

ACCOUNTS AT A GLANCE FOR THE YEAR 2015-16



GOVERNMENT OF NAGALAND



ACCOUNTS AT A GLANCE 2015-2016



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 : 16-01-2017



A. P. CHOPHY
ACCOUNTANT GENERAL

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.

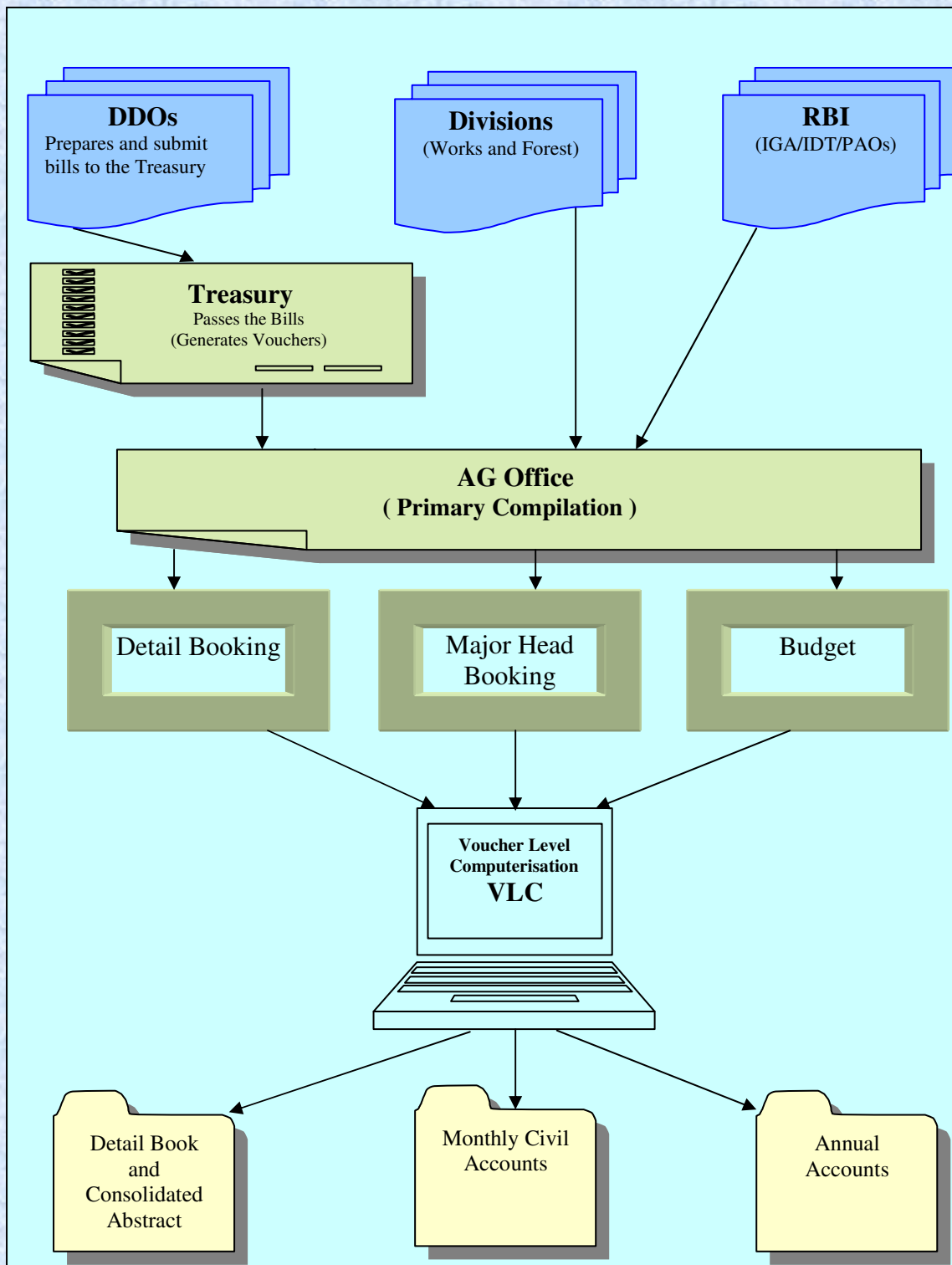
1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

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 two Parts-nine detailed statement in Part-I and thirteen Appendices in Part-II.

Receipts and disbursements of the government of Nagaland as depicted in the Finance Accounts 2015-16 are given below.

(₹ in crore)

Receipt (Total : 8641)	Revenue (Total : 8044)	Tax Revenue	2,968
		Non Tax Revenue	257
		Grants-in-Aid	4,819
	Capital (Total :597)	Recovery of Loans and Advances	...
		Borrowings and other Liabilities *	597
Disbursement (Total : 8641)	Revenue	7,582	
	Capital	1,059	
	Loans and Advances	...	

* 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 ₹111 crore (₹80 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 VI 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 4 charged Appropriations, 2 charged and voted and 76 voted Grants.

Appropriation Act, 2015-16, had projected gross provision of ₹ 13,464. crore, including Supplementary Grants totaling ₹ 872 crore, during the year. An amount of ₹ 10 crore was estimated as recoveries in reduction of expenditure.

Appropriation Accounts 2015-16, show disbursements aggregating ₹ 11,385 crore against the aggregate budget provision of ₹ 13,464 crore, resulting in saving of ₹ 2,079 crore against Grant and Appropriations. There were excess of ₹ 374 crore in Grants and Appropriation. The major excess ₹ 106 crore (41 *per cent*) was under Roads and Bridges, ₹ 178 crore (7 *per cent*) under Servicing of Debt.

Recoveries in reduction of expenditure amounted to ₹ 39 crore (Actual) reflecting an increase of ₹ 29 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 (₹ 25 crore) maintained with the RBI. During 2015-16, the Government of Nagaland availed ₹ 2,291 crore and ₹ 187 crore for WMA and OD facilities respectively. This has to be viewed against the fact that there were savings totaling ₹ 2,079 crore in almost all 68 grants, resulting in a shortfall of 15 *per cent* in expenditure against estimates.

1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹ 462 crore and a Fiscal Deficit of ₹ 597 crore representing 2 *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 [₹840 crore (Credit)], increase in Public Account [₹163 crore (Credit)], and net of opening and closing cash balance [₹407 crore (Debit)]. Around 66 *per cent* of the revenue receipts (₹8,044 crore) of the State Government was spent on committed expenditure like salaries (₹ 3,689 crore), interest payments (₹586 crore) and pensions ₹ 1,029 crore).

