Preface

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

Chapters 1 and 2 of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2010. Information has also been obtained from the Government of Orissa, wherever necessary. Chapter 3 on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

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

Executive Summary

Background

This Report on the Finances of the Government of Orissa is being brought out with a view to assess objectively the financial performance of the State during 2009-10 and to provide the State Government and State Legislature with timely inputs based on audit analysis of financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government Fiscal Responsibilities and Budget Management (FRBM) Act, 2005 and in the Budget Estimates of 2009-10.

The Comptroller and Auditor General (C&AG) of India has been commenting upon the Government's finances for over four years since the FRBM legislation. Since these comments formed part of the civil audit report, it was felt that the audit findings on State finances remained relatively obscure in the large body of audit findings on compliance and performance audits. Accordingly, from the report year 2009 onwards, C&AG had decided to bring out a separate volume titled "Report on State Finances". This Report is the second in this endeavour.

The report

Based on the audited accounts of the State Government for the year ending March 2010, this report provides an analytical review of the Annual Accounts of the State Government. The financial performance of the State has been assessed based on the FRBM Act and Fiscal Correction Path of the Government, budget documents, Twelfth Finance Commission (TFC) recommendations and other financial data obtained from various Government departments and organisations. The report is structured in three chapters.

Chapter 1 is based on the audit of Finance Accounts and makes an assessment of Orissa Government's fiscal position as at 31 March 2010. It provides an insight into trends in committed expenditure, borrowing pattern besides a brief account of central funds transferred directly to the State implementing agencies through off-budget route.

Chapter 2 is based on audit of Appropriation Accounts and it gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter 3 is an inventory of Government's compliance with various reporting requirements and financial rules. The report also has an appendage of additional data collected from several sources in support

of the findings. Appendix 4.1 at the end gives a glossary of selected terms related to State economy, as used in this report.

Audit findings and recommendations

Revenue Receipts*:** The Revenue receipts grew by only 7 *per cent* in 2009-10 over the previous year compared to 28 *per cent* in 2006-07 to 12 *per cent* in 2008-09. The low growth was due to marginal increase in central tax transfers and negligible increase in State's own non-tax revenue. The growth rate of the State's own revenue relative to GSDP was sluggish (0.524 *per cent*) during the current year due to overall slowdown in the economy which impacted State's own taxes and also the State's share of union taxes leading to decline in the fiscal position of the State. Government should mobilize additional resources through tax and non-tax revenue by expanding the tax base and rationalising the user charges, collection of arrears of revenue and cost recovery of maintenance expenditure of the irrigation projects as recommended by the TFC and realizing interest receipts on loans extended to the public sector undertakings ***(Paragraphs 1.3 and 1.6.5).

Revenue Expenditure*:** Revenue Expenditure (RE) has increased by 19 *per cent* over the previous year and constituted 87 *per cent* of the total expenditure during 2009-10 and Non-Plan Revenue Expenditure (NPRE) constituted 78 *per cent* of RE. The NPRE increased by 24 *per cent* over the previous year and exceeded the State Government's FCP assessment by 20 *per cent* and TFC's normative assessment of 27 *per cent* but it remained within the Budget Estimates (2009-10). The increase in NPRE was mainly due to increase (25 *per cent*) in committed expenditure under salary, pension, subsidies and interest payments. Expenditure on salaries at 42 *per cent* of RE net of interest payments and pension exceeded the TFC's projection of 35 *per cent* and there was rise in subsidy costs by 36 *per cent* during the year ***(Paragraphs 1.4.1 and 1.4.2).

Government may phase out implicit subsidies and resort to need-based borrowings to reduce interest payments and contain the growth of unproductive non-plan revenue expenditure. Government may also consider reduction in subsidy payments to PSUs etc. for boosting their operational efficiency.

Return to fiscal correction

Fiscal position of the State viewed in terms of trends in deficit indicators revealed deterioration in 2009-10 as revenue surplus and primary surplus declined and fiscal deficit increased over the previous year.

The significant gap between the growth rates of the revenue receipts (*7 per cent*) and revenue expenditure (19 *per cent*) over the previous year resulted in deterioration of revenue surplus to ₹ 1138 crore during

2009-10 from ₹ 3420 crore in 2008-09. The fiscal deficit increased from ₹ 334 crore in 2008-09 to ₹ 2226 crore in 2009-10 due to increase in revenue expenditure. Primary surplus declined from ₹ 2555 crore in 2008-09 to ₹ 778 crore in 2009-10. However, the fiscal deficit remained at 1.5 *per cent* of GSDP which was within the State's FRBM target.

Built upon early gains in achieving deficit targets, the government continued to consolidate the same in the current year (2009-10) despite an overall slump in the economy in the country as a whole and pressure on the committed expenditure due to implementation of the Sixth Pay Commission award and higher food subsidy costs due to introduction of rupees two a kilo of rice for the disadvantaged segment of the population. Given the robustness of the economy, the State can still achieve the FRBM targets with concerted efforts through better tax compliance, reductions in tax-collection costs, focusing on regaining revenue arrears ***(Paragraph 1.3.3)*** and by pruning unproductive expenditure.

Greater priority to capital expenditure: The Capital Expenditure (CE) decreased by 3.5 *per cent* over the previous year. The CE was 2.42 *per cent* of GSDP as against TFC's projection of 3.1 *per cent* for 2009-10 and 2.65 *per cent* under Medium Term Fiscal Plan (MTFP). Government may consider strengthening the State infrastructure for intake of higher capital expenditure and re-prioritise its outlays for asset formation and sustainable development of the State as per their Fiscal Policy Strategy Statement for 2009-10 and in view of lower achievement of target set by TFC and MTFP for 2009-10

Review of Government investments: The average return on Government's investments in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives was 8.98 *per cent* in the last five years while Government paid interest at an average rate of 8.26 *per cent* on its borrowings during 2005-10 ***(Paragraph 1.6.3)***. No interest was received during 2009-10 from the Public Sector Undertakings and co-operatives etc on the outstanding loans of ₹ 3377 crore advanced to them is a matter of concern ***(Paragraph 1.6.5)***. It would be advisable for the State Government to ensure better value for money in investments otherwise high cost borrowed funds invested in projects with low financial return will continue to strain the State economy. It would also be prudent to review the working of state public sector undertakings which are incurring huge losses and work out either a revival strategy (for those which can be made viable) or close them down (if they are not likely to be viable given the current market conditions). The Thirteenth Finance Commission also recommended that the State Government draw up a road map for closure of non working public sector undertakings (PSUs) by March 2011.

Prudent cash management: The State had a huge surplus cash balance and investing the same in Government of India (GoI) Treasury Bills with Reserve Bank of India with low interest rates ***(Paragraph 1.6.6)***. One option for prudent cash management would be to maintain optimum cash balances (minimum: ₹ 1.28 crore) with RBI by advance planning and use the surpluses to settle some of the high cost debt.

Debt sustainability: Currently the State Government is not facing any debt crisis because the fiscal deficit is in a manageable position of 1.5 *per cent* of GSDP and most of the indicators of debt sustainability are positive ***(Paragraph 1.8)***. However, the resource gap is negative showing that there is mismatch between incremental non-debt receipts and incremental expenditure. If this resource gap widens in the coming years, then there may be a cause for concern for corrective action. Another concern is that fresh borrowings seem to be used towards debt repayment and not for capital asset formation. Hence repayment of these borrowings in future years would not be met from funds generated through assets.

Oversight of funds transferred directly from the GoI to the State implementing agencies: GoI directly transferred substantial amount of grant-in-aid to the State Implementing Agencies for implementation of different schemes, which is fraught with the risk of poor oversight. Unless uniform accounting practices are followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers. A system has to be put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Principal Accountant General (A&E) ***(Paragraph 1.2.2)***.

Financial Management and Budgetary Control

During 2009-10, there was overall savings of ₹ 7000.46 crore as a result of savings of ₹ 7000.63 crore offset by excess of ₹ 0.17 crore in two grants under Revenue Section and one grant under Capital Section which needs regularization under Article 205 of the Constitution of India ***(Paragraph 2.2 and 2.3.7).*** The savings were mainly due to slow programme implementation. There were instances of savings exceeding ₹ 10 crore in 16 grants which included huge savings of ₹ 3004.64 crore in ten cases under nine grants ***(Paragraph 2.3.1).*** There were persistent savings up to 47 *per cent* in 10 grants during 2005-10 ***(Paragraph 2.3.2)***. There were also instances of excess expenditure and expenditure without provision of funds, unnecessary/excessive/inadequate supplementary provision, substantial surrenders, non surrender of anticipated savings and rush of expenditure during the current year. Instances of rush of expenditure during the last month of the financial year and non-recoupment of advances from the Contingency Fund persisted despite the same being

pointed out in earlier Audit Reports ***(Paragraphs 2.3.14 and 2.4)***. Besides, huge amounts drawn for specific purposes were lying unspent by transfer credit to 8443-Civil Deposits-800 Other Deposits ***(Paragraph 2.3.5)***.

Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issue of re-appropriation / surrender statement should be avoided.

Financial reporting

State Government's compliance with various rules procedures and directives was unsatisfactory as evident from delays in furnishing utilization certificates against the grants from various grantee institutions ***(Paragraph 3.1)***. Delays were also noticed in submission of annual accounts by some departmental undertakings ***(Paragraph 3.4)***. There were instances of misappropriation, losses and defalcations which were pending for settlement ***(Paragraph 3.5)***. Departmental enquiries in such cases should be expedited to bring the defaulters to book. Internal controls in all the organizations should be strengthened to prevent occurrence of such cases in future.

The Controlling Officers did not submit the Detailed Contingent Bills against the advances drawn on Abstract Contingent Bills upto 31 March 2010 ***(Paragraph 3.6)***. Non reconciliation of expenditure figures persisted with some of the departments of the Government despite the same being regularly pointed out in the Audit Reports of C&AG ***(Paragraph 3.7).*** Large amount of unspent balance were lying in 1,609 Personal Deposit (PD) Accounts and were not credited back to Government Account ***(Paragraph 3.8)***.

A rigorous monitoring mechanism should be put in place by the DDOs to adjust the abstract contingent bills in time and maintain the PD Accounts as required under the extant rules.

Chapter 1

Finances of the State Government

Profile of Orissa

Covering an area of 1.56 lakh square kilometre Orissa is situated on the east coast of the country with a projected population of 4.02 crore during 2009-10 (3.68 crore as per 2001 census). However, Orissa has a lower population density compared to all India average. In terms of compound annual growth rate (CAGR) of Gross State Domestic Product (GSDP) for the period 2001-09 Orissa has shown a higher growth of nearly 15 *per cent* compared to around 13 *per cent* in the case of other general category of States[1]. ***Appendix 1.1*** captures a brief social and economic profile of the State which shows the State is less developed in terms of social indicators like prevalence of poverty, infant mortality, literacy, life expectancy (at birth) rates etc.

1.1 Introduction

This chapter provides a broad perspective of the finances of the State Government of Orissa during 2009-10 and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. The structure of Government Account and the layout of Finance Accounts are given at the ***Appendix 1.2***. Besides, keeping in line with the recommendations of the Twelfth Finance Commission, the State Government had also enacted its own 'Fiscal Responsibility and Budget Management (FRBM) Act, 2005' ***(Appendix 1.3)*** and developed its own Fiscal Correction Path (FCP) indicating the milestones of outcome indicators for the period 2004-10 ***(Appendix 1.4)*** to ensure prudent and improved fiscal management and to maintain fiscal stability of the State. FCP detailed the structural means required for mobilising additional resources and identified areas where expenditure could be compressed to achieve the targets set out in FRBM Act.

1.1.1 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2009-10) vis-à-vis the previous year while

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The abbreviations used in this report have been expanded in the *Glossary of terms (and basis of calculation) and Acronyms used in the Report* at **Appendix – 4.1** at page **111**

[1] Andhra Pradesh, Bihar, Chattisgarh, Gujrat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharastra, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal

Appendix 1.5 provides overall fiscal position and ***Appendix-1.6*** *shows* details of receipts and disbursement during the current year.

Table 1.1 Summary of Current Year's Fiscal Operations

(Rupees in crore)

Receipt			Disbursement				
	2008-09	2009-10		2008-09	2009-10		
Section A	**Total**	**Total**	**Section A**	**Total**	**Non Plan**	**Plan**	**Total**
Revenue receipts*	24610.01	26430.21	Revenue expenditure	21190.12	19676.49	5615.10	25291.59
Tax revenue	7995.20	8982.34	General services	6961.87	9204.32	80.83	9285.15
Non-tax revenue	3176.15	3212.20	Social services	8284.41	6601.70	3236.51	9838.21
Share of Union Taxes/ Duties	8279.96	8518.65	Economic services	5551.08	3464.65	2297.75	5762.40
Grants from Government of India	5158.70	5717.02	Grants-in-aid and Contributions	392.76	405.82	----	405.82
Section B			**Section B**				
Misc. Capital Receipts	--	--	Capital Outlay	3779.17	391.12	3256.76	3647.88
Recoveries of Loans and Advances	236.21	356.36	Loans and Advances disbursed	210.97	82.79	29.69	112.48
Public Debt receipts**	1151.66	1650.12	Repayment of Public Debt*	1492.61			1488.69
Contingency Fund	301.34	11.07	Contingency Fund	261.07			198.97
Public Account receipts	11833.90	11735.46	Public Account disbursements	10895.52			9849.43
Opening Cash Balance	9385.79	9689.45	Closing Cash Balance	9689.45			9283.63
Total	**47518.91**	**49872.67**		**47518.91**			**49872.67**

Source: Finance Accounts for the respective years.

Analysis of the Table above disclosed the following:

Revenue Receipts increased by ₹ 1820 crore (7 *per cent*) in 2009-10 over the previous year. The increase was mainly contributed by own tax revenue (₹ 987 crore), State's share of Union Taxes and Duties (₹ 239 crore) and Grants-in-aid from GoI (₹ 558 crore). ***The revenue receipts of ₹ 26430 crore were (38 per cent) higher than the assessment made by State Government in its Fiscal Correction Path (₹ 19220 crore) but lower than Medium Term Fiscal Plan (₹ 27678 crore) - five per cent approximately.***

Total expenditure increased by ₹ 3872 crore (15 *per cent*) during 2009-10 over the previous year of which increase in Revenue expenditure was ₹ 4102 crore (19 *per cent*) ***set off by decrease in capital expenditure including loans and advances disbursed by ₹ 230 crore (6 per cent).***

Public debt receipts increased by ₹ 498 crore (43 per cent) while public debt disbursements came down only by ₹ 4 crore (0.2 *per cent*) resulting in a net increase of ₹ 502 crore (44 *per cent*) in public debt during 2009-10.

* does not include ₹ 3637.87 crore directly transferred to Non Government Organisations/ Voluntary Organisations in Orissa by Government of India (GoI)

** Excluding net transactions under Ways and Means advances and overdraft.

Public Account receipts (₹ 11735 crore) decreased by ₹ 98 crore (0.8 *per cent*) mainly due to decrease in Remittances (₹ 660 crore), Deposits and Advances (₹ 102 crore) set off by increase in reserve fund (₹ 203 crore) and increase in Small Savings and Provident Fund (₹ 441 crore). Public Account disbursements (₹ 9849 crore) on the other hand decreased by ₹ 1047 crore (10 *per cent*) mainly due to decrease under Remittances (₹ 703 crore), and Small Savings and Provident Fund (₹ 238 crore). ***Thus, there was net increase in the Public Account receipts by ₹ 1886 crore during the year.***

Cash balance of the State decreased by ₹406 crore mainly because of decrease in cash balance investment by ₹ 1030 crore, decrease in Departmental cash balance by ₹ 5.60 crore set off by increase in deposit with Reserve Bank of India (₹ 629 crore).

The actual realisation of tax revenue (₹ 8982 crore) and Non-tax revenue (₹ 3212 crore) during 2009-10 was higher than the normative assessment of Twelfth Finance Commission (TFC) as well as the projection made in Fiscal Correction Path (FCP) / Medium Term Fiscal Plan (MTFP).

1.1.2 Budget estimates and actuals

Compared to the budget estimates for 2009-10, there was considerable variation between budget estimates and actuals in the case of several key parameters. **Chart 1.1 and Table 1.2** presents the budget estimates and actuals for some important parameters.

Chart-1.1 : Selected Fiscal Parameter: Budget Estimates vis-a-vis Actuals

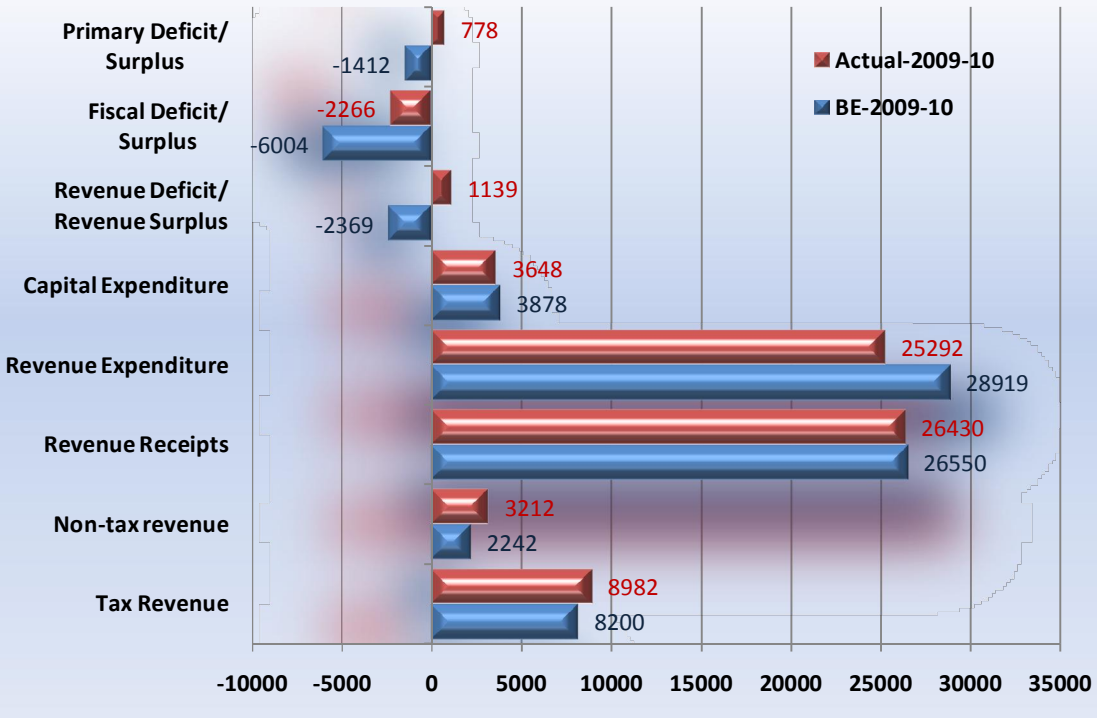


Table 1.2: Variation in Budget Estimates and Actuals

(Rupees in crore)

Variation	Budget Estimates	Actual	Increase (+) /Decrease (-)	Percentage increase (+) / decrease (-)
Tax Revenue	8200	8982	(+)782	(+)9.53
Non-Tax Revenue	2242	3212	(+)970	(+)43.26
Revenue Receipts	26550	26430	(-)120	(-)0.5
Revenue Expenditure	**28919**	**25292**	**(-)3627**	**(-)12.54**
Capital Expenditure	3878	3648	(-)230	(-)5.93
Revenue Deficit(-)/Surplus(+)	-2369	1138	(+)3508	(+)148.08
Fiscal Deficit(-)/Surplus(+)	-6004	-2266	(+)3738	(+)62
Primary Deficit(-) /Surplus (+)	-1412	778	(+)2190	(+)155

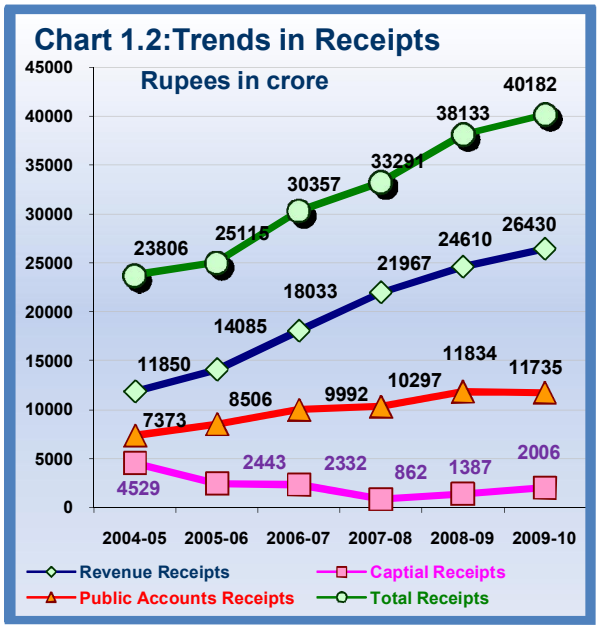
Source: Orissa Budget at a Glance 2009-10 and Finance Accounts (2009-10)

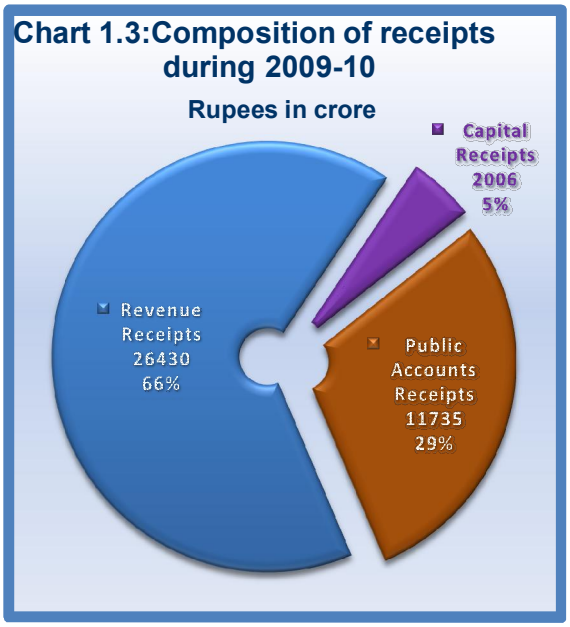
As may be observed from **Chart 1.1** and **Table 1.2** the actual revenue receipts has marginally decreased by 0.5 *per cent* while actual own tax revenue and non tax revenue increased by 10 and 43 *per cent*. Revenue expenditure registered a decrease of 13 *per cent* over the budgeted provision. Resultantly, the estimated revenue deficit turned into revenue surplus. However, decrease in actual capital expenditure by six *per cent* indicated that the planned asset formation fell short of the target. ***Variation in revenue surplus by more than 100 per cent and fiscal surplus by 62 per cent and a huge variation in primary surplus was also observed.***

1.2 Resources of the State

1.2.1 Resources of the State

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the Government of India (GoI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI as well as accruals from Public Account. **Table 1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2004-10. **Chart 1.3** depicts the composition of resources of the State during the current year.





During 2005-2010, total receipts increased by 60 *per cent* from ₹ 25115 crore in 2005-06 to ₹ 40182 crore in 2009-10, of which increase of Revenue Receipts was by 88 *per cent* from ₹ 14085 crore to ₹ 26430 crore during the period. The share of Revenue Receipts as percentage of total receipts increased steadily from 56 *per cent* in 2005-06 to 66 *per cent* in 2009-10. The share of capital receipts witnessed a fall from 10 *per cent* in 2005-06 to five *per cent* in 2009-10 mainly due to consistent reduction in public debt receipts during the period. The percentage share of Public Account Receipts declined from 34 *per cent* in 2005-06 to 29 *per cent* in 2009-2010. The rate of growth of Revenue Receipts varied from 19 *per cent* in 2005-06 to 7.40 *per cent* in 2009-10. Revenue Buoyancy Ratio also varied from 1.79 in 2005-06 to 0.314 in 2009-10.

1.2.2 Funds Transferred to State Implementing Agencies outside the State Budgets

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies for the implementation of various Central schemes/programmes and externally aided projects in social and economic sectors recognized as critical. As these funds are not routed through the State Budget/State Treasury System, Annual Finance Accounts do not capture the flow of these funds and to that extent, State's receipts and expenditure as well as other fiscal variables/parameters derived from them are underestimated.

To present a holistic picture on availability of aggregate resources, funds directly transferred by GoI to State Implementing Agencies during 2009-10 are ₹ 3637.86 crore (**Appendix-1.7**) for implementation of various Centrally Sponsored Plan schemes which among others included ₹ 630.60 crore (Sarva Shiksha Abhiyan), ₹ 460.26 crore(Rural Housing Scheme (IAY), ₹ 501.49 crore (National Rural Employment Guarantee Scheme), ₹ 791.35 crore (Pradhan Mantri Gram Sadak Yojana) etc. Considering that the direct transfers

are so large (14 *per cent* of State's revenue receipts) it is imperative that the end use of this fund is monitored in a timely manner by both the Union and State Governments so that the intended outcomes are actually realized. However, ***direct transfers from the GoI to the State implementing agencies run the risk of poor oversight. Unless uniform accounting practices are followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers.***

1.2.3 Debt waiver under Debt Consolidation and Relief Facilities

The Twelfth Finance Commission has framed a scheme of debt relief of Central loans named Debt Consolidation and Relief Facilities (DCRF) based on fiscal performance of the State linked to the reduction of deficits of the States. Under the scheme, the repayments due on Central loans from 2005-06 to 2009-10, after consolidation and reschedulement will be eligible for write off. The amount sanctioned by GoI as debt relief each year was to be adjusted by showing repayment of Central loans and crediting the amount to the head of account '0075-Miscellaneous Receipts'. The State was eligible for the benefit subject to fulfillment of certain conditions, viz. legislating FRBM Act, gradual abolition of revenue deficit by 2008-09, bringing annual reduction targets for fiscal deficit, bringing out the Annual Fiscal Policy Strategy Statement etc. As assessed by the TFC in the case of Orissa, the amount of repayment due for the period 2005-10 after consolidation and reschedulement was ₹ 1751.29 crore. The ratio of total repayment to average revenue deficit (2001-04) is 0.71 by which repayments was to be written off for every rupee reduction in revenue deficit. Thus, the annual repayment due was ₹ 350.26 crore. During 2005-10, GoI sanctioned ₹ 1527.60 crore as debt relief for Government of Orissa as detailed in the ***Table 1.3*** below:

Table 1.3: Debt relief due and received (2005-10) by State Government

(Rupees in crore)

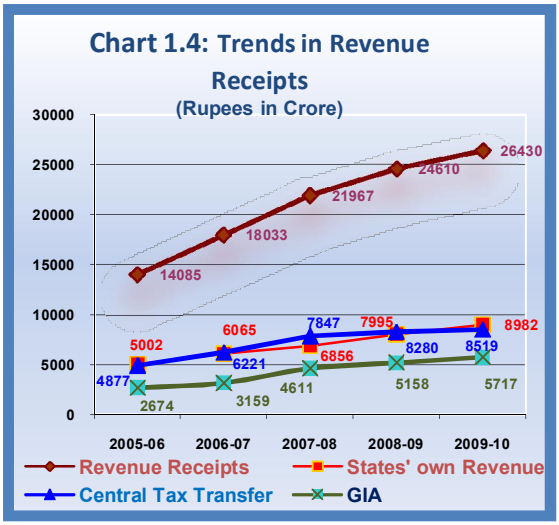
Year	Debt relief due as per TFC recommendation	Debt relief sanctioned by GoI
2005-2006	350.26	0
2006-2007	350.26	763.80
2007-2008	350.26	381.90
2008-2009	350.26	381.90
2009-2010	350.26	0
Total	**1751.30**	**1527.60**

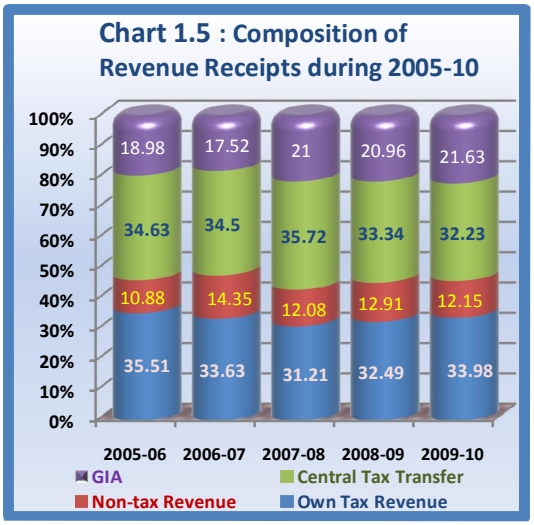
Thus there was shortfall of ₹ 223.70 crore in receipt of the benefit of debt relief scheme, and the loss of non-tax revenue receipts to that extent, was due to non-fulfillment of the conditionalities for receiving the debt relief, by the State Government.

1.3 Revenue Receipts

Statement 11 of the Finance Accounts depicts the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues,

central tax transfers and grants-in-aid from GoI. The trends and composition of revenue receipts over the period 2005-10 are shown in ***Appendix 1.5*** and also depicted in **Chart 1.4** and **1.5** respectively.





Revenue receipts showed progressive increase from ₹ 14085 crore in 2005-06 to ₹ 26430 crore in 2009-10. On an average 46 *per cent* of Revenue came from States own resources and the balance was from GoI in the form of States share of taxes and grants-in-aid. An increase of ₹ 987 crore (12 *per cent*) in own tax revenue, ₹ 36 crore (one *per cent*) in non-tax revenue, ₹ 239 crore (three *per cent*) in State's share in Union taxes and ₹ 559 crore (11 *per cent*) in GoI's grants-in-aid resulted in increase of ₹ 1820 crore in Revenue Receipts during 2009-10.

Though there was increase in Revenue Receipts from 2005-06 to 2009-10, yet the annual growth rate has come down from 28 per cent in 2006-07 to 7 per cent in 2009-10. The sluggish growth in Revenue Receipts was due to overall slowdown in the economy which impacted State's own taxes and also the State's share of Union Taxes.

