



GOVERNMENT OF NAGALAND

ACCOUNTS AT A GLANCE

2011-2012



SPACE FOR PHOTOGRAPH

**ACCOUNTANT GENERAL
(ACCOUNTS AND ENTITLEMENTS)
NAGALAND :: KOHIMA**



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Preface

The Annual Accounts of the State Government are prepared and examined by the Accountant General (A&E) under the direction of the Comptroller and Auditor General of India (C&AG) in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 for being laid before the Legislature of the State.

The Annual Accounts consists of (a) Finance Accounts and (b) Appropriation Accounts.

Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency fund and the Public Account. The Appropriation Accounts shows the Grant-wise expenditure against provisions approved by the State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

The Accountant General (Accounts and Entitlements) prepares the State Finance Accounts and the Appropriation Accounts.

'Accounts at a Glance' provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs.

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

PLACE: KOHIMA
DATE : 3rd April, 2013

R. NARESH
ACCOUNTANT GENERAL (A&E)

Our Vision, Mission and Core Values

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

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

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

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

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

- ▶ Independence
- ▶ Objectivity
- ▶ Integrity
- ▶ reliability
- ▶ Professional Excellence
- ▶ Transparency
- ▶ Positive Approach

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**COMPTROLLER AND AUDITOR GENERAL OF INDIA
2012**

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CHAPTER 1

OVERVIEW

1.1 Introduction

The Accountant General (Accounts and Entitlements), Nagaland compiles the accounts of receipts and expenditure of the Government of Nagaland. 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 Accountant General (A&E) prepares, annually, the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the Accountant General (Audit) Nagaland and certification by the Comptroller and Auditor General of India.

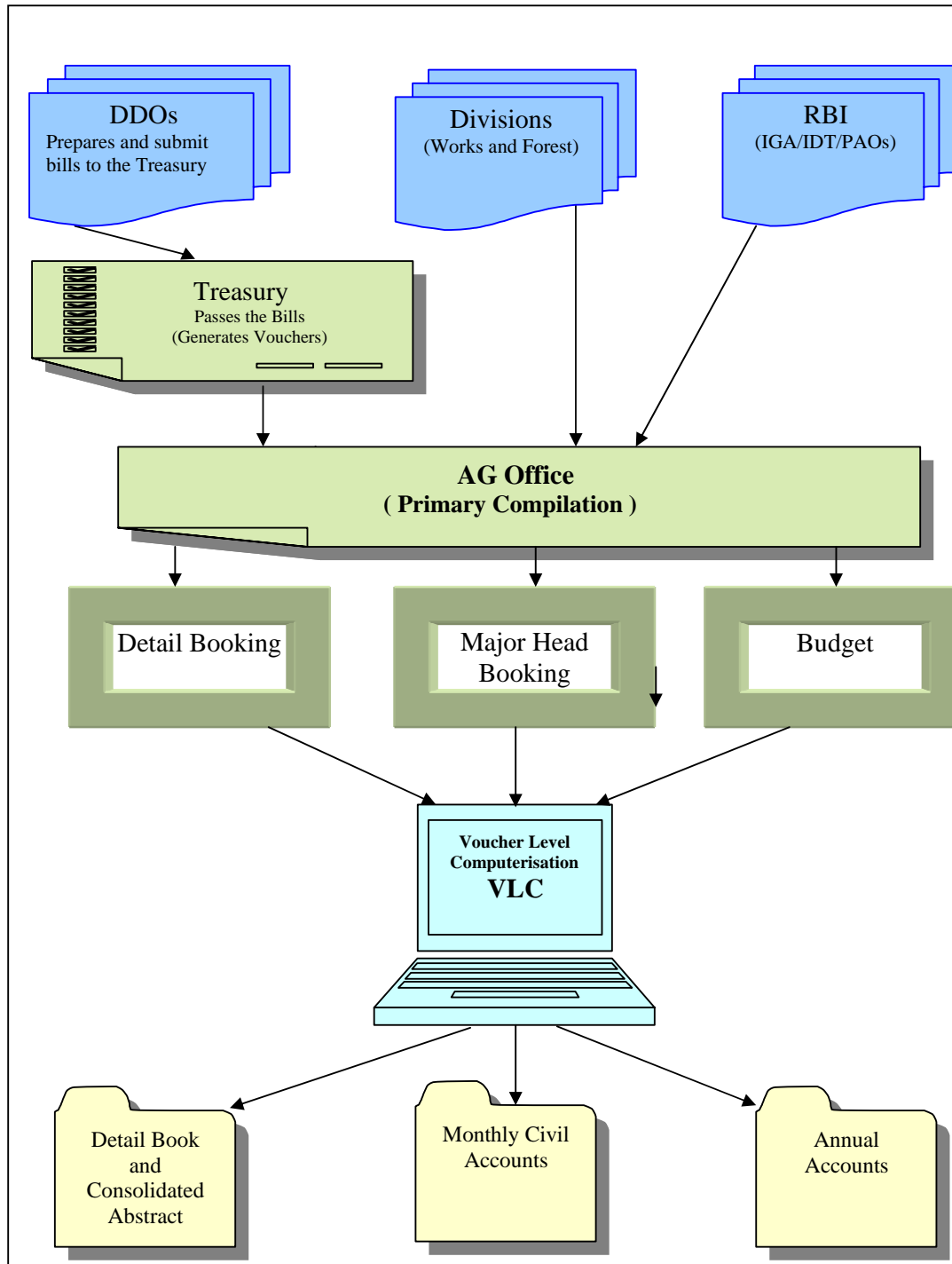
1.2 Structure of Accounts

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 to the final heads of account.

1.2.2 Compilation of Accounts

Flow Diagram for Account Compilation



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. The Finance Accounts have been issued in two volumes, to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarised statements of overall receipts and disbursements and 'Notes to accounts' containing summary of significant accounting policies, quality of accounts and other items; Volume II contains other summarised statements (Part-I), detailed statements (Part-II) and appendices (Part-III).

Receipts and disbursements of the government of Nagaland as depicted in the Finance Accounts 2011-12 are given below.

(₹ in crore)

Receipt (Total : 6,127)	Revenue (Total : 5,586)	Tax Revenue	1,107
		Non Tax Revenue	233
		Grants-in-Aid	4,246
	Capital (Total : 541)	Recovery of Loans and Advances	2
		Borrowings and other Liabilities *	539
Disbursement (Total : 6,127)	Revenue	4,876	
	Capital	1,249	
	Loans and Advances	2	

* 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 ₹1,284 crore (₹1,036 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 II of the Finance Accounts.

1.3.2 Appropriation Accounts

The Appropriation Accounts bring out the expenditure of the State Government against amounts voted and charged by the State Legislature, and supplement the Finance Accounts. These comprise accounts of 2 charged Appropriations, 4 charged and voted and 76 voted Grants.

Appropriation Act, 2011-12, had projected gross provision of ₹7,840 crore, including Supplementary Grants totaling ₹932 crore, during the year. An amount of ₹52 crore was estimated as recoveries in reduction of expenditure.

Appropriation Accounts 2011-12, show disbursements aggregating ₹6,975 crore against the aggregate budget provision of ₹7,840 crore, resulting in saving of ₹865 crore against Grant and Appropriations. There were excess of ₹55 crore in 15 Grants and Appropriation. The major excess ₹27 crore (16 *per cent*) was under PWD Roads and Bridges, ₹5 crore (0.85 *per cent*) under Pension and other Retirement benefits.

