



सत्यमेव जयते

ACCOUNTS AT A GLANCE 2014-2015



GOVERNMENT OF NAGALAND

Preface

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

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

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

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

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

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

PLACE: KOHIMA
DATE :


ATHIKHO CHALAI
ACCOUNTANT GENERAL (A&E)

Our Vision, Mission and Core Values

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

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

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

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

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

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

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CHAPTER I

OVERVIEW

1.1 Introduction

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

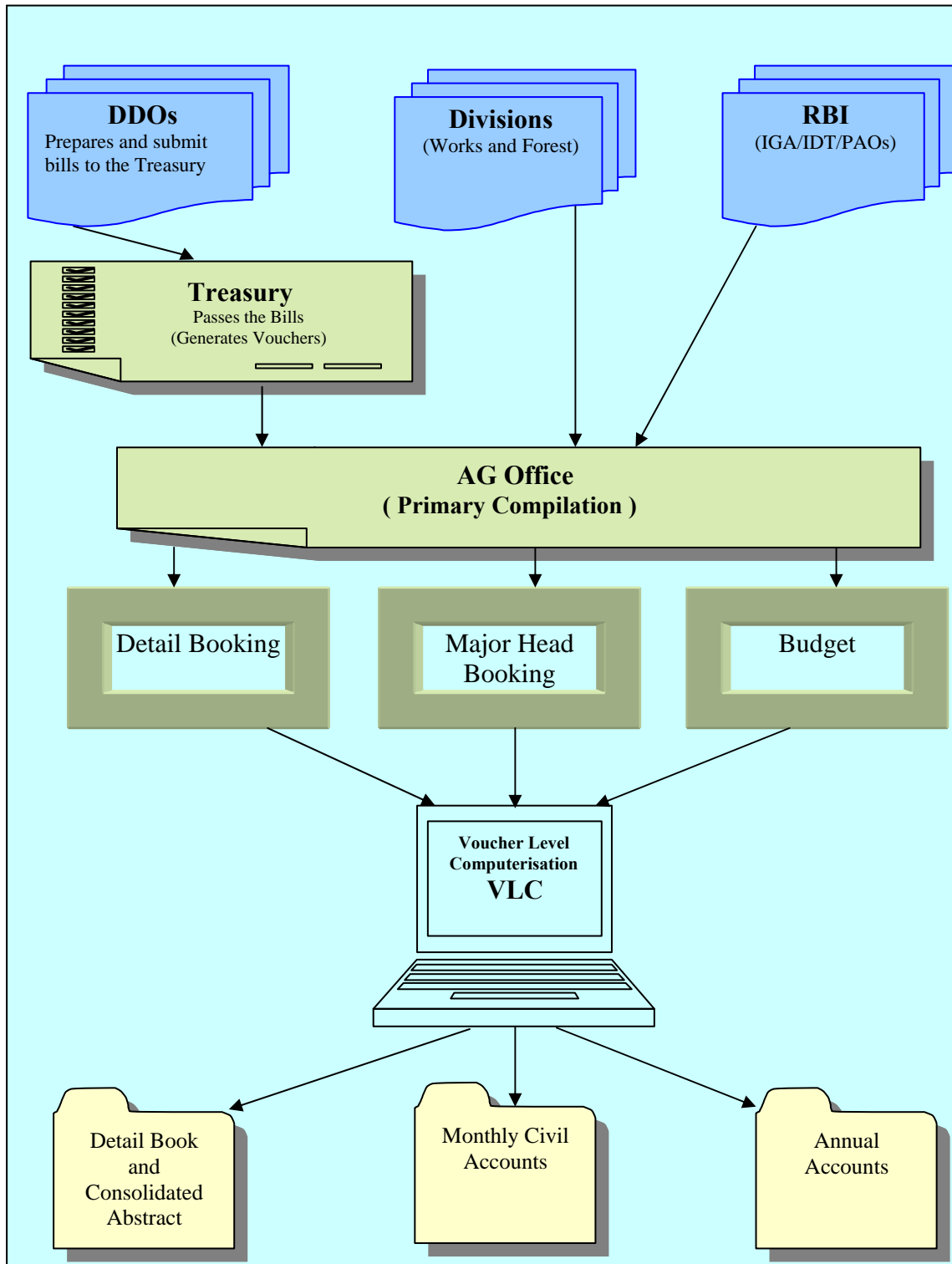
1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

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 2014-15 are given below.

(₹ in crore)

Receipt (Total :7785)	Revenue (Total :7651)	Tax Revenue	1,451
		Non Tax Revenue	271
		Grants-in-Aid	5,929
	Capital (Total :134)	Recovery of Loans and Advances	...
		Borrowings and other Liabilities *	134
Disbursement (Total :7785)	Revenue	6,762	
	Capital	1,023	
	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 ₹ 123 crore (₹ 1,023 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 2 charged Appropriations, 4 charged and voted and 76 voted Grants.

Appropriation Act, 2014-15, had projected gross provision of ₹ 13,016 crore, including Supplementary Grants totaling ₹ 538 crore, during the year. An amount of ₹ 43 crore was estimated as recoveries in reduction of expenditure.

Appropriation Accounts 2014-15, show disbursements aggregating ₹ 10,123 crore against the aggregate budget provision of ₹13,016 crore, resulting in saving of ₹ 2,893 crore against Grant and Appropriations. There were excess of ₹ 39 crore in 9 Grants and Appropriation. The major excess ₹ 14 crore (2 per cent) was under Pensions and Retirement Benefits , ₹ 11 crore (73 per cent) under Municipal Administration.

Recoveries in reduction of expenditure amounted to ₹ 32 crore (Actual) reflecting a decrease of ₹ 11 crore vis-à-vis budget estimates.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 0.25 crore) maintained with the RBI. During 2014-15, the Government of Nagaland availed ₹ 1,329 crore and ₹ 361 crore for WMA and OD facilities respectively. This has to be viewed against the fact that there were savings totaling ₹ 2,893 crore in almost all 76 grants, resulting in a shortfall of 22 *per cent* in expenditure against estimates.

1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹ 889 crore and a Fiscal Deficit of ₹ 134 crore representing 4 *per cent* and 1 *per cent* of the Gross State Domestic Product (GSDP)*. The Fiscal Deficit constituted 2 *per cent* of total expenditure. This deficit was met from Public Debt [₹ 109 crore (Credit)], decrease in Public Account [₹ 338 crore (Debit)], and net of opening and closing cash balance [₹ 363 crore (Credit)]. Around 62 *per cent* of the revenue receipts (₹ 7,651 crore) of the State Government was spent on committed expenditure like salaries (₹ 3,274 crore), interest payments (₹ 555 crore) and pensions (₹ 905 crore).

