



**Report of the
Comptroller and Auditor General of India
State Finances Audit Report
for the year ended March 2023**



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Odisha
Report No. 5 of the year 2024

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Comptroller and Auditor General of India**

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Preface

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

The State Finances Audit Report of the Government of Odisha intends to assess the financial performance of the State, during the financial year 2022-23 and to provide the State Legislature with inputs, based on audit analysis of financial data. The Report contains five Chapters.

Chapter I – Overview: This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of Government Accounts, budgetary processes, macro-fiscal analysis of key indices and the State's fiscal position, including the deficits/ surplus.

Chapter II – Finances of the State: This Chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from FY 2018-19 to FY 2022-23, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.

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

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

Chapter V – State Public Sector Enterprises: This Chapter contains a Summary of the financial performance of State Public Sector Enterprises and the Oversight Role of CAG on State Public Sector Enterprises.

The Report containing the findings of performance audit and audit of transactions 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

Executive Summary

About the Report

This Report of the CAG of India is on the State Finances for the year 2022-23. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.

This executive summary highlights the contents of this report and through snapshots of the important figures and aspects, provides insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and its impact.

Gross State Domestic Product (GSDP) (at current prices) grew at a Compounded Annual Growth Rate of 11.65 *per cent* from ₹4,98,611 crore in FY 2018-19 to ₹7,74,869 crore in FY 2022-23. There was 15.50 *per cent* growth in GSDP over FY 2021-22.

The revenue receipts decreased at 1.70 *per cent* and the percentage of revenue receipts over GSDP decreased from 22.81 *per cent* in FY 2021-22 to 19.42 *per cent* in FY 2022-23. The tax revenue increased by 13.50 *per cent* during the period and the State's own tax revenue increased by 14.25 *per cent*. The total expenditure (revenue expenditure, capital expenditure and loans and advances) of the State of Odisha increased from ₹1,34,000 crore in FY 2021-22 to ₹1,66,513 crore in FY 2022-23, registering an increase of 24.26 *per cent*. Of this, revenue expenditure showed 19.54 *per cent* increase from FY 2021-22. Revenue Surplus decreased from ₹43,471 crore to ₹19,456 crore, registering 55.24 *per cent* decrease over FY 2021-22, while fiscal surplus of ₹20,627 crore in FY 2021-22 turned to fiscal deficit of ₹15,219 crore in FY 2022-23.

Receipt vis-à-vis Expenditure

The State has different sources of receipts such as State Own Tax Revenue, Non-tax Revenue, Devolution of States' share in taxes, Grants in aid and transfers from the Union Government and non-debt capital receipts. The State Government's expenditure includes expenditure on revenue account, as well as capital expenditure (assets creation, loans and advances, investments *etc*).

From FY 2018-19 to FY 2022-23, revenue receipts grew from ₹ 99,546 crore to ₹ 1,50,462 crore, with an average annual growth rate of 10.88 *per cent*. The share of Grants-in-aid in revenue receipts decreased from 19.69 *per cent* in FY 2018-19

to 12.10 *per cent* in FY 2022-23, indicating decreased reliance on support from the Government of India. The State Government received ₹11,741 crore as Central share for the Centrally Sponsored Schemes (CSSs) during the year.

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligations. As such, it does not result in any addition to the State's infrastructure and service network. Between FYs 2018-19 and 2022-23, revenue expenditure increased from ₹85,356 crore (17.12 *per cent* of GSDP) to ₹1,31,006 crore (16.91 *per cent* of GSDP). It consistently made up a significant portion (78 to 83 *per cent*) of the total expenditure during this period, growing at an average annual rate of 11.30 *per cent*.

Capital Expenditure

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

Between FY 2018-19 and FY 2022-23, Capital expenditure increased from ₹23,482 crore (4.71 *per cent* of GSDP) to ₹33,349 crore (4.30 *per cent* of GSDP). It consistently made up a significant portion (16 to 21 *per cent*) of the total expenditure during this period, growing at an average annual rate of 9.16 *per cent*.

Committed Expenditure

Under the revenue expenditure, the quantum of committed expenditure constitutes the substantial share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions constituted 38-43 *per cent* of revenue expenditure during FY 2018-19 (41.85 *per cent*) and FY 2022-23 (38.06 *per cent*). The Committed expenditure increased at an average rate of 8.70 *per cent*, *i.e.* from ₹35,719 crore in FY 2018-19 to ₹49,868 crore in FY 2022-23.

In addition to the committed expenditure, inflexible expenditure increased from 1.97 *per cent* to 2.46 *per cent* of revenue expenditure during FYs 2018-19 to 2022-23. The inflexible expenditure decreased from ₹6,223 crore in FY 2021-22 to ₹3,709 crore in FY 2022-23, registering a decrease of 40.40 *per cent*. Taken together, the committed and inflexible expenditure in FY 2022-23 was ₹53,577 crore, *i.e.* 40.77 *per cent* of the revenue expenditure.

Misclassification of Revenue Expenditure as Capital Expenditure

During the financial year 2022-23, the State Government had booked ₹33,349.41 crore as Capital Expenditure. During audit, it was noticed that, out of the amount of

₹33,349.41 crore, ₹2,652.21 crore of expenditure of Revenue nature, had been booked under Capital Expenditure. Out of this amount, ₹199.03 crore was expenditure towards operation, maintenance, repair and renovation *etc.*, which was required to be booked under Revenue Expenditure, as per Rule 31 (2)(b) of the Government Accounting Rules, 1990. The remaining amount of ₹2,453.18 crore had been transferred for creation of assets by entities other than the Government of Odisha, which was required to be classified as Revenue Expenditure, in accordance with Note below Rule 30(1) of GAR 1990.

Fiscal sustainability

OFRBM requirements and compliance with fiscal parameters

The OFRBM Act / Rules prescribes certain limits within which, revenue deficit, fiscal deficit, debt as a percentage of the Gross State Domestic Product (GSDP) should be, and similarly for guarantees as a percentage of revenue receipts of the previous year. In FY 2022-23, revenue surplus was ₹19,456 crore; fiscal deficit was 1.96 *per cent* as against the limit of 3.00 *per cent*; debt was 13.12 *per cent* as against limit of 25.00 *per cent*. The outstanding guarantees at the beginning of the FY 2022-23, were 7.57 *per cent* as against the prescribed limit of 100 *per cent*.

As per the debt stabilization analysis, the public debt of the Government of Odisha had decreased at an average rate of 2.04 *per cent* annually between FYs 2018-19 to 2022-23. Public debt-GSDP ratio of Odisha decreased from 11.68 *per cent* in FY 2018-19 to 6.92 *per cent* in FY 2022-23, which indicates that debt is sustainable.

In the last five financial years (*i.e.* FYs 2018-19 to 2022-23), the State had a primary deficit, except for the financial year 2021-22. However, the Domar gap remained positive, except in FY 2020-21, showing that the Public Debt as percentage of GSDP is sustainable. However, during FY 2020-21, the Domar gap had turned negative, due to negative growth of GSDP, owing to COVID-19. During 2021-22, real growth was highest (11.26 *per cent*) due to low base of 2020-21 (COVID year), resulting in significant positive Domar Gap (12.13 *per cent*).

Funds to Single Nodal Agency

The Government of India and the State Government have introduced system of Single Nodal Agency (SNA) for implementation and fund flow for each Centrally Sponsored Scheme (CSS). The share of the Government of India and the State Government is transferred to the Bank Account of the SNA lying outside the Government Account.

As per the VLC database, the State Government transferred ₹22,279.17 crore (Central share ₹12,002.83 crore and State Government share ₹10,276.34 crore) to the SNAs, during FY 2022-23. Out of the total transfer of ₹22,279.17 crore, ₹21,223.14 crore had been transferred through Miscellaneous Bills, ₹1,040.86 crore

through GIA bills and ₹15.17 crore through Other Contingent Bills. As per SNA PFMS report, the State Government transferred ₹21,841.66 crore (Central share of ₹11,770.74 crore and State share of ₹10,070.92 crore) to the SNAs. As per the SNA report, on the PFMS portal, ₹11,773.73 crore was lying unspent in the bank accounts of SNAs, as on 31 March 2023. Detailed vouchers and supporting documents, in regard to the actual expenditure, were not received by the Principal AG office, from the SNAs.

Budget performance

Aggregate budget outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/ actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved. In Revenue Section, deviation in outturn compared with Budget Estimate (BE), was (-) 11.61 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 35 grants and two appropriations, between ± 25 *per cent* to ± 50 *per cent* in six grants and one appropriation, between ± 50 *per cent* to ± 100 *per cent* in three grants. In Capital Section, deviation in outturn compared with BE, was (-) 9.39 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 30 grants and three appropriations, between ± 25 *per cent* to ± 50 *per cent* in four grants, between ± 50 *per cent* to ± 100 *per cent* in eight grants and equal to or more than (-) 100 *per cent* in two grants.

Expenditure composition outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution, have contributed to variance in expenditure composition. In Revenue Section, deviation in outturn compared with RE was (-) 8.11 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 37 grants, between ± 25 *per cent* to ± 50 *per cent* in nine grants, between ± 50 *per cent* to ± 100 *per cent* in one grant. In Capital Section, deviation in outturn compared with RE was (-) 7.56 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 35 grants, between ± 25 *per cent* to ± 50 *per cent* in six grants, between ± 50 *per cent* to ± 100 *per cent* in five grants and more than 100 *per cent* in one grant. No provision was made under capital section in six grants.

It was noticed that supplementary provisions of ₹8,064.71 crore during the year 2022-23 in 14 cases (more than ₹100 crore in each case) proved unnecessary, as the expenditure did not come up even to the level of original provisions.

Overall Budget reliability assessment indicates that though the deviations between the actual expenditure and original budget, as well as between the actual expenditure and the final budget, were less than five per cent, there were deviations up to 71 per cent, in different grants. Moreover, it was also noticed that in several

cases, there were supplementary grants, where expenditure was not even up to the original grant. A reliable budget practice should be able to deal with such deviations.

Regularisation of Excess over Grants/ Appropriations

The State Government has to get excesses over grants/appropriations regularised by the State Legislature, as per Articles 204 and 205 (1) (b) of the Constitution of India. Excess expenditure, remaining un-regularised for extended periods, dilutes legislative control over the executive. Excess disbursements of ₹262.65 crore, pertaining to FYs 2013-14 to 2020-21 (no excess expenditure during FY 2019-20), are yet to be regularised by the State Legislature.

Quality of Accounts and Financial Reporting

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the actual expenditure. It also highlights issues pertaining to the accounts and financial reporting, such as parking of funds outside the Government accounts, non- or short discharging of liabilities and misclassification of transactions and data gaps.

Compliance with IGAS

As against the requirements of the Indian Government Accounting Standards (IGAS), Audit noticed non-compliance with IGAS-2: Certain Grants-in-Aid were classified under Capital Section.

Operation of PD Accounts

Against the requirement of reconciliation between Treasury and Personal Deposit (PD) Accounts with respective administrators, there was no reconciliation in 102 cases. Also, despite the lapse of the authorised period, 404 PD Accounts were not closed and their balances were not transferred to the Consolidated Fund.

Utilisation Certificates against conditional grants

Despite the requirement of submitting Utilisation Certificates (UCs) against conditional grants within a stipulated time period, 19,241 outstanding UCs amounting to ₹20,696.39 crore were not received by AG(A&E) and were pending for reconciliation, as on March 2023.

DC bills against AC bills

Similarly, despite the requirement of submitting Detailed Contingent (DC) Bills against the advance money withdrawn through Abstract Contingent (AC) Bills, 1,382 AC bills of ₹107.57 crore were pending for submission of DC bills, as on March 2023, out of which 1,004 AC Bills, amounting to ₹95.99 crore pertained to the period up to March 2022.

Working of State Public Sector Undertakings

As on 31 March 2023, there were 76 State Public Sector Enterprises (SPSEs) in Odisha, including three Statutory Corporations and 58 Government Companies (including 24 inactive Government Companies) and 15 Government Controlled Other Companies under the audit jurisdiction of the Comptroller and Auditor General of India (CAG). It was noticed that the prescribed timelines regarding submission of Financial Statements were not adhered to by 69 SPSEs, whose 929 accounts were in arrears. Out of the total profit of ₹7,072.32 crore earned by 17 working Government Companies and Corporations, 98.51 *per cent* was contributed by six Government Companies and Corporations only. Out of the total loss of ₹797.19 crore incurred by eight working Government Companies and Corporations, loss of ₹788.73 crore (98.94 *per cent*) was incurred by one Government Company (GRIDCO Limited) and one Corporation (Odisha State Road Transport Corporation).

The State Government may impress upon the managements of SPSEs to ensure timely submission of their financial statements. In the absence of finalized accounts, Government investments in such SPSEs remain outside the oversight of the State Legislature. The State Government may also analyse the reasons of losses in loss making SPSEs and initiate steps to make their operations efficient and profitable.

Chapter I

Overview

1.1 Profile of Odisha

Odisha, a state on the eastern coast of India, is divided into 30 administrative geographical districts. It is the eighth largest State of India in terms of geographical area (1,55,707 sq. km) having 4.87 *per cent* of the total area of the nation. According to the 2011 census of India, the total population of Odisha is 4.20 crore (11th largest state), of which 2.12 crore (50.54 *per cent*) are male and 2.08 crore (49.46 *per cent*) are female. The percentage of population below the poverty line is 32.59 *per cent*, which is higher than the national average of 21.92 *per cent*. The State's literacy rate is 72.90 *per cent* (**Appendix 1.1**).

1.1.1 Gross State Domestic Product of the State

Gross State Domestic Product (GSDP) is the value of all the goods and services produced within the boundaries of the State in a given period of time. Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time.

Changes in the sectoral contribution to the GSDP are also important for understanding the changing structure of the economy. Economic activity is generally divided into the Primary, Secondary and Tertiary sectors, which correspond to the Agriculture, Industry and Services sectors.

Gross Value Added (GVA) is however, considered to be a more accurate indicator of economic growth as compared to GDP, as it ignores the impact of taxes and subsidies. From a policymaker's perspective, it is, therefore, vital to have a comparison of the GVA and GSVA data, for better analysis and focused policy interventions.

Trends in GSDP, compared to GDP and GVA, compared to GSVA, are shown in **Table 1.1**; and sectoral contribution and sectoral growth in GSDP, during the period from FYs 2018-19 to 2022-23, are depicted in **Chart 1.1** and **Chart 1.2**, respectively.

**Table 1.1: Trends in GSDP and GSVA, compared to the GDP and GVA
(at current prices)**

Year	2018-19	2019-20	2020-21	2021-22	2022-23
INDIA					
GDP (2011-12 Series) (₹ in crore)	1,88,99,668	2,01,03,593	1,98,29,927	2,34,71,012	2,72,40,712
GVA ¹ (₹ in crore)	1,71,75,128	1,83,81,117	1,81,88,780	2,14,38,883	2,47,42,871
Growth rate of GDP over previous year (in <i>per cent</i>)	10.59	6.37	-1.36	18.36	16.06

¹ Gross Value Added Tax = Gross Domestic Product + Subsidies on Products – Taxes on Products

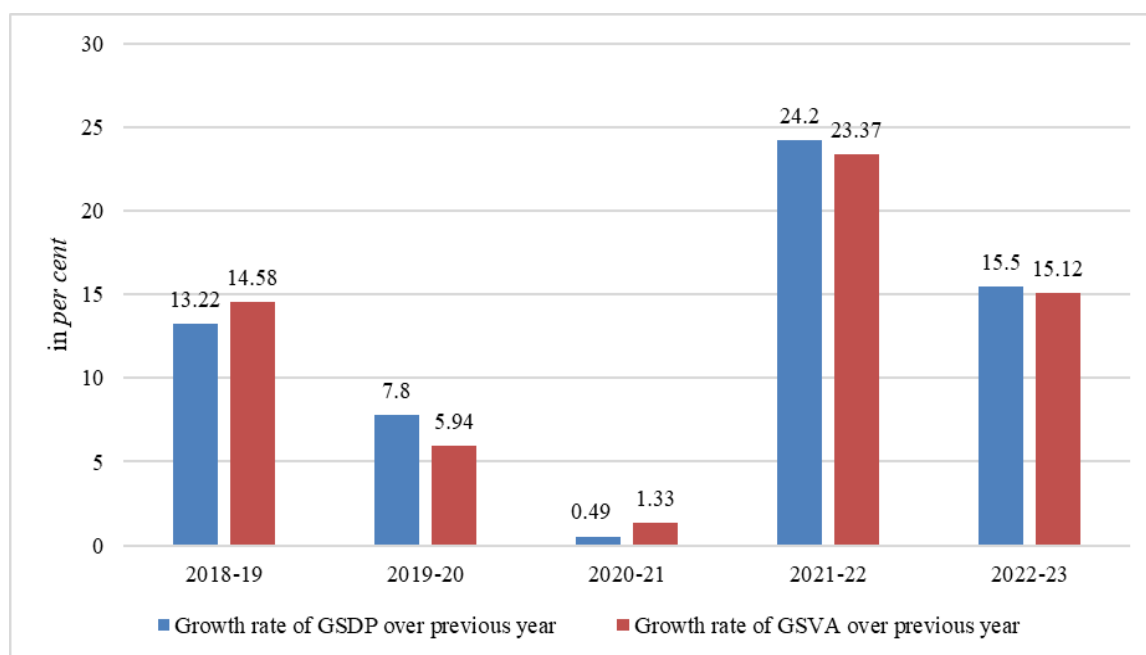
Year	2018-19	2019-20	2020-21	2021-22	2022-23
Growth rate of GVA over previous year (in <i>per cent</i>)	10.77	7.02	-1.05	17.86	15.41
Per Capita GDP (in ₹)	1,42,424	1,49,915	1,46,301	1,71,498	1,96,983
ODISHA					
GSDP (2011-12 Series) (₹ in crore)	4,98,611	5,37,502	5,40,150	6,70,881	7,74,869
GSVA (₹ in crore)	4,47,866	4,74,482	4,80,807	5,93,152	6,82,833
Growth rate of GSDP over previous year (in <i>per cent</i>)	13.22	7.80	0.49	24.20	15.50
Growth rate of GSVA over previous year (in <i>per cent</i>)	14.58	5.94	1.33	23.37	15.12
Per Capita GSDP (in ₹)	1,11,148	1,18,903	1,18,579	1,46,273	1,67,881

Source: GDP and GSDP - Central Statistical Office (2018-19: Final, 2019-20: Third Revised, 2020-21: Second Revised, 2021-22: First Revised and 2022-23: Advance Estimates)

Thus, the Gross State Domestic Product (GSDP), in FY 2022-23, at current prices, was ₹7,74,869 crore and the GDP, in FY 2022-23, at current prices, was ₹ 2,72,40,712 crore. GSDP (at current prices) grew at a Compounded Annual Growth Rate of 11.65 *per cent* from ₹4,98,611 crore in FY 2018-19 to ₹7,74,869 crore in FY 2022-23. Further, the per capita GSDP of the State, for FY 2022-23, was ₹1,67,881, while the per capita GDP of the country was ₹1,96,983.

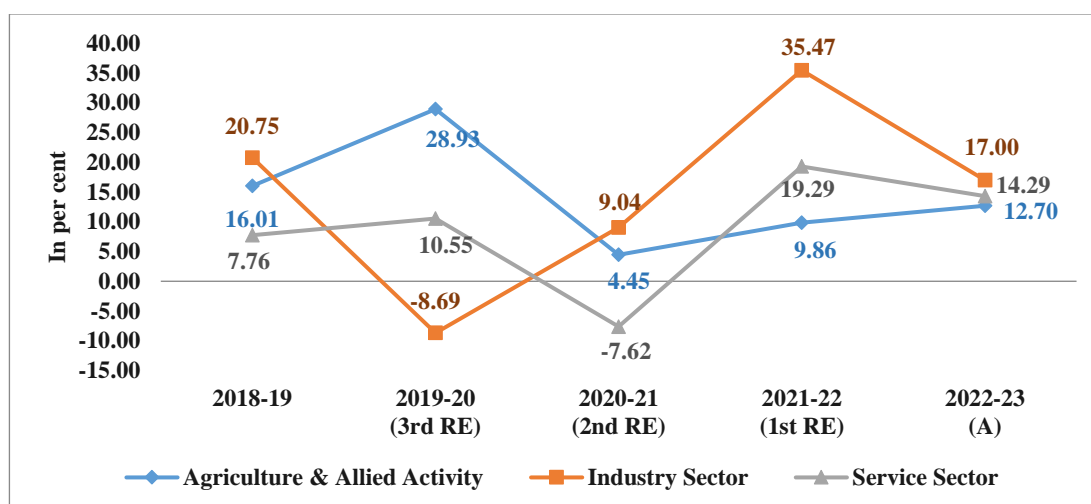
The trends of GSDP and GSVA, for the period from FYs 2018-19 to 2022-23, are indicated in **Chart 1.1**.

Chart 1.1: Growth rate of GSDP vs growth rate of GSVA (FYs 2018-19 to 2022-23)



Source: Ministry of Statistics and Programme Implementation, GoI

Chart 1.2: Sectoral growth in GSDP



Source: Economic and Statistical Organisation, Government of Odisha (GoO)

Chart 1.2 shows that, during FY 2022-23, the industry sector grew at 17.00 *per cent*, followed by the services sector at 14.29 *per cent* and agriculture sector at 12.70 *per cent*. However, the growth rates of the industry and services sectors, during FY 2022-23, were lower than the corresponding growth rates of these sectors, during the previous year.

1.2 Basis and Approach to State Finances Audit Report

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

Principal Accountant General (Accounts and Entitlements), Odisha, compiles and prepares the Finance Accounts and Appropriation Accounts of the State, annually, from the vouchers, challans and initial and subsidiary accounts, rendered by the treasuries, offices and departments, responsible for keeping of such accounts, functioning under the control of the State Government and the statements received from the Reserve Bank of India. These Accounts are audited independently, by the Office of the Principal Accountant General (Audit-I), Odisha.

The Finance Accounts and Appropriation Accounts of the State, constitute the core data for this Report. Other sources include the following:

- Budget of the State, for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its

implementation and compliance with the relevant rules and prescribed procedures

- Results of audit, carried out by the Office of the Principal Accountant General (Audit -I)
- Other data with the Departmental Authorities and Treasuries (accounting as well as MIS)
- GSDP data and other State related statistics and
- Various Audit Reports of the CAG of India.

The analysis has also been carried out in the context of the recommendations of the Fourteenth and Fifteenth Finance Commissions (14th and 15th FCs); the Odisha Fiscal Responsibility and Budget Management (FRBM) (Amendment) Act, 2022; and best practices and guidelines of the Government of India (GoI).

1.3 Overview of the Government Accounts Structure and Budgetary Processes

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

I. Consolidated Fund of the State (Article 266 (1) of the Constitution of India)

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from Central Government, loans from financial institutions, special securities issued to National Small Savings Fund *etc.*), Ways and Means Advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund, except in accordance with the law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (*e.g.* salaries of Constitutional authorities, loan repayments *etc.*) constitute a charge on the Consolidated Fund of the State (Charged Expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure), is voted by the Legislature.

II. Contingency Fund of the State (Article 267 (2) of the Constitution of India)

This Fund is in the nature of an imprest, which is established by the State Legislature by law, and is placed at the disposal of the Governor, to enable advances to be made for meeting unforeseen expenditure, pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head, relating to the Consolidated Fund of the State.

III. Public Account of the State (Article 266 (2) of the Constitution of India)

Apart from the above, all other moneys, received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account incudes repayables like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing

interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to the vote of the Legislature.

Budget Document

Article 202 of the Constitution of India requires that a statement of the estimated receipts and expenditures of the Government, for every financial year, to be placed before the House of the Legislature of the State. This 'Annual Financial Statement' constitutes the main budget document. Further, Article 112(2) of the Constitution of India requires that the budget must distinguish expenditure on the revenue account from other expenditure.

Revenue receipts consist of Tax Revenue (Own tax Revenue plus Share of Union Taxes/ Duties), Non-Tax Revenue and Grants-in-Aid from the Government of India.

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

Capital receipts consist of:

- **Debt receipts:** Market loans, bonds, loans from financial institutions, loans and advances from Central Government *etc.*; and
- **Non-debt receipts:** Proceeds from disinvestment, recoveries of loans and advances *etc.*

Capital expenditure includes expenditure on the acquisition of land, building, machinery, equipment and investment by Government in shares of Public Sector Undertakings (PSUs).

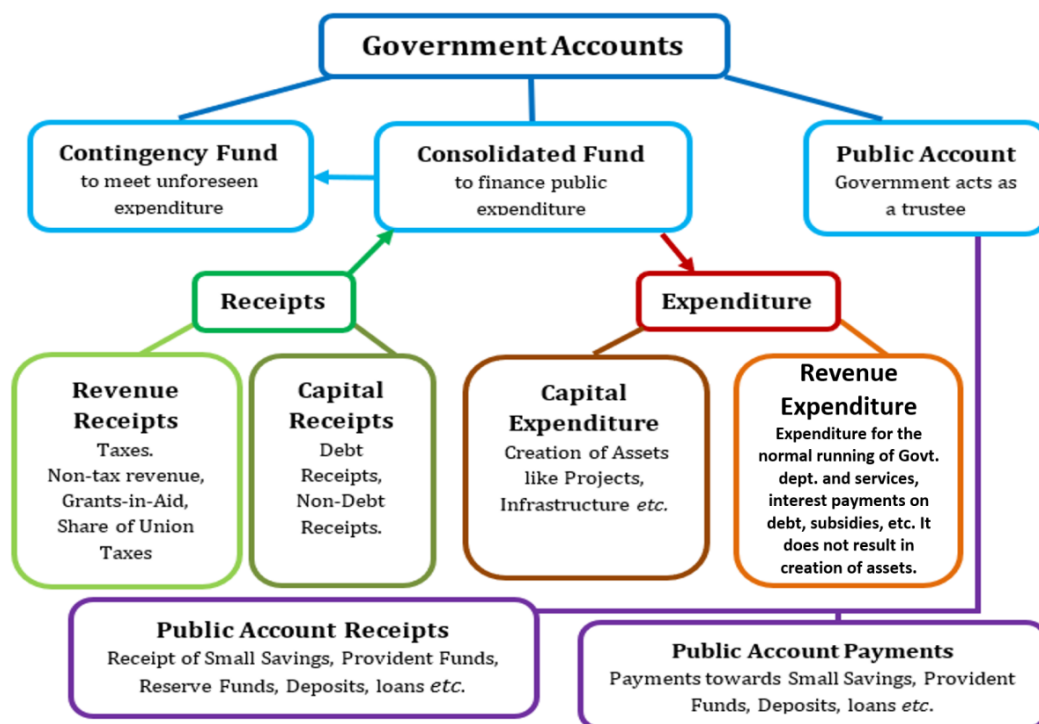
The extant accounting classification system in Government is based on both the functional, as well as the economic characteristics of the expenditure.

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

The functional classification indicates the department, function, scheme or programme and object of the expenditure. The economic classification helps organise these payments as revenue, capital, debt *etc.* and is achieved by the numbering logic, embedded in the first digit of the 4-digit Major Heads. For instance, 0 and 1 are for

revenue receipts, 2 and 3 for revenue expenditure *etc.* Economic classification is also achieved by an inherent definition and distribution of some object heads. For instance, while the “salary” object head is revenue expenditure, the “construction” object head is capital expenditure. The Object head is the primary unit of appropriation in the budget documents.

Chart 1.3: Structure of Government Accounts



Source: Finance Accounts

Public Debt and Public Liability:

In this Report, ‘Public Debt’ has been taken to comprise market borrowings, institutional loans, special securities issued to National Small Savings Fund (NSSF), loans given by Central Government *etc.* For this purpose, the major heads 6003 and 6004 – Public Debt, have been taken into consideration.

Further, transactions relating to ‘Small Savings, Provident Fund, *etc.*’, ‘Reserve Funds’ and ‘Deposit and Advances’, under the Public Account, are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. Transactions relating to ‘Remittances’ and ‘Suspense’, under the Public Account, relate to adjusting heads, and include transactions, such as remittances of cash between treasuries and currency chests, as well as transfers between different accounting circles.

In this Report, ‘Public Liability’ has been taken to include transactions under the major heads 8001 to 8554, relating to ‘Small Savings, Provident Fund, *etc.*’, ‘Reserve Funds’ and ‘Deposit and Advances’ along with transactions under the major heads 6003 and 6004.

Budgetary Process

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

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

1.3.1 Snapshot of Finances

Table 1.2 shows the details of actual financial results for the years 2021-22 and 2022-23, *vis-à-vis* the Budget Estimates (BE) and GSDP for the year 2022-23.

Table 1.2: Snapshot of Finances

Sl. No.	Components	2021-22 Actual	2022-23 B.E.	2022-23 Actual	(₹ in crore)	
					Percentage of Actual to B.E.	Percentage of Actual to GSDP
1	Tax Revenue	78,892	82,978	89,543	107.91	11.56
i.	Own Tax Revenue	40,748	46,000	46,554	101.20	6.01
ii.	Share of Union taxes / duties	38,144	36,978	42,989	116.26	5.55
2	Non Tax Revenue	54,257	48,200	42,720	88.63	5.51
3	Grants-in-Aid and Contributions	19,910	32,789	18,199	55.50	2.35
4	Revenue Receipts (1+2+3)	1,53,059	1,63,967	1,50,462	91.76	19.42
5	Recovery of Loans and Advances	1,566	444	832	187.39	0.11
6	Other Receipts	0	0	0	N.A.	0.00
7	Borrowings and other Liabilities*	20,627 [^]	21,588	15,219	70.50	1.96
8	Capital Receipts (5+6+7)	22,193	22,032	16,051	72.85	2.07
9	Total Receipts (4+8)	1,34,000	1,85,999	1,66,513	89.52	21.49
10	Revenue Expenditure	1,09,588	1,44,349	1,31,006	90.76	16.91
11	Interest payments	6,342	8,467	5,502	64.98	0.71
12	Capital Expenditure	22,726	39,566	33,349	84.29	4.30
13	Loan and Advances	1,686	2,084	2,158	103.55	0.28
14	Total Expenditure (10+12+13)	1,34,000	1,85,999	1,66,513	89.52	21.49
15	Revenue Surplus/Deficit (4-10)	43,471	19,618	19,456	99.17	2.51

Sl. No.	Components	2021-22 Actual	2022-23 B.E.	2022-23 Actual	Percentage of Actual to B.E.	Percentage of Actual to GSDP
16	Fiscal Deficit (-)/Surplus (+) {(4+5+6)-14}	20,627 ²	(-) 21,588	(-) 15,219	70.50	1.96
17	Primary Deficit (-)/Surplus(+) (16+11)	26,969	(-)13,121	(-) 9,717	74.06	1.25

Source: Finance Accounts & Budget at a Glance

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

^ Includes ₹6,430 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall.

Thus, during the year 2022-23, the revenue receipts of the State decreased by 1.70 per cent over the previous year and fell short of ₹13,505 crore (8.24 per cent) as compared to the budget estimates. However, the Revenue Expenditure and Capital Expenditure, during 2022-23, increased by 19.54 per cent and 46.74 per cent respectively, over the previous year. The decrease in revenue receipts, over the previous year (₹2,597 crore), was mainly due to decrease in receipt of Non Tax Revenue.

1.3.2 Snapshot of Assets and liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 2.3** gives an abstract of such liabilities and assets, as on 31 March 2023, compared with the corresponding position of the previous year. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from the Public Account and reserve funds, and the assets comprise mainly of the Capital Expenditure, and loans and advances, given by the State Government and cash balances. A summarised position of assets and liabilities, for the financial years 2021-22 and 2022-23, is given in **Table 1.3**.

Table 1.3: Summarised position of assets and liabilities

(₹ in crore)

Liabilities					Assets				
		2021-22	2022-23	Per cent increase/decrease			2021-22	2022-23	Per cent increase/decrease
Consolidated Fund									
A	Internal Debt	53,977.24	45,531.68	(-)15.65	A	Gross Capital Expenditure on Fixed Assets	2,02,410.27	2,35,759.68	16.48
B	Loans and Advances from GoI*	18,507.82	18,373.34	(-)0.73	B	Loans and Advances	9,185.47	10,511.25	14.43
	Contingency Fund	400.00	400.00	--					
A	Small Savings,	25,257.58	24,755.72	(-)1.99	A	Advances with	17.33	18.18	4.90

² Difference of ₹2 crore is due to rounding off [(RR: ₹1,53,059.44 crore + Recovery of Loans & Advances: ₹1,566.38 crore) – (RE: ₹1,09,587.53 crore + CE: ₹22,725.48 crore + Disbursement of Loans and Advances: 1,685.68 crore) = ₹20,627.13 crore]

Liabilities					Assets				
		2021-22	2022-23	Per cent increase/decrease			2021-22	2022-23	Per cent increase/decrease
	Provident Funds <i>etc.</i>					Departmental officers			
B	Deposits	16,997.92	19,781.94	16.38	B	Remittances	65.54	44.63	(-)31.90
C	Reserve Funds	23,833.30	39,398.13	65.31	C	Suspense and Miscellaneous	--	--	--
D	Suspense and Miscellaneous balances	306.03	482.60	57.70	D	Cash Balance (including investment of Earmarked Fund)	51,231.05	45,440.22	(-)11.30
E	Miscellaneous Capital Receipts	698.15	698.15	--					
F	Cumulative excess of receipts over expenditure	1,22,901.62	1,42,352.40	15.83					
	Total	2,62,909.66	2,91,773.96	10.98		Total	2,62,909.66	2,91,773.96	10.98

Source: Finance Accounts of respective years

** Includes back-to-back loan of: ₹10,252 crore (FY 2020-21: ₹ 3,822 crore and FY 2021-22: ₹ 6,430 crore)*

1.4 Fiscal Balance: Achievement of deficit and total debt targets

When Government spends more than it collects by way of revenue, it incurs a deficit. There are various measures to capture Government deficit.

Deficit is financed by borrowings, giving rise to Government debt. The concepts of deficit and debt are closely related. Deficit can be thought of as a flow, which adds to the stock of debt. If the Government continues to borrow year after year, it leads to accumulation of debt and the Government has to pay more and more by way of interest. These interest payments themselves contribute to the debt.

Government borrowing entails the burden of reduced consumption on future generations, because Government borrows by issuing bonds to the people living at present, but may decide to pay off the bonds in future, by raising taxes or reducing expenditure. Moreover, Government's borrowing from people reduces the savings available to the private sector. To the extent that this reduces capital formation and growth, debt acts as a 'burden' on future generations.

However, if Government deficits succeed in their goal of raising production, there will be more income and, therefore, more savings. In this case, both Government and industry can borrow more. Also, if Government invests in infrastructure, future generations may be better off, provided the return on such investments is greater than the rate of interest. The actual debt can be paid off by the growth in output. The debt should not then be considered as burdensome. The growth in debt will, therefore, have to be judged by the growth of the economy (GSDP) as a whole.

Government deficit can be reduced by an increase in taxes or reduction in expenditure. However, the major thrust has been towards reduction in Government expenditure. This can be achieved by making Government activities more efficient, through better planning of programmes and better administration.

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

In May 2005, the Odisha Government enacted the Odisha FRBM Act, 2005, to ensure prudence in fiscal management and fiscal stability, by progressive elimination of Revenue Deficit and sustainable debt management consistent with fiscal stability, greater transparency in fiscal operations of the Government and conduct of fiscal policy in a Medium Term Fiscal Framework. Subsequently, in February 2012, the State Government amended the OFRBM Act, on the recommendations of the Thirteen Finance Commission (TFC) and enacted the OFRBM (Amendment) Act, 2012, on the basis of which, the fiscal targets, for the financial years 2010-11 to 2014-15, were fixed.

The Fourteen Finance Commission (14th FC) recommended that the State Government may amend its FRBM Act, to provide for statutory flexible limits on fiscal deficit and also to provide a statutory ceiling on the sanction of new capital works to an appropriate multiple of the annual budget provision, so as to ensure that liabilities on account of incomplete and ongoing capital projects, do not accumulate.

The 14th FC also recommended that the State Government adopt a template for collating, analysing and annually reporting the total extended public debt in the budget, as a supplement to the budget, to assess the debt position of the State, in the context of risks arising from guarantees, off-budget borrowings and accumulated losses from financially weak public sector enterprises. In order to accord greater sanctity and legitimacy to fiscal management legislation, it recommended replacing the existing FRBM Act, with a Debt Ceiling and Fiscal Responsibility Legislation, specifically invoking Article 293(1) of the Constitution of India.

The State Government amended its FRBM Act, as per recommendations of the 14th FC, in November 2016. The statutory flexible limit on fiscal deficit was fixed at three *per cent* of the GSDP, for the financial years 2015-16 to 2019-20. Besides, an additional 0.50 *per cent* of the projected GSDP was to be allowed, if the debt to GSDP ratio in the preceding financial year, was less than or equal to 25 *per cent* and the ratio of interest payments to revenue receipts, in the preceding financial year, was less than or equal to 10 *per cent*.

As per the Fifteenth Finance Commission (15th FC), the State Government further amended its FRBM Act in May 2021. The statutory flexible limit on fiscal deficit was fixed at three *per cent* of GSDP and an additional two *per cent* in the financial year 2020-21, out of which one *per cent* was unconditional and another one *per cent* was subject to reforms, as laid out therein, and was to be maintained, thereafter, at three

per cent, or as allowed by the Government of India, from time to time. The additional one *per cent*, in the financial year 2020-21, was conditional on the following reforms:

- (i) Implementation of One Nation One Ration Card System
- (ii) Ease of doing business reforms
- (iii) Urban Local body/utility reforms and
- (iv) Power Sector reforms.

The weightage of each reform was 0.25 *per cent* of the GSDP, totalling one *per cent*. The State Government further amended the FRBM Act, in September 2022. The statutory flexible limit on fiscal target was fixed at three *per cent* of the GSDP and an additional 0.50 *per cent* of GSDP, for the financial years 2021-22 to 2024-25, subject to fulfilment of conditions linked to power sector reforms in Distribution Companies (DISCOMS), prescribed by the Government of India, from time to time.

Achievements, *vis-à-vis* the fiscal targets, prescribed in the State FRBM Act, for the FYs 2018-19 to 2022-23, are detailed in **Table 1.4**. Comparison of targets for fiscal parameters, projected in the Medium Term Fiscal Plan (MTFP), 2022, presented to the State Legislature, with actuals for the current year, are presented in **Table 1.4**.

Table 1.4: Compliance with provisions of State FRBM Act

Fiscal Parameters	Fiscal targets set in the Act	Achievement <i>vis-à-vis</i> target (₹ in crore)				
		2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Revenue Surplus	14,190	2,430	9,076	43,471	19,456 ³
		✓	✓	✓	✓	✓
Fiscal Deficit (-) / Surplus (+) (as percentage of GSDP)	3 <i>per cent</i> (5 <i>per cent</i> for 2020-21)	-2.04	-3.50	-1.81	3.07	-1.96 ⁴
		✓	×	✓	✓	✓
Ratio of total outstanding liabilities ⁵ to GSDP (in <i>per cent</i>)	25 <i>per cent</i>	21.71	23.46	22.02 ⁶	16.37	13.12
		✓	✓	✓	✓	✓
Interest payment as percentage of Revenue Receipts	15 <i>per cent</i>	5.83	5.97	6.36	4.14	3.66
		✓	✓	✓	✓	✓
Ratio of Salary to State's Own Revenue	80 <i>per cent</i>	43.50	44.39	39.34	24.86	28.87
		✓	✓	✓	✓	✓
Primary Surplus as a <i>per cent</i> of GSDP	2 <i>per cent</i>	-0.87	-2.37	-0.58	4.02	-1.25
		×	×	×	✓	×

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

³ Post audit adjusted Revenue Surplus is ₹16,112 crore.

⁴ Post audit adjusted Fiscal Deficit as a percentage of GSDP is 2.05 *per cent*.

⁵ Total outstanding liabilities= ₹1,01,700 crore (Internal debt: ₹63,905 crore + Other liabilities: ₹48,047 crore – back to back loan: ₹10,252 crore)

⁶ Excluding back-to-back loans of ₹ 3,822 crore in 2020-21, received from GoI in lieu of GST Compensation shortfall.

During FY 2022-23, the State was able to achieve all the fiscal parameters, except Primary Surplus as a *per cent* of GSDP, set out in the FRBM Act.

The targets set by the 15th FC and those projected in the State Budget *vis-à-vis* achievements, in regard to major fiscal aggregates with reference to GSDP, during FY 2022-23, are given in **Table 1.5**.

Table 1.5: Targets *vis-à-vis* achievements in regard to major fiscal aggregates for FY 2022-23

Fiscal Variables	Targets as prescribed by 15 th FC	Targets in the Budget / MTFP	Actuals	Percentage variation of actuals over	
				Targets of 15 th FC	Targets in Budget
Revenue Surplus/ GSDP (<i>per cent</i>)	To be Revenue Surplus	2.73	2.51 ⁷	-	(-) 0.22
Fiscal Deficit/ GSDP (<i>per cent</i>)	3.00	3.00	1.96 ⁸	(+) 1.04	(+) 1.04
Total outstanding liability/GSDP (<i>per cent</i>)	25.00	15.62	13.12 ⁹	(+) 11.88	(+) 2.50

Source: Recommendations of 15th FC, Fiscal Policy Strategy Statement of GoO and Finance Accounts

Note (+) Denotes achievement and (-) denotes non-achievement or short achievement.

Note: Surplus figures have been shown in plus

As per the Odisha FRBM Act, 2005, the Medium-term Fiscal Policy (MTFP) Statement is to set forth a three-year rolling target for prescribed fiscal indicators, with specification of underlying assumptions. Actuals, *vis-à-vis* projections made in the Medium Term Fiscal Policy (MTFP), are shown in **Table 1.6**.

Table 1.6: Actuals *vis-à-vis* projection in MTFP for FY 2022-23

(₹ in crore)

Sl. No.	Fiscal Variables	Projection as per MTFP	Actuals (2022-23)	Variation (in <i>per cent</i>)
1	Tax Revenue	82,978	89,543	7.91
i.	Own Tax Revenue	46,000	46,554	1.20
ii.	Share of Central Taxes	36,978	42,989	16.26
2	Non Tax Revenue	48,200	42,720	-11.37
3	Grants-in-Aid from GoI	32,789	18,199	-44.50
4	Revenue Receipts (1+2+3)	1,63,967	1,50,462	-8.24
5	Revenue Expenditure	1,44,349	1,31,006	-9.24
6	Revenue Deficit (-) / Surplus (+) (4-5)	19,618	19,456	-0.83
7	Fiscal Deficit (-) / Surplus (+)	(-) 21,588	(-)15,219	-29.50
8	Debt-GSDP ratio (<i>per cent</i>)	15.62	13.12 ¹⁰	-16.00
9	GSDP growth rate at current prices (<i>per cent</i>)	12.73	15.50	21.76

Source: Medium Term Fiscal Plan, 2022 and Finance Accounts of FY 2022-23, Government of Odisha

⁷ Post audit adjusted Revenue Surplus as a percent of GSDP 2.08 per cent.

⁸ Post audit adjusted Fiscal Deficit as a percentage of GSDP is 2.05 per cent.

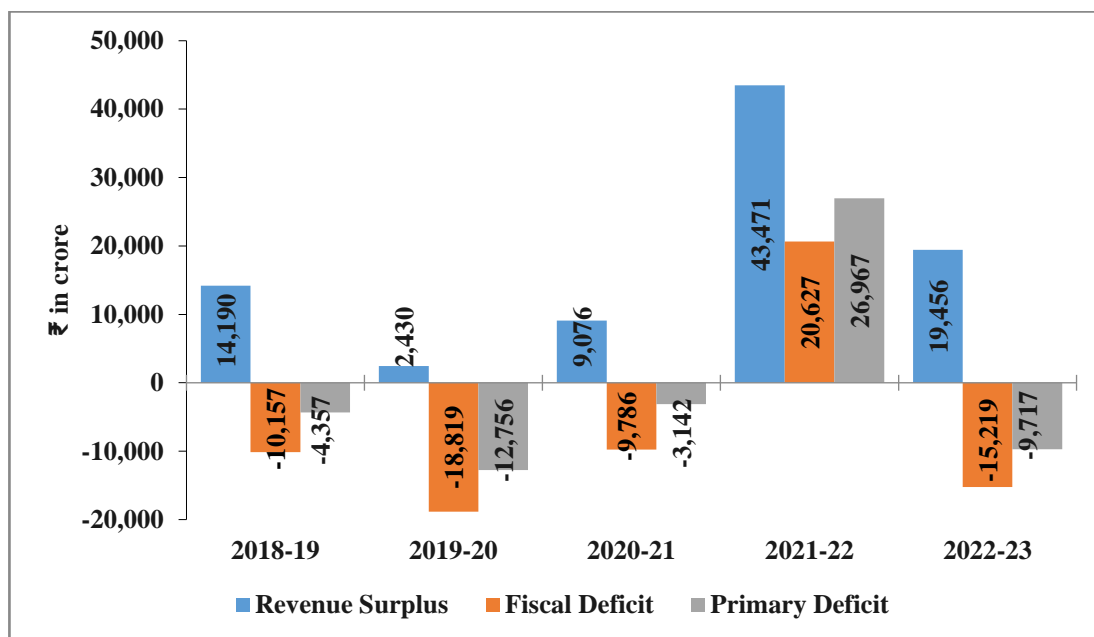
⁹ Excluding back-to-back loans of ₹10,252 crore received from GoI, in lieu of GST Compensation shortfall (₹ 3,822 crore in 2020-21 and ₹ 6,430 crore in 2021-22)

¹⁰ Excluding back-to-back loans of ₹10,252 crore, received from GoI, in lieu of GST Compensation shortfall, during FYs 2020-21 to 2022-23.

During the financial year 2022-23, Government was unable to achieve the level of Revenue Receipts, as projected in the MTFP, due to short receipt of 11.37 *per cent* in Non-Tax Revenue and short receipt of 44.50 *per cent* in Grants-in-aid from GoI. Further, Revenue Expenditure also fell short of 9.24 *per cent*, as projected in MTFP, due to short receipts of revenue. However, Government was able to contain the Debt-GSDP ratio and Fiscal Deficit target within the level projected in the MTFP.

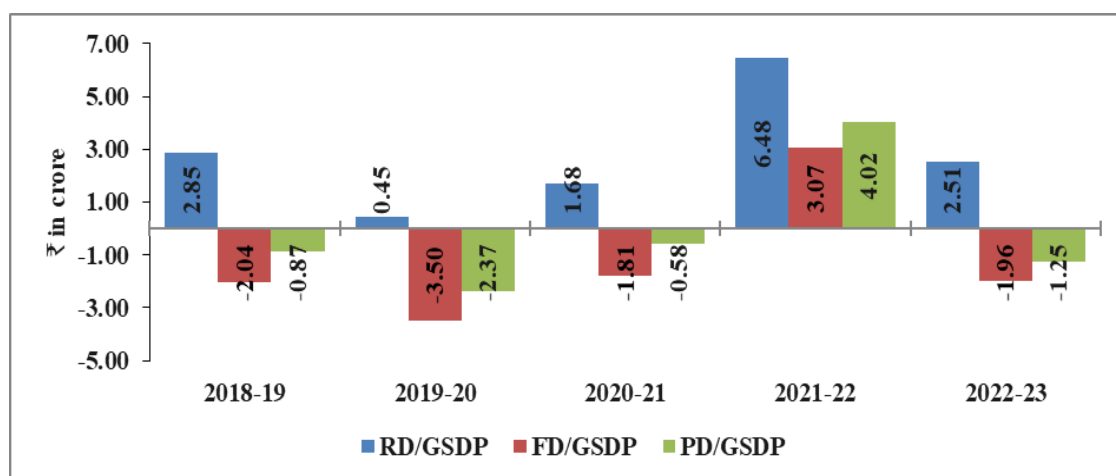
Charts 1.4 and **1.5** present the trends in deficit parameters and trends relative to GSDP, respectively over the period of FYs 2018-19 to 2022-23.

Chart 1.4: Trends of fiscal parameters during FYs 2018-19 to 2022-23



Source: Finance Accounts of FY 2022-23, Government of Odisha

Chart 1.5: Trends in Deficit/Surplus relative to GSDP, during FYs 2018-19 to 2022-23



Source: Finance Accounts 2022-23, Government of Odisha

- **Revenue Surplus** indicates the excess of revenue receipts over revenue

expenditure. Government of India had prescribed in the FRBM Act, 2005, to bring down Revenue Deficit to zero, by 2008-09. However, in 2005-06, the State was able to attain a Revenue surplus of ₹ 481 crore and has continued to be a Revenue Surplus State. Revenue Surplus (₹19,456 crore) of the State had decreased (55.24 *per cent*) as compared to FY 2021-22 (₹43,471 crore). The State continued to be a Revenue Surplus State, as laid out in the State's FRBM (Amendment) Act, 2021. However, it marginally missed the MTFP projections (₹19,618 crore) by ₹162 crore. After adjustment of misclassification between Revenue and Capital expenditure and deferment of clear-cut liabilities, such as, non-credit of interest to Reserve funds and Deposits, short contribution to the New Pension Scheme, non-transfer of funds to the State Disaster Mitigation Fund, non-transfer of Labour Welfare Cess to the Board's account, non-transfer of Land Revenue cess to Local Bodies *etc.*, the Revenue Surplus would work out to ₹16,112 crore (2.08 *per cent* of GSDP).

- **Fiscal Deficit**, which represents the total borrowings of the State, *i.e.* its total resource gap, was ₹15,219 crore (1.96 *per cent* of GSDP) in FY 2022-23, as against Fiscal Surplus of ₹20,627 crore in FY 2021-22. The fiscal target set out in its FRBM (Amendment) Act, 2022 and MTFP projection of maintaining the Fiscal Deficit within 3 *per cent* of the GSDP, was achieved. After adjustment of deferment of clear-cut liabilities, such as, non-credit of interest to Reserve funds and Deposits, short contribution to the New Pension Scheme, non-transfer of funds to the State Disaster Mitigation Fund, non-transfer of Labour Welfare Cess to the Board's account, non-transfer of Land Revenue cess to Local Bodies *etc.*, the Fiscal Deficit would work out to ₹15,911 crore (2.05 *per cent* of GSDP).
- **Primary Deficit** indicates the excess of primary expenditure (total expenditure net of interest payments) over non-debt receipts. The Primary Deficit during 2022-23 was ₹9,717 crore (1.25 *per cent* of GSDP) and the State was unable to achieve the fiscal target set out in FRBM (Amendment) Act, 2021, of maintaining the Primary Surplus at 2 *per cent* of the GSDP. During 2021-22, there had been a primary surplus of ₹26,967 crore (4.02 *per cent* of GSDP).

1.5 Deficits post examination by Audit

As per the FRBM Act, the State Government must ensure compliance to the targets for the fiscal indicators, such as deficits, ceiling on debt and on guarantees, *etc.* The Revenue Surplus and Fiscal deficit, as worked out for the State, get impacted, due to various circumstances, such as misclassification of revenue expenditure as capital expenditure and off-budget fiscal operations. Besides, deferment of clear-cut liabilities, not depositing cess/royalty to Consolidated Fund, short contribution to the New Pension Scheme, Sinking Fund and Guarantee Redemption Fund *etc.*, also impact the revenue and fiscal deficit figures. In order to arrive at the actual deficit figures, the effect of misclassification of revenue expenditure/capital outlay and/or any such misclassification, needs to be included and the impact of such irregularities needs to be reversed. Analysis of deficits, after examination in audit, is given in **Table 1.7**.

Table 1.7: Revenue Surplus and Fiscal Deficit, post examination by Audit
(₹ in crore)

Particulars	Impact on Revenue Surplus (Understated (-) / overstated (+))	Impact on Fiscal Deficit (Understated (+) / overstated (-))	Paragraph Reference
Misclassifications between Revenue and Capital Expenditure	(+) 2,652.21	--	2.4.2.1
Non-Credit of Interest to Reserve Funds and Deposits (bearing interest)	(+) 231.76	(+) 231.76	2.5.1
Less Government contribution to National Pension System	(+) 172.53	(+) 172.53	2.4.1.2
Non-transfer of funds to the State Disaster Mitigation Fund	(+) 224.60	(+) 224.60	2.5.2.2
Labour Welfare Cess collected, but not transferred to Board's Account	(+) 3.32	(+) 3.32	2.5.2.7
Non-transfer of Land Revenue Cess to Local Bodies	(+) 59.91	(+) 59.91	2.3.2.2
Total Impact	(+) 3,344.33	(+) 692.12	

Source: Finance Accounts for FY 2022-23, Government of Odisha

During FY 2022-23, the revenue surplus and fiscal deficit was ₹19,456 crore (2.51 per cent of GSDP) and ₹15,219 crore (1.96 per cent of GSDP) respectively, as shown in **Charts 1.4 and 1.5**. If the above transactions were taken into account, the actual revenue surplus and fiscal deficit would work out to ₹16,112 crore (2.08 per cent of GSDP) and ₹15,911 crore (2.05 per cent of GSDP), respectively. However, these fiscal targets are still within the ceiling fixed by the FRBM Act.

1.6 Post Audit – Total Outstanding Debt

As per the Odisha Fiscal Responsibility and Budget Management Act, 2005, 'total liabilities' means the liabilities under Consolidated Fund and the Public Account of the State, referred to in Article 266 of the Constitution of India. The outstanding debt/liabilities can be split into various components, as given in **Table 1.8**.

Table 1.8: Components of outstanding debt/liabilities, as on 31 March 2023

Borrowings and other liabilities, as per Finance Accounts	Amount (₹ in crore)
Internal Debt (A)	45,531.68
Market Loans bearing interest	21,058.00
Market Loans not bearing interest	0.06
Compensation and other Bonds	0.28
Loans from other Institutions. etc.	18,830.49
Special Securities issued to the National Small Savings Fund of the Central Government	5,642.85
Loans and Advances from Central Government (B)	8,121.34
Non-Plan Loans	7.90
Loans for State Plan Schemes	2,617.27

Borrowings and other liabilities, as per Finance Accounts	Amount (₹ in crore)
Others	15,748.17
Less back-to-back loans received from GoI, in lieu of GST Compensation shortfall	(-)10,252
Liabilities upon Public Accounts (C)	48,046.77
Small Savings, Provident Funds, etc.	24,755.73
Deposits	19,781.94
Reserve Funds	3,509.10
Total (A+B+C)	1,01,699.79

Source: Finance Accounts for FY 2022-23, Government of Odisha.

Thus at the end of the FY 2022-23, the overall outstanding debt/ liabilities of the State, were ₹1,01,699.79 crore, *i.e.* 13.12 *per cent* of the GSDP (₹7,74,869 crore), which is well within the FRBM target (25 *per cent*).

Chapter II

Finances of the State

2.1 Major changes in key fiscal aggregates in FY 2022-23 vis-à-vis FY 2021-22

Major changes in key fiscal aggregates of the State, during the financial year 2022-23, compared to the previous year, are shown in **Table 2.1**.

Table 2.1: Changes in key fiscal aggregates in FY 2022-23 compared to FY 2021-22

Revenue Receipts	<ul style="list-style-type: none"> ✓ Revenue receipts of the State decreased by 1.70 per cent ✓ Own Tax receipts of the State increased by 14.25 per cent ✓ Own Non-tax receipts decreased by 21.26 per cent ✓ State's Share of Union Taxes and Duties increased by 12.70 per cent ✓ Grants-in-Aid from Government of India decreased by 8.59 per cent
Revenue Expenditure	<ul style="list-style-type: none"> ✓ Revenue expenditure increased by 19.54 per cent ✓ Revenue expenditure on General Services increased by 43.53 per cent ✓ Revenue expenditure on Social Services increased by 10.96 per cent ✓ Revenue expenditure on Economic Services increased by 6.52 per cent ✓ Expenditure on Grants-in-Aid increased by 4.62 per cent
Capital Expenditure	<ul style="list-style-type: none"> ✓ Capital Expenditure increased by 46.74 per cent ✓ Capital Expenditure on General Services increased by 124.31 per cent ✓ Capital Expenditure on Social Services increased by 42.65 per cent ✓ Capital Expenditure on Economic Services increased by 44.05 per cent
Loans and Advances	<ul style="list-style-type: none"> ✓ Disbursement of Loans and Advances increased by 27.99 per cent ✓ Recoveries of Loans and Advances decreased by 46.87 per cent
Public Debt	<ul style="list-style-type: none"> ✓ Public Debt Receipts decreased by 58.16 per cent ✓ Repayment of Public Debt decreased by 29.65 per cent
Public Account	<ul style="list-style-type: none"> ✓ Public Account Receipts increased by 23.29 per cent ✓ Disbursement of Public Account increased by 6.13 per cent
Cash Balance	<ul style="list-style-type: none"> ✓ Cash balance decreased by ₹5,791 crore (11.30 per cent) during 2022-23, as compared to previous year

Source: Finance Accounts

2.2 Sources and Application of Funds

Comparison of components of the sources and application of funds of the State during the current year with those of the previous year, is given in **Table 2.2**.

Table 2.2: Details of Sources and Application of funds during 2021-22 and 2022-23

(₹ in crore)				
	Particulars	2021-22	2022-23	Increase (+) / Decrease (-) (percentage of variation)
Sources	Opening Cash Balance	32,636	51,231	(+)18,595 (56.98)
	Revenue Receipts	1,53,060	1,50,462	(-) 2,598 (-1.70)
	Recoveries of Loans and Advances	1,566	832	(-) 734 (-46.87)
	Public Debt Receipts (Net)	(-)7,018	(-)8,580	(-) 1,562 (22.26)
	Public Account Receipts (Net)	4,815	18,008	(+) 13,193 (274.00)
	Total	1,85,059	2,11,953	(+) 26,894 (14.53)
Application	Revenue Expenditure	1,09,588	1,31,006	(+) 21,418 (19.54)
	Capital Expenditure	22,725	33,349	(+)10,624 (46.75)
	Disbursement of Loans and Advances	1,686	2,158	(+) 472 (28.00)
	Contingency Fund (Net)	(-)171	-	(+) 171 (-100.00)
	Closing Cash Balance	51,231	45,440	(-) 5,791 (-11.30)
	Total	1,85,059	2,11,953	(+) 26,894 (14.53)

Source: Finance Accounts of respective years, Government of Odisha

Appendix 2.1 provides details of the receipts and disbursements and the overall fiscal position of the State, during the current year, as well as the previous year.

Composition and application of resources, in the Consolidated Fund of the State, during FY 2022-23, are given in Chart 2.1 and Chart 2.2.

Chart 2.1: Composition of Resources
(in per cent)
(₹ comes from)

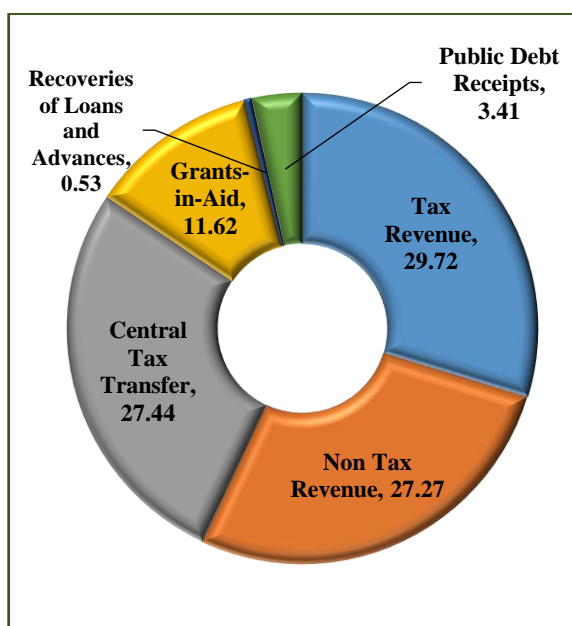
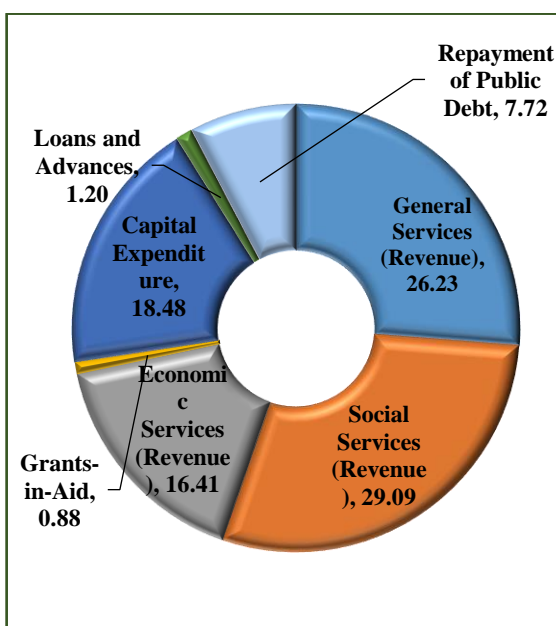


Chart 2.2: Application of Resources
(in per cent)
(₹ goes to)



Source: Finance Accounts for FY 2022-23, Government of Odisha

2.3 Resources of the State

The resources of the State are described below:

1. Revenue Receipts consist of tax revenue (Own Tax revenue plus share of Union taxes/duties), non-tax revenue and Grants-in-Aid from the Government of India (GoI).

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

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

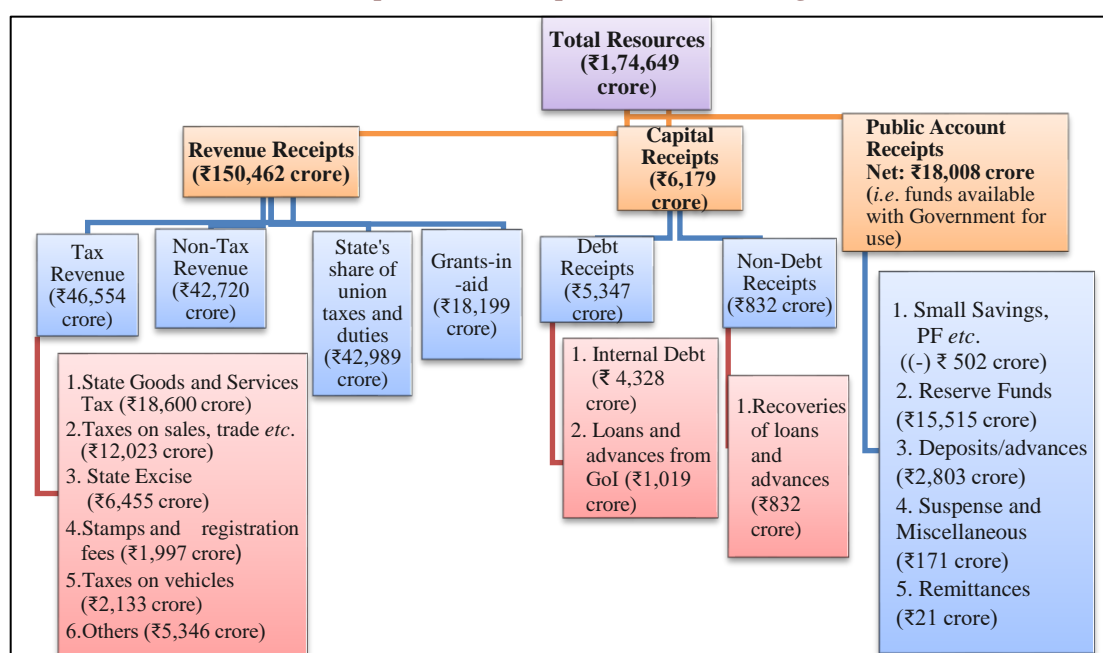
3. Net Public Account receipts: There are receipts and disbursements in respect of certain transactions, such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.*, which do not form part of the Consolidated Fund.

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

2.3.1 Receipts of the State

This paragraph provides the composition of the overall receipts. Besides, the Revenue and Capital Receipts, fund available in the Public Account (net of disbursement made from it) are also utilised by the Government to finance its deficit. The composition of total receipts of the State is depicted in **Chart 2.3**.

Chart 2.3: Composition of receipts of the State during FY 2022-23



Source: Finance Accounts for FY 2022-23, Government of Odisha

Out of the total resources of ₹1,74,649 crore of the State Government, during the year 2022-23, Revenue Receipts (₹1,50,462 crore) constituted 86.15 *per cent*. Public Account Receipts (net: ₹ 18,008 crore) and Capital Receipts (₹6,179 crore) constituted 10.31 *per cent* and 3.54 *per cent* of the total resources respectively.

2.3.2 State's Revenue Receipts

2.3.2.1 Trends and growth of Revenue Receipts

Trends and growth of revenue receipts *vis a vis* Gross State Domestic Product (GSDP) over the five-year period (FYs 2018-19 to 2022-23), are shown in **Table 2.3**. The trends and composition of the Revenue Receipts over the same period, are detailed in **Appendix 2.2**.

