should ensure adjustment of Abstract Contingent bills within the stipulated period, as required under the Rules.

- 3) The Finance Department should put in place a system to expedite the process of compilation and submission of annual accounts by autonomous bodies and departmentally run undertakings, in order to assess their financial position.
- 4) Government may consider preparing a time-bound framework for taking proper action in cases of misappropriation, loss, theft *etc.*, and strengthening its internal control system, to prevent recurrence of such cases.

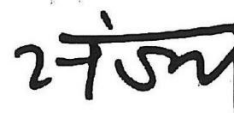


**(RAJ KUMAR)**

Bhubaneswar  
Dated 23 March 2025

**Principal Accountant General (Audit-I)  
Odisha**

Countersigned



**(K. SANJAY MURTHY)**

New Delhi  
Dated 24 March 2025

**Comptroller and Auditor General of India**





# **Appendices**



**APPENDIX - 1.1**  
(Refer Introductory paragraph in Chapter I)  
**A brief profile of Odisha**

A. General Data					
Particulars					Figures
1	Area <sup>42</sup>				1,55,707 Sq. Km
2	Population <sup>43</sup>				
	a.	2014			4.32 crore
	b.	2024			4.66 crore
3	Density of Population (All India Density: 426 persons per Sq. Km)				299 persons per Sq. Km
4	Population below poverty line <sup>44</sup> (BPL) (All India Average: 21.92 per cent)				32.59 per cent
5	Literacy <sup>45</sup> (as per 2011 Census) (All India Average: 73.00 per cent)				72.90 per cent
6	Infant mortality (per 1000 live births) (SRS Bulletin 2020). (All India Average: 28 per 1000 live births)				36.00
7	Life Expectancy at birth <sup>46</sup> (All India Average: 70 years)				70.3 years
8	Human Development Index				
	a.	2021 (All India: 0.633)			2019 (Odisha = 0.605)
	b.	2022 (All India: 0.644)			2022 (Odisha = 0.610)
9	Gross State Domestic Product (GSDP) 2023-24 at current price				₹ 8,53,524 crore
10	Per Capita GSDP CAGR (2014-15 to 2023-24)		Odisha		10.90
			General Category States		9.56
			All India		8.89
11	GSDP CAGR (2014-15 to 2023-24)		Odisha		11.74
			All India		10.06
12	Population Growth (2014 to 2024)		Odisha		7.87
			All India		11.26
B. Financial Data					
Particulars					
Year on Year (YoY) growth		2021-22 to 2022-23		2022-23 to 2023-24	
		General Category States	Odisha	General Category States	Odisha
(In per cent)					
a.	of Revenue Receipts.	13.41	-1.70	8.19	19.36
b.	of Own Tax Revenue.	19.80	14.25	10.58	16.91
c.	of Non Tax Revenue.	12.94	-21.26	14.64	24.09
d.	of Total Expenditure.	12.53	24.26	10.56	17.04
e.	of Capital Expenditure.	14.18	46.75	26.16	29.76
f.	of Revenue Expenditure on Education.	13.21	19.87	5.11	12.18
g.	of Revenue Expenditure on Health.	0.88	16.31	10.34	22.62
h.	of Salary and Wages.	9.71	9.87	7.52	9.12
i.	of Pension.	11.38	12.98	6.27	8.13

<sup>42</sup> Area: Forest Survey Report (2021)

<sup>43</sup> Population Projections for India and States 2011-2036 by National Commission on Population, Ministry of Health & Family Welfare

<sup>44</sup> Ministry of Statistics and Programme Implementation

<sup>45</sup> Census 2011

<sup>46</sup> SRS Based Abridged Life Tables (2016-20)

**APPENDIX - 1.2**  
**(Refer Paragraph 1.3)**  
**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
<b><i>Volume – I</i></b>	
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>
<b><i>Volume – II</i></b>	
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 – 1.3**  
(Refer paragraph 1.3.2)

**Summarised financial position of the Government of Odisha as on 31 March 2024**

(₹ in crore)

As on 31 March 2023			As on 31 March 2024
	<b>Liabilities</b>		
<b>45,531.68</b>	<b>Internal Debt -</b>		<b>50,985.33</b>
21,058.00	Market Loans bearing interest	16,400	
0.06	Market Loans not bearing interest	1.31	
Nil	Loans from Life Insurance Corporation of India	Nil	
24,473.62	Loans from other Institutions	34,584.02	
--	Ways and Means Advances	--	
--	Overdrafts from Reserve Bank of India	--	
<b>18,373.34</b>	<b>Loans and Advances from Central Government -</b>		<b>21,808.04</b>
0.38	Pre 1984-85 Loans	0.38	
7.90	Non-Plan Loans	6.10	
2,617.27	Loans for State Plan Schemes	2,165.01	
--	Loans for Central Plan Schemes	--	
0.67	Loans for Central Sponsored Schemes	0.20	
15,747.12	Loans for State/UTs with Legislature Schemes	19,636.35	
<b>400.00</b>	<b>Contingency Fund</b>		<b>400.00</b>
<b>24,755.72</b>	<b>Small Savings, Provident Funds, etc.</b>		<b>23,955.45</b>
<b>19,781.94</b>	<b>Deposits</b>		<b>25,430.26</b>
<b>39,398.13</b>	<b>Reserve Funds Advances</b>		<b>50,168.01</b>
<b>482.60</b>	<b>Suspense and Miscellaneous Balances</b>		<b>332.05</b>
--	<b>Remittance Balances</b>		--
<b>698.15</b>	<b>Miscellaneous Capital Receipts</b>		<b>698.15</b>
<b>1,42,352.40</b>	<b>Cumulative excess of receipts over expenditure</b>		<b>1,73,113.87</b>
<b>2,91,773.96</b>	<b>TOTAL</b>		<b>3,46,891.16</b>
	<b>Assets</b>		
<b>2,35,759.68</b>	<b>Gross Capital Outlay on Fixed Assets -</b>		<b>2,79,033.06</b>
12,417.78	Investments in shares of Companies, Corporations etc.	12,998.29	
2,23,341.90	Other Capital Outlay	2,66,034.77	
<b>10,511.25</b>	<b>Loans and Advances -</b>		<b>12,742.11</b>
3,689.94	Loans for Power Projects	4,639.48	
5,962.07	Other Development Loans	6,633.68	

As on 31 March 2023			As on 31 March 2024
859.24	Loans to Government servants and Miscellaneous loans	1,468.95	
<b>18.18</b>	<b>Advances</b>		<b>18.23</b>
<b>44.63</b>	<b>Remittance Balances</b>		<b>18.05</b>
--	<b>Suspense and Miscellaneous Balances</b>		--
<b>45,440.22</b>	<b>Cash -</b>		<b>54,805.37</b>
	Cash in Treasuries and Local Remittances		
(-)1.09	Deposits with Reserve Bank	(-)1.07	
22.86	Departmental Cash Balance including Permanent Advances	22.39	
--	Security Deposits	--	
35,889.02	Investment of Earmarked Funds	39,258.12	
9,529.43	Cash Balance Investments	15,525.93	
--	<b>Deficit on Government Account -</b>		--
--	(i) Less Revenue Surplus of the current year		--
--	(ii) Appropriation to Contingency Fund		--
--	Accumulated deficit at the beginning of the year		--
--	<b>Contingency Fund</b>		<b>274.34</b>
<b>2,91,773.96</b>	<b>TOTAL</b>		<b>3,46,891.16</b>

\*\* Included under Suspense and Miscellaneous

Source: Finance Accounts of respective years, Government of Odisha

Note: Closing balance of the Contingency Fund has been taken under liabilities

#### Explanatory Notes

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.

**APPENDIX – 2.1**  
**(Refer paragraph 2.2)**  
**Abstract of receipts and disbursements for the year 2023-24**

(₹ in crore)

2022-23	Receipts	2023-24	2022-23	Disbursements	2023-24		
					Administrative	Programme	Total
<b>Section A: Revenue</b>							
<b>1,50,462.34</b>	<b>I. Revenue Receipts</b>	<b>1,79,593.26</b>	<b>1,31,006.13</b>	<b>I. Revenue Expenditure-</b>	<b>67,918.44</b>	<b>80,913.34</b>	<b>1,48,831.78</b>
46,553.88	Tax Revenue	54,427.03	<b>47,320.76</b>	<b>General Services</b>	<b>40,743.27</b>	<b>735.78</b>	<b>41,479.05</b>
--	--	--	<b>52,498.20</b>	<b>Social Services-</b>	<b>20,563.45</b>	<b>42,784.53</b>	<b>63,347.98</b>
42,719.54	Non-Tax Revenue	53,011.04	22,885.30	Education, Sports, Art and Culture	14,257.55	11,784.96	<b>26,042.51</b>
--	--	--	10,169.31	Health and Family Welfare	3,802.19	8,666.78	<b>12,468.97</b>
42,989.33	State's Share of Union Taxes	51,143.68	6,778.69	Water Supply, Sanitation, Housing and Urban Development	1,058.43	6,970.01	<b>8,028.44</b>
--	--	--	87.36	Information and Broadcasting	33.60	100.60	<b>134.20</b>
--	Non-Plan Grants	--	2,931.85	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	931.28	2,315.00	<b>3,246.28</b>
--	Grants for State Plan Schemes	--	223.67	Labour and Labour Welfare	149.80	210.47	<b>360.27</b>
--	--	--	9,179.92	Social Welfare and Nutrition	153.71	12,212.18	<b>12,365.89</b>
--	Grants for Central and Centrally Sponsored Plan Schemes	--	242.1	Others	176.89	524.53	<b>701.42</b>
--	--	--	<b>29,603.28</b>	<b>Economic Services-</b>	<b>6,611.72</b>	<b>35,843.28</b>	<b>42,455.00</b>
11,741.21	Grants for Centrally Sponsored Scheme	15,685.10	10,814.16	Agriculture and Allied Activities	1,964.98	11,713.71	13,678.69
--	--	--	10,196.10	Rural Development	44.01	14,704.46	14,748.47
4,220.80	Finance Commission Grants	4,867.22	17.5	Special Areas Programmes	0.00	421.18	421.18
--	--	--	2,819.48	Irrigation and Flood Control	1,469.10	1,876.55	3,345.65
2,237.59	Other Transfer/Grants to States	459.19	57.18	Energy	16.75	124.70	141.45
--	--	--	1,381.18	Industry and Minerals	139.16	1,849.33	1,988.49
--	--	--	2,667.01	Transport	2,697.22	1,495.09	4,192.31
--	--	--	143.58	Science, Technology and Environment	23.96	152.05	176.01
--	--	--	1,507.09	General Economic Services	256.54	3,506.21	3,762.75
--	--	--	<b>1,583.88</b>	<b>Grants-in-aid and Contributions-</b>		<b>1,549.75</b>	1,549.75
--	--	--	<b>19,456.21</b>				<b>30,761.48</b>

