



ACCOUNTS AT A GLANCE 2018-19



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



GOVERNMENT OF ODISHA

ACCOUNTS AT A GLANCE

2018-19

GOVERNMENT OF ODISHA

PREFACE

This is the twenty-first issue of our annual publication “**Accounts at a Glance**”.

The Annual Accounts of the State Government are prepared and examined under the direction of the Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General’s (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the Legislature of the State. The Annual Accounts consist of (a) Finance Accounts and (b) Appropriation Accounts. Finance Accounts are Summary Statement of Accounts under the Consolidated Fund, the Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise expenditure against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided. The Principal Accountant General (Accounts and Entitlement) prepares the State Finance Accounts and the Appropriation Accounts.

“Accounts at a Glance” provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs. These figures have been adopted from the Finance and Appropriation Accounts of Government of Odisha. In case of difference, the figures depicted in the Finance and Appropriation Accounts may be treated as correct.

We look forward to suggestions that would help us in improving the publication.

BHUBANESWAR
Date: 09 September 2020



(Bibhudutta Basantia)
Accountant General (A&E)

Our Vision, Mission and Core Values

The **Vision** of the institution of the Comptroller and Auditor General of India represents what we aspire to become:

We strive to be a global leader and initiator of national and international best practices in Public Sector auditing and accounting and recognised for independent, credible, balanced and timely reporting on public finance and governance.

Our **Mission** enunciates our current role and describes what we are doing today:

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders – the Legislature, the Executive and the Public-that public funds are being used efficiently and for the intended purposes.

Our **Core Values** are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.

⇒ **Independence**

⇒ **Objectively**

⇒ **Integrity**

⇒ **Reliability**

⇒ **Professional Excellence**

⇒ **Transparency**

⇒ **Positive Approach**

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Chapter I

OVERVIEW

1.1. Introduction

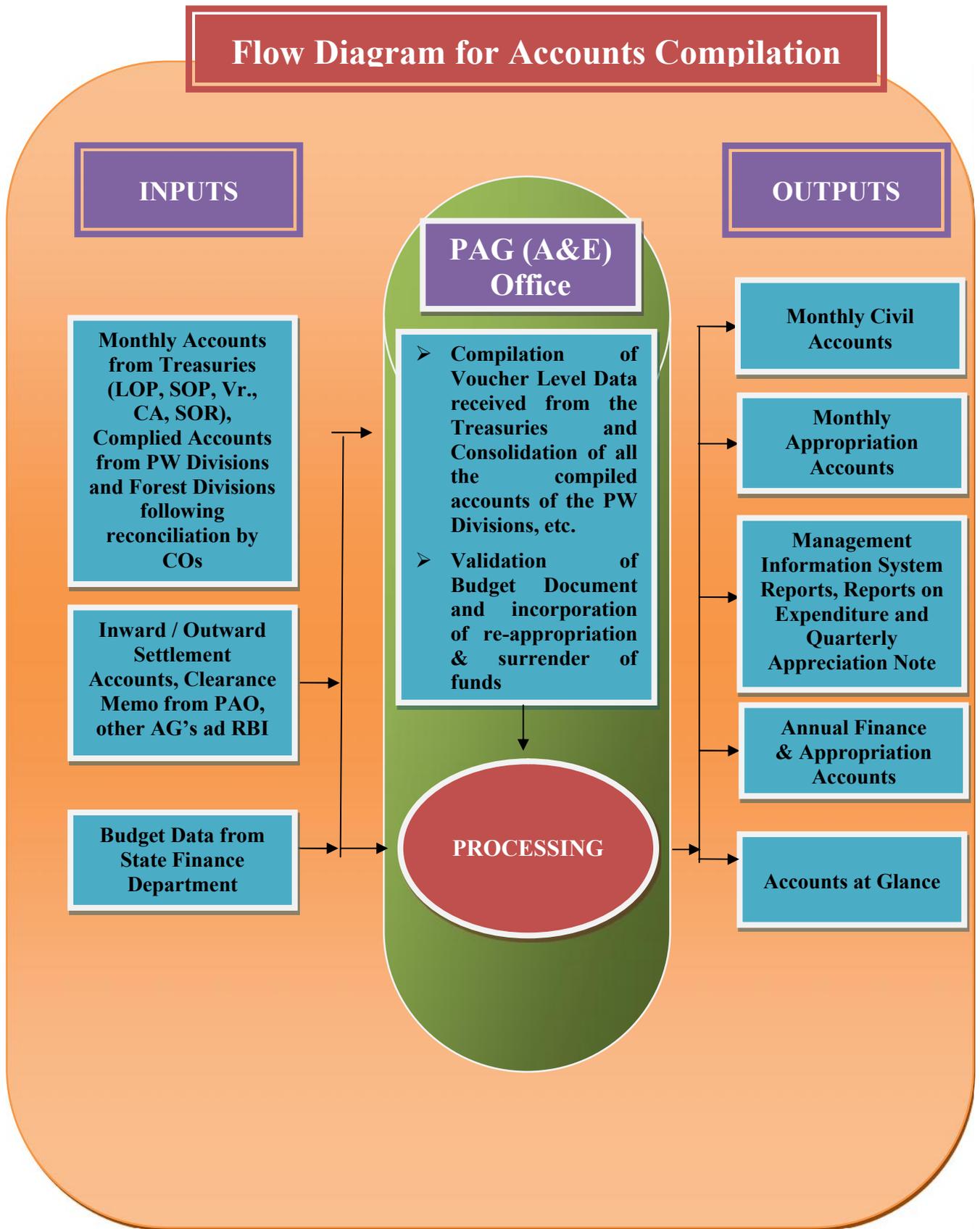
The Principal Accountant General (Accounts and Entitlements), Odisha collates, classifies, compiles the accounts data rendered by multiple agencies and prepares the accounts of the Government of Odisha. The compilation is done from the initial accounts rendered by the District Treasuries, Public Works Divisions, Irrigation & Public Health Divisions, Forest Divisions, accounts rendered by the other states/accounting offices and advices of Reserve Bank of India. Every month a Monthly Civil Account is presented by the office of the Principal Accountant General (A&E) to the Government of Odisha. The Principal Accountant General (A&E) also submits a quarterly Appreciation Note on the important financial indicators and quality of expenditure of the Government. The Annual Finance Accounts and the Appropriation Accounts are placed before the State Legislature after audit by the Accountant General (Audit), Odisha and certification by the Comptroller and Auditor General of India.

1.2. Structure of Accounts

1.2.1. Government Accounts are kept in three parts:

Part I CONSOLIDATED FUND	<p>All revenue received by the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon) form the Consolidated Fund.</p> <p>All expenditure and disbursements of the Government, including release of loans and repayments of loans taken (and interest thereon), are met from this fund.</p>
Part II CONTINGENCY FUND	<p>The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorisation by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund.</p> <p>The corpus of this fund for the Government of Odisha is ₹400.00 crore.</p>
Part III PUBLICACCOUNT	<p>All public moneys received, other than those credited to the Consolidated Fund, are accounted for under the Public Account. In respect of such receipts, Government acts as a banker or trustee.</p> <p>The Public Account comprises: repayable like Small Savings and Provident Funds, Reserve Fund, Deposits and Advances, Suspense and Miscellaneous transaction (adjusting entries pending booking to final heads of account), Remittances between accounting entities, and Cash Balance.</p>

1.2.2. Compilation of Accounts



1.3. Finance Accounts and Appropriation Accounts

1.3.1. Finance Accounts

The Finance Accounts presents the Accounts of the Receipts and outgoings of the Government for the year, together with the financial results, disclosed by the Revenue and Capital Accounts, the Accounts of the Public Debt and the Liabilities and Assets of the Government concerned, as worked out from the balances recorded in the Accounts. The Finance Accounts have been issued in two volumes, to make them more comprehensive and informative. Volume I of the Finance Accounts contains the Certificate of the Comptroller and Auditor General of India, Summarised Statements of overall Receipts and Disbursements and 'Notes to Accounts' containing Summary of significant Accounting Policies, Quality of Accounts and other items: Volume II contains Detailed Statements (Part-I) and Appendices (Part-II).

The Union Government transfers substantial funds directly to State implementing Agencies/ Non-Governmental Organisation for implementation of various schemes and programmes. During the year 2018-19, the Government of India (GoI) released ₹6,844 crore directly to the implementing agencies in Odisha. 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.

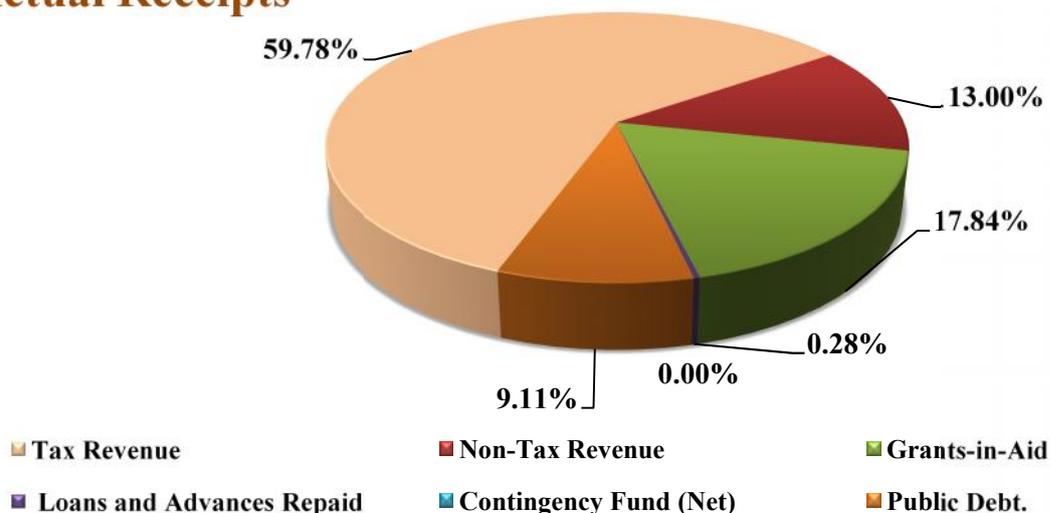
Receipts and Disbursements in year 2018-19: -

			(₹ in crore)
Receipts Total:1,10,009	Revenue	Tax Revenue	65,672.06
	Total: 99,546.12	Non-Tax Revenue	14,276.53
		Grants-in-Aid	19,597.53
		Capital	305.30
	Total: 10,462.69	Recovery of Loans and Advances	10,157.39
Borrowings and other Liabilities*		10,157.39	
Disbursements Total:1,10,009	Revenue		8,53,56.41
	Capital		2,34,82.09
	Loans and Advances		11,70.31

*Borrowings and Other Liabilities; Net (Receipts-Disbursements) of Public Debt =(1,00,02.61-39,39.70)=60,62.91
+ Net of Contingency Fund = (-)14,40.22
+ Net (Receipts - Disbursements) of Public Account = (35,62,17.18-34,96,14.95)=6,602.23
+ Net of (Opening and Closing) Cash Balance. = (5,57.03-16,24.56) = (-)1,067.53

1.3.2. Where the ₹ came from?

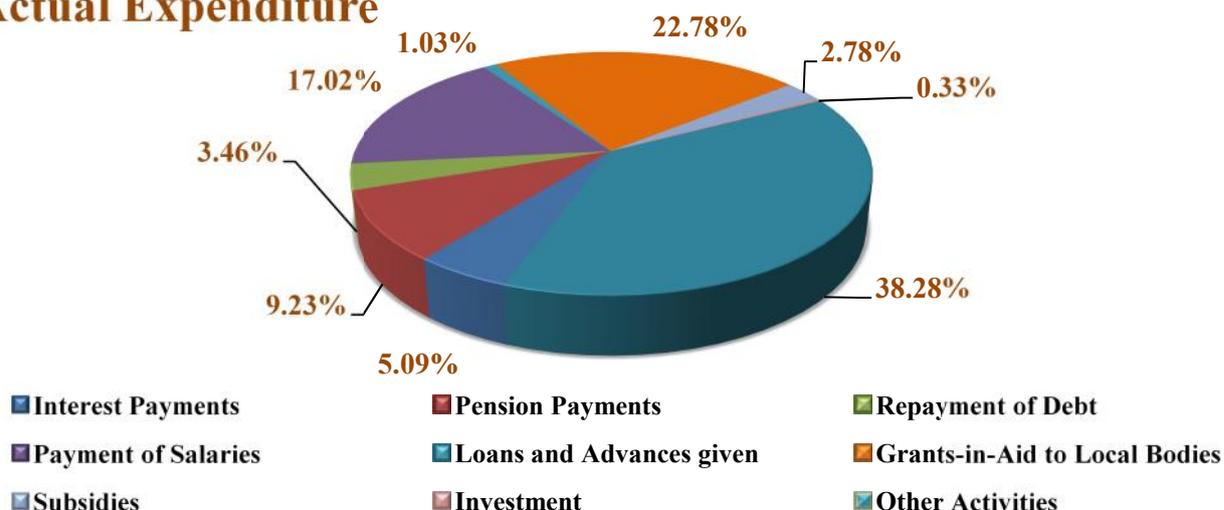
Actual Receipts



* Public Account (including cash balance) component above is taken as net.

1.3.3. Where the ₹ went?

Actual Expenditure



This year, the Government of India has directly released ₹6,843.63 crore (₹4,669.14 crore last year) to the State Implementing Agencies/NGOs for implementation of various Schemes and Programmes. Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts.

1.3.4. Appropriation Accounts

Under the Constitution, no expenditure can be incurred by the Government except with authorization of the Legislature. Barring certain expenditure specified in the Constitution ‘Charged’ on the Consolidated Fund, which can be increased without vote of the Legislature, all

other expenditure requires to be 'Voted'. The Budget of the Government of Odisha for the current year has three Charged Appropriations and 43 Voted Grants. The Purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure complies with the appropriation authorised by the Legislature through the Appropriation Act of each year.

