



# ACCOUNTS AT A GLANCE 2013-2014



**GOVERNMENT OF NAGALAND**

## 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 :

**ATHIKHO CHALAI**  
**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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# CHAPTER I

## 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.

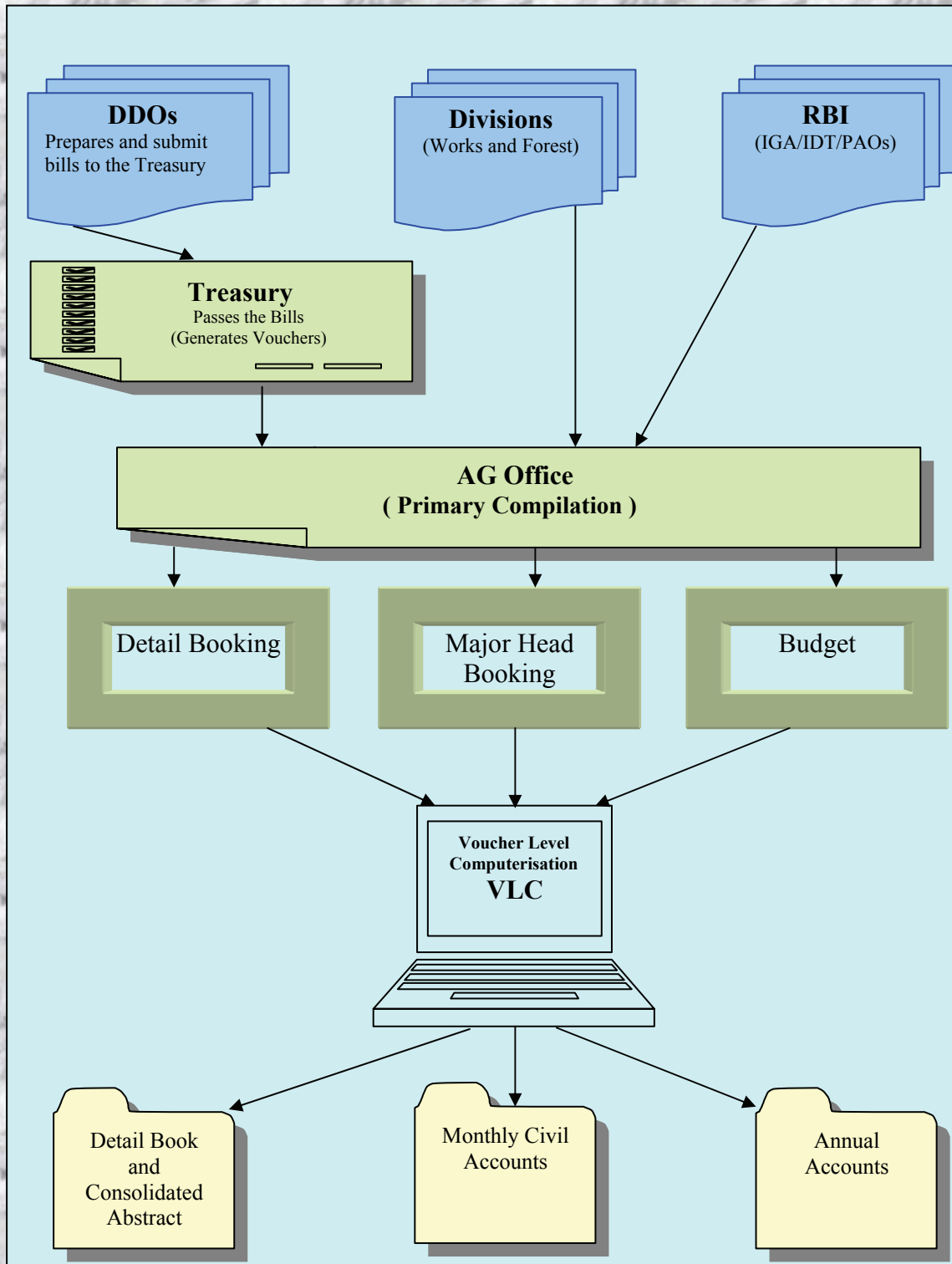
### 1.2 Structure of Accounts

#### 1.2.1 Government Accounts are kept in three parts:

<b>Part - I</b> CONSOLIDATED FUND	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
<b>Part - II</b> CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
<b>Part - III</b> 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 2013-14 are given below.

( ₹ in crore )			
<b>Receipt ( Total : 6958 )</b>	<b>Revenue ( Total : 6498 )</b>	Tax Revenue	1334
		Non Tax Revenue	217
		Grants-in-Aid	4947
	<b>Capital ( Total : 460 )</b>	Recovery of Loans and Advances	1
		Borrowings and other Liabilities *	459
<b>Disbursement ( Total : 6958 )</b>	<b>Revenue</b>	5750	
	<b>Capital</b>	1207	
	<b>Loans and Advances</b>	1	

\* 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 ₹ 1,023 crore ( ₹ 1,267 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, 2013-14, had projected gross provision of ₹ 10,831 crore, including Supplementary Grants totaling ₹ 773 crore, during the year. An amount of ₹ 43 crore was estimated as recoveries in reduction of expenditure.

Appropriation Accounts 2013-14, show disbursements aggregating ₹ 8,431 crore against the aggregate budget provision of ₹10,831 crore, resulting in saving of ₹ 2,400 crore against Grant and Appropriations. There were excess of ₹ 39 crore in 19 Grants and Appropriation. The major excess ₹ 9 crore ( 69 *per cent* ) was under Animal Husbandry and Dairy Development , ₹ 6 crore ( 15 and 11 *per cent* ) under Youth Resources and Sports and Police Engineering Project respectively.

Recoveries in reduction of expenditure amounted to ₹ 35 crore (Actual) reflecting a decrease of ₹ 8 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 2013-14, the Government of Nagaland availed ₹ 812 crore and ₹ 545 crore for WMA and OD facilities respectively. This has to be viewed against the fact that there were savings totaling ₹ 2,400 crore in almost all 63 grants, resulting in a shortfall of 22 *per cent* in expenditure against estimates.

### 1.4.2 Fund flow statement


The State had a Revenue Surplus of ₹ 748 crore and a Fiscal Deficit of ₹ 459 crore representing 4 *per cent* and 3 *per cent* of the Gross State Domestic Product (GSDP)\*. The Fiscal Deficit constituted 7 *per cent* of total expenditure. This deficit was met from Public Debt [₹ 540 crore (Credit)], increase in Public Account [₹ 330 crore (Credit)], and net of opening and closing cash balance [₹ 411 crore (Debit)]. Around 60 *per cent* of the revenue receipts ( ₹ 6,498 crore ) of the State Government was spent on committed expenditure like salaries ( ₹ 2,941 crore ), interest payments ( ₹ 494 crore ) and pensions ( ₹ 695 crore ).


