

सत्यमेव जयते

GOVERNMENT OF MIZORAM

Accounts At A Glance 2011-2012



PRINCIPAL ACCOUNTANT GENERAL
MIZORAM, AIZAWL



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PREFACE

This is the Thirteenth issue of our annual publication, the '**Accounts At A Glance**'.

The Annual Accounts of the State Government are prepared and examined under the directions 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 Volume 1 & Volume 2 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 expenditures against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided. The Principal Accountant General (Accounts) 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 publication.

Place: Aizawl

Date: 12th July, 2013



**Principal Accountant General
Mizoram**

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CHAPTER I

OVERVIEW

1.1 Introduction

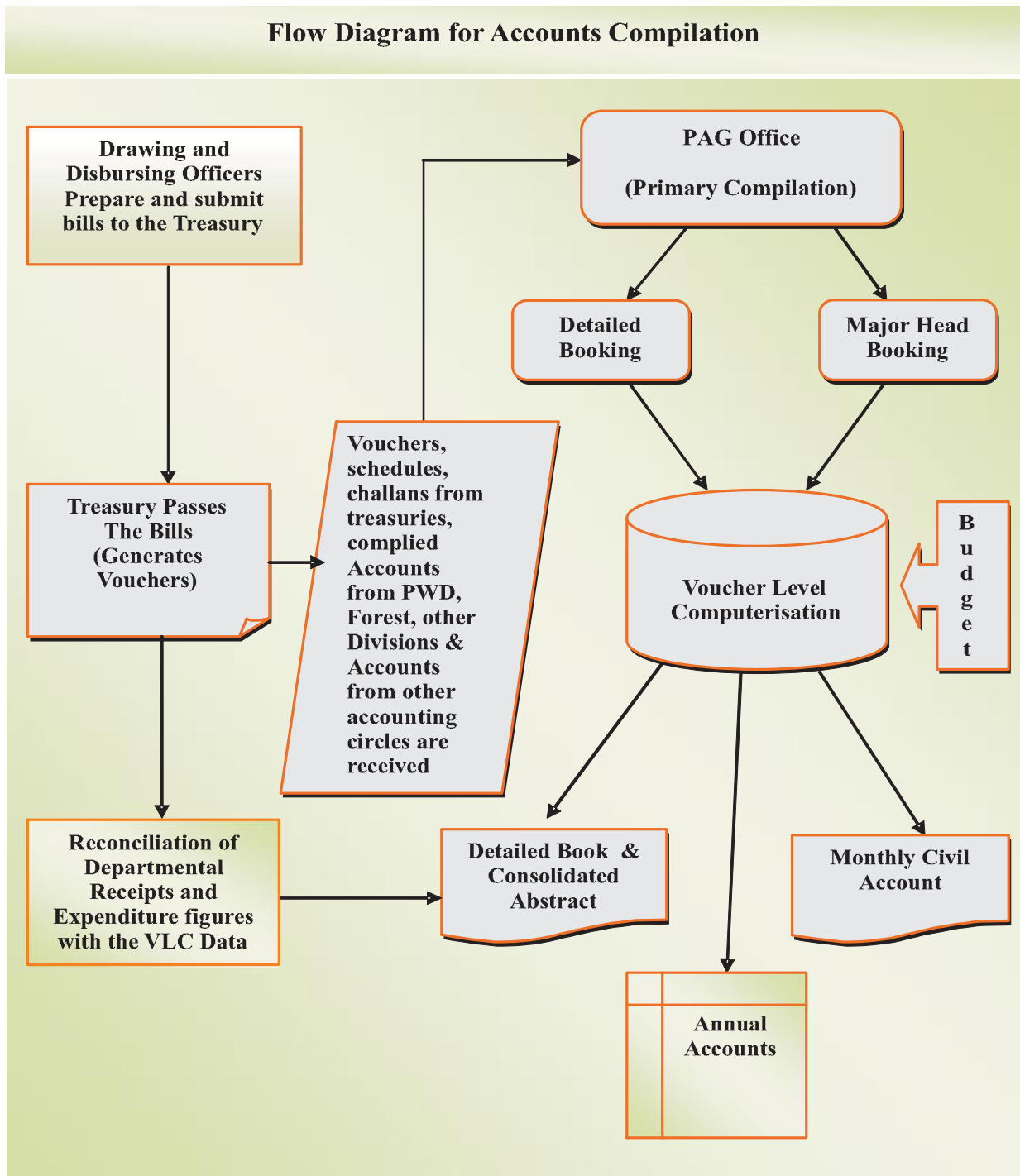
The Principal Accountant General (Accounts), Mizoram compiles the accounts of receipts and expenditure of the Government of Mizoram. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. Following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

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

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

1.2.2 Compilation of Accounts



1.3. Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

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

Receipts and disbursement of the Government of Mizoram as depicted in the Finance Accounts 2011-2012 are given below:

			(₹ in crore)
Receipts (Total:43,31.12)	Revenue (Total: 38,24.90)^(**)	Tax Revenue	10,06.45
		Non Tax Revenue	1,68.03
		Grants -in-Aid and Contributions	26,50.42
	Capital (Total: 5,06.22)	Recovery of Loans and Advances	27.80
		Borrowings and other Liabilities ^(*)	478.42
Disbursements (Total: 43,31.12)	Revenue	36,97.33 ^(***)	
	Capital	6,00.27	
	Loans and Advances	33.52	

(*) 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.

(**) Revenue Receipt was over stated by ₹ 0.61 crore. For details please refer para 1(ii) of Notes to Accounts Vol-1 of Finance Accounts 2011-2012.

(***) Revenue Expenditure was under stated by ₹ 0.44 crore. For details please refer para 1(ii) of Notes to Accounts Vol-1 of Finance Accounts 2011-2012.

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 ₹ 6,78.43 crore (₹ 2,64.87 crore last year). Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume 2 of the Finance Accounts.

1.3.2 Appropriation Accounts

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

The Appropriation Act 2011-2012, had provided for gross expenditure of ₹51,50.67 crore and reduction of expenditure (recoveries) of ₹ 151.25 crore. Against this, the actual gross expenditure was ₹ 46,76.96 crore and reduction expenditure was ₹ 94.18 crore, resulting in net savings of ₹ 4,73.71 crore (9.20%). The gross expenditure includes ₹ 61.98 crore drawn on Abstract Contingent (AC) Bill, against which ₹ 20.82 crore still outstanding at the end of the year for want of supporting Detailed Countersigned Contingent (DCC) bills.

Normally, unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD accounts are available only with the treasuries, since they are responsible for maintaining such records, but, no information thereof was received from the Government of Mizoram.

1.4 Source and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Government to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 0.20 crore) maintained with the RBI. During 2011-2012, the Government of Mizoram did not resort to OD facilities and availed of WMA (₹ 71.39 crore) for 11 days which was repaid during the year itself.

1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹ 1,27.57⁽¹⁾ crore and a Fiscal Deficit of ₹4,78.42 crore representing 1.82% and 6.84% of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 11.05% of total expenditure. Around 52.95% of the revenue receipts (₹ 38,24.90 Crore) of the State Government was spent on committed expenditure like salaries (₹ 14,51.69 crore), interest payment (₹ 2,75.15 crore) and pensions (₹ 2,98.36 crore).

(1) Revenue surplus was over stated by ₹ 1.05 crore. For details please refer para 1(ii) of Notes to Accounts Vol-1 of Finance Accounts 2011-2012.

Sources and Application of Funds

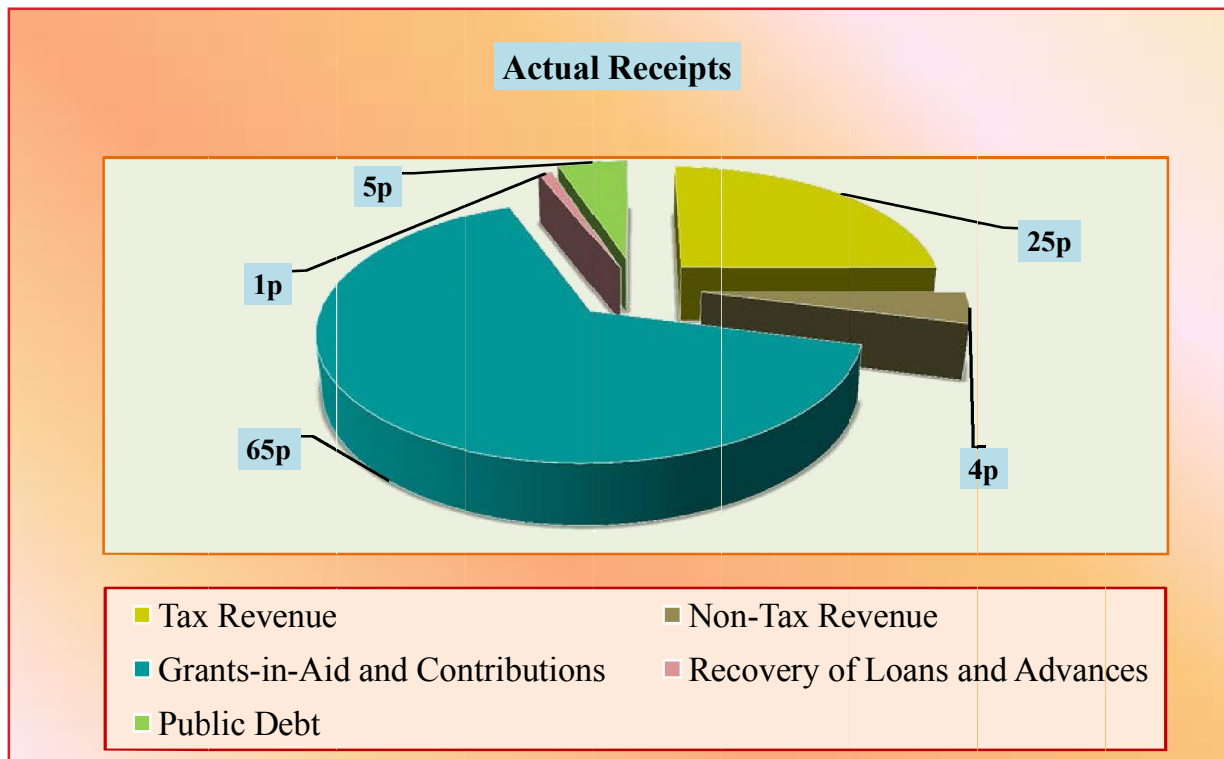
(₹ in crore)