The Appropriation Acts, 2018-19, had projected for Gross Expenditure of ₹1,35,513.59 crore and Reduction of Expenditure (Recoveries) of ₹2,695.57 crore. Against this, the actual Gross Expenditure was ₹1,16,617.85 crore and Reduction of Expenditure was, ₹2,669.36 crore resulting in net Savings of ₹18,895.74 crore (14 per cent) including excess expenditure of ₹173.41 in two Grants and an Excess Estimation of ₹26.21 crore on Reduction of Expenditure. The Gross Expenditure includes ₹210.19 crore drawn on Abstract Contingent (AC) Bills during the year, with total Detailed Contingent (DC) Bills for ₹213.41 crore still outstanding at the end of the year.

During 2018-19, an amount of ₹8,459.10 crore was deposited to Personal Deposit (PD) Accounts under the Public Account, which are maintained by the designated Administrators for specific purposes. Normally, unspent balances under PD Accounts, which remain inoperative for three full financial years after the year of last transactions, are to be transferred back to the Consolidated Fund.

1.4. Sources and Application of Funds

1.4.1. Ways and Means Advances

Ways and Means Advances (WMA) are taken from the Reserve Bank of India (RBI) to maintain their liquidity by making good the deficiency in the agreed minimum Cash Balance (₹1.28 crore) which the State Government is required to maintain with the Reserve Bank of India. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum Cash Balance maintained with the RBI. During the year, no WMA or OD was availed.

1.4.2. Fund Flow Statement

The State had a Revenue Surplus of ₹14,189.71 crore and a Fiscal Deficit of ₹10,157.39 crore representing 2.92 per cent and 2.09 per cent respectively of the Gross State Domestic Product (GSDP)¹. The Fiscal Deficit constituted 9.23 per cent of the Total Expenditure (1,10,008.81 crore). Around 36 per cent of the Revenue Receipts (99,547 crore) of the State Government was spent on Committed Expenditure like Salaries (₹19,399.49 crore) Interest Payments (₹5,800.37 crore) and Pensions (₹10,519.60 crore).

¹ GSDP for 2018-19 is ₹4,85,376.16 crore (Advance Estimate) as per Directorate of Economics and Statistics, Odisha, Bhubaneswar

Sources and Application of Funds

(₹ in crore)

SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01.04.2018	557
	Revenue Receipts	99,546
	Loans & Advances Repaid	305
	Public Debt	10,003
	Small Savings, Provident Funds & Others	5,126
	Reserve & Sinking Funds	10,673
	Deposits Received	22,301
	Civil Advances Repaid	226
	Suspense Account	293,345
	Remittances	24,546
	Contingency Fund	..
	TOTAL	4,66,628
APPLICATION	Revenue Expenditure	85,356
	Capital Expenditure	23,482
	Loans & Advances Given	1,170
	Repayment of Public Debt	3,940
	Small Savings, Provident Funds & Others	3,378
	Reserve & Sinking Funds	11,592
	Deposits Spent	18,099
	Civil Advances Given	226
	Suspense Account	2,91,787
	Remittances	24,533
	Contingency Fund	1,440
	Closing Cash Balance as on 31.3.2019	1,625
	TOTAL	4,66,628

1.5. Financial Highlights of Accounts 2018-19

The following table provides the details of actual financial results vis-à-vis budget estimates for the year 2018-19:

	Budget Estimate	Actuals	Percentage of actuals to B.E	Percentage of actuals to GSDP (b)
	(₹ in crore)			
1. Tax Revenue (a)	65,136	65,672	101	14
2. Non-Tax Revenue	10,300	14,277	139	3
3. Grants-in-Aid & Contributions	24,764	19,598	79	4
4. Revenue Receipts (1+2+3)	1,00,200	99,547	99	21
5. Recovery of Loans and Advances	150	305	203	0
6. Borrowings & other Liabilities(e)	15,521	10,157	65	2
7. Capital Receipts (5+6)	15,671	10,462	67	2
8. Total Receipts (4+7)	1,15,871	1,10,009	95	23
9. Administrative Expenditure (d)	53,871	42,364	79	9
10. Administrative Expenditure on Revenue Account	52,974	42,212	80	9
11. Administrative Expenditure on Interest Payments out of (10)	5,500	5,800	105	1
12. Administrative Expenditure on Capital Account	897	152	17	0
13. Programme Expenditure (f)	62,000	67,645	705	90
14. Programme Expenditure on Revenue Account	37,246	43,145	116	9
15. Programme Expenditure on Capital Account	24,754	24,500	99	5
16. Total Expenditure (9+13)	1,15,871	1,10,009	414	99
17. Revenue Expenditure (10+14)	90,220	85,357	95	18
18. Capital Expenditure (12+15) (c)	25,651	24,652	96	5
19. Revenue Surplus (4-17)	9,980	14,190	142	3
20. Fiscal Deficit (4+5-16)	(-15,521)	-10,157	65	(-2)

- (a) Includes State's share of Union Taxes of ₹35,353.73 crore.
- (b) GSDP for 2018-19 is ₹4,85,376.16 crore (Advance Estimate) as intimated by Directorate of Economics and Statistics, Odisha.
- (c) Expenditure on Capital Account includes Capital Expenditure (₹23,482 crore) and Loans and Advances disbursed (₹1,170 crore). [₹23,482 + ₹1,170 = ₹24,652].
- (d) Administrative Expenditure includes Revenue Expenditure (₹42,212 crore), Capital Expenditure (₹43 crore) and Loan & Advances disbursed (₹109 crore). [(₹42,212 + ₹43 + (₹109 = ₹42,364 crore)].
- (e) Borrowings and Other Liabilities include net of Public Debt (₹6,062.91 crore), Net of Contingency Fund (-) (₹1,440.22 crore), Net of Public Account ₹6,602 crore), Net of opening & closing balance (-) ₹1,067.53). [(₹6,063 + (-) ₹1,440 + ₹6,602 + (-) ₹1,068 = ₹10,157].
- (f) Programme Expenditure includes Revenue Expenditure (₹43,144.67 crore), Capital-Expenditure (₹23,438.59 crore) and Loans & Advances disbursed (₹1,060.92 crore) [₹43,144.67 + ₹23,438.59 + ₹1,060.92 = ₹67,644.18]

1.6. What do the Deficits and Surpluses indicate?

Deficit	Refers to the gap between Revenue and Expenditure. The kind of Deficit, how the Deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
Fiscal Deficit/Surplus	Refers to the gap between Total Receipts (excluding Fiscal Borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which Expenditure is financed by Borrowings. Ideally, the Borrowings should be invested in Capital Projects.

1.6. 1. Fiscal Responsibility and Budget Management (FRBM) Act, 2005

Revenue Deficit/Surplus, Fiscal Deficit/Surplus are the major yardsticks for judging the Fiscal performance of the Government. As per the recommendation of the 12th Finance Commission, the Government of Odisha enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005.

The Act provides for the responsibility of the State Government to ensure prudence in Fiscal Management and Fiscal Stability by progressive elimination of Revenue Deficit and Sustainable Debt Management consistent with Fiscal Stability.

The State Government of Odisha has enacted the FRBM (Amendment) Act, 2016, on the basis of recommendations of the 14th Finance Commission in 2016. As per the FRBM Act it is mandatory for the State to generate Revenue Surplus, contain the Fiscal Deficit within 3.5 per cent of GSDP, achieve Debt/GSDP ratio at Finance Commission recommended level and put in place a monitoring mechanism on implementation of FRBM Act. The Fiscal Deficit during 2018-19 was 2.09 per cent of GSDP.

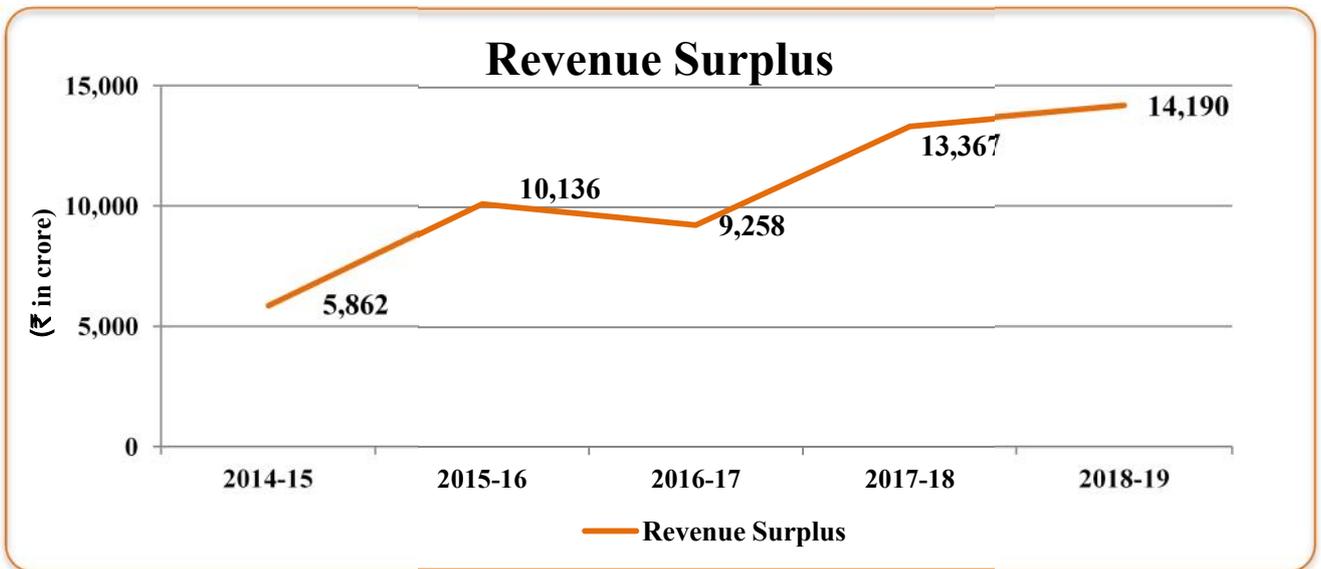
The State Government has achieved Revenue Surplus since 2005-06 and there has been an upward trend from 2009-10 (except 2013-14 & 2016-17). There has been a Fiscal Deficit of ₹10,157.39 crore during the year 2018-19 as compared to Fiscal Deficit of ₹9,360 crore during the previous year.

The Achievements of the State Government of Odisha during the year 2018-19 against the targets laid down in the Act and rules framed there under were as follows:

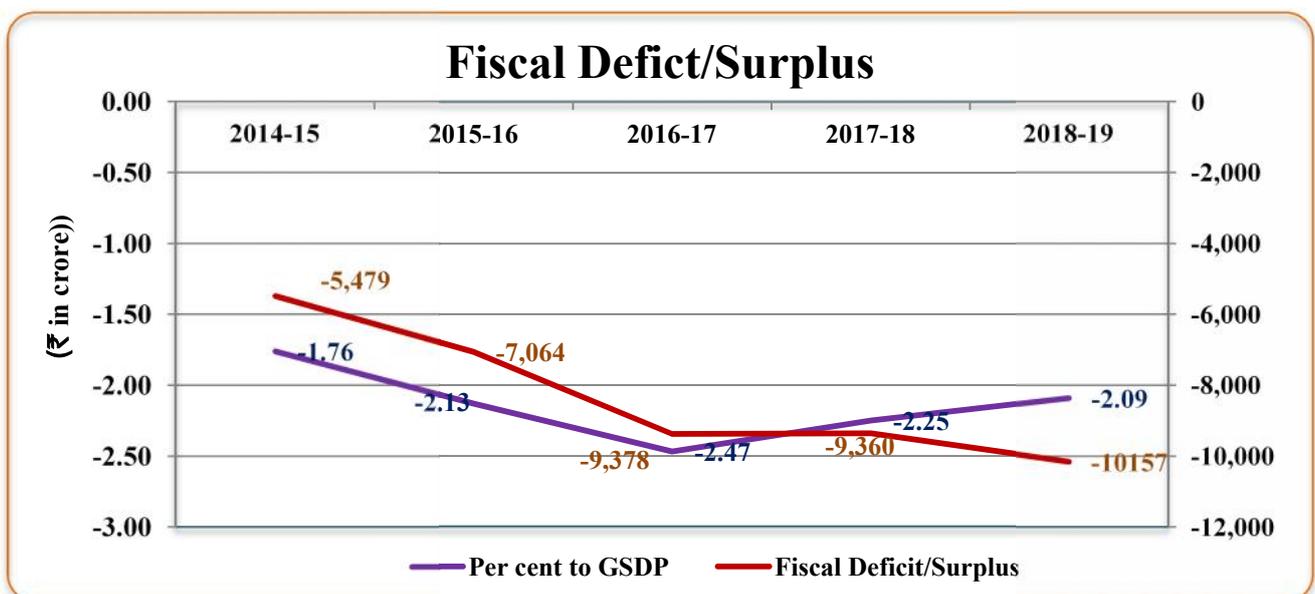
Sl. No	Finance Parameter	Actual (₹ in crore)	Ratio to GSDP*	
			Target	Achievement
1	Revenue Deficit	14,190 (Surplus)	..	Achieved
2	Fiscal Deficit	10,157.39	Less than or equal to 3 per cent	2.09 per cent (Achieved)
3	Public Debt	58,253	Less than or equal to 25 per cent	12 per cent (Achieved)
4	Outstanding Guarantees	4,170	Shall not exceed 100 per cent of State Revenue Receipt one year prior to previous Financial year 2016-17.	2.30 per cent (Achieved)

GSDP for 2018-19 is ₹4,85,376.16 crore

1.6.2. Trend of Revenue Surplus.



1.6.3. Trend of Fiscal Deficit



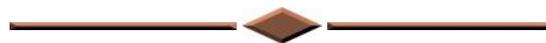
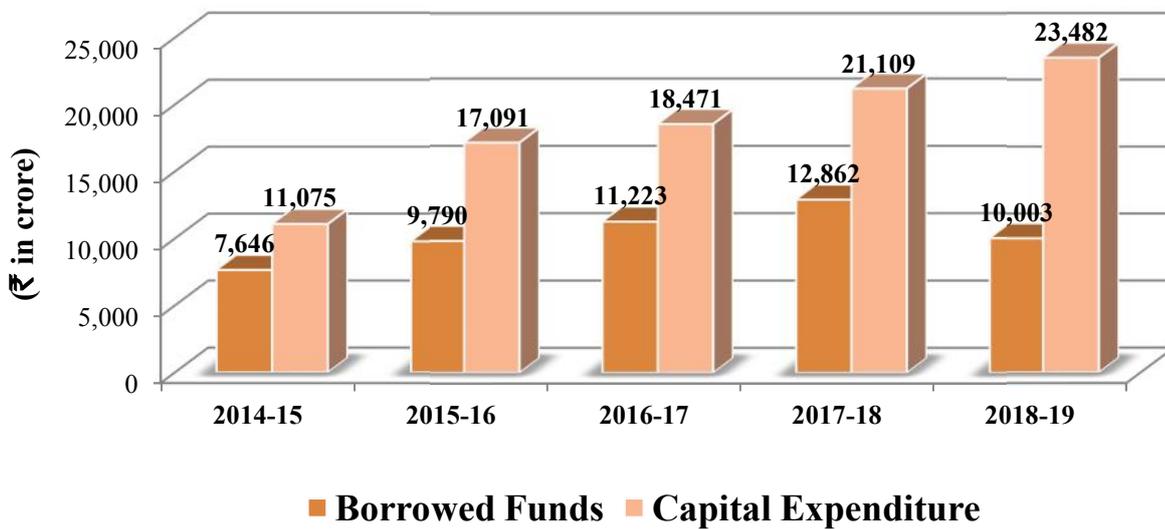
1.7. Proportion of Borrowed Funds spent on Capital Expenditure.

