



ACCOUNTS AT A GLANCE 2013-14



GOVERNMENT OF ODISHA

ACCOUNTS AT A GLANCE

2013-14

GOVERNMENT OF ODISHA

PREFACE

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

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

BHUBANESWAR
The

(GARGI KAUL)
Principal Accountant General (A&E)

Our Vision, Mission and Core Values

The **Vision** of the institution of the Comptroller and Auditor General of India represents what we aspire to become:

We strive to be a global leader and initiator of national and international best practices in Public Sector auditing and accounting and recognised for independent, credible, balanced and timely reporting on public finance and governance.

Our mission enunciates our current role and describes what we are doing today:

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders – the Legislature, the Executive and the Public-that public funds are being used efficiently and for the intended purposes.

Our Core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.

- ☺ Independence
- ☺ Objectively
- ☺ Integrity
- ☺ Reliability
- ☺ Professional Excellence
- ☺ Transparency
- ☺ Positive Approach

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Chapter I

OVERVIEW

1.1. Introduction

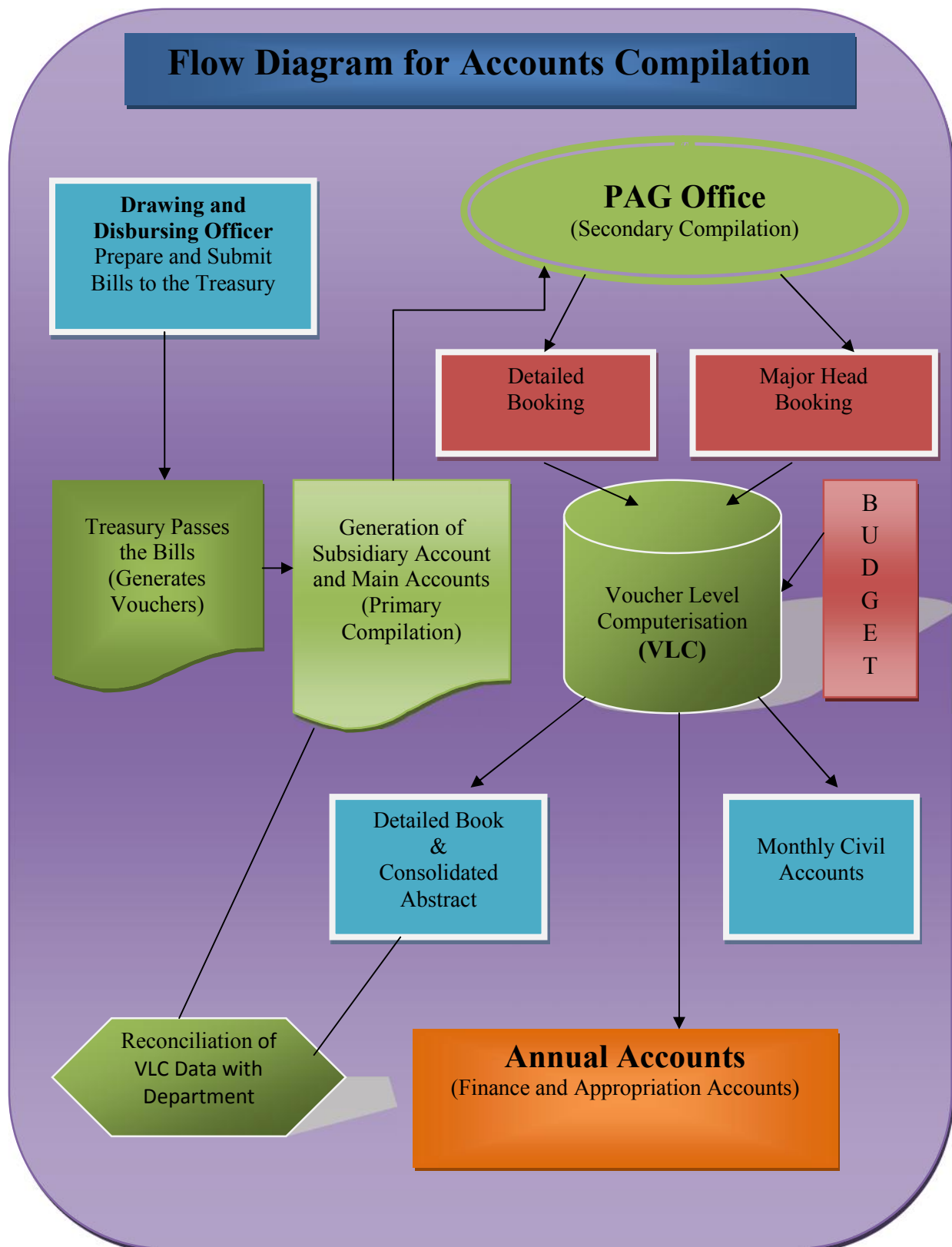
The Principal Accountant General (Accounts and Entitlements), Odisha compiles the accounts of Receipts and Expenditure of the Government of Odisha. This compilation is based on the initial accounts rendered by the District/Sub/Special Treasuries, Public Works and Forest Divisions and advices of the Reserve 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 being duly checked by the Accountant General (G & SSA), 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, Loans and Advances, Inter State Settlement and Appropriation to Contingency Fund.
Part II CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the Budget. Expenditure from this Fund is recouped either by transferring the debit during the same financial year or by a fresh debit to the Consolidated Fund in the next financial year.
Part III PUBLIC ACCOUNT	Comprises Small Savings & Provident Funds, Reserve Funds, Deposits & Advances, Suspense and Remittances transactions. While Small Savings & Provident Funds, Reserve Funds and Deposits represent repayable liabilities of the Government, the Advances represent receivables of the Government. Suspense and Remittances transactions are adjusting entries that are to be cleared eventually by booking to the final Heads of Account.

1.2.2. Compilation of Accounts



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, Summarised Statements of overall Receipts and Disbursements and 'Notes to Accounts' containing Summary of significant Accounting Policies, Quality of Accounts and other items; Volume II contains other Summarised 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 2013-14 are given below:

			(₹ in crore)
Receipts Total : 5,38,38	Revenue	Tax Revenue	3,21,39
	Total : 4,89,47	Non Tax Revenue	83,79
		Grants-in-Aid	84,29
		Capital	Recovery of Loans and Advances
	Total : 48,91	Borrowings and other Liabilities*	46,34
Disbursements Total : 5,38,38	Revenue		4,56,18
	Capital		77,56
	Loans and Advances		4,64

* 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 ₹47,00 crore (₹38.92 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 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 40 Voted Grants.

The Appropriation Acts, 2013-14, had projected for Gross Expenditure of ₹7,05,57 crore and Reduction of Expenditure (Recoveries) of ₹29,78 crore. Against this, the actual Gross Expenditure was ₹5,78,01 crore and Reduction of Expenditure was ₹16,71 crore, resulting in net Savings of ₹1,27,56 crore (18.08 per cent) and an Excess Estimation of ₹13,07 crore (43.89 per cent) on Reduction of Expenditure. The Gross Expenditure includes ₹1,31 crore drawn on Abstract Contingent (AC) Bills, out of which receipt of Detailed Contingent (DC) Bills for ₹95 crore still outstanding at the end of the year.

During 2013-14, no amount 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, which remain inoperative for three full financial years after the year of last transactions, are to be transferred back to the Consolidated Fund.

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 lakh) maintained with the RBI. During 2013-14, the Government of Odisha did not resort to OD facilities and has not availed of WMA.

1.4.2. Fund Flow Statement

The State had a Revenue Surplus of ₹33,29 crore and a Fiscal Deficit of ₹46,34 crore representing 1 per cent and 2 per cent of the State Gross Domestic Product (GSDP)¹. The Fiscal Deficit constituted 9 per cent of Total Expenditure. Around 40 per cent of the Revenue Receipts (₹4,89,47 crore) of the State Government was spent on Committed Expenditure like Salaries (₹1,07,13 crore), Interest Payments (₹28,88 crore) and Pensions (₹59,35 crore).

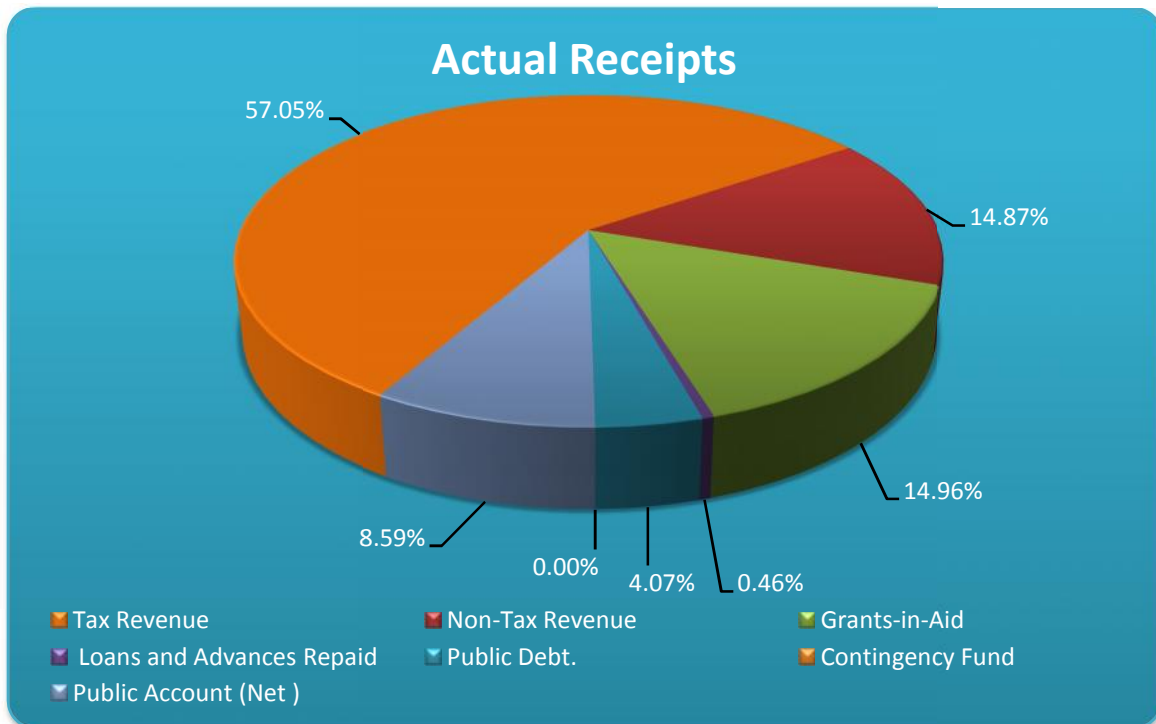
Sources and Application of Funds

(₹ in crore)