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

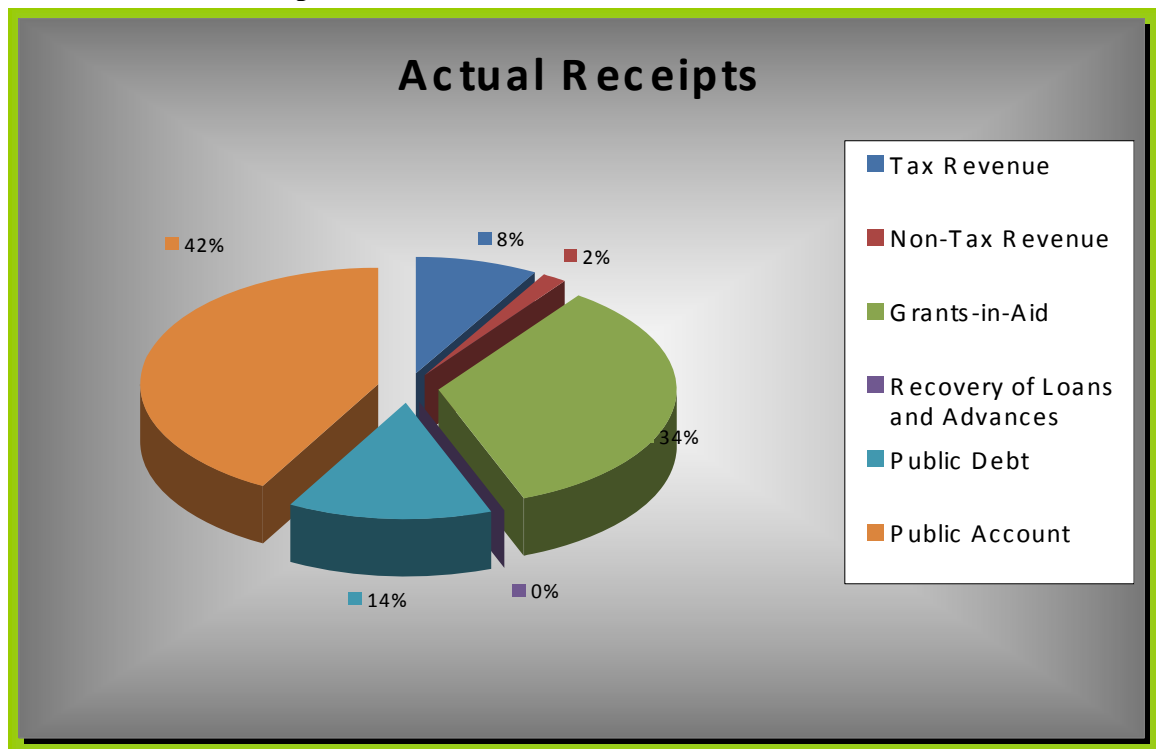
Sources and Application of Funds

(₹ in crore)

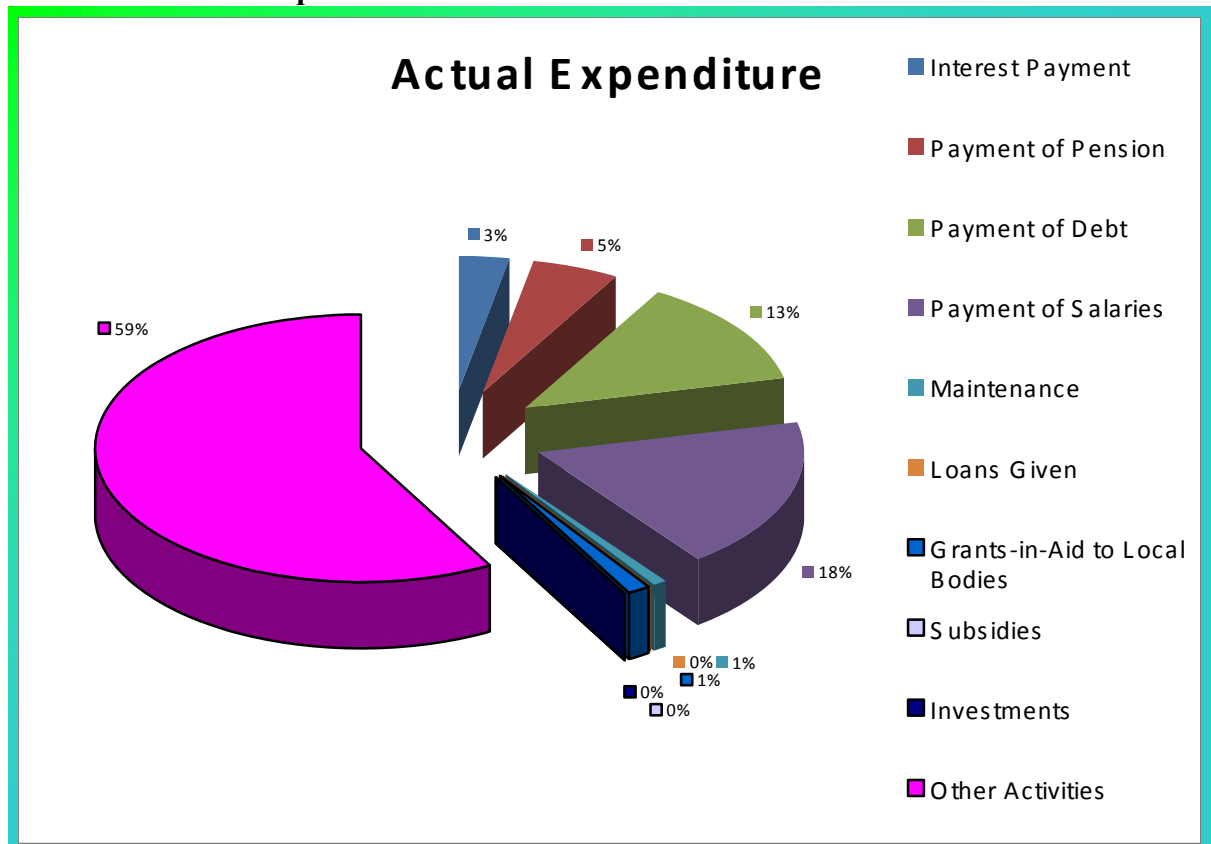
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balance as on 01-04-2014	113
	Revenue Receipts	7,651
	Recovery of Loans & Advances	...
	Public Debt	2,415
	Small Savings Provident Fund & Others	302
	Reserves & Sinking Funds	69
	Deposits Received	154
	Civil Advances Repaid	18
	Suspense Account	4,676
	Remittances	2,062
	Contingency Fund	...
	TOTAL	17,460

APPLICATION	Revenue Expenditure	6,762
	Capital Expenditure	1,023
	Loans Given	...
	Repayment of Public Debt	2,306
	Small Savings Provident Fund & Others	246
	Reserves & Sinking Funds	69
	Deposits Spent	763
	Civil Advances Given	17
	Suspense Account	4,739
	Remittances	1,785
	Closing Cash Balance as on 31-03-2015	(-)250
	TOTAL	17,460

1.4.3 Where the Rupee comes from



1.4.4 Where the Rupee went



1.5 Highlights of Accounts

(₹ in crore)

	B.E.2014-15	Actuals	Percentage of actuals to B.E	Percentage of actuals to GSDP(\$)
1. Tax Revenue (@)	1,590	1,451	91	7
2. Non-Tax Revenue	206	271	132	1
3. Grants-in-aid & Contributions	7,742	5,929	77	29
4. Revenue Receipts (1+2+3)	9,538	7,651	80	38
5. Recovery of Loans and Advances	2	...	(-100)	(-100)
6. Borrowings & other Liabilities (A)	590	134	23	1
7. Capital Receipts (5+6)	592	134	23	1
8. Total Receipts(4+7)	10,130	7,785	77	39
9. Non-Plan Expenditure (*)	5,624	5,533	98	28
10. NPE on Revenue Account	5,624	5,533	98	28
11. NPE on Interest Payments out of 10	570	555	97	3
12. NPE on Capital Account	...	...	...	...
13. Plan Expenditure (*)	4,506	2,252	50	11
14. PE on Revenue Account	2,287	1,229	54	6
15. PE on Capital Account	2,219	1,023	46	5
16. Total Expenditure (9+13)	10,130	7,785	77	39
17. Revenue Expenditure (10+14)	7,911	6,762	85	34
18. Capital Expenditure(12+15) (#)	2,219	1,023	46	5
19. Revenue Surplus (4-17)	1,627	889	55	4
20. Fiscal Deficit (4+5-16)	(-590)	(-134)	23	1

@ Includes State's share of Union Taxes/Duties of ₹ 1,062 crore.

(\$) GSDP figure ₹20,099 crore adopted from the Economics and Statistics Department, Government of Nagaland.

(#) Expenditure on Capital Account includes Capital Expenditure budget (₹ 4.00 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?

