

**Report of the  
Comptroller and Auditor General of India  
on  
State Finances**

for the year ended March 2012

**Government of Odisha**  
*Report No. 1 of the year 2012*

## Table of Contents

|   | <i>Reference</i> |                 |
|---|------------------|-----------------|
|   | <i>Para No.</i>  | <i>Page No.</i> |
| Preface   |                  | <i>v</i>        |
| Executive Summary   |                  | <i>vii</i>      |
| <b>CHAPTER 1: Finances of the State Government</b>                                      |                  |                 |
| Profile of Odisha   |                  | 1               |
| Introduction  | 1.1              | 1               |
| Summary of Current Year's Fiscal Transactions   | 1.1.1            | 2               |
| Resources of the State  | 1.2              | 5               |
| Revenue Receipts  | 1.3              | 6               |
| Application of Resources  | 1.4              | 10              |
| Quality of Expenditure  | 1.5              | 16              |
| Financial Analysis of Government Expenditure and Investments                            | 1.6              | 20              |
| Assets and Liabilities  | 1.7              | 25              |
| Debt Sustainability   | 1.8              | 29              |
| Fiscal Imbalances   | 1.9              | 31              |
| Public Private Partnership  | 1.10             | 34              |
| Conclusion and Recommendations  | 1.11             | 36              |
| <b>CHAPTER 2: Financial Management and Budgetary Control</b>                            |                  |                 |
| Introduction  | 2.1              | 39              |
| Summary of Appropriation Accounts   | 2.2              | 39              |
| Financial Accountability and Budget Management  | 2.3              | 40              |
| Advances from Contingency Fund  | 2.4              | 51              |
| Errors in Budgetary Process   | 2.5              | 52              |
| Outcome review of selected grants   | 2.6              | 55              |
| Misclassification of Grants-in-Aid  | 2.7              | 58              |
| Outcome of Inspection of Treasuries   | 2.8              | 58              |
| Conclusion and Recommendations  | 2.9              | 61              |
| <b>CHAPTER 3: Financial Reporting</b>   |                  |                 |
| Delay in furnishing Utilisation Certificates and inaccurate reporting                   | 3.1              | 63              |
| Non-submission/delay in submission of details of grants/ loans paid                     | 3.2              | 65              |
| Delays in Submission of Accounts/Audit Reports of Autonomous Bodies                     | 3.3              | 66              |
| Departmentally Managed Commercial Activities  | 3.4              | 67              |
| Inadequate departmental action on cases of misappropriations, losses, defalcations etc. | 3.5              | 68              |

|  | <i>Reference</i> |                 |
|--|------------------|-----------------|
|  | <i>Para No.</i>  | <i>Page No.</i> |
| Pendency in adjustment of Abstract Contingent Bills  | 3.6              | 69              |
| Un-reconciled expenditure by Controlling Officers  | 3.7              | 69              |
| Non closure of inoperative/unwarranted Personal Deposit Accounts   | 3.8              | 70              |
| Booking under minor heads '800-Other Receipts and 800- Other Expenditure'  | 3.9              | 71              |
| Conclusion and Recommendations   | 3.10             | 72              |
| <b>Appendices</b>  |                  |                 |
| 1.1 A brief profile of Odisha  |                  | 75              |
| 1.2 Structure and Form of Government Accounts  | 1.1              | 76              |
| 1.3 Time series data on the State Government Finances  | 1.1.1            | 77              |
| 1.4 Abstract of receipt and disbursement for the year 2011-12  | 1.1.1            | 80              |
| 1.5 Funds transferred directly to State implementing agencies  | 1.2.2            | 83              |
| 1.6 Statement showing gross collection and expenditure on collection for the year 2007-2012  | 1.3.1            | 87              |
| 1.7 Statement of outcome budget during the financial year 2011-12  | 1.5.3            | 88              |
| 1.8 Summarised financial position of the Government of Odisha as on 31 March 2012  | 1.7.1            | 91              |
| 1.9 Status of Public Private Partnership Projects in Orissa as on 31 March 2012  | 1.10             | 93              |
| 2.1 Statement of various grants/appropriations where saving was more than ₹ 10 crore in each case and more than 20 per cent of the total provision             | 2.3.1            | 99              |
| 2.2 List of Grants indicating persistent savings during 2007-12  | 2.3.2            | 100             |
| 2.3 Statement showing various grants/appropriations where expenditure was more than by ₹ 10 crore in each case or more than 20 per cent of the total provision | 2.3.3            | 101             |
| 2.4 Excess over provisions relating to previous years requiring regularisation   | 2.3.6            | 102             |
| 2.5 Statement showing cases where supplementary provision (₹ 1 crore or more in each case) proved unnecessary  | 2.3.8            | 103             |
| 2.6 Statement showing cases where supplementary provision (₹ 1 crore or more in each case) proved excessive  | 2.3.8            | 104             |
| 2.7 Statement showing excess / unnecessary re-appropriation of funds   | 2.3.9            | 105             |
| 2.8 Statement showing results of substantial surrenders made during the year   | 2.3.11           | 108             |
| 2.9 Statement showing surrender in excess of actual savings (₹ 25 lakh or more)  | 2.3.12           | 110             |
| 2.10 Statement showing details of savings of ₹ 1 crore and above not surrendered   | 2.3.13           | 111             |

|            |   | <i>Reference</i> |                 |
|------------|---|------------------|-----------------|
|            |   | <i>Para No.</i>  | <i>Page No.</i> |
| 2.11       | Statement showing grant / major head of account wise surrender of funds in excess of ₹ 10 crore on 31 March 2012  | 2.3.13           | 112             |
| 2.12       | Statement showing rush of expenditure   | 2.3.14           | 114             |
| 3.1        | Statement showing details of utilisation certificates pending for receipt by different departments of the State Government as at the end of 2011-12.                                | 3.1              | 117             |
| 3.2        | Statement showing details of utilization certificates due to be received by different body/authority of the State Government from autonomous /local bodies as at the end of 2011-12 | 3.1              | 118             |
| 3.3        | Statement showing department wise receipt of Central Assistance and details of utilisation certificates wanting as on 1.1.2012  | 3.1              | 119             |
| 3.4        | Statement showing the details of excess UC submitted by the DDO/Departments as on 31.3.2012   | 3.1.1            | 120             |
| 3.5        | Statement of finalisation of accounts and the Government investments in departmentally managed Commercial and Quasi-commercial activities   | 3.4              | 121             |
| 3.6        | Department wise / duration wise break-up of the cases of misappropriation, defalcation etc.<br>(Cases where final action was pending at the end of June 2012)                       | 3.5              | 122             |
| 3.7        | Department / Category wise details in respect of cases of loss of Government due to theft, misappropriation / loss of Government material   | 3.5              | 123             |
| 3.8        | Reasons for which the cases were outstanding  | 3.5              | 124             |
| 3.9        | Statement showing unadjusted AC bills for the years up to 2011-12   | 3.6              | 125             |
| 3.10       | Statement showing the PD Accounts holders for more than three years   | 3.8              | 126             |
| <b>4.1</b> | <b><i>Glossary of terms (and basis of calculation) and Acronyms used in the Report</i></b>  | 4.1              | 127             |

## *Preface*

**T**his 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 2012. Information has also been obtained from the Government of Odisha, 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 Odisha is being brought out with a view to assess objectively the financial performance of the State during 2011-12 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 in the Fiscal Responsibilities and Budget Management (FRBM) Amendment Act 2011 under Mid Term Fiscal Plan (MTFP), and in the Budget Estimates of 2011-12, and norms recommended by the Thirteenth Finance Commission (ThFC).

## The Report

Based on the audited accounts of the State Government for the year ending March 2012, 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, budget documents, ThFC 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 Odisha Government's fiscal position as of 31 March 2012. 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 and resources generated through public private partnership mode.

**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. Besides, comments arising out of audit of budgetary process and budget assumptions and outcome of inspection of treasuries have also been made in chapter-2.

**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**

**Amendment to the State FRBM Act:** In accordance with the ThFC recommendations the State Government amended (February 2012) the FRBM Act incorporating therein the continuation of the already achieved zero revenue deficit, setting a target of three *per cent* of fiscal deficit and review of compliance to provisions of FRBM Act through an independent agency as required by the ThFC.

However, disclosures like projection of Revenue Consequences of Capital Expenditure (RCCE) in the MTFP, public-private partnerships (PPPs) and related liabilities and bringing out statements on physical and financial assets and vacant public land and building were not included as recommended by ThFC to be featured under MTFP. Besides, system of reviewing the compliances to the provisions of the FRBM Act was not put in place even after two years of ThFC recommendations came into force.

**Oversight over funds transferred directly from the GoI to the State implementing agencies:** GoI directly transferred substantial amount of grants-in-aid to the State Implementing Agencies for implementation of different schemes. Funds flowing directly to the implementing agencies through off-budget route inhibit FRBM Act requirements of transparency and escape accountability. There is no single agency monitoring the use of these funds and no data is readily available on the amounts spent in any particular year on major flagship and other important schemes. 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. The State Government has to put in place an appropriate mechanism to ensure proper accounting and utilisation of the funds directly transferred by Government of India (GoI) to the implementing agencies.

**Revenue Receipts:** The Revenue receipts (₹ 40267 crore) grew by 21 *per cent* in 2011-12 over the previous year. The increase was mainly contributed by own revenue, State's share of union taxes and duties and grants-in-aid receipts from GoI. However, the annual growth rate has come down sharply to 7.40 *per cent* in 2009-10 to recover at 21 *per cent* in 2011-12. Government may mobilise additional tax resources through Tax and Non-Tax Revenue by expanding the tax base and rationalising the user charges.

**Revenue Expenditure:** Revenue Expenditure (RE) which constituted 87 *per cent* of the total expenditure during 2011-12, increased by 18 *per cent* over the previous year. Non-Plan Revenue Expenditure (NPRE) constituted 72 *per cent* of RE. The NPRE (₹ 24940 crore) increased by 13 *per cent* over the previous year and exceeded the ThFC's normative assessment (₹ 19131 crore) by ₹ 5809 crore. The increase in NPRE during the current year was mainly on Irrigation and Flood control (₹ 150 crore), Social Welfare and Nutrition (₹ 1114 crore), Transport (₹ 132 crore) and Rural Development (₹ 282 crore). Food subsidies at ₹ 979 crore exceeded the normative projection of the ThFC

of ₹ 84 crore largely due to implementation of the rupee two per kilogram of rice scheme introduced during 2008-09 which continued through 2011-12. The ThFC recommended phasing out of subsidies. Government may resort to need-based borrowings to reduce interest payments and contain the growth of un-productive non-plan revenue expenditure.

### **Return to fiscal correction**

Fiscal position of the State viewed in terms of trends in deficit/surplus indicators revealed that in 2011-12, while revenue surplus and primary surplus increased, fiscal deficit of previous year turned into fiscal surplus pointing towards the continuing effort of the State Government towards a path of fiscal correction and consolidation. The fiscal deficit of ₹ 658 crore in 2010-11 turned into fiscal surplus of ₹ 622 crore during 2011-12 due to the support of huge surplus available in revenue account which is a welcome development. The significant gap between the growth rates of the revenue receipts (21 *per cent*) and revenue expenditure (18 *per cent*) over the previous year resulted in increase of revenue surplus to ₹ 5607 crore during 2011-12 from ₹ 3908 crore in 2010-11. Primary surplus increased from ₹ 2403 crore in 2010-11 to ₹ 3198 crore in 2011-12. However, there was an aberration as the revenue surplus was overstated by ₹ 907 crore due to misclassification of expenditure under the revenue section.

Built upon early gains in achieving deficit targets, the Government continued to consolidate the same in the current year (2011-12) despite pressure on the committed expenditure due to implementation of the Sixth Pay Commission award and higher food subsidy costs due to continuation of the scheme of providing rupees two a kilogram of rice for the disadvantaged segment of the population. Given the robustness of the economy, the State can still achieve the remaining targets/norms of the ThFC's recommendations with concerted efforts through better tax compliance and phasing out non-merit implicit and explicit subsidies.

**Greater priority to capital expenditure:** The Capital Expenditure (CE) increased marginally by five *per cent* over the previous year. The CE was 1.99 *per cent* of GSDP as against State Government's projection of 2.50 *per cent* for 2011-12 and less than the budget estimates. Government may consider strengthening the physical and operational infrastructure for absorption of higher capital expenditure and re-prioritise their outlays for asset formation and sustainable development of the State in view of lower achievement of target set under MTFP for 2011-12.

**Review of Government investments:** There was investment of ₹ 2908.07 crore during 2011-12 with a return of ₹ 286.23 crore which was 9.84 *per cent* of the investment. The investment of State Government at the end of 2011-12 included ₹ 2556.62 crore in 83 Public Sector Undertakings (PSU) comprising 80 Government Companies (₹ 2064.16 crore) and three Statutory Corporations (₹ 492.46 crore). Out of this, only one Corporation (Odisha Mining Corporation) contributed ₹ 285 crore which constituted 99.5 *per cent* of the total return received during the year. The State Government did not receive



any return from 108 concerns<sup>1</sup> which account for 84 *per cent* of total equity holding (₹ 2429 crore) of the State Government. Outstanding loans as of March 2012 was ₹ 3903 crore. Difference between interest payment and interest receipts was negative which meant that the State's borrowings were more expensive than the loans advanced by the Government. It would be advisable for the State Government to ensure better value for money in its investments, otherwise high cost borrowed funds invested in projects with low financial return will continue to strain the State economy in the long-run.

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 in that particular sector). 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 2012 which is yet to be done.

**Prudent cash management:** The State had a huge surplus cash balance, but invested the same in Government of India (GoI) Treasury Bills with Reserve Bank of India at low interest rates. 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 retire or pre-pay some of the high cost debts. The ThFC also recommended the Governments to make efforts towards utilising their cash balances before resorting to fresh borrowings. The State Government should continue to pursue with GoI to allow pre-payment of high cost debt before incurring fresh debt.

**Debt sustainability:** Currently the State Government is not facing any debt crisis because there was fiscal surplus of 0.27 *per cent* of GSDP, which is well within the ThFC projections of fiscal deficit of three *per cent* and most of the indicators of debt sustainability are also positive. The trends in debt sustainability revealed 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 2009-12, which is a very positive sign.

**Public-Private Partnerships:** Government has framed public-private-partnership (PPP) policy in 19 sectors of the economy to generate maximum resources for infrastructure build up during 2007-12; however, the resources generated during 2007-12 were negligible as most of these projects did not take off. Only eight out of 70 projects had been completed.. Delay in completion of PPP projects ranging from one to three years affected the flow of intended benefits to the public through the utilities such as communication, transportation, housing and tourism etc. as well as generation of resources.

Effective actions have to be taken to gear up PPP activities from the experience gained from Eleventh Plan period. Also there is a need to appropriately disclose the quantum of resources planned to be generated through PPP route in the budget and the Finance Accounts every year and its proposed application.

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<sup>1</sup> Statutory Corporations: 1, Government companies: 77 and Co-operative Societies: 30)

## **Financial Management and Budgetary Control**

During 2011-12, there was overall saving of ₹ 7258.40 crore. Gross savings of ₹ 7410.17 crore was offset by excess expenditure of ₹ 151.77 crore in one grant under revenue section and one grant under Capital section and one appropriation. The above excess needs regularisation under Article 205 of the Constitution of India. The savings were mainly due to slow programme implementation and largely contributed to surpluses on the revenue account.

There were instances of savings exceeding ₹ 10 crore in 16 cases relating to 14 grants and one appropriation. This included huge savings of ₹ 3049.51 crore in 10 cases under eight grants and one appropriation exceeding ₹ 100 crore in each case. There were instances of persistent savings, excess expenditure and expenditure without provision of funds, unnecessary/excessive supplementary provision, substantial surrenders, non-surrender of anticipated savings during the current year and instances of rush of expenditure during the last month of the financial year. Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issue of re-appropriation / surrender statements should be avoided.

Non-recoupment of advances from the Contingency Fund persisted despite the same being pointed out in earlier Audit Reports. The Constitutional provisions should be observed for recoupment of advances from the Contingency Fund.

Payment of grants-in-aid constitutes revenue expenditure. During the year grants-in-aid of ₹ 763.22 crore were found debited to Capital heads of accounts leading to overstatement of capital expenditure and understatement of revenue expenditure. Proper classification of Government transactions need to be adhered to as per rules.

A good number of treasuries are not rendering Central Civil Pension / Central Political Pension vouchers to concerned accounting circles for reimbursement due to which a claim of ₹ 5.59 crore remained in suspense head as of March 2012.

## **Financial reporting**

State Government's compliance with various rules, procedures and directives relating to utilisation of funds was unsatisfactory as evident from delays in furnishing utilisation certificates (UCs) against the grants from various grantee institutions and issue of inaccurate UCs. This was mainly due to non adherence to the existing instructions for watching timely receipt of UCs.

Information on financial assistance given to various institutions / authorities by different departments of the State Government have not been furnished to the Accountant General (General and Social Sector Audit) and Accountant General (Revenue and Economic Sector Audit) Odisha as required under the provisions of Audit and Accounts Regulations 2007 and State Government rules.

As of August 2012, accounts of 19 bodies/authorities were not received in the office of the Accountant General (G&SSA), Odisha, though entrustment of Audit of those bodies / authorities was made to the Comptroller and Auditor General of India.

Delays were also noticed in submission of annual accounts by the commercially managed departmental undertakings.

Cases of misappropriation, losses and defalcations were pending for settlement for long in many of the departments of State Government despite the same being pointed out regularly in earlier Audit Reports. Departmental enquiries in such cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent occurrence of such cases in future.

The Chief Controlling Officers did not submit Detailed Contingent Bills against the advances drawn on Abstract Contingent (AC) Bills of ₹ 62.18 crore for up to eight years as of 31 March 2012. A rigorous monitoring mechanism needs to be put in place by the Drawing and Disbursing Officers (DDOs) to adjust AC Bills in time and not to advance further amounts without adjustment of earlier advances.

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.

A large amount of unspent balance (₹ 656.07 crore) was lying in 889 Personal Deposit (PD) Accounts and were not credited back to Government Account. There were 16 PD accounts involving ₹ 13.74 crore lying inoperative for a period ranging from four to 44 years as of March 2012. Parking of fund in PD accounts adversely affected the transparency of State accounts. Further, it also greatly erodes budgetary and legislative control over the State's finances. Government may take suitable measures for closure of inoperative PD accounts and transfer of balance fund to the Consolidated Fund as provided in codal provisions.

*Profile of the State*

Odisha was formed on 1 April 1936 and became a constituent state of India in 1950. Covering an area of 1.56 lakh square kilometres, Odisha is situated on the east coast of the country with forest coverage of 58136 square kilometres (37 per cent of total area) and a population of 4.19 crore (as per census 2011). As per 2011 census (provisional), 83 per cent of the total population lived in rural areas while 17 per cent lived in urban areas as against 85 per cent and 15 per cent respectively as per 2001 census indicating migration from rural to urban areas during the last decade. As indicated in **Appendix 1.1**, in the last ten years, the density of population in Odisha has increased from 236 persons per square kilometre to 269 persons. However, Odisha still has lower density of population as compared to the All India figure. Odisha has a lower literacy rate, lower life expectancy at birth and higher infant mortality rate when compared to the All India average. Population below the poverty line at 46.4 per cent was much higher than the national average of 27.5 per cent. Odisha has lower level of rural as well as urban inequality when compared to the All India average. Odisha's Gross State Domestic Product (GSDP) has grown at a higher rate (16.36 per cent) in the past decade compared to the average GSDP growth of the General Category states (14.46 per cent). During this period, its population has grown by 10.39 per cent against 13.90 per cent in other General Category states<sup>1</sup>.

**1.1 Introduction**

This chapter provides a broad perspective of the finances of the State Government of Odisha during 2011-12 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 Accounts and the layout of Finance Accounts are given at the **Appendix 1.2**. The Thirteenth Finance Commission (ThFC) recommended every State needs to amend the FRBM Act and work out a fiscal reform path to make credible progress towards fiscal consolidation. Keeping in line with the recommendations of the ThFC, the State Government obtained amendment (February, 2012) to the States 'Fiscal Responsibility and Budget Management (FRBM) Act, 2005 which laid down the following fiscal targets:

- Revenue deficit during 2011-12 and onwards to be maintained at Zero.
- Fiscal deficit to be contained within three per cent of the Gross State Domestic Product (GSDP) from 2011-12 and onwards.
- In order to bring the debt stock to a sustainable level, interest payment as a percentage to revenue receipt to be limited to 15 per cent.

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 -127

<sup>1</sup> Andhra Pradesh, Bihar, Chattisgarh, Gujrat, Haryana, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharastra, Odisha, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal

- For the purpose of ensuring compliance to the provisions of the FRBM Act, the State Government shall entrust an agency independent of State Government who shall periodically make review of such compliance and submit reports thereof to the State Government for laying the same before the State Legislature

However disclosures like projection of Revenue Consequences of Capital Expenditure (RCCE) in the Mid Term Fiscal Plan (MTFP), Public-Private Partnerships (PPPs) and related liabilities and bringing out statements on physical and financial assets and vacant public land and building were not included as recommended by ThFC to be featured under MTFP. The required monitoring system of the fiscal reforms through an independent agency as envisaged in the amended FRBM Act and the ThFC requirement was yet to be put in place (September 2012).

The Principal Secretary, Finance Department stated (November 2012) that the evaluation by an independent agency can be undertaken only after the Finance Account 2011-12 are laid in the Legislative Assembly. However, the reply was silent about the agency to which the evaluation study was to be entrusted. Besides, such evaluation study has become overdue for the accounts of 2010-11 as required under the Finance Commission recommendation.

### *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 (2011-12) vis-à-vis the previous year while *Appendix 1.3* provides overall fiscal position and *Appendix 1.4* shows details of receipts and disbursement during the current year.

**Table 1.1: Summary of Current Years fiscal operations**

(₹ in crore)

| Receipt                             |                 |                 | Disbursement                       |                 |          |         |                 |
|-------------------------------------|-----------------|-----------------|------------------------------------|-----------------|----------|---------|-----------------|
|                                     | 2010-11         | 2011-12         |                                    | 2010-11         | 2011-12  |         |                 |
| Section A                           | Total           | Total           | Section A                          | Total           | Non-Plan | Plan    | Total           |
| Revenue receipts*                   | 33276.16        | 40267.02        | Revenue Expenditure                | 29367.95        | 24940.47 | 9719.76 | 34660.23        |
| Tax Revenue                         | 11192.67        | 13442.74        | General Services                   | 9936.77         | 10848.20 | 80.38   | 10928.58        |
| Non-Tax Revenue                     | 4780.38         | 6442.96         | Social Services                    | 11922.01        | 8769.23  | 5568.84 | 14338.07        |
| Share of Union Taxes/<br>Duties     | 10496.86        | 12229.13        | Economic Services                  | 7077.56         | 4661.93  | 4070.54 | 8732.47         |
| Grants from<br>Government of India  | 6806.25         | 8152.19         | Grants-in-aid and<br>Contributions | 431.61          | 661.11   | ---     | 661.11          |
| <b>Section B</b>                    |                 |                 | <b>Section B</b>                   |                 |          |         |                 |
| Miscellaneous Capital<br>Receipts   | ---             | ---             | Capital Outlay                     | 4285.10         | 60.66    | 4435.43 | 4496.09         |
| Recoveries of Loans<br>and Advances | 33.81           | 132.08          | Loans and Advances<br>Disbursed    | 314.69          | 618.67   | 2.34    | 621.01          |
| Public Debt<br>Receipts**           | 2267.60         | 1353.76         | Repayment of Public<br>Debt**      | 2083.58         | ---      | ---     | 2327.76         |
| Contingency Fund                    | 198.97          | 375.00          | Contingency Fund                   | 375.00          | ---      | ---     | 2.81            |
| Public Account<br>Receipts          | 12778.87        | 15486.73        | Public Account<br>Disbursement     | 11407.85        | ---      | ---     | 14022.62        |
| Opening Cash Balance                | 9283.63         | 10004.87        | Closing Cash Balance               | 10004.87        | ---      | ---     | 11488.94        |
| <b>TOTAL</b>                        | <b>57839.04</b> | <b>67619.46</b> | <b>TOTAL</b>                       | <b>57839.04</b> |          |         | <b>67619.46</b> |

**Source:** Finance Accounts for the respective years

\* does not include ₹ 6228.66 crore transferred directly to Non-Government Organisations (NGOs) / Voluntary Organisations in Odisha by Government of India (GoI).

\*\* excluding net transactions under Ways and Means advances and overdrafts.

Analysis of the Table above disclosed the following:

The actual realisation of own tax revenue (₹ 13443 crore) and non-tax revenue (₹ 6443 crore) during 2011-12 was higher than the normative assessment of ThFC (₹ 12084 crore and ₹ 2429 crore respectively) as well as the projection made in State MTFP (₹ 13399 crore and ₹ 5000 crore) mainly due to increase in gross receipts of motor vehicle tax, VAT, land revenue and collection of fees, rents and royalties.

Revenue receipts of the State increased by ₹ 6991 crore (21 *per cent*) over the previous year. This increase was mainly contributed by State's own tax revenue (₹ 2250 crore), own non-tax revenue (₹ 1663 crore) State's share of Union Taxes/Duties (₹ 1732 crore) and grants-in-aid from Government of India (₹ 1346 crore). The revenue receipts (₹ 40267 crore) during current year were higher than the assessment made by State Government in its Medium Term Fiscal Plan (₹ 40221 crore) by about 0.11 *per cent* approximately.

Revenue expenditure increased by ₹ 5292 crore (18 *per cent*) during 2011-12 over the previous year. The increase was mainly in social service sector (₹ 2416 crore), economic service sector (₹ 1655 crore), general service sector (₹ 992 crore) and grant-in-aid (₹ 229 crore).

Capital outlay increased by ₹ 211 crore (five *per cent*) over the previous year mainly on account of increase in expenditure on Agriculture and Allied services (₹ 69 crore), Power Projects (₹ 98 crore) and Irrigation and Flood control (₹ 145 crore), set off by decrease in other expenditure heads. Loans and advances increased substantially by ₹ 306 crore (97 *per cent*) from ₹ 315 crore in 2010-11 to ₹ 621 crore in 2011-12.

Public Debt receipts decreased by ₹ 914 crore (40 *per cent*) while repayment of public debt increased by ₹ 244 crore (12 *per cent*) resulting in a net decrease of ₹ 670 crore in public debt during 2011-12.

Public Account receipts ₹ 15487 crore increased by ₹ 2708 crore (21 *per cent*) over the previous year mainly due to increase in deposits and advances (₹ 780 crore), remittances (₹ 1213 crore) and reserve fund (₹ 1058 crore) which was mainly set off by decrease in small savings and provident fund (₹ 312 crore). Public Account disbursements (₹ 14023 crore) on the other hand increased by ₹ 2615 crore (23 *per cent*) during the same period mainly due to increase under remittances (₹ 1200 crore), reserve fund (₹ 596 crore) and small savings and provident fund (₹ 484 crore).

Cash Balance of the State increased by ₹ 1484 crore mainly because of increase in Cash Balance Investment by ₹ 1499 crore which was set off by decrease in Deposit with Reserve Bank of India (₹ 12 crore) and Departmental Cash Balance by three crore.

### ***1.1.2 Budget Estimates and Actuals***

Budget papers presented by the State Government provide estimation of revenue and expenditure for a particular financial year. The importance of accuracy in estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from budget estimates are indicative of non-attainment and non-optimisation of desired

fiscal objectives. Compared to the budget estimates for 2011-12, there was considerable variation in actuals in the case of several key fiscal parameters. **Chart 1.1 and Table 1.2** presents the budget estimates and actuals for some important parameters.

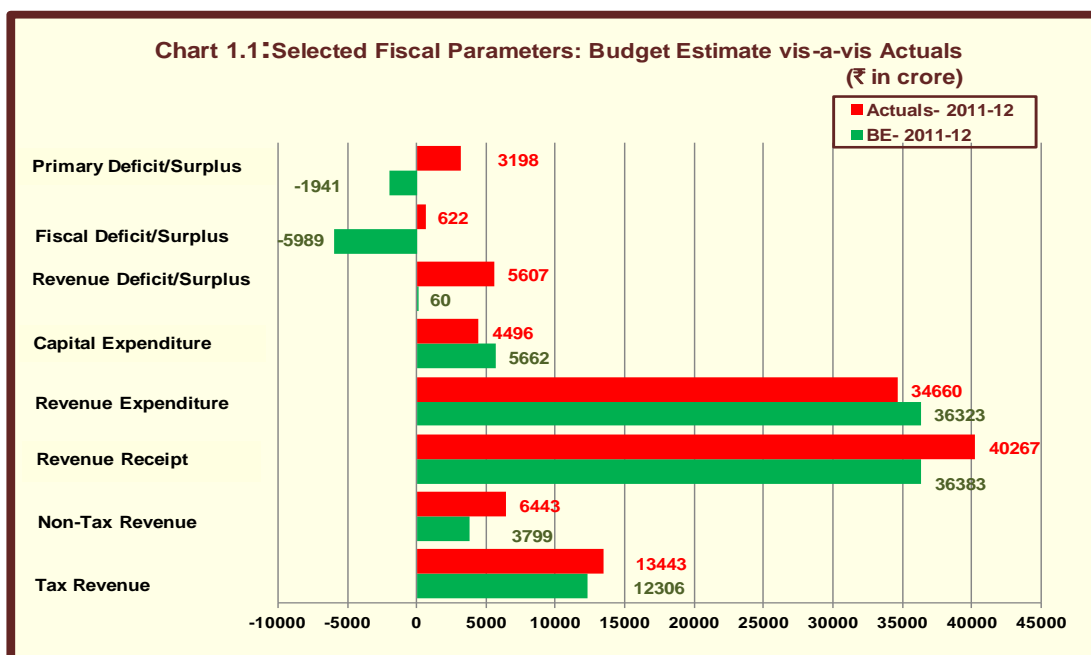


Table 1.2: Variation in Budget Estimates and Actual

| Variation                      | Budget Estimates | Actual | Increase (+) / Decrease (-) | Percentage increase (+) / decrease (-) |
|--------------------------------|------------------|--------|-----------------------------|--|
|                                | (₹ in crore)     |        |                             |  |
| Tax Revenue                    | 12306            | 13443  | (+)1137                     | (+)9                                   |
| Non-Tax Revenue                | 3799             | 6443   | (+)2644                     | (+)70                                  |
| Revenue Receipts               | 36383            | 40267  | (+)3884                     | (+)11                                  |
| Revenue Expenditure            | 36323            | 34660  | (-)1663                     | (-)5                                   |
| Capital Expenditure            | 5662             | 4496   | (-)1166                     | (-)21                                  |
| Revenue Deficit(-)/Surplus(+)  | 60               | 5607   | (+)5547                     | (+)9245                                |
| Fiscal Deficit(-)/Surplus(+)   | -5989            | 622    | (+)6611                     | (-)110                                 |
| Primary Deficit(-)/Surplus (+) | -1941            | 3198   | (+)5139                     | (-)265                                 |

Source: Odisha Budget at a Glance 2012-13 and Finance Accounts 2011-12.

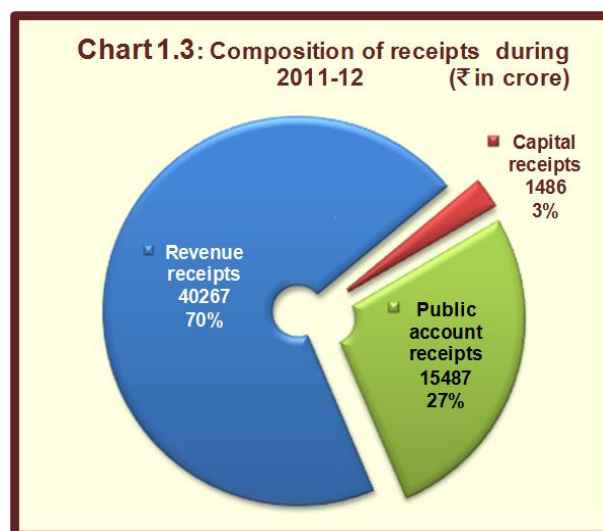
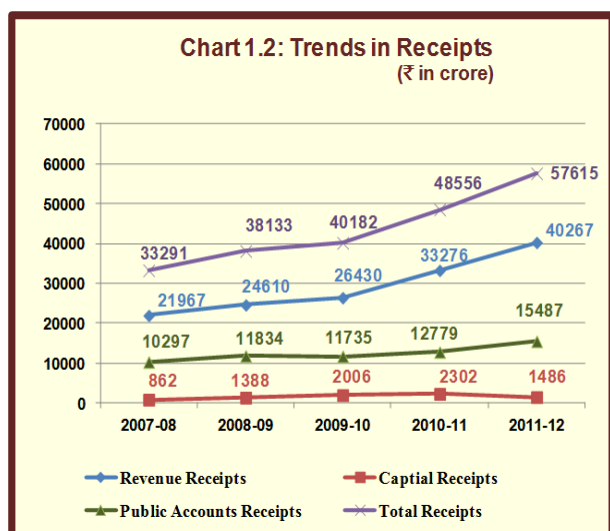
As may be observed from **Chart 1.1 and Table 1.2**, the States actual Revenue Receipts were more than the Budget Estimates by ₹ 3884 crore (11 per cent) mainly due to increase in Non-Tax Revenue Receipts. The State's own Tax Revenue was more than Budget Estimates by ₹ 1137 crore (nine per cent) while Non-Tax Revenue was more than the Budget Estimates by ₹ 2644 crore (70 per cent). As a result, the estimated Revenue surplus of only ₹ 60 crore turned into Revenue surplus of ₹ 5607 crore. Revenue Expenditure and Capital Expenditure were less than the budget estimate by ₹ 1663 crore (five per cent) and ₹ 1166 crore (21 per cent) respectively. Asset creation was not given as much priority as intended in the budget estimates as there was a shortfall of 21 per cent in Capital Expenditure over the budget estimate. This decrease in Capital Expenditure as compared to budget estimate is not a good sign in a developing State with poor infrastructural levels. However, the fiscal deficit of ₹ 5989 crore and primary deficit of ₹ 1941 crore estimated in budget turned into

fiscal surplus and primary surplus of ₹ 622 crore and ₹ 3198 crore respectively, which is a healthy sign.

## 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 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 2007-12. **Chart 1.3** depicts the composition of resources of the State during the current year.



During 2007-2012, total receipts increased by 73 per cent from ₹ 33291 crore in 2007-08 to ₹ 57615 crore in 2011-12, of which increase of revenue receipts was by 83 per cent from ₹ 21967 crore to ₹ 40267 crore during the period due to higher collection of State's own taxes as well as increases in central tax transfers and grants-in-aid from GoI. The share of revenue receipts as percentage of total receipts increased steadily from 66 per cent in 2007-08 to 70 per cent in 2011-12. The share of Capital Receipts remained at three per cent in 2007-08 and 2011-12. The percentage share of Public Account receipts to the total receipts declined from 31 per cent in 2007-08 to 27 per cent in 2011-12. Revenue buoyancy ratio varied from 1.556 in 2007-08 to 0.981 in 2011-12 (**Table 1.3**)

### 1.2.2 Funds transferred to State implementing agencies outside the State Budget

The Central Government has been transferring a sizeable amount 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 recognised as critical. As these funds are not routed through the State Budget/State



Treasury System, 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 these are underestimated.

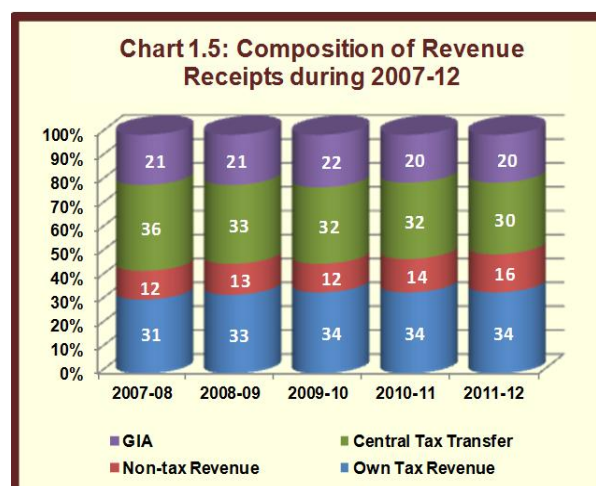
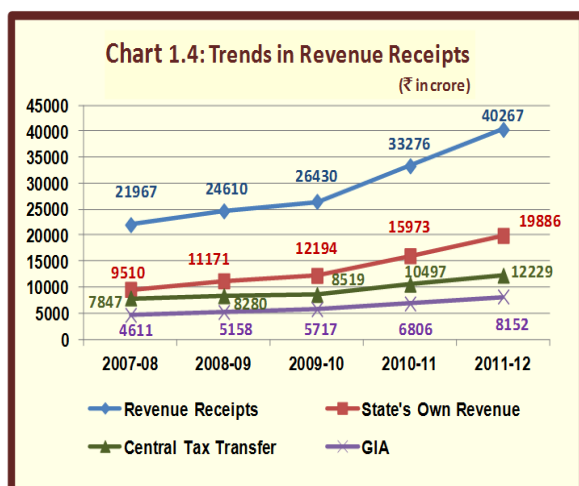
The ThFC has recommended that the public expenditure through creation of fund outside the Consolidated Fund by diverting from the Budget and operated outside the authority of legislature need to be discouraged as these irregular arrangements bypass the oversight of the State Legislature.

To present a holistic picture on availability of aggregate resources, funds directly transferred by GoI to State implementing agencies during 2011-12 are calculated at ₹ 6228.66 crore as against ₹ 6257.85 crore in 2010-11 (*Appendix-1.5*) for implementation of various centrally sponsored plan schemes which, among others, included ₹ 927.20 crore (*Sarva Shiksha Abhiyan*), ₹ 629.99 crore (Rural Housing Scheme (IAY)), ₹ 978.22 crore (National Rural Employment Guarantee Scheme), ₹ 1969.95 crore (*Pradhan Mantri Gram Sadak Yojana*) etc. Considering that the direct transfers are so large (15 per cent of State's revenue receipts), it is imperative that the end use of this fund is monitored in a timely and efficacious manner by both the Union and State Governments so that the intended outcomes are actually realised economically and efficiently. However, direct transfers from the GoI to the State implementing agencies runs the risk of poor oversight of utilisation of funds by these agencies. Funds flowing directly to the implementing agencies through off-budget route inhibit FRBM Act requirements of transparency and escape accountability. There is no single agency monitoring the use of these funds and no data is readily available on the amounts spent in any particular year on major flagship and other important schemes. 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. The State Government has to put in place an appropriate mechanism to ensure proper accounting of these funds.

The Principal Secretary, Finance Department stated (November 2012) that the State Government have taken steps to register the District and Sub-District level implementing agency of five major flagship schemes (MGNREGA, NRHM, PMGSY, SSA and NRDWP) under Central Plan Scheme Monitoring System (CPSMS) so as to monitor the use of funds for these schemes.

### **1.3 Revenue Receipts**

Revenue Receipts consist of State Government's own tax and non-tax revenues, central tax transfers and grants-in-aid from GoI. Statement 11 of the Finance Accounts depicts the Revenue Receipts of the Government. The trends and composition of revenue receipts over the period 2007-12 are shown in *Appendix 1.3* and also depicted in *Chart 1.4* and *1.5* respectively.



On an average, 46 per cent of revenue came from State's own resources and the balance was from GoI in the form of States share of taxes and grants-in-aid. An increase of ₹ 2250 crore (20 per cent) in own tax revenue, ₹ 1663 crore (35 per cent) in non-tax revenue, ₹ 1732 crore (16 per cent) in State's share in Union Taxes and Duties and ₹ 1346 crore (20 per cent) in GoI's grants-in-aid resulted in increase of ₹ 6991 crore in revenue receipts during 2011-12 over the previous year.

Though revenue receipts showed progressive increase from ₹ 21967 crore in 2007-08 to ₹ 40267 crore in 2011-12 registering a growth of 83 per cent, yet the annual growth rate has come down sharply to 7.40 per cent in 2009-10 from 21.82 per cent in 2007-08 to recover at 25.90 per cent in 2010-11 and remained 21.01 per cent in 2011-12.

The trends in revenue receipts relative to GSDP are presented in **Table 1.3** below:

**Table 1.3: Trends in revenue receipts relative to GSDP \***

|   | 2007-08          | 2008-09       | 2009-10          | 2010-11          | 2011-12          |
|---|------------------|---------------|------------------|------------------|------------------|
| <b>Gross State Domestic Product (GSDP) (₹ in crore)</b> | <b>106466(A)</b> | <b>122165</b> | <b>150946(A)</b> | <b>186356(A)</b> | <b>226236(A)</b> |
| <b>Revenue Receipts (RR) (₹ in crore) **</b>            | <b>21967</b>     | <b>24610</b>  | <b>26430</b>     | <b>33276</b>     | <b>40267</b>     |
| Rate of growth of RR (per cent)                         | 21.82            | 12.03         | 7.40             | 25.90            | 21.01            |
| R R/GSDP (per cent)                                     | 20.63            | 20.14         | 17.51            | 17.86            | 17.80            |
| <b>Buoyancy Ratios<sup>2</sup></b>                      |                  |               |                  |                  |                  |
| Revenue Buoyancy with respect to GSDP                   | 1.556            | 0.816         | 0.314            | 1.104            | 0.981            |
| State's Own Tax Buoyancy with respect to GSDP           | 0.930            | 1.126         | 0.524            | 1.049            | 0.939            |

**Source:** \* GSDP - Directorate of Economics and Statistics, Government of Odisha and Revenue receipts – Finance Accounts of the respective years.

Q: Quick Estimate, A: Advance Estimate.

\*\* Do not include GoI funds transferred to Non-Government organisations and others.

Revenue buoyancy widely fluctuated during the period due to fluctuations in the growth rate of revenue receipts. The lower growth rate of revenue receipts during 2008-09 and 2009-10 pushed the revenue buoyancy ratio down. Revenue buoyancy

<sup>2</sup> 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.

ratio which was lowest at 0.314 in 2009-10 though increased during 2010-11 to 1.104 again came down to 0.981 during 2011-12.

During 2011-12, Central tax transfers increased by ₹ 1732 crore over previous year and constituted 30 per cent of revenue receipts during 2011-12. The increase was mainly under Corporate Tax (₹ 710 crore), Taxes on Income other than Corporation Tax (₹ 277 crore), Customs (₹ 285 crore) and Union Excise Duties (₹ 36 crore). The grants-in-aid from GoI increased by ₹ 1346 crore from ₹ 6806 crore in 2010-11 to ₹ 8152 crore in 2011-12. The increase was under grants for Non-Plan schemes (₹ 450 crore), State Plan schemes (₹ 574 crore), Central Plan schemes (₹ 322 crore).

As per recommendation of ThFC, under Non-Plan grants, GoI allocated ₹ 9658.76 crore as grants to Government of Odisha to be utilised during 2010-15. Out of the total allocation of ₹ 9658.76 crore allocation for 2011-12 was ₹ 1807.54 crore. However, GoI released ₹ 1625.06 crore during 2011-12 resulting in short release of ₹ 182.48 crore. The shortfall was in respect of the cases as detailed in **Table 1.4**.

**Table 1.4: Release of ThFC grants by GoI**

| (₹ in crore)   |             |                            |                        |                      |
|--|-------------|----------------------------|------------------------|----------------------|
| Purpose  |             | Amount recommended by ThFC | Amount released by GoI | Shortfall in release |
| Capacity Building  |             | 5.00                       | 0                      | 5.00                 |
| Grants to local bodies {Panchayati Raj Institutions (PRIs Special Area Grant)} | Performance | 95.66                      | 15.02                  | 80.64                |
| Grants to Urban Local Bodies (ULBs) and General Basic Grant}                   | Performance | 18.30                      | 3.57                   | 14.73                |
| Special Areas Grant Panchayati Raj Institutions Urban Local Bodies             | Performance | 10.80                      | 0                      | 10.80                |
| Justice delivery   |             | 38.72                      | 19.36                  | 19.36                |
| Incentive for issuing UID  |             | 35.70                      | 0                      | 35.70                |
| Preservation of Monuments and Buddhist Heritage                                |             | 16.25                      | 0                      | 16.25                |
| <b>TOTAL</b>   |             | <b>220.43</b>              | <b>37.95</b>           | <b>182.48</b>        |

Source: Finance Account 2011-12

There was a shortfall in release of grants by GoI under (i) grants to local bodies (General Performance Grant and Special Area Grant ₹ 106.17 crore),(ii) incentive for issuing UID (₹ 35.70 crore), (iii)Justice Delivery (₹ 19.36 crore), (iv) Capacity Building (₹ 5 crore) and (v) Preservation of Monuments and Buddhist Heritage (₹ 16.25 crore).

The Principal Secretary, Finance Department stated (November 2012) that the performance grant component of grants to local bodies is dependent on compliance to conditionalities prescribed by ThFC. The grants for capacity building, justice delivery and incentive for issue of UID had not been released for want of Utilisation Certificate in respect of grants released during 2010-11. Release of grants in respect of preservation of monuments and Buddhist Heritage was delayed due to delay in submission of action plan by the State Government. Finance Department was closely monitoring the utilisation of the grants and the concerned Implementing Departments were being continuously reminded to expedite submission of Utilisation Certificate to facilitate further release of funds.

The State Government should take expeditious steps to comply with the required nine conditionalities prescribed by the ThFC to be eligible to draw the performance grant. It should also monitor and pursue the release of grant as recommended by ThFC more closely so as to ensure that the grants are utilised in effective and timely manner.

### **1.3.1 State's Own Resources**

The State's share in central taxes and grants-in-aid is determined on the basis of recommendation of the Finance Commission. Collection of Central Tax receipts and central assistance for plan schemes etc is also determined on the basis of recommendation of Finance Commission. The State's own resources comprised revenue receipts from its own tax and non-tax source.

The gross collection in respect of State's 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 2007-08 to 2011-12 along with the respective all India averages are presented in (**Appendix-1.6**). During 2011-12, the percentage of expenditure on collection decreased on Taxes on Sales, Trades etc., State Excise and Taxes on Vehicles over the previous year while it increased for Stamps and Registration fees.

#### **1.3.1.1 Tax Revenue**

The Compound Annual Growth Rate (CAGR) of tax revenue for 2002-11 of the State was higher as compared to the other General Category States (**Appendix 1.1**). The tax revenue during the current year (₹ 13443 crore) increased by 20 per cent over the previous year (₹ 11193 crore). The revenue through Taxes on Sales, Trade etc. (₹ 8197 crore) was the main source of State's own tax revenue and registered an increase of 20 per cent (over the previous year) followed by increase under State Excise (₹ 1379 crore) by 26 per cent, Taxes on Goods and Passengers (₹ 1312 crore) by 18 per cent, Taxes on Vehicles (₹ 788 crore) by 8 per cent, Stamps and Registration fees (₹ 498 crore) by 20 per cent and Land Revenue (₹ 522 crore) by 33 per cent over the previous year. The projection furnished by the State Government to ThFC is ₹ 69182 crore for 2010-15. The trend of increase was impressive and if the same trend continued, the State could easily reach the projected figure.

The growth rate of Own Tax Revenue (OTR) with respect to GSDP was six per cent in 2011-12. To achieve the target of 7.5 per cent by 2014-15 as projected to ThFC (Para 7.6 of the recommendations), the State Government will have to take appropriate steps to gear up their OTR.

#### **1.3.1.2 Non-tax Revenue**

The Compound Annual Growth Rate (CAGR) of non-tax revenue for 2002-11 of the State was also higher as compared to the other general category States (**Appendix 1.1**). The Own non-tax revenue (ONTR) (₹ 6443 crore) which constituted 16 per cent of revenue receipts during 2011-12 increased by ₹ 1663 crore (35 per cent) over previous year. The increase was mainly under Non-Ferrous Mining and Metallurgy Industries ₹ 1242 crore, Interest Receipts by ₹ 316 crore and Dividends and Profits by ₹ 185 crore set off by decrease in Miscellaneous General Services by ₹ 325 crore. The growth was impressive.