The trends in Revenue Receipts relative to GSDP are presented in **Table 1.4** below:

Table 1.4: Trends in Revenue Receipts relative to GSDP *

	2005-06	2006-07	2007-08	2008-09	2009-10
Gross State Domestic Product (GSDP) (Rupees in crore)	**78953(P)**	**93374(Q)**	**106466(A)**	**122165**	**150946(A)**
Revenue Receipts (RR) (Rupees in crore) **	**14085**	**18033**	**21967**	**24610**	**26430**
Rate of growth of RR (*per cent*)	18.86	28.03	21.82	12.03	7.40

	2005-06	2006-07	2007-08	2008-09	2009-10
R R/GSDP (*per cent)*	17.84	19.31	20.63	20.14	17.51
Buoyancy Ratios[2]					
Revenue Buoyancy with respect to GSDP	1.790	1.535	1.556	0.816	0.314
State's Own Tax Buoyancy with respect to GSDP	1.875	1.163	0.930	1.127	0.524

P: Provisional Estimate, Q: Quick Estimate, A: Advance Estimate.
*** GSDP source: Directorate of Economics and Statistics, Government of Orissa.**
**** Do not include GoI funds transferred to Non-Government organizations and others.**

As GSDP grows, the potential to increase State's own taxes is also possible. ***For the period 2005-06 to 2008-09 the growth in State's own taxes was proportional to the growth of GSDP. In fact during 2005-06, state's own taxes were buoyant that for every one per cent growth of GSDP, there was nearly two per cent growth of State's own tax. However, in the current year the situation got altered drastically as the State's own taxes was only half of the growth of the GSDP. There is a potential for the State Government to increase its collection in keeping with the growth of GSDP.***

During 2009-10, ***Central tax transfers*** increased by ₹ 239 crore over previous year and constituted 32 *per cent* of revenue receipts during 2009-10. The increase was mainly under Corporate Tax (₹ 790.81 crore), Taxes on income other than Corporation Tax (₹ 247.89 crore) counter balanced by decrease in Union Excise Duties (₹ 420.03 crore) and Customs Duties (₹ 390.56 crore). The Grants-in-aid from GoI increased (₹ 559 crore) from ₹ 5158 crore in 2008-09 to ₹ 5717 crore in 2009-10. The increase was under Grants for Non-Plan Schemes (₹ 387.35 crore), State Plan Schemes (₹ 144.21 crore), Central Plan schemes (₹ 47.70 crore). Besides, as per recommendations of Twelfth Finance Commission, the GoI released ₹ 709.93 crore during 2009-10 under Non-Plan Grants (**Table 1.5**). The release of such grants vis-à-vis the recommendation of TFC for the following purposes during 2009-10 was as below:

Table 1.5: Release of TFC grants by GoI

(Rupees in crore)

Purpose	Amount recommended by TFC	Amount released by GoI	Shortfall in release
Top up Grants for Education sector under major head 2202	76.89	76.89	0.00
Top up Grants under major head 2210 and 2211	48.25	24.13	24.12
Maintenance of Roads and Bridges	368.77	368.77	0.00
Maintenance of Public Buildings	97.29	48.64	48.65
Maintenance of Forests	15.00	15.00	0.00
Calamity Relief Fund	254.27	176.50	77.77
Total	**860.47**	**709.93**	**150.54**

Source: Finance Accounts 2009-10
Note: This does not include amounts recommended for Local Bodies and amount received there against.

[2] Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 0.6 implies that revenue receipts tend to increase by 0.6 percentage points, if the GSDP increases by one *per cent.*

There was a shortfall in release of grants by GoI under (i) Health Sector (₹ 24.12 crore), Maintenance of Public Buildings (₹ 48.65 crore) and Calamity Relief Fund (₹ 77.77 crore). The full amount was not released by GoI as the conditions for releasing the grants were not fulfilled.

1.3.1 State's Own Resources

The States share in Central Taxes and Grants-in-Aid is determined on the basis of recommendation of the Finance Commission, collection of Central Tax receipts, Central Assistance for plan schemes etc. The States own resources comprised revenue from its own tax and non-tax source.

The gross collection in respect of States major taxes and duties as well as the components of non-tax receipts vis-à-vis budget estimates, the expenditure incurred on their collection and the percentage of such expenditure to the gross collection during the years from 2007-08 to 2009-10 along with the respective all India average are presented in ***Appendix-1.8.***

1.3.1.1 Tax Revenue

The compound annual growth rate (CAGR) of tax revenue for 2000-09 of the State was higher as compared to other General Category States (***Appendix 1.1***). The tax revenue increased by over 12 *per cent* during the current year (₹ 8992 crore) over the previous year (₹ 7995 crore). The revenue through Taxes on Sales, Trade etc. (₹ 5409 crore) was the main source of States own tax revenue and registered an increase of 13 *per cent* over the previous year followed by increase under State Excise (₹ 849 crore) nine *per cent*, Taxes on Goods and Passengers (₹ 815 crore) 28 *per cent*, Taxes on Vehicles (₹ 611 crore) set off by decrease in Stamps and Registration fee by ₹ 136 crore and Land Revenue ₹ 56 crore.

1.3.1.2 Non-tax Revenue

The compound annual growth rate of non-tax revenue (2000-09) of the State was also higher as compared to General Category States (***Appendix 1.1***). Non-tax Revenue (₹ 3212 crore) which constituted 12 *per cent* of total Revenue Receipts during 2009-10 increased only by ₹ 36 crore over previous year. The increase was mainly under Non-Ferrous Mining and Metallurgy Industries (₹ 640.16 crore), Other Administrative Service by ₹ 47.11 crore set off by decrease in Interest Receipts by ₹ 275.44 crore and Forestry and Wild Life by ₹ 30.25 crore and non receipt of of ₹ 381.90 crore from GoI under the debt consolidation relief facility (DCRF) scheme as was received during the previous year under the recommendation of Twelfth Finance Commission.

The mobilization of Own Tax Revenue (OTR) and Own Non Tax Revenue (ONTR) during 2009-10 (**Table1.6**) exceeded the normative assessment of TFC and State Government in its FCP and MTFP as below:

Table 1.6: Mobilisation of OTR and ONTR

(Rupees in crore)

	Assessment made by TFC	Assessment made by State Government in		Actuals
		FCP	MTFP	
State's own Tax Revenue	7156	7156	8920	8982
State's own Non-Tax Revenue	1979	1373	2912	3312

The receipts under tax revenue and non-tax revenue during 2009-10 exceeded the assessments made by the State Government in their FCP and MTFP and also the projections of the TFC.

1.3.2 Under assessment/short levy and loss of revenue.

Cases of under assessment/short levy and loss of revenue aggregating ₹ 1164.78 crore (2.48 lakh cases) as revealed from the test check of records of 321 units during 2009-10 are depicted in **Table 1.7.**

Table: 1.7: Cases of under assessment and short levy of revenue for the year 2009-10

Sl No	Nature of receipts	Name of the Department	No of units checked	No of cases	Amount (Rupees in crore)
1	Sales tax/VAT/Entry Tax/Profession Tax/Entertainment Tax and Luxury Tax	Finance	56	23365	118.83
2	Tax on Motor Vehicles	Transport	27	170691	74.92
3	Land Revenue	Revenue and Disaster Management	96	16893	167.63
4	Stamp Duty and Registration Fees			29108	232.88
5	State Excise	Excise	27	1936	46.29
6	Forest Receipt	Forest and Environment	51	4487	6.70
7	Mining receipts	Steel and Mines	20	356	269.95
8	Other departmental receipts	Cooperation	44	246	3.65
		Energy		514	230.62
		GA(Rent)		41	9.07
		Health and Family Welfare		1	0.14
		Steel and Mines		7	0.46
		Works		3	3.64
	Total		**321**	**247648**	**1164.78**

Source: C&AG's Audit Report(Revenue Receipts) for the year ended 31 March 2010 on Government of Orissa.

1.3.3 Revenue Arrears

Arrears of revenue pending recovery as at the end of 31 March 2010 worked out to ₹ 5186.75 crore, out of which ₹ 863.50 crore are more than five years old. However, year wise analysis of arrears was not available. Department-wise status of the significant cases of arrears of revenue during the year 2009-10 is given in **Table 1.8.** Lack of proper action by the Department resulted in accumulated arrears of revenue

Table:1.8: Cases of arrears of revenue during the year 2009-10

(Rupees in crore)

Sl No.	Name of the Department	Nature of Revenue	Amount of Arrears as on 31March 2010	Arrears more than five years old	Remarks
1.	Finance	(i) Sales Tax / VAT	3715.31	839.27	The arrears are due to recoveries stayed by Departmental authorities and Courts.
		(ii) Entertainment Tax	6.81	5.25	
		(iii) Entry Tax	116.76	18.98	
2.	Revenue and Disaster Management	Land Revenue	32.28	NA	Arrears on account of Rent, Cess, Nistar cess, Sairat etc.
3.	Water Resources	Water rates	139.33	NA	Arrears due from Industrial and Irrigation water rate.
4.	Energy		1060.88	NA	Due to certificate proceedings and litigation pending in various judicial authorities.
5.	Commerce and Transport	Taxes on vehicles	115.38	NA	Due to certificate proceedings and litigation pending in various judicial authorities etc.
		Total	**5186.75**	**863.50**	

Source: Office of the A G (CW&RA) 2009-10. **NA :** Not Available

For commercial viability of Irrigation projects, the TFC recommended (para 6.23) cost recovery of maintenance expenditure at the rates of 60 *per cent* in 2006-07, 70 *per cent* in 2007-08, 80 *per cent* in 2008-09 and 90 *per cent* in 2009-10 for the purpose of projection and revenues. The position of revenue receipts vis-à-vis the maintenance expenditure (**Table 1.9**) of irrigation projects during 2006-10 in the State was as below:

Table 1.9: Cost recovery of Maintenance Expenditure

(Rupees in crore)

Year	Expenditure incurred under the Major Head of Account				Revenue receipt under the Major Head of Account				Shortfall in cost of recovery at prescribed rates
	2700 Major Irrigation	2701 Medium Irrigation	2702 Minor Irrigation	Total	0700 Major Irrigation	0701 Medium Irrigation	0702 Minor Irrigation	Total	
2006-07	105.83	18.08	72.81	196.72	1.51	48.24	4.46	54.21	63.82
2007-08	128.36	43.12	256.50	427.98	1.75	41.97	4.96	48.68	250.91
2008-09	84.49	45.89	152.36	282.74	1.85	45.56	5.32	52.73	173.46
2009-10	61.59	24.22	149.02	234.83	3.39	62.08	4.40	69.87	141.48
Total	**380.27**	**131.31**	**630.69**	**1142.27**	**8.50**	**197.85**	**19.14**	**225.49**	**629.67**

Source: Finance Accounts of the respective years

There was shortfall in recovery of maintenance cost at prescribed rates in all the years during 2006-10 which aggregated to ₹ 629.67 crore.

1.4 Application of Resources

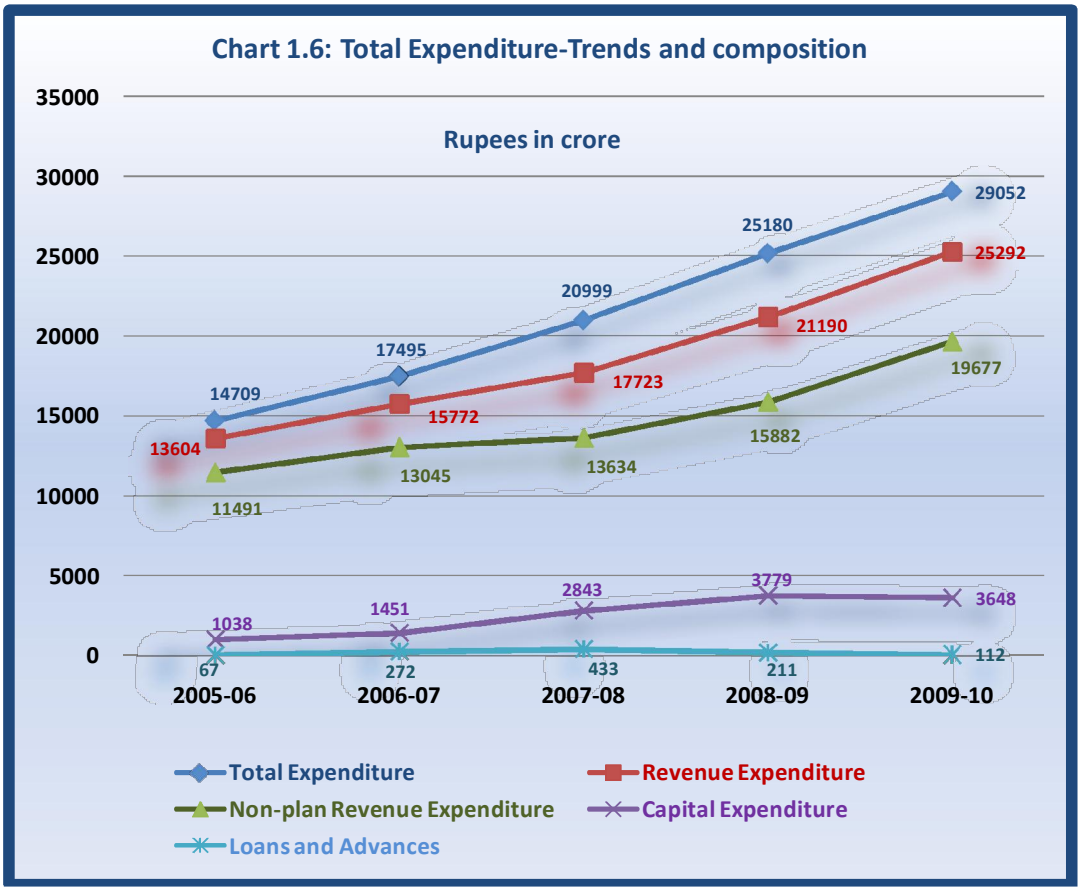
Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are

budgetary constraints in raising public expenditure financed by deficit or borrowings.

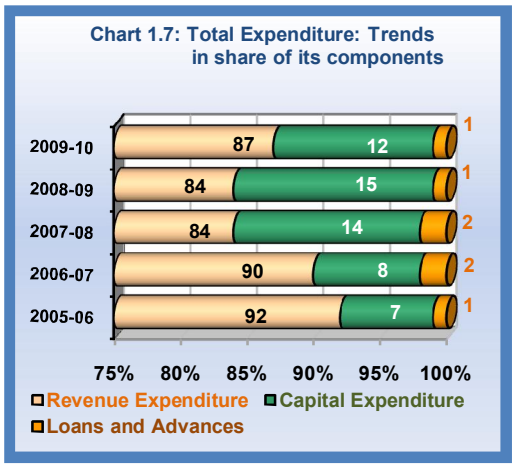
It is therefore important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially expenditure diverted towards development and social sectors.

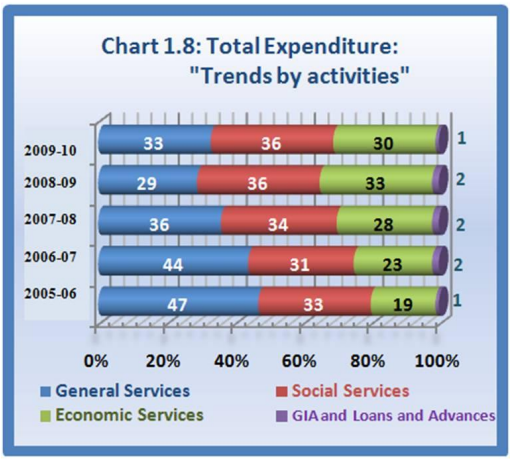
1.4.1 Growth and Composition of Expenditure

Chart 1.6 presents the trends in total expenditure over a period of five years (2005-10) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted respectively in **Charts 1.7 and 1.8.**



Total Expenditure of the State which includes, Revenue Expenditure, Capital Expenditure and Loans and Advances increased from ₹ 14709 crore in 2005-06 to ₹ 29052 crore in 2009-10. The increase of ₹ 3872 crore in total expenditure in 2009-10 over the previous year was on account of an increase in revenue expenditure by ₹ 4102 crore together with a decline of ₹ 131 crore in Capital Expenditure and ₹ 99 crore in disbursement of Loans and Advances. ***However, the total expenditure was 19.25 per cent of GSDP during 2009-10 which exceeded Twelfth Finance Commission's normative assessment of 16.30 per cent.***





1.4.1.1 Total Expenditure

Total Expenditure (TE) consisted of expenditure on General Services including Interest Payments, Social and Economic Services, Grants-in-Aid and Loans and Advances. The movement of relative shares of the component of expenditure indicated in **Chart 1.8** showed that while the combined shares of Social Services and Economic Services increased from 52 *per cent* in 2005-06 to 66 *per cent* in 2009-10 in total expenditure, the increase was set off by decrease in the respective share of General Services and of Loans and Advances.

1.4.1.2 Revenue Expenditure

Revenue Expenditure (RE) is incurred to maintain the current level of services and payment of the past obligation and as such does not result in any addition to the State's infrastructure and service network. Revenue Expenditure had a predominant share of 92 *per cent* in 2005-06 to 87 *per cent* in 2009-10 of total expenditure. During 2009-10, it increased (19 *per cent*) from ₹ 21190 crore in 2008-09 to ₹ 25292 crore in 2009-10. ***As against TFCs normative assessment of 13.20 per cent of GSDP, it constituted 16.76 per cent during the current year. Besides, it also exceeded State Government's FCP norm (₹ 19061 crore) by 33 per cent.***

1.4.1.3 Non-Plan Revenue Expenditure

Non-Plan Revenue Expenditure (NPRE) as a proportion of Revenue expenditure, increased from ₹ 11491 crore in 2005-06 to ₹ 19677 crore (71 *per cent*) in 2009-10. Out of the total increase of ₹ 4102 crore in Revenue Expenditure during the current year over the previous year, increase in NPRE contributed 93 *per cent* (₹ 3795 crore) and remaining ₹ 307 crore (7 *per cent*) was the Plan Revenue Expenditure (PRE). The increase in NPRE during the current year was mainly on Education, Sports and Culture (₹ 887 crore) and Agriculture and Allied Activities (₹ 395 crore). However during the current year, NPRE has exceeded the assessment made by the State Government in FCP by 20 *per cent* and TFC's normative assessment by 27 *per cent* but it

remained within the Budget Estimate (₹ 22595 crore) for 2009-10 (**Table 1.10**) below.

Table 1.10: Comparative assessments of RE and NPRE

(Per cent of GSDP)

	Assessment made by TFC	Assessment made by Government in FCP	Budget Estimate for 2009-10	Actual in 2009-10
Revenue Expenditure	13.20	12.63	19.16	16.76
NPRE	10.23	10.88	14.97	13.04

Note: Absolute amounts converted into percentage of GSDP (₹ 150946 crore) for 2009-10.

The ratio of NPRE to Total Expenditure contributed 68 *per cent* of total expenditure of the State during 2009-10 as a result of which its ratio with Revenue Expenditure declined from 92 *per cent* in 2005-06 to 87 *per cent* in the current year indicating reduction in current year's consumption.

1.4.1.4 Capital Expenditure

Capital Expenditure (CE) of the State as proportion of Aggregate Expenditure ranged from seven *per cent* (₹ 1038 crore) in 2005-06 to ₹ 3648[3] crore (13 *per cent*) in 2009-10 ***was far below the level of capital expenditure incurred by other general category states on an average (****vide paragraph 1.5.1****). Capital Expenditure showed a decrease of 3.5 per cent during 2009-10 over the previous year*** mainly on account of decrease in expenditure on Water Supply, Sanitation (₹ 423 crore) and Transport and Communication (₹ 47 crore), Energy (₹ 15.2 crore) and General Economic Services (₹ 64.33 crore) set off by increase in Industry and Minerals (₹ 325 crore) and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Castes (₹ 41 crore). ***The CE was 2.42 per cent of GSDP as against TFC's Projection of 3.1 per cent and 2.65 per cent under MTFP for 2009-10. The decrease in capital expenditure during 2009-10 over the previous year was contrary to the Fiscal Policy Strategy Statement of the State Government for 2009-10 which made a strategy in general to enhance the capital expenditure in all sectors.***

1.4.2 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.11** and **Chart 1.9** present the trends in the expenditure on these components during 2005-10.

[3] This includes ₹ 294.19 lakh conversion of loan paid to OSFC (Major Head – 6885) earlier into Share Capital by debit to Capital Account (Major Head-4885).

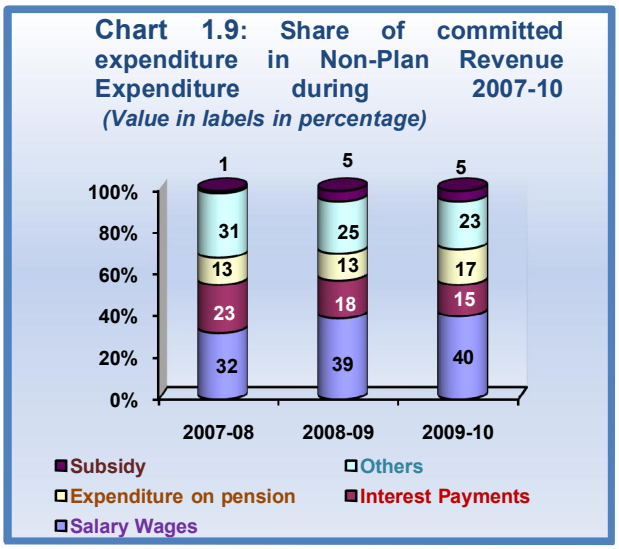
Table-1.11: Components of Committed Expenditure

(Rupees in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10	
					BE	Actuals
Salaries* & Wages , *Of which*	4002 (28)	4028 (22)	4582 (21)	6524 (27)	10866	7945
Non-Plan Head	3774	3816	4333	6220	9771	7484
Plan Head**	228	212	249	304	1095	461
Interest Payments	3697 (26)	3188 (18)	3169 (14)	2889 (12)	4593	3044
Expenditure on Pensions	1339 (10)	1485 (9)	1801 (8)	2075 (8)	3991	3283
Subsidies	83 (0.6)	170 (0.9)	148 (0.7)	743 (3.02)	955	1008
Other Components	Nil	Nil	Nil	Nil	Nil	Nil
Total	**9121**	**8871**	**9700**	**12231**		**15280**

Figures in the parentheses indicate *percent*age to Revenue Receipts
* *also includes the salaries paid out of grants-in-aid,*
** *also includes the salaries and wages paid under Centrally Sponsored Schemes.*
Source: Finance Accounts 2009-10 and Budget at a glance 2010-11.

1.4.2.1 Salaries



The expenditure on salaries increased from ₹ 4002 crore in 2005-06 to ₹ 7945 crore in 2009-10 accounting for nearly 30 per cent of revenue receipts and 40 per cent of the NPRE of the State Government during the year. The steep increase of ₹ 1421 crore over the previous year was attributable mainly to implementation of the recommendations of Sixth Pay Commission for State Government employees leading to substantial increase in expenditure on salary and pensions during the year. ***Expenditure on salaries as a percentage of revenue expenditure net of interest payments and pension amounted to 42 per cent during 2009-10 which was seven per cent more than the TFC's projection of 35 per cent and was 27 per cent of State's FCP projection of ₹ 5133.79 crore.***

1.4.2.2 Interest Payments

The major source of borrowing was Market loans at interest rates varying from six *per cent* to 13 *per cent*. The interest payments during the current year (₹ 3044 crore) increased moderately by ₹ 155 crore over the previous year (₹ 2889 crore) and remained lower than the projections made in FCP (₹ 3773 crore) and TFC and Budget Estimates (₹ 4593 crore) for the year 2009-10.

During 2009-10 the ratio of interest payments to total Revenue receipt was 12 per cent which was much lower than the projections of 16 per cent in MTFP, 20 per cent in FCP and 15 per cent in TFC for 2009-10.

1.4.2.3 Pensions

The expenditure on pension steeply increased during 2005-06 to 2009-10 by 145 *per cent* from ₹ 1339 crore in 2005-06 to ₹ 3283 crore in 2009-10. Pension payments during the current year increased by ₹ 1208 crore over the previous year mainly on account of finalization of pension revision cases and grant of dearness relief and due to implementation of recommendations of Sixth Pay Commission for the State Government pensioners. The State Government did not estimate yearly pension liabilities on actuarial basis. ***The pension payment during the current year was higher than the projection made by TFC and FCP (₹ 2574 crore) for the year[4] and MTFP (₹ 2796 crore).***

The Government introduced a Defined Contributory Pension Scheme for all employees recruited on or after 1 January 2005 for managing the future pension liability. An amount of ₹ 11.79 crore being the employees contribution is kept under Public Accounts (8432-Other Deposits). ***However, the State Government's contribution was yet to be credited to the account.***

1.4.2.4 Subsidies

The State Government has been giving subsidies to various corporations/ companies as well as to individuals in the form of food subsidy etc. The State Government in its MTFP for 2007-08, aimed to rationalize general subsidy and reduce their overall volume gradually at a rate of 10 *per cent* per annum beginning from 2005-06. The TFC (Para 6.29) recommended a provision of ₹ 36.71 crore for food subsidy for the State during 2009-10. ***However, the expenditure on subsidies increased from ₹ 743 crore in 2008-09 to ₹ 1008 crore (over 36 per cent) in 2009-10*** which included food subsidy of ₹ 853 crore due to introduction of rupees two a kilo of rice for the people living below poverty line and other subsidies under Agriculture (₹ 40 crore), Textile and Handloom (₹ 22.5 crore). ***Thus, the State Government far exceeded the projections made by TFC.***

The ratio of non-interest committed expenditure was within the 55 per cent of State's own and Mandated Revenue (State's share in central taxes) as prescribed in the State's FRBM Act, 2005.

1.4.3 Financial Assistance by State Government to local bodies and other institutions

The quantum of assistance provided by way of grants to local bodies and others during the current year relative to the previous years is presented in the **Table 1.12** below:

[4] There are 278361 different categories of State Pensioners drawing pensions.
Source: Finance Accounts – Statement-12

Table 1.12: Financial Assistance to Local Bodies etc.

(Rupees in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	538	489	467	355	697
Municipal Corporations and Municipalities	95	48	483	487	645
Zilla Parishads and Other Panchayati Raj Institutions	231	1510	1535	2388	3062
Development Agencies	409	400	256	278	88
Other Institutions (Autonomous bodies)	510	972	1117	1914	2230
Total	**1783**	**3419**	**3858**	**5422**	**6722**
Assistance as per percentage of RE	13	22	22	26	28

Source: for H&UD, P.R Department and worked out from Group Heads compiled by the O/o the Pr. AG (A&E), Orissa

The grants extended to local bodies and other institutions with inter year variations increased by 24 *per cent* from ₹ 5422 crore in 2008-09 to ₹ 6722 crore in 2009-10. The share of grants and loans to the revenue expenditure increased from 13 p*er cent* in 2005-06 to 28 *per cent* in the current year. Another important trend was that the share of financial assistance to Zilla Parishads and other Panchayati Raj institutions increased by ₹ 674 crore over previous year. The share of other institutions also increased to ₹ 2230 crore during the current year against ₹ 1914 crore in 2008-09. The share of assistance to educational institutions also increased by ₹ 342 crore as compared to the previous year.

1.5 Quality of Expenditure

The availability of better infrastructure in the social, educational and health sector in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (i.e. adequate provisions for providing public services), efficiency of expenditure use and the effectiveness (assessment of outlay-outcome relationships for selected services).

1.5.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if it is below the respective national average. **Table 1.13** analyses the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2009-10.

Table 1.13: Fiscal Priority and Fiscal capacity of the State in 2005-06 and 2009-10.

Fiscal Priority by the State	AE/GSDP	DE#/AE	SSE/AE	CE/AE	Education/AE	Health/AE
General Category States Average (Ratio) 2005-06	17.75	61.76	30.76	13.97	14.95	4.05
Orissa State's Average (Ratio) 2005-06	18.75	51.90	32.65	7.06	15.73	3.18
General Category States Average (Ratio) 2009-10	18.24	66.05	35.76	14.85	16.21	4.28
Orissa State's Average (Ratio) 2009-10	19.25	65.95	35.97	12.56	29.12	4.93

AE: Aggregate Expenditure, **DE**: Development Expenditure, **SSE**: Social Sector Expenditure, **CE:** Capital Expenditure
Development expenditure includes Development Revenue expenditure, Development Capital Expenditure and Loans & Advance disbursed.
Source: For GSDP, the information was collected from the State's Director of Economics and Statistics.

As shown in **Table 1.13**, the comparison of fiscal priority given to different categories of expenditure of the State in 2005-06 (the first year of award period of TFC) and current year 2009-10 (terminal year of the TFC award period) is given below:

- The ratios of AE to GSDP in 2005-06 and 2009-10 (18.75 *per cent* and 19.25 *per cent*) were higher in the State as compared to general category States (17.75 *per cent* and 18.24 *per cent)* indicating that Government of Orissa has relatively higher public expenditure as a proportion of GSDP than other general category states.

- As far as development expenditure is concerned, the State Government has given lower priority in both the years under consideration compared to other general category states. However, higher priority has been given to social services expenditure as compared to expenditure on economic services[5].

- The ratios of expenditure on Education to AE (15.73 *per cent* and 29.12 *per cent*) in 2005-06 and 2009-10 were higher than the ratio (14.95 *per cent* and 16.21 *per cent*) of general category States. But expenditure on Health during 2005-06 (3.18 *per cent*) was lower than the general category States (4.05 *per cent*). However, there was higher achievement during 2009-10 (4.93 *per cent*) than the general category States (4.28 *per cent*).
- The ratio of CE to AE (7.06 *per cent and 12.56 per cent*) in 2005-06 and 2009-10 was much lower than the ratio of general category States (13.97 *per cent and* 14.85 *per cent*). Unless there is a greater focus on CE, productive assets with a revenue generating ability may not be created and the State would remain less developed than other states.

However, since the State has lower literacy level and higher infant mortality rate and prevalence of higher poverty levels compared to all India figures (Appendix 1.1), care should be taken to ensure better utilisation of the funds so that the outcomes are actually achieved.

[5] Since Development Expenditure = Social Services expenditure + Economic Services expenditure.

1.5.2 Efficiency of Expenditure use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods[6]. Apart from improving the allocation towards development expenditure[7], particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.14** presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year vis-à-vis budgeted and the previous years, **Table 1.15** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table 1.14: Development Expenditure

(Rupees in crore)

Components of Development Expenditure	2005-06	2006-07	2007-08	2008-09	2009-10	
					(BE)	(Actuals)
Development Expenditure (a to c)						
a. Development Revenue Expenditure (DRE)	6631 (45)	7997 (46)	10145 (48)	13835 (55)	17188 (52)	15600 (54)
b. Development Capital Expenditure (DCE)	985 (7)	1328 (8)	2711 (13)	3595 (14)	3423 (10)	3470 (12)
c. Development Loans and Advances	17.18 (0.12)	138 (0.79)	301 (1.43)	122 (0.5)	NA	89 (0.3)
TOTAL	**7634**	**9463**	**13157**	**17552**		**19159**

Figures in parentheses indicate *percent*age to aggregate expenditure; NA:- Not available
***Source:-** Orissa Budget at a Glance 2010-11 and Finance Accounts 2009-10.