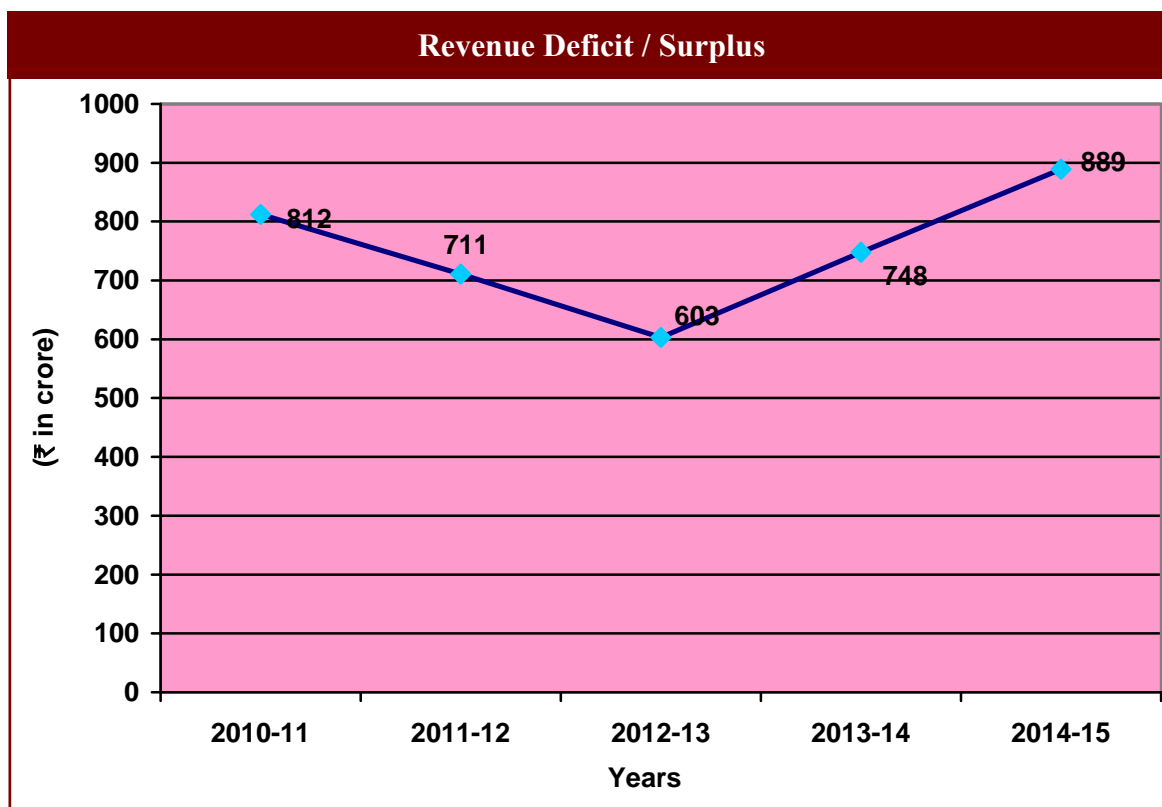
Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed and application of funds are important indicators of prudence in Financial Management
Revenue Deficit/Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure 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 13th Finance Commission had recommended that the States achieve revenue balance by 2011-12 and increase Gross Fiscal Deficit to 3 *per cent* of GSDP by 2014-15. 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 2013-14 and to 3 *per cent* in 2014-15.

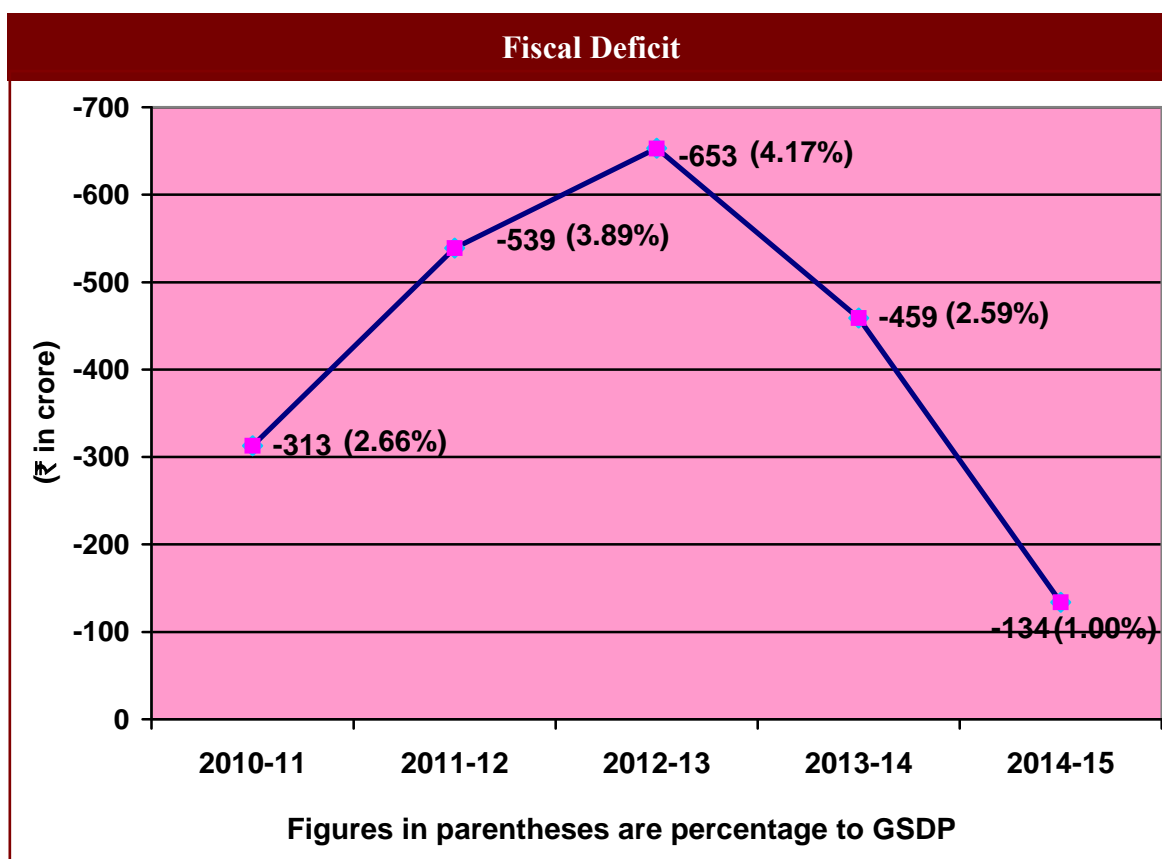
To encourage State Governments to achieve these goals, the Government of India extended Debt Consolidation and Relief Facility (DCRF) to States, under which successful State Governments would receive relief on repayment of principal and /or interest.

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 2014-15, State Government achieved 1 *per cent* of GSDP against 3 *per cent* of GSDP as recommended by the 13th Finance Commission.

