

# CHAPTER I

## OVERVIEW

The monthly accounts of the State Government are compiled and consolidated from the accounts submitted by the District Treasuries, Public Works and Forest Divisions, etc to the Sr. Deputy Accountant General (Accounts and Entitlements). Besides, the Finance Accounts and the Appropriation Accounts are prepared annually by the Sr. Deputy Accountant General under the directions of the Comptroller and Auditor General of India in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The accounts of Government are kept in the following three parts:

Part I	Consolidated Fund
Part II	Contingency Fund
Part III	Public Account

**Part I:** There are two main divisions under Consolidated Fund:

⇒ The Revenue division (Revenue Account) deals with the proceeds of taxation and other receipts classed as revenue and the expenditure met therefrom, the net result of which represents the revenue surplus or deficit for the year.

⇒ In the Capital division, the section 'Receipt Heads (Capital Account)' deals with receipts of capital nature which cannot be applied as a set off to capital expenditure. The section 'Expenditure Heads (Capital Account)' deals with expenditure met usually from borrowed funds with the object of increasing concrete assets of a material and permanent character. It also includes receipts of a capital nature intended to be applied as a set off to capital expenditure. The section 'Public Debt, Loans and Advances, etc.' comprises loans raised and their repayments by Government such as 'Internal Debt' and 'Loans and Advances' made (and their recoveries) by Government.

**Part II:** Contingency Fund records transactions connected with the Contingency Fund, established under Article 267 of the Constitution of India.

**Part III:** Public Account records transactions relating to 'Debt' (other than those included in Part I), 'Deposits', 'Advances', Remittances and 'Suspense'.

The Annual Accounts of the Government of Nagaland for the year 2006-07 and the Audit Report of the Comptroller and Auditor General of India for the year 2006-07 will be presented in the next session of the State Legislature.

## *Finance Accounts*

- ✧ The Finance Accounts present the accounts of receipts and outgoings of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, the accounts of the public debts, and the liabilities and assets as worked out from the balances recorded in the accounts.
- ✧ During 2006-07, total receipts under the Consolidated Fund amounted to Rs.3499.03 crore, comprising Rs.2772.51 crore revenue receipts (Rs. 435.95 crore Tax revenue, Rs.91.14 crore Non-Tax revenue) Rs.2245.42 crore (Grants-in-aid and Contributions), Rs.726.52 crore Capital Receipts, (Rs.4.33 crore Recovery of Loans & Advances and Rs.722.19 crore Borrowings).
- ✧ Total disbursements under Consolidated Fund during the year were Rs.3374.39 crore. Rs.2222.15 crore (65.85%) on revenue account, Rs.710.48 crore (21.06%) on capital account, Rs.441.52 crore (13.08%) on Public Debt and Rs.0.24 crore (0.01%) on Loans and Advances.
- ✧ The actuals of net borrowings and other liabilities during the year Rs.156.03 crore as shown in Sl.No. 7 of Highlights comprises Rs.280.67 crore being net of E-Public Debt, (-) Rs.73.93 crore being net of Part.III- Public Accounts and Rs.(-) 50.71 crore being net of opening and closing Cash balances.
- ✧ No transactions appeared under Part.II – Contingency Fund.

## *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 6\* charged Appropriations and 76\* voted Grants.
- ✧ Appropriation Act, No.(2)& (1) 2006&2007 respectively had projected a gross provision of Rs.3846.12 crore, including Supplementary Grants totaling Rs.350.59 crore, during the year. An amount of Rs.21.70 crore was estimated as recoveries in reduction of expenditure.
- ✧ Appropriation Accounts 2006-07, show disbursements aggregating Rs.3394.09 crore against the aggregate budget provision of Rs.3846.12 crore, resulting in saving of Rs.452.03 crore against Grants and Appropriations. There are excess of Rs.46.03 crore in 26 Grants and Appropriation. The major excess Rs.11.30 crore (24.55 %) was under Roads and Bridges Department, Rs.7.93 crore (17.23%) under Medical and Public Health Department and 7.15 crore (29.12%) under Water Supply Schemes.
- ✧ Recoveries in reduction of expenditure amounted to Rs.21.70 crore (BE) reflecting a decrease of Rs.19.70 crore (actuals) vis-à-vis budget estimates.

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\* Out of total 80 Demands, 2 Demands (<sup>D</sup>/NO. 1 & 4) consist of both charged Appropriation and voted Grants, {4(c)+ 76(v)+2(v) & (c)}

## CHAPTER-II

### HIGHLIGHTS OF ACCOUNTS

(Rupees in crore)