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

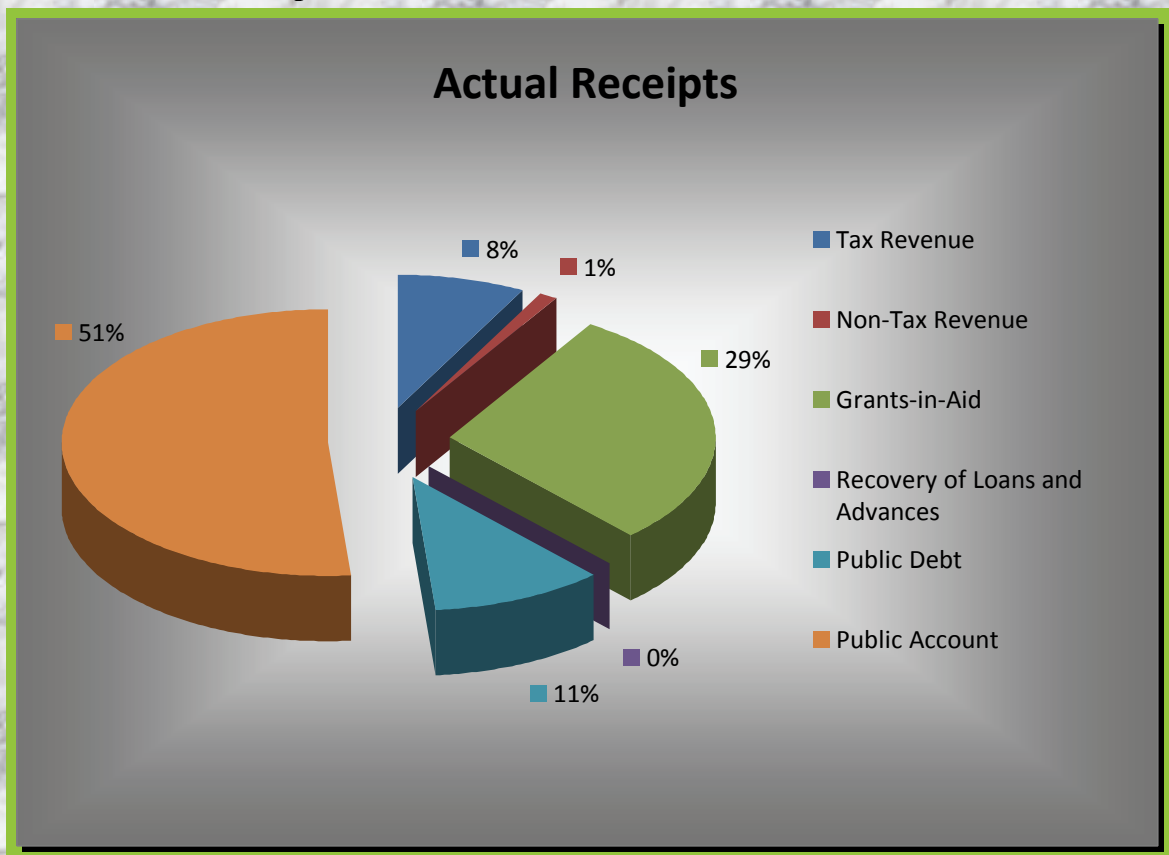
## Sources and Application of Funds

( ₹ in crore )

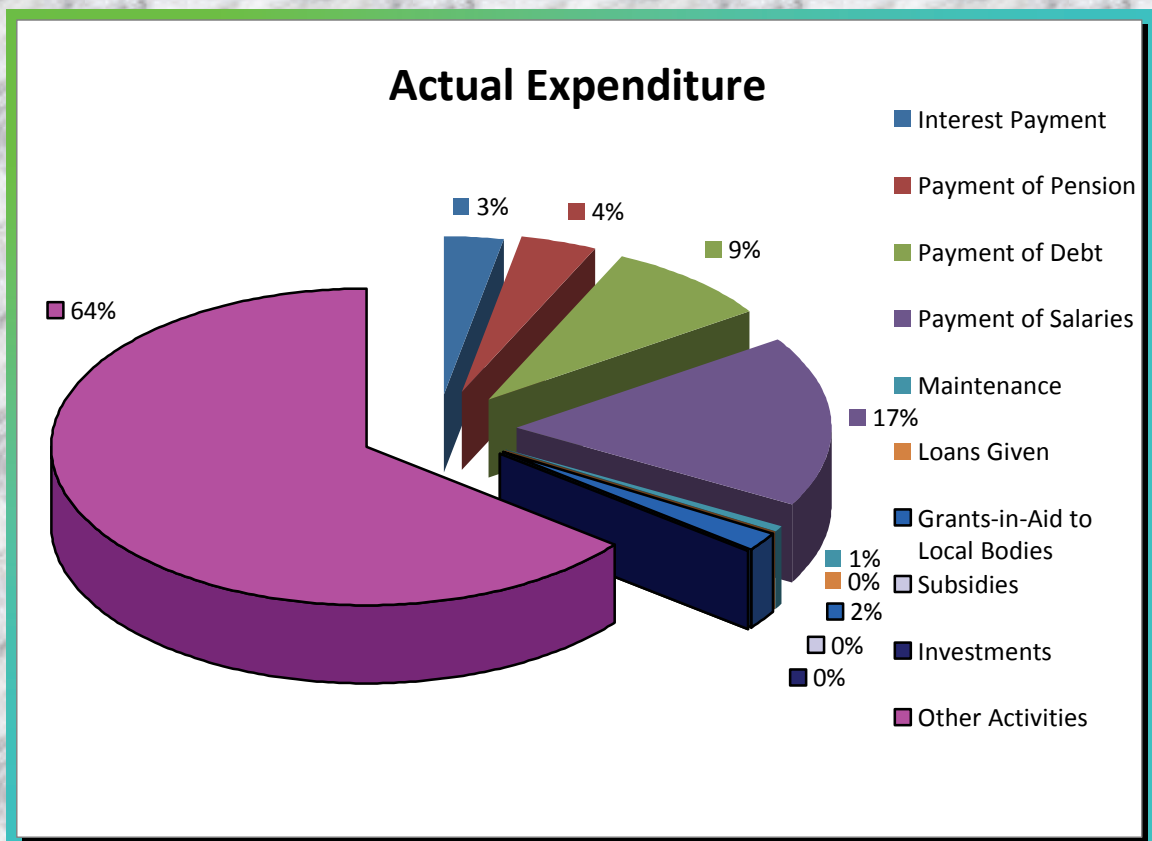
	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01-04-2013	(-) 298
	Revenue Receipts	6498
	Recovery of Loans & Advances	1
	Public Debt	1976
	Small Savings Provident Fund & Others	287
	Reserves & Sinking Funds	54
	Deposits Received	916
	Civil Advances Repaid	18
	Suspense Account	5540
	Remittances	1841
	Contingency Fund	...
	<b>TOTAL</b>	<b>16833</b>

	Revenue Expenditure	5750
	Capital Expenditure	1207
	Loans Given	1
	Repayment of Public Debt	1437
	Small Savings Provident Fund & Others	175
	Reserves & Sinking Funds	54
	Deposits Spent	675
	Civil Advances Given	18
	Suspense Account	5532
	Remittances	1871
	Closing Cash Balance as on 31-03-2014	113
	<b>TOTAL</b>	<b>16833</b>

### 1.4.3 Where the Rupee comes from



### 1.4.4 Where the Rupee went



## 1.5 Highlights of Accounts

( ₹ in crore )

	B.E.2013-14	Actuals	Percentage of actuals to B.E	Percentage of actuals to GSDP(\$)
1. Tax Revenue (@)	1359	1334	98	8
2. Non-Tax Revenue	188	217	115	1
3. Grants-in-aid & Contributions	6026	4947	82	28
4. Revenue Receipts (1+2+3)	7573	6498	86	37
5. Recovery of Loans and Advances	3	1	33	...
6. Borrowings & other Liabilities (A)	194	459	237	3
7. Capital Receipts (5+6)	197	460	234	3
8. Total Receipts(4+7)	7770	6958	90	39
9. Non-Plan Expenditure (*)	5187	4923	95	28
10. NPE on Revenue Account	5174	4904	95	28
11. NPE on Interest Payments out of 10	541	494	91	3
12. NPE on Capital Account	13	19	146	...
13. Plan Expenditure (*)	2583	2035	79	11
14. PE on Revenue Account	1010	846	84	5
15. PE on Capital Account	1573	1189	76	7
16. Total Expenditure (9+13)	7770	6958	90	39
17. Revenue Expenditure (10+14)	6184	5750	93	32
18. Capital Expenditure(12+15) (#)	1586	1208	76	7
19. Revenue Surplus (4-17)	1389	748	54	4
20. Fiscal Deficit (4+5-16)	(-)194	(-)459	237	3

@ Includes State's share of Union Taxes/Duties of ₹ 1,001 crore.

