



**Report of the
Comptroller and Auditor General of India
State Finances Audit Report
for the year ended March 2021**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Odisha
Report No. 2 of the year 2022

Report of the Comptroller and Auditor General of India
State Finances Audit Report
for the year ended March 2021

Government of Odisha
Report No.2 of 2022

Table of Contents

<i>Paragraph No.</i>	<i>Contents</i>	<i>Reference Page No.</i>
	Preface	ix
	Executive Summary	xi-xiii
CHAPTER I: Overview		
1.1	Profile of Odisha	1
1.2	Basis and Approach to State Finances Audit Report	1
1.3	Report Structure	2
1.4	Overview of Government Account Structure and Budgetary Process	3
1.4.1	Gross State Domestic Product of the State	5
1.4.1.1	Sectoral Composition	5
1.4.2	Snapshot of Finances	7
1.4.3	Snapshot of Assets and liabilities of the Government	8
1.5	Fiscal Balance: Achievement of Deficit and Total Debt Targets	9
1.5.1	Fiscal parameters	11
1.6	Deficits and Total Debt After Examination by Audit	13
1.6.1	Post Audit Surplus/Deficit	13
CHAPTER II: Finances of the State		
2.1	Major Changes in Key Fiscal Aggregates vis-à-vis 2019-20	15
2.2	Sources and Application of Funds	15
2.3	Resources of the State	17
2.3.1	Receipts of the State	17
2.3.2	State's Revenue Receipts	18
2.3.2.1	Trends and Growth of Revenue Receipts	18
2.3.2.2	State's Own Resources	20
2.3.2.3	Transfers from the Centre	23
2.3.3	Receipts under Capital Section	26
2.3.4	State's performance in mobilisation of resources	27
2.4	Application of Resources	28
2.4.1	Growth and Composition of Expenditure	28
2.4.2	Revenue Expenditure	31
2.4.2.1	Major changes in Revenue Expenditure	32
2.4.2.2	Committed Expenditure	33
2.4.2.3	National Pension System	35
2.4.2.4	Subsidies	35
2.4.2.5	Financial Assistance to Local Bodies and other institutions	36
2.4.3	Capital Expenditure (CE)	37
2.4.3.1	Major changes in Capital Expenditure	38

Paragraph No.	Contents	Reference Page No.
2.4.3.2	Quality of Capital Expenditure in Companies, Corporations and other bodies	39
2.4.4	Expenditure Priorities	41
2.4.5	Object head-wise expenditure	42
2.5	Public Accounts Receipts	42
2.5.1	Net Public Account Balances	42
2.5.2	Reserve Funds	44
2.5.3	Position of loans and advances and interest received/ paid by the State Government	46
2.6	Debt Management	48
2.6.1	Debt profile: Components of Outstanding Liabilities/Debt	48
2.6.1.1	Composition and Financing pattern of Fiscal Deficit	52
2.6.2	Debt profile, Maturity and Repayment	53
2.6.3	Net availability of borrowed funds	54
2.7	Debt Sustainability Analysis	54
2.7.1	Debt Stabilisation- Debt Sustainability Indicators	55
2.7.2	Utilisation of borrowed funds	56
2.7.3	Status of Guarantees- Contingent Liabilities	57
2.7.4	Cash Balance	58
2.8	Recommendations	62
CHAPTER III: Budgetary Management		
3.1	Budget Process	63
3.1.1	Summary of total provisions, actual disbursements and savings during 2020-21	64
3.1.2	Charged and voted disbursements	65
3.2	Appropriation Accounts	65
3.3	Comments on Integrity of Budgetary and Accounting Process	66
3.3.1	Misclassification of capital expenditure as revenue expenditure and <i>vice versa</i>	66
3.3.2	Supplementary grants	66
3.3.2.1	Unnecessary or excessive supplementary grants	66
3.3.2.2	Excessive supplementary grants	67
3.3.3	Un-necessary or excessive re-appropriation	67
3.3.4	Savings/Surrenders	67
3.3.4.1	Trends in Utilization of Budgeted Funds	69
3.3.5	Substantial surrenders	70
3.3.5.1	Surrender in excess of savings	70
3.3.5.2	Anticipated savings not surrendered/partially surrender	71
3.3.6	Excess Expenditure and its Regularisation	71
3.3.6.1	Excess expenditure relating to current Financial Year	71
3.3.6.2	Regularisation of excess expenditure of previous financial years	72

<i>Paragraph No.</i>	<i>Contents</i>	<i>Reference Page No.</i>
3.3.7	Grant-in-aid for creation of capital assets	72
3.4	Comments on Effectiveness of Budgetary and Accounting Process	73
3.4.1	Major policy announcements in budget and their actual funding for ensuring implementation	73
3.5	Cash Management System	73
3.5.1	Rush of expenditure	75
3.6	Review of Selected Grants	76
3.6.1	Grant No.12- Health and Family Welfare Department	76
3.6.1.1	Budget and Expenditure	76
3.6.1.2	Surrender of Savings	77
3.6.1.3	Unnecessary Supplementary Grant	77
3.6.1.4	Programme implementation	78
3.6.2	Grant No. 20- Water Resources Department	79
3.6.2.1	Budget and Expenditure	79
3.6.2.2	Savings	80
3.6.2.3	Unnecessary Supplementary Grant	80
3.6.2.4	Programme implementation	80
3.7	Release of Funds at the end of the Financial Year	82
3.8	Advances from Contingency Fund	83
3.9	Recommendations	84
CHAPTER IV: Quality of Accounts & Financial Reporting Practices		
4.1	Funds Outside Consolidated Fund or Public Account of the State	85
4.2	Funds Transferred Directly to State Implementing Agencies	85
4.2.1	Trends in direct transfers to implementing agencies	86
4.3	Delay in Submission of Utilisation Certificates (UCs)	86
4.3.1	Delay in implementation of Integrated Financial Management System (IFMS) - UC module	89
4.4	Abstract Contingent Bills	89
4.4.1	Non implementation of DC Bill functionality under “Online Bill Preparation and Submission” module in IFMS	91
4.5	Personal Deposit (PD) Accounts	91
4.5.1	Personal Deposit Account framework	91
4.5.2	In-operative PD Accounts and Non-reconciliation of PD Account balances	93
4.6	Indiscriminate use of Minor Head 800	93
4.7	Outstanding Balance Under Major Suspense Heads	95
4.7.1	Pay and Accounts Office (PAO) Suspense (Minor Head 101)	96
4.8	Non-reconciliation of Departmental figures	96
4.9	Reconciliation of Cash Balances	98

Paragraph No.	Contents	Reference Page No.
4.9.1	Discrepancy of ₹150.31 crore due to non-reconciliation between bank balance and cash book balance	98
4.10	Non-compliance with Accounting Standards	98
4.11	Non-submission of Annual Accounts/Separate Audit Reports of Autonomous Bodies	98
4.12	Departmental Commercial Undertakings	99
4.13	Non-submission of Details of Grants/Loans Given to Bodies and Authorities	99
4.14	Timeliness and Quality of Accounts	100
4.15	Misappropriations, Losses, Thefts <i>etc.</i>	101
4.16	Opening of New Sub-Heads/Detailed Heads of Accounts without advice	101
4.17	Follow up Action on State Finances Audit Report	101
4.18	Recommendations	101
CHAPTER V: State Public Sector Enterprises		
5.1	Introduction	103
5.1.1	Mandate of Audit	103
5.1.2	What this Chapter contains	103
5.1.3	Number of SPSEs	104
5.1.4	Contribution to the GSDP of the State	104
5.1.5	Budgetary Support to State PSEs	105
5.2	Investment in Government Companies and Corporations and Government controlled other Companies	106
5.2.1	Equity holding	107
5.2.2	Loans given to Government Companies and Corporations	108
5.2.2.1	Computation of long term loans outstanding as on 31 March 2021	108
5.2.2.2	Adequacy of assets to meet loan liabilities	109
5.2.2.3	Interest Coverage	110
5.2.2.4	Age Wise Analysis of interest outstanding on State Government loans	110
5.2.3	Investment in Government controlled other Companies	111
5.3	Returns from the Government Companies and Corporations	112

<i>Paragraph No.</i>	<i>Contents</i>	<i>Reference Page No.</i>
5.3.1	Profit earned by Government Companies and Corporations	112
5.3.2	Loss incurred by Government companies and Corporations	113
5.3.3	Erosion of capital in Government Companies and Corporations	114
5.3.4	Dividend pay-out by SPSEs	114
5.4	Value of production	115
5.4.1	Return on Capital Employed (ROCE)	116
5.4.2	Return on Equity (ROE) of SPSEs	117
5.4.3	Sales and Marketing	118
5.5	Audit of State Public Sector Enterprises	118
5.6	Appointment of statutory auditors of State Public Sector Enterprises by CAG	118
5.7	Submission of accounts by SPSE	119
5.7.1	Need for timely submission	119
5.7.2	Timeliness in preparation of accounts by Government SPSEs and Government Controlled Other SPSE	119
5.8	CAG's oversight- Audit of Accounts and Supplementary Audit	121
5.8.1	Financial reporting framework	121
5.8.2	Audit of Accounts of SPSEs by Statutory Auditors	121
5.8.3	Supplementary Audit of accounts of Government Companies	121
5.9	Results of CAG's oversight role	122
5.9.1	Audit of accounts of Government Companies/ Government Controlled Other Companies under Section 143 of the Companies Act, 2013	122
5.9.1.1	Revision of Auditors Report	122
5.9.1.2	Significant comments of the CAG issued as supplement to the statutory auditors' reports on Government Companies/Government Controlled Other Companies	122
5.10	Non Compliance with provisions of Accounting Standards/IND AS	133
5.11	Management Letters	134
5.12	Recommendations	135

Paragraph No.	Contents	Reference Page No.
Appendices		
1.1	A brief profile of Odisha	137
1.2	Structure and Form of Government Accounts	138
2.1	Abstract of receipts and disbursements for the year 2020-21	139
2.2	Time Series data on the State Government Finances	142
2.3	Summarised financial position of the Government of Odisha as on 31 March 2021	145
3.1	Details of cases where supplementary provisions (₹ one crore or more in each case) proved unnecessary	147
3.2	Excessive Supplementary Provision during 2020-21 (₹ one crore or more in each case)	149
3.3	Unnecessary/Excessive re-appropriation of funds during 2020-21	150
3.4	Re-appropriation of funds on 31 st March 2021 (₹ One crore and above in each case)	151
3.5	List of grants having large savings (savings above ₹100 crore) during the year	152
3.6	Surrenders of 100 <i>per cent</i> of total provisions made during the year 2020-21 (₹ 50 crore or more in each case)	155
3.7	Statement showing details of savings of ₹ 100 crore and above and partially surrendered during 2020-21	157
3.8	Details of the schemes for which provision (₹ 10 crore and above) was made but no expenditure was incurred	158
3.9	Rush of Expenditure (100 <i>per cent</i>) during last month of 2020-21 (₹ One crore or more)	160
3.10	Release of funds at the end of the Financial Year 2020-21	162
4.1	Statement showing details of GIA for which utilisation certificates are pending since 2003-04 from different Departments of the State Government at the end of 2020-21	164
4.2	Statement showing details of GIA for which UCs are pending for more than ten years as on 31 March 2021	165
4.3	Department wise Outstanding Report of AC/DC Bills as on 31 March 2021	166
4.4	Department-wise Outstanding Report of AC/DC Bills during the year 2020-21	167
4.5	Statement showing details of Closure of PD Account as on 31 March 2021	168
4.6	Statement of Major Head-Wise Expenditure booked under Minor Head-800- (other expenditure) during 2020-21	169
4.7	Statement of Major Head-Wise Receipts booked under Minor Head-800- (other receipts) during 2020-21	170

Paragraph No.	Contents	Reference Page No.
Appendices		
4.8	Discrepancies between Cash Book and Pass Book balance as on 31 March 2021	171
4.9	Statement showing pendency of Accounts and delay in preparation of Separate Audit Report in respect of Autonomous Bodies	172
4.10	Pending cases of misappropriation, losses, theft, etc.	173
5.1	Lists of 80 Government SPSEs and Government Controlled Other SPSEs	174
5.2 A	Details of accounts in arrears or companies under liquidation - Government Companies and Corporations	177
5.2 B	Details of accounts in arrears or company under liquidation/defunct Government controlled other companies	179
5.3	Department wise details of turnover of State PSEs	180
5.4	Loss incurred by 10 SPSEs during 2019-20 and 2020-21	182
5.5	List of SPSEs having negative Net Worth as on 31 March 2021	183
5.6	Shortfall in dividend by Government companies	184
5.7	Value of Production, Total Assets and Capital Employed of CPSEs	185
5.8	Return on Capital Employed of CPSEs	186
5.9	Return on Equity of CPSEs	189
5.10	List of SPSEs where Comment by CAG issued	192
5.11	Details of Companies where there were non-compliance with Accounting Standards/Ind AS as reported by the Statutory Auditors	193
5.12	List of SPSEs where Management Letters issued by CAG	194
6.1	Glossary of important Budget related terms	195

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 2020-21 and to provide the State Legislature with inputs based on audit analysis of financial data. The Report contains five Chapters.

Chapter I Overview: This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of Government Accounts, budgetary processes, macro-fiscal analysis of key indices and 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 2016-17 to 2020-21, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.

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

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

Chapter V State Public Sector Enterprises: This Chapter contains Summary of financial performance of State Public Enterprises and Oversight Role of CAG on State Public Sector Enterprises (SPSEs).

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

EXECUTIVE SUMMARY

Executive Summary

Chapter I: Overview

Gross State Domestic Product and Sectoral Composition

The Gross State Domestic Product (GSDP) of Odisha in 2020-21 at current prices was ₹ 5,09,574 crore and at constant prices was ₹3,76,998 crore, registering a growth rate of (-2.24) *per cent* and (-4.92) *per cent* respectively over the previous year. In 2020-21, Service Sector was the biggest contributor to the GSDP with 37.16 *per cent* followed closely by Industry Sector at 31.73 *per cent* while Agriculture Sector contributed 18.61 *per cent*.

(Paragraph 1.4)

Fiscal Position of the State

The State recorded a Revenue Surplus of ₹9,076 crore and Fiscal Deficit of ₹9,786 crore. Revenue Surplus (₹ 9,076 crore) of the State in 2020-21 had significantly increased (273 *per cent*) from the Revenue Surplus for the previous year (₹2,430 crore). During 2020-21, there was significant decrease in Revenue Expenditure by ₹3,826 crore, while Revenue Receipts increased by ₹2,819 crore as compared to last year. Significant reduction of expenditure was noticed under Social Services (₹3,616 crore) from ₹43,517 crore in 2019-20 to ₹39,901 crore in 2020-21. Fiscal Deficit (₹9,786 crore) was 1.92 *per cent* of GSDP (₹ 5,09,574 crore).

(Paragraphs 1.5 and 2.4.2.1)

Chapter II: Finances of the State

Sources and Application of Resources

Revenue Receipts (₹ 1,04,387 crore) of the Government constituted 20.49 *per cent* of the Gross State Domestic Product (GSDP) (₹ 5,09,574 crore) during 2020-21. Revenue Expenditure (₹ 95,311 crore) of the State was 18.70 *per cent* of GSDP during 2020-21. It decreased by ₹3,826 crore (3.86 *per cent*) over 2019-20 (₹ 99,137 crore).

Own Tax Revenue (₹34,258 crore) increased by 6.01 *per cent* over the previous year and Non-Tax Revenue (₹ 19,518 crore) increased by 33.26 *per cent* over the previous year.

Capital Expenditure (CE) (₹ 17,949 crore) during 2020-21 constituted 15.63 *per cent* of Total Expenditure (₹ 1,14,857 crore). It decreased by ₹2,328 crore (11.48 *per cent*) over the previous year (₹20,277 crore).

(Paragraph 2.3 & 2.4)

Committed Expenditure

Committed Expenditure of the Government consists of interest payments (₹ 6,644 crore), salaries and wages (₹21,003 crore) and pensions (₹ 13,629 crore). The Committed Expenditure in 2020-21 was ₹ 41,276 crore and constituted 43.31 per cent of Revenue Expenditure (₹95,311 crore).

(Paragraph 2.4.2.2)

Loans and Advances given by the State Government

As of 31 March 2021, Loans and Advances given by the Government to Public Sector Companies, Autonomous Bodies and Corporations were ₹ 9,076 crore. Loans and advances outstanding rose from ₹4,708 crore in 2016-17 to ₹9,076 crore in 2020-21. Major portion of loans advanced during 2020-21 was to Indian Oil Corporation Limited (₹ 700 crore).

(Paragraph 2.5.3)

Cash Balance

The cash balance at the end of March 2021 was ₹ 32,636 crore. The closing cash balances in the years 2017-18, 2018-19 and 2019-20 were ₹30,848.11 crore ₹38,134.48 crore and ₹42,437.5 crore respectively. The State Government was maintaining large cash balance on a regular basis, while being a fiscal deficit State.

(Paragraph 2.7.4)

Chapter III: Budgetary Management

Savings

In 2020-21, the total savings were ₹43,554.13 crore, out of which ₹ 32,556.37 crore (74.75 per cent) was surrendered on the last day of the year i.e., 31 March 2021. The remaining savings of ₹10,997.76 crore (25.25 per cent) were not surrendered during 2020-21.

(Paragraph 3.3.4)

Substantial surrenders

Surrenders of 100 per cent of total provision of ₹1,834.31 crore were made in 12 cases (₹50 crore or more in each case) under 11 grants.

(Paragraph 3.3.5)

Surrender in excess of savings

In three cases (three grant), the amount surrendered (one crore or more in each case), were in excess of savings, indicating inadequate budgetary control in these Departments. As against savings of ₹4,674.53 crore, the amount surrendered was ₹ 5,053.61 crore, resulting in excess surrender amounting to ₹ 379.08 crore.

(Paragraph 3.3.5.1)

Chapter IV: Quality of Accounts and Financial Reporting Practices

Personal Deposit (PD) Accounts

There were 811 PD Accounts with a closing unspent balance of ₹7,047.28 crore as of 31 March 2021. There was a decrease of 66.28 *per cent* in unspent balances of PD accounts over the previous year mainly due to opening of separate investment account of Odisha Mineral Bearing Areas Development Corporation (OMBADC) and investing ₹16,758 crore and leaving ₹414.85 crore in PD Account of OMBADC.

(Paragraph 4.5.1)

Outstanding Detailed Contingent bills

It was observed that during the year 2020-21, 14 Departments had drawn an amount of ₹14 crore through 385 Abstract Contingent (AC) bills. However, only an amount of ₹3.35 crore (23.93 *per cent*) was adjusted by furnishing Detailed Contingent (DC) Bills. Thus, DC bills amounting to ₹10.65 crore were not submitted as of 31 March 2021. There is, therefore, no assurance that this amount of ₹10.65 crore had actually been utilised for the purpose for which it was sanctioned.

(Paragraph 4.4)

Chapter V: State Public Sector Enterprises

Number of State Public Sector Enterprises (SPSEs)

As on 31 March 2021, there were 80 SPSEs under the audit jurisdiction of the CAG. These included 62 Government Companies, three Statutory Corporations and 15 Government controlled other Companies. Of these, accounts were in arrears for three years or more or were defunct under liquidation in respect of 35 SPSEs (including three Government Controlled other Companies).

(Paragraph 5.1.3)

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

SPSEs were not adhering to the prescribed timelines regarding submission of their Financial Statements as per the Companies Act, 2013. As a result, 952 accounts of 54 Government SPSEs and 15 Government Controlled Other SPSEs were in arrears.

(Paragraph 5.7.2)

Chapter-I

Overview

1.1 Profile of Odisha

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

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

1.2 Basis and Approach to State Finances Audit Report

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

The Office of the Accountant General (Accounts & Entitlements), Odisha prepares the Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans and initial and subsidiary accounts rendered by 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 Accountant General (Audit-I), Odisha and the Accounts are certified by the CAG.

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 Accountant General (Audit);

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

The analysis is also carried out in the context of recommendations of the XIV Finance Commission (FC), State Financial Responsibility and Budget Management Act, best practices and guidelines of the Government of India. An exit conference was held in December 2021 with Finance Department, Government of Odisha, wherein the issues taken up in the State Finances Audit Report were discussed and the draft Report was forwarded to the State Government for comments. Replies of the Government, wherever received, have been incorporated in this Report at appropriate places.

1.3 Report Structure

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

Chapter – I	Overview This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of Government Accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the 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 2016-17 to 2020-21, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
Chapter – III	Budgetary Management This Chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.
Chapter – IV	Quality of Accounts & Financial Reporting Practices This Chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various Departmental officials of the State Government.
Chapter – V	State Public Sector Enterprises This Chapter discusses financial performance of Government Companies, Statutory Corporations and Government Controlled Other Companies as revealed from their accounts.

1.4 Overview of Government Account Structure and Budgetary Processes

There is a constitutional requirement in India (Article 202) to present before the House or Houses of the Legislature of the State, a statement of estimated receipts and expenditures of the Government in respect of every financial year. This 'Annual Financial Statement' constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

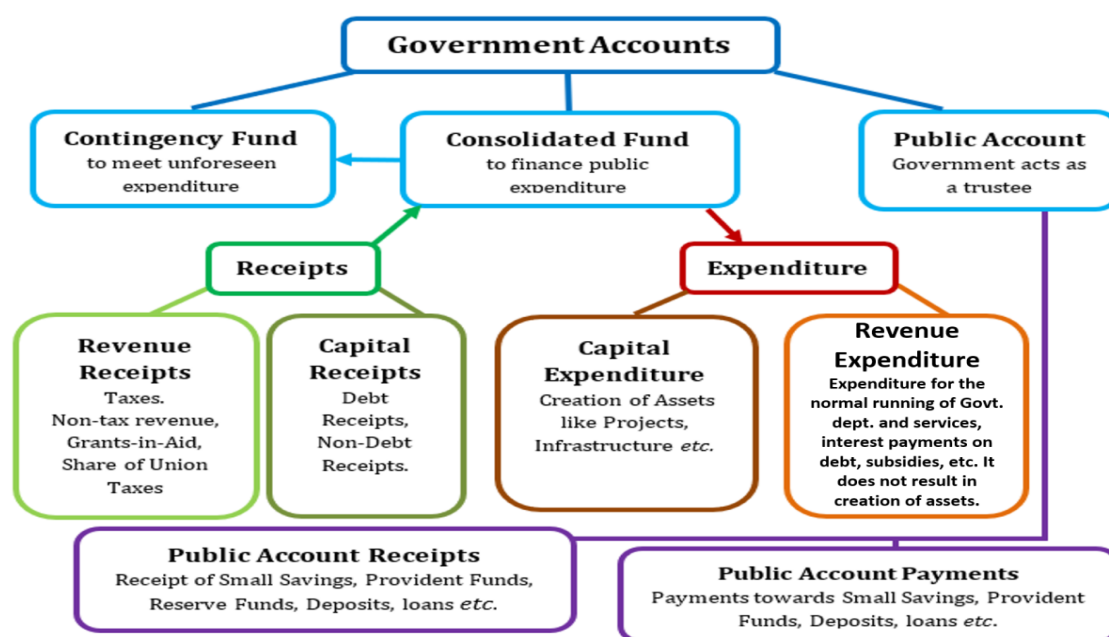
Revenue Receipts consist of Own Tax Revenue, Non-Tax Revenue, share of Union Taxes/ Duties and Grants-in-Aid from Government of India.

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

The main items of **Capital Receipts** are loans raised by the Government called market borrowings, borrowings by the Government from the Reserve Bank and commercial banks and other financial institutions through the sale of treasury bills, and recoveries of loans granted by the Government. Other items include small savings (Post-Office Savings Accounts, National Savings Certificates, etc.), provident funds and net receipts obtained from the sale of shares in Public Sector Undertakings (PSUs).

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

Structure of Government Accounts



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

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

At present, we have an accounting classification system in Government that is both functional and economic.

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

The functional classification lets us know the department, function, scheme or programme, and object of the expenditure. Economic classification helps organise these payments as revenue, capital, debt, *etc.* Economic classification is achieved by the numbering logic embedded in the first digit of 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 “salary” object head is revenue expenditure, “construction” object head is capital expenditure. Object head is the primary unit of appropriation in the budget documents.

Budgetary Processes

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

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

1.4.1 Gross State Domestic Product of the State

Gross Domestic Product (GDP) and Gross State Domestic Product (GSDP) refer to the market value of all officially recognised final goods and services produced within the Country and the State respectively in a given period of time, accounted without duplication and are important indicators of the Country and State's economy. The Gross State Domestic Product (GSDP) of Odisha in 2020-21 at current prices was ₹5,09,574 crore. The trends in annual growth of Gross Domestic Product (GDP) of India and GSDP of the State at current prices and constant prices (Base year: 2011-12) are in **Table 1.1**. Economic growth in Odisha and for India as a whole was adversely impacted during 2020-21, due to the COVID-19 outbreak.

Table 1.1: GDP of India and GSDP of the State

Year	2016-17	2017-18	2018-19	2019-20	2020-21
Current Prices					
India's GDP (₹ in crore)	153,91,669	170,90,042	188,86,957	203,51,013	197,45,670
Growth rate (per cent)	11.76	11.03	10.51	7.75	-2.97
State's GSDP (₹ in crore)	3,92,804	4,40,879	4,87,805	5,21,275	5,09,574
Growth rate (per cent)	19.56	12.24	10.64	6.86	-2.24
Constant Prices (Base Year 2011-12)					
India's GDP (₹ in crore)	123,08,193	131,44,582	140,03,316	145,69,268	135,12,740
Growth rate (per cent)	8.26	6.80	6.53	4.04	-7.25
State's GSDP (₹ in crore)	3,37,348	3,61,568	3,76,877	3,96,499	3,76,998
Growth rate (per cent)	15.44	7.18	4.23	5.21	-4.92

Source: GDP- Central Statistical Office (2016-17: Final, 2017-18: Third Revised, 2018-19: Second Revised, 2019-20: First Revised and 2020-21: Provisional)

GSDP- Directorate of Economics & Statistics, Odisha (2016-17: Final, 2017-18: Third Revised, 2018-19: Second Revised, 2019-20: First Revised and 2020-21: Advance)

1.4.1.1 Sectoral Composition

In respect of sectoral composition of GSDP, the share of Agriculture and Allied Activities Sector remained more or less the same during 2020-21 as compared to contribution during 2016-17 even after the regular natural calamities such as drought, flood and cyclone.

The share of the Industry Sector was 31.73 per cent of GSDP during 2020-21, which was significantly lower than its share of 35.55 per cent during 2016-17, due to the shut-down and restrictions imposed on operations of industries during the Covid-19 outbreak. This Sector comprises (i) Mining and Quarrying, (ii) Manufacturing, (iii) Electricity, Gas and Water-supply and (iv) Construction activities. Manufacturing is the leading sub-sector, with a 48.40 per cent share under Industry Sector.

The share of Services Sector during 2020-21 was 37.16 per cent of GSDP. This Sector comprises (i) Trade, Repair, Hotels and Restaurants, (ii) Transport, Storage, Communication etc., (iii) Financial Services, (iv) Real estate, OD Professional Services, (v) Public Administration and Defence and (vi) Other Services. Other Services is the leading sub-sector with 23.73 per cent share under Services Sector. Restaurants were

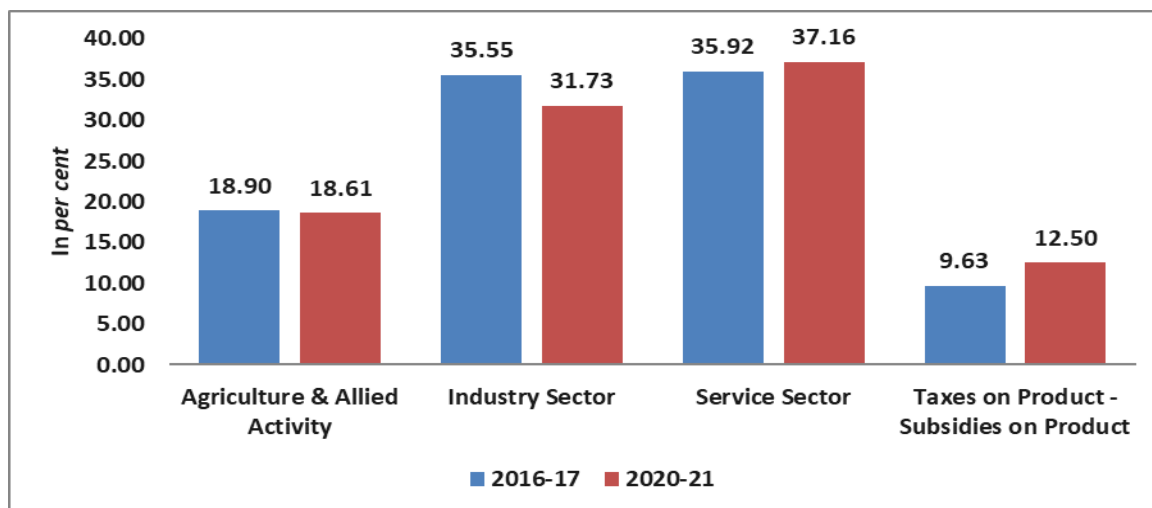
Overview

permitted to operate with limited restrictions during the Covid-19 outbreak, and activities such as transport and storage of goods were not as adversely impacted as other Sectors. There was increased expenditure under Public Administration during the Covid-19 outbreak in the form of various pandemic response measures.

The share of Taxes on Product (less subsidy) showed an increase from 9.63 *per cent* in 2016-17 to 12.50 *per cent* share of GSDP in 2020-21.

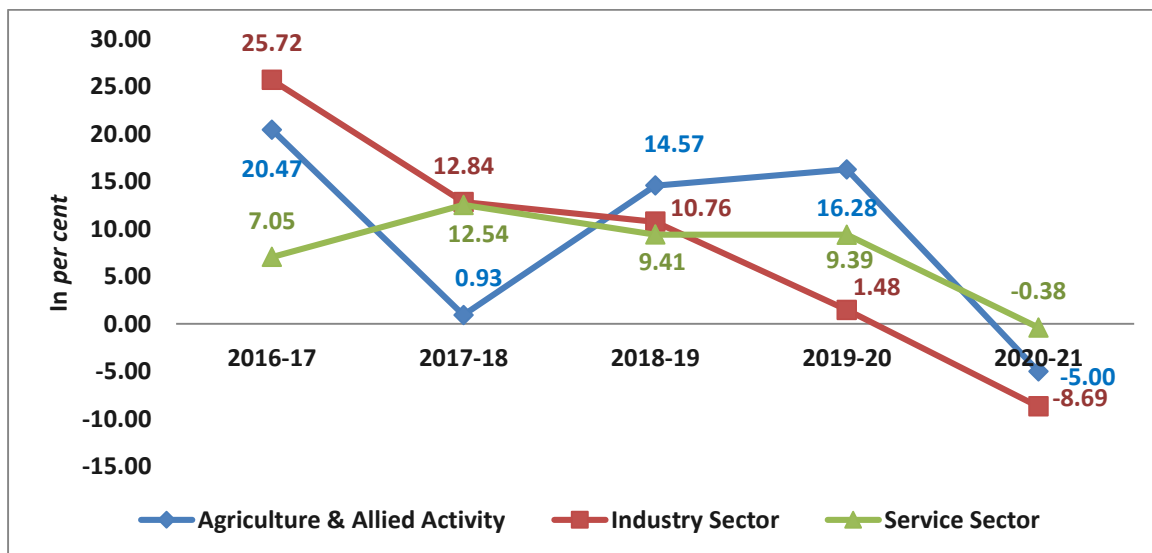
The changes in sectoral contribution to GSDP and trends in sectoral growth of GSDP over the years 2016-17 to 2020-21 are detailed in **Charts 1.1 and 1.2** below.

Chart 1.1: Change in Sectoral Contribution to GSDP (2016-17 to 2020-21)



Source: Directorate of Economics & Statistics, Government of Odisha

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



Source: Directorate of Economics & Statistics, Government of Odisha

However, the Sectoral growth rate of all three sectors during 2020-21 witnessed negative growth due to the pandemic. There was a decreasing trend in all three Sectors compared to 2019-20, with the Industry Sector being the most impacted, followed by Services Sector and then the Agriculture and Allied Activities Sector.

1.4.2 Snapshot of Finances

The following table provides the details of actual financial results *vis-à-vis* Budget Estimates for the year 2020-21 *vis-à-vis* actuals of 2020-21.

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

(₹ in crore)

Sl. No.	Components	2019-20 Actual	2020-21 B.E.	2020-21 Actual	Percentage of Actual to B.E.	Percentage of Actual to GSDP
1	Tax Revenue	32,315	38,350	34,258	89.33	6.72
2	Non Tax Revenue	14,647	17,650	19,518	110.58	3.83
3	Share of Union taxes / duties	30,454	36,300	27,543	75.88	5.41
4	Grants-in-Aid and Contributions	24,152	32,000	23,068	72.09	4.53
5	Revenue Receipts (1+2+3+4)	1,01,568	1,24,300	1,04,387	83.98	20.49
6	Recovery of Loans and Advances	287	250	684	273.60	0.13
7	Other Receipts	--	0	0	0.00	0.00
8	Borrowings and other Liabilities (a)	18,818	17,878	9,786	54.74	1.92
9	Capital Receipts (6+7+8)	19,105	18,128	10,470	57.76	2.05
10	Total Receipts (5+9)	1,20,673	1,42,428	1,14,857	80.64	22.54
11	Revenue Expenditure of which	99,137	1,14,791	95,311	83.03	18.70
12	Interest payments	6,063	7,160	6,644	92.79	1.30
13	Grant-in-Aid for creation of capital assets	7,487	9,102	8,567	94.12	1.68
14	Capital Expenditure of which (b)	21,536	27,637	19,546	70.72	3.84
15	Capital Outlay	20,277	26,263	17,949	68.34	3.52
16	Loan and advances	1,259	1,374	1,597	116.23	0.31
17	Total Expenditure (11+14)	1,20,673	1,42,428	1,14,857	80.64	22.54
18	Revenue Surplus (5-11)	2,430[#]	9,509	9,076	95.45	1.78
19	Fiscal Deficit {17-(5+6+7)}	18,819[#]	17,878	9,786	54.74	1.92
20	Primary Deficit (19-12)	12,756	10,718	3,142	29.32	0.62

Source: Finance Accounts & Budget at a Glance

[#] Difference of ₹ 1 crore is due to rounding off.

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

(b) Expenditure on Capital Account includes Capital Expenditure and Loans and Advances disbursed

The reason for increase in revenue receipts by ₹2,819 crore over last year was due to an increase in State's non-tax revenue by ₹4,871 crore and State's tax revenue by ₹1,943 crore. However, during the year Grants-in-aid and State share of union taxes decreased by ₹1,084 crore and ₹2,911 crore respectively.

GST Compensation is the revenue of the State Government under GST (Compensation to States) Act, 2017. However, in addition to receiving the GST compensation of ₹ 4,361.59 crore as revenue receipts, due to inadequate balance in GST compensation fund during the year 2020-21, Odisha also received back-to-back loan of ₹ 3,822 crore under debt receipts of the State Government, with no repayment liability for the State. Due to this

Overview

arrangement, the revenue surplus of ₹ 9,076 crore and fiscal deficit of ₹ 9,786 crore during the year 2020-21 may be read in conjunction with debt receipt of ₹ 3,822 crore in lieu of GST compensation.

Table 1.3 below indicates the trend analysis of receipt *vis-a-vis* expenditure for the last five years:

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

Year	Revenue		Per cent of Revenue Expenditure to Revenue Receipts	Capital		Per cent of Capital Expenditure to Capital Receipts
	Receipts	Expenditure		Receipts	Expenditure	
2016-17	74,299	65,041	87.54	11,312	21,687	191.72
2017-18	85,204	71,837	84.31	13,119	25,674	195.70
2018-19	99,546	85,356	85.75	10,308	28,592	277.38
2019-20	1,01,568	99,137	97.61	14,966	26,030	173.93
2020-21	1,04,387	95,311	91.31	21,002	28,798	137.12

Source: Finance Accounts of respective years

- In 2019-20, for every ₹100 received as revenue, ₹97.61 had been on revenue expenditure which was reduced to ₹91 in 2020-21.
- While revenue expenditure increased by ₹30,270 crore (46.54 per cent) from 2016-17 to 2020-21, capital expenditure increased by ₹7111 crore (32.79 per cent).
- While the percentage of Revenue Expenditure over Revenue Receipts was increasing over the years, the percentage of Capital Expenditure over Capital Receipts declined from 2016-17 to 2020-21.

1.4.3 Snapshot of Assets and liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from the public account and reserve funds, and the assets comprise mainly of the capital outlay and loans and advances given by the State Government and cash balances.

Table 1.4: Summarised position of assets and liabilities

Liabilities					Assets				
		2019-20	2020-21	Per cent increase / decrease			2019-20	2020-21	Per cent increase/ decrease
Consolidated Fund									
A	Internal Debt	60,595.30	67,521.41	11.43	A	Gross Capital Outlay on Fixed Assets	1,61,726.29	1,79,684.79	11.10
B	Loans and Advances from GoI	7,842.55	11,981.95	52.78	B	Loans and Advances	8,162.72	9,066.17	11.07
Contingency Fund		400.00	229.00	-42.75					
Public Account									
A	Small Savings,	24,337.84	24,949.37		A	Advances	10.61	16.48	55.32

Liabilities					Assets				
		2019-20	2020-21	Per cent increase / decrease			2019-20	2020-21	Per cent increase/decrease
	Provident Funds etc.								
B	Deposits	29,256.25	16,225.05	-44.54	B	Remittance	100.24	82.23	-17.97
C	Reserve Funds	21,362.47	20,333.44	-4.76	C	Suspense and Miscellaneous	--	--	--
D	Suspense and Miscellaneous balances	91.45	117.62	28.62	D	Cash Balance (including investment of Earmarked Fund)	42,437.50	32,636.04	-23.10
E	Miscellaneous Capital Receipts	698.15	698.15	--					
F	Cumulative excess of receipts over expenditure	67,853.36	79,429.72	17.06					
	Total	2,12,437.36	2,21,485.71	4.26		Total	2,12,437.36	2,21,485.71	4.26

Source: Finance Accounts of respective years

The growth rate of assets in Consolidated Fund increased by 11.10 *per cent* from ₹1,69,889 crore in 2019-20 to ₹1,88,751 crore in 2020-21, while that of liabilities also increased by 16.17 *per cent* from ₹68,438 crore in 2019-20 to ₹79,503 crore in 2020-21. The cash balance of the state at the end of the year was ₹32,636 crore which marginally decreased by ₹ 9,801 crore (23.10 *per cent*) over the previous year.

1.5 Fiscal Balance: Achievement of deficit and total debt targets

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

Achievements *vis-à-vis* fiscal targets prescribed in the State FRBM Act for the years 2016-21 is detailed in **Table 1.5** and comparison of targets for fiscal parameters projected in Medium Term Fiscal Plan (MTFP), 2020 presented to the State Legislature with actuals for the current year is presented in **Table 1.6**.

Table 1.5: Compliance with provisions of State FRBM Act

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Revenue Surplus	9,258 ✓	13,367 ✓	14,190 ✓	2,430 ✓	9,076 ✓
Fiscal Deficit (-) / Surplus (+) (as percentage of GSDP)	3 per cent (5 per cent for 2020-21)	(-)2.39 ✓	(-)2.12 ✓	(-)2.08 ✓	(-)3.61 ×	(-)1.92 ✓
Ratio of total outstanding debt to GSDP (in per cent)	25 per cent	18.23 ✓	22.04 ✓	22.19 ✓	24.19 ✓	23.34 [#] ✓
Interest payment as percentage of Revenue Receipts	15 per cent	5.43 ✓	5.85 ✓	5.83 ✓	5.97 ✓	6.36 ✓
Ratio of Salary to State's Own Revenue	80 per cent	49.13 ✓	48.74 ✓	43.50 ✓	44.39 ✓	39.34 ✓
Primary Surplus as a percent of GSDP	2 per cent	(-)1.36 ×	(-)0.99 ×	(-)0.89 ×	(-)2.45 ×	(-)0.62 ×

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

The fiscal deficit target and annual borrowing limit for the year 2020-21 had increased by two per cent over and above the target fixed in clause (b) of Section 5 of the OFBRM Act, 2005 through Odisha Gazette (Extraordinary) of 13 May 2021. The State was able to achieve all the fiscal parameters set out in FRBM Act during 2016-17 to 2020-21, except the target set for achieving Primary Surplus.

Table 1.6: Actuals vis-à-vis projection in MTFP for 2020-21

Sl. No.	Fiscal Variables	Projection as per MTFP	Actuals (2020-21)	Variation (in per cent)
1	Own Tax Revenue	38,350	34,258	(-)10.67
2	Non Tax Revenue	17,650	19,518	(+)10.58
3	Share of Central Taxes	36,300	27,543	(-)24.12
4	Grants-in-Aid from GoI	32,000	23,068	(-)27.91
5	Revenue Receipts (1+2+3+4)	1,24,300	1,04,387	(-)16.02
6	Revenue Expenditure	1,14,791	95,311	(-)16.97
7	Revenue Deficit (-) / Surplus (+) (5-6)	9,509	9,076	(-)4.55
8	Fiscal Deficit (-) / Surplus (+)	17,878	9,786	(-)45.26
9	Debt-GSDP ratio (per cent)	18.99	23.34 [#]	(+)26.86
10	GSDP growth rate at current prices (per cent)	11.70	-2.24	(-)119.15

Source: Medium Term Fiscal Plan 2020 and Finance Accounts 2020-21, Government of Odisha.

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

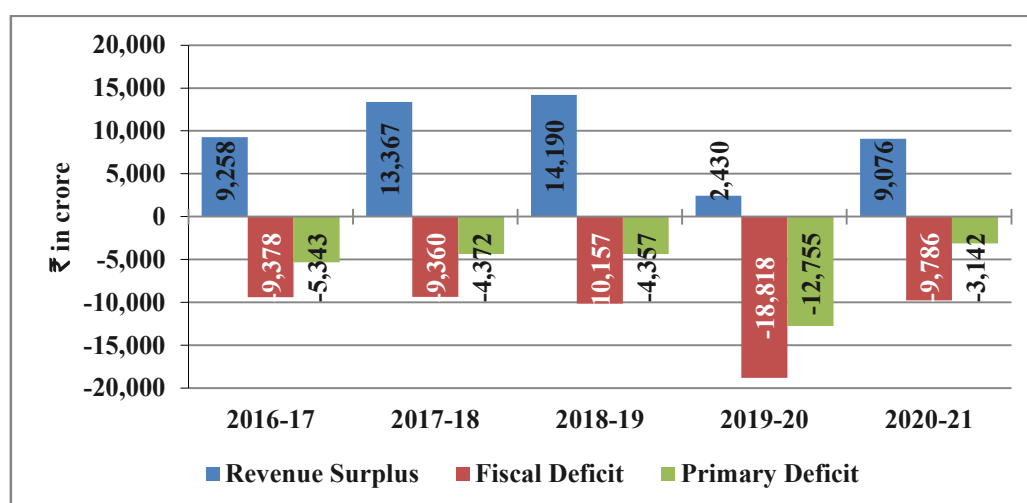
The effective debt to GSDP ratio (23.34 per cent) has been arrived at after excluding GST compensation of ₹ 3,822 crore received as back to back loan under debt receipts from the total outstanding liabilities as the Department of Expenditure, GoI has decided that it will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

It is evident from the above **Table 1.6** that the State Government did not achieve its MTFP target for Revenue Surplus and Debt-GSDP Ratio. Even though the State's projections were adversely impacted by the sudden COVID-19 outbreak, the target for Fiscal Deficit was achieved by the State Government.

1.5.1 Fiscal parameters

Three key fiscal parameters viz., (i) Revenue Surplus/Deficit¹, (ii) Fiscal Deficit² and (iii) Primary Deficit³ help in assessing the fiscal situation of the Government. The way these deficits are financed assist in assessing the fiscal health of the Government. Trends in fiscal parameters are shown in **Chart 1.3**. Trends in Debt Sustainability (i.e., Ratio between Fiscal Liabilities and GSDP in *per cent*) are shown in **Chart 1.4**.

Chart 1.3: Trends of Fiscal parameters



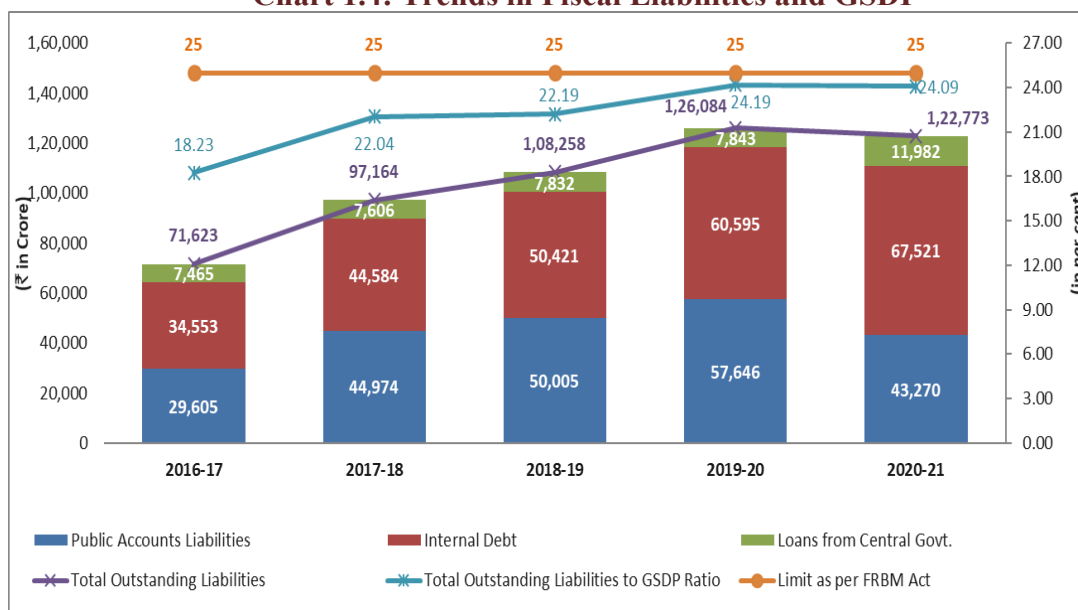
Source: Finance Accounts 2020-21, Government of Odisha

¹ Revenue Deficit = Revenue Expenditure - Revenue Receipts

² Fiscal Deficit = Revenue Expenditure + Capital Expenditure + Net Loans and Advances (-) Revenue Receipts (-) Miscellaneous Capital Receipts

³ Primary Deficit = Fiscal Deficit - Interest Payments.

Chart 1.4: Trends in Fiscal Liabilities and GSDP



Source: Finance Accounts 2020-21, Government of Odisha

Debt includes Internal Debt, Loans and Advances from Government of India (including back to back loan) & Public Accounts Liabilities.

Some important deficit parameters are discussed below:

- **Revenue Surplus** (₹9,076 crore) of the State in 2020-21 increased (273 per cent) compared to 2019-20 (₹2,430 crore). The State achieved the target of being a Revenue Surplus State as laid out in the State's FRBM (Amendment) Act 2016. However, the other targets included in the State's MTFP proved elusive, due to the sudden Covid-19 outbreak.
- **Fiscal Deficit** (₹9,786 crore) in 2020-21 decreased significantly (48 per cent) compared to 2019-20 (₹ 18,819 crore). However, the Fiscal Deficit as a percentage of GSDP was 1.92 per cent and well within the fiscal target set out in its FRBM (Amendment) Act 2021 of maintaining the Fiscal Deficit within 5 per cent of the GSDP.
- **Primary Deficit** (₹ 3,142 crore) in 2020-21 decreased significantly (-75 per cent) compared to 2019-20 (₹ 12,756 crore). Fiscal Deficit as a percentage of GSDP was 0.62 per cent and well within the fiscal target set out in its FRBM Act 2021 of maintaining the Fiscal Deficit within 2 per cent of the GSDP. However, the fact that there was a Primary Deficit indicates that the Non-debt Receipts⁴ were not sufficient to meet the Primary Expenditure during 2020-21.

The State Government stated (December 2021) that despite the negative effect of Covid-19 pandemic on the economy and short realization of Central transfers, the State could achieve all the fiscal parameters within FRBM limit. As per actuals, the GSDP at current prices contracted by 2.24 per cent which is the primary reason in wide variation of Debt-GSDP ratio against the projections in the MTFP of the State Government.

⁴ Non-debt receipts = Revenue receipts + Miscellaneous Capital receipts + Recoveries of Loans and Advances.

1.6 Deficits and Total Debt after examination by Audit

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

1.6.1 Post audit Surplus/ Deficit

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

Audit noticed overstatement of Revenue Surplus by ₹1,390.27 crore and understatement of Fiscal Deficit by ₹342.90 crore for 2020-21, as detailed in **Table 1.7**:

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

Particulars	Impact on Revenue Surplus (₹ in crore)		Impact on Fiscal Deficit (₹ in crore)	
	Over Statement	Under Statement	Over Statement	Under Statement
Misclassifications between Revenue and Capital Expenditure	1,047.37	--	--	--
Non Credit of Interest to Reserve Fund Deposits (bearing interest)	93.83	--	--	93.83
Un-recouped Contingency Fund	171.00	--	--	171.00
Labour Welfare Cess collected but not transferred to Board's Account	4.49	--	--	4.49
Non transfer of Land Revenue Cess to Local Bodies	73.58	--	--	73.58
Total Impact	1,390.27 (Over Statement)		342.90 (Under Statement)	

Source: Audited Finance Accounts 2020-21, Government of Odisha

Effectively, as a result of examination of misclassification during post audit, the Revenue Surplus reduced from ₹9,076.39 crore (reported figure of Finance Account) to ₹7,686.12 crore (certified figure of Finance Account) and Fiscal Deficit increased from ₹9,785.54 crore (reported figure in Finance Account) to ₹10,128.44 crore (certified figure of Finance Account) in 2020-21.

Government stated (December 2021) that it has always given due importance to the advices of Accountant General from time to time for proper classification of expenditures and the best practices in public financial management. Many accounting corrections have already been incorporated in the Annual Budget, 2021-22 as per Audit recommendations in C&AG's previous State Finances Audit Reports. The fiscal parameters are still within the mandated fiscal targets after due adjustments and proper classifications. Recommendations of Audit would be considered during the next Budget cycle.

Chapter II

Finances of the State

2.1 Major changes in key fiscal aggregates vis-à-vis 2019-20

This section gives a bird's eye view of the major changes in key fiscal aggregates of the State during 2020-21, as compared to 2019-20. Each of these indicators has been analysed in the succeeding paragraphs.

Table 2.1: Changes in key fiscal aggregates in 2020-21 compared to 2019-20

Revenue Receipts	✓ Revenue receipts of the State increased by 2.78 per cent ✓ Own Tax receipts of the State increased by 6.01 per cent ✓ Own Non-tax receipts increased by 33.25 per cent ✓ State's Share of Union Taxes and Duties decreased by 9.56 per cent ✓ Grants-in-Aid from Government of India decreased by 4.49 per cent
Revenue Expenditure	✓ Revenue expenditure decreased by 3.86 per cent ✓ Revenue expenditure on General Services decreased by 1.15 per cent ✓ Revenue expenditure on Social Services decreased by 8.31 per cent ✓ Revenue expenditure on Economic Services increased by 0.88 per cent ✓ Expenditure on Grants-in-Aid decreased by 7.25 per cent
Capital Expenditure	✓ Capital expenditure decreased by 11.48 per cent ✓ Capital expenditure on General Services increased by 7.83 per cent ✓ Capital expenditure on Social Services decreased by 14.08 per cent ✓ Capital expenditure on Economic Services decreased by 11.61 per cent
Loans and Advances	✓ Disbursement of Loans and Advances increased by 26.85 per cent ✓ Recoveries of Loans and Advances increased by 138.33 per cent
Public Debt	✓ Public Debt Receipts increased by 38.42 per cent ✓ Repayment of Public Debt increased by 105.87 per cent
Public Account	✓ Public Account Receipts decreased by 15.24 per cent ✓ Disbursement of Public Account increased by 17.51 per cent
Cash Balance	✓ Cash balance decreased by ₹ 9,802 crore (23.10 per cent) during 2020-21 as compared to previous year

2.2 Sources and Application of Funds

This section compares the components of the sources and application of funds of the State during the financial year 2020-21 as compared to 2019-20. The details of sources and application of funds are given in **Appendix 2.1** and **Appendix 2.2**.

Table 2.2: Details of Sources and Application of funds during 2019-20 and 2020-21

₹ in crore				
	Particulars	2019-20	2020-21	Increase / Decrease (% of variation)
Sources	Opening Cash Balance	38,134	42,438	4,304(11.29)
	Revenue Receipts	1,01,568	1,04,387	2,819(2.76)
	Recoveries of Loans and Advances	287	684	397(138.33)
	Public Debt Receipts (Net)	10,185	11,066	881(8.65)
	Public Account Receipts (Net)	11,497	(-)10,911	-22,408(194.90)
	Total	1,61,671	1,47,664	-14,007(8.66)
Application	Revenue Expenditure	99,137	95,311	-3,826(3.86)
	Capital Expenditure	20,277	17,949	-2,328(11.48)
	Disbursement of Loans and Advances	1,259	1,597	338(26.85)
	Contingency Fund (Net)	(-)1,440	171	1,611(111.88)
	Closing Cash Balance	42,438	32,636	-9,802(23.10)
	Total	1,61,671	1,47,664	-14,007(8.66)

Source: Finance Accounts of respective years, Government of Odisha

Chart 2.1: Composition of Resources

(in per cent)

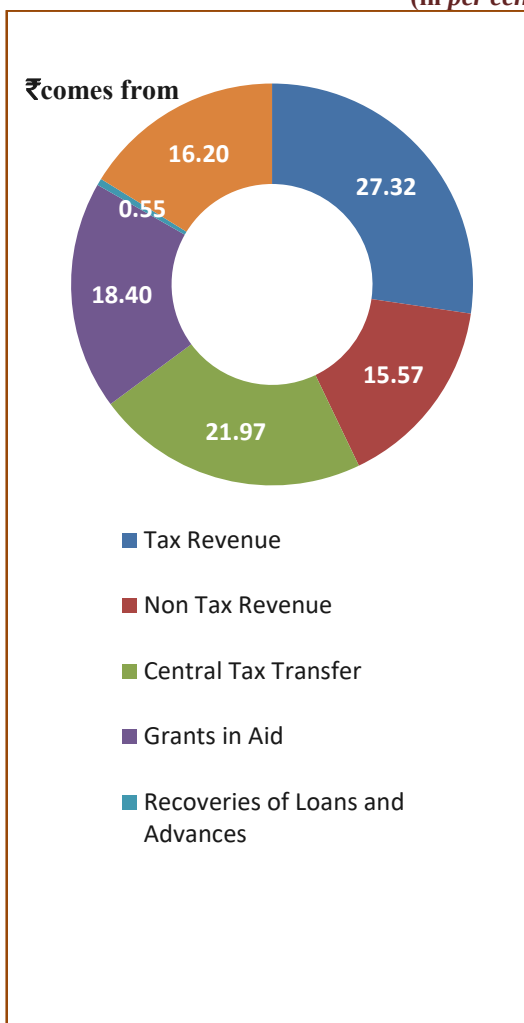
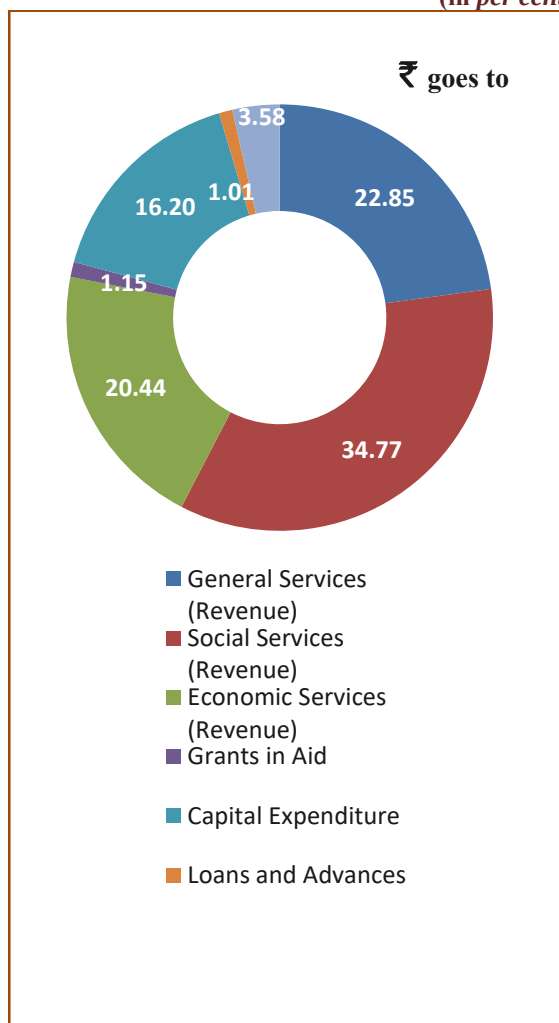


Chart 2.2: Application of Resources

(in per cent)



Source: Finance Accounts 2020-21

2.3 Resources of the State

The resources of the State are described below:

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

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

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

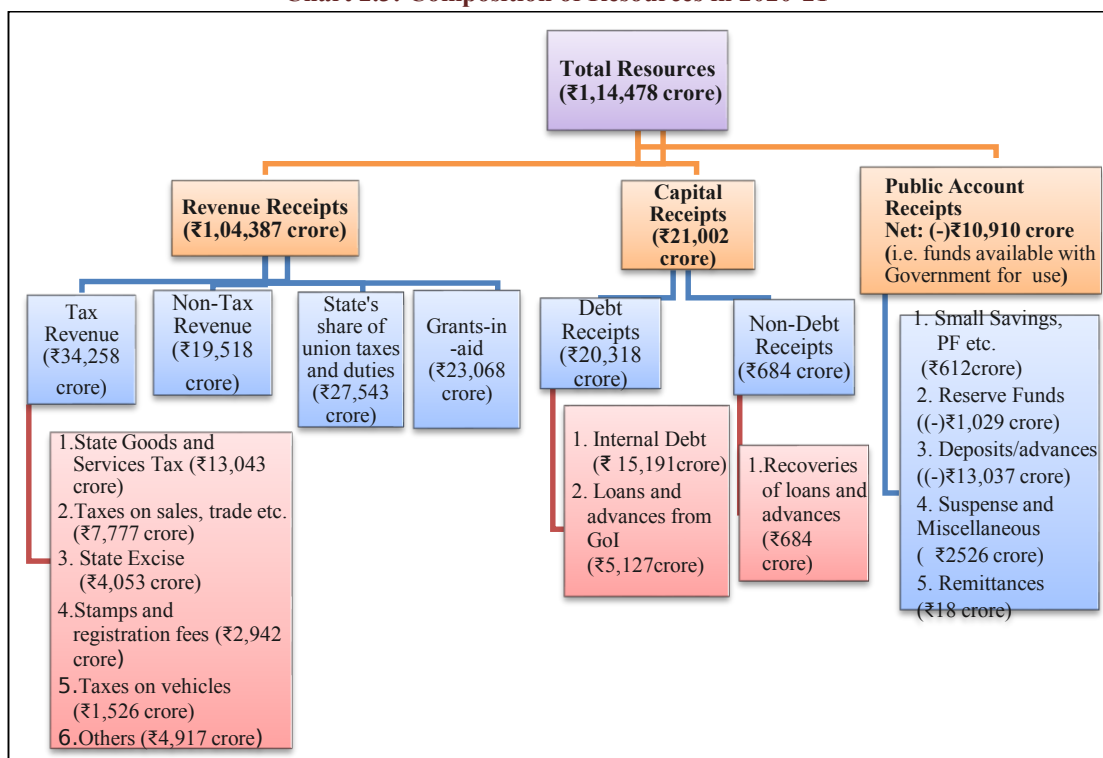
3. Net Public Account receipts: These are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, etc. which do not form part of the Consolidated Fund.