Development Expenditure comprising revenue, capital and expenditure on loans and advances on socio-economic services increased from ₹ 7634 crore in 2005-06 to ₹ 19159 crore in 2009-10. As a percentage of total expenditure, it increased from 52 *per cent* in 2005-06 to 66 *per cent* in 2009-10. The Development Expenditure increased by nine *per cent* over the previous year.

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6 Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

7 The analysis of expenditure data is disaggregated into development and non development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.

Expenditure on Social sector increased by 19 *per cent* from ₹ 8284 crore in 2008-09 to ₹ 9838 crore in 2009-10, while the Economic sector increased by four *per cent* from ₹ 5551 crore in 2008-09 to ₹ 5762 crore in 2009-10.

Development Revenue and Capital Expenditure shows increasing trend since 2005-06 except in case of Development Capital Expenditure during the current year. ***During 2009-10 in absolute terms, while development revenue expenditure increased by ₹ 1766 crore (13 per cent), development capital expenditure decreased by ₹ 125 crore (three per cent) over the previous year.***

However, expenditure on Development loans and advances showed decreasing trend since 2008-09. The increase in development revenue expenditure during 2009-10 over the previous year was mainly due to increase under Education (₹ 1027 crore), Health and Family Welfare (₹ 224 crore), Agriculture and allied activities (₹ 350 crore) and Transport (₹ 52crore). As far as Development Capital Expenditure is concerned there was an increase in 2008-09 when DE/AE was 14 *per* cent. However a marginal decrease to 12 *per cent* was observed in 2009-10. The decrease in capital expenditure during 2009-10 over the last year was mainly due to decrease under Water Supply and Sanitation (₹ 423 crore) and Transport (₹ 47 crore) etc.

Table 1.15: Efficiency of Expenditure Use in Selected Social and Economic Services

(In per cent)

Social / Economic Infrastructure	2008-09			2009-10		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S &W	O&M		S&W	O &M
Social Services (SS)						
General Education	0.08	64.74	NA	0.15	61.76	NA
Health and Family Welfare	1.59	72.74	NA	2.10	74.90	NA
Water Supplies, Sanitation & Housing & Urban Development	57.45	9.27	98.93	32.03	8.45	34.41
Total (SS)	**9.97**	**47.10**	**1.76**	**5.38**	**47.77**	**2.70**
Economic Services (ES)						
Agriculture & Allied Activities	3.12	30.84	NA	4.03	31.22	NA
Irrigation and Flood Control	73.18	21.09	18.79	71.31	23.10	8.68
Power & Energy	7.57	0.90	NA	8.55	3.24	NA
Transport	52.09	0.35	NA	49.45	0.42	NA
Total (ES)	**32.22**	**19.42**	**1.88**	**33.38**	**20.76**	**0.92**
Total (SS+ES)	**20.48**	**35.99**	**1.81**	**18.11**	**37.80**	**2.04**

TE: Total Expenditure; **CE**: Capital Expenditure; **RE**: Revenue Expenditure; **S&W**: Salaries and Wages; **O&M**: Operations & Maintenance. O&M figures are not available in General Education, Health and Family Welfare, Water Supplies & Sanitation, Agriculture & Allied Activities, Power & Energy and Transport Departments.
Source: Finance Accounts of Government of Orissa

Access to basic education, health services and drinking water and sanitation facilities are strong indicators of socio economic progress. Further, expenditure on Economic services includes all such services that promote directly and indirectly productive capacity within the State by improving the quality of human resources. Therefore, it is pertinent to make an assessment with regard to expansion and efficient provision of these services in the State. **Table 1.15** summarizes percentage of expenditure under different components

of economic and social services sector incurred by the State Government in expanding and maintaining social and economic services in the State during 2008-09 and 2009-10.

The expenditure on Social Services during 2009-10 (₹ 10401 crore) constituting 36 *per cent* of total expenditure (₹ 29052 crore) has increased by 13 *per cent* from ₹ 9208 crore in 2008-09 and was 54 *per cent* of Development Expenditure (₹ 19159 crore). Operation and maintenance expenditure increased only by 0.94 *per cent* indicating that Revenue Expenditure on salaries continued to share a dominant proportion of Revenue Expenditure on Social Services. The Capital Expenditure on Social Services relative to the total expenditure showed a significant decrease (4.59 *per cent*) over the previous year. The revenue expenditure on Social Services of ₹ 9838 crore during the current year registered a significant increase of ₹ 1554 crore (19 *per cent*) over the previous year's ₹ 8284 crore.

Recognizing the need to improve the quality of education and health services, TFC recommended that the salary expenditure under Education and Health & Family Welfare should increase by six and five *per cent* respectively while non salary expenditure should increase by 30 *per cent* per annum during the award period***. It was observed that the salary component in Education decreased by 2.98 per cent whereas Health & Family Welfare registered moderate growth rate of 2.16 per cent over the previous year.***

The expenditure on Economic Services includes all such expenditure that promotes directly or indirectly, productive capacity within the State's economy. During 2009-10, total expenditure under Economic Services (₹ 8709 crore) increased only by five *per cent* over previous year of ₹ 8288 crore. The expenditure on total economic services (₹ 8709 crore) accounted for 30 *per cent* of total expenditure and 45 *per cent* of development expenditure. ***However, the ratio of CE/TE on Irrigation sector decreased over that of previous year.***

1.5.3 Effectiveness of the Expenditure, i.e. Outlay-Outcome Relationship

Besides, stepping up the expenditure on key social and economic services, enhancing human development requires the State to improve the delivery mechanism to obtain the desired outcomes. The State Government is expected to relate expenditure to outcomes in terms of quality, reach and the impact of government expenditure. Details of outcome of the Central as well as State Government flagship programmes under implementation in the State is given at ***Appendix 1.9.***

1.6 Financial Analysis of Government Expenditure and Investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to

complete dependence on market based resources, the State Government needs to initiate measures to earn adequate return on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year vis-à-vis previous years.

1.6.1 Financial Results of Irrigation Works

The financial results of 57 Irrigation projects (12-Major and 45-Medium projects) with a capital expenditure of ₹ 3362.20 crore at the end of March 2010 showed that an amount of only ₹ 4.15 crore was realized from these projects during 2009-10 against the direct working expenses of ₹ 145.49 crore. ***After meeting the working and maintenance expenditure (₹ 146.15 crore) and interest charges (₹ 227.05 crore), the schemes suffered a net loss of ₹ 369.05 crore.***

1.6.2 Incomplete projects

The department-wise information pertaining to incomplete time overrun projects as on 31 March 2010 is given in **Table 1.16** as per the information furnished to audit by the concerned Departments.

Table 1.16: Department-wise Profile of Incomplete Projects

(Rupees in crore)

Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Total Cost of Projects	Cost Over Runs	Cumulative Actual Expenditure as on 31.3.2010
Sports and Youth Affairs	4	9.86	9.86	---	8.46
Water Resources	8	54.27	69.96	15.69	65.02
Works	1	3.83	3.83	---	2.04
Tourism	6	40.95	40.95	---	29.42
Housing & Urban Development	13	36.47	46.05	9.58	33.99
Total	**32**	**145.38**	**170.65**	**25.27**	**138.93**

Source: Details supplied by the respective Departments of Government of Orissa.

The delay in completion in respect of 21 projects has resulted in a cost overrun of ₹ 25.27 crore at the close of the current year. All the above 32 projects were lying incomplete due to non-availability of adequate funds and required lands. ***The amount blocked in these projects was 53 per cent of the cumulative outlay of those departments due to their non-completion within stipulated time frame not only the benefits to be accrued to the society are delayed but the cost to the exchequer also increased due to time overruns involved in their completion.***

1.6.3 Investment and returns

As of 31 March 2010, Government had invested ₹ 2106.95 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives **(Table 1.17)**. ***The average return on this investment was 7.73 per cent in the last three years while the Government paid an average interest rate of 8.18 per cent to 7.44 per cent on its borrowings during 2006-2009.***

Table 1.17: Return on Investment

(Rupees in crore)

Year	2005-06	2006-07	2007-08	2008-09	2009-10
Investment at the end of the year	1637.09	1652.14	1681.95	1771.20	2106.95
Return	120.59	49.39	140.93	252.85	250.78
*Percent*age of return	7.39	2.99	8.38	14.27	11.90
Average rate of interest on Government borrowing	9.92	8.18	8.13	7.44	7.63
Difference between interest rate and return	2.53	5.19	(-)0.25	(-)6.83	(-)4.27

The investment of State Government at the end of 2009-10 included ₹ 1748.18 crore in 83 Public Sector Undertakings comprising of 80 Government Companies (₹ 1255.72 crore) and three Statutory Corporations (₹ 492.46 crore). However, dividend of ₹ 250.78 crore was received from two Statutory Corporations (Orissa State Financial Corporation, Cuttack : ₹ 250 crore) (Orissa State Warehousing Corporation, Bhubaneswar : ₹ 11 lakh), two Government Companies (Orissa Mining Corporation Limited : ₹ 0.26 lakh and Orissa State Cashew Development Corporation Limited : ₹ 12 lakh) and Co-operative Societies (₹ 55 lakh) during 2009-10. ***The Grid Corporation with accumulated loss of ₹ 1028.14 crore as of 2004-05, Orissa State Road Transport Corporation (₹ 233.92 crore) as of 2003-04, Orissa State Financial Corporation (₹ 383.80 crore) as of 2004-05 were among the major loss making PSUs in the State.***

As per information furnished in the Orissa Budget at a Glance 2010-11, there are 32 working public sector undertakings in the State. ***However, the Thirteenth Finance Commission recommended the State Government to draw up a road map for closure of non working PSUs by March 2011.***

1.6.4 Departmentally run commercial undertaking

Activities of quasi-commercial nature are also performed by certain Government departments. The department-wise position of the investment made by the Government up to the year for which pro-forma accounts are finalized, net profits/loss as well as return on capital invested in this undertaking is given in **Table 1.18.**

Table 1.18: Summarized Financial Statement of Departmentally Managed Commercial/Quasi-commercial Undertakings

(Rupees in Lakhs)

Sl. No	Name of the Undertaking	Period of accounts	Mean Government capital	Block assets at depreciated cost	Depreciation provided during the Year	Turnover	Net profit/ Loss	Interest on Capital	Total return (9+10)	Percentage return on capital
1	2	4	5	6	7	8	9	10	11	12
1	Nationalization of Kendu Leaf trade operated by CCF (KL)Orissa	2001-02*	70.09	53.48	N.A	156.85	(-)102.53	4.91	(-)97.62	(-)139.281

***Proforma accounts not received after 2001-02.**

It is observed that:

- An amount of ₹ 70.09 lakh had been invested by the State Government in Nationalisation of Kendu Leaf trade operated by Chief Conservator (KL), Orissa at the end of financial year up to which their accounts were finalized.
- The accumulated loss of the departmentally run activity is ₹ 1.03 crore as against the total investment of ₹ 70.09 lakh.
- Comments on other departmentally managed undertakings are at para 3.4 of this report.

1.6.5 Loans and advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions / organizations. The Loans and Advances by the State Government decreased from ₹ 3377 crore in 2008-09 to ₹ 3133 crore in 2009-10. Major portion of loans advanced during 2009-10 was to Public Sector and Other Undertaking (₹ 47.22 crore), Animal Husbandry Co-operatives (₹ 10 crore), Village and Small Industries (₹ 28 crore) and to Government servants (₹ 23.98 crore). **Table 1.19** presents the outstanding loans and advances as on 31 March 2010 and interest receipts vis-à-vis interest payments during the last three years.

Table 1.19: Average Interest Received on Loans Advanced by the State Government

(Rupees in crore)

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2007-08	2008-09	2009-10
Opening Balance	**3325**	**3403**	**3377**
Amount advanced during the year	433	211	112
Amount repaid during the year	355	236	356
Closing Balance	**3403**	**3377**	**3133**
Of which outstanding balance for which terms and conditions have been settled			
Net addition	+78	(-)25	(-)244
Interest Receipts	114	80	0.21
Interest receipts as *per cent* to outstanding Loans and advances	3.35	2.37	0.01

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2007-08	2008-09	2009-10
Interest payments as *per cent* to outstanding fiscal liabilities of the State Government.	8.23	7.38	7.50
Difference between interest payments and interest receipts (*per cent*)	(-)4.88	(-)5.01	(-)7.49

Source : Finance Accounts of Government of Orissa for respective years

No interest was received from the Public Sector Undertakings during 2009-10 on the loans paid to them and as a result of which interest receipts to outstanding loans stood at 0.01 per cent during 2009-10 which was lower than the TFC's recommendation of gradual increase to seven per cent by the end of award period (2005-10). As per information furnished by 11 out of 25 departments of the State Government recovery of ₹ 851.52 crore (Principal ₹ 455.55 crore and interest ₹ 395.97 crore) was overdue as at the end of 2009-10. Details are available at Statement-7 of Finance Accounts 2009-10.

1.6.6 Cash balances and investment of cash balances

Table 1.20 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table-1.20: Cash Balances and Investment of Cash balances

(Rupees in crore)

Particulars Cash Balances	As on 1 April 2009	As on 31 March 2010	Increase(+)/ Decrease(-)
Investments from Cash Balances (a to d)	6333.15	4803.59	(-)1529.56
a. GoI Treasury Bills	6299.47	4766.75	(-)1532.72
b. GoI Securities	33.68	36.84	(+)3.16
c. Other Securities, if any	--	---	---
d. Other Investments	--	---	---
Funds-wise Break-up of Investment from Earmarked balances (a to c)	4313.00	4813.00	(+)500.00
a. Sinking Fund Investment	3833.00	4333.00	(+)500.00
b. Guarantee Redemption Fund Investment	480.00	480.00	---
c. Calamity Relief Fund Investment	--		
Interest Realized	516.57	335.49	-181.08

Source : Finance Accounts 2009-10

In line with the recommendation of the TFC, the State Government set up a sinking fund with effect from January 2003 for amortisation of market borrowing as well as other loans and debt obligations. The MTFP has made a projection for a provision of investment in the sinking fund at the rate of two *per cent* of the total outstanding debt at the end of each year. As on 31 March 2010, the investment in the sinking fund was ₹ 4333 crore.

The State Government maintained more than the mandated minimum cash balance (₹ 1.28 crore) including the cash balance investment in GoI treasury bills with the Reserve Bank of India. One option for prudent financial

management would be to maintain optimum cash balances and use the surpluses to settle some of the high cost bonds instead of investing the same in GoI Treasury bills with Reserve Bank of India at a low rate (5 *per cent*) of interest. ***The State Government's closing debt Stock (2009-10) included ₹ 7433 crore on issue of special securities to NSS Fund of GoI. The Securities in turn included ₹ 771 crore attracting interest at an average rate of 13 per cent per annum. Continued holding of such high cost securities had led to loss of ₹ 61.5 crore[8] during the year.***

1.7 Assets and Liabilities

1.7.1 Growth and composition of Assets and Liabilities

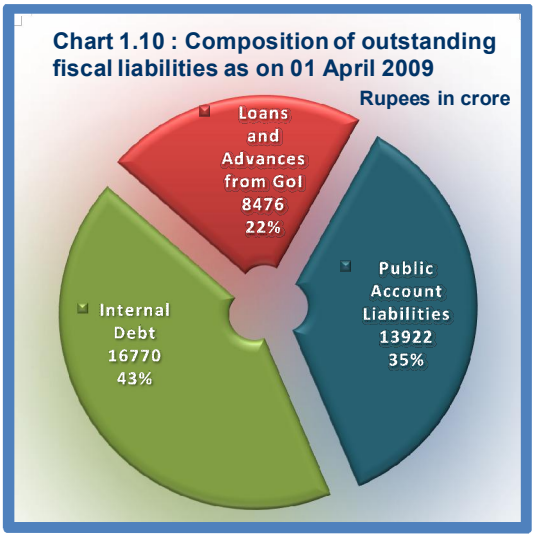
Under the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government Accounts does capture the financial liabilities of the Government and the assets created out of the expenditure incurred. ***Appendix 1.10*** gives an abstract of such liabilities and the assets as on 31 March 2010, compared with the corresponding position on 31 March 2009. The liabilities consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds and the assets comprise mainly the capital outlay and loans and advances given by the State Government and instruments in which surplus cash is invested.

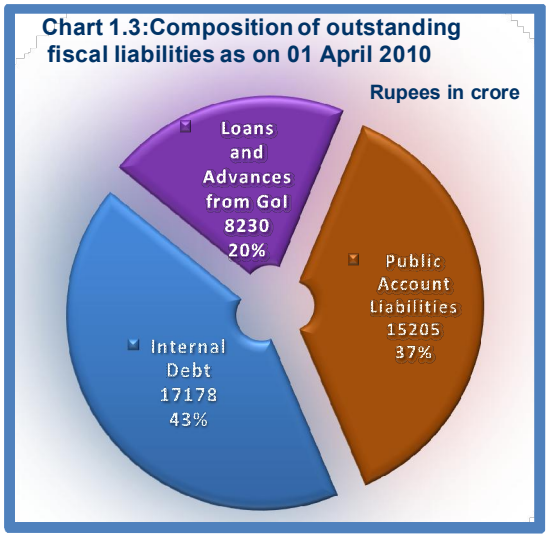
After 2006-07, Government has accumulated huge cash balances and liquidated the past liabilities especially GoI loans and also made significant improvement in their fiscal balances owing to increase in its own receipts and the central transfers which helped the State Government in improving the asset-liability ratio during these years. During the recent years assets have increased substantially. ***However, the ratio of assets to liabilities remained at 87 per cent indicating that 13 per cent of liabilities still did not have an asset back-up in 2009-10 despite the Revenue surplus which the State has been experiencing since 2005-06 was not enough to wipe out the gap.***

1.7.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in ***Appendix 1.5.*** However the compositions of fiscal liabilities during the current year vis-à-vis the previous year are presented in **Chart 1.10** and **1.11.**

[8] Difference between interest payment at 13 *per cent* per annum and accrual of interest at 5 *per cent* on investment of surplus cash balance in 14 days GoI treasury bills.





Fiscal liabilities as it stood on 1 April 2009 was ₹ 39168 crore comprising internal debt of ₹ 16770 crore (43 *per cent*), public accounts liability of ₹ 13922 crore (35 *per cent*) and loans and advance of ₹ 8476 crore (22 *per cent*) from GoI. However, it increased by ₹ 1445 crore to ₹ 40613 crore as of 31 March 2010. The fiscal liabilities comprised internal debt of ₹ 17178 (43 *per cent*), public account of ₹ 15205 crore (37 *per cent*) and loans and advances of ₹ 8230 crore (20 *per cent*) as at the end of 2009-10. The internal debt of ₹ 17178 crore comprised mainly of market loans bearing interest ₹ 6783 crore, loans from NABARD ₹ 1583 crore and special securities issued to NSSF ₹ 7433 crore. ***The Fiscal liabilities at the end of 2009-10 constituted 27 per cent of GSDP as against the TFC's recommendation of 28 per cent. However, the same was only 154 per cent of the revenue receipts of the State for 2009-10 as against the norm of 300 per cent prescribed in the State's FRBM Act, 2005. The Thirteenth Finance Commission has recommended (Chapter I, page 24) that by the year 2014-15 fiscal liability should be brought down to 25 per cent of GSDP. The Government may therefore, prepare a strategy for achieving this target.***

1.7.3 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended by the State Government.

As per Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table 1.21.**

Table 1.21: Guarantees given by the Government of Orissa

(Rupees in crore)

Guarantees	2007-08	2008-09	2009-10
Maximum amount guaranteed.	8586.90	8380.25	8388.64
Outstanding amount of guarantees.	2168.43	1386.40	1026.93
Percentage of maximum amount guaranteed to total revenue receipt of current year.	39.10	34.05	31.74
Percentage of outstanding guarantee to total revenue receipt of 2nd preceding year less grants-in-aid as provided in the MTFP	19.00	9.32	5.91
Criteria: Shall not be more than 100 per cent of State's revenue receipt of the 2nd preceding year as provided in Finance Department Resolution, dated 12 November 2002 and MTFP 2009-10	11411	14874	17356

Source : Finance Accounts of Government of Orissa for respective years

Though no law has been enacted under Article 293 of the Constitution laying down the limit of such guarantee, an administrative limit has been imposed (November 2002) so that the total outstanding guarantee as on 1 day of April every year shall not exceed hundred *per cent* of the State's revenue receipts of the 2nd preceding year (as per the books of account maintained by Accountant General (A & E), Orissa).

The Government has set up a "Guarantee Redemption Fund" during 2002-03 to meet the contingent liabilities arising out of the total outstanding liabilities. As on 31 March 2010, ₹ 480 crore has been invested in the Fund which comprised guarantee fee, special contribution and return earned on the funds invested.

Guarantees were given in respect of four Statutory Corporations, 27 Government Companies, 46 Co-operative Banks and Societies and 86 Notified Area Councils, Municipalities and Improvement Trusts. Maximum amount guaranteed and the amount outstanding against these bodies showed a reducing trend since 2006-07 to 2008-09 but increased marginally by rupees nine crore during 2009-10 as can be seen from the **Table 1.21** above. Government in their resolution dated 19 March 2004 have issued instruction to the Public Sector Undertakings/Urban Local Bodies/Co-operative Societies etc., who have borrowed or intended to borrow against Government guarantees to open an Escrow Account in a Nationalised Bank for timely repayment of guaranteed loans. ***So far, Escrow Accounts have been opened by 12 out of 88 institutions (31 March 2010).***

Further, in consideration of the guarantee given by the Government, the institutions in some cases are required to pay guarantee commission at rates varying from 0.01 *per cent* to *one per cent*. However, out of 27 departments only 14 departments of the State Government have furnished the information till July 2010. ***The guarantee commission or fee of ₹ 97.31 crore was in arrear from various sectors as shown in*** **Table 1.22.**

Table 1.22: Guarantee commission received by the Government.

(Rupees in crore)

Name of the Sector	Commission Received	Commission to be Received
Statutory Corporations and Boards	-	24.14
Government Companies	-	64.73
Co-op Banks and Societies	0.03	2.20
NACs, Municipalities and Improvement Trusts	-	6.24
Total	**0.03**	**97.31**

The State Government has also taken a number of steps to enhance the credibility of the State finances in the financial market. One such measure is discharging the State Government guarantees through one time settlement (OTS). So far, the State Government and various public sector undertakings, Co-operatives have paid ₹ 741.19 crore under OTS schemes to discharge guarantee liabilities arising out of the default of loanee organizations. ***This includes OTS of ₹ 203.15 crore [9] outstanding guaranteed loan dues of Orissa Rural Housing Development Corporation (ORHDC) through advancing loans to ORHDC by the Housing and Urban Development department during 2006-09. This indicated that the Corporation failed to repay the guaranteed loan from funds generated by it.***

1.8 Debt Sustainability

The State Government does not have any separate debt management office. Debt management is dealt in Finance Department of the Government by a specific branch which deals with management of the State Government Debt. The State Government has not adopted any policy/strategy on debt management. However, Guidelines of Government of India, Reserve Bank of India and recommendation of Finance Commissions helped the State Government in formulating a prudent policy.

Apart from the magnitude of the debt of the State Government, it is important to analyze various indicators that determine the debt sustainability[10] of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization[11]; sufficiency of non-debt receipts[12]; net

[9] Page- 249-Orissa Budget at a Glance 2009-10.

[10] Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt

[11] A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.

availability of borrowed funds[13]; interest burden payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.23** analyses the debt sustainability of the State according to these indicators for the period of three years beginning from 2007-08.

Table 1.23: Debt Sustainability: Indicators and Trends

(Rupees in crore)

Indicators of Debt Sustainability	2007-08	2008-09	2009-10
Debt Stabilization (Quantum Spread + Primary Deficit)	6816	5121	7017
Sufficiency of Non-debt Receipts (Resource Gap)	+499	-1657	-1932[14]
Net Availability of Borrowed Funds	(-)4109	(-)2772	(-)1745
Burden of Interest Payments (IP/RR Ratio)	0.14	0.12	0.12
Maturity Profile of State Debt (In Years)			
0 – 1	1438	1487	1701
1 – 3	3184	3961	4950
3 – 5	4660	4686	4938
5 – 7	4484	4587	3936
7 and above	11823	10526	9883

Source: Finance Accounts 2009-10.

During the last three year period 2007-10, quantum spread together with primary deficit consistently remained positive resulting in a continuous decline in debt/GSDP ratio from 36.19 *per cent* in 2007-08 to 26.91 *per cent* in 2009-10 (as against 30.8 *per cent* of TFC's projections in 2009-10). This is a positive sign that debt is tending to be stable.

Another indicator for debt stability and its sustainability is the adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The trends in **Table 1.23** reveal that the incremental non-debt receipts of the State had been able to meet the incremental interest liabilities and incremental primary expenditure during the period 2008-10. ***The positive resource gap during 2007-08 turned negative in the last two years (2008-10) mainly due to steep increase in non plan revenue expenditure by ₹ 2248 crore (2008-09) and ₹ 3795 crore (2009-10). The negative resource gap weakens the capacity of the State to sustain the debt.***

The debt sustainability of the State also depends on (i) the ratio of the debt redemption (Principal plus Interest Payments) to total debt receipts and (ii) application of available borrowed funds. The ratio of debt redemption to debt receipts indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds. The solution to

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12 Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

13 Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.

14 Differential total non debt revenue receipt of 2008-09 and 2009-10 minus differential total expenditure of 2008-09 and 2009-10.

the Government's debt problem lies in application of borrowed funds, i.e. they are (a) not being used for financing revenue expenditure and (b) being used efficiently and productively for capital expenditure which either provides returns directly or results in increased productivity of the economy in general which may result in increase in Government revenue.

During the current year, the Government repaid principal plus interest on account of internal debt of ₹ 2485 crore; Government of India loans of ₹ 1041 crore and also discharged other obligation of ₹ 2440 crore, as a result of which payments exceeded the receipts during the year. Throughout the period 2007-10 the debt repayment was higher than fresh borrowings. As far as the burden of interest payment is concerned, the state is in a comfortable position because the ratio of interest payment to revenue receipts is only 0.12 compared to the recommended ratio of 0.15 by Twelfth Finance Commission.

During the current year, the State Government raised internal debt amount to ₹ 1460 crore (NABARD and other institutions ₹ 704 crore and NSSF Securities: ₹ 756 crore). Against these receipts, Government discharged past debt obligation (Principal plus interest) amounting to ₹ 2485 crore resulting in negative net fund available under the debt account. During the current year, the Government repaid GoI loan including interest amounting to ₹ 1041 crore and also discharged other obligation of ₹ 2440 crore along with interest obligation, which were more than the total receipt resulting in negative net availability of funds during the year. The decreasing trend in the ratio of total debt receipts and debt redemption over the period indicate the State is moving towards debt stabilisation.

1.9 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government Account represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under FRBM Act/Rules for the financial year 2009-10.

1.9.1 Trends in Deficits

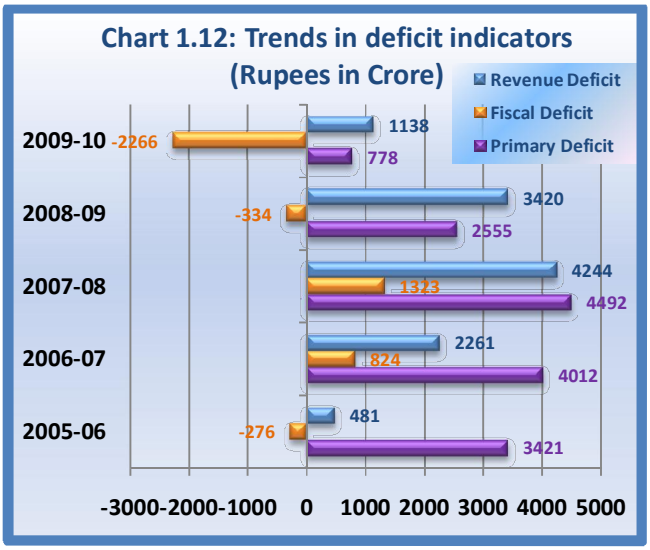
Table 1.24, **Chart 1.12** and **1.13** presents the trends in deficit indicators over the period 2005-10.

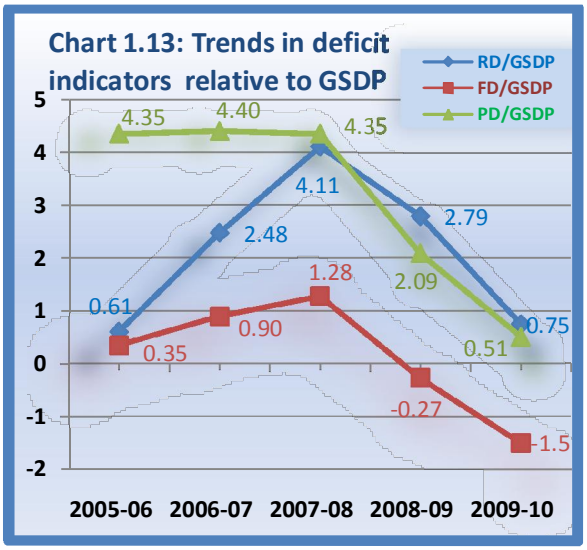
Table 1.24: Deficits

(Rupees in Crore)

Parameters	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue deficit (-)/surplus(+) (Rupees in crore)	(-) 522	(+) 481	(+) 2261	(+) 4244	(+) 3420	(+)1138
Fiscal deficit (-)/surplus(+) (Rupees in crore)	(-) 1366	(-) 276	(+) 824	(+) 1323	(-) 334	(-)2266
Primary deficit (-)/surplus(+) (Rupees in crore)	(+) 1966	(+) 3421	(+) 4012	(+) 4492	(+) 2555	(+)778
RD/GSDP (*per cent*)	(-) 0.73	(+) 0.61	(+) 2.48	(+) 4.11	(+) 2.79	(+)0.75
FD/GSDP (*per cent*)	(-) 1.91	(-) 0.35	(+) 0.90	(+) 1.28	(-) 0.27	(-)1.50
PD/GSDP (*per cent*)	(+) 2.75	(+) 4.35	(+) 4.40	(+) 4.35	(+) 2.09	(+)0.51
RD/FD (*per cent*)	(+)38.21	(-)174.28	(+)274.39	(+)320.78	(-)1023.95	(-)50.22

Source: Finance Accounts of Government of Orissa for respective years.