(\$). GSDP figure ₹ 17,749 crore adopted from the Economics and Statistics Department, Government of Nagaland.

(#) Expenditure on Capital Account includes Capital Expenditure budget ( ₹ 1,751 crore ) and Loans and Advances disbursed ( ₹ 4 crore ).

(\*) Expenditure includes ₹ 1 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.

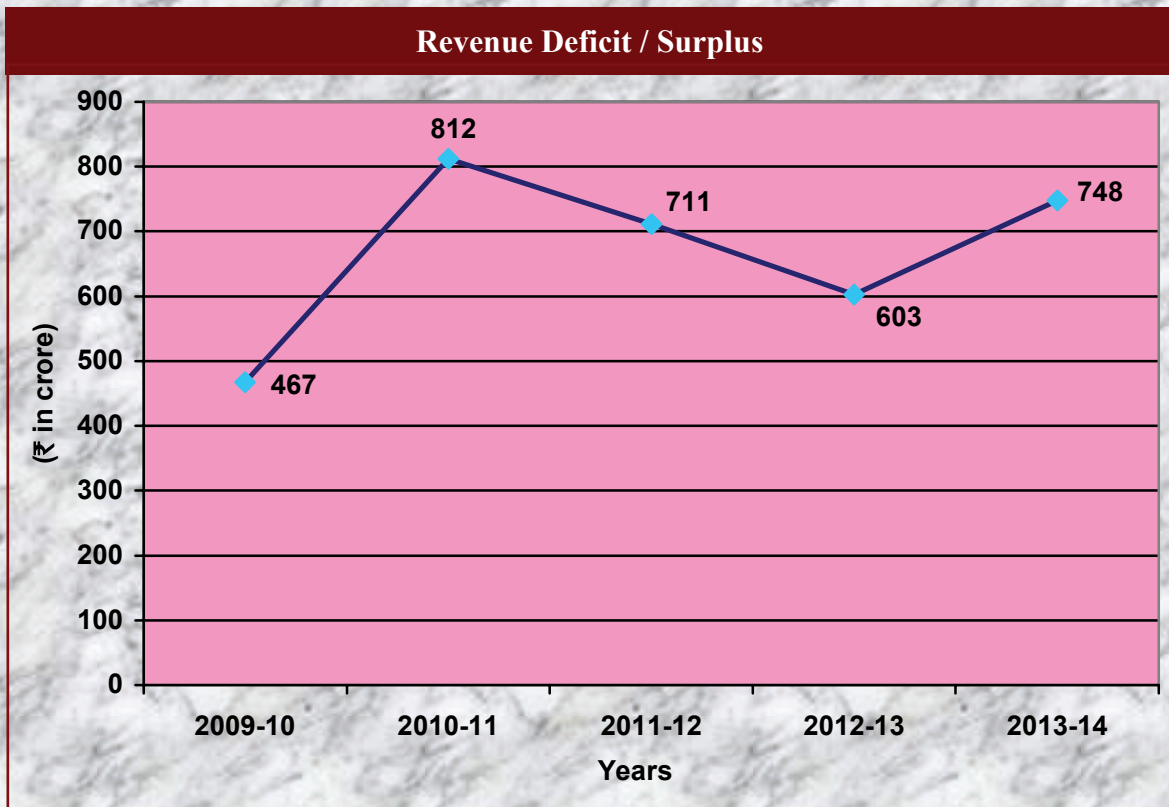
## 1.6 What the deficits and surpluses indicate?

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 Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
Fiscal Deficit/Surplus	Refers to the gap between Total Receipts (excluding 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

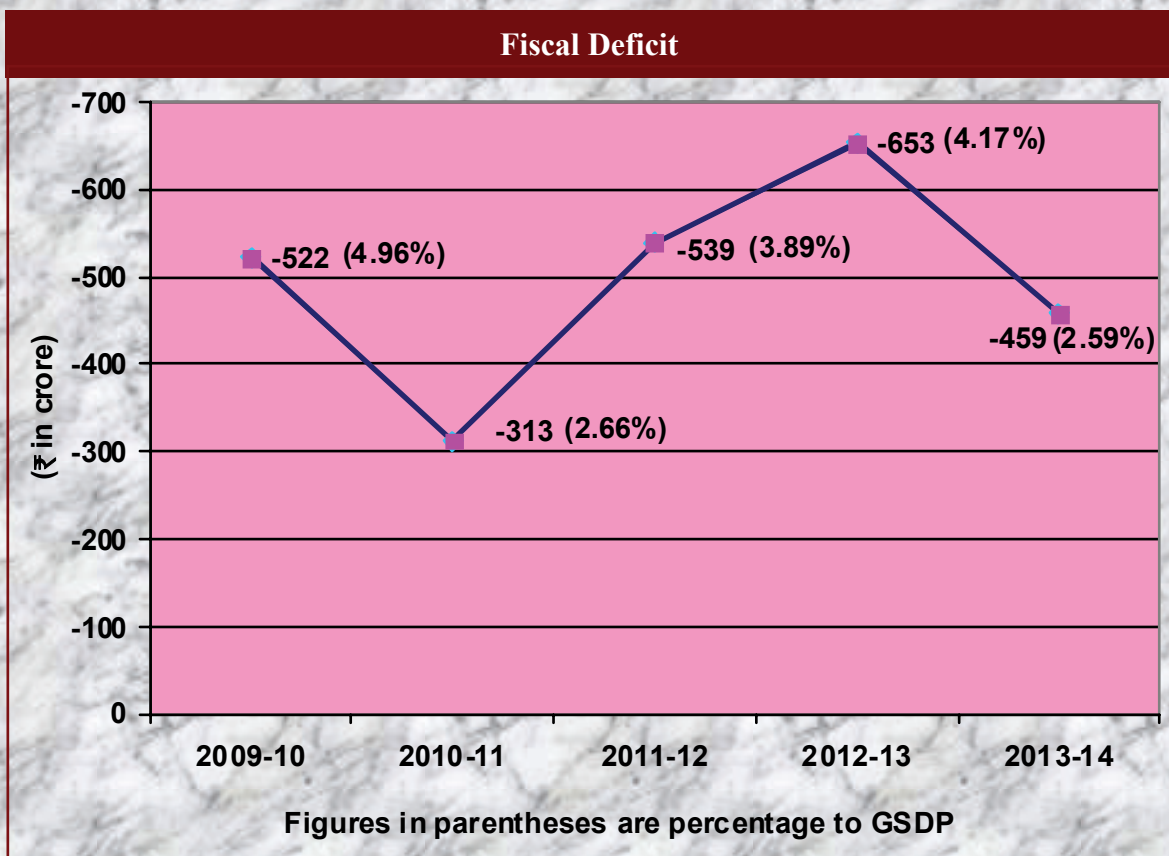
Deficit Indicators, Revenue Augmentation and Expenditure Management are major yardsticks for judging the fiscal performance of the Government. The 13<sup>th</sup> Finance Commission had recommended that the States achieve revenue balance by 2011-12 and increase Gross Fiscal Deficit to 3 *per cent* of GSDP by 2013-14. In view of the economic slow-down, the Government of India further relaxed the acceptable ceiling for the Fiscal Deficit-GSDP ratio to 3.50 *per cent* in 2012-13 and to 3 *per cent* in 2013-14. 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 2013-14, State Government achieved 3 *per cent* of GSDP against 3 *per cent* of GSDP as recommended by the 13<sup>th</sup> Finance Commission.