2022-23	Receipts	2023-24	2022-23	Disbursements	2023-24		
					Administrative	Programme	Total
	II. Revenue deficit carried over to			II. Revenue Surplus carried over			
<b>Section B : Capital</b>							
51,231.04	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	45,440.22	--	III. Opening Overdraft from Reserve Bank of India	--	--	--
--	IV. Miscellaneous Capital Receipts	--	33,349.41	IV. Capital Outlay-	250.12	43,023.26	43,273.38
--	--	--	1,947.24	General Services-	21.96	2,089.81	2,111.77
--	--	--	8,562.83	Social Services-	210.24	9,395.99	9,606.23
--	--	--	2,192.32	Education, Sports, Art and Culture	0.00	1,242.28	1,242.28
--	--	--	2,148.69	Health and Family Welfare	0.00	3,444.61	3,444.61
--	--	--	3,589.95	Water Supply, Sanitation, Housing and Urban Development	210.28	3,473.17	3,683.45
--	--	--	--	Information and Broadcasting	0.00	0.00	0.00
--	--	--	414.39	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-0.04	875.25	875.21
--	--	--	35.65	Social Welfare and Nutrition	0.00	99.08	99.08
--	--	--	181.83	Others	0.00	261.60	261.60
--	--	--	22,839.34	Economic Services-	17.92	31,537.46	31,555.38
--	--	--	373.42	Agriculture and Allied Activities	0.00	378.91	378.91
--	--	--	--	Rural Development	0.00	3,302.24	3,302.24
--	--	--	293.42	Special Areas Programmes	0.00	367.18	367.18
--	--	--	7,413.56	Irrigation and Flood Control	0.00	10,426.25	10,426.25
--	--	--	3,071.59	Energy	0.00	2,125.73	2,125.73
--	--	--	331.92	Industry and Minerals	0.00	462.13	462.13
--	--	--	10,848.09	Transport	0.00	14,121.75	14,121.75
--	--	--	507.33	General Economic Services	17.92	353.27	371.19
831.82	V. Recoveries of Loans and Advances-	559.31	2,157.60	V. Loans and Advances disbursed-	820.19	1,970	2,790.19
127.53	From Power Projects		701.14	For Power Projects	0	1,000.00	1,000.00
431.41	From Government Servants		505.92	To Government Servants	820.19	0	820.19
272.88	From Others		950.54	To Others	0	970.00	970.00
19,456.21	VI. Revenue Surplus brought down	30,761.48	--	VI. Revenue Deficit brought down	--	--	--



2022-23	Receipts	2023-24	2022-23	Disbursements	2023-24		
					Administrative	Programme	Total
<b>5,346.79</b>	<b>VII. Public Debt Receipts-</b>	<b>18,123.32</b>	<b>13,926.83</b>	<b>VII. Repayment of Public Debt-</b>	--	--	<b>9,234.97</b>
	External debt	0	--	External debt			0
4,328.29	Internal debt other than Ways and Means Advances and Overdrafts	13,821.39	12,773.85	Internal Debt other than Ways and Means Advances and Overdrafts	--	--	8,367.74
--	Net transactions under Ways and Means Advances	0	--	Net transactions under Ways and Means Advances	--	--	<b>0</b>
--	Net transactions under Overdraft	0	--	Net transactions under Overdraft	--	--	<b>0</b>
1,018.50	Loans and Advances from Central Government	4,301.93	1,152.98	Repayment of Loans and Advances to Central Government	--	--	867.23
--	<b>VIII. Appropriation to Contingency Fund</b>	0	--	<b>VIII. Appropriation to Contingency Fund</b>	--	--	--
--	<b>IX. Amount transferred to Contingency Fund</b>	<b>0</b>	--	<b>IX. Expenditure from Contingency Fund</b>	--	--	<b>274.34</b>
<b>92,656.24</b>	<b>X. Public Account Receipts-</b>	<b>1,12,075.96</b>	<b>74,648.04</b>	<b>X. Public Account Disbursements-</b>	--	--	<b>96,582.04</b>
4,693.40	Small Savings and Provident Funds	4,405.41	5,195.26	Small Savings and Provident Funds	--	--	5,205.68
16,949.15	Reserve Funds	12,210.87	1,434.33	Reserve Funds	--	--	1,441.00
141.61	Suspense and Miscellaneous	-157.62	(-)29.57	Suspense and Miscellaneous	--	--	-7.07
36,088.09	Remittance	47,957.95	36,067.19	Remittances	--	--	47,931.40
34,783.99	Deposits and Advances	47,659.35	31,980.83	Deposits and Advances	--	--	42,011.03
	<b>XI. Closing Overdraft from Reserve Bank of India</b>		<b>45,440.22</b>	<b>XI. Cash Balance at end-</b>	--	--	<b>54,805.37</b>
--	--		--	Cash in Treasuries and Local Remittances	--	--	0
--	--		(-)1.09	Deposits with Reserve Bank	--	--	-1.07
--	--		22.86	Departmental Cash Balance including permanent Advances	--	--	22.39
--	--		45,418.45	Cash Balance Investment			54,784.05
<b>319984.44</b>	<b>TOTAL</b>	<b>3,86,553.55</b>	<b>3,19,984.44</b>	<b>TOTAL</b>	--	--	<b>3,86,553.55</b>

Source: Finance Accounts of respective years, Government of Odisha

**APPENDIX – 2.2**  
(Refer Paragraphs 2.3.2.1 and 2.4)

**Time Series data on the State Government Finances**

(₹ in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>1,01,568</b>	<b>1,04,387</b>	<b>1,53,059</b>	<b>1,50,462</b>	<b>1,79,593</b>
(i) Tax Revenue (own)	<b>32,315</b>	<b>34,258</b>	<b>40,748</b>	<b>46,554</b>	<b>54,427</b>
State Goods and Services Tax (SGST)	13,204(41)	13,043(38)	16,392(40)	18,600(40)	23,896 (44)
Taxes on Agricultural Income	0	0	0	0	0
Taxes on Sales, Trade, etc.	7,455(23)	7,777(23)	10,000(24)	12,023(26)	12,714(23)
State Excise	4,495(14)	4,053(12)	5,528(14)	6,455(14)	7,215(13)
Taxes on Vehicles	1,836(6)	1,526(4)	1,663(4)	2,133(4)	2,478(5)
Stamps and Registration fees	1,435(4)	2,942(9)	2,419(6)	1,997(4)	2,127(4)
Land Revenue	721(2)	603(2)	664(2)	739(2)	1,123(2)
Taxes on Goods and Passengers	133(1)	146(0)	111(0)	115(0)	112(0)
Other Taxes	3,036(9)	4,168(12)	3,971(10)	4,492(10)	4,762(9)
(ii) Non-Tax Revenue	<b>14,647(14)</b>	<b>19,518(19)</b>	<b>54,257(35)</b>	<b>42,720(28)</b>	<b>53,011(30)</b>
(iii) State's share of Union taxes and duties	<b>30,454(30)</b>	<b>27,543(26)</b>	<b>38,144(25)</b>	<b>42,989(29)</b>	<b>51,144(28)</b>
(iv) Grants in aid from Government of India <sup>47</sup>	<b>24,152(24)</b>	<b>23,068(22)</b>	<b>19,910(13)</b>	<b>18,199(12)</b>	<b>21,011(12)</b>
<b>2. Miscellaneous Capital Receipts</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>0</b>
<b>3. Recoveries of Loans and Advances</b>	<b>287</b>	<b>684</b>	<b>1566</b>	<b>832</b>	<b>559</b>
<b>4. Total Revenue and Non debt capital receipts (1+2+3)</b>	<b>1,01,855</b>	<b>1,05,071</b>	<b>1,54,625</b>	<b>1,51,294</b>	<b>1,80,153<sup>48</sup></b>
<b>5. Public Debt Receipts</b>	<b>14,679</b>	<b>20,318</b>	<b>12,780</b>	<b>5,347</b>	<b>18,123</b>
Internal Debt (No Ways and Means Advances and Overdrafts)	13,721	15,191	5,174	4,328	13,821
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	0
Loans and Advances from Government of India	958	5,127	7,606	1,019	4,302
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>1,16,534</b>	<b>1,25,389</b>	<b>1,67,405</b>	<b>1,56,641</b>	<b>1,98,276</b>
<b>7. Contingency Fund Receipts</b>	<b>1,440</b>	<b>--</b>	<b>171</b>	<b>--</b>	<b>--</b>
<b>8. Public Account Receipts</b>	<b>74,575</b>	<b>63,210</b>	<b>75,153</b>	<b>92,656</b>	<b>1,12,076</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>1,92,549</b>	<b>1,88,599</b>	<b>2,42,729</b>	<b>2,49,297</b>	<b>3,10,352</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>99,137(82)</b>	<b>95,311(83)</b>	<b>1,09,588(82)</b>	<b>1,31,006(79)</b>	<b>1,48,832(76)</b>
Programme	47,362(48)	48,160(51)	54,683(50)	71,323(54)	80,913(54)
Administrative	51,775(52)	47,151(49)	54,905(50)	59,683(46)	67,918(46)
General Services (including interest payments)	28,601(29)	28,271(30)	32,970(30)	47,321(36)	41,479(28)
Social Services	43,517(44)	39,901(42)	47,312(43)	52,498(40)	63,348(43)
Economic Services	25,585(26)	25,809(27)	27,792(25)	29,603(23)	42,455(29)

<sup>47</sup> Excludes funds transferred directly to NGOs/VOs in the State

<sup>48</sup> Difference of ₹1 crore is due to rounding off (RR: ₹1,79,593.26 crore + Recoveries of L&A: ₹559.31 crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
Grants-in-Aid and Contributions	1,434(1)	1,330(1)	1,514(2)	1,584(1)	1,550(1)
<b>11. Capital Expenditure</b>	<b>20,277(17)</b>	<b>17,949(16)</b>	<b>22,726(17)</b>	<b>33,349(20)</b>	<b>43,273(22)</b>
Program	20,236(100)	17,857(99)	22,649(100)	33,004(99)	43,023(99)
Administrative	41(0)	92(1)	77(0)	345(1)	250(1)
General Services	805(4)	868(5)	868(4)	1,947(6)	2,112(5)
Social Services	5,264(26)	4,523(25)	6,003(26)	8,563(26)	9,606(22)
Economic Services	14,208(70)	12,558(70)	15,855(70)	22,839(68)	31,555(73)
<b>12. Disbursement of Loans and Advances</b>	<b>1,259(1)</b>	<b>1,597(1)</b>	<b>1,686(1)</b>	<b>2,158(1)</b>	<b>2,790(1)</b>
<b>13. Total Expenditure (10+11+12)</b>	<b>1,20,673</b>	<b>1,14,857</b>	<b>1,34,000</b>	<b>1,66,513</b>	<b>1,94,895</b>
<b>14. Repayments of Public Debt</b>	<b>4,494</b>	<b>9,252</b>	<b>19,798</b>	<b>13,927</b>	<b>9,235</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	3,547	8,265	18,718	12,774	8,368
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	0
Loans and Advances from Government of India	947	987	1,080	1,153	867
<b>15. Appropriation to Contingency Fund</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>0</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>1,25,167</b>	<b>1,24,109</b>	<b>1,53,798</b>	<b>1,80,440</b>	<b>2,04,130</b>
<b>17. Contingency Fund disbursements</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>274</b>
<b>18. Public Account disbursements</b>	<b>63,078</b>	<b>74,121</b>	<b>70,338</b>	<b>74,648</b>	<b>96,582</b>
<b>19. Total disbursement by the State (16+17+18)</b>	<b>1,88,245</b>	<b>1,98,230</b>	<b>2,24,136</b>	<b>2,55,088</b>	<b>3,00,986</b>
<b>Part C. Deficits</b>					
<b>20. Revenue Deficit (-)/Revenue Surplus (+) (1-10)</b>	<b>2,430<sup>49</sup></b>	<b>9,076</b>	<b>43,471</b>	<b>19,456</b>	<b>30,761</b>
<b>21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)</b>	<b>(-)18,819<sup>50</sup></b>	<b>(-)9,786</b>	<b>20,627<sup>51</sup></b>	<b>(-)15,219</b>	<b>(-)14,743</b>
<b>22. Primary Deficit(-)/Primary Surplus(+)( 21+23)</b>	<b>(-)12,756</b>	<b>(-)3,142</b>	<b>26,967</b>	<b>(-)9,717</b>	<b>(-)9,562</b>
<b>Part D. Other data</b>					
<b>23. Interest Payments (included in revenue expenditure)</b>	<b>6,063</b>	<b>6,644</b>	<b>6,342</b>	<b>5,502</b>	<b>5,181</b>

