



# **Report of the Comptroller and Auditor General of India**

**STATE FINANCES  
for the year ended 31 March 2011**

**(No. 1)**



**GOVERNMENT OF ODISHA**

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AUDITOR GENERAL OF INDIA  
2011-12



महालेखाकार

ACCOUNTANT GENERAL





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Comptroller and Auditor General of India  
On  
STATE FINANCES  
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## *Preface*

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

Chapters 1 and 2 of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2011. Information has also been obtained from the Government of Orissa, wherever necessary. Chapter 3 on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

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





# Executive Summary

## Background

This Report on the Finances of the Government of Odisha is being brought out with a view to assess objectively the financial performance of the State during 2010-11 and to provide the State Government and State Legislature with timely inputs based on audit analysis of financial data. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government in the Fiscal Responsibilities and Budget Management (FRBM) Act, 2005 and in the Budget Estimates of 2010-11, and norms recommended by the Thirteenth Finance Commission.

## The Report

Based on the audited accounts of the State Government for the year ending March 2011, this report provides an analytical review of the Annual Accounts of the State Government. The financial performance of the State has been assessed based on the FRBM Act, budget documents, Thirteenth Finance Commission (13<sup>th</sup> FC) recommendations and other financial data obtained from various Government departments and organisations. The report is structured in three chapters.

**Chapter 1** is based on the audit of Finance Accounts and makes an assessment of Odisha Government's fiscal position as of 31 March 2011. It provides an insight into trends in committed expenditure, borrowing pattern besides a brief account of central funds transferred directly to the State implementing agencies through off-budget route and resources generated through public private partnership mode.

**Chapter 2** is based on audit of Appropriation Accounts and it gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments. Besides, comments arising out of audit of budgetary process and budget assumptions and outcome of inspection of treasuries have also been made in chapter-2.

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

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



## Audit findings and recommendations

**Amendment to the State FRBM Act:** The 13<sup>th</sup> FC recommended amendment to the State FRBM Act incorporating there in the continuation of the already achieved zero revenue deficit, setting a target of three *per cent* of fiscal deficit by 2011-12, a feature of independent review / monitoring system, projection of Revenue Consequences of Capital Expenditure (RCCE) in the Mid Term Fiscal Plan (MTFP), public private partnerships (PPP) and related liabilities and bringing out statements on physical and financial assets and vacant public land and buildings. However, the FRBM Act was yet to be amended (October 2011). Government may initiate steps for amending the Act incorporating there in the issues raised by the 13<sup>th</sup> FC for a better monitoring of expenditure and enhanced grip over the State finances.

**Oversight over funds transferred directly from the GoI to the State implementing agencies:** GoI directly transferred substantial amount of grants-in-aid to the State Implementing Agencies for implementation of different schemes. Funds flowing directly to the implementing agencies through off-budget route inhibit FRBM Act requirements of transparency and escape accountability. There is no single agency monitoring the use of these funds and no data is readily available on the amounts spent in any particular year on major flagship and other important schemes. Unless uniform accounting practices are followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers. The State Government has to put in place an appropriate mechanism to ensure proper accounting and utilization of the funds directly transferred by GOI to implementing agencies.

**Revenue Receipts:** The Revenue receipts (₹ 33276 crore) grew by 26 *per cent* in 2010-11 over the previous year compared to 12 *per cent* in 2008-09 and seven *per cent* in 2009-10. The increase was mainly contributed by own tax revenue, State's share of union taxes and duties and grants-in-aid receipts from Government of India (GoI). As a result, the revenue buoyancy ratio relative to GSDP which was at its lowest at 0.314 in 2009-10 increased to 1.104. However, the growth rate of Revenue receipts was lower compared to the growth (28 *per cent*) achieved during 2006-07. Government may mobilize additional tax resources through Tax and Non-Tax Revenue by expanding the tax base, rationalising the user charges, collection of arrears of revenue and cost recovery of maintenance expenditure of irrigation projects as per recommendations of 12<sup>th</sup> and 13<sup>th</sup> FCs.

**Revenue Expenditure:** Revenue Expenditure (RE) which constituted 86 *per cent* of the total expenditure during 2010-11, increased by 16 *per cent* over the previous year. Non-Plan Revenue Expenditure (NPRE) constituted 75 *per cent* of RE. The NPRE (₹ 21975 crore) increased by 12 *per cent* over the previous year and exceeded the 13<sup>th</sup> FC's normative assessment (₹ 17683 crore) by ₹ 4292 crore. The increase in NPRE was mainly due to increase (14 *per cent*) in committed expenditure (₹ 17351 crore) under salary, pension, interest payments and subsidies during the year. Expenditure on salaries (₹ 8969 crore) and pension (₹ 4011 crore) exceeded the 13<sup>th</sup> FC's

projection (₹ 6514 crore and 2634 crore) by ₹ 2455 crore and ₹ 1377 crore respectively.

Food subsidies at ₹ 932 crore exceeded the normative projection of the 13<sup>th</sup> FC of ₹ 84 crore largely due to implementation of the rupee two per kilogram of rice scheme introduced during 2008-09 which continued through 2010-11. 13<sup>th</sup> FC recommended phasing out of subsidies. Government may consider reduction in subsidy payments to Public Sector Undertakings (PSUs) etc. for boosting their operational efficiency and close down non working PSUs. Government may resort to need-based borrowings to reduce interest payments and contain the growth of un-productive non-plan revenue expenditure.

### **Return to fiscal correction**

Fiscal position of the State viewed in terms of trends in deficit/surplus indicators revealed that in 2010-11, while revenue surplus and primary surplus increased, fiscal deficit declined over the previous year pointing towards the continuing effort of the State Government towards a path of fiscal correction and consolidation.

The fiscal deficit decreased from ₹ 2266 crore in 2009-10 to ₹ 658 crore in 2010-11 due to increase in revenue receipts as well lower growth of revenue expenditure. The significant gap between the growth rates of the revenue receipts (26 *per cent*) and revenue expenditure (16 *per cent*) over the previous year resulted in increase of revenue surplus to ₹ 3908 crore during 2010-11 from ₹ 1138 crore in 2009-10. Primary surplus increased from ₹ 778 crore in 2009-10 to ₹ 2403 crore in 2010-11, fiscal deficit also decreased from 1.5 *per cent* of GSDP in 2009-10 to 0.35 *per cent* in 2010-11, which is a welcome development.

Built upon early gains in achieving deficit targets, the Government continued to consolidate the same in the current year (2010-11) despite pressure on the committed expenditure due to implementation of the Sixth Pay Commission award and higher food subsidy costs due to introduction of rupees two a kilogram of rice for the disadvantaged segment of the population. Given the robustness of the economy, the State can still achieve the remaining targets/norms of the 13<sup>th</sup> FC's recommendations with concerted efforts through better tax compliance, reductions in tax-collection costs, by more effective recovery revenue arrears, by pruning unproductive expenditure and phasing out non-merit implicit and explicit subsidies.

**Greater priority to capital expenditure:** The Capital Expenditure (CE) increased by 17 *per cent* over the previous year. The CE was 2.30 *per cent* of GSDP as against state government's projection of 2.68 *per cent* for 2010-11 and less than the budget estimates. Government may consider strengthening the physical and operational infrastructure for absorption of higher capital expenditure and re-prioritise its outlays for asset formation and sustainable development of the State in view of lower achievement of target set under MTFP for 2010-11.

**Review of Government investments:** There was investment of Rs. 2190.37 crore during 2010-11 with a return of Rs. 101.58 crore which was 4.64 per cent of the investment. The return on Government's investment in Statutory Corporations (three), Rural Banks (three), Joint Stock Companies (80) and Co-operatives (30) was 4.64 *per cent* in the current year while Government paid interest at an average rate of 7.39 *per cent* on its borrowings during 2010-11. Out of this, only one Corporation (Odisha Mining Corporation) contributed ₹ 100 crore which constituted 98.44 *per cent* of the total return received. This was due to State Government receiving no return from 108 concerns<sup>1</sup> which account for 94 *per cent* of total equity holding (₹ 2054 crore) of the State Government. Outstanding loans as of March 2011 was ₹ 3414 crore. Difference between interest payment and interest receipts was negative which meant that the State's borrowings were more expensive than the loans advanced by the Government. It would be advisable for the State Government to ensure better value for money in its investments, otherwise high cost borrowed funds invested in projects with low financial return will continue to strain the State economy in the long-run.

It would also be prudent to review the working of state public sector undertakings which are incurring huge losses and work out either a revival strategy (for those which can be made viable) or close them down (if they are not likely to be viable given the current market conditions in that particular sector). The Thirteenth Finance Commission also recommended that the State Government draw up a road map for closure of non working public sector undertakings (PSUs) by March 2011 which is yet to be done.

**Prudent cash management:** The State had a huge surplus cash balance, but invested the same in Government of India (GoI) Treasury Bills with Reserve Bank of India at low interest rates. One option for prudent cash management would be to maintain optimum cash balances (minimum: ₹ 1.28 crore) with RBI by advance planning and use the surpluses to retire or pre-pay some of the high cost debts. The 13<sup>th</sup> FC also recommended the Governments to make efforts towards utilizing their cash balances before resorting to fresh borrowings. The State Government should continue to pursue with GoI to allow pre-payment of high cost debt before incurring fresh debt.

**Debt sustainability:** Currently the State Government is not facing any debt crisis because the fiscal deficit is in a manageable position of 0.35 *per cent* of GSDP, which is well within the projections of 13 FC of three *per cent* (Para 9.75) and most of the indicators of debt sustainability are also positive. The trends in debt sustainability revealed that the incremental non-debt receipts of the State had been able to meet the incremental interest liabilities and incremental primary expenditure during the period 2008-11, which is a very positive sign.

**Public-Private Partnerships:** Government has framed public-private-partnership (PPP) policy in 19 sectors of the economy to generate maximum resources for infrastructure build up during 2007-12; however, the resources generated during 2007-11 were negligible as most of these projects did not take off. Only six out of 64 projects had been completed at an estimated

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<sup>1</sup> Statutory Corporations: 2, Government companies: 77 and Co-operative Societies: 29)

expenditure of ₹ 36.99 crore. Effective actions have to be taken to gear up the activities of PPP for generation of additional resources for creating public infrastructure, which is so woefully deficient in the State. Also, there is a need to appropriately disclose the quantum of resources planned to be generated through the PPP route in the Budget and the Finance Accounts, which has not been done so far.

## **Financial Management and Budgetary Control**

During 2010-11, there was overall savings of ₹ 6108.47 crore. Gross savings of ₹ 6536.98 crore was offset by excess expenditure of ₹ 428.51 crore in three Grants under Revenue section and one grant under Capital section and one Appropriation. The above excess needs regularization under Article 205 of the Constitution of India. The savings were mainly due to slow programme implementation and largely contributed to surpluses on the revenue account and decline in fiscal deficit.

There were instances of savings exceeding ₹ 10 crore in 31 cases relating to 22 grants. This included huge savings of ₹ 5464.48 crore in 14 cases under 12 grants exceeding ₹ 100 crore in each case. There were persistent savings up to 90 *per cent* in nine grants during 2010-11. There were also instances of excess expenditure and expenditure without provision of funds, unnecessary/excessive supplementary provision, substantial surrenders, non-surrender of anticipated savings during the current year and instances of rush of expenditure during the last month of the financial year. Besides, huge amounts drawn for specific purposes from the Consolidated Fund and transfer credited to 8443-Civil Deposits-800 Other Deposits under Public Account were lying unspent thereby vitiating expenditure figures under the Consolidated Fund. Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issue of re-appropriation / surrender statements should be avoided.

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

Payment of grants-in-aid constitutes Revenue Expenditure. During the year grants-in-aid of ₹ 40.84 crore were found debited to Capital heads of accounts leading to overstatement of Capital Expenditure and understatement of Revenue Expenditure. Proper classification of Government transactions need to be adhered to as per rules.

National loan scholarship of ₹ 2.47 crore was outstanding for recovery from students. The loan scholarships should be recovered from the defaulters and the time-barred cheques should be validated and credited to Government account forthwith.

Instances of diversion and utilization of Tribal Area Sub plan funds in development of infrastructure in urban areas were noticed indicating serious breaches in the due diligence procedure supposed to be carried out by Planning and Co-ordination and Finance departments before approving



budget proposals of various departments. This requires thorough investigation.

## **Financial reporting**

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

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

Though entrustment of audit of 10 bodies / authorities was made to the Comptroller and Auditor General of India between November 2010 and January 2011, their accounts had not yet been received in the office of the Accountant General (Civil Audit), Odisha.

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

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

The Chief Controlling Officers did not submit the Detailed Contingent Bills against the advances drawn on Abstract Contingent (AC) Bills of ₹ 50.63 crore for up to seven years as of 31 March 2011. A rigorous monitoring mechanism needs to be put in place by the Drawing and Disbursing Officers (DDOs) to adjust AC Bills in time and not to advance further amounts without adjustment of earlier advances.

Non reconciliation of expenditure figures persisted with some of the departments of the Government despite the same being regularly pointed out in the Audit Reports of C&AG.

A large amount of unspent balance (₹ 575.08 crore) was lying in 926 Personal Deposit (PD) Accounts and were not credited back to Government Account. There were 50 PD accounts involving ₹ 3.52 crore lying inoperative as of March 2011. Parking of fund in PD accounts adversely affected the transparency of State accounts as inflated the revenue expenditure and locked up of resources which could have been utilised elsewhere for development. Further, it also greatly erodes budgetary and legislative control over the State's finances. Government may take suitable measures for closure of inoperative of PD accounts and transfer of balance fund to the Consolidated Fund as provided in codal provisions.

## *Profile of Odisha*

Odisha was formed on 1<sup>st</sup> April 1936 and became a constituent state of India in 1950. Covering an area of 1.56 lakh square kilometres, Odisha is situated on the east coast of the country with forest coverage of 58136 square kilometres (37 per cent of total area) and a population of 4.19 crore (as per census 2011). As per 2011 census (provisional), 83 per cent of the total population lived in rural areas while 17 per cent lived in urban areas as against 85 per cent and 15 per cent respectively as per 2001 census indicating migration from rural to urban areas during the last decade. As indicated in **Appendix 1.1**, in the last ten years, the density of population in Odisha has increased from 236 persons per square kilometre to 269 persons. However Odisha still has lower density of population compared to the all India figure. Odisha has a lower literacy rate, lower life expectancy at birth and higher infant mortality rate when compared to the all India average. Population below the poverty line at 46.4 per cent was much higher than the national average of 27.5 per cent. Odisha has lower level of rural as well as urban inequality when compared to the all India average. Odisha's Gross State Domestic Product (GSDP) has grown at a higher rate (15.78 per cent) in the past decade compared to the average GSDP growth of the General Category states. During this period, its population has grown by 13.97 per cent against 17.56 per cent in other General Category states<sup>1</sup>. Hence, the per capita income growth in Odisha has been higher than that of the General Category states in the current decade.

## **1.1 Introduction**

This chapter provides a broad perspective of the finances of the State Government of Odisha during 2010-11 and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. The structure of Government Account and the layout of Finance Accounts are given at the **Appendix 1.2**. Besides, keeping in line with the recommendations of the Twelfth Finance Commission, the State Government had enacted (August, 2005) its own 'Fiscal Responsibility and Budget Management (FRBM) Act, 2005 and had developed its own Fiscal Correction Path (FCP) indicating the milestones of outcome indicators for the period 2004-10 to ensure prudent and improved fiscal management and to maintain fiscal stability of the State. The State Government have not developed its own FCP for the period of 2010-11 as Thirteenth Finance Commission (13<sup>th</sup> FC) has recommended to develop FCP from 2011-15 leaving a gap period of one year. As required by the 13<sup>th</sup> FC the State Government laid its Medium Term Fiscal Plan (MTFP) for three year (2011-13).

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The abbreviations used in this report have been expanded in the *Glossary of terms ( and basis of calculation) and Acronyms used in the Report* at **Appendix – 4.1** at page **119**

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

The 13<sup>th</sup> FC recommended (December 2009) amendment to the State FRBM Act incorporating there in the continuation of the already achieved zero revenue deficit, setting a target of three *per cent* of fiscal deficit by 2011-12, a feature of independent review / monitoring system, projection of Revenue Consequences of Capital Expenditure (RCCE) in the MTFP, public-private partnerships (PPPs) and related liabilities and bringing out statements on physical and financial assets and vacant public land and buildings. However, the FRBM Act was yet to be amended (October 2011). As a result, the required monitoring system of the fiscal reforms as envisaged in 13<sup>th</sup> FC could not be put in place. However, the Principal Secretary, Finance stated (October 2011) that a bill for amendment of FRBM Act would be presented in the next (winter) session of the State Legislature.

### 1.1.1 Summary of Current Year's Fiscal Transactions

**Table 1.1** presents the summary of the State Government's fiscal transactions during the current year (2010-11) vis-à-vis the previous year while **Appendix 1.3** provides overall fiscal position and **Appendix-1.4** shows details of receipts and disbursement during the current year.

**Table 1.1 Summary of Current Year's Fiscal Operations**

(₹ in crore)

Receipt			Disbursement				
	2009-10	2010-11		2009-10	2010-11		
Section A	Total	Total	Section A	Total	Non Plan	Plan	Total
Revenue Receipts*	26430.21	33276.16	Revenue expenditure	25291.59	21975.28	7392.67	29367.95
Tax revenue	8982.34	11192.67	General services	9285.15	9858.00	78.77	9936.77
Non-tax revenue	3212.20	4780.38	Social services	9838.21	7672.92	4249.09	11922.01
Share of Union Taxes/ Duties	8518.65	10496.86	Economic services	5762.40	4012.75	3064.81	7077.56
Grants from Government of India	5717.02	6806.25	Grants-in-aid and Contributions	405.82	431.61	---	431.61
<b>Section B</b>			<b>Section B</b>				
Misc. Capital Receipts	---	---	Capital Outlay	3647.88	128.59	4156.51	4285.10
Recoveries of Loans and Advances	356.36	33.81	Loans and Advances disbursed	112.48	109.02	205.67	314.69
Public Debt receipts**	1650.12	2267.60	Repayment of Public Debt*	1488.69	---	---	2083.58
Contingency Fund	11.07	198.97	Contingency Fund	198.97	---	---	375.00
Public Account receipts	11735.46	12778.87	Public Account disbursements	9849.43	---	---	11407.85
Opening Cash Balance	9689.45	9283.63	Closing Cash Balance	9283.63	---	---	10004.87
<b>Total</b>	<b>49872.67</b>	<b>57839.04</b>		<b>49872.67</b>	---	---	<b>57839.04</b>

Source: Finance Accounts of the respective years.

Analysis of the Table above disclosed the following:

- \* Does not include ₹ 6257.85 crore transferred directly to Non-Government Organisations (NGOs) / Voluntary Organisations in Odisha by Government of India (GoI).
- \*\* Excluding net transactions under Ways and Means advances and overdrafts.

The actual realisation of own tax revenue (₹ 11193 crore) and non-tax revenue (₹ 4780 crore) during 2010-11 was higher than the normative assessment of 13<sup>th</sup> FC (₹ 10709 and ₹ 2256 crore respectively) as well as the projection made in State MTFP (₹ 10360 and ₹ 3166 crore) mainly due to increase in gross receipts of motor vehicle tax, VAT, land revenue and collection of fees, rents and royalties.

Revenue receipts increased by ₹ 6846 crore (26 per cent) in 2010-11 over the previous year. The increase was mainly contributed by own tax revenue (₹ 2210 crore), State's share of Union Taxes and Duties (₹ 1978 crore) and grants-in-aid from Government of India (GoI) (₹ 1089 crore). The revenue receipts of ₹ 33276 crore were higher than the assessment made by State Government in its Medium Term Fiscal Plan (₹ 31445 crore) by about 6 per cent approximately.

Total expenditure increased by ₹ 4916 crore (17 per cent) during 2010-11 over the previous year of which increase in revenue expenditure was ₹ 4076 crore (16 per cent) and increase in capital expenditure including loans and advances disbursed was ₹ 840 crore (22 per cent).

Public Debt receipts increased by ₹ 618 crore (37 per cent) while public debt disbursements increased by ₹ 595 crore (40 per cent) resulting in a net increase of ₹ 23 crore in public debt during 2010-11.

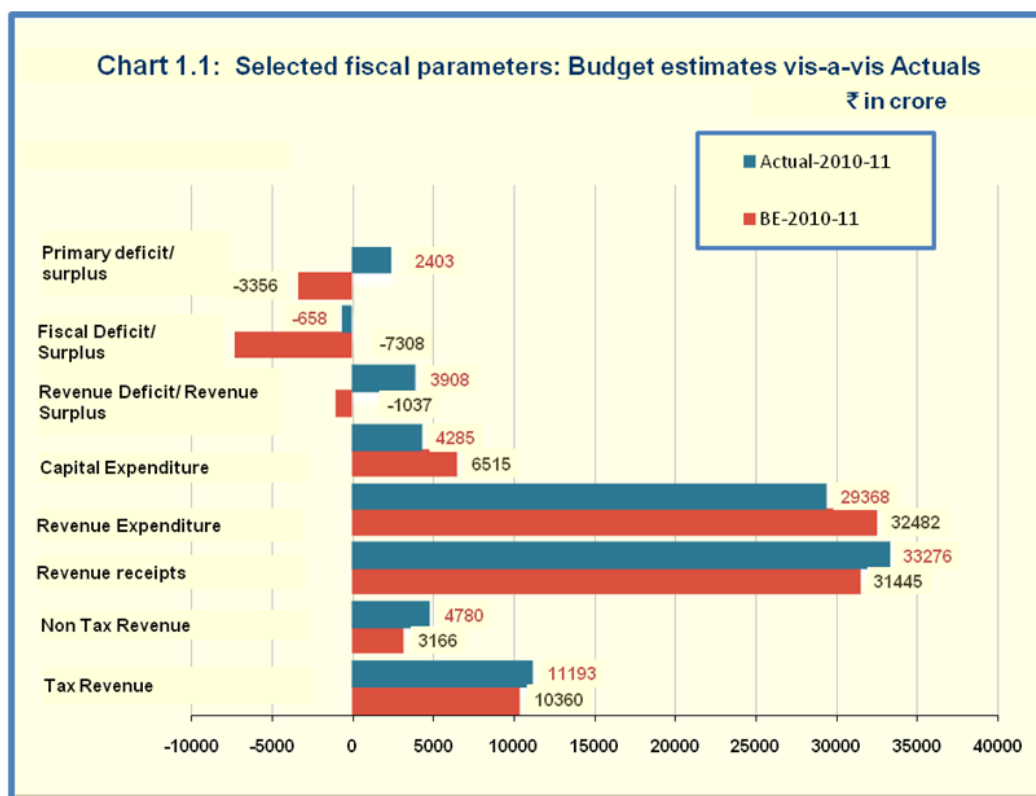
Public Account receipts (₹ 12779 crore) increased by ₹ 1044 crore (nine per cent) over the previous year mainly due to increase in small savings and provident fund (₹ 233 crore), remittances (₹ 770 crore) and deposits and advances (₹ 211 crore) which was mainly set off by decrease in reserve fund (₹ 133 crore). Public Account disbursements (₹ 11408 crore) on the other hand increased by ₹ 1559 crore (16 per cent) during the same period mainly due to increase under remittances (₹ 815 crore), and small savings and provident fund (₹ 149 crore).

Cash Balance of the State increased by ₹ 721 crore mainly because of increase in Cash Balance Investment by ₹ 791 crore which was set off by decrease in Deposit with Reserve Bank of India (₹ 69 crore) and Departmental Cash Balance by one crore.

### 1.1.2 Budget Estimates and Actuals

Compared to the Budget Estimates for 2010-11, there was considerable variation between Budget Estimates and Actuals in the case of several key fiscal parameters. **Chart 1.1 and Table 1.2** presents the Budget Estimates and Actuals for some important parameters.





**Table 1.2: Variation in Budget Estimates and Actuals**

Variation	Budget Estimates	Actual	Increase (+) / Decrease (-)	Percentage increase (+) / decrease (-)
	(₹ in crore)			
Tax Revenue	10360	11193	(+)833	(+)8
Non-Tax Revenue	3166	4780	(+)1614	(+)51
Revenue Receipts	31445	33276	(+)1831	(+)6
<b>Revenue Expenditure</b>	<b>32482</b>	<b>29368</b>	<b>(-)3114</b>	<b>(-)10</b>
Capital Expenditure	6515	4285	(-)2230	(-)34
Revenue Deficit(-)/Surplus(+)	(-)1037	3908	(+)4945	(+)477
Fiscal Deficit(-)/Surplus(+)	(-)7308	(-)658	(+)6650	(-)91
Primary Deficit(-) /Surplus (+)	(-)3356	2403	(+)5759	(-)172

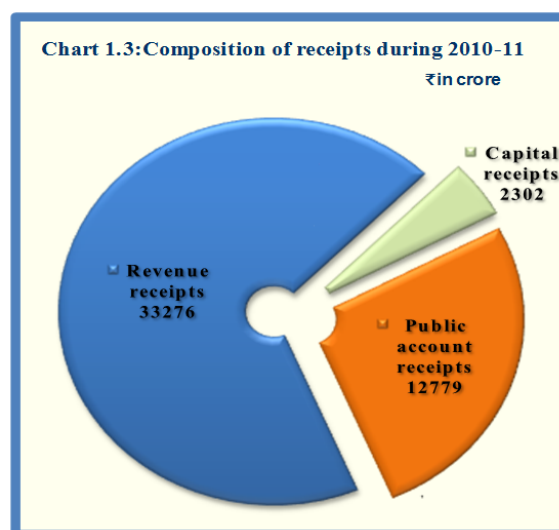
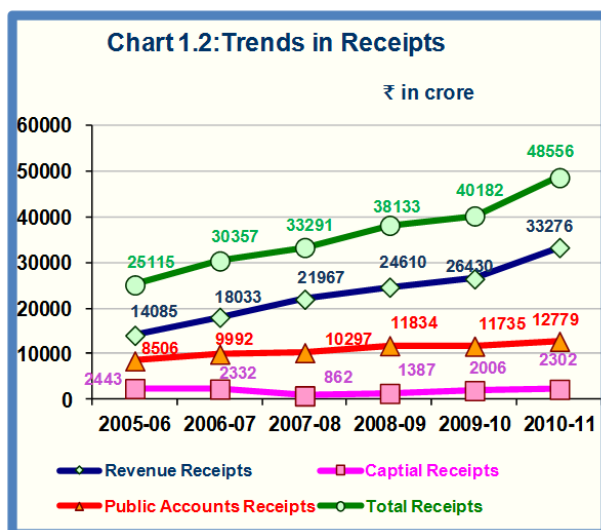
Source: Odisha Budget at a Glance 2011-12 and Finance Accounts 2010-11.

As may be observed from **Chart 1.1** and **Table 1.2**, the States actual Revenue Receipts were more than the Budget Estimates by ₹ 1831 crore (six *per cent*) mainly due to increase in Non-Tax Revenue Receipts. The State's own Tax Revenue was more than Budget Estimates by ₹ 833 crore (eight *per cent*) while Non-Tax Revenue was more than the Budget Estimates by ₹ 1614 crore (51 *per cent*). As a result, the estimated Revenue deficit of ₹ 1037 crore turned into Revenue surplus by ₹ 4945 crore. Revenue Expenditure and Capital Expenditure were less than the budget estimate by ₹ 3114 crore (10 *per cent*) and ₹ 2230 crore (34 *per cent*) respectively. The decrease in Capital Expenditure as compared to budget estimate is not a good sign in a developing State with poor infrastructural levels. Further, the fiscal deficit and primary deficit were less than the budget estimates by ₹ 6650 crore (91 *per cent*) and ₹ 5759 crore (172 *per cent*) respectively.

## 1.2 Resources of the State

### 1.2.1 Resources of the State

Revenue and Capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of Tax Revenues, Non-Tax Revenues, State's share of Union Taxes and Duties and Grants-in-aid from the Government of India (GoI). Capital Receipts comprise miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI as well as accruals from Public Account. **Table 1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.2** depicts the trends in various components of the receipts of the State during 2005-11. **Chart 1.3** depicts the composition of resources of the State during the current year.



During 2006-2011, total receipts increased by 60 per cent from ₹ 30357 crore in 2006-07 to ₹ 48556 crore in 2010-11, of which increase of revenue receipts was by 85 per cent from ₹ 18033 crore to ₹ 33276 crore during the period due to higher collection of State's own taxes as well as increases in central tax transfers and grants-in-aid from GoI. The share of revenue receipts as percentage of total receipts increased steadily from 59 per cent in 2006-07 to 69 per cent in 2010-11. The share of Capital Receipts witnessed a fall from eight per cent in 2006-07 to five per cent in 2010-11. The percentage share of Public Account receipts to the total receipts declined from 33 per cent in 2006-07 to 25 per cent in 2010-11. The rate of growth of revenue receipts varied from 28 per cent in 2006-07 to 26 per cent in 2010-11. Revenue buoyancy ratio also varied from 1.53 in 2006-07 to 1.104 in 2010-11.

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

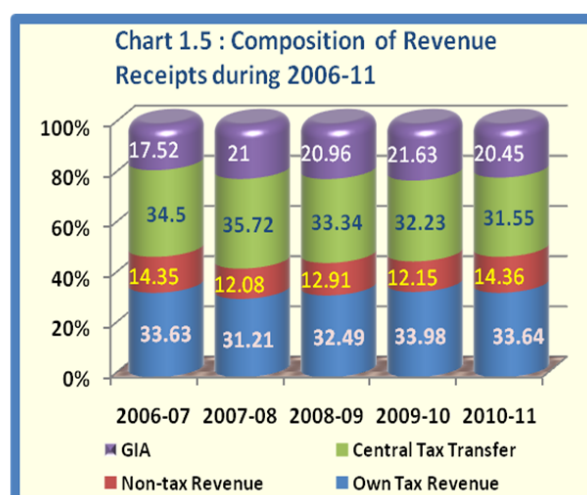
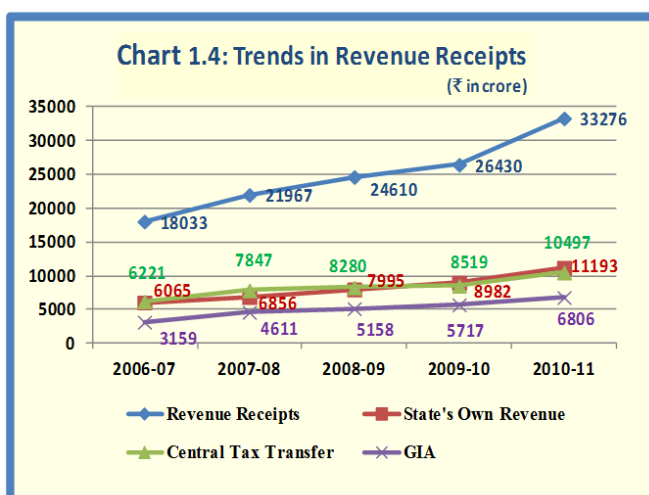
The 13<sup>th</sup> FC has recommended that the public expenditure through creation of fund outside the Consolidated Fund by diverting from the Budget and operated outside the authority of legislature need to be discouraged as these irregular arrangements bypass the oversight of the State Legislature.

The Central Government has been transferring a sizeable amount of funds directly to the State implementing agencies for the implementation of various central schemes/programmes and externally-aided projects in social and economic sectors recognised as critical. As these funds are not routed through the State budget/State Treasury system, annual Finance Accounts do not capture the flow of these funds and to that extent, State's receipts and expenditure as well as other fiscal variables/parameters derived from them are vitiated.

To present a holistic picture on availability of aggregate resources, funds directly transferred by GoI to State implementing agencies during 2010-11 are calculated at ₹ 6257.85 crore as against ₹ 3637.86 crore in 2009-10 (*Appendix-1.5*) for implementation of various centrally sponsored plan schemes which, among others, included ₹ 731.78 crore (Sarva Shiksha Abhiyan), ₹ 450.08 crore (Rural Housing Scheme (IAY), ₹ 1561.86 crore (National Rural Employment Guarantee Scheme), ₹ 2046.10 crore (Pradhan Mantri Gram Sadak Yojana) etc. Considering that the direct transfers are so large (19 per cent of State's revenue receipts), it is imperative that the end use of this fund is monitored in a timely and efficacious manner by both the Union and State Governments so that the intended outcomes are actually realized economically and efficiently. However, direct transfers from the GoI to the State implementing agencies run the risk of poor oversight. Funds flowing directly to the implementing agencies through off-budget route inhibit FRBM Act requirements of transparency and escape accountability. There is no single agency monitoring the use of these funds and no data is readily available on the amounts spent in any particular year on major flagship and other important schemes. Unless uniform accounting practices are followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers. The State Government has to put in place an appropriate mechanism to ensure proper accounting of these funds.

### 1.3 Revenue Receipts

Statement 11 of the Finance Accounts depicts the Revenue Receipts of the Government. The Revenue Receipts consist of its own Tax and Non-Tax revenues, central tax transfers and grants-in-aid from GoI. The trends and composition of revenue receipts over the period 2006-11 are shown in *Appendix 1.4* and also depicted in **Chart 1.4** and **1.5** respectively.



Revenue receipts showed progressive increase from ₹ 18033 crore in 2006-07 to ₹ 33276 crore in 2010-11 at an average growth rate of 85 per cent. On an average, 48 per cent of revenue came from States own resources and the balance was from GoI in the form of States share of taxes and grants-in-aid. An increase of ₹ 2211 crore (25 per cent) in own tax revenue, ₹ 1568 crore (49 per cent) in Non-Tax revenue, ₹ 1978 crore (23 per cent) in State's share in Union Taxes and Duties and ₹ 1089 crore (19 per cent) in GoI's grants-in-aid resulted in increase of ₹ 6846 crore in revenue receipts during 2010-11 over the previous year.

Though there was increase in revenue receipts from 2006-07(₹ 18033 crore) to 2010-11 (₹ 33276 crore), yet the annual growth rate has come down from 28 per cent in 2006-07 to 26 per cent in 2010-11.

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

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

	2006-07	2007-08	2008-09	2009-10	2010-11
Gross State Domestic Product (GSDP) (₹ in crore)	93374(Q)	106466(A)	122165	150946(A)	186356(A)
Revenue Receipts (RR) (₹ in crore) **	18033	21967	24610	26430	33276
Rate of growth of RR (per cent)	28.03	21.82	12.03	7.40	25.90
R R/GSDP (per cent)	19.31	20.63	20.14	17.51	17.86
<b>Buoyancy Ratios<sup>2</sup></b>					
Revenue Buoyancy with respect to GSDP	1.535	1.556	0.816	0.314	1.104
State's Own Tax Buoyancy with respect to GSDP	1.163	0.930	1.127	0.524	1.049

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

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

Revenue Buoyancy widely fluctuated during the period due to fluctuations in the growth rate of revenue receipts. The growth rate of revenue receipts was highest in 2006-07. In the next three years, the lower growth rate of revenue receipts relative to GSDP pushed the revenue buoyancy ratio down. Revenue buoyancy ratio which was at its lowest at 0.314 in 2009-10 increased to 1.104 during 2010-11 due to increase in growth rate of revenue receipts.