### 1.6.1 Trend of Revenue Deficit / Surplus

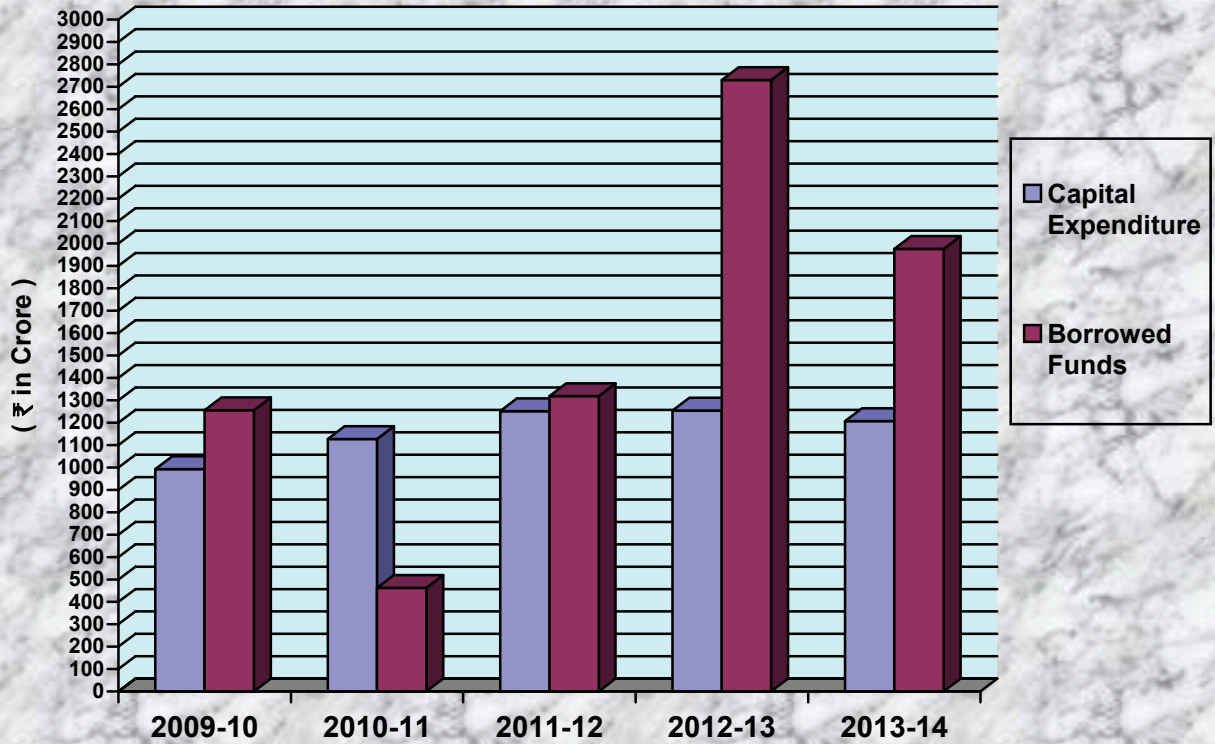


### 1.6.2 Trend of Fiscal Deficit



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 61 per cent of the borrowings of the current year (₹ 1,976 crore) on capital expenditure ₹ 1,207 crore ) and 74 per cent of the public debt (₹ 1,437 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

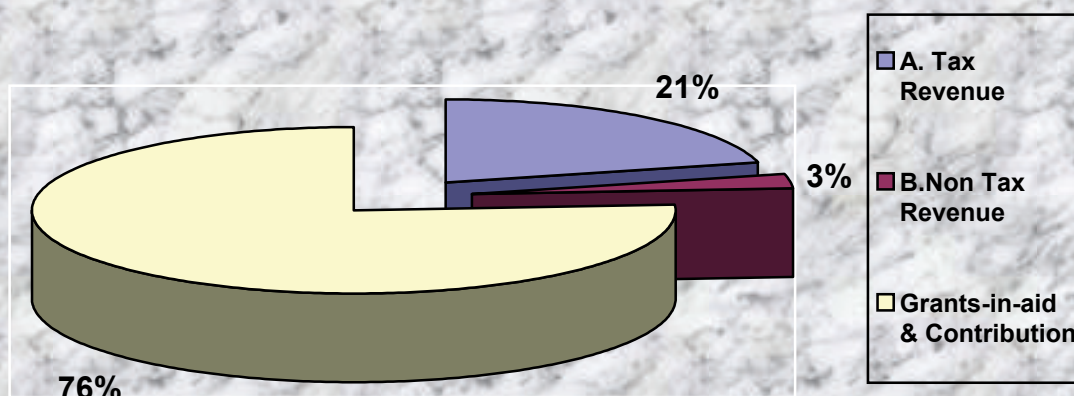
#### 2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2013-14 were ₹6,958 crore.

#### 2.2 Revenue Receipts

Tax Revenue	◇➤Comprises Taxes and Duties collected and retained by the State and State's share of Union Taxes and Duties 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 (2013-14)

(₹ in crore)

Components	Actuals
<b>A. Tax Revenue</b>	1334
Taxes on Income & Expenditure	587
Taxes on Property & Capital Transactions	3
Taxes on Commodities & Services	744
<b>B. Non-Tax Revenue</b>	217
Interest Receipts, Dividends and Profits	8
General Services	14
Social Services	77
Economic Services	118
<b>C. Grants-in-aid &amp; Contributions</b>	4947
<b>Total - Revenue Receipts</b>	6498

## 2.3 Trend of Receipts

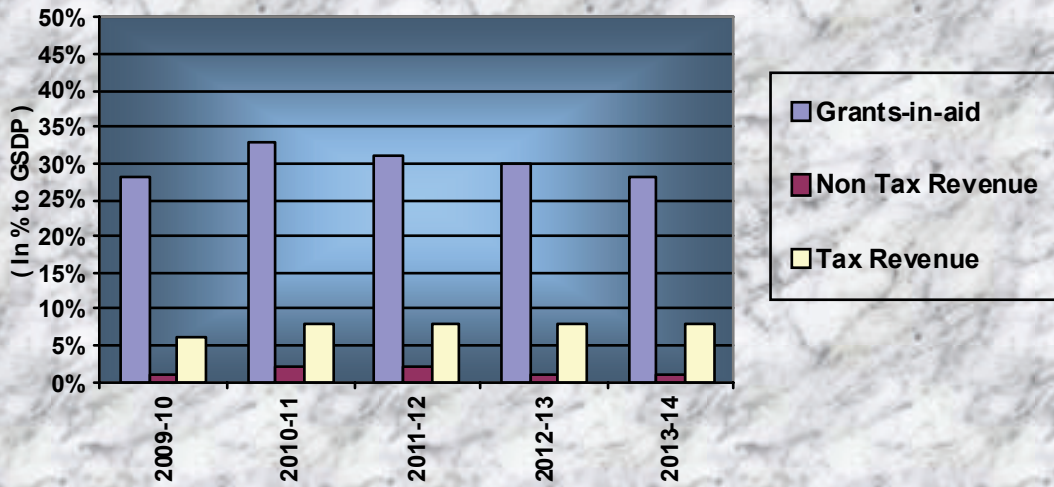
( ₹ in crore )

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Tax Revenue</b>	615 (6)	917 (8)	1107 (8)	1257 (8)	1334 (8)
<b>Non-Tax Revenue</b>	126 (1)	183 (2)	233 (2)	207 (1)	217 (1)
<b>Grants-in-aid</b>	2979 (28)	3900 (33)	4246 (31)	4740 (30)	4947 (28)
<b>Total Revenue Receipts</b>	3720 (35)	5000 (43)	5586 (40)	6204 (40)	6498 (37)
<b>GSDP</b>	10527	11759	13859	15676	17749

*Note: Figures in parentheses represent percentage to GSDP*

Though the GSDP increased by 13 per cent between 2012-13 and 2013-14, growth in revenue collection was 12 per cent. Tax revenue increased by 6 per cent, non-tax revenue increased by 5 per cent. The State's own revenue under certain tax components, like State Excise (₹1 crore) and taxes on goods and passengers (₹ 4 crore) showed a higher trend. Increase in Non-Tax Revenue in 2013-14 (₹ 10 crore) over the previous year was mainly on Education, Sports, Art & Culture (₹ 22 crore), Forestry and Wild Life (₹ 1 crore) and Co-operation (₹ 1 crore)

