



ACCOUNTS AT A GLANCE 2019-20



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



GOVERNMENT OF ODISHA

ACCOUNTS AT A GLANCE

2019-20

GOVERNMENT OF ODISHA

PREFACE


I am happy to present the twenty-second issue of our annual publication “**Accounts at a Glance**”.

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 any discrepancy between the figures of this publication and that of Finance and Appropriation Accounts, the latter shall prevail.

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.

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

BHUBANESWAR
Date: 09.07 2021


(V.M.V Nawal Kishore)
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

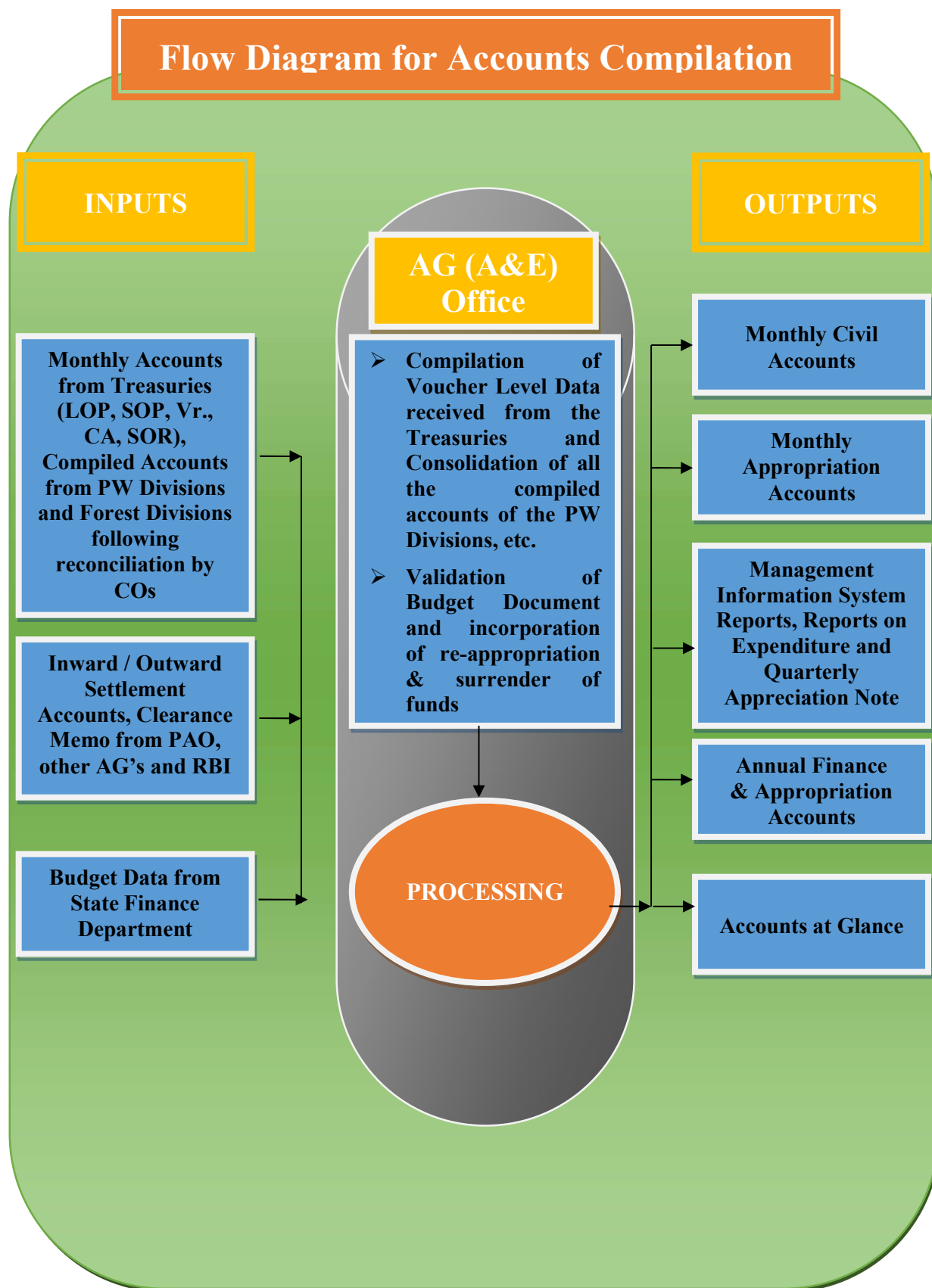
The Accountant General (Accounts and Entitlement), Odisha compiles the accounts of the Government of Odisha. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works Divisions, Irrigation & Public Health Divisions, Forest Divisions, accounts rendered by the other states/accounting offices and advices of Reserve Bank of India and prepares a Monthly Civil Account which is transmitted to the Government of Odisha. The Office of the Accountant General (A&E) also prepares Finance Accounts and the Appropriation Accounts annually, which are placed before the State Legislature after audit by the Accountant General (Audit-I), 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	All the receipt and expenditure on account of the Government tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon) and disbursements of the Government, including release of loans and repayments of loans taken (and interest thereon), are met from Consolidated Fund of the State.
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 PUBLIC ACCOUNT	<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 depicts the Receipts and Disbursements of the Government for the year, together with the financial results, disclosed by the Revenue and Capital Accounts, Public Debt and Public account balances recorded in the Accounts. The Finance Accounts are prepared in two volumes, to make it 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).

Receipts and Disbursements in year 2019-20: -

			(₹ in crore)
			2019-20
Receipts Total: 1,20,674	Revenue Total: 1,01,567.75	Tax Revenue	62,768.45
		Non-Tax Revenue	1,46,47.20
		Grants-in-Aid	24,152.10
	Capital Total: 19,106.13	Recovery of Loans and Advances	287.16
		Borrowings and other Liabilities*	18,818.97
Disbursements Total: 1,20,674	Revenue		99,137.30
	Capital		20,277.28
	Loans and Advances		1,259.31

*Borrowings and Other Liabilities; Net (Receipts-Disbursements) of Public Debt = (14,678.86 (-) 4,493.75) = 10,185.11

+ Net of Contingency Fund = 1,440.22

+ Net (Receipts - Disbursements) of Public Account = (3,54,075.43 (-) 3,48,264.17) = 5,811.26

+ Net of (Opening and Closing) Cash Balance. = (1,624.56 (-) 242.18) = (+) 1,382.38

1.3.2. 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 as ‘**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 Odisha has three Charged Appropriations and 43 Voted Grants. The Purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure complied with the appropriation authorized by the Legislature through the Appropriation Act of each year.

The Appropriation Act, 2019-20, had projected for Gross Expenditure of ₹1,55,630.54 crore and Reduction of Expenditure (Recoveries) of ₹29,645.09 crore. Against this, the actual Gross Expenditure was ₹1,30,852.83 crore and Reduction of Expenditure was ₹5,685.20 crore resulting in net Savings of ₹24,777.71 crore (16 per cent) and an Excess Estimation of ₹23,959.89 crore on Reduction of Expenditure. The Gross Expenditure includes ₹23.95 crore drawn on Abstract Contingent (AC) Bills during the year.

During 2019-20, an amount of ₹7,075.13 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by the designated Administrators for specific purposes.

1.4. Sources and Application of Funds

1.4.1. Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum Cash Balance (₹1.28 crore) maintained with the RBI. The State Government was not required to avail any Overdraft or Ways and Means Advances during the 2019-20.

1.4.2. Fund Flow Statement

The State had a Revenue Surplus of ₹2,430.45 crore and a Fiscal Deficit of ₹18,818.97 representing 0.46 per cent and 3.53 per cent respectively of the Gross State Domestic Product (GSDP) ¹. The Fiscal Deficit constituted 15.59 per cent of the Total Expenditure. Around 40 per cent of the Revenue Receipts (₹1,01,567.75 crore) of the State Government was spent on Committed Expenditure like Salaries (₹20,682.77 crore) Interest Payments (₹6,062.56 crore) and Pensions (₹14,273.40 crore).

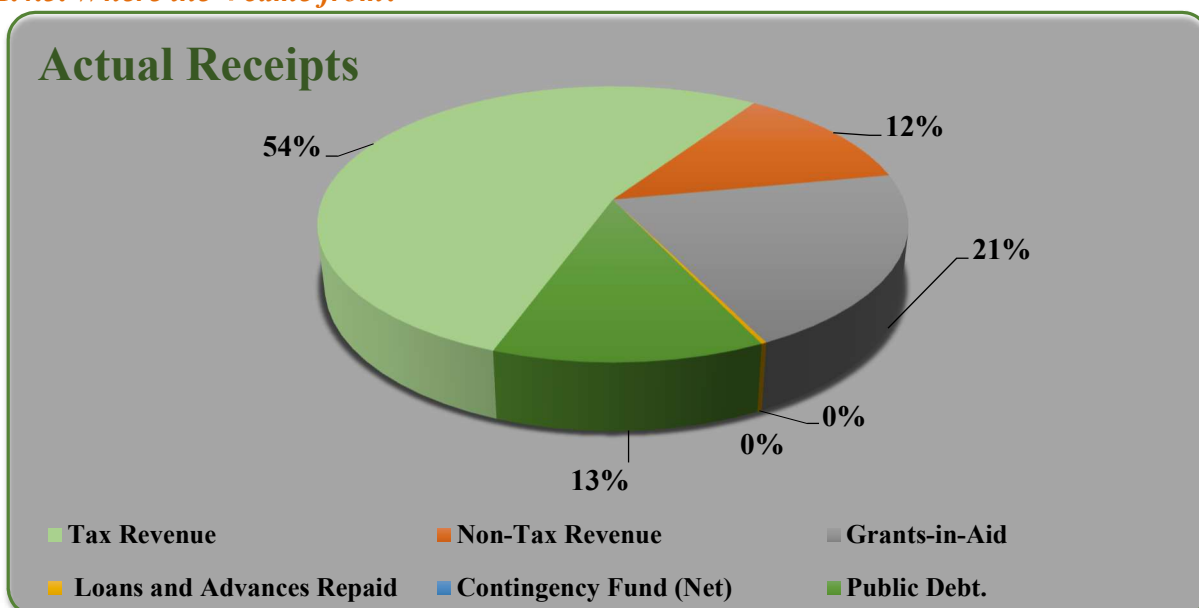
¹ GSDP for 2019-20 is ₹5,33,822.46 crore (Advance Estimate) as per Directorate of Economics and Statistics, Odisha, Bhubaneswar

Sources and Application of Funds

SOURCES	PARTICULARS	(₹ in crore) 2019-20
	Opening Cash Balance as on 01.04.2019	1,624.56
	Revenue Receipts	1,01,567.75
	Loans & Advances Repaid	287.16
	Public Debt	14,678.86
	Small Savings, Provident Funds & Others	5,117.40
	Reserve & Sinking Funds	16,731.87
	Deposits Received	23,785.55
	Civil Advances Repaid	323.46
	Suspense Account	2,79,442.66
	Remittances	28,674.50
	Contingency Fund	1,440.22
	TOTAL	4,73,673.99