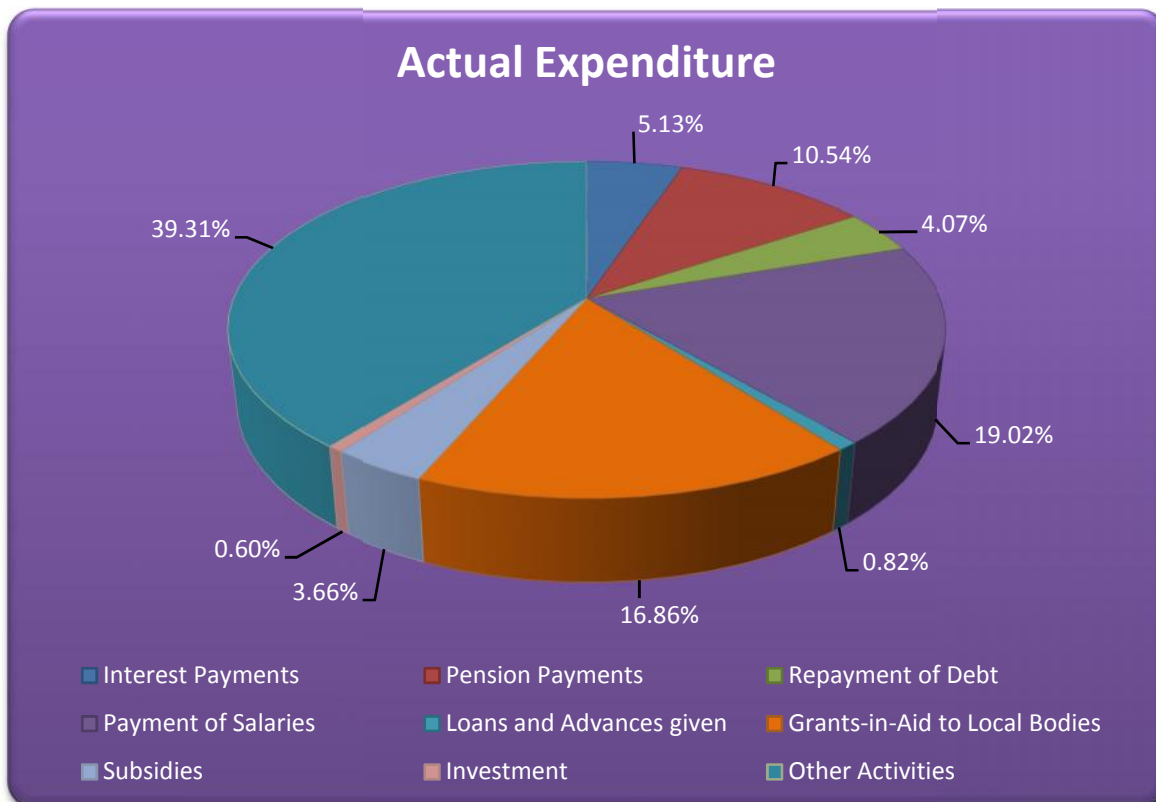
	PARTICULARS	AMOUNT
SOURCES	Opening Cash Balance as on 01.04.2013	(-) 24
	Revenue Receipts	4,89,47
	Loans & Advances Repaid	2,57
	Public Debt	22,90
	Small Savings, Provident Funds & Others	33,32
	Reserves & Sinking Funds	17,61
	Deposits Received	67,91
	Civil Advances Repaid	2,28
	Suspense Account	11,98,42
	Remittances	1,03,41
	Contingency Fund	..
	TOTAL	19,37,65
	APPLICATION	Revenue Expenditure
Capital Expenditure		77,56
Loans & Advances Given		4,64
Repayment of Public Debt		22,93
Small Savings, Provident Funds & Others		26,43
Reserves & Sinking Funds		18,90
Deposits Spent		59,78
Civil Advances Given		2,28
Suspense Account		11,64,06
Remittances		1,03,12
Contingency Fund		1,50
Closing Cash Balance as on 31.3.2014		27
TOTAL		19,37,65

¹ GSDP for 2013-14 is ₹28,84,14 crore (Advance Estimate) as intimated by Finance Department, vide their Letter No. OB & FA-12/2013-8719/F dated. 26.03.2014.

1.4.3. Where the ₹ came from?



1.4.4. Where the ₹ went?



1.5. Highlights of Accounts

	B.E 2013-14	Actuals	Percentage of actuals to B.E	Percentag e of actuals to GSDP (b)
	(₹ in crore)			
1. Tax Revenue(a)	3,35,09	3,21,39	96	11
2. Non-Tax Revenue	68,25	83,79	123	3
3. Grants-in-Aid & Contributions	1,09,65	84,29	77	3
4 .Revenue Receipts (1+2+3)	5,12,99	4,89,47	95	17
5. Recovery of Loans and Advances	2,40	2,57	107	0.09
6. Borrowings & other Liabilities (e)	59,45	46,34	80	2
7. Capital Receipts (5+6)	61,85	48,91	81	2
8. Total Receipts(4+7)	5,74,84	5,38,38	94	19
9. Non-Plan Expenditure (d)	3,51,40	3,08,67	88	11
10. NPE on Revenue Account	3,50,01	3,06,10	87	11
11. NPE on Interest Payments out of (10)	50,08	28,88	58	-
12. NPE on Capital Account	1,39	2,57	186	0.09
13. Plan Expenditure (f)	2,23,45	2,29,71	103	8
14. PE on Revenue Account	1,43,94	1,50,08	104	5
15. PE on Capital Account	79,51	79,63	96	3
16. Total Expenditure (9+13)	5,74,84	5,38,38	94	19
17. Revenue Expenditure (10+14)	4,93,94	4,56,18	92	16
18. Capital Expenditure (12+15) (c)	80,90	82,20	98	3
19. Revenue Surplus (4-17)	19,05	33,29	175	1
20. Fiscal Deficit (4+5-16)	(-59,45)	(-46,34)	78	2

- (a) Includes State's share of Union Taxes of ₹1,52,47 crore
- (b) GSDP during the year is ₹28,84,14 crore (Advance Estimate) as intimated by Finance Department in their Letter No. OB &FA/12/2013-8719/F dated 26.03.2014.
- (c) Expenditure on Capital Account includes Capital Expenditure (₹77,56 crore) and Loans and Advances disbursed (₹4,64 crore).
- (d) Non-Plan Expenditure includes Revenue Expenditure (₹3,06,10 crore), Capital Expenditure (₹1,58 crore) and Loan & Advances disbursed (₹99 crore).
- (e) Borrowings and Other Liabilities include net of Public Debt [(-)₹3 crore], net of Contingency Fund [(-)₹1,50 crore], net of Public Account (₹48,38 crore) and net of Opening & Closing Balance [(-)₹51 crore].
- (f) Plan Expenditure includes Revenue Expenditure (₹1,50,08 crore), Capital Expenditure (₹75,98 crore) & Loans & Advances disbursed (₹3,65 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, indicates the extent to which Expenditure is financed by Borrowings. Ideally, the Borrowings should be invested in Capital Projects.

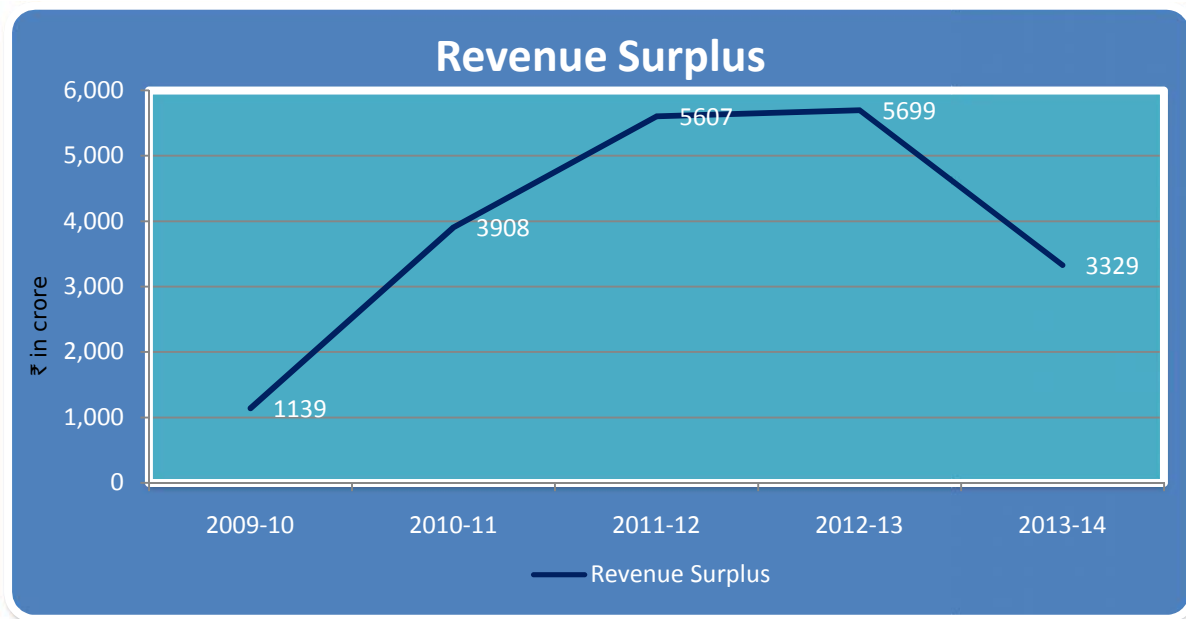
Revenue Deficit/Surplus, Fiscal Deficit/Surplus are the major yardsticks for judging the Fiscal performance of the Government. As per the recommendation of the 12th Finance Commission, the Government of Odisha enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005.

The Act provides for the responsibility of the State Government to ensure prudence in Fiscal Management and Fiscal Stability by progressive elimination of Revenue Deficit and Sustainable Debt Management consistent with Fiscal Stability.

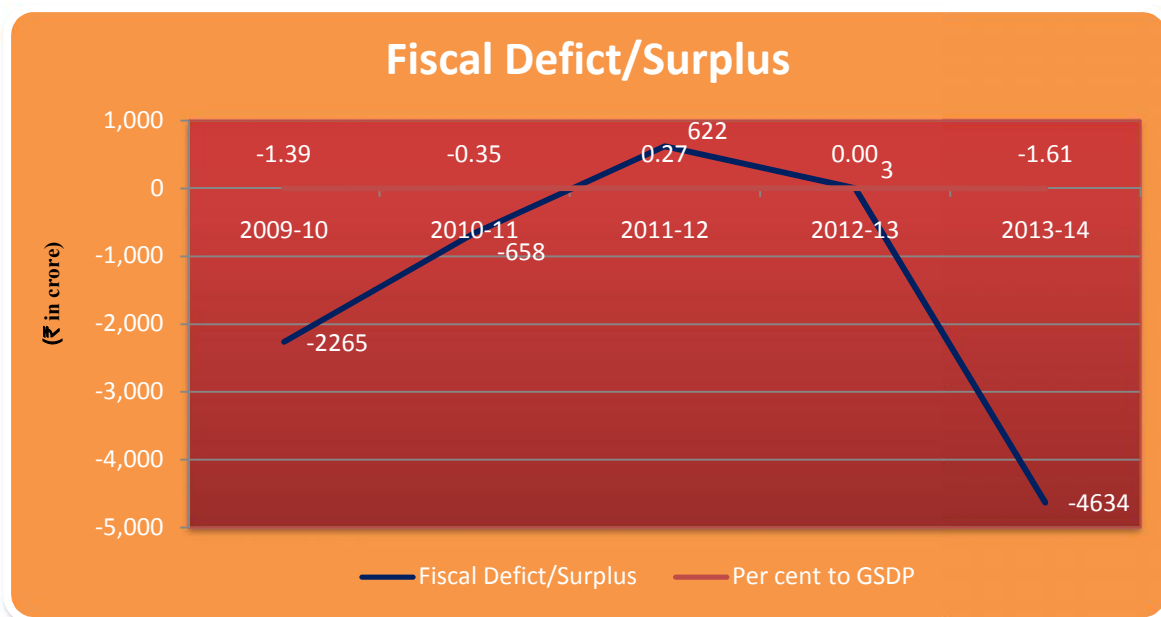
The State Government has amended the FRBM (Amendment) Act, 2005 on the basis of recommendations of the 13th Finance Commission. The FRBM (Amendment) Act, 2011 has made it mandatory for the State to generate Revenue Surplus, contain the Fiscal Deficit within 3 per cent of GSDP, achieve Debt/GSDP ratio at Finance Commission recommended level and put in place a monitoring mechanism on implementation of FRBM Act.

