



GOVERNMENT OF ODISHA
ACCOUNTS AT A GLANCE 2010-2011



PRINCIPAL ACCOUNTANT GENERAL
(ACCOUNTS AND ENTITLEMENTS) ODISHA,
BHUBANESWAR

PREFACE

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

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

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

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



(A.K.SINGH)

BHUBANESWAR
The 21st December 2011

PR. ACCOUNTANT GENERAL (A&E)

TABLE OF CONTENTS

Chapter 1	Overview	Page
1.1	Introduction	1
	Structure of Accounts	1
	Finance Accounts and Appropriation Accounts	2
	Sources and Application of Funds	3
	Highlights of Accounts	6
	What the Deficits and Surpluses indicate	7
Chapter 2	Receipts	9
	Introduction	9
	Revenue Receipts	9
	Trend of Receipts	10
	Performance of State's own Tax Revenue Collection	12
	Efficiency of Tax Collection	12
	Trend in States share of Union Taxes	13
	Grants-in-Aid	13
	Public Debt	14
Chapter 3	Expenditure	15
	Introduction	15
	Revenue Expenditure	15
	Capital Expenditure	17
Chapter 4	Plan & Non-Plan Expenditure	19
	Distribution of Expenditure (2010-2011)	19
	Plan Expenditure	19
	Non-Plan Expenditure	20
	Committed Expenditure	21
Chapter 5	Appropriation Accounts	23
	Summary of Appropriation Accounts for 2010-2011	23
	Trend of Savings/Excess during the past 5 years	23
	Significant Savings	24
Chapter 6	Assets and Liabilities	26
	Assets	26
	Debt and Liabilities	26
	Guarantees	27
Chapter 7	Other Items	28
	Adverse Balances under Internal Debt	28
	Loans and Advances by the State Government	28
	Financial Assistance to Local Bodies and Others	28
	Cash Balance and investment of Cash Balance	28
	Reconciliation of Accounts	29
	Submission of Accounts by Treasuries	29
	Abstract Contingent Bills/Detailed Contingent Bills	29

Chapter-I

OVERVIEW

1.1. Introduction

The Principal Accountant General (Accounts and Entitlements), Odisha compiles the accounts of receipts and expenditure of the Government of Odisha. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. In addition the Principal Accountant General (A&E) prepares, annually, the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after duly checked by the Accountant General (Civil Audit) Odisha and certification by the Comptroller and Auditor General of India.

1.2. Structure of Accounts

1.2.1. Government Accounts are kept in three parts:

Part I CONSOLIDATED FUND	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
Part II CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
Part III PUBLIC ACCOUNT	Comprises of Debt (other than those included in Part I), Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities & the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of account.



1.3. Finance Accounts and Appropriation Accounts

1.3.1. Finance Accounts

The Finance Accounts depict the Accounts of receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, accounts of the public debts and liabilities and assets as worked out from the balances as recorded in the Accounts. The Finance Accounts have been issued in two volumes, to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains other summarized statements (Part-I), detailed statements (Part-II) and appendices (Part-III).

Receipts and disbursements of the Government of Odisha as depicted in the Finance Accounts 2010-2011 are given below:

		(₹ in crore)	
Receipts Total : 3,39,68	Revenue Total : 3,32,76	Tax Revenue	2,16,90
		Non Tax Revenue	47,80
		Grants-in-Aid	68,06
	Capital Total : 6,92	Recovery of Loans and Advances	34
		Borrowings and other Liabilities	6,58
Disbursements Total : 3,39,68	Revenue		2,93,68
	Capital		42,85
	Loans and Advances		3,15

* 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.

This year, the Government of India directly released ₹62,58 crore (₹36,38 crore last year) to the State Implementing Agencies/NGOs for implementation of various schemes and programmes. Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume II of the Finance Accounts.

1.3.2. Appropriation Accounts

The Appropriation Accounts depict the expenditure of the State Government against amounts 'charged' on the Consolidated Fund or 'voted' by the State Legislature. There are 4 charged Appropriations and 38 voted Grants.

The Appropriation Act, 2010-2011, had projected for gross expenditure of ₹4,28,03 crore and reduction of expenditure (recoveries) of ₹9,17 crore. Against this, the actual gross expenditure was ₹3,63,80 crore and reduction of expenditure was ₹3,29 crore, resulting in net savings of ₹64,23 crore (15 %) and an excess-estimation of ₹5,88 crore (64 %) on reduction of expenditure. The gross expenditure includes ₹36 crore drawn on Abstract Contingent (AC) Bills, out of which ₹22 crore still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2010-2011, ₹12,64 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD accounts are available only with the treasuries, since they are responsible for maintaining such records.

1.4. Sources and Application of Funds

1.4.1. Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹1,28 crore) maintained with the RBI. During 2010-2011, the Government of Odisha did not resort to OD facilities and not availed of WMA.



1.4.2. Fund Flow statement

The State had a Revenue Surplus of ₹39,08 crore and a Fiscal Deficit of ₹-6,58 crore representing 2.10 % and -0.35 % of the Gross State Domestic Product (GSDP)¹. The Fiscal Deficit constituted -1.94 % of total expenditure. This deficit was met from Public Debt (₹1,84 crore), increase in Public Account (₹5,81 crore), un-recouped contribution from the Contingency Fund (₹-1,76 crore), and net of opening and closing cash balance (₹69 crore). Around 48% of the revenue receipts (₹3,32,76 crore) of the State Government was spent on committed expenditure like salaries (₹89,69 crore), interest payments (₹30,62 crore) and pensions (₹40,11 crore).

Sources and Application of Funds

(₹ in crore)

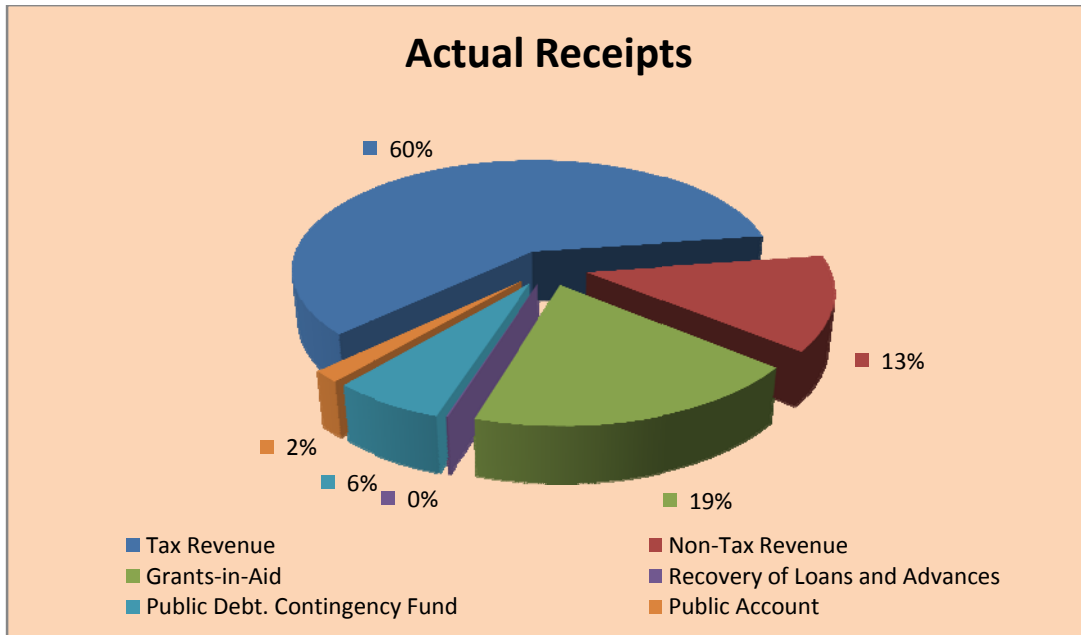
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01.04.2010	
Revenue Receipts		3,32,76
Recovery of Loans & Advances		34
Public Debt		22,68
Small Savings Provident Fund & Others		28,04
Reserves & Sinking Funds		6,03
Deposits Received		32,44
Civil Advances Repaid		1,02
Suspense Account		12,40,84
Remittances		60,28
Contingency Fund		1,99
	TOTAL	17,22,58

APPLICATION	Revenue Expenditure	2,93,68
	Capital Expenditure	42,85
	Loans Given	3,15
	Repayment of Public Debt	20,84
	Small Savings Provident Fund & Others	15,82
	Reserves & Sinking Funds	5,86
	Deposits Spent	30,90
	Civil Advances Given	1,03
	Suspense Account	12,48,92
	Remittances	60,31
	Contingency Fund	3,75
	Closing Cash Balance as on 31 .3.2011	-4,53
		TOTAL

¹ SDGP for 2010-2011 is ₹18,63,56 crore (Advance Estimate) and 2009-2010 ₹16,23,27 crore (Quick Estimate) as intimated by the Joint Secretary to Govt. of Odisha, Finance Department, Bhubaneswar in their letter no. O.B and FA/12/2011/16953/F dt. 05.04.2011.