These are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.3.1 Receipts of the State

The overall composition of the State resources (₹1,14,478 crore) in 2020-21 is shown in **Chart 2.3**:

Chart 2.3: Composition of Resources in 2020-21

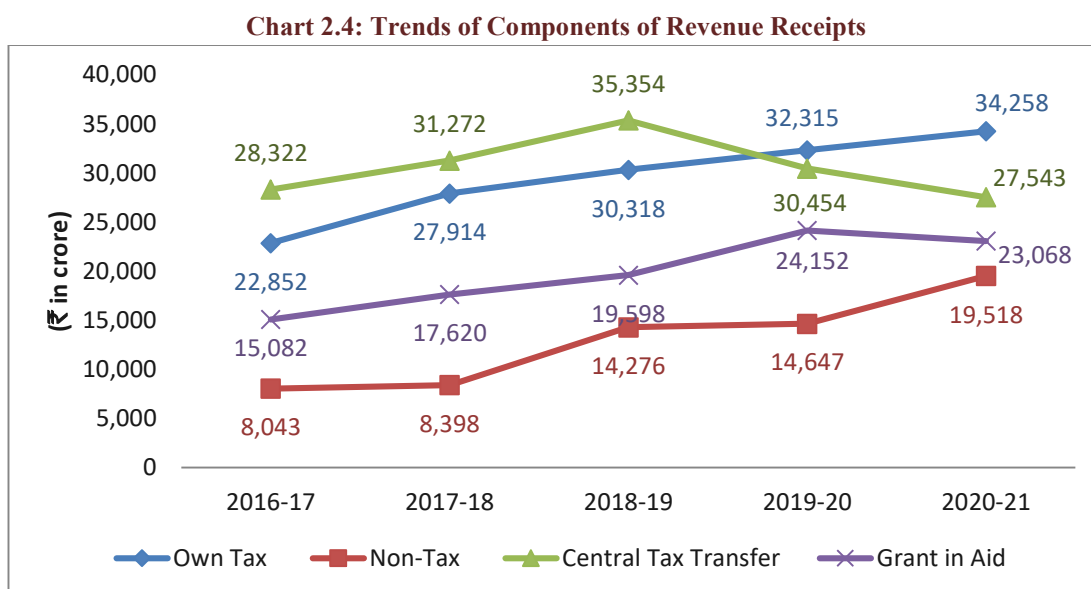


Source: Finance Accounts 2020-21, Government of Odisha

The above Chart shows that out of the total resources of ₹ 1,14,478 crore of the State Government during the year 2020-21, Revenue Receipts (₹1,04,387 crore) constituted 91.19 *per cent* of total resources. Capital Receipts (₹ 21,002 crore) and Public Account Receipts net {(-) ₹ 10,910 crore} constituted 18.35 *per cent* and (-)9.53 *per cent* of the total resources, respectively.

2.3.2 State's Revenue Receipts

Statement 14 of the Finance Accounts gives details of the Revenue Receipts of the Government. Revenue Receipts (₹ 1,04,387 crore) of the Government constituting 20.49 *per cent* of the GSDP⁵ (₹ 5,09,574 crore), increased by 2.78 *per cent* over the previous year (₹ 1,01,568 crore). Revenue Receipts were, however, lower than the budget estimates (₹ 1,24,300 crore) by ₹ 19,913 crore. The trends and composition of the Revenue Receipts during the years 2016-17 to 2020-21 are shown in **Chart 2.4**.



Source: Finance Accounts of respective years, Government of Odisha

As can be seen from the above Chart, Own Tax Revenue and Non Tax Revenue have been increasing over the last five years.

Central Tax Transfer followed increasing trend for the period 2016-17 to 2018-19, and started decreasing from 2019-20. The BE for Central Tax Transfer was ₹ 36,300 crore, while the actual receipt was only ₹ 27,543 crore, during 2020-21, which was less than BE by 24.12 *per cent* (₹8,757 crore).

2.3.2.1 Trends and Growth of Revenue Receipts

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

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

⁵GSDP at current prices

Table 2.3: Trends of Revenue Receipts relative to GSDP

	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Receipts (RR) (₹ in crore)	74,299	85,204	99,546	1,01,568	1,04,387
Rate of growth of RR (<i>per cent</i>)	7.77	14.68	16.83	2.03	2.78
Own Tax Revenue	22,852	27,914	30,318	32,315	34,258
Non Tax Revenue	8,043	8,398	14,276	14,647	19,518
State Own Revenue (Own Tax and Non-tax Revenue)	30,895	36,312	44,594	46,962	53,776
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>)	(-)1.10	17.53	22.81	5.31	14.51
Gross State Domestic Product (GSDP) (₹ in crore)	3,92,804	4,40,879	4,87,805	5,21,275	5,09,574
Rate of growth of GSDP (<i>per cent</i>)	19.56	12.24	10.64	6.86	-2.24
R R/GSDP (<i>per cent</i>)	18.92	19.33	20.41	19.48	20.49
Buoyancy Ratio⁶					
Revenue Buoyancy with respect to GSDP	0.40	1.20	1.58	0.30	(-)1.24
State's Own Revenue Buoyancy with respect to GSDP	(-)0.06	1.43	2.14	0.77	(-)6.48

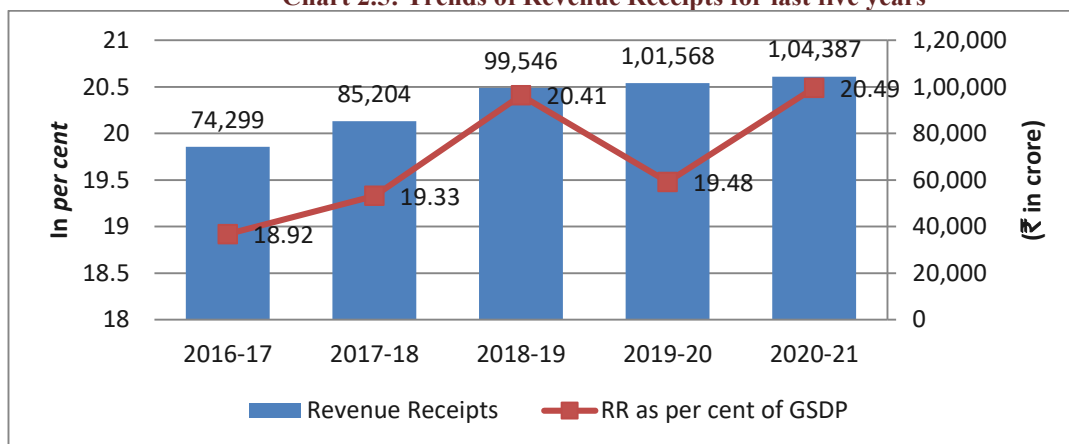
Source: GSDP- Directorate of Economics and Statistics, Government of Odisha
Revenue Receipts- Finance Accounts of the respective years.

From the above table, it can be inferred that:

- Revenue buoyancy as well as State's own tax buoyancy with reference to GSDP was above one during last five years, except 2016-17 and 2019-20. During 2020-21, the Revenue Buoyancy was (-)1.24 due to negative growth of GSDP. During 2020-21, the Revenue Buoyancy was (-) 1.24 due to negative growth of GSDP. Revenue Buoyancy above one indicated that for every one *per cent* increase (or decrease) in GSDP, there was more than one *per cent* increase (or decrease) in Revenue, and highlighted the need for adopting policies that encourage economic growth of the State.
- Revenue Receipts as a *per cent* of GSDP for the year 2020-21 (20.49 *per cent*) increased in comparison to 2019-20 (19.48 *per cent*) due to the decrease in the denominator, i.e. GSDP (₹5,09,574 crore), as compared to previous year (₹5,21,275 crore). The same is also depicted in **Chart 2.5** below.

⁶Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, Revenue buoyancy at 0.72 implies that Revenue Receipts tend to increase by 0.72 percentage points, if the GSDP increases by one *per cent*.

Chart 2.5: Trends of Revenue Receipts for last five years



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

2.3.2.2 State's Own Resources

The State's performance in mobilisation of resources is assessed in terms of Tax Revenue and Non-Tax Revenue, not including the State's share in Central Taxes and Grants-in-Aid which is based on the recommendations of the Finance Commission. State's Own Revenue (Tax Revenue and Non-Tax Revenue) during 2020-21 grew by 14.51 per cent, which was much higher than the increase (-2.24 per cent) in the economic base measured in terms of GSDP during same period. The Budget Estimates for Own Tax Revenue during 2020-21 was ₹ 38,350 crore.

a) State's Own Tax Revenue

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

Table 2.4: Components of State's Own Tax Revenue

Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21	Spark Line
State Goods and Services Tax (SGST)	0	6,609	11,943	13,204	13,043	
Taxes on Sales, Trade, etc	13,402	11,522	7,310	7,455	7,777	
State Excise	2,786	3,221	3,925	4,495	4,053	
Taxes on Vehicles	1,216	1,535	1,746	1,836	1,526	
Stamps and Registration fees	1,364	1,037	1,237	1,435	2,942	
Land Revenue	460	542	511	721	603	
Taxes on Goods and Passengers	1,760	1,260	182	133	146	
Other Taxes	1,864	2,188	3,464	3,036	4,168	
Total	22,852	27,914	30,318	32,315	34,258	

Source: Finance Accounts of respective years, Government of Odisha

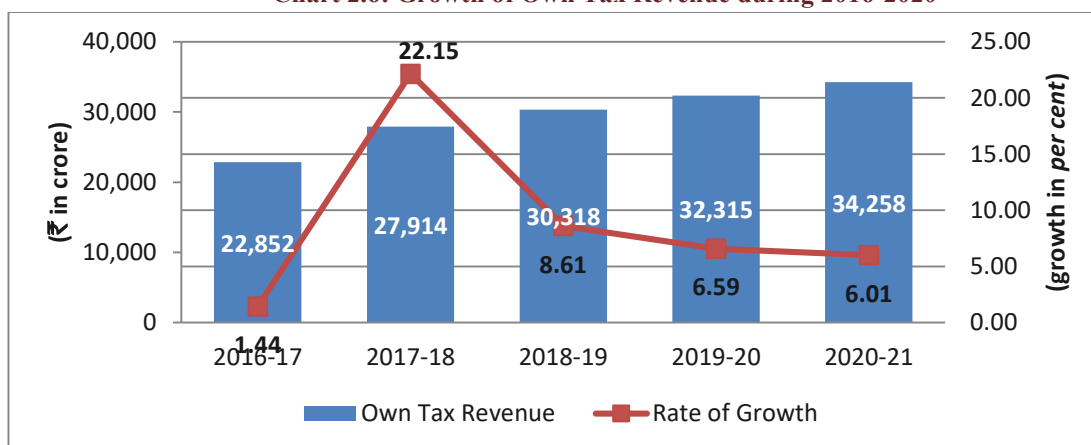
From the above table, it can be inferred that:

- In comparison to the Budget Estimates (₹ 38,350 crore) of 2020-21, the State's actual Own Tax Revenue in 2020-21 was ₹ 34,258 crore (89.32 per cent). The shortfall in comparison to Budget Estimates was under SGST by ₹2,426 crore, under Taxes on Sales, Trade, etc. by ₹ 973 crore, under State

Excise by ₹ 1,197 crore and under Taxes on Vehicles by ₹ 474 crore. Own tax Revenue constituted 32.82 per cent of total Revenue Receipts for 2020-21.

- As per the provision of Odisha Cess Act 1962, collections from Land Revenue Cess are to be distributed among Panchayati Raj Institutions (PRIs) i.e., Gram Panchayats (GPs), Panchayat Samiti (PSs) and Zilla Parishads (ZPs) in the ratio of 60:20:20. However, during 2020-21, an amount of ₹ 73.58 crore was collected towards Land Revenue Cess and not distributed to the PRIs. This had an impact of overstatement of Revenue Surplus and understatement of Fiscal Deficit by ₹73.58 crore. This had also been the case in 2018-19 and 2019-20 when ₹48.07 crore and ₹36.60 crore respectively, were collected and not transferred to PRIs.
- The Own Tax revenue of the State during the years 2016-17 to 2020-21 showed increasing trend in absolute terms. However, in terms of growth over previous year, it started declining from 2017-18, which is depicted in **Chart 2.6** below. As can be seen in comparison to the last financial year, the growth rate of own tax revenue of the State fell from 6.59 per cent in 2019-20 to 6.01 per cent in 2020-21. During 2020-21, the growth in various economic sectors/ activities and therefore of taxes from those sectors was uneven and was severely impacted due to the Covid-19 outbreak.

Chart 2.6: Growth of Own Tax Revenue during 2016-2020



Source: Finance Accounts of respective years, Government of Odisha

b) State Goods and Services Tax (SGST)

The State Government implemented the Goods and Services Tax (GST) Act from 01 July 2017. According to GST (Compensation to States) Act, 2017, Central Government will compensate the States for loss of revenue arising on account of implementation of GST for a period of five years starting from 2017-18. The compensation payable to the State shall be calculated for every financial year after the receipt of final revenue figures, as audited by the Comptroller and Auditor General of India. The protected revenue for any year of a State shall be calculated

applying the projected growth rate (14 *per cent* per annum) over the base year revenue of that State. The base year for calculation of revenue figures of taxes subsumed under GST was fixed as 2015-16.

In case of Odisha, the revenue in the base year (2015-16) was ₹ 11,049.34 crore. The protected revenue for the year 2020-21 assessed with respect to base year was ₹ 21,274.56 crore. In 2020-21, the State's receipt of GST (SGST) was ₹13,043 crore and pre-GST taxes on GST goods was ₹165.95 crore. GoO received GST compensation of ₹ 4,361.59 crore as GIA under revenue receipts and ₹ 3,822 crore as back-to-back loan with no repayment liability under debt receipts.

Details of SGST, pre-GST taxes and compensation received by the State during 2020-21 are given in **Table 2.5**:

Table 2.5: Details of SGST, pre-GST taxes and compensation received by the State during April 2020 to March 2021

Particulars	Amount (₹ in crore)
Revenue to be Protected (A)	21,274.56
State Goods & Services Tax (including IGST advance apportionment of ₹535.78 crore) (B)	1,30,43.19
Collection of pre-GST Taxes (April 2020 to March 2021) (C)	165.95
Total Collection (D) = (B+C)	13,209.14
Compensation received (E)	4,361.59
Back to back loan towards shortfall in GST Compensation	3,822.00

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

Details of State Goods and Service Tax projection *vis-à-vis* actual receipts for the years 2017-18 to 2020-21 are given in **Table 2.6**.

Table 2.6: Details of SGST during the years 2017-21

Base Year	Projection at a growth rate of 14 <i>per cent</i>	Actual
2015-16	11,049	-
2016-17	12,596	-
2017-18	14,359	11,229 [#]
2018-19	16,369	12,129
2019-20	18,662	13,330
2020-21	21,275	13,209

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

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

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

c) Non-Tax Revenue

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

Table 2.7: Components of State's non-tax revenue

Revenue Head	2016-17	2017-18	2018-19	2019-20	2020-21
Non-Ferrous Mining	4926	6,131	10,480	11,020	13,792
Interest Receipts	427	601	1,462	1,487	1,262
Dividends and Profits	566	66	544	321	1,063
Other Non-tax receipts	2,124	1,600	1,791	1,819	3,401
a) Major and Medium Irrigation	722	663	702	669	796
b) Road & Bridges	73	66	67	44	54
c) Education	31	24	26	27	62
d) Misc. General Services	384	240	419	411	1,729
e) Other or Misc.	914	607	577	668	760
Total	8,043	8,398	14,277	14,647	19,518

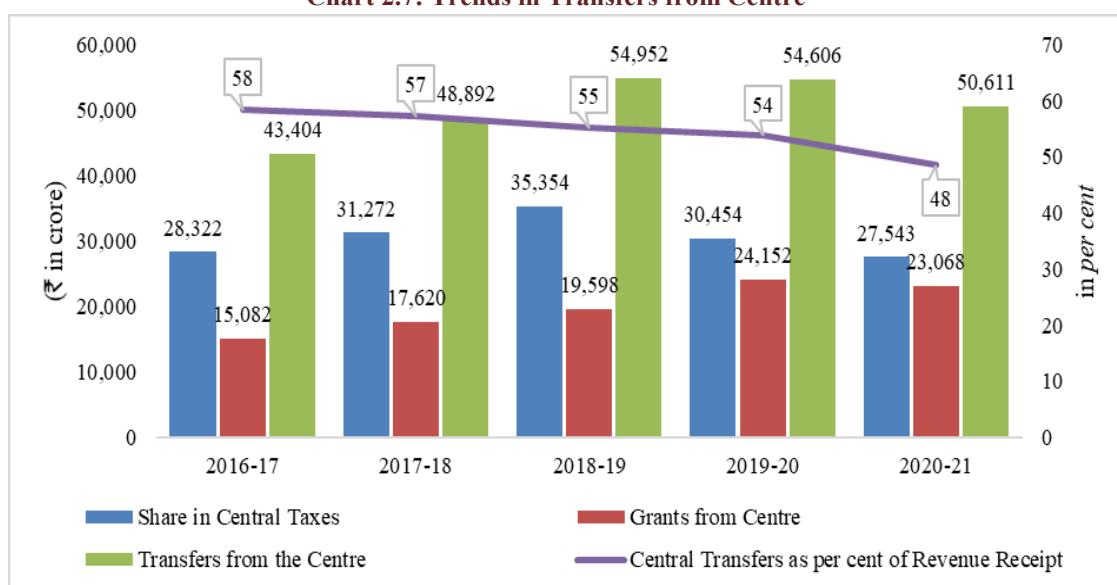
Source: Finance Accounts of respective years, Government of Odisha

The NTR in 2020-21 was ₹19,518 crore, which constituted 18.70 per cent of Revenue Receipts and increased by ₹ 4,871 crore (33.26 per cent) over previous year (₹ 14,647 crore).

2.3.2.3 Transfers from the Centre

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

Chart 2.7: Trends in Transfers from Centre



Source: Finance Accounts of respective years, Government of Odisha

As can be seen from the above Chart, Central transfers have been consistently decreasing from 58 per cent in 2016-17 to 48 per cent in 2020-21. Due to high dependence on Central transfers, the State's overall Revenue Receipts were adversely impacted as Central Tax Transfer and Grants decreased by ₹ 2,911 crore (9.56 per cent) and ₹ 1,084 crore (4.49 per cent) respectively during 2020-21 over the previous year.

The BE for Central Tax Transfer was ₹ 36,300 crore, while the actual receipt was only ₹ 27,543 crore during 2020-21. Similarly, the BE for Grants-in-Aid from Government of India was ₹ 32,000 crore, while the actual receipts was only ₹ 23,068 crore. This shortfall in receipt of Central Transfer contributed to the actual Revenue Receipt (₹ 1,04,387 crore) being lower than budgeted Revenue Receipts (₹ 1,24,300 crore) by ₹ 19,913 crore for the year 2020-21.

a) State's Share of Union Taxes and Duties

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

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

(₹ in crore)

Year	Finance Commission Projections	Projections in FCR	Actual Tax Devolution	Difference
1.	2.	3.	4.	5. (4-3)
2015-16	4,642 per cent of net proceeds of all shareable taxes excluding service tax and 4.744 per cent of net proceeds of shareable service tax (As per recommendations of FFC)	27,001	23,574	(-) 3,427
2016-17		31,158	28,322	(-) 2,836
2017-18		36,005	31,272	(-) 4,733
2018-19		41,656	35,354	(-) 6,302
2019-20		48,250	30,454	(-) 17,796
2020-21	4,629 per cent of net proceeds of all shareable taxes (As per recommendations of Fifteenth FC)	39,586	27,543	(-) 12,043

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

As seen from the table above, the gap between FCR projections and actual tax devolution to the State has been consistently widening between the years 2016-17 to 2020-21.

The State's share of Union Taxes under different components during the years 2016-17 to 2020-21 are shown in Table 2.9.

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

Component of State's share of Union taxes	2016-17	2017-18	2018-19	2019-20	2020-21
Corporation Tax	9,072	9,575	12,294	10,384	8,328
Customs	3,903	3,156	2,506	1,930	1,447
Income Tax	6,305	8,085	9,054	8,136	8,540
Other Taxes and Duties on commodities and services	--	--	18	19	21
Service Tax	4,564	3,561	326	--	124

Component of State's share of Union taxes	2016-17	2017-18	2018-19	2019-20	2020-21
Wealth Tax	21	--	5	1	--
Union Excise Duties	4,457	3,298	1,665	1,342	923
CGST	--	441	8,726	8,642	8,160
IGST	--	3,156	696	--	--
Other Taxes on Income and Expenditure	--	--	64	--	--
Grand total	28,322	31,272	35,354	30,454	27,543
Percentage of increase over previous year	20.14	10.42	13.05	-13.86	-9.56
Component of State's share as percentage of Revenue Receipts of the State	38	37	36	30	26

Source: Finance Accounts of respective years, Government of Odisha

As can be seen from the above, the receipts of the State's share of Union taxes has been increasing from 2016-17 to 2018-19. However, it declined by 13.86 per cent during 2019-20 and 9.56 per cent during 2020-21 over the previous year.

b) Grants-in-Aid from Government of India

The details of Grants-in-Aid and its composition during the years 2016-17 to 2020-21 are in Table 2.10.

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

Particulars	₹ in crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21
Non Plan Grants	3,248	--	--	--	--
State Plan Grants	11,769	--	--	--	--
Grants for Central Plan Schemes	65	--	--	--	--
Grants for Centrally Sponsored Plan Schemes	0.1	--	--	--	--
Grants for Centrally Sponsored Schemes	--	12,900	13,025	13,056	12,698
Finance Commission Grants	--	2,406	2,840	3,563	4,949
Other Transfers/Grants to States/Union Territories with Legislatures	--	2,314	3,733	7,533	5,421
Total	15,082	17,620	19,598	24,152	23,068
Percentage of increase over the previous year Receipts	6.74	16.83	11.23	23.24	-4.49
Total grants as a percentage of Revenue Receipts	20.30	20.68	19.69	23.78	22.10

Source: Finance Accounts of respective years, Government of Odisha

The Government of India decided to give effect to the merger of plan/ non-plan provisions in the Estimates for Budget 2017-18, after conclusion of the 12th Plan period (2012-17). With the removal of the Plan and Non-Plan distinction, Grants-in-Aid from Centre comprises only (i) Finance Commission recommended grants for Local Bodies, (ii) grants for Disaster Response and (iii) grants for Central share of Central Sector and Centrally Sponsored Schemes. Percentage of Grants-in-Aid to Revenue Receipts increased from 19.69 per cent in 2018-19 to 23.78 per cent in 2019-20, however, it declined to 22.10 per cent in 2020-21.

c) Finance Commission Grants

The 73rd Constitutional Amendment requires both the Centre and the States to help Panchayati Raj Institutions to evolve as a unit of self-governance by assigning them

funds, functions and functionaries. The Finance Commission Grants are the funds provided by the Centre to local bodies, state disaster relief funds and compensates any revenue loss to states after devolution of taxes. The details of FC recommendations *vis-a-vis* actual receipts are given in **Table 2.11**.

Table 2.11: Grant-in-aid released by GoI as per recommendation of Finance Commissions

(₹ in crore)

Department	Sectors	2019-20		2020-21		Increase (+) / Decrease (-) over last year
		FCR	Actuals	FCR	Actuals	
1	2	3	4	5	6	7 (4-6)
Panchayati Raj & Drinking Water Department						
Rural Local Bodies	Basic Grant	2389.54	2389.54	2,258.00	2,258.00	(-)131.54
	Performance Grant	292.05	196.40	--	--	(-)196.40
	Total	2,681.59	2585.94	2,258.00	2,258.00	(-)327.94
Housing & Urban Development						
Urban Local Bodies	Basic Grant	425.39	425.39	1,087.00	1,087.00	(+)661.61
	Performance Grant	116.98	--	--	--	--
	Total	542.37	425.39	1,087.00	1,087.00	(+)661.61
Revenue and Disaster Management						
State Disaster Response Fund (SDRF)		818.00	552.00	1,604.00	1,604.00	(+)1,052.00
Grand Total		4041.96	3563.33	4,949.00	4,949.00	(+)1,385.67

Source: Finance Accounts and Finance Commission Recommendations (FCR)

It is evident from the above table that Central Government has released the Fifteenth Finance Commission Grant at par with the recommendation during 2020-21. Fifteenth Finance Commission recommendation for the year 2020-21 under Urban Local Bodies and State Disaster Response Fund has substantially increased over Fourteenth Finance Commission Grants for 2019-20 by 100 per cent and 96 per cent respectively.

State Government stated (December 2021) that Budget Estimates always happen to be tentative in nature and their realization is contingent upon a whole lot of social, political and economic factors. Lower Revenue Receipts during 2020-21 compared to the Budget Estimates were primarily due to short realization of Central Transfers. It is a healthy sign that State's Own Revenue has been increasing and is now contributing more than 50 per cent of the total Revenue Receipts.

Provisions against Central Transfers are made based on the estimates in the Union Budget. However, less transfers against the estimates in Budget puts the State Government in a problematic situation. This in turn affects the fiscal space for incurring development and capital expenditures.

2.3.3 Receipts under Capital Section

Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/ commercial banks) and loans and advances from Government of India (GoI). The details of Capital Receipts and their composition for the years 2016-17 to 2020-21 are given in **Table 2.12**.

Table 2.12: Trends in Growth and Composition of Capital Receipts

(₹ in crore)					
Sources of State's Receipts	2016-17	2017-18	2018-19	2019-20	2020-21
Capital Receipts (CR)	11,312	13,119	10,308	14,966	21,002
Miscellaneous Capital Receipts	0	0	0	0	0
Recovery of Loans and Advances	89	257	305	287	684
Public Debt Receipt	11,223	12,862	10,003	14,679	20,318
Net Public Debt Receipts	8,261	10,172	6,063	10,185	11,066
Internal Debt	8,028	10,031	5,837	10,174	6,926
Growth Rate	18.11	24.95	-41.81	74.30	-31.92
Loans and Advances from GoI	233	141	226	11	4,140
Growth rate	109.91	-39.48	60.28	-95.13	37,536.36
Rate of growth of debt Capital Receipts	14.64	14.60	-22.23	46.75	38.42
Rate of growth of non-debt Capital Receipts	-60.96	188.76	18.68	-5.90	138.33
Rate of growth of GSDP	19.79	10.47	14.05	7.66	-2.24
Rate of growth of Capital Receipts (per cent)	12.92	15.97	-21.43	45.19	40.33

Source: Finance Accounts of respective years, Government of Odisha

During 2020-21, Capital Receipts (₹21,002 crore) constituted 18.35 per cent of the total receipts (₹ 1,14,478 crore) of the State. The State Government borrowed ₹ 15,191 crore from open market and other financial institutions and took loans of ₹ 5,127 crore from GoI. As can be seen from Table 2.12, Public Debt receipts constituted major component of Capital Receipts (96.74 per cent).

2.3.4 State's performance in mobilisation of resources

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

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

	Budget Estimates	Actual	Percentage of variation of actual over Budget Estimates
Own Tax Revenue	38,350	34,258	-10.67
Non Tax Revenue	17,650	19,518	+10.58

Source: Finance Accounts, Budget at a Glance of GoO

During 2020-21, the receipts under State's Own Tax Revenue were less than the assessment by 10.67 per cent. However, the State's non-tax revenue was higher than the assessment made in MTFP by 10.58 per cent, with main contribution from the increase in Mining Receipts during 2020-21.

2.4 Application of Resources

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

2.4.1 Growth and Composition of Expenditure

The total expenditure in 2020-21 was ₹1,14,857 crore. **Table 2.14** presents the trends and composition of total expenditure during 2016-17 to 2020-21.

Table 2.14: Total Expenditure and its Composition

(₹in crore)					
Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total Expenditure (TE)	83,766	94,821	1,10,008	1,20,673	1,14,857
Revenue Expenditure (RE)	65,041	71,837	85,356	99,137	95,311
Capital Expenditure (CE)	18,471	21,109	23,482	20,277	17,949
Loans and Advances	254	1,875	1,170	1,259	1,597
As a percentage of GSDP					
TE/GSDP	21.28	21.81	22.19	22.61	22.54
RE/GSDP	16.53	16.52	17.21	18.57	18.70
CE/GSDP	4.69	4.86	4.74	3.80	3.52
Loans and Advances/GSDP	0.06	0.43	0.24	0.24	0.31

Source: Finance Accounts of respective years, Government of Odisha

As can be seen from the above table, there has been a decline in the Capital Expenditure as a percentage of the GSDP from 2017-18 to 2020-21. However, revenue expenditure as percentage of GSDP has risen during the same period.

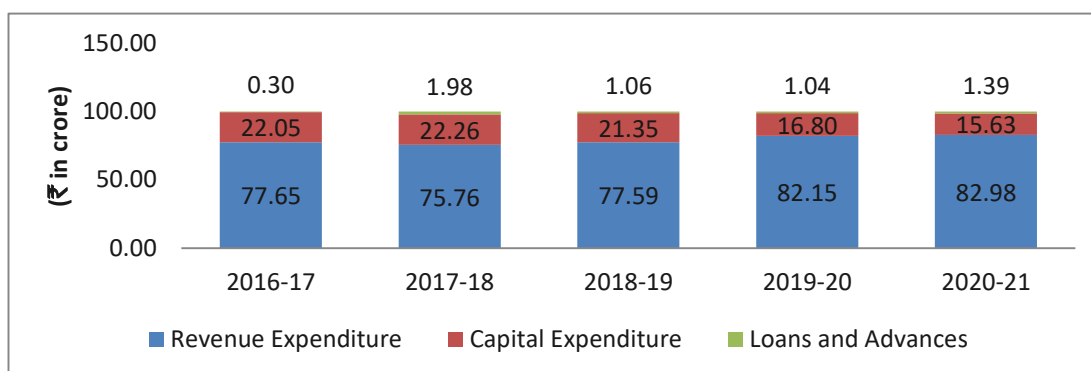
The share of various sectors in the overall expenditure of the State is detailed in **Table 2.15**.

Table 2.15: Relative share of various sectors of expenditure

(₹in crore)					
Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
General Services	17,089	22,126	25,483	30,106	29,839
Social Services	30,603	33,758	40,972	48,781	44,424
Economic Services	34,972	37,595	42,081	40,244	39,169
Others (Grants to Local Bodies and Loans and Advances)	1,102	1,343	1,472	1,542	1,425
Share of Total Expenditure (in per cent)					
General Services	20.40	23.33	23.16	24.95	25.98
Social Services	36.53	35.60	37.24	40.42	38.68
Economic Services	41.75	39.65	38.25	33.35	34.10
Others (Grants to Local Bodies and Loans and Advances)	1.32	1.42	1.34	1.28	1.24

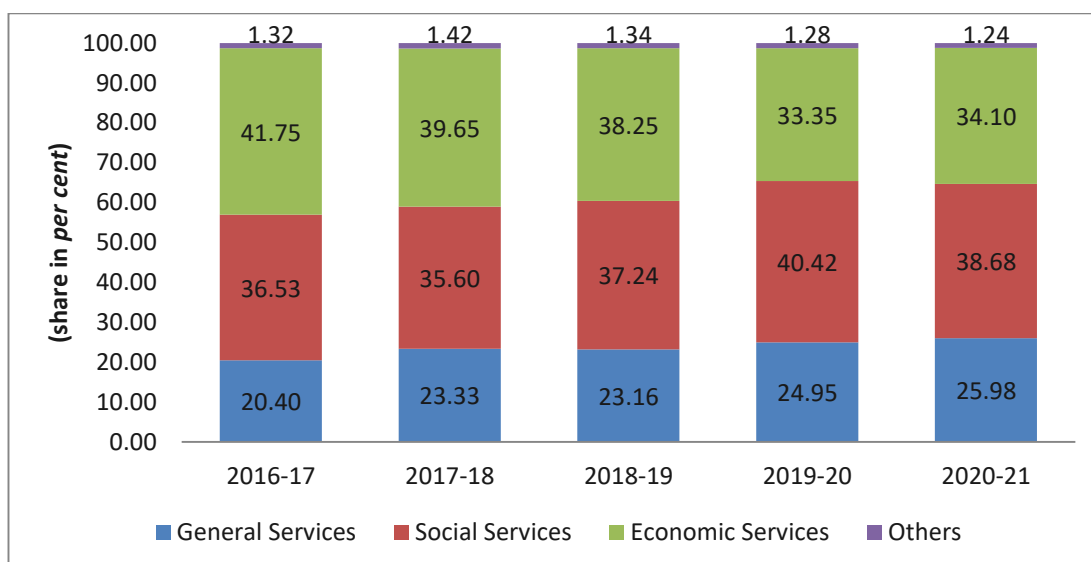
Source: Finance Accounts of respective years, Government of Odisha

Chart 2.8: Relative share of various sectors of expenditure



Source: Finance Accounts of respective years, Government of Odisha

Chart 2.9: Share of Expenditure by Activities



Source: Finance Accounts of respective years, Government of Odisha

From the table and charts above, it is noted that around 83 per cent of the total expenditure in 2020-21 was Revenue Expenditure as compared to 82 per cent during 2019-20. Social Services⁷ Expenditure took precedence with 38.68 per cent over Economic Services⁸ (34.10 per cent), General Services (25.98 per cent), and Others (1.24 per cent) in the total expenditure. Capital Expenditure (₹17,949 crore) constituted 15.63 per cent of the total expenditure, as compared to 21.35 per cent during 2018-19 and 16.80 per cent in 2019-20.

⁷ Refers to welfare activities of the Government and includes (i) Education, Sports, Art and Culture, (ii) Health and Family Welfare, (iii) Water Supply, Sanitation, Housing and Urban Development, (iv) Information and Broadcasting, (v) Welfare of Scheduled Castes, Scheduled Tribes and Backward Classes, (vi) Labour and Labour Welfare, (vii) Social Welfare and Nutrition and (viii) Others.

⁸ Refers to economic development activity sectors of the Government and includes (i) Agriculture and allied services, (ii) Irrigation and Flood Control, (iii) Energy, (iv) Industries and Minerals, (v) Transport, (vi) Science, Technology and Environment and (vii) General Economic Services.

Component-wise major expenditure incurred under Revenue and Capital sections during 2019-20 and 2020-21 are shown in **Table 2.16**.

Table 2.16: Major expenditure components under Revenue and Capital

(₹ in crore)							
Revenue				Capital			
Component	Sector	2019-20	2020-21	Component	Sector	2019-20	2020-21
Education, Sports, Art and Culture	Social	17,228	17,242	Transport	Economic	6,466	6,671
Rural Development	Economic	9,737	11,352	Irrigation and Flood Control	Economic	4,748	3,108
Agriculture and Allied Activities	Economic	10,992	8,569	Water Supply, Sanitation, Housing and Urban Development	Social	3,592	2,796
Social Welfare and Nutrition	Social	10,861	7,991	Energy	Economic	2,134	1,284
Water Supply, Sanitation, Housing and Urban Development	Social	6,844	4,844	Rural Development	Economic	348	231
Health and Family Welfare	Social	5,681	7,244	Health and Family Welfare	Social	504	631
Welfare of SCs, STs, Minorities and OBCs	Social	2,458	2,113	Welfare of SCs, STs, Minorities and OBCs	Social	153	269
Transport	Economic	1,889	2,257	Education, Sports, Art and Culture	Social	759	581
Irrigation and Flood Control	Economic	1,305	1,685				

Source: Finance Accounts of respective years, Government of Odisha

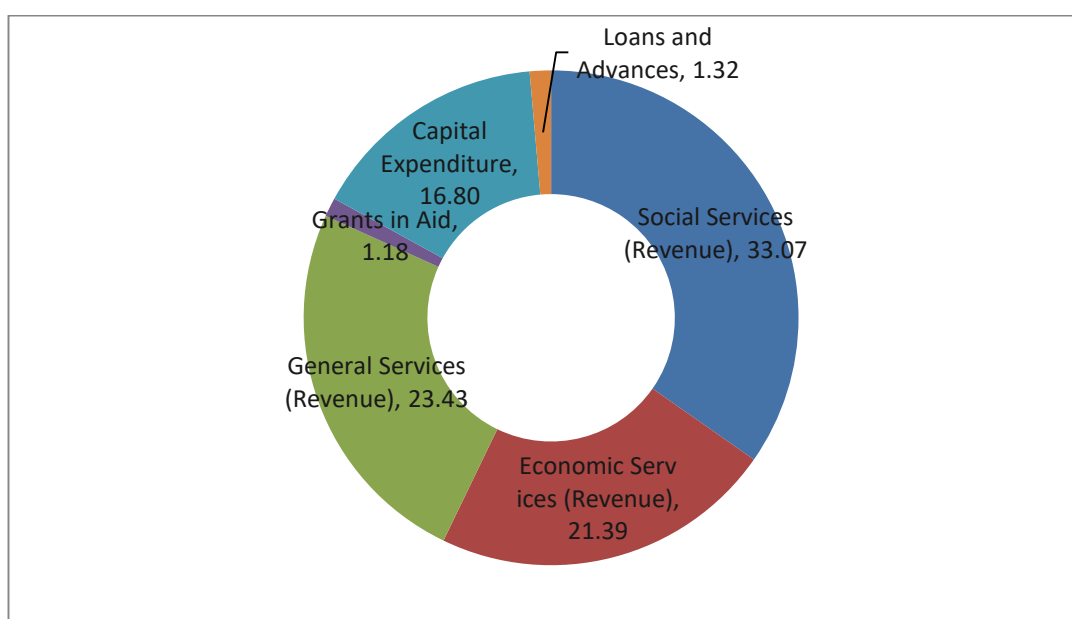
From the above table, it can be inferred that:

- Revenue Expenditure (₹ 95,311 crore) was lower than the previous year (₹ 99,137 crore) by 3.86 per cent. The decrease over previous year was mainly due to lower outgo on Agriculture and Allied activities (₹ 2,423 crore), Social Welfare and Nutrition (₹ 2,870 crore), Water Supply, Sanitation, Housing and Urban Development (₹ 2,000 crore) and Welfare of SCs, STs, Minorities and OBCs (₹ 345 crore) which was partly set off by increase of expenditure under Rural Development (₹ 1,615 crore), Health and Family Welfare (₹ 1,563 crore), Transport (₹ 368 crore) and Irrigation and Flood Control (₹ 380 crore).
- Capital Expenditure during the current year (₹ 17,949 crore) was lower than the previous year (₹ 20,277 crore) by 11.48 per cent. This was mainly due to decrease under Irrigation and Flood Control (₹ 1,640 crore), Water Supply, Sanitation, Housing and Urban Development (₹ 796 crore), Energy (₹ 850 crore)

and Education, Sports, Arts & Culture (₹ 178 crore). The decrease was partly set off by increase under Transport (₹ 205 crore) and Health & Family Welfare (₹127 crore).

Major component wise share over Total Expenditure during 2020-21 is depicted in **Chart 2.10**.

Chart 2.10: Composition of Expenditure



Source: Finance Accounts 2020-21, Government of Odisha

It can be seen from the above chart that Major share of Total Expenditure were under Social Services in Revenue Sector (33.07 *per cent*), General Services in Revenue Sector (23.43 *per cent*) and Economic Services in Revenue Sector (21.39 *per cent*).

The State Government stated (December 2021) that decline in Capital Expenditure during 2020-21 is attributable to strategic lock-downs/ shut-downs imposed both by the Centre and State Government to contain the spread of the pandemic. In contrast, the increase in the share of revenue expenditure is due to the expenditure on livelihood support programmes and social benefit transfers by the State Government under different welfare schemes in order to counter the negative impact of COVID-19 on the vulnerable section of the society.

2.4.2 Revenue Expenditure

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

Revenue expenditure during 2020-21 (₹ 95,311 crore) was 18.70 *per cent* of GSDP. The Revenue Expenditure during the year decreased by 3.86 *per cent* from 2019-20 (₹99,137 crore). It was, however lower than the budget estimates (₹ 1,14,971 crore) by ₹ 19,660 crore (17.10 *per cent*).

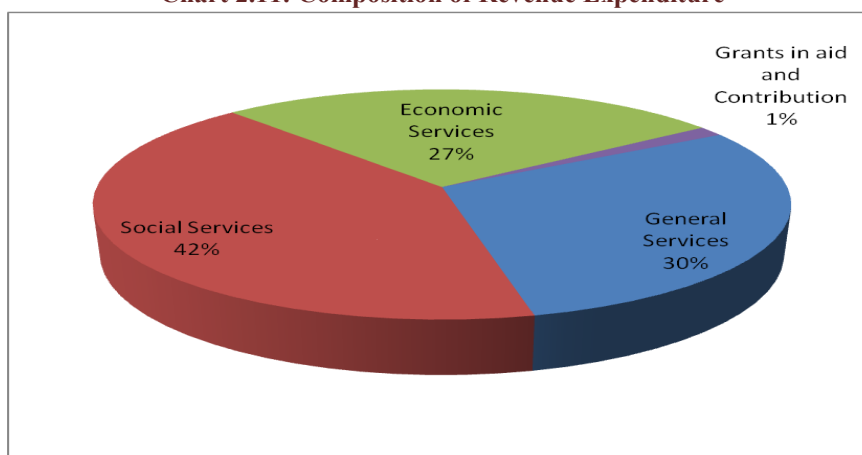
Table 2.17: Revenue Expenditure - Basic Parameters

(₹ in crore)					
Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total Expenditure (TE)	83,766	94,821	1,10,008	1,20,673	1,14,857
Revenue Expenditure (RE)	65,041	71,837	85,356	99,137	95,311
Rate of Growth of RE (per cent)	10.60	10.45	18.82	16.14	-3.86
RE as percentage of TE	77.65	75.76	77.59	82.15	82.98
RE/GSDP (per cent)	16.53	16.52	17.21	18.57	18.70
RE as percentage of RR	87.54	84.31	85.75	97.61	91.31
Buoyancy of Revenue Expenditure with GSDP and Revenue Receipt					
GSDP (ratio)	0.90	0.95	1.79	2.08	1.30
Revenue Receipts (ratio)	1.36	0.71	1.12	7.95	-1.39

Source: Finance Accounts of respective years, Government of Odisha

Revenue Expenditure of GoO consists of General Services (₹28,271 crore), Social Services (₹ 39,901 crore), Economic Services (₹25,809 crore) and Grants in Aid and Contribution (₹ 1,330 crore). The sector wise composition of Revenue Expenditure was given in **Chart 2.11**.

Chart 2.11: Composition of Revenue Expenditure



Source: Finance Accounts 2020-21, Government of Odisha

2.4.2.1 Major changes in Revenue Expenditure

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

Table 2.18: Variation in Revenue Expenditure during 2020-21 compared to 2019-20

(₹ in crore)			
Major Heads of Account	2019-20	2020-21	Increase (+) / Decrease (-)
2071- Pension and Other Retirement Benefits	14,273	13,629	-644
2245 – Relief on account of Natural Calamities	4,290	2,653	-1,637
2401 – Crop Husbandry	7,032	4,185	-2,847
2235 – Social Security and Welfare	6,565	4,171	-2,394
2215 – Water Supply and Sanitation	3,974	2,265	-1,709

Major Heads of Account	2019-20	2020-21	Increase (+) / Decrease (-)
2210 – Medical and Public Health	5,275	6,822	1,547
2505 – Rural Employment	4,596	6,033	1,437
2049- Interest Payment	6,063	6,644	581
2702- Minor Irrigation	281	846	565

Source: Finance Accounts of respective years, Government of Odisha

Audit noticed that during 2020-21, Revenue Expenditure of the State decreased by ₹3,826 crore, while Revenue Receipts increased by ₹2,819 crore as compared to last year. There was significant reduction of expenditure under Social Services (₹3,616 crore) from ₹43,517 crore in 2019-20 to ₹39,901 crore in 2020-21. Major decrease in expenditure during 2020-21 was noticed under MH 2235- Social Security and Welfare (₹-2,394 crore) due to less expenditure under Pension-Social Security Scheme, Child welfare and other welfare schemes and in MH 2215-Water Supply and Sanitation (₹-1,709 crore) due to less expenditure under sewerage and sanitation services. Other major variations in revenue expenditure were under MH 2401- Crop Husbandry (₹-2,847 crore) due to decrease in expenditure on Farmers' Welfare scheme – Krushak Assistance for Livelihood and Income Augmentation (KALIA) Yojana and expenditure on Jalanidhi scheme etc. It was also noticed that during 2019-20, substantial expenditure (₹4,290.24 crore) had been incurred under MH 2245-Relief on Account of Natural Calamities due to occurrence of severe cyclonic storm FANI.

Due to these reasons, Revenue Surplus (₹9,076 crore) for the year 2020-21 significantly increased (273 per cent) from the Revenue Surplus of the previous year (₹2,430 crore).

The State Government stated (December 2021) that though Revenue Expenditure does not directly contribute to asset creation, it is critical to the welfare of the population, maintenance of assets and meeting the debt servicing obligations of the State Government. The overall expenditure including Revenue Expenditure was affected during 2020-21 by the outbreak of Covid-19 pandemic and subsequent lock-downs affecting expenditure efficiency of the Government machinery. The fact, however, remains that the Government should make efforts for higher capital expenditure to achieve faster economic growth.

2.4.2.2 Committed Expenditure

Committed Expenditure of Government on revenue account consists of interest payments (₹6,644 crore), salaries and wages (₹ 21,003 crore) and pensions (₹ 13,629 crore). It has first charge on Government resources and therefore, upward trend on committed expenditure leaves the Government with lesser flexibility for development sector. The Committed Expenditure in 2020-21 was ₹ 41,276 crore and constituted 43.31 per cent of Revenue Expenditure (₹ 95,311 crore), as compared to ₹ 41,019 crore (41.38 per cent of Revenue Expenditure) during 2019-20. The details are shown in **Table 2.19**.

Table 2.19: Components of Committed Expenditure

(₹ in crore)					
Components of Committed Expenditure	2016-17	2017-18	2018-19	2019-20	2020-21
Salaries & Wages	15,035	17,527	19,399	20,683	21,003
Expenditure on Pensions	6,843	8,693	10,520	14,273	13,629
Interest Payments	4,035	4,988	5,800	6,063	6,644
Total	25,913	31,208	35,719	41,019	41,276
As a percentage of Revenue Receipts (RR)					
Salaries & Wages	20.24	20.57	19.49	20.36	20.12
Expenditure on Pensions	9.21	10.20	10.57	14.05	13.06
Interest Payments	5.43	5.85	5.83	5.97	6.36
Total	34.88	36.62	35.89	40.38	39.54
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	23.12	24.40	22.73	20.86	22.04
Expenditure on Pensions	10.52	12.10	12.32	14.40	14.30
Interest Payments	6.20	6.94	6.80	6.12	6.97
Total	39.84	43.44	41.85	41.38	43.31

Source: Finance Accounts of respective years, Government of Odisha

From the above table, it can be inferred that:

- Three items of expenditure i.e., salary, pension and interest payment make up 40 to 43 per cent of the committed expenditure of the State Government during last five years. As these expenditures are non-developmental in nature, barely 57 to 60 per cent is left over for developmental purposes out of the Revenue Expenditure.
- Committed expenditure during 2020-21 increased by ₹ 257 crore (0.63 per cent) over previous year. However, measured as a percentage of Revenue Receipt of the State, its share decreased in 2020-21.
- Committed Expenditure as a percentage of Revenue Expenditure was decreasing since 2017-18, however it increased in 2020-21.
- Expenditure on payment of pension during 2020-21 decreased by ₹644 crore (4.51 per cent) over previous year. During 2019-20 payment of pension had abnormally increased over 2018-19, by ₹3,753 crore due to revision of 7th CPC pension and payment of arrears.
- Interest payment (₹ 6,644 crore) as a percentage of Revenue Expenditure constituted rose to 6.97 per cent in 2020-21, from 6.12 per cent during 2019-20. In absolute terms, interest payment has been consistently increasing, with an increase of ₹2,609 crore from ₹4,035 crore in 2016-17 to ₹6,644 crore in 2020-21. Interest payment relative to Revenue Receipts (₹ 1,04,387 crore) was however, 6.36 per cent, which was well below the fiscal target of 15 per cent set out in the Odisha FRBM (Amendment) Act, 2016.

The State Government stated (December 2021) that committed Expenditure is an essential item of expenditure in a welfare state, since it ensures better delivery of public services and other development expenditure. In absolute terms, Committed

Expenditure has gone down compared to previous years. Interest Payment to Revenue Receipts (IP-RR) ratio has remained well within the mandated limit.

2.4.2.3 National Pension System

State Government employees recruited on or after 1 January 2005 are covered under National Pension System (NPS), which is a defined contributory pension scheme. It is mandatory for employees to contribute 10 *per cent* of basic pay and dearness allowance every month. The State Government has to make equal contribution. The Government has to transfer these contribution amounts along with details to the National Securities Depository Limited (NSDL) and to the fund managers appointed by the NPS Trust, respectively. Though the State Government started collecting pension contribution from the employees from 2006-07, it started transferring to NSDL only in 2010-11 (₹ 0.01 crore), leaving a balance of ₹39.62 crore to be transferred to NSDL as on 31 March 2011. Similarly, every year thereafter, there has been a short transfer to NSDL with the last being ₹ 24.18 crore in 2019-20. As of 31 March 2021, there was a cumulative short transfer of ₹ 6.00 crore to the NSDL and the current liability thus stands deferred to future year(s). Further, the State Government has created interest liability on the amount not transferred to NSDL, incorrectly used the funds that belong to its employees and created uncertainty in respect of benefits due to the employees affected/avoidable financial liability to Government in future.

It was observed that during 2020-21, under the NPS, State Government collected from its employees an amount of ₹719.84 crore. The State Government contributed ₹737.65 crore and transferred ₹1,457.49 crore to NSDL. Therefore, the State Government made more contribution of ₹17.81 crore during the current financial year.

The State Government stated (December 2021) that the legacy short transfers have been addressed and already complied with for previous years. However, short transfer of ₹6.00 crore to the NSDL is in fact due to the time-lag in transfer of matching Government contribution and delay in drawal of personal claims in certain instances during the year. However, such short transfers are made good in subsequent period after the closure of a financial year.

2.4.2.4 Subsidies

The State Government in its Medium Term Fiscal Plan (MTFP) for 2007-08, had aimed at rationalisation of general subsidies and reduction at a rate of 10 *per cent* per annum beginning with 2005-06. However, on the contrary, subsidies have increased over the years and during 2016-21, general subsidy increased from ₹ 2,386 crore to ₹ 4,288 crore. Department-wise subsidies for 2016-17 to 2020-21 are shown in **Table 2.20**:

Table 2.20: Department-wise Subsidies during 2016-17 to 2020-21

(₹ in crore)

Sl. No.	Departments	2016-17	2017-18	2018-19	2019-20	2020-21
1	Food Supplies & Consumer Welfare	970	886	981	1,088	2,085
2	Revenue & Disaster Management	363	754	468	312	224
3	Co-operation	726	697	1,185	1,344	1,269
4	Agriculture & Farmers' Empowerment	203	203	207	307	301
5	Industries	27	170	200	178	47
6	Fisheries & Animal Resources Development	10	56	50	50	81
7	Handlooms, Textiles & Handicrafts	46	50	50	42	37
8	Women and Child Development	1	1	1	1	183
9	Micro Small and Medium Enterprises	-	-	-	35	53
8	Others	40	13	26	9	8
Total Subsidy		2,386	53	3,168	3,366	4,288
Total Revenue Expenditure (RE)		65,041	71,837	85,356	99,137	95,311
Subsidy as a percentage of RE		3.67	3.94	3.71	3.39	4.50
Revenue Receipts (RR)		74,299	85,204	99,546	1,01,568	1,04,387
Subsidy as a percentage of RR		3.21	3.32	3.18	3.31	4.11

Source: Finance Accounts of respective years, Government of Odisha

From the above table, it can be seen that during 2020-21, Subsidies for Department of Food Supplies and Consumer Welfare (₹ 2,085 crore) which accounted for 48.62 per cent of the total subsidies, increased by ₹ 997 crore (91.64 per cent) as compared to previous year due to increase in distribution of subsidised ration under Public Distribution System during COVID-19. Subsidies for Women and Child Development Department substantially increased from ₹1 crore in 2019-20 to ₹183 crore in 2020-21 due to interest subvention subsidy to Women's Group under the Mission Shakti Programme.

2.4.2.5 Financial Assistance to Local Bodies and other institutions

Financial assistance to the tune of ₹ 27,269 crore was provided by the State Government to local bodies and other institutions by way of grants and loans in 2020-21, as shown in Table 2.21.

Table 2.21: Financial Assistance to Local Bodies and other institutions

(₹ in crore)

	2019-20	2020-21
Educational institutions (Aided Schools, Aided Colleges, Universities, etc.)	6,707	6,633
Municipal Corporations and Municipalities	1,886	2,662
Zilla Parishads and other Panchayati Raj Institutions	4,415	2,509
Development Agencies	2,154	1,483
Other institutions	13,303	13,982
TOTAL	28,465	27,269
Assistance as a percentage of Revenue Expenditure	29	26

Source: Finance Accounts of respective years, Government of Odisha

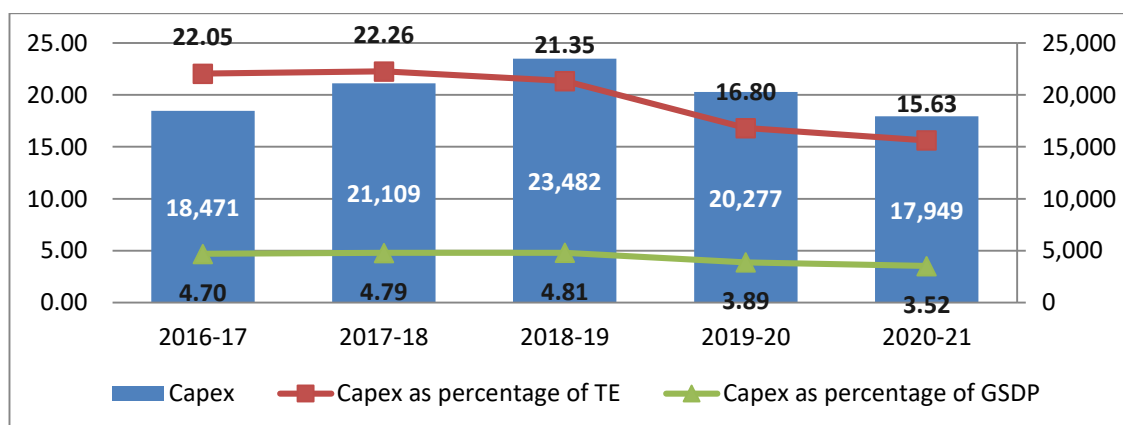
From the above table, it can be seen that the grants extended to local bodies and other institutions decreased by ₹ 1,196 crore (4.20 *per cent*) from ₹ 28,465 crore in 2019-20 to ₹ 27,269 crore in 2020-21. This decrease was mainly due to decrease in assistance to Rural Local Bodies (₹ 1,906 crore), Educational Institutions (₹ 74 crore), Development Agencies (₹ 671 crore). The decrease was partly set off by increase in assistance to Urban Local Bodies (₹ 776 crore) and Other Institutions (₹ 679 crore).