### Components under Revenue Receipts as proportion to GSDP

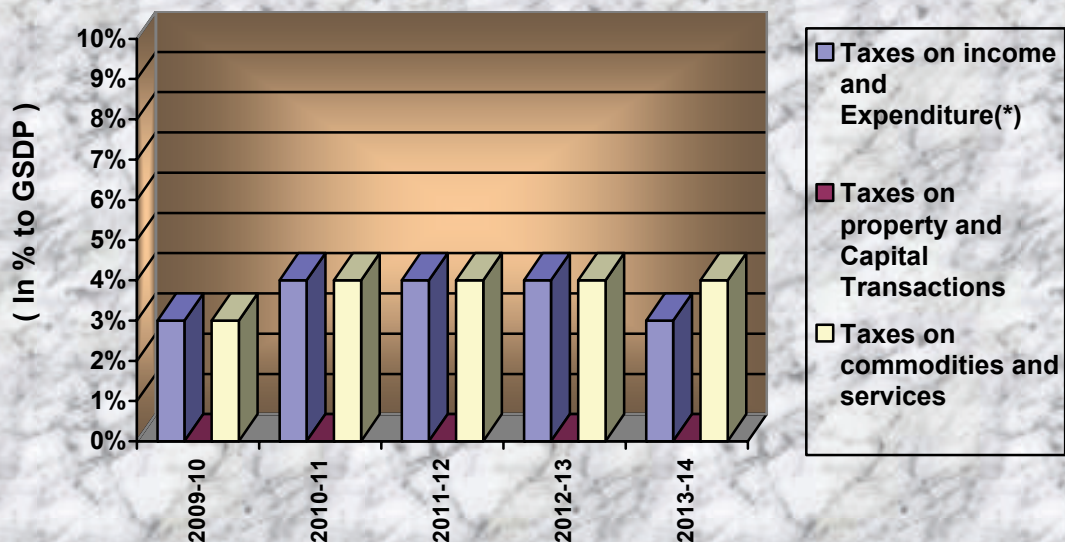


### Sector-wise Tax Revenue

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Taxes on Income and Expenditure</b>	301	437	504	554	587
<b>Taxes on Property and Capital Transactions</b>	2	2	4	3	3
<b>Taxes on Commodities and Services</b>	312	478	599	700	744
<b>Total Tax Revenue</b>	615	917	1107	1257	1334

### 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)
2009-10	615	434	181	1.72%
2010-11	917	689	228	1.94%
2011-12	1107	803	304	2.19%
2012-13	1257	917	340	2.17%
2013-14	1334	1001	333	1.88%

The ratio of the State's Own Tax buoyancy with respect to GSDP was 1.36 *per cent* in 2012-13 which decreased to 0.15 *per cent* in 2013-14.

## 2.5 Efficiency of Tax Collection

### A. Taxes on Property and Capital Transactions

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Collection	2	2	4	3	3
Expenditure on Collection	10	12	0	0	0

### B. Taxes on Commodities and Services

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Collection	312	478	599	700	744
Expenditure on Collection	18	25	12	12	13
Efficiency of Tax Collection	6 %	5 %	2%	2%	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 less than that of the tax collected.

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

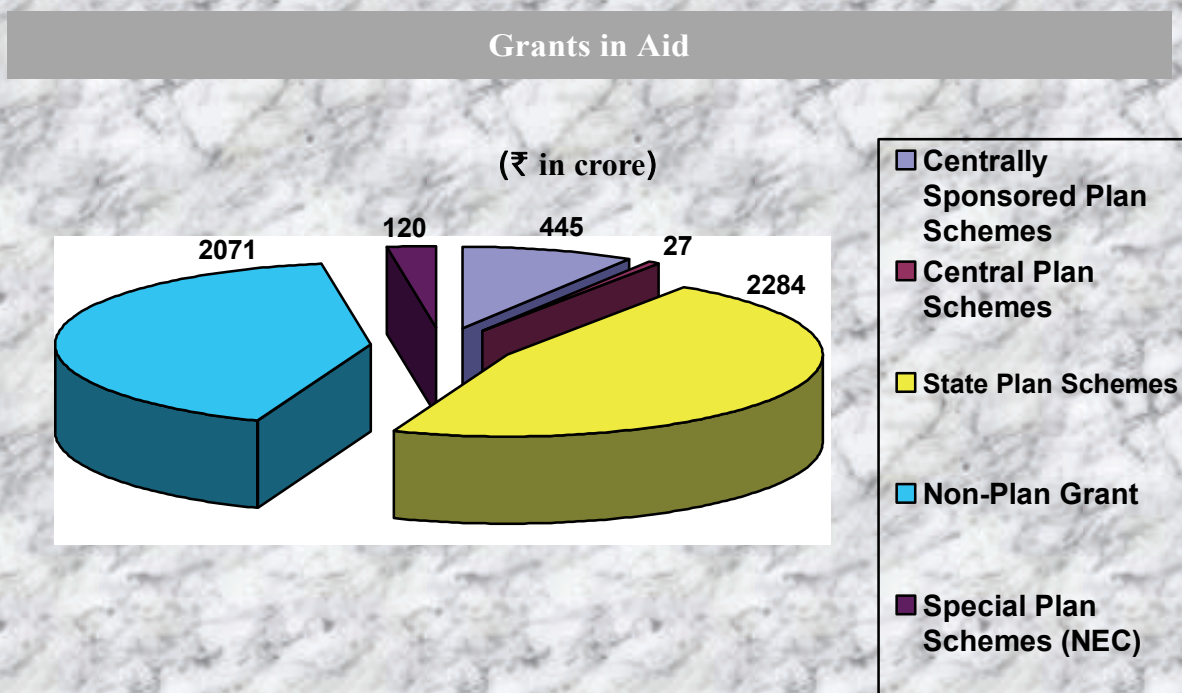
(₹ in crore)

Major Head Description	2009-10	2010-11	2011-12	2012-13	2013-14
Corporation Tax	179	269	316	330	337
Taxes on Income other than Corporation Tax	99	142	161	197	222
Taxes on Wealth	...	1	1	...	1
Customs	68	121	139	152	163
Union Excise Duties	42	88	90	104	115
Service Tax	46	68	96	133	163
Other Taxes and Duties on Commodities and Services	...	...	...	1	...
State Share of Union Taxes	434	689	803	917	1001
Total Tax Revenue	615	917	1107	1257	1334
Per cent of Union Taxes to Total Tax Revenue	71	75	73	73	75

Central tax transfer to the State increased by ₹ 84.13 crore (9.17 *per cent*) from ₹917.14 crore in 2012-13 to ₹ 1,001.27 crore in 2013-14. 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 ( 2009-14 ).

## 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 2013-14 under Grants-in-aid were ₹ 4,947 crore as shown below:



Grants-in-aid from Govt. of India have increased by ₹ 207 crore (4 per cent) from ₹ 4,740 crore in 2012-13 to ₹ 4,947 crore in 2013-14 contributing 76 per cent of the total Revenue Receipts during 2013-14. This increase was due to enhanced grants for Non-Plan grants (₹32 crore ), State Plan Schemes (₹ 109 crore ), and grants for Centrally Sponsored Plan Schemes (₹ 52 crore) and grants for Central Plan Schemes (₹20 crore ) offset by decrease in grants for Special Plan Schemes (NEC) (₹ 5 crore ).