Table 2.3: Trends in Revenue Receipts

	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
(1) Revenue Receipts (RR)	99,546	1,01,568	1,04,387	1,53,059	1,50,462
(2) Rate of growth of RR (<i>per cent</i>)	16.83	2.03	2.78	46.63	-1.69
(3) Tax Revenue	65,672	62,769	61,801	78,892	89,543
(i) Own Tax Revenue	30,318	32,315	34,258	40,748	46,554
(ii) State's share in Union taxes and duties	35,354	30,454	27,543	38,144	42,989
(4) Non-Tax Revenue	14,276	14,647	19,518	54,257	42,720
(5) Grant-in aid from GoI	19,598	24,152	23,068	19,910	18,199
(6) Rate of growth of GIA (<i>per cent</i>)	11.23	23.24	-4.49	-13.69	-8.59
(7) State Own Revenue (Own Tax and Non-tax Revenue)	44,594	46,962	53,776	95,005	89,274
(8) Rate of growth of Own Revenue (<i>per cent</i>)	22.81	5.31	14.51	76.69	-6.03
(9) GSDP (2011-12 Series)	4,98,611	5,37,502	5,40,150	6,70,881	7,74,869
(10) Rate of growth of GSDP (<i>per cent</i>)	13.22	7.80	0.49	24.20	15.50
(11) R R/GSDP (<i>per cent</i>)	19.96	18.90	19.32	22.81	19.42
Buoyancy Ratio ¹					
(12) Revenue Buoyancy w.r.t GSDP (Sl. No. 2/ Sl. No. 10)	1.27	0.26	5.67	1.93	-
(13) State's Own Revenue Buoyancy w.r.t GSDP (Sl. No. 8 / Sl. No. 10)	1.73	0.68	29.61	3.17	-

Source: For Revenue Receipts - Finance Accounts for respective years and For GSDP – Ministry of Statistics and Programme Implementation (MoSPI), Government of India.

¹ Buoyancy indicates the degree of responsiveness of a fiscal variable in regard to a given change in the base variable. For instance, Revenue buoyancy at 0.72 implies that Revenue Receipts tend to increase by 0.72 percentage points, if the GSDP increases by one *per cent*. (Negative buoyancy not calculated)

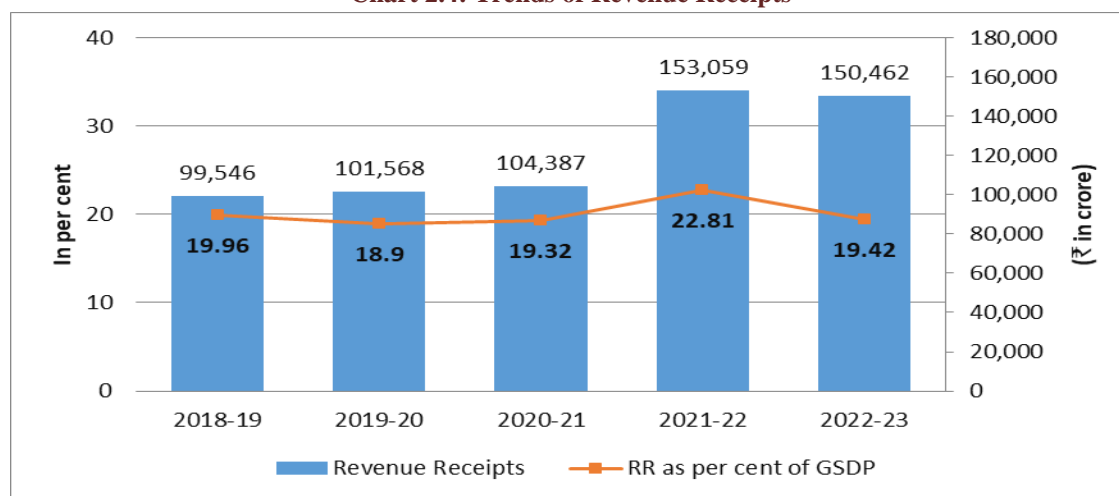
Table 2.3 shows that the revenue receipts increased by 51.15 *per cent* from ₹99,546 crore in 2018-19 to ₹1,50,462 crore in 2022-23. During the period of five years, it increased at an annual average growth rate of 10.88² *per cent*. Tax revenue increased by ₹10,651 crore (13.50 *per cent*), whereas, non-tax revenue decreased by ₹11,537 crore (21.26 *per cent*) in FY 2022-23 compared to FY 2021-22.

Grant-in-aid from GoI, on the other hand, decreased by 7.14 *per cent*, during the period from FYs 2018-19 to 2022-23 and it decreased by 8.59 *per cent* over the previous year.

Revenue buoyancy with reference to GSDP increased from 1.27 *per cent* in FY 2018-19 to 1.93 *per cent* in FY 2021-22 and State's own revenue buoyancy in regard to GSDP, also increased from 1.73 *per cent* in FY 2018-19 to 3.17 *per cent* in FY 2021-22. However, the revenue as well as state's own revenue showed negative growth of 1.69 *per cent* and 6.03 *per cent*, during FY 2022-23 over the previous year, due to sharp dip under revenue from mining in non-tax sector. During FY 2021-22, the non-tax revenue had increased sharply by ₹34,739 crore over FY 2020-21, mainly under non-ferrous mining by ₹34,850 crore, due to auction of new mines and higher price of iron ores in international market. However, during the current year, the same was unable to keep pace with the previous year, due to volatility in iron ore prices.

Trends of revenue receipts are shown in **Chart 2.4**.

Chart 2.4: Trends of Revenue Receipts

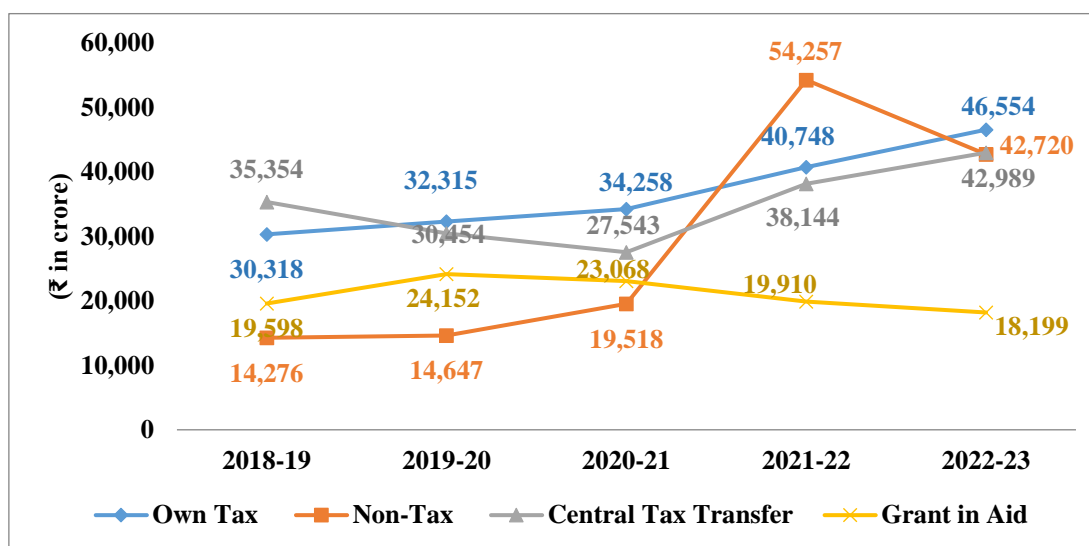


Source: Finance Accounts for respective years, Government of Odisha

² Compounded Annual Growth Rate = $\left[\left(\frac{\text{Ending Value}}{\text{Beginning Value}} \right)^{\frac{1}{\text{Number of Years}}} - 1 \right] \times 100 = \left[\left(\frac{₹1,50,462 \text{ crore}}{₹99,546 \text{ crore}} \right)^{\frac{1}{4}} - 1 \right] \times 100 = 10.88 \text{ per cent}.$

Trends in composition of revenue receipts are given in **Chart 2.5**.

Chart 2.5: Trends in composition of Revenue Receipts



Source: Finance Accounts of respective years, Government of Odisha

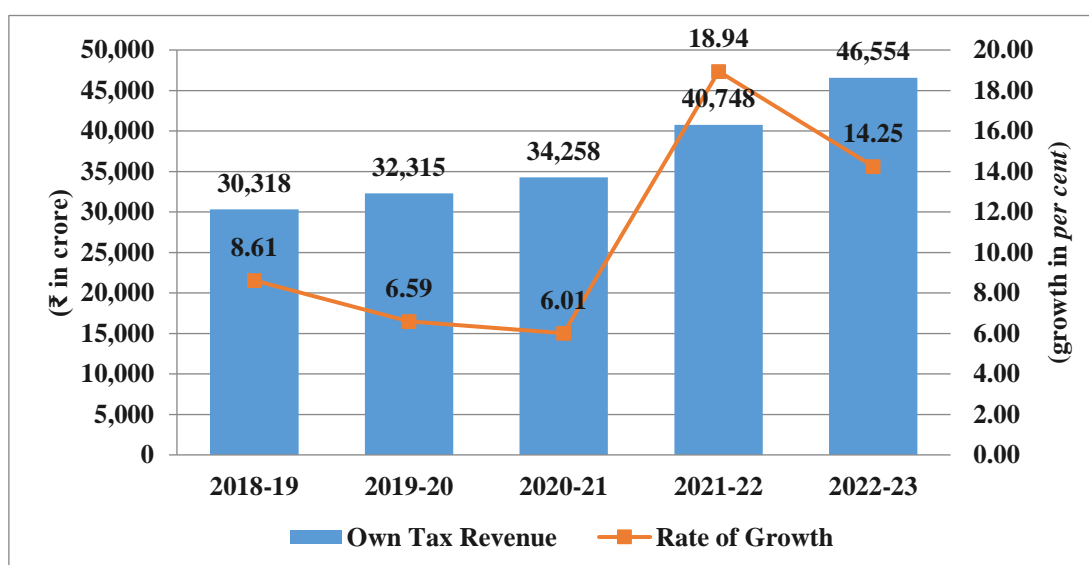
2.3.2.2 State's Own Resources

(i) Own tax revenue

Own tax revenue of the State consists of State Goods and Services Tax (SGST), State Excise, Taxes on Vehicles, Stamp Duty and Registration Fees, Land Revenue, Taxes on Goods and Passengers, etc.

Trends of own tax revenue and analysis of its components, during the period from FYs 2018-19 to 2022-23, are shown in **Chart 2.6** and **Table 2.4**, respectively.

Chart 2.6: Trends of Own Tax Revenue during 2018-23



Source: Finance Accounts of respective years, Government of Odisha

Table 2.4: Components of State's Own Tax Revenue

						(₹ in crore)
Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	Spark Line
State Goods and Services Tax (SGST)	11,943	13,204	13,043	16,392	18,600	
Taxes on Sales, Trade, etc	7,310	7,455	7,777	10,000	12,023	
State Excise	3,925	4,495	4,053	5,528	6,455	
Taxes on Vehicles	1,746	1,836	1,526	1,663	2,133	
Stamps and Registration fees	1,237	1,435	2,942	2,419	1,997	
Land Revenue	511	721	603	664	739	
Taxes on Goods and Passengers	182	133	146	111	115	
Other Taxes	3,464	3,036	4,168	3,971	4,492	
Total	30,318	32,315	34,258	40,748	46,554	

Source: Finance Accounts of respective years, Government of Odisha

The total own tax revenue increased by ₹5,806 crore (14.25 per cent) during the current year over the previous year. The major increase was under (i) receipts under State GST (₹2,208 crore), (ii) Taxes on Sales, Trade, etc. (₹2,023 crore), (iii) State Excise (₹927 crore) and (iv) Taxes on Vehicles (₹470 crore), which was partly set off by decrease under Stamps and Registration fees (₹422 crore).

Increase in State Goods and Services Tax (SGST) was attributed to resumption of business activities to full strength and healthy economic recovery, post the COVID-19 pandemic, as well as increase in wholesale and retail prices of commodities. Further, increase in the taxes on sales was on account of increase in VAT revenue, due to higher consumption of petrol and diesel, owing to increased economic activity in FY 2022-23. Increase in State excise duty was attributed to more consumption of country fermented liquor, malt liquor and foreign liquor and increased enforcement by the department. Increase in Taxes on Vehicles was attributed to registration of more vehicles during FY 2022-23.

State Goods and Services Tax (SGST)

As per the books of RBI, the amount of SGST is ₹ 19,573.05 crore and as per the Finance Accounts, the amount of SGST is ₹ 18,600.52 crore, as against the Budget Estimate of ₹ 19,479.00 crore. The difference in RBI figure and Finance Accounts' figure is due to refund of ₹ 972.53 crore.

Audit of GST Receipts

The Government of India's decision to provide audit access to PAN-India data, at the GSTN premises, was conveyed on 22 June 2020. In case of Odisha, which is a Model-II

State, role-based access to the back-end application only, was provided to the office of the Principal Accountant General (Audit-I), Odisha, in March 2021. However, the access was limited only to the premises of CT&GST Department and the matter of providing remote access was under consideration. The accounts for the financial year 2022-23 have, therefore, been certified on the basis of test-audit, as was being done when records were being maintained manually, pending full implementation of the GoI's decision to provide Audit access to GSTN data.

Non Transfer of Cess to Local Bodies

During the year 2022-23, the Government collected ₹59.91 crore (2021-22: ₹53.76 crore) being the collection of cess/fee/surcharge (other than Labour Cess). The entire collected amount of ₹59.91 crore, however, was not transferred to Urban Local Bodies and Rural Local Bodies by the State Government. This had an impact on overstatement of Revenue Surplus and understatement of Fiscal Deficit.

(ii) Non-Tax Revenue

Non-Tax Revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc. Trends in the components of State's non-tax revenue, during FYs 2018-19 to 2022-23, are shown in **Table 2.5**.

Table 2.5: Components of State's Non-Tax Revenue

(₹ in crore)

Revenue Head	2018-19	2019-20	2020-21	2021-22	2022-23	Spark line
Non-Ferrous Mining and Metallurgical Industries	10,480	11,020	13,792	48,642	37,642	
Interest Receipts	1,462	1,487	1,262	1,823	1,657	
Dividends and Profits	544	321	1,063	523	584	
Other Non-tax receipts	1,791	1,819	3,401	3,269	2,837	
a) Major and Medium Irrigation	702	669	796	790	909	
b) Road and Bridges	67	44	54	48	43	
c) Education	26	27	62	46	67	
d) Misc. General Services	419	411	1,729	438	571	
e) Others or Miscellaneous	577	668	760	1,947	1,247	
Total	14,277	14,647	19,518	54,257	42,720	

Source: Finance Account of respective years

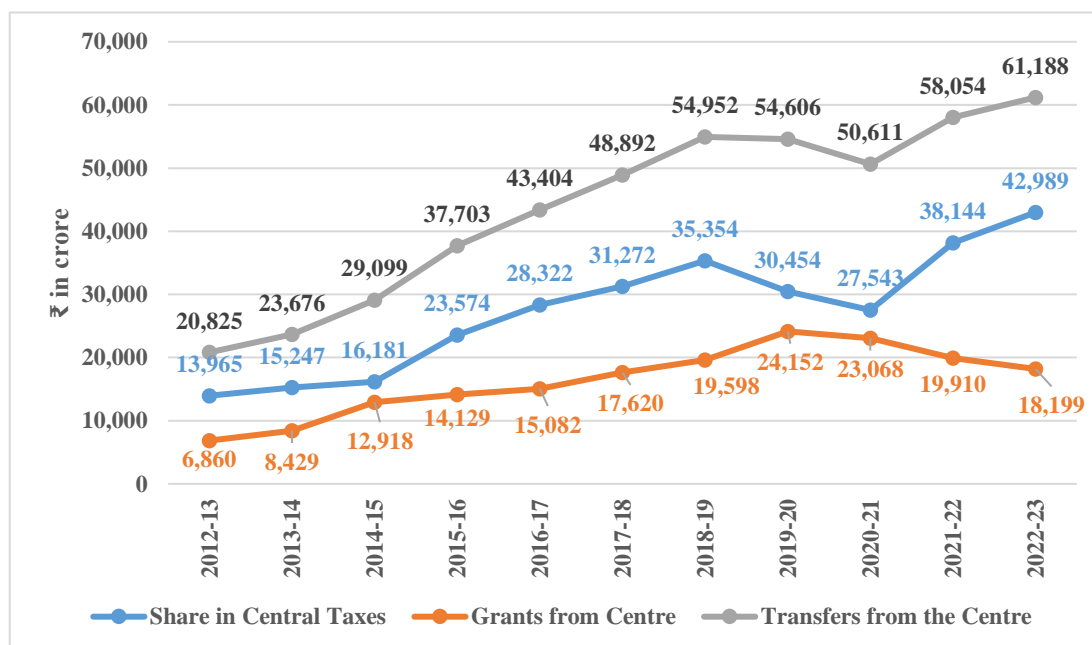
During FY 2021-22 (₹ 54,257 crore), non-tax revenue had increased by ₹ 34,739 crore (177.98 per cent) over FY 2020-21 (₹ 19,518 crore), due to increase under Non-Ferrous Mining and Metallurgical Industries, owing to renewal of existing mining leases, auction of mines and higher prices of iron ore, in the domestic, as well as international markets. However, during FY 2022-23, the price drop of iron ore in the domestic, as well as international markets, resulted in sharp fall of revenue collection from the mining sector. As a result, the non-tax revenue receipts, during FY 2022-23 (₹ 42,720 crore) decreased by ₹ 11,537 crore over the previous year. There was also decrease in interest receipts,

during FY 2022-23 over the previous year by ₹166 crore. However, the receipts under major and medium irrigation marginally increased by ₹119 crore, during FY 2022-23.

2.3.2.3 Transfers from the Centre

Trends in transfers from the Centre, for the last ten years, are shown in **Chart 2.7**.

Chart 2.7: Trends in Transfers from the Centre



Source: Finance Accounts of respective years, Government of Odisha

(i) Central tax transfer

The actual release of share in Union taxes and duties, to the State Government, *vis-à-vis* the projections made by the Thirteen Finance Commission, Fourteen Finance Commission and Fifteen Finance Commission, during the period from FYs 2010-11 to 2022-23, is shown in **Table 2.6**.

Table 2.6: State's share in Union taxes and duties: Actual devolution *vis-à-vis* Finance Commission projections

(₹ in crore)

Year	Finance Commission Projections	Projections in Finance Commission Reports (FCRs)	Actual Tax Devolution	Difference
1.	2.	3.	4.	5. (4-3)
2010-11	4.779 per cent of net proceeds of all shareable taxes excluding service tax and 4.855 per cent of net proceeds of shareable service tax (As per the recommendations of the 13 th FC)	9,744	10,497	(+) 753
2011-12		11,429	12,229	(+) 800
2012-13		13,481	13,965	(+) 484
2013-14		15,902	15,247	(-) 655
2014-15		18,759	16,181	(-) 2,578
2015-16	4.642 per cent of net proceeds of all shareable taxes excluding service tax and 4.744 per cent of net proceeds of shareable service tax (As per the recommendations of the 14 th FC)	27,001	23,574	(-) 3,427
2016-17		31,158	28,322	(-) 2,836
2017-18		36,005	31,272	(-) 4,733
2018-19		41,656	35,354	(-) 6,302
2019-20		48,250	30,454	(-) 17,796

Year	Finance Commission Projections	Projections in Finance Commission Reports (FCRs)	Actual Tax Devolution	Difference
2020-21	4.629 per cent of net proceeds of all shareable taxes (As per the recommendations of the 15 th FC)	39,586	27,543	(-) 12,043
2021-22	4.528 per cent of net proceeds of all shareable taxes (As per the recommendations of the 15 th FC)	29,821	38,144	(+)8,323
2022-23		33,173	42,989	(+)9,816

Source: Finance Commission Reports, Budget at a Glance & Finance Accounts of respective years

The State Government's share in Union taxes and duties increased by ₹4,845 crore (12.70 per cent) during FY 2022-23 over the previous year. During the first three years (FY 2020-23) of the period of the Fifteenth Finance Commission (2020-26), the State's share in Union taxes and duties, amounting to ₹1,08,676 crore was 72.95 per cent of the total share during the period of Fourteenth Finance Commission (2015-20). The actual tax devolution to the State fell short of FCR projections from FY 2013-14 to FY 2020-21. However, during FYs 2021-22 and 2022-23, the actual devolution exceeded the FCR by ₹8,323 crore and ₹9,816 crore, respectively.

Trends in the components of Central tax transfers are shown in **Table 2.7**.

Table 2.7: Central Tax transfers

(₹ in crore)

Component of State's share of Union taxes	2018-19	2019-20	2020-21	2021-22	2022-23
Central Goods and Services Tax (CGST)	8,726	8,642	8,160	11,434	12,150
Integrated Goods and Services Tax (IGST)	696	--	--	--	--
Corporation Tax	12,294	10,384	8,328	9,583	14,407
Taxes on Income other than Corporation Tax	9,054	8,136	8,540	11,743	14,074
Customs	2,506	1,930	1,447	3,031	1,690
Union Excise Duties	1,665	1,342	923	1,719	530
Service Tax	326	--	124	589	67
Other ³ Taxes	87	20	21	45	71
Grand total	35,354	30,454	27,543	38,144	42,989
Percentage of increase over previous year	13.05	-13.86	-9.56	38.49	12.70
Component of State's share as percentage of Revenue Receipts of the State	36	30	26	25	29

Source: Finance Accounts of respective years, Government of Odisha

³ Include taxes on Wealth, Other Taxes on Income and Expenditure and Other taxes and Duties on Commodities and Services.

As can be seen from the above table, the State's share of Union taxes, as a percentage of the revenue receipts of the State, had been continuously decreasing from FY 2018-19 to FY 2021-22. However, the same has increased during FY 2022-23.

(ii) Grants-in-Aid from the Government of India

Trend of Grants-in-aid from GoI and its components are shown in **Table 2.8**.

Table 2.8: Grants-in-Aid from the Government of India

(₹ in crore)					
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Grants for Centrally Sponsored Schemes	13,025	13,056	12,698	11,820	11,741
Finance Commission Grants	2,840	3,563	4,949	4,557	4,221
Other Transfers/Grants to States/Union Territories with Legislatures	3,733	7,533	5,421	3,533	2,238
Total	19,598	24,152	23,068	19,910	18,200
Percentage of increase over the previous year Receipts	11.23	23.24	-4.49	-13.69	-8.59
Total grants as a percentage of Revenue Receipts	19.69	23.78	22.10	13.01	12.10

Source: Finance Accounts of respective years, Government of Odisha

Table 2.8 shows that the Grants for Centrally Sponsored Schemes, as a percentage of the revenue receipts of the State, decreased continuously from FY 2019-20 to FY 2022-23. Other major transfers to the State, during FY 2022-23, include GST compensation (₹1,886.96 crore) and Central Road Fund (₹313.52 crore). The decrease in GIA, during the current year (8.59 per cent), over the previous year, was due to substantial decrease in Other transfers/Grants to States/Union Territories with Legislature by ₹1,295 crore (36.65 per cent), which was attributed to decrease in GST compensation by ₹578.18 crore, grants towards contribution to National Disaster Relief Fund (NDRF) by ₹500.00 crore and Central Road Fund by ₹221.54 crore, as compared to the previous year. The decrease was partly set off by increase in grants towards Demonstration and Development of Inland Fisheries by ₹9.13 crore. Further, the contribution of GIA towards revenue receipts decreased from 19.69 per cent in FY 2018-19 to 12.10 per cent in FY 2022-23.

(a) Grants for Centrally Sponsored Schemes

Out of the Grants of ₹11,741 crore for Centrally Sponsored Schemes, during 2022-23, the major amounts were given to:

- **Samagra Shiksha Abhiyan:** ₹1,959.89 crore; 50.37 per cent increase over the previous year (₹1,303.39 crore).
- **Pradhan Mantri Awas Yojana (PMAY) - Rural:** ₹1,723.28 crore; 70.31 per cent increase over the previous year (₹1,011.87 crore).
- **Integrated Child Development Scheme (ICDS):** ₹923.92 crore; 13.83 per cent decrease over the previous year (₹1,072.19 crore).

- **Pradhan Mantri Gram Sadak Yojana (PMGSY):** ₹1,235.88 crore; 205.82 *per cent* increase over the previous year (₹404.12 crore)
- **National Rural Livelihood Mission (NRLM):** ₹664.25 crore; 0.70 *per cent* increase over the previous year (₹659.62 crore).
- **National Social Assistance Programme (NSAP):** ₹680.58 crore; 4.12 *per cent* increase over the previous year (₹653.63 crore).
- **National Health Mission** including NRHM: ₹1,384.61 crore; 19.50 *per cent* decrease over the previous year (₹1,719.93 crore).
- **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):** ₹963.66 crore; 31.10 *per cent* decrease over the previous year (₹1,398.55 crore).

Single Nodal Agency

Ministry of Finance, Government of India, vide letter No. 1(13)/PFMS/FCD/2020, dated 23.03.2021, had notified the procedure for release of funds under each Centrally Sponsored Scheme (CSS) through its Single Nodal Agency (SNA) and monitoring their utilisation. For each CSS, a SNA is set up, with its own Bank Account in a Scheduled Commercial Bank, that has been authorised to conduct Government business, by the State Government. As per procedure, the State Government is to transfer the Central Share, received in its account, to the concerned SNA's account, along with the corresponding State share.

As per the VLC database, the State Government had received ₹11,287.12 crore, being the Central share, during FY 2022-23, in its Treasury Accounts. As on 31 March 2023, it had transferred Central share of ₹12,002.83⁴ crore, received in the Treasury Account, along with the State share of ₹10,276.34 crore, to the SNAs. Out of the total transfer of ₹22,279.17 crore, ₹21,223.14 crore had been transferred through Miscellaneous Bills, ₹1,040.86 crore through GIA bills and ₹15.17 crore through Other Contingent Bills. Detailed vouchers and supporting documents, in regard to the actual expenditure, were not received by the Principal AG office, from the SNAs.

As per SNA PFMS report, the State Government had received ₹11,287.12 crore, being the Central share, during FY 2022-23, in its Treasury Accounts. As on 31 March 2023, the Government has transferred Central share of ₹11,770.74 crore, received in Treasury Accounts and State share of ₹10,070.92 crore, to the SNAs. As per the SNA report, on the PFMS portal, ₹11,773.73 crore was lying unspent in the bank accounts of SNAs, as on 31 March 2023. The difference needs reconciliation.

(b) Fifteenth Finance Commission Grants

The Fifteenth Finance Commission (15th FC) grants were provided to the States for local bodies, State Disaster Response Fund (SDRF) and State Disaster Mitigation Fund (SDMF). Details of the grants provided by GoI, are given in **Table 2.9**.

⁴ Including un-transferred amount of ₹714.88 crore pertaining to FY 2021-22.

Table 2.9: Recommended amount, actual release and transfers of Grant-in-aid

(₹ in crore)

Transfers		Recommendation of 15 th FC for 2022-23	Actual release by GoI, during 2022-23	Release by State Government (Total percentage of the amount released by GoI)
(i) Grants to PRIs		1,728.00	1,853.30	1,853.30 (100)
(a) Performance/Tied Grants#		1036.80	1162.69	1162.69 (100)
(b) Untied Grants		691.20	690.61	690.61 (100)
(ii) Grants to ULBs		851.00	851.00	851.00 (100)
(a) Non-Million Plus Cities (Performance/Tied Grant)#		510.60	510.60	510.60 (100)
(b) Non-Million Plus Cities (General Basic/Untied Grant)		340.40	340.40	340.40 (100)
(iii) Grant for Health Sector		462.00		
Total for Local Bodies (i+ii+iii)		3,041.00	2,577.52	2,577.52 (100)
State Disaster Response Fund (SDRF)	Central Share	1348.00	1348.00	1,348.00 (100)
	State Share	448.80	448.80	448.80 (100)
State Disaster Mitigation Fund (SDMF)	Central Share	337.00	168.50	-- (Nil)
	State Share	112.20	--	-- (Nil)
Total for SDRMF		2,246.00	1,965.30	1,796.80 (91)

Source: Finance Accounts for FY 2022-23 and Finance Commission Recommendations (FCR)

#: For drinking water, rainwater harvesting, SWS and Sanitation

As against the amount of ₹1,728.00 crore, recommended by the 15th FC for release to PRIs, GoI had released ₹1,853.30 crore, during FY 2022-23. The entire amount released by the GoI, was released by GoO, during the same period.

- In regard to ULBs, GoI had released the amount of ₹851.00 crore, as recommended by the 15th FC and the same amount had been released by GoO to the ULBs, during the year 2022-23.
- In regard to the State Disaster Response Fund (SDRF) and State Disaster Mitigation Fund (SDMF), the 15th FC had recommended the Centre and State shares in the ratio of 75:25. During FY 2022-23, against the recommended share of ₹1,685.00 crore, GoI had released ₹1,516.50 crore. GoO released ₹1,796.80 crore (GoI share: ₹1,348.00 crore and GoO share: ₹448.80 crore) to the funds, during 2022-23. This resulted in less release of ₹168.50 crore of GoI share and ₹56.10 crore of GoO share by the Government of Odisha.

2.3.3 Receipts under the Capital Section

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

advances from Government of India.

Trends of capital receipts and their components, during FYs 2018-19 to 2022-23, are shown in **Table 2.10**.

Table 2.10: Trends in the Growth and Composition of Capital Receipts

(₹ in crore)					
Sources of State's Receipts	2018-19	2019-20	2020-21	2021-22	2022-23
Capital Receipts (CR)	10,308	14,966	21,002	14,346	6,179
Miscellaneous Capital Receipts	0	0	0	0	0
Recovery of Loans and Advances	305	287	684	1,566	832
Public Debt Receipts	10,003	14,679	20,318	12,780	5,347
<i>Internal Debt</i>	9,020	13,721	15,191	5,174	4,328
<i>Growth rate (per cent)</i>	-24.91	52.12	10.71	-65.94	-16.35
<i>Loans and Advances from GoI[#]</i>	983	958	5,127	7,606	1,019
<i>Growth rate (per cent)</i>	15.78	-2.54	435.18	48.35	-86.60
Rate of growth of debt Capital Receipts (<i>per cent</i>)	-22.23	46.75	38.42	-37.10	-58.16
Rate of growth of non-debt Capital Receipts (<i>per cent</i>)	18.68	-5.90	138.33	128.95	-46.87
Rate of growth of GSDP (<i>per cent</i>)	13.22	7.80	0.49	24.20	15.50
Rate of growth of Capital Receipts (<i>per cent</i>)	-21.43	45.19	40.33	-31.69	-56.93

Source: Finance Accounts of respective years, Government of Odisha

For FYs 2020-21 and 2021-22, the figure includes debt of ₹3,822 crore and ₹6,430 crore respectively, as back-to-back loan from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources.

During the current year, the public debt receipts decreased substantially by ₹7,433 crore (58.16 *per cent*). Internal debt, as well as Loans from GoI, also decreased by ₹846 crore (16.35 *per cent*) and ₹ 6,587 crore (86.60 *per cent*) respectively, over the previous year. During FY 2022-23, Capital Receipts (₹6,179 crore) constituted 3.54 *per cent* of the total receipts (₹1,74,649 crore) of the State. During FY 2022-23, the State Government had not borrowed any amount from the open market. However, an amount of ₹ 3,898.59 crore was borrowed from the National Bank for Agricultural and Rural Development and ₹429.70 crore was borrowed from the Small Industries Development Bank of India (SIDBI) Cluster Development Fund. In addition to this, GoO borrowed ₹1,018.50 crore from GoI.

2.3.4 State's performance in mobilisation of resources

The State's performance in mobilisation of resources, is assessed in terms of its own resources, comprising of own tax and non-tax sources.

The State's actual own tax and non-tax revenue, for the year 2022-23, *vis-a-vis* the assessment made by the Fifteenth Finance Commission (15th FC) and Budget Estimates, are given in **Table 2.11**.

Table 2.11: Tax and non-tax receipts *vis-à-vis* projections during FY 2022-23

(₹ in crore)

Resources	15 th FC projections	Budget Estimates	Actual	Percentage of variation of actual over	
				15 th FC projections	Budget estimates
Own Tax Revenue	36,415	46,000	46,554	27.84	1.20
Non-Tax Revenue	17,615	48,200	42,720	142.52	(-) 11.37

Source: Finance Accounts for FY 2022-23 and Budget at a Glance of GoO

Thus, the Own tax revenue of the State Government was 27.84 *per cent* and 1.20 *per cent* higher than the projections made by the 15th FC and Budget Estimates respectively, during FY 2022-23 over the previous year. The Non-tax revenue was higher than the projections made by the 15th FC, by 142.50 *per cent*, but fell short of the Budget Estimates by 11.37 *per cent*.

2.4 Application of Resources

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

Growth and Composition of Expenditure

Revenue Expenditure: Charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order, as also all other expenses incurred for the day-to-day running of the organisation, including establishment and administrative expenses, are to be classified as revenue expenditure.

Capital Expenditure: All charges for the first construction of a project, as well as charges for immediate maintenance of the work, while not opened for service and also charges for such further additions and improvements, as may be sanctioned under the rules made by competent authority, are to be classified as capital expenditure.

Loans and Advances: Loans and advances by the Government to Public Sector Undertakings (PSUs) and other parties.

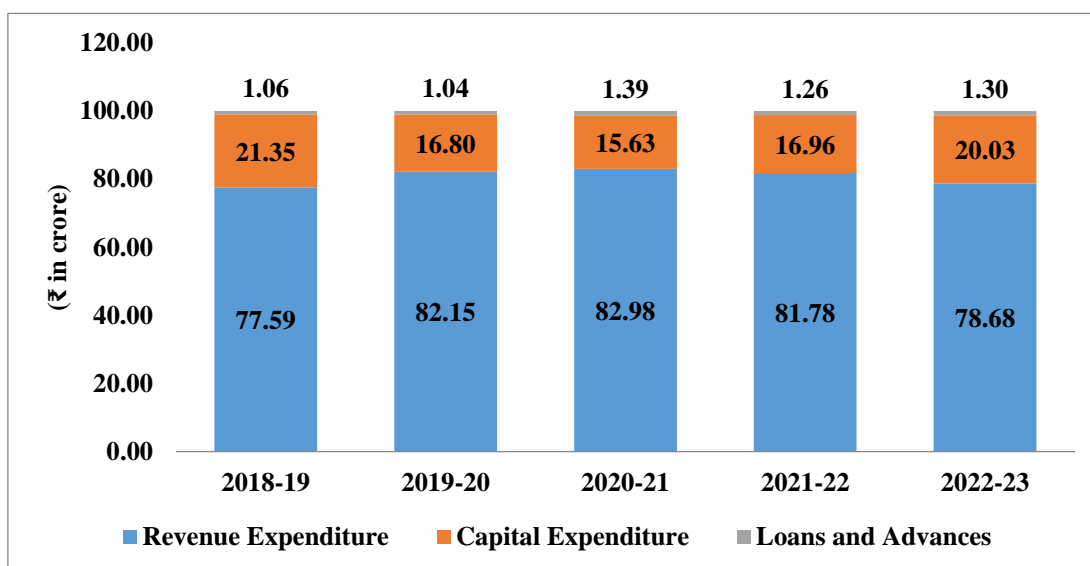
Trends of overall expenditure and its components are shown in **Table 2.12** and **Chart 2.8**.

Table 2.12: Total Expenditure and its Composition

(₹ in crore)					
Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Total Expenditure (TE)	1,10,008	1,20,673	1,14,857	1,34,000	1,66,513
Revenue Expenditure (RE)	85,356	99,137	95,311	1,09,588	1,31,006
Capital Expenditure (CE)	23,482	20,277	17,949	22,726	33,349
Loans and Advances	1,170	1,259	1,597	1,686	2,158
As a percentage of GSDP					
TE/GSDP	22.06	22.45	21.26	19.97	21.49
RE/GSDP	17.12	18.44	17.65	16.33	16.91
Capital Expenditure /GSDP	4.71	3.77	3.32	3.39	4.30

Source: Finance Accounts of respective years, Government of Odisha

Chart 2.8: Total Expenditure: Trends in share of its components



Source: Finance Accounts of respective years, Government of Odisha

Table 2.12 shows that the total expenditure increased by ₹56,505 crore (51.36 per cent) from ₹1,10,008 crore in FY 2018-19 to ₹1,66,513 crore in FY 2022-23, and ranged between 19.97 per cent to 22.45 per cent of GSDP, during the period of five years. **Chart 2.8** shows that revenue expenditure constituted the dominant proportion (77.59 to 82.98 per cent), during FYs 2018-19 to 2022-23, of the total expenditure. Capital expenditure, on the other hand, constituted between 15.63 per cent to 21.35 per cent of the total expenditure. Capital expenditure, as a percentage of GSDP, during the COVID period, ranged between 3.32 per cent to 3.39 per cent, but picked up during FY 2022-23, reaching 4.30 per cent of GSDP. However, it is yet to reach the pre-COVID period level (4.71 per cent of GSDP in FY 2018-19).

The relative share of various sectors of expenditure, during FYs 2018-19 to 2022-23, is shown in **Table 2.13** and **Chart 2.9**.

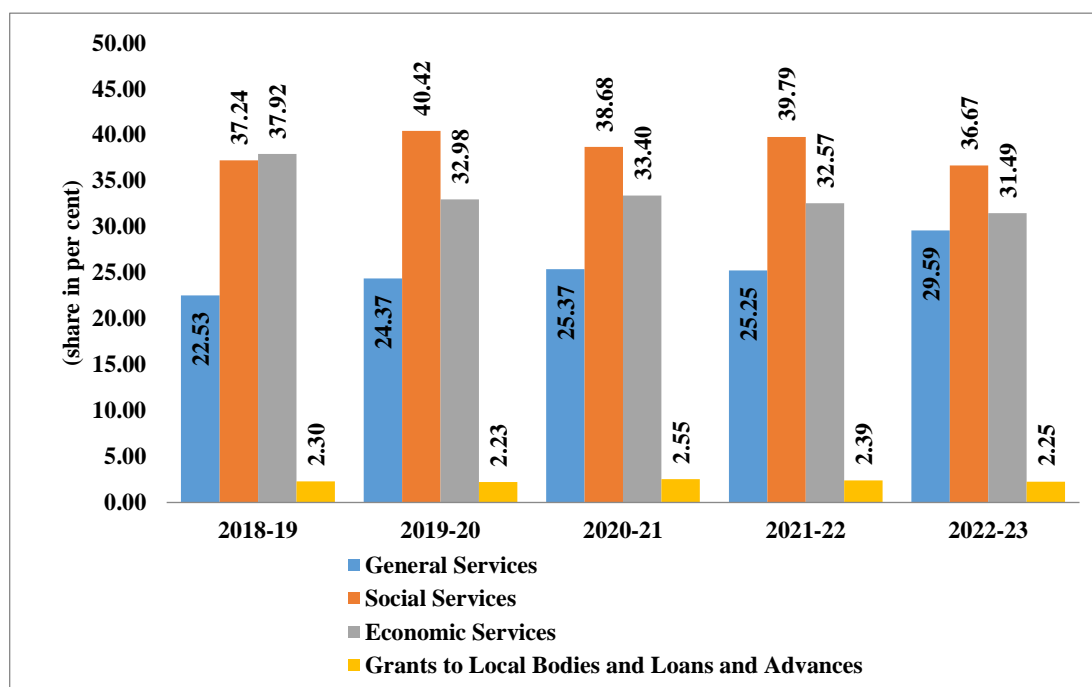
Table 2.13: Relative share of various sectors of expenditure

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
General Services	24,783	29,406	29,139	33,838	49,268
Social Services	40,972	48,781	44,424	53,315	61,061
Economic Services	41,720	39,793	38,367	43,647	52,442
Others (Grants to Local Bodies and Loans and Advances)	2,533	2,693	2,927	3,200	3,742

(₹ in crore)

Source: Finance Accounts of respective years, Government of Odisha

Chart 2.9: Total expenditure - Expenditure by activities

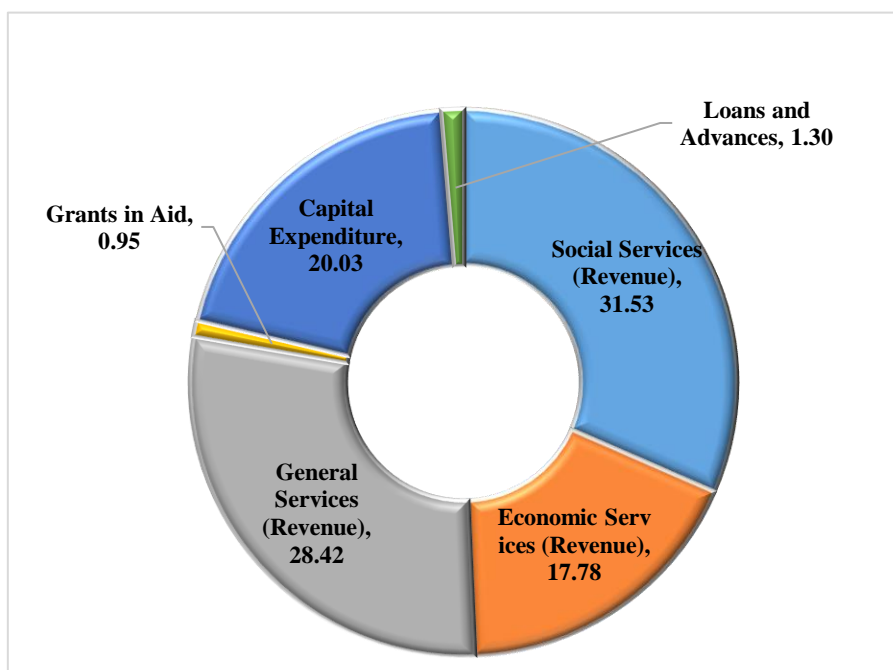


Source: Finance Accounts of respective years, Government of Odisha

Chart 2.9 shows that the relative shares of various components of expenditure in the total expenditure, fluctuated during FYs 2018-19 to 2022-23. During the period from FYs 2019-20 to 2022-23, expenditure under social services dominated the expenditure (ranging between 36.67 per cent to 40.42 per cent), followed by economic services (ranging between 31.49 per cent to 37.92 per cent) during FYs 2018-19 to 2022-23. The share of social services, economic services and grants to local bodies and loans and advances, decreased from 37.24 per cent, 37.92 per cent and 2.30 per cent in FY 2018-19 to 36.67 per cent, 31.49 per cent and 2.25 per cent in FY 2022-23. Whereas, expenditure under general services increased from 22.53 per cent in FY 2018-19 to 29.59 per cent in FY 2022-23. **Chart 2.10** shows the composition of expenditure by function.

Chart 2.10: Composition of Expenditure by function during FY 2022-23

(in per cent)



Source: Finance Accounts for FY 2022-23

2.4.1 Revenue Expenditure

Revenue Expenditure is incurred to maintain the current level of services and to make payments for past obligations. As such, it does not result in any addition to the State's infrastructure and service network. Growth of revenue expenditure, its ratio to total expenditure, GSDP and revenue receipts, are shown in **Table 2.14** and the sectoral distribution of revenue expenditure is shown in **Chart 2.11**.

Table 2.14: Revenue Expenditure - Basic Parameters

(₹ in crore)

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
Total Expenditure (TE)	1,10,008	1,20,673	1,14,857	1,34,000	1,66,513
Revenue Expenditure (RE)	85,356	99,137	95,311	1,09,588	1,31,006
RE as percentage of TE	77.59	82.15	82.98	81.78	78.68
RE/GSDP (per cent)	17.12	18.44	17.64	16.33	16.91
Revenue Receipts	99,546	1,01,568	1,04,387	1,53,059	1,50,462
Rate of Growth of RR (per cent)	16.83	2.03	2.78	46.63	-1.70
RE as percentage of RR	85.75	97.61	91.31	71.60	87.07
Rate of Growth of GSDP (per cent)	13.22	7.80	0.49	24.20	15.50
Rate of Growth of RE (per cent)	18.82	16.15	-3.86	14.98	19.54
Buoyancy of Revenue Expenditure (RE) with					

Parameters	2018-19	2019-20	2020-21	2021-22	2022-23
GSDP (ratio) ⁵	1.42	2.07	-7.88	0.62	1.26
Revenue Receipts (ratio) ⁶	1.12	7.95	-1.39	0.32	--#

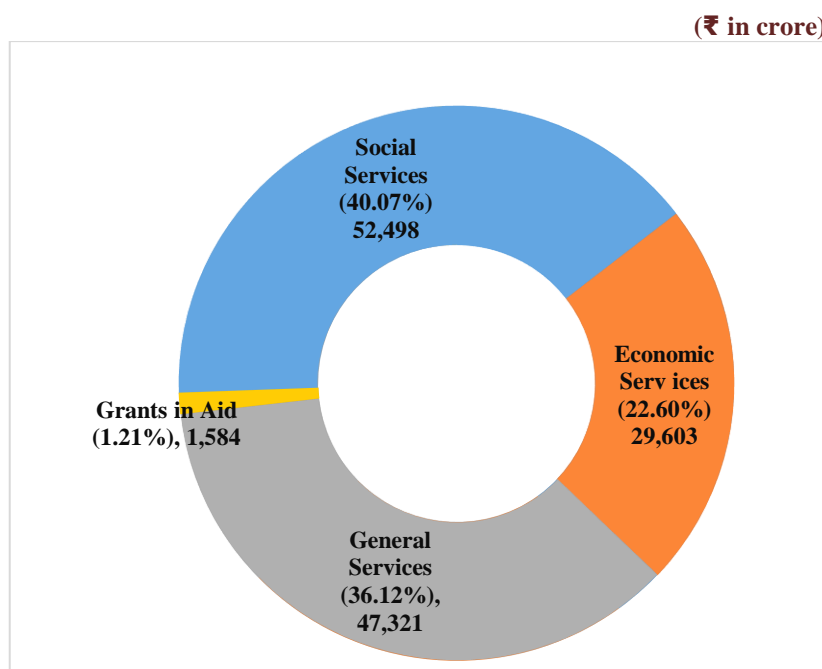
Source: Finance Accounts of respective years, Government of Odisha

* Buoyancy ratio was not calculated, as growth of GSDP was negative.

Buoyancy ratio was not calculated, as growth of Revenue Receipts was negative.

The revenue expenditure increased by ₹45,650 crore (53.48 per cent) from ₹85,356 crore in FY 2018-19 to ₹1,31,006 crore in FY 2022-23. It increased at an annual average growth rate of 11.30⁷ per cent, whereas, as percentage of GSDP, it ranged between 16.33 per cent to 18.44 per cent, during this period. Buoyancy of revenue expenditure, with reference to revenue receipts, decreased from 1.12 per cent in FY 2018-19 to 0.32 per cent in FY 2021-22.

Chart 2.11: Sector-wise distribution of revenue expenditure during FY 2022-23



Source: Finance Accounts for FY 2022-23, Government of Odisha

2.4.1.1 Major changes in revenue expenditure

The revenue expenditure increased substantially by ₹21,418 crore (19.54 per cent) from ₹1,09,588 crore in FY 2021-22 to ₹1,31,006 crore in FY 2022-23. Significant variations under various Major Heads of Accounts, in regard to the revenue expenditure of the State,

⁵ **Buoyancy of RE with GSDP:** Revenue Expenditure buoyancy at 0.85 (2021-22) implies that Revenue Expenditure tends to increase by 0.85 percentage points, if the GSDP increases by one per cent.

⁶ **Buoyancy of RE with Revenue Receipts:** Revenue Expenditure buoyancy at 0.32 (2021-22) implies that Revenue Expenditure tends to increase by 0.32 percentage points, if the Revenue Receipts increase by one per cent.

⁷ $[(1,31,006 / 85,356)^{1/4} - 1] \times 100 = 11.30$

during the current year, as compared to the previous year, are depicted in Table 2.15.

Table 2.15: Variation in revenue expenditure during FY 2022-23 compared to FY 2021-22

(₹ in crore)			
Major Heads of Account	2021-22	2022-23	Increase (+) / Decrease (-)
2075- Miscellaneous General Services	40.00	13,750.75	13,710.75
2202- General Education	18,489.39	22,135.54	3,646.15
2515- Other Rural Development Programmes	4,124.18	6,999.53	2,875.35
2071- Pensions and Other Retirement Benefits	16,458.76	18,595.66	2,136.9
2401- Crop Husbandry	4,379.79	5,787.89	1,408.10
2210- Medical and Public Health	8,222.73	9,504.81	1,282.08
2217- Urban Development	2,215.30	3,127.00	911.70
2505- Rural Employment	5,028.12	1,861.98	-3,166.14
2048- Appropriation for Reduction or Avoidance of Debt	2,000.00	0.00	-2,000.00
2215- Water Supply and Sanitation	4,658.62	3,261.78	-1,396.84
2049- Interest Payments	6,342.45	5,502.32	-840.13
2408- Food Storage and Warehousing	2,130.13	1,302.45	-827.68

Source: Finance Accounts of respective years, Government of Odisha

Table 2.20 shows:

- Increase of ₹13,711 crore (34,277 per cent) under Miscellaneous General Services, was mainly due to transfer of ₹13,700 crore to the Budget Stabilisation Fund, which had been created during FY 2022-23, vide GoO notification of March 2023, under the Reserve Fund in Public Accounts, to ensure financial stability during periods of unexpected revenue shortfall or budget deficit.
- Increase of ₹3,646 crore (19.72 per cent) in General Education was mainly due to increase in expenditure under Government Primary Schools (by ₹555 crore), Samagra Shiksha (₹588 crore) and Elementary Education - Tribal Area Sub-Plan (₹396 crore) etc.
- Increase of ₹2,875 crore (69.72 per cent) in Other Rural Development Programmes was mainly due to increase in expenditure under Panchayati Raj (₹1,980 crore), Special Component plan for Scheduled Caste (by ₹452 crore) and Tribal Area Sub-Plan (by ₹451 crore).
- Increase of ₹2,137 crore (12.98 per cent) in Pension and Other retirement benefits was mainly due to increase under Superannuation and Retirement Allowances (₹664 crore), Gratuities (₹206 crore), Family Pensions (₹280 crore) and Pensions to Employees of State aided educational institutes (₹775 crore).
- Increase of ₹1,408 crore (32.15 per cent) in Crop Husbandry was mainly due to increase in expenditure under Tribal Area Sub Plan (by ₹456 crore), Special component plan for Scheduled Castes (by ₹201 crore), Scheme for

Small/Marginal Farmers and agricultural labours (by ₹317 crore) and other expenditure (₹116 crore).

- Increase of ₹1,282 crore (15.59 per cent) in Medical and Public Health was mainly due to increase in expenditure under Urban Health Services - Allopathy (by ₹1,686 crore), the increase was partly set off by decrease under Rural Health Services – Allopathy (by ₹489 crore).
- Increase of ₹912 crore (41.16 per cent) in Urban Development was mainly due to increase in expenditure under construction (by ₹405 crore, special component plan for Scheduled Castes (by ₹152 crore), Tribal area sub plan (by ₹212 crore) and other expenditure (by ₹216 crore) in other urban development scheme, which were partly set off by decrease under Assistance to Municipalities, Municipal Corporations and NACs by ₹94.51 crore.
- Decrease of ₹3,166 crore (62.97 per cent) in Rural Employment was mainly due to decrease in expenditure of National Rural Employment Guarantee Act under sub components; Tribal area sub plan (by ₹1,104 crore), special component plan for Scheduled Castes (by ₹878 crore), Other Expenditure (by ₹1,678 crore) and National Rural Employment Guarantee Act (₹850 crore) under Other Programs. However, the decreases were partly set off by increase in Rural Employment Guarantee Scheme under sub components; National Rural Employment Guarantee Scheme (₹677 crore), special component plan for Scheduled Castes (₹423 crore) and Tribal area sub plan (₹592 crore).
- Decrease of ₹2,000 crore in appropriation for reduction or avoidance of debt was due to non-transfer of funds to the Consolidated Sinking Fund.
- Decrease of ₹1,397 crore in Water Supply and Sanitation was mainly due to decrease in expenditure under Jal Jeevan Mission (₹1,558 crore), which was partly setoff due to increase in expenditure under Urban water supply programmes (₹404 crore).
- Decrease of ₹840 crore (13.25 per cent) in Interest Payments was due to repayment of market borrowings (₹7,500 crore) and funds borrowed from special securities issued to NSSF of Central Govt. (₹883 crore).
- Decrease of ₹828 crore (38.85 per cent) in Food Storage and Warehousing was mainly due to decrease in expenditure under the Public Distribution System (₹841 crore), which had been enhanced during COVID period.

2.4.1.2 Committed Expenditure

The committed expenditure of the State Government, on the revenue account, consists of interest payments; expenditure on salaries and wages; and pensions. It has the first charge on Government resources.

Apart from the above, there are certain items of *inflexible expenditure*, which cannot be ordinarily altered or varied or are statutorily required on an annual basis, unlike for

variable transactions, such as capital expenditure *etc.* For example, the following items may be considered as inflexible expenditure:

- (i) Devolution to local bodies - statutory devolutions to local bodies for pay and allowances (devolution/transfer for capital expenditure).
- (ii) Statutory requirements of contribution to Reserve Funds - Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF), State Disaster Mitigation/Response Fund (SDMF/SDRF), *etc.*
- (iii) Recoupment of Contingency Fund – Amount recouped within the year.
- (iv) Transfer of cess to reserve fund/other body, which are statutorily required.
- (v) Share contribution of CSS against the Central Fund received - Amount of State share to be transferred to SNAs/ spent by the State.
- (vi) Payment of interest on the balances of the interest-bearing funds, as if they could have been invested and payment of interest on public debt as charged expenditure - Interest payments.

An upward trend on committed expenditure leaves the Government with lesser flexibility for development sector. A trend analysis of committed and inflexible expenditure and their components, is shown in **Table 2.16** and the share of committed expenditure in revenue expenditure, is shown in **Chart 2.12**.

Table 2.16: Components of Committed Expenditure

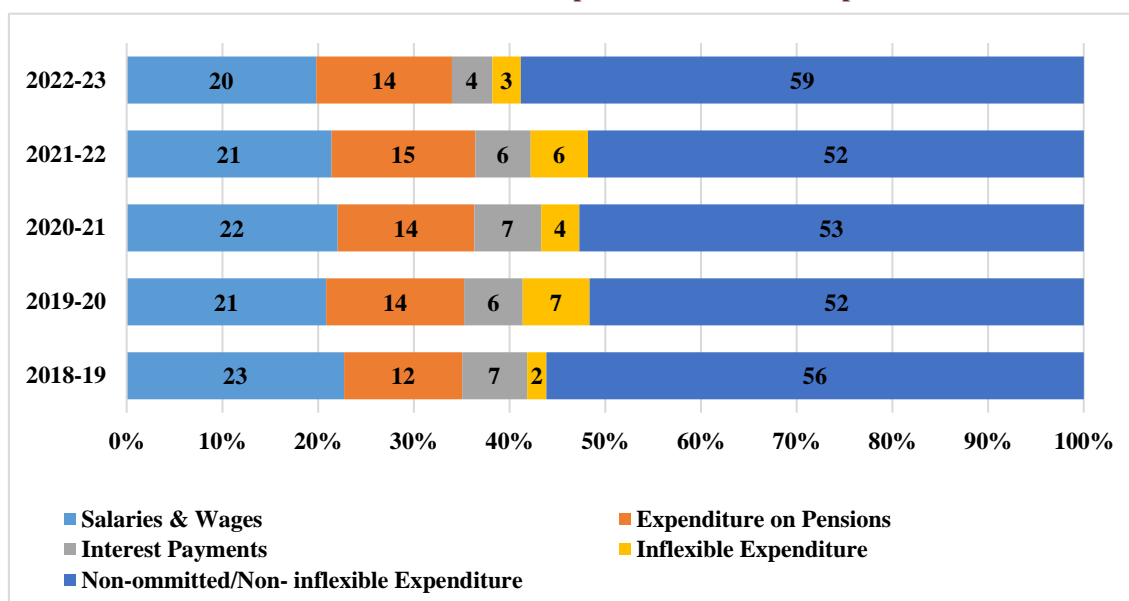
	(₹ in crore)				
Components of Committed Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Salaries & Wages	19,399	20,683	21,003	23,456	25,770
Expenditure on Pensions	10,520	14,273	13,629	16,459	18,596
Interest Payments	5,800	6,063	6,644	6,342	5,502
Total	35,719	41,019	41,276	46,257	49,868
Components of Inflexible Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Statutory Devolution to local bodies	658.37	658.37	1,213.72	1,225.96	1,220.14
Contribution to Reserve Funds	1,206.72	4,203.10	2,639.00	4,639.00	1,796.80
Recoupment of Contingency Fund	0	1,440	0	171	0
Non transfer of cess to reserve fund/other body	50.45	41.20	78.07	55.37	63.23
Non transfer of fund to State Disaster Mitigation Fund	0	0	0	0	224.60
Share contribution of CSS against the Central Fund received	0	0	0	0	0
Payment of interest on the balance of the interest-bearing funds as if they could have been invested and payment of interest on public debt as charged expenditure – Interest payment	10.55	179.22	93.83	131.88	231.76

Components of Committed Expenditure	2018-19	2019-20	2020-21	2021-22	2022-23
Less Government contribution to National Payment System.	0	0	0	0	172.53
Total	1,926.09	6,521.89	4,024.62	6,223.21	3,709.06
Grand Total	37,686	47,541	45,301	52,480	53,577.06
As a percentage of Revenue Receipts (RR)					
Committed expenditure					
Salaries & Wages	19.49	20.36	20.12	15.32	17.13
Expenditure on Pensions	10.57	14.05	13.06	10.75	12.36
Interest Payments	5.83	5.97	6.36	4.14	3.66
Total	35.89	40.38	39.54	30.22	33.14
Inflexible expenditure	1.97	6.42	3.86	4.07	2.46
Total	37.86	46.80	43.40	34.29	35.61
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	22.73	20.86	22.04	21.40	19.67
Expenditure on Pensions	12.32	14.40	14.30	15.02	14.19
Interest Payments	6.80	6.12	6.97	5.79	4.20
Total	41.85	41.38	43.31	42.21	38.06
Inflexible expenditure	2.26	6.58	4.22	5.68	2.83
Total	43.84	47.96	47.53	47.89	40.77
Non-committed RE	49,637	58,118	54,035	63,331	81,138
Percentage of RE	58.15	58.62	56.69	57.79	61.93
Percentage of TE	45.12	48.16	47.05	47.26	48.73
Subsidies	3,168	3,366	4,288	4,695	3,979
Subsidies as <i>percentage</i> of non-committed expenditure	6.38	5.79	7.94	7.41	4.90

Source: Finance Accounts of respective years, Government of Odisha

Table 2.16 shows that the percentage of non-committed expenditure to revenue expenditure increased from 58.15 *per cent* in FY 2018-19 to 61.93 *per cent* in FY 2022-23, in which subsidies constituted between 4.90 *per cent* to 7.94 *per cent*.

Chart 2.12: Share of committed expenditure in revenue expenditure



Source: Finance Accounts of respective years, Government of Odisha

Salaries and wages

Expenditure on salaries and wages (₹25,770 crore) increased by 9.87 per cent during FY 2022-23 over the previous year (₹23,456 crore) and constituted 19.67 per cent of revenue expenditure.

Interest payment

Interest payments (₹ 5,502 crore) as a percentage of Revenue Expenditure constituted 4.20 per cent in 2022-23, which was less than the previous year's ratio (5.79 per cent). In absolute terms, while interest payments had been consistently increasing from FYs 2018-19 to 2020-21, since FY 2021-22, they had started decreasing, due to repayment of Open Market Loans, National Small Savings Fund and swapping of high interest rate loans with low interest rate loans. Interest payment, relative to Revenue Receipts (₹ 1,50,462 crore), was 3.66 per cent, which was well below the fiscal target of 15 per cent, set out in the Odisha FRBM (Amendment) Act, 2016.

Pensions

The expenditure on pension and other retirement benefits to State Government pensioners, during the year, was ₹18,596 crore and constituted 14.19 per cent of the revenue expenditure. During the year, expenditure under pension and other retirement benefits increased by ₹2,137 crore (12.98 per cent) over the previous year. The increase was mainly due to increase in Superannuation and Retirement Allowances (₹5,771 crore) by ₹664 crore, Family Pensions (₹2,041 crore) by ₹280 crore and Pensions to Employees of State Aided Educational Institutions (₹5,125 crore) by ₹775 crore.

Inflexible expenditure

The components of inflexible expenditure, which include among others, Statutory devolution to local bodies and contribution to Reserve Funds, fluctuated during the period from FYs 2018-19 to 2022-23. As a percentage of revenue expenditure, the inflexible expenditure ranged between 2.26 *per cent* to 6.58 *per cent*. The inflexible expenditure during FY 2022-23 substantially decreased by 40.40 *per cent* over the previous year.

(i) Undischarged liabilities in the National Pension System

The State Government introduced (September 2005) the 'National Pension System' (NPS) in the name of Defined Contributory Pension Scheme (DCPS), applicable to all new entrants joining the State Government Services on or after 1 January 2005. Under this system, employees contribute 10 *per cent* of basic pay and dearness allowances, which is matched by the State Government (Government's share has been increased to 14 *per cent*, with effect from 1 April 2019). The employees' contribution is booked in the Public Account, under the Major Head '8342-Other Deposits, 117- Defined Contribution Pension Scheme' and the employer's contribution is transferred by debiting the Major Head '2071-Pension and Other Retirement Benefits, 01-Civil, 117 – Defined Contributory Pension Schemes', to the Major Head '8342-Other Deposits, 117- Defined Contribution Pension Scheme'. The employer's share, along with employees' share, is then to be transferred to the National Securities Depository Limited (NSDL), from the Public Account. The State Government has the responsibility to deposit both employees' and employer's share with the NSDL, for further investment, as per the guidelines of NPS.

Though the State Government started collecting pension contribution from the employees from FY 2006-07, it started transferring the same to NSDL only in 2010-11 (₹ 0.01 crore), leaving a balance of ₹39.62 crore to be transferred to NSDL, as on 31 March 2011.

As per the provisions of the scheme, during FY 2022-23, ₹3,141.57 crore (employees' contribution of ₹1,380.87 crore and employers' contribution of ₹1,760.69 crore) was deposited under Major Head '8342-Other Deposits 117- Defined Contributory Pension Scheme in Public Account. During FY 2022-23, against the balance of ₹3,149.38 crore (including opening balance of ₹7.83 crore) lying in the Public Account, the State Government had transferred ₹3,120.74 crore to NSDL, leaving a balance of ₹28.64 crore, as on 31 March 2023.

Details of the receipts from the employees' share, Government's contribution and investment in pension fund, are given in **Table 2.17**.

Table 2.17: Details of contribution and investment under Defined Contributory Pension Scheme

(₹ in crore)

Years	Receipts				Disbursement (Transferred to NSDL)	Short transfer (-) / Excess transfer (+)
	Opening Balance	Employees' share	Government contribution	Total		
1	2	3	4	5	6	7 (6-5)
2006-07	0.00	0.05	0.00	0.05	0.00	(-)0.05
2007-08	0.05	1.29	0.13	1.47	0.00	(-)1.47
2008-09	1.47	3.73	0.01	5.21	0.00	(-)5.21
2009-10	5.21	6.58	0.00	11.79	0.00	(-)11.79
2010-11	11.79	13.84	14.00	39.63	0.01	(-)39.62
2011-12	39.62	44.87	46.44	130.93	70.83	(-)60.10
2012-13	60.10	68.54	65.52	194.16	132.59	(-)61.57
2013-14	61.57	112.28	107.26	281.11	251.49	(-)29.62
2014-15	29.62	163.68	160.77	354.07	331.52	(-)22.55
2015-16	22.55	238.51	232.63	493.69	465.35	(-)28.33
2016-17	28.33	295.25	291.12	614.70	579.49	(-)35.21
2017-18	35.21	414.92	432.83	882.96	862.24	(-)20.72
2018-19	20.72	501.03	507.36	1,029.11	1,011.68	(-)17.44
2019-20	17.44	597.94	592.98	1,208.36	1,184.18	(-)24.18
2020-21	24.18	719.84	737.65	1,481.67	1,475.67	(-)6.00
2021-22	6.00	947.81	1,719.95	2,673.76	2,665.93	(-)7.83
2022-23	7.83	1,380.87	1,760.68	3,149.38	3,120.74	28.64
Total		5,511.03	6,669.33	12,180.36	12,151.72	28.64

Source: Finance Account of respective years

During the period from FYs 2006-07 to 2022-23, against the total receipts of ₹12,180.36 crore (employees' share: ₹5,511.03 crore and State Government contribution: ₹6,669.33 crore), an amount of ₹12,151.72 crore was transferred to the pension fund. Thus, there was short transfer of ₹28.64 crore, which is a deferred liability of the State Government. The short contribution/ transfer of funds to NSDL would impact the pensionary yield of the employees.

Further, as per notification dated 11.10.2021, the GoO was required to contribute 14 *per cent* to NPS, which amounted to ₹1,933.22 crore (1,380.87*14)/10. However, GoO had contributed ₹1,760.69 crore, which was less by ₹172.53 crore. This had resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit, by that extent.

2.4.1.3 Subsidies

Table 2.18 shows the expenditure on subsidies, during the period from FYs 2018-19 to 2022-23. The subsidies during the current year decreased by ₹716 crore (15.25 *per cent*) from the previous year. The decrease was mainly due to decrease of food subsidy under

public distribution system by ₹887.45 crore. The decrease was partly set off by increase under Crop Husbandry (by ₹350.01 crore), owing to increased input subsidy for purchase of seeds, fertilisers, bio-fertilisers, insecticides, bio-pesticides, agricultural equipment and diesel pump sets.

Department-wise major subsidies for FYs 2018-19 to 2022-23, are shown in **Table 2.18**:

Table 2.18: Department-wise Subsidies during FYs 2018-19 to 2022-23

(₹ in crore)

Sl. No.	Departments	2018-19	2019-20	2020-21	2021-22	2022-23
1	Food Supplies & Consumer Welfare	981	1,088	2,085	2,058	1,170
2	Co-operation	1,185	1,344	1,269	1,451	1,388
3	Agriculture & Farmers' Empowerment	207	307	301	329	679
4	Revenue & Disaster Management	468	312	224	470	274
5	Other Departments ⁸	327	315	409	387	468
Total Subsidy		3,168	3,366	4,288	4,695	3,979
Subsidies as a percentage of Revenue Receipts		3.18	3.31	4.11	3.07	2.64
Subsidies as a percentage of Revenue Expenditure		3.71	3.39	4.50	4.28	3.04
Subsidies as a percentage of Total Expenditure		2.88	2.79	3.73	3.50	2.39

Source: Finance Accounts of respective years, Government of Odisha

The State Government, in its Medium Term Fiscal Plan (MTFP) for FY 2007-08, had aimed at rationalisation of general subsidies and their reduction at a rate of 10 *per cent* per annum, beginning with FY 2005-06. On the contrary, subsidies have increased over the years and during FYs 2018-19 to 2021-22, subsidies increased from ₹3,168 crore to ₹4,695 crore. However, during FY 2022-23, they decreased by 15.25 *per cent*.