Revenue surplus

In the year 2005-06, after a gap of 22 years, the State has been able to achieve Revenue Surplus of ₹ 481 crore. This surplus has steeply increased to ₹ 4244 crore during 2007-08 and declined to ₹ 3420 crore during 2008-09 and further declined to ₹ 1138 crore during the current year. ***Thus, the achievement was in line with the State's FRBM Act, 2005 which prescribed reduction of revenue deficit to zero by 2008-09. However, the decline in revenue surplus in the current year was due to increase in the revenue expenditure of ₹ 4102 crore (19 per cent) and against an increase of revenue receipts of ₹ 1820 crore (7 per cent) over the previous year.*** The increase in revenue expenditure was attributable mainly to rise in salary and pension costs of the Government on account of implementation of Sixth Pay Commission and due to more expenditure under pension to Government servants, Non-Government teachers of secondary schools and colleges and more expenditure under General Education.

Fiscal deficit

The fiscal deficit, which comprises the total borrowing of the Government and its total resources gap consistently decreased from ₹ 1366 crore in 2004-05 to ₹ 276 crore in 2005-06 and formed into fiscal surplus in 2006-07 and 2007-08 ***and slipped back to fiscal deficit during 2008-09 and the same stood at ₹ 2266 crore (1.5 per cent of GSDP) in 2009-10 which was within the State's FRBM target of not more than three per cent of GSDP.***

Primary surplus

The primary surplus in the State of ₹ 3421 crore in 2005-06 has increased to ₹ 4492 crore in 2007-08 and decreased to ₹ 2555 crore in 2008-09 and further declined to ₹ 778 crore in ***2009-10 was however, lower by ₹ 3750 crore of three per cent of GSDP as prescribed in the State's FRBM Act, 2005.***

1.9.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1. 25.**

Table 1.25: Components of Fiscal Deficit and its Financing Pattern

(Rupees in crore)

	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Decomposition of Fiscal Deficit		**(-)276**	**824**	**1323**	**(-)334**	**(-)2266**
1	Revenue surplus	481	2261	4244	3420	1138
2	Capital Expenditure	(-)1038	(-)1451	(-)2843	(-)3779	(-)3648
3	Net Loans and Advances	281	14	(-)78	25	244
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	105	(-)788	(-) 874	(-)670	(-)571
2	Loans from GoI	(-)543	(-)39	(-) 343	74	(-)247
3	Special Securities Issued to NSSF	1396	1036	(-)106	67	610
4	Loans from Financial Institutions	99	(-)14	(-)15	189	369
5	Small Savings, PF etc	1348	598	399	459	1138
6	Reserve fund	(-)180	271	(-) 85	(-)52	1
7	Deposits and Advances	149	(-)66	83	576	145
8	Suspense and Misc	(-)1918	(-)1828	(-)1219	(-)522	1595
9	Remittances	4	(-)74	50	(-)1.00	41
10	Others					
11	Increase / decrease in cash Balance	(-) 265	218	673	174	(-)629
12	Net of OCF	81	(-)138	114	40	(-)188

*All these figures are net of disbursements/outflows during the year
Source : Finance Accounts of Government of Orissa for respective years

Decomposition of fiscal deficit/surplus shows ***fiscal surplus in 2006-07 turned into fiscal deficit in 2009-10 due to wide change in net capital***

expenditure (₹ 2197 crore). Fiscal deficit was primarily financed through loans from financial institutions, small savings and provident funds etc., deposits and advances and by reducing cash balances.

1.9.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. In the case of Orissa, there has been a revenue surplus since 2005-06. The bifurcation of the primary deficit **(Table 1.26)** would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.26: Primary deficit/Surplus – Bifurcation of factors

(Rupees in crore)

Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit (-) /surplus (+)	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (3-6)	8 (2-6)
2005-06	14433	9907	1038	67	11012	(-)1105	3421
2006-07	18319	12584	1451	272	14307	(-)1723	4012
2007-08	22322	14554	2843	433	17830	(-)3276	4492
2008-09	24846	18301	3779	211	22291	(-)3990	2555
2009-10	26786	22248	3648	112	26008	(-)3760	778

Source : Finance Accounts of Government of Orissa for respective years

During 2005-06 to 2009-10 non-debt receipts increased from ₹ 14433 crore to ₹ 26786 crore (86 *per cent*) against an increase of 125 *per cent* in Primary Revenue Expenditure. ***Capital expenditure, however during 2009-10 registered a decrease over the previous year.***

The bifurcation of the factors resulting into primary deficit or surplus of the State during 2005-10 reveals that the State is experiencing primary surplus during these years. In other words, non-debt receipts of the State were enough to meet the primary expenditure[15] requirements in the revenue account, rather left some receipts to meet the expenditure under the capital account.

[15] Primary expenditure of the State defined as the total expenditure net of the interest payments indicates the expenditure incurred on the transactions undertaken during the year.

1.10 Conclusion and Recommendations

Though there was increase in Revenue Receipts from 2005-06 to 2009-10, yet the annual growth rate has been decreased from 28 per cent in 2006-07 to 12 per cent in 2008-09 and further dipped to 7 per cent in 2009-10 ***(paragraph 1.3).*** This was due to lower growth rates in States own tax revenue (12.3 *per cent*), own non-tax revenue (1.1 *per cent*) and Central tax transfers (2.9 *per cent*) in 2009-10 from 16.6, 19.6 and 5.5 *per cent* respectively in 2008-09. The growth rate of the State's own revenue relative to GSDP was sluggish (0.524 *per cent*) during the current year due to overall slowdown in the economy which impacted State's own taxes and also the State's share of union taxes leading to decline in the fiscal position of the State.

Government should mobilize additional resources through tax and non-tax revenue by expanding the tax base, rationalising the user charges, collection of arrears of revenue and cost recovery of maintenance expenditure of the irrigation projects as recommended by the TFC

GoI directly transferred substantial amount of grant-in-aid to the State implementing agencies for implementation of different schemes in the State. This is fraught with the risk of poor oversight ***(Paragraph 1.2.2)***.

A system has to be put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Principal Accountant General (A&E).

The growth rate of the total expenditure of the State increased from ₹ 14709 crore (7.9 *per cent*) in 2005-06 to ₹ 29052 crore (15.3 *per cent*) in 2009-10. However, the total expenditure was 19.25 *per cent* of GSDP during 2009-10 which exceeded Twelfth Finance Commission's normative assessment of 16.30 *per cent* ***(Paragraph 1.4.1.1).***

Government may keep the total expenditure within the limits prescribed by the TFC by making fiscal correction.

Revenue Expenditure (RE) has increased by 19 *per cent* over the previous year and constituted 87 *per cent* of the total expenditure during 2009-10 and Non-Plan Revenue Expenditure (NPRE) constituted 78 *per cent* of RE. While the non plan revenue expenditure contributed 93 *per cent*, plan expenditure had the share of only 7 *per cent* in increase of the Revenue expenditure during 2009-10 over the previous year. The NPRE increased by 24 *per cent* over the previous year and exceeded the State Government's FCP assessment by 20 *per cent* and TFC's normative assessment of 27 *per cent* but it remained within the Budget Estimate (2009-10). Expenditure on salaries at 42 *per cent* of RE net of interest payments and pension exceeded the TFC's projection of 35 *per cent* and there was rise in subsidy costs by 36 *per cent* during the year ***(Paragraph 1.4.1 and 1.4.2).***

Government may phase out implicit subsidies and resort to need-based borrowings to reduce interest payments and contain the growth of unproductive non-plan revenue expenditure. Government may also consider

reduction in subsidy payments to PSUs etc. for boosting their operational efficiency.

Capital Expenditure of the State ranged from seven to 13 *per cent of* Aggregate Expenditure during 2005-10. It was far below the level of capital expenditure incurred by other general category states on an average. Capital Expenditure showed a decrease of 3.5 *per cent* during 2009-10 over the previous year ***(Paragraph 1.4.1.4).*** The Capital Expenditure was 2.42 *per cent* of GSDP as against TFC's Projection of 3.1 *per cent* for 2009-10 and 2.65 *per cent* under MTFP.

Government may strengthen the State infrastructure for intake of higher capital expenditure for asset formation and sustainable development of the State as per their Fiscal Policy Strategy Statement for 2009-10.

Financial results of Major and Medium Irrigation projects with a capital expenditure of ₹ 3362.20 crore at the end of March 2010 yielded return of only ₹ 4.15 crore during 2009-10 against the direct working expenses of ₹ 145.49 crore. After meeting the working and maintenance expenditure (₹ 146.15 crore) and interest charges (₹ 227.05 crore), the schemes suffered a net loss of ₹ 369.05 crore ***(Paragraph 1.6.1***).

The State Government may take effective steps to realize cost recovery of maintenance expenses as recommended by the TFC

The average return on investment was 11.5 *per cent* in the last three years while the Government paid an average interest rate of 8.18 *per cent* to 7.44 *per cent* on its borrowings during 2006-2009. However, during 2009-10 only five out of 83 concerns declared dividends and most of the concerns were either defunct or loss making units ***(Paragraph 1.6.3)***.

The State Government may draw up a road map for closure of non working PSUs by March 2011 as recommended by Thirteenth Finance Commission

Although a substantial amount (₹ 3133 crore) of loans were paid to various public sector undertakings etc., but no interest was received from them during 2009-10 as a result of which interest receipts to outstanding loans stood at 0.01 *per cent* during 2009-10 which was lower than the TFC's recommendation of gradual increase to seven *per cent* by the end of award period 2005-10 ***(Paragraph 1.6.5***).

Government may therefore, take effective action to realize the interest dues from the undertakings as per the terms and conditions of the payment of loans.

The State Government had been investing its huge surplus cash balances in the Treasury Bills of GoI with Reserve bank of India at low interest rates ***(Paragraph 1.6.6)***.

While maintaining an optimum cash balance (minimum: ₹ 1.28 crore) with the Reserve Bank of India, the State may with advance planning use the surpluses to settle some of the high cost loans instead of investing the same in GoI Treasury Bills in the Reserve Bank of India at low rates of interest.

Currently the State Government is not facing any debt crisis because the fiscal deficit is in a manageable position of 1.5 *per cent* of GSDP and most of the indicators of debt sustainability **(*paragraph 1.8*)** are positive. However, the resource gap (adequacy of incremental non debt receipts of the state to cover the incremental interest liabilities and incremental primary expenditure) is negative showing that there is mismatch between incremental non-debt receipts and incremental expenditure. If this resource gap widens in the coming years, then there may be a cause for concern for corrective action. Another concern is that fresh borrowing seems to be used towards debt repayment and not for capital asset formation. Hence repayment of these borrowings in future years would not be met out of funds generated from assets. No debt management office was available with the State Government for policy formulation and debt management of the State**.**

Government may consider for operationalising a separate debt management office to regulate the debt of the State.

Chapter 2

Financial Management and Budgetary Control

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services vis-à-vis those authorized by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts thus facilitate management of finances and monitoring of budgetary provisions and are therefore complementary to Finance Accounts.

2.1.2 Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorization given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instruction.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2009-10 against 42 grants/appropriations is given in **Table 2.1**:

Table 2.1: Summarized position of actual expenditure vis-à-vis Original/ supplementary provisions

(Rupees in crore)

	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	24799.10	1388.17	26187.27	21901.97	(-)4285.30
	II Capital	3789.73	884.81	4674.54	3706.34	(-)968.20
	III Loans and Advances	285.53	11.30	296.83	112.48	(-)184.35
Total Voted		**28874.36**	**2284.28**	**31158.64**	**25720.79**	**(-)5437.85**

	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Charged	IV Revenue	4635.42	502.38	5137.80	3581.79	(-)1556.01
	V Capital	5.30	9.18	14.48	9.31	(-)5.17
	VI Public Debt-Repayment	1486.37	3.75	1490.12	1488.69	(-)1.43
Total Charged		**6127.09**	**515.31**	**6642.40**	**5079.79**	**(-)1562.61**
Appropriation to Contingency Fund (if any)		**NIL**				
Grand Total		**35001.45**	**2799.59**	**37801.04**	**30800.58**	**(-)7000.46**

Source: Orissa Appropriation Act.2009 and Appropriation and Finance Accounts 2009-10.

The actual expenditure figures are gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under Revenue heads (₹ 192.18 crore) and Capital heads (₹ 67.77 crore). The overall saving of ₹ 7000.46 crore was the result of saving of ₹ 7000.63 crore in 37 grants and one appropriation under Revenue Section, 20 grants and two appropriations under Capital Section and offset by excess of ₹ 17 lakh in three grants under Revenue Section and one grant under Capital Section..

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit reveals that in 18 cases relating to 16 grants, savings exceeded ₹ 10 crore in each case or by more than 20 *per cent* of total provision (***Appendix 2.1***) aggregating to ₹ 3131.77 crore. However out of the above, substantial savings of ₹ 3004.64 crore (96 *per cent*) occurred in 10 cases relating to nine grants[1] as indicated in **Table 2.2.**

Table 2.2: List of Grants with savings exceeding ₹ 50 crore and above

(Rupees in crore)

Sl. No.	No. and Name of the Grant	Original	Supple-mentary	Total	Actual Expenditure	Savings
	Revenue-Voted					
1	3-Revenue and Disaster Management	1263.62	20.84	1284.46	679.49	604.97
2	5-Finance	4317.48	0	4317.48	3428.17	889.31
3	12-Health and Family Welfare	1595.97	3.45	1599.42	1132.47	466.95
4	33-Fisheries and Animal Resources Development	255.41	29.85	285.26	215.77	69.49
	Capital-Voted					
5	1-Home	102.01	39.62	141.63	81.62	60.01
6	5-Finance	207.50	0	207.50	23.97	183.53
7	10-School and Mass Education	81.25	0	81.25	0	81.25
8	20-Water Resources	1777.05	129.15	1906.20	1522.51	383.69
9	22-Forest and Environment	207.63	0.96	208.59	112.77	95.82
10	28-Rural Development	511.50	218.75	730.25	560.62	169.63
	TOTAL	**10319.42**	**442.62**	**10762.04**	**7757.39**	**3004.64**

Source: Appropriation Accounts for the year 2009-10.

Specific reasons for excessive savings were not intimated by the Departments.

[1] Exceeding ₹ 50 crore in each case.

2.3.2 Persistent Savings

During 2009-10 in 10 grants, savings ranged from ₹ 2.71 crore to ₹ 889.31 crore constituting 47 *per cent* of the total grants. The savings persisted in all the ten grants during 2005-10 as detailed in **Table 2.3** below.

Table 2.3: List of Grants indicating persistent savings during 2005-10

(Rupees in crore)

Sl. No.	Number and name of the grant	Amount of savings				
		2005-06	2006-07	2007-08	2008-09	2009-10
Revenue-Voted						
1	3-Revenue	129.37 (13)	570.56 (33)	441.84 (35)	2488.20 (74)	604.97 (47)
2	5-Finance	473.05 (25)	455.92 (23)	323.42 (15)	1661.87 (43)	889.31 (21)
3	22-Forest and Environment	21.18 (17)	27.94 (16)	38.18 (14)	50.49 (14)	54.99 (14)
4	23-Agriculture	101.57 (29)	42.81 (14)	179.18 (32)	57.34 (9)	2.71 (0.34)
5	30-Energy	12.51 (24)	42.76 (56)	64.55 (26)	38.51 (12)	4.18 (4)
6	31-Textiles and Handloom	20.94 (40)	5.63 (10)	36.01 (46)	16.51 (23)	14.90 (21)
7	36-Women and Child Development	266.46 (32)	130.42 (15)	238.13 (18)	151.16 (9)	388.80 (19)
Capital-Voted						
1	01-Home	35.36 (44)	33.32 (39)	24.80 (25)	18.11 (13)	60.01 (42)
2	07-Works	87.20 (27)	296.82 (48)	210.31 (30)	195.82 (17)	91.98 (11)
3	33-Fisheries and Animal Resources Development	4.64 (94)	3.36 (63)	9.29 (95)	3.30 (73)	6.78 (13)

Source : Appropriation Accounts for respective years

The reasons attributed to savings were of general in nature and not specific.

2.3.3 Excess Expenditure

In seven grants, expenditure aggregating ₹ 783.65 crore was more than ₹ 10 crore (14 cases) which exceeded the approved provisions by Rupees two crore and more in each case and by more than 20 *per cent* of the total provisions. Details are given in ***Appendix 2.2***. The reasons of excess expenditure were not furnished by the concerned departments.

2.3.4 Expenditure without Provision

As per the provisions of Orissa Budget Manual (OBM), expenditure should not be incurred on a scheme/service without provision of funds. However, expenditure of ₹ 1.03 crore was incurred in three grants (three cases) even without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect as detailed in **Table 2.4.**

Table2.4: Expenditure incurred without provision during 2009-10

(Rupees in lakh)

Sl. No.	Number and Name of Grants/ Appropriations	Amount of Expenditure without provision	Reasons / Remarks
1	02-General Administration-6216-Loans for Housing-Non Plan-02-Urban Housing-190-Loans to Public Sector and Other Undertakings-2343-Loans and Advances to Public Sector Undertakings for Urban Housing Project under GA Department.	90.00	Reasons for expenditure even without a token provision were not intimated.
2	07-Works-4202-Capital Outlay on Education, Sports, Arts and Culture-State Plan –State Sector-03-Sports and Youth Services Sports Stadia-789-Special Component Plan for Scheduled Caste-2341-Construction of Sports Stadium/Complex	4.00	Reasons for expenditure even without a token provision were not intimated.
3	28-Rural Development-5054-Capital Outlay on Roads and Bridges-State Plan-District Sector-04-District and Other Roads-796-Tribal Area Sub Plan-0909-Minimum needs programme-KBK-Districts from SCA under RLTAP.	8.61	Reasons for expenditure even without a token provision were not intimated.
	TOTAL	**102.61**	

Source: Appropriation Accounts for 2009-10

2.3.5 Drawal of funds to avoid lapse of budget grant

According to the provisions of Orissa Treasury Code Volume I (Rule 242) and Orissa Budget Manual (Rule 141), no money should be drawn from the Treasury unless it is required for immediate disbursement. Besides, it is not permissible to draw money from treasury for keeping in banks or under Civil Deposit to prevent the lapse of budgetary grants. But as per Finance Accounts for the year 2009-10 of the State Government, an amount of ₹ 440.49 crore which were drawn from functional major heads and transfer credited to **8443-Civil Deposits-800-Other Deposits** were lying unspent at the close of 31 March 2010. **The amounts drawn were neither fully spent for the specific purposes nor remitted back to Government Accounts before closure of the financial year 2009-10.**

2.3.6 Excess over provisions relating to previous years requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for the State Government to get the excess expenditure over a grant/appropriation regularized by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularization of excess expenditure amounting to ₹ 9099.91 crore for the years 1997-2009 was yet to be done as detailed in **Table 2.5.**

Table 2.5: Excess over provisions relating to previous years requiring regularization

(Rupees in crore)

Year	Number of		Grant/ appropriation numbers	Amount of excess
	Grants	Appro-priations		
1997-98	6	2	3-Revenue, 5- Finance, 7- Works, 13- Housing and Urban Development, 15-Sports and Youth Services, 22-Forest and Environment, 6003-Internal Debt of the State Government and 6004-Loans	989.97
1998-99	9	-	5-Finance, 6-Commerce, 7-Works, 8-Legislative Assembly , 12-Health and Family Welfare, 13-Housing and Urban Development, 24-Steel and Mines, 32-Tourism and Culture, 35-Public Enterprises	126.26
1999-2000	11	1	1-Home, 5-Finance, 6-Commerce, 7-Works, 8-Orissa Legislative Assembly, 10-School and Mass Education, 17-Panchayati Raj, 20-Water Resources, 26-Excise, 28-Rural Development, 29-Parliamentary Affairs and 6003-Internal debt of the State Government	2658.52
2000-01	6	2	6-Commerce, 7-Works, 8-Orissa Legislative Assembly, 10-School and Mass Education, 20-Water Resources, 22-Forest and Environment, 6003- Internal Debt of the State Government, 6004-Loans and Advances from Central Government	2474.48
2001-02	3	1	15-Sports and Youth services, 20-Water resources, 28-Rural Development and 6004-Loans and Advances from Central Government	393.58
2002-03	3	2	8-Orissa Legislative Assembly, 15-Sports and Youth services, 20-Water Resources, 6003-Internal Debt of State Government and 6004-Loans and Advances from Central Government	2068.93
2003-04	2	-	13-Housing and Urban Development , 21-Transport	0.0025
2004-05	3	-	7-Works, 34-Co-operation and 38-Higher Education	9.94
2005-06	2	-	7-Works, 31-Textile and Handloom	0.06
2006-07	1	1	22-Forest and Environment, 6004-Loans and Advances from Government of India	362.05
2007-08	1	-	22-Forest and Environment (voted)	15.04
2008-09	3	-	08-Orissa Legislative Assembly, 28-Rural Development , 34- Co-operation	1.0744
TOTAL	**50**	**9**		**9099.9069 (9099.91)**

Source: Appropriation Accounts of the respective years.

2.3.7 Excess over Consolidated Fund of the State during 2009-10 requiring regularisation

Table 2.6 contains the summary of total excess in four grants amounting to ₹ 16.88 lakh over authorisation from the Consolidated Fund of the State during 2009-10 and requires regularisation under Article 205 of the Constitution.

Table 2.6: Excess over provisions during 2009-10 requiring regularisation

(Rupees in lakh)

Sl. No.	Number and title of grant/appropriation		Total grant/ appropriation	Expenditure	Excess
Revenue (Charged)					
1	05	Finance Department	0.73	0.83	0.10
2	28	Rural Development Department	5.00	5.39	0.39
Revenue (Voted)					
3	35	Public Enterprise Department	1125.49	1125.89	0.40
Capital (Voted)					
4	17	Panchayati Raj Department	0	15.99	15.99
Total			**1131.22**	**1148.10**	**16.88**

Source: Appropriation Accounts for 2009-10

No reasons for excess expenditure over authorisation from the Consolidated Fund of the State were furnished by the concerned Departments.

2.3.8 Unnecessary/Excessive/Inadequate supplementary provision.

Supplementary provision aggregating to ₹ 989.68 crore obtained in 23 cases, during the year 2009-10 proved unnecessary as the expenditure (₹ 12836.02 crore) did not come up to the level of original provision (₹ 14624.86 crore) as detailed in ***Appendix-2.3***.

2.3.9 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Re-appropriations proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh in 313 sub-heads, of which excess/saving was more than ₹ five crore in 39 sub-heads (savings of ₹ 529.49 crore in 27 sub-heads under six grants and excess of ₹ 277.94 crore in 12 sub-heads under four grants) as detailed in ***Appendix 2.4***. **The reasons of savings/ excess were not intimated**.

2.3.10 Unexplained re-appropriations / Defective re-appropriations

According to Rule 139 of Orissa Budget Manual, reasons for the additional expenditure and the savings should be explained in the re-appropriation statement and vague expressions should be avoided. Scrutiny of re-appropriation orders issued by the Finance Department revealed that in respect of 671 (64 *per cent*) items out of 1046, reasons given for additional provision/withdrawal of provision in re-appropriation orders were vague like "actual requirement", "based on latest assessment" and "restriction of expenditure" and no specific reasons were recorded.

During 2009-10, 1046 re-appropriation orders amounting to ₹ 1754.43 crore were issued out of which 16 re-appropriation orders aggregating ₹ 370.97 crore were issued on 31 March 2010, the last day of the financial year. This included six re-appropriation orders amounting to ₹ 106.66 crore not considered for incorporation in view of re-appropriation from revenue to capital heads (Re-appropriation between different plans, absence of detail heads and for want of budgetary provision).

2.3.11 Substantial surrenders

Substantial surrenders (involving more than 50 *per cent* of total provision) were made in respect of 187 sub-heads representing scheme/ programmes/ projects/ activities due to non-implementation or slow implementation thereof and provision of ₹ 2235.15 crore (79 *per cent*) out of ₹ 2839.44 crore was surrendered, including cent *per cent* surrenders in 105 schemes (₹ 808.70 crore). In 22 test-checked cases given in ***Appendix 2.5*****,** cent *per cent* surrender (₹ 691.56 crore) was attributed to non release of Central share (nine cases), less requirement (four cases), non-finalisation of project proposals and non-implementation of the scheme (two cases) and abolition of operation on stock suspense (one case). No reasons were assigned in remaining (six) cases.

2.3.12 Surrender in excess of saving

As against savings of ₹ 902.33 crore, the amount surrendered was ₹ 995.56 crore during 2009-10 resulting in excess surrender of ₹ 93.23 crore, in six grants (₹ 50 lakh or more) detailed in ***Appendix 2.6***.

The surrenders indicate lack of budgetary control on activities for which provision(s) were made.

2.3.13 Anticipated savings not surrendered

As per Rule 146 of Orissa Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2009-10, there were, however, 22 grants (49 cases) in which savings were noticed but no part of such saving was surrendered by the concerned departments. The amount involved in these cases was ₹ 592.49 crore (14 *per cent* of the total savings) **(*Appendix 2.7*).**

Similarly, of the total savings of ₹ 4033.39 crore, savings of rupees one crore and above in each grant / appropriation aggregated to ₹ 1180.22 crore (29 *per cent* of total savings) in 15 grants (21cases) which were not surrendered; details are in ***Appendix 2.8.*** Besides, as per information furnished by the office of the Principal Accountant General (A&E), there were surrender of funds under different major heads of accounts in excess of ₹ 10 crore on the last two working days of March 2010 in 42 cases aggregating to ₹ 3732.24 crore (***Appendix 2.9*****).** These indicate inadequate financial control and non allocation of funds for intended development purposes, which contributed to huge revenue surplus.

2.3.14 Rush of expenditure

According to Rule 147 of Orissa Budget Manual, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 39 sub-heads listed in ***Appendix 2.10***, revenue / capital expenditure exceeding ₹ 10 crore and also more than 50 *per cent* (in each case) of the total expenditure for the year was incurred in March 2010. **Table 2.7** represents the major heads (10 cases) where 100 *per cent of* expenditure was incurred during the last month of the financial year.

Table 2.7: Cases of rush of expenditure towards the end of the financial year 2009-10

(Rupees in crore)

Sl. No.	Major Head	Total expenditure during the year	*Expenditure during March 2010*	
			Amount	*Percentage of total expenditure*
1	7-5054-03-337-1994-Orissa State Roads Project-Road Improvement Component(EAP)-State Plan-State Sector-Voted	12.10	12.10	100
2	16-3451-796-2430-Biju Kandhamal O Gajapati Yojana-State Plan-State sector-Voted	11.90	11.90	100
3	20-2702-03-102-2425-Revival and Renovation of defunct lift Irrigation projects through OLIC-State Plan-State sector-Voted	20.00	20.00	100
4	28-5054-04-800-1077-Pradhan Mantri Gram sadak Yojana-State Plan-State Sector-Voted	14.33	14.33	100
5	30-2801-06-789-2153-Rajiv Gandhi Gramin Vidyuti Karan Yojana-State Plan-State Sector-Voted	16.00	16.00	100
6	30-2801-06-796-2153-Rajiv Gandhi Gramin Vidyuti Karan Yojana-State Plan-State Sector-Voted	20.00	20.00	100
7	30-2801-06-800-2153-Rajiv Gandhi Gramin Vidyuti Karan Yojana-State Plan-State Sector-Voted	44.00	44.00	100
8	31-6851-195-0825-Loans & Advances-Non Plan-voted	10.00	10.00	100
9	32-5452-01-103-2006-One time ACA-State Plan-State Sector-Voted	10.00	10.00	100
10	34-2425-107-2383-Interest Subvention to the Co-operative Banks/PACS for providing crop loans to farmers-State Plan-State Sector-Voted	22.80	22.80	100
TOTAL		**181.13**	**181.13**	**100**

Source: Monthly Appropriation Reports for the month of March 2010 of AG (A&E)

Release of funds at the end of financial year does not provide required time for proper execution of the planned activities during the year.

2.4 Advances from Contingency Fund

The Contingency Fund of the State has been established under the Orissa Contingency Fund Act, 1967 in terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India. Advances from the fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorization by the Legislature, would be undesirable. The fund is in the nature of an imprest and required to be recouped by obtaining supplementary grants during the first session of Assembly immediately after the advance is sanctioned. Its corpus was enhanced (October 2008) from ₹ 150 crore to ₹ 400 crore. During 2009-10, advances of ₹ 198.97 crore were sanctioned and withdrawn from the fund and ₹ 11.07 crore only was recouped out of ₹ 223.12 crore leaving a sum of ₹ 212.05 crore un-recouped as of March, 2010 as detailed in **Table 2.8.**

Table 2.10: Un-recouped amount of the Contingent Fund of the State

(Rupees in crore)

Period	Amount	Remarks
1998-1999	0.75	More than 10 years
1999-2000	12.33	More than 5 years and less than 10 years
2009-2010	198.97	Below one year
TOTAL	**212.05**	

Source: Information furnished by O/o Pr AG (A&E) and Finance Accounts

2.5 Outcome of review of selected grants

Review of the budget proposals, actual expenditure and fund management in respect of Agriculture Department (Grant No-23) and Health and Family Welfare Department (Grant No-12) out of 38 grants was conducted. The outcome of the review revealed the following irregularities.

2.5.1 Surrender in excess of savings/lower than the savings /belated surrenders

Orissa Budget Manual (OBM) provides (Rule 144 and 146) that all anticipated savings should be surrendered immediately after these are foreseen and latest by 10 March of the financial year without waiting till the end of the year.

During 2009-10, the Agriculture Department (Grant 23) as against total savings of ₹ 2.71 crore, surrendered ₹ 78.26 crore resulting in excess surrender. Although there was savings of ₹ 466.95 crore under Health and Family Welfare department (Grant 12), only ₹ 423.74 crore was surrendered resulting in less surrenders by the department. Besides, in violation of above provisions of OBM, these amounts were surrendered on 31 March 2010. ***Thus, the amounts surrendered were not in conformity with the actual savings indicate that budgetary controls as provided in the OBM were not exercised by the controlling officers of both the departments. Besides, surrenders of***

this scale indicate activities of Government for which provision(s) were made had suffered to the extent of the savings.