The State Government has achieved Revenue Surplus since 2005-06 and there has been an upward trend from 2009-10. There has been a Fiscal Deficit of ₹46,34 crore during the year as compared to Fiscal Surplus of ₹3 crore during the previous year.

1.6.1. Trend of Revenue Surplus.



1.6.2. Trend of Fiscal Deficit.

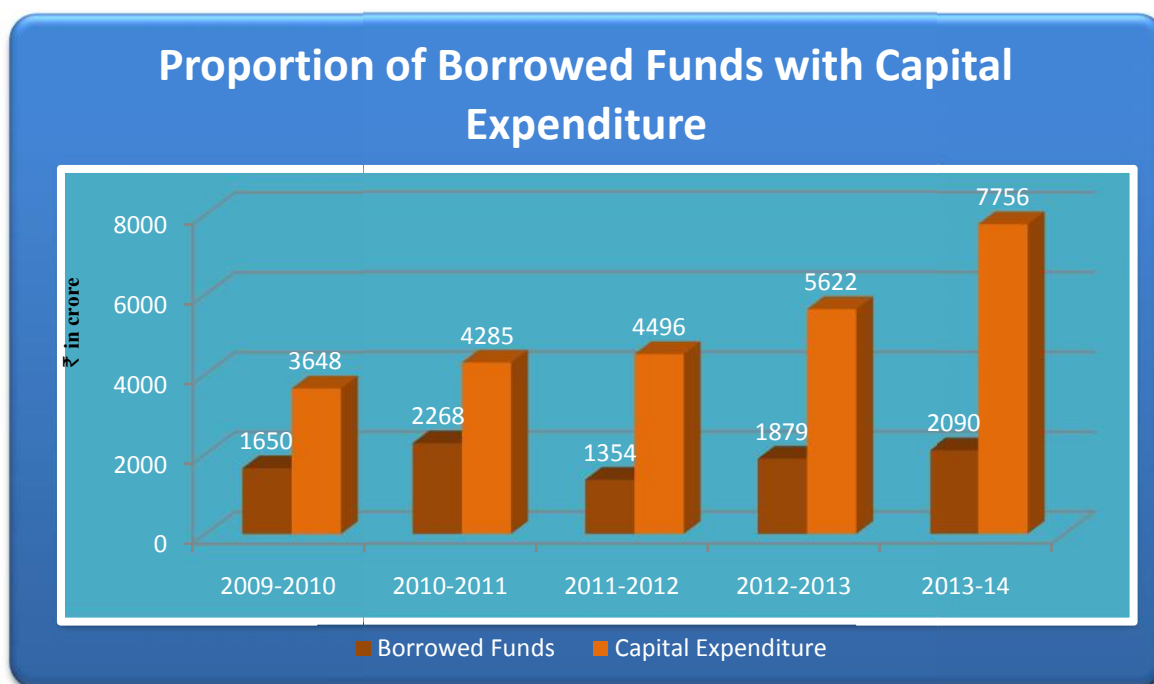


1.6.3. Proportion of Borrowed Funds spent on Capital expenditure.

It is desirable to fully utilise Borrowed Funds for the Creation of Capital Assets, and to use Revenue Receipts for the repayment of Principal and Interest. As the State Government have achieved Revenue Surplus with effect from 2005-06 which is continuing till 2013-14, it is apparent that the Borrowed Funds have been utilised for Creation of Capital Assets during the above period. The statement is furnished below: -

(₹ in crore)

	Borrowed Funds	Capital Expenditure
2009-10	16,50	36,48
2010-11	22,68	42,85
2011-12	13,54	44,96
2012-13	18,79	56,22
2013-14	20,90	77,56



Chapter II

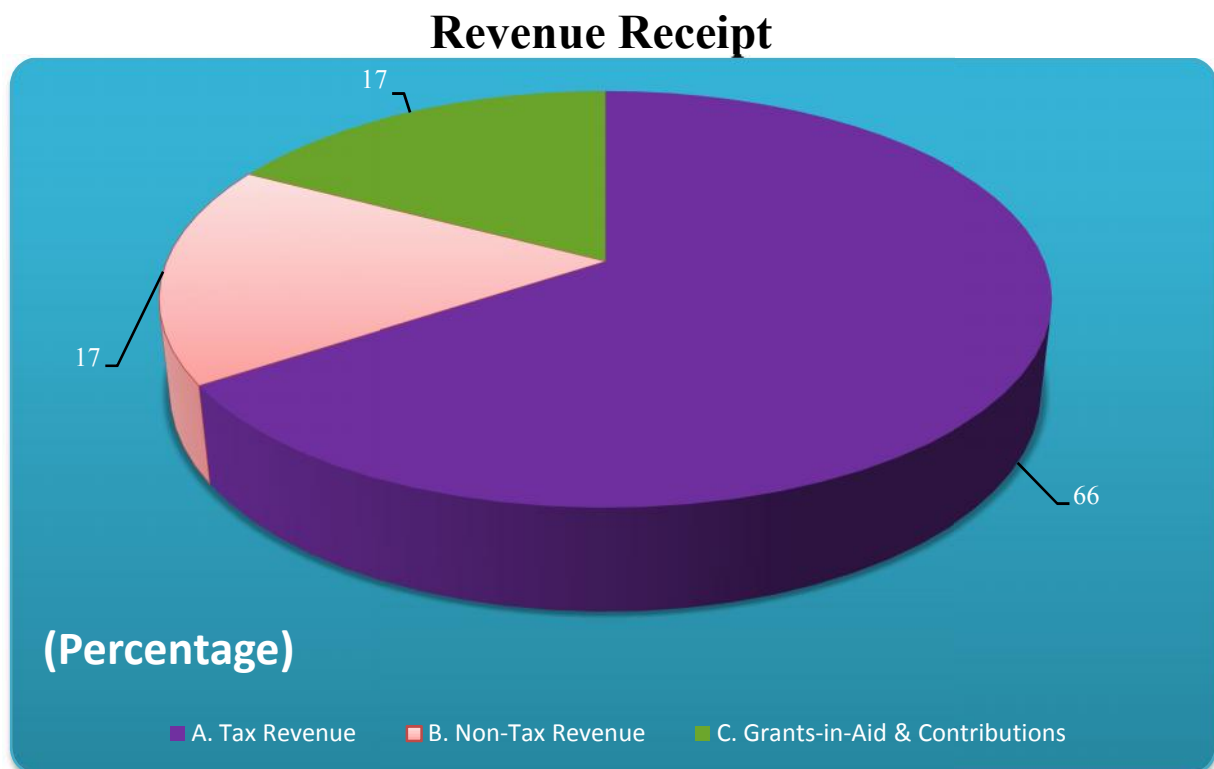
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts of Government of Odisha for 2013-14 were ₹5,38,38 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 channelised through the Union Government. In turn, the State Governments give Grants-in-Aid to institutions like Panchayati Raj Institutions, Autonomous Bodies etc.



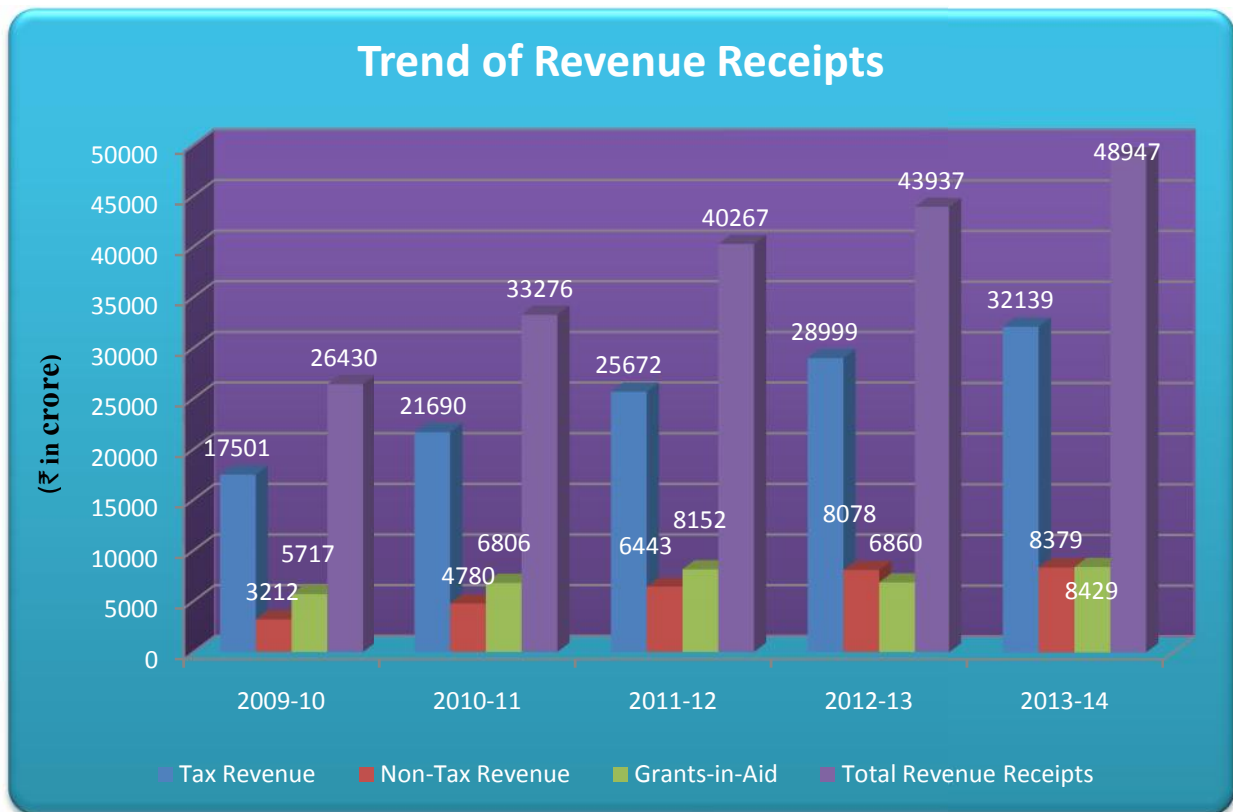
Components of Revenue Receipts

Components	Actuals (₹ in crore)	Per cent to Total Revenue
A. Tax Revenue	3,21,39	66
Taxes on Income & Expenditure	86,54	18
Taxes on Property & Capital Transactions	10,51	2
Taxes on Commodities & Services	2,24,34	46
B. Non-Tax Revenue	83,79	17
Interest Receipts, Dividends and Profits	16,94	3
General Services	2,88	1
Social Services	2,07	-
Economic Services	61,90	13
C. Grants-in-Aid & Contributions	84,29	17
Total - Revenue Receipts	4,89,47	100