2.4.3 Capital Expenditure (CE)

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

The State Government's Capital Expenditure has started decreasing from 2019-20 fiscal year. During 2020-21, the Capital Expenditure was ₹17,949 crore, which was nearly 68.34 *per cent* of Budget Estimate (₹26,263 crore). It decreased both in terms of absolute numbers as well as percentage of the total expenditure over 2019-20. Capex relative to Total Expenditure (₹ 1,14,857 crore) and GSDP (₹5,09,574 crore) during 2020-21 decreased to 15.63 *per cent* and 3.52 *per cent* respectively, which was 16.80 *per cent* and 3.89 *per cent* in 2019-20. High Capital Expenditure is considered essential for achieving a faster economic growth as it goes into asset creation. Capital expenditure as part of total expenditure/GSDP, is detailed in **Chart 2.12**.

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



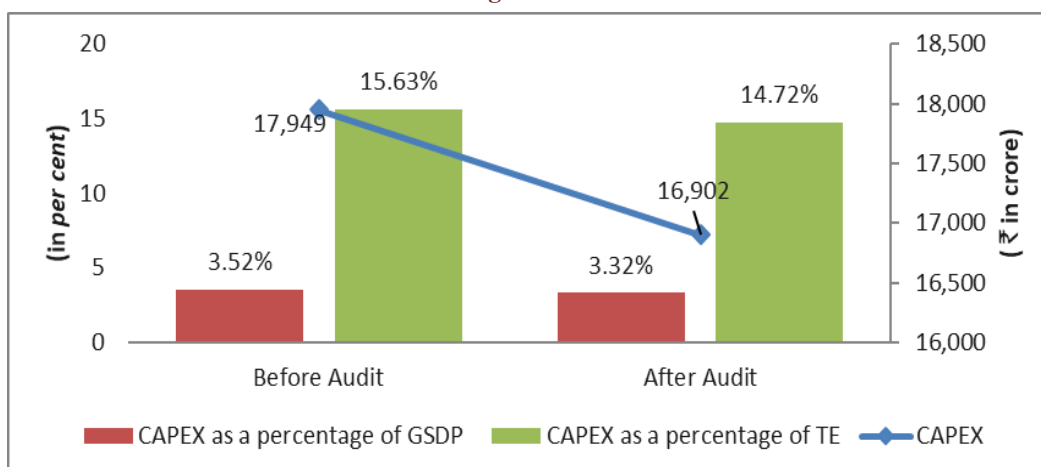
Source: Finance Accounts of respective years, Government of Odisha

The State Government stated (December 2021) that they are committed to creation of Capital Assets by increasing Capital spending. Decrease in Capital expenditure of the Government during 2020-21 is primarily due to COVID-19 induced delay in implementing Capital projects.

Misclassification of Revenue Expenditure as Capital Expenditure

During the year 2020-21, the State Government had booked ₹17,948.98 crore as Capital Expenditure. Audit examined Sanction Orders and expenditure vouchers from the Office of the Accountant General (A&E) related to this amount and noticed that out of the amount of ₹17,948.98 crore, ₹ 6,735.66 crore was transferred to bank account of Government DDOs or to entities maintaining accounts outside purview of Government. Audit examined Sanction Orders and vouchers for ₹6,735.66 crore and noticed that an amount of ₹366.12 crore had been incurred towards operation, maintenance, repair and renovation etc. As per Rule 31(2)(b) of Government Accounting Rules, 1990, Revenue Accounts should bear all charges relating to maintenance and working expenses. Further, Audit noticed that ₹681.25 crore had been transferred for creation of assets of entities other than Government. In accordance with Note below Rule 30(1) of GAR 1990, ₹ 681.25 crore was required to be classified as Revenue Expenditure instead of Capital Expenditure. Thus, there was mis-classification of ₹1,047.37 crore which resulted in overstatement of Revenue Surplus to that extent. The resulting Capital Expenditure after Audit for the year 2020-21 was ₹16,902 crore (**Chart 2.13**).

Chart 2.13: Changes in CAPEX after Audit



Source: Audited Finance Accounts 2020-21, Government of Odisha

The State Government stated (December 2021) that issues pertaining to misclassification of revenue expenditure as capital expenditure have already been taken up in the Annual Budget, 2021-22. However, concerned Departments like Commerce & Transport, Rural Development, Housing & Urban Development, Tourism, Planning & Convergence, etc., would be requested to furnish further compliance to the audit observations on the proper classification of the expenditure.

2.4.3.1 Major changes in Capital Expenditure

Capital Expenditure during 2020-21 decreased by ₹ 2,328 crore over previous year, which is detailed in **Table 2.22**.

Table 2.22: Variation in Capital Expenditure under various Major Heads during 2020-21 compared to 2019-20

(₹ in crore)

Major Heads of Account	2019-20	2020-21	Increase (+) / Decrease (-)
5475- Capital Outlay General Economic Services	10	637	(+)627
5075- Capital Outlay on Other Transport Services	197	382	(+)185
4217- Capital Outlay on Urban Development	122	276	(+)154
5054- Capital Outlay on Roads and Bridges	6,123	6,252	(+)129
5452- Capital Outlay on Tourism	113	240	(+)127
4210- Capital Outlay on Medical and Public Health	504	631	(+)127
4225- Capital Outlay on Welfare of SC, ST and OBC	153	269	(+)115
4702- Capital Outlay on Minor Irrigation	1,655	815	(-)840
4700- Capital Outlay on Major Irrigation	1,505	949	(-)556
4515- Capital Outlay on Rural Development Programmes	348	17	(-)331
4202- Capital Outlay on Education, Sports, Arts and Culture	758	581	(-)177
4701- Capital Outlay on Medium Irrigation	608	431	(-)177
5055- Capital Outlay on Road Transport	123	10	(-)113
4216- Capital Outlay on Housing	344	239	(-)105

Source: Finance Accounts of respective years, Government of Odisha

Decrease in Capital Expenditure during 2020-21 over previous year was mainly due to less expenditure under (1) Capital Outlay on Minor Irrigation by ₹840 crore due to less expenditure under Parvati Giri Mega Lift Project, Mukhyamantri Adibandha Tiyaari Yojana and Minor Irrigation Project under State Plan, (2) Capital Outlay on Major Irrigation by ₹556 crore due to less expenditure under Anand Barrage Commercial Project, Upper Indravati Irrigation Project and deduct recovery under Lower Suktel Irrigation Project and (3) Capital Outlay on Rural Development Programme by ₹ 331 crore due to less expenditure under Ama Gaon Ama Vikas Yojana.

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

Investments by the State Government in Companies, Corporations and other bodies which result in equity infusion are classified as Capital expenditure. Such equity infusion is intended for procurement and use of fixed assets such as land, buildings, plant and machinery, equipment and other infrastructure by these PSUs. Such Capital expenditure in the form of investments by the Government is expected to give rise to income in the form of dividends or capital gains in future periods. Capital

expenditure in the companies and corporations, which are loss making and whose net worth is completely eroded, is not sustainable. Return on investment in share capital invested in PSUs is therefore, an important determinant of quality of Capital Expenditure.

As of 31 March 2021, the State Government's investment stood at ₹ 7,288.29 crore in Public Sector Undertakings (PSUs) comprising Government Companies (₹ 5,705.34 crore), Co-operative Societies (₹ 907.74 crore), Statutory Corporations (₹ 673.06 crore) and others⁹ (₹ 2.15 crore). Details of investment for the years 2016-21 are given in **Table 2.23**:

Table 2.23: Return on Investment

Sl. No.	Details	2016-17	2017-18	2018-19	2019-20	2020-21
1	Investment at the end of the year (₹ in crore)	4,423.02	4,974.21	5,353.76	5,698.65	7,288.29
2	Return in the form of Dividend (₹ in crore)	566.04	66.22	543.94	321.38	1,062.81
3	Rate of Return (RoR) (per cent)	12.80	1.33	10.16	5.64	14.58
4	Average rate of interest on Government borrowing (per cent)	7.62	7.58	7.74	7.09	7.04
5	Difference between RoR (per cent) and interest rate (3-4)	5.18	(-) 6.25	2.42	(-)1.45	7.54
6	Difference between interest on Government borrowings and return on investment (₹ in crore) [#]	229.11	(-) 310.89	129.56	(-)82.63	549.71

Source: Finance Accounts of respective years, Government of Odisha

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

The above table shows that ₹ 1,062.81 crore was received as dividend against total investment of ₹7,288.29 crore during 2020-21, which was much more than the average rate of interest on Government borrowings.

- It was observed that out of 147 entities, only 6 entities had paid dividend. These included one Co-operative Society¹⁰ and five Government Companies¹¹ (which included one Power Sector Company).
- Out of the total investment of ₹ 7,288.29 crore, ₹ 3,809.30 crore (52 per cent) was invested in four¹² Power Sector Companies. Out of these, only one¹³ company paid dividend of ₹ 30.00 crore (2.75 per cent).
- The return on investment was mainly dependent on Odisha Mining Corporation (OMC). OMC paid ₹ 1,000 crore dividend in 2020-21, which was 300 per cent

⁹ Joint Stock Companies & Partnerships and Rural Banks

¹⁰Co-operative Society: Credit Co-operatives ₹4.16 crore

¹¹ Government Companies: Odisha Construction Corporation Limited (OCC) ₹ 20.16 crore, Odisha State Police Housing and Welfare Corporation Ltd.: ₹ 6.12 crore, Odisha Mining Corporation Limited (OMC) ₹1,000.00 crore, Odisha State Beverage Corporation Limited: ₹7.58 crore and Odisha Hydro Power Corporation (OHPC): ₹30.00 crore.

¹² OPGC: ₹1,130.46 crore, OPTCL: ₹1,571.06 crore, GRIDCO: ₹573.44 crore and OHPC: ₹534.34 crore.

¹³ OHPC: ₹30.00 crore

more than the previous year (₹250 crore) 2019-20. As a result, return on investment increased from ₹ 321 crore during 2019-20 to ₹ 1,063 crore during 2020-21. OMC was the highest contributor of dividend in 2016-17: ₹ 500 crore, 2018-19: ₹ 500 crore, 2019-20: ₹ 250 crore and 2020-21: ₹ 1,000 crore.

- Out of total 147 entities, 72 were inactive. Of the remaining active 75 entities, 69 had not paid any dividend in 2020-21.

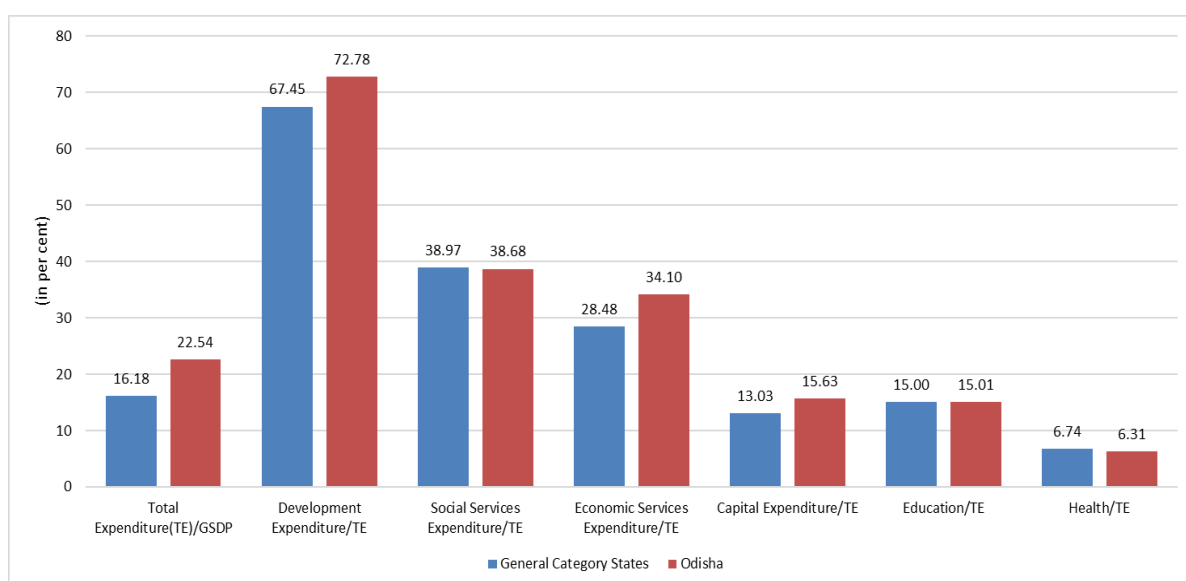
The State Government stated (December 2021) that Public Sector Undertakings play a critical role in important economic activities. Majority of Government investment in PSUs is concentrated in power sector. Most of them are incurring losses and thus are not paying dividend. In the mining sector, OMC is the most profit-making PSU in the State.

2.4.4 Expenditure Priorities

Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better.

Chart 2.14 analyses the fiscal priority of the State Government with regard to Development Expenditure¹⁴, Social Services Expenditure, Economic Services Expenditure and Capital Expenditure during 2020-21, vis-à-vis the average of the General Category States¹⁵.

Chart 2.14: Prioritisation in public expenditure in percentage



¹⁴Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans & Advance disbursed

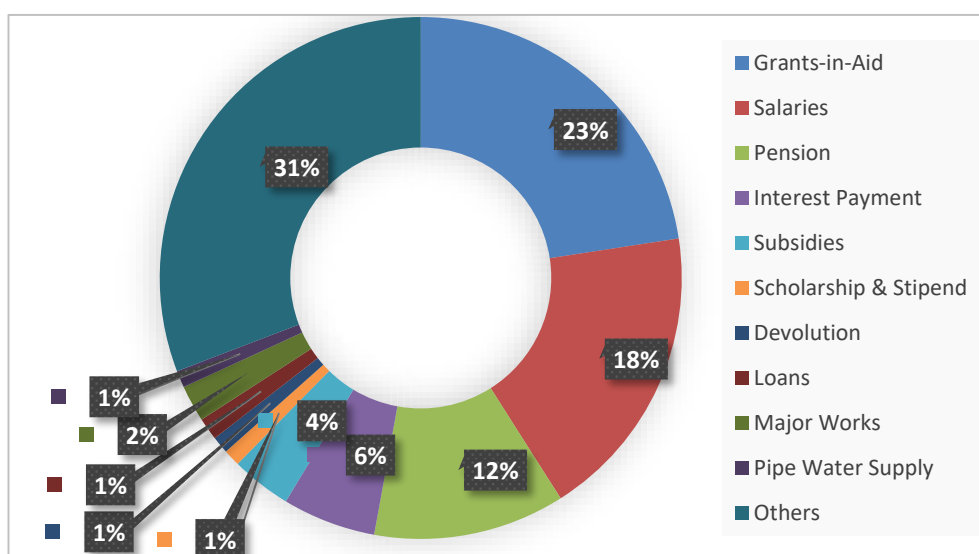
¹⁵ Andhra Pradesh, Telangana, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.

From the above **Chart**, it can be inferred that the Total Expenditure relative to GSDP in Odisha was better than the General Category States. Odisha fared favourably in its focus on Development Expenditure, Economic Services Expenditure, Capital Expenditure and Expenditure on Education vis-à-vis General Category States. The State, however, lagged behind General Category States in the areas of Healthcare Expenditure and Social Services Expenditure.

2.4.5 Object head wise expenditure

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

Chart 2.15: Object Head wise Expenditure



Source: Finance Accounts 2020-21, Government of Odisha

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

It can be seen from above pie chart that 23 per cent of total expenditure were booked under detailed head grants-in-aid released to local bodies followed by salaries 18 per cent, pension 12 per cent, interest payment 6 per cent etc.

2.5 Public Account Receipts

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

2.5.1 Net Public Account Balances

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

Table 2.24: Component-wise net balances in Public Accounts as of 31 March 2021

		(₹in crore)				
Sector	Sub Sector	2016-17	2017-18	2018-19	2019-20	2020-21
I. Small Savings, Provident Fund etc.	Small Savings, Provident Fund etc.	1,857	1,558	1,748	915	612
J. Reserve Funds	a) Reserve Funds bearing interest	1142	-88	-916	6,201	178
	b) Reserve Funds not bearing interest	3	2	7,828	1,053	-1,207
K. Deposits and Advances	a) Deposits bearing interest	7	-14	-3	7	-19
	b) Deposit not bearing interest	600	13,912	4,206	3,422	-13,013
	c) Advances	0	0	0	1	-5
L. Suspense and Miscellaneous	b) Suspense	-9	105	-54	-80	26
	c) Other Accounts	-1	0	0	0	0
	d) Accounts with Governments of Foreign Countries	0	0	0	0	0
	e) Miscellaneous	0	-27	0	0	2,500
M. Remittances	a) Money Orders and other Remittances	-53	-7	10	-21	24
	b) Inter Governmental Adjustment Account	0	-5	4	0	-6
TOTAL		3,547	15,435	12,821	11,497	-10,910

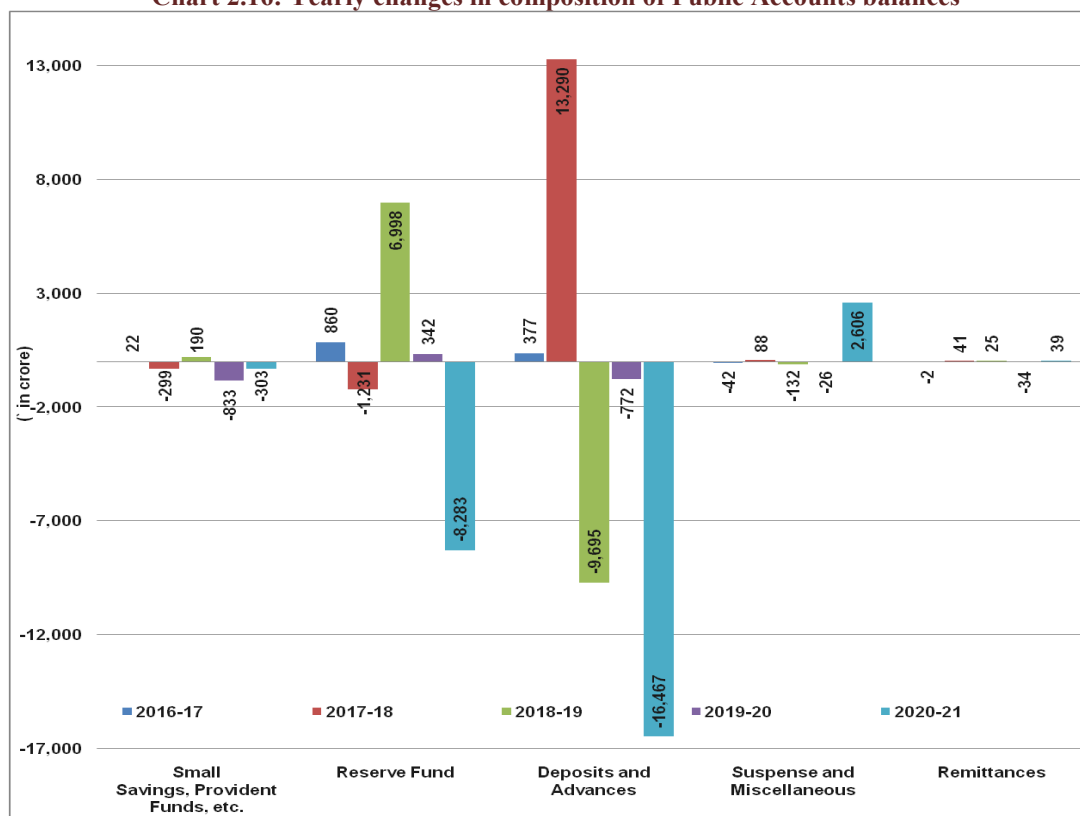
Source: Finance Accounts of respective years, Government of Odisha

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

From the above table, it can be observed that during the year 2020-21, net Public Account receipts {(-) 10,910 crore}, showed negative inflows (more outgo than inflow) and consumed 8.70 per cent of the total revenue and capital receipts (₹ 1,25,389 crore) of the State. The reason for negative net Public Account receipts was due to investment of OMBADC Fund (₹5,955crore), expenditure of OMBADC Fund (₹2,154crore) and disbursement of other funds from Personal Deposit Accounts under Deposit not bearing interest and withdrawal of Consolidated Sinking Fund (₹2,500crore) for repayment of matured loan under Reserve Fund not bearing interest.

Government is liable to pay/adjust interest in respect of interest-bearing Reserve Funds and Deposits. During the year 2020-21, Interest on Defined Contributory Pension Scheme (₹1.22 crore), Deposits on Government Companies (₹1.36 crore) and Miscellaneous Deposit (₹0.02), totalling ₹2.60 crore were not credited to the Public Account which impacted favourably on revenue and fiscal position of the State.

Chart 2.16: Yearly changes in composition of Public Accounts balances



Source: Finance Accounts of respective years, Government of Odisha

2.5.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Accounts of the State Government. These funds are met from contribution or grants from Consolidated Fund of India or State. Out of the gross accumulated balances of ₹ 20,333 crore lying in these Funds as on 31 March 2021, ₹18,238 crore was invested in Government Stock by Reserve Bank of India, leaving the total net accumulated balance of ₹ 2,095 crore as on 31 March 2021.

The transactions during the year 2020-21 under major Reserve Funds are detailed below:

i) Consolidated Sinking Fund (CSF): As per 12th Finance Commission recommendation, GoO set up Consolidated Sinking Funds for amortisation of outstanding liabilities. The guidelines of the Reserve Bank of India, stipulate a minimum annual contribution of at least 0.5 *per cent* of the outstanding liabilities at the end of the previous financial year to the CSF during the year. In consultation with RBI, the State Government vide notification dated November 2018 revised the scheme for Constitution and Administration of the Consolidated Sinking Fund of Government of Odisha and inserted that the State Government is at liberty of not contributing to the fund, if the balance in the fund is maintained at a level higher than 5 *per cent* of the total liability of the State Government at the end of the previous year.

As on 31 March 2021, the balance in the Consolidated Sinking Fund was ₹ 11,693.75 crore, which was 9.27 *per cent* (more than the mandated level of 5 *per cent*) of the total liability of the State Government at the end of the previous year (₹1,26,084 crore). Accordingly, the State Government had not made any contribution to the Consolidated Sinking Fund in 2020-21. However, interest accrued for the year 2020-21 from investment amounting to ₹1,190.20 crore was credited in the fund and ₹2,500.00 crore was withdrawn by GoO towards redemption of matured debt. The entire outstanding amount of the fund was invested in Government of India securities by the Reserve Bank of India.

ii) Guarantee Redemption Fund (GRF): GRF was constituted in the year 2002-03, with the objective of meeting the payment obligations arising out of default in debt servicing of loans guaranteed by the Government. The State Government is required to contribute an amount equivalent at least to 1/5th of the outstanding invoked guarantees plus amount likely to be invoked as a result of the incremental guarantees issued during the year. No guarantees were invoked and the Government of Odisha had not made any contributions to the Fund during 2020-21. Interest accrued for the year 2020-21 from investment, amounting to ₹ 111.24 crore was accounted for in the fund. The balance at the credit of the fund as on 31 March 2021 was ₹ 1,522.83 crore, which had been invested in Government of India securities by the Reserve Bank of India.

iii) State Compensatory Afforestation Fund Management and Planning (CAMPA) Fund: Opening Balance of CAMPA Fund as on 01 April 2020 was ₹5,656.53 crore. During the year 2020-21, the State Government had not received any fund from National Compensatory Afforestation Fund (NCAF), however, an amount of ₹152.95 crore was received as interest from investment of the fund. The expenditure incurred out of the fund during the year was ₹673.27 crore and the balance in the State CAMPA Fund as on March 2021 was ₹5,136.21 crore. Out of this, ₹2,895.00 crore has been taken as loan by GoO and ₹2,566.10 crore invested in RBI Treasury Bills, leaving an amount of ₹324.89 crore un-invested. Due to non-investment on regular basis, State Government has to bear ₹32.19 crore (as per 364 days Treasury Bill interest) towards interest on monthly balance of CAMPA Fund. This had an impact of overstatement of Revenue Surplus and understatement of Fiscal Deficit to the tune of ₹32.19 crore.

iv) State Disaster Response Fund (SDRF): During the year 2020-21, Central Government contributed ₹ 1,604 crore and State Government contributed ₹ 535.00 crore to SDRF. Grants from National Disaster Response Fund (NDRF) amounted to ₹ 500.00 crore. Total funds in SDRF amounted to ₹ 3635.02 crore (including Opening Balance ₹991.84 crore and interest earned ₹4.18 crore). Out of this Fund, State Government incurred expenditure of ₹ 1,945.00 crore during the year, leaving a balance of ₹ 1,690.02 crore as on 31 March 2021 as against ₹991.84 crore as on

March 2020. The entire amount of ₹ 1,690.02 crore remained un-invested as on 31 March 2021. Due to non-investment on regular basis, State Government has to bear ₹58.48 crore (as per 364 days Treasury Bill interest) towards interest on monthly balance of SDRF, which overstated the revenue surplus and understated the fiscal deficit to the tune of ₹58.48 crore.

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

In addition to investments in Co-operative societies, Corporations and Companies, State Government has also provided loans and advances to Public Sector Undertakings and autonomous bodies such as Universities, Local Bodies and Urban Development Authorities and Corporations etc. **Table 2.25** shows the details of outstanding Loans and Advances for the years 2016-21:

Table 2.25: Position of loans and advances

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2016-17	2017-18	2018-19	2019-20	2020-21
Opening Balance (₹ in crore)	4,557	4,708	6,326	7,191	8,163
Amount advanced during the year (₹ in crore)	254	1,875	1,170	1,259	1,597
Amount recovered during the year (₹ in crore)	89	257	305	287	684
Closing Balance (₹ in crore)	4,708*	6,326	7,191	8,163	9,076
Net addition (₹ in crore)	(+151)	(+)1,618	(+) 865	(+) 972	(+)913
Interest Receipts (₹ in crore)	36	41	35	64	316
Interest Receipts as a percentage of outstanding loans and advances (in per cent)	0.76	0.65	0.49	0.78	3.48
Interest Payments (₹ in crore)	4,035	4,988	5,800	6,063	6,644
Outstanding Liabilities/ Debt (₹ in crore)	71,623	97,164	1,08,258	1,26,084	1,22,774
Interest Payments as percentage to total outstanding Liabilities of the State Government (in per cent)	5.63	5.13	5.36	4.81	5.41
Difference between Interest Receipts and Interest Payments (in per cent)	(-) 4.87	(-) 4.48	(-) 4.87	(-) 4.03	(-)1.93

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

Source: Finance Accounts of respective years, Government of Odisha

From the above table, it can be inferred that:

- Loans and Advances extended by the State Government increased nearly six times from ₹ 254 crore in 2016-17 to ₹ 1,597 crore in 2020-21. Outstanding Loans and Advances rose from ₹4,708 crore in 2016-17 to ₹ 9,076 crore in 2020-21. Major portion of loans advanced during 2020-21 was to Indian Oil Corporation Limited (₹ 700 crore), Odisha Power Transmission Corporation Limited (₹536.73 crore), Odisha State Co-operative Marketing Federation Ltd. (₹ 125 crore), Odisha State Seeds Corporation (₹ 60 crore) and Odisha Agro Industries Corporation (₹ 10 crore). Government of Odisha had entered into an

agreement with Indian Oil Corporation Limited for providing fiscal incentive of ₹10,500 crore interest free loan over a period of 15 years for Paradeep Refinery Project, as Viability Gap Funding (VGF¹⁶). As a part of this, the State Government disbursed ₹1,400 crore in 2017-18 and ₹ 700 crore each in 2018-19, 2019-20 and 2020-21.

- The current recovery of loan (₹ 684 crore) was 42.83 *per cent* of the advances (₹ 1,597 crore) made during the year and was more than previous year's (₹ 287 crore) recovery. The actual recovery (₹ 684 crore) for 2020-21 was more than what was estimated in the Budget for recovery (₹ 250 crore) by 173.60 *per cent*. The recovery of Loans and Advances during the year 2020-21 spiked due to conversion of Bonds worth ₹ 400 crore issued to Odisha Power Transmission Corporation Limited (OPTCL) to equity investment of Government.
- Interest receipts increased from ₹36 crore in 2016-17 to ₹316 crore in 2020-21, with percentage of interest received to total outstanding loans and advances increasing from 0.76 *per cent* in 2016-17 to 3.48 *per cent* in 2020-21. Interest receipt during 2020-21 (₹316 crore) surged by 393.75 *per cent* over 2019-20 (₹64 crore) due to conversion of ₹247 crore interest accrued on bonds issued to OPTCL as equity investment of government in OPTCL. As compared to interest receipt of 3.48 *per cent* on outstanding loans, interest payment (₹6,644 crore) during 2020-21 was 5.41 *per cent* of its total outstanding liabilities (₹1,22,774 crore). As a result, interest spread of Government borrowings was negative (-1.93 *per cent*) during the year, which meant that the State's borrowings are more expensive than the loans advanced by it.

The Government stated (December 2021) that the borrowings are for capital investment in public interest and within Odisha Fiscal Responsibilities framework. Interest Payment against such borrowing is a part of committed expenditure which would always be higher than the interest accrued out of the loans and advances extended by the State Government. This negative spread in no way affects the fiscal performance of the State Government and that comparison of interest rates between Government borrowings and loans and advances extended is not logical.

The reason for specifying the negative spread is to highlight the fact of its existence, which indicates that the loans and advances extended by the State Government carry an implicit element of subsidy, *i.e.* the loanee entities are enabled to access funds at lower than market rate of interest. In these circumstances, Audit is of the view that the State Government should follow a financially prudent process of due diligence before extending loans and advances to distinct entities.

¹⁶Viability Gap Funding means a grant to support projects that are economically justified but not financially viable.

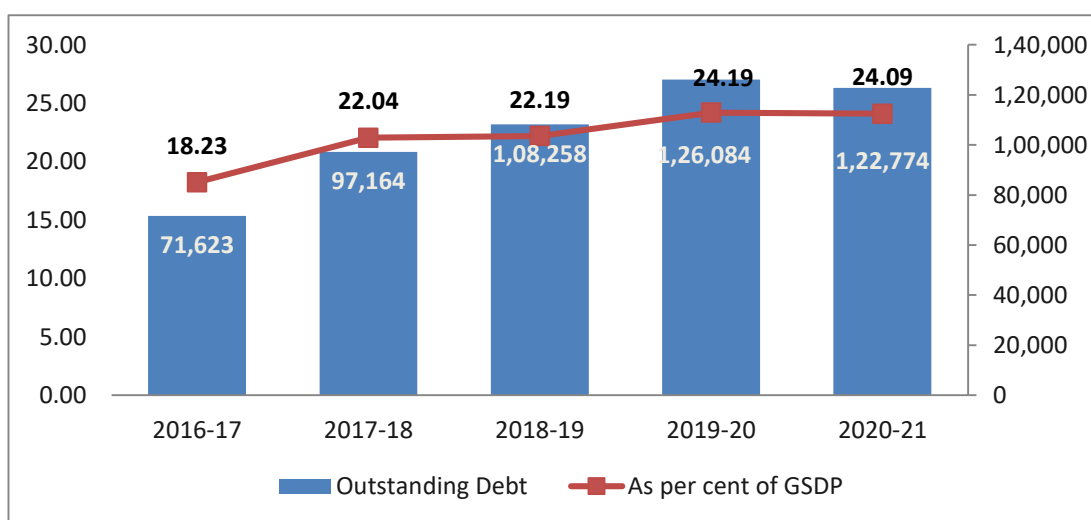
2.6 Debt Management

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

Outstanding Debt of the State Government (Internal Debt, Loans and Advances from GoI and Public Account Liabilities) as of 31 March 2021 stood at ₹1,22,774 crore, which was less by 2.62 *per cent* over the preceding year. Out of ₹1,22,774 crore of Outstanding debt, ₹16,492 crore carried no interest obligations (Deposits not bearing interest ₹16,201 crore and Reserve Fund not bearing interest ₹291 crore), of which ₹14,398 crore of Cash Balance was available with the State Government.

During the year, Internal Debt increased by ₹6,926 crore and Loans from Government of India increased by ₹4,139 crore. However, outstanding liabilities as a whole decreased by ₹3,310 crore, as Government of Odisha took a loan of ₹8,850 crore from Public Accounts (₹5,955 crore from OMBADC and ₹2,895 crore from CAMPA), which had no net impact on outstanding liabilities. This loan reduced the Public Accounts Liabilities and increased the Internal Debt to that extent. GoO repaid market loan of ₹2500 crore from Consolidated Sinking Fund. An abstract of liabilities and assets as on 31 March 2021 compared with corresponding position of last year is given in **Appendix 2.3**. Trend analysis of the outstanding debt of the State is depicted in **Chart 2.17**.

Chart 2.17: Outstanding Debt vis-à-vis GSDP



Source: Finance Accounts of respective years, Government of Odisha

2.6.1 Debt profile: Components of Outstanding Liabilities/Debt

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

Chart 2.18: Components of outstanding liabilities of the State Government

Outstanding Liabilities (₹ 1,22,774 crore)		
Internal Debt from Market, financial institutions, etc. (₹ 67,521 crore)	Loans and Advances from Government of India (₹ 11,982 crore)	Public Account Liabilities where Government acts as a banker (₹ 43,270 crore)
Market Loans (₹ 35,031 crore)	Loans for Plan Schemes (₹ 11,970 crore)	Small Savings, Provident Fund, etc. (₹ 24,949 crore)
Loans from Financial Institutions (₹ 15,943 crore)	Non Plan Loans (₹ 12 crore)	Reserve Funds bearing Interest (₹ 1,805 crore)
Special Securities issued to NSSF (₹ 7,408 crore)		Reserve Funds not bearing interest (₹ 291 crore)
Other Loans (₹ 9,139* crore)		Deposits bearing interest (₹ 24 crore)
		Deposits not bearing interest (₹ 16,201 crore)

* includes loan taken from OMBADC and CAMPA fund.

Source: Finance Accounts, Government of Odisha.

During the year, Market Loans increased by ₹ 500 crore from ₹ 34,531 crore in 2019-20 to ₹ 35,031 crore in 2020-21. Similarly, Loans from Financial Institutions increased by ₹ 1,483 crore from ₹ 14,589 crore in 2019-20 to ₹ 15,943 crore in 2020-21.

Debt Sustainability is defined as the ability of the State to service its debt in future. **Table 2.26** analyses the debt sustainability of the State during the five-year period 2016-21.

Table 2.26: Debt Sustainability Indicators during 2016-21

Indicators of Debt* Sustainability	2016-17	2017-18	2018-19	2019-20	2020-21
Outstanding Debt (₹ in crore)	71,623	97,164	1,08,258	1,26,084	1,22,774
Public Debt - Internal Debt	34,553	44,584	50,421	60,595	67,521
Public Debt - Loans from Government of India	7,465	7,606	7,832	7,843	11,982
Public Accounts Liabilities	29,605	44,974	50,005	57,646	43,270
Rate of growth of Outstanding Debt (in per cent)	19.87	35.66	11.42	16.47	(-)2.63
GSDP (at current prices) (₹ in crore)	3,92,804	4,40,879	4,87,805	5,21,275	5,09,574
Rate of growth of GSDP	19.56	12.24	10.64	6.86	(-)2.24

Indicators of Debt* Sustainability	2016-17	2017-18	2018-19	2019-20	2020-21
Debt/GSDP ratio (in per cent)	18.23	22.04	22.19	24.19	23.34 [#]
Total Debt Receipts (₹ in crore)	33,782	61,698	48,103	60,314	60,649
Total Debt Repayment (₹ in crore)	21,912	36,157	37,009	42,487	63,960
Net availability of Debt (after payment of interest)	7,835	20,553	5,294	11,764	(-)3,311
Debt Repayment/ Debt Receipts (in per cent)	64.86	58.60	76.94	70.44	105.46

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

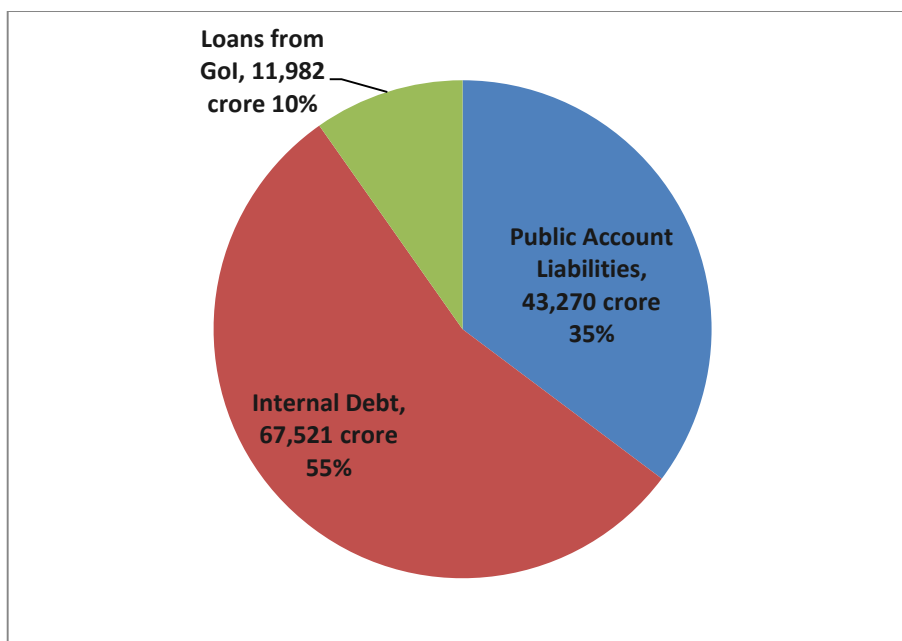
*Internal Debt, Loans from GoI and Public Account Liabilities

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

The effective outstanding overall debt would be ₹ 1,18,951.59 crore as the Department of Expenditure, GoI has decided that GST compensation of ₹ 3,822 crore given to the State as back to back loan under debt receipts would not be treated as debt of the State for any norms which may be prescribed by the Finance Commission.

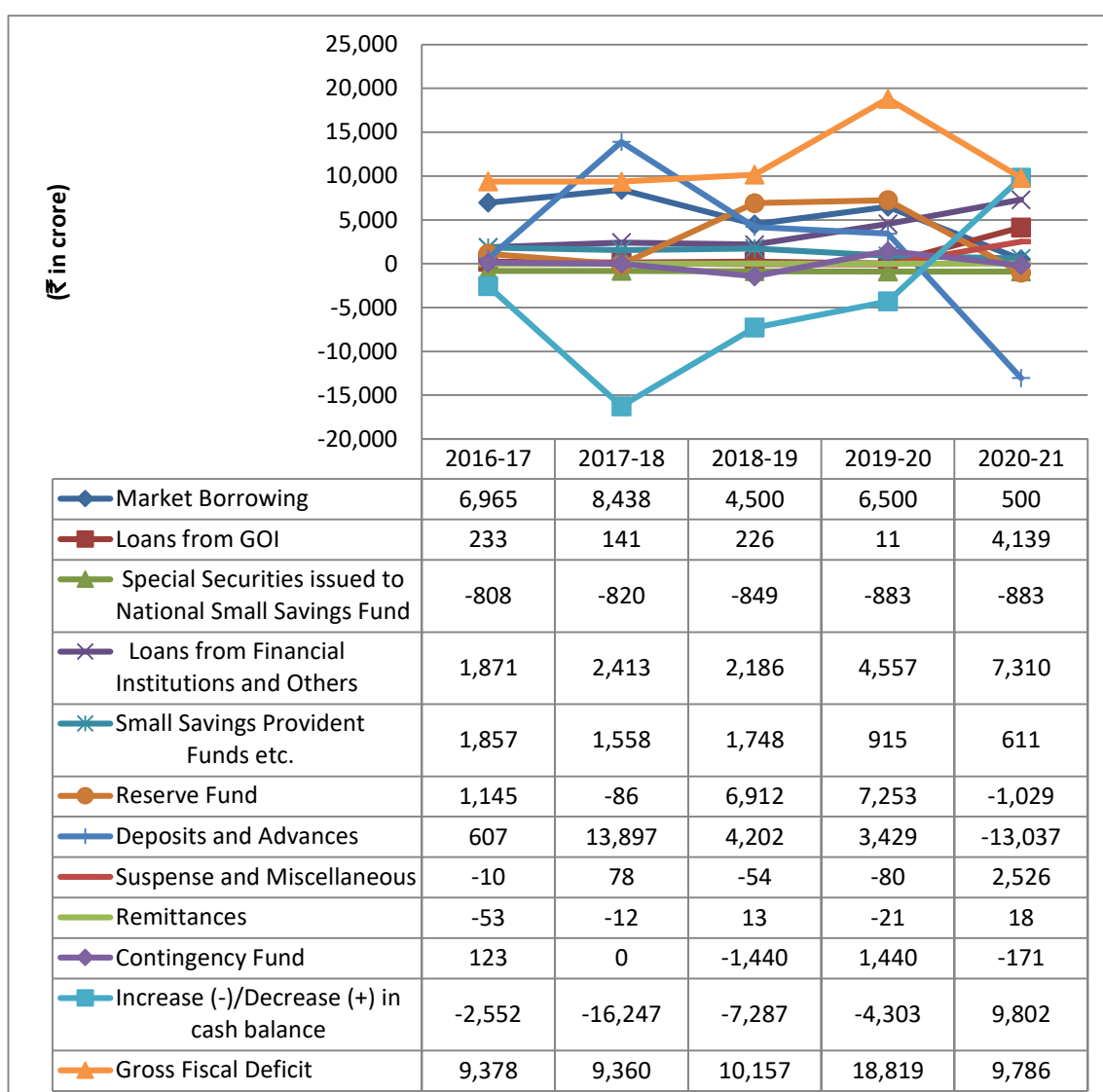
Out of the total outstanding debt of ₹1,22,774 crore, Internal Debt constituted major share (55 per cent) followed by Public Account Liabilities (35 per cent) and Loans from Government of India (10 per cent) which is shown in **Chart 2.19**. Component-wise debt trends are depicted in **Chart 2.20**.

Chart 2.19: Break up of Outstanding Debt at the end of 2020-21



Source: Finance Accounts 2020-21, Government of Odisha.

Chart 2.20: Components wise Debt Trends

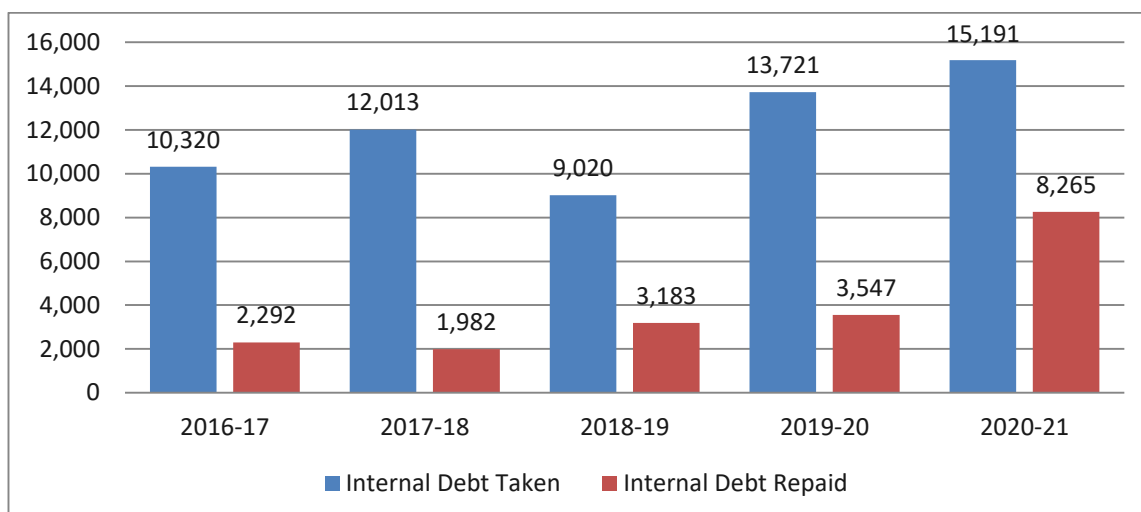


Source: Finance Accounts of respective years, Government of Odisha.

It can be seen from **Chart 2.20** that the decrease in Outstanding Debt was mainly due to decrease in Deposit and advances by ₹13,037 crore, Reserve Fund by ₹1,029 crore, which was compensated by increase of Loans from Financial Institutions by ₹7,310 crore, Loans from Government of India by ₹4,139 crore, Small Savings and Provident Fund by ₹611 crore and Market Loan by ₹500 crore.

Internal Debt taken vis-a-vis repayment during 2016-17 to 2020-21 is given in **Chart 2.21**.

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



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

It can be seen from the above chart that Internal Debt taken is consistently increasing since 2018-19 while repayment of Internal Debt is increasing since 2017-18.

2.6.1.1 Composition and Financing pattern of Fiscal Deficit

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

Table 2.27: Components of Fiscal Deficit and their financing pattern

(₹ in crore)

Particulars		2016-17	2017-18	2018-19	2019-20	2020-21
		Net	Net	Net	Net	Net
A.	Composition of Fiscal Deficit (1 to 3)	(-)9,378	(-)9,360	(-) 10,157	(-) 18,819@	(-)9,786
1	Revenue Surplus	9,258	13,367	14,190	2,430	9,076
2	Capital Expenditure	(-)18,471	(-)21,109	(-) 23,482	(-)20,277	(-)17,949
3	Net Loans and Advances	(-)165	(-)1,618	(-) 865	(-)971	(-)913
B	Financing Pattern of Fiscal Deficit					
1	Net Borrowings	8,261	10,172	6,063	10,185	11,066
a	Market Borrowings	6,965	8,438	4,500	6,500	500
b	Special Securities issued to NSSF	-808	-820	-849	-883	-883
c	Loans from Financial Institutions and Others	1,871	2,413	2,186	4,557	7,310
d	Loans from GoI	233	141	226	11	4,139
2	Net Public Account	3,546	15,435	12,821	11,496	(-)10,911
a	Small Savings, Provident Fund etc.	1,857	1,558	1,748	914	611
b	Reserve Funds	1,145	(-)86	6,912	7,254	(-)1,029

Particulars		2016-17	2017-18	2018-19	2019-20	2020-21
		Net	Net	Net	Net	Net
c	Deposits and Advances	607	13,897	4,202	3430	(-)13,037
d	Suspense and Miscellaneous	(-)10	78	(-) 54	-80	2,526
e	Remittances	(-) 53	(-) 12	13	-22	18
3	Contingency Fund	123	--	(-) 1,440	1,440	(-)171
4	Total (1 to 3)	11,930	25,607	17,444	23,121	(-)16
5	(-) Increase / (+) Decrease in Cash Balance	(-) 2,552	(-)16,427	(-) 7287	(-) 4,303	9,802
6	Overall Surplus/ Deficit (4+5)	9,378	9,360	10,157	18,819@	9,786

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

Includes market borrowings & borrowings from other institutions also

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

@ difference of ₹one crore is due to rounding off

It can be seen from above Table that the Fiscal Deficit and net outflow of Deposits and Advances, Reserve Funds and Contingency Fund were mainly financed from utilisation of cash balance, loans from Government of India and loans from Financial Institutions.

2.6.2 Debt profile, Maturity and Repayment

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

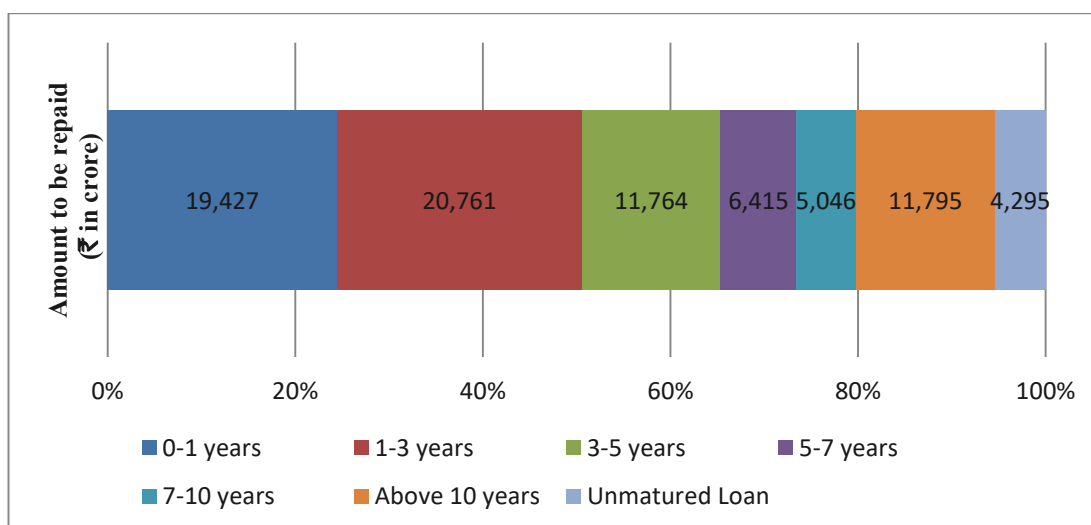
Table 2.28: Debt Maturity Profile of repayment of State Debt

Period of repayment (Years)	Amount (₹ in crore)	Percentage (w.r.t. Public Debt)
0-1	19,427	24.44
1-3	20,761	26.11
3-5	11,764	14.80
5-7	6,415	8.07
7-10	5,046	6.35
Above 10	11,795	14.84
Un-matured Loan*	4,295	5.40
Total	79,503	100.00

Source: Finance Accounts 2020-21, Government of Odisha.

*includes loan in lieu of GST compensation/ shortfall

Chart 2.22: Debt Maturity Profile



Source: Finance Accounts, Government of Odisha.

It can be seen from the **Chart 2.22** and **Table 2.28** that ₹19,427 crore (24.44 percent) of the outstanding Public Debt will be matured during one year. Out of the ₹19,427 crore, ₹8,850 crore loan was taken from Public Account, which is matured as well as renewed in yearly basis. Further, ₹51,952 crore (65.35 per cent) of the outstanding public debt is going to be matured within five years which create extra burden on the finances of the state. Considering the future financial constraint owing to repayment of ₹51,592 crore in coming five years GoO is required to widened its Revenue Surplus so that the Revenue Surplus is sufficient enough to Service the debt.

2.6.3 Net availability of borrowed funds

The Net availability (-₹9,955 crore) of borrowed funds (₹60,649 crore) after providing for interest payments (₹6,644 crore) and repayment of borrowings (₹ 63,960 crore), was negative (16.41 per cent). The borrowed fund during the year was insufficient to service the debt, which resulted in less expenditure under Capital Head and other developmental purposes even after obtaining ₹9,076 crore of Revenue Surplus. During the year, Government of Odisha took ₹8,850 crore loan from Public Accounts (₹5,955 crore from OMBADC and ₹2,895 crore from CAMPA), which resulted in decrease in Public Accounts Liabilities to the extent of ₹8,850 crore and as a result, the net availability of borrowed funds after payment of interest became negative.

2.7 Debt Sustainability Analysis

Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Debt Sustainability Analysis (DSA) considers the feasibility of meeting debt related financial obligations during a period beginning with the present

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

2.7.1 Debt Stabilisation- Debt Sustainability Indicators

Trends in fiscal variable indicating the progress towards the debt stabilisation are indicated in **Table 2.29**.

Table 2.29: Trends in debt Sustainability Indicators

Debt Sustainability Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
Outstanding Public Debt¹⁷	42,018	52,190	58,253	68,438	79,503
Rate of Growth of Outstanding Public Debt	24.47	24.21	11.62	17.48	16.17
GSDP	3,92,804	4,40,879	4,87,805	5,21,275	5,09,574
Rate of Growth of GSDP	19.79	10.47	14.05	7.66	-2.24
Public Debt/GSDP	10.68	12.00	11.75	12.82	15.60
Debt Maturity profile of repayment of State Debt					
Interest paid on Public Debt	2,663	3,318	3,986	4,226	4,748
Average interest Rate of Outstanding Public Debt ¹⁸ (per cent)	7.03	7.04	7.22	6.67	6.42
Percentage of Interest payment to Revenue Receipt	5.43	5.85	5.83	5.97	6.36
Percentage of Debt Repayment to Debt Receipt	26.39	20.91	39.39	30.62	45.54
Net Debt available to the State ¹⁹	5,598	6,854	2,077	5,959	6,318
Net Debt available as per cent of Debt Receipts	49.88	53.29	20.76	40.60	31.10
Interest Spread*	12.76	3.43	6.83	0.99	-8.66
Quantum Spread ²⁰	5362	1789	3980	677	-795
Primary Deficit	-5,343	-4,372	-4,357	-12,756	-3,142
Debt Stabilisation (Quantum spread + Primary Deficit)	19	-2,583	-377	-12,078	-3,937

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

*** Rate of Growth of GSDP – Average interest rate of outstanding Public Debt.**

A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth – interest rate) and quantum spread

¹⁷ Outstanding Public Debt is the sum of outstanding balances under the heads 6003- Internal Debt and 6004- Loans and Advances from the Central Government.

¹⁸ Average interest rate - Interest paid / (OB of Public Debt + CB of Public Debt)/2

¹⁹ Net debt available to the State Government is calculated as excess of Public Debt receipts over Public debt repayment and interest payment on Public Debt.

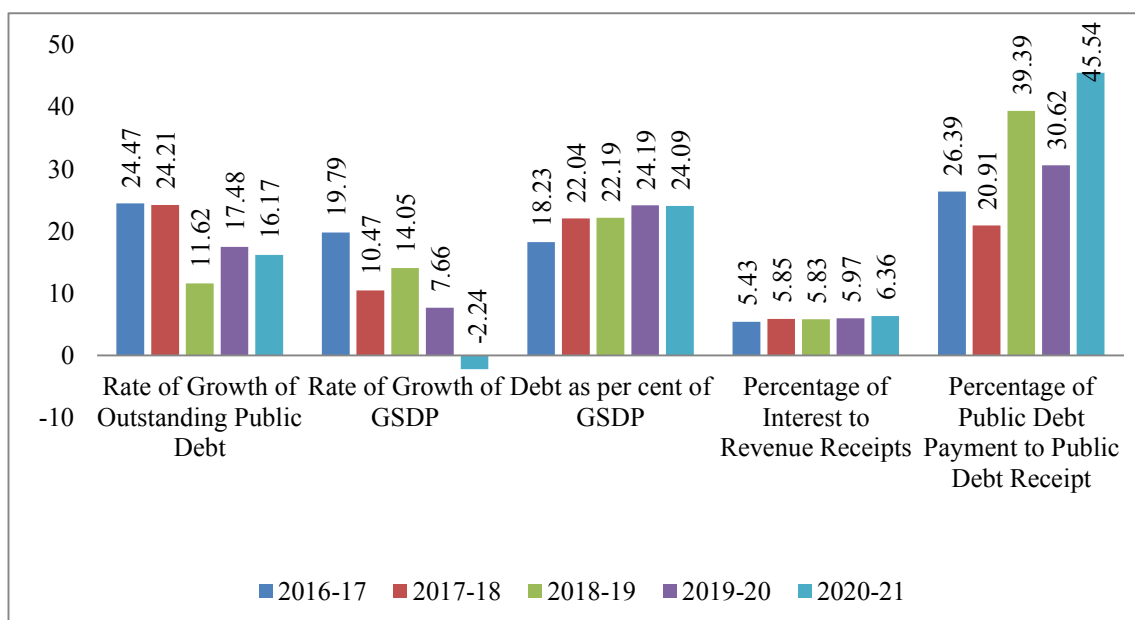
²⁰ Quantum Spread = Outstanding Public Debt X Interest Spread/100

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

It can be seen from **Table 2.29** that during last five years, except 2020-21, all the four years' rate of growth of economy (rate of growth of GSDP) exceeded the interest rate or cost of public borrowings. However, primary balances (primary deficit) remained negative resulting in non-fulfilment of necessary condition of debt stabilisation.

The primary deficit, the sum of quantum spread and Primary Deficit performed better as compared to previous year even at the time of pandemic which is a good indicator. However, Public debt to GDSP ratio were increasing consistently since 2018-19 and highest in 2020-21, which is a matter of concern.