	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2011	(-)1,06.94
	Revenue Receipts	38,24.90
	Recovery of Loans and Advances	27.80
	Public Debt	2,25.70
	Small Savings Provident Fund and Others	3,87.37
SOURCES	Reserves and Sinking Funds	33.40
	Deposits Received	7,28.78
	Civil Advances Repaid	17.79
	Suspense Account	57,20.09
	Remittances	15,26.76
	Contingency Fund	...
	Total	1,23,85.65

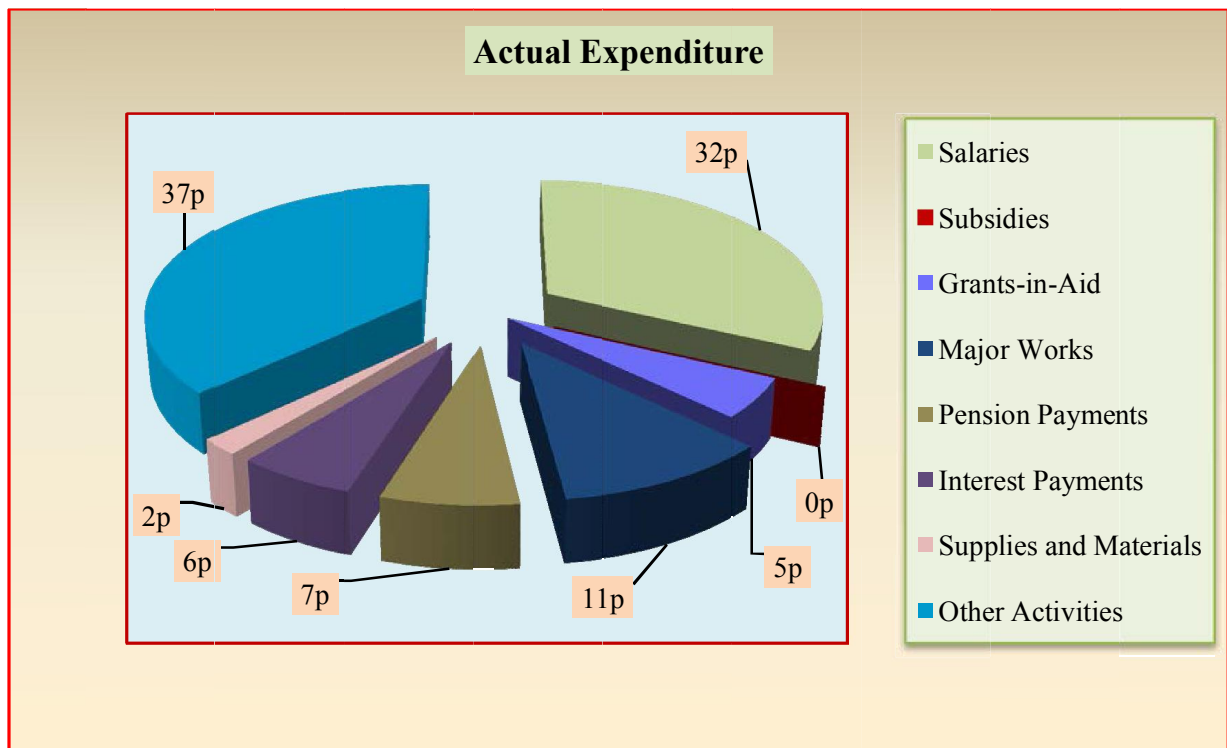
(₹ in crore)

	PARTICULARS	AMOUNT
	Revenue Expenditure	36,97.33
	Capital Expenditure	6,00.27
	Loans Given	33.52
	Repayment of Public Debt	2,51.67
	Transfer to Contingency Fund	...
	Small Savings Provident Fund and Others	2,71.64
APPLICATION	Reserves and Sinking Funds	33.29
	Deposits Received	7,62.00
	Civil Advances Repaid	16.98
	Suspense Account	52,66.36
	Remittances	14,69.74
	Closing Cash Balance as on 31.3.2012	(-)17.15
	Total	1,23,85.65

1.4.3 Where the Rupee came from



1.4.4 Where the rupee went



1.5 Highlights of Accounts

(₹ in crore)

		B.E.2011-12	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP ^(§)
1.	Tax Revenue	8,82.90	10,06.45 @	1,13.99	14.40
2.	Non-Tax Revenue	2,37.58	1,68.03	70.73	2.40
3.	Grants-in-Aid and Contributions	26,27.82	26,50.42	1,00.86	37.91
4.	Revenue Receipts (1+2+3)	37,48.30	38,24.90	102.04	54.71
5.	Recovery of Loans and Advances	36.76	27.80	75.63	0.40
6.	Borrowings & Other Liabilities ^(A)	8,71.65	4,78.42	54.89	6.84
7.	Capital Receipts (5+6)	9,08.41	5,06.22	55.73	7.24
8.	Total Receipts (4+7)	46,56.71	43,31.12	93.01	61.95
9.	Non-Plan Expenditure	25,35.77	24,72.17	97.49	35.36
10.	NPE on Revenue Account	24,49.47	23,81.23	97.21	34.06
11.	NPE on Interest Payments	2,71.70	2,75.15	1,01.27	3.94
12.	NPE on Capital Account	86.30	90.94	1,05.38	1.30
13.	Plan Expenditure	21,20.94	18,58.95	87.65	26.59
14.	PE on Revenue Account	14,84.70	13,16.10	88.64	18.82
15.	PE on Capital Account	6,36.24	5,42.85	85.32	7.76
16.	Total Expenditure (9+13)	46,56.71	43,31.12	93.01	61.95
17.	Revenue Expenditure (10+14)	39,34.17	36,97.33	93.98	52.88
18.	Capital Expenditure (12+15)	7,22.54	6,33.79	87.72	9.07
19.	Revenue Surplus (4-17)	(-)1,85.87	1,27.57 ^(*)	68.63	1.82
20.	Fiscal Deficit (4+5-16)	8,71.65	478.42	54.89	6.84

(@) Includes State's share of Union Taxes ₹ 8,27.38 crore (₹ 1,39.12 crore pertaining to the year 2010-2011).

(§) GSDP - Gross State Domestic Product for the year 2011-2012 was ₹ 69,91.40 crore.

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 6,00.27 crore) and Loans and Advances disbursed (₹ 33.52 crore).

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

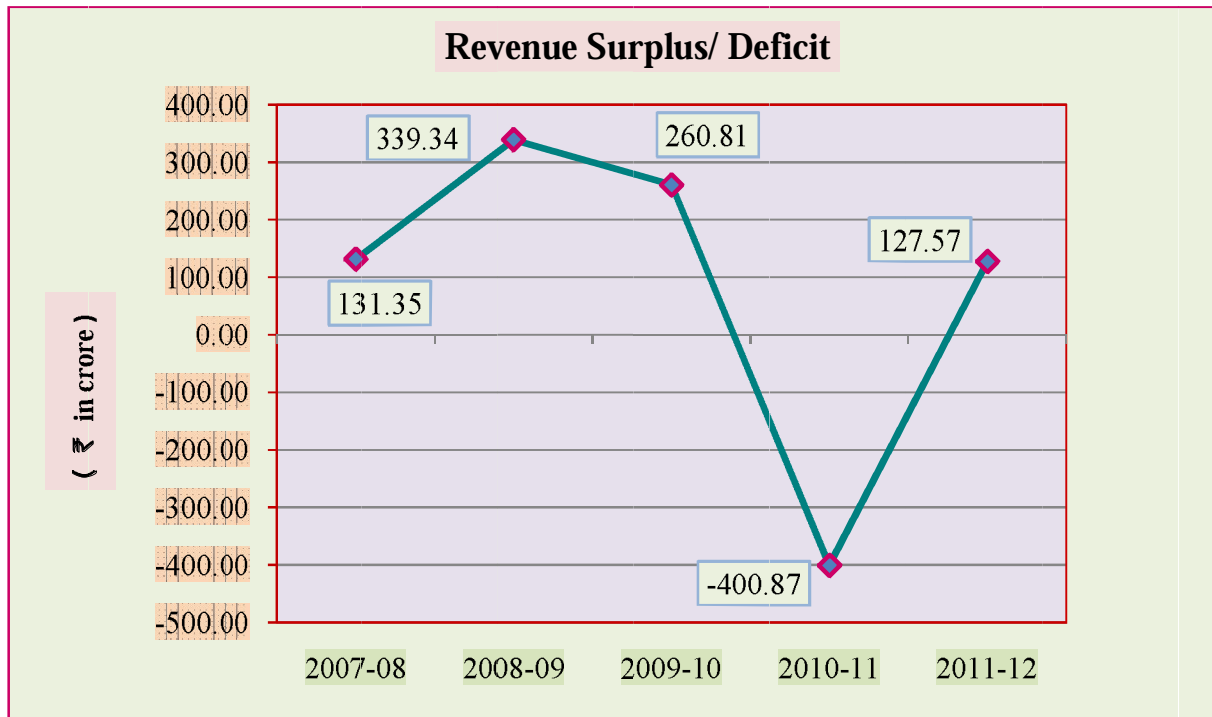
(*) Revenue Surplus was over stated by ₹ 1.05 crore .For details please refer para 1(ii) of Notes to Accounts Vol-1 of Finance Accounts 2011-2012.