It is desirable to fully utilise Borrowed Funds for the Creation of Capital Assets, and to use Revenue Receipts for the repayment of Principal and Interest. As the State Government have achieved Revenue Surplus with effect from 2005-06 which is continuing till 2018-19, the Borrowed Funds have been utilised for Creation of Capital Assets during the above period. The statement is furnished below: -

(₹ in crore)

	Borrowed Funds	Capital Expenditure
2014-15	7,646	11,075
2015-16	9,790	17,090
2016-17	11,223	18,471
2017-18	12,862	21,109
2018-19	10,002	23,482

Proportion of Borrowed Funds with Capital Expenditure



Chapter II

RECEIPTS

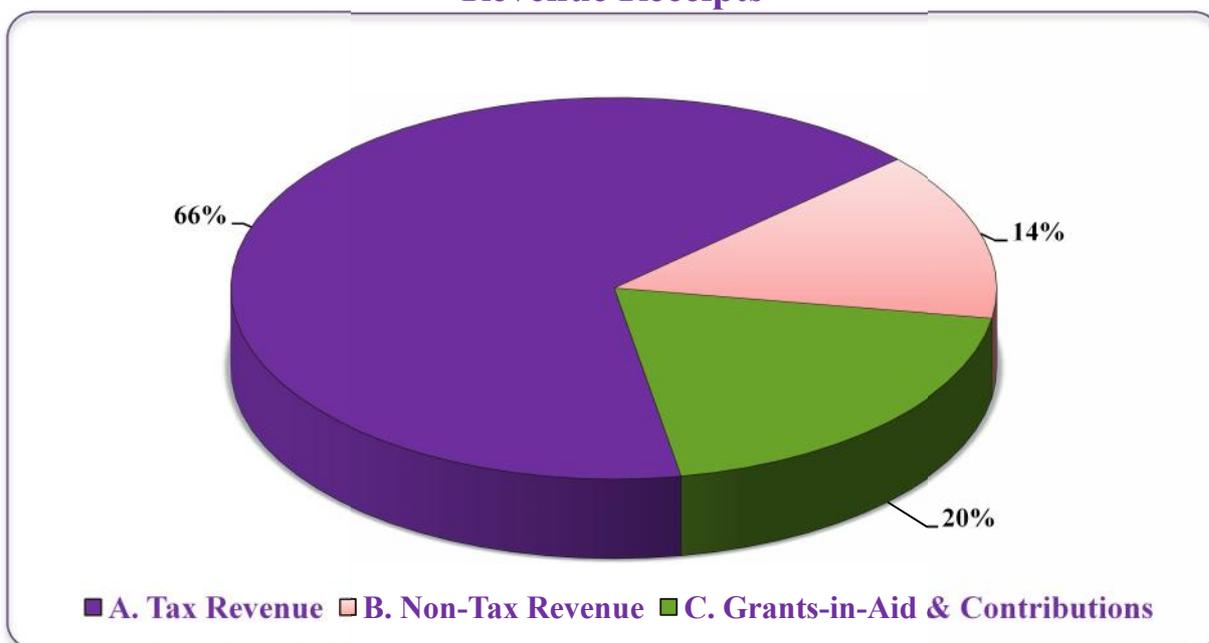
2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts of Government of Odisha for 2018-19 were ₹1,09,854 crore.

2.2. Revenue Receipts

Tax Revenue	Comprises Taxes collected and retained by the State and State's Share of Union Taxes under Article 280(3) of the Constitution.
Non- Tax Revenue	Includes Interest Receipts, Dividends, Profits etc.
Grants-in-Aid	Grants-in-Aid represent Central Assistance to the State Government from the Union Government. It also includes 'External Grant Assistance' and 'Aid Materials & Equipment's' received from Foreign Governments and channelised through the Union Government. In turn, the State Governments give Grants-in-Aid to institutions like Panchayati Raj Institutions, Autonomous Bodies etc.

Revenue Receipts



2.2.1 Components of Revenue Receipts

Components	Actuals (₹ in crore)	Per cent to Total Revenue
A. Tax Revenue	65,672	66
Goods and Services Tax	21,364	21
Taxes on Income & Expenditure	21,616	22
Taxes on Property & Capital Transactions	1,753	2
Taxes on Commodities & Services	20,939	21
B. Non-Tax Revenue	14,277	14
Interest Receipts, Dividends and Profits	2,006	2
General Services	613	1
Social Services	222	..
Economic Services	11,436	11
C. Grants-in-Aid & Contributions	19,598	20
Total - Revenue Receipts (A+B+C)	99,547	100

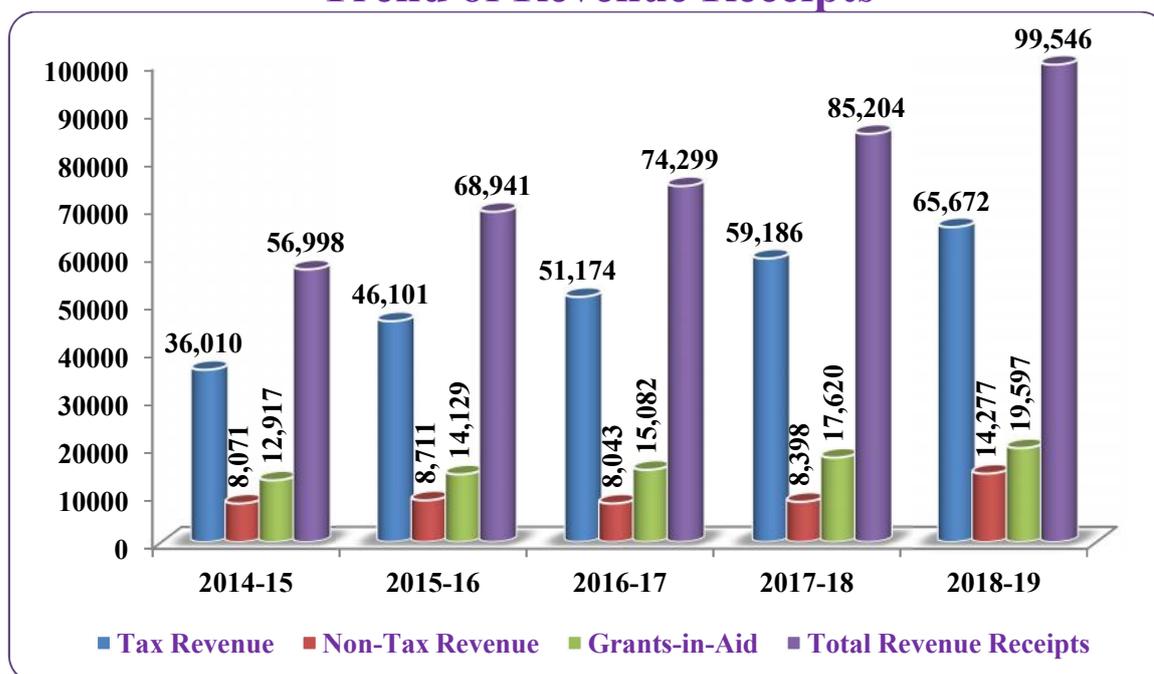
2.2.2 Trend of Revenue Receipts

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Tax Revenues	36,009	46,101	51,174	59,186	6,5672
Non-Tax Revenues	8,071	8,711	8,043	8,398	14,277
Grants-in-Aid	12,917	14,129	15,082	17,620	19,598
Total: Revenue Receipts	56,998	68,941	74,299	85,204	99,547
GSDP	3,14,267	3,28,549 (3 rd RE)	3,93,808 (3 rd RE)	4,36,374 (2 nd RE)	4,85,376 (1 st RE)

A.E – Advance Estimates

R.E – Revised Estimates

Trend of Revenue Receipts

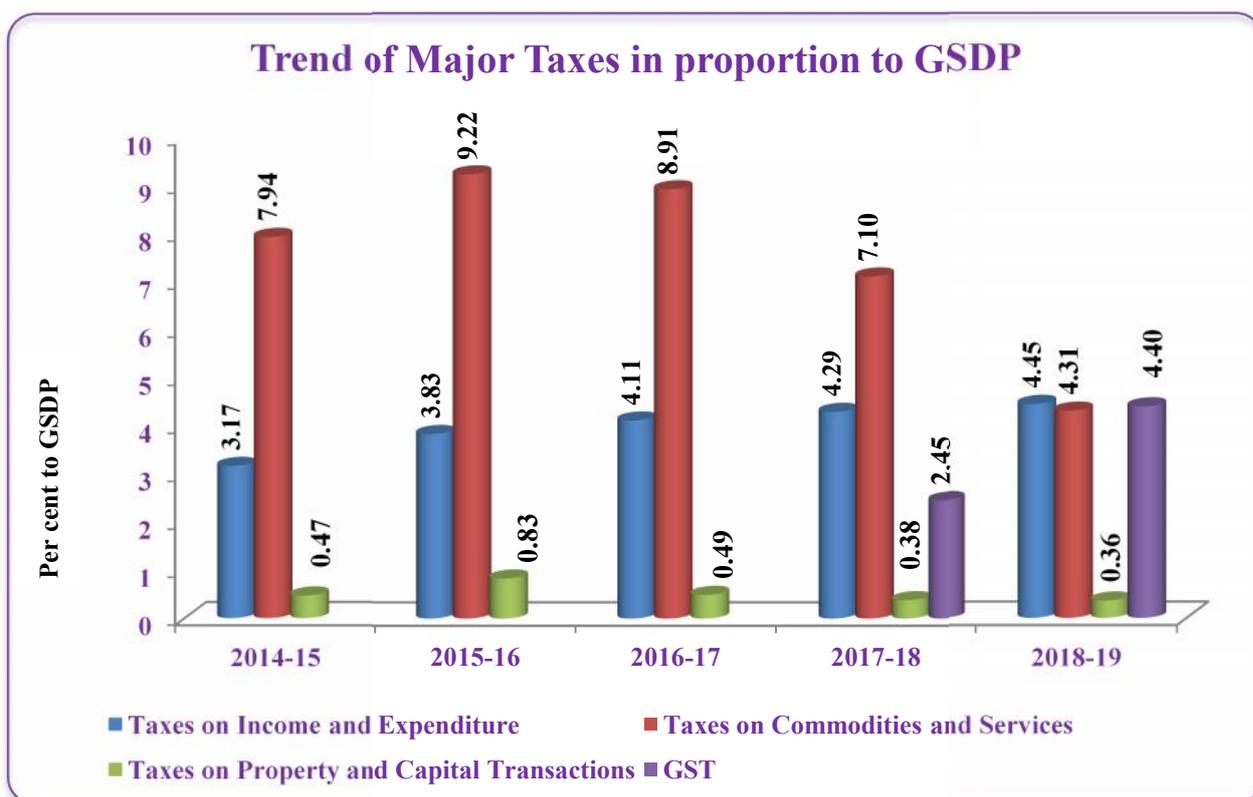


The GSDP increased by 16.68 per cent between 2017-18 and 2018-19 and growth in Revenue collection during the period was 12 per cent. While Tax Revenues increased by 11 per cent, Non-Tax Revenues increased by 70 per cent. Major contributors to Revenue was ₹12,294 crore (2.53 per cent of GSDP) under Corporation Tax and ₹1,1943 crore (2.46 per cent of GSDP) in respect of State Goods and Services Tax (SGST).

2.3 Tax Revenue

Sector-wise Tax Revenue

Particulars	(₹in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
i) Goods and Services Taxes	..	..	..	10,207	21,364
ii) Taxes on Income and Expenditure	9,855	12,725	15,558	17,848	21,616
iii) Taxes on Property and Capital Transactions	1,461	2,748	1,844	1,579	1,753
iv) Taxes on Commodities and Services	24,694	30,628	33,772	29,552	20,939
Total: Tax Revenues	36,009	46,101	51,174	59,186	65,672
GSDP	3,14,250	3,28,549 (3 rd RE)	3,93,808 (3 rd RE)	4,36,374 (2 nd RE)	4,85,376 (1 st RE)



2.3.1. State's Own Tax and State's Share of Union Taxes

Tax Revenue of the State Government comes from two sources viz., State's own tax collections and devolution of Union Taxes.