Recoveries in reduction of expenditure amounted to ₹49 crore (Actual) reflecting a decrease of ₹3 crore vis-à-vis budget estimates.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹0.25 crore) maintained with the RBI. During 2011-12, the Government of Nagaland availed ₹577 crore and ₹69 crore for WMA and OD facilities respectively. This has to be viewed against the fact that there were savings totaling ₹865 crore in almost all 67 grants, resulting in a shortfall of 11 *per cent* in expenditure against estimates.

1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹711 crore and a Fiscal Deficit of ₹539 crore representing 6 *per cent* and 4 *per cent* of the Gross State Domestic Product (GSDP)¹. The Fiscal Deficit constituted 9 *per cent* of total expenditure. This deficit was met from Public Debt (₹520 crore), increase in Public Account (₹423 crore), and net of opening and closing cash balance (₹(-)404 crore). Around 59 *per cent* of the revenue receipts (₹5,586 crore) of the State Government was spent on committed expenditure like salaries (₹2,284 crore), interest payments (₹417 crore) and pensions (₹587 crore).

Except where indicated otherwise, GSDP figures used in this publication are adopted from the Economics and Statistics Department, Government of Nagaland

Sources and Application of Funds

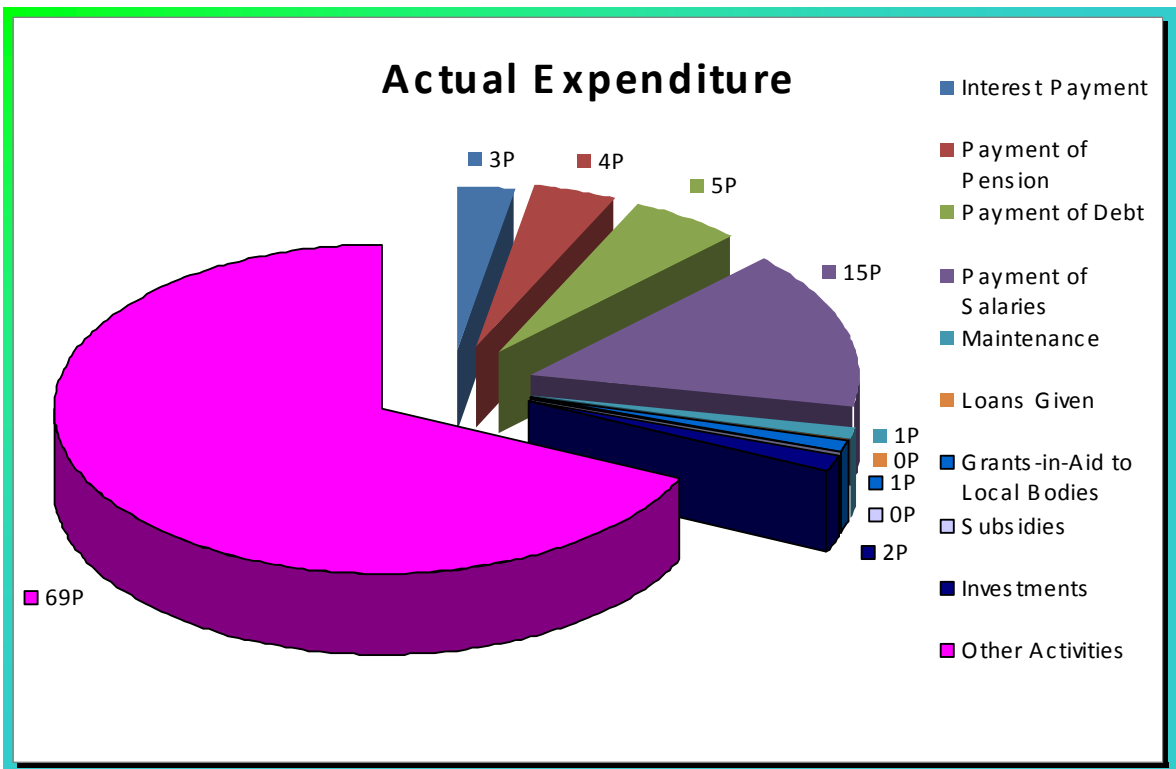
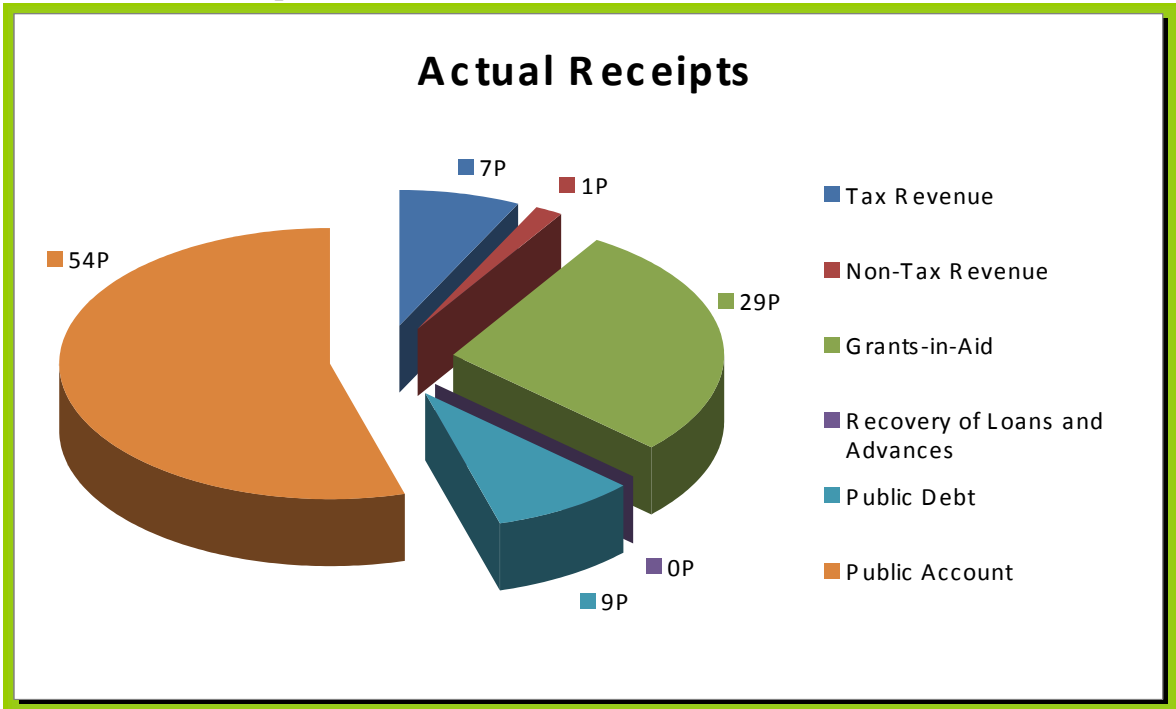
(₹ in crore)

SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2011	(-) 603
	Revenue Receipts	5,586
	Recovery of Loans & Advances	2
	Public Debt	1,319
	Small Savings Provident Fund & Others	197
	Reserves & Sinking Funds	38
	Deposits Received	702
	Civil Advances Repaid	16
	Suspense Account	5,638
	Remittances	1,643
	Contingency Fund	...
	TOTAL	14,538