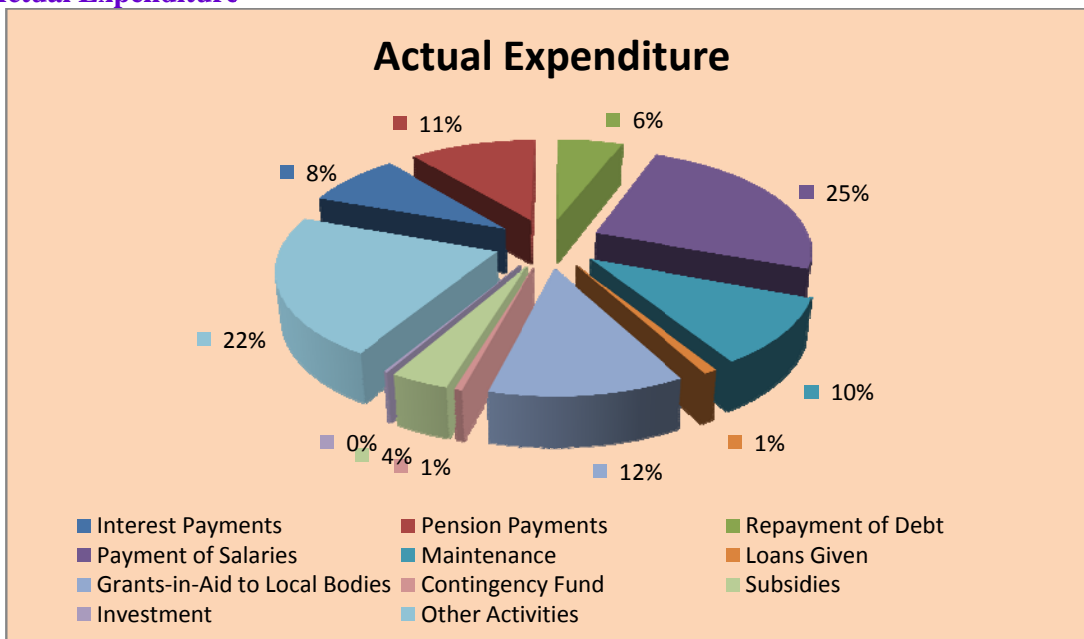


1.4.3. Where the ₹ came from
Actual Receipts



1.4.4. Where the ₹ went

Actual Expenditure



1.5. Highlights of Accounts

	B.E 2010-11 (₹ in crore)	Actuals (₹ in crore)	Percentage of actuals to B.E	Percentage of actuals to GSDP(b)
1. Tax Revenue(a)	2,03,64	2,16,90	107	12
2. Non-Tax Revenue	31,66	47,80	151	3
3. Grants-in-aid & Contributions	79,15	68,06	86	4
4. Revenue Receipts (1+2+3)	3,14,45	3,32,76	106	18
5. Recovery of Loans and Advances	2,43	34	14	
6. Borrowings & other Liabilities (e)	57,98	5,86	11	
7. Capital Receipts (5+6)	60,41	6,92	11	
8. Total Receipts(4+7)	3,74,87	3,39,68	91	18
9. Non-Plan Expenditure (d)	2,46,43	2,22,13	90	12
10. NPE on Revenue Account	2,43,62	2,19,75	90	12
11. NPE on Interest Payments out of 10	39,52	30,62	77	2
12. NPE on Capital Account (f)	2,82	2,38	84	
13. Plan Expenditure (f)	1,28,43	1,17,55	91	6
14. PE on Revenue Account	81,20	73,93	91	4
15. PE on Capital Account	47,23	43,62	92	2
16. Total Expenditure (9+13)	3,74,87	3,39,68	91	18
17. Revenue Expenditure (10+14)	3,24,82	2,93,68	90	16
18. Capital Expenditure (12+15) (c)	50,05	46,00	92	2
19. Revenue Surplus (4-17)	-10,37	39,08		2
20. Fiscal Deficit (4+5-16)	-57,98	-6,58	11	

- (a) Includes State's share of Union Taxes of ₹1,04,97 crore
- (b) GSDP figure of ₹18,63,56 crore (Advance Estimate) as intimated by Finance Deptt. in their letter no. OB/and FA-12/2011/16953/F dt. 05.04.2011.
- (c) Expenditure on Capital Account includes Capital Expenditure (₹42,85 crore) and Loans and Advances disbursed (₹ 315 crore).
- (d) Non-Plan Expenditure includes Revenue Expenditure (₹2,19,75 crore) Capital Expenditure (₹1,29 crore) and Loan & Advances disbursed (₹1,09 crore).
- (e) Borrowings and other Liabilities include net of Public Debt (₹1,84 crore) net of Contingency Fund (₹-1,76 crore), net of Public Account (₹5,81 crore) and net of Opening & Closing Balance (₹69 crore)
- (f) Plan Expenditure includes Revenue Expenditure (₹73,93 crore), Capital Expenditure (₹41,56 crore) & Loans & Advances disbursed (₹2,06 crore).



1.6. What do the Deficits and Surpluses indicate?

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

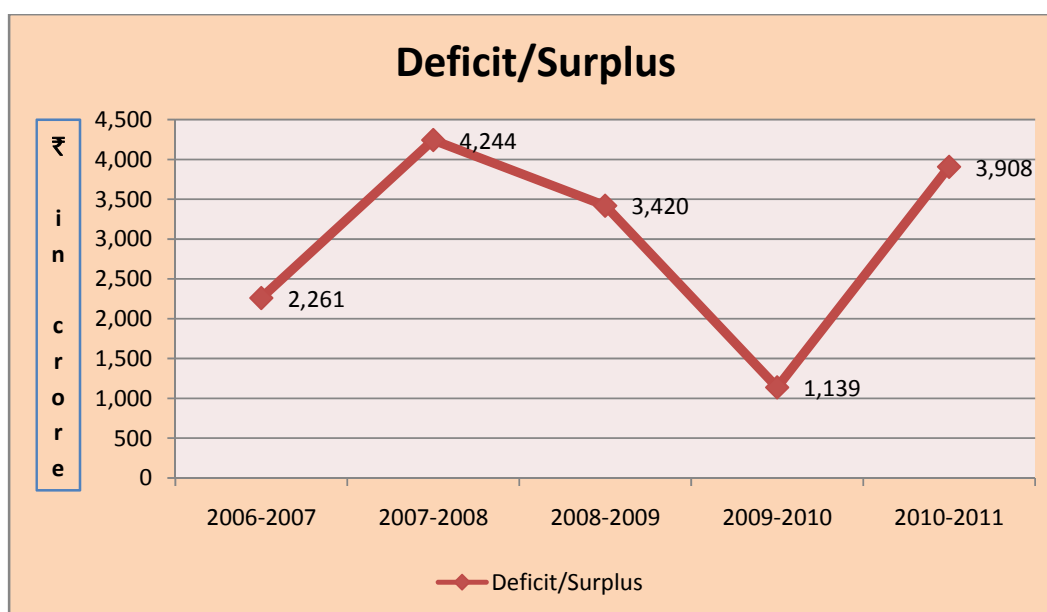
Revenue Deficit/Surplus, Fiscal Deficit/Surplus are the major yardsticks for judging the Fiscal performance of the Government. Consequently, the Government of Odisha enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005 as per the recommendation of the 12th Finance Commission.