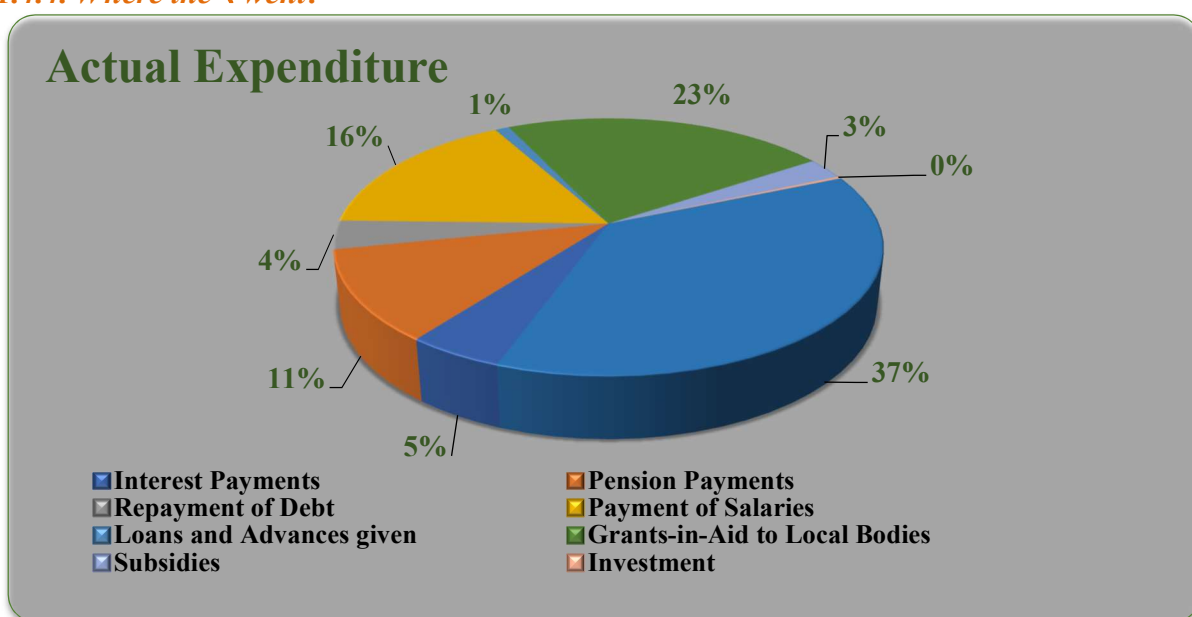
APPLICATION	Revenue Expenditure	99,137.30
	Capital Expenditure	20,277.28
	Loans & Advances Given	1,259.31
	Repayment of Public Debt	4,493.75
	Small Savings, Provident Funds & Others	4,202.61
	Reserve & Sinking Funds	13,434.15
	Deposits Spent	20,356.56
	Civil Advances Given	322.71
	Suspense Account	2,81,252.45
	Remittances	28,695.69
	Contingency Fund	0.00
	Closing Cash Balance as on 31.03.2020	242.18
	TOTAL	4,73,673.99

1.4.3. Where the ₹ came from?



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

1.4.4. Where the ₹ went?



In addition to the expenditure approved for the year by the Odisha State Legislature, Government of India transfers substantial funds directly to State Implementing Agencies/ Non-Government Organisations (NGOs) in the State for various schemes and programmes. Such transfers (amounting to ₹ 7894.27 (₹6,843.63 crore last year). 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.

1.5. Financial Highlights of Accounts 2019-20

The following table provides the details of actual financial results vis-à-vis budget estimates for the year 2019-20:

(₹ in crore)

	Budget Estimate	Actuals	Percentage of actuals to B. E	Percentage of actuals to Gross State Domestic Product (b)
	2019-20			
1. Tax Revenue (a)	72,207	62,769	87	12
2. Non-Tax Revenue	12,500	14,647	117	3
3. Grants-in-Aid & Contributions	30,559	24,152	79	5
4. Revenue Receipts (1+2+3)	1,15,266	1,01,568	88	19
5. Recovery of Loans and Advances	150	287	191	0
6. Borrowings & other Liabilities(e)	18,877	18,819	100	4
7. Capital Receipts (5+6)	19,027	19,106	100	4
8. Total Receipts (4+7)	1,34,293	1,20,674	90	23
9. Administrative Expenditure (d)	63,693	48,211	76	9
10. Administrative Expenditure on Revenue Account	62,800	47,362	75	9
11. Administrative Expenditure on Interest Payments out of (10)	6,500	6,063	93	1
12. Administrative Expenditure on Capital Account	893	849	95	0
13. Programme Expenditure (f)	70,600	72,463	103	14
14. Programme Expenditure on Revenue Account	45,938	51,775	113	10
15. Programme Expenditure on Capital Account	24,662	20,688	84	4
16. Total Expenditure (9+13)	1,34,293	1,20,674	90	23
17. Revenue Expenditure (10+14)	1,08,738	99,137	91	19
18. Capital Expenditure (12+15) (c)	25,555	21,537	84	4
19. Revenue Surplus (4-17)	6,528	2,431	37	0
20. Fiscal Deficit (4+5-16)	(-)18,877	(-)18,819	100	-4

(a) Includes State's share of Union Taxes of ₹30,453.27 crore.

(b) GSDP for 2019-20 is ₹5,33,822.46 crore (Advance Estimate) as intimated by Directorate of Economics and Statistics, Odisha.

(c) Expenditure on Capital Account includes Capital Expenditure (₹20,277.28 crore) and Loans and Advances disbursed (₹1,259.31 crore). [₹20,277.28 + ₹1,259.31 = ₹21,536.59].

(d) Administrative Expenditure includes Revenue Expenditure (₹47,362 crore), Capital Expenditure (₹41 crore) and Loans & Advances disbursed (₹808 crore). [₹47,362 + ₹41 + ₹808 = ₹48,211 crore].

(e) Borrowings and Other Liabilities include Net of Public Debt (₹10,185.11 crore), Net of Contingency Fund (+) (₹1,440.22 crore), Net of Public Account (₹5,811 crore), Net of opening & closing Cash balance (+) (₹1,382.38). [₹10,185.11 + ₹1,440.22 + ₹5,811.26 + ₹1,382.38 = ₹18,818.97].

(f) Programme Expenditure includes Revenue Expenditure (₹51,775 crore), Capital Expenditure (₹20,236 crore) and Loans & Advances disbursed (₹452 crore) [₹51,775 + ₹20,236 + ₹452 = ₹72,463]

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 recommendations 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.

In compliance with FRBM (Amendment) Act, 2016, 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 and 2019-20). There has been a Fiscal Deficit of ₹18,818.97 crore during the year as compared to Fiscal Deficit of ₹10,157.39 crore during the previous year.

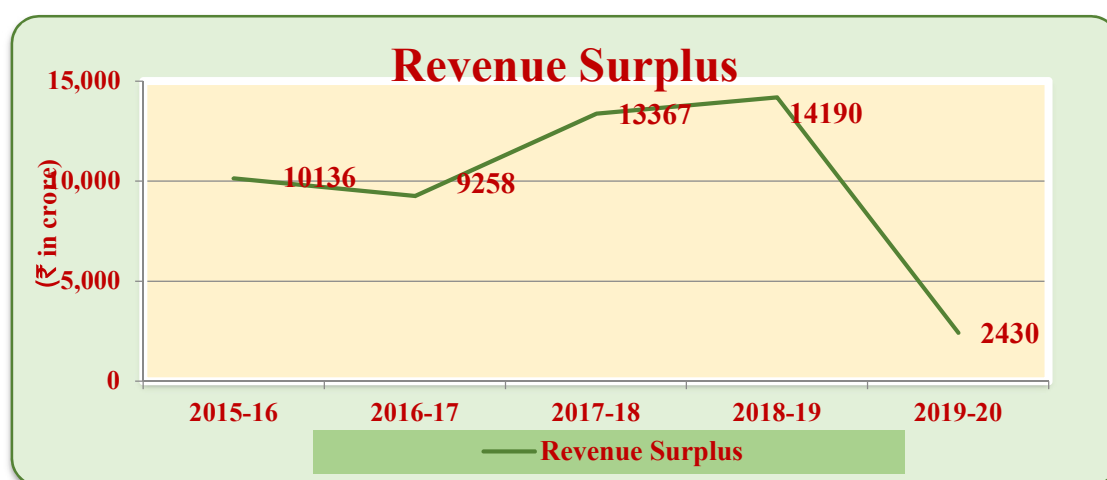
Again, during 2018-19 debt GSDP ratio of the State was 12 per cent and during 2019-20, total Interest payment was 5.96 per cent of Revenue Receipts. Accordingly, as per amendment to section 5 of FRBM Act in 2016, State Government needs to contain Fiscal Deficit and GSDP ratio within 3.5 per cent. But the same has exceeded by a little to 3.53 per cent. Hence it is required to put in place a monitoring mechanism for implementation of FRBM Act.

The Achievements of the State Government of Odisha during the year 2019-20 against the targets laid down in the Act and rules framed there under were as follows:

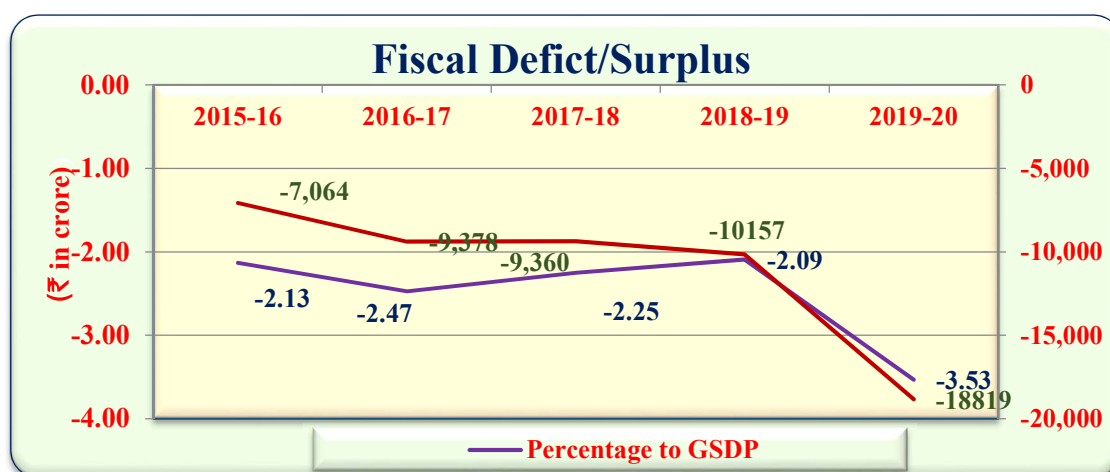
Sl. No	Finance Parameter	Actual (₹ in crore)	Ratio to GSDP*	
			Target	Achievement
1	Revenue Deficit	2,430.45 (Surplus)	..	Achieved
2	Fiscal Deficit	18,818.97	Less than or equal to 3.50%	3.53% (Not Achieved)
3	Public Debt	68,437.85	Less than or equal to 25 %	12.82% (Achieved)
4	Outstanding Guarantees	4,169.09	Shall not exceed 100% of State Revenue Receipt one year prior to previous Financial year 2017-18	4.89% (Achieved)