(₹ in crore)

Year	Tax Revenue	State Share of Union Taxes	State's Own Tax	
			Tax Revenue	Percentage to GSDP
2014-15	36,009	16,181	19,828	6.30
2015-16	46,101	23,574	22,527	6.85
2016-17	51,174	28,322	22,852	5.80
2017-18	59,186	31,272	27,914	6.39
2018-19	65,672	35,354	30,318	6.25

Following table depicts the comparative position amount tax revenue received from the two sources over a period of five years:

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
State's own Tax collection	19,828	22,527	22,852	27,914	30,318
Devolution of Union Taxes	16,181	23,574	28,322	31,272	35,354
Total Tax Revenue	36,009	46,101	51,174	59,186	65,672
Percentage of State's own tax to total tax revenue	55	49	45	47	46

The proportion of State's own tax collection in overall tax revenue has remained above 50 per cent during the year 2014-15 then declined to below 50 per cent from in 2015-16 and 46 per cent during the year 2018-19.

2.3.2 Trend in State's own Tax collection over the past five years

Taxes	2014-15	2015-16	2016-17	2017-18	2018-19
State Goods and Services Tax-0006	..	..	..	6,609	11,943
Land Revenue- 0029	646	589	460	542	511
Stamp and Registration fees-0030	800	2,157	1,364	1,037	1,237
State Excise-0039	2,035	2,547	2,786	3,221	3,925
Taxes on Sales, Trade etc.-0040	11,817	13,097	13,402	11,522	7,310
Taxes on Vehicles -0041	910	1,044	1,216	1,535	1,746
Taxes on Goods and Passengers-0042	1,711	1,663	1,760	1,260	182
Other taxes	1,909	1,430	1,864	2,188	3,464
Total State's own Taxes	19,828	22,527	22,852	27,914	30,318

2.4 Cost of Tax Collection

A. Taxes on Properties and Capital Transactions

(₹in crore)

Taxes	2014-15	2015-16	2016-17	2017-18	2018-19
I - Taxes on Sales, Trade etc					
Revenue collection	11,817	13,097	13,402	18,131	19,253
Expenditure on collection	83	85	100	118	108
Efficiency of Tax collection	0.70	0.65	0.75	0.65	0.56
II - States Excise					
Revenue collection	2,035	2,547	2,786	3,221	3,925
Expenditure on collection	49	53	56	64	75
Efficiency of Tax collection	2.41	2.08	2.01	1.99	1.91
III - Taxes on Vehicles					
Revenue collection	910	1,044	1,216	1,535	1,746
Expenditure on collection	47	61	87	113	102
Efficiency of Tax collection	5.16	5.84	7.15	7.36	5.84
IV - Stamp and Registration Fee					
Revenue Collection	800	2,157	1,364	1,037	1,237
Expenditure on Collection	37	37	50	43	58
Efficiency of Tax collection	4.63	1.72	3.67	4.15	4.69

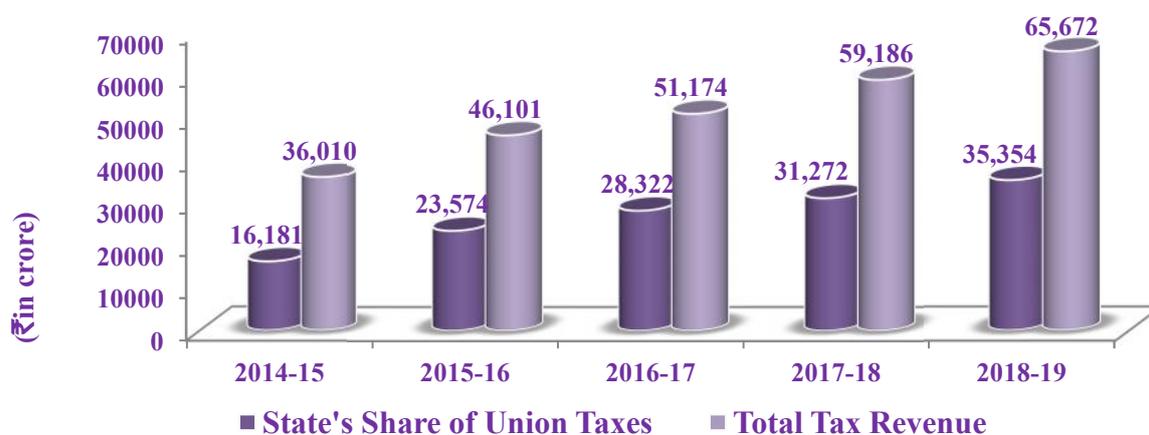
Efficiency in collection of Taxes on Sales, Trade etc., and State Excise was lower as compared to other taxes

2.5 Trend in State's Share of Union Taxes over the last five years

(₹in crore)

Major Head description	2014-15	2015-16	2016-17	2017-18	2018-19
Central Goods and Service Tax- (CGST)-0005	..	..	..	441	8,725
Integrated Goods and Service-Tax-0008	..	..	..	3,156	696
Corporation Tax -0020	5,650	7,409	9,072	9,575	12,294
Taxes on Income other than Corporation Tax- 0021	4,035	5,141	6,305	8,085	9,054
Taxes on Wealth- 0032	15	2	21	..	4.51
Customs- 0037	2,617	3,771	3,903	3,156	2,506
Union Excise Duties- 0038	1,478	3,1,47	4,457	3,298	1,665
Service Tax- 0044	2,386	4,086	4,564	3,561	326
Other Taxes and Duties on Commodities and Services-0045	..	18	..	..	18
Total: State's Share of Union Taxes	16,181	23,574	28,322	31,272	35,354
Total: Tax Revenue	36,009	46,101	51,174	59,186	65,672
Per cent of Union Taxes to Total Tax Revenue	45	51	55	53	54

Trend in State's Share of Union Taxes

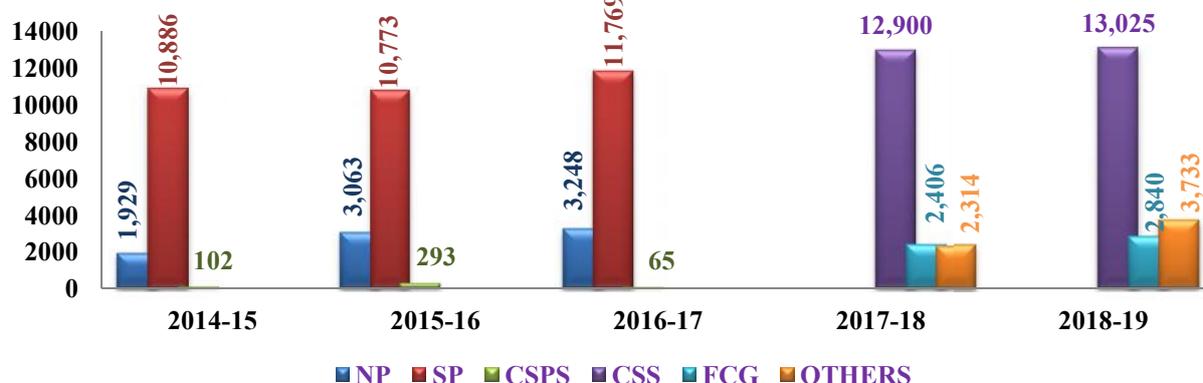


2.6 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes and Centrally Sponsored Schemes (CSS) approved by the Planning Commission and State's Non-plan Grants recommended by the Finance Commission. Total Receipts during the year 2018-19 under Grants-in-Aid were ₹19,598 crore as shown below: -

Year	Non Plan	State Plan	CSPS	CSS	FCG	OTHERS	Total
2014-15	1,929	10,886	102	..	..	..	12,917
2015-16	3,063	10,773	293	..	..	..	14,129
2016-17	3,248	11,769	65	..	..	..	15,082
2017-18	..	..	..	12,900	2,406	2,314	17,620
2018-19	..	..	..	13,025	2,840	3,733	19,598

GRANTS IN AID



*NP: Non-Plan

*SP: State-Plan

*CSPS: Central Sponsored Plan Schemes

*CSS: Central Sponsored Schemes

*FCG: Finance Commission Grants

*Others: Other Transfer / Grants to States

The State Government has received ₹13,025 crore of Grants-in-Aid (53 per cent) against the Budget Estimate (B.E) of ₹24,764 crore in respect of Central Share in Centrally Sponsored Schemes.

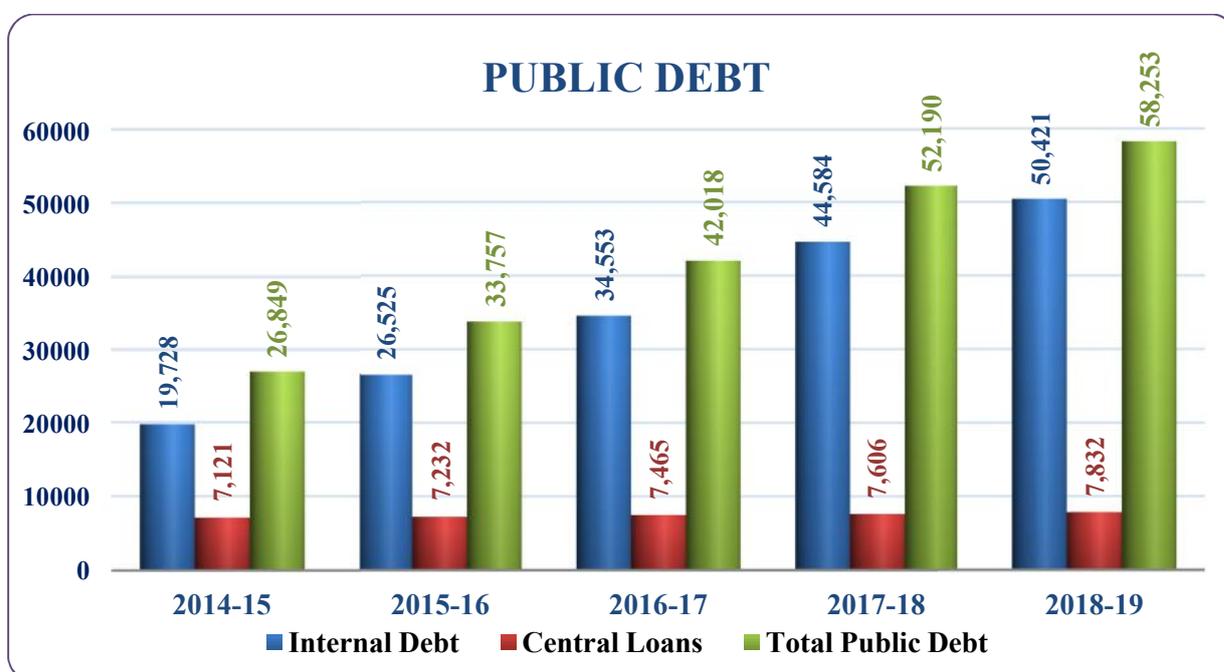
2.7. Public Debt

The outstanding Public Debt at the end of the 31 March 2019 was ₹58,253 crore comprising Internal Debt of ₹50,421 crore and Loans and Advances from Central Government ₹7,832 crore.

Trend of Public Debt over last 5 years

(₹in crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
Internal Debt-6003	19,728	26,525	34,553	44,584	50,421
Central Loans-6004	7,121	7,232	7,465	7,606	7,832
Total: Public Debt	26,849	33,757	42,018	52,190	58,253



Net effect of Public Debt for last 5 years

(₹ in crore)

Description	2014-15	2015-16	2016-17	2017-18	2018-19
Internal Debt-6003 (Net Percent Inc/ Decrease) - column	3,656	6,797	8,028	10,031	5,836
Central Loans-6004 (Net Percent Inc/ Decrease - column	(-) 121	111	233	141	226
Total: Public Debt (Net Percent Inc/ Decrease) - column	3,535	6,908	8,261	10,172	6,063

Chapter III

EXPENDITURE

3.1. Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue Expenditure is used to meet the day-to-day running of the organisation. Capital Expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure comprises the following three services under Plan and Non-Plan up to the financial year 2016-17.

General Services	Includes Justice, Police, Jail, Public Works Divisions, Pension etc.
Social Services	Includes Education, Health & Family Welfare, Water Supply, Welfare of Scheduled Castes and Scheduled Tribes etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.

The Government of Odisha has classified the expenditure under four categories A-Administrative Expenditure, B-Programme Expenditure, C-Disaster Response Funds & D-Transfer from State. The expenditure under C and D were shown under Administrative Expenditure in the Financial Accounts 2018-19.

3.2. Revenue Expenditure

Revenue Expenditure of ₹85,357 crore fell short of Budget Estimates by ₹4,863 crore due to less disbursement of ₹10,762 crore under Administrative Expenditure and over disbursement of ₹5,899 crore under Programme Expenditure.

The shortfall of Expenditure against Budget Estimates under Revenue Section during the last five years is given below:

	(₹ in crore)				
Year	2014-15	2015-16	2016-17	2017-18	2018-19
Budget Estimates (BE)	62,882	65,839	74,443	82,237	90,220
Actuals	51,136	58,806	65,041	71,837	85,357
Gap	11,746	7,033	9,402	10,400	4,863
Per cent of gap over B. E	19	11	13	13	5

Around ₹35,719 crore (42 per cent) of the total revenue expenditure was incurred on committed liabilities viz. on Salaries (₹19,399 crore) Interest payment (₹5,800 crore) and Pensions (₹10,520 crore) of the State Government.

The position of committed and uncommitted revenue expenditure over the last five years is given below:

Component	2014-15	2015-16	2016-17	2017-18	2018-19
Total Revenue Expenditure	51,136	58,806	68,041	71,837	85,356
Committed Revenue Expenditure #	23,737	26,328	28,299	34,038	38,888
Percentage of Committed Revenue	46	45	42	47	46
Uncommitted Revenue Expenditure	27,399	32,478	39,742	37,799	46,468

Committed revenue expenditure includes expenditure on Salaries, Interest Payments, Pensions and Subsidies. (St-2)

It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has increased by 70 per cent from ₹27,399 in 2014-15 to ₹46,468 in 2018-19. The total revenue expenditure increased by 67 per cent from ₹51,136 in 2014-15 to ₹85,356 in 2018-19 and committed revenue expenditure by 64 per cent over the same period.