The State Govt. has achieved Revenue surplus since 2005-2006 and fiscal deficit has been reduced.

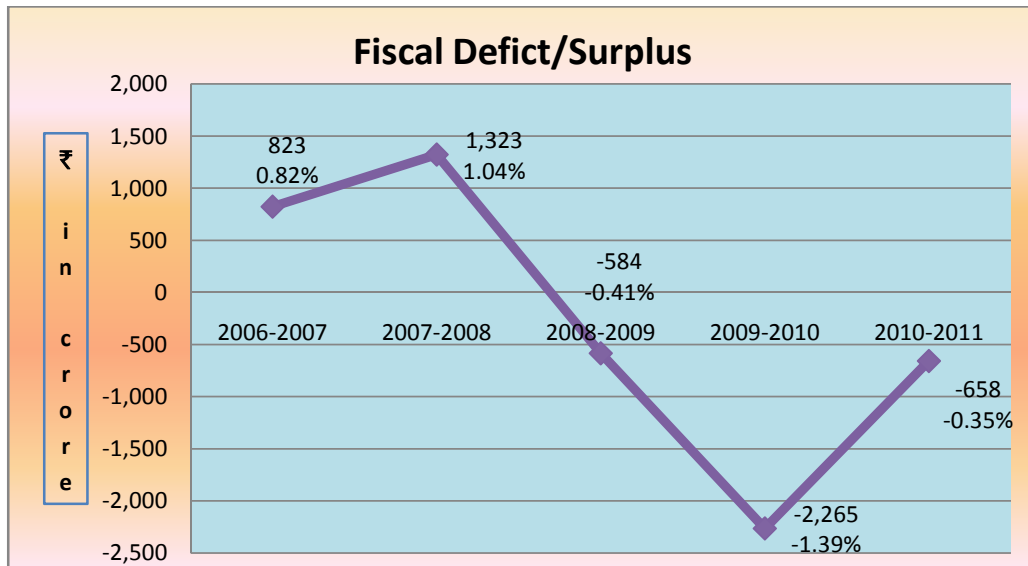
(i) The Revenue Surplus was ₹ 11,39 crore for 2009-2010 & ₹ 39,08 crore for 2010-2011.

(ii) The fiscal deficit was ₹ -22,65 crore for 2009-2010 & ₹ -6,58 crore for 2010-2011.

1.6.1. Trend of Revenue Deficit/Surplus.



1.6.2. Trend of Fiscal Deficit.



Figures in parentheses are percentage to GSDP

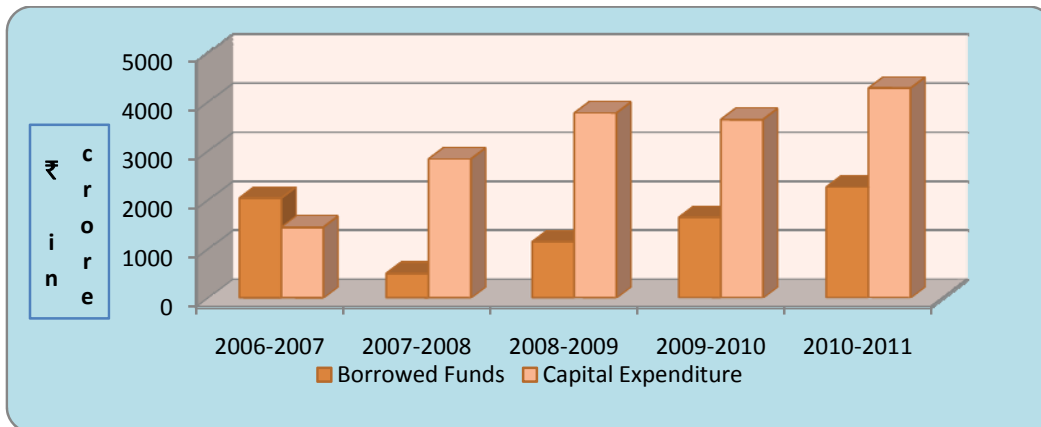
1.6.3. Proportion of borrowed funds spent on Capital expenditure.

It is desirable to fully utilize borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. As the State Govt. have achieved revenue surplus with effect from 2005-2006 which is continuing till 2010-2011, it is apparent that the borrowed funds have been utilized for creation of capital assets during the above period. The statement is furnished below: -

(₹ in crore)

	Borrowed Funds	Capital Expenditure
2006-2007	20,46	14,51
2007-2008	5,07	28,43
2008-2009	11,52	37,79
2009-2010	16,50	36,48
2010-2011	22,68	42,85

Borrowed funds spent on Capital Expenditure



Chapter-II

RECEIPTS

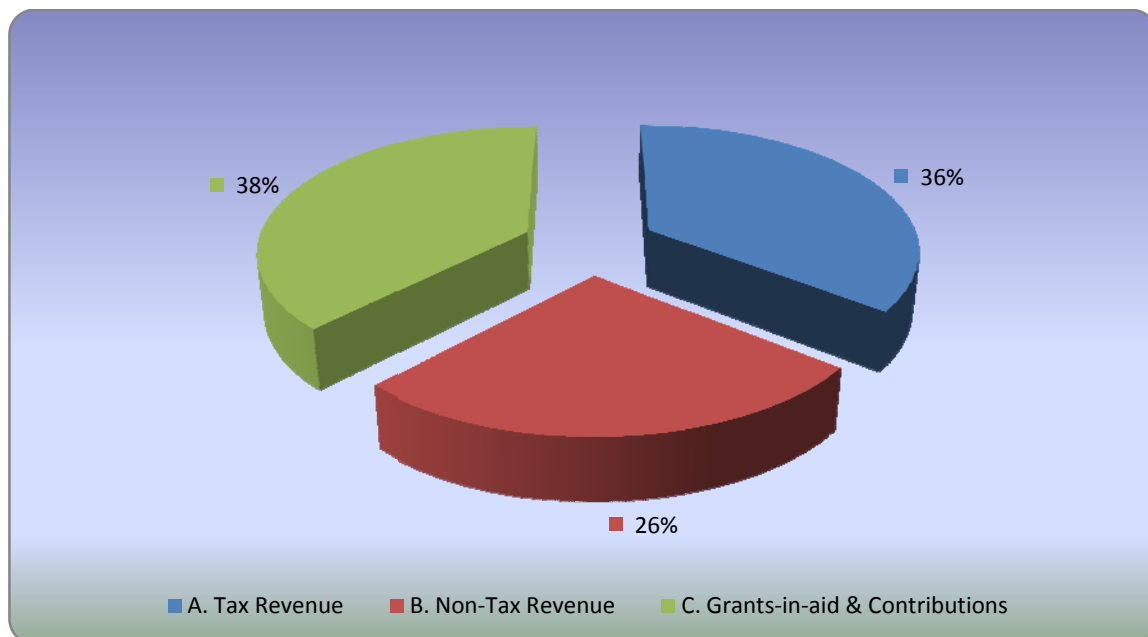
2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts of Government of Odisha for 2010-2011 were ₹3,39,68 crore

2.2. Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non- Tax Revenue	Includes interest receipts, dividends, profits etc.
Grants-in-Aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid, Materials & Equipments received from foreign Governments and channelized through the Union Government. In turn, the State Governments also give Grants- in-aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.