1.6 What do the Deficits and Surpluses indicate

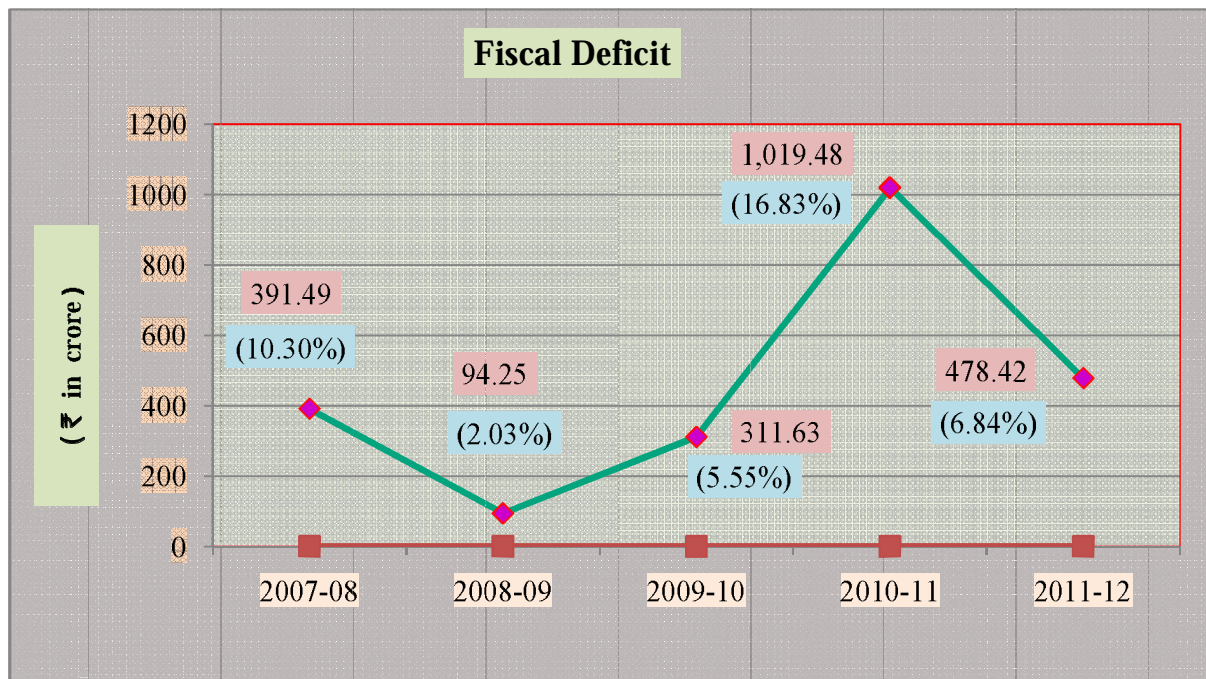
Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required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

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. In line with the recommendation of the 13th Finance Commission, the Mizoram Fiscal Responsibility and Budget Management (MZFRBM) Act, 2006 was amended which envisaged that (i) As per Clause (2) of Section 6 of the Principal Act of Second Amendment Act 2010 “reduce fiscal deficit to 3 per cent of the estimated GSDP by 2014-2015”. Further, Clause (4) of Section 6 of the Principal Act, “reduce fiscal deficit annually at a percentage of GSDP so as to reach the above goal with the following rates of reduction: 8.50% in base year 2010-2011, 6.40% in 2011-2012, 5.20% in 2012-2013, 4.10% in 2013-2014 and 3% in 2014-2015”. The State Government has been successful in achieving the Revenue Surplus since 2005-2006 to 2009-2010 and 2011-2012, except Revenue Deficit during 2010-2011.

1.6.1 Trend of Deficit / Surplus

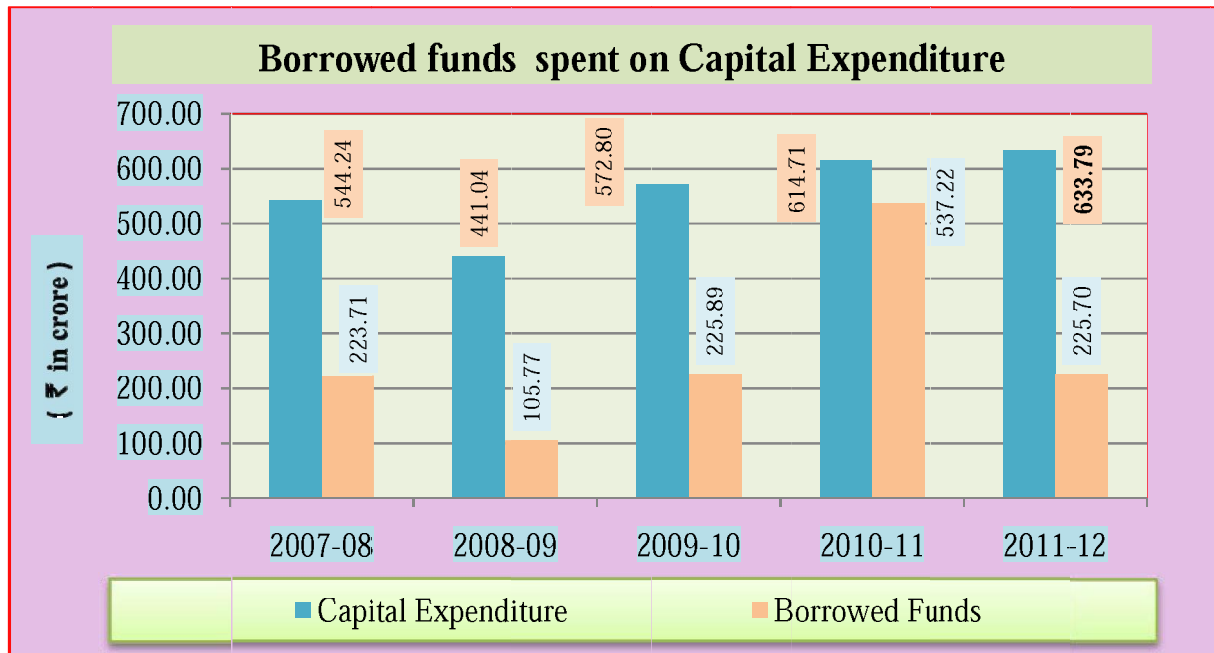


1.6.2 Trend of Fiscal Deficit



Figures in parentheses represent percentage to GSDP.

1.6.3 Proportion of borrowed funds spent on Capital Expenditure



It is desirable to fully utilize borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent full amount of the borrowings of the current year (₹ 6,33.79 crore) on capital expenditure inclusive of disbursement of Loans and Advances.

CHAPTER II

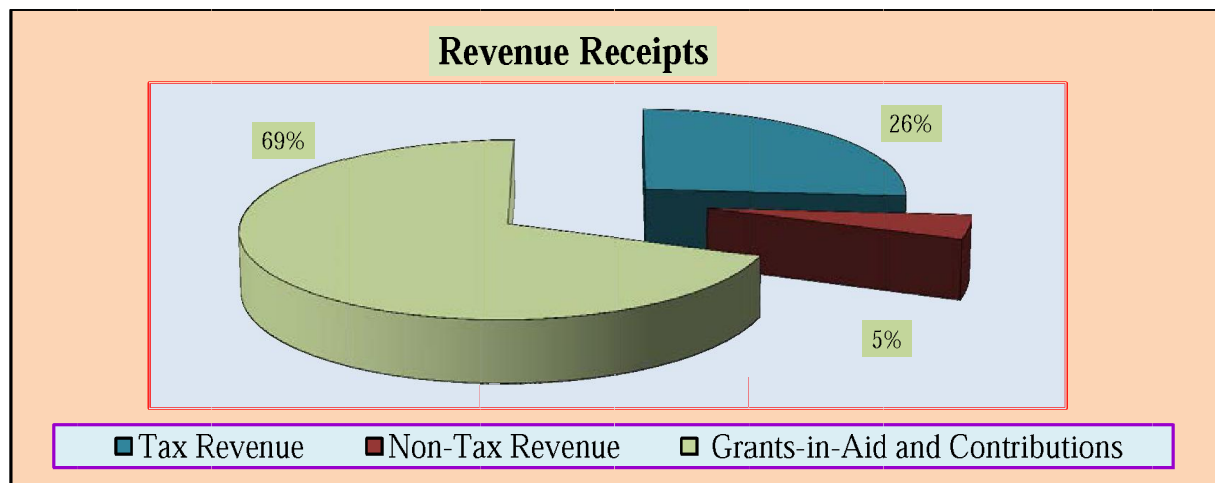
RECEIPTS

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Revenue Receipts for 2011-2012 were ₹ 38,24.90 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 and Contributions	Essentially, a form of Central Assistance to the State Government from the Union Government. It includes 'External Grants Assistance' and Aid, 'Material and Equipment' received from foreign Governments and channelised through the Union Government. In turn, the State Government also give Grants-in-Aid to institutions like Panchayati Raj Institutions, Autonomous bodies etc.