GSDP for 2019-20 is ₹5,33,822.46 crore

1.6.2. Trend of Revenue Surplus.



1.6.3. Trend of Fiscal Deficit

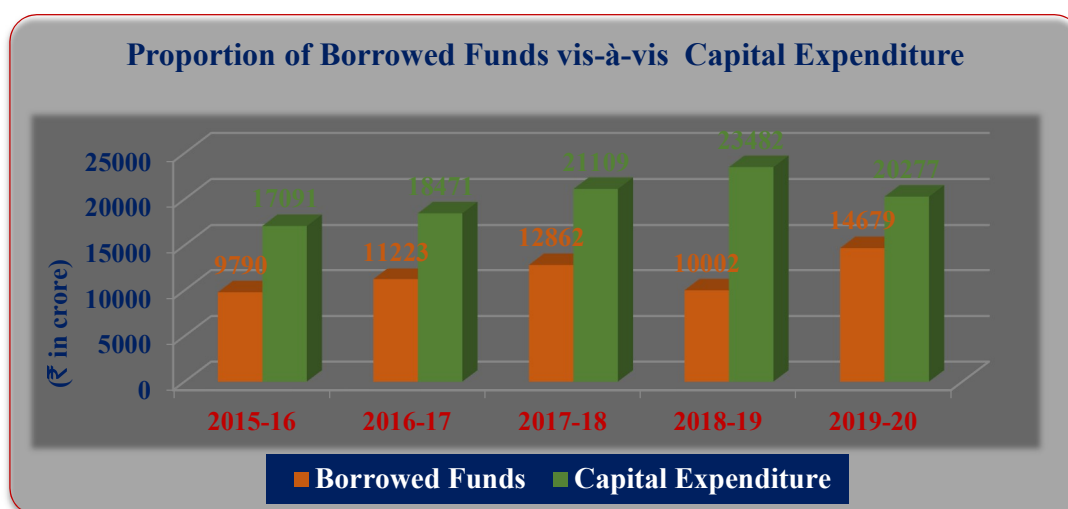


1.7. Proportion of Borrowed Funds spent on Capital Expenditure.

It is desirable to fully utilize Borrowed Funds for the Creation of Capital Assets, and to use Revenue Receipts for the repayment of Principal and Interest. As the State Government has achieved Revenue Surplus with effect from 2005-06 which is continuing till 2019-20, 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
2015-16	9,790	17,090
2016-17	11,223	18,471
2017-18	12,862	21,109
2018-19	10,002	23,482
2019-20	14,679	20,277



Chapter II

RECEIPTS

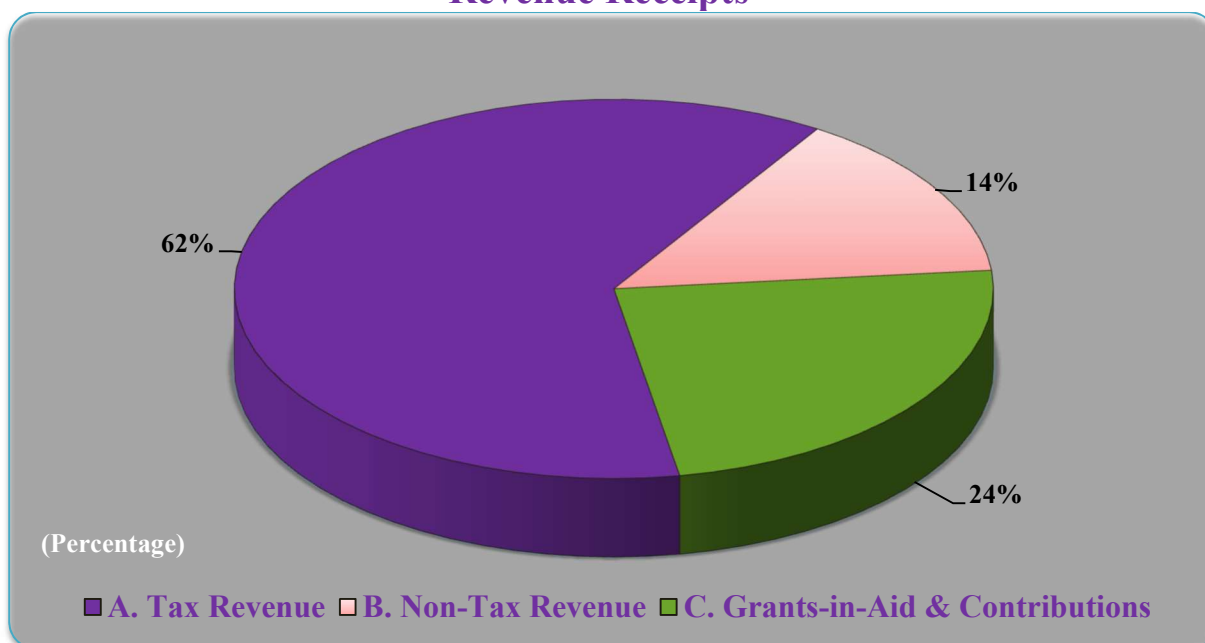
2.1. Introduction

The Revenue Receipts of the Government of Odisha were ₹ 1,01,568 crore while Recovery of Loans and Advances were ₹287 crore and Public Debt Receipts were ₹14,679 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)	Percentage to Total Revenue Receipt
A. Tax Revenue	62,769	62
Goods and Services Tax	21,845	22
Taxes on Income & Expenditure	18,736	18
Taxes on Property & Capital Transactions	2,156	2
Taxes on Commodities & Services	20,032	20
B. Non-Tax Revenue	14,647	14
Interest Receipts, Dividends and Profits	1,808	2
General Services	617	..
Social Services	227	..
Economic Services	11,995	12
C. Grants-in-Aid & Contributions	24,152	24
Total - Revenue Receipts (A+B+C)	1,01,568	100

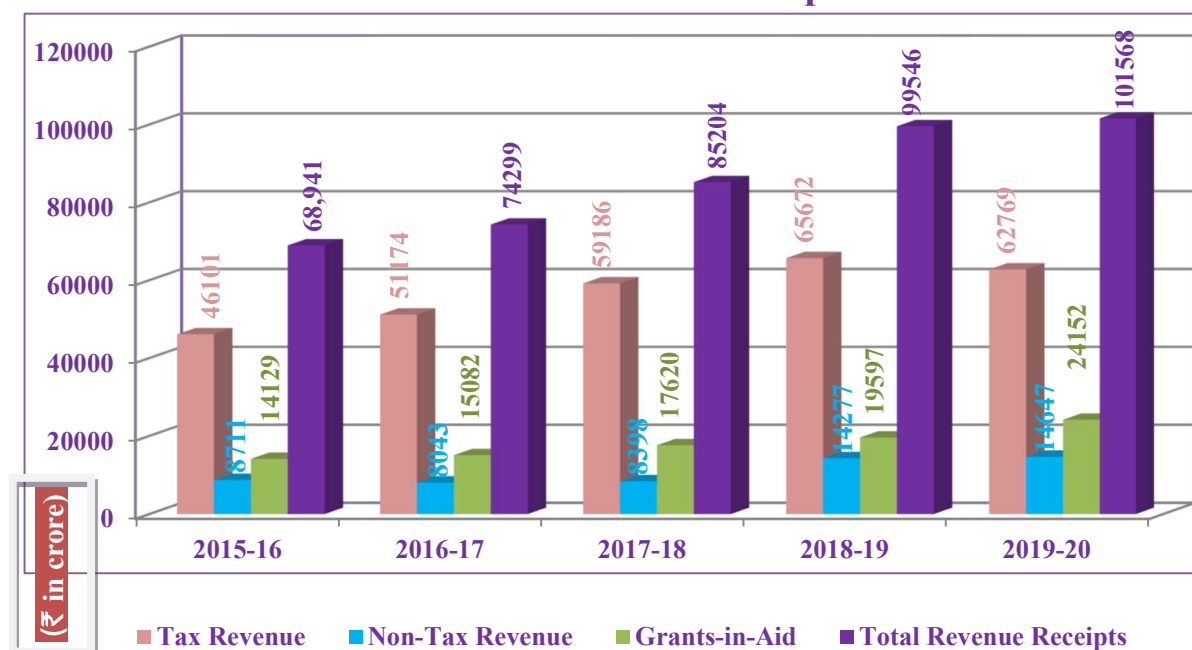
2.2.2 Trend of Revenue Receipts

Year	2015-16	2016-17	2017-18	2018-19	2019-20 (₹in crore)
Tax Revenues	46,101	51,174	59,186	65,672	62,769
Non-Tax Revenues	8,711	8,043	8,398	14,277	14,647
Grants-in-Aid	14,129	15,082	17,620	19,598	24,152
Total: Revenue Receipts	68,941	74,299	85,204	99,547	1,01,568
GSDP	3,28,549	3,93,562 (3rd RE)	4,34,769 (2nd RE)	4,95,840 (1st RE)	5,33,822 (AE)

A.E – Advance Estimates

R.E – Revised Estimates

Trend of Revenue Receipts



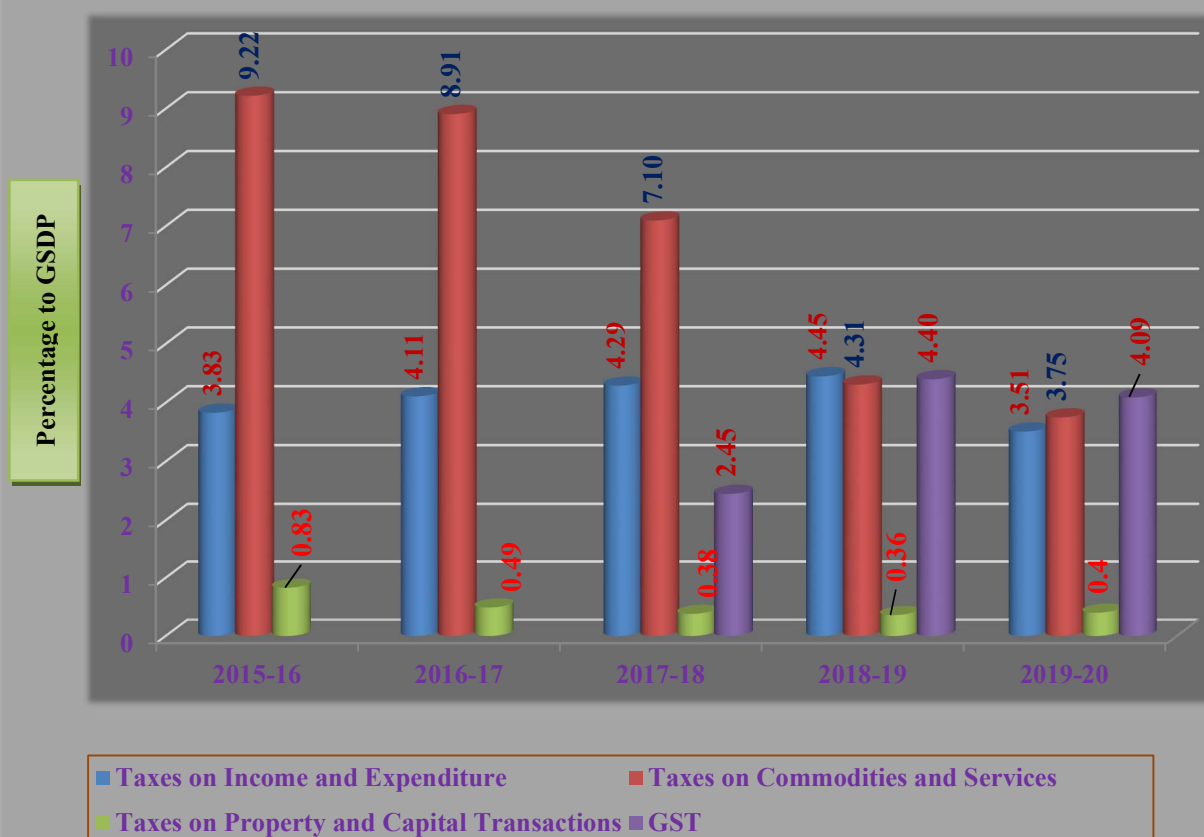
The GSDP increased by 7.66 per cent between 2018-19 and 2019-20 and growth in Revenue collection was 6 per cent. While Tax Revenues decreased by 4.42 per cent, Non-Tax Revenues increased by 2.59 per cent. Major contributors to Revenue was ₹10,383.35 crore (2 per cent of GSDP) under Corporation Tax and ₹13,203.52 crore (2.47 per cent of GSDP) in respect of State Goods and Services Tax (SGST).