## 2.8 Public Debt

Trend of Public Debt over past 5 years

( ₹ in crore )

Description	2009-10	2010-11	2011-12	2012-13	2013-14
Internal Debt	568	225	538	409	562
Central Loans	(-)37	(-)23	(-) 18	(-)22	(-)23
Total Public Debt	531	202	520	387	539

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

In 2013-14, seven loans totaling ₹ 535 crore at interest rates varying from 7.57 *per cent* to 9.80 *per cent* and redeemable in the years 2023-2024 were raised at par.

Against the net internal debt of ₹562 crore (Receipt ₹1,976 crore – Repayment ₹1,414 crore) of State Government in 2013-14, capital expenditure was ₹ 1,207 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, Co-operation, Energy, Industries, Transport etc.

#### 3.2 Revenue Expenditure

Revenue expenditure of the State had increased by ₹ 2,498 crore (77 per cent) from ₹3,252 crore in 2009-10 to ₹5,750 crore in 2013-14 at a compound annual growth rate of 15 per cent.



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

	(₹ in crore)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Budget Estimates	3170	4421	4652	5284	6184
Actuals	3252	4188	4876	5601	5750
Gap	82	(-) 233	224	317	434
Per cent of gap over BE	3	(-) 5	5	6	7

Nearly 72 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 2009-2014. Of the total increase of ₹ 149 crore in revenue expenditure during 2013-14 over the previous year, increase on NPRE contributed 224 per cent (₹ 333 crore) while decrease in PRE accounted for 124 per cent (₹ 184 crore). The actual NPRE exceeded the normative assessment made by XIII- FC by ₹ 1,777 crore (57 per cent) and also assessment made by the State in FCR by ₹ 156 crore (3 per cent).

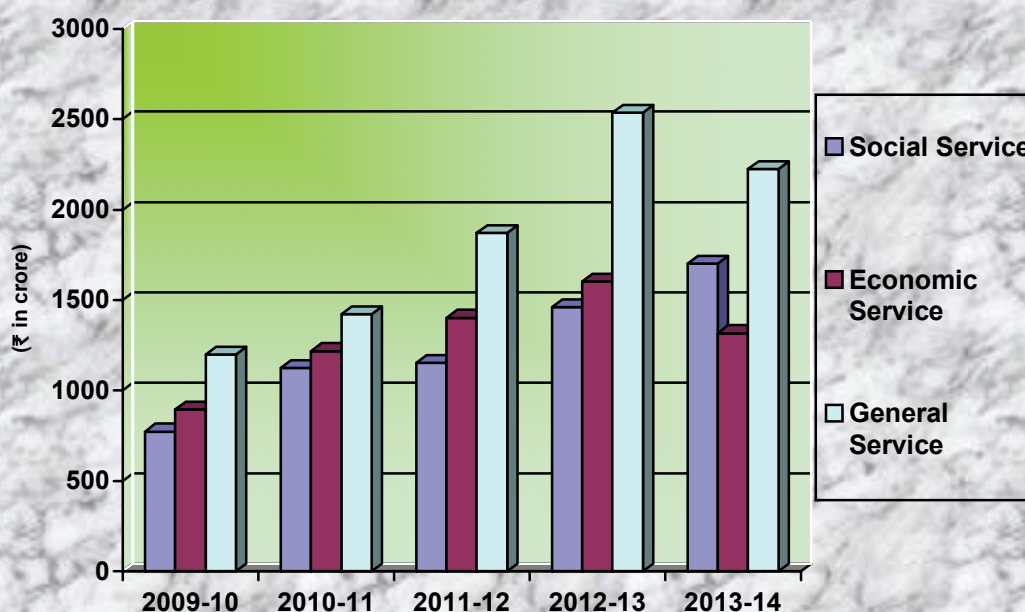
### 3.2.1 Sectoral distribution of Revenue Expenditure ( 2013-14 )

( ₹ in crore )

Components	Amount	Percentage
A. Fiscal Services	57	1
(i) Collection of Taxes on Property and Capital transactions	21	...
(ii) Collection of Taxes on Commodities and Services	36	1
(iii) Other Fiscal Services	...	...
B. Organs of State	84	1
C. Interest Payments and Servicing of debt	506	9
D. Administrative Services	1385	24
E. Pensions and Miscellaneous General Services	699	12
F. Social Services	1701	30
G. Economic Services	1318	23
H. Grants-in-aid and Contributions	...	...
Total Expenditure (Revenue Account)	5750	100

### 3.2.1 Major Component of Revenue Expenditure ( 2009-2014 )

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 2013-14 at 7 per cent of GSDP were less than Budget Estimates by ₹ 378 crore due to less disbursement under Plan Expenditure on Capital account.

#### 3.3.1 Sectoral distribution of Capital Expenditure

During 2013-14, Government spent ₹ 1,207 crore excluding loans and advances and had invested ₹ 270 crore in various Corporations/ Companies and Societies at the end of March 2014. The average returns on this investment was nil during the last five years while the Government paid an average interest rate of 6 per cent on its borrowing during 2013-14.

( ₹ in crore )

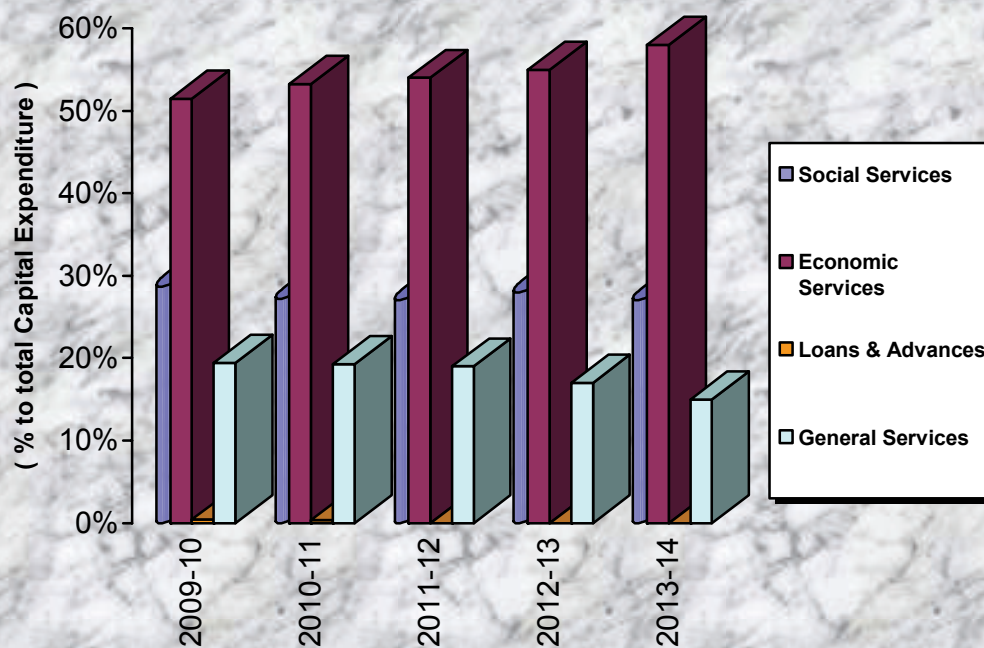
Sl.No.	Sector	Amount	Percentage
1	General Services-Police, Land Revenue etc.	181	15
2	Social Services-Education, Health & Family Welfare, Water Supply,, Welfare of SC/ST etc.	325	27
3	Economic Services-Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	701	58
4	Loans and Advances Disbursed	1	...
<b>Total</b>		<b>1208</b>	<b>100</b>

### 3.3.2 Sectoral distribution of capital expenditure over the past 5 years

( ₹in crore )

SI No	Sector	2009-10	2010-11	2011-12	2012-13	2013-14
1	General Services	193	217	235	211	181
2	Social Services	285	306	339	347	325
3	Economic Services	511	600	675	697	701
4	Loans and Advances	4	4	2	2	1
<b>Total</b>		<b>993</b>	<b>1127</b>	<b>1251</b>	<b>1257</b>	<b>1208</b>