3.2.1 Sectoral distribution of Revenue Expenditure

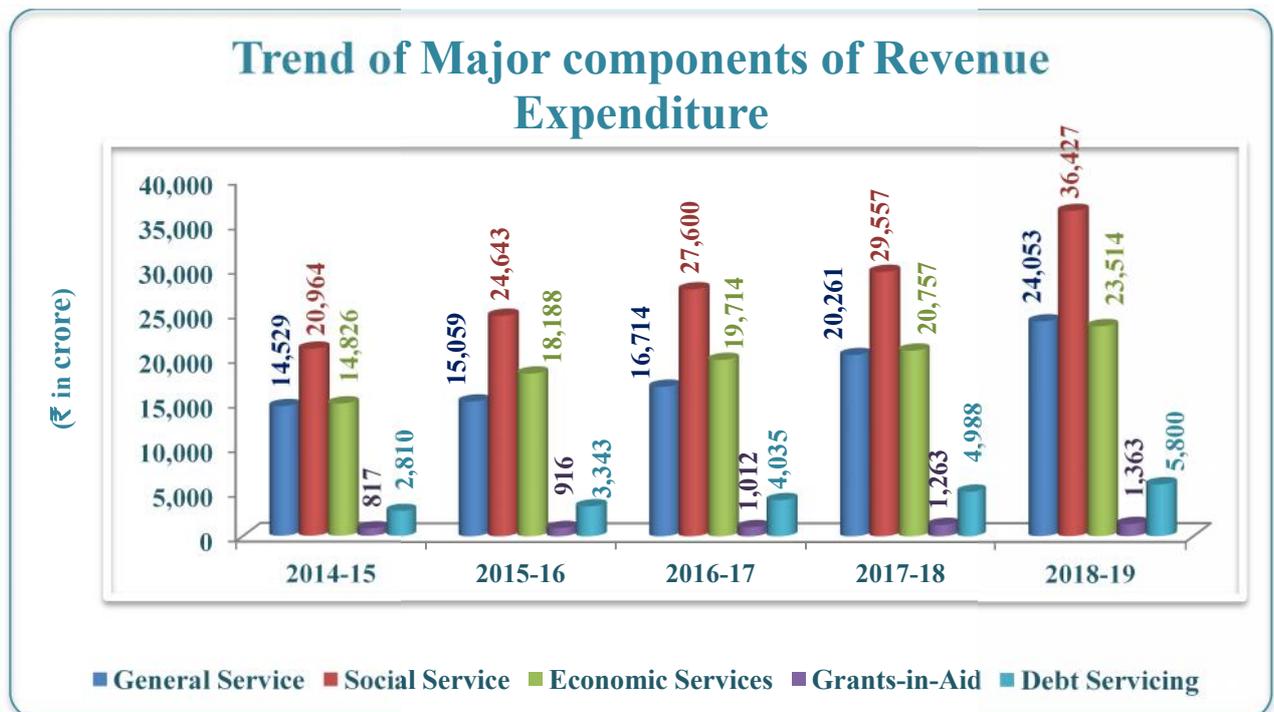
Components	(₹ in crore)	
	Amount	Percentage
A. Fiscal Services	908	1.06
(i) Collection of Taxes on Property and Capital Transactions	599	0.70
(ii) Collection of Taxes on Commodities and Services	303	0.35
(iii) Other Fiscal Services	5	0.01
B. Organs of State	868	1.02
C. Interest Payments and Servicing of Debt	5,800	6.80
D. Administrative Services	5,260	6.16
E. Pensions and Miscellaneous General Services	11,217	13.14
F. Social Services	36,427	42.68
G. Economic Services	23,514	27.55
H. Grants-in-Aid and Contributions	1,363	1.60
Total: Expenditure (Revenue Account)	85,357	100.00

3.2.2 Major components of Revenue Expenditure (2014–2019)

(₹ in crore)

Year	General Services *	Social Services	Economic Services	Grants-in-Aid	Total Revenue Expenditure	Debt Servicing
2014-15	14,529	20,964	14,826	817	51,136	2,810
2015-16	15,059	24,643	18,188	916	58,806	3,343
2016-17	16,715	27,600	19,714	1,012	65,041	4,035
2017-18	20,261	29,557	20,757	1,263	71,837	4,988
2018-19	24,053	36,427	23,514	1,363	85,357	5,800

* General Services includes Major Heads of Account 2048 (Appropriation for Reduction or Avoidance of Debt) and 2049 (Interest Payments).



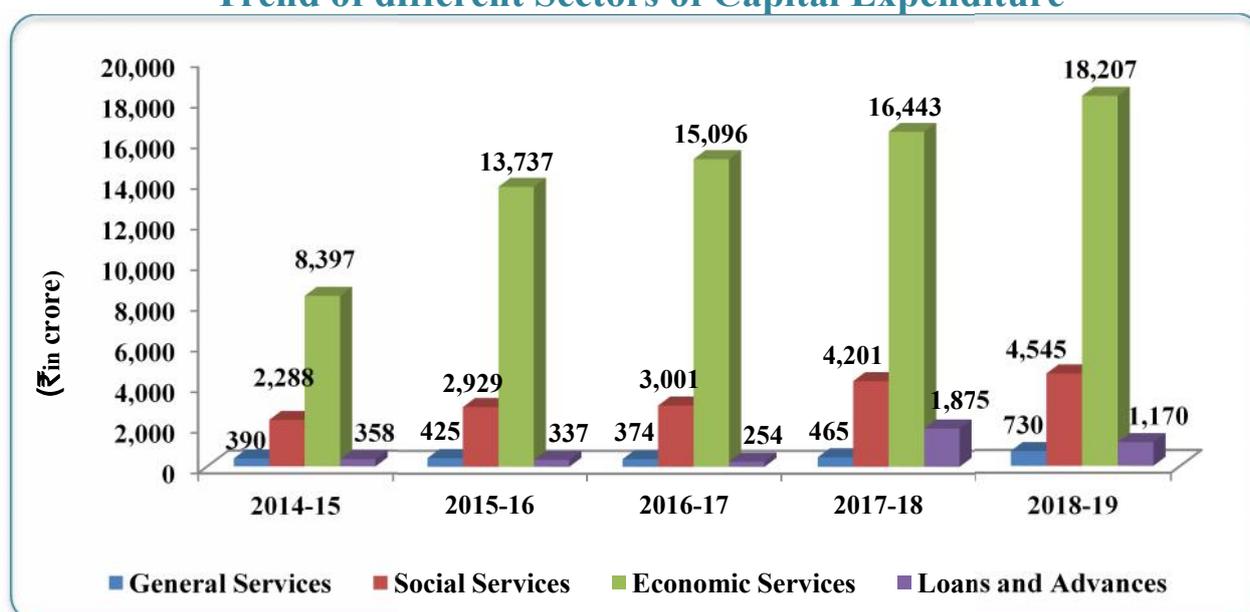
3.3. Capital Expenditure

Capital expenditure is essential if the growth process is to be sustained. Capital disbursements during 2018-19 amounting to ₹24,652 crore (5 per cent of GSDP) were less than Budget Estimate by ₹999 crore (less disbursement of ₹255 crore under Programme expenditure and less expenditure of ₹744 crore under Administrative expenditure). The growth in Capital expenditure has not kept pace with the steady growth of GSDP since 2014-15 onwards.

This can be seen from the table below:

		(₹ in crore)				
Sl. No	Components	2014-15	2015-16	2016-17	2017-18	2018-19
1	Budget (B.E)	14,202	18,649	18,401	21,260	25,651
2	Actual Expenditure	11,433	17,428	18,725	22,984	24,652
3	Percentage of Actual Exp to B. E	81	93	102	108	96
4	Yearly growth in Capital Expenditure	39	52	7	23	7
5	GSDP	3,10,810	3,32,329	3,78,991	4,15,982	4,85,376
6	Yearly growth in GSDP (per cent)	8	7	14	10	17

Trend of different Sectors of Capital Expenditure



3.3.1 Sectoral distribution of Capital Expenditure and Revenue Expenditure

The comparative sectoral distribution of capital and revenue expenditure over the past five years is illustrated below:

			(₹ in crore)				
Sl. No	Sector		2014-15	2015-16	2016-17	2017-18	2018-19
(A)	General Services	Capital	390	425	374	465	730
		Revenue	14,529	15,059	16,715	20,261	24,053
(B)	Social Services	Capital	2,288	2,929	3,001	4,201	4,545
		Revenue	20,964	24,643	27,600	29,557	36,427
(C)	Economic Services	Capital	8,397	13,737	15,096	16,443	18,207
		Revenue	14,826	18,188	19,714	20,757	23,514
(D)	Grant in Aid and Contribution	Capital	..	..	..	..	..
		Revenue	817	916	1,012	1,263	1,363

Chapter IV

PROGRAMME & ADMINISTRATIVE EXPENDITURE

4.1 Introduction

As a part of Budgetary reforms programme Government of India has merged the long-standing practice of classification of expenditure under 'PLAN AND NON-PLAN' which is reflected in the Annual Accounts of 2017-18.

Government of Odisha has also made similar arrangement for the Budget Estimates for 2017-18 for merger of Plan and Non-Plan with the existing Budgetary frameworks. With the elimination of Plan and Non-Plan the Government of Odisha has revised Budget classification as follows:

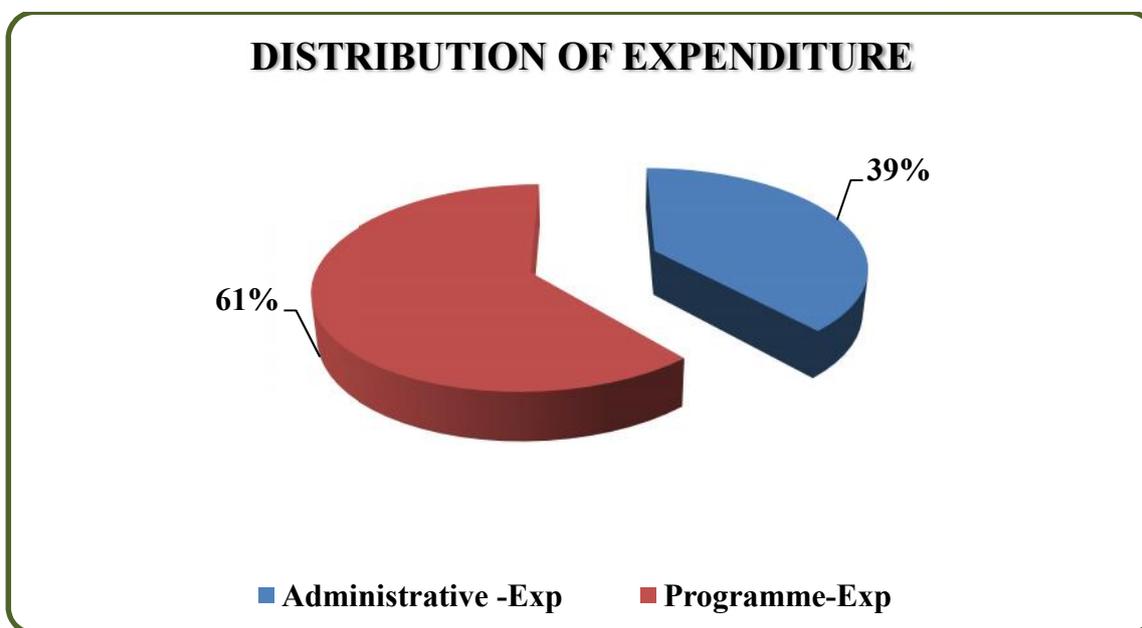
Budgetary Classification		
A.	Administrative Expenditure	(i) Establishment Operation and Maintenance (EOM) Expenditure
		(ii) Debt Servicing Expenditure
B.	Programme Expenditure	(i) State Sector Schemes
		(ii) Central Sector Schemes
		(iii) Central Sponsored Schemes
C.	Disaster Response Funds*	(i) State Disaster Response Fund (SDRF)
		(ii) National Disaster Response Fund (NDRF)
D.	Transfer from State*	(i) Union Finance Commission Transfers to Local Bodies
		(ii) State Finance Commission Transfers to Local Bodies
		(iii) Other Transfers

N.B: The expenditure under C and D were shown under Administrative Expenditure in the Finance Accounts 2018-19

*For statistical purpose, the expenditure under C- Disaster Response Funds & D- Transfer from State has been subsumed under A-Administrative Expenditure.