During 2010-11, Central tax transfers increased by ₹ 1978 crore over previous year and constituted 32 per cent of revenue receipts during 2010-11. The increase was mainly under Corporate Tax (₹ 597 crore), Taxes on Income other than Corporation Tax (₹ 215 crore), Customs (₹ 643 crore) and Union Excise Duties (₹ 375 crore). The grants-in-aid from GoI increased by ₹ 1089 crore from ₹ 5717 crore in 2009-10 to ₹ 6806 crore in 2010-11. The increase was under grants for Non-Plan schemes (₹ 482 crore), State Plan schemes (₹ 502 crore), Central Plan schemes (₹ 105 crore).

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



Besides, the GoI released ₹ 874.69 crore against ₹ 902.13 crore recommended by 13<sup>th</sup> FC under Non-Plan grant (Table 1.4). The release of such grant vis-à-vis the recommendation of 13<sup>th</sup> FC during 2010-11 was for the following purposes.

**Table 1.4: Release of 13<sup>th</sup> FC grants by GoI**

Purpose	(₹ in crore)		
	Amount recommended by 13 <sup>th</sup> FC	Amount released by GoI	Shortfall in release
Disaster relief	293.69	293.69	0
Capacity Building	5.00	5.00	0
Grants to local bodies {Panchayati Raj Institutions (PRIs), Urban Local Bodies (ULBs) and Special Area Grant }	309.15	305.56	3.59
Elementary Education	170.00	170.00	0
Grants for improving outcomes :			
(i) Judiciary delivery	38.72	38.72	0
(ii) Incentive for issuing UID	35.70	17.85	17.85
(iii) Improvement of Statistical System	6.00	0	6.00
(iv) Employees and Pension Data Base	2.50	2.50	0
Environment related grant (Forest)	41.37	41.37	0
<b>Total</b>	<b>902.13</b>	<b>874.69</b>	<b>27.44</b>

Source: Finance Account 2010-11

There was a shortfall in release of grants by GoI under (i) grants to local bodies (PRIs, ULBs and Special Area Grant - ₹ 3.59 crore), incentive for issuing UID (₹17.85 crore) and improvement of statistical system (₹ 6.00 crore).

Reasons for shortfall though called for (September 2011) from the Finance Department has not been made available to Audit (October 2011).

### 1.3.1 State's Own Resources

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

The gross collection in respect of State's major taxes and duties as well as the components of Non-Tax receipts vis-à-vis budget estimates, the expenditure incurred on their collection and the percentage of such expenditure to the gross collection during the years 2008-09 to 2010-11 along with the respective all India averages are presented in *Appendix-1.6*

#### 1.3.1.1 Tax Revenue

The compound annual growth rate (CAGR) of tax revenue for 2001-10 of the State was higher as compared to other general category States (*Appendix 1.1*). The tax revenue during the current year (₹ 11193 crore) increased by over 25 per cent over the previous year (₹ 8982 crore). The revenue through Taxes on Sales, Trade etc. (₹ 6807 crore) was the main source of State's own tax revenue and registered an increase of 26 per cent (over the previous year) followed by increase under State Excise (₹ 1094 crore) by 29 per cent, Taxes on Goods and Passengers (₹ 1111 crore) by 36 per cent, Taxes on Vehicles (₹ 728 crore) by 19 per cent, Stamps and Registration fees (₹ 416 crore) by 16 per cent and Land Revenue (₹ 391 crore) by 34 per cent over the previous year. The projection furnished by the State Government to

13<sup>th</sup> FC is ₹ 53409 crore for 2010-15. The trend of increase was impressive and if the same trend continued, the State could easily reach the projected figure.

The growth rate of Own Tax Revenue (OTR) with respect to GSDP was six *per cent* in 2010-11. To achieve the target of 7.5 *per cent* by 2014-15 as projected to 13<sup>th</sup> FC (Para 7.6 of the recommendations), the State Government will have to take appropriate steps to gear up their OTR.

### 1.3.1.2 Non-tax Revenue

The Compound Annual Growth Rate (CAGR) of non tax revenue for 2001-10 of the State was also higher as compared to General Category States (*Appendix 1.1*). Own Non-Tax Revenue (ONTR) (₹ 4780 crore) which constituted 14 *per cent* of Revenue Receipts during 2010-11 increased by ₹ 1568 crore (49 *per cent*) over previous year. The increase was mainly under Miscellaneous General Services by ₹ 401 crore, Non-Ferrous Mining and Metallurgy Industries ₹ 1308 crore and Forestry and Wild Life by ₹ 49 crore set off by decrease in Interest Receipts by ₹ 118 crore, Dividends and Profits by ₹ 149 crore and Other Administrative Service by ₹ 45 crore and despite non-receipt of grant from GoI under the Debt Consolidation Relief Facility (DCRF) scheme as was received during the previous year under the recommendation of the Twelfth Finance Commission (₹ 381.80 crore). The growth was impressive.

The mobilization of OTR and ONTR during 2010-11 (**Table 1.5**) exceeded the normative assessment of 13<sup>th</sup> FC and State Government in its MTFP as below

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

	Assessment made by 13 <sup>th</sup> FC	Assessment made by State Government in MTFP	Actuals
State's own Tax Revenue	10709	10360	11193
State's own Non-Tax Revenue	2256	3166	4780

### 1.3.2 Under assessment/short levy and loss of revenue

Cases of under assessment/ short levy and loss of revenue aggregating ₹ 2200.85 crore (183395 cases) as revealed from the test check of records of 330 audited offices during 2010-11 are depicted in **Table 1.6**.

**Table 1.6: Cases of under assessment and short levy of revenue for the year 2010-11.**

Sl No	Nature of Receipts	Name of the Department	No. of units checked	No of cases	Amount (₹ in crore)
1	VAT/Entry Tax/ Central Sales Tax	Finance	60	274	91.51
2	Taxes on Motor Vehicles	Transport	27	171253	71.77
3	Land Revenue	Revenue and Disaster Management	129	7387	147.20
4	Stamp Duty and Registration Fees			818	3.31
5	Forest Receipt	Forest and Environment	59	2617	8.93
6	Mining Receipt	Steel and Mines	15	226	932.32
7	State Excise	Excise	15	440	22.90
8	Other Departmental Receipt	Finance, Energy, General Administration (Rent) and Steel and Mines	25	380	922.91
	<b>TOTAL</b>		<b>330</b>	<b>183395</b>	<b>2200.85</b>

Source: C&AGs Audit Report (Revenue Receipts) for the year ended 31 March 2011 on Government of Odisha

Major amounts of under assessment and short levy of revenue noticed were in Steel and Mines Department, Other Departmental receipts (Finance, Energy, and General Administration) and Revenue and Disaster Management Department.

The State Government should immediately initiate corrective action for recovery of these revenues along with interest.

### 1.3.3 Revenue Arrears

Arrears of revenue pending recovery as at the end of 31 March 2011 worked out to ₹ 1858.04 crore is given in **Table 1.7**.

**Table:1.7: Cases of arrears of revenue during the year 2010-11**  
(₹ in crore)

Sl No.	Name of the Department	Nature of Revenue	Amount of Arrears as on 31 March 2011	Remarks
1.	Finance	(i) Sales Tax / VAT	1489.55	The arrears are due to recoveries stayed by Departmental authorities and Courts.
		(ii) Entertainment Tax	7.03	
		(iii) Luxury Tax	0.01	
		(iv) Professional Tax	1.77	
2.	Revenue and Disaster Management	(i) Land Revenue	24.23	Arrears on account of rent, cess, nistar cess, sairat etc.
		(ii) Stamps and Registration fees	74.25	
3.	Excise	State Excise	21.40	Not available.
4.	Energy	Taxes and Duties on Electricity	10.50	Due to certificate proceedings and litigation pending in various judicial authorities.
5.	Commerce and Transport	Taxes on Vehicles	229.30	Due to certificate proceedings and litigations pending in various judicial authorities etc.
		<b>Total</b>	<b>1858.04</b>	

Source: Finance Accounts 2010-11

For commercial viability of irrigation projects, the Twelfth Finance Commission (TFC) recommended cost recovery of maintenance expenditure at the rates of 60 per cent in 2006-07, 70 per cent in 2007-08, 80 per cent in 2008-09 and 90 per cent in 2009-10. The 13<sup>th</sup> FC similarly recommended 25 per cent in 2010-11 for the purpose of projection and revenues. The position of revenue receipts vis-à-vis the maintenance expenditure (**Table 1.8**) of irrigation projects during 2006-11 in the State was as below:

**Table 1.8: Cost recovery of maintenance expenditure**

(₹ in crore)

Year	Expenditure incurred under the Major Head of Account				Revenue receipt under the Major Head of Account				Shortfall (-) / excess (+) in cost of recovery at prescribed rates	Percentage of recovery
	2700 Major Irrigation	2701 Medium Irrigation	2702 Minor Irrigation	Total	0700 Major Irrigation	0701 Medium Irrigation	0702 Minor Irrigation	Total		
2006-07	105.83	18.08	72.81	196.72	1.51	48.24	4.46	54.21	(-) 63.82	60
2007-08	128.36	43.12	256.50	427.98	1.75	41.97	4.96	48.68	(-) 250.91	70
2008-09	84.49	45.89	152.36	282.74	1.85	45.56	5.32	52.73	(-) 173.46	80
2009-10	61.59	24.22	149.02	234.83	3.39	62.08	4.40	69.87	(-) 141.48	90
2010-11	285.87	49.65	104.90	440.42	95.89	37.80	9.11	142.80	(+) 32.69	25
<b>TOTAL</b>	<b>666.14</b>	<b>180.96</b>	<b>735.59</b>	<b>1582.69</b>	<b>104.39</b>	<b>235.65</b>	<b>28.25</b>	<b>368.29</b>	<b>596.98</b>	

Source: Finance Accounts for 2010-11.

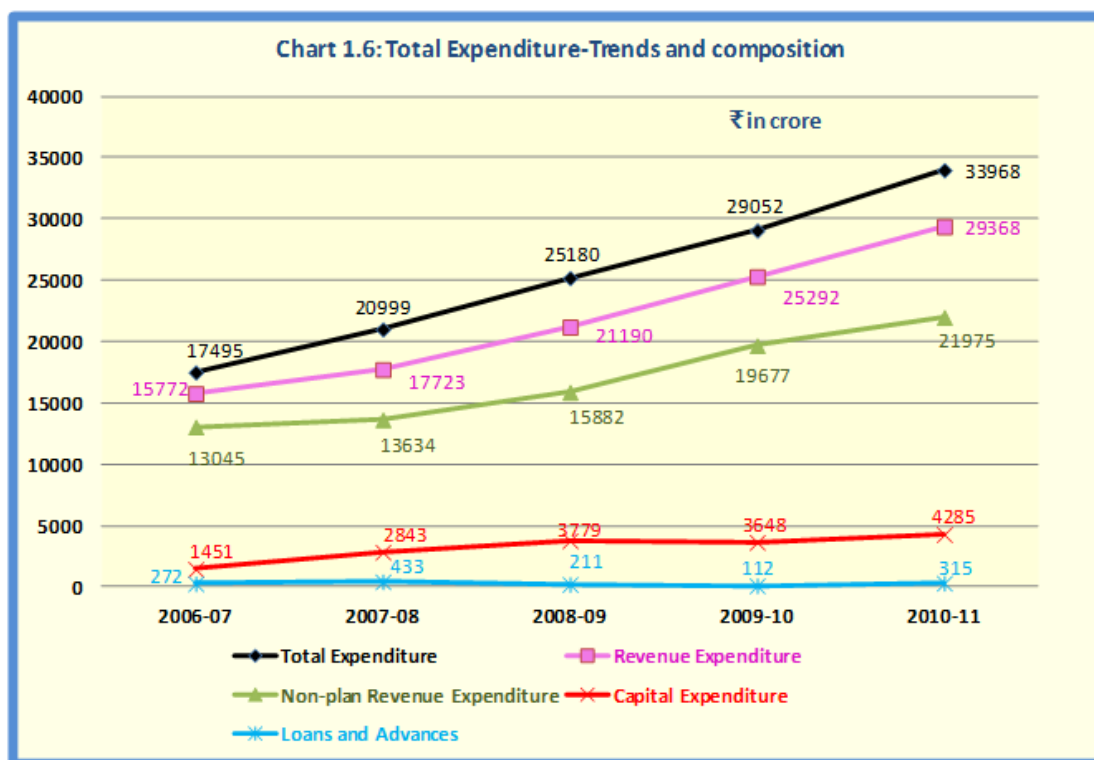
There was shortfall in recovery of maintenance cost at prescribed rates in all the years during 2006-10 which aggregated to ₹ 596.98 crore. However, the cost recovery during 2010-11 was 142.80 crore, which was higher by ₹ 32.69 crore than what was assessed by the 13<sup>th</sup> FC. This is a welcome effort, if persists.

### 1.4 Application of Resources

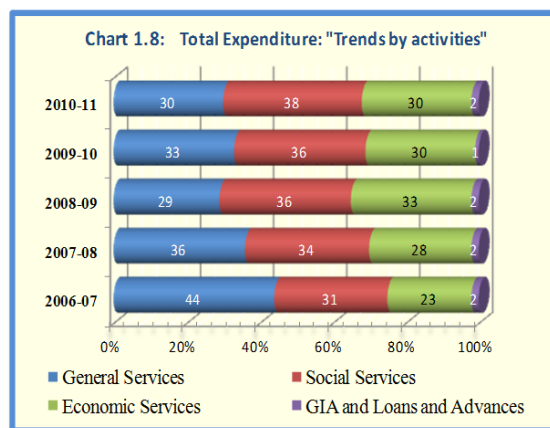
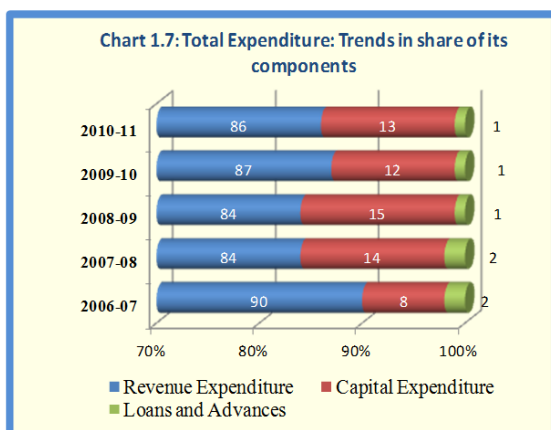
Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted to them. It is therefore important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially expenditure earmarked for development and social sectors.

#### 1.4.1 Growth and Composition of Expenditure

Chart 1.6 presents the trends in total expenditure over a period of five years (2006-11) and its composition both in terms of ‘economic classification’ and ‘expenditure by activities’ is depicted in Charts 1.7 and 1.8 respectively.



Total Expenditure of the State which includes Revenue Expenditure, Capital Expenditure and Loans and Advances increased from ₹ 17495 crore in 2006-07 to ₹ 33968 crore in 2010-11. The increase of ₹ 4916 crore in total expenditure in 2010-11 over the previous year was on account of an increase in Revenue Expenditure by ₹ 4076 crore together with increases by ₹ 637 crore in Capital Expenditure and ₹ 203 crore in disbursement of Loans and Advances. The total expenditure was 18.23 per cent of GSDP during 2010-11 as compared to 19.25 per cent during the previous year.



### 1.4.1.1 Total Expenditure

Total Expenditure (TE) consisted of expenditure on General Services including Interest Payments, Social and Economic Services, grants-in-aid and Loans and Advances. The movement of relative shares of the component of expenditure indicated in **Chart 1.8** showed that the combined shares of Social Services and Economic Services increased from 54 *per cent* in 2006-07 to 68 *per cent* in 2010-11 in total expenditure, which was set off by decreases in the respective share of General Services and of Loans and Advances.

### 1.4.1.2 Revenue Expenditure

Revenue Expenditure (RE) is incurred to maintain the current level of services and payment of the past obligation and as such does not result in any addition to the State's infrastructure and service network. Revenue Expenditure had a predominant share of 90 *per cent* of total expenditure in 2006-07 which fell to 86 *per cent* in 2010-11. However, it increased by 16 *per cent* from ₹ 25292 crore in 2009-10 to ₹ 29368 crore in 2010-11 in absolute terms. *However, Revenue Expenditure was below the projection of MTFP (₹ 32482 crore).*

### 1.4.1.3 Non-Plan Revenue Expenditure

Non-Plan Revenue Expenditure (NPRE) as a proportion of Revenue Expenditure, increased from ₹ 13045 crore in 2006-07 to ₹ 21975 crore (68 *per cent*) in 2010-11. Out of the total increase of ₹ 4076 crore in Revenue Expenditure during the current year over the previous year, increase in NPRE contributed 56 *per cent* (₹ 2298 crore) and the remaining ₹ 1778 crore (44 *per cent*) was the Plan Revenue Expenditure (PRE). The increase in NPRE during the current year was mainly on Education, Sports and Culture (₹ 481 crore), Social Welfare and Nutrition (₹ 337 crore), Water Supply and Sanitation, Housing and Urban Development (₹ 154 crore) and Agriculture and Allied Activities (₹ 181 crore). The NPRE has exceeded 13<sup>th</sup> FC's normative assessment by ₹ 4292 crore though it remained within the Budget Estimate (₹ 24361 crore) for 2010-11 (**Table 1.9**) as indicated below.



**Table 1.9: Comparative assessments of RE and NPRE and per cent of GSDP**

	Assessment made by 13 <sup>th</sup> FC	Assessment made by Government in MTFP	Budget Estimate for 2010-11	Actual in 2010-11
Revenue Expenditure	Not available	32482 (17.43)	32482 (17.43)	29368 (15.76)
NPRE	17683) (11.01)	24361 (13.07)	24361 (13.07)	21975 (11.79)

Note: Absolute amounts converted into percentage of GSDP (₹ 186356 crore) for 2010-11.

The NPRE constituted 65 per cent of the total expenditure of the State during 2010-11. Its ratio with Revenue Expenditure declined from 83 per cent in 2006-07 to 75 per cent in the current year which is a welcome development.

#### 1.4.1.4 Capital Expenditure

Capital Expenditure (CE) of the State as proportion of Total Expenditure ranged from eight per cent (₹ 1451 crore) in 2006-07 to ₹ 4285 crore (13 per cent) in 2010-11, which was far below the level of Capital Expenditure incurred by other General Category States on an average (vide paragraph 1.5.1). However, Capital Expenditure (CE) showed an increase of 17 per cent during 2010-11 over the previous year mainly on account of increase in expenditure on Education, Sports and Art and Culture (₹ 175 crore), Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Castes (₹ 261 crore), Special Area Programme (₹ 184 crore), Transport (₹ 367 crore) set off by decrease in expenditure on Water Supply and Sanitation, Housing and Urban Development (₹ 226 crore) and Industry and Minerals (₹ 320 crore). The CE during 2010-11, was 2.30 per cent of GSDP as against Government's projection of 2.68 per cent in the MTFP. The CE (₹ 4285 crore) was lesser by ₹ 171 crore against revised budget estimate (₹ 4456 crore) during the current year.

#### 1.4.2 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.10** and **Chart 1.9** present the trends in the expenditure on these components during 2006-11.

**Table-1.10: Components of Committed Expenditure**

	2006-07	2007-08	2008-09	2009-10	₹ in crore)	
					2010-11 BE	Actuals
Salaries* & Wages , Of which	4028 (22)	4582 (21)	6524 (27)	7945 (27)	11420 (30)	8969 (26)
Non-Plan Head	3816	4333	6220	7484	10394	8448
Plan Head**	212	249	304	461	1226	521
Interest Payments	3188 ( 18)	3169 (14)	2889 ( 12)	3044 (10)	3952 (11)	3061 ( 9)
Expenditure on Pensions	1485 (9)	1801 (8)	2075 ( 8)	3283 (11)	4403 (12)	4011 (12)
Subsidies	170 (0.9)	148 ( 0.7)	743 (3.02)	1008 (35)	1080 (3)	1310 (4)
<b>TOTAL</b>	<b>8871</b>	<b>9700</b>	<b>12231</b>	<b>15280</b>		<b>17351</b>

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

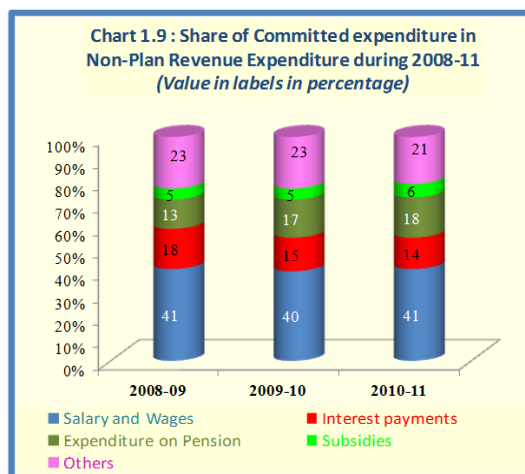
\* also includes the salaries paid out of Grants-in-aid

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

Source: Finance Accounts 2010-11 and Orissa Budget at a Glance 2011-12

### 1.4.2.1 Salaries

The expenditure on salaries increased from ₹ 4028 crore in 2006-07 to ₹ 8969 crore in 2010-11 accounting for nearly 27 per cent of revenue receipts and 41 per cent of the NPRE of the State Government during the year. The expenditure on salaries increased by ₹ 1024 crore (13 per cent) from ₹ 7945 crore in 2009-10 to ₹ 8969 crore in 2010-11. The increase of ₹ 1024 crore over the previous year was attributable mainly to payment of arrears on the basis of the recommendation of 6<sup>th</sup> Pay Commission and grant of annual increment at the rate of three per cent and dearness relief to the employees. However, the expenditure on salary as a percentage of Revenue Expenditure was 31 per cent during 2010-11 as against 42 per cent in 2009-10. However, the salary expenditure was ₹ 2455 crore more than the 13<sup>th</sup> FC assessment of ₹ 6514 crore for 2010-11 in absolute terms.



### 1.4.2.2 Interest Payments

The major source of borrowing was market loans at interest rates varying from six per cent to 12 per cent. The interest payments during the current year (₹ 3061 crore) increased marginally by ₹ 17 crore over the previous year's (₹ 3044 crore) and remained lower than the projections made in MTFP (₹ 3952 crore) and 13<sup>th</sup> FC (₹ 3674 crore) and Budget Estimates (₹ 3952 crore) for the year 2010-11. During 2010-11, the interest payments as percentage of total revenue receipts was nine per cent which was lower than the projections of 12.57 per cent in MTFP.

### 1.4.2.3 Pensions

The expenditure on pension steeply increased during 2006-07 to 2010-11 by 170 per cent from ₹ 1485 crore in 2006-07 to ₹ 4011 crore in 2010-11. It also increased by ₹ 728 crore from ₹ 3283 crore in 2009-10 to ₹ 4011 crore in 2010-11, being 22 per cent more than the previous year as against the 13<sup>th</sup> FC estimation of 10 per cent. The increase in the current year over the previous year was mainly on account of payment of pension and gratuity to Non-Government teachers of Secondary Schools and Colleges and leave salary encashment at enhanced rates on the basis of 6<sup>th</sup> Pay Commission recommendations. The State Government did not estimate yearly pension liabilities on actuarial basis. The pension payment during the current year was higher than the projection made by 13<sup>th</sup> FC (₹ 2634 crore) for the year<sup>3</sup> and MTFP (₹ 4403 crore) during the year.

The Government introduced a Defined Contributory Pension Scheme for all employees recruited on or after 1 January 2005 for managing the future pension liability. An amount of ₹ 40 crore, being the employees contribution, is kept under

<sup>3</sup> There are 2,64,861 different categories of state pensioners drawing pension.  
**Source:** Finance Accounts – Statement No-12

Public Accounts (8432-Other Deposits). However, the State Government's contribution was yet to be credited to the account.

#### 1.4.2.4 Subsidies

The State Government has been giving subsidies to various corporations/ companies as well as to individuals in the form of food subsidy etc. The State Government in its MTFP for 2007-08, aimed to rationalize general subsidy and reduce their overall volume gradually at a rate of 10 *per cent* per annum beginning from 2005-06. However, the expenditure on subsidies increased from ₹ 1008 crore in 2009-10 to ₹ 1310 crore (over 33 *per cent*) in 2010-11 which included food subsidy of ₹ 932 crore due to introduction of rupees two a kilogram of rice for the people living below poverty line and other subsidies under Agriculture (₹ 72 crore) and Textile and Handloom (₹ 31 crore).

The 13<sup>th</sup> FC has made a normative assessment of ₹ 20 *per capita* for each of the year for food subsidy. Accordingly food subsidy should have been ₹ 84 crore taking into account the population of the State (4.19 crore) as against the ₹ 932 crore spent in 2010-11.

The circumstances under which recommendations of 13<sup>th</sup> FC was not taken onto account for limiting the quantum of subsidy was called for (October 2011) from the Finance Department. The Principal Secretary, Finance Department stated (October 2011) that providing rice at rupees two per kilogram was a safety net designed to protect the poor and vulnerable in a high inflation regime, since GoI was not providing any such assistance.

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

The quantum of assistance provided by way of grants to local bodies and others during the current year relative to the previous years is presented in the **Table 1.11** below:

**Table 1.11: Financial Assistance to Local Bodies etc.**

	(₹ in crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Educational institutions (aided schools, aided colleges, universities, etc.)	489	467	355	697	1722
Municipal Corporations and Municipalities	48	483	487	645	1168
Zilla Parishads and Other Panchayati Raj Institutions	1510	1535	2388	3062	3556
Development agencies	400	256	278	88	582
Other Institutions (Autonomous bodies)	972	1117	1914	2230	2058
<b>Total</b>	<b>3419</b>	<b>3858</b>	<b>5422</b>	<b>6722</b>	<b>9086</b>
Assistance as per percentage of RE	22	22	26	28	31

Source : H&UD, P.R Department and worked out from Group Heads compiled by the office of the Principal Accountant General (A&E)

The grants extended to local bodies and other institutions with inter year variations increased by 35 *per cent* from ₹6722 crore in 2009-10 to ₹9086 crore in 2010-11. The share of grants and loans to the revenue expenditure increased from 22 *per cent* in 2006-07 to 31 *per cent* in the current year. Another important trend was that the share of financial assistance increased by ₹ 1025 crores to educational institutions,

by ₹ 523 crores to Municipal Corporations and Municipalities, by ₹494 crores to Zilla Parishad and other Panchayatiraj institutions and by ₹494 crore to Development agencies as compared to the previous year. However assistance to other institutions (Autonomous bodies) decreased by ₹172 crore. Hence, transfer of funds to local bodies in terms of the 73<sup>rd</sup> and 74<sup>th</sup> amendment of the Constitution and subsequent prescriptions from Government of India is on the rise which is a welcome development. This needs to be further augmented and expedited.

### 1.5 Quality of Expenditure

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

#### 1.5.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to the social sector and the economic infrastructure assigned to the State Governments are largely State subjects. Enhancing human development levels requires the States to step up their expenditure on key social services like education, health etc. Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if it is below the respective national average. **Table 1.12** analyses the fiscal priority of the State Government with regard to development expenditure, social expenditure and capital expenditure during 2010-11.

**Table 1.12: Fiscal Priority and Fiscal capacity of the State in 2007-08 and 2010-11.**

Fiscal Priority by the State*	AE/GSDP	DE#/AE	SSE/AE	CE/AE	Education/AE	Health/AE
General Category States average (Ratio) 2007-08	17.09	64.28	32.54	16.14	14.64	3.98
Odisha State's average (Ratio) 2007-08	16.50	48.31	34.54	13.54	15.55	3.56
General Category States average (Ratio) 2010-11	16.68	64.29	36.68	13.25	17.39	4.34
Odisha State's average (Ratio) 2010-11	18.23	68.62	37.56	12.61	19.47	3.74

\* As per cent to GSDP

AE: Aggregate Expenditure, DE: Development Expenditure, SSE: Social Sector Expenditure, CE: Capital Expenditure

# Development expenditure includes Development Revenue expenditure, Development Capital Expenditure and Loans & Advance disbursed

#### Table 1.12 indicates the following:

1. Odisha spent a smaller proportion of its GSDP on Aggregate Expenditure in 2007-08 as compared to general category states but during 2010-11 Odisha has spent higher proportion of its GSDP as Aggregate expenditure compared to general category States.
2. Development expenditure as a proportion of Aggregate Expenditure in Odisha was very low compared to the general category state's average during 2007-08, but there is a significant improvement in priority to development in 2010-11 as Odisha has spent more proportion on this account as compared to General Category states. Development expenditure consists of both economic service expenditure and social sector expenditure.

3. Capital expenditure however, seems to have been given less priority in the current year as well as in 2007-08. Increased priority to physical capital formation will further increase the growth prospects of the state by creating durable assets.
4. Odisha has given adequate priority to education sector and less priority to health sector as compared to general category states during 2007-08 as well as in current year based on the proportion of Aggregate Expenditure the state spends on these critical sectors.

### 1.5.2 Efficiency of Expenditure use

In view of the importance of public expenditure for attaining higher levels of social and economic development, it is important for the Government to take appropriate expenditure rationalisation measures so as to lay emphasis on provision of core public and merit goods<sup>4</sup>. Apart from improving the allocation towards development expenditure<sup>5</sup>, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years and which is further enlarged due to generation of a surplus on revenue account since 2005-06, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.13** presents the trends in Development Expenditure relative to the Aggregate Expenditure of the State during the current year vis-à-vis budgeted and the previous years, **Table 1.14** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

**Table 1.13: Development Expenditure**

Components of Development Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11	
					(BE)	(Actuals)
<b>Development Expenditure (a to c)</b>						
a. Development Revenue Expenditure (DRE)	7997 (46)	10145 (48)	13835 (55)	15600 (54)	24052 (62)	18999 (56)
b. Development Capital Expenditure (DCE)	1328 (8)	2711 (13)	3595 (14)	3470 (12)	4449 (11)	4051 (12)
c. Development Loans and Advances	138 (0.79)	301 (1.43)	122 (0.5)	89 (0.3)	NA	258 (0.8)
<b>TOTAL</b>	<b>9463</b>	<b>13157</b>	<b>17552</b>	<b>19159</b>	<b>28501</b>	<b>23308</b>

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

\*Source:- Odisha Budget at a Glance 2010-11 and Finance Accounts 2010-11.

<sup>4</sup> Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

<sup>5</sup> The analysis of expenditure data is disaggregated into development and non development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorised into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.



Development Expenditure comprising revenue, capital and expenditure on loans and advances on socio-economic services increased from ₹ 9463 crore in 2006-07 to ₹ 23308 crore in 2010-11. As a percentage of total expenditure, it increased from 54 per cent in 2006-07 to 69 per cent in 2010-11.

It would be seen from the above that Development Revenue Expenditure which was ₹ 7997 crore during 2006-07 rose to ₹ 18999 crore during 2010-11, a growth of nearly 138 per cent.

During 2010-11 while Development Revenue Expenditure increased by ₹ 3399 crore (22 per cent) in absolute terms, Development Capital Expenditure increased by ₹ 581 crore (17 per cent) over the previous year.

The increase in Development Revenue Expenditure during 2010-11 over the previous year was mainly due to increase under Education (₹ 883 crore), Health and Family Welfare (₹ 98 crore), Agriculture and allied activities (₹ 587 crore), Transport (₹ 103 crore), Irrigation and Flood Control (₹ 151 crore) and Energy (₹ 110 crore). The increase in Capital Expenditure during 2010-11 over the previous year was mainly due to increase under Education (₹ 174 crore) and Welfare of SC/ST (₹ 261 crore), Irrigation and Flood control (₹ 84 crore) and Transport (₹ 367 crore) etc.

**Table 1.14: Efficiency of Expenditure Use in Selected Social and Economic Services**

(In per cent)

Social / Economic Infrastructure	2009-10			2010-11		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S & W	O&M		S&W	O &M
<b>Social Services (SS)</b>						
General Education	0.15	61.76	NA	2.81	58.39	NA
Health and Family Welfare	2.10	74.90	NA	2.25	80.68	NA
Water Supplies, Sanitation & Housing & Urban Development	32.03	8.45	34.41	13.84	7.61	77.05
<b>Total (SS)</b>	<b>5.38</b>	<b>47.77</b>	<b>2.70</b>	<b>6.15</b>	<b>44.00</b>	<b>6.15</b>
<b>Economic Services (ES)</b>						
Agriculture & Allied Activities	4.03	31.22	NA	2.75	26.31	NA
Irrigation and Flood Control	71.31	23.10	8.68	67.73	20.79	35.34
Power & Energy	8.55	3.24	NA	16.86	1.63	0.91
Transport	49.45	0.42	NA	55.18	0.39	NA
<b>Total (ES)</b>	<b>33.38</b>	<b>20.76</b>	<b>0.92</b>	<b>30.96</b>	<b>18.39</b>	<b>3.85</b>
<b>Total (SS+ES)</b>	<b>18.11</b>	<b>37.80</b>	<b>2.04</b>	<b>17.38</b>	<b>34.46</b>	<b>5.29</b>

TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages; O&M: Operations & Maintenance. O&M figures are not available in General Education, Health and Family Welfare, Agriculture & Allied Activities and Transport Departments.

Source: Finance Accounts of Government of Odisha

Access to basic education, health services and drinking water and sanitation facilities are strong indicators of socio economic progress. Further, expenditure on economic services includes all such services that promote directly and indirectly productive capacity within the State by improving the quality of human resources. Therefore, it is pertinent to make an assessment with regard to expansion and efficient provision of these services in the State. **Table 1.14** summarizes percentage of expenditure under different components of economic and social services sectors incurred by the

State Government in expanding and maintaining social and economic services in the State during 2009-10 and 2010-11.

Even though the share of CE to TE has declined in respect of Water Supplies, Sanitation and Housing and Urban Development (in Social Services), and Agriculture and Allied Activities and Irrigation and Flood Control (in Economic Services) during 2010-11 as compared to the previous year, the Operation and Maintenance expenditure has substantially increased in Water Supplies and Sanitation and Irrigation and Flood Control by reduction in salary and wages share to TE.

As seen from Appendix 1.3, the expenditure on Social Services during 2010-11 (₹ 12706 crore) constituting 37 *per cent* of total expenditure (₹ 33968 crore) increased by 22 *per cent* over the previous year's expenditure (₹ 10401 crore) while development expenditure (₹ 23308 crore), which was 55 *per cent* of total expenditure, had also increased by 22 *per cent* over the previous year (₹ 19159). Operation and maintenance expenditure increased only by 3.45 *per cent* indicating that Revenue Expenditure on salaries continued to share a dominant proportion of Revenue Expenditure on Social Services (44 *per cent*). The Capital Expenditure on Social Services relative to the total expenditure showed a marginal increase (0.77 *per cent*) over the previous year. The revenue expenditure on Social Services of ₹ 11922 crore during the current year registered a significant increase of ₹ 2084 crore (21 *per cent*) over the previous year's ₹ 9838 crore.

It was observed that the salary component in Education decreased by 3.37 *per cent* whereas Health & Family Welfare registered growth rate of 5.78 *per cent* over the previous year.