1.6.1 Trend of Revenue Deficit / Surplus



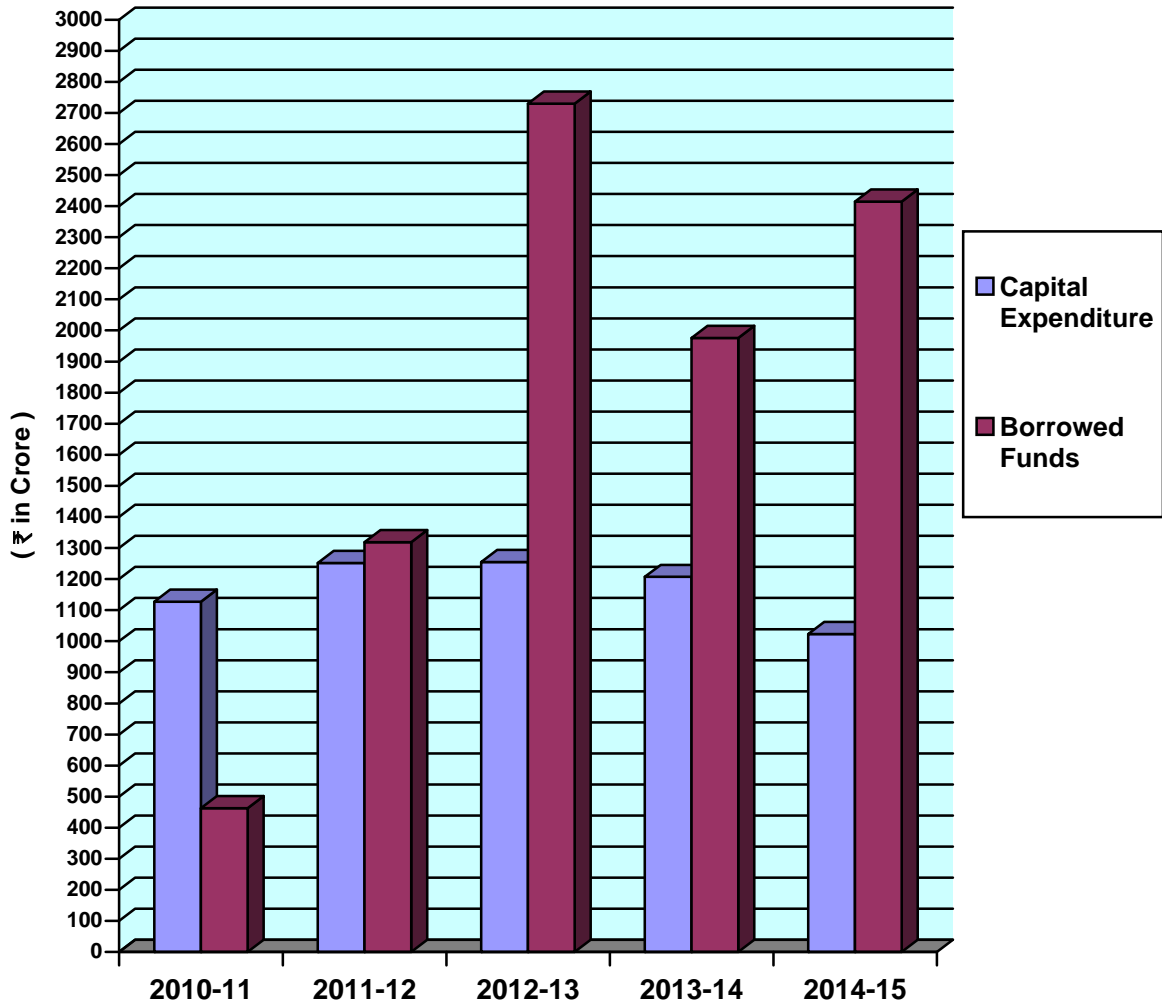
1.6.2 Trend of Fiscal Deficit



1.6.3

Proportion of borrowed funds spent on Capital expenditure.

Borrowed funds spent on Capital Expenditure



It is desirable to fully utilise borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The Government, however, spent 42 per cent of the borrowings of the current year (₹ 2,415 crore) on capital expenditure ₹ 1,023 crore) and 95 per cent of the public debt (₹ 2,306 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

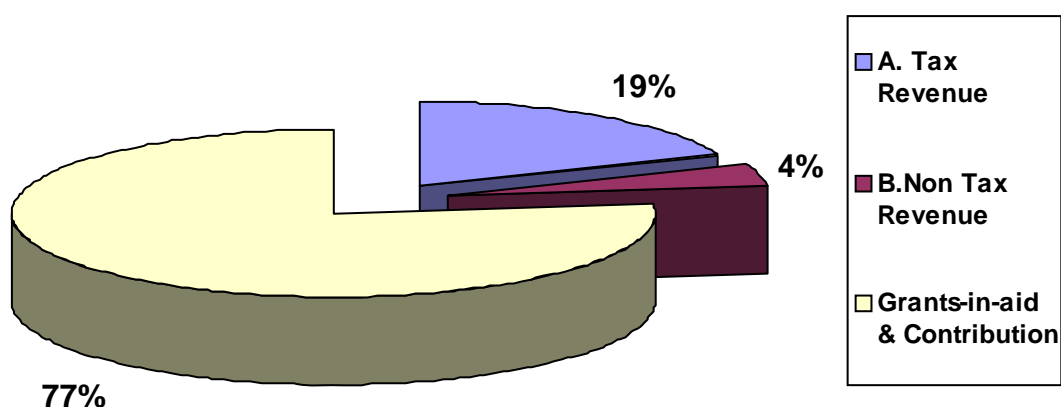
2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2014-15 were ₹ 7,785 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 (2014-15)

(₹ in crore)

Components	Actuals
A. Tax Revenue	1,451
Taxes on Income & Expenditure	664
Taxes on Property & Capital Transactions	4
Taxes on Commodities & Services	783
B. Non-Tax Revenue	271
Interest Receipts, Dividends and Profits	7
General Services	20
Social Services	113
Economic Services	131
C. Grants-in-aid & Contributions	5,929
Total - Revenue Receipts	7,651

2.3 Trend of Receipts

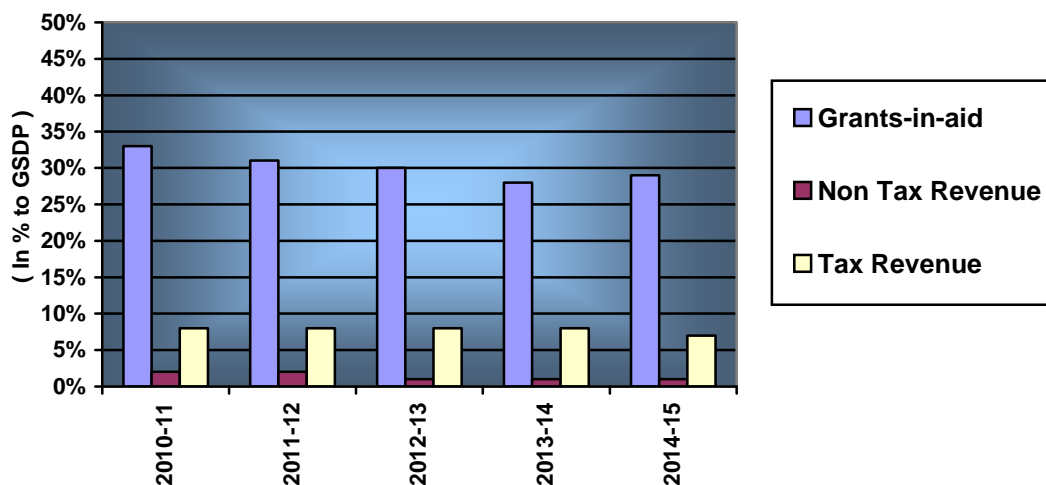
(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Tax Revenue	917 (8)	1107 (8)	1257 (8)	1334 (8)	1451 (7)
Non-Tax Revenue	183 (2)	233 (2)	207 (1)	217 (1)	271 (1)
Grants-in-aid	3900 (33)	4246 (31)	4740 (30)	4947 (28)	5929 (29)
Total Revenue Receipts	5000 (43)	5586 (40)	6204 (40)	6498 (37)	7651 (38)
GSDP	11759	13859	15676	17749	20099

Note: Figures in parentheses represent percentage to GSDP

Though the GSDP increased by 13 per cent between 2013-14 and 2014-15, growth in revenue collection was 11 per cent. Tax revenue increased by 9 per cent, non-tax revenue increased by 25 per cent. The State's own revenue under certain tax components, like Taxes on Vehicles (₹10 crore) and other Taxes and Duties on Commodities and Services (₹2 crore) showed a higher trend. Increase in Non-Tax Revenue in 2014-15 (₹ 54 crore) over the previous year was mainly on Education, Sports, Art & Culture (₹ 36 crore), Other Administrative Services (₹ 1 crore) , Power (₹ 11 crore)

