



**GOVERNMENT
OF
MIZORAM**

**Accounts At A Glance
2009-2010**

**PRINCIPAL
ACCOUNTANT GENERAL
MIZORAM, AIZAWL**



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PREFACE

I am happy to present the Eleventh issue of our annual publication, the '**Accounts At A Glance**' of the Government of Mizoram. The purpose of this publication is to distil and make more accessible to the voluminous information that is available in the annual Finance and Appropriation Accounts (totaling 549 pages in this year) prepared by Accounts Wing of my office under the directions of the Comptroller and Auditor General of India and for being laid before the Legislature of the State in accordance with Article 149 of the Constitution of India.

This year marks the 150th anniversary of the Indian Audit and Accounts Department (IA&AD). Over the years the various reports have undergone major changes in scope and presentation through which the IA&AD keeps the stakeholders i.e. the Legislators, the Executive and the Public - informed. This year, the format of the Finance Accounts has undergone significant changes, with additional statements incorporated to bring out the financial position of the Government more clearly. As a result, the Finance Accounts for the first time, is presented in two volumes. In keeping with these changes, the **Accounts At A Glance** has been remodeled and made more comprehensive. A combined reading of the Finance Accounts and Appropriation Accounts, the Report on State Finances and the '**Accounts At A Glance**', will help the stakeholders to effectively comprehend the various facets of the finances of the Government of Mizoram.

We look forward to comments and suggestions for improving this publication.

Place: Aizawl

**Principal Accountant General
Mizoram**

Date:

Our Vision, Mission and Core Values

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

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

Our **mission** enunciates our current role and describes what we are doing today
Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders - the Legislature, the Executive and the Public - that public funds are being used efficiently and for the intended purposes.

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

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach

CHAPTER I

OVERVIEW

1.1 Introduction

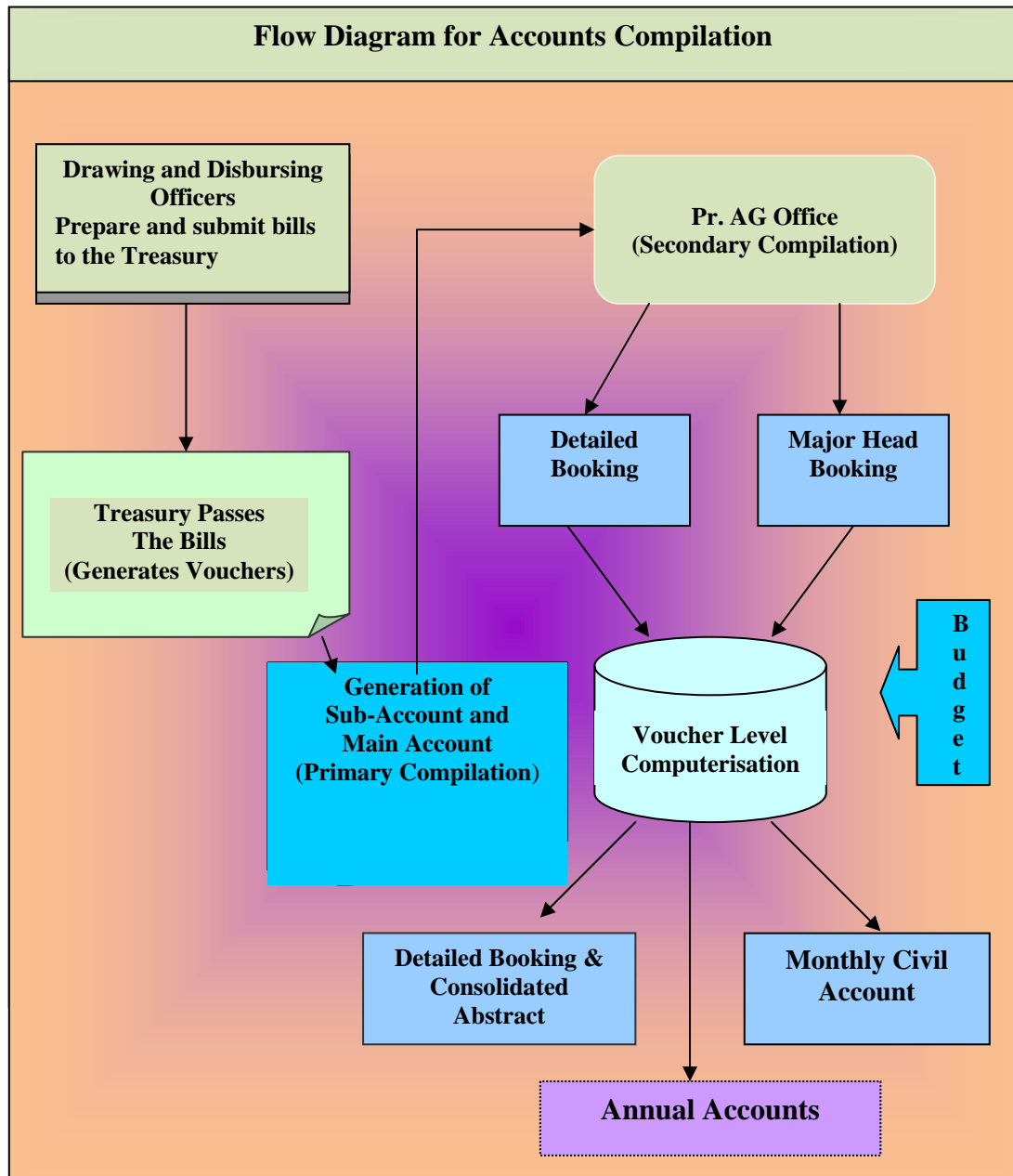
The Principal Accountant General (Accounts), Mizoram compiles the accounts of receipts and expenditure of the Government of Mizoram. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. Following such compilation, the Principal Accountant General (Accounts) prepares, the Annual Finance and Appropriation Accounts, which are placed before the State Legislature after audit by the Principal Accountant General (Civil Audit) Mizoram and certification by the Comptroller and Auditor General of India.

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

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

1.2.2 Compilation of Accounts



1.3. Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the Receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. From 2009-2010, the Finance Accounts have been issued in two volumes, in a new format, to make them more comprehensive and informative. Volume 1 of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume 2 contains other summarized statements (Part -I), detailed statements (Part-II) and appendices (Part -III).

Receipts and disbursement of the Government of Mizoram as depicted in the Finance Accounts 2009-2010 are given below:

(₹ in crore)

Receipts (Total: 3300.45)	Revenue (Total: 2963.51)	Tax Revenue	5,02.11
		Non Tax Revenue	1,26.51
		Grants -in-Aid and Contributions	2334.89
	Capital (Total: 336.94)	Recovery of Loans and Advances	25.31
		Borrowings and other Liabilities (*)	311.63
Disbursements (Total: 3300.45)	Revenue	2702.70	
	Capital	572.81	
	Loans and Advances	24.94	

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

The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 683.19 crore (₹ 463.62 crore last year). Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume 2 of the Finance Accounts.

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'Charged' on the Consolidated Fund or 'Voted' by the State Legislature. There were 5 charged Appropriation and 47 voted Grants.

The Appropriation Act 2009-2010, had provided for gross expenditure of ₹ 4510.21 crore and reduction of expenditure (recoveries) of ₹ 179.52 crore. Against this, the actual gross expenditure was ₹ 3767.80 crore and reduction of expenditure was ₹ 102.02 crore, resulting in net savings of ₹ 742.41 crore (16.46%). The gross expenditure includes ₹167.38 crore drawn on Abstract Contingent (AC) Bill, against which ₹ 9.48 crore was still outstanding at the end of the year for want of supporting Detailed Countersigned Contingent (DCC) bills.

During 2009-2010, no amount was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD accounts are available only with the treasuries, since they are responsible for maintaining such records but information thereof was not received from the Government of Mizoram.

1.4 Source and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Government to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 0.20 crore) maintained with the RBI. During 2009-2010, the Government of Mizoram did not resort to OD facilities and availed of WMA (₹ 136.74 crore), for 19 days which was repaid during the year itself.

1.4.2 Fund flow statement

The State had a Revenue surplus of ₹ 260.81 crore and a Fiscal Deficit of ₹ 311.63 crore representing 4.64% and 5.55% of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 9.44 % of total expenditure. Around 50.53% of the revenue receipts (₹ 2963.51 crore) of the State Government was spent on committed expenditure like salaries (₹ 1078.75 crore), interest payment (₹ 254.35 crore) and pensions (₹ 164.26 crore).