Trend of Sectoral Distribution of Capital Expenditure

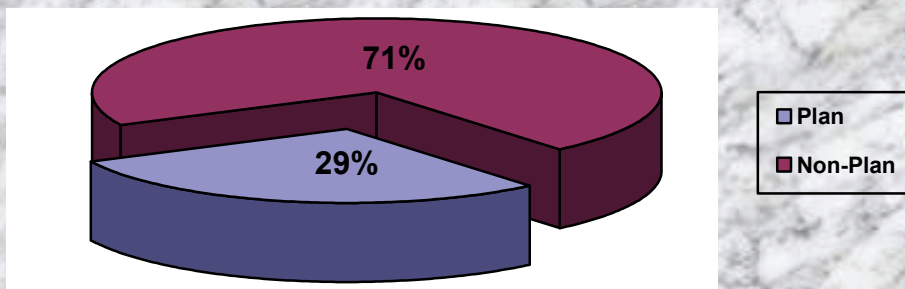


## CHAPTER IV

### PLAN & NON PLAN EXPENDITURE

#### 4.1 Distribution of expenditure (2013-2014)

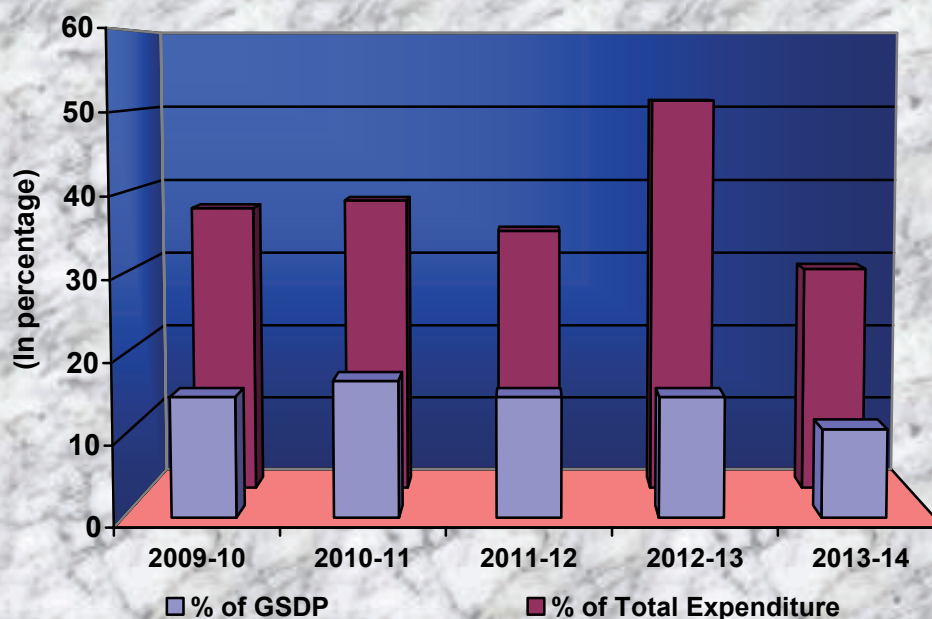
##### Distribution of Expenditure



#### 4.2 Plan Expenditure

During 2013-2014, Plan Expenditure, representing 29 *per cent* of total disbursements, was ₹ 2,035 crore, (₹ 1,561 crore under State Plan and ₹ 474 crore under Centrally Sponsored Plan Schemes and ₹ 1 crore under Loans and Advances).

##### Plan Expenditure as proportion of total expenditure and GSDP



#### 4.2.1 Plan Expenditure under Capital Account

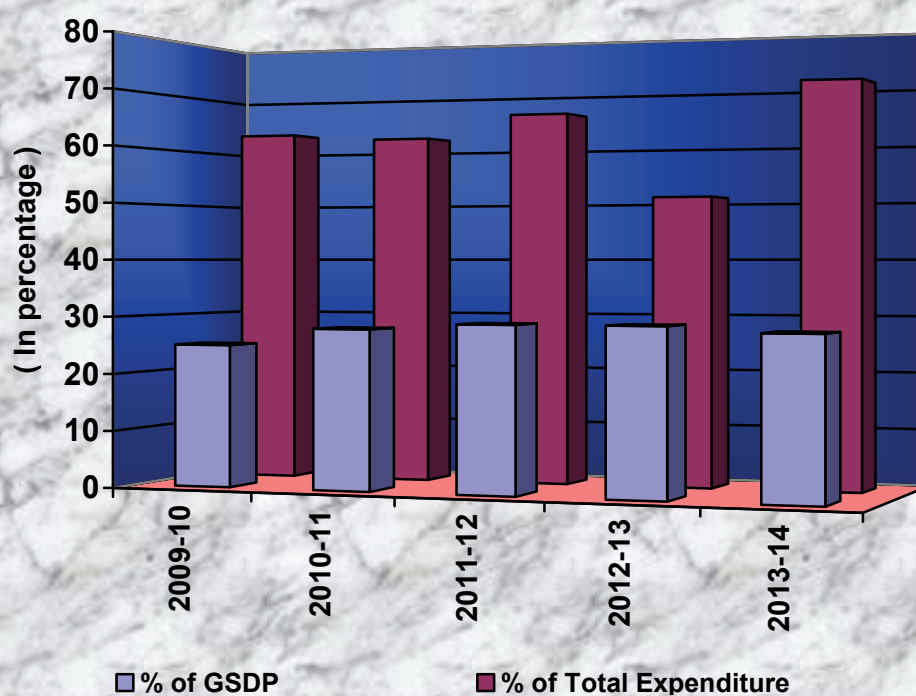
( ₹ in crore )

	2009-10	2010-11	2011-12	2012-13	2013-14
Total Capital Expenditure	993	1127	1251	1257	1208
Capital Expenditure (Plan)	980	1127	1251	1251	1189
Per cent of Capital Expenditure (Plan) to Total Capital Expenditure	99	100	100	100	98

#### 4.3 Non - Plan Expenditure

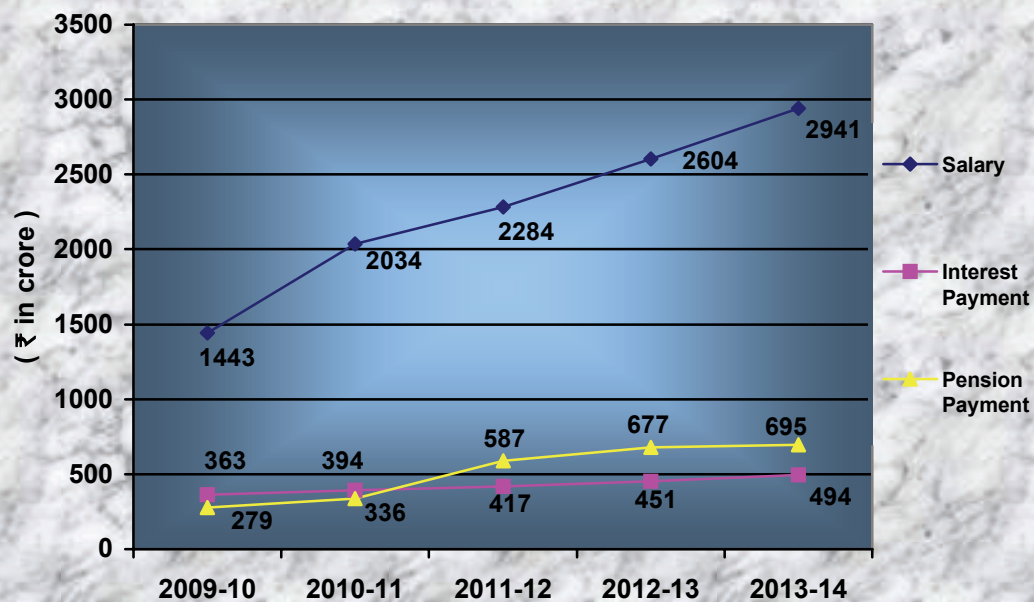
Non-Plan Expenditure during 2013-2014, representing 70 *per cent* of total disbursements, was ₹ 4,904 crore under Revenue Account.