The expenditure on Economic Services includes all such expenditure that promotes directly or indirectly, productive capacity within the State's economy. During 2010-11, total expenditure under economic services (₹ 10459 crore) increased by 21 *per cent* over previous year of ₹ 8709 crore. The expenditure on total economic services (₹ 10459 crore) accounted for 31 *per cent* of total expenditure and 45 *per cent* of development expenditure. However, the ratio of CE/TE decreased by 2.42 *per cent* over that of previous year indicating that capital expenditure seems to have been given less priority in the developmental plan of the State, which has the potential of adversely affecting the growth prospects of the State in the long run.

### 1.5.3 Effectiveness of the Expenditure

Besides stepping up the expenditure on key social and economic services, enhancing human development requires the State to improve the delivery mechanism to obtain the desired outcomes. The State Government is expected to relate expenditure to outcomes in terms of quality, reach and the impact of government expenditure. Details of outcome of the Central as well as State Government flagship programmes under implementation in the State is given at *Appendix 1.7*.

## 1.6 Financial Analysis of Government Expenditure and Investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit not only at low levels but also meet its Capital Expenditure/Investment (including Loans and Advances) requirement from out of its own source of revenue. In addition, in a transition to complete dependence on market based resources, the State Government needs to initiate measures to earn adequate return on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year vis-à-vis previous years.

### 1.6.1 Financial Results of Irrigation Works

The financial results of 57 irrigation projects (12-major and 45-medium projects) with a capital expenditure of ₹ 3517.58 crore at the end of March 2011 showed that an amount of ₹ 102.11 crore was realized from these projects during 2010-11 by way of sale of water to industries against the direct working expenses of ₹ 169.47 crore. After meeting the working and maintenance expenditure (₹ 170.22 crore) and interest charges (₹ 242.55 crore), the schemes suffered a net loss of ₹ 312.03 crore.

Government will have to take appropriate steps for levy of user charges. One option is to increase the water rate meant for sale to industries. Principal Secretary, Finance Department stated (October 2011) that the industrial water rate had been increased with effect from 1<sup>st</sup> October 2011 and the revenue stream/ collection had increased substantially as a result of the same.

### 1.6.2 Incomplete Projects

The department-wise information pertaining to incomplete time overrun projects as on 31 March 2011 is given in **Table 1.15** as per the information furnished to Audit by the concerned Departments.

**Table 1.15: Department-wise profile of incomplete projects**

(₹ in crore)					
Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Total Cost of Projects	Cost over-runs	Cumulative Actual Expenditure as on 31 March 2011
Sports and Youth Affairs	3	7.66	11.40	3.74	6.93
Water Resources	4	31.29	32.49	1.20	29.53
Works	9	79.50	90.84	11.34	42.91
Tourism	7	44.49	44.49	0	32.74
Housing & Urban Development	18	60.69	71.42	10.73	48.14
Rural Development	64	162.01	162.01	0	129.21
Industries	7	9.72	12.83	3.11	5.92
<b>Total</b>	<b>112</b>	<b>395.36</b>	<b>425.48</b>	<b>30.12</b>	<b>295.38</b>

**Source:** Details supplied by the respective Departments of Government of Odisha.

Out of these, the delay in completion of 41 projects has resulted in cost overrun of ₹ 30.12 crore as at the close of the current year (2010-11). All the above 112 projects were lying incomplete due to non-availability of adequate funds and required land sites. The amount blocked in these projects was 13 *per cent* of the cumulative outlay of those departments. Due to non completion of projects the benefits to be accrued to the society delayed.

### 1.6.3 Investment and Returns

As of 31 March 2011, Government had invested ₹ 2190.37 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (**Table 1.16**). The returns from these investments were negligible in absolute terms. The average return on this investment was 8.44 *per cent* in the last five years (4.64 *per cent* during 2010-11) while the Government paid an average interest rate of 7.39 *per cent* to 8.18 *per cent* on its borrowings during 2006-07 to 2010-2011.

**Table 1.16: Return on Investment**

Year	2006-07	2007-08	2008-09	2009-10	2010-11
Investment at the end of the year	1652.14	1681.95	1771.20	2106.95	2190.37
Return	49.39	140.93	252.85	250.78	101.58
Percentage of return	2.99	8.38	14.27	11.90	4.64
Average rate of interest on Government borrowing	8.18	8.13	7.44	7.63	7.39
Difference between interest rate and return	5.19	(-)0.25	(-)6.83	(-)4.27	(+)2.75

The investment of State Government at the end of 2010-11 included ₹ 1826.17 crore in 83 Public Sector Undertakings (PSU) comprising 80 Government Companies (₹ 1333.71 crore) and three Statutory Corporations (₹ 492.46 crore). However, dividend of ₹ 101.58 crore was received from one Statutory Corporations (Odisha State Warehousing Corporation, Bhubaneswar: ₹ 13 lakh), three Government Companies (Odisha Mining Corporation Limited: ₹ 100 crore and Odisha State Cashew Development Corporation Limited: ₹ 46 lakh and Industrial Development Corporation ₹ 31 lakh) and Co-operative Banks (Orissa State Co-operative Bank ₹ 39 lakh, Orissa State Co-operative Land Development Bank ₹ 29 lakh) during 2010-11. Thus, the contribution of Odisha Mining Corporation constituted 98.44 *per cent* of the total return received. Therefore, in essence, two Statutory Corporations, 77 Government Companies and 29 Co-operative Societies where 490.70 crore, 1242.54 crore and 320.98 crore had already been invested and which comprised 94 *per cent* of the total Government investments did not return any dividend to the Government for its equity holdings. The Grid Corporation with accumulated loss of ₹ 101.25 crore as of 2008-09, the Odisha State Road Transport Corporation with ₹ 228.02 crore as of 2007-08, the Odisha State Financial Corporation with ₹ 375.75 crore of loss as of 2009-10 and the Odisha Forest Development Corporation with ₹ 159.20 crore loss as of 2008-09 were among the major loss making PSUs in the State.

As per information furnished in the Odisha Budget at a Glance 2011-12, there are 32 working public sector undertakings in the State. The other 51 PSUs are, therefore, non-working. The Thirteenth Finance Commission recommended the State

Government to draw up a road map for closure of non-working PSUs by March 2011 which the State Government had not done as of March 2011.

### 1.6.4 Loans and Advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions / organizations. The Loans and Advances by the State Government increased by ₹ 281 crore from ₹ 3133 crore in 2009-10 to ₹ 3414 crore in 2010-11. Major portion of loans advanced during 2010-11 was to Orissa Grid Corporation (₹ 205 crore), Government servants (₹ 53.13 crore) and to Public Sector and other Undertakings (₹ 44.30 crore). **Table 1.17** presents the outstanding loans and advances as on 31 March 2011 and interest receipts vis-à-vis interest payments during the last three years.

**Table 1.17: Average Interest Received on Loans Advanced by the State Government**

	(₹ in crore)		
Quantum of Loans/Interest Receipts/ Cost of Borrowings	2008-09	2009-10	2010-11
<b>Opening Balance</b>	<b>3403</b>	<b>3377</b>	<b>3133</b>
Amount advanced during the year	211	112	315
Amount repaid during the year	236	356	34
<b>Closing Balance</b>	<b>3377</b>	<b>3133</b>	<b>3414</b>
<i>Of which</i> outstanding balance for which terms and conditions have been settled			
Net addition	(-)25	(-)244	(+281
Interest Receipts	80	41	29
Interest receipts as <i>per cent</i> to outstanding Loans and advances	2.37	1.31	0.85
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	7.38	7.50	7.26
Difference between interest payments and interest receipts ( <i>per cent</i> )	(-)5.01	(-)6.19	(-)6.41

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

Loans outstanding as of 31 March 2011 aggregated ₹ 3414 crore. Interest spread of government borrowings was negative during 2009-11 which meant that the state borrowings were more expensive than the loans advanced by it As per information furnished by 11 out of 25 departments of the State Government as on 31 March 2011, recovery of ₹ 441.44 crore (principal ₹ 177.84 crore and interest ₹ 263.60 crore) was overdue as at the end of 2010-11.

### 1.6.5 Cash Balances and Investment of Cash Balances

**Table 1.18** depicts the cash balances and investments made by the State Government out of cash balances during the year.



**Table 1.18: Cash Balances and Investment of Cash balances**

Particulars	As on 1 April 2010	As on 31 March 2011	Increase(+)/ Decrease(-)
<b>Cash Balances</b>			
Investments from Cash Balances (a to d)	4803.59	5594.57	790.98
a. GoI Treasury Bills	4766.75	5554.07	787.32
b. GoI Securities	36.84	40.50	3.66
c. Other Securities, if any	---	----	---
d. Other Investments	---	----	---
Funds-wise Break-up of Investment from Earmarked balances (a to c)	4813.00	4813.00	-----
a. Sinking Fund Investment	4333.00	4333.00	-----
b. Guarantee Redemption Fund Investment	480.00	480.00	---
c. Calamity Relief Fund Investment	---	---	---
Interest Realized	335.49	226.72	(-)108.77

Source : Finance Accounts 2010-11

In line with the recommendation of the Eleventh Finance Commission, the State Government set up a Sinking Fund with effect from January 2003 for amortisation of market borrowings as well as other loans and debt obligations. The MTFP made a projection for a provision of investment in the Sinking Fund at the rate of two *per cent* of the total outstanding debt at the end of each year. As on 31 March 2011, the investment in the Sinking Fund remained constant at ₹ 4333 crore and no further addition was made during 2010-11 although there was outstanding fiscal liability of ₹ 42191 crore as of 31 March 2011.

The State Government maintained more than the mandated minimum cash balance (₹ 1.28 crore) including the cash balance investment in GoI treasury bills with the Reserve Bank of India as on 31 March 2011. One option for prudent financial management would be to maintain optimum cash balances and use the surpluses to settle some of the high cost bonds instead of investing the same in GoI Treasury bills with Reserve Bank of India at a relatively lower rate (five *per cent*) of interest. The State Governments closing debt stocks of 2010-11 included 12 *per cent* Odisha Government Loan (OGL) 2011 (₹ 144 crore), 11.5 *per cent* OGL 2011 (₹ 79 crore), 10.35 *per cent* OGL 2011 (₹ 154 crore), 9.45 *per cent* OGL 2011 (₹ 300 crore) and 8.5 *per cent* special security to NSSF of Government of India (₹ 8456 crore). Had the Government utilised the opening cash balances of ₹ 4804 crore for repayment of debt, Government would have been saved ₹ 181 crore during the year. The 13<sup>th</sup> FC recommended (paragraph 7.127) that States with large cash balances to make efforts towards utilizing their cash balances to make efforts towards utilizing their cash balances before resorting to fresh borrowings.

The Principal Secretary, Finance Department stated (October 2011) that request for pre- payment of NSSF loan availed during 2007-11 carrying rate of interest of 9.5 *per cent* in 2010-11 and 2011-12 had not been acceded to by the GoI. However, the State Government should continue to pursue with GoI for improving investment profile of its surplus cash balances.

### 1.7 Assets and Liabilities

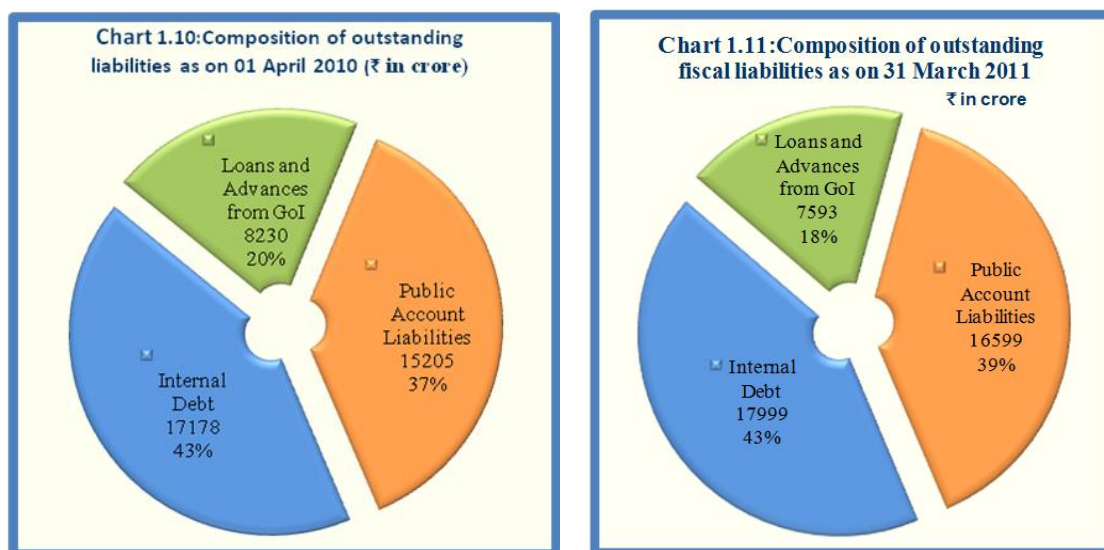
#### 1.7.1 Growth and composition of Assets and Liabilities

Under the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government Accounts does capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.8** gives an abstract of such liabilities and the assets as on 31 March 2011, compared with the corresponding position as on 31 March 2010. The liabilities consist mainly of internal borrowings, loans and advances from the GoI and receipts from the Public Account and Reserve Funds; the assets comprise mainly the capital outlay and loans and advances given by the State Government and instruments in which surplus cash is invested.

After 2006-07, Government has accumulated huge cash balances and liquidated the past liabilities especially GoI loans and also made significant improvement in their fiscal balances owing to increase in its own receipts and the central transfers which helped the State Government in improving the asset-liability ratio during these years. During the recent years assets have increased substantially. However, the ratio of assets to liabilities remained at 95 per cent (87 per cent in 2009-10) indicating that 5 per cent of liabilities still did not have an asset back-up in 2010-11 despite the revenue surplus which the State has recorded since 2005-06. However, the gap reduced by eight per cent over the previous year.

#### 1.7.2 Fiscal Liabilities

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



Fiscal liabilities as it stood on 1 April 2010 was ₹ 40613 crore comprising internal debt of ₹ 17178 crore (43 per cent), public accounts liability of ₹ 15205 crore (37 per cent) and loans and advance of ₹ 8230 crore (20 per cent) from GoI. However, it

increased by ₹ 1478 crore to ₹ 42191 crore as of 31 March 2011. The fiscal liabilities comprised internal debt of ₹ 17999 crore (43 *per cent*), public account of ₹ 16599 crore (39 *per cent*) and loans and advances of ₹ 7593 crore (18 *per cent*) as at the end of 2010-11. The internal debt of ₹ 17999 crore comprised mainly of market loans bearing interest (₹ 6160 crore), loans from National Bank of Agriculture and Rural Development (₹ 2126 crore) and special securities issued to National Small Savings Fund (₹ 8456 crore). The Thirteenth Finance Commission has recommended that by the year 2014-15, fiscal liability should be brought down to 25 *per cent* of GSDP. The Government has already been able to achieve this target during this year. The fiscal liabilities at the end of 2010-11 constituted 23 *per cent* of GSDP. This is a very good sign for the State's finances.

### 1.7.3 Status of Guarantees – Contingent Liabilities

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

As per Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table 1.19**.

**Table 1.19: Guarantees given by the Government of Odisha**

Guarantees	₹ in crore)		
	2008-09	2009-10	2010-11
Maximum amount guaranteed.	8380.25	8388.64	9788.62
Outstanding amount of guarantees.	1386.40	1026.93	2066.24
Percentage of maximum amount guaranteed to total revenue receipt of current year.	34.05	31.74	29.41
Percentage of outstanding guarantee to total revenue receipt of 2 <sup>nd</sup> preceding year less grants-in-aid as provided in the MTFP	9.32	5.91	10.62
<i>Criteria:</i> Shall not be more than 100 <i>per cent</i> of State's revenue receipt less grants-in-aid of the 2 <sup>nd</sup> preceding year as provided in Finance Department Resolution No 52214/F, dated 12 November 2002.	14874	17356	19452

Source : Finance Accounts of Government of Odisha for respective years

Though no law has been enacted under Article 293 of the Constitution laying down maximum limits for such guarantees, the State Government imposed (November 2002) an administrative limit in Finance Department Resolution No.52214/F, dated 12 November 2002 prescribing that the total outstanding guarantee as on 1 day of April every year was not to exceed hundred *per cent* of the State's revenue receipts of the 2<sup>nd</sup> preceding year (as per the books of account maintained by Principal Accountant General (A & E) Odisha). As per the above, the guarantee position was well within the norms laid down in the said resolution by ₹ 14874 crore, ₹ 17356 crore and ₹ 19452 crore during 2008-09, 2009-10 and 2010-11 respectively.

The Government has also set up a "Guarantee Redemption Fund" during 2002-03 to meet the contingent liabilities arising out of the total outstanding liabilities. As on 31

March 2011, ₹ 480 crore lay invested in the fund which comprised guarantee fee, special contribution and returns earned on the funds invested.

Guarantees were given in respect of four statutory corporations, 27 Government companies, 46 co-operative banks and societies and 86 Notified Area Councils, Municipalities and Improvement Trusts. Maximum amount guaranteed and the amount outstanding against these bodies showed a reducing trend till 2008-09 and increased marginally by rupees nine crore during 2009-10 but increased substantially by ₹ 1400 crore during 2010-11 as can be seen from the **Table 1.19** above due to guarantees given for short-term borrowings by the State PSU, Grid Corporation of Orissa (GRIDCO) for purchase of power to meet domestic demands against unanticipated drop in hydro-power generation within the State during that year due to less rainfall. Government in their resolution dated 19 March 2004 issued instruction to the Public Sector Undertakings/Urban Local Bodies/Co-operative Societies etc., who had borrowed or intended to borrow against Government guarantees to open an Escrow Account in a Nationalized Bank for timely repayment of guaranteed loans. As on 31 March 2011, Escrow Accounts have been opened by only 12 out of 88 such institutions.

The Principal Secretary, Finance Department, stated (October 2011) that the State Government has ensured opening of Escrow Account in respect of the institutions to which fresh guarantee was sanctioned. However, the reply did not indicate the action to be taken for opening of such Escrow Accounts in respect of institutions for which guarantees had been given earlier.

Further, in consideration of the guarantee given by the Government, the institutions in some cases are required to pay guarantee commission at rates varying from 0.01 per cent to one per cent. However, out of 27 departments only 14 departments of the State Government have furnished the information till July 2011. As per information supplied to us, Guarantee Commission or fee of ₹ 116.49 crore was in arrear from various sectors as shown in **Table 1.20**.

**Table 1.20: Guarantee Commission received/to be received by the Government.**

(₹ in crore)

Name of the Sector	Commission Received	Commission to be Received
Statutory Corporations and Boards	14.58	33.91
Government Companies	87.57	74.45
Co-op Banks and Societies	1.83	2.22
NACs, Municipalities and Improvement Trusts	8.74	5.91
<b>Total</b>	<b>112.72</b>	<b>116.49</b>

The State Government has also taken a number of steps to enhance the credibility of the State finances in the financial market. One such measure is discharging the State Government guarantees through one time settlement (OTS). So far, the State Government and various PSUs and Co-operatives have paid ₹ 741.19 crore under OTS schemes to discharge guarantee liabilities arising out of the default of loanee organisations.

### 1.7.4 Off Budget Borrowings

The borrowings of a State are governed under Article 293 of the Constitution of India. In addition to liabilities arising out of such direct borrowings the State guaranteed loans availed by the Government Companies/Corporations. These Companies/Corporations borrowed funds from the market/financial institutions for implementation of various State-run programmes projected outside the State budget. The repayment of principal and interest of these borrowings is the primary responsibility of the State Government because of the guarantee. This is called off-budget borrowing. Off budget borrowings are not permissible under Article 293(3) of the constitution but the State continued to undertake such off-budget borrowings up to 2006-07. An amount of ₹ 250.42 crore had been raised through off budget borrowings as of March 2007. However, the entire borrowings were found liquidated by 31st March 2008. No off budget borrowing was made during the year 2010-2011.

### 1.8 Debt Sustainability

The State Government does not have any separate debt management office. Debt management is dealt in Finance Department of the Government by a specific branch. Specific policy/strategy for debt management, if any adopted by the State Government, was not found to be on record.

Apart from the magnitude of the debt of the State Government, it is important to analyze various indicators that determine the debt sustainability<sup>6</sup> of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization<sup>7</sup>; sufficiency of non-debt receipts<sup>8</sup>; net availability of borrowed funds<sup>9</sup>; interest burden payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.21** analyses the debt sustainability of the State according to these indicators for the period of three years beginning from 2008-09.

<sup>6</sup> Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt

<sup>7</sup> A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.

<sup>8</sup> Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

<sup>9</sup> Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.



**Table 1.21: Debt Sustainability: Indicators and Trends**

Indicators of Debt Sustainability	₹ in crore)		
	2008-09	2009-10	2010-11
Debt Stabilization (Quantum Spread + Primary Deficit)	5121	7017	8929
Sufficiency of Non-debt Receipts (Resource Gap)	-1657	-1932 <sup>10</sup>	1608
Net Availability of Borrowed Funds	(-)2772	(-)1745	(-)1654
Burden of Interest Payments (IP/RR Ratio)	0.12	0.12	0.09
<b>Maturity Profile of State Debt (In Years)</b>			
0 – 1	1487	1701	2265
1 – 3	3961	4950	5079
3 – 5	4686	4938	5174
5 – 7	4587	3936	3143
7 and above	10526	9883	9928

Source: Finance Accounts 2010-11.

During the last three year period 2008-11, quantum spread together with primary deficit consistently remained positive resulting in a continuous decline in debt/GSDP ratio from 32 *per cent* in 2008-09 to 23 *per cent* in 2010-11. This is a positive sign that debt is tending to be stable.

Another indicator for debt stability and its sustainability is the adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. Negative resource gap indicates non-sustainability of debt while positive resource gap indicates sustainability of debt. The trends in **Table 1.21** reveal that the incremental non-debt receipts of the State had been able to meet the incremental interest liabilities and incremental primary expenditure during the period 2008-11. The negative resource gap during 2008-09 and 2009-10 turned positive during the current year. This meant that the State did not depend on borrowed funds for meeting current revenue and capital expenditure due to increase in Tax and Non-Tax receipts.

The debt sustainability of the State also depends on (i) the ratio of the debt redemption (Principal plus Interest Payments) to total debt receipts and (ii) application of available borrowed funds. The ratio of debt redemption to debt receipts indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds. The solution to a situation of debt trap lies in proper application of borrowed funds, i.e. (a) not using for financing revenue expenditure and (b) being used efficiently and productively for capital expenditure which either provides returns directly or results in increased productivity of the economy in general.

During the current year, the Government repaid principal plus interest on account of internal debt of ₹ 2680 crore, Government of India loans of ₹ 1413 crore and also discharged other obligation of ₹ 2633 crore, as a result of which payments exceeded the receipts during the year. Throughout the period 2008-11, the debt repayment was higher than fresh borrowings. As far as the burden of interest payment is concerned,

<sup>10</sup> Differential total non debt revenue receipt of 2009-10 and 2010-11 minus differential total expenditure of 2009-10 and 2010-11.

the state is in a comfortable position because the ratio of interest payment to revenue receipts is only 0.09. During the current year, the State Government raised internal debt amounting to ₹ 2042 crore (NABARD and other institutions ₹ 806 crore and NSSF Securities: ₹ 1236 crore). Against these receipts, Government discharged past debt obligation (Principal plus interest) amounting to ₹ 2680 crore resulting in negative net fund available under the debt account. During the current year, the Government repaid GoI loan including interest amounting to ₹ 1413 crore and also discharged other obligation of ₹ 2633 crore along with interest obligation, which were more than the total receipt resulting in negative net availability of funds during the year 2010-11.

## 1.9 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period. The deficit in the Government Account represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits for the financial year 2010-11.

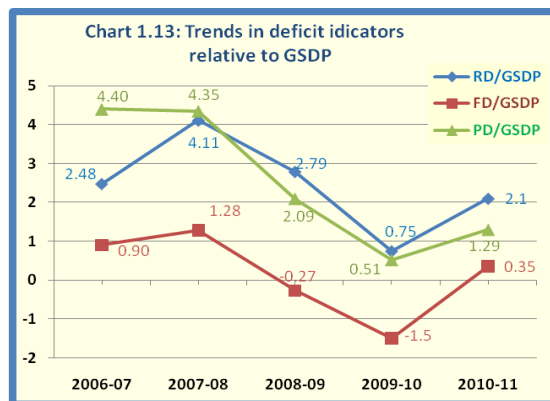
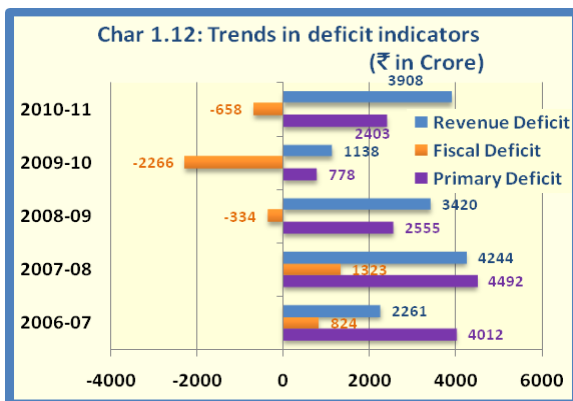
### 1.9.1 Trends in Deficits/Surpluses

Table 1.22, Chart 1.12 and 1.13 present the trends in deficit/surpluses indicators over the period 2006-11.

Table 1.22: Deficits/Surpluses

Parameters	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue deficit (-)/ surplus(+) (₹ in crore)	(+) 481	(+) 2261	(+) 4244	(+) 3420	(+)1138	(+)3908
Fiscal deficit (-)/ surplus(+) (₹ in crore)	(-) 276	(+) 824	(+) 1323	(-) 334	(-)2266	(-)658
Primary deficit (-)/ surplus(+) (₹ in crore)	(+) 3421	(+) 4012	(+) 4492	(+) 2555	(+)778	(+)2403
RD/GSDP (per cent)	(+) 0.61	(+) 2.48	(+) 4.11	(+) 2.79	(+)0.75	(+)2.10
FD/GSDP (per cent)	(-) 0.35	(+) 0.90	(+) 1.28	(-) 0.27	(-)1.50	(-)0.35
PD/GSDP (per cent)	(+) 4.35	(+) 4.40	(+) 4.35	(+) 2.09	(+)0.51	(+)1.29
RD/FD (per cent)	(-)174.28	(+)274.39	(+)320.78	(-)1023.95	(-)50.22	(-)593.92

Source: Finance Accounts of Government of Odisha for respective years



### Revenue surplus

In the year 2005-06, after a gap of 22 years, the State was able to achieve a revenue surplus of ₹ 481 crore. This surplus steeply increased to ₹ 4244 crore during 2007-08 and declined to Rs. 1138 crore during 2009-10 and once again increased to ₹ 3908 crore during the current year. Thus, the achievement was in line with the State's FRBM Act, 2005 which prescribed reduction of revenue deficit to zero by 2008-09.

### Fiscal surplus/deficit

The fiscal deficit comprises the total borrowings of the Government. Fiscal deficit consistently decreased from ₹ 1366 crore in 2004-05 to ₹ 276 crore in 2005-06 and in fact formed into fiscal surplus in 2006-07 and 2007-08. But it again slipped back to deficit during 2008-09 and the same stood at ₹ 658 crore (0.35 per cent of GSDP) in 2010-11 which was well within the State's FRBM target of not more than three per cent of GSDP.

### Primary surplus

The primary surplus in the State of ₹ 3421 crore in 2005-06 decreased to ₹ 2403 crore in 2010-11 and was lower than the three per cent of GSDP norm prescribed in the State's FRBM Act, 2005.

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

The financing / investing pattern of the fiscal deficit/surplus underwent a compositional shift as reflected in the **Table 1.23**.

**Table 1.23: Components of Fiscal Deficit/Surplus and its Financing/Investing Pattern**  
(₹ in crore)

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
<b>Decomposition of Fiscal Deficit</b>	<b>824</b>	<b>1323</b>	<b>(-)334</b>	<b>(-)2266</b>	<b>(-)658</b>
1 Revenue surplus	2261	4244	3420	1138	3908
2 Capital Expenditure	(-)1451	(-)2843	(-)3779	(-)3648	(-)4285
3 Net Loans and Advances	14	(-)78	25	244	(-)281
<b>Financing Pattern of Fiscal Deficit*</b>					
1 Market Borrowings	(-)788	(-) 874	(-)670	(-)571	(-)623
2 Loans from GoI	(-)39	(-) 343	74	(-)247	(-)636

Particulars		2006-07	2007-08	2008-09	2009-10	2010-11
3	Special Securities Issued to National Small Savings Fund (NSSF)	1036	(-)106	67	610	1023
4	Loans from Financial Institutions	(-)14	(-)15	189	369	420
5	Small Savings, PF etc	598	399	459	1138	1223
6	Reserve fund	271	(-) 85	(-)52	1	17
7	Deposits and Advances	(-)66	83	576	145	154
8	Suspense and Misc	(-)1828	(-)1219	(-)522	1595	(-)809
9	Remittances	(-)74	50	(-)1.00	41	(-)4
10	Others					
11	Increase / decrease in cash Balance	218	673	174	(-)629	69
12	Net of OCF	(-)138	114	40	(-)188	(-)176

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

Source : Finance Accounts of Government of Odisha for respective years

Decomposition of fiscal deficit/surplus shows fiscal surplus in 2006-07 and 2007-08 which turned into fiscal deficit during 2008-11 due to wide change in net capital expenditure (₹ 2834 crore). Fiscal deficit was primarily financed through loans from financial institutions, small savings and provident funds etc., deposits and advances and by reducing cash balances.

### 1.9.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the State's finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) was not having any asset backup. In the case of Odisha, there has been a revenue surplus since 2005-06. The bifurcation of the primary surplus (Table 1.24) would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.24: Primary deficit/Surplus – Bifurcation of factors

(₹ in crore)

Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit (-) /surplus (+)	Primary deficit (-) / surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2006-07	18319	12584	1451	272	14307	5735	4012
2007-08	22322	14554	2843	433	17830	7768	4492
2008-09	24846	18301	3779	211	22291	6545	2555
2009-10	26786	22248	3648	112	26008	4538	778
2010-11	33310	26307	4285	315	30907	7003	2403

Source : Finance Accounts of Government of Odisha for respective years

During 2006-07 to 2010-11, non-debt receipts increased from ₹ 18319 crore to ₹ 33310 crore (82 per cent) against an increase of 109 per cent in Primary Revenue Expenditure.

The bifurcation of the factors resulting into primary surplus of the State during 2006-11 revealed that the State was experiencing primary surplus during these years. In other words, non-debt receipts of the State were enough to meet the primary expenditure<sup>11</sup> requirements in the revenue account; rather some receipts were still left to meet the expenditure under the capital account. This was a very healthy trend in the State's finances.

### 1.10 Public Private Partnerships

To sustain the growth, Government of India proposed to generate resources for infrastructure through public-private-partnerships (PPPs) in 11<sup>th</sup> five year plan (2007-12) as the resources of the Government was very limited. In response to GoI Policy, Government of Odisha framed their PPP Policy in August 2007 to support private investment, particularly in the naggingly poor infrastructure sector, to utilise the efficiency and innovativeness of the private investors, besides tapping their capital. The Odisha PPP Policy 2007 covers 19 infrastructure sectors such as roads, bridges and bypass, ports and harbour, airports, airstrips and heliports, industrial parks, power generation, tourism, healthcare facilities, urban infrastructure, agricultural production and marketing. Out of the earmarked 19 sectors to be covered, the State Government had so far entered into PPP arrangements of some kind in 11 sectors only.

Government of Odisha earmarked 64 projects (*Appendix -1.9*) for implementation under PPP model during 11<sup>th</sup> Plan period for an estimated cost /expenditure of ₹ 21235 crore. Of these only six projects have been completed out of which only three projects are generating revenue; 11 projects are under various stages of implementation (but work started) and remaining 47 projects are pending at various stages of approvals from Government (even work has not yet started). The six projects under three Departments of the Government which have been completed in the 11<sup>th</sup> Plan Period are detailed in **Table 1.25** below:

**Table 1.25: List of public private partnership (PPP) projects completed/under progress**

Sl No	Name of the project	Department	Estimated cost (₹ in crore)	Type of structure	Actual Expenditure (₹ in crore)	Present Status
1	Mahodadhi Niwas	Tourism	48.70	DRAFOMT	7.40	Completed
2	OTDC Eco Resort Project	Tourism	3.00	UOMMST	2.33	Completed
3	E -Registration	Revenue and Disaster Management	63.00	BOOT	27.26	Completed
4	Operation of Hop on Hop off Tourist Bus	Tourism	--	O&M	--	Completed
5	Orissa Tourism Portal	Tourism	--	OMM	--	Completed
6	Management of Health Institution	Health and Family Welfare	--	O&M	--	Completed
<b>Total</b>			<b>114.70</b>		<b>36.99</b>	

**BOOT:** Built, Own, Operate and Transfer, **DRAFOMT:** Design, Renovate, Augment, Finance, Operate, Maintain and Transfer, **UOMMST:** Upgrade, Operate, Maintain, Manage, Share and Transfer, **O&M:** Operation and Maintenance, **OMM:** Operation, Maintenance and Marketing.

**Source:** Information furnished by the respective Departments of Government

<sup>11</sup> Primary expenditure of the State defined as the total expenditure net of the interest payments indicates the expenditure incurred on the transactions undertaken during the year.



A heritage hotel named Mohodadhi Niwas at Puri which originally belonged to the Government of Odisha was given to M/s. Kamath Hotels on a long term lease (50 years) by M/s. Orissa Tourism Development Corporation Ltd (OTDC) though there is a stipulation that the maximum period of lease of property under PPP model should not exceed 30 years.

Effective action has to be taken to gear up the activities of PPP in seven non-starter sectors besides giving a push to the 11 projects under implementation and a big push to the 46 projects which are in the initial stages of take-off in order to fully capture the benefits of this new arrangement. Also, there is a need to appropriately disclose the quantum of resources planned to be generated through the PPP route in the Budget and the Finance Accounts, which has not been done so far.

### 1.11 Conclusion and Recommendations

- The Fiscal Responsibility and Budget Management Act is not yet amended though stipulated under the Thirteenth Finance Commission (**Paragraph 1.1**).

*The Government may amend the FRBM Act incorporating the recommendations of 13<sup>th</sup> FC and develop its own new Fiscal Correction Path (FCP) indicating milestones for various outcomes indicator for the period from 2011-15.*

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

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

- Though there was increase in Revenue Receipts from 2006-07 to 2010-11, yet the annual growth rate of Revenue Receipts has come down from 28 per cent in 2006-07 to 26 per cent in 2010-11 (**Paragraph 1.3**).

*Government should mobilize additional resources through tax and non-tax revenue by expanding the tax base, rationalising user charges, collection of arrears of revenue and cost recovery of maintenance expenditure of the irrigation projects as recommended by the 13<sup>th</sup> FC*

- The growth rate of the total expenditure of the State decreased from 19 per cent (₹ 17495 crore) in 2006-07 to 17 per cent (₹ 33968 crore) in 2010-11. However, the total expenditure was 18.23 per cent of GSDP during 2010-11 which exceeded the Twelfth Finance Commission's normative assessment of 16.30 per cent. Revenue Expenditure had a predominant share of 90 per cent in 2006-07 to 86 per cent in 2010-11 of total expenditure. However, Revenue Expenditure during 2010-11 was below the projection (₹ 32482 crore) as per MTFP which was a good sign for the State's finances.