Revenue Receipts Components (2011-2012)

(₹ in crore)

Components	Actuals
A. Tax Revenue	10,06.45
Taxes on Income and Expenditure	5,02.67
Taxes on Property and Capital Transactions	4.32
Taxes on Commodities and Services	4,99.46
B. Non-Tax Revenue	1,68.03
Interest Receipts , Dividends and Profits	15.60
General Services	9.14
Social Services	12.42
Economic Services	1,30.87
C. Grants-in-Aid and Contributions	26,50.42
Total- Revenue Receipts	38,24.90

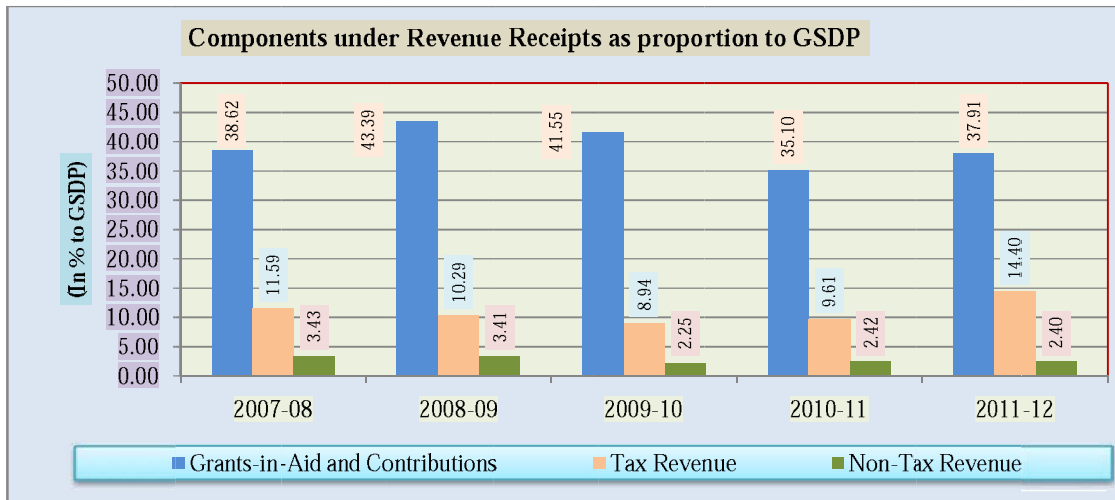
2.3 Trend of Receipts

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Tax Revenue	440.87 (11.59)	478.01 (10.29)	502.11 (8.94)	582.10 (9.61)	1006.45 (14.40)
Non-Tax Revenue	130.30 (3.43)	158.67 (3.41)	126.51 (2.25)	146.72 (2.42)	168.03 (2.40)
Grants -in-Aid and Contributions	1468.57 (38.62)	2016.45 (43.39)	2334.89 (41.55)	2126.55 (35.10)	2650.42 (37.91)
Total Revenue Receipts	2039.74 (53.64)	2653.13 (57.09)	2963.51 (52.74)	2855.37 (47.14)	3824.90 (54.71)
GSDP	3802.42	4647.55	5619.41	6057.70	6991.40

Figures in parentheses represent percentage to GSDP

The GSDP increased by 15.41% between 2010-2011 and 2011-2012, total revenue collection was increased by 33.95% as there was increase of receipt by 24.63% under Grants-in-Aid from Central Government. The State's own revenue under certain tax components, like taxes on sales, trade etc. (₹ 1,42.16 crore), Taxes on vehicles (₹ 16.71) showed a higher trend.



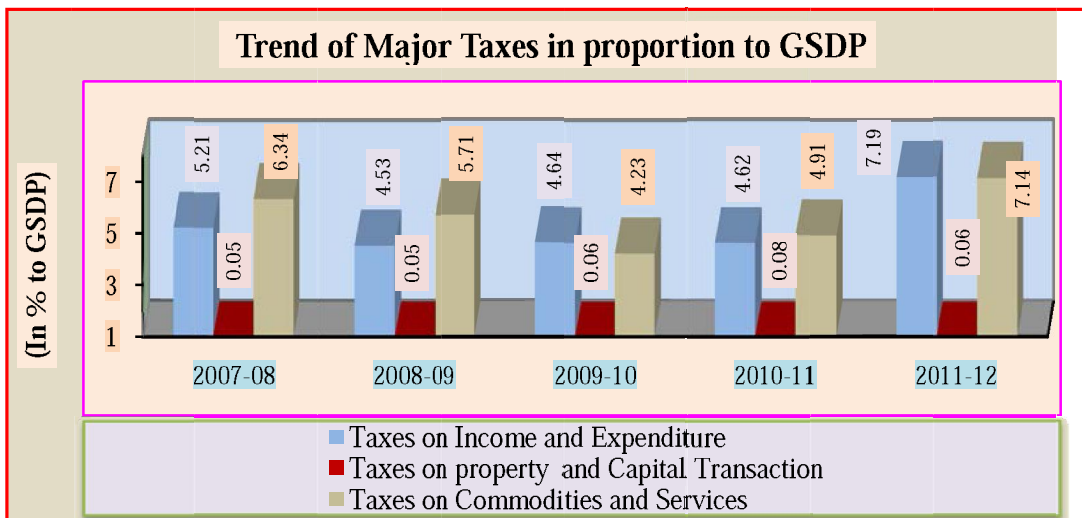
Sector-wise Tax Revenue

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Taxes on Income and Expenditure (*)	1,98.04	2,10.52	2,60.78	2,79.88	5,02.67
Taxes on property and Capital Transaction	1.84	2.20	3.52	5.08	4.32
Taxes on Commodities and Services	2,40.99	2,65.29	2,37.81	2,97.14	4,99.46
Total Tax Revenue	4,40.87	4,78.01	5,02.11	5,82.10	10,06.45

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

The increase in collection of Taxes on Income and Expenditure was due to more collection under Major Head 0020, 0021, 0028. Further increase in collection of Taxes on Commodities and Services was also mainly due to more collection under Major Head 0037, 0038, 0040, 0041, 0042 and 0044.



2.4 Performance of State's own Revenue Collection

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2007-2008	4,40.87	3,63.35	77.52	2.04
2008-2009	4,78.01	3,83.39	94.62	2.04
2009-2010	5,02.11	3,94.53	1,07.58	1.91
2010-2011	5,82.10	4,51.66	1,30.44	2.15
2011-2012	10,06.45	8,27.38	1,79.07	2.56

2.5 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	1.84	2.20	3.52	5.08	4.32
Expenditure on Collection (*)	5.79	7.07	9.41	10.83	13.44
Efficiency of Tax Collection	314.67%	321.36%	267.33%	213.19%	311.11%

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

B. Taxes on Commodities and Services

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	240.99	265.29	237.81	297.14	499.46
Expenditure on Collection (•)	11.39	15.39	16.87	22.44	22.11
Efficiency of Tax Collection	4.73%	5.80%	7.09%	7.55%	4.43%

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

Taxes on Commodities and Services form a major part of Tax Revenue. Cost of collection under Taxes on Property and Capital Transactions during the period from 2007-2008 to 2011-2012 were much higher than the revenue collection, hence State Government should take necessary steps for improving the efficiency of the collection of revenue.

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

(₹ in crore)

Major Head description	2007-08	2008-09	2009-10	2010-11	2011-12
Corporation Tax	1,15.32	1,25.68	1,62.35	1,83.19	3,18.68
Taxes on Income other than Corporation Tax	77.40	78.91	90.50	87.93	1,71.73
Other Taxes on Income and Expenditure	...	...	...	...	...
Taxes on Wealth	0.13	0.11	0.37	0.41	1.11
Customs	68.68	73.30	55.21	75.60	1,47.06
Union Excise Duties	65.57	63.99	44.47	58.56	93.83
Service Tax	36.26	41.40	41.63	45.97	94.97
Other Taxes and Duties on Commodities and Services	(-)0.01 ^(a)	...	...	...	...
State Share of Union Taxes	3,63.35	3,83.39	3,94.53	4,51.66	8,27.38 ^(*)
Total Tax Revenue	4,40.88	4,78.01	5,02.11	5,82.10	10,06.45
% of Union Taxes to Total Tax Revenue	82.41	80.21	78.57	77.59	82.21

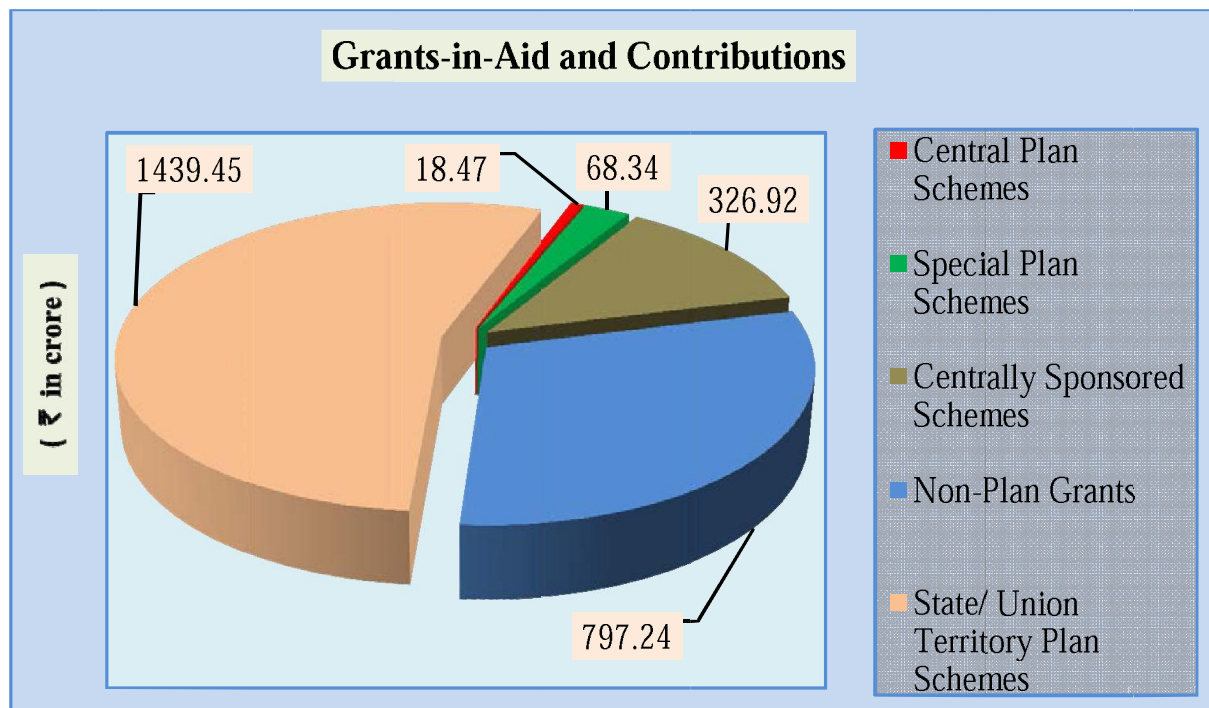
(a) Minus figure due to excess release of State's Share of net proceeds on recommendation of the 12th Finance Commission.