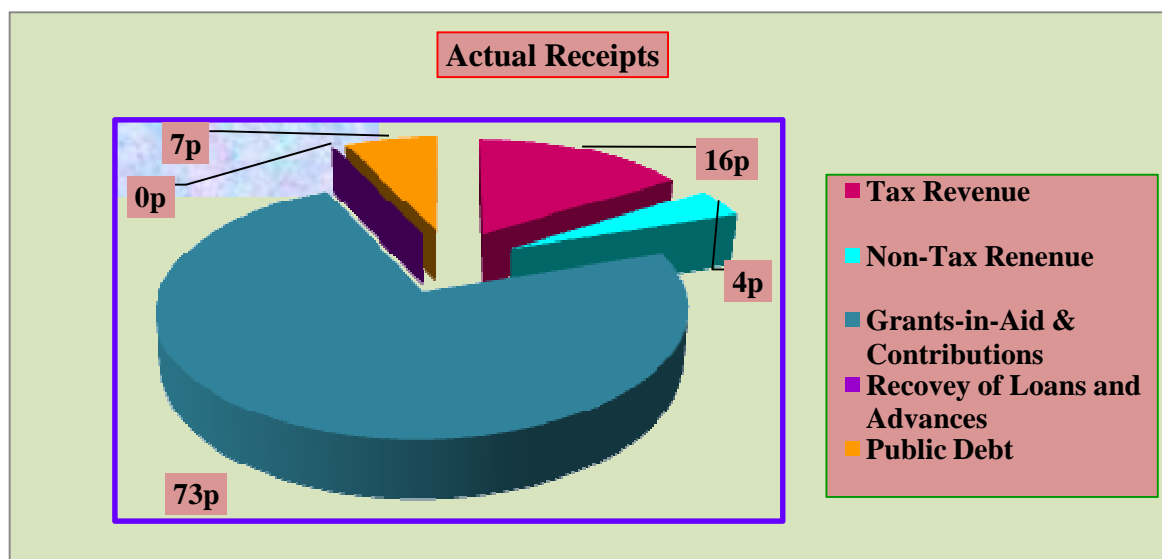
Source and Application of Funds

(₹ in crore)

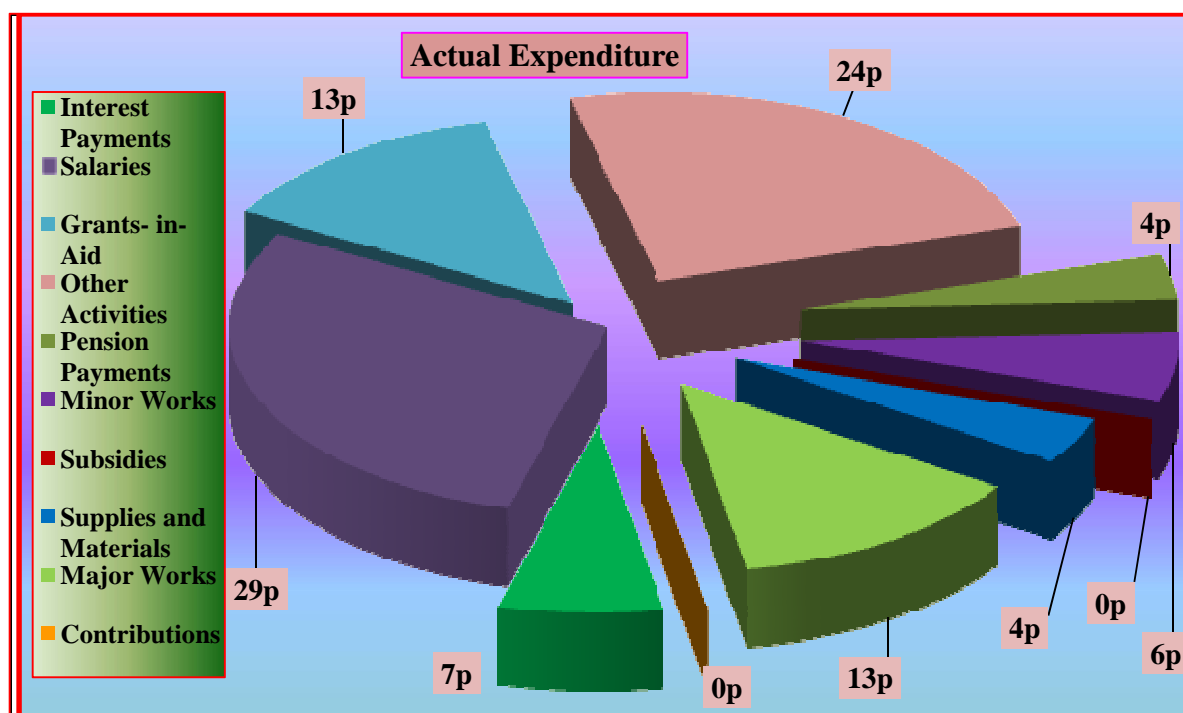
	PARTICULARS	AMOUNT
SOURCES	Opening Cash Balance as on 1.4.2010	(-)85.10
	Revenue Receipts	2963.51
	Recovery of Loans and Advances	25.31
	Public Debt	225.89
	Small Savings Provident Fund & Others	396.79
	Reserves and Sinking Funds	23.90
	Deposits Received	471.71
	Civil Advances Repaid	4.92
	Suspense Account	4822.57
	Remittances	1113.78
	Contingency Fund	...
	Total	9963.28

	PARTICULARS	AMOUNT
APPLICATION	Revenue Expenditure	2702.70
	Capital Expenditure	572.81
	Loans Given	24.94
	Repayment of Public Debt	365.33
	Transfer to Contingency Fund	...
	Small Savings Provident Fund & Others	353.21
	Reserves and Sinking Funds	19.87
	Deposits Received	366.25
	Civil Advances Repaid	4.89
	Suspense Account	4530.41
	Remittances	1153.74
	Closing Cash Balance as on 31.3.2010	(-)130.87
	Total	9963.28

1.4.3 Where the Rupee came from



1.4.4 Where the rupee went



1.5 Highlights of Accounts

(₹ in crore)

	B.E. 2009-10	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP(\$)
1. Tax Revenue	509.69	502.11(@)	98.51	8.94
2. Non-Tax Revenue	181.14	126.51	69.84	2.25
3. Grants-in-Aid & Contributions	2318.38	2334.89	100.71	41.55
4. Revenue Receipts (1+2+3)	3009.21	2963.51	98.48	52.74
5. Recovery of Loans and Advances	30.01	25.31	84.34	0.45
6. Borrowings & Other Liabilities (A)	714.80	311.63	43.60	5.55
7. Capital Receipts (5+6)	744.81	336.94	45.24	6.00
8. Total Receipts (4+7)	3754.02	3300.45	87.92	58.73
9. Non-Plan Expenditure	2074.68	1937.66	93.40	34.48
10. NPE on Revenue Account	1976.10	1805.35	91.36	32.13
11. NPE on Interest Payments	274.78	254.35	92.56	4.53
12. NPE on Capital Account	98.58	132.31	134.22	2.35
13. Plan Expenditure	1679.34	1362.79	81.15	24.25
14. PE on Revenue Account	1139.90	897.35	78.72	15.97
15. PE on Capital Account	539.44	465.44	86.28	8.28
16. Total Expenditure (9+13)	3754.02	3300.45	87.92	58.73
17. Revenue Expenditure(10+14)	3116.00	2702.70	86.74	48.10
18. Capital Expenditure (12+15)	638.02	597.75 (#)	93.69	10.64
19. Revenue Surplus(4-17)	(-)106.79	260.81	244.23	4.64
20. Fiscal Deficit (4+5-16)	14.80	311.63	43.60	5.55

(@) Includes State's share of Union Taxes ₹ 394.53 crore

(\$) GSDP - Gross State Domestic Product for the year 2009-2010 was ₹ 5619.41 crore .