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

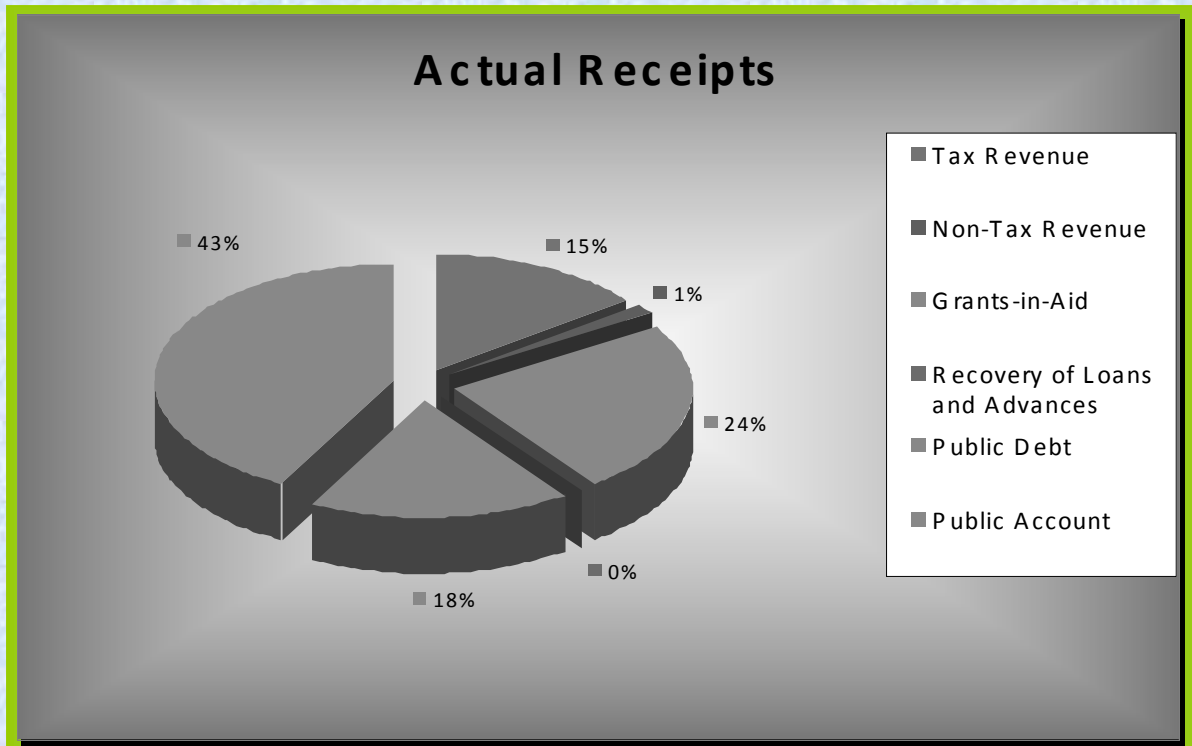
Sources and Application of Funds

(₹ in crore)

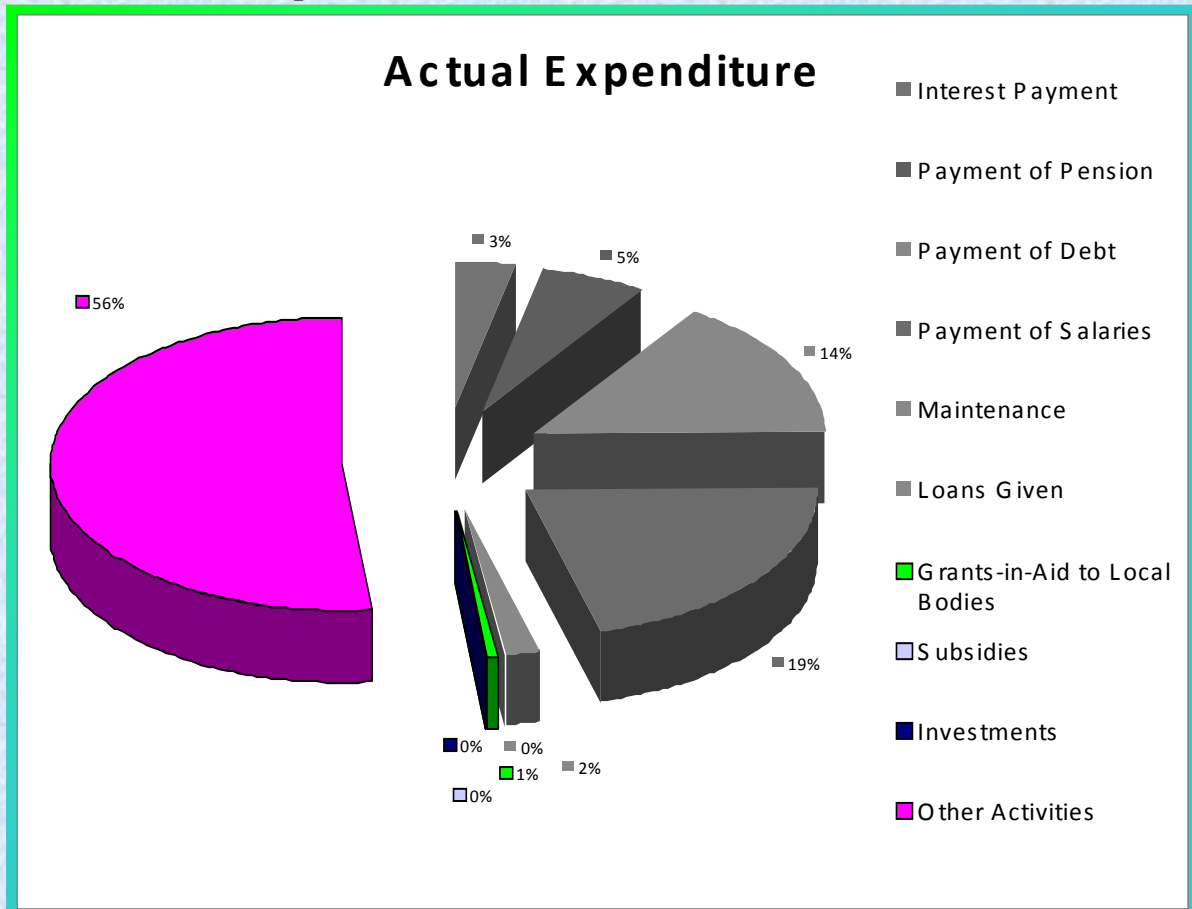
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01-04-2015	(-)250
	Revenue Receipts	8,044
	Recovery of Loans & Advances	....
	Public Debt	3,546
	Small Savings Provident Fund & Others	280
	Reserves & Sinking Funds	211
	Deposits Received	669
	Civil Advances Repaid	16
	Suspense Account	5,290
	Remittances	1,987
	Contingency Fund	.....
	TOTAL	19,793

APPLICATION	Revenue Expenditure	7,582
	Capital Expenditure	1,059
	Loans Given	....
	Repayment of Public Debt	2,706
	Small Savings Provident Fund & Others	268
	Reserves & Sinking Funds	211
	Deposits Spent	744
	Civil Advances Given	16
	Suspense Account	5,137
	Remittances	1,914
	Closing Cash Balance as on 31-03-2015	156
	TOTAL	19,793

1.4.3 Where the Rupee comes from



1.4.4 Where the Rupee went



1.5 Highlights of Accounts

(₹ in crore)

	B.E.2015-16	Actuals	Percentage of actuals to B.E	Percentage of actuals to GSDP(\$)
1. Tax Revenue (@)	2846	2968	104	14
2. Non-Tax Revenue	230	257	112	1
3. Grants-in-aid & Contributions	5816	4819	83	23
4. Revenue Receipts (1+2+3)	8892	8044	90	39
5. Recovery of Loans and Advances	1	....	...	...
6. Borrowings & other Liabilities (A)	1160	597	51	3
7. Capital Receipts (5+6)	1161	597	51	3
8. Total Receipts(4+7)	10054	8641	86	42
9. Non-Plan Expenditure (*)	6433	6459	100	31
10. NPE on Revenue Account	6433	6459	100	31
11. NPE on Interest Payments out of 10	661	586	89	3
12. NPE on Capital Account	...	....	...	...
13. Plan Expenditure (*)	3622	2182	60	11
14. PE on Revenue Account	2229	1123	50	5
15. PE on Capital Account	1392	1059	76	5
16. Total Expenditure (9+13)	10054	8641	86	42
17. Revenue Expenditure (10+14)	8662	7582	88	37
18. Capital Expenditure(12+15) (#)	1392	1059	76	5
19. Revenue Surplus (4-17)	230	462	201	2
20. Fiscal Deficit (4+5-16)	(-)1161	(-)597	51	3

@ Includes State's share of Union Taxes/Duties of ₹ 2,541 crore.

(\$) GSDP figure ₹20,524 crore adopted from the Economics and Statistics Department, Government of Nagaland.

(#) Expenditure on Capital Account includes Capital Expenditure budget (₹0.40 crore) and Loans and Advances disbursed (₹0.19 crore).

(*) Expenditure includes ₹0.00 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?