2.5.2 Surrender of entire provision

Both the departments made programme for ₹ 51.27 crore (Agriculture ₹ 27.24 crore and Health and Family Welfare ₹ 24.03 crore) under different heads/schemes during 2009-10. But the total provision was surrendered on the last day of the financial year 2009-10, which indicate deficient budgetary control of the departments. ***As a result, the schemes could not be operated and beneficiaries were deprived of the benefits and services which could have been derived out of the schemes.*** The details are given in the **Table 2.9** below.

Table 2.9: Statement showing surrender of entire provisions in different schemes of Agriculture, Health and Family Welfare Department during 2009-10.

(Rupees in Crore)

Sl. No.	Head of Account	Provision	Surrender	Date of Surrender
Agriculture Department(Grant No-23)				
1	2401-108-0419-Establishment of Regional Coconut Nursery	0.20	0.20	31.03.2010
2	2401-789-1971-Support to State extension Plan for extent ion	2.25	2.25	31.03.2010
3	2401-796-1971- Support to State extension Plan for extension	2.25	2.25	31.03.2010
4	2401-789-2271-National Project on Management of Soil Health and Fertility	1.80	1.80	31.03.2010
5	2401-796-2271-National Project on Management of Soil Health and Fertility	1.80	1.80	31.03.2010
6	2401-796-1960-Micro Irrigation (Agriculture)	0.21	0.21	31.03.2010
7	2401-800-2271- National Project on Management of Soil Health and Fertility	14.40	14.40	31.03.2010.
8	2401-119-1862-Macro Irrigation	4.33	4.33	31.03.2010
	Sub Total	**27.24**	**27.24**	
Health and Family Welfare Department (Grant No-12)				
9	2210-06-104-0622-Headquarters Drug Control Organisation	1.70	1.70	31.03.2010
10	2210-06-789-0622- Headquarters Drug Control Organisation	0.50	0.50	31.03.2010
11	2210-06-796-0622- Headquarters Drug Control Organisation	1.00	1.00	31.03.2010
12	2210-01-200-1447-T.B. Control Programme	2.00	2.00	31.03.2010
13	2210-05-101-0348-Education	0.63	0.63	31.03.2010
14	2210-06-101-0953-National Filaria Eradication Programme	0.20	0.20	31.03.2010
15	2211-200-1131-Purchase of Contraceptive, MCH Extension supplies, Education Kits	18.00	18.00	31.03.2010
	Sub Total	**24.03**	**24.03**	
	Grand Total	**51.27**	**51.27**	

2.5.3 Provision of Vacant Post

Rule 61(b) of Orissa Budget Manual **provides** that provisions should be made in the budget for men on duty (excluding vacant posts). But a provision of ₹ 69.67 crore was made by the Health and Family Welfare Department for vacant posts and ***the entire amount remained unutilised and surrendered.***

2.5.4 Blockage of scheme funds of ₹ 3.33 crore

Scrutiny of records of Director of Horticulture, Orissa, Bhubaneswar (Agriculture Department) it was seen that ₹ 3.33 crore drawn towards implementation of different programmes for development of horticulture for the benefit of the farmers during 2007-08 (₹ 8.89 lakh), 2008-09 (₹ 18.62 lakh) and 2009-10 (₹ 305.89 lakh) was rolling in closing cash balance of the Director till March 2010. The amounts related to development of potatoes, vegetables and spices, ISO POM (Oil Palm), programmes in non Horticulture Mission districts and inter cropping in fruit orchards etc. Such scheme funds were drawn in various bills and kept in DDO's current account maintained in Public Sector Banks**.** ***Parking of such funds in current account of the banks not only extended undue benefit to the banks but also deprived the targeted beneficiaries of the State from the intended benefit of the schemes, apart from reflecting adversely on financial management.***

2.6 Conclusion and Recommendations

Grant-in aid and central funds to be paid to executing agencies may be released within the shortest time gap in order to avoid parking of funds in PL account. ***(Paragraph 2.3.5*)**

The Chief Controlling Officers should ensure early regularization of excess/savings pertaining to previous period in order to close the accounts finally.

Anticipated savings are not surrendered to the Finance Department though provisions provided in Budget manual. ***(Paragraph 2.3.13)***

Provisions of Orissa Budget Manual should be strictly observed to ensure budgetary and expenditure controls.

More than 50 *per cent* of capital expenditure was incurred in March 2010 instead of spreading over throughout the year**.** ***(Paragraph 2.3.14)***

Capital expenditure may be spread over evenly throughout the year so as to absorb the provisions and early formation of capital assets and also to avoid rush of expenditure at the end of financial year.

Provisions made for utilisation of Scheme/Programme funds under agriculture and health departments were entirely surrendered indicating faulty planning. ***(Paragraph 2.5.2)***

The scheme funds should be utilised within the prescribed period to avoid surrender or blockage of funds in the interest of beneficiaries.

Chapter 3

Financial Reporting

A sound internal financial reporting with relevant and reliable information significantly contributes to the efficient and effective governance by the State Government. The reports on compliance and controls, if effective and operational, assist the State Government to meet its basic stewardship responsibilities, including strategic planning and decision making. This Chapter provides an overview and status of the State Government on the compliance of various financial rules, procedures and directives during the current year.

3.1 Delay in furnishing Utilisation Certificates

Financial Rules (OGFR, Rule-173) provide that for the grants in which conditions are attached to the utilisation of the grants, Utilisation Certificates (UCs) should be furnished by the grantee institutions in duplicate (in form OGFR-7A) countersigned by the disbursing authorities so as to reach the Administrative Department by 1 June of the succeeding year. One copy of the certificate shall be retained in the Administrative Department and another copy shall be sent to the office of the Principal Accountant General (A&E), Orissa, by 30 June of that year.

At the close of March 2010, an amount of ₹ 19731.50 crore remained outstanding in the books of Principal Accountant General (A&E) for want of UCs from the grantee institutions. Year wise break up of outstanding UCs is given below:

Table 3.1: Year wise break up of outstanding Utilisation Certificates in respect of GIA.

(Rupees in crore)

Year	Total Amount Drawn during the year	Outstanding UCs	Percentage of outstanding amount	No. of Grants-in-aid(GIA) vouchers awaiting UCs
2003-04	1485.63	1449.25	97.55	13417
2004-05	1367.24	1286.19	94.07	10169
2005-06	1862.52	1620.13	86.99	13589
2006-07	2597.29	2322.44	89.42	16411
2007-08	3696.03	3486.55	94.33	19137
2008-09	4585.64	4349.13	94.84	21327
2009-10	5273.70	5217.81	98.94	20887
Total	**20868.05**	**19731.50**	**94.55**	**114937**

Source: Finance Accounts for the year 2009-2010 (Notes to Accounts)

However, at the end of August 2010 utilisation certificates (UCs) due in respect of grants aggregating to ₹ 2081.66 crore were in arrears in units audited during the year viz. Autonomous bodies (26), Urban Local Bodies (53) and Panchayati Raj Institutions (1234). The department-wise break-up of outstanding UCs is given in ***Appendix 3.1*** **and** ***Appendix 3.2***. The huge pendency was mainly due to non-adherence to the existing instruction for watching timely receipt of UCs and further release of grants by them as a matter of routine without insisting on UCs for earlier grants as stipulated in the sanction orders.

3.2 Non-submission / delay in submission of details of Grants / Loan paid

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Heads of the Department are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose of assistance granted and the total expenditure of the institutions. Further, Regulation on Audit and Accounts 2007 provides that Governments and heads of departments which sanction grants and/or loans to bodies or authorities shall furnish to the audit office by end of July every year a statement of such bodies and authorities to which grants and/or loans aggregating rupees 10 lakh or more were paid during the preceding year indicating (a) the amount of assistance; (b) the purpose for which the assistance was sanctioned; and (c) the total expenditure of the body or authority. As of August 2010, no department of the Government has furnished such details for the year 2009-2010.

However, two new bodies/units were identified under Section 14(1) of C&AG's DPC Act 1971 during the year 2009-2010. Further, two departments viz. Tourism and Culture and Textile and Handloom were selected under Section 15 of C&AG's DPC Act 1971 for audit during the year.

3.3 Delays in Submission of Accounts / Audit Reports of Autonomous Bodies

As many as 214 autonomous bodies under various sectors of the Government of Orissa have been identified for audit by the Comptroller and Auditor General of India with regard to the verification of their transactions, operational activities and accounts, conducting regulatory compliance audit of all transactions, review of internal management and financial control, review of system and procedures etc. Out of 44 bodies identified for State Separate Audit Reports (SARs), SARs in respect of 31 bodies (One Orissa State Legal Service Authority and 30 district

Legal Services Authorities) were issued in 2009-10 and entrustment in respect of remaining 13 bodies has been sought for from the State Government.

3.4 Departmentally Managed Commercial Activities

The departmentally managed commercial activities of certain Government departments performing activities of quasi-commercial nature are required to prepare proforma accounts in the prescribed format annually showing the working results of financial operations so that the Government can assess their working. The finalised accounts of departmentally managed commercial and quasi-commercial activities reflect their overall financial health and efficiency in conducting their business. In the absence of timely finalisation of accounts, the investment of the Government remains outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any required, for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay in all likelihood may also open the system to risk of fraud and leakage of public money.

The Heads of Department in the Government are to ensure that these units prepare such accounts and submit the same to Principal Accountant General (Civil Audit) for audit within a specified time frame. As of June 2010, there were 16 such undertakings and none had prepared accounts up to 2009-10. Out of 16, four undertakings/activities remained inoperative or closed. Their assets and liabilities were not fully disposed of or liquidated by the Government. The details about non-operation or closure were not available. In respect of two schemes viz. (i) purchase and distribution of quality seeds to cultivators and (ii) Poultry Development, Government had not prescribed the preparation of proforma accounts; only Personal Ledger Accounts were opened during 1977-78 and 1979-80 respectively. The Comptroller and Auditor General of India have repeatedly commented about the arrears in preparation of accounts in Audit Reports (Civil) but there is no improvement so far in preparation of proforma accounts by these undertakings. The department-wise position of arrears in preparation of proforma accounts and investment made by the Government are given in ***Appendix 3.3***.

3.5 Misappropriations, losses, defalcations etc.

As per Rule-19 of OGFR Volume I Government Officers are empowered to report such cases of loss of money, departmental revenue, stores or other properties to his immediate superior officers as well as to Accountant General (Audit) where amount is ₹ 500 or more. Various departments of the State Government reported that there were 1797 cases of misappropriation, defalcation, etc. involving Government money amounting to ₹ 17.21 crore up to the period ending March 2010 on which final action was pending. The department-wise break up of pending cases and age wise analysis is given in

Appendix 3.4 and nature of these cases is given in ***Appendix 3.5.*** The age-wise profile of the pending cases and the number of cases pending under each category of theft and misappropriation/loss as emerged from these appendices are summarized in **Table 3.2.**

Table 3.2: Profile of Misappropriations, losses, defalcations, etc.

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in Years	Number of Cases	Amount Involved (Ruppes in lakh)	Nature/Characteristics of the Cases	Number of Cases	Amount Involved (Rupees in lakh)
0 - 5	45	156.55	Theft	811	428.82
5 - 10	105	281.55			
10 - 15	297	296.27	Misappropriation/Loss of material	986	1292.28
15 - 20	341	436.87			
20 - 25	244	60.12			
25 & above	765	489.74			
Total	**1797**	**1721.10**	**Total Pending cases**	**1797**	**1721.10**

Two cases of losses involving ₹ 0.57 lakh written off during the year 2009-10 are detailed in ***Appendix 3.6.***

The reasons for which the above cases were outstanding are classified in to five categories; a summary of which is given in **Table 3.3** below.

Table 3.3: Category wise cases of Misappropriations, losses, defalcations, etc. pending finalisation

Reasons for the Delay/Outstanding Pending Cases		Number of Cases	Amount (Rupees in lakh)
i)	Awaiting departmental and criminal investigation	482	489.98
ii)	Departmental action initiated but not finalised	619	710.38
iii)	Criminal proceedings finalised but execution of certificate cases for the recovery of the amount pending	33	20.33
iv)	Awaiting orders for recovery or write off	505	199.99
v)	Pending in the courts of law	158	300.42
	Total	**1797**	**1721.10**

3.6 Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

As per provisions of SR 260 and 261 of Orissa Treasury Code Vol. I (OTC) read with Rule 84 of the Orissa General Financial Rule (OGFR), every drawing and disbursing officer has to certify in each Abstract Contingent (AC) bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for counter signature and onward transmission to the Accountant General. The total amount of Detailed Countersigned Contingent (DCC) bills received up to 2009-10 was only ₹ 151.14 crore against the amount of AC bills of ₹ 241.45 crore leading to an outstanding balance of DCC bills of ₹ 90.31 crore as on 31 March 2010. Year wise details are given in **Table 3.4**.

Table 3.4: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

(Rupees in crore)

Year	AC bills		DCC bills		DCC bills as percentage of AC bills	Outstanding AC bills	
	Number	Amount	Number	Amount		Number	Amount
Upto 2004-05	22711	63.49	13358	44.07	69.41	9353	19.42
2005-06	12817	14.48	11583	12.70	87.71	1234	1.78
2006-07	16158	39.51	14866	34.36	86.97	1292	5.15
2007-08	13416	23.31	11825	19.46	83.48	1591	3.85
2008-09	8594	51.72	7060	29.90	57.82	1534	21.82
2009-10	8882	48.95	1501	10.66	21.79	7381	38.29
Total	**82578**	**241.46**	**60193**	**151.15**	**62.60**	**22385**	**90.31**

Source: Finance Accounts, 2009-10 (Vol-I) and information furnished by PAG (A&E).

The outstanding AC bills were in Home (₹ 37.98 crore), Home (Election) and Panchayati Raj (₹ 34.05 crore) Departments. Delay in submission of DCC bills is fraught with the risk of serious financial indiscipline/ misappropriation. The department-wise pendency of DCC bills for the period as of March 2010 is detailed in ***Appendix 3.7. As the amount is already charged to the works/ activities concerned, delayed adjustment of unspent balances may lead to booking of excess of cost than actual expenditure, temporary misappropriation of funds, amounts of unspent advances remaining out of Government account.***

3.7 Un-reconciled expenditure

To enable Controlling Officers of Departments to monitor and progress of expenditure to keep it within the budget grants and also to ensure accuracy of their accounts, Orissa Budget Manual (Rule 133) and Orissa General Financial Rules (Rule 318 and 319) stipulate that expenditure recorded in their books be

reconciled by them every month during the financial year with that recorded in the books of the Accountant General (A&E). ***Even though non-reconciliation of departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2009-10 also as three Controlling Officers did not reconcile expenditure amounting to ₹ 27.84 crore fully as of 31 March 2010, as given in Table 3.5.***

Table 3.5: List of controlling officers where amounts remained un-reconciled during 2009-10

(Rupees in crore)

Sl. No.	Controlling Officers	Amount not reconciled
1.	Commissioner-Cum-Secretary, Fisheries and Animal Resources Development Department	0.55
2.	Director, Teachers Education and SCERT	24.42
3.	President, State Selection Board	2.87
	TOTAL	**27.84**

Source: Information furnished by AG (A&E)

3.8 Personal Deposit Account

Note below Rule 141 read with sub-rule (3) of Orissa Budget Manual (OBM) provides that no money should be withdrawn from the treasury unless it is required for immediate use. Nor it is permissible to draw money from the treasury and then to place it in deposit in order to avoid lapse of allotment. If under any special circumstances money is drawn in advance (under the orders of competent authority), the unspent balance of the amount so drawn should be refunded to the treasury at the earliest possible opportunity and in any case before the end of the financial year in which the amount was drawn. Further, according to the provisions of the Orissa Treasury Code, Volume I (Rule 423) Personal Deposit (PD) accounts remaining in-operative for three full financial years are to be closed automatically and the unspent balances are to be transferred to Government Account for which the Treasury Officers are to furnish detailed information to the Accountant General (A&E) immediately after 31 March of each financial year.

There were 926 PD accounts are being operated in the State with a closing balance of ₹ 555.02 crore under the head 8443-Civil Deposits-106-Personal Deposits as of March 2010. During 2009-10, ₹ 1295.73 crore were transfer credited from the Consolidated Fund of the State to these PL Accounts and incurred expenditure there from ₹ 1062.83 crore resulting in a net increase of ₹ 232.90 crore (72 *per cent*) of the cumulative balance. Besides, inspection of Treasuries by the office of the Principal Accountant General (A&E) during 2009-10 disclosed that huge balances under several personal deposit accounts

had been irregularly kept rolling without operation for years together and no effort was made for final closure of such accounts. A few example of such PL accounts (15 cases) lying inoperative with closing balances of ₹ 0.7 crore as indicated in **Table 3.6.** ***Government may review such PD accounts for their final closure.***

Table 3.6: Statement showing non-closure of in-operative Personal Deposit Accounts

Sl. No	IR No of O/o Pr AG (A&E)	Para No.	Name of the Treasury / Sub-Treasury	Name of the Administrator/DDO last transaction	Balance as on 31 March 2010 (in Rupees)
1	2	3	4	5	6
1	84/2009-10	6(e)	District Treasury, Sundargarh	Collector, Sundergarh	1420203
				ASCO(Survey), Sundergarh	4269
2	86/2009-10	2(f)	District Treasury, Nuapada	Headmistress, S.T.S., Nuapada	16197
3	63/2009-10	5(f)	District Treasury, Angul	Principal, Forest Rangers College, Angul	23727
4	65/2009-10	4(e)	District Treasury, Jagatsinghpur	ASCO, Jagatsingpur.	19000
5	13/2009-10	4	District Treasury, Keonjhar	Collector, (Civil Supply Office)	1508904
				Headmistress, BNHS, Anandapur	17855
6	48/2009-10	2(a)	District Treasury, Puri	Collector, Puri	1000
				Soil Conservation Officer, Puri	752868
7	49/2009-10	5	District Treasury, Malkangiri	PDPS, CADA	2367635
				ASCO	345940
8	72/2009-10	5	District Treasury, Gajapati	Special Planning Authority, Parlakhemundi	10377
9	77/2009-10	5	District Treasury, Mayurbhanj	Collector, Mayurbhanj	474877
				Soil Conservation Officer, Baripada	11473
				Headmistress, Secondary Training School, Baripada	25524
			TOTAL	15	6999849

Source: Pr A G (A&E), Orissa

3.9 Conclusion and Recommendations

There is a huge pendency in receipt of utilization certificates relating to grants-in-aid paid to various autonomous bodies, Panchayati Raj institutions and Urban Local Bodies. This was due to release of grants by the Government as a matter of routine without watching for timely receipt of UCs for earlier grants as provided in the General Financial Rules and sanction orders for release of grants ***(Paragraph 3.1).***

Internal controls need to be strengthened in the executing agencies to utilise the fund within the stipulated time to avoid delay in submission of utilisation certificates.

Administrative Departments of the Government did not furnish to the Principal Accountant General (Civil Audit) information on the list of bodies / authorities, to whom grants and / or loans were paid, the purpose for which such assistance were paid and position of utilisation of such assistance during 2009-10 as required under the provisions of C&AG's Audit and Accounts Regulations 2007. Besides, as many as 16 departmentally managed commercial entities did not prepare accounts up to 2009-10 despite repeated comments in the earlier Audit Reports***. (Paragraph 3.2 and 3.3)***

Administrative Departments of government may strengthen their internal control mechanism for timely furnishing of information to Principal Accountant General (Civil Audit) in respect of bodies/authorities to whom grant/loans paid and finalization of arrears in accounts of the departmentally managed commercial activities.

As per reports of different departmental offices, 1797 cases of misappropriation, defalcation involving Government money of ₹ 17.21 crore were pending for enquiry up to 25 years or more. ***(Paragraph 3.5)***

Government Departments may expedite departmental enquiries and finalise all fraud/misappropriation cases in a time bound manner.

Contrary to the provisions of financial rules, Controlling Officers did not submit (July 2010) Detailed Countersigned Contingent Bills to the Accountant General (A&E) in respect of ₹ 90.31 crore drawn on Abstract Contingent Bills (22385 cases) upto 31 March 2010. Many of these cases related to periods prior to 2004-05. ***(Paragraph 3.6)***

Government may ensure timely adjustment of pending DCC bills as stipulated in the financial rules.

Although set procedure for department wise reconciliation with the books of the office of AG (A&E) exists, the same was not observed by some departments of the government. ***(Paragraph 3.7)***

The Chief Controlling Officers may ensure monthly reconciliation of expenditure with that of the books of AG (A&E).

Funds are remaining unspent in many inoperative PD Accounts for years together without being credited back to Government Accounts at the end of 2009-10. ***(Paragraph 3.8)***

Government may take suitable measures for closure of the inoperative PD accounts as provided in the codal provisions.

Bhubaneswar
~~The~~

(S K Mishra)
Principal Accountant General (Civil Audit)
Orissa

Countersigned

New Delhi
~~The~~

(Vinod Rai)
Comptroller and Auditor General of India

APPENDICES

Appendix 1.1

A brief profile of Orissa

(Refer Page 1)

A. General Data

	Particulars		Figures
1	Area		155707 sq km
2	Population		
	a. As per 2001 Census.		3.68 crore
	b. 2009-2010		4.02 crore
3	Density of Population (2001). (All India Density = 325 persons per Sq.Km)		236 sq. km.
4	Population below poverty line. (All India Average = 27.5 %)		46.4 per cent
5	Literacy (2001). (All India Average = 64.8%)		63.08 per cent
6	Infant mortality (per 1000 live births). (All India Average = 53 per 1000 live births)		69
7	Life Expectancy at birth. (All India Average =63.5 years)		59.6 years
8	Gini Coefficient[1]		
	a. Rural. (All India = 0.30)		0.28
	b. Urban. (All India = 0.37)		0.35
9	Gross State Domestic Product (GSDP) 2009-2010 at current prices		150946 crore
10	GSDP CAGR[2] (2000-01 to 2009-10)		14.87 per cent
11	Per capita GSDP CAGR (2000-01 to 2009-10)		13.74 per cent
12	GSDP CAGR (2000-01 to 2008-2009)	Orissa	15.11 per cent
		Other General Category States	12.54 per cent
13	Population Growth (2000- 2001 to 2009-2010)	Orissa	9.26 per cent
		Other General Category States	13.42 per cent

B. Financial Data

SNo.		Particulars	Figures (in Per cent)		
1	CAGR		2000-01 to 2008-09		2000-01 to 2009-10
			General Category States	Orissa	Orissa
	a.	of Revenue Receipts.	14.40	17.22	16.09
	b.	of Own Tax Revenue.	13.59	17.61	17.01
	c.	of Non Tax Revenue.	12.08	21.14	18.73
	d.	of Total Expenditure.	12.38	11.82	12.21
	e.	of Capital Expenditure.	21.41	20.79	17.82
	f.	of Revenue Expenditure on Education.	9.33	12.58	13.72
	g.	of Revenue Expenditure on Health.	8.95	9.91	11.42
	h.	of Salary and Wages#.	9.37	8.29	9.89
	i.	of Pension.	12.03	12.10	16.47

Source: Financial data is based on figures in Finance Accounts. BPL (Planning Commission & NSSO data,61st Round-http://planning commission.nic.in/data/database/Data0910/tab%2021.pdf), Gini Coefficent (Unofficial estimates of Planning Commission & NSSO data,61st Round 2004-05 MRP), Life Expectancy at birth (Office of the Registrar General of India; Ministry of Home Affairs; Economic Survey,2009-10 , Infant mortality rate (SRS Bulletin October,2009), Density of population (Office of the Registrar General and census commissioner of India; Ministry of Home Affairs and Literacy (Office of the Registrar General of India; Ministry of Home Affairs). #For the period 2001-02 to 2008-09 or 2009-2010 as the case may be.

[1] It is a measure of inequality of income distribution where zero refers to perfect equality and one refers to perfect inequality.

[2] CAGR = Compound Annual Growth Rate.

Appendix 1.2

Structure and Form of Government Accounts

(Refer Paragraph 1.1 at Page 1)

Part A: Structure and Form of Government Accounts

Structure of Government Account: The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund : All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

Part II: Contingency Fund: Contingency Fund of the State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

Part III: Public Account: Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances etc. which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State legislature.

PART B: Layout of Finance Accounts

Statement No.	About
Volume - I	
1	*Statement of Financial Position*
2	*Statement of Receipts and Disbursements*
3	*Statement of Receipts in Consolidated Fund*
4	*Statement of Expenditure in Consolidated Fund* *By function and nature* *Notes to Accounts* *Appendix I: Cash Flow Statement*
5	*Statement of Progressive Capital Expenditure*
6	*Statement of Borrowings and other Liabilities*
7	*Statement of Loans and Advances given by the Government*
8	*Statement of Grants-in-Aid given by the Government*
9	*Statement of Guarantees given by the Government*
10	*Statement of Voted and Charged Expenditure*
Volume - II	
11	*Detailed Statement of Revenue and Capital Receipts by minor heads*
12	*Detailed Statement of Revenue Expenditure by minor heads*
13	*Detailed Statement of Capital Expenditure*
14	*Detailed Statement of Investments of the Government*
15	*Detailed Statement of Borrowings and other Liabilities*
16	*Detailed Statement of Loans and Advances given by the Government*
17	*Detailed Statement on Sources and Application of funds for expenditure other than Revenue Account*
18	*Detailed Statement on Contingency Fund and other Public Account transactions*
19	*Detailed Statement on Investments of earmarked funds*

Appendix 1.3

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

(Refer Paragraph 1.1 at Page 1)

Orissa Fiscal Responsibility and Budget Management (FRBM) Act, 2005

The State Government has enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005 to ensure prudent and improved fiscal management and to maintain fiscal stability in the State. The Act envisages progressive elimination of revenue deficit, reduction in fiscal deficit and debt management consistent with fiscal sustainability, greater fiscal transparency in fiscal operations of the Government and conduct of fiscal policy in a medium term framework and matters connected therewith or thereto. To give effect to the fiscal management principles as laid down in the Act, the rules framed there-under prescribed the following fiscal targets for the State Government:

a) Reduce Revenue deficit to 'NIL' within a period of five financial years ending on the 31 day of March 2009.

b) Reduce fiscal deficit by 1.5 *per cent* of GSDP in each of the financial years beginning on the 1 April 2004 so as to bring it down to not more than three *per cent* of the estimated gross State domestic product within a period of five financial years ending on the 31 day of March 2009 in the manner consistent with the goal.

c) Generate a primary surplus of over three per cent of GSDP by the year ending 31 March 2008.

d) Other important monitorable targets would be :

- the ratio of salary to State's own revenue is to be reduced to 80 *per cent* by the year ending 31 March 2008;
- the ratio of non-interest committed revenue expenditure to State's own and Mandated revenue was to be reduced to 55 *per cent* by the year ending 31 March 2008; and
- the ratio of revenue deficit to revenue receipt was to be reduced to zero *per cent* by the year ending 31 March 2009.

e) In order to bring the debt stock to a sustainable level, interest payment as a percentage of revenue receipt to be limited from 18 to 25 *per cent.*

f) Total Debt stock should be limited to 300 *per cent* of the total Revenue Receipt of the State by the year ending 2007-08.

g) The Act however provides that the revenue deficit and the fiscal deficit may exceed the specified limits on account of unforeseen circumstances or natural calamity to the extent of actual fiscal cost that can be attributed to the natural calamities.

The State Government had also developed its own Fiscal Correction Path (FCP) indicating the milestones of outcome indicators for the period 2004-05 to 2009-10 (Appendix-1.4). The FCP envisaged inter alia to almost double the State's own revenue from ₹ 4396.28 crore in the base year (2003-04) to ₹ 8529.02 crore in 2009-10; reduce the share of committed expenditure in the form of salaries, pensions and interest payments from 84 *per cent* of total revenue receipts in base year to 60 *per cent* in 2009-10; consistently reduce the general subsidy from ₹ 231 crore to ₹ 60 crore and eliminate the power subsidy during the period.

As prescribed in the Act, the State Government has laid Fiscal Policy Strategy (FPS) statement relating to taxation, expenditure, borrowings, lendings, investments, strategic priorities and measures for restructuring the State finances for the ensuing year and Medium Term Fiscal Plan (MTFP) based on current fiscal trends and policy initiatives undertaken by the Government and assumptions for achieving them along with the budget before the legislature during 2008-09.