4.2. Distribution of Expenditure

The Total Expenditure during the year was ₹1,10,009 crore representing Programme Expenditure of ₹67,645 crore and Administrative Expenditure of ₹42,364 crore



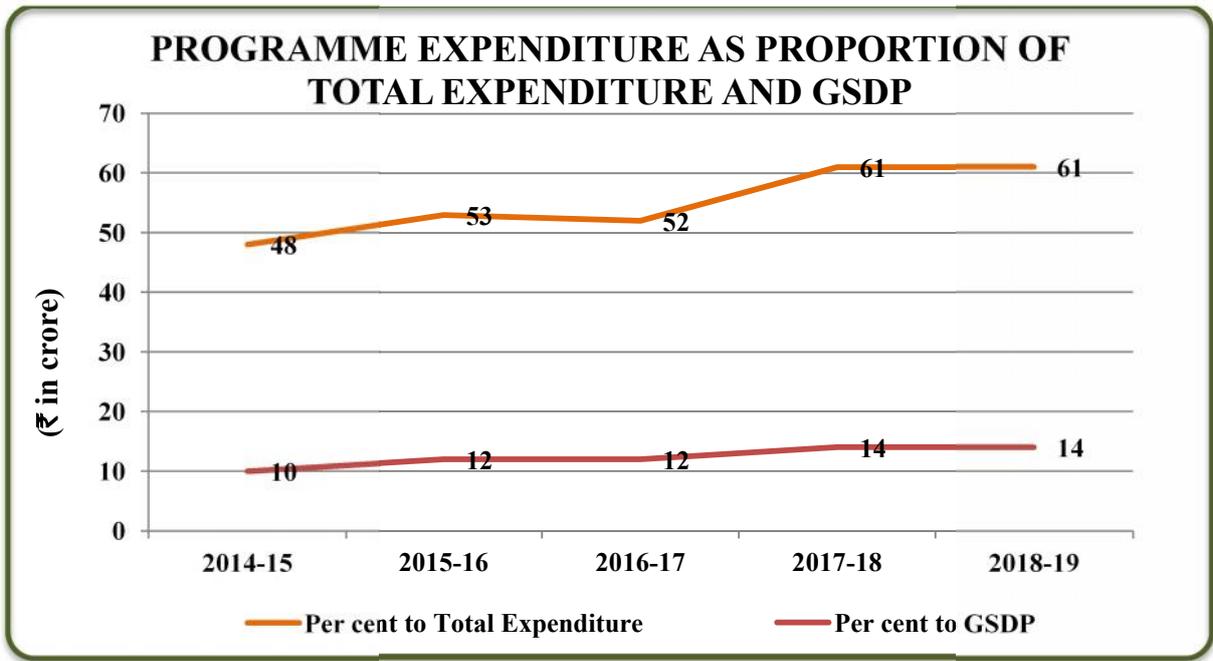
4.3. Programme Expenditure

During the year, Programme Expenditure, representing 61.49 per cent of Total Disbursements, was ₹67,645 crore (₹40,051 crore under State Sector Scheme, ₹26,533 crore under Centrally Sector Schemes and ₹1,061 crore under Loans and Advances).

Plan Expenditure as a proportion of Total Expenditure and GSDP

(₹ in crore)

Year	2014-15	2015-16	2016-17	2017-18	2018-19
Plan/Programme Expenditure	30,193	40,589	43,952	57,459	67,645
Percentage to Total Expenditure	48	53	52	61	61
Percentage to GSDP	10	12	12	14	14



4.3.1. Programme Expenditure under Capital Account

(₹ in crore)

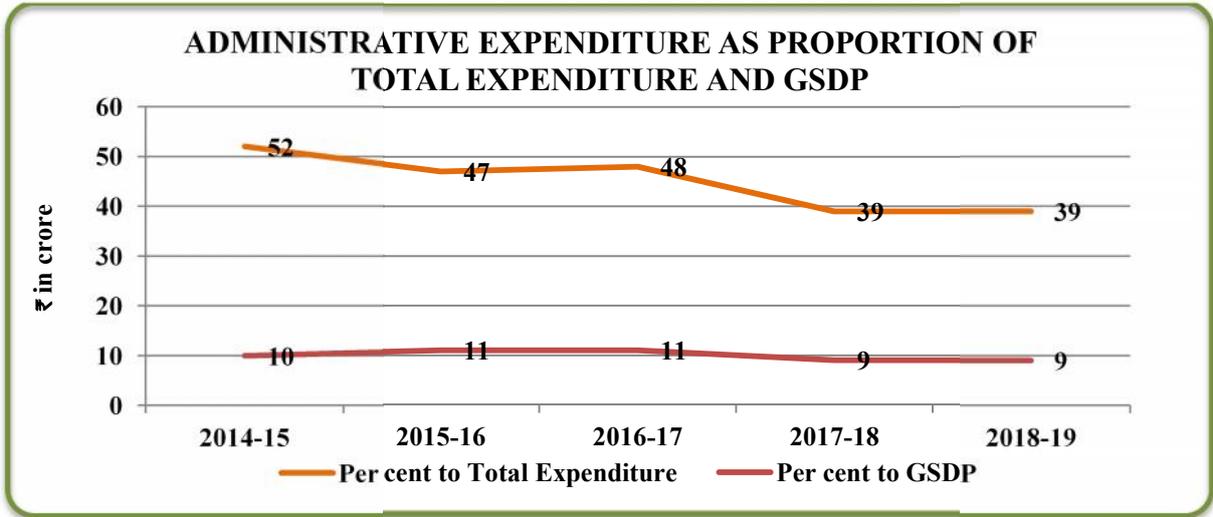
Sector	2014-15	2015-16	2016-17	2017-18	2018-19
Total Capital Expenditure	11,433	17,428	18,725	22,984	24,652
Capital Expenditure (Programme)	11,316	17,318	18,621	22,867	24,500
Per cent of Capital Expenditure (Programme) to Total Capital Expenditure	99	99	99	99	99

4.4. Administrative Expenditure

Non-Plan/Administrative Expenditure during the year, representing 38.50 per cent of Total Disbursements, was ₹42,364 crore, (₹42,211 crore under Revenue, ₹43 crore under Capital and under Loans & Advances 109 crore).

(₹ in crore)

Year	2014-15	2015-16	2016-17	2017-18	2018-19
Administrative Expenditure	32,376	35,645	39,814	37,362	42,364
Percentage to Total Expenditure	52	47	48	39	39
Percentage to GSDP	10	11	11	9	9

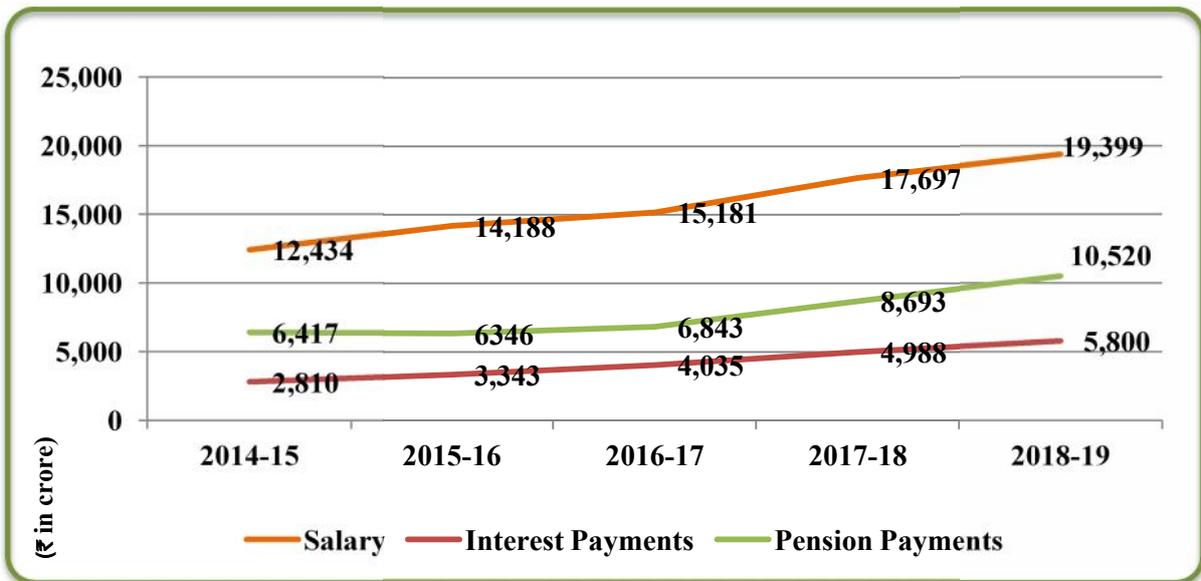


4.5. Committed Expenditure

Trend of Committed Expenditure

(₹ in crore)

Component	2014-15	2015-16	2016-17	2017-18	2018-19
Committed Expenditure	21,661	23,877	26,059	31,378	35,719
Revenue Expenditure	51,136	58,806	65,041	71,837	85,357
Revenue Receipts	56,998	68,941	74,299	85,204	99,547
Per cent of Committed Expenditure to Revenue Receipts	38	35	35	37	36
Per cent of Committed Expenditure to Revenue Expenditure	42	41	40	44	42



Chapter V

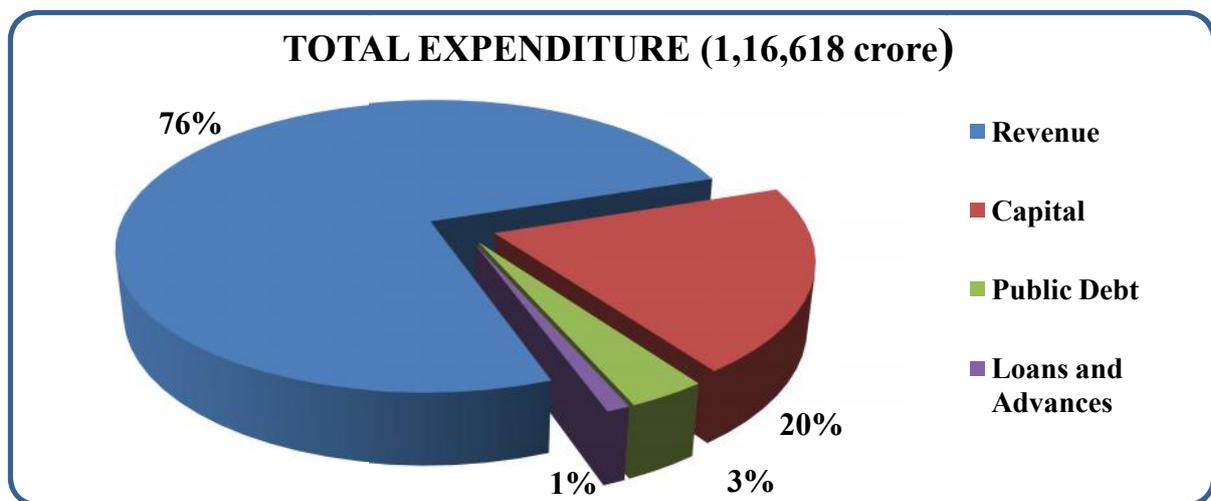
APPROPRIATION ACCOUNTS

The Appropriation Accounts of the Government of Odisha for the year 2018-19 present the accounts of sums expended in the year ended 31 March 2019 compared with the sums specified in the Schedules appended to the Appropriation Acts passed under Articles 204 and 205 of the Constitution of India.

5.1. Summary of Appropriation Accounts for 2018-19-

(₹ in crore)

Sl. No	Nature of Expenditure	Original Grants	Supplementary Grants	Re-appropriation	Total	Actual Expenditure	Savings (-) Excess (+)
1	Revenue						
	Voted	87,044	8,800	..	95,844	82,079	(-) 13,765
	Charged	5,647	350	..	5,997	5,905	(-) 92
	Total	92,691	9,150	..	1,01,841	87,984	(-) 13,857
2	Capital						
	Voted	24,578	3,638	..	28,216	23,518	(-) 4,698
	Charged	14	1	..	14	6	(-) 9
	Total	24,592	3,638	..	28,230	23,524	(-) 4,707
3	Public Debt	4,157	..		4,157	3,940	(-) 217
	Total	4,157	..	..	4,157	3,940	(-) 217
4	Loans and Advances						
	Voted	1,284	1	..	1,285	1,170	(-) 115
	Total	1,284	1	..	1,285	1,170	(-) 115
Grand Total		1,22,724	12,790	..	1,35,514	1,16,618	(-) 18,896



5.2. Trend of Savings during the past five years

(₹in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2014-15	(-) 15,061	(-) 3107	(-) 419	(-) 189	(-)18,775
2015-16	(-) 14,475	(-) 1852	(-) 72	(-) 318	(-)16,717
2016-17	(-) 14,007	(-) 1016	(-) 46	(-) 1,548	(-)16,617
2017-18	(-) 18,068	(-) 2,204	(-) 725	(-) 210	(-) 21,206
2018-19	(-) 13,857	(-) 4,706	(-) 217	(-) 115	(-) 18,896

5.3. Significant Savings

Substantial Savings under a Grant indicates either non-implementation or slow implementation of certain Schemes/Programmes.

Some Grants with persistent and significant Savings are given below:

(in per cent)

Grant	Nomenclature	2014-15	2015-16	2016-17	2017-18	2018-19
REVENUE (Voted)						
3	Revenue and Disaster Management	36	39	37	19	18
5	Finance	23	33	38	32	19
8	Odisha Legislative Assembly	45	23	29	32	1
12	Health and Family Welfare	19	19	9	11	8
22	Forest & Environment	13	26	10	21	11
28	Rural Development	32	11	8	16	4
33	Fisheries and Animal Resources Development	16	15	16	21	23
CAPITAL (Voted)						
1	Home	20	39	26	01	9
5	Finance	24	28	35	39	19
6	Commerce	27	27	14	27	18
10	School & Mass Education	74	56	7	38	..
11	Scheduled Tribes & Scheduled Castes Development and Minorities & Backward Classes Welfare	28	11	15	9	2

(in per cent)

Grant	Nomenclature	2014-15	2015-16	2016-17	2017-18	2018-19
CAPITAL (Voted)						
16	Planning & Co-ordination	30	27	11	17	30
21	Transport	6	21	15	24	79
23	Agriculture and Farmer's Empowerment	..	10	21	20	15
31	Handlooms, Textiles & Handicrafts	..	..	100	99	60
32	Tourism	17	..	25	23	2
33	Fisheries and Animal Resources Development	12	20	44	44	22
34	Co-operation	82	27	58	68	33
39	Skill Development and Technical Education	19	19	24	38	8

During 2018-19, Supplementary provision amounting ₹6,081 crore proved unnecessary as the expenditure did not come even up to the level of the Original provision:

(₹ in crore)

Grant No.	Department	Section	Original	Supplementary	Actual Expenditure
1	Home	Revenue	4,444	223	4,258
		Capital	841	50	597
2	General Administration	Revenue	224	54	200
		Capital	166	64	156
3	Revenue and Disaster Management	Revenue	1,002	12	836
4	Law	Revenue	336	49	325
6	Commerce	Revenue	79	7	70
7	Works	Revenue	1,858	1	1,488
		Capital	2,410	284	2,863
10	School and Mass Education	Revenue	14,078	1,200	13,754
		Capital	449	10	408
11	Scheduled Tribes & Scheduled Castes	Revenue	3,009	415	2,847

Grant No.	Department	Section	Original	Supplementary	Actual Expenditure
	Development and Minorities & Backward Classes Welfare	Capital	406	20	373
12	Health and Family Welfare	Revenue	5,191	391	5,125
		Capital	990	10	674
13	Housing and Urban Development	Revenue	4,419	531	3,772
19	Industries	Revenue	312	14	295
20	Water Resources	Revenue	1,950	106	1,776
		Capital	8,255	221	5,714
21	Transport	Revenue	131	11	114
		Capital	460	20	101
22	Forest and Environment	Revenue	806	69	777
23	Agriculture and Farmer's Empowerment	Revenue	4,459	236	4,105
26	Excise	Revenue	92	1	79
31	Handlooms, Textiles & Handicrafts	Revenue	187	12	157
		Capital	126	9	104
34	Co-operation	Revenue	1,010	342	1,332
36	Women and Child Development	Revenue	3,427	139	3,142
38	Higher Education	Revenue	2,214	80	1,930
39	Skill Development and Technical Education	Revenue	313	35	303
40	Micro, Small & Medium Enterprises	Revenue	213	2	161
41	Social Security and Empowerment of Persons with Disabilities	Revenue	2,563	38	2,257
42	Disaster Management	Revenue	3,955	1,415	3,447
43	Odia Language, Literature and Culture	Revenue	170	13	120



Chapter VI

ASSETS AND LIABILITIES

6.1. Assets

The existing form of Accounts do not easily depict valuation of Government Assets like land, buildings etc., except in the year of acquisition/purchase. Similarly, while the Accounts present the impact of Liabilities arising in the current year, they do not depict the overall impact of the Liabilities to future generations except to the limited extent shown by the rate of Interest and period of existing Loans.