(*) Includes ₹ 1,39.12 crore pertaining to 2010-11.

The amount of net proceeds of share was ₹ 827.38 crore in 2011-2012 which was increased by 83.19% over the last year. Significant increase has been noticed under Corporation Tax 73.96%, Taxes on Income other than Corporation Tax 95.30% and Customs 94.52%.

2.7 Grants-in-Aid and Contributions

Grants-in-Aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2011-2012 under Grants in-Aid were ₹ 26,50.42 crore as shown below:



The share of Grants for Non-Plan Grants in total Grants-in-Aid decreased from 34.09% during 2010-2011 to 30.08% in 2011-2012, while the share of Grants for Plan Schemes increased from 65.91% in 2010-2011 to 69.92% in 2011-2012. As against budget estimate of ₹ 20,69.12 crore of union share in Plan schemes, the State Government has actually received ₹ 18,53.18 crore of Grants-in-Aid (89.56 % of BE).

2.8 Public Debt

Trend of Public Debt over the past five years

(₹ in crore)

Description	2007-08	2008-09	2009-10	2010-11	2011-12
Internal Debt	86.81	21.52	(-)1,52.75	2,86.72	(-)30.22
Central Loans	(-)7.07	(-)12.05	13.31	(-) 22.04	4.25
Total Public Debt	79.74	9.47	(-)1,39.44	2,64.68	(-)25.97

Minus figures due to excess of repayment over receipts

In 2011-2012, one loan of ₹ 50.00 crore was raised from the market which bear interest at 8.93% per annum redeemable at par in 2022.

CHAPTER III

EXPENDITURE

3.1 Introduction

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

General Services	Includes Justice, Police, Jail, PWD, Pension etc.
Social Services	Includes Education, Health and 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 ₹ 36,97.33 crore for 2011-2012 fell short of budget estimates by ₹ 2,36.84 crore due to less disbursement of ₹ 1,68.60 crore and ₹ 68.24 crore under Plan Expenditure and Non-plan Expenditure respectively. The shortfall of expenditure against budget estimates under Revenue Section during the past five years is given below:

(₹ in crore)

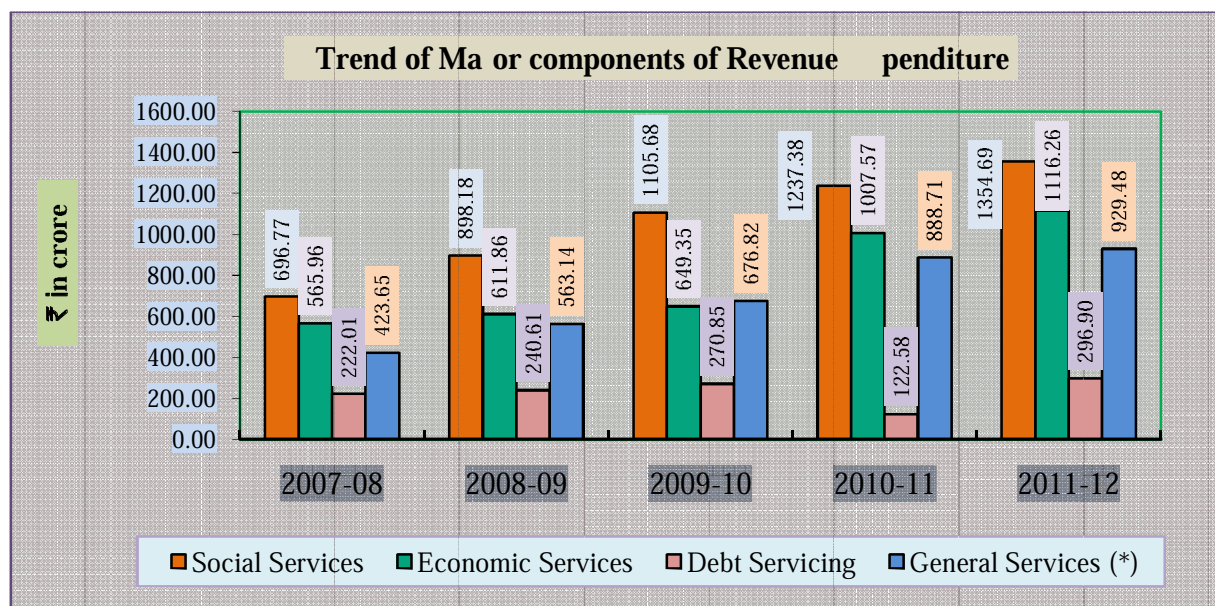
	2007-08	2008-09	2009-10	2010-11	2011-12
Budget Estimates	21,24.25	25,77.55	31,16.00	37,48.28	39,34.17
Actuals	19,08.39	23,13.79	27,02.70	32,56.24	36,97.33
Gap	2,15.86	2,63.76	4,13.30	4,92.04	2,36.84
Percentage of gap over B.E.	10.16	10.23	13.26	13.13	6.02

3.2.1 Sectoral distribution of Revenue Expenditure (2011-2012)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	45.99	1.24
(i) Collection of Taxes on Property and Capital Transactions	13.44	0.36
(ii) Collection of Taxes on Commodities and Services	31.62	0.86
(iii) Other Fiscal Services	0.93	0.02
B. Organs of State	43.90	1.19
C. Interest Receipts , Dividends and Profits	2,96.90	8.03
D. Administrative Services	5,39.90	14.60
E. Pensions and Miscellaneous General Services	2,99.69	8.11
F. Social Services	13,54.69	36.64
G. Economic Services	11,16.26	30.19
H. Grants-in-Aid and Contributions	...	...
Total- Expenditure (Revenue Account)	36,97.33	100.00

3.2.2 Major components of Revenue Expenditure (2007-2008 to 2011-2012)



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

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

3.3 Capital Expenditure

Capital disbursements for 2011-2012 at 9.07% of GSDP were less than Budget (₹ 7,22.54 crore) estimates by ₹ 88.75 crore (less disbursement of ₹ 93.39 crore under Plan expenditure and excess disbursement of ₹ 4.64 crore under Non-Plan expenditure).

3.3.1 Sectoral distribution of Capital Expenditure

During 2011-2012, the Government spent ₹ 5,32.83 crore on various Major Works. The Government also invested ₹ 0.50 crore in Public Sector and other Undertakings of the Government.

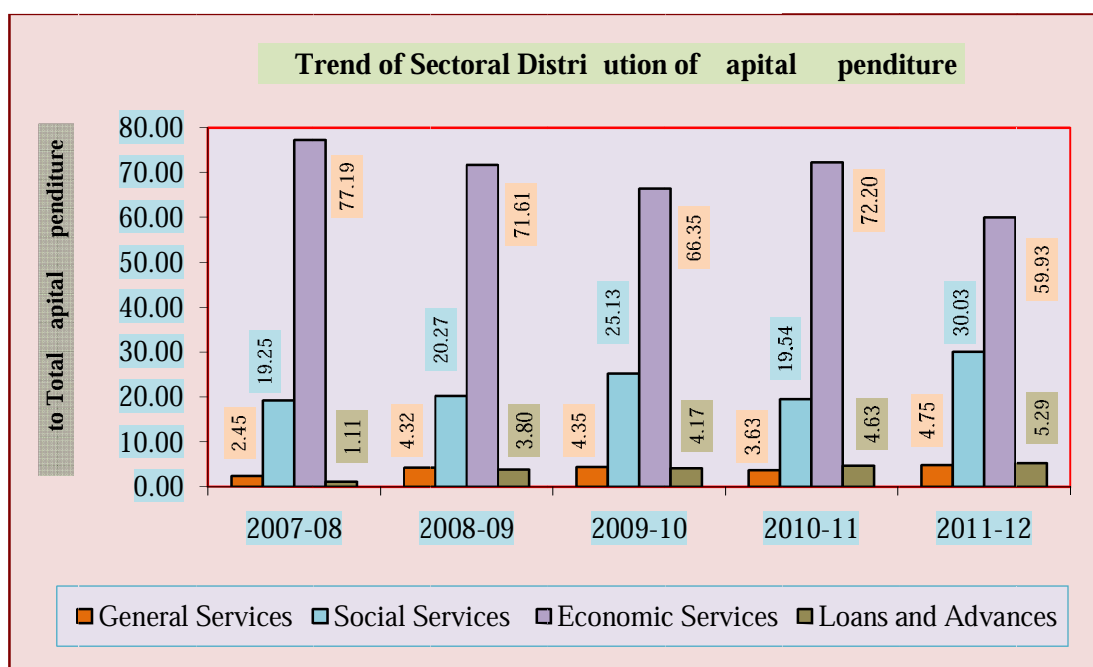
(₹ in crore)