Chart 2.23: Trends in debt Sustainability Indicators



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

2.7.2 Utilisation of borrowed funds

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

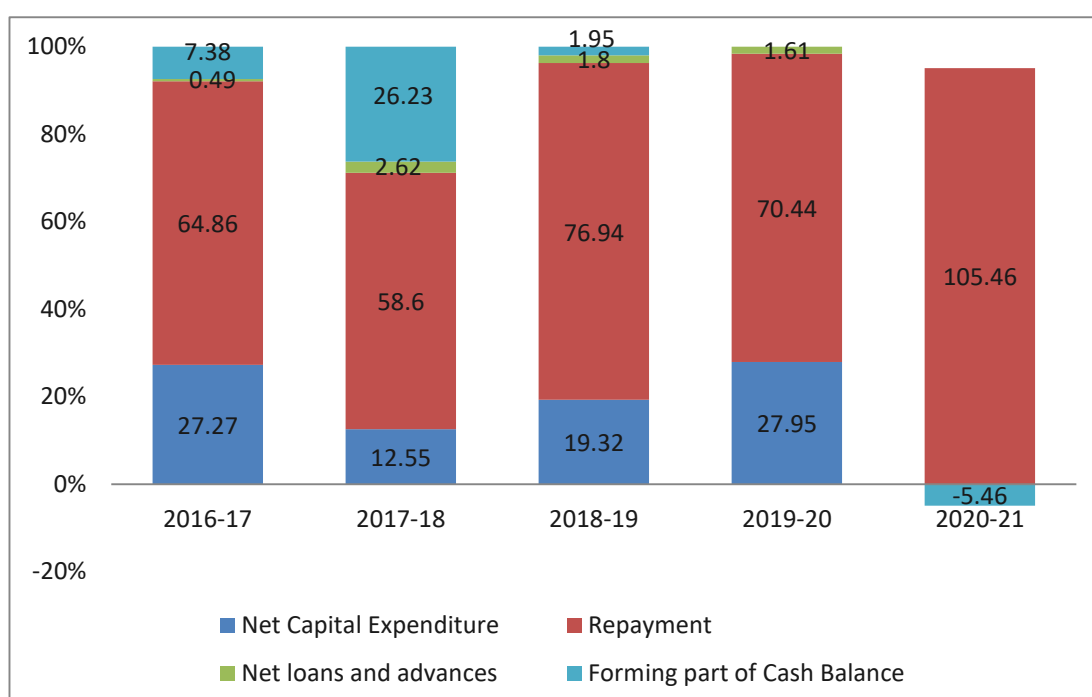
Table 2.30: Utilisation of borrowed funds

Debt Sustainability Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
Total borrowings (₹ in crore)	33,782	61,698	48,103	60,314	60,649
Repayment of earlier borrowings (Principal) (₹ in crore)	21,912	36,157	37,009	42,487	63,960
Repayment of earlier borrowings	64.86	58.60	76.94	70.44	105.46

Debt Sustainability Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
(Principal) (Percentage)					
Net Loans and Advances (Percentage)	0.49	2.62	1.80	1.61	--
Net Capital Expenditure (Percentage)	27.27	12.55	19.32	27.95	--
Revenue expenditure met out of net available borrowings (Percentage)	--	--	--	--	--
Surplus of borrowing as Cash Balances (Percentage)	7.38	26.23	1.95	--	(-)5.46

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

Chart 2.24: Trends of Utilisation of borrowed funds



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

It is evident from **Table 2.30** and **Chart 2.24** that entire amount of the borrowed funds and 5.46 per cent of cash balance were consumed for repayment of earlier borrowings.

2.7.3 Status of Guarantees- Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. Finance Department, Government of Odisha instructed (November 2002) that the total outstanding guarantee as on 1st April every year should not exceed hundred per cent of the State's Revenue Receipts (excluding Grants-in-Aid) of the 2nd preceding year. The trends of Outstanding Guarantees for the years 2016-17 to 2020-21 are shown in **Table 2.31**. The outstanding guarantees (₹ 7,086 crore) at the end of 2020-21 stood at 8.86 per cent of total Revenue Receipts less grants in aid of the second preceding

year (₹79,948 crore) and was within the ceiling (100 per cent) laid down in the said resolution.

Table 2.31: Guarantees given by the Government

	(₹ in crore)				
Guarantees	2016-17	2017-18	2018-19	2019-20	2020-21
Ceiling applicable to the outstanding amount of guarantees including interest (Criteria)	44,080	54,812	59,217	67,584	79,948
Outstanding guarantees at the beginning of the year	1,290	2,256	1,711	4,170	3,532

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

Government categorised the guarantees as 100 per cent risk weighted i.e., the risk of default was borne by the State Government. During the year 2020-21, Government extended ₹3,553.05 crore guarantees to Grid Corporation of Odisha Limited (GRIDCO). On the other hand, no guarantee was withdrawn or invoked during the year. Out of the total outstanding loans guaranteed by the Government, 98.57 per cent (₹6,985.30 crore) pertained to Grid Corporation of Odisha Limited (GRIDCO).

In consideration of the guarantees given by the Government, the institutions in some cases are required to pay guarantee commission at rates varying from 0.01 per cent to one per cent. As per Finance Accounts, the State received ₹32.67 crore Guarantee Commission during 2020-21. The cumulative guarantee commission received as on 31 March 2021 was ₹ 340.24 crore as against the receivable amount of ₹ 400.64 crore. The balance guarantee commission of ₹ 59.41 crore is yet to be received. Details are shown in **Table 2.32**.

Table 2.32: Guarantee Commission received/receivable by the Government

	(₹ in crore)			
Name of the Sector	No. of entities	Commission receivable	Commission received	Commission yet to be received
Power	4	329.99	300.54	28.46
Co-operatives	42	4.45	2.24	2.21
State Financial Corporation	7	8.55	2.89	5.66
Housing and Urban Development	86	41.16	28.48	12.68
Roads and Transport	2	1.84	1.84	0.00
Other Infrastructure	15	13.39	4.25	9.14
Others	4	1.26	0.00	1.26
TOTAL	160	400.64	340.24	59.41

Source: Finance Accounts 2020-21, Government of Odisha.

2.7.4 Cash Balance

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

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

It is not desirable that State Government take recourse to market loans despite having large cash balances leading to further accretion to cash balances without putting to productive use.

The cash balance at the end of March 2021 was ₹ 32,636.04 crore. Cash balances and investments thereof made by the State Government during 2020-21 are given in **Table 2.33**.

Table 2.33: Cash Balance and Investment of Cash Balance

(₹ in crore)		
	Closing balance on 31/3/2020	Closing balance on 31/3/2021
(a) General Cash Balance -		
Cash in Treasuries	--	--
Deposits with Reserve Bank	242.18	27.48
Deposits with other Banks	--	--
Remittances in transit - Local	--	--
Investments held in Cash Balance investment account	24,865.00	14,351.36
Total (a)	25,107.18	14,378.84
(b) Other Cash Balances and Investments		
Cash with departmental officers viz. Public Works Department Officers, Forest Department Officers, District Collectors	19.86	19.24
Permanent advances for contingent expenditure with departmental officers	0.33	0.33
Investment in earmarked funds (Consolidated Sinking Fund- ₹11,693.75 crore, Guarantee Redemption Fund- ₹1,522.83 and State Compensatory Afforestation Fund ₹ 5,021.05 crore as on 31 March 2021)	17,310.13	18,237.63
Total (b)	17,330.32	18,257.20
Grand total (a)+ (b)	42,437.50	32,636.04
Interest realised	1,422.96	945.88

Source: Finance Accounts 2020-21, Government of Odisha.

- During the year 2020-21, GoO opened separate investment account of OMBADC under head of account 8443-106-3521-91357- Government Debt and 8443-106-3521-91358- Treasury Bill and invested ₹5,955.00 crore and ₹9,124.41 crore respectively, which does not form part of cash balance investment account. This resulted in decrease of cash balance by ₹9801.46 crore from ₹42,437.50 crore in 2019-20 to ₹32,636.04 crore in 2020-21.
- During the year 2020-21, an amount of ₹1,190.21 crore interest accrued towards investment of Consolidated Sinking Fund, ₹111.24 crore interest accrued towards investment of Guarantee Redemption Fund and ₹152.95 crore interest accrued towards investment of State CAMPA Afforestation Fund were credited in the respective funds under Earmarked Fund.
- The Government invested cash balances amounting to ₹ 14,351.36 crore in GoI Treasury Bills (TB) and GoI Stocks. On these investments, the Government earned interest of ₹ 945.88 crore during the year.

- The 13th Finance Commission had recommended that the States with large cash balances should make efforts to utilise their cash balances before resorting to fresh borrowings. As on 31 March 2021 GoO has ₹14,378.84 crore of General Cash Balance. GoO during the year undertook a loan of ₹8,850 crore (₹5,955 crore from OMBADC and ₹2,895 crore from CAMPA Fund) from cash balance. The State, however also borrowed ₹ 6,341.08 crores from Open Market and other financial institutions at interest rates ranging from 7.55 to 8.79 per cent, contrary to the Finance Commission recommendation.

The balances under Cash Balance Investment Account of the State Government for the last five years are given in **Table 2.34**.

Table 2.34: Cash Balance Investment Account (Major Head 8673)

(₹ in crore)

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

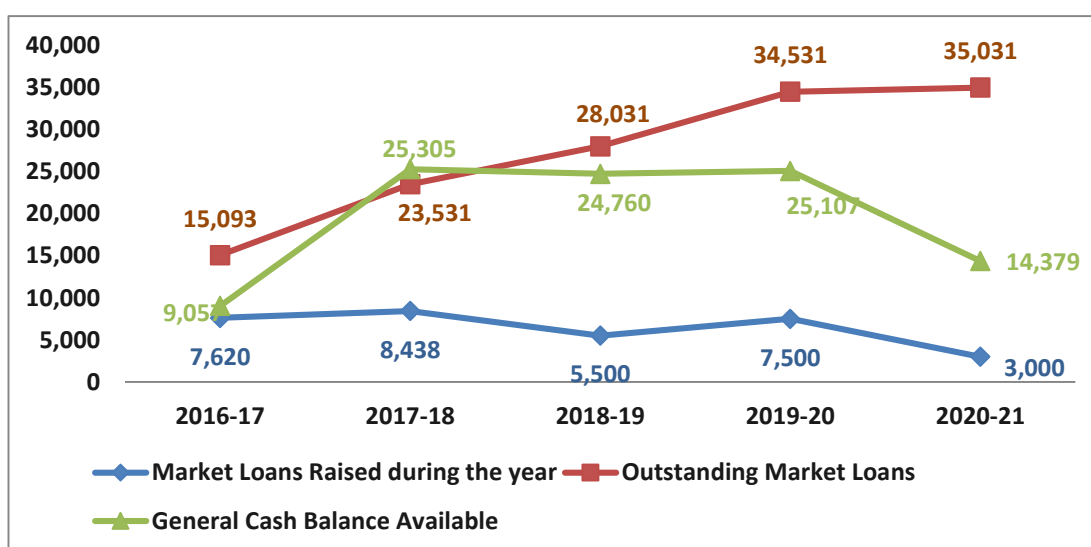
Source: Finance Accounts of respective years, Government of Odisha.

The Government stated (May 2021) that the surplus cash balance has a negative impact. Accordingly, a new mechanism has been put in place which has been vetted by Accountant General as well as the concerned authority. Under this mechanism, the State Government is now able to avail loan from a portion of the surplus cash balance of the dedicated funds (like OMBADC/CAMPA etc.) at the rate equivalent to 364 days Auctioned Treasury Bill. Thus, the State Government has been able to reduce reliance on open market. This effect has substantially reduced the cash balance. However, since borrowing from these dedicated funds is restricted to only 60 per cent of the surplus investible balance in these funds, there will be still a sizeable cash balance available which would be invested in auction treasury bills.

While the steps taken by Government to borrow from OMBADC and CAMPA funds at rates of interest lower than market rates are financially prudent, Audit is of the view that there still remained significant quantum of untied cash balance of ₹14,351 crore (excluding earmarked fund and OMBADC fund), which could have been optimally utilised before having to raise fresh debt.

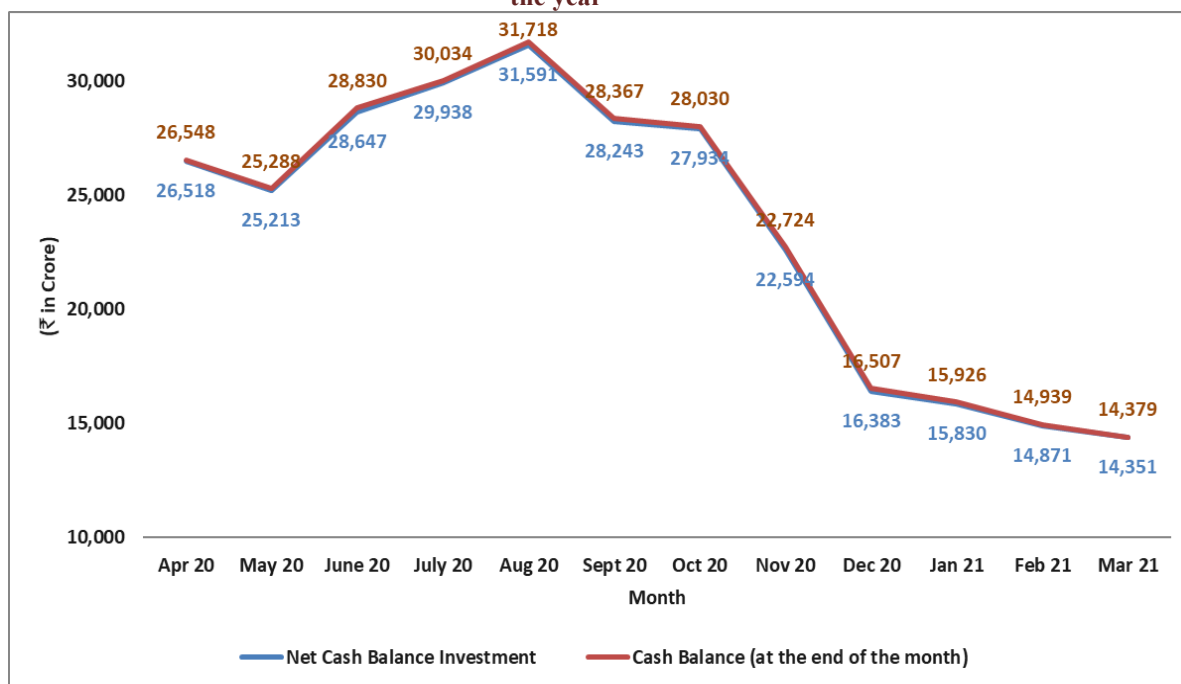
Year wise Market loan raised vis-à-vis cash balance available in cash balance investment account for the years 2016-17 to 2020-21 is compared in **Chart 2.25** and month wise cash balance available vis-à-vis cash balance invested in cash balance investment account is shown in **Chart 2.26**.

Chart 2.25: Market Loans vis-à-vis Cash Balance Investment Account (Major Head 8673)



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

Chart 2.26: Month wise movement of Cash Balances and net cash balance investments during the year



Source: Monthly Civil Accounts, Government of Odisha.

It can be seen from the above chart that the cash balance started declining from August 2020. However, Government maintained large (more than ₹14,000 crore) general cash balances throughout the year. The net cash balance investment is moving along with cash balance, which shows that almost all the funds were invested in cash balance investment account.

2.8 Recommendations

1. It is imperative for the State Government to review the classification of expenditure met out of grants-in-aid and take necessary corrective action in formulating its budget and booking its expenditure in this regard, to ensure that its fiscal parameters like revenue surplus/deficit and fiscal deficit reflect the correct position of its finances.
2. The Government should review the budget preparation exercise, so that the persisting gap between budget estimates and actual may be bridged.

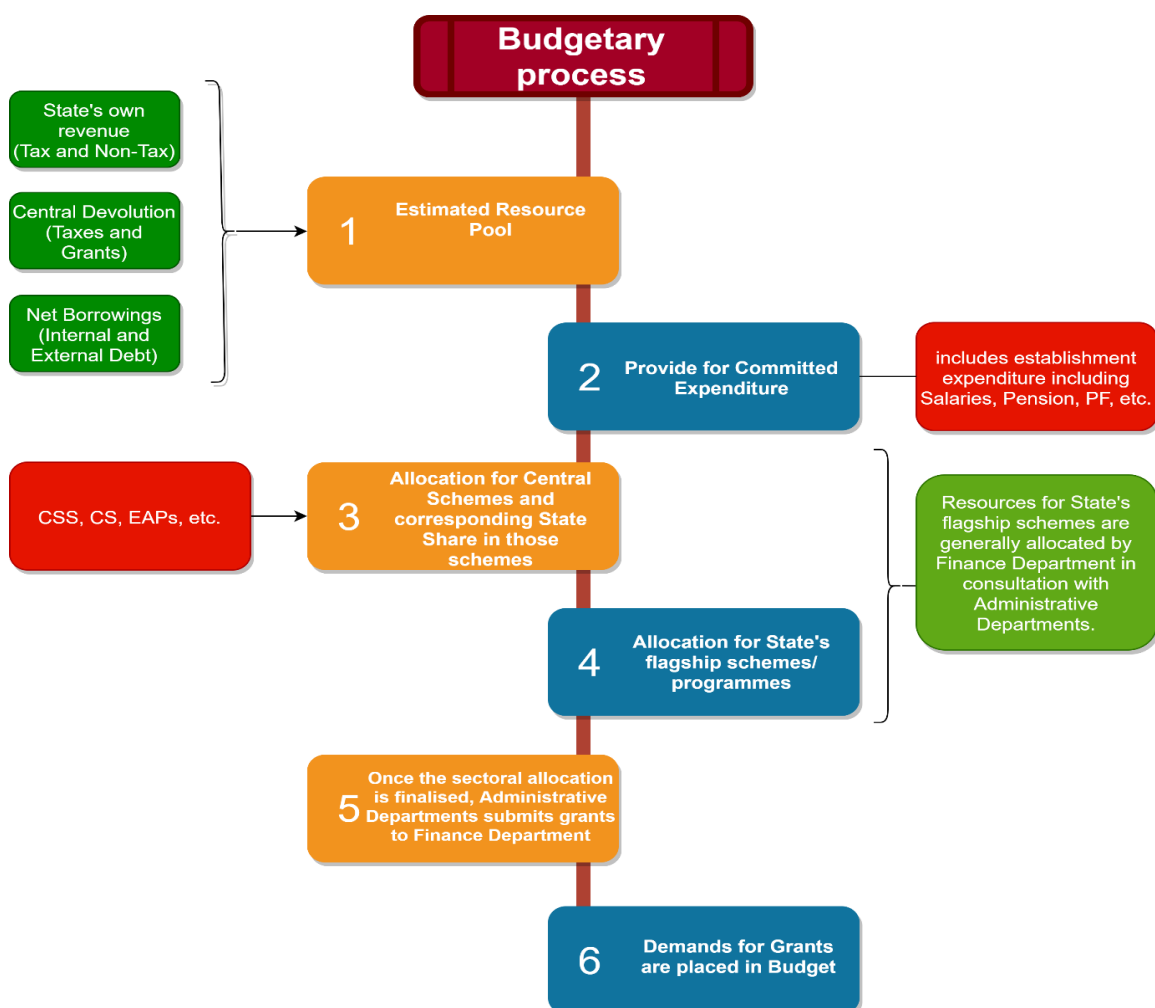
Chapter-III

Budgetary Management

3.1 Budget Process

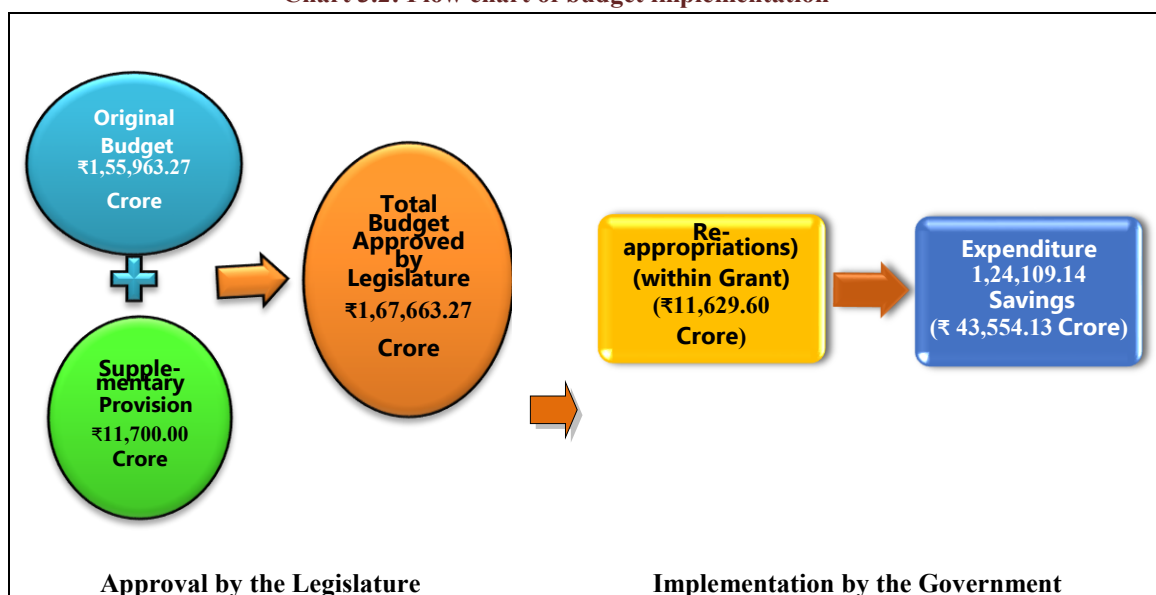
The Budget process commences with the issue of the Budget circular, normally in August each year, providing guidance to Departments in framing their estimates, for the next financial year. The Budget of the State is based on the Departmental estimates submitted by the controlling officers and these Departmental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

Chart 3.1: Flow Chart of Budgetary Process



The annual financial statement also called general budget is placed prior to the commencement of the financial year in the State Legislature, in accordance with Article 202 of the Constitution. The State Legislature initially approves the annual Budget. When the initial allocation is found to be inadequate or expenditure has to be incurred on a new item, the Government presents supplementary demands (Para 166 of the Budget Manual) before the Legislature. Further, re-appropriation is a mechanism, which allows the State Government to transfer savings from one sub-head (usually a scheme) to another, provided such transfers occur within the same grant²¹ and under the same section²². Appropriation Accounts captures the data along the entire process of budget formulation and implementation as shown in **Chart 3.2**.

Chart 3.2: Flow chart of budget implementation



Source: Appropriation Accounts 2020-21, Government of Odisha

3.1.1 Summary of total provisions, disbursements and savings during 2020-21

The annual financial statement or Budget, should show expenditure charged on consolidated fund and other expenditure separately. It shall also distinguish expenditure on revenue account from other expenditure. A summarised position of total Budget provision, disbursement and savings/ excess during 2020-21 with its further bifurcation into voted/charged is given in **Table 3.1** below:

Table: 3.1 Summarised position of Expenditure vis-à-vis Budget provision.

(₹ in crore)								
Total Budget (O+S) Provision		Total	Disbursements		Total	Savings		Total
Voted	Charged		Voted	Charged		Voted	Charged	
1,50,755.02	16,908.25	1,67,663.27	1,08,063.73	16,045.41	1,24,109.14	42,691.29	862.84	43,554.13

Source: Appropriation Accounts 2020-21, Government of Odisha

²¹Grant means the amount voted by the Legislative Assembly in respect of a demand for grant.

²² Capital, Revenue or Loans.

As can be seen from the table, that utilisation (gross) of budgeted funds was 74.04 per cent in 2020-21. It was 10.04 per cent less than the utilisation of budgeted funds in 2019-20.

3.1.2 Charged and voted disbursements

Break-up of total disbursement into charged and voted during the year 2020-21 with trend analysis during the last five years (2016-21) is given in the **Table 3.2** below.

Table: 3.2 Break-up of total disbursement into charged and voted during 2016-21

Year	Disbursements		Total	Savings/ Excess		Total
	Voted	Charged		Voted	Charged	
2016-17	80,704.34	7,109.33	87,813.67	15,916.53 (19.72)	700.79 (9.86)	16,617.32
2017-18	89,635.62	9,186.48	98,822.1	20,405.17 (22.76)	801.31 (8.72)	21,206.48
2018-19	1,06,767.30	9,850.56	1,16,617.86	18,577.34 (17.40)	318.40 (3.23)	18,895.74
2019-20	1,20,176.20	10,676.63	1,30,852.83	24,046.16 (20.01)	731.55 (6.85)	24,777.71 (18.94)
2020-21	1,08,063.73	16,045.41	1,24,109.14	42,691.29 (39.51)	862.84 (5.38)	43,554.13 (35.09)

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

As can be seen from the table above, the percentage of savings under 'Voted' ranged between 17.40 per cent to 39.51 per cent and under 'Charged' it ranged between 3.23 per cent to 9.86 per cent during 2016-21. The overall savings of ₹43,554.13 crore during 2020-21 was more than thrice the size of the supplementary budget of ₹11,700.00 crore obtained during the year, which raises questions about the budget formulation process.

Large amount of savings in allotted funds during 2020-21 indicated the disruption to Government activities that had been caused, due to the COVID-19 outbreak.

3.2 Appropriation Accounts

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

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

3.3 Comments on integrity of budgetary and accounting process

3.3.1 Misclassification of capital expenditure as revenue expenditure and charged expenditure & voted expenditure and vice versa

Odisha financial rules categorise the primary units of appropriation. There are specific object heads meant for obtaining provision for acquisition of Capital Assets and other Capital Expenditure. These object heads pertaining to booking of expenditure of capital nature should correspond with capital major heads only. However, there are instances where object heads of revenue nature are incorrectly operated with capital major heads and vice-versa for example Grants-in-Aid.

Misclassification of expenditures and receipts has a great impact on the integrity of the financial statements. An amount of ₹ 1,047.37 crores has been classified as Capital Expenditure for the year 2020-21 by the State Government. According to established accounting rules and standards, the amount should be classified as Revenue Expenditure (**paragraph 2.4.3** refers).

3.3.2 Supplementary grants

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

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

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

3.3.2.1 Unnecessary or excessive supplementary grants

Audit analysis showed that supplementary grant²³ (₹ one crore and above) of ₹5,503.29 crore *i.e.*, 47.04 *per cent* of total supplementary grant was entirely unnecessary in 30 cases relating to 25 grants (**Appendix 3.1**), as the expenditure did not even reach the threshold of original provision. This indicated wrong estimation of Budget

²³ Supplementary grant means a grant voted by the Legislative Assembly on a supplementary statement of expenditure presented to it within a financial year under Article 205 of the Constitution.

3.3.2.2 Excessive supplementary grants

Supplementary provision (₹one crore and above) aggregating ₹6,446.54 crore proved excessive by ₹2,207.13 crore in 11 cases under 10 grants and one appropriation (**Appendix 3.2**).

3.3.3 Un-necessary or excessive re-appropriation

By definition, Re-appropriations are meant for transfer of savings from one scheme / unit to another within the same grant and under same section (*i.e.*, Capital, Revenue or Loans). During 2020-21, re-appropriation orders amounting to ₹ 11,629.60 crore (566 cases) were issued.

Audit analysis of Re-appropriation Orders showed that the Re-appropriation of funds proved unnecessary/excessive in eight cases, since the amounts were not fully utilised, resulting in less expenditure of ₹ 105.82 crore as detailed in **Appendix 3.3**.

The Finance Department instructed (04 February 2021) that the deadline of the re-appropriations was 24 February 2021. Despite that, 10 cases of re-appropriation orders amounting to ₹3,433.21 crore (₹one crore and above in each case) were issued by five Departments on 31 March 2021 as detailed in **Appendix 3.4**.

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

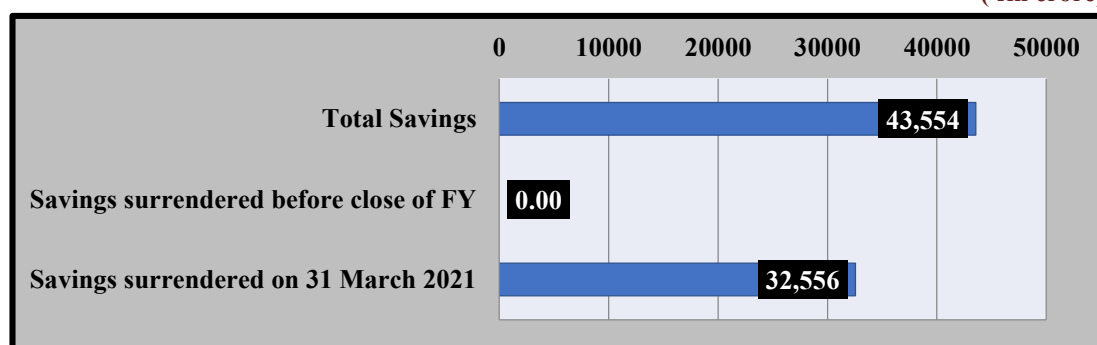
The State Government stated (December 2021) that the re-appropriation should be made to meet the additional requirement of funds for expenditure under a unit. Augmented provision through re-appropriation should be fully utilized. In order to ensure that, instructions by Finance Department to the grant controlling authorities are issued from time-to-time. In certain cases of Centrally Sponsored Schemes, funds are released by GoI very late in the year leading to mismatch between budgetary allocation and funds released under various components of the schemes. This necessitates re-appropriation of funds at the fag-end of the financial year in order to ensure release of fund to the scheme account as per the scheme guidelines.

3.3.4 Savings/ Surrenders

Against the overall savings of ₹43,554.13 crore, ₹32,556.37 crore (74.75 per cent) was surrendered on the last day of the year *i.e.*, 31 March 2021. The remaining savings of ₹10,997.76 crore (25.25 per cent) were not surrendered during 2020-21. The details are shown in **Chart 3.3**:

Chart 3.3: Savings and surrenders before close of financial year 2020-21

(₹ in crore)

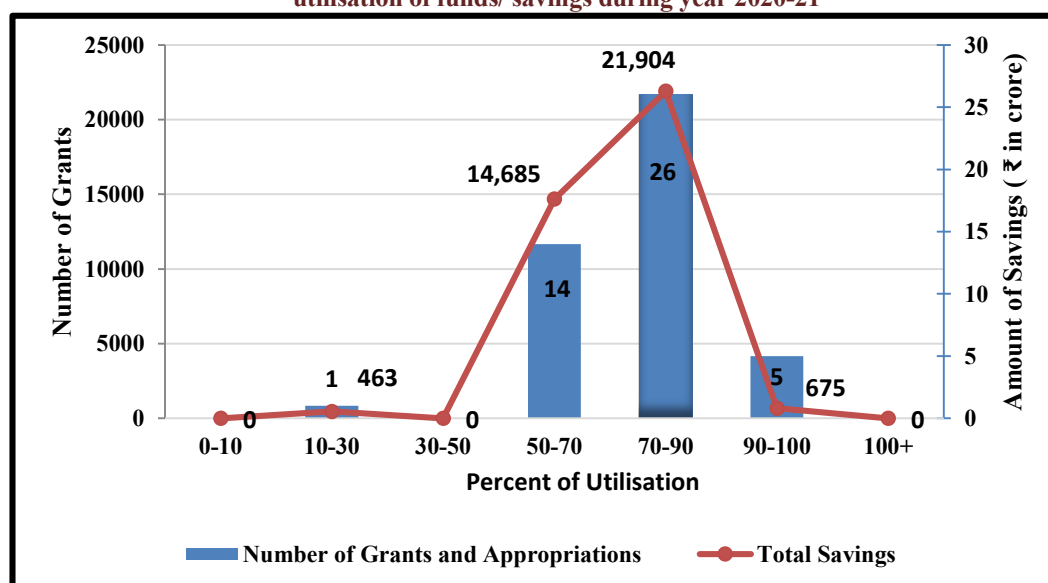


Source: Appropriation Accounts 2020-21, Government of Odisha

Of these overall savings, ₹ 35,821.91 crore (82.25 per cent) pertained to 24 grants and two appropriations with savings of more than ₹100 crore each and by more than 20 per cent of the total provision (**Appendix 3.5**). The main Departments with substantial savings were Finance, Panchayati Raj and Drinking Water, Water Resources and Disaster Management. Such large savings during 2020-21 indicated the extent of disruption to Government activities due to the Covid-19 outbreak.

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

Chart 3.4: Distribution of number of Grants/Appropriation grouped by the Percentage of utilisation of funds/ savings during year 2020-21



Source: Appropriation Accounts 2020-21, Government of Odisha

As can be seen from **Chart-3.4** above, out of 46 grants (43 grants and three appropriations) relating to the budget of the State, there were only three grants and two appropriations where the utilisation of funds was more than 90 per cent. Science & Technology (99.24 per cent), Public Enterprise (95.11 per cent), Cooperation (93.53 per cent), Internal Debt of the State Government (all charged) (100 per cent) and Interest Payment (93.53 per cent).

Odisha Legislative Assembly (53.10 per cent), Excise (56.56 per cent), Water Resources (57.27 per cent), Agriculture and Farmers' Empowerment (61.25 per cent), Transport (63.60 per cent) and Labour and Employees State Insurance (62.55 per cent) are amongst the Departments where utilisation of funds was less than 70 per cent.

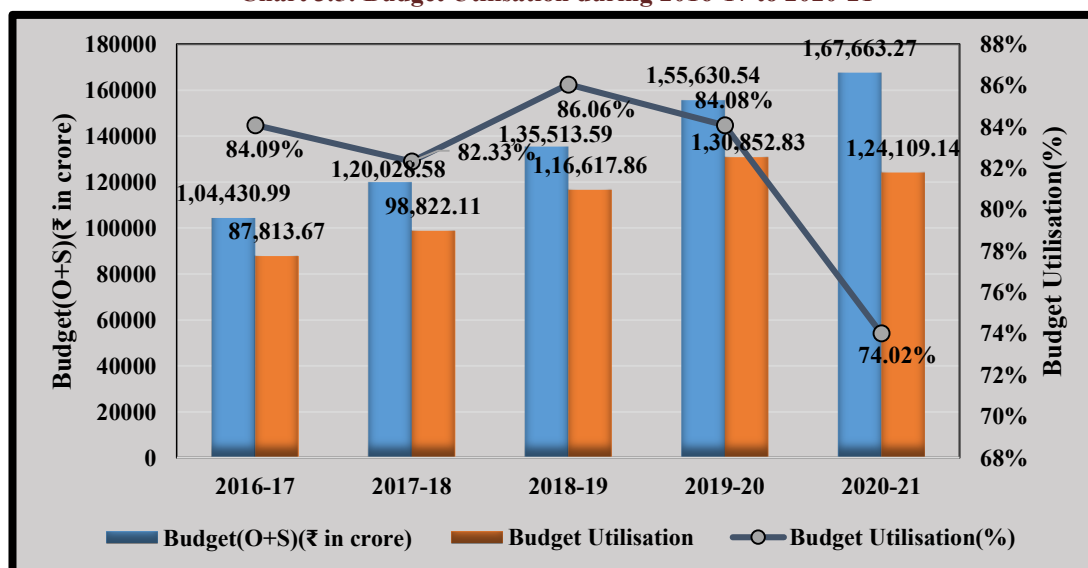
The State Government stated (December 2021) that savings are surrendered only when the Scheme implementing Departments and authorities are certain that they are not going to incur any further expenditures during the remaining part of the financial year. Additionally, sometimes GoI releases funds under CSS schemes during the last month and on the last day of financial year. This necessitates surrender of savings on the last day of the financial year.

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

3.3.4.1 Trends in Utilisation of Budgeted Funds

The extent of utilisation of budget during the five-year period from 2016-17 to 2020-21 is given in **Chart 3.5**:

Chart 3.5: Budget Utilisation during 2016-17 to 2020-21



Source: Appropriation Accounts 2020-21, Government of Odisha

Large amount of savings in allotted funds indicated both disruption caused due to Covid-19 outbreak, as well as potential inaccuracies in assessment of requirement and lack of capacity to utilise the funds for intended purposes, during the pandemic.

3.3.5 Substantial surrenders

Surrenders of 100 *per cent* of total provision of ₹ 1,834.31 crore were made in 12 cases (₹ 50 crore or more in each case) under 11 grants. These represented different schemes/ programmes/ projects and activities (**Appendix 3.6**). The surrenders were mainly attributed to non-release of Central share, non-receipt of permission from Government of India for drawal of funds, non-concurrence for further utilization of funds by the Finance Department, transfer of the responsibility for implementation of programme to other entities within the State Government, new schemes not taken up due to COVID-19, non-operation of schemes due to COVID-19, non-completion of tender processes and surrender of budget provisions related to response to natural disasters other than Covid-19, such as drought *etc.*

The State Government stated (December 2021) that a sizeable amount of Central Assistance is received towards the fag-end of the financial year. Hence, due to uncertainty in Central Assistance, in many cases, it is not possible to complete the surrender process by end of February. However, as the expenditure reconciliation module of IFMS is more or less stabilized, the Controlling Officers should make use of the facility to ensure that the anticipated savings are surrendered before the closure of financial year.

3.3.5.1 Surrender in excess of savings

In three cases (three grants), the amount surrendered (one crore or more in each case), were in excess of savings, indicating inadequate budgetary control in these Departments. As against savings of ₹ 4,674.53 crore, the amount surrendered was ₹ 5,053.61 crore, resulting in excess surrender amounting to ₹ 379.08 crore. The details are given in **Table 3.3**.

Table 3.3: Surrender of funds in excess of savings

(₹ in crore)							
Sr. No.	Grant Number	Original	Supplementary	Total Provisions	Savings(-)/ Excess(+)	Amount Surrendered	Excess surrender
Revenue (Charged)							
1	12(Health and Family Welfare)	6,727.12	1,668.77	8,395.89	1,148.52	1,190.23	41.71
2	17(PR&DWD)	14,828.25	2,027.7	16,855.95	3,149.59	3,481.24	331.65
3	22(Forest & Environment)	1,954.4	21.55	1,975.95	376.42	382.14	5.72
	Total	23,509.77	3,718.02	27,227.79	4,674.53	5,053.61	379.08

Source: Appropriation Accounts 2020-21, Government of Odisha

The State Government stated (December 2021) that such cases of excess surrender can be addressed through timely reconciliation of expenditure. To address the issue of generation of correct surrender statement, a system-based monitoring of reconciliation and generation of surrender statement has been developed in the Budget application of the State Government. The fact, however, remains that the issue remains unaddressed even after the system-based monitoring of reconciliation

and generation of surrender statements and therefore, the Government needs to check the working of the system.

3.3.5.2 Anticipated savings not surrendered/ partially surrendered

As per Rule 146 of Odisha Budget Manual (OBM), the spending Departments are required to surrender the grants/ appropriations or portion thereof to the Finance Department as and when the savings are anticipated. Finance Department instructions also stipulated that the surrender of unutilised funds should be made on or before 26 February 2021. Audit reviewed savings and surrender figures and noticed that:

- Out of total savings of ₹43,554.13 crore, only ₹32,556.37 crore was surrendered. All the surrenders was made only on 31 March 2021.
- Some instances where savings were only partially surrendered are detailed in **Appendix 3.7**. The major Departments where savings were not surrendered well in advance were Water Resources (₹3,213.11 crore) and Finance (₹1,884.84 crore).

In response to Paragraph No. 2.3.10 of the Audit Report on State Finances for the year ended March 2015, the Government had stated (November 2015) that surrender of anticipated savings would be ensured through stabilisation of the expenditure reconciliation module of Integrated Financial Management System (IFMS). However, these issues continued to persist during 2020-21.

3.3.6 Excess Expenditure and its Regularisation

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

3.3.6.1 Excess expenditure relating to current Financial Year

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

It was observed that excess expenditure of ₹ 9.63 crore was incurred in Grant No.7- Works (Revenue Voted) for the year 2020-21. As against the provision of ₹ 2009.46 crore under Revenue (Voted) the department incurred expenditure of ₹ 2019.09 crore during the year 2020-21, resulting in non-compliance with the above Constitutional provision.

3.3.6.2 Regularisation of excess expenditure of previous financial years

The State Government, however, failed to get the excess expenditure amounting to ₹253.02 crore over and above the allocation, pertaining to the years 2013-14 to 2018-19, regularised as of March 2021 which are given in **Table 3.4**.

Table 3.4: Excess Expenditure of previous years

(₹ in crore)

Year	Grant No./ Appropriation	Grant/ Appropriation details	Amount of excess required to be regularised as commented in the Appropriation Accounts	Status of regularisation
2013-14	22	Forest and Environment	0.29	Not yet regularised
	26	Excise	0.27	-do-
	31	Handlooms, Textile and Handicrafts	18.00	-do-
2015-16	22	Forest and Environment	0.25	-do-
	26	Excise	0.01	-do-
2016-17	6003	Internal Debt	56.63	-do-
	13	Housing and Urban Development	3.63	-do-
2017-18	8	Odisha Legislative Assembly incurred expenditure	0.52	-do-
2018-19	7	Works	169.77	-do-
	8	Odisha Legislative Assembly incurred expenditure	3.65	-do-
TOTAL			253.02	

Source: Appropriation Accounts 2020-21, Government of Odisha

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

The State Government stated (December 2021) that steps are being taken for regularization of the instances of excess expenditure during the current as well as previous years.

3.3.7 Grant-in-aid for creation of capital assets

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

As per Appendix-III of Finance Accounts 2020-21, total funds released as Grants-in-Aid during 2020-21 were ₹27,269.36 crore, of which, funds allotted for creation of Capital Assets were ₹8,567.39 crore (31 per cent).

3.4 Comments on effectiveness of budgetary and accounting process

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

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

Several policy initiatives/ schemes (₹one crore and above) were initiated by the State Government during 2020-21 and it was seen that these were either partially executed or not executed at all. Details of some Schemes which were not executed are given below:

Table:3.5 New Schemes not executed by State Government during the year 2020-21

Sl. No.	Name of the scheme	Grant No. & Department	Budget provision, 2020-21 (₹ in lakh)	Expenditure (₹ in lakh)
1	Odisha e-Hospital Management Information System (OeHMIS)	12-Health & Family Welfare	508.47	0
2	NAT PCR facility in Blood Banks in the State	-do-	2,162.85	0
3	Sickle Cell and Thalasemia	-do-	300.00	0
4	Award to Health Professionals/ Institute	-do-	200.00	0
5	Skill Lab	-do-	314.37	0
6	Rooftop rain water harvesting and ground water recharge in 27 Urban Local Bodies (ULBs) and 49 water stressed Block	20-Water Resources Department	3,500.00	0
		TOTAL	6,985.69	0

Source: Finance Account (Appendix-11) and Budget Speech and Odisha Budget 2020-21

Further, Audit noticed that under 21 existing sub-schemes approved outlay /revised outlay involving an amount of ₹ 2,063.69 crore (**Appendix 3.8**) remained completely unutilised during the year 2020-21 as no expenditure was incurred.

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

3.5 Cash Management System

Pursuant to the provisions of sub-section (1-a) of Section 8 of the Odisha Fiscal Responsibility and Budget Management Act, 2016, Government of Odisha laid down guidelines for timely spending of Budgetary grants through Cash Management System in 20 Departments during 2020-21.

As per the regulation of expenditure 2020-21 in Cash Management System, the flow of expenditure should be evenly placed. In terms of Finance Department instructions

dated 23 March 2020, the level of expenditure at the end of the third quarter should not be less than 60 *per cent* and during the month of March, the same should not be more than 15 *per cent* of the gross budget provision.

During 2020-21, cash management system was implemented in 20 Departments. Out of these 20 Departments, three Departments had spent minimum 60 *per cent* of the original budget provision by the end of third quarter. The Industries Department utilised only 9.80 *per cent* of the original provision by the end of third quarter. Similarly, 12 Departments exceeded expenditure of 15 *per cent* of the original budget provision in the month of March 2021 (the excess ranged from 16.37 to 53.96 *per cent*) as indicated in table below:

Table 3.6: Analysis of Cash Management System

(₹ in crore)

Sl. No.	Name of the Department	Original Budget Provision	Up to December 2020		March 2021 (Pre)	
			Expenditure during first three quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
The following Departments have followed the guidelines						
1	Food Supplies and Consumer Welfare	1,897	1,144.18	60.32	7.86	0.41
2	School and Mass Education	17,458	10,963.39	62.80	2,367.55	13.56
3	Fisheries & Animal Resources Development	1,211	780.73	64.47	66.29	5.47
The following Departments have not followed the guidelines						
4	Department of Social Security and Empowerment of Persons with Disability	3,024	1,378.11	45.57	81.12	2.68
5	Works	6,431	3,150.97	49.00	1,487.85	23.14
6	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	3,808	890.03	23.37	1,351.84	35.50
7	Health and Family Welfare	7,700	4,793.15	62.25	1,617.00	21.00
8	Housing and Urban Development	6,185	1,850.99	29.93	2,051.72	33.17
9	Industries	575	56.36	9.80	47.96	8.34
10	Water Resources	9,380	2,711.45	28.91	1,535.31	16.37
11	Forest & Environment	1,960	966.21	49.31	339.72	17.34
12	Rural Development	5,549	1,821.55	32.82	1,305.23	23.52
13	Handlooms, Textiles & Handicrafts	200	67.28	33.70	52.16	26.13
14	Higher Education	2,407	1,236.69	51.39	719.26	29.89
15	Skill Development & Technical Education	825	280.22	33.97	318.87	38.65
16	Micro, Small & Medium Enterprises	250	114.17	45.67	33.51	13.40
17	Panchvati Rai &	18,106	10,519.88	58.10	2,278.13	12.58

Sl. No.	Name of the Department	Original Budget Provision	Up to December 2020		March 2021 (Pre)	
			Expenditure during first three quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
	Drinking Water					
18	Agriculture and Farmer's Empowerment	6,759	1,224.22	18.11	1,319.25	19.52
19	Energy	1,861	732.18	39.35	1,004.00	53.96
20	Women and Child Development and Mission Shakti	4,075	2,146.22	52.67	597.20	14.66

Source: Monthly Appropriation Reports for December 2020 and March (Pre) 2021.

It is evident from the above table that out of 20 Departments only three Departments (Sl. No.01 to 03) had followed the guidelines for timely spending of budgetary grants through the Cash Management System.

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

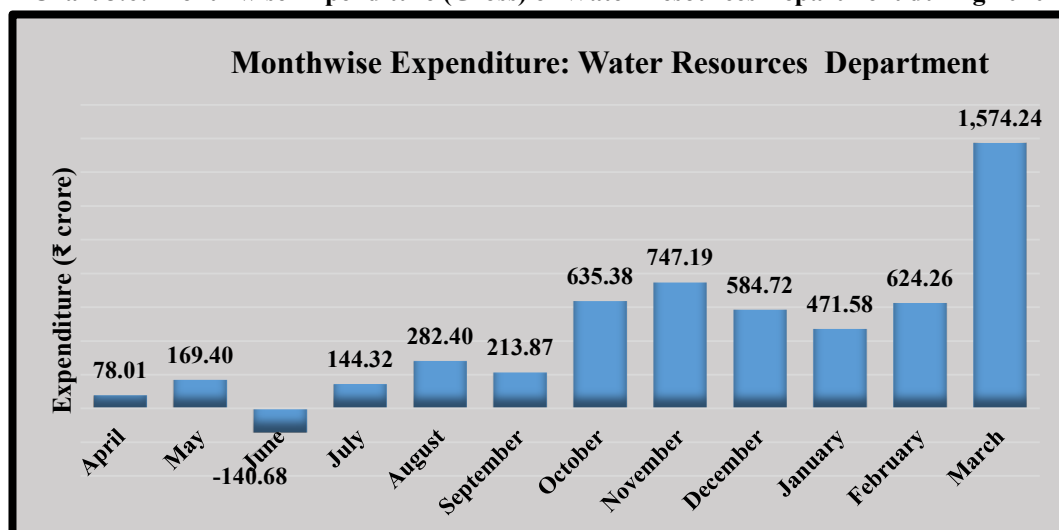
The State Government stated (December 2021) that in view of the prevailing pandemic situation and imposition of expenditure rationalization measures during 2020-21, the cash management system was put on hold during the year vide para-6 of FD Letter No.15275/F dt.15.05.2020. Further, all the Administrative Department including 20 Departments covered under Cash Management System were empowered to sanction expenditure up to ₹15crore at a time under Administrative Expenditure and Transfers from State and ₹30 crore under Programme Expenditure. Since 2020-21 was an abnormal year with uncertainties of impact of COVID-19, such relaxations were allowed to ensure that COVID management was not disrupted.

3.5.1 Rush of expenditure

In terms of Rule 147 of OBM, rush of expenditure in the closing month of the financial year is a breach of financial regularity, which should be avoided. Contrary to this, there were 33 schemes (sub-heads) in seventeen Departments and one appropriation, where 100 per cent of the total expenditure was incurred with one crore or more in each case) in March 2021 as detailed in **Appendix 3.9**.

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

Chart 3.6: Month wise Expenditure (Gross) of Water Resources Department during 2020-21



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

As seen from the chart above, contrary to the spirit of financial regulation, a substantial quantum of expenditure (29.24 per cent) of the total expenditure (₹5,384.69 crore) was incurred by the department during March, 2021 indicating inadequate control over expenditure monitoring. The expenditure during June 2020 was negative, due to refund of funds being more than expenditure.

3.6 Review of selected grants

A detailed scrutiny of two grants, viz., (i) Grant No. 12 –Health and Family Welfare Department and (ii) Grant No. 20 – Water Resources Department, was conducted in Audit. Outcome of the Audit is discussed in the succeeding paragraphs.

3.6.1 Grant No. 12-Health and Family Welfare Department

The broad objectives of the Department are to ensure adequate, qualitative, preventive and curative health care to people of the State. It also provides affordable quality health care to the people of State, not only through the allopathic systems of medicine but also through the homeopathic and ayurvedic systems. The policies, programmes and schemes of the Department are implemented through Directorates, Chief Medical Officers of concerned Districts etc. Five Major Heads viz., 2210-Medical and Public Health Public Works, 2211-Family Welfare, 2251- Secretariat-Social Services, 4210- Capital Outlay on Medical and Public Health and 4216-Capital Outlay on Housing are operated under this Grant.

3.6.1.1 Budget and Expenditure

The overall position of budget provision, actual expenditure and savings/ excess under this Grant during the last three years, i.e., 2018-21 is given in **Table 3.7** below:

Table 3.7: Budget provision vis-à-vis Expenditure

		(₹ in crore)		
Particulars		2018-19	2019-20	2020-21
	Total Budget provision(Revenue+ Capital)	6582.56	7296.07	9468.61
	Expenditure	5800.46	6378.67	7923.25
	Savings	782.1	917.4	1545.36
	Savings(%)	11.88	12.57	16.32
Revenue (voted & Charge)	Original budget (O)	5,191.96	5,832.85	6,729.84
	Supplementary budget (S)	390.60	491.22	1,668.77
	Total Budget Provision(O+S)	5,582.56	6,324.07	8,398.61
	Expenditure	5,126.02	5,836.67	7,247.92
	Savings	456.54	487.4	1,150.69
	Surrender	452.72	486.43	1,192.39
	Percentage of savings to total provision	8.18	7.71	13.7
Capital (voted & Charge)	Original budget (O)	990.00	972	970
	Supplementary budget(S)	10.00	0	100
	Total Budget Provision(O+S)	1,000.00	972	1070
	Expenditure	674.44	542	675.33
	Savings	325.56	430	394.67
	Surrender	325.56	430	394.67
	Percentage of savings to total provision	32.56	44.24	36.89

Source: Appropriation Accounts 2018-19 to 2020-21, Government of Odisha

As can be seen from the above table, savings as a percentage of total budget provision ranged between 11.88 *per cent* and 16.32 *per cent* during 2018-21. Persistent large savings is indicative of incorrect assessment of actual needs and calls for a critical review of budget preparation exercise of the Department. The Department attributed savings to non-receipt of Central Assistance and constraints in the functioning of implementing agencies.

3.6.1.2 Surrender of Savings

The anticipated savings were surrendered mainly under head 4210-03-105-Allopathy-3037-Human Resource in Health & Medical Education (₹62.77 crore), 4210-03-789-(Special Component Plan for Scheduled Castes)- 3037-Human Resource in Health & Medical Education (₹66.67 crore), and 4210-03-796- (Tribal Area Sub-Plan)-3037-Human Resource in Health & Medical Education (₹113.33 crore).

The Department stated that funds had been utilized to the extent of actual requirement and the rest of the funds had been surrendered. However, specific reasons for lower actual requirements than those estimated during the budget, were not communicated to Audit (December 2021).

3.6.1.3 Unnecessary Supplementary Grant

From the **Table 3.7**, it can be seen that under Capital section the entire supplementary provisions during 2020-21 were unnecessary, as the actual expenditure did not come up to the level of original provision.

3.6.1.4 Programme implementation

The details of financial targets and achievements under the following Schemes were examined by Audit, on sampling basis:

Table 3.8: Achievement against financial and physical targets

SI No.	Head of Accounts	Financial Target (₹in Crore)			Some Reasons of Shortfall stated by department
		Funds allotte d	Funds utilised	% of expendi- ture	
I	Name of the Scheme - Biju Swasthya Kalyan Yojana (BSKY)				
	2210-01-001-3384-BSKY	360.31	241.97	67	Some of the DDOs failed to procure medicines observing financial formalities in time, hence the balance funds were surrendered. Further, due to COVID-19, procurement was substantially reduced and the surplus funds were not utilised by OSMCL Ltd. No reasons for excess expenditure were furnished by the department.
	2210-01-796-3384-BSKY	203.31	144.85	71	
	2210-05-105-3384-BSKY	57.79	103.24 (excess+ 45.45)	179	
	Total -percentage of utilisation-(73 %)	621.41	490.06		
II	Name of the Scheme - Mukhya Mantri Swasthya Seva Mission (MMSSM)				
	4210-01-Urban Health Service -001-3261 – MMSSM	75.59	62.07	82	1. Austerity measures imposed by the Finance Department due to Covid-19. 2. Tenders for new projects could not be invited on time due to Covid-19. 3. Non-finalisation of land acquisition. 4. Slow progress of ongoing works due to Covid-19 related restrictions.
	4210-01 Urban Health Service -800-3261 - MMSSM	50	7.08	14	
	4210-03(medical education)-105-Allopathy-3261 - MMSSM	229	172.74	75	
	Total	354.59	241.89		
	4216-01(Residential Building) - 106(general pool Accommodation)-3261 - MMSSM	19.75	10.10	51	
	4216-01 Residential Building -800-3261 - MMSSM	63	34.31	54	
	Total -percentage of utilisation-(65 %)	82.75	44.41		
III	Name of the Scheme - Human Resource in Health & Medical Education (HRHME)				
	4210-03-105-3037 - HRHME	170	107.23	63	No specific reasons furnished.
	4210-03-789-3037 - HRHME	100	33.33	33	
	4210-03-796-3037 - HRHME	130	16.67	13	
	Total percentage of utilisation-(39 %)	400	157.23		
IV	Name of the Scheme - National Mission on AYUSH including Mission on Medicinal Plants (NMA)				
	2210-02-001-3039 - NMA	16.2	9.13	56	The Government of India, Ministry of AYUSH did not communicate approval for the components. Therefore, the funds provided in the budget were surrendered.
	2210-02-789-3039 - NMA	14.19	5.82	41	
	2210-02-796-3039- NMA	15.16	2.08	14	
	Total percentage of utilisation-(37 %)	45.55	17.03		
V	2210-03-103-1092 Field Formation under Health Department- PHCs	668.61	628.83	94	Retirement as well as non-filling of vacancy posts, non-fixation of pay of some staff, non-filling of newly created contractual posts and non-drawal of arrear claims of some staff and due to non-submission of TA, LTC bills by some staff.
VI	2211-00-101-1227- Rural Family Welfare sub- centre	232.68	206.40	89	
VII	2210-03-110-1016 -Other Hospitals	61.4	62.54 (Excess	102	

Sl No.	Head of Accounts	Financial Target (₹ in Crore)			Some Reasons of Shortfall stated by department
		Funds allotted	Funds utilised	% of expendi- ture	
			1.14)		
VIII	2210-04-101-0646-Hospitals & Dispensaries	49.55	51.11 (Excess 1.56)	103	
	2210-04-102-0646 Hospitals & Dispensaries	37.42	39.03 (Excess 1.61)	104	
		148.37	152.68		
	Total	2,553.96	1,938.53		

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

3.6.2 Grant No. 20-Water Resources Department

The Water Resources Department is the nodal department with regard to all matters concerning water resources development and management. The policies, programmes and schemes of the Department are implemented through Engineers in-Chief, Directorates, Executive Engineers etc. Twelve Major Heads viz., 2059- Public Works, 2070- Other Administrative Services, 2700- Major Irrigation, 2701- Medium Irrigation, 2702- Minor Irrigation, 2705- Command Area Development, 2711- Flood Control and Drainage, 3054- Roads and Bridges, 4700- Capital Outlay on Major Irrigation, 4701- Capital Outlay on Medium Irrigation, 4702- Capital Outlay on Minor Irrigation, and 4711- Capital Outlay on Flood Control Projects are operated under this Grant.