<sup>49</sup> Difference of ₹ 1 crore is due to rounding off: RR (₹ 1,01,567.75 crore) – RE (₹ 99,137.30 crore) = ₹ 2,430.45 crore

<sup>50</sup> 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)

<sup>51</sup> 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]

	2019-20	2020-21	2021-22	2022-23	2023-24
<b>24. Financial Assistance to local bodies etc.</b>	28,465	27,269	25,931	19,084	27,854
<b>25. Ways and Means Advances/Overdraft availed (days)</b>	--	--	--	--	--
Ways and Means Advances availed (days)	Nil	Nil	Nil	Nil	Nil
Overdraft availed (days)	Nil	Nil	Nil	Nil	Nil
<b>26. Interest on Ways and Means Advances/ Overdraft</b>	Nil	Nil	Nil	Nil	Nil
<b>27. Gross State Domestic Product (GSDP)</b>	5,37,502	5,40,185	6,97,013	7,59,560	8,53,524
<b>28 Outstanding Fiscal liabilities (year end)#</b>	1,26,084	1,18,952	1,09,888	1,01,700	1,22,837
<b>29. Outstanding guarantees (year end) (including interest)</b>	3,532	7,086	6,160	5,111	3,435
<b>30. Maximum amount guaranteed (year end)</b>	15,206	19,336	17,776	17,360	10,837
<b>31. Number of incomplete projects</b>	NA	NA	NA	NA	NA
<b>32. Capital blocked in incomplete projects</b>	NA	NA	NA	NA	NA
<b>Part E: Fiscal Health Indicators (in per cent)</b>					
<b>I Resource Mobilisation</b>					
Own Tax Revenue/GSDP	6.01	6.34	5.85	6.13	6.38
Own Non-Tax Revenue/GSDP	2.73	3.61	7.78	5.62	6.21
Central Transfers/GSDP	5.67	5.10	5.47	5.66	5.99
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	22.45	21.26	19.22	21.92	22.83
Total Expenditure/Revenue Receipts	118.81	110.03	87.55	110.67	108.52
Revenue Expenditure/Total Expenditure	82.15	82.98	81.78	78.68	76.37
Expenditure on Social Services/Total Expenditure	40.42	38.68	39.79	36.67	37.43
Expenditure on Economic Services/Total Expenditure	32.98	33.40	32.57	31.49	37.97
Capital Expenditure/Total Expenditure	16.80	15.63	16.96	20.03	22.20
Capital Expenditure on Social and Economic Services/Total Expenditure.	16.14	14.87	16.31	18.86	21.12
<b>III Management of Fiscal Imbalances</b>					
Revenue Surplus/GSDP	0.45	1.68	6.24	2.56	3.60
Fiscal Deficit (Surplus)/GSDP	-3.50	-1.81	2.96	-2.00	-1.73

	2019-20	2020-21	2021-22	2022-23	2023-24
Primary Deficit (Surplus) /GSDP	-2.37	-0.58	3.87	-1.28	-1.12
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	23.46	22.02	15.77	13.39	14.39
Fiscal Liabilities/RR	124.14	117.61	78.49	74.41	74.11
<b>V Other Fiscal Health Indicators</b>					
Return on Investment	5.64	14.58	4.92	4.71	13.85
Balance from Current Revenue (₹ in crore)	67,853	79,430	1,22,902	1,42,352	1,73,114
Financial Assets/Liabilities	1.47	1.59	1.88	1.95	2.00

# During the year 2020-21 it excludes ₹3,822 crore and during 2021-22, 2022-23 and 2023-24, it excludes ₹10,252 crore (₹3,822 crore + ₹6,430 crore) as back-to-back loan from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its resources.

Source: Finance Accounts of respective years

**APPENDIX – 2.3**  
**(Refer paragraph 2.4.2.1)**

**Misclassification of revenue expenditure as capital expenditure for the Financial Year 2023-24**

Sl. No	No. and Name of the Grant /Department	No. of sanction order	Misclassified Amount (₹)	Major head	Audit observation
1.	09-Food Supplies and Consumer Welfare	01	12,10,00,000	4408	Funds have been released in favour of Odisha State Civil Supplies Corporation for construction of Annexe Building adjacent to OSCSC Limited.
2.	11- ST & SC Development, Minorities and Backward Classes Welfare	02	5,50,00,000	4225	Funds were released in favour of Director, ST & SC Research Training Institute, Bhubaneswar towards repair and renovation of the institution. Expenditure towards repair and renovation should not be classified as capital expenditure.
3.	15-Sports and Youth Services	15	12,24,02,987	4202	Funds were released for construction of CPDO building, which is a Central Govt. organisation. Therefore, the expenditure incurred for the same cannot be treated as capital expenditure of the State Govt. Further, funds were released for various upgradation works as well as towards operation and maintenance charges, special repairs etc. Therefore, these amounts should not be treated as capital expenditure.
4.	17-Panchayati Raj and Drinking water	05	38,71,00,000	4059	Funds were released for construction of Non-Residential Buildings of PRIs. As the assets belong to Panchayati Raj Institutions, booking of these expenditure as Capital Expenditure of the State Govt. is irregular.
		02	20,54,00,000	4216	Funds were released for construction of Residential Buildings of PRIs. As the assets belong to Panchayati Raj Institutions, booking of these expenditure as Capital Expenditure of the State Govt. is irregular.
		18	3296,30,09,705	4515	Funds were released under the scheme “Ama Odisha Nabin Odisha” and “Ama Gaon Ama Vikash” for execution of approved projects under the scheme as well as towards advertisement cost and administrative expenditure. As per the guidelines of Ama Gaon Ama Bikash scheme, the funds are to be drawn by PD, DRDAs in Grants-in-Aid bill and to release the funds to BDOs in two installments for implementation of projects. The scheme “Ama Odisha Nabin Odisha” is a modified and enhanced version of the Ama Gaon Ama Bikash scheme as revealed from the Press Brief of PRDW Department. Most of the assets being created under the aforesaid two schemes are community owned projects

Sl. No	No. and Name of the Grant /Department	No. of sanction order	Misclassified Amount (₹)	Major head	Audit observation
					like construction of <i>kalyan mandap</i> , <i>bhoga mandap</i> , <i>kothagar</i> , purchase of sports equipment for rural youths, <i>etc.</i> Therefore, expenditure under the aforesaid scheme should not be treated as capital expenditure.
5.	20-Water Resources	02	4,00,00,000	4701,	Funds were released in favour of Odisha Lift Irrigation Corporation towards IEC activities for the year 2023-24. Therefore, these expenditure should not be treated as capital expenditure.
		12	83,50,00,000	4702	Further, funds have been released towards repair, renovation and restoration of water bodies under Pradhan Mantri Krishi Sichayi Yojana - Har Khet ko Pani (PMKSY-HKPP) scheme, which are of revenue nature. Therefore, these expenditures should not be treated as capital expenditure.
6.	21-Transport	19	104,17,17,755	5053	Funds were released for conduct of Environment Impact Assessment study for the establishment of Shree Jagannath International Airport at Puri and acquisition of private land thereof (09 sanction orders amounting to ₹88 crore) and other misclassification purpose such as annual maintenance expenditure of Jeypore Airport, Koraput and Utkela Airport, Kalahandi Airport; shifting and renovation of Dakota Aircraft; expenditure on training, advertisement and hire charges of vehicles <i>etc.</i>
		04	286,65,79,000	5055	Funds were released in favour of OSRTC towards development of block-level bus-stands.
		13	254,12,20,793	5075	Funds were released towards land acquisition charges and other related works such as felling of trees, eviction of hostel buildings, avenue plantation in connection with diversion of forest land <i>etc.</i> , for the development of Khurdha Road-Bolangir NBG Rail Link Project and Jeypore-Nabarangapur-Malkangiri Rail Link Project. The ownership of the land assets will be vested in Indian Railways as per MoU signed with Indian Railways by Govt. of Odisha.
7.	24-Steel and Mines	03	15,88,57,107	4852	Funds were released in favour of Odisha Mining Corporation for renovation of district level office buildings.
8.	28-Rural Development	02	9,58,33,333	5054	These are Administrative Expenditure Funds under PMGSY. Therefore, booking of such expenditure under capital section is

Sl. No	No. and Name of the Grant /Department	No. of sanction order	Misclassified Amount (₹)	Major head	Audit observation
					in contradiction to the provisions of Rule-29 & 30 of Govt. Accounting Rules, 1990.
9.	30-Energy	08	89,63,18,970	4801	Funds were released in favour of OREDA for revival/renovation of existing renewable assets.
		02	241,21,24,000	4801	Funds were released in favour of OPTCL under the State Capital Region Improvement in Power System scheme.
10.	32-Tourism	02	10,38,44,244	5452	Funds were released in favour of OTDC for repair and maintenance work of Indigenous Rural Tourism Project in Pipili and towards committed expenditure under IT and E-Governance sector of Tourism Department.
11.	34-Co-operation	11	28,83,55,000	4425	Funds were released in favour of Odisha Warehouse Development Corporation for construction/renovation /improvement of warehouse infrastructure and LAMPCS in Bisam Cuttack block of Rayagada district for construction of office building and godown.
		06	12,00,00,000	4425	Funds were released in favour of Registrar of Co-operative Societies, Odisha, Bhubaneswar for construction of office building and godown of Bisam Cuttack LAMPCS in Rayagada district and 240 other PACS/LAMPCS.
		04	9,79,12,129	4435	Funds were released in favour of Member Secretary, Odisha State Agricultural Marketing Board, for Construction of Multi Commodity Market Yard at Marshaghai, Narasinghpur and Bidharpur
12.	36-Women and Child Development	01	4,58,72,000	4235	Funds have been released for repair of CDPO office buildings
13.	39-Skill Development and Technical Education	02	78,97,420	4202	Funds were released in favour of DDO, DTE&T, Odisha, Cuttack for redistribution towards improvement works (petty works like colour washing, damage repair, imp.to Civil, EI&PH) in Engineering schools and Polytechnics. Expenditure towards minor repair and maintenance work should not be treated as capital expenditure.
14.	43-Odia language, Literature and Culture	17	8,94,80,861	4059	Funds were released for repair, renovation of existing assets which should have been booked under revenue major heads.
15.	Works	-	15,13,35,661	-	Misclassification revealed from VLC database
<b>GRAND TOTAL</b>		<b>151</b>	<b>45,64,62,60,965</b>		

Source: VLC Database and sanction orders of respective Departments, Government of Odisha



**APPENDIX – 3.1**  
**(Refer paragraph 3.3.1)**  
**Cases where supplementary provision (₹ 100 crore or more in each case) proved unnecessary**

(₹ in crore)