Sl. No		B.E 2006-2007	Actuals <sup>#</sup>	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP (a)
1	Tax Revenue	394.33	435.95	110.55	6.27
2.	Non-Tax Revenue	91.20	91.14	99.93	1.31
3.	Grants-in-aid & Contributions	2230.49	(a) 2245.42	100.67	32.27
4.	Revenue Receipts (1+2+3)	2716.02	2772.51	102.08	39.85
5.	Recovery of Loans & Advances	5.74	4.33	75.44	0.06
6.	Other Receipts	-	-	-	-
7.	Borrowings & Other liabilities (b)	163.58	156.03	95.38	2.24
8.	Capital Receipts (5+6+7)	169.32	160.36	94.71	2.30
9.	Total Receipts (4+8)	2885.34	2932.87	101.65	42.15
10.	Non-Plan Expenditure (NPE)	1689.19	1783.83	105.60	25.64
11.	NPE on Revenue Account	1684.60	1768.46	104.98	25.42
12.	NPE on Interest Payments out of 11	280.91	279.69	99.57	4.02
13.	NPE on Capital Account	4.59	15.37	334.86	0.22
14.	Plan Expenditure (PE)	1196.15	1149.04	96.06	16.51
15.	PE on Revenue Account	504.99	453.69	89.84	6.52
16.	PE on Capital Account	691.96	695.35	100.61	9.99
17.	Total Expenditure (10+14)	2885.34	2932.87	101.65	42.15
18.	Expenditure on Revenue Account (11+15)	2189.59	2222.15	101.49	31.94
19.	Expenditure on Capital Account (13+16) (c)	695.75	710.72	102.15	10.21
20.	Revenue Deficit (18-4)	(+) 526.43	(+) 550.36	-	-
21.	Fiscal Deficit (4+5+6-17)	(-) 163.58	(-) 156.03	-	-

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- (a) Gross State Domestic Product Rs.6957.97 as per civil Audit Report of the State for the year 2006-07.
- (b) Net Public Debt + net of Contingency Fund + net of Public Account + net of opening and closing cash balance.
- (c) Expenditure on Capital Account consists of Capital Expenditure (Rs.710.48 crores) and Loans and Advances disbursed (Rs.0.24 crores).

### Receipts and Disbursements

Total receipts during the year were Rs.2932.87 crore, against which total disbursements were Rs.2932.87 crore.

<sup>#</sup> Figures are net after recoveries.

Loans and Advances consist of Rs.0.20 crores (Non Plan) and Rs.0.04 crores (Plan)

(a) This includes Rs.87.73 crore for the year 2005-06.

The following table summarises the Accounts for 2006-2007.

(Rupees in crore)

Total Receipts	2932.87		Total Disbursements	2932.87	
Revenue Receipts	2772.51	94.53%	Revenue Disbursements	2222.15	75.77%
Capital Receipts	160.36	5.47%	Capital Disbursements	710.72	24.23%

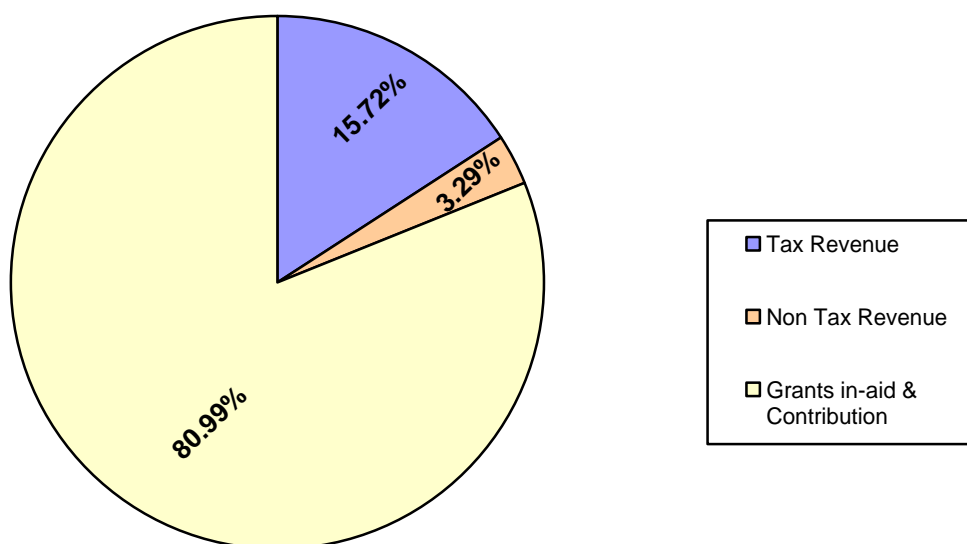
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## RECEIPTS

### *Revenue Receipts*

The pie chart below shows the share of Tax Revenue, Non-Tax Revenue and Grants-in-aid and contributions to total revenue receipt.

### Revenue Receipts



Gross Tax Revenue of Rs.435.95 crore and Non Tax Revenue of Rs.91.14 crore formed 6.27 percent and 1.31 percent respectively of GSDP, Major Contributors to revenue were Rs.2245.42 crore under Grants-in-aid from Central Government (32.27 per cent of GSDP).

Net Tax Revenue during the year was higher than the budget estimates by Rs.41.62 crore, mainly on account of higher collection of Taxes on:

- (a) Taxes on Income and Expenditure and
- (b) Taxes on Commodities and Services

Share of various tax revenue, non-tax revenue, grants-in-aid and contributions to total revenue receipts during the year 2006-07 is given below:

### ***Revenue Receipts and Grants in Aid and Contributions***

*(Rupees in crore)*

<b>Components</b>	<b>Actuals</b>	<b>Percentage to total Revenue Receipts</b>
<b>A. Tax Revenue</b>	<b>435.95</b>	<b>15.72</b>
Taxes on Income and Expenditure *	175.34	6.32
Taxes on Property and Capital Transactions	1.67	0.06
Taxes on Commodities and Services	258.94	9.34
<b>B. Non-tax Revenue</b>	<b>91.14</b>	<b>3.29</b>
Fiscal Services	-	-
Interest Receipts, Dividends and Profits	5.22	0.19
General Services	18.82	0.68
Social Services	6.48	0.23
Economic Services	60.62	2.19
<b>C. Grants-in-aid and Contributions</b>	<b>2245.42 (a)</b>	<b>80.99</b>
<b>TOTAL-REVENUE RECEIPTS</b>	<b>2772.51</b>	<b>100</b>

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### ***Capital Receipts***

Compared to the revised estimates (Rs.797.96 crore), there was an overall decrease of Rs.219.11 crore in Capital Receipts. This was mainly under the MH- 6004, Loans and Advances from the Central Government (RE Nil and actuals Rs.1.15 crore) and MH- 6003, Internal debt of the State Government (RE Rs.792.22 crore and actual Rs.721.04 crore).

