



Report of the Comptroller and Auditor General of India on State Finances

**for the year ended 31 March 2011
(Report No. 1)**



GOVERNMENT OF MANIPUR

TABLE OF CONTENTS

	<i>Paragraph</i>	<i>Page</i>
Preface	-	(iii)
Executive Summary	-	(v)
CHAPTER-I		
FINANCES OF THE STATE GOVERNMENT		
Summary of Current Year's Fiscal Transactions	1.1	1
Fiscal Responsibility and Budget Management (FRBM) Act, 2005	1.2	3
Growth and Composition of Gross State Domestic Product	1.3	4
Budget Analysis	1.4	4
Resources of the State	1.5	6
Revenue Receipts	1.6	10
Application of resources	1.7	15
Quality of Expenditure	1.8	21
Financial Analysis of Government Expenditure and Investments	1.9	24
Assets and Liabilities	1.10	27
Debt Sustainability	1.11	31
Fiscal Imbalances	1.12	32
Conclusion and recommendations	1.13	35
CHAPTER-II		
FINANCIAL MANAGEMENT AND BUDGETARY CONTROL		
Introduction	2.1	37
Summary of Appropriation Accounts	2.2	37
Financial Accountability and Budget Management	2.3	38
Non-Reconciliation of Departmental figures	2.4	44
Personal Deposit Accounts	2.5	45
Errors in budgeting process	2.6	45
Conclusion and recommendations	2.7	45
CHAPTER-III		
FINANCIAL REPORTING		
Utilization Certificates	3.1	47
Non-submission/delay in submission of accounts	3.2	48
Delays in submission of Accounts/Audit Reports of Autonomous	3.3	49

Bodies		
Misappropriations, losses, defalcations <i>etc.</i>	3.4	50
Conclusion and recommendations	3.5	51
APPENDICES		
1.1	Part A: Structure and Form of Government Accounts	53
	Part B: Layout of Finance Accounts	54
	Part C: Methodology Adopted for the Assessment of Fiscal Position	55
	Part D: State Profile	56
	Part E: The Fiscal Responsibility and Budget Management (FRBM) Act, 2005	57
1.2	Abstract of Receipts and disbursements for the year 2010-11	58
1.3	Statement showing funds transferred to the State implementing Agencies under Programmes/Schemes outside the State budget during 2010-11	60
1.4	Assets and Liabilities of the Government of Manipur as on 31 March 2011	63
1.5	Time series data on the State Government finances	64
2.1	Statement of various Grants/Appropriations where savings was more than ₹ one crore in each or more than 25 <i>per cent</i> of the total provision	67
2.2	Statement showing expenditure incurred without provision during 2010-11	69
2.3	Excess over provision of previous years requiring regularisation	70
2.4	Excess/Unnecessary/Insufficient re-appropriation of funds	70
2.5	Statement showing cases of substantial surrenders (exceeding ₹ 50 lakh) made during the year 2010-11	73
2.6	Statement of various Grants/Appropriations in which savings occurred but no part of which had been surrendered	75
2.7	Statement showing details of saving of ₹ one crore and above not surrendered	77
2.8	Statement showing cases of surrender of funds made as on 31 March 2011	79
2.9	Statement showing cases of rush of expenditure during March; which was more than 25 <i>per cent</i> of total expenditure of the year	80
2.10	Statement showing department/institute –wise outstanding AC Bills as on October 2011	83
3.1	Statement showing outstanding Utilization Certificates as on 31 March 2011	84
3.2	Statement showing names of Bodies, the accounts of which had not been received	87
3.3	Statement showing position of placement of SAR of ADC/ Autonomous body as on 31 March 2011	88
4.1	Glossary of terms	89

PREFACE

1. *This Report has been prepared for submission to the Governor under Article 151 of the Constitution.*
2. *Chapters I and II of this Report contain Audit findings on matters arising from examination of Finance Accounts and Appropriation Accounts respectively of the State Government for the year ended 31 March 2011.*
3. *Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives issued during the current year.*
4. *Audit observations on matters arising from performance reviews and audit of transactions in various departments including the Public Works and Irrigation and Flood Control Departments, audit of stores and stock, audit of autonomous bodies, audit of revenue receipts and departmentally run commercial undertakings for the year ended 31 March 2011 are included in a separate Report.*
5. *The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.*

Executive Summary

Background

This Report on the finances of the Government of Manipur is being brought out with a view to assess objectively the financial performance of the State during the year 2010-11. The aim of this Report is to provide the State Government with timely inputs based on actual data so that there is better insight into both performing as well as non performing schemes/programmes of the Government. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government in Fiscal Responsibility and Budget Management Act, 2005 as well as in the Budget estimates of 2010-11.

The Report

Based on the audited accounts of the Government of Manipur for the year ending March 2011, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is in three chapters.

Chapter I is based on audit of Finance Accounts and makes an assessment of the Government of Manipur's fiscal position as on 31 March 2011. It provides an insight into trends in committed expenditure, borrowing pattern besides a brief account of Central funds transferred directly to the State implementing agencies.

Chapter II is based on audit of Appropriation Accounts and gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter III is an inventory of Manipur Government's compliance with various reporting requirements and financial rules.

Audit findings and recommendations

FINANCES OF THE STATE GOVERNMENT

Revenue receipts

During 2006-11, around 89 to 91 *per cent* of the revenue receipts of the State came from the Central Government. There has been a significant increase of ₹ 1557 crore in revenue receipts in 2010-11 mainly due to increase in Grants-in-aid (₹ 1072 crore) in the current year. This had a favourable impact on the revenue receipt of the State. The increase in Share of Union Taxes / Duties, Own Tax and Non-tax collection augmented the healthy revenue receipts during the current year. (Paras 1.1, 1.6 and Table 1.8).

Efforts should be made to increase tax compliance and reduce administrative costs. Timely compliance on all conditionalities that are pre-requisites to release of funds and timely utilisation of central funds would help in increasing of State's revenue receipts.

Expenditure status

During 2006-11, expenditure on capital accounts had increased significantly by 121 *per cent* from ₹ 867 crore to ₹ 1918 crore; exhibiting a steady growth than revenue expenditure which grew by 69 *per cent* during the period. (para 1.7.1). Plan expenditure as percentage of total expenditure increased from 40 *per cent* in 2006-07 to 50 *per cent* in 2010-11 (para 1.7.1).

A similar trend was also noticed in terms of expenditure by activities, and was orienting more towards developmental activities of Social Services and Economic Services. However, Non-Plan Revenue Expenditure exceeded the limits set in MTFPS/budget/ThFC (para 1.7.1).

A monitoring mechanism to focus on timely completion of projects should be in place to ensure that completed projects yield back resources to the economy of the State. Critical areas in planning needs to be focused while allocating funds so that capital/plan/development activities undertaken during the last five years do not falter. Expenditure on NPRES should remain a focal point of attention of the Government.