3.6.2.1 Budget and Expenditure

The budget provision, actual expenditure and savings under this Grant during the three-year period 2018-21 is given below:

Table 3.9: Budget provision vis-à-vis Expenditure incurred during 2018-21

(₹ in crore)				
	Particulars	2018-19	2019-20	2020-21
	Total Budget provision(Revenue+ Capital)	10,549.03	9,774.56	9402.01
	Expenditure	7,495.25	6,127.88	5384.69
	Savings	3,053.78	3,646.68	4017.32
	Savings (%)	28.95	37.31	42.73
Revenue (Voted & Charged)	Original budget(O)	1,953.55	2,332.59	2,999.67
	Supplementary budget (S)	106.00	36.13	22.37
	Total budget provision (O+S)	2,059.55	2,368.73	3,022.03
	Expenditure	1,776.21	1375.14	1766.00
	Savings	283.34	993.58	1,256.03
	Surrender	270.33	775.92	418.68
	Percentage of savings to total provision	13.76	41.95	41.56
Capital Expenditure (Voted & Charged)	Original(O)	8,267.79	7,405.83	6,379.98
	Supplementary(S)	221.69	0.00	0.00
	Total budget provision(O+S)	8,489.48	7,405.83	6,379.98
	Expenditure	5,719.04	4,752.74	3,618.69
	Savings	2,770.44	2,653.09	2,761.29

	Particulars	2018-19	2019-20	2020-21
	Total Budget provision(Revenue+ Capital)	10,549.03	9,774.56	9402.01
	Expenditure	7,495.25	6,127.88	5384.69
	Savings	3,053.78	3,646.68	4017.32
	Savings (%)	28.95	37.31	42.73
	Surrender	2,768.34	1,215.32	385.41
	Percentage of savings to total provision	32.63	35.82	43.28

Source: Appropriation Accounts 2018-19 to 2020-21, Government of Odisha.

3.6.2.2 Savings

During 2018-21, Savings as a percentage of total provision ranged between 28.95 per cent and 42.73 per cent. There were persistent savings under both Revenue and Capital Section during 2018-21, which is indicative of deficiencies in budgetary monitoring or lack of utilisation capacity or both.

3.6.2.3 Unnecessary Supplementary Grant

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

3.6.2.4 Programme implementation

Audit examined 18 Schemes on sampling basis, and noticed the following status of implementation.

Table 3.10: Schemes where no expenditure was incurred during the year 2020-21

(₹ in crore)

SI No.	Name of the Scheme	Funds Allotted. (₹ in crore)	Reason for non-utilization of funds furnished by the department.
1.	2702-02-800-0129 Rooftop Rain Water Harvesting and Ground Water Recharge in Urban Areas.	32.75	Due to non-approval of the scheme by the Government.
2.	2702-03-102-2606- Sustainable Harnessing of ground water in water deficit areas	16.9	Due to non-approval of the scheme.
3.	2702-03-789-2606-Sustainable Harnessing of ground water in water deficit areas	35	
4.	2702-03-796-2606-Sustainable Harnessing of ground water in water deficit areas	46	
5.	2702-03-102-3267-Pradhan Mantri Krushi Sichai Yojana (PMKSY)– Har Khet Ko Pani (HKP)	166.05	Due to non-release of funds by Government of India.
6.	2702-03-789-3267-PMKSY – Har Khet Ko Pani (HKP)	47	
7.	2702-03-796-3267-PMKSY–HKP	58	
8.	2705-00-001-0594-Grants-in-Aid to Command Area Development Authority for Construction of field channels	68.86	Due to non-receipt of Central Assistance funds.
9.	2705-00-789-0594-Grants-in-Aid to Command Area Development Authority for Construction of field channels	45.83	

SI No.	Name of the Scheme	Funds Allotted. (₹ in crore)	Reason for non-utilization of funds furnished by the department.
10.	2705-00-796-0594-Grants-in-Aid to Command Area Development Authority for Construction of field channels	70.31	
11.	4701-67-796-2410-Dam Rehabilitation and Improvement Projects (EAP) for Construction of additional spillway of Hirakud Dam and Associated R&R activities, Structural Intervention.	20	The construction of additional spillway of Hirakud Dam and Associated R&R activities, Structural Intervention has been dropped.
12.	4701-80-800-3439-Construction of In-stream Storage Structure	771.15	Delay in finalization of work
13.	4701-80-789-3439-Construction of In-stream Storage Structure	100	No reasons furnished.
14.	4701-80-796-3439-Construction of In-stream Storage Structure	200	No reasons furnished.
Grand Total		1,697.85	

Source: Records of Water Resources Department, Government of Odisha.

It could be seen from the table above that the Department released an amount of ₹1,697.85 crore under 14 Schemes, against which no expenditure occurred during the year 2020-21. The entire amount of ₹1,697.85 crore was surrendered due to the reasons as mentioned against each scheme. Reasons furnished by the Department are not tenable due to the fact that budget provisions were sought and made before approval of schemes or finalisation of scope of work. Not taking off of these Schemes despite budgetary provision being in place, was indicative of weak monitoring mechanism of the Department.

Schemes / Programmes where funds were partially utilised are described below:

➤ **4701-80-(789/796/800)-2951-Water Sector Infrastructure Development Programme (WSIDP)**

This scheme was started during 2014-15 with an objective to take up new Major & Medium Irrigation Projects and to expedite completion of last mile connectivity for ongoing irrigation projects.

During the year, an amount of ₹ 293.13 crore was allotted out of which ₹13.20 crore (4.50 per cent) was utilized. No irrigation potential was created as of January 2021 in Mahendratana Anicut Project and Ong Extension Project and Ghatakeswar. The Department stated that due to non-clearance of site, change of scope of work and delay in tendering process the financial and physical targets for the Mahendratana Anicut Project could not be achieved. No reasons were furnished for non-achievement of physical and financial targets in respect of Ong Extension Project.

➤ **4700-14-789-2160- Accelerated Irrigation Benefit Programme (AIBP)**

Under this head of account, an amount of ₹24.10 crore was budgeted, out of which ₹4.84 crore (20 per cent) was expended during the year 2020-21 on resettlement and rehabilitation assistance to displaced people, Canals and branches, Dam and

Appurtenant works of Kanpur Irrigation Project. No reasons have been furnished for surrender of balance amount.

As a result, objectives of the scheme to accelerate implementation of large irrigation projects which are beyond the resource capability of the State Governments, expeditious completion of projects which were in advanced stage of completion remained unfulfilled.

➤ **4700-14-796/800-2160-Accelerated Irrigation Benefit Programme (AIBP)**

Under this head of account, an amount of ₹165.94 crore was budgeted, out of which less than 50 *per cent* was expended during the year 2020-21. The components of work of the Kanpur Irrigation Project which were not fully implemented were canals and branches, dam and appurtenant work, distributaries, spillway *etc.* No specific reasons for not meeting the financial and physical targets had been furnished.

➤ **4701-67-800-2410-Dam Rehabilitation and Improvement Projects**

The Project is being implemented at National level through World Bank assistance for rehabilitation of distressed Dams and to improve the safety and operational performance of Dams. Under the head of the scheme, an amount of ₹55.06 crore was allotted, out of which ₹26.80 crore (49 *per cent*) has been expended during the year 2020-21. The components of work which were not fully implemented were dam and appurtenant work. No specific reasons for not meeting the financial and physical targets had been furnished.

➤ **4711-03-(103,789,796)-2955- Drainage Improvement Programme (DIP)**

The Scheme is being executed through State funded Drainage Improvement Programme for addressing drainage congestion and water logging problems in the State. Under the head, an amount of ₹239.13 crore was provisioned, out of which ₹191.37 crore (80 *per cent*) was expended during the year 2020-21. The Department attributed the COVID-19 outbreak as the main reason for not meeting the targets.

3.7 Release of funds at the end of the financial year

Timely release of funds to the implementing agencies has a direct bearing on successful implementation of the schemes and avoidance of rush of expenditure. As per Finance Department instructions (04 February 2021), the process of issuance of sanction order for release of funds as well as surrender of provision should be completed by 26 February 2021, 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 2020-21 revealed that the Government released ₹ 254.95 crore for implementation of different schemes in six Departments in the last week of March 2021 (**Appendix 3.10**). Of this, ₹132.91 crore was released on 31 March 2021 (**Table 3.11**). As such, there was no possibility of utilisation of these funds during the financial year 2020-21.

Table 3.11: Department-wise amount released on 31/03/2021

(₹ in crore)

Sl. No	Name of Department	Purpose	Sanction order No.	Date	Amount released	Total
1	Water Resources	For repair and restoration	Lr. No. 11074	31 March 2021	33.88	36.45
		Final allotment of NDRF	Lr. No. 11098	31 March 2021	1.27	
		Final allotment of NDRF	Lr. No. 11086	31 March 2021	1.30	
2	Agriculture and Farmer's Empowerment	For promotion of Millets in Tribal Areas	202019782652	31 March 2021	15.11	17.69
		For soil health management	202019777377	31 March 2021	2.58	
3	Home	For accommodation	202019777390	31 March 2021	0.11	0.52
		For tower mast	202019773645	31 March 2021	0.04	
		For tower mast	202019775481	31 March 2021	0.03	
		For tower mast	202019776953	31 March 2021	0.34	
4	Health and Family Welfare	Towards the scheme NRHM	202019777525	31 March 2021	5.55	78.25
		Towards the scheme NRHM	202019777547	31 March 2021	29.07	
		Towards the scheme NRHM	202019777504	31 March 2021	4.87	
		Towards the scheme NRHM	202019772756	31 March 2021	1.45	
		For emergency response	202019773448	31 March 2021	37.31	
		Total			132.91	132.91

Source: Sanction orders received from respective Departments

As is evident from the above table, Health and Family Welfare Department accounted for 58.87 per cent (₹ 78.25 crore) of the total amount released on the last day of the financial year. Release of funds on the last day indicated that the funds were released primarily to exhaust the budget provision.

3.8 Advances from Contingency Fund

Contingency Fund of the State was established under the Odisha Contingency Fund Act, 1967. 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. The corpus of the Odisha Contingency Fund is ₹400.00 crore. At the end of 2020-21, ₹171.00 crore remained un-recouped under various heads. The details are as given in Table 3.12 below:

Table 3.12: Headwise Details of un-recouped Advance from Contingency Fund during the year 2020-21

(₹in crore)

Sl. No.	Major Heads	Amount
1	2202-General Education	4.74
2	4210-Capital Outlay on Medical and Public Health	166.26
	Total	171.00

Source: Finance Accounts 2020-21, Government of Odisha.

As on 31st March 2021, Contingency Fund had a balance of ₹229 crore. Due to non-recoupment of the advance amount by the end of 2020-21, there was overstatement of Revenue Surplus and understatement of Fiscal Deficit for the year 2020-21.

The Government stated (December 2021) that provision has been made to recoup this amount during the Supplementary Budget of 2021-22.

3.9 Recommendations

1. Government should be more realistic in its budgetary assumptions and ensure efficient control mechanisms to curtail savings/ excess expenditure.
2. Government should enforce its commitment to achieve its promised/intended objectives for overall development of the State through improved execution, monitoring and financial management of schemes/projects.
3. State Government needs to formulate a realistic budget based on reliable assumptions of the needs of the Departments and their capacity to utilise the allocated resources.

Chapter-IV
Quality of Accounts
&
Financial Reporting Practices

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance 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, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assists the Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making.

4.1 Funds outside Consolidated Fund or Public Account of the State

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

Audit noticed that funds meant to be credited to the Consolidated Fund or the Public Account were instead credited to Bank Accounts, as discussed below.

Labour Cess collected by various agencies were sent through cheques/ drafts to the Odisha Building and Other Construction Workers Welfare Board (OB&OCWWB) or deposited in the Savings Bank Account of the Board opened for this purpose, through District Labour Offices. The Cess amounting to ₹ 406.49 crore collected during 2020-21 was kept outside the Government Account in the shape of Fixed Deposits and Flexi savings account at SBI, Govt. Treasury Branch, in violation of constitutional provisions and Sub Section (2) of the Section 3 of the Building and Other Construction Workers (BOCW) Act, 1996.

Further, Labour Cess amounting to ₹ 4.49 crore collected through treasuries was not transferred to the Workers’ Welfare Board by the Government during the year 2020-21. This resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit by the same amount.

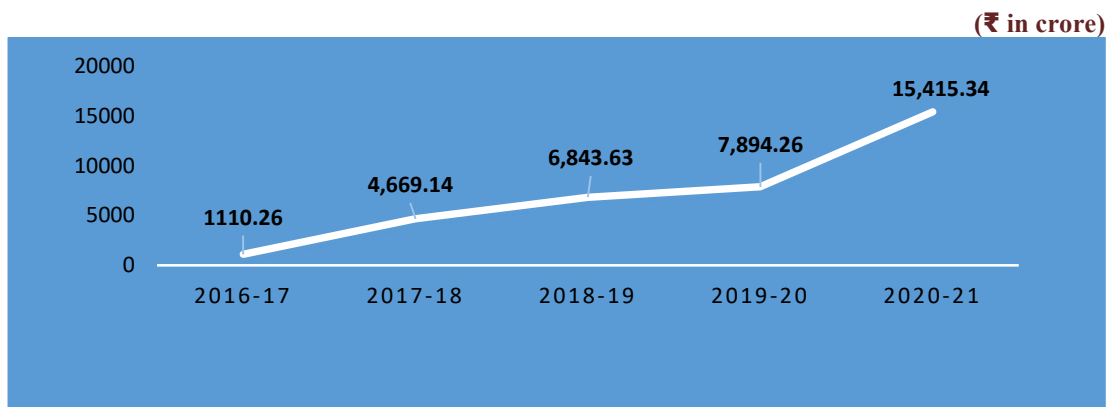
4.2 Funds transferred directly to State Implementing Agencies

The Union Government transfers substantial funds directly to State Implementing Agencies/ Non-Governmental Organisations for implementation of various schemes and programmes. Since these funds are not routed through the State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts 2020-21.

4.2.1 Trends in direct transfers to implementing agencies

With effect from 01 April 2014, GoI decided to release all assistance relating to the Centrally Sponsored Schemes/Additional Central Assistance to the State Government and not directly to implementing agencies. Despite this, during 2020-21, the GoI, released ₹15,415.34 crore directly to the implementing agencies instead of the State Government. Trends of such transfers directly to implementing agencies and under major schemes during the last five years are given in **Chart 4.1**.

Chart4.1: Transfer of funds directly to implementing agencies during 2016-21



Source: Finance Accounts 2020-21 – Appendix VI, Government of Odisha.

As can be seen from the Chart above, the transfer of funds increased by more than 13 times during the last five years from ₹1,110.26 crore in 2016-17 to ₹15,415.34 crore in 2020-21. The major agencies that have received funds directly from the GoI during 2018-21 for implementing various developmental schemes and the quantum of such funds are given in **Table 4.1**.

Table 4.1: Major implementing agencies that received funds directly from GoI during 2018-21
(₹ in crore)

Name of the Schemes of Government of India	Name of the Implementing Agencies	Amount transferred		
		2018-19	2019-20	2020-21
Food Subsidy	Odisha State Civil Supplies Corporation Limited, Bhubaneswar	4,651.01	4,148.50	8,985.73
National Rural Employment Guarantee Scheme (MGNREGA)	Odisha Rural Development and Marketing Society Bhubaneswar	1,624.85	1,660.17	4,413.41
Pradhan Mantri Kisan Samman Nidhi	Director of Agriculture & Farmer's Empowerment, Odisha	170.33	1,634.11	1,483.85
Member of Parliaments Local Area Development Scheme	District Collectors	135.00	137.50	55.00

Source: Finance Accounts, 2020-21 – Appendix VI, Government of Odisha.

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

4.3 Delay in submission of Utilisation Certificates (UCs)

Odisha General Financial Rules (OGFR) provide that every order sanctioning a grant would specify its objective clearly and time limit within which the grant is to be

spent. Rule 173 of OGFR states that the Departmental Officers drawing Grants-in-Aid would be primarily responsible for certifying to the Accountant General, where necessary, the fulfilment of the conditions attached to the grant, unless there is any special rule or order to the contrary. The Utilisation Certificate (UC) should be furnished to the Administrative Department by 1st June of the succeeding year of expenditure. A copy of the UC should reach the Accountant General, Accounts and Entitlement (AG(A&E)) and the Head of the Department concerned, by 30th June of that year.

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

During the year 2020-21, Government released ₹27,269.36 crore as Grants-in-Aid (42,888 vouchers). Out of this amount, UCs were not received in respect of ₹20,607.85 crore (75.57 per cent) (5,095 vouchers) by 30.06.2021. There is, therefore, no assurance that the expenditure of ₹ 20,607.85 crore had actually been incurred for the purposes for which it was authorised. Further, UCs for an amount aggregating ₹43,412.67 crore remained outstanding against 36 Departments of the State as of March 2021 in the books of the AG (A&E), Odisha from 2003-04 onwards (**Appendix 4.1**). Age wise break-up of pending UCs is summarised in **Table 4.2**:

Table 4.2: Age wise arrears in submission of UCs

(₹ in crore)

Year	Opening Balance		Addition		Total		Clearance		Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No. & percentage of outstanding UCs against Total UCs	Amount
Upto 2018-19 ²⁴	28,529	38,427.91	34,317	25,957.25	62,846	64,385.16	33,708	19,044.27	29,138 (46.36)	45,340.89
2019-20	29,138	45,340.89	38,987	28,465.46	68,125	73,806.35	40,276	37,612.46	27,849 (40.88)	36,193.89
2020-21	27,849	36,193.89	42,888	27,269.36	70,737	63,463.25	43,708	20,050.58	27,029 (38.21)	43,412.68

Source: Finance Accounts 2020-21, Government of Odisha

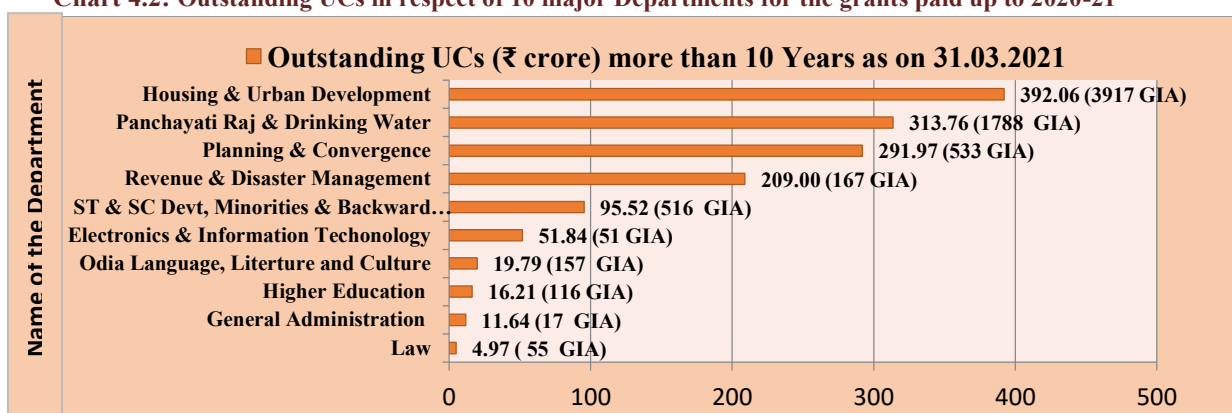
²⁴2003-04: ₹274.57 crore (1388 nos.), 2004-05: ₹229.30 crore (909 nos.), 2005-06: ₹117.01 crore (756 nos.), 2006-07: ₹126.92 crore (865 nos.), 2007-08: ₹297.09 crore (1592 nos.), 2008-09: ₹343.70 crore (1884 nos.), 2009-10: ₹398.77 crore (1264 nos.), 2010-11: ₹419.65 crore (2614 nos.), 2011-12: ₹449.29 crore (2257 nos.), 2012-13: ₹507.10 crore (1654 nos.), 2013-14: ₹1653.35 crore (2294 nos.), 2014-15: ₹3171.24 crore (2314 nos.), 2015-16: ₹5498.32 crore (2459 nos.), 2016-17: ₹8550.44 crore (3361 nos.) and 2017-18: ₹16391.16 crore (2918 nos.).

In comparison to 2019-20, the total amount for which the UCs were pending increased by ₹7,218.78 crore²⁵ (19.97 per cent) in 2020-21.

Five major defaulting Departments that had not submitted UCs were Panchayati Raj and Drinking Water (₹17,546.69 crore), Housing and Urban Development (₹8,561.90 crore), Planning and Convergence (₹3,333.99 crore), School and Mass Education (₹3,073.60 crore) and Health and Family Welfare (₹2,686.90 crore).

Department-wise position of UCs outstanding for more than 10 years is given in **Appendix 4.2**. Overall there are 17 Departments against which UCs are outstanding for more than 10 years. Of these, the 10 major Departments accounting for 99.46 per cent of the total amount (₹ 1,406.76 crore) of UCs pending for more than ten years as of March 2021 were as detailed in **Chart 4.2**:

Chart 4.2: Outstanding UCs in respect of 10 major Departments for the grants paid up to 2020-21



Source: Finance Accounts 2020-21, Government of Odisha

Further, it was observed that a major part of the GIA i.e., ₹11,260.34 crore was released in the last quarter of 2020-21, out of which ₹6,405.03 crore was released in the month of March 2021, as detailed in the **Table 4.3** below:

Table 4.3: Release of GIA during last quarter of the financial year 2020-21

Name of Month	Amount of GIA released (₹ in crore)	%age to total GIA released
January 2021	1,833.42	6.72
February 2021	3,021.88	11.08
March 2021	6,405.04	23.49
Total	11,260.34	41.29

Source: Finance Accounts 2020-21, Government of Odisha

Thus for the GIAs issued during the month of March, there are hardly two months with the concerned departments to utilise the grants and submit UCs. It is, therefore, unreasonable to expect UCs up to June 2021 for the grants released in March or in the last quarter of the financial year (in terms of Rule 173 of OGFR).

²⁵43,412.67 – 36,193.89

The State Government stated (December 2021) that Submission of Utilization Certificate is a continuous process. Money from Centre and State go to the implementing agencies. The implementing agencies take some time in spending the money whilst observing the required formalities and then submitting the UC, which enables them to get the next tranche of release of fund. Hence, at any point of time, there would be some pendency in submission of Utilization Certificate.

However, review of Department-wise pendency of Utilization Certificate is being made centrally at the level of Finance Secretary regularly with an objective to improve the UC position. GIA sanction orders are now being generated in IFMS containing the grantee-wise details. The UC submission module of IFMS has also been developed using which the Drawing officers can submit the UCs collected from various grantees. Response of the Government was not tenable, due to the fact that 27,029 UCs at an amount of ₹43,412.67 crore have been pending since 2003.

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

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

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

However, Audit noticed that the UC module was not made operational (December 2021) in the Integrated Financial Management System (IFMS). The UC module was being tested on pilot basis in the Higher Education and Co-operation Departments. After completion of the pilot test, steps would be taken to roll out the module across all the Departments.

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

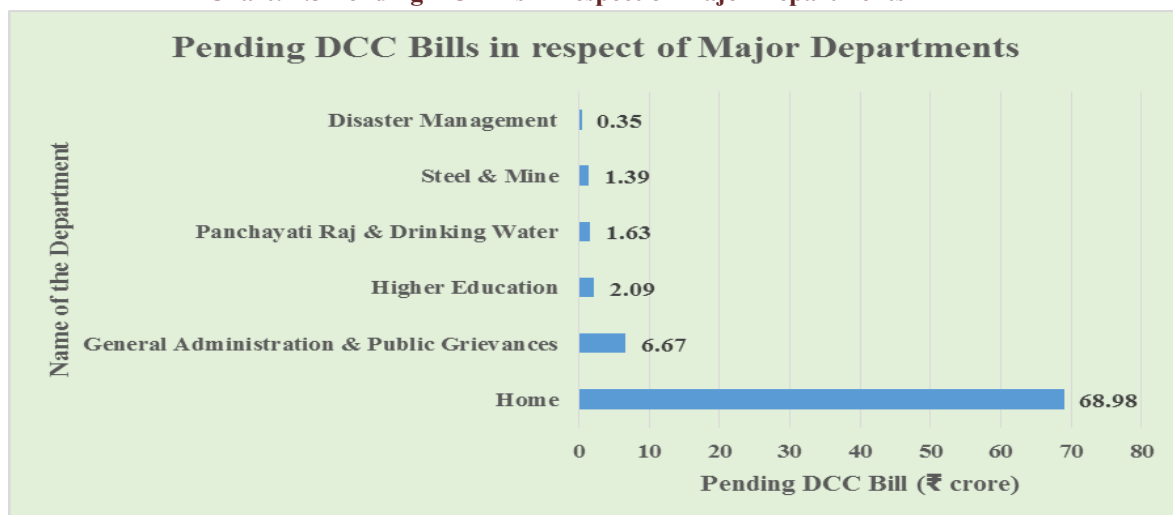
4.4 Abstract Contingent bills

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

As of 31 March 2021, 14 Departments of Government of Odisha had not submitted DC bills for ₹ 81.77 crore drawn against 1,092 AC Bills (**Appendix 4.3**).

The status of major six Departments which accounted for 99.12 per cent of the total outstanding DC bills is given in **Chart 4.3**.

Chart: 4.3 Pending DC Bills in respect of Major Departments



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

Year-wise details of pendency of DC bills up to 2020-21 are given in **Table 4.4**.

Table 4.4: Year wise progress in submission of DC bills against the AC bills upto 2020-21

Year	Opening Balance of AC Bills		Addition		Total		Clearance		Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No. & percentage against total no. of UCs	Amount
Upto 2018-19	1,061	37.21	939	210.19	2,000	247.4	729	34.00	1,271	213.4
2019-20	1,271	213.4	735	23.95	2,006	237.35	567	67.67	1,439	169.68
2020-21	1439	169.68	385	14.00	1824	183.68	732	101.91	1,092	81.77

Source: Finance Accounts 2020-21, Government of Odisha

It was observed that during the year 2020-21, 14 Departments had drawn 385 AC bills for an amount of ₹ 14.00 crore as advances. Of this, 160 AC bills amounting to ₹ 4.61 crore (32.97 per cent) were drawn in March 2021. However, only an amount of ₹ 3.35 crore (23.93 per cent) pertaining to six Departments was adjusted against the above advances drawn. Thus, DC bills amounting to ₹ 10.65 crore pertaining to eight Departments were not submitted, as of 31 March 2021 (**Appendix 4.4**). There is, therefore, no assurance that the amount of ₹ 10.65 crore had actually been utilised for the purpose for which it was sanctioned. Advances drawn but not adjusted indicated the possibility of diversion of end use of funds/ misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills.

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

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

- 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 December 2020, defeating the purpose of the module. The scheduled timeline for implementation of 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 pending AC Bills’ status by authorities at all levels in the Administrative Departments, Treasuries and the Finance Department.

The State Government stated (December 2021) that the matter is being reviewed by Finance Secretary regularly. The Financial Advisors and Controlling Officers are also sensitized about timely submission of DC Bills. IFMS presently records the DC bill number at the time of submission of fresh AC bill.

Response of the Government was not tenable, due to the fact that 1,092 DC bills for an amount of ₹81.77 crore were pending since 2003.

4.5 Personal Deposit (PD) Accounts

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

4.5.1 Personal Deposit Account framework

During 2020-21, an amount of ₹12,304.93 crore was transferred to the PD Accounts. This included ₹ 2,040.21 crore transferred in March 2021 from the Consolidated Fund of the State. This is 16.58 *per cent* of the total credit to PD account during the year, of which, ₹122.22 crore was transferred on the last working day of March 2021.

There were 811 PD Account holders with an unspent balance of ₹ 7,047.28 crore as of 31 March 2021 as detailed in **Table 4.5**. There was decrease of 66.28 *per cent* in unspent balances of PD accounts over previous year mainly due to opening of separate investment account of OMBADC under head of account 8443-106-3521-

91357- Government Debt and 8443-106-3521-91358- Treasury Bill and investing ₹16,758 crore and leaving ₹414.85 crore in PD Accounts of OMBADC.

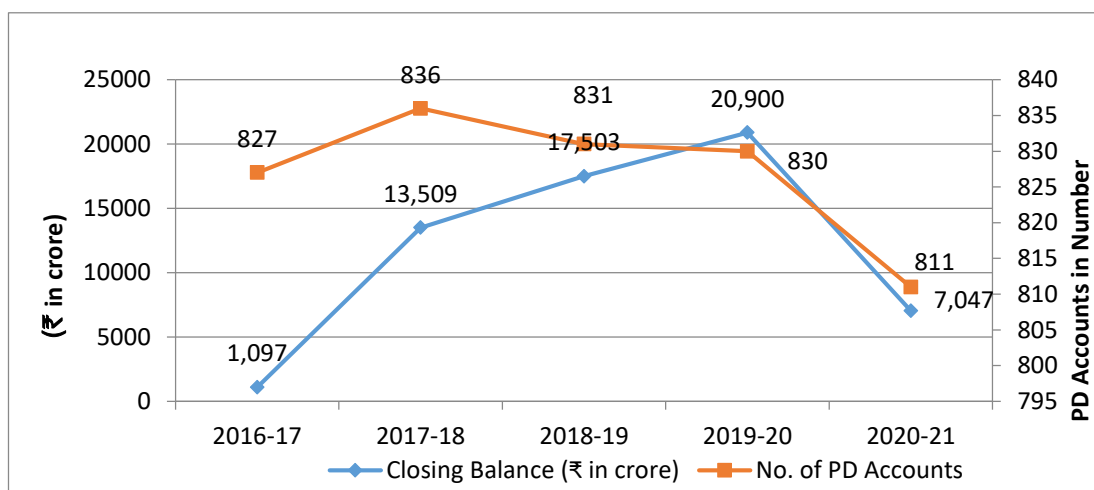
Table 4.5: Personal Deposit Account

Opening Balance as on 01/04/2020		Addition during the year 2020-21		Number of PD accounts closed	Expenditure during the year including closed PD Accounts	Outstanding Balance as on 31/ 03/2021	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
830	20,899.85	Nil	12,304.93	19	26,157.50	811	7,047.28

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

It can be seen from **Table 4.5** that during the year 2020-21, no new PD Account was opened but a sum of ₹12,304.93 crore was transferred to the already existing PD Accounts. There was a net reduction of ₹13,853 crore (66.28 per cent) in the cumulative closing balance at the end of the year 2020-21 as detailed in **Chart 4.5**:

Chart 4.4: Closing Balance in PD Accounts during 2016-21



Source: Finance Accounts of respective years

The closing balance of ₹ 7,047.28 crore pertained to (i) ₹ 89.22 crore in 290 PD Accounts of Educational Institutions, (ii) ₹ 3,166.19 crore in 112 PD Accounts of Municipal Funds, (iii) ₹1,026.94 crore in 314 PD Accounts of Panchayat Bodies Fund, (iv) ₹ 12.27 crore in four PD Accounts of Medical and Charitable Funds and (v) ₹ 2,752.65 crore in 91 PD Accounts of Other Agencies or Institutions like District Rural Development Agencies, Integrated Tribal Development Agencies, etc. Non-transfer of unspent balances lying in PD Accounts to Consolidated Fund of the State entails the risk of misuse of public fund, fraud and misappropriation.

The State Government stated (December 2021) that they are continuously working with the O/o the Accountant General (A&E) to ensure due compliance in respect of PD accounts. The State has added a number of new features to the PD accounts for improved operability and reporting. Reconciliation of PD accounts is being taken up

on regular basis to avoid any irregularity in their management. IFMS has been customized to provide a window to the office of Accountant General (A&E), Odisha to withdraw the cheque drawing facility of the PD Administrators who fail to do a timely reconciliation.

4.5.2 In-operative PD Accounts and Non-reconciliation of PD Account balances

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

During 2020-21, 19 PD Accounts with an unspent balance of ₹6.10 crore (**Appendix-4.5**) were closed. However, four in-operative PD Accounts, where no transaction had taken place for over three financial years after the year of last transaction, are yet to be closed. These four Accounts had a total unspent balance of ₹0.38 crore which are detailed in table below.

Table 4.6: In operative PD Accounts as on 31 March 2021

(₹in lakh)

Sl. No	Name of the Administrator of PD Accounts	Balance
1	Headmaster, AN High School, Narasinghpur, Cuttack, Pin-751001	1.52
2	Treasurer, Charitable Endowment, Bhubaneswar, Pin-751001	35.65
3	Administrator, Central Provident Fund, H&UD Department, Bhubaneswar, Pin-751001	0.00
4	Headmistress, Government Girls High School, Kuchinda, Sambalpur, Pin-768222	1.07
	Total	38.24

The balances in the PD accounts are required to be reconciled annually by the administrator with that of Treasury accounts. Out of a total of 811 PD accounts, 737 PD accounts (90.88 per cent) had been reconciled as of 31 March 2021.

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

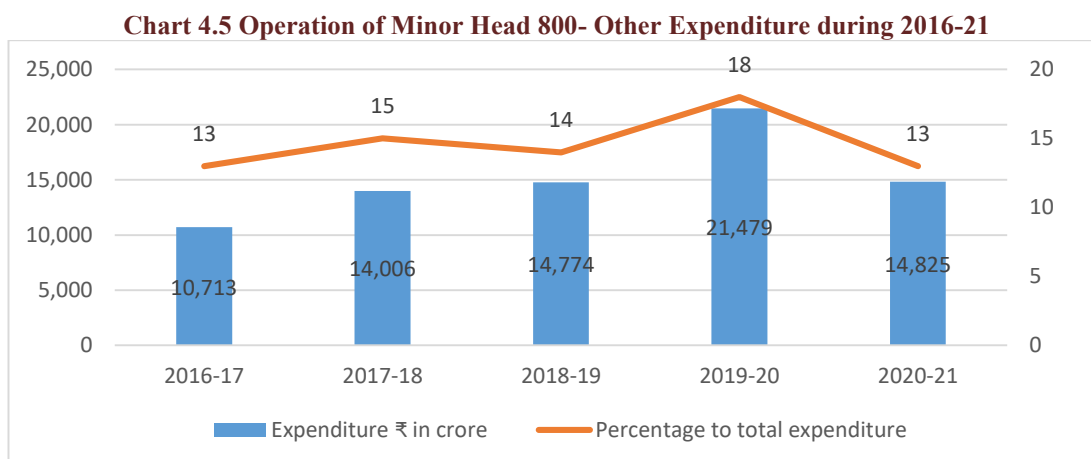
Finance Department is required to close inoperative PD accounts and ensure that amounts lying in these accounts are transferred back to the Consolidated Fund of the State.

4.6 Indiscriminate use of Minor head 800

Minor head 800 relating to Other Receipts and Other Expenditure is intended to be operated only when the appropriate minor head has not been provided under a Major

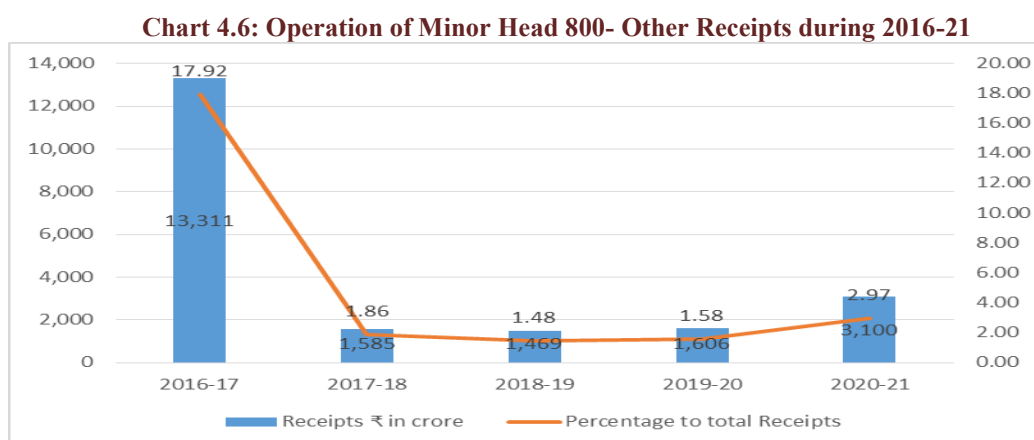
Head in the accounts. Routine operation of minor head 800 is to be discouraged, since it renders the accounts opaque.

During 2020-21, the State Government booked an expenditure of ₹14,825.22 crore under the Minor Head 800 under 115 revenue and capital Major Heads of Accounts, constituting 13.09 *per cent* of the total revenue and capital expenditure totalling ₹1,13,259.83 crore. The extent of operation of Minor Head-800 for Other Expenditure, as a percentage of Total Expenditure during 2016-21 is given in **Chart 4.5**.



Source: Finance Accounts 2020-21, Government of Odisha.

As seen from **Chart 4.5** above, there has been large scale operation of Minor Head-800 for Other Expenditure, with its share in total expenditure ranging from 13 *per cent* to 18 *per cent* during the period 2016-21. Instances of substantial proportion (50 *per cent* or more) of the expenditure within a given Major Head, classified under the Minor Head 800 – ‘Other Expenditure’, are given in **Appendix 4.6**. The main defaulting Departments were Parliamentary Affairs, Water Resources, Transport, Agriculture and Farmer’s Welfare and Housing and Urban Development. The details of operation of Minor Head 800 for other Receipts during the last five years are shown in **Chart 4.6** below:



Source: Finance Accounts 2020-21, Government of Odisha

As seen from the above Chart, the operation of Minor Head 800-Other Receipts has been lower as compared the use of this Head in expenditure side and ranged between

17.92 per cent of total receipts in 2016-17 to 2.97 per cent of total receipts during 2020-21. During 2020-21, the State Government classified receipts of ₹3,100.34 crore, pertaining to 64 Major Heads, under the Minor Head '800 - Other Receipts'. Cases where 100 per cent of receipts were classified under Minor Head 800 – 'Other Receipts', are given in **Appendix 4.7**. The main defaulting Departments are Revenue and Disaster Management, Housing and Urban Development, Panchayati Raj and Industry.

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

The State Government stated (December 2021) that Expenditure and receipts are booked under the minor head '800-Other Expenditure' and '800-Other Receipts', only if the nature of expenditure or receipt do not fit to the minor heads enlisted under a Major Head in the list of Major and Minor heads prescribed by the Controller General of Accounts (CGA). However, the purpose of expenditure in most of such cases is specified below minor heads. While formulating Annual Budget, 2021-22, Budget provision under '800-Other Expenditure' have been duly verified and modified thereby reducing the amount to a great extent.

4.7 Outstanding balance under major Suspense heads

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

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

Table 4.7: Balances under Suspense and Remittance Heads

(₹ in crore)

Minor Head	2018-19		2019-20		2020-21	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 - Suspense						
101 - PAO suspense	172.40	55.65	210.63	42.91	188.42	25.15
Net	Dr. 116.75		Dr.167.72		Dr. 163.27	
102- Suspense Account- Civil	16.50	45.94	13.07	44.12	29.07	2.59
Net	Cr. 29.44		Cr.31.05		Cr. 26.48	
110- Reserve Bank Suspense- CAO	9.30	..	1.88	..	3.11	..
Net	Dr. 9.30		Dr.1.88		Dr. 3.11	
Major Head 8782- Cash Remittances and adjustment						
102-P.W. Remittances	17.65	2.35	14.80	2.33	13.46	1.62
Net	Dr. 15.30		Dr. 12.47		Dr. 11.84	
103- Forest Remittances	59.27	0.17	83.32	-	62.72	..
Net	Dr. 59.10		Dr. 83.32		Dr. 62.72	

Source: Finance Accounts of respective years, Government of Odisha

Increasing accumulation of balances during 2018-21 under the suspense heads indicated inadequate accounting controls of the Government. The 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 2021) under this Minor Head was ₹188.42 and the credit balance was ₹25.15 crore. Major outstanding debit balances were in respect of PAO, Central Pensions, New Delhi (₹170.92 crore) and PAO, Ministry of Surface Transport, Kolkata (₹17.50 crore). Major outstanding credit balances were in respect of Ministry of Shipping and Transport, New Delhi (₹1.03 crore), and others (₹26.83 crore). The outstanding balances under PAO Suspense head need to be adjusted.

4.8 Non-reconciliation of Departmental figures

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

The status of reconciliation of receipts and expenditure by the COs during the last three years (2018-21) is shown in **Chart 4.7** and **Chart 4.8** respectively.

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

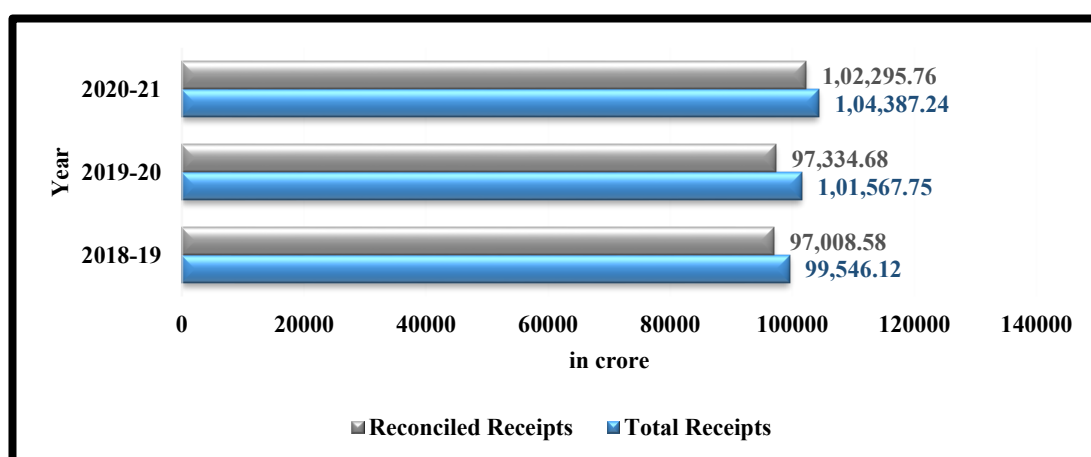
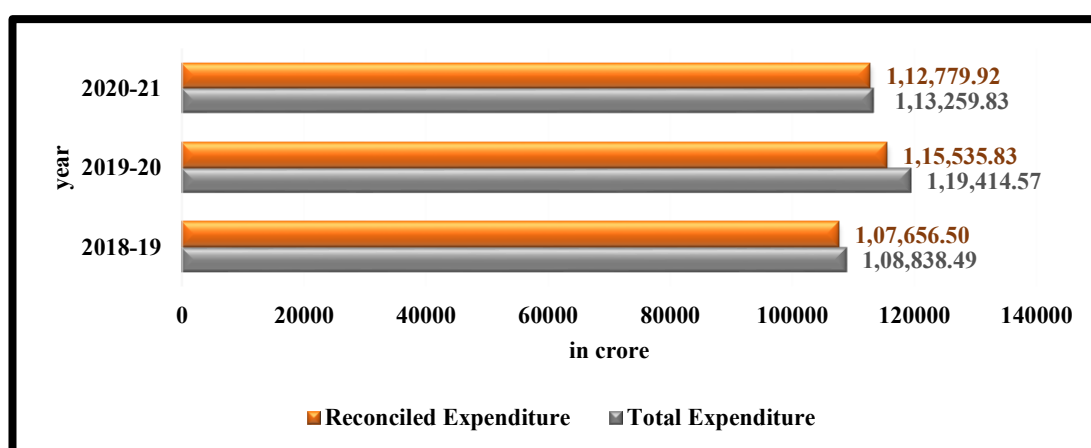


Chart 4.8: Status of reconciliation of expenditure during the last three years



The trend of reconciliation of last three years is shown in the table below:

Table 4.8: Status of Reconciliation of Receipts and Expenditure figures

(₹ in crore)							
Year	Total No. of Control ling Officers	Fully Reconciled	Partially Reconciled	Not Recon ciled at all	Total Receipts/ Expenditure	Reconciled Receipts/ Expenditure	Percentage of Reconciliation
Receipt							
2018-19	74	42	-	32	99,546.12	97,008.58	97.45
2019-20	74	52	-	22	1,01,567.75	97,334.68	95.83
2020-21	75	60	-	15	1,04,387.24	1,02,295.76	98.00
Expenditure							
2018-19	170	166	-	7	1,08,838.49	1,07,656.5	98.91
2019-20	173	168	-	5	1,19,414.57	1,15,535.83	96.75
2020-21	172	170	-	2	1,13,259.83	1,12,779.92	99.58

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

Percentage of reconciliation of the receipts and disbursements ranged between 96 per cent to 99 per cent during the last three years.

4.9 Reconciliation of Cash Balances

As on 31 March 2021, there was a difference of ₹8.13 crore (Net debit), between the Cash Balance of the State Government, as per the books of Accounts of the AG (A&E), and the Cash Balance as reported by the Reserve Bank of India. There was a net difference of ₹8.13 crore (Debit), mainly due to incorrect reporting by Agency Banks to the Reserve Bank of India. Out of this un-reconciled cash balance, 7.84 crore (96 per cent) has been settled by the end of June 2021.

4.9.1 Discrepancy of ₹150.31 crore 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. In 21 sampled DDOs, it was observed that there was a difference of ₹150.31 crore (**Appendix 4.8**) between the balances in cash book and bank pass book as of March 2021. In absence of reconciliation of cash balances, the authenticity of accounts maintained by these DDOs could not be vouched for in audit.

The State Government stated (December 2021) that in order to address the issue, a Scheme Bank Accounts Management System (SBMS) module has now been developed in IFMS and is now operational. This would be effective in tracking the Government funds parked in different bank account on real time basis and helpful in reconciliation and analysis of closing cash by DDOs/Implementing Agencies.

4.10 Non-Compliance with Accounting Standards

Government Accounting Standards Advisory Board (GASAB) set up by the Comptroller and Auditor General of India in 2002, has been formulating standards for government accounting and financial reporting to enhance accountability mechanisms. Till date, three Indian Government Accounting Standards (IGAS) have been notified. The extent of non-compliance with the Standard by the Government of Odisha in its financial statements for the year 2020-21 are given below:

Table 4.9: Non-Compliance with Indian Government Accounting Standards

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

Source: Finance Accounts & Appropriation Accounts 2020-21, Government of Odisha.

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

Certification of accounts of Autonomous Bodies (ABs) set up by the State

Government is conducted under Sections 19 or 20 of “Comptroller and Auditor General of India (Duties, Powers and Conditions of Service Act) 1971” (CAG’s DPC Act).

The ABs coming under the audit purview as per Section 19 or 20 of CAG’s DPC Act are required to submit the annual accounts to Audit before 30 June every year. In respect of 16 Autonomous Bodies, which were to render annual accounts to C&AG, there were delays in submission of accounts ranging from one to more than nine years as shown in **Appendix 4.9**.

Of these 16 bodies/ authorities, seven bodies / authorities viz. Odisha Electricity Regulatory Commission, Odisha State Legal Services Authority, Odisha State Road Transport Corporation, Odisha Industrial Infrastructure Development Corporation, Orissa Small Industries Corporation Limited, Lokayukta, Odisha, and Odisha Building and Other Construction Workers Welfare Board have submitted their accounts for financial audit for periods ranging from 2013-14 and 2019-20.

Annual accounts for remaining nine bodies/ authorities due up to 2020-21, had not been received as of September 2021. The accounts of these bodies/ authorities were in arrears for more than nine years.

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

4.12 Departmental Commercial Undertakings

Government Departments which perform activities of quasi commercial nature are required to prepare proforma accounts in the prescribed format annually showing the working results of financial operations so that the Government can assess their performance. As per Statement 5 of Finance Accounts of 2020-21, out of 15 departmental undertakings/ Schemes, no Department had prepared proforma accounts.

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

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

In order to identify institutions/ organisations which attract audit under Sections 14 and 15 of the Comptroller and Auditor General’s (Duties, Powers and Conditions of Service) Act 1971 (C&AG’s DPC Act), the Government/ HODs are required to furnish to Audit every year:

- detailed information about the financial assistance given to various institutions,
- the purpose for which the assistance is granted and
- total expenditure of the institutions.

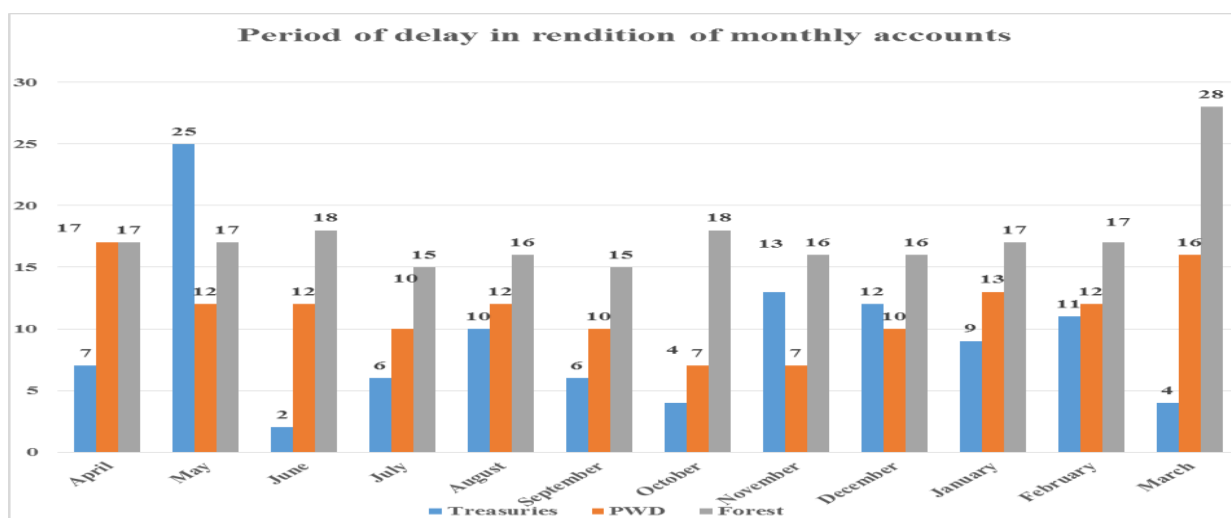
Further, Governments and HODs, who sanction grants and/ or loans to bodies or authorities are required to furnish to Audit by the end of July every year, a statement of such bodies and authorities to which grants and/ or loans aggregating ₹10 lakh or more were paid during the preceding year indicating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

Only 19 out of 43 Departments had furnished the details of Grants-in-Aid given to various bodies and authorities in the year 2020-21. In the absence of the information from remaining 24 Departments²⁶, 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 the legislative control over the Government expenditure system.

4.14 Timeliness and Quality of Accounts

The accounts of the State Government are compiled by the Accountant General (A&E) from the initial accounts rendered by district treasuries, sub-treasuries, cyber treasury, public works divisions, apart from the RBI advices. During the financial year 2020-21, there were delays in rendition of monthly accounts ranging from 02 to 25 days by treasuries, 07 to 17 days by Public Works Divisions and 15 to 28 days by Forest Divisions. Details of delay (in days) in submission of monthly Civil Accounts are given in **Chart 4.9**.

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



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

²⁶ General Administration and Public Grievance, Law, Finance, Works, Food Supplies and Consumer Welfare, School and Mass Education, Health and Family Welfare, Housing and Urban Development, Labour & Employees State Insurance, Sports & Youth services, Planning and Convergence, Panchayati Raj and Drinking Water, Public Grievance and Pension Administration, Water Resources, Forest and Environment, Agriculture and Farmers' Empowerment, Rural Development, Parliamentary Affairs, Public Enterprises, Skill Development and Technical Education, Micro, Small and Medium Enterprises, Social Securities and Empowerment of persons with disabilities Department, Disaster Management and Odia Language, Literature and Culture.

Due to the failure of the account rendering units in furnishing timely accounts, 11 accounts²⁷ are excluded from the monthly Civil Accounts by the Accountant General (A&E) during 2020-21.

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

4.15 Misappropriations, losses, thefts, etc.

As per provisions of OGFR Vol. I (Rule-19), Government Officers are empowered to report such cases of loss of money, departmental revenue, stores or other properties to immediate superior officers as well as to the Accountant General, Odisha where the amount is ₹500 or more. Various Departments of the State Government reported that there were 719 cases of loss, misappropriation and defalcation, etc., as detailed in **Appendix 4.10**.

The Government stated (December 2021) the concerned Departments would be requested to initiate appropriate actions and dispose-off pending cases in timely manner.

4.16 Opening of New Sub Heads/Detailed Heads of Accounts without advice

During 2020-21, the Government of Odisha opened 74 new Sub Heads (61 under the Revenue Section and 13 under Capital section) in the budget, without seeking the advice of the Accountant General as required under the provisions of Article 150 of the Constitution of India. The State Government provided budget provisions under these heads and incurred expenditure of ₹8,657.66 crore under the Revenue Section and ₹685.26 crore under the Capital Section in these heads during 2020-21.

4.17 Follow up action on State Finances Audit Report

Separate Report on State Finances is being prepared since the year 2008-09 onwards and presented to the State Legislature. During 2020-21, four²⁸ meetings were held to discuss pending position of paras relating to State Finances Audit Report (SFARs). As of March 2021, total 304 paragraphs related to SFARs, were pending pertaining to the period 2008-09 to 2019-20.

4.18 Recommendations:

1. The Government should bring all the funds lying outside the Consolidated Fund/ Public Accounts in breach of constitutional provisions, within the fold of Consolidated Fund/ Public Accounts. **(Paragraph 4.1)**
2. The State Government may consider to give reasonable time for utilisation of funds and submission of UCs by amending the time limit fixed in the OGFR. **(Paragraph 4.3)**

²⁷ 01 Treasury Accounts, 02 P.W Accounts, 08 Forest Accounts

²⁸(First meeting was no date and Second Meeting-November 2020, Third Meeting-January 2021 and Fourth Meeting-February 2021)

3. The Government should consider carrying out adjustment of Abstract Contingent bills within stipulated period, as required under the Rules. **(Paragraph 4.5)**
4. The Government should close inoperative PD accounts and review all other PD accounts to ensure that all amounts unnecessarily lying in these PD accounts are immediately remitted to the Consolidated Fund. **(Paragraph 4.6)**
5. The Government should, in consultation with the Accountant General (A&E) Odisha, conduct a comprehensive review of all items presently appearing under Minor Head 800 and ensure that all such receipts and expenditure are in future booked under the appropriate heads of accounts. **(Paragraph 4.7)**
6. The Government may consider preparing a time bound framework for taking prompt action including lodging of FIRs in cases of misappropriation, loss, theft, etc., and strengthening the internal control system to prevent recurrence of such cases. **(Paragraph 4.12)**

Chapter-V

State Public Sector Enterprises

Summary of Financial Performance of State Public Sector Enterprises

5.1 Introduction

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

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

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

5.1.1 Mandate of Audit

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

5.1.2 What this Chapter contains

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

5.1.3 Number of SPSEs

As on 31 March 2021, there were 80²⁹ SPSEs under the audit jurisdiction of the CAG as detailed in **Appendix 5.1**. These include 62 Government Companies, 03 Statutory Corporations and 15 Government controlled other Companies. Of these, summary of financial performance of 45 SPSEs is covered in this report and the nature of these SPSEs is indicated in the table below:

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

Nature of the SPSE	Total number of SPSEs	Number of SPSEs covered in the Report				Number of SPSEs not covered in the Report
		Accounts up to				
		2020-21	2019-20	2018-19	Total	
Government Companies	62	13	12	5	30	32
Statutory Corporations	3	0	1	2	3	0
Total Companies/ Corporations	65	13	13	7	33	32
Government Controlled other Companies	15	2	9	1	12	3
Total	80	15	22	8	45	35

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

This Chapter does not include 35 SPSEs (including 03 Government Controlled other Companies) whose accounts were in arrears for three years or more or were defunct/ under liquidation as indicated in **Appendix 5.2A** and **Appendix 5.2B**.

5.1.4 Contribution to the GSDP of the State

The table below provides the details of turnover of 33 Government SPSEs and 12 Government Controlled other SPSEs and GSDP of Odisha for a period of three years ending March 2021:

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

Particulars	2017-18	2018-19	2019-20	(₹ in crore)
				2020-21
Turnover	18,879.25	20,947.39	21,149.69	23,876.47
Percentage change of Turnover over Previous Year	13.06	10.95	0.97	12.89
GSDP of Odisha at current price	4,40,879	4,87,805	5,21,275	5,09,574.29
Percentage of Turnover to GSDP of Odisha	4.28	4.29	4.06	4.69

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

²⁹One Government company named Konark Jute Limited went out from the purview of CAG's audit during 2020-21 due to disinvestment and one Government controlled other Company named Kalinga Bidyut Prasaran Nigam Private Limited went out from the purview of CAG's audit during 2020-21 due to liquidation.

In 2020-21, the turnover of the SPSEs relative to GSDP was 4.69 *per cent* and had increased from 4.06*per cent* in the previous year. The department wise position has been given in **Appendix 5.3**. The compounded annual growth³⁰ of GSDP was 6.72*per cent* during last four years, while the turnover of Power Public Sector Enterprises and Non-Power Public Sector Enterprises recorded compounded annual growth of 9.66 *per cent* and 9.03 *per cent* respectively during the same period. This resulted in increase in the share of turnover of these State PSEs to the GSDP from 4.28 *per cent* in 2017-18 to 4.69 *per cent* in 2020-21.