2.2.3 Tax Revenue

Sector-wise Tax Revenue

	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
i) Goods and Services Taxes			10,207	21,364	21,845
i) Taxes on Income and Expenditure	12,725	15,558	17,848	21,616	18,736
ii) Taxes on Property and Capital Transactions	2,748	1,844	1,579	1,753	2,156
iii) Taxes on Commodities and Services	30,628	33,772	29,552	20,939	20,032
Total: Tax Revenues	46,101	51,174	59,186	65,672	62,769
GSDP	3,28,549	3,93,562 (3 rd RE)	4,34,769 (2 nd RE)	4,95,840 (1 st RE)	5,33,822

Trend of Major Taxes in proportion to GSDP



2.2.3.1 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	Total Tax Revenue	State Share of Union Taxes	State's Own Tax		Percentage of State's own tax to total tax revenue
			Tax Revenue	Percentage to GSDP	
2015-16	46,101	23,574	22,527	6.78	49
2016-17	51,174	28,322	22,852	6.03	45
2017-18	59,186	31,272	27,914	6.71	47
2018-19	65,672	35,354	30,318	6.25	46
2019-20	62,769	30,454	32,315	6.05	51

The proportion of State's own tax collection in overall tax revenue has reached above 50 per cent during the year 2019-20 and remained below 50 per cent in comparison with the previous five years.

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

(₹ in crore)

Taxes	2015-16	2016-17	2017-18	2018-19	2019-20
State Goods and Services Tax-0006	..	..	6,609	11,943	13,204
Land Revenue- 0029	589	460	542	511	721
Stamp and Registration fees-0030	2,157	1,364	1,037	1,237	1,435
State Excise-0039	2,547	2,786	3,221	3,925	4,495
Taxes on Sales, Trade etc.- 0040	13,097	13,402	11,522	7,310	7,455
Taxes on Vehicles -0041	1,044	1,216	1,535	1,746	1,836
Taxes on Goods and Passengers-0042	1,663	1,760	1,260	182	133
Other taxes	1,430	1,864	2,188	3,464	3,036
Total State's own Taxes	22,527	22,852	27,914	30,318	32,315

2.2.4 Cost of Tax Collection

A. Taxes on Properties and Capital Transactions

(₹ in crore)

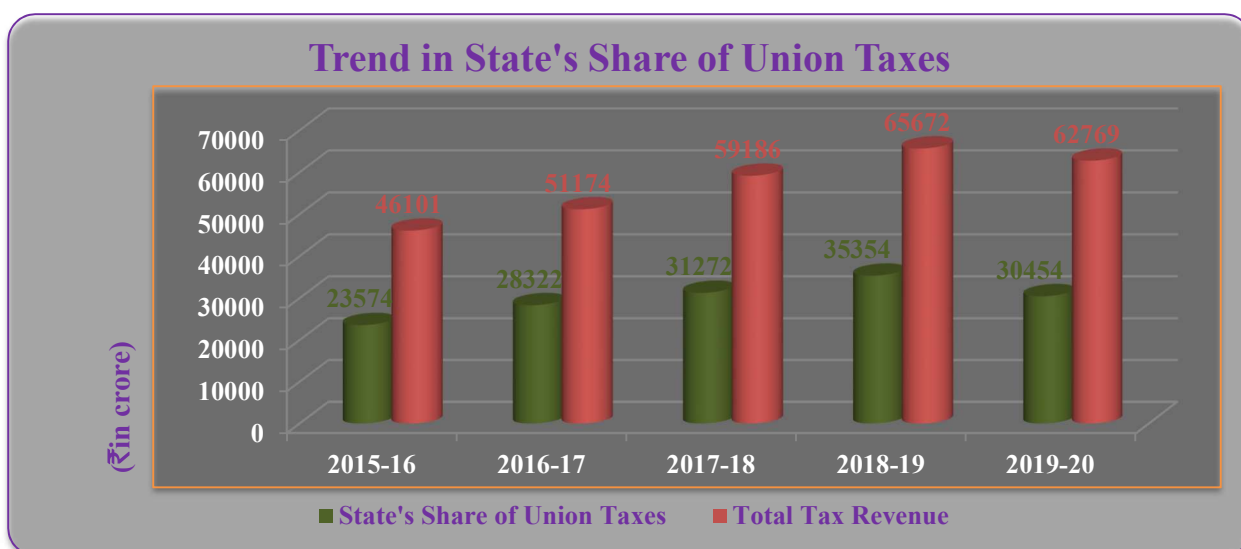
Taxes	2015-16	2016-17	2017-18	2018-19	2019-20
I - Taxes on Sales, Trade etc					
Revenue collection	13,097	13,402	18,131	19,253	20,659
Expenditure on collection	85	100	118	108	125
Efficiency of Tax collection	0.65	0.75	0.65	0.56	0.61
II - States Excise					
Revenue collection	2,547	2,786	3,221	3,925	4,495
Expenditure on collection	53	56	64	75	88
Efficiency of Tax collection	2.08	2.01	1.99	1.91	1.96
III - Taxes on Vehicles					
Revenue collection	1,044	1,216	1,535	1,746	1,836
Expenditure on collection	61	87	113	102	110
Efficiency of Tax collection	5.84	7.15	7.36	5.84	5.99
IV - Stamp and Registration Fee					
Revenue Collection	2,157	1,364	1,037	1,237	1,435
Expenditure on Collection	37	50	43	58	64
Efficiency of Tax collection	1.72	3.67	4.15	4.69	4.46

The efficiency in cost of collection of Taxes on Sales, Trade etc., and State Excise were lower as compared to other taxes

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

(₹in crore)

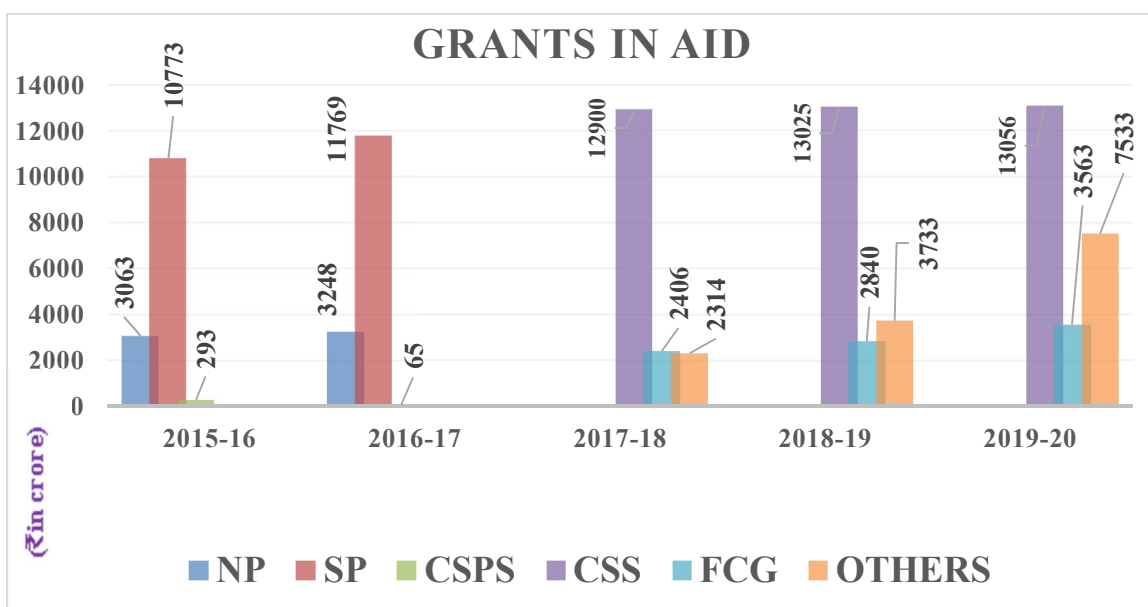
Major Head description	2015-16	2016-17	2017-18	2018-19	2019-20
Central Goods and Service Tax-(CGST)-0005	..	..	441	8,725	8,642
Integrated Goods and Service-Tax-0008	..	..	3,156	696	..
Corporation Tax -0020	7,409	9,072	9,575	12,294	10,384
Taxes on Income other than Corporation Tax- 0021	5,141	6,305	8,085	9,054	8,136
Taxes on Wealth- 0032	2	21	..	4.51	0.46
Customs- 0037	3,771	3,903	3,156	2,506	1,930
Union Excise Duties- 0038	3,147	44,57	3,298	1,665	1,342
Service Tax- 0044	4,086	4,564	3,561	326	0.01
Other Taxes and Duties on Commodities and Services-0045	18	..	..	18	19
Total: State's Share of Union Taxes	23,574	28,322	31,272	35,354	30,454
Total: Tax Revenue	46,101	51,174	59,186	65,672	62,769
Percentage of Union Taxes to Total Tax Revenue	51	55	53	54	49



2.2.6 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India and comprise Grants for State Plan/Sector Schemes and Centrally Sponsored Schemes (CSS) approved by the Planning Commission/ NITI Ayog and Grants/ Devolution under Non-Plan/Administrative expenditure recommended by the Finance Commission. Total Receipts during the year under Grants-in-Aid were ₹24,152 crore as shown overleaf: -

(₹ in crore)							
Year	Non Plan	State Plan	CSPS	CSS	FCG	OTHERS	Total
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
2019-20	..	..	..	13,056	3,563	7,533	24,152



*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 ₹13,056 crore of Grants-in-Aid (43 per cent) against the Budget Estimate (B.E) of ₹30,559 crore in respect of Central Share in Centrally Sponsored Schemes.

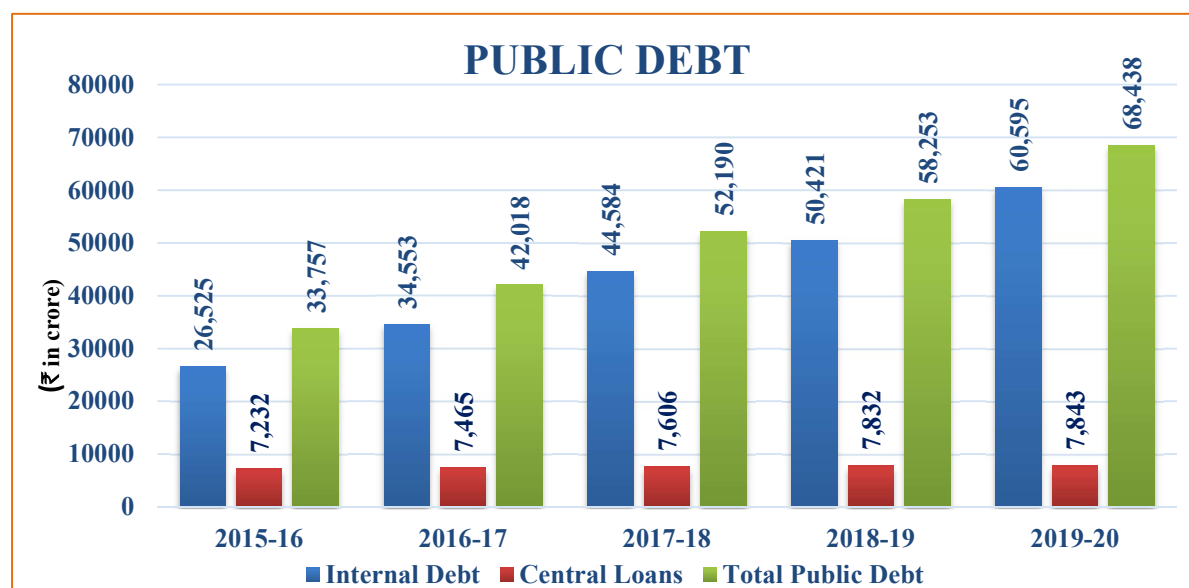
2.3 Public Debt

The outstanding Public Debt at the end of the 31 March 2020 was ₹68,437.86 crore comprising Internal Debt of ₹60,595.30 crore and Loans and Advances from Central Government ₹ 7,842.56 crore.