The actual receipts under State’s tax and non-tax revenue vis-à-vis assessment made by ThFC and the State Government in MTFP is indicated in **Table 1.5** below:

**Table 1.5: Mobilisation of OTR and ONTR**

|                             | (₹ in crore)            |   |          |
|-----------------------------|-------------------------|---|----------|
|                             | Assessment made by ThFC | Assessment made by State Government in MTFP | Actuals  |
| State’s own Tax Revenue     | 12084.30                | 13399.39                                    | 13442.78 |
| State’s own Non-Tax Revenue | 2429.46                 | 5000.00                                     | 6442.96  |

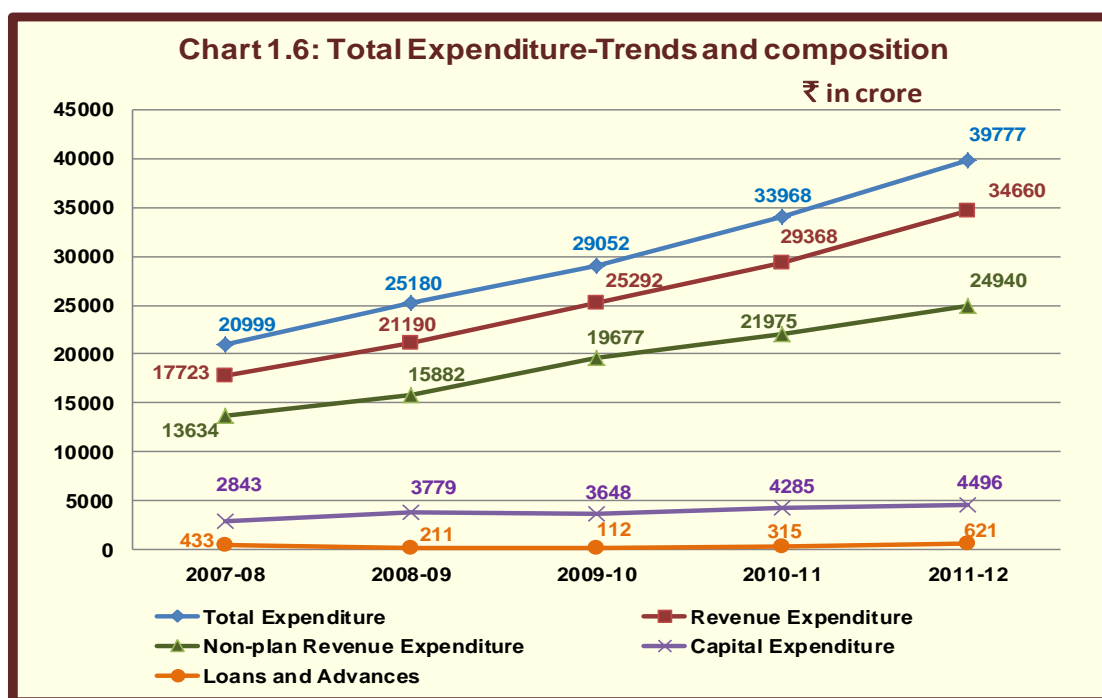
The receipts under State’s tax and non-tax revenue during 2011-12 exceeded the normative assessment of ThFC by 11.24 per cent and 165.20 per cent respectively and the targets fixed by the State Government in the MTFP by 0.32 per cent and 28.86 per cent respectively.

## 1.4 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted to them. 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 earmarked for development and social sectors.

### 1.4.1 Growth and Composition of Expenditure

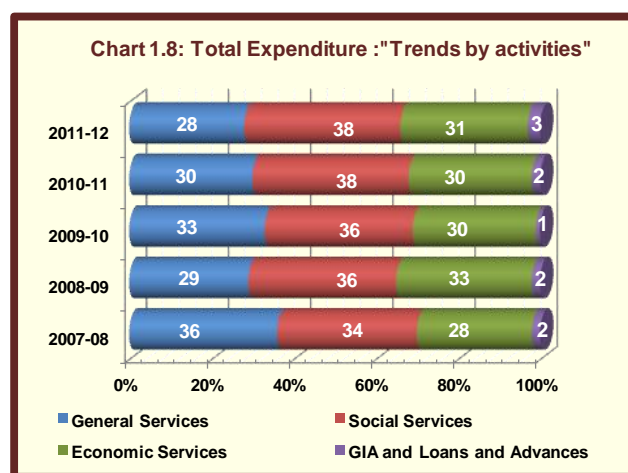
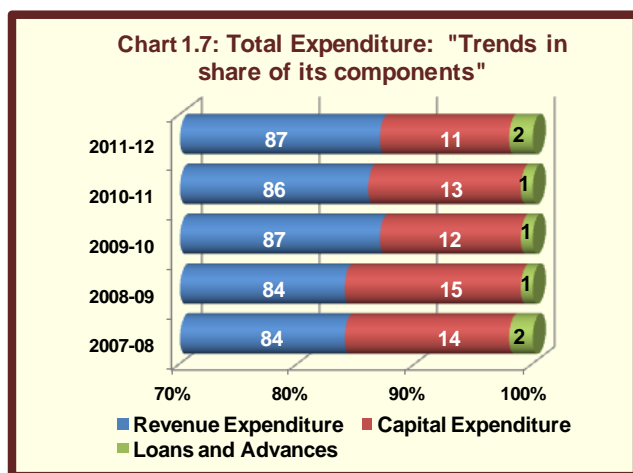
**Chart 1.6** presents the trends in total expenditure over a period of five years (2007-12) and its composition both in terms of ‘economic classification’ and ‘expenditure by activities’ is depicted in **Charts 1.7 and 1.8** respectively.



Total expenditure of the State which includes revenue expenditure, capital expenditure and loans and advances increased by 89 per cent from ₹ 20999 crore in 2007-08 to ₹ 39777 crore in 2011-12 due to increase in revenue expenditure (₹ 16937 crore),

capital outlay (₹ 1653 crore) and disbursement of loans and advance (₹ 188 crore). While the share of revenue expenditure in the total expenditure increased from 84 per cent during 2007-08 and 2008-09 to 87 per cent in 2011-12, the share of capital expenditure decreased from 14 per cent in 2007-08 to 11 per cent in 2011-12.

The increase of ₹ 5809 crore in total expenditure in 2011-12 over the previous year was on account of an increase in revenue expenditure by ₹ 5292 crore together with increases by ₹ 211 crore in capital expenditure and ₹ 306 crore in disbursement of loans and advances. The total expenditure was 17.58 per cent of GSDP during 2011-12 as compared to 18.23 per cent during the previous year.



#### 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 the combined shares of Social Services and Economic Services increased from 62 per cent in 2007-08 to 69 per cent in 2011-12 in total expenditure, which was set off by decreases 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 84 per cent of total expenditure in 2007-08 which increased to 87 per cent in 2011-12. However, it increased by 18 per cent from ₹ 29368 crore in 2010-11 to ₹ 34660 crore in 2011-12 in absolute terms. However, Revenue Expenditure was below the projection of ₹ 37072 crore of MTFP.

#### 1.4.1.3 Non-Plan Revenue Expenditure

Non-Plan Revenue Expenditure (NPRE) as a proportion of Revenue Expenditure, increased from ₹ 13634 crore in 2007-08 to ₹ 24940 crore (83 per cent) in 2011-12. Out of the total increase of ₹ 5292 crore in Revenue Expenditure during the current year over the previous year, increase in NPRE contributed 56 per cent (₹ 2965 crore) and the remaining 44 per cent (₹ 2327 crore) was the Plan Revenue Expenditure

(PRE). The increase in NPRE during the current year was mainly on Irrigation and Flood control (₹ 150 crore), Social Welfare and Nutrition (₹ 1114 crore), Transport (₹ 132 crore) and Rural Development (₹ 282 crore). The NPRE has exceeded ThFC's normative assessment (₹ 19131 crore) by ₹ 5809 crore though it remained below by ₹ 7826 crore from the Budget Estimate (₹ 26957 crore) for 2011-12 as indicated in **Table 1.6** below.

**Table 1.6: Comparative assessments of RE and NPRE and per cent of GSDP**

|                     | Assessment made by ThFC | Assessment made by Government in MTFP | Budget Estimate for 2011-12 | Actual in 2011-12 |
|---------------------|-------------------------|---------------------------------------|-----------------------------|-------------------|
| Revenue Expenditure | Not available           | 37072<br>(16.39)                      | 36323<br>(16.06)            | 34660<br>(15.32)  |
| NPRE                | 19131<br>(8.46)         | 29962<br>(13.24)                      | 26957<br>(11.92)            | 24940<br>(11.02)  |

**Note:** Absolute amounts converted into percentage of GSDP (₹ 226236 crore) for 2011-12.

NPRE constituted 63 per cent of the total expenditure of the State during 2011-12. Its ratio with Revenue Expenditure declined from 77 per cent in 2007-08 to 72 per cent in the current year which is a welcome development.

#### 1.4.1.4 Capital Expenditure

Capital Expenditure (CE) of the State as proportion of total expenditure decreased from 14 per cent (₹ 2843 crore) in 2007-08 to 11 per cent (₹ 4496 crore) in 2011-12, which was below the level of Capital Expenditure incurred by other General Category States of 13 per cent in 2011-12 on an average (vide paragraph 1.5.1). However, CE showed an increase of only five per cent during 2011-12 over the previous year (₹ 4285 crore) mainly on account of **misclassification of grants-in-aid of ₹763 crore under capital section instead of revenue** as well as increase in expenditure on Agriculture and Allied services (₹ 69 crore), Power Projects (₹ 98 crore) and Irrigation and Flood control (₹ 145 crore), set off by decrease in expenditure mainly on Education, Sports and Art and Culture (₹ 88 crore), Home (₹ 62 crore) and Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes (₹ 105 crore). The CE during 2011-12, was 1.99 per cent of GSDP as against Government's projection of 2.50 per cent in budget estimate for 2011-12. The CE (₹ 4496 crore) was lesser by ₹ 1166 crore (21 per cent) against budget estimate (₹ 5662 crore) during the current year.

#### 1.4.2 Committed Expenditure

Committed Expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.7** and **Chart 1.9** present the trends in the expenditure on these components during 2007-12.

**Table-1.7: Components of Committed Expenditure**

|                              | 2007-08      | 2008-09      | 2009-10      | 2010-11      | 2011-12 |              |
|------------------------------|--------------|--------------|--------------|--------------|---------|--------------|
|                              |              |              |              |              | BE      | Actuals      |
| Salaries* & Wages , Of which | 4582<br>(21) | 6524<br>(27) | 7945<br>(27) | 8969<br>(26) | 11161   | 8868<br>(22) |
| Non-Plan Head                | 4333         | 6220         | 7484         | 8448         | 10215   | 8385         |
| Plan Head**                  | 249          | 304          | 461          | 521          | 946     | 483          |
| Interest Payments            | 3169<br>(14) | 2889<br>(12) | 3044<br>(10) | 3061<br>(9)  | 4047    | 2576<br>(6)  |

|                         | 2007-08      | 2008-09       | 2009-10      | 2010-11      | 2011-12      |              |
|-------------------------|--------------|---------------|--------------|--------------|--------------|--------------|
|                         |              |               |              |              | BE           | Actuals      |
| Expenditure on Pensions | 1801<br>(8)  | 2075<br>(8)   | 3283<br>(11) | 4011<br>(12) | 4550         | 4741<br>(12) |
| Subsidies               | 148<br>(0.7) | 743<br>(3.02) | 1008<br>(35) | 1310<br>(4)  | 1387         | 1744<br>(4)  |
| <b>TOTAL</b>            | <b>9700</b>  | <b>12231</b>  | <b>15280</b> | <b>17351</b> | <b>21145</b> | <b>17929</b> |

Figures in the parentheses indicate *percentage* to revenue receipts. BE : Budget Estimates

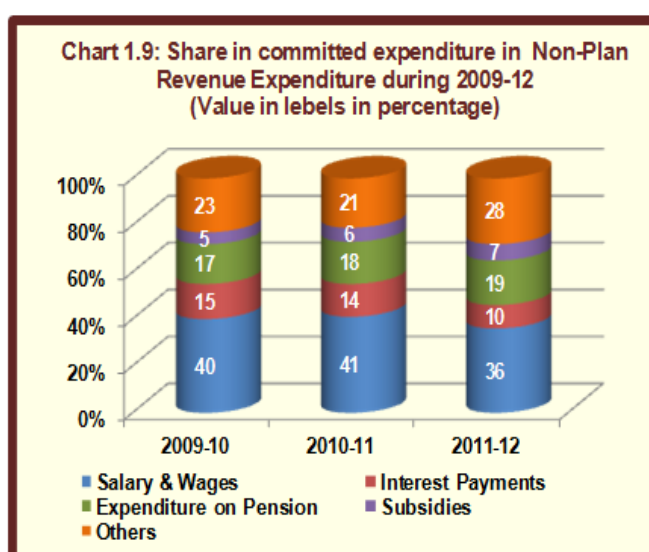
\* also includes the salaries paid out of Grants-in-aid

\*\* also includes the salaries and wages paid under centrally sponsored schemes

Source: Finance Accounts 2011-12 and Orissa Budget at a Glance 2012-13.

### 1.4.2.1 Salaries

Expenditure on salaries increased from ₹ 4582 crore in 2007-08 to ₹ 8868 crore in 2011-12 accounting for nearly 22 per cent of revenue receipts and 36 per cent of the NPPE of the State Government during the year. However the expenditure on salaries decreased by ₹ 101 crore (one per cent) from ₹ 8969 crore in 2010-11 to ₹ 8868 crore in 2011-12. As a result the expenditure on salary was 26 per cent of revenue expenditure during 2011-12 as against 31 per cent in 2010-11 which is a good sign. However, the salary expenditure was ₹ 1966 crore more than the ThFC assessment of ₹ 6902 crore for 2011-12 in absolute terms.



However, the salary expenditure was ₹ 1966 crore more than the ThFC assessment of ₹ 6902 crore for 2011-12 in absolute terms.

### 1.4.2.2 Interest Payments

The major source of borrowing was market loans at interest rates varying from 5.60 per cent to 7.80 per cent. The interest payments during the current year (₹ 2576 crore) decreased by ₹ 485 crore over the previous year's (₹ 3061 crore) and remained lower than the projections made in MTFP (₹ 4047 crore) and ThFC (₹ 4080 crore) and Budget Estimates (₹ 4047 crore) for the year 2011-12. During 2011-12, the interest payments as percentage of total revenue receipts was six per cent which was lower than the projections of 10.06 per cent in MTFP.

### 1.4.2.3 Pensions

Expenditure on pension (₹ 4741) which was 12 per cent of total revenue receipts of the State during the year steeply increased by 163 per cent from ₹ 1801 crore in 2007-08 to ₹ 4741 crore in 2011-12. It also increased by ₹ 730 crore from ₹ 4011 crore in 2010-11 to ₹ 4741 crore in 2011-12, being 18 per cent more than the previous year and also exceeded the ThFC estimation of increase of 10 per cent per annum. The increase in the current year over the previous year was mainly due to more expenditure under pensions and other retirement benefits to Government servants and leave salary encashment on retirement. The State Government did not estimate yearly pension liabilities for next ten years on realistic basis as required under FRBM Act,



2005. The pension payment during the current year was higher than the projection made by ThFC (₹ 2897 crore) for the year<sup>3</sup> and MTFP (₹ 4550 crore) during the year.

The Government introduced a Defined Contributory Pension Scheme for all employees recruited on or after 1 January 2005 for managing the future pension liability. The State Government has executed agreement with National Securities Depository Limited (NSDL), Mumbai, the Central Record Keeping Agency appointed by the Pension Fund Regulatory and Development Authority (PFRDA) as well as with New Pension Scheme (NPS) Trust, New Delhi for smooth management of NPS. An amount of ₹ 60 crore, being the employees contribution as well as employer's contribution, was kept under Public Accounts (8432-Other Deposits) for transfer to NPS Trust.

The Principal Secretary, Finance Department stated (November 2012) that the current employers' contribution was being uploaded through NSDL Portal and remitted to the Trustee Bank of the concerned Fund Manager along with the employees' share. The modus of transferring employers' contribution parked in the Public Account and deficit, if any, on this score was being worked out in consultation with NSDL and the Principal Accountant General (A&E), Odisha. State Government should take expeditious steps to transfer the balance lying in Public Account.

#### **1.4.2.4 Subsidies**

In any welfare State, it is not uncommon to provide subsidies/subventions to disadvantaged sections of the society. Subsidies are dispensed not only explicitly but also implicitly by providing subsidised public service to the people. Budgetary support to financial institutions, inadequate returns on investments and poor recovery of user charges from social and economic services provided by the Government fall in the category of implicit subsidies.

The State Government in its MTFP for 2007-08, aimed to rationalise general subsidy and reduce their overall volume gradually at a rate of 10 *per cent* per annum beginning from 2005-06. However, the expenditure on subsidies increased from ₹ 1310 crore in 2010-11 to ₹ 1744 crore (over 33 *per cent*) in 2011-12 which included food subsidy of ₹ 979 crore due to continuation of rupees two a kilogram of rice for the people living below poverty line, ₹ 456 crore under Relief on account of Natural Calamities mainly assistance to farmers affected by floods/cyclone for purchase of agricultural inputs etc (₹ 300 crore), ₹ 30 crore under subsidy to Orissa Lift Irrigation Corporation and ₹ 54 crore interest subsidy/subvention to the co-operative banks for providing crop loan at five *per cent* interest per annum to the farmers.

The ThFC has made a normative assessment of ₹ 20 *per capita* for each of the year for food subsidy. Accordingly, food subsidy should have been ₹ 83.80 crore taking into account the population of the State (4.19 crore) as against the ₹ 979 crore spent in 2011-12.

The Principal Secretary, Finance Department stated (November 2012) that it is a safety net designed to protect the poor and vulnerable in a high inflation regime.

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<sup>3</sup> There are 2, 68,577 different categories of state pensioners drawing pension.  
**Source:** Finance Accounts – Statement No-12

### 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 1.8** below:

**Table 1.8: Financial Assistance to Local Bodies etc.**

(₹ in crore)

|  | 2007-08     | 2008-09     | 2009-10     | 2010-11     | 2011-12     |
|--|-------------|-------------|-------------|-------------|-------------|
| Educational institutions (aided schools, aided colleges, universities, etc.) | 467         | 355         | 697         | 1722        | 1859        |
| Municipal Corporations and Municipalities                                    | 483         | 487         | 645         | 1168        | 591         |
| Zilla Parishads and Other Panchayati Raj Institutions                        | 1535        | 2388        | 3062        | 3556        | 1149        |
| Development agencies   | 256         | 278         | 88          | 582         | 908         |
| Other Institutions (Autonomous bodies)                                       | 1117        | 1914        | 2230        | 2058        | 4558        |
| <b>TOTAL</b>   | <b>3858</b> | <b>5422</b> | <b>6722</b> | <b>9086</b> | <b>9065</b> |
| Assistance as per percentage of RE   | 22          | 26          | 28          | 31          | 26          |

**Source:** worked out from Group Heads compiled by the office of the Pr AG (A&E)

The grants extended to local bodies and other institutions has marginally decreased by 0.23 *per cent* from ₹ 9086 crore in 2010-11 to ₹ 9065 crore in 2011-12. The share of grants and loans to the revenue expenditure increased from 22 *per cent* in 2007-08 to 26 *per cent* in the current year. Another important trend was that the share of financial assistance increased by ₹ 137 crore to educational institutions, by ₹ 2500 crore to other institutions (Autonomous bodies) and by ₹ 326 crore to Development agencies as compared to the previous year. However assistance to Municipal Corporations and Municipalities and Zilla Parishad and other Panchayatiraj institutions decreased by ₹ 577 crore and ₹ 2407 crore respectively. Hence, transfer of funds to local bodies in terms of the 73<sup>rd</sup> and 74<sup>th</sup> Amendment of the Constitution and subsequent prescriptions from Government of India declined during the current year which is a cause for concern.

### Decentralised Governance of Local Bodies

Under 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments, decentralisation of governance and devolution of powers in terms of transfer of fund, function and functionaries should be made to the local bodies to ensure direct participation of people at the grass root level in preparation of plan as well as implementation of the people friendly developmental works. Accordingly, 29 subjects were required to be transferred to the PRIs and 18 subjects to Urban local bodies (ULBs) respectively. However, the State Government transferred (July 2003) 21 out of 29 functions relating to 11 Departments to PRIs and 17 out of 18 functions to ULBs.

Despite devolution of 21 functions to PRIs, the functionaries of 11 departments continued to be under the administrative control of their respective line departments. As usual, the State Government was providing grants to the Local bodies, however, no specific separate budget provision has been made to take care of the functions devolved to the local bodies.

The Principal Secretary, Finance Department admitted (November 2012) the observation of audit.

## 1.5 Quality of Expenditure

Availability of better infrastructure in the social, educational and health sector in the State generally reflects the quality of 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 (assessment of input –output relationship in terms of time etc.) 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 1.9** analyses the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2011-12.

**Table 1.9: Fiscal Priority and Fiscal capacity of the State in 2008-09 and 2011-12.**

| Fiscal Priority by the State*                   | AE/GSDP | DE#/AE | SSE/AE | CE/AE | Education/AE | Health/AE |
|---|---------|--------|--------|-------|--------------|-----------|
| General Category States average (Ratio) 2008-09 | 17.00   | 67.09  | 34.28  | 16.47 | 15.41        | 3.97      |
| Odisha State's average (Ratio) 2008-09          | 16.96   | 69.71  | 36.79  | 15.01 | 17.88        | 3.72      |
| General Category States average (Ratio) 2011-12 | 16.09   | 66.44  | 36.57  | 13.25 | 17.18        | 4.30      |
| Odisha State's average (Ratio) 2011-12          | 17.58   | 69.66  | 38.12  | 11.30 | 17.37        | 3.52      |

As per cent to GSDP

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

### Table 1.9 indicates the following:

1. Odisha spent a smaller proportion of its GSDP on aggregate expenditure in 2008-09 as compared to General Category States but during 2011-12 Odisha has spent higher proportion of its GSDP as aggregate expenditure compared to general category States.
2. Development expenditure as a proportion of aggregate expenditure in Odisha was higher compared to the general category state's average during 2008-09 and 2011-12 as Odisha has spent more proportion on this account as compared to General Category states. Development expenditure consists of both economic service expenditure and social sector expenditure.
3. Capital expenditure however, has been given less priority in the current year as well as in 2008-09. Increased priority to physical capital formation will further increase the growth prospects of the state by creating durable assets.
4. Odisha has given adequate priority to education sector and less priority to health sector as compared to General Category States during 2008-09 as well as in current year based on the proportion of aggregate expenditure the state spends on these critical sectors.

### 1.5.2 Efficiency of Expenditure use

In view of the importance of public expenditure for attaining higher levels of social and economic development, it is important for the Government to take appropriate expenditure rationalisation measures so as to lay emphasis on provision of core public and merit goods<sup>4</sup>. Apart from improving the allocation towards development expenditure<sup>5</sup>, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years and which is further enlarged due to generation of a surplus on revenue account since 2005-06, 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 1.10** 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 1.11** provides the details of Capital Expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

**Table 1.10: Development Expenditure**

| Components of Development Expenditure    | 2007-08       | 2008-09       | 2009-10       | 2010-11       | 2011-12 |               |
|--|---------------|---------------|---------------|---------------|---------|---------------|
|  |               |               |               |               | (BE)    | (Actual)      |
| <b>Development Expenditure (a to c)</b>  |               |               |               |               |         |               |
| a. Development Revenue Expenditure (DRE) | 10145<br>(48) | 13835<br>(55) | 15600<br>(54) | 18999<br>(56) | 27582   | 23070<br>(58) |
| b. Development Capital Expenditure (DCE) | 2711<br>(13)  | 3595<br>(14)  | 3470<br>(12)  | 4051<br>(12)  | 5421    | 4238<br>(11)  |
| c. Development Loans and Advances        | 301<br>(1.43) | 122<br>(0.5)  | 89<br>(0.3)   | 258<br>(0.8)  | NA      | 401<br>(1)    |
| <b>TOTAL</b>                             | <b>13157</b>  | <b>17552</b>  | <b>19159</b>  | <b>23308</b>  |         | <b>27709</b>  |

Figures in parentheses indicate *percentage* to aggregate expenditure; NA: Not available

\*Source: Odisha Budget at a Glance 2012-13 and Finance Accounts 2011-12.

Development Expenditure comprising revenue, capital and expenditure on loans and advances on socio-economic services increased from ₹ 13157 crore in 2007-08 to ₹ 27709 crore in 2011-12. As a percentage of total expenditure, it increased from 63 *per cent* in 2007-08 to 70 *per cent* in 2011-12.

It would be seen from the above that Development Revenue Expenditure which was ₹ 10145 crore during 2007-08 rose to ₹ 23070 crore during 2011-12, a growth of nearly 127 *per cent*.

<sup>4</sup> **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 subsidised 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.

<sup>5</sup> 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.

During 2011-12 while Development Revenue Expenditure increased by ₹ 4071 crore (21 per cent) in absolute terms, development capital expenditure increased by only ₹ 187 crore (five per cent) over the previous year.

The increase in Development Revenue Expenditure during 2011-12 over the previous year was mainly due to increase under Education (₹ 368 crore), Health and Family Welfare (₹ 81 crore), Agriculture and allied activities (₹ 388 crore), Transport (₹ 133 crore) and Irrigation and Flood Control (₹ 95 crore). The increase in Capital Expenditure during 2011-12 over the previous year was mainly due to increase under Agriculture & Allied Activities (₹ 69 crore), Power Projects (₹ 98 crore) and Irrigation and Flood control (₹ 145 crore), set off by decrease in other expenditure heads.

**Table 1.11: Efficiency of expenditure use in selected Social and Economic services**

(In per cent)

| Social / Economic Infrastructure                         | 2010-11           |                     |             | 2011-12           |                     |              |
|--|-------------------|---------------------|-------------|-------------------|---------------------|--------------|
|  | 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        |
| <b>Social Services (SS)</b>                              |                   |                     |             |                   |                     |              |
| General Education  | 2.81              | 58.39               | NA          | 1.42              | 53.21               | NA           |
| Health and Family Welfare                                | 2.25              | 80.68               | NA          | 2.71              | 72.82               | NA           |
| Water Supplies, Sanitation & Housing & Urban Development | 13.84             | 7.61                | 77.05       | 16.74             | 7.79                | 31.75        |
| <b>TOTAL (SS)</b>  | <b>6.15</b>       | <b>44.00</b>        | <b>6.15</b> | <b>4.33</b>       | <b>35.33</b>        | <b>1.98</b>  |
| <b>Economic Services (ES)</b>                            |                   |                     |             |                   |                     |              |
| Agriculture & Allied Activities                          | 2.75              | 26.31               | NA          | 4.41              | 23.01               | NA           |
| Irrigation and Flood Control                             | 67.73             | 20.79               | 35.34       | 67.06             | 18.31               | 25.58        |
| Power & Energy   | 16.86             | 1.63                | 0.91        | 43.05             | 16.16               | 11.14        |
| Transport  | 55.18             | 0.39                | NA          | 51.34             | 0.33                | 61.41        |
| <b>Total (ES)</b>  | <b>30.96</b>      | <b>18.39</b>        | <b>3.85</b> | <b>28.43</b>      | <b>14.85</b>        | <b>18.88</b> |
| <b>TOTAL (SS+ES)</b>                                     | <b>17.38</b>      | <b>34.46</b>        | <b>5.29</b> | <b>15.27</b>      | <b>27.58</b>        | <b>5.35</b>  |

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, Agriculture & Allied Activities and Transport Departments.

Source: Finance Accounts of Government of Odisha

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 1.11** summarises percentage of expenditure under different components of economic and social services sectors incurred by the State Government in expanding and maintaining social and economic services in the State during 2010-11 and 2011-12.

The share of CE to TE has increased in respect of Water Supplies, Sanitation, Housing and Urban Development, Health and Family Welfare (in Social Services), and Agriculture and Allied Activities and Power and Energy (in Economic Services) during 2011-12 as compared to the previous year whereas the share of the Operation and Maintenance expenditure has substantially increased in Power and Energy set off

by substantial decrease in Water Supplies, Sanitation and Housing and Urban Development.

As seen from *Appendix 1.3*, the expenditure on Social Services during 2011-12 (₹ 14995 crore) constituting 38 *per cent* of total expenditure (₹ 39777 crore) increased by 18 *per cent* over the previous year's expenditure (₹ 12706 crore) while in development expenditure (₹ 27709 crore), which was 70 *per cent* of total expenditure, there was an increase of 19 *per cent* over the previous year (₹ 23308 crore). Operation and maintenance expenditure increased only by 0.06 *per cent* indicating that Revenue Expenditure on salaries continued to share a dominant proportion of Revenue Expenditure on Social Services (35 *per cent*). The Capital Expenditure on Social Services relative to the total expenditure showed a marginal decrease (1.82 *per cent*) over the previous year.

It was observed that the salary component in Education and Health and Family Welfare decreased by 5.18 *per cent* and 7.86 *per cent* respectively.

Expenditure on Economic Services includes all such expenditure that promotes directly or indirectly, productive capacity within the State's economy. During 2011-12, total expenditure under economic services (₹ 12313 crore) increased by 19 *per cent* over previous year. The expenditure on total economic services (₹ 12313 crore) accounted for 31 *per cent* of total expenditure and 44 *per cent* of development expenditure. However, the ratio of CE/TE decreased by 2.11 *per cent* over that of previous year indicating that capital expenditure seems to have been given less priority in the developmental plan of the State, which has the potential of adversely affecting the growth prospects of the State in the long run.

### ***1.5.3 Outcome Budget (Effectiveness of the Expenditure)***

The concept of outcome budget is an important tool for effective government management and accountability. It is a performance measuring tool that helps in better service delivery; decision-making; evaluating programme performance and results; communicating programme goals; and improving programme effectiveness. The exercise is primarily meant at converting financial outlays into measurable and monitorable outcome. The idea is to make the programme implementing agencies more result oriented by shifting the focus from 'Outlay' to 'Outcome'.

From the outlay-outcome budget for the year 2011-12 in respect of three Departments (ST & SC Development, Panchayati Raj and Housing and Urban Development) it was seen (*Appendix 1.7*) that the financial and physical outcome was very low. In ST & SC department against the financial achievement ranging from 0 to 70 *per cent*, the physical achievement was only 0 to 54 *per cent* as of December 2011. In respect of four test checked schemes of Panchayati Raj Department, against the financial achievements which ranged from 52 to 89 *per cent*, the physical achievement ranged only from 15 to 70 *per cent* at the end of December 2011. Similarly, out of 11 test checked schemes of Housing and Urban Development Department, in seven cases the percentage of financial achievement was below 60 *per cent* i.e. ranged from 0 to 42 *per cent* at the end of March 2012.

As stipulated in the guideline for Cash Management System issued (October 2010) by Finance Department, the expenditure under State Plan, Central Plan schemes at the

end of the third quarter of a financial year should reach minimum 60 *per cent*. However, in 11 schemes under the above Departments, the percentage of utilisation was below 60 *per cent* by the third quarter of 2011-12. Thus, the objectives of Cash Management System to reduce rush of expenditure during the last quarters of the financial year got defeated and effective monitoring of expenditure pattern and improving the quality of expenditure etc. could not be ensured though promised. A detailed comment on this issue is given in Chapter-2 of this Report.

## **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 low but also meet its Capital Expenditure/Investment (including Loans and Advances) requirement out of its own source of revenue. 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 (RoI) 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 ₹ 3677.95 crore at the end of March 2012 showed that an amount of ₹ 109.98 crore was realised from these projects during 2011-12 by way of sale of water to industries against the direct working expenses of ₹ 188.08 crore. After meeting the working and maintenance expenditure (₹ 189.12 crore) and interest charges (₹ 248.11 crore), the schemes suffered a net loss of ₹ 327.25 crore.

The Principal Secretary, Finance Department stated (November 2012) that the Odisha Irrigation Rules, 1961 had been amended to provide for enhancement of Industrial water rate since October 2010. However, such increase in rate has not been sufficient to meet even the working and maintenance expenditure.

### **1.6.2 Incomplete Projects**

Blocking of funds on incomplete works impinge negatively on the quality of expenditure. The department-wise information pertaining to incomplete time overrun projects as on 31 March 2012 is given in **Table 1.12** as per the information furnished to Audit by the concerned Departments.

**Table 1.12: Department-wise profile of incomplete projects**

(₹ in crore)

| Department                  | No. of Incomplete Projects | Initial Budgeted Cost | Revised Total Cost of Projects | Cumulative Actual Expenditure as on 31 January 2012 |
|-----------------------------|----------------------------|-----------------------|--------------------------------|---|
| Water Resources             | 45                         | 136.33                | 131.80                         | 11.15   |
| Works                       | 14                         | 161.99                | 161.99                         | 117.69  |
| Tourism                     | 4                          | 25.46                 | 25.46                          | 16.28   |
| Housing & Urban Development | 13                         | 37.33                 | 47.45                          | 5.90  |
| Rural Development           | 72                         | 203.45                | 219.01                         | 163.56  |
| Industries                  | 3                          | 43.21                 | 43.24                          | 37.62   |
| <b>TOTAL</b>                | <b>151</b>                 | <b>607.77</b>         | <b>628.95</b>                  | <b>352.20</b>                                       |

Source: Budget at Glance 2012-13 and details supplied by Finance Department.

Out of these, the delay in completion of 57 projects has resulted in cost overrun of ₹ 39.09 crore as of 31 January 2012, details given in **Table 1.13** below.

**Table 1.13: Projects depicting cost overrun**

| Department                  | No. of Incomplete Projects | Initial Budgeted Cost | Revised Total Cost of Projects | Cost overrun |
|-----------------------------|----------------------------|-----------------------|--------------------------------|--------------|
| Water Resources             | 4                          | 19.94                 | 32.22                          | 12.28        |
| Housing & Urban Development | 6                          | 21.53                 | 31.65                          | 10.12        |
| Rural Development           | 46                         | 137.84                | 154.50                         | 16.66        |
| Industries                  | 1                          | 1.75                  | 1.78                           | 0.03         |
| <b>TOTAL</b>                | <b>57</b>                  | <b>181.06</b>         | <b>220.15</b>                  | <b>39.09</b> |

Source: Budget at Glance 2012-13 and details supplied by Finance Department.

All the above 151 projects were lying incomplete due to the prolonged processes involved in land acquisition, finalising and revising the designs and drawings, slow progress of work, sub-judice, mutation for non-forest land pending with Tahsildar and local agitation.

Due to non-completion of projects, not only were the benefits to be accrued to the intended beneficiaries got delayed but the cost to the exchequer also increased due to time overrun involved in their completion.

### 1.6.3 Investment and Returns

As of 31 March 2012, Government had invested ₹ 2908.07 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.14**). The average return on this investment was 9.80 per cent in the last five years (9.84 per cent during 2011-12) while the Government paid an average interest rate of 6.58 per cent to 8.13 per cent on its borrowings during 2007-08 to 2011-2012.



**Table 1.14: Return on Investment**

(₹ in crore)

| Year   | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|--|---------|---------|---------|---------|---------|
| Investment at the end of the year                | 1681.95 | 1771.20 | 2106.95 | 2190.37 | 2908.07 |
| Return   | 140.93  | 252.85  | 250.78  | 101.58  | 286.23  |
| Percentage of return                             | 8.38    | 14.27   | 11.90   | 4.64    | 9.84    |
| Average rate of interest on Government borrowing | 8.13    | 7.44    | 7.63    | 7.39    | 6.09    |
| Difference between interest rate and return      | (-)0.25 | (-)6.83 | (-)4.27 | (+)2.75 | (-)3.75 |

The investment of State Government at the end of 2011-12 included ₹ 2556.62 crore in 83 Public Sector Undertakings (PSU) comprising 80 Government Companies (₹ 2064.16 crore) and three Statutory Corporations (₹ 492.46 crore). However, dividend of ₹ 286.23 crore was received from two Statutory Corporations (Odisha State Warehousing Corporation, Bhubaneswar: ₹ 14.40 lakh and Odisha State Financial Corporation ₹ 0.02 lakh), three Government Companies (Odisha Mining Corporation Limited ₹ 28500.16 lakh, Odisha Small Industries Corporation Limited ₹ 48.50 lakh and Odisha State Cashew Development Corporation Limited: ₹ 47.63 lakh), one Co-operative Societies (other cooperatives ₹ 0.03lakh) and one Rural Bank (Odisha State Co-operative Bank ₹ 11.86 lakh) during 2011-12. Therefore, in essence, one Statutory Corporations, 77 Government Companies and 30 Co-operative Societies where ₹ 130.51 crore, ₹ 1990.60 crore and ₹ 308.22 crore had already been invested and which comprised 84 per cent of the total Government investments did not return any dividend to the Government for its equity holdings. The Grid Corporation with accumulated loss of ₹ 101.25 crore as of 2008-09, the Odisha State Road Transport Corporation with ₹ 228.02 crore as of 2008-09, the Odisha State Financial Corporation with ₹ 375.76 crore of loss as of 2009-10 and the Odisha Forest Development Corporation with ₹ 159.20 crore as of 2008-09 were among the major loss making PSUs in the State.

As per information furnished in the Odisha Budget at a Glance 2012-13, there were 32 working public sector undertakings in the State. The other 51 PSUs were, therefore, non-working. The ThFC recommended the State Government to draw up a road map for closure of non-working PSUs by March 2011 which the State Government had not done as of March 2012.

The Principal Secretary, Finance Department stated (November 2012) that (i) the State Government had formulated a dividend policy in terms of which the profit making PSUs were required to pay dividend @ 30 per cent of net profit and (ii) liquidation process for closure of eight non-working PSUs had been initiated.

#### **1.6.4 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 / organisations. The Loans and Advances by the State Government increased by ₹ 489 crore from ₹ 3414 crore in 2010-11 to ₹ 3903 crore in 2011-12. Major portion of loans advanced during 2011-12 was to Energy sector (₹ 216 crore), Government servants

(₹ 220 crore) and to Odisha Rural Housing Development Corporation (₹ 166 crore). **Table 1.15** presents the outstanding loans and advances as on 31 March 2012 and interest receipts vis-à-vis interest payments during the last three years.

**Table 1.15: Average Interest Received on Loans Advanced by the State Government**

| Quantum of Loans/Interest Receipts/ Cost of Borrowings  | 2009-10      | 2010-11     | 2011-12     |
|---|--------------|-------------|-------------|
|   | (₹ in crore) |             |             |
| <b>Opening Balance</b>  | <b>3377</b>  | <b>3133</b> | <b>3414</b> |
| Amount advanced during the year   | 112          | 315         | 621         |
| Amount repaid during the year   | 356          | 34          | 132         |
| <b>Closing Balance</b>  | <b>3133</b>  | <b>3414</b> | <b>3903</b> |
| <i>Of which</i> outstanding balance for which terms and conditions have been settled            |              |             |             |
| Net addition  | (-)244       | (+)281      | (+)489      |
| Interest Receipts   | 41           | 29          | 16          |
| Interest receipts as <i>per cent</i> to outstanding Loans and advances                          | 1.31         | 0.85        | 0.41        |
| Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government. | 7.50         | 7.26        | 6.07        |
| Difference between interest payments and interest receipts ( <i>per cent</i> )                  | (-)6.19      | (-)6.41     | (-)5.66     |

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

Loans outstanding as of 31 March 2012 aggregated ₹ 3903 crore. Interest spread of government borrowings was negative during 2009-12 which meant that the state borrowings were more expensive than the loans advanced by it. As per information furnished by six out of 27 departments of the State Government as on 31 March 2012, recovery of ₹ 60.09 crore (principal ₹ 32.86 crore and interest ₹ 27.23 crore) was overdue as at the end of 2011-12.

### 1.6.5 Cash Balances and Investment of Cash Balances

**Table 1.16** depicts the cash balances and investments made by the State Government out of cash balances during the year.

**Table 1.16: Cash Balances and Investment of Cash balances**

| Particulars  | As on 31 March 2011 | As on 31 March 2012 | Increase(+)/ Decrease(-) |
|--|---------------------|---------------------|--------------------------|
| <b>Cash Balances</b>   |                     |                     |                          |
| Investments from Cash Balances (a to d)                            | 5594.57             | 6883.74             | 1289.17                  |
| a. GoI Treasury Bills  | 5554.07             | 6839.37             | 1285.30                  |
| b. GoI Securities  | 40.50               | 44.37               | 3.87                     |
| c. Other Securities, if any  | ---                 | ---                 | ---                      |
| d. Other Investments   | ---                 | ---                 | ---                      |
| Funds-wise Break-up of Investment from Earmarked balances (a to c) | 4813.00             | 5023.00             | 210.00                   |
| a. Sinking Fund Investment   | 4333.00             | 4543.00             | 210.00                   |
| b. Guarantee Redemption Fund Investment                            | 480.00              | 480.00              | ---                      |
| c. Calamity Relief Fund Investment                                 | ---                 | ---                 | ---                      |
| Interest Realised  | 226.72              | 548.66              | 321.94                   |

**Source:** Finance Accounts 2011-12.

In line with the recommendation of the Eleventh Finance Commission, the State Government set up a Sinking Fund with effect from January 2003 for amortisation of market borrowings as well as other loans and debt obligations. The MTFP 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 2012, the investment in the Sinking Fund stood at ₹ 4543 crore including an addition of ₹ 210 crore made during 2011-12 against outstanding fiscal liability of ₹ 42467 crore as of 31 March 2012.

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 as on 31 March 2012. 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 relatively lower rate (five *per cent*) of interest. The State Governments closing debt stocks of 2011-12 included a few high interest bearing loans like 7.80 *per cent* Odisha Government Loan (OGL) 2012 (₹ 434 crore), 6.95 *per cent* OGL 2013 (₹ 353 crore), 6.80 *per cent* OGL 2012 (₹ 187 crore) and 8.5 *per cent* special security to NSSF of Government of India (₹ 8482 crore). The ThFC recommended (paragraph 7.127) that States with large cash balances should make efforts towards utilising their cash balances before resorting to fresh borrowings.

The Principal Secretary, Finance Department stated (November 2012) that the surplus balance was maintained to meet the day to day expenditure requirement which is invested in 14 day intermediate Treasury Bill. The remaining part of the surplus was held in Auction Treasury Bills which earned a higher interest. An amount of high cost loan of ₹ 575 crore availed from HUDCO and REC was prepaid during the first half of 2012-13. However, as discussed below the surplus balance could have been utilised in providing more funds under capital sector/ creating assets.

### **Analysis of Cash Balance**

Surplus cash balance was mainly due to market borrowing raised during last few years. The entire loan amount was invested in 14 days and 91 days intermediate treasury bills of RBI with an interest rate of five *per cent* per annum against an average rate of six *per cent* per annum at which the borrowings were made.

The ThFC has also suggested that there should be directed effort by the States with large balances towards utilising their existing cash balances before resorting to fresh borrowings. The Reserve Bank of India has also reiterated the fact and advised the States to manage their cash balance more efficiently. It is commendable to note that the State adhering to ThFC recommendation not only avoided any open market borrowings during 2011-12 but also discharged high cost OSDL loan amounting to ₹ 1046 crore.

However, it was seen that Revenue Expenditure and Capital Expenditure were less than the budget estimate by ₹ 1663 crore (five *per cent*) and ₹ 1166 crore (21 *per cent*) respectively. The decrease in Capital Expenditure as compared to budget estimate is not a good sign in a developing State with poor infrastructural levels. In view of the comfortable position of cash balances and with a revenue surplus of ₹ 5607 crore and a fiscal surplus of ₹ 622 crore, the surplus cash balance could have

been utilised in providing more funds under capital sector/ creating assets. Since maintaining huge idle cash balance is against the prudent cash management, appropriate steps may be taken for spending on capital projects for creation of assets.

## 1.7 Assets and Liabilities

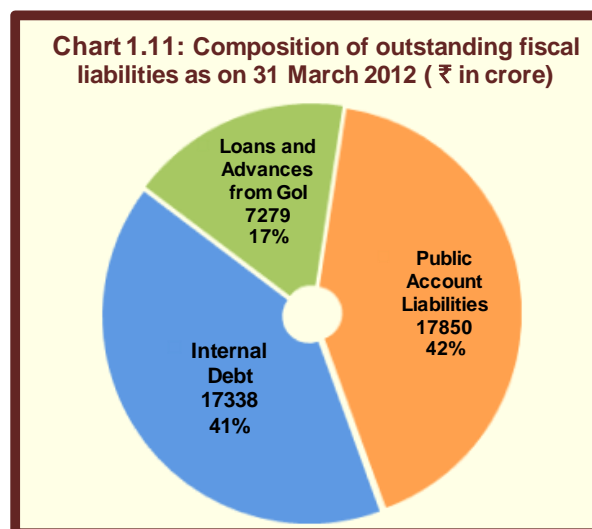
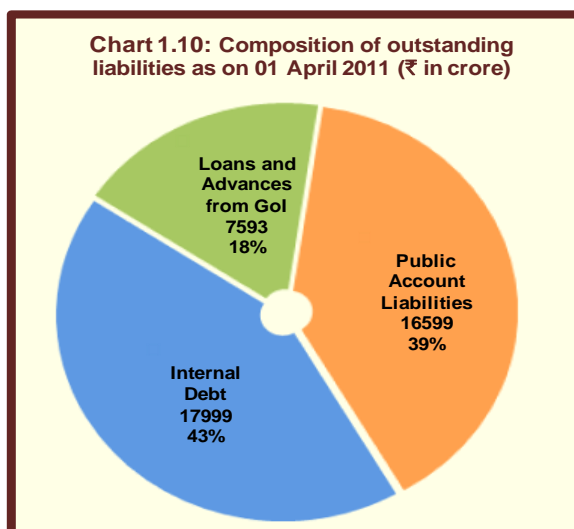
### 1.7.1 Growth and composition of Assets and Liabilities

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 1.8** gives an abstract of such liabilities and the assets as on 31 March 2012, compared with the corresponding position as on 31 March 2011. The liabilities consist mainly of internal borrowings, loans and advances from the GoI and receipts from the Public Account and Reserve Funds; 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.

### 1.7.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.3**. However, the composition of fiscal liabilities during the current year vis-à-vis the previous year are presented in **Chart 1.10** and **1.11**.



Fiscal liabilities as it stood on 1 April 2011 was ₹ 42191 crore comprising internal debt of ₹ 17999 crore (43 per cent), Public Accounts liability of ₹ 16599 crore (39 per cent) and loans and advance of ₹ 7593 crore (18 per cent) from GoI. However, it increased by ₹ 276 crore to ₹ 42467 crore as of 31 March 2012. The fiscal liabilities comprised internal debt of ₹ 17338 crore (41 per cent), public account of ₹ 17850 crore (42 per cent) and loans and advances of ₹ 7279 crore (17 per cent) as at the end of 2011-12. The internal debt of ₹ 17338 crore comprised mainly of market loans

bearing interest (₹ 5114 crore), loans from National Bank of Agriculture and Rural Development (₹ 2707 crore) and special securities issued to National Small Savings Fund (₹ 8482 crore). The Thirteenth Finance Commission has recommended that by the year 2014-15, fiscal liability should be brought down to 25 per cent of GSDP. The Government has already been able to achieve this target during this year. The fiscal liabilities at the end of 2011-12 constituted 19 per cent of GSDP which is four per cent less than previous year. This is a very positive sign for the State finances.

### 1.7.3 Status of Guarantees – Contingent Liabilities

Guarantees are contingent liabilities 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 1.17**.

**Table 1.17: Guarantees given by the Government of Odisha**

(₹ in crore)

| Guarantees  | 2009-10 | 2010-11 | 2011-2012 |
|---|---------|---------|-----------|
| Maximum amount guaranteed.  | 8388.64 | 9788.62 | 10578.61  |
| Outstanding amount of guarantees.   | 1026.93 | 2066.24 | 2510.43   |
| Percentage of maximum amount guaranteed to total revenue receipt of current year.   | 31.74   | 29.41   | 26.27     |
| Percentage of outstanding guarantee to total revenue receipt of 2 <sup>nd</sup> preceding year less grants-in-aid as provided in the MTFP   | 5.91    | 10.62   | 12.12     |
| <i>Criteria:</i> Shall not be more than 100 per cent of State's revenue receipt less grants-in-aid of the 2 <sup>nd</sup> preceding year as provided in Finance Department Resolution No 52214/F, dated 12 November 2002. | 17356   | 19452   | 20713     |

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

The outstanding guarantees increased by 21 per cent from ₹ 2066 crore in 2010-11 to ₹ 2510 crore in 2011-12. Guarantees were given in respect of Power sector (4), Co-operatives sector (41), Housing and Urban Development (86), Irrigation sector (2), Roads and Transport sector (2), State Financial Corporation sector (8) and other infrastructure (18). Maximum amount guaranteed increased substantially by ₹ 790 crore over previous year during 2011-12 as can be seen from the **Table 1.17** above due to increase in guarantees of ₹ 741 crore to Grid Corporation of Odisha (GRIDCO) for purchase of power to meet the surge in demand coupled by inadequate hydro-power generation within the State. Government in their resolution (19 March 2004) issued instruction to the Public Sector Undertakings/Urban Local Bodies/Co-operative Societies etc, who had borrowed or intended to borrow against Government guarantees to open an Escrow Account in a Nationalised Bank for timely repayment of guaranteed loans. As on 31 March 2012, Escrow Accounts have been opened by only 12 out of 88 such institutions.