	Components	Amount	Percentage
1	General Services – Police, Land Revenue etc	30.12	4.75
2	Social Services – Education, Health and Family Welfare, Water Supply, Welfare of SC/ST etc.	1,90.34	30.03
3	Economic Services – Agriculture, Power, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	3,79.81	59.93
4	Loans and Advances Disbursed	33.52	5.29
	Total	6,33.79	100.00

3.3.2 Sectoral distribution of Capital Expenditure over the past five years

(₹ in crore)

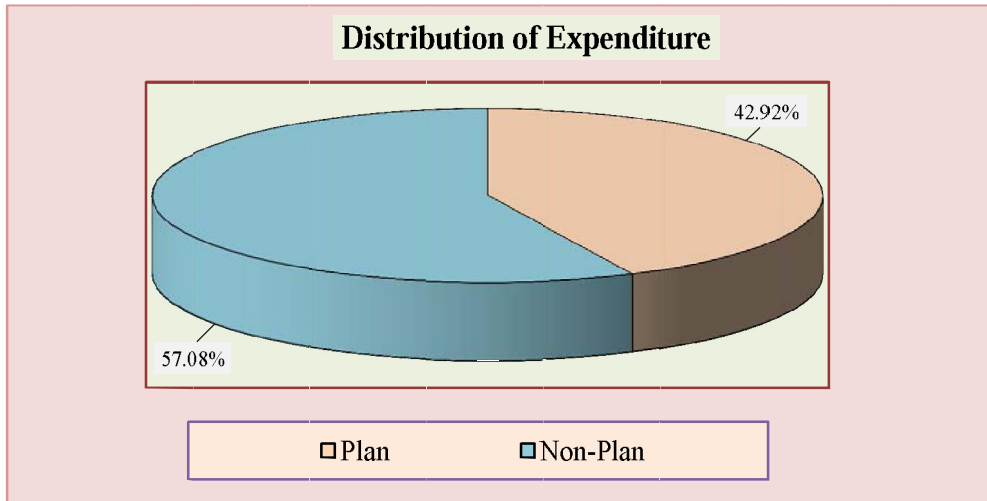
Sl. No.	Sector	2007-08	2008-09	2009-10	2010-11	2011-12
1	General Services	13.50	19.79	25.99	23.36	30.12
2	Social Services	105.94	92.94	150.21	125.95	190.34
3	Economic Services	424.80	328.31	396.60	465.40	379.81
4	Loans and Advances	6.12	17.41	24.94	29.87	33.52
	Total	550.36	458.45	597.74	644.58	633.79



CHAPTER IV

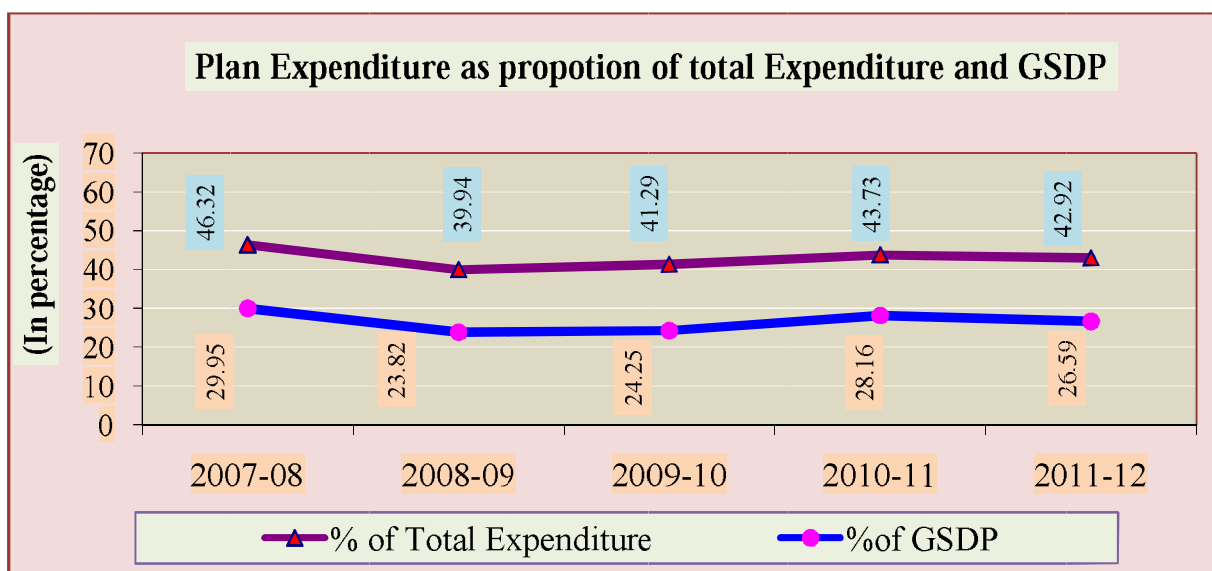
PLAN AND NON-PLAN EXPENDITURE

4.1 Distribution of Expenditure (2011-2012)



4.2 Plan Expenditure

During 2011-2012, Plan Expenditure, representing 42.92 percent of total disbursements was ₹ 18,58.95 crore (₹ 15,94.30 crore under State Plan and ₹ 2,64.65 crore under Centrally Sponsored Schemes).



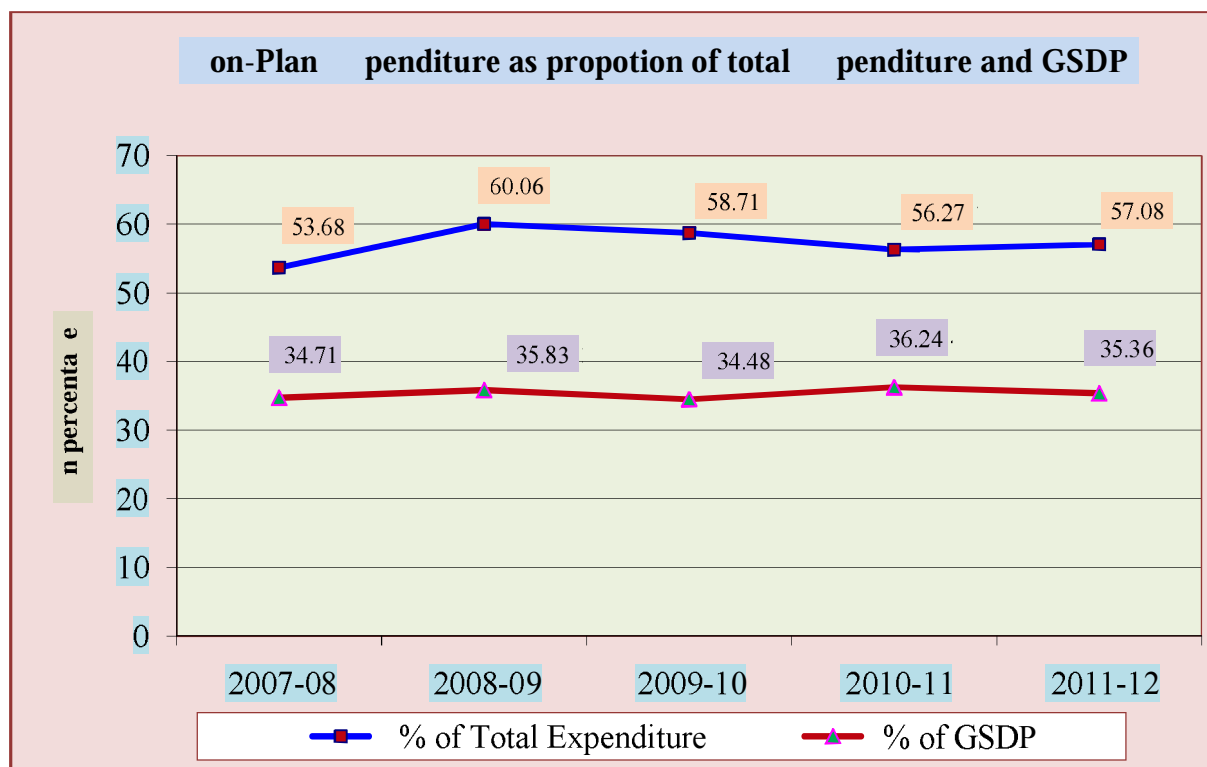
4.2.1 Plan Expenditure under Capital Account

(₹ in crore)