2.3.1 Trend of Public Debt over last 5 years

(₹ in crore)

Description	2015-16	2016-17	2017-18	2018-19	2019-20
Internal Debt-6003	26,525	34,553	44,584	50,421	60,595
Central Loans-6004	7,232	7,465	7,606	7,832	7,843
Total: Public Debt	33,757	42,018	52,190	58,253	68,438



Net effect of Public Debt for last 5 years

(₹ in crore)

Description	2015-16	2016-17	2017-18	2018-19	2019-20
Internal Debt-6003 (Net Increase / Decrease)	6,797	8,028	10,031	5,836	10,174
Central Loans-6004 (Net Increase / Decrease)	111	233	141	226	11
Total: Public Debt (Net Increase / Decrease)	6,908	8,261	10,172	6,063	10,185



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 Departments of the Government. Capital Expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is classified at the top level into three sectors namely, General Services; Social Services; and Economic Services. Significant areas of expenditure covered under these sectors are indicated in the table below:

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 2019-20.

3.2. Revenue Expenditure

Revenue Expenditure of ₹99,137 crore fell short of Budget Estimates by ₹9,601 crore. The trend of revenue expenditure against budget estimates during the past five years is given below:

	(₹ in crore)				
Year	2015-16	2016-17	2017-18	2018-19	2019-20
Budget Estimates (BE)	65,839	74,443	82,237	90,220	1,08,738
Actuals	58,806	65,041	71,837	85,357	99,137
Gap	7,033	9,402	10,400	4,863	9,601
Percentage of gap over B. E	11	13	13	5	10

Around ₹41,019 crore (41 per cent) of the total Revenue Expenditure was incurred on committed expenses viz., on Salaries (₹20,683 crore) Interest payment (₹6,063 crore) and Pensions (₹14,273 crore) of the State Government.

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

(₹ in crore)					
Component	2015-16	2016-17	2017-18	2018-19	2019-20
Total Revenue Expenditure	58,806	68,041	71,837	85,356	99,137
Committed Revenue Expenditure #	26,328	28,299	34,038	38,888	41,019
Percentage of Committed Revenue	45	42	47	46	41
Uncommitted Revenue Expenditure	32,478	39,742	37,799	46,468	58,118

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

It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has increased by 79 per cent from ₹32,478 in 2015-16 to ₹58,118 in 2019-20. The total revenue expenditure increased by 69 per cent from ₹58,806 in 2015-16 to ₹99,137 in 2019-20 and committed revenue expenditure increased by 56 per cent over the same period.

3.2.1 Sectoral distribution of Revenue Expenditure

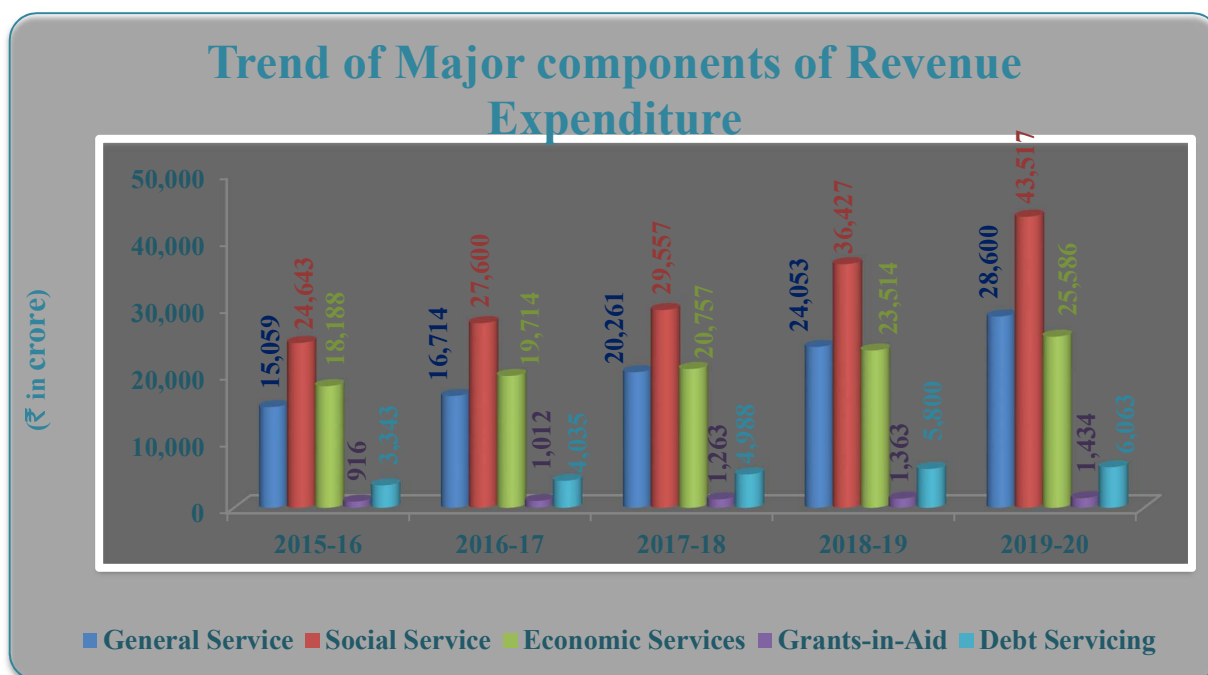
(₹ in crore)	
Components	Amount
A.General Services	
(a) Organs of State	710
(b) Fiscal Services	967
(ii) Collection of Taxes on Property and Capital Transactions	620
(iii) Collection of Taxes on Commodities and Services	342
(iv) Other Fiscal Services	5
(c) Interest Payments and Servicing of Debt	6,063
(d) Administrative Services	5,585
(e) Pensions and Miscellaneous General Services	15,275
B. Social Services	43,517
C. Economic Services	25,586
D. Grants-in-Aid and Contributions	1,434
Total: Expenditure (Revenue Account)	99,137

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
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
2019-20	28,600	43,517	25,586	1,434	99,137	6,063

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

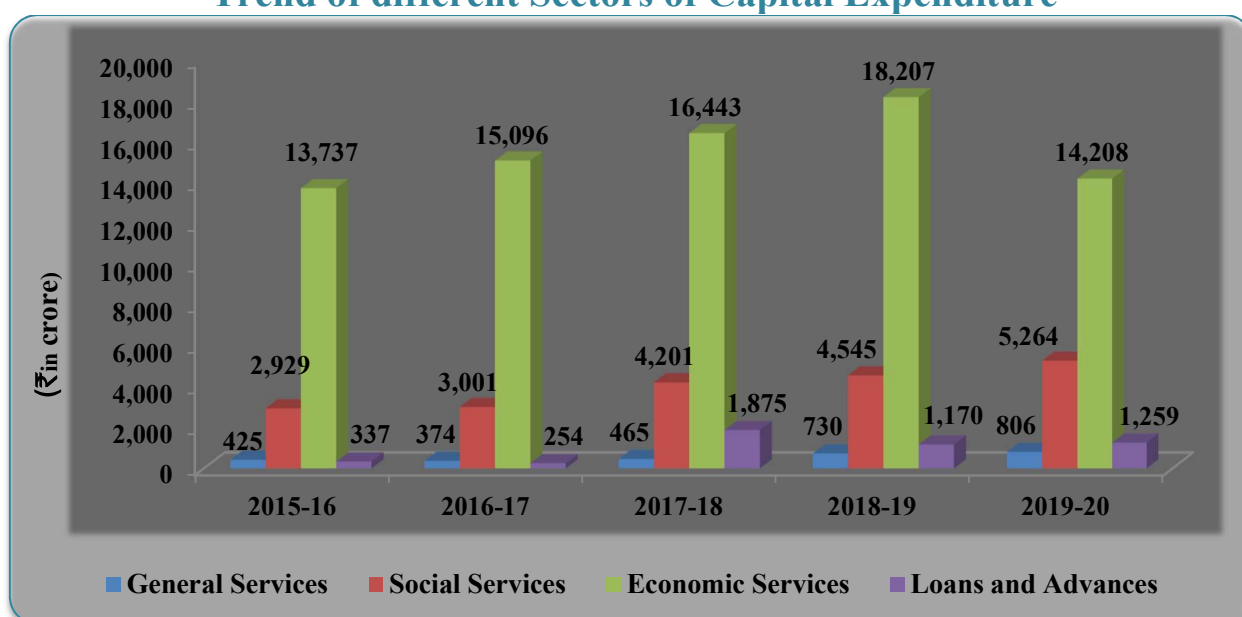


3.3. Capital Expenditure

Capital expenditure is essential if the growth process is to be sustained. Capital disbursements during 2019-20 amounting to ₹21,537 crore (4 per cent of GSDP) was less than Budget Estimate by ₹4,018 crore (less disbursement of ₹3,974 crore under Programme expenditure and less expenditure of ₹44 crore under Administrative expenditure). The growth in Capital expenditure has not kept pace with the steady growth of GSDP from 2015-16 onwards as seen from the table overleaf:

(₹ in crore)						
Sl. No	Components	2015-16	2016-17	2017-18	2018-19	2019-20
1	Budget (B.E)	18,649	18,401	21,260	25,651	25,555
2	Actual Expenditure	17,428	18,725	22,984	24,652	21,537
3	Percentage of Actual Expenditure to B. E	93	102	108	96	84
4	Yearly growth in Capital Expenditure (per cent)	52	7	23	7	(-)13
5	GSDP	3,32,329	3,78,991	4,15,982	4,85,376	5,33,822
6	Yearly growth in GSDP (per cent)	7	14	10	17	10

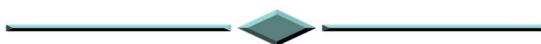
Trend of different Sectors of Capital Expenditure



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		2015-16	2016-17	2017-18	2018-19	2019-20
(A)	General Services	Capital	425	374	465	730	806
		Revenue	15,059	16,715	20,261	24,053	28,601
(B)	Social Services	Capital	2,929	3,001	4,201	4,545	5,264
		Revenue	24,643	27,600	29,557	36,427	43,517
(C)	Economic Services	Capital	13,737	15,096	16,443	18,207	14,208
		Revenue	18,188	19,714	20,757	23,514	25,586
(D)	Grant in Aid and Contribution	Capital	..	..	..	..	..
		Revenue	916	1,012	1,263	1,363	1,434



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 2019-20.