APPLICATION	Revenue Expenditure	4,876
	Capital Expenditure	1,249
	Loans Given	3
	Repayment of Public Debt	798
	Small Savings Provident Fund & Others	161
	Reserves & Sinking Funds	38
	Deposits Spent	393
	Civil Advances Given	16
	Suspense Account	5,427
	Remittances	1,776
	Closing Cash Balance as on 31.3.2012	(-) 199
	TOTAL	14,538

1.4.3 Where the Rupee comes from

1.4.4 Where the Rupee went



1.5 Highlights of Accounts

(₹ in crore)

	B.E.2011-12	Actuals	Percentage of actuals to B.E	Percentage of actuals to GSDP(\$)
1. Tax Revenue (@)	1,079	1,107	103	9
2. Non-Tax Revenue	191	233	122	2
3. Grants-in-aid & Contributions	4,341	4,246	98	35
4. Revenue Receipts (1+2+3)	5,611	5,586	100	46
5. Recovery of Loans and Advances	4	2	50	...
6. Borrowings & other Liabilities (A)	476	539	113	4
7. Capital Receipts (5+6)	480	541	113	4
8. Total Receipts(4+7)	6,091	6,127	101	51
9. Non-Plan Expenditure (*)	3,755	4,054	108	34
10. NPE on Revenue Account	3,755	4,054	108	34
11. NPE on Interest Payments out of 10	440	417	95	3
12. NPE on Capital Account	...	...	...	...
13. Plan Expenditure (*)	2,336	2,073	89	17
14. PE on Revenue Account	897	822	92	7
15. PE on Capital Account	1,439	1,251	87	10
16. Total Expenditure (9+13)	6,091	6,127	101	51
17. Revenue Expenditure (10+14)	4,652	4,876	105	40
18. Capital Expenditure(12+15) (#)	1,439	1,251	87	10
19. Revenue Surplus (4-17)	959	710	74	6
20. Fiscal Deficit (4+5-16)	476	539	113	4

@ Includes State's share of Union Taxes/Duties of ₹803 crore.

(\$) GSDP figure ₹12065 crore adopted from the Economics and Statistics Department, Government of Nagaland.

(#) Expenditure on Capital Account includes Capital Expenditure budget (₹1435 crore) and Loans and Advances disbursed (₹4 crore).

(*) Expenditure includes ₹2 crore under Plan which pertains to Loans and Advances.

(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 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 Dedicit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
Fiscal Deficit/Surplus	Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings and ideally, the borrowings should be invested in capital projects

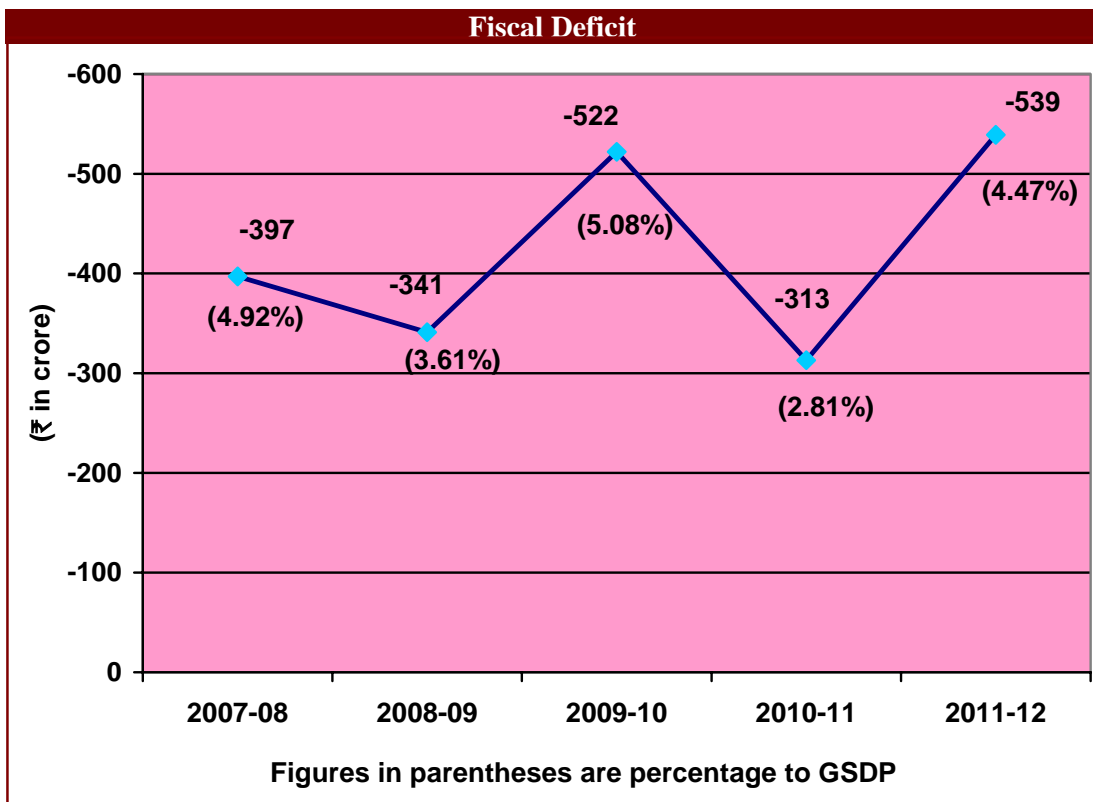
Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. The 12th Finance Commission had recommended that the States achieve revenue balance by 2010-11 and decrease Gross Fiscal Deficit to 3.50 *per cent* of GSDP by 2011-12. In view of the economic slow-down, the Government of India further relaxed the acceptable ceiling for the Fiscal Deficit-GSDP ratio to 4 *per cent* in 2010-11 and to 3.50 *per cent* in 2011-12. To encourage State Governments to achieve these goals, the Government of India extended Debt Consolidation and Relief Facility (DCRF) to States, under which successful State Governments would receive relief on repayment of principal and /or interest.

The State Government was successful in achieving the Revenue Surplus target as early as in 2007-08 and maintained it. In respect of fiscal deficit 2011-12, State Government achieved 4 *per cent* of GSDP to 3.50 *per cent* of GSDP as recommended against by the 12th Finance Commission.

