



GOVERNMENT OF HARYANA

**ACCOUNTS AT A GLANCE
2010-2011**



**PRINCIPAL ACCOUNTANT GENERAL
(Accounts and Entitlement)
HARYANA, CHANDIGARH**





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PREFACE

This publication 'Accounts at a Glance' is an attempt to address the felt-need of various stakeholders for a publication containing a reader friendly summary of finances of State of Haryana. This is the thirteenth issue in the series.

It provides a gist of the voluminous information available in the Finance Accounts and Appropriation Accounts prepared by my office in accordance with Article 149 of the Constitution of India, read with Section 11 of Comptroller and Auditor Generals' (D.P.C.) Act, 1971.

The annual accounts of the State consist 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 record the grant-wise expenditure against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided.

'Accounts at a Glance' provides a broad overview of Governmental activities, as reflected in Finance Accounts and Appropriation Accounts. The information is presented through brief explanations, statements, graphs and time series analysis for providing accounting information to the stakeholders-the Legislature, the Executives and the Public. A reading of Finance Accounts, Appropriation Accounts of Government of Haryana, and Report of the Comptroller and Auditor General on State Finances for the year 2010-11 together with Accounts at a Glance will help the stakeholders to appreciate the various aspects of State Finances in a more effective manner.

We look forward to readers' feedback that would help us in improving the publication.

Chandigarh
The 02nd December, 2011

Balvinder Singh
Pr. Accountant General (A&E)
Haryana

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 1

OVERVIEW

1.1. Introduction

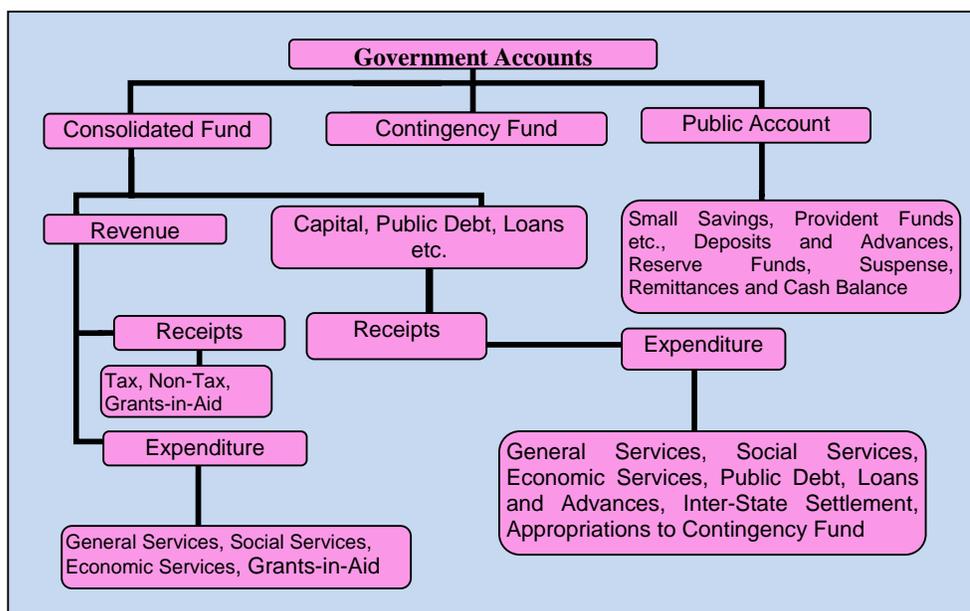
The Principal Accountant General (Accounts and Entitlements), Haryana compiles the accounts of receipts and expenditure of the Government of Haryana. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank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

1.2. Structure of Accounts

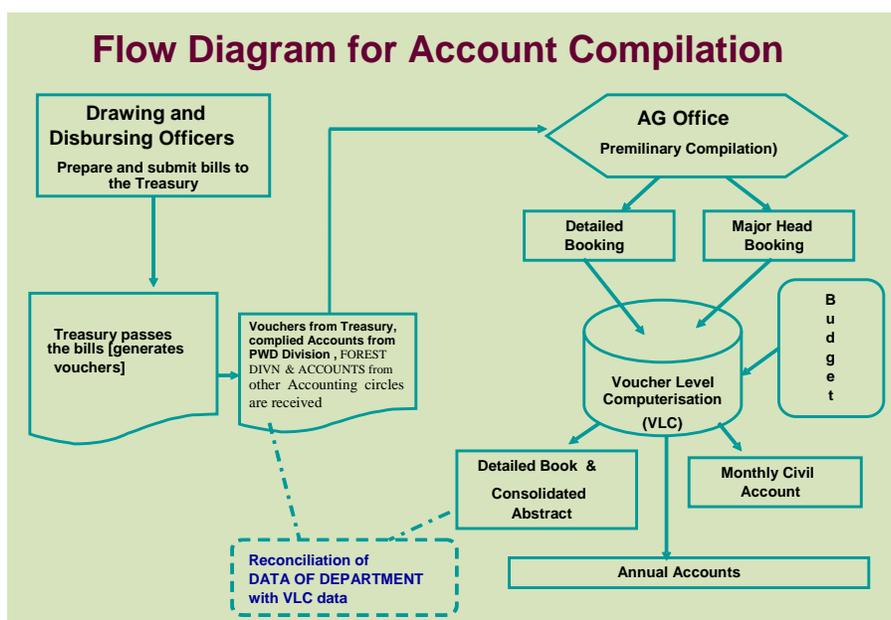
1.2.1. Government Accounts are kept in three parts:

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 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. Pictorial representation of Structure of Government Accounts



1.2.3. Compilation of Accounts



1.3. Finance Accounts and Appropriation Accounts

1.3.1. Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. The Finance Accounts have been issued in two volumes, in a new format, 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).

The Revenue and Capital accounts, Public Debt and Liabilities of Haryana depicted in the Finance Accounts 2010-11 are given below:

(₹ in Crore)

Receipts (Total: 33,063)	Revenue (Total: 25,564)	Tax Revenue	19,092
		Non Tax Revenue	3,421
		Grants-in-Aid	3,051
	Capital (Total: 7,499)	Capital Receipt	8
		Recovery of Loans and Advances	233
		Borrowings and other Liabilities*	7,258
Disbursements (Total: 33,063)	Revenue		28,310
	Capital		4,031
	Loans and Advances		722

* **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 ₹ 1,006 crore (₹ 553 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 supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'charged' on the Consolidated Fund or 'voted' by the State Legislature. There are 21 charged Appropriations and 65 voted Grants.

The Appropriation Act, 2010-11, had provided for gross budget provision of ₹ 51,653 crore including the supplementary grant totalling ₹ 7,675.01 crores voted by the state Legislature during the year. An amount of ₹ 4,423 crore was projected as recoveries in reduction in expenditure. Appropriation Accounts 2010-11 shows disbursement aggregating ₹ 41,893 crore against the aggregate budget provision of ₹ 51,653 resulting there by in saving of ₹ 9,760 crore against grants and appropriation. Recoveries in reduction of expenditure amounting to ₹ 3,999 crore reflecting decrease of ₹ 424 crore vis-à-vis budget estimates. The gross expenditure includes ₹ 0.02 crore drawn on Abstract Contingent (AC) Bills, which is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2010-11, ₹ 266 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD accounts are available only with the treasuries, since they are responsible for maintaining such records.

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 (₹ 1.14 crore) maintained with the RBI. During 2010-11, the Government of Haryana did not resort to OD facilities and availed of WMA (₹ 364 & ₹ 306 crore), for seven days, on two occasions. This has to be viewed against the fact that there were savings totalling ₹ 9,982 crore in almost all 43 grants, resulting in a shortfall of 24% in expenditure against estimates.

1.4.2. Fund flow statement

The State had a Revenue deficit of ₹ 2,746 crore and a Fiscal Deficit of ₹ 7,258 crore representing 1.07 % and 2.82 % of the Gross State Domestic Product (GSDP)¹. The Fiscal Deficit constituted 22 % of total expenditure. This deficit was met from Public Debt (₹ 10,513 crore) and increase in Public Account (₹ 743 crore). Around 63% of the revenue receipts (₹ 25,564 crore) of the State Government was spent on committed expenditure like salaries (₹ 9,672 crore), interest payments (₹ 3,319 crore) and pensions (₹ 3,094 crore).