2.3. Trend of Receipts

	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Tax Revenues	1,75,01	2,16,90	2,56,72	2,89,99	3,21,39
Non-Tax Revenues	32,12	47,80	64,43	80,78	83,79
Grants-in-Aid	57,17	68,06	81,52	68,60	84,29
Total: Revenue Receipts	2,64,30	3,32,76	4,02,67	4,39,37	4,89,47
GSDP	16,37,27	19,50,28	22,62,36	25,87,44	28,84,14
					(A)

(A)– Advance Estimate

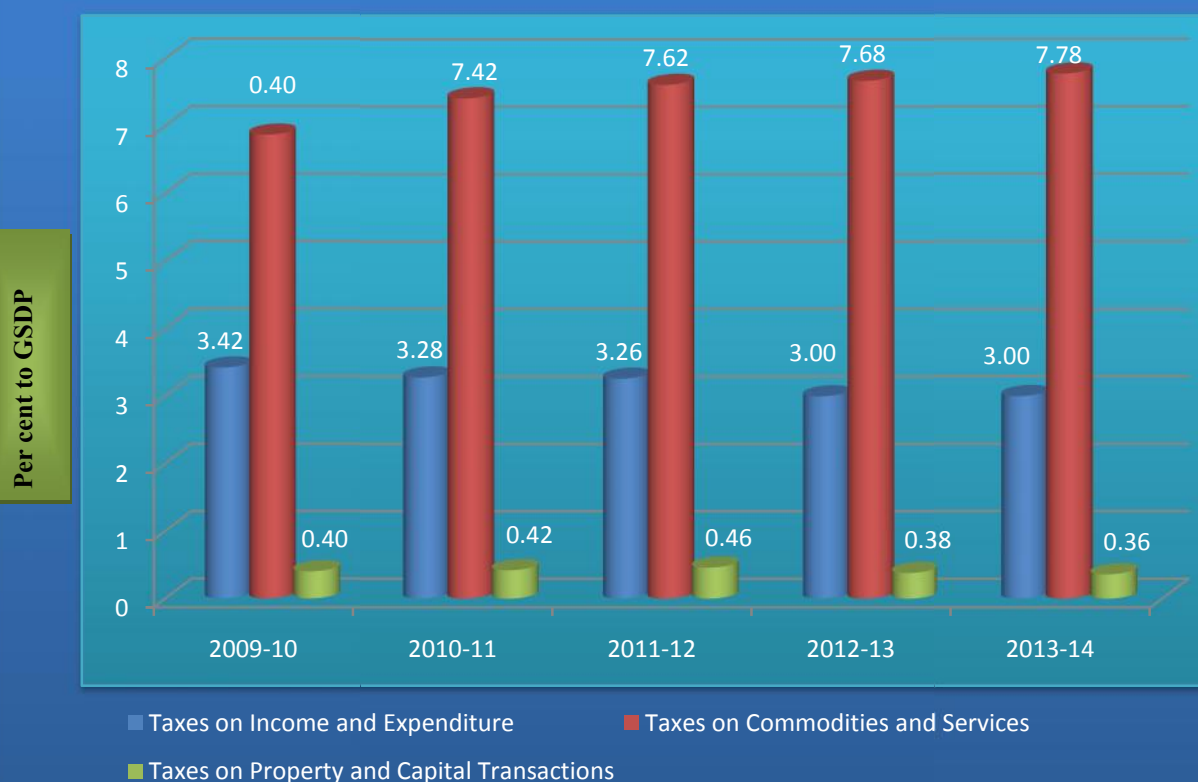


The GSDP increased by 11 per cent between 2012-13 and 2013-14 and growth in Revenue collection was 11 per cent. While Tax Revenues increased by 11 per cent, Non-Tax Revenues increased by 4 per cent. Major contributor to Revenue was ₹1,07.29 crore (3.72 per cent of GSDP) under Taxes on Sales, Trades etc and ₹51.28 crore (1.77 per cent of GSDP) in respect of Corporation Tax.

Sector-wise Tax Revenue

	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
i) Taxes on Income and Expenditure	55,94	64,04	73,86	81,55	86,54
ii) Taxes on Property and Capital Transactions	6,60	8,15	10,38	9,74	10,51
iii) Taxes on Commodities and Services	1,12,47	1,44,71	1,72,48	1,98,70	2,24,34
Total: Tax Revenues	1,75,01	2,16,90	2,56,72	2,89,99	3,21,39

Trend of Major Taxes in proportion to GSDP



2.4. Performance of State's Own Tax Revenue collection

Year	Tax Revenue	State Share of Union Taxes	State's Own Tax Revenue	Percentage to GSDP
	(₹ in crore)			
2009-10	1,75,01	85,19	89,82	5.49
2010-11	2,16,90	1,04,97	1,11,92	5.73
2011-12	2,56,72	1,22,29	1,34,43	5.94
2012-13	2,89,99	1,39,65	1,50,34	5.81
2013-14	3,21,39	1,52,47	1,68,92	5.86

2.5. Efficiency of Tax Collection

A. Taxes on Properties and Capital Transactions

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Collection	6,60	8,15	10,38	9,74	10,51
Expenditure on Collection	2,89	3,23	2,96	3,26	4,34
Percentage Efficiency of Tax Collection	43.79	39.83	28.51	33.47	41.29

Tax collection on Property and Capital Transactions has been increased by 8 per cent as compared to previous year. However, the efficiency on Tax collection is declined by 7 per cent.

B. Taxes on Commodities and Services

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Collection	1,12,47	1,44,70	1,72,48	1,98,70	2,24,34
Expenditure on Collection	1,19	1,46	1,39	1,49	1,61
Percentage Efficiency of Tax Collection	1.06	1.01	0.80	0.75	0.72

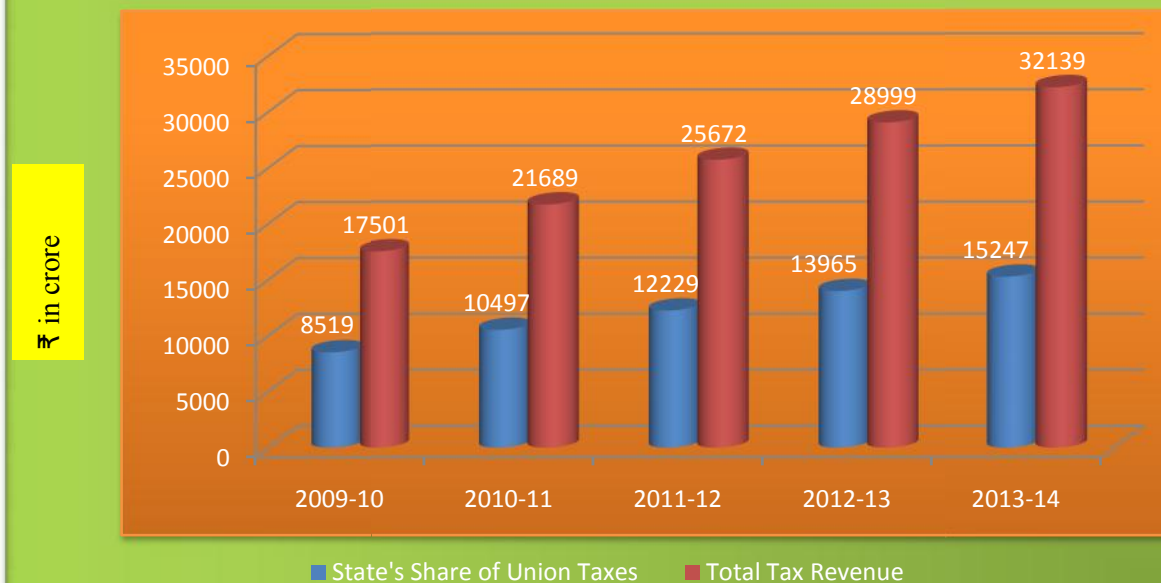
Taxes on Commodities and Services form a major chunk of Tax Revenue. Tax collection efficiency has increased marginally as compared to the previous year (2012-13).

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

(₹ in crore)

Major Head description	2009-10	2010-11	2011-12	2012-13	2013-14
Corporation Tax	35,06	41,03	48,13	50,16	51,28
Taxes on Income other than Corporation Tax	19,53	21,68	24,45	30,03	33,76
Taxes on Wealth	8	8	19	8	14
Customs	11,92	18,36	21,20	23,21	24,88
Union Excise Duties	9,60	13,35	13,72	15,77	17,57
Service Tax	9,00	10,47	14,60	20,40	24,84
Other Taxes and Duties on Commodities and Services	-	-	-	-	-
Total: State's Share of Union Taxes	85,19	1,04,97	1,22,29	1,39,65	1,52,47
Total: Tax Revenue	1,75,01	2,16,89	2,56,72	2,89,99	3,21,39
Per cent of Union Taxes to Total Tax Revenue	49	48	48	48	47

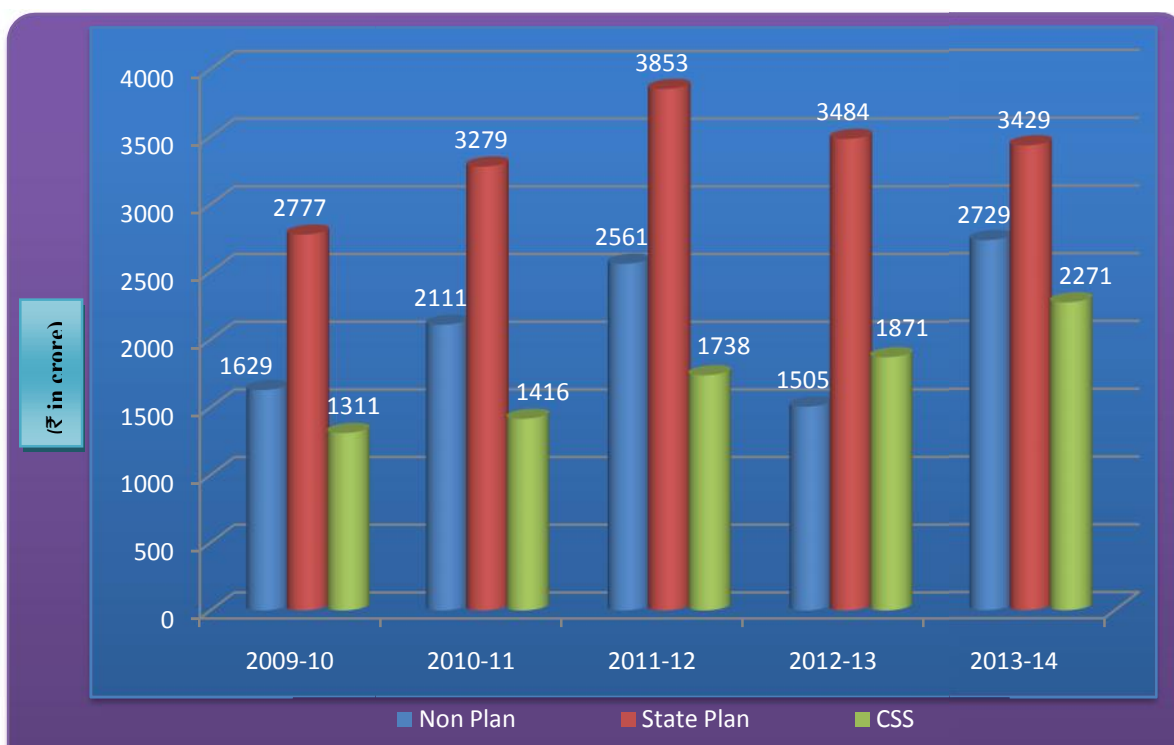
Trend in State's Share of Union Taxes



2.7 Grants-in-Aid

Grants-in-Aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes and Centrally Sponsored Schemes (CSS) approved by the Planning Commission and State's Non-plan Grants recommended by the Finance Commission. Total Receipts during the year under Grants-in-Aid were ₹84,29 crore as shown below: -