Government of Odisha has also made similar arrangement and has revised Budget classification as follows:

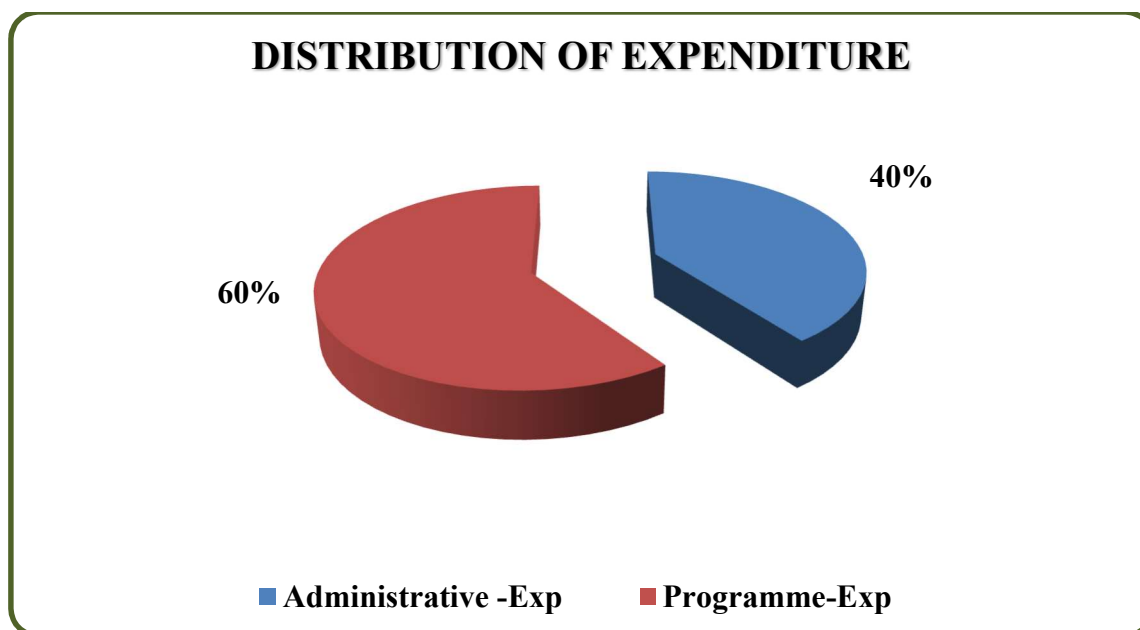
Budgetary Classification		
A.	Administrative Expenditure	(i) Establishment Operation and Maintenance (EOM) Expenditure
		(ii) Debt Servicing Expenditure
B.	Programme Expenditure	(i) State Sector Schemes
		(ii) Central Sector Schemes
		(iii) Central Sponsored Schemes
C.	Disaster Response Funds*	(i) State 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 2019-20

***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 ₹1,20,674 crore representing Programme Expenditure of ₹72,463 crore and Administrative Expenditure of ₹48,211 crore

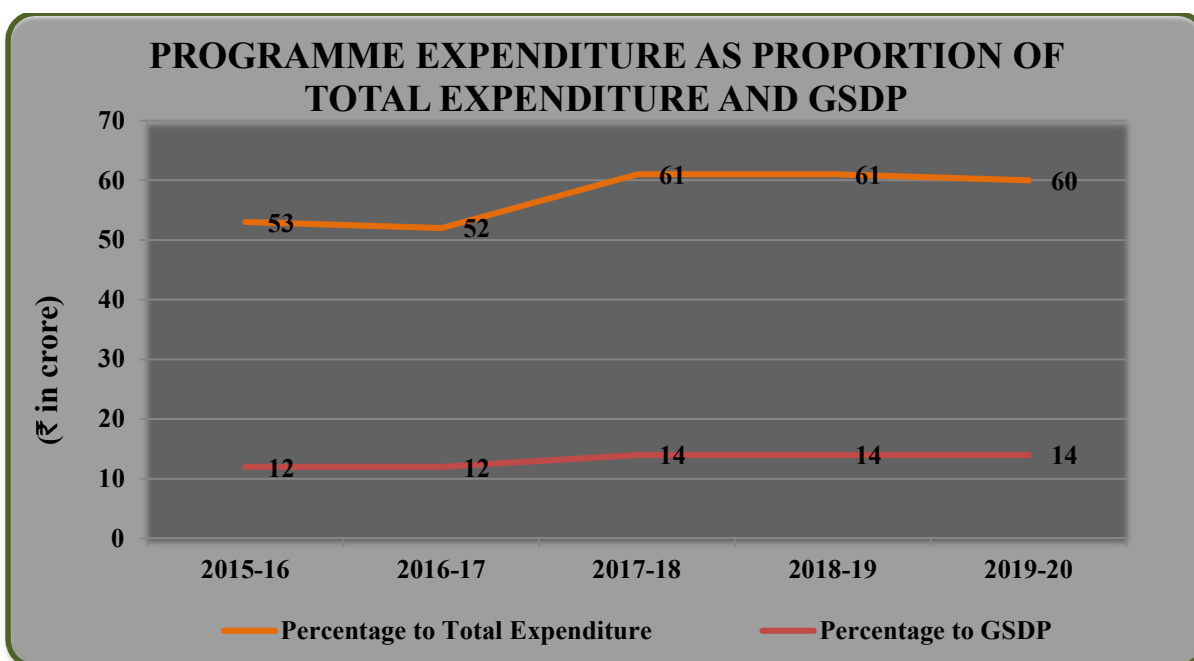


4.3. Programme Expenditure

During the year, Programme Expenditure, representing 60 percent of Total Disbursements, was ₹72,463 crore (₹48,040 crore under State Sector Scheme, ₹23,971 crore under Central Sector Schemes and ₹452 crore under Loans and Advances).

Plan/Programme Expenditure as a proportion of Total Expenditure and GSDP

(₹ in crore)					
Year	2015-16	2016-17	2017-18	2018-19	2019-20
Plan/Programme Expenditure	40,589	43,952	57,459	67,645	72,463
Percentage to Total Expenditure	53	52	61	61	60
Percentage to GSDP	12	12	14	14	14



4.3.1. Programme Expenditure under Capital Account

(₹ in crore)

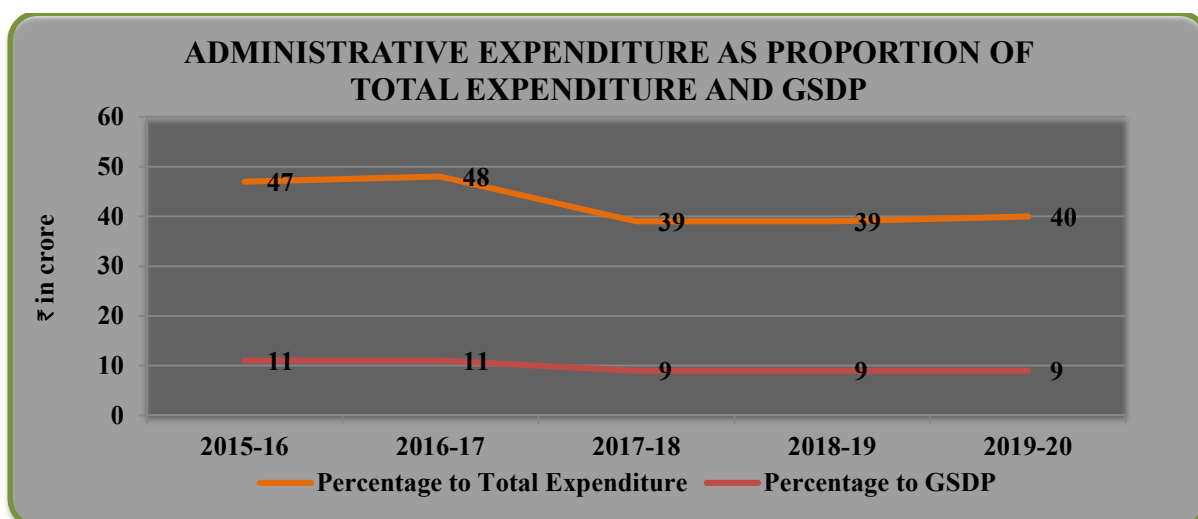
Sector	2015-16	2016-17	2017-18	2018-19	2019-20
Total Capital Expenditure	17,428	18,725	22,984	24,652	21,537
Capital Expenditure (Programme)	17,318	18,621	22,867	24,500	20,688
Percentage of Capital Expenditure (Programme) to Total Capital Expenditure	99	99	99	99	96

4.4. Administrative Expenditure

Non-Plan/Administrative Expenditure during the year, representing 40 per cent of Total Disbursements, was ₹48,211 crore, (₹47,362 crore under Revenue, ₹41 crore under Capital and ₹808 crore under Loans & Advances).

(₹ in crore)

Year	2015-16	2016-17	2017-18	2018-19	2019-20
Administrative Expenditure	35,645	39,814	37,362	42,364	48,211
Percentage to Total Expenditure	47	48	39	39	40
Percentage to GSDP	11	11	9	9	9

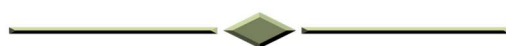
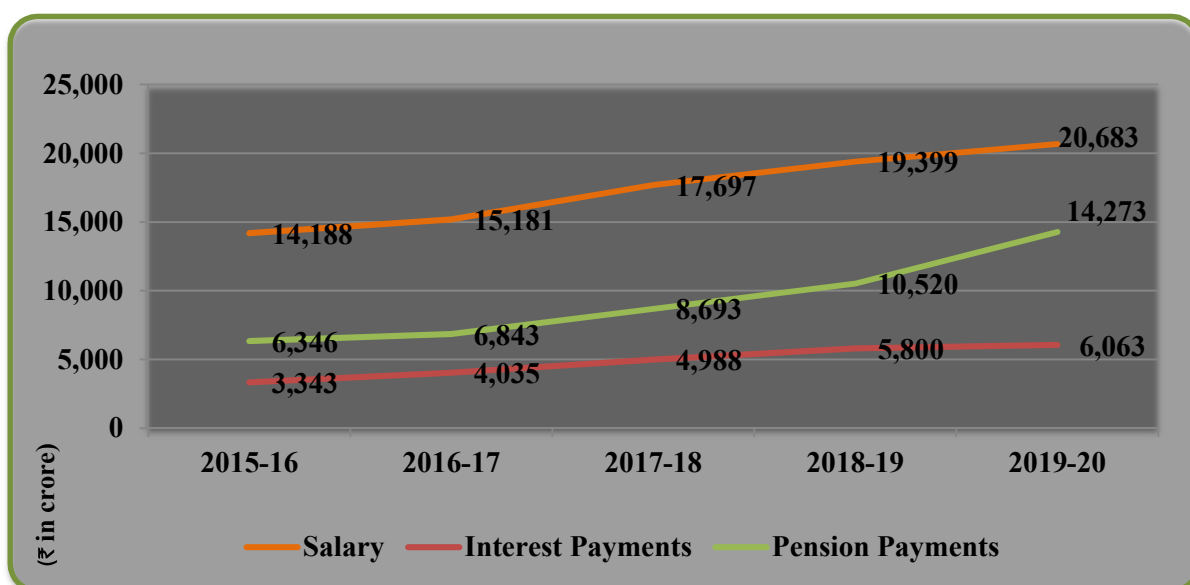


4.5. Committed Expenditure

Trend of Committed Expenditure

(₹ in crore)