Non-Plan Revenue Expenditure (NPRE) as a proportion of Revenue Expenditure, increased from ₹ 13045 crore in 2006-07 to ₹ 21975 crore (68 per cent) in 2010-11. Out of the total increase of ₹ 4076 crore in Revenue Expenditure during the current year over the previous year, increase in NPRE contributed ₹ 2298 crore (56 per cent) and remaining ₹ 1778 crore (44 per cent) was the Plan Revenue Expenditure (PRE). (**Paragraph 1.4.1 and 1.4.2**).

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

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

- Capital Expenditure of the State ranged from eight per cent to 13 per cent of Aggregate Expenditure during 2006-11. The Capital Expenditure was 2.30 per cent of GSDP during 2010-11 as against the projection of 2.68 per cent in the MTFP (**Paragraph 1.4.1**).

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

- Financial results of Major and Medium Irrigation projects with a capital expenditure of ₹ 3517.58 crore at the end of March 2011 yielded return of ₹ 102.11 crore during 2010-11 against the direct working expenses of ₹ 169.47 crore. After meeting the working and maintenance expenditure (₹ 170.22 crore) and interest charges (₹ 242.55 crore), the schemes suffered a net loss of ₹ 312.03 crore (**Paragraph 1.6.1**).

*Government may prepare an action plan to complete all irrigation projects within in a time frame so that people derive envisaged benefits in time. Government should also recover water tax commensurate with operational and maintenance expenses.*

- The average return on investment was 8.44 per cent in the last five years while the Government paid an average interest rate of 7.39 per cent to 8.18 per cent on its borrowings during 2006-2011 (**Paragraph 1.6.3**).

*The State Government was yet to draw up a road map for closure of non working PSUs by March 2011 as recommended by Thirteenth Finance Commission.*

- Although a substantial amount (₹ 3414 crore) of loans was paid to various public sector undertakings etc., interest of ₹ 29 crore only was received from them during 2010-11 as a result of which interest receipts to outstanding loans stood at 0.85 per cent during 2010-11 (**Paragraph 1.6.5**).

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

*either by way of restructuring the loans so as to make the operation of these PSUs profitable or consider putting them on the block.*

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

*While maintaining an optimum cash balance (minimum: ₹ 1.28 crore) with the Reserve Bank of India, the State may, with advance planning, use the surpluses to retire or pre-pay some of the high cost loans instead of investing the same in GoI Treasury Bills in the Reserve Bank of India at low rates of interest by obtaining GoI's specific permission for such pre-payment.*

- The State Government was not facing any debt crisis because the fiscal deficit is in a manageable position of 0.35 per cent of GSDP and most of the indicators of debt sustainability (**paragraph 1.8**) are positive. If the resource gap widens in the coming years, then there may be a cause for concern. No debt management office was available with the State Government for policy formulation and debt management of the State in an organized manner.

*Government may consider operationalising a separate debt management office to regulate the debt of the State in a focused manner.*

- Though Government framed public private partnership (PPP) policy to generate maximum resources for infrastructure build up during 2007-12, the resources generated during 2007-11 were negligible (**Paragraph 1.10**).

*Effective actions have to be taken to gear up PPP activities in the State for generation of additional resources for public infrastructure. Current projects not progressing well may be fast-tracked.*



## 2.1 Introduction

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

**2.1.2** Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorization given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions. It also seeks to assess to what extent the Government/Executive has been able to manage the planned and intended allocation of its resources amongst various departments.

## 2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2010-11 against 42 grants/appropriations was as given in **Table 2.1**:

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

(₹ in crore)						
	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure	Savings (-)/ Excess (+)
<b>Voted</b>	I Revenue	28979.76	2096.49	31076.25	26414.30	(-)4661.95
	II Capital	4850.29	793.11	5643.40	4770.35	(-)873.05
	III Loans and Advances	353.49	7.50	360.99	314.69	(-)46.30
<b>Total Voted</b>		<b>34183.54</b>	<b>2897.10</b>	<b>37080.64</b>	<b>31499.34</b>	<b>(-)5581.30</b>
<b>Charged</b>	IV Revenue	3999.05	2.21	4001.26	3104.70	(-)896.56
	V Capital	2.85	7.39	10.24	7.20	(-)3.04
	VI Public Debt- Repayment	1711.16	---	1711.16	2083.59	(+)372.43
<b>Total Charged</b>		<b>5713.06</b>	<b>9.60</b>	<b>5722.66</b>	<b>5195.49</b>	<b>(-)527.17</b>
<b>Appropriation to Contingency Fund (if any)</b>		<b>NIL</b>				
<b>Grand Total</b>		<b>39896.60</b>	<b>2906.70</b>	<b>42803.30</b>	<b>36694.83</b>	<b>(-)6108.47</b>

Source: Orissa Appropriation Act 2010 and Appropriation and Finance Accounts 2010-11



The expenditure figures were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under Revenue heads (₹ 151.05 crore) and Capital heads (₹ 177.76 crore). The overall saving of ₹ 6108.47 crore was the result of saving of ₹ 6536.98 crore in 34 grants and one appropriation under Revenue Section and 21 grants and one appropriation under Capital Section, which is offset by excess of ₹ 428.51 crore in three grants under Revenue Section and two grants under Capital Section.

### 2.3 Financial Accountability and Budget Management

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

The outcome of the appropriation audit revealed that in 31 cases relating to 22 grants, savings exceeded ₹ 10 crore in each case or by more than 20 per cent of total provision (**Appendix 2.1**) amounting to ₹ 6235.36 crore. Out of the above, savings of as large as ₹ 5464.48 crore (88 per cent)<sup>1</sup> occurred in 14 cases relating to 12 grants as indicated in **Table 2.2**. This indicated complete lack of monitoring of the flow of expenditure in the department by the Chief Controlling Officers of such grants (who is invariably the Principal Secretary/Commissioner-cum-Secretary of the concerned department) as required under Chapters IV & VI of the Orissa Budget Manual.

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

(₹ in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
<b>Revenue-Voted</b>						
1	01-Home	1579.85	208.33	1788.18	1665.60	122.58
2	03-Revenue and Disaster Management	1393.07	470.50	1863.57	1161.17	702.40
3	05-Finance	5682.99	0	5682.99	4198.90	1484.09
4	06-Commerce	5172.30	20.64	5192.94	4809.06	383.88
5	10-School and Mass Education	5160.37	2.88	5163.25	4515.17	648.08
6	12-Health & Family Welfare	1538.46	28.66	1567.12	1226.08	341.04
7	13-Housing and Urban Development	992.29	45.81	1038.10	932.28	105.82
8	16-Planning and Co-ordination	458.75	0.22	458.97	347.02	111.95
9	20-Water Resources	921.73	19.77	941.50	802.38	139.12
10	36-Women and Child Development	2197.09	337.45	2534.54	2165.49	369.05
<b>Capital Voted</b>						
11	07-Works	1068.00	132.60	1200.60	1013.68	186.92
12	10-School and Mass Education	113.00	188.46	301.46	0	301.46
13	19-Industries	298.72	0	298.72	184.09	114.63
14	20-Water Resources	2054.74	17.89	2072.63	1619.17	453.46
	<b>TOTAL</b>	<b>28631.36</b>	<b>1473.21</b>	<b>30104.57</b>	<b>24640.09</b>	<b>5464.48</b>

**Source:** Appropriation Accounts for the year 2010-11.

The Principal Secretary, Finance department however, stated (October 2011) that savings occurred due to delay and non-completion of various formalities involved in

<sup>1</sup> Exceeding ₹ 100 crore in each case.

filling of vacant posts and implementation of projects. The argument is not tenable since such delays could easily have been foreseen / anticipated during the year and earmarked moneys for these posts/ schemes surrendered in time before the close of the year to avoid such huge savings.

### 2.3.2 Persistent Savings

During 2010-11, in nine out of 38 grants, savings ranged from ₹ 4.38 crore to ₹ 1484 crore constituting up to 90 per cent of the total grant. The savings persisted in all the nine grants during 2006-11 as detailed in **Table 2.3** below.

**Table 2.3: List of Grants indicating persistent savings during 2006-11**

(₹ in crore)

Sl. No.	Number of the grant and name of the Department	Amount of savings				
		2006-07	2007-08	2008-09	2009-10	2010-11
<b>Revenue-Voted</b>						
1	3-Revenue	570.56 (33)	441.84 (35)	2488.20 (74)	604.97 (47)	702.40 (38)
2	5-Finance	455.92 (23)	323.42 (15)	1661.87 (43)	889.31 (21)	1484.00 (26)
3	22-Forest and Environment	27.94 (16)	38.18 (14)	50.49 (14)	54.99 (14)	38.91 (10)
4	30-Energy	42.76 (56)	64.55 (26)	38.51 (12)	4.18 (4)	11.81 (6)
5	31-Textiles and Handloom	5.63 (10)	36.01 (46)	16.51 (23)	14.90 (21)	4.38 (5)
6	36-Women and Child Development	130.42 (15)	238.13 (18)	151.16 (9)	388.80 (19)	369.05 (15)
<b>Capital-Voted</b>						
1	01-Home	33.32 (39)	24.80 (25)	18.11 (13)	60.01 (42)	20.52 (10)
2	07-Works	296.82 (48)	210.31 (30)	195.82 (17)	91.98 (11)	186.92 (16)
3	33-Fisheries and Animal Resources Development	3.36 (63)	9.29 (95)	3.30 (73)	6.78 (13)	28.84 (90)

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

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

The reasons attributed by the Departments to the Principal Accountant General (A&E) to savings were general in nature and not specific. However, Principal Secretary, Finance department stated (October 2011) that in cases of committed liabilities like debt servicing, pension, decretal dues etc., provision was being made to cover the liability requirements as inadequate provisions may lead to excess expenditure. But in a substantial number of grants, savings persisted during the year which is indicative of over-assessment of requirement of fund made by the Government in Appropriation Acts repeatedly year after year without adequately scrutinizing the need and examining the flow of expenditure. The Chief Controlling Officers of these grants need to be alerted by the Finance Department to remedy the situation from the next year.

**2.3.3 Excess Expenditure**

In five grants relating to nine cases, expenditure aggregating to ₹ 1512.26 crore exceeded the approved provisions by rupees two crore and also by more than 20 *per cent* of the total provisions in each case. Details are given in *Appendix- 2.2*. Persistent excesses under the grants/heads were indicative of un-realistic budgetary projections made by the concerned Chief Controlling Officers-cum-Heads of the Departments.

**2.3.4 Expenditure without provision**

As per the provisions of Odisha Budget Manual (OBM), expenditure should not be incurred on a scheme/service without provision of funds. However, expenditure of ₹ 3.51 crore was incurred in three grants (three cases) even without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect as detailed in **Table 2.4**

**Table 2.4: Expenditure incurred without provision during 2010-11**

Sl. No.	Number of the grant and name of the Department	Particulars	Amount of Expenditure without provision ( ₹ in crore)	Reasons/Remarks
1	07-Works	5054-Capital Outlay on Roads and Bridges-State Plan-District Sector-04-District and Other Roads-789-Special Component Plan for Scheduled Castes-1219-Road Works under Road Development Programme.	2.9781	Reasons for expenditure even without a token provision were not intimated to the Pr. AG (A&E), though it was required to intimate
2	20-Water Resources	4701-Capital Outlay on Medium Irrigation-State Plan-State Sector-97-Other Pipeline Projects-Commercial-800-Other Expenditure-2082-Orissa Water Sector Improvement Project Funded by World Bank (EAP)	0.0024	Reasons for expenditure even without a token provision were not intimated to the Pr. AG (A&E), though it was required to intimate
3	30-Energy	2801-Power-Non-Plan-01-Hydel Generation-106-Machkund Hydro-electric Project-1012-Other expenses	0.5246	Reasons for expenditure even without a token provision were not intimated though it was required to intimate to the Pr. AG (A&E).
<b>TOTAL</b>			<b>3.5051</b>	

Source: Appropriation Accounts for 2010-11

Expenditure without provision of fund was irregular and unauthorised.

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

According to the provisions of Orissa Treasury Code Volume I (Rule 242) and Orissa Budget Manual (Rule 141), no money should be drawn from the treasury unless it is required for immediate disbursement. Besides, it is not permissible to draw money from treasury for keeping in banks or under Civil Deposits to prevent the lapse of budgetary grants. The Thirteenth Finance Commission also recommended that the Public Accounts should not be treated as an alternative to the Consolidated Fund and Government expenditure should be directly incurred from the

Consolidated Fund avoiding transfer from Consolidated Fund to the Public Accounts (Paragraph 7.126).

As per Finance Accounts for the year 2010-11 of the State Government, the unspent amount under 8443-Civil Deposits-800-Other Deposits was ₹ 356.03 crore as at the close of 31 March 2011. The amount should have been transferred to the Government account at the close of the year.

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

According to Article 205 of the Constitution of India, the Governor shall cause to be laid before the State Legislature a demand for excess expenditure incurred during the financial year beyond the amount granted for a service for its consideration for regularisation, if any. Excess expenditure has been incurred by different departments of the State Government amounting to ₹ 9100.08 crore for the years 1997-98 to 2009-10 as detailed in **Table 2.5**. No demand for consideration of regularization, if any, has yet been presented before the State Legislature (October 2011). This excess expenditure, thus, remains unauthorised by the State Legislature and is, therefore, irregular.

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

Year	Number of		Grant/ Appropriation numbers	Amount of excess ( ₹ in crore)
	Grants	Appropriations		
1997-98	6	2	3-Revenue, 5- Finance, 7- Works, 13-Housing and Urban Development, 15-Sports and Youth Services, 22-Forest and Environment, 6003-Internal Debt of the State Government and 6004-Loans	989.97
1998-99	9	-	5-Finance, 6-Commerce, 7-Works, 8-Legislative Assembly , 12-Health and Family Welfare, 13-Housing and Urban Development, 24-Steel and Mines, 32-Tourism and Culture, 35-Public Enterprises	126.26
1999-2000	11	1	1-Home, 5-Finance, 6-Commerce, 7-Works, 8-Orissa Legislative Assembly, 10-School and Mass Education, 17-Panchayati Raj, 20-Water Resources, 26-Excise, 28-Rural Development, 29-Parliamentary Affairs and 6003-Internal Debt of the State Government	2658.52
2000-01	6	2	6-Commerce, 7-Works, 8-Orissa Legislative Assembly, 10-School and Mass Education, 20-Water Resources, 22-Forest and Environment, 6003-Internal Debt of the State Government, 6004-Loans and Advances from Central Government	2474.48
2001-02	3	1	15-Sports and Youth services, 20-Water resources, 28-Rural Development and 6004-Loans and Advances from Central Government	393.58
2002-03	3	2	8-Orissa Legislative Assembly, 15-Sports and Youth services, 20-Water Resources, 6003-Internal Debt of State	2068.93

Year	Number of		Grant/ Appropriation numbers	Amount of excess ( ₹ in crore)
	Grants	Appropriations		
			Government and 6004-Loans and Advances from Central Government	
2003-04	2	-	13-Housing and Urban Development, 21-Transport	0.0025
2004-05	3	-	7-Works, 34-Co-operation and 38-Higher Education	9.94
2005-06	2	-	7-Works, 31-Textile and Handloom	0.06
2006-07	1	1	22-Forest and Environment, 6004-Loans and Advances from Government of India	362.05
2007-08	1	-	22-Forest and Environment	15.04
2008-09	3	-	08-Orissa Legislative Assembly, 28-Rural Development , 34- Co-operation	1.0744
2009-10	4	-	05-Finance, 17-Panchayati Raj, 28- Rural Development, 35-Public Enterprises.	0.1688
<b>TOTAL</b>	<b>54</b>	<b>9</b>		<b>9100.0757 (9100.08)</b>

**Source:** Appropriation Accounts of respective years and information available in the Office of the Accountant General (Civil Audit)

### 2.3.7 Excess over Consolidated Fund of the State during 2010-11 requiring regularization by the State Legislature

**Table 2.6** contains the summary of total excesses in four grants amounting to ₹ 428.51 crore over and above what was authorised from the Consolidated Fund of the State (CFS) by the State Legislature during 2010-11. No demand for consideration of regularization, if any, by the State Legislature has yet been placed before it. Thus, these excess expenditure remains unauthorised and hence, irregular.

**Table 2.6: Excess over provisions during 2010-11 requiring regularisation (₹ in crore)**

Sl. No.	Number and title of Grant/Appropriation		Total Grant/ Appropriation	Expenditure	Excess
<b>Revenue (Charged)</b>					
1	07	Works	2.87	3.24	0.37
<b>Revenue ( Voted)</b>					
2	23	Agriculture	1115.81	1168.00	52.19
3	28	Rural Development	790.55	792.70	2.15
<b>Capital ( Charged)</b>					
4	6004		488.48	862.04	373.56
<b>Capital ( Voted)</b>					
5	22	Forest and Environment	213.43	213.67	0.24
<b>Total</b>			<b>2611.14</b>	<b>3039.65</b>	<b>428.51</b>

**Source:** Appropriation Accounts for 2010-11

The concerned Departments of the Government did not furnish the reasons for excess expenditure over authorization from the Consolidated Fund of the State to the

Principal Accountant General (A&E). However, Principal Secretary, Finance department stated(October 2011) that on-line distribution of allotment and checking of bills against allotment was being enforced through the new and computerized iOTMS system since 2010-11 (non-engineering departments) and 2011-12 (engineering department) which would eliminate instances of excess expenditure over allotment in the coming years.

### 2.3.8 Unnecessary/Excessive supplementary provision

Supplementary provision aggregating to ₹ 1511.80 crore obtained in 28 cases, during the year 2010-11 proved unnecessary as the expenditure (₹ 16976.47 crore) did not come up to the level of original provision (₹ 18293.38 crore) as detailed in **Appendix-2.3**. This indicates that the Chief Controlling Officers were not aware of the actual requirement of funds for the remaining period of the financial year due to failure to monitor the flow of expenditure through the monthly expenditure control mechanism prescribed in Chapters IV and VI of the Orissa Budget Manual.

### 2.3.9 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation where savings are anticipated, to another unit where additional funds are needed. Re-appropriations proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh in 136 sub-heads, of which excess / saving was more than rupees one crore in 32 sub-heads (savings of ₹ 95.99 crore in 24 sub-heads under 11 Grants and excess of ₹ 69.25 crore in 8 sub-heads under four Grants) as detailed in **Appendix-2.4**. The reasons of savings / excess were not intimated to the office of the Principal Accountant General (A&E). This indicated that re-appropriations were made without making assessment of actual requirements under a head.

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

According to Rule 139 of Orissa Budget Manual, reasons for the additional expenditure and the savings should be explained in the re-appropriation statement and vague expressions should be avoided. As per the records of the Principal Accountant General (A&E), during 2010-11, 864 re-appropriation orders amounting to ₹ 1510.72 crore were issued out of which 6 re-appropriation orders aggregating ₹ 180.42 crore were issued on 31 March 2011, the last day of the financial year where there was no scope for expenditure during that year. The details are given in the **Table 2.7** below:

**Table 2.7: List of re-appropriations on the last day of the financial year**

Sl No	Number of the Grant Appropriation and name of the Department	Head of Account from where re-appropriation was made	Amount (₹ in crore)	Order No./ Date
1	5-Finance	2071-Pension and Other Retirement benefits-01-Civil-02-Commuted value of pensions-138-Pensions and Pensionary benefits-8007-Payment of Commuted value of Pension to Government Servants	124.38	14488/ 31.03.2011
2	11-Scheduled Tribes, Scheduled Castes Development Department	2251-Secretariat Social Services-Non-Plan-090-Secretariat-1256-ST & SC Development	0.15	11801/ 31.03.2011



Sl No	Number of the Grant Appropriation and name of the Department	Head of Account from where re-appropriation was made	Amount (₹ in crore)	Order No./ Date
	and Minorities and Backward Classes Development			
3	2049-Interest Payments (Finance)	2049-Interest Payments-04-Interest on Loans and Advances from Central Government-101-Interest on Loans for State/UT Plan Schemes-1977-External Debt	0.02	14981/ 31.03.2011
4	2049-Interest Payments (Finance)	2049-Interest Payments-01-Interest on Internal Debt-101-Interest on Market Loans-0754-Interest payment on Market Loans	47.61	14939/ 31.03.2011
5	6003-Internal Debt of the State Government (Finance)	6003-Internal Debt of the State Government-101-Market Loans-1231-Repayment of Loans not bearing interest	2.10	14486/ 31.03.2011
6	6004-Loans and Advances from the Central Government (Finance)	6004-Loans and Advances from the Central Government-01-Non-Plan Loans-201-House Building Advances-1195-Repayment of Loans	6.16	14487/ 31.03.2011
<b>TOTAL</b>			<b>180.42</b>	

### 2.3.11 Substantial surrenders

Surrenders (100 per cent of total provision) of ₹ 670.78 crore were made under 18 Major Heads of Account representing different schemes / programmes / projects / activities due to non-implementation or tardy implementation of the same which are given in **Appendix 2.5**. The surrenders were attributed to non-release/non-receipt/non sanction of Central share (nine cases), non utilization of fund (one case), and appropriation or far more than requirement (one case), no reasons were assigned in remaining (seven) cases.

### 2.3.12 Surrender in excess of savings

As against savings of ₹ 2786.54 crore, the amount surrendered was ₹ 2792.62 crore in five grants detailed in **Appendix 2.6** resulting in excess surrender of ₹ 6.08 crore. The surrenders indicated that the departments failed to exercise necessary budgetary controls of watching the flow of expenditure through the monthly expenditure statements.

### 2.3.13 Anticipated savings not surrendered

As per Rule 146 of Orissa Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2010-11, there were, however, 15 grants (36 cases) in which savings were noticed but no part of such savings was surrendered by the concerned departments. The amount involved in these cases was ₹ 385.84 crore (eight per cent of the total savings) (**Appendix 2.7**). Thus, the Chief Controlling Officers and the Heads of the Departments ignored the budgetary controls laid down in the Odisha Budget Manual and the Finance Department failed to exercise the overall financial control over the State budget.

Similarly, of the total savings of ₹ 2106.47 crore, savings of rupees one crore and above in each Grant / Appropriation aggregated to ₹ 882.88 crore (42 per cent of

total savings) in nine Grants (10 cases) which were not surrendered; the details are given in **Appendix 2.8**. Besides, as per information furnished by the office of the Principal Accountant General (A&E) there were surrender of funds under different major heads of accounts in excess of ₹ 10 crore on the last two working days of March 2011 in 42 cases aggregating to ₹ 3582.06 crore covering eight per cent of the entire budget (**Appendix 2.9**). These indicate improper budgeting exercises and inadequate financial control by the Chief Controlling Officers. The circumstances under which the Chief Controlling Officers of the concerned Departments did not follow the statutory provisions of surrenders and intimation of the same to the Principal Accountant General (A&E) was called for (October 2011) from the Finance Department. Principal Secretary, Finance department admitted (October 2011) that it was a failure on the part of the DDOs to monitor actual expenditure against available budget provisions.

### 2.3.14 Rush of expenditure

According to Rule 147 of Orissa Budget Manual, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 27 sub-heads listed in **Appendix 2.10**, revenue / capital expenditure exceeding ₹ 10 crore and also more than 50 per cent (in each case) of the total expenditure for the year was incurred in March 2011. **Table 2.8** also represents the major heads (four cases) where 100 per cent of expenditure was incurred during the last month of the financial year. The expenditure which is generally used to be distributed throughout the year was incurred in the last month of the year, which was contrary to the spirit of budget manual.

**Table 2.8: Cases of rush of expenditure towards the end of the financial year 2010-11**

Sl. No.	Major Head	Total expenditure during the year ( ₹ in crore)	Expenditure during March 2011	
			Amount ( ₹ in crore)	Percentage of total expenditure
1	4225-02-794-649-Hostels-Plan- Voted	198.37	198.37	100
2	4575-02-796-2526-Special Central Assistance for Special Programme for KBK-Plan-Voted	15.13	15.13	100
3	2801-06-800-2153-Rajiv Gandhi Gramina Vidyutikaran Yojana-Plan-Voted	30.49	30.49	100
4	2852-07-202-2553-13 <sup>th</sup> Finance Commission Grant for Incentivising issue of UID	35.70	35.70	100
<b>TOTAL</b>		<b>279.69</b>	<b>279.69</b>	<b>100</b>

**Source:** Monthly Appropriation Reports for the month of March 2011 of Principal Accountant General (A&E)

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

The Principal Secretary, Finance Department stated (October 2011) that process re-engineering, higher delegation through the new Cash Management System in 10 major departments had improved the situation considerably in 2011-12.

### 2.3.15 Irregular diversion and utilisation of Tribal Area Sub-Plan fund

The Tribal Sub-Plan strategy has been adopted in the State with the objective of bringing tribal dominated areas at par with rest of the State and improving the quality of life of the tribals. The State Government launched a special programme to bring about socio economic development in scheduled areas with budget provision under Tribal Area Sub-Plan (TASP) scheme in the State Plan.

Check (July 2011) of budget provision of Works Department revealed that provisions for rupees six crore and rupees five crore were made for construction of a “fly-over” at Rajmahal Chhak, Bhubaneswar (the State Capital) and improvement of Daya canal respectively near the capital city of Bhubaneswar out of TASP funds under Demand No-7-5054-Capital Outlay-Roads and Bridges-796-TASP during 2010-11 and under Road Development Programme 796-TASP-during 2011-12 respectively. Out of the above provisions, rupees eight crore was found utilised (BE: rupees four crore and rupees four crore through re-appropriation during 2010-11) on construction of the fly-over. As the capital city of Bhubaneswar is situated in the district of Khurda and not coming under scheduled area, the utilisation of TASP funds in non scheduled area is highly irregular and completely inadmissible. Due to diversion of TASP funds for development of Capital city of the State, the legitimate tribal beneficiaries of TASP areas were deprived of the socio-economic development envisaged in the plan. The Finance Department as well as the Planning and Co-ordination Department also failed to point out the irregular budgeting method adopted by the Works Department neither at the initial budget estimates’ preparation stage nor at the re-appropriation stage, particularly when the amount was not small.

To an audit query, the Chief Engineer (Roads) stated (July 2011) that the utilization of TASP fund was made in consideration of the fact that the capital city covers wide range of people including tribal section of the State irrespective of caste and creed. With a tribal population of a meager 97186<sup>2</sup> (1.19 *per cent*) only of the total tribal population (ˆ 81.54 lakh) of the State residing in Khurda district in which the capital city is located, the argument of the Chief Engineer appears to be too far-fetched and over stretched and is hence, absolutely not tenable in Audit. Besides, the capital city of Bhubaneswar is covered under the centrally-sponsored Jawaharlal Nehru National Urban Renewal Mission (JnNURM) scheme which could well have been utilized for this purpose. This massive lapse in budgetary control mechanism requires thorough investigation.

Principal Secretary, Finance department stated (October 2011) that Planning and Co-ordination department had issued suitable advisory to all departments in this regard. However, the reply does not pin-point the reasons for failure of the usual due diligence procedures required to be carried out by the Planning and Co-ordination and Finance departments before approving budget proposals of any department.

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<sup>2</sup> As per 2001 census.

## 2.4 Advances from Contingency Fund

The Contingency Fund of the State has been established under the Orissa Contingency Fund Act, 1967 in terms of provisions of Article 267 (2) and 283 (2) of the Constitution of India. Advances from the Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorization by the Legislature, would be undesirable. The fund is in the nature of an imprest and required to be recouped by obtaining supplementary grants during the first session of Assembly immediately after the advance is sanctioned. Its corpus was enhanced (October 2008) from ₹ 150 crore to ₹ 400 crore. During 2010-11, advances of ₹ 375 crore were withdrawn from the fund, not recouped during the year. Further during the year ₹ 198.97 crore was recouped out of previous years balance of ₹ 212.05 crore leaving a balance of ₹ 13.08 crore un-recouped. Thus, an amount of ₹ 388.08 crore was un-recouped as of March 2011 as detailed in **Table 2.9**.

**Table 2.9: Un-recouped amount of the Contingency Fund of the State**

(₹ in crore)

Period	Amount	Remarks
1998-1999	0.75	Pending recoupment for more than 11 years
1999-2000	12.33	Pending recoupment for more than 5 years and less than 10 years
2010-2011	375.00	Pending recoupment for below one year
<b>TOTAL</b>	<b>388.08</b>	

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

Non-recoupment of advances from the Contingency Fund understated the expenditure from the Consolidated Fund and may result in a situation when adequate funds are not available under this Fund during sudden unanticipated and unforeseen events such as natural calamities to which the State is prone.

Principal Secretary, Finance department stated (October 2011) that the proposed amendment to the FRBM Act would enable the State to make special supplementary statements of expenditure for early recoupment of advances from Orissa Contingency Fund.

## 2.5 Misclassification of Grants-in-aid

Grants-in-aid to any institution/body must constitute the Revenue Expenditure of the Government. But during the year 2010-2011, a sum of ₹ 40.84 crore was seen disbursed as grants-in-aid under following *Capital* Major Heads of Expenditure (**Table 2.10**).

**Table 2.10: Misclassification of grants-in-aid under capital Major Heads**

Head of Account	(₹ in crore)
	Amount
4059-Capital Outlay on Public Works	1.72
4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.10
4701-Capital Outlay on Medium Irrigation	0.02
4702-Capital Outlay on Minor Irrigation	19.00
5054-Capital Outlay on Roads and Bridges	20.00
<b>Total</b>	<b>40.84</b>

No concrete reason for payment of grants-in-aid by debiting to the Capital Major Heads has been furnished by the Government. Thus, the Capital expenditure has been over stated and expenditure in the Revenue Account was understated in the Finance Accounts to this extent leading to an overstated revenue surplus to the above extent during the year. The Principal Secretary, Finance Department in his reply (October 2011) admitted the error and promised to set it right.

## 2.6 Outcome of review of selected grants

Review of the budget proposals, actual expenditure and fund management in respect of School and Mass Education Department (Grant No - 10) and Higher Education Department (Grant No - 38) revealed the following irregularities:

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

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

During 2010-11, the School and Mass Education Department (Grant No.10) surrendered ₹ 847.48 crore as against total savings of ₹ 846.07 crore, and the Higher Education Department (Grant No.38) surrendered ₹ 27.99 crore as against total savings of ₹ 27.88 crore, resulting in excess surrender of ₹ 1.41 crore and ₹ 0.11 crore respectively. Besides, in violation of above provisions of OBM, these amounts were surrendered on 31 March 2011. Thus, the amounts surrendered were not in conformity with the actual savings indicating lack of monitoring of monthly expenditure as provided in the OBM by the Chief Controlling Officers-cum-Commissioner-cum-Secretaries before passing the surrender orders.

### 2.6.2 Unnecessary supplementary provision

Supplementary Grants are obtained to cover the excesses that may be anticipated after mid-term review of the Grants/Appropriations during a financial year. But it was noticed that in Grant No 10 (School and Mass Education Department), supplementary provision of ₹ 200.88 crore obtained during November 2010 proved unnecessary in view of sizeable savings of ₹ 846.07 crore at the end of the year. This showed that the Chief Controlling Officers were not aware of the actual requirement of funds for the remaining period of the financial year due to failure of



monthly expenditure control mechanism prescribed in the OBM. Principal Secretary, Finance department admitted (October 2011) that due to non take-off of some schemes as projected/envisaged, the supplementary provision remain unutilized. But the fact remains that this is a failure of the Chief Controlling Officer to timely monitor the monthly flow of expenditure.

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

The School and Mass Education and Higher Education Departments made a provision of ₹ 523.91 crore and ₹ 19.75 crore respectively under different heads/schemes during 2010-11, but the total provisions were withdrawn by way of re-appropriation and surrendered on the last day of the financial year 2010-11 as detailed in the **Appendix 2.11**. This indicated that the Chief Controlling Officers prepared the budgets and made allocation to different schemes/projects/objects of expenditure without any basis and without carrying out the required due diligence as prescribed in the OBM.

The Department during March 2011 stated the reasons for the re-appropriation were due to non-release/receipt of central share and non implementation of the scheme. The Finance Department was requested (October 2011) to intimate the reasons for which the funds could not be utilized and surrendered affecting the activities contemplated in the budget; reply has not been received (October 2011)

### 2.6.4 Provision of vacant posts

Rule 61(b) of Odisha Budget Manual provides that provisions should be made in the budget only for men on duty (excluding vacant posts). But a provision of ₹ 192.14 crore was seen to have been made by the School and Mass Education Department for vacant posts which ultimately remained unutilised and was surrendered. The details are given in the **Table 2.11** below:

**Table 2.11: Provisions for vacant posts under Grant No. 10 during 2010-11**

Sl No.	Head of Account/Name of the Scheme	Amount surrendered (₹ in crore)	Reasons furnished by the Department
1	2202-General Education-01-Elementary Education-101-Govt. Primary School-0556-Govt.Upper Primary School.	60.39	Vacancy of some posts, retirement of some employees, implementation of Orissa Revised Scale of Pay(ORSP) Rules2008 and less requirement
2	2202-General Education-02-Secondary Education-101-Inspection-1791-Insspector of School Establishment.	1.41	Retirement of some employees and actual requirement.
3	2202-General Education-02-Secondary Education-109-Govt.Secondary School-1261-Secondary School.	125.12	Vacancy of some posts, retirement of some employees, implementation of ORSP Rules, 2008 and less requirement
4	2202-General Education-02-Secondary Education-80-General-001-Direction and Administration-0618-Headquarter organization.	0.47	Vacancy of some posts and implementation of ORSP Rules, 2008.
5	2202-General Education-02-Secondary Education-800-Other Expenditure-1476-Training for All-India Competitive Examination (IAS).	0.10	Vacancy of some posts and implementation of ORSP Rules, 2008.

Sl No.	Head of Account/Name of the Scheme	Amount surrendered (₹ in crore)	Reasons furnished by the Department
6	2202-General Education-02-Secondary Education-Tribal Area Sub-Plan-1262-Secondary Training School.	0.50	Non-creation of posts.
7	2235-Social Security and Welfare-Non-Plan-02-Social Welfare-101-Welfare of Handicapped-0353-Educational Facility for Handicapped.	0.28	Vacancy of some posts, retirement of some employees, implementation of ORSP Rules, 2008 and less requirement
8	2251-Secretariat-Social Services-Non-Plan-090-Secretariat-0256 Department of School and Mass Education	3.87	Vacancy of some posts, retirement of some employees, implementation of ORSP Rules, 2008 and less requirement.
<b>Total</b>		<b>192.14</b>	

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

Principal Secretary, Finance department stated (October 2011) that normally no provision was made against vacant posts except when fresh recruitments were to be made during the year as in the case of Education department last year

### 2.6.5 Irregular retention of time-barred bank drafts/Non-recovery of National Scholarship loan

Scrutiny of records of the School and Mass Education Department revealed that bank drafts amounting to ₹27.34 lakh pertaining to National Merit Scholarship scheme were kept un-disbursed and became time-barred. Of these, eight bank drafts for ₹ 0.11 lakh related to the period September 1995 to July 1997 and which were received from the loanees towards repayment of their loan but not remitted to treasury.