#### Non Plan Expenditure as proportion of total expenditure and GSDP



#### 4.4 Committed Expenditure

Trend of Committed Expenditure



( ₹ in crore )

Component	2009-10	2010-11	2011-12	2012-13	2013-14
Committed Expenditure	2085	2764	3288	3732	4130
Revenue Expenditure	3252	4188	4876	5601	5750
Per cent of committed expenditure to Revenue Receipts	56	55	59	60	64
Per cent of committed expenditure to Revenue expenditure	64	66	67	67	72

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 2013-14

(₹ in crore)

Sl No .	Nature of Expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings(-) Excesses(+)
1	Revenue Voted	5595	401	...	5996	5264	(-)732
	Charged	589	3	...	592	522	(-)70
2	Capital Voted	1582	369	...	1951	1207	(-)744
	Charged	...	...	...	...	...	...
3	Public Debt Charged	2288	...	...	2288	1437	(-)851
4	Loans and Advances Voted	4	...	...	4	1	(-)3
	<b>Total</b>	10058	773	...	10831	8431	(-)2400

#### 5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings(-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2009-10	(-)339	(-)639	(-)45	...	(-)1023
2010-11	(-)471	(-)287	(-)520	(-)2	(-)1280
2011-12	(-)319	(-)526	(-)17	(-)3	(-)865
2012-13	(-)225	(-)1101	(+)10	(-)1	(-)1317
2013-14	(-)802	(-)744	(-)851	(-)3	(-)2400



### 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

Grant	Nomenclature	2009-10	2010-11	2011-12	2012-13	2013-14
27	Planning Machinery	82%	30%	61%	67%	85%
36	Urban Development	58%	64%	41%	63%	51%

During 2013-14, supplementary grants totaling ₹ 773 crore (9 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
11	District Administration and Special Welfare Schemes	Revenue	188	...	99
35	Medical, Public Health and Family Welfare	Capital	14	7	14
36	Urban development	Capital	240	...	118
55	Power	Capital	59	52	76
58	Roads and Bridges	Capital	201	168	364
77	Development of under developed areas	Capital	67	10	61

## 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 ₹ 270 crore at the end of 2013-14. However, dividends received during the year were ₹ Nil on investment. During 2013-14, investments increased by ₹ 27 crore, as compared to 2012-13.

Cash Balance with RBI stood at ₹ 113 crore on 31 March 2014 and was increased by ₹ 411 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)

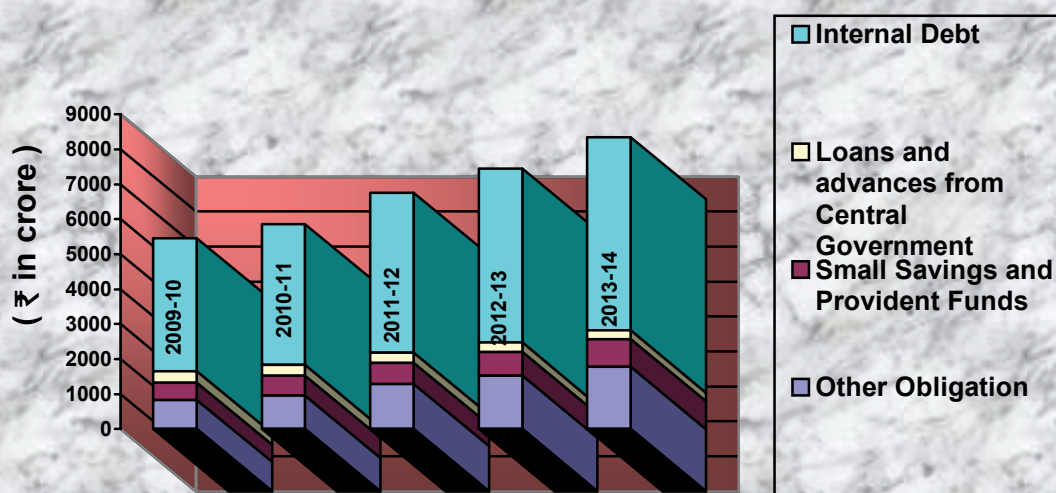
Year	Public Debt	Per cent to GSDP	Public Account(*)	Per cent to GSDP	Total Liabilities	Per cent to GSDP
2009-10	4138	39	1323	13	5461	52
2010-11	4340	37	1524	13	5864	50
2011-12	4860	35	1898	14	6758	49
2012-13	5247	33	2205	14	7452	48
2013-14	5787	33	2570	14	8357	47

(\*)Excludes suspense and remittance balances.

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

There is a net increase of ₹ 905 crore ( 12 per cent ) in Public Debt and Other liabilities as compared to 2012-13.

## Trends in Government Liabilities



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

The fiscal liabilities to GSDP ( 47 per cent ) was 5 per cent less than the assessment made by the Government in its Medium Term Fiscal Policy Statement ( MTFPS ) ( 52 per cent ) and the norm of 54 per cent recommended by the XIII-FC for the year 2013-14.

### 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 March 2014	
		Principal	Interest
2009-10	20	53	...
2010-11	2	55	...
2011-12	10	65	...
2012-13	5	70	...
2013-14	5	70	...

## 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 31 March 2014, the adverse balances amounted to ₹ 5,542 crore.

#### 7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2013-14 was ₹ 27 crore. Of this, Loans and Advances to Government Corporations/ Companies, non-Government Institutes and Co-operative Societies amounted to ₹ 25 crore. Recovery of Principal aggregating to ₹ 1 crore and Interest amounting to ₹ 3 crore at the end of 31 March 2014.

#### 7.3 Financial assistance to local bodies and others

The total assistance to local bodies increased by ₹ 61 crore (26 per cent) from ₹ 233 crore in 2012-13 to ₹ 293 crore in 2013-14. The assistance decreased by ₹ 22 crore (40 per cent) from ₹ 51 crore in 2012-13 to ₹ 30 crore in 2013-14 in respect of educational institutions whereas it remained ₹ Nil during the period except in 2011-12 in respect of Special Area Programme.

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	Special Area Programme	Total
2009-10	19	...	1	62	11	...	6	0	99
2010-11	5	3	...	27	13	17	38	0	103
2011-12	6	7	3	28	15	1	100	5	165
2012-13	51	8	...	29	16	17	112	0	233
2013-14	31	19	6	29	14	...	194	0	293

#### 7.4 Cash Balance and investment of Cash Balance

( ₹ in crore )

Component	As on 31 March 2013	As on 31 March 2014	Net increase (+)/ decrease (-)
Cash Balances	(-298)	113	(+411)
Investments from cash balance ( GOI Treasury Bills )	...	...	
Investment from earmarked fund balances	176	188	(+12)
(a) Sinking Fund	154	166	(+12)
(b) Guarantee Redemption Fund	6	6	...
(c) Other Funds	15	15	...
Interest realized	3	4	(+) 1

State Government had a debit closing cash balance at the end of 2013-14.

#### 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 2013-14, the quantum of expenditure reconciled was for a value of ₹ 6,958 crore as against the total expenditure ( Revenue and Capital ) of ₹ 6,958 crore which works out to 100 *per cent*. On the receipt side, the amount reconciled was a value of ₹ 6,958 crore as against the total receipts (Revenue and Capital ) of ₹ 6958 crore which works out to 100 *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	82	...	...
RECEIPTS	82	82	...	...
<b>TOTAL</b>	<b>82</b>	<b>82</b>	...	...

## **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 31 March 2014, 179 DC bills amounting to ₹ 172 crore was outstanding, indicates that these instructions have not been followed.