Component	2015-16	2016-17	2017-18	2018-19	2019-20
Committed Expenditure	23,877	26,059	31,378	35,719	41,019
Revenue Expenditure	58,806	65,041	71,837	85,357	99,137
Revenue Receipts	68,941	74,299	85,204	99,547	1,01,568
Percentage of Committed Expenditure to Revenue Receipts	35	35	37	36	40
Percentage of Committed Expenditure to Revenue Expenditure	41	40	44	42	41



Chapter V

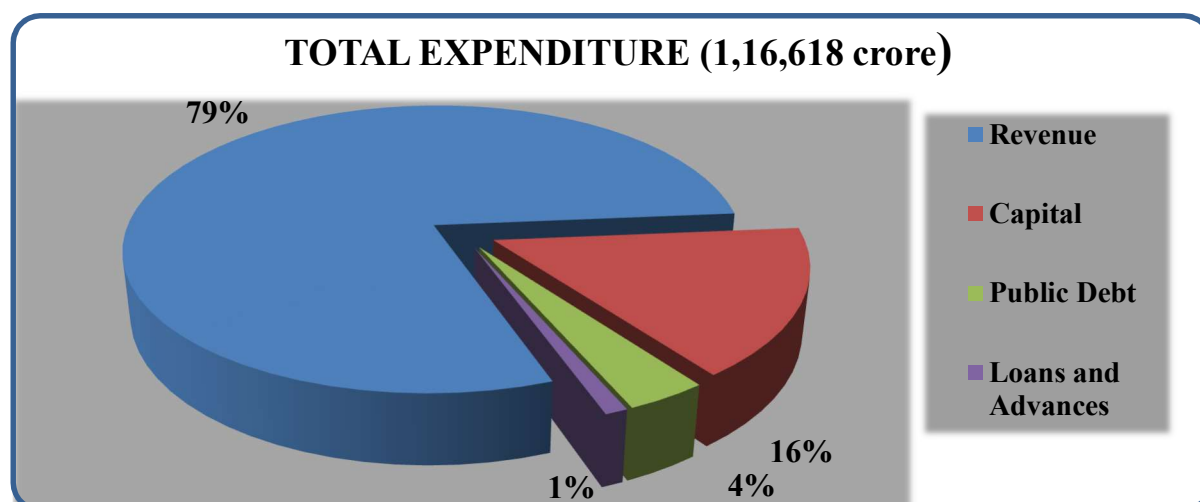
APPROPRIATION ACCOUNTS

The Appropriation Accounts of the Government of Odisha for the year 2019-20 present the accounts of sums expended in the year ended 31 March 2020 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 2019-20: -

(₹ in crore)

Sl. No	Nature of Expenditure	Original Grants	Supplementary Grants	Total	Actual Expenditure	Savings (-) Excess (+)
1	Revenue					
	Voted	1,08,834.66	6,219.84	1,15,054.50	92,964.74	(-) 22,089.76
	Charged	6,679.30	3.77	6,683.07	6,172.55	(-) 510.51
	Total	1,15,513.96	6,223.61	1,21,737.57	99,137.29	(-) 22,600.27
2	Capital					
	Voted	24,481.29	3,294.43	27,775.72	20,266.95	(-) 7,508.77
	Charged	16.71	1.41	18.12	10.32	(-) 7.80
	Total	24,498.00	3,295.84	27,793.84	20,277.27	(-) 7,516.57
3	Public Debt	4,707.00	0.00	4,707.00	4,493.75	(-) 213.25
	Total	4,707.00	0.00	4,707.00	4,493.75	(-) 213.25
4	Loans and Advances					
	Voted	1,342.14	50.00	1,392.14	1,259.30	(-) 132.84
	Total	1,342.14	50.00	1,392.14	1,259.30	(-) 132.84
Grand Total		1,46,061.10	9,569.45	1,55,630.55	1,25,167.61	(-) 30,462.94



5.2. Trend of Savings during the past five years

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
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
2019-20	(-) 22,600	(-) 7,517	(-) 213	(-) 133	(-) 30,463

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	2015-16	2016-17	2017-18	2018-19	2019-20
REVENUE (Voted)						
3	Revenue and Disaster Management	39	37	19	18	19
4	Law	16	12	18	16	19
5	Finance	33	38	32	19	3
8	Odisha Legislative Assembly	23	29	32	1	16
22	Forest & Environment	26	10	21	11	21
23	Agriculture and Farmer's Empowerment	13	14	24	11	31
28	Rural Development	11	8	16	4	27
33	Fisheries and Animal Resources Development	15	16	21	23	17
CAPITAL (Voted)						
10	School & Mass Education	56	7	38	..	20
11	Scheduled Tribes & Scheduled Castes Development and Minorities & Backward Classes Welfare	11	15	9	2	66

(in per cent)						
Grant	Nomenclature	2015-16	2016-17	2017-18	2018-19	2019-20
CAPITAL (Voted)						
12	Health & Family Welfare	6	4	31	33	44
13	Housing & Urban Development	16	1	5	9	44
14	Labour & Employee's State Insurance	56	34	19	48	78
21	Transport	21	15	24	79	40
31	Handlooms, Textiles & Handicrafts	..	100	99	60	54
32	Tourism	..	25	23	2	21
34	Co-operation	27	58	68	33	40

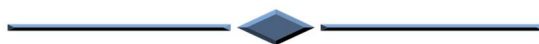
During 2019-20, Supplementary provision amounting ₹4,744 crore proved unnecessary as the expenditure did not come even up to the level of the Original provision:

Actual Expenditure against the Budgetary Provision 2019-20 (Voted)

(₹ in crore)

Grant No.	Department	Section	Original	Supplementary	Actual Expenditure
1	Home	Revenue	4,714	159	4,329
		Capital	576	97	549
2	General Administration Revenue and Disaster Management	Revenue	216	14	192
3		Revenue	1,058	41	896
4	Law	Revenue	445	4	365
		Capital	3	3	3
6	Commerce	Revenue	82	..	69
7	Works Odisha Legislative Assembly	Revenue	1,806	108	1,748
8		Revenue	80	2	69
10	School and Mass Education	Revenue	15,979	841	14,840
		Capital	488	80	453
11	Scheduled Tribes & Scheduled Castes Development and Minorities & Backward Classes Welfare	Revenue	3,126	144	2,596
		Capital	499	1	168
14	Labour and Employee's State Insurance	Revenue	185	3	144
		Capital	12	0	3

Grant No.	Department	Section	Original	Supplementary	Actual Expenditure
15	Sports and Youth Services	Revenue	182	0	106
16	Planning and Convergence	Revenue	923	21	549
		Capital	173	2	158
17	Panchayati Raj	Revenue	15,760	946	1,3691
		Capital	3,167	376	3,165
20	Water Resources	Revenue	2,329	36	1,374
21	Transport	Revenue	158	6	122
		Capital	482	63	329
22	Forest and Environment	Revenue	1,504	84	1,248
		Capital	5	2	5
23	Agriculture and Farmer's Empowerment	Revenue	8,660	1,245	6,805
25	Information & Public Relation	Revenue	104	20	103
26	Excise	Revenue	121	3	93
27	Science & Technology	Revenue	70	2	70
28	Rural Development	Revenue	1,272	5	926
		Capital	4,260	50	2,399
29	Parliamentary Affairs	Revenue	42	0	38
30	Energy	Revenue	50	1	46
		Capital	2,200	850	2,386
33	Fisheries and Animal Resources Development	Revenue	734	24	627
		Capital	164	10	122
35	Public Enterprises	Revenue	9	0	8
36	Women and Child Development	Revenue	3,305	261	3,076
38	Higher Education	Revenue	2,298	35	2,019
39	Skill Development and Technical Education	Revenue	396	18	359
42	Disaster Management	Revenue	9,748	7	8,490
43	Odia Language Literature and Culture	Revenue	162	3	148
	Total		86,271	4,744	73,066



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 ₹5,699 crore at the end of 2019-20. However, Dividends received during the year were ₹321 crore (i.e., 5.63 per cent on Investment). During 2019-20, Investments increased by ₹345 crore, while Dividend income decreased by ₹223 crore.

Cash Balance with RBI stood at ₹1,625 crore on 31 March 2019 and decreased to ₹242 crore at the end of March 2020.

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:

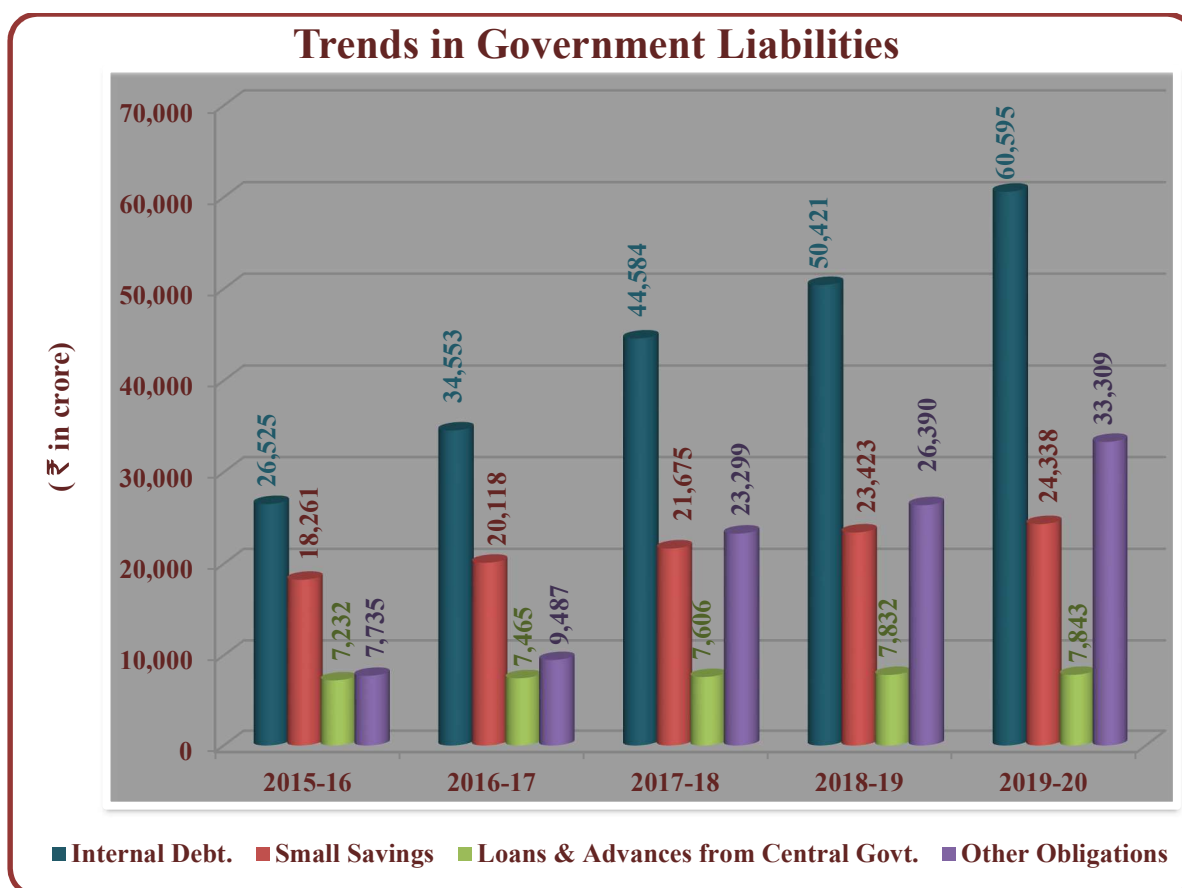
Balance upto the end of the year	Public Debt (₹ in crore)	Percentage to GSDP	Public Account (*) (₹ in crore)	Percentage to GSDP	Total Liabilities (₹ in crore)	Percentage to GSDP
2015-16	33,757	10	25,996	8	59,753	18
2016-17	42,018	11	29,605	8	71,623	19
2017-18	52,190	13	44,974	11	97,164	23
2018-19	58,253	12	50,005	10	1,08,258	22
2019-20	68,438	13	57,646	11	1,26,084	24

GSDP for 2019-20 is ₹5,33,822.46 crore

(*) Excludes Suspense and Remittance balances.