The Principal Secretary, Finance Department stated (November 2012) that opening of Escrow Account was being insisted upon by the State Government while extending guarantee cover. The reply amply indicated that the Government did not take action

for opening of such Escrow Accounts in respect of institutions for which guarantees had been given earlier though committed last year.

Though no law has been enacted under Article 293 of the Constitution laying down maximum limits for such guarantees, the State Government imposed (November 2002) an administrative limit in Finance Department Resolution No.52214/F, dated 12 November 2002 prescribing that the total outstanding guarantee as on 1 day of April every year was not to exceed hundred *per cent* of the State's revenue receipts of the 2<sup>nd</sup> preceding year (as per the books of account maintained by Principal Accountant General (A & E) Odisha). As per the above, the guarantee position was well within the norms laid down in the said resolution by ₹ 17356 crore, ₹ 19452 crore and ₹ 20713 crore during 2009-10, 2010-11 and 2011-12 respectively.

To provide for sudden discharge of State's obligation on guarantee, Twelfth Finance Commission (TwFC) recommended that States should set up Guarantee Redemption Fund through earmarked guarantee fees. The Government has set up a "Guarantee Redemption Fund" during 2002-03 to meet the contingent liabilities arising out of the total outstanding liabilities. However, there was no transaction since 2008-09 though there were guarantee commission receipts and expenditure on account of discharge of guarantee obligation. In the current year though commission fee of ₹ 1.25 crore was received yet only ₹ 12.84 lakh was credited under Major Head 0075-108- Guarantee fees and the balance amount of ₹ 1.12 crore has been booked under Major Head 0075-800- Other Receipts. As on 31 March 2012, ₹ 480 crore lay invested in the fund.

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*. As per information supplied to us, Guarantee Commission or fee of ₹ 139.25 crore was in arrear from various sectors as shown in **Table 1.18**.

**Table 1.18: Guarantee Commission received/to be received by the Government.**

(₹ in crore)

| Name of the Sector            | Commission Received | Commission to be Received |
|-------------------------------|---------------------|---------------------------|
| Power                         | 76.91               | 106.55                    |
| Co-operatives                 | 1.50                | 2.22                      |
| Irrigation                    | 0.15                | 0                         |
| State Financial Corporation   | 2.85                | 5.63                      |
| Housing and Urban Development | 26.61               | 14.34                     |
| Roads and Transport           | 1.85                | 0                         |
| Other Infrastructure          | 4.10                | 9.26                      |
| Any Other                     | 0                   | 1.25                      |
| <b>TOTAL</b>                  | <b>113.97</b>       | <b>139.25</b>             |

Source: Finance Accounts 2011-12

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 was discharging the State Government guarantees through one time settlement (OTS). So far, the State Government and various PSUs and Co-operatives have paid ₹1202.88 crore under OTS schemes to discharge guarantee liabilities arising out of the default of loanee organisations. *During the year 2011-12, the Government have not invoked any guarantee and also not issued any letter of comfort.*

### 1.7.4 Off Budget Borrowings

The borrowings of a State are governed under Article 293 of the Constitution of India. In addition to the contingent liabilities arising out of such direct borrowings the State guaranteed loans availed by the Government Companies/Corporations. These Companies/Corporations borrowed funds from the market/financial institutions for implementation of various State-run programmes projected outside the State budget. Although the State Government projects that funds for these programmes would be met out of the resources mobilised by these companies/corporations outside the State budget, in reality the borrowings of many of these concerns ultimately turn out to be the liabilities of the state Government termed as off-budget borrowing. The repayment of principal and interest of these borrowings is the primary responsibility of the State Government because of the guarantee. Off budget borrowings are not permissible under Article 293(3) of the Constitution. An amount of ₹ 250.42 crore had been raised through off budget borrowings as of March 2007. However, the entire borrowings were found liquidated by 31 March 2008. No off budget borrowing was made since 2008-09.

### 1.7.5 Inoperative Reserve Funds

Reserve Fund is created for specific and defined purposes under the Sector 'J' in the accounts of the State Government. These sources of the fund are the contributions or grants from the Consolidated Fund of India or State. After obtaining the vote of the Legislature, the expenditure incurred from the fund initially accounted for under the Consolidated Fund. On the closure of the account, at the end of the year, the expenditure so incurred is transferred to the fund (Public Account) through an operation of deduct entry in accounts. The funds may be further classified as 'funds bearing interest' and 'funds not bearing interest'. All these funds (whether interest bearing or not) are intended to be used for the purposes for which they are created.

Twenty seven reserve funds have been created and maintained in the accounts of the State Government. Out of the said 27 funds, 23 are inoperative or dormant since long. The details of 13 major inoperative funds out of 23 funds are given in **Table 1.19** below:

**Table 1.19: Inoperative reserve fund**

(₹ in thousand)

| Sl. No | Major and Minor heads with nomenclature   | Balance as on 31.03.2012 |       | Year of last transaction |
|--------|---|--------------------------|-------|--------------------------|
| 1      | 8011-Insurance and Pension Funds<br>105-State Government Insurance Fund   | Cr.                      | 7     | 2003-04                  |
| 2      | 8012-Special Deposit and Accounts<br>123-Special Deposit for Employees Provident Fund Scheme (Administration Fund)                          | Cr.                      | 163   | 2002-03                  |
| 3      | 8013-Other Deposits and Accounts<br>01-Deposit Schemes for Retiring employees<br>101-Deposit Scheme for Retiring Government Employees, 1989 | Cr.                      | 3881  | 1997-1998                |
| 4      | 8115-Depreciation/Renewal Reserve Fund<br>103-Depreciation Reserve Funds- Government Commercial Departments and Undertakings                | Cr.                      | 48208 | 1987-1988                |
| 5      | 8121-General and Other Reserve Fund   | Cr.                      | 188   | 1996-1997                |

| Sl. No | Major and Minor heads with nomenclature  | Balance as on 31.03.2012 |       | Year of last transaction |
|--------|--|--------------------------|-------|--------------------------|
|        | 101-General and Other Reserve Funds- Government Commercial Departments and Undertakings. |                          |       |                          |
| 6      | 8229-Development and Welfare Funds   |                          |       |                          |
|        | 103-Development Funds for Agricultural purposes  | Cr.                      | 1124  | 1967-1968                |
|        | 109-Co-operative Development Funds, State Co-operative Development Fund                  | Cr.                      | 200   | 1959-1960                |
|        | 123-Consumer Welfare Fund  | Cr.                      | 2524  | 2004-2005                |
| 7      | 8235-General and Other Reserve Funds   |                          |       |                          |
|        | 102-Zamindari Abolition Fund   | Cr.                      | 5919  | 1994-1995                |
|        | 103-Religious and Charitable Endowment Funds   | Cr.                      | 151   | 1983-1984                |
|        | 200-Other Funds: -<br>Guarantee Reserve Fund,  | Cr.                      | 25028 | 1997-1998                |
|        | Passengers Amenities Reserve Fund  | Cr.                      | 600   | 1982-1983                |
| 8      | 8449-Other Deposits  |                          |       |                          |
|        | 103-Subvention from Central Road Fund  | Cr.                      | 3020  | 1984-85                  |

**Source:** Finance Accounts of Government of Odisha 2011-12 (Volume-1)

All these funds (whether interest bearing or not) intended to be used for the purposes for which they are created, were not utilised for the purpose intended. The credit balances are debt liability of the Government on which interest is paid by the Government to the fund if the fund is interest bearing. The funds at sl. no 4 and 5 were interest bearing fund. The above reserve funds remained inoperative for periods ranging from seven to 53 years. Since the funds were inoperative and rolling for years together, the State Government should take appropriate steps to review all such funds and if the purpose for which it was created ceased to exist, transfer the balances to the Consolidated Fund.

The Principal Secretary, Finance Department stated (November 2012) that the matter would be examined in consultation with the Departments which used to operate the fund and then steps would be taken for closure of the inoperative reserve fund.

## 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. Specific policy/strategy for debt management, if any adopted by the State Government, was not found to be on record.

Apart from the magnitude of the debt of the State Government, it is important to analyze various indicators that determine the debt sustainability<sup>6</sup> of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation<sup>7</sup>; sufficiency of non-debt receipts<sup>8</sup>; net availability of borrowed funds<sup>9</sup>;

<sup>6</sup> 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

<sup>7</sup> 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 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.



interest burden payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.20** analyses the debt sustainability of the State according to these indicators for the period of three years beginning from 2009-10.

**Table 1.20: Debt Sustainability: Indicators and Trends**

(₹ in crore)

| Indicators of Debt Sustainability                        | 2009-10             | 2010-11 | 2011-12 |
|--|---------------------|---------|---------|
| Debt Stabilisation<br>(Quantum Spread + Primary Deficit) | 7017                | 8929    | 9657    |
| Sufficiency of Non-debt Receipts (Resource Gap)          | -1932 <sup>10</sup> | 1608    | 1280    |
| Net Availability of Borrowed Funds                       | (-)1745             | (-)1654 | (-)3124 |
| Burden of Interest Payments (IP/RR Ratio)                | 0.12                | 0.09    | 0.06    |
| <b>Maturity Profile of State Debt (In Years)</b>         |                     |         |         |
| 0 – 1  | 1701                | 2265    | 2678    |
| 1 – 3  | 4950                | 5079    | 5375    |
| 3 – 5  | 4938                | 5174    | 4622    |
| 5 – 7  | 3936                | 3143    | 2585    |
| 7 and above  | 9883                | 9928    | 9353    |

Source: Finance Accounts of Government of Odisha for respective years

During the last three year period 2009-12, quantum spread together with primary deficit consistently remained positive resulting in a continuous decline in debt/GSDP ratio from 27 per cent in 2009-10 to 19 per cent in 2011-12. 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. Debt sustainability could be facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. Negative resource gap indicates non-sustainability of debt while positive resource gap indicates sustainability of debt. The trends in **Table 1.20** 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 2009-12. The negative resource gap during 2009-10 turned positive during the previous year as well as during the current year. This meant that the State did not depend on borrowed funds for meeting current revenue and capital expenditure due to increase in Tax and Non-Tax receipts.

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

<sup>8</sup> 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.

<sup>9</sup> 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.

<sup>10</sup> Differential total non debt revenue receipt of 2010-11 and 2011-12 minus differential total expenditure of 2010-11 and 2011-12.

availability of borrowed funds. The solution to a situation of debt trap lies in proper application of borrowed funds, i.e. (a) not using 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.

During the current year, the Government repaid principal plus interest on account of internal debt of ₹ 3295 crore, Government of India loans of ₹ 1035 crore and also discharged other obligation of ₹ 2640 crore, as a result of which payments exceeded the receipts during the year. Throughout the period 2009-12, 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 0.06. During the current year, the State Government raised internal debt amounting to ₹ 1121 crore (NABARD and other institutions ₹ 812 crore and NSSF Securities: ₹ 309 crore). Against these receipts, Government discharged past debt obligation (Principal plus interest) amounting to ₹ 3295 crore resulting in negative net fund available under the debt account. During the current year, the Government repaid GoI loan including interest amounting to ₹ 1035 crore and also discharged other obligation of ₹ 2640 crore along with interest obligation, which were more than the total receipt resulting in negative net availability of funds during the year 2011-12.

## 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 for the financial year 2011-12.

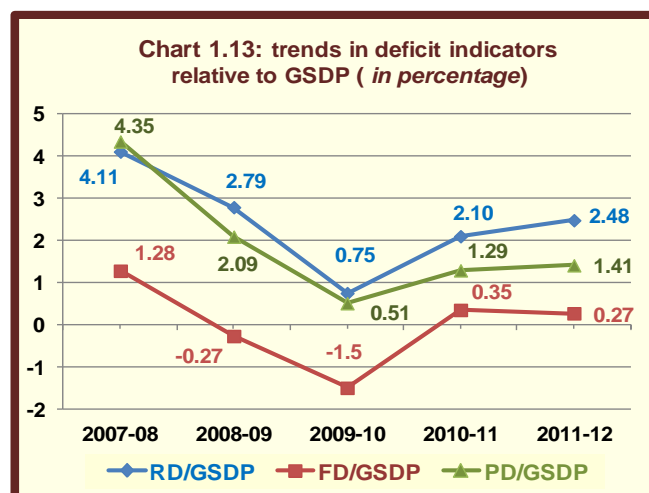
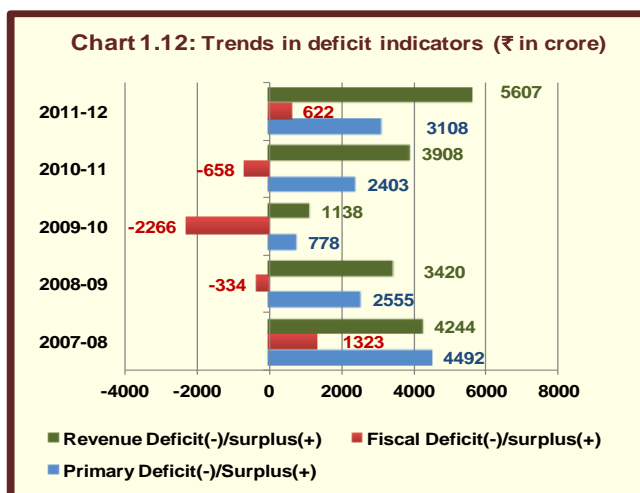
### 1.9.1 Trends in Deficits/Surpluses

Table 1.21, Chart 1.12 and 1.13 present the trends in deficit/surpluses indicators over the period 2007-12.

Table 1.21: Deficits/Surpluses

|   | 2007-08   | 2008-09    | 2009-10  | 2010-11   | 2011-12   |
|---|-----------|------------|----------|-----------|-----------|
| Revenue deficit (-)/ surplus(+)<br>(₹ in crore) | (+) 4244  | (+) 3420   | (+)1138  | (+)3908   | (+)5607   |
| Fiscal deficit (-)/ surplus(+)<br>(₹ in crore)  | (+) 1323  | (-) 334    | (-)2266  | (-)658    | (+)622    |
| Primary deficit (-)/ surplus(+)<br>(₹ in crore) | (+) 4492  | (+) 2555   | (+)778   | (+)2403   | (+)3198   |
| RD/GSDP (per cent)                              | (+) 4.11  | (+) 2.79   | (+)0.75  | (+)2.10   | (+)2.48   |
| FD/GSDP (per cent)                              | (+) 1.28  | (-) 0.27   | (-)1.50  | (-)0.35   | (+)0.27   |
| PD/GSDP (per cent)                              | (+) 4.35  | (+) 2.09   | (+)0.51  | (+)1.29   | (+)1.41   |
| RD/FD (per cent)                                | (+)320.78 | (-)1023.95 | (-)50.22 | (-)593.92 | (+)901.45 |

Source: Finance Accounts of Government of Odisha for respective years



### Revenue surplus

Revenue surplus represents the difference between revenue receipts and revenue expenditure. Revenue surplus helps to reduce the borrowings. In the year 2005-06, after a gap of 22 years, the State was able to attain a revenue surplus of ₹ 481 crore and continued to be a revenue surplus State. In 2011-12, revenue surplus increased by ₹1699 crore (43 per cent) over the previous year. Thus, the achievement was in line with the State's FRBM (Amendment) Act, 2011 which prescribed reduction of revenue deficit to zero for the financial year 2011-12.

### Over Statement of Revenue Surplus

Grants-in-Aid to any institution/body constitute the revenue expenditure of the Government. But during the year 2011-12 a sum of ₹ 763.22 crore has been disbursed as Grants-in-Aid and booked under Capital Major Heads of expenditure which should have been booked under Revenue Major Heads. This departure was also against the guidelines of the Indian Government Accounting Standards (IGAS-2). In another case Government have not taken any initiative for transfer of an amount of ₹ 143.49 crore received as Grants-in-Aid from Central Road Fund to the Public Account (8449-Other Deposits-103-Subvention from Central Road Fund) by debiting to the revenue expenditure head (3054-Roads and Bridges). Thereby, the Revenue Expenditure during 2011-12 was understated to the extent of ₹ 906.71 crore and consequently Revenue Surplus was overstated by the same amount.

### Fiscal surplus/deficit

The fiscal deficit comprises the total borrowings of the Government. Fiscal surplus in 2007-08 slipped back to fiscal deficit during 2008-09 to 2010-11, but after three years there was again fiscal surplus of ₹ 622 crore during the current year mainly due to huge surplus available in revenue account. This was well within the State's FRBM (Amendment Act, 2012) target of fiscal deficit not more than three per cent of GSDP.

### Primary surplus

The primary surplus in the State of ₹ 4492 crore in 2007-08 decreased to ₹ 3198 crore in 2011-12.

### 1.9.2 Components of Fiscal Deficit/Surplus and its Financing / Investing Pattern

The financing / investing pattern of the fiscal deficit/surplus underwent a compositional shift as reflected in the **Table 1.22**.

**Table 1.22: Components of Fiscal Deficit/Surplus and its Financing/Investing Pattern**  
(₹ in crore)

| Particulars   |   | 2007-08     | 2008-09       | 2009-10        | 2010-11       | 2011-12    |
|---|---|-------------|---------------|----------------|---------------|------------|
| <b>Decomposition of Fiscal Deficit</b>              |   | <b>1323</b> | <b>(-)334</b> | <b>(-)2266</b> | <b>(-)658</b> | <b>622</b> |
| 1   | Revenue surplus   | 4244        | 3420          | 1138           | 3908          | 5607       |
| 2   | Capital Expenditure   | (-)2843     | (-)3779       | (-)3648        | (-)4285       | (-)4496    |
| 3   | Net Loans and Advances  | (-)78       | 25            | 244            | (-)281        | (-)489     |
| <b>Financing Pattern of Fiscal Deficit*/Surplus</b> |   |             |               |                |               |            |
| 1   | Market Borrowings   | (-)874      | (-)670        | (-)571         | (-)623        | (-)1046    |
| 2   | Loans from GoI  | (-)343      | 74            | (-)247         | (-)636        | (-)314     |
| 3   | Special Securities Issued to National Small Savings Fund (NSSF) | (-)106      | 67            | 610            | 1023          | 26         |
| 4   | Loans from Financial Institutions                               | (-)15       | 189           | 369            | 420           | 360        |
| 5   | Small Savings, PF etc   | 399         | 459           | 1138           | 1223          | 426        |
| 6   | Reserve fund  | (-)85       | (-)52         | 1              | 17            | 269        |
| 7   | Deposits and Advances   | 83          | 576           | 145            | 154           | 554        |
| 8   | Suspense and Misc   | (-)1219     | (-)522        | 1595           | (-)809        | (-)1290    |
| 9   | Remittances   | 50          | (-)1.00       | 41             | (-)4          | 9          |
| 10  | Others  |             |               |                |               |            |
| 11  | Increase / decrease in cash Balance                             | 673         | 174           | (-)629         | 69            | 12         |
| 12  | Net of Odisha Contingency Fund                                  | 114         | 40            | (-)188         | (-)176        | 372        |

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

Source : Finance Accounts of Government of Odisha for respective years

Decomposition of fiscal deficit/surplus shows fiscal surplus in 2007-08 which turned into fiscal deficit during 2008-11 due to wide change in net capital expenditure (₹1442 crore). Fiscal deficit which represents the total borrowing of the State turned into fiscal surplus during 2011-12 mainly due to the huge surplus available in revenue account.

### 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 State's 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) was not having any asset backup. In the case of Odisha, there has been a revenue surplus since 2005-06. The bifurcation of the primary surplus (**Table 1.23**) 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 1.23: Primary deficit/Surplus – Bifurcation of factors

(₹ 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 (2-3)                                  | 8 (2-6)                           |
| 2007-08 | 22322             | 14554                       | 2843                | 433                | 17830               | 7768                                     | 4492                              |
| 2008-09 | 24846             | 18301                       | 3779                | 211                | 22291               | 6545                                     | 2555                              |
| 2009-10 | 26786             | 22248                       | 3648                | 112                | 26008               | 4538                                     | 778                               |
| 2010-11 | 33310             | 26307                       | 4285                | 315                | 30907               | 7003                                     | 2403                              |
| 2011-12 | 40399             | 32084                       | 4496                | 621                | 37201               | 8315                                     | 3198                              |

Source: Finance Accounts of Government of Odisha for respective years

During 2007-08 to 2011-12, non-debt receipts increased from ₹ 22322 crore to ₹ 40399 crore (81 per cent) against an increase of 120 per cent in Primary Revenue Expenditure.

The analysis of the factors resulting into primary surplus of the State during 2007-12 revealed that the State was experiencing primary surplus during these years. In other words, non-debt receipts of the State were enough to meet the primary expenditure<sup>11</sup> requirements in the revenue account; rather some receipts were still left to meet the expenditure under the capital account. This was a very healthy trend in the State's finances.

### 1.10 Public Private Partnerships

To sustain the growth, Government of India proposed to generate resources for infrastructure through Public Private Partnerships (PPPs) in Eleventh Five Year Plan (2007-12). In response to GoI Policy, Government of Odisha framed their PPP Policy in August 2007 to support private investment, particularly in the naggingly poor infrastructure sector. The Odisha PPP Policy 2007 covers 19 infrastructure sectors, such as roads, bridges and bypass, ports and harbour, airports, airstrips and heliports, industrial parks, power generation, tourism, healthcare facilities, urban infrastructure, agricultural production and marketing. Out of the earmarked 19 sectors to be covered, the State Government had so far entered into PPP arrangements of some kind in 11 sectors only.

Government of Odisha earmarked 70 projects (*Appendix -1.9*) for implementation under PPP model during Eleventh Plan period. Of these only eight projects had been completed, five of which were generating revenue. One project out of the remaining three<sup>12</sup> projects was closed due to poor response and non-revenue generating. The details of period of delay (sector-wise) of the 62 projects either at implementation stage, bidding stage or in the pipeline are indicated in the **Table 1.24** below:

<sup>11</sup> 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.

<sup>12</sup> Hop on and Hop up Bus Service, Tourism Portal, Management of Health Institution

**Table 1.24: Projects under implementation/ pipeline / bidding stage**

| Period of delay   | Sector   |          |           |                      |              |           |
|-------------------|----------|----------|-----------|----------------------|--------------|-----------|
|                   | Port     | Road     | Tourism   | Urban Infrastructure | Other Sector | Total     |
| 1-2 years         | 2        | 8        | 6         | 14                   | 11           | 41        |
| 2-3 years         | -        | -        | 4         | 1                    | 3            | 8         |
| 3 years and above | 2        | 1        | 2         | -                    | 8            | 13        |
| <b>TOTAL</b>      | <b>4</b> | <b>9</b> | <b>12</b> | <b>15</b>            | <b>22</b>    | <b>62</b> |

It would be evident from the above table that there was delay in completion of work in all the sectors, justifying the need for proper planning and adequate due diligence before making PPP projects and selecting the private partners.

The user charges collected in the five projects are as detailed in **Table 1.25** below.

**Table 1.25: List of Public Private Partnership (PPP) projects generating revenue.**

(₹ in crore)

| Sl. No       | Project         | Dept                          | Estimated cost | Estimated cost revised from time-to-time | Actual Expenditure | Cost Overrun (6-4) | User Charges collected | Share of Govt |
|--------------|-----------------|-------------------------------|----------------|--|--------------------|--------------------|------------------------|---------------|
| (1)          | (2)             | (3)                           | (4)            | (5)                                      | (6)                | (7)                | (8)                    | (9)           |
| 1            | Dhamra Port     | Commerce & Transport          | 2464.00        | 3639.00                                  | 3585.69            | 1121.69            | 197.80                 | 9.75          |
| 2            | Gopalpur Port*  | Commerce & Transport          | 720.00         | 1212.55                                  | 255.77             | Nil                | 40.52                  | 0.65          |
| 3            | Mahodadhi Niwas | Tourism                       | 48.70          | 48.70                                    | 7.14               | Nil                | 5.25                   | 5.25          |
| 4            | Eco tourist     | Tourism                       | 3.00           | 3.00                                     | 2.33               | Nil                | 0.65                   | 0.65          |
| 5            | E-Registration  | Revenue & Disaster management | 63.00          | 63.00                                    | 36.57              | Nil                | 20.12                  | 2.01          |
| <b>TOTAL</b> |                 |                               | <b>3298.7</b>  | <b>4966.25</b>                           | <b>3887.50</b>     | <b>1121.69</b>     | <b>264.54</b>          | <b>18.31</b>  |

\* Operation at Gopalpur port has been suspended from October 2010 for construction of phase II envisaged in above cited estimated cost.

**Source:** Information furnished by respective Departments

Memorandum of Understanding (MoU) was signed with the International Sea Port (ISP) Private Limited on 31 March 1997 for development of Dhamra Port. MoU route was followed and the concession Agreement (CA) was signed between the Government and ISP on 2 April 1998 to complete the work within four years with an estimated cost of ₹ 2464 crore. The Port operation started on 6 May 2011 with a delay of nine years excluding four years for construction. The total expenditure incurred at the end of March 2012 was ₹ 3585.69 crore resulting in a cost overrun of ₹ 1121.69 crore over initial estimated cost. However, user charges for ₹ 264.54 crore were collected from above five projects out of which State Government received ₹ 18.31 crore.

Thus, the objective of PPP policy 2007 as envisaged to give a boost to the PPP Projects remained largely under achieved. There was a need to gear up to PPP activities from the experience gained from Eleventh Plan period. Appropriate mechanism should be developed to disclose the quantum of resources planned to be

generated through PPP route in the budget and the Finance Accounts every year and its proposed application.

The Principal Secretary, Finance Department stated (November 2012) that while the provision for viability gap funding was reflected in the Budget documents other liabilities like annuities to be provided for execution for PPP Projects through BOT mode is required to be furnished separately when such projects was taken up for consideration.

### **1.11 Conclusion and Recommendations**

- As envisaged in the amended FRBM Act and the ThFC, the required monitoring system of the fiscal reforms through an independent agency was yet to be put in place (**Paragraph 1.1**).

*The Government should develop an effective monitoring system for the fiscal reforms through an independent agency as envisaged in the amended FRBM Act and the ThFC requirement*

- 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**).

*Funds flowing directly to the implementing agencies through off-budget route inhibit FRBM Act requirements of transparency and escape accountability. There is no single agency monitoring the use of these funds and no data is readily available on the amount spent in any particular year on major flagship and other important schemes. The State Government has to put in place an appropriate mechanism to ensure proper accounting of these funds.*

- During 2011-12, the annual growth rate of revenue receipts has come down to 21 per cent against 25.90 per cent during 2010-11. (**Paragraph 1.3**).

*Government should mobilise additional resources through tax and non-tax revenue by expanding the tax base and rationalising user charges.*

- The growth rate of the total expenditure of the State over the previous year decreased from 20 per cent (₹ 20999 crore) in 2007-08 to 17 per cent (₹ 39777 crore) in 2011-12. Revenue Expenditure had a predominant share of 84 per cent in 2007-08 to 87 per cent in 2011-12 of total expenditure. However, Revenue Expenditure during 2011-12 was below the projection (₹ 37072 crore) as per MTFP which was a good sign for the State's finances (**Paragraphs 1.4.1 and 1.4.1.2**).

Non-Plan Revenue Expenditure (NPRE) as a proportion of Revenue Expenditure, increased from ₹ 13634 crore in 2007-08 to ₹ 24940 crore (83 per cent) in 2011-12. Out of the total increase of ₹ 5292 crore in Revenue Expenditure during the current year over the previous year, increase in NPRE contributed ₹ 2965 crore (56 per cent) and remaining ₹ 2327 crore (44 per cent) was the Plan Revenue Expenditure (PRE) (**Paragraph 1.4.1.3**).

*Government may initiate suitable measures to reduce the non-plan revenue expenditure so that even more funds are available for durable assets creation by way of increased Capital Expenditure.*

*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.*

- Capital Expenditure of the State ranged from 14 per cent to 11 per cent of Aggregate Expenditure during 2007-12. The Capital Expenditure was 1.99 per cent of GSDP during 2011-12 as against the projection of 2.50 per cent in the MTFP (**Paragraph 1.4.1.4**).

*Government may strengthen the State's infrastructure for absorbing higher levels of Capital Expenditure for durable asset formation and sustainable development of the State, as per its commitment in MTFP.*

- Financial results of Major and Medium Irrigation projects with a capital expenditure of ₹ 3677.95 crore at the end of March 2012 yielded return of ₹ 109.98 crore during 2011-12 against the direct working expenses of ₹ 188.08 crore. After meeting the working and maintenance expenditure (₹ 189.12 crore) and interest charges (₹ 248.11 crore), the schemes suffered a net loss of ₹ 327.25 crore (**Paragraph 1.6.1**).

*Government may take steps to levy user charges commensurate with operational and maintenance expenses of Irrigation projects.*

- A number of PSUs and Corporations with investment (equities) are not giving return to the Government in form of dividends. These include 51 non-working PSUs (**Paragraph 1.6.3**).

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

- Although a substantial amount (₹ 3903 crore) of loans was paid to various PSUs etc., interest of ₹ 16crore only was received from them during 2011-12 as a result of which interest receipts to outstanding loans stood at 0.41 per cent during 2011-12 (**Paragraph 1.6.4**).

*Government may, therefore, take effective action to realise the interest dues from the undertakings as per the terms and conditions of the payment of loans either by way of restructuring the loans so as to make the operation of these PSUs profitable or consider putting them on the block.*

- 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 1.6.5**).

*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 retire or pre-pay 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 by obtaining GoI's specific permission for such pre-payment.*



- Though Government framed public private partnership (PPP) policy to generate maximum resources for infrastructure build up during 2007-12, the resources generated during that period were negligible (**Paragraph 1.10**).

*Effective action has to be taken to gear up PPP activities from the experience gained in the Eleventh Plan period. Also, there is a need to appropriately disclose the quantum of resources planned to be generated through PPP route in the budget and the Finance Accounts every year and its proposed application.*

## 2.1 Introduction

**2.1.1** Appropriation Accounts are accounts of the actual expenditure, voted and charged, of the Government for each financial year compared with the amounts of 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 authorised by the Appropriation Acts 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 authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions. It also seeks to assess to what extent the Government/Executive has been able to manage the planned and intended allocation of its resources amongst various departments.

**2.1.3** As per the Odisha Budget Manual (OBM), the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the detailed estimates called “Demand for Grants”. In the preparation of the budget, the aim should be to achieve as close an approximation to the actual as possible. This demands the exercise of the utmost foresight in both estimating revenue and anticipating expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year and neither larger nor smaller. A saving in an estimate constitutes as much of a financial irregularity as an excess in it. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees etc.

Deficiencies in the management of budget and expenditure and violation of the OBM noticed in audit have been discussed in the subsequent paragraphs.

## 2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2011-12 against 38 grants and four appropriations was as given in **Table 2.1**:

**Table 2.1: Summarised position of Actual Expenditure vis-à-vis Original/ Supplementary provisions**

(₹ in crore)

|                      | Nature of expenditure     | Original Grant/ Appropriation | Supplementary Grant/ Appropriation | Total           | Actual Expenditure | Savings (-)/ Excess (+) |
|----------------------|---------------------------|-------------------------------|------------------------------------|-----------------|--------------------|-------------------------|
| <b>Voted</b>         | I Revenue                 | 33215.18                      | 4038.70                            | 37253.88        | 33066.96           | (-)4186.92              |
|                      | II Capital                | 5833.92                       | 316.09                             | 6150.01         | 4657.06            | (-)1492.95              |
|                      | III Loans and Advances    | 628.20                        | 150.00                             | 778.20          | 621.01             | (-)157.19               |
| <b>Total Voted</b>   |                           | <b>39677.30</b>               | <b>4504.79</b>                     | <b>44182.09</b> | <b>38345.03</b>    | <b>(-)5837.06</b>       |
| <b>Charged</b>       | IV Revenue                | 4097.58                       | 215.94                             | 4313.52         | 2833.63            | (-)1479.89              |
|                      | V Capital                 | 6.20                          | 3.89                               | 10.09           | 7.55               | (-)2.54                 |
|                      | VI Public Debt- Repayment | 2266.67                       | 0.00                               | 2266.67         | 2327.76            | 61.09                   |
| <b>Total Charged</b> |                           | <b>6370.45</b>                | <b>219.83</b>                      | <b>6590.28</b>  | <b>5168.94</b>     | <b>(-)1421.34</b>       |
| <b>Grand Total</b>   |                           | <b>46047.75</b>               | <b>4724.62</b>                     | <b>50772.37</b> | <b>43513.97</b>    | <b>(-)7258.40</b>       |

Source: Odisha Appropriation Act 2011, Finance and Appropriation Accounts 2011-12

The expenditure figures were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under Revenue heads (₹ 1240.35 crore) and Capital heads (₹ 168.52 crore). The overall saving of ₹ 7258.40 crore was the result of saving of ₹ 7410.17 crore in all the 38 grants and one appropriation under Revenue Section and 19 grants and one appropriation under Capital Section, which is offset by excess of ₹ 151.77 crore in one grant under Revenue Section, one grant under Capital Section and one appropriation.

It was seen from the above table that against the original provision of ₹ 46047.75 crore, expenditure of ₹ 43513.97 crore was incurred, thereby not requiring any supplementary provision, as there was savings of ₹ 2533.78 crore from the original provision which clearly indicates inaccurate estimation of funds and lack of control mechanism.

## 2.3 Financial Accountability and Budget Management

### 2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit revealed that in 16 cases relating to 14 grants and one appropriation, savings exceeded ₹ 10 crore in each case and by more than 20 per cent of total provision (**Appendix 2.1**) amounting to ₹ 3219.29 crore. Out of the above, savings of as large as ₹ 3049.51 crore (95 per cent)<sup>14</sup> occurred in 10 cases relating to eight grants and one appropriation as indicated in **Table 2.2**.

<sup>14</sup> Exceeding ₹ 100 crore in each case.

Table 2.2: List of Grants with savings of ₹ 100 crore and above

| (₹ in crore)             |                                  |                |                    |                |                       |                |
|--------------------------|----------------------------------|----------------|--------------------|----------------|-----------------------|----------------|
| Sl. No.                  | No. and Name of the Grant        | Original       | Supple-<br>mentary | Total          | Actual<br>Expenditure | Savings        |
| <b>Revenue (Charged)</b> |                                  |                |                    |                |                       |                |
| 1                        | 2049-Interest Payments           | 4047.33        | 0                  | 4047.33        | 2576.43               | 1470.90        |
| <b>Revenue (Voted)</b>   |                                  |                |                    |                |                       |                |
| 2                        | 19-Industries                    | 253.55         | 50.25              | 303.80         | 199.84                | 103.96         |
| <b>Capital (Voted)</b>   |                                  |                |                    |                |                       |                |
| 3                        | 7-Works                          | 1139.16        | 26.71              | 1165.87        | 931.00                | 234.87         |
| 4                        | 10-School and Mass Education     | 216.47         | Negligible         | 216.47         | 40.77                 | 175.70         |
| 5                        | 13-Housing and Urban Development | 380.49         | 0.01               | 380.50         | 267.73                | 112.77         |
| 6                        | 16-Planning and Co-ordination    | 263.22         | 0                  | 263.22         | 161.07                | 102.15         |
| 7                        | 19-Industries                    | 148.91         | 35.10              | 184.01         | 50.57                 | 133.44         |
| 8                        | 20-Water Resources               | 2210.90        | 1.26               | 2212.16        | 1754.39               | 457.77         |
| 9                        | 30-Energy Department             | 502.00         | Negligible         | 502.00         | 396.92                | 105.08         |
| 10                       | 34-Co-operation                  | 27.22          | 150.00             | 177.22         | 24.35                 | 152.87         |
| <b>TOTAL</b>             |                                  | <b>9189.25</b> | <b>263.33</b>      | <b>9452.58</b> | <b>6403.07</b>        | <b>3049.51</b> |

Source: Appropriation Accounts for the year 2011-12.

The reasons furnished by the departments for unspent provision under few major heads of account as reported in Appropriation Accounts are given below:

#### **07-Works (Capital-Voted)**

- Anticipated savings of ₹ 20.17 crore under major head “5054-Capital Outlay on Roads and Bridges-SP-SS-03-State Highways-337-Road Works-1581-Works Executed from Central Road Fund”, was due to (i) slow progress of work (ii) delay in finalising tender and (iii) non-receipt of sanction order from Government of India.
- Anticipated savings of ₹ 14.05 crore under major head “5054- Capital Outlay on Roads and Bridges -SP-SS-04-Roads-800-Other Expenditure-1219-Road works under Road Development Programme”, was due to (i) slow progress of work (ii) non-sanction of project by railway authority (iii) sub-judice of tender and (iv) non-sanction of administrative approval.
- Anticipated savings of ₹ 34.12 crore under major head “5054- Capital Outlay on Roads and Bridges -SP-SS-04-Roads-800-Other Expenditure-2161-Rural Infrastructure Development Fund (RIDF), was due to slow progress of work by contractor and as per actual requirement.

#### **13-Housing and Urban Development (Capital-Voted)**

- There was anticipated savings of ₹ 52.57 crore under major head “4215-Capital Outlay on Water Supply and Sanitation -NP-02-Swage and Sanitation-106-Swage Services-(61)-2138-EAP assisted by Japan Bank for International Co-operation (JBIC), Japan for integrated sewerage and

sanitation project for Bhubaneswar (BBSR) and Cuttack (CTC)”, from the original provision (₹ 73.61 crore) as the actual requirement was only ₹ 21.04 crore.

- Anticipated savings of ₹ 11.09 crore occurred under major head “4215-Capital Outlay on Water Supply and Sanitation -NP-02-Sewerage and Sanitation-796-Tribal Area Sub-Plan -(63)-2138-EAP assisted by JBIC Japan for integrated sewerage and sanitation project for Bhubaneswar and Cuttack”, as the actual expenditure was only ₹ 3.30 crore out of the total provision of ₹ 14.39 crore
- There was anticipated savings of ₹ 15.33 crore under major head “4215-Capital Outlay on Water Supply and Sanitation-SP-DS-01-Water Supply-101-Urban Water Supply-(65)-1561-Water Supply in Urban Areas”, as the actual expenditure came up to the level of ₹ 18.63 crore out of total provision of ₹ 33.96 crore.

#### ***19-Industries (Revenue-Voted)***

- Anticipated saving of ₹ 54.40 crore under major head “2230-Labour and Employment was attributed to non-release of funds by Government of India.

#### ***19-Industries (Capital-Voted)***

- Anticipated saving of ₹ 133.44 crore under major head “4202-Capital Outlay on Education, Sports, Arts and Culture-CP-SS-02-Technical Education was attributed to non-sanction of fund by Government.

#### ***20-Water Resources (Capital-Voted)***

- There was anticipated saving of ₹ 10.85 crore out of the total original provision of ₹ 45.68 crore under major head “4701-Capital Outlay on Medium Irrigation-SP-SS-58-Telengiri Irrigation Project-Commercial-796-Tribal Area Sub Plan-(107)-2160-Accelerated Irrigation Benefit Programme (AIBP)”, due to (i) non-possession of land (ii) delay in tender process (iii) non-finalisation of spillway drawing and (iv) as per actual requirement. This indicated that budgetary provision was made without finalisation of site and drawings for execution of work leading to savings.

The above cases indicate lack of monitoring of the flow of expenditure in the department by the Chief Controlling Officers (CCOs) of such grants as required under Chapters IV and VI of the OBM.

The Principal Secretary, Finance Department stated (November 2012) that savings occurred due to non-filling of vacant posts and non-implementation of projects. The reply was not acceptable as OBM specifically states that no provision should be made against the vacant posts. Hence, the reasons given for savings due to non-filling of vacant posts violated the provision of OBM. However, the Government accepted that the matter needs careful attention of the grant controlling authorities.

### 2.3.2 Persistent Savings

There were persistent savings of more than ₹ 10 crore in each case in 16 grants and in one appropriation during 2007-12 as detailed in **Appendix 2.2**. The savings ranged from ₹ 26.55 crore to ₹ 1470.90 crore during the year 2011-12. Persistent savings in a substantial number of grants over the years is indicative of over assessment of requirement of fund by the Government in Appropriation Act repeatedly without adequately scrutinising the need and examining the flow of expenditure. The CCOs of these grants need to be alerted by the Finance Department to remedy the situation.

The Principal Secretary, Finance Department stated (November 2012) that cases of committed liabilities like debt servicing, pension, court dues, provision was made to cover the likely requirement. Inadequate provision on these accounts may lead to excess expenditure. Hence, persistent savings occurred.

However, the savings should be surrendered as soon as it was anticipated, so that the same amount could be utilised where necessary.

### 2.3.3 Excess Expenditure

During the year, in three cases (two cases under grant No.05-Finance and one appropriation, 6004-Loans and Advances from Central Government), expenditure exceeded the said approved provision. In two cases, expenditure aggregating to ₹ 151.62 crore exceeded the approved provisions by ₹ 10 crore or more and by more than 20 per cent of the total provisions as detailed in **Appendix- 2.3**.

The Principal Secretary, Finance Department stated (November 2012) that excess expenditure occurred mainly due to grant of debt relief (write off of loans availed from Ministries other than Ministry of Finance) by GoI as per the recommendation of ThFC, loans & advances to Government servants for Group Insurance Scheme advance at the enhanced rate under the charged appropriation. The expenditure under these items could not be estimated to this extent due to which the excess expenditure occurred. Steps would be taken for regularisation of excess expenditure on the recommendations of Public Accounts Committee.

However, excess expenditure by the departments could have been deferred and met out of the budget provision of the next financial year.

### 2.3.4 Expenditure without provision

As per the provisions of OBM, expenditure should not be incurred on a scheme/service without provision of funds. However, expenditure of ₹ 45.25 lakh was incurred in four sub-heads (three grants and one appropriation) even without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect are indicated in **Table 2.3**

**Table 2.3: Expenditure incurred without provision during 2011-12**

| Sl. No. | Number of the grant and name of the Department      | Particulars   | Amount of Expenditure without provision ( ₹ in lakh) | Reasons/Remarks  |
|---------|---|---|--|--|
| 1       | 07-Works  | 4216-Capital Outlay on Housing-SP-SS-01-Government Residential Buildings-796-Tribal Area Sub-Plan-2194-Construction of building of Labour and Employment Deptt. | 2.47   | Reasons for expenditure even without a token provision had not been explained to the Pr. AG (A&E) (June 2012). |
| 2       | 13-Housing and Urban Development                    | 2059-Public Works-NP-01-Office Buildings-053-Maintenance and Repairs-1703-Maintenance of Non-residential Buildings under 12 <sup>th</sup> F C Award             | 1.69   | -do-   |
| 3       | 20-Water Resources                                  | 2700-Major Irrigation-NP-80-General-799-Suspense-0373-Engineer-in-Chief-Office Establishment  | 28.67  | -do-   |
| 4       | 6004-Loans and Advances from the Central Government | 6004- Loans and Advances from the Central Government-NP-03-Loans for Central Plan Schemes-800- Other Loans-9090-Social Security and Welfare                     | 12.42  | -do-   |

Source: Appropriation Accounts for 2011-12

Expenditure without provision of fund was irregular and un-authorised.

### 2.3.5 Drawal of funds to avoid lapse of budget grant

According to the provisions of Odisha Treasury Code (OTC) Volume I (Rule 242) and OBM (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 Deposits to prevent the lapse of budgetary grants. The Thirteenth Finance Commission also recommended that the Public Accounts should not be treated as an alternative to the Consolidated Fund and Government expenditure should be directly incurred from the Consolidated Fund avoiding transfer from Consolidated Fund to the Public Accounts.

As per the Finance Accounts for 2011-12, the minor head 8443-Civil Deposit-800-Other Deposit had accumulated balance of ₹ 559.73 crore (credit) at the close of the year (March 2012). During the year, ₹ 249.91 crore were added to the minor head against mere withdrawal of ₹ 46.21 crore. The accumulated balances at the close of the year should have been written back to the respective major heads of account under the Consolidated Fund from which these were originally transferred as the drawls from the above minor head of account in the subsequent year(s) neither required legislative approval nor were the expenditure incurred subjected to legislature scrutiny through the Appropriation Account mechanism.

The Principal Secretary, Finance Department admitted (November 2012) the observation made by audit.

### 2.3.6 Excess expenditure over provisions relating to previous years requiring regularisation by the State Legislature

According to Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. However, excess expenditure amounting to ₹ 10145.25 crore for the periods from 1996-97 to 2010-11 is yet to be regularised as detailed in **Appendix 2.4**.

PAC in its fourth report of Fourteenth Assembly recommended regularisation of the excess expenditure from the year 1996-97 to 2009-10 in 48 grants and 10 appropriations out of 60 grants and 10 appropriations cases except 12 departments like Finance, Commerce, Housing and Urban Development, Panchayati Raj and Rural Development where the Committee imposed certain conditions for regularisation. Few of them are given below:

- **Finance Department:** Finance Department is to regularise through sanction order and then only the Committee will recommend for regularisation. As legal issues are involved, the matter should be thoroughly examined and steps taken by the State Government be intimated to the Committee.
- **Commerce:** The Committee desired that a compliance note be further furnished by the department as to who were responsible for the excess expenditure.

Despite being commented in the earlier audit reports about the occurrence of excess expenditure, no action was taken up by the Government to regularise it.

The Principal Secretary, Finance Department stated (November 2012) that steps would be taken to regularise the excess expenditure for the period from 1996-97 to 2009-10 through a separate Appropriation bill in the next session of the Legislative Assembly.

### 2.3.7 Excess expenditure over Consolidated Fund of the State during 2011-12 requiring regularisation by the State Legislature

**Table 2.4** contains the summary of total excesses in one grant and one appropriation amounting to ₹ 151.77 crore over and above what was authorised from the Consolidated Fund of the State (CFS) by the State Legislature during 2011-12. No demand for consideration of regularisation, if any, by the State Legislature has yet been placed. Thus, these excess expenditures remain unauthorised and hence are irregular. The details are given in **Table 2.4** below:

**Table 2.4: Excess expenditure over provisions during 2011-12 requiring regularisation.**

(₹ in lakh)

| Sl. No                   | Number and title of Grant / Appropriation       | Total Grant / Appropriation | Expenditure | Excess  |
|--------------------------|---|-----------------------------|-------------|---------|
| <b>Revenue (Charged)</b> |   |                             |             |         |
| 1                        | 05-Finance                                      | 17.14                       | 31.25       | 14.11   |
| <b>Capital (Charged)</b> |   |                             |             |         |
| 2                        | 6004-Loans and Advances from Central Government | 48484.00                    | 54669.47    | 6185.47 |



| Sl. No                 | Number and title of Grant / Appropriation | Total Grant / Appropriation | Expenditure     | Excess  |
|------------------------|---|-----------------------------|-----------------|---|
| <b>Capital (Voted)</b> |   |                             |                 |   |
| 3                      | 05-Finance                                | 19113.68                    | 28091.04        | 8977.36   |
| <b>TOTAL</b>           |   | <b>67614.82</b>             | <b>82791.76</b> | <b>15176.94</b><br><b>Or</b><br><b>(151.77 Crore)</b> |

Source: Appropriation Accounts for 2011-12.

The Finance Department did not furnish reasons for excess expenditure over authorisation from the Consolidated Fund of the State (CFS) to the Principal Accountant General (A&E).

When similar occurrence of excess expenditure during 2010-11 was pointed out, the Principal Secretary, Finance Department assured (October 2011) that online distribution of allotment and checking of bills against allotment was being enforced through a new and computerised Integrated Odisha Treasury Management System (iOTMS) system which would eliminate instance of excess expenditure over allotments in future. Despite such assurances, there were excess expenditure in the grants and appropriation during 2011-12 under the control of the Finance Department.

The Principal Secretary, Finance Department stated (November 2012) that the expenditure under these items could not be estimated to this extent for which the excess expenditure occurred. Steps would be taken for regularisation of excess expenditure on the recommendations of Public Accounts Committee. Despite the commitment made in October 2011 to eliminate instances of excess expenditure over allotment, the Finance Department failed in its commitment.

### **2.3.7.1 Recommendations of Public Accounts Committee on regularisation of excess expenditure over provisions**

The Public Accounts Committee in their first report (14th Assembly) recommended (December 2011) the following measures to be taken with a view to minimise the extent of excess expenditure through appropriate systems improvement measures.

- The State Government should amend the FRBM Act suitably to make a disclosure statement indicating Grant/Appropriation-wise excess expenditure as brought out in the Appropriation Account for the previous year to be laid on the table of the legislature. Such disclosure statement should be made public.
- Excess expenditure detected in the Appropriation Account of the previous year should be regularised in the year following by all means. In order to facilitate such regularisation, Administrative Departments should ensure submission of explanatory notes during the prescribed time period. Finance Department should offer their comments on the explanatory notes in time. The Accountant General should also vet the explanatory notes of the Administrative Department along with comments of the Finance Department and transmit the same to the Assembly Secretariat for consideration by the PAC. The PAC ought to consider these vetted explanatory notes expeditiously.
- It is the duty of the State Government to ensure timely regularisation of excess expenditure.