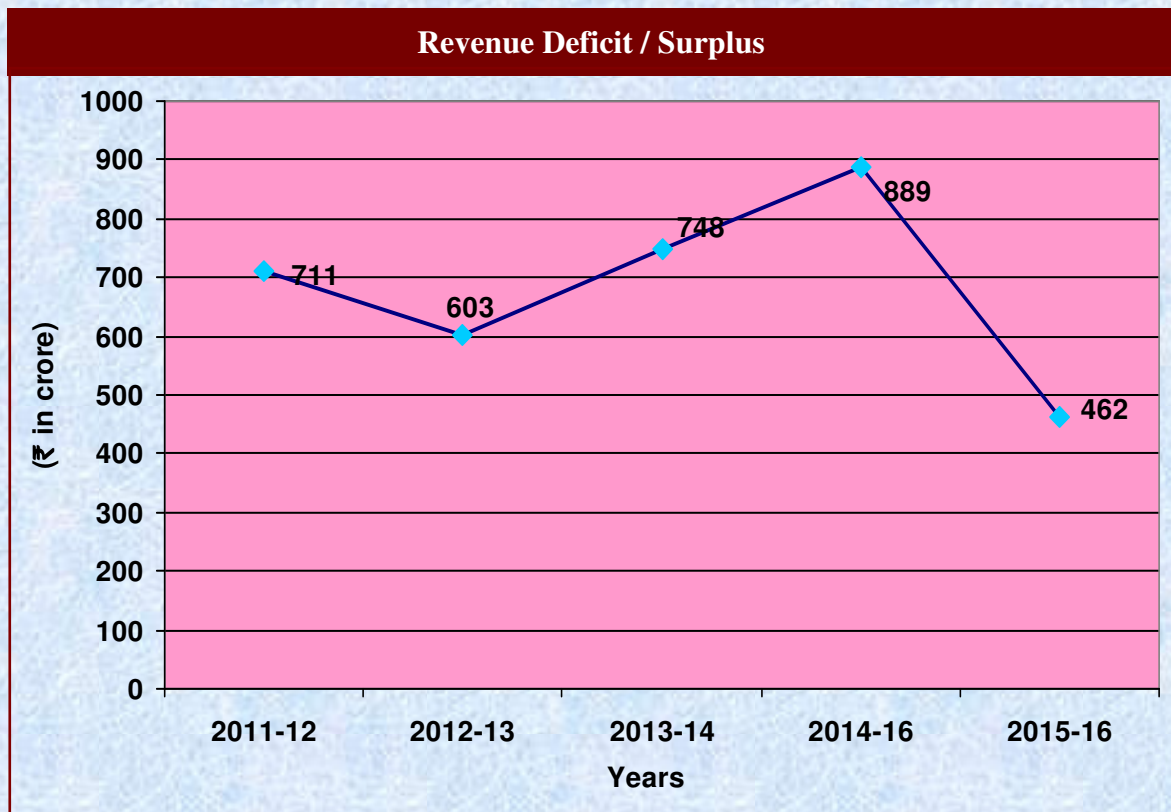
Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed and application of funds are important indicators of prudence in Financial Management
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure 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 FC-XIV had recommended that the States achieve revenue balance by 2011-12 and increase Gross Fiscal Deficit to 3 *per cent* of GSDP by 2015-16. In view of the economic slow-down, the Government of India further relaxed the acceptable ceiling for the Fiscal Deficit-GSDP ratio to 3 *per cent* in 2014-15 and to 3 *per cent* in 2015-16.

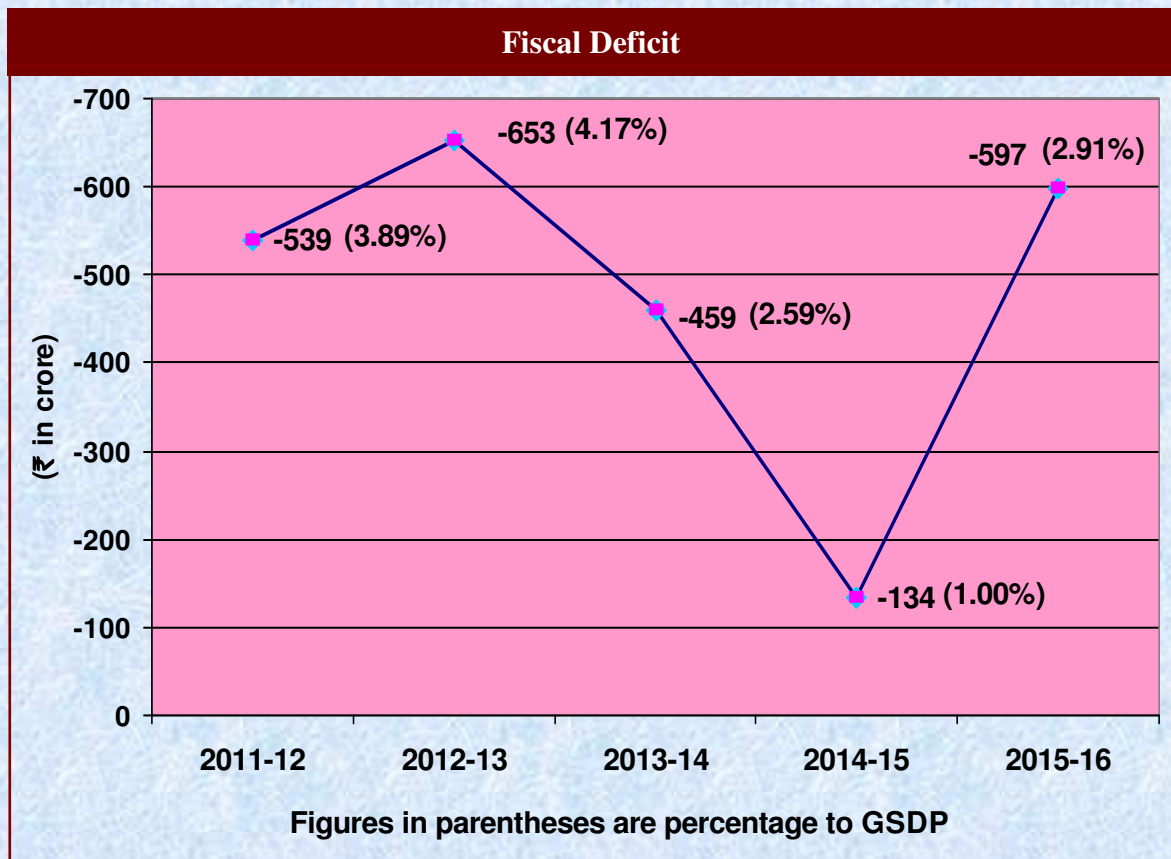
To encourage State Governments to achieve these goals, the Government of India extended Debt Consolidation and Relief Facility (DCRF) to States, under which successful State Governments would receive relief on repayment of principal and /or interest.

The State Government was successful in achieving the Revenue Surplus target as early as in 2007-09 and maintained it. In respect of fiscal deficit 2015-16, State Government achieved 3 *per cent* of GSDP against 3 *per cent* of GSDP as recommended by the FC-XIV.

