



**Report of the
Comptroller and Auditor General of India
on
State Finances
for the year ended March 2017**



**Government of Odisha
Report No.3 of the year 2017**

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State Finances**

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Government of Odisha

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Preface

1. This Report has been prepared for submission to the Governor of Odisha under Article 151 of the Constitution.
2. Chapters I and II of the Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2017. Information has been obtained from the Government of Odisha wherever necessary.
3. Chapter III 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.
4. The Report containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.

EXECUTIVE SUMMARY

Executive Summary

Background

This Report on the Finances of the Government of Odisha assesses the financial performance of the State during 2016-17 and provides an overview of financial data.

The Report

Based on the audited accounts of the State Government for the year ended March 2017, this Report provides a review of the Annual Accounts of the State Government. The Report is structured in three chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of Odisha Government's fiscal position as of 31 March 2017. It provides an insight into trends in committed expenditure, borrowing pattern, resource allocation and resource generation.

Chapter II is based on audit of Appropriation Accounts and it gives grant-wise 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 included in Chapter II.

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

Audit findings

Finances of the State Government

Amendment to the State FRBM Act: In accordance with the Fourteen Finance Commission (FFC) recommendations, the State Government had amended (November 2016) the FRBM Act. It incorporated the targets of zero revenue deficit; fiscal deficit of three *per cent*; debt GSDP ratio of twenty five *per cent*; and interest payment as a percentage of Revenue Receipt of fifteen *per cent*. Review of compliance with provisions of FRBM Act was to be done through an independent agency as required by

the Thirteen Finance Commission (ThFC). The Government complied with these targets during 2016-17.

However, disclosures viz., i) projection of Revenue Consequences of Capital Expenditure (RCCE) in the MTFP, ii) Public Private Partnerships (PPPs) and related liabilities, iii) bringing out statements on physical and financial assets and vacant public land and building were not made. In terms of ThFC recommendations, the disclosures were to be included in MTFP.

Revenue Receipts: Revenue Receipts showed progressive increase from ₹ 43,937 crore in 2012-13 to ₹ 74,299 crore in 2016-17, registering a growth of 69 per cent. The annual growth rate had decreased by thirteen per cent from 21 per cent during 2015-16 to 8 per cent during 2016-17.

Revenue Expenditure: Revenue Expenditure had a predominant share which was 78 per cent of Total Expenditure in 2016-17. Revenue Expenditure increased by ₹ 6,235 crore during current year. Plan Revenue Expenditure (PRE) contributed 33 per cent (₹ 2,061 crore) of the increase in Revenue Expenditure. Non Plan Revenue Expenditure (NPRE), as a proportion of Revenue Expenditure, decreased from 70 per cent in 2012-13 to 61 per cent in 2016-17.

Funds parked in Bank Accounts: Funds amounting to ₹ 1,571.52 crore were parked in bank accounts of 30 District Rural Development Agencies (DRDAs), 20 Block Development Offices (BDOs), 10 Integrated Tribal Development Agencies (ITDAs), 10 District Education Offices (DEOs), 10 District Project Coordinators (DPCs) and 10 Municipalities, violating the Odisha Treasury Code provision and Finance Department instructions.

Public Debt: Public Debt of the State Government increased from ₹ 23,317 crore in 2012-13 to ₹ 42,018 crore in 2016-17. It registered an increase of 80.20 per cent during the period 2012-17. Debt repayment as a percentage of Debt Receipt showed a decreasing trend.

Fiscal position: Fiscal position of the State is viewed in terms of trends in deficit/surplus indicators. The State continued to maintain revenue surplus. The fiscal and primary deficit of the previous year continued during 2016-17, though it was within the limits prescribed by FRBM (Amendment) Act, 2016. The FFC had recommended that fiscal liability should be limited to 25 per cent of GSDP during 2015-16 to 2019-20. The Government had been able to achieve this target during 2016-17.

Greater priority to Capital Expenditure: Capital Expenditure (CE) increased significantly by 8 *per cent* over the previous year. However, the CE was 4.87 *per cent* of GSDP.

Review of Government Investments: As of 31 March 2017, Government had invested ₹ 4,423.02 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives. Average return on this investment was 18.10 *per cent* in the last five years (12.80 *per cent* during 2016-17). Meanwhile, Government paid an average interest rate of 5.90 *per cent* to 7.62 *per cent* on its borrowings during 2012-13 to 2016-17.

Financial Management and Budgetary Control

During 2016-17, there was overall saving of ₹ 16,617.32 crore. The savings were mainly due to non implementation of schemes, less requirement of funds etc. Major Policy initiatives in the budget could not be implemented due to lack of prior planning. There were savings of ₹ 8,617.24 crore in five cases under five grants exceeding ₹ 100 crore in each case.

There were instances of persistent savings by the departments exceeding ₹ 10 crore in 26 cases relating to 22 grants and two appropriations during 2012-17. There were instances of excess expenditure and expenditure without provision of funds, unnecessary/excessive supplementary provision, substantial surrenders, non-surrender of anticipated savings during 2016-17.

Monthly expenditure during the year was erratic. Rush of expenditure was noticed during the month of March. In several instances, 100 *per cent* expenditure was incurred during March.

Financial Reporting

There were delays in submission of Utilisation Certificates against Grants-in-Aid of ₹ 30,533.95 crore. This was mainly due to non-adherence to the existing instructions for watching timely receipt of UCs from implementing agencies.

Cases of misappropriation, losses and defalcations were pending for settlement in many departments, despite being pointed out regularly in earlier Audit Reports.

The Controlling Officers did not submit Detailed Contingent Bills against the advances drawn on Abstract Contingent Bills for ₹ 80.20 crore as of March 2017.

A large amount of unspent balance (₹ 1,097.36 crore) was lying in 827 Personal Deposit (PD) Accounts which was not credited back to Government Account at the end of March 2017.

Chapter-I

Finances of the State Government

Profile of Odisha

Odisha is located on the east coast of the country. It is the ninth largest State in terms of geographical area (1,55,707 sq. km) and the 11th largest by population as per 2011 census. The State's population increased from 3.68 crore in 2001 to 4.20 crore in 2011, recording a decadal growth of 14 *per cent* as indicated in *Appendix-1.1*. Population below the poverty line at 32.59 *per cent* was higher than the national average of 21.90 *per cent*. Odisha has a lower literacy rate, lower life expectancy at birth and higher infant mortality rate when compared to the all India average. The State has shown a lower economic growth in the past decade. The compound annual growth rate of its Gross State Domestic Product (GSDP) for the period 2007-08 to 2016-17 has been 12.70 *per cent* as compared to 15.20 *per cent* in General Category States. During the above mentioned period, its population grew by 8 *per cent* against 11.90 *per cent* in General Category States. General data relating to the State is given in *Appendix-1.1*.

Gross State Domestic Product (GSDP)

GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important economic indicator of the State Economy. It depicts the increase in total value of production activities in the State. The trends in the annual growth of India's GDP and GSDP of the State at current prices are indicated below:

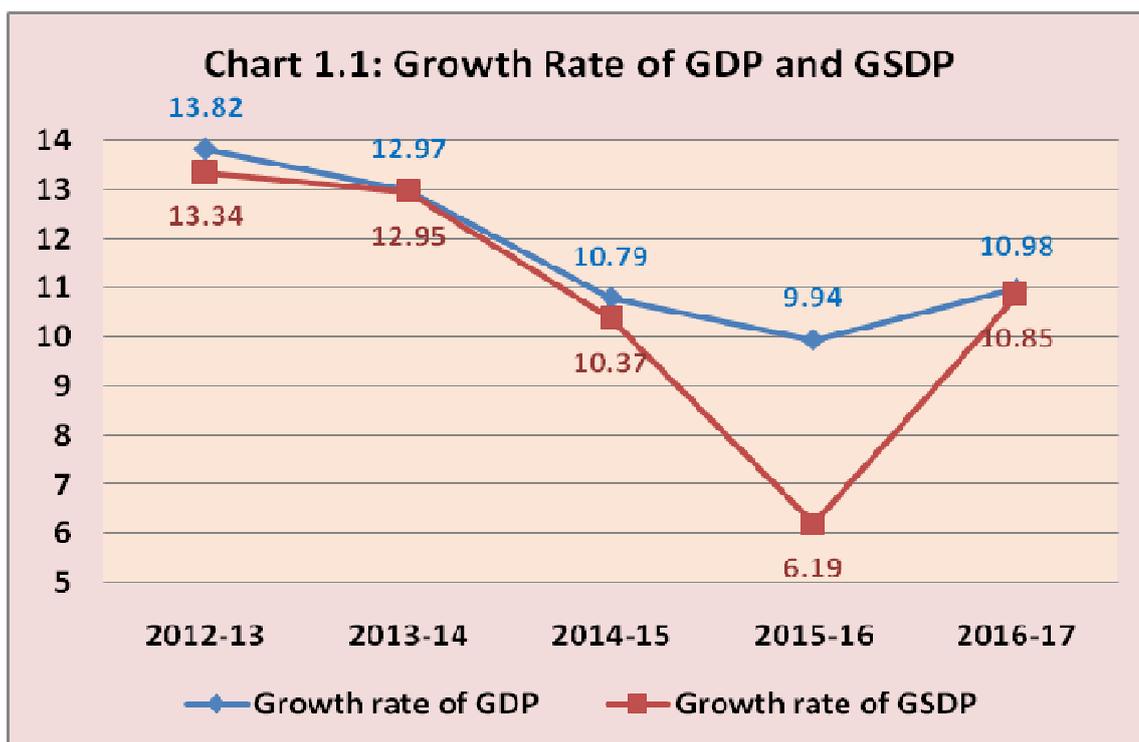
Annual growth rate of GDP and GSDP (at current price)

Year	2012-13	2013-14	2014-15	2015-16	2016-17
India's Gross Domestic Product (GDP) (₹ in crore)	99,44,013	1,12,33,522	1,24,45,128	1,36,82,035	1,51,83,709
Growth rate of GDP (in percentage)	13.82	12.97	10.79	9.94	10.98
State's GSDP (₹ in crore)	2,58,275	2,91,709	3,21,971	3,41,887	3,78,991
Growth rate of GSDP (in percentage)	13.34	12.95	10.37	6.19	10.85

Source: For GSDP - Directorate of Economics & Statistics for GSDP and for All India - Central Statistical Office for GDP as on 01.08.2017.

The growth rate of GDP and GSDP calculated at current price has been depicted in **Chart No.1.1**. The growth rate of GSDP showed a declining trend from 2013-14 to 2015-16 and subsequently increased by 10.85 *per cent* in 2016-17 in line with the growth rate of GDP.

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 135.



Source : Directorate of Economics & Statistics and for All-India- Central Statistical Office as on 01.08.2017

The GSDP of the State at current price increased from ₹ 3,41,887 crore during 2015-16 to ₹ 3,78,991 crore during 2016-17. This resulted in growth rate of 10.85 *per cent* over the previous year, whereas GDP registered a growth of 10.98 *per cent* over the previous year.

1.1 Introduction

This chapter is based on the audit of the Finance Accounts and makes an assessment of the State’s fiscal position as on 31 March 2017. It provides a broad perspective of the finances of the State Government during 2016-17. It depicts changes in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during the last five years. The structure of Government Accounts and the layout of Finance Accounts are given at the *Appendix-1.2*.

1.2 Summary of Current Year’s Fiscal Transactions

Table 1.1 presents the summary of the State Government’s fiscal transactions during the current year (2016-17) vis-à-vis the previous year. *Appendix-1.3* shows the overall fiscal position of the State and *Appendix-1.4* shows details of receipts and disbursements during the current year.

Table 1.1: Summary of Current Year's fiscal operations

(₹ in crore)

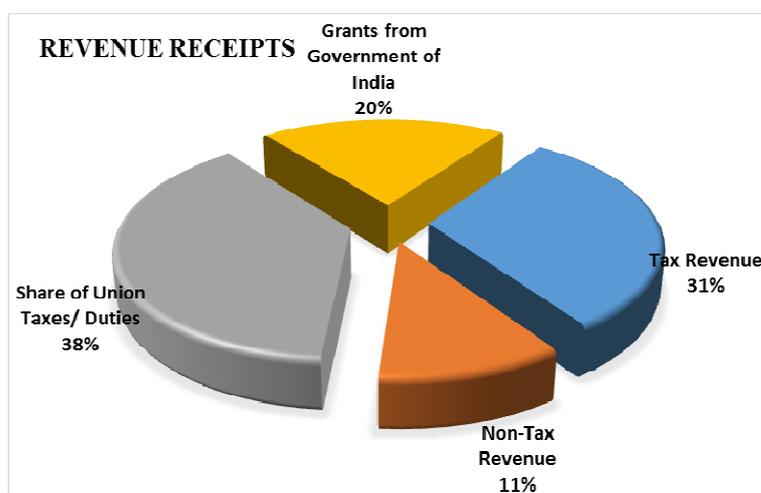
Receipt			Disbursement				
	2015-16	2016-17		2015-16	2016-17		
Section A	Total	Total	Section A	Total	Non-Plan	Plan	Total
Revenue Receipts	68,941	74,299	Revenue Expenditure	58,806	39,710	25,331	65,041
Tax Revenue	22,527	22,852	General Services	15,059	16,605	110	16,715
Non-Tax Revenue	8,711	8,043	Social Services	24,643	13,945	13,655	27,600
Share of Union Taxes/ Duties	23,574	28,322	Economic Services	18,188	8,148	11,566	19,714
Grants from Government of India	14,129	15,082	Grants-in-Aid and Contributions	916	1,012	--	1,012
Section B							
Miscellaneous Capital Receipts	--	--	Capital Outlay	17,090	13	18,458	18,471
Recoveries of Loans and Advances	228	89	Loans and Advances Disbursed	337	254	--	254
Public Debt Receipts	9,790	11,223	Repayment of Public Debt*	2,884	--	--	2,962
Contingency Fund	--	123	Contingency Fund	123	--	--	--
Public Account Receipts	31,098	41,627	Public Account Disbursement	28,766	--	--	38,080
Opening Cash Balance	9,997	12,048	Closing Cash Balance	12,048			14,601
TOTAL	1,20,054	1,39,409	TOTAL	1,20,054			1,39,409

Source: Finance Accounts of the Government of Odisha (GoO) for respective years.

The following significant changes occurred during 2016-17, compared to the previous year:

- Revenue Receipts of the State increased by ₹ 5,358 crore (7.77 per cent) over the previous year. This increase was mainly contributed by State's share of Union Taxes/Duties (₹ 4,748 crore), Grants-in-Aid (GIA) from Government of India (₹ 953 crore) and State's own Tax Revenue (₹ 325 crore).

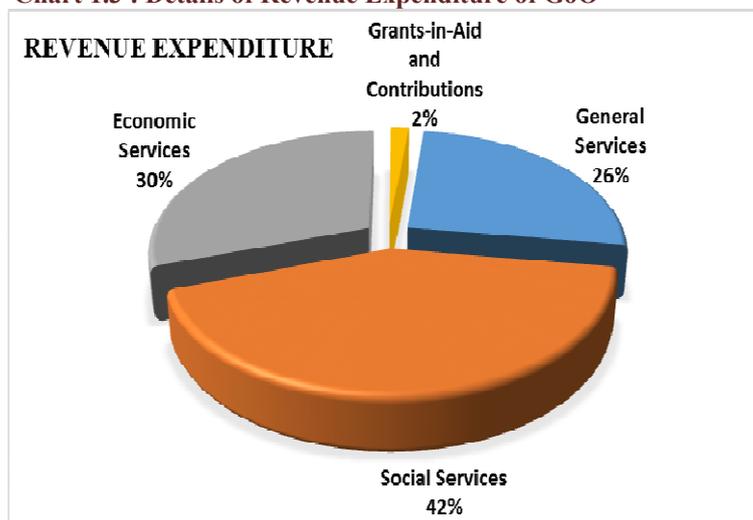
Chart 1.2 : Details of Revenue Receipts of GoO



Source : Finance Accounts 2016-17

- Revenue Expenditure increased by ₹ 6,235 crore (10.60 per cent) during 2016-17 over the previous year. It was mainly due to increase in expenditure in Social Service Sector (₹ 2,957 crore), General Service Sector (₹ 1,656 crore), Economic Service Sector (₹ 1,526 crore) and disbursement of Grants-in-Aid and contributions (₹ 96 crore).

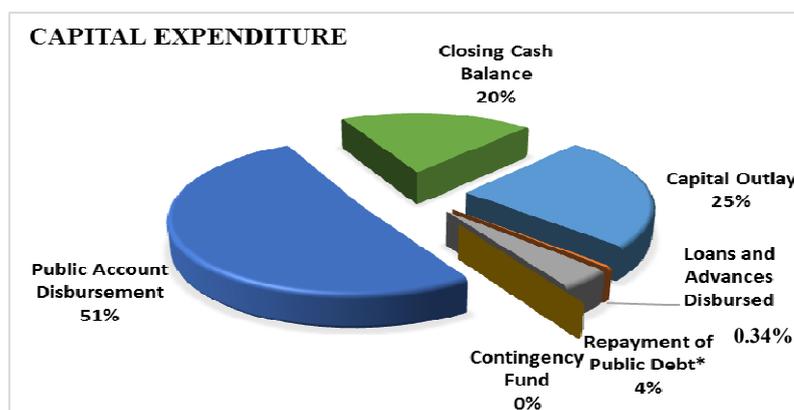
Chart 1.3 : Details of Revenue Expenditure of GoO



Source: Finance Accounts 2016-17

- Capital outlay increased by ₹ 1,381 crore (8.08 per cent) over the previous year. This was mainly on account of increase in expenditure on Irrigation and Flood Control (₹ 1,626 crore) and Energy (₹ 650 crore).

Chart 1.4: Details of Capital Expenditure and Public Accounts Disbursement of GoO

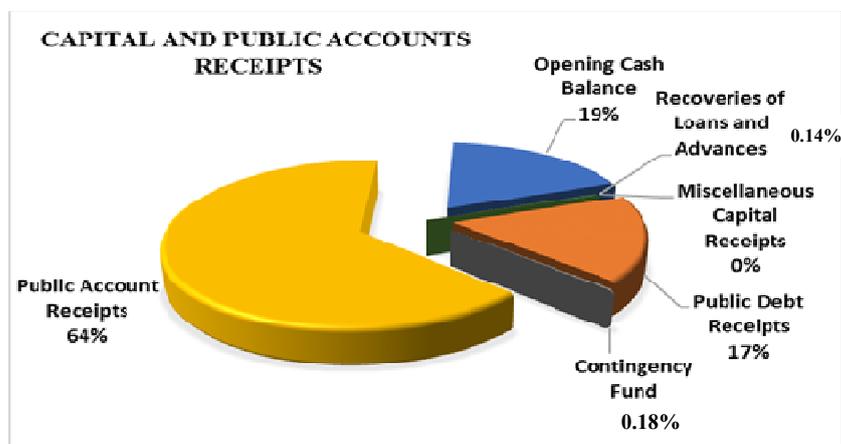


Source: Finance Accounts 2016-17

- Public Debt receipts increased by ₹ 1,433 crore (14.64 per cent) while repayment of public debt increased by ₹ 81 crore (2.81 per cent).
- Public Account receipts (₹ 41,627 crore) increased by ₹ 10,529 crore (33.86 per cent) over the previous year (₹ 31,098 crore). This was mainly due to increase in Deposits and Advances (₹ 7,011 crore), Reserve Fund (₹ 2,207 crore), Remittances (₹ 1,126 crore) and Small Savings and Provident Fund (₹ 336 crore).

Public Account disbursements (₹ 38,080 crore) on the other hand, increased by ₹ 9,314 crore (32.38 per cent) during the same period.

Chart 1.5: Details of Capital and Public Accounts Receipts of GoO



Source: Finance Accounts 2016-17

- Cash Balance of the State increased by ₹ 2,553 crore.

1.2.1 Review of the fiscal situation

The Fourteen Finance Commission (FFC) had recommended that every State needed to amend the Fiscal Responsibility and Budget Management (FRBM) Act. FFC also stated to work out a fiscal reform path to make credible progress towards fiscal consolidation.

Keeping in line with the recommendations of the FFC, the State Government amended Odisha Fiscal Responsibility and Budget Management Act (FRBM), 2005 and enacted the Odisha FRBM (Amendment) Act, 2016 with effect from 5 November 2016. The following are the fiscal targets for the years 2015-16 to 2019-20:

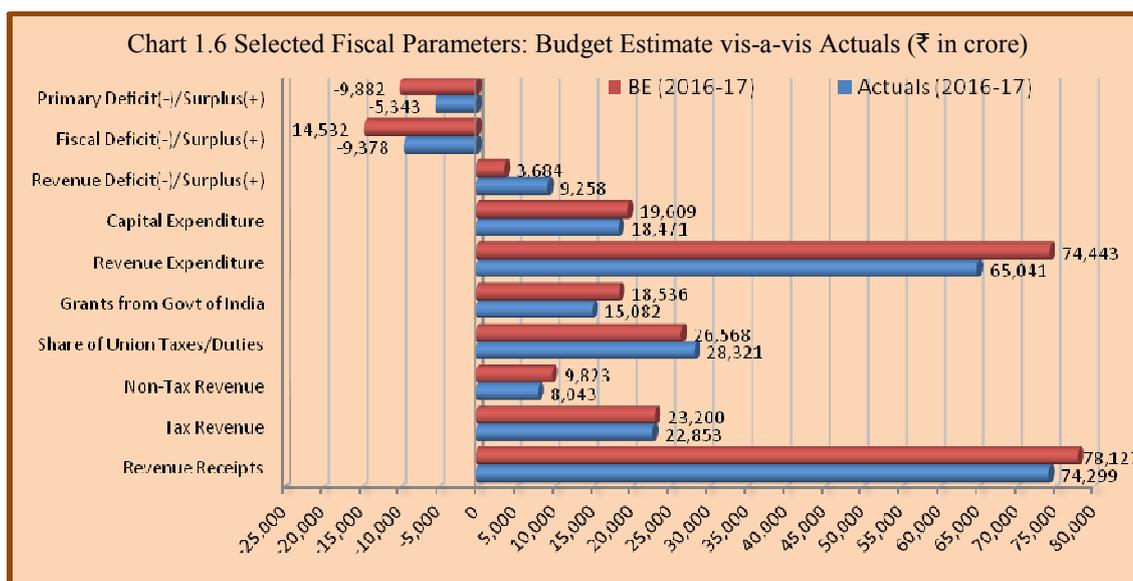
- The revenue deficit shall be maintained at zero for the financial year 2011-12 and for subsequent financial years.
- Fiscal deficit to be contained within three per cent of the GSDP from 2011-12 and onwards.
- Limit of debt GSDP ratio to be maintained less than or equal to twenty-five per cent for the year 2015-16 to 2019-20.
- In order to bring the debt stock to a sustainable level, interest payment as a percentage of Revenue Receipt to be limited to 15 per cent.
- The State Government shall entrust an independent agency to review compliance and submit reports to the State Government for laying the same before the State Legislature.

The State Government has got its compliance with FRBM Act reviewed by the National Institute of Public Finance in May 2016.

In compliance to the FFC and Odisha FRBM (Amendment) Act, 2016 the State during the financial year 2016-17 has achieved Revenue Surplus of ₹9,258 crore. The Fiscal Deficit was 2.47 per cent of GSDP, debt GSDP ratio at 11.09 per cent and interest payment to Revenue Receipt ratio 5.43 per cent. However, disclosures such as projection of Revenue Consequences of Capital Expenditure (RCCE), Public Private Partnerships (PPPs) and related liabilities, statements on physical and financial assets and vacant public land and buildings were not included in the Mid Term Fiscal Plan (MTFP), even though recommended by Thirteen Finance Commission (ThFC).

1.2.2 Budget Estimates and Actuals

Budget papers presented by the State Government provide estimation of Revenue and expenditure for a particular financial year. The importance of accuracy in estimation of Revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from Budget Estimates are indicative of non-attainment and non-optimisation of desired fiscal objectives. Compared to the Budget Estimates for 2016-17, there was variation in actuals in the case of several key fiscal parameters. **Chart 1.6** presents the Budget Estimates and actuals for some important parameters.



Source: Finance Accounts for the year 2016-17 and Budget at a Glance 2016-17, Government of Odisha.

As may be observed from **Chart 1.6**, the State's actual Revenue Receipts were less than the Budget Estimates by ₹ 3,828 crore (4.90 per cent). State's own Tax Revenue was less by ₹ 347 crore (1.49 per cent). Non-Tax Revenue was less by ₹ 1,780 crore (18.12 per cent) whereas Share of Union Taxes/Duties was more than the Budget Estimates by ₹1,753 crore (6.60 per cent). Revenue expenditure was also less than Budget estimate by ₹ 3,828 crore (5.14 per cent). As a result, Revenue surplus was ₹ 9,258 crore as against Budget estimate of ₹ 3,684 crore. Capital expenditure was also less by ₹ 1,138 crore (5.80 per cent).

1.2.3 Gender Budgeting

Gender budgeting was adopted in 2004 in Odisha. Gender budgeting efforts by the state included:

- Creation of “Women Component Plan” under which 30 *per cent* of funds in the “Annual Plan” are reserved for women.
- Developing a state policy for girls and women to ensure their safety, security, and protection and to focus on their survival, health and nutrition, education, livelihood and decision-making.

From Budget 2012-13, the State Government started preparing a Gender Budget Statement (GBS) for only 100 *per cent* women centric schemes. From 2016-17, this statement was brought out as Part - A, detail of schemes in which 100 *per cent* provision is for women. Part – B, details of schemes where the allocations for women constitute at least 30 *per cent* of the provision.

The year-wise allocations in the gender budget document and expenditure on various Part-A schemes during 2012-13 to 2016-17 are detailed in **Table 1.2** and **Table 1.3** respectively.

Table 1.2: Gender Budgetary Allocation during 2012-17

(₹ in crore)

Year	Outlay					
	Part “A” Scheme		Part “B” Scheme		Total	
	B.E	Demand Cover	B.E.	Demand Cover	B.E	Demand Cover
2012-13	446.07	10	-	-	446.07	10
2013-14	491.42	10	-	-	491.42	10
2014-15	620.99	10	-	-	620.99	10
2015-16	1,337.37	10	29,359.65	26	30,697.02	26
2016-17	1,365.69	10	31,936.74	26	33,302.43	26

Table 1.3 Budget Estimate on selected Part ‘A’ schemes and expenditure thereof

(₹ in crore)

Name of the Part “A” Scheme	B.E.	Expenditure	Saving/Excess
Indira Gandhi National Widow Pension Scheme (IGNWP)	268.25	180.02	88.23
Conditional Cash Transfer for Pregnant Women (MAMATA)	230.00	223.70	6.30
Rajiv Gandhi Schemes for Empowerment of Adolescent Girls (RGSEAG)	89.93	67.79	22.14
Financial Support to weak WSHG under Mission Shakti	50.00	50.00	--
Indira Gandhi Matritwa Sahayog Yojana (IGMSY)	19.22	18.68	0.54
ICDS Training Programme	13.38	13.25	0.13
One Stop Centre	0.87	--	0.87
Women’s Helpline	0.77	--	0.77
Beti Bachao Beti Padhao Campaign (BBBPC)	0.35	--	0.35

On test check of nine schemes under Part - A, it was observed that in three schemes, budget provision was made but expenditure was ‘nil’, in five schemes expenditure was less than budget provision by ₹ 117.34 crore and in one case expenditure was hundred *per cent*.

The State Government had not ensured implementation of schemes and augmentation of funds under Gender Budgeting and Women and Child Development, resulting in non-reconciliation of the policy statements with actual implementation

1.2.4 Major policy initiatives in the budget

Major policy initiatives for the budget 2016-17 and their status during the financial year 2016-17 are given in **Table 1.4** below:

Table 1.4: Major policy announcement in the Budget and implementation thereof

Sl. No.	Name of Department	Policy announcement details	Status of Implementation
1	Agriculture and Farmers' Empowerment	To streamline distribution of fertilizer a new scheme "Grant to State Procurement Agencies" was launched to assist the procurement agencies to make available different fertilizers at fair price. Besides, revolving Corpus Fund of ₹ 100 crore each for seed and fertilizer was created to maintain adequate stock of quality seeds and fertilizer.	Seed- ₹ 60 crore was utilized by State Procurement Agency to purchase quality seeds of 5,36,087 quintals of paddy and non paddy seeds. Fertilizer- ₹ 100 crore was utilized for prepositioning of 1,76,246.85 MT of fertilizer to meet the requirement during peak period of consumption.
2	School and Mass Education	An amount of ₹ 200 crore was proposed from State Plan to launch a new scheme "Odisha Adarsha Vidyalaya" with a target of establishing 100 Adarsha Vidyalayas.	During the year 2016-17 ₹ 193.80 crore was utilized under State Plan and 100 Adarsha Vidyalayas were opened in 100 Blocks of 14 districts.
3	Works	A provision of ₹ 15 crore was made to provide uniform way-side amenities across the important roads of the State with availability of decent and well maintained toilets.	As on March 2017, ₹ 7.68 crore was utilized. Out of proposed 50 Wayside Amenities, 41 were in progress.
4	Rural Development	A provision of ₹ 400 crore was made for construction of 364 bridges taken up under Biju Setu Yojana (BSY) and 150 new bridges to establish all-weather connectivity in rural areas.	Out of 364 ongoing bridges, 52 bridges were completed till the end of February 2017 and the remaining are under progress. As regards 150 new bridges, construction work has not yet started.
5	Energy	A sum of ₹ 600 crore was provisioned for construction of 550 numbers of 33/11 KV sub-stations.	As on March 2017, all the funds were utilized. Out of 550 nos. of 33/11 KV sub stations proposed, 131 were completed and charged, 275 were under progress and 67 were proposed to be completed during 2017-18 and 2018-19 respectively, tenders of the rest 77 sub-stations were not floated.

Source: Budget at a Glance 2016-17, Government of Odisha.

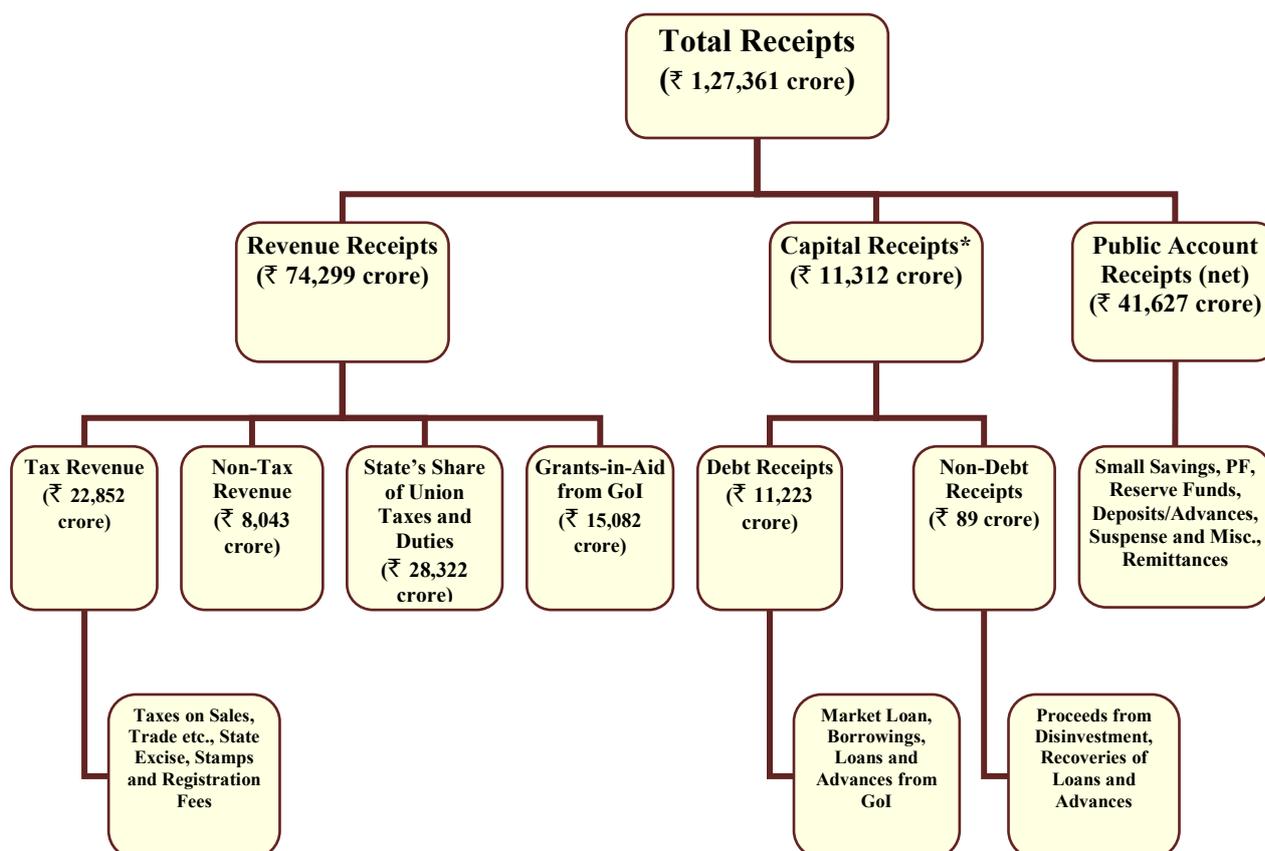
1.3 Resources of the State

1.3.1 Resources of the State as per Finance Accounts

Revenue and Capital are the two streams of receipts that constitute the resources of the State Government.

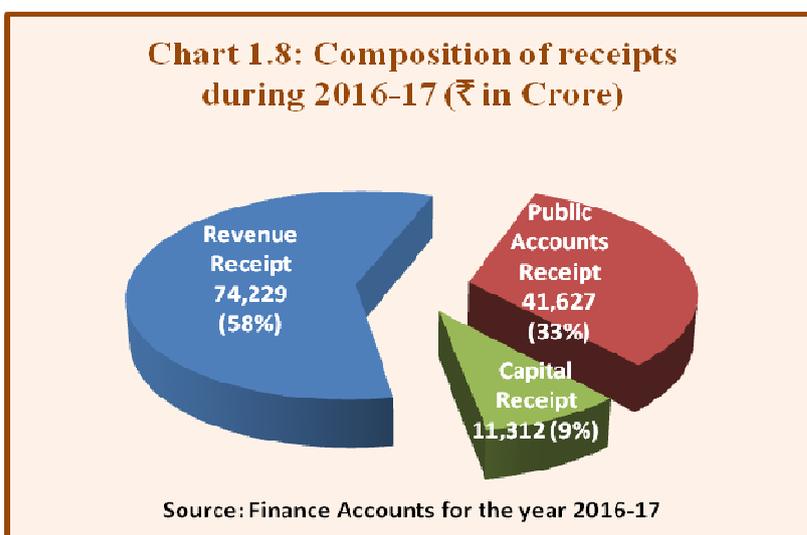
Chart 1.7 and Chart 1.8 depicts the composition of receipts of the State during the current year while **Chart 1.9** depicts the trends in various components of the receipts of the State during 2012-13 to 2016-17.

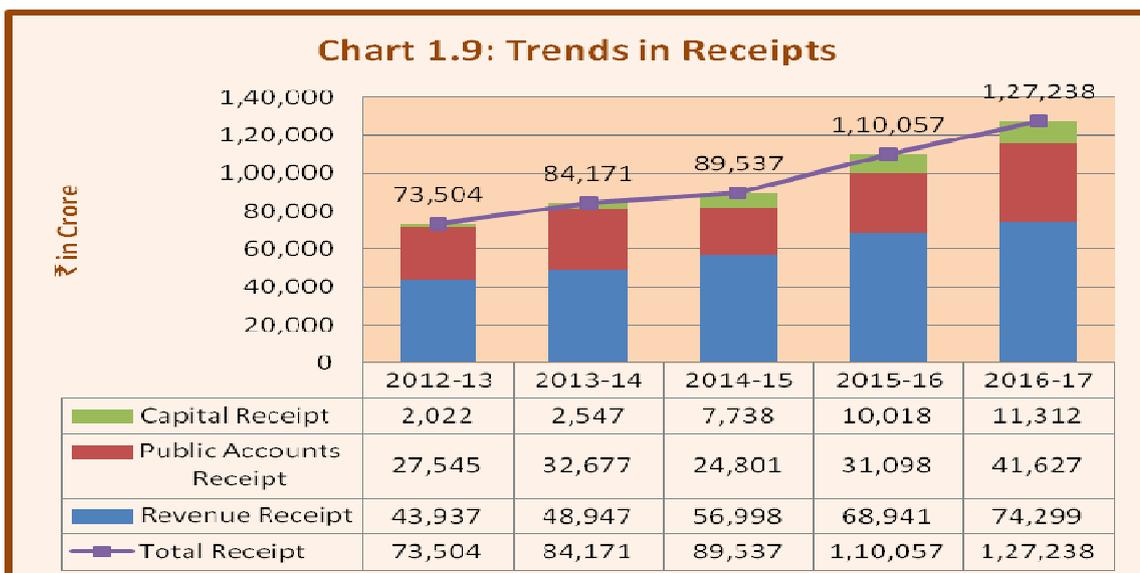
Chart 1.7: Components and sub-components of Resources



*Excludes ₹ 123 crore recouped to Odisha Contingency Fund

Total receipts increased from ₹ 73,504 crore in 2012-13 to ₹ 1,27,238 crore in 2016-17 (73.10 per cent). Increase in Revenue Receipts by 69.10 per cent from ₹ 43,937 crore to ₹ 74,299 crore during the period was due to increase in State's share of Central tax transfers, Grants-in-Aid from GoI and higher collection of State's own taxes as well as Non-Tax Revenue. However, the share of Revenue Receipts as percentage of total receipts decreased from 60 to 58 from 2012-13 to 2016-17. The share of Capital Receipts increased from three per cent in 2012-13 to nine per cent in 2016-17. The share of Public Account receipts to the total receipts decreased from 37 per cent in 2012-13 to 33 per cent in 2016-17.





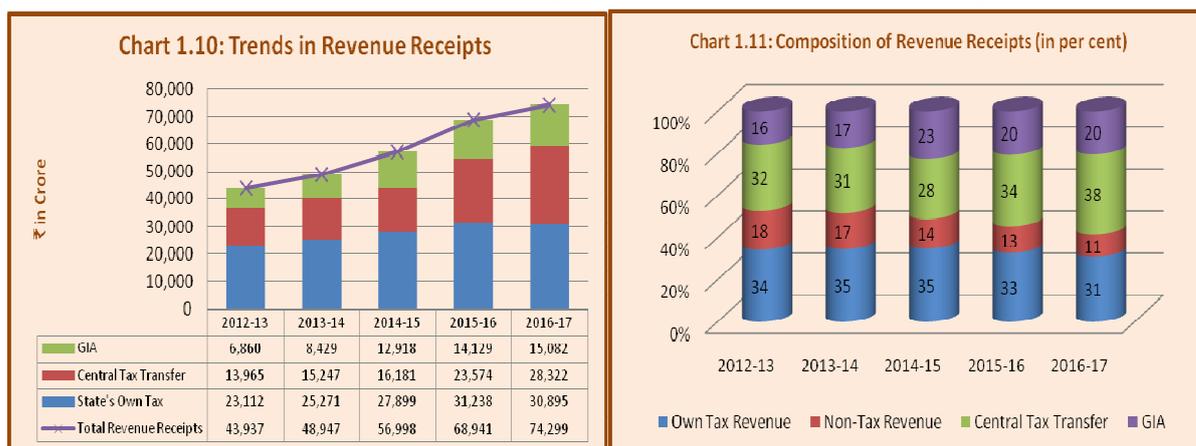
Source: Chart 1.3 & 1.4 - Finance Accounts of Government of Odisha for respective years

1.3.2 Funds transferred to State Implementing Agencies outside the State Budget

Contrary to Planning Commission's decision (D.O. No. M-13048/38/2013-SP-Coord, dated 26.12.2013) to release all assistance only through the State Government, the direct transfers made by GoI to implementing agencies during the year increased by 294 per cent as compared to 2015-16. ₹ 795.33 crore was directly transferred to Odisha Rural Development and Marketing Society under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and ₹ 147.50 crore to Collectors of 23 districts under Member of Parliament's Local Area Development Schemes (MPLADS).

1.4 Revenue Receipts

The trends and composition of Revenue Receipts over the period 2012-13 to 2016-17 are shown in *Appendix-1.3* and also depicted in Chart 1.10 and 1.11 respectively.



Source: Finance Accounts of Government of Odisha

Revenue Receipts showed progressive increase from ₹ 43,937 crore in 2012-13 to ₹ 74,299 crore in 2016-17 registering a growth of 69 per cent. ₹ 30,895 crore (42 per cent) of Revenue came from State's own resources and the balance was from GoI in the form of State's share of taxes and Grants-in-Aid. There was an increase of ₹4,748 crore

(20 per cent) in State's share in Union taxes and duties, ₹ 953 crore (7 per cent) in Grants-in-Aid, ₹ 325 crore (1 per cent) in own Tax Revenue and decrease of ₹ 668 crore (8 per cent) in Non-Tax Revenue, which resulted in an overall increase of ₹ 5,358 crore (8 per cent) in Revenue Receipts during 2016-17 over the previous year.

It was observed that in the last five years, the percentage of central transfer (including grants-in-aid) was increasing while the state's own share was decreasing. Trends of share of receipts from central transfer and state own receipt for the year 2012-13 to 2016-17 depicted in Chart: 1.11.

The trends in Revenue Receipts relative to GSDP are presented in **Table 1.5**:

Table 1.5: Trends in Revenue Receipts relative to GSDP

	2012-13	2013-14	2014-15	2015-16	2016-17
Gross State Domestic Product (GSDP) (₹ in crore)	2,58,275	2,91,709	3,21,971	3,41,887	3,78,991
Rate of growth of GSDP	13.34	12.95	10.37	6.19	10.85
Revenue Receipts (RR) (₹ in crore) *	43,937	48,947	56,998	68,941	74,299
Rate of growth of RR (<i>per cent</i>)	9.11	11.40	16.45	20.95	7.77
R R/GSDP (<i>per cent</i>)	17.01	16.78	17.70	20.16	19.60
Rate of growth of State's own tax	11.83	12.36	17.38	13.61	1.44
Buoyancy Ratios¹					
Revenue Buoyancy with respect to GSDP	0.68	0.88	1.59	3.38	0.72
State's Own Tax Buoyancy with respect to GSDP	0.89	0.95	1.68	2.20	0.13

Source: GSDP- Directorate of Economic and Statistics, Government of Odisha and Revenue Receipts- Finance Accounts of the respective year. * Do not include GoI funds transferred to Non-Government Organization and others.

- Revenue buoyancy with reference to GSDP was above one during 2014-15 to 2015-16, but it was below one during the year 2016-17. The growth rate of Revenue Receipts was better than the growth rate of GSDP during 2014-15 and 2015-16, but in 2016-17 it registered lower growth rate than GSDP.
- The State's own tax buoyancy with respect to GSDP was also more than one during 2014-15 and 2015-16, but during 2016-17 it came down to 0.13.

1.4.1 State's Own Resources

The State's own resources comprised Revenue Receipts from its Own Tax and Non-Tax source. The actual receipts under State's Tax and Non-Tax revenue vis-à-vis assessment made by Fourteenth Finance Commission (FFC) and the State Government in MTFP are indicated in **Table 1.6**.

¹ 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 0.72 implies that Revenue Receipts tend to increase by 0.72 percentage points, if the GSDP increases by one per cent.