Year	Non Plan	State Plan	CSS	Total
	(₹ in crore)			
2009-10	16,29	27,77	13,11	57,17
2010-11	21,11	32,79	14,16	68,06
2011-12	25,61	38,53	17,38	81,52
2012-13	15,05	34,84	18,71	68,60
2013-14	27,29	34,29	22,71	84,29



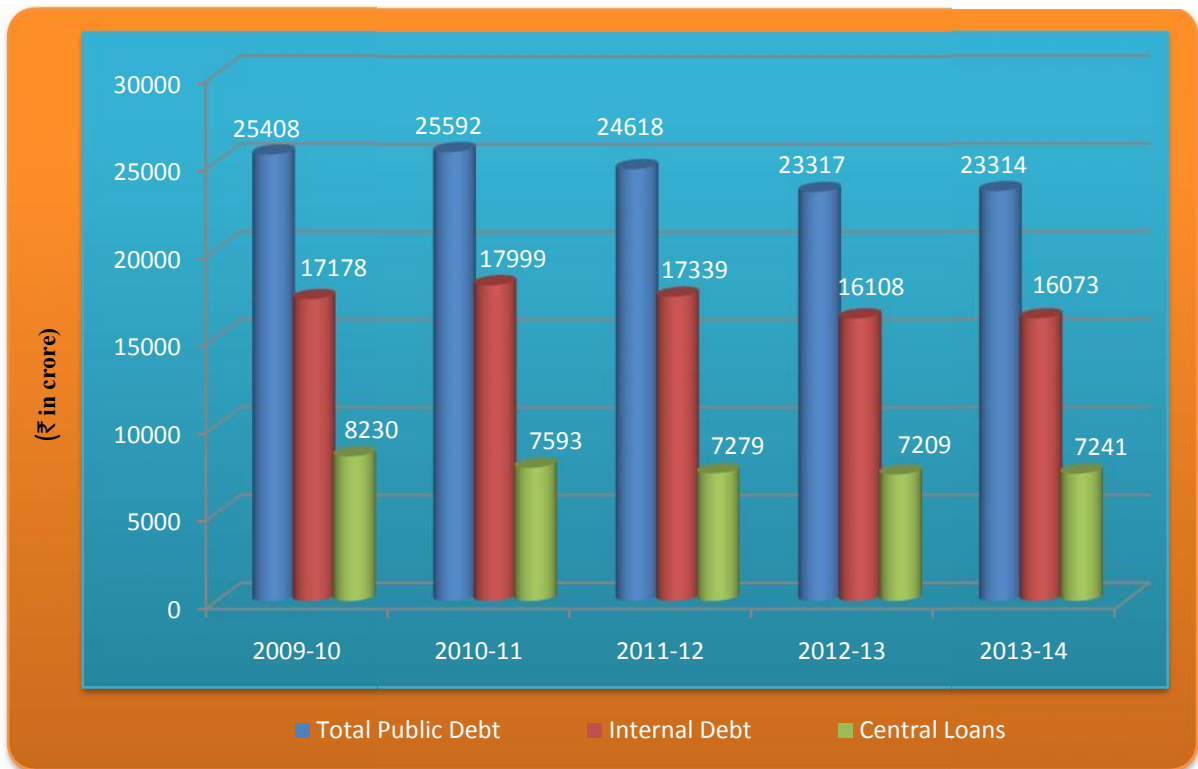
The share of Non-Plan Grants in total Grants-in-Aid is 32.38 per cent of the total Grants-in-Aid of 2013-14 as compared to 21.93 per cent in the previous year. As against the Budget Estimate (B.E) of ₹1,09,65 crore, Central Share in Centrally Sponsored Schemes, the State Government has received ₹84.29 crore of Grants-in-Aid (77 per cent of B.E).

2.8. Public Debt

The outstanding Public Debt at the end of the 31 March 2014 was ₹2,33,14 crore comprising Internal Debt of ₹1,60,73 crore and Loans and Advances from Central Government ₹72,41 crore.

Trend of Public Debt over last 5 years

(₹ in crore)					
Description	2009-10	2010-11	2011-12	2012-13	2013-14
Internal Debt	1,71,78	1,79,99	1,73,39	1,61,08	1,60,73
Central Loans	82,30	75,93	72,79	72,09	72,41
Total: Public Debt	2,54,08	2,55,92	2,46,18	2,33,17	2,33,14



Net effect of Public Debt for last 5 years

(₹ in crore)

Description	2009-10	2010-11	2011-12	2012-13	2013-14
Internal Debt	4,08	8,20	(-) 6,60	(-) 12,30	(-)36
Central Loans	(-) 2,47	(-) 6,36	(-) 3,14	(-) 70	33
Total: Public Debt	1,61	1,84	(-) 9,74	(-) 13,00	(-)3

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 organisation. 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, Public Works Divisions, Pension etc.
Social Services	Includes Education, Health & Family Welfare, Water Supply, Welfare of Scheduled Castes and Scheduled Tribes etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.

3.2. Revenue Expenditure

Revenue Expenditure of ₹4,56,18 crore fell short of Budget Estimates by ₹37,76 crore due to less disbursement of ₹43,91 crore under Non-plan Expenditure and excess disbursement of ₹6,14 crore under Plan Expenditure.

The shortfall of Expenditure against Budget Estimates under Revenue Section during the last five years is given below:

	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Budget Estimates (B.E)	2,89,19	3,24,82	3,63,23	4,14,32	4,93,94
Actuals	2,52,92	2,93,68	3,46,60	3,82,38	4,56,18
Gap	36,27	31,14	16,63	31,94	37,76
Per cent of gap over B.E	13	10	5	8	8

3.2.1 Sectoral distribution of Revenue Expenditure

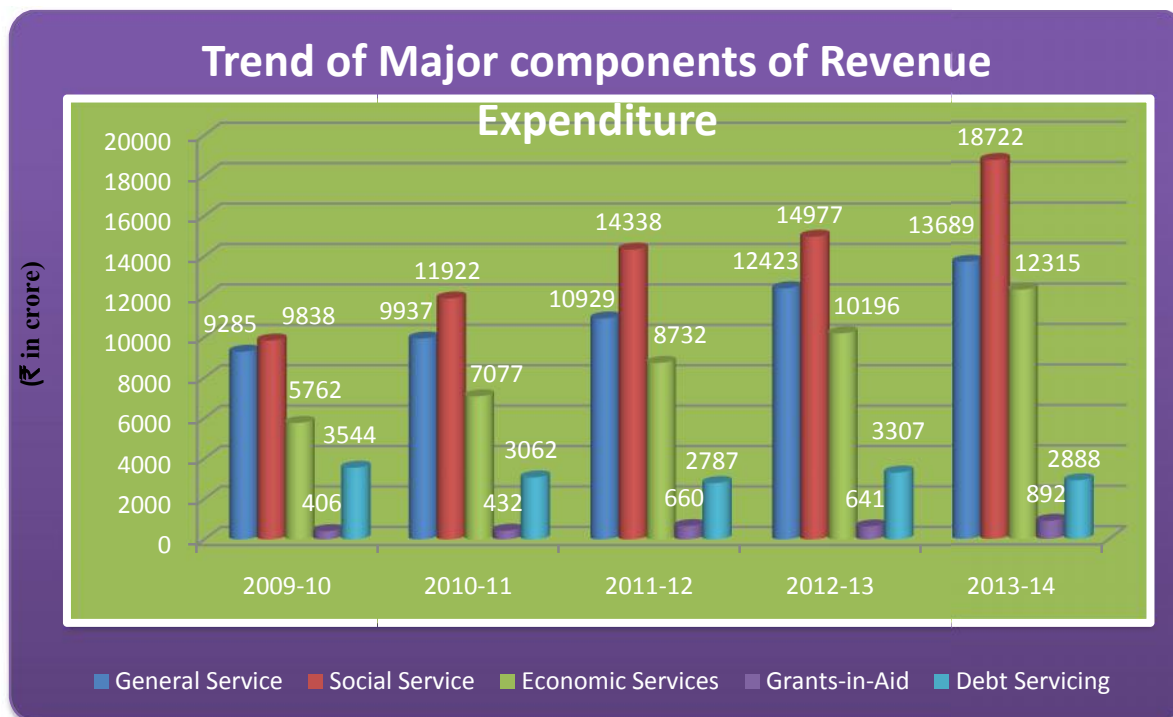
Components	₹ in crore)	
	Amount	Percentage
A. Fiscal Services	5,98	1
(i) Collection of Taxes on Property and Capital Transactions	4,34	1
(ii) Collection of Taxes on Commodities and Services	1,61	-
(iii) Other Fiscal Services	3	-
B. Organs of State	4,38	1
C. Interest Payments and Servicing of Debt	28,88	7
D. Administrative Services	38,03	8
E. Pensions and Miscellaneous General Services	59,62	13
F. Social Services	1,87,22	41
G. Economic Services	1,23,15	27
H. Grants-in-Aid and Contributions	8,92	2
Total: Expenditure (Revenue Account)	4,56,18	100

3.2.2 Major components of Revenue Expenditure (2009 – 2014)

Major components of Revenue Expenditure (2009 to 2014)

Year	₹ in crore)					
	General Services *	Social Services	Economic Services	Grants-in-Aid	Total Revenue Expenditure	Debt Servicing
2009-10	92,85	98,38	57,62	4,07	2,52,92	35,44
2010-11	99,37	1,19,22	70,77	4,32	2,93,68	30,62
2011-12	1,09,29	1,43,38	87,32	6,61	3,46,60	27,86
2012-13	1,24,23	1,49,77	1,01,96	6,41	3,82,37	33,07
2013-14	1,36,89	1,87,22	1,23,15	8,92	4,56,18	28,88

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



3.3. Capital Expenditure

Capital Disbursements at 2.85 per cent of GSDP were more than Budget Estimate by ₹1,30 crore (excess disbursement of ₹12 crore under Plan and less disbursement of ₹1,18 crore under Non-plan).

3.3.1. Sectoral distribution of Capital Expenditure

During 2013-14, the Government spent ₹17,10 crore on various Irrigation Projects (₹8,22 crore on Major Irrigation, ₹5,11 crore on Medium Irrigation and ₹3,77 crore on Minor Irrigation) and ₹3 crore on Ports and Light Houses. Apart from above, the Government invested ₹3,40 crore in various Corporations /Companies/Societies.