1.6.1 Trend of Revenue Deficit / Surplus

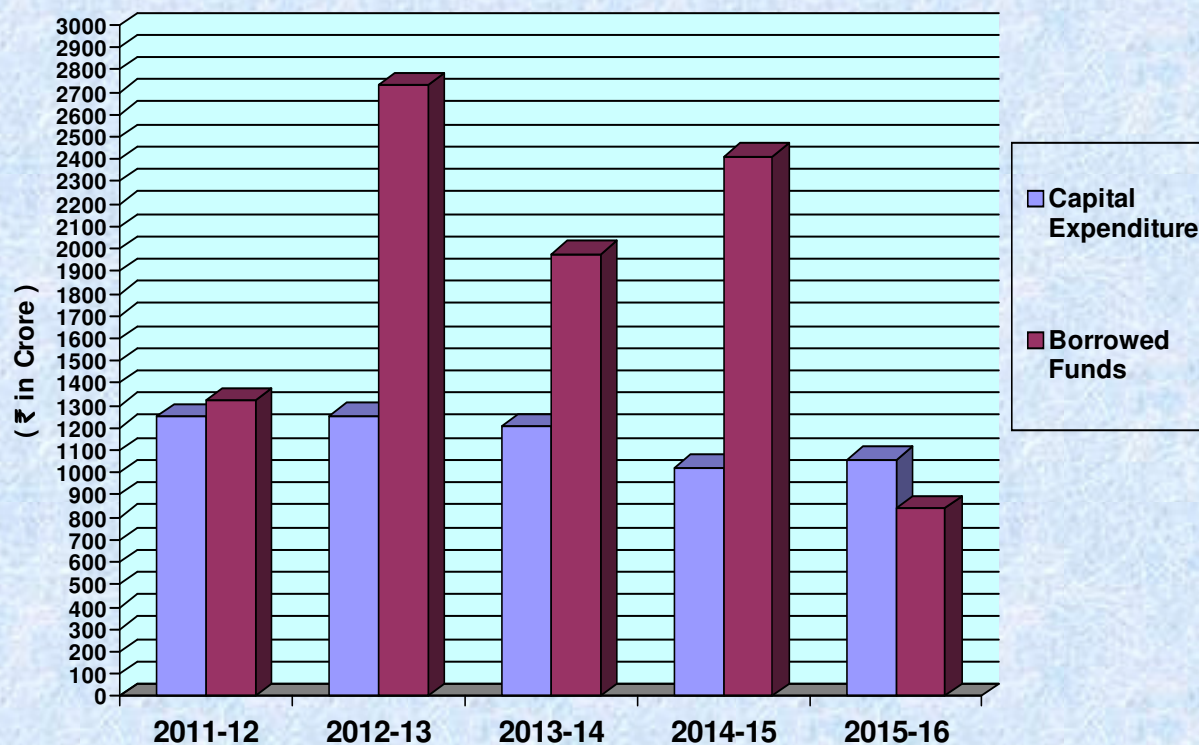


1.6.2 Trend of Fiscal Deficit



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 24 *per cent* of the borrowings of the current year (₹ 840 crore) on capital expenditure (₹ 1,059 crore) and 76 *per cent* of the public debt (₹ 2,705 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

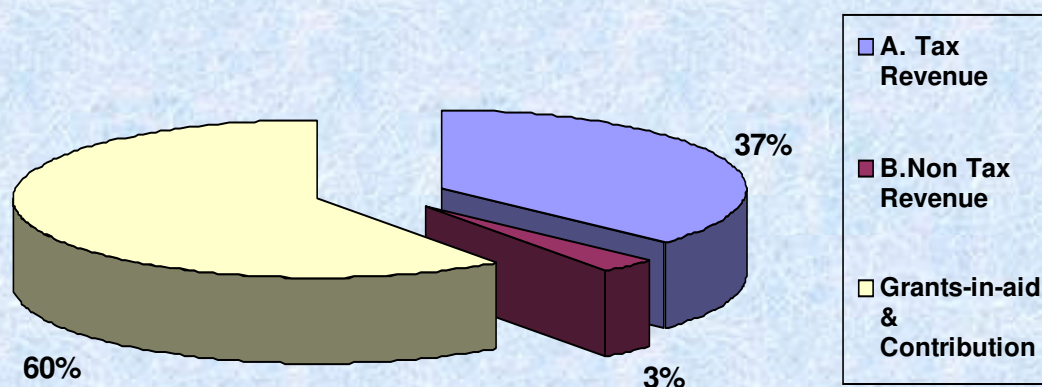
2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2015-16 were ₹8,641 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 (2015-16)

(₹ in crore)

Components	Actuals
A. Tax Revenue	2968
Taxes on Income & Expenditure	1398
Taxes on Property & Capital Transactions	3
Taxes on Commodities & Services	1567
B. Non-Tax Revenue	257
Interest Receipts, Dividends and Profits	10
General Services	19
Social Services	86
Economic Services	142
C. Grants-in-aid & Contributions	4819
Total - Revenue Receipts	8044

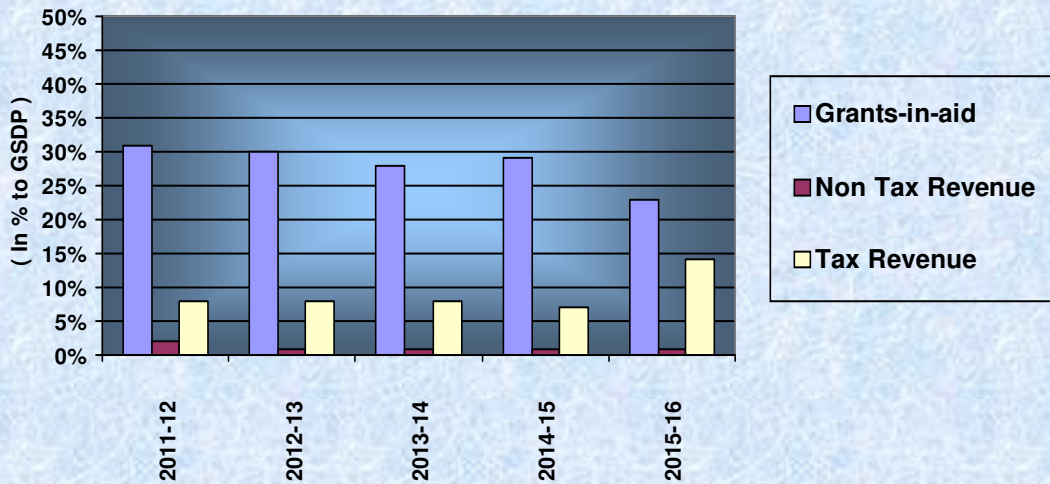
2.3 Trend of Receipts

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Tax Revenue	1107 (9)	1257 (9)	1334 (8)	1451 (8)	2968 (14)
Non-Tax Revenue	233 (2)	207 (1)	217 (1)	271 (1)	257 (1)
Grants-in-aid	4246 (36)	4740 (35)	4947 (30)	5929 (32)	4819 (23)
Total Revenue Receipts	5586 (47)	6204 (46)	6498 (39)	7651 (42)	8044 (39)
GSDP	11839	13619	16612	18414	20524

Note: Figures in parentheses represent percentage to GSDP

Though the GSDP increased by 11 per cent between 2014-15 and 2015-16, growth in revenue collection was 87 per cent. Tax revenue increased by 105 per cent, whereas non-tax revenue decreased by 5 per cent. The State's own revenue under certain tax components, like Taxes on Vehicles (₹7 crore) and Taxes on sales, Trades etc. (₹34 crore) showed a higher trend. Decrease in Non-Tax Revenue in 2015-16 (₹14 crore) over the previous year was mainly on Education, Sports, Art & Culture (₹27 crore), Other Administrative Services (₹2 crore).



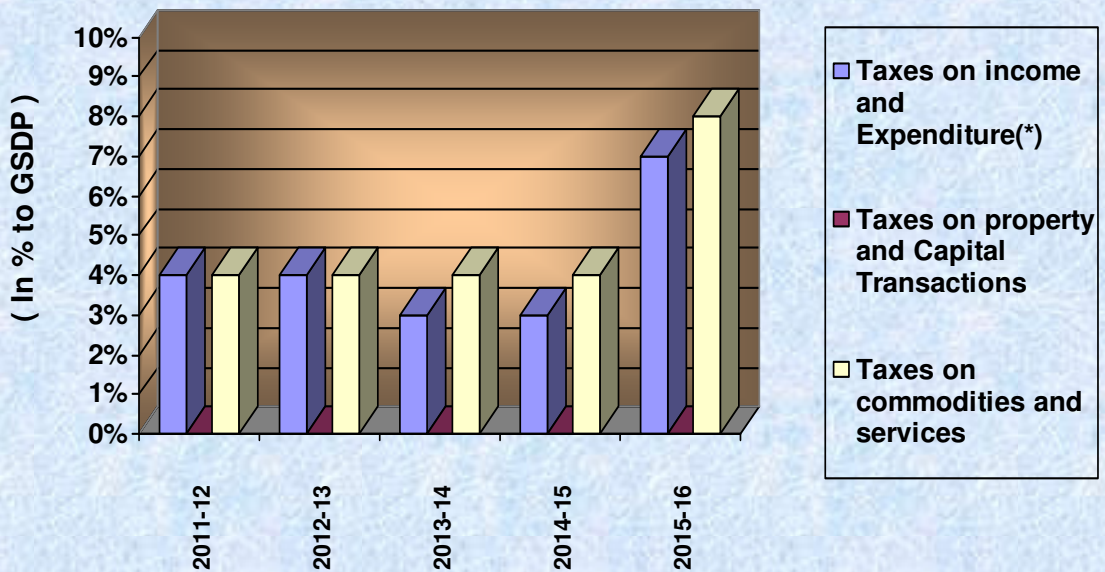
Components under Revenue Receipts as proportion to GSDP