Table 1.6: Mobilisation of Own Tax and Non - Tax Revenue during 2016-17.

(₹ in crore)

	Assessment made by FFC	Assessment made by State Government in MTFP	Actuals
State's own Tax Revenue	30,440	23,200	22,852
State's own Non-Tax Revenue	9,597	9,823	8,043

Source: Finance Accounts, FFC (P/451) and MTFP of Government of Odisha

During 2016-17, the receipts under State's Tax Revenue and Non-Tax Revenue were less than the assessment of FFC by 25 per cent and 16 per cent respectively. However the State's own Tax Revenue was less than the assessment made in MTFP by ₹ 348 crore (1.5 per cent) and Non-Tax Revenue was less by ₹ 1,780 crore (18.12 per cent). Tax Revenue increased by 1.44 per cent (₹ 325 crore) over the previous year and Non-Tax Revenue decreased by 7.67 per cent (₹ 668 crore) during the same period.

1.4.1.1 Tax Revenue

The Head-wise components of Tax Revenue during 2012-13 to 2016-17 are shown in **Table 1.7.**

Table 1.7: Head- wise components of State's Tax Revenue

(₹ in crore)

Revenue Head	2012-13	2013-14	2014-15	2015-16	2016-17	Percentage increase in 2016-17 over previous year
Taxes on Sales, Trades etc.	9,685	10,729	11,817	13,097	13,402	2.33
State Excise	1,499	1,780	2,035	2,547	2,786	9.38
Taxes on Vehicles	746	860	910	1,044	1,216	16.48
Stamp Duty and Registration Fees	545	606	800	2,157	1,364	-36.76
Land Revenue	420	431	646	589	460	-21.90
Taxes on Goods and Passengers	1,342	1,613	1,711	1,663	1,760	5.83
Other Taxes ²	797	873	1,909	1,430	1,864	30.35
Total	15,034	16,892	19,828	22,527	22,852	1.44

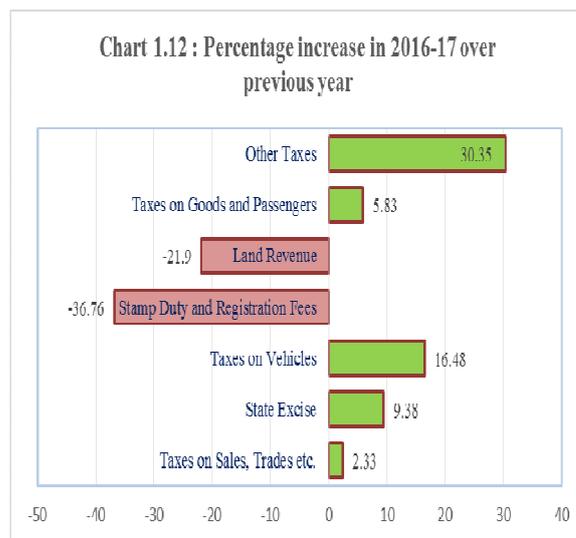
Source: Finance Accounts of Government of Odisha for the respective years

The Compound Annual Growth Rate (CAGR) of Tax Revenue for 2007 to 2016 of the state was higher as compared to General Category States (**Appendix 1.1**). The Tax Revenue during the current year (₹ 22,852 crore) increased by 1.44 per cent over the previous year (₹ 22,527 crore) as against 13.50 per cent growth rate of General Category States. The revenue through Taxes on Sales, Trades etc. (₹ 13,402 crore) was the main source of State's own Tax Revenue and registered an increase of 2.33 per cent, State Excise (₹ 2,786 crore) increased by 9.38 per cent, Taxes on Vehicles (₹ 1,216 crore) increased by 16.48 per cent, Taxes on Goods and Passengers (₹ 1,760 crore) increased by 5.83 per cent, Stamp Duty and Registration Fees (₹ 1,364 crore) decreased by 36.76 per cent and Taxes on Land Revenue (₹ 460 crore) decreased by 21.90 per cent over the previous year.

² Other taxes include taxes on immovable property other than agricultural land, taxes and duties on electricity and agricultural income.

The ratio of Own Tax Revenue (OTR) with respect to GSDP was 6.03 per cent in 2016-17. Therefore, the State could not achieve the target of 6.4 per cent by 2016-17 as projected by FFC.

Major increase / decrease in current year's Own Revenue along with reasons are given in **Table 1.8**.



Source: Finance Accounts

Table 1.8: Major increase /decrease in current year's Own Revenue

Sl. No.	Major Heads of Account	Increase (₹ in crore)	Main Reasons
1	0043-Taxes and Duties on Electricity	424.94	Due to revision in the rate of Electricity Duty
2	0701-Medium Irrigation	364.13	Due to collection of arrears of water charges.
3	0040-Taxes on Sales, Trade etc.	305.36	Due to increase in volume of sale and rate of commodities and all out efforts of Commercial Tax Wing.
4	0039-State Excise	239.08	Due to revision in Excise Policy 2015-16
5	0075-Miscellaneous General Services	191.82	Due to more receipt of Unclaimed Deposits and Miscellaneous other Receipts.
6	0041-Taxes on Vehicles	172.35	Due to increase in Motor Vehicle Registration cases.
Sl. No.	Major Heads of Account	Decrease (₹ in crore)	Main Reasons
7	0853-Non-ferrous Mining and Metallurgical Industries	873.17	Due to decrease in the rate of iron ore price in the International Market.
8	0030-Stamps and Registration Fees	793.36	Due to less number of registration of documents.
9	0700-Major Irrigation	328.07	Previous year collection under this head was high due to collection of arrear Industrial Water Rate.
10	0049-Interest Receipts	133.02	Due to less receipt of interest from PSUs/ Cooperative and less Cash Balance Investment.
11	0029-Land Revenue	128.81	Due to less sale of Government Estates.

Source: Information furnished by Finance Department, Government of Odisha.

The Government stated (November 2017) that the State's Own Tax Revenue (OTR) during 2016-17 was affected as Indian Oil Corporation Limited (IOCL) withheld about ₹ 1,796 crore towards VAT. The target of FFC has been fixed keeping an annual growth of about 24 per cent in Own Tax Revenue. It may not be possible as GSDP is about 11% for the year.

1.4.1.2 Non-Tax Revenue

The components of Non-Tax Revenue during 2012-13 to 2016-17 are given in **Table 1.9**.

Table 1.9: Components of State's own Non-Tax resources

(₹ in crore)						
Revenue Head	2012-13	2013-14	2014-15	2015-16	2016-17	Percentage increase over previous year
Interest Receipts	588	1,241	331	560	427	(-)23.75
Dividends & Profits	565	452	1,076	553	566	2.35
Non-Ferrous Mining and Metallurgy receipts	5,697	5,519	5,310	5,799	4,926	(-)15.04
Other Non-Tax Receipts	1,228	1,167	1,354	1,799	2,124	18.07
Total	8,078	8,379	8,071	8,711	8,043	(-)8.36

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

The Compound Annual Growth Rate (CAGR) of Non-Tax Revenue from 2007 to 2016 of the State was higher as compared to the General Category States (Appendix 1.1). However, growth of CAGR of the State was lower than the General Category States during 2016-17. The Non-Tax Revenue collected during 2012-13 to 2016-17 ranged between 11 to 18 *per cent* of revenue receipts and it is gradually decreasing. The Non-Tax Revenue (NTR) (₹ 8,043 crore), which constituted 11 *per cent* of Revenue Receipts during 2016-17, decreased by ₹ 668 crore (7.67 *per cent*) over previous year. The decrease was mainly under Non-ferrous Mining and Metallurgical Industries (₹ 873 crore), Stamps and Registration Fees (₹ 793 crore) and Major Irrigation (₹ 328 crore), which was partly set off by increase under Taxes and Duties on Electricity, Medium Irrigation, Taxes on Sales, Trade etc. and State Excise.

The Government stated (November 2017) that shortfall in mining revenue during 2016-17 was mainly due to steep fall in prices of iron ore in international market and reduction in collection of Stamp and Registration fees.

1.4.2 Grants-in-Aid from Government of India

Grants-in-Aid from GoI increased from ₹ 6,860 crore in 2012-13 to ₹ 15,082 crore during 2016-17 as shown in **Table 1.10**.

Table 1.10: Grants-in-Aid from Government of India

(₹ in crore)					
Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Grants for Non Plan Schemes	1,505	2,729	1,929	3,063	3,248
Grants for State Plan Schemes	3,484	3,429	10,886	10,773	11,769
Grants for Central Plan Schemes	183	122	102	293	65
Grants for Centrally Sponsored Schemes	1,688	2,149	0.08	0.04	0.1
Grants for Special Plan Schemes	--	--	--	--	--
Total	6,860	8,429	12,917	14,129	15,082
Percentage of increase over previous year	(-)15.85	22.87	53.24	9.38	6.74
Total grants as a percentage of Revenue Receipts	15.61	17.22	22.66	20.49	20.30

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

While there was 238 *per cent* increase under grants for State Plan Schemes (₹ 8,285 crore) and 116 *per cent* under Non-Plan Schemes (₹ 1,743 crore), there was 64 *per cent* decrease in Central-Plan Grants (₹ 118 crore) and 100 *per cent* under Centrally Sponsored Schemes (₹ 1,688 crore). Percentage share of Grants-in-Aid to Revenue Receipts increased from 16 *per cent* in 2012-13 to 20 *per cent* in 2016-17.

1.4.3 Recommendations of the Fourteenth Finance Commission

As per the recommendations of the Fourteenth Finance Commission (FFC), the share of the States in the net proceeds of shareable central taxes has been increased to 42 *per cent* from 32 *per cent*. As per the reworked criteria for distribution of shares among the States, population has 17.5 *per cent* weightage while demographic change has 10 *per cent* weightage. Income distance³, area and forest cover bear weightages of 50 *per cent*, 15 *per cent* and 7.5 *per cent* respectively. As a result, the share of Odisha is 4.64 *per cent* of the divisible pool, down from 4.78 *per cent*, recommended by the Thirteenth Finance Commission (ThFC). The Commission has recommended ₹ 1,84,070 crore as the State's share in the net proceeds of the central taxes and duties during the period 2015-16 to 2019-20.

1.4.3.1 Grants Recommended by the FFC vis-à-vis release made by Government of India during the year 2015-16 to 2016-17

The comparative statement of grants recommended by FFC and grants released by GoI during the year 2015-16 to 2016-17 is summarized in **Table 1.11**.

Table-1.11 Comparative statement of grants recommended by FFC and grants released by GoI

(₹ in crore)

Items	2015-16			2016-17		
	Recommendations of FFC	GoI Release	Short Release	Recommendations of FFC	GoI Release	Short Release
1	2	3	4	5	6	7
1. Share in Central Taxes & Duties	27,001.00	23,573.76	3,427.24	31,158.00	28,321.50	2,836.50
2. Disaster Management						
(a) Centre's Share	673.00	560.25	112.75	706.00	588.75	117.25
3. Panchayati Raj Institutions-						
(a) Basic Grant	955.52	955.52	0.00	1,323.09	1,323.09	0.00
(b) Performance Grant	0.00	0.00	0.00	173.55	173.55	0.00
4. Urban Local Bodies-						
(a) Basic Grant	170.10	162.44	7.66	235.54	231.26	4.28
(b) Performance Grant	0.00	0.00	0.00	69.52	68.26	1.26
5. Total Grants (2+3+4)	1,798.62	1,678.21	120.41	2,507.70	2,384.91	122.79
Grand Total (1+5)	28,799.62	25,251.97	3,547.65	33,665.70	30,706.41	2,959.29

Source- Odisha Budget at a Glance – 2016-17

It was observed that during 2015-16, short release of grants-in-aid amounted to ₹ 120.41 crore, whereas short release during 2016-17 was ₹122.79 crore.

³ Income distance is the distance of actual per capita income of a State from the State with highest per capita income.

1.4.4 Central Tax transfers

During 2016-17, Central tax transfers increased by ₹ 4,748 crore over previous year and constituted 38 *per cent* of Revenue Receipts. The increase was mainly under Corporation Tax (₹ 1,664 crore), Union Excise Duties (₹ 1,309 crore), Taxes on Income other than Corporation Tax (₹ 1,164 crore), Service Tax (₹ 478 crore) and Customs (₹ 131 crore).

1.5 Capital Receipts, recoveries of Loans and Advances and Debt etc.

The capital receipts are either non-Debt Capital Receipts such as proceeds from disinvestment of equity in Government companies/corporations and recoveries of loans and advances or Debt Capital Receipts credited under public debt sections of the Consolidated Fund. The public debt receipts fall broadly under two categories (a) Loans and advances from the Union Government and (b) borrowings from banks, financial institutions through issue of State Development Loans. Capital Receipts increased by ₹ 9,290 crore from ₹ 2,022 crore during 2012-13 to ₹ 11,312 crore during 2016-17 as shown in **Table 1.12**.

Table 1.12: Trends in growth and composition of Capital Receipts

(₹ in crore)

Sources of State's Receipts	2012-13	2013-14	2014-15	2015-16	2016-17
Capital Receipts (CR)	2,022	2,547	7,738	10,018	11,312
Miscellaneous Capital Receipts	--	0.03	--	--	--
Recovery of Loans and Advances	142	257	92	228	89
Public Debt Receipts	1,880	2,290	7,646	9,790	11,223
Rate of growth of debt Capital Receipts	38.85	21.81	233.89	28.04	14.64
Rate of growth of non-debt Capital Receipts	7.58	80.98	(-)64.20	147.83	(-)60.96
Rate of growth of GSDP	13.34	12.95	10.37	6.19	10.85
Rate of growth of CR (<i>per cent</i>)	36.06	25.96	203.81	29.46	12.92

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

Capital receipts were mainly composed of Public Debt receipts whereas non-debt receipts had a smaller share which ranged between one and 11 *per cent* during 2012-13 to 2016-17. Public debt receipts create future repayment obligations. These increased by ₹9,343 crore from ₹ 1,880 crore in 2012-13 to ₹ 11,223 crore in 2016-17, which was a matter of concern. Public debt receipts during the year comprised internal debt of ₹ 10,320 crore (92 *per cent*) and loans and advances of ₹ 903 crore (8 *per cent*) from GoI.

Interest payments on market loans (₹ 15,093 crore) were ₹ 739 crore and constituted 0.99 *per cent* of revenue receipts, which is within prescribed limit of FRBM (Amendment) Act 2016. **Table 1.13** depicts the quantum of borrowings and interest rates.

Table 1.13: Market Loans as a percentage of Internal Debt

(₹ in crore)

Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
Total Internal debt	16,109	16,073	19,728	26,525	34,553
Total Market Loans	3,806	2,921	4,565	8,128	15,093
Percentage of Market Loans to Internal Debt	24	18	23	31	44
Interest paid on Market Loans	322	217	175	319	739

Source: Finance Accounts of respective years

The Government stated (November 2017) that the entire borrowing was utilised for Capital Investment. The debt amount was within the Fiscal Responsibility and Budget Management (FRBM) limit.

1.6 Public Account Receipts

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 of the State, are kept in Public Account set up under Article 266(2) of the Constitution of India and are not subject to vote by the State Legislature. Here the Government acts as a banker. The balance, after disbursements, is the amount of funds available with the Government for its use. Composition of Public Account Receipts by the Government for the last five years is detailed in **Table 1.14**.

Table 1.14: Trends in growth and composition of Public Account Receipts

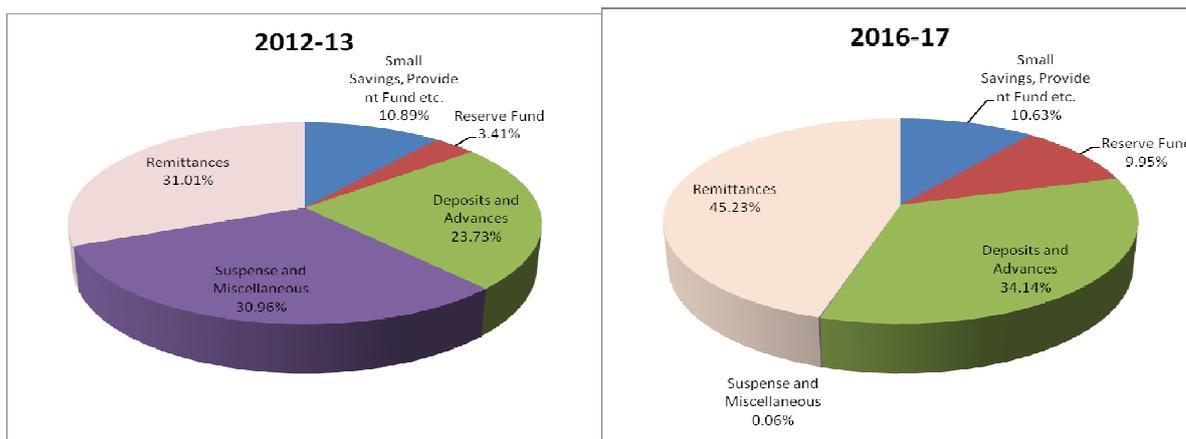
(₹ in crore)

Resources under various heads	2012-13	2013-14	2014-15	2015-16	2016-17
Public Account Receipts	27,545	32,677	24,801	31,098	41,627
a. Small Savings, Provident Fund etc.	3,001	3,332	3,471	4,088	4,424
b. Reserve Fund	939	1,760	658	1,933	4,141
c. Deposits and Advances	6,537	7,019	6,842	7,200	14,210
d. Suspense and Miscellaneous	8,527	10,225	210	174	23
e. Remittances	8,541	10,341	13,620	17,703	18,829

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

The share of Public Account receipts on total receipts decreased from 37.47 *per cent* in 2012-13 to 32.68 *per cent* in 2016-17. As compared to 2015-16, the increase during 2016-17 was 33.86 *per cent* (₹ 10,529 crore), which was mainly under Deposits and Advances (₹ 7,010 crore), Reserve Fund (₹ 2,208 crore), Remittances (₹ 1,126 crore), Small Savings and Provident Fund etc (₹ 336 crore) but there was decrease in Suspense and Miscellaneous by ₹ 151 crore.

Chart 1.13: Composition of Public Account Receipts



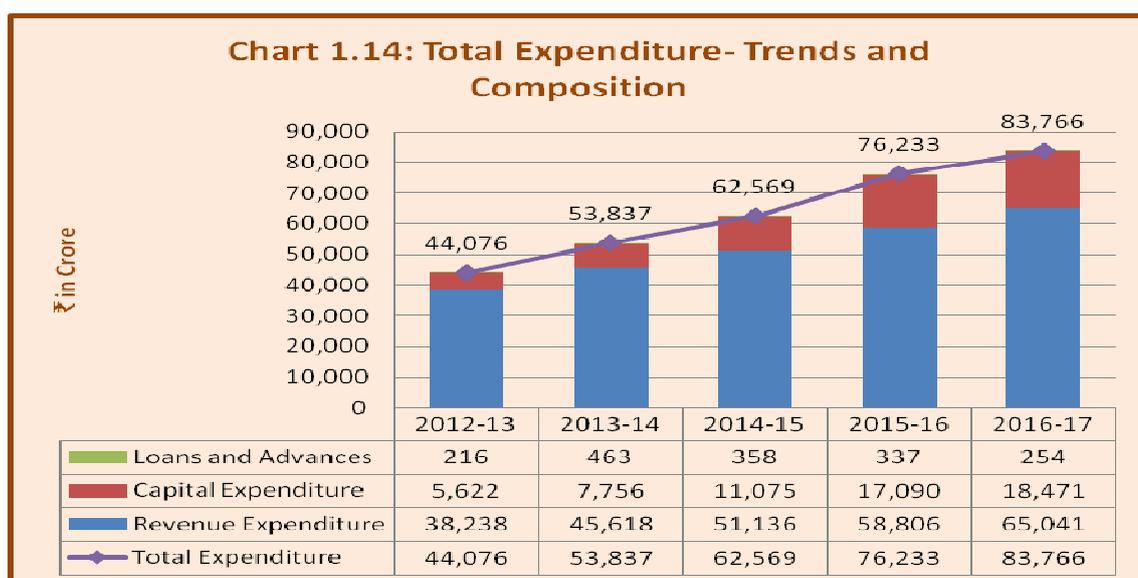
Source: Finance Accounts of GoO

1.7 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. 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 the expenditure directed towards development of social sector.

1.7.1 Growth and Composition of Expenditure

Chart 1.14 presents the trends in total expenditure over a period of five years (2012-17) and its composition both in terms of ‘economic classification’ and ‘expenditure by activities’ is depicted in Charts 1.15 and 1.16, respectively.

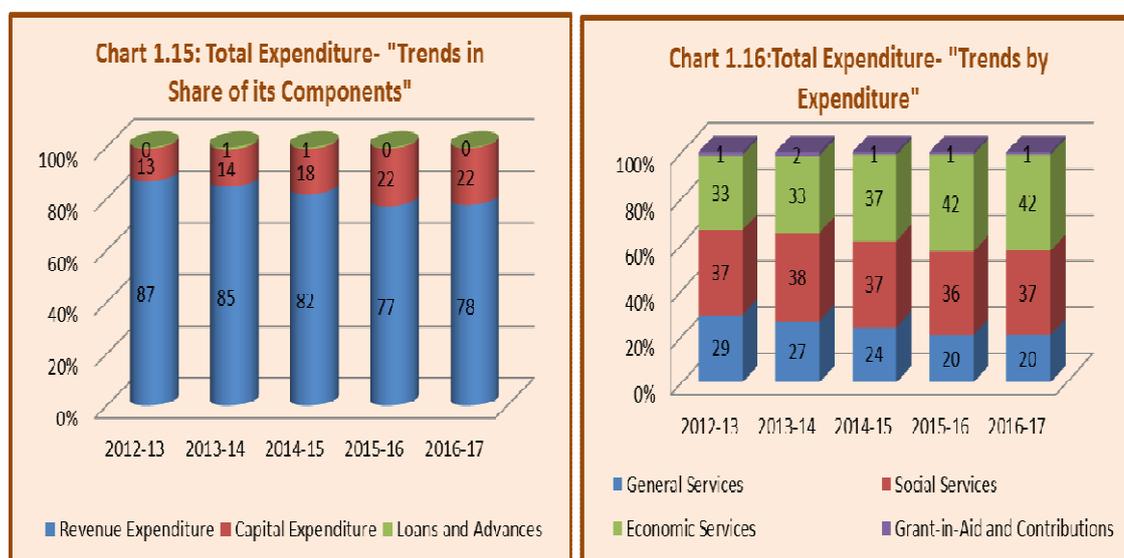


Source: Finance Accounts of Government of Odisha for respective years.

1.7.2 Total Expenditure

Total Expenditure (TE) consisted of expenditure on General Services including Interest Payments, Social and Economic Services and Grants-in-Aid and disbursement of Loans and Advances. The movement of relative shares of the component of expenditure is indicated in **Chart 1.16**. TE of the State increased by 90 per cent from ₹ 44,076 crore in 2012-13 to ₹83,766 crore in 2016-17 due to increase in Revenue Expenditure (₹ 26,803 crore) and Capital outlay (₹ 12,849 crore) and disbursement of Loans and Advances (₹ 38 crore). While the share of Revenue Expenditure in the TE decreased from 87 per cent during 2012-13 to 78 per cent in 2016-17, the share of Capital Expenditure increased from 13 per cent in 2012-13 to 22 per cent in 2016-17.

The increase of ₹ 7,533 crore in TE during 2016-17 over the previous year was due to increase in Revenue Expenditure and Capital Expenditure by ₹ 6,235 crore and ₹ 1,381 crore, respectively. The TE was 22.10 per cent of GSDP during 2016-17 as compared to 22.94 per cent during the previous year.



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

1.7.3 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 87 per cent of Total Expenditure in 2012-13 which decreased to 78 per cent in 2016-17. However, it increased by 11 per cent from ₹ 58,806 crore in 2015-16 to ₹ 65,041 crore in 2016-17.

In the context of State finances, the quality of expenditure has always been an important issue. Currently, revenue expenditure accounts for around 78 per cent of the State's aggregate expenditure, which is in the nature of current consumption, leaving only 22 per cent for investment in infrastructure and asset creation.

1.7.4 Non-Plan Revenue Expenditure

Non-Plan Revenue Expenditure (NPRE) increased by ₹ 4,174 crore (11.7 per cent) from ₹ 35,536 crore in 2015-16 to ₹ 39,710 crore during the current year. The increase in NPRE is a cause of concern as it erodes the resource base for sparing budgetary resources for development interventions. However, NPRE as a proportion of Revenue Expenditure, decreased from 70 per cent (₹ 26,645 crore) in 2012-13 to 61 per cent (₹ 39,710 crore) in 2016-17. Increase in NPRE during the current year was mainly on Pension and Miscellaneous General Services (₹ 496.44 crore), Interest Payment and Servicing of Debt (₹ 692.13 crore), Social Security and Welfare (₹ 779.45 crore), Rural Development (₹ 662.11 crore) and Water Supply, Sanitation, Housing and Urban Development (₹ 194.31 crore), which was partly set off by decrease in Agriculture and Allied Projects (₹ 113.96 crore).

Table 1.15: Comparative assessments of RE and NPRE

	Assessment made by FFC	Assessment made by Government in MTFP	Actual in 2016-17
Revenue Expenditure	63,097	74,443	65,041
NPRE	NA	45,529	39,710

(₹ in crore)

Source: Fourteenth Finance Commission's Report and Finance Accounts 2016-17 and Budget at a Glance 2016-17 of Government of Odisha.

NPRE constituted 47 per cent of the total expenditure of the State during 2016-17. Its ratio with Revenue Expenditure declined from 70 per cent in 2012-13 to 61 per cent in the current year.

1.7.5 Plan Revenue Expenditure

Plan Revenue Expenditure (PRE) increased by ₹ 2,061 crore (9 per cent) from ₹ 23,270 crore in 2015-16 to ₹ 25,331 crore during the current year. Increase in PRE during the current year was mainly on Education, Sports, Art and Culture (₹ 268.50 crore), Health and Family Welfare (₹ 749.23 crore), Agriculture and Allied Projects (₹ 808.16 crore) and Water Supply, Sanitation, Housing and Urban Development (₹ 274.54 crore), which was partly set off by decrease in Labour and Labour Welfare (₹ 139.86 crore).

1.7.6 Capital Expenditure

Capital Expenditure (CE) of the State, as proportion of Total Expenditure, increased from 13 per cent (₹ 5,622 crore) in 2012-13 to 22 per cent (₹ 18,471 crore) in 2016-17. However, CE (₹ 18,471 crore) increased (8 per cent) during 2016-17 over the previous year (₹ 17,090 crore), mainly on account of increase in expenditure on Water Supply and Sanitation (₹ 226.13 crore), Power Projects (₹ 649.52 crore), Irrigation and Flood Control (₹ 1,625.84 crore), Medical and Public Health (₹ 141.95 crore), which was partly set off by decrease in Roads and Bridges (₹ 883.26 crore). The CE during 2016-17, was 4.87 per cent of GSDP against Government's projection of 5.17 per cent in

Budget Estimate for 2016-17. The CE (₹ 18,471 crore) decreased by ₹ 1,138 crore against Budget Estimate (₹ 19,609 crore) during the year.

1.7.7 Parking of Government Fund outside Government Account

Supplementary Rule-242 of Odisha Treasury Code (OTC) Volume-I provides that no money shall be drawn from the treasury unless it is required for immediate disbursement. Rule-141 Sub Rule (3) of Odisha Budget Manual, 1963 provides that no money should be withdrawn from the treasury unless it is required for immediate payment. It is also not permissible to draw money from the treasury and keep it in banks or Post Offices without the sanction of the Finance Department. Finance Department (F.D) had also instructed (March 2015) not to park money in bank accounts.

On test check of records of 30 District Rural Development Agencies (DRDAs), 20 Block Development Offices (BDOs), 10 Municipalities, 10 District Project Office (Sarva Shiksha Abhiyan), 10 District Education Offices and 10 Integrated Tribal Development Agencies, it was observed that funds amounting to ₹ 1,571.52 crore (**Appendix-1.5**) were parked in bank accounts, violating the OTC codal provision and FD instructions. The issue of unspent balance becomes important as the schemes are funded through borrowed funds, attracting a significant interest burden.

The funds were kept in saving bank accounts of commercial banks, which earned interest of nearly four *per cent*. On the other hand, the State Government borrowed ₹ 7,620 crore from the open market at interest rates varying between 6.87 to 8.48 *per cent* and also paid interest amounting to ₹ 738.87 crore on market loans during 2016-17. List of schemes where the amount was more than ₹ 30 crore is given in **Table 1.16**:

Table 1.16: Parking of scheme funds as on 31 March 2017
(₹ in crore)

Sl.No	Scheme name	Closing Balance
1	Indira Awas Yojana	170.82
2	Gopabandhu Gramin Yojana	110.73
3	Biju Gram Jyoti Yojana	98.93
4	State Plan	95.14
5	Biju KBK Yojana	68.59
6	MP LAD	62.29
7	Integrated Action Plan	61.14
8	Sarva Shiksha Abhiyan	60.72
9	State Finance Commission	58.95
10	Mid Day Meal	53.31
11	MLA LAD	50.11
12	13 th Finance Commission	47.48
	Total	938.21

Source: Compiled from information collected from DDOs

The Government stated (November 2017) that funds were transferred to scheme accounts in accordance with Centrally Sponsored Schemes (CSS) guidelines. This issue was being taken up by the State Government with the Government of India. However, it was observed that State Plan Scheme funds amounting to ₹ 674.46 crore were also parked in savings bank account of Commercial Banks. Thus the Government should take steps to avoid parking of funds.

1.7.8 Committed Expenditure

Committed Expenditure of the State Government on Revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.17** present the trends in the expenditure on these components during 2012-17.

Table 1.17: Components of Committed Expenditure

	(₹ in crore)					
	2012-13	2013-14	2014-15	2015-16	2016-17	
					BE	Actuals
1. Salaries* & Wages	9,615 (22)	10,713 (22)	12,553 (22)	14,188 (21)	20,576	15,180 (20)
(a) Non-Plan Head	9,118	10,210	11,822	13,307	17,587	14,241
(b) Plan Head**	497	503	731	881	2989	939
2. Interest Payments	2,807 (6)	2,888 (6)	2,810 (5)	3,343 (5)	4,650	4,035 (5)
3. Expenditure on Pensions	5,379 (12)	5,935 (12)	6,417 (11)	6,346 (9)	9,495	6,843 (9)
4. Subsidies	1,951 (4)	2,031 (4)	2,076 (4)	2,581 (4)	1,517	2,386 (3)
TOTAL (1+2+3+4)	19,752	21,567	23,856	26,458	36,238	28,444

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 2016-17, Government of Odisha and Odisha Budget at a Glance 2016-17.

1.7.8.1 Salaries

Expenditure on salaries increased from ₹ 9,615 crore in 2012-13 to ₹ 15,180 crore in 2016-17. This accounted for nearly 20 *per cent* of Revenue Receipts and 38 *per cent* of the NPRE of the State Government during the year. The expenditure on salary decreased to 20 *per cent* of Revenue Expenditure during 2016-17 as against 21 *per cent* in 2015-16.

1.7.8.2 Interest Payments

Interest payments during the current year (₹ 4,035 crore) increased by ₹ 692 crore over the previous year (₹ 3,343 crore). During 2016-17, interest payment as a percentage of total Revenue Receipts was five *per cent*. The increase in Interest Payments was due to payment of interest towards Market Loans (₹ 739 crore), as compared to previous year (₹ 319 crore).

The Government stated (November 2017) that the interest payment to revenue receipt was about five *per cent* which was well within the limit of 15 *per cent* stipulated in FRBM Act, 2005.

1.7.8.3 Pensions

Expenditure on pension (₹ 6,843 crore), which was 9 *per cent* of total Revenue Receipts of the State during the year, increased by 27 *per cent* from ₹ 5,379 crore in 2012-13 to

₹ 6,843 crore in 2016-17. It increased by ₹ 497 crore from ₹ 6,346 crore in 2015-16 to ₹ 6,843 crore in 2016-17. The increase in the current year over the previous year was mainly due to more expenditure on Family Pension, Leave Encashment Benefits and Government Contribution to Defined Contribution Pension Scheme. The pension payment during the current year was within the projection made by FFC (₹ 9,451 crore) for the year.

The Government introduced a 'Defined Contributory Pension Scheme' for all employees recruited on or after 1 January 2005 for managing the future pension liability. The State Government has executed agreement with National Securities Depository Limited (NSDL), Mumbai, the Central Record Keeping Agency appointed by the Pension Fund Regulatory and Development Authority (PFRDA) as well as with New Pension Scheme (NPS) Trust, New Delhi for smooth management of NPS. An amount of ₹ 35.21 crore, being the employees' contribution as well as employer's contribution, was kept under Public Account (8342-Other Deposits) for transfer to NPS Trust. Thus, the State Government's liability on this account was ₹ 35.21 crore as on 31 March 2017. This amount has not been transferred to NPS, thus defeating the main objective of introducing the Defined Contributory Pension Scheme in order to limit future pension liabilities.

1.7.8.4 Subsidies

For welfare of public at large, states provide subsidies/subventions to disadvantaged sections of the society.

The State Government in its MTFP for 2007-08, had aimed to rationalise general subsidy and reduce their overall volume gradually at a rate of 10 *per cent* per annum beginning from 2005-06. However, the expenditure on subsidies increased from ₹ 1,951 crore in 2012-13 to ₹ 2,386 crore (over 22 *per cent*) in 2016-17, which included ₹ 362.65 crore under Relief on account of Natural Calamities which consisted mainly of assistance to farmers affected by floods/cyclone for purchase of agricultural inputs etc, ₹ 503.18 crore under subsidy to Crop Husbandry and ₹ 969.92 crore to Food, Storage and Warehousing. There was an increase of ₹141.65 crore under Relief on account of Natural Calamities over last year (₹221 crore)

1.7.8.5 Future Committed Liabilities

Appendix-XII of Finance Accounts, 2016-17 depicts the information on committed liabilities of the State in the future as detailed in **Table 1.18**.

Table 1.18: Committed Liabilities of the State for future

					(₹ in crore)
Sl. No.	Nature of the Liability	Plan	Non-Plan	Likely years of discharge	Balance
1	Pensions	0	96,600.73	2017-23	96,600.73
2	Interest payments	0	38,578.05	2017-23	38,578.05
3	Repayment of Loan	0	22,119.58	2017-23	22,119.58
Total			1,57,298.36		1,57,298.36

Source: Finance Accounts 2016-17, Government of Odisha.

The total committed liabilities of the State stood at ₹ 1,57,298.36 crore at the end of the year. Out of the total liabilities, pension payment obligations were 61.41 *per cent*, interest payments were 24.53 *per cent* and loan repayments were 14.06 *per cent* of the total liabilities.

The share of market loans has been increasing. Of the loan repayment & interest obligations, it was seen that only 36.44 per cent was for loan repayment while 63.56 per cent was going towards interest.

1.7.9 Financial Assistance by State Government to Local Bodies and other Institutions

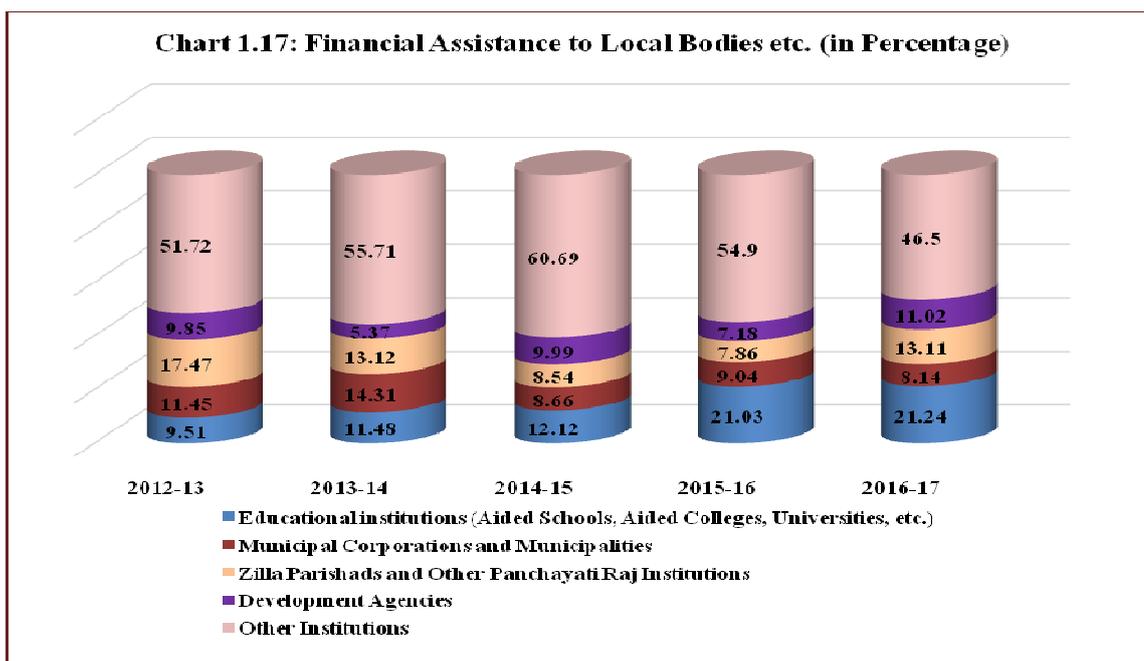
The quantum of assistance provided by way of grants to local bodies and others during the current year relative to the previous years is presented in the **Table 1.19**.

Table 1.19: Financial Assistance to Local Bodies etc.

	(₹ in crore)				
	2012-13	2013-14	2014-15	2015-16	2016-17
Educational institutions (Aided Schools, Aided Colleges, Universities, etc.)	668	1,090	1,659	3,739	4,109
Municipal Corporations and Municipalities	804	1,359	1,185	1,607	1,575
Zilla Parishads and Other Panchayati Raj Institutions	1,227	1,246	1,169	1,397	2,536
Development Agencies	692	510	1,367	1,276	2,132
Other Institutions	3,632	5,290	8,306	9,760	8,996
TOTAL	7,023	9,495	13,686	17,779	19,348
Assistance as per percentage of RE	18	21	27	30	30

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

Grants extended to local bodies and other institutions have increased by ₹ 1,569 crore (9 *per cent*) from ₹ 17,779 crore in 2015-16 to ₹ 19,348 crore in 2016-17. The increase over previous year was mainly due to increase in assistance to Educational Institutions (₹ 370 crore), Zilla Parishads and Other Panchayati Raj Institutions (₹ 1,139 crore), Development Agencies (₹ 856 crore), which was partly set off by decrease in Municipal Corporations (₹ 32 crore) and Other Institutions (₹ 764 crore), resulted in the share of grants and loans to the Revenue Expenditure remaining static at 30 *per cent* during the current year. The financial assistance to Local Bodies and other institutions is given in the **Chart No. 1.17** below:



1.8 Quality of Expenditure

Availability of better infrastructure in the social, educational and health sector in the State generally reflects the quality of expenditure. 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).

1.8.1 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 1.20** depicts the fiscal priority of the State Government with regard to Development Expenditure, Social Expenditure and Capital Expenditure during 2016-17.

**Table 1.20: Fiscal Priority and Fiscal Capacity of the State in 2012-13 and 2016-17
(In per cent)**

Fiscal Priority by the State	AE/GSDP	DE#/AE	SSE/AE	ESE/AE	CE/AE	Education/AE	Health/AE
General Category States'* average (Ratio) 2012-13	14.8	70.0	38.2	29.8	13.7	17.7	4.6
Odisha State's average (Ratio) 2012-13	17.1	123.8	36.7	32.7	12.8	16.6	4.0
General Category States'* average (Ratio) 2016-17	16.7	70.9	32.2	35.1	19.7	15.2	4.8
Odisha State's average (Ratio) 2016-17	22.1	78.9	36.5	41.8	22.1	14.5	5.7

As per cent to GSDP

* General Category States excluding Goa and Puducherry

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

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

From the above table, it may be seen that

- The ratios of the AE to GSDP in 2012-13 and 2016-17 (17.1 *per cent* and 22.1 *per cent*) were higher in Odisha as compared to General Category States (GCS).
- Development Expenditure as a proportion of Aggregate Expenditure in Odisha was also higher compared to the average of GCS during 2012-13 as well as in 2016-17. Development Expenditure consists of both Economic Service Expenditure and Social Sector Expenditure.
- Capital Expenditure as a proportion of Aggregate Expenditure in Odisha was lower as compared to the average of GCS during 2012-13. However, in 2016-17, Odisha spent a higher proportion on this account as compared to GCS. Increased priority to physical capital formation will further increase the growth prospects of the state by creating durable assets.
- Fiscal priority given to health sector in Odisha during 2016-17 (5.7 *per cent*), based on the proportion of Aggregate Expenditure, was higher than GCS. However, it was lower in 2012-13 compared to GCS.

1.8.2 Efficiency of Expenditure use

Table 1.21 presents the trends in Development Expenditure relative to the Aggregate Expenditure of the State during the current year vis-à-vis budget and the previous years, Table 1.22 provides the details of Capital Expenditure and the components of Revenue Expenditure incurred on the maintenance of the selected social and economic services.

Table 1.21: Development Expenditure

Components of Development Expenditure [§]	2012-13	2013-14	2014-15	2015-16	2016-17	
					(BE)	(Actual)
Development Expenditure (a to c)						
a. Development Revenue Expenditure (DRE)	25,173 (57)	31,036 (58)	35,790 (57)	42,831 (56)	51,680	47,314 (56)
b. Development Capital Expenditure (DCE)	5,271 (12)	7,286 (14)	10,685 (17)	16,665 (22)	16,331	18,097 (22)
c. Development Expenditure on Loans and Advances	142 (0.3)	364 (0.7)	260 (0.4)	242 (0.3)	NA	164 (0.2)
TOTAL	30,586 (69)	38,687 (72)	46,735 (75)	59,738 (78)		65,575 (78)

Figures in parentheses indicate *percentage* to aggregate expenditure,

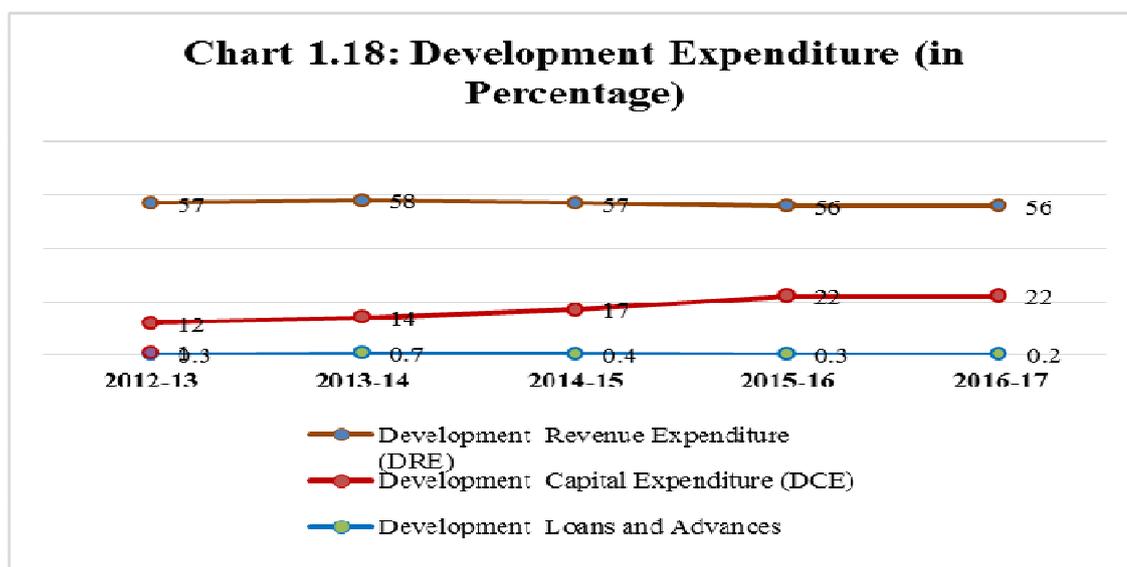
Source: Odisha Budget at a Glance 2016-17 and Finance Accounts 2016-17.