- Where excess expenditure could have been deferred and met out of budget provision of the next financial year, responsibility should be fixed on the concerned officials incurring expenditure without budget provision.
- The entire budget formulation, execution, accounting, reporting, reconciliation and compliance to external audit observations including excess expenditure should be brought on a single integrated information management platform. This would ensure accuracy of the budget estimate, spending within the budgetary ceiling, timely reporting and reconciliation of expenditure and proper monitoring of response to audit observations. The new Integrated Odisha Treasury Management System (*iOTMS*) should evolve into such an over-arching platform.

Despite such recommendations, the State's FRBM Act was not amended to incorporate such a provision. Similarly, steps to regularise the excess expenditure incurred during 2010-11 were not initiated by the five departments in which there were excess expenditure amounting to ₹ 428.51 crore.

The Principal Secretary, Finance Department stated (November 2012) that steps would be taken to regularise the excess expenditure through an Appropriation bill in the next session of the Legislative Assembly.

### ***2.3.8 Unnecessary/Excessive supplementary provision***

Supplementary provision aggregating to ₹ 820.68 crore obtained in 24 cases, during the year 2011-12 proved unnecessary as the actual expenditure (₹ 17291.80 crore) did not come up to the level of original provision (₹ 19160.65 crore) as detailed in **Appendix-2.5**. This indicates that the CCOs were not aware of the actual requirement of funds for the remaining period of the financial year due to failure to monitor the flow of expenditure through the monthly expenditure control mechanism prescribed in Chapters IV and VI of the OBM.

Similarly, supplementary provision aggregating to ₹ 3616.59 crore proved excessive by ₹ 1521.28 crore over the total required provision of ₹ 2095.31 crore in 14 cases under 13 grants (one crore or more in each case) as detailed in **Appendix-2.6**.

The Principal Secretary, Finance Department stated (November 2012) that in anticipation of taking up of schemes, supplementary provision were made. However, due to some reasons if the schemes did not take off, the supplementary provision remained un-utilised and resulted in surrender. Further, the matter needs careful attention of the grant controlling authorities.

### ***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 199 sub-heads, of which excess / saving was more than ₹ one crore in 56 sub-heads (savings of ₹ 98.96 crore in 26 sub-heads under 10 grants and excess of ₹ 272.19 crore in 30 sub-heads under 13 grants and one appropriation) as detailed in **Appendix- 2.7**. In two cases (i) 05-Finance -7610-Loans to Government Servants

etc.-800-Other Items and (ii) 36-Women and Child Development-2235-Social Welfare-102-Child Welfare-0731-Integrated Child development Service Scheme re-appropriation proved insufficient as there was excess expenditure of ₹ 89.77 crore and ₹ 25.11 crore respectively. This indicated that re-appropriations were made without making assessment of actual requirements under a head.

The Principal Secretary, Finance Department while admitting the observation stated (November 2012) that steps would be taken to ensure timely re-appropriation of funds.

### **2.3.10 Re-appropriations on the last day of the financial year**

According to Rule 139 of OBM, reasons for additional expenditure and savings should be explained in the re-appropriation statement which should reach the Finance Department by 10 March at the latest. As per the records of the office of the Principal Accountant General (A&E), during 2011-12, 871 re-appropriation orders amounting to ₹ 3310.02 crore were issued out of which eight re-appropriation orders aggregating ₹ 288.61 crore were issued on 31 March 2012, the last day of the financial year where there was no scope for expenditure during that year. The details are given in the **Table 2.5** below:

**Table 2.5: List of re-appropriations on the last day of the financial year**

| Sl No        | Number of the Grant Appropriation and name of the Department             | Head of Account from where re-appropriation was made   | Amount (₹ in crore) | Order No./ Date         |
|--------------|--|--|---------------------|-------------------------|
| 1            | 20-Water Resources Deptt   | 2700-Major Irrigation,<br>2701-Medium Irrigation,<br>2702-Minor Irrigation,<br>2711-Flood Control and Drainage,<br>2801-Power,<br>4700-Capital Outlay on Major Irrigation,<br>4701-Capital Outlay on Medium Irrigation,<br>4702-Capital Outlay on Minor Irrigation,<br>4711-Capital Outlay on Flood Control and Drainage | 265.86              | 9930/<br>31.03.2012     |
| 2            | 32- Tourism & Culture Deptt  | 2205-Art and Culture   | 0.15                | 831/<br>31.03.2012      |
| 3            |  | 2205-Art and Culture   |                     | 834/<br>31.03.2012      |
| 4            |  | 2205-Art and Culture   |                     | 837/<br>31.03.2012      |
| 5            |  | 2205-Art and Culture   |                     | 840/<br>31.03.2012      |
| 6            | 2049-Interest Payment (Finance Deptt)                                    | 2049-Interest Payment  | 19.82               | 14128(3)/<br>31.03.2012 |
| 7            | 6003-Internal Debt of the State Government (Finance Deptt)               | 6003-Internal Debt of the State Government   | 1.65                | 14126/<br>31.03.2012    |
| 8            | 6004-Loans and Advances from the Central Government (Finance Department) | 6004-Loans and Advances from the Central Government  | 1.13                | 14124/<br>31.03.2012    |
| <b>TOTAL</b> |  |  | <b>288.61</b>       |                         |

**Source:** Information furnished by the office of the Principal Accountant General (A&E)

Issue of such belated re-appropriation orders persisted during the year despite the irregularity being pointed in the earlier Audit Reports.

### ***2.3.11 Substantial surrenders***

Surrenders (100 *per cent* of total provision) of ₹ 472.75 crore were made under 19 sub heads (₹ 10 crore or more in each case) under eight grants representing different schemes / programmes / projects / activities due to non-implementation or tardy implementation of the same which are given at **Appendix-2.8**. The surrenders were attributed to non-release/non-receipt/non sanction of Central share (nine cases), cut in Annual Plan by Government of India and direct release of funds by Government of India to the executing agency etc. (two cases), non-finalisation/receipt of project proposals (four cases), introduction of cash management system (one case), non-drawal of funds (one case) and no reasons were assigned in remaining (two) cases.

### ***2.3.12 Surrender in excess of savings***

As against savings of ₹ 1947.01 crore, the amount surrendered was ₹ 2006.08 crore resulting in excess surrender of ₹ 59.07 crore in nine grants (₹ 25 lakh or more in each case) as detailed in **Appendix-2.9**. The surrender indicated that the departments failed to exercise necessary budgetary controls of watching the flow of expenditure through the monthly expenditure statements.

The Principal Secretary, Finance Department admitted (November 2012) that surrender should not be made in excess of savings.

### ***2.3.13 Anticipated savings not surrendered***

As per Rule 146 of OBM, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. However, at the close of the year 2011-12 in, (i) Grant No.12-Health and Family Welfare under revenue (charged) section, savings of ₹ 7.50 lakh, (ii) Grant No.17-Pachayati Raj under revenue (charged) section, saving of rupees one thousand (token money provided in the original budget) and (iii) Grant No.22-Forest and Environment under revenue (charged) section savings of ₹ 3.34 lakh were noticed but no part of such savings were surrendered by the concerned departments. The Chief Controlling Officers and the Heads of the Department, thus overlooked the budgetary controls laid down in the OBM.

Similarly, of the total savings of ₹ 2609.89 crore in 12 Grants (15 cases), savings of ₹ one crore and above in each Grant / Appropriation aggregated to ₹ 488.43 crore (19 *per cent* of total savings) were not surrendered, the details are given in **Appendix 2.10**. Thus, the CCOs and the Heads of the Departments ignored the budgetary controls laid down in the OBM and the Finance Department failed to exercise the overall financial control over the State budget.

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 working day of the financial year i.e. on 31 March 2012 in 61 cases aggregating to ₹ 4178.97 crore covering eight *per cent* of the entire budget (**Appendix 2.11**). These indicated improper budgeting exercises and inadequate financial control by the DDOs to monitor actual expenditure against available budget provisions.

The Principal Secretary, Finance Department admitted the fact and stated (November 2012) that there was a gap between savings and surrender. Surrenders from DDOs to Controlling Officer onwards routed through iOTMS could remove such gap.

### **2.3.14 Rush of expenditure**

According to Rule 147 of OBM, rush of expenditure in the closing month of the financial year will ordinarily be regarded as breach of financial regularity, which should be avoided. Contrary to this, in respect of 41 sub-heads listed in **Appendix 2.12**, 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 2012. **Table 2.6** also represents the sub-heads (14 cases) where 100 *per cent* of expenditure was incurred during the last month of the financial year. Expenditure to be spread through the year was incurred in the last month of the year.

**Table 2.6: Cases of rush of expenditure towards the end of the financial year 2011-12**

| Sl. No.      | Grant No. | Major Head   | Total expenditure during the year ( ₹ in crore) | Expenditure during March 2012 |                                 |
|--------------|-----------|--|---|-------------------------------|---------------------------------|
|              |           |  |   | Amount ( ₹ in crore)          | Percentage of total expenditure |
| 1            | 2         | 2052-SP-SS-090-2616-District Innovation Fund   | 15.00   | 15.00                         | 100                             |
| 2            | 2         | 2052-NP-090-2631-Implementation of HRMs  | 10.59   | 10.59                         | 100                             |
| 3            | 10        | 4202-SP-SS-01-202-2257-Establishment of Model Schools in Backward Blocks of the State                                  | 27.23   | 27.23                         | 100                             |
| 4            | 10        | 4202-SP-SS-01-796-2257-Establishment of Model Schools in Backward Blocks of the State                                  | 11.22   | 11.22                         | 100                             |
| 5            | 11        | 2225-CP-SS-03-277-2418-Post Matric Scholarship and stipend to OBC Students   | 11.14   | 11.14                         | 100                             |
| 6            | 13        | 3604-NP-191-2665-Devolution recommended by 3rd State Finance Commission  | 18.28   | 18.28                         | 100                             |
| 7            | 16        | 3451-SP-SS-092-1822-Orissa State Employment Mission  | 12.17   | 12.17                         | 100                             |
| 8            | 17        | 2501-SP-DS-01-001-1745-Targetted Rural Initiative for Poverty Termination and Infrastructure (TRIPTI)-EAP              | 17.73   | 17.73                         | 100                             |
| 9            | 17        | 3604-NP-197-2672-Maintenance and Repair under the Award of 3rd SFC   | 13.59   | 13.59                         | 100                             |
| 10           | 23        | 2401-SP-DS-800-2006-One time ACA   | 20.00   | 20.00                         | 100                             |
| 11           | 30        | 6801-SP-SS-789-2612-CAPEX Programme for development and upgradation of Distribution System                             | 65.00   | 65.00                         | 100                             |
| 12           | 30        | 6801-SP-SS-796-2612-CAPEX Programme for development and upgradation of Distribution System                             | 71.92   | 71.92                         | 100                             |
| 13           | 34        | 2425-SP-SS-107-2699-Grants for Revival Package of Co-operative Credit Institute  | 17.87   | 17.87                         | 100                             |
| 14           | 37        | 2852-SP-SS-07-202-0776-Implementation of e-Governance Project as per the National e-Governance Programme- One time ACA | 18.77   | 18.77                         | 100                             |
| <b>TOTAL</b> |           |  | <b>330.51</b>                                   | <b>330.51</b>                 | <b>100</b>                      |

**Source:** Monthly Appropriation Reports for the month of March 2012.

Maintaining uniform pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalance and temporary cash crunches due to revenue expenditure mismatches during a particular month arising out of unanticipated heavy expenditure in that particular month. Besides, quality of the assets being created out of such expenditure can be maintained if expenditure is incurred in a planned manner.

The Principal Secretary, Finance Department stated (November 2012) that introduction of Cash Management System in major Departments had resulted in substantial reduction in rush of expenditure towards the fag end of financial year. However, as indicated in the paragraph 2.5.2 five departments out of 15 violated the cash management system during the month of March 2012 itself.

## 2.4 Advances from Contingency Fund

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 authorisation 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 2011-12, advances of ₹ 2.81 crore were withdrawn from the fund but not recouped during the year. During the year ₹ 375 crore was recouped out of previous years balance of ₹ 388.08 crore leaving a total of ₹ 15.89 crore as of March 2012 as detailed in **Table 2.7**. Government may take appropriate steps to recoup ₹ 13.08 crore which was pending for more than 10 years.

**Table 2.7: Un-recouped amount of the Contingency Fund of the State**

(₹ in crore)

| Period       | Amount       | Remarks   |
|--------------|--------------|---|
| 1998-1999    | 0.75         | Pending recoupment for more than 11 years                       |
| 1999-2000    | 12.33        | Pending recoupment for more than 5 years and less than 10 years |
| 2011-2012    | 2.81         | Pending recoupment for below one year                           |
| <b>TOTAL</b> | <b>15.89</b> |   |

**Source:** Information furnished by the office of the Principal Accountant General (A&E) and Finance Accounts 2011-12

The Principal Secretary, Finance Department stated (November 2012) that the Odisha Contingency Fund (OCF) advance of ₹ 2.81 crore was sanctioned after the Supplementary Budget 2011-12 for which there was no scope for its recoupment. This would be recouped in the Supplementary Budget 2012-13. Recoupment of the old OCF advance of ₹ 13.08 crore pertaining to the years 1998-99 & 1999-2000 would also be taken up in the Supplementary Budget 2012-13 after obtaining the details from Principal Accountant General (A&E).

## 2.5 Errors in Budgetary Process

The Odisha Budget Manual (Rule 46) requires that the Controlling Officers see that proper estimates are made which should take into account only such payments which are expected to be made during the budget year. The aim is to make the estimates as accurate as possible, not to over-estimate and show large savings at the end of the year.

Implementation of the Budget was not in conformity with the approved Budget leading to large-scale savings under the Revenue (voted) and Capital (voted) sections as under:

- Under Revenue (voted) the original grants and supplementary grants were ₹ 33215.18 crore and ₹ 4038.70 crore respectively aggregating at ₹ 37253.88 crore against which the actual expenditure was ₹ 33066.96 crore resulting in savings of ₹ 4186.92 crore. This was more than the supplementary provision.
- Similarly under Capital (voted), the original and supplementary grants were ₹ 6462.12 crore and ₹ 466.09 crore respectively aggregating ₹ 6928.21 crore against which the actual expenditure was ₹ 5278.07 crore resulting in savings of ₹ 1650.14 crore. This was more than the supplementary grants.

In the above two cases, the supplementary provision of ₹ 4038.70 crore in Revenue (voted) and ₹ 466.09 crore Capital (voted) were obtained during the year, proved unnecessary as the expenditure did not come up to the level of original provision as indicated in **Table 2.8**:

**Table 2.8: Actual Expenditure vis-à-vis Original/Supplementary provisions**

| Sl No        | Nature of expenditure | Original Grant/ Appropriation | Supplementary Grant/ Appropriation | Total           | Actual Expenditure | Savings (-)/ Excess (+) |
|--------------|-----------------------|-------------------------------|------------------------------------|-----------------|--------------------|-------------------------|
| 1            | Revenue (voted)       | 33215.18                      | 4038.70                            | 37253.88        | 33066.96           | (-)4186.92              |
| 2            | Capital (voted)       | 6462.12                       | 466.09                             | 6928.21         | 5278.07            | (-)1650.14              |
| <b>TOTAL</b> |                       | <b>39677.3</b>                | <b>4504.79</b>                     | <b>44182.09</b> | <b>38345.03</b>    | <b>(-)5837.06</b>       |

Source: Odisha Appropriation Act 2011, Finance and Appropriation Accounts 2011-12

Besides, in the following cases there were injudicious re-appropriations during the year which resulted in excess expenditure / savings.

- In 18<sup>15</sup> cases, the reduction of provisions through re-appropriation proved injudicious, as there were excess expenditure as indicated in **Appendix 2.7**.
- In nine<sup>16</sup> cases, the augmentation of funds through re appropriation proved excessive as there were large savings and even in some cases, savings exceeded the re-appropriation provision as detailed in **Appendix 2.7**.

The aim of Budget preparation must be to make as accurate as possible not to overestimate and show large savings at the end of the year. However it was noticed that 16 departments continued to make savings of more than ₹ 10 crore during last

<sup>15</sup> Sl Nos -27, 31, 32, 34, 36, 37, 38, 39, 40, 44, 45, 48, 50, 51, 52, 53, 54 and 55

<sup>16</sup> Sl Nos -1, 7, 10, 11, 12, 14, 15, 24 and 25

five years, despite our repeated comments in the Audit Reports from 2007-08 to 2010-11 as detailed in *Appendix 2.2*.

### 2.5.1 Unrealistic forecasting of resources

Rule 46 of OBM stipulates that Budget of a State is based on the departmental estimate submitted by the Controlling officers. Both the departmental and the district estimate should always receive careful personal attention of the officers who submit them. They should be neither inflated nor under-pitched, but should be accurate as possible. However, it was noticed that revised estimate 2011-12 for non-tax revenue projection was ₹ 5000 crore while actual realisation was ₹ 6443 crore, resulting in upward variation of resources of ₹ 1443 crore nearly 29 per cent above the original forecast. Similarly, tax revenue for the year 2011-12 was projected at ₹ 13399 crore while actual realisation was ₹ 13443 crore resulting in upward variation of ₹ 44 crore above the projection. In this connection trend of revenue projection for last five years (2007-08 to 2011-12) are appended below.

**Table 2.9: Variation between Revised Estimate and Actuals on Revenue Resources for the periods 2007-08 to 2011-12**

| (₹ in crore) |         |                 |                  |         |                          |
|--------------|---------|-----------------|------------------|---------|--------------------------|
| Sl No.       | Year    |                 | Revised Estimate | Actuals | Differences (Column 5-4) |
| 1            | 2       | 3               | 4                | 5       | 6                        |
| 1            | 2007-08 | Tax Revenue     | 6793             | 6856    | 63                       |
|              |         | Non-Tax Revenue | 1916             | 2654    | 738                      |
| 2            | 2008-09 | Tax Revenue     | 7672             | 7995    | 323                      |
|              |         | Non-Tax Revenue | 2617             | 3176    | 559                      |
| 3            | 2009-10 | Tax Revenue     | 8920             | 8982    | 62                       |
|              |         | Non-Tax Revenue | 2912             | 3212    | 300                      |
| 4            | 2010-11 | Tax Revenue     | 10608            | 11193   | 585                      |
|              |         | Non-Tax Revenue | 3317             | 4780    | 1463                     |
| 5            | 2011-12 | Tax Revenue     | 13399            | 13443   | 44                       |
|              |         | Non-Tax Revenue | 5000             | 6443    | 1443                     |

Source: Budget at a glance and Finance Accounts for the respective years

It could be seen from the table above that revenue projection of tax and non-tax revenue were made in such a way that the actual achievements were more than the projections as the latter were understated for last five years. This shows that the projections were made in an unrealistic manner. Had the same assessment been done in a realistic manner, there would have been greater impact on plan size/ceiling. In other words, plan size could have been larger and resources thereof could have been utilised towards developmental work as the State needed.

The Principal Secretary, Finance Department stated (November 2012) that in cases of some items, there may be some windfall collection on account of decree on court cases or onetime payment by organisations which may lead to variation of actuals from Budget provisions. Further, Planning Commission also assesses the resources of the State Government while approving the Plan size of the State. Resource constraints have not affected the Plan performance of the State during last five years. Resources had been provided for larger plan outlay. The revenue surplus generated has enabled the State Government to refrain from market borrowing.

However, Government could have utilised surplus revenue generated towards Capital expenditure for creation of new assets.



### 2.5.2 Analysis of cash management system

Government of Odisha in their Budget circular for 2011-12 (October 2011) introduced the cash management in 15 departments. The objectives were to even pacing of expenditure within the financial year, reduce the rush of expenditure during last quarter especially in the last month of the financial year, front loading of expenditure in the first three quarters in the financial year so that correction measures can be taken in the mid year to achieve fiscal objectives, curb tendency of parking of funds outside the Government account, effective monitoring of the expenditure pattern and improve the quality of expenditure.

As per circular, the level of expenditure at the end of third quarter was not to be less than 60 per cent and during the month of March, the same should not be more than 15 per cent of the revised estimate.

However, it was noticed that only seven out of 15 departments spent 60 per cent of the allocations by the end of the third quarter while the rest eight failed to do so during 2011-12. Further, six out of eight departments, spent less than 50 per cent up to December 2011. Similarly, nine out of 15 departments failed to adhere to the norms of spending limit within 15 per cent of the total allocation during the month of March 2012 as indicated in **Table 2.10**.

**Table 2.10: Analysis of cash management system**

| Sl No | Grant No/ Deptt  | Original Budget Provision | Aprl. 2011- Dec. 2011               |                           | Total Provision | March 2012                   |                           |
|-------|--|---------------------------|-------------------------------------|---------------------------|-----------------|------------------------------|---------------------------|
|       |  |                           | Expenditure during first 3 quarters | Percentage of Expenditure |                 | Expenditure during the month | Percentage of Expenditure |
| 1     | 7-Works  | 2130.38                   | 1039.50                             | 49                        | 2176.01         | 503.88                       | 23                        |
| 2     | 10-School and Mass Education                                 | 5315.44                   | 3394.31                             | 64                        | 5528.38         | 794.24                       | 14                        |
| 3     | 11-ST, SC Dev. and Minorities and Other Backward Development | 1286.33                   | 746.93                              | 58                        | 1430.62         | 329.16                       | 23                        |
| 4     | 12- Health and Family Welfare                                | 1451.66                   | 891.55                              | 61                        | 1494.05         | 193.33                       | 13                        |
| 5     | 13-Housing and Urban Development                             | 1582.17                   | 673.19                              | 43                        | 1613.32         | 458.04                       | 28                        |
| 6     | 17-Panchayati Raj  | 2181.74                   | 1391.43                             | 64                        | 2426.08         | 716.28                       | 30                        |
| 7     | 19-Industry  | 402.45                    | 143.12                              | 36                        | 487.81          | 60.39                        | 12                        |
| 8     | 20-Water Resources   | 3259.61                   | 1531.30                             | 47                        | 4083.78         | 723.13                       | 18                        |
| 9     | 22-Forest and Environment                                    | 609.61                    | 410.74                              | 67                        | 669.57          | 91.19                        | 14                        |
| 10    | 23-Agriculture   | 1167.98                   | 809.62                              | 69                        | 1377.40         | 172.98                       | 13                        |
| 11    | 28-Rural Development   | 1557.39                   | 769.51                              | 49                        | 1566.61         | 375.26                       | 24                        |
| 12    | 30-Energy  | 525.80                    | 85.10                               | 16                        | 526.77          | 260.09                       | 49                        |
| 13    | 33-Fisheries and Animal Resources Development                | 377.70                    | 210.82                              | 56                        | 379.91          | 32.65                        | 9                         |
| 14    | 36-Women & Child Development                                 | 2517.51                   | 1730.96                             | 68                        | 3306.61         | 807.79                       | 24                        |
| 15    | 38-Higher Education  | 1126.06                   | 677.70                              | 60                        | 1216.85         | 272.52                       | 22                        |

Source: Monthly Appropriation Accounts for December 2011 and March 2012

The Principal Secretary, Finance Department stated (November 2012) that the departments covered under the cash management system were asked to surrender the shortfall in expenditure.

## 2.6 Outcome of review of selected grants

Review of the budget proposals, actual expenditure and fund management in respect of Water Resource Department (Grant No - 20) and Tourism and Culture Department (Grant No - 32) as reported in the Appropriation Accounts revealed the following irregularities:

### 2.6.1 Surrender in lower than the savings /excess of savings /belated surrenders

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 2011-12, the Water Resource Department (Grant No.20) surrendered ₹ 529.69 crore as against total savings of ₹ 639.60 crore, resulting in non-surrender of ₹ 109.91 crore and the Tourism and Culture Department (Grant No.32) surrendered ₹ 18.54 crore as against total savings of ₹ 18.17 crore, resulting in excess surrender of ₹ 0.37 crore. Besides, in violation of above provisions of OBM, these amounts were surrendered on 31 March 2012. Thus, the amounts surrendered were not in conformity with the actual savings indicating lack of monitoring of monthly expenditure as provided in the OBM by the CCOs before passing the surrender orders.

### 2.6.2 Unnecessary supplementary provision

Supplementary Grants are obtained to cover the excesses that may be anticipated after mid-term review of the Grants/Appropriations during a financial year. But it was noticed that in Grant No 20 (Water Resource Department), supplementary provision of ₹ 37.68 crore under revenue (voted) section and ₹ 1.26 crore under capital (voted) section obtained during December 2011 proved unnecessary in view of sizeable savings of ₹ 141.86 crore and ₹ 456.51 crore respectively from the original Budget provision in the year. In Grant No 32 (Tourism and Culture Department), supplementary provision of ₹ 6.18 crore under Revenue (Voted) section obtained during December 2011 proved unnecessary, as the department spent ₹ 58.43 crore out of the original provision of ₹ 70.42 crore, thereby resulting a savings of ₹ 11.99 core out of original provision. This showed that the CCOs of these two departments were not aware of the actual requirement of funds for the remaining period of the financial year due to failure of monthly expenditure control mechanism prescribed in the OBM.

### 2.6.3 Withdrawal of entire provision by way of re-appropriation and surrenders

The Water Resource and Tourism and Culture Departments made a provision of ₹ 12.00 crore and ₹ 16.25 crore respectively under different heads/schemes during 2011-12, but the total provisions were withdrawn by way of re-appropriation and surrendered on the last day of the financial year 2011-12 are indicated in the **Table 2.11**

**Table 2.11: Withdrawal of entire provision by way of re-appropriation and surrender by the Chief Controlling Officers of the Grants No.20 and Grant No.32.**

(₹ in crore)

| Sl No                                    | Head of Account   | Total Allotment | Expenditure | Amount withdrawn | Remarks   |
|--|---|-----------------|-------------|------------------|---|
| <b>20-Water Resource Department</b>      |   |                 |             |                  |   |
| 1  | 4701-Capital outlay on Medium Irrigation-State plan-State Sector-97-Other Pipeline Projects-Commercial-789-Special Component plan for Scheduled Castes-2622-Hirakud Command Area Development under RIDF | 3.00            | Nil         | 3.00             | No specific reasons given to Pr. Accountant General (A&E) |
| 2  | 4702-Capital outlay on Minor Irrigation-State Plan-District Sector-796-Tribal Area Sub-Plan 2624-Mega Lift Project under State Plan   | 9.00            | Nil         | 9.00             | No specific reasons given to Pr. Accountant General (A&E) |
| <b>TOTAL</b>                             |   | <b>12.00</b>    |             | <b>12.00</b>     |   |
| <b>32-Tourism and Culture Department</b> |   |                 |             |                  |   |
| 25                                       | 2205-Art and Culture-State Plan-State Sector-001-Direction and Administration-2592-13th FC Award for preservation of Monuments and Budhist Heritage   | 16.25           | Nil         | 16.25            | Due to non-drawal of funds                                |
| <b>TOTAL</b>                             |   | <b>16.25</b>    |             | <b>16.25</b>     |   |

Source: Appropriation Accounts 2011-12.

This indicated that the CCOs prepared the budgets and made allocation to different schemes/projects/objects of expenditure without any basis and without carrying out the required due diligence as prescribed in the OBM.

#### 2.6.4 Provision of vacant posts

As per Rule 61(b) of OBM, provisions should be made in the budget only for men on duty (excluding vacant posts). But a provision of ₹ 3.92 crore and ₹ 0.15 crore were seen to have been made by the Water Resource Department and Tourism and Culture Department respectively for vacant posts which ultimately remained unutilised and was surrendered. The details are given in the **Table 2.12** below:

**Table 2.12: Provisions for vacant posts under Grant No. 20 and 32 during 2011-12**

| Sl No.       | Grant No./Name and Head of Account/Name of the Scheme   | Amount surrendered (₹ in crore) | Reasons furnished by the Department                |
|--------------|---|---------------------------------|--|
| 1            | 20-Water Resource-4700-Capital Outlay on Major Irrigation-SP-SS-15-Lower Indra Irrigation Project-Commercial-001-Direction and Administration-2160-Accelerated Irrigation Benefit Programme(AIBP) | 3.63                            | Non-fulfillment of vacant posts.                   |
| 2            | 20-Water Resource-4701-Capital Outlay on Medium Irrigation-SP-SS-51-Manjore Irrigation Project-Commercial-001-Direction and Administration-2160-Accelerated Irrigation Benefit Programme(AIBP)    | 0.29                            | Non-posting of staffs.                             |
| 3            | 32-Toursim and Culture Department-3451-Secretariat Economic Services-NP-090-Secretariat-1467-Tourism Department   | 0.15                            | The amount is surrendered due to vacancy of posts. |
| <b>TOTAL</b> |   | <b>4.07</b>                     |  |

Source: Appropriation Accounts for 2011-2012

This indicated that the CCOs prepared the budgets as a matter of routine ignoring the provisions of the OBM. Thus, there was tendency to disregard and frustrate the budgetary controls envisaged in the OBM.

The Principal Secretary, Finance Department stated (November 2012) that in cases where steps for recruitment had been taken, it was necessary to make provision against those vacant posts to meet the salary of the personnel to be recruited. The reply was not acceptable as in such cases, provision made was not surrendered within stipulated date, wherever vacant posts were not filled up. All surrenders were made on 31 March 2012.

### 2.6.5 Rush of expenditure

According to Rule 147 of OBM, rush of expenditure in the closing month of the financial year will ordinarily be regarded as breach of financial regularity which should be avoided. Contrary to this, during the last month under some schemes/sub-heads in the Water Resource Department, the expenditure incurred ranged between 59 and 100 *per cent* of the total expenditure as detailed in **Table 2.13**.

**Table 2.13: Statements showing rush of expenditure in Water Resource Department**

| (₹ in crore) |   |                   |                      |              |
|--------------|---|-------------------|----------------------|--------------|
| Sl No        | Name of the Scheme/Sub-heads  | Net Budget Amount | Expenditure in March | Percentage   |
| 1            | 2059-80-053-2448-Maintenance of Non Residential Buildings                                   | 3.90              | 2.48                 | 64           |
| 2            | 2700-11-101-0840-Maintenance and Repair of Left Canal System                                | 8.53              | 5.29                 | 62           |
| 3            | 2700-80-800-2587-13th FC Award for Water Sector Management                                  | 13.17             | 9.44                 | 72           |
| 4            | 2701-13-101-0851-Maintenance and Repair   | 4.22              | 4.02                 | 95           |
| 5            | 2701-19-101-0851-Maintenance and Repair   | 3.17              | 3.00                 | 95           |
| 6            | 4701-45-789-2161-Rural Infrastructure Development Fund (RIDF)                               | 4.04              | 2.97                 | 74           |
| 7            | 4701-47-796-2161- Rural Infrastructure Development Fund (RIDF)                              | 7.99              | 5.09                 | 64           |
| 8            | 4701-80-789-2621-Periphery Development Reservoirs   | 4.54              | 2.66                 | 59           |
| 9            | 4701-80-800-2006-One time ACA   | 4.18              | 3.14                 | 75           |
| 10           | 4702-00-789-1886-Odisha Community Tank Management Project(EAP)                              | 5.00              | 5.00                 | 100          |
| 11           | 4702-00-789-2535-Construction of Control Structure for In stream Storage Schemes Check dams | 26.36             | 15.57                | 59           |
| 12           | 4702-00-796-1886- Odisha Community Tank Management Project(EAP)                             | 5.00              | 5.00                 | 100          |
| 13           | 4702-00-800-0147-Clearance of Liabilities   | 3.63              | 2.38                 | 66           |
| 14           | 4711-01-103-2223-Flood Management Programme   | 15.29             | 9.11                 | 60           |
| <b>TOTAL</b> |   | <b>109.02</b>     | <b>75.15</b>         | <b>69.00</b> |

Source: Monthly Appropriation Accounts for March 2012

## 2.7 Misclassification of Grants-in-aid

Grants-in-Aid to any institution/body must constitute the revenue expenditure of the Government. But during the year 2011-2012 a sum of ₹ 763.22 crore has been disbursed as Grants-in-Aid under following capital major heads of expenditure against approved budgetary provision in violation of Indian Government Accounting Standard prescribed in IGAS-2 as detailed in **Table 2.14**

**Table 2.14: Misclassification of grants-in-aid under capital Major Heads**

| Head  | Amount (₹ in crore) |
|---|---------------------|
| 4059 - Capital Outlay on Public Works                       | 2.49                |
| 4202 - Capital Outlay on Education Sports, Art and Culture. | 87.87               |
| 4215 - Capital Outlay on Water Supply and Sanitation        | 22.92               |
| 4217 - Capital Outlay on Urban Development                  | 6.75                |
| 4225 - Capital Outlay on Welfare of S.C, S.T and OBCs       | 236.20              |
| 4250 - Capital Outlay on Other Social Services              | 17.15               |
| 4406 - Capital Outlay on Forestry and Wild Life             | 61.12               |
| 4425 - Capital Outlay on Cooperation                        | 4.00                |
| 4435 - Capital Outlay on Other Agricultural Programmes.     | 6.00                |
| 4575 - Capital Outlay on other Special Areas Programmes     | 161.07              |
| 4702 - Capital Outlay on Minor Irrigation                   | 9.50                |
| 4801 - Capital Outlay on Power Projects                     | 33.15               |
| 5054 - Capital Outlay on Roads and Bridges                  | 115.00              |
| <b>TOTAL</b>  | <b>763.22</b>       |

Source: Finance Accounts for 2011-12

The Principal Secretary, Finance Department stated (November 2012) that misclassification in 2012-13 (BE) shall be rectified in the Supplementary Budget, 2012-13 and for future budgets; a system based check had been incorporated in the Budget software which would not allow grants under any Capital Major Head. However, fact remained that despite commitment by Finance Department in October 2011 to set right such misclassification, it has increased alarmingly from ₹ 40.84 crore to ₹ 763.22 crore (19 times) and is a matter of concern.

## 2.8 Outcome of Inspection of Treasuries

### 2.8.1 Excess payment of pension and gratuity

During inspection of treasuries/sub-treasuries for the year ended 31 March 2012 by the office of the Principal Accountant General (A&E), excess payment of pension and gratuity amounting to ₹ 26.99 lakh was noticed as indicated in **Table 2.15** below:

**Table 2.15: Outcome of inspection of treasuries**

| Sl No        | Category   | Amount (in ₹)  |
|--------------|--|----------------|
| 1            | Due to wrong calculation (arithmetic inaccuracy) of pension                            | 92715          |
| 2            | Due to delayed commencement of reduced pension on account of commuted value of pension | 205854         |
| 3            | Due to payment of enhanced rate of Family Pension beyond stipulated date               | 80630          |
| 4            | Due to payment of inadmissible temporary increase on pension                           | 9954           |
| 5            | Due to non-adjustment/non-regularisation of commuted value of pension                  | 2248784        |
| 6            | Due to other miscellaneous reasons   | 60938          |
| <b>TOTAL</b> |  | <b>2698875</b> |

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

There is a need to tighten the controls at the level of treasury in so far as pension and pension-related payments are concerned, possibly by introducing computers and automating arithmetic calculations.

The Principal Secretary, Finance Department stated (November 2012) that a software has been developed in iOTMS for calculation of pension and generation of pension bill for drawal in the treasury so as to prevent over payment.

### **2.8.2 Non-adjustment of Provisional Death-cum-Retirement Gratuity**

During the inspection of treasuries, it was noticed that provisional Death-cum-Retirement Gratuity (DCRG) sanctioned and paid to the tune of ₹ 5.49 lakh had not been adjusted even after 10 years of retirement of the employees which was a serious deviation from codal procedure as indicated in the **Table 2.16** below:

**Table 2.16: Non-adjustment of provisional DCRG**

| IR No.       | Para  | Try / Sub-Try    | Name & PPO No.                        | Amount (in ₹) | Date of retirement |
|--------------|-------|------------------|---------------------------------------|---------------|--------------------|
| 02 / 11-12   | 2 (d) | Sub-Try Khariar  | Digambar Harijan, PPO- 41733 / AEI    | 60618         | 31.08.2003         |
|              |       |                  | Amruta Bachha PPO- 4055 / AEI         | 73900         | 01.10.2002         |
|              |       |                  | Dwajamani Singh Babu PPO- 46321 / AEI | 53650         | 31.12.2003         |
|              |       |                  | Gopal Ch. Pandey PPO- 43218 / AEI     | 77200         | 30.09.2003         |
| 117 / 11-12  | 1 (b) | Dist-Try Bargarh | Purna Chandra Dhala PPO- 69231        | 283960        | -                  |
| <b>TOTAL</b> |       |                  |                                       | <b>549328</b> |                    |

**Source:** Annual review report on the working of Treasuries 2011-12 prepared by Principal. Accountant General (A&E)

The Principal Secretary, Finance Department stated (November 2012) that steps would be taken to adjust the unadjusted provisional DCRG.

### **2.8.3 Outstanding pension claims from Central Pay and Accounts Office, New Delhi / Defence / Railways.**

Treasuries in Odisha are not rendering Central Civil Pension/Central political pension vouchers to concerned accounting circle for reimbursement for which claims of State Government to the tune of ₹ 5.59 crore as calculated up to 31 March 2012 remained in Suspense head. The details are given in **Table 2.17** :

**Table 2.17: Outstanding pension claims from different Accounting Circle**

| Sl. No.      | Name of the Accounting Circle  | Outstanding amount (₹ in crore) |
|--------------|--|---------------------------------|
| 1            | Central Pay & Accounts Office, New Delhi   | 2.86                            |
| 2            | Defence  | 2.33                            |
| 3            | Railways<br>(SE Railway/ Eastern Railway/Western Railway/ Central Railway/ North Frontier Railway) | 0.40                            |
| <b>TOTAL</b> |  | <b>5.59</b>                     |

**Source:** Annual review report on the working of Treasuries 2011-12 prepared by office of the Principal. Accountant General (A&E)

The Principal Secretary, Finance Department stated (November 2012) that the requirement for direct submission of original pension vouchers to CPAO and accounting authorities of Railway and Defence organisation would be reiterated by Finance Department and Director of Treasuries and Inspection would be advised to enforce the discipline.

***2.8.4 Non-submission of vouchers in support of payment by treasuries leading to increase in suspense balance.***

As per provision contained in SR 34 OTC Vol-I, vouchers pertaining to the cash account or the list of payments shall be numbered consecutively in a separate monthly series and kept in the custody of the accountant under lock and key in the order of payment till they are despatched. Before despatch of the list of payment and schedules, the Treasury officer shall by inspection, satisfy himself that the required vouchers are all attached. As no payment can be made without a voucher, there can be no excuse for the absence of any, unless it is for a specific remittance.

However, during compilation of treasury accounts for the year ended 31 March 2012 by the Principal Accountant General (A&E), Odisha, it was noticed that the vouchers were not submitted along with the payment schedule in 322 cases which resulted in accumulation of objection book suspense to ₹ 11.82 crore in the Annual Finance Accounts. Such non-submission of vouchers in support of payment is fraught with the risk of fraudulent drawals, if any, remaining undetected for long.

***2.8.5 Non-submission of schedules/challan in support of General Provident Fund /House Building Advance /Motor Cycle Advance recoveries.***

Subsidiary Rule 53 of OTC, Vol-I, stipulates that when an amount is paid to the Government in respect of loan or advance made by Government, the challan presented at the Treasury or Bank shall contain the date and amount of the loan or advance or other particulars sufficient to identify it to facilitate the posting of the amounts in the respective subscriber's / loanee's account.

However, while accounting for recovery of General Provident Fund /House Building Advance /Motor Cycle Advance for the year ended 31 March 2012 by the Principal Accountant General (A&E), Odisha, it was noticed that in 203 cases the requisite recovery challans/schedule were not submitted along with the salary bills as a result of which an amount of ₹ 61.19 lakh could not be accounted for in the accounts of the respective subscribers/loanees. This led to accumulation of missing credits in respect of PF, HBA/MCA accounts.

***2.8.6 Misclassification of debit by the treasury under major head 8009-101-General Provident Fund (State)***

The Treasury shall classify the amount under the major head of account mentioned on the body of the challans / vouchers by the DDOs. In course of compilation of treasury accounts for the year ended 31 March 2012 by the Principal Accountant General (A&E), Odisha, it was noticed that an amount of ₹ 3.97 crore pertaining to Aided Educational Institute Provident Fund (AEIPF) Teachers Provident Fund (TPF)) classifiable under major head of account 8009-SPF-60-Other PF-103-Other Misc. PF,

AEIPF(TPF) was misclassified under major head of Account 8009-GPF-101-GPF(State) by the treasuries.

## **2.9 Conclusion and Recommendations**

- Excess expenditure over the provision was incurred during 2011-12 violating Constitutional provisions (**Paragraphs 2.3.3, 2.3.6 and 2.3.7**).

*The unauthorised and irregular expenditure may be placed before the State Legislature under Article 205 of the Constitution for its consideration of approval/regularisation, if any. As observed (October 2011) by the Finance Department, the iOTMS system may be strengthened to ensure elimination of excess expenditure in future.*

- Unnecessary supplementary provisions being made, excessive re-appropriation of fund and re-appropriation orders being issued on the last day of the year were indicative of imprudent financial management by the Chief Controlling Officers-cum-Heads of the Departments (**Paragraphs 2.3.8, 2.3.9 and 2.3.10**).

*Chief Controlling Officers-cum-Heads of the Department should strictly observe the provisions of OBM to ensure budgetary and expenditure controls. They should specifically strengthen the monthly expenditure control and monitoring mechanism.*

- Hundred *per cent* of revenue and capital provision were spent in some schemes /sub-heads during March 2012 instead of spreading it throughout the year leading to rush of expenditure (**Paragraph 2.3.14**).

*The revenue and capital expenditure may be spread evenly over the year so as to avoid the quality related pitfalls usually associated with such rush of expenditure.*



A sound internal financial reporting with relevant and reliable information significantly contributes to efficient and effective governance. The reports on compliance and controls, if operational, accurate and effective, assist the State Government to meet its basic stewardship responsibilities, including strategic planning and decision making. It contributes to accurate fair and transparent depictions of the financial and operational health of the State Government and its various instrumentalities like local bodies, autonomous bodies etc.

This Chapter provides an overview and status of compliance of various broad significant financial rules, procedures and directives in so far as financial reporting is concerned by the State Government and its various sub-ordinate offices during the current year.

### 3.1 Delay in furnishing Utilisation Certificates and inaccurate reporting

Odisha General Financial Rules<sup>17</sup> (OGFR) 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 was to be retained in the Administrative Department and another copy was to be sent to the office of the Principal Accountant General (A&E), Odisha, by 30 June of that year.

Through the instrument of utilisation certificate, the grantor obtains assurance about non-diversion and proper utilisation of the funds placed at the disposal of the grantee and also gets a certificate from the grantee that the intended list of works have been executed, the details of which are available with him/her. Any delay in furnishing this report to the grantor or any inaccuracy in such reporting essentially undermines this control mechanism designed to ensure non-diversion and non mis-utilisation. This certificate from the final spending authority/official/agency/grantee is subsequently countersigned by his/its senior officials at different stages/ levels till it reaches the level of the Chief Controlling Officer-cum-Head of the Department who ultimately countersigns it and submits it to the Government. At every stage of counter-signature, necessary due diligence was required to be exercised by that counter-signing authority.

At the close of March 2012, out of the total amount of ₹ 34261.13 crore drawn and disbursed to 98173 grantees by the State Government UCs in respect of expenditure of ₹ 27919.72 crore (81.49 *per cent*) remained outstanding as of March 2012 in the books of Principal Accountant General (A&E), due to grantee institutions receiving grants-in-aid from the Government of Odisha not furnishing the same. Year wise break up of wanting UCs is given in **Table 3.1**

<sup>17</sup> Rule 173 of OGFR

**Table 3.1: Year wise break up of wanting utilisation certificates in respect of grants-in-aid (₹ in crore)**

| Year         | Total amount drawn during the year | UC wanting      | Percentage of outstanding amount | Number of grants-in-aid (GIA) vouchers for which UCs awaited. |
|--------------|------------------------------------|-----------------|----------------------------------|---|
| 2003-04      | 1485.63                            | 1251.02         | 84.21                            | 12975   |
| 2004-05      | 1367.24                            | 1238.71         | 90.60                            | 9526  |
| 2005-06      | 1862.52                            | 1568.81         | 84.23                            | 13181   |
| 2006-07      | 2597.29                            | 1939.52         | 74.67                            | 7912  |
| 2007-08      | 3696.03                            | 2936.21         | 79.44                            | 9531  |
| 2008-09      | 4585.64                            | 3639.53         | 79.37                            | 10849   |
| 2009-10      | 5273.70                            | 4138.82         | 78.48                            | 9418  |
| 2010-11      | 4833.09                            | 3938.85         | 81.50                            | 12339   |
| 2011-12      | 8559.99                            | 7268.25         | 84.91                            | 12442   |
| <b>TOTAL</b> | <b>34261.13</b>                    | <b>27919.72</b> | <b>81.49</b>                     | <b>98173</b>  |

Source: Finance Accounts 2011-12 (Notes to Accounts)

However, information furnished by office of the Pr. Accountant General (A&E) in respect of 10 departments out of 38 departments, it was observed that UCs of ₹ 25908.90 crore was pending as of March 2012 (**Appendix-3.1**). The major defaulter departments were Panchayati Raj (₹ 8304.50 crore), Housing and Urban Development (₹ 4107.97 crore), School and Mass Education (₹ 3324.72 crore), Planning and Co-ordination (₹ 3264.78 crore) and ST, SC and Minorities and Backward Class Development (₹ 2122.63 crore) constituting ₹ 21124.60 crore being the 75.66 per cent of total outstanding UCs as of March 2012.

Similarly, Utilisation Certificates (UCs) in respect of grants aggregating to ₹ 553.93 crore were found to be wanting in 44 units audited during the year 2011-2012 by the Accountant General (G&SSA). They comprised Autonomous Bodies (18), Panchayat Samitis (23), Zilla Parishads (1) and Urban Local Bodies (2). Department wise break up of wanting UCs is given in **Appendix-3.2**

Besides, at the end of December 2011, UCs of ₹ 5379.73 crore of Central Assistance were pending against 27 departments as given in **Appendix 3.3**. The huge pendency was mainly on account of non-adherence to the existing instructions in OGFR for watching timely receipt of UCs by Chief Controlling Officers-cum-Heads of the Department and further release of grants to them as a matter of routine without insisting on UCs for earlier grants as stipulated in the OGFR and sanction orders. In absence of UCs, the two certificates (certifying non-diversion and non mis-utilisation) that the authority spending the Government grant is required to furnish, i.e. Heads of Departments/ Chief Controlling Officers gets uncomplied. Thus, Government which is the grantor received no assurance about the correct use of its grant. Such delays are also prone to fraudulent expenditure / transactions, diversion of funds and creation of fake assets for which the responsibility lies squarely on the Chief Controlling Officers-cum-Head of Departments.

The Principal Secretary, Finance Department stated (November 2012) that the State Government had introduced (March 2012) a revised time schedule for submission of Utilisation Certificate by the grantee institutions to bring improvement in furnishing Utilisation Certificate

### 3.1.1 Issue of inaccurate utilisation certificates

Utilisation Certificates were required to be furnished by the grantee institutions in support of actual utilization of funds for which, these were provided. However, test check of records of 23 DDOs (June-October 2012) it was found that the DDOs received grants-in-aid to the tune of ₹ 53.86 crore and utilized ₹ 23.89 crore against which UC for ₹ 50.58 crore were submitted resulting issue of inflated / inaccurate UC of ₹ 26.69 crore. Further, it was noticed in performance audit of Indira Awas Yojana (IAY) conducted during 2011-12 five Panchayat Samitis received grant-in-aid of ₹ 91.49 crore out of which ₹ 32.65 crore utilized against which they submitted UC for ₹ 57.65 crore resulting in submission of excess/inaccurate UC of ₹ 25.00 crore. Similarly during performance audit of Integrated Action Plan (IAP), it was noticed that the Planning and Coordination Department furnished UC for the entire amount of ₹ 75 crore received from Government of India (GoI) against the actual utilization of ₹ 29.04 crore as submitted by the Collectors of three districts which resulted in submission of inflated/inaccurate UC to the tune of ₹ 45.96 crore. Details are given in *Appendix-3.4*.

This indicates the lack of integrity of financial reporting. Furnishing UC with inaccurate certificates was fraught with the risk of fraudulent expenditure and should be shunned at all cost.