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 572.81 crore) and Loans and Advances disbursed (₹ 24.94 crore)

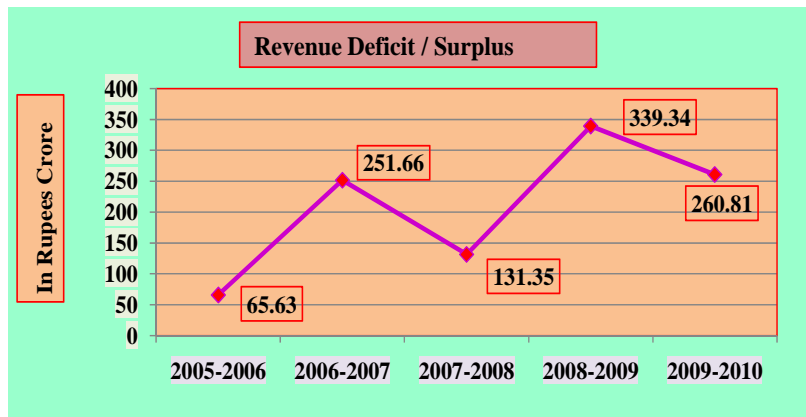
(A) Borrowings and other Liabilities Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts- Disbursements) of Public Account+ Net of Opening and Closing Cash Balance.

1.6 What do the Deficits and Surpluses indicate

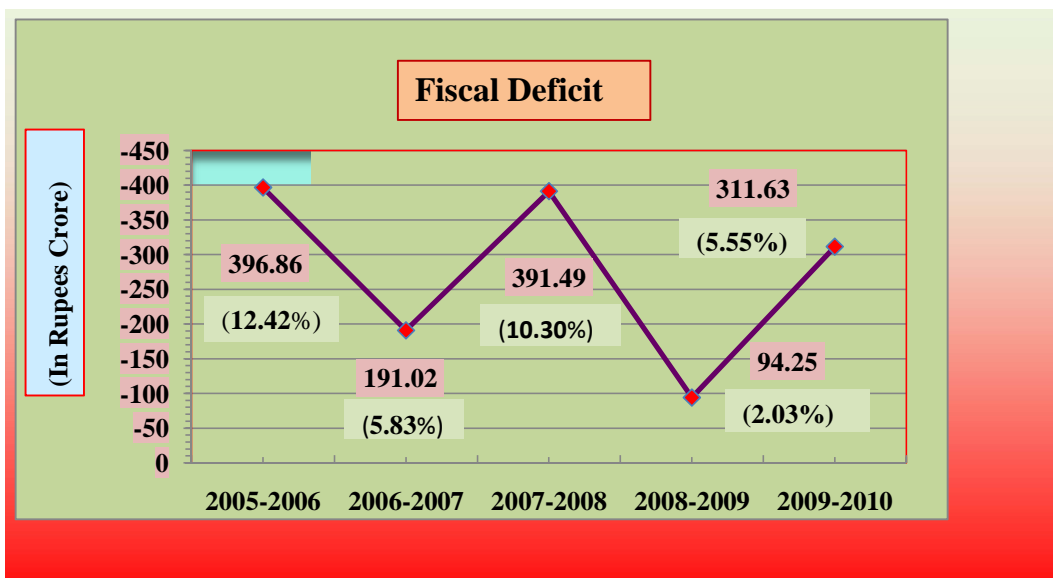
Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required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

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The Government of Mizoram enacted the Mizoram Fiscal Responsibility and Budget Management (FRBM) Act, 2006, committing to (i) eliminate Revenue deficit by the end of 2008-2009 to zero per cent (ii) reduce Fiscal deficit to 3 per cent of the estimated GSDP by 2008-2009 which was amended in 2009 to achieve the target by 2009-2010 and again amended in 2010 to reduce fiscal deficit to 3 per cent of GSDP by 2014-2015. The State Government has been successful in achieving the Revenue Surplus target since 2005-2006 and maintaining it thereafter till 2009-2010. Revenue Surplus during 2008-2009 and 2009-2010 were ₹ 339.34 crore and ₹ 260.81 crore respectively.

1.6.1 Trend of Deficit / Surplus

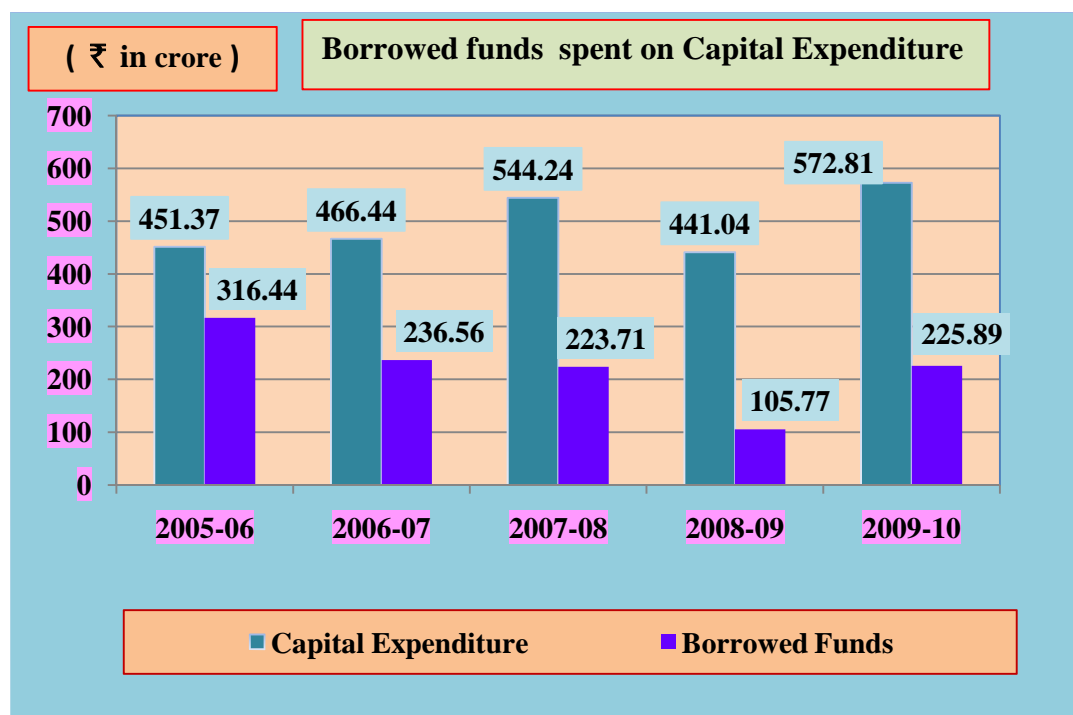


1.6.2 Trend of Fiscal Deficit



Figures in parentheses represent percentage to GSDP

1.6.3 Proportion of borrowed funds spent on Capital Expenditure



It is desirable to fully utilize borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The State Government spent full amount of the borrowings of the current year (₹ 225.89 crore) on capital expenditure (₹ 597.75 crore) inclusive of disbursement of Loans and Advances.

CHAPTER II

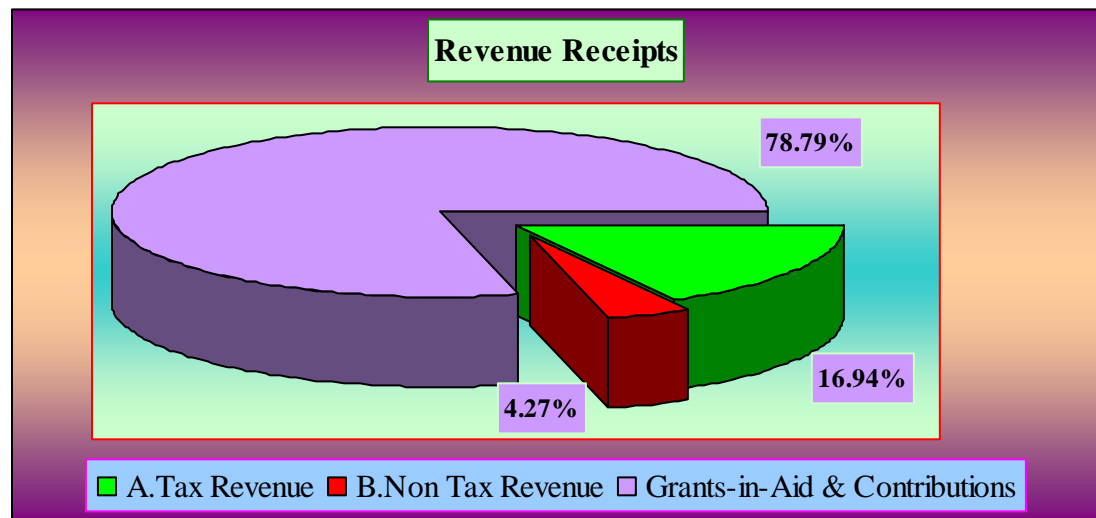
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Revenue Receipts for 2009-2010 were ₹ 2963.51crore.