## **DISBURSEMENTS**

### ***Revenue Disbursements***

Revenue Disbursement (net) was short budget estimates by Rs.32.56 crore (Rs.83.86 crore under Non-Plan; and Rs.(-)51.30 crore less disbursement under Plan). It was 0.47 percent of GSDP.

### ***Capital Disbursements***

Capital Disbursements was in short of budget estimates by Rs.14.97 crore due to more disbursement under Plan by Rs.4.19 crore and under Non-Plan by Rs.10.78 crore. It was 0.22 percent of GSDP.

### ***Plan Disbursements***

During the year 2006-07, total Plan disbursements under Revenue and Capital heads including Loans and Advances were Rs.1149.08 crore [Rs.881.00 crore under State Plan, Rs.221.67 crore under Centrally Sponsored Scheme and Rs.46.41 crore under NEC Scheme].

\* Share of Income Tax received from Union Government.

(a) Please see footnote at page 3

## Non-Plan Disbursements

Non-plan Disbursements during 2006-07, were Rs.1783.83 crore, consisting of Rs.1768.46 crore under Revenue and Rs.15.37 crore under Capital.

Sectoral distribution of expenditure and its percentage to total revenue expenditure is given below:

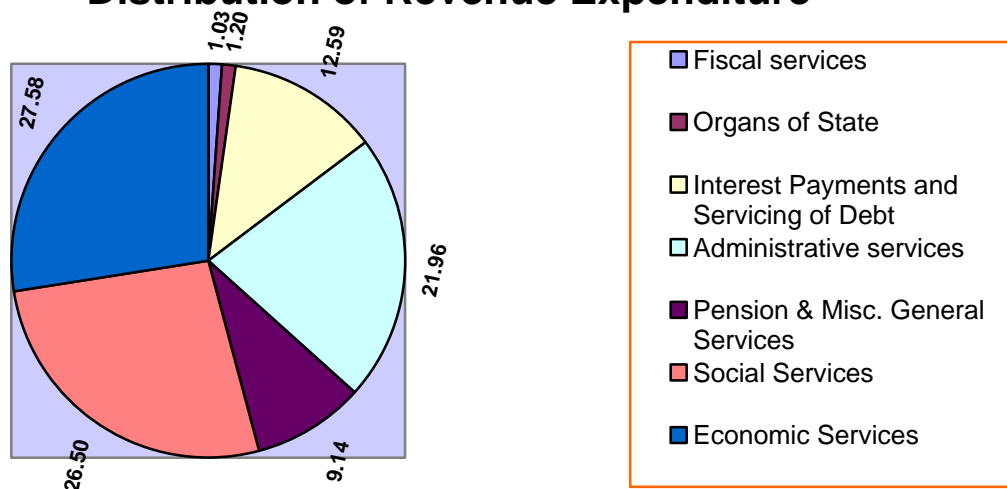
### SECTORAL DISTRIBUTION OF EXPENDITURE AND ITS PERCENTAGE TO TOTAL REVENUE EXPENDITURE

(Rupees in crore)

Components	Amount	Percentage to Total Revenue Expenditure
<b>A. General Services</b>	<b>1020.32</b>	<b>45.92</b>
(a) Organs of State	26.62	1.20
(b) Fiscal Services	22.89	1.03
(i) Collection of Taxes on Income and Expenditure	-	-
(ii) Collection of Taxes on Property and Capital transactions	10.03	0.45
(iii) Collection of Taxes on Commodities and Services	12.84	0.58
(iv) Other Fiscal Services	0.02	-
(c) Interest Payments and Servicing of debt	279.69	12.59
(d) Administrative Services	487.94	21.96
(e) Pensions and Miscellaneous General Services	203.18	9.14
<b>B. Social Services</b>	<b>588.85</b>	<b>26.50</b>
<b>C. Economic Services</b>	<b>612.98</b>	<b>27.58</b>
<b>TOTAL EXPENDITURE (REVENUE ACCOUNT)</b>	<b>2222.15</b>	<b>100.00</b>

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### Distribution of Revenue Expenditure



## TREND OF EXPENDITURE

Trend of expenditure in some important sectors between 2002-2003 to 2006-07 (5 years) is brought out below:

### STATEMENT OF EXPENDITURE IN SELECTED SECTORS

(Rupees in Crore)