5.1.5 Budgetary Support to State PSEs

The Government of Odisha (GoO) provides financial support to State PSEs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/ subsidies, loans written off and loans converted into equity during the year in respect of 37³¹ State PSEs for the last three years ending March 2021 are as follows:

Table 5.3: Details regarding budgetary support to State PSEs
(Amount in ₹ crore)

Particulars ³²	2018-19		2019-20		2020-21	
	Number of PSUs	Amount	Number of PSUs	Amount	Number of PSUs	Amount
Equity Capital outgo (i)	3	272.42	2	118.70	2	32.54
Loans given (ii)	1	45.48	0	100.05	1	0
Grants/Subsidy provided (iii)	8	95.19	8	1,136.03	9	758.19
Total Outgo (i+ii+iii)	11^{\$}	413.09	8[#]	1,354.76	9[*]	790.73
Loan repayment written off	0	0	0	0	0	0
Loans converted into equity	0	0	0	0	0	0
Guarantees issued	1 [@]	2,350.00	1 [@]	600.00	1 [@]	2,000.00
Guarantee ³³ Commitment	1 [@]	4,186.00	1 [@]	913.50	1 [@]	6233.90

(Source: Compiled based on latest finalised accounts of SPSEs.)

^{\$} One Government SPSE i.e., Odisha Power Transmission Corporation Limited received both equity and loans in 2018-19.

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

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

[@] GRIDCO Limited.

³⁰ Rate of Compounded Annual Growth $\left[\left\{ \frac{\text{Value of 2020-21}}{\text{Value of 2016-17}} \right\}^{(1/4 \text{ years})} - 1 \right] \times 100$ where turnover and GSDP for the year 2016-17 were ₹8530.83 crore and ₹314363.78 crore respectively.

³¹ Out of 45 Government SPSE and Government Controlled Other SPSEs, information relating to budgetary support from State Government could be received from 37 Government SPSEs and Government Controlled Other SPSEs. Out of these 37, budgetary support was given to 09 SPSEs and Government Controlled Other SPSEs only.

³² Amount represents outgo from State Budget only.

³³ Closing balance of Government guarantee in respect of SPSEs at the end of a particular year

The budgetary assistance of ₹ 790.73 crore given during the year 2020-21 was in the form of equity and grants/ subsidy. During the year 2020-21, maximum grants/subsidy was provided to Water Corporation of Odisha Limited (₹ 639.54 crore) and the Agricultural Promotion and Investment Corporation of Odisha Limited (₹ 67.59 crore).

GoO provides guarantee in accordance with the criteria and guidelines issued (November 2002) by the Government subject to the limits prescribed by the Constitution of India. A guarantee commission is charged at the rate of 0.50 *per cent* on the maximum of the guarantee sanctioned. Outstanding guarantee commitments of GoO increased during the financial year by 26.87 *per cent* from ₹4,913.50 crore in 2019-20 to ₹ 6233.90 crore in 2020-21. This increase was because GRIDCO Limited sought additional guarantee commitment from GoO to avail loans from banks/financial institutions. GRIDCO Limited paid guarantee commission of ₹30.94 crore during 2020-21.

The overall summary position of financial performance of SPSEs (Govt. companies & Statutory Corporations) covered in this Report, is summarized in Table below.

**Table 5.4: Financial performance of SPSEs for 2020-21 covered in this Report
(Government Companies and Statutory Corporations)**

Number of SPSEs	65
SPSEs covered	33
Paid up capital (33 SPSEs)	₹ 5,746.68 crore
Long term loans (33 SPSEs)	₹ 16,007.81 crore
Net profit (23 SPSEs)	₹ 1,937.72 crore
Net loss (10 SPSEs)	₹ 3,568.19 crore
Dividend declared (08 SPSEs)	₹ 1,049.73 crore
Total assets (33 SPSEs)	₹ 66,138.27 crore
Value of production (11 SPSEs)	₹ 4,771.79 crore
Net worth (33 SPSEs)	₹ 7,068.74 crore

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

The amount of equity and loans in 33³⁴ Government companies and Corporations as of 31 March 2021, is given in the table below:

³⁴ (65-32) SPSEs whose accounts were in arrears for more than or equal to three years were defunct/under liquidation.

Table 5.5: Equity and loans in Government Companies and Corporations
(₹ in crore)

Sources of investment	As on 31.03.2021			As on 31.03.2020		
	Equity	Long term loans	Total	Equity	Long term loans	Total
1. State Government	4,116.06	1,245.22	5,361.28	3,998.06	1,272.30	5,270.36
2. State Government Companies/ Corporations/Autonomous Bodies	614.84	595.34	1,210.18	528.84	791.76	1,320.60
3. Central Governments/ Central Government Companies/Corporations	46.75	7,241.53	7,288.28	46.75	6,882.83	6,929.58
4. Financial Institutions and Others	969.04	6,947.77	7,916.81	969.03	4,223.55	5,192.58
Total	5,746.68	16,007.91	21,754.59	5,542.68	13,170.44	18,713.12
Percentage of investment of State Government to total investment	71.60	7.77	24.62	72.13	9.66	28.16

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

The amount of equity and loans in 12 Government controlled other companies as of 31 March 2021 is given in the table below.

Table 5.6: Equity and loans in Government controlled other Companies
(₹ in crore)

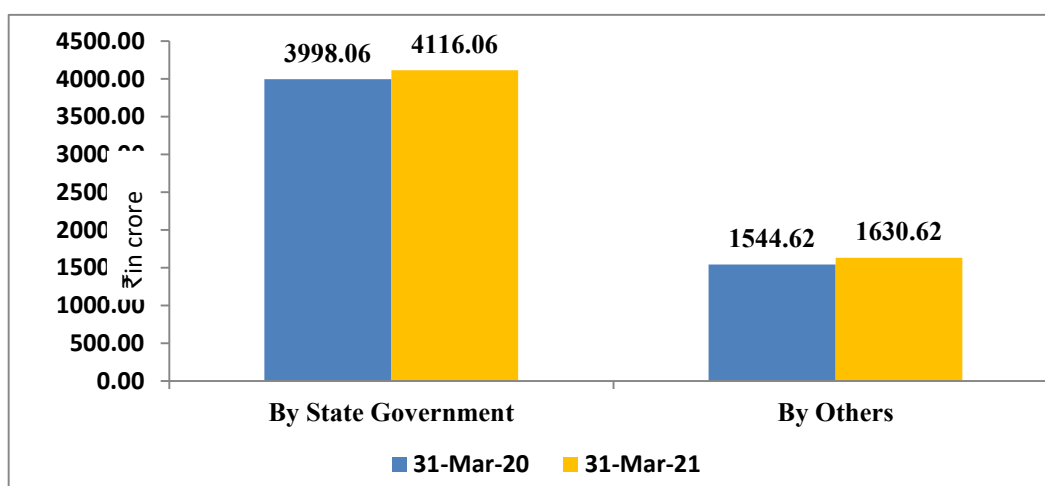
Sources of investment	As on 31.03.2021			As on 31.03.2020		
	Equity	Long term loans	Total	Equity	Long term loans	Total
State Government	933.08	23.29	956.37	887.08	23.29	910.37

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

5.2.1 Equity holding

During 2020-21, the total equity holding at face value in the 33 SPSEs covered in this Report registered a net increase of ₹ 204.00 crore due to increase in state government equity share capital of ₹ 49.00 crore in Odisha Hydro Power Corporation Limited and ₹ 69.00 crore in Odisha Power Transmission Corporation Limited and increase in equity share capital of holding State Government companies of ₹ 86.00 crore in Odisha Coal Power Limited.

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

Chart 5.1: Holding in equity in Government Companies and Corporations

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

Details of significant holding (holding of more than ₹ 200 crore) of the State Government during 2020-21 in the paid-up capital of the SPSEs is given in the table below:

Table 5.7: Significant holding of the State Government

(₹ in crore)

Name of the SPSE	Name of the Department	Amount	Percentage of State Government holding in this individual SPSE with the total holding of the state government
Statutory Corporation			
Odisha State Financial Corporation	Micro, Small & Medium Enterprise	342.72	8.35
Odisha State Road Transport Corporation	Commerce and Transport	278.54	6.78
Government Companies			
Odisha Power Generation Corporation Limited	Energy	929.47	22.61
Odisha Power Transmission Corporation Limited	Energy	859.77	20.92
Odisha Hydro Power Corporation Limited	Energy	810.65	19.72
GRIDCO Limited	Energy	576.71	14.03

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

5.2.2 Loans given to Government Companies and Corporations

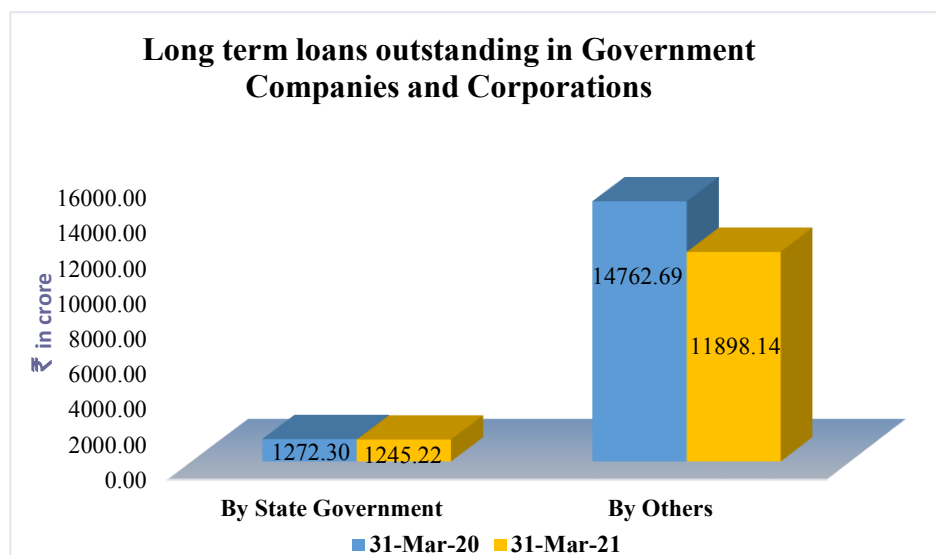
5.2.2.1 Computation of long-term loans outstanding as on 31 March 2021

Out of the 33 Government Companies and Corporations covered in this report, 11 SPSEs had outstanding long term loans amounting to ₹16,007.91 crore from all sources as on 31 March 2021. During 2020-21, the long-term loans of Government Companies and

Corporations registered an increase of ₹2837.47 crore in three SPSEs viz. GRIDCO Limited, Odisha Hydro Power Corporation Limited and Odisha Power Transmission Corporation Limited.

Year wise details of outstanding long-term loans of Government Companies and Corporations is depicted in the chart below:

Chart 5.2: Long term loans outstanding in Government Companies and Corporations



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

5.2.2.2 Adequacy of assets to meet loan liabilities

Ratio of total debt to total assets is one of the methods used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than the sum of its loans/debts. The coverage of long-term loans by value of total assets in 11 Government SPSEs which had outstanding loans as on 31 March 2021 is given in the table below:

Table 5.8: Coverage of long term loans with total assets

	Positive Coverage				Negative Coverage			
	No. of SPSEs	Long term loans	Assets	%age of assets to loans	No. of SPSEs	Long term loans	Assets	%age of assets to loans
		(₹ in crore)				(₹ in crore)		
Statutory Corporations	2	99.91	648.78	649.36	-	-	-	-
Government Companies	9	15,907.90	31,713.75	199.36	-	-	-	-
Total	11	16,007.81	32,362.53		-	-	-	-

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

From the above table, it is revealed that all the 11 Government Companies and Corporations have positive coverage ratio, which indicates that all the Companies and Corporations possess adequate assets to meet their loan liabilities.

5.2.2.3 Interest Coverage

Interest coverage ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An ICR below one indicated that the company was not generating sufficient revenues to meet its expenses on interest. The details of positive and negative interest coverage ratio of SPSEs, which had outstanding loans during the period from 2018-19 to 2020-21 are given in the table below:

Table 5.9: Interest Coverage Ratio

Year	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	No. of SPSEs	No. of SPSEs having ICR ≥ 1	No. of SPSEs having ICR < 1
Statutory Corporations					
2018-19	1.58	9.53	2	2	-
2019-20	0.47	5.73	1	1	-
2020-21	0.47	-1.59	1	-	1
Government Companies					
2018-19	653.60	625.87	6	4	2
2019-20	662.75	911.48	6	4	2
2020-21	1,640.31	70.61	7	5	2

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

It was observed that the number of SPSEs with ICR equal to or more than one has increased in case of Government Companies and decreased in case of Statutory Corporations during 2020-21 as compared to the previous year.

5.2.2.4 Age Wise Analysis of interest outstanding on State Government loans

As on 31 March 2021, interest amounting to ₹ 1,767.81 crore was outstanding on long term loans of four SPSEs provided by State Government. The age wise analysis of interest outstanding on State Government loans in SPSEs is depicted in the table below:

Table 5.10: Interest outstanding on State Government Loans**(₹ in crore)**

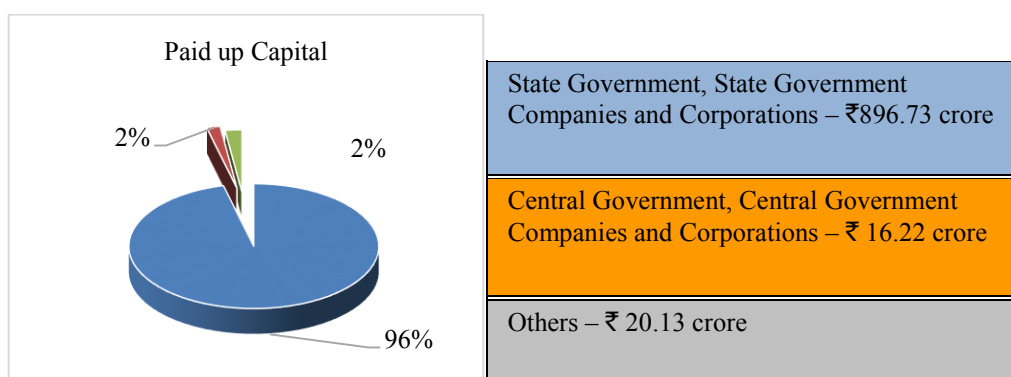
Sl. No.	Name of the SPSE	Outstanding interest on State Government loans	Interest on State Government loans outstanding for less than 1 year	Interest on State Government loans outstanding for 1 - 3 years	Interest on State Government loans outstanding for more than 3 years
1	GRIDCO Limited	935.64	106.04	212.08	617.52
2	Odisha Hydro Power Corporation Limited	775.32	69.05	144.46	561.81
3	Odisha State Seeds Corporation Limited	1.98	-	-	1.98
4	Industrial Development Corporation Limited	54.87	1.86	6.04	46.97
Total		1,767.81	176.95	362.58	1,228.28

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

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

5.2.3 Investment in Government controlled other Companies

The capital invested by the State Government, Central Government and by Companies and Corporations controlled by them in 12³⁵ Government Controlled other Companies during the year 2020-21 is depicted in the chart below:

Chart 5.3: Composition of share capital in Government controlled other Companies*(Source: Compiled on the basis of latest finalised accounts of SPSEs)*

³⁵ 15 minus 3 Government controlled other companies whose accounts were in arrears for three years or more or were defunct/under liquidation.

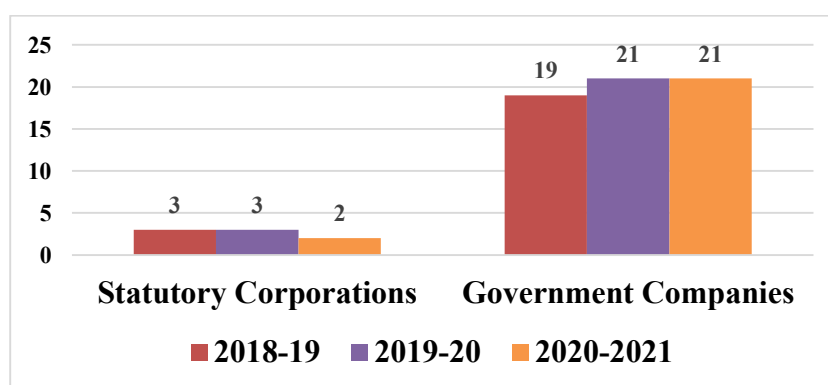
As on 31 March 2021, equity in these Government controlled other companies has increased by ₹46 crore, i.e., from ₹887.08 crore in 2019-20 to ₹933.08 crore in 2020-21. Increase was mainly due to increase in equity in one SPSE of Energy sector i.e., Odisha Thermal Power Corporation Limited.

5.3 Returns from the Government Companies and Corporations

5.3.1 Profit earned by Government companies and Corporations

The profit earned by SPSEs increased to ₹1,937.72 crore in case of 23 profit earned SPSEs in 2020-21 from ₹1,686.08 crore in case of 24 profit earned SPSEs in 2019-20. The Return on Equity (ROE) of the 23 SPSEs was 20.04 per cent in 2020-21 as compared to 12.51 per cent in 24 SPSEs in 2019-20. Number of SPSEs that earned profit during the period from 2018-19 to 2020-21 is depicted in the chart below:

Chart 5.4: Number of Profit Earning SPSEs



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

The details of top three departments, which contributed maximum profit during 2020-21 are summarised in the table below:

Table 5.11: Top three departments which contributed maximum profit during the years 2019-20 and 2020-21

Name of the Department	2020-21			2019-20		
	No. of profit earning SPSEs	Net profit earned (₹ in crore)	Percentage of profit to total SPSE profit	No. of profit earning SPSEs	Net profit earned (₹ in crore)	Percentage of profit to total SPSE profit
Agriculture & Farmers Empowerment						
Government Companies	4	30.63	-	4	21.08	0.07
Water Resources						
Government Companies	1	49.88	-	1	49.88	3.61
Excise						
Government Companies	1	20.88	-	1	29.99	2.17
Total	6	101.39	-	6	100.95	7.31

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

The list of Government companies which earned profit of more than ₹ 50 crore during the year 2020-21 is given in the table below:

Table 5.12: List of SPSEs which earned profit of more than ₹50 crore
(₹in crore)

Sl. No.	Name of the SPSE	Net Profit
1	Odisha Mining Corporation Limited	1,586.27
2	Odisha Hydro Power Corporation Limited	158.06
3	Odisha Construction Corporation Limited	50.13
Total		1,794.46

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

It can be seen that these three SPSEs contributed 92.61 per cent of the total profit earned by 23 SPSEs during 2020-21.

Of the 12 Government Controlled other companies, eight companies earned profit of ₹ 3.78 crore during the year ended 31 March 2021. One Government controlled other companies, Rourkela Smart City Limited earned no profit no loss during 2020-21.

5.3.2 Loss incurred by Government companies and Corporations

There were 10 Government companies that incurred losses during the year 2020-21. These SPSEs incurred loss of ₹ 3568.19 crore in 2020-21 as compared to profit of ₹ 340.28 crore earned by these SPSEs during 2019-20 as given in **Appendix 5.4**. The details of SPSEs that incurred loss from 2018-19 to 2020-21 is given in the table below:

Table 5.13: Number of SPSEs that incurred losses during 2018-19 to 2020-21

Year	No of SPSEs incurred loss	Net loss for the year (₹ in crore)	Accumulated loss (₹ in crore)	Net worth ³⁶ (₹ in crore)
Government Company				
2018-19	8	313.26	4,686.92	-3,576.24
2019-20	7	304.52	4,982.95	-3,873.27
2020-21	10	3,568.19	7,453.93	-2,936.07

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

Out of total loss of ₹ 3,568.19 crore incurred by 10 Government SPSEs, loss of ₹ 3,200.73 crore was contributed by two SPSEs (GRIDCO Limited & Odisha Mineral Bearing Area Development Corporation Limited) which function in Energy and Steel & Mines sectors respectively. Five companies which incurred major loss during 2020-21 are as follows:

- IDCOL Ferro Chrome and Alloys Limited (IFCAL):** The loss of ₹ 22.76 crore during 2019-20 was mainly due to expenditure towards Cost of material consumed and Manufacturing expenses.

³⁶ Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits and share premium account but do not include reserves created out of revaluation of assets and write back of depreciation provision.

- ii) **GRIDCO Limited:** Loss of ₹ 1,382.35 crore during 2020-21 was mainly due to the expenditure towards Power Purchase being more than the Revenue from Sale of Power. The other reason being expenditure towards finance costs.
- iii) **Odisha Power Generation Corporation Limited (OPGC):** The loss of ₹ 190.51 crore during 2020-21 was mainly due to expenditure towards Cost of material consumed and Generation expenses.
- iv) **Odisha Mineral Bearing Areas Development Corporation (OMBADC) Limited:** The loss of ₹1,818.38 crore during 2020-21 OMBADC was mainly due to expenditure towards Project expenses.
- v) **Odisha Power Transmission Corporation Limited (OPTCL):** The loss of ₹144.37 crore during 2019-20 was due to decrease in Total revenue and increase in total expenses and tax expenses.

5.3.3 Erosion of capital in Government Companies and Corporations

As on 31 March 2021, out of 33 there were 11 Government companies and corporations with accumulated losses of ₹ 8,579.06 crore. Of the 11 SPSEs, eight SPSEs incurred losses in the year 2020-21 amounting to ₹1,559.30 crore, three SPSEs had not incurred loss in the year 2020-21, even though they had accumulated loss of ₹ 305.96 crore.

Net worth of six out of 11 SPSEs had been completely eroded by accumulated loss and was negative. The net worth of these six was ₹ (-) 6,999.58 crore against total equity investment of ₹ 1,208.43 crore in these SPSEs as on 31 March 2021. Out of six SPSEs, whose capital had been eroded (negative net worth), two SPSEs had earned profit of ₹ 13.00 crore during 2020-21 (**Appendix 5.5**).

Net worth was less than half of their paid up capital in respect of three³⁷ out of 22 SPSEs whose net worth was positive at the end of 31 March 2021, indicating their potential financial sickness. Overall, net worth of all the 33 Government companies and corporations was ₹ 7,068.74 crore against their total paid up capital of ₹ 5,746.68 crore.

5.3.4 Dividend pay-out by SPSEs

The State Government had formulated (December 2011) dividend policy under which all profit-making PSUs are required to pay annual dividend of 20 *per cent* of the State government equity or 20 *per cent* of the profit after tax, whichever is higher. The minimum dividend pay-out in respect of PSUs in power generation sector should be 30 *per cent* of profit after tax. Subsequently, GoO issued revised (February 2016) guidelines for payment of dividend at the rate of 30 per cent for all PSUs. However, five SPSEs had not declared dividend prescribed by the Government as given in **Appendix 5.6**. The total shortfall on this account was ₹ 226.92 crore in 2020-21.

³⁷ Odisha State Road Transport Corporation, Water Corporation of Odisha Limited and IDCOL Ferro Chrome & Alloys Limited

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

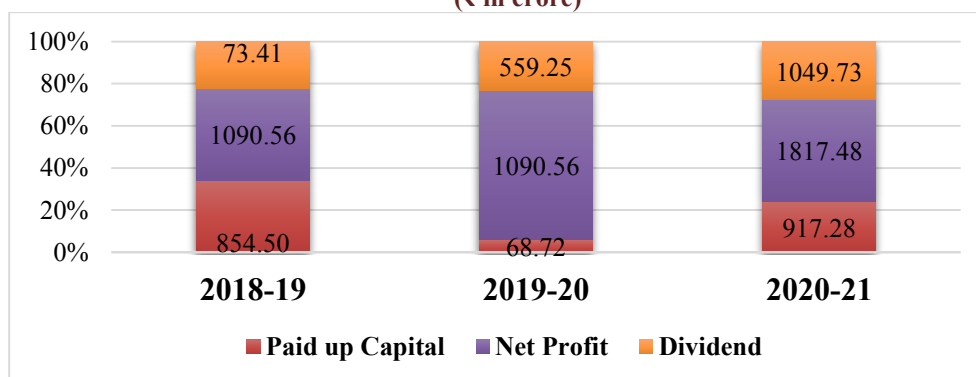
Table 5.14: Profit earned and dividend declared/paid

Category	No. of SPSEs	Total Paid up capital (₹ in crore)	Net profit (₹ in crore)	Dividend declared (₹ in crore)
Government Company	8	917.28	1,817.48	1,049.73

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

Out of 33 Government companies and Corporations, eight SPSEs declared dividend in 2020-21. Out of six SPSEs which had declared/paid dividend during 2019-20 three SPSEs had not declared/paid dividend during 2020-21. The dividend declared as a percentage of net profit increased to 57.76 per cent in 2020-21 from 32.98 per cent in 2019-20. In absolute terms, the dividend declared by the SPSEs in 2020-21 increased by ₹ 779.73 crore compared to previous year. The chart below depicts the dividend declared vis-a-vis net profit earned and paid-up capital of SPSEs which declared dividend during the last three years.

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



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

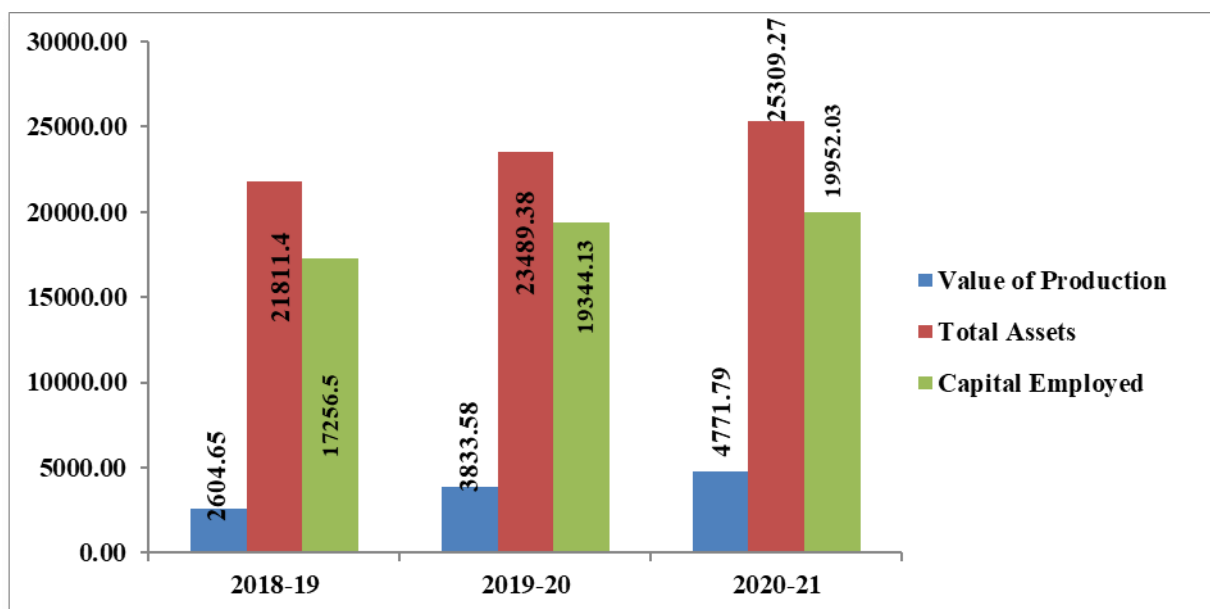
Out of total dividend of ₹ 1,049.73 crore declared by eight SPSEs for the year 2020-21, dividend received/ receivable by State Government was ₹ 1,046.59 crore (99.70 per cent of total dividend declared) in all the eight SPSEs having total equity investment of ₹ 917.28 crore (State Government equity investment ₹ 914.07 crore).

Of the 12 Government Controlled Other Companies, eight companies earned profit of ₹3.78 crore during the year ended 31 March 2021. However, none of these companies declared dividend during 2020-21.

Operating efficiency of Government Companies and Corporations

5.4. Value of production

The summary indicating value of production, total assets and capital employed in Government companies and corporations related to 11 SPSEs over a period of three years is depicted in the chart below:

Chart 5.6: Value of Production, Assets and Capital Employed

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

There was an increase in the value of production, total assets and capital employed in the year 2020-21 compared to the previous year. The SPSE wise details of value of production, total assets and capital employed is given in **Appendix 5.7**.

5.4.1 Return on Capital Employed (ROCE)

ROCE is a ratio that measures a company's profitability and the efficiency with which its capital is employed. ROCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed³⁸. The SPSE wise details of ROCE are given in **Appendix 5.8**. The consolidated ROCE of 33 Government companies and corporations during the period from 2018-19 to 2020-21 is given in Table below.

Table 5.15: Return on Capital Employed

Year	EBIT (₹in crore)	Capital employed (₹in crore)	ROCE (in percentage)
2018-19	1,909.90	20,303.35	9.41
2019-20	2,776.42	22,905.73	12.12
2020-21	928.02	23,076.55	4.02

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

It was observed that ROCE of 33 Government companies and corporations was lower during the year 2020-21 in comparison to that for the year 2019-20.

³⁸ Capital Employed = Paid up Share capital + Free Reserves and surplus + Long term loans – Accumulated losses – Deferred Revenue Expenditure

5.4.2 Return on Equity (ROE) of SPSEs

ROE³⁹ is a measure of financial performance of companies calculated by dividing net income by shareholders' equity. The SPSE wise details of ROE are given in **Appendix 5.9**. The consolidated ROE of 33 Government companies and corporations during the period from 2018-19 to 2020-21 is given in the table below:

Table 5.16: Return on Equity

Year	Net Profit after Tax and Preference Dividend (₹ in crore)	Equity (₹ in crore)	ROE (in %age)
2018-19	873.88	8,571.46	10.20
2019-20	1,394.39	9,733.43	14.33
2020-21	-1,630.46	7,068.15	-23.07

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

It was observed that ROE of 33 Government companies and corporations had decreased to turn negative during the year 2020-21 in comparison to that for the year 2018-19. Sector wise ROE of Government companies and corporations where total equity of the sector is more than ₹ 50 crore during 2018-19 to 2020-21 is depicted in the table below:

Table 5.17: ROE of sectors with total equity of ₹ 50 crore and more

(In percentage)

Sl. No.	Name of the Department	2018-19	2019-20	2020-21
1	Industries ⁴⁰	-66.94	-15.42	-9.58
2	Commerce and Transport	3.97	2.57	2.57
3	Energy	-1.26	3.64	-194.59
4	Steels and Mines	14.05	18.00	-3.57
5	Home	13.82	13.82	14.57
6	Water Resources	56.89	33.30	33.30
7	Excise	9.37	9.37	6.32
8	Health & Family Welfare	15.59	15.59	14.32
9	Cooperation	16.34	9.75	13.63

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

³⁹ Return on Equity = (Net Profit after Tax and preference Dividend/Equity) *100 where Equity = Paid up Capital + Free Reserves & Surplus – Accumulated Loss – Deferred Revenue Expenditure

⁴⁰ The wide fluctuation in the case of Industry Department was mainly due to loss of ₹ 89.50 crore by Industrial Development Corporation of Odisha Limited in the year 2018-19 against profit of ₹2.46 crore in 2020-21. That was again due to compensation paid for illegal mining and additional interest cost on loan taken for payment of VR dues.

From the above table it can be seen that the Return on Equity has drastically reduced in Energy sector during the year 2020-21.

5.4.3 Sales and Marketing

During 2020-21, the total sales of 20 out of 33 Government Companies was ₹ 22,902.67 crore as compared to ₹ 20,567.00 crore in 2019-20. Out of 20 SPSEs, 10 SPSEs sold goods/rendered services worth ₹ 3,922.86 crore to the Government sector in 2020-21. The overall percentage of sales of these 10 SPSEs to the Government sector with reference to their total sales worked out to 17.13 *per cent*. No SPSEs exported or imported goods/services during the period.

The details of total sales, sales to Government sector and others thereon in respect of 20 SPSEs for three years are given in the table below:

Table 5.18: Sales details of 20 SPSEs

Year	Total Sales	Sales to Government sector	(₹ in crore)
			Sales to others
2018-19	19,866.34	2,524.81	17,341.53
2019-20	20,567.00	3,125.16	17,441.84
2020-21	22,902.67	3,922.86	18,979.81

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

5.5 Audit of State Public Sector Enterprises

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

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

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

The statutory auditors of the SPSEs for the year 2020-21 were appointed by the CAG during August and September 2020.

5.7 Submission of accounts by SPSEs

5.7.1 Need for timely submission

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

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

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

Despite above, annual accounts of various SPSEs were pending as on 30 September 2021, as detailed in the following paragraph.

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

As of 31 March 2021, there were 65 Government SPSEs and 15 Government Controlled Other SPSEs under purview of CAG's audit. Out of these 65 Government SPSEs, three are Statutory Corporations.

Accounts for the year 2020-21 were due from all 65 Government SPSEs and 15 Government Controlled Other SPSEs. The details of accounts which are in arrears are indicated in **Appendix 5.2A and 5.2B** for government companies and government controlled other companies separately. The number of accounts in arrears for the aforesaid two groups are given below:

Table 5.19: Details of submission of accounts of Government Companies

Particulars		Government SPSEs/Government Controlled Other SPSEs		
		Government SPSEs	Government Controlled Other SPSEs	Total
Total number of SPSEs under the purview of CAG's audit as on 31.03.2021		65	15	80
Unlisted		65	15	80
Less: New SPSEs from which accounts for 2020-21 were not due		-	-	-
Number of SPSEs from which accounts for 2020-21 were due		65	15	80
Number of SPSEs which presented the accounts for CAG's audit by 30 September 2021 for F Y 2020-21		11	2	13
Number of SPSEs whose accounts are in arrears		54	13	67
Break- up of SPSEs whose accounts are in Arrears	(i) Under Liquidation	15	0	15
	(ii) Defunct	11	0	11
	(iii) First Accounts not submitted	0	0	0
	(iv) Others	28	13	41
Number of accounts in arrears		931	21	952
Age-wise analysis of arrears	One year (2020-21)	14*	8	22
	Two years (2019-20 and 2020-21)	14**	2	16
	Three years and more	903	11	914

* Includes one Statutory Corporation named Odisha State Financial Corporation.

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

Delay in finalisation of accounts carries the risk of fraud and leakage of public money apart from violation of the provisions of the relevant statutes. In view of the above state of arrears of accounts, the actual contribution of the State PSUs to State GDP for the year 2020-21 could not be ascertained and their contribution to State exchequer was also not reported to the State Legislature. Hence, the Administrative Departments should strictly monitor and issue necessary directions to clear the arrears in accounts. The Government may also look into the constraints in preparing the accounts of the PSUs and take necessary steps to clear the arrears in accounts.

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

5.8.1 Financial reporting framework

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

5.8.2 Audit of accounts of SPSEs by Statutory Auditors

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

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

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

5.8.3 Supplementary Audit of accounts of Government Companies

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

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

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

5.9 Results of CAG's oversight role

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

Financial statements for the year 2020-21 were received from eleven Government Companies and two Government Controlled Other Companies by 30 September 2021. Of these, accounts of eight Government Companies and two Government Controlled Other Companies were reviewed in audit by the CAG.

5.9.1.1 Revision of Auditors Report

As a result of supplementary audit of the financial statements for the year ended 31 March 2021 conducted by the CAG, the statutory auditors of one Government Company namely Odisha Coal and Power Limited (OCPL) revised their report before laying of the financial statements of the Company in its Annual General Meeting.

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

Subsequent to the audit of the financial statements by statutory auditors which were received during the period from October 2020 to September 2021, the CAG conducted supplementary audit of the financial statements of the selected Government Companies and Government Controlled Other Companies. The list of SPSEs in respect of whom comments were issued is given in **Appendix 5.10**. Some of the significant comments issued on financial statements of Government Companies and Government Controlled Other Companies, the financial impact of which on the profitability was, ₹ 2.12 crore increase in profit and ₹ 191.22 crore increase in loss as also, increase in assets (₹ 192.66 crore) and decrease in liabilities (₹ 8.65 crore). These are detailed in **Tables 5.20 to 5.23** below:

Table 5.20: Significant comments on profitability of Government Companies

Sl. No.	Name of the Company	Comments
1	Odisha Hydro Power Corporation Limited (Standalone Financial Statement)	Financial Liabilities (Liability to Others) was understated by ₹ 9.96 crore with overstatement of Other Income by ₹9.96 crore due to adjustment of revenue from Water Resource Department (DoWR) which is pending for confirmation in violation to OHPC's own Significant Accounting Policies. This also resulted in understatement of profit by same extent.
2	Odisha Coal and Power Limited	Expenses (Finance Cost) was understated by ₹ 15.91 crore as the Company has failed to account for the interest on borrowed capital used for acquisition of land after its capitalization. This has also resulted in understatement of Loss for the year and overstatement of Capital Work in Progress by ₹ 15.91 crore (₹ 14.14 crore of 2018-19 + ₹ 1.77 crore in 2019-20). Though the same was pointed out in C&AG comment No. A(1) for the year ended 31 March 2018-19 no corrective action has been taken by the Management.
3.	GRIDCO Limited	I. Expenses (Cost of Power) was understated by ₹ 22.21 crore due to non-accounting of energy bills claimed by PGCIL, GKEL, OPGC and OHPC towards cost of power relating to the period 2017-18 to 2019-20, which were received before authentication of annual accounts and should have been accounted for as per Ind AS 10. Non-accounting of the same also resulted in understatement of current liabilities and loss for the year by ₹ 22.21 crore each. II. Revenue from Operation was overstated by ₹ 53.75 crore due to wrong accounting of disputed energy bills of the M/s Vedanta Limited under the head Revenue from Operation in contravention of Ind AS 18. This has also resulted in overstatement of Trade Receivables and understatement of loss by ₹53.75 crore each.
4	Odisha Mineral Bearing Areas Development Corporation	The Project Expenses (SD& T E Department) were overstated by ₹ 2.52 crore with corresponding understatement of Loans and Advances by the same amount due to erroneous booking of advance given to the Skill Development and Technical Education (SD & TE) Department of Government of Odisha for which no Utilization Certificate has been obtained. This also resulted in overstatement excess of expenditure over income by the same amount.
5.	Odisha State Seeds Corporation Limited	The other income (interest on deposit) includes ₹ 1.57 crore towards interest earned on the corpus fund kept under the ESCROW (Revolving) account. The Government of Odisha in Agriculture Department had constituted (14 May 2015) a corpus fund for Odisha State Seeds Corporation Limited and had sanctioned ₹ 60.00 crore for that purpose. Para 6(xi) of

Sl. No.	Name of the Company	Comments
		Government notification regarding constitution of corpus fund stipulates that the interest accruing from this corpus fund would also form a part of the fund and it should be available exclusively for the seeds/quality planting materials business. Hence the interest of ₹ 1.57 crore earned on the corpus fund (₹ 60.00 crore) should not have been considered as income of the corporation. This has resulted in overstatement of other income as well as profit by ₹ 1.57 crore and understatement of short term borrowing to that extent.
6.	Odisha State Warehousing Corporation	According to comment no.1 of comments of C&AG of India, issued on the accounts of the Corporation for the year 2017-18, the Corporation was required to account for the misappropriated food grains of ₹ 1.22 crore at two warehouses viz. Durgapalli and Balasore by the employees during the year 2017-18. In spite of the comment, the Corporation has neither accounted for nor disclosed the misappropriation of food grains by the employees of the Corporation in the accounts for the year 2018-19. This has resulted in understatement of provision for disallowance by the depositor and overstatement of profit by ₹1.22 crore with corresponding understatement of current liabilities to that extent.
7.	Odisha State Beverages Corporation Limited	Other expenses (Go down rent and insurance) is understated by ₹2.18 crore due to non-accounting of provision for payment of interest on unpaid rent payable to OIL Odisha in respect of Khurda Go down. This has also resulted in understatement of Other Current Liability and overstatement of profit to the same extent.
8.	Odisha Power Transmission Corporation Limited	i. Other Income (Deferred income for assets received from customer) is overstated by ₹ 1.96 crore with corresponding understatement of liability (deferred income) due to wrong recognition of depreciation withdrawn on asset created out of equity support of Government of Odisha as deferred income in the financial statements, by same amount. This also resulted in understatement of loss of the Company by ₹ 1.96 crore. ii. Current Liabilities (Provisions) were understated by ₹2.73 crore due to short provision of obligation towards gratuity to match with actuarial valuation as on 31st March 2020 with corresponding understatement of Employees benefit expenses by the same amount. This also resulted in understatement of loss by ₹2.73 crore. iii. Employee benefit expenses (ex-gratia) is understated by ₹5.20 crore with corresponding understatement of provision by same amount due to non-provision of liability towards payment of one time lump-sum Ex-gratia for the FY 2019-20 to all eligible employees of OPTCL.
9	GRIDCO Limited	i. Expenses (Cost of Power) was understated by ₹4.00 crore due

Sl. No.	Name of the Company	Comments
	2020-21	to non-provision of capacity charges payable to Vedanta Ltd as per order of OERC. This has resulted in understatement of cost of power by ₹ 4.00 crore and corresponding understatement of loss to the same extent. This has also resulted in understatement of current liability by ₹ 4.00 crore. ii. Expenses (Cost of Power) is understated by ₹ 23.26 crore due to non-provision for Delayed Payment Surcharge (DPS) payable to Power Grid Corporation of India Limited (PGCIL). This has resulted in understatement of cost of power by ₹ 23.26 crore and corresponding understatement of loss to the same extent. This has also resulted in understatement of current liability by ₹ 23.26 crore.
10	IDCOL Kalinga Iron Works Limited	Other expenses do not include (i) ₹ 2.32 crore towards payment of Royalty, Contributions to District Mineral Foundations (DMF) and National Mineral Exploration Trust (NMET) on the sale of iron ore made out of Roida 'C' Mines and (ii) ₹6.69 crore towards raising contractor's bill, salary of employees engaged in mining operations and vehicle hiring expenses, for the period from April 2019 to June 2019. This has resulted in understatement of "Other Expenses" and "Losses" by ₹9.01 crore (₹ 2.32 crore + ₹ 6.69 crore) each.
11	Industrial Development Corporation of Odisha Limited	Other expenses were overstated by ₹ 1.67 crore being inclusion of expenditure on payment of Royalty, DMF and NMET on sales of Iron Ore from Roida 'C' mines pertaining to IDCOL Kalinga Iron Works Limited (IKIWL) for the period from April 2019 to June 2019. This has resulted in understatement of Profit for the year to the tune of ₹ 1.67 crore.

Table 5.21: Significant comments on Financial Position of Government Companies

Sl. No.	Name of the Company	Comments
1	Odisha Power Generation Corporation Limited (Standalone Financial Statement)	Non-Current Assets (Building) was understated by ₹ 16.98 crore due to non-capitalization of assets created and handed over to the management under the expansion project 3 & 4 during the FY 2019-20. This also resulted in overstatement of CWIP to the same extent. Further due to non-capitalization of these assets the depreciation on these fixed assets has been understated to the extent of ₹ 7.32 lakh with corresponding understatement of loss to the same extent.
2.	Odisha Hydro Power Corporation Limited	Current Liabilities (Payable to APGENCO on Machhakund A/C) was understated by ₹ 1.66 crore due to non-payment of bill of APGENCO i.e. 30 per cent cost towards construction of E-type and F-type blocks in respect of Machhakund Project with

Sl. No.	Name of the Company	Comments
	(Standalone Financial Statement)	corresponding understatement of PPE by same amount.
3.	Odisha Coal and Power Limited	Non-Current Assets (Other Non-Current Assets) was understated by ₹ 45.66 crore (₹ 42.05 crore of 2018-19 + ₹ 3.61 crore in 2019-20) with corresponding overstatement of Capital Work in Progress by ₹ 45.66 crore due to non-capitalization of borrowing cost. Further, other expenses is understated by ₹ 2.92 crore (₹ 1.40 crore for 2018-19 + ₹ 1.52 for 2019-20) with corresponding understatement of loss to the same extent due to non-accounting of amortisation of land on the above amount.
4.	Odisha Mineral Bearing Areas Development Corporation	Current Assets (Accrued interest) were understated by an amount of ₹ 291.54 crore due to non-accountal of accrued interest in respect of nine Auction Treasury Bills (ATBs) invested for a period of 364 and 182 days on different dates during 2019-20, in violation of Para No. 2.1 of the Significant Accounting Policy of the Company. This also resulted in understatement of Other Income and Reserve & Surplus by ₹ 291.54 crore each.
5.	Odisha State Financial Corporation Limited	Capital & Liabilities (Borrowings) does not include ₹ 4.76 crore being the interest accrued on the default and delayed payment of OTS installment amounting to ₹ 42 crore in accordance with the OTS agreement made with SIDBI. This has resulted in understatement of "Other Financial Expenses", "Borrowings" and "Operating Loss" by ₹ 4.76 crore.
6.	Odisha Small Industries Corporation	Current Liabilities (Other Current Liabilities) does not include ₹ 1.75 crore being the pending dues payable to M/s Cable India Private Limited as per the order (05.12.2018) of MSEFC, Cuttack. This has resulted in understatement of other current liabilities by ₹ 1.75 crore and overstatement of profit to the same extent.
7.	Odisha State Medical Corporation Limited	I. Current Liabilities (Short Term Provision) included an amount of ₹ 3.84 crore towards provision for income tax for the year 2017-18. The Deputy Commissioner of income tax computed the tax on income filed by the company for the financial year 2017-18 and passed (17.11.2019) the summary assessment order of income tax for the Company. So the provision for income tax liability for the financial year 2017-18 should have been written back as the order was passed by the assessing officer in the month of November 2019. The resulted in overstatement of Current Liability by ₹ 3.84 crore with corresponding overstatement of TDS on Bank interest to the same extent II. The Additional Chief Secretary to Government of Odisha in Finance Department issued (17 February 2016) guideline for the payment of dividend by the State Public Sector undertaking (SPSU). According to the guidelines, a SPSU would pay the

Sl. No.	Name of the Company	Comments
		annual dividend of 30 <i>per cent</i> of the profit after tax (PAT) or 30 <i>per cent</i> equity of the State Government., whichever is higher. The profit of the Company after tax was ₹ 9.78 crore for the year 2019-20 and the equity share of the Company was ₹ 1.000 lakh as on 31 March 2020. Accordingly, the Company is liable to pay dividend of ₹ 3.00 crore and dividend distribution tax of ₹ 0.62 crore (@ 20.56 % of Dividend) for the year 2019-20. However, in contravention to the above guideline, the company did not make any provision for dividend and dividend distribution tax for the financial year 2019-20. This resulted in overstatement of Reserve and Surplus by ₹ 3.62 crore with consequential understatement of provision for dividend by ₹ 3 crore and provision for dividend distribution tax by ₹ 0.62 crore for the year 2019-20.
8.	Odisha State Warehousing Corporation	(i) According to comment no.3 of C&AG of India, issued on the accounts of the Corporation for the year 2017-18, the Corporation was required to make provision of ₹ 1.57 crore towards doubtful recovery of storage loss of 15 depots for the period from February 2011 to March 2017 under Private Entrepreneur Guarantee (PEG) Scheme. In spite of the comment, the Corporation has not made any provision of doubtful recovery in the accounts for the year 2018-19. This has resulted in understatement of provision for disallowance by depositors and understatement of other liabilities by ₹ 1.57 crore with corresponding overstatement of profit to the same extent. (ii) As per para 63 of the Accounting Standard (AS)-15 (revised in 2005), an entity shall recognize the net defined benefit liability in the balance sheet. The present value of obligation of the Corporation towards gratuity for the year ended 31 March 2019 was ₹ 12.53 crore against which the fair value of the plan assets was ₹ 11.31 crore. Thus, the net liability of ₹ 1.22 crore should have been recognized in the balance sheet as per gratuity valuation report for the financial year 2018-19. This has resulted in understatement of other liabilities by ₹ 1.22 crore with corresponding overstatement of profit to the same extent. (iii) Sundry Debtors (Amount deducted by the FCI for differential H&T rates) was overstated by ₹ 16.29 crore due to non-provision of doubtful recovery of the amount deducted by Food Corporation of India (FCI) towards excess Handling and Transportation (H&T) charges for non-finalisation of H&T contract during the extended period of contract 2015-17. This has resulted in overstatement of sundry debtors and understatement of Handling and Transport charges by ₹ 16.29

Sl. No.	Name of the Company	Comments
		crore with consequential overstatement of profit to the same extent.
9.	Odisha State Beverages Corporation Limited	Capital work in Progress (Intangible assets under development) was overstated by ₹ 2.90 crore due to wrong accounting of advance given to Bridge & Roof Co. (India) Ltd., NBCC and OCAC for construction of go downs at Khurda and Sonapur respectively. This has also resulted in understatement of advance to contractors to the same extent.
10	Odisha Power Transmission Corporation Limited	Equity (Other Equity) was overstated by ₹ 15.00 crore with corresponding understatement of loan to the same extent due to wrong accounting of Government loan as other equity in anticipation of the approval of the Government to convert loan into grant.
11	Industrial Promotion and Investment Corporation of Odisha Limited	I. Non-Current Investment includes ₹ 88.87 crore being impairment value of investment in Neelachal Ispat Nigam Limited (NINL). As per provisions in para no. 1.6.2 of the Significant Accounting Policies (Note-20). On Investments, if audited accounts at the year-end in respect of investee companies are not available, entire investment is to be valued at Rupee 1/-. Hence, the Company should have been impaired entire investment of NINL at ₹ 1/- as per above policy. This has resulted in overstatement of Non-current Assets and Non-current liabilities by ₹ 88.87 crore. II. Long term loans and advances (advance to OSEB (Bond Accounts) includes ₹ 3.48 crore being the amount spent towards installation of 220KV Transformer and 6 nos. 33KV bays at Duburi Sub-station out of the advance received from state government (Bond Account) which have already been completed. This was in properly accounted under the above head. This has resulted in overstatement of above head as well as non-current liabilities by an equal amount of ₹ 3.48 crore

Table 5.22: Significant comments on Disclosure

Sl. No.	Name of the Company	Comments
1	Odisha Power Generation Corporation Limited (Standalone Financial Statement)	A reference is invited to Paragraph No.2.12 (inventories) of Significant Accounting Policies where in it is stated that <i>“Transit and handling losses/gain arises on physical verification including carpeting of coal are included in the cost of coal”</i> . However, as per the Power Purchase Agreement of the Company, the normative transit and handling losses is 0.2% of the coal dispatched by the coal supply company and is to be considered for calculation of Energy Charge. Thus, any loss beyond 0.2% is abnormal loss and as per Para 16(a) of Ind AS-2, should be excluded from the inventory and to be

Sl. No.	Name of the Company	Comments
		recognized as expenses. Hence, transit and handling losses should be limited to normative transit and handling losses and the policy needs to be suitably modified accordingly. Further, as disclosed in Note-30 (ii) and (iii) the quantity of coal consumption for Unit-3 & 4 including shortage has been shown as 29,45,572.18 MT (22,81,522.58 MT+6,64,049.60MT) but as per Physical Verification Report the quantity of coal consumption is 33,10,130.80 MT which needs reconciliation. Similarly, in Note-30 the amount of coal consumption has been shown as ₹ 869.44 crore but in the detail explanation to Note-30 (Para- i, ii and iii) the total amount shown as ₹ 870.30 crore (₹380.24 crore + ₹ 378.60 crore + ₹ 111.46 crore) which needs reconciliation.
2.	Odisha Hydro Power Corporation Limited (Standalone Financial Statement)	Disclosure made on contingent Liability is understated by ₹ 0.83 crore as interest on working capital claimed by APGENCO on Machhkund Project has not been accounted for.
3.	Odisha Forest Development Corporation Limited	The Company has disclosed an amount of ₹ 24.98 crore as Contingent Liability against the total demand of ₹ 46.42 crore by the Income Tax Department towards tax and interest from the Assessment Year 2009-10 to 2017-18. This has resulted in understatement of Contingent Liability under the head of Income Tax & Penalty by ₹ 21.44 crore.
4	Odisha Thermal Power Corporation Limited	The coal based thermal power plant proposed to be set up by the Company in one of the identified area (Rengali, Odisha) was cancelled due to restriction imposed by the Ministry of Environment, Forest and Climate Change (MoEF & CC), Govt. of India. Accordingly, the Company decided to stop all the ongoing work and issued a foreclosure notice to one of the 'consultants' M/s Visiontek Consultancy Services Pvt. Limited and requested to prefer its claim for payment of work done till the cancellation of the contract. However, the consultant disputed the matter and went into an arbitration for a claim amounting to ₹ 6.07 crore. The Company paid ₹ 1.34 crore against the claim of ₹ 6.07 crore to the consultant and went for a Special Leave Petition before the Hon'ble Supreme Court of India (SCI) in March 2020. Since the balance amount of ₹ 4.73 crore payable to the consultant is uncertain and dependent on the future decision of the apex court, the amount should have been disclosed as contingent liability in the Financial Statements of the Company as per the provisions of Ind AS 37.
5	GRIDCO	(i) M/s Vedanta was not supplied with sufficient quantum

Sl. No.	Name of the Company	Comments
	Limited	of Linkage Coal to generate state entitlement of power supply to GRIDCO. But IPP was making false submission of Declared Capacity to SLDC during the period from 06.01.2020 to 29.01.2020 in absence of sufficient Linkage Coal supply and raised as usual bill to GRIDCO. The said claim was denied and disputed by GRIDCO vide letter No dated 15.02.2020 and 27.05.2020. M/s Vedanta Ltd. filed petition in OERC on this matter. As the matter is sub-judice, the claim of M/s Vedanta Limited amounting to ₹ 21.64 crore should have been shown as Contingent Liabilities. (ii) M/s GKEL-IPP filed petition with CERC and the Commission directed (04.02.2020) GRIDCO to pay the capacity charges to GKEL based on the corrected PAFM for the period 01.04.2015 to 31.03.2017 for an amount of ₹ 117 crore along with late payment surcharges of ₹ 76 crore. The said order of CERC was challenged by GRIDCO in APTEL. But the Company showed ₹ 123.76 crore as contingent liability instead of total ₹ 193.00 crore, resulted in understatement of contingent liabilities by ₹ 69.24 crore.
6	Odisha State Seeds Corporation Limited	946 quintals of paddy seeds were stolen from the Kotpad godown on 11.5.2017 for which FIR was lodged on 11 March 2018. Police treated it as a false case under 457/380 IPC and the matter is sub-judice before JMFC Kotpad (Case No.GR.82 of 2017). This should have been suitably disclosed in the Notes on Accounts forming part of financial statements. The Notes on Accounts is deficient.
7	Odisha State Warehousing Corporation	(i) Sundry Debtors include ₹ 0.54 crore receivable from Women and Child Development Department, Government of Odisha towards storage and allied charges since 2009 under the head 'Outstanding Warehousing Charges against various depositors'. As the Corporation could not produce the debtor's confirmation certificate for the amount shown as receivable, the same should have been suitably disclosed in the Notes on Accounts forming part of financial statements. The Notes on Accounts is deficient to that extent. (ii) In OSWC Durgapalli 1,194 bags (597 qtl.) of rice were damaged and decision was taken in the 159th Board of Directors meeting for its disposal. As per proceeding (8 June 2020) of the meeting of the tender committee for disposal of damaged rice stock lying at SWC, Durgapalli decision was taken for disposal of the damaged rice stock @ ₹ 915 per quintal; the cost of which comes to ₹ 15,09,371 (@ ₹ 2,528.26 qtl). This should have been suitably disclosed in the Notes on accounts forming part of financial statements. The Notes on Accounts is therefore, deficient to that extent.