[§] The expenditure on social and economic services constitutes Development Expenditure.

Development expenditure comprising Revenue, Capital and expenditure on Loans and Advances on socio-economic services increased from ₹ 30,586 crore in 2012-13 to ₹ 65,575 crore in 2016-17. As a percentage of total expenditure, it increased from 69 *per cent* in 2012-13 to 78 *per cent* in 2015-16 and remains same in 2016-17 as well.

It would be seen from the above that Development Revenue Expenditure which was ₹ 25,173 crore during 2012-13 rose to ₹ 47,314 crore during 2016-17, registering a growth of nearly 88 *per cent*.

During 2016-17, Development Revenue Expenditure increased by ₹ 4,483 crore (10 *per cent*) in absolute terms and Development Capital Expenditure increased by ₹ 1,432 crore (9 *per cent*) over the previous year.



The increase in Development Revenue Expenditure during 2016-17 over the previous year was mainly due to increase under Education, Sports, Art and Culture (₹ 753 crore), Health & Family Welfare (₹ 907 crore), Water Supplies and Sanitation (₹ 469 crore), Social Welfare and Nutrition (₹ 844 crore), Agriculture and Allied Activities (₹ 694 crore) and Rural Development Programmes (₹ 591 crore). The increase in Capital

Expenditure during 2016-17 over the previous year was mainly due to increase in expenditure on Water Supply, Sanitation, Housing and Urban Development (₹ 369 crore), Irrigation and Flood Control (₹ 1,626 crore) and Power Projects (₹ 650 crore), which was partly set off by decrease in Roads and Bridges (₹ 883 crore).

Table 1.22: Efficiency of expenditure in selected Social and Economic services

Sectors	(In per cent)					
	2015-16			2016-17		
	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	
Social Services (SS)						
General Education	2.94	54.57	NA	1.95	53.65	NA
Health and Family Welfare	3.08	49.38	NA	3.62	40.12	NA
Water Supplies, Sanitation & Housing & Urban Development	5.86	3.31	0.45	7.42	3.38	NA
TOTAL (SS)	17.13	44.34	NA	16.25	31.84	NA
Economic Services (ES)						
Agriculture & Allied Activities	2.10	18.08	NA	1.18	17.48	NA
Irrigation and Flood Control	24.42	12.69	0.85	31.40	13.72	NA
Power & Energy	8.19	6.73	NA	11.09	3.74	NA
Transport	44.20	0.40	NA	36.64	0.40	NA
Total (ES)	80.38	30.93	NA	81.73	10.37	NA
TOTAL (SS+ES)	97.52	45.02	NA	97.98	22.90	NA

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, 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 1.22** summarises percentage of expenditure under different components of social and economic services sectors incurred by the State Government in expanding and maintaining social and economic services in the State during 2015-16 and 2016-17.

The share of Capital Expenditure to total expenditure decreased in General Education, Agriculture and Transport sector and increased in Health & Family Welfare, Water Supplies, Sanitation, Housing & Urban Development, Irrigation and Flood Control and Power sector during 2016-17 as compared to the previous year.

As seen from **Appendix-1.3**, expenditure on Social Services during 2016-17 (₹ 30,601 crore), constituting 37 per cent of total expenditure (₹ 83,766 crore), increased by 11 per cent over the previous year's expenditure (₹ 27,572 crore), while in Development Expenditure (₹ 65,411 crore), which was 78 per cent of total expenditure, there was an increase of 10 per cent over the previous year (₹ 59,497 crore). Revenue Expenditure on salaries continued to share a dominant proportion of Revenue Expenditure on Social

Services (31.84 *per cent*). Capital Expenditure on Social Services relative to the total expenditure showed a decrease (0.88 *per cent*) over the previous year.

Expenditure on economic services includes all such expenditure that promotes directly or indirectly, productive capacity within the State's economy. During 2016-17, total expenditure under economic services (₹ 34,810 crore) increased by 9 *per cent* over previous year. The expenditure on total economic services (₹ 31,925 crore) accounted for 42 *per cent* of total expenditure and 49 *per cent* of Development Expenditure.

1.8.3 Outcome Budget (Effectiveness of the Expenditure)

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

Outlay-outcome budgets of five departments viz. Fisheries & Animal Resources Development, Panchayati Raj, ST&SC Development, Minorities and Backward Classes Welfare Department, Agriculture and Farmer's Empowerment Department and Works departments were reviewed for the year 2016-17 and it was seen that the financial and physical targets were not fully achieved (*Appendix-1.6*).

- In Fisheries and Animal Resources Development Department, 80 *per cent* of financial target has been achieved, but the physical target has not been achieved to that extent in the following schemes:
 - In Assistance to *Matsyajibi Basagruha Yojana*, the financial target was achieved fully but the physical achievement was Nil. During audit scrutiny it was revealed that all the fund (₹6.86 crore) was drawn from treasury and parked in bank account, but shown as utilised as on 31 March. However no houses were constructed for fishermen. It was further observed that in 2015-16, the entire fund under this scheme was shown as utilised but the physical achievement was only 3 *per cent*.
 - In Assistance to Fishermen for Development of Livelihood (B&N) scheme, the financial target was achieved fully, but the physical achievement was Nil. During the year all the fund (₹2.53 crore) was shown as utilised and parked in bank accounts as on 31 March, but no boat was supplied to fishermen for development of their livelihood.
 - In Safety of Fishermen at Sea, 97 *per cent* of the financial target was achieved, but the physical achievement was Nil. During the year ₹1.90 crore was shown as

utilised as on 31 March and kept in bank account. No physical achievement was made due to sanction of fund at the fag end of the year and delay in tendering process.

- The financial and physical achievements of the Panchayati Raj Department are given below:
 - In *Pradhan Mantri Awas Yojana*, ₹ 923 crore (55 per cent) was utilised against the financial target of ₹ 1,688 crore, but the physical target achieved was zero per cent (only 343 houses were constructed against physical target of 3,96,102).
 - In *Biju Pucca Ghar Yojana*, ₹ 398 crore (57 per cent) was utilised against the financial target of ₹ 700 crore, but the physical achievement was only four per cent (only 2,636 houses were constructed against physical target of 62,416).
- The financial and physical achievements of ST&SC Development, Minorities and Backward Classes Welfare Department are given below:
 - In *Special Central Assistance to Tribal Sub Plan*, ₹ 135 crore (106 per cent) was utilised against the financial target of ₹ 127 crore, but the physical target was not achieved (programme under progress).
 - In *Creation of Infrastructure in TSP areas under Article 275(1) of the Constitution of India*, ₹ 118 crore (79 per cent) was utilised against the financial target of ₹ 149 crore, but the physical target was not achieved (Out of 1,650 projects, all are under progress).
 - In *Construction of Hostels for SC & ST Students*, ₹ 216 crore (82 per cent) was utilised against the financial target of ₹263 crore, but the physical target was not achieved (Out of 639 projects, no construction work has been completed).
- The financial and physical achievements of Works Department are given below:
 - In *Central Road Fund*, ₹ 102 crore (19 per cent) was utilised against the financial target of ₹550 crore.
 - In *KBK (RLTAP)*, ₹ 5.76 crore (39 per cent) was utilised against the financial target of ₹14.65 crore
 - In *Odisha State Road Project (EAP)*, ₹ 175 crore was utilized, but the physical achievement was 64 Km against 100 KM.

The Government stated (November 2017) that the expenditure was incurred as soon as the funds were drawn from treasury and credited to scheme accounts. The utilization of funds and creation of assets takes some time.

1.9 Financial Analysis of Government Expenditure and Investment

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.

1.9.1 Financial Results of Irrigation Works

The financial results of 62 irrigation projects (13-major and 49-medium projects) with a Capital Expenditure of ₹ 5,083.06 crore at the end of March 2017 showed that an amount of ₹ 128.82 crore was realised from these projects during 2016-17 by way of sale of water to industries. After meeting the working and maintenance expenditure of ₹ 269.98 crore and interest charges of ₹ 336.67 crore, the schemes suffered net loss of ₹ 477.83 crore during current year as against net loss of ₹ 148.64 crore during previous year. The net loss expressed as the percentage of Capital Outlay to the end of 2016-17 is (-)9.40 as against (-)3.09 to the end of 2015-16.

1.9.2 Incomplete Projects

Blocking of funds on incomplete works affects quality of expenditure negatively. The department-wise information pertaining to incomplete projects as on 31 March 2017 is given in **Table 1.23**.

Table 1.23: Department-wise profile of incomplete projects.

(₹ in crore)								
Name of Department	No. of incomplete projects as on 31/03/2016	Projects identified to be completed during 2016-17	Total	No. of projects completed during 2016-17 as on 31.03.2017	No. of incomplete projects as on 31.03.2017	Initial Budgeted cost	Revised cost of projects	Cumulative actual expenditure as on 31.03.2017
RD	57	642	699	482	217	1,860.89	1,872.92	1,402.49
Works	19	81	100	83	17	1,830.69	1,783.25	1,677.47
WR	12	30	42	29	13	347.40	386.11	363.80
SD&TE	0	14	14	10	4	54.09	58.33	37.27
ST&SC Dev	0	2	2	0	2	8.33	8.33	NA
MS&ME	0	4	4	1	3	23.32	23.54	11.35
Industry	0	1	1	0	1	81.90	81.90	NA
Commerce	0	9	9	3	6	31.02	34.55	29.82
F&ARD	0	4	4	0	4	391.69	391.68	79.65
TOTAL	88	787	875	608	267	4,629.32	4,640.60	3,601.85

Source: Information collected from the Finance Department.

Section-6 of Odisha Fiscal Responsibility and Budget Management Act, 2005 provides that prioritization of allocation of funds shall be done in a manner that would ensure completion of ongoing projects as per the time schedule. As per the legal requirement under Section-6 of the FRBM Act, 2005 the Government had identified as many of 787 new projects and 88 spilled over projects of previous years totaling to 875 projects under Zero Based Investment Review for completion during the year 2016-17. Out of these, 608 projects have been completed and the remaining 267 projects were incomplete due to the prolonged processes involved in land acquisition, matters lying sub-judice in courts, non-eviction of encroachment of land, change in the designs of bridges, shortage

of funds and slow progress of work. Due to non-completion of projects, not only the benefits that were to accrue to the intended beneficiaries were delayed, but the cost to the exchequer also increased by ₹ 11.28 crore, due to time overrun involved in their completion.

The State Government stated (November 2017) that execution of projects were delayed due to issues in Land Acquisition, Forest Clearance and Litigation in execution of Contracts etc. However, State Government should vigorously monitor these issues to avoid delayed execution of the projects.

1.9.3 Investment and Returns

As of March 2017, Government had invested ₹ 4,423.02 crore in Public Sector Undertakings (PSU) comprising Government Companies (₹ 3,272.31 crore), Co-operative Societies (₹ 637.57 crore), Statutory Corporations (₹ 510.99 crore) and others⁴ (₹ 2.15 crore). Of this investment, ₹ 3,459.51 crore or 78 per cent of the total investment fetched no return by way of dividend. Average return on this investment was 18.10 per cent in the last five years (12.80 per cent during 2016-17), while Government paid an average interest rate of 5.90 to 7.62 per cent on its borrowings during 2012-13 to 2016-17 (Table 1.24).

Table 1.24: Return on Investment

	(₹ in crore)				
Year	2012-13	2013-14	2014-15	2015-16	2016-17
Investment at the end of the year	2,964.28	3,308.79	3,504.87	3,881.32	4,423.02
Return	564.53	452.40	1,076.44	553.36	566.04
Percentage of return	19.04	13.67	30.71	14.26	12.80
Average rate of interest on Government borrowing	6.54	6.56	5.90	6.06	7.62
Return – Interest Rate	12.50	7.11	24.81	8.20	5.18

Source: Finance Accounts of Government of Odisha for respective years

The Finance department in their O.M No.3980/E dated:17/02/2016 issued guidelines for payment of Dividend by the State Public Sector Undertakings (PSUs). In Para -3 it was stated that a state PSU would pay an annual dividend of 30 per cent of Profit After Tax (PAT) or 30 per cent of State Government equity, whichever is higher. The Public Enterprise department and other Administrative departments concerned should take stock of the financial results of the State PSUs under their administrative control and enforce the discipline laid down in Para-3 for payment of dividend. But it was observed during audit that only ₹ 566.04 crore was received as dividend on investment of ₹963.51 crore (22 per cent of total investment) in 10 PSUs during 2016-17. These included two Co-operative Societies⁵, six Government Companies⁶, one Statutory

4 Other Joint Stock Companies and Partnerships (₹ 1.25 crore) & Rural Banks (₹ 0.90 crore)

5 Co-operative Society: Credit Co-operatives: ₹ 0.11 crore & Consumer Co-operative: ₹ 0.04 crore

6 Government Companies: Odisha Mining Corporation Limited : ₹ 500.00 crore, Odisha Forest Development Corporation Limited: ₹ 2.45 crore, Odisha Construction Corporation Limited(OCC) ₹ 9.26 crore, Odisha Hydro Power Corporation: ₹ 26.19 crore, Odisha Power Generation Corporation Limited: ₹ 15.00 crore and Odisha State Beverage Corporation Limited : ₹ 10.89 crore.

Corporation⁷ and one Joint Stock Company. However, only one PSU, the Odisha Mining Corporation (OMC) contributed ₹ 500 crore or 88 *per cent* of the total dividend.

It was observed that during 2016-17, Profit after Tax (PAT) earned by six state PSUs other than OMC i.e., Odisha Construction Corporation Ltd. (35.45 crore), Odisha State Police Warehousing Corporation Limited (₹17.08 crore), Odisha State Breweries Corporation Limited (₹ 25.49 crore), Odisha Power Generation Company Limited (₹123.27 crore), Odisha State Medical Corporation Limited (₹ 18.40 crore), Odisha Hydro Power Corporation Limited (₹ 87.30 crore), Odisha Power Transmission Corporation Limited (₹ 30.04 crore) and Odisha Forest Development Corporation Limited (₹ 20.45 crore) amounted to ₹ 357.48 crore. The dividend due from these PSUs worked out to ₹ 107.24 crore (30 *per cent* of PAT). However, only ₹ 66.04 crore was paid as dividend, resulting in less payment of dividend by ₹ 41.20 crore.

The Government stated (November 2017) that necessary correspondence would be made with the profit making PSUs for payment of dividend to the State Government.

1.9.4 Loans and Advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organisations. Loans and advances by the State Government increased by ₹ 151 crore from ₹ 4,557 crore in 2015-16 to ₹ 4,708 crore in 2016-17. During the year, while Government advanced loans amounting to ₹ 254 crore, ₹ 89 crore was repaid by the loanee entities. Major portion of loans advanced during 2016-17 was to Energy sector (₹ 172 crore) and Government servants (₹ 91 crore). **Table 1.25** presents outstanding loans and advances as on 31 March 2017 and interest receipts vis-à-vis interest payments during the last four years.

Table 1.25: Average Interest Received on Loans Advanced by the State Government
(₹ in crore)

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2012-13	2013-14	2014-15	2015-16	2016-17
Opening Balance	3,903	3,977	4,183	4,449	4,557
Amount advanced during the year	216	463	358	337	254
Amount repaid during the year	142	257	92	228	89
Closing Balance	3,977	4,183	4,449	4,557	4,708*
<i>Of which</i> outstanding balance for which terms and conditions have been settled					
Net addition	(+)74	(+)206	(+)266	(+)109	(+)151
Interest Receipts	16	610	14	181	36
Interest Receipts as a percentage to outstanding Loans and advances	0.40	14.58	0.31	3.97	0.76

7 Statutory Corporation: Odisha State Warehousing Corporation, Bhubaneswar: ₹ 2.02 crore⁸ 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.

Quantum of Loans/Interest Receipts/ Cost of Borrowings	2012-13	2013-14	2014-15	2015-16	2016-17
Interest Payments as a percentage to outstanding Fiscal Liabilities of the State Government.	6.48	6.46	5.57	5.59	5.63
Difference between Interest Receipts and Interest Payments (<i>per cent</i>)	(-)6.08	(+)8.12	(-)5.26	(-)1.62	(-)4.87

*Difference of ₹ 14 crore was due to conversion of loan to Share Capital Investment

Source: Finance Accounts of Government of Odisha for respective years

Loans outstanding as on 31 March 2017 aggregated ₹ 4,708 crore. Of the total outstanding loans, terms and conditions for loan amount of ₹ 1,578.84 crore are yet to be settled. Scrutiny of the total outstanding loans showed that loan amounts ranging from ₹ 3,326 crore to ₹ 4,174 crore during 2012-13 to 2016-17 relating to 11 departments were marginally repaid. **Table 1.26** shows that closing balances remained static indicating marginal repayments.

Table 1.26: Loans and Advances rolling for a long time

(₹ in crore)

Sl. No.	Name of Department	2012-13	2013-14	2014-15	2015-16	2016-17
1	Education	6.11	6.34	6.04	4.41	4.37
2	Housing & Urban Development	637.25	625.25	625.73	624.92	622.74
3	Information & Public Relation (I & PR)	0.54	0.54	0.54	0.54	0.54
4	ST&SC Dev. and Minorities and Backward Classes Welfare	13.56	13.56	11.25	11.25	11.25
5	Agriculture	49.46	49.46	31.62	31.62	31.62
6	Fisheries & Animal Resources Development	19.21	19.21	19.40	14.38	19.40
7	Co-operation	81.22	78.45	72.58	41.00	43.30
8	Water Resources	6.01	5.93	5.85	5.78	5.70
9	Energy	2,296.20	2,849.13	2,849.13	3,098.30	3,269.95
10	Micro Small and Medium Enterprises (Industries)	209.25	168.12	167.51	173.20	157.48
11	Finance	7.34	7.34	7.34	7.34	7.34
	Total	3,326.15	3,823.33	3,796.99	4,012.74	4,173.69

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

As seen from above, in two cases (I&PR and Finance Department), the loans and advances remained constant over the last five years. In four cases (Education, House and Urban Development, ST&SC Development, Minorities and Backward Classes Welfare, Fisheries & Animal Resources Development and Water Resources Departments), the repayment of loan was negligible.

Further, it was observed that loans amounting to ₹ 256.38 crore relating to 23 loanee entities remained in arrears for long periods as detailed in **Table 1.27**.

Table 1.27: Arrear of loans from loanee entities

(₹ in crore)

Sl. No.	Name of the Loanee entity	Amount of arrears as on March 2017	Earliest period to which arrears relate
1	The Odisha Film Development Corporation Limited	1.28	2008-09
2	Industrial Development Corporation of Odisha Limited	80.07	Not mentioned
3	National Institute of Social Work and Social Science (NISWASS)	3.79	01.04.1997
4	Odisha State Road Transport Corporation	1.81	2002-03
5	Odisha State Co-operative Milk Producers' Federation, Bhubaneswar	10.00	2009-10
6	Odisha Textiles Mills, Chaudwar	25.89	1995-96
7	Odisha State Textiles Corporation (Bhaskar Textiles Mills, Jharsuguda)	7.71	1986-87
8	Odisha State Co-operative Handicraft Corporation Limited	2.11	2005-06
9	Odisha Weavers' Co-operative Spinning Mills, Tora, Baragarh	1.05	2005-06
10	Gopinath Weavers' Co-operative Spinning Mills, Baliapala	4.40	2005-06
11	Utkal Weavers' Co-operative Spinning Mills, Khurda	7.00	2005-06
12	Sarala Weavers' Co-operative Spinning Mills, Tirtol	2.73	2005-06
13	Kalinga Weavers' Co-operative Spinning Mills, Dhenkanal	2.47	2005-06
14	Odisha State Handicrafts Corporation	2.06	2005-06
15	Gangpur Weavers' Co-operative Spinning Mills, Kerei	21.50	1995-96
16	Konark Cotton Growers' Co-operative Spinning Mills, Kesinga, Kalahandi	4.44	2003-04
17	Odisha State Co-operative Spinning Mills Federation Ltd., Bhubaneswar	7.34	1980-81
18	Madhu Nagar Powerloom Weavers' Co-operative Societies	1.17	1961-62
19	Primary Handloom Weavers' Co-operative Societies Ltd.	9.35	1959-60
20	Jagannath Weavers' Co-operative Spinning Mills, Nuapatna	3.42	1985-86
21	Sambalpuri Bastralaya	6.90	2009-10
22	Tribal Development Co-operative Corporation of Odisha Ltd.(TDCCOL)	46.36	1985-86
23	Odisha Cotton Textiles Processing Unit, Jagatpur	3.53	1980-81
		256.38	

Source: Finance Account 2016-17 of Government of Odisha

It was further observed that fresh loans of ₹ 121.66 crore were advanced during 2016-17 to Grid Corporation of Odisha Limited (GRIDCO). Despite GRIDCO having repayment of earlier loan of ₹ 2,168.12 crore was in arrears since 2014-15. Reason for disbursement during the current year was not explained. Thus, sanction of loan without assessing the loan repayment capacity of the loanee entity coupled with poor monitoring, resulted in accumulation of unpaid loans for years together.

Interest receipts increased from ₹ 16 crore in 2012-13 to ₹ 35 crore during the current year. Similarly, interest received against the total outstanding loans and advances

increased from 0.40 *per cent* in 2012-13 to 0.76 *per cent* in 2016-17. While interest payment during 2016-17 was 5.63 *per cent* of its outstanding fiscal liabilities, the interest received was 0.76 *per cent* of the outstanding loans and advances. As a result, interest spread of Government borrowings was negative during the year which meant that the State's borrowings were more expensive than the loans advanced by it.

1.9.5 Cash Balances and Investment of Cash Balances

Table 1.28 depicts the cash balances and investments made by the State Government out of cash balances during 2016-17. Total investment out of cash balances during 2016-17 were ₹ 8,738 crore, which was invested in 14 days Government of India Treasury Bills (₹ 8,672.82 crore) and Government of India Stock (₹ 65.28 crore). On these investments, the Government earned interest of ₹ 391.09 crore during the current year. Cash balance at the close of the current year increased from ₹ 12,047.68 crore of the previous year to ₹ 14,601.11 crore during the current year and was reflected in cash balance investment accounts as follows:

Table 1.28: Cash balance and investment of cash balance

	(₹ in crore)	
	Opening balance on 1/4/2016	Closing balance on 31/3/2017
(a) General Cash Balance -		
Cash in Treasuries	--	--
Deposits with Reserve Bank	666.99	318.65
Deposits with other Banks	--	--
Remittances in transit - Local	--	--
Investments held in Cash Balance investment account	5,836.24	8,738.10
Total (a)	6,503.23	9,056.75
(b) Other Cash Balances and Investments		
Cash with departmental officers viz. Public Works Department Officers, Forest Department Officers, District Collectors	21.12	21.03
Permanent advances for contingent expenditure with departmental officers	0.33	0.33
Investment of earmarked funds	5,523.00	5,523.00
Total (b)	5,544.45	5,544.36
Grand total (a)+ (b)	12,047.68	14,601.11

Source: Finance Accounts 2016-17, Government of Odisha.

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 2017. One option for prudent financial management would be to maintain optimum cash balances and use the surplus 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 Government's closing debt stocks of 2016-17 included a few high interest bearing loans like 8.38 *per cent* on Odisha Government Loan (OGL) 2026 (₹ 1,500 crore), 8.00 *per cent* on OGL 2019 (₹ 1,000 crore), 8.08 *per cent* on OGL 2020 (₹ 1,000 crore), 8.03 *per cent* on OGL 2025 (₹ 1,000 crore), 8.03 *per cent* on OGL 2020 (₹ 1,000 crore), 8.48 *per cent*

cent on OGL 2021 (₹ 1,000 crore), 7.08 per cent on OGL 2026 (₹ 1,000 crore), 7.27 per cent on OGL 2036 (₹ 1,000 crore) and 7.95 per cent on OGL 2032 (₹ 1,200 crore). The ThFC had recommended that States with large cash balances should make efforts towards utilising their cash balances before resorting to fresh borrowings.

Analysis of Cash Balance

The primary reason for accumulation of cash balances is borrowing more than the fiscal deficit. The excess borrowings can be partially attributed to high inflow from National Small Savings Fund (NSSF). Other factors also contribute to cash balance of the State. One of them is the mechanism of release of Central assistance, wherein grants are released to the State leading to a temporary build-up of cash balances that get used in due course of time. Transfer of unspent fund to deposit accounts maintained in the Public Account at the end of financial year leads to build-up of cash balance.

Efficient debt management is an essential part of the cash management. With reduced fiscal deficit, it is essential that State follows the practice of borrowing on requirement rather than on availability. Further, ThFC also had suggested that there should be directed effort by the States with large balances towards utilizing their existing cash balances before resorting to fresh borrowings. The Reserve Bank of India has also reiterated the fact and advised the States to manage their cash balance more efficiently.

1.10 Assets and Liabilities

1.10.1 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 do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. *Appendix-1.7* gives an abstract of such liabilities and the assets as on 31 March 2017, compared with the corresponding position as on 31 March 2016. 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 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.

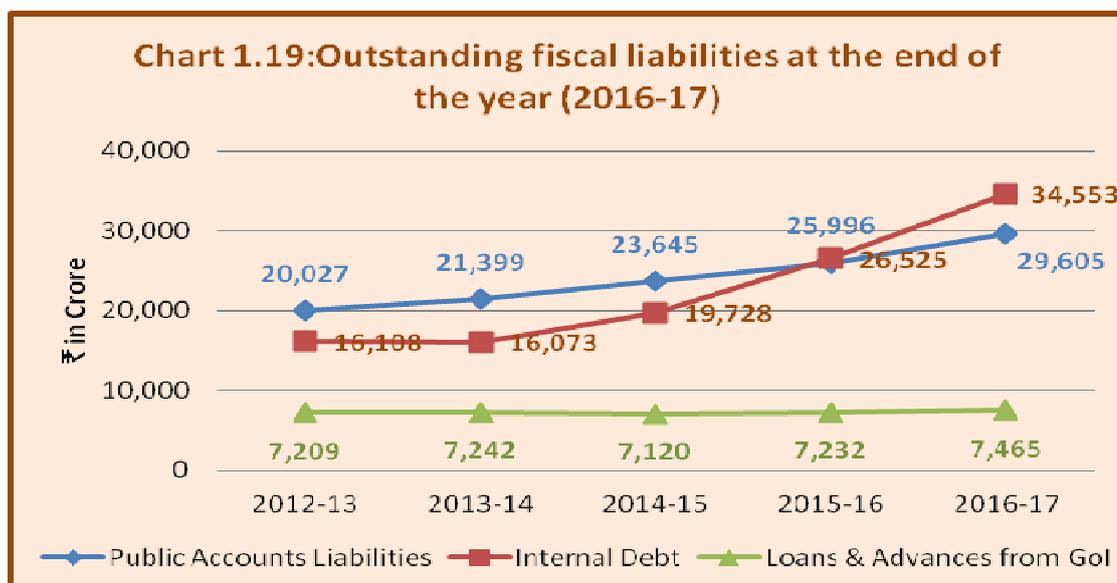
1.10.2 Fiscal Liabilities

Trends in outstanding fiscal liabilities of the State are presented in *Appendix-1.3*. However, the composition of fiscal liabilities during the current year vis-à-vis the last five years are presented in **Table 1.29** and **Chart 1.19**.

Table 1.29: Outstanding fiscal liabilities at the end of the year

Outstanding Fiscal Liabilities		2012-13	2013-14	2014-15	2015-16	2016-17
Public Account Liabilities	Actuals (₹ in crore)	20,027	21,399	23,645	25,996	29,605
	Growth rate	12.20	6.85	10.50	9.94	13.88
	Percentage of revenue receipts	45.58	43.72	41.48	37.71	39.85
Internal Debt	Actuals (₹ in crore)	16,108	16,073	19,728	26,525	34,553
	Growth rate	(-)7.09	(-)0.22	22.74	34.45	30.26
	Percentage of revenue receipts	36.66	32.84	34.61	38.47	46.51
Loans and Advances from GoI	Actuals (₹ in crore)	7,209	7,242	7,120	7,232	7,465
	Growth rate	(-)0.96	0.46	(-)1.67	1.56	3.22
	Percentage of revenue receipts	16.41	14.80	12.49	10.49	10.05
TOTAL (of Actuals ₹ in crore)		43,344	44,714	50,493	59,753	71,623

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



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

Fiscal liabilities as on 1 April 2016 stood at ₹ 59,753 crore comprising internal debt of ₹ 26,525 crore (44 per cent), Public Accounts liabilities of ₹ 25,996 crore (44 per cent) and loans and advance of ₹ 7,465 crore (12 per cent) from GoI. However, these increased by ₹ 11,870 crore (20 per cent) to ₹ 71,623 crore as of 31 March 2017. The fiscal liabilities comprised internal debt of ₹ 34,553 crore (48 per cent), public account liability of ₹ 29,605 crore (41 per cent) and loans and advances of ₹ 7,465 crore (11 per cent) as at the end of 2016-17. The internal debt of ₹ 34,553 crore comprised mainly of market loans bearing interest (₹ 15,093 crore), special securities issued to National Small Savings Fund (₹ 10,842 crore) and loans from Financial Institutions (₹ 8,531 crore). The fiscal liabilities at the end of 2016-17 constituted 19 per cent of GSDP which is one per cent more than previous year.

1.10.3 Status of Guarantees – Contingent Liabilities

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

The maximum amount for which guarantees were given by the State and outstanding guarantees as per the Finance Accounts for the last five years is given in **Table 1.30**.

Table 1.30: Guarantees given by the Government of Odisha

(₹ in crore)

Guarantees	2012-13	2013-14	2014-15	2015-16	2016-17
Maximum amount guaranteed	10,578.61	10,624.61	10,885.61	10,890.61	12,280.61
Outstanding amount of guarantees	2,251.23	1,705.26	1,671.77	1,290.26	2,256.14
Percentage of maximum amount guaranteed to total Revenue Receipt of current year (percentage)	24.08	21.71	19.10	15.80	16.53
Percentage of outstanding guarantee to total Revenue Receipt of 2 nd preceding year less Grants-in-Aid as provided in the MTFP (in percentage)	8.50	5.31	4.51	3.18	5.12

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

The outstanding guarantees increased by 75 *per cent* from ₹ 1,290 crore in 2015-16 to ₹ 2,256 crore in 2016-17. Guarantees were given in respect of Power sector (4), Co-operatives sector (42), Housing & Urban Development (86), Irrigation sector (1), Roads and Transport sector (2), State Financial Corporation sector (7) and others (19). Government in their resolution (March 2004) had issued instruction to the Public Sector Undertakings/Urban Local Bodies/Co-operative Societies etc, who had borrowed or intended to borrow against Government guarantees to open an Escrow Account in a Nationalised Bank for timely repayment of guaranteed loans.

To provide for sudden discharge of State's obligation on guarantees, Twelfth Finance Commission (TFC) had recommended that States should set up Guarantee Redemption Fund through earmarked guarantee fees. The Government 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 2017, ₹ 480 crore remained in the fund.

Further, in consideration of the guarantee given by the Government, the institutions in some cases are required to pay guarantee commission at rates varying from 0.01 *per cent* to one *per cent*. As per Finance Accounts, ₹ 215.75 crore was received as Guarantee Commission or fee against the receivable amount of ₹ 308.36 crore as on 31 March 2017. Details are shown in **Table 1.31**.

Table 1.31: Guarantee Commission received/to be received by the Government.
(₹ in crore)

Name of the Sector	Commission Received	Commission Receivable
Power	177.70	238.15
Co-operatives	2.07	4.09
Irrigation	--	--
State Financial Corporation	2.86	8.49
Housing and Urban Development	26.82	40.96
Roads and Transport	1.85	1.85
Other Infrastructure	4.45	13.57
Any Other	--	1.25
TOTAL	215.75	308.36

Source: Finance Accounts 2016-17, Government of Odisha.

1.10.4 Transactions under Reserve fund

i) Consolidated Sinking Fund (CSF): Twelfth Finance Commission had recommended that States should set up Sinking Funds for amortization of all loans including loans from banks, liabilities on account of National Small Savings Fund etc. which should not be used for any other purpose, except for redemption of Loans. Guarantee Redemption Fund is meant for discharge of the States' obligations on Guarantee. The State Government is required to contribute a minimum of 0.5 per cent of the total liabilities outstanding at the beginning of the year to the Consolidated Sinking Fund. The State Government has raised debt amounting to ₹ 59,753.32 crore. Accordingly, the amount due to be contributed to the Fund was ₹ 298.77 crore (at the rate of 0.5 per cent of total liabilities at the beginning of the year to ₹ 59,753.32 crore) in terms of the recommendations of the Twelfth Finance Commission. However, the State Government did not contribute any amount to the Fund during the year. Consequently, the Revenue Surplus during the year was overstated by ₹ 298.77 crore. As on 31 March 2017, an amount of ₹ 5,042.83 crore was lying in the Fund and the total amount has been invested in Government Stock.

ii) Guarantee Redemption Fund (GRF): Guarantee Redemption Fund was constituted with a corpus of ₹ 20 crore in the year 2002-03, with the objective of meeting the payment obligations arising out of default in debt servicing of loans guaranteed by the Government. The balance at the credit of the fund as on 31 March 2017 (₹ 480 crore) has been invested in Government of India securities by the Reserve Bank of India. The Government of Odisha has not made any contributions to the Fund during 2016-17.

iii) State Disaster Response Fund (SDRF): As per recommendation of the ThFC the State Disaster Response Fund was constituted in 2010-11. In terms of the guidelines, the Centre and State Governments are required to contribute to the fund in the ratio of 75:25. Accordingly, the Centre contributed ₹ 588.75 crore towards SDRF and ₹ 852.95 crore from NDRF. The State Government contributed ₹ 196.25 crore to the Fund during 2016-17. The State Government has invested an amount of ₹ 2,459.90 crore during the year 2016-17 in 91 days Treasury Bill and received interest of ₹ 40.10 crore. The balance in the Fund as on 31 March 2017 was ₹ 1,451.27 crore after incurring an expenditure amount of ₹ 535.67 crore during the year.

iv) **Funds for Protection of Interest of Depositors:** The State Government created a new fund in 2014-15 viz., “Fund for Protection of Interest of Depositors” with a corpus of ₹ 300 crore to safeguard the interest of small and genuine depositors of the State. The Fund has to be maintained in the Public Account under section ‘Reserve Funds not bearing interest’. No expenditure was made out of the Fund during 2016-17.

1.10.5 Inoperative Reserve Funds

Reserve funds have been created and maintained in the accounts of the State Government. Nine reserve funds with amount totaling to ₹ 2.42 crore were inoperative or dormant for periods ranging from 13 to 57 years. One more reserve fund (Consumer Welfare Fund) was created in 2012-13 with an amount of ₹ 0.26 crore. The details of inoperative Reserve Funds are given in **Table 1.32**.

Table 1.32: Inoperative Reserve Funds

(₹ in lakh)					
Sl. No.	Major and Minor heads with nomenclature	No. of Reserve Funds	Balance as on 31.03.2017		Year of last transaction
1	8011-Insurance and Pension Funds 105-State Government Insurance Fund	01	Cr.	0.07	2003-04
2	8012-Special Deposit and Accounts 123-Special Deposit for Employees Provident Fund Scheme (Administration Fund)	01	Cr.	1.63	2002-03
3	8013-Other Deposits and Accounts 01-Deposit Schemes for Retiring Employees 101-Deposit Scheme for Retiring Govt. Employees, 1989	01	Cr.	38.81	1997-98
4	8121-General and Other Reserve Fund 101-General and Other Reserve Funds – Government Commercial Departments and Undertakings.	01	Cr.	1.88	1996-97
5	8229-Development and Welfare Funds 109-Co-operative Development Funds, State Co-operative Development Fund 123- Consumer Welfare Fund	02	Cr.	2.00	1959-60
			Cr.	26.00	2012-13
6	8235-General and Other Reserve Funds 102-Zamindari Abolition Fund 103-Religious and Charitable Endowment Funds 200-Other Funds: - Guarantee Reserve Fund	03	Cr.	59.19	1994-95
			Cr.	1.51	1983-84
			Cr.	110.88	1997-98
TOTAL		9		241.97	

Source: Finance Accounts of Government of Odisha 2016-17 (Volume-1)

1.11 Debt Sustainability

Apart from the magnitude of the debt of the Government, it is important to analyse the various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the Government in terms of rate of growth of outstanding debt, ratio of interest payment and revenue receipt, debt repayment and debt receipt and net debt available to the State. **Table 1.33** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from 2012-13.

Table 1.33: Debt Sustainability

(₹ in crore)					
Debt Sustainability	2012-13	2013-14	2014-15	2015-16	2016-17
Outstanding public Debt	23,317	23,314	26,849	33,757	42,018
Rate of growth of outstanding Public Debt	(-5.28	(-0.01	15.16	25.73	24.47
GSDP	2,58,275	2,91,709	3,21,971	3,41,887	3,78,991
Debt/GSDP ratio	9.03	7.99	8.34	9.87	11.09
Rate of Growth of GSDP	13.34	12.95	10.37	6.19	10.85
Average interest Rate of Outstanding Debt (Interest paid/OB of Public Debt + CB of Public Debt/2)	6.54	6.56	5.90	6.06	7.03
Percentage of Interest to Revenue Receipt	6.39	5.90	4.93	4.85	5.43
Percentage of Debt Payment to Debt Receipt	92.80	90.34	68.53	59.36	26.39
Net Debt available to the State	878	1,369	5,780	9,260	8,261

(Source: State Finance Accounts of the respective years.)

Public Debt of the State Government increased from ₹ 23,317 crore in 2012-13 to ₹ 42,018 crore in 2016-17, registering an increase of 80 *per cent* during the period 2012-17. The rate of growth ranged between (-) 0.01 *per cent* and 25.73 *per cent* over the period 2012-13 to 2016-17. Public Debt increased at the rate of 24.47 *per cent* in 2016-17 as compared to 25.73 *per cent* in previous year. The increase in public debt during the year 2016-17 is mainly due to addition of Market Loans bearing interest (₹ 7,620 crore) and Loans from the NABARD (₹ 2,653 crore), which was partly set off by repayment of loans under Market loans bearing interest (₹ 655 crore), NABARD (₹ 819 crore), and Special Securities issued to NSSF of Central Government (₹ 808 crore).

Rate of growth of GSDP registered a decreasing trend from 13.34 *per cent* in 2012-13 to 6.19 *per cent* in 2015-16 but during 2016-17 it increased at a rate 10.85 *per cent* over previous year. Increase was still higher than the average rate of interest of public debt which ranged between 5.90 *per cent* and 7.03 *per cent* over the period 2012-2017. Outstanding Debt GSDP ratio is gradually increasing from 7.99 *per cent* in 2013-14 to 11.09 *per cent* in 2016-17 due to higher receipts and lower repayment of public debt. The State needs to step up its resource mobilisation efforts to ensure prudent fiscal situation rather than depend on debt receipts.

Interest payment as a percentage of revenue receipt decreased from 6.39 *per cent* in 2012-13 to 5.43 *per cent* in 2016-17, which shows that the interest payment on public debt was decreasing, resulting in more availability of funds for development.

Debt repayment as a percentage of Debt receipt showed a decreasing trend from 92.80 *per cent* in 2012-13 to 26.39 *per cent* in 2016-17, indicating that public debt receipt was higher than public debt payment, resulting in higher dependency on debt receipt rather than own sources of revenue.

The Government stated (November 2017) that the borrowed funds were fully utilized for higher capital investment to foster economic growth. Government also stated that all the debt related parameters were within the FRBM limit.

1.12 Fiscal Imbalances

Three key fiscal parameters – Revenue deficits/surplus, fiscal deficits 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

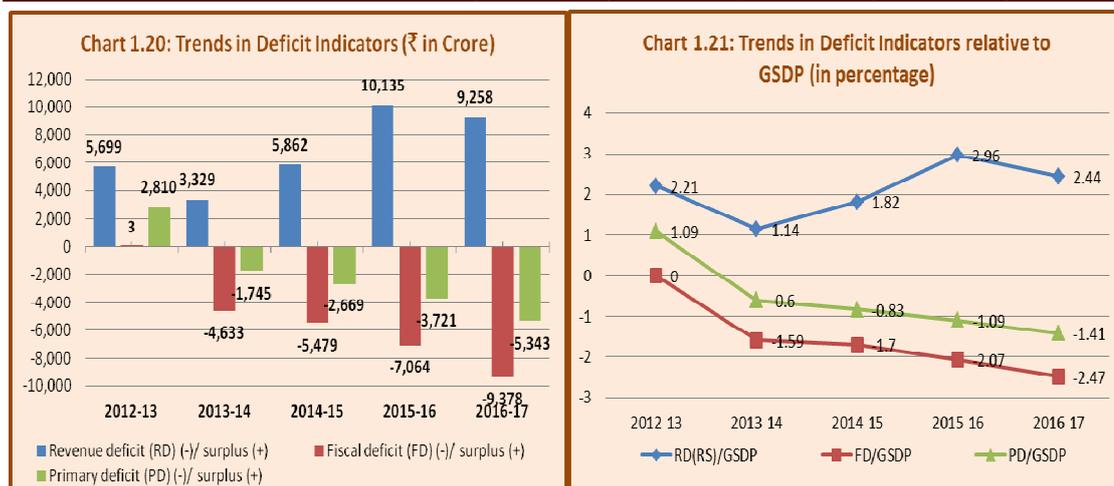
represents the gap between its expenditure and receipts. This section presents the trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of Revenue and fiscal deficits for the financial year 2016-17.

1.12.1 Trends in Deficits/Surpluses

Table 1.34, Chart 1.20 and 1.21 present the trends in deficits/surpluses indicators over the period 2012-13 to 2016-17.

Table 1.34: Deficits/Surpluses

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue deficit (RD) (-)/ surplus (+) (₹ in crore)	(+)5,699	(+)3,329	(+)5,862	(+)10,135	(+)9,258
Fiscal deficit (FD) (-)/ surplus (+) (₹ in crore)	(+)3	(-)4,633	(-)5,479	(-)7,064	(-)9,378
Primary deficit (PD) (-)/ surplus (+) (₹ in crore)	(+)2,810	(-)1,745	(-)2,669	(-)3,721	(-)5,343
RD(RS)/GSDP (per cent)	(+)2.21	(+)1.14	(+)1.82	(+)2.96	(+)2.44
FD/GSDP (per cent)	0	(-)1.59	(-)1.70	(-)2.07	(-)2.47
PD/GSDP (per cent)	(+)1.09	(-)0.60	(-)0.83	(-)1.09	(-)1.41



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

Revenue Surplus/Deficit

Revenue Surplus represents the difference between Revenue Receipts and Revenue Expenditure. Revenue surplus helps to reduce the borrowings. In 2005-06, after a gap of 22 years, the State was able to attain a Revenue surplus of ₹ 481 crore and has continued to be a Revenue surplus State. During 2016-17, revenue receipts grew 7.77 per cent against a growth rate of 10.60 per cent by revenue expenditure, resulting in revenue surplus being decreased by ₹ 877 crore as compared to previous year. The achievement was in line with the State's FRBM (Amendment) Act, 2016 which had prescribed reduction of Revenue deficit to zero for the financial year 2011-12 onwards.