Sector	2002-03		2003-04		2004-05		2005-06		2006-07	
	Expdi ture	% to B.E./ R.E.	Expdi ture	% to B.E./ R.E.	Expdi ture	% to B.E./ R.E.	Expdi ture	% to B.E./ R.E.	Expdi ture	% to B.E./ R.E.
<b>A. General Services</b>	623.59	80.27/ 78.62	690.25	103.39/ 101.76	678.81	93.70/ 94.07	712.11	94.96/ 96.11	767.63	76.78/ 73.26
i) Interest Payment and Servicing of Debt	214.58	83.81/ 84.59	234.74	86.71/ 103.12	249.62	82.96/ 82.96	253.89	80.29/ 89.32	279.69	99.57/ 96.89
ii) Administrative Service	409.01	109.89/ 105.32	455.51	114.76/ 101.08	429.19	101.34/ 102.00	458.22	105.65/ 100.34	487.94	110.90/ 100.88
<b>B. Social Services</b>	281.19	100.60/ 102.53	328.95	108.11/ 85.11	327.84	107.04/ 101.80	415.49	91.18/ 79.24	451.35	84.25/ 75.94
i) Education	200.30	94.87/ 99.46	246.15	110.31/ 80.14	239.67	102.24/ 97.30	305.84	115.90/ 103.02	334.94	108.49/ 99.93
ii) Health & Family Welfare	80.89	118.29/ 111.02	82.80	102.05/ 104.35	88.17	122.68/ 116.47	109.65	136.42/ 107.24	116.41	114.19/ 108.52
<b>C. Economic Services</b>	272.04	84.87/ 88.22	454.81	124.06/ 137.62	356.65	87.18/ 97.66	506.34	112.75/ 84.28	538.79	82.37/ 77.64
i) Agriculture & Allied Activities.	102.25	65.98/ 75.85	110.27	96.00/ 114.19	117.24	108.14/ 102.30	163.06	128.39/ 89.91	182.52	94.71/ 92.44
ii) Rural Development	24.90	100.65/ 101.30	66.11	105.22/ 113.45	51.79	73.69/ 85.63	87.22	144.22/ 86.46	69.89	73.12/ 69.48
iii) Irrigation & Flood Control	13.46	86.12/ 62.52	21.33	95.69/ 84.21	22.21	121.77/ 98.62	25.07	128.55/ 98.81	33.29	80.61/ 73.91
iv) Energy	58.11	101.04/ 101.38	158.90	243.90/ 195.55	94.28	111.09/ 101.70	97.22	102.05/ 99.50	113.68	116.05/ 99.29
v) Transport	25.57	127.02/ 115.28	23.59	27.40/ 185.60	19.71	122.80/ 108.30	76.10	463.41/ 116.40	76.04	84.28/ 83.02
vi) General Economic Services	47.75	100.42/ 99.62	74.61	485.11/ 132.40	51.42	103.38/ 99.55	57.67	99.89/ 98.14	63.37	101.77/ 99.67

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## DEBTS AND LIABILITIES

Outstanding Public Debt at the end of 2006-07 was Rs.2922.01 crore, comprising internal debt (Rs.2518.35 crore) and loans and advances from Central Government (Rs.403.66 crore) and other liabilities under Public Account was Rs.594.75 crore comprising of Small Savings, PF, Reserve Funds, Deposit and Remittance.

The State also acts as a banker and trustee in respect of deposits like small savings collections, provident funds and deposits. There was an overall increase of Rs.112.34 crore in respect of such liabilities of State Government during 2006-07.

Interest payments on debt and other liabilities totaling Rs.279.69 crore constituted 12.59 percentage of revenue expenditure of Rs.2222.15 crore. Interest payments on public debts were Rs.241.61 crore (Internal debt Rs.195.21 crore and loans and advances from Central Governments Rs.46.40 crore) and Rs.38.08 crore on other liabilities. Expenditure on account of interest payments increased by Rs.25.80 crore during 2006-07.

Internal debt of Rs.721.04 crore raised during 2006-07 was mainly used for (i) discharge of debt obligations Rs.423.23 crore and (ii) payments of interest Rs.195.21 crore.

## **INVESTMENTS AND RETURNS**

Total investments in share capital of non-financial Public Sector Undertakings (PSU) stood at Rs.119.85 crore at the end of 2006-07. Dividends received during the year were NIL on investment, while investments in PSUs increased by Rs.0.19 crore.

## **LOANS AND ADVANCES BY THE STATE GOVERNMENT**

Total loans and advances made by the State Government at the end of 2006-07, was Rs.30.52 crore. Recovery of principal amount aggregating Rs.26.19 crore is in arrears at the end of 31<sup>st</sup> March 2007.

Total loans and advances to Government Corporations/Companies, non-Government Institutes, Local bodies, etc. at the end of 2006-07, is Rs.23.77 crore. Recovery of principal amounting to Rs.21.79 crore is in arrears at the end of 31<sup>st</sup> March'2007.

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

Assistance to local bodies etc. during 2006-07 was Rs.34.04 crore , and increase from Rs.15.69 crore in 2002-03 to Rs.18.35 crore in 2006-07, thereby constituting a 53.91 per cent increase in the last five years. Co-operative Department consumed the major portion ( 3.14, 0.84 10.53, 12.08 and 11.25 per cent from 2002-03 to 2006-07) and Health and Family Welfare Department consumed the major portion (23.85 percent during 2006-07).

## **APPROPRIATION ACCOUNTS**

The Appropriation Accounts of the Government of Nagaland for the year 2006-07, present the accounts of sums expended in the year ended 31<sup>st</sup> March 2007 compared with the sums specified in the Schedules appended to the Appropriation Acts passed under Article 204 and 205 of the Constitution of India

The Appropriation Accounts show that in the year 2006-07, there was actual expenditure of Rs.3394.09 crore, comprising Revenue Expenditure (Rs.2241.85 crore), Capital Expenditure (Rs.710.48 crore), Repayment of Debt (Rs.441.52 crore), and Loans and Advances by the State Government (Rs.0.24 crore). There were savings/excesses under Revenue/Capital/Public Debt/Loans and Advances with reference to total grants allocated by the State Legislature.