Total Investments as Share Capital in Statutory Corporations, Govt. Companies, Joint Stock Companies and Co-operative Societies stood at ₹5,354 crore at the end of 2018-19. However, Dividends received during the year were ₹544 crore (i.e. 10.16 per cent on Investment. During 2018-19, Investments increased by ₹380 crore and Dividend income increased by ₹478 crore.

Cash Balance with RBI stood at ₹557 crore on 31 March 2018 and increased to ₹1,625 crore at the end of March 2019.

6.2. Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limit, if any, as may be from time to time fixed by the State Legislature. The Odisha Legislative Assembly has passed “The Odisha Fiscal Responsibility and Budget Management Act, 2005” (Odisha Act 6 of 2005) and “The Odisha Fiscal Responsibility and Budget Management Act (Amendment), 2006” (Odisha Act 6 of 2006).

The Act provides for the responsibility of the State Government to ensure prudence in Fiscal Management and Fiscal Stability by progressive elimination of Revenue Deficit and Sustainable Debt Management consistent with Fiscal Stability.

Details of Public Debt and Total Liabilities for last five years:

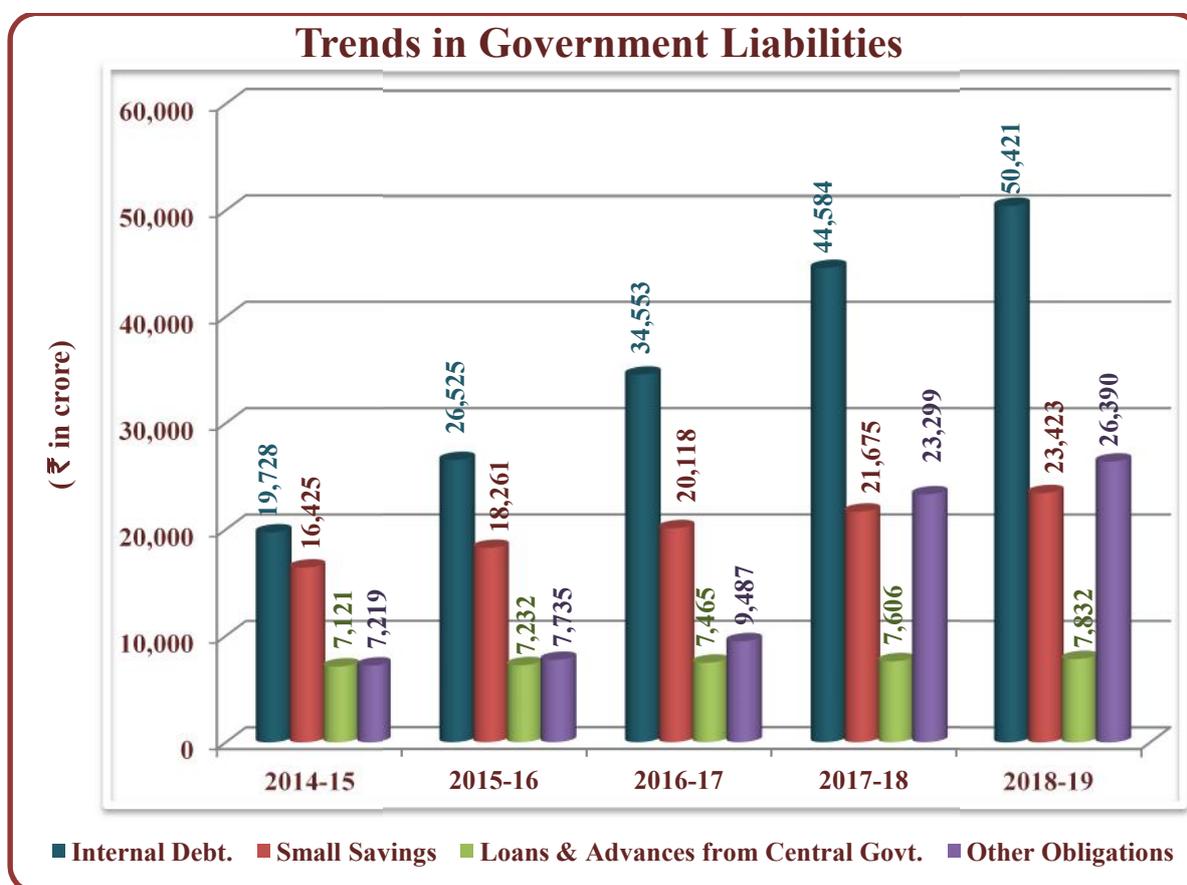
Balance upto the end of the	Public Debt (₹ in crore)	Per cent to GSDP	Public Account (*) (₹ in crore)	Per cent to GSDP	Total Liabilities (₹ in crore)	Per cent to GSDP
2014-15	26,849	9	23,644	8	50,493	16
2015-16	33,757	10	25,996	8	59,753	18
2016-17	42,018	11	29,605	8	71,623	19
2017-18	52,190	13	44,974	11	97,164	23
2018-19	58,253	12	50,005	10	1,08,258	22

GSDP for 2018-19 is ₹4,85,376 crore (1st RE)

(*) Excludes Suspense and Remittance balances.

Note: Figures are progressive balances to end of the year.

During 2018-19 the total Liability increased by ₹11,094 crore (11 per cent) over previous year.



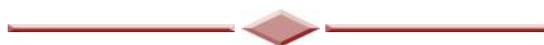
6.3 Guarantees

In addition to directly raising loans, State Government also guarantee loans raised by Statutory Corporations, Government Companies and Corporations, Co-operative Societies etc. from the market and financial institutions for implementation of various schemes and programmes. These guarantees are contingent liability on the Consolidated Fund of the State in case of default in the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Co-operative Societies etc. for whom the guarantee was extended and are projected outside the State Budget. The position of Guarantees by the State Government for the payment of Loans and Capital and payment of Interest thereon raised by Statutory Corporations, Government Companies, Corporations, Co-operative Societies etc., is given below.

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 March 2019	
		Principal	Interest*
2014-15	10,886	1,672	..
2015-16	10,891	1,290	..
2016-17	12,281	2,256	..
2017-18	12,281	1,711	..
2018-19	15,281	4,170	..

* As per Finance Department, Government of Odisha Resolution No. 46546 dated. 14.11.2006, Government Guarantees shall be confined to Principal amount borrowed by the Public Sector Undertakings/Urban Local Bodies/Co-operative Institutions/Companies etc. The Government Guarantee as on 1st day of April every year shall not exceed 100 per cent of the State Revenue Receipts of the 2nd preceding year. The Guarantee extended by the State Government is within the prescribed limit.



Chapter VII

OTHER ITEMS

7.1 Adverse Balance under Internal Debt

Borrowings of State Government are governed by Article 293 of the Constitution of India. In addition to directly raising loans, the State Government also guarantees loans raised by government companies and corporations from the market and financial Institutions for implementation of various schemes under programme expenditure which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Department and do not appear in the books of the Government. However, the loan repayments appear in the Government account in the books of the Government. However, the loan repayment appears in Government account (in case of non-repayment by the loanee entities), resulting in irreconcilable adverse balance appearing in favour of Odisha State.

7.2 Loans and Advances by the State Government

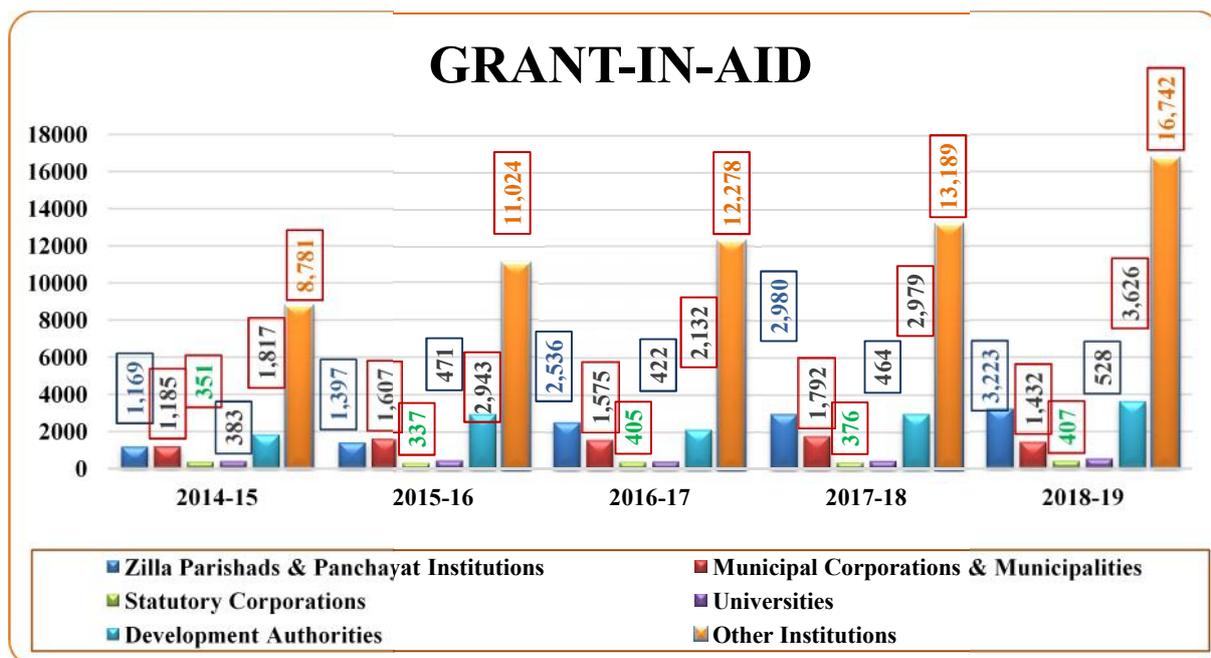
Total Loans and Advances given by the State Government at the end of 2018-19 was ₹7,191 crore which includes ₹6,765 crore to Government Corporations, Companies, Non-Government Institutions and Local Bodies.

7.3 Financial Assistance to Local Bodies and Others

During the past five years, Grants-in-Aid to Local Bodies etc., increased from ₹13,686 crore in 2014-15 to ₹25,957 crore in 2018-19. Grants to Zilla Parishads, Panchayat Samities and Municipalities (₹4,655 crore) represented 18 per cent of total Grants given during the year.

Details of Grants-in-aid for the past 5 years are as under:

(₹ in crore)						
Sl. No	Name of Institutions	2014-15	2015-16	2016-17	2017-18	2018-19
1	Zilla Parishads & Panchayat Institutions	1,169	1,397	2,536	2,980	3,223
2	Municipal Corporations & Municipalities	1,185	1,607	1,575	1,792	1,432
3	Statutory Corporations	351	337	405	376	407
4	Universities	383	471	422	464	528
5	Development Authorities	1,817	2,943	2,132	2,979	3,626
6	Other Institutions	8,781	11,024	12,278	13,189	16,741
	Total	13,686	17,779	19,348	21,780	25,957



Details of Grants-in-Aid Given for Creation of Capital Assets for the past 5 years as under:

		(₹ in crore)				
Sl. No	Name of Institutions	2014-15	2015-16	2016-17	2017-18	2018-19
1	Zilla Parishads & Panchayat Institutions	7	151	264	305	304
2	Municipal Corporations & Municipalities	352	582	292	349	75
3	Statutory Corporations	131	198	102	88	235
4	Universities	123	117	55	72	73
5	Development Authorities	1,243	941	515	520	950
6	Other Institutions	4,147	5,312	5,431	6,368	6,870
	Total	6,003	7,301	6,659	7,702	8,507

7.4 Cash Balance and Investment of Cash Balance

The Cash Balance increased from ₹557 crore at the beginning of the year 2018-19 ₹1,625 crore at its end. Investment held in Cash Balance Investment Account as on 31 March 2019 were ₹23,136 crore. During 2018-19, Interest Receipt on Cash Balance Investment, ₹1,427 crore, increased by 189 per cent in comparison to previous year.