Sector-wise Tax Revenue

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Taxes on Income and Expenditure	504	554	587	664	1,398
Taxes on Property and Capital Transactions	4	3	3	4	3
Taxes on Commodities and Services	599	700	744	783	1,567
Total Tax Revenue	1,107	1,257	1,334	1,451	2,968

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)
2011-12	1107	803	304	2.19%
2012-13	1257	917	340	2.17%
2013-14	1334	1001	333	1.88%
2014-15	1451	1062	389	1.94%
2015-16	2968	2541	427	2.08%

The ratio of the State's Own Tax buoyancy with respect to GSDP was 1.53 per cent in 2014-15 which decreased to 0.86 per cent in 2015-16.

2.5 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Collection	4	3	3	4	3
Expenditure on Collection	0	0	0	0	0

B. Taxes on Commodities and Services

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Collection	599	700	744	783	1,567
Expenditure on Collection	12	12	13	13	15
Efficiency of Tax Collection	2%	2%	2%	2%	1%

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

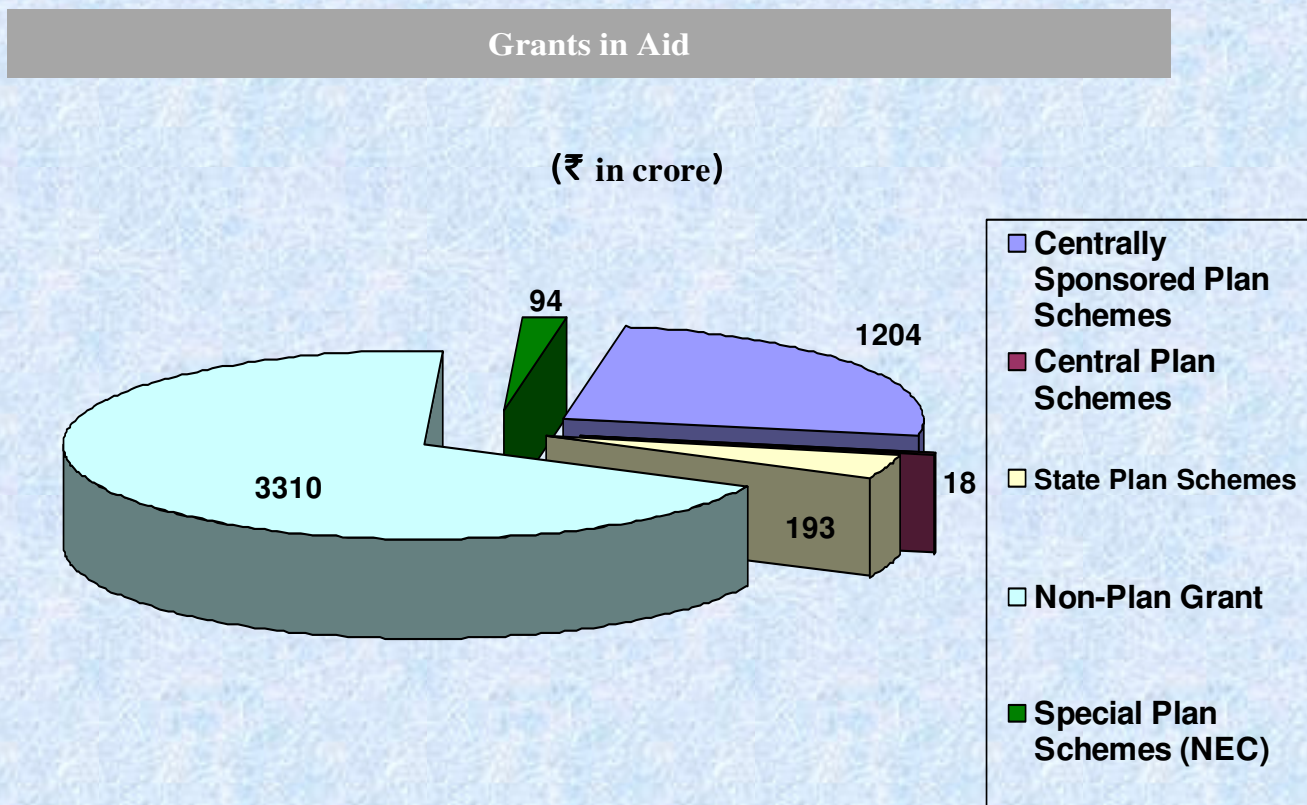
(₹ in crore)

Major Head Description	2011-12	2012-13	2013-14	2014-15	2015-16
Corporation Tax	316	330	337	371	805
Taxes on Income other than Corporation Tax	161	197	222	265	564
Taxes on Wealth	1	...	1	1	...
Customs	139	152	163	172	405
Union Excise Duties	90	104	115	97	333
Service Tax	96	133	163	156	433
Other Taxes and Duties on Commodities and Services	...	1	...	...	1
State Share of Union Taxes	803	917	1001	1062	2541
Total Tax Revenue	1107	1257	1334	1451	2968
Per cent of Union Taxes to Total Tax Revenue	73	73	75	73	86

Central tax transfer to the State increased by ₹1,478.03 crore (139.09 per cent) from ₹ 1,062.68 crore in 2014-15 to ₹ 2,540.72 crore in 2015-16 . 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 (2011-16).

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 2015-16 under Grants-in-aid were ₹4,819 crore as shown below:



Grants-in-aid from Govt. of India have decreased by ₹ 1,110 crore (19 per cent) from ₹ 5,929 crore in 2014-15 to ₹4,819 crore in 2015-16 contributing 14 per cent of the total Revenue Receipts during 2015-16. This decrease was mainly on for Centrally Sponsored Plan Schemes (₹ 224 crore) and grants for State Plan Schemes (₹ 2,064 crore) offset by increase in Non-Plan grants (₹1,242 crore),

2.8 Public Debt

Trend of Public Debt over past 5 years

(₹ in crore)

Description	2011-12	2012-13	2013-14	2014-15	2015-16
Internal Debt	538	409	562	126	862
Central Loans	(-) 18	(-)22	(-)23	(-)16	(-)22
Total Public Debt	520	387	539	110	840

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

In 2015-16, Seven loans totaling ₹950 crore at interest rates varying from 8.14 *per cent* to 8.63 *per cent* and redeemable in the years 2025 were raised at par.

Against the net internal debt of ₹862 crore (Receipt ₹3,546 crore – Repayment ₹2,684 crore) of State Government in 2015-16, capital expenditure was ₹1,059 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 ₹ 2,706 crore (55 *per cent*) from ₹ 4,876 crore in 2011-12 to ₹ 7,582 crore in 2015-16 at a compound annual growth rate of 12 *per cent*.

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

(₹ in crore)

	2011-12	2012-13	2013- 14	2014-15	2015-16
Budget Estimates	4652	5284	6184	7911	8,662
Actuals	4876	5601	5750	6762	7,582
Gap	224	317	434	1149	1,080
Per cent of gap over BE	5	6	7	15	12

Nearly 70 *per cent* of total revenue expenditure of the State Government was spent on committed expenditure like salaries, interest payments and pensions. Non-Plan revenue expenditure has shown an increase over the period 2011-2016. Of the total increase of ₹ 820 crore in revenue expenditure during 2015-16 over the previous year, increase on NPPE contributed 17 *per cent* (₹ 926 crore) and decrease in PRE accounted for 9 *per cent* (₹ 107 crore). The actual RE exceeded the normative assessment made by FC-XIV by ₹ 723 crore (11 *per cent*).