2.4.1.4 Financial assistance by the State Government to Local Bodies and other institutions

Assistance provided by way of grants, to local bodies and other institutions, during the period from FYs 2018-19 to 2022-23, is shown in **Table 2.19**.

Table 2.19: Financial assistance to Local Bodies and other institutions

(₹ in crore)

Institutions	2018-19	2019-20	2020-21	2021-22	2022-23
(A) Local Bodies					
Municipal Corporations and Municipalities	1,431.52	1,886.04	2,661.52	1,992.35	1,811.96

⁸ Other Departments include (i) ST&SC Development, Minorities & Backward Classes Welfare, (ii) Transport, (iii) Industries, (iv) Water Resources, (v) Handlooms, Textiles & Handicrafts, (vi) Fisheries and Animal Resources Department, (vii) Women & Child Development, (viii) Micro, Small and Medium Enterprises and (ix) Mission Shakti

Zilla Parishads and other Panchayati Raj Institutions	3,222.79	4,415.45	2,508.08	1,906.85	1,809.56
Total (A)	4,654.31	6,301.49	5,169.60	3,899.20	3,621.52
(B) Others					
Educational institutions (Aided Schools, Colleges, Universities, etc.)	6,220.82	6,862.60	6,632.48	6,028.73	5,903.00
Development Authorities	3,626.26	2,153.92	1,483.12	1,612.69	1,085.73
Hospitals and Other Charitable Institutions	1,507.10	1,789.38	21,027.82	1,561.05	800.07
Other institutions	9,948.76	11,358.07	11,856.37	12,829.30	7,673.97
Total (B)	21,302.94	22,163.97	22,099.79	22,031.77	15,462.77
TOTAL (A+B)	25,957.25	28,465.46	27,269.36	25,930.97	19,084.29
GIA for creation of Capital assets	8,507.43	7,487.48	8,567.39	5,387.86	4,229.43
Revenue Expenditure	85,356	99,137	95,311	1,09,588	1,31,006
Assistance as a percentage of Revenue Expenditure	30.41	28.71	28.61	23.66	14.57

Source: Finance Accounts of respective years, Government of Odisha

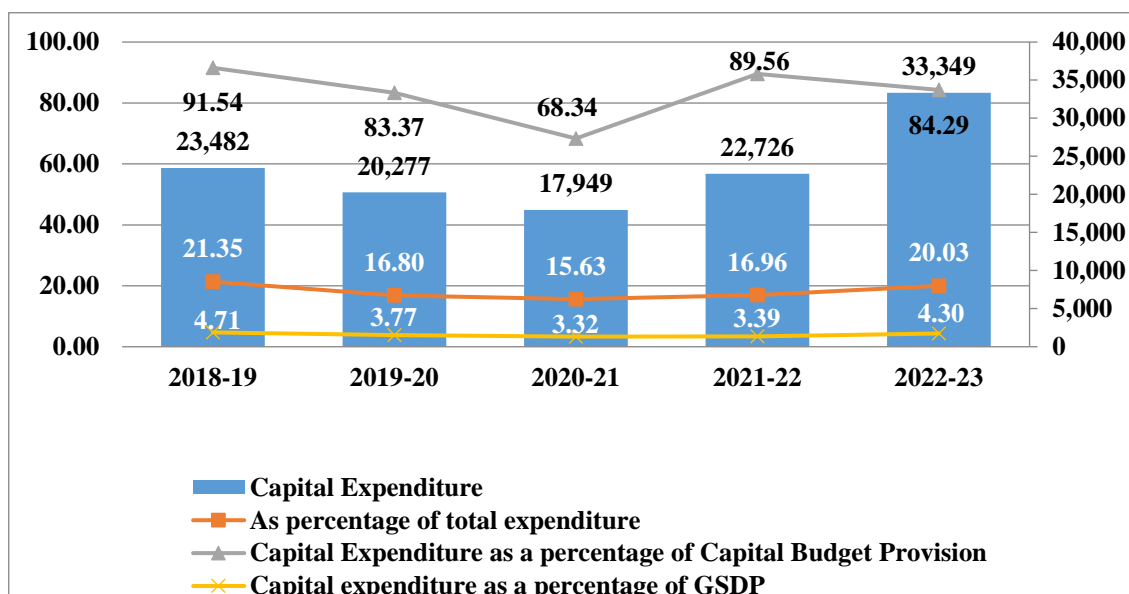
During the current year, financial assistance to the local bodies and other institutions decreased by ₹6,846.68 crore (26.40 *per cent*) over the previous year. The decrease was mainly due to decrease in assistance to Urban Local Bodies by ₹180.39 crore, Rural Local Bodies by ₹97.29 crore, Educational Institutions by ₹125.73 crore, Development Authorities by ₹526.96 crore, Hospitals and other charitable institutions by ₹760.98 crore and Other institutions by ₹5,155.33 crore. The overall quantum of financial assistance to the local bodies and other institutions, as a percentage of revenue expenditure had persistently decreased since FY 2018-19 (30.41 *per cent*) to FY 2022-23 (14.57 *per cent*).

It was also observed that the assistance given to local bodies and other institutions, as well as assistance given for creation of capital assets, had substantially decreased by ₹6,872.96 crore (26.48 *per cent*) and ₹4,278 crore (50.29 *per cent*) respectively, from FYs 2018-19 to 2022-23.

2.4.2 Capital Expenditure (CE)

Capital expenditure is primarily expenditure on creation of fixed infrastructure assets, such as roads, building *etc.* Capital expenditure, in both the Centre and the State, is being met from budgetary support and extra budgetary resources/ off-budget. It also includes investments made by the State Government in Companies/ Corporations. Trend of capital expenditure in the State, over the last five years, *i.e.* FYs 2018-23, is given in **Chart 2.13**.

Chart 2.13: Capital Expenditure in the State



Source: Finance Accounts for respective years and Budget at a Glance, Government of Odisha

Chart 2.13 shows that capital expenditure had fluctuated during the five years' period. It increased by ₹9,867 crore (42.01 per cent) from ₹23,482 crore in FY 2018-19 to ₹33,349 crore in FY 2022-23. However, as a percentage of total expenditure, it decreased from 21.35 per cent in FY 2018-19 to 20.03 per cent in FY 2022-23. As compared to the previous year, the capital expenditure of GoO has substantially increased by ₹10,623 crore (46.74 per cent), but fell short of ₹6,217 crore from the estimated capital expenditure (₹39,566 crore). The Capital Expenditure as percentage of GSDP, during FY 2022-23 was 4.30 per cent, which was higher than that of FY 2021-22 (3.39 per cent), growing at an average annual rate of 9.16 per cent.

Besides, the State Government also gave Grants-in-aid of ₹4,229 crore, during FY 2022-23 for creation of capital assets. Capital Expenditure as a percentage of Capital Budget ranged between 68.34 per cent to 91.54 per cent.

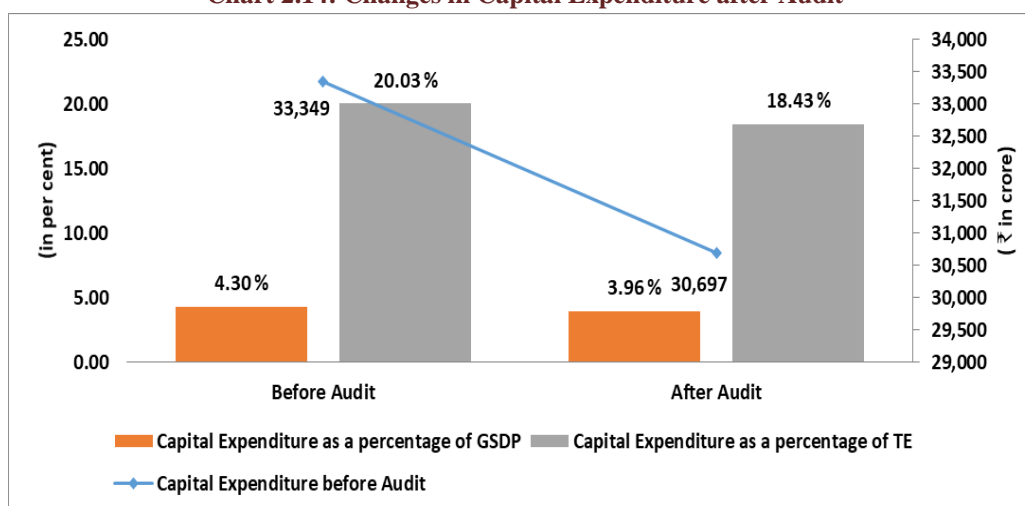
2.4.2.1 Misclassification of Revenue Expenditure as Capital Expenditure

During the financial year 2022-23, the State Government had booked ₹33,349.41 crore as Capital Expenditure. Audit examined Sanction Orders and expenditure vouchers related to this amount, from the Office of the Accountant General (Accounts and Entitlements) and noticed that, out of the amount of ₹33,349.41 crore, ₹2,652.21 crore of expenditure of Revenue nature, had been booked under Capital Expenditure. Out of this amount, ₹199.03 crore was expenditure towards operation, maintenance, repair and renovation etc. As per Rule 31 (2)(b) of the Government Accounting Rules, 1990, the Revenue Account should bear all charges relating to such expenditure. The remaining amount of ₹2,453.18 crore had been transferred for creation of assets by entities other than the Government of Odisha. In accordance with Note below Rule 30(1) of GAR 1990,

this amount is required to be classified as Revenue Expenditure, instead of Capital Expenditure.

Thus, there was a misclassification of ₹2,652.21 crore, which resulted in overstatement of Revenue Surplus to that extent. The resulting Capital Expenditure, after Audit, for FY 2022-23, was ₹30,697.20 crore (**Chart 2.14**).

Chart 2.14: Changes in Capital Expenditure after Audit



Source: Audited Finance Accounts for FY 2022-23, Government of Odisha

2.4.2.2 Major changes in Capital Expenditure

Major changes in capital expenditure, during FY 2022-23, compared to FY 2021-22, are depicted in **Table 2.20**.

Table 2.20: Capital expenditure during FY 2022-23 compared to FY 2021-22

(₹ in crore)

Major Heads of Account	2021-22	2022-23	Increase (+) / Decrease (-)
5054- Capital Outlay on Roads and Bridges	6,100.72	9,860.61	(+)3,759.89
4202- Capital Outlay on Education, Sports, Arts and Culture	676.18	2,192.31	(+)1,516.13
4700- Capital Outlay on Major Irrigation	2,383.86	3,809.64	(+)1,425.78
4059- Capital Outlay on Public Works	867.78	1,938.35	(+)1,070.57
4701- Capital Outlay on Medium Irrigation	813.54	1,664.14	(+)850.60
4210- Capital Outlay on Medical and Public Health	1,689.72	2,148.69	(+)458.97
4217- Capital Outlay on Urban Development	123.13	516.90	(+)393.77
5055- Capital Outlay on Road Transport	0	239.93	(+)239.93
5465- Investments in General Financial and Trading Institutions	0	219.84	(+)219.84
4801- Capital Outlay on Power Projects	3,445.77	3,071.59	(-)374.18

Source: Finance Accounts of respective years, Government of Odisha

Capital expenditure increased by ₹10,623 crore (46.74 *per cent*) from ₹22,726 in FY 2021-22 to ₹33,349 crore in FY 2022-23.

An analysis of **Table 2.20** shows:

- Increase of ₹3,759.89 crore (61.63 *per cent*) under Capital Outlay on Roads and Bridges, was mainly due to increase of expenditure amounting to ₹3,166.05 crore under District Roads, ₹113.88 crore State Highway and Other Roads ₹295.82 crores.
- Increase of ₹1,516.13 crore (224.22 *per cent*) under Capital Outlay on Education, Sports, Arts and Culture, was mainly due to increase in expenditure for development of infrastructure under Samagra Shiksha (by ₹694.04 crore) and development of Sports Stadia infrastructure (by ₹734.60 crore).
- Increase of ₹1,425.78 crore (59.81 *per cent*) under Capital Outlay on Major Irrigation, was due to increase of expenditure in Anandapur Barrage- Commercial Project (₹235.15 crore), Kanupur Irrigation Commercial Project (₹220.02 crore) and Lower Suktel Irrigation Commercial Project (₹944.62 crore).
- Increase of ₹1,070.57 crore (123.36 *per cent*) under Capital Outlay on Public Works, was mainly due to increase of expenditure in construction of office buildings (₹1,024.56 crore) and other buildings (₹46.02 crore).
- Increase of ₹850.60 crore (104.55 *per cent*) under Capital Outlay on Medium Irrigation, was mainly due to increase of expenditure in various Medium Irrigation projects.
- Increase of ₹458.97 crore (27.16 *per cent*) under Capital Outlay on Medical and Public Health, was mainly due to increase of expenditure for creation of medical infrastructure in rural and urban areas under Mukhya Mantri Swasthya Seva Mission (₹609.28 crore), which was partly set off by decrease in expenditure under various other schemes.
- Increase of ₹393.77 crore (319.80 *per cent*) under Capital Outlay on Urban Development, was mainly due to increase of expenditure for New City Development and implementation of EAP assisted by KFW German for Odisha Urban Infrastructure Development Fund (OUIDF).
- Increase of ₹293.93 crore under Capital Outlay Road Transport, was mainly due to construction of Bus Stand (₹213.00 crore) and investment of share capital (₹26.93 crore).
- Increase of ₹219.84 crore under Investments in General Financial and Trading Institutes, owing to investment of share capital in PSUs and Other Undertakings.
- Decrease of ₹374.18 crore (10.86 *per cent*) under Capital Outlay in Power Sector, was mainly due to decrease in investment of share capital in power sector PSUs.

2.4.2.3 Quality of Capital Expenditure

If the State Government keeps on making investment in loss making Government companies, whose net worth has completely eroded, there is no chance of return on investment. Similarly, experience has shown the inevitability of write-off of the loans given to loss making corporations and other bodies, such as sugar mills, financial corporations *etc.* Requisite steps have to be taken to infuse transparency in such financial operations. This section presents an analysis of investments and other capital expenditure, undertaken by the Government during the current year.

(i) Quality of investment in the companies, corporations and other bodies

Capital expenditure in the companies, corporations and other bodies, which are loss making or where net worth has completely eroded, is not sustainable.

Investment made and loans given to companies, corporations, and co-operatives, which are loss making and those where net worth has completely eroded, affect quality of capital expenditure. Return on investment in share capital invested in Public Sector Undertakings (PSUs) and history of repayment of loans, given to various bodies, are important determinants of the quality of capital expenditure

As of 31 March 2023, the State Government's investment stood at ₹ 12,417.78 crore in Public Sector Undertakings (PSUs), comprising of Government Companies (₹ 9,944.61 crore), Co-operative Societies (₹ 1,239.74 crore), Statutory Corporations (₹ 699.99 crore), Other Joint Stock Companies and Partnerships (₹ 514.54 crore) and Rural Banks (₹ 18.90 crore).

Trends of return on investment in companies, corporations, and co-operative banks and societies, difference between the cost of Government borrowings and return on investments, are depicted in **Table 2.21**.

Table 2.21: Return on Investment

(₹ in crore)						
Sl. No.	Details	2018-19	2019-20	2020-21	2021-22	2022-23
1	Investment at the end of the year (₹ in crore)	5,353.76	5,698.65	7,288.29	10,642.65	12,417.78
2	Return in the form of Dividend (₹ in crore)	543.94	321.38	1,062.81	523.43	584.50
3	Rate of Return (RoR) (<i>per cent</i>)	10.16	5.64	14.58	4.92	4.71
4	Average rate of interest on Government borrowings (<i>per cent</i>)	7.74	7.09	7.04	7.09	6.95
5	Difference between RoR (<i>per cent</i>) and interest rate (3-4)	2.42	(-)1.45	7.54	(-)2.17	(-)2.24
6	Difference between interest on Government borrowings and return on investment (₹ in crore) [#]	129.56	(-) 82.63	549.71	(-)230.95	(-)278.16

Source: Finance Accounts of respective years, Government of Odisha

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

- During FY 2022-23, the return on investment was ₹584.50 crore (4.71 per cent) (based on historical cost and not on net present value basis). The rate of return was between 4.71 per cent and 14.58 per cent during FYs 2018-19 to 2022-23, while the average rate of interest paid by the State Government on its borrowings was between 6.95 per cent and 7.74 per cent during the same period. Over the past five years, the difference in the cost of Government borrowings and return on investments in PSUs, was to the tune of ₹87.53 crore.
- It was observed that, out of 150 entities, only 14 entities had paid dividend. These included one Statutory Corporation⁹, 11 Government Companies¹⁰ (which included one Power Sector Company), one Co-operative Society¹¹ and one Rural Bank¹².
- Out of the total investment of ₹ 12,417.78 crore, ₹ 8,210.01 crore (66.11 per cent) was invested in five¹³ Power Sector Companies. Out of these, only one¹⁴ company paid dividend of ₹ 45.59 crore (7.80 per cent).
- The return on investment was mainly dependent on the Odisha Mining Corporation (OMC), which had paid ₹500 crore dividend in 2022-23. OMC was the highest contributor of dividend in 2018-19: ₹500 crore, 2019-20: ₹250 crore, 2020-21: ₹1,000 crore, 2021-22: ₹500 crore and 2022-23: ₹500 crore.
- Out of total 150 entities, 72 were defunct and investment of ₹68.52 crore therein had remained un-recouped. Of the remaining active 78 entities, 64 had not paid any dividend in 2022-23.

(ii) Loans and advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, the State Government has also been providing loans and advances to many institutions/organisations. **Table 2.22** presents the position of outstanding loans and advances, as on 31 March 2023, and interest receipts *vis-à-vis* interest payments, by the State Government, on its borrowings during the last five financial years.

⁹ Statutory Corporation - Odisha State Warehousing Corporation: ₹ 3.07 crore

¹⁰ Government Companies – (1) Agricultural Promotion and Investment Corporation Limited : 0.04 crore (2) Odisha Agro Industries Corporation Limited: ₹ 5.63 crore (3) Odisha State Cashew Development Corporation Limited: ₹ 0.47 crore (4) Odisha Forest Development Corporation Limited: ₹ 3.01 crore (5) Odisha State Seeds Corporation Limited: 0.46 crore (6) Odisha Small Industries Corporation Limited: 1.40 crore (7) Odisha Construction Corporation Limited: 14.72 crore (8) Odisha Bridge and Construction Corporation Limited (OCC) ₹ 1.64 crore (9) Odisha Mining Corporation Limited (OMC) ₹ 500.00 crore (10) Odisha State Beverage Corporation Limited: ₹ 5.60 crore and (11) Odisha Hydro Power Corporation (OHPC): ₹ 45.59 crore .

¹¹ Co-operative Society – Credit Co-operative: ₹ 0.19 crore

¹² Rural Bank - Odisha State Cooperative Bank: ₹ 2.69 crore

¹³ OPGC: ₹2,119.52 crore, OPTCL: ₹2,217.16 crore, GRIDCO: ₹2,613.13 crore and OHPC: ₹1,034.34 crore, Odisha Coal and Power Limited: ₹ 225.86 crore

¹⁴ OHPC: ₹45.59 crore

Table 2.22: Quantum of loans disbursed and recovered during FYs 2018-19 to 2022-23

(₹ in crore)					
Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
Opening Balance of loans outstanding (₹ in crore)	6,326	7,191	8,163	9,066	9,185
Amount advanced during the year (₹ in crore)	1,170	1,259	1,597	1,685	2,158
Amount recovered during the year (₹ in crore)	305	287	684	1,566	832
Closing Balance of the loans outstanding (₹ in crore)	7,191	8,163	9,066[#]	9,185	10,511
Net addition (₹ in crore)	(+) 865	(+) 972	(+) 913	(+) 119	1,326
Interest Receipts (₹ in crore)	35	64	316	1,315	297
Interest Receipts as a percentage of outstanding loans and advances (in <i>per cent</i>)	0.49	0.78	3.48	14.30	2.83
Interest Payments (₹ in crore)	5,800	6,063	6,644	6,342	5,502
Outstanding Borrowings (₹ in crore)	1,08,258	1,26,084	1,22,774	1,20,140	1,11,952
Rate of interest paid on the outstanding borrowings of the Government (in <i>per cent</i>)	5.36	4.81	5.41	5.28	4.91
Difference between the rate of interest received and interest paid (<i>per cent</i>)	(-) 4.87	(-) 4.03	(-) 1.93	(+) 9.02	(-) 2.08

Source: Finance Accounts of respective years, Government of Odisha

[#] The difference of ₹10 crore was due to proforma transfer of ₹9.51 crore from the loan head to the capital expenditure head.

During FY 2022-23, an amount of ₹2,158 crore was advanced as loan, as against ₹1,685 crore during the previous year. The loans advanced during the current year included ₹700 crore extended to Indian Oil Corporation Limited, as a part of an agreement with it, for providing a fiscal incentive of ₹10,500 crore interest free Viability Gap Funding (VGF)¹⁵ loan, over a period of 15 years, for the Paradeep Refinery Project. As a part of this, the State Government had disbursed ₹1,400 crore in FY 2017-18 and ₹700 crore each in FY 2018-19, FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23. Apart from this, loan amounting to ₹700 crore, was extended to GRIDCO, at the rate of interest 5 *per cent* per annum; ₹140 crore (interest free) was extended to MARKFED (interest free) and ₹100 crore (interest free) was extended to the Odisha State Seeds Corporation Limited.

The total outstanding loans and advances by the State Government increased by ₹1,326 crore from ₹9,185 crore in FY 2021-22 to ₹10,511 crore in FY 2022-23. Recovery of loans decreased by ₹734 crore (46.87 *per cent*) and interest receipts decreased by ₹1,018 crore (77.41 *per cent*) respectively in FY 2022-23, as compared to FY 2021-22. The

¹⁵ Viability Gap Funding means a grant to support projects that are economically justified but not financially viable.

interest received was only 2.83 *per cent* of the outstanding loans and advances during FY 2022-23.

2.4.3 Expenditure Priorities

Enhancing human development levels requires States to step up their expenditure on key social services like education, health *etc.* Low fiscal priority (ratio of expenditure under a category to total expenditure) is attached to a particular sector, if the allocation is below the respective national average. The higher the ratio of these components to the total expenditure, the quality of expenditure is considered to be better. Fiscal priority of the State Government, in regard to expenditure on social and economic sectors *etc.*, is shown in **Table 2.23**.

Table 2.23: Expenditure priority of the State, in regard to health, education and capital expenditure

	TE/GSDP	CE/TE	Education/TE	Health/TE
(₹ in crore)				
General Category States Average (2018-19)	16.13	15.58	14.76	5.07
Odisha (2018-19)	22.06	22.41	14.99	4.83
General Category States Average (2022-23)	15.79	15.22	14.85	5.68
Odisha (2022-23)	21.49	21.32	14.09	7.00

Source: Finance Accounts, Government of Odisha

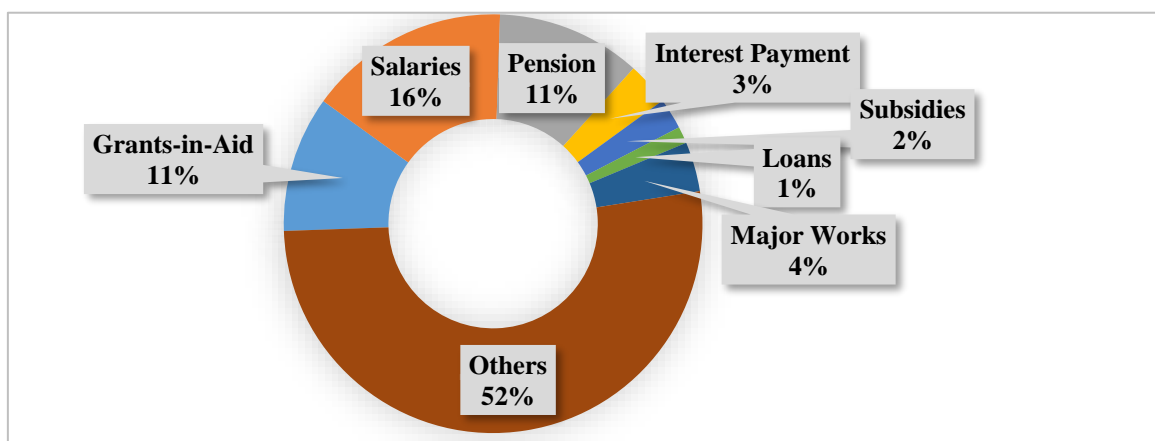
Table 2.23 shows that:

- The State Government's total expenditure, as a proportion of the GSDP, decreased from 22.06 *per cent* in 2018-19 to 21.49 *per cent* in 2022-23. Simultaneously, for General Category States (GCS), it decreased from 16.13 *per cent* to 15.79 *per cent*, during the same period. However, the total expenditure, as a percentage of GSDP, of Odisha, is much higher than that of General Category States.
- Capital expenditure facilitates asset creation, which generates opportunities for higher growth. The ratio of capital expenditure to total expenditure decreased from 22.41 *per cent* in 2018-19 to 21.32 *per cent* in 2022-23. This ratio for General Category States decreased from 15.58 *per cent* to 15.22 *per cent*, during the same period.
- The ratio of expenditure on education to the total expenditure in Odisha decreased from 14.99 *per cent* in 2018-19 to 14.09 *per cent* in 2022-23, whereas it increased from 14.76 *per cent* to 14.85 *per cent* in the case of GCS during the same period.
- The ratio of expenditure on health to total expenditure in Odisha increased from 4.83 *per cent* in 2018-19 to 7.00 *per cent* in 2022-23, whereas it increased from 5.07 *per cent* to 5.68 *per cent* in the case of GCS, during the same period.

2.4.4 Object head-wise expenditure

Object head-wise expenditure gives information about the object/ purpose of the expenditure. **Chart 2.15** shows the object head-wise expenditure.

Chart 2.15: Object Head-wise Expenditure during 2022-23 (in per cent)



Source: Finance Accounts, Government of Odisha

2.5 Public Account Receipts

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

2.5.1 Net Public Account Balances

The component-wise net balances, in the Public Account of the State, are given in **Table 2.24**. Yearly changes in the composition of Public Account balances are depicted in **Chart 2.16**.

Table 2.24: Component-wise net balances in Public Accounts

		(₹ in crore)				
Sector	Sub Sector	2018-19	2019-20	2020-21	2021-22	2022-23
I. Small Savings, Provident Fund <i>etc.</i>	Small Savings, Provident Fund <i>etc.</i>	1,748	915	612	308	-502
J. Reserve Funds	a) Reserve Funds bearing interest	-916	6,201	178	444	485
	b) Reserve Funds not bearing interest	7,828	1,053	-1,207	3,106	15,030
K. Deposits and Advances	a) Deposits bearing interest	-3	7	-19	2	21
	b) Deposit not bearing interest	4,206	3,422	-13,013	751	2,783
	c) Advances	0	1	-5	-1	-1
L. Suspense and Miscellaneous	b) Suspense	-54	-80	26	188	177
	c) Other Accounts	0	0	0	0	0
	d) Accounts with Governments of Foreign Countries	0	0	0	0	0
	e) Miscellaneous	0	0	2,500	0	-6
M. Remittances	a) Money Orders and other Remittances	10	-21	24	18	16
	b) Inter Governmental Adjustment Account	4	0	-6	-1	5
TOTAL		12,821	11,497	-10,910	4,815	18,008

Source: Finance Accounts of respective years, Government of Odisha

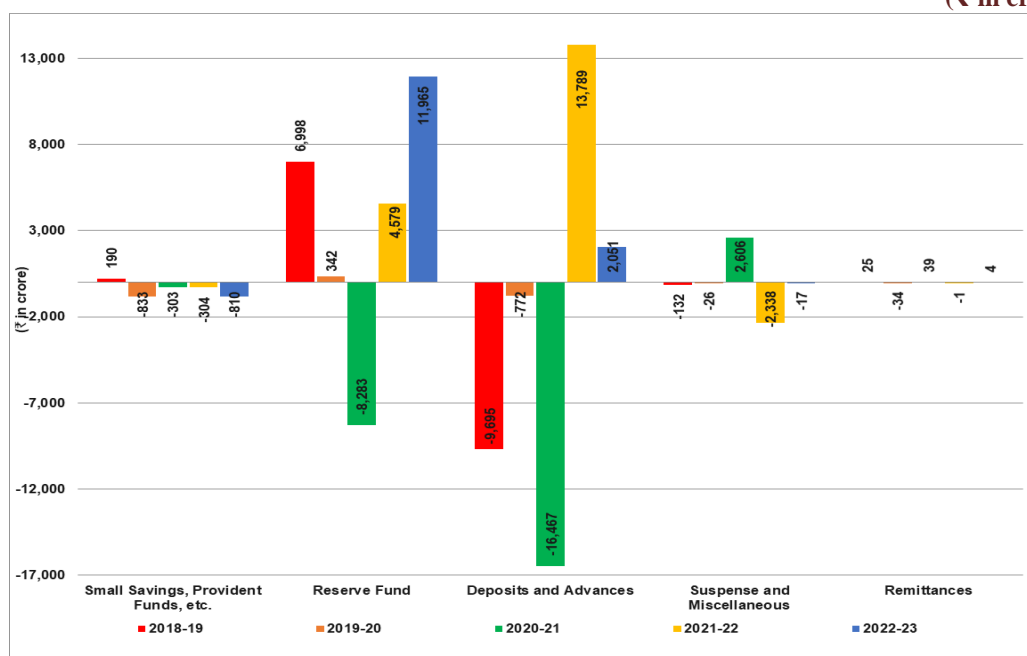
Note: +ve denotes debit balances and -ve denotes credit balances

From **Table 2.24**, it can be seen that, during FY 2022-23, the net Public Account receipts (₹18,008 crore) contributed 10.31 *per cent* of the total resources (₹ 1,74,649 crore) of the State. The major source of Public Account receipts was Reserve Funds not bearing interest (₹15,030 crore), due to creation of the Budget Stabilisation Fund under the Major Head 8228- Revenue Reserve Fund (₹13,633 crore) and accumulation of interest amounting to ₹1,233 crore in the Consolidated Sinking Fund.

Government is liable to pay/adjust interest in respect of interest-bearing Reserve Funds and Deposits. During FY 2022-23, the interest amounts payable on the State Disaster Response Fund and State Disaster Mitigation Fund (₹106.33 crore) State Compensatory Afforestation Fund (₹124.42 crore), Deposits on Government Companies, Corporation *etc.* (₹0.99 crore) and Miscellaneous Deposits (₹0.02 crore), totalling ₹231.76 crore, were not credited to the Public Account, which impacted favourably on the revenue and fiscal position of the State.

Chart 2.16: Yearly changes in the composition of Public Accounts balances

(₹ in crore)



Source: Finance Accounts of respective years, Government of Odisha

2.5.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Accounts of the State Government. These funds are met from contributions or grants from the Consolidated Fund or from outside agencies. It comprises interest bearing reserve fund non-interest bearing reserve fund.

Details of Reserve Funds are available in Statements 21 and 22 of the Finance Accounts. There were three interest bearing funds and eight Reserve Funds not bearing interest, as

on 31 March 2023. The fund balances lying in these Reserve Funds, as on 31 March 2023, are given in **Table 2.25**.

Table 2.25: Details of Reserve Funds

(₹ in crore)		
Sr. No.	Name of Reserve Fund	Balance as on 31 March 2023
A	Reserve Funds bearing Interest	7,754.20
1.	State Disaster Response Fund	3,208.24
2.	State Disaster Mitigation Fund	557.50
3.	State Compensatory Afforestation Fund	3,988.46
B.	Reserve Funds not bearing Interest	31,643.92
1.	Consolidated Sinking Fund	15,914.19
2.	Odisha Famine Relief Fund	3.94
3.	Budget Stabilisation Fund (Revenue Reserve Funds)	13,632.52
4.	Development Funds for Educational Purposes	9.77
5.	Development Funds for Agricultural Purposes	0.01
6.	Consumer Welfare Fund	0.28
7.	Other Development and Welfare Fund	0.05
8.	Guarantee Redemption Fund	1,788.60
9.	Other Funds- Fund for Protection of Interest of Depositors	294.56
	Grand Total	39,398.12

Source: Finance Accounts, Government of Odisha

Out of the gross accumulated balance of ₹39,398.12 crore lying in these Funds, as on 31 March 2023, ₹35,889.02 crore had been invested in Government Stocks, by the Reserve Bank of India, leaving the total net accumulated balance of ₹3,509.10 crore remaining un-invested, as on 31 March 2023.

2.5.2.1 Consolidated Sinking Fund (CSF)

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

There was an opening balance of ₹14,681.68 crore in the Fund, at the beginning of the current year. As on 31 March 2022, the outstanding liabilities of the Government of

Odisha were ₹1,09,887.46¹⁶ crore, which were 13.36 *per cent* (more than the mandated level of 5 *per cent*) of the total liability of the State Government at the end of the previous year. Accordingly, the State Government did not contribute to the fund in 2022-23. However, interest amounting to ₹1,232.51 crore was earned. Resultantly, there was a balance of ₹15,914.19 crore, at the end of the current year.

2.5.2.2 State Disaster Risk Management Fund (erstwhile SDRF)

The Government of India (GoI) replaced the erstwhile Calamity Relief Fund, with the State Disaster Response Fund (SDRF), with effect from 1 April 2010. In terms of the guidelines of the SDRF (September 2010 and July 2015), the Centre and the State Governments contributed to the Fund in the proportion of 75:25. The contributions were to be transferred under the Public Account, to the Major Head – 8121. Expenditure during the year was to be incurred by operating the Major Head – 2245. Further, GoI, vide Notification dated 12 January 2022, revised the guidelines as per the recommendations of the Fifteenth Finance Commission. As per the guidelines, SDRF was renamed as the State Disaster Risk Management Fund (SDRMF). The total allocation for SDRMF was divided into the State Disaster Response Fund (SDRF) and State Disaster Mitigation Fund (SDMF), to address the full cycle of disaster management needs *i.e.* response and relief; recovery and reconstruction; preparedness and capacity building; and mitigation. As per the guidelines, the share of SDRF and SDMF, in the SDRMF would be 80 *per cent* and 20 *per cent*, respectively.

State Governments are required to pay interest to the SDRMF, at the rate applicable to overdrafts under the Overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half-yearly basis. Accretions to the SDRMF, together with the income earned on the investment of SDRMF, are to be invested in Central Government Securities, auctioned Treasury Bills and other interest earning deposits with Scheduled Commercial Banks.

(i) State Disaster Response Fund (SDRF)

Eighty *per cent* of the SDRMF share was allocated for the SDRF. The State Disaster Response Fund is to be used for meeting the expenditure for providing immediate response and relief to the victims of a disaster (40 *per cent*), recovery and reconstruction (30 *per cent*) and preparedness and capacity building (10 *per cent*). The Funding for SDRF and SDMF is not to be interchanged.

As per the Finance Accounts, as on 1 April 2022, an amount of ₹1,554.86 crore was lying in the SDRF. During FY 2022-23, ₹1,841.19 crore (₹1,348.00 crore as Central share, ₹448.80 crore as State share and ₹44.39 crore interest receipts out of

¹⁶ Outstanding Liabilities as on 31.03.2022 was ₹1,20,139.66 crore. Outstanding liabilities as on 31.03.2022 excluding ₹10,252.20 crore as back-to-back loans from GoI in lieu of GST compensation shortfall, which were not to be repaid by the State from its sources is equal to ₹1,09,887.46 crore.

investment) were transferred to the Fund. An amount of ₹187.81 crore was spent from the Fund, during the current year, leaving a balance of ₹3,208.24 crore. Out of this, an amount of ₹883.02 crore was invested, leaving a balance of ₹2,325.22 crore, lying un-invested, as on 31 March 2023, in violation of GoI guidelines *ibid*. GoO has to bear interest liability, amounting to ₹42.25 crore (average interest on overdraft), on the un-invested Fund. However, GoO had not transferred interest amounting to ₹42.25 crore, which had overstated the revenue surplus and understated the fiscal deficit, to that extent.

(ii) State Disaster Mitigation Fund (SDMF)

The State Disaster Mitigation Fund (SDMF) was constituted under Section 48(1) (c) of the Disaster Mitigation Act, 2005. This Fund is meant exclusively for the purpose of mitigation projects, in regard to disasters, covered under the State Disaster Response Fund/ National Disaster Response Fund guidelines and the State specific local disasters, notified by the State Government, from time to time. The State Government created the SDMF vide Notification No. 5643 dated 29.09.2021, under Major Head 8121-130 - State Disaster Mitigation Fund. Twenty *per cent* allocation out of SDRMF, was meant for SDMF.

The opening balance of SDMF, as on 1 April 2022, was ₹855.60 crore. During FY 2022-23, the State Government received ₹168.50 crore from the Central Government and ₹11.19 crore from interest receipts. The State Government's share, during the year, was ₹56.10 crore. However, the State Government had transferred only ₹11.19 crore and had not transferred ₹224.60 crore to the fund. This had an impact on overstatement of Revenue Surplus and understatement of Fiscal Deficit to that extent. Further, during FY 2022-23, an amount of ₹308.29 crore had been spent from the Fund, leaving a balance of ₹557.50 crore. The entire amount remained un-invested, as on 31 March 2023, in violation of GoI guidelines *ibid*. GoO has to bear interest liability amounting to ₹64.08 crore (average rate of interest on overdraft) on the un-invested Fund. However, GoO had not transferred interest, amounting to ₹64.08 crore, which had overstated the revenue surplus and understated the fiscal deficit to that extent.

2.5.2.3 Guarantee Redemption Fund (GRF)

The State Government constituted a 'Guarantee Redemption Fund', for meeting the payment obligations, arising out of the guarantees, issued by the Government, for bonds issued and other borrowings by State Public Sector Undertakings or other Bodies, invoked by the beneficiaries. Accumulations in the Fund are to be utilised only towards payment of the guarantees issued by the Government and not paid by the institutions, on whose behalf the guarantees were issued.

In terms of the recommendations of the Twelfth Finance Commission, the State Government had constituted the Guarantee Redemption Fund in FY 2002-03, with the objective of meeting the payment obligations, arising out of default in debt servicing of

loans guaranteed by the Government. The latest amendment to the Fund, vide notification No. 13912-FIN-CI-SG-0001/2022-F dated 08.05.2023, stipulates that the minimum corpus of the State Government shall be maintained at 5 *per cent* of total outstanding guarantee at the end of previous financial year, provided that the State Government, at its discretion, may contribute to the Fund beyond 5 *per cent* of the total outstanding guarantees. During FY 2022-23, Government did not contribute to the Fund. However, interest, amounting to ₹142.19 crore, was credited to the fund, out of investment. The total accumulation of the Fund was ₹1,788.60 crore, as on March 2023 (₹1,646.41 crore, as on 31 March 2022), which constituted 29.04 *per cent* of the total outstanding guarantees at the end of the previous year, *i.e.* 31 March 2022. The entire fund had been invested in Government of India securities, by the Reserve Bank of India.

2.5.2.4 State Compensatory Afforestation Fund (SCAF)

In terms of the Compensatory Afforestation Fund Act, 2016, the Government of Odisha established the State Compensatory Afforestation Fund in the Public Account of the State, under Reserve Funds bearing Interest. The fund is meant for crediting all monies received from user agencies towards compensatory afforestation, additional compensatory afforestation fund, penal compensatory afforestation fund, net present value and all other amounts recovered from such agencies under the Forest (Conservation) Act, 1980. The funds collected under this Act are required to be utilised for undertaking artificial regeneration (plantations), assisted natural regeneration, protection of forests, forest related infrastructure development, Green India Programme, wildlife protection and other related activities and for matters connected therewith or incidental thereto.

The opening Balance of SCAF, as on 01 April 2022, was ₹4,859.28 crore (Cash: ₹3,714.05 crore and Investment: ₹1,145.23 crore). During FY 2022-23, the State Government: (i) did not receive any amount from user agencies (ii) received ₹2.88 crore from the National Compensatory Afforestation Fund (NCAF) and (iii) received ₹56.67 crore, as interest from investment of the fund. The expenditure incurred out of the fund, during the year, was ₹930.38 crore and the balance in the SCAF as on March 2023, stood at ₹3,988.46 crore. Out of ₹3,988.46 crore, ₹3,670.68 crore was invested in RBI Treasury Bills, leaving an amount of ₹317.78 crore, un-invested.

As per Clauses 4(5) and (6) of the Compensatory Afforestation Fund Act, 2016, the monies received in the state fund shall be an interest bearing fund under the public account and should receive interest as per the rates declared by the Central Government, on year-to-year basis. The interest rate fixed by the Government of India, for FY 2022-23, for the State Compensatory Afforestation Fund, was 3.35 *per cent* per annum. During FY 2022-23, GoO had to bear interest liabilities of ₹124.42 crore on the un-invested part of the State Compensatory Afforestation Fund, due to non-investment of the fund. However, the State Government did not contribute the interest amount to the fund, which had an impact of overstatement of Revenue Surplus and understatement of Fiscal Deficit to that extent.

2.5.2.5 Odisha Budget Stabilisation Fund

Odisha is a Natural Resource rich State. Mining activity generates approximately 10 per cent of the State Gross Value Added (GVA). About 90 per cent of the State's Own Non-Tax Revenue and 45 per cent of the State's Own Revenue receipts stem from the mining sector. Mining revenue is quite sensitive to demand and the price of metals in national and international markets keeps on fluctuating. Accordingly, substantial risk is associated with mining revenue, due to which, it became inevitable to recognize the fiscal risk stemming from the mining sector, in terms of revenue volatility. Government of Odisha, vide Notification dated 24.03.2023, constituted the "Budget Stabilisation Fund (BSF)", which would enable the State to set aside surplus revenue as Budget Reserve, for times of unexpected revenue shortfall or budget deficit. The fund was created in the Public Account of the State, under 'Reserve Fund – Reserve Funds not bearing interest' under the Account Head "8228- Revenue Reserve Fund". The accretions to the Fund are to be invested in Government of India Securities, Auction Treasury Bills and State Government Securities of other states, by the Central Accounts Section of the Reserve Bank of India.

During the financial year 2022-23, an amount of ₹13,700 crore was credited through appropriation from the Head 05-2075-Miscellaneous General Services. Out of this, an amount of ₹13,632.52 crore was invested in Government of India Treasury Bills, after paying premium of ₹67.48 crore.

2.5.2.6 Fund outside Consolidated Fund/Public Account of the State and dedicated Funds

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

The State Government imposed various Cesses for meeting expenditure for specific purposes. Audit collected information/data regarding the cesses being levied by the Departments concerned, which are discussed below:

2.5.2.7 Building and Other Construction Workers Welfare Cess (Labour Cess)

The Government of India enacted the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act), to levy and collect cess for providing benefits to the workers. The Act, *inter alia*, mandated constitution of a Building and Other Construction Workers' Welfare Board and framing of rules by every State Government, to exercise the powers conferred under the Act. Accordingly, the Government of Odisha framed the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2002, under the Act and constituted the Odisha Building and Other Construction

Workers Welfare Board. The Board is responsible for the operation and maintenance of the amount credited by Government as Labour Cess Deposits.

In accordance with the provisions under Section 3(1) of the Building and Other Construction Workers Welfare Cess Act, 1996, Government of Odisha, vide Resolution dated 15 December 2008, ordered for collection of Cess at the rate on *per cent* of the cost of construction incurred by an employer / builder, which was to exclude the cost of land and any other compensation paid or payable to a worker or his kin under the Workmen Compensation Act, 1923. Further, all the heads of the Departments/ Boards/ Autonomous Bodies/ Local Authorities were instructed to collect cess at the rate one *per cent* of cost of all construction, as also from individuals, who had got approved building plans for own residences having a cost of ₹10 lakh or more, as notified (September 1996) by the Central Government, and deposit the same with the Odisha Building and Other Construction Workers' Welfare Board. The cess so collected, was required to be spent for the social security schemes and welfare measures adopted by the Board, for the benefit of the building and other construction workers in the State.

However, it was noticed that, during FY 2022-23, an amount of ₹3.32 crore had been collected under the Major Head 0230-Labour and Employment, which had remained un-transferred to the Building and other Construction Workers Welfare Board. This had resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit by ₹3.32 crore. Similarly, during FY 2018-19: ₹2.38 crore, FY 2019-20: ₹4.60 crore, FY 2020-21: ₹4.49 crore and FY 2021-22: ₹1.61 crore, had been collected under the Major Head 0230-Labour and Employment and not transferred to the Building and other Construction Workers Welfare Board. Thus, the un-transferred amount from Major Head 0230- Labour and Employment was ₹16.40 crore, as on 31 March 2023.

Apart from cess collected through Major Head 0230-Labour and Employment, Labour Cess, collected by various agencies, was sent, through cheques/ drafts, to the Odisha Building and Other Construction Workers' Welfare Board (OB & OCWWB) or deposited in the Savings Bank Account of the Board, opened for this purpose, through District Labour Offices. The collection, *vis-à-vis* utilisation, of the fund, is shown in **Table 2.26**.

Table 2.26: Amounts collected and utilised by the OB & OCWWB in Odisha

(₹ in crore)

Financial Year	Opening Balance	Receipts during the year			Total	Expenditure	Closing Balance	Utilisation of funds (per cent)
		Cess	Regd. Fees and Annual Contribution	Interest				
2020-21	727.45	361.95	9.7	34.84	1,133.94	473.52	660.42	41.76
2021-22	660.42	454.23	12.35	29.72	1,156.72	526.92	629.80	45.55
2022-23	629.80	553.50	4.82	52.82	1,240.95	276.69	964.26	22.30
Total		1,369.68	26.87	117.38	3,531.61	1,277.13		

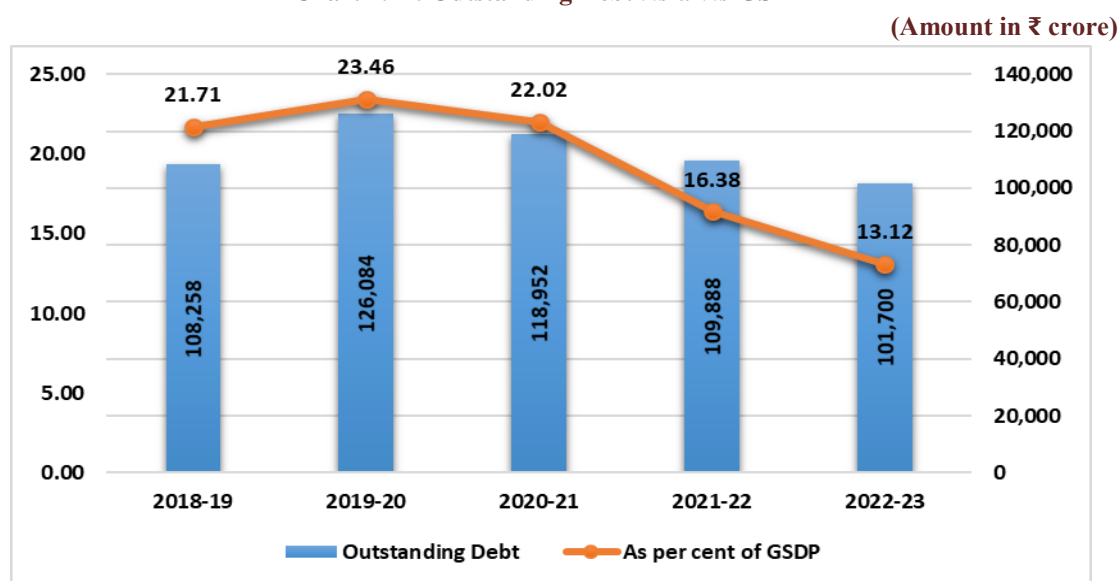
Source: Information collected from OB&OCWWB

2.6 Debt Management

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

The total outstanding debt of the State, along with their percentage to GSDP, for FYs 2018-19 to 2022-23, are shown in **Chart 2.17**.

Chart 2.17: Outstanding Debt vis-à-vis GSDP



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

2.6.1 Debt profile: Components

Total liabilities of the State Government typically constitute the Internal Debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, etc.), loans and advances from Central Government, and Public Account Liabilities. The components-wise liability trends of the State for the period of five years beginning from 2018-19 are presented in **Table 2.27**.

Table 2.27: Debt Sustainability Indicators during FYs 2018-19 to 2022-23

(₹ in crore)

Components of fiscal liability	2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding Total Debt*	1,08,258	1,26,084	1,18,952	1,09,888	1,01,700
Public Debt*	58,253	68,438	75,681	62,233	53,653
<i>Internal Debt</i>	50,421	60,595	67,521	53,977	45,532
<i>Loans from GoI*</i>	7,832	7,843	8,160	8,256	8,121
Public Accounts Liabilities	50,005	57,646	43,270	47,655	48,047
<i>Small Savings, Provident Funds, etc.</i>	23,423	24,338	24,949	25,258	24,756

Components of fiscal liability	2018-19	2019-20	2020-21	2021-22	2022-23
Reserve Fund bearing Interest	448	3,753	1,805	5,134	3,200
Reserve Fund not bearing Interest	307	299	291	285	309
Deposits bearing Interest	36	42	24	26	47
Deposits not bearing Interest	25,791	29,214	16,201	16,952	19,735
Rate of growth of Outstanding Total Debt (in per cent)	11.42	16.47	(-) 5.66	(-) 7.62	(-) 7.45
Gross State Domestic Product (GSDP)	4,98,611	5,37,502	5,40,150	6,70,881	7,74,869
Debt/GSDP (per cent)	21.71	23.46	22.02	16.38	13.12
Borrowings and Other Liabilities (as per Statement 6 of Finance Accounts)					
Total Receipts	48,103	60,314	60,649	65,043	66,466
Total Repayment	37,009	42,487	63,960	67,677	74,654
Net funds available	5,294	11,764	(-) 3,311	(-) 2,634	(-) 8,188
Repayment/Receipts (per cent)	76.94	70.44	105.46	104.05	112.32

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

* During the year 2020-21 it excludes ₹3,822 crore and during 2021-22 and 2022-23, it excludes ₹10,252 crore (₹3,822 crore + ₹6,430 crore) as back-to-back loan from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its resources.

The total debt of the State Government had increased, during FY 2019-20, over the previous year by 16.47 per cent from ₹1,08,258 crore in FY 2018-19 to ₹1,26,084 crore in FY 2019-20. However, since FY 2019-20, they have been decreasing. Over the last four years, they have decreased by 19.34 per cent, from ₹1,26,084 crore in FY 2019-20 to ₹1,01,700 crore in FY 2022-23. The decrease has been mainly due to repayment of Market Loans, loans from Special Securities issued to NSSF of Central Government and loans from financial institutions. During FY 2022-23, GoO did not resort to any market borrowing, but had repaid market loans amounting to ₹7,500 crore and loans from NSSF amounting to ₹ 882.54 crore.

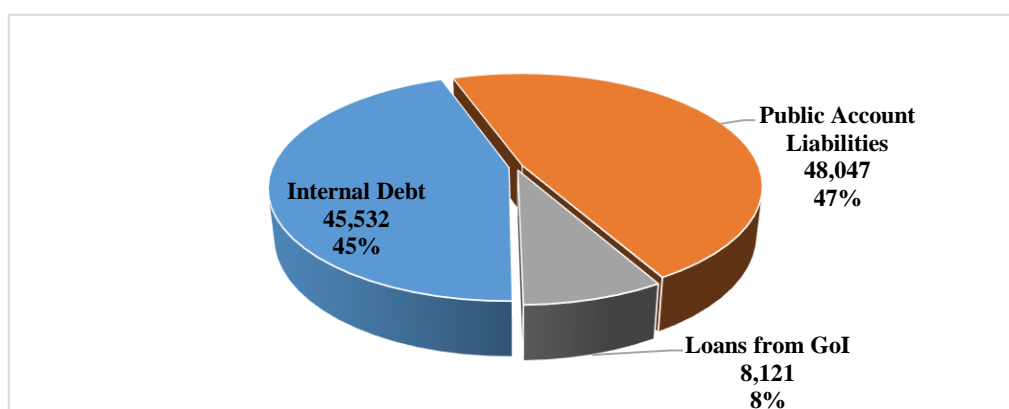
Public Debt decreased by ₹4,600 crore (7.90 per cent) during the period from FYs 2018-19 to 2022-23, while Internal Debt decreased by ₹4,889 crore (9.70 per cent) and Loans from GoI increased by ₹289 crore (3.69 per cent). Public Account liabilities decreased by ₹1,958 crore (3.92 per cent) during the same period.

The outstanding liabilities, as a percentage of GSDP, during the last five years, ranged between 13.12 per cent to 23.46 per cent, which were below the fiscal target of 25 per cent, set out in the FRBM Act.

The break-up of outstanding liabilities, at the end of FY 2022-23, is shown in **Chart 2.18**.

Chart 2.18: Break up of Outstanding total liabilities at the end of FY 2022-23

(Amount in ₹ crore)

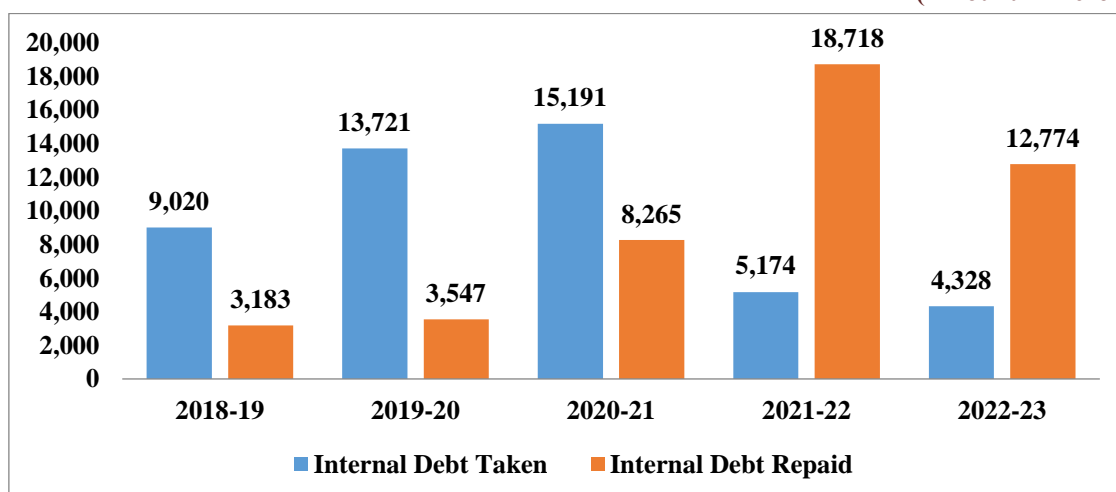


Source: Finance Accounts for FY 2022-23, Government of Odisha.

Chart 2.19 depicts the quantum of internal debt taken *vis-a-vis* repaid during the period of five years *i.e.* from FYs 2018-19 to 2022-23.

Chart 2.19: Internal debt taken *vis-à-vis* internal debt repaid

(Amount in ₹ crore)



Source: Finance Accounts of respective years

The internal Debt of the State Government decreased by ₹4,889 crore (9.70 *per cent*) from ₹50,421 crore in FY 2018-19 to ₹45,532 crore in FY 2022-23 (**Table 2.27**). An amount of ₹3,461 crore was paid towards interest on internal debt during FY 2022-23.

It can be seen from **Chart 2.19** that, during FYs 2021-22 and 2022-23, the repayment of Internal Debt was much higher than the Internal Debt receipts, which resulted in decrease of outstanding liabilities.

Table 2.28 depicts the financing pattern of the fiscal deficit, during FYs 2018-19 to 2022-23. The financing of fiscal deficit, during FY 2022-23, is shown in **Chart 2.20**.

Table 2.28: Components of Fiscal Deficit and their financing pattern

		(₹ in crore)				
Particulars		2018-19	2019-20	2020-21	2021-22	2022-23
		Net	Net	Net	Net	Net
Composition of Fiscal Deficit		(-) 10,157	(-) 18,819	(-)9,786	20,627	(-)15,219
1	Revenue Surplus	14,190	2,430	9,076	43,471	19,456
2	Capital Expenditure	(-) 23,482	(-) 20,277	(-) 17,949	(-) 22,726	(-) 33,349
3	Net Loans and Advances	(-) 865	(-)971	(-)913	(-)120	(-)1,326
Financing Pattern of Fiscal Deficit						
1	Market Borrowings	4,500	6,500	500	-6,473	-7,500
2	Loans from GoI	226	11	4,139	6,526	-134
3	Special Securities issued to NSSF	-849	-883	-883	-883	-883
4	Loans from Financial Institutions and Others	2,186	4,557	7,310	-6,188	-63
5	Small Savings, Provident Fund etc.	1,748	914	611	308	-502
6	Reserve Funds	6,912	7,254	(-)1,029	3,550	15,515
7	Deposits and Advances	4,202	3,430	(-)13,037	752	2803
8	Suspense and Miscellaneous	(-) 54	-80	2,526	188	171
9	Remittances	13	-22	18	17	21
10	Contingency Fund	(-) 1,440	1,440	(-)171	171	--
11	Overall Deficit (Total 1 to 10)	17,444	23,121	(-)16	(-)2,032	9,428
12	(-) Increase / (+) Decrease in Cash Balance	(-) 7,287	(-) 4,303	9,802	(-)18,595	5,791
13	Gross Fiscal Deficit (+)/ Surplus (-) (11 + 12)	10,157	18,819[@]	9,786	(-)20,627	15,219

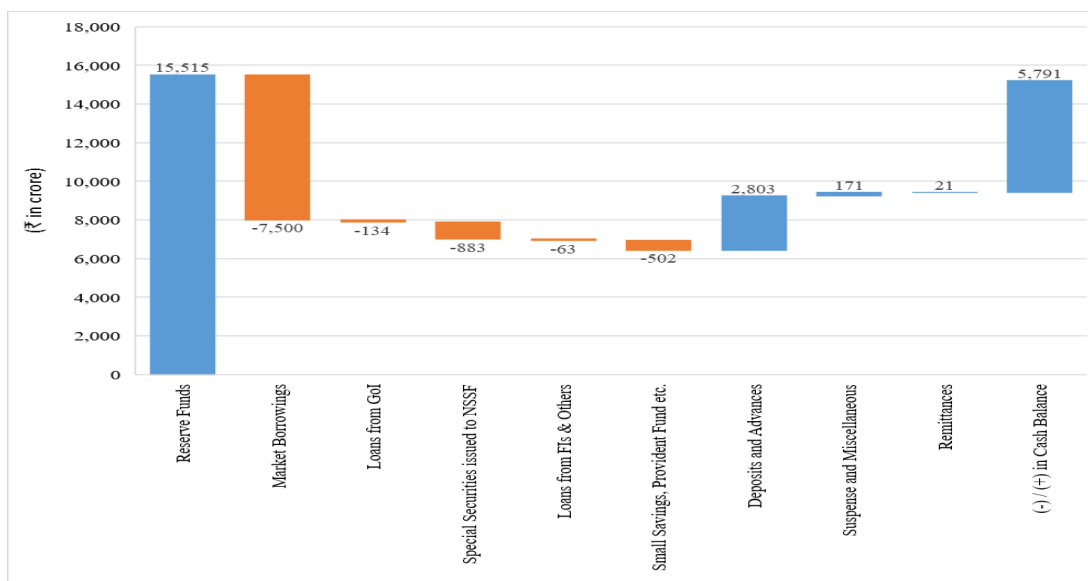
Source: Finance Accounts of respective years, Government of Odisha.

Includes market borrowings & borrowings from other institutions also

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

@ difference of ₹one crore is due to rounding off

Chart 2.20: Financing of fiscal deficit during FY 2022-23



Source: Finance Accounts for FY 2022-23

The components of receipts and disbursements financing the fiscal deficit, during FY 2022-23, are shown in **Table 2.29**.

Table 2.29: Receipts and Disbursements under various components financing the fiscal deficit during FY 2022-23

(₹ in crore)				
Sr. No.	Particulars	Receipts	Disbursement	Net
1	Market Borrowings	Nil	7500	-7,500
2	Loans from GoI	1,019	1,153	-134
3	Special Securities issued to NSSF	Nil	883	-883
4	Loans from Financial Institutions and Others	4,328	4,391	-63
5	Small Savings, PF, etc.	4,693	5,195	-502
6	Reserve Funds	16,949	1,434	15,515
7	Deposits and Advances	34,784	31,981	2,803
8	Suspense and Miscellaneous	141	(-)30	171
9	Remittances	36,088	36,067	21
10	Overall Deficit			9,428
11	Increase (-)/ Decrease (+) in cash balance	51,231	45,440	5,791
12	Gross Fiscal Deficit			15,219

Source: Finance Accounts for FY 2022-23

2.6.2 Debt profile, Maturity and Repayment

Debt maturity and repayment profile indicates the commitments on the part of the Government, in regard to debt repayment or debt servicing. The debt maturity profile of the State is shown in **Table 2.30** and **Chart 2.21**.

Table 2.30: Debt Maturity Profile of repayment of the Public Debt of the State

Period of repayment (Years)	Principal Amount	Interest Amount [#]	Public Debt (including interest)	Percentage (w.r.t. total public debt)
	(₹ in crore)			
0-1	8,809	3,275	12,084	16.23
1-3	13,849	5,012	18,861	25.33
3-5	9,468	3,426	12,894	17.32
5-7	6,538	2,438	8,976	12.05
7-10	6,405	2,403	8,808	11.83
Above 10	7,518	4,253	11,771	15.81
Others	1,066*	0	1,066	1.43
Total	53,653	20,807	74,460	100.00

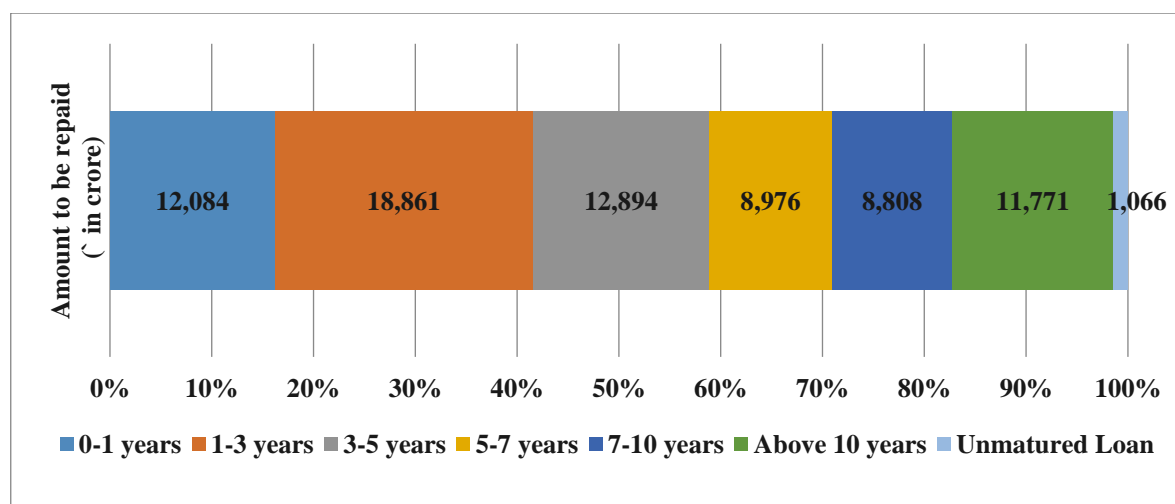
Source: Calculated on the basis of Finance Accounts

[#] Approximate interest calculated at the average interest rate of 6.65 per cent (average of interest rates for the last five years).

* Excluding 10,252.20 crore, as back-to-back loans from GoI, in lieu of GST Compensation shortfall, received during FYs 2020-21 and 2021-22, which are not to be repaid by the State from its sources.

Table 2.30 indicates that the State Government has to repay 41.56 per cent (₹30,945 crore) of its public debt (including approximate interest) within the next three years, 17.32 per cent (₹12,894 crore) between 3-5 years, 12.05 per cent (₹8,976 crore) between 5-7 years and 11.83 per cent (₹8,808 crore) between 7-10 years. Thus, the State has to repay 82.76 per cent of its debt (₹61,624 crore) in the next ten years.

Chart 2.21: Maturity Profile of Public Debt



Source: Calculated on the basis of Finance Accounts

* Excluding ₹10,252.20 crore, as back-to-back loans from GoI, in lieu of GST Compensation shortfall received during FY 2020-22, which are not to be repaid by the State from its sources.

Table 2.31 and Chart 2.22 show the year-wise repayment schedule, during the next ten years of the Public Debt outstanding, as on 31 March 2023.