The details are furnished below: -

Component	(₹ in crore)		
	As on 1 April 2018	As on 31 March 2019	Net Increase (+)/ Decrease (-)
1. Cash Balances	557	1,625	(+) 1,068
2. Investments from Cash Balance (GOI Treasury Bills)	24,748	23,136	(-) 1,612
3. Other Cash Balances			
i) Cash with Departmental Officers and Permanent Advance	20.11	20.08	(-) 0.03
ii) Investment from Earmarked Fund Balances			
(a) Sinking Fund	5,523	13,354	(+) 7,831
(b) Guarantee Redemption Fund			
TOTAL (1+2+3)	30,848	38,135	(+) 7,287
Interest realised on Cash Balance Investment Account	559	1,427	(+) 868

7.5 Reconciliation of Accounts

To exercise effective control of expenditure, to keep it within the Budget grants and to ensure accuracy of their accounts, all Chief Controlling Officers (CCOs/ Controlling Officers (COs) are required to reconcile the figures of Receipts and Expenditure recorded in their books every month with the figures accounted for by the office of the Principal Accountant General (A&E).

Before Annual Accounts are finalised, the Heads of the Departments reconcile the Departmental Accounts figures with those booked in Accounts compiled by the Pr. Accountant General (A&E). The reconciliation status of Receipts and Expenditure figures up to the end of year 2018-19 are detailed below:

	Reconciliation by the end of March (s) 2017-18	Reconciliation by the end of March (s) 2018-19
Expenditure	154 out of 168 COs reconciled an amount of ₹91,699.70 crore (98.66 per cent of total expenditure)	166 out of 170 COs reconciled an amount of ₹1,07,656.50 crore (98.91 per cent of total expenditure)
Receipt	15 out of 72 COs reconciled an amount of ₹82,275.87 crore (96.56 per cent of total Revenue Receipts)	42 out of 74 COs reconciled an amount of ₹97,008.58 crore (97.45 per cent of total Revenue Receipts)

7.6 Submission of Accounts by Accounts Rendering Units

The Finance Accounts 2018-19 presents the transactions of the Government of Odisha for the period from 1 April, 2018 to 31 March 2019. The accounts of receipts and expenditure of the Government of Odisha have been compiled based on the initial accounts rendered by 32 District Treasuries, 08 Special Treasuries, 80 Public Works Divisions, 62 Irrigation Projects, 3 Forest

Divisions and Advices of the Reserve Bank of India. Rendition of monthly accounts by the Accounting Rendering Units of the State Government was satisfactory and no accounts remained excluded at the end of the Financial year.

7.7 Status of Suspense Balances

Details of outstanding balances under Major Head-8658-Suspense Accounts is as under:

Name of the Minor Head under 8658	2014-15		2015-16		2016-17		2017-18		2018-19	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101- PAO Suspense	23.08	1.49	41.43	0.99	72.20	0.98	94.03	0.93	172.40	55.65
Net	Dr. 21.59		Dr. 40.44		Dr. 71.22		Dr. 93.10		Dr.116.75	
102-Suspense Account (Civil)	192.05	216.63	138.24	160.86	16.01	54.54	12.58	39.82	16.5	45.94
Net	Cr. 24.58		Cr. 22.72		Cr. 38.53		Cr. 27.24		Cr.29.44	
110-Reserve Bank Suspense-Central Accounts Office	44.64	14.77	42.33	14.78	46.09	14.78	3.44	..	9.3	..
Net	Dr. 29.87		Dr. 27.55		Dr. 31.31		Dr. 3.44		Dr.9.30	

7.8 Unadjusted Abstract Contingent (AC) Bills

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be settled, within a maximum of 30 days, through submission of DC bills. To the end of 31 March 2019, 1,271 DC bills amounting to ₹213 crore was outstanding which indicates that these instructions have not been followed.

Year	Number of Pending DC Bills	Amount (₹ in crore)
Up to 2016-17	446	11.70
2017-18	100	2.99
2018-19	725	198.72
TOTAL	1,271	213.41

7.9 Commitment on Account of Incomplete Works

A Total Expenditure of ₹6,529 crore was incurred up to the year 2018-19 by the State Government on various Incomplete Projects which have been taken up by the Works Department, Water Resources Department, Housing & Urban Development Department and Rural Development Department. Details are available in Finance Accounts Vol-II-Appendix-IX.

8.0 Status of Outstanding Utilisation Certificates (UC)

Odisha General Financial Rules (OGFR) 173 prescribes that, where grants are sanctioned for specific purposes, the Departmental Officer under whose signature or counter signature the Grants-in-Aid bill is drawn, shall obtain UCs from the grantees, which after verification by Administrative Departments, shall be forwarded to the Pr. Accountant General (A&E) by 30 June of the succeeding year of expenditure, unless otherwise mentioned in the sanction order. The status of outstanding UCs as on 31 March 2019 is given below:

Year	Number of Utilisation Certificates awaited	Outstanding Amount (₹ in crore)
Upto 2016-17	23,659	15,746.80
2017-18	2,401	10,222.88
2018-19*	3,078	19,371.21
TOTAL	29,138	45,340.89

*Except where the sanction order otherwise specifies, UCs in respect of Grants-in-Aid bill drawn during 2018-19, become due only by 30 June 2019.

8.1 National Pension System

State Government employees recruited with effect from 01 January 2005 are eligible for the New Pension System, which is a Defined Contributory Pension Scheme. In terms of the scheme, the employee contributes 10 per cent of his basic pay and dearness allowance, a matching amount is contributed by the State Government and the entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank. Though the State Government started collecting Pension contribution from the employees from 2006-07, it commenced transferring to the NSDL in 2010-11 only. During the year, the Government deposited ₹1,008.39 crore (employees' contribution ₹501.03 crore and Government contributed ₹507.36 crore as its share) to the funds created under the Major Head 8342-117-Defined Contributory Pension Scheme, with a more matching contribution of ₹6.33 crore. During the year an amount of ₹1,011.68 crore (including ₹3.29 crore out of un-transferred residual balance of previous year ₹20.72 crore by close of the previous year) was transferred to NSDL leaving a balance of ₹17.44 crore in the Fund as on 31 March 2019. Similar short transfer to NSDL also occurred each year ending from 2010-11 to 2017-18 leaving a balance of ₹39.62 crore, ₹60.10 crore ₹61.57 crore, ₹29.62 crore, ₹22.55 crore, ₹28.33 crore ₹35.21 crore and ₹20.72 crore

respectively. The un-transferred amount is a liability to the Government. The designated fund manager (NSDL) has confirmed the transfer of an amount of ₹1,018.51 crore.

8.2 Personal Deposit Accounts

Government is authorised to open Personal Deposit (PD) accounts for specific purposes in to which funds are transferred from the Consolidated Fund. In terms of the Odisha Treasury Code, PD accounts remaining in-operative for more than three full financial years, after the year of last transaction, are required to be closed and the unspent balance credited to the Consolidated Fund. One PD accounts was opened during 2018-19 and six PD accounts were closed, involving an amount of ₹0.13 crore, leaving a closing balance of ₹17,504 crore in 831 PD accounts.

Personal Deposit Account Details are given below:

Opening Balance as on 01 April 2018		Additions during the year 2018-19		PD A/cs closed	Expenditure during 2018-19	(₹ in crore) Closing Balance as on 31 March 2019	
Number	Amount	No. of PD - A/cs opened	Deposits made in new PD A/cs including already existing accounts	Number	Expenditure made from PD A/cs including closed accounts	Number	Amount
836	13,509.35	1	8,459.10	6	4,464.96	831	17,503.50

As per the codal provisions the balances in the PD accounts are to be reconciled by the Administrators with that of Treasury Accounts.

Normally, unspent balances under PD Accounts, which remain inoperative for three full financial years after the year of last transactions, are to be transferred back to the Consolidated Fund. The Personal Deposit Account of Odisha Mineral Bearing Area Development Corporation (OMBADC) is about 82 per cent with an amount of ₹14,329 crore for giving effect to a Supreme Court Judgment. The balance amount ₹3,175 crore relates to periods more than one year.

8.3 Investment

Details of Government's investment in the equity and share capital of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions are depicted in the Statement No. 8 and 19. As on 31 March 2019, total investment of the State Government in 147 entities was ₹5,353.77 crore. Out of 147 entities, 72 entities (50 Government Companies and 22 Joint Stock Companies) are defunct for a period ranging from 6 to 49 years. An amount of 68.52 crore invested in defunct companies had remained unrecovered and unproductive due to non-finalisation of liquidation process.

8.4 Rush of Expenditure

The State Government has introduced Cash Management System, according to which, expenditure during the month of March should not exceed 15 per cent of the Budget, and expenditure during the last quarter of the financial year should be within 40 per cent of the Budget. As on 31 March 2019, only 20 Departments have implemented the Cash Management System. Even in respect of these 20 departments, two departments exceeded the limits stipulated for March and one department exceeded the limits stipulated for the last quarter as furnished below: -

DEPARTMENT - WISE STATEMENT OF EXPENDITURE UNDER CASH MANAGEMENT SYSTEM 2018-19							
(₹ in crore)							
Sl No.	Grant No.	Department Name	Budget Provision (BE)	Expenditure during March 2019	Expenditure during Last Quarter	Percentage of Expenditure during March 2019	Percentage of Expenditure during Last Quarter
1.	2.	3.	4.	5.	6.	7.	8.
1	7	Works	4,272.88	170.26	1,157.87	3.98	27.10
2	9	Food Supplies and Consumer Welfare	1,149.67	3.96	435.14	0.34	37.85
3	10	School and Mass Education	14,527.10	1,948.77	3,504.31	13.41	24.12
4	11	Scheduled Tribes and Scheduled Caste Development, Minorities and Backward Classes Welfare	3,415.05	426.13	923.57	12.48	27.04
5	12	Health and Family Welfare	6,181.96	455.86	1,221.88	7.37	19.77
6	13	Housing and Urban Development	5,181.79	355.09	979.83	6.85	18.91
7	17	Panchayati raj	13,734.35	811.78	1,269.61	5.91	9.24
8	19	Industries	337.50	0.23	63.48	0.07	18.81
9	20	Water Resources	10,220.18	1,401.37	2,734.23	13.71	26.75
10	22	Forest and Environment	810.45	72.80	140.36	8.98	17.32
11	23	Agriculture and Farmers' Empowerment	4,718.66	135.54	1,444.92	2.87	30.62
12	28	Rural Development	5,584.46	611.34	850.64	10.95	15.23
13	30	Energy	1,983.54	170.20	478.03	8.58	24.10
14	31	Handlooms, Textiles and Handicrafts	190.83	33.82	48.98	17.72	25.66
15	33	Fisheries and Animal Resources Development	897.43	36.68	134.80	4.09	15.02
16	36	Women and Child Development	3,448.32	265.39	859.64	7.70	24.93
17	38	Higher Education	2,294.17	422.19	749.98	18.40	32.69
18	39	Skill Development and Technical Education	626.75	65.55	117.58	10.46	18.76

(₹ in crore)							
Sl No.	Grant No.	Department Name	Budget Provision (BE)	Expenditure during March 2019	Expenditure during Last Quarter	Percentage of Expenditure during March 2019	Percentage of Expenditure during Last Quarter
19	40	Micro, Small and Medium Enterprises	212.58	7.28	89.29	3.42	42.00
20	41	Social Security and Empowerment of Persons with Disability	2,562.54	230.46	435.85	8.99	17.01
Source-Director of Treasuries, Govt. of Odisha, Bhubaneswar							

8.5 Status of Reserve Funds

Details of Reserve Funds are available in the Statement No. 21 and 22 of the Finance Accounts, Vol-II. Some of the major Reserve Funds are detailed below:

8.5.1 Consolidated Sinking Fund

In terms of the recommendations of the 12th Finance Commission, all States should set up sinking funds for amortization of all loans, including loans from banks, liabilities on account of Loans from National Small Savings Fund and open market borrowing etc. The Fund should be maintained outside the Consolidated Fund of the State and should not be used for any other purpose, except for redemption of loans. As per the revised scheme (notified by the Government of Odisha on 13/03/2012), the State Government may contribute to the fund on a modest scale of at least 0.5 per cent of the outstanding liabilities at the end of the previous year.

The State Government amended the scheme vide Notification No. 34316/F dated 01-11-2018 where the Government is at liberty of not contributing to the fund, if the balance is maintained at 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 2019, an amount of ₹12,052.84 crore credit of the fund has been invested in Government Stock by Reserve Bank of India which stood at 12.40 per cent of the total liabilities (₹97,164.04 crore) at the end of previous year including an amount of ₹7,010.02 crore credited as interest accrued since 2004-05 to the Fund, during the year 2018-19.

8.5.2 Guarantee Redemption Fund

The State Government constituted a Guarantee Redemption Fund 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 Government is required to contribute an amount of at least

1/5th of the outstanding invoked guarantees plus the amount of guarantees likely to be invoked, as a result of the incremental guarantees issued during the year.

The Government has not made any contribution to the Fund during the year 2018-19. As on 31 March 2019, the balance available in the Fund is ₹1,301.41 crore. The balance in the Fund has been invested in the Government of India Securities by R.B.I., Nagpur. During the year 2018-19 an amount of ₹821.43 crore was credited to the fund as interest accrued since 2004-05. However, the amount of invoked guarantees was Nil.

8.5.3 State Disaster Response Fund

During the year 2018-19, an aggregate amount of ₹1,206.72 crore was transferred to the Fund account (contribution from GoI ₹778.50; contribution from the State Government ₹86.50 crore and the GoI contribution towards NDRF ₹341.72 crore). Out of the total fund balance of ₹2,570.48 crore (opening balance ₹1,363.76 crore plus ₹1,206.72 crore), an amount of ₹2,167.11 crore was spent during the year. Further, an amount of ₹44.17 crore was received as interest arising out of investment of an amount of ₹1,588.33 crore in 91 days Treasury Bills. The balance in the Fund as on 31 March 2019 was ₹447.54 crore which was not invested.

Investment for ₹459.88 crore was not be reflected in the accounts and the interest earned there on (₹7.62 crore) could not be transferred to the Fund due to late reporting (December 2019) by the Finance Department. The interest amount (₹7.62 crore), however, will be transferred to the Fund in the ensuing Financial year.



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