### 3.2 Non-submission / delay in submission of details of grants / loans paid

In order to identify institutions/organisations which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971(C&AG's DPC Act), the Government / Heads of the Departments are required to furnish to Audit every year the detailed information about the financial assistance given to various institutions, the purpose for which the assistance is 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 the end of July every year a statement of such bodies and authorities to which grants and / or loans aggregating ₹ ten 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. It was also mentioned in the C&AG's Report on State Finances for the years 2008-09, 2009-10 and 2010-11 (paragraph 3.2) on Government of Odisha about the above obligation of the Government Departments and their heads of departments for furnishing the information. As of August 2012, no department of the Government had furnished such details for the year 2011-12 even after Principal Secretary, Finance department agreed (October 2011) with the audit observation and concurred with Audit to take necessary steps in this regard. This resulted in Audit not being able to provide assurance to Legislature/Government about the manner in which the grants sanctioned/ paid by them has been utilised, specifically on the issue of non-diversion and non mis-utilisation. This dilutes control in Government expenditure systems. However, two<sup>18</sup> new bodies / units were identified under Section 14(1) of C&AG's DPC Act 1971 during the year 2011-12.

<sup>18</sup> (i) International Institute of Information Technology (IIIT)  
(ii) National Law University of Odisha

Due to non-furnishing of the above details to the office of the Accountant General (G&SS Audit), the bodies / institutions could not be identified in Audit to bring them under audit purview, as a result of which the accuracy and propriety of expenditure from out of such loans and grants given out of Consolidated Fund of the State could not be examined in Audit and opinion expressed.

The Principal Secretary, Finance Department stated (November 2012) that the possibility for uploading of the sanction orders for GIA & Loan and submission of Utilisation Certificate in the Treasury Portal for audit of expenditure and timely recovery of loan and submission of Utilisation Certificate would be explored.

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

As many as 219 autonomous bodies under various sectors of the Government of Odisha were identified for audit by the Comptroller and Auditor General of India covering verification and regulatory compliance audit of all their transactions, operational activities and accounts, review of systems and procedures and internal controls etc. of these bodies.

Fifty one bodies / authorities were identified for Separate Audit Reports (SARs) as per provisions of respective legislations. Of these 32 bodies, the Odisha State Legal Services Authority, 30 District Legal Services Authorities and the Odisha Forestry Sector Development Corporation (OFSDC) rendered their accounts to Accountant General (G&SS Audit), Odisha during December 2011 to January 2012, the audit of their accounts were completed and SARs were issued during 2011-12. However, as of August 2012, these 32 bodies have not provided their accounts for the year 2011-12 to audit. Of the remaining 19 bodies / authorities their accounts have not been received by the Audit office as of August 2012, though entrustment of audit to the C&AG of India under Section 19 (3) of C&AG's DPC Act were received in respect of 10 bodies / authorities<sup>19</sup> in the office of the Accountant General (G&SS Audit) Odisha between November 2010 and January 2011. The entrustment of audit of balance nine<sup>20</sup> bodies / authorities have not yet been made by Government as of September 2012, despite the matter having been taken up demi-officially with the Chief Secretary during April and subsequent reminder in June 2012.

The Principal Secretary, Finance Department stated (November 2012) that necessary instructions should be issued to the defaulting Autonomous Bodies for submission of Accounts for Audit.

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<sup>19</sup> (1) Nine Development Authorities viz., (i) Bhubaneswar Development Authority, (ii) Berhampur Development Authority, (iii) Cuttack Development Authority, (iv) Kalinganagar-Jajpur Development Authority, (v) Paradip Development Authority, (vi) Puri-Konark Development Authority, (vii) Sambalpur Development Authority, (viii) Rourkela Development Authority, (ix) Talcher-Angul-Meramundali Development Authority and

(2) Odisha State Women's Commission

<sup>20</sup> (i) Odisha Industrial Infrastructure Development Corporation (IDCO), (ii) Odisha State Housing Board (OSHB) (iii) Odisha State Pollution Control Board (OSPCB) (iv) Odisha Primary Education Programme Authority (OPEPA), (v) Odisha State Disaster Management Authority (OSDMA), (vi) Odisha Tribal Empowerment and Livelihood Project (OTELP), (vii) Targeted Rural Initiative for Poverty Termination and Infrastructure (TRIPTI), (viii) Poverty and Human Development Monitoring Authority (PHDMA) and (ix) Odisha Building and Other Construction Worker's Welfare Board (OBOCWFB).

### 3.4 Departmentally Managed Commercial Activities

Government departments which are 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 performance. 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 Chief Controlling Officers (CCOs)-cum-Heads of the Departments of the Government are to ensure that these units prepare proforma accounts and submit the same to Accountant General of the State within a specified time frame for audit. As of August 2012, there were 16 such undertakings and none had prepared accounts up to 2011-12. Of these, four undertakings/activities remained inoperative or closed. Their assets and liabilities were not fully disposed of or liquidated by the Government. In respect of two schemes, viz. (i) purchase and distribution of quality seeds to cultivators and (ii) poultry development, Government had not yet prescribed the preparation of proforma accounts; only Personal Ledger Accounts were opened during 1977-78 and 1979-80 respectively. Despite repeated recommendations<sup>21</sup> of the State Public Accounts Committee and comments in C&AG's Reports (Civil) up to 2007-08 and thereafter in the State Finance Reports on Government of Odisha about the arrears in preparation of these accounts, there was no improvement in so far as preparation of proforma accounts by these undertakings was concerned. The department-wise position of arrears in preparation of proforma accounts and investment made by the Government are given in *Appendix 3.5*. Government will have to take special steps for preparation and finalisation of the accounts without any further delay since delays suppress misappropriation, defalcation etc. The fact of negligence in preparation of proforma accounts was taken up (September 2012) with the Finance Department for examination and initiating appropriate action.

The Principal Secretary, Finance Department stated (November 2012) that suitable instructions would be issued to the defaulting departmentally managed commercial entities for preparing the accounts in time for Audit.

### 3.5 Inadequate departmental action on cases of misappropriations, losses, defalcations, etc.

As per provisions of Odisha Financial Rules Vol. I (Rule-19), 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 (G&SSA) where amount is ₹ 500 or more. Various departments of the State Government reported that there were 1759 cases of misappropriation, defalcation, etc. involving Government money amounting to ₹ 17.09 crore up to the period March 2012 on which final action was pending. The department-wise break up of pending

<sup>21</sup> . 10<sup>th</sup> Assembly 14<sup>th</sup> Report para 12 and 25, 10<sup>th</sup> Assembly 33<sup>rd</sup> Report para-2 and 6.

cases and age wise analysis is given in *Appendix 3.6* and nature of these cases is given in *Appendix 3.7*. 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 summarised 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 (₹ in crore) | Nature/Characteristics of the Cases         | Number of Cases | Amount Involved (₹ in crore) |
| 0 - 5                            | 14              | 0.35                         | Theft                                       | 800             | 3.42                         |
| 5 - 10                           | 89              | 3.16                         |   |                 |                              |
| 10 - 15                          | 205             | 3.18                         | Misappropriation/Loss of material           | 959             | 13.67                        |
| 15 - 20                          | 328             | 3.93                         |   |                 |                              |
| 20 - 25                          | 317             | 1.55                         | Total                                       | 1759            | 17.09                        |
| 25 & above                       | 806             | 4.92                         | Cases of Losses Written off during the Year | 0               | 0                            |
| <b>TOTAL</b>                     | <b>1759</b>     | <b>17.09</b>                 | <b>Total Pending cases</b>                  | <b>1759</b>     | <b>17.09</b>                 |

The reasons for which the cases were outstanding are classified into five categories, a summary of which is given **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 (₹ in crore) |
|---|--|-----------------|---------------------|
| i)  | Awaiting departmental and criminal investigation   | 476             | 4.91                |
| ii)   | Departmental action initiated but not finalised  | 604             | 7.05                |
| iii)  | Criminal proceedings finalised but execution of certificate cases for the recovery of the amount pending | 33              | 0.20                |
| iv)   | Awaiting orders for recovery or write off  | 492             | 1.96                |
| v)  | Pending in the courts of law   | 154             | 2.97                |
| <b>TOTAL</b>                                    |  | <b>1759</b>     | <b>17.09</b>        |

The details of above category-wise outstanding cases is given in *Appendix-3.8*.

It is pertinent to mention that as many as 476 cases involving ₹ 4.91 crore were awaiting departmental and criminal investigation up to 47 years since the year 1965-66. Similarly, 492 cases involving ₹ 1.96 crore were awaiting orders for recovery or write off of the competent authority. The Heads of the concerned Departments of Government also failed to write off the cases after taking appropriate action under the Odisha General Financial Rules (Rule 42). The Departments concerned did not furnish the reasons for non-finalisation of misappropriation and loss cases on the 604 cases involving ₹ 7.05 crore on which departmental action had been initiated, though called for in Audit (October 2011 and June 2012). This indicated that the CCOs are indifferent to the vigilance cases pending in their departments.

The Principal Secretary, Finance Department stated (November 2012) that appropriate action would be taken by the respective departments at their level to take up the old pending cases of misappropriations, losses, defalcations etc.

### 3.6 Pendency in adjustment of Abstract Contingent Bills

As per provisions of SR 260 and 261 of Odisha Treasury Code Vol. I (OTC) read with Rule 84 of the Odisha General Financial Rules (OGFR), every drawing officer has to certify in each Abstract Contingent (AC) bill that the detailed bills for all contingent charges drawn by him prior to first of the current month have been forwarded to the respective Controlling Officers for counter signature and transmission to the Accountant General. The total amount of Detailed Countersigned Contingent (DCC) bills received up to 2011-12 was only ₹ 275.99 crore (81.6 per cent) against AC bills worth ₹ 338.17 crore drawn during 2004-12 leading to an outstanding balance of AC bills of ₹ 62.18 crore as on 31 March 2012. Year wise details are given in **Table 3.4**

**Table 3.4: Pendency in submission of DCC Bills against AC Bills**  
(₹ in crore)

| Year          | Amount of AC bills | Amount of DCC bills outstanding | Outstanding DCC bills as percentage of AC bills | No of the outstanding AC bills |
|---------------|--------------------|---------------------------------|---|--------------------------------|
| Up to 2008-09 | 192.50             | 10.32                           | 5.36  | 1771                           |
| 2009-10       | 48.95              | 1.84                            | 3.76  | 429                            |
| 2010-11       | 35.54              | 3.95                            | 11.10   | 751                            |
| 2011-12       | 61.18              | 46.07                           | 75.30   | 5586                           |
| <b>TOTAL</b>  | <b>338.17</b>      | <b>62.18</b>                    | <b>18.39</b>                                    | <b>8537</b>                    |

Source: Finance Accounts, 2011-12 (Vol-I)

Department wise pending DCC bills for the years upto 2011-12 is detailed in **Appendix-3.9<sup>22</sup>**. The Appendix disclose that three major heads viz. 2015- ₹ 29.36 crore, 2055- ₹ 19.12 crore and 2204- ₹ 6.44 crore relating to Panchayati Raj, Home and Sports and Youth Services departments topped the list of unadjusted AC bills. As the amount is already charged to the activities concerned as revenue expenditure, delayed adjustment of unspent balances may lead to booking of excess of cost than actual expenditure and is also fraught with the risk of embezzlement of Government funds.

The Principal Secretary, Finance Department stated (November 2012) that instructions had been issued time and again and review meetings were taken for improvement in the position. The possibility of a system based tracking of AC Bill and DC Bills through iOTMS would also be explored.

### 3.7 Un-reconciled expenditure by Controlling Officers

To enable Controlling Officers of Departments to monitor the progress of expenditure so as to keep it within the budget grants and also to ensure accuracy of their accounts, Odisha Budget Manual (Rule 133) and Odisha 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 office of the Principal Accountant General (A&E). The Public Accounts Committee, Odisha also in their

<sup>22</sup> Difference of ₹ 0.01 crore is due to rounding.

Reports <sup>23</sup> recommended that the Departments of Government were required to reconcile the departmental expenditure figures with that of the books of the office of the Principal Accountant General (A&E). Even though non-reconciliation of departmental figures was being pointed out regularly in C&AG’s Audit Reports (Civil) year after year, four Controlling Officers reconciled only ₹ 175.27 crore out of their total expenditure of ₹ 346.76 crore leaving a balance of ₹ 171.49 crore (49.45 per cent) un-reconciled. The details are given in **Table 3.5** below:

**Table 3.5: List of Controlling Officers who have partly reconciled their accounts with that of the Pr. A G (A&E) during 2011-12**

| Sl No.       | Controlling Officer  | Demand Number | Head of Account | Amount reconciled (₹ in crore) | Amount unreconciled (₹ in crore) |
|--------------|--|---------------|-----------------|--------------------------------|----------------------------------|
| 1            | Chief Engineer and Basin Manager, Baitarani Subarnarekha Budhabalanga Basin (BSBB) | 20            | 4701            | 0.97                           | 6.18                             |
| 2            | Chief Construction Engineer, Kanpur Irrigation Project                             | 20            | 4700            | 83.19                          | 37.93                            |
| 3            | Chief Engineer, Rural Works-II   | 28            | 2059            | 47.85                          | 60.79                            |
|              |  |               | 2216            | 11.74                          | 18.12                            |
|              |  |               | 4059            | 18.21                          | 20.24                            |
|              |  |               | 4210            | 2.99                           | 11.80                            |
|              |  |               | 4216            | 10.27                          | 16.26                            |
| 4            | President, State Selection Board   | 38            | 2251            | 0.05                           | 0.17                             |
| <b>TOTAL</b> |  |               |                 | <b>175.27</b>                  | <b>171.49</b>                    |

**Source:** Information furnished by the office of the Principal Accountant General (A&E)

Such non-reconciliation is fraught with the grave risk of mis-appropriation, fraudulent draws etc., if any, remaining suppressed / hidden and escaping detection. The Controlling Officers were fully responsible for ensuring this.

The Principal Secretary, Finance Department stated (November 2012) that instructions were issued to all Departments in this regard regularly and review meetings were taken time and again for improvement in the position.

### **3.8 Non-closure of inoperative / unwarranted Personal Deposit Account**

Note below Rule 141 read with sub-rule (3) of Odisha Budget Manual (OBM) provides that no money should be withdrawn from the Treasury unless it is required for immediate use. Nor is it permissible to draw money from the treasury under revenue heads of accounts which forms a part of the Consolidated Fund of the State and then to place it in Deposit head under Public Account of the State in order to avoid lapse of allotment. Parking of funds in PD account adversely affect the transparency of State accounts as it inflates the revenue expenditure to that extent and locks up resources which otherwise have been utilised elsewhere for development. Further, according to the provisions of the Odisha Treasury Code, Volume I (Rule 423) PD accounts remaining in-operative for three full financial years were to be closed automatically and the unspent balances transferred to Government Account for which the Treasury Officers were to furnish detailed information

<sup>23</sup> (i) 10<sup>th</sup> Assembly- 42<sup>nd</sup> Report- Paragraph-6 and (ii) First and Fourth Report of the Fourteenth Assembly in various other departments such as Revenue (Paragraph 2.3.3), Finance (Paragraph 2.3.5), Sports & Youth Service(Paragraph 2.3.13) , Transport(Paragraph 2.3.16), Co-operation(Paragraph 2.3.24) and Public Enterprises Department (Paragraph 2.3.25)



to the Principal Accountant General (A&E) immediately after 31 March of each financial year.

There were 889 PD Account holders in the State with a closing balance (unspent) of ₹ 656.07 crore operating under the head 8443-Civil Deposits-106-Personal Deposits as of March 2012. During 2011-12, ₹ 1462.75 crore were transfer credited from the Consolidated Fund of the State to these PD accounts and expenditure of ₹ 1381.77 crore was incurred there from resulting in a net increase of ₹ 80.99 crore in the cumulative closing balance at the end of the year.

As per the Treasury Inspection Reports of the office of the Principal Accountant General (A&E), Odisha an amount of ₹13.74 crore credited to the PD accounts of 16 drawing and disbursing officers during 1967-68 to 2007-08 were continuing without closure (March 2012) despite 44 to four years were elapsed without operating the PD accounts (*Appendix-3.10*).

All such irregular drawals had the approval of the CCOs of the concerned Departments and also of the Finance Department. This irregular practice resulted in erosion of legislative control over expenditure, as drawals from PD Accounts in the subsequent years neither required legislative approval nor were the expenditure incurred subject to legislative authority through the appropriation mechanism. Thus, it also erodes budgetary control mechanism put in place by Government.

The Principal Secretary, Finance Department stated (November 2012) that necessary steps should be taken with the Departments which used to operate the fund for closure of the inoperative PD Accounts.

### **3.9 Booking under minor heads '800-Other Receipts and 800-Other Expenditure'**

One crucial component of a transparent system of accounting is that the forms of accounts in which the receipts and expenditure of the Government are reported to the Legislature, are constantly reviewed and updated so that they correctly reflect the receipt and expenditure on all major activities of the Government in a transparent manner and to the level of disaggregation necessary to meet the basic information needs of all the important stakeholders.

Scrutiny of State Finance Accounts 2011-12 disclosed that under 18 major heads of account (both revenue and capital) ₹ 2928.02 (51 *per cent*) of total expenditure of ₹ 5746.22 crore were classified under the minor head of account '800-Other Expenditure' in the accounts which also ranged between 32 and 100 *per cent* of the total expenditure under the respective major heads. Similarly, under 37 major head of account (Revenue Receipt) ₹ 1349.77 crore out of total receipts of 2136.60 crore (67 *per cent*) was classified under '800-Other Receipts', which also ranged between 24 and 100 *per cent* of the total revenue receipts under the respective major heads of account.

Large amounts booked under the minor head '800' affects the transparency in financial reporting as it fails to indicate disaggregated information on different activities of the Government separately in the accounts. This shows that the existing structure of the Government Accounts does not truly reflect the current activities of the Government in these Departments and is required to be updated / modified.

### 3.10 Conclusion and Recommendations

- There is a huge pendency in receipt of Utilisation Certificates (UCs) of grants-in-aid paid to various autonomous bodies relating to Panchayati Raj, Housing and Urban Development, School and Mass Education, Planning and Co-ordination and ST, SC, Minorities and Backward Class Development departments. This was due to release of grants by the Government as a matter of routine without simultaneously keeping a watch on timely receipt of UCs for the grants given earlier, as required under the General Financial Rules and sanction orders for release of such grants (**Paragraph 3.1**).

*Internal controls need to be strengthened in the executing agencies to utilise the funds within the stipulated time so as to avoid delay in submission of utilisation certificates. It should also be ensured that utilisation certificates are furnished only after actual utilisation of the earmarked funds.*

- Administrative Departments of the Government did not furnish to the Accountant General (G&SSA) information on the list of bodies / authorities to whom grants and / or loans were paid, the purposes for which such assistances were paid and position of utilisation of such assistance during 2011-12 as required under the provisions of C&AG's Audit and Accounts Regulations 2007. All the 16 departmentally managed commercial entities did not prepare proforma accounts up to 2011-12 despite repeated comments in the earlier Audit Reports (**Paragraphs 3.2 and 3.4**).

*Administrative Departments of Government need to furnish timely information to Accountant General (G&SSA) in respect of bodies/authorities to whom grant/loans have been paid so that their accounts do not remain unaudited and the departments are deprived of full knowledge about their true financial and operational health. The department must also ensure finalisation of accounts in arrears of the departmentally managed commercial activities in order to obtain assurance about the financial transactions in these bodies/institutions and also in order to avoid the possibility of any fraud, misappropriation or non-transparent transaction remaining suppressed.*

- As per reports of different departmental offices, 1759 cases of misappropriation/ defalcation involving Government money of ₹ 17.09 crore were pending for enquiry up to 26 years or more (**Paragraph 3.5**).

*Departmental enquiries in all fraud and misappropriation cases should be expedited to bring the defaulters to book. The internal controls in all the organisations should be strengthened to prevent the recurrence of such cases.*

- Contrary to the provisions of financial rules, Controlling Officers did not submit (June 2012) Detailed Countersigned Contingent Bills to the Principal Accountant General (A&E) in respect of ₹ 62.18 crore drawn on Abstract Contingent Bills (8537 cases) up to 31 March 2012. Many of these cases related to periods prior to 2004-05. Besides, some departments allowed drawal of AC Bills despite AC Bills of earlier years remaining unadjusted (**Paragraph 3.6**).

*A rigorous monitoring mechanism should be put in place in the Departments to adjust the advances drawn in Abstract Contingent bills within the stipulated*

*period as required under the extant rules and also to preclude the possibility of temporary/permanent misappropriation and fraud/embezzlement.*

- Funds were remaining unspent in many inoperative PD Accounts for years together without being written back to concerned functional heads of accounts at the end of the respective years. Transfer of budgetary allocation from the Consolidated Fund to PD Account in the Public Account at the end of the financial year to avoid lapses adversely affected the transparency of the State's accounts; it inflated the expenditure to that extent and locked up resources which could otherwise have been used in other areas during that year. Further it also eroded budgetary and legislative control over public finances (**Paragraph 3.8**).

*Government should take suitable measures for prompt closure of the inoperative and unwarranted PD accounts and transfer the balance of unspent funds lying in these accounts to the Consolidated Fund of the State as provided in the codal provisions.*

- Significant amounts of expenditure and receipts under Central and State schemes, were not distinctly depicted in the State Finance Accounts of 2011-12 by getting booked under the minor head '800-Other Expenditure' and '800-Other Receipts, this affecting transparency in financial reporting (**Paragraph 3.9**).

*In order to ensure greater transparency in financial reporting, large amounts received or expended under various schemes should be depicted in the distinct minor heads of accounts instead of being clubbed together under the same minor head of accounts '800-Other Receipts and 800-Other Expenditure.*

**Bhubaneswar**  
**The**

**(Amar Patnaik)**  
**Accountant General (G&SSA), Odisha**

Countersigned

**New Delhi**  
**The**

**(Vinod Rai)**  
**Comptroller and Auditor General of India**

## Appendix 1.1 (Refer Page 1)

### A brief profile of Orissa

| A. General Data             |   |   |                               |                        |
|-----------------------------|---|---|-------------------------------|------------------------|
| Particulars                 |   |   |                               | Figures                |
| 1                           | Area  |   |                               | 155707 sq km           |
| <b>Population</b>           |   |   |                               |                        |
| 2                           | a.  | As per 2001 Census  |                               | 3.68 crore             |
|                             | b.  | As per 2011 Census  |                               | 4.19 crore             |
| 3                           | Density of Population ( as per 2001 Census ) .<br>(All India Density = 325 persons per Sq. Km ) |   |                               | 236 person per Sq. Km. |
|                             | Density of Population ( as per 2011 Census ) .<br>(All India Density = 382 persons per Sq. Km ) |   |                               | 269 person per Sq. Km. |
| 4                           | *Population below poverty line (BPL) (All India Average= 27.5 per cent)                         |   |                               | 46.4 per cent          |
| 5                           | a.  | Literacy ( as per 2001 Census) (All India Average = 64.8 per cent ) |                               | 63.08 per cent         |
|                             | b.  | Literacy ( as per 2011 Census) (All India Average = 74.0 per cent ) |                               | 73.45 per cent         |
| 6                           | Infant mortality*** (per 1000 live births). (All India Average = 47 per 1000 live births )      |   |                               | 61                     |
| 7                           | Life Expectancy at birth**, (All India Average =63.5 years)                                     |   |                               | 59.6 years             |
| <b>Gini Coefficient****</b> |   |   |                               |                        |
| 8                           | a.  | Rural. (All India= 0.30)  |                               | 0.28                   |
|                             | b.  | Urban. (All India= 0.37)  |                               | 0.35                   |
| 9                           | Gross State Domestic Product (GSDP) 2011-2012 at current price                                  |   |                               | ₹ 226236 crore         |
| 10                          | Per capita GSDP CAGR (2002-03 to 2011-12)   |   |                               | 13.09 per cent         |
| 11                          | GSDP CAGR ( 2002-03 to 2011-12)   |   | Odisha                        | 16.36 per cent         |
|                             |   |   | Other General Category States | 14.46 per cent         |
| 12                          | Population Growth ( 2002-03 to 2011-12 )  |   | Odisha                        | 10.39 per cent         |
|                             |   |   | Other General Category States | 13.90 per cent         |
| B. Financial Data           |   |   |                               |                        |
| Particulars                 |   |   |                               |                        |
| CAGR                        |   | 2002-03 to 2010-11  |                               | 2002-03 to 2011-12     |
|                             |   | General Category States   | Odisha                        | Odisha                 |
| (In per cent)               |   |   |                               |                        |
| a.                          | of Revenue Receipts.  | 16.86   | 18.71                         | 21.57                  |
| b.                          | of Own Tax Revenue.   | 16.74   | 18.53                         | 21.28                  |
| c.                          | of Non Tax Revenue.   | 12.84   | 22.20                         | 26.85                  |
| d.                          | of Total Expenditure.   | 14.58   | 14.58                         | 16.87                  |
| e.                          | of Capital Expenditure.   | 21.25   | 18.88                         | 19.60                  |
| f.                          | of Revenue Expenditure on Education.  | 15.41   | 16.58                         | 17.43                  |
| g.                          | of Revenue Expenditure on Health.   | 14.00   | 13.24                         | 14.14                  |
| h.                          | of Salary and Wages.  | 13.43   | 10.87                         | 10.71                  |
| i.                          | of Pension.   | 16.89   | 18.52                         | 21.03                  |

\*\*Source of General data: BPL (Planning Commission & NSSO data,61st Round) \*\*\*\* Gini Coefficient ( Unofficial estimates of Planning Commission & NSSO data,61st Round 2004-05 MRP), \*\*Life Expectancy of birth ( Office of the Registrar General of India; Ministry of Home Affairs), Economic Review 2010-11 , \*\*\* Infant mortality rate (SRS Bulletin January,2011), Financial data is based on Finance Accounts of the States Government.

*Gini-coefficient is a measure of inequality of income among the population. Value rate is from zero to one, closer zero inequality is less: closure to one inequality is higher*

**APPENDIX – 1.2**  
(Refer paragraph 1.1 at page 1)

**Structure and Form of Government Accounts**

***Part A: Structure and Form of Government Accounts***

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

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

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

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

***PART B: Layout of Finance Accounts***

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

**APPENDIX – 1.3**  
(Refer paragraph 1.1.1 at page 2)

**Time Series data on the State Government Finances**

|  | 2007-2008         | 2008-2009        | 2009-10          | 2010-11          | 2011-12           |
|--|-------------------|------------------|------------------|------------------|-------------------|
| <b>Part A. Receipts</b>  |                   |                  |                  |                  |                   |
| <b>1. Revenue Receipts</b>                                       | <b>21967</b>      | <b>24610</b>     | <b>26430</b>     | <b>33276</b>     | <b>40267</b>      |
| (i) Tax Revenue  | <b>6856 (31)</b>  | <b>7995(32)</b>  | <b>8982(34)</b>  | <b>11193(34)</b> | <b>13443 (34)</b> |
| Taxes on Agricultural Income                                     | Nil               | Nil              | Nil              | Nil              | Nil               |
| Taxes on Sales, Trade, etc                                       | 4118 (60)         | 4803(60)         | 5409(60)         | 6807(61)         | 8197(61)          |
| State Excise   | 525 (7)           | 660(8)           | 849(10)          | 1094(10)         | 1379(10)          |
| Taxes on Vehicles  | 459 (7)           | 524(7)           | 611(7)           | 728(6)           | 788(6)            |
| Stamps and Registration fees                                     | 405 (6)           | 496(6)           | 360(4)           | 416(4)           | 498(4)            |
| Land Revenue   | 276 (4)           | 348(4)           | 292(3)           | 391(3)           | 522(4)            |
| Taxes on Goods and Passengers                                    | 627(9)            | 638(8)           | 815(9)           | 1111(10)         | 1312(10)          |
| Other Taxes  | 446(7)            | 526(7)           | 646(7)           | 646(6)           | 747(5)            |
| (ii) Non Tax Revenue   | <b>2654(12)</b>   | <b>3176(13)</b>  | <b>3212(12)</b>  | <b>4780(14)</b>  | <b>6443(16)</b>   |
| (iii) State's share of Union taxes and duties                    | <b>7847 (36)</b>  | <b>8280(34)</b>  | <b>8519(32)</b>  | <b>10497(32)</b> | <b>12229(30)</b>  |
| (iv) Grants in aid from Government of India *                    | <b>4611 (21)</b>  | <b>5158(21)</b>  | <b>5717(22)</b>  | <b>6806(20)</b>  | <b>8152(20)</b>   |
| <b>2. Miscellaneous Capital Receipts</b>                         | <b>Nil</b>        | <b>Nil</b>       | <b>Nil</b>       | <b>Nil</b>       | <b>Nil</b>        |
| <b>3. Recoveries of Loans and Advances</b>                       | <b>355</b>        | <b>236</b>       | <b>356</b>       | <b>34</b>        | <b>132</b>        |
| <b>4. Total Revenue and Non debt capital receipts (1+2+3)</b>    | <b>22322</b>      | <b>24846</b>     | <b>26786</b>     | <b>33310</b>     | <b>40399</b>      |
| <b>5. Public Debt Receipts</b>                                   | <b>507</b>        | <b>1152</b>      | <b>1650</b>      | <b>2268</b>      | <b>1354</b>       |
| Internal Debt (excluding Ways and Means Advances and Overdrafts) | 417               | 643              | 1460             | 2042             | 1121              |
| Net transactions under Ways and Means Advances and Overdrafts    | Nil               | Nil              | Nil              | Nil              | Nil               |
| Loans and Advances from Government of India                      | 90                | 509              | 190              | 226              | 233               |
| <b>6. Total Receipts in the Consolidated Fund (4+5)</b>          | <b>22829</b>      | <b>25998</b>     | <b>28436</b>     | <b>35578</b>     | <b>41753</b>      |
| <b>7. Contingency Fund Receipts</b>                              | <b>165</b>        | <b>301</b>       | <b>11</b>        | <b>199</b>       | <b>375</b>        |
| <b>8. Public Account Receipts</b>                                | <b>10297</b>      | <b>11834</b>     | <b>11735</b>     | <b>12779</b>     | <b>15487</b>      |
| <b>9. Total Receipts of the State (6+7+8)</b>                    | <b>33291</b>      | <b>38133</b>     | <b>40182</b>     | <b>48556</b>     | <b>57615</b>      |
| <b>Part B. Expenditure/Disbursement</b>                          |                   |                  |                  |                  |                   |
| <b>10. Revenue Expenditure</b>                                   | <b>17723 (84)</b> | <b>21190(84)</b> | <b>25292(87)</b> | <b>29368(86)</b> | <b>34660(87)</b>  |
| Plan   | 4089 (23)         | 5308(25)         | 5615(22)         | 7393(25)         | 9720(28)          |
| Non Plan   | 13634 (77)        | 15882(75)        | 19677(78)        | 21975(75)        | 24940(72)         |
| General Services (including interest payments)                   | 7227 (41)         | 6962(33)         | 9285(37)         | 9937(34)         | 10929(32)         |
| Social Services  | 6416 (36)         | 8284(39)         | 9838(39)         | 11922(41)        | 14338(41)         |
| Economic Services  | 3729 (21)         | 5551(26)         | 5762(23)         | 7077(24)         | 8732(25)          |
| Grants-in-aid and contributions                                  | 351 (2)           | 393(2)           | 406(1)           | 432(1)           | 661(2)            |
| <b>11. Capital Expenditure</b>                                   | <b>2843 (14)</b>  | <b>3779(15)</b>  | <b>3648(12)</b>  | <b>4285(13)</b>  | <b>4496(11)</b>   |
| Plan   | 2656(93)          | 3570(94)         | 3257(89)         | 4157(97)         | 4435(99)          |
| Non Plan   | 187(7)            | 209(6)           | 391(11)          | 128(3)           | 61(1)             |
| General Services   | 132(5)            | 185(5)           | 178(5)           | 234(6)           | 258(6)            |
| Social Services  | 643(22)           | 924(24)          | 563(15)          | 784(18)          | 657(14)           |
| Economic Services  | 2068(73)          | 2671(71)         | 2907(80)         | 3267(76)         | 3581(80)          |

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

|   | 2007-2008         | 2008-2009       | 2009-10          | 2010-11          | 2011-12          |
|---|-------------------|-----------------|------------------|------------------|------------------|
| <b>12. Disbursement of Loans and Advances</b>                     | 433 (2)           | 211(1)          | 112(1)           | 315(1)           | 621(2)           |
| <b>13. Total (10+11+12)</b>                                       | <b>20999</b>      | <b>25180</b>    | <b>29052</b>     | <b>33968</b>     | <b>39777</b>     |
| <b>14. Repayments of Public Debt</b>                              | <b>1845</b>       | <b>1493</b>     | <b>1489</b>      | <b>2084</b>      | <b>2328</b>      |
| Internal Debt (excluding Ways and Means Advances and Overdrafts)  | 1412              | 1059            | 1052             | 1222             | 1781             |
| Net transactions under Ways and Means Advances and Overdraft      | Nil               | Nil             | Nil              | Nil              | Nil              |
| Loans and Advances from Government of India                       | 433               | 434             | 437              | 862              | 547              |
| <b>15. Appropriation to Contingency Fund</b>                      | <b>Nil</b>        | <b>250</b>      | <b>Nil</b>       | <b>Nil</b>       | <b>Nil</b>       |
| <b>16. Total disbursement out of Consolidated Fund (13+14+15)</b> | <b>22844</b>      | <b>26923</b>    | <b>30541</b>     | <b>36052</b>     | <b>42105</b>     |
| <b>17. Contingency Fund disbursements</b>                         | <b>51</b>         | <b>11</b>       | <b>199</b>       | <b>375</b>       | <b>3</b>         |
| <b>18. Public Account disbursements</b>                           | <b>8971</b>       | <b>10896</b>    | <b>9849</b>      | <b>11408</b>     | <b>14023</b>     |
| <b>19. Total disbursement by the State (16+17+18)</b>             | <b>31866</b>      | <b>37830</b>    | <b>40589</b>     | <b>47835</b>     | <b>56131</b>     |
| <b>Part C. Deficits</b>   |                   |                 |                  |                  |                  |
| <b>20. Revenue Deficit (-)/Revenue Surplus (+) (1-10)</b>         | <b>(+) 4244</b>   | <b>(+)3420</b>  | <b>(+)1138</b>   | <b>(+)3908</b>   | <b>(+)5607</b>   |
| <b>21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)</b>           | <b>(+) 1323</b>   | <b>(-)334</b>   | <b>(-)2266</b>   | <b>(-)658</b>    | <b>(+)622</b>    |
| <b>22. Primary Deficit (21+23)</b>                                | <b>(+) 4492</b>   | <b>(+)2555</b>  | <b>(+)778</b>    | <b>(+)2403</b>   | <b>(+)3198</b>   |
| <b>Part D. Other data</b>   |                   |                 |                  |                  |                  |
| <b>23. Interest Payments (included in revenue expenditure)</b>    | <b>3169 (18)</b>  | <b>2889(14)</b> | <b>3044(12)</b>  | <b>3061</b>      | <b>2576</b>      |
| <b>24. Financial Assistance to local bodies etc.,</b>             | <b>3859</b>       | <b>5422</b>     | <b>6722</b>      | <b>9086</b>      | <b>9065</b>      |
| <b>25. Ways and Means Advances/Overdraft availed (days)</b>       | <b>--</b>         | <b>--</b>       | <b>--</b>        | <b>--</b>        | <b>--</b>        |
| 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          |
| <b>26. Interest on Ways and Means Advances/ Overdraft</b>         | <b>Nil/Nil</b>    | <b>Nil/Nil</b>  | <b>Nil/Nil</b>   | <b>Nil/Nil</b>   | <b>Nil/Nil</b>   |
| <b>27. Gross State Domestic Product (GSDP)</b>                    | <b>106466 (A)</b> | <b>122165</b>   | <b>150946(A)</b> | <b>186356(A)</b> | <b>226236(A)</b> |
| <b>28. Outstanding Fiscal liabilities (year end)</b>              | <b>38525</b>      | <b>39168</b>    | <b>40613</b>     | <b>42191</b>     | <b>42467</b>     |
| <b>29. Outstanding guarantees (year end) (including interest)</b> | <b>2168+*</b>     | <b>1386</b>     | <b>1027</b>      | <b>2066</b>      | <b>2510</b>      |
| <b>30. Maximum amount guaranteed (year end)</b>                   | <b>8586</b>       | <b>8380</b>     | <b>8389</b>      | <b>9789</b>      | <b>10579</b>     |
| <b>31. Number of incomplete projects</b>                          | <b>34</b>         | <b>41</b>       | <b>35</b>        | <b>68</b>        | <b>150</b>       |
| <b>32. Capital blocked in incomplete projects</b>                 | <b>102</b>        | <b>137</b>      | <b>115</b>       | <b>227</b>       | <b>352</b>       |
| <b>Part E: Fiscal Health Indicators</b>                           |                   |                 |                  |                  |                  |
| <b>I Resource Mobilisation</b>                                    |                   |                 |                  |                  |                  |
| Own Tax revenue/GSDP  | 6.64              | 6.54            | 5.95             | 6.01             | 5.94             |
| Own Non-Tax Revenue/GSDP  | 2.57              | 2.60            | 2.13             | 2.56             | 2.85             |
| Central Transfers/GSDP  | 7.60              | 6.79            | 5.64             | 5.63             | 5.41             |
| <b>II Expenditure Management</b>                                  |                   |                 |                  |                  |                  |
| Total Expenditure/GSDP  | 0.197             | 20.61           | 19.25            | 18.23            | 17.58            |
| Total Expenditure/Revenue Receipts                                | 95.59             | 102.32          | 109.92           | 102.08           | 98.78            |

|  | 2007-2008 | 2008-2009 | 2009-10 | 2010-11 | 2011-12 |
|--|-----------|-----------|---------|---------|---------|
| Revenue Expenditure/Total Expenditure                                  | 84.40     | 84.15     | 87.06   | 86.46   | 87.14   |
| Expenditure on Social Services/Total Expenditure                       | 0.34      | 36.71     | 35.80   | 37.41   | 37.70   |
| Expenditure on Economic Services/Total Expenditure                     | 27.61     | 32.65     | 29.84   | 30.45   | 30.96   |
| Capital Expenditure/Total Expenditure                                  | 13.54     | 15.01     | 12.56   | 12.61   | 11.30   |
| Capital Expenditure on Social and Economic Services/Total Expenditure. | 12.91     | 14.28     | 11.94   | 11.93   | 10.65   |
| <b>III Management of Fiscal Imbalances</b>                             |           |           |         |         |         |
| Revenue deficit (surplus)/GSDP   | 3.986     | 2.80      | 0.75    | 2.10    | 2.48    |
| Fiscal deficit/GSDP  | 1.243     | (-)0.47   | (-)1.50 | (-)0.35 | 0.27    |
| Primary Deficit (surplus) /GSDP  | 4.219     | 1.88      | 0.52    | 1.29    | 1.41    |
| Revenue Deficit/Fiscal Deficit   | 320.79    | (-)17.07  | 50.26   | 593.92  | 901.45  |
| Primary Revenue Balance/GSDP   | -         | -         | -       | -       | -       |
| <b>IV Management of Fiscal Liabilities</b>                             |           |           |         |         |         |
| Fiscal Liabilities/GSDP  | 36.19     | 32.06     | 26.91   | 22.64   | 18.77   |
| Fiscal Liabilities/RR  | 175.38    | 159.15    | 153.66  | 126.79  | 105.46  |
| Primary deficit vis-à-vis quantum spread                               | -         | -         | -       | -       | -       |
| Debt Redemption (Principal +Interest)/ Total Debt Receipts             | 36.19     | 32.06     | 26.91   | 22.64   | 18.77   |
| <b>V Other Fiscal Health Indicators</b>                                |           |           |         |         |         |
| Return on Investment   | 8.38      | 14.27     | 11.90   | 4.64    | 9.84    |
| Balance from Current Revenue (₹ in crore)                              | 5574      | 4811      | 3166    | 6606    | 9946    |
| Financial Assets/Liabilities   | 0.77      | 0.84      | 0.87    | 0.95    | 1.07    |



**APPENDIX – 1.4**  
(Refer paragraph 1.1.1 at page 2)

**Abstract of receipt and disbursement for the year 2011-12**

(₹ in crore)

| 2010-11                    | Receipts  | 2011-12         | 2010-11         | Disbursements   | Non-Plan        | Plan           | 2011-12         |
|----------------------------|---|-----------------|-----------------|---|-----------------|----------------|-----------------|
| <b>Section A: Revenue</b>  |   |                 |                 |   |                 |                |                 |
| <b>33276.16</b>            | <b>I.Revenue Receipts</b>   | <b>40267.02</b> | <b>29367.95</b> | <b>I. Revenue Expenditure-</b>  | <b>24940.47</b> | <b>9719.76</b> | <b>34660.23</b> |
| 11192.67                   | -Tax revenue  | 13442.74        | 9936.77         | General services  | 10848.20        | 80.38          | 10928.58        |
| --                         | --  | --              | 11922.01        | Social Services-  | 8769.23         | 5568.84        | 14338.07        |
| 4780.38                    | -Non-tax revenue  | 6442.96         | 6424.26         | -Education, Sports, Art and Culture                                       | 4783.61         | 2026.18        | 6809.79         |
| --                         | --  | --              | 1243.77         | -Health and Family Welfare  | 948.45          | 376.54         | 1324.99         |
| 10496.86                   | -State's share of Union Taxes   | 12229.13        | 951.61          | -Water Supply, Sanitation, Housing and Urban Development                  | 531.97          | 360.09         | 892.06          |
| --                         | --  | --              | 27.33           | -Information and Broadcasting   | 21.14           | 4.24           | 25.38           |
| 2111.39                    | -Non-Plan grants  | 2561.48         | 816.61          | -Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes | 403.45          | 579.20         | 982.65          |
| 3279.21                    | -Grants for State Plan Schemes  | 3853.22         | 68.64           | -Labour and labour Welfare  | 46.57           | 37.01          | 83.58           |
| --                         | --  | --              | 2326.90         | -Social Welfare and Nutrition   | 1982.05         | 2166.43        | 4148.48         |
| 1415.65                    | -Grants for Central and Centrally sponsored Plan Schemes                                  | 1737.49         | 62.89           | -Others   | 52.00           | 19.13          | 71.13           |
| --                         | --  | --              | 7077.56         | Economic Services-  | 4661.93         | 4070.54        | 8732.47         |
| --                         | --  | --              | 2777.58         | -Agriculture and Allied Activities  | 1815.90         | 1350.09        | 3165.99         |
| --                         | --  | --              | 1483.36         | -Rural Development  | 792.93          | 1044.03        | 1836.96         |
| --                         | --  | --              | ---             | -Special Areas Programmes   |                 |                |                 |
| --                         | --  | --              | 765.06          | -Irrigation and Flood control   | 718.01          | 142.23         | 860.24          |
| --                         | --  | --              | 205.43          | -Energy   | 6.38            | 17.32          | 23.70           |
| --                         | --  | --              | 273.00          | -Industry and Minerals  | 93.07           |                | 253.25          |
| --                         | --  | --              | 1051.12         | -Transport  | 1124.63         | 59.65          | 1184.28         |
| --                         | --  | --              | 31.68           | -Science, Technology and Environment                                      | 4.21            | 47.20          | 51.41           |
| --                         | --  | --              | 490.33          | -General Economic Services  | 106.79          | 1249.84        | 1356.63         |
| --                         | --  | --              | 431.61          | Grants-in-aid and Contributions-  | 661.11          | --             | 661.11          |
| --                         | <b>II. Revenue deficit carried over to</b>  | --              | <b>3908.21</b>  | <b>II. Revenue Surplus carried over</b>                                   | --              | --             | <b>5606.78</b>  |
| <b>Section B : Capital</b> |   |                 |                 |   |                 |                |                 |
| 9283.63                    | <b>III. Opening Cash balance including Permanent Advances and Cash Balance Investment</b> | <b>10004.87</b> | --              | <b>III. Opening Overdraft from Reserve Bank of India</b>                  | --              | --             | --              |
| Nil                        | <b>IV. Miscellaneous Capital receipts</b>   | Nil             | <b>4285.10</b>  | <b>IV. Capital Outlay-</b>  | <b>60.66</b>    | <b>4435.43</b> | <b>4496.09</b>  |

| 2010-11         | Receipts   | 2011-12         | 2010-11         | Disbursements   | Non-Plan      | Plan        | 2011-12         |
|-----------------|--|-----------------|-----------------|---|---------------|-------------|-----------------|
| --              | --   | --              | 234.16          | General Services-   | 21.53         | 236.73      | 258.26          |
| --              | --   | --              | 784.49          | Social Services-  | 3.39          | 653.43      | 656.83          |
| --              | --   | --              | 187.63          | -Education, Sports, Art and Culture                                       | --            | 100.11      | 100.11          |
| --              | --   | --              | 28.58           | -Health and Family Welfare  | --            | 36.93       | 36.93           |
| --              | --   | --              | 161.17          | -Water Supply, Sanitation, Housing and Urban Development                  | 3.40          | 209.35      | 212.75          |
| --              | --   | --              | --              | -Information and Broadcasting   | --            | --          | --              |
| --              | --   | --              | 394.69          | -Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes | --            | 289.89      | 289.89          |
| --              | --   | --              | --              | -Social Welfare and Nutrition   | --            | --          | --              |
| --              | --   | --              | 12.42           | -Others   | --            | 17.15       | 17.15           |
| --              | --   | --              | 3266.45         | Economic Services-  | 35.74         | 3545.26     | 3581.00         |
| --              | --   | --              | 78.60           | -Agriculture and Allied Activities  | 23.26         | 123.89      | 147.15          |
| --              | --   | --              | ---             | -Rural Development  | ---           | --          | --              |
| --              | --   | --              | 183.51          | -Special Areas Programmes   | --            | 161.07      | 161.07          |
| --              | --   | --              | 1606.43         | -Irrigation and Flood Control   | --            | 1751.29     | 1751.29         |
| --              | --   | --              | 83.25           | -Energy   | --            | 181.09      | 181.09          |
| --              | --   | --              | 5.05            | -Industry and Minerals  | --            | 0.05        | 0.05            |
| --              | --   | --              | 1294.30         | -Transport  | 12.34         | 1237.02     | 1249.36         |
| --              | --   | --              | 15.31           | -General Economic Services  | 0.14          | 90.85       | 90.99           |
| <b>33.81</b>    | <b>V. Recoveries of Loans and Advances-</b>                      | <b>132.08</b>   | <b>314.69</b>   | <b>V. Loans and Advances disbursed-</b>                                   | <b>618.67</b> | <b>2.34</b> | <b>621.01</b>   |
| --              | -From Power Projects   | 8.13            | 205.00          | -For Power Projects   | --            | --          | 215.83          |
| 24.91           | -From Government Servants  | 117.30          | 53.13           | -To Government Servants   | --            | --          | 219.71          |
| 8.90            | -From Others   | 6.65            | 56.56           | -To Others  | --            | --          | 185.47          |
| <b>3908.21</b>  | <b>VI. Revenue Surplus brought down</b>                          | <b>5606.78</b>  | --              | <b>VI. Revenue Deficit brought down</b>                                   |               |             |                 |
| <b>2267.60</b>  | <b>VII. Public debt receipts-</b>                                | <b>1353.76</b>  | <b>2083.58</b>  | <b>VII. Repayment of Public debt-</b>                                     |               |             | <b>2327.76</b>  |
| Nil             | -External debt   | Nil             | Nil             | -External debt  | --            | --          | Nil             |
| 2041.92         | -Internal debt other than Ways and Means Advances and overdrafts | 1120.99         | 1221.55         | -Internal debt other than Ways and Means Advances and Overdrafts          | --            | --          | 1781.07         |
| --              | Net transactions under Ways and Means Advances                   | --              | --              | - Net transactions under Ways and Means Advances                          | --            | --          | --              |
| --              | - Net transactions under overdraft                               | --              | --              | -Net transactions under overdraft   | --            | --          | --              |
| 225.68          | -Loans and Advances from Central Government                      | 232.77          | 862.03          | -Repayment of Loans and Advances to Central Government                    | --            | --          | 546.69          |
| --              | <b>VIII. Appropriation to Contingency Fund</b>                   | --              | --              | <b>VIII. Appropriation to Contingency Fund</b>                            | --            | --          | --              |
| <b>198.97</b>   | <b>IX .Amount transferred to Contingency Fund</b>                | <b>375.00</b>   | <b>375.00</b>   | <b>IX. Expenditure from Contingency Fund</b>                              | --            | --          | <b>2.81</b>     |
| <b>12778.87</b> | <b>X. Public Account receipts-</b>                               | <b>15486.73</b> | <b>11407.85</b> | <b>X. Public Account disbursements-</b>                                   | --            | --          | <b>14022.62</b> |
| 2804.31         | -Small Savings and Provident Funds                               | 2492.12         | 1581.70         | -Small Savings and Provident Funds  | --            | --          | 2065.73         |