Table 2.31: Repayment Schedule of Public Debt (including interest) during the next 10 years i.e. up to FY 2032-33

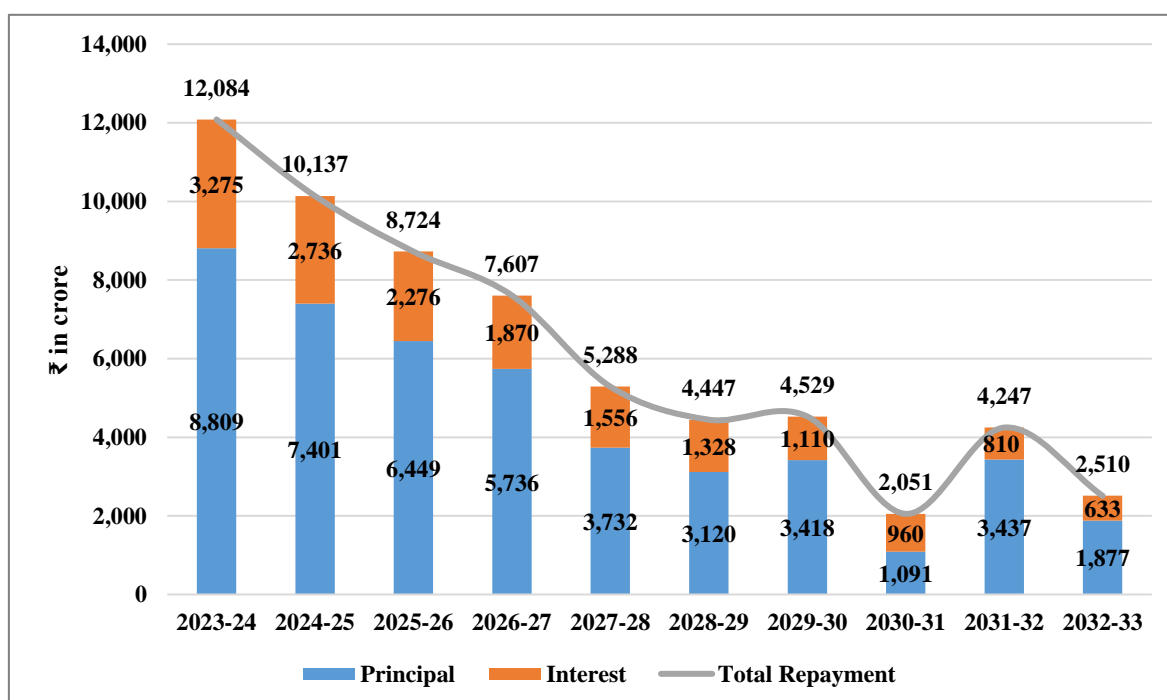
(₹ in crore)

Year	Repayment of		
	Public Debt	Interest [#]	Total
2023-24	8,809.41	3,275.01	12,084.42
2024-25	7,400.61	2,736.03	10,136.64
2025-26	6,448.66	2,275.54	8,724.20
2026-27	5,736.41	1,870.39	7,606.79
2027-28	3,732.02	1,555.56	5,287.59
2028-29	3,119.70	1,327.74	4,447.44
2029-30	3,418.47	1,110.35	4,528.82
2030-31	1,090.96	960.41	2,051.37
2031-32	3,436.85	809.86	4,246.71
2032-33	1,877.20	633.17	2,510.37
Total	45,070.28	16,554.06	61,624.34

Source: Calculated on the basis of Finance Accounts

[#] Approximate interest calculated at the average interest rate of 6.65 per cent (average of interest rates for the last five years).

Chart 2.22: Repayment Schedule of Public Debt (including interest) during the next 10 years, i.e. up to FY 2032-33



Source: For public Debt - Finance Accounts of Government of Odisha

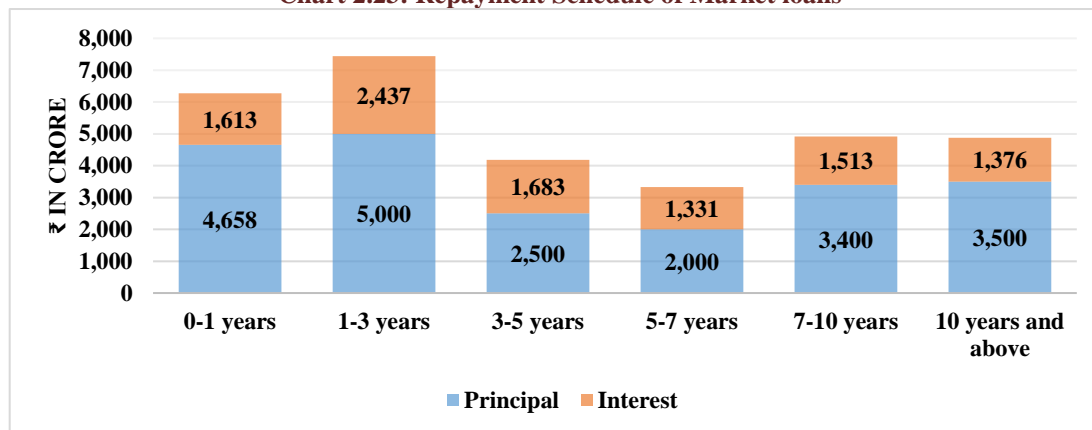
[#] Approximate interest calculated at average interest rate of 6.65 per cent (average of interest rates for the last five years).

It can be seen from **Table 2.31** and **Chart 2.22**, that the State Government has to bear a financial burden of ₹12,084 crore, ₹10,137 crore and ₹8,724 crore, towards servicing of debt, during FYs 2023-24, 2024-25 and 2025-26, respectively. Considering the future

financial constraints, owing to repayment of principal of ₹45,070 crore and repayment of interest of ₹16,554 crore in coming ten years, the State Government is required to maintain its Revenue Surplus, so that the Revenue Surplus is sufficient to service the debt.

The repayment schedule of market loans, along with interest, is given in **Chart 2.23**.

Chart 2.23: Repayment Schedule of Market loans



Source: Finance Accounts of Government of Odisha

Note: The maturity profile has been evolved for outstanding market loans as on 31 March 2023 and interest has been calculated upto the financial year in which the loans are going to retire.

As on March 2023, market loans, amounting to ₹31,011 crore (Principal: ₹21,058 crore and Interest: ₹9,953 crore) along with interest, were due for repayment. The State will have to repay market loans of ₹17,891 crore (58 *per cent*) (₹12,158 crore as principal and ₹5,733 crore as interest), during the next five years, *i.e.* up to FY 2027-28. Market loans of ₹8,244 crore (27 *per cent*) (₹5,400 crore as principal and ₹2,844 crore as interest) will have to be repaid in the subsequent five years period, up to FY 2032-33.

2.7 Debt Sustainability Analysis

Debt sustainability analysis has been carried out on the basis of fiscal and debt parameters; Domar approach and compliance of macro-fiscal parameters to the respective FRBM targets. The results of the analysis are given in the following paragraphs:

- (A) Debt sustainability refers to the ability of the State to service its debt obligation now and in future. Analysis of variations in debt sustainability indicators is given in **Table 2.32** and **Chart 2.24**.

Table 2.32: Trends in Public Debt Sustainability Indicators

(₹ in crore)

Debt Sustainability Indicators	2018-19	2019-20	2020-21	2021-22	2022-23
Outstanding Public Debt¹⁷	58,253	68,438	75,681	62,233	53,653
Rate of Growth of Outstanding Public Debt	11.62	17.48	10.58	-17.76	-13.79
GSDP	4,98,611	5,37,502	5,40,150	6,70,881	7,74,869
Rate of Growth of GSDP	13.22	7.80	0.49	24.20	15.50
Public Debt/GSDP	11.68	12.73	14.01	9.28	6.92
Public Debt Receipt	10,003	14,679	20,318	12,780	5,347
Debt Maturity for repayment of State Public Debt	3,940	4,494	9,252	19,798	13,927
Interest paid on Public Debt	3,986	4,226	4,748	4,479	3,641
Average interest Rate of Outstanding Public Debt ¹⁸ (per cent)	7.22	6.67	6.59	6.50	6.28
Revenue Surplus without interest payment	18,176	6,656	13,824	47,950	23,097
Revenue Surplus to interest payments	355.99	57.50	191.15	970.55	534.36
Revenue Receipts	99,546	1,01,568	1,04,387	1,53,059	1,50,462
Percentage of Interest payment to Revenue Receipts	4.00	4.16	4.55	2.93	2.42
Percentage of Debt Repayment to Debt Receipts	39.39	30.62	45.54	154.91	260.46
Net Debt available to the State ¹⁹	2,077	5,959	6,318	-11,497	-12,221
Net Debt available as per cent of Debt Receipts	20.76	40.60	31.10	-89.96	-228.56
Interest Spread ²⁰	6.00	1.13	-6.10	17.70	9.22
Quantum Spread ²¹	3,495	773	-4,616	11,015	4,947
Primary Deficit (-)/Surplus (+)	-4,357	-12,756	-3,142	26,967	-9,717
Debt Stabilisation (Quantum spread + Primary Deficit)	-862	-11,983	-7,758	37,982	-4,770

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

¹⁷ 'Outstanding Public Debt' is the sum of outstanding balances under the heads 6003- Internal Debt and 6004- Loans and Advances from the Central Government. During FYs 2020-21, 2021-22 and 2022-23, it excluded ₹3,822 crore, ₹10,252 crore and ₹10,252 crore, respectively, as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources.

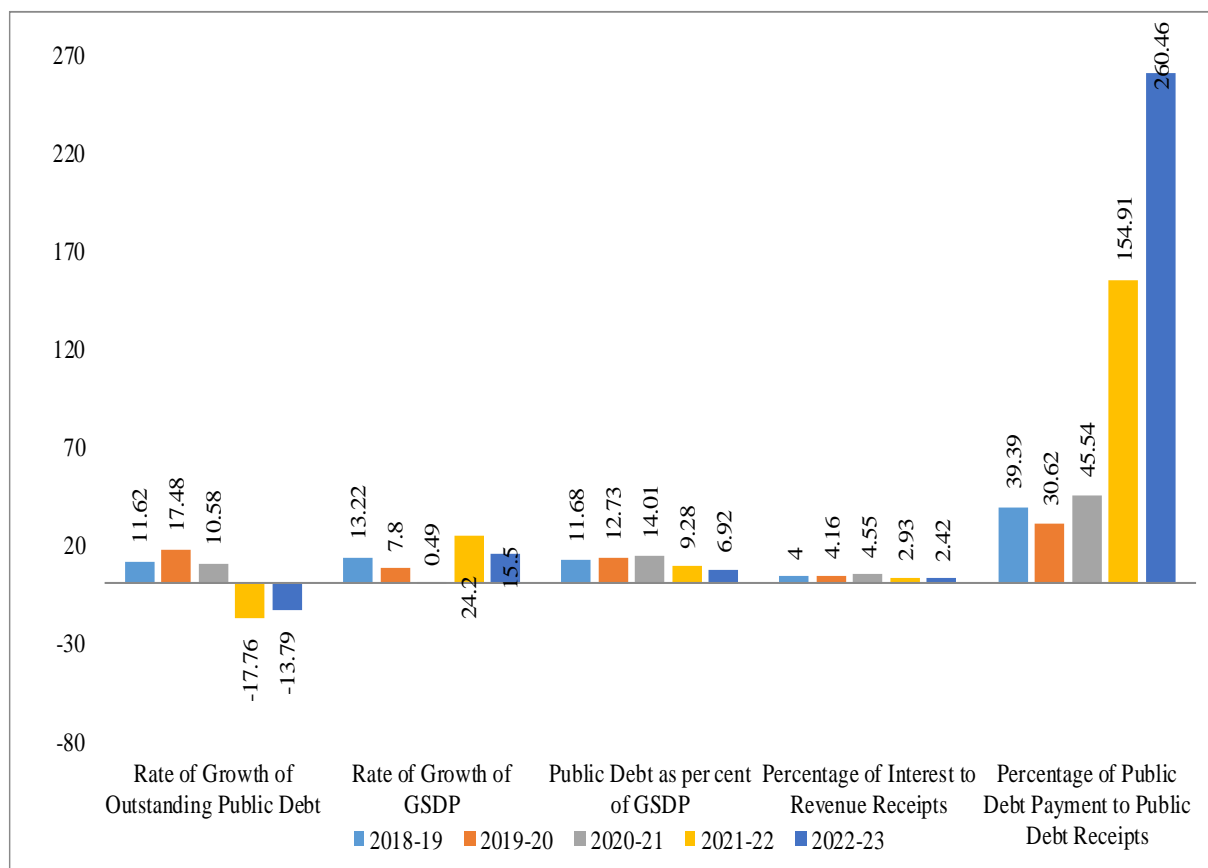
¹⁸ Average interest rate = Interest paid / (OB of Public Debt + CB of Public Debt)/2

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

²⁰ Interest spread with reference to Debt Sustainability Analysis of the State is the difference between the rate of growth of GSDP and average interest rate of outstanding Public Debt. It is a key determinant of an institution's profitability. The greater the spread, the more profitable the Government is likely to be

²¹ Quantum Spread = Outstanding Public Debt X Interest Spread/100

Chart 2.24: Trends in Debt Sustainability Indicators



Source: Finance Accounts for FY 2022-23

Note: During FYs 2020-21, 2021-22 and 2022-23, debt excluded ₹3,822 crore, ₹10,252 crore and ₹10,252 crore respectively, as back-to-back loans from GoI in lieu of GST Compensation shortfall, which are not to be repaid by the State from its sources.

- A falling debt-GSDP ratio can be considered as leading towards stability. The Debt-GSDP ratio rose from 11.68 *per cent* in FY 2018-19 to 14.01 *per cent* in FY 2020-21. In FY 2021-22, however, it went down marginally to 9.28 *per cent*, further it went down to 7 *per cent* in FY 2022-23, which is considered as leading towards stability.
- The ratio of interest payments to revenue receipts is also a good measure of debt sustainability. This ratio ranged between 2.42 *per cent* and 4.55 *per cent* during the period from FYs 2018-19 to 2022-23, which indicates that the debt was stable.
- Net debt available as a percentage of debt receipts during FYs 2018-19 to 2020-21 ranged between 20.76 *per cent* and 40.60 *per cent*, which indicates that the borrowed funds had been utilised productively. Further, during FYs 2021-22 and 2022-23, public debt repayments to public debt receipts were negative, this, coupled with higher revenue surplus during these years, indicated that GoO was clearing its debt.

- (B) An analysis on debt sustainability was carried out based on a study by E.D. Domar²² [Domar, 1944]. The Domar model states that the necessary premise for ensuring stability of public indebtedness is that the interest rates for government loans should not exceed the growth rate of GSDP.

The dynamics of public debt, depending on the interest rate, growth rate of GSDP and the primary budget balance, are as follows;

g-r \ PB	PB (Primary Balance) <0		PB (Primary Balance) >=0	
If g-r>0 (strong economic growth)	Real economic growth exceeds real interest rate provided that the PD registered is stable and consistent with debt/GSDP then the debt is sustainable.		Real economic growth exceeds real interest rate and records PS then debt/GSDP ratio shall decrease and debt tends towards stable level therefore sustainable.	
If g-r<0 (slow economic growth)	Real economic growth is lower than real interest rate and records PD. Then debt tends to increase without limitations and becomes unsustainable.		Real economic growth is lower than real interest rate and records PS. Then debt is no longer sustainable provided that it is not decreased in the medium or long run.	

g: Real Economic growth rate

r: Real Interest rate

PB: Primary Balance

PB<0: Primary Deficit, PB>0: Primary Surplus

The results of applying the above parameters, in the case of Odisha, are shown in Table 2.33.

Table 2.33: Debt sustainability analysis based on Domar Model

Year	Real growth (g)	Real Interest (r)	g-r (Domar gap)	Primary Deficit (-) / Surplus (+) (in crore) (PB)	Remarks
2018-19	7.09	5.99	1.1	-4,357	As g-r > 0 and PB<0; Real economic growth exceeds real interest rate and Public debt is decreasing and within debt/GSDP ratio. The debt is sustainable.
2019-20	2.79	0.44	2.35	-12,756	
2020-21	-2.11	0.62	-2.73	-3,142	As g-r <0 and PB<0; Real economic growth is lower than real interest rate and records Primary Deficit. The debt tends to increase without limitations and become unsustainable.
2021-22	11.26	-0.87	12.13	26,967	As g-r > 0 and PB>0; Real economic growth exceeds real interest rate and records Primary Surplus. The debt/GSDP ratio shall decrease and debt tends

²² Domar model does not take into account the maturity profile, composition, cost and risk characteristics of debt stock.

Year	Real growth (g)	Real Interest (r)	g-r (Domar gap)	Primary Deficit (-) / Surplus (+) (in crore) (PB)	Remarks
					towards stable level, therefore sustainable.
2022-23	7.14	2.16	4.98	-9,717	As $g-r > 0$ and $PB < 0$; Real economic growth exceeds real interest rate and Public debt is decreasing and within debt/GSDP ratio. The debt is sustainable.

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

Note: Real growth rate calculated for GSDP at constant prices.

Real interest rate is the nominal interest rate adjusted for inflation.

In the last five financial years (*i.e.* FYs 2018-19 to 2022-23), the State had a primary deficit, except for the year 2021-22. However, the Domar gap remained positive, except in FY 2020-21, showing that the Public Debt as percentage of GSDP is sustainable. However, during FY 2020-21, the Domar gap had turned negative, due to negative growth of GSDP, owing to COVID-19. During 2021-22, real growth was highest (11.26 per cent) due to low base of 2020-21 (COVID year), resulting in significant positive Domar Gap (12.13 per cent).

(C) Details of the achievements (A) *vis-à-vis* targets (T) set in the FCR, are shown below:

Table 2.34: Achievements *vis-à-vis* targets set in the FCR

Fiscal Parameters		Achievement <i>vis-à-vis</i> targets set in the FCR				
		2018-19	2019-20	2020-21	2021-22	2022-23
Revenue Surplus (+) (₹ in crore)	T	≥0	≥0	≥0	≥0	≥0
	A	14,190	2,430	9,076	43,471	19,456
Ratio of Fiscal Deficit (-)/ Surplus (+) to GSDP (in per cent)	T	(-)3.00	(-)3.00	(-)5.00	(-)3.00	(-)3.00
	A	-2.04	-3.50	-1.81	3.07	-1.96
Ratio of total outstanding liability to GSDP (in per cent)	T	25.00	25.00	25.00	25.00	25.00
	A	21.71	23.46	22.02	16.37	13.12
Interest as percentage of Revenue Receipts	T	15.00	15.00	15.00	15.00	15.00
	A	5.83	5.97	6.36	4.14	3.66

(T- Target and A- Actuals)

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

During the last five years (FYs 2018-19 to 2022-23), Government of Odisha achieved all the fiscal targets set by the Finance Commission and FRBM Act. The outstanding liability-GSDP ratio had gradually decreased since FY 2019-20 (23.46 per cent) to 2022-23 (13.12 per cent). Further, the State had consistently maintained a Revenue Surplus, as set out in the FRBM Act and the Fiscal Deficit had been within the targets.

2.7.1 Status of Guarantees - Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State, in case of default by the borrower, for whom the guarantee has been extended. The Finance Department, Government of Odisha, instructed (November 2002) that the total outstanding guarantee, as on 1st April of every year, should not exceed hundred *per cent* of the State's Revenue Receipts (excluding Grants-in-Aid) of the 2nd preceding year. The trends of Outstanding Guarantees for FYs 2018-19 to 2022-23, are shown in **Table 2.35**.

The outstanding guarantees (₹ 6,160 crore), at the beginning of FY 2022-23, stood at 7.57 *per cent* of the total Revenue Receipts, less grants-in-aid of the second preceding year²³ (₹81,319 crore) and were within the ceiling (100 *per cent*) laid down in the said resolution.

Table 2.35: Guarantees given by the Government

	(₹ in crore)				
Guarantees	2018-19	2019-20	2020-21	2021-22	2022-23
Ceiling applicable to the outstanding amount of guarantees including interest (Criteria)	59,217	67,584	79,948	77,416	81,319
Outstanding guarantees at the beginning of the year	1,711	4,170	3,532	7,086	6,160
Outstanding guarantees at the end of the year	4,170	3,532	7,086	6,160	5,111

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

Government categorised the guarantees as 100 *per cent* risk weighted i.e., the risk of default was borne by the State Government. During the year 2022-23, GoO had extended guarantee of ₹6.40 crore to Co-operative Sugar Mills. On the other hand, guarantees amounting to ₹1,054.98 crore (GRIDCO: ₹991.00 crore, Marketing Co-operatives: ₹30.00 crore, Co-operative Sugar Mills: ₹15.00 crore, Mahila Vikash Nigam: ₹1.84 crore, OBC Finance & Development Corporation Limited: ₹8.77 crore and Odisha State Finance Development Corporation (SC): ₹8.37 crore) had been withdrawn and no guarantees were invoked during the year. Out of the total outstanding loans guaranteed by the Government (₹5,111 crore), 99.23 *per cent* (₹5,071.58 crore) pertained to the Grid Corporation of Odisha Limited (GRIDCO).

In consideration of the guarantees given by the Government, the institutions, in some cases, are required to pay guarantee commission, at rates varying from 0.01 *per cent* to one *per cent*. As per the Finance Accounts, the State received Guarantee Commission of ₹48.31 crore, during 2022-23. The cumulative guarantee commission, received as on 31 March 2023, was ₹421.71 crore, as against the receivable amount of ₹467.94 crore. The

²³ Second preceding year is FY 2020-21: Revenue Receipts (₹1,04,387 crore) of FY 2020-21 minus Grants-in-aid (₹23,068 crore) equals ₹81,319 crore.

balance guarantee commission of ₹46.23 crore was yet to be received.

2.7.2 Management of Cash Balances

As per an agreement with the Reserve Bank of India, State Governments have to maintain a minimum daily cash balance with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/ Special Ways and Means Advances (SWMA)/ Special Drawing Facility (SDF)/ Overdrafts (OD) from time to time. The limit for ordinary WMA to the State Government is revised by the RBI from time to time.

State Governments invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The cash balances in the earmarked reserve funds, such as State Disaster Response Fund, Consolidated Sinking Fund, Guarantee Redemption Fund, State Compensatory Afforestation Fund, *etc.* are also invested in these instruments. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'.

It is not desirable that the State Government takes recourse to market loans, despite having large cash balance, leading to further accretion to cash balance, without putting the available cash balance to productive use. Details of cash balances, and their investment during FYs 2021-22 and 2022-23, are given in **Table 2.36**.

Table 2.36: Cash Balance and Investment of Cash Balance

	(₹ in crore)	
	Closing balance on 31/3/2022	Closing balance on 31/3/2023
(a) General Cash Balance -		
Cash in Treasuries	--	--
Deposits with Reserve Bank	44.64	(-)1.09
Deposits with other Banks	--	--
Remittances in transit - Local	--	--
Investments held in Cash Balance investment account	32,701.46	9,529.43
Total (a)	32,746.10	9,528.34
(b) Other Cash Balances and Investments		
Cash with departmental officers viz. Public Works Department Officers, Forest Department Officers, District Collectors	20.40	22.52
Permanent advances for contingent expenditure with departmental officers	0.34	0.34
Investment in earmarked funds (Consolidated Sinking Fund- ₹15,914.20 crore, Guarantee Redemption Fund- ₹1,788.60 crore, Odisha Budget Stabilisation Fund- ₹13,632.52 crore, State Compensatory Afforestation Fund ₹ 3,670.68 crore and State Disaster Response Fund ₹883.02 crore, as on 31 March 2023)	18,464.21	35,889.02

	Closing balance on 31/3/2022	Closing balance on 31/3/2023
Total (b)	18,484.95	35,911.88
Grand total (a)+ (b)	51,231.05	45,440.22
Interest realised	2,069.52	2,845.29

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

The closing cash balance, at the end of the current year (₹45,440.22 crore), decreased by ₹5,790.83 crore over the previous year (₹51,231.05 crore). The cash balance included investment of ₹35,889.02 crore from earmarked funds. During FY 2022-23, the State Government maintained the minimum cash balance of ₹1.28 crore throughout the year.

Balances in Reserve funds are either held in cash or are required to be invested in various securities stipulated in the respective fund guidelines. Investments of Consolidated Sinking Fund of ₹15,914.20 crore, Guarantee Redemption Fund of ₹1,788.60 crore, Odisha Budget Stabilisation Fund of ₹13,632.52 crore, State Compensatory Afforestation Fund of ₹3,670.68 crore and State Disaster Response Fund of ₹883.02 crore, were made as on 31 March 2023. On investment of Earmarked Funds, interest amounting to ₹1,485.95 crore (CSF: ₹1,232.51 crore, GRF: ₹142.19 crore, SCAF: ₹56.67 crore, SDRF: ₹44.39 crore and SDMF: ₹10.19 crore), was credited in the respective funds.

Other than the Earmarked Funds, the Government invested surplus general cash balances throughout the year, in GoI Stock and GoI Treasury Bills. As of 31 March 2023, an amount of ₹9,529.43 crore remained invested in GoI Treasury Bills (TB) and GoI Stocks (GoI Stocks: ₹103.02 crore, 14 days TB: ₹7,644.13 crore and 364 days TB: ₹1,782.28 crore). On these investments, the Government earned an interest of ₹1,359.34 crore, during FY 2022-23.

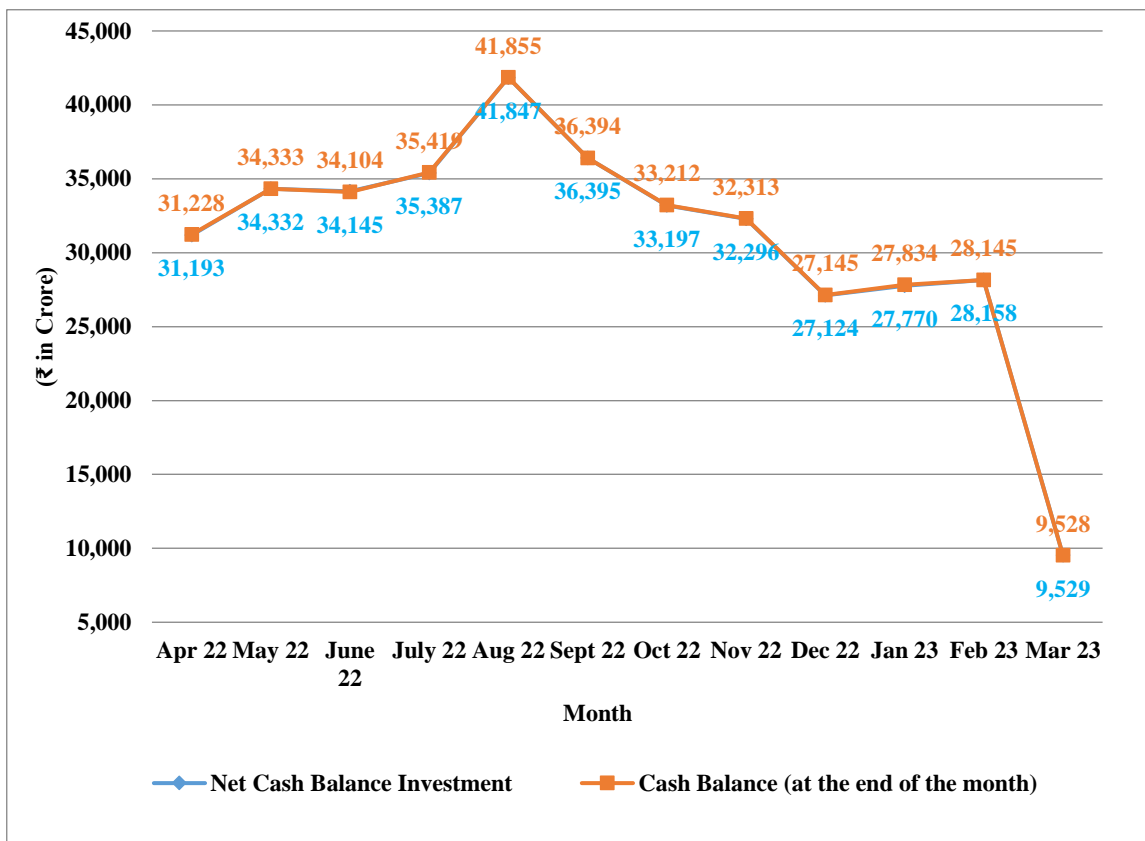
Details of Cash Balance Investment Account during the last five years, and month-wise movement of cash balance and net cash balance investments at the end of the month, during FY 2022-23, are depicted in **Table 2.37** and **Chart 2.25**, respectively.

Table 2.37: Cash Balance Investment Account (Major Head 8673)

(₹ in crore)				
Year	Opening Balance	Closing Balance	Increase (+) / Decrease (-)	Interest earned
2018-19	24,747.97	23,135.59	(-) 1,612.38	1,427.13
2019-20	23,135.59	24,865.00	(+) 1,729.41	1,422.96
2020-21	24,865.00	14,351.36	(-) 10,513.64	945.88
2021-22	14,351.36	32,701.46	(+) 18,350.10	508.08
2022-23	32,701.46	9,529.43	(-) 23,172.03	1,359.34

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

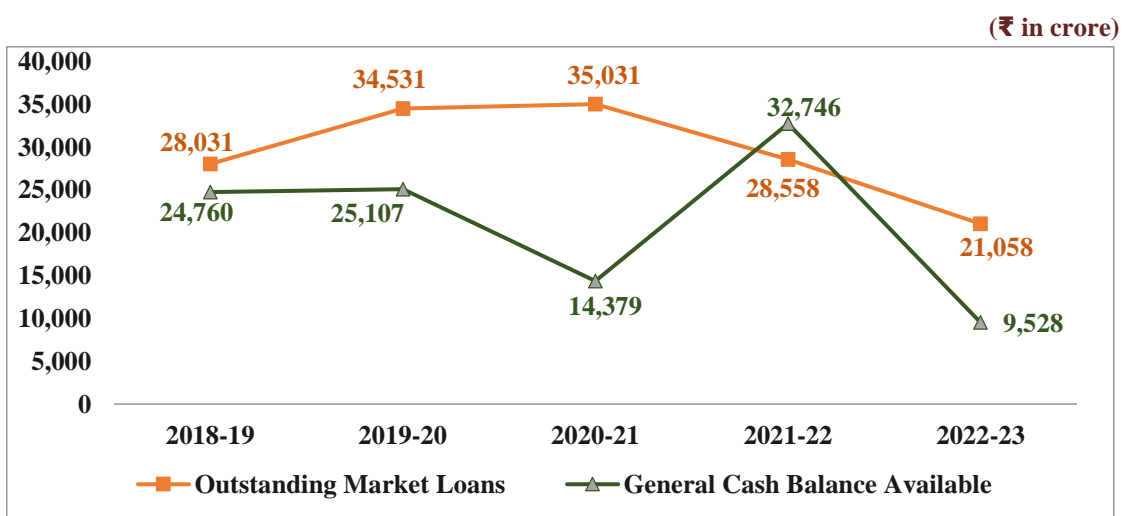
Chart 2.25: Month wise movement of Cash Balances and net cash balance investments during the year



Source: Monthly Civil Accounts, Government of Odisha

Details of market loans *vis-à-vis* cash balances, during the last five years, are depicted in Chart 2.26.

Chart 2.26: Market Loans *vis-à-vis* Cash



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

During FY 2022-23, the State Government maintained huge cash balance (minimum ₹9,528 crore) throughout the year. On investment of general cash balance of ₹9,528 crore, interest of ₹1,359.34 crore (4.39²⁴ *per cent*) was earned, whereas the State Government paid average rate of interest of 8.21²⁵ *per cent* on market borrowings, during FY 2022-23.

2.8 Salient features

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. Comparison of key parameters of State Finances, during FY 2022-23, with that of the previous year *i.e.* FY 2021-22, is summarised in **Table 2.38**.

Table 2.38: Cash Balance Investment Account (Major Head 8673)

(₹ in crore)

Positive Indicators	Parameters requiring close watch
↑ Increase in Revenue Expenditure on Social Services by 10.96 <i>per cent</i> .	↓ Decrease in Non-Tax Revenue 21.26 <i>per cent</i> .
↑ Increase in Capital Expenditure by 46.75 <i>per cent</i> .	↑ Increase in Revenue Expenditure 19.54 <i>per cent</i> .
↑ Decrease in outstanding Public Debt 13.79 <i>per cent</i> .	
↑ Fiscal Parameters (except Primary Deficit) within the ceiling fixed in the FRBM Act.	
↑ Committed Expenditure as percentage of Revenue Receipts 33.25 <i>per cent</i> .	

2.9 Conclusions

The State passed the FRBM Act, 2005, to ensure prudence in fiscal management and fiscal stability by reducing revenue deficit to nil, within a period of five financial years beginning from FY 2004-05. GoO achieved revenue surplus during FY 2004-05, and has been persistently maintaining revenue surplus, since then. The revenue surplus during FY 2022-23 was ₹19,456 crore.

Fiscal deficit of the State was ₹15,219 crore, during FY 2022-23, which was 1.96 *per cent* of the GSDP and within the target fixed by State FRBM Act.

The primary deficit of the State was ₹ 9,717 crore during FY 2022-23, which was 1.25 *per cent* of the GSDP, that exceeded the target (Primary Surplus: 2 *per cent* of GSDP) fixed in State FRBM Act.

The State incurred 38.06 *per cent* of the total revenue expenditure on committed liabilities, like salaries and wages, pensions, interest payments, leaving 61.94 *per cent* for priority sector expenditure, which was a good indicator.

²⁴ Interest receipts (₹1,359.34 crore) on cash balance investment as a percentage of the monthly average (sum of 12 months closing cash investment divided by 12) of cash balance investment in MH 8673.

²⁵ Interest paid on market loan as percentage of average ((O.B + C.B.)/2) market loan during the year.

Revenue receipts decreased by ₹ 2,597 crore (1.70 *per cent*) during the current year over the previous year, whereas, Revenue Expenditure grew by ₹21,418.60 crore (19.54 *per cent*). Further, State's non tax revenue decreased by ₹11,537.27 crore (21.26 *per cent*) over the previous year.

GoO constituted "Budget Stabilisation Fund (BSF)" to set aside surplus revenue as Budget Reserve, for times of unexpected revenue shortfall or budget deficit. The fund was created in the Public Account of the State under Reserve Fund not bearing interest, with an amount of ₹13,700 crore. Amount invested in GoI Treasury Bills, as on 31 March 2023, after paying premium of ₹67.48 crore, was ₹13,632.52 crore.

During FY 2022-23, the State Government had booked ₹33,349.41 crore as Capital Expenditure, which was 20.03 *per cent* of total expenditure. Audit noticed that, out of the amount of ₹33,349.41 crore, expenditure of ₹2,652.21 crore of revenue nature, had been booked as Capital Expenditure.

Total outstanding liabilities including public debt and public account liabilities, were 13.12 *per cent* of GSDP. The total liabilities decreased by 7.45 *per cent* over the previous year. During the year, outgo in lieu of interest payment was equal to 4.20 *per cent* of revenue expenditure and 3.66 *per cent* of revenue receipts.

Due to non-investment of Reserve Fund, GoO had to bear interest liabilities of ₹300.12 crore during FY 2022-23, which have not been transferred to concerned Reserve Funds.

During FY 2022-23, GoO received ₹168.50 crore as grants from GoI towards SDMF and the State Government share was ₹56.10 crore. However, GoO did not transfer ₹224.60 crore to the SDMF during the year.

The closing cash balance of GoO at the end of FY 2022-23 was ₹45,440.22 crore (General cash balance: ₹9,528.34 crore, earmarked funds: ₹35,889.02 crore and cash with departmental officers: ₹22.86 crore) decreased by ₹5,790.83 crore over the previous year (₹51,231.05 crore).

2.10 Recommendations

- 1) It is imperative for the State Government to review the classification of expenditure, met out of grants-in-aid and take necessary corrective action in formulating its budget and booking its expenditure in this regard, to ensure that its fiscal parameters like revenue surplus and fiscal surplus reflect the correct position of its finances.
- 2) Government should focus to achieve Primary Surplus of 2 *per cent* of GSDP, as laid down in the FRBM Act.
- 3) Government should take necessary steps to transfer the untransferred amount of Labour Cess, from the Major Head 0230 - Labour and Employment, amounting to ₹16.40 crore, to Board's account.

Chapter III

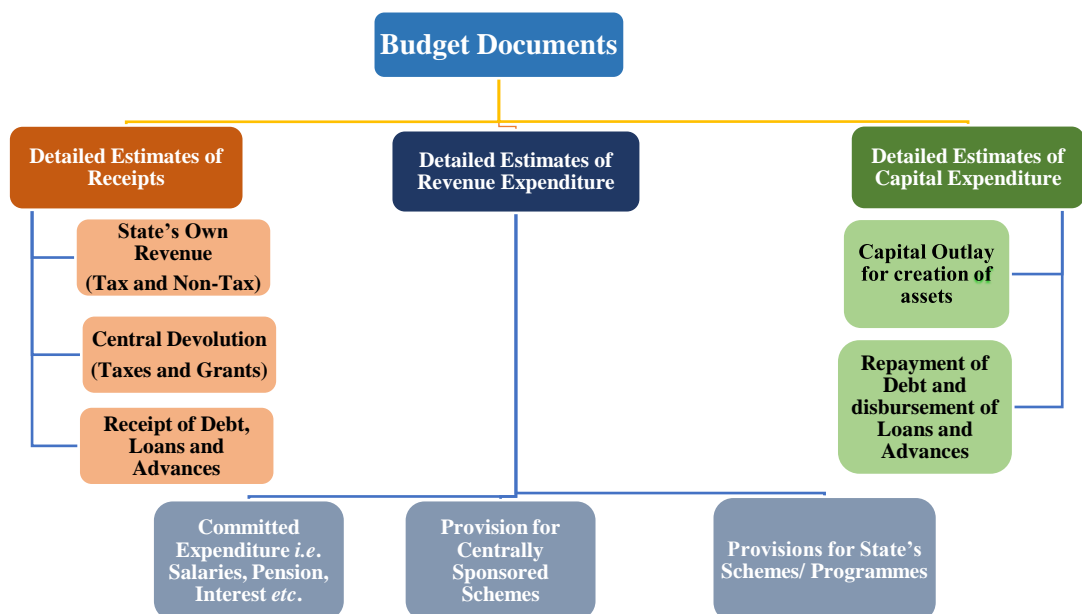
Budgetary Management

3.1 Budget Process

In compliance with Article 202 of the Constitution of India, in regard to every financial year, a statement of the estimated receipts and expenditure of the State for that year, called “the annual financial statement (Budget)”, is to be laid before the State Legislature. The estimates of the expenditure show ‘charged’ and ‘voted’ items¹ of expenditure separately and distinguish expenditure on the revenue account from other expenditure. Legislative authorisation is necessary for incurring of any expenditure by the State Government.

As per the Odisha Budget Manual, 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’. The State Budget comprises the following documents, as shown in **Chart 3.1**.

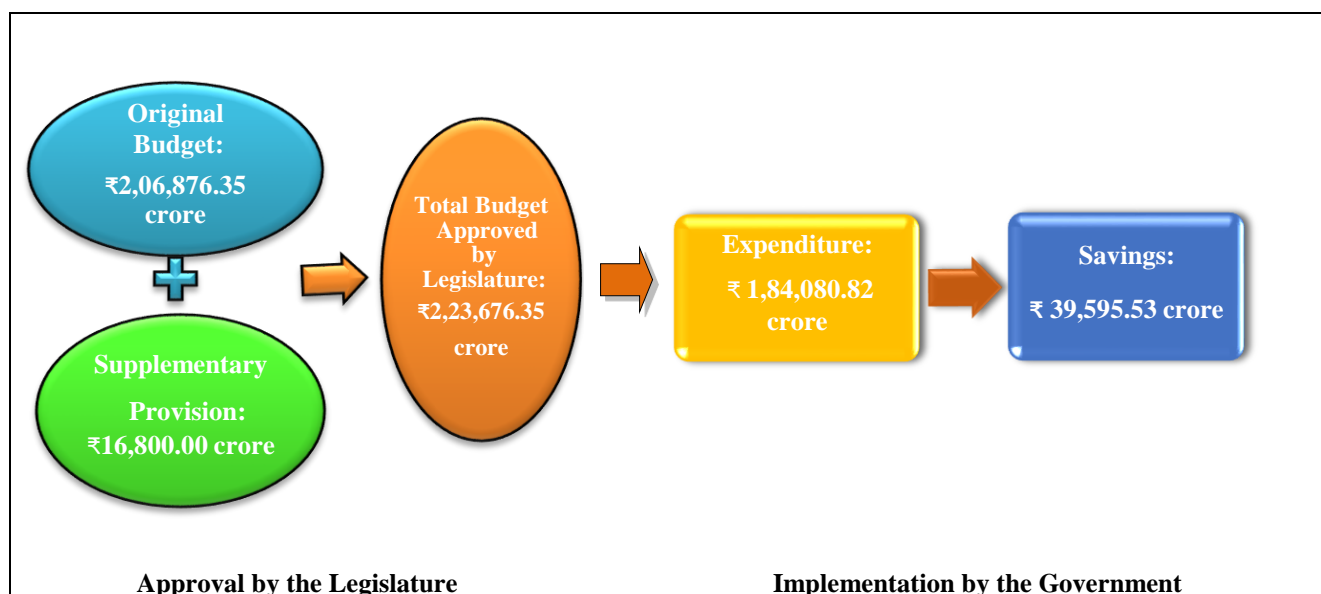
Chart 3.1: Details of State Budget Documents



¹ **Charged Expenditure:** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments etc.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted by the Legislature.

The various components of the budget are depicted in **Chart 3.2**.

Chart 3.2: Flow Chart of budget implementation



Source: Appropriation Accounts for FY 2022-23, Government of Odisha

3.1.1 Summary of total provisions, actual disbursements and savings during financial year 2022-23

A summarised position of total budget provision, disbursement and savings/excess, with further bifurcation into voted/ charged, during FY 2022-23, for the total 47 grants/ appropriations, is given in **Table 3.1**.

Table 3.1: Budget provision, disbursement and savings during FY 2022-23

	Total Budget Provision		Disbursements		Savings	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	1,55,997.83	8,749.39	1,28,481.16	5,720.49	27,516.68	3,028.90
Capital	42,603.53	233.35	33,600.61	194.14	8,879.58	39.21
Loans and Advances	2,090.91	0	2,157.60	0	56.64	0
Public Debt	0	14,001.35	0	13,926.83	0	74.52
Total	2,00,692.27	22,984.09	1,64,239.37	19,841.46	36,452.90	3,142.63

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

(There may be difference of 0.01 in absolute figure calculation, due to rounding off)

It can be seen from **Table 3.1** that the utilisation (gross) of budgeted funds was 82.30 per cent in FY 2022-23, which was 1.57 per cent increase as compared to the utilisation of budgeted funds in FY 2021-22.

3.1.2 Charged and Voted disbursements

Table 3.2 shows the break-up of total disbursements into charged and voted, during the last five-year period, from FYs 2018-19 to 2022-23.

Table 3.2: Break-up of total disbursement into charged and Voted, during the last five years (FYs 2018-19 to 2022-23)

(₹ in crore)

Year	Disbursements		Savings (-)/ Excess(+)	
	Voted	Charged	Voted	Charged
2018-19	1,06,767.30	9,850.56	(-) 18,577.34	(-) 318.40
2019-20	1,20,176.20	10,676.63	(-) 24,046.16	(-) 731.55
2020-21	1,08,063.73	16,045.41	(-) 42,691.29	(-) 862.84
2021-22	1,29,607.31	28,409.46	(-) 32,195.61	(-) 5,510.98
2022-23	1,64,239.37	19,841.46	(-) 36,452.90	(-) 3,142.63

Source: Appropriation Accounts of respective years.

3.1.3 Budget marksmanship

Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/ actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved.

Table 3.3: Aggregated budget expenditure outturn/ actual expenditure

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn	Difference between Actual and BE*
(1)	(2)	(3)	(4)
Revenue	1,51,828.12	1,34,201.65	(-) 17,626.47
Capital	55,048.23	49,879.17	(-) 5,169.06
Total	2,06,876.35	1,84,080.82	(-) 22,795.53

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

*Excess of actuals over original provision is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figure.

In Revenue Section, deviation in outturn compared with BE, was (-) 11.61 per cent. This was due to deviation between 0 and ± 25 per cent in 35 grants and two appropriations, between ± 25 per cent to ± 50 per cent in six grants and one appropriation, between ± 50 per cent to ± 100 per cent in three grants.

In Capital Section, deviation in outturn compared with BE, was (-) 9.39 per cent. This was due to deviation between 0 and ± 25 per cent in 30 grants and three appropriations, between ± 25 per cent to ± 50 per cent in four grants, between ± 50 per cent to ± 100 per cent in eight grants and equal to or more than (-) 100 per cent in two grants.

Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution, have contributed to variance in expenditure composition.

Table 3.4: Expenditure composition outturn

(₹ in crore)

Description	Original Approved Budget (BE)	Revised RE	Actual outturn	Difference between BE & RE	Difference between Actual and RE*
(1)	(2)	(3)	(4)	(5)	(6)
Revenue	1,51,828.12	1,46,038.91	1,34,201.65	5,789.21	(-) 11,837.26
Capital	55,048.23	53,961.09	49,879.18	1,087.14	(-) 4,081.91
Total	2,06,876.35	2,00,000.00	1,84,080.83	6,876.35	(-) 15,919.17

Source: Appropriation Accounts for FY 2022-23 and Odisha Budget at a glance, 2023-24

In Revenue Section, deviation in outturn compared with RE was (-) 8.11 per cent. This was due to deviation between 0 and ± 25 per cent in 37 grants, between ± 25 per cent to ± 50 per cent in nine grants, between ± 50 per cent to ± 100 per cent in one grant.

In Capital Section, deviation in outturn compared with RE was (-) 7.56 per cent. This was due to deviation between 0 and ± 25 per cent in 35 grants, between ± 25 per cent to ± 50 per cent in six grants, between ± 50 per cent to ± 100 per cent in five grants and more than 100 per cent in one grant. No provision was made under capital section in six grants (Grant Nos. 18, 27, 35, 37, 41 and 42).

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of the grants voted and appropriations charged for different purposes, as specified in the schedules, appended to the Appropriation Act, passed under Article 204 of the Constitution of India. Appropriation Accounts are on gross basis. These Accounts depict the original budget provision, 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 Act, in regard to both Charged and Voted items of budget. Appropriation Accounts, thus facilitate understanding of utilisation of funds, management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants, was in accordance with the authorisation, given under the Appropriation Act and that the expenditure required to be charged, under the provisions of the Constitution (Article 202), is so charged. It also ascertains whether the expenditure incurred, is in conformity with the laws, relevant rules, regulations and instructions.

3.3 Integrity of budgetary and accounting process

3.3.1 Un-necessary/excessive supplementary grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision, made by the Appropriation Act for the year, can

be made during the current financial year, but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant, to cover the excess by re-appropriation, the Secretary in the Department concerned, sends a proposal to the Finance Department, for supplementary or additional grant or appropriation.

It was noticed that supplementary provisions of ₹ 8,064.71 crore during the year 2022-23, in 14 cases (more than ₹ 100 crore in each case), proved unnecessary (*Appendix 3.1*), as the expenditure did not come up even to the level of original provision. Similarly, supplementary provisions proved excessive by ₹4,676.86 crore in 22 cases (₹ five crore and above in each case), as full amount of supplementary provisions of ₹ 8,172.48 crore, could not be utilised (*Appendix 3.2*).

3.3.2 Injudicious 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. During FY 2022-23, re-appropriation orders under 44 grants and two appropriations, amounting to ₹ 16,002.70 crore, were issued. Out of these ₹16,002.70 crore, re-appropriation orders for ₹ 1,192.21 crore, were issued on 31 March 2023, under six grants and two appropriations.

Further, in four schemes (*Appendix 3.3 - Sl. Nos. 6, 10, 25 and 26*), reduction of provision exceeding ₹ one crore, through re-appropriation orders, effected by various departments, proved injudicious, as there was excess expenditure in these cases. In three schemes (*Appendix 3.3 - Sl. Nos. 3, 19 and 24*), augmentation of provision also proved injudicious because expenditure was either equal to or did not come up to the level of original and supplementary budget provision.

3.3.3 Unspent amount and surrendered appropriation and/ or large savings/ Surrenders

All Estimating Officers should strive to provide for all items in the budget that can be foreseen and to provide funds only to the extent necessary. The Administrative and Finance Departments need to consider this, while exercising final check on the estimates.

Budgetary allocations based on realistic proposals, overstretching the potential of resource mobilisation, poor expenditure monitoring mechanism, weak scheme implementation capacities and weak internal controls, promote release of funds towards the end of the financial year. Excessive savings in some heads also deprive other Departments of funds, which they could have utilised.

Unsurrendered Savings

Analysis of grants and appropriations showed that, in 10 cases (under nine grants), during FY 2022-23, there were large savings, exceeding ₹ 25 crore in each case (*Appendix 3.4*). Audit noticed that, out of the savings of ₹ 3,492.10 crore, only

₹ 2,818.32 crore was surrendered during the financial year, leaving behind an unsurrendered amount of ₹673.78 crore.

Entire provision remaining unutilised

It was noticed that in three grants, no expenditure out of the total provision, amounting to ₹ 0.60 crore, under charged expenditure (Revenue & Capital), was incurred in FY 2022-23, as shown in **Table 3.5**.

Table 3.5: Entire provision remaining unutilised, during the financial year 2022-23

(₹ in crore)

Sl. No.	Number and Name of grant	Section	Entire provision remaining unutilised
1	4 - Law	Revenue (Charged)	0.05
2	18 - Public Grievances and Pension Administration	Revenue (Charged)	0.05
3	28 - Rural Development	Capital (Charged)	0.50
Total			0.60

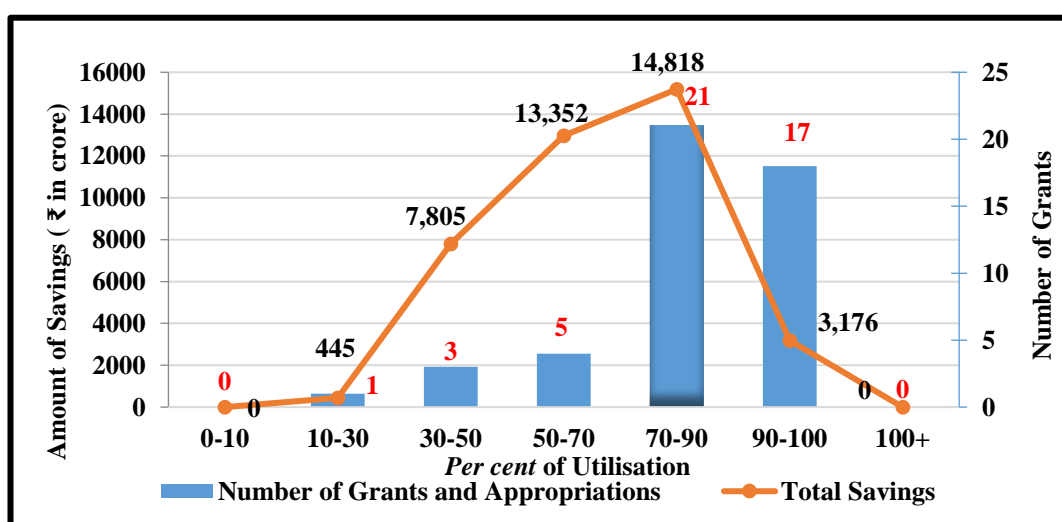
Source: Appropriation Accounts for FY 2022-23, Government of Odisha

Persistent savings

It was also observed that, in 24 cases, under 21 grants and one appropriation, there were persistent savings, exceeding ₹100 crore in each case (**Appendix 3.5**), during FYs 2020-21 to 2022-23.

Details of grants, grouped by the percentage of utilisation, along with total savings, during FY 2022-23, are shown in **Appendix 3.6** and a graphical presentation of the same is shown in **Chart 3.3**.

Chart 3.3: Details of grants grouped by the percentage of utilisation, along with total savings, during FY 2022-23



Source: Appropriation Accounts for FY 2022-23, Government of Odisha

As can be seen from **Chart 3.3**, out of 44 grants and three appropriations, there were only 15 grants and two appropriations, where utilisation of funds was more than 90 *per cent*.

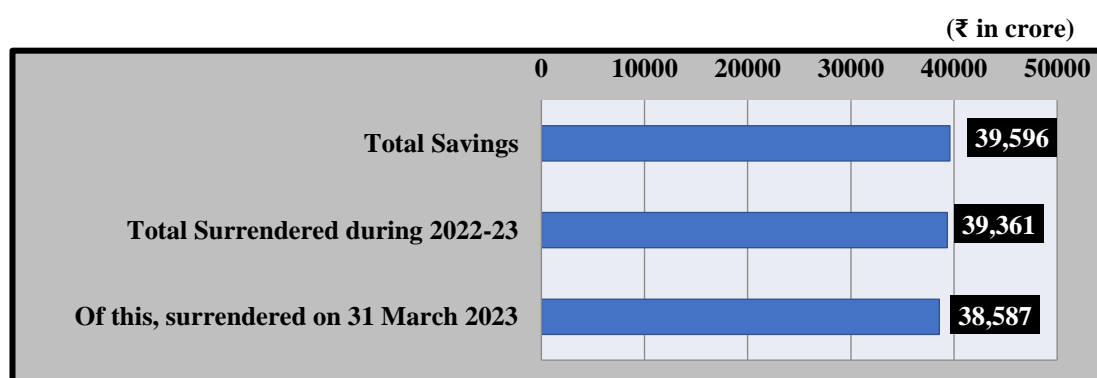
The Departments of Science and Technology (47.52 *per cent*), Planning and Convergence (46.16 *per cent*), Disaster Management (33.35 *per cent*), and Micro, Small and Medium Enterprises (28.64 *per cent*), were amongst the Departments, where utilisation of funds was less than 50 *per cent*.

No object is served by keeping back savings, which should ideally be surrendered in time. For this reason, appropriations which are likely to remain unspent, must be reported for surrender, as early as possible. If this is not done, other spending Departments are deprived of the funds which they could have utilised, and avoidable demands for Supplementary Grants are preferred. Surrenders are generally made in the month of March, and a careful study of figures of expenditure incurred and watch over the progress of last month's expenditure, should enable a Controlling Officer to fix upon his final requirements with a reasonable degree of exactness.

When the need for surrender manifests itself, the Controlling Officers should carefully estimate the amounts that can be surrendered. The aim should be to surrender as much as they can, so as to keep the expenditure just within the modified Grant.

It was also noticed that, out of the total savings of ₹39,595.53 crore, an amount of ₹37,014.34 crore (in cases of grants where the surrenders exceeded ₹ 100 crore in each case) was surrendered on the last day of March 2023, as shown in **Appendix 3.7** and **Chart 3.4**.

Chart 3.4: Savings and surrenders before the close of financial year 2022-23



Source: Appropriation Accounts for FY 2022-23, Government of Odisha

Analysis of **Chart 3.4** revealed that 99.41 *per cent* of the savings were surrendered. Out of the surrendered amount of ₹39,361 crore, ₹38,587 crore (98.03 *per cent*) was surrendered on 31 March 2023.

Surrender in excess of savings

In three cases (two grants and one appropriation), the amounts surrendered (₹ one crore or more in each case), were in excess of savings, indicating inadequate budgetary control in these Departments. As against the savings of ₹ 1,557.95 crore, the amount surrendered was ₹ 1,715.78 crore, resulting in excess surrender of ₹ 157.83 crore. The details are given in **Table 3.6**.

Table 3.6: Surrender of funds in excess of savings

(₹ in crore)						
Sl. No.	Grant Number & Name	Total provision	Expenditure	Savings (-)/ Excess (+)	Amount Surrendered	Excess surrender
Revenue (Voted)						
1	7 - Works	2,240.96	2,117.71	123.25	136.80	13.55
2	12 - Health & Family Welfare	10,894.39	10,319.35	575.03	590.97	15.94
Capital (Voted)						
3	7 - Works	6,433.28	5,573.61	859.67	988.01	128.34
	Total	19,568.63	18,010.67	1,557.95	1,715.78	157.83

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

3.3.4 Excess expenditure and its regularisation

As per Article 204 of the Constitution of India, no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of the Article. Further, as per Article 205 of the Constitution of India, it is mandatory for a State Government to get excess over grant/appropriations regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee.

3.3.4.1 Excess expenditure of previous financial years

Excess expenditure remaining un-regularised for extended periods, dilutes legislative control over the executive. Excess disbursements of ₹262.65 crore, pertaining to FYs 2013-14 to 2020-21 (no excess expenditure during FY 2019-20), as shown in **Table 3.7**, are yet to be regularised by the State Legislature.

Table 3.7: Excess Expenditure relating to previous years, requiring regularisation

(₹ in crore)				
Year	Grant / Appropriation No.	Name of the Grant/ Appropriation	Amount of excess required to be regularised	Status of regularisation
2013-14	22	Forest and Environment	0.29	
	26	Excise	0.27	
	31	Handlooms, Textile and Handicrafts	18.00	
2014-15	26	Excise	0.01	Not regularised

2015-16	22	Forest and Environment	0.25	
2016-17	6003	Internal Debt	56.63	
	13	Housing and Urban Development	3.63	
2017-18	8	Odisha Legislative Assembly	0.52	
2018-19	7	Works	169.77	
	8	Odisha Legislative Assembly	3.65	
2020-21	7	Works	9.63	
Total			262.65	

Source: Appropriation Accounts of respective years, Government of Odisha

The excess expenditure indicates that the budgetary control in the department was ineffective and budget estimates were not prepared on realistic basis. Such excess expenditure, remaining unregularised for extended periods, dilutes legislative control over the executive and, therefore, needs to be got regularised at the earliest.

3.4. Effectiveness of budgetary and accounting process

3.4.1 Budget projection and gap between expectation and actual

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

The total provision for expenditure in FY 2022-23 was ₹ 2,23,676.35 crore. The actual gross expenditure, during the year, was ₹1,84,080.82 crore. This resulted in savings of ₹39,595.53 crore, of which only ₹39,360.55 crore (99.40 *per cent*) was surrendered. An amount of ₹38,586.92 crore (97.45 *per cent*) was surrendered on 31 March 2023. The details are given in **Table 3.8**.

Table 3.8: Actual expenditure vis-à-vis budget provision during the FY 2022-23

Nature of Expenditure		Original	Supplementary	Total	Actual Expenditure	Savings (-)/ Excess (+), with reference to total budget	Savings / Excess (in percentage)	Surrendered during FY 2022-23	
								Amount	Per cent
Voted	I Revenue	1,43,110.38	12,887.46	1,55,997.84	1,28,481.16	27,516.68	17.64	27,346.57	99.38
	II Capital	38,957.33	3,646.19	42,603.52	33,600.61	9,002.91	21.13	8,765.21	97.36
	III Loans and Advances	1,989.86	101.04	2,090.91	2,157.60	66.70	3.19	96.79	145.13
Total Voted		1,84,057.57	16,634.69	2,00,692.27	1,64,239.37	36,452.90	18.16	36,208.57	99.33

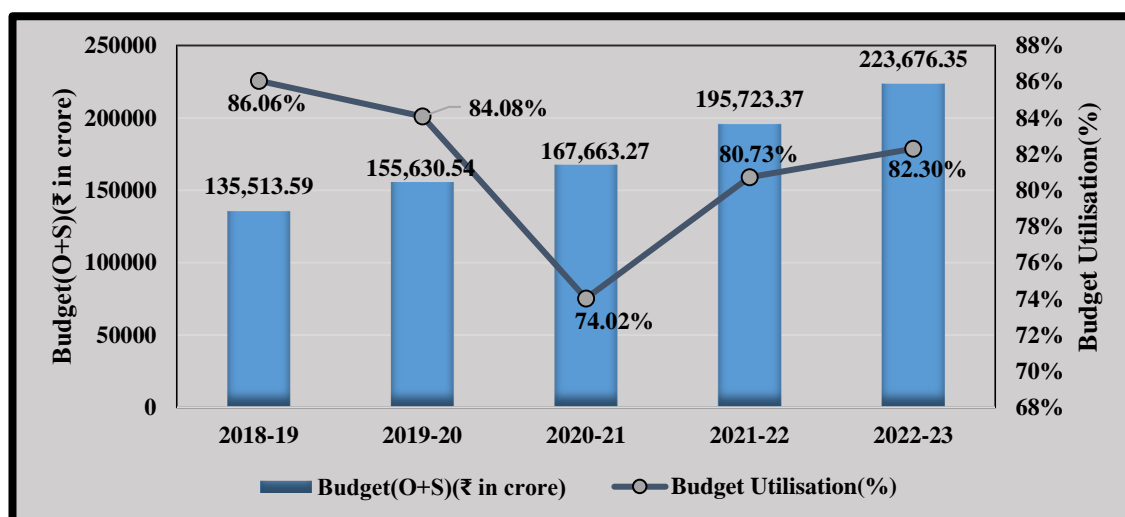
Nature of Expenditure		Original	Supplementary	Total	Actual Expenditure	Savings (-)/ Excess (+), with reference to total budget	Savings / Excess (in percentage)	Surrendered during FY 2022-23	
								Amount	Per cent
Charged	IV Revenue	8,717.74	31.65	8,749.39	5,720.49	3,028.90	34.62	3,035.25	100.21
	V Capital	99.69	133.66	233.35	194.14	39.21	16.80	39.21	100
	VI Public Debt Repayment	14,001.35	0.00	14,001.35	13,926.83	74.52	0.53	77.52	104.03
	Total Charged	22,818.78	165.31	22,984.09	19,841.46	3,142.63	13.67	3,151.98	100.30
	Grand Total	2,06,876.35	16,800.00	2,23,676.35	1,84,080.82	39,595.53	17.70	39,360.55	99.41

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

Note: There may be difference of ₹ 0.01 crore in the absolute figure, due to rounding off

The position of budget utilisation during the previous five years, is given in **Chart 3.5**.

Chart 3.5: Budget Utilisation during FYs 2018-19 to 2022-23



Source: Appropriation Accounts for FY 2022-23, Government of Odisha

Large amount of savings in allotted funds indicated both inaccurate assessments of requirements, as well as inadequate capacity to utilise the funds for intended purposes.

Trends in the original budgets, revised estimates and actual expenditure, for the period from FYs 2018-19 to 2022-23, are given in **Table 3.9**.

Table 3.9: Original Budget, Revised Estimate and Actual Expenditure, during FYs 2018-19 to 2022-23

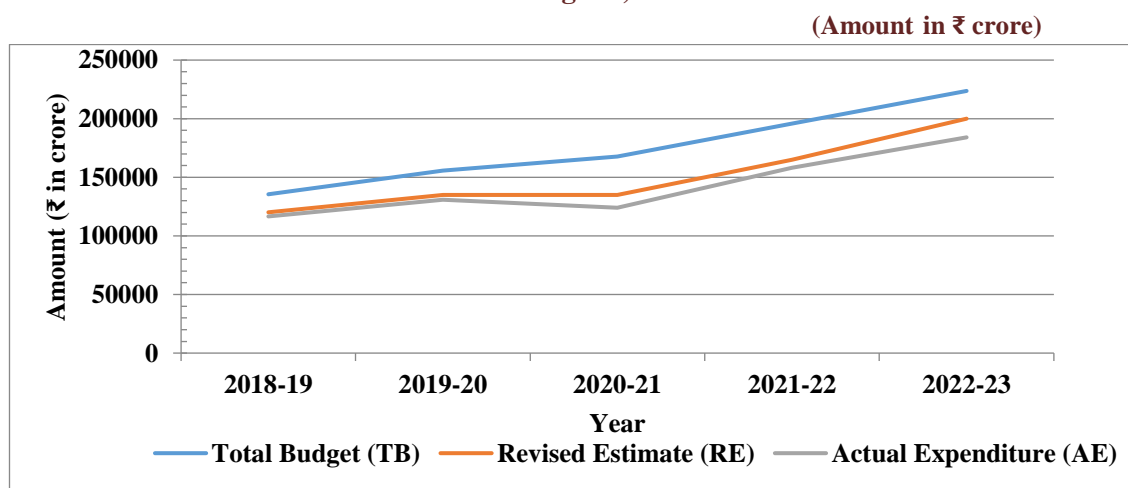
	(₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	2022-23
Original Budget	1,22,723.59	1,46,061.09	1,55,963.27	1,75,890.24	2,06,876.35
Supplementary Budget	12,790.00	9,569.45	11,700.00	19,833.13	16,800
Total budget (TB)	1,35,513.59	1,55,630.54	1,67,663.27	1,95,723.37	2,23,676.35

	2018-19	2019-20	2020-21	2021-22	2022-23
Revised Estimate (RE)	1,20,125	1,35,000	1,35,000	1,64,999.66	2,00,000
Actual Expenditure (AE)	1,16,617.86	1,30,852.83	1,24,109.14	1,58,016.78	1,84,080.82
Savings	18,895.73	24,777.71	43,554.13	37,706.59	39,595.53
Percentage of supplementary to the original provision	10.42	6.55	7.50	11.28	8.12
Percentage of overall saving/excess to the overall provision	13.94	15.92	25.98	19.27	17.70
TB-RE	15,388.59	20,630.54	32,663.27	30,723.71	23,676.35
RE-AE	3,507.14	4,147.17	10,890.86	6,982.88	15,919.18
(TB-RE) as % of TB	11.36	13.26	19.48	15.70	10.58
(RE-AE) as % of TB	2.59	2.66	6.50	3.57	7.12

Source: Appropriation Accounts of respective years and Odisha Budget at a glance, 2022-23

Table 3.9 shows that the supplementary provision of ₹ 16,800 crore, during FY 2022-23, constituted 8.12 *per cent* of the original provision, against 11.28 *per cent* in the previous year.