Fiscal position, fiscal liabilities and sustainability of debt

During 2010-11, due to an increase in the devolution of Grants-in-aid from the Central Government and share of taxes and duties, the revenue surplus increased by ₹ 493 crore. This increase in revenue surplus has enabled the State Government to contain both fiscal deficit and primary deficit, despite increase in total expenditure (para 1.12.1). At 6.18 *per cent* of GSDP, the fiscal deficit is still way off the mark of the ThFC target to limit the ratio at 3.5 *per cent* of GSDP by 2012-13 and at 3 *per cent* thereafter (para 1.2).

Fiscal Liabilities have been increasing during the last five years, and have increased at a faster rate during the last two years (2009-11) as compared to the previous years. The fiscal liabilities during the current year exceeded by ₹ 1472 crore than the assessed figure of ₹ 4652 crore in the MTFPS (Para 1.10.2).

Though there are signs of recovery, cautious and prudent management of expenditure and revenue mobilization need to be addressed so that financial position returns to a comfortable position. The State Government may need to give special attention to limit fiscal deficit-GSDP ratio as recommended by the ThFC.

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

During 2010-11, there was an overall saving of ₹ 679.14 crore. The overall saving was the net result of saving of ₹ 741.56 crore offset by excess of ₹ 62.42 crore. The excess of expenditure requires regularization under Article 205 of the Constitution of India. Excess expenditure for the period 2007-10 is yet to be regularized, awaiting recommendation of the Public Accounts Committee to regularize the excess expenditure (Paras 2.2 and 2.3).

There were cases of expenditure without any provision, unnecessary/insufficient supplementary provision and cases of substantial surrenders. There were also cases of surrender despite having no funds in the respective heads of accounts (Para 2.3). Out of ₹ 2,019.49 crore paid through Abstract Contingent (AC) bills during 2003-11, Detailed Countersigned Contingent bills for ₹ 653.29 crore are outstanding as on October 2011 (Para 2.4).

Expenditure without provision and surrender of whole amount/ funds without funds indicate that the budgetary process needs to be improved so as to avoid re-occurrence of such irregularities in future. Supplementary provisions should be used as an instrument to fine tune the flow of expenditure and should be applied in a judicious manner so that budget provisions and actual expenditure are matched to the extent possible. While a marked improvement in settling of

outstanding AC bills was visible in the current year, a close and rigorous monitoring mechanism needs to be applied to adjust AC bills within thirty days from the date of drawal of the amount.

FINANCIAL REPORTING

Utilization Certificates in respect of 1,659 grants and loans paid during 2007-11 involving ₹ 693.95 crore were in arrear as of March 2011. There were also delays in placement of Separate Audit Reports before the Legislature, and significant arrears in finalization of accounts by the Autonomous District Council/autonomous bodies. Out of 51 departments/autonomous bodies, only seven replies were received to ascertain the status of non-adjustment of temporary advances, misappropriation, losses *etc.* (Paras 3.1, 3.2, 3.3 and 3.4).

Government departments should take urgent action for timely receipt of utilization certificates and necessary steps for finalization of accounts. Inordinate delay in placement of Separate Audit Reports before the Legislature are a cause of concern and prompt action needs to be initiated in this regard.

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

Manipur is a special category State and is located in the north-eastern corner of India having a population of 27.21 lakh (2011 census). The density of population is 122 per sq. km. The land-locked State is bounded by Nagaland in the North, Mizoram in the south, Cachar district of Assam in the west, and has an international border-line with Myanmar in the east. The total geographical area of 22,327 sq. km. of the State is divided into two parts – the central valley portion and hill portion surrounding the valley. There are nine districts in the State, of which four are in the valley and five districts are located in the hills. The State is connected by three National Highways (NH) viz., NH-39, NH-53 and NH-150. There is an airport at Imphal, the capital town of the State. Presently, rail-line connects only Jiribam town at the border of Assam.

GSDP¹ of the State grew at the rate of 10.63 *per cent* (₹ 9198 crore) during 2010-11 against a growth of 12.37 *per cent* (₹ 8314 crore) during 2009-10. The Compounded Annual Growth Rate (CAGR) of GSDP of the State during 2001-11 was 11.79 *per cent* (Appendix 1.1 D).

This chapter provides a broad perspective of the finances of the Government of Manipur during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years.

1.1 Summary of current year's fiscal transactions

The table below presents the summary of the State Government's fiscal transactions during the current year (2010-11) *vis-à-vis* the previous year while Appendix 1.2 provides details of receipts and disbursements as well as overall fiscal position during the current year.

¹ Information as per Department of Economics and Statistics, Government of Manipur.

Table 1.1 Summary of Current Year's Fiscal Operations
(₹ in crore)

2009-10	Receipts	2010-11	2009-10	Disbursements	2010-11		
Section-A: Revenue					Non - Plan	Plan	Total
3873.14	Revenue receipts	5429.94	3014.40	Revenue expenditure	2979.44	1098.57	4078.01
196.04	Tax revenue	267.05	1181.29	General services	1618.53	24.22	1642.75
239.75	Non-tax revenue	259.88	891.16	Social services	662.83	575.64	1238.47
597.56	Share of Union Taxes/ Duties	990.57	815.98	Economic services	584.97	498.71	1083.68
2839.79	Grants from Government of India	3912.44	125.97	Grants-in-aid and Contributions	113.11	-	113.11
Section-B: Capital							
-	Misc. Capital receipts	-	1587.78	Capital outlay	0.99	1917.07	1918.06
3.28	Recoveries of Loans and Advances	1.19	6.89	Loans and Advances disbursed	0.25	3.55	3.80
519.89	Public debt receipts *	298.40	116.75	Repayment of public debt *			115.02
-	Contingency Fund	-	-	Contingency Fund			-
3218.15	Public Account receipts	4008.55	3137.29	Public Account disbursements			3634.11
616.05	Opening Cash Balance	367.40	367.40	Closing Cash Balance			356.48
8230.51	Total	10105.48	8230.51	Total			10105.48

(source: Finance Accounts)

* Excluding net transactions under Ways and means advances and Overdraft, if any

Following are the significant changes during 2010-11 over the previous year:

- **Revenue receipts** increased significantly by ₹ 1556.80 crore (40 per cent) over the previous year. Tax revenue increased by ₹ 71.01 crore and State's share of Union Taxes and Duties by ₹ 393.01 crore. Non-tax revenue and Grants-in-aid from Government of India (GoI) also increased by ₹ 20.13 crore and ₹ 1072.65 crore respectively. The robust growth in revenue receipt was mainly contributed by the Grants-in-aid from GoI;
- **Revenue expenditure and Capital expenditure** increased by ₹ 1063.61 crore (35 per cent) and ₹ 330.28 crore (21 per cent) respectively over the previous year;
- **Disbursement of Loans and Advances** decreased by ₹ 3.09 crore (45 per cent) over the previous year. Recoveries of Loans and advances also decreased by ₹ 2.09 crore over the previous year;
- **Public debt receipts** decreased sharply by ₹ 221.49 crore (43 per cent) over the previous year. Repayments of public debt also decreased by ₹ 1.73 crore over the previous year;
- **Public Accounts receipts and disbursements** increased by ₹ 790.40 crore (25 per cent) and ₹ 496.82 crore (16 per cent) over the previous year. Thus, net receipts increased by ₹ 293.58 crore during the year;

- The total inflow during 2010-11 was ₹ 10,105.48 crore against ₹ 8,230.51 crore in 2009-10, while the total outflow during 2010-11 was ₹ 9749 crore against ₹ 7863.11 crore during the previous year, leading to marginal decline in cash balances of the State by ₹ 10.92 crore (3 per cent) over the previous year.

1.2 Fiscal Responsibility and Budget Management (FRBM) Act, 2005

As per recommendation of the Twelfth Finance Commission (TFC), the State Government has enacted (August 2005) the Manipur Fiscal Responsibility and Budget Management Act (MFRBM) Act, 2005 and MFRBM Rules. The State Government has also developed its own Fiscal Correction Path for the period 2005-10 detailing the structural adjustments to achieve its fiscal targets. A Medium Term Fiscal Policy Statement (MTFPS) showing the rolling fiscal targets in each year was placed in the State Assembly to fine tune its fiscal targets. According to the recommendations of the Thirteenth Finance Commission (ThFC), *the states should amend/enact FRBM Acts to build in the fiscal reform path worked out. State-specific grants recommended for a state should be released upon compliance.* Accordingly, the MFRBM Rules, 2010 has been amended (July 2010) by the State Government fixing the target of Fiscal deficit – GSDP ratio for fiscal deficit correction path.

The performance of the State during 2010-11 in terms of fiscal targets fixed for major fiscal parameters/variables laid down in the FRBM Act and MTFPS *vis-à-vis* achievements is given in the table below:

Table 1.2 Trends in Major fiscal parameters/variables *vis-à-vis* projections for 2010-11
(₹ in crore)

Fiscal parameters	Targets as per FRBM Act	Projections made in MTFPS	Actual
Revenue deficit/surplus	Revenue deficit targeted at 0.00 (by 31.3.2009)	24.56 per cent of Total Revenue Receipts i.e 24.56 % x 5429.94 i.e ₹ 1333.59 crore	(+) 1352
Fiscal deficit/ GSDP (per cent)	3 per cent of GSDP (by 31.3.2009)	3.48 per cent of GSDP	6.18 per cent (FD – ₹ 569 cr and GSDP – ₹ 9198 cr)
State's outstanding guarantees	Not to exceed thrice the State's own tax revenue receipts of the second preceding year i.e. ₹ 510.21 crore (170.07 x 3).	NA	233
Salary expenditure	35 per cent of revenue expenditure net interest payment and pension i.e. 35 per cent of (4078.01–364.78 – 400.15) i.e. ₹ 1159.58 crore.	NA	1677.95 ²

(source: FRBM Act/Rules, MTFPS etc)

The above table reveals that the State could achieve the targets of fiscal parameters in respect of Revenue deficit and Outstanding guarantees. Though fiscal deficit (FD) was reduced by ₹ 164 crore from ₹ 733 crore in previous year to ₹ 569 crore in 2010-11, the target of FD as percentage of GSDP could not be achieved as set in the FRBM act/MTFPS. As compared to previous year FD-GSDP ratio of 8.82 per cent, the ratio registered 6.18 per cent.

² including ₹ 4.81 crore on wages and excluding ₹ 36.55 crore (Leave Encashment benefits) booked under 'M.H-2071-Pensions and Other Retirement Benefits'

As per ThFC recommendation, the State is also required to reduce the FD-GSDP ratio to 3.5 *per cent* in 2011-13 and to 3 *per cent* thereafter. The current trend of FD-GSDP ratio indicates that the State Government may require to give special attention to meet this parameter.

As in the previous years, the curb on Salary expenditure could not be achieved *vis-a-vis* FRBM target. As compared to an expenditure of ₹ 1140.77 crore incurred as salary and wages in 2009-10, an amount of ₹ 1677.95 crore was incurred under the salary and wages head in 2010-11; ₹ 537.18 crore (47 *per cent*) more than the previous year.

1.3 Growth and composition of Gross State Domestic Product

Gross State Domestic Product (GSDP), a major fiscal indicator is considered to be a key factor for assessing the performance of the State's economy. It is prepared based on income generating approach that measures gross income generated by factors of production physically located within the geographical boundaries of the State and also represents the volume of goods and services produced within the State. During 2010-11, the advance estimate GSDP for the State of Manipur was ₹ 9198 crore, which was arrived at on the basis of current price. The table below shows the trend of growth of GSDP for the last five years.

Table 1.3: GSDP and the rate of growth during 2006-11

	(₹ in crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Gross State Domestic Product*	6137	6799	7399	8314 (Q)	9198(A)
Growth rate of GSDP	7.22	10.79	8.82	12.37	10.63

* at current price and 2004-05 as base year; (Q) – Quick estimates, (A) – Advanced estimates
(Source: Economics and Statistics Department)

As per the preliminary GSDP figures of 2009-11, the State could register a robust GSDP growth as compared to earlier years (2006-09). The advance estimates of GSDP of the State at ₹ 9198 crore was higher than the ThFC and MTFPS projection of ₹ 8115 crore. The registered growth rate of GSDP at 10.63 *per cent* in 2010-11 was also marginally higher than the ThFC projected annual growth rate of 10.58 *per cent*.

1.4 Budget analysis

The budget papers presented by State Government provide description of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Several reasons may account for the deviation of actual realization from budget estimates e.g unanticipated and unforeseen events or under/over estimation of expenditure/revenue, *etc*. The table below and chart presents the consolidated picture of budget estimates and actuals of the State finances during 2010-11.