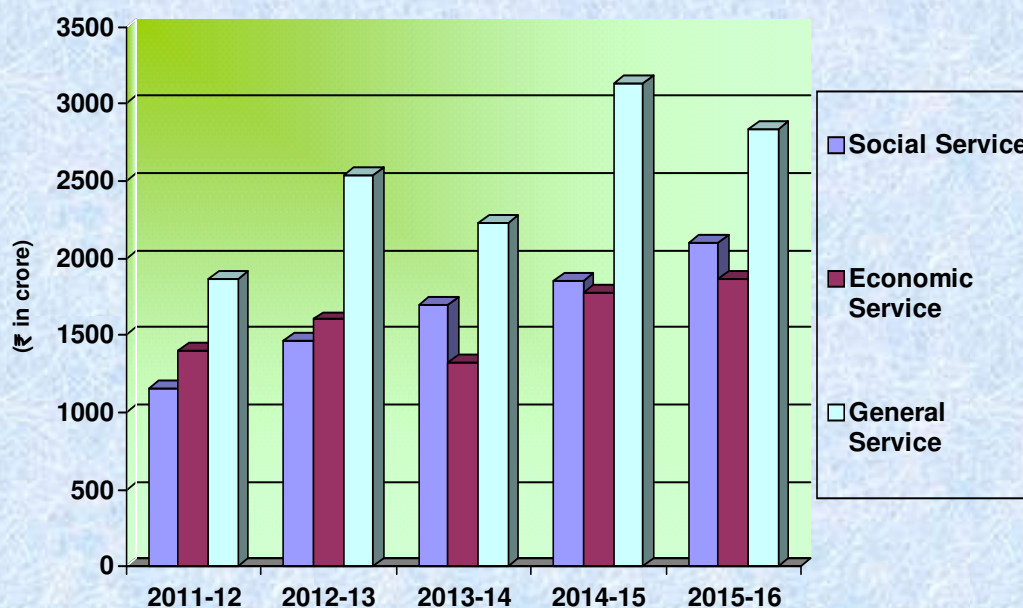
3.2.1 Sectoral distribution of Revenue Expenditure (2015-16)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	60	1
(i) Collection of Taxes on Property and Capital transactions	19	....
(ii) Collection of Taxes on Commodities and Services	41	...
(iii) Other Fiscal Services	....	...
B. Organs of State	80	1
C. Interest Payments and Servicing of debt	787	10
D. Administrative Services	1663	22
E. Pensions and Miscellaneous General Services	1033	14
F. Social Services	2094	28
G. Economic Services	1865	24
H. Grants-in-aid and Contributions	.....	...
Total Expenditure (Revenue Account)	7582	100

3.2.1 Major Component of Revenue Expenditure (2011-2016)

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 2015-16 at 5 per cent of GSDP were less than Budget Estimates by ₹ 333 crore due to less disbursement under Plan Expenditure on Capital account.

3.3.1 Sectoral distribution of Capital Expenditure

During 2015-16, Government spent ₹ 1059 crore excluding loans and advances and had invested ₹ 12 crore in various Corporations/ Companies and Societies at the end of March 2016. The average returns on this investment was nil during the last five years while the Government paid an average interest rate of 8 per cent on its borrowing during 2015-16.

(₹ in crore)

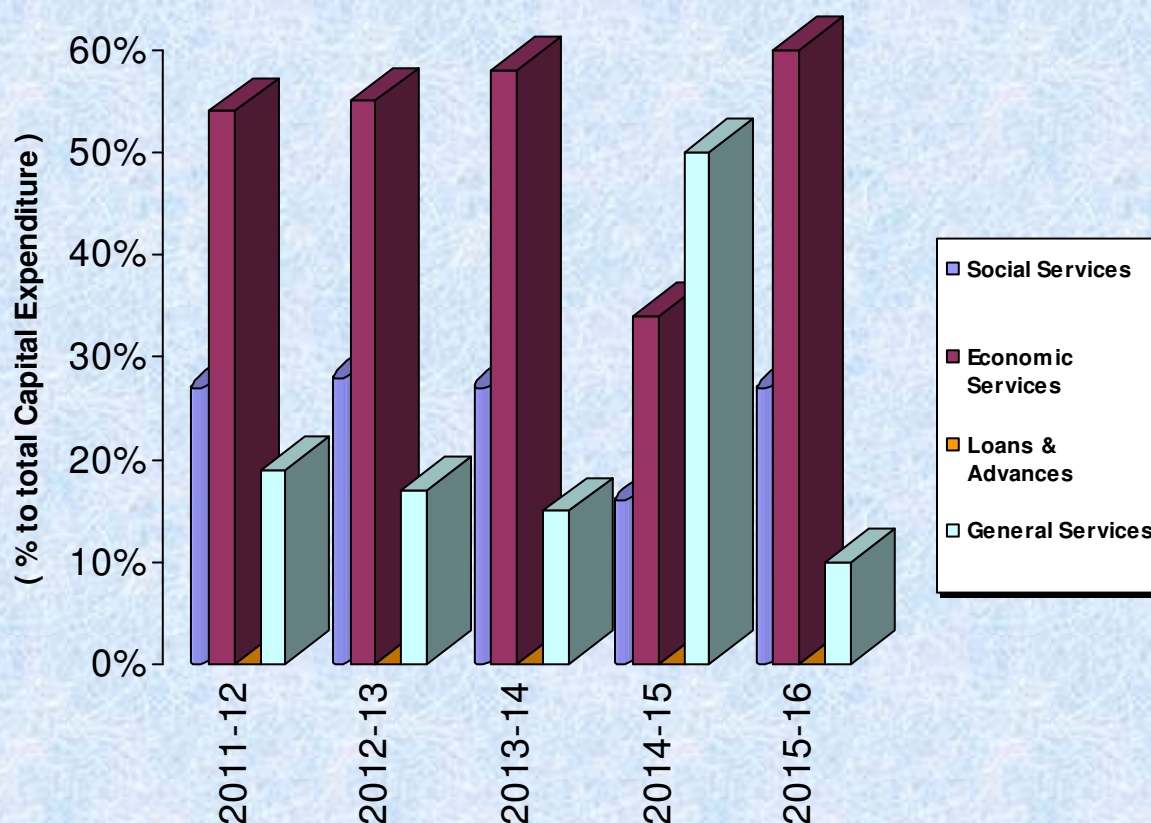
Sl.No.	Sector	Amount	Percentage
1	General Services-Police, Land Revenue etc.	106	10
2	Social Services-Education, Health & Family Welfare, Water Supply,, Welfare of SC/ST etc.	287	27
3	Economic Services-Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	666	63
4	Loans and Advances Disbursed	...	....
Total		1059	100

3.3.2 Sectoral distribution of capital expenditure over the past 5 years

(₹ in crore)

SI No	Sector	2011-12	2012-13	2013-14	2014-15	2015-16
1	General Services	235	211	181	161	106
2	Social Services	339	347	325	351	287
3	Economic Services	675	697	701	511	666
4	Loans and Advances	2	2	1	...	...
Total		1251	1257	1208	1023	1059