(Rupees in crore)

Sl. No	Nature of expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual # expenditure	Savings(-) Excesses(+)
1	<b>Revenue</b>	1924.68	167.91	-	2092.59	1955.71	(-) 136.88
	Voted Charged	286.61	8.45	-	295.06	286.14	(-) 8.92
2	<b>Capital</b>	695.35	174.24	-	869.59	710.48	(-) 159.11
	Voted Charged						
3	<b>Public Debt</b> Charged	588.48	-	-	588.48	441.52	(-) 146.96
4	<b>Loans &amp; Advances</b> Voted	0.40	-	-	0.40	0.24	(-) 0.16
	<b>Total</b>	3495.52	350.60	-	3846.12	3394.09	(-) 452.03

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Details of persistent savings/excesses on a few selected grants/ appropriations are given below:

**TREND OF EXPENDITURE ON SELECTED GRANTS SHOWING PERSISTENT SAVINGS/EXCESS**

(Rupees in crore)

Year	Grant No. Department	Total allocation	Excess(+)/Saving (-) to total grant	Percentage of Excess/Savings to total grant
2003-2004	31- School Education	188.43	(+) 14.60	1.08
2004-2005	- do -	195.93	(-) 1.45	0.74
2005-2006	- do -	233.00	(+) 13.66	5.86
2006-2007	- do -	272.88	(+) 2.94	1.08
2003-2004	35- Medical, PH & FWF	81.51	(+) 1.46	1.79
2004-2005	- do -	80.81	(+) 9.36	11.58
2005-2006	- do -	104.52	(+) 6.73	6.44
2006-2007	- do -	109.97	(+) 7.93	7.21
2003-2004	55- Power Projects	80.81	(+) 80.22	99.27
2004-2005	- do -	93.73	(+) 0.79	0.84
2005-2006	- do -	99.43	(-) 0.27	0.27
2006-2007	- do -	117.16	(-) 3.49	2.98
2003-2004	58- Roads & Bridges	47.18	(+) 0.78	1.65
2004-2005	- do -	41.42	(+) 5.52	13.33
2005-2006	- do -	47.06	(+) 15.79	33.55
2006-2007	- do -	77.77	(+) 14.33	18.43
2003-2004	64- Housing	19.34	(+) 10.07	52.07
2004-2005	- do -	18.31	(+) 1.79	9.78
2005-2006	- do -	19.74	(+) 3.48	17.63
2006-2007	- do -	22.05	(+) 1.21	5.49

# Figures are gross

## 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 Heads of the Departments reconcile the departmental accounts figures with those booked in accounts compiled by the Sr. Deputy Accountant General (A&E). During the year 2006-07, reconciliation has been completed in respect of 91.25% of total grants. Reconciliation of the accounts controlled by the following departmental authorities was not done.

Sl. No	Grant No.	Department
1	16	State Guest House (Nagaland House, Guwahati)
2	34	Art and Culture
3	52	Forest
4	55	Power Projects
5	57	Housing Loans
6	58	PWD (R&B)
7	68	Police Engineering Project

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## TREASURY INSPECTIONS

### *Rendition of Treasury Accounts to Accountant General(A&E).*

During the year 2006-07, 144 accounts were received from the District Treasuries. Out of this, 83 accounts were not received on due dates. The delay in this regard ranged between one day to sixty eight days.

## CHAPTER-III

### TRENDS IN GOVERNMENT REVENUE AND EXPENDITURE

Trends in Government Revenue Receipts and Revenue Expenditure from 2002-03 to 2006-07 (5 years period) is given below.

#### *Revenue Receipts*

*(Rupees in crore)*

Year	Tax Revenue	Non-Tax Revenue	Grants-in-aid and Contributions	Gross Revenue Receipts	GDP at factor cost	Percentage of Gross Revenue Receipts to GDP
2002-03	108.01	43.94	1194.94	1346.89	4282.00*	31.45
2003-04	325.52	60.91	1973.36	2359.79	4838.66*	48.77
2004-05	238.46	77.90	1523.16	1839.52	5467.68	33.64
2005-06	354.03	96.82	1816.35	2267.20	6374.56	35.57
2006-07	435.95	91.14	2245.42 (a)	2772.51	6957.97	39.85