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

During 2019-20 the total Liability increased by ₹17,826 crore (16 per cent) over previous year.



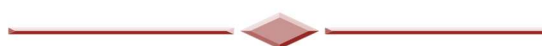
6.3 Guarantees

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 2020	
		Principal	Interest*
2015-16	10,891	1,290	..
2016-17	12,281	2,256	..
2017-18	12,281	1,711	..
2018-19	15,281	4,170	..
2019-20	15,206	3,532	..

* 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 is 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 2019-20 was ₹8,193 crore which includes ₹7,729 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 ₹17,779 crore in 2015-16 to ₹28,465 crore in 2019-20. Grants to Zilla Parishads, Panchayat Samities and Municipalities (₹6,301 crore) represented 22 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	2015-16	2016-17	2017-18	2018-19	2019-20
1	Zilla Parishads & Panchayat Institutions	1397	2536	2980	3223	4415
2	Municipal Corporations & Municipalities	1607	1575	1792	1432	1886
3	Statutory Corporations	337	405	376	407	325
4	Universities	471	422	464	528	623
5	Development Authorities	2943	2132	2979	3626	2154
6	Other Institutions	11024	12278	13189	16741	19062
	Total	17779	19348	21780	25957	28465

7.4 Cash Balance and Investment of Cash Balance

The Cash Balance reduced to ₹242 crore at the end of the year 2019-20 with that of ₹1,625 crore at its beginning. Investment held in Cash Balance Investment Account as on 31 March 2020 were ₹24,865 crore. During 2019-20, Interest Receipt on Cash Balance Investment, ₹1,423 crore, decreased by 0.28 per cent in comparison to previous year.

The details are furnished below: -

Component	(₹in crore)		
	As on 1 April 2019	As on 31 March 2020	Net increase (+) / decrease (-)
1.Cash Balances	1,625	242	(-) 1,383
2.Investments from Cash Balance (GOI Treasury Bills)	23,136	24,865	(+) 1,729
3. Other Cash Balances			
i) Cash with Departmental Officers and Permanent Advance	20.08	20.19	(+) 0.11
ii) Investment from Earmarked Fund Balances	13,354	17,310	(+) 3,956
(a) Sinking Fund			
(b) Guarantee Redemption Fund			
TOTAL (1+2+3)	38,135	42,437	(+) 4,302
Interest realised on Cash Balance Investment Account	1,427	1,423	(-) 4.00

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 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 Accountant General (A&E). The reconciliation status of Receipts and Expenditure figures up to the end of year 2019-20 are detailed below:

Reconciliation of Receipts and Expenditure

	Reconciliation by the end of March (s) 2019-20
Expenditure	168 out of 173 COs reconciled an amount of ₹1,15,535.83 crore (96.75 <i>per cent</i> of total expenditure of ₹1,19,414.57 crore)
Receipts	52 out of 74 COs reconciled an amount of ₹97,334.68 crore (95.83 <i>per cent</i> of total Revenue Receipts of ₹1,01,567.75 crore)

7.6 Submission of Accounts by Accounts Rendering Units

The Finance Accounts 2019-20 presents the transactions of the Government of Odisha for the period 1 April, 2019 to 31 March 2020. The accounts of receipts and expenditure of the Government of Odisha have been compiled based on the initial accounts rendered by 40 District Treasuries, 367 Public Works Divisions (including Irrigation and other divisions), 100 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:
(₹ in crore)

Name of the Minor Head	2015-16		2016-17		2017-18		2018-19		2019-20	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101- PAO Suspense	41.43	0.99	72.20	0.98	94.03	0.93	172.40	55.65	210.63	42.91
Net	Dr. 40.44		Dr. 71.22		Dr. 93.01		Dr.116.75		Dr. 167.72	
102-Suspense Account (Civil)	138.24	160.86	16.01	54.54	12.58	39.82	16.50	45.94	13.07	44.12
Net	Cr. 22.62		Cr. 38.53		Cr. 27.24		Cr.29.44		Cr. 31.05	
110-Reserve Bank Suspense – Central Accounts Office	42.33	14.78	46.09	14.78	3.44	..	9.30	..	1.88	..
Net	Dr. 27.55		Dr. 31.31		Dr. 3.44		Dr.9.30		Dr. 1.88	

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 2020, **1,439 DC** bills amounting to **₹1,69.68 crore** was outstanding which indicates that these instructions have not been followed.

7.9 Commitment on Account of Incomplete Works

A Total Expenditure of **₹3,800 crore** was incurred up to the year **2019-20** 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.

7.10 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 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 2020 is given below:

Year	Number of Utilisation Certificates awaited	Outstanding Amount (₹ in crore)
Up to 2017-18	22,956	13,199.76
2018-19	2,271	6,692.45
2019-20*	2,622	16,301.68
TOTAL	27,849	36,193.89

*Except where the sanction order otherwise specifies, UCs in respect of Grants-in-Aid bill drawn during 2019-20, become due only by 30th June 2020.

7.11 National Pension System (NPS)

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 ₹1,190.92 crore (employees' contribution ₹597.94 crore and Government contributed ₹592.98 crore as its share) to the fund created under the Major

Head 8342-117-Defined Contributory Pension Scheme, with a short matching contribution of ₹4.96 crore.

7.12 Personal Deposit Accounts (PD)

Government is authorised to open Personal Deposit (PD) accounts for specific purposes to which funds are transferred from the Consolidated Fund. As per Subsidiary Rule 423 of 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. During the year 2019-20, no new PD account was opened but one PD account was closed, involving an amount of ₹0.33 crore. Closing balance for the year was ₹20,899.85 crore in 830 PD accounts.

Table-4: Personal Deposit Account Details

(₹ in crore)								
Opening Balance as on 01 April 2019		Additions during 2019-20		PD A/cs closed during 2019-20		Expenditure during 2019-20	Closing Balance as on 31 March 2020	
Number	Amount	No. of PD A/cs opened	Deposits made in existing PD A/cs	Number	Amount transferred back to Consolidated Fund	Expenditure made from PD A/cs	Number	Amount
1	2	3	4	5	6	7	(1+3-5) 8	(2+4-6-7) 9
831	17,503.50 @	Nil	7075.13	1	0.33	3,678.45	830	20,899.85*

@ This includes the balances under MH 8443-123, 8448-102, 8448-109 and 8448-111 apart from the balances under MH 8443-106.

*The balance includes ₹16,758.29 crore (including ₹972.42 crore towards interest on investment during the year) pertaining to Odisha Mineral Bearing Area Development Corporation (OMBADC). ₹810.23 crore has been expended out of the OMBADC fund during 2019-20.

The balances in the Personal Deposit Accounts are required to be reconciled yearly by the Administrator with those accounts maintained at State Treasury level. Out of 830 Personal Deposit Accounts, 758 Personal Deposit Accounts (91.00 per cent) have been reconciled.

Further, as on 31 March, 2020, ₹6.10 crore are lying under 19 in-operative Personal Deposit Accounts which are yet to be closed.

7.13 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 2020, total investment of the State Government in 148 entities was ₹5,698.65 crore. Out of 148 entities, 72 entities (50 Government Companies and 22 Joint Stock Companies) are defunct for a period ranging from 6 to 50 years. An amount of ₹68.52 crore invested in defunct companies had remained unrecovered and unproductive due to non-finalisation of liquidation process.

7.14 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:

7.15 Consolidated Sinking Fund (CSF)

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 to not contribute 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.

At the end of the year 2019-20, the balance at the credit of the fund is ₹13,003.54 crore, including ₹950.71 crore received towards interest. The total fund balance has been invested in Government Stock by Reserve Bank of India. The balance stands at 12.01 *per cent* of the total liabilities of ₹10,82,57.69 crore at the end of previous year.

There is no contribution to the Fund during 2019-20.

7.16 Guarantee Redemption Fund (GRF)

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 2019-20.

At the end of the year 2019-20, the balance at the credit of the fund is ₹1,411.58 crore, including ₹110.18 crore received towards interest. The total fund balance has been invested in Government Stock by Reserve Bank of India. During the year, amount of invoked guarantee was Nil.

7.17 State Disaster Response Fund (SDRF)

In terms of the guidelines of Government of India, the Central and State Government are required to contribute to the fund in the ratio of 75:25.

During the year 2018-19, Central Government paid excess contribution of ₹129.75 crore (₹778.50 crore was contributed by the Central Government against actual share of ₹648.75 crore). The State Government paid less contribution of ₹129.75 crore (₹86.50 crore was contributed by the State Government against actual share of ₹216.25 crore).

During the year 2019-20, the Central Government contributed ₹552.00 crore after adjustment of excess amount paid during 2018-19 (₹552.00 crore against the actual share due ₹681.75 crore). Similarly, the State Government contributed ₹357.00 crore against the actual contribution of ₹227.25 crore (₹227.25 crore + ₹129.75 crore – less contribution of previous year).

During the year 2019-20, ₹4,203.10 (₹909.00 crore being share of SDRF both Central and State + ₹3,294.10 crore being NDRF contribution) was transferred to the Fund account under MH 8121-General and Other Reserve Funds-122-State Disaster Response Fund.

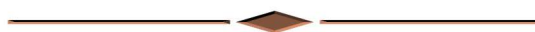
Further, an amount of ₹10.40 crore was credited to the Fund as interest arising out of investment (₹2.78 crore received during 2019-20 plus ₹7.62 crore received during 2018-19).

Out of the total fund balance of ₹4,661.02 crore including opening balance of ₹447.52 crore, expenditure of ₹3,669.18 crore towards disaster management has been met out of the Fund resulting in the balance of ₹991.84 crore, which has not been invested. Due to non-investment on regular basis State Government has to bear ₹150.11 crore (as per 364 days Treasury Bill interest) towards interest on monthly balance of SDRF.

Further, para-3(i) of the Guidelines on Constitution and Administration of the State Disaster Response Fund (SDRF) issued by Ministry of Home Affairs states that “The SDRF shall be used only for meeting the expenditure for providing immediate relief to victims of cyclone, drought, earthquake, fire, flood, tsunami, hailstorm, landslide, avalanche, cloud burst, pest attack, and frost

and cold wave” para 3(ii) provisioned for use of 10 *per cent* of the SDRF funds for State Specific Disaster (Subject to listed in notified list of state specific disaster list). Any amount spent towards the state disasters over and above the ceiling would be borne out of its resources and would be subject to the same accounting norms.

Para 14 and 18 of the guidelines state that all administrative expenses of the State Executing Committee and miscellaneous expenses as well as expenditure for disaster preparedness, restoration, reconstruction and mitigation should not be a part of SDRF/NDRF. These expenditures shall be borne by the State Government from its normal budgetary provisions. Out of the total expenditure of ₹3,669.18 crore, an amount of ₹8.95 crore was incurred towards establishment expenses, Grants-in-Aid and miscellaneous activities from SDRF/NDRF. Such expenditure met from SDRF/NDRF has a direct impact on reduction of revenue/capital expenditure.



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