Sl. No.	Name of the Company	Comments
8	Odisha Power Transmission Corporation Limited	As per the Paragraph 39 (b) of Ind AS-20 relating to Accounting for Government Grants and Disclosure of Government Assistance, the nature and extent of Government grants recognized in the financial statements and an indication of other forms of Government assistance from the entity directly benefited should be disclosed in the financial statements. However, fixed assets include assets valuing ₹ 262.96 crore created out of the Government Grants has not been disclosed to the notes forming part of the financial statements. Further, the depreciation on these assets amounting to ₹ 12.89 crore has also not been disclosed in the accounts as deferred income.
9	GRIDCO Limited	a. Jindal Stainless Steel Limited (JSSL) has claimed an amount of ₹ 133.47 crore (₹ 44.17 crore towards arrear energy bill + ₹ 89.30 crore for DPS) which was not agreeable to GRIDCO. As a result, JSSL has filed a petition before Hon'ble OERC which is yet to be finalized. As the matter is sub-judice the claim of JSSL amounting to ₹ 133.47 crore should have been shown under Contingent Liabilities. Non-disclosure of the same has resulted in understatement of the Contingent Liabilities by ₹ 133.47 crore. b. Appellate Tribunal for Electricity in its judgment dated 15th October 2020 directed GRIDCO to refund an amount of ₹ 359.69 Crore to NTPC within 7 days towards fixed cost of BARH-II generating units of NTPC. GRIDCO challenged the order of Appellate Tribunal in Supreme Court of India. Due to non-payment of the disputed amount of ₹ 359.69 crore NTPC charged Late Payment Surcharge (LPSC) of ₹ 164.17 Crore on the outstanding dues which was recognized by GRIDCO but no accounting effect was given. Considering the Court case, the same should have been shown under Contingent Liabilities. Due to non-disclosure of the claim of LPSC, the Contingent Liabilities have been understated by ₹ 164.17 Crore. c. Kanti Bijlee Utpadan Nigam Limited claimed outstanding dues of ₹ 229.46 crore and LPSC on outstanding dues as ₹ 61.11 crore as on 31.03.2021 as per CERC tariff order. GRIDCO recognized the outstanding electricity bill as ₹ 229.45 crore and made provision for the same. However, the LPSC on the outstanding dues was not recognized by GRIDCO. As the matter is pending before the Hon'ble OERC and CERC, the same should have been shown under Contingent Liabilities. Due to non-recognition of LPSC, the Contingent Liabilities have been understated by ₹ 61.11 crore.
10	IDCOL Ferro Chrome And Alloys	A reference is invited to paragraph D3 of Notes on Accounts in which it was specified that, out of total receipt of Government Grant of ₹ 12,99,99,000, ₹ 4,89,06.809 has been utilized till the

Sl. No.	Name of the Company	Comments
	Limited (IFCAL)	financial year 2019-20 of which ₹.2,25,000,00 (Metal Recovery Plant) is shown under Reserves and Surplus (Note-2) and the balance of ₹ 2,64,06,809 is accounted as fixed assets. As no fixed assets amounting to ₹ 2.64 crore under Govt. Grant is shown in the Asset Schedule (Note-10), the disclosure is deficient to this extent.
11	Industrial Development Corporation of Odisha Limited	The sales tax & GST does not include an amount of ₹ 2.12 crore being Penalty and Interest on Sales Tax & GST in respect of the subsidiary company IDCOL Kalinga Iron Works Limited (IKIWL) as demanded by Tax Authority and subsequent appealing of IKIWL before the 1st Appellate Authority against the demand.

Table 5.23: Significant comments on Auditor's Report

Sl. No.	Name of the Company	Comments
1.	Odisha State Financial Corporation Limited	A reference is invited to the para no. 2 of the report wherein, it is mentioned that, the Corporation's Management is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Corporation in accordance with the accounting standards and principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. However, the fact is that, the Corporation's Management neither preparing their financial statements in accordance with the provisions of the above Act nor required to do so as per the earlier clarification of SIDBI vide letter no. 17209 dated 21 May 2012. Hence, the Auditor's Report is deficient to that extent.
2.	Odisha Small Industries Corporation	A reference is invited to the para no. 5 (A) of the Independent Auditor's Report wherein it is mentioned that, the Company is not maintaining any Fixed Asset Register. However, the Company is maintaining a Fixed Asset Register without recording individual item wise assets nomenclature, which is not proper. Hence, instead of highlighting the faulty procedure adopted in maintaining the requisite register, the qualification of the Independent Auditor on non-maintenance of Fixed Asset Register is not proper. Hence, the Independent Auditor's Report is deficient to this extent.
3	Odisha State Beverages Corporation Limited	As per Rule 158 of the Odisha Excise Rules 2017, the accounting of issuance and end utilization of EALs on liquor products from manufacturing to retail point is required to be maintained.

Sl. No.	Name of the Company	Comments
		The Corporation is responsible for maintaining the data base for supply chain management of all liquor products sold to retailers in the State, and the Excise Department does not maintain any separate database of its own, for this purpose. Under Rule 158, the Corporation has also been assigned the responsibility of requisitioning the number of EALs required to be issued to suppliers from outside the State. In response to the queries of the Independent Auditor in pursuance of the Sub-Directions issued under Section 143 (5) of the Companies Act 2013, the Corporation has stated that it has not been assigned any responsibility for monitoring the issuance and end utilization of Excise Adhesive Labels (EALs) and hence, has not adopted any internal controls for such monitoring. In the absence of internal controls for monitoring the utilization of EALs affixed on the liquor products received in the depots of the Corporation, there are material revenue risks to the Corporation (Profit Margin) and to the State Government (Value Added Tax) due to Direct sale at retail point by liquor suppliers, by affixing unutilized EALs on liquor products, without routing them through the supply chain involving the Corporation. Diversion of Excise Duty paid liquor products from the depots of the Corporation, in view of the deficient storage and documentation controls reported by the Independent Auditor.

5.10 Non Compliance with provisions of Accounting Standards/IND AS

In exercise of the powers conferred by Section 469 of the Companies Act, 2013, read with Section 129 (1), Section 132 and Section 133 of the said Act, the Central Government prescribed Accounting Standards 1 to 7 and 9 to 29. Besides these, the Central Government notified 41 Indian Accounting Standards (Ind AS) through Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The statutory auditors reported that six companies as detailed in **Appendix 5.11** did not comply with mandatory Accounting Standards/Ind AS.

During the course of supplementary audit, the CAG observed that the following companies had also not complied with the Accounting Standards/Ind AS which were not reported by their statutory auditors as detailed in **Table 5.24**.

Table 5.24: Non-compliance to Accounting Standards/Ind AS observed during supplementary audit

Accounting Standard/Ind AS		Name of the Company	Deviation
AS 12	Wrong accounting of intangible asset acquired out of Grants.	Industrial Promotion and Investment Corporation of Odisha Limited	The Company had wrongly accounted an intangible asset of GO-Swift Software Portal in violation of AS 12 during 2019-20 resulting in understatement of Non-current liabilities and overstatement of Current Liabilities by an amount of ₹ 54.41 lakh.
Ind AS 12	Non-Disclosure of Fixed Assets created out of Government Grants	Odisha Power Transmission Corporation Limited	The company did not disclose fixed assets of ₹ 262.96 crore created out of Government Grants in the notes to accounts forming part of the Financial Statements. Similarly, depreciation of ₹ 12.89 crore on that asset has not been disclosed in the accounts as deferred income.
Ind AS 37	Non-Disclosure of Contingent Liabilities	Odisha Thermal Power Corporation Limited	The Company has not disclosed its contingent liability of ₹ 4.73 crore against a disputed claim of the consultant, the special leave petition of which is pending before Hon'ble Supreme Court.
Ind AS 10	Non accounting of energy bills claimed by the Generating Companies	GRIDCO Limited	The company has not accounted for energy bills claimed by PGCIL, GKEL, OPGC and OHPC towards cost of power relating to the period 2017-18 to 2019-20 in violation of Ind AS 10.
Ind AS 18	Wrong accounting of disputed energy bills	GRIDCO Limited	The company has wrongly accounted for disputed energy bills of M/S Vedanta Limited as Revenue from operation in contravention of Ind AS 18 resulting in overstatement of Revenue from operation and Trade Receivables by ₹ 53.75 crore each.
AS 2	Wrong valuation of Inventories	Odisha Small Industries Corporation Limited	The company has valued all its inventories at net realizable value instead of cost or net realizable value whichever is lower in violation of Accounting Standard 2.

5.11 Management Letters

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

The material observations on the financial statements of PSEs were reported as comments by the CAG under Section 143 (5) of the Companies Act, 2013. Besides these comments,

irregularities or deficiencies observed by CAG in the financial reports or in the reporting process were also communicated to the management through a 'Management Letter' for taking corrective action. These deficiencies generally related to:

- application and interpretation of accounting policies and practices;
- adjustments arising out of audit that could have a significant effect on the financial statements; and
- inadequate or non-disclosure of certain information on which management of the concerned PSE gave assurances that corrective action would be taken in the subsequent year.

During the year, CAG issued 'Management Letters' to 26 SPSEs as listed in **Appendix 5.12**.

5.12 Recommendation

State Government may ensure timely submission of Financial Statements of SPSEs, as in the absence of finalisation of accounts, Government investments in such SPSEs remain outside the oversight of the State Legislature.



Bhubaneswar

(BIBHUDUTTA BASANTIA)

The 16th March 2022

Principal Accountant General (Audit-I), Odisha

COUNTERSIGNED



New Delhi

(GIRISH CHANDRA MURMU)

The 24th March 2022

Comptroller & Auditor General of India

Appendices

Appendix 1.1
(Refer Introductory Para in Chapter I)
A brief profile of Odisha

A. General Data					
Particulars			Figures		
1	Area		1,55,707 Sq. Km		
2	Population				
	a.	As per 2001 Census	3.68 crore		
	b.	As per 2011 Census	4.20 crore		
3	Density of Population ⁴¹ (as per 2011 Census). (All India Density = 382 persons per Sq. Km)		270 persons per Sq. Km		
4	Population below poverty line ⁴² (BPL) (All India Average = 21.9 <i>per cent</i>)		32.59 <i>per cent</i>		
5	Literacy ⁴³ (as per 2011 Census) (All India Average = 73.0 <i>per cent</i>)		72.90 <i>per cent</i>		
6	Infant mortality ⁴⁴ (per 1000 live births) . (All India Average = 30 per 1000 live births)		38.00		
7	Life Expectancy at birth ⁴⁵ . (All India Average = 69.4 years)		69.3 years		
8	Human Development Index				
	a.	2018 (All India = 0.642)	0.606		
	b.	2019 (All India = 0.645)	0.606		
9	Gross State Domestic Product (GSDP) 2020-21 at current price		5,09,574		
10	Per Capita GSDP CAGR (2011-12 to 2020-21)	Odisha	8.97		
		General Category States	8.08		
11	GSDP CAGR (2011-12 to 2020-21	Odisha	10.01		
		All India	9.48		
12	Population Growth (2011 to 2021)	Odisha	8.67		
		All India	12.30		
B. Financial Data					
Particulars					
CAGR		2011-12 to 2019-20		2019-20 to 2020-21	
		General Category States	Odisha	General Category States	Odisha
		(In <i>per cent</i>)			
a.	of Revenue Receipts.	11.61	12.26	-4.56	2.78
b.	of Own Tax Revenue.	9.88	11.59	-4.43	6.01
c.	of Non Tax Revenue.	13.20	10.81	-35.60	33.25
d.	of Total Expenditure.	12.18	14.88	4.54	-4.82
e.	of Capital Expenditure.	10.10	19.68	-2.36	-11.48
f.	of Revenue Expenditure on Education.	11.18	12.26	-1.19	-0.01
g.	of Revenue Expenditure on Health.	15.33	19.96	14.51	27.50
h.	of Salary and Wages.	10.18	11.17	2.27	1.55
i.	of Pension.	13.31	14.77	6.02	-4.51

⁴¹ Census Info India 2011 Final Population Totals

⁴² Economic Survey 2020-21 Govt of India

⁴³ Economic Survey 2020-21 Govt of India

⁴⁴ Economic Survey 2020-21 Govt of India

⁴⁵ Economic Survey 2020-21 Govt. of India

APPENDIX - 1.2 (Paragraph 1.1)

Structure and Form of Government Accounts

Part A: Structure and Form of Government Accounts

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

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

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

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

PART B: Layout of Finance Accounts

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

APPENDIX – 2.1
(Refer paragraph 2.1)
Abstract of receipts and disbursements for the year 2020-21

(₹ in crore)

2019-20	Receipts	2020-21	2019-20	Disbursements	2020-21		
					Administ rative	Programme	Total
Section A: Revenue							
1,01,567.75	I. Revenue Receipts	1,04,387.24	99,137.30	I. Revenue Expenditure-	47,151.13	48,159.72	95,310.85
32,315.18	Tax Revenue	34,258.17	28,600.98	General Services	27,853.47	417.78	28,271.25
	--	--	43,516.66	Social Services-	14,892.42	25,008.61	39,901.03
14,647.20	Non-Tax Revenue	19,518.06	17,228.16	Education, Sports, Art and Culture	10,670.06	6,572.38	17,242.43
	--	--	5,681.23	Health and Family Welfare	2,497.63	4,746.01	7243.64
30,453.27	State's Share of Union Taxes	27,542.67	6,844.49	Water Supply, Sanitation, Housing and Urban Development	883.54	3,960.58	4,844.12
	--	--	89.86	Information and Broadcasting	30.64	41.70	72.34
--	Non-Plan Grants	--	2,457.83	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	538.89	1,574.47	2,113.36
--	Grants for State Plan Schemes	--	125.60	Labour and Labour Welfare	66.34	44.89	111.23
	--	--	10,860.76	Social Welfare and Nutrition	42.89	7,947.93	7,990.82
--	Grants for Central and Centrally Sponsored Plan Schemes	--	228.72	Others	162.43	120.65	283.08
	--	--	25,585.61	Economic Services-	4,405.24	21403.54	25,808.78
13,055.62	Grants for Centrally Sponsored Scheme	12,697.75	10,991.80	Agriculture and Allied Activities	1,340.55	7,228.38	8,568.93
	--	--	9,736.97	Rural Development	34.30	11,309.27	11,343.57
3,563.33	Finance Commission Grants	4,949.00	2.90	Special Areas Programmes	--	8.38	8.38
	--	--	1,305.47	Irrigation and Flood Control	1,070.61	614.53	1,685.14
7,533.15	Other Transfer/Grants to States	5,421.59	57.10	Energy	7.99	30.46	38.45
	--	--	746.11	Industry and Minerals	123.38	633.65	757.03
	--	--	1,889.23	Transport	1,625.84	631.44	2,257.28
	--	--	75.16	Science, Technology and Environment	21.30	82.64	103.94
	--	--	780.87	General Economic Services	181.27	864.79	1,046.06
	--	--	1,434.05	Grants-in-aid and Contributions-	--	1,329.79	1,329.79
	II. Revenue deficit carried over to		2,430.45	II. Revenue Surplus carriedover	--	--	9,076.39

2019-20	Receipts	2020-21	2019-20	Disbursements	2020-21		
					Administrative	Programme	Total
Section B : Capital							
38,134.48	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	42,437.50	--	III. Opening Overdraft from Reserve Bank of India	--	--	--
--	IV. Miscellaneous Capital Receipts	--	20,277.28	IV. Capital Outlay-	91.66	17,857.32	17,948.98
	--	--	805.56	General Services-	30.09	837.86	867.95
	--	--	5,263.84	Social Services-	0.65	4,522.76	4,523.41
	--	--	758.63	Education, Sports, Art and Culture	(-)0.20	581.57	581.37
	--	--	504.09	Health and Family Welfare	--	630.92	630.92
	--	--	3592.19	Water Supply, Sanitation, Housing and Urban Development	0.85	2,728.71	2,729.56
	--	--	--	Information and Broadcasting	--	--	--
	--	--	153.30	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	--	268.79	268.79
	--	--	23.80	Social Welfare and Nutrition	--	100.70	100.70
	--	--	231.83	Others	--	212.07	212.07
	--	--	14,207.87	Economic Services-	60.92	12,496.70	12,557.62
	--	--	215.05	Agriculture and Allied Activities	--	322.72	322.72
	--	--	348.46	Rural Development	--	17.34	17.34
	--	--	149.37	Special Areas Programmes	--	214.13	214.13
	--	--	4,748.41	Irrigation and Flood Control	--	3,108.42	3,108.42
	--	--	2,134.40	Energy	--	1,284.14	1,284.14
	--	--	1.73	Industry and Minerals	--	1.61	1.61
	--	--	6,465.83	Transport	--	6,670.99	6,670.99
	--	--	144.62	General Economic Services	60.92	877.35	938.27
287.16	V. Recoveries of Loans and Advances-	684.22	1,259.31	V. Loans and Advances disbursed-	95.44	1,501.74	1,597.18
--	From Power Projects	--	251.39	For Power Projects	--	536.74	536.74
84.09	From Government Servants	400.00	107.73	To Government Servants	95.44	--	95.44
203.07	-From Others	284.22	900.19	To Others	--	965.00	965.00
2,430.45	VI. Revenue Surplus brought down	9,076.39	--	VI. Revenue Deficit brought down	--	--	--
14,678.86	VII. Public Debt Receipts-	20,317.65	4,493.75	VII. Repayment of Public Debt-	--	--	9,252.14
--	External debt		--	External debt	--	--	--

2019-20	Receipts	2020-21	2019-20	Disbursements	2020-21		
					Administrative	Programme	Total
13,720.76	Internal debt other than Ways and Means Advances and Overdrafts	15,191.08	3,546.48	Internal Debt other than Ways and Means Advances and Overdrafts	--	--	8,264.97
--	Net transactions under Ways and Means Advances	--	--	Net transactions under Ways and Means Advances	--	--	--
--	Net transactions under Overdraft	--	--	Net transactions under Overdraft	--	--	--
958.11	Loans and Advances from Central Government	5,126.57	947.27	Repayment of Loans and Advances to Central Government	--	--	987.17
--	VIII. Appropriation to Contingency Fund	--	--	VIII. Appropriation to Contingency Fund	--	--	--
1,440.22	IX. Amount transferred to Contingency Fund	--	--	IX. Expenditure from Contingency Fund	--	--	171.00
74,574.89	X. Public Account Receipts-	63,210.13	63,078.22	X. Public Account Disbursements-	--	--	74,120.55
5,117.39	Small Savings and Provident Funds	5,016.68	4,202.61	Small Savings and Provident Funds	--	--	4,405.15
16,731.87	Reserve Funds	4,098.03	9,478.27	Reserve Funds	--	--	5,127.08
(-)57.88	Suspense and Miscellaneous	2,514.07	22.38	Suspense and Miscellaneous	--	--	(-)12.10
28,674.50	Remittance	25,896.83	28,695.69	Remittances	--	--	25,878.82
24,109.01	Deposits and Advances	25,684.52	20,679.27	Deposits and Advances	--	--	38721.60
	XI. Closing Overdraft from Reserve Bank of India		42,437.50	XI. Cash Balance at end-	--	--	32,636.04
	--		--	Cash in Treasuries and Local Remittances	--	--	--
	--		242.18	Deposits with Reserve Bank	--	--	27.48
	--		20.19	Departmental Cash Balance including permanent Advances	--	--	19.57
	--		42,175.13	Cash Balance Investment			32,588.99
2,33,113.81	Total	2,40,113.13	2,33,113.81	Total			2,40,113.13

APPENDIX – 2.2
(Refer paragraph 2.2)

Time Series data on the State Government Finances

(₹ in crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Part A. Receipts					
1. Revenue Receipts	74,299	85,204	99,546	1,01,568	1,04,387
(i) Tax Revenue	22,852(31)	27,914(33)	30,318(30)	32,315(32)	34,258(33)
State Goods and Services Tax (SGST)	Nil	6,609(24)	11,943(39)	13,204(41)	13,043(38)
Taxes on Agricultural Income	Nil	Nil	Nil	Nil	Nil
Taxes on Sales, Trade, etc	13,402(59)	11,522(41)	7,310(24)	7,455(23)	7,777(23)
State Excise	2,786(12)	3,221(12)	3,925(13)	4,495(14)	4,053(12)
Taxes on Vehicles	1,216(5)	1,535(5)	1,746(6)	1,836(6)	1,526(4)
Stamps and Registration fees	1,364(6)	1,037(4)	1,237(4)	1,435(4)	2,942(9)
Land Revenue	460(2)	542(2)	511(2)	721(2)	603(2)
Taxes on Goods and Passengers	1,760(8)	1,260(5)	182(1)	133(1)	146(0)
Other Taxes	1,864(8)	2,188(8)	3,464(11)	3,036(9)	4,168(12)
(ii) Non-Tax Revenue	8,043(11)	8,398(10)	14,276(14)	14,647(14)	19,518(19)
(iii) State's share of Union taxes and duties	28,322(38)	31,272(37)	35,354(36)	30,454(30)	27,543(26)
(iv) Grants in aid from Government of India *	15,082(20)	17,620(20)	19,598(20)	24,152(24)	23,068(22)
2. Miscellaneous Capital Receipts	Nil	Nil	Nil	Nil	Nil
3. Recoveries of Loans and Advances	89	257	305	287	684
4. Total Revenue and Non debt capital receipts (1+2+3)	74,388	85,461	99,851	1,01,855	1,05,071
5. Public Debt Receipts	11,223	12,862	10,003	14,679	20,318
Internal Debt	10,320	12,013	9,020	13,721	15,191
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	903	849	983	958	5,127
6. Total Receipts in the Consolidated Fund (4+5)	85,611	98,323	1,09,854	1,16,534	1,25,389
7. Contingency Fund Receipts	123	--	--	1,440	--
8. Public Account Receipts	41,627	71,874	62,906	74,575	63,210
9. Total Receipts of the State (6+7+8)	1,27,361	1,70,197	1,72,760	1,92,549	1,88,599
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	65,041(78)	71,837(76)	85,356(78)	99,137(82)	95,311(83)
Plan/Programme	25,331(39)	34,591(48)	43,144(51)	47,362(48)	48,160(51)
Non-Plan/Administrative	39,710(61)	37,246(52)	42,212(49)	51,775(52)	47,151(49)
General Services (including interest payments)	16,715(26)	20,261(28)	24,053(28)	28,601(29)	28,271(30)
Social Services	27,600(42)	29,557(41)	36,427(43)	43,517(44)	39,901(42)
Economic Services	19,714(30)	20,757(29)	23,513(27)	25,585(26)	25,809(27)
Grants-in-Aid and Contributions	1,012(2)	1,263(2)	1,363(2)	1,434(1)	1,330(1)
11. Capital Expenditure	18,471(22)	21,109(22)	23,482(21)	20,277(17)	17,949(16)
Plan/Program	18,458(100)	21,072(100)	23,439(100)	20,236(100)	17,857(99)
Non-Plan/Administrative	13	37	43	41	92(1)
General Services	374(2)	465(2)	730(3)	805(4)	868(5)
Social Services	3,001(16)	4,201(20)	4,545(19)	5,264(26)	4,523(25)
Economic Services	15,096(82)	16,443(78)	18,207(78)	14,208(70)	12,558(70)

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

	2016-17	2017-18	2018-19	2019-20	2020-21
12. Disbursement of Loans and Advances	254(0)	1,875(2)	1,170(1)	1,259(1)	1,597(1)
13. Total Expenditure (10+11+12)	83,766	94,821	1,10,008	1,20,673	1,14,857
14. Repayments of Public Debt	2,962	2,690	3,940	4,494	9252
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2,292	1,982	3,183	3,547	8265
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	670	708	757	947	987
15. Appropriation to Contingency Fund	Nil	Nil	Nil	Nil	Nil
16. Total disbursement out of Consolidated Fund (13+14+15)	86,728	97,511	1,13,948	1,25,167	1,24,109
17. Contingency Fund disbursements	Nil	Nil	1,440	Nil	171
18. Public Account disbursements	38,080	56,439	50,085	63,078	74,192
19. Total disbursement by the State (16+17+18)	1,24,808	1,53,950	1,65,473	1,88,245	1,98,401
Part C. Deficits					
20. Revenue Deficit (-)/Revenue Surplus (+) (1-10)	9,258	13,367	14,190	2,430⁴⁶	9,076
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)9,378	(-)9,360	(-)10,157	(-)18,819⁴⁷	(-)9,786
22. Primary Deficit(-)/Primary Surplus(+) (21+23)	(-)5,343	(-)4,372	(-)4,357	(-)12,756	(-)3,142
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	4,035	4,988	5,800	6,063	6,644
24. Financial Assistance to local bodies etc.	19,348	21,780	25,957	28,465	27,269
25. Ways and Means Advances/Overdraft availed (days)	--	--	--	--	--
Ways and Means Advances availed (days)	Nil	Nil	Nil	Nil	Nil
Overdraft availed (days)	Nil	Nil	Nil	Nil	Nil
26. Interest on Ways and Means Advances/ Overdraft	Nil	Nil	Nil	Nil	Nil
27. Gross State Domestic Product (GSDP)	3,92,804	4,40,879	4,87,805	5,21,275	5,09,574
28. Outstanding Fiscal liabilities (year end)	71,623	97,164	1,08,258	1,26,084	1,22,774
29. Outstanding guarantees (year end) (including interest)	2,256	1,711	4,170	3,532	7,086
30. Maximum amount guaranteed (year end)	12,281	12,281	15,281	15,206	19,336
31. Number of incomplete projects	267	186	NA	NA	NA
32. Capital blocked in incomplete projects	3,602	2,818	NA	NA	NA
Part E: Fiscal Health Indicators (in per cent)					
I Resource Mobilisation					
Own Tax Revenue/GSDP	5.82	6.33	6.22	6.20	6.72
Own Non-Tax Revenue/GSDP	2.05	1.90	2.93	2.81	3.83

⁴⁶ Difference of 1crore is due to rounding off: RR (₹1,01,567.75 crore) – RE (₹ 99,137.30 crore) = ₹ 2,430.45

⁴⁷ Difference of 1crore is due to rounding off (₹1,01,567.75 crore + ₹ 287.16 crore) - (₹99137.30 crore + ₹ 20277.28 crore + ₹ 1259.31 crore)

	2016-17	2017-18	2018-19	2019-20	2020-21
Central Transfers/GSDP	7.21	7.09	7.25	5.84	5.41
II Expenditure Management					
Total Expenditure/GSDP	21.33	21.51	22.55	23.15	22.54
Total Expenditure/Revenue Receipts	112.74	111.29	110.51	118.81	110.03
Revenue Expenditure/Total Expenditure	77.65	75.76	77.59	82.15	82.98
Expenditure on Social Services/Total Expenditure	36.53	35.60	37.24	40.42	38.67
Expenditure on Economic Services/Total Expenditure	41.75	39.65	38.25	33.35	34.10
Capital Expenditure/Total Expenditure	22.05	22.26	21.35	16.80	15.63
Capital Expenditure on Social and Economic Services/Total Expenditure.	21.60	21.77	20.68	16.14	14.87
III Management of Fiscal Imbalances					
Revenue Deficit (Surplus)/GSDP	2.36	3.03	2.91	0.47	1.78
Fiscal Deficit/GSDP	-2.39	-2.12	-2.08	-3.61	-1.92
Primary Deficit (Surplus) /GSDP	-1.36	-0.99	-0.89	-2.45	-0.62
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	18.23	22.04	22.19	24.19	24.09
Fiscal Liabilities/RR	96.40	114.04	108.75	124.14	117.61
V Other Fiscal Health Indicators					
Return on Investment	12.80	1.33	10.16	5.64	14.58
Balance from Current Revenue (₹ in crore)	37,888	51,233	65,423	67,853	79,430
Financial Assets/Liabilities	1.48	1.49	1.53	1.47	1.59

APPENDIX – 2.3
(Refer paragraph 2.6)

Summarised financial position of the Government of Odisha as on 31 March 2021

(₹in crore)

As on 31 March 2020			As on 31 March 2021
	Liabilities		
60,595.30	Internal Debt -		67,521.41
34,530.82	Market Loans bearing interest	35,030.82	
0.08	Market Loans not bearing interest	0.07	
0.23	Loans from Life Insurance Corporation of India	0.07	
26,064.17	Loans from other Institutions	32,490.45	
--	Ways and Means Advances	--	
--	Overdrafts from Reserve Bank of India	--	
7,842.55	Loans and Advances from Central Government -		11,981.95
0.56	Pre 1984-85 Loans	0.38	
13.49	Non-Plan Loans	11.60	
5,120.15	Loans for State Plan Schemes	4,280.34	
--	Loans for Central Plan Schemes	--	
2.35	Loans for Central Sponsored Schemes	1.61	
2,706.00	Loans for State/UTs with Legislature Schemes	7,688.02	
400.00	Contingency Fund		229.00
24,337.84	Small Savings, Provident Funds, etc.		24,949.37
29,256.25	Deposits		16,225.05
21,362.47	Reserve Funds Advances		20333.44
91.45	Suspense and Miscellaneous Balances		117.62
--	Remittance Balances		--
698.15	Miscellaneous Capital Receipts		698.15
67853.36	Cumulative excess of receipts over expenditure		79429.72
2,12,437.36	Total		2,21,485.71
	Assets		
1,61,726.29	Gross Capital Outlay on Fixed Assets -		1,79,684.79
5,698.65	Investments in shares of Companies, Corporations, etc.	7,288.29	
1,56,027.64	Other Capital Outlay	1,72,396.50	
8,162.72	Loans and Advances -		9,066.17
3,894.99	Loans for Power Projects	4,031.72	
3,833.51	Other Development Loans	4,593.39	

As on 31 March 2020			As on 31 March 2021
434.22	Loans to Government servants and Miscellaneous loans	441.06	
10.61	Advances		16.48
100.24	Remittance Balances		82.23
--	Suspense and Miscellaneous Balances	--	--
42,437.50	Cash -		32,636.04
--	Cash in Treasuries and Local Remittances	--	
242.18	Deposits with Reserve Bank	27.48	
20.19	Departmental Cash Balance including Permanent Advances	19.57	
--	Security Deposits	--	
17,310.13	Investment of Earmarked Funds	18,237.63	
24,865.00	Cash Balance Investments	14,351.36	
	Deficit on Government Account -		--
--	(i) Less Revenue Surplus of the current year	--	
--	(ii) Appropriation to Contingency Fund	--	
--	Accumulated deficit at the beginning of the year	--	
2,12,437.36	Total		2,21,485.71

** Included under Suspense and Miscellaneous

Note: Closing balance of the contingency fund has been taken under liabilities

Explanatory Notes for Appendices 2.3

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix 2.2, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc. There was a difference of ₹ 8.13 crore (Net Debit) between the figure reflected in the Accounts ₹ 27.48 crore (Net Debit) and that intimated by the Reserve Bank of India ₹ 35.61 crore (Net Credit) relating to deposits with Reserve Bank of India included in the Cash Balance

APPENDIX – 3.1
(Refer paragraph 3.3.2.1)

Details of cases where supplementary provisions (₹ one crore or more in each case) proved unnecessary

(₹ in crore)

Sl. No.	Grant No. & Name of the Grant	Original	Supplementary	Actual Expenditure	Saving out of provisions
Revenue (Voted)					
1	1-Home	4,999.81	121.66	4,266.65	733.16
2	2-General Administration & Public Grievance	255.49	4.66	167.58	87.91
3	4-Law	463.61	44.07	395.64	67.97
4	6-Commerce	77.70	1.05	60.55	17.15
5	10-School and Mass Education	16,849.24	456.50	14,843.70	2,005.54
6	11-ST & SC Development, Minorities & Backward Classes Welfare	3,218.69	41.89	2428.77	789.92
7	13-Housing and Urban Development	5,367.64	1.48	4470.42	897.22
8	15-Sports and youth Services	152.83	4.65	64.92	87.91
9	17-Panchayati Raj and Drinking Water	14,828.25	2,027.70	13,706.36	1,121.89
10	20-Water Resources	2,996.17	22.37	1,765.77	1,230.40
11	21-Transport	187.15	1.07	144.57	42.58
12	22-Forest & Environment	1,954.40	21.55	1,599.53	354.87
13	29-Parliamentary affairs	42.69	7.73	41.17	1.52
14	33-Fisheries & Animal Resources Development	962.66	42.95	765.31	197.35
15	34-Co-operation	1,564.90	4.07	1,513.82	51.07
16	36-Women & Child Development & Mission Shakti	3,905.18	33.81	3,279.18	626.00
17	37-Electronics and Information Technology	236.28	8.70	169.21	67.07
18	38-Higher Education	2,344.51	193.46	2,128.22	216.29
19	39-Skill Development & Technical Education	398.53	4.67	354.80	43.73
20	41- Social Security and Empowerment of Persons with Disability	3,024.26	22.51	2,113.16	911.10
21	42-Disaster Management	6,504.57	1,984.22	4,865.90	1,638.67
22	43-Odia Language, Literature and Culture	148.81	1.92	111.92	36.89
	Total	70,483.37	5,052.69	59,257.15	11,226.21
Capital (Voted)					
23	1-Home	371.05	108.64	250.61	120.44
24	7-Works	4,419.92	169.85	4,115.55	304.37
25	12-Health and Family Welfare	970.00	100.00	675.33	294.67
26	17-Panchayati Raj and Drinking Water	3,271.00	18.41	1,886.77	1,384.23
27	28-Rural Development	4,321.76	25.95	2,836.80	1,484.96

28	33-Fisheries and Animal Resources Development	248.24	19.07	210.31	37.93
29	34-Co-operation	235.50	3.00	176.66	58.84
30	39-Skill Development & Technical Education	426.48	5.68	326.70	99.78
Total		14,263.96	450.60	10,478.72	3,785.23
GRAND TOTAL		84,747.33	5,503.29	69,735.87	15,011.44

Source: Appropriation Accounts 2020-21, Government of Odisha

APPENDIX – 3.2

(Refer paragraph 3.3.2.2)

Excessive Supplementary Provision during 2020-21

(₹ one crore or more in each case)

(₹ in crore)

Sl. No.	Grant No./ Name of the Department	Original Provision	Supplementary provision	Total Provision	Actual expenditure	Excess Supplementary provision
Revenue (Voted)						
1	9-Food Supplies and Consumer Welfare	1,260.49	1,078.30	2,338.78	2,297.53	41.25
2	12-Health and Family Welfare	6,727.12	1,668.77	8,395.89	7,247.36	1,148.53
3	27-Science and Technology	100.00	2.21	102.21	101.43	0.78
4	32-Tourism and Culture	97.58	30.00	127.58	126.48	1.10
5	40-Micro, Small and Medium Enterprises	250.00	54.82	304.82	258.54	46.28
Total		8,435.19	2,834.10	11,269.28	10,031.34	1,237.94
Capital (Voted)						
6	4-Law	2.50	4.80	7.30	7.05	0.25
7	5-Finance	988.34	450.00	1,438.34	1,293.68	144.66
8	23-Agriculture and Farmers' Empowerment	0.00	257.80	257.80	242.80	15.00
9	30-Energy	1,727.93	956.80	2,684.73	1,883.11	801.62
10	31-Handlooms, Textiles and Handicrafts	12.30	30.00	42.30	34.71	7.59
Total		2,731.07	1,699.40	4,430.47	3,461.35	969.12
Capital (Charged)						
11	6003-Internal Debt of the State Government (all charged)	6,352.00	1,913.04	8,265.04	8,264.97	0.07
Total		6,352.00	1,913.04	8,265.04	8,264.97	0.07
Grand Total		17,518.26	6,446.54	23,964.79	21,757.66	2,207.13

Source: Appropriation Accounts 2020-21, Government of Odisha

APPENDIX – 3.3
(Refer paragraph 3.3.3)
Unnecessary /Excess re-appropriation of funds during 2020-21

(₹ in crore)

Sr. No.	Grant No. and Head of Accounts	Provisions					Actual Expenditure	Final Excess (-) Saving (+)
		Original	Supplementary	Re-appropriation	Surrender	Total		
1	3-2053-00-093-0617-Head Quarter Establishment	158.08	0	1.18	28.14	131.12	129.86	1.26
2	20-2711-01-800-1214-Rivers Embankment Maintenance	120.73	0	3	5.77	117.96	111.95	6.01
3	20-4700-01-796-2160-Accelerated Irrigation Benefit Programme (AIBP)	129.62	0	6.82	1.13	135.31	65.52	69.79
4	30-4801-05-800-2815-Construction of Grid Substation	0	0	14.29	0	14.29	0	14.29
Total (unnecessary)		408.43	0	25.29	35.04	398.68	307.33	91.35
5	12- 2210-01-110-1016-Other Hospitals	453.79	7.4	16.89	19.13	458.95	457.49	1.46
6	20-4700-19-796-2160-Accelerated Irrigation Benefit Programme (AIBP)	46.54	0	13	0.06	59.48	52.47	7.01
7	20-4700-19-800-2160-Accelerated Irrigation Benefit Programme (AIBP)	123.52	0	6	1.21	128.31	123.31	5
8	20-4702-00-800-2252-Minor Irrigation Projects under State Plan	33.3	0	7.3	8.31	32.29	31.29	1
Total (Excess)		657.15	7.4	43.19	28.71	679.03	664.56	14.47
GRAND TOTAL		1,065.58	7.4	68.48	63.75	1,077.71	971.89	105.82

Source: Monthly Appropriation Reports, Govt. of Odisha

APPENDIX – 3.4
(Refer paragraph-3.3.3)
Re-appropriation of funds on 31st March 2021
(₹ One crore and above in each case)

(₹ in crore)

Sl No	Name of the Grant/ Name of the Department	Head	Name of the Scheme	Amount
1	05-Finance	4217-60-800-3478	Scheme for Special Central Assistance to States for Capital Expenditure	83.5
2		2071-01-101-1040	Pension to Government Servants	2,662.69
3		2235-60-102-1044	Pension to unprisoned Freedom Fighters	3.17
4	7-Works	5054-03-337-1994	Odisha State Roads Project-Road Improvement component	12.45
5	12-Health & Family Welfare	2210-(01-80-06-03)-(001-004-101-103-107-110)-(0308-0618-1364-1090-2791-1092-1125-0886-1016)	Medical and Public Health	7.54
6	17-Panchayati Raj and Drinking Water	2215-01-102-0851	Maintenance and Repair	1.3
7	2049- Interest payments	2049-01-101-0754 2049-01-200-0752	Interest payment on Market Loans Interest on Internal Loans	479.81
8	23-Agriculture and Farmers' Empowerment	2401-00-796-3231	Special Programme for Promotion of Millets in Tribal Areas	15.11
9	23-Agriculture and Farmers' Empowerment	2401-00-800-3347	Plant Protection	2.58
10	6004- Loans and Advances from the Central Government	6004-02-101-0432	Back to Back Loans	165.06
Total				3,433.21

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

APPENDIX – 3.5

(Refer paragraph 3.3.4)

List of grants having large savings (savings above ₹100 crore) during the year

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Saving/ Excess	Percentage of savings against total Provision	Surrender	Savings excluding surrender
Revenue (Voted)									
1	1-Home	4,999.81	121.66	5,121.47	4,266.65	854.82	16.69	848.13	6.70
2	3-Revenue and Disaster Management	1,141.94	0.00	1,141.94	862.13	279.81	24.50	279.82	0.00
3	4-Law	463.61	44.07	507.68	395.64	112.04	22.07	111.94	0.10
4	5-Finance	20,099.21	0.00	20,099.21	14,966.24	5,132.97	25.54	3,248.14	1,884.84
5	10-School and Mass Education	16,849.24	456.50	17,305.74	14,843.70	2,462.04	14.23	2,459.99	2.04
6	11-ST&SC Development, Minorities & Backward Classes Welfare	3,218.69	41.89	3,260.58	2,428.77	831.81	25.51	829.84	1.97
7	12-Health and Family Welfare	6,727.12	1,668.77	8,395.89	7,247.36	1,148.53	13.68	1,190.23	-41.70
8	13-Housing and Urban Development	5,367.64	1.48	5,369.13	4,470.42	898.71	16.74	828.04	70.67
9	16-Planning and Convergence	945.73	0.00	945.73	774.27	171.46	18.13	171.39	0.07
10	17-Panchyati Raj and Drinking Water	14,828.25	2,027.70	16,855.95	13,706.36	3,149.59	18.69	3,481.24	-331.65
11	19-Industries	550.00	0.00	550.00	97.54	452.46	82.26	452.45	0.00
12	20-Water Resources	2,996.17	22.37	3,018.53	1,765.77	1,252.76	41.50	415.40	837.35
13	22-Forest & Environment	1,954.40	21.55	1,975.95	1,599.53	376.42	19.05	382.14	-5.71
14	23-Agriculture and Farmers' Empowerment	6,759.33	0.00	6,759.33	4,055.18	2,704.15	40.01	2,702.38	1.78
15	28-Rural Development	1,227.16	0.34	1,227.50	1,043.27	184.23	15.01	184.18	0.05
16	30-Energy	132.80	0.00	132.80	26.28	106.52	80.21	106.51	0.01
17	33-Fisheries and Animal Resources Development	962.66	42.95	1,005.61	765.31	240.30	23.90	225.27	15.03
18	36-Women and Child Development and Mission	3,905.18	33.81	3,938.99	3,279.18	659.81	16.75	660.04	-0.24

	Shakti								
19	38-Higher Education	2,344.51	193.46	2,537.96	2,128.22	409.74	16.14	409.35	0.40
20	41-Social Security and Empowerment of Persons with Disability	3,024.26	22.51	3,046.77	2,113.16	933.61	30.64	933.59	0.02
21	42-Disaster Management	6,504.57	1,984.22	8,488.79	4,865.90	3,622.89	42.68	3,622.82	0.07
Total		1,05,002.28	6,683.28	1,11,685.55	85,700.88	25,984.67		23,542.89	2,441.80
Revenue (Charged)									
22	2049-Interest Payment (All Charged)	7,160.00	0.00	7,160.00	6,643.79	516.21	7.21	516.21	0.00
Total		7,160.00	0.00	7,160.00	6,643.79	516.21		516.21	0.00
Capital (Voted)									
23	1-Home	371.05	108.64	479.70	250.61	229.09	47.76	229.08	0.00
24	5-Finance	988.34	450.00	1,438.34	1,293.68	144.66	10.06	144.60	0.06
25	7-Works	4,419.92	169.85	4,589.77	4,115.55	474.22	10.33	468.90	5.32
26	10-School and Mass Education	609.00	0.00	609.00	279.99	329.01	54.02	329.01	0.00
27	11-ST&SC Development, Minorities & Backward Classes Welfare	589.66	0.00	589.66	351.04	238.62	40.47	238.63	0.00
28	12-Health and Family Welfare	970.00	100.00	1,070.00	675.33	394.67	36.89	394.67	0.00
29	13-Housing and Urban Development	814.13	0.00	814.13	342.32	471.81	57.97	471.96	0.00
30	17-Panchyati Raj and Drnking Water	3,271.00	18.41	3,289.41	1,886.77	1,402.64	42.64	1,402.57	0.07
31	20-Water Resources	6,339.96	0.00	6,339.96	3,586.50	2,753.46	43.43	377.70	2,375.76
32	21-Transport	657.41	0.00	657.41	425.38	232.03	35.29	232.03	0.00
33	28-Rural Development	4,321.76	25.95	4,347.71	2,836.80	1,510.91	34.75	1,510.91	0.00
34	30-Energy	1,727.93	9,56.80	2,684.73	1,883.11	801.62	29.86	491.82	309.80
35	39-Skill Development & Technical Education	426.48	5.68	432.16	326.70	105.46	24.40	105.46	0.00
Total		25,506.65	1,835.33	27,341.98	18,253.77	9,088.20		6,397.35	2,691.01
Capital (Charged)									

36	6004-Loan and advance form the central Government(all charged)	1,220.00	0.00	1,220.00	987.17	232.83	19.08	232.83	0.00
Total		1,220.00	0.00	1,220.00	987.17	232.83		232.83	0.00
Grand Total		1,38,888.9	8,518.61	1,47,407.5	1,11,585.6	3,5821.91		30,689.28	5,132.81

Source: Monthly Appropriation Reports 2020-21, Government of Odisha

APPENDIX – 3.6

(Refer paragraph 3.3.5)

Surrenders of 100 per cent of total provisions made during the year 2020-21**(₹ 50 crore or more in each case)**

Sl. No.	Number and Name of the Grant	Name of the scheme (Head of Account)	Amount surrendered (₹ in crore)	Percentage of Surrender	Reasons for Surrender
1	02-General Administration and Public Grievances	2052-00-090-3356-Biju Patnaik School of Government and Public Affairs	50	100	Reasons not furnished
2	07-Works	3054-80-797-1361-State Road Fund	430.86	100	Reasons not furnished
3	13-Housing and Urban Development	4217-60-800-2719-EAP Assisted by KFW German for Odisha Urban Infrastructure Development Fund (OUIDF)	60	100	Reasons not furnished
4	17-Panchayati Raj and Drinking Water	2505-60-800-3227-Revolving Fund for MGNREGS	500	100	Due to non-receipt of permission from Government of India for drawal of funds
5	19-Industries	2875-60-190-2222-New Scheme for Promotion of Other Industries	227.06	100	Due to non-appraisal of scheme.
6	23-Agriculture and Farmers' Empowerment	2401-00-800-2606-Sustainable Harnessing of Ground Water in Water Deficit areas	65.5	100	The scheme was transfer to DOWR
7	30-Energy	2810-00-105-2963-Assistance to GEDCOL	100	100	Reasons not furnished
8		4801-06-789-2153-Rajiv Gandhi Gramin Vidyutikaran Yojana	94	100	Reasons not furnished
9	33-Fisheries and Animal Resources Development	4405-00-103-3265-Integrated Development and Management of Fisheries	55	100	Due to non-sanction of fund by Government of India
10	37-Electronics and Information Technology	2852-07-202-2453-State Infrastructure of SDC	74.76	100	Due to non-completion of tender process for construction of data center due to outbreak of Covid-19 pandemic.

11	41-Social Security and Empowerment of persons with disabilities	2235-60-102-2851-Winter Allowance	116.13	100	Due to disbursement in shape of ex-gratia in lieu of summer and winter allowance under MBPY as per Finance Department observations
12	42-Disaster Management	2245-02-193-1275-World Bank Assisted EAP-Odisha Disaster Recovery Project	61	100	Due to occurrence of less/ no expenditure due to Covid-19 pandemic.
TOTAL			1,834.31		

Source: Monthly Appropriation Reports 2020-21, Government of Odisha

APPENDIX – 3.7

(Refer paragraph 3.3.5.2)

Statement showing details of savings of ₹100 crore and above and partially surrendered during 2020-21

(₹ in crore)

Sl. No.	Grant No. and name of the department	Original	Supple-mentary	Total Provisions	Expenditure	Savings	Amount Surrendered	Savings which remained to be surrendered
Revenue (Voted)								
1	1-Home	4,999.81	121.66	5,121.47	4,266.65	854.82	848.13	6.70
2	5-Finance	20,099.21	0.00	20,099.21	14,966.24	5,132.97	3,248.14	1,884.84
3	10-School and Mass Education	16,849.24	456.50	17,305.74	14,843.70	2,462.04	2,459.99	2.04
4	11-ST & SC Development, Minorities and Backward Classes Welfare	3,218.69	41.89	3,260.58	2,428.77	831.81	829.84	1.97
5	13-Housing and Urban Development	5,367.64	1.48	5,369.13	4,470.42	898.71	828.04	70.67
6	20-Water Resources	2,996.17	22.37	3,018.53	1,765.77	1,252.76	415.40	837.35
7	23-Agriculture and Farmers' Empowerment	6,759.33	0.00	6,759.33	4,055.18	2,704.15	2,702.38	1.78
8	33-Fisheries and Animal Resources Development	962.66	42.95	1,005.61	765.31	240.30	225.27	15.03
Total		61,252.76	686.85	61,939.61	47,562.03	14,377.55	11,557.19	2,820.39
Capital (Voted)								
9	7-Works	4,419.92	169.85	4,589.77	4,115.55	474.22	468.90	5.32
10	20-Water Resources	6,339.96	0.00	6,339.96	3,586.50	2,753.46	377.70	2,375.76
11	30-Energy	1,727.93	956.80	2,684.73	1,883.11	801.62	491.82	309.80
Total		12,487.81	1,126.65	13,614.46	9,585.16	4,029.30	1,338.43	2,690.87
Grand Total		73,740.57	1,813.50	75,554.07	57,147.19	18,406.85	12,895.62	5,511.26

Source: Appropriation Accounts 2020-21, Government of Odisha

APPENDIX – 3.8

(Refer paragraph 3.4.1)

Details of the schemes for which provision (₹ 10 crore and above) was made but no expenditure was incurred

(₹ in crore)

Sl. No.	Grant No./Name of the Department	Scheme Name	Approved outlay	Revised outlay	Actual expenditure	Savings
1	20-Water Resources	2702-02-800-0129-Rooftop Rain Water Harvesting and Ground Water Recharge in Urban Areas	32.75	0	0	32.75
2	-do-	2702-03-102-2606-Sustainable Harnessing of ground water in water deficit area	169	0	0	169
3	-do-	2702-03-796-2606-Sustainable Harnessing of ground water in water deficit area	46	0	0	46
4	-do-	2702-03-102-3267-Pradhan Mantri Krushi Sichai Yojana - Har Khet Ko Pani(HKP)	166.05	0	0	166.05
5	-do-	2702-03-796-3267-Pradhan Mantri Krushi Sichai Yojana - Har Khet Ko Pani(HKP)	58	0	0	58
6	-do-	2702-03-789-2606-Sustainable Harnessing of ground water in water	35	0	0	35
7	-do-	2702-03-789-3267deficit areas Pradhan Mantri Krushi Sichai Yojana - Har Khet Ko	47	0	0	47
8	-do-	2705-00-001-0594-Grants-in-Aid to Command Area Development Authority for Construction of field channels	68.96	0	0	68.96
9	-do-	2705-00-789-0594-Grants-in-Aid to Command Area Development Authority for Construction of field channels	45.83	0	0	45.83

10	-do-	2705-00-796-0594-Grants-in-Aid to Command Area Development Authority for Construction of field channels	70.31	0	0	70.31
11	-do-	4701-67-796-2410-Dam Rehabilitation and Improvement Projects(EAP)	20	0	0	20
12	-do-	4701-80-789-3439-Construction of In-stream Storage Structure	100	0	0	100
13	-do-	4701-80-796-3439-Construction of In-stream Storage Structure	220	0	0	220
14	-do-	4701-80-800-3439-Construction of In-stream Storage Structure	771.5	0	0	771.5
15	-do-	4702-00-789-1186-Renovation Works	18	0	0	18
16	-do-	4702-00-789-3459-Renovation of Panchayat Ponds and Tanks	22	0	0	22
17	-do-	4702-00-796-1186-Renovation Works	20	0	0	20
18	-do-	4702-00-796-3459-Renovation of Panchayat Ponds and Tanks	30	0	0	30
19	-do-	4702-00-800-1186-Renovation Works	32	0	0	32
20	-do-	4702-00-800-3459-Renovation of Panchayat Ponds and Tanks	77	0	0	77
21	30-Energy	4801-05-800-2815-Construction of Grid Substation	0	14.29	0	14.29
TOTAL			2,049.40	14.29	0	2,063.69

Source: Appropriation Accounts 2020-21, Government of Odisha

APPENDIX – 3.9

(Refer paragraph 3.5.1)

Rush of Expenditure (100 per cent) during last month of 2020-21 (₹1 crore or more)

Sl No	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Actual Expenditure during March (₹ in crore)
1	1	Home	2014-00-102-0632	High Court Establishment	1.00
2			2055-00-113-2821	Contribution to Police Relief Fund	1.00
3			2055-00-117-2789	Installation and Commissioning of CCTV Surveillance System	50
4			2070-00-108-3378	Emergency Response Support System (ERSS)	1.00
5	2	General Administration and Public Grievance	2052-00-090-3408	Implementation of e-Office	5.74
6	10	School and Mass Education	2202-01-800-3381	State Support for Samagra Shiksha	177
7			2202-02-109-2856	Modernisation of Quality Education	2.00
8	11	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	2225-02-796-1891	Institutional Support for Development and Marketing of Tribal Products / Produce	1.61
9			2225-03-277-2418	Post Matric Scholarship and stipend to OBC students	23.27
10	12	Health and Family Welfare	2210-06-101-0622	Headquarters Drugs Control Organisation	1.00
			2210-06-101-0622	Headquarters Drugs Control Organisation	2.81
			2210-06-789-0622	Headquarters Drug Control Organisation	1.00
11	13	Housing and Urban Development	2217-05-191-2132	Other Urban Development Schemes under State Plan	2.40
			2217-05-193-2132	Other Urban Development Schemes under State Plan	1.20
12			2217-05-789-3218	Storm Water Drainage and Development of Water Bodies	20.40
			2217-05-796-3218	Storm Water Drainage and Development of Water Bodies	27.60
			2217-05-800-3218	Storm Water Drainage and Development of Water Bodies	72
13			3604-00-200-0164	Compensation and Assignments SFC	88.08
14			3604-00-	Grant & Assistance under the award of 5th	127.48

			200-3417	SFC	
15			4217-60-789-3437	New City Development	8.50
			4217-60-796-3437	New City Development	11.50
			4217-60-800-3437	New City Development	30
16	15	Sports & Youth Services	4202-03-796-2053	Infrastructure Development	2.00
17	17	Panchayati Raj and Drinking Water	3054-04-337-2450	Maintenance of Roads and Bridges	67.95
18			4216-01-700-0182	Construction of Buildings	5.00
19	21	Transport	3055-00-800-0922	Miscellaneous	1.60
20	22	Forest & Environment	2406-01-102-3328	Relocation of villages from Reserve forest and sanctuaries	3.12
21	23	Agriculture and Farmers' Empowerment	2402-00-789-2431	Integrated Watershed Management Programme(IWMP)	1.70
22	30	Energy	2801-80-800-3305	Ama Ghare LED Light" Karyakram	1.00
23	31	Handlooms, Textiles & Handicrafts	2851-00-103-1982	Promotion of Textile Industries	1.00
24	34	Co-operation	2425-00-107-2321	Grants / Assistance to Sugar Co-operatives	15
25			4425-00-190-1276	Share Capital Investment	118
26	37	Electronics & Information Technology	07-202-2852	Incentive under I.T. Policy	2.00
27			07-202-3481	National e-Vidhan Application(NeVA)	8.56
28	41	Social Security & Empowerment of Persons with Disability	2235-02-800-3312	State Fund for implementation of the Rights of Persons with Disabilities (RPD) Act.	2.00
29			2235-60-102-3132	Programmes and Activities for Senior Citizens	2.50
30			2235-60-102-3134	De-Addiction Centre (Non-Clinical)	2.00
31	43	Odia Language, Literature and Culture	2205-00-001-0708	Information, Education and Communication	1.00
32			2205-00-102-1612	Establishment of Kalamandap	1.00
33	6003	(Charged) Internal Debt of the State Government	6003-00-109-1195	Loans	2,895.08
TOTAL					3,787.1

Source: Appropriation Accounts 2020-21, Government of Odisha

APPENDIX – 3.10

(Refer paragraph-3.7)

Release of funds at the end of the Financial Year 2020-21

Sl No	Name of the Department	Sanction order No.	Date	Amount (₹crore)
1	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	202019774358	30-Mar-21	41.85
		202019771748	30-Mar-21	0.24
		202019771746	30-Mar-21	3.83
			Total	45.92
2	Water Resources	202019772378	30-Mar-21	0.38
		202019774233	30-Mar-21	0.06
		202019774198	30-Mar-21	3.27
		Lr. No. 11074	31-Mar-21	33.88
		Lr. No.11098	31-Mar-21	1.27
		Lr. No.11086	31-Mar-21	1.30
			Total	40.16
3	Agriculture and Farmer's Empowerment	202019782652	31-Mar-21	15.11
		202019777377	31-Mar-21	2.58
		202019773369	30-Mar-21	10.35
			Total	28.04
4	Home	202019769101	30-Mar-21	15.00
		202019769134	30-Mar-21	15.00
		202019769163	30-Mar-21	20.00
		202019777390	31-Mar-21	0.11
		202019774758	30-Mar-21	0.02
		202019772919	30-Mar-21	0.12
		202019773645	31-Mar-21	0.04
		202019775481	31-Mar-21	0.03
		202019776953	31-Mar-21	0.34
			Total	50.66
5	Health and Family Welfare	202019777525	31-Mar-21	5.55
		202019777547	31-Mar-21	29.07
		202019777504	31-Mar-21	4.87
		202019772756	31-Mar-21	1.45
		202019773448	31-Mar-21	37.31
			Total	78.25
6	Women and Child Development	202019747815	30-Mar-21	0.20
		202019747834	30-Mar-21	0.06
		202019747840	30-Mar-21	0.13
		202019747838	30-Mar-21	0.29
		202019747832	30-Mar-21	0.16
		202019747836	30-Mar-21	0.30
		202019747821	30-Mar-21	0.16
		202019771028	30-Mar-21	0.23
		202019771019	30-Mar-21	0.38
		202019771021	30-Mar-21	0.30
		202019771024	30-Mar-21	0.26
		202019771016	30-Mar-21	0.30
		202019771011	30-Mar-21	0.45
		202019771014	30-Mar-21	0.30

Sl No	Name of the Department	Sanction order No.	Date	Amount (₹crore)
		202019770988	30-Mar-21	0.07
		202019771051	30-Mar-21	0.30
		202019771049	30-Mar-21	0.45
		202019771104	30-Mar-21	0.07
		202019771102	30-Mar-21	0.03
		202019771026	30-Mar-21	0.45
		202019771106	30-Mar-21	0.03
		202019771068	30-Mar-21	0.30
		202019771066	30-Mar-21	0.45
		202019771064	30-Mar-21	0.30
		202019771055	30-Mar-21	0.45
		202019771076	30-Mar-21	0.30
		202019771074	30-Mar-21	0.45
		202019771072	30-Mar-21	0.30
		202019771070	30-Mar-21	0.30
		202019771078	30-Mar-21	0.20
		202019771062	30-Mar-21	0.45
		202019771060	30-Mar-21	0.45
		202019771058	30-Mar-21	0.45
		202019771053	30-Mar-21	0.30
		202019747819	30-Mar-21	0.23
		202019747817	30-Mar-21	0.45
		202019772160	30-Mar-21	0.28
		202019772149	30-Mar-21	0.10
		202019772629	30-Mar-21	0.20
		202019772156	30-Mar-21	0.05
		202019772158	30-Mar-21	0.03
		202019772154	30-Mar-21	0.30
		202019772152	30-Mar-21	0.21
		202019773782	30-Mar-21	0.45
			Total	11.92
			Grand Total	254.95

Source: Records of the Respective Departments of Government of Odisha.