Further, it was observed that National Loan Scholarships of ₹ 2.47 crore were outstanding for the period ranging from 14-16 years for recovery from students. However, certificate cases for only ₹ 0.02 crore were initiated whereas no effective action for recovery of balance ₹ 2.45 crore loan funds had been initiated by the Department as of March 2011.

Principal Secretary, Finance department stated (October 2011) that electronic payment to the bank account of scholarship holders would be considered in future to obviate such problem.

## 2.7 Outcome of Inspection of Treasuries

On inspection of treasuries/sub-treasuries for the year ended 31 March 2011, excess payment of pension and gratuity amounting to ₹ 12.42 lakh in 114 cases was noticed. The details are given (Table 2.12) below.

**Table 2.12: Outcome of inspection of treasuries**

Sl. No.	Category	Amount (in ₹)
1	Due to wrong calculation (arithmetic inaccuracy) of pension (33 cases)	46,946
2	Due to delayed commencement of reduced pension (49 cases)	2,87,759
3	Due to payment of enhanced rate of Family Pension beyond stipulated date (10 cases)	90,930
4	Due to payment of inadmissible temporary increase on pension (8 cases)	9,273
5	Due to other reasons (Excess payment of Death cum-Retirement Gratuity & Commuted value of pension) (14 cases)	8,07,507
<b>Total</b>		<b>12,42,415</b>

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

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

## 2.8 Conclusion and Recommendations

- Expenditure without provision and excess expenditure over the provision was incurred during 2010-11 violating constitutional provisions (**Paragraph 2.3.6 and 2.3.7**).

*These unauthorised and irregular expenditure may be placed before the State Legislature under Article 205 of the Constitution for its consideration of approval/regularization, if any.*

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

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

- Hundred *per cent* of Revenue and Capital provision were spent in March 2011 in some cases instead of spreading it throughout the year leading to rush of expenditure (**Paragraph 2.3.14**).

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

- Advances made from Contingency Fund meant for meeting unforeseen and emergent character are required to be recouped by obtaining supplementary grants in next Assembly session immediately after funds are advanced. Contrary to these provisions, funds advanced between 1998-99 and 2010-11 were still lying un-recouped (**Paragraph 2.4**).

*The amount may be recouped early, in line with the constitutional provisions in this regard.*

- Provisions made to utilise funds for implementation of schemes / programmes under Higher Education and School and Mass Education Departments were entirely surrendered indicating lack of proper planning, budgeting and monitoring of expenditure (**Paragraph 2.6.3**).

*The scheme funds should be utilised within the prescribed period to avoid surrender, particularly if it relates to a developmental expenditure in the social sector such as education.*

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

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

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

Through the instrument of utilisation certificate, the grantor obtains assurance about non-diversion and proper utilization of the funds placed at the disposal of the grantee and also gets a certificate from the grantee that the intended list of works have been executed, the details of which are available with him/her. A prototype of utilization certificate is given at the *Appendix 3.1*. Any delay in furnishing this report to the grantor or any inaccuracy in such reporting essentially undermines this control mechanism designed to ensure non-diversion and non mis-utilisation. It also entails responsibility being taken by the grantee for proper utilization of the funds granted to him, which he assures by certifying these twin aspects of non-diversion and non mis-utilisation. This certificate from the final spending authority/official/agency/grantee is subsequently countersigned by his/its senior officials at different stages/ levels till it reaches the level of the Chief Controlling Officer-cum-Head of the Department who ultimately countersigns it and submits it to the Government. At every stage of counter-signature, necessary due diligence was required to be exercised by that counter-signing authority.

At the close of March 2011, an amount of ₹ 20903.77 crore remained outstanding in the books of Principal Accountant General (A&E) due to want of UCs from the grantee institutions out of the total amount of ₹ 25701.14 crore drawn. Year wise break up of wanting UCs is given below:

<sup>1</sup> Rule 173 of OGFR

**Table 3.1: Year wise break up of wanting utilisation certificates in respect of grants in aid**

(₹ in crore)				
Year	Total amount drawn during the year	UC wanting	Percentage of outstanding amount	Number of grants-in-aid(GIA) vouchers awaiting UCs
2003-04	1485.63	12,66.66	85.26	13086
2004-05	1367.24	1257.00	91.94	9554
2005-06	1862.52	1586.06	85.16	13202
2006-07	2597.29	19,59.05	75.43	8074
2007-08	3696.03	29,90.27	80.90	9754
2008-09	4585.64	37,15.17	81.02	11064
2009-10	5273.70	41,82.86	79.32	9556
2010-11	48,33.09	39,46.70	81.66	13017
<b>TOTAL</b>	<b>257,01.14</b>	<b>209,03.77</b>	<b>81.36</b>	<b>87289</b>

Source: Finance Accounts for the year 2010-2011 (Notes to Accounts)

- Similarly, at the end of August 2011, utilisation certificates (UCs) due in respect of grants aggregating to ₹ 2830.41 crore were found to be in units audited during the year by Accountant General (Civil Audit), viz. Autonomous bodies (57), Urban Local Bodies (68) and Panchayati Raj Institutions (1356). The department-wise break-up of outstanding UCs is given in **Appendix 3.2 and Appendix 3.3**.
- Besides, information furnished by eight departments indicated that UCs of ₹ 4688.32 crore was pending as of March 2011(**Appendix 3.4**). The huge pendency was mainly on account of non-adherence to the existing instructions in OGFR for watching timely receipt of UCs by Chief Controlling Officers-cum-Heads of the Department and further release of grants to them as a matter of routine without insisting on UCs for earlier grants as stipulated in the OGFR and sanction orders. In absence of UCs, the two certificates (certifying non-diversion and non mis-utilisation) that the authority spending the Government grant is supposed to furnish, i.e. Heads of Departments/ Chief Controlling Officers gets uncompleted. Thus Government which is the granter received no assurance about the correct use of its grant. Such delays are also prone to fraudulent expenditure / transactions, diversion of funds and creation of fake assets.

### 3.1.1 Issue of inaccurate utilisation certificates

As per the instructions of GOI (July 2009), Utilisation Certificates for funds released under "Modernization of Police Force" scheme was to be submitted indicating the actual expenditure incurred, the unspent balances and the interest earned which is lying with the Implementing Agencies. The Government in Home Department reported (May 2011) to have spent and submitted Utilisation Certificates (UCs) for ₹ 568.81 crore out of ₹ 579.49 crore received under the scheme during 2001-11 leaving ₹ 10.68 crore unutilized as of March 2011. However, Audit noticed (August 2011) that scheme funds of ₹ 96.99 crore remained unutilized with the executing agency viz., Odisha State Police Housing and Welfare Corporation (OSPHWC) in its bank account as on 31 March 2011. This was due to submission of UC without



obtaining expenditure figures from OSPHWC. This resulted in submission of inaccurate UC for ₹ 86.31 crore (₹ 96.99 crore less ₹ 10.68 crore ) and the same is indicative of lack of integrity in financial reporting. Furnishing UCs with inaccurate certificates was fraught with the risk of fraudulent expenditure and should be shunned at all cost.

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

In order to identify institutions/organisations which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act 1971(C&AG's DPC Act), the Government / Heads of the Departments are required to furnish to Audit every year the detailed information about the financial assistance given to various institutions, the purpose for which the assistance is granted and the total expenditure of the institutions. Further, Regulation on Audit and Accounts 2007 provides that Governments and heads of departments which sanction grants and / or loans to bodies or authorities shall furnish to the Audit Office by the end of July every year a statement of such bodies and authorities to which grants and / or loans aggregating rupees ten lakh or more were paid during the preceding year indicating (a) the amount of assistance; (b) the purpose for which the assistance was sanctioned; and (c) the total expenditure of the body or authority. Mention was also made in the Comptroller and Auditor General's Report on State Finances for the years ended 31 March 2009 and 2010 (paragraph 3.2) on Government of Orissa about the above obligation of the Government Departments and their heads of departments for furnishing the information. As of October 2011, no department of the Government has furnished such details for the year 2010-11 even after references were made (October 2010, 2011) by the office of the Accountant General (Civil Audit), Orissa to all the departments of Government and the Finance Department. This resulted in Audit not being able to provide assurance to Legislatures/Government about the manner in which the grants sanctioned/ paid by them has been utilised, specifically on the issue of non-diversion and non mis-utilisation. This dilutes expenditure control in Government systems.

However, three new bodies/units<sup>2</sup> were identified under Section 14(1) of C&AG's DPC Act 1971 during the year 2010-2011. Further, two departments such as Information and Public Relation Department and Labour and Employment Department were selected under Section 15 of C&AG's DPC Act 1971 for audit during the year. Due to non-furnishing of the above details to the office of the Accountant General (Civil Audit), the bodies / institutions could not be identified in Audit to bring them under audit purview, as a result of which the correctness of expenditure of loans and grants given out of Consolidated Fund of the State could not be examined in Audit.

Principal Secretary, Finance department agreed (October 2011) with the audit observation and concurred with Audit on the need for a database on entity-wise loans and advances and list of grantee institutions to be maintained at the level of each and every department.

<sup>2</sup> (i) Institute of Material Science, (ii) Institute of Entrepreneurship and (iii) Institute of Textile Technology.

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

As many as 216 autonomous bodies under various sectors of the Government of Odisha have been identified for audit by the Comptroller and Auditor General of India with regard to the verification of their transactions, operational activities and accounts, conducting regulatory compliance audit of all their transactions, review of internal management and financial control and review of systems and procedures etc. Forty-four bodies / authorities were identified for Separate Audit Reports (SARs) as per provisions of respective legislations. Of these one body, viz. Odisha State Legal Services Authority and 30 District Legal Services Authorities and one body i.e. Odisha Forestry Sector Development Corporation (OFSDC) have rendered their accounts to Accountant General (Civil Audit), Orissa and the audit of accounts were completed and SARs were issued during 2010-11. Of the remaining 12 bodies / authorities, though entrustment of audit under Section 19 (3) of C&AG's DPC Act were received in respect of 10 bodies / authorities<sup>3</sup> in the office of the Accountant General (Civil Audit) Orissa between November 2010 and January 2011, their accounts have not been received by the above Audit office as of October 2011. The entrustment of audit of balance two<sup>4</sup> bodies / authorities was under correspondence (October 2011).

Apart from the above, audit of another 57 bodies out of 216 were completed during 2010-11 under different Sections of C&AG's DPC Act.

### **3.4 Departmentally Managed Commercial Activities**

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

The Heads of Department in the Government are to ensure that these units prepare such accounts and submit the same to Accountant General (Civil Audit) for audit within a specified time frame. As of August 2011, there were 16 such undertakings and none had prepared accounts up to 2010-11. Out of 16, four undertakings/activities remained inoperative or closed. Their assets and liabilities were not fully disposed of or liquidated by the Government. In respect of two

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<sup>3</sup> (1) Nine Development Authorities viz., (i) Bhubaneswar Development Authority, (ii) Berhampur Development Authority, (iii) Cuttack Development Authority, (iv) Kalinganagar-Jajpur Development Authority, (v) Paradip Development Authority, (vi) Puri-Konark Development Authority, (vii) Sambalpur Development Authority, (viii) Rourkela Development Authority, (ix) Talcher-Angul-Meramundali Development Authority and (2) Orissa State Women's Commission

<sup>4</sup> Orissa Industrial Infrastructure Development Corporation (IDCO), (ii) Orissa State Housing Board.

schemes, viz. (i) purchase and distribution of quality seeds to cultivators and (ii) Poultry Development, Government had not yet prescribed the preparation of proforma accounts; only Personal Ledger Accounts were opened during 1977-78 and 1979-80 respectively. The Comptroller and Auditor General of India have repeatedly commented about the arrears in preparation of accounts in Audit Reports (Civil) but there is no improvement so far in preparation of proforma accounts by these undertakings. This was also pointed out by the office of the Accountant General (Civil Audit) to the Finance Department in the review meeting taken (January 2010) by the Finance Minister. The department-wise position of arrears in preparation of proforma accounts and investment made by the Government are given in **Appendix 3.5**. Government may take special steps for preparation and finalisation of the accounts without any further delay since delays suppress misappropriation, defalcation etc.

Principal Secretary, Finance department attributed (October 2011) this to the lack of proficiency of staff in commercial accounting in these institutions/organizations and appreciated the need for capacity building.

### 3.5 Misappropriations, losses, defalcations etc.

As per Rule-19 of OGFR Vol. I, Government Officers are empowered to report such cases of loss of money, departmental revenue, stores or other properties to his immediate superior officers as well as to Accountant General (Audit) where amount is ₹ 500 or more. Various departments of the State Government reported that there were 1769 cases of misappropriation, defalcation, etc. involving Government money amounting to ₹ 17.11 crore up to the period ending March 2011 on which final action was pending. The department-wise break up of pending cases and age wise analysis is given in **Appendix 3.6** and nature of these cases is given in **Appendix 3.7**. The age-wise profile of the pending cases and the number of cases pending under each category of theft and misappropriation/loss as emerged from these appendices are summarized in **Table 3.2**.

**Table 3.2: Profile of misappropriations, losses, defalcations, etc.**

Age-Profile of the pending cases			Nature of the pending cases		
Range in Years	Number of cases	Amount involved (₹ in crore)	Nature/Characteristics of the cases	Number of cases	Amount involved (₹ in crore)
0 - 5	39	1.24	Theft	805	4.29
5 - 10	101	3.06			
10 - 15	254	2.76	Misappropriation/Loss of material	964	12.82
15 - 20	347	4.35			
20 - 25	271	0.86			
25 and above	757	4.84			
<b>Total</b>	<b>1769</b>	<b>17.11</b>	<b>Total pending cases</b>	<b>1769</b>	<b>17.11</b>

Two cases of losses involving 0.57 lakh written off during the year 2009-10 are detailed in **Appendix 3.8**.

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

**Table 3.3: Category-wise cases of misappropriations, losses, defalcations, etc. pending finalisation**

Reasons for the delay/outstanding pending cases		Number of cases	Amount (₹ in crore)
i)	Awaiting departmental and criminal investigation	475	4.89
ii)	Departmental action initiated but not finalised	608	7.07
iii)	Criminal proceedings finalised but execution of certificate cases for the recovery of the amount pending	33	0.20
iv)	Awaiting orders for recovery or write off	498	1.98
v)	Pending in the courts of law	155	2.97
<b>Total</b>		<b>1769</b>	<b>17.11</b>

It may be seen from the table above that as many as 475 cases involving ₹ 4.89 crore have been awaiting departmental and criminal investigation up to 45 years since the year 1966-67. Similarly, 498 cases involving 1.98 crore have been awaiting orders for recovery or write off of the competent authority. The Heads of the concerned Departments of Government have failed to write off the cases after taking appropriate action under the Orissa General Financial Rules (Rule 42). The Departments concerned did not furnish the reasons for non-finalisation of misappropriation and loss cases on the 608 cases involving ₹ 7.07 crore on which departmental action has been initiated, though called for in Audit (August 2010 and October 2011). This indicated that the Chief Controlling Officers are indifferent to the vigilance cases pending in their departments

### 3.6 Abstract Contingent Bills

As per provisions of SR 260 and 261 of Odisha Treasury Code Vol. I (OTC) read with Rule 84 of the Odisha General Financial Rule (OGFR), every drawing officer has to certify in each Abstract Contingent (AC) bill that detailed bills for all contingent charges drawn by him prior to first of the current month have been forwarded to the respective Controlling Officers for counter signature and transmission to the Accountant General. The total amount of Detailed Countersigned Contingent (DCC) bills received up to 2010-11 was only ₹ 214.84 crore against the amount of AC bills of ₹ 265.46 crore drawn during 2004-11 leading to an outstanding balance of AC bills of ₹ 50.62 crore as on 31 March 2011. Year wise details are given in **Table 3.4**

**Table 3.4: Pendency in submission of DCC Bills against AC Bills**

(₹ in crore)

Year	Amount of AC bills	Amount of DCC bills outstanding	Outstanding DCC bills as percentage of AC bills	No of the outstanding AC bills
Up to 2004-05	63.26	11.20	17.70	2755
2005-06	14.48	1.06	7.32	262
2006-07	39.51	2.50	6.33	370
2007-08	23.31	1.50	6.44	297
2008-09	51.72	5.00	9.67	526

Year	Amount of AC bills	Amount of DCC bills outstanding	Outstanding DCC bills as percentage of AC bills	No of the outstanding AC bills
2009-10	48.95	5.37	10.97	703
2010-11	24.23	24.00	99.09	5762
<b>Total</b>	<b>265.46</b>	<b>50.63</b>	<b>19.07</b>	<b>10681</b>

Source: Finance Accounts, 2010-11 (Vol-I)

Department-wise pending DCC bills for the years up to 2010-11 is detailed in **Appendix 3.9**. As the amount is already charged to the works/activities concerned as a revenue /capital expenditure, delayed adjustment of unspent balances may lead to booking of excess of cost than actual expenditure, temporary/permanent misappropriation of funds and amounts of unspent advances remaining out of Government account. Such situation is also fraught with the risk of embezzlement of Government funds. No reply was received from the Government (October 2011) though was requested (July 2011) to intimate the reasons for such huge outstanding position.

### 3.7 Un-reconciled expenditure

To enable Controlling Officers of Departments to monitor the progress of expenditure so as to keep it within the budget grants and also to ensure accuracy of their accounts, Odisha Budget Manual (Rule 133) and Odisha General Financial Rules (Rule 318 and 319) stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General (A&E). Even though non-reconciliation of departmental figures is being pointed out regularly in C&AG's Audit Report year after year, two Controlling Officers did not reconcile expenditure amounting to ₹ 5.60 crore and four Controlling Officers partly reconciled for ₹ 57.63 crore out of their total expenditure of ₹ 221.93 crore leaving a balance of ₹ 164.30 crore unreconciled. The details are in **Table 3.5** below:

**Table 3.5: List of Controlling Officers who have partly reconciled during 2010-11**

Sl No.	Controlling Officer	Demand Number	Head of Account	Amount reconciled (₹ in crore)	Amount unreconciled (₹ in crore)	Remark
1	Director, State Institute of Health and Family Welfare	12	2210	Nil	0.89	Not-reconciled
			2211	Nil	2.15	Not-reconciled
2	Secretary to Government, Rural Development Department	28	3451	Nil	2.56	Not-reconciled
3	Chief Engineer, Lower Indra and Lower Suktel	20	4700	42.06	113.09	Partly reconciled
4	Chief Construction Engineer, Upper Kolab	20	4701 2700	Nil	0.40	Not-reconciled

Sl No.	Controlling Officer	Demand Number	Head of Account	Amount reconciled (₹ in crore)	Amount unreconciled (₹ in crore)	Remark
	Irrigation Project			4.17	11.45	Partly reconciled
5	Chief Engineer-cum-Project Director, Project Management Unit (OIIAWMIP)	20	4701	11.24	39.22	Partly reconciled
6	President, State Selection Board	38	2251	0.16	0.14	Partly reconciled
<b>TOTAL</b>				<b>57.63</b>	<b>169.90</b>	

Source: Information furnished by Principal Accountant General (A&E)

### 3.8 Personal Deposit Account

Note below Rule 141 read with sub-rule (3) of Odisha Budget Manual (OBM) provides that no money should be withdrawn from the treasury unless it is required for immediate use. Nor is it permissible to draw money from the treasury and then to place it in Deposit head in order to avoid lapse of allotment. If under any special circumstances money is drawn in advance (under the orders of Competent Authority), then the unspent balance of the amount so drawn should be refunded to the treasury at earliest possible opportunity and in any case before the end of the financial year in which the amount was drawn. Parking of fund in PD account adversely affected the transparency of State accounts as it inflated the revenue expenditure to that extent and locked up of resources which could have been utilized elsewhere for development. Further, according to the provisions of the Odisha Treasury Code, Volume I (Rule 423) Personal Deposit (PD) accounts remaining in-operative for three full financial years are to be closed automatically and the unspent balances are to be transferred to Government Account for which the Treasury Officers are to furnish detailed information to the Accountant General (A&E) immediately after 31 March of each financial year.

There were 926 Personal Deposit (PD) Account holders in the State with a closing balance (unspent) of ₹ 575.08 crore operating under the head 8443-Civil Deposits-106-Personal Deposits as of March 2011. During 2010-11, ₹ 1264.18 crore were transfer credited from the Consolidated Fund of the State to these PD Accounts and expenditure incurred there from to the tune of ₹ 1244.11 crore resulting in a net increase of ₹ 20.07 crore (3.60 per cent) of the cumulative balance. Besides, 16 treasuries requested for closure of 50 PD accounts amounting ₹ 3.52 crore to Principal Accountant General (A&E) during 2010-11 (*Appendix-3.10*) which was not closed as of March 2011.

On test check of 80 Drawing and disbursing Officers (DDOs) operating PD Accounts we found that ₹ 145.72 crore under PD accounts had been irregularly kept rolling for years together. Of this, ₹ 3.90 crore were lying unutilized/un-surrendered in the Personal Deposit Accounts of seven DDOs for more than three years. As per codal provision those accounts were to be automatically closed after three years but no action was taken by the respective PD Account holders and treasuries to the accounts and transfer the balances to the Government account as of March 2011. The details are in **Table 3.6** below:



**Table 3.6: List of PD Account holders for more than three years**

Sl. No.	Name of the DDO	Name of the Treasury	Amount kept in PD Account ( in ₹)	Period from which kept	Remarks
1	Executive Officer Zilla Parishad, Jagatsinghpur	District Treasury, Jagatsinghpur	29,01,862	Prior to 2007-08	More than 3 years
2	BDO, Panchayat Samiti, Rasulpur	District Treasury, Jajpur	39,31,356	Since 2004	More than 5 years
3	Executive Officer Zilla Parishad, Angul	District Treasury, Angul	28,76,012	Prior to 2002-03	More than 5 years
4	Executive Officer Zilla Parishad, Balasore	District Treasury, Balasore	97,14,109	Prior to 2005-06	More than 5 years
5	Executive Officer Zilla Parishad, Cuttack	District Treasury, Cuttack	58,07,979	Prior to 2004-05	More than 5 years
6	BDO, Panchayat Samiti, Kamakshyanagar	Sub-Treasury, Kamakshyanagar	17,739	Prior to 1995	More than 10 years
7	BDO, Panchayat Samiti, Sukinda	Sub-Treasury, Sukinda	1,37,75,374	Prior to June 1999	More than 10 years
<b>Total</b>			<b>3,90,24,431</b>		

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

The Principal Secretary, Finance Department stated (October 2011) that the Treasury Officers had been instructed to furnish proposal for closure of inoperative PL Accounts in January 2010.

### 3.9 Conclusion and Recommendations

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

*Internal controls need to be strengthened in the executing agencies to utilise the fund within the stipulated time so as to avoid delay in submission of utilisation certificates. It would also ensure utilization certificates to be furnished only after actual utilisation of the earmarked funds; and funds were not being diverted for other purposes or getting mis- utilized.*

- Administrative Departments of the Government did not furnish to the Principal Accountant General (Civil Audit) information on the list of bodies / authorities to whom grants and / or loans were paid, the purposes for which such assistance was paid and position of utilisation of such assistance during 2010-11 as required under the provisions of C&AG's Audit and Accounts Regulations 2007. Besides, as many as 16 departmentally managed commercial entities did not prepare accounts up to 2010-11 despite repeated comments in the earlier Audit Reports. (**Paragraph 3.2 and 3.4**).

*Administrative Departments of Government need to furnish timely information to Accountant General (Civil Audit) in respect of bodies/authorities to whom grant/loans have been paid and for finalisation of arrears in accounts of the departmentally managed commercial activities in order to obtain assurance about the financial transactions in these bodies/institutions and also in order to avoid the possibility of any fraud, misappropriation or non-transparent transaction remaining suppressed and uncovered.*

- As per reports of different departmental offices, 1769 cases of misappropriation, defalcation involving Government money of ₹ 17.11 crore were pending for enquiry up to 25 years or more (**Paragraph 3.5**).

*Government Departments must expedite departmental enquiries and finalise all fraud/misappropriation cases by drawing up a time bound programme.*

- Contrary to the provisions of financial rules, Controlling Officers did not submit (July 2011) Detailed Countersigned Contingent Bills to the Accountant General (A&E) in respect of ₹ 50.63 crore drawn on Abstract Contingent Bills (10681 cases) up to 31 March 2011. Many of these cases related to periods prior to 2004-05 (**Paragraph 3.6**). Besides, some departments allowed drawal of AC Bills despite AC Bills, of earlier years remaining unadjusted.

*Government should ensure timely adjustment of pending DCC bills as stipulated in the financial rules for improved monitoring of the quality of expenditure incurred through these bills as also to preclude the possibility of temporary/permanent misappropriation and fraud/embezzlement.*

- Although set procedure for department-wise reconciliation with the books of accounts of the office of AG (A&E) exists, the same was not observed by two departments of the Government for an amount of ₹ 5.60 crore (**Paragraph 3.7**).

*The Chief Controlling Officers should ensure monthly reconciliation of expenditure with that of the books of AG (A&E) in order to avoid inaccuracy*

*of the accounts and possible frauds/embezzlement of Government funds remaining suppressed.*

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

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

**Bhubaneswar**  
**The**

**(Amar Patnaik)**  
**Accountant General (Civil Audit), Odisha**

Countersigned

**New Delhi**  
**The**

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

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	4.19 crore	
3	Density of Population (as per 2001 Census). (All India Density = 325 persons per Sq. Km )		236 person per Sq. Km.	
	Density of Population (as per 2011 Census). (All India Density = 382 persons per Sq. Km )		269 person per Sq. Km.	
4	*Population below poverty line (BPL) (All India Average= 27.5 per cent)		46.4 per cent	
5	a.	Literacy ( as per 2001 Census) (All India Average = 64.8 per cent )	63.08 per cent	
	b.	Literacy ( as per 2011 Census) (All India Average = 74.0 per cent )	73.45 per cent	
6	Infant mortality*** (per 1000 live births). (All India Average = 50 per 1000 live births )		65	
7	Life Expectancy at birth**. (All India Average =63.5 years)		59.6 years	
8	Gini Coefficient****			
	a.	Rural. ( All India = 0.30 )	0.28	
	b.	Urban. ( All India = 0.37)	0.35	
9	Gross State Domestic Product (GSDP) 2010-2011 at current price		₹ 186356 crore	
10	GSDP CAGR (2001-02 to 2010-11)		16.59 per cent	
11	Per capita GSDP CAGR (2001-02 to 2010-11)		13.34 per cent	
12	GSDP CAGR ( 2001-02 to 2009-2010)			
		Odisha	15.78 per cent	
		Other General Category States	13.37 per cent	
13	Population Growth ( 2001 to 2011 )			
		Odisha	13.97 per cent	
		Other General Category States	17.56 per cent	
B. Financial Data				
Particulars				
CAGR		2001-02 to 2009-10		2001-02 to 2010-11
		General Category States	Odisha	Odisha
(In per cent)				
a.	of Revenue Receipts.	15.20	17.97	18.80
b.	of Own Tax Revenue.	14.53	17.53	18.28
c.	of Non Tax Revenue.	13.87	21.15	23.93
d.	of Total Expenditure.	13.53	12.72	13.16
e.	of Capital Expenditure.	22.61	19.33	19.10
f.	of Revenue Expenditure on Education.	12.41	15.64	15.65
g.	of Revenue Expenditure on Health.	11.97	13.30	12.75
h.	of Salary and Wages.	12.59	10.88	10.21
i.	of Pension.	14.09	15.98	16.63

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

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

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

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

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

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

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

**PART B: Layout of Finance Accounts**

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

# Appendix 1.3

## Time series data on the State Government finances

(Refer Paragraph 1.1.1 at Page 2)

	2006-2007	2007-2008	2008-2009	2009-10	2010-11
<b>Part A. Receipts</b>					
<b>1. Revenue Receipts</b>	<b>18033</b>	<b>21967</b>	<b>24610</b>	<b>26430</b>	<b>33276</b>
<b>(i) Tax Revenue</b>	<b>6065 (34)</b>	<b>6856 (31)</b>	<b>7995(32)</b>	<b>8982(34)</b>	<b>11193(34)</b>
Taxes on Agricultural Income	Nil	Nil	Nil	Nil	Nil
Taxes on Sales, Trade, etc	3765 (62)	4118 (60)	4803(60)	5409(60)	6807(61)
State Excise	430 (7)	525 (7)	660(8)	849(10)	1094(10)
Taxes on Vehicles	427 (7)	459 (7)	524(7)	611(7)	728(6)
Stamps and Registration fees	260 (4)	405 (6)	496(6)	360(4)	416(4)
Land Revenue	226 (4)	276 (4)	348(4)	292(3)	391(3)
Taxes on Goods and Passengers	574(9)	627(9)	638(8)	815(9)	1111(10)
Other Taxes	383(6)	446(7)	526(7)	646(7)	646(6)
<b>(ii) Non Tax Revenue</b>	<b>2588(14)</b>	<b>2654(12)</b>	<b>3176(13)</b>	<b>3212(12)</b>	<b>4780(14)</b>
<b>(iii ) State's share of Union taxes and duties</b>	<b>6221 (34)</b>	<b>7847 (36)</b>	<b>8280(34)</b>	<b>8519(32)</b>	<b>10497(32)</b>
<b>(iv) Grants in aid from Government of India *</b>	<b>3159 (18)</b>	<b>4611 (21)</b>	<b>5158(21)</b>	<b>5717(22)</b>	<b>6806(20)</b>
<b>2. Miscellaneous Capital Receipts</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>3. Recoveries of Loans and Advances</b>	<b>286</b>	<b>355</b>	<b>236</b>	<b>356</b>	<b>34</b>
<b>4. Total Revenue and Non debt capital receipts (1+2+3)</b>	<b>18319</b>	<b>22322</b>	<b>24846</b>	<b>26786</b>	<b>33310</b>
<b>5. Public Debt Receipts</b>	<b>2046</b>	<b>507</b>	<b>1152</b>	<b>1650</b>	<b>2268</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1305	417	643	1460	2042
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	741	90	509	190	226
<b>6. Total Receipts in the Consolidated Fund (4+5)</b>	<b>20365</b>	<b>22829</b>	<b>25998</b>	<b>28436</b>	<b>35578</b>
<b>7. Contingency Fund Receipts</b>	<b>--</b>	<b>165</b>	<b>301</b>	<b>11</b>	<b>199</b>
<b>8. Public Account Receipts</b>	<b>9992</b>	<b>10297</b>	<b>11834</b>	<b>11735</b>	<b>12779</b>
<b>9. Total Receipts of the State (6+7+8)</b>	<b>30357</b>	<b>33291</b>	<b>38133</b>	<b>40182</b>	<b>48556</b>
<b>Part B. Expenditure/Disbursement</b>					
<b>10. Revenue Expenditure</b>	<b>15772 (90)</b>	<b>17723 (84)</b>	<b>21190(84)</b>	<b>25292(87)</b>	<b>29368(86)</b>
Plan	2727 (17)	4089 (23)	5308(25)	5615(22)	7393(25)

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



## Appendix 1.3

	2006-2007	2007-2008	2008-2009	2009-10	2010-11
Non Plan	13045 (83)	13634 (77)	15882(75)	19677(78)	21975(75)
General Services (including interest payments)	7503 (47)	7227 (41)	6962(33)	9285(37)	9937(34)
Social Services	5221 (33)	6416 (36)	8284(39)	9838(39)	11922(41)
Economic Services	2776 (18)	3729 (21)	5551(26)	5762(23)	7077(24)
Grants-in-aid and contributions	272 (2)	351 (2)	393(2)	406(1)	432(1)
<b>11. Capital Expenditure</b>	<b>1451 (8)</b>	<b>2843 (14)</b>	<b>3779(15)</b>	<b>3648(12)</b>	<b>4285(13)</b>
Plan	1340(92)	2656(93)	3570(94)	3257(89)	4157(97)
Non Plan	111(8)	187(7)	209(6)	391(11)	128(3)
General Services	64(4)	132(5)	185(5)	178(5)	234(6)
Social Services	220(15)	643(22)	924(24)	563(15)	784(18)
Economic Services	1168(81)	2068(73)	2671(71)	2907(80)	3267(76)
<b>12. Disbursement of Loans and Advances</b>	<b>272 (2)</b>	<b>433 (2)</b>	<b>211(1)</b>	<b>112(1)</b>	<b>315(1)</b>
<b>13. Total (10+11+12)</b>	<b>17495</b>	<b>20999</b>	<b>25180</b>	<b>29052</b>	<b>33968</b>
<b>14. Repayments of Public Debt</b>	<b>1851</b>	<b>1845</b>	<b>1493</b>	<b>1489</b>	<b>2084</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1072	1412	1059	1052	1222
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	779	433	434	437	862
<b>15. Appropriation to Contingency Fund</b>	<b>Nil</b>	<b>Nil</b>	<b>250</b>	<b>Nil</b>	<b>Nil</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>19346</b>	<b>22844</b>	<b>26923</b>	<b>30541</b>	<b>36052</b>
<b>17. Contingency Fund disbursements</b>	<b>138</b>	<b>51</b>	<b>11</b>	<b>199</b>	<b>375</b>
<b>18. Public Account disbursements</b>	<b>7958</b>	<b>8971</b>	<b>10896</b>	<b>9849</b>	<b>11408</b>
<b>19. Total disbursement by the State (16+17+18)</b>	<b>27442</b>	<b>31866</b>	<b>37830</b>	<b>40589</b>	<b>47835</b>
<b>Part C. Deficits</b>					
<b>20. Revenue Deficit(-)/Revenue Surplus (+) (1-10)</b>	<b>+2261</b>	<b>(+) 4244</b>	<b>(+)3420</b>	<b>(+)1138</b>	<b>(+)3908</b>
<b>21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)</b>	<b>(+) 824</b>	<b>(+) 1323</b>	<b>(-)334</b>	<b>(-)2266</b>	<b>(-)658</b>
<b>22. Primary Deficit (21+23)</b>	<b>(+) 4012</b>	<b>(+) 4492</b>	<b>(+)2555</b>	<b>(+)778</b>	<b>(+)2403</b>
<b>Part D. Other data</b>					
<b>23. Interest Payments (included in revenue expenditure)</b>	<b>3188 (20)</b>	<b>3169 (18)</b>	<b>2889(14)</b>	<b>3044(12)</b>	<b>3061</b>
<b>24. Financial Assistance to local bodies etc.,</b>	<b>3420</b>	<b>3859</b>	<b>5422</b>	<b>6722</b>	<b>9086</b>
<b>25. Ways and Means Advances/Overdraft availed (days)</b>					
Ways and Means Advances availed (days)	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil

## Appendix 1.3

	2006-2007	2007-2008	2008-2009	2009-10	2010-11
Overdraft availed (days)	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil
<b>26. Interest on Ways and Means Advances/ Overdraft</b>	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil	Nil/Nil
<b>27 Gross State Domestic Product (GSDP)</b>	93374 (Q)	106466 (A)	122165	150946(A)	186356(A)
<b>28 Outstanding Fiscal liabilities (year end)</b>	39466	38525	39168	40613	42191
<b>29. Outstanding guarantees (year end) (including interest)</b>	2648+*	2168+*	1386	1027	2066
<b>30. Maximum amount guaranteed (year end)</b>	8589	8586	8380	8389	9789
<b>31. Number of incomplete projects</b>	65	34	41	35	68
<b>32. Capital blocked in incomplete projects</b>	6437	102	137	115	227
<b>Part E: Fiscal Health Indicators</b>					
<b>I Resource Mobilization</b>					
Own Tax revenue/GSDP	6.65	6.64	6.54	5.95	6.01
Own Non-Tax Revenue/GSDP	2.84	2.57	2.60	2.13	2.56
Central Transfers/GSDP	6.82	7.60	6.79	5.64	5.63
<b>II Expenditure Management</b>					
Total Expenditure/GSDP	0.186	0.197	20.61	19.25	18.23
Total Expenditure/Revenue Receipts	97.02	95.59	102.32	109.92	102.08
Revenue Expenditure/Total Expenditure	90.15	84.40	84.15	87.06	86.46
Expenditure on Social Services/Total Expenditure	0.31	0.34	36.71	35.80	37.41
Expenditure on Economic Services/Total Expenditure	22.54	27.61	32.65	29.84	30.45
Capital Expenditure/Total Expenditure	8.29	13.54	15.01	12.56	12.61
Capital Expenditure on Social and Economic Services/Total Expenditure.	7.93	12.91	14.28	11.94	11.93
<b>III Management of Fiscal Imbalances</b>					
Revenue deficit (surplus)/GSDP	2.421	3.986	2.80	0.75	2.10
Fiscal deficit/GSDP	0.88	1.243	(-)0.47	(-)1.50	(-)0.35
Primary Deficit (surplus) /GSDP	4.297	4.219	1.88	0.52	1.29
Revenue Deficit/Fiscal Deficit	274.39	320.79	(-)17.07	50.26	593.92
Primary Revenue Balance/GSDP					
<b>IV Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	42.27	36.19	32.06	26.91	22.64
Fiscal Liabilities/RR	218.85	175.38	159.15	153.66	126.79
Primary deficit vis-à-vis quantum spread					
Debt Redemption (Principal +Interest)/ Total Debt Receipts					
<b>V Other Fiscal Health Indicators</b>					
Return on Investment	2.97	8.38	14.27	11.90	4.64
Balance from Current Revenue (Rs in crore)	4403	5574	4811	3166	6606
Financial Assets/Liabilities	0.67	0.77	0.84	0.87	0.95

# Appendix 1.4

## Abstract of receipt and disbursement for the year 2010-11

(Refer Paragraph 1.1.1 at Page 2)

(₹ in crore)							
2009-10	Receipts	2010-11	2009-10	Disbursements	Non-Plan	Plan	2010-11
<b>Section A: Revenue</b>							
26430.21	<b>I.Revenue Receipts</b>	33276.16	25291.59	<b>I.Revenue Expenditure-</b>	21975.28	7392.67	29367.95
8982.34	-Tax revenue	11192.67	9285.15	General services	9858.00	78.77	9936.77
--	--	--	9838.22	Social Services-	7672.92	4249.09	11922.01
3212.20	-Non-tax revenue	4780.38	5541.07	-Education, Sports, Art and Culture	4898.76	1525.50	6424.26
--	--	--	1146.25	-Health and Family Welfare	910.86	332.91	1243.77
8518.65	-State's share of Union Taxes	10496.86	773.27	-Water Supply, Sanitation, Housing and Urban Development	501.92	449.69	951.61
--	--	--	23.46	-Information and Broadcasting	25.72	1.61	27.33
1629.34	-Non-Plan grants	2111.39	701.61	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	369.32	447.29	816.61
2776.74	-Grants for State Plan Schemes	--	73.46	-Labour and labour Welfare	49.76	18.88	68.64
--	--	3279.21	1526.30	-Social Welfare and Nutrition	868.47	1458.43	2326.90
1284.17	-Grants for Central and Centrally sponsored Plan Schemes	--	52.31	-Others	48.10	14.79	62.89
--	--	1415.65	5762.40	Economic Services-	4012.75	3064.81	7077.56
--	--	--	2191.12	-Agriculture and Allied Activities	1733.92	1043.66	2777.58
--	--	--	1179.91	-Rural Development	510.88	972.48	1483.36
--	--	--	---	-Special Areas Programmes	---	---	---
--	--	--	613.52	-Irrigation and Flood control	568.49	196.57	765.06
--	--	--	95.50	-Energy	5.24	200.19	205.43
--	--	--	185.72	-Industry and Minerals	94.81	178.19	273.00
--	--	--	947.75	-Transport	992.63	58.49	1051.12
--	--	--	29.94	-Science, Technology and Environment	4.23	27.45	31.68
--	--	--	518.94	-General Economic Services	102.55	387.78	490.33
--	--	--	405.82	Grants-in-aid and Contributions-	431.61	---	431.61
----	<b>II. Revenue deficit carried over to</b>	--	<b>1138.62</b>	<b>II. Revenue Surplus carried over</b>	--	--	<b>3908.21</b>
<b>Section B : Capital</b>							
9689.45	<b>III. Opening Cash balance including Permanent Advances and Cash Balance Investment</b>	9283.63	--	<b>III. Opening Overdraft from Reserve Bank of India</b>	--	--	--
Nil	<b>IV. Miscellaneous Capital receipts</b>	Nil	3647.88	<b>IV. Capital Outlay-</b>	128.59	4156.51	4285.10

## Appendix 1.4

2009-10	Receipts	2010-11	2009-10	Disbursements	Non-Plan	Plan	2010-11
--	--	--	177.74	General Services-	76.89	157.27	234.16
--	--	--	562.70	Social Services-	7.51	776.98	784.49
--	--	--	13.11	-Education, Sports, Art and Culture	---	187.63	187.63
--	--	--	24.61	-Health and Family Welfare	---	28.58	28.58
--	--	--	387.15	-Water Supply, Sanitation, Housing and Urban Development	7.51	153.66	161.17
--	--	--	---	-Information and Broadcasting	---	---	---
--	--	--	133.56	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	---	394.69	394.69
--	--	--	---	-Social Welfare and Nutrition	---	---	---
--	--	--	4.28	-Others	---	12.42	12.42
--	--	--	2907.43	Economic Services-	44.19	3222.26	3266.45
--	--	--	92.51	-Agriculture and Allied Activities	38.93	39.67	78.60
--	--	--	---	-Rural Development	---	---	---
--	--	--	---	-Special Areas Programmes	---	183.51	183.51
--	--	--	1522.73	-Irrigation and Flood Control	---	1606.43	1606.43
--	--	--	8.94	-Energy	---	83.25	83.25
--	--	--	324.99	-Industry and Minerals	---	5.05	5.05
--	--	--	927.33	-Transport	5.13	1289.17	1294.30
--	--	--	30.93	-General Economic Services	0.13	15.18	15.31
<b>356.36</b>	<b>V. Recoveries of Loans and Advances-</b>	<b>33.81</b>	<b>112.48</b>	<b>V. Loans and Advances disbursed-</b>	<b>109.02</b>	<b>205.67</b>	<b>314.69</b>
---	-From Power Projects	---	---	-For Power Projects	--	--	205.00
26.37	-From Government Servants	24.91	23.98	-To Government Servants	--	--	53.13
329.99	-From Others	8.90	88.50	-To Others	--	--	56.56
<b>1138.62</b>	<b>VI. Revenue Surplus brought down</b>	<b>3908.21</b>		<b>VI. Revenue Deficit brought down</b>	--	--	---
<b>1650.12</b>	<b>VII. Public debt receipts-</b>	<b>2267.60</b>	<b>1488.69</b>	<b>VII. Repayment of Public debt-</b>	--	--	<b>2083.58</b>
Nil	-External debt	Nil	Nil	-External debt	--	--	Nil
1459.78	-Internal debt other than Ways and Means Advances and overdrafts	2041.92	1051.74	-Internal debt other than Ways and Means Advances and Overdrafts	--	--	1221.55
---	Net transactions under Ways and Means Advances	---	---	- Net transactions under Ways and Means Advances	--	--	---
---	- Net transactions under overdraft	---	---	-Net transactions under overdraft	--	--	---
190.34	-Loans and Advances from Central Government	225.68	436.95	-Repayment of Loans and Advances to Central Government	--	--	862.03
Nil	<b>VIII. Appropriation to Contingency Fund</b>	---	--	<b>VIII. Appropriation to Contingency Fund</b>	--	--	
<b>11.07</b>	<b>IX .Amount transferred to Contingency Fund</b>	<b>198.97</b>	<b>198.97</b>	<b>IX. Expenditure from Contingency Fund</b>	--	--	<b>375.00</b>
<b>11735.46</b>	<b>X. Public Account receipts-</b>	<b>12778.87</b>	<b>9849.43</b>	<b>X. Public Account disbursements-</b>	--	--	<b>11407.85</b>
2570.58	-Small Savings and	2804.31	1432.51	-Small Savings and	--	--	1581.70

## Appendix 1.4

2009-10	Receipts	2010-11	2009-10	Disbursements	Non-Plan	Plan	2010-11
	Provident Funds			Provident Funds			
735.95	-Reserve Funds	602.72	234.53	-Reserve Funds	--	--	585.89
37.14	-Suspense and Miscellaneous	-1.68	-23.40	-Suspense and Miscellaneous	--	--	17.00
5257.29	-Remittance	6027.47	5215.94	-Remittances	--	--	6031.40
3134.50	-Deposits and Advances	3346.05	2989.85	-Deposits and Advances	--	--	3191.86
Nil	<b>XI. Closing Overdraft from Reserve Bank of India</b>	--	<b>9283.63</b>	<b>XI. Cash Balance at end-</b>	--	--	<b>10004.87</b>
--	--	--	---	Cash in Treasuries and Local Remittances	--	--	---
--	--	--	-384.20	Deposits with Reserve Bank	--	--	-452.91
--	--	--	49.41	Departmental Cash Balance including permanent Advances	--	--	48.26
--	--	--	9618.42	Cash Balance Investment	--	--	10409.52
<b>51011.29</b>	<b>Total</b>	<b>61747.25</b>	<b>51011.29</b>	<b>Total</b>			<b>61747.25</b>

# Appendix 1.5

## Funds transferred directly to State implementing agencies

(Refer Paragraph 1.2.2 at Page 5)

Sl. No	Government of India Scheme	Government of India release (₹ in lakh)	
		2009-10	2010-11
1.	580 New Community Polytechnics	1,12.75	64.90
2.	Accelerated Rural Water Supply Scheme	1,23,97.20	2,94,75.80
3.	Action Research and Research Studies	1.01	0
4.	Aside (Assistance to states for developing export infrastructure and allied activities)	4,57.00	0
5.	Assistance to IHMS FCIS etc.	90.00	0
6.	Assistance to Panchayati Raj Institutions voluntary organizations self help groups for programmes related to aged SJE	4.88	0
7.	Assistance to state for capacity building in trauma care	1,54.00	1,57.00
8.	Assistance to Training Institutions	49.81	0
9.	Autonomous Institutions and Professional Bodies	0.50	0
10.	Bioinformatics	27.05	10.24
11.	Biotechnology for Societal Development	45.79	0
12.	Capacity Building and Technical Assistance	73.96	0
13.	Capacity Building for Service Providers	14.23	0
14.	Central Rural Sanitation Scheme	50,31.55	0
15.	Commission for Scientific and Tec terminology DHE	10.00	15.00
16.	Computerisation of Records of State Wakf Board	27.10	0
17.	Conservation of Natural Resources and Ecosystem	2.81	2.00
18.	Counseling retraining and Redeployment Scheme	37.26	0
19.	Crime and Criminal Tracking Network and System	4,87.23	38,03.12
20.	Deendayal Disabled Rehabilitation Scheme SJE	0	10.06
21.	Demonstration of Solar Thermal SPV System and other Activities	3.84	0
22.	Development and Strengthening of Infrastructure Facilities for production and Distribution Quality Seeds.	8,79.39	2,73.19
23.	District Hospitals	5,54.00	0
24.	Domestic Promotion and Publicity including hospitality	18.60	0
25.	DRDA Administration	26,03.60	16,19.31
26.	EAP	52,91.35	0
27.	Educational Complexes in low literacy pockets	7,84.08	7,64.24
28.	Electronic Governance	9,45.40	1,67.96
29.	Environment Information Education and Awareness	2,72.25	0
30.	Fluorosis	0	84.20
31.	Grand Challenge Programme	47.11	0
32.	Handicrafts	30.91	0
33.	Handlooms	1,04.22	0
34.	Health Insurance for unorganized sectors	0	20,43.57
35.	Hospital and Dispensaries (under NRHM)	4,63.46	13,83.12
36.	Human Resource Development Biotechnology	49.29	60.42
37.	Human Resources for Health	1,00.00	4,75.00



## Appendix 1.5

Sl. No	Government of India Scheme	Government of India release (₹ in lakh)	
		2009-10	2010-11
38.	I & M Sector Biotechnology	2,00.00	0
39.	IC and JV and Asia Enterprises in India and undertaking Investment Promotion Activities.	0	6.80
40.	India Meteorology Department	17.13	40.31
41.	Information Education and Communication	42.00	2.00
42.	Information Publicity and Extension	35.45	4.20
43.	Inspire	0	45.50
44.	Integrated Watershed Management Programme (IWMP)	1,00,13,.56	1,23,28.58
45.	Intensive Dairy Development Programme	1,80.57	3,99.16
46.	International Cooperation Activities	76.00	67.69
47.	International Cooperation Biotechnology	5.03	0
48.	International Cooperation S& T	48.43	0
49.	IT for Masses Gender SC ST DIT	25.00	0
50.	Man Power Development DIT	8.60	0
51.	Man Power Development DIT	28.35	0
52.	Marine Research and Technology Development	1,14.91	17.15
53.	Marketing and Export Promotion Scheme for Handloom and Textiles	0	92.49
54.	Marketing Research Surveys and Information Network	0	0.70
55.	Marketing Support and Services	0	79.40
56.	Medical Rehabilitation	11.89	0
57.	Medicinal Plants	48.72	15.34
58.	Medicinal Plants Processing Zones	0	1,66.69
59.	Micro Irrigation	5,28.40	8,10.00
60.	MPs Local Area Development Scheme MPLADs	47,00.00	57,05.00
61.	MSME Cluster Development Programme and MSME Growth Poles	1,20.00	3.50
62.	National Child Labour Project including Grants in Aid to Voluntary Agencies	8,62.56	10,74.02
63.	National Afforestation Programme	8,81.90	11,19.63
64.	National Aids Control Programme including STD control	16,70.05	23,07.08
65.	National Bamboo Mission	1,57.53	3,06.00
66.	National Coastal Management Programme	14.30	0
67.	National Food Security Mission	63,40.67	58,52.76
68.	National Horticulture Mission	35,00.00	32,59.00
69.	National Institute of Technology NIT DHE	57,52.00	0
70.	National Mental Health Programme	50.00	5,28.00
71.	National Mission on Medicinal Plants	2,36.10	0
72.	National Mission on Nano Science and Nano Technology	5.00	0
73.	National Programme for Youth and Adolescent Development General	0.35	0
74.	National Project for Cattle and Buffalo Breeding	3,90.58	6,46.94
75.	National Rural Employment Guarantee Scheme	5,01,49.12	15,61,86.38
76.	National Rural Health Mission (NRHM) Centrally sponsored	3,11,55.53	3,55,15.37
77.	National Rural Health Mission NRHM Central Sector	68.87	1,70.36
78.	National Scheme for funding to National Institute SJE	4,29.40	0
79.	National Service Scheme NSS	00	5.39
80.	National Urban Information System(NUIS)	16.46	0
81.	OFF GRID DRPS	1.27	0
82.	Polution Abatement	1.03	16.16
83.	Polymetallic Nodules Programme	45.82	0

## Appendix 1.5

Sl. No	Government of India Scheme	Government of India release (₹ in lakh)	
		2009-10	2010-11
84.	Polytechnics for disabled DHE	24.00	24.00
85.	Pradhan Mantri Gram Sadak Yojana(PMGSY)	7,91,34.99	20,46,10.43
86.	Product Infrastructure Development for Destination and circuits	7,14.69	13,59.51
87.	Promotion of Sports among Disability	0	4.73
88.	Public Private Partnership for setting up of speciality Clinics/IPDS	59.00	0
89.	Quality of Technology Support	4,76.04	0
90.	R and D in new Renewable Energy Technologies	69.86	0.80
91.	Rashtriya Madhyamika Shiksha Abhiyan (RMSA)	5,04.00	89,83.00
92.	Renewable Energy for Rural Application for all villages	2,57.15	5,94.73
93.	Renewable Energy for Rural Application Remote Village	17,68.51	2,16.42
94.	Research and Development Department of Biotechnology	3,19.68	40.67
95.	Research and Development for Conservation and Development	67.09	5.10
96.	Research and Development support SERC	4,50.82	88.81
97.	Research and Development Water Resources	22.20	2.93
98.	Research Councils		5.00
99.	Research in Urban and Regional Planning Capacity Building in Urban Sector Training in PHE	26.25	0
100.	Research and Mass Education, Tribal Festivals and others	1.12	0.90
101.	Rural Housing-IAY	4,60,25.72	4,50,08.11
102.	Sarva Shiksha Abiyan (SSA)	6,30,61.60	7,31,77.85
103.	Scheme for Human Resource Development FPI	37.50	
104.	Scheme for Infrastructure Development FPI	0	1,00.00
105.	Scheme for promotion of Research and Development Iron and Steel Sector	87.00	0
106.	Scheme for strengthening of Institutions including NIFTEM	2.50	5.00
107.	Scheme of Institute of excellence Top Class Institute	51.05	0
108.	Scheme arising out of the Implementation of the person with Disabilities SJF	1,06.37	0
109.	Scholarships for Science in Higher Education Oversight Committee Recommendation	91.80	0
110.	Science and Technology Mines	45.96	0
111.	Science and Technology Programme for Socio Economic Development	87.45	25.40
112.	Setting up of New IITs	37,50.00	0
113.	SJSRY (Swarna Jayanti Shahari Rojgar Yojana)	14,76.59	16,50.75
114.	Step Support to Training and Employment Programme for Women	24.47	0
115.	Strengthening of Existing Polytechnics	40.00	80.00
116.	Studies in Agricultural Economic Policy and Development	1,50.00	3,70.00
117.	Support to Autonomous Research and Development Institutions	13,00.00	00
118.	Support to State Extension Programme for Extension Reforms	15,10.57	18,38.86
119.	Swarnjayanti Gram Swarozgar Yojana (SGSY)	1,24,82.07	1,22,91.25
120.	Technology Development Programme	88.51	20.00
121.	Technology Promotion Development and		0.80

## Appendix 1.5

Sl. No	Government of India Scheme	Government of India release (₹ in lakh)	
		2009-10	2010-11
	Utilization Programme TPDU DSIR		
122.	Top Class Education for SCs SJE	2,27.74	1,21.34
123.	Total Sanitation Campaign	0	68,36.73
124.	Women's Hostel in Polytechnics	1,40.00	1,20.00
125	National project on management of Soil & Health	0	217.50
126	National Cancer Control	0	27.51
127	National Programme for Prevention and Control of Diabetes Cardiovascular Disease and Stroke	0	93.67
128	Top Class Education	0	95.00
129	Rashtriya Gram Swaraj Yojana	0	314.00
130	Development of Institution	0	70.39
131	Cataloguing Digitization of Manuscripts and Ayush IT Network	0	11.00
132	HRD	0	1.25
133	Baba Saheb Ambedkar Hasta Shilpa Vikash Yojana	0	178.00
<b>Total</b>		<b>363786.51</b>	<b>625784.80</b>

Note:-

1. The total releases shown in this Appendix exclude an amount of ₹ 26897.94 lakh released to Central Bodies located in the State as well as the various other organisations outside the purview of the Government of Orissa.
2. Above information is based on the data availability in CPSMS portal of C.G.A.

# Appendix 1.6

## Statement showing gross collection and expenditure on collection for the year 2010-11

(Refer Paragraph 1.3.1 at Page 8)

Sl.No.	Head of revenue	Year	Total collection (₹ in crore)	Expenditure on collection (₹ in crore)	Percentage of expenditure to gross collection	All India average percentage for 2009-10
1	Sales Tax / VAT	2008-09	5571.85	44.45	0.79	0.96
		2009-10	6383.94	53.90	0.84	
		2010-11	8045.08	80.49	1.00	
2	Taxes on vehicles	2008-09	524.43	32.59	6.21	3.07
		2009-10	611.23	27.78	4.54	
		2010-11	727.58	30.73	4.22	
3	State Excise	2008-09	660.07	24.76	3.75	3.64
		2009-10	849.05	30.74	3.62	
		2010-11	1094.26	36.25	3.31	
4	Stamp Duty and registration fees.	2008-09	495.66	15.23	3.07	2.47
		2009-10	359.96	15.91	4.42	
		2010-11	415.82	17.09	4.11	

Source: Office of the AG (CW&RA), Orissa

# Appendix 1.7

## Statement showing outlay-outcome relationship during the financial year 2010-11

(Refer Paragraph 1.5.3 at Page 19)

S. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)			Physical Achievement/Outcome of the Programme			
		Year	Outlay Budgeted/ Allocated	Actual expenditure	Performance Indicator	Unit of Measurement	Physical Targets	Achievement/ Outcome
<b>Government of India's Flagship Programmes</b>								
1.	BRGF	2006-07	190.00	-	1.Mitigation of regional imbalances. 2.Poverty alleviation in backward districts. 3.Promoting accountable and responsive Panchayat Samities/ Municipalities.	Urban Local Bodies of backward districts. (19 nos)	To cover 19 backward districts which achieved 10291 Projects out of 15779 Projects.	Refer performance Audit on the topic incorporated in C&AG's Audit Report (Civil) for the year ended 31 March 2010 on Government of Orissa.
		2007-08	305.67	59.98				
		2008-09	305.67	191.37				
		2009-10	305.67	360.03				
		2010-11	324.00	327.35				
<b>II. State Government's Flagship programmes</b>								
1	Madhubabu Pension Scheme	2009-10	338.02	338.02	No of Beneficiaries	In number	1408400	1408400
		2010-11	338.02	335.31				
2	Biju KBK Yojana	2009-10	120.00	5.19	(i) Bijli (ii)Sadak (iii)Pani	(i)No. of villages. (ii)No of small culverts etc. (iii) No of drinking water supply units	Bijli-69 Roads and Culvert – 1440 Pani – 631 Others - 464	NA
		2010-11	120.00	28.99				
3	Gopabandhu Gryama Yojana	2010-11	165.00	165.12		No. of Works	10303 works completed out of 13331 works	
4	Mo Kudia	2010-11	60.00	86.92	Assistance to Poor for construction of House	No. of Houses	24291 completed out of 40677 Houses.	
5	Biju Gramya Jyoti Yojana	2009-10	1.00	1.00	Rural Electrification of Villages and Habitants	No of Villages	No Target	3431(out of the target of 2007-08 and 2008-09) 9503(out of target of 207-08,2008-09&2009-10)
		2010-11	49.74	49.74			-do-	
6	Biju Saharnchal Bidytikaran Yojana	2010-11	40.30	40.30	Electrification of unelectrified villages/ wards/slums in ULB	Village/ward/ slum	No Target	196 completed and some are under progress

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

## Summarised financial position of the Government of Odisha as on 31 March 2011

(Refer Paragraph 1.7.1 at Page 24)

		(₹ in crore)	
As on 31.03.2010	Liabilities		As on 31.03.2011
<b>17178.19</b>	<b>Internal Debt -</b>		<b>17998.56</b>
6782.96	Market Loans bearing interest	6160.02	
0.08	Market Loans not bearing interest	0.12	
12.75	Loans from Life Insurance Corporation of India	9.89	
10382.40	Loans from other Institutions	11828.53	
Nil	Ways and Means Advances	Nil	
Nil	Overdrafts from Reserve Bank of India	Nil	
<b>8229.49</b>	<b>Loans and Advances from Central Government -</b>		<b>7593.14</b>
51.31	Pre 1984-85 Loans	49.69	
34.01	Non-Plan Loans	31.48	
8061.50	Loans for State Plan Schemes	7439.26	
20.64	Loans for Central Plan Schemes	17.46	
62.03	Loans for Centrally Sponsored Plan Schemes	55.25	
<b>187.95</b>	<b>Contingency Fund</b>		<b>11.92</b>
<b>12323.39</b>	<b>Small Savings, Provident Funds, etc.</b>		<b>13546.00</b>
<b>2859.35</b>	<b>Deposits</b>		<b>3013.76</b>
<b>4836.05</b>	<b>Reserve Funds Advances</b>		<b>4852.88</b>
<b>73.60</b>	<b>Suspense and Miscellaneous Balances</b>		<b>54.92</b>
<b>698.12</b>	<b>Miscellaneous Capital Receipts</b>		<b>698.12</b>
<b>46386.14</b>	<b>TOTAL</b>		<b>47769.30</b>
		<b>Assets</b>	
<b>28042.64</b>	<b>Gross Capital Outlay on Fixed Assets -</b>		<b>32327.74</b>
2106.95	Investments in shares of Companies, Corporations, etc.	2190.37	
25935.69	Other Capital Outlay	30137.37	
<b>3133.34</b>	<b>Loans and Advances -</b>		<b>3414.21</b>
1943.07	Loans for Power Projects	2148.08	
817.72	Other Development Loans	869.12	
372.55	Loans to Government servants and Miscellaneous loans	397.01	
<b>9.32</b>	<b>Advances</b>		<b>9.55</b>
<b>16.44</b>	<b>Remittance Balances</b>		<b>20.37</b>
<b>9283.62</b>	<b>Cash -</b>		<b>10004.87</b>
---	Cash in Treasuries and Local Remittances		



## Appendix 1.8

As on 31.03.2010	Assets		As on 31.03.2011
-384.20	Deposits with Reserve Bank	-452.91	
49.40	Departmental Cash Balance including Permanent Advances	48.26	
1.83	Security Deposits	1.95	
4813.00	Investment of Earmarked Funds	4813.00	
4803.59	Cash Balance Investments	5594.57	
<b>5900.78</b>	<b>Deficit on Government Account -</b>		<b>1992.56</b>
1138.62	(i) Less Revenue Surplus of the current year	3908.22	
-----	(ii) Appropriation to Contingency Fund	-----	
7039.40	Accumulated deficit at the beginning of the year	5900.78	
<b>46386.14</b>	<b>TOTAL</b>		<b>47769.30</b>

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

### Explanatory Notes for Appendices 1.2 and 1.3

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 1.4, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc. There was a difference of ₹ 13.42 crore (Net Debit) between the figures reflected in the Accounts and that intimated by the Reserve Bank of India under "Deposits with Reserve Bank" after reconciliation and adjustment a balance of net debit of ₹ 4.66(Net Debit) lakh which was under reconciliation.(June 2011).

# Appendix 1.9

## Status of Public Private Partnership Projects in Orissa as on 31 March 2011

(Refer Paragraph 1.10 at Page 32)

Sl. No	Name of the project	Department/ Agency	Estimated cost (₹ in crore)	Structure	Actual cost (₹ in crore)	Present status
(1)	(2)	(3)	(4)	(5)	(9)	(10)
<b>Road Sector</b>						
1	Capital region Ring Road(CRRR)	Works	304	BOOT	-	ECI cleared proposal for appointing Consultant to prepare DPR
2	Bhubaneswar Paradeep	Works	562	BOOT	-	ECI cleared the proposal for feasibility study with revised concept
3	4-laneing of Sambalpur Rourkela Road	Works	1483	BOT	-	High Level Clearance Authority(HLCA) approved proposal to seek VGF assistance from GOI
4	Joda-Bamebari Road	Works	110	BOT	-	RFQ issued
5	Koira Tensa Lahunipara Road	Works	392.2	BOT-	-	38% VGF required as per NHAH toll rates. Nil Vgf as per Orissa draft policy for mining roads
6	Shaukati-Dubuna Road	Works	-	BOT	-	Feasibility Study in Progress
7	Tensa- Barsuan	Works	-	-	-	Feasibility Study in Progress
8	Chorada Duburi Road	Works DepttGoO	-	BOT		Feasibility Study in Progress
9	Palasapanga Bamebari Road	SPV-KIDCO	68	BOO	87.00	Construction started. 4 Kms Road completed
<b>Port Sector</b>						
1	Jatadhar Muhan	Commerce & Transport	1432	BOOST	-	In principle approval accorded for establishing a captive minor port by M/s POSCO. RITES entrusted preparing a draft concession agreement
2	Chudamani Port	Commerce & Transport	1500	BOO	-	MOU signed between GOO and Adityabirla Group for development of a captive port .Draft concession agreement being prepared.
3	Astaranga Port	Commerce & Transport	6500	BOOST	25.00	Govt of Orissa signed an MOU with Navayuga Engineering Company Limited Hyderabad on 22 dec 2008.The concession agreement has been signed on 22-11-2010.
4	Dhamara Port	Commerce & Transport	2469	BOOST	-	Concession Agreement signed between GOO &M/S International Sea –Port Ltd. Financial closure on 26-3-2007. Construction

## Appendix 1.9

Sl. No	Name of the project	Department/ Agency	Estimated cost (₹ in crore)	Structure	Actual cost (₹ in crore)	Present status
(1)	(2)	(3)	(4)	(5)	(9)	(10)
						commenced Mar 2007
5	Gopalpur Port	Commerce & Transport	1115	BOOST	171.00	Concession Agreement Signed between Goo & Gopalpur Ports Ltd
6	Kirtania port (Subarnarekha Mouth)	Commerce & Transport	2375	BOOST	150.00	Concession agreement signed between GOO and Creative port pvt ltd. On 11 Jan 2008.A Special purpose company(SPC), namely ,Subarnarekha Port Pvt Ltd formed
<b>Urban Infrastructure</b>						
1	Market cum Residential Complex Saheednagar Enclave BBSR	BMC- Housing & Urban Development	-	DBT	-	Financial Closure achieved. Residential Component completed.
2	Commercial Shopping Complex Unit IV BBSR	BMC- Housing & Urban Development	-	DBOO	-	Financial Closure achieved. Construction Commenced
3	A.C Market complex ,UNIT IV BBSR	BMC- Housing & Urban Development	20.3	DBOT	-	Financial Closure achieved. Work Commenced
4	Integrated Commercial –cum Residential Complex Gajapati Plaza	Berhampur Development authority, Housing & Urban Development.	9.4	DBOOT	-	Govt approval accorded to BDA to execute the project(through M/S forum projects Pvt Ltd Kolkata) in PPP mode
5	Integrated Residential township, Suango & Ranasinghpur	Housing and Urban Development	493	DBT	-	Revised RFP advertised
6	Housing- cum- Commercial complex Patrapada & Ranasinghpur	Housing and Urban Development	600	DBOOT	-	M/s Vipul Ltd selected being the highest bidder.Lease – cum-Development Agreement would be signed after full payment made
7	Integrated Commercial –cum Residential Complex Chandrasekharpur	BDA ,Housing and Urban Development	211	BOO	-	Govt approval accorded to execute the project through M/s Unitech Ltd.25% of Upfront fees received. Fresh RFP advertised on 12 Nov 2009.
8	Development of Integrated Residential Complex at Paikarapur.	BDA, Housing and Urban Development	163	DBOOT	-	Bid condition approved by ECI on 6 <sup>th</sup> Oct 2010. ECI accorded approval.RFP advertised Financial bids scheduled for opening on 04.02.2011.

## Appendix 1.9

Sl. No	Name of the project	Department/ Agency	Estimated cost (₹ in crore)	Structure	Actual cost (₹ in crore)	Present status
(1)	(2)	(3)	(4)	(5)	(9)	(10)
9	Development of Integrated Residential Project at Damana Chhak	BDA, Housing and Urban Development	-	DBOOT	-	Bid conditions approved by ECI on 6 <sup>th</sup> Oct 2010.ECI accorded approval.
10	Development of Integrated Residential Project at Suango	Housing and Urban Development /Orissa State Housing Board(OSHB)	-	DBOOT	-	Bid condition approved by ECI on 6 <sup>th</sup> Oct 10 .ECI accorded approval.
11	Development of Integrated Residential Complex Shankarpur, BBSR	BDA, Housing and Urban Development	210	DBOOT	-	ECI approved- in-principle to go ahead with the project.
12	Biju Pattnaik Udyan	Housing and Urban Development & Cuttack Development Authority	-	Maintain-Build-Operate – Transfer	-	In Principle approval of ECI is accorded to go ahead with the Project
<b>Airport Sector</b>						
1	Jharsuguda airport	GA	90	BOOT	-	Feasibility Study Undertaken
<b>Any other Sectors</b>						
1	E-registration system	Revenue	63	BOOT	27.26	Implemented at 175 out of 177 Registration Offices. Steps being taken to implement at Chitrokonda & Motu in Malkanagiri district & Debidol in Jagatsinghpur district
2	Mahodahinibasa Hotel with Heritage Look & Feel	Tourism & Orissa Tourism Development Corporation	48.70	Design, renovate, augment, finance, operate, maintain & transfer	7.40	The existing structure has been renovated & operationalised
3	Operation of Hop-on-Hop-off Tourist Bus	Tourism & OTDC	-	O&M	-	Due to poor response & capacity utilisation, a restructuring
4	OTDC Eco-Resort Project	OTDC	3	Upgrade, Operate, Maintain, Manage, Share and Transfer	2.33	The project has been upgraded with 27 cottages along with other facilities and has been operationalized.