Fiscal Surplus/Deficit

Fiscal Surplus of ₹ 3 crore in 2012-13 turned into Fiscal Deficit of ₹ 9,378 crore during 2016-17, mainly on account of steep increase in the capital expenditure by the State.

However, Fiscal Deficit (₹ 9,378 crore) was within the State's FRBM (Amendment) Act, 2016 target of not more than three *per cent* of GSDP (₹ 11,370 crore).

Primary Surplus/Deficit

The Primary Deficit of ₹ 3,721 crore in 2015-16 increased to ₹ 5,343 crore during the current year. While Fiscal Deficit represents the need for additional resources in general, a part of such resources may be needed to finance interest payment. Interest payment represents the expenditure of past obligation and is independent of current allocative priorities. During 2016-17, 43 *per cent* of the Fiscal Deficit was due to interest payment and the rest was due to revenue and capital expenditure other than interest payment. Hence prudent reduction of revenue expenditure could enable the State Government to attain primary surplus.

1.12.2 Components of Fiscal Deficit/Surplus and its Financing / Investing Pattern

The financing / investing pattern of fiscal deficit/surplus underwent a compositional shift as reflected in the **Table 1.35**.

Table 1.35: Components of Fiscal Deficit/Surplus and its financing/investing pattern
(₹ in crore)

Particulars		2012-13	2013-14	2014-15	2015-16	2016-17
Decomposition of Fiscal Deficit		3	(-)4,633	(-)5,479	(-)7,064	(-)9,378
1	Revenue surplus	5,699	3,329	5,862	10,135	9,258
2	Capital Expenditure	(-)5,622	(-)7,756	(-)11,075	(-)17,090	(-)18,471
3	Net Loans and Advances	(-)74	(-)206	(-)266	(-)109	(-)165
Financing Pattern of Fiscal Deficit*/Surplus						
1	Market Borrowings	(-)1,308	(-)885	1,644	3,563	6,965
2	Loans from GoI	(-)70	33	(-)121	112	233
3	Special Securities Issued to National Small Savings Fund (NSSF)	115	388	1,090	1,575	(-)808
4	Loans from Financial Institutions	(-)37	461	921	1,658	1,825
5	Small Savings, PF etc	691	689	1,073	1,835	1,857
6	Reserve fund	(-)107	(-)130	(-)35	285	1,145
7	Deposits and Advances	1,594	813	915	230	607
8	Suspense and Misc	(-)460	3,437	100	(-)1,732	(-)2,911
9	Remittances	4	28	2	(-)52	(-)53
10	Others	--	--	(-) 1	34	743
11	Increase / decrease in cash Balance	(-)441	(-)51	(-)259	83	(-)348
12	Net of Odisha Contingency Fund	16	(-)150	150	(-) 123	123

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

Source: Finance Accounts of Government of Odisha for respective years

The Fiscal deficit of 2016-17 increased by ₹ 2,314 crore and stood at ₹ 9,378 crore in the current year. The factor contributing to increase in fiscal deficit was the increase in capital expenditure from ₹ 17,090 crore in 2015-16 to ₹ 18,471 crore during 2016-17.

1.12.3 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. Persistently high ratio of Revenue deficit to fiscal deficit indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) did not have any asset backup. In Odisha, there has been a Revenue surplus since 2005-06. Bifurcation of the primary surplus (**Table 1.36**) would indicate the extent to which the deficit has been on account of enhancement in Capital Expenditure, which is desirable to improve the productive capacity of the State's economy.

Table 1.36: 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)
2012-13	44,079	35,431	5,622	216	41,269	8,648	2,810
2013-14	49,204	42,730	7,756	463	50,949	6,474	(-)1,745
2014-15	57,090	48,326	11,075	358	59,759	8,765	(-)2,669
2015-16	69,169	55,463	17,090	337	72,890	13,706	(-)3,721
2016-17	74,388	61,006	18,471	254	79,731	13,382	(-)5,343

Source: Finance Accounts of Government of Odisha for respective years

During 2016-17, non-debt receipts increased from ₹ 69,169 crore to ₹ 74,388 crore (8 per cent) against an increase of 10 per cent in Primary Revenue Expenditure.

Analysis of the factors showed that the State was experiencing primary surplus (₹ 2,810 crore) during 2012-13, however, from 2013-14 to 2016-17 the State had experienced primary deficit of ₹ 1,745 crore, ₹ 2,669 crore, ₹ 3,721 crore and ₹ 5,343 crore, respectively. In other words, non-debt receipts of the State were not enough to meet the primary expenditure⁸ requirements in the Revenue account. Ideally, incremental non-debt receipts every year should cover not only the primary expenditure but also incremental interest burden.

1.13 Public Private Partnerships (PPP)

Recourse to the PPP mode for project financing is generally encouraged because it frees valuable fiscal space for the provision of public goods in areas where such financing may not be forthcoming, as envisaged in ThFC. The Government of Odisha framed their PPP Policy in August 2007 to support private investment, particularly in the infrastructure sector, to utilise the efficiency and innovativeness of the private investors, besides tapping their capital. PPP projects in sectors that come under the purview of the

⁸Primary 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.

Government of Odisha cover 19 infrastructure sectors such as Roads, Ports, Airports, Industrial parks, Inland Container Depot and Logistic hubs, Water Supply, Power Generation, Solid Waste Management, Railway related projects and Agriculture Production and Marketing etc. Out of the 19 sectors, the Government has not entered into the PPP contracts in five sectors viz. Airports, Airstrips and Heliports, Inland Container Depots and Logistic Hubs, Sewerage and Drainage, Inland Water and Agriculture Production and Marketing. In terms of the main types of PPP contracts, almost all contracts have been of the Build, Operate and Transfer (BOT) type or Build, Own, Operate and Transfer (BOOT) type (either toll or annuity payment models) or close variants.

The status of the PPPs in Odisha as on 31 March 2017 is given in **Table 1.37:**

Table 1.37: Status of projects as of 31 March 2017

Sector	Operational		Under Implementation		In Pipeline		Total	
	Number	Cost	Number	Cost	Number	Cost	Number	Cost
Urban Development	11	260	8	1,363	8	1,069	27	2,692
Health	11	200	2	322	0	0	13	522
Finance & Revenue	1	72	0	0	0	0	1	72
Transport	3	5,061	4	2,784	0	0	7	7,845
Industrial Infrastructure	4	785	1	100	0	0	5	885
Roads	1	48	1	1,431	0	0	2	1,479
Tourism	2	51	0	0	0	0	2	51
Education	14	35	0	0	1	50	15	85
Energy	1	108	1	50	0	0	2	158
Food Supplies and Consumer Welfare	0	0	1	20	1	20	2	40
Total	48	6,620	18	6,070	10	1,139	76	13,829

Source: Figures furnished by Planning & Co-ordination Department, Government of Odisha

A total number of 76 PPP projects in Odisha in different sectors are given in **Appendix 1.8**. Out of these 76 projects, 48 projects have been completed, 18 are in implementation/construction stage and the rest ten projects are still in the pipeline. During the financial year, the number of operational projects increased to 48 from 44, implementation projects decreased to 18 from 25 and the projects in pipeline increased to 10 from 8.

1.14 Implementation of UDAY Scheme

The Government of India has approved (November 2015) the Ujwal Discom Assurance Yojana (UDAY). It is a scheme for financial turnaround of Power Distribution Companies (DISCOMS) and expected to improve the operational and financial efficiency of the State DISCOMS. Some important provisions of the UDAY scheme are as follows:

- State shall take over 75 per cent of DISCOM debt as on 30 September 2015 over two years.

- States will issue non-Statutory Liquidity Ratio (SLR) including State Development Loan (SDL) bonds.
- The transfer to the DISCOM by the state will be as grant.
- Banks/Financial Institutions shall not advance short term debt to DISCOMS for financing losses.

The Government of Odisha has expressed its willingness to join the UDAY scheme. The State government has proposed to restructure the debt of Grid Corporation (GRIDCO) which has arisen mainly due to revenue gap over the years. But Government of India has intimated that GRIDCO is not licensed as DISCOM.

1.15 Significant Findings

- Annual rate of growth of Revenue Receipts fell from 21 *per cent* (₹ 11,943) in 2015-16 to 8 *per cent* (₹ 5,358) in 2016-17 (**Paragraph 1.4**).
- Non-Plan Revenue Expenditure (NPRE) as a proportion of Revenue Expenditure decreased from 70 *per cent* in 2012-13 to 61 *per cent* in 2016-17. There was a total increase of ₹ 6,235 crore in Revenue Expenditure during the current year over the previous year (**Paragraph 1.7.3 & 1.7.4**).
- Capital Expenditure of the State as a percentage of total expenditure increased from 13 *per cent* in 2012-13 to 22 *per cent* in 2016-17. However, it was still 4.87 *per cent* of GSDP during 2016-17 (**Paragraph 1.7.6**).
- The total committed liabilities of the State stood at ₹ 1,57,298 crore at the end of the year. Out of these, pension payment obligations were 61.41 *per cent*, interest payments 24.53 *per cent* and loan repayments were 14.06 *per cent* (**Paragraph 1.7.8.5**).
- Funds amounting to ₹ 1,572 crore were parked in bank accounts of 30 District Rural Development Agencies (DRDAs), 20 Block Development Offices (BDOs), 10 Municipalities, 10 District Project Office-SSA (DPOs), 10 District Education Officer (DEOs) and 10 Integrated Tribal Development Agency (ITDAs), violating the codal provision of OTC and FD instructions (**Paragraph 1.7.7**). It resulted in overstatement of expenditure by ₹ 1,572 crore.
- Outlay-outcome budgets of five departments viz. Fisheries & Animal Resources Development, Panchayati Raj and Drinking Water, ST&SC Development Department, Agriculture and Farmer's Empowerment Department and Works Department were reviewed for the year 2016-17. It was seen that in many cases financial target was fully achieved but physical achievement was nil and in many cases financial as well as physical target was not achieved (**Paragraph 1.8.3**).
- Expenditure of over ₹ 3,602 crore was incurred on 267 projects which were still incomplete (**Paragraph 1.9.2**).
- The Fourteenth Finance Commission had recommended that fiscal liability to be maintained less than or equal to 25 *per cent* of GSDP for the year 2015-16 to

2019-20. The Government has been able to achieve this target during 2016-17 (*Paragraph 1.2.1 and 1.10.2*).

- Nine Reserve Funds remained inoperative or dormant for significant periods (*Paragraph 1.10.5*).
- Debt repayment as a percentage of Debt Receipt showed a decreasing trend from 92.80 *per cent* in 2012-13 to 26.39 *per cent* in 2016-17. Hence, Public Debt Receipt was higher than public debt payment, resulting in higher dependency on debt receipt rather than own resources of revenue (*Paragraph 1.11*).
- Out of 76 PPP projects, 48 projects were complete, 18 in implementation/construction stage and the remaining 10 projects are still in pipeline (*Paragraph 1.13*).

Chapter-II

Financial Management And Budgetary Control

2.1 Introduction

2.1.1 Appropriation Accounts are accounts of the actual expenditure, voted and charged in a year compared with the amounts of voted grants and appropriations as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations. These indicate actual Capital and Revenue Expenditure vis-à-vis those authorised by the Appropriation Acts in respect of both charged and voted items of budget. Appropriation Accounts, thus, facilitate management of finances and monitoring of budgetary provisions and are, therefore, complementary to Finance Accounts.

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

2.1.3 As per the Odisha Budget Manual (OBM), the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the detailed estimates called “Demand for Grants”. In the preparation of the budget, the aim should be to achieve as close an approximation to the actual as possible. This demands the exercise of foresight in both estimating revenue and anticipating expenditure. The budget procedure envisages that the sum provided in an estimate of expenditure on a particular item must be that sum which can be expended in the year. A saving in an estimate constitutes as much of a financial irregularity as an excess in it. The budget estimates of receipts should be based on the existing rates of taxes, duties, fees etc.

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

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2016-17 against 41 grants and three appropriations is given in **Table 2.1**:

Table 2.1: Position of actual expenditure vis-à-vis original/ supplementary provisions for the year 2016-17

(₹ in crore)

Nature of Expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure	Savings (-)/ Excess (+)	Amount Surrendered	Amount surrendered on 31 March	Percentage of amount surrendered on 31 March to unspent provision
1	2	3	4	5	6	7	8	9
Voted								
Revenue	72,045.79	3,119.68	75,165.47	61,801.12	(-)13,364.35	13,196.99	11,782.44	88
Capital	16,731.27	2,747.58	19,478.85	18,474.07	(-)1,004.78	1,000.82	977.18	97
Loans and Advances	1,852.68	123.87	1,976.55	429.15	(-)1,547.40	1,527.97	1,527.97	99
Total Voted	90,629.74	5,991.13	96,620.87	80,704.34	(-)15,916.53	15,725.78	14,287.59	90
Charged								
Revenue	4,760.37	19.32	4,779.69	4,136.45	(-)643.24	636.49	636.49	99
Capital	18.43	3.61	22.04	10.83	(-)11.21	4.10	4.10	37
Public Debt -Repayment	3,008.39	0	3,008.39	2,962.05	(-)46.34	102.98	102.98	222
Total Charged	7,787.19	22.93	7,810.12	7,109.33	(-)700.79	743.57	743.57	106
Grand Total	98,416.93	6,014.06	1,04,430.99	87,813.67	(-)16,617.32	16,469.35	15,031.16	90

Source: The Odisha Appropriation Act 2016, Finance and Appropriation Accounts 2016-17, Govt. of Odisha

The expenditure figures were gross figures without taking into account the recoveries adjusted in accounts as reduction of expenditure under the Revenue heads (₹ 897.05 crore) and the Capital heads (₹ 188.86 crore). The overall savings of ₹ 16,617.32 crore was due to savings in (i) all the 41 grants and one appropriation under Revenue Section and (ii) 31 grants and one appropriation under Capital Section. This was offset by excess of ₹ 60.26 crore in one grant and one appropriation under Capital Section.

It is seen from the above table that against the original provision of ₹ 98,416.93 crore, expenditure of ₹ 87,813.67 crore (89.23 per cent) was incurred. Thereby supplementary provision was not required as there were savings of ₹ 10,603.26 crore (10.77 per cent). This clearly indicated inaccurate estimation of funds and lack of control mechanism.

Further, it was also observed that against the total savings of ₹ 16,617.32 crore during the year, departments surrendered ₹ 16,469.35 crore. Out of this ₹ 15,031.16 crore (90 per cent) was surrendered on the last day of the financial year, i.e., 31 March 2017.

Evidently, the concerned Controlling Officers (COs) overlooked the budgetary controls laid down in OBM and made inaccurate estimation for the budget provision.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

During the financial year 2016-17, the appropriation audit showed that in 15 cases relating to 14 grants, savings exceeded ₹ 10 crore. These were more than 20 per cent of total provision in each case (*Appendix 2.1*) amounting to ₹ 9,101.01 crore. Out of the above, savings of ₹ 8,617.24 crore (95 per cent)¹ occurred in five cases relating to five grants as indicated in **Table 2.2**.

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	Percentage of savings	
							2015-16	2016-17
Revenue (Voted)								
1	3-Revenue and Disaster Management	4,999.96	123.63	5,123.59	3,233.80	1,889.79	39	37
2	5-Finance	11,539.39	0	11,539.39	7,108.34	4,431.05	33	38
3	36-Women and Child Development	2,788.10	119.59	2,907.69	2,108.94	798.75	-	27
Capital (Voted)								
4	30-Energy	2,769.69	779.35	3,549.04	2,222.62	1,326.42	22	37
5	34-Co-operation	297.00	0	297.00	125.77	171.23	27	58
TOTAL		22,394.14	1,022.57	23,416.71	14,799.47	8,617.24		

Source: Appropriation Accounts for the year 2016-17, Government of Odisha.

Reasons for savings furnished by the departments to the Principal Accountant General (A&E), under a few major heads of account, as reported in Appropriation Accounts, are given below:

3-Revenue and Disaster Management (Revenue-Voted)

Anticipated savings of (i) ₹ 44.76 crore under major head “2029-NP-104-1448-Tahasil Establishment”, (ii) ₹ 34.97 crore under major head “2245-NP-02-114-2802-Subsidy” and (iii) ₹ 587.42 crore under major head “2245-NP-80-800-1183-Relief Expenditure met from National Calamity Contingency Fund” were surrendered without assigning any reason (June 2017).

¹ Exceeding ₹100 crore in each case

5-Finance (Revenue-Voted)

Anticipated savings of (i) ₹ 8.92 crore under major head “2040-Taxes on Sales, Trade etc.-NP-001-Direction and Administration-0308-District Establishment,” (ii) ₹ 1.82 crore under major head “2040-Taxes on Sales, Trade etc.-NP-001-Direction and Administration-1515-Upgraded Check Gates in Commercial Tax Organisation” and (iii) ₹ 2,591.71 crore under major head “2071-Pensions and Other Retire benefits-01-Civil-101-Superannuation and Retirement Allowances” were surrendered due to non-regularisation of salary, non-submission/non-settlement of claims, non-completion of procurement process and less requirement.

36-Women and Child Development (Revenue-Voted)

Anticipated savings of (i) ₹ 22.84 crore under major head “2235-Social Security and Welfare-SP-02-Social Welfare-102-Child Welfare-2293-Integrated Child Protection Scheme,” (ii) ₹ 105.96 crore under major head “2235-SP-DS-02-789-Special Component Plan of Scheduled Castes-0731-Integrated Child Development Scheme,” (iii) ₹ 115.45 crore under major head “2235-SP-DS-02-796-0731-Integrated Child Development Scheme” and (iv) ₹ 22.14 crore under major head “2236-NP-SP-DS-02-(101, 789, 796)-2481-Rajiv Gandhi Scheme for Empowerment of Adolescent Girls” were surrendered due to non-receipt of Central assistance and non-approval of programme by Government of India.

30-Energy (Capital-Voted)

Anticipated savings of (i) ₹ 1,196.18 crore under major head “6801-Loans for Power Projects-NP-190-3095-UDAY” were surrendered due to non-realisation of funds from the Government of India. (ii) Savings of ₹ 100.00 crore under major head “6801-SP-SS-205-3103-Odisha Transmission System Improvement Projects-JICA-EAP” were attributed to introduction of cash management system in the Department. But audit observed that Cash Management System was in use since 2012-13 in the Energy department.

34-Co-operation (Capital-Voted)

Anticipated savings of (i) ₹ 60.00 crore under major head “4425-SP-SS-107-3161-Warehousing Infrastructure Fund,” (ii) ₹ 17.00 crore under major head “4425-SP-SS-789-3161-Warehousing Infrastructure Fund,” (iii) ₹ 23.00 crore under major head “4425-SP-SS-796-3161-Warehousing Infrastructure Fund” were surrendered as per Government decision. (iv) ₹ 95.00 crore under major head “6425-SP-SS-108-2980-Corpus Fund for Odisha State Cooperative Marketing Federation Limited (MARKFED)” was surrendered due to non-receipt of proposal for release of balance fund from MARKFED.

The above cases indicated lack of monitoring of the flow of expenditure in the departments by the Controlling Officers (COs) of such grants as required under Chapters IV and VI of OBM.

The Government stated (November 2017) that the initial indications by the Central Ministries to the State Departments on account of Centrally Sponsored Schemes (CSS) grants were much higher than the receipts. The Departments insisted on higher Budget Estimate/Supplementary provision anticipating higher Central releases which did not materialize.

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

According to Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/ appropriation regularised by the State Legislature. Excess expenditure amounting to ₹ 18.82 crore was incurred over the provisions during 2013-14, 2014-15 and 2015-16 as detailed in **Table 2.3**. Excess expenditure amounting to ₹ 580.28 crore relating to the year 2010-11 and 2011-12 was regularised on the basis of the recommendations of the Public Accounts Committee in April 2017 [The Odisha Appropriation (No.2) Act, 2017].

Table 2.3: Excess expenditure over provisions relating to previous years requiring regularisation

Year	Number of Grants	Number and Name of the Grant	Amount of excess expenditure (₹ in crore)
2013-14	3	22-Forest and Environment, 26-Excise and 31- Handlooms, Textile and Handicrafts	18.56
2014-15	1	26-Excise	0.01 ²
2015-16	1	22-Forest and Environment	0.25
Total	5		18.82

Source: Appropriation Accounts for the respective years.

2.3.3 Excess expenditure over Budget provisions during 2016-17 requiring regularisation by the State Legislature

Excess expenditure amounting to ₹ 60.26 crore in respect of one grant and one appropriation for the year 2016-17 required regularisation as detailed in the **Table 2.4**.

² ₹ 87,887 only

Table 2.4: Excess expenditure over provisions relating to 2016-17 requiring regularisation

Year	Grant/ Appropriation number	Name of the Grant/Appropriation	Amount of excess expenditure (₹ in crore)
2016-17	13	Housing and Urban Development (Capital-Voted)	3.63
	6003	Internal Debt (Capital- Charged)	56.63
Total			60.26

Source: Appropriation Accounts for the year 2016-17.

No demand for consideration of regularisation by the State Legislature as per Article 205 of the Constitution has yet been placed. Thus, the excess expenditure remained unauthorised.

The Government stated (November 2017) that necessary safeguards were taken to ensure that excess expenditure do not occur in future.

2.3.4 Persistent Savings

There were persistent savings of more than ₹ 10 crore in 26 cases in 22 grants and two appropriations during 2012-17 as detailed in **Appendix 2.2**. The savings ranged between ₹ 19.46 crore and ₹ 4,431.05 crore during the year 2016-17. Persistent savings are indicative of over assessment of requirement of funds by the Government in Appropriation Act repeatedly. The previous years' trends had neither been taken into account nor was there adequate scrutiny of the need for funds.

This had been pointed out repeatedly in earlier Audit Reports; however, no action had been taken by the Government (March 2017).

2.3.5 Unnecessary/ Excessive supplementary provision

Supplementary provision aggregating ₹ 3,107.68 crore (₹ one crore or more in each case) in 38 cases (30 grants) during the year 2016-17 proved unnecessary. The actual expenditure (₹ 53,488.20 crore) did not come up to the level of original provision (₹ 60,687.83 crore) as detailed in **Appendix-2.3**. Similarly, supplementary provision aggregating ₹ 2,682.53 crore (31 cases) during 2015-16 had proved unnecessary.

Supplementary provision aggregating ₹ 2,773.85 crore proved excessive by ₹ 748.93 crore in 15 cases under 13 grants as detailed in **Appendix-2.4**. Supplementary provision aggregating ₹ 8,746.26 crore (15 grants and one appropriation) during 2015-16 had proved excessive by ₹ 5,173.19 crore over the total required supplementary provision of ₹ 3,573.07 crore.

This indicated that the Controlling Officers did not (i) adequately watch the actual requirement of funds for the year, (ii) monitor the flow of expenditure through the monthly expenditure control mechanism prescribed in Chapters IV and VI of OBM.

The Government accepted the views of Audit and stated (November 2017) that necessary instructions were issued by Finance Department. The concerned grant controlling authorities have been asked not to take unnecessary supplementary provision.

2.3.6 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. There were savings of ₹ 83.99 crore in 21 sub-heads under five grants and one appropriation and excess of ₹ 93.18 crore in 11 sub-heads under five grants and one appropriation as detailed in *Appendix- 2.5*.

2.3.7 Re-appropriations on the last day of the financial year

According to Rule 139 of OBM, reasons for additional expenditure and savings should be explained in the re-appropriation statement. This should reach the Finance Department by 10 March at the latest. As per the records of the office of the Principal Accountant General (A&E), Odisha, 615 re-appropriation orders amounting to ₹ 4,653.80 crore were issued during 2016-17. Out of these, 17 re-appropriation orders aggregating ₹ 272.61 crore were issued on 31 March 2017. Hence there was no scope for expenditure during that year. Similarly in 2014-15, ₹ 469.42 crore (5 cases) and in 2015-16, ₹ 623.79 crore (17 cases) re-appropriation orders were issued on the last day of the financial year. Details of the current year given in **Table 2.5** below:

Table 2.5: Re-appropriations on 31 March 2017 (last day of the financial year)

Sl No	No. of the Grant/Appropriation and Name of the Department	Head of Account from where re-appropriation was made	Amount (₹ in crore)
1	03-Revenue & Disaster Management	2245-Non Plan	0.84
2	05-Finance	2030-Non Plan	0.18
3	05-Finance	7610-Non Plan	2.19
4	17-Panchayati Raj	2501-State Plan	3.50
5	20-Water Resources	2075-Non Plan	0.03
6	20-Water Resources	2075-Non Plan	
7	23-Agriculture and Farmers' Empowerment	2401-State Plan	3.70
8	23-Agriculture and Farmers' Empowerment	2401-State Plan	1.26
9	23-Agriculture and Farmers' Empowerment	2401-State Plan	9.67
10	23-Agriculture and Farmers' Empowerment	2401-State Plan	2.74
11	23-Agriculture and Farmers' Empowerment	2401-State Plan	1.70
12	23-Agriculture and Farmers' Empowerment	2401-State Plan	4.42
13	33-Fisheries and Animal Resources Development	2405- State Plan	10.50
14	34-Co-operation	4425- State Plan	25.73
15	2049-Interest Payments	2049	148.92

Sl No	No. of the Grant/Appropriation and Name of the Department	Head of Account from where re-appropriation was made	Amount (₹ in crore)
16	6003-Internal Debt	6003-Non Plan	54.32
17	6004-Loans and Advances	6004-Non Plan	2.91
TOTAL			272.61

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

It was also observed that belated issue of such re-appropriation orders persisted during the year despite the irregularity being pointed out in the earlier Audit Reports.

In response to Para no. 2.3.8 of the Audit Report on State Finances for the year ended March 2013, the Government had stated (November 2013) that the instructions would be issued by the Finance Department to the concerned grant controlling authorities. In spite of assurance given by the Government, reappropriation on the last day of the financial year persisted even after lapse of four years.

The Government stated (November 2017) that funds for Centrally Sponsored Schemes were released by the Government of India only at the year end. There was mismatch between budgetary allocation and fund release in various components of the schemes. This necessitated re-appropriation of fund at the fag-end of the financial year.

2.3.8 Substantial surrenders

Surrenders of 100 per cent of total provision of ₹ 1,788.12 crore were made under 36 sub heads (₹ 10 crore or more in each case) under 15 grants. These represented different schemes / programmes / projects and activities (*Appendix-2.6*). Similarly surrenders of ₹ 1,881.76 crore (13 grants), ₹ 2,731.20 crore (21 grants) were made during the years 2014-15 and 2015-16 respectively. The surrenders were mainly attributed to delay in completion of work, non-finalisation of tender, delay in acquisition of land, non-utilisation of funds, introduction of the cash management system and as per the decision of the Government of Odisha. No reasons were assigned by the departments to the Principal Accountant General (A&E) in 10 cases.

2.3.9 Surrender in excess of savings

In ten cases (nine grants), there were savings of ₹ 2,337.42 crore (₹ 1 crore or more in each case). The amount surrendered was ₹ 2,476.77 crore, resulting in excess surrender of ₹ 139.35 crore as detailed in **Table 2.6**.

Table 2.6 : Surrender in excess of actual savings during 2016-17

(₹ in crore)

Sl. No.	Number and name of the grant/appropriation	Total grant/appropriation	Savings	Amount surrendered	Amount surrendered in excess
1	4-Law (Revenue Voted)	270.36	31.41	31.62	0.21
2	7-Works (Revenue Voted)	2,161.35	421.85	484.91	63.06
3	11-ST & SC Development, Minorities & Backward Classes Welfare (Revenue Voted)	2,439.14	359.40	369.96	10.56

4	12-Health and Family Welfare (Revenue Voted)	4,439.33	406.52	463.67	57.15
5	12-Health and Family Welfare (Capital Voted)	819.00	35.17	42.95	7.78
6	16-Planning and Convergence (Revenue Voted)	646.90	41.16	41.19	0.03
7	32-Tourism and Culture (Capital Voted)	117.93	30.02	30.03	0.01
8	33-Fisheries and Animal Resources Development (Revenue Voted)	569.52	90.64	90.76	0.12
9	34-Co-operation (Revenue Voted)	1,643.00	122.51	122.72	0.21
10	36-Women and Child Development (Revenue Voted)	2,907.69	798.74	798.96	0.22
TOTAL		16,014.22	2,337.42	2,476.77	139.35

Source: Appropriation Accounts 2016-17.

The excess surrender indicated that these departments had failed to exercise necessary budgetary controls of watching the flow of expenditure through the monthly expenditure statements.

The Government accepted (November 2017) the fact that the excess surrender was due to want of timely reconciliation of expenditure by COs.

2.3.10 Anticipated savings not surrendered

As per Rule 146 of OBM, the spending departments are required to surrender the grants/ appropriations or portion thereof to the Finance Department as and when the savings are anticipated. A review of savings of grants and appropriations at the end of 2016-17 and surrender thereof showed the following:

- In 17 cases (13 grants and one appropriation) savings of ₹ 343.05 crore (more than ₹ one crore in each case) remained to be surrendered, as of 31 March 2017. The departments had refunded savings only partially (3.27 per cent of the total savings of ₹ 10,502.21 crore) (*Appendix 2.7*). Similarly, ₹ 1,379.80 crore (15 cases) and ₹ 1,097.43 crore (24 cases) were retained during the years 2014-15 and 2015-16 respectively.
- In 28 cases (in 19 grants) aggregating ₹ 8,448.64 crore (36.97 per cent of the budgetary provision), there were surrenders under different major heads of accounts i) in excess of ₹10 crore, ii) by more than 20 per cent of the total provision in each case and iii) on the last working day of the financial year (*Appendix 2.8*).

In response to Para no. 2.3.10 of the Audit Report on State Finances for the year ended March 2015, the Government had stated (November 2015) that surrender of anticipated savings would be ensured through stabilization of the expenditure reconciliation module of Integrated Financial Management System (IFMS). The anticipated savings were not surrendered in time, in spite of the assurance.

2.4 Advances from Contingency Fund

Contingency Fund of the State was established under the Odisha Contingency Fund Act, 1967. Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable. The fund is in the nature of an imprest. It is required to be recouped by obtaining supplementary grants during the first session of Assembly immediately after the advance is sanctioned.

During 2016-17, advances amounting to ₹132.14 crore were made from the Odisha Contingency Fund (OCF) and recouped to the fund during the year. The details of particulars of drawal of advance are given in **Table 2.7**:

Table 2.7: Drawal of advance from Contingency Fund (₹ in crore)

Sl.No	Name of Deptt	Sanction Order No & date	Amount of advance	Purpose
1	General Administration Department	11919 25/05/2016	10.00	Security deposit with the Registrar of Odisha High Court in connection with CMP No.438/2016
2	Food Supplies and Consumer Welfare(FSCW)	22184 11/11/2016	80.00	Special Drought Assistance to farmers.
3	Food Supplies and Consumer Welfare (FSCW)	22177 11/11/2016	42.13	Refund of cost of food grains to ineligible ration card holders, as per the amnesty scheme announced by the State Government.
Total			132.14	

Source: Sanction orders from the Departments

During audit, it was observed that ₹ 80 crore was advanced to the FSCW department as Special Drought Assistance to the farmers affected by drought of 2015. Of this, ₹ 77.62 crore was disbursed to the farmers and ₹ 2.38 crore was yet to be disbursed (August 2017).

During the year, ₹ 42.13 crore was also advanced to the FSCW department, for refund of cost of food grains to ineligible ration card holders. During audit, it was observed that the Odisha State Civil Supply Corporation Ltd (OSCSC) had released only ₹34.99 crore to the districts. Of this, ₹ 26.42 crore was lying with the concerned DDOs (July 2017). The balance amount of ₹ 7.14 crore was also not released to the districts till July 2017. The total amount not released and lying with DDOs accounted for 79.65 per cent of the advance drawn from Contingency Fund.

The unutilised amount at the Department level and also at the District level indicated that the expenditure amount was not of an unforeseen and emergent character.

The Government accepted (November 2017) the fact that the advance from Odisha Contingency Fund should not be taken unless there was urgent need. The Administrative Departments should follow the provisions of the rules while seeking advance from OCF.

2.5 Shortcomings in Budgetary Process

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

During 2016-17, implementation of the Budget was not in conformity with the approved Budget leading to large-scale savings under the Revenue (voted) and Capital (voted) sections as under:

- Under Revenue (voted) Section, the original and supplementary grants were ₹ 72,045.79 crore and ₹ 3,119.68 crore, respectively, aggregating ₹ 75,165.47 crore. Against this, the actual expenditure was only ₹ 61,801.12 crore, resulting in savings of ₹ 13,364.35 crore. Supplementary provision of ₹ 3,119.68 crore proved unnecessary as the expenditure did not come up to the level of original provision.
- Similarly under Capital (voted) Section, the original and supplementary grants were ₹ 16,731.27 crore and ₹ 2,747.58 crore, respectively, aggregating ₹ 19,478.85 crore. Against this, the actual expenditure was ₹ 18,474.07 crore resulting in savings of ₹ 1,004.78 crore.

Repeated comments were made in the Audit Reports from 2012-13 to 2016-17. However, 22 departments continued to make savings of more than ₹ 10 crore during last five years, as detailed in *Appendix 2.2*.

2.5.1 Analysis of Cash Management System and Rush of Expenditure

Pursuant to the provisions of sub-section (1-a) of Section 8 of the Odisha Fiscal Responsibility and Budget Management Act, Government of Odisha implemented Cash Management System in 19 departments for 2016-17.

In terms of Finance Department OM No.16123/F, dated 01 June 2016, the level of expenditure at the end of the third quarter was not to be less than 60 *per cent* and during the month of March, the same should not be more than 15 *per cent* of the gross budget provision.

In 2016-17, cash management system was in implementation in 19 departments. Of these, only 10³ departments had spent minimum 60 *per cent* of the budget provision by the end of third quarter. Nine departments exceeded 15 *per cent* of the budget provision for the month of March 2017 as indicated in **Table 2.8**.

³ Sl.No.1,2,4,5,6,8,9,10,11,19

Table 2.8: Analysis of cash management system

(₹ in crore)

Sl. No.	Grant No/ Department	Original Budget Provision	April - December 2016		March 2017	
			Expenditure during first three quarters	Percentage of Expenditure	Expenditure during the month	Percentage of Expenditure
1	7-Works	4,532.62	2,893.12	63.83	993.82	21.93
2	10-School and Mass Education	11,237.85	7,149.00	63.62	1,277.56	11.37
3	11-ST & SC Development, Minorities and Backward Classes Welfare	2,837.12	1,231.19	43.40	515.29	18.16
4	12-Health and Family Welfare	4,793.97	3,311.46	69.08	652.48	13.61
5	13-Housing and Urban Development	3,364.10	2,079.83	61.82	618.27	18.38
6	17-Panchayati Raj	8,467.95	7,211.72	85.16	904.54	10.68
7	19-Industry	93.27	55.78	59.80	31.49	33.76
8	20-Water Resources	7,261.57	5,271.59	72.60	1,208.31	16.64
9	22-Forest and Environment	605.42	374.75	61.90	88.35	14.59
10	23-Agriculture & Farmers' Empowerment	3,646.41	2,230.32	61.16	498.55	13.67
11	28-Rural Development	6,492.36	4,630.54	71.32	1,373.16	21.15
12	30-Energy	2,801.12	1,072.95	38.30	381.67	13.63
13	31-Handloom, Textile & Handicrafts	218.82	90.01	41.13	35.60	16.27
14	33-Fisheries and Animal Resources Development	683.50	378.45	55.37	79.05	11.57
15	36-Women & Child Development	2,788.10	1,386.55	49.73	407.36	14.61
16	38-Higher Education	2,197.50	1,266.63	57.64	340.03	15.47
17	39- Skill Development and Technical Education	631.12	370.16	58.65	79.21	12.55
18	40-Micro, Small and Medium Enterprises	111.69	62.98	56.39	21.21	18.99
19	41-Social Security and Empowerment of Persons with Disabilities	1,907.05	1,157.38	60.69	112.8	5.91

Source: Monthly Appropriation Reports for December 2016 and March (Pre and Supplementary) 2017.

According to Rule 147 of OBM, rush of expenditure in the closing month of the financial year will ordinarily be regarded as breach of financial regularity, which should be avoided. Contrary to this, there were 19 schemes (sub-heads), where more than 90 per cent of the total expenditure was incurred in March 2017 (*Appendix 2.9*). Of these, 100 per cent expenditure was incurred in March 2017 (₹ 792.39 crore) in 16 cases. In three cases, expenditure was between 93.36 to 99.54 per cent in March 2017.

The Government stated (November 2017) that some of the Departments covered under the Cash Management System were allowed to exceed the expenditure limit for the 4th Quarter/ March keeping in view the urgency of expenditure. However, Government should evolve an effective monitoring mechanism to regulate Quarterly expenditure.

2.5.2 Release of funds at the fag end of the financial year

Timely release of funds to the implementing agencies has a direct bearing on successful implementation of the schemes and avoiding rush of expenditure. An examination of sanction orders revealed that the Government released ₹ 351.24 crore for implementation of different schemes of eight departments in the last week of March 2017 (*Appendix 2.10*). Of this, ₹ 44.14 crore was released on 31 March 2017 as detailed in **Table 2.9**. There was no possibility of proper utilisation of these funds during the financial year 2016-17.

Table-2.9- Department-wise amount released on 31.03.2017 (₹ in crore)

Sl.No	Name of Department	Sanction order No	Date	Amount
1	Health and Family Welfare	9017	31/03/2017	9.81
		9011	31/03/2017	14.85
2	Panchayati Raj	5476	31/03/2017	2.14
		5477	31/03/2017	9.69
		5535	31/03/2017	3.48
		5475	31/03/2017	4.07
3	Women and Child Development	5785	31/03/2017	0.10
Total				44.14

Source: Sanction orders received from respective Departments

The Government stated (November 2017) that release of funds at the fag-end of the financial year became necessary as fund for Centrally Sponsored Schemes were received very late or on the last date of the financial year.

2.6 Outcome of review of selected grants

To ascertain compliance with budgeting processes, utilisation of funds and expenditure control mechanism during the year 2016-17, two grants, viz., Scheduled Tribes and Scheduled Caste Development, Minorities and Backward Classes Welfare Department (Grant No. 11) and Panchayati Raj Department (Grant No. 17) were selected for detailed audit scrutiny. Audit findings in this regard are discussed below.

2.6.1 Budget and Expenditure

Grant No-11: Scheduled Tribes and Scheduled Caste Development, Minorities and Backward Classes Welfare Department.

Rule 149 (1) of the OBM provides that Supplementary demands are undesirable in principle and a free resort to them inevitably leads to laxity in budgeting and control. The justification of a supplementary demand should, therefore, rest upon circumstances which are exceptional. Details are given in **Table-2.10**.

Table 2.10: Budget provision vis-à-vis Expenditure incurred during 2012-17 (₹ in crore)

		2012-13	2013-14	2014-15	2015-16	2016-17	Total
Revenue Expenditure	Original	1,190.49	1,505.91	1,855.15	1,795.73	2,320.00	8,667.28
	Supplementary	243.26	156.40	27.25	469.15	119.14	1,015.21
	Total provision	1,433.75	1,662.31	1,882.40	2,264.88	2,439.14	9,682.49

	Total Expenditure	1,265.24	1,399.21	1,508.76	1,948.88	2,079.74	8,201.84
	Savings	-168.51	-263.10	-373.64	-316.00	-359.40	-1,480.65
	Surrender	167.88	263.77	377.77	281.79	369.96	1,461.17
	Percentage of savings to Total provision	-11.75	-15.83	-19.85	-13.95	-14.73	-15.29
Capital Expenditure	Original	415.22	459.12	601.15	579.10	517.12	2,571.71
	Supplementary	61.24	19.88	2.33	49.38	28.83	161.66
	Total provision	476.46	479.00	603.47	628.49	545.95	2,733.36
	Total Expenditure	470.17	420.26	436.02	559.73	462.83	2,349.00
	Savings	-6.29	-58.74	-167.45	-68.76	-83.12	-384.36
	Surrender	6.29	58.74	167.45	65.13	83.12	380.73
	Percentage of savings to Total provision	-1.32	-12.26	-27.75	-10.94	-15.22	-14.06

Source: Appropriation Accounts 2012-17, Government of Odisha.

It could be observed from the **Table-2.10** that there was no need to resort to supplementary provision, as the total expenditure under the Revenue Head was within the Original budget provision during 2013-14, 2014-15 and 2016-17. Similarly it was also observed that during the last four years (2013-14 to 2016-17), unnecessary Supplementary provision was made under the Capital head when the total expenditure incurred was within the Original budget provision.

Grant No-17-Panchayati Raj Department

Budgetary control mechanism of the Panchayati Raj department was also scrutinized. Year-wise budget provisions both Original and Supplementary, total expenditure incurred under Revenue and Capital sections during 2012-13 to 2016-17 is given in **Table 2.11**. It could be observed that during the year 2012-13, 2014-15 and 2016-17, the total expenditure under the Revenue section was less than the Original provision. Thus supplementary provision made during these years was unnecessary. The Controlling Officer could have managed without resorting to the Supplementary provision.

Table 2.11: Budget provision vis-à-vis Expenditure incurred during 2012-17
(₹ in crore)

Financial Year		2012-13	2013-14	2014-15	2015-16	2016-17	Total
Revenue Expenditure	Original	2,561.33	3,226.98	6,809.10	7,036.10	8,437.95	28,071.45
	Supplementary	375.43	542.08	52.06	2,026.98	538.94	3,535.48
	Total	2,936.75	3,769.05	6,861.16	9,063.08	8,976.89	31,606.93
	Expenditure	2,499.06	3,333.01	4,796.24	7,623.40	8,311.96	26,563.66
	Savings	-437.70	-436.05	-2,064.92	-	-664.93	-5,043.27
	Surrender	435.34	388.39	2,259.65	902.68	664.67	4,650.73
	Percentage of savings to total provision	-14.90	-11.57	-30.10	-15.89	-7.41	-15.96

Capital Expenditure	Original	2.50	2.00	20.91	25.00	25.00	75.41
	Supplementary	0.00	0.00	0.00	0.00	0.00	0.00
	Total	2.50	2.00	20.91	25.00	25.00	75.41
	Expenditure	2.50	2.00	20.91	24.68	25.00	75.09
	Savings	0.00	0.00	-1.00	-0.32	0.00	-1.32
	Surrender	0.00	0.00	0.00	0.00	0.00	0.00
	Percentage of savings to total provision	0.00	0.00	-4.78	-1.28	0.00	-1.75

Source: Appropriation Accounts 2012-17, Government of Odisha.

2.6.2 Short/ Excess surrender of savings / belated surrenders

Odisha Budget Manual (Rules 144 and 146) provides 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 2016-17, ST & SC Development, Minorities and Backward Classes Welfare Department (Grant No.11) surrendered ₹ 369.96 crore as against total savings of ₹ 359.40 crore under revenue (voted) section. This resulted in excess surrender of ₹ 10.56 crore. Panchayati Raj Department (Grant No.17) surrendered ₹ 664.67 crore on 31 March 2017 against total savings of ₹ 664.93 crore under revenue (voted) section. This resulted in non-surrender of ₹ 0.26 crore.

Thus, the amounts surrendered were not in conformity with the actual savings, thereby indicating lack of monitoring of monthly expenditure as provided in the OBM by the COs before passing the surrender orders.