2.2. Revenue Receipts

Tax Revenue	Comprises Taxes collected and retained by the State and State's share of Union Taxes under Article 280 (3) of the Constitution.
Non-Tax Revenue	Includes Interest receipts, Dividends, Profits etc.
Grants-in-Aid & Contributions	Essentially, a form of Central Assistance to the State Government from the Union Government. It includes 'External Grants Assistance' and Aid, 'Material and Equipment' received from foreign Governments and channelised through the Union Government. In turn, the State Government also give Grants-in-Aid to institutions like Panchayati Raj institutions, Autonomous bodies etc.



Revenue Receipts Components (2009-2010)

(₹ in crore)

Components	Actuals
A. Tax Revenue	502.11
Taxes on Income & Expenditure	260.78
Taxes on Property and Capital Transactions	3.52
Taxes on Commodities and Services	237.81
B. Non-Tax Revenue	126.50
Interest Receipts , Dividends and Profits	17.85
General Services	18.05
Social Services	9.61
Economic Services	81.00
C. Grants-in-Aid and Contributions	2334.89
Total- Revenue Receipts	2963.51

2.3. Trend of Receipts

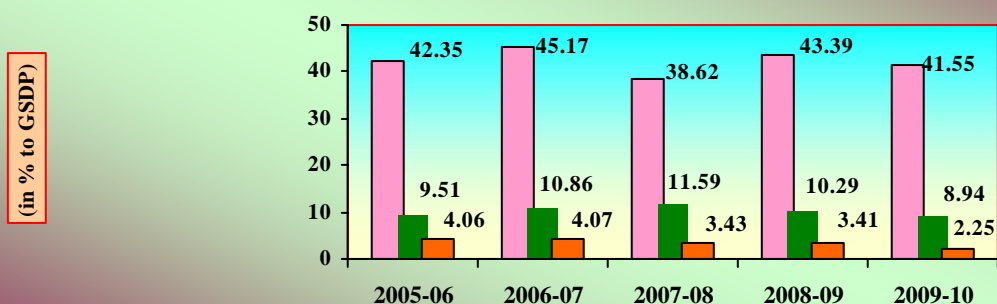
(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Tax Revenue	280.88 (9.50)	355.67 (10.86)	440.87 (11.59)	478.01 (10.29)	502.11 (8.94)
Non-Tax Revenue	120.09 (4.06)	133.38 (4.07)	130.30 (3.43)	158.67 (3.41)	126.51 (2.25)
Grants -in-Aid and Contributions	1252.68 (42.35)	1479.90 (45.17)	1468.57 (38.62)	2016.45 (43.39)	2334.89 (41.55)
Total Revenue Receipts	1653.65 (55.91)	1968.95 (60.10)	2039.74 (53.64)	2653.13 (57.09)	2963.51 (52.74)
GSDP	2957.91	3276.18	3802.42	4647.55	5619.41

Figures in parentheses represent percentage to GSDP

Though the GSDP increased by 20.91% between 2008-2009 and 2009-2010, growth in revenue collection was only 11.70 %. During 2009-2010, Tax Revenue was increased by 5.04%, but, Non-Tax Revenue was decreased by 20.27%. The decline under Non-Tax Revenue occurred due to less collection under Economic Services (23.14%). The State's own revenue under certain tax components, like taxes on sales, trade etc. (₹ 85.94 crore), taxes on vehicles (₹ 6.71 crore) and land revenue (₹ 2.76 crore), showed a higher trend.

Components under Revenue Receipts as proportion to GSDP



■ Grants-in-Aid & Contributions ■ Tax Revenue ■ Non-Tax Revenue

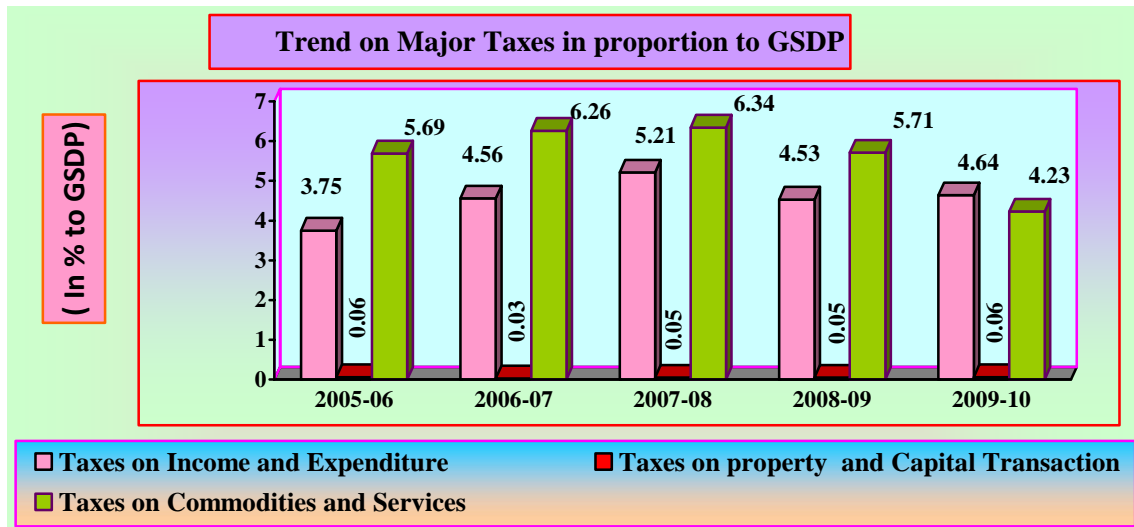
Sector-wise Tax Revenue

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Taxes on Income and Expenditure (*)	110.83	149.50	198.04	210.52	260.78
Taxes on Property and Capital Transaction	1.88	1.04	1.84	2.20	3.52
Taxes on Commodities and Services	168.17	205.03	240.99	265.29	237.81
Total Tax Revenue	280.88	355.67	440.87	478.01	502.11

(*) Primarily net proceeds of Central share to the State.

The decrease in collection of Taxes on Commodities and Services is mainly due to less collection under MH 0037 Customs and MH 0038 Union Excise Duties.



2.4 Performance of State's own Revenue Collection

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2005-2006	280.88	225.83	55.05	1.86
2006-2007	355.67	288.05	67.62	2.06
2007-2008	440.87	363.35	77.52	2.04
2008-2009	478.01	383.39	94.62	2.04
2009-2010	502.11	394.53	107.58	1.91

2.5. Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue Collection	1.88	1.04	1.84	2.20	3.52
Expenditure on Collection (*)	7.89	12.05	5.74	7.05	9.41
Efficiency of Tax Collection	419.68 %	1158.65%	311.96%	320.45%	267.33%

(*) Cost of collection include expenditure under Direction and Administration & Other Expenditure due to non-classification in the State Budget.

B. Taxes on Commodities and Services.

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue Collection	168.18	205.03	240.99	265.29	237.81
Expenditure on Collection (●)	9.95	9.99	11.39	15.39	16.87
Efficiency of Tax Collection	5.92%	4.87%	4.73%	5.80%	7.09%

(●) Cost of collection include expenditure under Direction and Administration & Other Expenditure in respect of the Major Head 2039 State Excise Duties and 2041 Taxes on Vehicles due to non-classification in the State Budget.

Taxes on commodities and services form a major part of tax revenue. Tax collection efficiency is excellent. However, the collection efficiency of taxes on Property and Capital Transaction can be improved. Cost of collection under Taxes on property and capital Transactions during the period from 2005-2006 to 2009-2010 were much higher than the revenue collection, hence State Government should take necessary steps for improving the efficiency of the collection of revenue.