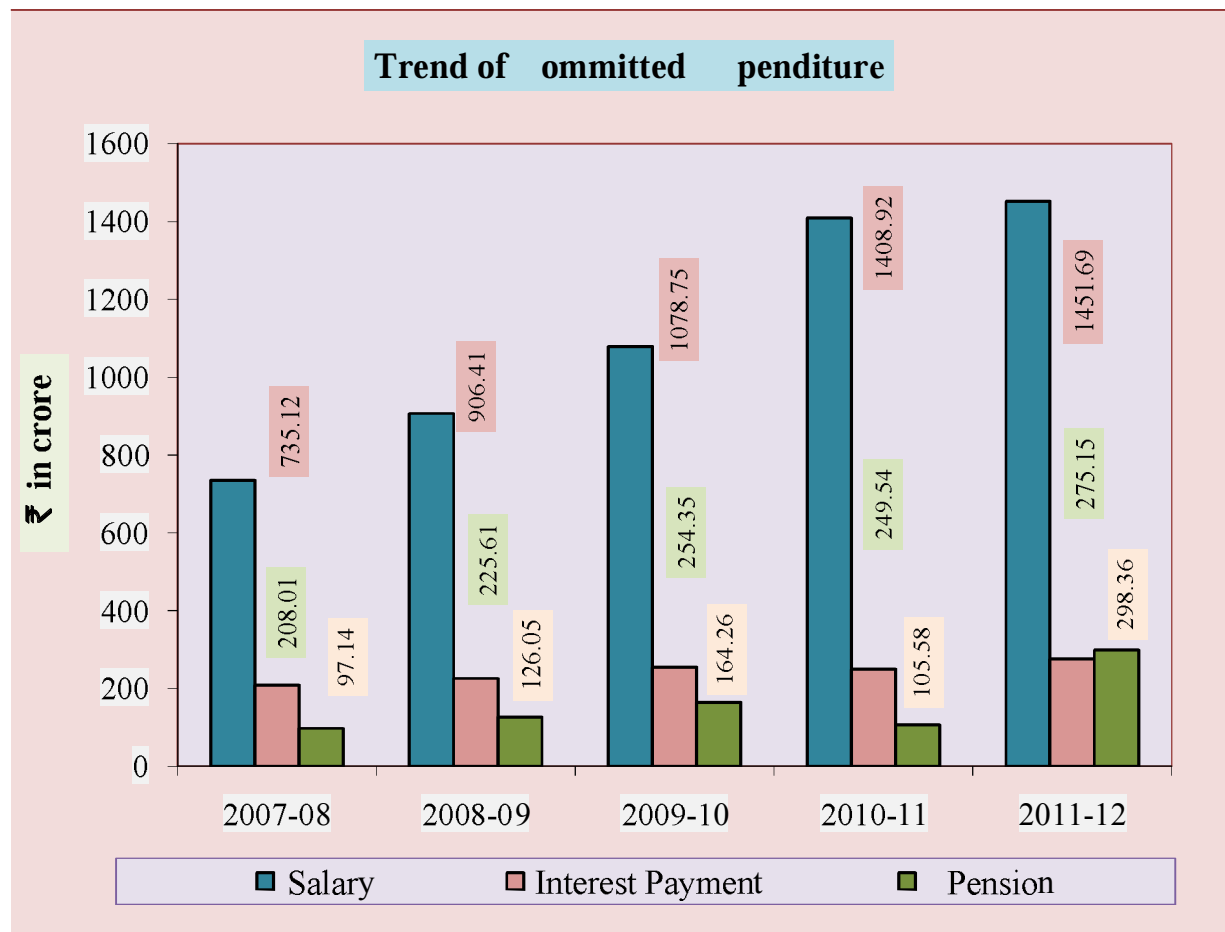
	2007-08	2008-09	2009-10	2010-11	2011-12
Total Capital Expenditure	550.36	458.45	597.74	644.58	633.79
Capital Expenditure (Plan)	489.72	366.59	465.44	504.70	542.85
% of Capital Expenditure(Plan) to Total Capital Expenditure	88.98	79.96	77.87	78.30	85.65

4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2011-2012, representing 57.08 percent of total disbursements was ₹ 24,72.17 crore (₹ 23,81.23 crore under Revenue and ₹ 90.94 crore expenditure under Capital).



4.4 Committed Expenditure



(₹ in crore)

Component	2007-08	2008-09	2009-10	2010-11	2011-12
Committed Expenditure	10,40.27	12,58.07	14,97.36	17,64.04	20,25.20
Revenue Expenditure	19,08.39	23,13.79	27,02.70	32,56.24	36,97.33
% of Committed Expenditure to Revenue Receipts	51.00	47.42	50.53	61.78	52.95
% of Committed Expenditure to Revenue Expenditure	54.51	54.37	55.40	54.17	54.77

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

CHAPTER V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts for 2011-2012

(₹ in crore)

Sl. No.	Nature of Expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings(-) Excess(+)
1	Revenue						
	Voted	3126.15	506.64	...	3632.79	3389.00	-243.79
	Charged						
		305.75	1.27	...	307.02	308.70	+1.68
2	Capital						
	Voted	642.56	190.52	...	833.08	694.07	-139.01
	Charged						
	
3	Public Debt						
	Charged	258.17	84.55	...	342.72	251.67	-91.05
4	Loans and Advances						
	Voted	34.71	0.35	...	35.06	33.52	-1.54
	Total	4367.34	783.33		5150.67	4676.96	-473.71

5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings(-)/Excess(+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
2007-2008	(-) 217.66	(-) 93.74	(-) 48.93	(-) 5.69	(-) 366.02
2008-2009	(-) 265.92	(-)188.22	(-)88.26	(-) 5.51	(-) 547.91
2009-2010	(-)414.96	(-)316.37	(-)10.85	(-)0.23	(-)742.41
2010-2011	(-) 493.11	(-) 140.96	(-) 156.86	(-) 2.28	(-) 793.21
2011-2012	(-)242.11	(-)139.01	(-)91.05	(-)1.54	(-)473.71

5.3 Significant Savings

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

(₹ in crore)

Grant No.	Nomenclature	2007-08	2008-09	2009-10	2010-11	2011-12
9	Finance	12.54	4.97	209.78	34.62	21.06
14	Planning and Programme Implementation	50.77	112.39	8.85	109.03	50.00
29	Social Welfare	11.34	20.28	23.72	10.12	6.02
31	Agriculture	5.61	5.33	102.36	13.88	6.18
39	Power	20.73	22.12	5.83	43.24	10.96
45	Public Works	17.96	31.46	13.10	34.55	52.14
	Public Debt	55.01	91.92	15.23	310.04	88.59

During 2011-2012, supplementary grants totaling ₹ 7,83.33 crore (16.75% of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below:

(₹ in crore)

Grant No.	Nomenclature	Section		Original	Supplementary	Actual Expenditure
1	Legislative Assembly	Revenue	Charged	0.72	0.19	0.61
4	Law and Judicial	Revenue	Voted	13.32	1.95	12.08
			Charged	3.49	0.04	3.31
5	Vigilance	Revenue	Voted	4.13	0.46	3.72
7	Excise and Narcotics	Revenue	Voted	17.22	0.18	17.01
9	Finance	Revenue	Voted	338.67	2.06	319.81
11	Secretariat Administration	Revenue	Voted	61.72	0.23	58.31
13	Personnel and Administrative Reforms	Revenue	Voted	2.08	0.29	2.05

(₹ in crore)

Grant No.	Nomenclature	Section		Original	Supplementary	Actual Expenditure
14	Planning and Programme Implementation	Revenue	Voted	80.43	1.37	31.80
17	Food, Civil Supplies and Consumer Affairs	Capital	Voted	178.27	29.90	159.04
18	Printing and Stationery	Revenue	Voted	13.78	0.26	13.42
19	Local Administration	Revenue	Voted	37.89	5.97	31.32
23	Art and Culture	Revenue	Voted	9.19	0.34	7.39
28	Labour and Employment	Revenue	Voted	6.70	0.49	6.60
30	Disaster Management and Rehabilitation	Revenue	Voted	15.68	2.15	8.75
32	Horticulture	Revenue	Voted	34.46	0.30	33.67
33	Soil and Water Conservation	Revenue	Voted	39.65	0.17	38.86
37	Co-operation	Revenue	Voted	12.43	1.05	11.56
		Capital	Voted	1.71	0.36	0.56
38	Rural Development	Revenue	Voted	66.13	1.09	62.35
		Capital	Voted	46.35	3.57	45.42
40	Industries	Revenue	Voted	40.75	3.23	40.06
41	Sericulture	Revenue	Voted	11.13	0.30	10.91
44	Trade and Commerce	Revenue	Voted	4.06	0.26	4.02
45	Public Works	Revenue	Voted	119.26	3.76	116.32
46	Urban Development and Poverty Alleviation	Capital	Voted	59.77	1.63	46.24
47	Minor Irrigation	Revenue	Voted	9.87	0.36	9.03
48	Information and Communication Technology	Revenue	Voted	3.80	0.05	2.19
	Public Debt	Capital	Charged	258.17	84.55	251.67

CHAPTER VI

ASSETS AND LIABILITIES

6.1 Assets

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

Total investment as share capital in non- financial public sector undertakings (PSUs) stood at ₹ 19.77 crore at the end of 2011-2012. No dividend was received during the year on investment.

Cash Balance as well as Cash Balance Investment as on 31st March 2012 were ₹ (-) 17.15 crore and ₹ (-) 2,92.51 crore respectively.

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.