Chart 3.6: Trend showing TB, RE and Actuals



Source: Appropriation Accounts of respective years and Odisha Budget at a glance, 2022-23

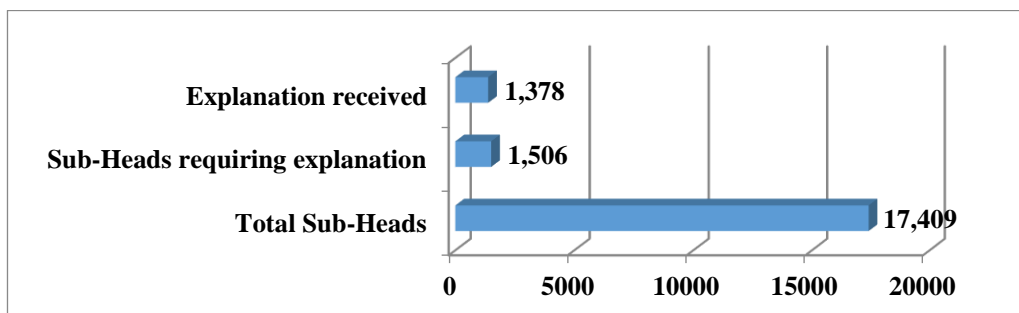
From **Chart 3.6**, it can be seen that, over the period from FYs 2018-19 to 2022-23, the Revised Estimates (RE) were always lower than the Total Budget (TB) of the State. The gap between the RE and the TB was between 11 to 19 *per cent*, during the last five years, indicating large estimation errors.

In terms of percentage, the RE was 11.36 *per cent* more than the TB in FY 2018-19, which increased to 19.48 *per cent* in FY 2020-21 and reduced to 10.58 *per cent* in FY 2022-23. Further, the percentage of Actual Expenditure (AE) to TB during the same period, was also lower than the RE and it ranged between 2.59 *per cent* and 7.12 *per cent*. As such, the supplementary provisions during FYs 2018-19 to 2022-23 proved unnecessary, since the expenditure did not come up even to the level of original budget provisions.

This indicates that the budgetary allocations were based on unrealistic proposals, as the Budget Estimates of the State were always inflated and the Actual Expenditure was less than the budgetary provisions.

A summary of explanations, for variations in the Appropriation Accounts, is depicted in **Chart 3.7**.

Chart 3.7: Summary of Explanation for variation in Appropriation Accounts



Source: Office of the PAG (A&E), Odisha

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

Several policy initiatives taken up by the Government are wholly or partially not executed, due to non-receipt of proposals, non-settlement of claims *etc.* This deprives the beneficiaries of intended benefits. Savings in such schemes deprives other Departments of the funds, which they could have utilised. It was observed that, in 15 Grants, there was approved outlay of ₹17,129.08 crore for various schemes, which was fully withdrawn in the revised outlay, as shown in **Appendix 3.8**. This reflects that the budgetary allocations were based on unrealistic proposals. The New Schemes, initiated by the State Government, were either partially executed or not executed at all, as detailed in **Table 3.10**.

Table 3.10: New Schemes, partially executed or not executed, during FY 2022-23
(₹ in crore)

Sl. No.	New scheme	Grant No. and Name	Budget provision	Expenditure
1	Rural Infrastructure Assistance to State Government (RIAS)	20-Water Resources	100.00	0.00
2	SIDBI Cluster Development Fund (SCDF)	40-Micro, Small and Medium Enterprises	90.00	30.02
3	Kalinga Model Residential Schools (KMRS)	11-Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare	3.78	1.84
4	Medical College & Hospital, Sundargarh	12-Health and Family Welfare	1.84	0.42
5	Medical College, Sundargarh	12-Health and Family Welfare	19.96	7.47
6	Medical College, Keonjhar	12-Health and Family Welfare	19.80	9.57
7	Post Graduate Institute of Medical Education & Research and Capital Hospital, Bhubaneswar	12-Health and Family Welfare	7.95	6.99
8	Diversion of forest land for non-forest use	02-General Administration and Public Grievance	2.50	0.11

Sl. No.	New scheme	Grant No. and Name	Budget provision	Expenditure
9	Odisha University of Health Sciences	12-Health and Family Welfare	15.00	0.41
10	Rourkela Smart City Ltd (RSCL)	13- Housing and Urban Development	496.00	396.00
11	Social Audit Unit	17-Panchayati Raj and Drinking Water	10.00	7.37
12	Project Tiger	22-Forest and Environment	37.59	20.61
13	Empowerment of women in Agriculture	23-Agriculture and Farmers' Empowerment	100	39.66
14	Innovative Agroforestry for Food and Nutrition Security	23-Agriculture and Farmers' Empowerment	10.00	9.93
15	Disaster Response Scheme	30-Energy	25.00	0.00
16	Pradhan Mantri Matsya Sampada Yojana (PMMSY)	33-Fisheries and Animal Resources Development	176.62	128.24
17	Training and Capacity Building	33-Fisheries and Animal Resources Development	19.59	14.54
18	Special Educational Support	11-Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare	333.75	306.80
19	Development of Particularly Vulnerable Tribal Groups (PVTGs)	11-Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare	51.00	17.97
20	Livestock Health & Disease Control Programme (LHDC)	33-Fisheries and Animal Resources Development	60.87	58.08
21	Veterinary Education & Research	33-Fisheries and Animal Resources Development	25.00	13.87
22	Dairy Development	33-Fisheries and Animal Resources Development	30.71	14.92
23	Development Programme (National Livestock Mission)	33-Fisheries and Animal Resources Development	19.16	7.80
24	Intensive Aquaculture & Inland Fisheries Development	33-Fisheries and Animal Resources Development	172.37	108.80
25	Swadhar (SAMARTHYA)	36-Women and Child Development	10.00	3.87
26	New India Literacy Programme (NILP)	10-School and Mass Education	7.16	5.37
27	Pradhan Mantri Adi Adarsh Grama Yojana (PMAAGY)	11-Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare	75.67	37.73
28	State Support to MGNREGS	17-Panchayati Raj and Drinking Water	500.00	350.00
29	Coffee Plantation for sustainable livelihoods	23-Agriculture and Farmers' Empowerment	10.00	9.00
30	Chief Engineer & Basin Manager, Indravati-Kolab Basin, Office Establishment	20-Water Resources	4.12	2.23
		Total	2,435.44	1,609.62

Source: Office of the PAG (A&E), Odisha

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

3.4.3 Release of funds at the end of the financial year

Timely release of funds to the implementing agencies has a direct bearing on successful implementation of the schemes and avoidance of rush of expenditure. As

per Finance Department instructions (07 February 2023), the process of issuance of sanction orders for release of funds, as well as surrender of provisions, should be completed by 28 February 2023, in order to avoid rush of expenditure in the last month of the financial year.

An examination of sanction orders, issued during the financial year 2022-23 revealed that the Government had released ₹3,218.06 crore, for the implementation of different schemes in 16 Departments, in the last week of March 2023 (**Appendix 3.9**). As such, there was no possibility of utilisation of these funds, during the financial year 2022-23. Release of funds in the last week of the financial year indicated that the funds were released primarily to exhaust the budget provision.

3.4.4 Rush of expenditure

Rule 62 (3) of the General Financial Rules provides that rush of expenditure particularly in the closing months of the financial year, is regarded as a breach of financial propriety and should be avoided.

As per the Circular issued by the Finance Department, Government of Odisha, on Regulation of Expenditure, 2022-23, in the Cash Management System, the flow of expenditure should be evenly placed. The State Government prescribed, vide its circular dated 20.08.2022, quarter-wise percentages (1st Quarter -15 *per cent*; 2nd quarter -15 *per cent*; 3rd Quarter - 30 *per cent*, 4th Quarter - 40 *per cent*), for incurring expenditure in the cash management system during the year, with the aim of regulating the expenditure in a phased manner.

During FY 2022-23, the Cash Management System was implemented in 20 Departments. Out of these 20 Departments, only seven Departments had spent at least 60 *per cent* of their original budget provisions by the end of the third quarter. The Micro, Small & Medium Enterprises Department had utilised only 19.93 *per cent* of its original provision, by the end of the third quarter. The quarterly details of expenditure, incurred across 20 Grants, are shown in **Table 3.11**.

Table 3.11: Analysis of Cash Management System

(₹ in crore)						
Sl. No.	Grant No/Name of the Department	Original Budget Provision	Up to December 2022		March 2023 (Pre)	
			Expenditure during first three quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
The following Departments have followed the guidelines						
1	41-Department of Social Security and Empowerment of Persons with Disability	3,705.61	2,422.13	65.36	307.74	8.30

Sl. No.	Grant No/Name of the Department	Original Budget Provision	Up to December 2022		March 2023 (Pre)	
			Expenditure during first three quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
2	9-Food Supplies and Consumer Welfare	1,205.35	789.20	65.47	8.74	0.73
3	12-Health & Family Welfare	12,342.46	8,468.92	68.62	1,780.20	14.42
4	19-Industries	671.4	719.45	107.16	41.81	6.23
5	30-Energy	3,482.48	2,664.63	76.52	160.79	4.62
6	31-Handlooms, Textiles & Handicrafts	203.15	231.76	114.08	27.47	13.52
7	36-Women and Child Development and Mission Shakti	3,566.62	2,348.42	65.84	347.79	9.75
The following Departments have not followed the guidelines						
8	7-Works	8,682.93	4,208.93	48.47	1,928.06	22.21
9	10-School and Mass Education	20,636.1	14,881.40	72.11	3,576.21	17.33
10	11-Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	4,091.99	1,814.39	44.34	985.68	24.09
11	13-Housing and Urban Development	7,297.73	3,378.73	46.30	1,759.41	24.11
12	17-Panchyati Raj & Drinking Water	22,741.44	8,056.76	35.43	5,090.80	22.39
13	20-Water Resources	10,050.8	6,138.80	61.08	1,541.83	15.34
14	22-Forest & Environment	2,217.72	1129.9	50.95	410.21	18.50
15	23-Agriculture and Farmer's Empowerment	6,646.12	3,873.02	58.27	1941.46	29.21
16	28-Rural Development	6,966.64	3,977.85	57.10	1,166.54	16.74
17	33-Fisheries & Animal Resources Development	1,657.54	835.11	50.38	240.64	14.52
18	38-Higher Education	2,836.07	1,625.17	57.30	399.26	14.08
19	39-Skill Development & Technical Education	810.68	459.3	56.66	120.45	14.86
20	40-Micro, Small & Medium Enterprises	622.66	124.07	19.93	25.07	4.03

Source: Monthly Appropriation Reports for December 2022 and March (Pre) 2023.

Audit observed that, in 31 sub-heads, the entire expenditure of ₹15,216.56 crore (₹10 crore and more in each case of allocation of funds), had been incurred in the month of March 2023 alone, as shown in **Appendix 3.10**.

3.5 Review of selected grants

A review of budgetary procedure and control over expenditure in regard to three selected grants *i.e.* 16 – Planning and Convergence, 20 – Water Resources and 22 – Forest and Environment Departments, was conducted, wherein the magnitude of variations in original grants, supplementary demands and actual expenditure were analysed.

3.5.1 Grant No. 16: Planning and Convergence Department

(i) Introduction

Grant No. 16 includes Major Heads 2235 - Social Security and Welfare, 2401 - Crop Husbandry, 2575 - Other Special Areas Programmes, 3451 - Secretariat-Economic Services, 3454 - Census Surveys and Statistics, 4059 - Capital Outlay on Public Works, 4216 - Capital Outlay on Housing and 4575 - Capital Outlay on Other Special Areas Programmes.

(ii) Budget and Expenditure

The overall position of budget provisions, actual disbursements and savings, under the grant, for the last three years (FYs 2020-21 to 2022-23), is given in **Table 3.12**.

Table 3.12: Budget provision *vis-à-vis* Expenditure

(₹ in crore)					
Year	Section	Budget Provision	Total	Expenditure	Unutilized provision and its percentage
2020-21	Revenue-Original (V)	945.73	945.73	774.27	171.46
	Supplementary	0			(18.13)
	Revenue-Original (C)	0	0	0	0
	Supplementary	0			
	Capital-Original (V)	235.50	235.50	217.49	18.01
	Supplementary	0			(7.65)
	Grand Total		1,181.23	991.76	189.47 (16.04)
2021-22	Revenue-Original (V)	1,038.30	1,041.81	895.36	146.45
	Supplementary	3.51			(14.06)
	Revenue-Original (C)	0	0	0	0
	Supplementary	0			
	Capital-Original (V)	429.36	429.36	232.01	197.35
	Supplementary	0			(45.96)
	Grand Total		1,471.17	1,127.37	343.80 (23.37)
2022-23	Revenue-Original (V)	1,661.72	1,662.50	1106.78	555.72

Year	Section	Budget Provision	Total	Expenditure	Unutilized provision and its percentage
	Supplementary	0.78			(33.43)
	Revenue-Original (C)	0.03	0.03	0.02	0.01
	Supplementary	0			(33.33)
	Capital-Original (V)	1,373.05	1,373.05	294.47	1,078.58
	Supplementary	0			(78.55)
	Grand Total		3,035.58	1,401.27	1,634.31 (53.84)

Source: Appropriation Accounts for FYs 2020-21 to 2022-23, Government of Odisha

(iii) Entire provision remaining unutilised

It was observed that the entire budget allocation had remained unutilised, under six schemes, during FY 2022-23, indicating non-implementation of schemes, as shown in Table 3.13.

Table 3.13: Entire provision (₹ one crore or more) remaining unutilised under Grant No. 16

(₹ in crore)

Sl. No.	Head of Account	Scheme	Original Budget	Re-appropriations	Savings	Total unutilised amount
1	2401-00-111-0114	Census of Minor Irrigation and Statistics	14.83	(-) 9.93	4.90	14.83
2	2575-02-789-3489	Special Initiative Programme	110.00	(-) 110.00	-	110.00
3	2575-02-796-3489	Special Initiative Programme	150.00	(-) 150.00	-	150.00
4	3451-00-090-3290	Convergence Cell	3.00	(-) 3.00	-	3.00
5	4216-01-106-2197	Construction of building of Planning & Coordination Department	1.00	(-) 1.00	-	1.00
6	4575-02-800-3489	Special Initiative Programmes	1,048.55	(-) 1,048.55	-	1,048.55

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

(iv) Unnecessary supplementary grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision, made by the Appropriation Act for the year, can be made during the current financial year, but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary in the Department concerned, proposes to the Finance Department for supplementary or additional grant or appropriation.

Audit analysis showed that supplementary provisions of ₹0.60 crore (Revenue-

Voted) under the head 3451-00-092-1359, during FY 2022-23 proved unnecessary, as the expenditure of ₹0.53 crore did not come up even to the level of original provision of ₹1.13 crore.

3.5.1.1 Programme Implementation

Details of financial and physical targets and achievements, under the schemes mentioned in **Table 3.14**, were test-checked in Audit.

Table 3.14: Achievements against financial and physical targets

Sl. No.	Head of Accounts	Financial Targets (₹ in crore)			Physical Targets v/s Achievements		Reasons stated by the department for non-achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	
1	Name of the Scheme: Special Initiative Programme						
(i)	2575-02-789-3489-	110.00	00	110.00	Lumpsum budget provision was prepared, without full details of justification of the budget demand and without details of the intended targets and outcomes.		Proposals for utilisation of the lumpsum budget provision were not prepared, during FY 2022-23.
(ii)	2575-02-796-3489-	150.00	00	150.00			
(iii)	2575-02-800-3489-	400.00	7.50	392.50			
(iv)	4575-02-800-3489-	1048.55	0	1048.55			
	Total	1708.55	7.50	1701.05			
Audit Comment: It can be seen that only 0.44 <i>per cent</i> of the total budget provision was utilised under the scheme. The Department stated that the provision under the scheme was made to meet funds, which had been allocated for post-budget initiatives of other Departments and also for meeting the additional requirements of various schemes of the P&C Department. The balance funds, for which no proposals were received, could not be spent during FY 2022-23 and were, therefore, surrendered. The reply was not tenable, as the Department had created a lump sum budget provision, without identification of a specific purpose of end utilisation, in contravention of Rule 59 of the Odisha Budget Manual.							
2	Name of the Scheme: Socio-Economic Transformation and Upliftment (SETU)						
(i)	4575-02-789-3357	3.59	2.33	1.26	Lumpsum budget provision was prepared, without full details of justification of the budget demand and without details of the intended targets and outcomes.		Non-receipt of project proposals from other Departments resulted in the funds remaining unutilised.
(ii)	4575-02-796-3357	30.68	19.87	10.81			
(iii)	4575-02-789-3357	5.73	3.71	2.02			
	Total	40.00	25.91	14.09			
Audit Comments: The Budget Estimates were not based on proposals received from different executing Departments. Instead, as a post-budget exercise, the Department had released funds as and when the proposals were received from different line departments, which indicated lack of a proper budgeting mechanism in the Department, under the SETU scheme.							
3	Name of the Scheme: Construction of Building of Planning & Convergence Department						
(i)	4059-01-051-2197- Construction of Building of P&C Department	5.00	1.05	3.95	Lumpsum budget provision was prepared, without full details of justification of the budget demand and without details of the intended construction of buildings.		Non-receipt of claims.
(ii)	4216-01-106-2197- Construction of Building of P&C Department	1.0	0	1.00			
Audit comments: The budget estimates under the scheme were not based on the budgetary requirements, submitted by the field officers.							

Sl. No.	Head of Accounts	Financial Targets (₹ in crore)			Physical Targets v/s Achievements		Reasons stated by the department for non-achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	
4	Name of the Scheme: District Mineral Foundation Support Cell						
	3451-00-090-3291- District Mineral Foundation Support Cell	5	0.92	4.08	Targets were not fixed by the Department.	Delay in preparation of the web portal for DMF Support Cell.	
	Audit Comments: The benefits envisaged under the scheme could not be achieved, due to delay in preparation of the web portal.						
5	Name of the Scheme: Evaluation and Impact Assessment						
	3451-00-102-2824- Evaluation and Impact Assessment Study in different districts	25	0.03	24.97	Targets were not fixed by the Department.	The amount was not utilised, since training programmes had not been conducted.	
	Audit Comments: The benefits envisaged under the scheme could not be achieved, due to ineffective monitoring of the scheme.						
6	Name of the Scheme: Census of Minor Irrigation and Statistics						
	2401-00-111-0114-	14.83	4.90	9.93	Targets were not fixed by the Department.	Due to change of plan status, from Central Sector Scheme to Centrally Sponsored Scheme.	
	Audit comments: The plan status should have been settled well before the completion of the financial year.						
7	Name of the Scheme : Establishment of an Agency for Reporting Agricultural Statistics in Odisha						
	2401-00-111-0396-	38	27.09	10.91	Targets were not fixed by the Department.	Delay in appointment of new Statistical Field Surveyors (SFSs), etc.	
	Audit comments: Delay in appointment of staff indicated ineffective monitoring of the scheme.						
8	Name of the Scheme : Strengthening of Statistical System						
	3454-02-205-3171-	10	3.36	6.64	Targets were not fixed by the Department.	Expenditure committed towards hiring of PMU, DAU & IT equipment had not been incurred.	
	Audit comments :Non-adoption of targets and achievements indicated ineffective monitoring of the scheme.						

Source: Information furnished by Planning and Convergence Department, Government of Odisha

3.5.2 Grant No. 20: Water Resources Department

(i) Introduction

Grant No. 20 - Water Resources includes Major Heads 2059 - Public Works, 2070 - Other Administrative Services, 2700 - Major Irrigation, 2701 - Medium Irrigation, 2702 - Minor Irrigation, 2705 - Command Area Development, 2711 - Flood Control and Drainage, 3054 - Roads and Bridges, 4700 - Capital Outlay on Major Irrigation,

4701 - Capital Outlay on Medium Irrigation, 4702 - Capital Outlay on Minor Irrigation and 4711 - Capital Outlay on Flood Control Projects.

(ii) Budget and Expenditure

The overall position of budget provisions, actual expenditure and savings, under the grant, for the last three years (FYs 2020-21 to 2022-23), is given in **Table 3.15**.

Table 3.15: Budget provision vis-à-vis Expenditure

(₹ in crore)

Year	Section	Budget Provision	Total	Expenditure	Unutilised provision and its percentage
2020-21	Revenue-Original (V)	2,996.17	3,018.53	1,765.77	1,252.76
	Supplementary	22.37			(41.50)
	Revenue-Original (C)	3.50	3.50	0.23	3.27
	Supplementary	0			(93.42)
	Capital-Original (V)	6,340.00	6,340.00	3,586.50	2,753.50
	Supplementary	0.00			(43.43)
	Capital-Original (C)	40.02	40.02	32.19	7.83
	Supplementary	0			(19.57)
	Grand Total		9,402.05	5,384.69	4,017.36 (42.73)
2021-22	Revenue-Original (V)	2,642.64	2,743.24	2,453.81	289.43
	Supplementary	100.60			(10.55)
	Revenue-Original (C)	3.00	3.00	2.09	0.91
	Supplementary	0			(0.33)
	Capital-Original (V)	5,582.67	5,783.83	4,529.88	1253.95
	Supplementary	201.16			(21.68)
	Capital-Original (C)	44.13	147.13	109.11	38.02
	Supplementary	103.00			(34.85)
	Grand Total		8,677.20	7,094.89	1,582.31 (18.24)
2022-23	Revenue-Original (V)	3,115.96	3,306.86	2,927.66	379.20
	Supplementary	190.91			(11.47)
	Revenue-Original (C)	3.00	3.00	2.93	0.07
	Supplementary	0			(2.33)
	Capital-Original (V)	6847.85	8,252.50	7179.53	1,072.97
	Supplementary	1404.65			(13.00)
	Capital-Original (C)	83.99	83.99	46.08	37.91
	Supplementary	0			(45.14)
	Grand Total		11,646.35	10,156.20	1,490.15 (12.79)

Source: Appropriation Accounts of respective years

(iii) Non surrender of savings

As per Rule 144 (1) & (2) of the Odisha Budget Manual, spending departments are required to surrender the grants/appropriations or portion thereof, to the Finance Department, as and when savings are anticipated. The position of savings and surrender of unutilised provisions, is shown in **Table 3.16**.

Table 3.16: Surrender of savings

(₹ in crore)

Year	Savings				Amount surrendered (Percentage)			
	Revenue (V)	Revenue (C)	Capital (V)	Capital (C)	Revenue (V)	Revenue (C)	Capital (V)	Capital (C)
2020-21	1,252.76	3.27	2,753.50	7.83	415.40 (33.16)	3.27 (100)	377.70 (13.72)	7.71 (98.47)
2021-22	289.43	0.90	1,253.95	38.02	280.91 (97.06)	0.90 (100)	1,253.85 (99.99)	38.02 (100)
2022-23	379.20	0.07	1,072.97	37.91	371.88 (98.07)	0.02 (28.57)	1,072.96 (100)	37.91 (100)

Source: Appropriation Accounts of respective years
(Figures in parenthesis indicates percentage to total savings)

(iv) Persistent savings

It was observed that substantial portions of the budget allocation had remained unutilised, under 18 schemes, under Grant No. 20 - Water Resources, during FYs 2020-21 to 2022-23, indicating non-achievement of the projected financial outlays in the respective years, as shown in Table 3.17.

Table 3.17: Persistent savings under Grant No. 20

(₹ in crore)

Sl. No.	Head of Account	2020-21	2021-22	2022-23
1	2702-03-102-3267, 3534 - Pradhan Mantri Krishi Sinchai Yojana-Har Khet Ko Pani (HKP)	181.05 (100)	19.00 (100)	15.00 (100)
2	2702-03-789-3267, 3534 - Pradhan Mantri Krishi Sinchai Yojana-Har Khet Ko Pani (HKP)	52.00 (100)	4.50 (100)	4.00 (100)
3	2702-03-796-3267, 3534 - Pradhan Mantri Krishi Sinchai Yojana-Har Khet Ko Pani (HKP)	68.00 (100)	6.50 (100)	6.00 (100)
4	2705-00-107-3091 - Command area Development Programme under Central, Southern and Northern RDC Zone	0.95 (51.08)	(3.37) (15.84)	11.48 (37.58)
5	4700-19-796-2177 - JBIC Assisted Rengali Irrigation Project (EAP)-Phase - II	32.92 (41.22)	32.23 (54.07)	7.14 (15.27)
6	4700-20-800-2160 - Accelerated Irrigation Benefit Programme (AIBP)	7.72 (17.83)	41.25 (83.22)	34.67 (64.41)
7	4700-20-800-2954 - CAD & WM Work in AIBP Projects	1.70 (100)	1.68 (75.68)	4.38 (63.66)
8	4701-62-789-2951 - Water Sector Infrastructure Development Programme (WSIDP)	0.90 (60)	5.90 (98.33)	11.88 (99.00)
9	4701-66-800-2951 - Water Sector Infrastructure Development Programme (WSIDP)	1.51 (67.11)	0.55 (57.29)	1.16 (27.62)
10	4701-67-796-2410 - Dam Rehabilitation and Improvement Projects (EAP)	28.00 (100)	4.20 (100)	2.66 (49.90)
11	4701-80-789-3439 - Construction of Instream Storage Projects	100 (100)	100 (76.92)	42.54 (42.54)

Sl. No.	Head of Account	2020-21	2021-22	2022-23
12	4701-80-796-3439 - Construction of Instream Storage Projects	220.00 (100)	125.00 (100)	45.20 (45.20)
13	4701-80-800-3439 - Construction of Instream Storage Projects	772.00 (100)	433.43 (80.35)	136.66 (35.21)
14	4701-80-800-2621 - Periphery Development of Reservoirs	5.00 (100)	24.32 (99.26)	21.23 (86.65)
15	4701-80-789-2160 - Accelerated Irrigation Benefit Programme (AIBP)	8.98 (82.76)	14.74 (100)	17.73 (99.32)
16	4701-80-796-2160 - Accelerated Irrigation Benefit Programme (AIBP)	13.62 (84.33)	16.84 (86.31)	27.12 (99.89)
17	4701-80-800-2160 - Accelerated Irrigation Benefit Programme (AIBP)	31.50 (82.48)	37.77 (88.35)	59.00 (98.33)
18	4702-00-789-3252, 3253 - Parvati Giri Megalift Project	11.33 (37.77)	7.05 (14.10)	10.32 (68.80)

Source: Appropriation Accounts of respective years

(Figures in parenthesis indicate percentage of total provisions)

(v) Entire provision remaining unutilised

It was observed that the entire budget provision had remained unutilised, under 18 schemes, during FY 2022-23, indicating non-implementation of schemes, as shown in **Table 3.18**.

Table 3.18: Entire provision (₹ one crore or more) remaining unutilised

(₹ in crore)

Sl. No.	Head of Account	Original budget	Re-appropriations	Provision remaining unutilised
1	2702-03-102-3534-Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (HKP)	15.00	(-) 15.00	15.00
2	2702-03-789-3534-Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (HKP)	4.00	(-) 4.00	4.00
3	2702-03-102-3534-Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (HKP)	6.00	(-) 6.00	6.00
4	4700-14-789-2954-CAD&WM work in AIBP Projects	1.50	(-) 1.50	1.50
5	4700-14-796-2954-CAD&WM work in AIBP Projects	5.00	(-) 5.00	5.00
6	4701-62-796-2951- Water Sector Infrastructure Development Programme (WSIDP)	5.00	(-) 5.00	5.00
7	4701-95-001-2725- Medium Irrigation Project under State Plan	2.39	(-) 2.39	2.39

Sl. No.	Head of Account	Original budget	Re-appropriations	Provision remaining unutilised
8	4701-95-800-2725- Medium Irrigation Project under State Plan	3.21	(-) 3.21	3.21
9	4701-97-789-3562- Rural Infrastructure Assistance to State Government (RIAS)	100.00	(-) 100.00	100.00
10	4701-97-796-3562- Rural Infrastructure Assistance to State Government (RIAS)	80.00	(-) 80.00	80.00
11	4701-97-800-3562- Rural Infrastructure Assistance to State Government (RIAS)	175.67	(-) 175.67	175.67
12	4702-00-789-2951- Water Sector Infrastructure Development Programme (WSIDP)	6.00	(-) 6.00	6.00
13	4702-00-789-3562- Rural Infrastructure Assistance to State Government (RIAS)	17.00	(-) 17.00	17.00
14	4702-00-796-3562- Rural Infrastructure Assistance to State Government (RIAS)	23.00	23.00	23.00
15	4702-00-800-3562- Rural Infrastructure Assistance to State Government (RIAS)	60.00	(-) 60.00	60.00
16	4702-00-789-3536- Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (HKP)	1.40	(-) 1.40	1.40
17	4702-00-796-3536-Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (HKP)	1.85	(-) 1.85	1.85
18	4702-00-800-3536-Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (HKP)	4.75	(-) 4.75	4.75

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

(vi) Unnecessary supplementary grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision, made by the Appropriation Act for the year, can be made during the current financial year, but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary in the Department concerned, is to propose to the Finance Department, for supplementary or additional grant or appropriation.

Audit analysis showed that supplementary provisions of ₹16.10 crore, during FY 2022-23, proved unnecessary, as the expenditure of ₹6.54 crore did not come up even to the level of original provision of ₹13.10 crore, as shown in the **Table 3.19**.

Table 3.19: Unnecessary supplementary grants under Grant No. 20

(₹ in crore)

Sl. No.	Head of Account	Original Budget	Supplementary	Actual expenditure	Savings out of the Original provision
1	4702-00-789-3535-Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (Repair, Renovation and Restoration)	2.90	12.19	1.44	1.46
2	4702-00-800-3535-Pradhan Mantri Krishi Sinchayee Yojana-Har Khet Ko Pani (Repair, Renovation and Restoration)	10.20	3.91	5.10	5.10
	Total	13.10	16.10	6.54	6.56

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

(vii) 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. During FY 2022-23, it was observed that the re-appropriation orders had proved injudicious, as there was excess expenditure (Sl. Nos. 1 and 2) / less expenditure (Sl. Nos. 3 and 4), as detailed in **Table 3.20**.

Table 3.20: Unnecessary re-appropriation under Grant No. 20

(₹ in crore)

Sl. No.	Number and Name of grant/head of Account	Original grant	Supplementary grant	Re-appropriation	Total	Expenditure	Savings (-)/ Excess (+)
1	4700-19-800-2177-JBIC Assisted Rengali Irrigation Project (EAP)-Phase-II	116.49	0	(-) 42.33	74.16	75.29	(+) 1.13
2	4711-01-103-2161-Rural Infrastructure Development Fund	180.00	0	(+) 28.69	208.69	209.67	(+) 0.98
3	2705-00-107-3091-Command area Development Programme under Central, Southern and Northern RDC Zone	30.55	0	(-) 6.03	24.52	19.07	(-) 5.45
4	4711-01-789-2161-Rural Infrastructure Development Fund	110.00	0	(+) 34.84	144.84	143.86	(-) 0.98
	Total	437.04	0	(+) 15.17	452.21	447.89	4.32

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

(viii) Programme implementation

Details of financial and physical targets and achievements under the schemes mentioned in **Table 3.21**, were test-checked in Audit.

Table 3.21: Achievements against financial and physical targets

Sl. No.	Head of Accounts	Financial Targets (₹ in crore)			Physical Targets v/s Achievements (in numbers)			Reasons stated by the department for non- achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
1	Name of the Scheme: Odisha Integrated Irrigation Project for Climate Change Resilient Agriculture (OIIPCRA) – (EAP): - OIIPCRA aims at increasing farmers’ yield by diversifying and improving agricultural production, fostering climate-resilient agriculture practices and improving water productivity and access to reliable irrigation.							
(i)	2702-01-789-3229	60	18.56	41.44	2,394 ha	359 ha	2,035 ha	Due to late finalisation of Tender Process
(ii)	2702-01-796-3229	60	18.55	41.45	7,040 ha	1,056 ha	5,984 ha	
(iii)	2702-01-800-3229	180	78.35	101.65	12,566 ha	1,883 ha	10,683 ha	
	Total	300	115.46	184.54	22,000 ha	3,298 ha	18,702 ha	
Audit comments: It could be seen that only 38.49 <i>per cent</i> allotted funds were utilised, due to which the intended benefits could not be achieved.								
2	Name of the Scheme: JBIC Assisted Rengali Irrigation Project (EAP) - Phase-II							
(i)	4700-19-001-2177	20.8	16.68	4.12	1. Main Canal = 6 Km Distributary, Minor and Sub-Minor = 20 Km 2. Ayacut to be created = 7,600	1. Main Canal = 3 Km Distributary, Minor and Sub-Minor = 14.38 Km 2. Ayacut created =7,600	1. Main Canal = 3 Km Distributary, Minor and Sub-Minor = 5.62 Km 2. Nil	Delay in Procurement Process of Package No. D-I, G-I, G-II & J-I; and delay in Land Acquisition and forest diversion.
	4700-19-789-2177	37.31	31.63	5.68				
	4700-19-796-2177	46.76	39.62	7.14				
	4700-19-800-2177	74.16	75.29	(+) 1.13				
	Total	179.03	163.22	15.81				
Audit comments: Issues relating to settlement of land acquisition and forest diversion, should have been addressed, before seeking funds for the project, in order to avoid delay in the execution of projects.								
3	Name of the Scheme: Rural Infrastructure Assistance to State Government (RIAS), to create large water bodies within the river embankment, without causing any displacement of people.							
(i)	4702-00-789-3562	17	0	17	Due to increase in the rate of interest under the RIAS, projects taken over under RIAS were cancelled.			
(ii)	4702-00-796-3562	23	0	23				
(iii)	4702-00-800-3562	60	0	60				
(iv)	4701-97-789-3562	100	0	100				
(v)	4701-97-796-3562	80	0	80				
(vi)	4701-97-800-3562	175.67	0	175.67				
	Total	455.67	0	455.67				

Sl. No.	Head of Accounts	Financial Targets (₹ in crore)			Physical Targets v/s Achievements (in numbers)			Reasons stated by the department for non- achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
Audit comments: Proper assessment was not carried out before commencement of the project, which had resulted in non-execution and non-achievement of project benefits, during FY 2022-23.The State High Power Committee had advised the Department to divert the budget provisions available under RIAS units, to RIDF units,, during the supplementary budget for FY 2022-23, which was not done.								
4	Name of the Scheme: Improvement and Production to Saline Embankments							
(i)	4711-02-103-1628	98.25	20.02	78.23	36 embankmen ts	0 embankments	36 embankmen ts	Delay in finalisation of tenders and slow progress of work.
(ii)	4711-02-789-1628	93.25	18.50	74.75				
	Total	191.50	38.52	152.98				
5	Name of the Scheme: Accelerated Irrigation Benefit Programme (AIBP)							
(i)	4700-15-800-2160	40.20	10.98	29.22	Constructio n of 46.47 Th. Cum C. Concrete	33.41 Th. cum C. Concrete constructed	Constructio n of 13.06 Th. cum C. Concrete	Kharif & Rabi water supply in the Main canal Branch
(ii)	4701-80-800-2160	60	1	59	Preparation of DPR for Turi-Guntat irrigation project	DPR finalised for Turi- Guntat irrigation project	--	Cancellation of tender and delay in finalisation of the project.
	Total	100.20	11.98	88.22				
6	Name of the Scheme: Construction of In-stream Storage Structure to create large water bodies within the river embankment, without causing any displacement of people.							
(i)	4701-80-789-3439	100	57.46	42.54	In Stream Storage (ISS) at Saptamatruk a	--	ISS at Saptamatruk a	Shortage of labour.
(ii)	4701-80-796-3439	100	54.80	45.20				
(iii)	4701-80-800-3439	388.08	251.42	136.66				
	Total	588.08	363.68	224.40				

Source: Information furnished by Water Resources Department, Government of Odisha.

3.5.3 Grant No. 22 - Forest and Environment Department

(i) Introduction

Grant No. 22- Forest and Environment includes Major Head 2059 - Public Works, 2406 – Forestry and Wild Life, 3435 – Ecology and Environment, 3451 – Secretariat - Economic Services, 4406 – Capital Outlay on Forestry and Wild Life, are operated under this Grant. The Forest, Environment and Climate Change Department in the State operates through a number of departmental formations and autonomous bodies. The field formations, under the Forestry set-up, are organised under the under Forest, Wildlife and Kendu leaf wings.

(ii) Budget and Expenditure

The overall position of budget provisions, actual expenditure and savings, under the grant, for the last three years (2020-21 to 2022-23), is given in **Table 3.22**.

Table 3.22: Budget provision vis-à-vis Expenditure

(₹ in crore)

Year	Section	Budget Provision	Total	Expenditure	Unutilized provision and its percentage
2020-21	Revenue-Original (V)	1,954.40	1,975.95	1,599.53	376.42
	Supplementary	021.55			(19.05)
	Revenue-Original (C)	0.17	0.17	0.15	0.02
	Supplementary	0			(11.76)
	Capital-Original (V)	5.00	5.00	5.00	0
	Supplementary	0			
	Grand Total		1,981.12	1,604.68	376.44 (19)
2021-22	Revenue-Original (V)	1,886.60	1,996.41	1,752.76	243.65
	Supplementary	109.81			(12.20)
	Revenue-Original (C)	0.17	0.17	0.12	0.05
	Supplementary	0			(29.41)
	Capital-Original (V)	5.00	5.00	3.00	2.00
	Supplementary	0			(40.00)
	Grand Total		2,001.58	1,755.88	245.70 (12.28)
2022-23	Revenue-Original (V)	2,212.02	2,466.26	1,954.00	512.26
	Supplementary	254.24			(20.77)
	Revenue-Original (C)	0.17	0.17	0.08	0.09
	Supplementary	0			(52.94)
	Capital-Original (V)	5.53	10.53	8.51	2.02
	Supplementary	5.00			(19.18)
	Grand Total		2,476.96	1,962.59	514.37 (20.77)

Source: Appropriation Accounts of respective years

(iii) Non surrender of savings

As per Rule 144 (1) & (2) of the Odisha Budget Manual, spending departments are required to surrender the grants/ appropriations or portion thereof to the Finance Department, as and when savings are anticipated. The position of savings and surrenders under Grant No. 22-Forest and Environment, during FYs 2020-21 to 2022-23, is shown in **Table 3.23**.

Table 3.23: Surrender of savings

(₹ in crore)

Year	Savings			Amount surrendered		
	Revenue (V)	Revenue (C)	Capital (V)	Revenue (V)	Revenue (C)	Capital (V)
2020-21	376.42	0.02	0.00	382.14	0.02	0.00
2021-22	243.66	0.05	2.00	242.82	0.05	2.00
2022-23	512.26	0.09	2.02	416.58	0.09	2.02

Source: Appropriation Accounts of respective years

(iv) Entire provision remaining unutilised

It was observed that entire budget allocation had remained unutilised under various schemes during FY 2022-23, indicating non-implementation of schemes, as shown in **Table 3.24**.

Table 3.24: Entire provision (₹ one crore or more) remaining unutilised under Grant No. 22
(₹ in crore)

Sl. No.	Head of Account and name of the Scheme	Original budget	Supplementary	Re-appropriations	Savings
1	2406-01-796-1282-Similipal Biosphere Reserve	10.00	0	(-) 10.00	10.00
2	2406-01-102-2203-National Bamboo Mission	2.19	1.24	(-) 3.43	3.43
3	2406-01-789-2203-National Bamboo Mission	0.68	0.48	(-) 1.16	1.16
4	2406-01-796-2203-National Bamboo Mission	0.90	0.35	(-) 1.25	1.25
5	2406-01-102-2924-National Afforestation Programme	1.75	0	(-) 1.75	1.75
6	2406-01-789-0573-Green India Mission (GIM)	7.50	0	(-) 7.50	7.50
7	2406-01-796-0573-GIM	10.00	0	(-) 10.00	10.00
8	3435-03-102-2693-Climate Change Action Plan	1.10	0.00	(-) 1.10	1.10
9	3435-03-102-2925-Conservation of Natural Resources and Eco-system	8.33	0.00	(-) 8.33	8.33
10	3435-03-102-3130-Conservation and Development of Wetland	11.00	0.00	(-) 11.00	11.00
11	3435-03-102-3666-Sagarmala Project	13.96	0.00	(-) 13.96	13.96
12	4406-01-070-2327-Consturction and Renovation of Forest Buildings	2.00	0.00	(-) 2.00	2.00

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

(v) Unnecessary supplementary grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision, made by the Appropriation Act for the year, can be made during the current financial year, but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary in the Department concerned, is to send a proposal to the Finance Department, for supplementary or additional grant or appropriation.

Audit analysis showed that supplementary provisions of ₹50.60 crore (Revenue-Voted), during the year 2022-23, in two cases, had proved unnecessary, as the expenditure did not come up even to the level of original provision, as shown in **Table 3.25**.

Table 3.25: Unnecessary supplementary grants under Grant No. 22

(₹ in crore)					
Sl. No.	Head of Account	Original Budget	Supplementary	Actual expenditure	Savings out of Original provision
1	2406-04-789-3364-Compensatory Afforestation Fund (CAF)	187.90	19.55	160.39	27.51
2	2406-04-796-3364-(CAF)	298.44	31.05	276.56	21.88
	Total	486.34	50.60	436.95	49.39

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

(vi) Inadequate 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. During FY 2022-23, it was observed that reduction of provision by re-appropriation orders, proved inadequate in certain cases, as the expenditure was less than the final appropriated amount. It was noticed that such an exercise was not done diligently in the cases, mentioned in **Table 3.26**, proving that either the re-appropriation itself was inadequate and could have been issued for a different amount to avoid savings at the end of the financial year.

Table 3.26: Inadequate Re-appropriation of Funds under Grant No. 22

(Amount in ₹ crore)

Sl. No.	Head of Account & Name of the Scheme	Original Grant	Supplementary Grant	Re-appropriation	Total	Expenditure	Savings(-)
1	2406-04-103-3364-Compensatory Afforestation Fund (CAF)	618.98	0	-73.01	545.97	493.42	(-) 52.55
2	2406-04-789-3364-CAF	187.90	19.55	-23.72	183.73	160.39	(-) 23.34
3	2406-04-796-3364-CAF	298.44	31.05	-33.09	296.40	276.56	(-) 19.84
	Total	1,105.32	50.60	-129.82	1026.10	930.37	(-) 95.73

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

(vii) Programme implementation

Details of financial and physical targets and achievements, under the schemes mentioned in **Table 3.27**, were test-checked in Audit.

Table 3.27: Achievement against financial and physical targets

Sl. No.	Head of Accounts	Financial Target (₹ in crore)			Physical Targets v/s Achievements (Numbers)			Reasons stated by the department for non-achievement of the intended targets
		Funds allotted	Funds utilised	Funds remaining unutilised	Target	Achievement	Shortfall	
1	Name of the Scheme: Compensatory Afforestation Fund (CAF), mainly focuses on maintenance of old plantations, forest protection, fire protection, wildlife management, relocation of villages from protected areas and forest infrastructure development <i>etc.</i>							
(i)	2406-04-103-3364-CAF	618.98	493.42	125.56	1,269.492 Hectare	168.078 Hectare	1,101.414 Hectare	The shortfall was mainly due to non-approval of some plantations, Wildlife Management activities, and delay in execution work in the State forest Academy <i>etc.</i>
(ii)	2406-04-789-3364-CAF	207.45	160.40	47.05				
(iii)	2406-04-796-3364-CAF	329.49	276.56	52.93				
	Total	1,155.92	930.22	225.70				
2	Name of the Scheme: Similipal Bio-sphere Reserve							
(i)	2406-02-796-1282	10	0	10	Target not furnished by the Department			The entire provision was surrendered, due to non- release of funds.
3	Name of the Scheme: Forest fire Prevention and Management							
(i)	2406-01-101-3330	23.20	4.46	18.74	i) Fire line- 5,000 km ii)Pre-fire season workshop: 24 nos. iii) Incentivizing villagers for protection against forest fire – 3,750 nos.	i) Fire line- 3,007 km ii) Pre-fire season workshop: Nil iii) Incentivizing villagers for protection against forest fire - 108 nos.	i) Fire line- 1,993 km ii) Pre-fire season workshop: 24 nos. iii) Incentivizing villagers for protection against Forest fire – 3,642 nos.	The shortfall was due to non-release of funds by GoI.
	Total	23.20	4.46	18.74				
4	Name of the Scheme: National Bamboo Mission: The objective of the Scheme is to increase the area under bamboo plantation in non-forest Government and private lands to supplement farm income and contribute towards resilience to climate change, as well as availability of quality raw material requirements of industries.							
(i)	2406-01-102-2203	3.42	0	3.42	Financial and Physical achievements were NIL.			
(ii)	2406-01-789-2203	1.15	0	1.15				
(iii)	2406-01-796-2203	1.26	0	1.26				
	Total	5.83	0	5.83				

Source: Information furnished by Forest and Environment Department, Government of Odisha.

3.6 Review of Specific Budgets

Women, children, environment, forest and climate change are among the most important areas requiring attention and public funds meant for them, require more attention, transparency and a concerted approach. Odisha prepares Gender Budget, Child Welfare Budget and Green Budget.

The Gender Budget and Child Welfare Budget were reviewed in Audit and the findings are discussed in the succeeding paragraphs.

3.6.1 Review of Gender Budget

‘Gender Budgeting’ (GB) is an important step for mainstreaming gender in the design, implementation and evaluation of financial allocations, across all government expenditures. This broadly indicates the significance of translating gender commitments into budgetary commitments.

GoI presented the Gender Budget for the first time in Budget 2005-06. In line with Government of India’s steps for achieving gender equality, Government of Odisha developed its first Gender Budget Statement (GBS) in FY 2012-13, focussing on women specific schemes and programmes. The Women and Child Development Department acts as the nodal department to co-ordinate and monitor the schemes under this budget. An overview of the Gender Budget, for the last three years (FYs 2020-21 to 2022-23), is presented in **Table 3.28**.

Table 3.28: Total resources allotted under Gender Budget

(Amount in ₹ crore)

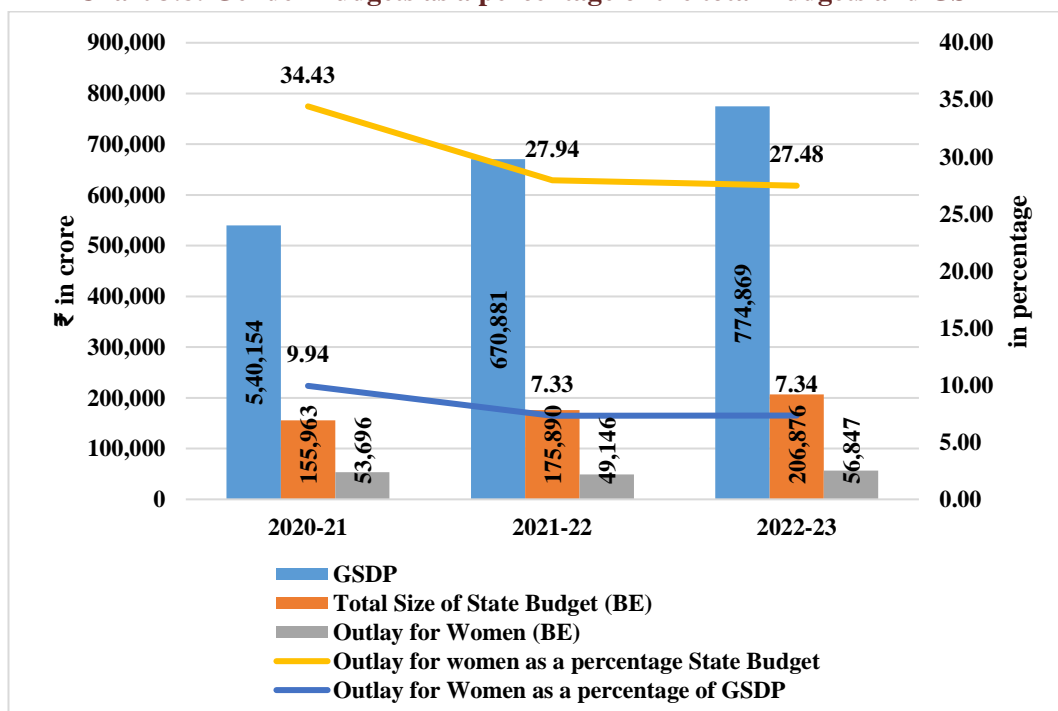
Details	2020-21	2021-22	2022-23
Outlay for women (BEs)	53,696.13	49,145.94	56,846.81
Total size of State Budget (BEs)	1,55,963.27	1,75,890.24	2,06,876.35
Share (in <i>per cent</i>) outlay for women in the State Budget	34.43	27.94	27.48
GSDP	5,40,154	6,70,881	7,74,869
Outlay for women as percentage of GSDP	9.94	7.33	7.34

(Source: Gender Budget for FYs 2022-21 to 2022-23, Department of Finance, Govt. of Odisha)

During FY 2022-23, an amount of ₹ 56,846.81 crore was allotted for Gender Budget (B.E.) for 505 schemes under 35 Departments (out of 44 Grants). However, only 85 schemes (categorized as Category A), running under 15 Departments, were designed to specially benefit women. The expenditure was proposed to be incurred on schemes designed to benefit women under Category ‘A’ (100 *per cent* for benefit of women; ₹ 6,079.73 crore for 85 schemes) and Category ‘B’ (at least 30 *per cent* for benefit of women; ₹ 50,767.08 crore for 420 schemes). The actual utilisation was ₹ 55,050.64 crore (96.84 *per cent*) for 505 schemes (₹ 8,733.52 crore under Category ‘A’ and ₹ 46,317.12 crore under Category ‘B’), during FY 2022-23.

Chart 3.8 highlights the percentages of gender budgets in relation to the GSDP, as also the total budgets, during FYs 2020-21 to 2022-23.

Chart 3.8: Gender Budgets as a percentage of the total Budgets and GSDP



(Source: Budget and Gender Budgets for FYs 2022-21 to 2022-23)

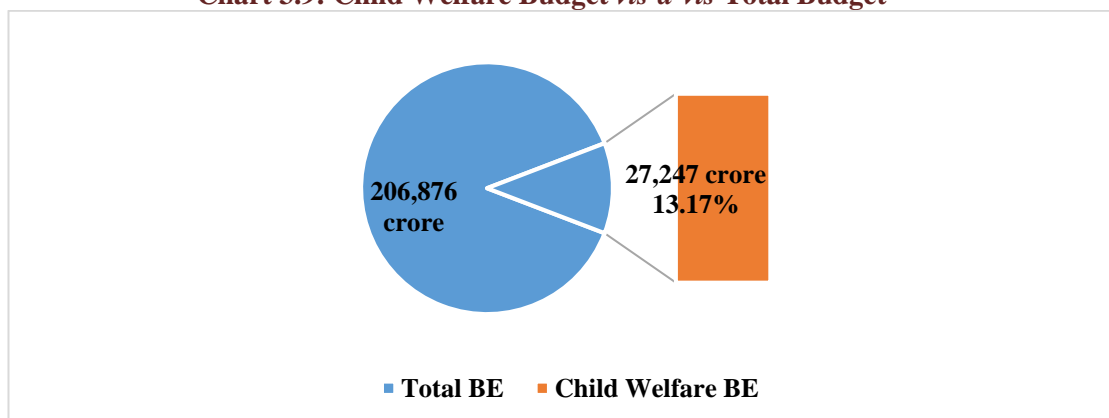
From **Chart 3.8**, it can be observed that:

- ❖ The share of the gender budget, as a percentage of the total State Budget, in FY 2022-23 (BEs), was 27.48 *per cent*, registering a decrease of 0.46 *per cent*, from 27.94 *per cent*, in FY 2021-22.
- ❖ The overall gender budget (in absolute terms) increased from ₹ 49,146 crore in FY 2021-22 (BEs) to ₹ 56,847 crore in FY 2022-23 (BEs), registering an overall increase of 15.67 *per cent*.

3.6.2 Review of Child Welfare Budget

In Odisha, out of the total population of 4.2 crore, children below 18 years constitute about 34 *per cent*, which is almost one third of its total population. This is one of the most vulnerable segments of the society and the State Government has to be committed to allocate public finance for their all-round development. In accordance with the United Nations Convention on the Rights of the Child (NCT) and the National Policy for Children, 2013, the Government of Odisha introduced its first Child Budget Statement in the fiscal year 2019-20. A sum of ₹ 27,246.54 crore had been earmarked (BEs) for the Child Budget 2022-23, which was around 13.17 *per cent* of the total budget of the State.

Chart 3.9: Child Welfare Budget vis-à-vis Total Budget



(Source: Appropriation Accounts and Gender Budget for FY 2022-23)

Department-wise details of State Child Welfare Budget, from FYs 2020-21 to 2022-23, are shown in **Table 3.29**.

Table 3.29: Department-wise State Child Welfare Budget

(₹ in crore)

Grant No.	Name of the Department	2020-21 (Actuals)	2021-22 (RE)	2022-23 (BE)
1	Home	4.32	72.75	44.57
4	Law	0.16	0.03	0.16
7	Works	4.97	6.00	6.62
10	School and Mass Education	15,123.72	19,024.63	20,587.47
11	ST, SC &MBC Development	2,090.88	2,025.85	2,917.19
12	Health & Family Welfare	117.69	117.45	123.33
14	Labour and Employees' State Insurance	2.85	2.73	2.73
15	Sports and Youth Services	0.10	0.13	0.17
28	Rural Development	3.12	0.00	0.00
36	Women and Child Development & Mission Shakti	2,805.05	3,290.78	3,456.59
38	Higher Education	20.31	30.43	35.06
41	Social Security & Empowerment of Person with Disability	43.40	71.23	72.65
42	Disaster Management	9.59	79.78	0.00
		20,226.16	24,721.80	27,246.54

Source: Child Welfare Budgets of respective years, Government of Odisha

- ❖ The total budget on Child Welfare Budget, through various child specific schemes and programmes, increased from ₹20,226.16 crore in FY 2020-21, to ₹27,246.54 crore in FY 2021-22 (BE).
- ❖ During FY 2022-23, the share of the Child Budget to the State Budget was 13.17 per cent and that of GSDP was 3.52 per cent.

The National Policy for Children (2013), has classified the public expenditure on children into four priority areas, which are: (i) child survival (ii) health and nutrition (iii) child education and development and (iv) child protection and child participation. Based on the National Policy for Children (2013), child centric schemes and programmes of Odisha, have been classified into four sectors, viz. Development, Health, Education and Protection (DHEP)².

The percentage share of child-centric expenditure, in terms of the sectoral distribution in regard to Development, Health, Education and Protection, in Odisha, for FY 2022-23, is presented in **Table 3.30**.

Table 3.30: Overview of Child Welfare Budget for FY 2022-23, as per the National Policy for Children, 2013

(Amount in ₹ crore)			
Segment	No. of schemes	Amount	Percentage
Education	162	23,516.09	86.31
Health	24	3,097.41	11.37
Development	52	382.71	1.40
Protection	23	250.33	0.92
	261	27,246.54	100

(Source: Child Welfare Budgets and Appropriation Accounts for FY 2022-23)

It can be observed from **Table 3.30** that:

- ❖ During FY 2022-23, there were 52 schemes and programmes for Development, 24 for Health, 162 for Education and 23 for Protection.
- ❖ In FY 2022-23 (BE), 86.31 *per cent* of the share was concentrated in Education, followed by Health (11.37 *per cent*), Development (1.40 *per cent*), and Protection (0.92 *per cent*).

3.7 Conclusion

Supplementary provisions were not made on a realistic basis, as, in 14 cases, the supplementary provisions (₹100 crore or more in each case) were unnecessary. The Budgetary allocations were also based on unrealistic proposals, as Audit noticed that, under nine grants (10 cases), savings, excluding surrenders, were more than ₹ 5 crore.

Excess expenditure of ₹262.65 crore, for the period from FYs 2013-14 to 2020-21 (no excess expenditure during FYs 2021-22 and 2022-23), requires regularisation by the State Legislature.

² (1) **Development:** ensure child development opportunity, with due regard to special needs (2) **Health:** ensure equitable access to comprehensive and essential preventive, promotive, curative and rehabilitative health care of the highest standard (3) **Education:** secure the right of every child to education, learning with regard to special needs and (4) **Protection:** create a caring, protective and safe environment for all children, to reduce their vulnerability in all situations and to keep them safe at all places.

The budgetary system of the State Government was not up to the mark, as the overall utilisation of budget was 82.30 *per cent* of the total grants and appropriations, during FY 2022-23.

Under 45 schemes, there was approved outlay of ₹ 17,129.00 crore (₹50 crore or more in each scheme), but no expenditure had been incurred.

There was rush of expenditure at the fag end of the year. In 31 Sub-Heads, the entire expenditure of ₹ 15,216.56 crore (₹ 10 crore and more in each case of allocation of funds), had been incurred in the month of March 2023 alone.

3.8 Recommendations

- 1) Government should prepare realistic budget estimates, backed with correct assessment for availability of resources and potential to expend, to avoid large savings and supplementary provisions
- 2) Government should ensure strict compliance of provisions of budget manual in the preparation of supplementary provisions and ensure transparency in estimation, for avoiding unnecessary supplementary provisions
- 3) Government may consider formulating strategies for actual execution of major policy decisions in the State, at the time of preparing budgetary estimates; and
- 4) Government should adhere to quarterly targets, fixed for incurring expenditure through periodic monitoring, to avoid rush of expenditure towards the end of the year, and for proper utilisation of savings through timely surrender.

Chapter IV

**Quality of Accounts & Financial
Reporting Practices**

A sound internal financial reporting system, with relevant and reliable information, significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives, as well as the timeliness and quality of reporting on the status of such compliance, is an attribute of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making.

Issues related to completeness of accounts

4.1 Non-discharge of liability, in regard to interest towards interest bearing deposits/ Reserve Funds

The Government has liability to provide and pay interest on the amounts, in the Interest-bearing Deposits/ Reserve Funds.

Audit observed that ₹231.76 crore was required to be paid as interest, on the balance of ₹5,152.04 crore, lying under interest bearing deposits/ Reserve Funds, as on 1 April 2022, as shown in **Table 4.1**. Non-payment of interest liability resulted in overstatement of Revenue Deficit and understatement of Fiscal Deficit to that extent.

Table 4.1: Details of non-discharge of liability in regard to interest towards interest bearing deposits/Reserve Funds

(₹ in crore)

Funds/Deposits	Balance on 1 April, 2022	Basis for calculation of interest	Interest due	Interest paid	Interest short paid
State Disaster Response Fund and State Disaster Mitigation Fund	1,419.58	Interest calculated at the average rate of 7.49 <i>per cent</i> , paid on overdraft, as notified by RBI..	106.33	Nil	106.33
State Compensatory Afforestation Fund	3,714.05	Interest calculated at the interest rate of 3.35 <i>per cent</i> , as notified by Ministry of Environment and Forests.	124.42	Nil	124.42
Deposits of Government Companies, Corporations <i>etc.</i>	18.12	Interest calculated at the average rate of 5.49 <i>per cent</i> , paid on Ways and Means, as notified by RBI.	0.99	Nil	0.99

Miscellaneous Deposits	0.29	Interest calculated at the average rate of 5.49 per cent, on Ways and Means, as notified by RBI.	0.02	Nil	0.02
Total	5,152.04		231.76	Nil	231.76

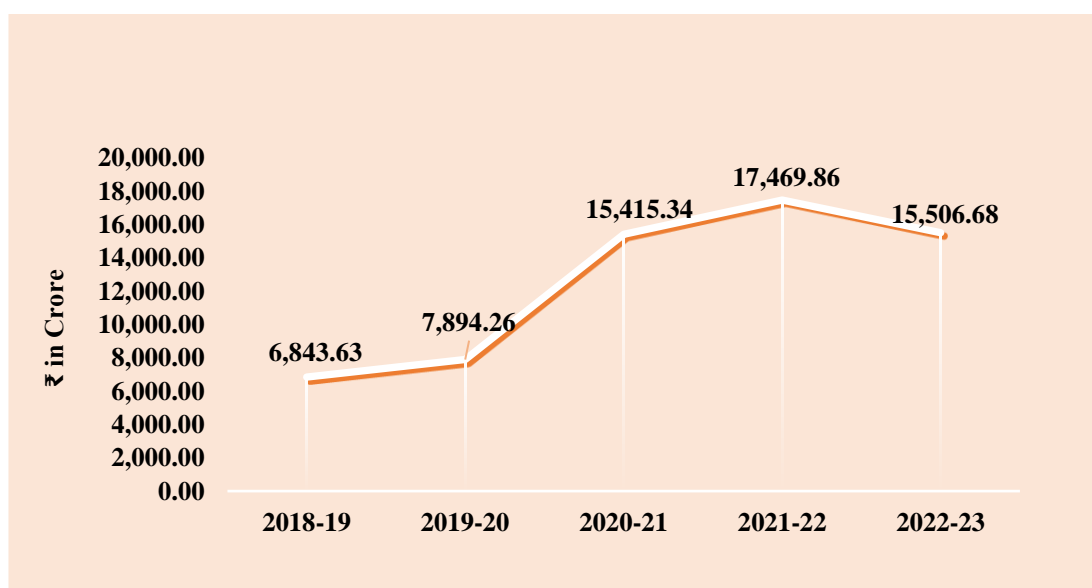
Source: Finance Accounts for FY 2022-23

4.2 Funds transferred directly to State Implementing Agencies

The Government of India (GoI) has been transferring sizeable funds directly to the State implementing agencies, for implementation of various schemes. GoI decided to route these funds through the State Budget, from FY 2014-15 onwards. However, during FY 2022-23, central share of ₹15,506.68 crore, under 38 Central Schemes, as detailed in **Appendix 4.1**, was transferred directly to the Implementing Agencies, bypassing the Consolidated Fund of the State. This constituted 10.31 per cent and 85.20 per cent of total Revenue Receipts (₹1,50,462.34 crore) and Grants-in-Aid (₹18,199.60 crore), respectively.

Trends of such transfers, directly to the implementing agencies, during the last five years, are given in **Chart 4.1**.

Chart 4.1: Transfer of funds directly to implementing agencies, during FYs 2018-19 to 2022-23



Source: Finance Accounts for FY 2022-23 – Appendix VI

As can be seen from **Chart 4.1**, the transfer of funds increased by 126.59 per cent, during the last five years, from ₹6,843.63 crore in FY 2018-19 to ₹15,506.68 crore in FY 2022-23. The major agencies, that received funds directly from the GoI, during FYs 2020-21 to 2022-23, for implementing various developmental schemes and the quantum of such funds, are given in **Table 4.2**.

Table 4.2: Major implementing agencies that received funds directly from GoI, during FYs 2020-21 to 2022-23

(₹ in crore)

Name of the Schemes of Government of India	Name of the Implementing Agencies	Amount transferred		
		2020-21	2021-22	2022-23
Food Subsidy	Odisha State Civil Supplies Corporation Limited (OSCSCL), Bhubaneswar	8,985.73	7,892.69	7,600.05
Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)	Odisha Rural Development and Marketing Society (ORMAS), Bhubaneswar	4,413.41	4,346.47	3,788.18
National Rural Drinking Water Programme	Engineer-In-Chief, Rural Water Supply and Sanitation, Bhubaneswar	0	1,661.70	1,768.73
Other Schemes	Tahasildars and Land Acquisition Officers	130.30	98.16	321.00

Source: Finance Accounts for FY 2022-23, Appendix VI

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

Issues related to Transparency

4.3 Delays in submission of Utilisation Certificates (UCs)

The Odisha General Financial Rules (OGFR) provide that every order sanctioning a grant should specify its objective clearly, as well as the time limit within which the grant is to be spent. Rule 173 of the OGFR states that the Departmental Officers drawing Grants-in-Aid are primarily responsible for certifying, to the Accountant General, where necessary, the fulfilment of the conditions attached to the grant, unless there is any special rule or order to the contrary. Utilisation Certificates (UCs) are to be furnished to the concerned Administrative Departments by 1st June of the succeeding year of expenditure. Copies of the UCs should reach the Accountant General, Accounts and Entitlement (AG(A&E)) and the Heads of the Departments concerned, by 30th June of that year. The status of UCs, which have not been received by AG(A&E) and are pending reconciliation, as on 31 March 2023, is given in **Table 4.3 (A)**.

Table 4.3 (A): Status of UCs, not received by AG(A&E) and pending reconciliation

(₹ in crore)

Year	No. of UCs	Amount
Up to 2021-22	17,410	16,166.24
2022-23 (drawn up to 31 st March 2022)	1,831	4,530.15
Total	19,241	20,696.39

Source: Finance Accounts for FY 2022-23

*The year mentioned in **Table 4.3** relates to “Due year,” i.e. by 30 June of the year succeeding the actual drawal.

#Additions during the year 2022-23 were ₹19,084.29 crore. Out of this, ₹8,003.71 crore had been cleared by 31 March 2023.

Age-wise analysis of UCs, not received by AG(A&E) and pending reconciliation is given in **Table 4.3 (B)**.