1.6.1 Trend of Revenue Deficit / Surplus



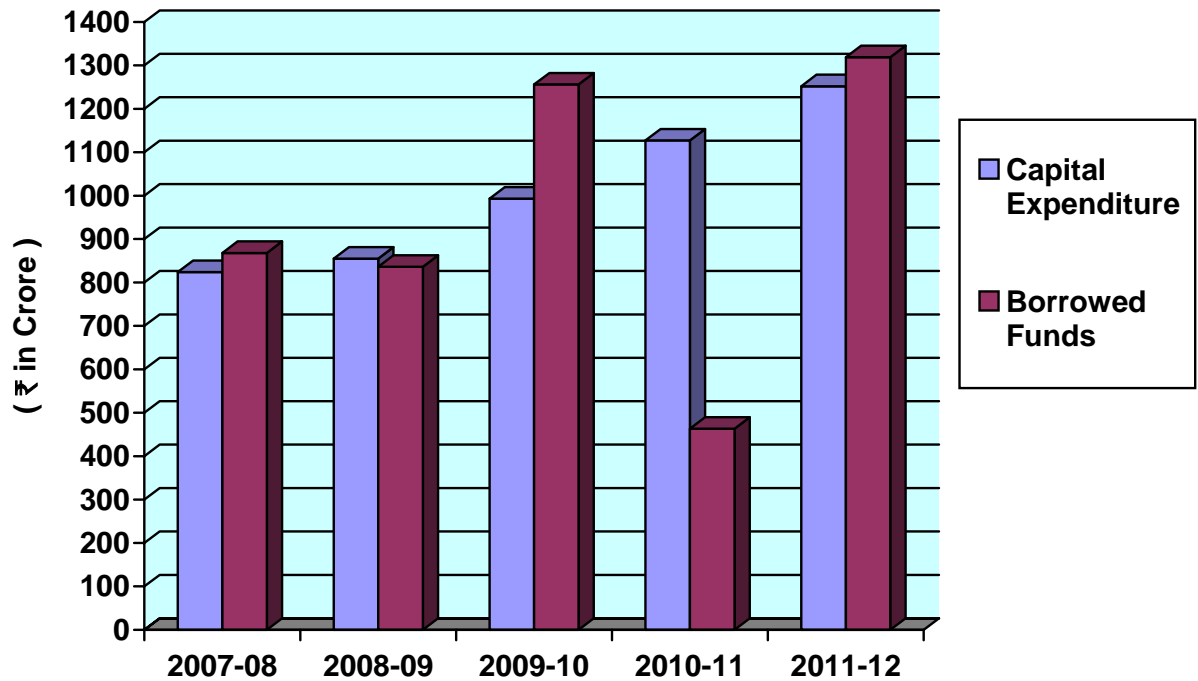
1.6.2 Trend of Fiscal Deficit



1.6.3

Proportion of borrowed funds spent on Capital expenditure.

Borrowed funds spent on Capital Expenditure



It is desirable to fully utilise borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The Government, however, spent 95 % of the borrowings of the current year (₹1,319 crore) on capital expenditure (₹1,249 crore) and 61 % of the public debt (₹799 crore) was utilised on the following: to repay the principal and interest on public debt of previous years, to meet periodic shortfalls of revenues against expenditure in the current year, to maintain a positive cash balance at the end of the year and to invest in treasury bills.

CHAPTER II

RECEIPTS

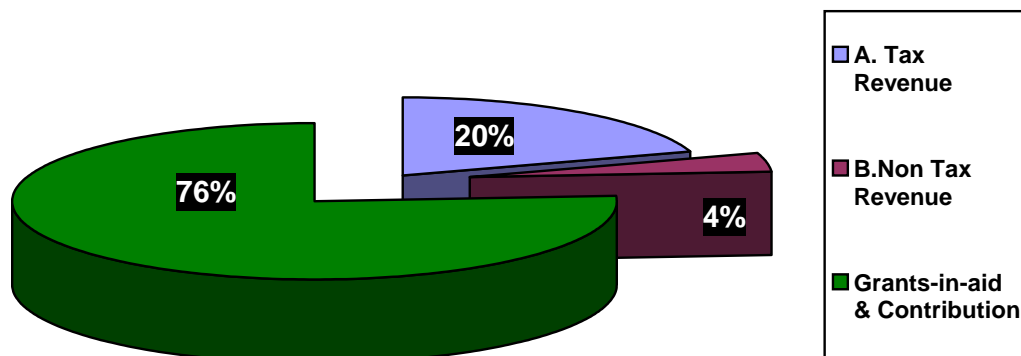
2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2011-12 were ₹6,127 crore

2.2 Revenue Receipts

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

Revenue Receipts



Revenue Receipt Components (2011-12)

(₹ in crore)

Components	Actuals
A. Tax Revenue	1,107
Taxes on Income & Expenditure	504
Taxes on Property & Capital Transactions	4
Taxes on Commodities & Services	599
B. Non-Tax Revenue	233
Interest Receipts, Dividends and Profits	10
General Services	63
Social Services	19
Economic Services	141
C. Grants-in-aid & Contributions	4,246
Total - Revenue Receipts	5,586

2.3 Trend of Receipts

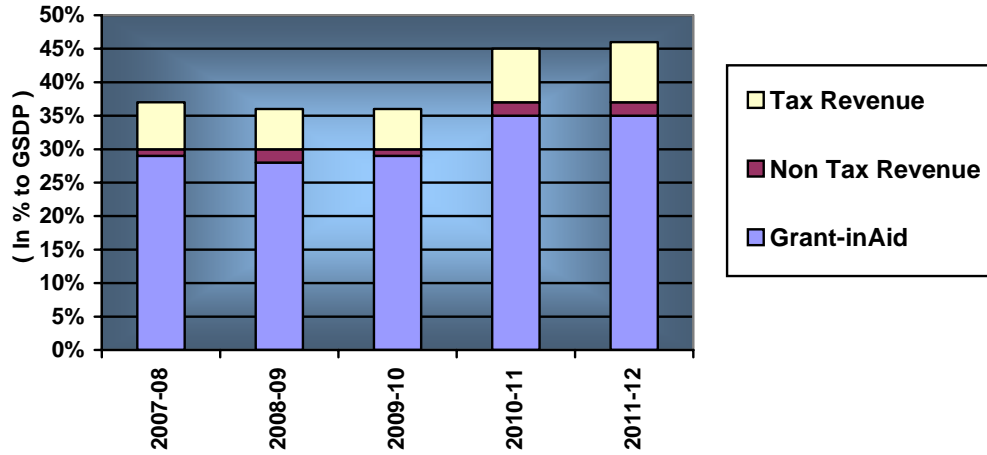
(₹ in Crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Tax Revenues	531 (7)	578 (6)	615 (6)	917 (8)	1107 (9)
Non-Tax Revenues	120 (1)	181 (2)	126 (1)	183 (2)	233 (2)
Grants in Aid	2,345 (29)	2,642 (28)	2,979 (29)	3,900 (35)	4,246 (35)
Total Revenue Receipts	2,996 (37)	3,401 (36)	3,720 (36)	5,000 (45)	5586 (46)
GSDP	8,075	9,436	10,273	11,121	12,065

Note: Figures in parentheses represent percentage to GSDP

Though the GSDP increased by 8 % between 2010-11 and 2011-12, growth in revenue collection was 12 %. While tax revenues increased by 21 % and non-tax revenues by 27 %. The State's own revenue under certain tax components, like taxes on sales, trade etc., (₹231 crore), taxes on vehicles (₹35 crore) and taxes on goods and passengers (₹5 crore) showed a higher trend. The increase in sales tax revenue by ₹64 crore from ₹167 crore in 2010-11 to ₹231 crore in 2011-12 was mainly on account of contribution of VAT representing around 83 % of incremental tax revenue of the State during the year. Increase in Non Tax Revenue in 2011-12 (₹50 crore) over the previous year was mainly on account of Power (₹20 crore), Miscellaneous General Services (₹17 crore) and Civil Aviation (₹6 crore).