Appendix 1.4

Statement showing outcome Indicators of the States' Own Fiscal Correction Path

(Refer Paragraph 1.1 at Page 1)

(Rupees in Crore)

Description	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
	Base Year	Actual	Projection	Projection	Projection	Projection	Projection
1	2	3	4	5	6	7	8
A. STATE REVENUE ACCOUNT:							
1. Own Tax Revenue	3301.74	4176.70	4358.20	4933.48	5584.70	6321.88	7156.37
2. Own Non-tax Revenue	1094.54	1345.52	1161.26	1185.75	1245.04	1307.29	1372.65
3. Own Tax + Non-tax Revenue (1+2)	4396.28	5522.22	5519.46	6119.23	6829.74	7629.17	8529.02
4. Share in Central Taxes & Duties	3327.68	3977.56	4904.00	5089.45	5649.29	6270.71	6960.49
5. Plan Grants	1450.67	2350.41	1810.32	2100.82	2300.97	2457.53	2631.86
6. Non-Plan Grants	265.61		997.56	1045.76	1062.17	1079.94	1099.12
7. Total Central Transfer (4 to 6)*	5043.96	6327.97	7711.88	8236.03	9012.43	9808.18	10691.47
8. Total Revenue Receipts (3+7)	9440.24	11850.19	13231.34	14355.26	15842.17	17437.35	19220.49
9. Plan Expenditure	1643.58	1956.04	2165.99	1828.09	2280.38	2415.19	2643.69
10. Non-Plan Expenditure	9217.58	10416.45	11736.45	13025.22	13720.37	14969.37	16417.43
11. Salary Expenditure	3902.68	4189.03	4461.48	4639.03	4802.34	4967.26	5133.79
12. Pension	1158.37	1259.80	1757.73	1933.51	2126.86	2339.54	2573.50
13. Interest Payments	2860.28	3332.02	3360.79	3507.65	3643.55	3577.76	3773.33
14. Subsidies - General	230.89	93.35	91.39	82.25	74.02	66.62	59.96
15. Subsidies - Power	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16. Total Revenue Expenditure (9+10)	10861.16	12372.49	13902.44	14853.31	16000.75	17384.56	19061.12
17. Salary + Interest + Pensions (11+12+13)	7921.33	8780.85	9580.00	10080.19	10572.75	10884.56	11480.62
18. As % of Revenue Receipts (17/8)	83.9%	74.1%	72.4%	70.2%	66.7%	62.4%	59.7%
19. Revenue Surplus/Deficit (8-16)	-1420.92	-522.30	-671.10	-498.05	-158.58	52.79	159.37
B. CONSOLIDATED REVENUE ACCOUNT:							
1. Power Sector loss/profit net of actual subsidy transfer		221.94	-259.70	-162.53	-115.77	-41.31	4.09
2. Increase in debtors during the year in power utility accounts (Increase(-))		244.01	136.76	83.61	69.86	47.20	29.98
3. Interest payment on off budget borrowings and SPV borrowings made by PSU/SPUs outside budget	12.27	13.37	14.07	12.82	7.22	6.68	6.68
4. Total (1 to 3)	12.27	479.32	-108.87	-66.10	-38.69	12.57	40.75
5. Consolidated Revenue Deficit (A.19 + B 4)	-1408.65	-42.98	-779.97	-564.15	-197.27	65.36	200.12
C. CONSOLIDATED DEBT:							
1. Outstanding debt and liability	31633.96	34051.18	37171.98	40406.23	43849.92	47450.23	51324.70
2.Total Outstanding guarantee of which (a) guarantee on account off budgeted borrowing and SPV borrowing	5264.87	3916.20	3857.33	3796.75	3743.55	3686.69	3636.69
D. CAPITAL ACCOUNT:	86.96	92.95	84.08	73.50	70.30	63.44	63.44
1. Capital Outlay	852.94	1055.55	1400.00	1827.43	1980.34	2455.00	2725.00
2. Disbursement of Loans and Advances	1572.01	205.09	95.00	90.00	86.00	80.00	75.00
3. Recovery of Loans and Advances	273.07	416.95	220.00	121.26	121.26	121.26	121.26
4. Other Capital Receipts	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E. GROSS FISCAL DEFICIT (GFD)	-3572.80	-1366.00	-1946.10	-2294.22	-2103.67	-2360.95	-2519.37
GSDP at current prices	53830	57638	63402	69742	76716	84388	92827
Actual/Assumed Nominal Growth Rate (%)	21%	7%	10%	10%	10%	10%	10%

* Does not include funds transferred directly to NGOs / VOs in the State

Appendix 1.5

Time Series Data on the State Government finances

(Refer Paragraph 1.1.1 at Page 1)

	2005-2006	2006-2007	2007-2008	2008-2009	2009-10
Part A. Receipts					
1. Revenue Receipts	**14085**	**18033**	**21967**	**24610**	**26430**
(i) Tax Revenue	**5002 (35)**	**6065 (34)**	**6856 (31)**	**7995(32)**	**8982(34)**
Taxes on Agricultural Income	Nil	Nil	Nil	Nil	Nil
Taxes on Sales, Trade, etc	3012 (60)	3765 (62)	4118 (60)	4803(60)	5409(60)
State Excise	389 (8)	430 (7)	525 (7)	660(8)	849(10)
Taxes on Vehicles	406 (8)	427 (7)	459 (7)	524(7)	611(7)
Stamps and Registration fees	236 (5)	260 (4)	405 (6)	496(6)	360(4)
Land Revenue	70 (1)	226 (4)	276 (4)	348(4)	292(3)
Taxes on Goods and Passengers	463(9)	574(9)	627(9)	638(8)	815(9)
Other Taxes	426(9)	383(6)	446(7)	526(7)	646(7)
(ii) Non Tax Revenue	**1532(11)**	**2588(14)**	**2654(12)**	**3176(13)**	**3212(12)**
(iii) State's share of Union taxes and duties	**4877 (35)**	**6221 (34)**	**7847 (36)**	**8280(34)**	**8519(32)**
(iv) Grants in aid from Government of India*	**2674 (19)**	**3159 (18)**	**4611 (21)**	**5158(21)**	**5717(22)**
2. Miscellaneous Capital Receipts	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
3. Recoveries of Loans and Advances	**348**	**286**	**355**	**236**	**356**
4. Total Revenue and Non debt capital receipts (1+2+3)	**14433**	**18319**	**22322**	**24846**	**26786**
5. Public Debt Receipts	**2095**	**2046**	**507**	**1152**	**1650**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2105	1305	417	643	1460
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	(-) 10	741	90	509	190
6. Total Receipts in the Consolidated Fund (4+5)	**16528**	**20365**	**22829**	**25998**	**28436**
7. Contingency Fund Receipts	**81**	**--**	**165**	**301**	**11**
8. Public Account Receipts	**8506**	**9992**	**10297**	**11834**	**11735**
9. Total Receipts of the State (6+7+8)	**25115**	**30357**	**33291**	**38133**	**40182**
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	**13604 (92)**	**15772 (90)**	**17723 (84)**	**21190(84)**	**25292(87)**
Plan	2113 (16)	2727 (17)	4089 (23)	5308(25)	5615(22)
Non Plan	11491 (84)	13045 (83)	13634 (77)	15882(75)	19677(78)
General Services (including interest payments)	6826 (50)	7503 (47)	7227 (41)	6962(33)	9285(37)

* *Excludes funds transferred directly to NGOs / VOs in the State*

Appendix 1.5

	2005-2006	2006-2007	2007-2008	2008-2009	2009-10
Social Services	4678 (35)	5221 (33)	6416 (36)	8284(39)	9838(39)
Economic Services	1953 (14)	2776 (18)	3729 (21)	5551(26)	5762(23)
Grants-in-aid and contributions	147 (1)	272 (2)	351 (2)	393(2)	406(1)
11. Capital Expenditure	**1038 (7)**	**1451 (8)**	**2843 (14)**	**3779(15)**	**3648(12)**
Plan	963(93)	1340(92)	2656(93)	3570(94)	3257(89)
Non Plan	75(7)	111(8)	187(7)	209(6)	391(11)
General Services	53(5)	64(4)	132(5)	185(5)	178(5)
Social Services	119(12)	220(15)	643(22)	924(24)	563(15)
Economic Services	866(83)	1168(81)	2068(73)	2671(71)	2907(80)
12. Disbursement of Loans and Advances	**67 (1)**	**272 (2)**	**433 (2)**	**211(1)**	**112**
13. Total (10+11+12)	**14709**	**17495**	**20999**	**25180**	**29052**
14. Repayments of Public Debt	**1038**	**1851**	**1845**	**1493**	**1489**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	505	1072	1412	1059	1052
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	533	779	433	434	437
15. Appropriation to Contingency Fund	**Nil**	**Nil**	**Nil**	**250**	**Nil**
16. Total disbursement out of Consolidated Fund (13+14+15)	**15747**	**19346**	**22844**	**26923**	**30541**
17. Contingency Fund disbursements	**Nil**	**138**	**51**	**11**	**199**
18. Public Account disbursements	**6003**	**7958**	**8971**	**10896**	**9849**
19. Total disbursement by the State (16+17+18)	**21750**	**27442**	**31866**	**37830**	**40589**
Part C. Deficits					
20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)	**(+) 481**	**+2261**	**(+) 4244**	**(+)3420**	**(+)1138**
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	**(-) 276**	**(+) 824**	**(+) 1323**	**(-)334**	**(-)2266**
22. Primary Deficit (21+23)	**(+) 3421**	**(+) 4012**	**(+) 4492**	**(+)2555**	**(+)778**
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	**3697 (27)**	**3188 (20)**	**3169 (18)**	**2889(14)**	**3044(12)**
24. Financial Assistance to local bodies etc.,	**1783**	**3420**	**3859**	**5422**	**6722**
25. Ways and Means Advances/Overdraft availed (days)					
Ways and Means Advances availed (days)	**Nil/Nil**	**Nil/Nil**	**Nil/Nil**	**Nil/Nil**	**Nil/Nil**
Overdraft availed (days)	**Nil/Nil**	**Nil/Nil**	**Nil/Nil**	**Nil/Nil**	**Nil/Nil**
26. Interest on Ways and Means Advances/ Overdraft	**Nil/Nil**	**Nil/Nil**	**Nil/Nil**	**Nil/Nil**	**Nil/Nil**

Appendix 1.5

	2005-2006	2006-2007	2007-2008	2008-2009	2009-10
27 Gross State Domestic Product (GSDP)	**78953(P)**	**93374 (Q)**	**106466 (A)**	**122165**	**150946(A)**
28 Outstanding Fiscal liabilities (year end)	**38468**	**39466**	**38525**	**39168**	**40613**
29. Outstanding guarantees (year end) (including interest)	**3496 +***	**2648+***	**2168+***	**1386**	**1027**
30. Maximum amount guaranteed (year end)	**9252**	**8589**	**8586**	**8380**	**8389**
31. Number of incomplete projects	**31**	**65**	**34**	**41**	**35**
32. Capital blocked in incomplete projects	**5458**	**6437**	**102**	**137**	**115**
Part E: Fiscal Health Indicators					
I Resource Mobilization					
Own Tax revenue/GSDP	6.37	6.65	6.64	6.54	5.95
Own Non-Tax Revenue/GSDP	1.95	2.84	2.57	2.60	2.13
Central Transfers/GSDP	6.21	6.82	7.60	6.79	5.64
II Expenditure Management					
Total Expenditure/GSDP	0.186	0.186	0.197	20.61	19.25
Total Expenditure/Revenue Receipts	104.43	97.02	95.59	102.32	109.92
Revenue Expenditure/Total Expenditure	92.49	90.15	84.40	84.15	87.06
Expenditure on Social Services/Total Expenditure	0.33	0.31	0.34	36.71	35.80
Expenditure on Economic Services/Total Expenditure	19.16	22.54	27.61	32.65	29.84
Capital Expenditure/Total Expenditure	7.06	8.29	13.54	15.01	12.56
Capital Expenditure on Social and Economic Services/Total Expenditure.	6.70	7.93	12.91	14.28	11.94
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	0.609	2.421	3.986	2.80	0.75
Fiscal deficit/GSDP	(-)0.351	0.88	1.243	(-)0.47	(-)1.50
Primary Deficit (surplus) /GSDP	4.333	4.297	4.219	1.88	0.52
Revenue Deficit/Fiscal Deficit	(-)174.28	274.39	320.79	(-)17.07	50.26
Primary Revenue Balance/GSDP					
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	48.72	42.27	36.19	32.06	26.91
Fiscal Liabilities/RR	273.11	218.85	175.38	159.15	153.66
Primary deficit vis-à-vis quantum spread					
Debt Redemption (Principal +Interest)/ Total Debt Receipts					
V Other Fiscal Health Indicators					
Return on Investment	7.39	2.97	8.38	14.27	11.90
Balance from Current Revenue (Rs in crore)	(-)5342	4403	5574	4811	3166
Financial Assets/Liabilities	0.59	0.67	0.77	0.84	0.87

P: Provisional Estimates, **Q:** Quick Estimates, **A:** Advanced Estimates
*Figures of interest not furnished by Government.

Appendix 1.6

Abstract of receipt and disbursement for the year 2009-10

(Refer Paragraph 1.1.1 at Page 1)

(Rupees in Crore)

2008-09	Receipts		2009-10	2008-09	Disbursements	Non-Plan	Plan	Total	2009-10
Section-A: Revenue									
24610.01	**I.Revenue Receipts**		**26430.21**	**21190.12**	**I.Revenue Expenditure-**	**19676.49**	**5615.10**		**25291.59**
7995.20	-Tax revenue	8982.34		6961.87	General services	9204.32	80.83	9285.15	
				8284.41	Social Services-	6601.69	3236.53	9838.22	
3176.15	-Non-tax revenue	3212.20		4497.73	-Education, Sports, Art and Culture	4418.02	1123.05	5541.07	
				921.91	-Health and Family Welfare	841.59	304.66	1146.25	
8279.96	-State's share of Union Taxes	8518.65		545.60	-Water Supply, Sanitation, Housing and Urban Development	348.37	424.90	773.27	
				24.57	-Information and Broadcasting	18.48	5.48	23.46	
1242.00	-Non-Plan grants	1629.34		573.50	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	357.64	347.97	701.61	
2632.53	-Grants for State Plan Schemes	2776.74		43.17	-Labour and labour Welfare	44.36	29.09	73.45	
				1631.82	-Social Welfare and Nutrition	531.52	994.78	1526.30	
1284.17	-Grants for Central and Centrally sponsored Plan Schemes	1310.94		46.11	-Others	41.71	10.60	52.31	
				5551.08	Economic Services-	3464.65	2297.75	5762.40	
				1840.80	-Agriculture and Allied Activities	1552.63	638.49	2191.12	
				1225.53	-Rural Development	386.30	793.61	1179.91	
				---	-Special Areas Programmes	-----	-------	----	
				556.57	-Irrigation and Flood control	445.05	168.47	613.52	
				281.59	-Energy	6.54	88.96	95.50	
				175.90	-Industry and Minerals	85.85	99.87	185.72	
				895.86	-Transport	891.75	56.00	947.75	
				32.59	-Science, Technology and Environment	3.77	26.17	29.94	
				542.10	-General Economic Services	92.77	426.17	518.94	
				392.76	Grants-in-aid and Contributions-	405.82	-----	405.82	
					Total				
----	**II. Revenue deficit carried over**	--	---..	**3419.89**	**II. Revenue Surplus carried over**				**1138.62**

Appendix 1.6

2008-09	Receipts		2009-10	2008-09	Disbursements	Non-Plan	Plan	Total	2009-10
Section- B: Others									
9385.79	**III. Opening Cash balance including Permanent Advances and Cash Balance Investment**		**9689.45**		**III. Opening Overdraft from Reserve Bank of India**				--
Nil	**IV.Miscellaneous Capital receipts**		Nil	**3779.17**	**IV. Capital Outlay-**	**391.12**	**3256.76**		**3647.88**
				184.94	General Services-	29.36	148.38	177.74	
				923.62	Social Services-	4.53	558.17	562.70	
				3.35	-Education, Sports, Art and Culture	---	13.11	13.11	
				14.91	-Health and Family Welfare	----	24.61	24.61	
				810.27	-Water Supply, Sanitation, Housing and Urban Development	4.78	382.37	387.15	
				---	-Information and Broadcasting	----	----	---	
				92.59	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-0.24	133.80	133.56	
				---	-Social Welfare and Nutrition	----	-----	-----	
				2.50	-Others	----	4.28	4.28	
				2670.61	Economic Services-	357.22	2550.21	2907.43	
				59.32	-Agriculture and Allied Activities	31.08	61.43	92.51	
				--	-Rural Development	-----	----	----	
				----	-Special Areas Programmes	-----	------	-----	
				1518.73	-Irrigation and Flood Control	----	1522.73	1522.73	
				23.05	-Energy	8.94	----	8.94	
				0.10	-Industry and Minerals	324.94	0.05	324.99	
				974.15	-Transport	1.11	926.22	927.33	
				95.26	-General Economic Services	0.09	30.84	30.93	
236.21	**V. Recoveries of Loans and Advances-**		**356.36**	**210.97**	**V. Loans and Advances disbursed-**				**112.48**
110.29	-From Power Projects	----		--	-For Power Projects			-----	
30.78	-From Government Servants	26.37		29.04	-To Government Servants			23.98	
95.14	-From Others	329.99		181.93	-To Others			88.50	
3419.89	**VI. Revenue Surplus brought down**		**1138.62**		**VI. Revenue Deficit brought down**			---	
1151.66	**VII. Public debt receipts-**		**1650.12**	**1492.61**	**VII. Repayment of Public debt-**				**1488.69**
Nil	-External debt	**Nil**		Nil	-External debt			Nil	
643.18	-Internal debt other than Ways and Means	1459.78		1058.61	-Internal debt other than Ways and Means Advances and Overdrafts			1051.74	

Appendix 1.6

2008-09	Receipts		2009-10	2008-09	Disbursements	Non-Plan	Plan	Total	2009-10
	Advances and overdrafts								
---	Net transactions under Ways and Means Advances		--	---	- Net transactions under Ways and Means Advances				
--	- Net transactions under overdraft		---	---	-Net transactions under overdraft				
508.48	-Loans and Advances from Central Government	190.34		434.30	-Repayment of Loans and Advances to Central Government			436.95	
Nil	**VIII. Appropriation to Contingency Fund**		--	**250.00**	**VIII. Appropriation to Contingency Fund**				
301.34	**IX .Amount transferred to Contingency Fund**		**11.07**	**11.07**	**IX. Expenditure from Contingency Fund**				**198.97**
11833.90	**X. Public Account receipts-**		**11735.46**	**10895.52**	**X. Public Account disbursements-**				**9849.43**
2129.70	-Small Savings and Provident Funds	2570.58		1670.93	-Small Savings and Provident Funds			1432.51	
533.00	-Reserve Funds	735.95		624.31	-Reserve Funds			234.53	
17.71	-Suspense and Miscellaneous	37.14		22.33	-Suspense and Miscellaneous			-23.40	
5917.25	-Remittance	5257.29		5918.13	-Remittances			5215.94	
3236.24	-Deposits and Advances	3134.50		2659.82	-Deposits and Advances			2989.85	
Nil	**XI. Closing Overdraft from Reserve Bank of India**			**9689.45**	**XI. Cash Balance at end-**				**9283.63**
				----	Cash in Treasuries and Local Remittances			-------	
				-1013.52	Deposits with Reserve Bank			-384.20	
				55.00	Departmental Cash Balance including permanent Advances			49.41	
				10647.97	Cash Balance Investment			9618.42	
50938.80	**Total**		**51011.29**	**50938.80**	**Total**				**51011.29**

Appendix 1.7

Funds Transferred Directly to State Implementing Agencies

(Refer Paragraph 1.2.2 at Page 5)

Sl No.	Programme/Scheme	Central Share (2009-2010) (Rupees in Crore)
1.	MPs LOCAL AREA DEVELOPMENT SCHEME MPLADS	47.00
2.	SCHEME FOR HUMAN RESOURCE DEVELOPMENT FPI	0.38
3.	HUMAN RESOURCES FOR HEALTH	1.00
4.	I & M SECTOR BIOTECHNOLOGY	2.00
5.	HUMAN RESOURCE DEVELOPMENT BIOTECHNOLOGY	0.49
6.	BIOTECHNOLOGY FOR SOCIETAL DEVELOPMENT	0.46
7.	INTERNATIONAL COOPERATION BIOTECHNOLOGY	0.05
8.	RESEARCH AND DEVELOPMENT DEPARTMENT OF BIOTECHNOLOGY	3.20
9.	RESEARCH AND DEVELOPMENT SUPPORT SERC	4.51
10.	RESEARCH AND DEVELOPMENT WATER RESOURCES	0.22
11.	MARINE RESEARCH AND TECHNOLOGY DEVELOPMENT	1.15
12.	RESEARCH AND DEVELOPMENT FOR CONSERVATION AND DEVELOPMENT	0.67
13.	SUPPORT TO AUTONOMOUS RESEARCH AND DEVELOPMENT INSTITUTIONS	13.00
14.	SCHEME FOR PORMOTION OF RESEARCH AND DEVELOPMENT IRON AND STEEL SECTOR	0.87
15.	ENVIRONMENT INFORMATION EDUCATION AND AWARENESS	2.72
16.	INFORMATION EDUCATION AND COMMUNICATIONS	0.42
17.	SCHOLARSHIPS FOR SCIENCE IN HIGHER EDUCATION OVERSIGHT COMMITTEE RECOMMENDATION	0.92
18.	EDUCATIONAL COMPLEXES IN LOW LITERACY POCKETS	7.84
19.	TOP CLASS EDUCATION FOR SCs SJE	2.28
20.	RESEARCH INFORMATION AND MASS EDUCATION, TRIBAL FESTIVALS AND OTHERS	0.01
21.	ACTION RESEARCH AND RESEARCH STUDIES	0.01
22.	RESEARCH IN URBAN AND REGIONAL PLANNING CAPACITY BUILDING IN URBAN SECTOR TRAINING IN PHE	0.26
23.	CAPACITY BUILDING AND TECHNICAL ASSISTANCE	0.74
24.	CAPACITY BUILDING FOR SERVICE PROVIDERS	0.14
25.	ASSISTANCE TO STATE FOR CAPACITY BUILDING IN TRAUMA CARE	1.54
26.	WOMEN'S HOSTEL IN POLYTECHNICS	1.40
27.	580 NEW COMMUNITY POLYTECHINICS	1.13
28.	POLYTEHCNICS FOR DISABLED DHE	0.24
29.	STRENGTHENING OF EXISTING POLYTECHNICS	0.40
30.	COMPUTERISATION OF RECORDS OF STATE WAKF BOARDS	0.27
31.	STUDIES IN AGRICULTURAL ECONOMIC POLICY AND DEVELOPMENT	1.50
32.	NATIONAL BAMBOO MISSION	1.58
33.	MANPOWER DEVELOPMENT DIT	0.09
34.	INDIA METEOROLOGY DEPARTMENT	0.17
35.	POLLUTION ABATEMENT	0.01
36.	TECHNOLOGY DEVELOPMENT PROGRAMME	0.89

Appendix 1.7

Sl No.	Programme/Scheme	Central Share (2009-2010) (Rupees in Crore)
37.	ASSISTANCE TO IHMS FCIS ETC	0.90
38.	SCHEME OF INSTITUTE OF EXCELLENCE TOP CLASS INSTITUTE	0.51
39.	DEVELOPMENT AND STRENGTHENING OF INFRASTRUCTURE FACILITIES FOR PRODUCTION AND DISTRIBUTION OF QUALITY SEEDS	8.79
40.	MICRO IRRIGATION	5.28
41.	NATIONAL HORTICULTURE MISSION	35.00
42.	SUPPORT TO STATE EXTENSION PROGRAMME FOR EXTENSION REFORMS	15.11
43.	NATIONAL FOOD SECURITY MISSION	63.41
44.	NATIONAL PROJECT FOR CATTLE AND BUFFALO BREEDING	3.91
45.	INTENSIVE DAIRY DEVELOPMENT PROGRAMME	1.81
46.	IT FOR MASSES GENDER SC ST DIT	0.25
47.	ELECTRONIC GOVERNANCE	9.45
48.	MANPOWER DEVELOPMENT DIT	0.28
49.	POLYMETALLIC NODULES PROGRAMME	0.46
50.	CONSERVATION OF NATURAL RESOURCES AND ECOSYSTEMS	0.03
51.	NATIONAL AFFORESTATION PROGRAMME	8.82
52.	INTERNATIONAL COOPERATION ACTIVITIES	0.76
53.	NATIONAL COASTAL MANAGEMENT PROGRAMME	0.14
54.	NATIONAL RURAL HEALTH MISSION NRHM CENTRAL SECTOR	0.69
55.	NATIONAL RURAL HEALTH MISSION (NRHM) CENTRALLY SPONSORED	311.56
56.	NATIONAL AIDS CONTROL PROGRAMME INCLUDING S T D CONTROL	16.70
57.	NATIONAL MENTAL HEALTH PROGRAMME	0.50
58.	HOSPITALS AND DISPENSARIES (UNDER NRHM)	4.63
59.	PUBLIC PRIVATE PARTNERSHIP FOR SETTING UP OF SPECIALITY CLINICS/ IPDS	0.59
60.	DISTRICT HOSPITALS	5.54
61.	MEDICAL REHABILITATION	0.12
62.	NATIONAL MISSION ON MEDICINAL PLANTS	2.36
63.	MEDICINAL PLANTS	0.49
64.	COUNSELLING RETRAINING AND REDEPLOYMENT SCHEME	0.37
65.	CRIME AND CRIMINAL TRACKING NETWORK AND SYSTEM	4.87
66.	COMMISSION FOR SCIENTIFIC AND TECH TERMINOLOGY DHE	0.10
67.	NATIONAL INSTITUTE OF TECHNOLOGY NIT DHE	57.52
68.	SETTING UP OF NEW IITs	37.50
69.	NATIIONAL CHILD LABOUR PROJECT INCLUDING GRANTS IN AID TO VOLUNTARY AGENCIES	8.63
70.	QUALITY OF TECHNOLOGY SUPPORT INSTITUTIONS AND PROGRAMME	4.76
71.	ASSISTANCE TO TRAINING INSTITUTIONS	0.50
72.	SCIENCE AND TECHNOLOGY MINES	0.46
73.	OFF GRID DRPS	0.01
74.	RENEWABLE ENERGY FOR RURAL APPLICATIONS REMOTE VILLAGES	17.68
75.	RENEWABLE ENERGY FOR RURAL APPLICATIONS FOR ALL VILLAGES	2.57
76.	DEMONSTRATION OF SOLAR THERMAL SPV SYSTEMS AND OTHER ACTIVITIES	0.04

Appendix 1.7

Sl No.	Programme/Scheme	Central Share (2009-2010) (Rupees in Crore)
77.	R AND D IN NEW AND RENEWABLE ENERGY TECHNOLOGIES	0.70
78.	INFORMATION PUBLICITY AND EXTENSION	0.35
79.	RASHTRIYA MADHYAMIK SHIKSHA ABHIYAN (RMSA)	5.04
80.	SARVA SHIKSHA ABHIYAN (SSA)	630.62
81.	SJSRY (SWARNA JAYANTI SHAHARI ROJGAR YOJANA)	14.77
82.	NATIONAL RURAL EMPLOYMENT GUARANTEE SCHEME	501.49
83.	SWARANJAYANTI GRAM SWAROZGAR YOJANA (SGSY)	124.82
84.	DRDA ADMINISTRATION	26.04
85.	RURAL HOUSING- IAY	460.26
86.	PRADHAN MANTRI GRAM SADAK YOJANA (PMGSY)	791.35
87.	INTEGRATED WATERSHED MANAGEMENT PROGRAMME (IWMP)	100.13
88.	EAP	52.91
89.	ACCELERATED RURAL WATER SUPPLY SCHEME	123.97
90.	CENTRAL RURAL SANITATION SCHEME	50.31
91.	INTERNATIONAL COOPERATION S & T	0.48
92.	AUTONOMOUS INSTITUTIONS AND PROFESSIONAL BODIES	0.01
93.	NATIONAL MISSION ON NANO SCIENCE AND NANO TECHNOLOGY	0.05
94.	SCIENCE AND TECHNOLOGY PROGRAMME FOR SOCIO ECONOMIC DEVELOPMENT	0.87
95.	BIOINFORMATICS	0.27
96.	GRAND CHALLENGE PROGRAMME	0.47
97.	NATIONAL SCHEME FOR FUNDING TO NATIONAL INSTTITUTE SJE	4.29
98.	SCHEMES ARISING OUT OF THE IMPLEMENTATION OF THE PERSON WITH DISABILITIES SJE	1.06
99.	ASSISTANCE TO PANCHAYATI RAJ INSTITUTIONS VOLUNTARY ORGANIZATIONS SELF HELP GROUPS FOR PROGRAMMES RELATED TO AGED SJE	0.05
100.	HANDLOOMS	1.04
101.	HANDICRAFTS	0.31
102.	NATIONAL URBAN INFORMATION SYSTEM (NUIS)	0.16
103.	ASIDE (ASSISTANCE TO STATES FOR DEVELOPING EXPORT INFRASTRUCRE AND ALLIED ACTIVITIES	4.57
104.	SCHEME FOR STRENGTHENING OF INSTITUTIONS INCLUDING NIFTEM	0.02
105.	MSME CLUSTERS DEVELOPMENT PROGRAMME AND MSME GROWTH POLES	1.20
106.	DOMESTIC PROMOTION AND PUBLICITY INCLUDING HOSPITALITY	0.19
107.	PRODUCT INFRASTRUCTURE DEVELOPMENT FOR DESITNATION AND CIRCUITS	7.15
108.	STEP SUPPORT TO TRAINING AND EMPLOYMENT PROGRAMME FOR WOMEN	0.24
109.	NATIONAL PROGRAMME FOR YOUTH AND ADOLESCENT DEVELOPMENT GENERAL	0.01
TOTAL		**3637.86**

Appendix 1.8

Statement showing Gross collection and Expenditure on collection for the year 2009-10

(Refer Paragraph 1.3.1 at Page 9)

(Rupees in crore)

Head of Revenue	year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India average percentage for the year
Sales Tax/ VAT	2006-07	4439.01	26.59	0.60	0.88
	2007-08	4863.36	30.11	0.62	
	2008-09	5601.22	44.45	1.79	
	2009-10	6383.94	53.90	0.84	
Taxes on vehicles	2006-07	426.54	12.25	2.87	2.93
	2007-08	459.42	14.71	3.2	
	2008-09	524.43	32.59	6.21	
	2009-10	611.23	27.78	4.54	
State Excise	2006-07	430.07	15.28	3.55	3.66
	2007-08	524.93	17.54	3.34	
	2008-09	660.07	24.76	3.75	
	2009-10	849.05	30.74	3.62	
Stamp Duty and registration fees	2006-07	260.49	10.92	4.19	2.77
	2007-08	404.76	11.81	2.92	
	2008-09	495.66	15.23	30.7	
	2009-10	359.96	15.91	4.41	

Appendix 1.9

Statement showing Outlay-Outcome relationship during the financial year 2009-10

(Refer Paragraph 1.5.3 at Page 21)

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (Rupees in crore)			Physical Achievement/Outcome of the Programme			
		Year	Outlay Budgeted/ Allocated	Actual expenditure	Performance Indicator	Unit of Measurement	Physical Targets	Achievement/ Outcome
Government of India's Flagship Programmes								
1.	BRGF	2006-07	190.00	-	1.Mitigation of regional imbalances. 2.Poverty elevation in backward districts. 3.Promoting accountable and responsive Panchayat Samities/ Municipalities.	Urban Local Bodies of backward districts. (19 nos)	To cover 19 backward districts.	Refer performance Audit on the topic incorporated in C&AG's Audit Report (Civil) for the year ended 31 March 2010 on Government of Orissa.
		2007-08	305.67	59.98				
		2008-09	305.67	191.37				
		2009-10	305.67	360.03				
II. State Government's Flagship programmes								
1	Madhubabu Pension Scheme	2009-10	338.02	338.02	No of Benefciaries	In number	1408400	1408400
2	Biju KBK Yojana	2009-10	120.00	5.19	(i) Bijli (ii)Sadak (iii)Pani	(i)No. of villages. (ii)No of small culverts etc. (iii) No of drinking water supply units	Bijli-76 Roads and Culvert – 1735 Pani – 812 Others - 295	NA
3	Biju Gramya Jyoti	2009-10	1.00	1.00	Rural Electrification of Villages and Habitations	No of Villages	No Target	3431 (out of the target of 2007-08 and 2008-09)

NA: Not available with the Planning and Co-ordination Department of the Government of Orissa.