2.6.3 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. However, it was observed that in Grant No.11, supplementary provision of ₹ 119.14 crore under Revenue (voted), and ₹ 28.83 crore under Capital (voted) sections was obtained during December 2016. This proved unnecessary in view of sizeable savings of ₹ 240.26 crore and ₹ 54.29 crore respectively. Similarly, in Grant No.17, supplementary provision of ₹ 538.94 crore under revenue (voted), was unnecessary, as there was saving of ₹ 125.98 crore in the original provision. This showed that the COs of the department did not watch expenditure and requirement of funds.

2.6.4 Withdrawal of entire provision by way of surrender

Panchayati Raj Department made provisions of ₹ 19.60 crore, under different heads/ schemes during 2016-17. The complete amount was surrendered without assigning any reason (Table 2.12).

Table 2.12: Withdrawal of entire provision by way of surrender

(₹ in crore)

Sl. No	Head of Account	Total Provision	Amount withdrawn	Remarks
17-Panchayati Raj Department				
1	2515-SP-00-789-2945-Rajiv Gandhi Panchayat Sashaktikaran Yojana (RGPSY).	3.53	3.53	Entire amount was surrendered without assigning any reason
2	2515-SP-00-796-2945-Rajiv Gandhi Panchayat Sashaktikaran Yojana (RGPSY).	4.51	4.51	
3	2515-SP-00-800-2945-Rajiv Gandhi Panchayat Sashaktikaran Yojana (RGPSY).	11.56	11.56	
TOTAL		19.60	19.60	

Source: Appropriation Accounts 2016-17, Government of Odisha.

This indicated that the COs had made allocations to different schemes/projects/objects of expenditure without sufficient basis.

2.6.5 Non-adherence to Cash Management System

Government of Odisha laid down the guidelines for timely spending of budgetary grants through the Cash Management System .

As per Cash Management System, the departments have to adhere to the Quarterly Expenditure Allocation (QEA) norm of 15 per cent, 15 per cent, 30 per cent and 40 per cent of the Budget Estimates in the first, second, third and fourth quarter respectively. The distribution of the QEA vis-à-vis quarterly expenditure of the departments during 2016-17 is given in **Table 2.13**.

Table 2.13: The QEA vis-à-vis Quarterly Expenditure Allocation by the ST & SC Development, Minorities and Backward Classes Welfare Department

(₹ in crore)

Sl No	Budget Estimate	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
		QEA	Expenditure	QEA	Expenditure	QEA	Expenditure	QEA	Expenditure
1	2837.12	425.57 (15%)	450.36 (16%)	425.57 (15%)	421.98 (15%)	851.14 (30%)	358.85 (13%)	1,134.85 (40%)	1,311.38 (46%)

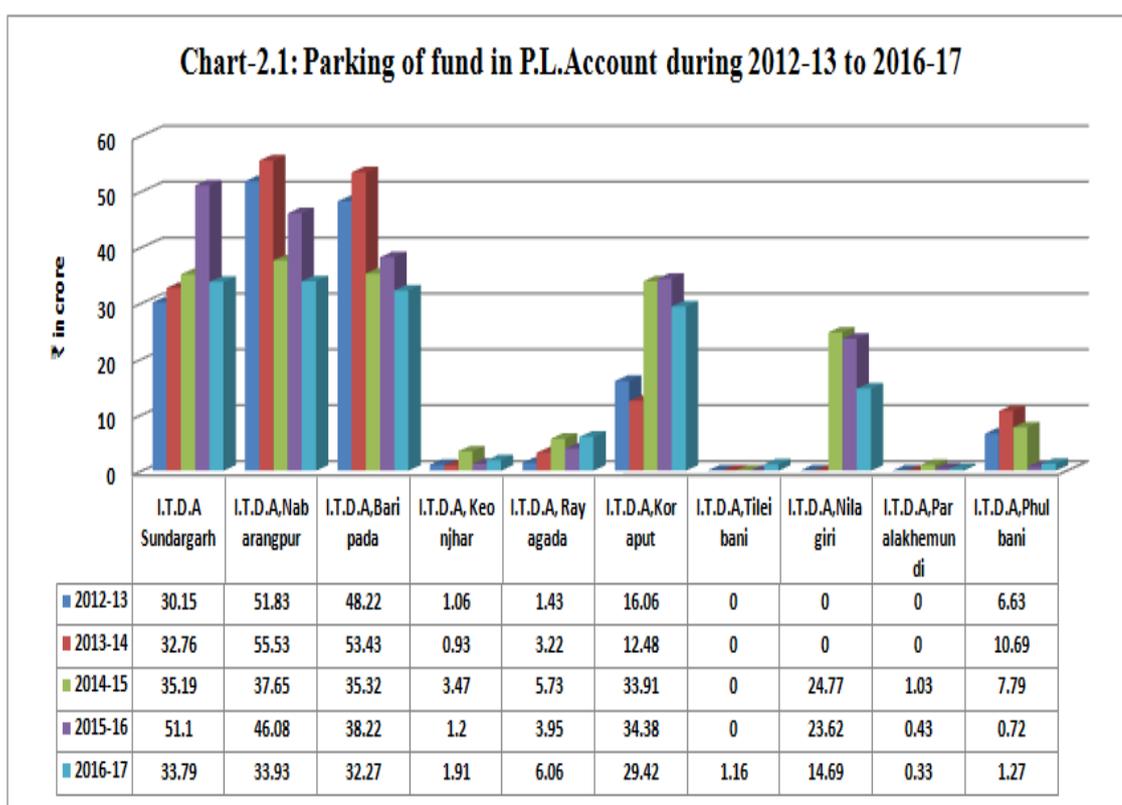
Source: Monthly Appropriation Accounts 2016-17.

ST & SC Development, Minorities and Backward Classes Welfare Department failed to adhere to the stipulated expenditure norms. Further, it was also seen that the department had incurred expenditure of ₹ 515.29 crore (18 per cent) in March 2017, which exceeded the norm by three per cent.

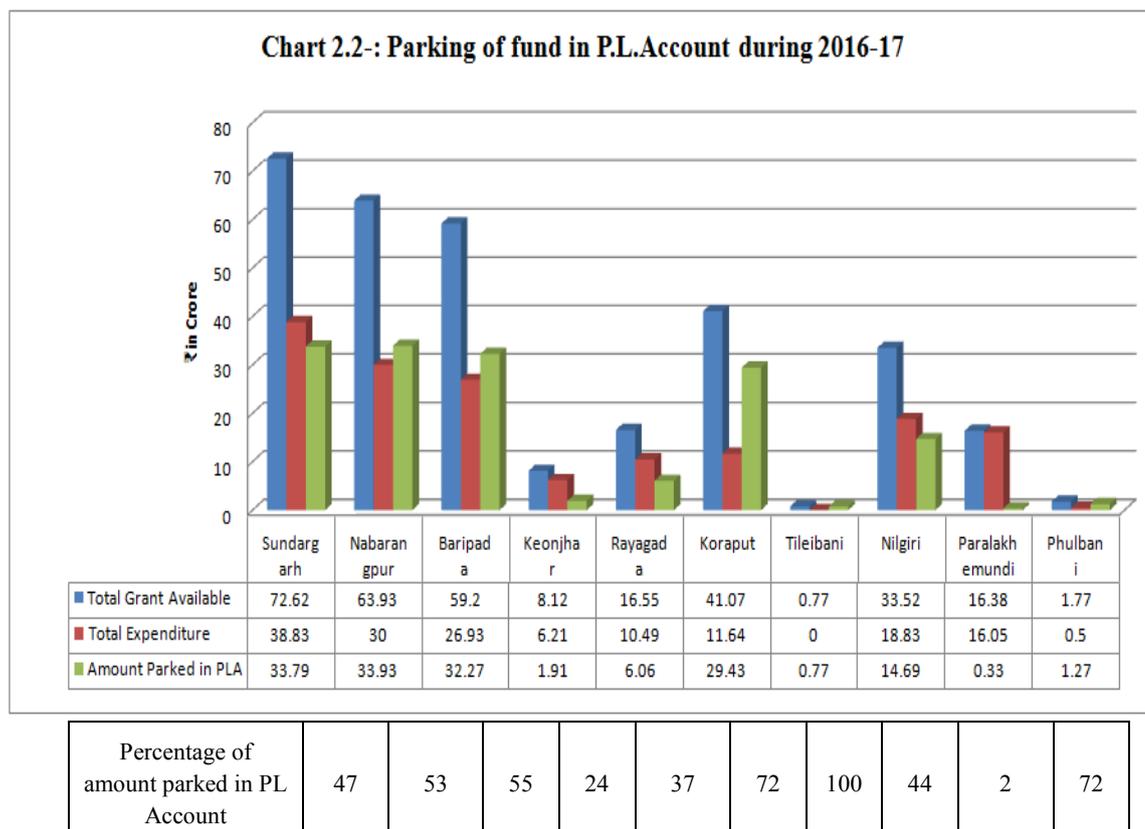
The above actions not only violated guidelines of the Cash Management System but also stood in the way of achieving the objectives thereof, like (i) even pacing of expenditure within the financial year, (ii) reduction of rush of expenditure during the last month of the financial year and (iii) effective monitoring of the expenditure pattern.

2.6.6 Parking of Public Money in PL Accounts

As per Odisha Treasury Code, DDOs can draw money from the treasury under Revenue heads of accounts as per budget provision and place it in Deposit head of account like PL/PD account (Deposits not bearing interest) with proper permission of the Government and drawn amounts are kept in the custody of respective treasuries and un-utilised money will not lapse at the end of financial year. ST & SC Development, Minorities and Backward Classes Welfare Department is implementing various Schemes for the development of Scheduled Tribes in educational, social and economic sector. At the district level, 22 Integrated Tribal Development Agencies (ITDAs) are functioning for implementation of various schemes. Test check of records of 10 ITDAs revealed that during the last five years funds ranging from ₹ 154.83 crore to ₹199.70 crore were parked in Personal Ledger (P.L) Accounts as detailed in **Chart 2.1**.



Source: Compiled from information collected from ITDAs



Analysis of data revealed that there was (i) frequent parking of funds in the P.L. Accounts in I.T.D.A, Nabarangpur, I.T.D.A, Baripada and I.T.D.A, Sundargarh, (ii) in 2016-17 unutilised amounts ranging from two to 100 per cent were outside legislative/budgetary control as shown in **Chart 2.2**.

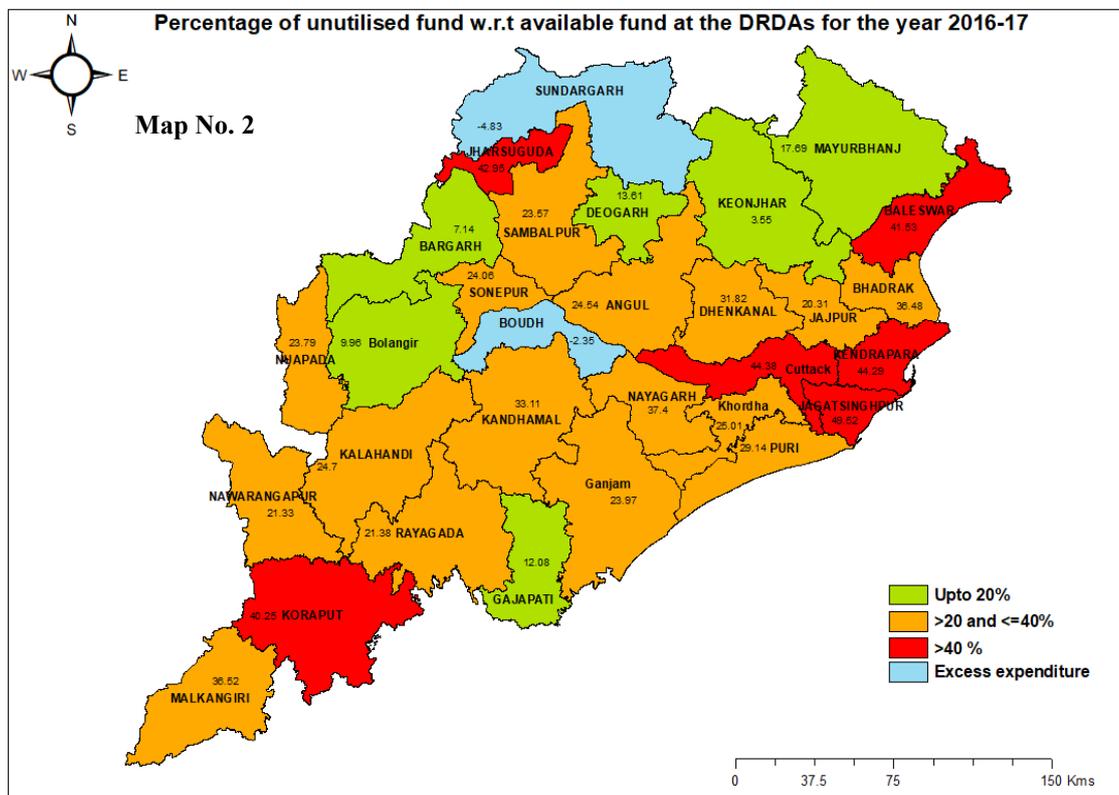
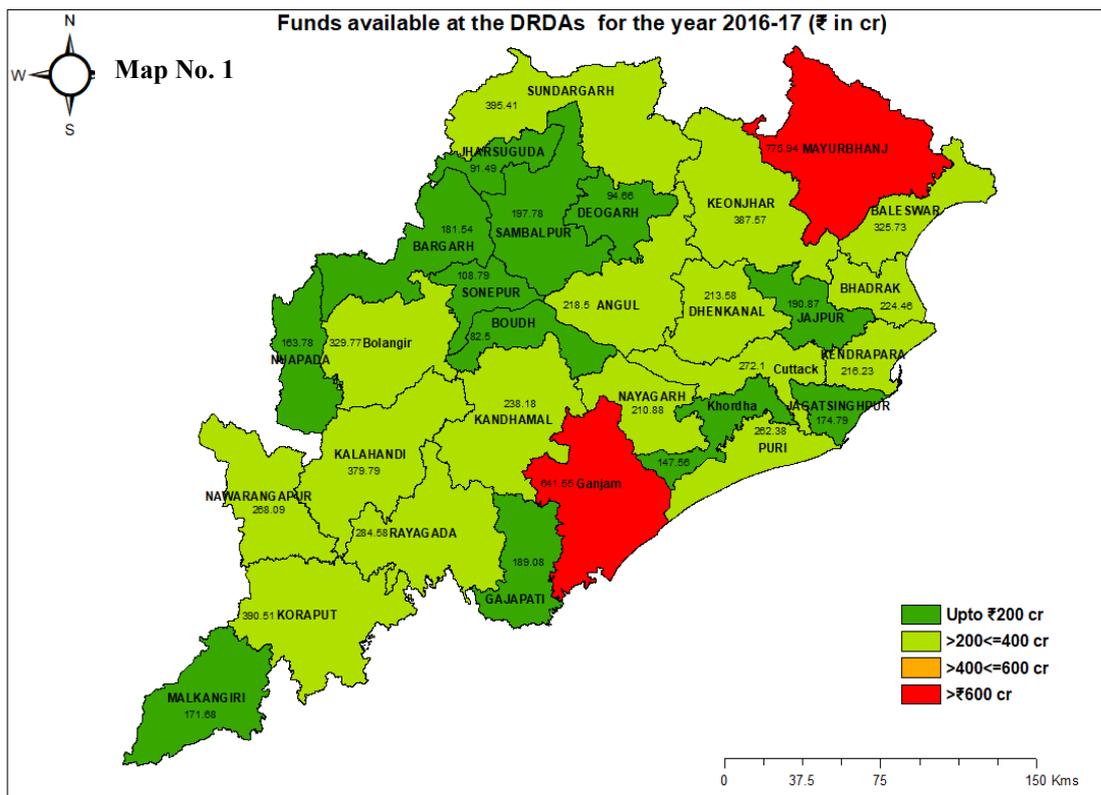
The Government accepted (November 2017) the fact that funds available in PD/PL Account should be utilized for the purpose for which it was earmarked. Government also stated that parking of huge balances in PD/PL Account should be avoided.

2.6.7 Availability and utilisation of scheme funds

The Government had allotted funds for various schemes for improving the status of people in rural and tribal areas. Separate schemes are implemented by the Panchayati Raj Department and ST&SC Development, Minorities and Backward Classes Welfare Department.

2.6.7.1 Panchayati Raj Department

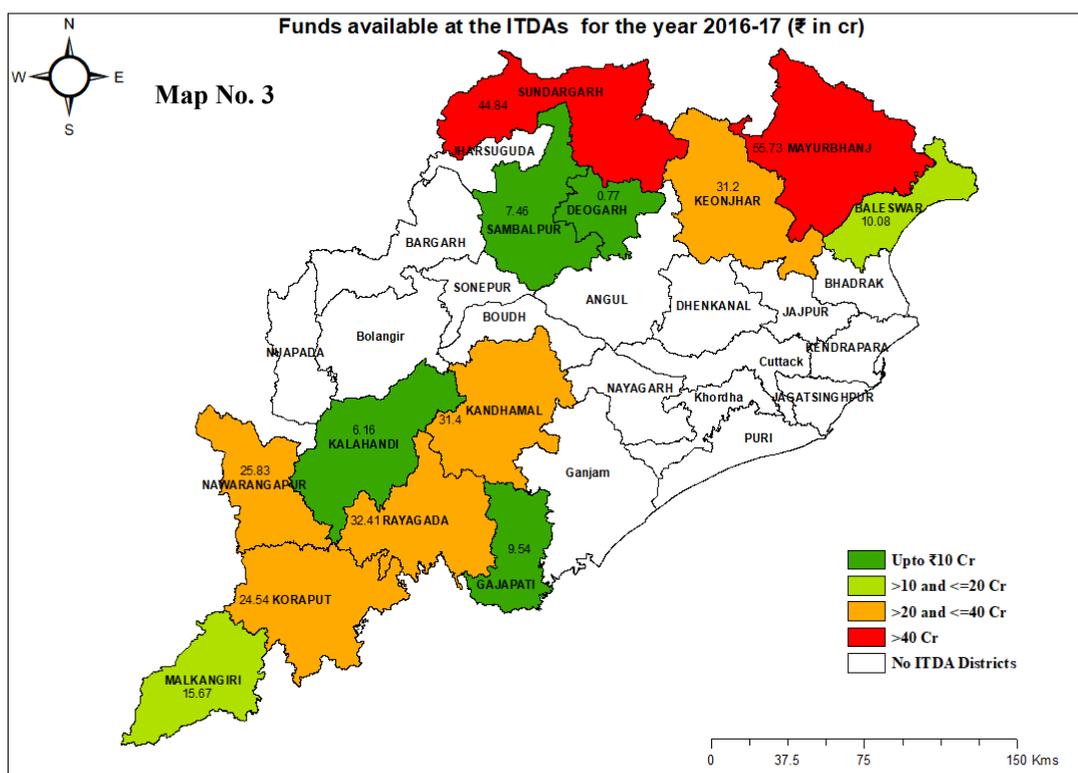
The Panchayati Raj department implemented 18 schemes in all the 30 districts. During 2016-17, it was observed that ₹12,903.33 crore was available for these schemes. Of this, ₹ 7,226.24 crore was utilised (56 per cent), leaving unutilized amount of ₹5,677.09 crore at the end of March 2017. Availability of funds and its utilisation in the state are given in **Maps No.1 and 2**.

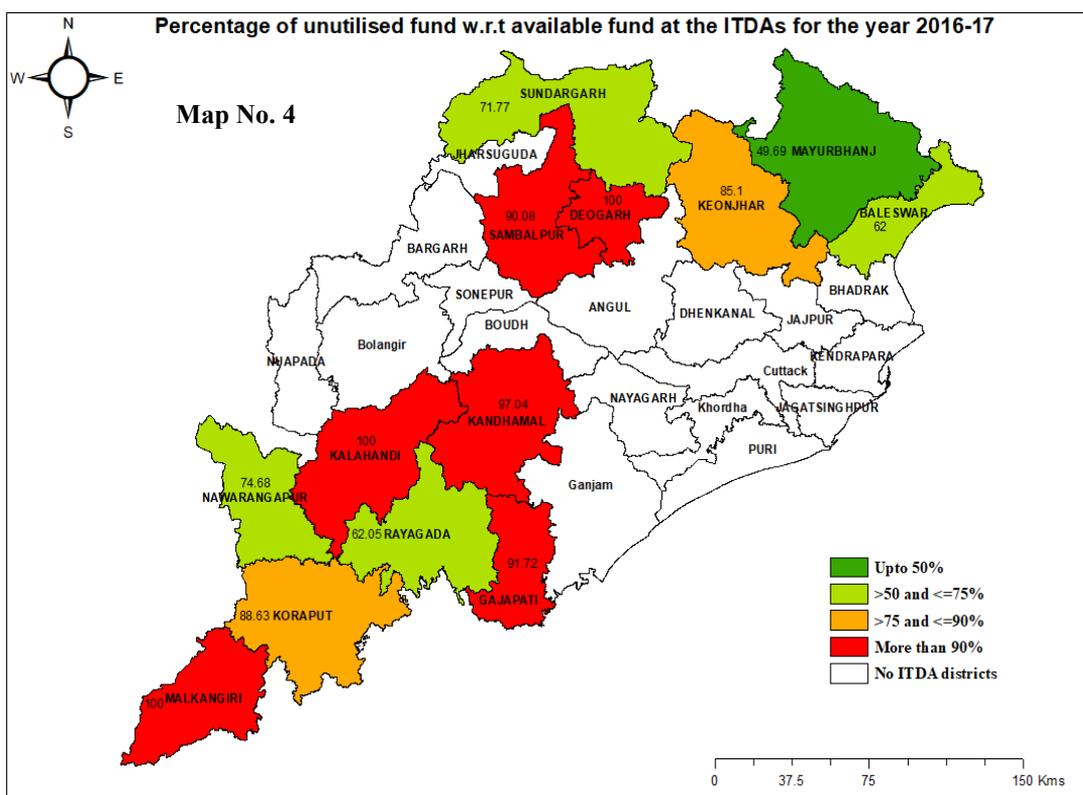


On review of scheme-wise financial progress, it was observed that there was very low utilization of funds in Nirman Shramik Pucca Ghar Yojana (NSPGY) (15 per cent), Pradhan Mantri Awas Yojana (PMAY) (26 per cent), Biju Pucca Ghar Yojana (BPGY) (36 per cent) and Rashtriya Gram Swaraj Abhiyan (RGSA) (37 per cent).

2.6.7.2 ST & SC Development, Minorities and Backward Classes Welfare Department

Funds were allotted under five schemes in the ST & SC Development, Minorities and Backward Classes Welfare Department such as Article-275(1), Special Central Assistance to Tribal Area Sub-Plan, State Plan, Non Plan and SP Hostel. It was observed that out of the total available fund of ₹ 295.62 crore with the Integrated Tribal Development Agencies (ITDAs) during 2016-17, only ₹ 73.27 crore (24.79 per cent) was expended. ITDA-wise availability of fund and non-utilisation are depicted in Maps No. 3 and 4.





It could be seen that in six⁴ Integrated Tribal Development Agencies (ITDAs) more than 90 *per cent* of available funds remained un-utilised at the end of the financial year 2016-17. In three ITDAs namely Teileibani (₹ 1.16 crore), Thuamul Rampur (₹ 6.16 crore) and Malkangiri (₹ 15.67 crore), entire amount of ₹ 22.99 crore had remained idle.

2.7 Outcome of Inspection of Treasuries

During 2016-17, 30 District Treasuries, eight Special Treasuries and 62 Sub-Treasuries were inspected by the officials of the Principal Accountant General (A&E), Odisha. Irregularities and lapses observed during 2016-17, were brought to the notice of the Treasury Officers / Sub-Treasury Officers concerned through Inspection Reports. Some of the important irregularities and lapses noticed during inspection are given below:

2.7.1 Excess payment of pension and family pension through Treasuries

During inspection of treasuries/ sub-treasuries for the year ended 31 March 2017 by the office of the Principal Accountant General (A&E), excess payment of pension and family pension amounting to ₹ 53.25 lakh was observed as indicated in **Table 2.14**.

⁴ ITDA Tileibani (100 *per cent*), ITDA Paralakhemundi (91.72 *per cent*), ITDA Phulbani (97.04 *per cent*), ITDA Thuamul Rampur (100 *per cent*), ITDA Malkangiri (100 *per cent*) and ITDA Kuchinda (90.08 *per cent*).

Table 2.14: Excess payment of pension and family pension through Treasuries

Sl. No.	Category	Amount (₹ in lakh)
1	Excess payment of pension due to arithmetical inaccuracy	4.12
2	Excess payment due to delayed commencement of reduced pension on account of commuted value of pension	9.77
3	Excess payment of family pension due to payment at enhanced rate beyond the stipulated date	8.91
4	Excess payment of pension due to other miscellaneous reasons	30.45
TOTAL		53.25

Source: Annual Treasury Review Report of Office of the Principal Accountant General (A&E), Odisha.

2.7.2 Excess payment of pension through Bank

Pensions/ family pensions were also paid through nationalised banks. Audit was conducted in respect of State Bank of India, Centralised Pension Processing Cell, Bhubaneswar, seven⁵ branches of Indian Overseas Bank, two⁶ branches of UCO Bank and two⁷ branches of Central Bank of India. It was observed that excess payment of pension/ family pension aggregating ₹ 107.24 lakh was made, as detailed in **Table 2.15**.

Table 2.15: Excess payment of pension and family pension through Bank

Sl. No.	Category	Amount (₹ in lakh)
1	Excess payment of pension due to arithmetical inaccuracy	8.07
2	Excess payment of family pension due to payment at enhanced rate beyond the stipulated date	76.56
3	Excess payment due to regular credit of pension after death of pensioners	0.20
4	Excess payment of pension/family pension due to other miscellaneous reasons	22.41
TOTAL		107.24

Source: Inspection Reports of Accountant General (G&SSA), Odisha, Bhubaneswar.

2.7.3 Outstanding pension claims on Central Pay and Accounts Office, New Delhi / Railways

Pension payments to the Central Civil Pensioners and Central Political Pensioners are initially made by the Treasuries and the expenditure subsequently reimbursed by the CPAO, New Delhi. The treasuries initially book the expenditure under "8658-Suspense Account 101- PAO Suspense" adjustable by the CPAO, New Delhi and the Principal Accountant General(A&E), Odisha arranges to prefer the claims to the CPAO, for such amounts as booked by the Treasuries under suspense. For the purpose of settling the claims at the level of the CPAO, New Delhi, the treasuries are required to transmit the pension vouchers to the CPAO directly.

⁵ Indian Overseas Bank at Kuruda, Rayagada, Bissam Katak, Jeypore, Jagannathpur, Charampa, Berhampur

⁶ UCO Bank at Ashoka Market, Bapuji Nagar, Bhubaneswar

⁷ Central Bank of India at Bada Bazar, Berhampur and Janapath, Bhubaneswar

However, during review it was observed that an amount of ₹ 28.14 crore remained un-recouped for central pension vouchers submitted to CPAO, New Delhi during the year 2016-17. Similarly, ₹ 0.24 crore and ₹1.23 crore were pending with Railways and Defence respectively during the year 2016-17. Details are given in **Table 2.16**.

Table 2.16: Outstanding pension claims from different Accounting Circles

Sl. No.	Name of the Accounting Circle	Outstanding amount (₹ in crore)
1	Central Pay & Accounts Office, New Delhi	28.14
2	Railways	0.24
3	Defence	1.23
TOTAL		29.61

Source: Annual Treasury Review Report of office of the Principal Accountant General (A&E), Odisha

2.8 Significant Findings

- There were savings of ₹10,603 crore (10.77 per cent) from the original budget provision (₹98,417 crore) in 2016-17 (**Paragraph 2.2**).
- Excess expenditure amounting ₹ 60.26 crore (two cases) over budget provision were made in 2016-17 (**Paragraph 2.3.3**).
- Re-appropriation orders amounting to ₹ 272.61 crore (17 cases) were issued on the last day of the financial years (**Paragraph 2.3.7**).
- Excess funds amounting to ₹ 139.35 crore (ten cases) were surrendered over the actual savings (**Paragraph 2.3.9**).
- Funds amounting to ₹ 44.14 crore (7 cases) were released on the last day of the financial year (**Paragraph 2.5.2**).

Chapter-III

Financial Reporting

A sound internal financial reporting system with relevant and reliable information significantly contributes to effective governance by the State Government.

This Chapter provides an overview and status of compliance with various financial rules, procedures and directives, in so far as financial reporting is concerned, by the State Government and its subordinate offices in 2016-17.

3.1 Delay in furnishing of Utilisation Certificates

Odisha General Financial Rules (OGFR) 170 to 173 provides detailed guidelines for sanction of Grant-in-Aid (GIA), maintenance of accounts and submission of Utilisation Certificates (UCs). The Government has modified some of these provisions in July 2014 in compliance with Indian Government Accounting Standard-2 (IGAS-2).

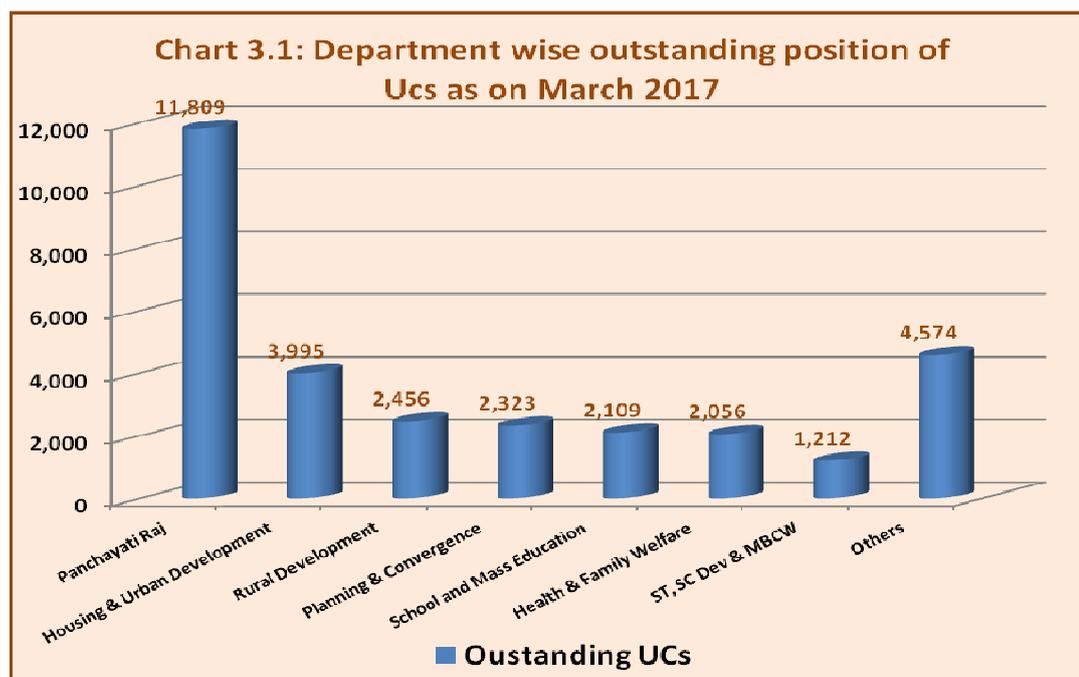
Through the UC, the grantor obtains assurance about non-diversion and proper utilisation of the funds. Any delay or inaccuracy in such reporting undermines this control mechanism.

Utilisation Certificates for a total amount of ₹30,533.95 crore remained outstanding against 35 departments of the State as of March 2017 in the books of the Principal Accountant General (A&E), Odisha. Year-wise break up of pending UCs against number of GIA vouchers is given in **Table 3.1**.

Table 3.1: Year-wise break up of pending Utilisation Certificates in respect of Grants-in-Aid

Years	Grants-in-Aid (G.I.A) against which UCs are awaited as of March 2017	
	Number of vouchers	Amount
Up to 2011-12	14,108	29,86.20
2012-13	1,766	604.76
2013-14	2,518	1,872.40
2014-15	2,548	3,980.51
2015-16	2,935	6,120.70
2016-17	3,878	14,969.38
TOTAL	27,753	30,533.95

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



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

Department-wise outstanding position of UCs of 35 departments is given in *Appendix 3.1*. The seven major defaulting departments accounted for 85.01 *per cent* of total outstanding UCs as of March 2017 (Chart 3.1). In comparison to 2015-16, the outstanding UCs in 2016-17 has increased by ₹ 2,922.64 crore.

Further, analysis of Voucher Level Computerization (VLC) data revealed that UCs amounting to ₹ 2,986.20 crore (14,108 vouchers), relating to the period 2003-04 to 2011-12, were not submitted by the departments. It was observed that UCs amounting to ₹ 647.48 crore (3,117 vouchers) were pending for more than ten years in 20 departments as detailed in *Appendix-3.2*. Panchayati Raj and Housing & Urban Development Departments alone accounted for 52.82 *per cent* of UCs pending for more than 10 years apart from being the major defaulters as of March 2017.

In response to Para no. 3.1 of the Report on State Finances for the year ended March 2013, the Government had stated (November 2013) that a special drive had been undertaken to streamline UCs and that there was a provision of stoppage of salaries of officers responsible for non-submission of UCs in time. Further, in response to Para no. 3.1 of the Report on State Finances for the year ended March 2014, the Government had replied that detailed guidelines had been issued in October 2014, wherein a separate mechanism to keep track of GIA sanctioned and submission of UCs within stipulated time had been prescribed. Despite assurances, UCs are still outstanding for more than 14 years.

The Government accepted (November 2017) the fact and stated that submission of UCs was a continuous process. It also assured that a review of department-wise pendency of UCs is being made by the Finance Secretary regularly. Due to this,

the pendency position of UCs would come down substantially in the coming months.

3.2 Non-submission of details of grants / loans paid

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

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

Further, Regulation on Audit and Accounts, 2007 (Regulation 84) provides that Governments and HODs, who sanction grants and / or loans to bodies or authorities shall furnish to Audit by the end of July every year a statement of such bodies and authorities to which grants and / or loans aggregating to ₹ 10 lakh or more were paid during the preceding year indicating (a) the amount of assistance, (b) the purpose for which the assistance was sanctioned and (c) the total expenditure of the body or authority. The above obligation of the Government Departments and their HODs for furnishing necessary information through Finance Department was also mentioned in the C&AG's Report on State Finances for the years 2008-16 (paragraph 3.2). However, for the year 2016-17, only 17 out of 41 departments have furnished information regarding receipt of grants by the institutions / organisations under their jurisdiction to the Accountant General as detailed in *Appendix 3.3*. For the last four years, the Government had not responded to these observations.

The Government accepted the audit observation and stated (November 2017) that 21 Departments submitted required information to the A.G. The remaining 20 departments were pursued to submit the required information in time in order to ensure compilation of the information by the A.G in a time bound manner.

The reply is not acceptable as out of the above 21 departments, four departments submitted the required information after due date.

3.3 Delays in Submission of Accounts of Autonomous Bodies

Out of 181 autonomous bodies, 11 bodies / authorities falling under Section 19(2), 19(3) & 20(1) of CAG's DPC Act were required to submit accounts to Audit as of March 2017. Of these, only two bodies / authorities viz. Odisha State Legal Services Authority (OSLSA) and Odisha Building and Other Construction Workers Welfare Board submitted their accounts for financial audit up to 2015-16 and 2013-14 respectively.

It was noticed that all the remaining nine development authorities¹ had consistently not submitted their accounts for at least five years to Audit, as of August 2017.

The Government accepted the views of audit and stated (November 2017) that the autonomous bodies/authorities should submit the accounts in time. Necessary instructions would be issued in this regard by the Finance Department.

3.4 Departmentally Managed Commercial Activities

The departmental undertakings of certain Government departments performing activities of quasi-commercial nature are required to prepare *proforma* accounts in the prescribed format annually. The *proforma* accounts of departmentally managed commercial and quasi-commercial activities reflect their overall financial health and efficiency in conducting their business.

The Heads of Departments are to ensure that these units prepare such accounts and submit these to Accountant General for audit within a specified time-frame. As of March 2017, out of 16 departmental undertakings, only Chief Conservator of Forests (Kendu Leaves), prepared accounts up to 2011-12. Four undertakings remained inoperative or closed. Their assets and liabilities were not fully disposed off or liquidated by the Government. In respect of two schemes, viz. (i) Purchase and distribution of quality seeds to cultivators and (ii) Poultry Development, Government had not prescribed the methodology of preparation of *proforma* accounts.

Despite repeated recommendations² of the Public Accounts Committee, there was no improvement in the preparation of *proforma* accounts by these undertakings. The department-wise position of arrears in preparation of *proforma* accounts and investments made by the Government are given in **Appendix 3.4**.

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

As per provisions of OGFR Vol. I (Rule-19), Government Officers are empowered to report such cases of loss of money, departmental revenue, stores or other properties to immediate superior officers as well as to the Accountant General (G&SSA), Odisha where the amount is ₹ 500 or more. Various departments of the State Government reported that there were 717 cases of loss, misappropriation and defalcation etc. The Government money involved amounted to ₹ 16.47 crore up to March 2017, on which final action was pending. The department-wise break up of pending cases and age-wise analysis are given in **Appendix 3.5** and nature of these cases is given in **Appendix 3.6**. Age-wise profile and number of pending cases in each category of theft and misappropriation/loss as of March 2017, are summarised in **Table 3.2** and **Table 3.3**.

¹ (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.

² 10th Assembly 14th Report para 12 and 25, 10th Assembly 33rd Report para-2 and 6.

Table 3.2: Age-wise pending cases of misappropriations, losses and defalcations etc.

Age-wise Pending Cases				
Range in Years	Number of cases		Amount involved (₹ in lakhs)	
	2015-16	2016-17	2015-16	2016-17
0 - 5	23	32	130.82	182.66
5 - 10	39	12	128.61	34.71
10 - 15	69	80	232.47	306.13
15 - 20	208	145	331.56	289.23
20 - 25	246	236	367.47	364.70
25 & above	128	212	408.14	469.76
Total	713	717	1,599.07	1,647.19

Source: Compiled from the information received from various departments of the State Government.

In response to Para no. 3.5 of Report on State Finances for the year ended March 2013, the Government had stated (November 2013) that instructions would be issued to the concerned administrative department for taking timely action on cases of misappropriation, losses, defalcation etc. Despite the assurances, no significant follow up action was taken during these years.

Table 3.3: Nature of pending cases of misappropriations, losses and defalcations etc.

Nature/Characteristics of the cases	Number of cases	Amount involved (₹ in lakhs)
Theft	390	396.56
Misappropriation/Loss of material	327	1,250.63
Total Pending cases	717	1,647.19

Source: Compiled from the information received from various departments of the State Government.

Out of 717 cases, 7 cases amounting to ₹ 9.70 lakh were written off (*Appendix-3.7*). Reasons for which the cases were outstanding (*Appendix-3.8*) are classified into five categories, a summary of which is given in **Table 3.4**.

Table 3.4: Reasons for outstanding cases of misappropriations, losses and defalcations, etc.

Reasons for Delay/Outstanding Pending cases		Number of cases	Amount (₹ in lakh)
i)	Awaiting departmental and criminal investigation	284	494.61
ii)	Departmental action initiated but not finalised	285	792.45
iii)	Criminal proceedings finalised but execution of certificate cases for recovery of the amount pending	8	16.69
iv)	Awaiting orders for recovery or write off	45	57.91
v)	Pending in the courts of law	95	285.53
Total		717	1,647.19

Source: Compiled from the information received from various departments of the State Government.

There were 284 cases involving ₹ 4.94 crore were awaiting departmental and criminal investigation since 1966-67 (51 years). No reasons were furnished for non-finalisation of 285 misappropriation and loss cases involving ₹ 7.92 crore on

which departmental action had been initiated. It was noticed that 95 cases involving ₹ 2.86 crore were still sub judice.

The Government stated (November 2017) that the cases of misappropriations, losses and defalcations etc. reviewed on monthly basis in Departmental Monitoring Committee (DMC) and corrective measures were taken. However, the fact remained that no significant results were achieved during the year.

3.6 Pendency in adjustment of Abstract Contingent Bills

Controlling and Disbursing Officers are authorized to draw sums of money by preparing Abstract Contingent(AC) bills, by debiting service heads and are required to present detailed contingent bills (vouchers in support of final expenditure) to the Principal Accountant General (A&E) through treasuries.

Supplementary Rules 260 and 261 of Odisha Treasury Code (OTC), Vol. I read with Rule 84 of the OGFR, provide that every drawing officer has to certify in each Abstract Contingent (AC) bill that the detailed bills for all contingent charges drawn by him prior to first of the current month have been forwarded to the respective Controlling Officers for counter signature and transmission to the Principal Accountant General (A&E).

The total amount of outstanding Detailed Contingent (DC) bills during 2006-07 to 2016-17 was ₹ 80.20 crore as of March 2017.

Department-wise pendency of AC bills up to 2016-17 are detailed in *Appendix-3.9*. The major defaulters were Panchayati Raj (₹ 46.53 crore), Home (₹ 22.04 crore), General Administration (₹ 5.94 crore) and Commerce (₹ 3.70 crores) which accounted for 97.52 per cent of the total unadjusted AC bills.

3.6.1 Money drawn on AC bills for Plan expenditure and retained with Drawing and Disbursing Officers

Drawal of Plan funds in AC bill is not permissible as the same are not of contingent nature. Plan expenditure is intended to meet the distinct objectives of a Programme /Scheme /Project of a Central/State Plan. As such, these are planned well in advance and earmarked for meeting specific purposes as envisaged in the concerned project/scheme details. Thus, there should be no occasion to draw money through AC bills to make payments on the items of Plan expenditure under them.

Analysis of VLC database revealed that during 2016-17, ₹ 4.61 crore was inappropriately drawn on AC bills for Plan expenditure. DC bills for ₹ 4.32 crore (93.7 per cent) were not submitted (**Table No. 3.5**). An amount of ₹ 0.15 crore was drawn on AC bills for Plan expenditure by the Tourism and Culture department in 2012-13, with no DC bills submitted till date. Similarly, ₹ 0.19 crore was drawn on AC bills for Plan expenditure by the Co-operation department in 2013-14 with DC bills for ₹ 0.08 crore still pending.

Table 3.5: Pending D.C. bills for funds drawn on AC bills for Plan expenditure

(₹ in crore)

Name of the department	Amount drawn for Plan expenditure	Pending D.C. bills
Commerce	3.44	3.44
Employment & Technical Education	0.07	0.07
Planning & Convergence	0.44	0.44
Steel & Mines	0.32	0.14
Tourism and Culture	0.15	0.15
Co-operation	0.19	0.08
Total	4.61	4.32

Source: Compiled from the VLC database maintained by the Principal Accountant General (A&E), Odisha.

This fact was brought to the notice of the concerned departments (September-2017). The Co-operation department (September 2017) intimated that steps were being taken to submit the entire bill at the earliest. The Planning & Convergence department directed (October 2017) the Officers dealing with AC/DC bills to submit the pending bills, duly countersigned by the officer-in-charge. The department of Tourism and Culture confirmed (September 2017) that ₹ 0.15 crore was pending against the Director of Culture. The Commerce and Transport (Commerce) Department directed (October 2017) the Director, Printing, Stationery & Publication to submit the D.C. bills amounting to ₹ 3.44 crore.

In response to Para no. 3.6.1.3 of the Report on State Finances for the year ended 2015, the Government had (November 2015) assured to clear the pending DC bills prior to 2012-13 by the end of November 2015. As of March 2017, the amount of pending DC bills was ₹ 80.20 crore, of which amount pending upto 2012-13 was ₹ 2.09 crore. It shows that sufficient efforts were not made to adjust pending DC bills prior to 2012-13.