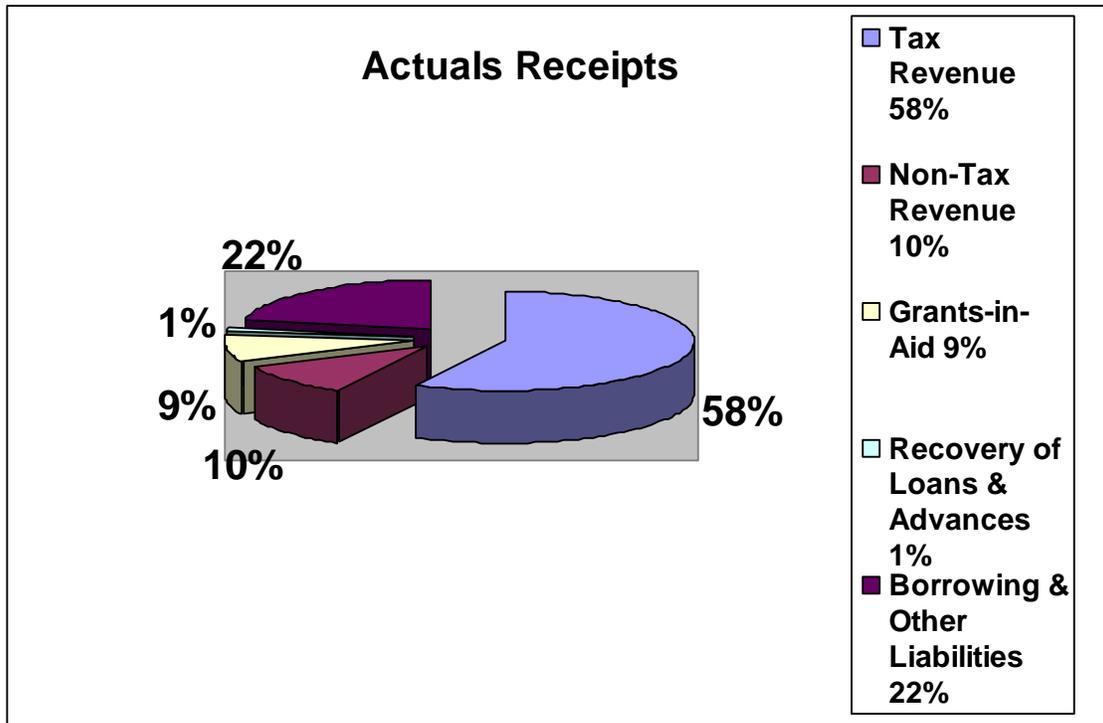
Sources and Application of Funds

(₹ in Crore)

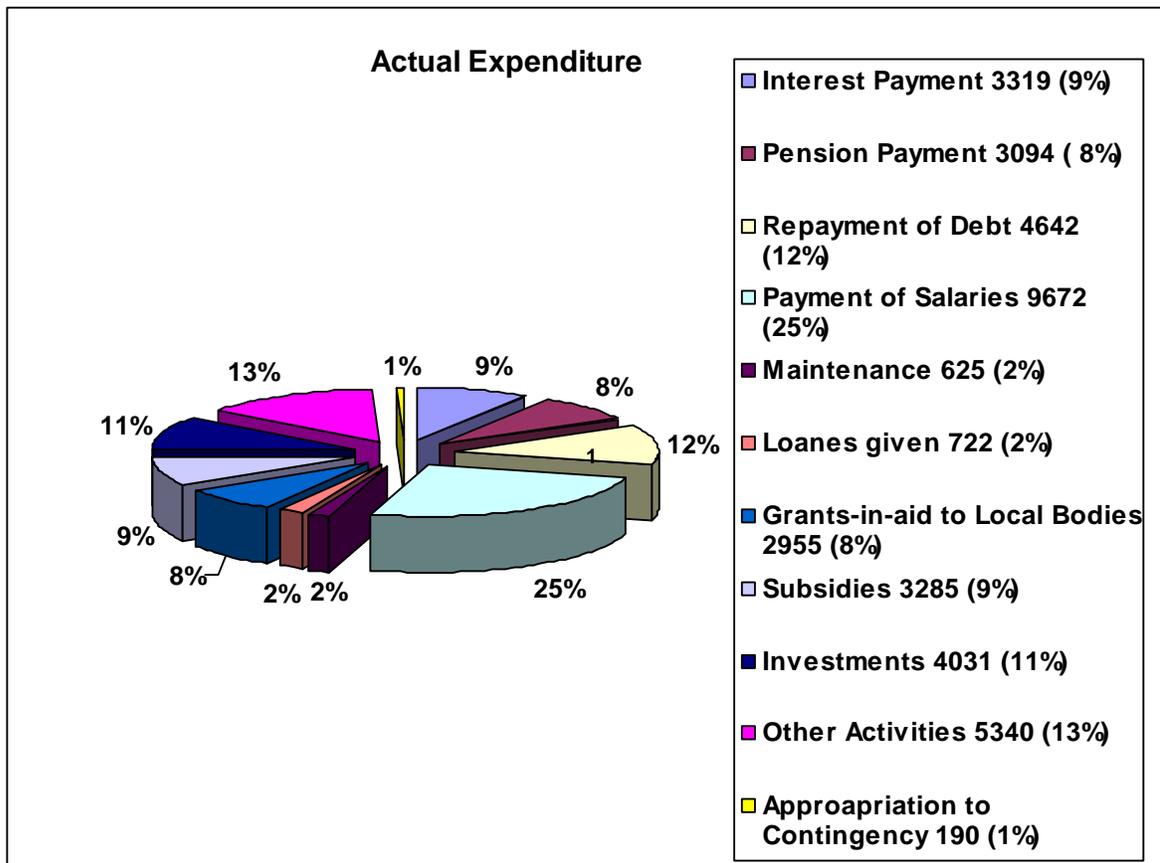
	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2010	(-1,132)
	Revenue Receipts	25,564
	Capital Receipt	8
	Recovery of Loans & Advances	233
	Public Debt (Including ways & means advances)	10,513
	Small Savings Provident Fund & Others	1,964
	Reserves & Sinking Funds	540
SOURCES	Deposits Received	8,267
	Civil Advances Repaid	83
	Suspense Account	33,488
	Remittances	5,361
	Contingency Fund	190
	TOTAL	85,079
	Revenue Expenditure	28,310
	Capital Expenditure	4,031
	Loans Given	722
	Repayment of Public Debt (Including ways & means advances)	4,642
	Appropriation to Contingency Fund	190
	Small Savings Provident Fund & Others	1,216
	Reserves & Sinking Funds	531
APPLICATION	Deposits Spent	7,950
	Civil Advances Given	83
	Suspense Account	34,124
	Remittances	5,056
	Closing Cash Balance as on 31.3.2011	(-1,776)
	TOTAL	85,079

¹ Except where indicated otherwise, GSDP figures used in this publication are adopted from the Economic Survey of the Planning Department, Government of Haryana

1.4.3 Where the Rupee came From



1.4.4 Where the Rupee went



1.5 Highlights of Accounts

(₹ in crore)

	BE 2010-11	ACTUALS	PERCENTAGE OF ACTUALS	PERCENTAGE OF ACTUALS TO GSDP(\$)	
1	TAX REVENUE @	18,663	19,092	102	7
2	NON-TAX REVENUE	3,549	3,421	96	1.34
3	GRANTS-IN-AID & CONTRIBUTIONS	2,329	3,051	131	1
4	REVENUE RECEIPT(1+2+3)	24,541	25,564	104	10
5	RECOVERY OF LOANS	228	233	102	0
6	OTHER RECEIPTS	16	8	1	0
7	BORROWINGS & OTHER LIABILITIES (A)	16,491	7,258	44	3
8	CAPITAL RECEIPTS (5+6+7)	16,735	7,499	45	3
9	TOTAL RECEIPTS (4+8)	41,276	33,063	80	13
10	NON-PLAN EXPENDITURE(*)	27,161	22,429	83	9
11	NPE ON REVENUE ACCOUNT	24,647	22,059	89	9
12	NPE ON INTEREST PAYMENTS OUT OF 11	3,913	3,319	88	1
13	NPE ON CAPITAL ACCOUNT(**)	2,514	370	15	0
14	PLAN EXPENDITURE(*)	14,115	10,634	75	2.4
15	PE ON REVENUE ACCOUNT	8,045	6,251	78	3
16	PE ON CAPITAL ACCOUNT	6,070	4,383	72	2
17	TOTAL EXPENDITURE (10+14)	41,276	33,063	80	13
18	REVENUE EXPENDITURE (11+15)	32,691	28,310	87	11
19	CAPITAL EXPENDITURE (13+16)#	8,585	4,753	55	2
20	REVENUE SURPLUS (4-18)	-8,150	-2,746	34	(-1)
21	FISCAL DEFICIT (4+5+6-17)	-16,491	-7,258	44	(-3)

(@) Includes State's share of Union Taxes of ₹2,302 crore

(\$) GSDP figure of ₹2,57,793 crore adopted from the Economic Survey published by Planning Department, Government of Haryana.

(#) Expenditure on Capital Account includes Capital Expenditure (₹4,031 crore) and Loans and Advances disbursed (₹722 crore).

(*) Expenditure includes ₹184 crore under Non-Plan and ₹538 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.

(**) Negative expenditure is due to recoveries not estimated in the Budget.

1.6 What do the Deficits and Surpluses indicate ?

Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue 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. Ideally, the borrowings should be invested in capital projects.