Appendix

1.10

Summarised financial position of the Government of Orissa as on 31 March 2010

(Refer Paragraph 1.7.1 at Page 26)

(Rupeess in Crore)

As on 31.03.2009	Liabilities		As on 31.03.2010
16770.15	**Internal Debt -**		**17178.19**
7353.87	Market Loans bearing interest	6782.96	
0.14	Market Loans not bearing interest	0.08	
15.60	Loans from Life Insurance Corporation of India	12.75	
9400.54	Loans from other Institutions	10382.40	
Nil	Ways and Means Advances	Nil	
Nil	Overdrafts from Reserve Bank of India	Nil	
8476.11	**Loans and Advances from Central Government -**		**8229.49**
52.93	Pre 1984-85 Loans	51.31	
36.82	Non-Plan Loans	34.01	
8293.38	Loans for State Plan Schemes	8061.50	
24.01	Loans for Central Plan Schemes	20.64	
68.97	Loans for Centrally Sponsored Plan Schemes	62.03	
375.85	**Contingency Fund**		**187.95**
11185.32	**Small Savings, Provident Funds, etc.**		**12323.39**
2714.56	**Deposits**		**2859.35**
4334.63	**Reserve Funds Advances**		**4836.05**
13.05	**Suspense and Miscellaneous Balances**		**73.60**
698.12	**Miscellaneous Capital Receipts**		**698.12**
44567.79	**TOTAL**		**46386.14**
	Assets		
24394.76	**Gross Capital Outlay on Fixed Assets -**		**28042.64**
1771.20	Investments in shares of Companies, Corporations, etc.	2106.95	
22623.56	Other Capital Outlay	25935.69	
3377.21	**Loans and Advances -**		**3133.34**
1943.07	Loans for Power Projects	1943.07	
991.35	Other Development Loans	817.72	
442.79	Loans to Government servants and Miscellaneous loans	372.55	
9.18	**Advances**		**9.32**
57.79	**Remittance Balances**		**16.44**
9689.45	**Cash -**		**9283.62**
	Cash in Treasuries and Local Remittances		

Appendix 1.10

As on 31.03.2009	Assets		As on 31.03.2010
-1013.52	Deposits with Reserve Bank	-384.20	
55.00	Departmental Cash Balance including	49.40	
	Permanent Advances		
1.82	Security Deposits	1.83	
4313.00	Investment of Earmarked Funds	4813.00	
6333.15	Cash Balance Investments	4803.59	
7039.40	**Deficit on Government Account -**		**5900.78**
3419.89	(i) Less Revenue Surplus of the current year	1138.62	
250.00	(ii) Appropriation to Contingency Fund	----------	
10209.29	Accumulated deficit at the beginning of the year	7039.40	
44567.79	**TOTAL**		**46386.14**

Note: Closing balance of the contingency fund has been taken under liabilities

Explanatory Notes for Appendices 1.5 and 1.6

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix 1.10, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc. There was a difference of ₹ 6.02 crore (Net credit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank" after reconciliation and adjustment a balance of net debit of ₹ 4.46 lakh which was under reconciliation.(June 2010)

Appendix 2.1

Statement of various Grants / Appropriations where saving was more than ₹ 10 crore each or more than 20 *percent* of the total provision

(Refer Paragraph 2.3.1 at Page 40)

(Rupees in crore)

Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
Revenue - Voted					
1	3	Revenue and Disaster Management	1284.46	604.97	47.09
2	5	Finance	4317.48	889.31	20.60
3	12	Health and Family Welfare	1599.42	466.95	29.19
4	14	Labour and Employment	99.36	37.60	37.84
5	26	Excise	40.14	8.10	20.18
6	29	Parliamentary Affair	17.25	8.46	49.04
7	31	Textile & Handloom	70.41	14.90	21.16
8	33	Fisheries and Animal Resources Development	285.26	69.49	24.36
Capital - Charged					
9	20	Water Resources	13.38	4.22	31.54
Capital - Voted					
10	1	Home	141.63	60.01	42.37
11	5	Finance	207.50	183.53	88.45
12	6	Commerce	5.87	2.02	34.41
13	10	School & Mass Education	81.25	81.25	100
14	11	ST & SC develop department and Minorities and Backward classes development	181.47	47.91	26.40
15	20	Water Resources	1906.20	383.69	20.13
16	22	Forest and Environment	208.59	95.82	45.94
17	28	Rural Development	730.25	169.63	23.23
18	38	Higher Education	7.17	3.91	54.53
		TOTAL	**11197.09**	**3131.77**	**27.97**

Appendix

2.2

Statement showing various Grants / Appropriations where Expenditure was more than ₹ 10 crore or exceeded the approved provision by ₹ 2 crore and more than 20 *percent* of the total provision

(Refer Paragraph 2.3.3 at Page 41)

(Rupees in crore)

Sl. No.	Grant Number	Name of the Grant/Appropriation	Total Grant/ Appropriation	Expenditure	Amount of Excess Expenditure	Percentage of Excess Expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	11	**ST &SC and Minorities Development Department** 4225-Capital Outlay on Welfare of SC, ST and OBCs-Centrally Sponsored Plan-District Sector-03-Welfare of Backward Classes-800-Other Expenditure-2255-Multisector Development Programme	8.04	10.66	2.62	32.59
2	20	**Water Resource Department** 2700-Major Irrigation-Non Plan-04-Hirakud Stage-I-Project –Commercial-101-Maintenance and Repair-0946-Maintenance of Canals, Branches and Distributaries under Irrigation Scheme	11.65	15.57	3.92	33.65
3	20	2705-Command Area Development-Centrally Sponsored Plan-State Sector-001-Ayacut Development-0594-Grant-in-Aid to Command Area Development Authority for construction of Field Channels	7.43	13.37	5.94	79.95
4	20	4711- Capital Outlay on Flood Control Projects- State Plan-State Sector-01-Flood Control-103-Civil Works-0101-Bank Protection work on River embankments.	53.37	64.10	10.73	20.10
5	20	4711- Capital Outlay on Flood Control Projects- State Plan-State Sector-03-Drainage -103-Civil Works-1610-Construction and Renovation of Drainage Sluice	7.80	13.67	5.87	75.26
6	22	**Forest and Environment Department** 2406-Forestry and Wildlife- State Plan-State Sector-01-Forestry-102-Social and Farm Forestry-1004-Orissa Forest Sector Development Project(EAP,JBIC Japan Assisted)	43.43	62.00	18.57	42.76
7	23	**Agriculture Department** 2401-Crop Husbandry-Non Plan-103-Seeds-1047-Personal Ledger Account for purchase and distribution of seeds, fertilizers etc.	4.00	86.23	82.23	2055.75
8	36	**Women and Child Welfare Department**	122.12	168.26	46.14	37.78

Appendix 2.2

Sl. No.	Grant Number	Name of the Grant/Appropriation	Total Grant/ Appropriation	Expenditure	Amount of Excess Expenditure	Percentage of Excess Expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
		2235-Social Security and Welfare-Centrally Sponsored Plan-District Sector-02-Social Welfare-102-Child Welfare-0731-ICDS Scheme				
9	36	2202-General Education- Centrally Sponsored Plan-State Sector-01-Elemantary Education-789- Special Component Plan for Scheduled Caste -0900-Mid Day Meals.	49.58	62.49	12.91	26.04
10	36	2236-Nutrition-Centrally Sponsored Plan-State Sector-02-Distribution of nutritious food and beverages-101-Special Nutrition Programme-1423-Supplementary Nutrition Programme	93.22	152.49	59.27	63.58
11	36	2236- Nutrition -Centrally Sponsored Plan-State Sector-02-Distribution of nutritious food and beverages-789-Special Component Plan for Scheduled Caste -1423-Supplementary Nutrition Programme	30.97	49.91	18.94	61.15
12	36	2236- Nutrition -Centrally Sponsored Plan-State Sector-02-Distribution of nutritious food and beverages-796-Tribal Area Sub Plan -1423-Supplementary Nutrition Programme	36.74	59.54	22.80	62.06
13	37	**Information Technology Department** 2852-Industries-State Plan-State Sector-07-Telecommunication and Electronic Industris-796-Tribal Area Sub Plan -0776-Implementation of e-Governance Projects as per the National e-Governance Programme-One time ACA	4.53	11.82	7.29	160.93
14	38	**Higher Education Department** 2202-General Education-Non Plan-03-University and Higher Education-102-Assistance to Universities-1900-Ravenshaw University	10.54	13.54	3.00	28.46
		TOTAL	**483.42**	**783.65**	**300.23**	**62.11**

Appendix 2.3

Statement showing cases where supplementary provision (₹ 10 lakh or more in each case) proved unnecessary

(Refer Paragraph 2.3.8 at Page 44)

(Rupees in thousand)

Sl No	Number and Name of the Grant	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
A Revenue (Charged)					
1	01-Home	2961.16	2487.12	569.78	95.74
2	20-Water Resources	27.01	1.48	52.03	26.50
Total for Charged		**2988.17**	**2488.60**	**621.81**	**122.24**
A Revenue (Voted)					
1	01-Home	149447.02	141061.71	17067.90	8682.59
2	03-Revenue & Disaster Management	126362.47	67949.66	60496.64	2083.83
3	10-School & Mass Education	451958.30	410765.23	62483.18	21290.11
4	11-SC, ST and Minorities and Backward Classes Development	79599.61	72869.32	10713.78	3983.49
5	14-Labour and Employment	9918.18	6175.96	3760.18	17.96
6	16-Planning & Co-ordination	51158.80	47422.28	3756.66	20.14
7	18-Public Grievance & Pension Administration	233.98	157.43	91.80	15.25
8	21- Transport	3799.93	3404.15	453.30	57.52
9	26-Excise	3897.45	3204.22	809.68	116.45
10	27-Science & Technology	2540.51	2390.61	270.17	120.27
11	28-Rural Development	59703.49	57102.59	12057.66	9456.76
12	30-Energy	9470.19	9090.55	417.71	38.07
13	31-Textile & Handloom	6337.83	5550.66	1490.14	702.97
14	33- Fisheries & Animal Resources Development	25540.59	21577.33	6948.81	2985.55
15	34-Co-operation	14054.73	13062.25	1292.51	300.03
16	36-Women & Child Development	183632.45	168664.55	38880.45	23912.55
Total for Voted		**1177655.53**	**1030448.50**	**220990.57**	**73783.54**
Total for Revenue		**1180643.70**	**1032937.10**	**221612.38**	**73905.78**

Appendix 2.3

Sl No	Number and Name of the Grant	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
B Capital					
1	01-Home Department	10201.30	8161.92	6001.06	3961.68
2	06-Commerce Department	525.00	385.02	202.27	62.29
3	07-Works Department	76846.60	75185.72	9198.35	7537.47
4	13-Housing & Urban Development Department	16563.92	14681.39	2468.45	585.92
5	20-Water Resources	177705.10	152250.87	38369.45	12915.22
Total-capital		**281841.92**	**250664.92**	**56239.58**	**25062.58**
Grand Total		**1462485.62**	**1283602.02**	**277851.96**	**98968.36**

Appendix 2.4

Statement showing excess / unnecessary re-appropriation of funds

(Refer Paragraph 2.3.9 at Page 44)

(Rupees inCrore)

Sl. No.	Grant No.	Description	Re-appropriation	Final Excess(+)/ Saving(-)
1	07-Works	5054-Capital Outlay on Road and Bridges-State Plan –State Sector-03-State Highways-796-Tribal Area Sub Plan-1994-Orissa State Roads Project-Road Improvement Component(EAP)	-17.82	-5.15
2	07-Works	5054-Capital Outlay on Road and Bridges-State Plan –State Sector-04-District and Other Roads-796-Tribal Area Sub Plan-2006-One time ACA	-13.42	-6.54
3	10-School and Mass Education	2202-General Education-Non Plan-01-Elementary Education-101-Government Primary Schools-0538-General Primary Schools	-264.76	-35.56
4	10-School and Mass Education	2202-General Education-Non Plan-01-Elementary Education-101-Government Primary Schools-0556-Government Upper Primary Schools	-93.76	-22.37
5	10-School and Mass Education	2202-General Education-Non Plan-02-Secondary Education-109-Government Secondary Schools-1261- Secondary Schools	-110.03	-20.19
6	10-School and Mass Education	2251-Secretariat Social Services-Non Plan-090-Secretariat-0256-Department of School and Mass Education	-0.50	-5.32
7	17-Panchayati Raj	2515-Other Rural Development Programmes-Non Plan-102-Community Development-1708-Post Stage II Blocks(under the award of 2nd State Finance Commission)	-2.39	-10.39
8	20-Water Resources	2705-Command Area Development-State Plan-State Sector-001-Ayacut Development-0594-Grants in Aid to Command Area Development Authority for construction of field channels	-3.14	-5.94
9	20-Water Resources	4700-Capital outlay on Major Irrigation-State Plan-State Sector-15-lower Indra Irrigation Project Commercial-001-Direction and Administration-2160-Accelerated Irrigation Benefit Programme.	-4.47	-6.24
10	20-Water Resources	4701-Capital outlay on Medium Irrigation-State Plan –State Sector-53-Ret Irrigation Project Commercial(AIBP)-796-Tribal Area Sub Plan-2160- Accelerated Irrigation Benefit Programme	-0.07	-26.63
11	20-Water Resources	4701-Capital outlay on Medium Irrigation-65-Asian Development Bank(EAP)-800-Other Expenditure-2034-Orissa Integrated Irrigated Agricultural and Water Management Project(EAP)	-7.89	-6.58

Appendix 2.4

Sl. No.	Grant No.	Description	Re-appropriation	Final Excess(+)/ Saving(-)
12	20-Water Resources	4711-Capital outlay on Flood Control Project –State Plan-State Sector-01-Flood Control-789-Special Component Plan for Scheduled Castes-0101-Bank Protection Works on River Embankment.	2.48	-8.06
13	20-Water Resources	4711-Capital outlay on Flood Control Project –State Plan-State Sector-01-Flood Control-796-Tribal Area Sub Plan 2223-Flood Management Programme.	2.26	-5.81
14	28-Rural Development	2215-Water Supply and Sanitation-Centrally Sponsored Plan-State Sector-01-Water Supply-102-Rural Water Supply Programmes-0007-Accelerated Rural Water Supply Programme	-15.94	-38.99
15	28-Rural Development	4215-Capital outlay on Water Supply and sanitation-State Plan-District Sector-01-water supply-102-rural water supply-2306-ARWSP-PWS Scheme.	-15.45	-9.64
16	28-Rural Development	4215-Capital outlay on Water Supply and sanitation-Centrally sponsored Plan-District Sector-01-water supply-102-rural water supply-2150-ARWSP-submission Activities	-6.51	-7.79
17	28-Rural Development	4215-Capital outlay on Water Supply and sanitation-Centrally sponsored Plan-District Sector-01-water supply-102-rural water supply-2306-ARWSP-PWS Scheme	-25.87	-20.78
18	28-Rural Development	4215-Capital outlay on Water Supply and sanitation-Centrally sponsored Plan-District Sector-01-water supply-789-Special Component Plan for Scheduled Castes -2306-ARWSP-PWS Scheme	-0.22	-6.81
19	28-Rural Development	4215-Capital outlay on Water Supply and sanitation-Centrally sponsored Plan-District Sector-01-water supply-796-Tribal Area Sub Plan -2306-ARWSP-PWS Scheme	0.99	-5.65
20	36-Women and Child Development	2202-General Education-State Plan –State Sector-01-Elementary Education-112-National Programme of Mid Day Meals in Schools-0900- Mid Day Meals	-0.04	-65.91
21	36-Women and Child Development	2202-General Education-State Plan –State Sector-01-Elementary Education-796-Tribal Area Sub Plan -0900- Mid Day Meals	-0.02	-17.42
22	36-Women and Child Development	2235-Social Security and welfare-State Plan District Sector-02-Social Welfare-102-Child Welfare-0731-Integrated Child Development Service Schemes	-16.58	-35.09
23	36-Women and Child Development	2235-Social Security and welfare-State Plan District Sector-02-Social Welfare-796-Tribal Area Sub Plan -0731-Integrated Child Development Service Schemes	-5.75	-20.96
24	36-Women and Child Development	2235-Social Security and welfare-State Plan –District Section-60-Other Social Security and welfare Programme-102-Pension on Social Security Scheme-2097-Madhubabu Pension for Destitute.	-0.59	-36.85

Appendix 2.4

Sl. No.	Grant No.	Description	Re-appropriation	Final Excess(+)/ Saving(-)
25	36-Women and Child Development	2236-Nutrition-State Plan –State Sector-02-Distribution of Nutritious Food and Beverages-101-Special Nutrition Programme-1423-Supplementary Nutrition Programme	-29.81	-57.38
26	36-Women and Child Development	2236-Nutrition-State Plan –State Sector-02-Distribution of Nutritious Food and Beverages-789-Special Component Plan for Scheduled Castes -1423-Supplementary Nutrition Programme	-9.91	-19.79
27	36-Women and Child Development	2236-Nutrition-State Plan –State Sector-02-Distribution of Nutritious Food and Beverages-796-Tribal Area Sub Plan -1423-Supplementary Nutrition Programme	-11.75	-21.65
				-529.49
28	5-Finance	2071-Pensions and Other Retirement benefits-Non Plan-01-Civil-101-Superannuation and Retirement allowances-1040-Pension to Government Servants	288.49	5.09
29	20-Water Resources	2705-Command Area Development-Centrally Sponsored Plan-State Sector-001-Ayacut Development-0594-Grants in Aid to Command Area Development Authority for construction of field channels	-3.92	5.94
30	20-Water Resources	4711-Capital outlay on Flood Control Project –State Plan-State Sector-01-Flood Control-103-Civil Works-0101-Bank Protection Works on River Embankment.	-0.39	10.73
31	22-Forest and Environment	2406-Forestry and Wild life-State Plan State Sector-01-Forestry-102-Social and Farm Forestry-1004-Orissa Forest Sector Development Project(EAP, JBIC (Japan) Assisted)	-6.05	18.57
32	36-Women and Child Development	2202-General Education-Centrally Sponsored Plan –State Sector-01-Elementary Education-112-National Programme of Mid Day Meals in Schools-0900-Mid Day Meals	-5.01	33.81
33	36-Women and Child Development	2202-General Education-Centrally Sponsored Plan –State Sector-01-Elementary Education-789-Special Component Plan for Scheduled Castes -0900- Mid Day Meals	-1.42	12.91
34	36-Women and Child Development	2202-General Education-Centrally Sponsored Plan –State Sector-01-Elementary Education-796-Tribal Area Sub Plan -0900- Mid Day Meals	-1.92	10.37
35	36-Women and Child Development	2235-Social Security and welfare-Centrally Sponsored Plan District Sector-02-Social Welfare-102-Child Welfare-0731-Integrated Child Development Service Schemes	-74.88	46.14

Appendix 2.4

Sl. No.	Grant No.	Description	Re-appropriation	Final Excess(+)/ Saving(-)
36	36-Women and Child Development	2235-Social Security and welfare-Non Plan –-60-Other Social Security and welfare Programme-102-Pensions under Social Security Schemes-2097-Madhubabu Pension for Destitute.	-0.01	33.36
37	36-Women and Child Development	2236-Nutrition- Centrally Sponsored Plan –State Sector-02-Distribution of Nutritious Food and Beverages-101-Special Nutrition Programme-1423-Supplementary Nutrition Programme	-29.81	59.28
38	36-Women and Child Development	2236-Nutrition-Centrally Sponsored Plan –State Sector-02-Distribution of Nutritious Food and Beverages-789-Special Component Plan for Scheduled Castes -1423-Supplementary Nutrition Programme	-9.91	18.94
39	36-Women and Child Development	2236-Nutrition-Centrally Sponsored Plan –State Sector-02-Distribution of Nutritious Food and Beverages-796-Tribal Area Sub Plan -1423-Supplementary Nutrition Programme	-11.75	22.80
				277.94

Appendix 2.5

Statement showing results of review of substantial surrenders made during the year

(Refer Paragraph 2.3.11 at Page 45)

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender (Rupees in lakh)	Percentage of Surrender	Remarks
1	03-Revenue and Disaster Management	2245-Relief on account of Natural Calamities-80-General-800-Other Expenditure-0836-Lump provision for other works.	17650.40	100	**Surrender of entire provision in these three cases were without assigning any reason**
2		2245-Relief on account of Natural Calamities-80-General-800-Other Expenditure-1183-Relief expenditure met from National Calamity Contingency Fund	15000.13	100	
3		2245-Relief on account of Natural Calamities-02-Flood, Cyclone etc.-0604-Grants for Reconstruction /Restoration works through OSDMA(EAP)	551.70	100	
4	05-Finance	2071-Pensions and Other Retirement Benefits-01-Civil-101-Superannuation and Retirement Allowances-1549-Voluntary Retirement/Voluntary Separation benefits for State Government Employees	2000.00	100	**Surrender of entire provision in these four cases were attributed to less requirement.**
5		2071-Pensions and Other Retirement Benefits-01-Civil-101-Superannuation and Retirement allowances-1551-Voluntary Separation Scheme for NMR,DLR	1930.00	100	
6		2071-Pensions and Other Retirement Benefits-01-Civil-108-Contribution to Provident Funds -1018-Other items	1000.00	100	
7		2071-Pensions and Other Retirement Benefits-01-Civil-117-Government Contribution for Defined Contribution Pension Scheme-1766-Contribution Pension Scheme	5000.00	100	
8	10-School and Mass Education	2202-General Education-02-Secondary Education-800-Other Expenditure-2110-Implementation of Information and Communication Technology Programme .	3000.00	100	**Surrender of entire provision in these four cases were attributed to non receipt of Central Assistance**
9		4202-Capital Outlay on Education, Sports, Arts and Culture-01-General Education-796-Tribal Area Sub Plan-2257-Establihment of Model Schools in Backward Blocks of the State.	696.42	100	
10		4202-Capital Outlay on Education, Sports, Arts and Culture-01-General Education-202-Secondary Education-2256-Construction and running of Girls' Hostel for Students of Secondary and Higher Secondary Schools.	1912.50	100	
11		4202-Capital Outlay on Education, Sports, Arts and Culture-01-General	4500.00	100	

Appendix 2.5

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender (Rupees in lakh)	Percentage of Surrender	Remarks
		Education-202-Secondary Education-2257-Establihment of Model Schools in Backward Blocks of the State.			
12	11-ST, SC Development Department and Minorities and Backward Classes Development	2225-Welfare of SCs, STs and other Backward Classes-03-Welfare of backward Classes-277-Education-2418-Post Matric scholarship and stipend to OBC students	604.00	100	**Surrender of entire provision was attributed to non receipt of Central Assistance**
13	14-Labour and Employment	2230-Labour and Employment-01-Labour-001-Direction and Administration-2242-Rasrtiya Swasthya Bima Yojana	1840.20	100	**Surrender of entire provision in these two cases were attributed to non release of funds by Government of India**
14		2230-Labour and Employment-01-Labour-796-Tribal Area Sub Plan-2242-Rasrtiya Swasthya Bima Yojana	663.90	100	
15	16-Planning and Co-ordination	3451-Secretariat- Economic Services-102-District Planning Machinery-1934-Capacity building for District Planning Offices	1002.80	100	**Surrender of entire provision in these two cases were attributed to non-finalisation of project proposals and non-implementation of the scheme.**
16		3451-Secretariat- Economic Services-102-District Planning Machinery-1935-Other Development Programme	5059.80	100	
17	17-Panchayati Raj	2501-Special Programmes for Rural Development-01-Integrated Rural Development Programme-001-Direction and Administration-1745-Targetted Rural Initiative for Poverty Termination and Infrastructure (TRIPTI)- EAP	1824.00	100	**Surrender of entire provision in these two cases, without assigning any reasons**
18		2501-Special Programmes for Rural Development-01-Integrated Rural Development Programme-796-Tribal Area Sub Plan-1745-Targetted Rural Initiative For Poverty Termination and Infrastructure (TRIPTI)- EAP	680.00	100	
19	23-Agriculture	2401-Crop Husbandry-800-Other Expenditure-1971-Support to State extension programme for extension	1800.00	100	**Surrender of entire provision in the case was attributed to non sanction of funds by Government of India**
20		2401-Crop Husbandry-800-Other Expenditure-2271-National Project on Management of Soil Health and Fertility	1440.00	100	**Surrender of entire provision in the case was without assigning any reason**
21	28-Rural Development	2059-Public works-80-General-799-Suspense-1431-Suspense	500.00	100	**Surrender of entire provision in the case was due to abolition of operation on stock suspense.**
22	33-Fisheries and Animal Resources Development	2403-Animal Husbandry-107-Fodder and Feed Development-1944-Development of Grass Land including Grass Reserve	500.00	100	**Surrender of entire provision was attributed to non sanction/release of funds by Government**
	TOTAL		**69155.85**	**100**	

Appendix 2.6

Statement showing surrenders in excess of actual savings (₹ 50 lakh or more)

(Refer Paragraph 2.3.12 at Page 45)

(Rupees in crore)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
Revenue – Voted					
1	02-General Administration	74.39	2.98	3.58	0.60
2	05-Finance	4317.48	889.31	889.58	0.27
3	07-Works	653.10	0.71	15.86	15.15
4	08-Orissa Legislative Assembly	17.70	0.08	0.65	0.57
5	09-Food Supplies & Consumer Welfare	890.54	6.54	7.63	1.09
6	23- Agriculture	787.54	2.71	78.26	75.55
	Total	**6740.75**	**902.33**	**995.56**	**93.23**

Appendix 2.7

Statement showing various grants/appropriations in which savings occurred but no part of which had been surrendered

(Refer Paragraph 2.3.13 at Page 45)

(Rupees in crore)

Sl.No.	Grant Number	Number and Name of grant/appropriation	Saving
1	01-Home	2070-Other Administrative Services	0.26
2	01-Home	2055-Police	0.03
3	01-Home	4059-Capital Outlay on Public Works	0.74
4	01-Home	4216-Capital Outlay on Housing	27.51
5	03-Revenue and Disaster Management	2029-Land Revenue	1.97
6	03-Revenue and Disaster Management	2245-Relief on account of Natural Calamities	160.90
7	04-Law	2014-Administration of Justice	0.21
8	04-Law	2250-Other Social Services	0.14
9	07-Works	2216-Housing	0.09
10	07-Works	3054-Roads and Bridges	1.00
11	07-Works	4059-Capital Outlay on Public Works	1.00
12	07-Works	4210- Capital Outlay on Medical and Public Health	0.04
13	07-Works	4216-Capital Outlay on Housing	0.32
14	07-Works	5054- Capital Outlay on Roads and Bridges	2.44
15	09-Food Supplies and Consumer Welfare	3456-Civil Supplies	0.17
16	10-School and Mass Education	2202-General Education	5.78
17	11-ST,SC, Minorities and Backward Class Development	2225-Welfare of SC,ST and Other Backward Classes	0.55
18	12-Health and Family Welfare	2210-Medical and Public Health	33.15
19	13-Housing and Urban Development	4215-Capital Outlay on Water Supply and Sanitation	3.18
20	15-Sports and Youth Services	2204-Sports and Youth Services	3.96
21	17-Panchayati Raj	2515-Other Rural Development Programme	1.54
22	19-Industries	2815-Village and Small Industries	1.22

Appendix 2.7

Sl.No.	Grant Number	Number and Name of grant/appropriation	Saving
23	19-Industries	2885-Other Outlays on Industries and Minerals	0.61
24	20-Water Resources	2700-Major Irrigation	3.63
25	20-Water Resources	2701-Medium Irrigation	3.55
26	20-Water Resources	2702-Minor Irrigation	45.33
27	20-Water Resources	2705-Command Area Development	0.34
28	20-Water Resources	4700- Capital Outlay on Major Irrigation	13.26
29	20-Water Resources	4701- Capital Outlay on Medium Irrigation	5.22
30	20-Water Resources	4702- Capital Outlay on Minor Irrigation	51.18
31	20-Water Resources	4711- Capital Outlay on Flood Control Projects	67.01
32	22-Forest and Environment	2406-Forestry and Wildlife	21.84
33	22-Forest and Environment	4406-Capitl Outlay on Forestry and Wildlife	89.25
34	23-Agriculture	2401-Crop Husbandry	2.05
35	23-Agriculture	2402-Soil and Water Conservation	0.52
36	23-Agriculture	2435-Other Agricultural Programme	0.16
37	27-Science and Technology	2810-New and Renewable Energy	0.97
38	28-Rural Development	2059-Public Works	1.09
39	28-Rural Development	2216-Housing	2.98
40	28-Rural Development	4210-Capital Outlay on Medical and Public Health	0.40
41	28-Rural Development	4215-Capital Outlay on Water Supply and Sanitation	7.92
42	28-Rural Development	4216-Capital Outlay on Housing	0.80
43	28-Rural Development	5054- Capital Outlay on Roads and Bridges	2.82
44	31-Textile and Handloom	2851-Village and Small Industries	2.14
45	33-Fishereis and Animal Resource Development	2405-Fisheries	1.06
46	36-Women and Child Development	2235-Social Security and Welfare	4.61

Appendix 2.7

Sl.No.	Grant Number	Number and Name of grant/appropriation	Saving
47	37-Information Technology	2852-Industries	12.79
48	38-Higher Education	2202-General Education	1.67
49	38-Higher Education	4202- Capital Outlay on Education, Sports, Arts and Culture	3.09
		TOTAL	**592.49**

Appendix 2.8

Statement showing details of saving of ₹ 1 crore and above not surrendered

(Refer Paragraph 2.3.13 at Page 45)