Withdrawal of funds under Plan Heads through AC bill was indicative of the fact that project level planning was deficient. Funds were simply drawn through AC bills for future use and to avoid lapse of appropriation. As such, the Government funds were parked outside Consolidated Fund at the end of each financial year.

3.6.2 Money drawn on AC bills for Non-Plan expenditure and retained with Drawing and Disbursing Officers

Further analysis of VLC data revealed that the following DDOs did not submit DC bills for funds drawn on AC bills for Non-Plan expenditure since 2013-14. DDO-wise pendency of DC bills for more than three years is detailed in **Table 3.6**.

Table 3.6 : DDO-wise pending DC bills (₹ in crore)

Name of Drawing and Disbursing Officer	Financial Year from which due	Amount of pending DC bills
Member, Odisha Public Service Commission, Cuttack	2013-14 to 2016-17	4.59
Officer-in-Charge, Election Collectorate, Jajpur	2013-14	2.64
District Panchayat Officer, Dhenkanal	2013-14 to 2016-17	2.26
Chief Electoral Officer, Bhubaneswar	2013-14	1.87
District Election Officer, Bhawanipatna	2013-14	0.38
District Election Officer, Nayagarh	2013-14	0.32
District Election Officer, Keonjhar	2013-14	0.22
District Election Officer, Paralakhemundi	2013-14	0.19
District Election Officer, Boudh	2013-14	0.18
District Election Officer, Balasore	2013-14	0.12
District Election Officer, Cuttack	2013-14	0.11
District Election Officer, Deogarh	2013-14	0.11
District Election Officer, Malkangiri	2013-14	0.11
Total		13.10

Source: Compiled from the VLC database maintained by the Principal Accountant General (A&E), Odisha.

This was brought to the notice of the concerned DDOs. It was intimated by the District Panchayat Officer, Dhenkanal (October-2017) that the balance amount of ₹ 86.86 lakh would be submitted very soon. The Deputy Collector (Election), Keonjhar had intimated that the balance DC bills amounting to ₹ 10.82 lakh would be submitted to the Government (October-2017). The Finance Officer, Odisha Public Service Commission intimated (October-2017) that the balance amount of ₹5.34 lakh was pending due to non-receipt of vouchers from the Co-ordinators and Centre Supervisors. He further stated that steps were being taken to collect the D.C. bills within a short time.

Non-submission of DC bills raises concerns about proper utilisation of amount drawn on A.C. bills.

3.6.3 Money drawn on AC bills in the month of March

On analysis of VLC data, Audit noted that during 2016-17, ₹ 148.62 crore was drawn on AC bills in March 2017. Of these, DC bills for ₹ 18.21 crore only were submitted. The percentage drawal of AC bills in the month of March was 36 per cent of the total amount of AC bills drawn during 2012-13 to 2016-17 (Table 3.7).

Table-3.7: Money drawn on AC bills in the month of March**(₹ in crore)**

Financial Year	Total amount drawn on AC bill	Total AC bill amount drawn in March	Percentage of drawal in March
2012-2013	74.14	44.56	60
2013-2014	130.78	64.08	50
2014-2015	72.23	17.38	24
2015-2016	62.39	7.58	12
2016-2017	73.15	15.02	21
Total	412.69	148.62	36

Source: Compiled from the VLC database maintained by the Principal Accountant General (A&E), Odisha.

Rule 261 of OTC requires that a certificate shall be furnished by the DDOs to the effect that funds drawn on AC bills shall be spent within the same financial year. However, the funds were carried forward to the next financial year.

The reason for non-adjustment/settlement of AC bills as of March 2017 was awaited from the Departments.

The Government stated (November 2017) that the matter was reviewed by Principal Secretary, Finance Department. The Financial Advisors and Controlling Officers were sensitised about timely submission of DC bills. However, the fact remained that no significant results were achieved during the year.

3.7 Personal Deposit (PD) Account

Note below Rule 141 read with sub-rule (3) of OBM provides that money should not be withdrawn from the Treasury unless it is required for immediate disbursement. It is also not permissible to draw money from the treasury under Revenue heads of accounts for placing it in Deposit head under Public Account of the State to avoid lapse of allotment. Parking of funds in PD account adversely affects the transparency of State accounts as it inflates the Revenue Expenditure to that extent and locks up resources which otherwise can be utilised elsewhere for development.

There were 827 PD Account holders with a closing unspent balance of ₹ 1,097.36 crore as of March 2017. During 2016-17, ₹ 2,033.64 crore were transferred from the Consolidated Fund of the State to these PD accounts. This resulted in net decrease of ₹ 145.10 crore in the cumulative closing balance at the end of the year.

Drawals from PD Accounts in the subsequent years were not subject to legislative control through the appropriation mechanism.

The Government accepted the views of audit and stated (November 2017) that the Treasury Officers were to enforce monthly and annual reconciliation of accounts envisaged under SR 475 and 479 of Odisha Treasury Code. In case of default, further drawals from the P.D Accounts were to be stopped. The verification mechanism prescribed under SR 475 should be strictly enforced.

3.8 Booking under Minor Head ‘800-Other Receipts and Other Expenditure’

The receipts and expenditure accounts of the Government are reported to the Legislature. The receipt and expenditure on all major activities of the Government are presented in a manner to meet the basic information needs of all the stakeholders.

Booking under Minor Head ‘800-Other Receipts and 800-Other Expenditure’ is opaque, as it does not disclose the schemes, programmes etc., to which they relate to. It accommodates the expenditure which could not be classified under the relevant Minor Head.

Scrutiny of State Finance Accounts 2016-17 showed that under 57 major heads of account (both Revenue and Capital), ₹ 10,712.94 crore (12.83 *per cent*) of the total expenditure of ₹ 83,512 crore, was classified under the minor head of account ‘800-Other Expenditure’. In 11 major heads, this constituted more than 50 *per cent* of the total expenditure under the respective major heads. Similarly, under 53 major heads of account (Revenue Receipt), ₹ 13,311.23 crore (17.92 *per cent*) out of total receipts of ₹ 74,299 crore was classified under ‘800-Other Receipts’. In eight major heads, 100 *per cent* expenditure was booked under ‘800-Other Receipts’. These eight major heads constitute 90 to 99 *per cent* of the total Revenue Receipts under the respective major heads of account.

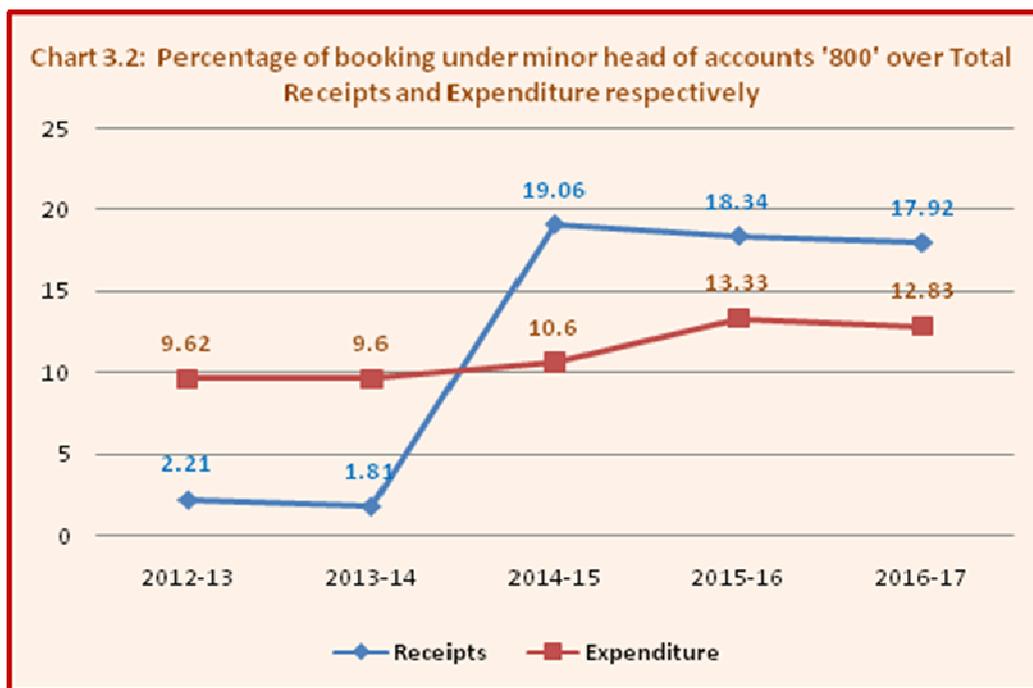
Table 3.8 : Booking under minor head ‘800-Other Receipts and Other Expenditure

(₹ in crore)

Financial Year	Expenditure booked under minor head-800	Percentage to total Expenditure	Receipts booked under minor head-800	Percentage to total Receipts
2012-2013	4,217.32	9.62	970.80	2.21
2013-2014	5,124.13	9.60	883.53	1.81
2014-2015	6,596.75	10.60	10,861.89	19.06
2015-2016	10,118.45	13.33	12,645.12	18.34
2016-2017	10,712.94	12.83	13,311.23	17.92
Total	36,769.16		38,672.57	

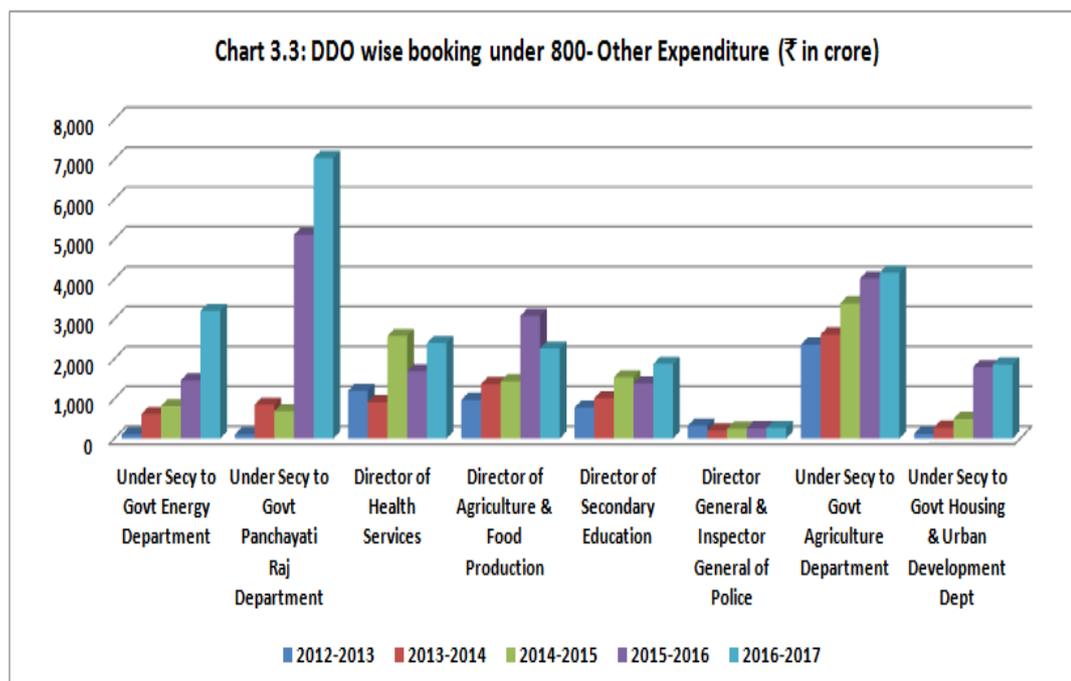
Source: Finance Accounts of previous years.

The percentage of bookings under the minor head ‘800-Other Receipts’ to total receipts increased from 2.2 *per cent* in 2012-13 to 17.92 *per cent* in 2016-17 (**Table 3.8**). The percentage of bookings under the minor head ‘800-Other expenditure’ to total expenditure (both Revenue and Capital), gradually increased from 9.62 *per cent* in 2012-13 to 13.33 *per cent* in 2015-16 and then marginally decreased in 2016-17 to 12.83 *per cent* of the total expenditure (**Chart-3.2**).



Source: State Finance Reports and Finance Accounts of previous years.

Analysis of the Voucher Level data from 2012-13 to 2016-17 revealed that Drawing and Disbursing Officers (DDOs) booked expenditure under the minor head -800- Other Expenditure. Out of the total eight DDOs whose total bookings under the minor head was more than ₹ 1,000 crore in the last five years, it was observed that Under Secretary to Panchayati Raj Department, Under Secretary to Energy Department, and Director Health Services most frequently used this minor head as exhibited in the **Chart:3.3**.



Source: Compiled from the VLC database maintained by the Principal Accountant General (A&E), Odisha.

Gradual increase and high incidence of transaction under the minor head '800-Other Receipts/Expenditure' affects the transparency in financial reporting. The Finance Department should discourage frequent use of this minor head '800- Other Receipts/Expenditure' by the DDOs by creating new minor heads of accounts after consultation with Pr. Accountant General (A &E).

The Government stated (November 2017) that the Expenditure and Receipts were booked under the minor head '800-Other Expenditure' and '800-Other Receipts', only if the nature of expenditure or receipt do not fit to the minor heads as prescribed by the Controller General of Accounts (CGA). The Government should take up the issue with Finance Ministry for creating new minor head.

3.9 Advances amounting to ₹ 1,291.93 crore remaining unadjusted

As per Subsidiary Rule 37 Notes 9 of OTC Vol. I, the DDO is required to maintain a Register of Advances showing all the particulars viz., date, name and designation of the officer receiving the advances, the purpose for which it is given, date of submission of accounts/ bill for payment made against such advances. The accounts of advances so rendered, are required to be checked and passed by the DDO. Further, as per Finance Department Notification (2nd December 1986), each item of outstanding advances as appearing in the cash book of the DDO, is to be analysed and adjusted within one month of disbursement, failing which, the salary of the Government servant concerned should be withheld. Subsidiary Rule 509 of OTC Vol. I envisages that the advance register should be reviewed frequently by the DDO to ensure that all the advances are cleared by adjustment without delay.

Test check of records of 54 DDOs showed that advances of ₹ 1,291.93 crore (**Appendix 3.10**) relating to Plan schemes were outstanding as of March 2017. It was observed that Register of Advances showing the required details was not maintained by 49 DDOs. As a result, periodicity of pending of advances could not be ascertained. However, audit analysed advance registers of five DDOs and found that advances worth ₹ 9.18 crore remained unadjusted ranging from seven to 59 years. Advance of ₹ 1.93 lakh against 24 employees of five DDOs had remained unadjusted even after their retirement.

Non-adherence to codal provisions results in understatement of actual expenditure. It is also fraught with the risk of improper and irregular utilisation of the advance so drawn. Continued non-adjustment over a long period is also fraught with the risk of misappropriation and embezzlement.

The Government accepted the views of Audit and stated (November 2017) that the Advance sanctioned in the name of employee should be adjusted in a time bound manner. Necessary instructions were issued in this regard by Finance Department from time to time.

3.10 Discrepancy of ₹ 36.45 crore due to non-reconciliation between bank balance and cash book balance.

Reconciliation of bank account figure with that of cash book figure is required to be done regularly at the end of each month in order to ensure accuracy of the transactions entered in the books of accounts. DDOs were required to carry out reconciliation at the end of each month to set right the mismatches/discrepancies, if any.

Audit found that in 11 sample DDOs, there was a difference of ₹ 36.45 crore (*Appendix 3.11*) between the balances in cash book and bank pass book as of March 2017. Non-reconciliation of cash balances was pointed out in earlier audit reports, but this had continued during 2016-17 also. In absence of reconciliation of cash balances, the authenticity of accounts maintained by these DDOs could not be vouchsafed in audit.

It was further noticed that in eight cases, the amount of outstanding advances was ₹ 17.31 crore as of March 2017. In none of these cases, reconciliation between Bank Pass Books and Cash Books had been done.

3.11 Outcome of review of voucher Audit

The Principal Accountant General (A&E) received vouchers from all the district treasuries for compilation of accounts of the State. Substantial audit check on sampled vouchers and transactions was carried out by Financial Audit Wing (FAW) of the Accountant General (G&SSA). It was observed that 1,271 Audit Notes with objection amount of ₹810.89 lakh were issued to respective DDOs. Three hundred and seventy four (374) Audit Notes amounting ₹ 181.63 lakh were settled after receiving audit compliances from respective DDOs. Also, ₹ 11.40 lakh was recovered at the instance of audit against 132 Audit Notes, details of which are depicted in **Table 3.9**.

Table 3.9: Year-wise un-settled Audit Notes in Objection Book of FAW Group.

(₹ in lakh)

Year	Audit Notes Issued		Audit Notes Settled		Recovered		Un-settled Audit Notes	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
2013-14	152	639.55	53	113.24	132	11.40	99	526.30
2014-15	348	76.02	139	51.07			209	24.95
2015-16	403	35.18	121	12.38			282	22.80
2016-17	368	60.14	61	4.94			307	55.21
	1,271	810.89	374	181.63	132	11.40	897	629.26

Source: Objection Books maintained by FAW Group of AG (G&SSA).

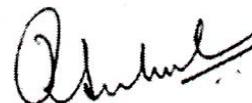
Eight hundred and ninety seven (897) Audit Notes involving ₹ 629.26 lakh were outstanding as on 31 March 2017.

Finance Department/Controlling Officers should issue necessary instructions to the DDOs to furnish necessary compliances to Audit for settlement of outstanding Audit Notes.

The Government accepted the views of audit and stated (November 2017) that prompt action would be taken by the D.D.Os on the audit objections for early settlement.

3.12 Significant Findings

- In the case of 35 departments, there is no assurance that the GIA amounting to ₹ 30,534 crore had actually been utilised for the sanctioned purpose as of March 2017 (*Paragraph 3.1*).
- The Government had not provided information regarding receipt of grants and /or loans by bodies/ authorities coming under 24 departments during 2016-17. As a result, it could not be ascertained if they attracted C&AG's audit (*Paragraph 3.2*).
- Out of ₹ 80.20 crore unadjusted AC bills for 2006-07 to 2016-17, four departments alone accounted for ₹ 78.21 crore (97.5 per cent). The risk of diversion/misappropriation was high in these cases (*Paragraph 3.6*).



Bhubaneswar
The

(R AMBALAVANAN)
Accountant General (G&SSA), Odisha

Countersigned



New Delhi
The

(RAJIV MEHRISHI)
Comptroller and Auditor General of India

Appendices

APPENDIX-1.1
(Refer Page 1)

A brief profile of Odisha

A. General Data					
Particulars					Figures
1	Area				1,55,707 Sq. Km
2	Population				
	a.	As per 2001 Census			3.68 crore
	b.	As per 2011 Census			4.20 crore
3	Density of Population ¹ (as per 2011 Census). (All India Density = 382 persons per Sq. Km)				270 persons per Sq. Km
4	Population below poverty line ² (BPL) (All India Average = 21.9 per cent)				32.59 per cent
5	Literacy (as per 2011 Census) (All India Average = 73.0 per cent)				72.90 per cent
6	Infant mortality (per 1,000 live births). (All India Average = 37 per 1,000 live births)				46.00
7	Life Expectancy at birth ³ . (All India Average = 68.3 years)				66.90 years
8	Gini-Coefficient				
	a.	Rural. (All India = 0.29)			0.26
	b.	Urban. (All India = 0.38)			0.39
9	Gross State Domestic Product (GSDP) 2016-17 at current price				₹3,78,991 crore
10	Per Capita GSDP CAGR (2007-08 to 2016-17)			Odisha	11.70
				General Category States	13.20
11	GSDP CAGR (2007-08 to 2016-17)			Odisha	12.70
				General Category States	14.60
12	Population Growth (2007-08 to 2016-17)			Odisha	8.00
				General Category States	11.90
B. Financial Data					
Particulars					
CAGR		2007-08 to 2015-16		2015-16 to 2016-17	
		General Category States	Odisha	General Category States	Odisha
		(In per cent)			
a.	of Revenue Receipts.	14.58	15.37	11.52	7.77
b.	of Own Tax Revenue.	14.80	16.03	13.50	1.44
c.	of Non Tax Revenue.	9.45	16.02	12.10	(-)7.67
d.	of Total Expenditure.	15.84	17.79	15.31	9.88
e.	of Capital Expenditure.	14.53	25.13	17.91	8.08
f.	of Revenue Expenditure on Education.	16.86	16.36	9.86	6.81
g.	of Revenue Expenditure on Health.	18.43	19.35	14.92	24.99
h.	of Salary and Wages.	14.89	15.18	13.06	6.99
i.	of Pension.	17.17	17.05	10.63	7.83

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

¹ Census Info India 2011 Final Population Totals

² & ³ Economic Survey 2016-17

⁴ Planning Commission

APPENDIX - 1.2
(Refer paragraph 1.1)

Structure and Form of Government Accounts

Part A: Structure and Form of Government Accounts

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

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

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

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

PART B: Layout of Finance Accounts

Statement No.	About
<i>Volume - I</i>	
1	<i>Statement of Financial Position</i>
2	<i>Statement of Receipts and Disbursements</i> <i>Annexure A. Cash Balances and Investment of Cash Balances</i>
3	<i>Statement of Receipts (Consolidated Fund)</i>
4	<i>Statement of Expenditure (Consolidated Fund)</i>
5	<i>Statement of Progressive Capital Expenditure</i>
6	<i>Statement of Borrowings and other Liabilities</i>
7	<i>Statement of Loans and Advances given by the Government</i>
8	<i>Statement of Investments of the Government</i>
9	<i>Statement of Guarantees given by the Government</i>
10	<i>Statement of Grants-in-Aid given by the Government</i>
11	<i>Statement of Voted and Charged Expenditure</i>
12	<i>Statement on Sources and Application of funds for expenditure other than revenue account</i>
13	<i>Summary of Balances under Consolidated Fund, Contingency Fund and Public Account</i>
<i>Volume - II</i>	
14	<i>Detailed Statement of Revenue and Capital Receipts by Minor heads</i>
15	<i>Detailed Statement of Revenue Expenditure by Minor heads</i>
16	<i>Detailed Statement of Capital Expenditure by Minor heads and Sub heads</i>
17	<i>Detailed Statement of Borrowings and Other Liabilities</i>
18	<i>Detailed Statement of Loans and Advances given by the State Government</i>
19	<i>Detailed Statement of Investments of the Government</i>
20	<i>Detailed Statement of Guarantees given by the Government</i>
21	<i>Detailed Statement on Contingency Fund and Other Public Account transactions</i>
22	<i>Detailed Statement on Investment of Earmarked Funds</i>

APPENDIX – 1.3
(Refer paragraph 1.2)

Time Series data on the State Government Finances

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Part A. Receipts					
1. Revenue Receipts	43,937	48,947	56,998	68,941	74,299
(i) Tax Revenue	15,034(34)	16,892(35)	19,828(35)	22,527(33)	22,852(31)
Taxes on Agricultural Income	Nil	Nil	Nil	Nil	Nil
Taxes on Sales, Trade, etc	9,685(64)	10,729(64)	11,817(60)	13,097(58)	13,402(59)
State Excise	1,499(10)	1,780(11)	2,035(10)	2,547(11)	2,786(12)
Taxes on Vehicles	746(5)	860(5)	910(5)	1,044(5)	1,216(5)
Stamps and Registration fees	545(4)	606(4)	800(4)	2,157(10)	1,364(6)
Land Revenue	420(3)	431(3)	646(3)	589(3)	460(2)
Taxes on Goods and Passengers	1,342(9)	1,613(10)	1,711(9)	1,663(7)	1,760(8)
Other Taxes	797(5)	873(5)	1,909(10)	1,430(6)	1,864(8)
(ii) Non-Tax Revenue	8,078(18)	8,379(17)	8,071(14)	8,711(13)	8,043(11)
(iii) State's share of Union taxes and duties	13,965(32)	15,247(31)	16,181(28)	23,574(34)	28,322(38)
(iv) Grants in aid from Government of India*	6,860(16)	8,429(17)	12,918(23)	14,129(20)	15,082(20)
2. Miscellaneous Capital Receipts	Nil	0.03	Nil	Nil	Nil
3. Recoveries of Loans and Advances	142	257	92	228	89
4. Total Revenue and Non debt capital receipts (1+2+3)	44,079	49,204	57,090	69,169	74,388
5. Public Debt Receipts	1,880	2,290	7,646	9,790	11,223
Internal Debt (excluding Ways and Means Advances and Overdrafts)	1,436	1,740	6,035	9,051	10,320
Net transactions under Ways and Means Advances and Overdrafts	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	444	550	529	739	903
6. Total Receipts in the Consolidated Fund (4+5)	45,959	51,494	64,736	78,959	85,611
7. Contingency Fund Receipts	16	--	150	--	123
8. Public Account Receipts	27,545	32,677	24,801	31,098	41,627
9. Total Receipts of the State (6+7+8)	73,520	84,171	89,687	1,10,057	1,27,361
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	38,238(87)	45,618(85)	51,136(82)	58,806(77)	65,041(78)
Plan	11,593(30)	15,008(33)	18,877(37)	23,270(40)	25,331(39)
Non-Plan	26,645(70)	30,610(67)	32,259(63)	35,536(60)	39,710(61)
General Services (including interest payments)	12,423(32)	13,689(30)	14,529(28)	15,059(26)	16,715(26)
Social Services	14,977(39)	18,722(41)	20,964(41)	24,643(42)	27,600(42)
Economic Services	10,196(27)	12,315(27)	14,826(29)	18,188(31)	19,714(30)
Grants-in-Aid and Contributions	642(2)	892(2)	817(2)	916(1)	1,012(2)
11. Capital Expenditure	5,622(13)	7,756(14)	11,075(18)	17,090(22)	18,471(22)
Plan	5,603(99)	7,598(98)	11,057(100)	17,076(100)	18,458(100)
Non-Plan	19(1)	158(2)	18	14	13
General Services	351(6)	470(6)	390(4)	425(3)	374(2)
Social Services	1,205(22)	1,725(22)	2,288(21)	2,929(17)	3,001(16)
Economic Services	4,066(72)	5,561(72)	8,397(76)	13,737(80)	15,096(82)

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

	2012-13	2013-14	2014-15	2015-16	2016-17
12. Disbursement of Loans and Advances	216(1)	463(1)	358(1)	337(1)	254(0)
13. Total Expenditure (10+11+12)	44,076	53,837	62,569	76,233	83,766
14. Repayments of Public Debt	3,180	2,293	4,111	2,881	2,962
Internal Debt (excluding Ways and Means Advances and Overdrafts)	2,666	1,775	2,379	2,254	2,292
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	514	518	650	628	670
15. Appropriation to Contingency Fund	Nil	Nil	Nil	Nil	Nil
16. Total disbursement out of Consolidated Fund (13+14+15)	47,256	56,130	66,680	79,114	86,728
17. Contingency Fund disbursements	--	150	Nil	123	Nil
18. Public Account disbursements	24,886	31,257	22,511	28,766	38,080
19. Total disbursement by the State (16+17+18)	72,142	87,537	89,191	1,08,003	1,24,808
Part C. Deficits					
20. Revenue Deficit (-)/Revenue Surplus (+) (1-10)	5,699	3,329	5,862	10,135	9,258
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	3	(-)4,633	(-)5,479	(-)7,064	(-)9,378
22. Primary Deficit(-)/Primary Surplus(+)(21+23)	2,810	(-)1,745	(-)2,669	(-)3,721	(-)5,343
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	2,807	2,888	2,810	3,343	4,035
24. Financial Assistance to local bodies etc.	7,023	9,495	13,686	17,779	19,348
25. Ways and Means Advances/Overdraft availed (days)	--	--	3	--	--
Ways and Means Advances availed (days)	Nil	Nil	3	Nil	Nil
Overdraft availed (days)	Nil	Nil	Nil	Nil	Nil
26. Interest on Ways and Means Advances/ Overdraft	Nil	Nil	1	Nil	Nil
27. Gross State Domestic Product (GSDP)	2,58,275	2,91,709	3,21,971	3,41,887	3,78,991
28. Outstanding Fiscal liabilities (year end)	43,344	44,714	50,493	59,753	71,623
29. Outstanding guarantees (year end) (including interest)	2,251	1,705	1,672	1,290	2,256
30. Maximum amount guaranteed (year end)	10,579	10,625	10,886	10,891	12,281
31. Number of incomplete projects	151	190	206	31	
32. Capital blocked in incomplete projects	347	874	1073	2,323	
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax Revenue/GSDP	5.82	5.79	6.16	6.59	6.03
Own Non-Tax Revenue/GSDP	3.13	2.87	2.51	2.55	2.12
Central Transfers/GSDP	5.41	5.23	5.03	6.90	7.47
II Expenditure Management					
Total Expenditure/GSDP	17.07	18.46	19.43	22.30	22.10
Total Expenditure/Revenue Receipts	581	566.47	543.54	482.05	112.74
Revenue Expenditure/Total Expenditure	86.75	84.73	81.73	77.14	77.65

	2012-13	2013-14	2014-15	2015-16	2016-17
Expenditure on Social Services/Total Expenditure	33.98	34.78	33.51	32.33	32.95
Expenditure on Economic Services/Total Expenditure	23.13	22.87	23.7	23.86	23.53
Capital Expenditure/Total Expenditure	12.76	14.41	17.7	22.42	22.05
Capital Expenditure on Social and Economic Services/Total Expenditure.	11.96	13.53	17.08	21.86	21.60
III Management of Fiscal Imbalances					
Revenue Deficit (Surplus)/GSDP	2.21	1.14	1.82	2.96	2.44
Fiscal Deficit/GSDP	0	(-)1.59	(-)1.70	(-)2.07	(-)2.47
Primary Deficit (Surplus) /GSDP	1.09	(-)0.60	(-)0.83	(-)1.09	(-)1.41
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	16.78	15.33	15.68	17.48	18.90
Fiscal Liabilities/RR	98.65	91.35	88.59	86.67	96.40
V Other Fiscal Health Indicators					
Return on Investment	19.04	13.67	30.71	14.26	12.80
Balance from Current Revenue (₹ in crore)	12,437	12,637	18,493	34,604	37,888
Financial Assets/Liabilities	1.19	1.25	1.32	1.43	1.48

APPENDIX – 1.4
(Refer paragraph 1.2)

Abstract of receipts and disbursements for the year 2016-17

(₹ in crore)

2015-16	Receipts	2016-17	2015-16	Disbursements	Non-Plan	Plan	2016-17
Section A: Revenue							
68,941.44	I.Revenue Receipts	74,299.39	58,805.70	I.Revenue Expenditure-	39,709.83	25,330.70	65,040.53
22,526.95	-Tax Revenue	22,852.39	15,058.66	General Services	16,604.43	110.01	16,714.44
	--		24,643.16	Social Services-	13,945.09	13,654.86	27,599.95
8,711.24	-Non-Tax Revenue	8,043.10	11,055.58	-Education, Sports, Art and Culture	7,673.44	4,135.55	11,808.99
	--		3,154.57	-Health and Family Welfare	1,844.57	2,216.74	4,061.31
23,573.79	-State's Share of Union Taxes	28,321.50	30,86.20	-Water Supply, Sanitation, Housing and Urban Development	1,153.66	2,401.39	3,555.05
--	--		45.89	-Information and Broadcasting	50.14	26.87	77.01
3,062.63	-Non-Plan Grants	3,248.00	1,856.57	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	983.88	1,001.44	1,985.32
10,773.42	-Grants for State Plan Schemes	11,769.07	251.98	-Labour and Labour Welfare	72.18	46.66	118.84
--	--		5,027.72	-Social Welfare and Nutrition	2,083.54	3,788.57	5,872.11
293.41	-Grants for Central and Centrally Sponsored Plan Schemes	65.33	164.65	-Others	83.68	37.64	121.32
--	--		18,188.12	Economic Services-	8,147.91	11,565.83	19,713.74
--	--		5,802.49	-Agriculture and Allied Activities	2,184.60	4,312.10	6,496.70
--	--		7,400.21	-Rural Development	2,768.48	5,222.91	7,991.39
--	--			-Special Areas Programmes	-	-	-
--	--		1,812.85	-Irrigation and Flood Control	1,116.08	754.03	1,870.11
--	--		52.76	-Energy	16.24	67.33	83.57
--	--		485.80	-Industry and Minerals	132.70	355.12	487.82
--	--	--	1,845.50	-Transport	1,781.74	199.29	1,981.03
--	--		46.12	-Science, Technology and Environment	16.28	38.06	54.34
--	--		742.39	General Economic Services	131.79	616.98	748.77
--	--		915.76	Grants-in-aid and Contributions-	1,012.40	-	1,012.40
--	II. Revenue deficit carried over to	--	10,135.74	II. Revenue Surplus carried over	-	-	9,258.86
Section B : Capital							
--	III. Opening Cash balance including Permanent Advances and Cash Balance Investment	12,047.68	--	III. Opening Overdraft from Reserve Bank of India	--	--	--

2015-16	Receipts	2016-17	2015-16	Disbursements	Non-Plan	Plan	2016-17
--	IV. Miscellaneous Capital Receipts	--	17,090.48	IV. Capital Outlay-	13.41	18,457.66	18,471.07
--	--	--	425.01	General Services-	10.92	363.37	374.29
--	--	--	2,928.55	Social Services-	3.95	2,997.26	3,001.21
--	--	--	501.66	-Education, Sports, Art and Culture	-	360.16	360.16
--	--	--	525.99	-Health and Family Welfare	--	667.94	667.94
--	--	--	1,002.31	-Water Supply, Sanitation, Housing and Urban Development	3.95	1,367.41	1,371.36
--	--	--	--	-Information and Broadcasting	--	--	--
--	--	--	559.73	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	--	461.82	461.82
--	--	--	219.97	-Social Welfare and Nutrition	--	2.32	2.32
--	--	--	118.88	-Others	--	137.61	137.61
--	--	--	13,736.92	Economic Services-	(-)1.47	15,097.04	15,095.57
--	--	--	359.66	-Agriculture and Allied Activities	--	218.23	218.23
--	--	--	--	-Rural Development	--	--	--
--	--	--	148.50	-Special Areas Programmes	--	148.50	148.50
--	--	--	4,173.23	-Irrigation and Flood Control	--	5,799.07	5,799.07
--	--	--	1,398.64	-Energy	--	2,048.16	2,048.16
--	--	--	(-)0.95	-Industry and Minerals	(-)2.95	1.00	(-)1.95
--	--	--	7,554.50	-Transport	0.66	6,766.76	6,767.42
--	--	--	--	General Economic Services	0.82	115.33	116.15
228.45	V. Recoveries of Loans and Advances-	89.01	336.54	V. Loans and Advances disbursed-	254.10	--	254.10
--	-From Power Projects	--	118.75	-For Power Projects	171.66	--	171.66
66.19	-From Government Servants	79.04	91.02	-To Government Servants	90.57	--	90.57
--	-From Others	9.97	--	-To Others	(-)8.13	--	(-)8.13
10,135.74	VI. Revenue Surplus brought down	9,258.86	--	VI. Revenue Deficit brought down	--	--	--
9,789.82	VII. Public Debt Receipts-	11,223.44	2,881.37	VII. Repayment of Public Debt-	--	--	2,962.04
--	-External debt	--	--	-External debt	--	--	--
9,051	-Internal debt other than Ways and Means Advances and Overdrafts	10,320.46	2,254.00	-Internal Debt other than Ways and Means Advances and Overdrafts	--	--	2,291.84
--	Net transactions under Ways and Means Advances	--	--	- Net transactions under Ways and Means Advances	--	--	--
--	- Net transactions under Overdraft	--	--	-Net transactions under Overdraft	--	--	--
739.24	-Loans and Advances from Central Government	902.98	627.67	-Repayment of Loans and Advances to Central Government	--	--	670.20
--	VIII. Appropriation to Contingency Fund	--	--	VIII. Appropriation to Contingency Fund	--	--	--

Appendices

2015-16	Receipts	2016-17	2015-16	Disbursements	Non-Plan	Plan	2016-17
--	IX .Amount transferred to Contingency Fund	122.90	122.90	IX. Expenditure from Contingency Fund	--	--	--
31,097.80	X. Public Account Receipts-	41,626.88	28,766.44	X. Public Account Disbursements-	--	--	38,080.45
4,087.99	-Small Savings and Provident Funds	4,423.81	2,252.53	-Small Savings and Provident Funds	--	--	2,567.08
1,932.96	-Reserve Funds	4,140.57	1,647.52	-Reserve Funds	--	--	2,995.63
173.87	-Suspense and Miscellaneous	22.56	142.27	-Suspense and Miscellaneous	--	--	32.10
17,703.46	-Remittance	18,829.60	17,754.83	-Remittances	--	--	18,882.28
7,199.52	-Deposits and Advances	14,210.34	6,969.29	-Deposits and Advances	--	--	13,603.36
--	XI. Closing Overdraft from Reserve Bank of India	--	12,047.68	XI. Cash Balance at end-	--	--	14,601.11
--	--	--	--	Cash in Treasuries and Local Remittances	--	--	--
--	--	--	666.99	Deposits with Reserve Bank	--	--	318.65
--	--	--	21.45	Departmental Cash Balance including permanent Advances	--	--	21.36
--	--	--	11,359.24	Cash Balance Investment	--	--	14,261.10
1,30,186.83	Total	1,48,668.16	1,30,186.83	Total			1,48,668.16

APPENDIX – 1.5
(Refer paragraph 1.7.7)

DDO-wise parking of funds in Banks amounting to ₹ 1,571.52 crore

Drawing and Disbursing Officer	Opening Balance	Receipt	Total	Expenditure	Closing Balance
BDO, Balasore	31.56	21.97	53.53	28.87	24.66
BDO, Baripada	11.55	16.14	27.69	16.98	10.71
BDO, Barkote	22.96	14.50	37.46	14.20	23.26
BDO, Betonoti	23.44	26.54	49.98	31.42	18.56
BDO, Ghatgaon	11.71	21.48	33.20	22.89	10.30
BDO, Gosani	14.95	15.10	30.06	11.42	18.64
BDO, Jeypore	15.64	16.51	32.16	13.34	18.82
BDO, Kashinagar	9.99	13.12	23.11	7.47	15.64
BDO, Keonjhar	10.30	20.54	30.84	19.51	11.33
BDO, Khajuripada	9.60	23.96	33.56	19.58	13.98
BDO, Kolnara	9.04	14.20	23.24	12.28	10.95
BDO, Koraput	13.77	12.31	26.08	11.88	14.20
BDO, Nabarangpur	5.11	10.71	15.81	9.63	6.19
BDO, Nilagiri	29.07	17.39	46.46	19.19	27.27
BDO, Papadahandi	8.72	29.50	38.22	23.61	14.61
BDO, Phulbani	12.45	14.59	27.05	11.15	15.90
BDO, Rayagada	17.43	23.53	40.96	24.71	16.25
BDO, Sundargarh	8.00	15.54	23.54	15.41	8.14
BDO, Tangarpali	8.49	15.16	23.65	13.52	10.13
BDO, Tileibani	19.47	10.99	30.46	13.97	16.50
TOTAL (BDOs)	293.26	353.79	647.05	341.02	306.03
DRDA, Mayurbhanj	57.59	112.58	170.17	120.33	49.83
DRDA, Anugul	19.04	62.85	81.89	61.73	20.16
DRDA, Balasore	24.28	94.92	119.20	88.56	30.64
DRDA, Bargarh	7.05	78.50	85.55	76.01	9.54
DRDA, Bhadrak	30.71	64.33	95.04	76.66	18.38
DRDA, Bolangir	55.34	122.69	178.03	126.71	51.31
DRDA, Boudh	11.12	29.25	40.37	34.39	5.97
DRDA, Cuttack	14.22	60.64	74.86	63.09	11.77
DRDA, Deogarh	6.15	24.81	30.95	19.89	11.07
DRDA, Dhenkanal	9.31	53.63	62.94	48.37	14.57
DRDA, Ganjam	42.98	85.08	128.06	94.38	33.68
DRDA, Jagatsinghapur	13.39	41.15	54.54	33.12	21.42
DRDA, Jajapur	22.64	62.75	85.39	68.63	16.76
DRDA, Jharsuguda	15.56	33.88	49.45	30.13	19.31
DRDA, Kalahandi	33.70	72.28	105.98	93.02	12.96
DRDA, Kandhamal	22.42	78.53	100.95	69.03	31.92
DRDA, Kendrapara	11.64	35.04	46.68	34.14	12.54
DRDA, Keonjhar	70.32	87.38	157.70	115.22	42.49
DRDA, Khorda	16.55	64.09	80.64	59.42	21.22
DRDA, Koraput	70.70	124.37	195.08	114.67	80.41
DRDA, Malkangiri	22.71	50.80	73.50	61.14	12.36
DRDA, Nabarangpur	46.51	80.15	126.66	90.88	35.78
DRDA, Nayagarh	48.16	50.53	98.68	59.19	39.49
DRDA, Nuapada	42.42	32.14	74.56	42.09	32.47
DRDA, Paralakhemundi	40.62	34.96	75.58	48.33	27.24
DRDA, Puri	30.74	56.38	87.12	55.50	31.62
DRDA, Rayagada	6.78	49.98	56.76	48.94	7.82
DRDA, Sambalpur	11.35	47.33	58.69	47.12	11.57
DRDA, Sonapur	26.95	36.76	63.71	41.10	22.62
DRDA, Sundargarh	6.45	85.00	91.45	77.15	14.30
Total (DRDAs)	837.40	1,912.79	2,750.19	1,998.97	751.23
ITDA, Gajapati	50.78	18.65	69.43	20.57	48.86
ITDA, Keonjhar	54.75	27.60	82.34	29.32	53.03

Drawing and Disbursing Officer	Opening Balance	Receipt	Total	Expenditure	Closing Balance
ITDA, Koraput	56.32	17.53	73.85	25.55	48.31
ITDA, Mayurbhanj	17.00	1.35	18.35	3.28	15.07
ITDA, Nabarangpur	44.09	38.88	82.98	38.80	44.17
ITDA, Nilgiri	2.00	0.00	2.00	0.00	2.00
ITDA, Phulbani	35.38	9.99	45.37	12.24	33.13
ITDA, Rayagada	17.08	35.82	52.90	32.23	20.67
ITDA, Sundargarh	43.56	21.52	65.08	56.66	8.42
ITDA, Tileibani	0.00	0.72	0.72	0.33	0.39
Total (ITDAs)	320.97	172.06	493.03	218.98	274.05
DEO, Balasore	7.50	31.56	39.06	28.63	10.44
DEO, Deogarh	5.80	5.97	11.77	6.00	5.77
DEO, Keonjhar	6.54	31.76	38.29	32.33	5.97
DEO, Koraput	16.01	28.97	44.98	31.94	13.04
DEO, Nabarangpur	1.92	24.08	26.00	20.90	5.10
DEO, Paralakhemundi	3.52	9.88	13.40	11.09	2.30
DEO, Phulbani	8.35	24.11	32.46	28.22	4.24
DEO, Rayagada	11.96	20.04	32.00	18.98	13.02
DEO, Sundargarh	7.58	28.95	36.53	27.10	9.43
Total (DEOs)	69.19	205.30	274.49	205.19	69.30
DPC, Balasore	1.22	69.63	70.85	69.70	1.14
DPC, Deogarh	28.12	15.31	43.43	20.32	23.11
DPC, Keonjhar	1.54	61.73	63.27	59.50	3.77
DPC, Koraput	3.44	86.51	89.95	87.85	2.10
DPC, Mayurbhanj	0.81	122.93	123.74	122.76	0.98
DPC, Nabarangpur	44.36	61.76	106.12	102.33	3.79
DPC, Paralakhemundi	5.44	27.80	33.25	26.67	6.57
DPC, Phulbani	3.71	42.84	46.55	43.39	3.16
DPC, Rayagada	0.45	51.85	52.30	37.01	15.29
DPC, Sundargarh	0.00	65.50	65.50	65.37	0.13
Total (DPCs)	89.09	605.86	694.95	634.91	60.04
Municipality, Balasore	0.54	0.60	1.14	0.44	0.71
Municipality, Baripada	15.23	22.64	37.87	13.12	24.75
Municipality, Deogarh	9.83	5.58	15.41	6.32	9.09
Municipality, Keonjhar	11.84	9.83	21.67	5.34	16.34
Municipality, Koraput	5.44	5.69	11.13	4.79	6.34
Municipality, Nabarangpur	6.22	3.14	9.37	0.57	8.79
Municipality, Paralakhemundi	18.64	6.60	25.24	6.49	18.75
Municipality, Phulbani	7.83	6.95	14.78	7.57	7.21
Municipality, Sundargarh	3.89	7.43	11.32	5.24	6.08
Municipalpty, Rayagada	7.51	14.40	21.91	9.09	12.82
Total (EOs)	86.97	82.87	169.84	58.97	110.87
Grand Total	1,696.88	3,332.67	5,029.55	3,458.02	1,571.52