Components under Revenue Receipts as proportion to GSDP

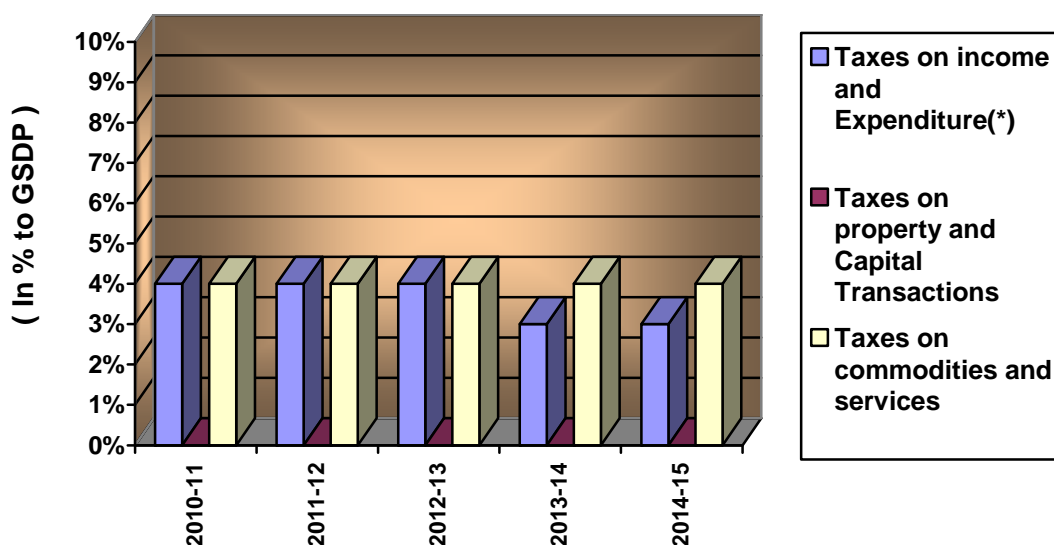


Sector-wise Tax Revenue

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Taxes on Income and Expenditure	437	504	554	587	664
Taxes on Property and Capital Transactions	2	4	3	3	4
Taxes on Commodities and Services	478	599	700	744	783
Total Tax Revenue	917	1107	1257	1334	1451

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)
2010-11	917	689	228	1.94%
2011-12	1107	803	304	2.19%
2012-13	1257	917	340	2.17%
2013-14	1334	1001	333	1.88%
2014-15	1451	1062	389	1.94%

The ratio of the State's Own Tax buoyancy with respect to GSDP was 0.15 *per cent* in 2013-14 which increased to 1.25 in 2014-15.

2.5 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	2	4	3	3	4
Expenditure on Collection	12	0	0	0	0

B. Taxes on Commodities and Services

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Collection	478	599	700	744	783
Expenditure on Collection	25	12	12	13	13
Efficiency of Tax Collection	5 %	2%	2%	2%	2%

Taxes on Commodities and Services form a major chunk of tax revenue. Tax collection efficiency is excellent. In respect of Taxes on Property and Capital Transactions expenditure on tax collection was less than that of the tax collected.

2.6

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

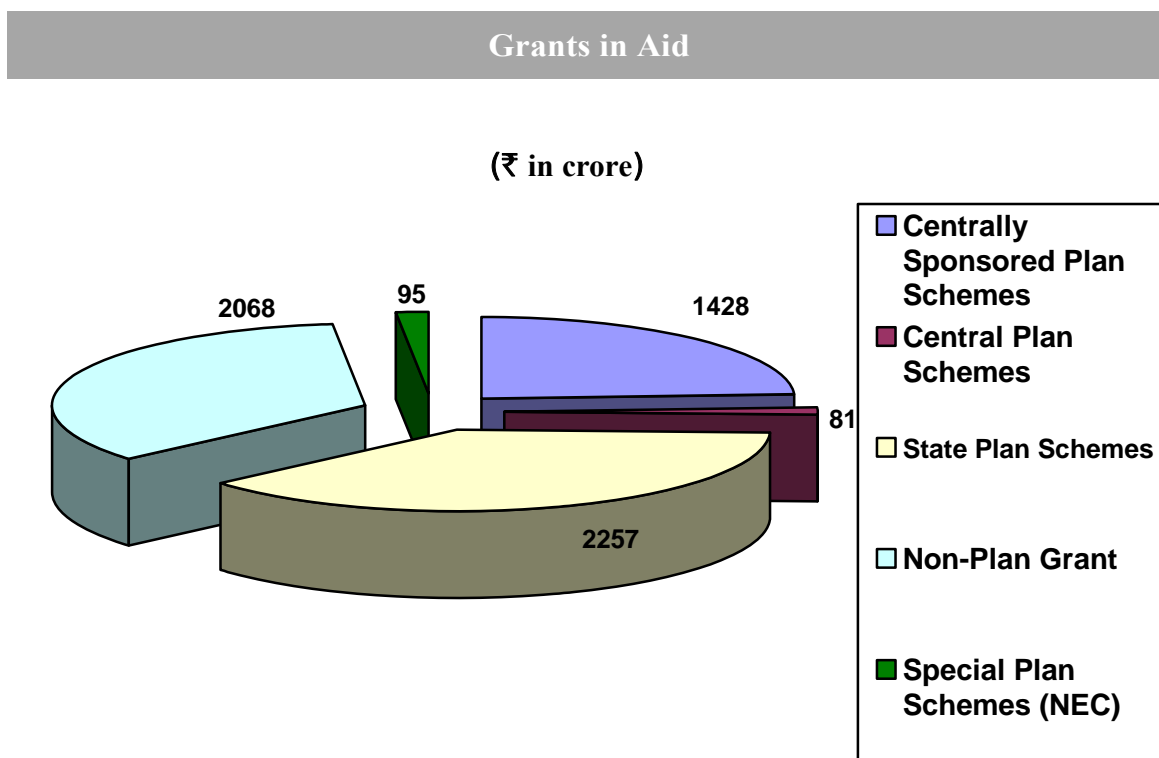
(₹ in crore)

Major Head Description	2010-11	2011-12	2012-13	2013-14	2014-15
Corporation Tax	269	316	330	337	371
Taxes on Income other than Corporation Tax	142	161	197	222	265
Taxes on Wealth	1	1	...	1	1
Customs	121	139	152	163	172
Union Excise Duties	88	90	104	115	97
Service Tax	68	96	133	163	156
Other Taxes and Duties on Commodities and Services	...	...	1	...	...
State Share of Union Taxes	689	803	917	1001	1062
Total Tax Revenue	917	1107	1257	1334	1451
Per cent of Union Taxes to Total Tax Revenue	75	73	73	75	73

Central tax transfer to the State increased by ₹ 61.41 crore (6.13 per cent) from ₹ 1,001.27 crore in 2013-14 to ₹ 1,062.68 crore in 2014-15 . 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 (2010-15).

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 2014-15 under Grants-in-aid were ₹ 5,929 crore as shown below:



Grants-in-aid from Govt. of India have increased by ₹ 982 crore (20 per cent) from ₹ 4,947 crore in 2013-14 to ₹5,929 crore in 2014-15 contributing 77 per cent of the total Revenue Receipts during 2014-15. This increase was due to enhanced grants for Centrally Sponsored Plan Schemes (₹ 983 crore) and grants for Central Plan Schemes (₹ 54 crore) offset by decreased in Non-Plan grants (₹ 3 crore), grants for State Plan Schemes (₹ 27 crore) and grants for Special Plan Schemes (₹ 25 crore)

2.8 Public Debt

Trend of Public Debt over past 5 years

(₹ in crore)

Description	2010-11	2011-12	2012-13	2013-14	2014-15
Internal Debt	225	538	409	562	126
Central Loans	(-)23	(-) 18	(-)22	(-)23	(-)16
Total Public Debt	202	520	387	539	110

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

In 2014-15, five loans totaling ₹ 600 crore at interest rates varying from 8.06 *per cent* to 9.65 *per cent* and redeemable in the years 2024-2025 were raised at par.

Against the net internal debt of ₹ 126 crore (Receipt ₹ 2,410 crore – Repayment ₹ 2,284 crore) of State Government in 2014-15, capital expenditure was ₹ 1,023 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 ₹ 2,574 crore (61 *per cent*) from ₹ 4,188 crore in 2010-11 to ₹ 6,762 crore in 2014-15 at a compound annual growth rate of 10 *per cent*.