(Rupees in crore)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1	2	3	4	5
1	01-Home(Revenue Voted)	170.68	156.79	13.89
2	01-Home(Capital Voted)	60.01	32.50	27.51
3	03-Revenue & Disaster Management (Revenue Voted)	604.97	199.26	405.71
4	07-Works (Capital Voted)	91.98	67.78	24.20
5	10-School and Mass Education (Revenue Voted)	624.83	530.10	94.73
6	11-ST,SC Development and Other Backward and Minorities Development (Revenue Voted)	107.14	87.39	19.75
7	12-Health and Family Welfare (Revenue Voted)	466.95	423.74	43.21
8	13-Housing and Urban Development (Revenue Voted)	160.91	156.19	4.72
9	17-Panchayati Raj (Revenue Voted)	227.22	208.92	18.3
10	19-Industries (Revenue Voted)	34.16	32.22	1.94
11	20-Water Resources (Revenue Voted)	135.27	83.53	51.74
12	20-Water Resources (Capital Voted)	383.69	165.55	218.14
13	20-Water Resources (Capital Charged)	4.22	2.50	1.72
14	22-Forest and Environment (Revenue Voted)	54.99	47.14	7.85
15	22-Forest and Environment Department (Capital Voted)	95.82	6.56	89.26
16	28-Rural Development (Revenue Voted)	120.58	84.74	35.84
17	28-Rural Development (Capital Voted)	169.63	88.31	81.32
18	33-Fisheries and Animal Resources Development (Revenue Voted)	69.49	66.93	2.56
19	36-Women and Child Development (Revenue Voted)	388.80	361.61	27.19
20	38-Higher Education (Revenue Voted)	58.15	50.60	7.55
21	38- Higher Education (Capital Voted)	3.90	0.81	3.09
	Total	**4033.39**	**2853.17**	**1180.22**

Appendix 2.9

Statement showing Grant / Major Head of Account wise surrender of funds in excess of ₹ 10 crore on 30 and 31 March 2010

(Refer Paragraph 2.3.13 at Page 45)

(Rupees in crore)

Sl. No.	Grant Number	Major Head of Account	Total Provision	Amount of Surrender	Percentage of Total Provision
1	2	3	4	5	6
1	1	2014-Administration of Justice	101.33	21.61	21.33
2	1	2055-Police	1181.93	102.11	8.64
3	1	4055-Capital Outlay on Police	46.70	32.50	69.60
4	3	2029-Land Revenue	251.39	11.75	4.67
5	3	2245-Relief on account of Natural Calamities	813.91	172.72	21.22
6	5	2071-Pension and Other Retirement Benefits	4008.19	729.03	18.19
7	7	2059-Public Works	108.94	13.79	12.66
8	7	4059-Capital Outlay on Public Works	68.48	13.08	19.10
9	7	4202-Capital Outlay on Education, Sports, Arts and Culture	26.08	15.31	58.70
10	7	5054-Capital Outlay on Roads and Bridges	694.15	27.51	3.96
11	10	2202-General Education	4705.64	523.74	11.13
12	10	4202-Capital Outlay on Education , Sports, Arts and Culture	81.25	81.25	100
13	11	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	807.65	86.32	10.69
14	11	4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	181.47	47.67	26.27
15	12	2210-Medical and Public Health	1153.95	169.92	14.73
16	12	2211-Family Welfare	433.95	251.80	58.03
17	13	2217-Urban Development	416.64	143.52	34.45
18	13	4215-Capital Outlay on Water Supply and Sanitation	110.49	23.58	21.34
19	14	2230-Labour and Employment	71.20	33.21	46.64
20	17	2501-Special Programmes for Rural Development	176.05	47.37	26.90
21	17	2505-Rural Employment	393.88	49.75	12.63
22	17	2515-Other Rural Development Programmes	769.06	109.00	14.17

Appendix 2.9

Sl. No.	Grant Number	Major Head of Account	Total Provision	Amount of Surrender	Percentage of Total Provision
1	2	3	4	5	6
23	19	2230-Labour and Employment	49.17	13.87	28.21
24	19	2851-Vaillage and Small Industries	60.92	12.26	20.13
25	20	2700-Major Irrigation	236.03	38.87	16.47
26	20	2702-Minor Irrigation	290.62	16.14	5.55
27	20	2705-Command Area Development	67.94	19.87	29.25
28	20	4700-Capital Outlay on Major Irrigation	1089.30	89.63	8.23
29	20	4701-Capital Outlay on Medium Irrigation	391.79	50.05	12.78
30	22	2406-Forestry and Wildlife	358.51	43.82	12.22
31	23	2401-Crop Husbandry	570.15	60.59	10.63
32	23	2402-Soil and Water Conservation	124.66	16.49	13.23
33	28	2059-Public Works	79.62	19.74	24.80
34	28	2215- Water Supply and Sanitation	263.82	64.30	24.37
35	28	4215-Capital Outlay on Water Supply and Sanitation	414.39	87.20	21.04
36	31	2851-Vaillage and Small Industries	68.77	14.95	21.75
37	33	2403-Animal Husbandry	197.35	33.54	17.00
38	33	2405-Fisheries	75.40	29.39	38.98
39	34	2425-Co-operation	125.61	12.15	9.67
40	36	2235-Social Security and Welfare	1149.41	242.72	21.12
41	36	2236-Nutrition	460.99	110.41	23.94
42	38	2202-General Education	961.61	49.71	5.17
		Total	**23638.39**	**3732.24**	**15.79**

Appendix 2.10

Statement showing rush of expenditure

(Refer Paragraph 2.3.14 at Page 46)

(Rupees in crore)

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during Jan-March 2010	Expenditure incurred in March 2010	Total expenditure	Percentage of total expenditure incurred during	
						Jan-March 2010	March 2010
1	1	2055-115-0323-Dist Police-Non Plan-Voted	11.06	10.13	12.51	88.41	80.98
2	1	2055-800-1713-Spl.organisation for Anti-Naxal Operation-Non plan-Voted	40.26	38.99	42.22	95.36	92.35
3	7	5054-03-337-1994-Orissa State Roads Project-Road Improvement Component(EAP)-State Plan-State Sector-Voted	12.10	12.10	12.10	100	100
4	10	2202-01-052-2202-12th Finance Commission Award for Education-Non Plan-Voted	22.50	12.57	22.99	97.87	54.68
5	12	2210-01-001-1719-Top-up Grants recommended by 12th Finance commission (Head Qrs organization)-Non Plan-Voted	41.92	38.11	43.05	97.38	88.52
6	12	2210-01-001-1800-DFID assisted Health sector Development-EAP-State Plan-State Sector-Voted	28.13	28.13	39.83	70.63	70.63
7	13	2217-05-800-2006-One time ACA-State Plan-State Sector-Voted	16.00	11.46	16.00	100	71.63
8	16	3451-102-2173-Western Orissa Development Council(WODC)-State Plan-Dist Sector-Voted	42.89	42.89	61.10	70.20	70.20
9	16	3451-789-2173-Western Orissa Development Council(WODC)-State Plan-Dist Sector-Voted	11.45	11.45	16.36	69.99	69.99

Appendix 2.10

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during Jan-March 2010	Expenditure incurred in March 2010	Total expenditure	Percentage of total expenditure incurred during	
						Jan-March 2010	March 2010
10	16	3451-796-2173-Western Orissa Development Council (WODC)-State Plan-Dist Sector-Voted	15.65	15.65	22.54	69.43	69.43
11	16	3451-796-2430-Biju Kandhamal O Gajapati Yojana-State Plan-State sector-Voted	11.90	11.90	11.90	100	100
12	17	3604-197-1737-Maintenance & Repair under the award of 2nd State Finance Commission-Non Plan-Voted	20.15	19.77	21.80	92.43	90.69
13	20	2700-80-800-1848-Maintenance of Critical Major Irrigation Project-Non Plan-Voted	38.19	29.72	42.64	89.56	69.70
14	20	2701-80-800-1729-Maintenance of Critical Medium Irrigation Project-Non Plan-Voted	19.19	13.31	20.94	91.64	63.56
15	20	2702-01-800-0851-Maintenance and Repair-Non Plan-Voted	32.53	26.08	49.02	66.36	53.20
16	20	2702-03-102-2425-Revival and Renovation of defunct lift Irrigation projects through OLIC-State Plan-State sector-Voted	20.00	20.00	20.00	100	100
17	20	4700-01-789-2160-AIBP-State Plan-State Sector-Voted	39.91	31.20	51.70	77.20	60.35
18	20	4700-11-800-2160-AIBP-State Plan-State Sector-Voted	28.06	25.42	33.69	83.29	75.45
19	20	4700-14-796-2160-AIBP-State Plan-State Sector-Voted	95.62	74.91	118.63	80.60	63.15
20	20	4700-16-789-2160-AIBP-State Plan-State Sector-Voted	10.29	10.10	10.93	94.14	92.41
21	20	4701-51-789-2160-AIBP-State Plan-State Sector-Voted	15.44	11.79	18.75	82.35	62.88

Appendix 2.10

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during Jan-March 2010	Expenditure incurred in March 2010	Total expenditure	Percentage of total expenditure incurred during	
						Jan-March 2010	March 2010
22	23	2401-108-1623-Integrated Scheme on Oilseed, Pulses, oil and Maze-Oilseeds-CSP-District Sector-Voted	30.85	30.71	30.85	100	99.55
23	28	2059-01-053-0853-Maintenance of Buildings under Chief Engineer-Non Plan-Voted	27.85	22.70	38.46	72.41	59.02
24	28	2059-01-053-0853-Maintenance of Buildings under Chief Engineer, Rural Works-Non Plan-Voted	16.14	13.69	20.40	79.12	67.11
25	28	3054-04-337-1230-Rural Roads-Non Plan-Voted	117.94	94.33	162.00	72.80	58.23
26	28	4215-01-102-2306-ARWSP-PWS Scheme –State Plan- District Sector-Voted	14.01	12.07	18.43	76.02	65.49
27	28	5054-04-800-1077-Pradhan Mantri Gram sadak Yojana-State Plan-State Sector-Voted	14.33	14.33	14.33	100	100
28	30	2801-06-789-2153-Rajiv Gandhi Gramin Vidyuti Karan Yojana-State Plan-State Sector-Voted	16.00	16.00	16.00	100	100
29	30	2801-06-796-2153-Rajiv Gandhi Gramin Vidyuti Karan Yojana-State Plan-State Sector-Voted	20.00	20.00	20.00	100	100
30	30	2801-06-800-2153-Rajiv Gandhi Gramin Vidyuti Karan Yojana-State Plan-State Sector-Voted	44.00	44.00	44.00	100	100
31	31	6851-195-0825-Loans & Advances-Non Plan-voted	10.00	10.00	10.00	100	100
32	32	5452-01-103-2006-One time ACA-State Plan-State Sector-Voted	10.00	10.00	10.00	100	100

Appendix 2.10

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during Jan-March 2010	Expenditure incurred in March 2010	Total expenditure	Percentage of total expenditure incurred during	
						Jan-March 2010	March 2010
33	34	2425-00-107-2383-Interest Subvention to the Co-operative Banks/PACS for providing crop loans to farmers-State Plan-State Sector-Voted	22.80	22.80	22.80	100	100
34	36	2202-01-112-0900-Mid Day Meals-State Plan-State Sector-Voted	45.34	36.34	49.63	91.36	73.22
35	36	2202-01-789-0900-Mid Day Meals-State Plan-State Sector-Voted	13.31	11.14	14.43	92.24	77.20
36	36	2202-01-796-0900-Mid Day Meals-State Plan-State Sector-Voted	18.02	14.39	19.63	91.80	73.31
37	36	2235-02-103-2394-Grants for Self-help Group-State Plan-State Sector-Voted	27.67	19.54	27.67	100	70.62
38	36	2235-02-796-2394 Grants for Self-help Group-State Plan-State Sector-Voted	10.32	7.26	10.32	100	70.35
39	38	2202-03-102-1528-Utkal University-Non Plan-Voted	28.12	28.12	42.47	66.21	66.21
		TOTAL	**1059.94**	**923.10**	**1260.12**	**84.11**	**73.25**

Appendix 3.1

Statement showing details of Utilisation Certificates (UCs) due at the end of 2009-10 from Autonomous Bodies/Local Bodies

(Refer Paragraph 3.1 at Page 51)

(A) Autonomous Bodies

Sl. No.	Name of the Department	Name of the Body/Authority	Number of Body/ Authority	Year	Amount (Rupees in crore)
1.	Panchayati Raj Department	District Rural Development Agencies	12	2009-10	255.40
2.	Scheduled Tribes and Scheduled Caste Development Department	Integrated Tribal Development Agencies	8	2009-10	33.36
3.	Industry Department	Orissa Khadi & Village Industries Board,BBSR	1	2008-09	4.27
4.	Higher Education Department	Shree Jagannath Sanskrit Viswa-Vidyalaya, Puri	1	2008-09	12.25
5.	Agriculture Department	Orissa University of Agriculture and Technology, (OUAT) BBSR	1	2008-09	7.86
6.	Panchayati Raj Department	OREDA, Bhubaneswar	1	2008-09	14.49
7.	Scheduled Tribes and Scheduled Caste Development Department	TDCC, Bhubaneswar	1	2008-09	0.15
8.	Law Department	Jagannath Temple, Puri	1	2008-09	2.00
Sub Total (A)			**26**		**329.78**

(B) Zilla Parisad and other Panchayati Raj Institutions

Sl. No.	Name of the Department	Name of the Scheme	Number of PRIs	Year	Amount (Rupees in crore)
1.	Panchayati Raj Department	MGNREGS	Zilla Parisads-23 Panchayat Samities-270 Gram Panchayats-941	2009-10	75.49
2	Panchayati Raj Department	SGSY		2008-09 2009-10	10.55 119.30
3	Panchayati Raj Department	IAY		2008-09 2009-10	16.56 230.61
4	Panchayati Raj Department	BRGF		2008-09 2009-10	42.17 200.40
5	Panchayati Raj Department	TFC		2009-10	10.18
Sub Total (B)			**1234**		**705.26**

(C) Urban Local Bodies (ULBs) Municipal Corporation / Municipalities / NAC

Sl. No.	Name of the Department	Name of the Body/Authority	Number of ULBs	Year	Amount (Rupees in crore)
1.	Housing and Urban Development Department	Muncipal Corpns/ Municipalities/ NACs	Municipal Corpns.3/ Muncipalities -22 NACs-28	2008-09 2009-10	556.48 490.14
Sub Total (C)			**53**		**1046.62**

Grand Total A+B+C = ₹ 2081.66 crore

Appendix

3.2

Statement showing Scheme wise details of Utilization Certificates (UCs) wanting as at the end of 2009-10

(Refer Paragraph 3.1 at Page 51)

(Rupees in Crore)

Sl. No.	Name of the Department	Name of the Scheme	Year	Amount (Rupees in crore)
1	Panchayati Raj Department	MGNREGS	2009-10	75.49
2	Panchayati Raj Department	SGSY	2008-09 2009-10	10.55 119.30
3	Panchayati Raj Department	IAY	2008-09 2009-10	16.56 230.61
4	Panchayati Raj Department	BRGF	2008-09 2009-10	42.17 200.40
5	Panchayati Raj Department	TFC	2009-10	10.18
		Total		**705.26**

Appendix 3.3

Statement of Finalisation of Accounts and the Government Investment in Departmentally managed Commercial and Quasi-Commercial Activities

(Refer Paragraph 3.4 at Page 53)

Sl. No	Name of the Activities/Schemes under the Department	No. of Activities/ Schemes under the Department	Years from which Accounts are due	Investment as per the last accounts finalized (Rupees in crore)	Remarks/Reasons for Delay in Preparation of accounts
Department: Forest and Environment					
1	Nationalisation of Kendu Leaves operated by Chief Conservator of Forests (Kenduleaves), Orissa	1	2002-03	70.09	Arrear of accounts for eight years
Department : Agriculture and Cooperation					
2	Cold Storage Plant, Kumarmunda	1	1972	11.97	Arrear of accounts for 38 years
3	Cold Storage Plant, Similiguda	1	1977	16.15	Arrear of accounts for 33 years
4	Cold Storage Plant, Paralakhemundi	1	1984	6.36	Arrear of accounts for 26 years
5	Cold Storage Plant, Bolangir	1	1994	7.92	Arrear of accounts for 16 years
6	Cold Storage Plant, Bhubaneswar	1	1975	17.89	Transferred (March 1979) to Orissa State Seeds Corporation Limited. Arrear of accounts for 5 years
7	Cold Storage Plant, Sambalpur	1	1971	NA	Transferred (March 1979) to Orissa State Seeds Corporation Limited. Arrear of accounts for 9 years
8	Purchase and Distribution	1			Proforma not prescribed by Government
Department : Food Supplies and Consumer Welfare					
9	Grain purchase scheme	1	1977-78	NA	Transferred (September 1980) to Orissa State Seeds Corporation Limited. Arrear of accounts for four years.
Department : Commerce and Transport					
10	State Transport service	1	1972-73	NA	Transferred (May 1974) to Orissa State Road Transport Corporation. Arrear of accounts for three years.
11	Director Printing, Stationary and Publication, Orissa Cuttack (Government Press	1	1977-78	NA	Proforma accounts not prescribed though it is required under the provision of Orissa Government Press Manual. Arrear of account for 33 years.
Department : Fisheries and Animal Resources Development					
12	Poultry Development	1	--	NA	Proforma accounts not prescribed by the State Government
Inoperative/Closed Activities/Schemes					**Year from which remained closed or inoperative**
13	Grain Supply Scheme	1	--	--	1958-59
14	Scheme for trading in Iron Ore through Paradeep Port	1	--	--	1966-67
15	Cloth and Yarn Scheme	1	--	--	1954-55
16	Scheme for exploitation and Marketing of fish	1	--	--	1982-83

NA: Not available

Appendix

3.4

Department wise / duration wise break-up of the cases of misappropriation, defalcation, etc. (Cases where Final action was pending at the end of June 2010)

(Refer Paragraph 3.5 at Page 53)

(Rupees in lakh)

Sl. No.	Name of the Department	Up to 5 years 2005-06 to 2009-10		5 to 10 years 2000-01 to 2004-05		10 to 15 years 1995-96 to 1999-2000		15 to 20 years 1990-91 to 1994-95		20 to 25 years 1985-86 to 1989-90		25 years to More from inception upto 1984-85		Total No. of Cases.	
		No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Finance	0	0.00	0	0.00	0	0.00	1	4.85	0	0.00	6	5.27	7	10.12
2	Revenue & DM	2	2.62	3	107.98	1	0.79	6	4.62	7	2.25	46	28.48	65	146.74
3	Excise	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.21	1	0.21
4	Law	1	2.21	2	0.90	2	2.81	6	3.17	1	0.50	2	1.97	14	11.56
5	Water Resources	14	6.32	35	46.17	64	111.40	79	30.18	61	8.54	180	57.24	433	259.85
6	Rural Development	4	56.17	11	6.03	23	9.53	27	19.12	17	2.19	17	4.46	99	97.50
7	Energy	0	0.00	0	0.00	1	1.17	4	226.50	1	0.01	4	16.44	10	244.12
8	Industry	2	12.84	2	2.07	3	4.87	2	0.13	1	2.48	0	0.00	10	22.39
9	ST & SC Development	0	0.00	2	2.96	0	0.00	3	1.05	1	0.03	25	4.12	31	8.16
10	Health & Family Welfare	1	0.03	1	4.31	4	0.88	11	36.93	3	4.26	12	9.94	32	56.35
11	General Administration	0	0.00	0	0.00	2	0.71	1	1.26	0	0.00	1	0.95	4	2.92
12	Works	5	3.28	7	3.18	36	54.61	24	7.50	28	2.93	64	121.59	164	193.09
13	Commerce & Transport	0	0.00	3	6.18	0	0.00	3	1.65	3	1.40	3	0.97	12	10.20

Sl. No.	Name of the Department	Up to 5 years 2005-06 to 2009-10		5 to 10 years 2000-01 to 2004-05		10 to 15 years 1995-96 to 1999-2000		15 to 20 years 1990-91 to 1994-95		20 to 25 years 1985-86 to 1989-90		25 years to More from inception upto 1984-85		Total No. of Cases.	
		No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
14	Education	2	3.29	3	12.24	1	13.81	12	16.53	7	0.91	31	19.06	56	65.84
15	Fisheries & ARD	0	0.00	2	0.46	3	0.71	8	2.75	4	2.88	14	69.93	31	76.73
16	Agriculture	7	47.64	9	13.69	18	17.41	20	9.56	5	1.17	60	21.13	119	110.60
17	Co-operation	0	0.00	0	0.00	1	0.94	2	3.25	0	0.00	0	0.00	3	4.19
18	Panchayati Raj	1	0.36	1	3.95	2	10.01	5	6.43	10	1.89	42	16.56	61	39.20
19	Home	0	0.00	0	0.00	1	12.70	1	0.50	2	3.29	2	0.59	6	17.08
20	Food Supplies & C W	0	0.00	0	0.00	0	0.00	1	0.10	0	0.00	2	2.94	3	3.04
21	Housing & Urban Development	5	21.77	15	11.83	13	11.74	8	12.19	14	9.41	20	3.85	75	70.79
22	Labour & Employment	0	0.00	0	0.00	1	1.94	0	0.00	0	0.00	0	0.00	1	1.94
23	Information & Public Relation	0	0.00	1	0.09	24	1.71	48	5.45	45	3.27	0	0.00	118	10.52
24	Women & Child Development	0	0.00	0	0.00	1	0.29	3	3.01	0	0.00	1	0.14	5	3.44
25	Forest & Environment	1	0.02	8	59.51	96	38.24	66	40.14	34	12.71	232	103.90	437	254.52
	Total	**45**	**156.55**	**105**	**281.55**	**297**	**296.27**	**341**	**436.87**	**244**	**60.12**	**765**	**489.74**	**1797**	**1721.10**

Appendix

3.5

Department/category wise details in respect of cases of loss to Government due to theft, misappropriation/loss of Government material

(Refer Paragraph 3.5 at Page 53)

(Rupees in lakh)

Sl No	Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Total	
		Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Finance	0	0.00	7	10.12	7	10.12
2	Revenue & DM	9	4.17	56	142.57	65	146.74
3	Excise	0	0.00	1	0.21	1	0.21
4	Law	6	2.72	8	8.84	14	11.56
5	Water Resources	279	203.55	154	56.30	433	259.85
6	Rural Development	63	76.85	36	20.65	99	97.50
7	Energy	5	2.84	5	241.28	10	244.12
8	Industry	5	3.95	5	18.44	10	22.39
9	ST & SC Development	11	0.89	20	7.27	31	8.16
10	Health & Family Welfare	11	6.39	21	49.96	32	56.35
11	General Administration	2	0.71	2	2.21	4	2.92
12	Works	82	16.46	82	176.63	164	193.09
13	Commerce & Transport	5	6.9	7	3.30	12	10.20
14	Education	14	2.22	42	63.62	56	65.84
15	Fisheries	10	1.50	21	75.23	31	76.73
16	Agriculture	50	17.64	69	92.96	119	110.60
17	Co-operation	1	0.71	2	3.48	3	4.19

Appendix 3.5

Sl No	Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Total	
		Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
18	Panchayati Raj	17	18.25	44	20.95	61	39.20
19	Home	0	0	6	17.08	6	17.08
20	Food Supplies & Consumer Welfare	1	0.10	2	2.94	3	3.04
21	Housing & Urban Development	52	26.28	23	44.51	75	70.79
22	Labour & Employment	0	0.00	1	1.94	1	1.94
23	Information & Public Relation	111	8.56	7	1.96	118	10.52
24	Women & Child Development	1	0.03	4	3.41	5	3.44
25	Forest & Environment	76	28.10	361	226.42	437	254.52
	Total	**811**	**428.82**	**986**	**1292.28**	**1797**	**1721.10**

Appendix

3.6

Department wise details of cases of Write offs for 2009-10

(Refer Paragraph 3.5 at Page 53)

	Department	Authority Sanctioning write off	Brief Particulars of the Case	Case No.	Year	Amount (Rupees in lakh)
1	Finance	L.No.11143 dt. 11-3-10 of Finance Dept	Misappropriation of Govt. money in Ranpur Sub-Try	1596	78-79	0.55
2	Agriculture	1222 dt. 25-11-09 of Director of Agriculture & Food Production(O)	Theft of Jeep materials of departmental Jeep no ORP-4766 of the DAO Phulbani	1804	81-82	0.02*
				TOTAL		**0.57**

* Actual loss was ₹0.03 lakh, out of which ₹0.01 lakh since recovered

Appendix

3.7

Statement showing pending DCC bills for the years up to 2009-10

(Refer Paragraph 3.6 at Page 55)

(Rupees in lakh)

Sl. No.	Department	Number of AC bills	Amount
1	2056-Home	19548	3798.30
2	2015-Home & Panchayati Raj	501	3405.41
3	2202-Education	1	0.03
4	2853-Steel & Mines	171	26.75
5	3054-Road & Bridges Works	1	8.04
6	3056-Commerce	3	0.12
7	2039-Excise	3	0.05
8	2230-Labour & Employment	2	0.55
9	2251-ST & SC	2	0.15
10	2014- Administration of Justice	567	32.53
11	2425-Co-operation	1	0.03
12	2435-Agriculture	1	0.01
13	2029-Land Revenue	3	0.86
14	2210-Medical and Public Health	2	13.07
15	2235-Social security & welfare	10	0.62
16	2515-Other Rural Development project	2	0.09
17	4055-Capital outlay on Police	1	57.80
18	4059-Capital outlay on public work	3	251.18
19	2011-Paliamentary Affairs	1	3.00
20	2051-Public service commission	37	58.11
21	2052-Secretariat General services	27	131.41
22	2204-Sports & Youth Services	1057	463.35
23	2055-Home Dept(Police)	4	396.72
24	2070-Other Administrative service	10	8.53
25	2211-Health & Family Welfare	423	351.45
26	3451-Secretariat Economic Services	1	0.20
27	2700-Major Irrigation	3	22.18
	TOTAL	**22385**	**9030.54**

Appendix

4.1

Glossary of terms (and basis of calculation) and Acronyms used in the Report

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth Rate
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	[(Current year Amount /Previous year Amount)-1]* 100
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock *Interest spread
Interest received as *per cent* to Loans Outstanding	Interest Received [(Opening balance + Closing balance of Loans and Advances)/2]*100
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts **minus** all Plan Grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt.
Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.
Debt stabilisation	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GSDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilise eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
Sufficiency of non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

Appendix 4.1

Terms	Basis of calculation
Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
Appropriation Accounts	Appropriation Accounts present the total amount of funds (Original and Supplementary) authorised by the Legislative Assembly in the budget grants under each voted grants and charged appropriation vis-à-vis the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the grants requires regularisation by the Legislature.
Autonomous bodies	Autonomous Bodies (usually registered Societies or Statutory Corporations) are set up whenever it is felt that certain functions need to be discharged outside the governmental set up with some amount of independence and flexibility without day-to-day interference of the Governmental machinery.
Committed expenditure	The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsides on which the present executive has limited control.
State implementing schemes	State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for Sarva Siksha Aviyan and State Health Mission for National Rural Health Mission, etc.
Contingency Fund	Legislature Assembly has by law established a Contingency Fund in the nature of an imprest into which is paid from time to time such sums as may be determined by such law, and the said fund is placed at the disposal of the Governor to enable advances to be made by him out of it for the purpose of meeting unforseen expenditure pending authorisation of such expenditure by Legislature Assembly by law under Article 115 or Article 116 of the Constitution.
Consolidated fund of the State	The fund constituted under Article 266 (1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFI is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, etc.).
Contingent liability	Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a court case.
Sinking Fund	A Fund into which the government sets aside money over time, in order to retire its debt.
Guarantee Redemption Fund	Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. Government of Orissa have constituted a guaranteed redemption fund during the year 2002-2003 with the objective of meeting the payment obligations arising out of the default in discharging the debt servicing for the loans guaranteed by Government.

Appendix 4.1

Terms	Basis of calculation
Escrow Account	In order to ensure fiscal discipline in public sector undertaking/Urban Local bodies/co-operative Institutions and State-owned Companies etc., and to ensure minimizing the default on payment of government guaranteed loans the Government in Finance Department vide their Resolution No.11311/F dated 19 March 2004 have issued instructions that all Public Sector Undertakings/ Urban Local bodies/ Co-operative Institutions and State-owned Companies etc. who have borrow against government guarantee will open an Escrow Account in a nationalized back for timely repayment of guaranteed loans. The proceeds of this account shall first be utilized for payment of dues of the financial Institutions and it is only after meeting such payments that the surplus amount shall be diverted for other payments including salaries.
Internal Debt	Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund.
Primary revenue expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments.
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit.
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance Department, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance Department is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the close of the financial year.
Supplementary grants	If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115 (1) of the Constitution.
Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L. Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head "Suspense Account" but should be credited to the minor head "Other Receipt" under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars.
Public Accounts committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the appropriation accounts of the State, the annual financial accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinise.

Appendix 4.1

Acronyms	Full Form
AC	Abstract Contingency
AE	Aggregate Expenditure
BE	Budget Estimates
BRGF	Backward Region Grant Fund
CAG	Comptroller and Auditor General of India
CAGR	Compound Annual Growth Rate
CE	Capital Expenditure
CFS	Consolidated Fund of the State
DCC	Detailed Countersigned Contingent
DCRF	Debt Consolidation and Relief Facility
DE	Development Expenditure
DRDA	District Rural Development Agency
FCP	Fiscal Correction Path
FRBM	Fiscal Responsibility and Budget Management
GoI	Government of India
GSDP	Gross State Domestic Product
IAY	Indira Awas Yojana
IP/RR	Interest Payment/ Revenue Receipt
MTFP	Medium Term Fiscal Plan
NREGS	National Rural Employment Guarantee Scheme
NPRE	Non-Plan Revenue Expenditure
NHM	National Horticulture Mission
NABARD	National Bank for Agriculture and Rural Development
NSSF	National Small Savings Fund
O&M	Operation and Maintenance
OGFR	Orissa General Financial Rules
ONTR	Own Non Tax Revenue
OTR	Own Tax Revenue
OTS	One Time Settlement
OWDM	Orissa Watershed Development Mission
PCDE	Per Capita Development Expenditure
PIA	Project Implementing Agencies
PSU	Public Sector Units
PMGSY	Pradhan Mantri Gram Sadak Yojana.
RE	Revenue Expenditure
RR	Revenue Receipts
RGGY	Rajiv Gandhi Gram Vidut karan Yojana.
S&W	Salaries and Wages
SGRY	Sampoorna Gramin Rojgar Yojana
SGSY	Sampoorna Gramin Swarojgar Yojana
SJSRY	Swarna Jayanti Sahari Rojgar Yojana
SSE	Social Sector Expenditure
TE	Total Expenditure
TFC	Twelfth Finance Commission
UC	Utilization Certificates
VAT	Value Added Tax

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