The Haryana Fiscal Responsibility and Budget Management Act was enacted in July, 2005 with an objective to eliminate revenue deficit and reduce the fiscal deficit within the prescribed limit. As per this Act, the revenue deficit was to be brought to Zero by 2008-09 and the limit of fiscal deficit was kept at maximum of 3% of Gross State Domestic Production (GSDP). The condition for bringing Revenue Deficit to Zero was relaxed for 2008-09 and 2009-10. With regard to Fiscal deficit, in view of Ministry of Finance, Government of India Guidelines for Debt Consolidation and Relief Facility (DCRF), the target was relaxed from 3% to 3.5% of GSDP for 2008-09 and from 3.5% to 4% of GSDP for 2009-10. As per Haryana Fiscal Responsibility and Budget Management Act, 2005 the limit of outstanding total debt including contingent liability was 28% of the estimated Gross State Domestic Product (GSDP) from 2005-06 to 2009-10. The status reports of the State are as under:-

(₹ in Crores)

Items	2005-06 Actuals	2006-07 Actuals	2007-08 Actuals	2008-09 Actuals	2009-10 Actuals
Revenue Deficit	-12,13.42	-15,90.28	-22,23.87	20,82.42	42,64.72
As %age of GSDP	-1.12	-1.22	-1.44	1.14	1.97
Fiscal Deficit	2,85.86	-11,78.70	12,63.85	65,57.80	1,00,90.66
As %age of GSDP	0.26	-0.91	0.82	3.59	4.67
Outstanding Debt including Contingent Liabilities	3,18,94.79	3,25,87.64	3,13,47.65	3,63,92.00	4,37,66.46
As %age of GSDP	29.41	25.04	20.32	19.90	20.24

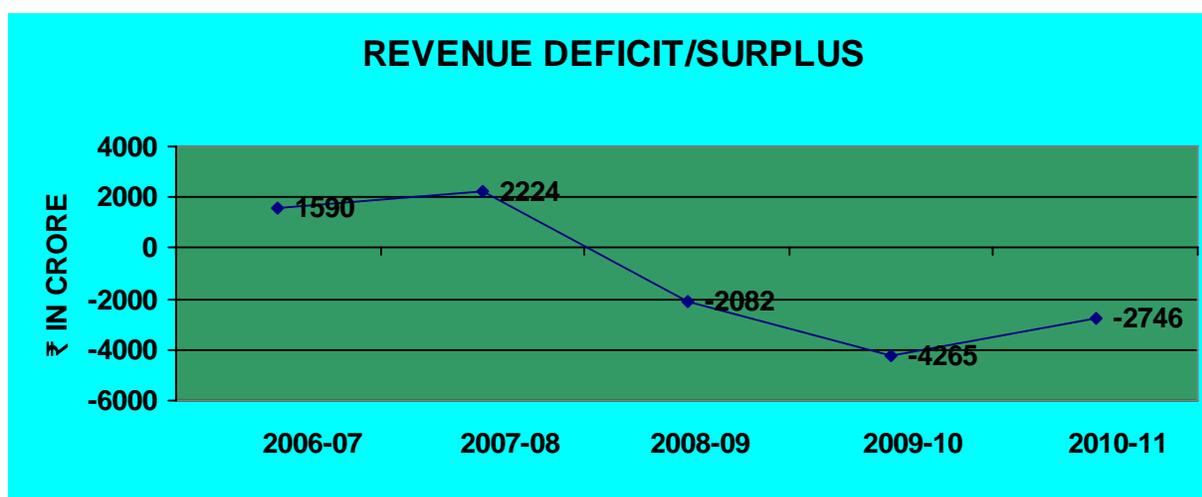
Source: (Figures supplied by State Govt.)

The above table reveals that the State has become Revenue Surplus State from the year 2005-06 to 2007-08. But due to Economic recession and implementation of the 6th Pay Commission Report, the State became revenue deficit for the year 2008-09 and 2009-10. With regard to Fiscal Deficit, the State is well within the prescribed limit of 3% of GSDP from the year 2005-06 to 2007-08 but due to the above said reasons, the Fiscal Deficit as

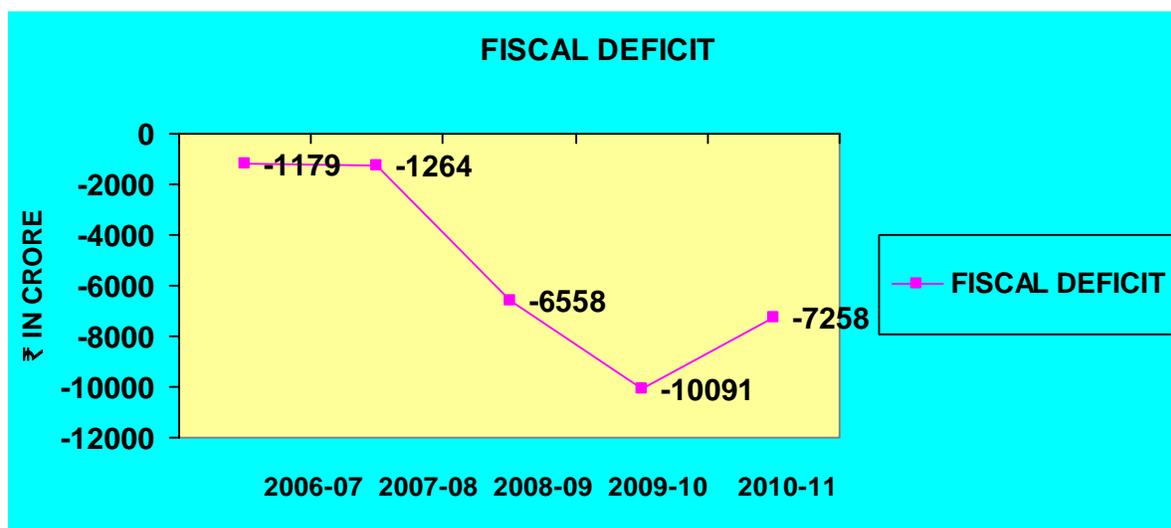
%age of GSDP increased to 3.59% against the Ministry of Finance/Government of India (MOF/GOI) Guidelines of 3.50% in 2008-09 and it increased 4.67% of GSDP against the MOF/GOI Guidelines of 4.00% in 2009-10.

Apart from the above said reasons, the Capital expenditure was also increased during the year 2008-09 and 2009-10 which is a healthy sign of the economy. The outstanding Debt including Contingent liabilities was within the prescribed limit of 28% of GSDP from the year 2006-07 to 2009-10. There has not been any requirement regarding disclosure of receivable in FRBM Act Haryana.

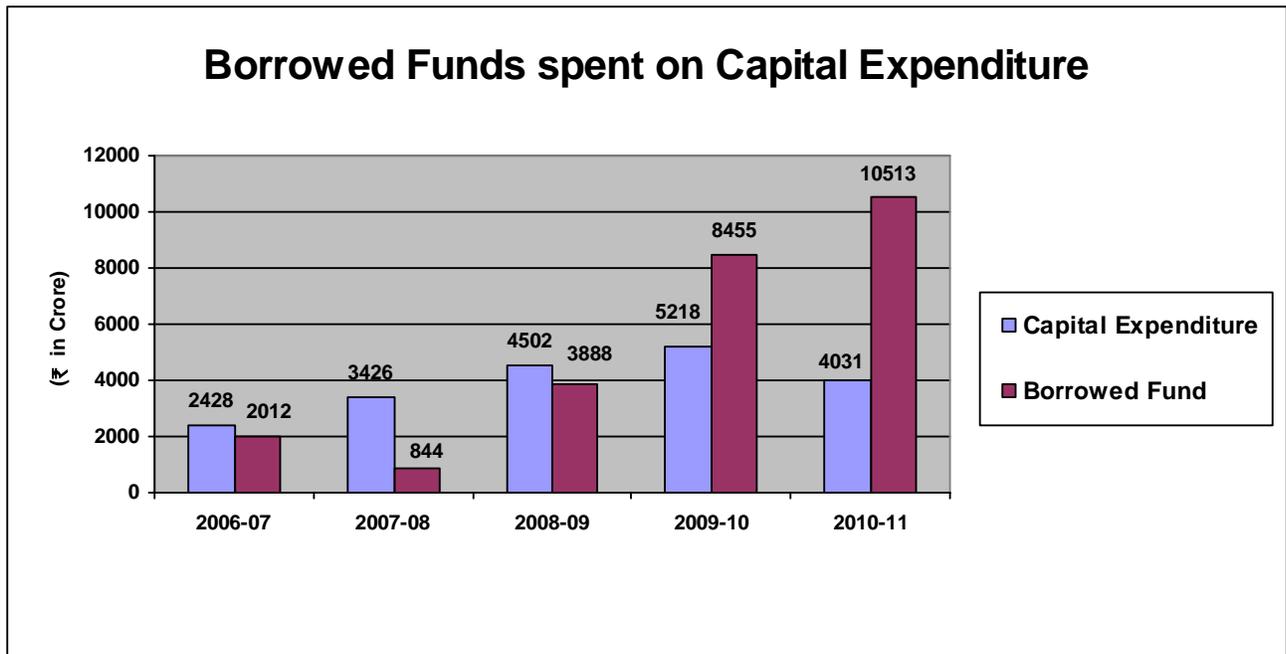
1.6.1 Trend of Revenue Deficit/Surplus:



1.6.2 Trend of Fiscal Deficit:



1.6.3 Proportion of borrowed Funds Spent on Capital Expenditure:



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 State Government, however, spent only 38% of the borrowings of the current year (₹10,513 crore) on capital expenditure (₹4,031 crore). It would therefore appear that 62 % of the public debt (₹6,482 crore) was utilised on repayment of the principal and interest on public debt of previous years, to meet periodic shortfalls of revenues against expenditure in the current year, towards maintaining a positive cash balance at the end of the year and to invest in treasury bills.