Table 1.4: Statement showing budget estimates and Actuals

(₹ in crore)

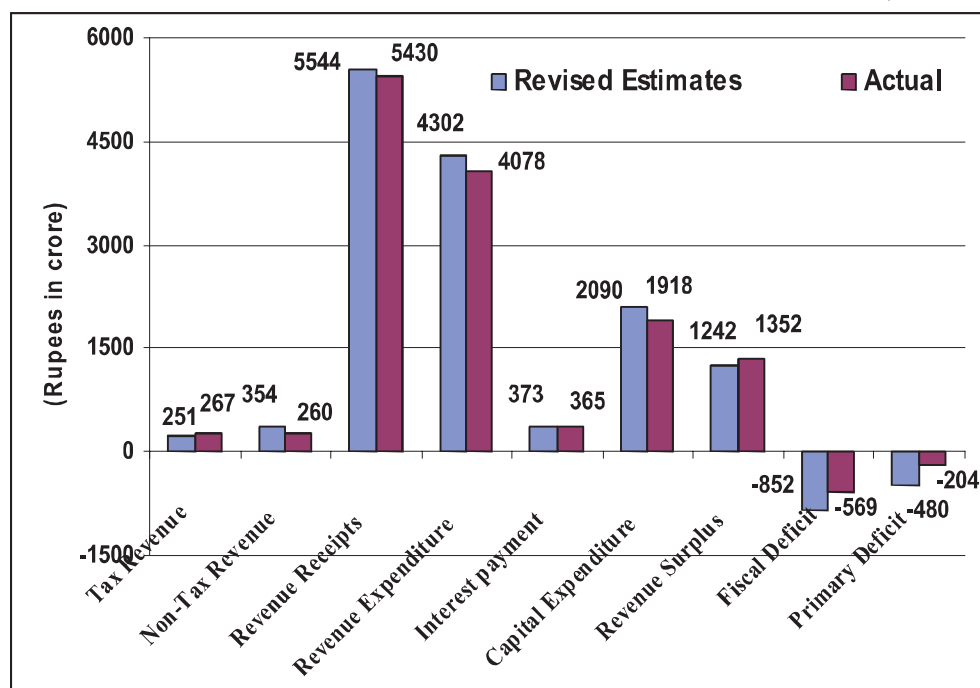
Parameters	2010-11			Percentage of excess (+)/ shortfall (-) w.r.t RE
	Budget Estimates (BE)	Revised Estimates (RE)	Actual	
Tax revenue	288.74	250.95	267.05	6.42
Non-tax revenue	456.63	353.50	259.88	(-) 26.48
Revenue receipts	5368.27	5544.34	5429.94	(-) 2.06
Revenue expenditure	4049.79	4301.96	4078.01	(-) 5.21
Interest payment	361.40	372.66	364.78	(-) 2.11
Capital expenditure	1765.06	2090.32	1918.06	(-) 8.24
Disbursement of Loans & Advances	18.20	8.00	3.80	(-) 52.50
Revenue surplus	1318.48	1242.38	1351.93	8.82
Fiscal deficit	- 282.00	- 852.28	- 568.74	(-) 33.27
Primary deficit (-)/surplus (+)	- 79.40	- 479.62	- 203.96	(-) 57.47
Capital receipts	179.12	-	-	-
Recoveries of Loans and Advances	3.66	3.66	1.19	(-) 67.49

(source: Budget documents and Finance Accounts)

The chart below presents the budget estimates and actuals for some important fiscal parameters during 2010-11.

Chart 1.1: Selected fiscal parameters, budget estimates *vis-à-vis* Actuals

(₹ in crore)



During 2010-11 revenue receipts, revenue expenditure and capital expenditure were less than the budget projections. In Non-tax revenue collection, the shortage was 27 per cent less than the revised budget figures. Actual tax revenue collection, however, was more than the budget figures by ₹ 16 crore. The budget project of Interest payment was relatively accurate as there was

marginal difference with the actual expenditure. The key parameters of deficits indicators viz., revenue surplus, fiscal deficit and primary deficit were better than the budget projects. While revenue surplus was more than the budget figures by ₹ 110 crore, fiscal deficit was less than the budget figures by ₹ 283 crore. In case of primary deficit, it was less than the budget by 58 per cent (₹ 276 crore).

1.5 Resources of the State

1.5.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, Non-tax revenues, State's share of union taxes and duties and Grants-in-aid from the Government of India (GoI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI as well as accruals from Public Account. Table-1.1 presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while Chart 1.2 depicts the trends in various components of the receipts of the State during 2006-11. Chart 1.3 depicts the composition of resources of the State during the current year.

Chart 1.2: Trends in Receipts

(Rupees in crore)

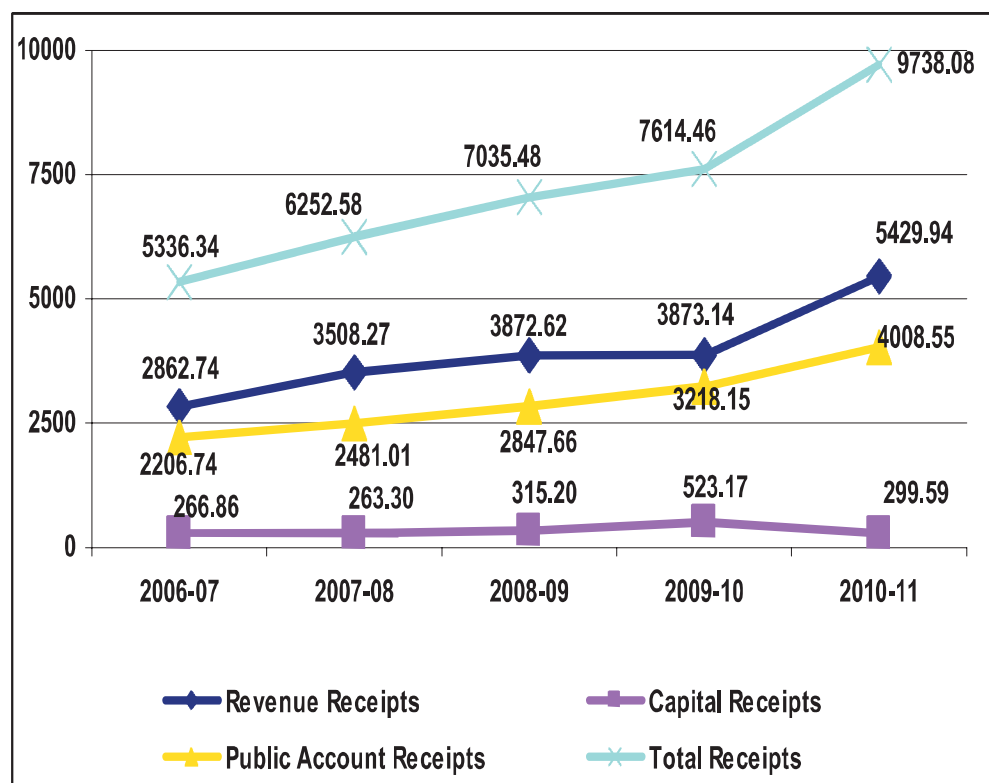
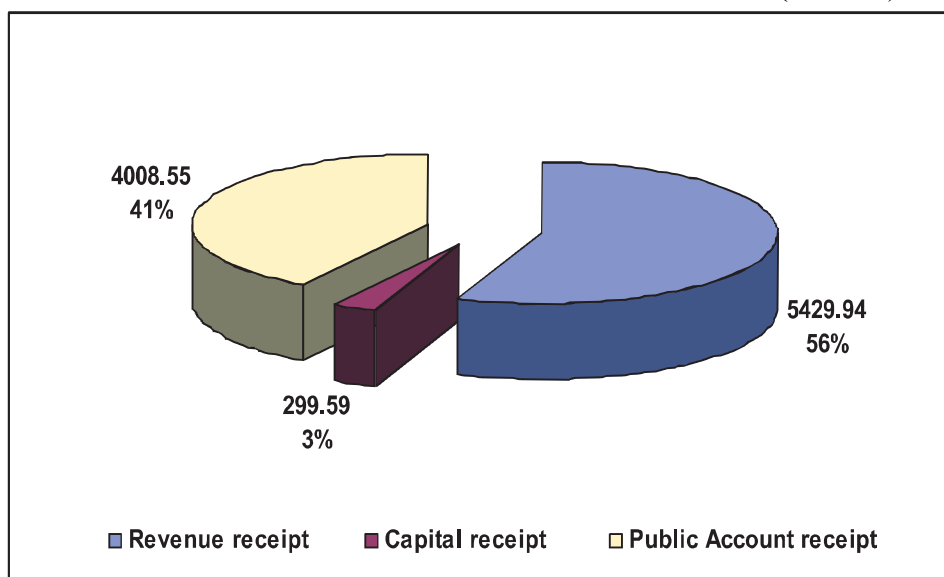