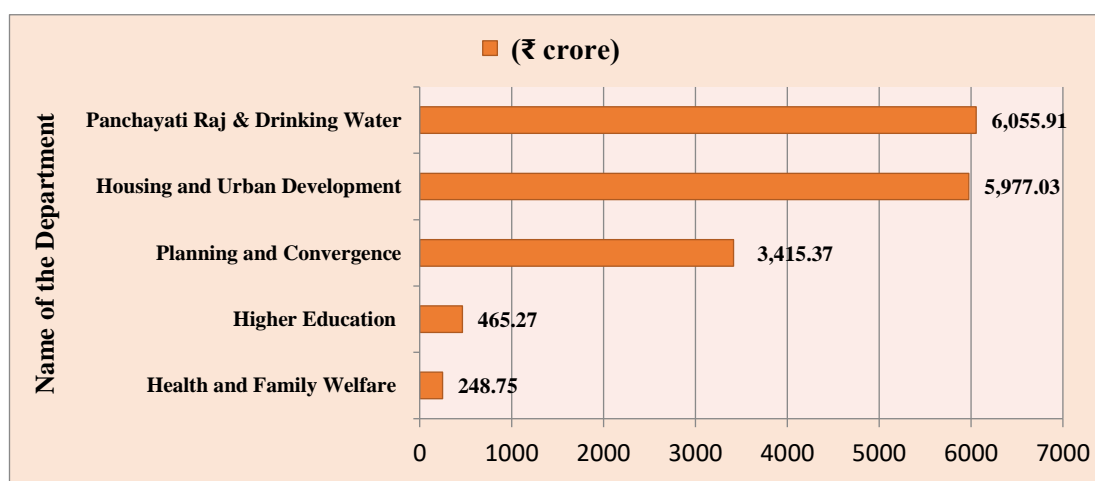
Table 4.3 (B): Age-wise analysis of Utilisation Certificates, not received by AG(A&E) and pending reconciliation

(Amount in ₹ crore)

Sl. No.	Age	No. of pending UCs	Amount
1	Between 11 years to 19 years	6,433	1,036.30
2	Between 6 years to 10 years	5,574	3,982.58
3	Between 2 years to 5 years	5,403	11,147.36
4	Between 0 years to 1 years	1,831	4,530.15
	Total	19,241	20,696.39

Source: Information furnished by Office of the Principal Accountant General (A&E), Odisha

Chart 4.2: UCs, not received by AG(A&E) and pending reconciliation in regard to five major Departments, as on 31 March 2023



Source: Finance Accounts for FY 2022-23

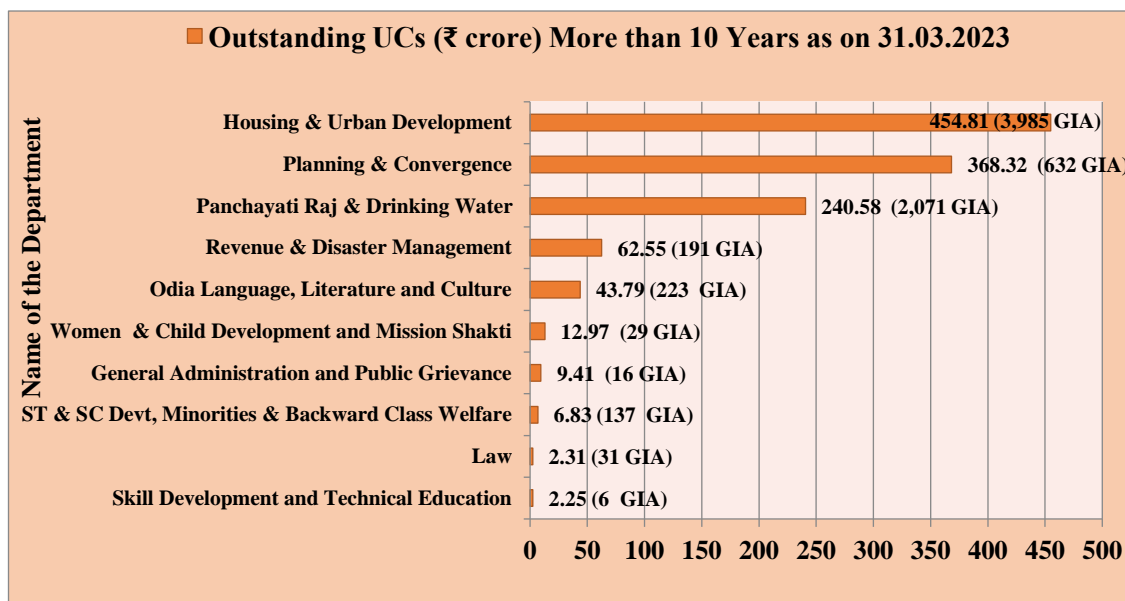
From **Chart 4.2**, it is evident that ₹16,162.33 crore *i.e.* 78.09 *per cent* of the total UCs, of ₹20,696.39 crore, which have not been received by AG(A&E) and are pending reconciliation, pertains to five Departments, *viz.* Panchayati Raj and Drinking Water (₹6,055.91 crore), Housing and Urban Development (₹5,977.03 crore), Planning and Convergence (₹3,415.37 crore), Higher Education (₹465.27 crore) and Health and Family Welfare (₹248.75 crore).

During the year 2022-23, Government had released ₹19,082.73 crore as Grants-in-Aid (48,855 vouchers). Out of this amount, UCs were not received by AG (A&E) for an amount of ₹11,079.02 crore (58.06 *per cent*) (3,721 vouchers) up to 30th June 2023. The five major defaulting Departments, that had not submitted UCs to AG(A&E), were the Panchayati Raj and Drinking Water (₹4,071.72 crore), Housing and Urban Development (₹2,451.34 crore), Health and Family Welfare (₹798.42 crore), Higher Education (₹623.57 crore) and Planning and Convergence (₹644.82 crore).

The department-wise position of UCs which had not been received by AG(A&E) and were pending reconciliation, for more than 10 years, is given in **Appendix 4.2**. There were 19 Departments, against which UCs were pending in the office of the AG (A&E) for more than 10 years. Of these, the 10 major Departments, where UCs were pending for more than ten years, as of March 2023, are detailed in **Chart 4.3**.

Chart 4.3: UCs, not received by AG(A&E) and pending reconciliation in regard to 10 major Departments, where UCs were pending for more than 10 years

(₹ in crore)



Source: Finance Accounts for FY 2022-23

Since non-submission of UCs is fraught with the risk of misutilisation, it is imperative that the State Government should monitor this aspect closely and hold the concerned persons accountable for submission of UCs in a timely manner.

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

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

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

Audit noticed that the UC module had not been made operational (as of September 2023) in the IFMS. The UC module was being tested on a pilot basis, in the Higher Education and Co-operation Departments.

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

4.4 Abstract Contingent bills

When money is required in advance or when it is not possible to calculate the exact amount required, Drawing and Disbursing Officers (DDOs) are permitted to draw money without supporting documents, through Abstract Contingent (AC) bills, by debiting service heads and the expenditure is reflected as an expense under the concerned service heads. In terms of Rule 261 of the Odisha Treasury Code, advances drawn through Abstract Contingent (AC) bills are required to be adjusted through Detailed Contingent (DC) bills within three months, in case of works expenditure and for expenditure incurred on natural calamities, and within one month for other contingent charges.

Details of AC bills, pending adjustment, as on 31 March 2023, are given in **Table 4.4**. The Department-wise pending DC Bills, are shown in **Appendix 4.3**.

Table 4.4: Age-wise pendency of AC Bills

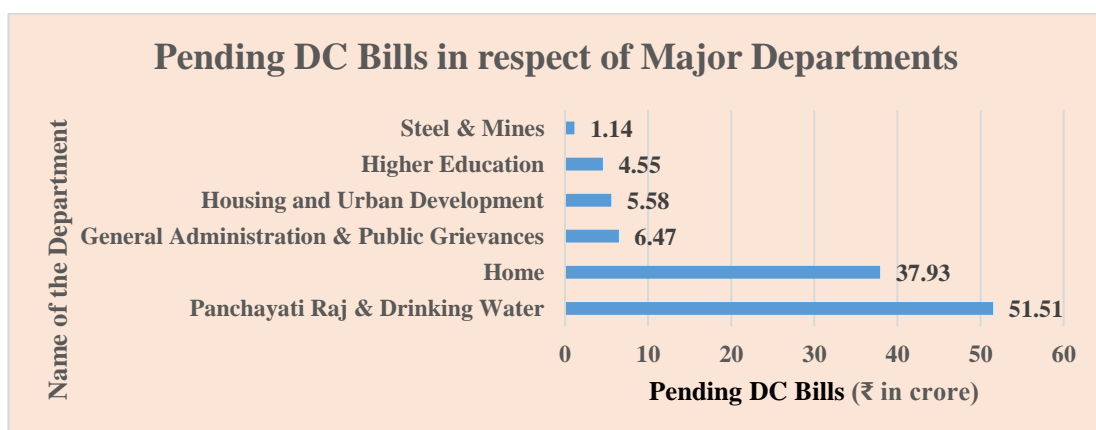
(Amount in ₹ crore)

Year	No. of AC Bills	Amount
Up to 2021-22	1,004	95.99
2022-23	378	11.58
Total	1,382	107.57

Source: Finance Accounts for FY 2022-23

It was observed that 667 AC bills, amounting to ₹22.19 crore, were drawn during FY 2022-23, out of which 109 AC bills, amounting to ₹7.34 crore (33.10 *per cent*) were drawn in March 2023. Out of these 667 AC Bills, amounting to ₹22.19 crore, 289 AC Bills, amounting to ₹ 10.61 crore, were cleared and 378 AC Bills, amounting to ₹11.58 crore, were pending during the year 2022-23, as shown in **Appendix 4.4**. Expenditure against AC bills at the end of the year, indicates poor public expenditure management and may point to drawals being done primarily to exhaust the budget provisions.

The status of major six Departments, which accounted for 99.64 *per cent* of the total outstanding DC bills, is given in **Chart 4.4**.

Chart 4.4: Major amount of DC Bills pending with six Departments, at the end of March, 2023

Source: Information furnished by Office of the Principal Accountant General (A&E), Odisha

It is evident from **Chart 4.4** that ₹107.18 crore *i.e.* 99.64 *per cent* of the total outstanding AC Bills of ₹107.57 crore, pertains to six Departments, *viz.* Panchayati Raj and Drinking Water (₹51.51 crore), Home (₹37.93 crore), General Administration & Public Grievances (₹6.47 crore), Housing and Urban Development (₹5.58 crore), Higher Education (₹4.55 crore) and Steel & Mines (₹1.14 crore).

Age-wise details of the 1,382 outstanding DC bills, are shown in **Table 4.5**.

Table 4.5: Age-wise details of pending DC Bills

Sl. No.	Age	No. of pending DC Bills	(Amount in ₹ lakh)
			Amount
1	Between 11 years to 20 years	84	90.01
2	Between 6 years to 10 years	135	206.91
3	Between 2 years to 5 years	785	9,301.96
4	Between 0 years to 1 years	378	1,157.84
	Total	1,382	10,756.72

Source: Information furnished by Office of the Principal Accountant General (A&E), Odisha

In comparison to 2021-22, the total amount of pending DC bills had decreased by 35.78 *per cent*, in FY 2022-23.

Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills.

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

As per the agreement signed (04 December 2013) between the Finance Department and the vendor (Tata Consultancy Services (TCS) (erstwhile M/s CMC Ltd.), a module was required to be developed in IFMS, for tracking and monitoring of AC/DC bills.

Audit reviewed the functioning of the “Online Bill Preparation and Submission” module of the IFMS and noticed that:

- i. Form and provision for ‘Abstract Contingent Bill type’ had been implemented in IFMS, as intended. However, the corresponding provision for ‘Detailed Contingent Bill type’ had not yet been implemented, as of September 2022, defeating the purpose of the module. The scheduled timeline for implementation of the DC Bill type was April 2018, *i.e.*, the completion date of IFMS.
- ii. In the absence of ‘DC Bill type’, IFMS is unable to assist in monitoring of the status of pending AC Bills, by authorities at all levels, in the Administrative Departments, Treasuries and the Finance Department.

4.5 Personal Deposit (PD) Accounts

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

4.5.1 Personal Deposit Account framework

During FY 2022-23, an amount of ₹3,265.14 crore was transferred to PD Accounts. This included ₹378.74 crore transferred in March 2023.

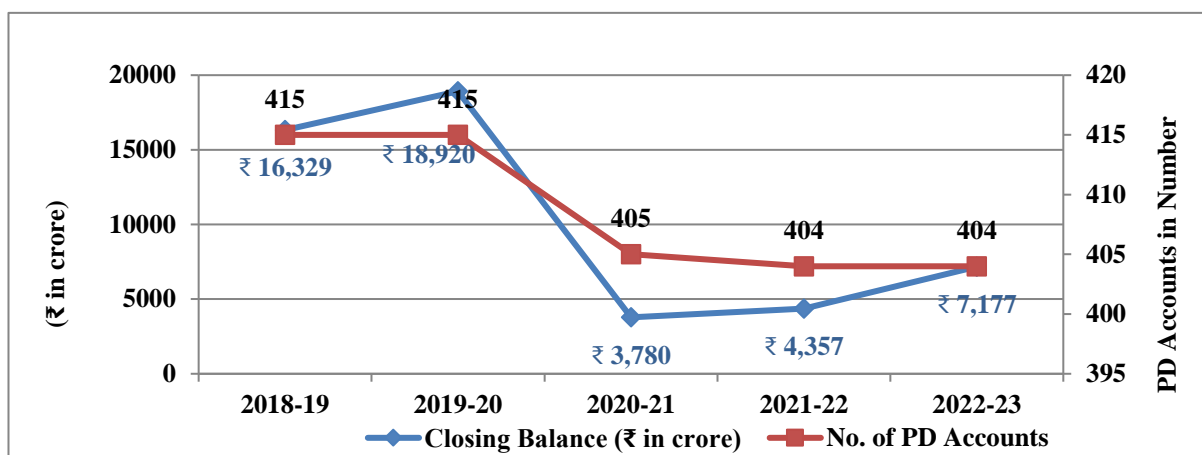
There were 404 PD Accounts, with an unspent balance of ₹7,176.85 crore, as of 31 March 2023, as detailed in **Table 4.6**.

Table 4.6: Personal Deposit Accounts

Opening Balance as on 01/04/2022		Addition during the year 2022-23		Closed/ Withdrawal during the year 2022-23		(Amount in ₹ crore) Outstanding Balance as on 31/ 03/2023	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
404	4,356.80	Nil	21,197.65	Nil	18,377.60	404	7,176.85

Source: Information furnished by Office of the Principal Accountant General (A&E), Odisha

It can be seen from **Table 4.6** that, during the year 2022-23, no new PD Account was opened, but there was addition of ₹21,197.65 crore into the existing accounts. There was a net increase of ₹2,820 crore (64.73 *per cent*) in the cumulative closing balance at the end of the year FY 2022-23, as compared to FY 2021-22, as detailed in **Chart 4.5**.

Chart 4.5: Closing Balance in PD Accounts, during FYs 2018-19 to 2022-23

Source: Finance Accounts of respective years

The PD Administrators with huge closing balances included Principal Chief Conservator of Forests, Odisha Mineral Bearing Areas Development Corporation (OMBADC), Bhubaneswar (₹1,924.81 crore); Executive Officer, Zilla Parishad, Khurda (₹250.53 crore); and Chairman, Odisha Western Odisha Development Council, Bhubaneswar (₹212.07 crore). There was no inoperative PD Account, during the year 2022-23.

The balances in the PD accounts are required to be reconciled annually, by the administrator, with the balance in the Treasury accounts. Out of a total of 404 PD accounts, 302 PD accounts (74.75 per cent) had been reconciled, as of 31 March 2023.

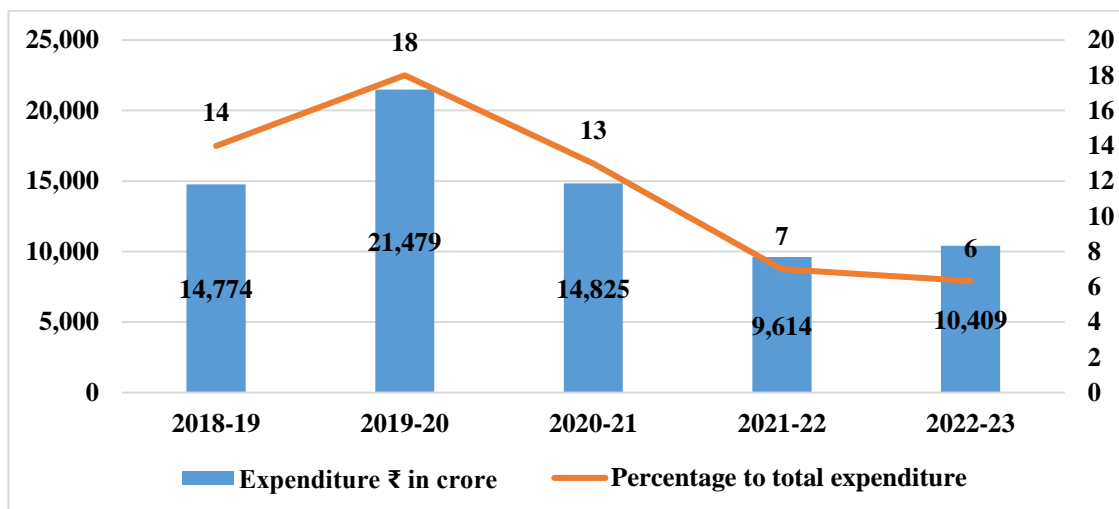
Non-reconciliation of balances in PD accounts and non-transfer of the unspent balances lying in the PD accounts, to the Consolidated Fund of State, is fraught with the risks of potential misuse of public funds, fraud and misappropriation.

4.6 Indiscriminate use of the Minor Head 800

Minor Head 800, relating to Other Receipts and Other Expenditure, is intended to be operated only when the appropriate minor head has not been provided in the accounts. Routine operation of the Minor Head 800 is to be discouraged, since it renders the accounts opaque. Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

It was observed that, during the year 2022-23, ₹10,408.79 crore, under 59 Major Heads of accounts, constituting 6.33 per cent of the total Revenue and Capital expenditure (₹1,64,355.54 crore), had been classified under the Minor Head '800-Other Expenditure', in the accounts. Details of substantial expenditure (50 per cent and above of the total expenditure under the concerned Major Heads), booked under Minor Head '800-Other Expenditure', are given in **Appendix 4.5**. The extent of operation of Minor Head 800 for Other Expenditure, as a percentage of the Total Expenditure, during FYs 2018-19 to 2022-23, is shown in **Chart 4.6**.

Chart 4.6: Operation of Minor Head 800 - Other Expenditure, during FYs 2018-19 to 2022-23



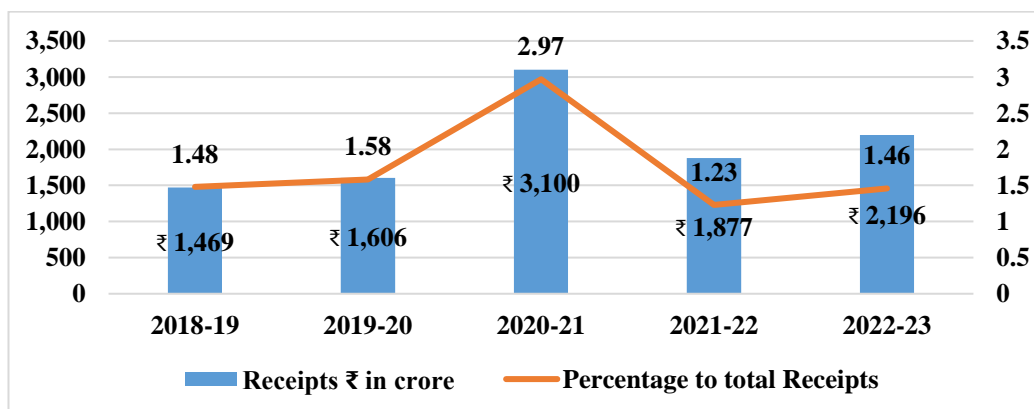
Source: Finance Accounts of respective years

As seen from **Chart 4.6**, there was 29.55 *per cent* decrease in the amount booked under the Minor Head 800, in FY 2022-23, as compared to the amount in FY 2018-19. The Major Head, under which the highest expenditure was booked, during FY 2022-23, was 4701- Capital Outlay on Medium Irrigation (₹2,026.21 crore), followed by Major Head 5075-Capital Outlay on Other Transport services (₹546.72 crore).

Similarly, ₹2,195.83 crore, under 64 Major Heads of Accounts, constituting 1.46 *per cent* of the total Revenue Receipts (₹1,50,462.34 crore), was classified under 800 – Other Receipts in the accounts. Details of substantial receipts (50 *per cent* and above of the total receipts under the concerned Major Heads), booked under the Minor Head 800 - Other Receipts, are given in **Appendix 4.6**.

Details of operation of the Minor Head 800 for Other Receipts, during the last five years, are shown in **Chart 4.7**.

Chart 4.7: Operation of the Minor Head 800 - Other Receipts, during FYs 2018-19 to 2022-23



Source: Finance Accounts of respective years

As seen from the above Chart, operation of Minor Head ‘800-Other Receipts’ has been lower, as compared to the use of this Head, on the expenditure side, and has ranged between 1.46 *per cent* of the total receipts (₹1,504.62 crore), in FY 2022-23, to 2.97 *per cent* of the total receipts, during FY 2020-21. The Major Heads under which the highest amounts of receipts were booked under the Minor Head 800, included 0075-Miscellaneous General Services (₹393.62 crore), 0701-Medium Irrigation Projects (₹217.19 crore) and Ports and Light houses (₹195.01 crore).

Audit noticed that some departments had booked expenditure under Minor Head 800, despite availability of relevant minor heads. Some instances in this regard, are given below:

- Expenditure of ₹60.61 crore had been incurred by the Labour and Employees State Insurance Department for the purpose of implementation of Building and Other Construction Workers Welfare Cess Act 1996 and booked the same under the Minor Head ‘800- Other expenditure under the Major Head 2230 Labour and Employment’ in spite of having appropriate Minor Head 111- Social Security for Labour.
- Expenditure of ₹175.10 crore had been incurred by the Home Department for conduct of Municipal Elections and the same had been booked under the Minor Head ‘800- Other expenditure under the Major Head 2015-Elections’, despite availability of appropriate Minor Head 109 - Conduct of Municipal Election.

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

Issues related to measurement

4.7 Outstanding balances under major Suspense heads

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

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

Table 4.7: Balances under Suspense and Remittance Heads

(₹ in crore)

Minor Head	2020-21		2021-22		2022-23	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
Major Head 8658 - Suspense						
101 - PAO Suspense	188.42	25.15	145.79	15.60	125.89	23.50
Net	Dr. 163.27		Dr. 130.19		Dr.102.39	
102- Suspense Account - Civil	29.07	2.59	19.12	79.51	6.08	151.21
Net	Cr. 26.48		Cr. 60.39		Cr.145.13	
110- Reserve Bank Suspense - CAO	3.11	..	236.12
Net	Dr. 3.11		Dr. 236.12		..	
Major Head 8782 - Cash Remittances and adjustment						
102-PW Remittances	13.46	1.62	137.23	147.13	250.56	256.14
Net	Dr. 11.84		Cr. 9.90		Cr.5.58	
103- Forest Remittances	62.72	..	64.21	..	43.99	..
Net	Dr. 62.72		Dr. 64.21		Dr.43.99	

Source: Finance Accounts of respective years

Increasing accumulation of balances, during FYs 2020-21 to 2022-23 under the suspense heads, indicated inadequate accounting controls of the Government. Details of the balances under 101-PAO suspense head, are discussed below.

4.7.1 Pay and Accounts Office (PAO) Suspense (Minor Head 101)

The outstanding debit balance (31 March 2023) under this Minor Head was ₹125.89 crore and the credit balance was ₹23.50 crore. The major outstanding debit balances pertained to PAO, Central Pensions, New Delhi (₹114.99 crore) and PAO, Ministry of Surface Transport, Kolkata (₹8.33 crore). The major outstanding credit balances pertained to PAO, Central Pensions, New Delhi (₹0.32 crore); PAO, AG Odisha, Bhubaneswar (₹0.39 crore); and others (₹25.37 crore). The outstanding balances under the PAO Suspense head need to be adjusted.

4.8 Reconciliation of Cash Balances

The Cash Balance of the State Government as on 31 March 2023, as per Accounts of the Principal Accountant General (A&E), was ₹1.09 crore (Credit), while the same was reported as ₹0.99 crore (Debit) by the Reserve Bank of India. As such, there was an unreconciled difference of ₹0.10 crore (Credit).

The difference was mainly due to wrong reporting and non-reconciliation of figures by banks with the treasuries, which is under reconciliation.

4.9 Unspent amount lying with Divisional Officers

As per Codal provisions, funds received by Public Works Divisions, towards Deposit Works from Non-Government Agencies, are required to be credited under the Minor

Head '108 - Public Works Deposits', below the Major Head '8443 - Civil Deposits'. The expenditure for related Deposit Works is also met from the same head of account. In the Monthly Divisional Accounts, the unremitted amounts of such deposits are classified under the Major Head '8671 - Departmental Balances, 101 – Civil', by the PW Divisions, under the Public Account of the State, which forms part of the Government Accounts. However, the funds received towards Deposits Works are being kept in the bank accounts of the Divisional Officers, operated by the PW Divisions, instead of being remitted into the Government Accounts and, thus, do not form part of the Cash Balance of the State, with the Reserve Bank of India.

As per the Central Public Works Accounts Code, Public Works Divisions are required to deposit the funds in the accounts, to be opened at the Treasury, under the Major Head '8443 - Civil Deposits 108 - Public Works Deposits'. However, in contravention of the Code, the Drawing and Disbursing Officers were depositing the funds in their bank accounts. As on 31 March 2023, an amount of ₹2,302.07 crore was lying in the bank accounts of the Public Works Divisional Officers, as per their cashbooks. If the funds had been deposited in Treasury, the same would have positively impacted on the daily Cash Balance of the State Government. Department-wise details of amounts, lying in bank accounts, being operated by Divisional Officers, are given in **Appendix 4.7**.

Issues related to disclosure

4.10 Non-Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India (CAG), prescribe the form of accounts of the Union and of the States. On the advice of the CAG, the President of India has so far notified three Indian Government Accounting Standards (IGAS). Compliance to these Accounting Standards, by the Government of Odisha, as well as deficiencies therein, during 2022-23, are detailed in **Table 4.8**.

Table 4.8: Non-Compliance with Indian Government Accounting Standards

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Deficiency
1.	IGAS-1:	Guarantees Given by the Government – Disclosure requirements	Complied (Statements 9 and 20 of Finance Accounts)	-
2.	IGAS-2:	Accounting and Classification of Grants-in-aid	Not complied (Statement 10 of Finance Accounts)	1. Certain Grants-in-Aid were classified under Capital Section (Refer Paragraph 2.4.3) 2. No information was available in regard to the Grants-in-Aid, given in kind by the State Government.

3.	IGAS-3:	Loans and Advances made by Government	Complied (Statements 7 and 18 of Finance Accounts)	-
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Source: *Finance Accounts & Appropriation Accounts for FY 2022-23*

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

Certification of accounts of Autonomous Bodies (ABs), set up by the State Government, is conducted under Sections 19 or 20 of the “Comptroller and Auditor General of India (Duties, Powers and Conditions of Service) Act, 1971” (CAG’s DPC Act).

The ABs coming under the audit purview of CAG, as per Section 19 or 20 of CAG’s DPC Act, are required to submit their annual accounts to Audit, before 30 June every year. In regard to 17 Autonomous Bodies, which were to render annual accounts to C&AG, there were delays in the submission of accounts, as shown in **Appendix 4.8**.

Of these 17 bodies/ authorities, eight bodies/authorities, viz. Odisha State Warehousing Corporation, Odisha Building and Other Construction Workers Welfare Board, Odisha State Financial Corporation, Orissa Small Industries Corporation Limited, Odisha State Road Transport Corporation, Odisha State Legal Services Authority, Compensatory Afforestation Fund Management and Planning Authority (CAMPA) and Odisha Electricity Regularity Commission, submitted their accounts for financial audit, for the period from FY 2014-15 to FY 2021-22.

Annual accounts for the remaining development authorities, due up to FY 2022-23, had not been received, as of September 2023. The accounts of these bodies/ authorities were in arrears for more than ten years. In the absence of annual accounts, the accounting/ utilisation of the grants and loans, disbursed to these bodies/ authorities, could not be verified in audit.

The State Government stated (December 2023) that the matter had already been taken up with all Administrative Departments, for prompt submission of their accounts, to the Principal Accountant General (Audit-I), Odisha, for financial audit and certification.

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

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

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

Further, Governments and HODs, who sanction grants and/ or loans to bodies or authorities, are required to furnish to Audit, by the end of July every year, a statement of such bodies and authorities, to which grants and/ or loans, aggregating ₹10 lakh or

more, were paid during the preceding year, indicating (a) the amount of assistance, (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority.

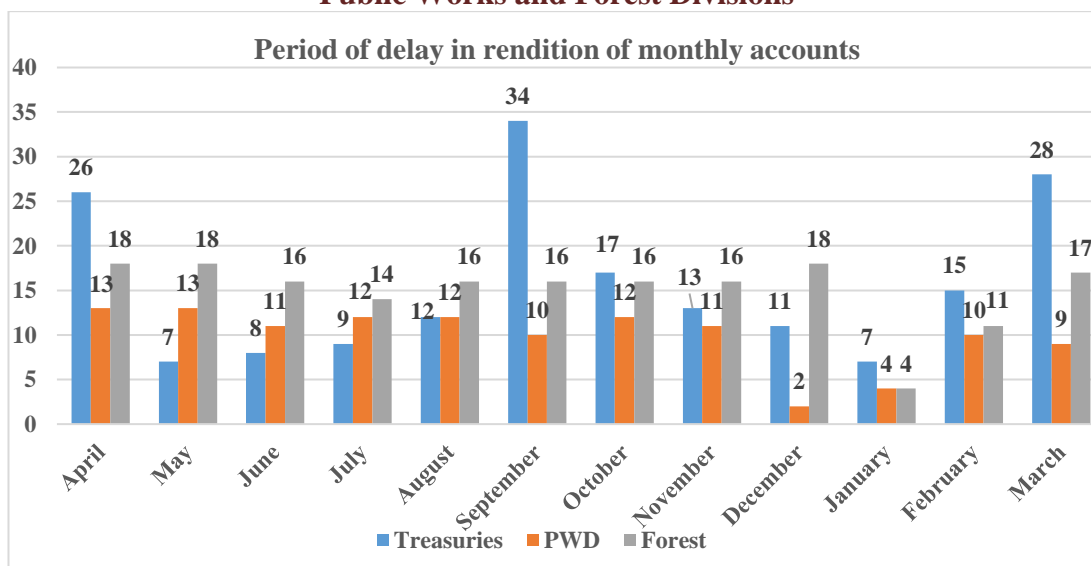
Only 27 out of 44 Departments had furnished the details of Grants-in-Aid given to various bodies and authorities, in the year 2022-23. In the absence of such information from the remaining 17 Departments¹, reasonable assurance could not be provided to the Legislature/ Government about the manner in which the grants sanctioned/ released by them had been utilised. This dilutes legislative control over the Government expenditure system.

Other Issues

4.13 Timeliness and Quality of Accounts

The accounts of the State Government are compiled by the Accountant General (A&E), from the initial accounts rendered by district treasuries, sub-treasuries, cyber treasury and public works divisions (apart from the RBI advices). During the financial year 2022-23, there were delays in the rendition of monthly accounts, ranging from 7 to 34 days, by treasuries; 2 to 13 days, by Public Works Divisions; and 4 to 18 days, by Forest Divisions. Details of delays (in days), in the submission of monthly Civil Accounts, are given in **Chart 4.8**.

Chart 4.8: Delays (in days) in rendition of monthly accounts by Treasuries, Public Works and Forest Divisions



Source: Information furnished by Office of the Principal Accountant General (A&E), Odisha.

¹ Home; Law; Finance; Commerce; Odisha Legislative Assembly; Food Supplies and Consumer Welfare; Sports and Youth Services; Planning and Convergence; Panchayati Raj and Drinking Water; Public Grievance and Pension Administration; Transport; Science and Technology; Public Enterprises; Electronics and Information Technology; Social Security and Empowerment of persons with disabilities; Disaster Management and Odia Language, Literature and Culture.

4.14 Misappropriations, losses, thefts, etc.

As per provisions of OGFR Vol. I (Rule-19), Government Officers are empowered to report such cases of loss of money, departmental revenue, stores or other properties, to immediate superior officers, as well as to the Accountant General, Odisha, where the amount is ₹500 or more. Further, as per Rule 2.34 *ibid*, cases of defalcations and losses are required to be reported to the AG (A&E).

As on 31 March 2023, 711 cases of misappropriation, losses, theft *etc.*, involving ₹ 18.45 crore, were pending for settlement. The department-wise break-up of pending cases, is given in **Appendix 4.9**.

The age-wise profile of the pending cases and the number of cases pending in each category – theft and misappropriation/ loss of Government material, is summarised in **Table 4.9**.

Table 4.9: Age-wise profile of misappropriations, losses, defalcation *etc.*

(Amount in ₹ crore)

Age-wise profile of pending cases			Nature of pending cases		
Range in years	Number of cases	Amount involved	Types	Number of cases	Amount involved
Upto 5	38	3.88	Theft	389	4.00
5-10	7	0.21	Misappropriation	322	14.45
10-15	50	2.61	Total	711	18.45
15-20	159	3.33			
20-25	189	3.54			
More than 25	268	4.88			
Total	711	18.45			

Source: Information furnished by respective departments of Government of Odisha

Out of the total cases, 389 cases, amounting to ₹4 crore, were related to theft of Government money/ store. It was, further, noticed that, out of the total 711 cases of theft/misappropriation/loss of Government material, 673 cases (₹14.57 crore) were more than five years old.

The State Government stated (December 2023) that the concerned Administrative Departments would be directed to initiate disciplinary action and criminal proceedings against the officials held responsible.

4.15 Follow-up action on the State Finances Audit Report

In every State, the Public Accounts Committee (PAC)/ Finance Department require the line Departments to provide a *sou-motu* Explanatory Note (EN) on the paragraphs featuring in the Audit Reports, within one month of placement of the concerned Reports in the Legislature. The line Departments are also required to provide Action Taken Notes (ATNS) to the AG (for vetting and onward transmission to the PAC), within three months of tabling of the Reports.

During FY 2022-23, only one PAC meeting was held on 05 November 2022, to discuss the pending position of Audit paras and the Annual Action Plan for their disposal. As of March 2023, 361 paragraphs, relating to SFARs, pertaining to the period from FYs 2008-09 to 2020-22, were pending for discussion. The paragraphs of the SFARs, for the years 2016-17, 2018-19, 2019-20, 2020-21 and 2021-22, are yet to be taken up for discussion by Hon'ble PAC.

4.16 Conclusion

Utilisation Certificates (UCs), amounting to ₹20,696.39 crore (19,241 UCs), were outstanding, indicating lack of internal control of administrative departments and tendency on the part of the Government to disburse fresh grants without ascertaining the proper utilisation of earlier grants. Similarly, Detailed Contingent (DC) bills, amounting to ₹107.57 crore (1,382 DC bills) were also awaited. There was an unreconciled difference of ₹0.10 crore (Credit) in the Cash Balance of the State Government, for FY 2022-23. An amount of ₹2,307.07 crore was lying in the bank accounts of Divisions, pertaining to 40 Departments.

Seventeen autonomous bodies had not submitted their final accounts for considerable periods. As a result, their financial position could not be assessed and the results of investments of the Government remained outside the purview of the State Legislature.

Further, in 711 cases of theft, misappropriation, loss of Government material and defalcation (amounting to ₹18.45 crore), departmental action had remained pending for long periods.

4.17 Recommendations

- 1) Government should ensure timely submission of Utilisation Certificates by the departments, in regard to the grants released for specific purposes.
- 2) Government should ensure adjustment of Abstract Contingent bills within the stipulated period, as required under the Rules.
- 3) The Finance Department should put in place a system to expedite the process of compilation and submission of annual accounts by autonomous bodies and departmentally run undertakings, in order to assess their financial position.
- 4) Government may consider preparing a time-bound framework for taking proper action in cases of misappropriation, loss, theft *etc.* and also strengthening its internal control system, to prevent recurrence of such cases.

Chapter V

State Public Sector Enterprises

Summary of Financial Performance of State Public Sector Enterprises

5.1 Introduction

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

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

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

5.1.1 Mandate of Audit

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

5.1.2 Number of State Public Sector Enterprises

As on 31 March 2023, there were 76¹ SPSEs under the audit jurisdiction of the CAG, as detailed in **Appendix 5.1**. These included 58 Government Companies, three Statutory Corporations and 15 Government Controlled Other Companies. Out of the 58 Government Companies, seven were power sector companies and 51 were non-power sector companies. Out of the 51 non-power sector companies, 24 were inactive. Out of the 15 Government Controlled Other Companies, one was a power sector company and 14 were non-power sector companies. Of these, a summary of the financial performance of 41 SPSEs (27 Government Companies, two Corporations and 12 Government Controlled Other Companies) is covered in this report and the nature of these SPSEs, is indicated in **Table 5.1**. This Report does not include 35 SPSEs (31 Government Companies, one Statutory Corporation and three Government Controlled Other Companies), whose accounts had been in arrears for three years or more, or were defunct/ under liquidation.

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

SPSE	Total number of SPSEs	Number of SPSEs covered in the Report				Number of SPSEs not covered in the Report
		Accounts up to				
		2022-23	2021-22	2020-21	Total	
Government Companies	58	6	17	4	27	31
Statutory Corporations	3	0	1	1	2	1
Total Companies/ Corporations	61	6	18	5	29	32
Government Controlled Other Companies	15	1	9	2	12	3
Total	76	7	27	7	41	35

(Source: Compiled on the basis of the accounts received from PSUs during the respective years)

The Government Companies, Statutory Corporations and Government Controlled Other Companies, which have accounts in arrears / under liquidation, are indicated in **Appendix 5.2 A** and **Appendix 5.2 B**. Age Analysis of accounts in arrears of PSUs whose Net worth has been eroded are indicated in **Appendix 5.2 C**.

¹ Four working Government Companies viz., (i) Industrial Development Corporation of Odisha Limited (ii) IDCOL Kalinga Iron Works Limited (iii) IDCOL Ferro Chrome and Alloys Limited and (iv) Odisha Mineral Exploration Corporation Limited, went outside the purview of CAG's audit during FY 2022-23, due to their merger with the Odisha Mining Corporation Limited and two inactive Government Companies, viz. Orissa Electricals Manufacturing Company Limited and Hira Steels and Alloys Limited, went outside the purview of CAG's audit during FY 2022-23, due to liquidation and dissolution, respectively.

5.1.3 Contribution to the Gross State Domestic Product

A ratio of the turnover of the Government companies and corporations to the Gross State Domestic Product (GSDP) shows the extent of their activities in the State economy. The Compounded Annual Growth Rate (CAGR) is a useful method to measure growth rate over multiple time periods. **Table 5.2** provides the details of turnover of 29 Government SPSEs, 12 Government controlled other SPSEs and the GSDP of Odisha, for a period of three years from FYs 2020-21 to 2022-23.

Table 5.2: Turnover of SPSEs vis-a-vis GSDP of Odisha

Particulars	(Amount in ₹ crore)		
	2020-21	2021-22	2022-23
Turnover	23,876.47	38,169.90	47,685.82
Percentage of increase of Turnover over Previous Year	12.89	59.86	24.93
GSDP of Odisha at current prices	5,40,150	6,70,881	7,74,869
Percentage of Turnover to GSDP of Odisha	4.42	5.69	6.15

(Source: Turnover reported in the latest finalised accounts of Government Companies and Corporations till 20th July 2023 and GSDP figures obtained from Central Statistical Office (2020-21: Second Revised, 2021-22: First Revised and 2022-23: Advance Estimates)

In FY 2022-23, the turnover of the SPSEs relative to GSDP, was 6.15 *per cent*. The department-wise position, in this regard, is given in **Appendix 5.3**.

5.1.4 Budgetary Support to State Public Sector Enterprises

The Government of Odisha (GoO) provides financial support to SPSEs in various forms, through the annual budget. During 2022-23, there was budgetary outgo towards equity, loans, grants/ subsidies by GoO, in regard to 10 Government SPSEs and 01 Government controlled other SPSEs. Summarized details, in this regard, for the last three years ending March 2023, are as follows:

Table 5.3: Budgetary support to State PSEs

Particulars ²	(Amount in ₹ crore)					
	2020-21		2021-22		2022-23	
	Number of PSUs	Amount	Number of PSUs	Amount	Number of PSUs	Amount
Equity Capital outgo (i)	2	32.54	4	572.80	2	246.72
Loans given (ii)	0	0	2	118.40	2	710.00
Grants/Subsidy provided (iii)	9	758.19	16	1,436.14	7	3,131.96
Total Outgo (i+ii+iii)	10*	790.73	19^{\$}	2,127.34	11	4,088.68
Loan repayment written off	0	0	0	0	0	0
Loans converted into equity	0	0	2	2,439.69	0	0
Guarantees issued	1 [@]	2,000.00	1 [@]	600.00	0	0
Guarantee ³ Commitment	1 [@]	6,233.90	1 [@]	8,277.50	1 [@]	7,256.72

(Source: Compiled on the basis of information received from SPSEs.)

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

\$ One SPSE i.e., Industrial Development Corporation of Odisha Limited received equity and grants in FY 2021-22,

One SPSE i.e., Odisha Power Transmission Corporation Limited received both equity and loan in FY 2021-22 and

One SPSE i.e., Odisha Pisciculture Development Corporation Limited received both loans and grants in FY 2021-22.

@ GRIDCO Limited.

² Amount represents outgo from State Budget only.

³ Closing balance of Government guarantee, in respect of SPSEs, at the end of a particular year

The budgetary assistance of ₹4,088.68 crore, given during the year 2022-23, was in the form of equity, loan and grants/ subsidy. During the year 2022-23, maximum grants/subsidy were provided to the Odisha State Civil Supplies Corporation Limited (₹1,169.27 crore), Odisha Lift Irrigation Corporation Limited (₹1,176.09 crore) and Water Corporation of Odisha Limited (₹379.55 crore). These three SPSEs did not furnish their annual accounts for the financial year 2022-23. The summary position of financial performance of SPSEs⁴ (Government Companies and Statutory Corporations), covered in this Report, is summarised in **Table 5.4**.

Table 5.4: Financial performance of 29 SPSEs (Government Companies and Statutory Corporations), covered in this Report, for FY 2022-23

(₹ in crore)

Particulars	Amount
Paid up capital (29 SPSEs)	9,315.98
Long term loans (09 SPSEs)	13,763.57
Net profit (17 SPSEs)	7,072.32
Net loss (08 SPSEs)	797.19
Dividend declared (09 SPSEs)	621.60
Total assets (29 SPSEs)	96,135.21
Value of production (08 SPSEs)	22,627.22
Net worth (29 SPSEs)	17,253.29

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

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

Details of equity and loans in 29 Government Companies and Corporations and 12 Government Controlled Other Companies, as of 31 March 2022 and 31 March 2023, are given in **Table 5.5**.

Table 5.5: Equity and loans in Government Companies & Corporations and Government Controlled Other Companies

(₹ in crore)

	Sources of investment	As on 31.03.2023			As on 31.03.2022		
		Equity	Long term loans	Total	Equity	Long term loans	Total
Government Companies and Corporations	1. State Government	8,915.05	1,861.27	10,776.32	7,313.82	1,015.57	8,329.39
	2. State Government Companies/ Corporations/Autonomous Bodies	278.23	516.20	794.43	1,549.14	722.83	2,271.97
	3. Central Governments/ Central Government Companies/Corporations	44.95	5,500.47	5,545.42	44.95	6,760.81	6,805.76
	4. Financial Institutions and Others	77.75	5,885.63	5,963.38	77.28	6,888.20	6,965.48
	Total	9,315.98	13,763.57	23,079.55	8,985.19	15,387.41	24,372.60
Government Controlled Other Companies	State Government	235.01	0	235.01	235.00	0	235.00

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

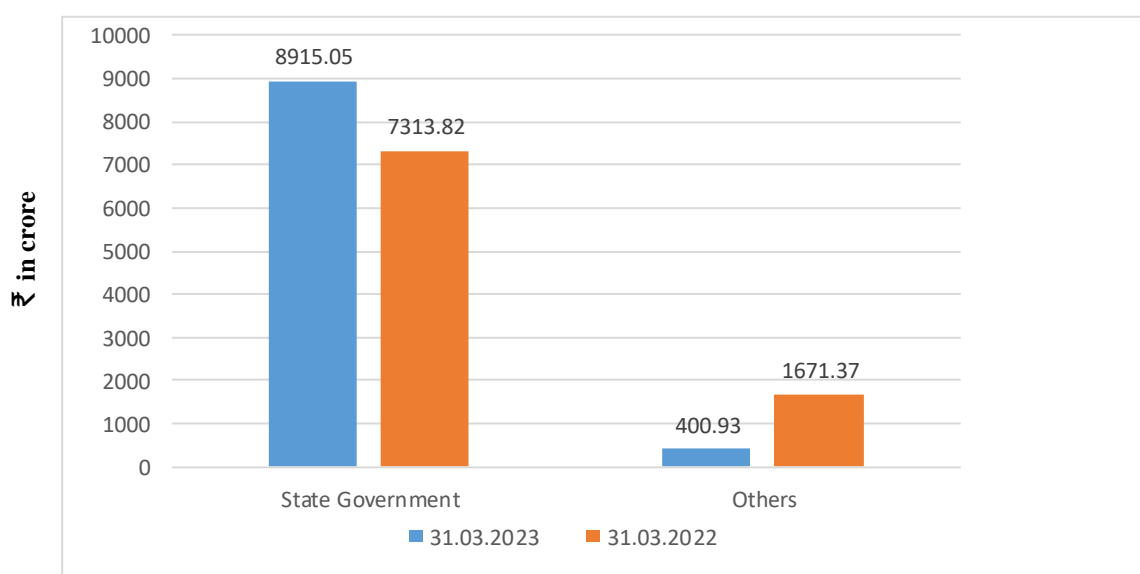
⁴ Out of 61 Government Companies and Corporations, accounts of only 29 were considered, leaving 32 which were in arrears for three years or more/ were defunct/ under liquidation

5.2.1 Equity Holding

During FY 2022-23, the total equity holding at face value, in the 29 Government Companies and Corporations covered in this Report, registered a net increase of ₹330.79 crore. This was mainly due to increase in the State Government's equity share capital in GRIDCO Limited and Odisha Power Transmission Corporation Limited.

Holdings in equity by the State Government and others, during the last two years ended 31 March 2022 and 31 March 2023, in Government Companies and Corporations, are depicted in **Chart 5.1**.

Chart 5.1: Holdings in equity in Government Companies and Corporations



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

Table 5.6 shows the details of significant holdings (holdings of more than ₹200 crore) of the State Government, during FY 2022-23, in the paid-up capital of the SPSEs.

Table 5.6: Significant holdings of the State Government
(Amount in ₹ crore)

SPSE	Department	Amount	Percentage of State Government holding in individual SPSE with holding of the State Government in Government Companies and Corporations
Statutory Corporations			
Odisha State Financial Corporation	Micro, Small & Medium Enterprise	342.72	3.84
Odisha State Road Transport Corporation	Commerce and Transport	328.54	3.69
Government Company			

SPSE	Department	Amount	Percentage of State Government holding in individual SPSE with holding of the State Government in Government Companies and Corporations
Odisha Power Generation Corporation Limited	Energy	2,067.50	23.19
Odisha Power Transmission Corporation Limited	Energy	1,886.71	21.16
Odisha Hydro Power Corporation Limited	Energy	833.19	9.35
GRIDCO Limited	Energy	3,002.04	33.67
Odisha Coal and Power Limited	Energy	208.72	2.34

(Source: Compiled from the latest finalised accounts of SPSEs)

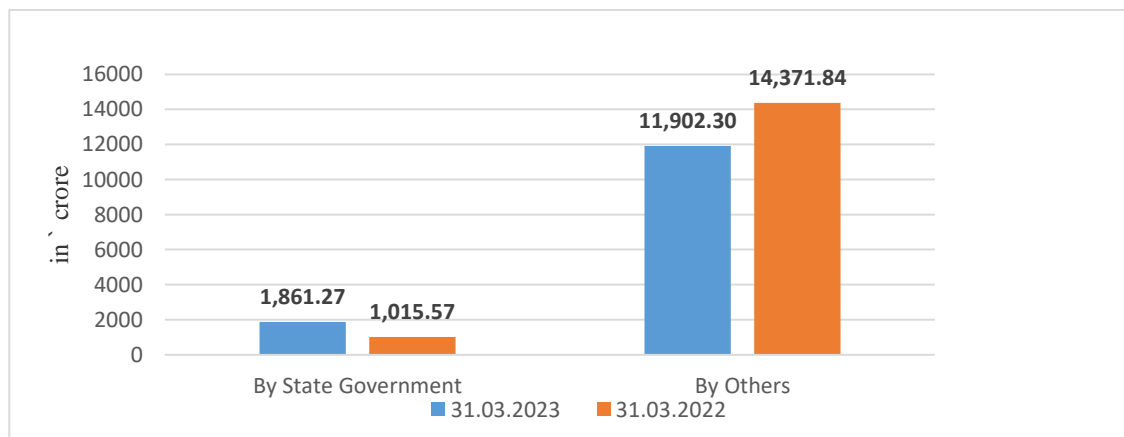
5.2.2 Loans given to Government Companies and Corporations

5.2.2.1 Computation of long-term loans, outstanding as on 31 March 2023

Out of the 29 Government Companies and Corporations covered in this report, 09 had outstanding long-term loans from all sources, amounting to ₹13,763.57 crore, as on 31 March 2023. During FY 2022-23, the long-term loans of Government Companies and Corporations registered a decrease of ₹1,623.84 crore, in mainly four SPSEs, viz. GRIDCO Limited, Odisha Hydro Power Corporation Limited, Odisha Power Generation Corporation Limited and Odisha Coal and Power Limited.

Year-wise details of the outstanding long-term loans of Government Companies and Corporations, covered in this report, are depicted in **Chart 5.2**.

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



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

5.2.2.2 Adequacy of assets to meet loan liabilities.

The ratio of total debt to total assets is one of the methods used to determine whether a company can stay solvent. To be considered solvent, the value of an entity's assets must be greater than the sum of its loans/debts. The coverage of long-term loans by the value

of total assets, in 09 Government SPSEs, which had outstanding loans as on 31 March 2023, is shown in **Table 5.7**.

Table 5.7: Coverage of long-term loans with total assets

	Positive Coverage				Negative Coverage			
	No. of SPSEs	Long term loans	Assets	Percentage of assets to loans	No. of SPSEs	Long term loans	Assets	Percentage of assets to loans
		(₹ in crore)				(₹ in crore)		
Statutory Corporations	2	107.33	1135.59	1058.04	-	-	-	-
Government Companies	7	13,656.24	35,450.14	259.59	-	-	-	-
Total	9	13,763.57	36,585.73		-	-	-	-

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

From **Table 5.7**, it can be seen that all the 09 Government Companies and Corporations had a positive coverage ratio, which indicates that all these Companies and Corporations possessed adequate assets to meet their loan liabilities.

5.2.2.3 Interest Coverage

The Interest Coverage Ratio (ICR) is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by its interest expenses for the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An ICR below one indicates that the company is not generating sufficient revenues to meet its expenses on interest. Details of the Interest Coverage Ratio of Government companies and corporations, which had outstanding loans during the period from FYs 2020-21 to 2022-23, are given in **Table 5.8**.

Table 5.8: Interest Coverage Ratio

Financial Year	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	No. of SPSEs	No. of SPSEs having ICR ≥ 1	No. of SPSEs having ICR < 1
Statutory Corporations					
2020-21	0.47	-1.59	1	-	1
2021-22	0.47	-0.45	1	-	1
2022-23	0.47	8.77	1	1	-
Government Companies					
2020-21	1,640.31	70.61	7	5	2
2021-22	1,745.21	1,547.32	9	8	1
2022-23	1,356.66	3,041.89	6	5	1

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

5.2.2.4 Age-Wise Analysis of interest outstanding on State Government loans

As on 31 March 2023, interest amounting to ₹1,478.90 crore, was outstanding on long-term loans of three Government companies provided by the State Government. The age-wise analysis of interest, outstanding on State Government loans in Government companies, is shown in **Table 5.9**.

Table 5.9: Interest outstanding on State Government Loans

(₹ in crore)					
Sl. No.	Name of the SPSE	Outstanding interest on State Government loans	Interest on State Government loans outstanding for less than 1 year	Interest on State Government loans outstanding for 1 - 3 years	Interest on State Government loans outstanding for more than 3 years
1	GRIDCO Limited	5.38	5.38	-	-
2	Odisha Rural Housing and Development Corporation Limited	566.43	-	-	566.43
3	Odisha Hydro Power Corporation Limited	907.09	64.82	136.00	706.27
Total		1,478.90	70.20	136.00	1,272.70

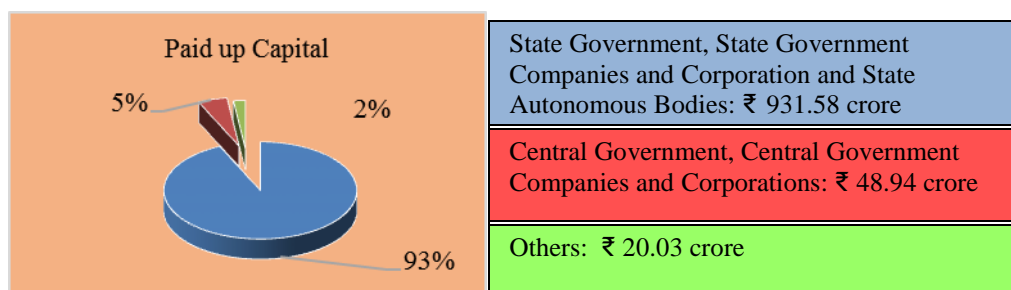
(Source: Compiled on the basis of information received from SPSEs)

Table 5.9 indicates that these companies had failed to pay their annual interest liabilities, resulting in accumulation of interest on State Government loans, year after year.

5.2.3 Investment in Government Controlled Other Companies

The capital invested in 12⁵ Government Controlled Other Companies, by the State Government, Central Government and by Companies and Corporations controlled by them, during the year 2022-23, is depicted in **Chart 5.3**.

Chart 5.3: Composition of share capital in Government Controlled Other Companies



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

As on 31 March 2023, the share capital in these 12 Government Controlled Other Companies was ₹1,000.55 crore.

5.3 Returns from Government Companies and Corporations

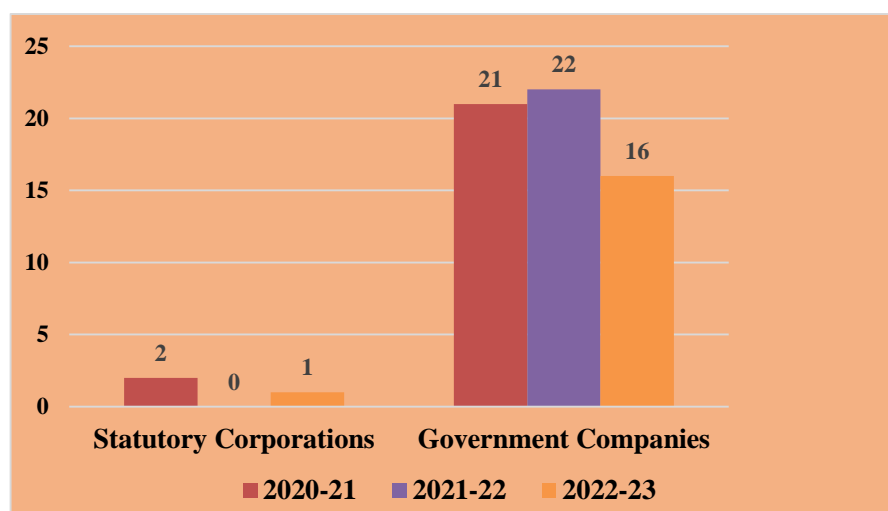
5.3.1 Profit earned by Government Companies and Corporations

Out of the 29 Government Companies and Corporations covered in this report, 17 SPSEs had earned profit of ₹7,072.32 crore during FY 2022-23, as against the profit of ₹3,289.58 crore, earned by 22 SPSEs in FY 2021-22. The Return on Equity (ROE) of these 17 SPSEs was 31.27 per cent in FY 2022-23, as compared to 22.92 per cent in 22

⁵ 15 minus 3 (Government Controlled Other Companies whose accounts were in arrears for three years or more).

SPSEs in FY 2021-22. **Chart 5.4** shows the number of Government Companies and Corporations that had earned profit, during the period from FYs 2020-21 to 2022-23.

Chart 5.4: Number of Profit Earning SPSEs



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

Details of the top three departments, the SPSEs under which, contributed the maximum profit during FY 2022-23, are summarised in **Table 5.10**.

Table 5.10: Top three departments, SPSEs under which contributed the maximum profit during the year 2022-23

Department	No. of profit earning SPSEs (Government Companies)	Net profit earned (₹ in crore)	Net profit earned by 29 SPSEs (17 profit making and 08 loss making) (₹ in crore)	Percentage of profit to total SPSE profit
Steel and Mines	1	4,734.04	6,275.13	75.44
Energy	5	1,032.98		16.46
Industries	1	432.04		6.88

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

Government companies, which earned profit of more than ₹50 crore during the year 2022-23, are shown in **Table 5.11**.

Table 5.11: SPSEs which earned profit of more than ₹ 50 crore

Sl. No.	SPSE	Net Profit (₹ in crore)
1	Odisha Mining Corporation Limited	4,734.04
2	Odisha Power Generation Corporation Limited	839.99
3	Odisha Coal and Power Limited	807.47
4	The Industrial Promotion and Investment Corporation of Odisha Limited	434.77
5	Odisha Hydro Power Corporation Limited	88.86
6	Odisha Power Transmission Corporation Limited	61.97
Total		6,967.10

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

5.3.2 Loss incurred by Government Companies and Corporations

There were eight⁶ Government companies and corporations, that had incurred losses during the year 2022-23. In these SPSEs, the losses had increased to ₹797.19 crore in FY 2022-23, as compared to losses of ₹452.01 crore, incurred during FY 2021-22, as detailed in **Appendix 5.4**. The SPSEs, that incurred loss from FYs 2020-21 to 2022-23, are given in **Table 5.12**.

Table 5.12: SPSEs that incurred loss during FYs 2020-21 to 2022-23

Financial Year	No. of SPSEs, which incurred loss	Net loss for the year (₹ in crore)	Accumulated Profit/ loss (₹ in crore)	Net worth ⁷ (₹ in crore)
2020-21	10	3,568.19	7,453.93	-2,936.07
2021-22	10	2,423.10	8,035.72	-2,116.89
2022-23	08	797.19	8,801.15	-5,373.32

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

Out of the total loss of ₹797.19 crore, incurred by eight Government Companies and Corporations, losses of ₹788.73 crore were mainly contributed by two SPSEs, which function under the Energy and Commerce and Transport departments, respectively. These two SPSEs, which had incurred major losses during FY 2022-23, are as follows:

- GRIDCO Limited:** the loss of ₹ 778.18 crore, during FY 2022-23, was mainly due to the high cost of purchase of Power.
- Odisha State Road Transport Corporation (OSRTC):** the loss of ₹10.55 crore, during FY 2022-23, was mainly due to decrease in Revenue from Operations.

5.3.3 Erosion of capital in Government Companies and Corporations

As on 31 March 2023, there were seven Government companies and corporations with accumulated losses of ₹9,449.36 crore. Of these seven SPSEs, three SPSEs had incurred losses in the year 2022-23, amounting to ₹788.89 crore; and four SPSEs had not incurred losses in the year 2022-23, even though they had accumulated losses of ₹597.89 crore.

The net worth of four out of 07 SPSEs, had been completely eroded by the accumulated loss and was negative. The net worth of these four SPSEs was ₹ (-) 5,735.80 crore, as on 31 March 2023.

⁶ This does not include the Odisha Mineral Bearing Areas Development Corporation (OMBADC), as it has been incorporated under Section 8 of the Companies Act, 2013. OMBADC, in its annual accounts for 2021-22, has shown a negative balance of ₹2,200.28 crore, as expenditure for the period, in its Income & Expenditure statement. The said amount has been adjusted in Other Current Liabilities (Corpus Fund) and the Corporation has shown Nil balance in Reserve and Surplus.

⁷ 'Net worth' means the sum total of the paid-up share capital and free reserves and surplus less accumulated losses and deferred revenue expenditure. 'Free reserves' mean all reserves created out of profits and the share premium account, but do not include reserves created out of the revaluation of assets and write back of depreciation provision.

Table 5.13: SPSEs, whose Net Worth had been eroded, as per their latest finalised accounts
(₹ in crore)

Sl. No.	SPSE	Latest year of finalised accounts	Total paid up capital	Receipt	Expenditure	Net Profit (+) / Loss (-) after interest, tax and dividend	Accumulated Losses	Net Worth	State Government Equity, as on 31 March 2023	State Government Loans, as on 31 March 2023
1	Odisha Forest Development Corporation Limited	2021-22	5.00	169.36	141.94	19.43	57.17	-30.07	5.00	0
2	Odisha State Financial Corporation	2021-22	420.01	11.65	3.34	8.30	469.30	-41.57	342.72	0
3	GRIDCO Limited	2022-23	3,002.04	12090.82	12884.03	-778.18	8,664.36	-5,662.32	3,002.04	483.35
4	Kalinga Studios Limited	2020-21	1.75	0.12	0.28	-0.16	3.59	-1.84	0	0
	Total							-5,735.80		

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

From the above table, it may be seen that out of the four SPSEs, whose net worth had eroded completely, two SPSEs *viz.*, Odisha Forest Development Corporation Limited and Odisha State Financial Corporation have turned around, posting profit, as per their latest finalised accounts.

Regarding GRIDCO Limited, it is observed that the company is not involved in any of the core activities of power Generation, Transmission and Distribution. It purchases power from power generators through Power Purchase Agreements (PPAs) and sells the same to distribution companies (DISCOMs). In both the cases, rates are fixed by Odisha Electricity Regulatory Commission (OERC). In this arrangement, the company normally should not incur any loss, yet it was continuously incurring losses, mainly due to the following reasons:

- Non-procurement of agreed power from IPPs at lesser rates as per PPAs.
- Purchase of high cost power from unapproved sources.
- Non-recovery of huge outstanding dues from DISCOMs.
- Non-procurement of cheapest hydro-power, due to ineffective power planning.
- Huge interest burden on loans taken from commercial banks to manage its affairs.

In this backdrop a Detailed Compliance Audit paragraph has been incorporated in the Compliance Audit Report for PSUs (Report No. 1 of 2024 on Government of Odisha), wherein recommendations to examine its viability for continuation, have been given.

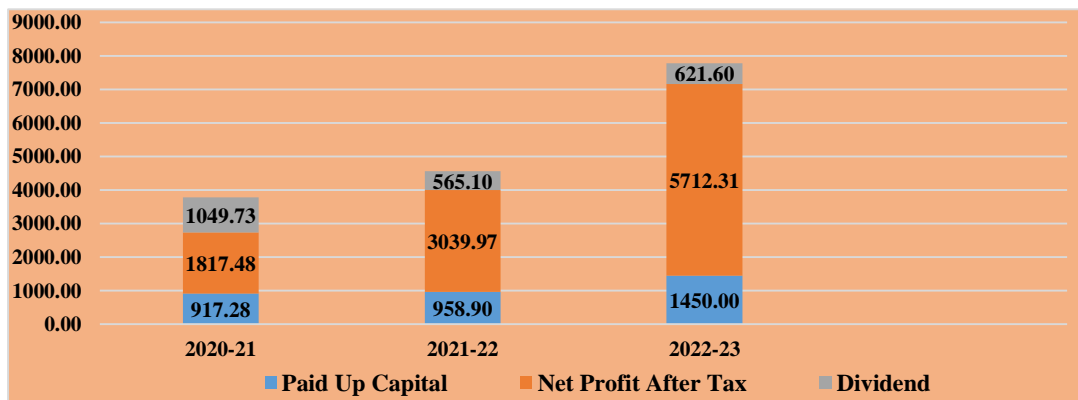
Another SPSE *i.e.* Kalinga Studios Limited was operating a film studio and running into losses. It had borrowed funds from its holding company (Odisha Film Development Corporation Limited) to manage its affairs. Government of Odisha may review the viability of this company and take a suitable decision regarding its continued operations in a competitive industry.

5.3.4 Dividend pay-out by SPSEs

The State Government had formulated (December 2011) its dividend policy, under which all profit-making PSUs are required to pay annual dividend of 20 *per cent* of the State government equity or 20 *per cent* of the profit after tax, whichever is higher. The minimum dividend pay-out, in regard to PSUs in the power generation sector, should be 30 *per cent* of the profit after tax. Subsequently, GoO had issued revised (February 2016) guidelines for payment of dividend at the rate of 30 *per cent*, for all PSUs. However, seven SPSEs had not declared the dividend, in terms of the prescribed guidelines of the State Government, as detailed in **Appendix 5.5**. The total shortfall on this account was ₹1,095.67 crore in FY 2022-23. Nine Government Companies, with total paid up capital of ₹1,450 crore and net profit of ₹5,712.31 crore, had declared dividend of ₹621.60 crore, during FY 2022-23.

Out of the 29 Government Companies and Corporations, nine SPSEs had declared dividends in FY 2022-23. The dividends declared as a percentage of the net profits decreased to 10.88 *per cent* in FY 2022-23, from 18.59 *per cent* in FY 2021-22. In absolute terms, the dividends declared by the SPSEs in FY 2022-23, increased by ₹56.50 crore, compared to the previous year. **Chart 5.5** depicts the dividends declared, *vis-a-vis* the net profit earned and the paid-up capital of the SPSEs which had declared dividends during the last three years.

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



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

Of the 12 Government Controlled Other Companies, six companies had earned profits of ₹3.84 crore, during the year ended 31 March 2023. However, none of these companies had declared dividends during FY 2022-23.