CHAPTER 2

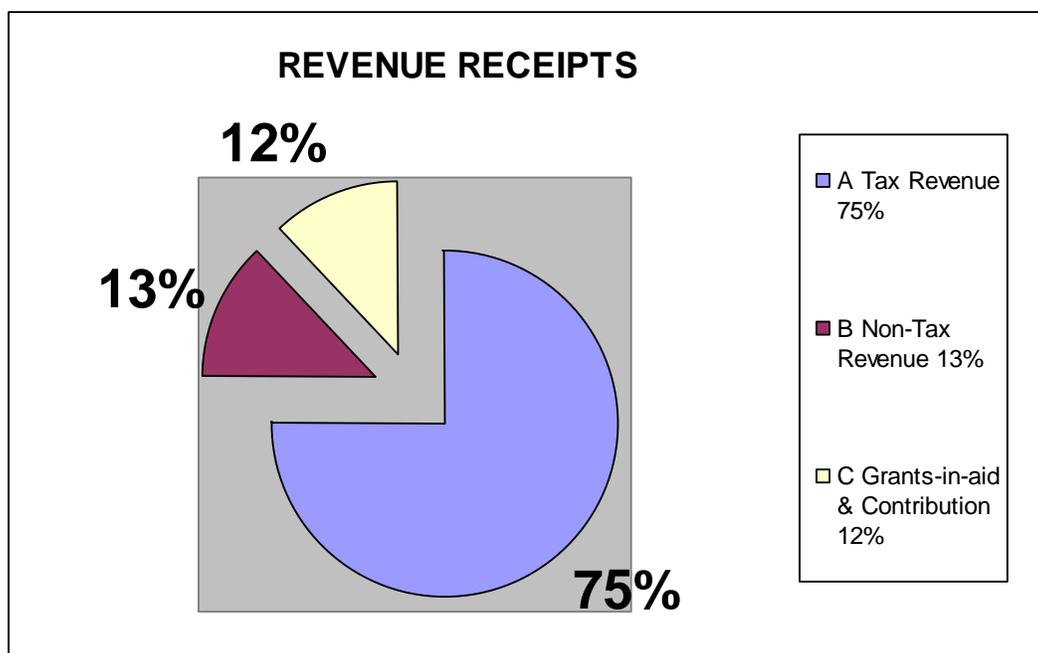
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2010-11 were ₹33, 063 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 Receipt Components (2010-11)

(₹ in Crore)	
Components	Actuals
A. Tax Revenue	19,092
Taxes on Income & Expenditure	1,375
Taxes on Property & Capital Transactions	2,331
Taxes on Commodities & Services	15,386
B. Non-Tax Revenue	3,421
Interest Receipts, Dividends and Profits	692
General Services	216
Social Services	1,364
Economic Services	1,149
C. Grants-in-aid & Contributions	3,051
Total – Revenue Receipts	25,564

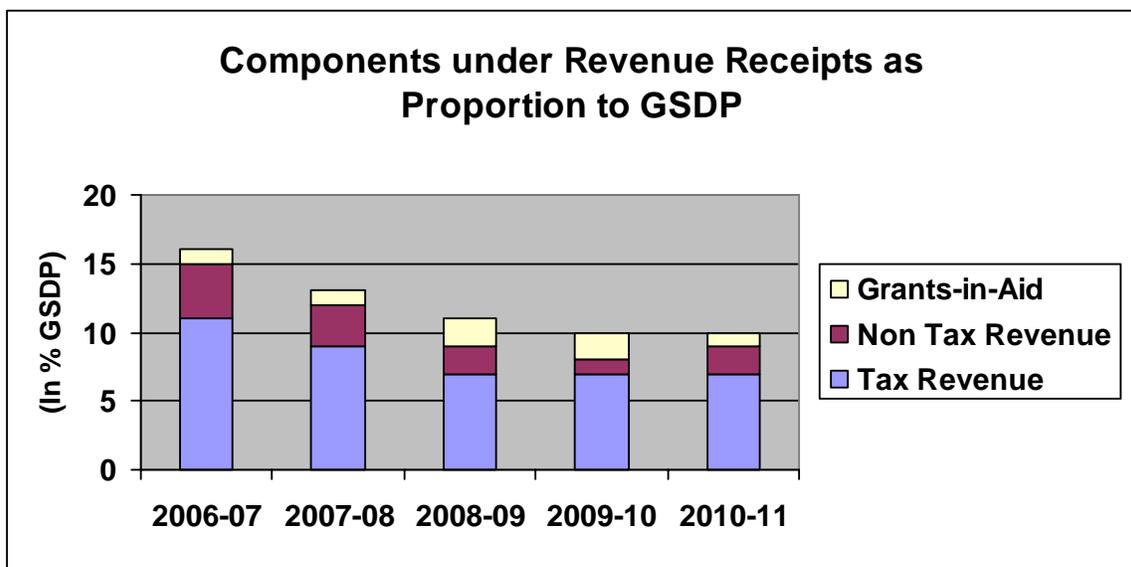
2.3. Trend of Receipts

(₹ in Crore)					
	2006-07	2007-08	2008-09	2009-10	2010-11
Tax Revenues	12,223 (9)	13,252 (9)	13,380 (7)	14,994 (7)	19,092 (7)
Non-Tax Revenues	4,591 (4)	5,097 (3)	3,238 (2)	2,741 (1)	3,421 (2)
Grants in Aid	1,138 (1)	1,402 (1)	1,834 (1)	3,257 (2)	3,051 (1)
Total Revenue Receipts	17,952 (14)	19,751 (13)	18,452 (10)	20,993 (10)	25,564 (10)
GSDP	1,30,141	1,54,283	1,82,914	2,16,287	2,57,793

Note: Figures in parentheses represent percentage to GSDP

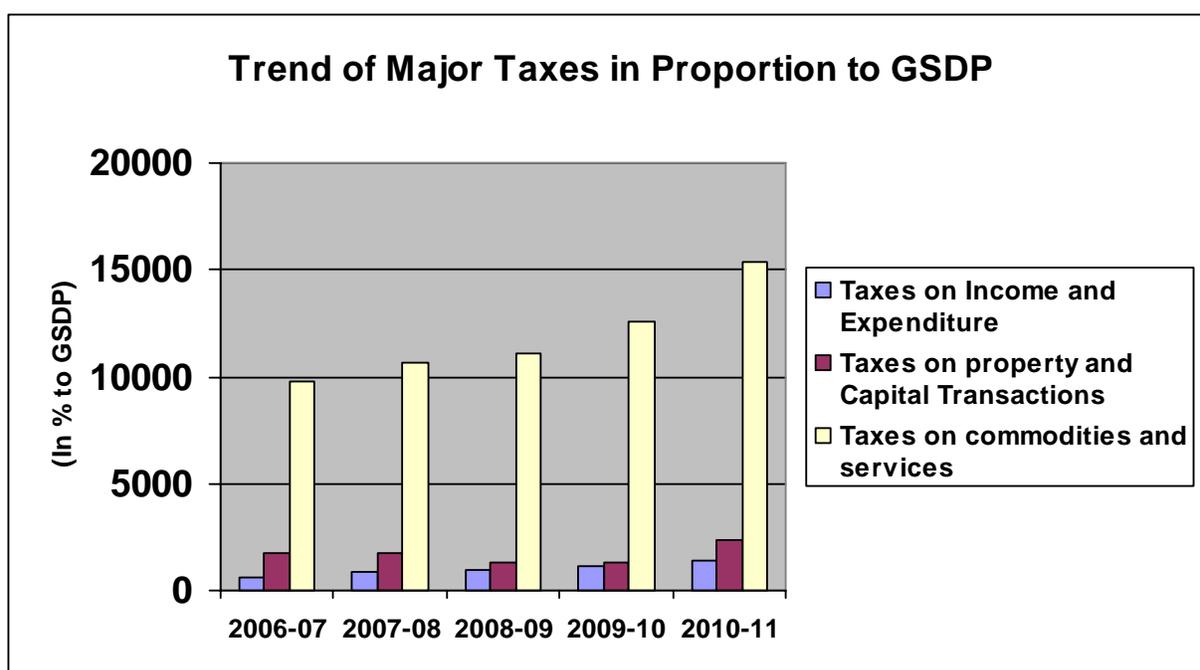
Figures for 2008-09 are Provisional Estimates, for 2009-10 on quick estimate and for 2010-11 on advance estimates

Though the GSDP decreased by 21 % between 2009-10 and 2010-11, growth in revenue collection was only 22 %. While tax revenues increased by 27 %, non-tax revenues increased by 11%. The State's own revenue under certain tax components, like taxes on sales, trade etc., (₹11,082 crore), state excise (₹2,366 crore) and stamps & registration fees (₹2,319 crore), showed a higher trend.