Trend of Sectoral Distribution of Capital Expenditure

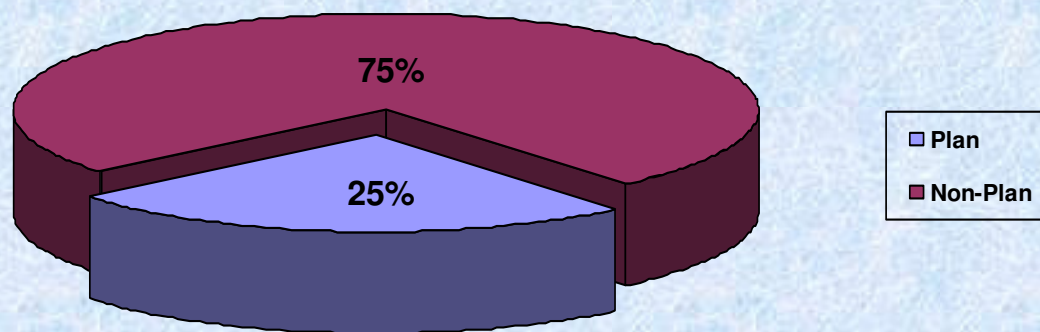


CHAPTER IV

PLAN & NON PLAN EXPENDITURE

4.1 Distribution of Expenditure (2015-2016)

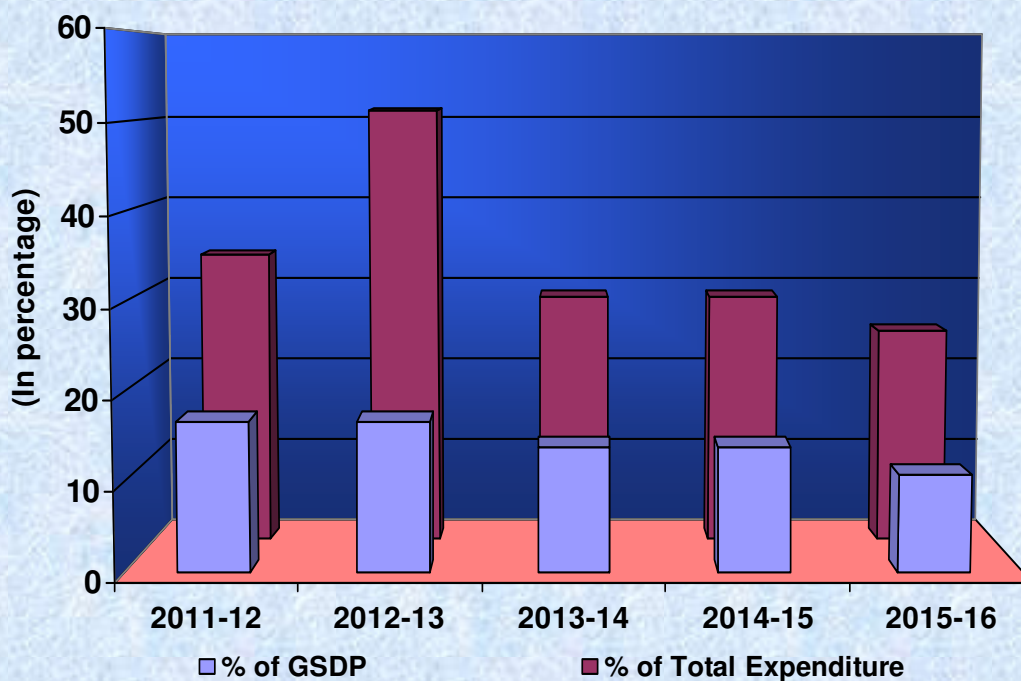
Distribution of Expenditure



4.2 Plan Expenditure

During 2015-2016, Plan Expenditure, representing 25 per cent of total disbursements, was ₹ 2,182 crore, (₹ 881 crore under State Plan and ₹ 1,301 crore under Centrally Sponsored Plan Schemes and ₹ 0.19 crore under Loans and Advances).

Plan Expenditure as proportion of total expenditure and GSDP



4.2.1 Plan Expenditure under Capital Account

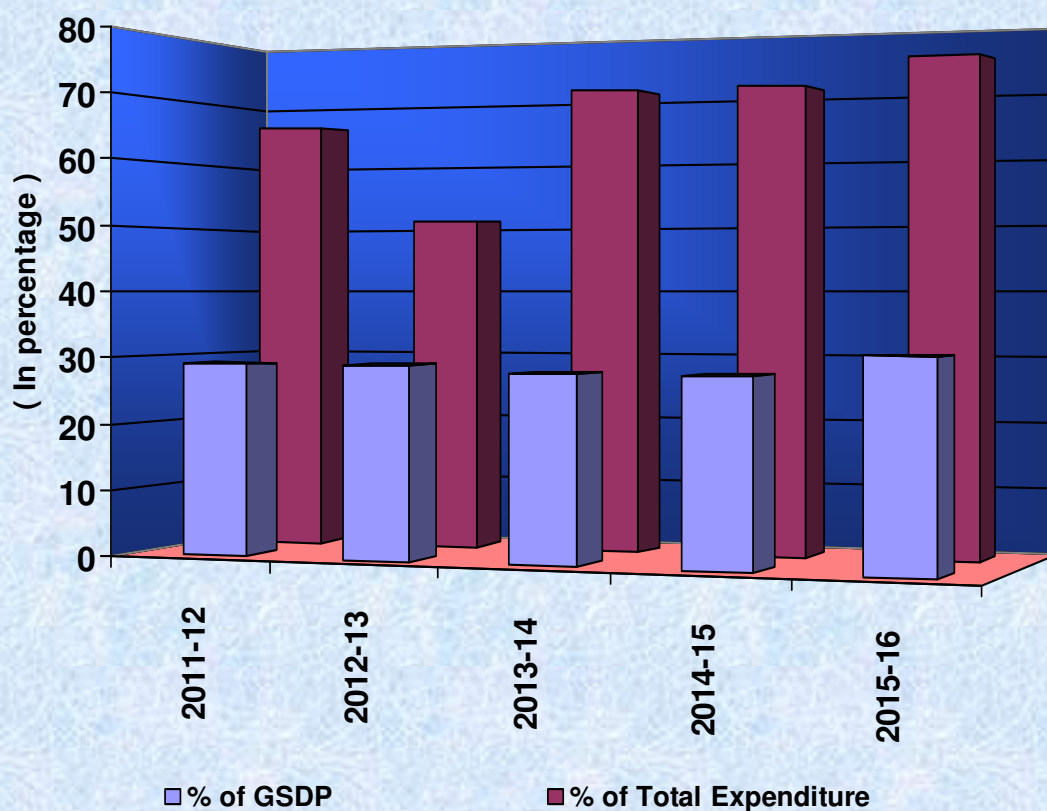
(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Total Capital Expenditure	1251	1257	1208	1023	1059
Capital Expenditure (Plan)	1251	1251	1189	1023	1059
Per cent of Capital Expenditure (Plan) to Total Capital Expenditure	100	100	98	100	100

4.3 Non - Plan Expenditure

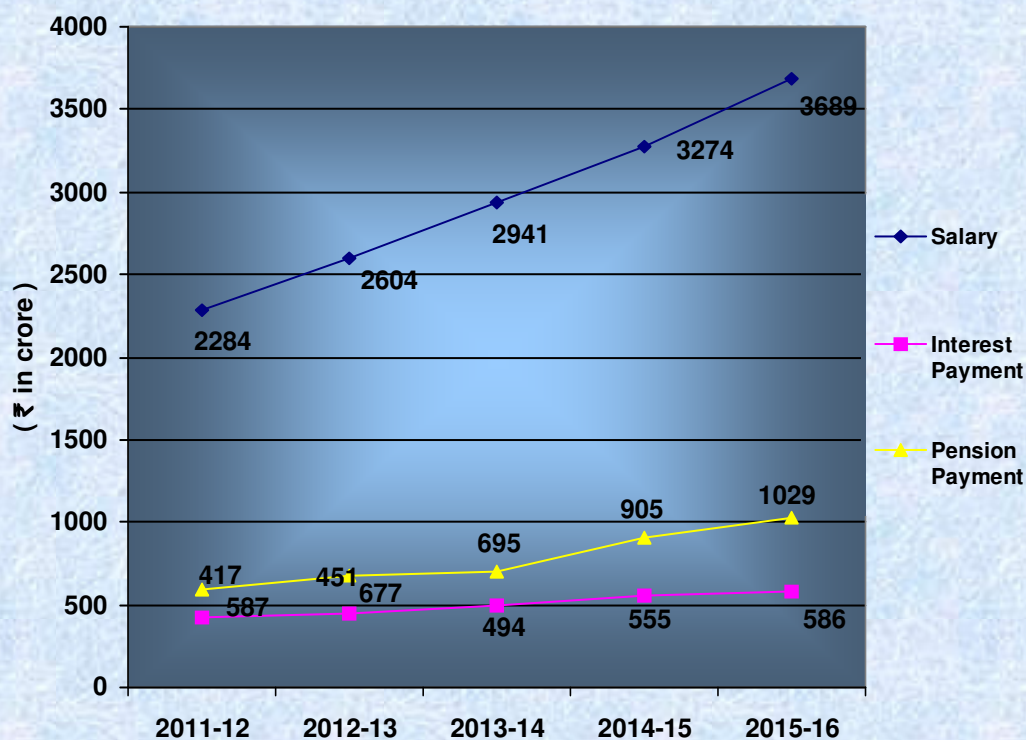
Non-Plan Expenditure during 2015-2016, representing *75 per cent* of total disbursements, was ₹ 6,459 crore under Revenue Account.