Source : Compiled from the information received from respective DDOs

APPENDIX – 1.6
(Refer paragraph 1.8.3)

Statement of outcome budget during the financial year 2016-17

Fisheries and Animal Resources Development Department

(₹ in lakh)

Sl. No.	Name of the Scheme	FINANCIAL			PHYSICAL		
		Financial Outlay for 2016-17	Financial Achievement	Shortfall	Physical Target	Physical Achievement	Shortfall
1	Mastyajibi Unnayana Yojana	200	200 (100%)	Nil	3,500 Scholarship	1,873 Scholarship (54%)	1,627 Scholarship (46%)
2	Blue Revolution-Integrated Development & Management of Fisheries	1,667	1,434 (86%)	233	137 ha	68.50 ha (50%)	68.50 ha (50%)
3	Assistance to Matsyajibi Basagraha Yojana	686	686 (100%)	Nil	553 nos	Nil (0%)	553 nos (100%)
4	Safety of Fishermen at Sea	195	190 (97%)	5	95 nos	Nil (0%)	95 (100%)
5	Assistance to Fishermen for Development of Livelihood (B&N)	253	253 (100%)	Nil	1,000 nos boat	Nil (0%)	1,000 nos boat
6	Fisheries Training and Extension	52	Nil (0%)	52	-	Nil	--

Source : Complied from the information received from the department

Panchayati Raj Department

(₹ in lakh)

Sl. No.	Name of the Scheme	FINANCIAL			PHYSICAL		
		Financial Outlay	Financial Achievement	Shortfall	Physical Target	Physical Achievement	Shortfall
1	Pradhan Mantri Awas Yojana (PMAY-G)	1,68,826	92,327 (55%)	76,499	3,96,102 nos	343 nos (0%)	3,95,759 (100%)
2	Biju Pucca Ghar Yojana	70,000	39,760 (57%)	30,240	62,416	2,636 (4%)	59,780 (96%)

Source : Complied from the information received from the department

ST & SC Development, Minorities and Backward Classes Welfare Department

(₹ in lakh)

Sl. No.	Name of the Scheme	FINANCIAL			PHYSICAL		
		Financial Outlay	Financial Achievement	Shortfall	Physical Target	Physical Achievement	Shortfall
1	SCA to TSP	12,695	13,453 (106%)	Nil	1,02,000 family	Programme under progress	--
2	Creation of Infrastructure in TSP areas under Article 275(1) of the Constitution of India	14,850	11,789 (79%)	3,061	1,650 projects	Programme under progress	--
3	Construction of Hostels	26,250	21,574	4,676	639	Construction	

Sl. No.	Name of the Scheme	FINANCIAL			PHYSICAL		
		Financial Outlay	Financial Achievement	Shortfall	Physical Target	Physical Achievement	Shortfall
	for SC & ST Students		(82%)		Hostels	under progress	

Source : Complied from the information received from the department

Agriculture & Farmer's Empowerment Department

(₹ in lakh)

Sl. No.	Name of the Scheme	FINANCIAL			PHYSICAL		
		Financial Outlay	Financial Achievement	Shortfall	Physical Target	Physical Achievement	Shortfall
1	National Mission on Oil Seed and Palm (NMOOP)	285	224 (79%)	61	1,260	986 (78%)	274 (22%)
2	Pradhan Mantri Krishi Sinchai Yojana Watershed Development	15,331	10,563 (69%)	4,768	1,27,758 Ha	88,025 Ha (69%)	(31%)
3	Pradhan Mantri Krishi Sinchai Yojana Per Drop More Crop	4,833	2,917 (60%)	1,916	40,275 Ha	24,300 Ha (60%)	15,975 Ha (40%)
4	Micro Irrigation under Per Drop More Crop of PMKSY	1,815	807 (44%)	1,008	12,897	4,791 (37%)	8,106 (63%)

Source : Complied from the information received from the department

Works Department

(₹ in lakh)

Sl. No.	Name of the Scheme	FINANCIAL			PHYSICAL		
		Financial Target	Financial Achievement	Shortfall	Physical Target	Physical Achievement	Shortfall
1	Central Road Fund	55,000	10,199 (19%)	18,227 (71%)	Bridge- 2 nos Improvement of Road- 10 KM	NA	--
2	KBK(RLTAP)	1,465	576 (39%)	889	--	--	--
3	EAP	17,500	17,500	Nil	Improvement of Road- 100 KM	64 KM	36 KM

Source : Complied from the information received from the department

APPENDIX – 1.7
(Refer paragraph 1.10.1)

Summarised financial position of the Government of Odisha as on 31 March 2017

(₹ in crore)

As on 31 March 2016			As on 31 March 2017
	Liabilities		
26,524.80	Internal Debt -		34,553.42
8,128.03	Market Loans bearing interest	15,092.82	
0.08	Market Loans not bearing interest	0.08	
1.85	Loans from Life Insurance Corporation of India	1.22	
18,394.84	Loans from other Institutions	19,459.30	
--	Ways and Means Advances	--	
--	Overdrafts from Reserve Bank of India	--	
7,232.25	Loans and Advances from Central Government -		7,465.03
0.56	Pre 1984-85 Loans	0.56	
22.19	Non-Plan Loans	19.87	
7,209.50	Loans for State Plan Schemes	7,444.60	
--	Loans for Central Plan Schemes	--	
--	Loans for Centrally Sponsored Plan Schemes	--	
400.00	Contingency Fund		400.00
18,260.77	Small Savings, Provident Funds, etc.		20,117.51
7,120.78	Deposits		7,727.61
6,137.72	Reserve Funds Advances		7,282.66
130.83	Suspense and Miscellaneous Balances		121.28
--	Remittance Balances		--
698.15	Miscellaneous Capital Receipts		698.15
28,624.82	Cumulative excess of receipts over expenditure		37,887.81
95,130.12	Total		1,16,253.47
	Assets		
78,363.46	Gross Capital Outlay on Fixed Assets -		96,853.38
3,881.32	Investments in shares of Companies, Corporations, etc.	4,423.01	
74,482.14	Other Capital Outlay	92,430.37	
4,557.27	Loans and Advances -		4,707.64
3,098.30	Loans for Power Projects	--	
	Other Development Loans	--	
	Loans to Government servants and Miscellaneous loans	--	

As on 31 March 2016			As on 31 March 2017
	Assets		
11.11	Advances		10.96
27.70	Remittance Balances		80.38
--	Suspense and Miscellaneous Balances		--
12,047.68	Cash -		14,601.11
--	Cash in Treasuries and Local Remittances	--	
666.99	Deposits with Reserve Bank	318.65	
21.45	Departmental Cash Balance including Permanent Advances	21.36	
--	Security Deposits	--	
5,523.00	Investment of Earmarked Funds	5,523.00	
5,836.24	Cash Balance Investments	8,738.10	
--	Deficit on Government Account -		--
--	(i) Less Revenue Surplus of the current year	--	
122.90	(ii) Appropriation to Contingency Fund	--	
--	Accumulated deficit at the beginning of the year	--	
95,130.12	Total	--	1,16,253.47

** Included under Suspense and Miscellaneous

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

Explanatory Notes for Appendices 1.3 and 1.4

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Government accounts being mainly on cash basis, the deficit on Government account, as shown in Appendix 1.4, indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation or variation in stock figures, etc., do not figure in the accounts. Suspense and Miscellaneous balances include cheques issued but not paid, payments made on behalf of the State and other pending settlements, etc. There was a difference of ₹ 1.51 crore (Net Debit) between the figure reflected in the Accounts ₹ 318.65 crore (Net Debit) and that intimated by the Reserve Bank of India ₹ 317.14 crore (Net Credit) relating to deposits with Reserve Bank of India included in the Cash Balance. After reconciliation and adjustment the difference to the extent ₹ 1.24 crore (Net Debit) remains to be reconciled (May-2017).

APPENDIX – 1.8
(Refer paragraph 1.13)
Status of Public Private Partnership Projects in Odisha as on 31 March 2017
COMPLETED PPP PROJECTS

Sl. No.	Name of Project	PPP Type	Status	Remarks
Sector: Urban Development				
1	Market-cum-Residential Complex at Bhubaneswar	DBT	Operational	--
2	Commercial Shopping Complex at Bhubaneswar	DBOO	Operational	--
3	A.C. Market Complex at Bhubaneswar	DBOT	Operational	--
4	City Bus Service for larger Sambalpur region	O&M	Operational	--
5	City Bus Service for Rourkela-Biramitrapur-Rajagangapur	O&M	Operational	M/s Sampark is the concessionaire
6	City Bus Service for Berhampur-Gopalpur-Chhatrapur-Hinjilicatu	O&M	Operational	Mr.P.Anil Kumar is the concessionaire
7	City Bus Service in Koraput-Jeypore-Sunabeda	O&M	Operational	Mr.Ashok Kumar Ray is the concessionaire
8	City Bus Service in Cuttack-Choudwar – Athagarh-Banki	O&M	Operational	M/s Sahara Roadways is the concessionaire
9	City Bus Service in Bhubaneswar - Puri	O&M	Operational	--
10	Energy efficient public street lighting project in Bhubaneswar	DBFOT	Operational	Consortium of M/s Saha Investments is the concessionaire
11	Development of foot over bridge at Jaydev Vihar	DBOT	Operational	--
Sector: Health				
12	Magnetic radio imaging centre at SCB Medical College	BOT	Operational	M/s. Kolkata Imaging Institute is the concessionaire.
13-21	Management of nine (09) primary health care centres in Keonjhar (1), Cuttack (3), Kendrapara (2) and Balasore (3)	O&M	Operational	Service level standards are defined. Costs were borne out of CSR funds by corporate.
22	Odisha Emergency Medical Ambulance Service (a) 108 Service (b) 102 Service (for pregnant women and sick infants under JSSK)	O&M	Operational	M/s. Zigitsa is the concessionaire.
Sector: Finance & Revenue Related				
23	e-registration System (e-dharani)	O&M	Operational	--
Sector: Transport				
24	Minor port at Dhamara	BOOST	Operational	M/s. DPCL is the concessionaire. Phase-I is operational. Phase-II is under progress
25	Minor brownfield port at Gopalpur	BOOST	Operational	M/s. GPL is the concessionaire. Phase-I is operational. Development work is in progress
26	Driving Training Institute at Chhatia	O&M	Operational	Under Central Government Scheme. M/s. Ashok Leyland is the concessionaire.
Sector: Industrial Infrastructure				
27	Up-gradation of common infrastructure in Kalinganagar Industrial Complex	Beneficiary participation	Operational	Under the Industrial Infrastructure Upgradation Scheme (IIUS) Scheme.

Sl. No.	Name of Project	PPP Type	Status	Remarks
28	Up-gradation of common infrastructure in plastics and polymers park in Balasore	Beneficiary participation	Operational	Under the IIUS Scheme.
29	Infopark in Bhubaneswar	BOT	Part Operational	--
30	Mega Food Park in Rayagada District	Joint Venture	Part Operational	--
Sector: Roads				
31	29 km Palaspanga-Bameberi Expressway	Beneficiary participation	Operational	M/s KIDCO is the concessionaire
Sector: Tourism				
32	Heritage hotel at Mahodadhinivas	DBOT	Operational	--
33	Eco camp at Ramchandi	DBOT	Operational	--
Sector: Education				
34-47	Up-gradation of 14 numbers of Industrial Training Institutes at Puri, Cuttack, Umarkote, Chhatrapur, Barbil, Baripada, Takatpur, Dhenkanal, Malkangiri, Boudh, Baragarh, Anandapur, Khariar and Balangir	BOO	Operational	Under Central Government Scheme.
Sector: Energy				
48	Ib-Meramundali 400 KV D.C. line	BOT	Operational	--
Total – 48 Projects				

PPP PROJECTS IN PIPELINE UNDER IMPLEMENTATION

Sl. No.	Name of Project	PPP Type	Status	Remarks
Sector: Urban Development				
1	Integrated Residential complex at Ranasinghpur	DBOT	Construction	--
2	Integrated Residential complex at Patrapada	DBOT	Construction	--
3	Integrated Residential and Commercial Complex at Gadakana	BOT	Construction	--
4	Development of Foot Over Bridges at Master Canteen, Rama Devi College and Jaydev Vihar	DBOT	Construction	--
5	Development of Regional Landfill and Municipal Solid Waste Processing Facility for Bhubaneswar and Cuttack , Waste to Energy	DBOT	Construction	M/s Essel Bhubaneswar MSW Ltd. Is the concessionaire
6	Bulk Water Supply project for IIT, NISER, Infocity-II and adjoining areas	BOOT	Construction	Consortium of M/s MEIL is the concessionaire
7	Integrated Residential and Commercial Complex at Shankarpur	BOT	Construction	--
8	Programmatic street lighting project in different ULBs		Construction	Consortium of M/s Neev Energy LLP and M/s HeSalight A/S is selected as concessionaire.
Sector: Transport				
9-10	Two (02) bus terminal at Dhenkanal & Angul	DBFOT	Construction	--
11	Haridaspur-Paradeep Railway Corridor	Beneficiary participation	Construction	M/s HPRDCL is the concessionaire

Sl. No.	Name of Project	PPP Type	Status	Remarks
12	Angul Sukinda Railway Corridor	Beneficiary participation	Construction	M/s ASRL is the concessionaire
Sector: Industrial Infrastructure				
13	Biotech Park in Bhubaneswar	BOT	Construction	M/s Bharat Biotech is the concessionaire
Sector: Roads				
14	Fourlaning of 165 km Sambalpur-Rourkela	BOT(Toll)	Conditions precedent period	M/s L&T is the concessionaire
Sector: Energy related				
15	Roof-top solar project in Bhubaneswar & Cuttack	BOO	Construction	M/s Azure Power India Pvt Ltd is selected as concessionaire.
Sector: Food Supplies & Consumer Service				
16	Development of storage & warehousing infrastructure for rice at 14 different locations (1 st phase).	BOO	Construction	No of individual concessionaire
Sector: Health				
17	Greenfield Hospital and healthcare network of BMC at Bhubaneswar		Condition precedent period	
18	Cardiac Care Hospital at Jharsuguda		Condition precedent period	
Total – 18 Projects				

PPP PROJECTS IN PIPELINE

Sl. No.	Name of Project	PPP Type	Status	Remarks
Sector: Urban Development				
1	Integrated Residential and commercial complex at Suango	DBOT	Pipeline	Selection of developer has been completed.
2	Integrated Residential and commercial complex at Ranasinghpur	DBOT	Pipeline	Selection of developer has been completed.
3	Integrated Residential and commercial Complex at Paikarapur	BOT	Pipeline	Selection of developer has been completed.
4	Shanti Nagar Awas Yojana (Slum Rehabilitation Project)	BOO	Pipeline	--
5	City Bus service in Balasore-Bhadrak Urban Cluster	O&M	Pipeline	--
6	Establishment and operation of laboratories for testing and quality monitoring of water & waste water.	O&M	Pipeline	--
7	Affordable Housing Project under Model-3 of PHAUA-2015 at Chandrasekharapur (20 Acres of Land)	BOO	Pipeline	--
8	Slum rehabilitation and redevelopment housing project under Model-4 of PHAUA-2015 (at Nilamadhav slum in Chandrasekharapur)	BOO	Pipeline	--

Sl. No.	Name of Project	PPP Type	Status	Remarks
Sector: Education				
9	Institute for Training of Trainers (ITOTs) and Specialised Skill Training Institutes	--	Pipeline	--
Sector: Food Supplies & Consumer Service				
10	Development of storage & warehousing infrastructure for rice at 15 different locations. (2 nd phase)	--	Pipeline	--
Total – 10 Projects				
Grand Total – 76 Projects (Odisha)				

APPENDIX – 2.1
(Refer paragraph 2.3.1)

Statement of various grants/appropriations where savings were more than ₹ 10 crore each and more than 20 per cent of the total provision during 2016-17

(₹ in crore)

Sl. No.	Grant No	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Actual Expenditure	Savings out of total Provision	Percentage of savings to total Provision
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Revenue (Voted)						
1	3	Revenue and Disaster Management	5,123.59	3,233.80	1,889.79	36.88
2	5	Finance	11,539.39	7,108.34	4,431.05	38.40
3	8	Odisha Legislative Assembly	44.43	31.56	12.87	28.97
4	15	Sports and Youth Services	47.95	32.00	15.95	33.26
5	36	Women and Child Development	2,907.69	2,108.94	798.75	27.47
Capital (Voted)						
6	1	Home	320.30	238.58	81.72	25.51
7	5	Finance	161.34	105.53	55.81	34.59
8	23	Agriculture and Farmers' Empowerment	243.20	193.20	50.00	20.56
9	30	Energy	3,549.04	2,222.62	1,326.42	37.37
10	31	Handlooms, Textiles and Handicrafts	70.00	0	70.00	100.00
11	32	Tourism and Culture	117.93	87.91	30.02	25.46
12	33	Fisheries and Animal Resources Development	126.95	71.10	55.85	43.99
13	34	Co-operation	297.00	125.77	171.23	57.65
14	39	Skill Development and Technical Education	410.38	311.78	98.60	24.03
15	40	Micro, Small and Medium Enterprises	20.00	7.05	12.95	64.75
Total			24,979.19	15,878.18	9,101.01	36.43

Source: Appropriation Accounts 2016-17, Government of Odisha.

APPENDIX – 2.2
(Refer paragraphs 2.3.4)
List of Grants indicating persistent savings during 2012-17
(₹ in crore)

Sl. No.	Number of the Grant and name of the Department	Amount of savings				
		2012-13	2013-14	2014-15	2015-16	2016-17
Revenue (Charged)						
1	2049- Interest Payments	1,704.36 (38)	2,119.64 (42)	1,918.94 (41)	1,006.70 (23)	614.57 (13)
Revenue (Voted)						
2	1-Home	192.66 (9)	175.54 (7)	178.91 (6)	255.57 (8)	289.00 (8)
3	3-Revenue and Disaster Management	1,033.25 (55)	2,633.53 (43)	1,247.47 (36)	2,038.41 (39)	1,889.79 (37)
4	4-Law	36.58 (19)	22.31 (11)	24.04 (9)	50.92 (16)	31.41 (12)
5	5-Finance	1,549.72 (22)	2,754.72 (29)	2,052.78 (23)	3,233.94 (33)	4,431.05 (38)
6	7-Works	26.24 (2)	31.18 (2)	84.54 (5)	144.24 (8)	421.85 (20)
7	9-Food Supplies and Consumer Welfare	15.96 (1)	40.94 (3)	209.27 (12)	291.55 (19)	51.90 (5)
8	10-School and Mass Education	806.54 (12)	509.22 (7)	1,414.78 (15)	1,942.82 (18)	1,637.59 (14)
9	11- Scheduled Tribes & Scheduled Castes Development, Minorities & Backward Classes Welfare	168.51 (12)	263.10 (16)	373.64 (20)	316.00 (14)	359.40 (15)
10	12-Health and Family Welfare	201.73 (11)	303.30 (14)	651.88 (19)	222.71 (7)	406.52 (9)
11	13-Housing and Urban Development	100.91 (7)	87.89 (4)	500.80 (22)	453.49 (16)	450.85 (15)
12	16-Planning and Convergence	151.25 (13)	144.17 (12)	270.44 (23)	567.28 (48)	41.16 (6)
13	17-Panchayati Raj	437.70 (15)	436.05 (12)	2,064.92 (30)	1,439.68 (16)	664.93 (7)
14	20-Water Resources	158.94 (13)	117.70 (8)	333.91 (19)	152.85 (8)	129.86 (6)
15	22-Forest and Environment	98.06 (17)	166.76 (22)	92.90 (13)	207.28 (26)	65.91 (10)
16	23-Agriculture and Farmers' Empowerment	97.23 (6)	96.39 (5)	348.58 (12)	460.33 (13)	492.05 (14)
17	28-Rural Development	20.11 (2)	68.87 (5)	755.96 (32)	290.26 (11)	245.77 (8)
18	33-Fisheries and Animal Resources Development	77.76 (21)	54.08 (13)	77.11 (16)	78.65 (15)	90.64 (16)
19	36-Women and Child Development	236.48 (7)	249.75 (6)	1,107.72 (24)	351.31 (9)	798.74 (27)
20	37-Information Technology	65.97 (54)	60.57 (43)	43.11 (31)	64.55 (37)	19.46 (15)
21	38-Higher Education	65.67 (5)	66.24 (4)	350.13 (16)	119.24 (6)	283.30 (13)
Capital (Charged)						
22	6004-Loans and Advances from the Central Government	22.86 (4)	25.38 (5)	69.68 (10)	69.39 (10)	102.98 (13)

Sl. No.	Number of the Grant and name of the Department	Amount of savings				
		2012-13	2013-14	2014-15	2015-16	2016-17
Capital (Voted)						
23	20-Water Resources	254.06 (11)	529.08 (19)	558.12 (16)	339.08 (8)	99.82 (2)
24	28-Rural Development	63.84 (10)	32.85 (4)	825.63 (27)	238.62 (5)	262.02 (6)
25	30-Energy	137.54 (25)	82.86 (7)	524.83 (42)	438.30 (22)	1,326.42 (37)
26	39-Skill Development and Technical Education	133.63 (66)	135.29 (49)	78.63 (19)	114.94 (19)	98.60 (24)

Source: Appropriation Accounts for the respective years of Government of Odisha

Note: Figures in brackets represent percentage to total grants

APPENDIX – 2.3
(Refer paragraph 2.3.5)

Unnecessary Supplementary provisions during 2016-17
(₹ 1 crore or more in each case)

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
Revenue (Charged)					
1	1-Home	65.01	58.77	6.24	3.72
2	29-Parliamentary Affairs	7.90	7.60	0.30	1.06
Revenue (Voted)					
3	1-Home	3,481.64	3,288.00	193.64	95.36
4	2-General Administration	143.52	130.76	12.76	4.43
5	3-Revenue and Disaster Management	4,999.96	3,233.80	1,766.16	123.63
6	4-Law	260.07	238.95	21.12	10.30
7	7-Works	2,156.48	1,739.50	416.98	4.86
8	8-Odisha Legislative Assembly	34.69	31.56	3.13	9.74
9	10-School and Mass Education	11,186.26	9,726.44	1,459.82	177.78
10	11-ST & SC Development, Minorities & Backward Classes Welfare	2,320.00	2,079.74	240.25	119.14
11	12-Health and Family welfare	4,054.39	4,032.82	21.57	384.94
12	13-Housing and Urban Development	2,896.71	2,484.12	412.59	38.27
13	14-Labour & Employees State Insurance	96.15	94.68	1.47	11.37
14	15-Sports and Youth Services	46.90	32.00	14.90	1.04
15	16-Planning and Convergence	614.75	605.74	9.01	32.15
16	17-Panchayati Raj	8,437.95	8,311.96	125.99	538.94
17	20-Water Resources	1,993.18	1,940.24	52.94	76.92
18	22-Forest and Environment	601.25	583.82	17.43	48.49
19	23-Agriculture and Farmers' Empowerment	3,403.18	2,980.34	422.84	69.21
20	32-Tourism and Culture	126.46	121.77	4.69	2.43
21	33-Fisheries and Animal Resources Development	559.82	478.88	80.94	9.71
22	34-Co-operation	1,526.23	1,520.49	5.74	116.77
23	36-Women and Child Development	2,788.10	2,108.94	679.16	119.59
24	38-Higher Education	2,126.00	1,903.90	222.10	61.21
25	39-Skill Development and Technical Education	242.72	237.21	5.51	15.75
26	40-Micro, Small and Medium Enterprises	101.69	95.19	6.50	14.43
27	41-Social Security and Empowerment of persons with Disabilities	1,907.04	1,742.04	165.00	98.80
Capital (Charged)					
28	20-Water Resources	12.23	10.52	1.71	3.61
Capital (Voted)					
29	1-Home	257.93	238.58	19.35	62.37
30	6-Commerce	13.30	12.55	0.75	1.23
31	11- ST & SC Development, Minorities and Backward Classes Welfare	517.12	462.83	54.29	28.83
32	21-Transport	295.50	252.44	43.06	1.00
33	26-Excise	5.00	1.56	3.44	5.00
34	30-Energy	2,769.69	2,222.62	547.07	779.35
35	32-Tourism and Culture	116.93	87.91	29.02	1.00

Sl. No.	Number and Name of the Grant	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
36	33- Fisheries and Animal Resources Development	123.68	71.10	52.58	3.27
37	39-Skill Development and Technical Education	388.40	311.78	76.62	21.98
38	40-Micro, Small and Medium Enterprises	10.00	7.05	2.95	10.00
TOTAL		60,687.83	53,488.20	7,199.63	3,107.68

Source: Appropriation Accounts 2016-17, Government of Odisha.

APPENDIX – 2.4
(Refer paragraph 2.3.5)
Excessive supplementary provisions during 2016-17
(₹ 1 crore or more in each case)

(₹ in crore)

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary provision	Total Provision	Actual expenditure	Excess Supplementary provision
Revenue (Charged)						
1	2-General Administration	13.63	10.12	23.75	18.58	5.17
Revenue (Voted)						
2	9-Food Supplies and Consumer Welfare	953.06	177.89	1,130.95	1,079.04	51.91
3	19-Industries	93.27	4.09	97.36	97.22	0.14
4	21-Transport	88.65	21.89	110.54	96.06	14.47
5	25-Information and Public Relation	67.43	28.03	95.46	87.62	7.84
6	28-Rural Development	2,571.66	646.87	3,218.53	2,972.76	245.77
7	29-Parliamentary Affairs	23.92	3.32	27.24	24.01	3.23
8	30-Energy	31.44	47.09	78.53	74.21	4.32
9	35-Public Enterprises	4.49	2.33	6.83	6.78	0.05
Capital (Voted)						
10	2-General Administration	86.76	10.48	97.24	92.04	5.20
11	7-Works	2,370.18	419.65	2,789.83	2,776.56	13.28
12	12-Health and Family Welfare	739.00	80.00	819.00	783.83	35.17
13	15-Sports and Youth Services	38.75	32.60	71.35	70.82	0.53
14	20-Water Resources	5,253.86	644.09	5,897.95	5,798.13	99.82
15	28-Rural Development	3,920.40	645.40	4,565.80	4,303.77	262.02
Grand Total		16,256.50	2,773.85	19,030.36	18,281.43	748.93

Source: Appropriation Accounts 2016-17, Government of Odisha.

APPENDIX – 2.5
(Refer paragraph 2.3.6)

Excess / unnecessary re-appropriation of funds during 2016-17

(₹ in crore)

Sl. No.	Number and Name of the Grant	Description	Net Re-appropriation	Final Excess(+) / Saving(-)
1	1-Home	2055-NP-00-104-1327-Special Police Organisation	-4.58	-3.57
2	1-Home	2055-NP-00-109-0321-District Organisation	-0.32	-3.92
3	5-Finance	2030-NP-02-101-1741-Cost of Stamps- Non-judicial	-1.34	-1.29
4	5-Finance	2052-NP-00-090-3099-Up- gradation of SWAN and Horizontal Connectivity	-3.00	-12.00
5	5-Finance	2052-NP-00-090-3100-VSAT connectivity in un-banked Gram Panchayats	-0.01	-2.40
6	13-Housing and Urban Development	2215-P-SP-02-796-2940-Nirmal Bharat Abhiyan	-10.61	-3.88
7	13-Housing and Urban Development	2217-P-SP-05-191-2916-National Urban Livelihood Mission	-0.89	-5.15
8	13-Housing and Urban Development	2251-NP-00-090-0651-Housing and Urban Development Department	0.00	-4.94
9	13-Housing and Urban Development	3604-NP-00-192-3051-Compensation and Assignment under 4 th State Finance Commission	48.98	-1.52
10	20-Water Resources	2702-NP-01-800-0851-Maintenance and Repair	-2.37	-1.19
11	20-Water Resources	4700-P-SP-15-789-3167-AIBP Under NABARD Funding	-13.94	-5.06
12	20-Water Resources	4700-P-SP-16-796-2160-Accelerated Irrigation Benefit Programme(AIBP)	67.52	-1.49
13	20-Water Resources	4700-P-SP-19-789-2954-CAD & WM Work in AIBP Projects	-0.30	-2.70
14	20-Water Resources	4700-P-SP-19-796-2954- CAD & WM Work in AIBP Projects	-0.13	-1.87
15	20-Water Resources	4700-P-SP-19-800-2954- CAD & WM Work in AIBP Projects	-0.41	-3.54
16	20-Water Resources	4701-P-SP-53-800-2160-AIBP	15.40	-1.09
17	20-Water Resources	4701-P-SP-80-800-2345-Other Plan Programmes for Medium Irrigation	-41.53	-5.14
18	20-Water Resources	4702-P-SP-00-789-2624-Mega Lift Project Under State Plan	5.94	-5.44
19	20-Water Resources	4711-P-SP-03-789-2955-Drainage Improvement Programme(DIP)	1.27	-5.00
20	36-Women and Child Development	2235-P-SP-02-796-2678-Conditional Cash Transfer for Pregnant Women	6.30	-6.30
21	2049-Interest Payments	2049-NP-04-101-1977-External Debt	6.08	-6.50
			72.06	-83.99
22	7-Works	2059-NP-80-001-0127-Chief Engineer, Roads and Buildings – Office Establishment	-0.03	1.71
23	10-School and Mass Education	2202-NP-01-101-2978-Zilla Parishad Cadre Primary School Teachers Transferred from Shiksha Sahayak Cadre	-0.42	3.20
24	13-Housing and Urban Development	2215-P-SP-02-105-2940-Nirmal Bharat Abhiyan	-45.75	6.10
25	13-Housing and Urban Development	2215-P-SP-02-789-2940-Nirmal Bharat Abhiyan	-12.38	1.65

Appendices

Sl. No.	Number and Name of the Grant	Description	Net Re-appropriation	Final Excess(+) / Saving(-)
26	13-Housing and Urban Development	2217-P-SP-05-789-3122-Pradhan Mantri Awas Yojana(PMAY)	-25.60	3.30
27	20-Water Resources	4700-P-SP-15-001-2160-AIBP	-1.66	1.27
28	20-Water Resources	4700-P-SP-16-800-2160-AIBP	27.10	2.32
29	20-Water Resources	4702-P-SP-00-800-2624-Mega Lift Project Under State Plan	48.81	5.45
30	20-Water Resources	4711-P-SP-03-103-2955-DIP	21.44	5.03
31	36- Women and Child Development	2235-P-SP-02-796-0731-Integrated Child Development Service Schemes	-6.30	6.42
32	6003-Internal Debt	6003-NP-00-111-1195-Loans	54.31	56.73
			59.52	93.18

Source: Monthly Appropriation Reports, March 2017 (S), Government of Odisha.

APPENDIX – 2.6
(Refer paragraph 2.3.8)
Surrenders of 100 per cent of total provision made during the year 2016-17
(₹ 10 crore or more in each case)

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in crore)	Percentage of Surrender	Reasons for Surrender
1	3-Revenue and Disaster Management	2245-NP-01-800-1021-Other Relief Measures	12.57	100	Surrendered without assigning any reason
2	3-Revenue and Disaster Management	2245-NP-02-193-2797-Grants-in-Aid for Relief, Repair and Restoration	12.00	100	Surrendered without assigning any reason
3	3-Revenue and Disaster Management	2245-NP-80-800-0836-Lump Provision for Other Works	588.75	100	Reasons for the surrender have not been communicated
4	3-Revenue and Disaster Management	2245-SP-SS-02-193-2192-World Bank Assisted EAP for National Cyclone Risk mitigation work	31.72	100	Reasons for the surrender have not been communicated
5	3-Revenue and Disaster Management	2245-SP-SS-02-796-2192-World Bank Assisted EAP for National Cyclone Risk mitigation work	11.96	100	Reasons for the surrender have not been communicated
6	5-Finance	2075-NP-00-800-2897-Fund for Protection of Interest of Depositors	300.00	100	Entire provision was surrendered due to non-utilisation of fund
7	5-Finance	7615-NP-200-0825-Payment through OTS of Guaranteed Loan towards Principal only of State PSUs/Corporations/Development Agency & Other Organisations	25.00	100	Entire provision was surrendered due to non-utilisation of fund owing to non-receipt of OTS proposals from the Banks/Financial Institutions.
8	12-Health & Family Welfare	2210-CP-DS-06-101-0957-National Malaria Eradication Programme	30.00	100	Entire provision was surrendered without assigning any reason.
9	13-Housing and Urban Development	4217-SP-SS-60-789-3123-Innovative Municipal Financing Facility (ADB Assisted) –EAP	14.03	100	Entire provision was diverted to other heads as per supplementary statement of expenditure.
10	13-Housing and Urban Development	4217-SP-SS-60-796-3123-Innovative Municipal Financing Facility (ADB Assisted) –EAP	19.13	100	Entire provision was diverted to other heads as per supplementary statement of expenditure.
11	13-Housing and Urban Development	4217-SP-SS-60-800-3123-Innovative Municipal Financing Facility (ADB Assisted) –EAP	51.85	100	Entire provision was diverted to other heads as per supplementary statement of expenditure.
12	16-Planning & Convergence	5475-SP-SS-00-800-3172-Viability Gap Fund for Health care facility in PPP mode in Rural inaccessible backward Areas	15.00	100	Entire provision was surrendered due to non-utilisation of Funds under VGF for health care Facility in PPP mode.
13	17-Panchayati Raj	2515-SP-DS-00-800-2945-Rajiv Gandhi Panchayat Sashaktikaran Yojana (RGPSY)	11.56	100	Entire provision was surrendered without assigning any reason.
14	20-Water Resources	2700-NP-11-101-0239-Dam Appurtenant Work-Maintenance	12.55	100	Entire provision was surrendered due to non transfer of civil works of UIHEP to the control of Chief Engineer and Basin Manager, Khatiguda.

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in crore)	Percentage of Surrender	Reasons for Surrender
15	20-Water Resources	4700-SP-SS-14-789-3167-AIBP Under NABARD Funding	10.00	100	Entire provision was surrendered due to vacancy in posts, delay in completion of work, non-finanlisation of tender process and delay in acquisition of land.
16	20-Water Resources	4700-SP-SS-15-789-2954-CAD&WM in AIBP Project	15.00	100	Entire provision was surrendered due to vacancy in posts, delay in completion of work, non-finanlisation of tender process and delay in acquisition of land.
17	20-Water Resources	4700-SP-SS-15-796-2954-CAD&WM in AIBP Project	18.00	100	Entire provision was surrendered due to vacancy in posts, delay in completion of work, non-finanlisation of tender process and delay in acquisition of land.
18	20-Water Resources	4700-SP-SS-15-796-3167-AIBP Under NABARD Funding	38.00	100	Entire provision was surrendered due to vacancy in posts, delay in completion of work, non-finanlisation of tender process and delay in acquisition of land.
19	20-Water Resources	4700-SP-SS-15-800-3167-AIBP Under NABARD Funding	43.00	100	Entire provision was surrendered due to vacancy in posts, delay in completion of work, non-finanlisation of tender process and delay in acquisition of land.
20	23-Agriculture & Farmers' Empowerment	6401-SP-SS-00-103-2981-Corpus Fund for Odisha Agro Industries Corporation Ltd.	30.00	100	Entire provision was surrendered due to discontinuance of seed production & quality planning material by OAIC
21	23-Agriculture & Farmers' Empowerment	6401-SP-SS-00-103-3055-Corpus Fund for Odisha Cashew Development Corporation Ltd.	10.00	100	Entire provision was surrendered due to discontinuance of seed production & quality planning material by OAIC
22	28-Rural Development	4215-SP-DS-01-102-2161-Rural Infrastructure Development Fund	60.00	100	Entire provision was surrendered as per actual requirement
23	28-Rural Development	4215-SP-DS-01-796-2161-Rural Infrastructure Development Fund	23.00	100	Entire provision was surrendered as per actual requirement
24	30-Energy	4801-SP-SS-05-800-3101-Optical Fibre System for GP Level Internet Connectivity	15.00	100	Entire provision was surrendered without assigning any reason.
25	30-Energy	6801-SP-SS-00-205-3103-Odisha Transmission System Improvement Project –JICA-EAP	100.00	100	Entire provision was surrendered due to introduction of Cash Management System in the Department.
26	31-Handlooms, Textile & Handicrafts	6851-SP-DS-195-3116-Odisha Crafts Skill Development & Rural Employment(UTKARSH) - World Bank (EAP)	70.00	100	Entire provision was surrendered due to non-receipt of funds from World Bank.
27	33-Fisherieries & Animal Resources Development.	2405-SP-SS-00-103-3160-Blue Revolution –Integrated Development & Management of Fisheries.	10.50	100	Entire provision was surrendered due to less requirement. However reasons of less requirement have not been communicated.

Sl. No.	Number and title of Grant	Name of the scheme (Head of Account)	Amount of Surrender (₹ in crore)	Percentage of Surrender	Reasons for Surrender
28	33-Fishereries & Animal Resources Development.	4404-SP-SS-00-102-2161-Rural Infrastructure Development Fund(RIDF)	30.00	100	Reasons for the surrender has not been communicated
29	33-Fishereries & Animal Resources Development.	4404-SP-SS-00-796-2161-Rural Infrastructure Development Fund(RIDF)	11.50	100	Reasons for the surrender has not been communicated
30	34-Co-operation	4425-SP-SS-00-107-3161-Warehousing Infrastructure Fund	60.00	100	Surrendered as per Government decision.
31	34-Co-operation	4425-SP-SS-00-789-3161-Warehousing Infrastructure Fund	17.00	100	Surrendered as per Government decision.
32	34-Co-operation	4425-SP-SS-00-796-3161-Warehousing Infrastructure Fund	23.00	100	Surrendered as per Government decision.
33	38-Higher Education	2202-SP-SS-03-102-3111-Strengthening of Higher Education in Odisha-(World Bank)-EAP	30.00	100	Entire provision was surrendered due to non-receipt of assistance.
34	38-Higher Education	2202-SP-SS-03-104-3111-Strengthening of Higher Education in Odisha-(World Bank)-EAP	18.00	100	Entire provision was surrendered due to non-receipt of assistance.
35	40-Micro, Small and Medium Enterprises	2851-SP-DS-00-102-2334-Grants/ Assistance for Micro, Small & Medium Industries	10.00	100	Entire provision was surrendered due to non-approval of the scheme by EFC
36	40-Micro, Small and Medium Enterprises	5475-SP-SS-800-2200-Venture Capital Fund for Startups	10.00	100	Entire provision was surrendered as per supplementary statement of expenditure.
TOTAL			1,788.12		

Source: Appropriation Accounts 2016-17

APPENDIX – 2.7
(Refer paragraph 2.3.10)

Statement showing details of savings of ₹ 1 crore and above not surrendered during 2016-17

(₹ in crore)

Sl. No.	Number and Name of Grants/Appropriation	Total Provision	Savings	Surrender	Savings which remained to be surrendered
(1)	(2)	(3)	(4)	(5)	(6)
Revenue (Charged)					
1	2049-Interest Payments	4,650.00	614.57	608.07	6.50
Revenue (Voted)					
2	1-Home	3,577.00	289.00	270.51	18.49
3	3-Revenue and Disaster Management	5,123.59	1,889.79	1,888.35	1.44
4	5-Finance	11,539.39	4,431.05	4,416.48	14.57
5	6-Commerce	67.69	7.34	4.86	2.48
6	10-School and Mass Education	11,364.03	1,637.59	1,636.46	1.13
7	13-Housing and Urban Development	2,934.98	450.85	436.40	14.45
8	20-Water Resource	2,070.10	129.86	110.12	19.74
9	22-Forest and Environment	649.74	65.91	64.49	1.42
10	28-Rural Development	3,218.53	245.77	242.87	2.90
11	37-Electronics and Information Technology	130.70	19.46	17.00	2.46
12	38-Higher Education	2,187.20	283.30	279.77	3.53
13	41-Social Security and Empowerment of Persons with Disabilities	2,005.85	263.81	48.82	214.99
Total for Revenue		49,518.80	10,328.30	10,024.20	304.10
Capital (Charged)					
14	20-Water Resources	15.84	5.33	3.18	2.15
Capital (Voted)					
15	5-Finance	161.35	55.81	36.49	19.32
16	20-Water Resources	5,897.95	99.82	85.29	14.53
17	40-Micro, Small and Medium Enterprises	20.00	12.95	10.00	2.95
Total for Capital		6,095.14	173.91	134.96	38.95
Grand Total		55,613.94	10,502.21	10,159.16	343.05

Source: Appropriation Accounts 2016-17, Government of Odisha.

APPENDIX – 2.8
(Refer paragraph 2.3.10)

Grant / major head of account-wise surrender of funds in excess of ₹ 10 crore and more than 20 percent of the total provision in each case on 31 March 2017

Sl. No.	Grant Number	Major Head of Account	Total Provision (O+S) (₹ in crore)	Amount of Surrender (₹ in crore)	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1	1	4059-Capital Outlay on Public Works	192.48	65.99	34.28
2	3	2052- Secretariat-General Services	64.91	16.85	25.96
3		2245-Relief on account of Natural Calamities	4,319.40	1,773.74	41.06
4		2506-Land Reforms	35.69	11.02	30.88
5		3454-Census Surveys and Statistics	16.00	10.95	68.44
6		4059- Capital Outlay on Public Works	56.00	12.30	21.96
7		5	2071-Pensions and Other Retirement Benefits	9,490.00	2,650.67
8	2075-Miscellaneous General Services		300.01	300.01	100.00
9	7615-Miscellaneous Loans		25.00	25.00	100.00
10	7	3054-Roads and Bridges	1,403.02	456.03	32.50
11	8	2011- Parliament/State/Union Territory Legislatures	40.22	12.22	30.38
12	9	3456-Civil Supplies	48.39	19.31	39.90
13	13	2217-Urban Development	1,231.86	418.21	33.95
14	15	2204-Sports and Youth Services	39.09	15.01	38.40
15	16	2401-Crop Husbandry	53.86	21.40	39.73
16	22	3435-Ecology and Environment	35.78	12.89	36.03
17	23	2402-Soil and Water Conservation	398.10	121.11	30.41
18		4401-Capital Outlay on Crop Husbandry	43.20	10.00	23.15
19	30	6801-Loans for Power Projects	1,468.18	1,296.52	88.31
20	31	6851-Loans for Village and Small Industries	70.00	70.00	100.00
21	32	5452-Capital Outlay on Tourism	106.93	30.00	28.06
22	33	4404-Capital Outlay on Diary Development	50.00	50.00	100.00
23	34	4425- Capital Outlay on Co-operation	127.00	76.20	60.00
24		6425-Loans for Co-operation	100.00	95.00	95.00
25	36	2235-Social Security and Welfare	2,804.23	775.90	27.67
26		2236-Nutrition	94.35	22.76	24.12
27	38	2204-Sports and Youth Services	34.06	11.05	32.44
28	39	4250-Capital Outlay on Other Social Services	206.10	68.50	33.24
Total			22,853.86	8,448.64	36.97

Source: Principal Accountant General (A&E), Odisha.