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

(₹ in crore)

	2010-11	2011-12	2012-13	2013- 14	2014-15
Budget Estimates	4421	4652	5284	6184	7911
Actuals	4188	4876	5601	5750	6762
Gap	(-) 233	224	317	434	1149
Per cent of gap over BE	(-) 5	5	6	7	15

Nearly 70 *per cent* of total revenue expenditure of the State Government was spent on committed expenditure like salaries, interest payments and pensions. Both Non-Plan revenue expenditure and Plan revenue expenditure have shown an increase over the period 2010-2015. Of the total increase of ₹ 1,012 crore in revenue expenditure during 2014-15 over the previous year, increase on NPPE contributed 62 *per cent* (₹ 629 crore) and increase in PRE accounted for 38 *per cent* (₹ 383 crore). The actual NPPE exceeded the normative assessment made by XIII- FC by ₹ 2,250 crore (69 *per cent*) and also assessment made by the State in FCR by ₹ 76 crore (1 *per cent*).

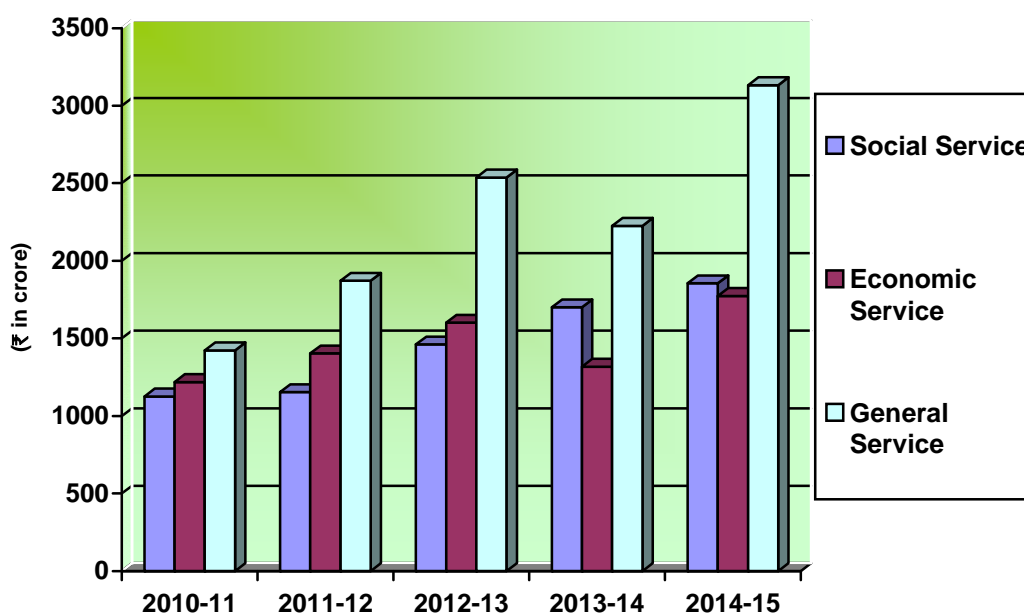
3.2.1 Sectoral distribution of Revenue Expenditure (2014-15)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	54	1
(i) Collection of Taxes on Property and Capital transactions	16	...
(ii) Collection of Taxes on Commodities and Services	38	1
(iii) Other Fiscal Services	...	...
B. Organs of State	72	1
C. Interest Payments and Servicing of debt	596	9
D. Administrative Services	1502	22
E. Pensions and Miscellaneous General Services	909	13
F. Social Services	1855	27
G. Economic Services	1774	26
H. Grants-in-aid and Contributions	...	...
Total Expenditure (Revenue Account)	6762	100

3.2.1 Major Component of Revenue Expenditure (2010-2015)

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 2014-15 at 5 per cent of GSDP were less than Budget Estimates by ₹ 1,196 crore due to less disbursement under Plan Expenditure on Capital account.

3.3.1 Sectoral distribution of Capital Expenditure

During 2014-15, Government spent ₹ 1,023 crore excluding loans and advances and had invested ₹ 8 crore in various Corporations/ Companies and Societies at the end of March 2015. The average returns on this investment was nil during the last five years while the Government paid an average interest rate of 9 per cent on its borrowing during 2014-15.

(₹ in crore)

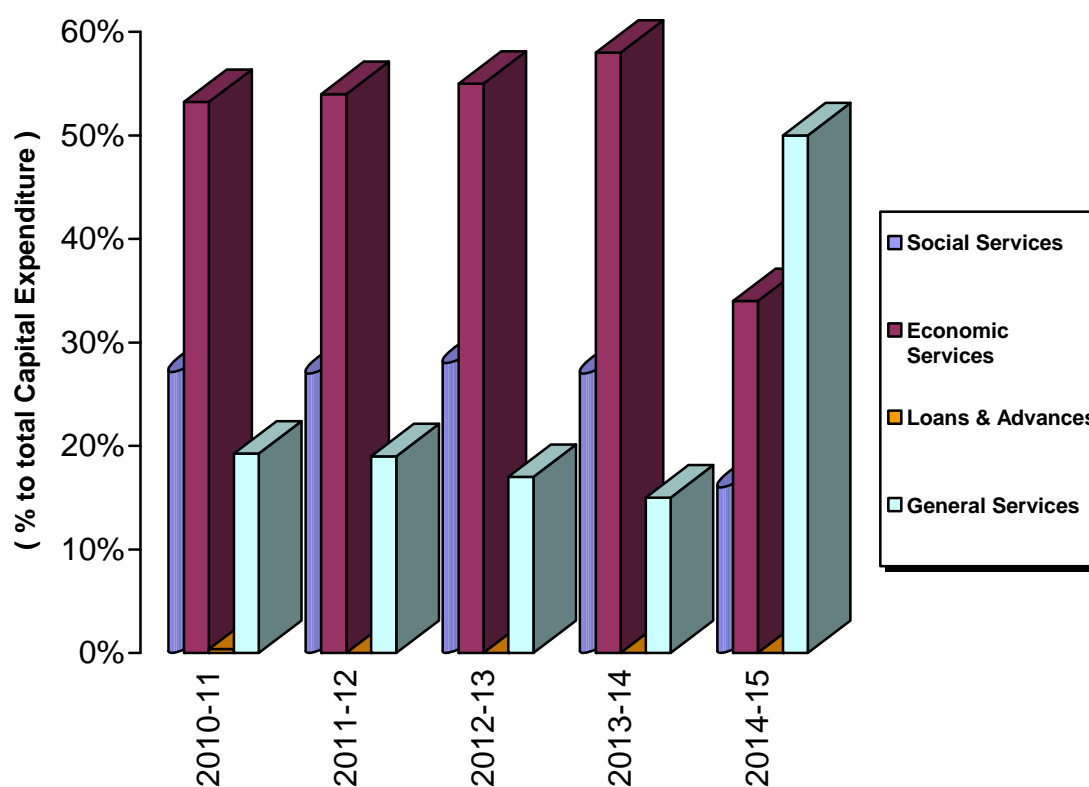
Sl.No.	Sector	Amount	Percentage
1	General Services-Police, Land Revenue etc.	161	16
2	Social Services-Education, Health & Family Welfare, Water Supply,, Welfare of SC/ST etc.	351	34
3	Economic Services-Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport etc.	511	50
4	Loans and Advances Disbursed	...	...
Total		1023	100

3.3.2 Sectoral distribution of capital expenditure over the past 5 years

(₹ in crore)

SI No	Sector	2010-11	2011-12	2012-13	2013-14	2014-15
1	General Services	217	235	211	181	161
2	Social Services	306	339	347	325	351
3	Economic Services	600	675	697	701	511
4	Loans and Advances	4	2	2	1	...
Total		1127	1251	1257	1208	1023