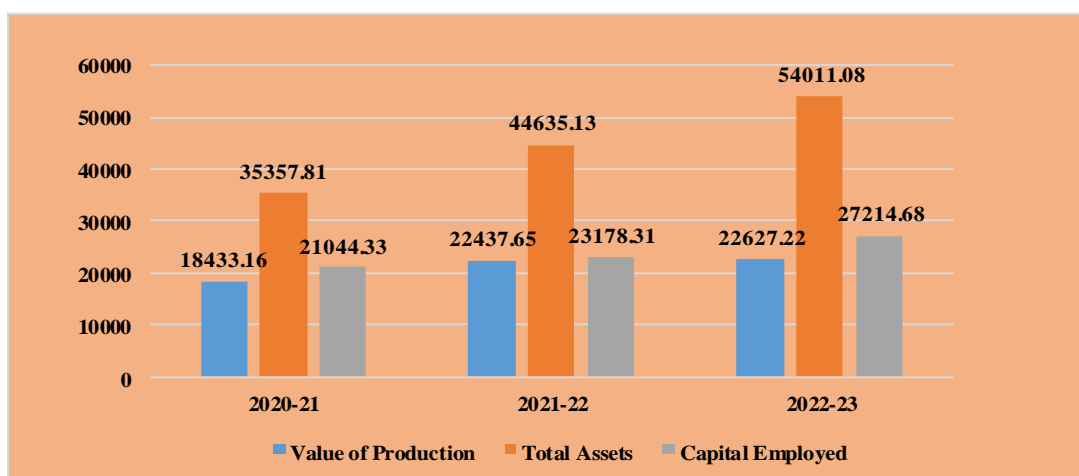
Operating efficiency of Government Companies and Corporations

5.4 Value of production

The summary of the value of production, total assets and capital employed in

Government Companies and Corporations, related to eight SPSEs⁸, over a period of three years, is depicted in **Chart 5.6**.

Chart 5.6: Value of Production, Assets and Capital Employed (₹ in crore)



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

There was an increase in the value of production, total assets and capital employed, in the year 2022-23, compared to the previous year. SPSE-wise details of the value of production, total assets and capital employed, are given in **Appendix 5.6**.

5.4.1 Return on Capital Employed

Return on Capital Employed (ROCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed. ROCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed⁹. The SPSE-wise details of ROCE are given in **Appendix 5.7**. The consolidated ROCE of 29 Government Companies and Corporations, during the period from FYs 2020-21 to 2022-23, is given in **Table 5.14**.

Table 5.14: Return on Capital Employed

Financial Year	EBIT (₹ in crore)	Capital employed (₹ in crore)	ROCE (in percentage)
2020-21	819.81	22,504.78	3.64
2021-22	3,736.83	27,208.13	13.73
2022-23	9,794.15	31,016.86	31.58

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

It was observed that the ROCE of 29 Government Companies and Corporations was higher by 17.85 *per cent*, during the year 2022-23, in comparison to the year 2021-22.

⁸ OHPC, OSCSCL, OAICL, OCPL, OPGC, GEDCOL, OMC and OTDC

⁹ Capital Employed = Paid up Share capital + Free Reserves and Surplus + Long term loans – Accumulated losses – Deferred Revenue Expenditure

5.4.2 Return on Equity of SPSEs

Return on Equity (ROE¹⁰) is a measure of the financial performance of companies, calculated by dividing the net income by shareholders' equity. The SPSE-wise details of ROE are given in **Appendix 5.8**. The consolidated ROE of 29 Government Companies and Corporations, during the period from FYs 2020-21 to 2022-23, is given in **Table 5.15**.

Table 5.15: Return on Equity

Year	Net Profit after Tax and Preference Dividend (₹ in crore)	Equity (₹ in crore)	ROE (in per cent)
2020-21	-1,683.23	6,751.46	-24.93
2021-22	852.47	12,085.53	7.05
2022-23	6,275.13	17,253.29	36.37

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

It was observed that the ROE of 29 Government Companies and Corporations had increased during FY 2022-23, in comparison to FY 2021-22. Department-wise details of the ROE of Government Companies and Corporations, where the total equity of the department was more than ₹50 crore, during FYs 2020-21 to 2022-23, are shown in **Table 5.16**.

Table 5.16: RoE of departments with total equity of ₹ 50 crore and more

(in per cent)

Sl. No.	Department	2020-21	2021-22	2022-23
1	Industries [@]	-9.58	0.77	70.27
2	Steel and Mines	-3.57	10.20	38.91
3	Excise	9.37	6.07	7.57
4	Health & Family Welfare Department	15.59	2.97	4.66
5	Agriculture & Framers' Empowerment	18.67	6.43	6.29
6	Home	14.57	13.75	13.74
7	Commerce and Transport	2.57	-6.26	-6.26
8	Energy [#]	-194.59	-4.77	28.33

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

[@] The wide variation in the RoE was due to increase in the profits of the Industrial Promotion and Investment Corporation of Odisha Limited, from ₹9.73 crore in FY 2021-22, to ₹434.77 crore in FY 2022-23.

[#] The wide variation in the RoE was due to increase in the profits of the Odisha Coal and Power Limited, from ₹157.90 crore in FY 2021-22, to ₹807.47 crore in FY 2022-23, and due to the profit of ₹839.99 crore by the Odisha Power Generation Corporation Limited in FY 2022-23, in comparison to the loss of ₹102.83 crore in FY 2021-22.

From **Table 5.16**, it can be seen that the RoE had significantly increased in the Industries, Steel & Mines and Energy Departments, during the year 2022-23.

¹⁰ Return on Equity = (Net Profit after Tax and preference Dividend/Equity) *100, where Equity = Paid up Capital + Free Reserves & Surplus – Accumulated Loss – Deferred Revenue Expenditure

5.4.3 Sales and Marketing

During FY 2022-23, the total sales of 11 out of 29 Government Companies, were ₹45,539.27 crore, as compared to ₹39,963.81 crore in FY 2021-22. Out of 11 SPSEs, 04 SPSEs had sold goods/ rendered services worth ₹4,839.87 crore, to the Government sector, in FY 2022-23, which worked out to 10.63 *per cent* of their total sales. No SPSEs had exported or imported goods/ services during the period.

The details of total sales, sales to the Government sector and sales to others, in regard to 11 SPSEs, for the last three years, are given in **Table 5.17**.

Table 5.17: Sales to the Government sector and others

(₹ in crore)

Financial Year	Total Sales	Sales to the Government sector	Sales to others
2020-21	23,253.96	3,765.63	19,488.33
2021-22	39,963.81	4,138.75	35,825.06
2022-23	45,539.27	4,839.87	40,699.40

(Source: Compiled on the basis of information furnished by the SPSEs)

5.5 Audit of State Public Sector Enterprises

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

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

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

The statutory auditors of the SPSEs, for the year 2022-23, were appointed by the CAG during August and September 2022.

5.7 Submission of accounts by SPSEs

5.7.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, an Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its

Annual General Meeting (AGM). As soon as may be after such preparation, the Annual Report is to be laid before the State Legislature, together with a copy of the Audit Report and the comments of the C&AG upon or as supplement to the Audit Report. Almost similar provisions exist in the respective Acts regulating statutory corporations. This mechanism provides the necessary legislative control over the utilisation of public funds, invested in the companies from the Consolidated Fund of the State.

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

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

Despite the above, the annual accounts of various SPSEs were pending, as on 20 July 2023, as detailed in the following paragraph.

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

As of 31 March 2023, there were 61 Government SPSEs and 15 Government Controlled Other SPSEs, under the purview of CAG's audit. Out of these 61 Government SPSEs, three were Statutory Corporations.

Accounts for the year 2022-23, were due from all 61 Government SPSEs and 15 Government Controlled Other SPSEs, as of July 2023. Details of the accounts which were in arrears, are indicated in **Appendices 5.2 A and 5.2 B**, for Government Companies and Government Controlled Other Companies, separately. The number of accounts in arrears, for the aforesaid two groups, are given in **Table 5.18**.

Table 5.18: Submission of accounts of Government Companies

Particulars	Government SPSEs/Government Controlled Other SPSEs		
	Government SPSEs	Government Controlled Other SPSEs	Total
Total number of SPSEs under the purview of CAG's audit, as on 31.03.2023	61	15	76
Unlisted	61	15	76
Number of SPSEs, from which accounts for FY 2022-23 were due	61	15	76

Number of SPSEs, which presented the accounts for CAG's audit by 20 July 2023, for FY 2022-23		6	1	7
Number of SPSEs, whose accounts were in arrears		55	14	69
Break-up of SPSEs, whose accounts are in Arrears	(i) Under Liquidation	14	0	14
	(ii) Defunct	10	0	10
	(iii) First Accounts not submitted	0	0	0
	(iv) Others	31	14	45
Number of accounts in arrears		903[#]	26	929
Age-wise analysis of arrears	One year (2022-23)	18*	9	27
	Two years (2021-22 and 2022-23)	10**	4	14
	Three years and more	875***	13	888

903 (arrear accounts of working Government companies number 70, while, in case of non-working Government companies, the arrear accounts number 833)

* Includes one Statutory Corporation, viz. Odisha State Financial Corporation.

** Includes one Statutory Corporation, viz. Odisha State Road Transport Corporation.

*** Includes one Statutory Corporation, viz. Odisha State Warehousing Corporation.

Delay in the finalisation of accounts carries the risk of fraud and leakage of public money, apart from violation of the provisions of the relevant statutes. In view of the above state of arrears of accounts, the actual contribution of the State PSUs, to the State GDP, for the year 2022-23, could not be ascertained and their contribution to the State exchequer was also not reported to the State Legislature. Hence, the Administrative Departments should strictly monitor and issue necessary directions to clear the arrears in accounts. Government may also look into the constraints in preparing the accounts of the PSUs and take necessary steps to clear the arrears in accounts.

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

5.8.1 Financial reporting framework

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

consultation with the CAG and any other specific provision relating to accounts in the Act, governing such corporations.

5.8.2 Audit of accounts of SPSEs by Statutory Auditors

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

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

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

5.8.3 Supplementary Audit of accounts of Government Companies

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

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

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

5.9 Results of CAG's oversight role

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

Financial statements for the year 2022-23 had been received from six Government companies and one Government Controlled Other Company, as of July 2023.

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

Subsequent to the audit of the financial statements by statutory auditors, which were received during the period from 01 October 2022 to 20 July 2023, CAG conducted supplementary audit of the financial statements of the selected Government Companies and Government Controlled Other Companies. The list of SPSEs, in regard to which comments were issued, is given in **Appendix 5.9**. Some of the significant comments, issued on financial statements of Government Companies and Government Controlled Other Companies, for the year 2021-22, are detailed in **Tables 5.19 to 5.21**.

Table 5.19: Significant comments on profitability of Government Companies on the accounts for the year 2021-22

Sl. No.	Name of the Company	Comments
1	Odisha Mineral Bearing Areas Development Corporation	Project Expenses (Expenses) were overstated by ₹8.19 crore, due to booking of ₹312.51 crore, as project expenditure of the Rural Water Supply and Sanitation (RWSS) Division, Rourkela, in place of ₹304.32 crore. RWSS Division, Rourkela, submitted Utilisation Certificate of ₹304.32 crore, but the company had booked ₹312.51 crore as Project Expenses, with respect to the RWSS Division, Rourkela. This resulted in overstatement of Project Expenses by ₹8.19 crore, leading to overstatement of deficit (excess of expenditure over income), with corresponding understatement of the Corpus Fund by the same amount.

Table 5.20: Significant comments on Financial Position of Government Companies on the accounts for the year 2021-22

Sl. No.	Name of the Company	Comments
1	Odisha Hydro Power Corporation Limited	Inventories were overstated by ₹3.31 crore, due to inclusion of store materials, which were unserviceable/obsolete/damaged, lying in stores of the Upper Indravati Hydro Electric Project (UIHEP), Khatiguda and the Hirakud Hydro Electric Project (HHEP), Burla. As these store materials were very old and in an unserviceable condition, necessary provision should have been made in the accounts. Non-provision towards these stores resulted in overstatement of inventories (Note-9) by ₹3.31 crore, as well as profit, to the same extent.

Sl. No.	Name of the Company	Comments
2	Green Energy Development Corporation of Odisha Limited	Other Current Liabilities were overstated by ₹6.68 crore, due to non-adjustment of the Liquidated Damages (LD) already imposed on M/s BHEL (₹6.00 crore) and M/s Azure Power Mercury Private Limited (₹0.68 crore), from the money withheld from the respective companies and shown under Other Current Liabilities. As the LD had already been imposed due to delay in implementation of the project, this should have been deducted from the withheld amount. Non-adjustment of the LD imposed from the Other Current Liabilities, resulted in overstatement of Other Current Liabilities by ₹6.68 crore, with corresponding understatement of other income, with consequential understatement of profit by ₹6.68 crore.

Table 5.21: Significant comments on Disclosure

Sl. No.	Name of the Company	Comments
1	Nuagaon Coal Company Limited (accounts for the year 2016-17)	The Ministry of Coal, Government of India, had allotted the Nuagaon-Telisahi Block, in favour of the Odisha Mining Corporation (OMC) and the Andhra Pradesh Mineral Development Corporation (APMDC), on a 50:50 sharing basis, in 2006 and subsequently, the Nuagaon Coal Company Limited (NCCL) was formed (11.05.2011) as a joint venture of OMC and APMDC (Promoters), for development of the coal block. Allotment of Nuagaon-Telisahi Coal Block was subsequently cancelled by the Hon'ble Supreme Court of India, vide order dated 24.09.2014. In line with Section 16 of the Coal Mines (Special Provision) Ordinance, 2014, relating to payment of compensation for land and mine infrastructure, the Company provided all details of Nuagaon-Telisahi Coal Block, to the Ministry of Coal, and claimed an amount of ₹19.27 crore as compensation, in lieu of the cancelled coal block. The said claim amount included ₹15.39 crore, spent by the promoters and ₹3.89 crore by the company for development of the coal block, which is yet to be received from the Ministry of Coal, Gol. However, the company had not disclosed this fact in the Notes to Accounts. Hence, the Notes to Accounts were deficient to that extent.

5.10 Statutory Corporations, where CAG is the sole auditor

Significant comments, issued by the CAG on the accounts of Odisha State Road Transport Corporation (OSRTC), a statutory corporation, for the year 2020-21, where CAG is the sole auditor, were as follows:

- (i) Employee Benefit Expenses, payable to the contractual employees towards revised minimum wages, during the financial years 2019-20 to 2020-21 were understated by ₹70 lakh (₹26 lakh for FY 2020-21 and ₹44 lakh for FY 2019-20). Non-accounting of the revised minimum wages payable to contractual workers, also resulted in understatement of short term provisions, as well as losses by ₹70 lakh each.
- (ii) Capital Work in Progress was understated by ₹227.96 lakh, being the expenditure incurred towards construction of bus terminal at Motu, Malkangiri (₹148.71 lakh) and construction of boundary wall around the proposed bus stand at Gopalpur, Cuttack (₹79.25 lakh), as on 31 March 2021. Non-accounting of this expenditure had also resulted in understatement of Grants and Assistance (State Government Capital Outlay) by the same amount.
- (iii) OSRTC employees are getting salary as per Orissa Revised Scale of Pay (ORSP) Rules, 2008, as per the recommendations of the 6th Pay Commission, with 58 *per cent* DA (the actual DA was 164 *per cent*, as on 31.03.2021). Though the revision of pay, as per the 6th Pay Commission, had been effected from 01.01.2006, it was made applicable to the employees of OSRTC w.e.f. 01.04.2012. Pay had been fixed notionally w.e.f. 01.01.2016, without any arrear or financial effect. Further, the employees had been paid at the Revised Scales of Pay, as per the OSRP Rules, 1998 (5th pay commission) w.e.f. 16.02.2009, though the same was effected from 01.01.1996. The Hon'ble High Court, Odisha, passed order (March 2018) for calculation of the differential salary and to complete the entire exercise within a period of four months. OSRTC had filed writ appeals, which were pending. As the impact of the arrear dues would be material to the Corporation, the same should have been disclosed in the financial statements of the company.
- (iv) The Hon'ble High Court of Odisha passed (18.07.2022) order in WP(C) No. 16386 of 2022, regarding payment of arrears of differential amount, out of the unutilized leave salary and dearness allowance, relating to the Orissa Revised Scale of Pay (ORSP Rules, 1998, w.e.f. from 01.01.1996) to 2,389 ex-STs employees, who were on deputation to OSRTC. As the order had been passed

within the accounts authentication date (15.10.2022), the financial implication, arising out of the judgment, should have been calculated and its impact shown. Thus, the Notes to Account were deficient, as per AS-04.

- (v) The Corporation was accounting for rent collection from shops/stalls *etc.* during the year of realisation and the outstanding rent collections were not reflected in the accounts. On review of accounts for the last three years (2019-21), it was observed that outstanding rent had increased from ₹72.25 lakh (2018-19) to ₹432.46 lakh (2020-21), which was substantial and material. Notes forming part of the financial statements should have incorporated this fact.

5.11 Management Letters

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

The material observations, on the financial statements of PSEs, were reported as comments by the CAG, under Section 143 (5) of the Companies Act, 2013. Besides these comments, irregularities or deficiencies observed by CAG, in the financial reports or in the reporting process, were also communicated to the management, through a 'Management Letters' for taking corrective action. These deficiencies generally related to:

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

During the year, CAG had issued 'Management Letters' to 10 SPSEs, as listed in **Appendix 5.10**.

5.12 Recommendations

1. It is recommended that the process of voluntary winding up of inactive companies under the Companies Act, may be pursued vigorously.
2. State Government may look into the constraints in preparation of the accounts of the PSUs and take necessary steps to clear the arrears in accounts.
3. State Government may ensure timely submission of Financial Statements of SPSEs, as, in the absence of finalisation of accounts, Government investments in such SPSEs remain outside the oversight of the State Legislature.
4. State Government may institute a mechanism to ensure that companies, under their direct/indirect control, are identified for audit, by the CAG, under Section 143 of the Companies Act, 2013.

Bhubaneswar
Dated 06.06.2024

(RAJ KUMAR)

**Principal Accountant General (Audit-I)
Odisha**

Countersigned

New Delhi
Dated 10.06.2024

(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

Appendices

APPENDIX - 1.1
(Refer Introductory paragraph in Chapter I)
A brief profile of Odisha

A. General Data					
Particulars					Figures
1	Area				155707 Sq. Km
2	Population				
	a.	As per 2001 Census			3.68 crore
	b.	As per 2011 Census			4.20 crore
3	Density of Population ¹ (as per 2011 Census). (All India Density = 382 persons per Sq. Km)				270 persons per Sq. Km
4	Population below poverty line ² (BPL) (All India Average = 21.92 <i>per cent</i>)				32.59 <i>per cent</i>
5	Literacy ³ (as per 2011 Census) (All India Average = 73.0 <i>per cent</i>)				72.90 <i>per cent</i>
6	Infant mortality (per 1000 live births) (2017 figure). (All India Average = 33 per 1000 live births)				41.00
7	Life Expectancy at birth. (All India Average = 69.4 years)				69.3 years
8	Human Development Index				
	a.	2020 (All India = 0.642)			2015 (Odisha = 0.582)
	b.	2021 (All India = 0.633)			2019 (Odisha = 0.605)
9	Gross State Domestic Product (GSDP) 2022-23 at current price				₹ 7,74,869 crore
10	Per Capita GSDP CAGR (2013-14 to 2022-23)			Odisha	10.39
				General Category States	9.38
11	GSDP CAGR (2013-14 to 2022-23)			Odisha	11.27
				All India	10.34
12	Population Growth (2013 to 2023)			Odisha	8.67
				All India	11.68
B. Financial Data					
Particulars					
CAGR		2020-21 to 2021-22		2021-22 to 2022-23	
		General Category States	Odisha	General Category States	Odisha
		(In <i>per cent</i>)			
a.	of Revenue Receipts.	25.59	46.62	13.41	-1.70
b.	of Own Tax Revenue.	25.62	18.94	19.78	14.52
c.	of Non Tax Revenue.	44.81	177.98	12.94	-21.26
d.	of Total Expenditure.	14.00	16.67	12.53	24.26
e.	of Capital Expenditure.	25.62	26.61	18.93	46.74
f.	of Revenue Expenditure on Education.	11.47	10.45	13.21	20.17
g.	of Revenue Expenditure on Health.	19.71	20.70	0.88	16.31
h.	of Salary and Wages.	11.82	11.68	8.52	9.87
i.	of Pension.	11.88	20.76	11.38	12.98

¹ Census Info India 2011 Final Population Totals

² Ministry of Statistics and Programme Implementation

³ Economic Survey 2022-23 Government of India

APPENDIX - 1.2

(Refer Introductory paragraph in Chapter I)

Structure and Form of Government Accounts

Part A: Structure and Form of Government Accounts

Structure of Government Account: The accounts of the State Government are kept in three parts

(i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

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

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

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

PART B: Layout of Finance Accounts

Statement No.	About
Volume – I	
1	Statement of Financial Position
2	Statement of Receipts and Disbursements Annexure A. Cash Balances and Investment of Cash Balances
3	Statement of Receipts (Consolidated Fund)
4	Statement of Expenditure (Consolidated Fund)
5	Statement of Progressive Capital Expenditure
6	Statement of Borrowings and other Liabilities
7	Statement of Loans and Advances given by the Government
8	Statement of Investments of the Government
9	Statement of Guarantees given by the Government
10	Statement of Grants-in-Aid given by the Government
11	Statement of Voted and Charged Expenditure
12	Statement on Sources and Application of funds for expenditure other than revenue account
13	Summary of Balances under Consolidated Fund, Contingency Fund and Public Account
Volume – II	
14	Detailed Statement of Revenue and Capital Receipts by Minor heads
15	Detailed Statement of Revenue Expenditure by Minor heads
16	Detailed Statement of Capital Expenditure by Minor heads and Sub heads
17	Detailed Statement of Borrowings and Other Liabilities
18	Detailed Statement of Loans and Advances given by the State Government
19	Detailed Statement of Investments of the Government
20	Detailed Statement of Guarantees given by the Government
21	Detailed Statement on Contingency Fund and Other Public Account transactions
22	Detailed Statement on Investment of Earmarked Funds

APPENDIX – 2.1
(Refer paragraph 2.2)
Abstract of receipts and disbursements for the year 2022-23

(₹ in crore)

2021-22	Receipts	2022-23	2021-22	Disbursements	2022-23		
					Administ rative	Programme	Total
Section A: Revenue							
1,53,059.44	I. Revenue Receipts	1,50,462.34	1,09,587.53	I. Revenue Expenditure-	71,323.28	59,682.85	1,31,006.13
40,747.92	Tax Revenue	46,553.88	32,970.09	General Services	46,851.67	469.09	47,320.76
--	--	--	47,312.15	Social Services-	18,771.01	33,727.19	52,498.20
54,256.81	Non-Tax Revenue	42,719.54	19,044.01	Education, Sports, Art and Culture	13,296.32	9,588.98	22,885.30
--	--	--	8,743.03	Health and Family Welfare	3,191.28	6,978.03	10,169.31
38,144.79	State's Share of Union Taxes	42,989.33	7,195.17	Water Supply, Sanitation, Housing and Urban Development	1,014.14	5,764.55	6,778.69
--	--	--	80.49	Information and Broadcasting	32.60	54.76	87.36
--	Non-Plan Grants	--	2,486.28	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	817.39	2114.46	2,931.85
--	Grants for State Plan Schemes	--	162.40	Labour and Labour Welfare	130.25	93.42	223.67
--	--	--	9,366.19	Social Welfare and Nutrition	138.88	9,041.04	9,179.92
-	Grants for Central and Centrally Sponsored Plan Schemes	--	234.58	Others	150.15	91.95	242.10
--	--	--	27,791.87	Economic Services-	5,700.59	23,902.69	29,603.28
11,819.86	Grants for Centrally Sponsored Scheme	11,741.21	9,712.82	Agriculture and Allied Activities	1,824.07	8,990.09	10,814.16
	--	--	10,542.66	Rural Development	45.03	10,151.07	10,196.10
4,556.77	Finance Commission Grants	4,220.80	4.58	Special Areas Programmes	--	17.50	17.50
--	--	--	2,355.66	Irrigation and Flood Control	1,344.45	1,475.03	2,819.48
3,533.29	Other Transfer/Grants to States	2237.59	26.85	Energy	13.76	43.42	57.18
--	--	--	1,154.19	Industry and Minerals	70.32	1,310.86	1,381.18
--	--	--	2,619.01	Transport	2,159.50	507.51	2,667.01
--	--	--	156.49	Science, Technology and Environment	23.04	120.54	143.58
--	--	--	1,219.61	General Economic Services	220.42	1,286.67	1,507.09
--	--	--	1,513.42	Grants-in-aid and Contributions-	--	1,583.88	1,583.88
--	II. Revenue deficit carried over to	--	43,471.90	II. Revenue Surplus carried over	--	--	19,456.21

2021-22	Receipts	2022-23	2021-22	Disbursements	2022-23		
					Administrative	Programme	Total
Section B : Capital							
32,636.04	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	51,231.04	--	III. Opening Overdraft from Reserve Bank of India	--	--	--
--	IV. Miscellaneous Capital Receipts	--	22,725.48	IV. Capital Outlay-	345.16	33,004.25	33,349.41
--	--	--	868.42	General Services-	25.70	1,921.54	1,947.24
--	--	--	6,002.43	Social Services-	100.34	8,462.49	8,562.83
--	--	--	676.18	Education, Sports, Art and Culture	--	2,192.32	2,192.32
--	--	--	1,689.72	Health and Family Welfare	--	2,148.69	2,148.69
--	--	--	3,048.04	Water Supply, Sanitation, Housing and Urban Development	100.38	3,489.57	3,589.95
--	--	--	--	Information and Broadcasting	--	--	--
-	--	--	431.57	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	(-)0.04	414.43	414.39
--	--	--	33.26	Social Welfare and Nutrition	--	35.65	35.65
--	--	--	123.66	Others	--	181.83	181.83
--	--	--	15,854.63	Economic Services-	219.12	22,620.22	22,839.34
--	--	--	367.04	Agriculture and Allied Activities	(-)0.72	374.14	373.42
--	--	--	(-)4.06	Rural Development	--	--	--
--	--	--	231.14	Special Areas Programmes	--	293.42	293.42
--	--	--	4,756.57	Irrigation and Flood Control	--	7,413.56	7,413.56
--	--	--	3,445.77	Energy	--	3,071.59	3,071.59
--	--	--	51.42	Industry and Minerals	--	331.92	331.92
--	--	--	6,655.24	Transport	--	10,848.09	10,848.09
--	--	--	351.51	General Economic Services	219.84	287.49	507.33
1,566.38	V. Recoveries of Loans and Advances-	831.82	1,685.68	V. Loans and Advances disbursed-	505.92	1,651.68	2,157.60
1,024.23	From Power Projects	127.53	108.84	For Power Projects	--	701.14	701.14
289.69	From Government Servants	431.41	646.84	To Government Servants	505.92	--	505.92
252.46	-From Others	272.88	930.00	To Others	--	950.54	950.54
43,471.90	VI. Revenue Surplus brought down	19,456.21	--	VI. Revenue Deficit brought down	--	--	--
12,779.96	VII. Public Debt Receipts-	5,346.79	19,798.27	VII. Repayment of Public Debt-	--	--	13,926.83
	External debt		--	External debt			--

2021-22	Receipts	2022-23	2021-22	Disbursements	2022-23		
					Administ rative	Programme	Total
5,173.75	Internal debt other than Ways and Means Advances and Overdrafts	4,328.29	18,717.92	Internal Debt other than Ways and Means Advances and Overdrafts	--	--	12,773.85
--	Net transactions under Ways and Means Advances	--	--	Net transactions under Ways and Means Advances	--	--	--
--	Net transactions under Overdraft	--	--	Net transactions under Overdraft	--	--	--
7,606.21	Loans and Advances from Central Government	1,018.50	1,080.35	Repayment of Loans and Advances to Central Government	--	--	1,152.98
--	VIII. Appropriation to Contingency Fund	--	--	VIII. Appropriation to Contingency Fund	--	--	--
171.00	IX. Amount transferred to Contingency Fund	--	--	IX. Expenditure from Contingency Fund	--	--	--
75,153.02	X. Public Account Receipts-	92,656.24	70,337.84	X. Public Account Disbursements-	--	--	74,648.04
5,399.15	Small Savings and Provident Funds	4,693.40	5,090.94	Small Savings and Provident Funds	--	--	5,195.26
6,321.40	Reserve Funds	16,949.15	2,771.54	Reserve Funds	--	--	1,434.33
147.40	Suspense and Miscellaneous	141.61	(-)41.00	Suspense and Miscellaneous	--	--	(-)29.57
28,733.84	Remittance	36,088.09	28,717.15	Remittances	--	--	36,067.19
34,551.23	Deposits and Advances	34,783.99	33,799.21	Deposits and Advances	--	--	31,980.83
--	XI. Closing Overdraft from Reserve Bank of India		51,231.04	XI. Cash Balance at end-	--	--	45,440.22
--	--		--	Cash in Treasuries and Local Remittances	--	--	--
--	--		44.64	Deposits with Reserve Bank	--	--	(-)1.09
--	--		20.74	Departmental Cash Balance including permanent Advances	--	--	22.86
--	--		51,165.66	Cash Balance Investment			45,418.45
3,18,837.74	Total	3,19,984.44	3,18,837.74	Total	--	--	3,19,984.44

APPENDIX – 2.2
(Refer Paragraph 2.2)

Time Series data on the State Government Finances

(₹ in crore)

	2018-19	2019-20	2020-21	2021-22	2022-23
Part A. Receipts					
1. Revenue Receipts	99,546	1,01,568	1,04,387	1,53,059	1,50,462
(i) Tax Revenue	30,318(30)	32,315(32)	34,258(33)	40,748(27)	46,554(31)
State Goods and Services Tax (SGST)	11,943(39)	13,204(41)	13,043(38)	16,392(40)	18,600(40)
Taxes on Agricultural Income	Nil	Nil	Nil	Nil	Nil
Taxes on Sales, Trade, etc.	7,310(24)	7,455(23)	7,777(23)	10,000(24)	12,023(26)
State Excise	3,925(13)	4,495(14)	4,053(12)	5,528(14)	6,455(14)
Taxes on Vehicles	1,746(6)	1,836(6)	1,526(4)	1,663(4)	2,133(4)
Stamps and Registration fees	1,237(4)	1,435(4)	2,942(9)	2,419(6)	1,997(4)
Land Revenue	511(2)	721(2)	603(2)	664(2)	739(2)
Taxes on Goods and Passengers	182(1)	133(1)	146(0)	111(0)	115(0)
Other Taxes	3,464(11)	3,036(9)	4,168(12)	3,971(10)	4,492(10)
(ii) Non-Tax Revenue	14,276(14)	14,647(14)	19,518(19)	54,257(35)	42,720(28)
(iii) State's share of Union taxes and duties	35,354(36)	30,454(30)	27,543(26)	38,144(25)	42,989(29)
(iv) Grants in aid from Government of India *	19,598(20)	24,152(24)	23,068(22)	19,910(13)	18,199(12)
2. Miscellaneous Capital Receipts	Nil	Nil	Nil	Nil	Nil
3. Recoveries of Loans and Advances	305	287	684	1566	832
4. Total Revenue and Non debt capital receipts (1+2+3)	99,851	1,01,855	1,05,071	1,54,625	1,51,294
5. Public Debt Receipts	10,003	14,679	20,318	12,780	5,347
Internal Debt (excluding Ways and Means Advances and Overdrafts)	9,020	13,721	15191	5,174	4,328
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	983	958	5,127	7,606	1,019
6. Total Receipts in the Consolidated Fund (4+5)	1,09,854	1,16,534	1,25,389	1,67,405	1,56,641
7. Contingency Fund Receipts	--	1,440	--	171	--
8. Public Account Receipts	62,906	74,575	63,210	75,153	92,656
9. Total Receipts of the State (6+7+8)	1,72,760	1,92,549	1,88,599	2,42,729	2,49,297
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	85,356(78)	99,137(82)	95,311(83)	1,09,588(82)	1,31,006(79)
Programme	43,144(51)	47,362(48)	48,160(51)	54,683(50)	71,323(54)
Administrative	42,212(49)	51,775(52)	47,151(49)	54,905(50)	59,683(46)
General Services (including interest payments)	24,053(28)	28,601(29)	28,271(30)	32,970(30)	47,321(36)
Social Services	36,427(43)	43,517(44)	39,901(42)	47,312(43)	52,498(40)
Economic Services	23,513(27)	25,585(26)	25,809(27)	27,792(25)	29,603(23)
Grants-in-Aid and Contributions	1,363(2)	1,434(1)	1,330(1)	1,514(2)	1,584(1)
11. Capital Expenditure	23,482(21)	20,277(17)	17,949(16)	22,726(17)	33,349(20)
Program	23,439(100)	20,236(100)	17,857(99)	22,649(100)	33,004(99)
Administrative	43	41	92(1)	77(0)	345(1)
General Services	730(3)	805(4)	868(5)	868(4)	1,947(6)

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

	2018-19	2019-20	2020-21	2021-22	2022-23
Social Services	4,545(19)	5,264(26)	4,523(25)	6,003(26)	8,563(26)
Economic Services	18,207(78)	14,208(70)	12,558(70)	15,855(70)	22,839(68)
12. Disbursement of Loans and Advances	1,170(1)	1,259(1)	1,597(1)	1,686(1)	2,158(1)
13. Total Expenditure (10+11+12)	1,10,008	1,20,673	1,14,857	1,34,000	1,66,513
14. Repayments of Public Debt	3,940	4,494	9252	19,798	13,927
Internal Debt (excluding Ways and Means Advances and Overdrafts)	3,183	3,547	8265	18,718	12,774
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	757	947	987	1,080	1,153
15. Appropriation to Contingency Fund	Nil	Nil	Nil	Nil	Nil
16. Total disbursement out of Consolidated Fund (13+14+15)	1,13,948	1,25,167	1,24,109	1,53,798	1,80,440
17. Contingency Fund disbursements	1,440	Nil	Nil	Nil	Nil
18. Public Account disbursements	50,085	63,078	74,121	70,338	74,648
19. Total disbursement by the State (16+17+18)	1,65,473	1,88,245	1,98,230	2,24,136	2,55,088
Part C. Deficits					
20. Revenue Deficit (-)/Revenue Surplus (+) (1-10)	14,190	2,430⁴	9,076	43,471	19,456
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-)10,157	(-)18,819⁵	(-)9,786	20,627⁶	(-)15,219
22. Primary Deficit(-)/Primary Surplus(+) (21+23)	(-)4,357	(-)12,756	(-)3,142	26,967	(-)9,717
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	5,800	6,063	6,644	6,342	5,502
24. Financial Assistance to local bodies etc.	25,957	28,465	27,269	25,931	19,084
25. Ways and Means Advances/Overdraft availed (days)	--	--	--	--	--
Ways and Means Advances availed (days)	Nil	Nil	Nil	Nil	Nil
Overdraft availed (days)	Nil	Nil	Nil	Nil	Nil
26. Interest on Ways and Means Advances/ Overdraft	Nil	Nil	Nil	Nil	Nil
27. Gross State Domestic Product (GSDP)	4,98,611	5,37,502	5,40,150	6,70,881	7,74,869
28. Outstanding Fiscal liabilities (year end)	1,08,258	1,26,084	1,22,774	1,20,140	1,11,952
29. Outstanding guarantees (year end) (including interest)	4,170	3,532	7,086	6,160	5,111
30. Maximum amount guaranteed (year end)	15,281	15,206	19,336	17,776	17,360
31. Number of incomplete projects	NA	NA	NA	NA	NA
32. Capital blocked in incomplete projects	NA	NA	NA	NA	NA

⁴ Difference of ₹ 1 crore is due to rounding off: RR (₹ 1,01,567.75 crore) – RE (₹ 99,137.30 crore) = ₹ 2,430.45 crore

⁵ Difference of ₹ 1 crore is due to rounding off: (₹ 1,01,567.75 crore + ₹ 287.16 crore) - (₹ 99,137.30 crore + ₹ 20,277.28 crore + ₹ 1,259.31 crore)

⁶ Difference of ₹ 2 crore is due to rounding off [(RR: ₹ 1,53,059.44 crore + Recovery of Loans & Advances: ₹ 1,566.38 crore) – (RE: ₹ 1,09,587.53 crore + CE: ₹ 22,725.48 crore + Disbursement of Loans and Advances: 1,685.68 crore) = ₹ 20,627.13 crore]

	2018-19	2019-20	2020-21	2021-22	2022-23
Part E: Fiscal Health Indicators (in per cent)					
I Resource Mobilisation					
Own Tax Revenue/GSDP	6.08	6.01	6.34	6.07	6.01
Own Non-Tax Revenue/GSDP	2.86	2.72	3.61	8.09	5.51
Central Transfers/GSDP	7.09	5.66	5.10	5.69	5.55
II Expenditure Management					
Total Expenditure/GSDP	22.06	22.45	21.26	19.97	21.49
Total Expenditure/Revenue Receipts	110.51	118.81	110.03	87.55	110.67
Revenue Expenditure/Total Expenditure	77.59	82.15	82.98	81.78	78.68
Expenditure on Social Services/Total Expenditure	37.24	40.42	38.67	39.79	36.67
Expenditure on Economic Services/Total Expenditure	38.25	33.35	34.10	32.57	31.49
Capital Expenditure/Total Expenditure	21.35	16.80	15.63	16.96	20.03
Capital Expenditure on Social and Economic Services/Total Expenditure.	20.68	16.14	14.87	16.31	18.59
III Management of Fiscal Imbalances					
Revenue Surplus/GSDP	2.85	0.45	1.68	6.48	2.51
Fiscal Deficit (Surplus)/GSDP	-2.04	-3.50	-1.81	3.74	-1.96
Primary Deficit (Surplus) /GSDP	-0.87	-2.37	-0.58	4.02	-1.25
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	21.71	23.46	22.73	17.91	14.45
Fiscal Liabilities/RR	108.75	124.14	117.61	78.49	74.41
V Other Fiscal Health Indicators					
Return on Investment	10.16	5.64	14.58	4.92	4.71
Balance from Current Revenue (₹ in crore)	65,423	67,853	79,430	1,22,902	1,42,352
Financial Assets/Liabilities	1.53	1.47	1.59	1.88	1.95

APPENDIX – 2.3
(Refer paragraph 2.6)

Summarised financial position of the Government of Odisha as on 31 March 2023

(₹ in crore)

As on 31 March 2022			As on 31 March 2023
	Liabilities		
53,977.24	Internal Debt -		45,531.68
28,558.00	Market Loans bearing interest	21,058.00	
0.07	Market Loans not bearing interest	0.06	
Nil	Loans from Life Insurance Corporation of India	Nil	
25,419.17	Loans from other Institutions	24,473.62	
--	Ways and Means Advances	--	
--	Overdrafts from Reserve Bank of India	--	
18,507.82	Loans and Advances from Central Government -		18,373.34
0.38	Pre 1984-85 Loans	0.38	
9.73	Non-Plan Loans	7.90	
3,462.56	Loans for State Plan Schemes	2,617.27	
	Loans for Central Plan Schemes	--	
1.14	Loans for Central Sponsored Schemes	0.67	
15,034.01	Loans for State/UTs with Legislature Schemes	15747.12	
400.00	Contingency Fund		400.00
25,257.58	Small Savings, Provident Funds, etc.		24,755.72
16,977.92	Deposits		19,781.94
23,883.30	Reserve Funds Advances		39,398.13
306.03	Suspense and Miscellaneous Balances		482.60
--	Remittance Balances		--
698.15	Miscellaneous Capital Receipts		698.15
1,22,901.62	Cumulative excess of receipts over expenditure		1,42,352.40
262909.66	Total		2,91,773.96
	Assets		
2,02,410.27	Gross Capital Outlay on Fixed Assets -		2,35,759.68
10,642.65	Investments in shares of Companies, Corporations etc.	12,417.78	
1,91,767.62	Other Capital Outlay	2,23,341.90	
9,185.47	Loans and Advances -		10,511.25
3,116.33	Loans for Power Projects	3,689.94	
5,270.93	Other Development Loans	5,962.07	

As on 31 March 2022			As on 31 March 2023
798.21	Loans to Government servants and Miscellaneous loans	859.24	
17.33	Advances		18.18
65.54	Remittance Balances		44.63
--	Suspense and Miscellaneous Balances		--
5,12,31.05	Cash -		45440.22
--	Cash in Treasuries and Local Remittances	--	
44.64	Deposits with Reserve Bank	(-)1.09	
20.74	Departmental Cash Balance including Permanent Advances	22.86	
--	Security Deposits	--	
18,464.21	Investment of Earmarked Funds	35,889.02	
32,701.46	Cash Balance Investments	9529.43	
--	Deficit on Government Account -		--
--	(i) Less Revenue Surplus of the current year		--
--	(ii) Appropriation to Contingency Fund		--
--	Accumulated deficit at the beginning of the year		--
2,62,909.66	Total		2,91,773.96

** Included under Suspense and Miscellaneous

Note: Closing balance of the Contingency Fund has been taken under liabilities

Explanatory Notes for Appendix 2.3

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix 2.2, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc. There was a difference of ₹ 0.10 crore (Debit) between the figure reflected in the Accounts ₹ 1.09 crore (Debit) and that intimated by the Reserve Bank of India ₹ 0.99 crore (Credit) relating to deposits with Reserve Bank of India included in the Cash Balance

APPENDIX – 3.1

(Refer paragraph 3.3.1)

Cases where supplementary provision (₹ 100 crore or more in each case) proved unnecessary

(₹ in crore)

Sl. No.	Number and Name of Grant	Original Provision	Supplementary Provision	Actual Expenditure	Savings out of Original provision
A-Revenue (Voted)					
1.	1 - Home	5,566.38	152.51	5,169.89	396.49
2.	10 - School and Mass Education	19,891.52	909.41	19,742.88	148.64
3.	11 - ST & SC Development, Minorities & Backward Classes Welfare	3,209.42	528.36	3,140.99	68.43
4.	13 - Housing and Urban Development	6,221.03	774.77	6,067.26	153.77
5.	17 - Panchayati Raj and Drinking Water	20,826.84	754.95	11,978.42	8,848.43
6.	20 - Water Resources	3,115.96	190.91	2,927.66	188.30
7.	22 - Forest & Environment	2,212.02	254.24	1,954.00	258.02
8.	23 - Agriculture and Farmers' Empowerment	6,364.12	143.65	5,942.71	421.40
9.	36 - Women & Child Development	3,492.84	163.57	2,939.60	553.24
10.	38 - Higher Education	2,750.57	319.51	2,521.00	229.57
11.	42 - Disaster Management	6,472.37	2,635.46	3,037.03	3,435.34
Total		80,123.07	6,827.34	65,421.44	14,701.63
B-Capital (Voted)					
12.	1 -Home	674.83	132.50	650.06	24.77
13.	5 - Finance	5,141.75	552.87	3,021.42	2,120.33
14.	28 - Rural Development	5,382.18	552.00	4,704.53	677.65
Total		11,198.76	1237.37	8,376.01	2,822.75
GRAND TOTAL		91,321.83	8,064.71	73,797.45	17,524.38

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

APPENDIX – 3.2
(Refer paragraph 3.3.1)
Cases where Supplementary Provision (₹ five crore or more in each case)
proved excessive

(₹ in crore)

Sl. No.	Number and Name of Grant	Original Provision	Supplementary provision	Total Budget	Actual expenditure	Excessive Supplementary provision (savings)
A-Revenue (Voted)						
1	5-Finance	31,854.07	3,700.73	35,554.80	33,248.06	2,306.75
2	9-Food Supplies and Consumer Welfare	1,201.85	168.08	1,369.94	1,347.69	22.25
3	12-Health and Family Welfare	9,843.59	1,050.80	10,894.39	10,319.35	575.03
4	15-Sports and youth Services	187.93	15.11	203.04	193.54	9.50
5	19-Industries	466.40	592.76	1,059.16	677.03	382.13
6	26-Excise	118.11	5.59	123.69	118.75	4.94
7	29-Parliamentary affairs	50.17	6.69	56.85	52.39	4.47
8	32-Tourism and Culture	176.49	99.55	276.04	263.90	12.14
9	37-Electronics and Information Technology	301.61	87.88	389.49	388.40	1.09
10	39-Skill Development & Technical Education	500.59	40.78	541.37	510.14	31.23
11	43-Odia Language, Literature and Culture	163.23	17.94	181.17	175.47	5.69
Total		44,864.04	5,785.91	50,649.94	47,294.72	3,355.22
B-Revenue (Charged)						
12	2-General Administration Department and Public Grievances	24.62	11.59	36.21	31.43	4.78
Total		24.62	11.59	36.21	31.43	4.78
C-Capital (Voted)						
13	4-Law	8.44	5.91	14.35	12.38	1.97
14	10-School and Mass Education	744.46	12.40	756.86	752.57	4.29
15	15-Sports and youth Services	722.94	500.02	1,222.96	1,222.22	0.74
16	17-Panchayati Raj and Drinking Water	1,908.00	100.00	2,008.00	1,910.85	97.15
17	20-Water Resources	6,847.85	1,404.65	8,252.50	7,179.53	1,072.97
18	21-Transport	921.72	198.00	1,119.72	1,001.92	117.80
19	22-Forest & Environment	5.53	5.00	10.53	8.51	2.02
20	31-Handlooms, Textiles and Handicrafts	8.00	115.00	123.00	116.56	6.44
21	39-Skill Development & Technical Education	310.09	22.00	332.09	319.17	12.92
22	43-Odia Language, Literature and Culture	6.00	12.00	18.00	17.44	0.56
Total		11,483.03	2,374.98	13,858.01	12,541.15	1,316.86
Grand Total		56,371.69	8,172.48	64,544.16	59,867.3	4,676.86

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

APPENDIX – 3.3
(Refer Paragraph 3.3.2)
Unnecessary / Inadequate re-appropriation of funds during FY 2022-23
(₹ in crore)

Sl. No.	Number/ Name of Grant and Head of Accounts	Original Grant	Supplementary Grant	Re-appropriation	Total	Expenditure	Savings (-)/ Excess (+)
Grant No. 1-Home							
1	2055-00-117-3472-Strengthening of Forensic Science laboratory Odisha for DNA analysis cyber forensic and related facilities under Nirbhaya Fund	6.29	0	(-) 4.49	1.8	0	(-) 1.80
Grant No. 5-Finance							
2	7610-00-202-3609-Advances for purchase of Electric Operated Motor Car/Motor Cycle	7.55	14.9	(+) 29.6	49.36	49.36	(-) 2.69
Grant No. 6-Commerce							
3	2058-00-001-0618-Headquarters Organisation	11.59	0.06	(+) 0.11	11.76	10.48	(-) 1.28
4	2058-00-102-1097-Printing	17.46	0	(-) 0.39	17.07	13.9	(-) 3.17
5	2058-00-103-0846-Main Press	31.85	0	(-) 0.72	31.13	24.70	(-) 6.43
Grant No. 7-Works							
6	2059-80-001-0441-Executive Engineer, National Highway Establishment	31.67	0	(-) 6.39	25.28	25.43	(+) 0.15
7	5054-04-789-2161-Rural Infrastructure Development (Fund)	86.34	0.01	(+) 64.7	151.05	297.3	(+) 146.25
Grant No. 16-Planning & Convergence							
8	2401-00-111-0114-Pensionary Contribution towards service rendered by Govt. servants under foreign employer	14.83	0	(-) 9.93	4.9	0	(-) 4.90
Grant No. 20-Water Resources							
9	2705-00-107-3091-Command Area Development Programme under central, Southern and Northern RDC Zone	30.55	0	(-) 6.03	24.53	19.07	(-) 5.46
10	4700-19-800-2177-JBIC Assisted Rengali Irrigation Project (EAP)-Phase-II	116.49	0	(-) 42.33	74.16	75.29	(+) 1.13
11	4711-01-103-2161-Rural Infrastructure Development Fund (RIDF)	180	0	(+) 28.69	209.67	209.67	(+) 0.98
12	4711-01-789-2161-Rural Infrastructure Development Fund (RIDF)	110	0	(+) 34.84	144.84	143.86	(-) 0.98
Grant No. 21-Transport							

Sl. No.	Number/ Name of Grant and Head of Accounts	Original Grant	Supplementary Grant	Re-appropriation	Total	Expenditure	Savings (-)/ Excess (+)
13	2041-00-001-0368-Enforcement Establishment	18.2	1.96	(-) 1.84	18.32	16.1	(-) 2.21
14	2041-00-001-1497-State Transport Establishment	6.84	0.67	(-) 0.72	6.79	5.78	(-) 1.01
15	2041-00-101-1175-Regional Transport Authority	37.1	0.8	(-) 2.46	35.44	30.08	(-) 5.36
Grant No.22-Forest & Environment							
16	2406-04-103-3364-Compensatory Afforestation Fund	618.98	0	(-) 73.01	545.97	493.42	(-) 52.55
17	2406-04-789-3364-Compensatory Afforestation Fund	187.9	19.55	(-) 23.72	183.72	160.4	(-) 23.33
18	2406-04-796-3364-Compensatory Afforestation Fund	298.44	31.05	(-) 33.1	296.39	276.56	(-) 19.83
Grant No.24-Steel & Mines							
19	3451-00-090-1371- Steel and Mines Department	9.01	0.02	0.63	8.41	7.78	(-) 0.63
Grant No.30-Energy							
20	2810-00-105-2963-Assistance to GEDCOL	5	0	(-) 0.82	4.18	0	(-) 4.18
21	4801-05-800-0708-Information, Education and Communication	5.04	0	(-) 4.22	0.82	0	(-) 0.82
22	4801-05-800-3598-Disaster Response Scheme	25	0	(-) 15	10	0	(-) 10.00
23	4801-06-800-3304-Sahaj Bijli Har Ghar Yojana (Rural)-Saubhagya	50	0	(-) 43.7	6.3	0	(-) 6.3
Grant No.33-Fisheries & Animal Resources Development							
24	2403-00-113-1249-Sample Survey on Estimation of Production of milk, egg, wool and meat	4	0	(+) 2.40	6.4	3.2	(-) 3.20
Appropriation 2049-Interest Payments							
25	2049-04-101-0086-Block loan for State Plan Schemes	48.9	0	(-) 20.49	28.41	31.56	(+) 3.15
26	2049-04-109-0179-Consolidated Loans	80	0	(-) 53.49	26.51	29.45	(+) 2.94
27	2049-04-112-1977-External Debt	28.77	0	(+) 25.11	53.88	57.01	(+) 3.13
Appropriation 6004-Loans and Advances from the Central Government							
28	6004-02-101-0432-Back to Back Loans	314.26	0	(+) 50.52	364.79	367.79	(+) 3
GRAND TOTAL		2,382.06	69.02	(-) 109.20	2,341.88	2,348.19	(+) 6.31

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

APPENDIX – 3.4
(Refer paragraph 3.3.3)
Grants having large savings, (exceeding ₹ 25 crore), during FY 2022-23
(₹ in crore)

Sl. No.	Number and Name of the Grant	Total Budget Provision	Actual Expenditure	Savings	Surrendered	Savings (after surrender)
A-Revenue (Voted)						
1	1-Home	5,718.89	5,169.89	549.00	537.82	11.18
2	6-Commerce	115.45	86.38	29.08	16.19	12.89
3	13-Housing and Urban Development	6,995.80	6,06 7.26	928.54	923.30	5.24
4	20-Water Resources	3,306.86	2,927.66	379.20	371.88	7.32
5	21-Transport	325.62	230.04	95.59	44.71	50.88
6	22-Forest & Environment	2,466.26	1,954.00	512.26	416.58	95.68
7	41-Social Security and Empowerment of Persons with Disability	3,709.96	3,419.99	289.97	0.00	289.97
Total		22,638.84	19,855.22	2,783.64	2,310.48	473.16
B-Capital (Voted)						
8	1-Home	807.33	650.06	157.27	123.77	33.50
9	11-ST & SC Development, Minorities & Backward Classes Welfare	882.55	414.43	468.12	318.12	150.00
10	30-Energy	3,420.04	3,336.98	83.07	65.95	17.12
Total		5,109.92	4,401.47	708.46	507.84	200.62
Grand Total		27,748.76	24,256.69	3,492.10	2,818.32	673.78

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

APPENDIX – 3.5
(Refer paragraph 3.3.3)
Grants having persistent savings (exceeding ₹ 100 crore) during FYs 2020-21 to 2022-23

(₹ in crore)

(in crore)				
Sl. No.	Grant No./ Name of the Department	Savings		
		2020-21	2021-22	2022-23
Revenue (V)				
1	1-Home	854.83	930.20	549.00
2	3-Revenue and Disaster Management	279.82	310.91	246.15
3	4-Law	112.04	105.56	161.86
4	5-Finance	5,132.98	4,519.17	2,306.75
5	10-School and Mass Education	2,462.04	2,708.50	1,058.05
6	11-ST & SC Development, Minorities and Backward Classes Welfare	831.82	682.45	596.78
7	12-Health and Family Welfare	1,148.52	892.96	575.03
8	13-Housing and Urban Development	898.71	179.87	928.54
9	16-Planning and Convergence	171.46	146.45	555.72
10	17-Panchyati Raj and Drinking Water	3,149.59	7,292.86	9,603.38
11	20-Water Resources	1,252.76	289.43	379.20
12	22-Forest and Environment	376.42	243.66	512.26
13	23-Agriculture and Farmers' Empowerment	2,704.16	1,535.01	565.06
14	28-Rural Development	184.23	286.36	140.09
15	33-Fisheries	240.30	303.02	274.59
16	36-Women and Child Development and Mission Shakti	659.80	584.48	716.81
17	38-Higher Education	409.74	372.57	549.08
18	42-Disaster Management	3,622.89	2,963.21	6,070.80
Revenue (C)				
19	2049-Interest Payment (All Charged)	5,162.10	1,657.55	2,964.68
Capital (V)				
20	7-Works	474.22	932.40	859.67
21	12-Health and Family Welfare	394.67	158.81	326.62
22	20-Water Resources	1,252.76	1,253.96	1,072.97
23	21-Transport	232.03	163.25	117.80
24	14- Rural Development	1,510.91	1,956.83	1,229.65

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

APPENDIX – 3.6
(Refer paragraph 3.3.3)
Grant-wise percentage of utilisation of budget and savings, during FY 2022-23
(₹ in crore)

Sl. No.	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Utilisation	Range of Utilisation (Per cent)
1	40-Micro, Small and Medium Enterprises	623.17	178.50	444.67	28.64	Up to 50
2	42-Disaster Management	9,107.83	3,037.03	6,070.80	33.35	
3	16-Planning and Convergence	3,035.58	1,401.26	1,634.31	46.16	
4	27-Science & Technology	189.33	89.97	99.36	47.52	
Total		12,955.91	4,706.76	8,249.14		
5	6-Commerce	186.35	100.83	85.53	54.10	51 to 75
6	17-Panchayati Raj and Drinking Water	23,596.39	13,890.11	9,706.28	58.87	
7	2-General Administration & Public Grievance	582.41	369.05	213.36	63.37	
8	Interest Payment (All Charged)	8,467.00	5,502.32	2,964.68	64.99	
9	19-Industries	1,274.16	892.03	382.13	70.01	
Total		34,106.31	20,754.34	13,351.97		
10	25-Information and Public Relations	142.00	108.56	33.44	76.45	76 to 90
11	4-Law	698.66	534.78	163.88	76.54	
12	11-ST & SC Development, Minorities & Backward Classes Welfare	4,620.35	3,555.44	1,064.91	76.95	
13	32-Tourism	689.79	539.51	150.28	78.21	
14	22-Forest & Environment	2,476.96	1,962.59	514.37	79.23	
15	36-Women & Child Development	3,742.08	2,975.26	766.82	79.51	
16	24-Steel and Mines	183.19	147.00	36.19	80.24	
17	3-Revenue and Disaster Management	1,540.79	1,237.64	303.15	80.32	
18	33-Fisheries & Animal Resources Development	1,672.35	1,351.68	320.67	80.83	
19	28-Rural Development	7,518.89	6,148.65	1,370.24	81.78	

Sl. No.	Number and Name of Grant	Total Budget	Total Expenditure	Savings	Percentage of Utilisation	Range of Utilisation (Per cent)
20	38-Higher Education	3,155.58	2,603.62	551.96	82.51	
21	14-Labour and Employees State Insurance	212.51	179.75	32.76	84.59	
22	21-Transport	1,445.35	1,231.96	213.38	85.24	
23	8-Odisha Legislative Assembly	188.95	161.70	27.25	85.58	
24	31-Handlooms, Textiles and Handicrafts	324.39	282.47	41.93	87.08	
25	20-Water Resources	11,646.36	10,156.20	1,490.16	87.20	
26	13-Housing and Urban Development	8,049.26	7,035.59	1,013.67	87.41	
27	5-Finance	41,261.03	36,270.08	4,990.95	87.90	
28	7-Works	8,817.62	7,832.45	985.17	88.83	
29	1-Home	6,714.62	5,976.80	737.82	89.01	
30	29-Parliamentary Affairs	90.58	81.59	8.98	90.08	
Total		1,05,191.30	90,373.32	14,817.98		91 to 100
31	23-Agriculture and Farmers' Empowerment	6,789.77	6,224.70	565.07	91.68	
32	41-Social Security and Empowerment of Persons with Disability	3,709.96	3,419.99	289.95	92.18	
33	18-Public Grievances and Pension Administration	2.21	2.04	0.17	92.31	
34	12-Health and Family Welfare	13,443.97	12,539.94	904.03	93.28	
35	35-Public Enterprises	10.35	9.69	0.66	93.62	
36	26-Excise	163.79	154.21	9.58	94.15	
37	39-Skill Development and Technical Education	873.47	829.32	44.15	94.95	
38	10-School and Mass Education	21,557.91	20,495.46	1,062.45	95.07	
39	Loan and advance form the central Government (all charged)	1,209.62	1,152.98	56.64	95.32	
40	34-Co-operation	1,954.18	1,885.35	68.83	96.48	
41	43-Odia Language, Literature and Culture	199.22	192.96	6.25	96.86	
42	30-Energy	3,527.71	3,433.71	94.00	97.34	
43	9-Food Supplies and Consumer Welfare	1,373.44	1,350.75	22.69	98.35	
44	44-Mission Shakti	2,000.00	1,977.28	22.72	98.86	
45	15-Sports and Youth Services	1,426.00	1,415.76	10.24	99.28	
46	37-Electronics and Information Technology	389.49	388.40	1.09	99.72	
47	Internal Debt of the State Government (all charged)	12,791.73	12,773.85	17.88	99.86	
Total		71,422.82	68,246.39	3,176.40		
Grand Total		2,23,676.35	1,84,080.82	39,595.53		

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

APPENDIX – 3.7
(Refer paragraph 3.3.3)

Surrender of funds in excess of ₹100 crore, on the last day of March 2023

(₹ in crore)

Sl. No.	Number and Name of Grant	Original Budget	Supplementary Budget	Total Provision	Actual Expenditure	Savings	Amount surrendered on 31.3.2023
A-Revenue (Voted)							
1	1-Home	5,566.38	152.51	5,718.89	5,169.89	549.00	537.82
2	3-Revenue and Disaster Management	1,266.89	19.52	1,286.41	1,040.26	246.15	2,458.32
3	4-Law	599.11	85.15	684.26	522.40	161.86	161.67
4	5-Finance	31,854.07	3,700.73	35,554.80	33,248.06	2,306.75	2,307.73
5	7-Works	2,240.95	0.02	2,240.96	2,117.71	123.25	136.80
6	10-School and Mass Education	19,891.52	909.41	20,800.93	19,742.88	1,058.05	1,055.91
7	11-ST & SC Development, Minorities & Backward Classes Welfare	3,209.42	528.36	3,737.78	3,140.99	596.78	596.04
8	12-Health and Family Welfare	9,843.59	1,050.80	10,894.39	10,319.35	575.03	590.97
9	13-Housing and Urban Development	6,221.03	774.77	6,995.80	6,067.26	928.54	923.30
10	16-Planning and Convergence	1,661.71	0.78	1,662.50	1,106.78	555.72	550.74
11	17-Panchayati Raj and Drinking Water	20,826.84	754.95	21,581.79	11,978.42	9,603.38	9,602.97
12	19-Industries	466.40	592.76	1,059.16	677.03	382.13	382.09
13	20-Water Resources	3,115.96	190.91	3,306.86	2,927.66	379.20	371.88
14	22-Forest & Environment	2,212.02	254.24	2,466.26	1,954.00	512.26	416.58
15	23-Agriculture and Farmers' Empowerment	6,364.12	143.65	6,507.77	5,942.71	565.06	564.83
16	28-Rural Development	1,583.96	0.26	1,584.21	1,444.12	140.09	140.09
17	33-Fisheries & Animal Resources Development	1,295.07	14.82	1,309.89	1,035.30	274.59	271.33
18	36-Women & Child Development	3,492.84	163.57	3,656.41	2,939.60	716.81	716.86
19	38-Higher Education	2,750.57	319.51	3,070.08	2,521.00	549.08	548.86
20	40-Micro, Small and Medium Enterprises	532.66	0.51	533.17	148.48	384.69	384.66
21	42-Disaster Management	6,472.37	2,635.46	9,107.83	3,037.03	6,070.80	6,070.48
Total		131,467.48	12,292.69	143,760.15	117,080.93	26,679.22	28,789.93
B- Capital (Voted)							
22	1-Home	674.83	132.50	807.33	650.06	157.27	123.77
23	2-General Administration & Public Grievance	175.24	3.40	178.64	19.71	158.93	158.93
24	5-Finance	5,141.75	552.87	5,694.61	3,021.42	2,673.20	2,670.46
25	7-Works	6,432.26	1.01	6,433.28	5,573.61	859.67	988.01
26	11-ST & SC Development, Minorities & Backward Classes Welfare	882.55	0.00	882.55	414.43	468.12	318.12
27	12-Health and Family Welfare	2,496.15	50.71	2,546.86	2,220.24	326.62	326.62
28	16-Planning and Convergence	1,373.05	0.00	1,373.05	294.47	1,078.58	1,078.58
29	20-Water Resources	6,847.85	1,404.65	8,252.50	7,179.53	1,072.97	1,073.96
30	21-Transport	921.72	198.00	1,119.72	1,001.92	117.80	117.80
31	28-Rural Development	5,382.18	552.00	5,934.18	4,704.53	1,229.65	1,230.02
32	32-Tourism	413.59	0.00	413.59	275.45	138.14	138.14
Total		30,741.17	2,895.14	33,636.31	25,355.37	8,280.95	8,224.41
Grand Total		1,62,208.65	15,187.83	1,77,396.46	1,42,436.30	34,960.17	37,014.34

Source: Appropriation Accounts for FY 2022-23, Government of Odisha

APPENDIX – 3.8
(Refer paragraph 3.4.2)
Surrenders of 100 per cent of total provisions made during FY 2022-23
(₹ 50 crore or more in each case)

(₹ in crore)

Sl. No.	Grant number and name	Scheme (Head of Account)	Amount surrendered (₹ in crore)	Percentage of Surrender	Reasons for Surrender
1	03-Revenue and Disaster Management	3454-02-800-2475 - Census Establishment	55.00	100	Due to non-receipt of proposal.
2	05-Finance	2014-00-103-3484 - 15 th FC Grants for Judiciary	85.00	100	Reasons not furnished.
3		2052-00-090-3426 - State Capability and Resilient Growth Policy Program - EAP	100.73	100	Reasons not furnished.
4		2210-06-112-3485 - 15 th FC Grants for Health Sector	111.00	100	Reasons not furnished.
5		2401-00-104-3486 - 15 th FC Grants for Agriculture Reforms	226.00	100	Reasons not furnished.
6		3054-04-337-3487 - 15 th FC Grants for Maintenance of PMGSY Roads	275.00	100	Reasons not furnished.
7		5054-04-101-3478 - Scheme for Special Central Assistance to States for Capital Expenditure	445.00	100	Reasons not furnished.
8		5475-00-800-2618 - State Viability Gap Fund (VGF) Assistance for Infrastructure Development	50.00	100	Reasons not furnished.
9	07-Works	5054-04-337-3429 - Ekamra Kshetra Amenities and Monument Revival Action (EKAMRA) Plan	100.00	100	Reasons not furnished.
10		5054-04-337-3500 - Samaleswari Temple Area Management and Local Economic Initiative (SAMALEI)	150.00	100	Reasons not furnished.
11		5054-04-337-3562 - Rural Infrastructure Assistance to State Government (RIAS)	500.00	100	Reasons not furnished.
12		5054-04-796-3204 - Road Reconstruction Plan in LWE Affected Areas	80.75	100	Reasons not furnished.
13	11-ST&SC Development, Minorities & Backward Classes Welfare	2225-01-793-0671 - Implementation of Income Generating Scheme	71.10	100	Due to non-settlement of claims and non-receipt of matching fund from Government of India (GoI).
14	12-Health and Family Welfare	4210-03-105-3037 - Human Resource in Health & Medical Education	190.32	100	Due to non-release of funds by the GoI.
15		4210-03-789-3037 - Human Resource in Health & Medical Education	50.00	100	Due to non-release of funds by the GoI.
16		4210-03-796-3037 - Human Resource in Health & Medical Education	71.76	100	Due to non-release of funds by the GoI

Sl. No.	Grant number and name	Scheme (Head of Account)	Amount surrendered (₹ in crore)	Percentage of Surrender	Reasons for Surrender
17	13-Housing and Urban Development	2217-05-800-3409 - Cities Investment to Innovate , Integrate and Sustain (CITIIS)	71.37	100	Due to non-receipt of Central Assistance.
18	16- Planning and Convergence	2575-02-789-3489 - Special Initiative Programme	110.00	100	Reasons not furnished.
19		2575-02-796-3489 - Special Initiative Programme	150.00	100	Reasons not furnished.
20		4575-02-800-3489 - Special Initiative Programme	1,048.55	100	Reasons not furnished.
21	17-Panchayati Raj and Drinking Water	2505-60-101-3227 -Revolving Fund for MGNREGS	1,000.00	100	Reasons not furnished.
22		2505-60-789-3122 - Pradhan Mantri Awaas Yojana (PMAY)-Biju Pucca Ghar	1,652.00	100	Reasons not furnished.
23		2505-60-796-3122 - Pradhan Mantri Awaas Yojana (PMAY)-Biju Pucca Ghar	1,652.00	100	Reasons not furnished.
24		2505-60-800-3122 - Pradhan Mantri Awaas Yojana (PMAY)-Biju Pucca Ghar	2,203.00	100	Reasons not furnished.
25		2515-00-196-3494 -15th FC Grants- Grants for Buildingless sub-centers PHCs, CHCs	72.83	100	Reasons not furnished.
26		2515-00-196-3496 - 15th FC Grants: Support for diagnostic infrastructure to the primary health care facilities - PHCs	65.50	100	Reasons not furnished.
27		2515-00-196-3497 - 15th FC Grants: Support for diagnostic infrastructure to the primary health care facilities - Sub-Centers	61.72	100	Reasons not furnished.
28	20-Water Resources 20	4701-97-796-3562 - Rural Infrastructure Assistance to State Government (RIAS) Project under State Plan	80.00	100	Due to transfer of work to RIDF scheme.
29		4701-97-800-3562 - Rural Infrastructure Assistance to State Government (RIAS)	175.67	100	Due to slow progress of work and transfer of work to RIDF scheme.
30	23-Agriculture and Farmers' Empowerment	2401-00-113-3346 - Sub-Mission on Agriculture Mechanisation	108.00	100	Due to non-receipt of Central Assistance.
31	28-Rural Development	3054-04-338-2583 - Maintenance of Roads & Bridges constructed under Pradhan Mantri Gram Sadak Yojana (PMGSY)	100.00		Reasons not furnished.
32		5054-04-101-3562 - Rural Infrastructure Assistance to State Government (RIAS)	60.00	100	Reasons not furnished.
33		5054-04-337-3562 - Rural Infrastructure Assistance to State Government (RIAS)	180.00	100	Reasons not furnished.
34		5054-80-789-3562 - Rural Infrastructure Assistance to State Government (RIAS)	68.00	100	Reasons not furnished.