Sector-wise Tax Revenue

	(₹ in Crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
a. Taxes on Income and Expenditure	650	867	921	1,137	1,375
b. Taxes on Property and Capital Transactions	1,778	1,773	1,335	1,305	2,331
c. Taxes on Commodities and Services	9,795	10,612	11,124	12,552	15,386
Total Tax Revenues	12,223	13,252	13,380	14,994	19,092



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	
				Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2006-07	12,224	1,296	10,928	8.4%
2007-08	13,252	1,634	11,618	7.5%
2008-09	13,380	1,725	11,655	6.4%
2009-10	14,494	1,774	13,220	6.1%
2010-11	19,092	2,302	16,790	6.5%

2.5 Efficiency of Tax Collection:

A. Taxes on Property and Capital Transactions

(₹ in Crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue collection	1,778	1,773	1,335	1,305	2,331
Expenditure on collection	65	72	93	117	121
Efficiency of tax collection	4%	4%	7%	9%	5%

B. Taxes on Commodities and Services

(₹ in Crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue collection	9,795	10,612	11,124	12,252	15,386
Expenditure on collection	67	71	95	114	127
Efficiency of tax collection	1%	1%	1%	1%	1%

Taxes on commodities and services form a major chunk of tax revenue. Tax collection efficiency is excellent. However, the collection efficiency of taxes on property and capital transactions can be improved.

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

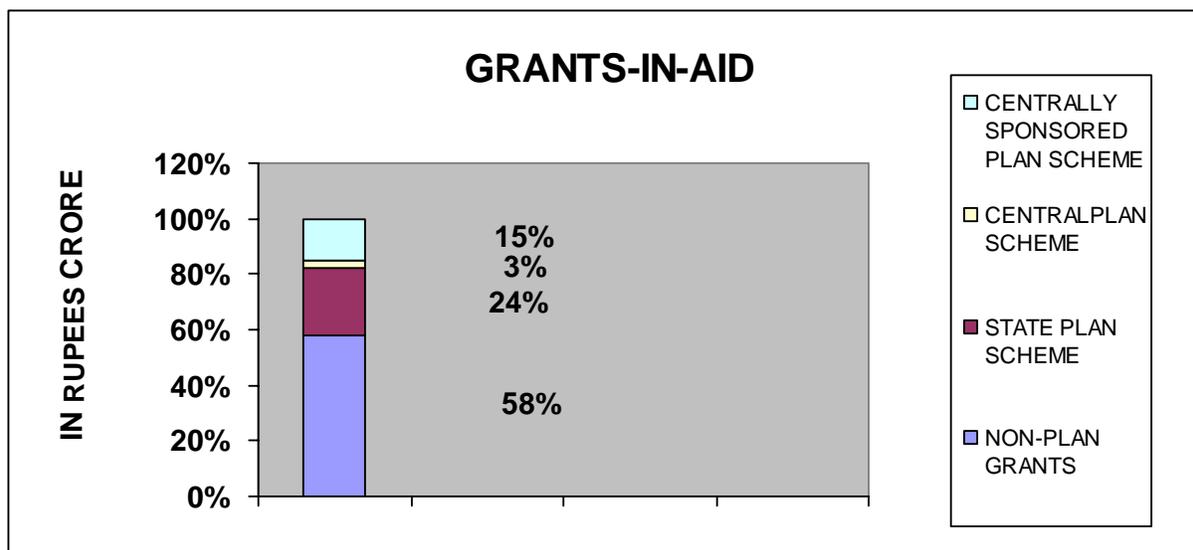
(₹ in Crore)

Major Head description	2006-07	2007-08	2008-09	2009-10	2010-11
Corporation Tax	404	518	565	730	900
Taxes on Income other than Corporation Tax	246	348	355	407	475
Taxes on Wealth	1	1	1	2	2
Customs	253	309	330	248	403
Union Excise Duties	268	295	288	200	293
Service Tax	124	163	186	187	229
Other Taxes & Duties on Commodities and Services	-	-	-	-	-
States Share of Union Taxes	1,296	1,634	1,725	1,774	2,302
Total Tax Revenue	12,223	13,252	13,380	14,494	19,092
% of Union Taxes to Total Tax Revenue	11	12	13	12	12

Government of Haryana received 11% to 13% of the net proceeds of all shareable Union taxes during the period 2006-07 to 2010-11.

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 2010-2011 under Grants in Aid were ₹3,051 crore as shown below:



The share of non-plan grants in total grants-in-aid increased from 50 % during 2009-10 to 57 % in 2010-11, while, the share of grants for plan schemes declined from 28 % in 2009-10 to 25 % in 2010-11. As against a budget estimate of ₹1,997 crore of Union share in Plan schemes, the State Government has actually received ₹1,285 of Grants in Aid (64% of BE).

2.8 Public Debt

Trend of Public Debt (net) over the past 5 years

(₹ in Crore)

Description	2006-07	2007-08	2008-09	2009-10	2010-11
Internal Debt	988	48	2,644	5,743	5,688
Central Loans	(-) 90	(-) 45	(-) 48	(-) 34	184
Total Public Debt	898	3	2,596	5,709	5,872

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

In 2010-11, six loans totalling ₹4,450 crore at interest rates varying from 8% to 8.57% and redeemable in the years 2020-2021 were raised at par.

Against the total internal debt of ₹10,205 crore of the State Government in 2010-11 plus the central loan component of ₹308 crore received during this period, capital expenditure was only ₹4,031 crore (38 %), indicating that the rest of the public debt was used for non-developmental purposes.

CHAPTER 3**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 organisation. 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 in Appropriation account of ₹ 28,713 crore for 2010-11 fell short of budget estimates by ₹ 4,349 crore.

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

(₹ in Crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Budget Estimates	16,929	18,521	23,364	27,519	33,062
Actuals	16,494	17,641	20,635	25,435	28,713
Gap	434	880	2,729	2,084	4,349
% of gap over BE	3	5	12	13	13

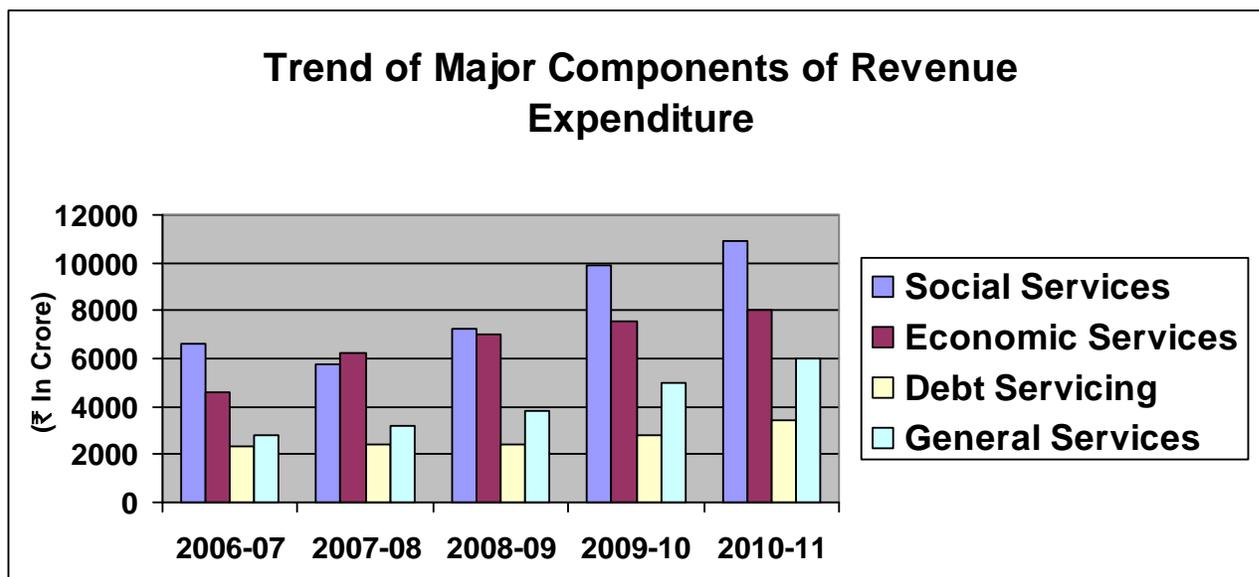
Compounding the shortfall (by 13%) of revenue receipts against budget estimates, the State Government was faced with the problem of generating revenue surplus in terms of the FRBM Act. Nearly 57% of total revenue expenditure was committed to Non-Plan expenditure (salaries, pensions etc.). Added to this was the fact that the Government of India released 131% of the promised grant in aid. The Plan expenditure has resultantly fallen by 9%, from ₹4,819 crore in 2009-10 to ₹4,383 crore in 2010-11.