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#### *Revenue Expenditure*

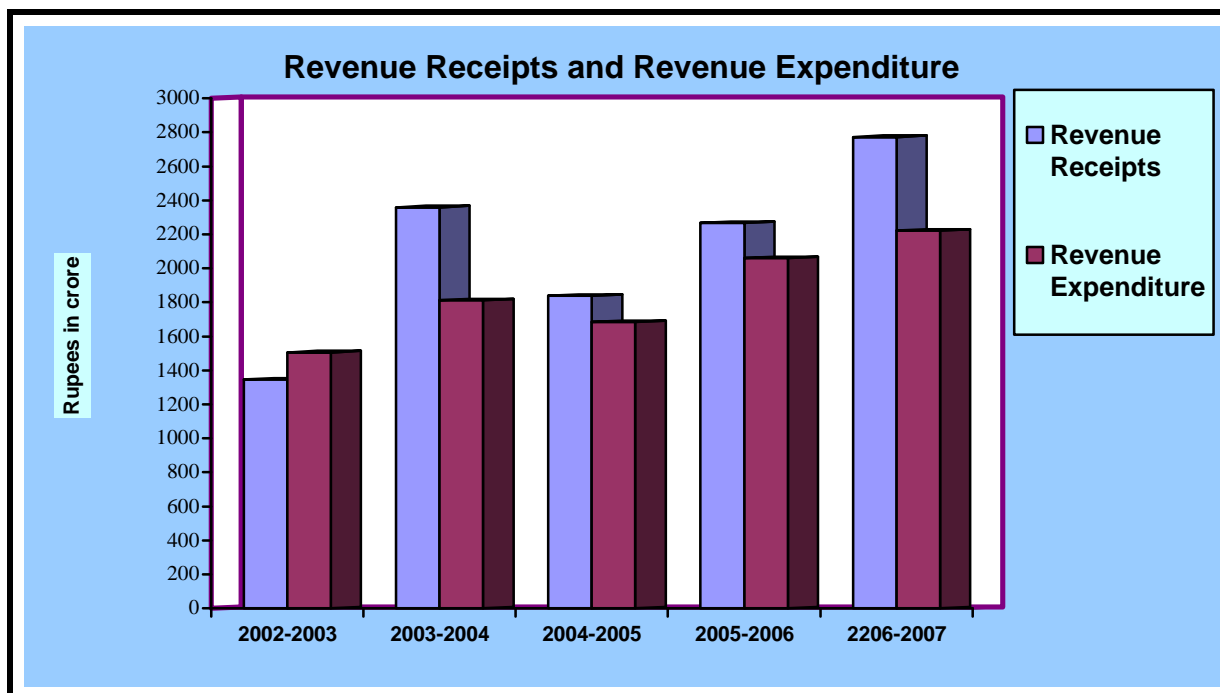
*(Rupees in crore)*

Year	Revenue Expenditure (Actuals)	Total Expenditure (Revenue + Capital + Loans & Advances)	GDP at factor cost	Percentage increase/decrease over last 5 year.			Percentage of Government Expenditure to GDP
				Revenue Expenditure	Total Expenditure	GDP	
2002-03	1506.27	1846.96	4282.00*	5.25	9.81	3.39	43.13
2003-04	1812.99	2209.20	4838.66*	16.92	16.40	11.50	45.66
2004-05	1684.63	2064.40	5467.68*	7.62	7.01	11.50	37.76
2005-06	2060.53	3579.01	6374.56*	18.24	19.95	14.23	40.46
2006-07	2222.15	2932.87	6957.97*	7.27	5.51	2.32	42.15

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\* Please see footnote on page 14.

(a) Please see footnote at page 3.



The overall increase in the Government's total expenditure during 2006-07 compared to 2002-03 (5 years) has been Rs.1083.58 crore. Growth in major areas of Revenue Expenditure is shown in the following table:

Areas of expenditure	2002-03	2003-04	2004-05	2005-06	2006-07	Percentage increase/ decrease in 2005-2006 over last year
Interest Payments and Servicing of Debt	214.58	234.74	249.62	253.89	279.69	(+) 10.16
Pension and Miscellaneous General Services	133.97	141.49	134.54	180.26	203.18	(-) 12.71
Administrative Services	409.01	455.51	429.19	458.22	487.94	(-) 6.49
Education, Sports, Arts and Culture	200.30	246.15	239.67	305.84	334.94	(-) 9.51
Health & Family Welfare	80.89	82.80	88.17	109.65	116.41	(+) 6.17
Energy	58.11	158.90	94.28	97.21	113.68	(-) 16.94
Science & Technology	2.27	3.18	2.75	2.24	6.50	(-)190.18

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### *Deficit/Surplus*

The Fiscal deficit decreased from Rs.(-) 306.41 crore in 2005-2006 to Rs.(-) 156.03 crore in 2006-07.

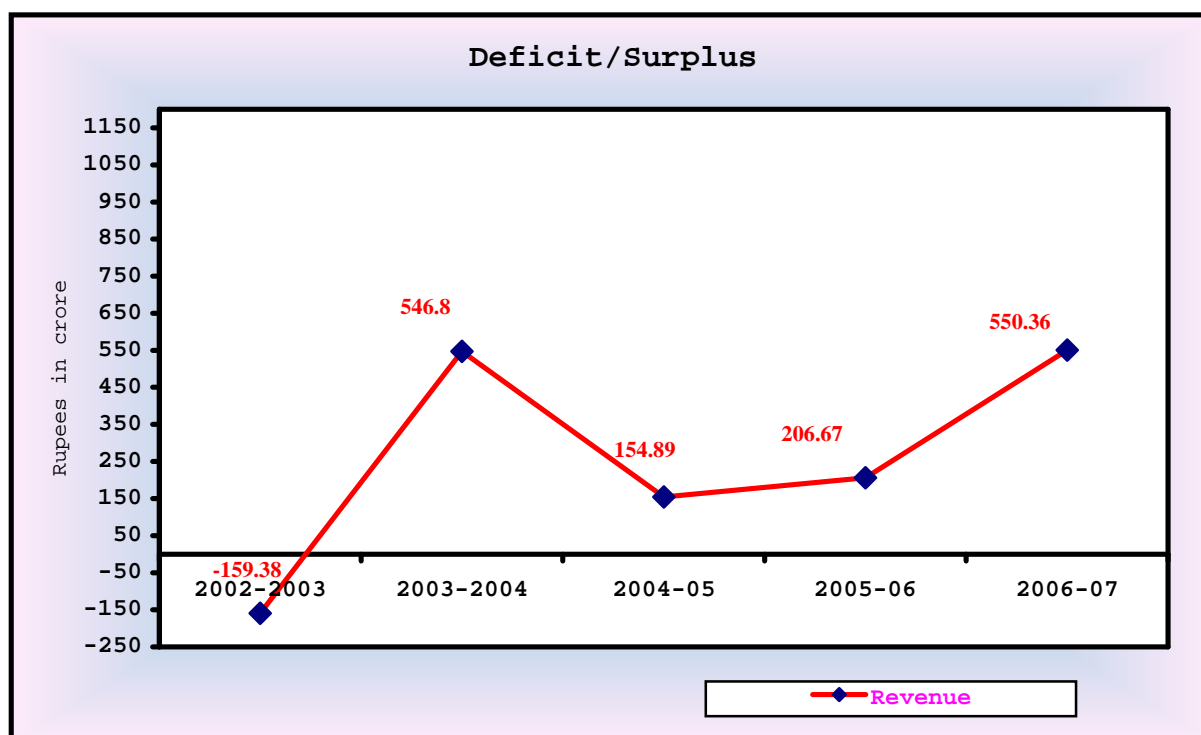
The total expenditure (Revenue and Capital) for the year is netted against total receipts (Revenue and non-debt Capital receipts) of the year and the surplus/deficit thereof is transferred to a separate ledger called "Government Account". In addition, net effect of Prior Period Adjustments, Miscellaneous Government Accounts, etc. is also transferred to the ledger "Government Account".

