

Appendix I
Cash Balances and Investments of Cash Balances

(₹ in crores)		
	As on 31 st March 2012	As on 31 st March 2011
<i>(a) General Cash Balance-</i>		
1. Deposits with Reserve Bank ^[1]	-50.00(a)	-17,76.40
2. Remittances in Transit - Local	0.54	0.54
Total	-49.46	-17,75.86
3. Investments held in the "Cash Balance Investment Account."	3,70.74	6,83.53
Total -(a)	3,21.28	-10,92.33
<i>(b) Other Cash Balances and Investments</i>		
Cash with Departmental Officers		
1. Cash with departmental officers, viz. Forest and Public Works	2.72	13.93
2. Permanent advances for contingent expenditure with departmental officers.	0.11	0.11
3. Investments of Earmarked Funds	18,37.64	14,55.13
Total -(b)	18,40.47	14,69.17
Total - (a) and (b)	21,61.75	3,76.84

[1] The balance under the head 'Deposits with Reserve Bank' is arrived at after taking into account the Inter-Government monetary settlements pertaining to transactions of the financial year 2011-12 advised to the Reserve Bank of India till 16 April, 2012.

(a) Cash Balance worked out by Pr. Accountant General is ₹ 50.00 crore (Credit) with Reserve Bank of India besides ₹ 0.54 crore (debit) as Remittances in Transit. The cash balance reported by RBI as on 31st March 2012 is ₹ 39.96 crore (debit). Thus there is a difference of ₹ 10.04 crore (credit) between the two figures. The difference is being reconciled (August, 2012).

Appendix I-contd.
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Explanatory Notes

a) Cash and Cash Equivalents: Cash and cash equivalents consist of cash in treasuries and deposit with Reserve Bank of India and other Banks and Remittances in Transit, as stated in the pre-page statement. The balance under the head 'Deposits with Reserve Bank' depicts the combined balance of the Consolidated Fund, Contingency Fund and the Public Account at the end of the year. To arrive at the overall cash position, the cash balances with treasuries, departments and investments out of the cash balances/reserve funds etc. are added to the balance in 'Deposits with Reserve Bank of India'.

(b) Daily Cash Balance: Under an agreement with the Reserve Bank of India, the State Government has to maintain a minimum cash balance of ₹1.14 crore with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary and special ways and means advances/overdrafts from time to time.

For arriving at the daily cash balance^[2] for the purpose of grant of Ways and Means advances/Overdraft, the RBI evaluates the holdings of the 14 day treasury bills along with the transactions reported (at RBI counters, Inter-Government transactions and Treasury transactions reported by the agency banks) for the day. To the cash balance so arrived, the maturity of 14 day Treasury Bills if any, is added and excess balance, if any, after maintaining the minimum cash balance is reinvested in Treasury Bills. If the net cash balance arrived at results in less than the minimum cash balance or a credit balance and if there are no 14 day treasury bills maturing on that day, RBI rediscounts the holdings of the 14 day Treasury Bills and makes good the shortfall. If there is no holding of 14 day Treasury Bills on that day the State Government applies for Ways and Means Advances/Special Ways and Means Advances/ Over Draft.

(c) The limit for ordinary ways and means advances to the State Government was ₹ 11.01 crore with effect from 01-04-2011. The Bank has also agreed to give special ways and means advances against the pledge of Government Securities. The limit of special ways and means advances is revised by the Bank from time to time.

^[2] The cash balance ('Deposits with Reserve Bank of India') above is the closing cash balance of the year as on 31st March, 2012 but worked out by 16th April and not simply the daily balance on 31st March, 2012

Appendix I-concl'd.
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The extent to which the Government maintained the minimum cash balance with the Reserve Bank during 2011-12 is given below:-

(i) Number of days on which the minimum balance was maintained without taking any advance	355
(ii) Number of days on which the minimum balance was maintained by taking ordinary ways and means advance	7
(iii) Number of days on which the minimum balance was maintained by taking special ways and means advances	4
(iv) Number of days on which there was shortfall in minimum balance even after taking the above advances, but no overdraft was taken	..
(v) Number of days on which overdrafts were taken	..

At the close of the year 2010-2011 no amount was outstanding under ways and means advances and shortfall overdraft outstanding was NIL. During 2011-12 an amount of ₹ 9,74.27 crore on account of special ways and means advances taken, the entire amount was repaid and the balance was nil.

During 2010-11 a sum of ₹ 1,15.52 lakh (interest @7.25%) was paid as interest. During 2011-12 ₹ 1,51.25 lakh (interest @ 5.25 to 11.25%) was paid on ways and means advances.

The State Government has invested ₹ 3,70.74 crore in the Government of India Securities under Cash Balance Investment Account. Interest realised during the year on these investments was ₹ crores which was ₹ 0.05 crore more than that realised during last year. The interest rate on investment varied from 5% to 5.5% during the year.

The amounts invested out of earmarked funds are shown in Statement No. 19.