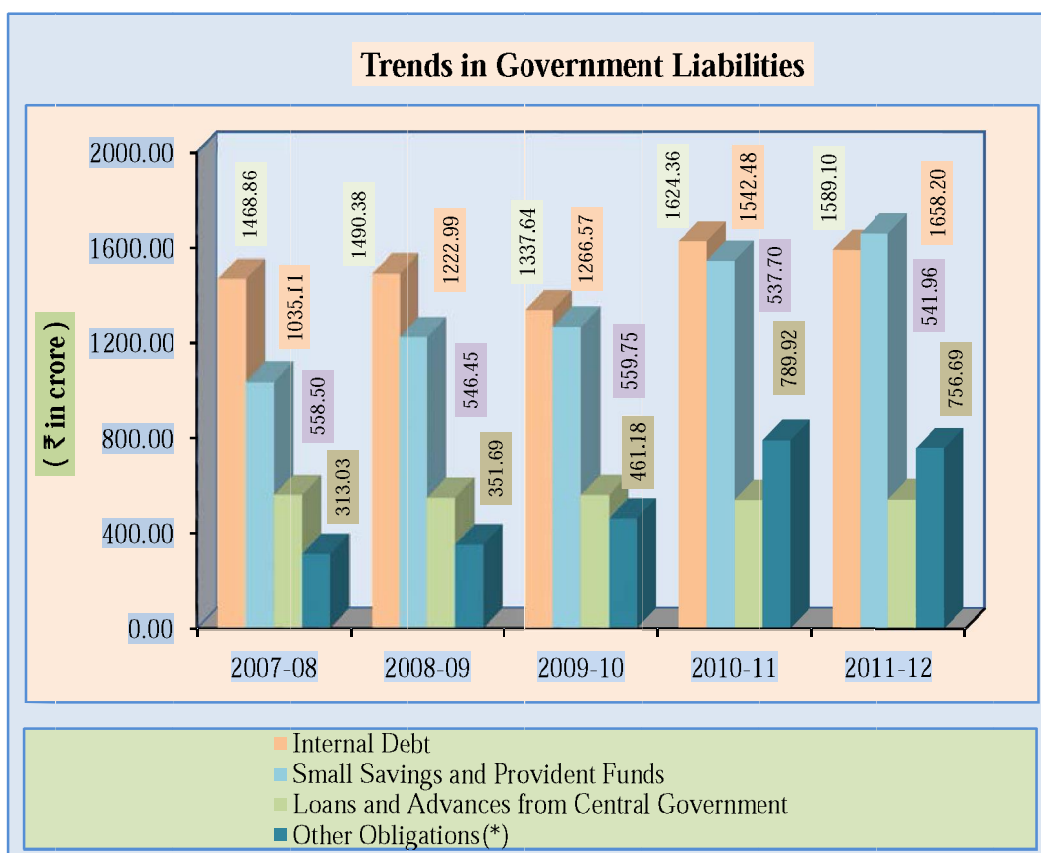
Details of the Public Debt and Total Liabilities of the State Government are as under:

(₹ in crore)

Year	Public Debt	% to GSDP	Public Account ^(*)	% to GSDP	Total Liabilities	% to GSDP
2007-2008	20,27.36	53.32	13,48.82	35.47	33,76.18	88.89
2008-2009	20,36.83	43.83	15,75.38	33.90	36,12.21	77.72
2009-2010	18,97.39	33.76	17,28.48	30.76	36,25.87	64.52
2010-2011	21,62.06	35.69	23,33.46	38.52	44,95.52	74.21
2011-2012	21,31.06	30.48	24,16.87	34.57	45,47.93	65.05

There is a net increase of ₹ 52.41 crore (1.17%) in Public Debt and Other liabilities as compared to 2010-2011.

(*) Excludes suspense and remittances balances.
Figures are progressive balance to end of the year.



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

6.3 Guarantees

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

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 st March 2012	
		Principal	Interest
2007-2008	231.95	131.97	20.64
2008-2009	305.13	114.25	19.78
2009-2010	189.03	102.99	...
2010-2011	189.02 (*)	102.75 (*)	...
2011-2012	243.34	121.64	110.55

(*) Differ with last year's figure due to rectification of last year's printing mistake.

CHAPTER VII

OTHER ITEMS

7.1 Adverse Balance under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. As on March 31st 2012, there was no adverse balance under Internal Debt.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2011-2012 was ₹ 2,50.76 crore. Of this, Loan and Advances to Government Departments, Corporation/ Companies, Non-Government Institutes and Local Bodies amounted to ₹ 1,94.64 crore. Information about recovery of arrears (Principal as well as interest) at the end of 31st March 2012 was not received from the Departmental authorities maintaining the detailed accounts.

7.3 Financial Assistance to Local bodies and Others

During the past five years, Grants-in-Aid to local bodies etc., increased from ₹ 1,47.78 crore in 2007-2008 to ₹ 6,50.17 crore in 2010-2011 and ₹ 2,21.29 crore in 2011-2012.

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	29.20	33.34	31.47	30.97	20.86
PRIs/ULBs	85.50	90.50	2.60	3.62	4.08
Others	33.08	15.90	4,13.16	6,15.58	1,96.35
Total	1,47.78	1,39.74	4,47.23	6,50.17	2,21.29

7.4 Cash Balance and Investment of Cash Balance

The closing cash balance (as on 31st March 2012) according to the Reserve Bank of India was ₹ 17.22 crore (credit) against the general cash balance of ₹ 17.15 crore (credit) reflected in State Government accounts. The difference of ₹ 34.37 crore was due to misclassification by Bank/Treasury.

Investment held in the Cash Balance Investment Account as on 31st March 2012 were ₹ 2,92.51 crore (credit). Other cash balances and investment comprising cash with Departmental Officers (₹ (-) 2.81 crore) and investment of earmarked funds (₹ 1,17.50 crore) as on 31st March 2012 were ₹ 1,14.69 crore.

7.5 Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Principal Accountant General (Accounts). This exercise is to be conducted by respective Heads of Departments. In 2011-2012 only (71.75%) (₹ 32,88.39 crore) of the total expenditure of ₹ 45,82.79 crore of the State Government was reconciled. Similarly, out of total receipts of ₹ 40,78.40 crore, only (0.20%) (₹ 8.32 crore) was reconciled. The following Controlling Officers/ DDOs did not attend to the reconciliation work at all:

Sl.No.	Controlling Officer / DDOs	Head of Account
1.	Chief Controller of Accounts	2071
2.	Secretary, Finance	2052
3.	Inspector General of Prison	2056
4.	Director, Art & Culture	2205
5.	Director, Animal Husbandry and Veterinary	2403, 2404 and 4403
6.	Director, Fisheries	2405
7.	Director, Urban Development and Poverty Alleviation	2217 and 4217

7.6 Submission of Accounts by Treasuries

There was delay of maximum 37 days in respect of one Treasury Accounts for the month of July 2011. Maximum delay in case of Forest and Public Works Accounts during the year were 78 days and 40 days respectively. All the Forest Divisions Accounts have been included before the close of the Annual Accounts. However average delay of all the Accounts is shown below:

Average delay in rendition of Treasury A/cs to Pr.A.G. (Accounts)	Average delay in rendition of Department of Public Works. A/cs to Pr.A.G. (Accounts)	Average delay in rendition of Department of Forest A/cs to Pr. A.G. (Accounts)	Average delay in rendition of Department of Soil Conservation A/cs to Pr. A.G. (Accounts)
06	12	28	13

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

When money is required in advance or the Drawing and Disbursing officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting

documents through AC bills. But, at the end of 31st March 2012, a total amount of ₹ 81.64 crore (drawn on AC bills) was outstanding due to non-submission of Detailed Countersigned Contingent Bills.

7.8 Rush of Expenditure

The Financial rules stipulate that rush of expenditure particularly in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided. However, the expenditure incurred under certain selected Heads of Account (Major Head: 2056, 2070, 2204, 2215, 2217, 2235, 2401, 2406, 2415, 2501, 2575, 2801, 4055, 4059, 4202, 4215, 4216, 4401, 4515, 4801 and 5054) during March 2012 ranged between 24.32 % and 96.60 % of the total expenditure during the year indicating a tendency to utilize the budget at the close of the financial year. Flow of expenditure during the end of the financial year 2011-2012 in the above mentioned Heads were as below:

(₹ in crore)

Head of Account	Description	Expenditure incurred during Jan-March 2012	Expenditure incurred in March 2012	Total Expenditure	Percentage of Total Expenditure incurred during	
					Jan-March, 2012	March, 2012
2056	Jails	6.91	4.77	17.05	40.53	27.98
2070	Other Administrative Services	45.00	32.21	62.70	71.77	51.37
2204	Sports and Youth Services	28.96	11.53	36.43	79.49	31.65
2215	Water Supply and Sanitation	35.39	25.20	103.60	34.16	24.32
2217	Urban Development	28.89	16.47	40.39	71.53	40.78
2235	Social Security and Welfare	33.38	27.65	63.45	52.61	43.58

Head of Account	Description	Expenditure incurred during Jan-March 2012	Expenditure incurred in March 2012	Total Expenditure	Percentage of Total Expenditure incurred during	
					Jan-March, 2012	March, 2012
2401	Crop Husbandry	201.48	89.63	229.71	87.71	39.02
2406	Forestry and Wild Life	34.77	17.07	62.93	55.25	27.13
2415	Agricultural Research and Education	6.88	4.21	11.93	57.67	35.29
2501	Special Programme for Rural Development	3.96	3.17	9.82	40.33	32.28
2575	Other Special Area Programmes	21.77	17.65	36.20	60.14	48.76
2801	Power	115.79	83.50	288.88	40.08	28.90
4055	Capital Outlay on Police	13.48	13.05	13.51	99.78	96.60
4059	Capital Outlay on Public Works	15.25	13.84	16.11	94.66	85.91
4202	Capital Outlay on Education , Sports, Art and Culture	47.70	42.11	65.94	72.34	63.86
4215	Capital Outlay on Water Supply and Sanitation	34.31	32.41	43.90	78.15	73.83
4216	Capital Outlay on Housing	26.00	25.98	27.04	96.15	96.08
4401	Capital Outlay on Crop Husbandry	1.75	1.68	1.78	98.31	94.38
4515	Capital Outlay on Other Rural Development	6.84	4.77	8.80	77.73	54.20
4575	Capital Outlay on other Special Areas Programmes	35.96	28.92	36.62	98.20	78.97
4801	Capital Outlay on Power Projects	61.37	54.56	76.04	80.71	71.75
5054	Capital Outlay on Roads and Bridges	108.73	103.31	111.09	97.88	93.00