APPENDIX – 4.1

(Refer paragraph 4.3)

Statement showing details of GIA for which utilisation certificates were pending since 2003-04 from different Departments of the State Government at the end of 2020-21

(₹in crore)

Sl. No.	Name of the Department	Amount outstanding as on 31.03.2021	No. of GIA Vouchers for which UCs were awaited
1	Law	189.83	230
2	Commerce	0.00	1
3	Water Resources	243.28	158
4	Transport	82.87	14
5	Energy	98.16	8
6	Handlooms, Textiles & Handicrafts	85.82	98
7	Micro, Small & Medium Enterprises	161.79	149
8	Health and Family Welfare	2,686.90	273
9	Panchayati Raj and Drinking Water	17,546.69	4,522
10	Women & Child Development and Mission Shakti	949.56	866
11	Fisheries & Animal Resources Development	8.58	29
12	School and Mass Education	3,073.60	352
13	Agriculture and Farmers' Empowerment	121.86	17
14	Tourism	2.50	2
15	Higher Education	2,182.39	823
16	Labour & Employees' State Insurance	10.23	16
17	Disaster Management	740.57	47
18	Rural Development	2.29	5
19	Planning and Convergence	3,333.99	1,932
20	Odia Language, Literature and Culture	175.04	614
21	General Administration and Public Grievance	112.01	57
22	Electronics & Information Technology	524.89	212
23	Skill Development & Technical Education	161.70	76
24	Sports & Youth Services	6.66	20
25	Home	0.51	39
26	Finance	0.30	13
27	Parliamentary Affairs	1.76	46
28	Housing and Urban Development	8,561.90	8,749
29	Co-operation	47.27	41
30	Forest & Environment	295.31	1,846
31	Social Security & Empowerment of Persons with Disability	376.24	1,836
32	Revenue and Disaster Management	329.37	287
33	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	912.34	3,370
34	Science & Technology	280.70	225
35	Food Supplies and Consumer Welfare	36.24	27
36	Industries	69.53	29
Total		43,412.68	27,029

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

*Amount shown as ₹0.00 against Commerce Department (₹4,200) is due to rounding of the amount

APPENDIX – 4.2**(Refer paragraph 4.3)****Statement showing details of GIA for which UCs are pending for more than ten years as on 31-03-2021****(₹in crore)**

Sl.No	Department Name	Period for which UC wanting	Outstanding UC amount	No. of GIA Vouchers for which Ucs were awaited
1	Co-operation	2009-10	0.54	2
2	Electronics and information Technology	2003-11	51.84	51
3	Fisheries and Animal Resources Development	2003-10	1.35	15
4	General Administration	2003-11	11.64	17
5	Handlooms, Textiles & Handicrafts	2010-11	0.34	3
6	Higher Education	2003-10	16.21	116
7	Housing and Urban Development	2003-11	392.06	3917
8	Law	2003-11	4.97	55
9	Micro Small and Medium Enterprises	2008-11	1.12	10
10	Odia Language, Literature and Culture	2003-11	19.79	157
11	Panchayati Raj and Drinking Water	2003-11	313.76	1788
12	Planning and Convergence	2003-11	291.97	533
13	Revenue and Disaster Management	2003-11	209.00	167
14	ST & SC Development, Minorities and Backward Classes Welfare	2006-11	95.52	516
15	School and Mass Education	2003-11	1.06	17
16	Science and Technology	2003-11	2.64	4
17	Skill Development and Technical Education	2009-11	0.60	2
Total			1414.41	7370

Source: VLC database

APPENDIX –4.3
(Refer paragraph-4.4)

Department wise Outstanding Report of AC/DC Bills as on 31 March 2021

(₹ in lakh)

Sl. No.	Grant No.	Department Name	Outstanding	Item (Nos.)	Period of pendency
1	01	Home	6,898.44	393	2003-2021
2	02	General Administration and Public Grievance	666.51	58	2015-2021
3	03	Revenue and Disaster Management	0.05	1	2019-2020
4	04	Law	15.59	91	2003-2021
5	11	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	5.00	2	2020-2021
6	13	Housing and Urban Development	1.12	8	2005-2013
7	17	Panchayati Raj and Drinking Water	163.40	84	2005-2021
8	24	Steel & Mines	138.94	196	2019-2021
9	30	Energy	0.05	1	2019-2020
10	34	Co-operation	6.45	1	2013-2014
11	36	Women & Child Development and Mission Shakti	3.48	1	2019-2020
12	38	Higher Education	208.84	242	2004-2021
13	42	Disaster Management	35.00	4	2019-2020
14	43	Odia Language, Literature and Culture	33.83	10	2012-2021
Total			8,176.7	1,092	

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

APPENDIX – 4.4
(Refer paragraph 4.4)

Department-wise Outstanding Report of AC/DC Bills during the year 2020-21
(₹in lakh)

Sl. No.	Grant No.	Department Name	Outstanding	Item (Nos)
1	01	Home	853.09	60
2	02	General Administration and Public Grievance	0.1	1
3	04	Law	1.73	11
4	11	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	5.00	2
5	17	Panchayati Raj and Drinking Water	0.79	4
6	24	Steel & Mines	119.59	165
7	38	Higher Education	65.66	107
8	43	Odia Language, Literature and Culture	18.83	9
Total			1,064.79	359

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

APPENDIX – 4.5

(Refer paragraph 4.5.2)

Statement showing details of Closure of PD Account as on 31 March 2021

		(₹ in lakh)
Sl.No	Name of the Administrator of PD Accounts	Balance
1	Asst. Engineer, Soil Conservation, Titilagarh, Bolangir	2.26
2	Soil Conservation Officer, Regudipada, Bolangir	0.02
3	Asst. Soil Conservation Officer, Parlakemundi, Gajapati	3.62
4	Asst. Soil Conservation Officer, Sub-Division, Machhkund, Koraput	0.00
5	Principal, Soil Conservation Training Institute, Koraput	0.00
6	Asst. Soil Conservation Officer, Nayagarh	0.00
7	Soil Conservation Officer, Burla, Sambalpur	0.00
8	Asst. Soil Conservation Officer, Deogarh	0.00
9	Spl. Planning Authority, Parlakhemundi, Gajapati	0.10
10	Director, Agriculture and Food Production Odisha, Bhubaneswar	0.00
11	Principal, Women's Polytechnic Berhampur	35.40
12	Executive Officer, Notified Area Council, Burla	223.08
13	Executive Officer, Notified Area Council, Hirakud	288.55
14	Principal, Institute of Management & Information Technology, Cuttack	0.00*
15	Principal, Industrial Training Institute, Puri	28.14
16	Principal, Industrial Training Institute, Rourkela	27.00
17	Headmaster, Daspalla High School, Daspalla, Nayagarh	1.24
18	Headmaster, Government Boys High School, Chitrakonda, Malkangiri	0.73
19	Asst. Agricultural Engineer, Phulbani	0.00
Total		610.14

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

*Amount shown as ₹0.00 against Principal, Institute of Management & Information Technology, Cuttack (₹57,000) is due to rounding of the amount.

APPENDIX – 4.6

(Refer paragraph 4.6)

Statement of Major Head-Wise Expenditure booked under Minor Head-800-
(other expenditure) during 2020-21

(₹in crore)

Sl. No.	Major Head	Description	Total Expr	Exp 800	%age
1	2013	Council of Ministers	23.99	21.14	88.12
2	2075	Miscellaneous General Services	720.19	729.28	101.26
3	2711	Flood Control and Drainage	167.89	152.16	90.63
4	3055	Road Transport	1.60	1.60	100.00
5	3454	Census Surveys and Statistics	27.48	16.02	58.30
6	4217	Capital Outlay on Urban Development	276.01	253.50	91.84
7	4250	Capital Outlay on Other Services	212.08	177.04	83.48
8	4401	Capital Outlay on Crop Husbandry	57.80	34.77	60.15
9	4701	Capital Outlay on Medium Irrigation	430.73	231.15	53.67
14	4702	Capital Outlay on Minor Irrigation	815.51	628.96	77.12
15	5054	Capital Outlay on Roads and Bridges	6,252.83	3,314.71	53.01
16	5075	Capital Outlay on Other Transport Services	382.23	382.23	100.00
		Total	9,368.34	5,942.56	

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

APPENDIX – 4.7

(Refer paragraph-4.6)

Statement of Major Head-Wise Receipts booked under Minor Head-800-
(other receipts) during 2020-21

(₹in crore)

Sl. No.	Major Head	Description	Total Receipts	Minor Head 800 Receipt	% age
1	0217	Urban Development	5.02	5.02	100
2	0220	Information and Publicity	0.09	0.09	100
3	0408	Food Storage and Warehousing	0.06	0.06	100
4	0506	Land Reforms	0.62	0.62	100
5	0515	Other Rural Development Programmes	0.02	0.02	100
6	0810	Non-Conventional Sources of Energy	0.14	0.14	100
7	0852	Industries	3.57	3.57	100
8	1051	Ports and Light Houses	151.05	151.05	100
9	1053	Civil Aviation	5.44	5.44	100
10	1456	Civil Supplies	3.08	3.08	100
		Total	169.09	169.09	

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

APPENDIX-4.8
(Refer Paragraph 4.9.1)

Discrepancies between Cash Book and Pass Book balance as on 31 March 2021

(₹ in Crore)

Sl. No.	Name of the DDO	Balance as per Bank pass book	Balance as per Cash book	Difference
1	The Special Land Acquisition Officer, Anandapur Barrage Project, Salapada, Keonjhar	6.50	40.77	34.27
2	The Special Land Acquisition Officer, Kanupur Barrage Project, Rimuli, Keonjhar	21.15	19.66	1.49
3	The Special Land Acquisition Officer, Rengali Right Canal System, Dhenkanal	81.69	79.78	1.91
4	The Special Land Acquisition Officer, Upper Indravati Irrigation Project, Kusumkhunti, Kalahandi	1.57	1.53	0.04
5	Executive Engineer, R & B Division, Kendrapada	5.66	0.00	5.66
6	District Social Security Officer, Khordha	12.38	12.31	0.07
7	State Commissioner for Persons with Disabilities, Bhubaneswar	1.02	1.03	0.01
8	Member Secretary, Academy of Tribal Language and Culture, Bhubaneswar	0.97	0.70	0.27
9	General Manager, State Institute of Disability Rehabilitation (SIDR), Bhubaneswar	28.06	76.27	48.21
10	Director, Secondary Education, Bhubaneswar	1.01	0.90	0.11
11	Executive Engineer (Agril), Cuttack Division, Cuttack	11.76	12.18	0.42
12	Commissioner-cum-Secretary, Department of Fishery and Animal Resources Development, Bhubaneswar	0.02	0.00	0.02
13	Directorate of Fisheries, Odisha, Cuttack	71.21	61.42	9.79
14	District Fisheries Officer, Kausalyaganga, Puri	2.36	2.14	0.22
15	District Fisheries Officer, Khordha	4.56	4.54	0.02
16	Principal Secretary, Energy Department, Government of Odisha, Bhubaneswar	0.02	0.00	0.02
17	General Manager, Regional Industries Centre, Kalinganagar, Jajpur Road	0.00	8.12	8.12
18	Orissa State Co-operative Handicrafts Corporation Limited (Utkalika), Bhubaneswar.	6.36	12.20	5.84
19	Secretary, Odisha Sahitya Academy, Bhubaneswar	4.11	3.47	0.64
20	General Manager, District Industries Centre, Khurda, Bhubaneswar	4.30	3.53	0.77
21	Odisha Co-operative Tasar & Silk Federation (SERIFED) Limited, Bhubaneswar	26.69	(-)5.72	32.41
TOTAL		291.4	334.83	150.31

Source: Information received from respective Offices of Government of Odisha

APPENDIX-4.9

(Refer Paragraph 4.11)

Statement showing pendency of Accounts and delay in preparation of Separate Audit Report in respect of Autonomous Bodies

Sl. No.	Name of the Department	Name of the Body/ Authority receiving grants	Audited under section	Year upto which Accounts submitted to audit	Years upto which SAR issued
1	Energy	Odisha Electricity Regularity Commission, Bhubaneswar	19(2)	2019-20	2019-20
2	Law	Odisha State Legal Services Authority, Bhubaneswar	19(2)	2017-18	2017-18
3	Housing and Urban Development	Bhubaneswar Development Authority, Bhubaneswar	19(3)	Accounts not audited since Inception	SAR not issued since inception
4		Cuttack Development Authority, Cuttack	19(3)	Accounts not audited since Inception	SAR not issued since inception
5		Rourkela Development Authority, Rourkela	19(3)	Accounts not audited since Inception	SAR not issued since inception
6		Sambalpur Development Authority, Sambalpur	19(3)	Accounts not audited since Inception	SAR not issued since inception
7		Talcher Angul Development Authority, Angul	19(3)	Accounts not audited since Inception	SAR not issued since inception
8		Kalinga Nagar Development Authority, Jajpur	19(3)	Accounts not audited since Inception	SAR not issued since inception
9		Puri Konark Development Authority, Puri	19(3)	Accounts not audited since Inception	SAR not issued since inception
10		Paradeep Development Authority, Paradeep	19(3)	Accounts not audited since Inception	SAR not issued since inception
11		Berhampur Development Authority, Berhampur	19(3)	Accounts not audited since Inception	SAR not issued since inception
12	Commerce and Transport	Odisha State Road Transport Corporation, Bhubaneswar	19(2)	2018-19	2018-19
13	Industries	Odisha Industrial Infrastructure Development Corporation (IDCO), Bhubaneswar	19(3)	2019-20	N. A.
14	Micro, Small and Medium Enterprise	Orissa Small Industries Corporation Limited (OSIC), Cuttack	20(1)	2018-19	N.A .
15	General Administration and Public Grievance	Lokayukta, Odisha, Bhubaneswar	19(2)	2020-21	2019-20
16	Labour & Employees State Insurance	Odisha Building and Other Construction Workers Welfare Board(OB&OCWWB), Bhubaneswar	19(2)	2013-14	2013-14

Source: Information received from respective Offices of Accountant General (Audit-I) and Principal Accountant General (Audit-II), Odisha

APPENDIX – 4.10
(Refer paragraph 4.15)
Pending cases of misappropriation, losses, theft, etc.

(₹ in lakh)

Name of Department	Cases of misappropriation / losses/ theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.					
			Awaiting Departmental and criminal investigation		Departmental action initiated but not finalised		Criminal Proceedings finalised but recovery pending	
			Number	Amount	Number	Amount	Number	Amount
Finance	4	9.89	0	0	0	0	0	0
Revenue & Disaster Management	23	340.08	2	1.39	5	200.42	4	4.1
Law	1	0.16	0	0	1	0.16	0	0
Water Resources	220	263.39	109	167.31	103	84.45	4	11.11
Rural Development	53	94.4	30	77.22	22	17.18	0	0
Energy	6	243.66	1	15.98	4	226.51	0	0
Skill Development & Technical Education	7	11.8	0	0	2	2.53	2	4.39
MSME	3	11.72	1	11.59	1	0.08	1	0.05
ST&SC Development , Minorities and Backward classes Welfare	8	6.88	1	0.73	5	5.2	2	0.95
Health & Family Welfare	27	55.67	0	0	3	6.41	14	16.42
General Administration	2	0.71	0	0	0	0	2	0.71
Works	81	185.17	32	38.48	45	142.28	0	0
Commerce & Transport	8	9.27	4	6.18	2	1.04	1	0.75
School & Mass Education	11	36.67	5	10.65	1	1.31	0	0
Higher Education	5	14.55	2	3.29	0	0	1	0.08
Fisheries & ARD	19	75.39	0	0	6	53.36	9	5.74
Agriculture & Farmers' Empowerment	64	105.94	5	13.5	19	61.16	13	4.79
Co-Operation	3	4.19	0	0	1	0.94	0	0
Panchayati Raj and Drinking Water	18	33.99	10	21.11	4	10.97	3	1.51
Home (B) Police	2	14.47	0	0	0	0	0	0
Food Supplies & Consumer Welfare	3	3.04	0	0	0	0	1	0.1
Housing & Urban Development	47	68.91	24	39.41	21	26.22	0	0
Information & Public Relations	59	6.32	49	5.53	8	0.64	0	0
Forest & Environment	45	250.88	7	80.66	29	146.78	3	21.04
TOTAL	719	1,847.15	282	493.03	282	987.64	60	71.74

Source: Information received from respective Offices of Government of Odisha

Note: Out of 719 cases 89 cases are sub-judice and 6 certificate cases are pending.

APPENDIX – 5.1

(As referred to in Para No. 5.1.3)

(Lists of 80 Government SPSEs and Government Controlled Other SPSEs)

Sl. No.	Sector & Name of the PSU	Name of the Department	Government Company(GC)/ Government Controlled Other Company(DGC)
1	2	3	4
A. Social Sector			
I. Working Government Companies			
1	The Agricultural Promotion and Investment Corporation of Odisha Limited	Agriculture & Farmers' Empowerment	GC
2	The Odisha Agro Industries Corporation Limited	Agriculture & Farmers' Empowerment	GC
3	Odisha State Cashew Development Corporation Limited	Agriculture & Farmers' Empowerment	GC
4	Odisha Forest Development Corporation Limited	Forest & Environment	GC
5	Odisha Lift Irrigation Corporation Limited	Water Resources	GC
6	Odisha State Seeds Corporation Limited	Agriculture & Farmers' Empowerment	GC
7	Odisha Pisciculture Development Corporation Limited	Fisheries & Animal Resources Development	GC
8	The Odisha Small Industries Corporation Limited	Industries	GC
9	Odisha Mineral Bearing Areas Development Corporation Limited	Steel & Mines	GC
10	Water Corporation of Odisha Limited	Water Resources	GC
11	Odisha State Beverage Corporation Limited	Excise	GC
12	Odisha State Civil Supplies Corporation Limited	Food Supplies & Consumer Welfare	GC
13	Odisha State Medical Corporation Limited	Health & Family Welfare	GC
14	Odisha Sports Development and Promotion Company Limited	Sports & Youth Services	GC
15	Brahamani Railways Limited	Industries	DGC
16	Odisha Rail Infrastructure Development Limited	Industries	GC
II. Inactive Government Companies			
17	Eastern Aquatic Products Limited (under voluntary liquidation since 22 February 1978)	Agriculture & Farmers' Empowerment	GC
18	Orissa Fisheries Development Corporation Limited	Fisheries & Animal Resources Development	GC
B. Competitive Sector			
I. Working Government Companies			
19	The Industrial Promotion and Investment Corporation of Odisha Limited	Industries	GC
20	The Odisha Film Development Corporation Limited	Industries	GC
21	Odisha Rural Housing and Development Corporation Limited.	Housing & Urban Development	GC
22	Paradip Investment Region Development Limited	Industries	DGC
23	The Industrial Development Corporation of Odisha Limited	Industries	GC

24	Odisha Construction Corporation Limited.	Water Resources	GC
25	Orissa Bridge and Construction Corporation Limited	Works	GC
26	IDCO SEZ Development Limited	Industries	DGC
27	Odisha Electronics Park Limited	Industries	DGC
28	Baitarani West Coal Company Limited	Steel & Mines	DGC
29	IDCOL Ferro Chrome & Alloys Limited (subsidiary of Sl.No.B-23)	Industries	GC
30	IDCOL Kalinga Iron Works Limited (Subsidiary of Sl. No. B-23)	Industries	GC
31	The Mandakini B-Coal Corporation Limited	Steel & Mines	DGC
32	The Odisha Mining Corporation Limited	Steel & Mines	GC
33	Nuagaon Coal Company Limited	Steel & Mines	DGC
34	Paradeep Plastic Park Limited	Industries	DGC
35	Angul Aluminium Park Private Limited	Industries	DGC
36	Odisha Mineral Exploration Corporation Limited	Steel & Mines	GC
37	IDCOL Software Limited (Subsidiary of Sl. No.B-23)	Industries	GC
38	Lanjigarh Project Area Development Foundation	Steel & Mines	DGC
39	Odisha Tourism Development Corporation Limited	Tourism	GC
40	Shamuka Tourism Development Corporation Limited	Tourism	DGC
41	Inland Waterways Consortium of Odisha Limited	Industries	DGC
42	Kalinga Studios Limited (Subsidiary of Sl. No.B-20)	Industries	GC
43	Odisha State Financial Corporation	Micro, Small & Medium Enterprise	Government Corporation
44	Odisha State Road Transport Corporation	Commerce and Transport	Government Corporation
45	Odisha State Warehousing Corporation	Co-operation	Government Corporation
46	Odisha Hydro Power Corporation Limited	Energy	GC
47	Odisha Power Generation Corporation Limited	Energy	GC
48	Odisha Thermal Power Corporation Limited	Energy	GC
49	Green Energy Development Corporation of Odisha Limited	Energy	GC
50	GEDCOL SAIL Power Corporation Limited	Energy	GC
51	Odisha Power Transmission Corporation Limited	Energy	GC
52	Odisha Coal and Power Limited	Energy	GC
53	GRIDCO Limited	Energy	GC
II. Inactive Government Companies			
54	ABS Spinning Orissa Limited (Subsidiary of Sl. No.B-23). (Under liquidation)	Industries	GC
55	Gajapati Steel Industries Limited (Company closed since 1969-70, under voluntary liquidation since 01 March 1974)	Industries	GC
56	Hira Steel and Alloys Limited (Subsidiary of Sl. No.B-23). (Under liquidation.)	Industries	GC
57	IPITRON Times Limited (Subsidiary of Sl.No.B-62). (Under liquidation since 1998)	Industries	GC
58	Konark Detergent and Soaps Limited (Subsidiary of Sl.No.A-8)	Industries	GC
59	Konark Television Limited (Defunct since 1999-2000)	Industries	GC

60	Mayurbhanj Textiles Limited	Handlooms, Textiles & Handicrafts	GC
61	Modern Malleable Casting Company Limited (Closed since 1968. Under voluntary liquidation since 09 March 1976)	Industries	GC
62	New Mayurbhanj Textiles Limited	Handlooms, Textiles & Handicrafts	GC
63	Orissa Boat Builders Limited (under liquidation)	Industries	GC
64	Orissa Electrical Manufacturing Company Limited	Industries	GC
65	Orissa Instruments Company Limited	Industries	GC
66	Orissa Leather Industries Limited (Subsidiary of Sl. No. B-64)	Industries	GC
67	Orissa Textile Mills Limited (Under liquidation since 2001)	Handlooms, Textiles & Handicrafts	GC
68	Orissa State Electronics Development Corporation Limited	Industries	GC
69	Orissa State Handloom Development Corporation Limited (under liquidation)	Handlooms, Textiles & Handicrafts	GC
70	Orissa State Leather Corporation Limited (closed since 18 June 1998)	Industries	GC
71	Orissa State Textile Corporation Limited	Handlooms, Textiles & Handicrafts	GC
72	Orissa Tools and Engineering Company Limited (619-B)	Industries	GC
73	Premier Bolts and Nuts Limited (Under liquidation; assets have been disposed of)	Industries	GC
74	ELCOSMOS Electronics Limited (Subsidiary of Sl. No. B-62)	Industries	GC
75	ELCO Communication and Systems Limited (Subsidiary of Sl.No.B-62 Under liquidation since 1998)	Industries	GC
76	ELMARC Limited (Subsidiary of Sl. No. B-62)	Industries	GC
77	Orissa State Commercial Transport Corporation Limited	Commerce and Transport	GC
C. Other Sector			
I. Working Government Companies			
78	The Odisha State Police Housing and Welfare Corporation Limited	Home	GC
79	Bhubaneswar Smart City Limited	Industries	DGC
80	Rourkela Smart City Limited	Industries	DGC

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

APPENDIX-5.2A
(As referred to in Para No.5.1.3)
Details of accounts in arrears or companies under liquidation -
Government Companies and Corporations

Sl. No.	Name of the Sector/SPSE	Year for which Accounts are not received by 30 September 2021
1	2	3
A.	Social Sector	
I. Working Government Companies		
1	The Agricultural Promotion and Investment Corporation of Odisha Limited	2019-20 to 2020-21
2	The Odisha Agro Industries Corporation Limited	2019-20 to 2020-21
3	Odisha State Cashew Development Corporation Limited	2019-20 to 2020-21
4	Odisha Forest Development Corporation Limited	2020-21
5	Odisha Lift Irrigation Corporation Limited	2018-19 to 2020-21
6	Odisha State Seeds Corporation Limited	2019-20 to 2020-21
7	Odisha Pisciculture Development Corporation Limited	2017-18 to 2020-21
8	The Odisha Small Industries Corporation Limited	2018-19 to 2020-21
9	Water Corporation of Odisha Limited	2020-21
10	Odisha State Civil Supplies Corporation Limited	2018-19 to 2020-21
11	Odisha State Medical Corporation Limited	2020-21
12	Odisha Sports Development and Promotion Company Limited	2020-21
II. Non-working Government Companies		
13	Eastern Aquatic Products Limited	Under voluntary liquidation since 22 February 1978
14	Orissa Fisheries Development Corporation Limited	Defunct
B.	Competitive sector	
I. Working Government Companies		
15	The Odisha Film Development Corporation Limited	2018-19 to 2020-21
16	Odisha Rural Housing and Development Corporation Limited.	2009-10 to 2020-21
17	The Industrial Development Corporation of Odisha Limited	2020-21
18	Odisha Construction Corporation Limited.	2019-20 to 2020-21
19	Orissa Bridge and Construction Corporation Limited	2020-21
20	IDCOL Ferro Chrome & Alloys Limited	2020-21
21	IDCOL Kalinga Iron Works Limited	2020-21
22	Odisha Mineral Exploration Corporation Limited	2020-21
23	Odisha Tourism Development Corporation Limited	2020-21
24	Kalinga Studios Limited	2018-19 to 2020-21
25	The Odisha State Police Housing and Welfare Corporation Limited	2020-21
26	Odisha Hydro Power Corporation Limited	2020-21
27	Odisha Power Transmission Corporation Limited	2020-21
II. Statutory Corporation		
28	Odisha State Financial Corporation	2020-21

29	Odisha State Road Transport Corporation	2019-20 to 2020-21
30	Odisha State Warehousing Corporation	2019-20 to 2020-21
	III. Non-working Government Companies	
31	ABS Spinning Orissa Limited	Under liquidation
32	Gajapati Steel Industries Limited	Company closed since 1969-70, under voluntary liquidation since 01 March 1974
33	Hira Steel and Alloys Limited	Under liquidation
34	IPITRON Times Limited	Under liquidation since 1998
35	Konark Detergent and Soaps Limited	Defunct
36	Konark Television Limited	Under liquidation
37	Mayurbhanj Textiles Limited	Defunct
38	Modern Malleable Casting Company Limited	Closed since 1968. Under voluntary liquidation since 09 March 1976
39	New Mayurbhanj Textiles Limited	Defunct
40	Orissa Boat Builders Limited	Under liquidation
41	Orissa Electrical Manufacturing Company Limited	Under liquidation
42	Orissa Instruments Company Limited	Defunct
43	Orissa Leather Industries Limited	Defunct
44	Orissa Textile Mills Limited	Under liquidation since 2001
45	Orissa State Electronics Development Corporation Limited	Defunct
46	Orissa State Handloom Development Corporation Limited	Under liquidation
47	Orissa State Leather Corporation Limited	Defunct
48	Orissa State Textile Corporation Limited	Under liquidation
49	Orissa Tools and Engineering Company Limited (619-B)	Defunct
50	Premier Bolts and Nuts Limited	Under liquidation; assets have been disposed of
51	ELCOSMOS Electronics Limited	Under liquidation
52	ELCO Communication and Systems Limited	Under liquidation since 1998
53	ELMARC Limited	Defunct
54	Orissa State Commercial Transport Corporation Limited	Defunct

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

APPENDIX-5.2 B
(As referred to in Para No.5.1.3)
Details of accounts in arrears or company under liquidation/defunct
Govt. controlled other companies

Sl. No.	Name of the SPSEs	Year for which Accounts not received by 30 September 2021
1	Brahmani Railways Limited	2020-21
2	IDCO SEZ Development Limited	2020-21
3	Odisha Electronics Park Limited	2020-21
4	Baitarani West Coal Company Limited	2020-21
5	The Mandakini B-Coal Corporation Limited	2016-17 to 2020-21
6	Nuagaon Coal Company Limited	2015-16 to 2020-21
7	Paradeep Plastic Park Limited	2020-21
8	Lanjigarh Project Area Development Foundation	2019-20 to 2020-21
9	Inland Waterways Consortium of Odisha Limited	2018-19 to 2020-21
10	Paradip Investment Region Development Limited	2020-21
11	Bhubaneswar Smart City Limited	2020-21
12	Shamuka Tourism Development Corporation Limited	2020-21

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

APPENDIX-5.3
(As referred to in Para No.5.1.4)
Department wise details of turnover of State PSEs

(₹ in crore)

Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21
1	Energy Department				
	Turnover	9,601.63	9,641.1	9,974.4	12,335.38
	Percentage of Turnover to GSDP of Odisha	2.31	1.98	1.87	2.42
2	Excise Department				
	Turnover	3,726.7	4,738.36	4,738.36	3,922.33
	Percentage of Turnover to GSDP of Odisha	0.90	0.97	0.93	0.73
3	Steel & Mines Department				
	Turnover	2,853.14	4,052.3	4,093.2	5,587.27
	Percentage of Turnover to GSDP of Odisha	0.69	0.83	0.77	1.10
4	Water Resources Department				
	Turnover	867.45	763.35	486.6	486.6
	Percentage of Turnover to GSDP of Odisha	0.21	0.16	0.09	0.10
5	Home Department				
	Turnover	385.31	376.01	376.01	302.58
	Percentage of Turnover to GSDP of Odisha	0.09	0.08	0.07	0.06
6	Industries Department				
	Turnover	233.29	266.78	354.64	166.51
	Percentage of Turnover to GSDP of Odisha	0.06	0.05	0.07	0.03
7	Forest & Environment Department				
	Turnover	212.41	212.41	195.72	152.03
	Percentage of Turnover to GSDP of Odisha	0.05	0.04	0.04	0.03
8	Agriculture & Farmers' Department				
	Turnover	175.83	191.65	181.8	548.02
	Percentage of Turnover to GSDP of Odisha	0.04	0.04	0.03	0.11
9	Co-operation Department				

	Turnover	112.84	112.84	100.92	85.93
	Percentage of Turnover to GSDP of Odisha	0.03	0.02	0.02	0.02
10	Commerce & Transport Department				
	Turnover	85.85	88.07	98.39	98.39
	Percentage of Turnover to GSDP of Odisha	0.02	0.02	0.02	0.02
11	Works Department				
	Turnover	65.01	65.01	96.22	139.83
	Percentage of Turnover to GSDP of Odisha	0.02	0.01	0.02	0.03
12	Tourism Department				
	Turnover	25.96	25.96	44.76	37.72
	Percentage of Turnover to GSDP of Odisha	0.006	0.005	0.008	0.007
13	Health & Family Department				
	Turnover	12.26	21.81	21.81	11.93
	Percentage of Turnover to GSDP of Odisha	0.003	0.004	0.004	0.002
14	Sports & Youth Department				
	Turnover	20.84	5	0	0
	Percentage of Turnover to GSDP of Odisha	0.005	0.001	0.000	0.000
15	Micro, Small & Medium Enterprise				
	Turnover	3.71	6.68	6.68	1.95
	Percentage of Turnover to GSDP of Odisha	0.001	0.001	0.001	0.000

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

APPENDIX – 5.4

(As referred to in Para No. 5.3.2)

Loss incurred by 10 SPSEs during 2019-20 and 2020-21

(₹ in crore)

Sl. No.	Name of SPSEs	Profit/Loss during 2020-21	Profit/Loss during 2019-20
1	Odisha Mineral Bearing Area Development	-1,818.38	427.20
2	Water Corporation of Odisha Limited	-0.25	-0.25
3	IDCOL Ferro Chrome & Alloys Limited	-22.76	-8.43
4	IDCOL Kalinga Iron Works Limited	-3.45	-4.70
5	Odisha Mineral Exploration Corporation Limited	-2.31	0
6	Odisha Sports Development and Promotion Company Limited	-2.35	1.13
7	GRIDCO Limited	-1,382.35	-281.05
8	Odisha Power Generation Corporation Limited	-190.51	171.48
9	Odisha Power Transmission Corporation Limited	-144.37	37.71
10	Odisha Coal and Power Limited	-1.46	-2.81
TOTAL		-3,568.19	340.28

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

APPENDIX-5.5
(As referred to in Para No.5.3.3)
List of SPSEs having negative Net Worth as on 31 March 2021

(₹ in crore)

Sl. No.	Name of the Company	Net Worth	Paid-up capital	Net Profit after tax
1	Odisha Forest Development Corporation Limited	-52.14	5.00	10.54
2	The Industrial Development Corporation of Odisha Limited	-11.61	57.12	2.46
3	IDCOL Kalinga Iron Works Limited	-16.17	150.10	-3.45
4	Odisha Mineral Exploration Corporation Limited	-1.88	0.43	-2.35
5	Odisha State Financial Corporation	-48.49	419.07	-2.35
6	GRIDCO Limited	-6,869.29	576.71	-1,382.35

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

Note: Though 06 SPSEs have negative net worth as on March 2021, 02 SPSEs at Sl. No 1 & 2 have earned profits during the year 2020-21.

APPENDIX- 5.6
(As referred to in Para No.5.3.4)
Shortfall in dividend by Government companies

(₹ in crore)

Sl. No.	Name of the Company	State Government equity	Net Profit after tax	Dividend on equity shares	Dividend 30% on state gov equity	Dividend 30% on profit after tax	Minimum Dividend required to be declared	Shortfall
1	The Agricultural Promotion and Investment Corporation of Odisha Limited	1.10	0.09	0.03	0.33	0.03	0.33	0.30
2	The Odisha Agro Industries Corporation Limited	38.44	16.55	2.48	11.53	4.97	11.53	9.05
3	Odisha Forest Development Corporation Limited	5.00	10.54	1.58	1.5	3.16	3.16	1.58
4	Orissa Bridge and Construction Corporation Limited	20.00	5.43	1.63	6.00	1.63	6.00	4.37
5	Odisha Hydro Power Corporation Limited	810.65	158.06	31.58	243.20	47.42	243.20	211.62

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

APPENDIX-5.7
(As referred to in Para No. 5.4)
Value of Production, Total Assets and Capital Employed of CPSEs
(₹ in crore)

Sl. No.	PSU	2020-21			2019-20			2018-19		
		Value of production	Total Assets	Capital employed	Value of production	Total Assets	Capital employed	Value of production	Total Assets	Capital employed
1	Odisha Hydro Power Corporation Limited	505.91	4,055.53	2,944.06	470.13	3,873.57	2,805.3	478.83	3,666.07	2,805.3
2	Odisha State Cashew Development Corporation Limited	9.06	102.58	48.07	7.71	102.58	48.07	8.02	40.66	40.66
3	The Odisha Agro Industries Corporation Limited	55.18	666.55	112.75	37.1	580.82	85.51	40.74	580.82	85.51
4	Odisha Power Generation Corporation Limited	2,624.15	11,251.47	9,787.21	1,856.83	10,699.68	9,946.28	615.77	10,699.68	8,193.81
5	Green Energy Development Corporation of Odisha Limited	6.93	286.05	78.84	7.5	330.32	73.47	7.28	304.82	67.36
6	Odisha State Seeds Corporation Limited	165.35	238.09	19.3	145.27	278.34	11.45	131.11	220.7	52.67
7	The Odisha Mining Corporation Limited	1,216.84	8,139.96	6,576.64	1,148.59	6,961.35	5,992.54	1,214.06	5,622.14	5,622.14
8	Odisha State Warehousing Corporation	106.94	234.52	150.28	103.33	221.08	135.14	87.95	221.08	126.74
9	The Industrial Development Corporation of Odisha Limited	80.96	356.55	228.89	56.7	334.73	217.62	20.08	347.23	233.6
10	Odisha Hydro Power Corporation Limited	505.91	4,055.53	2,944.06	470.13	3,873.57	2,805.3	478.83	3,666.07	2,805.3
11	IDCOL Ferro Chrome & Alloys Limited	0.47	80.55	5.99	0.42	106.91	28.75	0.81	108.16	28.75
Total		4,771.79	25,309.27	19,952.03	3,833.58	23,489.38	19,344.13	2,604.65	21,811.4	17,256.5

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

APPENDIX-5.8
(As referred to in Para No. 5.4.1)
Return on Capital Employed of CPSEs

(₹ in crore)

Sl. No.	SPSE	2020-21			2019-20			2018-19		
		EBIT	Capital Employed	ROCE (in %)	EBIT	Capital Employed	ROCE (in %)	EBIT	Capital Employed	ROCE (in %)
1	The Agricultural Promotion and Investment Corporation of Odisha Limited	0.22	2.25	9.78	0.21	2.19	9.59	0.21	2.19	9.59
2	The Odisha Agro Industries Corporation Limited	26.12	112.75	23.17	20.31	85.51	23.75	20.31	85.51	23.75
3	Odisha State Cashew Development Corporation Limited	9.01	48.07	18.74	9.01	48.07	18.74	13.99	40.66	34.41
4	Odisha Forest Development Corporation Limited	26.16	-52.14	-50.17	36.74	-58.97	-62.30	37.2	-27.59	-134.83
5	Odisha State Seeds Corporation Limited	6.13	19.30	31.76	0.52	11.45	4.54	4.15	52.67	7.88
6	The Industrial Promotion and Investment Corporation of Odisha Limited	10.69	115.82	9.23	10.09	112.79	8.95	10.09	112.79	8.95
7	The Industrial Development Corporation of Odisha Limited	19.23	228.89	8.40	9.62	217.62	4.42	-79.8	233.6	-34.16
8	Odisha Construction Corporation Limited.	77.40	149.39	51.81	77.4	149.39	51.81	104.23	117.41	88.77
9	Orissa Bridge and Construction Corporation Limited	7.53	35.96	20.94	7.94	34.63	22.93	4.42	30.3	14.59
10	The Odisha State Police Housing and Welfare Corporation Limited	26.82	137.65	19.48	26.3	123.62	21.27	26.3	123.62	21.27
11	Odisha Mineral Bearing Areas Development Corporation Limited	- 1,818.38	0.01	- 1,81,83,800	427.2	427.21	100.00	0	0.01	0.00

12	Water Corporation of Odisha Limited	-0.25	0.41	-60.98	-0.25	0.41	-60.98	-0.12	0.83	-14.46
13	Odisha Rail Infrastructure Development Limited	0.51	54.74	0.93	2.35	54.45	4.32	1.91	52.78	3.62
14	IDCOL Ferro Chrome & Alloys Limited	-21.35	5.99	-356.43	-6.97	28.75	-24.24	-6.97	28.75	-24.24
15	IDCOL Kalinga Iron Works Limited	-3.45	-16.17	-21.34	-4.7	-12.72	-36.95	-14.35	-8.02	-178.93
16	The Odisha Mining Corporation Limited	2,409.43	6,576.64	36.64	1,137.63	5,992.54	18.98	1,265.06	5,622.14	22.50
17	Odisha State Beverage Corporation Limited	33.02	330.64	9.99	46.52	320.11	14.53	46.52	320.11	14.53
18	Odisha Mineral Exploration Corporation Limited	-2.21	-1.88	-117.55	0	0.43	0.00	0	0.43	0.00
19	IDCOL Software Limited	0.42	3.14	13.38	0.26	2.8	9.29	0.29	2.6	11.15
20	Odisha Tourism Development Corporation Limited	19.68	40.88	48.14	18.09	37.48	48.27	18.8	35.82	52.48
21	Odisha State Medical Corporation Limited	14.28	68.28	20.91	12.95	58.37	22.19	12.95	58.37	22.19
22	Odisha Sports Development and Promotion Company Limited	1.50	20.56	7.30	1.13	19.06	5.93	4.48	17.93	24.99
23	Odisha State Financial Corporation	-1.59	50.12	-3.17	5.73	52.01	11.02	5.73	52.01	11.02
24	Odisha State Road Transport Corporation	1.97	139.17	1.42	1.97	139.17	1.42	3.8	72.71	5.23
25	Odisha State Warehousing Corporation	29.31	150.28	19.50	20.46	135.14	15.14	27.26	126.74	21.51
26	GRIDCO Limited	-951.19	-1,176.02	-80.88	216.32	-479.28	-45.13	0	-1.65	0.00
27	Odisha Hydro Power Corporation Limited	317.78	2,944.06	10.79	300.61	2,805.3	10.72	300.16	2,805.3	10.70
28	Odisha Power Generation	602.02	9,787.21	6.15	272.29	9,946.28	2.74	0	8,193.81	0.00

	Corporation Limited									
29	Odisha Power Transmission Corporation Limited	-8.82	1,709.62	-0.52	112.11	1,568.78	7.15	89.14	1,379.71	6.46
30	Green Energy Development Corporation of Odisha Limited	10.52	78.84	13.34	14.66	73.47	19.95	14.53	67.36	21.57
31	Odisha Film Development Corporation Limited	0.01	7.27	0.14	0	7.26	0.00	0.01	8.57	0.12
32	Odisha Coal and Power Limited	85.46	1,494.75	5.72	-0.34	992.39	-0.03	-0.16	695.11	-0.02
33	GEDCOL SAIL Power Corporation Limited	0.02	0.04	50.00	0.26	10.02	2.59	-0.23	0.77	-29.87
Total		928.00	23,076.55	4.02	2,776.42	22,905.73	12.12	1,909.91	20,303.35	9.41

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

APPENDIX-5.9
(As referred to in Para No. 5.4.2)
Return on Equity of SPSEs

(₹ in crore)

Sl. No.	SPSE	2020-21			2019-20			2018-19		
		Equity	Net Profit After Tax and Preference Dividend	ROE (in %)	Equity	Net Profit After Tax and Preference Dividend	ROE (in %)	Equity	Net Profit After Tax and Preference Dividend	ROE (in %)
1	The Agricultural Promotion and Investment Corporation of Odisha Limited	2.25	0.09	4.00	2.19	0.07	3.20	2.19	0.07	3.20
2	The Odisha Agro Industries Corporation Limited	110.14	16.55	15.03	85.51	12.80		85.51	12.80	
3	Odisha State Cashew Development Corporation Limited	48.07	7.97	16.58	48.07	7.97	16.58	40.66	13.46	33.10
4	Odisha Forest Development Corporation Limited	-52.14	10.54	-20.21	-58.97	15.28	-25.91	-27.59	19.68	-71.33
5	Odisha State Seeds Corporation Limited	3.58	6.02	168.16	-2.44	0.24	-9.84	21.48	0.11	0.51
6	The Industrial Promotion and Investment Corporation of Odisha Limited	115.82	8.56	7.39	112.79	6.19	5.49	112.79	6.19	5.49
7	The Industrial Development Corporation of Odisha Limited	-11.61	2.46	-21.19	-13.71	-7.26	-52.95	-6.45	-89.54	-1388.22
8	Odisha Construction Corporation Limited.	149.39	50.13	33.56	149.39	50.13	33.56	117.41	67.16	57.20
9	Orissa Bridge and Construction Corporation Limited	35.96	5.43	15.10	34.63	5.73	16.55	30.3	2.96	9.77
10	The Odisha	137.65	20.06	14.57	123.62	17.08	13.82	123.62	17.08	13.82

	State Police Housing and Welfare Corporation Limited									
11	Odisha Mineral Bearing Areas Development Corporation Limited	0.01	-1,818.38	- 1,81,83,800	427.21	427.2	100.00	0.01	0	0.00
12	Water Corporation of Odisha Limited	0.41	-0.25	-60.98	0.41	-0.25	-60.98	0.83	-0.12	-14.46
13	Odisha Rail Infrastructure Development Limited	54.74	0.29	0.53	54.45	1.67	3.07	58.78	1.38	2.35
14	IDCOL Ferro Chrome & Alloys Limited	5.99	-22.76	-379.97	28.75	-8.43	-29.32	28.75	-8.43	-29.32
15	IDCOL Kalinga Iron Works Limited	-16.17	-3.45	-21.34	-12.72	-4.7	-36.95	-8.02	-14.35	-178.93
16	The Odisha Mining Corporation Limited	6,576.64	1,586.27	24.12	5,992.54	728.72	12.16	5,622.14	789.88	14.05
17	Odisha State Beverage Corporation Limited	330.64	20.88	6.32	320.11	29.99	9.37	320.11	29.99	9.37
18	Odisha Mineral Exploration Corporation Limited	-1.88	-2.31	-122.87	0.43	0	0.00	0.43	0	0.00
19	IDCOL Software Limited	3.14	0.34	10.83	2.8	0.19	6.79	2.6	0.2	7.69
20	Odisha Tourism Development Corporation Limited	40.88	3.40	8.32	37.48	3.47	9.26	35.82	5.89	16.44
21	Odisha State Medical Corporation Limited	68.28	9.78	14.32	58.37	9.1	15.59	58.37	9.1	15.59
22	Odisha Sports Development and Promotion Company Limited	20.56	1.50	7.30	19.06	1.13	5.93	17.93	4.48	24.99
23	Odisha State Financial Corporation	-48.49	-2.35	-4.85	-46.6	5.26	-11.29	-46.6	5.26	-11.29
24	Odisha State Road	137.87	3.54	2.57	137.87	3.54	2.57	62.44	2.48	3.97

	Transport Corporation									
25	Odisha State Warehousing Corporation	150.28	20.48	13.63	135.14	13.18	9.75	126.74	20.71	16.34
26	GRIDCO Limited	- 6,869.29	-1,382.35	-20.12	-4134.8	-281.05	-6.80	- 3,853.75	-197.5	-5.12
27	Odisha Hydro Power Corporation Limited	1,987.77	158.06	7.95	1,818.78	144.39	7.94	1,818.78	144.39	7.94
28	Odisha Power Generation Corporation Limited	2,731.27	-190.51	-6.98	3,063.45	171.48	5.60	2713.4	4.79	0.18
29	Odisha Power Transmission Corporation Limited	888.5	-144.37	-16.25	969.7	37.71	3.89	745.41	19.8	2.66
30	Green Energy Development Corporation of Odisha Limited	78.84	5.35	6.79	73.47	6.11	8.32	67.36	9.24	13.72
31	Odisha Coal and Power Limited	373.58	-1.46	-0.39	291.03	-2.81	-0.97	293.84	-3.06	-1.04
32	Odisha Film Development Corporation Limited	5.4	0.01	0.19	5.4	0.01	0.19	5.4	0.01	0.19
33	GEDCOL SAIL Power Corporation Limited	10.07	0.02	0.20	10.02	0.25	2.50	0.77	-0.23	-29.87
Total		7,068.15	-1,630.46	-23.07	9,733.43	1,394.39	14.33	8,571.46	873.88	10.20

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

APPENDIX-5.10
(Referred to in Para No.5.9.1.2)
List of SPSEs where Comment by CAG issued

Sl. No.	Name of the Company	Government Company(GC)/ Government Controlled Other Company(DGC)
1	GRIDCO Limited	GC
2	IDCOL Kalinga Iron Works Limited	GC
3	Industrial Development Corporation of Odisha Limited	GC
4	Industrial Promotion and Investment Corporation of Odisha Limited	GC
5	Odisha Coal and Power Limited	GC
6	Odisha Mineral Bearing Areas Development Corporation	GC
7	Odisha State Financial Corporation Limited	GC
8	Odisha Small Industries Corporation	GC
9	Odisha Power Generation Corporation Limited	GC
10	Odisha Hydro Power Corporation Limited	GC
11	Odisha Forest Development Corporation Limited	GC
12	Odisha Thermal Power Corporation Limited	DGC
13	Odisha State Seeds Corporation Limited	GC
14	Odisha State Warehousing Corporation	GC
15	Odisha State Beverages Corporation Limited	GC
16	Odisha Power Transmission Corporation Limited	GC
17	IFCAL FERRO CHROME AND ALLOYS LIMITED	GC
18	Brahmani Railways Limited	DGC

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

APPENDIX-5.11
(Referred to in Para No.5.10)
Details of Companies where there was non-compliance with Accounting Standards/Ind AS as reported by the Statutory Auditors

Sl. No.	Name of the Company	Government Company(GC) or Government Controlled Other Company (DGC)	Number of Accounting Standard (AS)/ IND AS
1	IDCOL Kalinga Iron Works Limited (IKIWL)	GC	AS-02
2	Odisha State Medical Corporation Limited (OSMC)	GC	AS 09
3	Odisha Thermal Power Corporation Limited(OTPCL)	DGC	Ind AS -16
4	GRIDCO Limited	GC	Ind AS 109, 115
5	Odisha Bridge & Construction Corporation(OBCC)	GC	AS 02,15
6	Odisha Film Development Corporation(OFDC)	GC	AS-21

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

APPENDIX-5.12
(Referred to in Para No.5.11)
List of SPSEs where Management Letters issued by CAG

Sl. No.	Name of the Company
1	Odisha Agro Industries Corporation Ltd
2	Odisha State Seeds Corporation Ltd
3	Odisha State Medical Corporation Ltd
4	Lanjigarh Project Area Development Foundation
5	Odisha Bridge & Construction Corporation Ltd
6	Odisha Hydro Power Corporation
7	Odisha Forest Development Corporation
8	Odisha Power Generation Corporation Ltd
9	Odisha Coal and Power Ltd
10	GRIDCO Limited
11	Odisha Mineral Bearing Area Development Corporation
12	Odisha Mineral Exploration Corporation Ltd
13	Agricultural Promotion and Investment Corporation Limited
14	Odisha State Warehousing Corporation
15	Odisha State Beverages Corporation
16	IDCOL Software Ltd
17	Odisha Thermal Power Corporation Ltd
18	IDCOL Kalinga Iron works Ltd
19	Brahmani Railways Ltd
20	Industrial Development Corporation of Odisha Ltd
21	Industrial Promotion and Investment Corporation of Odisha Ltd
22	Paradeep Plastic Park Ltd
23	Kalinga Studios Ltd
24	Odisha Electronic Park Ltd
25	IDCO SEZ Development Ltd
26	Inland Water Ways Consortium of Odisha Ltd

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

APPENDIX-6.1
Glossary of important Budget related terms

Terms	Basis of Calculation
Accounts' or 'actuals' of a year.	Accounts' or 'actuals' of a year. - are the amounts of receipts and disbursements for the financial year beginning on April 1st and ending March 31st following, as finally recorded in the Accounting authority's books (as audited by C&AG). Provisional Accounts refers to the unaudited accounts.
Administrative approval' of a scheme, proposal or work	Administrative approval' is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issue.
Annual financial statement	Annual financial statement means the statement of estimated receipts and expenditure of the Central/State Government for each financial year, laid before the Parliament /State Legislature.
Appropriation Accounts	Appropriation Accounts present the total amount of funds(Original and Supplementary) authorised by the Legislative Assembly in the budget grants under each voted grants and charged appropriation vis-à-vis the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the grants requires authorization by the Legislature.
Controlling Officer (budget)	Controlling Officer means an officer entrusted by a Department with the responsibility of controlling the incurring of expenditure and/or the collection of revenue.
Drawing and Disbursing Officer' (DDO)	Drawing and Disbursing Officer' (DDO) means a Head of Office and also any other Officer so designated by the Finance Department of the State Government, to draw bills and make payments on behalf of the State Government.
Public Account	Public Account means the Public Account referred to in Article 266(2) of the Constitution. The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the Parliament/State Legislature, as they are not moneys issue out of the Consolidated Fund of India/State.
Major Head	Major Head means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the State. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a 'function' of Government such as Agriculture, Education, Health, etc.

Minor Head	Minor Head means a head subordinate to a Major Head or a Sub- Major Head. A Minor Head subordinate to a Major Head identifies a “programme” undertaken to achieve the objectives of the function represented by the Major Head.
Sub Major Head	Sub Major Head means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor Heads are numerous and can conveniently be grouped together under such intermediate Head.
Sub-Head	Sub-Head means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.
Average interest paid by the State	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100.$
Balance from Current Revenue(BCR)	Revenue Receipts minus all Plan Grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the majorhead 2048– Appropriation for reduction of Avoidance of debt.
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth Rate.
Buoyancy of a parameter(X) with respect to another parameter (Y)	$\text{Rate of Growth of parameter(X)} / \text{Rate of Growth of parameter(Y)}.$
Committed Expenditure	The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies on which the present executive has limited control.
Consolidated Fund of the State	The fund constituted under Article 266(1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFI is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, etc.).
Contingency Fund	Legislature Assembly has by law established a Contingency Fund in the nature of an imprest into which is paid from time to time such sums as may be determined by such law, and the said fund is placed at the disposal of the Governor to enable advances to be made by him out of it for the purpose of meeting unforeseen expenditure pending authorization of such expenditure by Legislative Assembly by law under Article 115 or Article 116 of the Constitution.
Contingent Liability	Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a court case.

Debt Stabilisation	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the Debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, Debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, Debt-GSDP ratio would be rising and in case it is positive, Debt-GSDP ratio would eventually be falling.
Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant Debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase incapacity to service the debt.
Development	Social Services + Economic Services.
Escrow Account	In order to ensure fiscal discipline in public sector undertaking/Urban Local Bodies/Co-operative Institutions and State-owned Companies etc., and to ensure minimizing the default on payment of Government guaranteed loans the Government in Finance Department vide their Resolution No.11311/F, date-19 March 2004 have issued instructions that all Public Sector Undertakings/Urban Local Bodies/Co-operative Institutions and State-owned Companies etc. who have borrowed against Government guarantee will open an Escrow Account in a nationalized bank for timely repayment of guaranteed loans. The proceeds of this account shall first be utilized for payment of dues of the financial Institutions and it is only after meeting such payments that the surplus amount shall be diverted for other payments including salaries.
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts– Miscellaneous Capital Receipts.
Guarantee Redemption Fund	Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. Government of Odisha has constituted a guaranteed redemption fund during the year 2002-2003 with the objective of meeting the payment obligations arising out of the default in discharging the debt servicing for the loans guaranteed by Government.
Internal Debt	Internal Debt comprises regular loans from the public in India, also termed ‘Debt raised in India’. It is confined to loans credited to the Consolidated Fund.

Interest received as <i>per cent</i> to Loans	Interest Received/ [(Opening balance + Closing balance of Loans and Advances)/2] *100.
Primary Deficit	Fiscal Deficit – Interest payments.
Primary Revenue Expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments.
Public Accounts Committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the appropriation accounts of the State, the annual financial accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinise.
Rate of Growth(ROG)	$[(\text{Current year Amount}/\text{Previous year Amount})-1]*100$
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit.
Revenue Deficit	Revenue Receipt – Revenue Expenditure.
Sinking Fund	A Fund into which the Government sets aside money overtime, in order to retire its debt.
Sufficiency of Non-debt Receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
Supplementary Grants	If the amount authorized by any law made in accordance with the provisions of Article 114 of the Constitution of India to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115 (1) of the Constitution of India.
Surrender of unspent provision	Departments of the State Government are to surrender to the Finance Department, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance Department is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the closing of the financial year.
State Implementing Agency	State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for Sarva Siksha Abhiyan and State Health Mission for National Rural Health Mission, etc.

Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head “8658-Suspense Account” in the sector “L. Suspense and Miscellaneous” of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head “Suspense Account” but should be credited to the minor head “Other Receipt” under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars.
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Acronyms	FullForm
AC	Abstract Contingency
AE	Aggregate Expenditure
BE	Budget Estimates
CAG	Comptroller and Auditor General of India
CE	Capital Expenditure
CFS	Consolidated Fund of the State
DCC	Detailed Countersigned Contingent
DDO	Drawing and Disbursing Officer
DE	Development Expenditure
DRDA	District Rural Development Agency
FCP	Fiscal Correction Path
FC XIV	Fourteenth Finance Commission
FRBM	Fiscal Responsibility and Budget Management
GDP	Gross Domestic Product
GIA	Grants-in-Aid
GoI	Government of India
GSDP	Gross State Domestic Product
H&UDD	Housing and Urban Development Department
ITDA	Integrated Tribal Development Agency
JSSK	Janani Shishu Surakshya Karyakram
MTFP	Medium Term Fiscal Plan
NSSF	National Small Savings Fund
O&M	Operation and Maintenance
OB&OCWWB	Odisha Building and Other Construction Workers Welfare Board
OMBADC	Odisha Mineral Bearing Areas Development Corporation
OBM	Odisha Budget Manual
OGFR	Odisha General Financial Rules
ONTR	Own Non Tax Revenue
OTC	Odisha Treasury Code
OTR	Own Tax Revenue
OTS	One Time Settlement
PIA	Project Implementing Agencies
PSU	Public Sector Undertakings
RE	Revenue Expenditure
RR	Revenue Receipts
S&W	Salaries and Wages
SFC	State Finance Commission
SSE	Social Sector Expenditure
SDTE	Skill Development & Technical Education

ST&SCD, M&BCW	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare
TE	Total Expenditure
UC	Utilisation Certificates
VLC	Voucher Level Computerisation
W&CD	Women & Child Development

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