Components under Revenue Receipts as proportion to GSDP

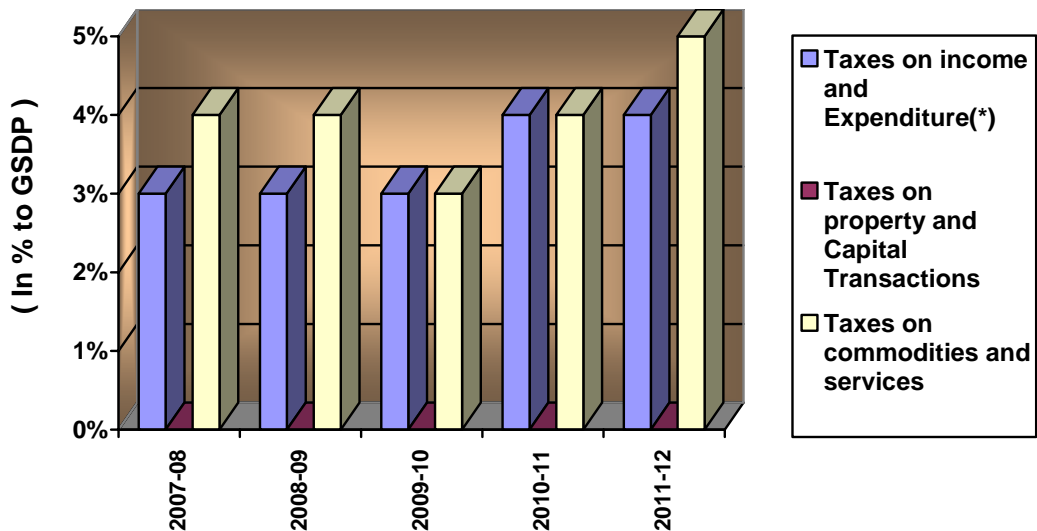


Sector-wise Tax Revenue

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Taxes on Income and Expenditure	230	245	301	437	504
Taxes on Property and Capital Transactions	2	2	2	2	4
Taxes on Commodities and Services	299	331	312	478	599
Total Tax Revenues	531	578	615	917	1107

Trend of Major Taxes in proportion to GSDP



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

2.4 Performance of State's own tax revenue collection

(₹ in crore)

Year	Tax Revenue	State Share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2007-08	531	400	131	1.62 %
2008-09	578	422	156	1.65 %
2009-10	615	434	181	1.76 %
2010-11	917	689	228	2.05 %
2011-12	1,107	803	304	2.52%

The ratio of the State's Own Tax buoyancy with respect to GSDP was 0.92 in 2007-08 which increased to 3.97 in 2011-12.

2.5 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	2	2	2	2	4
Expenditure on Collection	8	11	10	12	0

B. Taxes on Commodities and Services

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	299	331	312	478	599
Expenditure on Collection	14	16	18	25	12
Efficiency of Tax Collection	5 %	5 %	6 %	5 %	2%

Taxes on commodities and services form a major chunk of tax revenue. Tax collection efficiency is excellent. In respect of taxes on property and capital transactions expenditure on tax collection was higher than the tax collected.

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

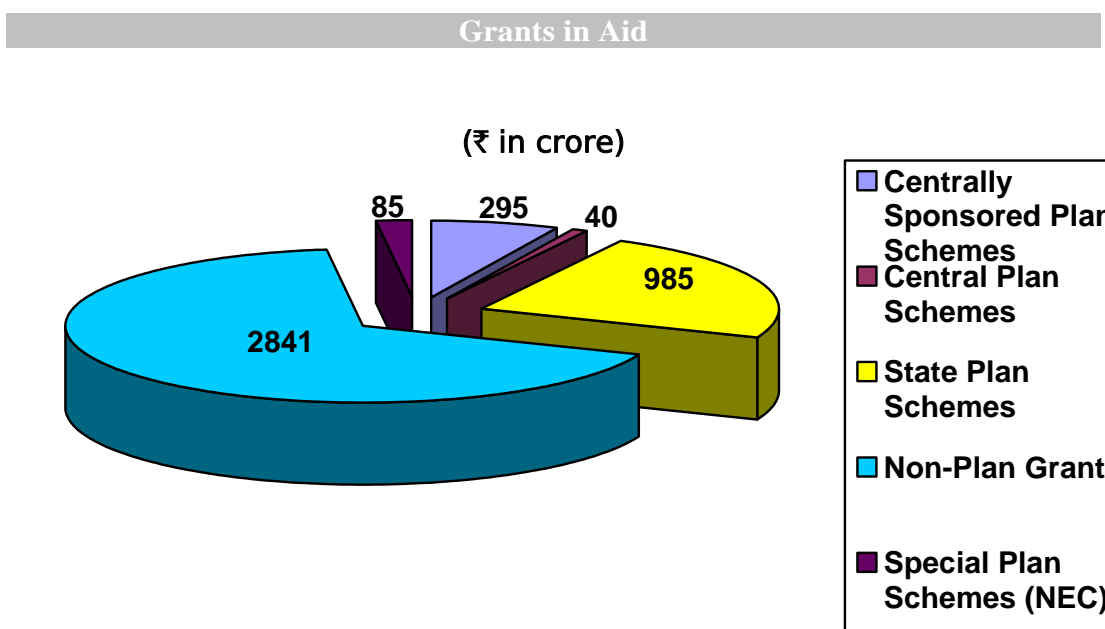
(₹ in crore)

Major Head Description	2007-08	2008-09	2009-10	2010-11	2011-12
Corporation Tax	127	138	179	269	316
Taxes on Income other than Corporation Tax	85	87	99	142	161
Taxes on Wealth	...	...	...	1	1
Customs	76	81	68	121	139
Union Excise Duties	72	70	42	88	90
Service Tax	40	46	46	68	96
Other Taxes and Duties on Commodities and Services	...	...	...	...	...
State Share of Union Taxes	400	422	434	689	803
Total Tax Revenue	531	578	615	917	1,107
% of Union Taxes to Total Tax Revenue	75	73	71	75	73

Central tax transfer to the State increased by ₹114 crore (16.50 per cent) from ₹689 crore in 2010-11 to ₹803 crore in 2011-12. The Percentage Share of State's Own Resources and the Central transfer in Revenue receipts of the State exhibited relative stability during the last five years (2007-12)

2.7 Grants in Aid

Grants in Aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2011-12 under Grants in Aid were ₹4246 crore as shown below:



Grants-in-aid from Govt. of India have increased by ₹346 crore (9 per cent) from ₹3900 crore in 2010-11 to ₹4246 crore in 2011-12 contributing 76 % of the total Revenue Receipts during 2011-12. This increase was due to enhanced grants for Non-plan grants (₹183 crore), State Plan Schemes (₹49 crore), Grants for Central Plan Scheme (₹31 crore) Centrally Sponsored Plan Schemes (₹47 crore) and Grants for Special Plan Schemes (₹36 crore)

2.8 Public Debt

Trend of Public Debt over past 5 years

(₹ in crore)

Description	2007-08	2008-09	2009-10	2010-11	2011-12
Internal Debt	254	468	568	225	538
Central Loans	(-15)	(-22)	(-37)	(-23)	(-) 18
Total Public Debt	239	446	531	202	520

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

In 2011-12, four loans totaling ₹505 crore at interest rates varying from 8.90 *per cent* to 9.04 *per cent* and redeemable in the years 2021-2022 were raised at par.

Against the net internal debt of ₹ 538 crore (receipt ₹1298 crore – repayment ₹760 crore) of State Government in 2011-12, capital expenditure was ₹1249 crore indicating that the rest of the capital expenditure was made from Revenue of the Government.

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 State Government. 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 the State had increased by ₹2304 crore, (89.58 *per cent*) from ₹2572 crore in 2007-08 to ₹4876 crore in 2011-12 at a compound annual growth rate of 13.64 *per cent*.