3.2.1 Sectoral Distribution of Revenue Expenditure (2010–11)

(₹ in Crore)

Components	Amount	Percentage
A. Fiscal Services	250	1
(i) Collection of Taxes on Property and Capital transactions	122	-
(ii) Collection of Taxes on Commodities and Services	127	-
(iii) Other Fiscal Services	1	-
B. Organs of State	368	1
C. Interest Payments and Servicing of Debt	3,424	12
D. Administrative Services	2,191	8
E. Pensions and Miscellaneous General Services	3,095	11
F. Social Services	10,904	39
G. Economic Services	7,997	28
H. Grants-in-aid and Contributions	81	-
Total Expenditure (Revenue Account)	28,310	100

3.2.2 Major components of Revenue Expenditure (2006 – 2011)



- General Services excludes MH 2048 (Appropriation for reduction or avoidance of debt), MH 2049 (Interest payments) and includes MH 3604 (Compensation and assignment to Local Bodies and Panchayati Raj Institutions).

The expenditure on Economic Services (which includes important sectors like Rural Development, Agriculture and Irrigation) has gone down, as against a steady increase in other services.

3.3. Capital Expenditure

Capital disbursements for 2010-11 at 2 % of GSDP were less than Budget Estimates by ₹ 3,832 crore (less disbursement of ₹ 2,145 crore under Plan Expenditure and ₹1,687 crore under Non-plan Expenditure).

3.3.1. Sectoral Distribution of Capital Expenditure

During 2010-11, the Government spent ₹ 760 crore on various Projects (₹ 222 crore on Major Irrigation, ₹ 417 crore on Medium Irrigation, and ₹ 121 crore on Minor Irrigation) and invested ₹ 817 crore in various Corporations/Companies/Societies.

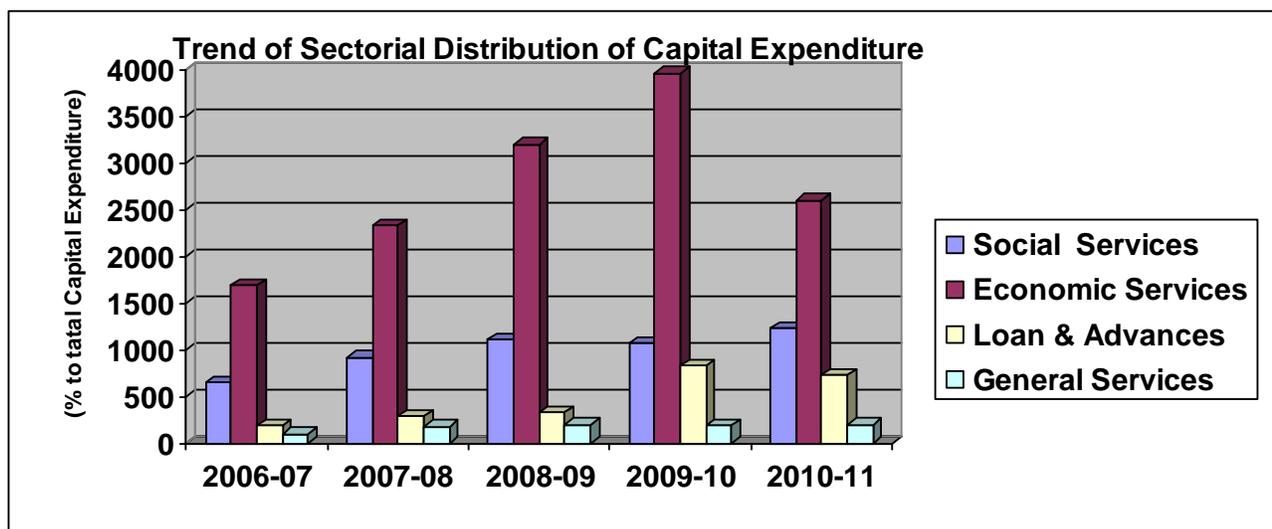
(₹ in Crore)

Sl. No	Sector	Amount	Percentage
1.	General Services-Police, Land Revenue etc.	199	4
2.	Social Services-Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.,	1,230	26
3.	Economic Services-Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.,	2,602	55
4.	Loans and Advances Disbursed	722	15
Total		4,753	100

3.3.2 Sectoral distribution of capital expenditure over the past 5 years

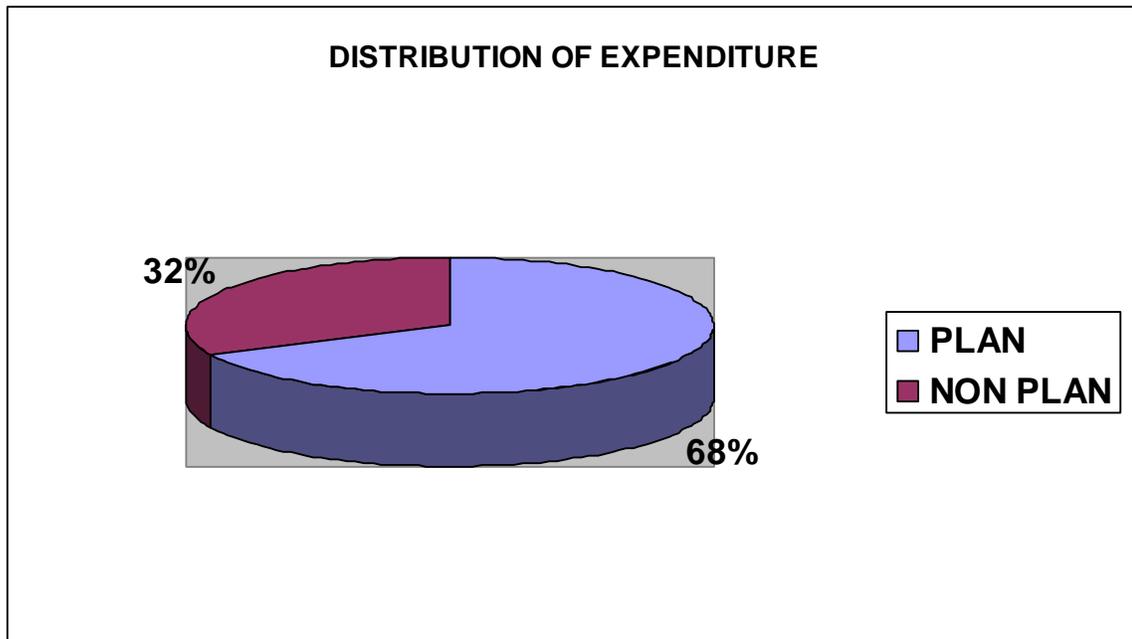
(₹ in Crore)

Sl. No.	Sector	2006-07	2007-08	2008-09	2009-10	2010-11
1.	General Services	90	171	195	187	199
2.	Social Services	649	922	1,109	1,070	1,230
3.	Economic Services	1,688	2,333	3,198	3,961	2,602
4.	Loans and Advances	185	286	322	830	722
Total		2,612	3,712	4,834	6,048	4,753



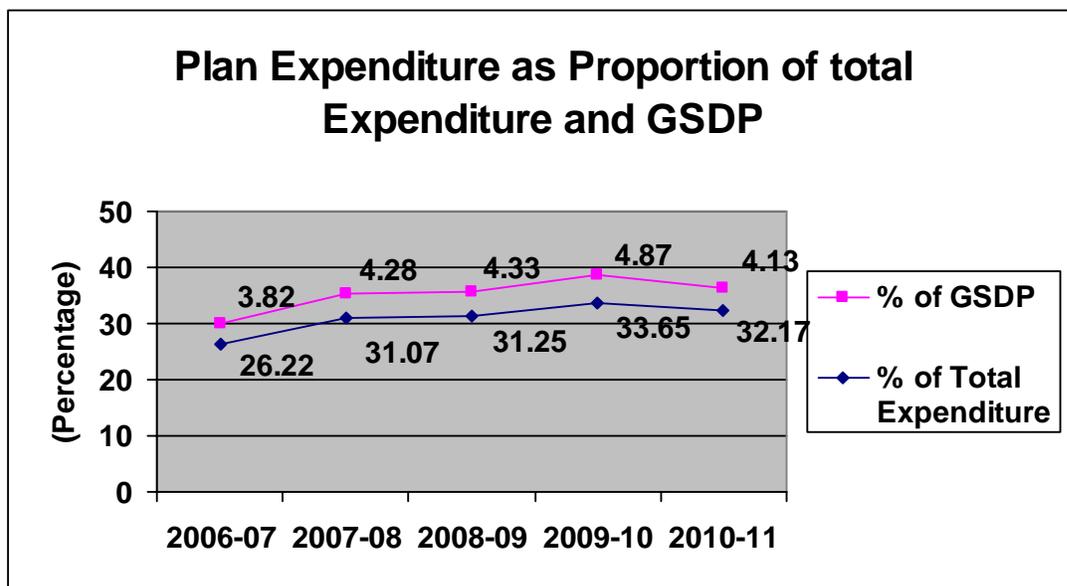
CHAPTER 4
PLAN AND NON-PLAN EXPENDITURE

4.1 Distribution of expenditure (2010-11)



4.2 Plan Expenditure

During 2010-11, Plan Expenditure, representing 32 per cent of total disbursements, was ₹10,635 crore (₹9,124 crore under State Plan, ₹ 973 crore under Centrally Sponsored Plan Schemes and ₹538 crore under Loans and Advances).