## Appendix 1.9

Sl. No	Name of the project	Department/ Agency	Estimated cost (₹ in crore)	Structure	Actual cost (₹ in crore)	Present status
(1)	(2)	(3)	(4)	(5)	(9)	(10)
5	Orissa Tourism Portal Operation & Management	Tourism, Tourism Development Corporation (OTDC)	-	Operation, Maintenance & Marketing	-	
6	Biotech park (Konark Knowledge Park)	Industry, Science & Technology	93.32	DBOT	-	Letter of intent issued by IDCO to M/s Bharat Biotec
7	Setting up of ITIs/ITCs	Industry	64	BOO	-	Upgraded 12 IT IS sanctioned @Rs2.5 cr per ITI as interest free loan.Establishment of residential ITC at unrepresented blocks-26 Industries/ PSU have signed MOU with GOO under Kausal Vikash Yojana of GOI/MOLE,91 ITIs&415 SDCs are to be established.
8	IT & Commercial Complex Rourkela	Industry /IDCO	76.06	BOOT	-	LOI issued on 27 <sup>th</sup> jun 2008.Project awarded to M/s Forum Mart after transparent bidding.Under execution
9	Haridaspur-Paradeep BG Rail link	Industry / Industrial Development Corporation (IDCO)	594.34	DBOT	-	EQuit contribution of Rs. 1.80 Crore paid by IDCO in two phases. SPV formed between Rail Vikas Nigam & User Industries. Under execution.
10	Shamuka 4 hotels Project (4/5 Star Hotels)	Tourism	-	DBFOOT	-	Last date of receipt of bid was 20.1.2010. No bid was received.Govt decision on rebid is awaited
11	Shamuka Master Developer Project	Tourism	-	DBFOOT	-	Revised RFP approved by ECI on 30 sept 2008
12	Modern bus terminal along with Commercial Facilities.Cuttack, Bbsr Dhenkanal and anugul	Commerce and Transport	-	Design Finance, Construct, Operate and Maintain	-	RFP published on 14 dec - 2009.Bid process completed. Baramunda & Dhenkanal
13	Mindspace It park	Industry/ IDCO	480	BOOT	-	Project awarded to Ms K Raheja Corp. Agreement signed Land transfer Pending
14	IT& Corporate Tower Chandrasekharpur	Industry/ IDCO	140	BOOT	-	Prequalification of 15 bidders made in march 2007 through RFQ.
15	Info park Bbsr	Industry /IDCO	500	BOOT	-	Project awarded to M/s DLF Limited
16	SEZ-IT/ITES/BPO MANCHESWAR BHUBANESWAR	Industry/ IDCO	352.03	BOOT	-	Modalities for land transfer from IDCOL to IDCOL are underway.
17	It & Commercial Complex Berhampur	Industry/ IDCO	-	BOOT	-	Bidding process to commence after change of land

Sl. No	Name of the project	Department/ Agency	Estimated cost (₹ in crore)	Structure	Actual cost (₹ in crore)	Present status
(1)	(2)	(3)	(4)	(5)	(9)	(10)
18	Knowledge Park SEZ with Integrated Township	Industry/ IDCO	35.67	BOOT/JV	-	Empowered Committee constituted vide Resolution No 8737 Dated 07-06-2008
19	Multiple product SEZ,Paradeep	Industry	712	BOOT	-	Land Under aquisition
20	Angul-DuburiSukinda rail Link	Commerce and Transport	417.47	BOT	-	Formation of Spv in progress
21	Gunpur – Theruvalli Rail Link	Commerce and Transport	151	BOT	-	Formation of Spv in progress
22	OTDC Resturant Project	Tourism /OTDC	-	Upgrade,Develop,Operate Maintain, Share and Transfer	-	Bid condition approved
23	OTDC Spa Project	Tourism /Tourism Dev. Corpn. (OTDC)	-	Upgrade,Develop,Operate Maintain, Share and Transfer	-	Bid conditions approved by ECI
24	31 Tourism Property	Tourism /Tourism Dev. Corpn. (OTDC)	-	Lease, Develop, Upgrade	-	Bid Process for Lease-cum-Development presented to ECI
25	Rural Multiplex	Panchayati Raj & PPP Cell		BOO		Expression of Interest for Selection of Transaction Advisor being finalised
26	City Surveilance System	Commissioner of Police, Bhubaneswar & PPP Cell	-	BOO	-	Preparation of DPR in Progress.



# Appendix 2.1

## Statement of various grants/appropriations where saving was more than ₹ 10 crore each or more than 20 per cent of the total provision

(Refer Paragraph 2.3.1 at Page 38)

(₹ in crore)					
Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
<b>Revenue – Voted</b>					
1	1	Home	1788.18	122.58	6.82
2	3	Revenue and Disaster Management	1863.57	702.40	37.69
3	4	Law	173.11	32.90	19.05
4	5	Finance	5682.99	1484.09	26.11
5	6	Commerce	5192.94	383.88	7.39
6	7	Works	737.08	14.11	1.91
7	8	Orissa Legislative Assembly	29.37	10.46	35.61
8	10	School and Mass Education	5361.25	846.07	15.78
9	11	ST,SC and Minorities and Backward Classes Development	937.52	83.40	8.89
10	12	Health and Family Welfare	1567.11	341.03	21.76
11	13	Housing and Urban Development	1038.10	105.82	10.19
12	14	Labour and Employment	100.02	34.53	34.52
13	15	Sports and Youth Services	32.97	7.13	21.62
14	16	Planning and Co-ordination	458.97	111.95	24.39
15	17	Panchayati Raj	1642.46	38.95	2.37
16	19	Industries	265.56	79.37	29.88
17	20	Water Resources	941.50	139.12	14.77
18	22	Forest and Environment	405.76	38.91	9.58
19	33	Fisheries and Animal Resources Development	317.94	60.79	19.11
20	36	Woman and Child Development	2534.54	369.05	14.56
21	38	Higher Education	1352.03	27.81	2.05
<b>Capital - Charged</b>					
22	7	Works	2.70	2.58	95.55
<b>Capital - Voted</b>					
23	5	Finance	102.24	45.61	44.61
24	7	Works	1200.60	186.92	15.50

## Appendix 2.1

Sl. No.	Grant No	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)`
25	10	School and Mass Education	301.46	301.46	100
26	11	ST,SC and Minorities and Backward Classes Development	412.54	17.84	4.32
27	19	Industries	298.72	114.63	38.28
28	20	Water Resources	2072.64	453.47	21.87
29	28	Rural Development	485.84	33.97	6.99
30	33	Fisheries and Animal Resources Development	32.08	28.84	89.90
31	38	Higher Education	16.50	15.69	95.09
		<b>TOTAL</b>	<b>37348.29</b>	<b>6235.36</b>	<b>16.70</b>

# Appendix 2.2

## Statement showing various grants/appropriations where expenditure exceeded the approved provision by ₹ 2 crore and more than 20 per cent of the total provision

(Refer Paragraph 2.3.3 at Page 40)

(₹ in Crore)						
Sl. No.	Grant Number	Name of the Grant/Appropriation	Total Grant/Appropriation	Expenditure	Amount of Excess Expenditure	Percentage of Excess Expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	7	Works Department 3054-Roads and Bridges-Non Plan-01-National Highways-799-Suspense-1431-Suspense	50.00	810.00	760.00	1520
2	20	Water Resources Department 4711-Capital Outlay on Flood Control Projects-State Plan-State Sector,01-Flood Control 789-Special Component Plan for Schedule Caste-2223-Flood Management Programme	1.50	6.47	4.97	331.33
3	20	2705-Command Area Development-State Plan-State Sector-001-Ayacut Development-05-Grant-in-aid to Command Area Development Authority for Construction of Field Channels.	6.56	13.13	6.57	100
4	20	2705-Command Area Development-State Plan-District Sector-796-Tribal Area Sub Plan-0594-Grant-in-aid to Command Area Development Authority for Construction of Field Channels	8.87	17.75	8.88	100
5	20	4701-Capital Outlay on Medium Irrigation-State Plan-State Sector-66-Ong Dam Project (Commercial),800-Other Expenditure-2610-Accelerated Irrigation Benefits Programme (AIBP)	300.00	981.00	681.00	227
6	22	Forest and Environment Department 2406-Forest and Wildlife-State Plan-State Sector-01-Forestry-796-Tribal Area Sub Plan-1004-Orissa Forest Sector Development Project(EAP,JBIC Japan Assisted)	27.46	36.96	9.50	34.60
7	28	3054-Roads and Bridges-Non Plan-04-District and Other Roads-337-Road Works-1230-Rural Roads.	178.75	214.52	35.77	20.02
8	30	Energy Department 2801-Power-State Plan-District Sector-05-Transmission and Distribution-796-Tribal Area Sub Plan-2468-Biju Saharanchal Vidyutkaran Yojana.	3.98	7.19	3.21	80.66
9	30	2801-Power-State Plan-06-Rural Electrification-796-Tribal Area Sub Plan -2055-Biju Grama Jyoti	11.07	13.43	2.36	21.31
<b>TOTAL</b>			<b>588.19</b>	<b>2100.45</b>	<b>1512.26</b>	<b>257.10</b>

# Appendix 2.3

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

(Refer Paragraph 2.3.8 at Page 43)

(₹ in lakhs)					
	Number and Name of the Grant	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
<b>A Revenue (Charged)</b>					
1	01-Home	3063.70	2663.26	400.44	15.27
2	02-General Administration	606.01	600.51	5.50	38.01
3	08-Orissa Legislative Assembly	16.25	14.08	2.17	27.00
4	29-Parliamentary Affairs	591.88	518.78	73.10	26.53
<b>Total for Charged</b>		<b>4277.84</b>	<b>3796.63</b>	<b>481.21</b>	<b>106.81</b>
<b>A Revenue (Voted)</b>					
1	03-Revenue & Disaster Management	139306.74	116117.46	23189.28	47050.50
2	04-Law	16741.88	14012.61	2729.27	569.54
3	07-Works	73583.80	72282.42	1301.38	123.73
4	10-School & Mass Education	516036.86	451517.41	64519.45	20087.93
5	12-Health & Family Welfare	153845.69	122608.11	31237.58	2865.69
6	13-Housing & Urban Development	99229.18	93227.85	6001.33	4580.82
7	14-Labour & Employment	9848.20	6548.54	3299.66	153.81
8	15-Sports & Youth Services	2813.13	2583.43	229.70	483.41
9	16-Planning & Co-ordination	45875.37	34702.09	11173.28	21.54
10	19-Industries	23344.26	18618.85	4725.41	3211.52
11	20-Water Resources	92173.31	80237.64	11935.67	1976.74
12	21-Transport	3850.34	3665.17	185.17	126.08
13	22-Forest & Environment	39449.49	36685.02	2764.47	1126.58
14	25-Information & Public Relation	3569.95	3338.18	231.77	69.38
15	26-Excise	4324.66	3791.64	533.02	113.64
16	27-Science & Technology	2953.63	2782.37	171.26	103.71
17	29-Parliamentary Affairs	1705.75	1209.22	496.53	80.00
18	30-Energy	21413.56	20266.40	1147.16	33.78
19	33-Fisheries & Animal Resources Development	31185.58	25714.74	5470.84	607.95
20	36-Women & Child Development	219709.24	216549.31	3159.93	33744.91
<b>Total for Voted</b>		<b>1500960.62</b>	<b>1326458.46</b>	<b>174502.16</b>	<b>117131.26</b>
<b>Total for Revenue</b>		<b>1505238.46</b>	<b>1330255.89</b>	<b>174983.37</b>	<b>117238.07</b>
<b>B Capital (Voted)</b>					
1	06-Commerce	525.00	524.45	0.55	47.35
2	07-Works	106800.43	101367.61	5432.82	13259.58
3	10-School & Mass Education	11300.02	-	11300.02	18846.00
4	20-Water Resources	205474.50	161916.53	43557.97	1789.05
<b>Total-capital</b>		<b>324099.95</b>	<b>367391.03</b>	<b>60291.36</b>	<b>33941.98</b>
<b>Grand Total</b>		<b>1829338.41</b>	<b>1697646.92</b>	<b>235274.73</b>	<b>151180.05</b>

# Appendix 2.4

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

(Refer Paragraph 2.3.9 at Page 43)

(₹ in Crore)

Sl. No.	Grant No.	Description	Re-appropriation	Final Excess(+)/ Saving(-)
1	01-Home	2052-Secretariat-General Services-Non Plan-090-Secretariat-0640-Home Department	-4.38	-3.08
2	03-Revenue & Disaster Management	2052-Secretariate General Services- Non Plan- 090- Secretariat -1208- Revenue and Disaster Management Department	-0.94	-1.77
3	03-Revenue & Disaster Management	2245- Relief on account of Natural Calamities- Non Plan- 02 -Flood, Cyclone etc.-101- Gratuitous Relief 1192-Repair, Renovation and Restoration	-0.89	-2.10
4	03-Revenue & Disaster Management	2245- Relief on account of Natural Calamities -Non Plan- 02- Flood Cyclone etc.,101- Gratuitous Relief 1018- Other items.	21.70	-1.19
5	05-Finance	2040- Taxes and Sales, Trade etc., Non Plan- 001- Direction and Administration- 2540- Mission Made Project under NEGP.	6.32	-2.21
6	07-Works	4202- Capital Outlay on Education, Sports, Arts, and Culture, State Plan District Sector -04 -District and other Road -2161 -Rural Infrastructure Development and (RIDF)	11.96	-2.45
7	13-Housing & Urban Development	2215- Water Supply- Non Plan- 05- Other Urban Development Scheme- 192- Assistance to Municipalities/Municipal Council-1840- National Urban Renewal Mission (NURM)	-47.12	-1.17
8	13-Housing & Urban Development	2215 -Water Supply -Non Plan- 05- Other Urban Development Scheme 193- Assistance to Nagar Panchayat/NACs or equivalent thereof 1840- National Urban Renewal Mission (NURM)	4.37	-5.73
9	12-Health & Family Welfare	2210- Medical and Public Health Non Plan- 01- Urban Health Services Allopathy- 088- Medical College Hospital Berhampur	-2.97	-1.08
10	12-Health & Family Welfare	2210- Medical and Public Health Non Plan Central Plan State Sector-101 -Rural Family Welfare Services	-56.54	-1.37
11	20-Water Resources	2700- Major Irrigation Non Plan 12 - Upeer Koab Irrigation Project- Commercial- 101- Maintenance and Repair 0239 Dam & Apurtenant Work Maintenance	0.32	-2.24
12	20-Water	2705 -Command Area Development Non	-1.72	-7.07

## Appendix 2.4

Sl. No.	Grant No.	Description	Re-appropriation	Final Excess(+)/ Saving( -)
	Resources	Plan- 796 Tribal Area Sub Plan -0594 Grant in aid to command Area Development Authority for construction of field channels		
13	20-Water Resources	4701-Capital Outlay in Medium Irrigation- State Plan -State Sector- 80-General- 800 -Other expenditure- 2487-Capacity building for RIDF /Other Projects	-3.09	-6.09
14	20-Water Resources	4702-Capital Outlay in Minor Irrigation-State Plan- District Sector- 789 -Special Component Plan for Scheduled Castes - 2161- Rural Infrastructure Development Fund (RIDF)	1.08	-3.46
15	20-Water Resources	4702-Capital Outlay in Minor Irrigation - State Plan District Sector- 796- Tribal Area Sub Plan- 2161- Rural Infrastructure Development Fund (RIDF)	1.64	-8.27
16	20-Water Resources	4702-Capital Outlay in Minor Irrigation-State Plan- District Sector- 800- Other expenditure -2161- Rural Infrastructure Development Fund (RIDF)	5.89	-9.00
17	20-Water Resources	4711- Capital Outlay on Flood Control Projects -State Plan- State Sector- 01-Flood Control- 789- Special Component Plan for Scheduled Castes- 0101 -Bank Protection Works on River Embankment.	-2.16	-2.55
18	20-Water Resources	4711- Capital Outlay on Flood Control Projects- State Plan- State Sector- 01-Flood Control -103- Civil Works -2223-Flood Management Programme	-2.62	-5.06
19	22-Forest & Environment	2406- Forestry & Wild Life State Plan-State Sector- 01- Forestry 102- Social & Farm Forestry -1004- Orissa Forest Sector Development Project (EAP,JBIC (Japan Assisted)	-1.85	-11.62
20	22-Forest & Environment	4406-CapitalOutlay on Forestry Wildlife- Non Plan- 01- Forestry- 201-Government Trading in Kendu Leaves-0870- Management	-6.50	-6.46
21	30-Energy	2801-Power- State Plan- District Sector - 05 -Transmission & Distribution- 800 - Other Expenditure- 2468- Biju Saharanchal Vidyuti Karan Yojana	22.31	-4.44
22	36-Women and Child Development	2235-Social Security and Welfare-Central Sponsored Plan- State Sector- 02-Social Welfare- 102- Child Welfare-0664 -ICDS Training Programme	-0.87	-2.14
23	38-Higher Education	2202-General Education -State Plan-State Sector- 03 -University and Higher Education- 0986- New eligible Non-Government College notified in 2004	4.96	-3.06



## Appendix 2.4

Sl. No.	Grant No.	Description	Re-appropriation	Final Excess(+)/ Saving(-)
24	38-Higher Education	2202-General Education -State Plan-State Sector- 03- University and Higher Education- 104- Assistance to Non-Government College and Institutes - 2172- New eligible Non -Government College.	-20.00	-2.38
			<b>-71.1</b>	<b>-95.99</b>
25	5-Finance	2040-Taxes on Sales, Trade etc.- Non Plan- 001- Direction and Administration-0617- Head Quarter Establishment	-5.17	2.44
26	20-Water Resources	2705-Command Area Development-State Plan- State Sector- 001- Ayacut Development- 0594- Grant- in- aid to Command Area Development Authority for Construction of field channels	-0.04	6.56
27	20-Water Resources	2705-Command Area Development-State Plan- State Sector -796- Tribal Area Sub Plan -0594- Grants- in- aid to command Area Development Authority for Construction of field channels	-1.38	8.87
28	20-Water Resources	4701-Capital Outlay on Medium Irrigation- State Plan- State Sector- 97- Other Pipeline Projects Commercial - 800- Other Expenditure -2161- Rural Infrastructure Development Fund (RIDF)	-68.56	5.65
29	20-Water Resources	4711-Capital outlay on Flood Control Projects -Centrally Sponsored Plan- State Sector- 01- Flood Control- 789- Special Component plan for schedule castes-2223 -Flood Management Programme.	-10.55	4.96
30	28-Rurall Development	3054-Roads & Bridges -Non Plan- 04- District and Other Roads -337- Road Works- 1230- Rural Roads	-0.66	35.76
31	36-Women and Child Development	2235-Social Security and welfare-Centrally Sponsored Plan District Sector-02-Social Welfare-102-Child Welfare-0731-Integrated Child Development Service Schemes	-84.34	2.98
32	36-Women and Child Development	2236-Nutrition- Centrally Sponsored Plan-State Sector-02-Distribution of Nutritious Food and Beverages-101-Special Nutrition Programme-1423-Supplementary Nutrition Programme	-10.25	2.03
			<b>-180.95</b>	<b>69.25</b>

# Appendix 2.5

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

(Refer Paragraph 2.3.11 at Page 44 )

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in lakh)	Percentage of Surrender	Remarks
1	05-Finance	2071-Pension and other Retirement Benefits-01-Civil-108-Contributions to Provident Funds-1018-Other items	1000.00	100	Surrender of entire provision in the case was without assigning any reason
2	10-School and Mass Education	2202-General Education-02-Secondary Education-800-Other Expenditure-2110-Implementation of Information and Communication Technology Programme.	1258.00	100	Surrender of entire provision in the case was attributed due to non-release of Central Share.
3		2202-General Education-CSP-State Sector-04-Adult Education-Secondary Education-200-Other Adult Education Programme-2484-Swakshar Bharat.	1199.91	100	Surrender of entire provision in the case was attributed due to release of central assistance directly to the implementing agencies.
4		2202-General Education-CP-State Sector-02-Social Welfare-0976-Non-Government Secondary Schools	1206.65	100	Surrender of entire provision in these four cases were attributed to non-receipt of Central Assistance
5		2202-General Education-CP-SS-02-Secondary Education-800-Other Expenditure -2110-Implementation of Information and Communication Technology Programme	14925.00	100	
6		4202-Capital Outlay on Education Sports, Arts and Culture-01-General Education-202-Secondary Education-2256-Construction and running of Girl's Hostel for students of Secondary and Higher Secondary Schools	2601.00	100	
7		4202-Capital Outlay on Education Sports, Arts and Culture-01-General Education-202-Secondary Education-2257-Establishment of model Schools in backward blocks of the State.	24975.00	100	
8		14-Labour and Employment	2230-Labour and Employment-01-Labour-001-Direction and Administration- 2242- Rastriya Swasthya Bima Yojana	1840.20	100
9	2230-Labour and Employment-01-Labour-796-Tribal Area Sub Plan-2242-Rasrtiya Swasthya Bima Yojana		663.90	100	
10	16-Planning and Co-ordination	3451-Secretariat- Economic Services-102-District Planning Machinery-1934-Capacity building for District Planning Offices	1000.00	100	Surrender of entire provision in these three cases, without assigning any reasons
11		3451-Secretariat- Economic Services-102-District Planning Machinery-1935-Other Development Programme	2358.97	100	
		3451-Secretariat- Economic Services-	6370.00	100	

## Appendix 2.5

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in lakh)	Percentage of Surrender	Remarks
		102-District Planning Machinery-2404-Special Development Programme			
13	17-Panchayati Raj	2501-Special Programmes for Rural Development-01-Integrated Rural Development Programme-001-Direction and Administration-1745-Targetted Rural Initiative for Poverty Termination and Infrastructure (TRIPTI)- EAP	1319.50	100	Surrender of entire provision due to deficit release of fund by Government and non-utilisation of funds.
14	19-Industries	2203-Technical Education-CSP-SS-112-Engineering/Technical Colleges and Institutes-2297-Technical Education Quality Improvement Programme(TEQIP)-Phase-II	1500.00	100	Surrender of entire provision in the case was attributed to non-sanction of funds by Government of India
15		2851-Village and Small Industries-CSP-DS-102-Small Scale Industries-2548-Upgradation of Industrial Infrastructure at Plastic, Polymer and allied cluster at Balasore under IIUS	2914.00	100	Surrender of entire provision in the case was attributed to non-receipt of orders from Government of India
16	20-Water Resources	4702-Capital Outlay on Minor Irrigation-SP-District Sector-789-Special Component Plan for Scheduled Castes-1886- Orissa Community Tanks Management Project	900.00	100	Surrender of entire provision in the case was without assigning any reason
17	33-Fisheries and Animal Resources Development	2403-Animal Husbandry-107-Fodder and Feed Development-1944-Development of Grass Land including Grass Reserve	500.00	100	Surrender of entire provision was attributed to non-sanction of funds by Government
18		4403-Capital Outlay on Animal husbandry-State Plan-State Sector-101-Veterinary Services and Animal Health-2161-Rural Infrastructure Development Fund (RIDF)	545.70	100	
<b>TOTAL</b>			<b>67077.83</b>	<b>100</b>	

# Appendix 2.6

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

(Refer Paragraph 2.3.12 at Page 44)

(₹ in crore)					
Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
<b>Revenue – Voted</b>					
1	05-Finace Department	5682.99	1484.09	1485.05	0.96
2	10-School and Mass Education Department	5361.25	846.07	847.48	1.41
3	11-Scheled Tribe, Schedules Caste Development department and Minorities and Backward Classes Development Department	937.52	83.40	85.16	1.76
4	34-Co-operation Department	164.15	3.93	4.89	0.96
5	Women and Child Development Department	2534.54	369.05	370.04	0.99
	<b>TOTAL</b>	<b>14680.45</b>	<b>2786.54</b>	<b>2792.62</b>	<b>6.08</b>

# Appendix 2.7

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

(Refer Paragraph 2.3.13 at Page 44)

Sl. No.	Grant Number	Description	Saving (₹ in crore)
1	01-Home	2070-Other Administrative Services	0.35
2	03-Revenue and Disaster Management	2029-Land Revenue	0.78
3	03-Revenue and Disaster Management	2245-Relief on account of Natural Calamities	1.28
4	05-Finance	2040-Taxes on Sales, Trade etc.	2.21
5	07-Works	2216-Housing	2.13
6	07-Works	4059-Capital Outlay on Public Works	0.79
7	07-Works	5054- Capital Outlay on Roads and Bridges	3.49
8	09-Food Supplies and Consumer Welfare	3456-Civil Supplies	0.19
9	12-Health and Family Welfare	2210-Medical and Public Health	79.15
10	13-Housing and Urban Development	2059-Public Works	3.32
11	13-Housing and Urban Development	2217-Urban Development	5.73
12	13-Housing and Urban Development	2251-Secretariat-Social Services	0.03
13	17-Panchayati Raj	2501-Special Programme for Rural Development	0.12
14	19-Industries	2203-Technical Education	1.00
15	19-Industries	2885-Other Outlays on Industries and Minerals	0.12
16	20-Water Resources	2059-Public Works	0.50
17	20-Water Resources	2700-Major Irrigation	6.87
18	20-Water Resources	2701-Medium Irrigation	1.02
19	20-Water Resources	2702-Minor Irrigation	101.72
20	20-Water Resources	2705-Command Area Development	1.27
21	20-Water Resources	2711-Flood Control and Drainage	2.07
22	20-Water Resources	2801-Power	1.68
23	20-Water Resources	3054-Roads and Bridges	2.43
24	20-Water Resources	4700- Capital Outlay on Major Irrigation	18.28
25	20-Water Resources	4701- Capital Outlay on Medium Irrigation	2.86
26	20-Water Resources	4702- Capital Outlay on Minor Irrigation	21.76
27	20-Water Resources	4711- Capital Outlay on Flood Control Projects	6.82
28	22-Forest and Environment	4406-Capital Outlay on Forestry and Wildlife	0.61
29	28-Rural Development	2059-Public Works	5.62
30	28-Rural Development	2215- Water Supply and Sanitation	40.73
31	28-Rural Development	3054-Roads and Bridges	21.36
32	28-Rural Development	4215-Capital Outlay on Water Supply and Sanitation	17.98
33	28-Rural Development	5054- Capital Outlay on Roads and Bridges	15.64
34	30-Energy	2801-Power	9.25
	36-Women and Child Development	2235-Social Security and Welfare	2.30
36	38-Higher Education	2202-General Education	4.38
<b>TOTAL</b>			<b>385.84</b>

# Appendix 2.8

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

(Refer Paragraph 2.3.13 at Page 44)

(₹ in crore)				
Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
(1)	(2)	(4)	(5)	(6)
1	01-Home (Revenue Voted)	122.58	114.31	8.27
2	03-Revenue & Disaster Management (Revenue Voted)	702.40	102.16	600.24
3	07-Works (Capital Voted)	186.92	185.68	1.24
4	09-Food Supplies and Consumer Welfare (Revenue Voted)	9.35	3.96	5.39
5	12-Health and Family Welfare (Revenue Voted)	341.03	257.08	83.95
6	13-Housing and Urban Development (Revenue Voted)	105.82	88.10	17.72
7	20-Water Resources (Revenue Voted)	139.12	53.24	85.88
8	20-Water Resources (Capital Voted)	453.47	396.11	57.36
9	28-Rural Development (Capital Voted)	33.97	12.73	21.24
10	30-Energy (Revenue Voted)	11.81	10.22	1.59
	<b>TOTAL</b>	<b>2106.47</b>	<b>1223.59</b>	<b>882.88</b>



# Appendix 2.9

## Statement showing Grant/Major Head of Account wise surrender of funds in excess of ₹ 10 crore on 30 and 31 March 2011

(Refer Paragraph 2.3.13 at Page 44)

Sl. No.	Grant Number	Major Head of Account	Total Provision (₹ in crore)	Amount of Surrender (₹ in crore)	Percentage of Total Provision
(1)	(2)	(3)	(4)	(5)	(6)
1	1	2014-Administration of Justice	118.06	15.26	12.93
2	1	2055-Police	1375.01	81.77	5.95
3	1	4216-Capital Outlay on Housing	66.52	17.17	25.81
4	3	2030-Stamps and Registration	31.33	17.90	57.13
5	3	2245-Relief on account of Natural Calamities	1269.09	67.77	5.34
6	4	2014-Administration of Justice	136.93	29.67	21.67
7	5	2040-Taxes on Sales, Trade etc.	84.94	16.10	18.95
8	5	2052-Secretariat General Services	1065.42	21.19	1.99
9	5	2071-Pension and Other Retirement Benefits	4427.90	248.07	5.60
10	7	3054-Roads and Bridges	523.89	13.25	2.53
11	7	4059-Capital Outlay on Public Works	65.62	17.48	26.64
12	7	4202-Capital Outlay on Education, Sports, Arts and Culture	33.20	17.00	51.20
13	7	5054-Capital Outlay on Roads and Bridges	1046.83	146.98	14.04
14	10	2202-General Education	5322.20	819.91	15.41
15	10	2235-Social Services and Welfare	25.96	23.71	91.33
16	10	4202-Capital Outlay on Education , Sports, Arts and Culture	301.46	301.46	100.00
17	11	2225-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	891.57	76.81	8.62
18	11	4225-Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	412.54	17.85	4.33
19	12	2210-Medical and Public Health	1209.32	134.47	11.12
20	12	2211-Family Welfare	345.64	120.90	34.98
21	13	2217-Urban Development	354.14	86.51	24.43
22	14	2230-Labour and Employment	70.62	31.30	44.32
23	16	2401-Crop Husbandry	48.23	13.44	27.87
24	16	3451-Secretariat Economic Services	391.53	90.50	23.11
25	17	2501-Special Programmes for Rural Development	152.01	13.26	8.72
26	17	2515-Other Rural Development Programmes	963.93	19.19	1.99
27	19	2203-Technical Education	109.13	18.48	16.93
28	19	2230-Labour and Employment	47.00	19.27	41.00
29	19	2851-Vaillage and Small Industries	90.28	37.05	41.04

## Appendix 2.9

Sl. No.	Grant Number	Major Head of Account	Total Provision (₹ in crore)	Amount of Surrender (₹ in crore)	Percentage of Total Provision
(1)	(2)	(3)	(4)	(5)	(6)
30	19	4202-Capital Outlay on Education , Sports, Arts and Culture	286.30	116.13	40.56
31	20	2700-Major Irrigation	270.34	26.57	9.83
32	20	4700-Capital Outlay on Major Irrigation	1072.01	97.72	9.12
33	20	4701-Capital Outlay on Medium Irrigation	506.36	118.66	23.43
34	20	4702- Capital Outlay on Minor Irrigation	336.61	125.56	37.30
35	20	4711-Capital Outlay on Flood Control Projects	164.84	54.32	32.95
36	22	2406-Forestry and Wildlife	382.44	35.72	9.34
37	23	2401-Crop Husbandry	869.99	50.29	5.78
38	33	2403-Animal Husbandry	219.79	23.96	10.90
39	33	2405-Fisheries	80.68	30.69	38.04
40	36	2202-General Education	565.08	94.90	16.79
41	36	2235-Social Security and Welfare	1396.93	226.08	16.18
42	36	2236-Nutrition	566.70	47.74	8.42
		<b>TOTAL</b>	<b>27698.37</b>	<b>3582.06</b>	<b>12.93</b>

# Appendix 2.10

## Statement showing rush of expenditure

(Refer Paragraph 2.3.14 at Page 45)

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during Jan-March 2011	Expenditure incurred in March 2011	Total expenditure	Percentage of total expenditure incurred during	
						Jan-March 2011	March 2011
(1)	(2)	(3)	₹ in crore			(7)	(8)
			(4)	(5)	(6)		
1	1	2055-115-0323-Dist Police-Non Plan-Voted	10.89	10.03	13.52	80.55	74.19
2	1	2055-800-1713-Spl.organisation for Anti-Naxal Operation-Non plan-Voted	86.47	81.75	89.65	96.45	91.19
3	1	4059-60-051-2380-Construction of building for police welfare-Plan Voted	15.89	10.90	19.95	79.65	54.64
4	7	2059-80-053-2448-Maintenance of Non-residential Buildings-Non Plan-Voted	18.04	14.97	24.55	73.48	60.98
5	7	2216-05-053-1331-Special Repair to Residential Buildings at New Capital-Non Plan-Voted	12.49	10.66	15.61	80.01	68.29
6	7	3054-04-337-2450-Maintenance of Roads & Bridges-Non Plan-Voted	100.83	79.45	120.24	83.86	66.08
7	7	5054-03-789-0197-Construction of Roads-Plan-Voted	14.18	10.78	15.51	91.42	69.50
8	7	5054-04-789-1219-Road Works under Road Development Programme-Plan-Voted	13.55	11.57	19.92	68.02	58.08
9	11	4225-02-794-649-Hostels-Plan- Voted	198.37	198.37	198.37	100.00	100.00
10	13	2217-05-192-2558-General Basic Grants to Local Bodies as Recommended by 13 <sup>th</sup> FC-Non Plan-Voted	10.95	10.95	21.70	50.46	50.46
11	16	3451-102-2375-Grant for Special Problem Fund-Plan –Voted	19.00	17.69	20.00	95.00	88.45
12	16	3451-789-2173-Western Orissa Development	11.45	11.45	16.36	69.99	69.99

## Appendix 2.10

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during Jan-March 2011	Expenditure incurred in March 2011	Total expenditure	Percentage of total expenditure incurred during	
						Jan-March 2011	March 2011
(1)	(2)	(3)	₹ in crore			(7)	(8)
			(4)	(5)	(6)		
		Council-Plan-Voted					
13	16	4575-02-796-2526-SCA for Special Programme for KBK-Plan-Voted	15.13	15.13	15.13	100.00	100.00
14	17	2501-01-800-1432-Swarna Jayanti Gram Swarojgar Yojana	17.62	11.98	22.68	77.69	52.82
15	17	2515-198-2559-Special Area Basic Grant to Local Bodies recommended by 13 <sup>th</sup> FC-Non Plan- Voted	127.74	127.74	138.54	92.20	92.20
16	20	2702-03-796-2161-Rural Infrastructure Development Fund-Plan-Voted	27.26	25.60	41.50	65.69	61.69
17	20	3054-80-800-2450-Maintenance of Roads and Bridges-Non Plan-Voted	17.15	14.70	18.10	94.75	81.22
18	20	4701-80-800—2345-Other Plan Programmes for Medium Irrigation-Plan-Voted	62.41	59.88	65.85	94.78	90.93
19	20	4702-796-1192-Repair and Renovation and Restoration-Plan-Voted	13.42	12.63	13.73	97.74	91.99
20	20	4711-01-103-0101-Bank Protection Works on River Embankment-Plan-Voted	23.82	20.38	39.52	60.27	51.57
21	23	2401-108-1623-Integrated Scheme on Oilseed Pulses-Oil and Maize-Plan-Voted	18.33	15.17	23.04	79.56	65.84
22	28	2059-01-053-2448A-Maintenance of Non Residential Building-Non Plan -Voted	26.80	22.34	33.87	79.13	65.96
23	30	2801-05-800-2468-Biju Saharanchal Vidyuti Karan Yojana-Plan-Voted	24.94	16.87	28.91	86.27	58.35
24	30	2801-06-800-2153-Rajiv Gandhi Gramina Vidyutikaran Yojana-Plan-Voted	30.49	30.49	30.49	100.00	100.00
25	30	4801-05-190-2251-	51.94	51.94	71.94	72.20	72.20

## Appendix 2.10

Sl. No.	Grant Number	Head of account Scheme/Service	Expenditure incurred during Jan-March 2011	Expenditure incurred in March 2011	Total expenditure	Percentage of total expenditure incurred during	
						Jan-March 2011	March 2011
(1)	(2)	(3)	(₹ in crore)			(7)	(8)
			(4)	(5)	(6)		
		Implementation of Non-remunerative Transmission Project in Backward Districts					
26	36	2202-01-112-900-Mid Day Meals-Plan-Voted	25.91	17.95	28.34	91.43	63.34
27	37	2852-07-202-2553-13 <sup>th</sup> Finance Commission Grant for Incentivising issue of UID	35.70	35.70	35.70	100.00	100.00
		<b>Total</b>	<b>1030.77</b>	<b>947.07</b>	<b>1182.72</b>	<b>87.15</b>	<b>80.08</b>

# Appendix 2.11

## Statement showing details of withdrawal of entire provision by way of re-appropriation during 2010-11 by the Chief Controlling Officers of the School and Mass Education and Higher Education Departments.