Sl. No.	Number and Name of Grant	Original Provision	Supplementary Provision	Actual Expenditure	Savings out of Original provision
<b>A-Revenue (Voted)</b>					
1.	1-Home	6,108.16	548.69	6,030.28	77.88
2.	7-Works	2,454.54	110.26	2,401.70	52.84
3.	9-Food Supplies and Consumer Welfare	3,227.09	466.92	2,400.62	826.47
4.	10-School and Mass Education	22,052.77	2,848.34	21,504.77	548.00
5.	13-Housing and Urban Development	6,956.48	876.11	6,758.69	197.79
6.	17-Panchyati Raj and Drinking Water	21,228.95	2,781.49	17,135.15	4,093.81
7.	22-Forest and Environment	2,178.51	218.05	1,961.89	216.62
8.	36-Women and Child Development and Mission Shakti	3,633.80	389.85	3,394.54	239.26
9.	41-Social Security and Empowerment of Persons with Disability	4,298.76	787.33	4,296.60	2.15
10.	42-Disaster Management	7,464.28	4,697.62	3,892.73	3,571.54
<b>Total</b>		<b>79,603.35</b>	<b>13,724.66</b>	<b>69,776.97</b>	<b>9,826.37</b>
<b>B-Capital (Voted)</b>					
11.	1-Home	994.99	228.89	917.30	77.69
12.	5-Finance	6,740.00	260.81	6041.79	698.21
13.	17-Panchayati Raj and Drinking Water	5,083.00	1,301.51	4,992.47	90.53
14.	28-Rural Development	5,774.50	558.05	5,205.64	568.86
15.	30-Energy	2,591.40	255.00	2,443.04	148.36
<b>Total</b>		<b>21183.89</b>	<b>2604.27</b>	<b>19600.24</b>	<b>1583.64</b>
<b>GRAND TOTAL</b>		<b>1,00,787.23</b>	<b>16,328.90</b>	<b>89,377.22</b>	<b>11,410.01</b>

Source: Appropriation Accounts for FY 2023-24, Government of Odisha

**APPENDIX – 3.2**  
**(Refer paragraph 3.3.1)**  
**Cases where Supplementary Provision (₹ five crore or more in each case) proved excessive**

(₹ in crore)						
Sl. No.	Number and Name of Grant	Original Provision	Supplementary provision	Total Budget	Actual expenditure	Excessive Supplementary provision (savings)
<b>A-Revenue (Voted)</b>						
1	11-ST & SC Development, Minorities and Backward Classes Welfare	3,802.18	1,126.42	4,928.60	3,976.62	951.98
2	12- Health and Family Welfare	12,319.40	1,141.85	13,461.25	12,518.90	942.35
3	14-Labour and Employees State Insurance	207.15	38.94	246.09	222.47	23.62
4	15-Sports and youth Services	235.10	320.99	556.08	547.13	8.95
5	19-Industries	630.20	267.93	898.13	844.71	53.42
6	20-Water Resources	3,108.59	559.17	3,667.76	3,467.28	200.48
7	21-Transport	442.83	693.29	1136.12	1106.23	29.89
8	23-Agriculture and Farmers' Empowerment	6,815.89	673.39	7,489.29	6,837.10	652.19
9	25-Information and Public Relations	133.25	50.45	183.70	149.81	33.89
10	26-Excise	130.58	24.76	155.34	143.55	11.79
11	27-Science and Technology	119.08	11.41	130.49	123.16	7.33
12	28-Rural Development	1,725.00	339.02	2,064.02	1,992.91	71.11
13	29-Parliamentary affairs	55.35	13.06	68.42	58.72	9.70
14	32-Tourism and Culture	205.44	175.93	381.36	286.44	94.92
15	33-Fisheries and Animal Resources Development	1,236.39	374.87	1,611.26	1,287.98	323.28
16	34-Co-operation	1,672.40	564.66	2,237.06	2,223.94	13.12
17	37-Electronics and Information Technology	355.55	247.74	603.29	602.44	0.85
18	38-Higher Education	3,112.37	811.55	3,923.92	3,462.11	461.81
19	39-Skill Development & Technical Education	640.36	35.30	675.66	653.87	21.79
20	43-Odia Language, Literature and Culture	185.60	68.95	254.55	245.05	9.50
21	44-Mission Shakti	2,084.33	783.16	2,867.49	2,839.44	28.05
<b>Total</b>		<b>39,217.04</b>	<b>8,322.84</b>	<b>47,539.88</b>	<b>43,589.86</b>	<b>3,950.02</b>
<b>B-Capital (Voted)</b>						
22	14-Labour and Employees State Insurance	11.50	14.85	26.35	25.29	1.06
23	21-Transport	844.75	55.00	899.75	886.80	12.95
24	31-Handlooms, Textiles and Handicrafts	5.25	40.00	45.25	40.97	4.28
25	36-Women and Child Development and Mission Shakti	36.19	82.71	118.90	99.08	19.82
26	38-Higher Education	60.50	30.00	90.50	82.36	8.14
<b>Total</b>		<b>958.19</b>	<b>222.56</b>	<b>1,180.75</b>	<b>1,134.5</b>	<b>46.25</b>
<b>GRAND TOTAL</b>		<b>40,175.23</b>	<b>8,545.40</b>	<b>48,720.63</b>	<b>44,724.36</b>	<b>3,996.27</b>

*Source: Appropriation Accounts for FY 2023-24, Government of Odisha*

**APPENDIX – 3.3**  
**(Refer paragraph 3.3.2)**

**Unnecessary / Inadequate re-appropriation of funds during FY 2023-24**

(₹ in crore)

Sl. No.	Number/ Name of Grant and Head of Accounts	Original Grant	Supplementary Grant	Re-appropriation	Total	Expenditure	Savings (-)/ Excess (+)
<b>Reduction of provision through Re-appropriation orders, wherein expenditure in excess of re-appropriation occurred</b>							
<b>Grant No. 13- Housing and Urban Development</b>							
1	2217-05-800-3298 - District Urban Development Agency (DUDA)	8.00	0	(-) 5.59	2.41	3.17	(+) 0.76
<b>Grant No.22-Forest &amp; Environment</b>							
2	4406-01-070-2327- Construction and Renovation of Forest buildings	1.74	4.06	(-) 0.04	5.76	7.80	(+)2.04
<b>Argumentation of provision proved injudicious</b>							
<b>Grant No. 10- School and Mass Education</b>							
3	2202-80-796-3381 - Samagra Shiksha	14.59	0	(+)10.17	24.76	8.78	(-)15.98
<b>Grant No.16-Planning and Convergence</b>							
4	2401-00-111-1161 - Rationalisation of Minor Irrigation Statistics	0.60	0	(+)0.07	0.67	0.37	(-) 0.30
<b>Grant No.28- Rural Development</b>							
5	5054-04-337-0708- Information, Education and Communication	1.00	4.00	(+)22.54	27.54	0	(-) 27.54
<b>GRAND TOTAL</b>		<b>25.93</b>	<b>8.06</b>	<b>(+) 27.15</b>	<b>61.14</b>	<b>20.12</b>	<b>(-) 41.02</b>

*Source: Appropriation Accounts for FY 2023-24, Government of Odisha*

**APPENDIX – 3.4**  
(Refer paragraph 3.3.3)

**Grants having large savings, after surrender (exceeding ₹ 25 crore), during FY 2023-24**

(₹ in crore)

Sl. No.	Number and Name of the Grant	Total Budget Provision	Actual Expenditure	Savings	Surrendered	Savings (after surrender)
<b>A-Revenue (Voted)</b>						
1	1-Home	6,657	6,030	627	596	31
2	7-Works	2,565	2,402	163	137	26
3	10- School and Mass Education	24,901	21,505	3,396	3,365	31
4	12-Health and Family Welfare	13,461	12,519	942	742	200
5	13-Housing and Urban Development	7,833	6,759	1,074	1,056	18
6	36-Women and Child Development and Mission Shakti	4,024	3,395	629	514	115
<b>Total</b>		<b>59,441</b>	<b>52,610</b>	<b>6,831</b>	<b>6,410</b>	<b>421</b>
<b>B-Revenue ( Charged)</b>						
7	2049-Interest Payment (All Charged)	7,241	5,181.14	2,059.86	0	2,059.86
<b>C-Capital (Voted)</b>						
8	5-Finance	7,000.81	6,041.79	959.02	865.46	93.56
<b>D-Capital (Charged)</b>						
9	6003- Internal Debt of the State Government (all charged)	14,400	8,367.73	6,032.27	0	6,032.27
10	6004- Loan and advance from the Central Government (all charged)	4,386	8,67.23	3,519.20	0	3,519.20
<b>Total</b>		<b>18,786</b>	<b>9,234.96</b>	<b>9,551.47</b>	<b>0</b>	<b>9,551.47</b>
<b>GRAND TOTAL</b>		<b>92,469</b>	<b>73,068</b>	<b>19,401</b>	<b>7,275</b>	<b>12,126</b>

Source: Appropriation Accounts for FY 2023-24, Government of Odisha

**APPENDIX – 3.5**  
**(Refer paragraph 3.3.3)**

**Grants having persistent savings (exceeding ₹ 100 crore) during FYs 2021-22 to 2023-24**

**(₹ in crore)**

Sl. No.	Grant No./ Name of the Department	Savings		
		2021-22	2022-23	2023-24
<b>Revenue (V)</b>				
1	1-Home	930.20	549.00	626.57
2	3-Revenue and Disaster Management	310.91	246.15	159.67
3	4-Law	105.56	161.86	201.45
4	5-Finance	4,519.17	2,306.75	3,808.52
5	10-School and Mass Education	2,708.50	1,058.05	3,396.34
6	11-ST & SC Development, Minorities and Backward Classes Welfare	682.45	596.78	951.98
7	12-Health and Family Welfare	892.96	575.03	942.36
8	13-Housing and Urban Development	179.87	928.54	1,073.90
9	16-Planning and Convergence	146.45	555.72	2,353.82
10	17-Panchyati Raj and Drinking Water	7,292.86	9,603.38	6,875.30
11	20-Water Resources	289.43	379.20	200.48
12	22-Forest and Environment	243.66	512.26	434.67
13	23-Agriculture and Farmers' Empowerment	1,535.01	565.06	652.18
14	33-Fisheries	303.02	274.59	323.28
15	36-Women and Child Development and Mission Shakti	584.48	716.81	629.11
16	38-Higher Education	372.57	549.08	461.81
17	40-Micro, Small and Medium Enterprises	119.85	385.00	125.36
18	42-Disaster Management	2,963.21	6,070.80	8,269.16
<b>Revenue (C)</b>				
19	2049-Interest Payment (All Charged)	1,657.55	2,964.68	2,059.72
<b>Capital (V)</b>				
20	1-Home	120.73	157.00	306.58
21	12-Health and Family Welfare	158.81	326.62	119.43
22	16-Planning and Convergence	197.35	1,079.00	6,679.98
23	20-Water Resources	1,253.96	1,072.97	756.43
24	28- Rural Development	1,956.83	1,229.65	1,126.91

*Source: Appropriation Accounts for FY 2023-24, Government of Odisha*

**APPENDIX – 3.6**  
(Refer paragraph 3.3.3)

**Grant-wise percentage of utilisation of budget and savings, during FY 2023-24**

(₹ in crore)