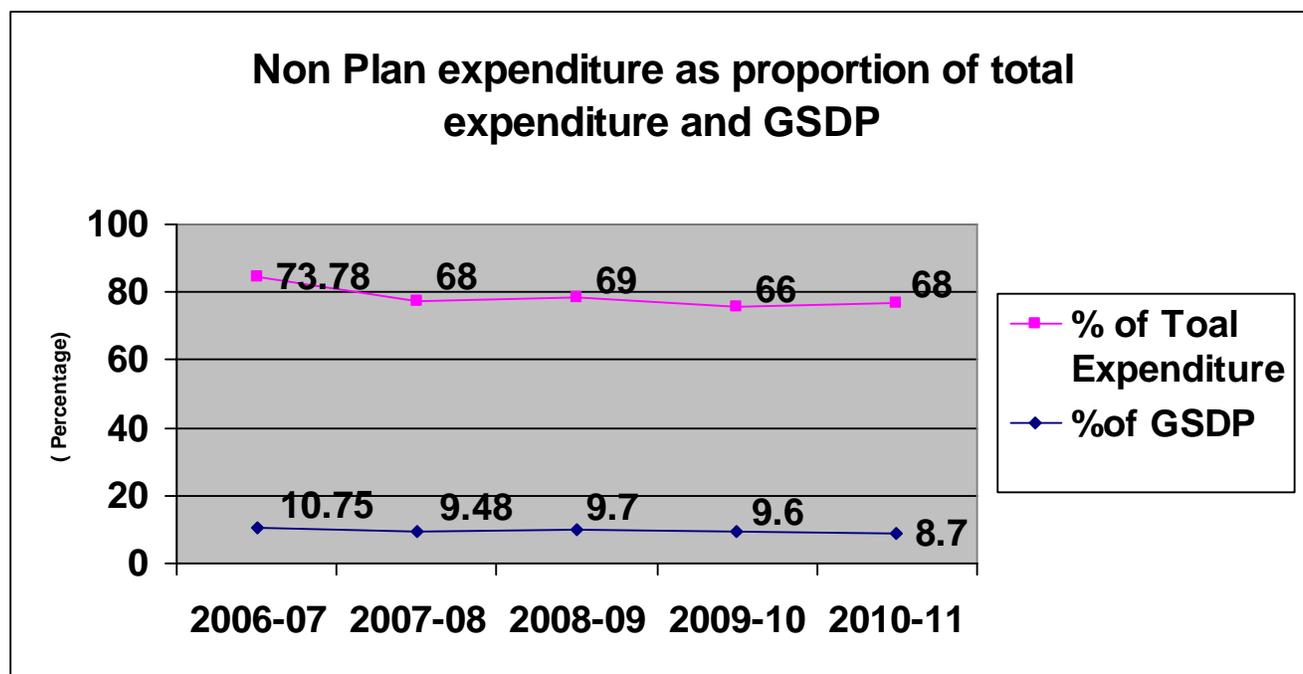
4.2.1 Plan expenditure under Capital Account

(₹ in Crore)

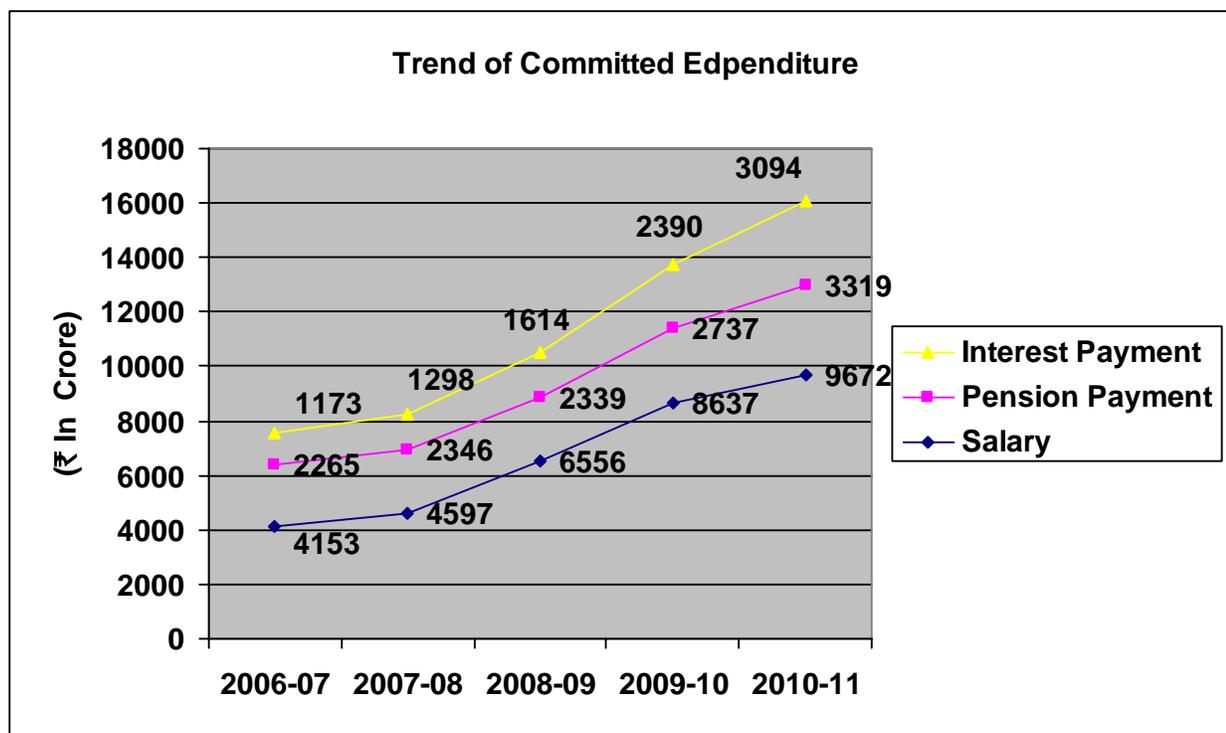
	2006-07	2007-08	2008-09	2009-10	2010-11
Total Capital Expenditure	2,612	3,711	4,834	6,048	4,753
Capital Expenditure (Plan)	2,521	3,436	4,010	4,819	4,383
% of Capital Expenditure(plan) to Total Capital Expenditure	97	93	83	80	92

4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2010-2011, representing 68 per cent of total disbursements, was ₹22,447 crore (₹22,059 crore under Revenue and ₹370 crore under Capital).



4.4 Committed Expenditure



(₹ in Crore)

Component	2006-07	2007-08	2008-09	2009-10	2010-11
Committed expenditure	7,591	8,241	10,509	13,764	16,085
Revenue Expenditure	16,362	17,527	20,535	25,257	28,310
% of committed expenditure to Revenue Receipts	42	42	57	66	63
% of committed expenditure to Revenue expenditure	46	47	51	54	57

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

CHAPTER 5
APPROPRIATION ACCOUNTS

5.1. Summary of Appropriation Accounts for 2010-11

(₹ in Crore)

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings(-) Excesses (+)
1	Revenue						
	Voted	24,599	4,391	-3,349	25,641	25,233	(-) 408
2	Capital						
	Voted	7,710	1,352	(-) 1,571	7,491	7,574	273
3	Public Debt						
	Charged	5,954	1,914	(-) 3,594	4,274	4,642	368
4	Loans and Advances						
	Voted	1,602	--	(-) 847	755	722	(-) 33
5	Appropriation to Contingency Fund	--	190	--	190	190	--
	Total						
	Voted	39,865	7,657	(-) 9,362	38,160	38,360	199
	Charged	4,113	18	(-) 510	3,621	3,533	(-) 88

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

(₹ in Crore)

Year	Savings (-) / Excess(+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2006-07	(-) 435	(-) 606	(-) 684	(-) 7	(-) 1,732
2007-08	(-) 880	(-) 1,316	(-) 1,375	(-) 12	(-) 3,583
2008-09	(-) 2,729	(-) 1,256	(-) 1,097	(-) 137	(-) 5,219
2009-10	(-) 2,084	(-) 3,223	(-) 2,032	(-) 654	(-) 7,993
2010-11	(-) 4,349	(-) 5,410	(-) 3,226	(-) 881	(-) 13,866

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 as under:

(In Percentage)

Grant Name	2006-07	2007-08	2008-09	2009-10	2010-11
Animal Husbandry	11	1	3	10	7
Irrigation	3	5	10	42	26

CHAPTER 6
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 non-financial public sector undertakings (PSUs) stood at ₹ 6,377 crore at the end of 2010-2011. Dividends received during the year was ₹ 2.48 crore (0.04% of investment). During 2010-2011, investments increased by ₹ 817 crore, while dividend income decreased by ₹ 7.12 crore

Cash Balance with RBI which stood at ₹(-) 1,132 crore on 31st March 2010 and decreased to ₹ -1,776 crore as on 31st March, 2011.