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

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Budget Estimates	2,454	2,678	3,170	4,421	4652
Actuals	2,572	2,890	3,252	4,188	4876
Gap	188	212	82	(-) 233	224
% of gap over BE	8	8	3	(-) 5	5

Nearly 67 per cent of total revenue expenditure of the State Government was spent on committed expenditure like salaries, interest payments and pensions. Both Non Plan revenue expenditure and Plan revenue expenditure have shown an increase over the period 2007-2012. Of the total increase of ₹ 688 crore in revenue expenditure during 2011-12 over the previous year, increase on NPRE contributed 109 per cent (₹ 750 crore) while decrease in PRE accounted for 9 per cent (₹ 62 crore). The actual NPRE exceeded the normative assessment made by XIII- FC by ₹ 1458 crore (56 per cent) and also assessment made by the State in FCR by ₹ 352 crore (10 per cent).

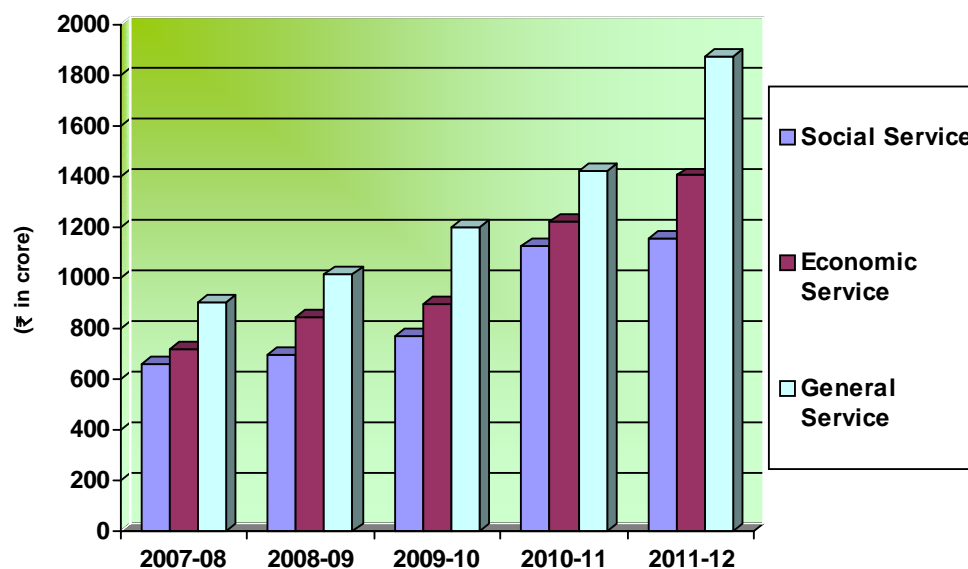
3.2.1 Sectoral distribution of Revenue Expenditure (2011-12)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	48	1
(i) Collection of Taxes on Property and Capital transactions	18	...
(ii) Collection of Taxes on Commodities and Services	30	...
(iii) Other Fiscal Services	...	...
B. Organs of State	60	1
C. Interest Payments and Servicing of debt	446	9
D. Administrative Services	1174	24
E. Pensions and Miscellaneous General Services	590	12
F. Social Services	1154	24
G. Economic Services	1404	29
H. Grants-in-aid and Contributions	...	...
Total Expenditure (Revenue Account)	4876	100

3.2.1 Major Component of Revenue Expenditure (2007-2012)

Trend of Major Component of Revenue Expenditure



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

3.3 Capital Expenditure

Capital disbursements for 2011-12 at 10 *per cent* of GSDP were less than Budget Estimates by ₹188 crore due to less disbursement under Plan Expenditure on capital account.

3.3.1 Sectoral distribution of Capital Expenditure

During 2011-12, Government spent ₹ 1249 crore excluding loans and advances and had invested ₹228 crore in various Corporations/Companies and Societies at the end of March 2012. The average returns on this investment was nil during the last five years while the Govt. paid an average interest rate of 6.73 *per cent* on its borrowing during 2011-12.

(₹in crore)

Sl.No	Sector	Amount	Percentage
1	General Services-Police, Land Revenue etc.	235	19
2	Social Services-Education, Health & Family Welfare, Water Supply,, Welfare of SC/ST etc.	339	27
3	Economic Services-Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	675	54
4	Loans and Advances Disbursed	2	...
Total		1251	100

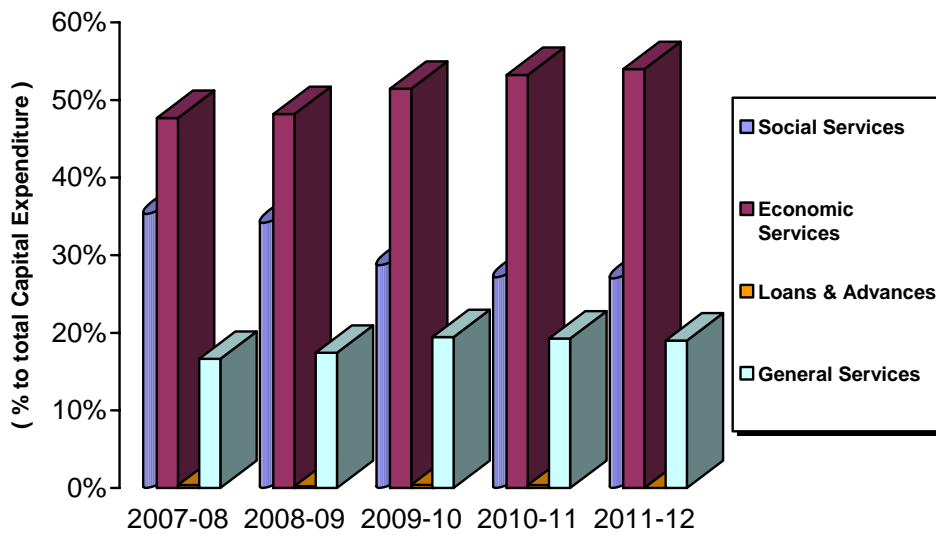
3.3.2

Sectoral distribution of capital expenditure over the past 5 years

(₹in crore)

Sl No	Sector	2007-08	2008-09	2009-10	2010-11	2011-12
1	General Services	137	149	193	217	235
2	Social Services	291	292	285	306	339
3	Economic Services	393	412	511	600	675
4	Loans and Advances	3	2	4	4	2
Total		824	855	993	1127	1251