Chart 1.3: Composition of Receipts during 2010-11
(₹ in crore)



(Percentage shown in the chart has been worked against Total Receipt)

The total receipts during the current year has increased by ₹ 2123.62 crore (28 *per cent*) over the previous year. The increase in total receipt was due to increase in revenue receipts (₹ 1556.80 crore) and Public Account receipts (₹ 790.40 crore) partially offset by decrease in capital receipts (₹ 223.58 crore).

The total receipts of the State for 2010-11 was ₹ 9738.08 crore, of which ₹ 5429.94 crore (56 *per cent*) came from revenue receipts and ₹ 4008.55 crore (41 *per cent*) came from Public Account receipts. Capital receipts contributed ₹ 299.59 crore which formed three *per cent* of the total receipts.

Revenue receipts which remained stagnant in the previous year increased significantly in 2010-11 and registered a growth of 90 *per cent* from ₹ 2862.74 crore in 2006-07 to ₹ 5429.94 crore in the current year. During these five years (2006-11), the Public Account receipts increased steadily by 82 *per cent* from ₹ 2206.74 crore in 2006-07 to ₹ 4008.55 crore in 2010-11.

Capital receipts declined by ₹ 223.58 crore from ₹ 523.17 crore in 2009-10 to ₹ 299.59 crore in 2010-11. This has arrested the steady growth of capital receipts from ₹ 266.86 crore in 2006-07 to ₹ 523.17 crore in 2009-10 and will unburden to some extent repayment obligations which had built up steadily during 2006-10.

1.5.2 Funds transferred to State Implementing Agencies outside the State budgets

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies³ for the implementation of various schemes/programmes in social and economic sectors recognized as critical especially for human and social development of population. As these

³ Refer glossary in Appendix 4.1

funds are not routed through the State Budget/State Treasury System, Annual Finance Accounts do not capture the flow of these funds and to that extent State's receipts and expenditure as well as other fiscal variables/parameters derived from them are understated. During 2010-11, the Government of India has transferred an amount of around ₹ 931.58 crore to the Implementing Agencies. Details are given in Appendix 1.3. Significant amount released for major programmes/schemes are detailed in the table below:

Table-1.5: Funds transferred directly to State Implementing Agencies

(₹ in crore)

Sl. No.	Programme/Scheme	Implementing Agency in the State	Total fund released by the GoI during 2010-11
1	Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS)	Project Director, District Rural Development Agencies (DRDA)	339.45
2	Sarva Shiksha Abhiyan (SSA)	State Implementation Society, SSA	132.53
3	Pradhan Mantri Gram Sadak Yojana (PMGSY)	Manipur State Rural Roads Development Agency(MSRRDA)	88.83
4	National Rural Health Mission (NRHM)	State Health Society, State TB Society <i>etc.</i>	51.80
5	National Rural Drinking Water Programme	SWSM, Manipur	40.21
6	Human Resource Development for Health	Administrative Officer, Medical Directorate	30.00
7	Integrated Watershed Management Programme(WMP)	Project Director, District Rural Development Agencies (DRDA)	26.70
8	Rashtriya Madhyamic Shiksha Abhiyan (RMSA)	State Implementation Society, SSA	25.26
9	Infrastructure Development for product	Manipur Development Society	25.13
10	National AIDS Control Programme including STD Control	Manipur State AIDS Control Society, Social Awareness Service	23.03
11	Indira Awas Yojana (IAY) Rural Housing	7 DRDAs	20.53
12	National Bamboo Mission	State Bamboo Steering Committee	13.07
		Total	816.54

(Source: Finance Accounts)

The above table shows that an amount of ₹ 339.45 crore (about 36 *per cent* of the total funds transferred) was given for Mahatma Gandhi National Rural Employment Guarantee Programme, ₹ 132.53 crore (about 14 *per cent*) for Sarva Shiksha Abhiyan and ₹ 88.83 crore (about 10 *per cent*) for Pradhan Mantri Gram Sadak Yojana. With the transfer of an amount of around ₹ 931.58 crore directly by the GoI to the State Implementing Agencies, the total availability of State resources increased from ₹ 9738.08 crore to ₹ 10, 669.66 crore during the current year.

There is no single agency monitoring the funds directly transferred by the GoI and there is no readily available data on how much is actually spent in any particular year on major flagship schemes and other important schemes which are being implemented by the State Implementing Agencies and funded directly by the GoI and therefore, utilization of these funds runs the risk of poor accountability. Therefore, it is important to keep the accounts in a uniform manner and report the actual expenditure to the GoI, which would ensure end use of funds.

An analysis of two of these schemes viz., Pradhan Mantri Gram Sadak Yojana (PMGSY) and National Bamboo Mission revealed the following improper maintenance of accounts:

➤ **Pradhan Mantri Gram Sadak Yojana**

The activities of the Pradhan Mantri Gram Sadak Yojana in the State are carried out through Manipur Rural Roads Development Agency (MSRRDA). The MSRRDA transferred the fund released by the GoI to various Programme Implementing Unit (PIU) which are the original implementing Agency. During 2010-11, ₹ 88.83 crore was released by the GoI for the programme.