Trend of Sectoral Distribution of Capital Expenditure

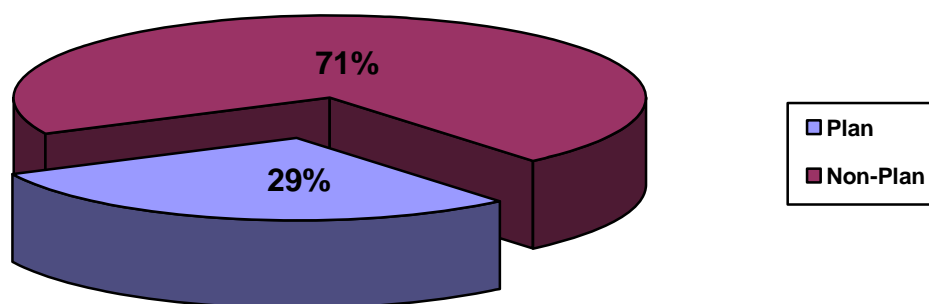


CHAPTER IV

PLAN & NON PLAN EXPENDITURE

4.1 Distribution of Expenditure (2014-2015)

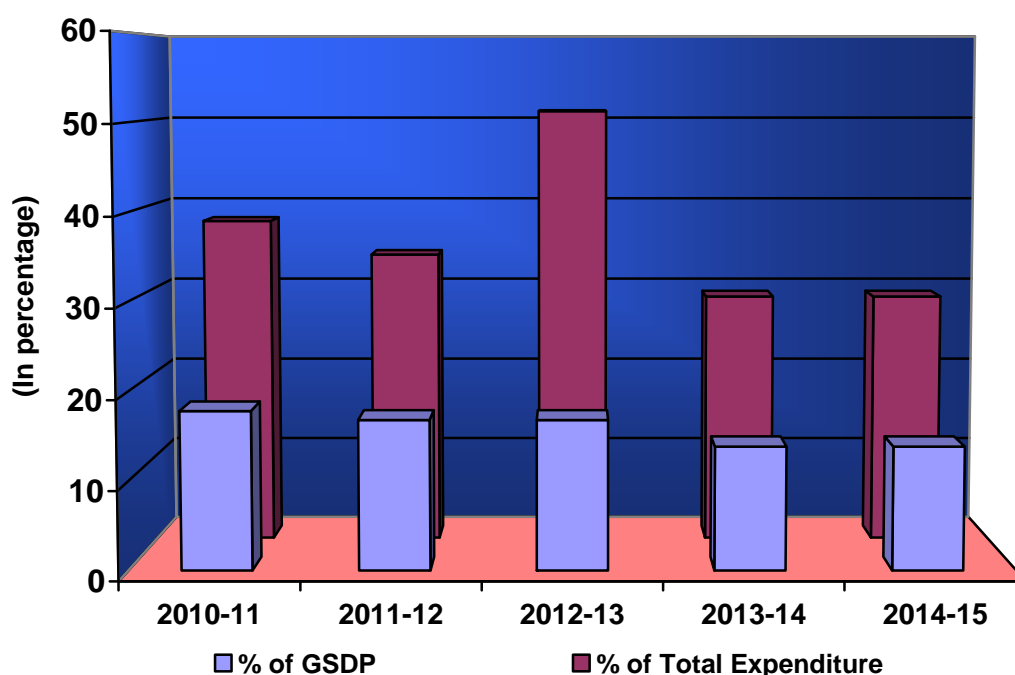
Distribution of Expenditure



4.2 Plan Expenditure

During 2014-2015, Plan Expenditure, representing 29 per cent of total disbursements, was ₹2,252 crore, (₹980 crore under State Plan and ₹1,272 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

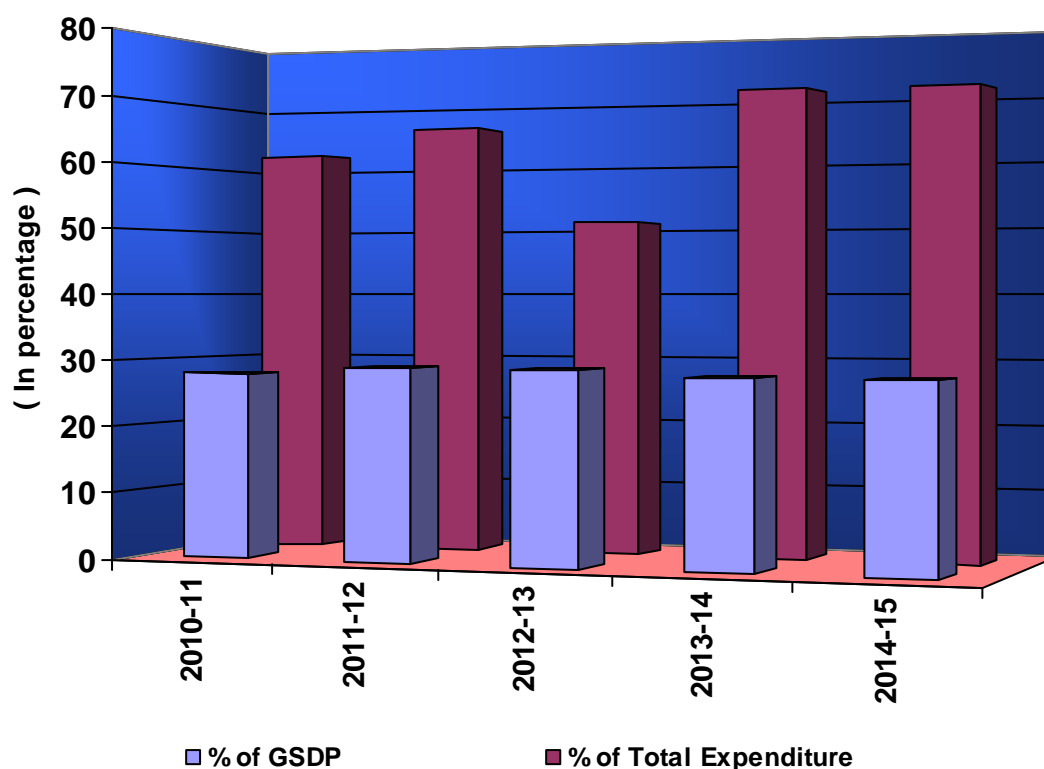
(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Total Capital Expenditure	1127	1251	1257	1208	1023
Capital Expenditure (Plan)	1127	1251	1251	1189	1023
Per cent of Capital Expenditure (Plan) to Total Capital Expenditure	100	100	100	98	100

4.3 Non - Plan Expenditure

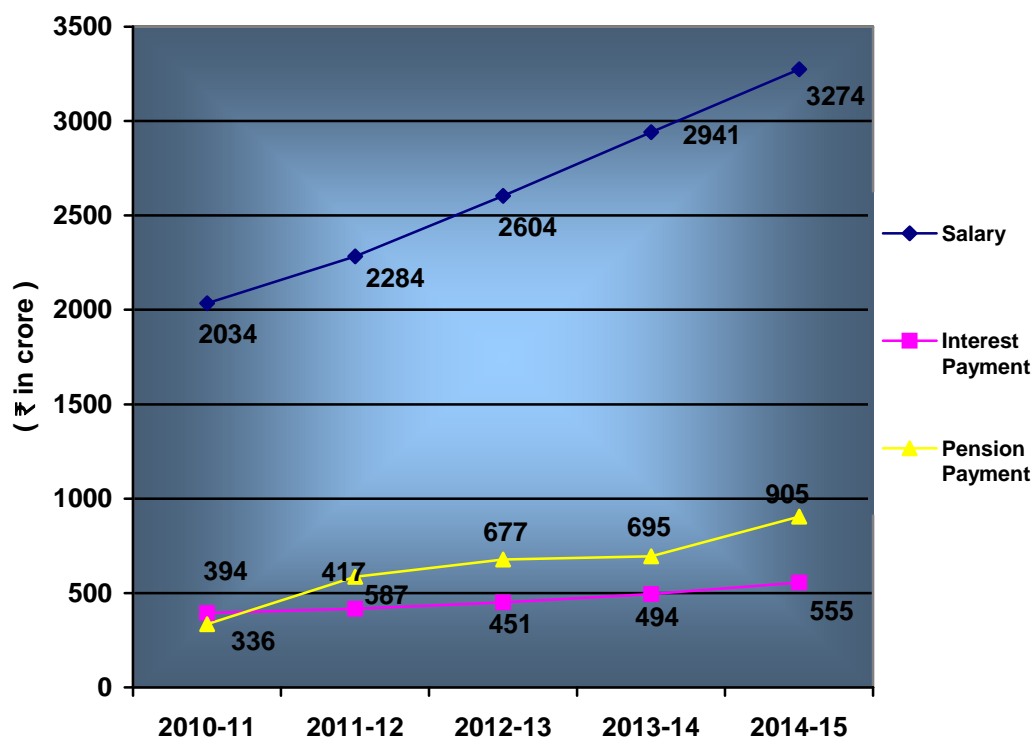
Non-Plan Expenditure during 2014-2015, representing 71 *per cent* of total disbursements, was ₹ 5,533 crore under Revenue Account.