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

(₹ in crore)

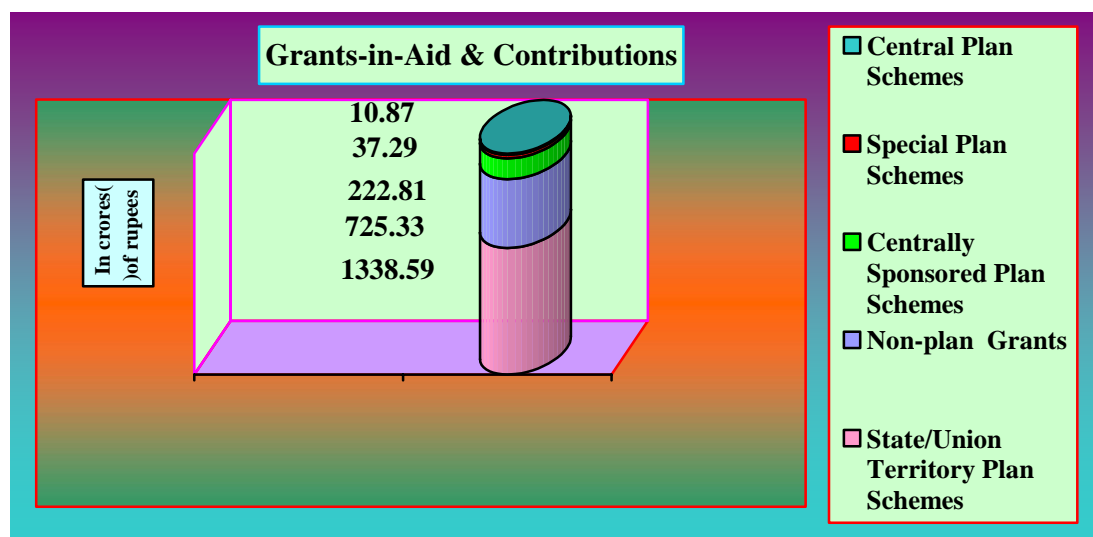
Major Head description	2005-06	2006-07	2007-08	2008-09	2009-10
Corporation Tax	62.34	89.91	115.32	125.68	162.35
Taxes on Income other than Corporation Tax	43.96	54.60	77.40	78.91	90.50
Other Taxes on Income and Expenditure	...	(-)0.01(a)	...	...	...
Taxes on Wealth	0.12	0.11	0.13	0.11	00.37
Customs	44.03	56.18	68.68	73.30	55.21
Union Excise Duties	58.76	59.66	65.57	63.99	44.47
Service Tax	16.64	27.62	36.26	41.40	41.63
Other Taxes and Duties on Commodities and Services	(-)0.02 (a)	(-)0.02 (a)	(-) 0.01(a)	...	...
State Share of Union Taxes	225.83	288.05	363.35	383.39	394.53
Total Tax Revenue	280.88	355.67	440.88	478.01	502.11
% of Union Taxes to Total Tax Revenue	80.40	80.99	82.41	80.21	78.57

(a) Minus figure due to excess release of State's Share of net proceeds on recommendation of the 12th Finance Commission.

The amount of net proceeds of share was ₹ 394.53 crore for 2009-2010 which was increased by 2.91% over the last year. Significant increase occurred under Corporation Tax to the extent of 29.18% over the last year.

2.7 Grants-in-Aid and Contributions

Grants-in-Aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2009-2010 under Grants in Aid were ₹ 2334.89 crore as shown below:



The share of Grants for Plan Schemes in total Grants-in-Aid increased from 63.61 % during 2008-2009 to 68.94 % in 2009-2010, while the share of grants for Non-Plan Schemes declined from 36.39 % in 2008-2009 to 31.06 % in 2009-2010. As against a budget estimate of ₹ 1815.95 crore of Union share in Plan Schemes, the State Government has actually received ₹ 1609.56 crore of Grants-in-Aid (88.63 % of BE)

2.8 Public Debt

Trend of Public Debt over the past five years

(₹ in crore)

Description	2005-06	2006-07	2007-08	2008-09	2009-10
Internal Debt	163.64	151.90	86.81	21.52	(-)152.75
Central Loans	(-)8.94	(-)26.29	(-)7.07	(-)12.05	13.31
Total Public Debt	154.70	125.61	79.74	9.47	(-)139.44

Minus figures due to excess of repayment over receipts

CHAPTER III

EXPENDITURE

3.1 Introduction

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

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

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 2702.70 crore for 2009-2010 fell short of budget estimates by ₹ 413.30 crore due to less disbursement of ₹ 242.55 crore ₹ 170.75 crore under Plan Expenditure and under Non-Plan Expenditure respectively.

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

(₹ in crore)

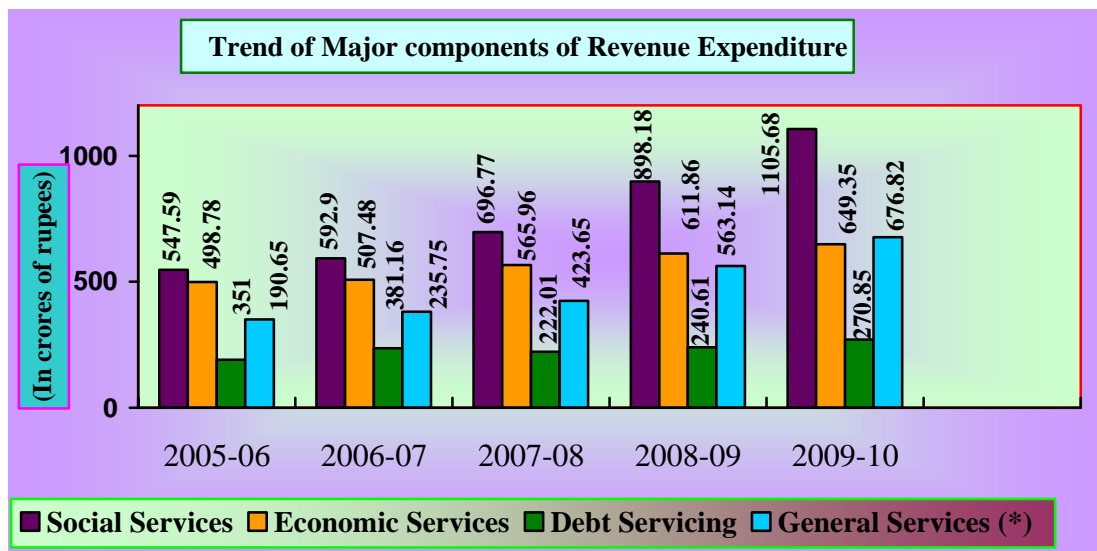
	2005-06	2006-07	2007-08	2008-09	2009-10
Budget Estimates	1797.21	1859.55	2124.25	2577.55	3116.00
Actuals	1588.02	1717.29	1908.39	2313.79	2702.70
Gap	209.19	142.26	215.86	263.76	413.30
Percentage of gap over B.E.	11.64	7.65	10.16	10.23	13.26

3.2.1 Sectoral distribution of Revenue Expenditure (2009-2010)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	33.86	1.25
(i) Collection of Taxes on Property and Capital Transactions	9.41	0.35
(ii) Collection of Taxes on Commodities and Services	23.67	0.87
(iii) Other Fiscal Services	0.78	0.03
B. Organs of State	45.08	1.67
C. Interest Receipts , Dividends and Profits	270.85	10.02
D. Administrative Services	432.67	16.01
E. Pensions and Miscellaneous General Services	165.21	6.11
F. Social Services	1105.68	40.91
G. Economic Services	649.35	24.03
H. Grants-in-Aid	...	...
Total- Expenditure (Revenue Account)	2702.70	100.00

3.2.2 Major components of Revenue Expenditure (2005-2010)



(*) General Services excludes MH 2048 (Appropriation for reduction or avoidance of debt), MH 2049 (Interest payments).

The expenditure on Economic Services (which includes important sectors like Agriculture, Forestry & Wild Life, Civil Aviation, etc.) has gone down, as against a steady increase in other services.

3.3 Capital Expenditure

Capital disbursements for 2009-2010 at 10.64 % of GSDP were less than Budget estimates by ₹ 40.27 crore (less disbursement of ₹ 74.00 crore under Plan expenditure and more expenditure of ₹ 33.73 crore under Non-Plan expenditure).

3.3.1 Sectoral distribution of Capital Expenditure

During 2009-2010, the Government spent ₹ 462.90 crore on various projects. The Government invested ₹ 0.27 crore in various Public Sector and other Undertakings of Government Companies.