During test check, it was found that out of ₹ 15.13 crore allotted to PIU, Ukhrul, ₹ 18.25 lakh released under three packages were not found entered in the cash book. Further, instead of ₹ 11.35 lakh released through another package, an amount of ₹ 12.10 lakh had been entered in the cash book. As such an amount of ₹ 0.75 lakh had been entered in the cash book in excess of the amount released.

The PIU, Ukhrul stated (December 2011) that an amount of ₹ 18.25 lakh issued by the MSRRDA in March and April 2010 was received by the PIU only in November 2011. Reasons for such inordinate delay in fund transmission were not stated in the reply. In respect of the discrepancy of ₹ 0.75 lakh between fund released and entry in the cash book, no comment had been offered.

➤ **National Bamboo Mission**

National Bamboo Mission (NBM) is 100 *per cent* centrally sponsored scheme under the Ministry of Agriculture. In Manipur, State Bamboo Steering Committee (SBSC), under the Forest Department is the implementing agency. The activities of NBM in the State are carried out through Forest Development Agencies (FDA), Bamboo Development Agencies (BDA) and one NGO⁴.

During 2010-11 an amount of ₹13.07 crore including ₹ 5.91 crore for the NGO was released by GOI for the programme, the details of which are as shown below:-

Table-1.6: Scheme-wise receipt and expenditure under NBM for the year 2010-11

(₹ in crore)		
Sl. No.	Name of Implementing Agencies	Fund received
1	FDA/Senapati Forest Division	0.64
2	FDA/Northern Forest Division	1.04
3	FDA/Eastern Forest Division	0.73
4	FDA/Tengnoupal Forest Division	0.76
5	FDA/Southern Forest Division	0.91
6	FDA/Jiribam Forest Division	0.53
7	FDA/Western Forest Division	0.73
8	BDA	1.61
9	SBSC (Overhead & Training of Field Functionaries)	0.17
10	FEEDS/KVK-Sylvan, Hengbung, Senapati District	5.91
11	SBSC (Overhead)	0.04
Grand Total		13.07

(Source: Departmental records and records of the Societies)

⁴ FEEDS/KVK-Sylvan

During test check, it was found that in the FDA, Southern Forest Division (Sl. No. 5) a total amount of ₹ 31.63 lakh was found entered in the cash book without mentioning the cheque number and the date. In the records of the Bamboo Development Agency (Sl. No. 8), an amount of ₹ 60 lakh released in March 2011 had still not been entered (November 2011) in the cash book of BDA. No reply had been offered as of February 2012.

1.6 Revenue receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, central tax transfers and Grants-in-aid from GoI. The trends of revenue receipts over the period 2006-11 are presented in Appendix 1.5 and depicted in the chart below. The trends in revenue receipts relative to GSDP are also presented in the table below:

Chart 1.4: Trends in Revenue receipts

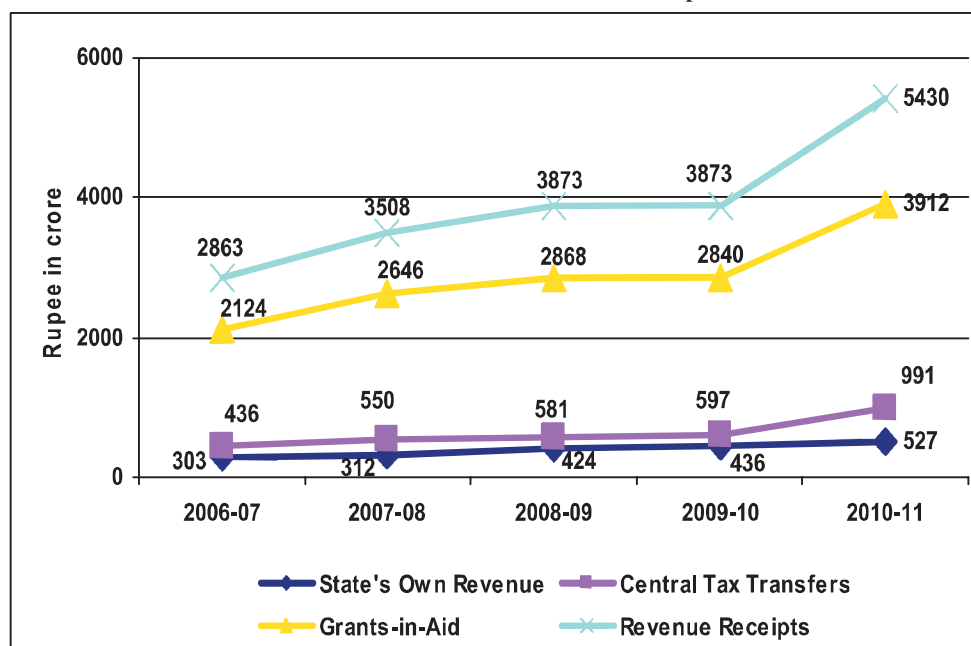


Table 1.7: Trends in Revenue receipts relative to GSDP

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue receipts (RR) (₹ in crore)	2862.74	3508.27	3872.62	3873.14	5429.94
Rate of growth of RR (<i>per cent</i>)	18.85	22.55	10.39	0.01	40.19
State Own taxes* (₹ in crore)	302.61	312.16	423.53	435.79	526.93
Rate of growth of Own taxes (<i>per cent</i>)	76.49	3.16	35.68	2.89	20.91
GSDP (₹ in crore)	6137	6799	7399	8314 (Q)	9198(A)
Rate of growth of GSDP (<i>per cent</i>)	7.23	10.79	8.82	12.37	10.63
R R/GSDP (<i>per cent</i>)	46.65	51.60	52.34	46.59	59.03
Buoyancy Ratios⁵					
Revenue buoyancy w.r.t. GSDP	2.61	2.09	1.18	0.0002	3.78
State's Own taxes Buoyancy w.r.t GSDP	10.58	0.29	4.05	0.23	1.97

* includes both Tax revenue and Non-tax revenue

(Source: Finance Accounts and records of Directorate of Economics and Statistics)

⁵ Refer glossary in Appendix 4.1

Though the State's own taxes remained buoyant as compared to the GSDP during 2010-11, it will have little impact to the revenue position in the State as the contribution of the State's own taxes to the revenue receipts of the State is marginal (about 10 *per cent*). As such, unless the proportion of State's own revenue sources improves, reduced devolution of Central funds in future will have an adverse impact on the State's economy.