Thus, the ledger “Government Account” represents the cumulative surplus/deficit of the operations of the Government. The details of the ledger “Government Account” for the past five years are given below.

*(Rupees in crore)*

Year	Opening balance Cumulative deficit(-)/ surplus(+)	Revenue Heads			Capital Heads			Closing Balance Cumulative deficit(-)/ surplus(+)
		Receipts	Disburse- ments	Deficit(-)/ Surplus(+)	Receipts	Disburse- ments	Deficit(-)/ Surplus(+)	
2002-03	(-)2196.85	1346.89	1506.27	(-)159.38	7.42	343.02	(-)335.60	(-)2691.83
2003-04	(-)2691.83	2359.79	1812.99	(+)546.80	6.81	396.21	(-)389.40	(-)2534.43
2004-05	(-)2534.43	1839.52	1684.63	(+)154.89	6.50	379.78	(-)373.28	(-)2752.82
2005-06	(-)2752.82	2267.20	2060.53	(+)206.67	5.40	518.48	(-)513.08	(-)3059.23
2006-07	(-)3059.23	2772.51	2222.15	(-)550.36	4.33	710.72	(-)706.39	(-)3215.26

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## LIABILITIES

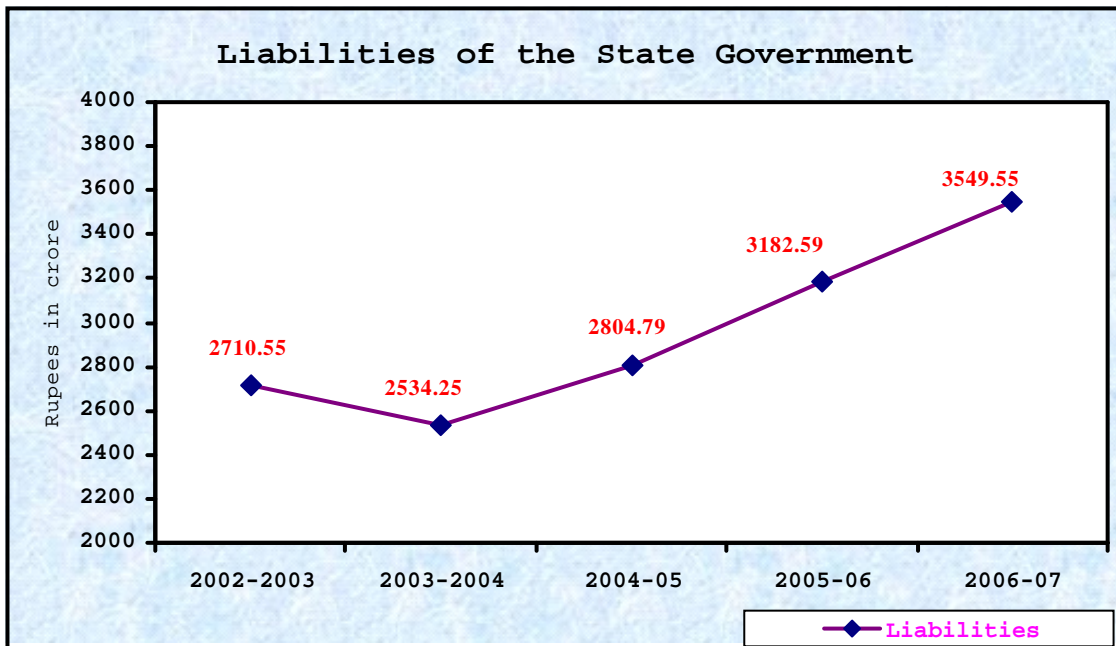
Liabilities of the State Government increased by Rs.839.00 crore from Rs.2710.55 crore in 2002-03 to Rs.3549.55 crore during 2006-07 Public Debt, comprising internal debt of the State Government and loans and advances from the Central Government, increased by Rs.819.79 crore, from Rs.2102.22 crore in 2002-03 to Rs.2922.01 crore at the end of the current year. 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.