*Appendices*

| 2010-11         | Receipts  | 2011-12         | 2010-11         | Disbursements  | Non-Plan | Plan | 2011-12         |
|-----------------|---|-----------------|-----------------|--|----------|------|-----------------|
| 602.72          | -Reserve Funds  | 1660.76         | 585.89          | -Reserve Funds   | --       | --   | 1181.89         |
| -1.68           | -Suspense and Miscellaneous                             | -32.28          | 17.00           | -Suspense and Miscellaneous                            | --       | --   | -28.34          |
| 6027.47         | -Remittance   | 7240.16         | 6031.40         | -Remittances   | --       | --   | 7231.46         |
| 3346.05         | -Deposits and Advances                                  | 4125.97         | 3191.86         | -Deposits and Advances                                 | --       | --   | 3571.88         |
| Nil             | <b>XI. Closing Overdraft from Reserve Bank of India</b> | --              | <b>10004.87</b> | <b>XI. Cash Balance at end-</b>                        | --       | --   | <b>11488.94</b> |
| --              | --  | --              | --              | Cash in Treasuries and Local Remittances               | --       | --   | --              |
| --              | --  | --              | -452.91         | Deposits with Reserve Bank                             | --       | --   | -465.38         |
| --              | --  | --              | 48.26           | Departmental Cash Balance including permanent Advances | --       | --   | 45.52           |
| --              | --  | --              | 10409.52        | Cash Balance Investment                                | --       | --   | 11908.80        |
| <b>61747.25</b> | <b>Total</b>  | <b>73226.24</b> | <b>61747.25</b> | <b>Total</b>   |          |      | <b>73226.24</b> |

**APPENDIX – 1.5**  
(Refer paragraph 1.2.2 at page 5)

**Funds transferred directly to State Implementing Agencies**

| Sl. No | Government of India Scheme  | Government of India release (₹ in lakh) |            |
|--------|---|---|------------|
|        |   | 2010-11                                 | 2011-12    |
| 1      | 580 New Community Polytechnics  | 64.90                                   | --         |
| 2      | Accelerated Rural Water Supply Scheme   | 2,94,75.80                              | 1,71,05.21 |
| 3      | Assistance To State For Capacity Building In Trauma Care  | 1,57.00                                 | 1,55.38    |
| 4      | Bioinformatics  | 10.24                                   | 5.50       |
| 5      | Capacity Building For Service Providers   | --                                      | 16.00      |
| 6      | Commission For Scientific And Tech Terminology Dhe  | 15.00                                   | 18.95      |
| 7      | Conservation Of Natural Resources And Ecosystems  | 2.00                                    | --         |
| 8      | Crime And Criminal Tracking Network And System  | 38,03.12                                | 3,92.49    |
| 9      | Deen Dayal Disabled Rehabilitation Scheme SJE   | 10.06                                   | --         |
| 10     | Development And Strengthening of Infrastructure Facilities For Production And Distribution of Quality Seeds | 2,73.19                                 | --         |
| 11     | DRDA Administration   | 16,19.00                                | 26,02.56   |
| 12     | Educational Complexes In Low Literacy Pockets   | 7,64.24                                 | 6,00.00    |
| 13     | Electronic Governance   | 1,67.96                                 | 8,54.24    |
| 14     | Fluorosis   | 84.20                                   | --         |
| 15     | Handlooms   | 12.93                                   | --         |
| 16     | Health Insurance For Unorganised Sector   | 20,43.57                                | 1,16.16    |
| 17     | Hospitals And Dispensaries (Under NRHM)   | 13,83.12                                | 70.67      |
| 18     | Human Resource Development Biotechnology  | 60.42                                   | 39.02      |
| 19     | Human Resources For Health  | 4,75.00                                 | --         |
| 20     | IC And JV And Asia Enterprises In India And Undertaking Investment Promotion Activities                     | 6.80                                    | --         |
| 21     | India Meteorology Department  | 40.31                                   | 16.11      |
| 22     | Information Education And Communications  | 2.00                                    | 35.00      |
| 23     | Information Publicity And Extension   | 4.20                                    | 46.28      |
| 24     | Inspire   | 45.50                                   | 15.02      |
| 25     | Integrated Watershed Management Programme ( IWMP)   | 1,23,28.58                              | 1,14,66.59 |
| 26     | Intensive Dairy Development Programme   | 3,99.16                                 | --         |
| 27     | International Cooperation Activities  | 67.69                                   | --         |
| 28     | Marine Research And Technology Development  | 17.15                                   | 20.03      |
| 29     | Marketing And Export Promotion Scheme For Handloom And Textiles   | 92.49                                   | 63.09      |
| 30     | Marketing Research Surveys And Information Network  | 0.70                                    | 16.60      |
| 31     | Marketing Support And Services  | 79.40                                   | 21.47      |
| 32     | Medical Rehabilitation  | --                                      | 11.95      |
| 33     | Medicinal Plants  | 15.34                                   | 1,69.62    |
| 34     | Medicinal Plants Processing Zones   | 1,66.69                                 | 4,75.58    |
| 35     | Micro Irrigation  | 8,10.00                                 | 8,23.00    |

| Sl. No | Government of India Scheme  | Government of India release (₹ in lakh) |             |
|--------|---|---|-------------|
|        |   | 2010-11                                 | 2011-12     |
| 36     | MPs Local Area Development Scheme MPLADS                                    | 57,05.00                                | 96,00.00    |
| 37     | MSME Clusters Development Programme And Msme Growth Poles                   | 3.50                                    | 69.40       |
| 38     | National Child Labour Project Including Grants In Aid To Voluntary Agencies | 10,74.02                                | 13,14.51    |
| 39     | National Afforestation Programme  | 11,19.63                                | 3,64.79     |
| 40     | National Aids Control Programme Including S T D Control                     | 23,07.08                                | 14,80.37    |
| 41     | National Bamboo Mission   | 3,06.00                                 | 4,83.27     |
| 42     | National Coastal Management Programme                                       | --                                      | --          |
| 43     | National Food Security Mission  | 58,52.76                                | 66,76.61    |
| 44     | National Horticulture Mission   | 32,59.00                                | --          |
| 45     | National Institute Of Technology Nit DHE                                    | --                                      | --          |
| 46     | National Mental Health Programme  | 5,28.00                                 | 22,50.00    |
| 47     | National Project For Cattle And Buffalo Breeding                            | 6,46.94                                 | 6,00.00     |
| 48     | National Rural Employment Guarantee Scheme                                  | 15,61,86.38                             | 9,78,21.72  |
| 49     | National Rural Health Mission ( NRHM )                                      | 1,70.36                                 | 51.06       |
| 50     | National Rural Health Mission ( NRHM ) Centrally Sponsored                  | 3,55,15.37                              | 4,07,73.25  |
| 51     | National Service Scheme NSS   | 5.39                                    | 26.57       |
| 52     | Off Grid DRPS   | --                                      | 1,25.09     |
| 53     | Pollution Abatement   | 16.16                                   | --          |
| 54     | Polytechnics For Disabled Dhe   | 24.00                                   | --          |
| 55     | Pradhan Mantri Gram Sadak Yojana (PMGSY)                                    | 20,46,10.43                             | 19,69,95.27 |
| 56     | Product Infrastructure Development For Destination And Circuits             | 13,59.51                                | 11,00.77    |
| 57     | Promotion Of Sports Among Disability  | 4.73                                    | 0.67        |
| 58     | R And D In New And Renewable Energy Technologies                            | 0.80                                    | 11.21       |
| 59     | Rashtriya Madhyamik Shiksha Abhiyan (RMSA)                                  | 89,83.00                                | 1,28,86.89  |
| 60     | Renewable Energy For Rural Applications For All Villages                    | 5,94.73                                 | 6,60.98     |
| 61     | Renewable Energy For Rural Applications Remote Villages                     | 2,16.42                                 | --          |
| 60     | Research And Development Department Of Biotechnology                        | 40.67                                   | 29.20       |
| 63     | Research And Development For Conservation And Development                   | 5.10                                    | 6.55        |
| 64     | Research And Development Support SERC                                       | 88.81                                   | 4,00.37     |
| 65     | Research And Development Water Resources                                    | 2.93                                    | --          |
| 66     | Research Councils   | 5.00                                    | 0.68        |
| 67     | Research And Mass Education, Tribal Festivals And Others                    | 0.90                                    | 7.50        |
| 68     | Rural Housing- IAY  | 4,50,08.11                              | 6,29,99.06  |
| 69     | Sarva Shiksha Abhiyan (SSA)   | 7,31,77.85                              | 9,27,19.98  |
| 70     | Scheme For Human Resource Development FPI                                   | --                                      | 46.00       |
| 71     | Scheme For Infrastructure Development FPI                                   | 1,00.00                                 | --          |
| 72     | Scheme For Strengthening Of Institutions Including NIFTEM                   | 5.00                                    | --          |

| Sl. No | Government of India Scheme   | Government of India release (₹ in lakh) |          |
|--------|--|---|----------|
|        |  | 2010-11                                 | 2011-12  |
| 73     | Science And Technology Programme For Socio Economic Development  | 25.40                                   | 16.55    |
| 74     | SJSRY (Swarna Jayanti Shahari Rojgar Yojana)   | 16,50.75                                | 10,41.64 |
| 75     | Strengthening Of Existing Polytechnics   | 80.00                                   | --       |
| 76     | Studies In Agricultural Economic Policy And Development  | 3,70.00                                 | 1,03.00  |
| 77     | Support To State Extension Programme For Extension Reforms   | 18,38.86                                | 48,82.35 |
| 78     | Swaranjayanti Gram Swarozgar Yojana (SGSY)   | 1,22,91.26                              | --       |
| 79     | Technology Development Programme   | 20.00                                   | 23.94    |
| 80     | Technology Promotion Development And Utilisation Programme TPDU DSIR   | 0.80                                    | 0.20     |
| 81     | Top Class Education For SCs SJE  | 1,21.34                                 | 0.73     |
| 82     | Total Sanitation Campaign  | 68,36.73                                | 11,12.15 |
| 83     | Women's Hostel In Polytechnics   | 1,20.00                                 | --       |
| 84     | National Project On Management Of Soil & Health  | 2,17.50                                 | --       |
| 85     | National Cancer Control  | 27.51                                   | 3,34.15  |
| 86     | National Programme For Prevention & Control Of Diabetes Cardiovascular Disease & Stroke                            | 93.67                                   | --       |
| 87     | Top Class Education  | 95.00                                   | --       |
| 88     | Rashtriya Gram Swaraj Yojana   | 3,14.00                                 | 5,44.00  |
| 89     | Development Of Institutions  | 70.39                                   | --       |
| 90     | Cataloguing Digitisation Of Manuscripts And Ayush It Network   | 11.00                                   | --       |
| 91     | HRD  | 1.25                                    | --       |
| 92     | Baba Saheb Ambedkar Hasta Shilpa Vikash Yojana   | 1,78.00                                 | --       |
| 93     | Scheme Of Institute Of Excellence Top Class Institute  | --                                      | 76.35    |
| 94     | Administration And Monitoring Including HRD And Training MNRE  | --                                      | 6.30     |
| 95     | Adult Education And Skill Development Scheme Merged Schemes Of Literacy Campaigns And Continuing Education         | --                                      | 9,64.38  |
| 96     | Comprehensive Scheme For Combating Trafficking   | --                                      | 0.75     |
| 97     | EAP Component Of Cyclone Risk Mitigation Scheme  | --                                      | 20,03.08 |
| 98     | Health Insurance For Unorganised Sector Workers L And E  | --                                      | 1,27.21  |
| 99     | HRD Training Programme Fellowship Exposure Visit Up gradation Of Skills Etc  | --                                      | 3.50     |
| 100    | Information Education And Communication  | --                                      | 1.18     |
| 101    | Inspection And Maintenance Centre Strengthening Of Public Transport And Creation Of National Road Safety Board Rth | --                                      | 67.50    |
| 102    | Integrated Handloom Development Scheme   | --                                      | 55.65    |
| 103    | Livestock Insurance  | --                                      | 1,00.00  |
| 104    | Mission Mode Project On E Panchayats   | --                                      | 50.00    |
| 105    | Nagar Palika Yuva Krida Aur Khel Abhiyan   | --                                      | 5,00.00  |
| 106    | National Afforestation And Eco Development Board   | --                                      | 1,07.50  |
| 107    | National Horticultural Mission   | --                                      | 46,94.34 |

| Sl. No       | Government of India Scheme  | Government of India release (₹ in lakh) |                    |
|--------------|---|---|--------------------|
|              |   | 2010-11                                 | 2011-12            |
| 108          | National Programme For Health Care For The Elderly  | --                                      | 2,23.88            |
| 109          | National Programme For Prevention And Control Of Diabetes Cardiovascular Disease And Stroke     | --                                      | 5,10.21            |
| 110          | National River Conservations Plan   | --                                      | 5,00.00            |
| 111          | National St Finance And Development Corporation And GIA To State St Dev And Finance Corporation | --                                      | 3,00.00            |
| 112          | New Initiative In Skill Development Through PPP   | --                                      | 13.50              |
| 113          | Panchayat Empowerment And Accountability Incentive Scheme                                       | --                                      | 1,02.92            |
| 114          | Project For Dairy Development Including For Clean Milk Production                               | --                                      | 6,02.75            |
| 115          | R E In Urban & Industrial Sectors New & Renewable Energy  | --                                      | 4.59               |
| 116          | Remote Villages Programmes MNRE   | --                                      | 26,37.42           |
| 117          | Research And Development  | --                                      | 2.14               |
| 118          | Scheme For Setting Up Of 6000 Model Schools At Block Level As Benchmark Of Excellence           | --                                      | 1,28,85.00         |
| 119          | Skill Development Initiative Through PPP L And E  | --                                      | 3,06.75            |
| 120          | Strengthening Promoting Agricultural Information System   | --                                      | 4,00.00            |
| 121          | Strengthening Of Institutions For Medical Education Training And Research                       | --                                      | 2,94.04            |
| 122          | Swaranjayanti Gram Swarozgar Yojana   | --                                      | 1,25,48.12         |
| 123          | Total Sanitation Campaign   | --                                      | 1,00,59.55         |
| <b>Total</b> |   | <b>62,57,84.80</b>                      | <b>62,28,65.61</b> |

Note: 1 The total releases shown in this Appendix exclude an amount of ₹ 3,51,18.25 lakh released to Central Bodies located in the State as well as the various other organisation outside the purview of the Government of Odisha.  
2. . Above information is based on the data availability in Central Plan Scheme Monitoring System portal of Controller General of Accounts

**APPENDIX – 1.6**  
(Refer paragraph 1.3.1 at page 9)

**Statement showing gross collection and expenditure on collection for the year 2007-12**

| Sl. No. | Head of revenue                   | Year    | Total collection<br>(₹ in crore) | Expenditure on collection<br>(₹ in crore) | Percentage of expenditure to gross collection | All India average percentage for 2010-11 |
|---------|-----------------------------------|---------|----------------------------------|---|---|--|
| 1       | Taxes on sales, Trades etc.       | 2007-08 | 4863.36                          | 30.11                                     | 0.62  | 0.75                                     |
|         |                                   | 2008-09 | 5571.85                          | 44.45                                     | 1.79  |  |
|         |                                   | 2009-10 | 6383.94                          | 53.90                                     | 0.84  |  |
|         |                                   | 2010-11 | 8045.08                          | 80.49                                     | 1.00  |  |
|         |                                   | 2011-12 | 8196.85                          | 65.39                                     | 0.79  |  |
| 2       | Taxes on vehicles                 | 2007-08 | 459.42                           | 14.71                                     | 3.20  | 3.29                                     |
|         |                                   | 2008-09 | 524.43                           | 32.59                                     | 6.21  |  |
|         |                                   | 2009-10 | 611.23                           | 27.78                                     | 4.54  |  |
|         |                                   | 2010-11 | 727.58                           | 30.73                                     | 4.22  |  |
|         |                                   | 2011-12 | 787.99                           | 25.96                                     | 2.24  |  |
| 3       | State Excise                      | 2007-08 | 524.93                           | 17.54                                     | 3.34  | 3.05                                     |
|         |                                   | 2008-09 | 660.07                           | 24.76                                     | 3.75  |  |
|         |                                   | 2009-10 | 849.05                           | 30.74                                     | 3.62  |  |
|         |                                   | 2010-11 | 1094.26                          | 36.25                                     | 3.31  |  |
|         |                                   | 2011-12 | 1379.00                          | 38.36                                     | 2.78  |  |
| 4       | Stamp Duty and registration fees. | 2007-08 | 404.76                           | 11.81                                     | 2.92  | 1.60                                     |
|         |                                   | 2008-09 | 495.66                           | 15.23                                     | 3.07  |  |
|         |                                   | 2009-10 | 359.96                           | 15.91                                     | 4.42  |  |
|         |                                   | 2010-11 | 415.82                           | 17.09                                     | 4.11  |  |
|         |                                   | 2011-12 | 498.15                           | 23.87                                     | 4.79  |  |

Source: Finance Accounts of the respective years



**APPENDIX – 1.7**  
(Refer paragraph 1.5.3 at page 19)

**Statement of outcome budget during the financial year 2011-12**

**ST and SC Development Department (up to December 2011)**

| Name of the Scheme   | Financial Target (₹ lakh) | Financial Achievement (₹ lakh) | Shortfall | Physical Target  | Physical Achievement | Short fall |
|--|---------------------------|--------------------------------|-----------|--|----------------------|------------|
| <b>STATE PLAN</b>  |                           |                                |           |  |                      |            |
| Creation of Infrastructure in TASP areas under Article 275 (1) of the Constitution                       | 12256.00                  | 5197.07 (42%)                  | 7058.93   | 1625 nos of Infrastructure development projects        | 688 (42%)            | 937        |
| Provision of solar lamps to 150 hostels having no electricity connection in micro project and TASP areas | 82.50                     | 52.25 (63%)                    | 30.25     | 150 Hostels  | 82 (55%)             | 68         |
| Supply of cooking gas(LPG), Equipment to Hostels of SC/ST Dev. Deptt.Schools                             | 100.00                    | 25.00 (25%)                    | 75.00     | 130 Hostels  | 32 (25%)             | 98         |
| Construction of Hostels for ST girls   | 25000.00                  | 17119.50 (68%)                 | 7880.50   | 1000   | 316 completed (32%)  | 684        |
| <b>CENTRAL PLAN</b>  |                           |                                |           |  |                      |            |
| Establishment of Micro Project for Primitive Tribes (GIA)  | 1224.83                   | 863.14 (70%)                   | 361.69    | 17 Micro Project                                       | Nil                  | 17         |
| Multi Sector Development Programme (GIA)   | 820.00                    | 0                              | 820.00    | Construction of 2 nos of ITIs                          | Nil                  | 2          |
| GIA for STDCC for MFP operation  | 226.00                    | 110.00 (48%)                   | 116.00    | Fair price support to 68 godowns                       | Nil                  | 68         |
| Merit means based Scholarship to minority students   | 50.00                     | 16.30 (33%)                    | 33.70     | About 179 meritorious students targeted to be assisted | Nil                  | 179        |

**Panchayati Raj Department**

| Name of the scheme | FINANCIAL   |  |  | PHYSICAL                                       |  |                                    |
|--------------------|---|--|--|--|--|------------------------------------|
|                    | Financial Outlay depicted in the Outcome Budget during 2011-12 (₹ lakh) | Financial achievement as per the Outcome Budget (₹ lakh) | Short fall in financial achievement as of December 2011. | Physical Target depicted in the outcome Budget | Physical achievement as per the Outcome Budget | Short fall in physical achievement |
| (2)                | (3)   | (4)  | (5)  | (6)  | (7)  | (8)                                |
| MGNREGS            | 170000.00   | 88172.48 (52%)   | 818  | 13.42 crore man days                           | 3.65 (27%)                                     | 9.77                               |
|                    |   |  |  | 1548 BNRGSK                                    | 1077 (70%)                                     | 471                                |
|                    |   |  |  | 100000 Farm Ponds                              | 14760 (15%)                                    | 85240                              |
|                    |   |  |  | 6234 Gram Rojgar                               | 5800 (80%)                                     | 1234                               |

| Name of the scheme | FINANCIAL   |  |  | PHYSICAL                                       |  |                                    |
|--------------------|---|--|--|--|--|------------------------------------|
|                    | Financial Outlay depicted in the Outcome Budget during 2011-12 (₹ lakh) | Financial achievement as per the Outcome Budget (₹ lakh) | Short fall in financial achievement as of December 2011. | Physical Target depicted in the outcome Budget | Physical achievement as per the Outcome Budget | Short fall in physical achievement |
|                    |   |  |  | Sevaks to be trained                           |  |                                    |
| IAY                | 61200.00  | 47579.24 (78%)   | 136  | 142082   | 57196 (40%)                                    | 84886                              |
| BRGF               | 33995.00  | 30119.00 (89%)   | 39   | 10743  | 6214 (58%)                                     | 4529                               |
| GGY                | 16500.00  | 13897.64 (84%)   | 26   | 12750 works                                    | 7806 (61%)                                     | 4944                               |
| Mo Kudia           | 6000.00   | 3017.52 (50%)  | 30   | 13177 houses to PVTG, AIDS patients            | 7595 (58%)                                     | 5582                               |

### Housing and Urban Development Department

| Name of Scheme                                       | Financial Outlay in TRS (₹ lakh) | Achievement (₹ lakh) | Quantifiable Deliverable/Physicals  |
|--|----------------------------------|----------------------|---|
| Urban Infrastructure Governance                      | 11800.00                         | 1241.10 (11%)        | <p>1) 79.89 Kms of Sewer Line laid in Bhubaneswar City</p> <p>2) Conservation of Bindusagar lake, Periphery Dev –698Mt</p> <p>3) Construction of 2.012km out of 20.546Km Roadside drains in central city area of Bhubaneswar have been made. Construction of 2.634 km Roadside drains in central city area of Puri have been made.</p> <p>4) For 24/7 piped water supply to Puri : Out of 13 storage reservoirs, work order issued for land development of 8 reservoirs; 5 completed, 3 in progress. Construction of 1 no. of 5 lakh litres GSR in progress. Tenders for 11 ESRs invited &amp; opened other structures like ESR, WTP, to be invited after possession of land. Tenders for procurement and laying of DI and MS clear water rising mains invited and opened .Tenders for other structures such as intake well, WTP and raw water rising main to be tendered after possession of land.</p> <p>5) All procurement of Buses for Bhubaneswar &amp; Puri City have been made. Infrastructure Support like Depot Cum Cum Terminal &amp; Bus Bay</p> |
| Basic Service for Urban Poor                         | 1504.00                          | 1218.44 (81%)        | 918 Dwelling Units Completed (37%)<br>(Projection-2508 dwelling units to be completed)  |
| Urban Infrastructure Scheme for Small & Medium Towns | 7820.00                          | 2049.69 (26%)        | 15 projects are ongoing Sambalpur and Koraput UIDSSMT W/S projects completed and commissioned. Other W/S projects are in progress. In case of Puri JnNURM W/S project land acquisition and site development work are in progress.<br><b>(Projection-Domestic water supply, road upgradation, restoration of water bodies to all citizens of 16 towns of Odisha. The benefit will cover 15 lakh population in 16 towns)</b>  |
| Integrated Housing for Slum Development Programme    | 6000.00                          | 2508.70 (41%)        | <b>Physical Target-12773</b> , Achievement-3064 Dwelling Units in 31 towns in 34 Projects <b>(24%)</b>  |
| Rajiv Awas Yojana                                    | 1000.00                          | 0                    | Socio economic survey is going on   |
| Swarna Jayanti Sahari Rojgar Yojana(SMC)             | 694.42                           | 694.42               | Under USEP 2477 beneficiaries assisted, Under STEP-UP 6815 beneficiaries trained, Under UWSP 2882 Women beneficiaries assisted under T & Cs 6273 women provided with Revolving  |

| Name of Scheme   | Financial Outlay in TRS (₹ lakh) | Achievement (₹ lakh) | Quantifiable Deliverable/Physicals  |
|--|----------------------------------|----------------------|---|
|  |                                  |                      | Fund, Under UWEP 1.19 lakhs mandays generated.  |
| Water Supply Area in Urban Area                                | 7868.00                          | 5067.07 (64%)        | Out of 725 nos of water supply schemes 331 nos have been completed. In addition to this as per discussion at Govt. the Mega W/S projects for IIT, NISER, INFOCITY-II, Khorda & Jatani shall be executed on PPP mode. Out of 200 nos of water supply schemes proposed to be taken during 2011-12 100 nos have been completed. Steps have been taken to execute the major W/S projects i.e for Bolangir and Raikhole Town as EPC contract. In addition to above about 285 nos of Hand Pump Tube Wells have been sunk and installed in different ULBs. |
| Integrated Sewerage Scheme for BBSR & Cuttack assisted by JICA | 10000.00                         | 2791.97 (28%)        | <ol style="list-style-type: none"> <li>1. Survey &amp; Design, PQ evaluation, Tender Documents of Sewerage Works in Bhubaneswar Dist-VI have been Completed.</li> <li>2. Survey &amp; Design, PQ evaluation of Sewerage works in Cuttack Completed.</li> <li>3. Survey &amp; Design, PQ evaluation of STP &amp; P/S works in Cuttack &amp; Bhubaneswar Completed</li> <li>4. Survey &amp; Design, PQ evaluation of Drainage Facilities at Cuttack Completed</li> <li>5. Sanitation improvement Team has been appointed.</li> </ol>                  |
| Implementation of ILCS Programme by ULBs                       | 950.00                           | 107.28 (11%)         | Detail Project Reports of 75 towns submitted to GOI out of which funds were released in favour of 5 ULBs. 840 no od Community toilets completed   |
| RLTAP for KBK dists  | 1000.00                          | 336.58 (34%)         | 17 nos of W/S schemes in KBK Dists was proposed. Binika projects is completed. A/A was accorded for two new projects (out of 15) for Subarnpur and Patanagarh and revise A/A has accorded for Jeyore projects(out of 17) for Subarnpur and Patnagarh.   |
| Normal Sewerage & Sanitation                                   | 200.00                           | 191.85 (95%)         | Out of 101 nos of sewerage schemes 65 nos of schemes have been completed.   |
| Service Level Bench marking Water Audit & Zonalbulk Metering   | 25.00                            | 16.96 (68%)          | The work was taken up to measure the quantity of water drawn from the surface and ground water sources and also the quantity supplied to different zones of the selected ULBs under Cuttack-I,II & Baripada P.H Divisions   |
| Repair & Maintenance Of Water Supply Sewerage & Sanitation     | 12684.00                         | 12522.7 (99%)        | It includes repair & maintenance of water supply projects and sewerage sanitation system in Govt Buildings and Urban Sewerage network to provide safe collection & conveyance of sewage through sewerage networks. 1390 nos of projects have been completed   |
| Water Supply & Sanitary Installation                           | 4554.00                          | 4551.28 (99%)        | 1384 nos of water supply & sanitation systems in different Non Residential and residential buildings have been completed.   |

**APPENDIX – 1.8**  
(Refer paragraph 1.7.1 at page 25)

**Summarised financial position of the Government of Odisha as on 31 March 2012**

(₹ in crore)

| As on<br>31.03.2011 | Liabilities  |          | As on 31.03.2012 |
|---------------------|--|----------|------------------|
| <b>17998.56</b>     | <b>Internal Debt -</b>                                 |          | <b>17338.49</b>  |
| 6160.02             | Market Loans bearing interest                          | 5114.02  |                  |
| 0.12                | Market Loans not bearing interest                      | 0.11     |                  |
| 9.89                | Loans from Life Insurance Corporation of India         | 7.13     |                  |
| 11828.53            | Loans from other Institutions                          | 12217.23 |                  |
| Nil                 | Ways and Means Advances                                | Nil      |                  |
| Nil                 | Overdrafts from Reserve Bank of India                  | Nil      |                  |
| <b>7593.14</b>      | <b>Loans and Advances from Central Government -</b>    |          | <b>7279.20</b>   |
| 49.69               | Pre 1984-85 Loans                                      | 48.07    |                  |
| 31.48               | Non-Plan Loans   | 29.09    |                  |
| 7439.26             | Loans for State Plan Schemes                           | 7202.02  |                  |
| 17.46               | Loans for Central Plan Schemes                         | 0.02     |                  |
| 55.25               | Loans for Centrally Sponsored Plan Schemes             | ----     |                  |
| <b>11.92</b>        | <b>Contingency Fund</b>                                |          | <b>384.11</b>    |
| <b>13546.00</b>     | <b>Small Savings, Provident Funds, etc.</b>            |          | <b>13972.38</b>  |
| <b>3013.76</b>      | <b>Deposits</b>  |          | <b>3567.93</b>   |
| <b>4852.88</b>      | <b>Reserve Funds Advances</b>                          |          | <b>5331.76</b>   |
| <b>54.92</b>        | <b>Suspense and Miscellaneous Balances</b>             |          | <b>50.98</b>     |
| <b>698.12</b>       | <b>Miscellaneous Capital Receipts</b>                  |          | <b>698.12</b>    |
| -----               | <b>Cumulative excess of receipts over expenditure</b>  |          | <b>3614.23</b>   |
| <b>47769.30</b>     | <b>Total</b>   |          | <b>52237.20</b>  |
|                     | <b>Assets</b>  |          |                  |
| <b>32327.74</b>     | <b>Gross Capital Outlay on Fixed Assets -</b>          |          | <b>36823.84</b>  |
| 2190.37             | Investments in shares of Companies, Corporations, etc. | 2908.07  |                  |
| 30137.37            | Other Capital Outlay                                   | 33915.77 |                  |
| <b>3414.21</b>      | <b>Loans and Advances -</b>                            |          | <b>3903.13</b>   |
| 2148.08             | Loans for Power Projects                               | 2355.77  |                  |
| 869.12              | Other Development Loans                                | 1051.15  |                  |
| 397.01              | Loans to Government servants and Miscellaneous loans   | 496.21   |                  |
| <b>9.55</b>         | <b>Advances</b>  |          | <b>9.62</b>      |
| <b>20.37</b>        | <b>Remittance Balances</b>                             |          | <b>11.67</b>     |

| As on<br>31.03.2010 | Assets  |         | As on 31.03.2011 |
|---------------------|---|---------|------------------|
| <b>10004.87</b>     | <b>Cash -</b>   |         |                  |
| ---                 | Cash in Treasuries and Local Remittances                  | ----    | <b>11488.94</b>  |
| -452.91             | Deposits with Reserve Bank                                | -465.38 |                  |
| 48.26               | Departmental Cash Balance including<br>Permanent Advances | 45.52   |                  |
| 1.95                | Security Deposits   | 2.06    |                  |
| 4813.00             | Investment of Earmarked Funds                             | 5023.00 |                  |
| 5594.57             | Cash Balance Investments                                  | 6883.74 |                  |
| <b>1992.56</b>      | <b>Deficit on Government Account -</b>                    |         |                  |
| 3908.22             | (i) Less Revenue Surplus of the current<br>year           | 5606.78 |                  |
| -----               | (ii) Appropriation to Contingency Fund                    |         |                  |
| 5900.78             | Accumulated deficit at the beginning of the<br>year       | 1992.56 |                  |
| <b>47769.30</b>     | <b>Total</b>  |         | <b>52237.20</b>  |

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

Explanatory Notes for Appendices 1.3 and 1.4

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 1.4, 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 ₹193.11 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 ₹ 2.78 crore (Net Credit) which was under reconciliation.(June 2012).

**APPENDIX – 1.9**  
(Refer paragraph 1.10 at page 34)

**Status of Public Private Partnership Projects in Odisha as on 31 March 2012**

| Sl. No             | Name of the project                  | Department/ Agency   | Estimated cost (₹ in crore) | Structure | Present status   |
|--------------------|--------------------------------------|----------------------|-----------------------------|-----------|--|
| (1)                | (2)                                  | (3)                  | (4)                         | (5)       | (6)  |
| <b>Road Sector</b> |                                      |                      |                             |           |  |
| 1                  | Capital region Ring Road(CRRR)       | Works                | 304                         | BOOT      | ECI cleared proposal for appointing Consultant to prepare DPR  |
| 2                  | Bhubaneswar Paradeep                 | Works                | 562                         | BOOT      | ECI cleared the proposal for feasibility study with revised concept  |
| 3                  | 4-laneing of Sambalpur Rourkela Road | Works                | 1483                        | BOT       | High Level Clearance Authority(HLCA) approved proposal to seek VGF assistance from GOI   |
| 4                  | Joda-Bamebari Road                   | Works                | 110                         | BOT       | RFQ issued   |
| 5                  | Koira Tensa Lahunipara Road          | Works                | 392.2                       | BOT-      | 38% VGF required as per NHAH toll rates. Nil Vgf as per Orissa draft policy for mining roads   |
| 6                  | Shaukati-Dubuna Road                 | Works                | -                           | BOT       | Feasibility Study in Progress  |
| 7                  | Tensa- Barsuan                       | Works                | -                           | -         | Feasibility Study in Progress  |
| 8                  | Chorada Duburi Road                  | Works DepttGoO       | -                           | BOT       | Feasibility Study in Progress  |
| 9                  | Palasapanga Bamebari Road            | SPV-KIDCO            | 68                          | BOO       | Construction started. 4 Kms Road completed   |
| <b>Port Sector</b> |                                      |                      |                             |           |  |
| 10                 | Jatadhar Muhan                       | Commerce & Transport | 1432                        | BOOST     | In principle approval accorded for establishing a captive minor port by M/s POSCO. RITES entrusted preparing a draft concession agreement                            |
| 11                 | Chudamani Port                       | Commerce & Transport | 1500                        | BOO       | MOU signed between GOO and Adityabirla Group for development of a captive port .Draft concession agreement being prepared.   |
| 12                 | Astaranga Port*                      | Commerce & Transport | 7417                        | BOOST     | Govt of Orissa signed an MOU with Navayuga Engineering Company Limited Hyderabad on 22 dec 2008.The concession agreement has been signed on 22-11-2010.              |
| 13                 | Dhamara Port*                        | Commerce & Transport | 3639                        | BOOST     | Concession Agreement signed between GOO &M/S International Sea –Port Ltd. Financial closure on 26-3-2007. Construction commenced Mar 2007.Operationalise in May 2011 |
| 14                 | Gopalpur Port*                       | Commerce& Transport  | 1212.55                     | BOOST     | Concession Agreement Signed between Goo & Gopalpur Ports   |

| Sl. No                             | Name of the project   | Department/ Agency  | Estimated cost (₹ in crore) | Structure | Present status   |
|------------------------------------|---|---|-----------------------------|-----------|--|
| (1)                                | (2)   | (3)   | (4)                         | (5)       | (6)  |
|                                    |   |   |                             |           | Ltd  |
| 15                                 | Kirtania port (Subarnarekha Mouth)*                             | Commerce & Transport  | 2345                        | BOOST     | Concession agreement signed between GOO and Creative port pvt ltd. On 11 Jan 2008.A Special purpose company(SPC), namely ,Subarnarekha Port Pvt Ltd formed |
| <b>Urban Infrastructure Sector</b> |   |   |                             |           |  |
| 16                                 | Market cum Residential Complex Saheednagar Enclave BBSR         | BMC- Housing & Urban Development                                | -                           | DBT       | Financial Closure achieved. Residential Component completed.   |
| 17                                 | Commercial Shopping Complex Unit IV BBSR                        | BMC- Housing & Urban Development                                | -                           | DBOO      | Financial Closure achieved. Construction Commenced   |
| 18                                 | A.C Market complex ,UNIT IV BBSR                                | BMC- Housing & Urban Development                                | 20.3                        | DBOT      | Financial Closure achieved. Work Commenced   |
| 19                                 | Integrated Commercial –cum Residential Complex Gajapati Plaza   | Berhampur Development authority, Housing & Urban Dvelopment.    | 9.4                         | DBOOT     | Govt approval accorded to BDA to execute the project(through M/S forum projects Pvt ltd Kolkata) in PPP mode   |
| 20                                 | Integrated Residential township, Suango & Ranasinghpur          | Housing and Urban Development                                   | 493                         | DBT       | Revised RFP advertised   |
| 21                                 | Housing- cum- Commercial complex Patrapada & Ranasinghpur       | Housing and Urban Development                                   | 600                         | DBOOT     | M/s Vipul Ltd selected being the highest bidder.Lease –cum- Development Agreement would be signed after full payment made                                  |
| 22                                 | Integrated Commercial –cum Residential Complex Chandrasekharpur | BDA ,Housing and Urban Development                              | 211                         | BOO       | Govt approval accorded to execute the project through M/s Unitech Ltd.25% of Upfront fees received. Fresh RFP advertised on 12 Nov 2009.                   |
| 23                                 | Development of Integrated Residential Complex at Paikarapur.    | BDA, Housing and Urban Development                              | 163                         | DBOOT     | Bid condition approved by ECI on 6 <sup>th</sup> Oct 2010. ECI accorded approval.RFP advertised Financial bids scheduled for opening on 04.02.2011.        |
| 24                                 | Development of Integrated Residential Project at Damana Chhak   | BDA, Housing and Urban Development                              | -                           | DBOOT     | Bid conditions approved by ECI on 6 <sup>th</sup> Oct 2010.ECI accorded approval.  |
| 25                                 | Development of Integrated Residential Project at Suango         | Housing and Urban Development /Orissa State Housing Board(OSHB) | -                           | DBOOT     | Bid condition approved by ECI on 6 <sup>th</sup> Oct 10 .ECI accorded approval.  |

| Sl. No                 | Name of the project   | Department/ Agency  | Estimated cost (₹ in crore) | Structure  | Present status   |
|------------------------|---|---|-----------------------------|--|--|
| (1)                    | (2)   | (3)   | (4)                         | (5)  | (6)  |
| 26                     | Development of Integrated Residential Complex Shankarpur, BBSR            | BDA, Housing and Urban Development                            | 210                         | DBOOT  | ECI approved- in-principle to go ahead with the project.   |
| 27                     | Biju Pattnaik Udyan   | Housing and Urban Development & Cuttack Development Authority | -                           | Maintain-Build-Operate – Transfer                                | In Principle approval of ECI is accorded to go ahead with the Project  |
| 28                     | Integrated Residential Township at Ranasinghpur                           | Housing and Urban Development                                 | -                           | DBT  | The project has been cleared in-principle by 14th ECI dated 23.06.2011   |
| 29                     | Integrated Residential township at Patrapada (6.589 acres)                | Housing and Urban Development                                 | -                           | DBT  | The project has been cleared in-principle by 14th ECI dated 23.06.2011   |
| 30                     | Bulk Water Supply Project for IIT, NISER, Inforcity-II and adjoining area | Housing and Urban Development                                 | -                           | -  | ECI accorded in-principle approval to the project and issue of RfQ documents.  |
| <b>Air Port Sector</b> |   |   |                             |  |  |
| 31                     | Jharsuguda airport  | GA  | 90                          | BOOT   | Feasibility Study Undertaken   |
| <b>Health Sector</b>   |   |   |                             |  |  |
| 32                     | Magnetic Radio Imaging Centre   | Health and Family Welfare                                     | -                           | BOT  | ECI approved in-principle to go ahead with the project.  |
| 33                     | Emergency Medical Ambulance Service                                       | -do-  | -                           | O&M  | 11th ECI on 03.12.2010 decided to cover 5 district in the first phase.   |
| 34                     | Management of Health Institutions   | -do-  | -                           | O&M  | Operational.   |
| <b>Other Sector</b>    |   |   |                             |  |  |
| 35                     | E-registration system   | Revenue   | 63                          | BOOT   | Implemented at 175 out of 177 Registration Offices. Steps being taken to implement at Chitrokonda & Motu in Malkanagiri district & Debidol in Jagatsinghpur district |
| 36                     | Mahodahinibasa Hotel with Heritage Look & Feel                            | Tourism & Orissa Tourism Development Corporation              | 48.70                       | Design, renovate, augment, finance, operate, maintain & transfer | The existing structure has been renovated & operationalised  |



| Sl. No | Name of the project   | Department/ Agency                                   | Estimated cost (₹ in crore) | Structure  | Present status   |
|--------|---|--|-----------------------------|--|--|
| (1)    | (2)   | (3)  | (4)                         | (5)  | (6)  |
| 37     | Operation of Hop-on-Hop off Tourist Bus   | Tourism & OTDC                                       | -                           | O&M  | Due to poor response & capacity utilisation, the project closed.   |
| 38     | OTDC Eco-Resort Project   | OTDC   | 3                           | Upgrade, Operate, Maintain, Manage, Share and Transfer | The project has been upgraded with 27 cottages along with other facilities and has been operationalized.   |
| 39     | Orissa Tourism Portal Operation & Management  | Tourism, Tourism Development Corporation (OTDC)      | -                           | Operation, Maintenance & Marketing                     |  |
| 40     | Biotech park (Konark Knowledge Park)  | Industry, Science & Technology                       | 93.32                       | DBOT   | Letter of intent issued by IDCO to M/s Bharat Biotec   |
| 41     | Setting up of ITIs/ITCs   | Industry   | 64                          | BOO  | Upgraded 12 ITIs sanctioned @Rs.2.5 cr per ITI as interest free loan.Establishment of residential ITC at unrepresented blocks-26 Industries/ PSU have signed MOU with GOO under Kausal Vikash Yojana of GOI/MOLE,91 ITIs & 415 SDCs are to be established. |
| 42     | IT & Commercial Complex Rourkela  | Industry /IDCO                                       | 76.06                       | BOOT   | LOI issued on 27 <sup>th</sup> jun 2008.Project awarded to M/s Forum Mart after transparent bidding.Under execution  |
| 43     | Haridaspur-Paradeep BG Rail link  | Industry / Industrial Development Corporation (IDCO) | 594.34                      | DBOT   | Equit contribution of Rs. 1.80 Crore paid by IDCO in two phases. SPV formed between Rail Vikas Nigam & User Industries. Under execution.   |
| 44     | Shamuka 4 hotels Project (4/5 Star Hotels)  | Tourism  | -                           | DBFOOT   | Last date of receipt of bid was 20.1.2010. No bid was received.Govt decision on rebid is awaited   |
| 45     | Shamuka Master Developer Project  | Tourism  | -                           | DBFOOT   | Revised RFP approved by ECI on 30 sept 2008  |
| 46     | Modern bus terminal along with Commercial Facilities.Cuttack, Bbsr Dhenkanal and anugul | Commerce and Transport                               | -                           | Design Finance, Construct, Operate and Maintain        | RFP published on 14 dec - 2009.Bid process completed. Baramunda & Dhenkanal  |
| 47     | Mindspace It park   | Industry/ IDCO                                       | 480                         | BOOT   | Project awarded to Ms K Raheja Corp. Agreement signed Land transfer Pending  |
| 48     | IT& Corporate Tower Chandrasekharpur  | Industry/ IDCO                                       | 140                         | BOOT   | Prequalification of 15 bidders made in march 2007 through RFQ.   |
| 49     | Info park Bbsr  | Industry   | 500                         | BOOT   | Project awarded to M/s DLF   |

| Sl. No | Name of the project                                     | Department/ Agency                             | Estimated cost (₹ in crore) | Structure  | Present status  |
|--------|---|--|-----------------------------|--|---|
| (1)    | (2)   | (3)  | (4)                         | (5)  | (6)   |
|        |   | /IDCO  |                             |  | Limited   |
| 50     | SEZ-IT/ITES/BPO MANCHESWAR BHUBANESWAR                  | Industry/ IDCO                                 | 352.03                      | BOOT   | Modalities for land transfer from IDCOL to IDCOL are underway.              |
| 51     | It & Commercial Complex Berhampur                       | Industry/ IDCO                                 | -                           | BOOT   | Bidding process to commence after change of land                            |
| 52     | Knowledge Park SEZ with Integrated Township             | Industry/ IDCO                                 | 35.67                       | BOOT/JV  | Empowered Committee constituted vide Resolution No 8737 Dated 07-06-2008    |
| 53     | Multiple product SEZ,Paradeep                           | Industry                                       | 712                         | BOOT   | Land Under aquisition   |
| 54     | Angul-DuburiSukinda rail Link                           | Commerce and Transport                         | 417.47                      | BOT  | Formation of Spv in progress  |
| 55     | Gunpur – Theruvalli Rail Link                           | Commerce and Transport                         | 151                         | BOT  | Formation of Spv in progress  |
| 56     | OTDC Resturant Project                                  | Tourism /OTDC                                  | -                           | Upgrade,Develop,Operate Maintain, Share and Transfer | Bid condition approved  |
| 57     | OTDC Spa Project  | Tourism /Tourism Dev. Corpn. (OTDC)            | -                           | Upgrade,Develop,Operate Maintain, Share and Transfer | Bid conditions approved by ECI  |
| 58     | 31 Tourism Property                                     | Tourism /Tourism Dev. Corpn. (OTDC)            | -                           | Lease, Develop, Upgrade                              | Bid Process for Lease-cum-Development presented to ECI                      |
| 59     | Rural Multiplex   | Panchayati Raj & PPP Cell                      |                             | BOO  | Expression of Interest for Selection of Transaction Advisor being finalised |
| 60     | City Surveilance System                                 | Commissioner of Police, Bhubaneswar & PPP Cell | -                           | BOO  | Preparation of DPR in Progress.   |
| 61     | Modern Bus Terminals along with Commercial Facilities   | Transport Department                           | -                           | Design Finance, Construct                            | Bidding. (RFP published on 10-02-2010 to be re-bid)                         |
| 62     | Driving Training Institute                              | -do-   | -                           | BOO  | Bid process completed. RFP for O&M advertised on 10.03.2010.                |
| 63     | Eco-campus, Baliput                                     | Tourism and Culture                            | -                           | DOM&M  | Invitation for proposal advertised on 01.12.2009. No response was received. |
| 64     | Development and operation of Public aquarium project    | -do-   | -                           | BOT  | ECI in its 17th meeting accorded in-principle approval.                     |
| 65     | Convention Centre with 3-Star or above category at Puri | -do-   | -                           | DBFOMT   | ECI approved in-principle on 27.10.2010.                                    |

## Appendices

| Sl. No | Name of the project                                | Department/ Agency | Estimated cost (₹ in crore) | Structure | Present status  |
|--------|--|--------------------|-----------------------------|-----------|---|
| (1)    | (2)  | (3)                | (4)                         | (5)       | (6)   |
| 66     | Water Sports at Tourist Destination                | -do-               | -                           | DOM       | ECI approved in-principle on 27.10.2010.  |
| 67     | Wayside Amenities Centre                           | -do-               | -                           | BOM       | ECI approved in-principle on 27.10.2010.  |
| 68     | Multimedia Laser Show at Dhauli                    | -do-               | -                           | DBFOMT    | ECI approved in-principle on 27.10.2010.  |
| 69     | Houseboat facility on water bodies in 15 locations | -do-               | -                           | BOT       | ECI in its 17th meeting accorded in-principle approval.   |
| 70     | Computerized Checking system at Border Check gates | Finance Department | -                           | DBFOT     | ECI approved the project on 03.12.2010 and decided to invite challenge bids under the Swiss Challenge Route. Bid process Completed. |

**Source:** Planning and Co-ordination Department (PPP Cell)

\*The revised estimated cost of four port projects i.e Dhamara, Gopalpur, Kirtania and Astaranga incorporated according to Government of Odisha Commerce and Transport Department Letter No 5973 Dated 20-07-2012.