Sl. No.	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Utilisation	Range of Utilisation (Per cent)
1	6004-Loan and advance form the central Government (all charged)	4,386	867	3,519	19.17	Up to 50
2	16-Planning and Convergence	13,107	4,073	9,034	31.08	
3	42-Disaster Management	12,162	3,893	8,269	32.01	
<b>TOTAL</b>		<b>29,655</b>	<b>8,833</b>	<b>20,822</b>		
4	6003-Internal Debt of the State Government (all charged)	14,400	8,368	6,032	58.11	51 to 75
5	40-Micro, Small and Medium Enterprises	651	412	239	63.33	
6	6-Commerce	180	114	66	63.53	
7	9-Food Supplies and Consumer Welfare	3,709	2,415	1,294	65.12	
8	18-Public Grievances and Pension Administration	3	2	1	67.91	
9	33-Fisheries and Animal Resources Development	2,151	1,511	640	70.23	
10	2049-Interest Payment (All Charged)	7,241	5,181	2,060	71.55	
11	17-Panchyati Raj and Drinking Water	30,402	22,128	8,274	72.79	
12	2-General Administration and Public Grievance	621	457	163	73.69	
13	32-Tourism and Culture	856	637	219	74.38	
<b>TOTAL</b>		<b>60,214</b>	<b>41,225</b>	<b>18,988</b>		
14	4-Law	829	628	202	75.71	76 to 90
15	15-Sports and youth Services	1,538	1,214	324	78.93	
16	30-Energy	3,260	2,613	647	80.16	
17	11-ST & SC Development, Minorities and Backward Classes Welfare	6,007	4,852	1,155	80.77	
18	25-Information and Public Relations	188	154	34	81.85	
19	22-Forest and Environment	2,409	1,974	435	81.95	
20	29- Parliamentary affairs	98	82	17	82.87	
21	36-Women and Child Development and Mission Shakti	4,143	3,494	649	84.33	

Sl. No.	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Utilisation	Range of Utilisation (Per cent)
22	41-Social Security and Empowerment of Persons with Disability	5,086	4,297	789	84.48	
23	35-Public Enterprise	12	10	2	84.53	
24	8-Odisha Legislative Assembly	195	166	29	85.07	
25	10-School and Mass Education	25,410	21,738	3,672	85.55	
26	28-Rural Development	8,397	7,199	1,199	85.73	
27	13-Housing and Urban Development	9,011	7,802	1,209	86.58	
28	5-Finance	36,994	32,216	4,779	87.08	
29	1-Home	8,094	7,118	976	87.94	
30	26-Excise	200	176	24	88	
31	38-Higher Education	4,014	3,544	470	88.29	
32	31-Handlooms, Textiles and Handicrafts	287	255	32	88.77	
33	24-Steel and Mines	326	292	34	89.61	
34	3-Revenue and Disaster	1,618	1,458	161	90.07	
<b>TOTAL</b>		<b>1,18,116</b>	<b>1,01,282</b>	<b>16,839</b>		
35	14-Labour and Employees State Insurance	272	248	25	90.94	91 to 100
36	23-Agriculture and Farmers' Empowerment	7,809	7,157	652	91.65	
37	20-Water Resources	13,189	12,230	959	92.73	
38	34-Co-operation	2,641	2,471	171	93.53	
39	12-Health and Family Welfare	17,084	16,021	1,062	93.78	
40	27-Science and Technology	130	123	7	94.38	
41	19-Industries	1,108	1,055	53	95.18	
42	43-Odia Language, Literature and Culture	303	293	10	96.84	
43	39-Skill Development & Technical Education	1,202	1,176	26	97.85	
44	21-Transport	2,036	1,993	43	97.9	
45	7-Works	9,853	9,681	172	98.25	
46	44-Mission Shakti	3,337	3,309	28	99.16	
47	37-Electronics and Information Technology	603	602	1	99.86	
<b>TOTAL</b>		<b>59,567</b>	<b>56,359</b>	<b>3,209</b>		
<b>GRAND TOTAL</b>		<b>2,67,552</b>	<b>2,07,699</b>	<b>59,858</b>		

Source: Appropriation Accounts for FY 2023-24, Government of Odisha

**APPENDIX – 3.7**  
**(Refer paragraph 3.3.3)**

**Surrender of funds in excess of ₹100 crore, on the last day of March 2024**

(₹ in crore)

Sl. No.	Number and Name of Grant	Original Budget	Supplementary Budget	Total Provision	Actual Expenditure	Savings	Amount surrendered on 31.03.2024
1	1- Home	7,313.61	781	8,094	7,118	976	945
2	2- General Administration Department and Public Grievance	544.49	76	621	457	163	163
3	3-Revenue and Disaster Management	1,586.72	32	1,618	1,458	161	160
4	4-Law	816.43	13	829	628	202	201
5	5- Finance	36,715.98	278	36,994	32,216	4,779	2,685
6	7-Works	9,473.00	380	9,853	9,861	172	256
7	9-Food Supplies and Consumer Welfare	3,229.95	479	3,709	2,415	1,294	1,293
8	10-School and Mass Education	22,527.95	2,882	25,410	21,738	3,672	3,641
9	11-ST & SC Development, Minorities and Backward Classes Welfare	4,651.78	1,355	6,007	4852	1155	1152
10	12-Health and Family Welfare	15,756.53	1,327	17,084	16,021	1,062	862
11	13- Housing and Urban Development	7,923.25	1,088	9,011	7,802	1,209	1,191
12	16-Planning and Convergence	13,103.70	3	13,107	4,073	9,034	1,147
13	17-Panchyati Raj and Drinking Water	26,318.55	4,083	30,402	22,128	8,274	8,273
14	19-Industries	790.20	318	1108	1055	53	183
15	20-Water Resources	10,782.00	2,407	13,189	12,230	959	958
16	22-Forest and Environment	21,83.68	225	2,409	1,974	435	432
17	23-Agriculture and Farmers' Empowerment	7,135.89	673	7,809	7,157	652	652
18	28-Rural Development	7,500	897	8,397	7,199	1,199	1,197



Sl. No.	Number and Name of Grant	Original Budget	Supplementary Budget	Total Provision	Actual Expenditure	Savings	Amount surrendered on 31.03.2024
19	30-Energy	3,002.53	257	3,260	2,613	647	560
20	32-Tourism and Culture	680.02	176	856	637	219	135
21	33-Fisheries and Animal Resources Development	1,769.29	382	2,151	1,511	640	631
22	34-Co-operation	2,036.01	605	2,641	2,471	171	171
23	36-Women and Child Development and Mission Shakti	3,670.00	473	4,143	3,494	649	534
24	38-Higher Education	3,172.87	842	4,014	3,544	470	468
25	40- Micro, Small and Medium Enterprises	647.77	3	651	412	239	239
26	41-Social Security and Empowerment of Persons with Disability	4,298.76	787	5,086	4,297	789	789
27	42-Disaster Management	7,464.28	4,698	12,162	3,893	8,269	8269
<b>GRAND TOTAL</b>		<b>2,05,095.24</b>	<b>25,520</b>	<b>2,30,615</b>	<b>1,83,254</b>	<b>47,544</b>	<b>37,187</b>

Source: Appropriation Accounts for FY 2023-24, Government of Odisha

**APPENDIX – 3.8**  
**(Refer paragraph 3.4.2)**

**Surrender of 100 per cent of total provisions during FY 2023-24**  
**(₹ 50 crore or more in each case)**

(₹ in crore)

Sl. No.	Grant number and name	Scheme (Head of Account)	Amount surrendered (₹ in crore)	Percentage of Surrender	Reason for Surrender
1	03-R &DM Department	3454-02-800-2475 Census Establishment	55.00	100	Reason not furnished.
2	05- Finance Department	2014-00-103-3484 15th FC Grants for Judiciary	85.00	100	Reason not furnished.
3		2210-06-112-3485 15th FC Grants for Health sector	111.00	100	Reason not furnished.
4		2401-00-104-3486 15th FC Grants for Agriculture reforms	226.00	100	Reason not furnished.
5		2401-04-337-3487 15th FC Grants for maintenance of PMGSY Roads	275.00	100	Reason not furnished.
6		4215-01-102-3478 Scheme for Central assistance to states for capital expenditure	400.00	100	Reason not furnished.
7		4711-01-103-3478 scheme for special central assistance to states for Capital expenditure.	80.00	100	Reason not furnished.
8		5054-04-101-3478 scheme for special central assistance to states for Capital expenditure.	280.00	100	Reason not furnished.
9		5475-00-800-2618 state viability Gap Fund(VGF) Assistance for infrastructure development	50.00	100	Reason not furnished.
10		06-Commerce Department	5051-02-200-2161 Rural Infrastructure Development Fund (RIDF)	50.00	100
11	11- ST & SC Development, Minorities & Backward Classes welfare department	2225-01-793-0671 Implementation of Income Generating Scheme	52.86	100	Due to non-receipt of Central Assistance.
12		2225-02-277-3551 Umbrella scheme for education of ST students (pre-matric scholarship)	88.57	100	Due to non-receipt of Central Assistance.
13		4225-01-102-3689 Development Action Plan of Scheduled Castes ( DAPSC- AJAY)	100.00	100	Reason not furnished.
14		2210-06-101-3261 Mukhya Mantri Swasthya Seva Mission	151.00	100	Reason not furnished.
15		2515-00-196-3497 - 15th FC Grants: Support for diagnostic infrastructure to the primary	61.72	100	Due to non-receipt of Central Share.

Sl. No.	Grant number and name	Scheme (Head of Account)	Amount surrendered (₹ in crore)	Percentage of Surrender	Reason for Surrender
		health care facilities - Sub-Centers			
16	13-Housing & Urban Development	2215-02-105-3221 Swachha Bharat Mission (SBM) – Urban	138.00	100	Due to non-receipt of Central assistance.
17		2215-02-796-3221 Swachha Bharat Mission (SBM) – Urban	53.00	100	Reason not furnished.
18	16-Planning & Convergence Department	2575-02-789-3489 special initiative Programme	823.15	100	Reason not furnished.
19		2575-02-796-3489 special initiative Programme	1,118.00	100	Reason not furnished.
20	17- Panchayati Raj & drinking water department	2505-02-101-3227 Revolving Fund for MGNREGS	1,000.00	100	Reason not furnished.
21		2515-003-196-3493 15th FC Grants: Conversion of Rural PHC & CSs into Health and Wellness centre	132.00	100	Reason not furnished.
22	23-Agriculture and Farmers' Empowerment	2401-00-119-3442 Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhayan (PM-KUSUM)	60.00	100	Reason not furnished.
23	30-Energy Department	4801-80-800-3733 Chief Minister Power Development Programme-CMPDP	50.00	100	Reason not furnished.
24	40-Micro, Small & Medium Enterprises	4851-00-102-3566- SIDBI Cluster Development Fund (SCDF)	60.00	100	Due to non-finalisation of land acquisition
25		4851-00-102-3021-MSME Development Programme	70.00	100	Due to non-finalisation of land acquisition
26	41- Social Security & Empowerment of Persons with Disability	2235-02-101-3071- Implementation of Persons with Disabilities Act - 1995	14.00	100	Due to non-receipt of Central Assistance
27		2235-60-102-3137- Programmes and Activities for Trans-Gender	3.00	100	Due to non-receipt of Central Assistance
28	42-Disaster Management	2245-05-101-2673 Contribution to State Disaster Response Fund	1,073.60	100	Reason not furnished.
29		2245-08-101-3523 State Disaster Mitigation Fund	268.40	100	Reason not furnished.
30		2245-80-800-1183 Relief Expenditure met from	1,073.60	100	Reason not furnished.