Non Plan Expenditure as proportion of total expenditure and GSDP



4.4 Committed Expenditure

Trend of Committed Expenditure



(₹ in crore)

Component	2011-12	2012-13	2013-14	2014-15	2015-16
Committed Expenditure	3288	3732	4130	4735	5304
Revenue Expenditure	4876	5601	5750	6762	7582
Per cent of committed expenditure to Revenue Receipts	59	60	64	62	66
Per cent of committed expenditure to Revenue expenditure	67	67	72	70	70

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 2015-16

(₹ in crore)

Sl No.	Nature of Expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings(-) Excesses(+)
1	Revenue Voted	7792	444	...	8236	6814	(-)1422
	Charged	880	2	...	882	807	(-)75
2	Capital Voted	1393	426	...	1819	1059	(-)760
	Charged	...	...	...	...	...	...
3	Public Debt Charged	2527	...	...	2527	2705	(+)178
4	Loans and Advances Voted	...	...	...	...	...	...
	Total	12592	872	...	13464	11385	(-)2079

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

(₹ in crore)

Year	Savings(-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2011-12	(-)319	(-)526	(-)17	(-)3	(-)865
2012-13	(-)225	(-)1101	(+)10	(-)1	(-)1317
2013-14	(-)802	(-)744	(-)851	(-)3	(-)2400
2014-15	(-)1470	(-)1422	(+)3	(-)4	(-)2893
2015-16	(-)1497	(-)760	(+)178	...	(-)2079

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	2011-12	2012-13	2013-14	2014-15	2015-16
27	Planning Machinery	61%	67%	85%	91%	319%
36	Urban Development	41%	63%	51%	68%	87%

During 2015-16, supplementary grants totaling ₹ 872 crore (6 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
18	Pension and other Retirement benefits	Revenue	1044	69	1029
35	Medical, Public Health and Family Welfare	Revenue	510	51	459
31	School Education	Revenue	1386	9	1059
36	Urban Development	Capital	86	42	41
60	Water Supply	Capital	188	29	104

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 ₹ 291 crore at the end of 2015-16. However, dividends received during the year were ₹ 5 crores on investment. During 2015-16, investments increased by ₹ 4 crore, as compared to 2014-15.

Cash Balance with RBI stood at ₹ 156 crore on 31 March 2016 and was increased by ₹ 407 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)

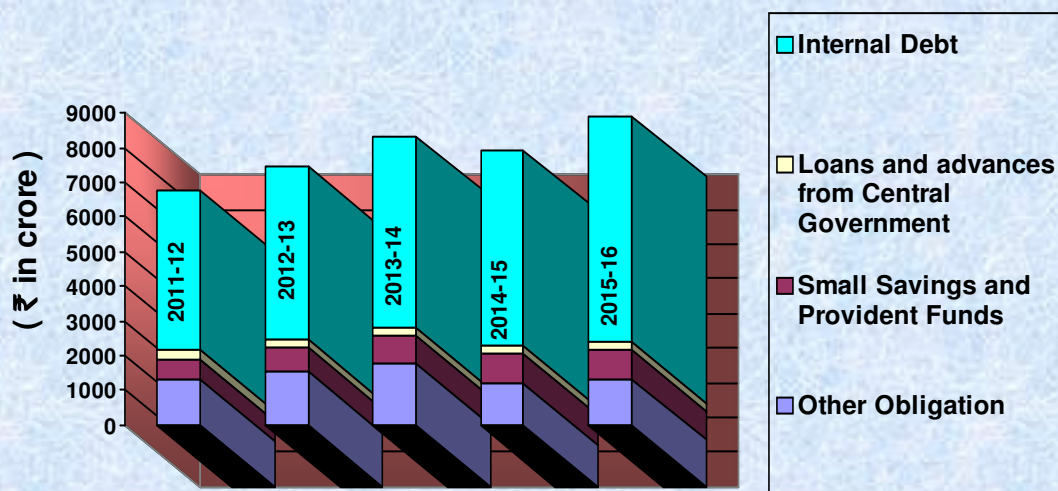
Year	Public Debt	Per cent to GSDP	Public Account(*)	Per cent to GSDP	Total Liabilities	Per cent to GSDP
2011-12	4860	35	1898	14	6758	49
2012-13	5247	33	2205	14	7452	48
2013-14	5787	33	2570	14	8357	47
2014-15	5896	29	2058	10	7954	40
2015-16	6736	33	2195	11	8931	44

(*)Excludes suspense and remittance balances.

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

There is a net increase of ₹ 977 crore (12 per cent) in Public Debt and Other liabilities as compared to 2014-15.

Trends in Government Liabilities



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

For the year 2015-16 the ratio of Fiscal deficit to GSDP was proposed at 3.25 per cent in FC-XIV and NFRBM respectively and at 4.97 per cent in MTFPS. Actual ratio of fiscal deficit to GSDP was 2.91 per cent which was 0.34 per cent and 0.09 per cent less than FC-XIV and NFRBM Projections and 2.00 per cent less than MTFPS Projection.

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 2015	
		Principal	Interest
2011-12	10	65	...
2012-13	5	70	...
2013-14	...	70	...
2014-15	...	70	...
2015-16	...	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 2016, the adverse balances amounted to ₹ Nil crore.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2015-16 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 aggregated to ₹ 0.50 crore and Interest amounted to ₹ 2 crore at the end of 31 March 2016.

7.3 Financial assistance to local bodies and others

The total assistance to local bodies decreased by ₹ 130 crore (52 per cent) from ₹ 250 crore in 2014-15 to ₹ 121 crore in 2015-16. The assistance decreased by ₹ 1 crore (10 per cent) from ₹ 11 crore in 2014-15 to ₹ 10 crore in 2015-16 in respect of educational institutions whereas it remained ₹ Nil during the period except in 2011-12 and 2014-15 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
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
2014-15	11	1	6	103	16	...	52	61	250
2015-16	10	1	2	...	17	...	91	...	121

7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

Component	As on 31 March 2015	As on 31 March 2016	Net increase (+)/ decrease (-)
Cash Balances	(-)250	156	(+)407
Investments from cash balance (GOI Treasury Bills)	141	...	...
Investment from earmarked fund balances	229	429	(+)200
(a) Sinking Fund	206	405	(+)199
(b) Guarantee Redemption Fund	7	8	(+)1
(c) Other Funds	15	15	....
Interest realized	4	3	(+)1

State Government had a debit closing cash balance at the end of 2015-16.

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 2015-16, the quantum of expenditure reconciled was for a value of ₹ 8,641 crore as against the total expenditure (Revenue and Capital) of ₹ 8,641 crore which works out to 100 *per cent*. On the receipt side, the amount reconciled was a value of ₹ 8,641 crore as against the total receipts (Revenue and Capital) of ₹ 8,641 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	...	...
TOTAL	82	82	...	...

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 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. Such AC bills are required to be settled, within a maximum of 90 days, through submission of DCC bills. The fact that to the end of 31 March 2016, 220 DCC bills amounting to ₹ 237 crore was outstanding, indicates that these instructions have not been followed.

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