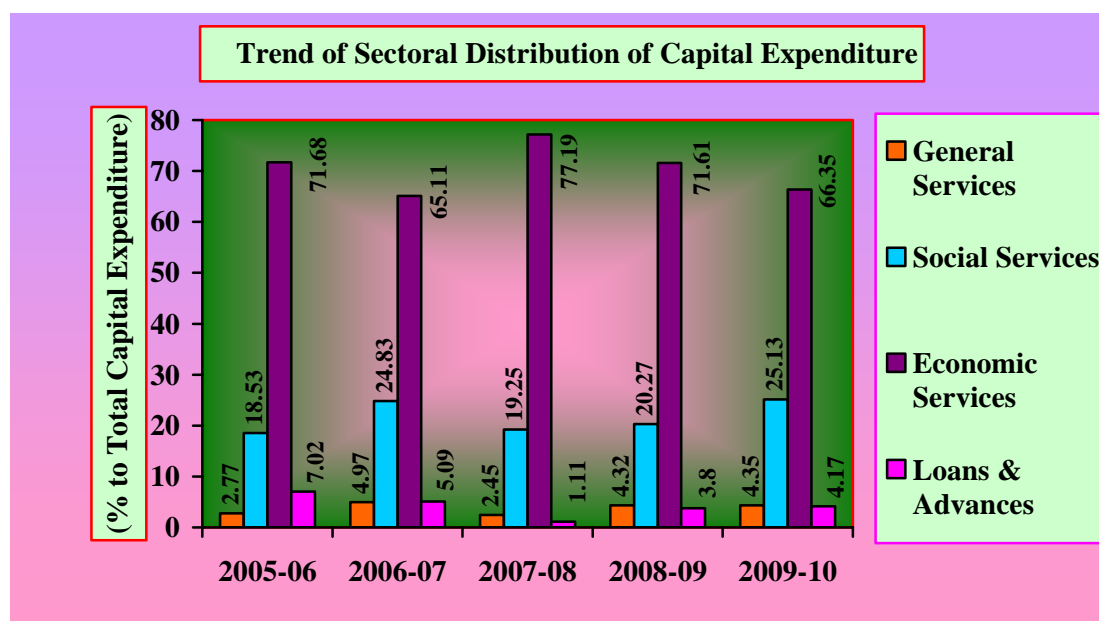
(₹ in crore)

	Components	Amount	Percentage
1	General Services – Police, Land Revenue etc	25.99	4.35
2	Social Services – Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	150.22	25.13
3	Economic Services – Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport, etc.	396.60	66.35
4	Loans and Advances Disbursed	24.94	4.17
	Total	597.75	100.00

3.3.2 Sectoral distribution of Capital Expenditure over the past five years

(₹ in crore)

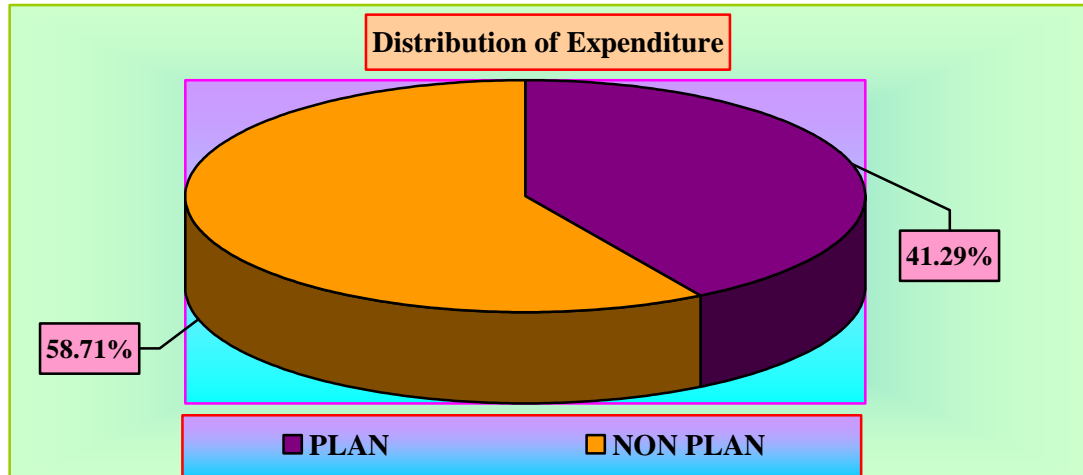
Sl. No.	Sector	2005-06	2006-07	2007-08	2008-09	2009-10
1	General Services	13.46	24.44	13.50	19.79	25.99
2	Social Services	89.95	122.03	105.94	92.94	150.22
3	Economic Services	347.96	319.97	424.80	328.31	396.60
4	Loans and Advances	34.09	0.25	6.12	17.41	24.94
	Total	485.46	466.69	550.36	458.45	597.75



CHAPTER IV

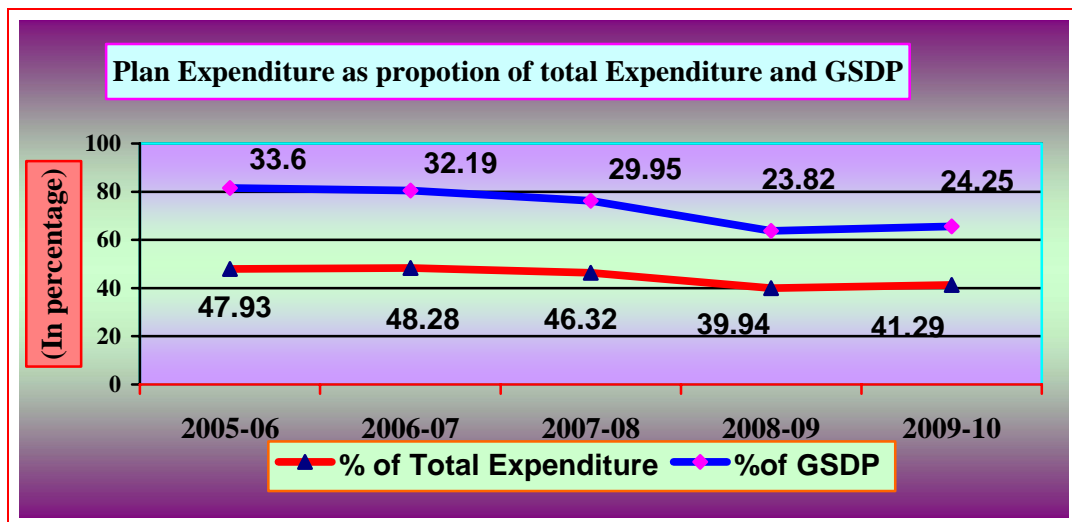
PLAN AND NON-PLAN EXPENDITURE

4.1 Distribution of Expenditure (2009-2010)



4.2 Plan Expenditure

During 2009-2010, Plan Expenditure, representing 41.29 percent of total disbursements was ₹ 1362.79 crore (₹ 1159.41 crore under State Plan, ₹ 203.38 crore under Centrally Sponsored Schemes).



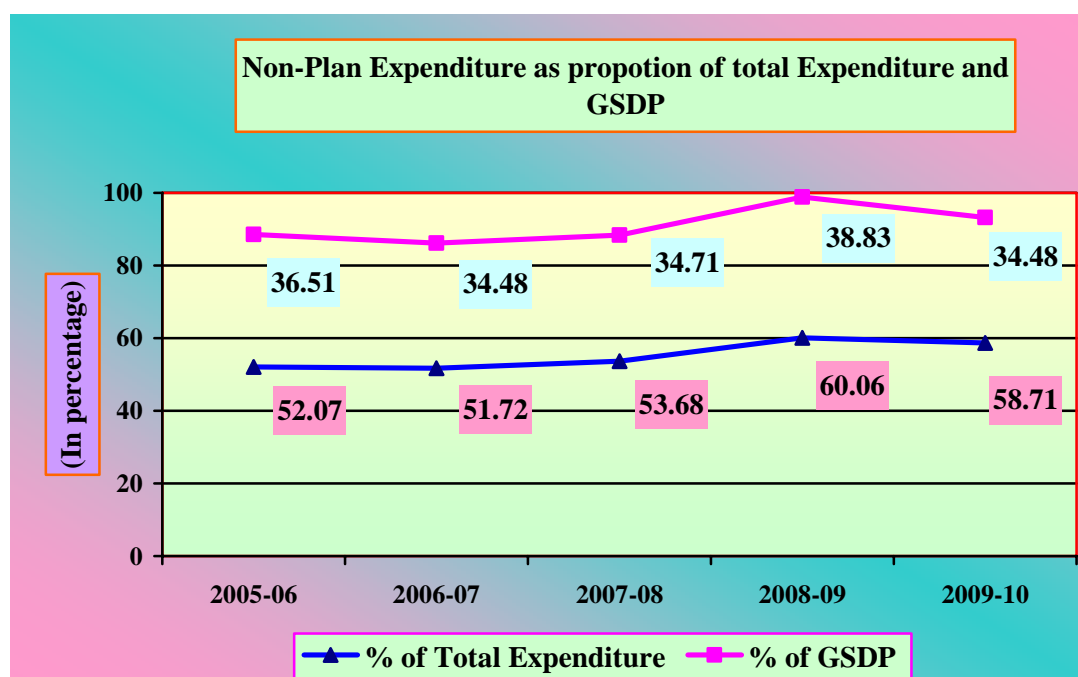
4.2.1 Plan Expenditure under Capital Account