(Rupees in crore)

Year	Internal Debt	Loans & Advances from Central Government	Total Public Debt	Small Savings	Provident Funds	Other Obligations	Total Liabilities*	GDP **	% of total liability to GDP
2002-03	1198.31	903.91	2102.22	33.51	413.58	161.24	2710.55	4282.00	63.30
2003-04	1529.31	395.10	1924.41	41.77	427.11	140.96	2534.25	4838.66*	52.38
2004-05	1711.72	434.57	2146.29	52.60	438.17	167.73	2804.79	5467.68	51.30
2005-06	2131.47	420.80	2552.27	64.08	443.08	123.16	3182.59	6374.56	49.93
2006-07	2518.35	403.66	2922.01	(-)24.99	436.85	215.68	3549.55	6957.97	51.01

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\* Small savings, Provident Funds, Non-interest bearing obligations such as deposits of Local Funds, Other earmarked funds, etc



## STATE PROVIDENT FUND

The details of transactions from the State Provident Fund are shown in the following table.

(Rupees in crore)

Year	Opening Balance	Receipts	Payments	Net accretion for the year	Closing Balance	Interest charged on balance of P.F	Incentive Bonus to PF Subscribers
2002-03	407.76	78.69	72.87	5.82	413.58	24.98	...
2003-04	413.58	91.20	77.67	13.53	427.11	32.71	...
2004-05	427.11	88.20	77.15	11.05	438.16	25.81	...
2005-06	438.17	133.91	128.99	4.91	443.08	32.82	...
2006-07	443.08	93.07	99.30	(-) 6.23	436.85	38.08	...

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\* \* SGDP figures has been collected from the Civil Audit Report of the State for the year 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07.

## 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.

(Rupees. in crore)

At the end of the year	Amount Guaranteed (Principal only)	Amount outstanding	
		Principal	Interest
2002-03	(a)	7.24	(b)
2003-04	(a)	7.24	(b)
2004-05	(a)	7.24	(b)
2005-06	(a)	7.24	(b)
2006-07	(a)	7.24	(b)

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-a- No information has been furnished by the Government.

-b- Interest amount is included in Rs.7.24 crore. Data on bifurcation as Principal and Interest is not available.

## WAYS AND MEANS ADVANCES

The State Government, in order to maintain and sustain its liquidity position, takes Ways and Means Advances from the Reserve Bank of India and thereafter, draws upon overdraft whenever there is shortfall in the agreed minimum cash balance in its account with the Reserve Bank of India. The State Government is required to maintain the minimum cash balance of Rs.25.00 lakh with Reserve Bank of India. The larger the amount, and greater the number of times such ways and means advances are taken or drawals made, the more it reflects over the adverse position of the cash balance of the State Government.

	2002-03	2003-04	2004-05	2005-06	2006-07
i) Number of days on which minimum balance was maintained	283	36	365	365	365
a) Without obtaining any advance	174	359	312	349	353
b) By obtaining Ways and Means Advance	109	6	53	14	7
ii) Number of days on which overdraft was taken	82	...	3	2	5

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## GENERAL CASH BALANCES

The closing cash balance according to the Reserve Bank of India was Rs.66.41 crore (debit) against the general cash balance of Rs.281.46 crore (debit) reflected in State Govt. accounts. The difference of Rs.215.04 crore was under reconciliation.

Investments held in the Cash Balance Investment Account\* as on 31<sup>st</sup> March 2007 were Nil.

\* M.H. 8673. This head is intended for the record of transactions connected with temporary investments of Cash balance. e.g. in short term loans or other Govt. securities.

Other cash balances and investment on 31<sup>st</sup> March, 2007 was Rs.219.49 crore, comprising cash with departmental officers Rs.181.10 crore, permanent advances with departmental officers NIL and investment of earmarked funds Rs.38.39 crore.

Cash balance with RBI increased from Rs.(-)332.17 crore at the beginning of the year 2006-07 to Rs.(-)281.46 crore at its end, the details of sources and applications of funds being as follows:-

(Rupees in crore)

SOURCE			APPLICATION				
Sl No.	Item	Amount	Sl. No.	Item	Amount		
					Non-Plan	Plan	Total
1	Opening Cash Balance	(-)332.17	1	Revenue Expenditure	1768.46	453.69	2222.15
2	State's Share of Union Taxes	316.93	2	Capital Expenditure	15.17	695.31	710.48
3	State's own revenue collections	210.16	3	Loans and Advances repaid	To Central Govt.	To Others	441.52
					18.29	423.23	
4	Central grants/assistance other than loans	2245.42	4	Loans and advances given	0.24		
5	Miscellaneous receipts.	...	5	Net effect of adjustment of suspense and remittance balances and increase/decrease of reserve funds	...		
6	Net Receipts from public debt, small savings, deposits and advances (other than Central loans)	805.81	6	Closing cash balance	(-)281.46		
7	Receipts from Central Loans.	1.15					
8	Recoveries from borrowers	4.33					
9	Net contribution from Contingency fund						
10	Net effect of adjustments of suspense and remittance balances and increase/decrease of reserve funds.	(-)158.70					
	TOTAL	3092.93		TOTAL	3092.93		

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## CONTINGENCY FUND

Contingency Fund of the State is designed to meet contingencies. No withdrawals were made during last five years. The balance of Rs.0.35 crore under Contingency Fund is being continued from 1978-79 onwards.

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