**APPENDIX – 2.1**  
(Refer paragraph 2.3.1 at page 40)

**Statement of various grants/appropriations where saving was more than ₹ 10 crore in each case and more than 20 per cent of the total provision**

| (₹ in crore)             |          |  |                            |                |              |
|--------------------------|----------|--|----------------------------|----------------|--------------|
| Sl. No.                  | Grant No | Name of the Grant/Appropriation            | Total Grant/ Appropriation | Savings        | Percentage   |
| (1)                      | (2)      | (3)  | (4)                        | (5)            | (6)          |
| <b>Revenue (Charged)</b> |          |  |                            |                |              |
| 1                        | 2049     | Interest Payments                          | 4047.33                    | 1470.90        | 36.34        |
| <b>Revenue (Voted)</b>   |          |  |                            |                |              |
| 2                        | 8        | Orissa Legislative Assembly                | 61.15                      | 27.95          | 45.71        |
| 3                        | 15       | Sports and Youth Services                  | 45.94                      | 13.08          | 28.47        |
| 4                        | 19       | Industries Department                      | 303.80                     | 103.96         | 34.22        |
| 5                        | 32       | Tourism and Culture                        | 76.60                      | 18.17          | 23.72        |
| 6                        | 37       | Information and Technology                 | 111.17                     | 46.66          | 41.97        |
| <b>Capital (Voted)</b>   |          |  |                            |                |              |
| 7                        | 2        | General Administration                     | 42.36                      | 34.88          | 82.34        |
| 8                        | 7        | Works                                      | 1165.87                    | 234.87         | 20.15        |
| 9                        | 10       | School and Mass Education                  | 216.47                     | 175.70         | 81.17        |
| 10                       | 13       | Housing and Urban Development              | 380.50                     | 112.77         | 29.64        |
| 11                       | 16       | Planning and Co-ordination                 | 263.22                     | 102.15         | 38.81        |
| 12                       | 19       | Industries                                 | 184.01                     | 133.44         | 72.52        |
| 13                       | 20       | Water Resources                            | 2212.16                    | 457.77         | 20.69        |
| 14                       | 30       | Energy Department                          | 502.00                     | 105.08         | 20.93        |
| 15                       | 33       | Fisheries and Animal Resources Development | 43.81                      | 29.04          | 66.29        |
| 16                       | 34       | Co-operation                               | 177.22                     | 152.87         | 86.26        |
| <b>Total</b>             |          |  | <b>9833.61</b>             | <b>3219.29</b> | <b>32.74</b> |

Source: Appropriation Accounts 2011-12

**APPENDIX – 2.2**  
(Refer paragraph 2.3.2 at page 43)

**List of Grants indicating persistent savings during 2007-12**

(₹ in crore)

| Sl No                    | Number of the Grant and name of the Department | Amount of savings |                 |                 |                 |                 |
|--------------------------|--|-------------------|-----------------|-----------------|-----------------|-----------------|
|                          |  | 2007-08           | 2008-09         | 2009-10         | 2010-11         | 2011-12         |
| <b>Revenue (Charged)</b> |  |                   |                 |                 |                 |                 |
| 1                        | 2049- Interest Payments                        | 879.63<br>(22)    | 1422.49<br>(33) | 1548.43<br>(34) | 890.66<br>(23)  | 1470.90<br>(36) |
| <b>Revenue (Voted)</b>   |  |                   |                 |                 |                 |                 |
| 2                        | 1-Home   | 40.88<br>(5)      | 141.86<br>(11)  | 170.68<br>(11)  | 122.58<br>(7)   | 188.84<br>(10)  |
| 3                        | 3-Revenue                                      | 441.84<br>(35)    | 2488.20<br>(74) | 604.97<br>(47)  | 702.40<br>(38)  | 701.91<br>(17)  |
| 4                        | 5-Finance                                      | 323.42<br>(15)    | 1661.87<br>(43) | 889.31<br>(21)  | 1484.09<br>(26) | 1061.41<br>(18) |
| 5                        | 10-School an Mass Education                    | 94.28<br>(4)      | 425.77<br>(11)  | 624.83<br>(13)  | 846.07<br>(16)  | 418.64<br>(8)   |
| 6                        | 11-ST, SC, OBC and Minorities Development      | 55.94<br>(10)     | 74.78<br>(11)   | 107.14<br>(13)  | 83.40<br>(9)    | 79.25<br>(7)    |
| 7                        | 12-Health and Family Welfare                   | 127.73<br>(15)    | 313.57<br>(26)  | 466.95<br>(29)  | 341.03<br>(22)  | 180.54<br>(12)  |
| 8                        | 13-Housing and Urban Development               | 26.08<br>(3)      | 60.29<br>(8)    | 160.91<br>(15)  | 105.82<br>(10)  | 212.74<br>(17)  |
| 9                        | 16-Planning and Co-ordination                  | 19.94<br>(5)      | 16.61<br>(3)    | 37.57<br>(7)    | 111.95<br>(24)  | 65.18<br>(5)    |
| 10                       | 17-Panchayati Raj                              | 194.34<br>(17)    | 133.58<br>(9)   | 227.22<br>(15)  | 38.95<br>(2)    | 190.20<br>(8)   |
| 11                       | 19-Industries                                  | 13.01<br>(9)      | 19.31<br>(13)   | 34.16<br>(18)   | 79.37<br>(30)   | 103.96<br>(34)  |
| 12                       | 20-Water Resources                             | 19.09<br>(4)      | 103.34<br>(15)  | 135.27<br>(17)  | 139.12<br>(15)  | 179.54<br>(17)  |
| 13                       | 22-Forest and Environment                      | 38.18<br>(14)     | 50.49<br>(14)   | 54.99<br>(14)   | 38.91<br>(10)   | 42.57<br>(11)   |
| 14                       | 33-Fisheries and Animal Resources Development  | 35.84<br>(20)     | 55.86<br>(20)   | 69.49<br>(24)   | 60.79<br>(19)   | 55.43<br>(16)   |
| 15                       | 36-Women and Child Development                 | 238.13<br>(18)    | 151.16<br>(9)   | 388.80<br>(19)  | 369.05<br>(15)  | 273.32<br>(8)   |
| 16                       | 38-Higher Education                            | 14.09<br>(3)      | 63.44<br>(10)   | 58.14<br>(6)    | 27.81<br>(2)    | 26.55<br>(2)    |
| <b>Capital (Voted)</b>   |  |                   |                 |                 |                 |                 |
| 17                       | 1-Home   | 24.80<br>(25)     | 18.12<br>(13)   | 60.01<br>(42)   | 20.51<br>(10)   | 39.12<br>(15)   |
| 18                       | 7-Works  | 210.31<br>(30)    | 195.82<br>(17)  | 91.98<br>(11)   | 186.92<br>(16)  | 234.87<br>(20)  |
| 19                       | 20-Water Resources                             | 98.02<br>(6)      | 242.05<br>(14)  | 383.69<br>(20)  | 453.47<br>(22)  | 457.77<br>(21)  |

**Source:** Appropriation Accounts for the respective years

**Note:** Figures in brackets represent percentage to total grants

## APPENDIX – 2.3

(Refer paragraph 2.3.3 at page 43)

Statement showing various grants/appropriations where expenditure was more than by ₹ 10 crore in each case or more than 20 per cent of the total provision

(₹ 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)                              |
| <b>Capital (Charged)</b> |              |   |                            |               |                              |                                  |
| 1                        | 6004         | Loans and Advances from the Central Government (Finance Department) | 484.84                     | 546.69        | 61.85                        | 12.76                            |
| <b>Capital (Voted)</b>   |              |   |                            |               |                              |                                  |
| 2                        | 5            | Finance   | 191.14                     | 280.91        | 89.77                        | 46.97                            |
| <b>Total</b>             |              |   | <b>675.98</b>              | <b>827.60</b> | <b>151.62</b>                | <b>22.43</b>                     |

Source: Appropriation Accounts 2011-12

**APPENDIX – 2.4**  
(Refer paragraph 2.3.6 at page 44)

**Excess over provisions relating to previous years requiring regularisation**

| Year         | Number of |                | Grant/ Appropriation numbers   | Amount of excess<br>( ₹ in crore) |
|--------------|-----------|----------------|--|-----------------------------------|
|              | Grants    | Appropriations |  |                                   |
| 1996-97      | 6         | 1              | 3-Revenue, 6-Commerce, 7-Works, 22-Forest and Environment, 28-Rural Development, 29-Parliamentary Affairs, 6003- Internal Debt of the State Government   | 616.67                            |
| 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   | 0.00<br>(₹25000/-)                |
| 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  | 15.04                             |
| 2008-09      | 3         | -              | 08-Orissa Legislative Assembly, 28-Rural Development , 34- Co-operation  | 1.07                              |
| 2009-10      | 4         | -              | 05-Finance, 17-Panchayati Raj, 28- Rural Development, 35-Public Enterprises.   | 0.17                              |
| 2010-11      | 4         | 1              | 07-Works, 22-Forest and Environment, 23-Agriculture, 28-Rural Development, 6004-Loans and Advances from Central Government   | 428.51                            |
| <b>Total</b> | <b>64</b> | <b>11</b>      |  | <b>10145.25</b>                   |

**Source:** Appropriation Accounts of respective years and information available in the Office of the Accountant General (G&SSA)

**APPENDIX – 2.5**  
(Refer paragraph 2.3.8 at page 47)

**Statement showing cases where supplementary provision (₹ 1crore or more in each case)  
proved unnecessary**

(₹ in crore)

|                            | Number and Name of the Grant         | Original Provision | Actual expenditure | Savings out of Original provision | Supplementary provision |
|----------------------------|--------------------------------------|--------------------|--------------------|-----------------------------------|-------------------------|
| <b>A Revenue (Charged)</b> |                                      |                    |                    |                                   |                         |
| 1                          | 1-Home                               | 31.71              | 28.94              | 2.77                              | 2.37                    |
| <b>Total for Charged</b>   |                                      | <b>31.71</b>       | <b>28.94</b>       | <b>2.77</b>                       | <b>2.37</b>             |
| <b>A Revenue (Voted)</b>   |                                      |                    |                    |                                   |                         |
| 2                          | 1-Home                               | 1842.68            | 1787.74            | 54.94                             | 133.90                  |
| 3                          | 4-Law                                | 175.08             | 149.22             | 25.86                             | 5.39                    |
| 4                          | 6-Commerce                           | 50.14              | 50.11              | 0.03                              | 1.41                    |
| 5                          | 7-Works                              | 987.14             | 952.82             | 34.32                             | 17.82                   |
| 6                          | 9-Food Supplies and Consumer Welfare | 1026.32            | 1019.88            | 6.44                              | 16.42                   |
| 7                          | 10-School and Mass Education         | 5098.95            | 4893.26            | 205.69                            | 212.96                  |
| 8                          | 12-Health and Family Welfare         | 1451.59            | 1313.50            | 138.09                            | 42.46                   |
| 9                          | 13-Housing and Urban Development     | 1200.24            | 1018.57            | 181.67                            | 31.06                   |
| 10                         | 15-Sports and Youth Services         | 38.85              | 32.85              | 6.00                              | 7.09                    |
| 11                         | 19-Industries                        | 253.55             | 199.84             | 53.71                             | 50.25                   |
| 12                         | 20-Water Resources                   | 1043.00            | 901.14             | 141.86                            | 37.68                   |
| 13                         | 21-Transport                         | 37.77              | 36.62              | 1.15                              | 1.98                    |
| 14                         | 22-Forest and Environment            | 351.55             | 334.53             | 17.02                             | 25.55                   |
| 15                         | 24-Steel and Mines                   | 39.19              | 37.30              | 1.89                              | 1.12                    |
| 16                         | 26-Excise                            | 45.05              | 40.02              | 5.03                              | 2.84                    |
| 17                         | 28-Rural Development                 | 938.34             | 894.74             | 43.60                             | 6.86                    |
| 18                         | 32-Tourism and Culture               | 70.42              | 58.43              | 11.99                             | 6.18                    |
| 19                         | 33-Fisheries and Animal Resources    | 333.89             | 280.67             | 53.22                             | 2.21                    |
| <b>Total for (Voted)</b>   |                                      | <b>14983.75</b>    | <b>14001.24</b>    | <b>982.51</b>                     | <b>603.18</b>           |
| <b>Total for Revenue</b>   |                                      | <b>15015.46</b>    | <b>14030.18</b>    | <b>985.28</b>                     | <b>605.55</b>           |
| <b>B Capital (Voted)</b>   |                                      |                    |                    |                                   |                         |
| 20                         | 7-Works                              | 1139.16            | 931.00             | 208.16                            | 26.71                   |
| 21                         | 19-Industries                        | 148.91             | 50.57              | 98.34                             | 35.10                   |
| 22                         | 20-Water Resources                   | 2210.90            | 1754.39            | 456.51                            | 1.26                    |
| 23                         | 28-Rural Development                 | 619.00             | 501.31             | 117.69                            | 2.06                    |
| 24                         | 34-Co-operation                      | 27.22              | 24.35              | 2.87                              | 150.00                  |
| <b>Total for Capital</b>   |                                      | <b>4145.19</b>     | <b>3261.62</b>     | <b>883.57</b>                     | <b>215.13</b>           |
| <b>Grand Total</b>         |                                      | <b>19160.65</b>    | <b>17291.80</b>    | <b>1868.85</b>                    | <b>820.68</b>           |

Source: Appropriation Accounts 2011-12



**APPENDIX – 2.6**  
(Refer paragraph 2.3.8 at page 47)

**Statement showing cases where supplementary provision (₹ 1 crore or more in each case) proved excessive**

(₹ in crore)

| Sl.No                    | Number and Name of the Grant   | Original Provision | Supplementary provision | Total Provision | Actual expenditure | Excess Supplementary provision |
|--------------------------|--|--------------------|-------------------------|-----------------|--------------------|--------------------------------|
| <b>Revenue (Voted)</b>   |  |                    |                         |                 |                    |                                |
| 1                        | 2-General Administration   | 95.56              | 18.72                   | 114.28          | 110.60             | 3.68                           |
| 2                        | 3-Revenue  | 2577.07            | 1454.35                 | 4031.42         | 3329.51            | 701.91                         |
| 3                        | 11-Scheduled Tribes & Scheduled Castes Development and Minorities & Backward Classes | 1013.74            | 104.24                  | 1117.98         | 1038.73            | 79.25                          |
| 4                        | 16-Planning and Co-ordination  | 966.78             | 375.74                  | 1342.52         | 1277.34            | 65.18                          |
| 5                        | 17-Panchayati Raj  | 2181.74            | 244.34                  | 2426.08         | 2235.88            | 190.20                         |
| 6                        | 23-Agriculture   | 1167.84            | 209.42                  | 1377.26         | 1324.83            | 52.43                          |
| 7                        | 29-Parliamentary Affairs   | 17.79              | 2.19                    | 19.98           | 18.06              | 1.92                           |
| 8                        | 31-Textile and Handloom  | 101.84             | 5.78                    | 107.62          | 103.24             | 4.38                           |
| 9                        | 34-Co-operation  | 170.92             | 138.08                  | 309.00          | 258.80             | 50.20                          |
| 10                       | 36-Women and Child Development   | 2517.50            | 789.10                  | 3306.60         | 3033.28            | 273.32                         |
| 11                       | 38-Higher Education  | 1100.25            | 90.79                   | 1191.04         | 1164.49            | 26.55                          |
| <b>Total for Revenue</b> |  | <b>11911.03</b>    | <b>3432.75</b>          | <b>15343.78</b> | <b>13894.76</b>    | <b>1449.02</b>                 |
| <b>Capital (Voted)</b>   |  |                    |                         |                 |                    |                                |
| 12                       | 01-Home  | 150.20             | 109.34                  | 259.54          | 220.42             | 39.12                          |
| 13                       | 11-Scheduled Tribes & Scheduled Castes Development and Minorities & Backward Classes | 272.59             | 40.05                   | 312.64          | 289.89             | 22.75                          |
| 14                       | 22-Forest and Environment  | 258.03             | 34.45                   | 292.48          | 282.09             | 10.39                          |
| <b>Total for Capital</b> |  | <b>680.82</b>      | <b>183.84</b>           | <b>864.66</b>   | <b>792.40</b>      | <b>72.26</b>                   |
| <b>Grand Total</b>       |  | <b>12591.85</b>    | <b>3616.59</b>          | <b>16208.44</b> | <b>14687.16</b>    | <b>1521.28</b>                 |

Source: Appropriation Accounts 2011-12

## APPENDIX – 2.7

(Refer paragraph 2.3.9 at page 47)

## Statement showing excess / unnecessary re-appropriation of funds

(₹ in crore)

| Sl. No. | Grant No.                                 | Description   | Net Re-appropriation | Final Excess(+)<br>/ Saving(-) |
|---------|---|---|----------------------|--------------------------------|
| 1       | 01-Home                                   | 2055-Police-109-District Police-0321-District Organisation  | 0.19                 | -1.26                          |
| 2       | 02-General Administration                 | 5053-Capital outlay on Civil Aviation-60-Other Aeronautical Services-800-Other Expenditure-0035-Air Craft Establishment   | -0.12                | -3.33                          |
| 3       | 03-Revenue                                | 2245-Relief on account of Natural Calamities-80-General-800-Other Expenditure-0836-Lump Provision for other Works   | -249.22              | -16.68                         |
| 4       | 07-Works                                  | 5054-Capital Outlay on Roads and Bridges-03-State Highways-337- Road Works-1994-Orissa State Roads Project-Road Improvement Component(EAP)  | -17.66               | -7.01                          |
| 5       | 07-Works                                  | 5054-Capital Outlay on Roads and Bridges-04-District and Other Roads-800-Other Expenditure-2161-Rural Infrastructure Development Fund (RIDF)  | -27.95               | -1.74                          |
| 6       | 10-School and Mass Education              | 2202-General Education-01-Elementary Education-101-Government Primary Schools -0556-Government Upper Primary Schools  | -25.50               | -4.99                          |
| 7       | 10-School and Mass Education              | 2202-General Education-01-Elementary Education-101-Government Primary Schools-2401-Grants to Zilla Parishad for Primary School Teachers transferred from Sikhya Sahayak Cadre                                       | 134.50               | -11.30                         |
| 8       | 11-ST, SC, OBC and Minorities Development | 2225- Welfare of Schedule Castes, Scheduled Tribes and Other Backward Classes- State Plan -02-Welfare of Scheduled Tribes-277-Education-0633-High Schools   | -1.31                | -1.28                          |
| 9       | 13-Housing and Urban Development          | 3604-Compensation and Assignments to Local Bodies and Panchayati Raj Institutions-Non Plan-191-Assistance to Municipal Corporations-2664-Compensation and Assignment under 3 <sup>rd</sup> State Finance Commission | -12.12               | -1.40                          |
| 10      | 20-Water Resources                        | 2700-Major Irrigation-Non Plan-05-Mahanadi Birupa Barrage Project- Commercial-101-Maintenance and Repair-0851- Maintenance and Repair   | 1.74                 | -1.12                          |
| 11      | 20-Water Resources                        | 2700-Major Irrigation-Non Plan-07Potteru Irrigation Project-Commercial- 101-Maintenance and Repair-0851-Maintenance and Repair  | 0.01                 | -1.41                          |
| 12      | 20-Water Resources                        | 2701-Medium Irrigation-Non Plan-38-Sunei Irrigation Project-Commercial-101-Maintenance and Repair-0851-Maintenance and Repair   | 0.92                 | -2.13                          |
| 13      | 20-Water Resources                        | 2705-Command Area Development-State Plan-789-Special Component Plan for Scheduled Castes-0594-GIA to Command Area Devp. Authority for Construction of field channels  | -0.46                | -5.40                          |
| 14      | 20-Water Resources                        | 4700-Capital Outlay on Major Irrigation-State Plan-11-Upper Indravati Irrigation Project-Commercial -789- Special Component Pan for Scheduled Castes-2160-Accelerated Irrigation Benefit Programme (AIBP)           | 0.54                 | -4.55                          |
| 15      | 20-Water Resources                        | 4700-Capital Outlay on Major Irrigation-State Plan-19-Rengali Irrigation Project-Commercial -789- Special Component Pan for Scheduled Castes-2176-JBIC; Assisted Rengali Irrigation Project (EAP)-Phase-I           | 17.86                | -4.55                          |
| 16      | 20-Water Resources                        | 4700-Capital Outlay on Major Irrigation-State Plan-19-Rengali Irrigation Project-Commercial -800-Other Expenditure-2160-Accelerated Irrigation Benefit Programme (AIBP)   | -24.29               | -2.03                          |
| 17      | 20-Water Resources                        | 4701-Capital Outlay on Medium Irrigation-State Plan-80-General-800-Other Expenditure-2487-Capacity Building for RIDF/Other Projects   | -1.20                | -8.31                          |
| 18      | 20-Water Resources                        | 4701-Capital Outlay on Medium Irrigation-State Plan-80-General-800-Other Expenditure-2535-Construction of control structure for instream storage schemes-check dam  | -4.54                | -2.16                          |

| Sl. No. | Grant No.                                 | Description   | Net Re-appropriation | Final Excess(+)<br>/ Saving( -) |
|---------|---|---|----------------------|---------------------------------|
| 19      | 20-Water Resources                        | 4701-Capital Outlay on Mediem Irrigation-State Plan-97-Other Pipeline Projects-Commercial-800- Other Expenditure-2161-Rural Infrastructure Development Fund (RIDF)                    | -8.68                | -3.18                           |
| 20      | 20-Water Resources                        | 4701-Capital Outlay on Mediem Irrigation-State Plan, State Sector-97-Other Pipeline Projects-Commercial-800- Other Expenditure-2622-Hirakud Command Area Development under RIDF       | -1.00                | -2.00                           |
| 21      | 20-Water Resources                        | 4702-Capital Outlay on Minor Irrigation-State Plan, District Sector-800-Other Expenditure- 2535- Construction of control structure for instream storage schemes-check dam             | -66.63               | -2.55                           |
| 22      | 20-Water Resources                        | 4711-Capital Outlay on Flood Control Projects-State Plan-State Sector-01-Flood Control-103-Civil Works-0101-Bank Protection works on River Embankments                                | -0.35                | -1.30                           |
| 23      | 20-Water Resources                        | 4711-Capital Outlay on Flood Control Projects-State Plan-State Sector-01-Flood Control-103-Civil Works-2161-Rural Infrastructure Development Fund (RIDF)                              | -1.25                | -4.85                           |
| 24      | 30-Energy                                 | 4801-Capital Outlay on Power Projects-State Plan-District Sector-06-Rural Electirfication-789-Special Component Plan for Scheduled Castes-2055-Biju Grama Jyoti                       | 6.00                 | -1.34                           |
| 25      | 30-Energy                                 | 4801-Capital Outlay on Power Projects-State Plan-District Sector-06-Rural Electirfication-800-Other Expenditure-2055-Biju Grama Jyoti   | 17.36                | -1.20                           |
| 26      | 38-Higher Education                       | 2204-Sports and Youth Services-Centrally Sponsored Plan-State Sector-102-Youth Welfare Programmes for Students-0964-National Service Scheme   | -0.41                | -1.89                           |
|         |   |   | <b>-263.57</b>       | <b>-98.96</b>                   |
| 27      | 01-Home                                   | 2014-Administration of Justice-105-Civil and Session Courts-1270-Separation of Judiciary from Executive   | -0.01                | 1.51                            |
| 28      | 03-Revenue                                | 2245-Relief on account of Natural Calamities-01-Drought-800-Other Expenditure-1018-Other items.   | 0.35                 | 1.36                            |
| 29      | 03-Revenue                                | 2245-Relief on account of Natural Calamities-02-Floods, Cyclone etc.-101-Gratuitous Relief-0922-Miscellaneous   | 3.13                 | 3.00                            |
| 30      | 03-Revenue                                | 2245-Relief on account of Natural Calamities-02-Floods, Cyclone etc.-113-Assistance for repairs/reconstruction of Houses-1192-Repair, Renovation and Restoration                      | 21.44                | 4.30                            |
| 31      | 04-Law                                    | 2014-Administration of Justice-105-Civil and Session Courts-0145A-(D04)Civil and Session Court  | -2.85                | 6.07                            |
| 32      | 05-Finance                                | 2071-Pensions and Other Retirement Benefits-01-Civil-109-Pensions to Employees of State Aided Educational Institutions-1766-Contribution Pension Scheme                               | -5.83                | 4.27                            |
| 33      | 05-Finance                                | 7610-Loans to Government Servants etc.-800-Other Advances-1018-Other Items  | 68.64                | 89.77                           |
| 34      | 07-Works                                  | 2059-Public Works-80-General-053-Maintenance and Repairs-1645-Maintenance of Non-Residential Buildings under Chief Engineer, Roads and Buildings                                      | -2.31                | 2.33                            |
| 35      | 07-Works                                  | 2216-Housing-05-General Pool Accomodation-053-Maintenance and Repairs-0848-Maintenance and Repair of Govt. Residential Buildings  | 1.88                 | 2.13                            |
| 36      | 10-School and Mass Education              | 2202-General Education-01-Elementary Education-101-Government Primary Schools-0538-General Primary Schools  | -113.96              | 3.04                            |
| 37      | 10-School and Mass Education              | 2202-General Education-01-Elementary Education-104-Inspection-0534-General  | -4.00                | 11.36                           |
| 38      | 10-School and Mass Education              | 2202-General Education-02-Secondary Education-109-Government Secondary Schools-1261-Secondary Schools   | -119.81              | 14.22                           |
| 39      | 11-ST, SC, OBC and Minorities Development | 2225-Welfare of Schedule Castes, Scheduled Tribes and Other Backward Classes- Central Plan -02-Welfare of Scheduled Tribes-277-Education-2367-Scholarship and Stipend for ST Students | -0.18                | 1.40                            |
| 40      | 20-Water Resources                        | 2700-Major Irrigation-Non Plan-08-Rengali Dam Project-Commercial-101-Maintenance and Repair-0851-Maintenance and Repair   | -0.20                | 3.63                            |
| 41      | 20-Water Resources                        | 2700-Major Irrigation-Non Plan-12-Upper Kolab Irrigation Project-Commercial-101-Maintenance and Repair-0851-Maintenance and Repair  | 0.43                 | 1.55                            |
| 42      | 20-Water                                  | 2700-Major Irrigation-Non Plan-80-General-001-Direction and Administration-0456-Executive Engineers-  | 1.84                 | 1.88                            |

| Sl. No. | Grant No.                                  | Description  | Net Re-appropriation | Final Excess(+)<br>/ Saving( -) |
|---------|--|--|----------------------|---------------------------------|
|         | Resources                                  | Establishment  |                      |                                 |
| 43      | 20-Water Resources                         | 4700-Capital Outlay on Major Irrigation-State Plan-01-Anandapur Barrage-Commercial-789-Special Component Pan for Scheduled Castes-2160-Accelerated Irrigation Benefit Programme (AIBP)             | 3.18                 | 9.19                            |
| 44      | 20-Water Resources                         | 4700-Capital Outlay on Major Irrigation-State Plan-01-Anandapur Barrage-Commercial-800-Other Expenditure-2160-Accelerated Irrigation Benefit Programme (AIBP)                                      | -3.06                | 20.12                           |
| 45      | 20-Water Resources                         | 4700-Capital Outlay on Major Irrigation-State Plan-19-Rengali Irrigation Project-Commercial -789- Special Component Pan for Scheduled Castes-2160-Accelerated Irrigation Benefit Programme (AIBP)  | -39.18               | 2.44                            |
| 46      | 20-Water Resources                         | 4700-Capital Outlay on Major Irrigation-State Plan-19-Rengali Irrigation Project-Commercial -800-Other Expenditure-2176-JBIC; Assisted Rengali Irrigation Project (EAP)-Phase-I                    | 14.32                | 3.30                            |
| 47      | 20-Water Resources                         | 4702-Capital Outlay on Minor Irrigation-State Plan, District Sector-789- Special Component Pan for Scheduled Castes-2535- Construction of control structure for instream storage schemes-check dam | 1.00                 | 21.14                           |
| 48      | 20-Water Resources                         | 4711-Capital Outlay on Flood Control Projects-State Plan-State Sector-01-Flood Control-789- Special Component Pan for Scheduled Castes -2161-Rural Infrastructure Development Fund (RIDF)          | -0.50                | 1.48                            |
| 49      | 22-Forest and Environment                  | 2406-Forestry and Wild Life-Non Plan-01-Forestry-101-Forest Conservation, Development and Regeneration-0484-Field Establishment (Division Office)  | 0.27                 | 1.66                            |
| 50      | 23-Agriculture                             | 2401-Crop Husbandry-State Plan-State Sector-800-Other Expenditure-1755-Support to State Extension Programme for Extension Reforms  | -1.59                | 1.59                            |
| 51      | 23-Agriculture                             | 2401-Crop Husbandry-State Plan-District Sector-800-Other Expenditure-2606-Sustainable Harnessing of ground water in deficit areas  | -15.00               | 15.01                           |
| 52      | 28-Rural Development                       | 5054-Capital Outlay on Roads and Bridges-State Plan-State Sector-04-District and Other Roads-800-Other Expenditure-2373-Misc. Works Expenditure for Roads  | -0.02                | 2.51                            |
| 53      | 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 Scheme                                     | -0.05                | 25.11                           |
| 54      | 38-Higher Education                        | 2202-General Education-Non Plan-03-University and Higher Education-103-Government Colleges and Institutes-0549-Government General colleges   | -22.35               | 1.74                            |
| 55      | 38-Higher Education                        | 2202-General Education-Non Plan-03-University and Higher Education-104-Assistance to Non-Government Colleges and Institutes-0973-Non Government Colleges   | -7.36                | 1.67                            |
| 56      | 6004-Loans and Advances from Central Govt. | 6004-Loans and Advances from the Central Government-Non Plan-03-Loans for Central Plan Scheme-800-Other Loans-1195-Repayment of Loan   | 0.88                 | 13.41                           |
|         |  |  | <b>-220.90</b>       | <b>272.19</b>                   |

Source: Monthly Appropriation Reports, March 2012(S)

**APPENDIX – 2.8**  
(Refer paragraph 2.3.11 at page 49)

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

| Sl. No | Number and title of Grant    | Name of the scheme (Head of Account)   | Amount of Surrender (₹ in crore)  | Percentage of Surrender | Remarks   |   |
|--------|------------------------------|--|---|-------------------------|---|---|
| 1      | 01-Home                      | 4055-Capital Outlay on Police-NP-207-State Police-0925-Modernisation of Police Force   | 10.00   | 100                     | Surrender of entire provision in the case was attributed due to (i) Cut in Annual Plan by Government of India (ii) direct release of funds by Government of India to the executing agency, Odisha Police Housing Welfare Corporation and (iii) non-release of Central Assistance. |   |
| 2      |                              | 4055-Capital Outlay on Police-NP-211- Police Housing-0925-Modernisation of Police Force  | 10.00   | 100                     |   |   |
| 3      | 10-School and Mass Education | 2202-General Education-SP-DS-01-Elementary Education-112-National Programme of Mid Day Meals in Schools-0900-Mid Day Meals(Gr.10)  | 23.10   | 100                     | Surrender of entire provision in these cases were attributed due to non-release of central share  |   |
| 4      |                              | 2202-General Education-SP-DS-01-Elementary Education-796-Tribal Area Sub Plan-0900-Mid Day Meals(Gr.10)  | 11.55   | 100                     |   |   |
| 5      |                              | 2202-Genenral Education-CSP-DS-01-Elementary Education - 112-National Programme of Mid Day Meals in Schools-0900-Mid Day Meals(Gr.10)  | 31.23   | 100                     | Surrender of entire provision in these cases were attributed due to non-receipt of central share  |   |
| 6      |                              | 2202-Genenral Education-CSP-DS-01-Elementary Eudcation-789-Special Component Plan for Scheduled Castes - 0900- Mid Day Meals(Gr.10)  | 10.23   | 100                     |   |   |
| 7      |                              | 2202-Genenral Education-CSP-DS-01-Elementary Eudcation-796-Tribal Area Sub Plan- 0900-Mid Day Meals(Gr.10)   | 12.38   | 100                     |   |   |
| 8      |                              | 4202-Capital Outlay on Education, Sports, Arts and Culture-CP-SS-01-General Education-202-Secondary Education-2486-Infrastructure Dev. Of Private aided/Un-aided Minority Institute (IDMI) | 10.89   | 100                     |   |   |
| 9      |                              | 4202-Capital Outlay on Education, Sports, Arts and Culture-CSP-SS-01-General Education-202-Secondary Education-2257-Establishment of model Schools in backward blocks of the State         | 122.31  | 100                     |   |   |
| 10     |                              | 11-ST, SC Development and Minorities and Backward Classes Welfare  | 4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes-CP-DS-02-Welfare of Scheduled Tribes-277-Education-0649-Hostels | 16.98                   | 100   | Surrender of entire provision in the case, without assigning any reason |

| Sl. No       | Number and title of Grant     | Name of the scheme (Head of Account)   | Amount of Surrender (₹ in crore) | Percentage of Surrender | Remarks  |
|--------------|-------------------------------|--|----------------------------------|-------------------------|--|
| 11           | 16-Planning and Co-ordination | 3451-Secretariat Economic Services-SP-SS-102-District Planning Machinery -2617-Capacity Building for Dist. Planning and Monitoring Units   | 25.00                            | 100                     | Surrender of entire provision in the case was attributed to non-finalisation of project proposals.                       |
| 12           |                               | 5475-Capital Outlay on other General Economic Services-SP-SS-800-Other Expenditure-2618-State Visibility Gap Fund(VGF) Assistance for Infrastructure Development   | 100.00                           | 100                     | Surrender of entire provision in the case, without assigning any reason  |
| 13           | 19-Industries                 | 2230-Labour and Employment-CP-SS-03-Training-003-Training of Craftsmen and Supervisors-2644-Establishment of new ITI at Minority concentrated areas under Multi-sectors Development (MSDP) at Gumma and Chandragiri of Gajapati District | 12.97                            | 100                     | Surrender of entire provision in the case was attributed due to non-release of funds by Government of India.             |
| 14           |                               | 4202-Capital Outlay on Education, Sports, Arts and Culture-CP-SS-02-Technical Education-104-Polytechnics-2692-Upgradation of existing Polytechnics   | 10.40                            | 100                     | Surrender of entire provision in the case was attributed due to non-sanction of funds by Government of India.            |
| 15           | 30-Energy                     | 4801-Capital Outlay on Power Projects -SP-DS-06-Rural Electrification -800- Other Expenditure-2153-Rajiv Gandhi Gramin Vidyuti Karan Yojana  | 13.75                            | 100                     | Surrender of entire provision in the case was attributed due to introduction of cash management system in the department |
| 16           | 32-Tourism and Culture        | 2205-Art and Culture-SP-SS-001-Direction and Administration-2592-13 <sup>th</sup> FC Award for preservation of Monuments and Buddhist Heritage   | 16.25                            | 100                     | Surrender of entire provision in the case was attributed due to non-drawal of funds.                                     |
| 17           | 37-Information and Technology | 2852-Industries-SP-SS-07-Telecommunication and Electronic Industries-202-Electronics-2553-13th FC Grant for Incentivising Issue of UID   | 14.37                            | 100                     | Surrender of the entire provision in these cases were attributed to non-receipt of proposals.                            |
| 18           |                               | 2852-Industries-SP-SS-07-Telecommunication and Electronic Industries-789-Special Component Plan for Scheduled Castes-2553-13th FC Grant for Incentivising Issue of UID   | 10.44                            | 100                     |  |
| 19           |                               | 2852-Industries-SP-SS-07-Telecommunication and Electronic Industries-796-Tribal Area Sub-Plan-2553-13th FC Grant for Incentivising Issue of UID  | 10.90                            | 100                     |  |
| <b>Total</b> |                               |  | <b>472.75</b>                    |                         |  |

Source: Appropriation Accounts 2011-12 and Monthly Appropriation Reports, March 2012(S)

**APPENDIX – 2.9**

(Refer paragraph 2.3.12 at page 49)

**Statement showing surrender in excess of actual savings (₹ 25 lakh or more)**

| (₹ in crore) |   |                            |                |                    |                              |
|--------------|---|----------------------------|----------------|--------------------|------------------------------|
| Sl. No.      | Number and name of the grant/ appropriation           | Total grant/ appropriation | Saving         | Amount surrendered | Amount surrendered in excess |
| 1            | 04-Law<br>(Revenue -Voted)                            | 180.47                     | 31.26          | 36.16              | 4.90                         |
| 2            | 05-Finance<br>(Revenue -Voted)                        | 5981.53                    | 1061.41        | 1067.47            | 6.06                         |
| 3            | 07-Works<br>(Revenue -Voted)                          | 1004.96                    | 52.14          | 53.92              | 1.78                         |
| 4            | 10-School and Mass<br>Education<br>(Revenue -Voted)   | 5311.91                    | 418.65         | 424.09             | 5.44                         |
| 5            | 15-Sports and Youth<br>Services<br>(Revenue -Voted)   | 45.94                      | 13.08          | 13.74              | 0.66                         |
| 6            | 23-Agriculture<br>(Revenue -Voted)                    | 1377.26                    | 52.43          | 89.95              | 37.52                        |
| 7            | 32-Tourism and Culture<br>(Revenue -Voted)            | 76.60                      | 18.17          | 18.54              | 0.37                         |
| 8            | 36-Women and Child<br>Development<br>(Revenue -Voted) | 3306.59                    | 273.32         | 274.51             | 1.19                         |
| 9            | 38-Higher Education<br>(Revenue -Voted)               | 1191.04                    | 26.55          | 27.70              | 1.15                         |
| <b>Total</b> |   | <b>18476.30</b>            | <b>1947.01</b> | <b>2006.08</b>     | <b>59.07</b>                 |

Source: Appropriation Accounts 2011-12

**APPENDIX – 2.10**

(Refer paragraph 2.3.13 at page 49)

**Statement showing details of savings of ₹ 1 crore and above not surrendered**

| (₹ in crore)           |   |                 |                |                |   |
|------------------------|---|-----------------|----------------|----------------|---|
| Sl. No.                | Number and Name of Grants/Appropriation       | Total Provision | Saving         | Surrender      | Saving which remained to be surrendered |
| (1)                    | (2)   | (3)             | (4)            | (5)            | (6)                                     |
| <b>Revenue (Voted)</b> |   |                 |                |                |   |
| 1                      | 01-Home                                       | 1976.58         | 188.84         | 183.37         | 5.47                                    |
| 2                      | 03-Revenue                                    | 4031.42         | 701.91         | 444.19         | 257.72                                  |
| 3                      | 12-Health and Family Welfare                  | 1494.05         | 180.54         | 134.66         | 45.88                                   |
| 4                      | 13-Housing and Urban Development              | 1231.31         | 212.74         | 204.98         | 7.76                                    |
| 5                      | 20-Water Resources                            | 1080.68         | 179.54         | 75.28          | 104.26                                  |
| 6                      | 33-Fisheries and Animal Resources Development | 336.10          | 55.43          | 53.96          | 1.47                                    |
| 7                      | 34-Co-operation                               | 309.00          | 50.20          | 48.97          | 1.23                                    |
| 8                      | 35-Public Enterprise                          | 7.47            | 1.12           | 0.11           | 1.01                                    |
| <b>Capital (Voted)</b> |   |                 |                |                |   |
| 9                      | 02-General Administration                     | 42.36           | 34.88          | 31.55          | 3.33                                    |
| 10                     | 07-Works                                      | 1165.87         | 234.87         | 223.81         | 11.06                                   |
| 11                     | 20-Water Resources                            | 2212.16         | 457.77         | 452.87         | 4.90                                    |
| 12                     | 22-Forest and Environment                     | 292.48          | 10.39          | 3.41           | 6.98                                    |
| 13                     | 28-Rural Development                          | 621.06          | 119.75         | 114.25         | 5.50                                    |
| 14                     | 33-Fisheries and Animal Resources Development | 43.81           | 29.04          | 15.05          | 13.99                                   |
| 15                     | 34-Co-operation                               | 177.22          | 152.87         | 135.00         | 17.87                                   |
| <b>Total</b>           |   | <b>15021.57</b> | <b>2609.89</b> | <b>2121.46</b> | <b>488.43</b>                           |

Source: Appropriation Accounts 2011-12



**APPENDIX – 2.11**

(Refer paragraph 2.3.13 at page 49)

**Statement showing grant / major head of account wise surrender of funds in excess of ₹10 crore on 31 March 2012.**

| Sl. No. | Grant Number | Major Head of Account  | Total Provision (₹ in crore) | Amount of Surrender (₹ in crore) | Percentage of Total Provision |
|---------|--------------|--|------------------------------|----------------------------------|-------------------------------|
| (1)     | (2)          | (3)  | (4)                          | (5)                              | (6)                           |
| 1       | 1            | 2014-Administration of Justice   | 119.60                       | 15.68                            | 13.11                         |
| 2       |              | 2055-Police  | 1515.80                      | 135.13                           | 8.91                          |
| 3       |              | 4055-Capital Outlay on Police  | 20.00                        | 20.00                            | 100                           |
| 4       |              | 4059-Capital Outlay on Public Works  | 177.43                       | 17.23                            | 9.71                          |
| 5       | 2            | 5053-Capital Outlay on Civil Aviation  | 35.00                        | 31.55                            | 90.14                         |
| 6       | 3            | 2029-Land Revenue  | 307.73                       | 21.95                            | 7.13                          |
| 7       |              | 2245-Relief on account of Natural Calamities   | 3506.09                      | 397.63                           | 11.34                         |
| 8       | 4            | 2014-Administration of Justice   | 135.09                       | 31.68                            | 23.45                         |
| 9       | 5            | 2040-Taxes on Sales, Trade etc.  | 93.59                        | 28.08                            | 30.00                         |
| 10      | 7            | 2059-Public Works  | 338.26                       | 20.80                            | 6.15                          |
| 11      |              | 3054-Roads and Bridges   | 561.47                       | 24.08                            | 4.29                          |
| 12      |              | 4059-Capital Outlay on Public Works  | 73.25                        | 25.46                            | 34.76                         |
| 13      |              | 4210-Capital Outlay on Medical and Public Health   | 49.19                        | 23.69                            | 48.16                         |
| 14      |              | 5054-Capital Outlay on Roads and Bridges   | 992.09                       | 157.88                           | 15.91                         |
| 15      | 8            | 2071-Pensions and Other Retirement Benefits  | 26.00                        | 24.42                            | 93.92                         |
| 16      | 9            | 2408-Food, Storage and Warehousing   | 1017.09                      | 14.02                            | 1.38                          |
| 17      | 10           | 2202-General Education   | 5273.51                      | 411.91                           | 7.81                          |
| 18      |              | 2235-Social Security and Welfare   | 25.72                        | 11.60                            | 45.10                         |
| 19      |              | 4202-Capital Outlay on Education, Sports, Arts and Culture                                     | 216.47                       | 175.70                           | 81.17                         |
| 20      | 11           | 2225- Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes                 | 1054                         | 70.99                            | 6.74                          |
| 21      |              | 4225-apital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes | 312.64                       | 22.75                            | 7.28                          |
| 22      | 12           | 2210-Medical and Public Health   | 1228.77                      | 88.41                            | 7.19                          |
| 23      |              | 2211-Family Welfare  | 250.12                       | 44.54                            | 17.81                         |
| 24      | 13           | 2215-Water Supply and Sanitation   | 258.75                       | 12.02                            | 4.65                          |
| 25      |              | 2217-Urban Development   | 394.49                       | 184.16                           | 46.68                         |
| 26      |              | 4215-Capital Outlay on Water Supply and Sanitation   | 197.65                       | 109.91                           | 55.61                         |
| 27      | 15           | 2204-Sports and Youth Services   | 44.95                        | 13.55                            | 30.14                         |
| 28      | 16           | 3451-Secretariat Economical Services   | 1278.54                      | 53.07                            | 4.15                          |
| 29      | 16           | 5475-Capital Outlay on other General Economic Services   | 100.00                       | 100.00                           | 100                           |
| 30      | 17           | 2505-RuralEmployment   | 383.24                       | 37.84                            | 9.87                          |
| 31      |              | 2515-Other Rural Development Programme   | 1399.05                      | 129.33                           | 9.24                          |

| Sl. No.      | Grant Number                  | Major Head of Account                                      | Total Provision<br>(₹ in crore)       | Amount of Surrender<br>(₹ in crore) | Percentage of Total Provision |
|--------------|-------------------------------|--|---------------------------------------|-------------------------------------|-------------------------------|
| (1)          | (2)                           | (3)  | (4)                                   | (5)                                 | (6)                           |
| 32           | 19                            | 2203-Technical Education                                   | 117.22                                | 28.83                               | 24.59                         |
| 33           |                               | 2230-Labour and Employment                                 | 99.22                                 | 55.70                               | 56.14                         |
| 34           |                               | 2851-Village and Small Industries                          | 68.54                                 | 13.94                               | 20.34                         |
| 35           |                               | 4202-Capital Outlay on Education, Sports, Arts and Culture | 164.34                                | 133.44                              | 81.20                         |
| 36           | 20                            | 2700-Major Irrigation                                      | 395.72                                | 44.39                               | 11.22                         |
| 37           |                               | 2702-Minor Irrigation                                      | 346.15                                | 14.28                               | 4.13                          |
| 38           |                               | 4700- Minor Irrigation Major Irrigation                    | 1121.15                               | 239.65                              | 21.38                         |
| 39           |                               | 4701- Minor Irrigation Medium Irrigation                   | 390.79                                | 121.54                              | 31.10                         |
| 40           |                               | 4702- Minor Irrigation Minor Irrigation                    | 439.26                                | 75.63                               | 17.22                         |
| 41           |                               | 4711-Capital Outlay on Flood Control Projects              | 270.00                                | 17.29                               | 6.40                          |
| 42           | 22                            | 2406-Forestry and Wild life                                | 327.98                                | 29.69                               | 9.05                          |
| 43           |                               | 3435-Ecology and Economic Services                         | 40.03                                 | 12.01                               | 30                            |
| 44           | 23                            | 2401-Crop Husbandry  | 1145.98                               | 73.06                               | 6.38                          |
| 45           |                               | 2402-Soil and Water Conservation                           | 121.12                                | 15.74                               | 13                            |
| 46           | 28                            | 2059-Public Works  | 178.15                                | 10.26                               | 5.76                          |
| 47           |                               | 2215-Water Supply and Sanitation                           | 299.02                                | 28.22                               | 9.44                          |
| 48           |                               | 4210-Capital Outlay on Medical and Public Health           | 44.19                                 | 23.25                               | 52.61                         |
| 49           |                               | 4216-Capital Outlay on Housing                             | 49.25                                 | 22.02                               | 44.71                         |
| 50           |                               | 5054-Capital Outlay on Roads and Bridges                   | 477.01                                | 56.83                               | 11.91                         |
| 51           |                               | 30   | 4801-Capital Outlay on Power Projects | 177.00                              | 25.91                         |
| 52           | 6801-Loans for Power Projects |  | 325.01                                | 79.18                               | 24.36                         |
| 53           | 32                            | 2205-Art and Culture                                       | 48.14                                 | 17.08                               | 35.48                         |
| 54           | 33                            | 2403-Animal Husbandry                                      | 233.07                                | 19.17                               | 8.22                          |
| 55           |                               | 2405-Fisheris  | 82.51                                 | 29.24                               | 35.44                         |
| 56           |                               | 4405-Capital Outlay on Fisheries                           | 16.43                                 | 11.05                               | 67.26                         |
| 57           | 34                            | 2425-Co-operation  | 244.25                                | 48.75                               | 19.96                         |
| 58           |                               | 6425-Loans for Co-operation                                | 151.10                                | 135.00                              | 89.34                         |
| 59           | 36                            | 2235-Social Security and Welfare                           | 2026.50                               | 270.67                              | 13.36                         |
| 60           | 37                            | 2852-Industries  | 107.61                                | 46.18                               | 42.91                         |
| 61           | 38                            | 2202-General Education                                     | 1168.38                               | 25.91                               | 2.22                          |
| <b>Total</b> |                               |  | <b>32060.70</b>                       | <b>4178.97</b>                      | <b>13.03</b>                  |

Source: Monthly Appropriation Reports, March 2012(S)

## APPENDIX – 2.12

(Refer paragraph 2.3.14 at page 50)