(₹ in crore)

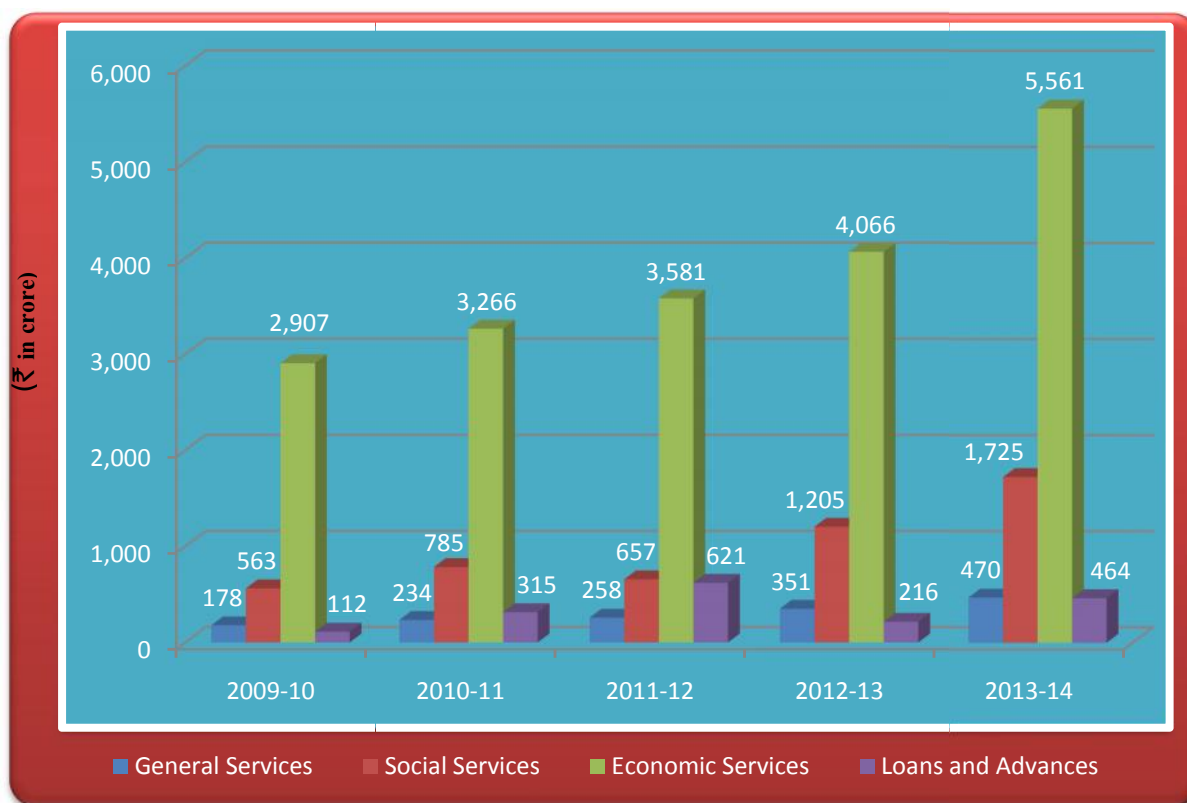
SL No	Sector	Amount	Percentage
1.	General Services-Police, Public Works etc.	4,70	6
2.	Social Services-Education, Health & Family Welfare, Water Supply, Welfare of Scheduled Castes/Scheduled Tribes etc. & Others.	17,25	21
3.	Economic Services- Agriculture, Rural Development, Irrigation and Flood Control, Energy, Industries, Transport etc.	55,61	68
4.	Loans and Advances disbursed	4,64	5
Total		82,20	100

3.3.2 Sectoral distribution of Capital Expenditure over the last five years

(₹ in crore)

Sl. No.	Sector	2009-10	2010-11	2011-12	2012-13	2013-14
1.	General Services	1,78	2,34	2,58	3,51	4,70
2.	Social Services	5,63	7,85	6,57	12,05	17,25
3.	Economic Services	29,07	32,66	35,81	40,66	55,61
4.	Loans and Advances	1,12	3,15	6,21	2,16	4,64
	Total	37,60	46,00	51,17	58,38	82,20

Trend of different Sectors of Capital Expenditure

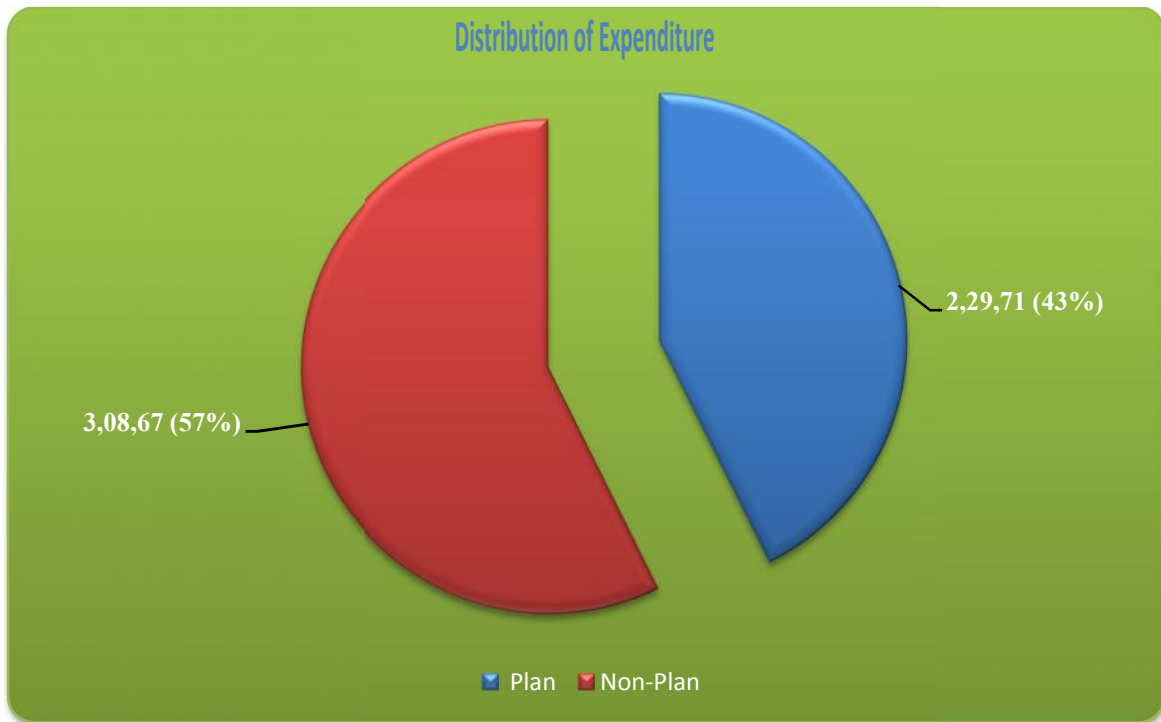


Chapter IV

PLAN & NON-PLAN EXPENDITURE

4.1. Distribution of Expenditure

The Total Expenditure during the year was ₹5,38,38 crore representing Plan Expenditure of ₹2,29,71 crore and Non-Plan Expenditure of ₹3,08,67 crore.



4.2. Plan Expenditure

During the year, Plan Expenditure, representing 43 per cent of Total Disbursements, was ₹2,29,71 crore (₹2,01,14 crore under State Plan, ₹24,93 crore under Centrally Sponsored Schemes and ₹3,65 crore under Loans and Advances).

Plan Expenditure as proportion of Total Expenditure and GSDP

Year	2009-10	2010-11	2011-12	2012-13	2013-14
Plan Expenditure (₹ in crore)	8902	11755	1,41,57	1,73,37	2,29,71
Percentage to Total Expenditure	31	35	36	39	43
Percentage to GSDP	5	6	6	7	8



4.2.1. Plan Expenditure under Capital Account

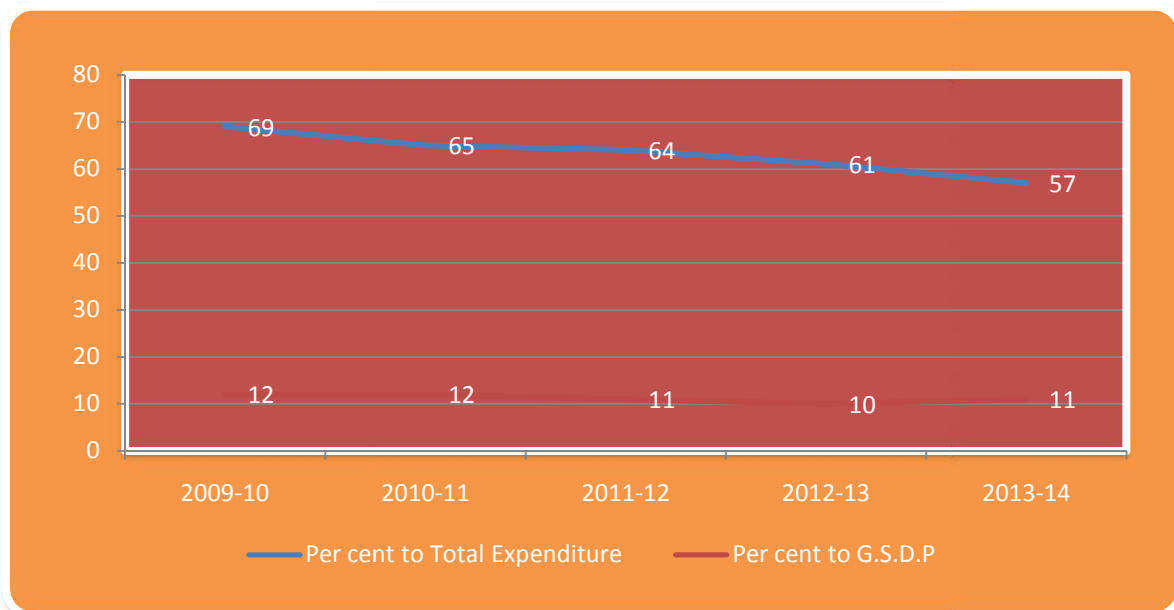
(₹ in crore)

Sector	2009-10	2010-11	2011-12	2012-13	2013-14
Total Capital Expenditure	37,60	46,00	51,17	58,38	82,20
Capital Expenditure (Plan)	32,87	43,62	44,37	57,44	79,63
Per cent of Capital Expenditure (plan) to Total Capital Expenditure	87	95	87	98	97

4.3. Non-Plan Expenditure

Non-Plan Expenditure during the year, representing 57 per cent of Total Disbursements, was ₹3,08,67 crore, (₹3,06,10 crore under Revenue and ₹2,57 crore under Capital).