Revenue Receipt



Revenue Receipt Components (2010-2011)

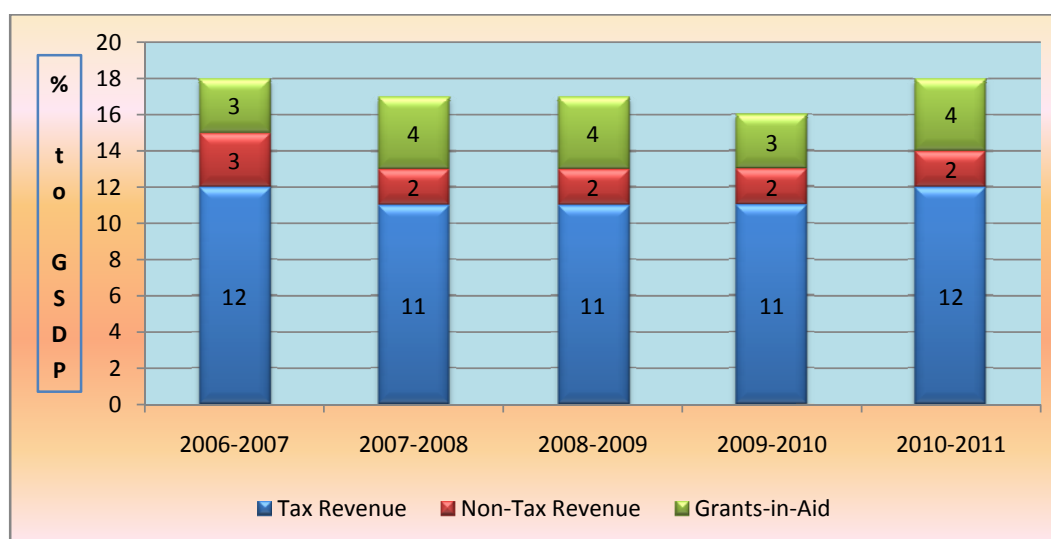
Components	(₹ in crore)
Components	Actuals
A. Tax Revenue	2,16,90
Taxes on Income & Expenditure	64,04
Taxes on Property & Capital Transactions	8,15
Taxes on Commodities & Services	1,44,70
B. Non-Tax Revenue	47,80
Interest Receipts, Dividends and Profits	3,62
General Services	5,52
Social Services	1,29
Economic Services	37,37
C. Grants-in-aid & Contributions	68,06
Total - Revenue Receipts	3,32,76

2.3. Trend of Receipts

	(₹ in crore)				
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Tax Revenues	1,22,85 (12%)	1,47,03 (11%)	162,75 (11%)	1,75,01 (11%)	2,16,90 (12%)
Non-Tax Revenues	25,88 (3%)	26,53 (2%)	31,76 (2%)	32,12 (2%)	47,80 (2%)
Grants in Aid	31,59 (3%)	46,11 (4%)	51,59 (4%)	57,17 (3%)	68,06 (4%)
Total Revenue Receipts	1,80,32 (18%)	2,19,67 (17%)	246,10 (17%)	2,64,30 (16%)	3,32,76 (18%)
GSDP	10,02,21	12,72,34	14,27,28 (P)	16,23,27 (Q)	18,63,56 (A)

Note: Figures in parentheses represent percentage to GSDP

Components under Revenue Receipts as proportion to GSDP

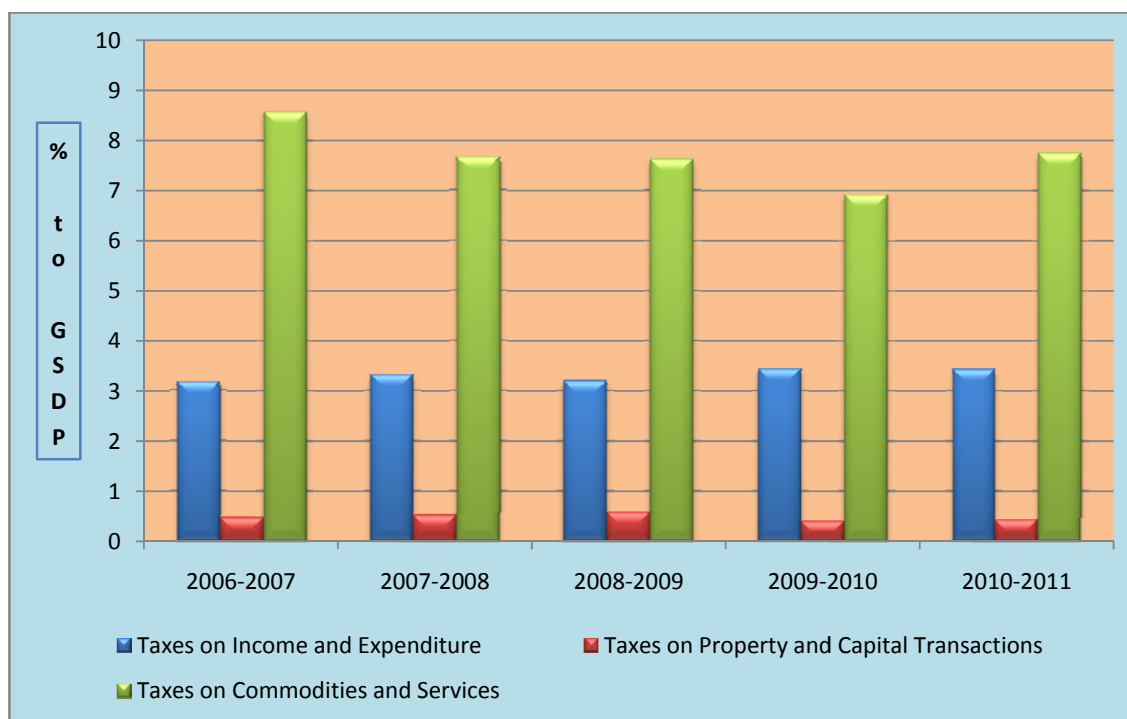


The GSDP increased by 15% between 2009-2010 and 2010-2011, growth in revenue collection was 26%. While tax revenues increased by 24%, non-tax revenues increased by 49%. Major contributor to revenue was ₹68,07 crore (3.65% of SDGP) under Taxes on Sales, Trades etc & Corporation Tax ₹41,03 crore (2.20 % of SDGP)

Sector-wise Tax Revenue

	(₹ in crore)				
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
i) Taxes on Income and Expenditure	31,94	42,48	45,32	55,94	64,04
ii) Taxes on Property and Capital Transactions	4,89	6,84	8,47	6,60	8,15
iii) Taxes on Commodities and Services	86,02	97,71	1,08,96	1,12,47	1,44,71
Total Tax Revenues	1,22,85	1,47,03	1,62,75	1,75,01	2,16,90

Trend of Major Taxes in proportion to GSDP



2.4. Performance of State's own tax revenue collection

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			₹	Percentage to GSDP
1	2	3	4	5
2006-2007	1,22,85	62,20	60,65	7.3%
2007-2008	1,47,03	78,46	68,57	6.64%
2008-2009	1,62,75	82,80	79,95	6.54%
2009-2010	1,75,01	85,19	89,82	5.95%
2010-2011	2,16,90	1,04,97	1,11,92	6.00%

2.5. Efficiency of Tax Collection

A. Taxes on Properties and Capital Transactions

(₹ in crore)

	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Revenue Collection	4,89	6,84	8,47	6,60	8,15
Expenditure on Collection	1,41	1,62	2,11	2,89	3,23
Efficiency of Tax Collection	29%	24%	25%	44%	40%

B. Taxes on Commodities and Services

(₹ in crore)

	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Revenue Collection	86,02	97,71	1,08,96	1,12,47	1,44,70
Expenditure on Collection	57	66	1,06	1,19	1,46
Efficiency of Tax Collection	1%	1%	1%	1%	1%

Taxes on commodities and services form a major chunk of tax revenue. Tax collection efficiency is excellent. However, the collection efficiency of taxes on property and capital transactions can be improved.