Sl. No.	Grant number and name	Scheme (Head of Account)	Amount surrendered (₹ in crore)	Percentage of Surrender	Reason for Surrender
		National Calamity Contingency Fund			
31		2245-80-800-3523 State Disaster Mitigation Fund	268.40	100	Reason not furnished.
32	44- Mission Shakti Department	4059-01-051-3566 SIDBI Cluster Development Fund (SCDF)	150.00	100	Reason not furnished.
<b>TOTAL</b>			<b>8,421.3</b>		

*Source: Monthly Appropriation Reports 2023-24, Government of Odisha*

**APPENDIX – 3.9**  
(Refer paragraph 3.4.3)

**Release of funds at the end of the Financial Year 2023-24**

(₹ in crore)

Sl. No.	Name of the Department	Sanction order No.	Date	Amount
1	Agriculture and Farmer's Empowerment	202334340272	31/03/2024	0.15
		202334231217	28/03/2024	0.71
		202334231301	28/03/2024	0.47
		202334231337	28/03/2024	0.01
		202334231362	28/03/2024	0.01
		202334284112	27/03/2024	0.65
		202334287997	30/03/2024	0.60
		202334288027	30/03/2024	0.40
		202334288066	30/03/2024	0.17
		202334288080	30/03/2024	0.11
		202334288152	30/03/2024	0.23
		202334288174	30/03/2024	0.15
		202334288236	27/03/2024	0.43
		202334288268	27/03/2024	0.89
		202334288306	27/03/2024	0.59
		202334288336	27/03/2024	2.31
		202334288364	27/03/2024	1.54
		202334296616	28/03/2024	13.67
		202334296663	28/03/2024	9.11
		202334296759	28/03/2024	3.87
		202334296802	28/03/2024	2.58
		202334296850	28/03/2024	5.24
		202334296884	28/03/2024	3.49
		202334296904	28/03/2024	0.42
		202334296906	28/03/2024	0.71
		202334296946	28/03/2024	0.86
		202334297009	28/03/2024	0.47
		202334297029	28/03/2024	0.65
		202334297095	28/03/2024	0.43
		202334297097	28/03/2024	0.01
		202334297277	28/03/2024	0.89
		202334297279	28/03/2024	1.37
		202334297322	28/03/2024	0.59
		202334297613	28/03/2024	2.10
202334297729	28/03/2024	1.40		
202334297805	28/03/2024	0.64		
202334297902	28/03/2024	0.42		
202334297974	28/03/2024	0.86		
202334298027	28/03/2024	0.57		
202334302002	28/03/2024	28.20		

Sl. No.	Name of the Department	Sanction order No.	Date	Amount
		202334302028	28/03/2024	7.99
		202334302033	28/03/2024	1.50
		202334302057	28/03/2024	10.81
		202334302173	28/03/2024	18.80
		202334302214	28/03/2024	5.32
		202334302241	28/03/2024	7.20
		202334302319	28/03/2024	2.11
		202334302435	28/03/2024	1.40
		202334302485	28/03/2024	0.81
		202334302533	28/03/2024	0.54
		202334302564	28/03/2024	0.60
		202334302597	28/03/2024	0.40
		202334302619	28/03/2024	2.31
		202334302629	28/03/2024	0.01
		202334302658	28/03/2024	1.54
		202334302775	28/03/2024	2.09
		202334303098	28/03/2024	0.58
		202334303140	28/03/2024	0.38
		202334303188	28/03/2024	0.80
		202334303202	28/03/2024	0.52
		202334306397	28/03/2024	28.20
		202334306429	28/03/2024	7.99
		202334306452	28/03/2024	10.81
		202334306467	28/03/2024	18.80
		202334306476	28/03/2024	5.33
		202334306499	28/03/2024	7.21
		202334307142	28/03/2024	1.27
		202334307762	28/03/2024	0.57
		202334307832	28/03/2024	0.64
		202334307933	30/03/2024	2.09
		202334307974	30/03/2024	1.38
		202334308093	30/03/2024	0.80
		202334308162	30/03/2024	0.53
		202334308228	30/03/2024	0.59
		202334308314	30/03/2024	0.39
		202334311977	28/03/2024	2.11
		202334312095	28/03/2024	1.40
		202334312223	28/03/2024	0.81
		202334312298	28/03/2024	0.54
		202334312319	28/03/2024	0.60
		202334312340	28/03/2024	0.40
		202334312546	28/03/2024	0.36
		202334312566	28/03/2024	0.49
		202334312604	28/03/2024	1.27
		202334312615	28/03/2024	0.36

Sl. No.	Name of the Department	Sanction order No.	Date	Amount
		202334312623	28/03/2024	0.49
		202334312786	28/03/2024	2.25
		202334339395	30/03/2024	0.60
		202334339415	30/03/2024	0.40
		202334339438	30/03/2024	0.23
		202334339470	30/03/2024	0.15
		202334339499	30/03/2024	0.17
		202334339520	30/03/2024	0.11
			<b>Total</b>	<b>253.02</b>
2	Food Supplies and Consumer Welfare	202334335390	30/03/2024	441.28
		202334338693	30/03/2024	303.06
			<b>Total</b>	<b>744.34</b>
3	School and Mass Education	202334299666	28/03/2024	0.03
		202334302378	27/03/2024	0.03
		202334312479	28/03/2024	0.03
		202334312511	28/03/2024	0.11
		202334330672	29/03/2024	13.81
		202334273528	28/03/2024	1.01
		202334312696	28/03/2024	78.74
		202334312753	28/03/2024	25.79
		202334312779	28/03/2024	31.22
		202334312796	28/03/2024	46.05
		202334312815	28/03/2024	15.09
		202334312835	28/03/2024	18.26
		202334312859	28/03/2024	6.50
		202334312896	28/03/2024	2.12
		202334312924	28/03/2024	2.58
		202334312941	28/03/2024	6.26
		202334312954	28/03/2024	2.97
		202334312978	28/03/2024	4.60
		202334334877	30/03/2024	39.66
		202334334979	30/03/2024	26.44
		202334335052	30/03/2024	9.80
		202334335128	30/03/2024	6.53
		202334335183	30/03/2024	2.11
		202334338377	30/03/2024	1.41
		202334338531	30/03/2024	398.00
		202334338581	30/03/2024	265.33
		202334338616	30/03/2024	93.36
202334338645	30/03/2024	62.23		

Sl. No.	Name of the Department	Sanction order No.	Date	Amount
		202334338840	30/03/2024	34.56
		202334338882	30/03/2024	23.04
		202334339729	30/03/2024	40.74
		202334339751	30/03/2024	27.16
		202334339783	30/03/2024	15.67
		202334339812	30/03/2024	10.45
		202334341843	30/03/2024	15.40
		202334341870	30/03/2024	10.27
			<b>Total</b>	<b>1337.36</b>
4	Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare	202334299391	28/03/2024	6.33
		202334299398	28/03/2024	2.11
		202334299437	28/03/2024	12.29
		202334299462	28/03/2024	4.09
		202334299677	28/03/2024	2.00
		202334311814	28/03/2024	0.28
			<b>Total</b>	<b>27.10</b>
5	Health and Family Welfare	202334229792	27/03/2024	3.27
		202334335126	30/03/2024	22.39
		202334338571	30/03/2024	2.37
		202334338849	30/03/2024	0.89
		202334342484	30/03/2024	176.54
		202334312233	28/03/2024	0.66
		202334312330	28/03/2024	0.03
		202334318359	30/03/2024	4.65
		202334318491	30/03/2024	0.24
			<b>Total</b>	<b>211.04</b>
6	Housing and Urban Development	202334298071	28/03/2024	42.25
		202334298162	28/03/2024	4.96
		202334299454	28/03/2024	3.91
		202334299510	28/03/2024	1.10
		202334299536	28/03/2024	1.30
		202334299595	28/03/2024	1.65
		202334299689	28/03/2024	5.49
		202334305459	28/03/2024	2.16
		202334305487	28/03/2024	16.48
		202334305512	28/03/2024	3.31
		202334305804	28/03/2024	0.72
		202334306051	28/03/2024	14.08
		202334334485	30/03/2024	1.99
		202334334518	30/03/2024	0.66



Sl. No.	Name of the Department	Sanction order No.	Date	Amount
			<b>Total</b>	<b>100.06</b>
7	Panchayati Raj & Drinking Water	202334311983	28/03/2024	9.02
		202334312060	28/03/2024	6.01
		202334312098	28/03/2024	5.23
		202334312137	28/03/2024	3.49
		202334312178	28/03/2024	3.79
		202334312230	28/03/2024	2.52
		202334335441	28/03/2024	0.15
		202334342460	30/03/2024	0.15
		<b>Total</b>	<b>30.36</b>	
8	Transport	202334241080	27/03/2024	2.77
			<b>Total</b>	<b>2.77</b>
9	Fisheries and Animal Resources Development	202334299784	28/03/2024	0.67
		202334303109	28/03/2024	9.83
		202334311793	28/03/2024	1.17
			<b>Total</b>	<b>11.67</b>
10	Women and Child Development	202334307457	28/03/2024	1.38
		202334307530	28/03/2024	1.62
		202334307597	28/03/2024	0.39
		202334307640	28/03/2024	0.46
		202334307716	28/03/2024	0.53
		202334307807	28/03/2024	0.62
		<b>Total</b>	<b>5.0</b>	
11	Higher Education	202334295921	27/03/2024	0.03
		202334301918	27/03/2024	0.30
		202334278525	28/03/2024	0.006
			<b>Total</b>	<b>0.336</b>
12	Micro, Small and Medium Enterprises	202334305548	28/03/2024	0.02
			<b>Total</b>	<b>0.02</b>
13	Social Security & Empowerment of Persons with Disability	202334307855	30/03/2024	0.18
			<b>Total</b>	<b>0.18</b>
14	Mission Shakti	202334297885	28/03/2024	21.77
		202334297925	28/03/2024	13.27
		202334297955	28/03/2024	22.25
		202334297987	28/03/2024	14.83
		202334298009	28/03/2024	25.48
		202334298032	28/03/2024	16.98
		202334306895	29/03/2024	3.01
		202334338385	30/03/2024	5.36
		202334338420	30/03/2024	3.58
			<b>Total</b>	<b>126.53</b>
15	Forest Environment	202334334891	30/03/2024	10.15
		202334350944	31/03/2024	10.15
			<b>Total</b>	<b>20.30</b>
16	Rural Development	202334306038	28/03/2024	3.80
		202334306114	28/03/2024	8.43
		202334338727	30/03/2024	2.41
			<b>Total</b>	<b>14.64</b>
<b>GRAND TOTAL</b>				<b>2,884.73</b>

Source: Government of Odisha.