(₹ in crore)

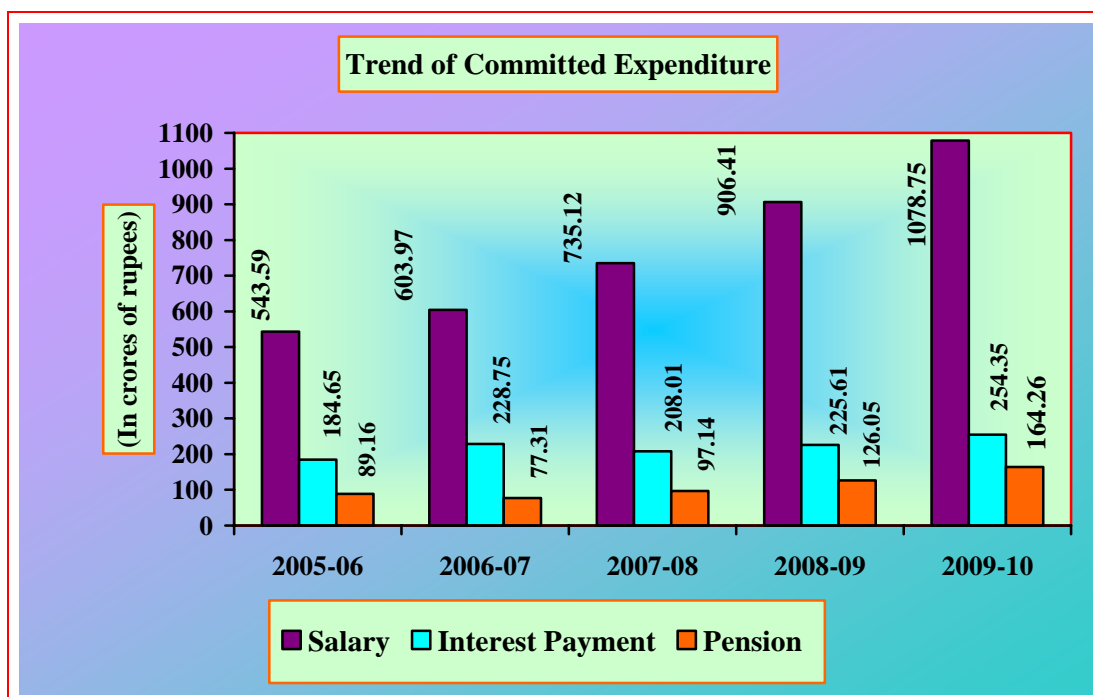
	2005-06	2006-07	2007-08	2008-09	2009-10
Total Capital Expenditure	485.46	466.69	550.36	458.45	597.75
Capital Expenditure (Plan)	453.90	458.70	489.72	366.59	465.44
% of Capital Expenditure (Plan) to Total Capital Expenditure	93.50	98.29	88.98	79.96	77.87

4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2009-2010, representing 58.71 percent of total disbursements, was ₹ 1937.66 crore (₹ 1805.35 crore under Revenue and ₹ 132.31 crore under Capital).



4.4 Committed Expenditure



(₹ in crore)

Component	2005-06	2006-07	2007-08	2008-09	2009-10
Committed Expenditure	817.40	910.03	1040.27	1258.07	1497.36
Revenue Expenditure	1588.02	1717.29	1908.39	2313.79	2702.70
% of Committed Expenditure to Revenue Receipts	49.43	46.22	51.00	47.42	50.53
% of Committed Expenditure to Revenue Expenditure	51.47	52.99	54.51	54.37	55.40

The steep forward trend on committed expenditure leaves the Government with lesser flexibility for developmental spending.

CHAPTER V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts for 2009-2010

(₹ in crore)

Sl No.	Nature of Expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings(-) Excess(+)
1	Revenue	2568.38	264.49	...	2832.87	2422.52	(-) 410.35
	Voted	265.06	19.82	...	284.88	280.27	(-) 4.61
2	Capital	772.14	218.97	...	991.11	674.74	(-) 316.37
	Voted	...	...	...	...	...	...
3	Public Debt	236.65	139.53	...	376.18	365.33	(-) 10.85
	Charged	...	...	...	...	...	...
4	Loans and Advances	25.17	...	...	25.17	24.94	(-) 0.23
	Voted	...	...	...	...	...	...
	Total	3867.40	642.81	...	4510.21	3767.80	(-) 742.41

5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings(-)/Excess(+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2005-2006	(-) 211.44	(-) 62.02	(+) 29.25	(-) 7.11	(-) 251.32
2006-2007	(-) 142.37	(-) 36.33	(-) 34.98	(-) 37.54	(-) 251.22
2007-2008	(-) 217.66	(-) 93.74	(-) 48.93	(-) 5.69	(-) 366.02
2008-2009	(-) 265.92	(-)188.22	(-)88.26	(-) 5.51	(-) 547.91
2009-2010	(-)414.96	(-)316.37	(-)10.85	(-)0.23	(-)742.41

5.3 Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes/programmes. Some grants with persistent and significant savings are given below:

(₹ in crore)

Grant No.	Nomenclature	2005-06	2006-07	2007-08	2008-09	2009-10
14	Planning & Programme Implementation	72.40	64.56	50.77	112.39	8.85
17	Food, Civil Supplies & Consumer Affairs	1.82	2.47	41.84	6.06	39.54
24	Medical & Public Health Services	21.42	7.56	6.80	36.77	34.04
25	Water Supply & Sanitation	7.80	2.09	32.36	4.33	3.65
39	Power	35.10	21.90	20.73	22.12	5.83
45	Public Works	21.75	8.23	17.96	31.46	13.10

During 2009-2010, supplementary grants totaling ₹ 642.81 crore (17.06 % of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below:

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
6	Land Revenue and Reforms	Revenue	13.58	1.89	13.01
11	Secretariat Administration	Revenue	96.86	2.35	44.68
15	General Administration Department	Revenue	49.52	6.04	49.20

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
16	Home	Revenue	301.66	22.13	294.12
20	School Education	Revenue	379.93	30.08	378.03
24	Medical and Public Health Services	Revenue	272.88	12.99	251.83
29	Social Welfare	Revenue	60.23	16.94	53.46
31	Agriculture	Revenue	146.68	24.66	68.77
32	Horticulture	Revenue	17.04	1.95	16.73
33	Animal Husbandry	Revenue	29.85	2.68	26.17
38	Rural Development	Revenue	76.97	2.63	52.90
		Capital	31.30	18.47	27.49
42	Transport	Revenue	22.65	3.09	22.37
		Capital	2.57	1.06	2.41
46	Urban Development and Poverty Alleviation	Capital	68.33	4.08	42.17

CHAPTER VI

ASSETS AND LIABILITIES

6.1 Assets

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

Total investment as share capital in non- financial Public Sector Undertakings (PSUs) stood at ₹ 19.00 crore at the end of 2009-2010. No dividend was received during the year on investment.

Cash Balance with RBI stood at ₹ (-) 85.10 crore on 31st March 2009 and increased to ₹ (-) 130.87 crore at the end of March, 2010.