1.6.1 General trends

As can be seen from chart 1.4, during 2006-11 around 89 to 91 *per cent* of the revenue receipt of the State came from GoI. The revenue receipts of the State increased by ₹ 2567.20 crore from ₹ 2862.74 crore in 2006-07 to ₹ 5429.94 crore in 2010-11. There were, however, wide inter-year variations in the growth rates, which ranged from 40.19 *per cent* growth (2010-11) to almost nil growth (2009-10). Except for Grants-in-aid from GoI in 2009-10, all the components of revenue receipts have exhibited increases in absolute terms over the period of 2006-11. The almost nil growth in revenue receipts in 2009-10 coincided with the negative growth of Grants-in-aid from GoI in 2009-10; and shows the extent to which the State's economy is dependent on central funds. The revenue receipts remained buoyant *vis-à-vis* GSDP and grew at nearly twice the rate of GSDP or more during 2006-07 except in 2009-10. The buoyancy of the State's own taxes depicted widely fluctuating figures indicating an uncertain trend of rate of growth as compared to GSDP growth rate.

1.6.2 Central tax transfers

The Central tax transfers increased significantly by 66 *per cent* (₹ 394 crore) over the previous year and constituted 18 *per cent* of revenue receipts. The increase was mainly due to transfer of additional amount of ₹ 141.29 crore as Corporation tax during 2010-11 and ₹ 89.59 crore as Customs duties. The central tax transfers also contributed around 25 *per cent* of increase in revenue receipts (₹ 1557 crore) during the year.

1.6.3 Grants-in-aid

Unlike previous year, Grants-in-aid from GoI increased by 38 *per cent* (₹ 1072 crore) in 2010-11 and contributed nearly 69 *per cent* of the incremental revenue receipts during the year. The Grants-in-aid continued to remain the major contributor to the revenue receipts of the State and accounted for 72 *per cent* of the revenue receipts of the State. The increase in Grants-in-aid was mainly contributed by increase in Special Plan Assistance (₹ 258.69 crore), Non-Plan Revenue Deficit Grant (₹ 251.18 crore) and Accelerated Irrigation Benefits Programme (₹ 231.25 crore).

1.6.4 State's own resources

As the State's share in Central taxes and Grants-in-aid are determined on the basis of recommendations of the Finance Commission, collection of Central tax receipts and Central assistance for plan schemes *etc.*, the State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax

Name of component	Year				2010-11		
	2006-07	2007-08	2008-09	2009-10	BE	2010-11	Variation in Actual and BE (<i>in per cent</i>)
Tax revenue							
Sales tax	96.64	120.75	141.38	163.28	220.00	227.57	(+) 3.44
Other taxes on Income and Expenditure	13.28	14.72	15.46	17.63	30.00	18.77	(-) 37.43
Taxes on vehicles	3.19	3.57	4.03	4.34	15.00	4.44	(-) 70.40
State excise	3.62	3.75	3.91	4.70	6.00	6.61	(+) 10.16
Stamps and registration fees	2.83	2.93	3.18	4.26	10.00	3.57	(-) 64.30
Others	2.01	1.73	2.11	1.83	7.74	6.09	(-) 21.32
Sub-total	121.57	147.45	170.07	196.04	288.74	267.05	(-) 7.51
Non-tax revenue							
General Services	91.94	62.31	105.12	80.74	214.39	96.36	(-) 55.05
Social Services	3.39	4.79	9.78	11.63	14.91	16.25	(+) 8.99
Economic Services	50.66	70.00	98.57	114.65	182.32	102.62	(-) 43.71
Interest receipts and dividends <i>etc.</i>	35.05	27.61	39.99	32.73	45.01	44.65	(-) 0.80
Fiscal services	--	--	--	*	-		-
Sub-total	181.04	164.71	253.46	239.75	456.63	259.88	(-) 43.09
Total	302.61	312.16	423.53	435.79	745.37	526.93	(-)50.6

(a) *Own tax revenue*

The tax revenue during 2010-11 increased by 36 *per cent* from ₹ 196.04 crore in 2009-10 to ₹ 267.05 crore in 2010-11. The increase of ₹ 71.01 crore was mainly contributed by Sales Tax (₹ 64.28 crore). As in the previous years, Sales Tax (₹ 227.57 crore) remained the only major contributor of the State own tax resource and accounted for around 85 *per cent* of the tax. The own tax revenue-GSDP ratio (2.90 *per cent*) was marginally higher than the projection (2.75 *per cent*) made by the ThFC. The Compounded Annual Growth Rate⁶ (CAGR) of own tax revenue between 2001-02 and 2009-10 was 18.33 *per cent*, which increased to 20.17 *per cent* between 2001-02 and 2010-11; indicating that the collection of own tax revenue has improved in 2010-11 relative to previous years.

➤ *Cost of collection*

The gross collection of major revenue receipts, expenditure incurred on collection and the percentage of such expenditure to gross collection during 2008-09 to 2010-11 along with relevant All India Average percentage of expenditure on collection to gross collection are mentioned in the table below:

⁶ Compounded Annual Growth Rate is calculated by taking the nth root of the total percentage growth rate, where n is the number of years in the period under considered. CAGR = [Ending Value/Beginning Value]^(1/no. of years) - 1

Table 1.9: Expenditure on collection *vis-à-vis* percentage to gross collection

(₹ in crore)

Head of revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India average percentage of expenditure to gross collection
Taxes/VAT on sales, trade <i>etc.</i>	2008-09	141.38	1.62	1.15	0.83
	2009-10	163.28	1.54	0.94	0.88
	2010-11	227.57	2.46	1.08	0.96
State excise *	2008-09	3.91	1.75	44.76	3.27
	2009-10	4.70	1.74	37.02	3.66
	2010-11	6.61	2.05	31.01	3.64
Taxes on vehicles	2008-09	4.03	1.96	48.64	2.58
	2009-10	4.34	1.90	43.78	2.93
	2010-11	4.44	2.89	65.09	3.07

(source: Finance Accounts)

* Since cost of collection has not been segregated, the expenditure under Direction and Administration has been taken as cost of collection.

As can be seen from the above, the cost of collection of taxes/VAT on sales *etc.* of the State was marginally higher than the corresponding All India average. During 2010-11 though the gross collection on sales tax/VAT *etc.* improved, the percentage of expenditure to collection increased marginally due to increase of expenditure on collection of taxes. The cost on collection of taxes on vehicles of the State was abnormally higher than All India figures and exceeded more than 50 *per cent* of the taxes collected in 2010-11. Such incidence of high expenditure *vis-à-vis* collection of taxes is a cause of concern.

(b) Non-tax revenue

The non-tax revenue increased by 8 *per cent* (₹ 20.13 crore) from ₹ 239.75 crore in 2009-10 to ₹ 259.88 crore in 2010-11. The increase of ₹ 20.13 crore was mainly due to Miscellaneous General Services (₹ 15.40 crore) and Interest Receipts of State Government (₹ 11.93 crore) offset by decrease under Power (₹ 15.78 crore). The CAGR of Own non-tax revenue between 2001-02 and 2009-10 was 30 *per cent*, which declined to 28 *per cent* between 2001-02 and 2010-11. As around 81 *per cent* of the non-tax revenue came from three heads of accounts *viz.*, Power (₹ 88.29 crore), Miscellaneous General Services (₹ 77 crore) and Interest Receipts (₹ 45 crore), any variation in revenue collection under these heads would tend to affect the overall revenue collection of non-tax revenue.