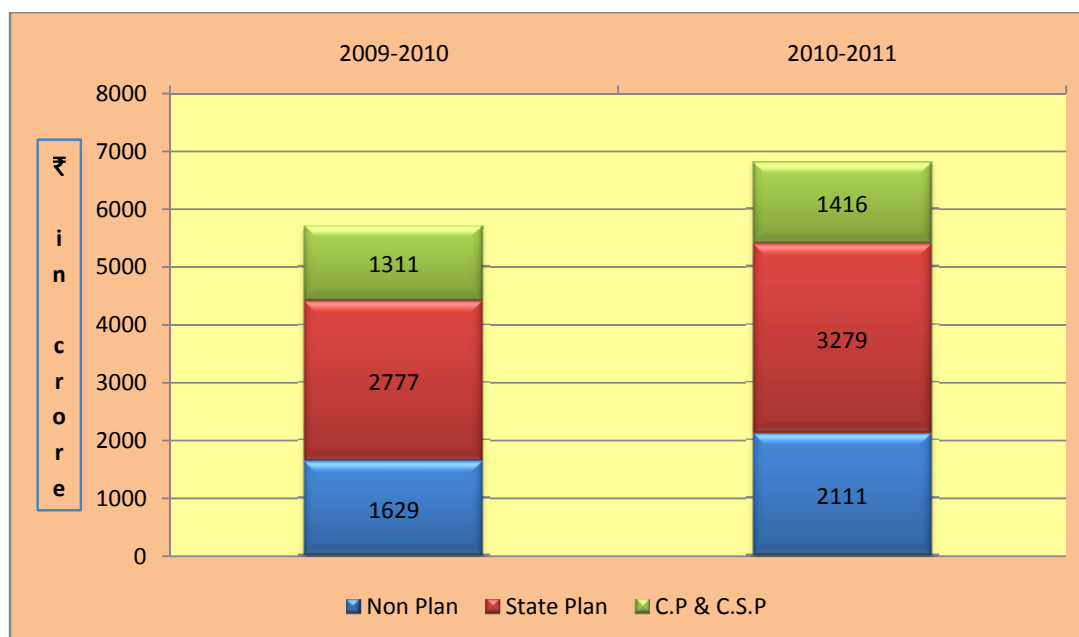
2.6 Trend in State's Share of Union Taxes over the past five years

(₹ in crore)

Major Head description	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Corporation Tax	19,41	24,90	27,15	35,06	41,03
Taxes on Income other than Corporation Tax	11,79	16,71	17,05	19,53	21,68
Taxes on Wealth	2	3	3	8	8
Customs	12,13	14,83	15,83	11,92	18,36
Union Excise Duties	12,88	14,16	13,80	9,60	13,35
Service Tax	5,97	7,83	8,94	9,00	10,47
Other Taxes and Duties on Commodities and Services	-	-	-	-	-
State Share of Union Taxes	62,20	78,46	82,80	85,19	1,04,97
Total Tax Revenue	1,22,85	1,47,03	1,62,75	1,75,01	2,16,89
% of Union Taxes to Total Tax Revenue	51%	53%	51%	49%	48%

2.7 Grants in Aid

Grants in Aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2010-2011 under Grants in Aid were ₹68,06 crore as shown below: -



The share of non-plan grants in total grants-in-aid increased from 28 % during 2009-2010 to 31 % in 2010-2011, while, the share of grants for plan schemes declined from 72% in 2009-2010 to 69 % in 2010-2011. As against a budget estimate of ₹79,15/- crore of Union share in Plan schemes, the State Government has actually received ₹46,95/- of Grants in Aid (59% of BE).

2.8. Public Debt

The outstanding Public Debt at the end of the 31st march 2011 was ₹2,55,92 crore comprising internal debt of ₹1,79,99 crore and Loans and Advances from Central Government ₹75,93 crore.

Trend of Public Debt over the past 5 years

Description	(₹ in crore)				
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Internal Debt	2,34	-9,95	-4,15	4,08	8,20
Central Loans	-39	-3,43	74	-2,47	-6,36
Total Public Debt	1,95	-13,38	-3,41	1,61	1,84

Note: Negative figures indicate that repayment is in excess of receipts.

Chapter-III

EXPENDITURE

3.1. Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the *organization*. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

General Services	Includes Justice, Police, Jail, PWD, Pension etc.
Social Services	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC-ST etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.

3.2. Revenue Expenditure

Revenue Expenditure of ₹2,93,68 crore for 2010-2011 fell short of budget estimates by ₹31,14 crore due to less disbursement of ₹7,27 crore under Plan Expenditure and ₹23,87 crore under Non-plan Expenditure.

The shortfall of expenditure against budget estimates under Revenue section during the past five years is given below:

	(₹ in crore)				
	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Budget Estimates	1,59,40	1,84,21	2,27,07	2,89,19	3,24,82
Actuals	1,57,72	1,77,23	2,11,90	2,52,92	2,93,68
Gap	1,68	6,98	15,17	36,27	31,14
% of gap over B.E	1%	4%	7%	13%	10%



3.2.1 Sectoral distribution of Revenue Expenditure (2010-2011)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	4,71	2
(i) Collection of Taxes on Property and Capital transactions	3,23	-
(ii) Collection of Taxes on Commodities and Services	1,45	-
(iii) Other Fiscal Services	3	-
B. Organs of State	2,60	1
C. Interest Payments and Servicing of debt	30,62	10
D. Administrative Services	21,18	7
E. Pensions and Miscellaneous General Services	40,26	14
F. Social Services	1,19,22	41
G. Economic Services	70,77	24
H. Grants-in-aid and Contributions	4,32	1
Total Expenditure (Revenue Account)	2,93,68	100

3.2.2 Major components of Revenue Expenditure (2006 – 2011)

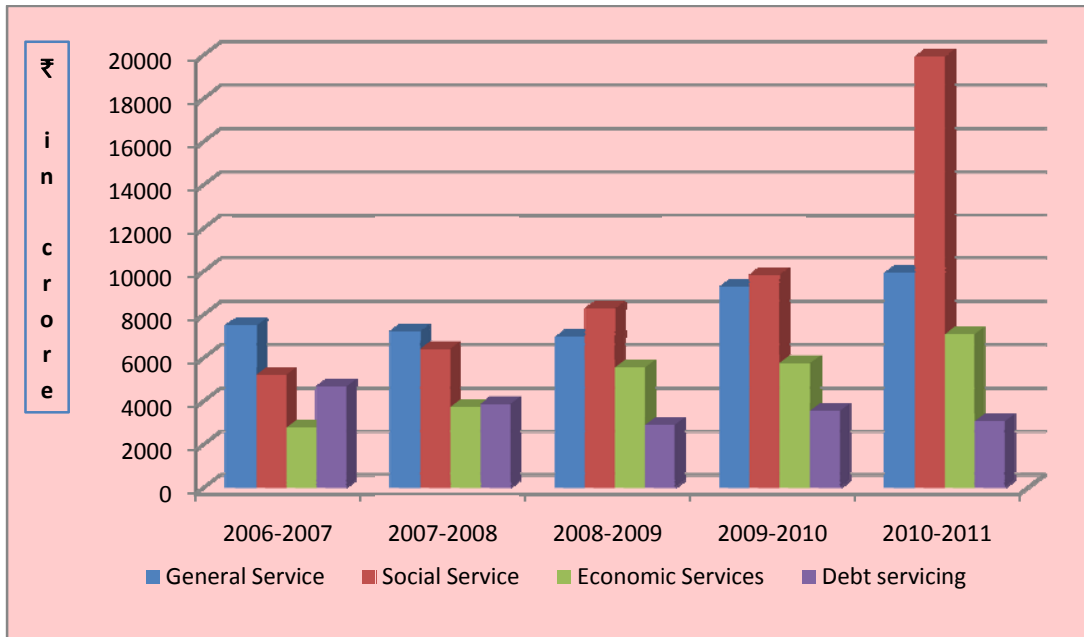
(₹ in crore)

Major components of Revenue Expenditure 2006 to 2011

Year	General Services *	Social Services	Economic Services	Debt. Servicing
2006-2007	7503	5221	2776	4676
2007-2008	7227	6416	3728	3870
2008-2009	6962	8284	5551	2890
2009-2010	9285	9838	5762	3544
2010-2011	9937	19922	7077	3062



Trend of Major components of Revenue Expenditure



* General Services excludes MH 2048 (Appropriation for reduction or avoidance of debt), MH 2049 (Interest payments) and includes MH 3604 (Compensation and assignment to Local Bodies and Panchayati Raj Institutions).

3.3. Capital Expenditure

Capital disbursements for 2010-2011 at 2.47 % of GSDP were less than Budget Estimate by ₹405 crore (less disbursement of ₹361 crore under Plan Expenditure and ₹44 crore under Non-plan Expenditure).

3.3.1. Sectoral/distribution of Capital Expenditure

During 2010-2011, the Government spent ₹15,00 crore on various Irrigation Projects (₹9,58 crore on Major Irrigation, ₹3,76 crore on Medium Irrigation, and ₹1,66 crore on Minor Irrigation) and ₹5 crore on Ports and Light Houses. Apart from above, the Government spent ₹3,90 crore on Construction of Buildings, and invested ₹83 crore in various Corporations /Companies/ Societies.