Non Plan Expenditure as proportion of total expenditure and GSDP



4.4 Committed Expenditure

Trend of Committed Expenditure



(₹ in crore)

Component	2010-11	2011-12	2012-13	2013-14	2014-15
Committed Expenditure	2764	3288	3732	4130	4735
Revenue Expenditure	4188	4876	5601	5750	6762
Per cent of committed expenditure to Revenue Receipts	55	59	60	64	62
Per cent of committed expenditure to Revenue expenditure	66	67	67	72	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 2014-15

(₹ in crore)

Sl No.	Nature of Expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings(-) Excesses(+)
1	Revenue Voted	7325	311	...	7636	6181	(-)1455
	Charged	628	...	...	628	613	(-)15
2	Capital Voted	2218	227	...	2445	1023	(-)1422
	Charged	...	...	...	...	...	...
3	Public Debt Charged	2303	...	...	2303	2306	(+)3
4	Loans and Advances Voted	4	...	...	4	...	(-)4
	Total	12478	538	...	13016	10123	(-)2893

5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings(-) / Excess (+)				Total
	Revenue	Capital	Public Debt.	Loans & Advances	
2010-11	(-)471	(-)287	(-)520	(-)2	(-)1280
2011-12	(-)319	(-)526	(-)17	(-)3	(-)865
2012-13	(-)225	(-)1101	(+)10	(-)1	(-)1317
2013-14	(-)802	(-)744	(-)851	(-)3	(-)2400
2014-15	(-)1470	(-)1422	(+)3	(-)4	(-)2893

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	2010-11	2011-12	2012-13	2013-14	2014-15
27	Planning Machinery	30%	61%	67%	85%	91%
36	Urban Development	64%	41%	63%	51%	68%

During 2014-15, supplementary grants totaling ₹ 538 crore (5 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	Supple- mentary	Actual Expenditure
11	District Administration and Special Welfare Schemes	Revenue	200	...	115
35	Medical, Public Health and Family Welfare	Revenue	463	9	397
43	Social Security and Welfare	Revenue	156	32	135
51	Fisheries	Capital	3	11	...
65	SCERT	Revenue	33	5	26
70	Horticulture	Revenue	69	9	51

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 ₹ 278 crore at the end of 2014-15. However, dividends received during the year were ₹ Nil on investment. During 2014-15, investments decreased by ₹ 19 crore, as compared to 2013-14.

Cash Balance with RBI stood at (-)₹250 crore on 31 March 2015 and was increased by ₹ (-)363 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)

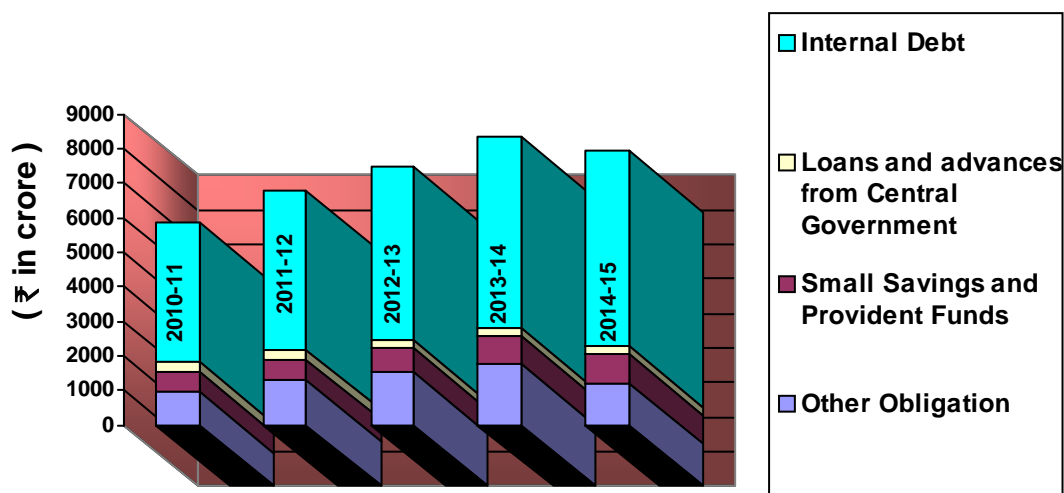
Year	Public Debt	Per cent to GSDP	Public Account(*)	Per cent to GSDP	Total Liabilities	Per cent to GSDP
2010-11	4340	37	1524	13	5864	50
2011-12	4860	35	1898	14	6758	49
2012-13	5247	33	2205	14	7452	48
2013-14	5787	33	2570	14	8357	47
2014-15	5896	29	2058	10	7954	40

(*)Excludes suspense and remittance balances.

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

There is a net decrease of ₹ 403 crore (5 per cent) in Public Debt and Other liabilities as compared to 2013-14.

Trends in Government Liabilities



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

The fiscal liabilities to GSDP (40 per cent) was 9 per cent and 13 per cent less than the assessment made by the Government in its Medium Term Fiscal Policy Statement (MTFPS) (48 per cent) and the norm of 50 per cent recommended by the XIII-FC for the year 2014-15 respectively.

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
2010-11	2	55	...
2011-12	10	65	...
2012-13	5	70	...
2013-14	5	70	...
2014-15	5	70	...

CHAPTER VII

OTHER ITEMS

7.1 Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, State Governments also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, the loan repayments appear in Government account, resulting in irreconcilable adverse balances and understatement of liabilities in Government accounts. As on 31 March 2015, the adverse balances amounted to ₹ 2,284 crore.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2014-15 was ₹ 27 crore. Of this, Loans and Advances to Government Corporations/ Companies, non-Government Institutes and Co-operative Societies amounted to ₹ 25 crore. Recovery of Principal aggregating to ₹ 0.71 crore and Interest amounting to ₹ 3 crore at the end of 31 March 2015.

7.3 Financial assistance to local bodies and others

The total assistance to local bodies decreased by ₹ 42 crore (14 *per cent*) from ₹ 293 crore in 2013-14 to ₹ 251 crore in 2014-15. The assistance decreased by ₹ 20 crore (65 *per cent*) from ₹ 30 crore in 2013-14 to ₹ 11 crore in 2014-15 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
2010-11	5	3	...	27	13	17	38	0	103
2011-12	6	7	3	28	15	1	100	5	165
2012-13	51	8	...	29	16	17	112	0	233
2013-14	31	19	6	29	14	...	194	0	293
2014-15	11	1	6	103	16	...	52	61	250

7.4 Cash Balance and investment of Cash Balance

(₹ in crore)

Component	As on 31 March 2014	As on 31 March 2015	Net increase (+)/ decrease (-)
Cash Balances	113	(-)250	(+)137
Investments from cash balance (GOI Treasury Bills)	...	141	(+)141
Investment from earmarked fund balances	188	229	(+)41
(a) Sinking Fund	166	206	(+)40
(b) Guarantee Redemption Fund	6	7	(+)1
(c) Other Funds	15	15	...
Interest realized	4	4	...

State Government had a debit closing cash balance at the end of 2014-15.

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 2014-15, the quantum of expenditure reconciled was for a value of ₹ 7,785 crore as against the total expenditure (Revenue and Capital) of ₹ 7,785 crore which works out to 100 *per cent*. On the receipt side, the amount reconciled was a value of ₹ 7,785 crore as against the total receipts (Revenue and Capital) of ₹ 7,785 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 2015, 198 DCC bills amounting to ₹ 186 crore was outstanding, indicates that these instructions have not been followed.



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