**APPENDIX – 3.10**  
**(Refer paragraph 3.4.4)**

**Sub-heads where entire expenditure (exceeding ₹ 5 crore in each case) was incurred in March 2024**

(₹ in crore)

Sl. No.	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Types of Budget	Actual Expenditure during March
1.	8	Odisha Legislative Assembly	4216-01-106-0182	Construction of Buildings	Original	109.89
2.	9	Food Supplies and Consumer Welfare Department	4408-01-800-0182	Construction of Buildings	Supplementary	12.10
3.	10	School and Mass Education	2202-02-107-3730	Mukhyamantri Medhabi Chatra Protsahan Yojana	Original	5.75
4.			2202-02-108-0439	Council of Higher Secondary Education	Original+ Supplementary	5.30
5.			2202-02-789-3381	Samagra Shiksha	Original	25.83
6.			2202-02-796-3381	Samagra Shiksha	Original	15.00
7.			4202-01-202-3381	Samagra Shiksha	Original	57.61
8.	13	Housing and Urban Development Department	2215-02-797-3522	Fund for Protection and Welfare of Core Sanitation Workers	Original	15.00
9.			2217-05-797-3404	Odisha Real Estate Regulatory Fund (ORERF)	Original	9.43
10.	16	Planning and Convergence Department	3451-00-092-2116	Institute of Social Science	Original	7.29
11.	20	Water Resources Department	4700-15-800-2954	CAD&WM work in AIBP Projects	Original	12.60
12.	21	Transport Department	4059-01-051-2193	Construction of Building of Transport Department	Original	10.00
13.	22	Forest & Environment Department	2406-01-102-0573	Green India Mission	Original	20.38
14.			3435-03-102-3440	Green Climate Fund Project	Original	10.16

Sl. No.	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Types of Budget	Actual Expenditure during March
15.	23	Agriculture and Farmers' Empowerment	2401-00-800-3727	State Top up Assistance for Horticultural Intervention	Original	27.00
16.	30	Energy Department	4801-02-190-1276	Share Capital Investment	Original	38.00
17.			4801-05-190-2251	Implementation of Non-remunerative transmission project in backward districts	Original	100.00
18.			4801-05-800-3733	Chief Minister Power Development Programme-CMPDP	Original	40.00
19.	34	Co-operation Department	4425-00-190-1276	Share Capital Investment	Original+ Supplementary	165.00
20.	35	Public Enterprises Department	2235-60-200-2277	Corpus fund for OSRFS	Original	6.50
21.	36	Women & Child Development and Mission Shakti Department	2235-02-102-3603	Social Security Insurance	Original	5.84
22.	37	Electronics & Information Technology Department	2852-07-202-2734	Establishment of Software Technology Park of India (STPI)	Original	7.82
23.			2852-07-202-3739	O Chip - Odisha Chip Programme & Other CoEs	Original	30.00
24.	39	Skill Development & Technical Education Department	2230-02-101-3794	Nano -unicorn	Original	4.75
25.	44	Mission Shakti	2501-06-102-3530	Mahila Kisan Sashaktikaran Pariyojana (MKSP)	Original	11.91
<b>TOTAL</b>						<b>753.16</b>

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

**APPENDIX – 4.1**  
**(Refer paragraph 4.2)**

**Central Scheme Funds, transferred by Government of India directly to the State implementing agencies**

**(₹ in crore)**

Sl. No.	Schemes of Government of India	Implementing Agency	Funds released directly by GoI, during FY 2023-24
1	Agriculture CENSUS (OCE)	State Directorate of Economics & Statistics Odisha	1.30
2	AYURGYAN	Kaviraj Ananta Tripathy Sharma (KATS) Ayurvedic College, Berhampur, Ganjam	0.00
3	Agriculture Economics and Statistics	1. Odisha University of Agriculture and Technology (OUAT), Bhubaneswar 2. State Directorate of Economics & Statistics, Odisha	30.58
4	Blood Transfusion Services-[4061]	Orissa State Aids Control Society	1.53
5	Capacity Building for Service Providers	Berhampur University Bhanja Vihar, Berhampur	0.04
6	Centenaries and Anniversaries Celebrations	National Conclave Utkal University	0.46
7	Conservation of Aquatic Eco-System	Chilika Development Authority	0.24
8	Consumer Welfare Fund	National Law University, Odisha, Cuttack	0.05
9	Establishment Expenditure (UD)	State Directorate of Economics & Statistics, Odisha	0.11
10	Exploration Activities under National Mineral Exploration Trust-[3583]	Daitari Iron Ore Mines, M/S Odisha Mining Corporation Limited	10.54
11	Exploration Activities under National Mineral Exploration Trust-[3583]	Directorate of Mines Odisha	6.49
12	Establishment Expenditure Election Commission of India	Chief Electoral Officer, Odisha	1.24
13	Establishment Expenditure Higher Education	Odisha State Bureau of Textbook Preparation and Production	0.15
14	Establishment Expenditure (EF&CC)	Maharaja Shri Rama Chandra Bhanja Deo University, Baripada	0.12

Sl. No.	Schemes of Government of India	Implementing Agency	Funds released directly by GoI, during FY 2023-24
15	Establishment Expenditure(space)- [3012]	Veer Surendra Sai University of Technology (VSSUT), Burla	0.16
16	Food Subsidy	Odisha State Civil Supplies Corporation (OSCSC) Limited, Bhubaneswar	14,473.68
17	Grants to Other Institutions	Berhampur University Bhanja Vihar, Berhampur	0.03
		Fakir Mohan University, Balasore	0.09
		Institute of Mathematics and Applications, Bhubaneswar	0.44
		International Institute of Information Technology (IIIT), Bhubaneswar	0.07
		Maharaja Shri Rama Chandra Bhanja Deo University, Baripada	0.36
		Ravenshaw University Cuttack	0.01
18	Integrated Development of Wildlife	Divisional Forest Office, City Forest Division	0.27
19	Krishionnati Yojana (4138)	Odisha State Agricultural Marketing Board, Bhubaneswar	0.23
		Odisha State Seeds Corporation Limited, Bhubaneswar	8.56
20	Khelo India	Odisha Council of Sports Cuttack	7.00
21	Micro and Small Enterprise Cluster Development Programme (MSE-CDP) (4170)	Odisha Industrial Infrastructure Development Corporation (OIIDC)	14.24
22	Management Support to RD Programs and Strengthening of District Planning Process in Lieu of Programme	State Institute of Rural Development	0.27
		State Institute of Rural Development and Panchayati Raj, Bhubaneswar	0.35
23	National AIDS AND STD Control Programme (NACO)	Odisha State Aids Control Society	11.28
		Orissa State Aids Control Society	22.56
24	National Highway Authority of India Investment	Orissa B&OCW Welfare Board	0.02
25	National Plan for Dairy Development	Odisha Milk Producers Federation (Omfed) Bhubaneswar	5.60

Sl. No.	Schemes of Government of India	Implementing Agency	Funds released directly by GoI, during FY 2023-24
		The Odisha State Cooperative Milk Producer's Federation Limited	1.46
26	National Rural Drinking Water Programme	Engineer-in-Chief RWSS, Bhubaneswar	2,108.54
27	National Rural Employment Guarantee Scheme (MGNREGA) CS	Odisha Rural Development and Marketing Society (ORMAS), Bhubaneswar	3,980.92
28	National Service Scheme	Odisha State NSS Cell	0.08
29	National Tele Mental Health Programme-[4126]	Odisha State Health and Family Welfare Society	1.03
30	Other Schemes NH RTH	Tahasildars, Assistant Collectors <i>etc.</i>	496.80
31	PDs Evaluation Monitoring and Research	International Institute of Information Technology (IIIT), Bhubaneswar	0.08
32	Pradhan Mantri Ayushman Bharat	Odisha State Health and Family Welfare Society	2.79
33	Pradhan Mantri Kisan Samman Nidhi	Department of Agriculture, Odisha	2,220.73
34	Rashtriya Gram Swaraj Abhiyan(RGSA)	DRDA, Ganjam, GPs (Ankruli, Bonai, Kanchuru, Ambagam), Panchayat Samiti, Hinjilicut and State Institute of Rural Development	10.58
35	Rashtriya Swasthya Bima Yojana (RSBY)	State Health Assurance Society, Odisha	13.15
36	Relief and Rehabilitation for Migrant and Repatriates	District Magistrate	0.24
37	Road Safety RTH	State Transport Authority, Government of Odisha	0.16
38	Scheme on Women Safety-RTH-3826	State Transport Authority, Government of Odisha	1.05
39	Skill India Programme	Ispat General Hospital	0.17
40	e-Courts Phase III-[4121]	Registrar General High Court of Odisha	9.79
<b>TOTAL</b>			<b>23,445.64</b>

Source: Finance Accounts for FY 2023-24 - Appendix VI

**APPENDIX – 4.2**  
**(Refer paragraph 4.3)**

**Details of GIA for which utilisation certificates were pending since  
2003-04 from different Departments at the end of 31.03.2024**

**(₹ in crore)**

Sl. No.	Name of the Department	Amount outstanding as on 31.03.2024	No. of GIA Vouchers for which UCs were awaited
1	Law	20.29	78
2	Mission Shakti	549.42	113
3	Water Resources	0.20	7
4	Transport	109.74	27
5	Energy	98.84	20
6	Handlooms, Textiles & Handicrafts	30.21	45
7	Micro, Small and Medium Enterprises	132.81	117
8	Health and Family Welfare	217.74	73
9	Panchayati Raj and Drinking Water	4,380.54	1,994
10	Women and Child Development and Mission Shakti	823.01	735
11	Fisheries and Animal Resources Development	0.31	7
12	School and Mass Education	90.78	76
13	Agriculture and Farmers' Empowerment	12.36	6
14	Tourism	3.00	1
15	Higher Education	410.18	285
16	Labour and Employees' State Insurance	10.34	14
17	Disaster Management	68.49	21
18	Planning and Convergence	935.39	558
19	Odia Language, Literature and Culture	68.19	375
20	Electronics and Information Technology	166.21	33
21	General Administration and Public Grievances	39.57	15
22	Skill Development and Technical Education	2.77	14
23	Parliamentary Affairs	0.59	6
24	Finance	2.07	4
25	Sports and Youth Services	0.89	10
26	Housing and Urban Development	3,093.79	3543
27	Forest and Environment	79.72	993
28	Social Security and Empowerment of Persons with Disability	419.51	1169
29	Co-operation	22.22	19
30	Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare	188.13	453
31	Revenue and Disaster Management	39.13	47
32	Science and Technology	168.36	128
33	Food Supplies and Consumer Welfare	26.10	15
34	Industries	150.36	12
35	Commerce	*0.00	1
<b>TOTAL</b>		<b>12,361.26</b>	<b>11,014</b>

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

\*UC pending ₹4,200 (Commerce Department)

**APPENDIX – 4.3**  
(Refer paragraph 4.3)

**Department-wise UCs not received by AG(A&E) and pending reconciliation, for more than ten years, as on 31 March 2024**

(₹ in crore)

Sl. No	Department Name	Period for which UCs wanting	Amount of Outstanding UCs (₹ in crore)	No. of GIA Vouchers, for which UCs were awaited
1	Fisheries & Animal Resources Development	2005-12	0.25	5
2	Food Supplies and Consumer Welfare	2011-12	0.01	2
3	General Administration and Public Grievance	2006-11	4.30	9
4	Housing and Urban Development	2003-12	212.42	1613
5	Law	2003-12	0.42	23
6	Micro Small and Medium Enterprises	2009-12	0.33	4
7	Odia Language, Literature and Culture	2003-12	18.70	156
8	Panchayati Raj and Drinking Water	2003-12	129.33	1086
9	Planning and Convergence	2003-12	163.53	302
10	Revenue and Disaster Management	2003-12	13.38	39
11	ST & SC Development, Minorities and Backward Classes Welfare	2007-12	5.07	72
12	School and Mass Education	2011-12	0.44	2
13	Skill Development and Technical Education	2010-12	0.30	1
<b>TOTAL</b>			<b>548.48</b>	<b>3,314</b>

*Source: VLC database*



**APPENDIX – 4.4**  
**(Refer paragraph 4.4)**

**Department-wise Outstanding AC/DC Bills, as on 31 March 2024**

Sl. No.	Grant No.	Department Name	Outstanding bills (₹ in lakh)	No. of Outstanding bills	Period of pendency
1	01	Home	15,89.15	301	2003-24
2	02	General Administration and Public Grievance	12,83.94	28	2015-2024
3	04	Law	10.27	112	2003-2024
4	05	Finance	7.62	2	2023-2024
5	13	Housing and Urban Development	3,64.23	48	2021-2022
6	15	Sports & Youth Services	1,05.00	1	2023-2024
7	16	Planning & Convergence	50,06.50	34	2023-2024
8	17	Panchayati Raj and Drinking Water	14,16.62	223	2005-2024
9	24	Steel & Mines	1,89.70	267	2021-2024
10	38	Higher Education	3,14.29	197	2019-2024
11	43	Odia Language, Literature and Culture	18.83	9	2020-2021
<b>TOTAL</b>			<b>103,06.15</b>	<b>1,222</b>	