## Statement showing rush of expenditure

| Sl. No. | Grant Number | Head of account Scheme/Service  | Expenditure incurred during Jan-March 2012 | Expenditure incurred in March 2012 | Total expenditure | Percentage of total expenditure incurred during |            |
|---------|--------------|---|--|------------------------------------|-------------------|---|------------|
|         |              |   |  |                                    |                   | Jan-March 2012                                  | March 2012 |
| (1)     | (2)          | (3)   | (₹ in crore)                               |                                    |                   | (7)   | (8)        |
| (1)     | (2)          | (3)   | (4)  | (5)                                | (6)               | (7)   | (8)        |
| 1       | 2            | 2052-SP-SS-090-2616-District Innovation Fund  | 15.00                                      | 15.00                              | 15.00             | 100   | 100        |
| 2       | 2            | 2052-NP-090-2631-Implementation of HRMs   | 10.59                                      | 10.59                              | 10.59             | 100   | 100        |
| 3       | 7            | 5054-SP-SS-03-337-0197-Construction of Roads  | 13.42                                      | 12.87                              | 24.27             | 55.29   | 53.03      |
| 4       | 10           | 4202-SP-SS-01-202-2257-Establishment of Model Schools in Backward Blocks of the State | 27.23                                      | 27.23                              | 27.23             | 100   | 100        |
| 5       | 10           | 4202-SP-SS-01-796-2257-Establishment of Model Schools in Backward Blocks of the State | 11.22                                      | 11.22                              | 11.22             | 100   | 100        |
| 6       | 11           | 2225-NP-01-277-2365-Scholarship and Stipend for SC Students                           | 27.37                                      | 20.25                              | 37.99             | 72.05   | 53.30      |
| 7       | 11           | 2225-CP-DS-02-277-2367-Scholarship and Stipend for ST Students                        | 17.31                                      | 10.96                              | 19.01             | 91.06   | 57.65      |
| 8       | 11           | 2225-CP-SS-03-277-2418-Post Matric Scholarship and stipend to OBC Students            | 11.14                                      | 11.14                              | 11.14             | 100   | 100        |
| 9       | 13           | 2215-SP-SS-02-107-1524-Urban Sewerage Schemes   | 66.73                                      | 54.29                              | 66.73             | 100   | 81.36      |
| 10      | 13           | 2217-NP-05-192-2558-General Basic Grants to Local Bodies as recommended by 13th FC    | 13.75                                      | 13.75                              | 27.20             | 50.55   | 50.55      |
| 11      | 13           | 3604-NP-191-2665-Devolution recommended by 3rd State Finance Commission               | 18.28                                      | 18.28                              | 18.28             | 100   | 100        |
| 12      | 13           | 3604-NP-192-2665-Devolution recommended by 3rd State Finance Commission               | 28.29                                      | 17.28                              | 28.29             | 100   | 91.08      |
| 13      | 13           | 3604-NP-193-2665-Devolution recommended by 3rd State Finance Commission               | 13.79                                      | 13.59                              | 13.79             | 100   | 98.55      |
| 14      | 16           | 3451-SP-SS-092-1822-Orissa State Employment Mission                                   | 12.17                                      | 12.17                              | 12.17             | 100   | 100        |
| 15      | 16           | 3451-SP-DS-102-2619-Backward District Initiative (BDI)                                | 319.12                                     | 263.92                             | 469.93            | 67.91   | 56.16      |
| 16      | 16           | 3451-SP-DS-789-2619-Backward District Initiative (BDI)                                | 85.12                                      | 70.25                              | 125.26            | 67.95   | 56.08      |
| 17      | 16           | 3451-SP-DS-796-2619-Backward District Initiative                                      | 210.76                                     | 190.84                             | 319.81            | 65.90   | 59.67      |

| Sl. No. | Grant Number | Head of account Scheme/Service  | Expenditure incurred during Jan-March 2012 | Expenditure incurred in March 2012 | Total expenditure | Percentage of total expenditure incurred during |            |
|---------|--------------|---|--|------------------------------------|-------------------|---|------------|
|         |              |   |  |                                    |                   | Jan-March 2012                                  | March 2012 |
| (1)     | (2)          | (3)   | (₹ in crore)                               |                                    |                   | (7)   | (8)        |
|         |              |   | (4)  | (5)                                | (6)               |   |            |
|         |              | (BDI)   |  |                                    |                   |   |            |
| 18      | 17           | 2501-SP-DS-01-001-1745-Targetted Rural Initiative for Poverty Termination and Infrastructure (TRIPTI)-EAP | 17.73                                      | 17.73                              | 17.73             | 100   | 100        |
| 19      | 17           | 2515-NP-198-2558-General Basic Grants to Local Bodies as recommended by 13th FC                           | 204.25                                     | 154.25                             | 305.29            | 66.90   | 50.53      |
| 20      | 17           | 3604-NP-197-2670-Grants and Assistance under the Award of 3rd SFC   | 159.91                                     | 158.06                             | 171.83            | 93.06   | 91.99      |
| 21      | 17           | 3604-NP-197-2672-Maintenance and Repair under the Award of 3rd SFC  | 13.59                                      | 13.59                              | 13.59             | 100   | 100        |
| 22      | 23           | 2401-SP-DS-800-2006-One time ACA  | 20.00                                      | 20.00                              | 20.00             | 100   | 100        |
| 23      | 23           | 2401-SP-DS-800-2270-Subsidy under Agriculture Policy (Capital Investment)                                 | 15.00                                      | 15.00                              | 27.00             | 55.56   | 55.56      |
| 24      | 30           | 6801-SP-SS-789-2612-CAPEX Programme for development and upgradation of Distribution System                | 65.00                                      | 65.00                              | 65.00             | 100   | 100        |
| 25      | 30           | 6801-SP-SS-796-2612-CAPEX Programme for development and upgradation of Distribution System                | 71.92                                      | 71.92                              | 71.92             | 100   | 100        |
| 26      | 34           | 2425-SP-SS-107-2699-Grants for Revival Package of Co-operative Credit Institute                           | 17.87                                      | 17.87                              | 17.87             | 100   | 100        |
| 27      | 36           | 2235-SP-SS-02-102-0731-Integrated Child Development Schemes   | 30.10                                      | 24.00                              | 30.10             | 100   | 79.73      |
| 28      | 36           | 2235-SP-DS-02-102-1916-Construction of Building for Angawanbadi Centers                                   | 51.00                                      | 34.15                              | 51.00             | 100   | 66.96      |
| 29      | 36           | 2235-CSP-DS-02-789-0731-Integrated Child Development Schemes  | 78.50                                      | 66.95                              | 101.87            | 77.06   | 65.72      |
| 30      | 36           | 2235-SP-DS-02-789-1916-Construction of Building for Angawanbadi Centers                                   | 17.00                                      | 11.10                              | 17.00             | 100   | 65.29      |
| 31      | 36           | 2235-SP-DS-02-796-1916-Construction of Building for Angawanbadi Centers                                   | 32.00                                      | 21.30                              | 32.00             | 100   | 66.56      |
| 32      | 36           | 2235-SP-DS-60-102-0959-National Old age Pension to Destitutes   | 153.96                                     | 127.10                             | 237.71            | 64.77   | 53.47      |
| 33      | 36           | 2235-SP-DS-60-102-2097-Madhubabu Pension for Destitutes   | 100.88                                     | 59.13                              | 116.63            | 86.50   | 50.70      |
| 34      | 36           | 2235-SP-DS-60-789-0959-National Old age Pension to  | 43.94                                      | 35.82                              | 67.04             | 65.54   | 53.43      |

*Appendices*

| Sl. No.      | Grant Number | Head of account Scheme/Service   | Expenditure incurred during Jan-March 2012 | Expenditure incurred in March 2012 | Total expenditure | Percentage of total expenditure incurred during |              |
|--------------|--------------|--|--|------------------------------------|-------------------|---|--------------|
|              |              |  |  |                                    |                   | Jan-March 2012                                  | March 2012   |
| (1)          | (2)          | (3)  | (₹ in crore)                               |                                    |                   | (7)   | (8)          |
|              |              |  | (4)  | (5)                                | (6)               |   |              |
|              |              | Destitutes   |  |                                    |                   |   |              |
| 35           | 36           | 2235-SP-DS-60-796-0959-National Old age Pension to Destitutes  | 60.91                                      | 50.39                              | 91.00             | 66.93   | 55.37        |
| 36           | 36           | 2236-SP-DS-02-101-1423-Supplementary Nutrition Programme   | 156.32                                     | 107.78                             | 158.00            | 98.94   | 68.22        |
| 37           | 36           | 2236-CSP-DS-02-101-2481-Rajiv Gandhi Scheme for Empowerment of Adolescent Girls  | 23.63                                      | 17.84                              | 24.51             | 96.41   | 72.79        |
| 38           | 36           | 2236-SP-DS-02-789-1423-Supplementary Nutrition Programme   | 52.29                                      | 37.71                              | 52.61             | 99.39   | 71.68        |
| 39           | 36           | 2236-SP-DS-02-796-1423-Supplementary Nutrition Programme   | 62.07                                      | 50.36                              | 62.40             | 99.47   | 80.71        |
| 40           | 37           | 2852-SP-SS-07-202-0776-Implementation of e-Governance Project as per the National e-Governance Programme- One time ACA | 18.77                                      | 18.77                              | 18.77             | 100   | 100          |
| 41           | 38           | 2202-SP-SS-03-104-0986-New eligible Non-Govt. Colleges notified in 2004  | 15.98                                      | 15.73                              | 17.61             | 90.97   | 89.32        |
| <b>Total</b> |              |  | <b>2383.91</b>                             | <b>1985.18</b>                     | <b>3026.39</b>    | <b>78.77</b>                                    | <b>65.60</b> |

Source: Monthly Appropriation Reports of Pr. AG (A&E)

**APPENDIX – 3.1**

(Refer paragraph 3.1 at page 75)

**Statement showing details of utilisation certificates pending for receipt by different departments of the State Government as at the end of 2011-12.**

(₹ in crore)

| Sl. No.      | Name of the Department                          | Year               | Amount          |
|--------------|---|--------------------|-----------------|
| 1            | Agriculture                                     | 2003-04 to 2011-12 | 1164.33         |
| 2            | Higher Education                                | 2003-04 to 2011-12 | 1137.04         |
| 3            | Housing and Urban Development                   | 2003-04 to 2011-12 | 4107.97         |
| 4            | Panchayati Raj                                  | 2003-04 to 2011-12 | 8304.50         |
| 5            | Planning and Co-ordination                      | 2003-04 to 2011-12 | 3264.78         |
| 6            | Revenue and Disaster Management                 | 2003-04 to 2011-12 | 658.08          |
| 7            | Rural Development                               | 2003-04 to 2011-12 | 935.09          |
| 8            | School and Mass Education                       | 2003-04 to 2011-12 | 3324.72         |
| 9            | ST,SC,Minorities and Backward Class Development | 2003-04 to 2011-12 | 2122.63         |
| 10           | Women and Child Development                     | 2003-04 to 2011-12 | 889.76          |
| <b>Total</b> |   |                    | <b>25908.90</b> |

**Source:** Office of the Pr. AG (A&E)

**APPENDIX – 3.2**

(Refer paragraph 3.1 at page 75)

**Statement showing details of utilisation certificates due to be received by different body/authority of the State Government from autonomous /local bodies as at the end of 2011-12**

| Sl. No.      | Name of the Body/Authority           | Number of units audited | Year up to which audited | Amount (₹ in crore) |
|--------------|--------------------------------------|-------------------------|--------------------------|---------------------|
| 1            | District Rural Development Agencies  | 3                       | 2009-10                  | 60.60               |
| 2            | Integrated Tribal Development Agency | 2                       | 2009-10                  | 2.65                |
| 3            | Zilla Swasthya Samiti (ZSS)          | 4                       | 2010-11                  | 4.82                |
| 4            | ABA body/unit                        | 9                       | 2009-10                  | 12.63               |
|              |                                      |                         | 2010-11                  | 253.74              |
|              |                                      |                         | 2011-12                  | 7.27                |
| 5            | Panchayat Samitis                    | 23                      | 2010-11                  | 180.96              |
| 6            | Zilla Parishads                      | 1                       | 2010-11                  | 25.55               |
| 7            | Urban Local Bodies                   | 2                       | 2011-12                  | 5.71                |
| <b>Total</b> |                                      | <b>44</b>               |                          | <b>553.93</b>       |

## APPENDIX – 3.3

(Refer paragraph 3.1 at page 75)

## Statement showing department wise receipt of Central Assistance and details of utilisation certificates wanting as on 1.1.2012

(₹ in crore)

| Sl. No.      | Name of the Department    | U.C. pending as on 1.4.11 | Central Assistance received during the 1.4.11 to 31.12.2011 | Total (3+4)     | Total U.C. furnished | Total U.C. pending as on 1.1.2012 |
|--------------|---------------------------|---------------------------|---|-----------------|----------------------|-----------------------------------|
| 1            | 2                         | 3                         | 4   | 5               | 6                    | 7                                 |
| 1            | Agriculture               | 381.20                    | 423.88  | 805.08          | 499.19               | 305.89                            |
| 2            | Energy                    | 30.76                     | 0   | 30.76           | 0.07                 | 30.69                             |
| 3            | Forest & Environment      | 65.59                     | 46.16   | 111.75          | 64.49                | 47.26                             |
| 4            | FS&CW                     | 6.08                      | 5.04  | 11.12           | 2.77                 | 8.35                              |
| 5            | F&ARD                     | 10.78                     | 62.20   | 72.98           | 12.42                | 60.56                             |
| 6            | G.A.                      | 24.98                     | 0.04  | 25.02           | 10.56                | 14.46                             |
| 7            | Health and Family Welfare | 1.22                      | 130.85  | 132.07          | 101.26               | 30.81                             |
| 8            | Higher Education          | 3.69                      | 1.27  | 4.96            | 0                    | 4.96                              |
| 9            | Home                      | 156.92                    | 45.63   | 202.55          | 78.31                | 124.24                            |
| 10           | H&UD                      | 407.56                    | 151.49  | 559.05          | 183.31               | 375.74                            |
| 11           | Industries                | 186.72                    | 12.33   | 199.05          | 25.44                | 173.61                            |
| 12           | Information Technology    | 113.97                    | 0   | 113.97          | 29.52                | 84.45                             |
| 13           | Labour & Employment       | 2.25                      | 0   | 2.25            | 1.18                 | 1.07                              |
| 14           | Law                       | 0.16                      | 0.88  | 1.04            | 0.89                 | 0.15                              |
| 15           | Planning & Co-ordination  | 28.99                     | 21.63   | 50.62           | 31.30                | 19.32                             |
| 16           | Panchayati Raj            | 1829.52                   | 1382.90   | 3212.42         | 1869.07              | 1343.35                           |
| 17           | Revenue                   | 37.96                     | 0   | 37.96           | 4.54                 | 33.42                             |
| 18           | Rural Development         | 165.47                    | 216.84  | 382.31          | 174.21               | 208.10                            |
| 19           | Schools & Mass Education  | 214.38                    | 202.06  | 416.44          | 208.04               | 208.40                            |
| 20           | Science & Technology      | 0.44                      | 27.03   | 27.47           | 0                    | 27.47                             |
| 21           | Sports & Youth Service    | 5.47                      | 7.34  | 12.81           | 12.70                | 0.11                              |
| 22           | ST&SC Development         | 632.84                    | 286.49  | 919.33          | 341.78               | 577.55                            |
| 23           | Textile & Handloom        | 18.99                     | 9.67  | 28.66           | 7.82                 | 20.84                             |
| 24           | Tourisim & Culture        | 48.12                     | 0   | 48.12           | 0                    | 48.12                             |
| 25           | Water Resources           | 579.38                    | 397.27  | 976.65          | 433.30               | 543.35                            |
| 26           | Works                     | 198.66                    | 105.43  | 304.09          | 166.16               | 137.93                            |
| 27           | W&CD                      | 1445.79                   | 928.66  | 2374.45         | 1424.92              | 949.53                            |
| <b>Total</b> |                           | <b>6597.89</b>            | <b>4465.09</b>  | <b>11062.98</b> | <b>5683.25</b>       | <b>5379.73</b>                    |

Source: Budget at a glance 2012-13



**APPENDIX – 3.4**  
(Refer paragraph 3.1.1 at page 77)

**Statement showing the details of excess UC submitted by the DDO/Departments  
as on 31.3.2012**

(₹ in crore)

**(A) Audited Units**

| Sl. No.      | Name of the DDO        | Total GIA received | Fund utilised | UC submitted as on 31.03.2012 | Excess UC submitted as on 31.03.2012 |
|--------------|------------------------|--------------------|---------------|-------------------------------|--------------------------------------|
| 01           | DDA Keonjhar           | 1.39               | 0.61          | 1.39                          | 0.78                                 |
| 02           | DAO Keonjhar           | 0.24               | 0.17          | 0.24                          | 0.07                                 |
| 03           | DAO Anandapur          | 0.38               | 0.18          | 0.38                          | 0.20                                 |
| 04           | DAO Berhampur          | 0.26               | 0.16          | 0.26                          | 0.10                                 |
| 05           | EE(Agril)SZ, Berhampur | 4.61               | 3.13          | 4.61                          | 1.48                                 |
| 06           | ASCO Cuttack           | 0.04               | 0             | 0.04                          | 0.04                                 |
| 07           | DAO Subarnapur         | 0.16               | 0.04          | 0.16                          | 0.12                                 |
| 08           | DAO Jagatsinghpur      | 0.39               | 0.10          | 0.39                          | 0.29                                 |
| 09           | DAO Angul              | 0.32               | 0.18          | 0.32                          | 0.14                                 |
| 10           | DAO Phulbani           | 0.23               | 0.12          | 0.23                          | 0.11                                 |
| 11           | DAO Kendrapara         | 0.31               | 0.08          | 0.31                          | 0.23                                 |
| 12           | DAO Nayagarh           | 0.29               | 0.06          | 0.29                          | 0.23                                 |
| 13           | DAO Cuttack            | 0.38               | 0.33          | 0.38                          | 0.05                                 |
| 14           | DAO Sundargarh         | 0.23               | 0.16          | 0.23                          | 0.07                                 |
| 15           | DAO Bhadrak            | 0.36               | 0.11          | 0.36                          | 0.25                                 |
| 16           | DSWO Bhadrak           | 23.00              | 17.70         | 23.00                         | 5.30                                 |
| 17           | DAO Balesore           | 0.35               | 0.13          | 0.35                          | 0.22                                 |
| 18           | DAO Kuchinda           | 0.23               | 0.14          | 0.19                          | 0.05                                 |
| 19           | DAO Jharsuguda         | 0.23               | 0.13          | 0.23                          | 0.10                                 |
| 20           | DAO Puri               | 0.40               | 0.27          | 0.40                          | 0.13                                 |
| 21           | DAO Boudh              | 0.16               | 0.09          | 0.16                          | 0.07                                 |
| 22           | PD Watershed Deogarh   | 2.06               | 0             | 1.84                          | 1.84                                 |
| 23           | DSWO Deogarh           | 17.84              | 0             | 14.82                         | 14.82                                |
| <b>Total</b> |                        | <b>53.86</b>       | <b>23.89</b>  | <b>50.58</b>                  | <b>26.69</b>                         |

**(B) Performance Audit of Indira Abash Yojana (IAY)**

| Sl. No.      | Name of the Panchayat Samiti(PS) | Total GIA received (2007-12) | Fund utilised | UC submitted | Excess UC submitted as on 31.03.2012 |
|--------------|----------------------------------|------------------------------|---------------|--------------|--------------------------------------|
| 01           | PS, Jagatsinghpur                | 33.76                        | 12.14         | 27.06        | 14.92                                |
| 02           | PS, Binjharpur, Jajpur           | 18.21                        | 7.18          | 13.45        | 6.27                                 |
| 03           | PS, Tihidi, Bhadrak              | 24.58                        | 10.86         | 14.65        | 3.79                                 |
| 04           | PS, Nilagiri, Balasore           | 14.94                        | 2.47          | 2.49         | 0.02                                 |
| <b>Total</b> |                                  | <b>91.49</b>                 | <b>32.65</b>  | <b>57.65</b> | <b>25</b>                            |

**(C) Performance Audit of Integrated Action Plan(IAP).**

| Sl. No.      | Name of the District | Total available fund during (2010-11) | Amount of UC submitted by the District Collector | UC submitted by the P&C Department | Excess UC submitted as on 31.03.2012 |
|--------------|----------------------|---------------------------------------|--|------------------------------------|--------------------------------------|
| 01           | Collector, Gajapati  | 25                                    | 6.00   | 25                                 | 19.00                                |
| 02           | Collector, Kalahandi | 25                                    | 7.30   | 25                                 | 17.70                                |
| 03           | Collector, Rayagada  | 25                                    | 15.74  | 25                                 | 9.26                                 |
| <b>Total</b> |                      | <b>75</b>                             | <b>29.04</b>                                     | <b>75</b>                          | <b>45.96</b>                         |

**Grand Total A+B+C = ₹ 97.65 crore**

## APPENDIX – 3.5

(Refer paragraph 3.4 at page 80)

## Statement of finalisation of accounts and the Government investments in departmentally managed Commercial and Quasi-commercial activities

| 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 finalised (₹ in Crore) | Remarks/Reasons for Delay in Preparation of accounts  |
|--|---|--|-----------------------------------|--|---|
| <b>Department: Forest and Environment</b>                      |   |  |                                   |  |   |
| 1  | Nationalisation of Kendu Leaves operated by Chief Conservator of Forests (Kendu leaves), Orissa | 1  | 2006-07                           | 70.09  | Arrear of accounts for six years.   |
| <b>Department : Agriculture and Cooperation</b>                |   |  |                                   |  |   |
| 2  | Cold Storage Plant, Kumarmunda  | 1  | 1972                              | 11.97  | Arrear of accounts for 40 years   |
| 3  | Cold Storage Plant, Similiguda  | 1  | 1977                              | 16.15  | Arrear of accounts for 35 years   |
| 4  | Cold Storage Plant, Paralakhemundi  | 1  | 1984                              | 6.36   | Arrear of accounts for 28 years   |
| 5  | Cold Storage Plant, Bolangir  | 1  | 1994                              | 7.92   | Arrear of accounts for 18 years   |
| 6  | Cold Storage Plant, Bhubaneswar   | 1  | 1975                              | 17.89  | Transferred (March 1979) to Odisha State Seeds Corporation Limited. Arrear of accounts for five years                                       |
| 7  | Cold Storage Plant, Sambalpur   | 1  | 1971                              | NA   | Transferred (March 1979) to Odisha State Seeds Corporation Limited. Arrear of accounts for nine years                                       |
| 8  | Purchase and Distribution of quality seed to cultivators  | 1  | 1977-78                           | NA   | Proforma not prescribed by Government   |
| <b>Department : Food Supplies and Consumer Welfare</b>         |   |  |                                   |  |   |
| 9  | Grain purchase scheme   | 1  | 1977-78                           | NA   | Transferred (September 1980) to Odisha State Seeds Corporation Limited. Arrear of accounts for four years.                                  |
| <b>Department : Commerce and Transport</b>                     |   |  |                                   |  |   |
| 10   | State Transport service   | 1  | 1972-73                           | NA   | Transferred (May 1974) to Odisha 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 prepared though it is required under the provision of Odisha Government Press Manual. Arrear of account for 34 years. |
| <b>Department : Fisheries and Animal Resources Development</b> |   |  |                                   |  |   |
| 12   | Poultry Development   | 1  | --                                | NA   | Proforma accounts not prescribed by the State Government  |
| <b>Inoperative/Closed Activities/Schemes</b>                   |   |  |                                   |  | <b>Year from which remained closed or inoperative</b>   |
| 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 – 3.6**  
(Refer paragraph 3.5 at page 81)

**Department wise / duration wise break-up of the cases of misappropriation, defalcation  
etc.**  
(Cases where final action was pending at the end of June 2012)

(₹ in lakh)

| Sl. No. | Name of the Department           | Up to 5 years<br>2007-08 to<br>2011-12 |              | 5 to 10 years<br>2002-03 to<br>2006-07 |               | 10 to 15 years<br>1997-98 to<br>2001-2002 |               | 15 to 20 years<br>1992-93 to<br>1996-97 |               | 20 to 25 years<br>1987-88 to<br>1991-92 |               | 25 years to<br>More<br>from inception<br>upto 1986-87 |               | Total       |                |
|---------|----------------------------------|--|--------------|--|---------------|---|---------------|---|---------------|---|---------------|---|---------------|-------------|----------------|
|         |                                  | 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       | Agriculture                      | 4                                      | 17.20        | 5                                      | 33.76         | 13  | 17.81         | 23                                      | 12.98         | 14                                      | 7.71          | 60  | 21.14         | 119         | 110.60         |
| 2       | Commerce & Transport             | 0                                      | 0            | 3                                      | 6.18          | 0   | 0             | 0                                       | 0             | 4                                       | 2.01          | 5   | 1.98          | 12          | 10.17          |
| 3       | Co-operation                     | 0                                      | 0            | 0                                      | 0             | 1   | 0.94          | 1                                       | 2.54          | 1                                       | 0.71          | 0   | 0             | 3           | 4.19           |
| 4       | Education                        | 2                                      | 3.29         | 1                                      | 5.78          | 2   | 20.23         | 7                                       | 11.87         | 5                                       | 4.78          | 11  | 10.66         | 28          | 56.61          |
| 5       | Energy                           | 0                                      | 0            | 0                                      | 0             | 0   | 0             | 2                                       | 225.22        | 1                                       | 0.48          | 1   | 0.35          | 4           | 226.05         |
| 6       | Excise                           | 0                                      | 0            | 0                                      | 0             | 0   | 0             | 0                                       | 0             | 0                                       | 0             | 1   | 0.21          | 1           | 0.21           |
| 7       | Finance                          | 0                                      | 0            | 0                                      | 0             | 0   | 0             | 1                                       | 4.85          | 0                                       | 0             | 6   | 5.27          | 7           | 10.12          |
| 8       | Fisheries & ARD                  | 0                                      | 0            | 1                                      | 0.31          | 3   | 0.17          | 5                                       | 2.89          | 7                                       | 1.66          | 15  | 71.70         | 31          | 76.73          |
| 9       | Forest & Environment             | 1                                      | 0.02         | 2                                      | 0.54          | 57  | 75.60         | 76                                      | 39.11         | 66                                      | 35.17         | 235   | 104.08        | 437         | 254.52         |
| 10      | Food Supplies & Consumer Welfare | 0                                      | 0            | 0                                      | 0             | 0   | 0             | 1                                       | 0.10          | 0                                       | 0             | 2   | 2.94          | 3           | 3.04           |
| 11      | General Administration           | 0                                      | 0            | 0                                      | 0             | 2   | 0.71          | 0                                       | 0             | 1                                       | 1.26          | 1   | 0.95          | 4           | 2.92           |
| 12      | Health & Family Welfare          | 1                                      | 0.03         | 0                                      | 0             | 2   | 4.52          | 7                                       | 7.23          | 8                                       | 30.45         | 14  | 14.12         | 32          | 56.35          |
| 13      | Home                             | 0                                      | 0            | 0                                      | 0             | 1   | 12.70         | 1                                       | 0.50          | 1                                       | 1.77          | 1   | 0.42          | 4           | 15.39          |
| 14      | Housing & Urban Development      | 0                                      | 0            | 9                                      | 31.71         | 19  | 9.63          | 7                                       | 4.58          | 16                                      | 20.87         | 21  | 3.95          | 72          | 70.74          |
| 15      | Industry                         | 2                                      | 12.84        | 1                                      | 0.15          | 3   | 6.65          | 2                                       | 0.13          | 1                                       | 2.48          | 0   | 0             | 9           | 22.25          |
| 16      | Information & Public Relation    | 0                                      | 0            | 0                                      | 0             | 17  | 1.44          | 35                                      | 3.21          | 66                                      | 5.87          | 0   | 0             | 118         | 10.52          |
| 17      | Labour & Employment              | 0                                      | 0            | 0                                      | 0             | 0   | 0             | 1                                       | 1.94          | 0                                       | 0             | 0   | 0             | 1           | 1.94           |
| 18      | Law                              | 1                                      | 0.04         | 2                                      | 2.76          | 2   | 1.07          | 5                                       | 4.65          | 3                                       | 1.11          | 2   | 1.97          | 15          | 11.60          |
| 19      | Panchayati Raj                   | 0                                      | 0            | 2                                      | 4.32          | 1   | 7.11          | 4                                       | 8.91          | 8                                       | 1.66          | 35  | 15.08         | 50          | 37.08          |
| 20      | Revenue                          | 0                                      | 0            | 5                                      | 110.60        | 0   | 0             | 4                                       | 4.02          | 8                                       | 2.84          | 48  | 29.28         | 65          | 146.74         |
| 21      | Rural Development                | 0                                      | 0            | 11                                     | 61.51         | 7   | 6.27          | 39                                      | 17.90         | 13                                      | 6.57          | 27  | 4.85          | 97          | 97.10          |
| 22      | ST & SC Development              | 1                                      | 0.73         | 1                                      | 2.01          | 1   | 0.95          | 0                                       | 0             | 4                                       | 1.08          | 25  | 4.12          | 32          | 8.89           |
| 23      | Water Resources                  | 2                                      | 0.62         | 37                                     | 50.86         | 40  | 93.54         | 75                                      | 28.86         | 64                                      | 22.19         | 217   | 75.52         | 435         | 271.59         |
| 24      | Women & Child Development        | 0                                      | 0            | 0                                      | 0             | 0   | 0             | 4                                       | 3.30          | 0                                       | 0             | 1   | 0.14          | 5           | 3.44           |
| 25      | Works                            | 0                                      | 0            | 9                                      | 5.77          | 34  | 59.26         | 28                                      | 7.92          | 26                                      | 4.70          | 78  | 122.87        | 175         | 200.52         |
|         | <b>Total</b>                     | <b>14</b>                              | <b>34.77</b> | <b>89</b>                              | <b>316.26</b> | <b>205</b>                                | <b>318.60</b> | <b>328</b>                              | <b>392.71</b> | <b>317</b>                              | <b>155.37</b> | <b>806</b>  | <b>491.60</b> | <b>1759</b> | <b>1709.31</b> |

Source: Information received from AG (G&SSA), AG (E&RSA) and Sr. DAG (ES-II) Puri.

## APPENDIX – 3.7

(Refer paragraph 3.5 at page 81)

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

| Sl No        | Name of Department               | Theft Cases     |                    | Misappropriation/ Loss of Government material |                    | Total           |                    |
|--------------|----------------------------------|-----------------|--------------------|---|--------------------|-----------------|--------------------|
|              |                                  | Number of Cases | Amount (₹ in lakh) | Number of Cases                               | Amount (₹ in lakh) | Number of Cases | Amount (₹ in lakh) |
| (1)          | (2)                              | (3)             | (4)                | (5)   | (6)                | (7)             | (8)                |
| 1            | Agriculture                      | 50              | 17.64              | 69  | 92.96              | 119             | 110.60             |
| 2            | Commerce & Transport             | 5               | 6.90               | 7   | 3.27               | 12              | 10.17              |
| 3            | Co-operation                     | 1               | 0.71               | 2   | 3.48               | 3               | 4.19               |
| 4            | Education                        | 7               | 1.78               | 21  | 54.83              | 28              | 56.61              |
| 5            | Energy                           | 2               | 0.83               | 2   | 225.22             | 4               | 226.05             |
| 6            | Excise                           | 0               | 0                  | 1   | 0.21               | 1               | 0.21               |
| 7            | Finance                          | 0               | 0                  | 7   | 10.12              | 7               | 10.12              |
| 8            | Fisheries and ARD                | 10              | 1.50               | 21  | 75.23              | 31              | 76.73              |
| 9            | Forest & Environment             | 76              | 28.10              | 361   | 226.42             | 437             | 254.52             |
| 10           | Food Supplies & Consumer Welfare | 1               | 0.10               | 2   | 2.94               | 3               | 3.04               |
| 11           | General Administration           | 2               | 0.71               | 2   | 2.21               | 4               | 2.92               |
| 12           | Health & Family Welfare          | 11              | 6.39               | 21  | 49.96              | 32              | 56.35              |
| 13           | Home                             | 0               | 0                  | 4   | 15.39              | 4               | 15.39              |
| 14           | Housing & Urban Development      | 52              | 26.28              | 20  | 44.46              | 72              | 70.74              |
| 15           | Industry                         | 4               | 3.81               | 5   | 18.44              | 9               | 22.25              |
| 16           | Information & Public Relation    | 111             | 8.56               | 7   | 1.96               | 118             | 10.52              |
| 17           | Labour & Employment              | 0               | 0                  | 1   | 1.94               | 1               | 1.94               |
| 18           | Law                              | 7               | 2.76               | 8   | 8.84               | 15              | 11.60              |
| 19           | Panchayati Raj                   | 13              | 16.99              | 37  | 20.09              | 50              | 37.08              |
| 20           | Revenue & DM                     | 9               | 4.17               | 56  | 142.57             | 65              | 146.74             |
| 21           | Rural Development                | 63              | 76.85              | 34  | 20.25              | 97              | 97.10              |
| 22           | ST & SC Development              | 12              | 1.62               | 20  | 7.27               | 32              | 8.89               |
| 23           | Water Resources                  | 281             | 120.07             | 154   | 151.52             | 435             | 271.59             |
| 24           | Women & Child Development        | 1               | 0.03               | 4   | 3.41               | 5               | 3.44               |
| 25           | Works                            | 82              | 16.46              | 93  | 184.06             | 175             | 200.52             |
| <b>Total</b> |                                  | <b>800</b>      | <b>342.26</b>      | <b>959</b>                                    | <b>1367.05</b>     | <b>1759</b>     | <b>1709.31</b>     |

**Source:** Information received from AG (G&SSA), AG (E&RSA) and Sr. DAG (ES-II) Puri.

**APPENDIX – 3.8**  
(Refer paragraph 3.5 at page 81)

**Reasons for which the cases were outstanding**

(₹ in lakh)

| Sl. No       | Name of the Department           | (A) Under Departmental/ Criminal Investigation |               | (B) Departmental action started but not finalised |               | (C) Certificate case is pending |              | (D) Recovery order received/ awaited |               | (E) Case is sub-judice |               | Total       |                |
|--------------|----------------------------------|--|---------------|---|---------------|---------------------------------|--------------|--------------------------------------|---------------|------------------------|---------------|-------------|----------------|
|              |                                  | 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)           |
| 1            | Agriculture                      | 5  | 13.50         | 38  | 62.95         | 0                               | 0            | 41                                   | 6.86          | 35                     | 27.29         | 119         | 110.60         |
| 2            | Commerce & Transport             | 5  | 6.51          | 3   | 1.06          | 0                               | 0            | 2                                    | 0.94          | 2                      | 1.66          | 12          | 10.17          |
| 3            | Co-operation                     | 0  | 0             | 1   | 0.94          | 0                               | 0            | 0                                    | 0             | 2                      | 3.25          | 3           | 4.19           |
| 4            | Education                        | 7  | 13.94         | 6   | 4.04          | 0                               | 0            | 5                                    | 2.14          | 10                     | 36.49         | 28          | 56.61          |
| 5            | Energy                           | 0  | 0             | 2   | 224.53        | 1                               | 1.17         | 0                                    | 0             | 1                      | 0.35          | 4           | 226.05         |
| 6            | Excise                           | 0  | 0             | 1   | 0.21          | 0                               | 0            | 0                                    | 0             | 0                      | 0             | 1           | 0.21           |
| 7            | Finance                          | 0  | 0             | 0   | 0             | 0                               | 0            | 1                                    | 0.05          | 6                      | 10.07         | 7           | 10.12          |
| 8            | Fisheries & ARD                  | 0  | 0             | 18  | 55.37         | 0                               | 0            | 6                                    | 4.72          | 7                      | 16.64         | 31          | 76.73          |
| 9            | Food Supplies & Consumer Welfare | 0  | 0             | 0   | 0             | 0                               | 0            | 1                                    | 0.10          | 2                      | 2.94          | 3           | 3.04           |
| 10           | Forest & Environment             | 32   | 61.34         | 46  | 43.61         | 0                               | 0            | 351                                  | 147.03        | 8                      | 2.54          | 437         | 254.52         |
| 11           | General Administration           | 0  | 0             | 0   | 0             | 0                               | 0            | 0                                    | 0             | 4                      | 2.92          | 4           | 2.92           |
| 12           | Health & Family Welfare          | 3  | 0.44          | 5   | 6.95          | 0                               | 0            | 8                                    | 8.49          | 16                     | 40.47         | 32          | 56.35          |
| 13           | Home                             | 0  | 0             | 0   | 0             | 2                               | 13.12        | 0                                    | 0             | 2                      | 2.27          | 4           | 15.39          |
| 14           | Housing & Urban Development      | 29   | 41.61         | 41  | 25.85         | 0                               | 0            | 0                                    | 0             | 2                      | 3.28          | 72          | 70.74          |
| 15           | Industry                         | 2  | 15.84         | 2   | 1.33          | 0                               | 0            | 1                                    | 0.05          | 4                      | 5.03          | 9           | 22.25          |
| 16           | Information & Public Relation    | 104  | 9.51          | 9   | 0.66          | 0                               | 0            | 3                                    | 0.20          | 2                      | 0.15          | 118         | 10.52          |
| 17           | Labour & Employment              | 0  | 0             | 0   | 0             | 0                               | 0            | 1                                    | 1.94          | 0                      | 0             | 1           | 1.94           |
| 18           | Law                              | 1  | 0.04          | 4   | 4.06          | 1                               | 0.15         | 3                                    | 1.24          | 6                      | 6.11          | 15          | 11.60          |
| 19           | Panchayati Raj                   | 21   | 21.97         | 14  | 11.98         | 2                               | 0.34         | 6                                    | 1.63          | 7                      | 1.16          | 50          | 37.08          |
| 20           | Revenue                          | 5  | 1.66          | 13  | 6.68          | 20                              | 4.85         | 16                                   | 5.15          | 11                     | 128.4         | 65          | 146.74         |
| 21           | Rural Development                | 51   | 78.05         | 41  | 18.93         | 1                               | 0.03         | 1                                    | 0.04          | 3                      | 0.05          | 97          | 97.10          |
| 22           | ST & SC Development              | 2  | 2.74          | 4   | 3.20          | 0                               | 0            | 22                                   | 2.42          | 4                      | 0.53          | 32          | 8.89           |
| 23           | Water Resources                  | 152  | 176.34        | 243   | 81.21         | 5                               | 0.27         | 21                                   | 12.27         | 14                     | 1.50          | 435         | 271.59         |
| 24           | Women & Child Development        | 0  | 0             | 4   | 3.30          | 0                               | 0            | 1                                    | 0.14          | 0                      | 0             | 5           | 3.44           |
| 25           | Works                            | 57   | 47.63         | 109   | 147.93        | 1                               | 0.41         | 2                                    | 0.34          | 6                      | 4.21          | 175         | 200.52         |
| <b>Total</b> |                                  | <b>476</b>                                     | <b>491.12</b> | <b>604</b>  | <b>704.79</b> | <b>33</b>                       | <b>20.34</b> | <b>492</b>                           | <b>195.75</b> | <b>154</b>             | <b>297.31</b> | <b>1759</b> | <b>1709.31</b> |

**Source:** Information received from AG (G&SSA), AG (E&RSA) and Sr. DAG (ES-II) Puri.

**APPENDIX – 3.9**  
(Refer paragraph 3.6 at page 82)

**Statement showing unadjusted AC bills for the years up to 2011-12**

| Sl. No.      | Department  | Number of AC bills | Amount (₹ in lakh)                      |
|--------------|---|--------------------|---|
| 1            | 2011-Paliamentary Affairs   | 1                  | 3.00                                    |
| 2            | 2014 -Administrative of Justice   | 684                | 40.92                                   |
| 3            | 2015-Election (Home & Panchayati Raj)   | 213                | 2935.67                                 |
| 4            | 2029-Land Revenue   | 3                  | 0.86                                    |
| 5            | 2030-Stamps & Registration  | 1                  | 2.92                                    |
| 6            | 2039-Excise   | 3                  | 0.05                                    |
| 7            | 2047-Other Fiscal Services  | 1                  | 0.20                                    |
| 8            | 2051-Public service commission  | 15                 | 43.04                                   |
| 9            | 2052-Secretariat General services   | 25                 | 84.73                                   |
| 10           | 2054-Treasury and Accounts Administration                                     | 5                  | 13.37                                   |
| 11           | 2055-Home (Police)  | 3                  | 1.00                                    |
| 12           | 2056-Home   | 5773               | 1912.09                                 |
| 13           | 2070-Other Administrative service   | 15                 | 15.35                                   |
| 14           | 2204-Sports & Youth Services  | 1431               | 644.06                                  |
| 15           | 2210-Medical and Public Health  | 6                  | 0.29                                    |
| 16           | 2211-Health & Family Welfare  | 219                | 90.75                                   |
| 17           | 2225-Welfare of Scheduled Castes, Schedules Tribes and Other Backward Classes | 1                  | 0.63                                    |
| 18           | 2230-Labour & Employment  | 2                  | 0.55                                    |
| 19           | 2235-Social security & welfare  | 7                  | 0.47                                    |
| 20           | 2245-Relief on account of Natural Calamity                                    | 1                  | 5.00                                    |
| 21           | 2251-ST & SC  | 2                  | 0.15                                    |
| 22           | 2401-Crop Husbandry   | 1                  | 0.53                                    |
| 23           | 2425-Co-operation   | 1                  | 0.03                                    |
| 24           | 2435-Agriculture  | 1                  | 0.01                                    |
| 25           | 2515-Other Rural Development project  | 2                  | 0.09                                    |
| 26           | 2853-Steel & Mines  | 113                | 18.98                                   |
| 27           | 3056-Commerce   | 3                  | 0.12                                    |
| 28           | 3454-Census Surveys and Statistics  | 1                  | 11.29                                   |
| 29           | 4059-Capital outlay on public work  | 4                  | 391.18                                  |
| <b>Total</b> |   | <b>8537</b>        | <b>6217.33</b><br><b>Or 62.17 Crore</b> |

**Source:** Principal AG (A&E)

**APPENDIX – 3.10**  
(Refer paragraph 3.8 at page 84)

**Statement showing the PD Accounts holders for more than three years**

| Sl. No.      | Name of the DDO                                      | Name of the District Treasury | Amount kept in PD Account ( in lakh) | Period from which kept | Remarks               |                    |
|--------------|--|-------------------------------|--------------------------------------|------------------------|-----------------------|--------------------|
| 1            | Horticulturist, Paralakhemundi                       | Gajapati                      | 1.90                                 | 27.08.2007             | More than four years  |                    |
| 2            | Collector, Sundargarh                                | Sundargarh                    | 14.20                                | 07.06.1997             | More than 14 years    |                    |
| 3            | Civil Supply Officer, Balesore                       | Balasore                      | 6.10                                 | 11.09.2005             | More than six years   |                    |
| 4            | Govt. Girls High School, Rupsa                       |                               | 0.18                                 | 04.04.2002             | More than nine years  |                    |
| 5            | Secretary Board and Civil Supply Odisha, Bhubaneswar | Khurda                        | 881.74                               | 01.04.2004             | More than seven years |                    |
|              |  |                               | 10.05                                | 01.04.1996             | More than 15 years    |                    |
|              |  |                               | 13.62                                | 01.04.1967             | More than 44 years    |                    |
| 6            |  |                               | Superintendent of fisheries,         | 0.03                   | 01.04.1980            | More than 31 years |
| 7            |  |                               | Secretary, Commerce Department       | 19.98                  | 01.04.1982            | More than 29 years |
| 8            | Collector, Puri                                      |                               | 11.59                                | 01.04.1985             | More than 26 years    |                    |
| 9            | Financial Advisor, CAO, OSFC, Bhubaneswar            |                               | 0.33                                 | 01.04.1986             | More than 25 years    |                    |
| 10           | ADA, Cold Storage, Bhubaneswar                       |                               | 20.00                                | 01.04.1986             | More than 25 years    |                    |
| 11           | AG Odisha, Bhubaneswar                               |                               | 0.92                                 | 01.04.1984             | More than 27 years    |                    |
| 12           | Collector, Puri                                      | Puri                          | 7.53                                 | 09/98                  | More than 13 years    |                    |
| 13           | CSO, Keonjhar  | Keonjhar                      | 15.09                                | 05/99                  | More than 12 years    |                    |
| 14           | Controller OUAT                                      | Spl. Treasury Bhubaneswar     | 363.04                               | 30.12.1998             | More than 13 years    |                    |
| 15           | Shree Jagannath Sanskrit Biswavidyalay               |                               | 0.20                                 | 13.07.2007             | More than four years  |                    |
| 16           | DFO, Khariar   | Nuapada                       | 7.27                                 | 31.12.1974             | More than 37 years    |                    |
| <b>Total</b> |  |                               | <b>1373.77</b>                       |                        |                       |                    |

Source: Annual review report on the working of Treasuries 2011-12 prepared by Pr. AG (A&E)

## APPENDIX – 4.1

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

| Terms   | Basis of Calculation  |
|---|---|
| Appropriation Accounts  | Appropriation Accounts present the total amount of funds (Original and Supplementary) authorized 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.  |
| Average interest paid by the State                                | $\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$  |
| Balance from Current Revenue (BCR)                                | Revenue Receipts minus all Plan Grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt.  |
| Buoyancy of a parameter   | Rate of Growth of the parameter/GSDP Growth Rate  |
| Buoyancy of a parameter (X) With respect to another parameter (Y) | $\text{Rate of Growth of parameter (X)} / \text{Rate of Growth of parameter (Y)}$   |
| Committed expenditure   | The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies on which the present executive has limited control.  |
| Consolidated fund of the State                                    | The fund constituted under Article 266 (1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFI is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, etc.).  |
| Contingency Fund  | Legislature Assembly has by law established a Contingency Fund in the nature of an imprest into which is paid from time to time such sums as may be determined by such law, and the said fund is placed at the disposal of the Governor to enable advances to be made by him out of it for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by Legislature Assembly by law under Article 115 or Article 116 of the Constitution. |
| Contingent liability  | Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a court case.   |
| Debt stabilization  | 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  |



| Terms   | Basis of Calculation  |
|---|---|
|   | quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.   |
| Debt sustainability                                       | The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.  |
| Development Expenditure                                   | Social Services + Economic Services   |
| Escrow Account  | In order to ensure fiscal discipline in public sector undertaking/Urban Local bodies/co-operative Institutions and State-owned Companies etc., and to ensure minimizing the default on payment of government guaranteed loans the Government in Finance Department vide their Resolution No.11311/F 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 bank for timely repayment of guaranteed loans. The proceeds of this account shall first be utilized for payment of dues of the financial Institutions and it is only after meeting such payments that the surplus amount shall be diverted for other payments including salaries. |
| Fiscal Deficit  | Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts  |
| Guarantee Redemption Fund                                 | Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. Government of 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.  |
| Internal Debt   | Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund.  |
| Interest received as <i>per cent</i> to Loans Outstanding | Interest Received/ [(Opening balance + Closing balance of Loans and Advances)/2]*100  |
| Interest spread   | GSDP growth – Average Interest Rate   |
| 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.   |
| Primary Deficit   | Fiscal Deficit – Interest payments  |
| Primary revenue expenditure                               | Primary revenue expenditure means revenue expenditure excluding interest payments.  |

| Terms                            | Basis of Calculation   |
|----------------------------------|--|
| 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 scrutinize.   |
| Quantum spread                   | Debt stock *Interest spread  |
| Rate of Growth (ROG)             | $[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$   |
| Re-appropriation                 | Means the transfer of funds from one Primary unit of appropriation to another such unit.   |
| Revenue Deficit                  | Revenue Receipt – Revenue Expenditure  |
| Sinking Fund                     | A Fund into which the government sets aside money over time, in order to retire its debt.  |
| Sufficiency of non-debt receipts | Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.  |
| Supplementary grants             | If the amount authorized by any law made in accordance with the provisions of Article 114 of the Constitution 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.   |
| 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.   |
| State implementing schemes       | State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorized 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.  |
| 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. |

| Acronyms | Full Form  |
|----------|--|
| AC       | Abstract Contingency   |
| AE       | Aggregate Expenditure  |
| BE       | Budget Estimates   |
| BDA      | Bhubaneswar Development Authority                                  |
| BOO      | Built, Own and Operate   |
| BOOT     | Built, Own, Operate and Transfer                                   |
| BOOST    | Built, Own, Operate, Share and Transfer                            |
| BOT      | Built, Operate and Transfer  |
| BRGF     | Backward Region Grant Fund   |
| CE       | Capital Expenditure  |
| CAG      | Comptroller and Auditor General of India                           |
| CE       | Capital Expenditure  |
| CFS      | Consolidated Fund of the State                                     |
| DBOOT    | Design, Built, Own, Operate and Transfer                           |
| DBT      | Design, Built and Transfer   |
| DCC      | Detailed Countersigned Contingent                                  |
| DCRF     | Debt Consolidation and Relief Facility                             |
| DE       | Development Expenditure  |
| DRDA     | District Rural Development Agency                                  |
| DRAFOMT  | Design, Renovate, Augment, Finance, Operate, Maintain and Transfer |
| FCP      | Fiscal Correction Path   |
| FRBM     | Fiscal Responsibility and Budget Management                        |
| GoI      | Government of India  |
| GSDP     | Gross State Domestic Product                                       |
| IAY      | Indira Awas Yojana   |
| IDCO     | Orissa Industrial Infrastructure Development Corporation           |
| IP/RR    | Interest Payment/ Revenue Receipt                                  |
| MTFP     | Medium Term Fiscal Plan  |
| MGNREGS  | Mahatma Gandhi 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                                      |
| PMGSY    | Pradhan Mantri Gram Sadak Yojana.                                  |
| PPP      | Public Private Partnership   |
| PSU      | Public Sector Units  |

| Acronyms | Full Form  |
|----------|--|
| RE       | Revenue Expenditure                                    |
| RFP      | Request for Proposal                                   |
| RR       | Revenue Receipts                                       |
| GGY      | 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                               |
| UOMMST   | Upgrade, Operate, Maintain, Manage, Share and Transfer |
| VAT      | Value Added Tax  |
| VGF      | Viability Gap Fund                                     |