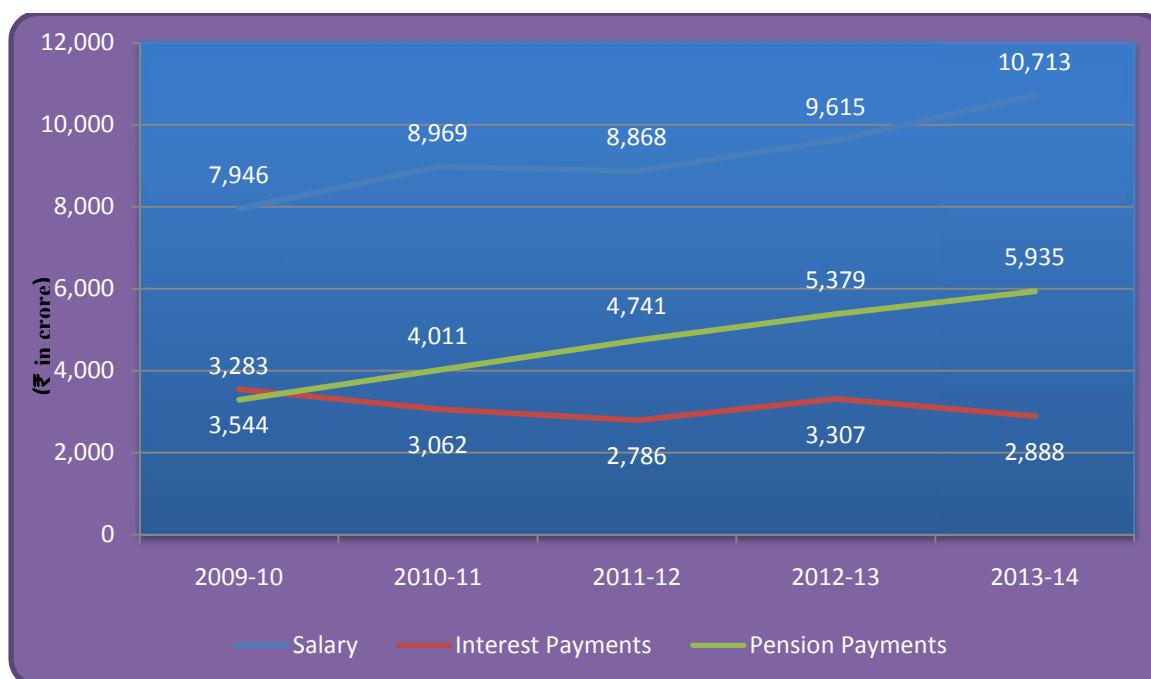
Non-Plan Expenditure as proportion of Total Expenditure and GSDP



4.4. Committed Expenditure

Trend of Committed Expenditure

Component	2009-10	2010-11	2011-12	2012-13	2013-14
Committed Expenditure	1,47,73	1,60,42	1,63,95	1,83,01	1,95,36
Revenue Expenditure	2,52,92	2,93,68	3,46,60	3,82,38	4,56,18
Revenue Receipts	2,64,30	3,32,76	4,02,67	4,39,37	4,89,47
Per cent of Committed Expenditure to Revenue Receipts	56	48	41	42	40
Per cent of Committed Expenditure to Revenue Expenditure	58	55	47	48	43



The upward trend on Committed Expenditure leaves the Government with lesser flexibility for developmental spending.



Chapter V

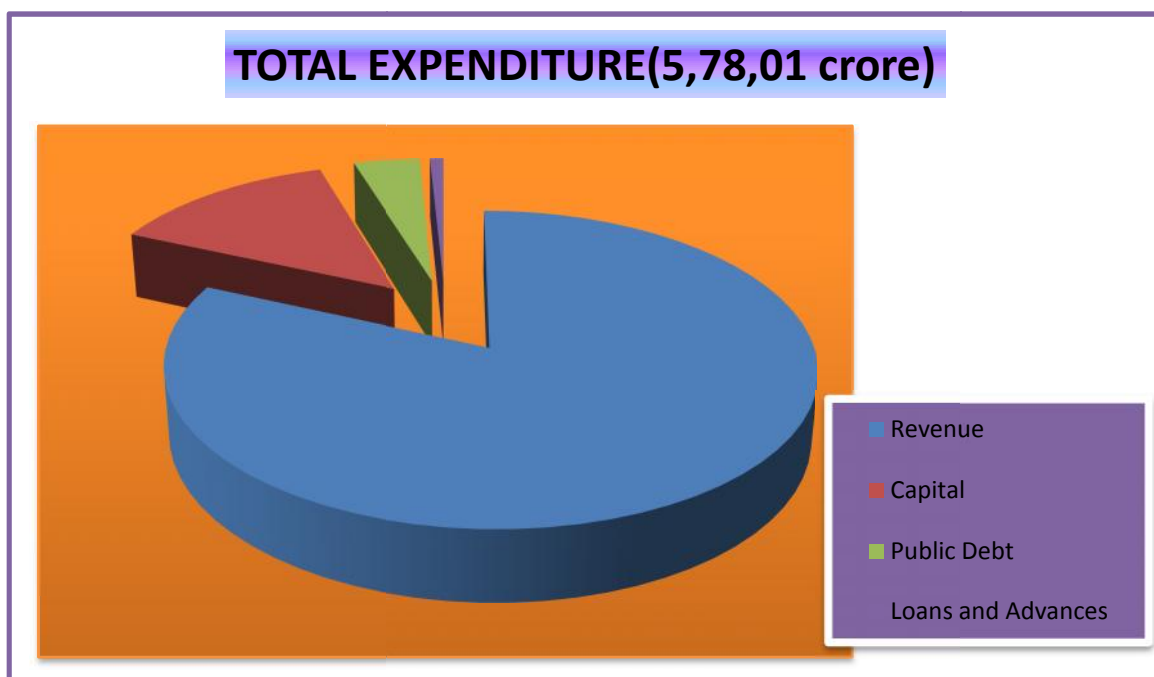
APPROPRIATION ACCOUNTS

The Appropriation Accounts of the Government of Odisha for the year 2013-14 present the accounts of sums expended in the year ended 31 March 2014 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 2013-14

(₹ in crore)

Sl. No	Nature of Expenditure	Original Grants	Supplementary Grants	Re-appropriation	Total	Actual Expenditure	Savings (-) Excess (+)
1.	Revenue						
	Voted	4,46,39	81,24	-	5,27,63	4,42,63	(-)85,00
	Charged	55,87	3	-	55,90	29,45	(-)26,45
	Total	5,02,26	81,27		5,83,53	4,72,08	(-)1,11,45
2.	Capital						
	Voted	78,17	10,60	-	88,77	78,17	(-)10,60
	Charged	23	1	-	24	19	(-)5
	Total	78,40	10,61		89,01	78,36	(-)10,65
3.	Public Debt	28,19	-	-	28,19	22,93	(-)5,25
4.	Loans and Advances						
	Voted	2,51	2,34	-	4,85	4,64	(-)21
	Total	6,11,36	94,21	-	7,05,57	5,78,01	(-)1,27,56



5.2. Trend of Savings during the past five years

(₹ in crore)

Year	Savings (-)/ Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2009-10	(-)58,41	(-)9,73	(-)2	(-)1,84	(-)70,00
2010-11	(-)55,58	(-)11,91	3,73	(-)46	(-)64,22
2011-12	(-)56,67	(-)14,96	61	(-)1,57	(-)72,59
2012-13	(-)7396	(-)17,70	(-) 24	(-)1,46	(-)93,36
2013-14	(-)1,11,45	(-)10,65	(-)5,26	(-)21	(-)1,27,56

5.3. Significant Savings

Substantial Savings under a Grant indicates either non-implementation or slow implementation of certain Schemes/Programmes.

Some Grants with persistent and significant Savings are given below:

(in per cent)

Grant	Nomenclature	2009-10	2010-11	2011-12	2012-13	2013-14
REVENUE (Voted)						
3	Revenue and Disaster Management Department	48	38	17	55	43
5	Finance Department	21	26	18	22	29
8	Odisha Legislative Assembly	0.43	36	46	45	40
12	Health and Family Welfare Department	29	22	12	11	14
19	Industries Department	18	30	34	4	53
20	Water Resources Department	17	15	17	13	8
22	Forest & Environment Department	14	10	11	17	22
33	Fisheries and Animal Resources Development Department	24	19	15	21	13
36	Women and Child Development Department	19	15	8	7	6
CAPITAL (Voted)						
1	Home Department	42	10	15	18	1
5	Finance Department	88	45	-	20	11
6	Commerce Department	34	8	-	8	36
7	Works Department	11	16	20	9	4

Grant	Nomenclature	2009-10	2010-11	2011-12	2012-13	2013-14
CAPITAL (Voted)						
10	School & Mass Education Department	100	100	81	7	59
13	Housing and Urban Development Department	14	6	30	15	7
16	Planning & Co-ordination Department	-	1.47	39	84	19
19	Industries Department	-	38	73	-	194
20	Water Resources Department	32	22	21	11	19
28	Rural Development Department	23	7	19	10	
30	Energy Department	-	-	21	25	7
33	Fisheries and Animal Resources Development Department	13	90	66	80	25
34	Co-operation Department	-	95	86	68	2

During 2013-14, Supplementary Grants totaling to ₹94,21 crore (16 per cent of total Expenditure) proved unnecessary as in many cases, there were significant savings at the end of the year even against original allocations. A few instances are given below.

(₹ in crore)

Grant	Department	Section	Original	Supplementary	Actual Expenditure
1	Home Department	Revenue	24,97	1,21	24,34
4	Law Department	Revenue	2,03	2	1,83
5	Finance Department	Revenue	83,27	10,96	66,63
6	Commerce Department	Revenue	55	3	54
8	Odisha Legislative Assembly	Revenue	46	1	29
9	Food Supplies & Consumer Welfare Department	Revenue	13,74	26	13,60
10	School and Mass Education Department	Revenue	71,37	80	67,07
11	Scheduled Tribes & Scheduled Castes Development and Minorities & Backward Classes Welfare Department	Revenue Capital	15,06 4,59	1,56 20	13,99 4,20
12	Health and Family Welfare Department	Revenue	20,02	1,09	18,08

Grant	Department	Section	Original	Supplementary	Actual Expenditure
13	Housing and Urban Development Department	Revenue	19,16	54	18,81
14	Labour and Employees State Insurance Department	Revenue	70	1	69
15	Sports and Youth Services Department	Revenue	73	13	56
16	Planning Co-ordination Department	Revenue	11,56	0.12	10,12
19	Industries Department	Revenue	19	2	10
20	Water Resources Department	Capital	26,97	60	22,26
21	Transport Department	Revenue Capital	42 1,16	2 5	39 1,13
22	Forest and Environment Department	Revenue	6,65	1,02	6,00
24	Steel and Mines Department	Revenue	65	0.08	63
25	Information and Public Relations Department	Revenue	62	2	60
27	Science and Technology Department	Revenue	50	0.2	38
28	Rural Development Department	Revenue	12,90	4	12,25
29	Parliamentary Affairs Department	Revenue	26	1	24
30	Energy Department	Revenue	19	0.7	17
31	Handloom, Textile & Handicrafts Department	Revenue	1,32	8	1,23
33	Fisheries and Animal Resources Development Department	Revenue	4,27	3	3,76
34	Co-operation Department	Revenue	5,78	2	5,48
37	Information Technology Department	Revenue	1,25	14	79
39	Expenditure relating to the Employment and Technical Education and Training Department	Revenue Capital	2,09 2,48	14 30	1,95 1,43
40	Micro, Small & Medium Enterprises Department	Revenue	71	2	53



Chapter VI

ASSETS AND LIABILITIES

6.1. Assets

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

Total Investments as Share Capital in Statutory Corporations, Govt. Companies, Joint Stock Companies and Co-operative Societies stood at ₹33,09 crore at the end of 2013-14. However, Dividends received during the year were ₹4,52 crore (i.e. 13.66 per cent on Investment). During 2013-14, Investments increased by ₹3,40 crore, while Dividend income decreased by ₹1,12 crore.

Cash Balance with RBI stood at ₹(-)24 crore on 31 March 2013 and increased to ₹27 crore at the end of March 2014.