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

**APPENDIX – 4.5**  
(Refer paragraph 4.6)

**Substantial expenditure (50 per cent and above of the total expenditure) booked under Minor Head-800-Other Expenditure, during FY 2023-24**

(₹ in crore)

Sl. No.	Major Head	Description	Total Expenditure	Expenditure under Minor Head 800	Percentage
1	2013	Council of Ministers	36.89	33.27	90.17
2	2575	Other Special Areas Programmes	421.18	404.17	95.96
3	2711	Flood Control and Drainage	222.69	205.01	92.06
4	2801	Power	23.31	15.01	64.38
5	3055	Road Transport	705.74	705.34	100
6	4250	Capital Outlay on Other Social Services	261.60	226.09	86.43
7	4401	Capital Outlay on Crop Husbandry	120.00	72.00	60.00
8	4408	Capital Outlay on Food Storage and Warehousing	12.30	12.10	98.40
9	4700	Capital Outlay on Major Irrigation	5,593.40	3,463.37	61.92
10	4701	Capital Outlay on Medium Irrigation	2,133.35	1,180.81	55.35
11	4875	Capital Outlay on Other Industries	276.68	406.68	146.99
12	5075	Capital Outlay on Other Transport Services	278.09	254.12	91.38
13	5475	Capital Outlay on Other General Economic Services	3.11	2.55	82.08
<b>TOTAL</b>			<b>10,088.34</b>	<b>6,980.52</b>	<b>69.19</b>

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

**APPENDIX – 4.6**  
(Refer paragraph 4.6)

**Substantial receipts (50 per cent and above (more than one lakh) of the total receipts) booked under Minor Head-800-Other Receipts, during FY 2023-24.**

(₹ in crore)

Sl. No.	Major Head	Description	Total Receipts	Receipts under Minor Head 800	Percentage
1	0056	Jails	1.45	0.92	63.16
2	0059	Public Works	84.53	81.61	96.54
3	0071	Contribution and Recoveries towards Pension	9.04	8.40	92.90
4	0075	Miscellaneous General Services	1888.96	1581.95	83.75
5	0211	Family Welfare	0.15	0.15	100.00
6	0217	Urban Development	10.15	10.15	100.00
7	0220	Information and Publicity	0.43	0.43	100.00
8	0235	Social Security and Welfare	0.50	0.50	100.00
9	0401	Crop Husbandry	8.34	5.14	61.66
10	0405	Fisheries	2.87	1.56	54.15
11	0406	Forestry and Wildlife	18.98	13.00	68.51
12	0425	Co-operation	4.60	2.46	53.53
13	0506	Land Reforms	0.14	0.14	100.00
14	0515	Other Rural Development Programmes	0.03	0.03	100.00
15	0701	Medium Irrigation	256.21	247.43	96.57
16	0702	Minor Irrigation	15.58	14.49	92.99
17	0801	Power	1.50	1.50	100.00
18	0852	Industries	3.60	3.60	100.00
19	1051	Ports and Light Houses	209.85	209.85	100.00
20	1053	Civil Aviation	26.57	26.57	100.00
21	1054	Roads and Bridges	31.12	18.31	58.84
22	1452	Tourism	10.17	10.17	100.00
23	1456	Civil Supplies	3.84	3.84	100.00
<b>TOTAL</b>			<b>2,588.61</b>	<b>2,242.2</b>	

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

**APPENDIX – 4.7**  
**(Refer paragraph 4.9)**

**Unspent amount lying with DDOs in bank accounts**

		(₹ in crore)
Sl. No.	Name of the Department	Amount
1	Agriculture and Farmers' Empowerment	224.66
2	Co-operation	5.67
3	Commerce	0.34
4	Electronics and Information Technology	2.84
5	Energy	0.05
6	Excise	0.69
7	Finance	2.64
8	Fisheries & Animal Resources Development	116.6
9	Food Supplies and Consumer Welfare	4.96
10	Forest and Environment	1.44
11	General Administration and Public Grievances	3.51
12	Handlooms, Textiles and Handicrafts	7.58
13	Health and Family Welfare	17.47
14	Higher Education	37.01
15	Home	35.5
16	Industries	0.01
17	Labour and Employees' State Insurance	2.62
18	Law	0.04
19	Odisha Legislative Assembly	0.07
20	Panchayati Raj and Drinking Water	91.85
21	Parliamentary Affairs	0.12
22	Planning and Convergence	0.34
23	Revenue and Disaster Management	531.96
24	Rural Development	44.06
25	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	10.55
26	School and Mass Education	22.25
27	Skill Development & Technical Education	65.82
28	Social Security & Empowerment of Persons with Disabilities	4.44
29	Sports and Youth Services	7.34
30	Steel and Mines	2.41
31	Tourism	0.54
32	Transport	47.95
33	Water Resources	22.71
34	Women and Child Development and Mission Shakti	93.05
35	Works	555.87
<b>TOTAL</b>		<b>1,964.96</b>

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

**APPENDIX – 4.8**  
**(Refer paragraph 4.11)**

**Pendency of Accounts and delays in preparation of Separate Audit Reports of  
Autonomous Bodies**

Sl. No.	Department	Body/ Authority receiving grants	Audited under section	Accounts pending since	No. of Accounts pending up to financial year 2023-24
1	Forest	Compensatory Afforestation Fund Management and Planning Authority (CAMPA), Odisha, Bhubaneswar	20 (1)	2011-12	13
2	Labour & Employees State Insurance	Odisha Building and Other Construction Workers Welfare Board (OB&OCWWB), Bhubaneswar	19 (2)	2014-15	10
3	Law	Odisha State Legal Services Authority (OSLSA), Bhubaneswar	20 (1)	2022-23	02
4	Energy	Odisha Electricity Regularity Commission, Bhubaneswar	20 (1)	2023-24	01
5	Housing and Urban Development	Bhubaneswar Development Authority (BDA), Bhubaneswar	19 (3)	None of the accounts received (since inception) in uniform prescribed format	All accounts for the previous years remained pending
6		Cuttack Development Authority (CDA), Cuttack	19 (3)	-do-	-do-
7		Rourkela Development Authority (RDA), Rourkela	19 (3)	-do-	-do-
8		Puri Konark Development Authority (PKDA), Puri	19 (3)	-do-	-do-
9		Sambalpur Development Authority (SDA), Sambalpur	19 (3)	-do-	-do-
10		Talcher Angul Development Authority (TADA), Angul	19 (3)	-do-	-do-
11		Kalinga Nagar Development Authority (KNDA), Jajpur	19 (3)	-do-	-do-
12		Paradeep Development Authority (PDA), Paradeep	19 (3)	-do-	-do-
13		Berhampur Development Authority (BDA), Berhampur	19 (3)	-do-	-do-

*Source: Offices of the Principal Accountant General (Audit-I) and Accountant General (Audit-II), Odisha*

**APPENDIX – 4.9**  
(Refer paragraph 4.15)

**Pending cases of misappropriation, losses, theft, etc.**

(₹ in lakh)

Department	Cases of misappropriation/ losses/ theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.					
	Number	Amount	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 and 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 and 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 and 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 and Transport	8	9.27	4	6.18	2	1.04	1	0.75
School and 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 and Animal Resources	19	75.39	0	0	6	53.36	9	5.74
Agriculture and 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 (Police)	2	14.47	0	0	0	0	0	0
Housing and Urban Development	47	68.91	24	39.41	21	26.22	0	0
Information and Public Relations	59	6.32	49	5.53	8	0.64	0	0
Forest and Environment	45	252.95	7	82.62	29	146.78	3	21.15
<b>TOTAL</b>	<b>711</b>	<b>1,845.37</b>	<b>282</b>	<b>494.99</b>	<b>280</b>	<b>987.62</b>	<b>56</b>	<b>70.96</b>

Source: Government of Odisha

Note: Out of 711 cases, 87 cases are sub-judice and 6 certificate cases are pending.

**APPENDIX-4.10**  
**(Refer Paragraph 4.16)**

**Discrepancies between Cash Book and Passbook balance as on 31 March 2024**

**(₹ in crore)**

Sl. No.	Name of the DDO	Balance as per Bank passbook	Balance as per Cash book	Difference
1.	Superintendent Engineer, R & B Division-III, Bhubaneswar	43.95	Nil	43.95
2.	Special Land Acquisition Officer, Rengali Right Canal System, Dhenkanal	56.53	54.07	2.46
3.	Executive Engineer Roads and Building Division Charbatia, Choudwar, Cuttack	6.67	Nil	6.67
4.	Special Land Acquisition Officer, Kanpur Irrigation Project, Rimuli, Keonjhar	24.73	22.44	2.29
5.	Executive Engineer, Balasore (R&B) Division, Balasore	9.33	Nil	9.33
<b>TOTAL</b>		<b>141.21</b>	<b>76.51</b>	<b>64.70</b>

*Source: Government of Odisha*

**APPENDIX – 5.1**

**Glossary of important Budget related terms**

<b>Terms</b>	<b>Basis of Calculation</b>
Average interest paid by the State	Interest payment/[(Amount of previous year's Total outstanding Liabilities + Current year's Total outstanding Liabilities)/2] *100.
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth Rate.
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y).
Development Expenditure	Social Services + Economic Services.
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts– Miscellaneous Capital Receipts.
Interest received as per cent 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.
Rate of Growth (ROG)	[(Current year Amount /Previous year Amount)-1]*100
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit.
Revenue Deficit	Revenue Receipt – Revenue Expenditure.
Sinking Fund	A Fund into which the Government sets aside money over time, in order to retire its debt.



Acronyms	Full Form
AC	Abstract Contingency
AE	Aggregate Expenditure
BE	Budget Estimates
CAG	Comptroller and Auditor General of India
CAGR	Compounded Annual Growth Rate
CE	Capital Expenditure
CGST	Central Goods and Services Tax
CFS	Consolidated Fund of the State
DC	Detailed Contingent
DDO	Drawing and Disbursing Officer
DE	Development Expenditure
DRDA	District Rural Development Agency
EBIT	Earnings Before Interest and Taxes
FCP	Fiscal Correction Path
FC	Finance Commission
FRBM	Fiscal Responsibility and Budget Management
GDP	Gross Domestic Product
GIA	Grants-in-Aid
GoI	Government of India
GRF	Guarantee Redemption Fund
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
GSVA	Gross State Value Added
GVA	Gross Value Added
H&UDD	Housing and Urban Development Department
IGAS	Indian Government Accounting Standards
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

<b>Acronyms</b>	<b>Full Form</b>
PIA	Project Implementing Agencies
PSU	Public Sector Undertakings
RE	Revenue Expenditure
RR	Revenue Receipts
RoCE	Return on Capital Employed
RoE	Return on Equity
RoI	Return on Income
SCAF	State Compensatory Afforestation Fund
S&W	Salaries and Wages
SFC	State Finance Commission
SPSE	State Public Sector Enterprise
SSE	Social Sector Expenditure
TE	Total Expenditure
UC	Utilisation Certificates
VLC	Voucher Level Computerisation



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