(₹ in crore)

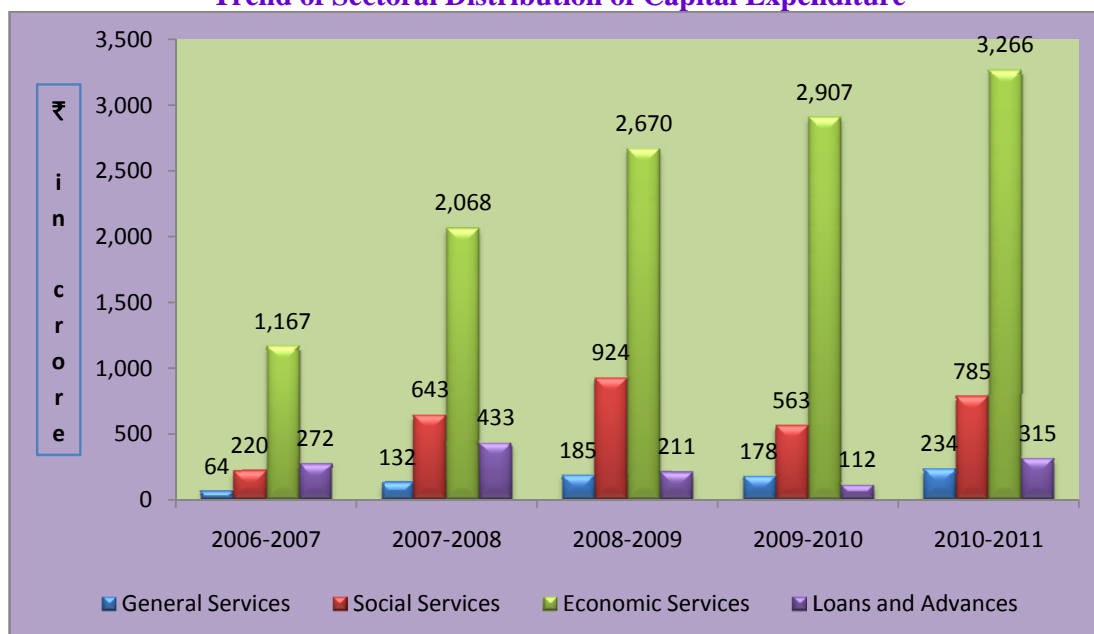
SL No	Sector	Amount	Percentage
1.	General Services-Police, Land Revenue etc.	2,34	5
2.	Social Services-Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	7,85	17
3.	Economic Services-Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	32,66	71
4.	Loans and Advances Disbursed	3,15	7
Total		46,00	1,00

3.3.2 Sectoral distribution of capital expenditure over the past 5 year

(₹ in crore)

Sl. No.	Sector	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
1.	General Services	64	1,32	1,85	1,78	2,34
2.	Social Services	2,20	6,43	9,24	5,63	7,85
3.	Economic Services	11,67	20,68	26,70	29,07	32,66
4.	Loans and Advances	2,72	4,33	2,11	1,12	3,15
Total		17,23	32,76	39,90	37,60	46,00

Trend of Sectoral Distribution of Capital Expenditure

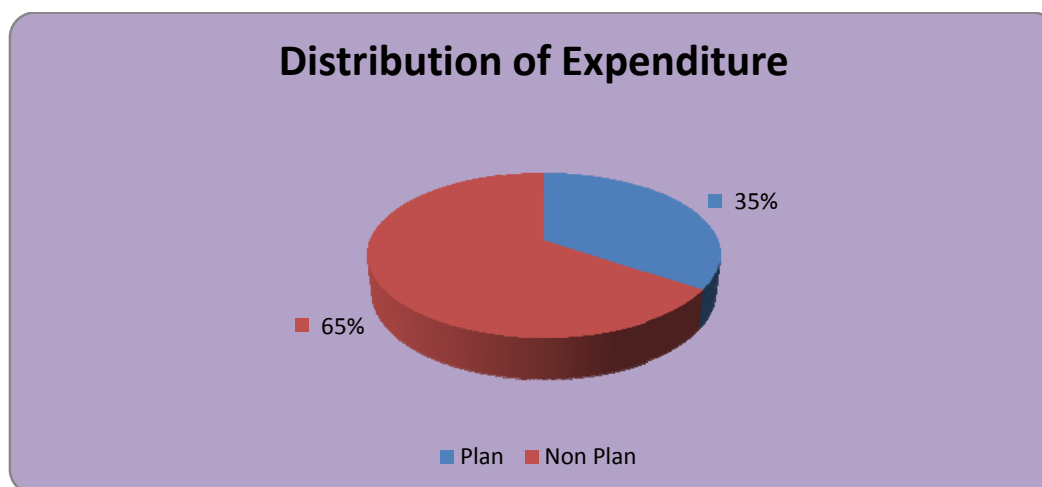


Chapter-IV

PLAN & NON PLAN EXPENDITURE

4.1. Distribution of expenditure (2010-2011)

Distribution of Expenditure

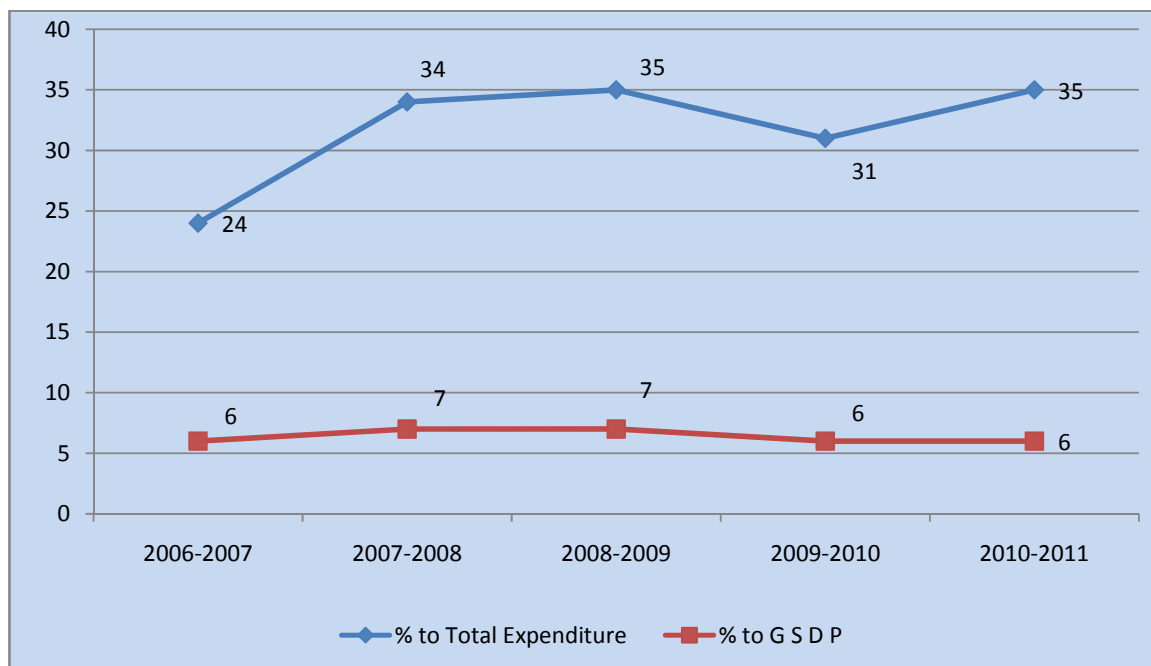


4.2. Plan Expenditure

During 2010-2011, Plan Expenditure, representing 35 percent of total disbursements, was ₹1,17,55 crore (₹97,84 crore under State Plan, ₹17,65 crore under Centrally Sponsored Plan Schemes and ₹2,06 crore under Loans and Advances).