APPENDIX – 2.9
(Refer paragraph 2.5.1)

Rush of expenditure during last quarter and last month of 2016-17

Sl. No.	Grant Number	Head of account Scheme/Service Major Head/Sub Major Head/Minor Head/Sub Head/Description	Expenditure incurred during Jan-March 2017	Expenditure incurred in March 2017	Total expenditure during the year 2016-17	Percentage of total expenditure incurred during	
						Jan-March 2017	March 2017
(1)	(2)	(3)	(₹ in crore)			(7)	(8)
			(4)	(5)	(6)		
1	1	2052-00-P-CP-090-3196-Victim Compensation Scheme under Nirvaya Fund	10.60	10.60	10.60	100.00	100.00
2	1	2055-P-CP-114-3190- Crime and Criminal Tracking Network & System	25.31	25.31	25.31	100.00	100.00
3	7	3054-P-SP-797-1361-State Road Fund	168.76	168.76	168.76	100.00	100.00
4	9	2408-01-NP-101-3187-Minimum Support Price for Farmers.	80.00	80.00	80.00	100.00	100.00
5	10	2202-01-NP-102-2053-Infrastrucure Development	11.70	11.70	11.70	100.00	100.00
6	11	2225-02-P-CP-796-0412-Establishment of Micro Project for Primitive Tribes(under ITDP)	16.54	16.54	16.54	100.00	100.00
7	11	2225-03-P-SP-277-2418- Post Matric Scholarship & Stipend to OBC Student (P)	25.75	24.04	25.75	100.00	93.36
8	13	2217-05-NP-191-3096-Performance Grants to local bodies recommended by 14 th Finance Commission	24.74	24.74	24.74	100.00	100.00
9	13	2217-05-NP-192-3096- Performance Grants to local bodies recommended by 14 th Finance Commission	34.54	34.54	34.54	100.00	100.00
10	16	5475-00-P-SP-800-2618-State Viability Gap Fund(VGF) Assistance for Infrastructure Development	25.89	25.89	25.89	100.00	100.00
11	17	2515-00-NP-198-3096- Performance Grants to local bodies recommended by 14 th Finance Commission	173.55	173.55	173.55	100.00	100.00
12	21	5075-60-P-SP-190-2827-Equity Contribution for Development of Commercially Viable Railway Projects in the State to be executed through SPVS	63.88	63.11	63.88	100.00	98.79
13	23	2401-00-P-SP-115-2866-Biju Krushak Kalyan Yojana	44.97	44.97	45.18	99.54	99.54
14	23	2401-00-P-SP-789-2866-Biju Krushak Kalyan Yojana	14.43	14.43	14.43	100.00	100.00
15	23	2401-00-P-SP-796-2866- Biju Krushak Kalyan Yojana	14.25	14.25	14.25	100.00	100.00
16	30	4801-06-P-SP-796-2153- Rajiv Gandhi Gramin Vidyutikaran Yojana	27.74	27.74	27.74	100.00	100.00
17	30	4801-P-SP-06-800-3008-Dindayal Upadhaya Gram Jyoti Yojana	100.00	100.00	100.00	100.00	100.00
18	30	6801-00-P-SP-205-3009-Integrated Power Development Scheme	50.00	50.00	50.00	100.00	100.00
19	33	2405-00-P-SP-789-3160-Blue Revolution - Integrated Development and Management of Fisheries	14.34	14.34	14.34	100.00	100.00
		Total	926.99	924.51	927.20		

Source: Monthly Appropriation Reports 2016-17, Govt. of Odisha

APPENDIX – 2.10
(Refer paragraph 2.5.2)

**Release of money at the fag end of the Financial Year 2016-17
amounting to ₹ 351.24 crore**

Sl No.	Name of Department- Scheme	Sanction order No	Date	Amount (in crore)
1	Revenue & Disaster Management- Upgradation of National Population Registers(NPR)	9899	25/03/2017	0.56
		9907	25/03/2017	0.23
			Total	0.79
2	ST&SC Development, Minorities & Backward Classes Welfare- Grant-in-aid (GIA) for opening of two ITI and hostels under Multi Sector Development Programme (MSDP)	6510	29/03/2017	4.05
			Total	4.05
3	Health and Family Welfare- Upgradation of existing Government Medical Colleges to increase MBBS seat, GIA for implementation of infrastructure maintenance of Family Welfare Scheme and National Health Mission Scheme	8620	27/03/2017	1.48
		8630	27/03/2017	2.36
		8625	27/03/2017	0.72
		8837	30/03/2017	12.11
		9017	31/03/2017	9.81
		9011	31/03/2017	14.85
			Total	41.33
4	Housing & Urban Development- e-Municipality Project in ULBs	7133	27/03/2017	1.64
			Total	1.64
5	Panchayati Raj- GIA for Rurban clusters under National Rurban Mission (NRuM) Scheme and Odisha Livelihood Mission (OLM) Aajeevika	5438	30/03/2017	19.20
		5476	31/03/2017	2.14
		5477	31/03/2017	9.69
		5535	31/03/2017	3.48
		5475	31/03/2017	4.07
			Total	38.58
6	Rural Development- Swaschha Bharat Mission and National Rural Drinking Water Programme(NRDWP)	28551600142016	27/03/2017	174.91
		28551600142016	27/03/2017	22.96
		28551600142016	27/03/2017	21.27
		28551600142016	27/03/2017	1.38
		28551600142016	27/03/2017	25.62
			Total	246.14
7	Women and Child Development- Indira Gandhi Matritva Sahayog Yojana(IGMSY)-Conditional Maternity Benefit(CMB) Scheme, For computerization and e-governance, ICDS (General) Scheme and State Resource Centre for Women (SRCW) under National Mission for Empowerment of Women (NMEW)	5475	25/03/2017	5.51
		5470	25/03/2017	1.59
		5465	25/03/2017	2.24
		5507	27/03/2017	0.11
		5551	27/03/2017	2.98
		5485	25/03/2017	2.35
		5785	31/03/2017	0.10
			Total	14.88
8	Electronics and Information Technology- Establishment of International Institute of Information Technology (IIIT) and Establishment of Software Technology Parks of India (STPI) at Balasore	1217	25/03/2017	3.08
		1266	30/03/2017	0.75
			Total	3.83
Grand Total				351.24

Source: Sanction orders received from respective Departments

APPENDIX – 3.1
(Refer paragraph 3.1)

Statement showing details of utilisation certificates pending for receipt by different departments of the State Government at the end of 2016-17

(₹ in crore)

Sl. No.	Name of the Department	Amount outstanding as on 31.03.2017	No. of GIA Vouchers for which UCs were awaited
1	Agriculture and Farmers' Empowerment	54.70	27
2	Co-operation	73.17	35
3	Commerce*	0.00	1
4	Energy	41.44	2
5	Finance	0.18	7
6	Fisheries and Animal Resources Development	48.12	175
7	Food Supplies and Consumer Welfare	36.63	59
8	Forest and Environment	11.40	20
9	General Administration	86.33	59
10	Health and Family Welfare	2,055.67	320
11	Higher Education	873.62	415
12	Home	0.44	9
13	Housing and Urban Development	3,994.92	9,980
14	Industries	49.36	13
15	Electronics and Information Technology	403.01	177
16	Information and Public Relations	0.02	1
17	Labour and Employees' State Insurance	167.00	21
18	Law	135.33	128
19	Micro, Small and Medium Enterprises	39.99	96
20	Panchayati Raj	11,808.93	8,083
21	Planning and Co-ordination	2,322.50	1,610
22	Revenue and Disaster Management	788.41	406
23	Rural Development	2,455.63	38
24	ST & SC Development, Minorities & Backward Classes Welfare	1,211.95	3,199
25	School and Mass Education	2,109.00	288
26	Science and Technology	131.26	172
27	Skill Development & Technical Education	441.32	221
28	Social Security and Empowerment	26.89	343
29	Sports and Youth Services	2.37	59
30	Handloom, Textile and Handicrafts	71.21	137
31	Tourism and Culture	150.60	527
32	Transport	12.81	1
33	Water Resources	445.57	472
34	Women and Child Development	484.08	647
35	Works	0.10	5
Total		30,533.95	27,753

Source: Compiled from the information received from Principal Accountant General (A&E), Odisha.

*Amount shown as ₹ 0.00 against Commerce department (₹ 4,200) is due to rounding of the amount in crore.

APPENDIX – 3.2

(Refer paragraph 3.1)

Statement showing details of UCs pending for more than ten years as on 31-03-2017**(₹ in crore)**

Sl.No	Department Name	Period for which UC wanting	Outstanding UC amount	No. of GIA Vouchers for which UCs were awaited
1	Electronics and Information Technology	2003-2006	6.05	19
2	Finance	2003-2004	0.08	1
3	Fisheries and Animal Resources Development	2003-2006	1.73	16
4	General Administration	2003-2004	0.03	1
5	Higher Education		3.89	41
6	Housing and Urban Development	2003-2006	91.10	1,386
7	Labour and Employees State Insurance	2004-2005	0.05	1
8	Law	2003-2006	1.74	25
9	Micro Small and Medium Enterprises*	2005-2006	0	2
10	Panchayatiraj	2003-2006	250.87	1,196
11	Planning and Convergence	2003-2006	88.78	201
12	Revenue and Disaster Management	2003-2006	181.62	39
13	Rural Development	2003-2006	1.17	2
14	ST and SC Development Minorities and Backward Class*	2004-2005	0	1
15	School and Mass Education	2003-2006	4.53	30
16	Science and Technology	2003-2006	3.05	6
17	Skill Development and Technical Education	2003-2006	8.53	46
18	Sports and Youth Services*	2003-2004	0	1
19	Tourism and Culture	2003-2006	2.81	68
20	Water Resources	2003-2006	1.45	35
	Total		647.48	3,117

Source : VLC database

*Amount shown as ₹ 0.00 against Micro Small and Medium Enterprises (₹ 38,255), ST and SC Development Minorities and Backward Class (₹ 3,000) and Sports and Youth Services (₹ 5,000), due to rounding off of the amount in crore.

APPENDIX – 3.3
(Refer paragraph 3.2)

List of Bodies/Authorities which received Grants during 2012-17

(₹ in crore)

Sl. No	Body/Authority receiving Grants	Name of the Department	Year					Total
			2012-13	2013-14	2014-15	2015-16	2016-17	
1.	Odisha Schedule Caste & Schedule Tribe Development Finance Co-operative Corporation Ltd. (OSFDC)	ST & SC Dev. and Minorities & Backward Classes Welfare	56.71	50.83	26.27	37.88	154.90	326.59
2.	Tribal Development Co-operative Corporation of Odisha Ltd. (TDCCOL)	ST & SC Dev. and Minorities & Backward Classes Welfare	1.76	53.63	23.31	14.83	4.00	97.53
3.	Odisha Backward Classes Finance & Development Co-operative Corporation Ltd. (OBCFDCC)	ST & SC Dev. and Minorities & Backward Classes Welfare	0.22	0.57	0.56	4.31	0.53	6.19
4.	Odisha Tribal Empowerment & Livelihood Programme (OTELP)	ST & SC Dev. and Minorities & Backward Classes Welfare	30.00	10.50	50.00	8.00	33.50	132.00
5.	Academy of Tribal Languages & Culture, Bhubaneswar	ST & SC Dev. and Minorities & Backward Classes Welfare	0.50	0.80	0.80	2.15	2.74	6.99
6.	Infrastructure Development Corporation of Odisha (IDCO)	Industries	21.50	20.00	21.00	1.00	58.73	122.23
7.	Industrial Development Corporation of Odisha Ltd.	Industries	-	-	-	-	1.00	1.00
8.	Odisha Renewable Energy Development Agency (OREDA)	Science & Technology	16.75	10.78	56.24	35.22	77.97	196.96
9.	Odisha Space Application Centre (OSAC)	Science & Technology	8.64	12.09	14.55	13.73	14.09	63.10
10.	Odisha Bigyan Academy (OBA)	Science & Technology	1.42	1.57	0.63	1.25	1.43	6.30
11.	Pathani Samanta Planetarium (PSP)	Science & Technology	6.67	6.27	5.36	3.36	3.40	25.06
12.	Institute of Material Science (IMS)	Science & Technology	2.98	1.74	4.70	2.50	2.60	14.52
13.	Institute of Mathematics & Applications (IMA)	Science & Technology	2.25	1.10	1.75	3.88	3.90	12.88
14.	Odisha Lift Irrigation Corporation Ltd.	Water Resources	39.79	50.96	50.58	182.01	281.77	605.11
15.	WALMI Odisha	Water Resources	6.55	6.37	6.83	7.41	8.55	35.71
16.	CE, MI, Odisha	Water Resources	-	-	-	-	40.61	40.61
17.	M.D., O.L.I.C./O.A.I.C. Ltd.	Water Resources	-	-	-	-	237.07	237.07
18.	P.D., CADA, Cuttack	Water Resources	-	-	-	-	78.79	78.79
19.	P.D., CADA, Sambalpur	Water Resources	-	-	-	-	22.96	22.96
20.	P.D., CADA, Berhampur	Water Resources	-	-	-	-	118.99	118.99
21.	Odisha State Road Transport Corporation, Bhubaneswar (OSRTC)	Commerce & Transport (Transport)	8.00	10.00	9.00	25.00	40.00	92.00
22.	Regional Plant Resource Centre	Forest and Environment	5.50	6.15	6.60	7.50	8.00	33.75
23.	Chilika Development Authority	Forest and Environment	13.52	13.88	14.39	6.02	8.82	56.63
24.	Centre for Environment Studies	Forest and Environment	1.65	1.70	1.70	1.07	1.70	7.82
25.	District Environment Society	Forest and Environment	0.50	0.60	0.00	0.31	0.08	1.49
26.	State Environment Impact Assessment Authority/State Expert Appraisal Committee	Forest and Environment	0.10	0.13	0.20	0.31	0.50	1.24
27.	Integrated Coastal Zone Management Project (ICZMP)	Forest and Environment	4.50	10.90	7.11	0.32	0.00	22.83

Sl. No	Body/Authority receiving Grants	Name of the Department	Year					Total
			2012-13	2013-14	2014-15	2015-16	2016-17	
28.	Odisha Wetland Development Authority	Forest and Environment	1.00	0.50	1.00	0.00	0.00	2.50
29.	Appellate Authority	Forest and Environment	0.13	0.02	0.12	0.02	0.15	0.44
30.	State Medicinal Plant Board, Odisha	Forest and Environment	0.62	0.50	1.20	1.20	1.20	4.72
31.	Odisha Forestry Sector Development Society	Forest and Environment	73.07	75.73	49.84	0.05	0.00	198.69
32.	Aska Coop. Sugar Industries Ltd., Aska	Cooperation	-	-	-	-	2.50	2.50
33.	Baragarh Coop. Sugar Mill Ltd., Baragarh	Cooperation	-	-	-	-	2.50	2.50
34.	Odisha State Coop. Union Ltd., Bhubaneswar	Cooperation	-	-	-	-	0.30	0.30
35.	PACS/LAMPCS	Cooperation	-	-	-	-	1.96	1.96
36.	SCS/PACS/LAMPCS	Cooperation	-	-	-	-	4.94	4.94
37.	MARKFED	Cooperation	-	-	-	-	5.00	5.00
38.	General Secretary, Cultural Association of Coop. Department	Cooperation	-	-	-	-	0.01	0.01
39.	State Institute of Hotel Management, Balangir	Tourism	1.00	1.00	1.00	1.10	1.10	5.20

Source: Information furnished by respective Departments.

N.B: Nine Departments (i) Parliamentary Affairs, (ii) Fisheries & Animal Resources Development, (iii) Information and Public Relations, (iv) Steel & Mines, (v) Excise, (vi) Works, (vii) Energy, (viii) Public Enterprises, (ix) Rural Development have given 'NIL' report.

APPENDIX – 3.4
(Refer paragraph 3.4)

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

Sl. No.	Name of the Activities /Schemes under the Department	No. of Activities/ Schemes under the Department	Years from which Accounts are due	Investment as per the last accounts finalised (₹ in Lakh)	Remarks/Reasons for delay in preparation of accounts
Department: Forest and Environment					
1	Nationalisation of Kendu Leaves operated by Chief Conservator of Forests (Kendu leaves), Odisha	1	2011-12	70.09	Arrear of accounts for six years.
Department : Agriculture and Co-operation					
2	Cold Storage Plant, Kumarmunda	1	1972	11.97	Arrear of accounts for 45 years.
3	Cold Storage Plant, Similiguda	1	1977	16.15	Arrear of accounts for 40 years.
4	Cold Storage Plant, Paralakhemundi	1	1984	6.36	Arrear of accounts for 33 years.
5	Cold Storage Plant, Bolangir	1	1994	7.92	Arrear of accounts for 23 years.
6	Cold Storage Plant, Bhubaneswar	1	1975	17.89	Transferred (March 1979) to Odisha State Seeds Corporation Limited. Arrear of accounts for 10 years.
7	Cold Storage Plant, Sambalpur	1	1971	NA	Transferred (March 1979) to Odisha State Seeds Corporation Limited. Arrear of accounts for 14 years.
8	Purchase and Distribution of Quality Seeds to Cultivators	1	1977-78	NA	Proforma Accounts not prescribed by the State Government.
Department : Food Supplies and Consumer Welfare					
9	Grain Purchase Scheme	1	1977-78	NA	Transferred (September 1980) to Odisha State Seeds Corporation Limited. Arrear of accounts for nine years.
Department : Commerce and Transport (Transport)					
10	State Transport Service	1	1972-73	NA	Transferred (May 1974) to Odisha State Road Transport Corporation. Arrear of accounts for eight years.
Department : Commerce and Transport (Commerce)					
11	Director Printing, Stationery and Publication, Odisha, Cuttack (Government Press)	1	1977-78	NA	Proforma Accounts are not prepared though it is required under the provision of Odisha Government Press Manual. Arrear of accounts for 39 years.
Department : Fisheries and Animal Resources Development					
12	Poultry Development	1	--	NA	Proforma accounts not prescribed by the State Government.
Inoperative/Closed Activities/Schemes					Year from which remained closed or inoperative
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

Source: Finance Accounts 2016-17, Government of Odisha.

APPENDIX – 3.5
(Refer paragraph 3.5)

**Department wise/duration wise break-up of the cases of misappropriations, losses and defalcations, etc,
(Cases where final action was pending at the end of March 2017)**

(₹ in lakh)

Sl. No.	Name of the Department	Up to 5 years 2012-13 to 2016-17		5 to 10 years 2007-08 to 2011-12		10 to 15 years 2003-04 to 2006-07		15 to 20 years 1997-98 to 2002-2003		20 to 25 years 1992-93 to 1996-97		25 to More from inception upto 1991-92		Total	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Finance	0	0.00	0	0.00	0	0.00	0	0.00	1	4.85	3	5.04	4	9.89
2	Revenue & Disaster Management	0	0.00	0	0.00	5	110.60	0	0.00	4	4.02	13	26.90	22	141.51
3	Law	0	0.00	0	0.00	1	2.21	0	0.00	3	3.68	0	0.00	4	5.89
4	Water Resources	1	15.00	2	0.62	36	50.20	43	101.32	81	27.36	54	63.79	217	258.29
5	Rural Development	0	0.00	0	0.00	9	61.35	4	5.80	30	17.48	10	9.77	53	94.4
6	Energy	0	0.00	0	0.00	0	0.00	0	0.00	4	227.66	2	16.00	6	243.66
7	Skill Development and Technical Education	0	0.00	1	1.25	0	0.00	4	6.80	0	0.00	1	2.48	6	10.52
8	Micro, Small and Medium Enterprises	0	0.00	1	11.59	0	0.00	0	0.00	1	0.08	1	0.05	3	11.72
9	ST&SC Development	0	0.00	1	0.73	1	2.01	1	0.95	0	0.00	5	3.19	8	6.88
10	Health & Family Welfare	0	0.00	1	0.03	0	0.00	2	4.52	7	7.23	17	43.88	27	55.67
11	General Administration & Public Grievances	0	0.00	0	0.00	0	0.00	2	0.71	0	0.00	0	0.00	2	0.71
12	Works	0	0.00	0	0.00	8	5.77	30	51.17	18	7.04	25	121.19	81	185.17
13	Commerce & Transport	0	0.00	0	0.00	3	6.18	0	0.00	0	0.00	5	3.09	8	9.27
14	School & Mass Education	0	0.00	0	0.00	0	0.00	3	26.00	3	3.49	5	7.18	11	36.67
15	Higher Education	0	0.00	2	3.29	0	0.00	0	0.00	2	7.73	1	3.53	5	14.55
16	Fisheries & ARD	0	0.00	0	0.00	1	0.31	3	0.17	5	2.89	10	72.02	19	75.39
17	Agriculture & Farmers' Empowerment	0	0.00	4	17.2	4	31.46	14	20.12	23	12.98	19	24.17	64	105.94
18	Co-Operation	0	0.00	0	0.00	0	0.00	1	0.94	1	2.54	1	0.71	3	4.19
19	Panchayati Raj	0	0.00	0	0.00	2	4.32	1	7.11	4	8.91	11	13.65	18	33.99
20	Home	0	0.00	0	0.00	0	0.00	0	0.00	2	13.20	1	1.77	3	14.97
21	Food Supplies & Consumer Welfare	0	0.00	0	0.00	0	0.00	0	0.00	1	0.10	2	2.94	3	3.04
22	Housing & Urban Development	0	0.00	0	0.00	10	31.72	18	7.06	8	7.15	11	22.98	47	68.91

Sl. No.	Name of the Department	Up to 5 years 2012-13 to 2016-17		5 to 10 years 2007-08 to 2011-12		10 to 15 years 2003-04 to 2006-07		15 to 20 years 1997-98 to 2002-2003		20 to 25 years 1992-93 to 1996-97		25 to More from inception upto 1991-92		Total	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
23	Information & Public Relations	0	0.00	0	0.00	0	0.00	17	1.44	35	3.21	7	1.67	59	6.32
24	Forest & Environment	31	167.66	0	0.00	0	0.00	2	55.12	4	3.10	7	23.76	44	249.64
Total		32	182.66	12	34.71	80	306.13	145	289.23	236	364.70	212	469.76	717	1,647.19

Source: Compiled from the information received from various departments of the State Government.

APPENDIX – 3.6
(Refer paragraph 3.5)
Department/Category wise details in respect of cases of loss to Government
due to theft, misappropriation/loss of Government material

(₹ in lakh)

Sl No.	Name of Department	Theft Cases		Misappropriation/ Loss of Government Material		Total	
		Number of Cases	Amount	Number of Cases	Amount	Number of Cases	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Finance	0	0.00	4	9.89	4	9.89
2	Revenue & Disaster Management	6	4.10	16	137.41	22	141.51
3	Law	1	0.64	3	5.25	4	5.89
4	Water Resources	147	150.05	70	108.24	217	258.29
5	Rural Development	38	75.93	15	18.47	53	94.40
6	Energy	1	1.17	5	242.49	6	243.66
7	Skill Development and Technical Education	4	3.80	2	6.72	6	10.52
8	Micro, Small and Medium Enterprises	0	0.00	3	11.72	3	11.72
9	ST&SC Development	1	0.73	7	6.15	8	6.88
10	Health & Family Welfare	8	6.12	19	49.55	27	55.67
11	General Administration & Public Grievances	2	0.71	0	0.00	2	0.71
12	Works	38	14.8	43	170.37	81	185.17
13	Commerce & Transport	3	6.18	5	3.09	8	9.27
14	School & Mass Education	0	0.00	11	36.67	11	36.67
15	Higher Education	1	0.08	4	14.47	5	14.55
16	Fisheries and ARD	6	1.43	13	73.96	19	75.39
17	Agriculture & Farmers' Empowerment	31	16.67	33	89.27	64	105.94
18	Co-Operation	1	0.71	2	3.48	3	4.19
19	Panchayati Raj	7	16.89	11	17.10	18	33.99
20	Home	0	0.00	3	14.97	3	14.97
21	Food Supplies & Consumer Welfare	1	0.10	2	2.94	3	3.04
22	Housing & Urban Development	33	43.98	14	24.93	47	68.91
23	Information & Public Relations	53	4.38	6	1.94	59	6.32
24	Forest & Environment	8	48.09	36	201.55	44	249.64
Total		390	396.56	327	1,250.63	717	1,647.19

Source: Compiled from the information received from various departments of the State Government.

APPENDIX – 3.7
(Refer paragraph 3.5)

Department-wise details of written off cases of Misappropriations, Losses & Defalcations for 2016-17

Sl. No.	Department	Authority sanctioning write off	Brief particular of the case	Case No/ Year	Amount (in ₹)	Amount written off (in ₹)
1	I&PR	DIPRO, Nuapada	Theft case of 51cm RD TV Konark/BW SI No N 62025 at Primary school Bhojpur, Khariar block in Nawapara Dist	2497/ 1995-96	5,000.00	5,000.00
2	H&FW	Medical Officer I/C, CHC, Bukurmunda	Theft of Govt. Cash of PHC Bukurmunda in Sambalpur District	2270/ 1990-91	66,643.00	2,955.00
3	H&FW	Drugs Inspector, Odisha, Jajpur Range, Jajpur Road	Theft of office cash on 27-3-06 night in the O/o Drugs Inspector, Jajpur Range, Jajpur Road	2620/ 2008-09	3,000.00	3,000.00
4	H&FW	Director of Family Welfare, Odisha	Misappropriation of govt. money in the office of the zonal medical officer Mass B.C.G.Vaccination Programme, Sambalpur	898/ 1970-71	62,184.92	62,184.92
5	H&FW	F.A.-cum-Joint Secretary to Govt.	Shortage and misappropriation of cash in the O/o Addl.CDMO (FW) Baripada	2296/ 1990-91	6,50,716.00	6,50,716.00
6	H&FW	Director of Health Services, Odisha	Misappropriation of govt. money in the accounts of district headquarters Hospital, Balasore	1372/ 1976-77	83,960.90	83,960.00
7	H&FW	F.A.-cum-Joint Secretary to Govt.	Misappropriation of govt. money found in the accounts of Mental H.I. of S.C.B.Medical College, Cuttack for the year 1972-73 to 1975-76	1508/ 1977-78	1,62,549.96	1,62,549.96
TOTAL					10,34,054.78	9,70,365.88

Source: Compiled from the information received from various departments of the State Government.

APPENDIX – 3.8
(Refer paragraph 3.5)

Reasons for which the cases of misappropriation/loss/ defalcations were pending

(₹ in lakh)

Sl. No.	Name of the Department	(A) Under Departmental/ Criminal Investigation		(B) Departmental action started but not finalized		(C) Certificate case is pending		(D) Recovery order received/ awaited		(E) Case is sub-judice		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
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	Finance	0	0.00	0	0.00	0	0.00	0	0.00	4	9.89	4	9.89
2	Revenue & Disaster Management	3	1.42	6	6.31	4	2.41	3	4.07	6	127.30	22	141.51
3	Law	0	0.00	1	2.21	0	0.00	0	0.00	3	3.68	4	5.89
4	Water Resources	106	162.21	103	84.45	1	0	4	11.11	3	0.52	217	258.29
5	Rural Development	30	77.22	22	17.18	0	0.00	0	0.00	1	0.00	53	94.40
6	Energy	1	15.98	4	226.51	1	1.17	0	0.00	0	0.00	6	243.66
7	Skill Development and Technical Education	1	4.24	1	1.25	0	0.00	0	0.00	4	5.03	6	10.52
8	Micro, Small and Medium Enterprises	1	11.59	1	0.08	0	0.00	1	0.05	0	0.00	3	11.72
9	ST&SC Development	2	2.74	4	3.19	0	0.00	2	0.95	0	0.00	8	6.88
10	Health & Family Welfare	2	0.40	4	6.62	0	0.00	6	8.20	15	40.45	27	55.67
11	General Administration & Public Grievances	0	0.00	0	0.00	0	0.00	2	0.71	0	0.00	2	0.71
12	Works	32	38.48	45	142.28	1	0.41	0	0	3	4.00	81	185.17
13	Commerce & Transport	4	6.18	2	1.04	0	0	1	0.75	1	1.3	8	9.27
14	School & Mass Education	5	10.65	1	1.31	0	0.00	0	0.00	5	24.71	11	36.67
15	Higher Education	2	3.29	0	0.00	0	0.00	1	0.08	2	11.18	5	14.55
16	Fisheries & ARD	0	0.00	10	54.55	0	0.00	5	4.55	4	16.29	19	75.39
17	Agriculture & Farmers' Empowerment	5	13.5	19	61.16	0	0	13	4.79	27	26.49	64	105.94
18	Co-Operation	0	0.00	1	0.94	0	0.00	0	0.00	2	3.25	3	4.19
19	Panchayati Raj & Drinking Water	10	21.11	4	10.97	0	0.00	3	1.51	1	0.40	18	33.99

Sl. No.	Name of the Department	(A) Under Departmental/ Criminal Investigation		(B) Departmental action started but not finalized		(C) Certificate case is pending		(D) Recovery order received/ awaited		(E) Case is sub-judice		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
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
20	Home	0	0.00	0	0.00	1	12.70	0	0.00	2	2.27	3	14.97
21	Food Supplies & Consumer Welfare	0	0.00	0	0.00	0	0.00	1	0.10	2	2.94	3	3.04
22	Housing & Urban Development	24	39.41	21	26.22	0	0.00	0	0.00	2	3.28	47	68.91
23	Information & Public Relations	49	5.53	8	0.64	0	0.00	0	0.00	2	0.15	59	6.32
24	Forest & Environment	7	80.66	28	145.54	0	0.00	3	21.04	6	2.40	44	249.64
Total		284	494.61	285	792.45	8	16.69	45	57.91	95	285.53	717	1,647.19

Source: Compiled from the information received from various departments of the State Government.

APPENDIX – 3.9
(Refer paragraph 3.6)

Statement showing unadjusted AC bills for the years upto 2016-17

Sl. No.	Department	Number of AC bills	Amount (₹ in crore)
1	01-Home	1,968	22.04
2	02-General Administration	46	5.94
3	03-Revenue and Disaster Management	9	0.03
4	04-Law	88	0.12
5	05-Finance	2	0.01
6	06-Commerce	2	3.70
7	10-School and Mass Education	7	0.06
8	11-ST & SC Development, Minorities & Backward Classes Welfare	3	0.15
9	12-Health and Family Welfare	3	0.02
10	13-Housing and Urban Development	11	0.04
11	14-Labour and Employees State Insurance	1	0
12	16-Planning and Convergence	1	0.44
13	17-Panchayati Raj	232	46.53
14	20-Water Resources	1	0
15	23-Agriculture and Farmers' Empowerment	3	0.19
16	24-Steel and Mines	68	0.14
17	32-Tourism and Culture	1	0.15
18	33-Fisheries and Animal Resource Development	6	0
19	34-Co-operation	1	0.08
20	38-Higher Education	80	0.50
21	39-Skill Development and Technical Education	3	0.07
Total		2,536	80.21

Source: Compiled from the information received from Principal Accountant General (A&E), Odisha

APPENDIX – 3.10
(Refer paragraph 3.9)
Statement showing details of DDO-wise position of outstanding advances
as on 31 March 2017 (₹ in crore)

Sl. No.	Name of the Drawing & Disbursing Officer	Unadjusted advance as on 01/04/2016	Advance made during the year	TOTAL	Adjustments made during the year	Unadjusted advance as on 31/03/2017
1	DRDA, Sundargarh	31.05	3.90	34.96	0.54	34.42
2	BDO, Sundargarh	0.37	2.56	2.93	2.57	0.36
3	BDO Tangarpalli, Sundargarh	1.51	2.76	4.26	2.82	1.44
4	DPC, Sundargarh	47.08	65.50	112.58	64.88	47.70
5	ITDA, Sundargarh	7.54	0.06	7.60	0.03	7.57
	TOTAL	87.56	74.78	162.33	70.84	91.49
6	DRDA, Mayurbhanj	44.56	41.50	86.06	0.67	85.40
7	BDO Baripada, Mayurbhanj	0.23	0.15	0.39	0.26	0.13
8	BDO Betonoti, Mayurbhanj	0.79	0.00	0.79	0.01	0.79
9	ITDA, Mayurbhanj	7.61	0.74	8.35	0.59	7.77
	TOTAL	53.20	42.39	95.60	1.52	94.08
10	DRDA, Balasore	6.03	1.77	7.80	0.25	7.55
11	BDO Balasore	1.42	0.07	1.49	0.05	1.44
12	BDO Nilgiri, Balasore	0.90	0.01	0.90	0.05	0.85
13	DPC, Balasore	38.38	71.87	110.25	70.33	39.92
	TOTAL	46.72	73.71	120.43	70.67	49.76
14	DRDA, Keonjhar	0.87	0.01	0.88	0.00	0.88
15	BDO Sadar, Keonjhar	0.82	0.47	1.29	0.47	0.82
16	BDO Ghatgaon, Keonjhar	0.30	0.37	0.67	0.33	0.33
17	EO, Keonjhar	0.22	0.04	0.26	0.03	0.23
18	ITDA, Keonjhar	7.75	0.83	8.58	0.38	8.20
19	DPC, Keonjhar	37.88	49.48	87.36	55.93	31.43
	TOTAL	47.84	51.19	99.03	57.14	41.89
20	DPC, Deogarh	25.49	13.42	38.90	18.22	20.68
21	EO, Deogarh	0.46	0.01	0.47	0.01	0.46
22	BDO Tileibani, Deogarh	1.57	0.00	1.57	0.00	1.57
23	BDO Barkote, Deogarh	3.56	0.00	3.56	0.06	3.51
24	DRDA, Deogarh	44.56	0.01	44.57	0.01	44.57
	TOTAL	75.64	13.45	89.08	18.30	70.78
25	ITDA, Koraput	12.37	2.36	14.72	6.70	8.03
26	BDO, Koraput	0.31	0.04	0.35	0.02	0.33
27	BDO Jeypore, Koraput	0.49	0.39	0.88	0.17	0.71
28	DRDA, Koraput	65.34	67.55	132.89	30.77	102.12
29	DPC, Koraput	29.57	50.97	80.54	30.92	49.62
30	DEO, Koraput	81.40	6.65	88.05	54.37	33.68
31	EO, Koraput	0.11	0.08	0.19	0.06	0.13
	TOTAL	189.59	128.04	317.63	123.01	194.62
32	DRDA, Gajapati	364.75	4.53	369.28	0.54	368.74
33	ITDA, Gajapati	39.99	0.12	40.11	4.48	35.63
34	DPC, Gajapati	5.44	27.80	33.25	26.67	6.57
35	EO, Gajapati	0.34	0.04	0.38	0.01	0.37
36	DEO, Gajapati	3.85	8.93	12.79	9.64	3.15
37	BDO Kashinagar, Gajapati	0.00	0.01	0.01	0.00	0.01
	TOTAL	414.38	41.42	455.80	41.34	414.46
38	DRDA, Rayagada	2.00	0.00	2.00	0.00	2.00
39	BDO Rayagada	0.54	0.53	1.07	0.53	0.54
40	BDO kolnara, Rayagada	1.77	0.44	2.21	0.11	2.10
41	ITDA, Rayagada	0.15	0.23	0.38	0.04	0.35
42	DEO, Rayagada	16.73	1.61	18.34	2.06	16.28
43	DPC, Rayagada	36.77	19.85	56.61	11.46	45.16
	TOTAL	57.96	22.66	80.62	14.19	66.43
44	DRDA, Nabarangpur	0.02	0.02	0.04	0.01	0.03
45	BDO Nabarangpur	3.43	2.33	5.76	1.68	4.08
46	BDO Papadhandi, Nabarangpur	0.75	0.65	1.40	0.30	1.10

47	ITDA, Nabarangpur	0.82	0.20	1.02	0.10	0.92
48	EO, Nabarangpur	0.48	0.11	0.59	0.03	0.56
49	DPC, Nabarangpur	43.92	60.27	104.19	51.53	52.66
	TOTAL	49.43	63.57	113.00	53.65	59.35
50	DRDA Phulbani	100.50	48.45	148.95	14.70	134.25
51	BDO Phulbani	0.83	0.05	0.88	0.21	0.67
52	BDO Khajurpada, Phulbani	0.65	0.27	0.91	0.00	0.91
53	ITDA, Phulbani	2.31	0.04	2.35	0.08	2.27
54	DPC, Phulbani	35.60	38.58	74.18	3.20	70.97
	TOTAL	139.89	87.38	227.27	18.20	209.07
	GRAND TOTAL	1,162.21	598.59	1,760.80	468.86	1,291.93

Source: Compiled from the information received from various DDOs of the State Government.

APPENDIX – 3.11
(Refer paragraph 3.10)

Statement showing the details of discrepancies between Cash book and Pass book as on 31 March 2017
(₹ in crore)

Sl. No.	Name of the DDO	Balance as per Bank pass book	Balance as per Cash book	Difference
1	BDO, Phulbani	20.48	19.41	1.07
2	BDO, Khajuripada	16.15	14.52	1.63
3	BDO, Ghatgaon	13.64	11.28	2.36
4	BDO, Nabarangpur	8.50	6.64	1.86
5	ITDA, Sundergarh	8.42	7.47	0.95
6	ITDA, Nilagiri	8.82	7.31	1.51
7	ITDA, Phulbani	36.09	28.90	7.19
8	ITDA, Nabarangpur	61.23	58.89	2.34
9	DPC, Kandhamal	13.08	3.16	9.92
10	EO, Nabrangpur Municipality	11.23	9.56	1.67
11	EO, Baripada Municipality	17.96	12.01	5.95
TOTAL		215.60	179.15	36.45

Source: Compiled from the information received from various DDOs of the State Government

APPENDIX – 4.1

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

Terms	Basis of Calculation
Appropriation Accounts	Appropriation Accounts present the total amount of funds (Original and Supplementary) authorised 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 authorisation by the Legislature.
Autonomous Bodies	Autonomous Bodies (usually registered Societies or Statutory Corporations) are set up whenever it is felt that certain functions need to be discharged outside the Governmental set up with some amount of independence and flexibility without day-to-day interference of the Governmental machinery.
Average interest paid by the State	Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100.
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan Grants and Non-Plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt.
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth Rate.
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y).
Committed Expenditure	The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies on which the present executive has limited control.
Consolidated Fund of the State	The fund constituted under Article 266 (1) of the Constitution of India into which all receipts, revenues and loans flow. All expenditure from the CFI is by appropriation: voted or charged. It consists of two main divisions namely Revenue Account (Revenue Receipts and Revenue Expenditure) and Capital Account (Public Debt and Loans, etc.).
Contingency Fund	Legislature Assembly has by law established a Contingency Fund in the nature of an imprest into which is paid from time to time such sums as may be determined by such law, and the said fund is placed at the disposal of the Governor to enable advances to be made by him out of it for the purpose of meeting unforeseen expenditure pending authorisation of such expenditure by Legislative Assembly by law under Article 115 or Article 116 of the Constitution.
Contingent Liability	Contingent liabilities may or may not be incurred by an entity depending on the outcome of a future event such as a court case.
Debt Stabilisation	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

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
Development Expenditure	Social Services + Economic Services.
Escrow Account	In order to ensure fiscal discipline in public sector undertaking/Urban Local Bodies/Co-operative Institutions and State-owned Companies etc., and to ensure minimising 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
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts.
Guarantee Redemption Fund	Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. Government of Odisha has 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
Internal Debt	Internal Debt comprises regular loans from the public in India, also termed 'Debt raised in India'. It is confined to loans credited to the Consolidated Fund.
Interest received as <i>per cent</i> to Loans Outstanding	Interest Received/ [(Opening balance + Closing balance of Loans and Advances)/2]*100.
Primary Deficit	Fiscal Deficit – Interest payments.
Primary Revenue Expenditure	Primary revenue expenditure means revenue expenditure excluding interest payments.
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 scrutinise.
Rate of Growth (ROG)	[(Current year Amount /Previous year Amount)-1]*100
Re-appropriation	Means the transfer of funds from one Primary unit of appropriation to another such unit.
Revenue Deficit	Revenue Receipt – Revenue Expenditure.
Sinking Fund	A Fund into which the Government sets aside money over time, in order to retire its debt.
Sufficiency of Non-debt Receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
Supplementary Grants	If the amount authorised by any law made in accordance with the provisions of Article 114 of the Constitution of India 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

Surrender 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
State Implementing Agency	State Implementing Agency includes any Organisation/Institution including Non-Governmental Organisation which is authorised 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 Abhiyan and State Health Mission for National Rural Health Mission, etc.
Suspense and Miscellaneous	Items of receipts and payments which cannot at once be taken to a final head of receipt or charge owing to lack of information as to their nature or for any other reasons, may be held temporarily under the major head "8658-Suspense Account" in the sector "L. Suspense and Miscellaneous" of the Accounts, (Footnotes under the major head in the list of major/minor heads of account may be

Acronyms	Full Form
AC	Abstract Contingency
AE	Aggregate Expenditure
BE	Budget Estimates
BOO	Built, Own and Operate
BOOST	Built, Own, Operate, Share and Transfer
BOOT	Built, Own, Operate and Transfer
BOT	Built, Operate and Transfer
CAG	Comptroller and Auditor General of India
CE	Capital Expenditure
CFS	Consolidated Fund of the State
DBFOT	Design, Built, Finance, Operate and Transfer
DBOO	Design, Built, Own and Operate
DBOOT	Design, Built, Own, Operate and Transfer
DBT	Design, Built and Transfer
DCC	Detailed Countersigned Contingent
DDO	Drawing and Disbursing Officer
DE	Development Expenditure
DRDA	District Rural Development Agency
FCP	Fiscal Correction Path
FFC	Fourteenth Finance Commission
FRBM	Fiscal Responsibility and Budget Management
GDP	Gross Domestic Product
GIA	Grants-in-Aid
GoI	Government of India
GSDP	Gross State Domestic Product
IP/RR	Interest Payment/ Revenue Receipt
ITDA	Integrated Tribal Development Agency
MPLAD	Member of Parliament Local Area Development
MTFP	Medium Term Fiscal Plan
NPRE	Non-Plan Revenue Expenditure
NSSF	National Small Savings Fund
O&M	Operation and Maintenance
OB&OCWWB	Odisha Building and Other Construction Workers Welfare Board
OBM	Odisha Budget Manual
OGFR	Odisha General Financial Rules
ONTR	Own Non Tax Revenue
OTC	Odisha Treasury Code
OTR	Own Tax Revenue
OTS	One Time Settlement
PIA	Project Implementing Agencies

PPP	Public Private Partnership
PSU	Public Sector Undertakings
QEA	Quarterly Expenditure Allocation
RE	Revenue Expenditure
RR	Revenue Receipts
S &W	Salaries and Wages
SFC	State Finance Commission
SSE	Social Sector Expenditure
TE	Total Expenditure
ThFC	Thirteenth Finance Commission
UC	Utilisation Certificates
VLC	Voucher Level Computerisation
WCD	Women and Child Welfare Department

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