Trend of Sectoral Distribution of Capital Expenditure

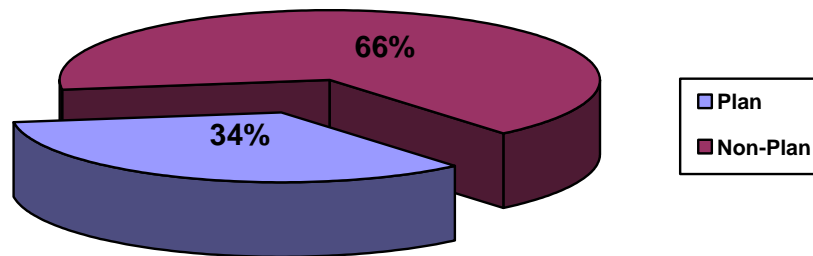


CHAPTER IV

PLAN & NON PLAN EXPENDITURE

4.1 Distribution of expenditure (2011-2012)

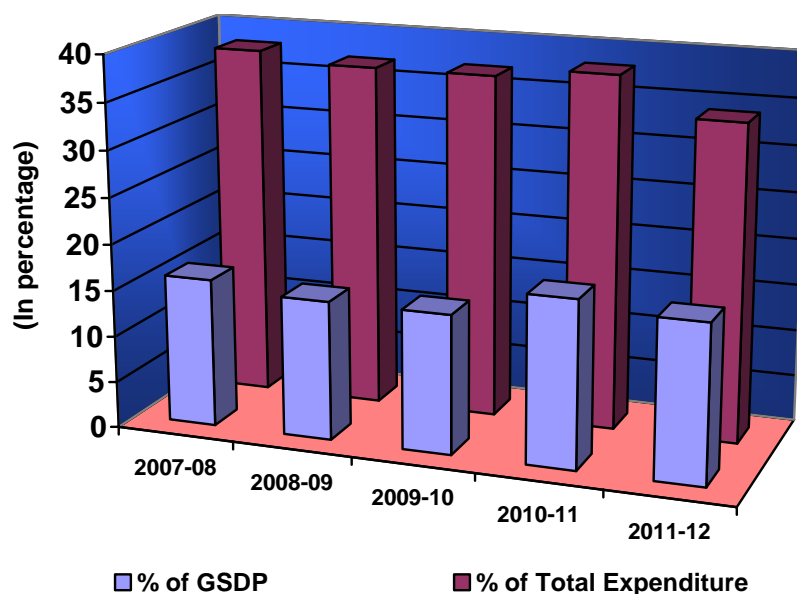
Distribution of Expenditure



4.2 Plan Expenditure

During 2011-2012, Plan Expenditure, representing 34 percent of total disbursements, was ₹2,073 crore, (₹1,811 crore under State Plan and ₹260 crore under Centrally Sponsored Plan Schemes and ₹2 crore under Loans and Advances).

Plan Expenditure As proportion of total expenditure and GSDP



4.2.1 Plan Expenditure under Capital Account

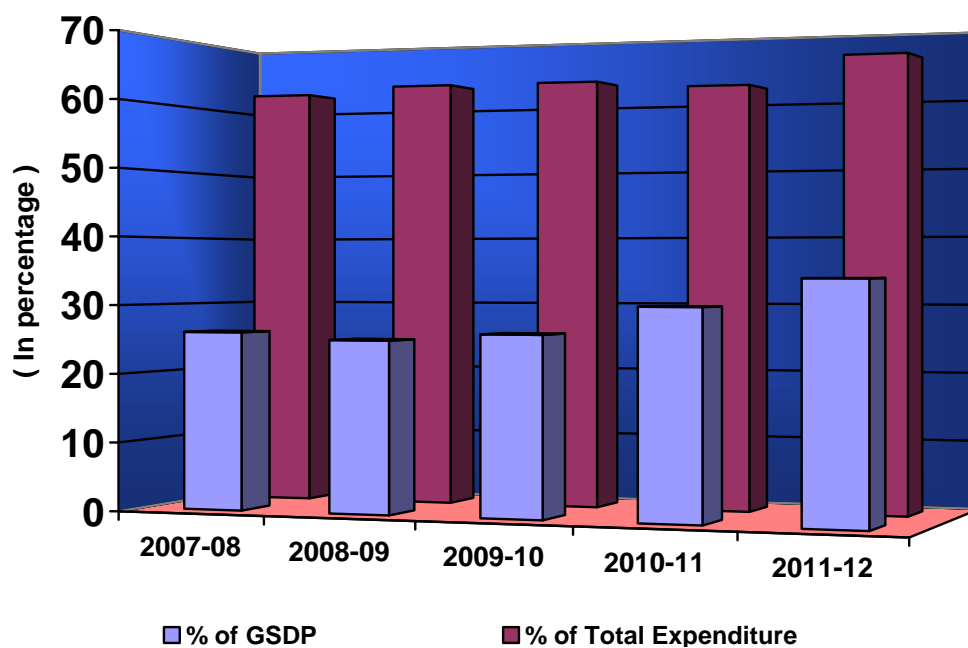
(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Total Capital Expenditure	824	855	993	1,127	1,251
Capital Expenditure (Plan)	812	854	980	1,127	1,251
% of Capital Expenditure (Plan) to Total Capital Expenditure	99	100	99	100	100

4.3 Non - Plan Expenditure

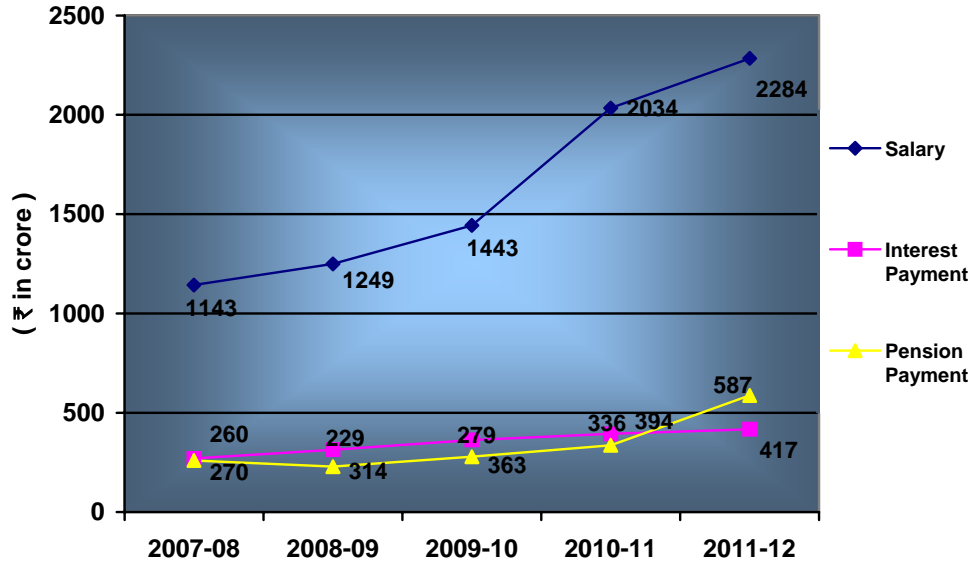
Non-Plan Expenditure during 2011-2012, representing 66 percent of total disbursements, was ₹4,054 crore under Revenue Account.

Non Plan Expenditure as proportion of total expenditure and GSDP



4.4 Committed Expenditure

Trend of Committed Expenditure



(₹ in crore)					
Component	2007-08	2008-09	2009-10	2010-11	2011-12
Committed Expenditure	1673	1792	2085	2764	3288
Revenue Expenditure	2572	2890	3252	4188	4876
% of committed expenditure to Revenue Receipts	56	53	56	55	59
% of committed expenditure to Revenue expenditure	65	62	64	66	67

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

CHAPTER V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts for 2011-12

(₹ in crore)

Sl No .	Nature of Expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings(-) Excesses(+)
1	Revenue Voted	4172	588	...	4760	4464	(-)296
	Charged	480	3		483	460	(-)23
2	Capital Voted	1436	339	...	1775	1249	(-)526
	Charged	...					
3	Public Debt Charged	816	...	...	816	799	(-)17
4	Loans and Advances Voted	4	2	...	6	3	(-)3
	Total	6908	932	...	7840	6975	(-)865

5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings(-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2007-08	(-)170	(-)316	(-)54	(-)6	(-)546
2008-09	(-)251	(-)382	(-)324	(-)7	(-)964
2009-10	(-)339	(-)639	(-)45	...	(-)1023
2010-11	(-)471	(-)287	(-)520	(-)2	(-)1280
2011-12	(-)319	(-)526	(-)17	(-)3	(-)865

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:

Revenue/Capital Section

(₹ in crore)

Grant	Nomenclature	2007-08	2008-09	2009-10	2010-11	2011-12
27	Planning Machinery	58%	69%	82%	30%	61%
36	Urban Development	14%	38%	58%	64%	41%

During 2011-12, supplementary grants totalling ₹932 crore (13 per cent of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below.