6.2. Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limit, if any, as may be from time to time fixed by the State Legislature. The Odisha Legislative Assembly has passed “The Odisha Fiscal Responsibility and Budget Management Act, 2005” (Odisha Act 6 of 2005) and “The Odisha Fiscal Responsibility and Budget Management Act (Amendment), 2006” (Odisha Act 6 of 2006).

The Act provides for the responsibility of the State Government to ensure prudence in Fiscal Management and Fiscal Stability by progressive elimination of Revenue Deficit and Sustainable Debt Management consistent with Fiscal Stability.

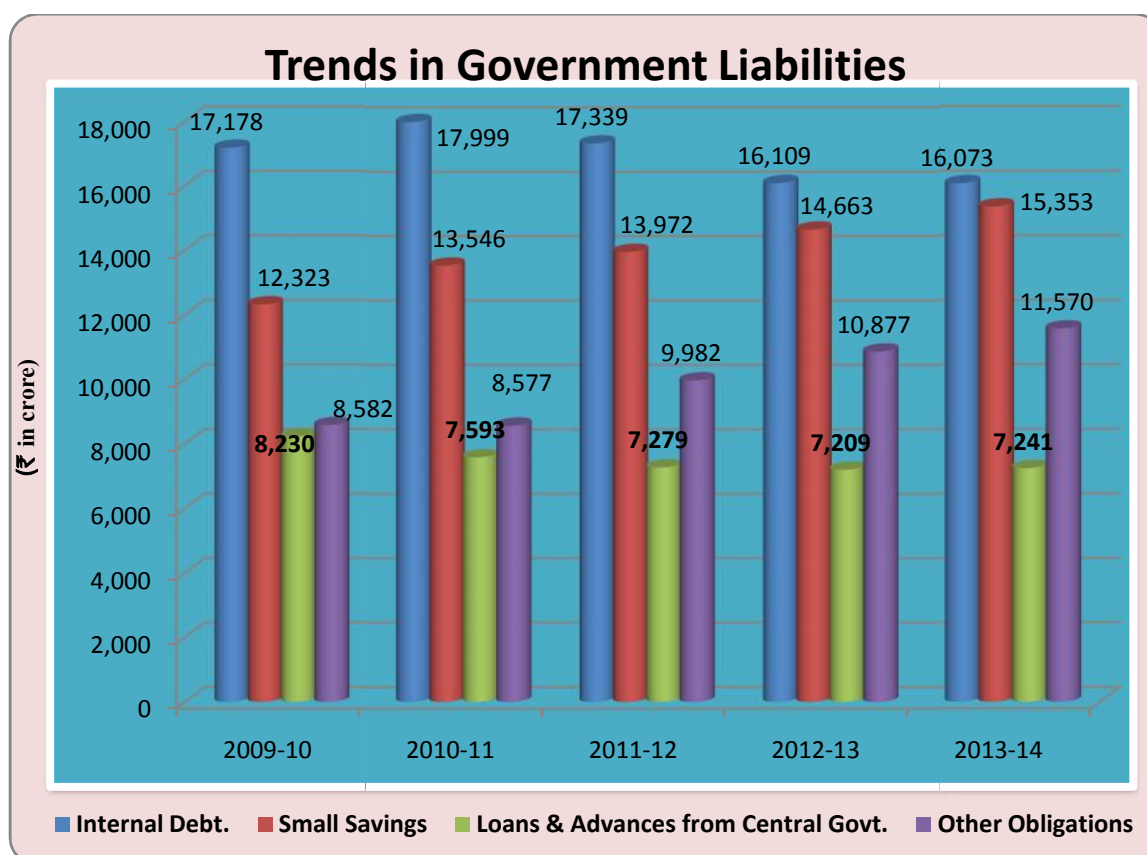
Details of Public Debt and Total Liabilities for last five years:

Year	Public Debt (₹ in crore)	Per cent to GSDP	Public Account (*) (₹ in crore)	Per cent to GSDP	Total Liabilities (₹ in crore)	Per cent to GSDP
2009-10	2,54,08	16	2,00,19	12	4,54,27	28
2010-11	2,55,92	14	2,14,13	11	4,70,05	25
2011-12	2,46,18	11	2,39,54	11	4,85,72	21
2012-13	2,33,17	9	2,55,40	10	4,88,57	19
2013-14	2,33,14	8	2,69,23	9	5,02,37	17

(*) Excludes Suspense and Remittance balances.

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

There is a net increase of ₹13,80 crore (2.82 per cent) in Public Debt and Other Liabilities as compared to 2012-13.



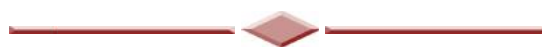
6.3 Guarantees

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, Co-operative Societies etc., is given below.

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 March 2014	
		Principal	Interest*
2009-10	83,89	10,27	-
2010-11	97,89	20,66	-
2011-12	1,05,79	25,10	-
2012-13	1,05,79	22,51	-
2013-14	1,06,25	17,05	-

* As per Finance Department, Government of Odisha 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/Co-operative Institutions/Companies etc. The Government Guarantee as on 1st day of April every year shall not exceed 100 per cent of the State Revenue Receipts of the 2nd preceding year. The Guarantee extended by the State Government is within the prescribed limit.



Chapter VII

OTHER ITEMS

7.1 Loans and Advances by the State Government

Total Loans and Advances given by the State Government at the end of 2013-14 was ₹41,83 crore which includes ₹38,46 crore to Government Corporations, Companies, Non-Government Institutions and Local Bodies.

7.2 Financial Assistance to Local Bodies and Others

During the past five years, Grants-in-Aid to Local Bodies etc., increased from ₹40,75 crore in 2009-10 to ₹94,95 crore in 2013-14. Grants to Zilla Parishads, Panchayat Samities and Municipalities (₹26,05 crore) represented 27 per cent of total Grants given during the year.

7.3 Cash Balance and Investment of Cash Balance

The Cash Balance increased from ₹(-)24 crore at the beginning of the year 2013-14 to ₹27 crore at its end. Investment held in Cash Balance Investment Account as on 31 March 2014 were ₹39,27 crore. During 2013-14, Interest Receipt on Cash Balance Investment increased by 11 per cent in comparison to previous year. The details are furnished below:-

(₹ in crore)

Component	As on 1 April 2013	As on 31 March 2014	Net increase (+) / decrease (-)
1. Cash Balances	(-)24	27	51
2. Investments from Cash Balance (GOI Treasury Bills)	73,42	39,27	(-)34,15
3. Other Cash Balances	55,47	55,45	(-)2
i) Cash with Departmental Officers and Permanent Advance	24	22	(-)2
ii) Investment from Earmarked Fund Balances	55,23	55,23	-
(a) Sinking Fund	50,43	50,43	-
(b) Guarantee Redemption Fund	4.80	4.80	-
TOTAL (1+2+3)	1,28,65	94,99	(-)33,66
Interest realised on Cash Balance Investment Account	5,63	6,24	61

7.4 Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the Departmental figures with the figures appearing in the accounts maintained by Principal Accountant General (A&E).

Before Annual Accounts are finalised, the Heads of the Departments reconcile the Departmental Accounts figures with those booked in Accounts compiled by the Accountant General. The reconciliation of Accounts figures is to be done monthly. In the year 2013-14 all the Controlling Officers have taken up verification work fully (both Expenditure and Receipts).

Particulars	Total no. of CCOs	Fully reconciled	Partially reconciled	Not reconciled
EXPENDITURE	163	163	-	-
RECEIPTS	100	100	-	-

7.5 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 Accounts by the Treasuries during the year 2013-14 revealed that there has been a delay ranging from 3 to 15 days in respect of 5 to 25 Treasuries.

7.6 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 30 days, through submission of DC bills. To the end of 31 March 2014, 4903 DC bills amounting to ₹1,14.49 crore was outstanding which indicates that these instructions have not been followed.

7.7 Commitment on Account of Incomplete Works

A Total Expenditure of ₹1,74,08 crore was incurred up to the year 2013-14 by the State Government on various Incomplete Projects which have been taken up by the Works Department, Water Resources Department, Housing & Urban Development Department and Rural Development Department.

7.8 Rush of Expenditure

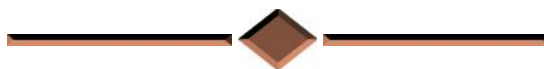
The State Government has introduced Cash Management System, according to which, expenditure during the month of March should not exceed 15 per cent of the Budget, and expenditure during the last quarter of the financial year should be within 40 per cent of the Budget. As on 31 March 2014, only 18 Departments have implemented the Cash Management System. Even in respect of these 18 departments, 12 departments exceeded the limits stipulated for March and 5 departments exceeded the limits stipulated for the last quarter as furnished below: -

Department-wise Statement of Expenditure covered under CMS during 2013-14

Sl. No	Grant No.	Name of the Department	Budget Provision (₹ in crore)	Expenditure during March 20 14 (₹ in crore)	Expenditure during Last Quarter 2014 (₹ in crore)	Percentage of Expenditure during March 2014	Percentage of Expenditure during last quarter
1.	7	Works	28,80.26	6,53.76	11,69.09	22.70	40.59
2.	10	School and Mass Education	72,40.37	10,34.16	19,89.66	14.28	27.48
3.	11	Scheduled Tribes & Scheduled Castes Development and Minorities & Backward Classes Welfare	21,41.31	5,30.97	7,47.78	24.80	34.92
4.	12	Health and Family Welfare	23,16.30	3,56.57	7,05.78	15.39	30.47
5.	13	Housing & Urban Development	26,27.12	5,44.21	9,96.12	20.72	37.92
6.	17	Panchayati Raj	37,71.20	6,16.27	9,39.61	16.34	24.92
7.	19	Industries	30.32	(-) 0.84	0.16	(-) 2.79 (A)	0.53
8.	20	Water Resources	43,27.43	12,52.20	17,26.38	28.94	39.89
9.	22	Forest & Environment	7,70.06	94.90	2,09.11	12.32	27.16

(A) Minus expenditure is due to redemption of preferential share for ₹2,94.80 lakh by O.S.I.C. in 2013-14 and withdrawal of converted paid up share capital of ₹7,47.00 lakh in O.S.F.C. during 2009-10.

Sl. No	Grant No.	Name of the Department	Budget Provision (₹ in crore)	Expenditure during March 20 14 (₹ in crore)	Expenditure during Last Quarter 2014 (₹ in crore)	Percentage of Expenditure during March 2014	Percentage of Expenditure during last quarter
10.	23	Agriculture	20,31.15	4,97.60	8,69.74	24.50	42.82
11.	28	Rural Development	20,93.10	7,65.02	11,22.44	36.55	53.63
12.	30	Energy	12,34.86	3,90.41	5,06.15	31.62	40.99
13.	31	Handloom, Textile & Handicrafts	1,39.41	20.78	40.39	14.90	28.97
14.	33	Fisheries & Animal Resource Development	4,52.16	72.99	1,45.55	16.14	32.19
15.	36	Women & Child Development	43,66.22	10,93.66	18,06.92	25.05	41.38
16.	38	Higher Education	15,26.13	2,88.68	4,90.49	18.92	32.14
17.	39	Employment and Technical Education and Training	5,01.27	53.33	1,25.62	10.64	25.06
18.	40	Micro , Small & Medium Enterprises	72.59	8.56	20.10	11.79	27.70



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