6.2. Debt and Liabilities

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

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

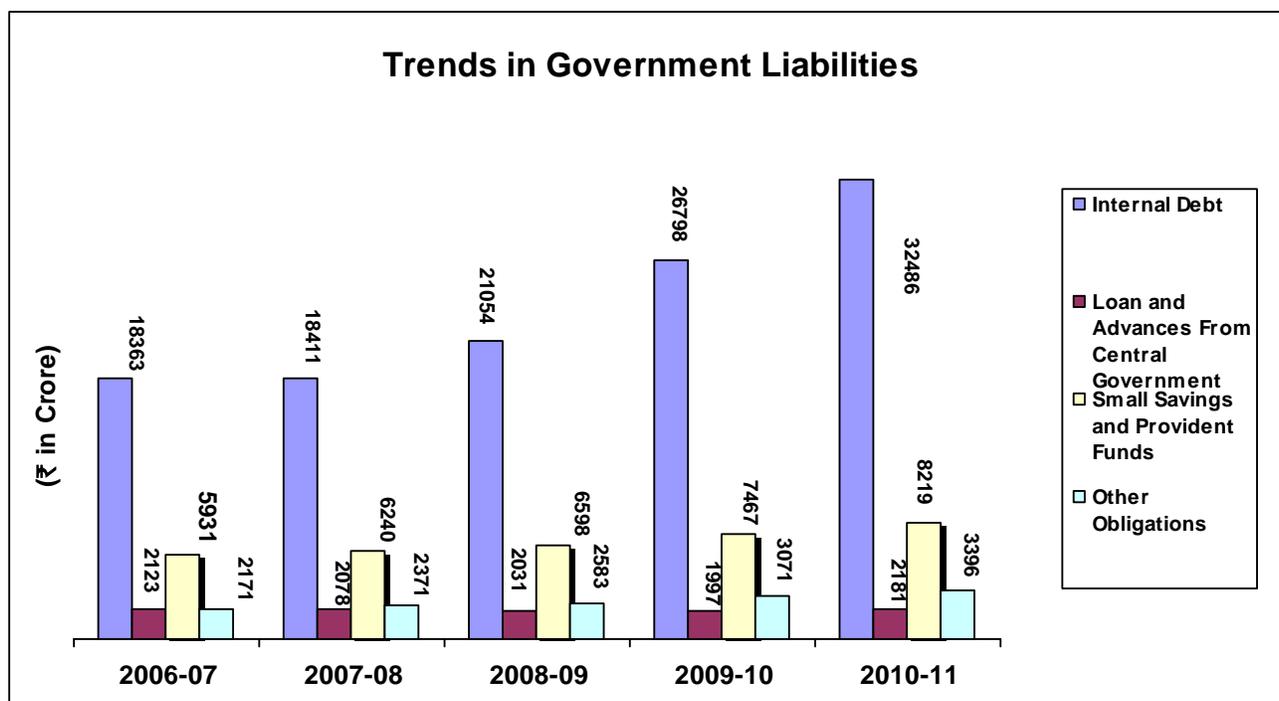
(₹ in Crore)

Year	Public Debt	% to GSDP	Public Account (*)	% to GSDP	Total Liabilities	% to GSDP
2006-07	19,588	17	9,028	8	28,616	25
2007-08	20,489	14	8,628	6	29,117	20
2008-09	23,085	13	9,193	5	32,278	18
2009-10	28,795	14	10,542	5	39,337	19
2010-11	34,666	13	11,616	5	46,282	18

(*) Excludes suspense and remittance balances.

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

There is a net increase of ₹6,945 crore (18%) in Public Debt and Other liabilities as compared to 2009-10.



6.3 Guarantees

The position of guarantees given 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 2010	
		Principal	Interest
2006-07	12,694	5,074	1
2007-08	6,341	4,401	-
2008-09	5,188	4,575	-
2009-10	4,757	4,575	-
2010-11	5,515	4,527	-

CHAPTER 7
OTHER ITEMS

7.1. Loans and advances by the State Government

Total Loans and Advances made by the State Government at the end of 2010-2011 was ₹2,983 crore. Of this, Loans and Advances to Government Corporations/ Companies, non-Government Institutes and Local Bodies amounted to ₹1,657 crore. Recovery of Principal aggregating to ₹41 crore and Interest amounting to ₹74 crore is in arrears at the end of 31st March 2011.

7.2. Financial assistance to local bodies and others

During the past five years, Grants in Aid to local bodies etc., increased from ₹608 crore in 2006-2007 to ₹2,955 crore in 2010-2011. Grants to Zilla Parishads, Panchayat Samitis and Municipalities (₹687 crore) represented 19 per cent of total grants given during the year.

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

(₹ in Crore)					
Year	Zilla Parishads	Municipalities	Panchayat Samithis	Others	Total
2006-07	--	--	--	922	922
2007-08	--	--	--	1,572	1,572
2008-09	--	--	--	2,053	2,053
2009-10	626	306	--	1,724	2,656
2010-11	687	288	--	1,979	2,954

7.3 Cash Balance and Investment of Cash Balance

(₹ in Crore)			
Component	As on 1 st April 2011	As on 31 st March 2010	Net increase (+)/ decrease (-)
Cash Balances	(-)1,776	(-)1,132	(-)644
Investments from cash balance (GOI Treasury Bills)	684	103	581
Investment from earmarked fund balances	1,455	1,518	(-)63
(a) Sinking Fund	524	388	136
(b) Guarantee Redemption Fund	64	59	5
(c) Other Funds	867	1,069	(-)202
Interest realised	41	25	16

State Government had a negative closing cash balance at the end of 2010-11, despite utilising its cash balances and earmarked fund balances towards investments. Interest receipt on these investments was increased by 64%.

7.4 Reconciliation of accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the Departmental figures with the accounts figures. Before annual accounts are finalised, the Head of the Departments reconcile the Departmental accounts figures with those booked in accounts compiled by the Accountant General. The reconciliation of Accounts

figures is to be done monthly. In the Year 2010-11, the reconciliation of whole expenditure under all the heads of Accounts for the Year has been completed.

PARTICULARS	TOTAL NO. OF CCOs	FULLY RECONCILED	PARTIALLY RECONCILED	NOT RECONCILED
EXPENDITURE	162	162	NIL	NIL
RECEIPTS	94	94	NIL	NIL
TOTAL	256	256	NIL	NIL

7.5 Submission of Accounts by Treasuries

The day in submission of account by Treasuries varied from 2 to 35 days. The Public Works and Forest Divisions rendered accounts during the year and delay ranged from 1 to 15 days in their rendition by the Divisional Officers.

7.6 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 2011, AC bills amounting to ₹ 0.02 crores were outstanding.

7.7 Parking of Funds outside Consolidated Fund

Transfer to Personal Deposit Accounts is booked as expenditure in the Consolidated fund (service major heads) of the State. While Government is authorized to open Personal Deposit Accounts in order to deposit money for specific purposes, the Administrators are required to close such accounts on the last working day of the year and transfer the unspent balances back to the Government Accounts. The numbers of Personal Deposit Accounts at the beginning of the year were 271 with a balance of ₹ 2,11.61 crore. During 2010-11 an amount of ₹ 2,43.26 crore was credited to Personal Deposit Account, and ₹ 2,66.26 crore was debited to these accounts. The numbers of these Accounts opened during the year were 4 and amount involved therein is Nil. Personal Deposit accounts closed during the year were 16 and amount involved was Nil. PD account existing at the close of the year were 259 with a balance of ₹ 1,88.61 crore.

7.8 Reserve Funds

Infrastructure of State was damaged due to floods in the State in the year 2010 and for its restoration, Department of Disaster Management had incurred a total expenditure of ₹5,99.46 crore during 2010-11. Of this a sum of ₹ 2,80.05 crore was through Treasury under Major Head 2245-Relief on natural calamity and ₹ 3,19.41 crore from State Disaster Response Funds (including Investment Account) under Major Head 8121-General and other Reserve Funds. It was observed that the expenditure of ₹ 3,19.41 crore was incurred through Bank Accounts cheques, directly issued to different departments and Divisional Commissioners instead of through Treasuries resulting in under statement of expenditure to that extent. It was further observed that the disinvestment proceeds of Fixed Deposit Receipts, under State Disaster Response Fund Investment account, amounting to ₹ 2,22.96 crore were also not routed through Treasury leading to under statement of receipt of identical amount. The State Government was apprised accordingly and its reply was awaited (August, 2011). However, expenditure and receipts, not routed through Treasury, were included in the State Expenditure and Receipts following the prescribed guidelines. The balance in State Disaster Response Fund is ₹ 9,24.71 crore as on 31.03.2011.

Reserve Funds are being reviewed and Government intimated for suitable action. Food Grain Reserve Funds, State Agriculture Credit Relief and Guarantee Fund are carrying a balance of ₹ 4.77 crore and ₹ 0.04 crore respectively for the last several years.