Plan Expenditure as proportion of total expenditure and GSDP

Year	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Plan Expenditure (₹ in crore)	4205	7046	8934	8902	11755
Percentage to Total Expenditure	24	34	35	31	35
Percentage to GSDP	4	6	6	5	6



4.2.1. Plan expenditure under Capital Account

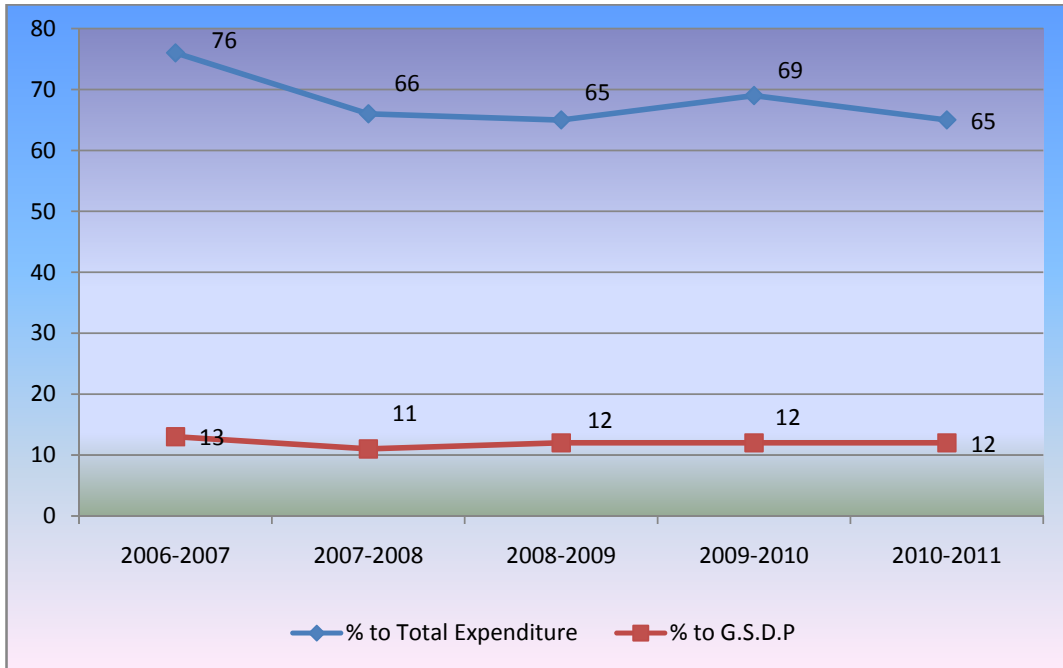
(₹ in crore)

Sector	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Total Capital Expenditure	17,23	32,76	42,40	37,60	46,00
Capital Expenditure (Plan)	14,78	29,57	36,26	32,87	43,62
%of Capital Expenditure (plan) to Total Capital Expenditure	86	90	86	87	95

4.3. Non-Plan Expenditure

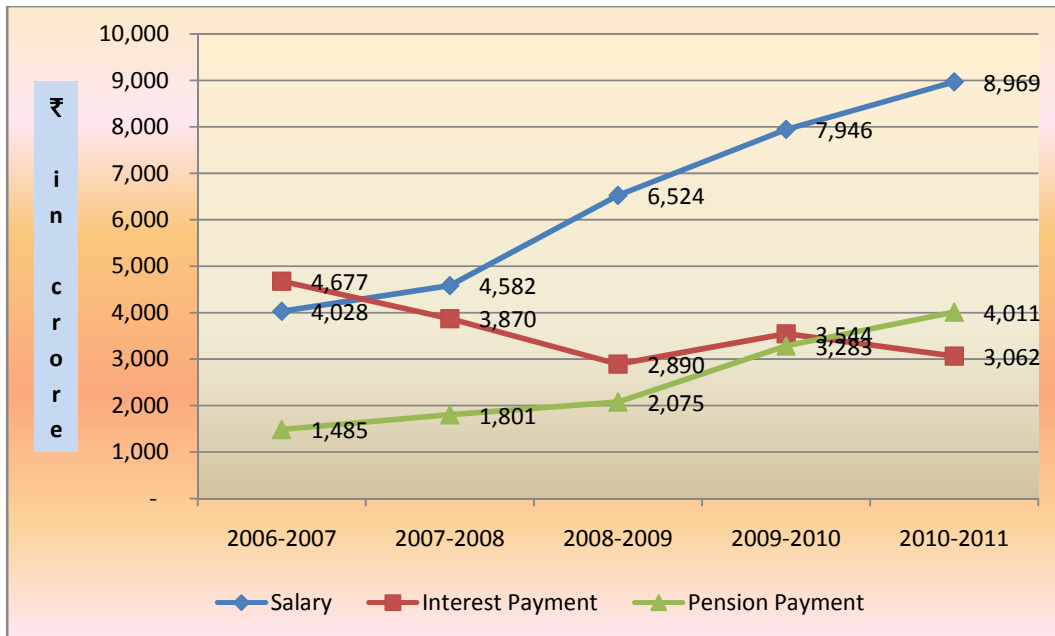
Non-Plan Expenditure during 2010-2011, representing 65 percent of total disbursements, was ₹2,22,13 crore, (₹2,19,75 crore under Revenue and ₹2,38 crore under Capital).

Non-Plan Expenditure as proportion of total expenditure and GSDP



4.4. Committed Expenditure

Trend of Committed Expenditure



Component	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
Committed Expenditure	1,01,90	1,02,53	1,14,89	1,47,73	1,60,42
Revenue Expenditure	1,57,72	1,77,23	2,11,90	2,52,92	2,93,68
% of committed expenditure to Revenue Receipts	56	47	47	56	48
% of committed expenditure to Revenue expenditure	65	58	54	58	55

The steep upward trend on committed expenditure leaves the government with lesser flexibility for developmental spending.

Chapter-V

APPROPRIATION ACCOUNTS

The Appropriation Accounts of the Government of Odisha for the year 2010-2011 present the accounts of sums expended in the year ended 31st March 2011 compared with the sums specified in the Schedules appended to the Appropriation Acts passed under Articles 204 and 205 of the Constitution of India.

5.1. Summary of Appropriation Accounts for 2010-2011

(₹ in crore)

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings (-) Excesses (+)
	Revenue Voted	2,89,80	20,96		3,10,76	2,64,14	-46,62
	Charged	39,99	2		40,01	31,05	-8,96
	Capital Voted	48,50	7,93		56,43	44,55	-11,88
	Charged	3	7		10	7	-3
	Public Debt	17,11	-	-	17,11	20,84	+3,73
	Loans and Advances Voted	3,53	8	-	3,61	3,15	-46
	Total	3,98,96	29,06	-	4,28,02	3,63,80	-64,22

5.2. Trend of Savings during the past five years

(₹ in crore)

Year	Savings (-)/ Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2006-2007	-28,36	-5,68	-3,78	-56	-38,38
2007-2008	-30,83	-4,31	-9,28	-1,50	-45,92
2008-2009	-79,52	-6,97	-4,65	-1,98	-93,12
2009-2010	-58,41	-9,73	-2	-1,84	-70,00
2010-2011	-55,58	-11,91	3,73	-46	-64,22

5.3. Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes/programmes.

Some grants with persistent and significant savings are given below:

(₹ in crore)						
Grant	Nomenclature	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
REVENUE (Voted)						
5	Finance Department	23%	15%	43%	21%	26%
22	Forest and Environment Department	16%	14%	14%	14%	10%
33	Fisheries and Animal Resources Development Department	10%	20%	20%	24%	19%
12	Health and Family Welfare Department	15%	15%	26%	29%	22%
3	Revenue and Disaster Management Department	33%	35%	74%	48%	38%
36	Women and Child Development Department	15%	18%	9%	19%	15%
CAPITAL (Voted)						
1	Home Department	39%	25%	13%	42%	10%
5	Finance Department	10%	46%	29%	88%	45%
6	Commerce Department	34%	39%	49%	34%	8%
7	Works Department	48%	30%	17%	11%	16%
13	Housing and Urban Development Department	24%	23%	15%	14%	6%
20	Water Resources Department	18%	30%	35%	32%	22%
33	Fisheries and Animal Resources Development Department	63%	95%	73%	13%	90%



During 2010-2011, supplementary grants totaling ₹29,06 crore (8% of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below.