Sl. No.	Grant number and name	Scheme (Head of Account)	Amount surrendered (₹ in crore)	Percentage of Surrender	Reasons for Surrender
35		5054-80-796-3562 - Rural Infrastructure Assistance to State Government (RIAS)	92.00	100	Reasons not furnished.
36	30-Energy	4801-01-190-1276 - Investments in Public Sector and Other Undertakings	900.00	100	Due to erroneous provisioning under the head.
37		4801-05-051-3597 - Infrastructure development in SCB Medical College	100.00	100	Reasons not furnished.
38	36-Women & Child Development	2236-02-101-3553 - POSHAN 2.0 (Sakshyam Anganwadi and POSHAN 2.0)	116.58	100	Due to non-receipt of Central Assistance.
39		2236-02-789-3553 - POSHAN 2.0 (Sakshyam Anganwadi and POSHAN 2.0)	29.67	100	Due to non-receipt of Central Assistance.
40		4235-02-103-3602 - Construction of Working Women Hostels (SAMARTHYA)	50.00	100	Due to non-receipt of Central Assistance.
41	38-Higher Education	2202-03-112-2939 - Rashtriya Uchchatar Shiksha Abhiyan (RUSA)	124.47	100	Due to non-receipt of Central Assistance from Govt. of India.
42	42-Disaster Management	2245-08-101-3523 - State Disaster Mitigation Fund	449.20	100	Reasons not furnished.
43		2245-80-800-0836 - Lumpsum Provision for Other Works	2,882.86	100	Diverted to meet additional requirement under other heads.
44		2245-08-101-1183 - Relief Expenditure met from National Calamity Contingency Fund	771.20	100	Reasons not furnished
45		2245-80-800-3523 - State Disaster Mitigation Fund	192.80	100	Reasons not furnished
TOTAL			17,129.08		

Source: Monthly Appropriation Reports 2022-23, Government of Odisha

APPENDIX – 3.9
(Refer paragraph 3.4.3)

Release of funds at the end of the Financial Year 2022-23

Sl. No.	Name of the Department	Sanction order No.	Date	Amount (₹crore)
1	Home	202229090655	29/03/2023	1.89
		202229090816	29/03/2023	0.10
			Total	1.99
2	Food Supplies and Consumer Welfare	202229080378	28/03/2023	0.66
		202229080630	28/03/2023	0.27
		202229080535	28/03/2023	0.23
			Total	1.16
3	School and Mass Education	202229080200	27/03/2023	30.15
		202229094214	29/03/2023	178.68
		202229095390	29/03/2023	10.88
		202229095403	29/03/2023	7.25
		202229095410	29/03/2023	16.95
		202229095509	29/03/2023	11.30
		202229095607	29/03/2023	90.18
		202229095731	29/03/2023	60.12
		202229095841	29/03/2023	3.41
		202229095902	29/03/2023	2.28
		202229095965	29/03/2023	1.62
		202229096024	29/03/2023	6.40
		202229095306	29/03/2023	8.96
		202229091598	29/03/2023	3.08
		202229091671	29/03/2023	1.07
		202229091772	29/03/2023	0.71
		202229091832	29/03/2023	2.90
		202229091891	29/03/2023	1.93
		202229091966	29/03/2023	1.36
		202229092032	29/03/2023	0.91
		202229092088	29/03/2023	0.51
		202229092172	29/03/2023	0.34
		202229092212	29/03/2023	0.73
		202229092254	29/03/2023	0.49
		202229094280	29/03/2023	119.12
		2022290994334	29/03/2023	62.34
		202229094426	29/03/2023	41.56
		202229094469	29/03/2023	78.26

Sl. No.	Name of the Department	Sanction order No.	Date	Amount (₹crore)
		202229094513	29/03/2023	52.17
		202229094622	29/03/2023	63.21
		202229094679	29/03/2023	42.14
		202229094720	29/03/2023	50.73
		202229094758	29/03/2023	33.82
		202229094797	29/03/2023	59.71
		202229094835	29/03/2023	39.80
		202229095182	29/03/2023	13.44
		202229091488	29/03/2023	4.62
		202229086695	28/03/2023	0.17
		202229080903	28/03/2023	49.80
		202229080845	28/03/2023	74.70
			Total	1227.80
4	Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes Welfare	202229058997	27/03/2023	14.82
		202229059039	27/03/2023	9.88
		202229078357	28/03/2023	47.83
		202229078487	28/03/2023	37.55
			Total	110.08
5	Health and Family Welfare	202229086232	28/03/2023	0.97
		202229086139	28/03/2023	1.46
		202229085916	28/03/2023	26.17
		202229086008	28/03/2023	17.45
		202229090748	29/03/2023	48.19
			Total	94.24
6	Housing and Urban Development	202229086182	30/03/2023	47.06
		202229085828	30/03/2023	65.98
		202229085863	30/03/2023	72.85
		202229085898	30/03/2023	31.38
		202229086131	30/03/2023	109.27
		202229086056	30/03/2023	98.96
			Total	425.50
7	Planning and Convergence	202229079825	27/03/2023	50.71
			Total	50.71
8	Panchayati Raj & Drinking Water	202229078672	27/03/2023	210.30
		202229078617	27/03/2023	214.44
		202229078555	27/03/2023	456.36
		202229078421	27/03/2023	25.52
		202229078384	27/03/2023	22.34
		202229078286	27/03/2023	9.87

Sl. No.	Name of the Department	Sanction order No.	Date	Amount (₹crore)
		202229080421	29/03/2023	6.80
		202229078185	29/03/2023	0.22
		202229078243	29/03/2023	0.15
		202229078373	29/03/2023	0.13
		202229078420	29/03/2023	0.09
		202229078452	29/03/2023	0.09
		202229078486	29/03/2023	0.06
		202229080586	29/03/2023	5.95
		202229080508	29/03/2023	4.25
		202229046334	28/03/2023	16.00
		202229046405	28/03/2023	10.00
		202229046485	28/03/2023	14.00
		202229046938	28/03/2023	4.00
		202229046973	28/03/2023	2.50
		202229046988	28/03/2023	3.50
			Total	1,006.57
9	Water Resources	202229079262	28/03/2023	0.01
		202229084913	28/03/2023	0.01
			Total	0.02
10	Transport	202229062607	27/03/2023	24.28
			Total	24.28
11	Fisheries and Animal Resources Development	202229091045	29/03/2023	3.34
		202229090936	29/03/2023	4.46
		202229086349	28/03/2023	4.46
		202229086475	28/03/2023	3.34
			Total	15.60
12	Women and Child Development	202229084680	28/03/2023	12.06
		202229084884	28/03/2023	8.04
		202229083007	28/03/2023	9.09
		202229083049	28/03/2023	55.80
		202229083087	28/03/2023	37.16
		202229082857	28/03/2023	13.63
			Total	135.78
13	Higher Education	202229094468	29/03/2023	0.18
		202229092252	29/03/2023	11.55
		202229085469	28/03/2023	0.43
			Total	12.16
14	Micro, Small and Medium Enterprises	202229085653	28/03/2023	0.31
			Total	0.31
15	Social Security & Empowerment of Persons with Disability	202229016481	28/03/2023	0.83
			Total	0.83
16	Mission Shakti	202229079495	27/03/2023	0.04
		202229079479	27/03/2023	0.28

Sl. No.	Name of the Department	Sanction order No.	Date	Amount (₹crore)
		202229079400	27/03/2023	1.77
		202229065500	27/03/2023	1.50
		202229096775	29/03/2023	22.21
		202229096855	29/03/2023	23.22
		202229097310	29/03/2023	15.48
		202229097365	29/03/2023	0.20
		202229096690	29/03/2023	30.35
		202229096327	29/03/2023	6.39
		202229096254	29/03/2023	9.59
			Total	111.03
Grand Total				3,218.06

Source: Records of the respective Departments of Government of Odisha.

APPENDIX – 3.10

(Refer paragraph 3.4.4)

Sub-heads where entire expenditure (exceeding ₹ 10 crore in each case) was incurred in March 2023

(₹ in crore)

Sl. No.	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Actual Expenditure during March (₹ in crore)
1	1	Home	4059-60-051-3332	Development of infrastructure facilities for Judiciary	19.85
2			4059-60-789-3332	Development of infrastructure facilities for Judiciary	13.54
3			4059-60-789-3334	Special Infrastructure Scheme (SIS) including Construction of 250 fortified Police Stations in the LWE affected States	13.00
4	5	Finance	2075-00-797-3568	Odisha Budget Stabilisation Fund	13,700.00
5	7	Works	5054-04-789-3429	Ekamra Kshetra Amenities and Monument Revival Action (EKAMRA) Plan	50.00
6	10	School and Mass Education	2202-02-800-0708	Information, Education and Communication	30.00
7			2202-02-800-3582	High School Transformation Programme	100.00
8	11	Scheduled Tribes and Scheduled Castes Development, Minorities and Backward Classes	2225-02-796-3612	Development of PVTGs	17.97
9			2225-03-277-2418	Post Matric Scholarship and stipend to OBC students	98.06
10			2251-00-796-3288	Special Development Council in Tribal Dominated Districts	10.00
11	12	Health and Family Welfare	4210-03-105-3660	Strengthening of Tertiary Care Cancer Facilities under NPCDCS	11.95
12	17	Panchayati Raj and Drinking Water	2515-00-196-3453	15th FC Grants : Conversion of Rural PHC & CSs into health and wellness center	125.30
13			2515-00-796-3664	Pradhan Mantri Awas Yojana (G)	448.36
14	21	Transport	4059-00-051-2193	Construction of building of Transport Department	10.00
15			4059-01-051-2193	Construction of Building of Transport Department	10.00
16	23	Agriculture and Farmers' Empowerment	2401-00-113-3345	Pradhan Mantri Krishi Sinchai Yojana (PMKSY) - Per Drop More Crop	16.52

Sl. No.	Grant No.	Name of the Department	Head of Accounts	Name of the Scheme	Actual Expenditure during March (₹ in crore)
17			2401-00-789-2161	Rural Infrastructure Development Fund (RIDF)	39.77
18			2401-00-789-2606	Sustainable Harnessing of ground water in water deficit areas	17.00
19			2401-00-796-2161	Rural Infrastructure Development Fund (RIDF)	53.82
20			2401-00-796-2606	Sustainable Harnessing of ground water in water deficit area	23.00
21			2401-00-800-2161	Rural Infrastructure Development Fund (RIDF)	140.39
22			4801-00-800-2163	Rashtriya Krishi Vikas Yojana (RKVY)	19.72
23			4801-00-800-2606	Sustainable Harnessing of ground water in water deficit areas	60.00
24			4801-00-800-3595	Empowerment of women in Agriculture	23.80
25	30	Energy	2810-00-105-3636	Green City Mission	10.00
26			4801-05-800-2962	Odisha Power Sector Improvement Project	50.00
27			4801-06-800-3008	Dindayal Upadhaya Gram Jyoti Yojana	43.69
28	33	Fisheries and Animal Resources Development	4405-00-103-3601	Pradhan Mantri Matsya Sampada Yojana (PMMSY)	20.72
29	36	Women and Child Development and Mission Shakti	2236-02-789-3559	Upgradation /Renovation of AWC building (Sakshyam anganwadi and POSHAN 2.0)	10.05
30			2236-02-796-3559	Upgradation /Renovation of AWC building (Sakshyam anganwadi and POSHAN 2.0)	10.05
31	38	Higher Education	2202-03-102-3555(Bi)	Odia University	20.00
TOTAL					15,216.56

Source: Information furnished by Office of the Principal Accountant General (A&E), Odisha

APPENDIX – 4.1
(Refer paragraph 4.2)

Central Scheme Funds, transferred by Government of India directly to the State implementing agencies

(₹ in crore)

Sl. No.	Schemes of Government of India	Implementing Agency	Funds released directly by GoI, during FY 2022-23
1	AYURGYAN	Kaviraj Ananta Tripathy Sharma (KATS) Ayurvedic College, Berhampur, Ganjam	0.08
2	Atal Innovation Mission	40-High School	1.44
3	Blood Transfusion Services	Orissa State AIDS Control Society	3.18
4	Centenaries and Anniversaries Celebrations	National Conclave Utkal University	0.19
5	Establishment Expenditure (UD)	State Directorate of Economics & Statistics, Odisha	0.08
6	Exploration Activities Under National Mineral Exploration Trust	1. Directorate of Mines, Odisha 2. Directorate of Geology 3. Odisha Mineral Exploration Corporation	9.56
7	Establishment Expenditure Election Commission of India	Chief Electoral Officer, Odisha	1.32
8	Establishment Expenditure (EF&CC)	State Forest Development Agency, Odisha	0.33
9	Family Welfare Schemes	Utkal University Vani Vihar, Bhubaneswar	0.04
10	Food Subsidy	Odisha State Civil Supplies Corporation (OSCSC) Limited, Bhubaneswar	7,600.05
11	Grants to Other Institutions	1. Berhampur University Bhanja Vihar, Berhampur 2. Institute of Mathematics And Applications, Bhubaneswar 3. International Institute of Information Technology, Bhubaneswar 4. Ravenshaw University, Cuttack 5. Sambalpur University Jyoti Vihar, Burla	1.00
12	Incentivization of Panchayats	19-Panchayat	2.89
13	Integrated Scheme on Agricultural Census and Statistics	1. Odisha University of Agriculture And Technology (OUAT), Bhubaneswar 2. State Directorate of Economics & Statistics, Odisha	29.75
14	Integrated Scheme on Agriculture Marketing	Odisha State Agricultural Marketing Board, Bhubaneswar	3.60
15	Khelo India	Odisha Council of Sports, Cuttack	6.00
16	Management Support to RD Programme, and Strengthening of District Planning Process in lieu of the programme	State Institute of Rural Development	0.84

Sl. No.	Schemes of Government of India	Implementing Agency	Funds released directly by GoI, during FY 2022-23
17	Member of Parliaments Local Area Development Scheme	Collector-19	119.00
18	National Apprenticeship Promotion Scheme (PMKVY)	1. Central Workshop, IB Valley, Bandhbahal, Jharsuguda, Odisha 2. Ispat General Hospital 3. National Aluminium Company Limited	0.22
19	National Child Labour Project including Grants-in-aid to Voluntary Agencies	1. Society For Welfare of Child Labour Jharsuguda 2. Society For Welfare of Child Labour Sundargarh	0.40
20	National AIDS and STD Control Programme (NACO)	1. Odisha State AIDS Control Society 2. Orissa State AIDS Control Society	34.77
21	National Fellowship and Scholarship for Higher Education of ST Students	International Institute of Information Technology (IIIT) Bhubaneswar	0.06
22	National Highway Authority of India Investment	1. Executive Engineer NH Division Pallahara 2. Orissa B&OCW Welfare Board	0.57
23	National Plan for Dairy Development	Odisha State Cooperative Milk Producer's Federation Ltd.	1.38
24	National Rural Drinking Water Programme	Engineer-in-Chief RWSS, Bhubaneswar	1,768.73
25	National Rural Employment Guarantee Scheme (MGNREGA)	Odisha Rural Development And Marketing Society (ORMAS) Bhubaneswar	3,788.18
26	National Services Scheme	Odisha State NSS Cell	2.33
27	Other Schemes NH RTH	Tahasildar	321.00
28	Pradhan Mantri Ayushman Bharat Health Infrastructure Mission (PM-ABHIM)	Odisha State Health And Family Welfare Society	2.79
29	Pradhan Mantri Kisan Samman Nidhi	Department of Agriculture, Odisha	1,783.00
30	Rashtriya Gokul Mission	Odisha Livestock Resources Development Society (OLRDS)	13.74
31	Rashtriya Krishi Vikas Yojana RKVY	Institute of Management of Agricultural Extension (IMAGE) Bhubaneshwar	0.03
32	Relief and Rehabilitation for Migrant and Repatriates	1. Collector, Koraput 2. Collector, Nabarangpur 3. District Magistrate Kalahandi 4. District Magistrate Koraput, Odisha 5. District Social Welfare Officer Rayagada	0.27
33	S&T Institutional and Human Capacity Building	1. International Institute of Information Technology (IIIT), Bhubaneswar 2. Odisha University of Agriculture And Technology (OUAT), Bhubaneswar 3. Ramadevi Womens University, Bhubaneswar 4. Ravenshaw University, Cuttack	0.77

Sl. No.	Schemes of Government of India	Implementing Agency	Funds released directly by GoI, during FY 2022-23
		5. Sambalpur University Jyoti Vihar, Burla	
		6. Utkal University Vani Vihar, Bhubaneswar	
		7. Veer Surendra Sai University of Technology (VSSUT), Burla	
34	SAMARTHYA (BBBP Creche PMMVY Gender Budget Research Skill Training etc)	1. District Magistrate, Balasore	
		2. District Social Welfare officer-8	
		3. Collector-12	6.42
		4. One Stop Center-4	
		5. OSC-3	
35	Scheme for Economic Empowerment of DNT/NT/SNTs (SEED)	SC And ST Research And Training Institute (SCSTRTI), Bhubaneswar	0.09
36	Scheme of Residential Education for Students in High School in Targeted Area (SRESHTA) for SCs	Panchayati Raj High School, Kanapura, Dhenkanal	0.06
37	Support for Statistical Strengthening	State Directorate of Economics & Statistics, Odisha	2.32
38	Training Schemes Personnel Public Grievances and Pension	Gopabandhu Academy of Administration	0.22
TOTAL			15,506.68

Source: Finance Accounts for FY 2022-23 - Appendix VI

APPENDIX – 4.2
(Refer paragraph 4.3)

Department-wise UCs not received by AG(A&E) and pending reconciliation, for more than ten years, as on 31 March 2023

(₹ in crore)

Sl. No	Department Name	Period for which UC wanting	Outstanding UC amount	No. of GIA Vouchers, for which UCs were awaited
1	Electronics and Information Technology	2005-12	2.24	12
2	Fisheries and Animal Resources Development	2003-13	0.76	8
3	Food Supplies and Consumer Welfare	2011-13	0.17	3
4	Forest & Environment	2012-13	0.03	1
5	General Administration and Public Grievance	2006-12	9.41	16
6	Handlooms, Textiles & Handicrafts	2012-13	7.07	4
7	Housing and Urban Development	2003-13	454.81	3,985
8	Labour & Employees' State Insurance	2012-13	0.64	1
9	Law	2003-13	2.31	31
10	Micro Small and Medium Enterprises	2009-13	0.41	5
11	Odia Language, Literature and Culture	2003-13	43.79	223
12	Panchayati Raj and Drinking Water	2003-13	240.58	2,071
13	Planning and Convergence	2003-13	368.32	632
14	Revenue and Disaster Management	2003-12	62.55	191
15	ST & SC Development, Minorities and Backward Classes Welfare	2007-13	6.83	137
16	School and Mass Education	2011-12	0.44	2
17	Science and Technology	2006-13	0.01	5
18	Skill Development and Technical Education	2009-13	2.25	6
19	Women & Child Development and Mission Shakti	2012-13	12.97	29
Total			1,215.59	7,360

Source: VLC database

APPENDIX – 4.3
(Refer paragraph 4.4)

Department wise Outstanding AC/DC Bills, as on 31 March 2023

Sl. No.	Grant No.	Department Name	Outstanding bills (₹ in lakh)	No. of Outstanding bills	Period of pendency
1	01	Home	3,793.36	410	2003-2023
2	02	General Administration and Public Grievance	647.46	33	2015-2023
3	04	Law	9.92	96	2003-2023
4	05	Finance	4.04	1	2022-2023
5	10	School and Mass Education	0.15	2	2021-2022
6	12	Health and Family Welfare	0.04	1	2022-2023
7	13	Housing and Urban Development	557.99	57	2005-2022
8	17	Panchayati Raj and Drinking Water	5,151.02	338	2005-2023
9	24	Steel & Mines	114.41	163	2021-2023
10	38	Higher Education	454.50	271	2004-2023
11	42	Disaster Management	5.00	1	2020-2021
12	43	Odia Language, Literature and Culture	18.83	9	2020-2021
Total			10,756.72	1,382	

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

APPENDIX – 4.4
(Refer paragraph 4.4)

Department-wise Outstanding AC/DC Bills, during the year 2022-23

(₹ in lakh)

Sl. No.	Grant No.	Department Name	Outstanding (₹ in lakh)	Item (Nos)
1	01	Home	595.79	93
2	02	General Administration and Public Grievance	166.07	1
3	04	Law	4.27	36
4	05	Finance	4.04	1
5	12	Health and Family Welfare	0.35	1
6	17	Panchayati Raj and Drinking Water	11.75	3
7	24	Steel and Mines	55.40	80
8	38	Higher Education	320.49	163
Total			1,158.16	378

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

APPENDIX – 4.5
(Refer paragraph 4.6)

Substantial expenditure (50 per cent and above of the total expenditure) booked under Minor Head-800-Other Expenditure, during FY 2022-23

(₹ in crore)

Sl. No.	Major Head	Description	Total Expenditure	Expenditure under Minor Head 800	Percentage
1	2013	Council of Ministers	31.53	27.10	85.95
2	2575	Other Special Areas Programmes	17.50	8.93	51.04
3	2711	Flood Control and Drainage	203.14	185.99	91.56
4	2801	Power	19.10	9.91	51.88
5	3055	Road Transport	63.60	63.60	100.00
6	3456	Civil Supplies	23.91	12.78	53.45
7	4217	Capital Outlay on Urban Development	516.90	356.69	69.01
8	4250	Capital Outlay on Other Social Services	181.83	149.09	82.00
9	4401	Capital Outlay on Crop Husbandry	81.99	49.19	60.00
10	4701	Capital Outlay on Medium Irrigation	1,664.14	1,026.21	61.67
11	4852	Capital Outlay on Iron and Steel Industries	6.90	3.99	57.73
12	4860	Capital Outlay on Consumer Industries	115.00	115.00	100.00
56	4875	Capital Outlay on Other Industries	180.00	215.00	119.44
58	5075	Capital Outlay on Other Transport Services	586.72	546.72	93.18
Total			3,692.26	2,770.20	

Source: Information furnished by Office of the Principal Accountant General (A&E), Odisha.

APPENDIX – 4.6
(Refer paragraph 4.6)

Substantial receipts (50 per cent and above of the total receipts) booked under Minor Head -800-Other Receipts, during FY 2022-23.

Sl. No.	Major Head	Description	Total Receipts (₹ in crore)	Receipts under Minor Head 800 (₹ in crore)	Percentage
1	0056	Jails	1.48	0.81	54.83
2	0059	Public Works	71.94	68.65	95.43
3	0075	Miscellaneous General Services	570.52	393.62	68.99
4	0217	Urban Development	13.33	13.32	99.94
5	0235	Social Security and Welfare	2.20	2.20	100.00
6	0401	Crop Husbandry	10.73	6.31	58.86
7	0405	Fisheries	1.99	1.52	76.32
8	0406	Forestry and Wild Life	23.94	19.15	79.99
9	0425	Co-operation	4.54	2.54	55.89
10	0701	Medium Irrigation	230.06	217.19	94.41
11	0702	Minor Irrigation	14.79	12.91	87.32
12	0801	Power	2.46	2.46	100.00
13	0852	Industries	2.37	2.37	100.00
14	1051	Ports and Light Houses	195.01	195.01	100.00
15	1452	Tourism	7.04	7.02	99.73
16	1456	Civil Supplies	3.38	3.38	100.00
Total			1,155.78	948.46	

Source: Information furnished by Office of the Principal Accountant General (A&E), Odisha.

APPENDIX – 4.7
(Refer paragraph 4.9)
Unspent amount lying with DDOs

Sl. No.	Name of the Department	No. of DDOs	Total Amount parked in bank accounts (₹ in lakh)
1	Agriculture and Farmers' Empowerment	239	32,417.28
2	Co-operation	98	366.45
3	Commerce	13	89.80
4	Electronics and Information Technology	1	0.10
5	Energy	14	34.51
6	Excise	35	77.96
7	Finance	276	2,133.67
8	Fisheries & Animal Resources Development	152	18,925.48
9	Food Supplies and Consumer Welfare	75	545.30
10	Forest & Environment	98	167.14
11	General Administration and Public Grievances	17	295.54
12	Handlooms, Textiles and Handicrafts	37	2,426.86
13	Health and Family Welfare	325	3,915.68
14	Higher Education	235	12,108.00
15	Home	292	3,351.98
16	Industries	3	714.04
17	Information and Public Relations	1	1.04
18	Labour and Employees' State Insurance	104	188.43
19	Law	20	5.07
20	Micro, Small and Medium Enterprises	1	0.05
21	Odisha Legislative Assembly	1	3.55
22	Panchayati Raj and Drinking Water	316	10,082.57
23	Parliamentary Affairs	2	16.64
24	Planning and Convergence	47	33.23
25	Public Enterprises	1	0.00
26	Pension Administration	2	0.25
27	Revenue and Disaster Management	536	66,930.45
28	Rural Development	76	4,490.66
29	Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	29	1,234.76
30	School and Mass Education	414	2,299.28
31	Science & Technology	1	0.18
32	Skill Development & Technical Education	100	1,867.21
33	Social Security & Empowerment of Persons with Disabilities	14	544.72
34	Sports & Youth Services	1	85.83
35	Steel & Mines	26	712.97
36	Tourism	15	49.72
37	Transport	27	6,460.50
38	Water Resources	229	2,779.96
39	Women & Child Development and Mission Shakti	276	9,857.58
40	Works	101	44,992.69
Total		4,250	230,207.13

Source: Information received from Principal Accountant General (A&E), Odisha

APPENDIX – 4.8
(Refer paragraph 4.11)

Pendency of Accounts and delays in preparation of Separate Audit Reports of Autonomous Bodies

Sl. No.	Department	Body/ Authority receiving grants	Audited under section	Accounts pending since	No. of Accounts pending up to financial year 2022-23
1	Co-operation	Odisha State Warehousing Corporation (OSWC), Bhubaneswar	19 (2)	2020-21	03
2	Labour & Employees State Insurance	Odisha Building and Other Construction Workers Welfare Board (OB&OCWWB), Bhubaneswar	19 (2)	2014-15	09
3	Micro, Small and Medium Enterprise	Odisha State Financial Corporation (OSFC), Cuttack	19 (2)	2021-22	01
4		Orissa Small Industries Corporation Limited (OSIC), Cuttack	20 (1)	2018-19	05
5	Housing and Urban Development	Bhubaneswar Development Authority (BDA), Bhubaneswar	19 (3)	None of the accounts received (since inception) in uniform prescribed format	All accounts for the previous years
6		Cuttack Development Authority (CDA), Cuttack	19 (3)	-do-	-do-
7		Rourkela Development Authority (RDA), Rourkela	19 (3)	-do-	-do-
8		Puri Konark Development Authority (PKDA), Puri	19 (3)	-do-	-do-
9		Sambalpur Development Authority (SDA), Sambalpur	19 (3)	-do-	-do-
10		Talcher Angul Development Authority (TADA), Angul	19 (3)	-do-	-do-
11		Kalinga Nagar Development Authority (KNDA), Jajpur	19 (3)	-do-	-do-
12		Paradeep Development Authority (PDA), Paradeep	19 (3)	-do-	-do-
13		Berhampur Development Authority (BDA), Berhampur	19 (3)	-do-	-do-
14	Commerce and Transport	Odisha State Road Transport Corporation, Bhubaneswar	19 (2)	2020-21	03
15	Law	Odisha State Legal Services Authority (OSLSA), Bhubaneswar	19 (2)	2018-19	05
16	Forest	Compensatory Afforestation Fund Management and Planning Authority (CAMPA), Odisha, Bhubaneswar	19 (2)	2017-18	06
17	Energy	Odisha Electricity Regularity Commission, Bhubaneswar	19 (2)	2021-22	02

Source: Information furnished by Offices of Principal Accountant General (Audit-I) and Accountant General (Audit-II), Odisha

APPENDIX – 4.9
(Refer paragraph 4.14)

Pending cases of misappropriation, losses, theft, etc.

(₹ in lakh)

Department	Cases of misappropriation/ losses/ theft of Government material		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.					
	Number	Amount	Awaiting Departmental and criminal investigation		Departmental action initiated but not finalised		Criminal Proceedings finalised but recovery pending	
			Number	Amount	Number	Amount	Number	Amount
Finance	4	9.89	0	0	0	0	0	0
Revenue & Disaster Management	23	340.08	2	1.39	5	200.42	4	4.1
Law	1	0.16	0	0	1	0.16	0	0
Water Resources	220	263.39	109	167.31	103	84.45	4	11.11
Rural Development	53	94.4	30	77.22	22	17.18	0	0
Energy	4	243.64	1	15.98	2	226.49	0	0
Skill Development & Technical Education	7	11.8	0	0	2	2.53	2	4.39
MSME	3	11.72	1	11.59	1	0.08	1	0.05
ST&SC Development , Minorities and Backward classes Welfare	8	6.88	1	0.73	5	5.2	2	0.95
Health & Family Welfare	27	55.67	0	0	3	6.41	14	16.42
Works	81	185.17	32	38.48	45	142.28	0	0
Commerce & Transport	8	9.27	4	6.18	2	1.04	1	0.75
School & Mass Education	11	36.67	5	10.65	1	1.31	0	0
Higher Education	4	14.47	2	3.29	0	0	0	0
Fisheries & ARD	19	75.39	0	0	6	53.36	9	5.74
Agriculture & Farmers' Empowerment	64	105.94	5	13.5	19	61.16	13	4.79
Co-Operation	3	4.19	0	0	1	0.94	0	0
Panchayati Raj and Drinking Water	18	33.99	10	21.11	4	10.97	3	1.51
Home (B) Police	2	14.47	0	0	0	0	0	0
Housing & Urban Development	47	68.91	24	39.41	21	26.22	0	0
Information & Public Relations	59	6.32	49	5.53	8	0.64	0	0
Forest & Environment	45	252.95	7	82.62	29	146.78	3	21.15
TOTAL	711	1,845.37	282	494.99	280	987.62	56	70.96

Source: Information received from respective Offices of Government of Odisha

Note: Out of 711 cases, 87 cases are sub-judice and 6 certificate cases are pending.

APPENDIX – 5.1

(Refer paragraph 5.1.2)

List of 76 Government SPSEs and Government Controlled Other SPSEs

Sl. No.	Sector & Name of the PSU	Name of the Department	Government Company(GC)/ Government Controlled Other Company(DGC)
1	2	3	4
A. Social Sector			
I. Working Government Companies			
1	The Agricultural Promotion and Investment Corporation of Odisha Limited	Agriculture & Farmers' Empowerment	GC
2	The Odisha Agro Industries Corporation Limited	Agriculture & Farmers' Empowerment	GC
3	Odisha State Cashew Development Corporation Limited	Agriculture & Farmers' Empowerment	GC
4	Odisha Forest Development Corporation Limited	Forest & Environment	GC
5	Odisha Lift Irrigation Corporation Limited	Water Resources	GC
6	Odisha State Seeds Corporation Limited	Agriculture & Farmers' Empowerment	GC
7	Odisha Pisciculture Development Corporation Limited	Fisheries & Animal Resources Development	GC
8	The Odisha Small Industries Corporation Limited	Industries	GC
9	Odisha Mineral Bearing Areas Development Corporation Limited	Steel & Mines	GC
10	Water Corporation of Odisha Limited	Water Resources	GC
11	Odisha State Beverage Corporation Limited	Excise	GC
12	Odisha State Civil Supplies Corporation Limited	Food Supplies & Consumer Welfare	GC
13	Odisha State Medical Corporation Limited	Health & Family Welfare	GC
14	Odisha Sports Development and Promotion Company Limited	Sports & Youth Services	GC
15	Brahamani Railways Limited	Industries	DGC
16	Odisha Rail Infrastructure Development Limited	Industries	GC
17	Startup Odisha	Micro, Small & Medium Enterprises	GC
18	World Skill Centre	Skill Development & Technical Education	GC
II. Inactive Government Companies			
19	Eastern Aquatic Products Limited (under voluntary liquidation since 22 February 1978)	Agriculture & Farmers' Empowerment	GC
20	Orissa Fisheries Development Corporation Limited	Fisheries & Animal Resources Development	GC
B. Competitive Sector			
I. Working Government Companies			
21	The Industrial Promotion and Investment Corporation of Odisha Limited	Industries	GC
22	The Odisha Film Development Corporation Limited	Industries	GC
23	Odisha Rural Housing and Development Corporation Limited	Housing & Urban Development	GC
24	Paradip Investment Region Development Limited	Industries	DGC

Sl. No.	Sector & Name of the PSU	Name of the Department	Government Company(GC)/ Government Controlled Other Company(DGC)
25	Odisha Construction Corporation Limited	Water Resources	GC
26	Orissa Bridge and Construction Corporation Limited	Works	GC
27	IDCO SEZ Development Limited	Industries	DGC
28	Odisha Electronics Park Limited	Industries	DGC
29	Baitarani West Coal Company Limited	Steel & Mines	DGC
30	The Mandakini B-Coal Corporation Limited	Steel & Mines	DGC
31	The Odisha Mining Corporation Limited	Steel & Mines	GC
32	Nuagaon Coal Company Limited	Steel & Mines	DGC
33	Paradeep Plastic Park Limited	Industries	DGC
34	Angul Aluminium Park Private Limited	Industries	DGC
35	IDCOL Software Limited	Industries	GC
36	Lanjigarh Project Area Development Foundation	Steel & Mines	DGC
37	Odisha Tourism Development Corporation Limited	Tourism	GC
38	Shamuka Tourism Development Corporation Limited	Tourism	DGC
39	Inland Waterways Consortium of Odisha Limited	Industries	DGC
40	Kalinga Studios Limited (Subsidiary of Sl. No.B-22)	Industries	GC
41	Odisha State Financial Corporation	Micro, Small & Medium Enterprises	Government Corporation
42	Odisha State Road Transport Corporation	Commerce and Transport	Government Corporation
43	Odisha State Warehousing Corporation	Co-operation	Government Corporation
44	Odisha Hydro Power Corporation Limited	Energy	GC
45	Odisha Power Generation Corporation Limited	Energy	GC
46	Odisha Thermal Power Corporation Limited	Energy	DGC
47	Green Energy Development Corporation of Odisha Limited	Energy	GC
48	GEDCOL SAIL Power Corporation Limited	Energy	GC
49	Odisha Power Transmission Corporation Limited	Energy	GC
50	Odisha Coal and Power Limited	Energy	GC
51	GRIDCO Limited	Energy	GC
II. Inactive Government Companies			
52	ABS Spinning Orissa Limited (Under liquidation)	Industries	GC
53	Gajapati Steel Industries Limited (Company closed since 1969-70, under voluntary liquidation since 01 March 1974)	Industries	GC
54	IPITRON Times Limited (Under liquidation since 1998)	Industries	GC
55	Konark Detergent and Soaps Limited	Industries	GC
56	Konark Television Limited (Defunct since 1999-2000)	Industries	GC
57	Mayurbhanj Textiles Limited	Handlooms, Textiles & Handicrafts	GC
58	Modern Malleable Casting Company Limited	Industries	GC

Sl. No.	Sector & Name of the PSU	Name of the Department	Government Company(GC)/ Government Controlled Other Company(DGC)
	(Closed since 1968. Under voluntary liquidation since 09 March 1976)		
59	New Mayurbhanj Textiles Limited	Handlooms, Textiles & Handicrafts	GC
60	Orissa Boat Builders Limited (under liquidation)	Industries	GC
61	Orissa Instruments Company Limited	Industries	GC
62	Orissa Leather Industries Limited	Industries	GC
63	Orissa Textile Mills Limited (Under liquidation since 2001)	Handlooms, Textiles & Handicrafts	GC
64	Orissa State Electronics Development Corporation Limited	Industries	GC
65	Orissa State Handloom Development Corporation Limited (under liquidation)	Handlooms, Textiles & Handicrafts	GC
66	Orissa State Leather Corporation Limited (closed since 18 June 1998)	Industries	GC
67	Orissa State Textile Corporation Limited	Handlooms, Textiles & Handicrafts	GC
68	Orissa Tools and Engineering Company Limited (619-B)	Industries	GC
69	Premier Bolts and Nuts Limited (Under liquidation; assets have been disposed of)	Industries	GC
70	ELCOSMOS Electronics Limited	Industries	GC
71	ELCO Communication and Systems Limited (Under liquidation since 1998)	Industries	GC
72	ELMARC Limited	Industries	GC
73	Orissa State Commercial Transport Corporation Limited	Commerce and Transport	GC
C. Other Sector			
I. Working Government Companies			
74	The Odisha State Police Housing and Welfare Corporation Limited	Home	GC
75	Bhubaneswar Smart City Limited	Industries	DGC
76	Rourkela Smart City Limited	Industries	DGC

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

APPENDIX - 5.2A

Refer paragraphs 5.1.2 and 5.7.2)

Government Companies and Corporations, having accounts in arrears / under liquidation

Sl. No.	Name of the Sector/SPSE	Year for which Accounts are not received by 20 July 2023
1	2	3
A.	Social Sector	
I. Working Government Companies		
1	The Agricultural Promotion and Investment Corporation of Odisha Limited	2021-22 to 2022-23
2	The Odisha Agro Industries Corporation Limited	2021-22 to 2022-23
3	Odisha State Cashew Development Corporation Limited	2020-21 to 2022-23
4	Odisha Forest Development Corporation Limited	2022-23
5	Odisha Lift Irrigation Corporation Limited	2018-19 to 2022-23
6	Odisha State Seeds Corporation Limited	2022-23
7	Odisha Pisciculture Development Corporation Limited	2018-19 to 2022-23
8	The Odisha Small Industries Corporation Limited	2018-19 to 2022-23
9	Odisha State Civil Supplies Corporation Limited	2021-22 to 2022-23
10	Odisha State Medical Corporation Limited	2022-23
11	Odisha Sports Development and Promotion Company Limited	2022-23
12	Odisha Mineral Bearing Areas Development Corporation Limited	2022-23
13	Odisha State Beverages Corporation Limited	2022-23
14	Startup Odisha	2022-23
15	World Skill Center	2022-23
16	Water Corporation of Odisha Limited	2022-23
17	Odisha Rail Infrastructure Development Limited	2022-23
II. Non-working Government Companies		
18	Eastern Aquatic Products Limited	Under voluntary liquidation since 22 February 1978
19	Orissa Fisheries Development Corporation Limited	Defunct
B.	Competitive sector	
I. Working Government Companies		
20	The Odisha Film Development Corporation Limited	2020-21 to 2022-23
21	Odisha Rural Housing and Development Corporation Limited	2009-10 to 2022-23
22	Odisha Construction Corporation Limited	2020-21 to 2022-23
23	Orissa Bridge and Construction Corporation Limited	2022-23
24	Odisha Tourism Development Corporation Limited	2022-23
25	Kalinga Studios Limited	2021-22 to 2022-23
26	The Odisha State Police Housing and Welfare Corporation Limited	2022-23
27	Odisha Hydro Power Corporation Limited	2022-23
28	Odisha Power Transmission Corporation Limited	2022-23
29	Green Energy Development Corporation of Odisha Limited	2022-23
30	GEDCOL SAIL Power Corporation Limited	2022-23

Sl. No.	Name of the Sector/SPSE	Year for which Accounts are not received by 20 July 2023
	II. Statutory Corporation	
31	Odisha State Financial Corporation	2022-23
32	Odisha State Road Transport Corporation	2021-22 to 2022-23
33	Odisha State Warehousing Corporation	2019-20 to 2022-23
	III. Non-working Government Companies	
34	ABS Spinning Orissa Limited	Under liquidation
35	Gajapati Steel Industries Limited	Company closed since 1969-70, under voluntary liquidation since 01 March 1974
36	IPITRON Times Limited	Under liquidation since 1998
37	Konark Detergent and Soaps Limited	Defunct
38	Konark Television Limited	Under liquidation
39	Mayurbhanj Textiles Limited	Defunct
40	Modern Malleable Casting Company Limited	Closed since 1968. Under voluntary liquidation since 09 March 1976
41	New Mayurbhanj Textiles Limited	Defunct
42	Orissa Boat Builders Limited	Under liquidation
43	Orissa Instruments Company Limited	Defunct
44	Orissa Leather Industries Limited	Defunct
45	Orissa Textile Mills Limited	Under liquidation since 2001
46	Orissa State Electronics Development Corporation Limited	Under liquidation
47	Orissa State Handloom Development Corporation Limited	Under liquidation
48	Orissa State Leather Corporation Limited	Defunct
49	Orissa State Textile Corporation Limited	Under liquidation
50	Orissa Tools and Engineering Company Limited (619-B)	Defunct
51	Premier Bolts and Nuts Limited	Under liquidation; assets have been disposed of
52	ELCOSMOS Electronics Limited	Under liquidation
53	ELCO Communication and Systems Limited	Under liquidation since 1998
54	ELMARC Limited	Defunct
55	Orissa State Commercial Transport Corporation Limited	Defunct

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

APPENDIX - 5.2 B
(Refer paragraphs 5.1.2 and 5.7.2)

Details of accounts in arrears of Government Controlled Other Companies

Sl. No.	Name of the SPSEs	Year for which Accounts not received by 20 July 2023
1	Brahmani Railways Limited	2022-23
2	IDCO SEZ Development Limited	2021-22 to 2022-23
3	Odisha Electronics Park Limited	2022-23
4	Angul Aluminium Park Private Limited	2022-23
5	Mandakini B-Coal Corporation Limited	2018-19 to 2022-23
6	Nuagaon Coal Company Limited	2018-19 to 2022-23
7	Paradeep Plastic Park Limited	2022-23
8	Lanjigarh Project Area Development Foundation	2021-22 to 2022-23
9	Inland Waterways Consortium of Odisha Limited	2020-21 to 2022-23
10	Paradip Investment Region Development Limited	2022-23
11	Bhubaneswar Smart City Limited	2022-23
12	Rourkela Smart City Limited	2022-23
13	Baitarani West Coal Company Limited	2022-23
14	Odisha Thermal Power Corporation Limited	2022-23

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

APPENDIX - 5.2 C
(Refer paragraphs 5.1.2)

Age Analysis of arrears of Accounts of PSUs, whose net worth has been eroded

Sl. No	Name of the PSU	Year for which accounts have not been received till 20 July 2023
1	Odisha Forest Development Corporation Limited	2022-23
2	Odisha State Financial Corporation	2022-23
3	GRIDCO Limited	Nil
4	Kalinga Studios Limited	2021-22 & 2022-23

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

APPENDIX - 5.3
(Refer paragraph 5.1.3)
Department-wise and year-wise turnover of State Government PSEs
(₹ in crore)

Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
1	Energy Department					
	Turnover	9,641.1	9,974.4	12,335.38	15,029.38	19,500.36
	Percentage of Turnover to GSDP of Odisha	1.93	1.86	2.28	2.24	2.52
2	Excise Department					
	Turnover	4,738.36	4,738.36	3,922.33	3,922.33	6,011.39
	Percentage of Turnover to GSDP of Odisha	0.95	0.88	0.73	0.58	0.78
3	Steel & Mines Department					
	Turnover	4,052.3	4,093.2	5,587.27	17,036.16	14,449.58
	Percentage of Turnover to GSDP of Odisha	0.81	0.76	1.03	2.54	1.86
4	Water Resources Department					
	Turnover	763.35	486.6	486.6	595.51	121.29
	Percentage of Turnover to GSDP of Odisha	0.15	0.09	0.09	0.09	0.02
5	Home Department					
	Turnover	376.01	376.01	302.58	336.54	357.73
	Percentage of Turnover to GSDP of Odisha	0.08	0.07	0.06	0.05	0.05
6	Industries Department					
	Turnover	266.78	354.64	166.51	263.88	549.17
	Percentage of Turnover to GSDP of Odisha	0.05	0.07	0.03	0.04	0.07
7	Forest & Environment Department					
	Turnover	212.41	195.72	152.03	140.21	145.34

Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
	Percentage of Turnover to GSDP of Odisha	0.04	0.04	0.03	0.02	0.02
8	Agriculture & Farmers' Department					
	Turnover	191.65	181.8	548.02	671.45	647.75
	Percentage of Turnover to GSDP of Odisha	0.04	0.03	0.10	0.10	0.08
9	Commerce & Transport Department					
	Turnover	88.07	98.39	98.39	33.00	32.96
	Percentage of Turnover to GSDP of Odisha	0.02	0.02	0.02	0.005	0.004
10	Works Department					
	Turnover	65.01	96.22	139.83	108.62	321.25
	Percentage of Turnover to GSDP of Odisha	0.01	0.02	0.03	0.02	0.04
11	Tourism Department					
	Turnover	25.96	44.76	37.72	27.21	31.39
	Percentage of Turnover to GSDP of Odisha	0.005	0.008	0.007	0.004	0.004
12	Health & Family Department					
	Turnover	21.81	21.81	11.93	8.64	18.84
	Percentage of Turnover to GSDP of Odisha	0.004	0.004	0.002	0.001	0.002
13	Sports & Youth Department					
	Turnover	5	0	0	0	0
	Percentage of Turnover to GSDP of Odisha	0.001	0.000	0.000	0.000	0.00
14	Micro, Small & Medium Enterprise					
	Turnover	6.68	6.68	1.95	1.50	8.20
	Percentage of Turnover to GSDP of Odisha	0.001	0.001	0.000	0.000	0.001

Sl. No.	Particulars	2018-19	2019-20	2020-21	2021-22	2022-23
15	Food Supplies & Consumer Welfare					
	Turnover	4,994.18	4,080.85	4,080.85	3,546.53	5,489.74
	Percentage of Turnover to GSDP of Odisha	1.00	0.75	0.75	0.53	0.71
16	Skill Development & Technical Education					
	Turnover	-	-	-	-	0
	Percentage of Turnover to GSDP of Odisha	-	-	-	-	0

(Source: Compiled on the basis of the latest finalised accounts of SPSEs and GSDP data- Central Statistical Office (2018-19: Final, 2019-20: Third Revised, 2020-21: Second Revised, 2021-22: First Revised and 2022-23: Advance Estimates))

APPENDIX – 5.4**(Refer paragraph 5.3.2)****Losses incurred by 08 SPSEs during FYs 2021-22 and 2022-23****(₹ in crore)**

Sl. No.	SPSE	Profit/Loss during 2022-23	Profit/Loss during 2021-22
1	IDCOL Software Limited	-0.21	1.06
2	Odisha Rail Infrastructure Development Limited	-2.36	-2.36
3	Kalinga Studios Limited	-0.16	0.01
4	Odisha Sports Development and Promotion Company Limited	-1.92	1.86
5	Odisha Tourism Development Corporation Limited	-3.79	-1.83
6	GRIDCO Limited	-778.18	-440.18
7	Odisha State Road Transport Corporation	-10.55	-10.59
8	GEDCOL SAIL Power Corporation Limited	-0.02	0.02
TOTAL		-797.19	-452.01

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

APPENDIX - 5.5
(Refer paragraph 5.3.4)
Shortfall in dividend by Government companies

(₹ in crore)

Sl. No.	Name of the Company	State Government equity	Net Profit after tax	Dividend on equity shares	Dividend 30% on state gov equity	Dividend 30% on profit after tax	Minimum Dividend required to be declared	Shortfall
1	Odisha Forest Development Corporation Limited	5	19.43	2.91	1.50	5.83	5.83	2.92
2	Odisha State Seeds Corporation Limited	2.11	1.03	0.29	0.63	0.31	0.63	0.34
3	Orissa Bridge and Construction Corporation Limited	20	11.38	3.41	6.00	3.41	6.00	2.59
4	The Odisha State Police Housing and Welfare Corporation Limited	5.63	23.16	6.95	1.69	6.95	6.95	No shortfall
5	The Odisha Mining Corporation Limited	31.63	4,734.04	500	9.49	1,420.21	1,420.21	920.21
6	Odisha State Beverage Corporation Limited	1.00	18.64	6.26	0.30	5.59	5.59	No shortfall
7	Odisha State Financial Corporation	342.72	8.30	0.05	102.82	2.49	2.49	2.44
8	Odisha Hydro Power Corporation Limited	833.19	88.86	1.73	249.96	26.66	26.66	24.93
9	Odisha Coal and Power Limited	208.72	807.47	100	62.62	242.24	242.24	142.24
	TOTAL	1,450.00	5,712.31	621.60				1,095.67

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

APPENDIX - 5.6
(Refer paragraph 5.4)
Value of Production, Total Assets and Capital Employed of SPSEs
(₹in crore)

Sl. No.	PSU	2022-23			2021-22			2020-21		
		Value of production	Total Assets	Capital employed	Value of production	Total Assets	Capital employed	Value of production	Total Assets	Capital employed
1	Odisha Hydro Power Corporation Limited	499.56	4,864.78	3,143.91	451.41	4,294.94	3,087.01	505.91	4,055.53	2,944.06
2	The Odisha Agro Industries Corporation Limited	366.75	193.13	2.27	42.60	792.62	113.86	55.18	666.55	112.75
3	Odisha Power Generation Corporation Limited	3,190.72	11,948.46	9,837.22	3,046.66	11,590.22	9,350.91	2,624.15	11,251.47	9,787.21
4	Green Energy Development Corporation of Odisha Limited	7.55	336.52	91.68	4.35	286.05	78.84	6.93	286.05	78.84
5	The Odisha Mining Corporation Limited	1,829.23	15,874.43	12,165.70	3,073.83	13,186.53	8,808.05	1,216.84	8,139.96	6,576.64
6	Odisha Tourism Development Corporation Limited	11.64	684.67	35.26	7.82	444.15	39.05	8.8	444.15	39.05
7	Odisha Coal and Power Limited	607.58	2,445.86	1,927.61	464.13	1,288.44	1,689.56	151.11	1,721.44	1,494.75
8	Odisha State Civil Supplies Corporation Limited	16,114.19	17,663.23	11.03	15,346.85	12,752.18	11.03	13,864.24	8,792.66	11.03
Total		22,627.22	54,011.08	27,214.68	22,437.65	44,635.13	23,178.31	18,433.16	35,357.81	21,044.33

(Source: Compiled on the basis of the latest finalised accounts of SPSEs and information furnished by SPSEs)

APPENDIX - 5.7
(Refer paragraph 5.4.1)
Return on Capital Employed of SPSEs

(₹ in crore)

Sl. No.	SPSE	2022-23			2021-22			2020-21		
		EBIT	Capital Employed	ROCE (in %)	EBIT	Capital Employed	ROCE (in %)	EBIT	Capital Employed	ROCE (in %)
1	The Agricultural Promotion and Investment Corporation of Odisha Limited	0.10	2.27	4.41	0.10	2.27	4.41	0.22	2.25	9.78
2	The Odisha Agro Industries Corporation Limited	11.39	113.86	10.00	11.39	113.86	10.00	26.12	112.75	23.17
3	Odisha Forest Development Corporation Limited	29.15	-30.07	-96.94	28.41	-42.63	-66.64	26.16	-52.14	-50.17
4	Odisha State Seeds Corporation Limited	1.40	15.14	9.25	3.18	14.40	22.08	6.13	19.30	31.76
5	The Industrial Promotion and Investment Corporation of Odisha Limited	511.86	560.33	91.35	12.05	125.55	9.60	10.69	115.82	9.23
6	Orissa Bridge and Construction Corporation Limited	16.06	46.96	34.20	7.61	39.39	19.32	7.53	35.96	20.94
7	The Odisha State Police Housing and Welfare Corporation Limited	31.23	168.54	18.53	28.12	152.32	18.46	26.82	137.65	19.48
8	Odisha Mineral Bearing Areas Development Corporation Limited	0	0.01	0	(-) 1,818.38	0.01	(-) 1,81,83,800.00	(-) 1,818.38	0.01	(-) 1,81,83,800.00
9	Water Corporation of Odisha Limited	0.02	0.54	3.70	0.02	0.54	3.70	(-) 0.25	0.41	(-) 60.98
10	Odisha Rail Infrastructure	(-) 2.36	52.38	(-) 4.51	(-) 2.36	52.38	(-) 4.51	0.51	54.74	0.93

Sl. No.	SPSE	2022-23			2021-22			2020-21		
		EBIT	Capital Employed	ROCE (in %)	EBIT	Capital Employed	ROCE (in %)	EBIT	Capital Employed	ROCE (in %)
	Development Limited									
11	The Odisha Mining Corporation Limited	6117.01	12165.70	50.28	3897.66	8808.05	44.25	2,409.43	6,576.64	36.64
12	Odisha State Beverage Corporation Limited	31.99	246.31	12.99	33.02	343.94	9.60	33.02	330.64	9.99
13	IDCOL Software Limited	-0.21	3.99	-5.26	1.41	4.19	33.65	0.42	3.14	13.38
14	Odisha State Civil Supplies Corporation Limited	0	11.03	0	0	11.03	0	0	11.03	0
15	Odisha Tourism Development Corporation Limited	-3.97	35.26	-11.26	11.88	39.05	30.42	19.68	40.88	48.14
16	Odisha State Medical Corporation Limited	4.85	73.87	6.57	3.43	70.33	4.88	14.28	68.28	20.91
17	Kalinga Studios Limited	-0.16	-1.84	-8.70	0.01	-1.68	-0.60	-0.24	-0.93	-25.81
18	Odisha Sports Development and Promotion Company Limited	-1.92	20.50	-9.37	1.86	22.43	8.29	1.50	20.56	7.30
19	Odisha State Financial Corporation	8.77	64.46	13.61	-0.45	57.06	-0.79	-1.59	50.12	-3.17
20	Odisha State Road Transport Corporation	-10.55	169.95	-6.21	-10.59	170.4	-6.21	1.97	139.17	1.42
21	Start Up Odisha	0	0.15	0	-	-	-	-	-	-
22	World Skill Centre	0	0	-	-	-	-	-	-	-
23	GRIDCO Limited	-338.25	-1472.60	-22.97	205.49	128.69	159.68	-951.19	-1,176.02	-80.88
24	Odisha Hydro Power Corporation Limited	189.87	3,143.91	6.04	277.95	3,087.01	9.00	317.78	2,944.06	10.79
25	Odisha Power Generation Corporation Limited	1,792.95	9,837.22	18.23	650.86	9,350.91	6.96	602.02	9,787.21	6.15
26	Odisha Power Transmission	212.24	3,759.64	5.65	84.28	2,880.16	2.93	-8.82	1,709.62	-0.52

Sl. No.	SPSE	2022-23			2021-22			2020-21		
		EBIT	Capital Employed	ROCE (in %)	EBIT	Capital Employed	ROCE (in %)	EBIT	Capital Employed	ROCE (in %)
	Corporation Limited									
27	Green Energy Development Corporation of Odisha Limited	19.01	91.68	20.74	10.52	78.84	13.34	10.52	78.84	13.34
28	Odisha Coal and Power Limited	1,173.69	1,927.61	60.89	299.32	1,689.56	17.72	85.46	1,494.75	5.72
29	GEDCOL SAIL Power Corporation Limited	-0.02	10.06	-0.20	0.04	10.07	0.40	0.02	0.04	50.00
Total		9,794.15	31,016.86	31.58	3,736.83	27,208.13	13.73	819.81	22,504.78	3.64

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

APPENDIX - 5.8
(Refer paragraph 5.4.2)
Return on Equity of SPSEs

(₹ in crore)

Sl. No.	SPSE	2022-23			2021-22			2020-21		
		Shareholders' Equity	Net Profit After Tax and Preference Dividend	ROE (in %)	Shareholders' Equity	Net Profit After Tax and Preference Dividend	ROE (in %)	Shareholders' Equity	Net Profit After Tax and Preference Dividend	ROE (in %)
1	The Agricultural Promotion and Investment Corporation of Odisha Limited	2.27	0.03	1.32	2.27	0.03	1.32	2.25	0.09	4.00
2	The Odisha Agro Industries Corporation Limited	111.04	6.90	6.21	111.04	6.90	6.21	110.14	16.55	15.03
3	Odisha Forest Development Corporation Limited	-30.07	19.43	-64.62	-42.63	20.04	-47.01	-52.14	10.54	-20.21
4	Odisha State Seeds Corporation Limited	13.16	1.03	7.83	12.42	2.84	22.87	3.58	6.02	168.16
5	The Industrial Promotion and Investment Corporation of Odisha Limited	560.33	434.77	77.59	125.55	9.73	7.75	115.82	8.56	7.39
6	Orissa Bridge and Construction Corporation Limited	46.96	11.38	24.23	39.39	5.48	13.91	35.96	5.43	15.10
7	The Odisha State Police Housing and Welfare Corporation Limited	168.54	23.16	13.74	152.32	20.95	13.75	137.65	20.06	14.57
8	Odisha Mineral Bearing Areas Development Corporation Limited	0.01	0	0.00	0.01	-1,818.38	(-) 1,81,83,800.00	0.01	-1,818.38	(-) 1,81,83,800.00
9	Water Corporation of Odisha Limited	0.54	0.02	3.70	0.54	0.02	3.70	0.41	-0.25	-60.98
10	Odisha Rail Infrastructure	52.38	-2.36	-4.51	52.38	-2.36	-4.51	54.74	0.29	0.53

Sl. No.	SPSE	2022-23			2021-22			2020-21		
		Shareholders' Equity	Net Profit After Tax and Preference Dividend	ROE (in %)	Shareholders' Equity	Net Profit After Tax and Preference Dividend	ROE (in %)	Shareholders' Equity	Net Profit After Tax and Preference Dividend	ROE (in %)
	Development Limited									
11	The Odisha Mining Corporation Limited	12,165.70	4,734.04	38.91	8,808.05	2,731.72	31.01	6,576.64	1,586.27	24.12
12	Odisha State Beverages Corporation Limited	246.31	18.64	7.57	343.94	20.88	6.07	330.64	20.88	6.32
13	IDCOL Software Limited	3.99	-0.21	-5.26	4.19	1.06	25.30	3.14	0.34	10.83
14	Odisha State Civil Supplies Corporation Limited	11.03	0	0.00	11.03	0	0.00	11.03	0	0.00
15	Odisha Tourism Development Corporation Limited	35.26	-3.79	-10.75	39.05	-1.83	-4.69	40.88	3.40	8.32
16	Odisha State Medical Corporation Limited	73.87	3.44	4.66	70.33	2.09	2.97	68.28	9.78	14.32
17	Kalinga Studios Limited	-1.84	-0.16	-8.70	-1.68	0.01	-0.60	1.75	-0.24	-13.71
18	Odisha Sports Development and Promotion Company Limited	20.50	-1.92	-9.37	22.43	1.86	8.29	20.56	1.50	7.30
19	Odisha State Financial Corporation	-41.57	8.30	-19.97	-48.97	-0.92	-1.88	-48.49	-2.35	-4.85
20	Odisha State Road Transport Corporation	168.65	-10.55	-6.26	169.10	-10.59	-6.26	137.87	3.54	2.57
21	Start Up Odisha	0.15	0	0.00	-	-	-	-	-	-
22	World Skill Centre	0	0	-	-	-	-	-	-	-
23	GRIDCO Limited	-5,662.32	-778.18	-13.74	-5,094.96	-440.18	-8.64	-6,869.29	-1,382.35	-20.12
24	Odisha Hydro Power Corporation Limited	2,248.08	88.86	3.95	2,160.95	180.64	8.36	1,987.77	158.06	7.95
25	Odisha Power Generation Corporation	3,704.76	839.99	22.67	2,832.91	-102.83	-3.63	2,731.27	-190.51	-6.98

Sl. No.	SPSE	2022-23			2021-22			2020-21		
		Shareholders' Equity	Net Profit After Tax and Preference Dividend	ROE (in %)	Shareholders' Equity	Net Profit After Tax and Preference Dividend	ROE (in %)	Shareholders' Equity	Net Profit After Tax and Preference Dividend	ROE (in %)
	Limited									
26	Odisha Power Transmission Corporation Limited	2,018.67	61.97	3.07	1,655.16	61.67	3.73	888.50	-144.37	-16.25
27	Green Energy Development Corporation of Odisha Limited	91.68	12.89	14.06	78.84	5.35	6.79	78.84	5.35	6.79
28	Odisha Coal and Power Limited	1,235.15	807.47	65.37	571.80	158.27	27.68	373.58	-1.46	-0.39
29	GEDCOL SAIL Power Corporation Limited	10.06	-0.02	-0.20	10.07	0.02	0.20	10.07	0.02	0.20
Total		17,253.29	6,275.13	36.37	12,085.53	852.47	7.05	6,751.46	-1,683.23	-24.93

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

APPENDIX - 5.9
(Refer paragraph 5.9.2)
SPSEs, in which comments were issued by CAG

Sl. No.	SPSE	Government (GC) / Government Other Company	Company Controlled (DGC)
1	Odisha Hydro Power Corporation Limited	GC	
2	Odisha Film Development Corporation Limited	GC	
3	Odisha Thermal Power Corporation Limited	DGC	
4	Nuagaon Coal Company Limited	DGC	
5	Odisha mineral Bearing Areas Development Corporation limited	GC	
6	World Skill Center	GC	
7	Green Energy Development Corporation of Odisha Limited	GC	
8	Odisha Rail Infrastructure Development Limited	GC	
9	Paradeep Plastic Park Limited	DGC	

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

APPENDIX - 5.10
(Refer paragraph 5.11)
SPSEs, to which Management Letters were issued by CAG

Sl. No.	Name of the Company
1	GRIDCO Limited
2	Odisha Electronics Park Limited
3	Nuagaon Coal Company Limited
4	Mandakini B-Coal Corporation Limited
5	Odisha Sports Development and Promotion Company Limited
6	Odisha Film Development Corporation Limited
7	Odisha State Police Housing and Welfare Corporation Limited
8	Odisha Tourism Development Corporation Limited
9	Odisha State Beverages Corporation Limited
10	Shamuka Tourism Development Corporation Limited

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

APPENDIX – 6.1
Glossary of important Budget related terms

Terms	Basis of Calculation
Average interest paid by the State	Interest payment/[(Amount of previous year's Total outstanding Liabilities + Current year's Total outstanding Liabilities)/2] *100.
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth Rate.
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y).
Development Expenditure	Social Services + Economic Services.
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts– Miscellaneous Capital Receipts.
Interest received as <i>per cent</i> to Loans Outstanding	Interest Received/ [(Opening balance + Closing balance of Loans and Advances)/2] *100.
Primary Deficit	Fiscal Deficit – Interest payments.
Primary Revenue Expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments.
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.

Acronyms	Full Form
AC	Abstract Contingency
AE	Aggregate Expenditure
BE	Budget Estimates
CAG	Comptroller and Auditor General of India
CAGR	Compounded Annual Growth Rate
CE	Capital Expenditure
CGST	Central Goods and Services Tax
CFS	Consolidated Fund of the State
DC	Detailed Contingent
DDO	Drawing and Disbursing Officer
DE	Development Expenditure
DRDA	District Rural Development Agency
EBIT	Earnings Before Interest and Taxes
FCP	Fiscal Correction Path
FC	Finance Commission
FRBM	Fiscal Responsibility and Budget Management
GDP	Gross Domestic Product
GIA	Grants-in-Aid
GoI	Government of India
GRF	Guarantee Redemption Fund
GSDP	Gross State Domestic Product
GST	Goods and Services Tax
H&UDD	Housing and Urban Development Department
IGAS	Indian Government Accounting Standards
ITDA	Integrated Tribal Development Agency
MTFP	Medium Term Fiscal Plan
NSSF	National Small Savings Fund
O&M	Operation and Maintenance
OB&OCWWB	Odisha Building and Other Construction Workers Welfare Board
OMBADC	Odisha Mineral Bearing Areas Development Corporation
OBM	Odisha Budget Manual
OGFR	Odisha General Financial Rules
ONTR	Own Non Tax Revenue
OTC	Odisha Treasury Code
OTR	Own Tax Revenue
OTS	One Time Settlement
PIA	Project Implementing Agencies
PSU	Public Sector Undertakings
RE	Revenue Expenditure
RR	Revenue Receipts

RoCE	Return on Capital Employed
RoE	Return on Equity
RoI	Return on Income
SCAF	State Compensatory Afforestation Fund
S&W	Salaries and Wages
SFC	State Finance Commission
SPSE	State Public Sector Enterprise
SSE	Social Sector Expenditure
TE	Total Expenditure
UC	Utilisation Certificates
VLC	Voucher Level Computerisation

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