6.2 Debt and Liabilities

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

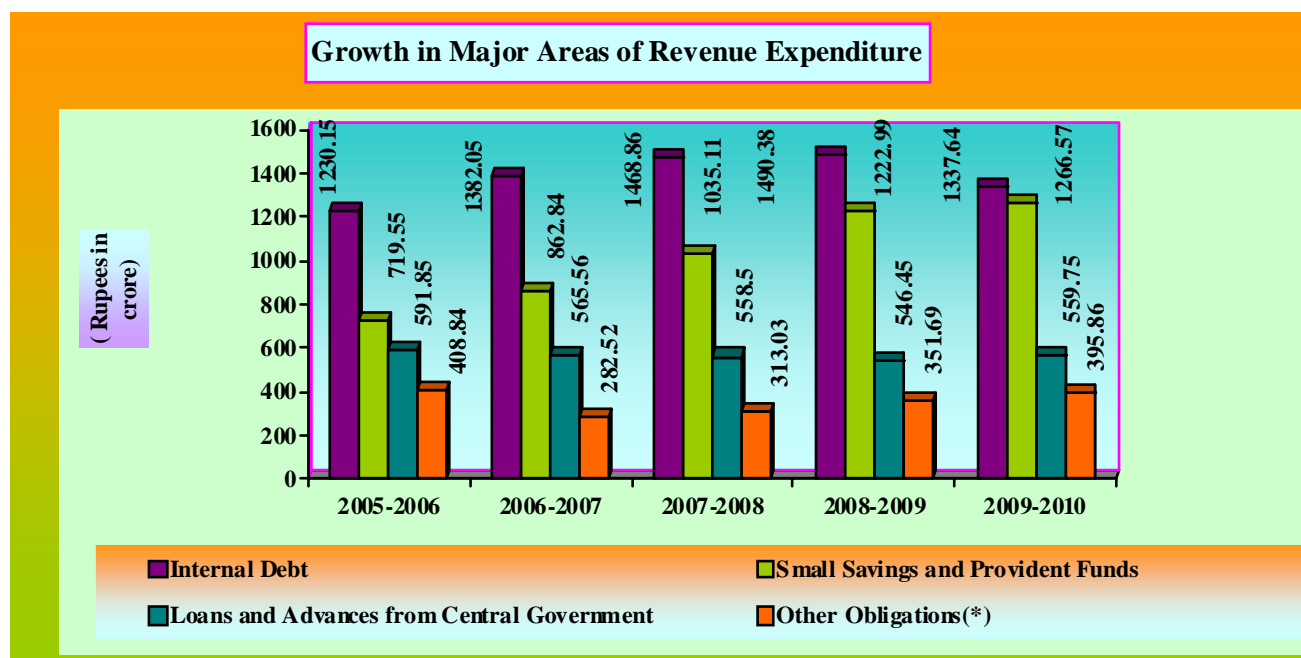
Details of the Public Debt and Total Liabilities of the State Government are as under:

Year	Public Debt	% to GSDP	Public Account (*)	% to GSDP	Total Liabilities	% to GSDP
2005-2006	1822.01	61.60	1128.91	38.17	2950.92	99.76
2006-2007	1947.61	59.45	1146.05	34.98	3093.66	94.43
2007-2008	2027.36	53.32	1348.82	35.47	3376.18	88.80
2008-2009	2036.83	43.83	1575.38	33.90	3612.21	77.72
2009-2010	1897.39	33.76	1728.48	30.76	3625.87	64.52

(*) Excludes suspense and remittances balances.

Figures are progressive balance to end of the year.

There is a net increase of ₹ 13.66 crore (0.38%) in Public Debt and Other liabilities as compared to 2008-2009.



(*) Non-interest bearing obligations such as deposits of Local Funds, Other earmarked fund, etc.

6.3 Guarantees

The position of guarantees by the State Government for the payment of loans and payment of interest thereon raised by Statutory Corporations, Government Companies, Co-operative Societies, etc is given below:

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 st March 2010	
		Principal	Interest
2005-2006	269.73	145.02	18.23
2006-2007	249.23	130.38	19.18
2007-2008	231.95	131.97	20.64
2008-2009	305.13	114.25	19.78
2009-2010	189.03	102.99	...

CHAPTER VII

OTHER ITEMS

7.1 Adverse Balance under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. As on March 31st 2010, there was no adverse balance under Internal Debt.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2009-2010 was ₹ 241.14 crore. Of this, Loan and Advances to Government Departments, Corporation/ Companies, Non-Government Institutes and Local Bodies, etc amounted to ₹ 62.71 crore. Information about arrears in recovery (Principal as well as interest) at the end of 31st March 2010 was not received from the Departmental authorities maintaining the detailed accounts.

7.3 Financial Assistance to Local bodies and Others

During the past five years, Grants-in-Aid to Local Bodies etc., increased from ₹ 122.42 crore in 2005-2006 to ₹ 447.23 crore in 2009-2010.

(₹ in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	43.77	27.00	29.20	33.34	31.47
PRIs/ULBs	66.46	71.05	85.50	90.50	2.60
Others	12.19	30.32	33.08	15.90	413.16
Total	122.42	128.37	147.78	139.74	447.23

7.4 Cash Balance and Investment of Cash Balance

The closing cash balance (as on 31st March 2010) according to the Reserve Bank of India was ₹ 125.24 crore (debit) against the general cash balance of ₹ 130.87 crore (credit) reflected in State Government accounts. The difference of ₹ 5.63 crore was due to misclassification by Bank/Treasury

Investment held in the Cash Balance Investment Account as on 31st March 2010 were ₹ 266.48 crore (credit). Other cash balances and investment comprising cash with Departmental Officers (₹ 1.32 crore) and investment of earmarked funds (₹ 79.25 crore) as on 31st March 2010 were ₹ 80.57 crore.

7.5 Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the Departments and the figures appearing in the accounts compiled by the Principal Accountant General (Accounts). This exercise is to be conducted by respective Heads of Departments. In 2009-2010, only 95.28% (₹ 3511.22 crore) of the total expenditure of ₹ 3665.77 crore of the State Government was reconciled. Similarly, out of total receipts of ₹ 3214.71 crore, only (52.63 %) (₹ 1349.97 crore) was reconciled.

The following Controlling Officers did not attend to the reconciliation work at all:

Sl. No.	Controlling Officer	Head of Account	Sl. No.	Controlling Officer	Head of Account
1.	Secretary Finance	1601 6003 6004	4.	Secretary, GAD	3053
2.	Commissioner of Taxes	2040	6.	Chief Electoral Officer	2015
3.	D.G., Police	2055 4055	7.	Director, Food, Civil Supplies and Consumer Affairs	4408

7.6 Submission of Accounts by Treasuries

There was delay of maximum 152 days in respect of one Treasury Accounts for the month of February 2010 and 139 days for the Accounts of January 2010. On other

occasion the delay was 07 days. Maximum delay in case of Forest and Public Works Accounts during the year were 40 days and 31 days respectively. All the Forest Divisions Accounts have been included before the close of the Annual Accounts. However average delay of all the Accounts are shown below:

Average delay in rendition of Treasury A/cs to Pr.A.G. (Accounts)	Average delay in rendition of Department of Public Works. A/cs to Pr.A.G. (Accounts)	Average delay in rendition of Department of Forest A/cs to Pr. A.G. (Accounts)	Average delay in rendition of Department of Soil Conservation A/cs to Pr. A.G. (Accounts)
09 days	12 days	14 days	12 days

7.7 Abstract Contingent (AC) Bills and Detailed Countersigned Contingent (DCC) Bills

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. But, at the end of 31st March 2010, a total amount of ₹ 22.58 crore (drawn on AC bills) was outstanding due to non-submission of Detailed Countersigned Contingent Bills.

7.8 Rush of Expenditure

The Financial rules stipulate that rush of expenditure particularly in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided. However, the expenditure incurred under certain selected Heads of Account (Major Head: 2055, 2202, 2210, 2215, 2220, 2235, 2401, 2403, 2515 and 2851) during March 2010 ranged between 15.15 % and 65.01 % of the total expenditure during the year indicating a tendency to utilize the budget at the close of the financial year. The flow of expenditure during the last quarter and month of March 2009-2010 in the above mentioned Heads were as below:

(₹ in crore)

Sl. No	Grant Number and Name	Head of account Scheme /Service	Expenditure incurred during Jan-March 2010	Expenditure incurred in March 2010	Total Expenditure	Percentage of Total Expenditure incurred during	
						Jan-March, 2010	March, 2010
1.	16 – HOME	2055	77.42	39.87	263.10	29.43	15.15
2.	20 – School Education 21 – Higher & Technical Education	2202	158.07	107.01	440.98	35.85	24.27
3.	24 – Medical & Public Health Service	2210	160.58	141.88	234.97	68.34	60.38
4.	25 – Water Supply & Sanitation	2215	56.00	42.77	140.91	39.74	30.35
5.	26 – Information & Publicity	2220	6.71	5.44	16.86	39.80	32.27
6.	29 – Social Welfare 30 – Disaster Management & Rehabilitation 16 – Home 9 – Finance	2235	18.23	13.13	39.93	45.65	32.88
7.	31 - Agriculture 32 – Horticulture	2401	60.81	55.49	85.36	71.24	65.01
8.	34 – Animal Husbandry	2403	10.33	7.73	25.03	41.27	30.88
9.	38 – Rural Development	2515	5.20	3.49	14.71	35.35	23.73
10.	40 - Industries	2851	14.42	11.59	30.86	46.73	37.56
Total			567.77	428.40	1292.71		