(₹ in crore)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
3	Revenue and Disaster Management Department	Revenue	13,93	471	11,61
4	Law Department	Revenue	1,67	6	1,40
5	Finance Department	Revenue	56,82	-	41,98
10	School and Mass Education Department	Revenue	51,60	2,00	45,15
11	Scheduled Tribes, Scheduled Castes Development Department and Minorities and Backward Classes Development Department	Revenue	8,73	64	8,54
12	Health and Family Welfare Department	Revenue	15,38	29	12,26
13	Housing and Urban Development Department	Revenue	9,92	46	9,32
14	Labour and Employment Department	Revenue	98	2	65
19	Industries Department	Revenue	2,33	32	1,86
20	Water Resources Department	Revenue	9,21	20	8,02
33	Fisheries and Animal Resources Development Department	Revenue	3,12	6	2,57
36	Women and Child Development Department	Revenue	21,97	3,37	21,65



Chapter-VI

ASSETS AND LIABILITIES

6.1 .Assets

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

Total investments as share capital in non-financial public sector undertakings (PSUs) stood at ₹21,90 crore at the end of 2010-2011. However, dividends received during the year were ₹1,02 crore (i.e. 5%) on investment. During 2010-2011, investments increased by ₹83 crore, while dividend income decreased by ₹1,49 crore.

Cash Balance with RBI stood at (-)₹3,84 crore on 31 March 2010 and decreased to ₹-4,53 crore at the end of March, 2011.

6.2. Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as maybe from time to time fixed by the State Legislature.

Details of the Public Debt and total liabilities of the State Government are as under:

(₹ in crore)

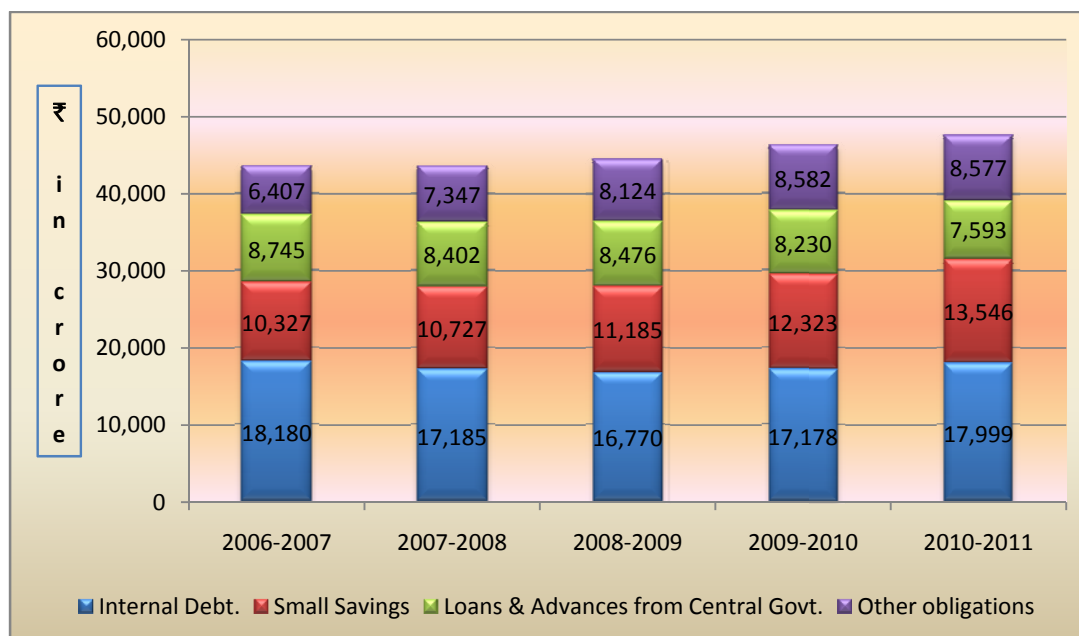
Year	Public Debt	% to GSDP	Public Account (*)	% to GSDP	Total Liabilities	% to GSDP
2006-2007	2,69,25	26.87	1,60,64	16.03	4,29,89	42.89
2007-2008	2,55,87	20.11	1,72,91	13.59	4,28,78	33.70
2008-2009	2,52,46	17.69	1,82,35	12.78	4,34,81	30.47
2009-2010	2,54,08	15.65	2,00,19	12.33	4,54,27	27.98
2010-2011	2,55,92	13.73	2,14,13	11.49	4,70,05	25.22

(*) Excludes suspense and remittance balances.

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

There is a net increase of ₹15,78 crore (3.47%) in Public Debt and Other liabilities as compared to 2009-2010.

Trends in Government Liabilities



Government of India determines, from time to time, the limits upto which State Governments can borrow from the market.

6.3 Guarantees

The position of guarantees by the State Government for the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Cooperative Societies, etc., is given below.

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31st March	
		Principal	Interest
2006-2007	85,89	26,48	-
2007-2008	85,86	21,68	-
2008-2009	83,80	13,86	-
2009-2010	83,89	10,27	-
2010-2011	97,89	20,66	*

* As per Finance Department Resolution No. 46546 dated. 14.11.2006 the Government guarantees shall be confined to Principal amount borrowed by the Public Sector undertakings/Urban Local Bodies/Cooperatives Institutions/Companies etc.

Chapter-VII

OTHER ITEMS

7.1 Adverse Balances under Loans to Government Servants.

Adverse balance to the tune of ₹1.22 crore appeared under 7610-Loans to Government Servants-201-Special House Building Advance, etc. in the accounts of 2010-2011. Action has been initiated to clear the Adverse Balance.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2010- 2011 was ₹34,14 crore. Of this, Loans and Advances to Government Corporations, Companies, non-Government Institutes and Local Bodies amounted to ₹32,85 crore. Recovery of Principal aggregating to ₹1,78 crore and Interest amounting to ₹2,64 crore is in arrears at the end of 31 March 2011.

7.3 Financial assistance to local bodies and others

During the past five years, Grants in Aid to local bodies etc., increased from ₹3419 crore in 2006-2007 to ₹48,33 crore in 2010-2011. Grants to Zilla Parishads, Panchayat Samities and Municipalities (₹18,64 crore) represented 39 per cent of total grants given during the year.

7.4 Cash Balance and investment of Cash Balance

The Cash Balance decreased from ₹ (-) 3,84 crore at the beginning of the year 2010-2011 to ₹ (-)4,53 crore at its end. Investment held in Cash Balance Investment Account as on 31st March 2011 were ₹ 55,95 crore. The details are furnished below:-

Component	As on 1 st April 2010	As on 31 st March 2011	Net increase (+) / decrease (-)
Cash Balances	-3,84	-4,53	-69
Investments from cash balance (GOI Treasury Bills)	48,04	55,95	7,91
Investment from earmarked fund balances	48,13	48,13	-
(a) Sinking Fund	43,33	43,33	-
(b) Guarantee Redemption Fund	4,80	4,80	-
(c) Other Funds Interest realized	-	-	-
Interest realized	-	11	11

7.5 Reconciliation of accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the departmental figures with the accounts figures.

Before annual accounts are finalised, the Heads of the Departments reconcile the departmental accounts figures with those booked in accounts compiled by the Accountant General. The reconciliation of accounts figures is to be done monthly but in the year 2010-2011 out of 154 controlling officers, 152 have taken up verification work fully, and two did not attend to the work during the year.

Particulars	Total no. of CCOs	Fully reconciled	Partially reconciled	Not reconciled
EXPENDITURE	154	152	-	2
RECEIPTS	100	100	-	-

7.6 Submission of accounts by Treasuries

The due dates for the receipt of the second list of vouchers in the Office of the Principal Accountant General (A&E) along with the cash account are 5th to 8th of the following month. Any delay in receipt of the vouchers from Treasuries causes delay in compilation of the monthly accounts and their exclusion results in portrayal of distorted picture of State Civil accounts. Such delay in rendition of accounts leads to delay in preparation and transmission of monthly and annual accounts to State Government and submission of Finance Accounts and Appropriation Accounts to the State Legislature. A review of the position of submission of monthly account by the Treasuries during the year 2010-2011 revealed that the delays ranged from 1 to 12 days in respect of second list of vouchers.

7.7 Abstract Contingent (AC) Bills and Detailed Contingent (DC) Bills

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be settled, within a maximum of 90 days, through submission of DC bills. To the end of 31st March 2011, 8497 DC bills amounting to ₹276.99 crore was outstanding which indicates that these instructions have not been followed.

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