(₹ in crore)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
9	Taxes on vehicles	Capital	1	32	29
11	District Administration and Special Welfare Schemes	Revenue	125	39	99
35	Medical, Public Health and Family Welfare	Capital	31	19	42
52	Forest	Capital	33	5	25
55	Power	Capital	94	9	82
60	Water Supply	Revenue	42	3	36
64	Housing	Capital	43	16	28

CHAPTER VI

ASSETS AND LIABILITIES

6.1 Assets

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

Total investments as share capital in various public sector undertakings (PSUs) stood at ₹ 228 crore at the end of 2011-12. However, dividends received during the year were ₹ Nil on investment. During 2011-12, investments increased by ₹15 crore, as compared to 2010-11.

Cash Balance with RBI stood at ₹ (-)199 crore on 31st March 2012 and was decreased by ₹404 crore as compared to previous year's closing.

6.2 Debt and Liabilities

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

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

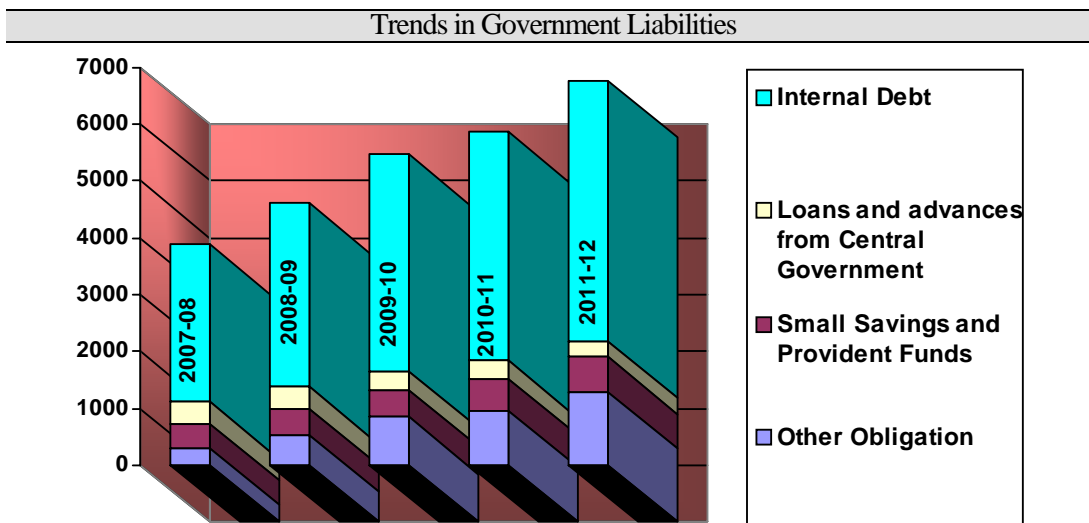
(₹ in crore)

Year	Public Debt	% to GSDP	Public Account(*)	% to GSDP	Total Liabilities	% to GSDP
2007-08	3161	39	724	9	3885	48
2008-09	3607	38	1000	11	4607	49
2009-10	4138	40	1323	11	5461	53
2010-11	4340	37	1524	13	5864	53
2011-12	4860	40	1898	16	6758	56

(*) Excludes suspense and remittance balances.

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

There is a net increase of ₹894 crore (15 per cent) in Public Debt and Other liabilities as compared to 2010-11.



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

The fiscal liabilities to GSDP (56 per cent) was 11 per cent more than the assessment made by the Government in its Medium Term Fiscal policy Statement (MTFPS). (44 per cent) and 1 per cent lower than the norm of 56 per cent recommended by the XIII-FC for the year 2011-12.

6.3 Guarantees

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

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed(Principal only)	Amount outstanding as on 31 st March 2012	
		Principal	Interest
2007-08	...	7	...
2008-09	26	33	...
2009-10	20	53	...
2010-11	2	55	...
2011-12	10	65	...

CHAPTER VII

OTHER ITEMS

7.1 Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, State Governments also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, the loan repayments appear in Government account, resulting in irreconcilable adverse balances and understatement of liabilities in Government accounts. As on March 31st 2012, the adverse balances amounted to ₹4571 crore.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2011-2012 was ₹26 crore. Of this, Loans and Advances to Government Corporations/ Companies, non-Government Institutes and Co-operative Societies amounted to ₹24 crore. Recovery of Principal aggregating to ₹2 crore and Interest amounting to ₹2 crore at the end of 31st March 2012.

7.3 Financial assistance to local bodies and others

The total assistance to local bodies increased by ₹62 crore (60 per cent) from ₹103 crore in 2010-11 to ₹165 crore in 2011-12. The assistance increased by ₹1 crore (7 per cent) from ₹27 crore in 2010-11 to ₹28 crore in 2011-12 in respect of development agencies whereas it declined by ₹16 crore (94%) from 17 crore in 2010-11 to ₹1 crore in 2011-12 in respect of Old Age Pension Scheme.

Details of Grants-in-aid for the past 5 years are as under.

(₹ in crore)

Year	Educational Institutions (Aided Schools, Aided Colleges, Universities etc.)	Co-Operation	Municipal Council	Development Agencies	Hospital and Other Charitable Institutions	Old age Pension scheme	Other Institutions	Total
2007-08	2	...	...	29	9	...	2	42
2008-09	15	...	2	40	10	...	8	75
2009-10	19	...	1	62	11	...	6	99
2010-11	5	3	...	27	13	17	38	103
2011-12	6	7	3	28	15	1	105	165

7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

Component	As on 1st April 2011	As on 31st March 2012	Net increase (+)/ decrease (-)
Cash Balances	(-)603	(-)199	(+)404
Investments from cash balance (GOI Treasury Bills)	274	...	(-)274
Investment from earmarked fund balances	122	151	(+)29
(a) Sinking Fund	96	124	(+)28
(b) Guarantee Redemption Fund	4	5	(+)1
(c) Other Funds	22	22	...
Interest realized	16	7	(-)9

State Government had a debit closing cash balance at the end of 2011-12.

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 Accountant General (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. In 2011-12, the quantum of expenditure reconciled was for a value of `6468 crore as against the total expenditure (Revenue and Capital) of ₹6926 crore which works out to 93 per cent. On the receipt side, the amount reconciled was a value of `6813 crore as against the total receipts (Revenue and Capital) of ₹6908 crore which works out to 99 per cent. The status of reconciliation of accounts in respect of the Chief Controlling Officers (CCO) of different departments is given below:

PARTICULARS	TOTAL No. OF CCOs	FULLY RECONCILED	PARTIALLY RECONCILED	NOT RECONCILED
EXPENDITURE	82	79	1	2
RECEIPTS	- do -	- do -	- do -	- do -
TOTAL	82	79	1	2

Some chronic defaulters in reconciliation are listed below.

Sl No.	Name of the Department / Chief Controlling Officer	Year / Years pending
1	Industries	2011-12
2	Power	2011-12

7.6 Submission of accounts by Treasuries

The rendition of initial accounts by the Treasuries were satisfactory. However, submission of accounts of the Public Works and Forest Departments needs improvement.

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

When money is required in advance or the Drawing and Disbursing Officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be settled, within a maximum of 90 days, through submission of DC bills. The fact that to the end of 31st March 2012, 118 DC bills amounting to ₹81 crore was outstanding, indicates that these instructions have not been followed.