(Refer Paragraph 2.6.3 at Page 49)

Sl No.	Head of Account	Total Allotment	Expenditure	Withdrawal of entire provision by way of Re-appropriation	Remarks
<b>10-School and Mass Education Department</b>					
1	2202-General Education-State Plan-State Sector-02-Secondary Education-800-Other Expenditure-2107-Oriya High Schools outside the State	0.80	Nil	0.80	Due to non-compliance of required norms
2	2202-General Education-State Plan District Sector-General Education-02-Secondary Education-789-Special Component Plan for Scheduled Castes-2110-Implementation of Information and Communication Technology programme	2.73	Nil	2.73	Due to non-release of central share
3	2202-General Education-State Plan-District Sector-02-Secondary Education-796-Tribal Area Sub-Plan-1262-Secondary Training School	0.50	Nil	0.50	Due to non-creation of posts
4	2202-General Education-State Plan –District Sector-General Education-02-Secondary Education-796-Tribal Area Sub-Plan -2110-Implementation of Information and Communication Technology programme	3.43	Nil	3.43	Due to non-release of central share
5	2202-General Education-State Plan-District Sector-02-Secondary Education-800-Other Expenditure-2110- Implementation of Information and Communication Technology programme	12.59	Nil	12.59	Due to non-release of central share
6	2202-General Education-State Plan –District Sector-02-Secondary Education-800-Other Expenditure-2256-Construction and running of Girl’s Hostel for students of Secondary and Higher Secondary School	0.21	Nil	0.21	Due to non-release of central share
7	2202-General Education-State Plan –District Sector-05-Language Development-102-Promotion of Modern Indian Languages and Literature-0844-Madrassa Education	0.80	Nil	0.80	Due to non-implementation of the scheme
8	2202-General Education-Central Plan-State Sector-02-Secondary Education-796-Tribal Area Sub-Plan-1261-Secondary Schools	3.67	Nil	3.67	Due to non-receipt of central share
9	2202-General Education-Central Plan-State Sector-02-Secondary Education-800-Other Expenditure-1261-Secondary Schools	16.54	Nil	16.54	Due to non-receipt of central share
10	2202-General Education-Central Plan-District Sector-05-Language Development-102-Promotion of Modern Indian Languages and Literature-0844-Madrassa Education	1.89	Nil	1.89	Due to non-receipt of central share
11	2202-General Education-CP-DS-05-Language Development-103-Sanskrit Education-0972-Non-Government Toals	0.24	Nil	0.24	Due to non-receipt of central share
12	2202-General Education-CSP-SS-02-Secondary	149.25	Nil	149.25	Due to non-



## Appendix 2.11

Sl No.	Head of Account	Total Allotment	Expenditure	Withdrawal of entire provision by way of Re-appropriation	Remarks
	Education-800-Other Expdnditure-2110-Implementen of Information and Communication Technology Programme				receipt of central share
13	2202-General Education-CSP-SS-02-Secondary Education-800-Other Expdnditure-2256-Construction and running of Girl's Hostel for students of Secondary and Higher Secondary School	1.93	Nil	1.93	Due to non-receipt of central share
14	2202-General Education-CSP-SS-04-Adult Education-200-Other Adult Education Programme-2484-Saakshar Bharat	12.00	Nil	12.00	Release of central assistance directly to Implementing Agencies
15	2235-Social Security and Welfare-CP-SS-02-Social Welfare-101-Welfare of Handicapped-0974-Non-Government Primary Schools	3.80	Nil	3.80	Due to non-receipt of central assistance
16	2235-Social Security and Welfare-CP-SS-02-Social Welfare-101-Welfare of Handicapped-0976-Non-Government Secondary Schools	12.07	Nil	12.07	Due to non-receipt of central assistance
17	4202-Capital Outlay on Education-Sports, Arts and Culture-SP-SS-01-General Education-202-Secondary Education-2256-Construction and running of Girl's Hostel for students of Secondary and Higher Secondary School	1.14	Nil	1.14	Due to non-receipt of central assistance
18	4202-Capital Outlay on Education-Sports, Arts and Culture-SP-SS-01-General Education-202-Secondary Education-2257-Establishment of Modern Schools in Backward Blocks of the State	20.50	Nil	20.50	Due to non-receipt of central assistance
19	4202-Capital Outlay on Education-Sports, Arts and Culture-SP-SS-01-General Education-789-Special Component Plan for Scheduled Castes-2256-Construction and running of Girl's Hostel for students of Secondary and Higher Secondary School	0.25	Nil	0.25	Due to non-receipt of central assistance
20	4202-Capital Outlay on Education-Sports, Arts and Culture-SP-SS-01-General Education-789-Special Component Plan for Scheduled Castes-2257-Establishment of Modern Schools in Backward Blocks of the State	1.50	Nil	1.50	Due to non-receipt of central assistance
21	4202-Capital Outlay on Education-Sports, Arts and Culture-SP-SS-01-General Education-796-Tribal Area Sub-Plan-2256-Construction and running of Girl's Hostel for students of Secondary and Higher Secondary School	0.31	Nil	0.31	Due to non-receipt of central assistance
22	4202-Capital Outlay on Education-Sports, Arts and Culture-SP-SS-01-General Education-796-Tribal Area Sub Plan-2257-Establishment of Modern Schools in Backward Blocks of the State	2.00	Nil	2.00	Due to non-receipt of central assistance
23	4202-Capital Outlay on Education-Sports, Arts and Culture-CSP-SS-01-General Education-202-Secondary Education-2256- Construction and running of Girl's Hostel for students of	26.01	Nil	26.01	Due to non-receipt of central assistance

## Appendix 2.11

Sl No.	Head of Account	Total Allotment	Expenditure	Withdrawal of entire provision by way of Re-appropriation	Remarks
	Secondary and Higher Secondary School				
24	4202-Capital Outlay on Education-Sports, Arts and Culture-CSP-SS-01-General Education-202-Secondary Education-2257-Establishment of Modern Schools in Backward Blocks of the State	249.75	Nil	249.75	Due to non-receipt of central assistance
<b>TOTAL</b>		<b>523.91</b>		<b>523.91</b>	
<b>38-Higher Education Department</b>					
25	2202-General Education-SP-SS-03-University and Higher Education-103-Government Colleges and Institutes-0549-Government General Colleges	0.15	Nil	0.15	Due to actual requirement
26	2202-General Education-SP-SS-03-University and Higher Education-112-Institutes of Higher Learning-2458-Implementation of ICT Programme	0.50	Nil	0.50	Due to non-receipt of matching central share
27	2202-General Education-SP-SS-03-University and Higher Education-789-Special Component Plan for Scheduled Castes -1009-Other Educational Facilities	1.08	Nil	1.08	Due to non-receipt of matching central share
28	2202-General Education-SP-SS-03-University and Higher Education-796-Tribal Area Sub-Plan -1009-Other Educational Facilities	1.07	Nil	1.07	Due to actual requirement
29	2202-General Education-CP-SS-03-University and Higher Education-106-Text Books Development-0569-Grants and Assistance	0.25	Nil	0.25	Due to non-receipt of central assistance
30	2202-General Education-CP-SS-03-University and Higher Education-107-Scholarships-1009-Other Educational Facilities	0.20	Nil	0.20	Due to non-receipt of central assistance
31	2202-General Education-CSP-SS-03-University and Higher Education-112-Institutes of Higher Learning-2458-Implementation of ICT Programme	1.50	Nil	1.50	Due to non-receipt of central assistance
32	4202-Capital Outlay on Education-Sports, Arts and Culture-SP-SS-01-General Education-203-University and Higher Education-2303-Construction of Government College Building in GER Districts	3.00	Nil	3.00	Due to non-receipt of central assistance
33	4202-Capital Outlay on Education-Sports, Arts and Culture-SP-SS-01-General Education-796-Tribal Area Sub Plan -2303-Construction of Government College Building in GER Districts	7.00	Nil	7.00	Due to non-receipt of central assistance
34	4202-Capital Outlay on Education-Sports, Arts and Culture-CSP-SS-01-General Education-203-University and Higher Education -2303-Construction of Government College Building in GER Districts	1.50	Nil	1.50	Due to non-receipt of central assistance
35	4202-Capital Outlay on Education-Sports, Arts and Culture-CSP-SS-01-General Education-796-Tribal Area Sub Plan -2303-Construction of Government College Building in GER Districts	3.50	Nil	3.50	Due to non-receipt of central assistance
<b>TOTAL</b>		<b>19.75</b>		<b>19.75</b>	

**Format of OGFR-7A under Odisha General Financial Rules 172**

(Refer Paragraph 3.1 at Page 53)

**Format of OGFR- 7-A under Odisha General Financial Rules 172**

**Form of Utilisation Certificate for the year 20.....**

I hereby certify that the grant placed at my disposal/at the disposal of \* ..... in the year .....and the amount available for expenditure during the said year were as follows:-

- I. (a) Unspent balance to the end of the year.....Rs.....  
 (b) Grant received during the year of ..... .Rs.....  
 Quote the number and date of authorization issued by Accountant- General, Orissa whenever it is dependent on such authority and in other cases only the number and date of sanction and designation of sanctioning authority.  
 (F.D.Memo No.30007(144)-F., dated the 27<sup>th</sup> July, 1962)

Total Rs.

- II. Expenditure during the year:-  
 (i) Out of unspent balance as in I (a) above .... Rs.  
 (ii) Out of the grant referred to in I (b) above .... Rs.  
 Total .... Rs.

- III. Unspent balance at the end of the year .... Rs.

2. I further certify that the expenditure of Rs..... shown as expenditure in the year .....has been expended solely on ..... under my charge within the jurisdiction of \*..... and for no other purpose and that the sum of Rs.....(.....) shown as balance at the end of the year..... is available for expenditure and no part of it has been diverted to other purposes.

3. I, further certify that a list of works on which the expenditure of Rs.....has been incurred and the amount spent on each has been prepared and is maintained in my office in the office of the .....

*Dated the 20*

Notified Area Committee Executive Officer  
Notified Area Council

Chariman  
 Executive Officer and Chairman Municipality  
 Executive Officer and Chairman District Board  
 Chariman/President of the \*

*Dated the 20 District Officer*

*Dated the 20 Head of the Department*

**NOTE 1** - The certificate should be furnished in duplicate, so as to reach Government in Administrative Department by the 1<sup>st</sup> June of the succeeding year of expenditure. One copy of the certificate will be retained in the Administrative Department and another copy should be sent to the Accountant – General, Orissa, by the 30<sup>th</sup> June of the same year.

**NOTE 2**- Separate Certificate should be sent in respect of amounts drawn for different purposes.

\* Write the name of the Local Body, Institution, Club, etc.

# Appendix 3.2

## Statement showing details of utilization certificates due to be received by different departments of the State Government from Autonomous Bodies/Local Bodies as at the end of 2010-11

(Refer Paragraph 3.1 at Page 53)

### (A) Autonomous Bodies

Sl. No.	Name of the Department	Name of the Body/Authority	Number of Body/ Authority	Year	Amount (₹ in crore)
1.	Panchayati Raj Department	District Rural Development Agencies	2 11	2008-09 2009-10	29.25 347.83
2.	Scheduled Tribes and Scheduled Caste Development Department	Integrated Tribal Development Agencies	02 09	2008-09 2009-10	9.67 121.28
3.	Scheduled Tribes and Scheduled Caste Development Department	Orissa SC & ST Development Finance Corporation Ltd.,	01	2009-10	23.89
4.	Health Department	Zilla Swasthya Samity	14	2009-10	27.04
5.	H & UD Department	Berhampur Development Authority	01	2009-10	3.96
6.	Agriculture Department	Orissa State Agriculture and Marketing Board.	01	2009-10	4.16
7.	Revenue Department	Orissa State Disaster Management Authority (OSDMA) BBSR	01	2009-10	12.95
8.	Animal Resources Department	Orissa Milk Federation Ltd., (OMFED), BBSR	01	2009-10	0.30
9.	Labour and Employment	State Labour Institute, BBSR	01	2009-10	0.58
10.	SC and ST Department	State Social Welfare Board, BBSR	01	2009-10	3.00
11.	Water Resources	Command Area Development & Water Management Authority, Cuttack	01	2009-10	15.57
<b>Total</b>					<b>599.48</b>

### (B) Zilla Parisad and other Panchayati Raj Institutions

Sl. No.	Name of the Department	Name of the Scheme	Number of PRIs	Year	Amount (₹ in crore)
1.	Panchayati Raj Department	MGNREGS	Zilla Parisads-22	2010-11	912.12
2.	Panchayati Raj Department	SGSY	Panchayat Samities-212	2010-11	123.29
3.	Panchayati Raj Department	IAY	Gram Panchayats-1122	2009-10	17.85
				2010-11	199.68
4.	Panchayati Raj Department	BRGF		2010-11	302.79
5.	Panchayati Raj Department	TFC 13 <sup>th</sup> FC		2009-10	9.78
				2010-11	254.15
<b>Sub Total (B)</b>			<b>1356</b>		<b>1819.66</b>

## Appendix 3.2

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

Sl. No.	Name of the Department	Name of the Body/Authority	Number of ULBs	Year	Amount (₹ in crore)
1.	Housing and Urban Development Department	Municipal Corpns/ Municipalities/ NACs	Municipal Corpns.-3 Municipalities -32 NACs-33	2009-10 2010-11	319.74 91.53
<b>Sub Total (C)</b>			<b>Total-68</b>		<b>411.27</b>

**Grand Total A+B+C = 2830.41 crore**

## Appendix 3.3

Statement showing scheme wise details of utilization certificates wanting to be received by the Panchayati Raj Department from the executing agencies as at the end of 2010-11

(Refer Paragraph 3.1 at Page 53)

Sl. No.	Name of the Department	Name of the Scheme	Year	Amount (₹ in Crore)
1	Panchayati Raj Department	MGNREGS	2010-11	912.12
2	Panchayati Raj Department	SGSY	2010-11	123.29
3	Panchayati Raj Department	IAY	2009-10 2010-11	17.85 199.68
4	Panchayati Raj Department	BRGF	2010-11	302.79
5	Panchayati Raj Department	TFC Th FC	2009-10 2010-11	9.78 254.15
<b>Total</b>				<b>1819.66</b>

# Appendix 3.4

## Statement showing details of utilization certificates pending for receipt by different departments of the State Government from the executing agencies as at the end of 2010-11

(Refer Paragraph 3.1 at Page 53)

Sl. No.	Name of the Department	Year	Amount (₹ in crore)
1	Scheduled Tribe & Scheduled Caste Development Department	2007-08 to 2010-11	346.70
2	Health and Family Welfare Department	2010-11	0.80
3	Agriculture Department (Directorate of Agriculture & Food Production)	2010-11	8.55
4	Rural Development Department	2009-10 to 2010-11	349.68
5	Women and Child Development Department	2009-10 to 2010-11	1445.79
6	Planning and Co-ordination Department (Western Odisha Development Council)	2010-11	283.97
7	Panchyati Raj Department	Up to 2009-10	30.17
		2010-11	1811.39
8	Housing & Urban Development Department	Up to 2009-10	319.74
		2010-11	91.53
<b>Total</b>			<b>4688.32</b>



# Appendix 3.5

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

(Refer Paragraph 3.4 at Page 56)

Sl. No	Name of the Activities/Schemes under the Department	No. of Activities/Schemes under the Department	Years from which Accounts are due	Investment as per the last accounts finalized (₹ in Crore)	Remarks/Reasons for Delay in Preparation of accounts
<b>Department: Forest and Environment</b>					
1	Nationalisation of Kendu Leaves operated by Chief Conservator of Forests (Kendu leaves), Orissa	1	2006-07	70.09	Arrear of accounts for five years. During 2002-03 and 2003-04 there was net profit of ₹ 17.36 crore and ₹ 11.23 crore over the turnover of ₹ 191.33 crore and ₹ 160.78 crore respectively.
<b>Department : Agriculture and Cooperation</b>					
2	Cold Storage Plant, Kumarmunda	1	1972	11.97	Arrear of accounts for 39 years
3	Cold Storage Plant, Similiguda	1	1977	16.15	Arrear of accounts for 34 years
4	Cold Storage Plant, Paralakhemundi	1	1984	6.36	Arrear of accounts for 27 years
5	Cold Storage Plant, Bolangir	1	1994	7.92	Arrear of accounts for 17 years
6	Cold Storage Plant, Bhubaneswar	1	1975	17.89	Transferred (March 1979) to Orissa State Seeds Corporation Limited. Arrear of accounts for five years
7	Cold Storage Plant, Sambalpur	1	1971	NA	Transferred (March 1979) to Orissa State Seeds Corporation Limited. Arrear of accounts for nine years
8	Purchase and Distribution	1			Proforma not prescribed by Government
<b>Department : Food Supplies and Consumer Welfare</b>					
9	Grain purchase scheme	1	1977-78	NA	Transferred (September 1980) to Orissa State Seeds Corporation Limited. Arrear of accounts for four years.
<b>Department : Commerce and Transport</b>					
10	State Transport service	1	1972-73	NA	Transferred (May 1974) to Orissa State Road Transport Corporation. Arrear of accounts for three years.
11	Director Printing, Stationary and Publication, Orissa Cuttack (Government Press)	1	1977-78	NA	Proforma accounts not prescribed though it is required under the provision of Orissa Government Press Manual. Arrear of account for 34 years.
<b>Department : Fisheries and Animal Resources Development</b>					
12	Poultry Development	1	--	NA	Proforma accounts not prescribed by the State Government
<b>Inoperative/Closed Activities/Schemes</b>					<b>Year from which remained closed or inoperative</b>
13	Grain Supply Scheme	1	--	--	1958-59
14	Scheme for trading in Iron Ore through Paradeep Port	1	--	--	1966-67
15	Cloth and Yarn Scheme	1	--	--	1954-55
16	Scheme for exploitation and Marketing of fish	1	--	--	1982-83

NA: Not available

# Appendix 3.6

Department wise / duration wise break-up of the cases of misappropriation, defalcation, etc.  
(Cases where Final action was pending at the end of June 2011)

(Refer Paragraph 3.5 at Page 57)

Sl. No.	Name of the Department	Up to 5 years 2006-07 to 2010-11		5 to 10 years 2001-02 to 2005-06		10 to 15 years 1996-97 to 2000-2001		15 to 20 years 1991-92 to 1995-96		20 to 25 years 1986-87 to 1990-91		25 years to More from inception upto 1985-86		Total No. of Cases.	
		No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
1	Finance	0	0.00	0	0.00	0	0.00	1	4.85	0	0.00	6	5.27	7	10.12
2	Revenue & DM	1	2.54	4	108.06	1	0.79	5	4.46	8	2.41	46	28.48	65	146.74
3	Excise	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.21	1	0.21
4	Law	0	0.00	3	3.11	2	2.81	5	2.72	2	0.95	2	1.97	14	11.56
5	Water Resources	12	4.96	37	47.97	62	109.61	81	30.98	54	9.20	189	57.76	435	260.47
6	Rural Development	4	56.17	11	6.03	23	9.53	27	19.12	17	2.19	17	4.46	99	97.50
7	Energy	0	0.00	0	0.00	1	1.17	4	226.50	1	0.01	4	16.44	10	244.12
8	Industry	2	12.84	2	2.07	2	4.73	2	0.13	1	2.47	0	0.00	9	22.25
9	ST & SC Development	1	0.73	1	2.01	1	0.95	2	0.95	2	0.13	25	4.12	32	8.89
10	Health & Family Welfare	1	0.03	1	4.31	1	0.22	11	13.60	6	28.25	12	9.94	32	56.35
11	General Administration	0	0.00	0	0.00	2	0.71	0	0.00	1	1.26	1	0.95	4	2.92
12	Works	5	3.28	7	3.18	36	54.61	24	7.50	28	2.92	64	121.59	164	193.09
13	Commerce & Transport	0	0.00	3	6.19	0	0.00	3	1.65	3	1.39	3	0.97	12	10.20
14	Education	2	3.29	2	12.20	1	13.81	10	16.25	2	0.41	11	10.66	28	56.62

Sl. No.	Name of the Department	Up to 5 years 2006-07 to 2010-11		5 to 10 years 2001-02 to 2005-06		10 to 15 years 1996-97 to 2000-2001		15 to 20 years 1991-92 to 1995-96		20 to 25 years 1986-87 to 1990-91		25 years to More from inception upto 1985-86		Total No. of Cases.	
		No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount	No of cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
15	Fisheries & ARD	0	0.00	1	0.31	4	0.85	6	2.44	5	1.43	15	71.70	31	76.73
16	Agriculture	5	18.70	5	35.78	20	22.37	20	10.23	9	2.39	60	21.13	119	110.60
17	Co-operation	0	0.00	0	0.00	1	0.94	2	3.25	0	0.00	0	0.00	3	4.19
18	Panchayati Raj	0	0.00	2	4.32	1	7.11	5	9.31	9	1.28	44	17.19	61	39.20
19	Home	0	0.00	0	0.00	1	12.70	1	0.50	1	1.77	1	0.42	4	15.39
20	Food Supplies & C W	0	0.00	0	0.00	0	0.00	1	0.10	0	0.00	2	2.94	3	3.04
21	Housing & Urban Dev	5	21.77	15	11.83	13	11.74	8	12.19	14	9.41	20	3.85	75	70.79
22	Labour & Employment	0	0.00	0	0.00	0	0.00	1	1.94	0	0.00	0	0.00	1	1.94
23	Information & Public Relation	0	0.00	0	0.00	21	1.57	38	4.75	59	4.20	0	0.00	118	10.52
24	Women & Child Development	0	0.00	0	0.00	0	0.00	4	3.30	0	0.00	1	0.14	5	3.44
25	Forest & Environment	1	0.02	7	59.16	61	19.44	86	57.94	49	14.03	233	103.93	437	254.52
	<b>Total</b>	<b>39</b>	<b>124.33</b>	<b>101</b>	<b>306.53</b>	<b>254</b>	<b>275.66</b>	<b>347</b>	<b>434.66</b>	<b>271</b>	<b>86.10</b>	<b>757</b>	<b>484.12</b>	<b>1769</b>	<b>1711.40</b>

# Appendix 3.7

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

(Refer Paragraph 3.5 at Page 57)

SI No	Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Total	
		Number of Cases	Amount ₹ in lakh	Number of Cases	Amount (₹ in lakh)	Number of Cases	Amount (₹ in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Finance	0	0.00	7	10.12	7	10.12
2	Revenue & DM	9	4.17	56	142.57	65	146.74
3	Excise	0	0.00	1	0.21	1	0.21
4	Law	6	2.72	8	8.84	14	11.56
5	Water Resources	280	203.75	155	56.72	435	260.47
6	Rural Development	63	76.85	36	20.65	99	97.50
7	Energy	5	2.84	5	241.28	10	244.12
8	Industry	4	3.81	5	18.44	9	22.25
9	ST & SC Development	12	1.62	20	7.27	32	8.89
10	Health & Family Welfare	11	6.39	21	49.96	32	56.35
11	General Administration	2	0.71	2	2.21	4	2.92
12	Works	82	16.46	82	176.63	164	193.09
13	Commerce & Transport	5	6.89	7	3.31	12	10.20
14	Education	7	1.79	21	54.83	28	56.62
15	Fisheries and ARD	10	1.50	21	75.23	31	76.73
16	Agriculture	50	17.64	69	92.96	119	110.60
17	Co-operation	1	0.71	2	3.48	3	4.19
18	Panchayati Raj	17	18.25	44	20.95	61	39.20
19	Home	0	0	4	15.39	4	15.39
20	Food Supplies & Consumer Welfare	1	0.10	2	2.94	3	3.04
21	Housing & Urban Development	52	26.28	23	44.51	75	70.79
22	Labour & Employment	0	0.00	1	1.94	1	1.94
23	Information & Public Relation	111	8.56	7	1.96	118	10.52
24	Women & Child Development	1	0.03	4	3.41	5	3.44
25	Forest & Environment	76	28.10	361	226.42	437	254.52
	<b>Total</b>	<b>805</b>	<b>429.17</b>	<b>964</b>	<b>1282.23</b>	<b>1769</b>	<b>1711.40</b>

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

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

# Appendix 3.9

## Statement showing pending AC bills for the years up to 2010-11

(Refer Paragraph 3.6 at Page 58)

Sl. No.	Department	Number of AC bills	Amount (₹ in lakh )
1	2011-Paliamentary Affairs	1	3.00
2	2014 -Administrative of Justice	594	34.36
3	2015-Home & Panchayati Raj	261	726.44
4	2029-Land Revenue	3	0.86
5	2030-Stamps & Registration	1	3.20
6	2039-Excise	3	0.05
7	2051-Public service commission	15	36.58
8	2052-Secretariat General services	30	136.41
9	2055-Home (Police)	4	394.74
10	2056-Home	7975	2175.59
11	2070-Other Administrative service	11	14.68
12	2202-Education	1	0.03
13	2204-Sports & Youth Services	1284	572.85
14	2210-Medical and Public Health	4	7.76
15	2211-Health & Family Welfare	263	146.97
16	2230-Labour & Employment	2	0.55
17	2235-Social security & welfare	13	0.82
18	2245-Relief on account of Natural Calamity	1	5.00
19	2251-ST & SC	2	0.15
20	2425-Co-operation	1	0.03
21	2435-Agriculture	1	0.01
22	2515-Other Rural Development project	2	0.09
23	2701-Water Resources	1	8.38
24	2853-Steel & Mines	198	36.74
25	3054-Road & Bridges Works	1	8.04
26	3056-Commerce	3	0.12
27	3451-Secretariat Economic Services	1	300.00
28	4055-Capital outlay on Police	1	57.80
29	4059-Capital outlay on public work	4	391.18
	<b>TOTAL</b>	<b>10681</b>	<b>5062.44</b>

# Appendix 3.10

## Statement showing the proposals received for closure of P.D. Accounts

(Refer Paragraph 3.8 at Page 60)

Sl. No.	Name of the PD A/c Holder	Name of the Treasury	Amount (In ₹)
(1)	(2)	(3)	(4)
1	Soil Conservation Officer, Baripada	District Treasury, Baripada	11473.00
2	Collector, Mayurbhanj	-do-	474877.40
3	Head Master, STS, Baripada	-do-	25523.96
4	Head Master, Shirsha High School	-do-	28432.54
5	Head Master, Bahlda High School	-do-	2339.71
6	Spl. DFO, Sambalpur	District Treasury Sambalpur	14987.16
7	DFO, Bamra	-do-	4000.00
8	DFO, Deogarh	-do-	15673.00
9	Executive Engineer Electrical Burla	-do-	4636.54
10	Supply Scheme	-do-	101988.03
11	Superintendent Fishery, Hirakud	-do-	16319.86
12	Principal G.M. College, Sambalpur	-do-	1100.00
13	Principal Hindi Training College, Sambalpur	-do-	146438.00
14	Collector Sambalpur(Civil Supply)	-do-	1223889.38
15	ASCO Survey, Sundargarh	District Treasury Sundargarh	4269.00
16	Debottar, Banai	-do-	1852.57
17	Deputy Agriculture(Seeds) Cuttack	District Treasury Cuttack	2461924.00
18	Additional Director of Fisheries	-do-	143.10
19	Asst. Director Fisheries FMB	-do-	772.39
20	Asst. Director of Fisheries	-do-	21238.17
21	Secretary, CDA Cuttack	-do-	261623.00
22	CSO, Phulbani	District Treasury Phulbani	849399.27
23	ASCO, Pallahara	District Treasury Angul	7257.00
24	Principal, FRC Angul	-do-	28727.30
25	CSO, Ganjam	District Treasury Ganjam	710711.55
26	Secretary, RIT Berhampur	Spl Treasury Berhampur	2471939.00
27	Principal, MKCG Medical College	-do-	140.00
28	Superintendent, Fisheries, Berhampur	-do-	19903.34
29	DFO, Athagarh	District Treasury Cuttack	1076.80
30	Supt. SCB Medical College	-do-	23618.40
31	Supt. SCB Medical College	-do-	13385.25
32	Deputy Director, Agriculture	-do-	6921.03



### Appendix 3.10

Sl. No.	Name of the PD A/c Holder	Name of the Treasury	Amount (In ₹)
(1)	(2)	(3)	(4)
	Food Production		
33	Assistant Agriculture Engineer Mechanical, Jobra	-do-	15875.86
34	BDO, Cuttack Sadar	-do-	3498.66
35	Establishment Officer Cuttack Municipality	-do-	37.87
36	OICD, District Board, Office	-do-	29841.38
37	SDO, Banki	-do-	378.89
38	EO, Jajpur, Municipality	Dist. Treasury Jajpur	642.80
39	BDO, Sukinda	-do-	38950.00
40	BDO, Kendrapara	Dist. Treasury Kendrapara	21468.57
41	Secretary to Govt., Supply Department	OLA Treasury	47298.64
42	Secretary to Govt., Supply Department	-do-	22621249.04
43	Collector, Cuttack	Dist. Treasury Cuttack	152114.80
44	ASCO, Kendrapara	Treasury Office Kendrapara	1813726.00
45	ASCO, Gunupur	Treasury Office Rayagada	32185.00
46	CSO, Balasore	Treasury Office Balasore	610467.88
47	Collector Puri	Treasury Office Puri	752867.74
48	SCO, Puri	-do-	1000.00
49	Head Master, ST School, Nuapada	Treasury Office Nuapada	16196.92
50	N.I.T, Rourkela	Spl Treasury Panposh	39010.00
<b>Total</b>			<b>35153389.80</b>

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

## Appendix 4.1

Terms	Basis of calculation
	to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
Sufficiency of non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.
Appropriation Accounts	Appropriation Accounts present the total amount of funds (Original and Supplementary) authorized by the Legislative Assembly in the budget grants under each voted grants and charged appropriation vis-à-vis the actual expenditure incurred against each and the unspent provisions or excess under each grant or appropriation. Any expenditure in excess of the grants requires regularisation by the Legislature.
Autonomous bodies	Autonomous Bodies (usually registered Societies or Statutory Corporations) are set up whenever it is felt that certain functions need to be discharged outside the governmental set up with some amount of independence and flexibility without day-to-day interference of the Governmental machinery.
Committed expenditure	The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies on which the present executive has limited control.
State implementing schemes	State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorized by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for Sarva Siksha Aviyam and State Health Mission for National Rural Health Mission, etc.
Contingency Fund	Legislature Assembly has by law established a Contingency Fund in the nature of an imprest into which is paid from time to time such sums as may be determined by such law, and the said fund is placed at the disposal of the Governor to enable advances to be

## Appendix 4.1

Terms	Basis of calculation
	made by him out of it for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by Legislature Assembly by law under Article 115 or Article 116 of the Constitution.
Consolidated fund of the State	The fund constituted under Article 266 (1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFI is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, etc.).
Contingent liability	Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a court case.
Sinking Fund	A Fund into which the government sets aside money over time, in order to retire its debt.
Guarantee Redemption Fund	Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. Government of Orissa have constituted a guaranteed redemption fund during the year 2002-2003 with the objective of meeting the payment obligations arising out of the default in discharging the debt servicing for the loans guaranteed by Government.
Escrow Account	In order to ensure fiscal discipline in public sector undertaking/Urban Local bodies/co-operative Institutions and State-owned Companies etc., and to ensure minimizing the default on payment of government guaranteed loans the Government in Finance Department vide their Resolution No.11311/F dated 19 March 2004 have issued instructions that all Public Sector Undertakings/ Urban Local bodies/ Co-operative Institutions and State-owned Companies etc. who have borrow against government guarantee will open an Escrow Account in a nationalized bank for timely repayment of guaranteed loans. The proceeds of this account shall first be utilized for payment of dues of the financial Institutions and it is only after meeting such payments that the surplus amount shall be diverted for other payments including salaries.
Internal Debt	Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund.
Primary revenue expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments.
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit.

## Appendix 4.1

Terms	Basis of calculation
Surrenders of unspent provision	Departments of the State Government are to surrender to the Finance Department, before the close of the financial year, all the anticipated unspent provisions noticed in the grants or appropriations controlled by them. The Finance Department is to communicate the acceptance of such surrenders, as are accepted by them to the Audit Officer and/or the Accounts Officer, as the case may be, before the close of the financial year.
Supplementary grants	If the amount authorized by any law made in accordance with the provisions of Article 114 of the Constitution to be expended for a particular service for the current financial year is found to be insufficient for the purpose of that year or when a need has arisen during the current financial year for the supplementary or additional expenditure upon some 'new service' not contemplated in the original budget for that year, Government is to obtain supplementary grants or appropriations in accordance with the provision of Article 115 (1) of the Constitution.
Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L. Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be referred to for further guidance). A service receipt of which full particulars are not given must not be taken to the head "Suspense Account" but should be credited to the minor head "Other Receipt" under the revenue major head to which it appears to belong pending eventual transfer to the credit of the correct head on receipt of detailed particulars.
Public Accounts committee	A Committee constituted by the Legislative Assembly for the examination of the reports of the Comptroller and Auditor General of India relating to the appropriation accounts of the State, the annual financial accounts of the State or such other accounts or financial matters as are laid before it or which the Committee deems necessary to scrutinize.

## Appendix 4.1

Acronyms	Full Form
AC	Abstract Contingency
AE	Aggregate Expenditure
BE	Budget Estimates
BDA	Bhubaneswar Development Authority
BOO	Built, Own and Operate
BOOT	Built, Own, Operate and Transfer
BOOST	Built, Own, Operate, Share and Transfer
BOT	Built, Operate and Transfer
BRGF	Backward Region Grant Fund
CE	Capital Expenditure
CAG	Comptroller and Auditor General of India
CE	Capital Expenditure
CFS	Consolidated Fund of the State
DBOOT	Design, Built, Own, Operate and Transfer
DBT	Design, Built and Transfer
DCC	Detailed Countersigned Contingent
DCRF	Debt Consolidation and Relief Facility
DE	Development Expenditure
DRDA	District Rural Development Agency
DRAFOMT	Design, Renovate, Augment, Finance, Operate, Maintain and Transfer
FCP	Fiscal Correction Path
FRBM	Fiscal Responsibility and Budget Management
GoI	Government of India
GSDP	Gross State Domestic Product
IAY	Indira Awas Yojana
IDCO	Orissa Industrial Infrastructure Development Corporation
IP/RR	Interest Payment/ Revenue Receipt
MTFP	Medium Term Fiscal Plan
MGNREGS	Mahatma Gandhi National Rural employment Guarantee Scheme
NPRE	Non-Plan Revenue Expenditure
NHM	National Horticulture Mission
NABARD	National Bank For Agriculture and Rural Development
NSSF	National Small Savings Fund

## Appendix 4.1

Acronyms	Full Form
O&M	Operation and Maintenance
OGFR	Orissa General Financial Rules
ONTR	Own Non Tax Revenue
OTR	Own Tax Revenue
OTS	One Time Settlement
OWDM	Orissa Watershed Development Mission
PCDE	Per Capita Development Expenditure
PIA	Project Implementing Agencies
PSU	Public Sector Units
PMGSY	Pradhan Mantri Gram Sadak Yojana.
PPP	Public Private Partnership
RE	Revenue Expenditure
RFP	Request for Proposal
RR	Revenue Receipts
RGGY	Rajiv Gandhi Gram Vidut karan Yojana.
S&W	Salaries and Wages
SGRY	Sampoorna Gramin Rojgar Yojana
SGSY	Sampoorna Gramin Swarojgar Yojana
SJSRY	Swarna Jayanti Sahari Rojgar Yojana
SSE	Social Sector Expenditure
TE	Total Expenditure
TFC	Twelfth Finance Commission
UC	Utilization Certificates
UOMMST	Upgrade, Operate, Maintain, Manage, Share and Transfer
VAT	Value Added Tax
VGF	Viability Gap Fund