➤ Cost recovery in supply of merit goods and services

The cost of recovery of Non-Tax Revenue Receipts (NTR) as a percentage of non-plan revenue expenditure (NPRE) in supply of merit goods and services of some selected socio-economic services by Government are shown in the table below:-

Table 1.10: Cost of recovery of socio-economic services during 2009-11

(₹ in crore)

Name of Services	2009-10			2010-11		
	Non-tax revenue receipts	Non-plan revenue expenditure	NTR as percentage of NPRE	Non-tax revenue receipts	Non-plan revenue expenditure	NTR as percentage of NPRE
Water Supply and Sanitation	9.48	58.17	16	14.21	46.83	30
Irrigation	7.18	11.83	61	10.68	26.85	40

(source: Finance Accounts)

NTR as percentage of NPRE under Water Supply and Sanitation increased from 16 *per cent* in 2009-10 to 30 *per cent* in 2010-11. This improvement was the net result of decrease in NPRE and increase in NTR over the previous year. However, in case of Irrigation the corresponding figure declined from 61 *per cent* to 40 *per cent*. In these two selected services, the NPRE was more than the NTR in both the years; and therefore efforts needs to be explored to limit NPRE and increase NTR collection so as to make the provision of these important services self sufficient.

1.6.5 Own resources vis-à-vis assessments of Twelfth/Thirteenth Finance Commissions

The mobilization of State's own resources *vis-à-vis* assessments made by the TFC (2006-10)/ThFC (2010-11) and actuals are as follows:-

Table 1.11: TFC/ThFC recommendations of Tax and Non-Tax *vis-à-vis* Actuals

(₹ in crore)

Year	Assessment of TFC/ThFC			Actual			Shortfall (percentage)		
	Tax	Non-Tax	Total	Tax	Non-Tax	Total	Tax	Non-Tax	Total
2006-07	169.65	40.15	209.80	121.57	181.04	302.61	48.08(28)	-	-
2007-08	190.17	48.76	238.93	147.45	164.71	312.16	42.72(22)	-	-
2008-09	213.18	58.34	271.52	170.07	253.46	423.53	43.11(20)	-	-
2009-10	238.98	69.11	308.09	196.04	239.75	435.79	42.94(18)	-	-
2010-11	223.41	49.96	273.37	267.05	259.88	526.93	-	-	-

(source: Finance Accounts)

The State could not achieve the targets of tax revenue collection fixed by the TFC during the award period of 2006-10. However, the State was able to reduce the shortfall in succeeding years, and was more than the projected figure of ThFC in 2010-11. The actual revenue collection from non-tax revenue, however, was much higher than the TFC/ThFC targets and there was no shortfall in own revenue collection *vis-à-vis* TFC/ThFC targets during 2006-11.

However, both own tax revenue and non-tax revenue was short of the projections made in the MTFPS/budget (Own tax revenue - ₹ 288.74 crore and Non-tax revenue - ₹ 456.63 crore).

1.7 Application of resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is therefore important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially expenditure directed towards development and social sectors.

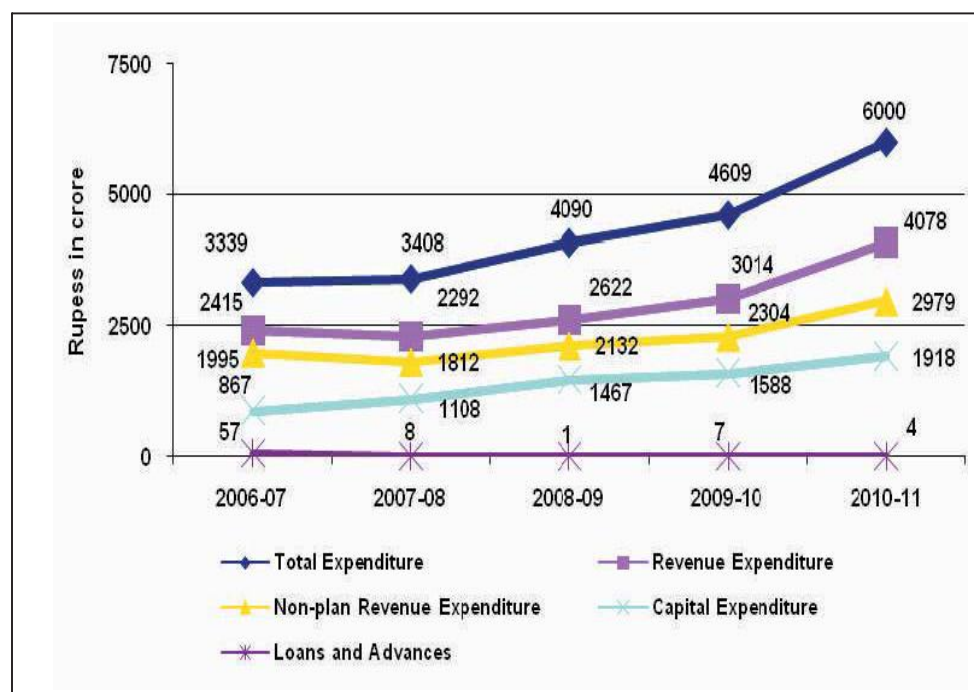
1.7.1 Growth and composition of expenditure

The total expenditure and its compositions during the years 2006-11 are presented in the table and depicted in the chart below:-

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Total Expenditure	3338.46	3408.41	4090.16	4609.07	5999.87
Revenue expenditure	2414.65	2292.52	2622.28	3014.40	4078.01
<i>Of which, Non-plan revenue expenditure</i>	<i>1994.65</i>	<i>1812.61</i>	<i>2132.23</i>	<i>2304.51</i>	<i>2979.44</i>
Capital expenditure	866.97	1107.92	1466.80	1587.78	1918.06
Loans and Advances	56.84	7.97	1.08	6.89	3.80

(source: Finance Accounts)

Chart 1.5: Trends in various components of Total Expenditure during 2006-11



The CAGR of total expenditure of the State between 2001-02 and 2010-11 was 16.48 per cent.

During 2010-11 the total expenditure increased by ₹ 1390.80 crore (30 per cent) from the previous year. The increase was due to increase in revenue

expenditure (₹ 1063.61 crore) and capital expenditure (₹ 330.28 crore). During 2006-11, expenditure on capital accounts had increased significantly by 121 *per cent* from ₹ 867 crore to ₹ 1918 crore; exhibiting a much more steady growth than revenue expenditure which grew by 69 *per cent* during the period. There was a decrease of expenditure of ₹ 3.09 crore under Loans and Advances.

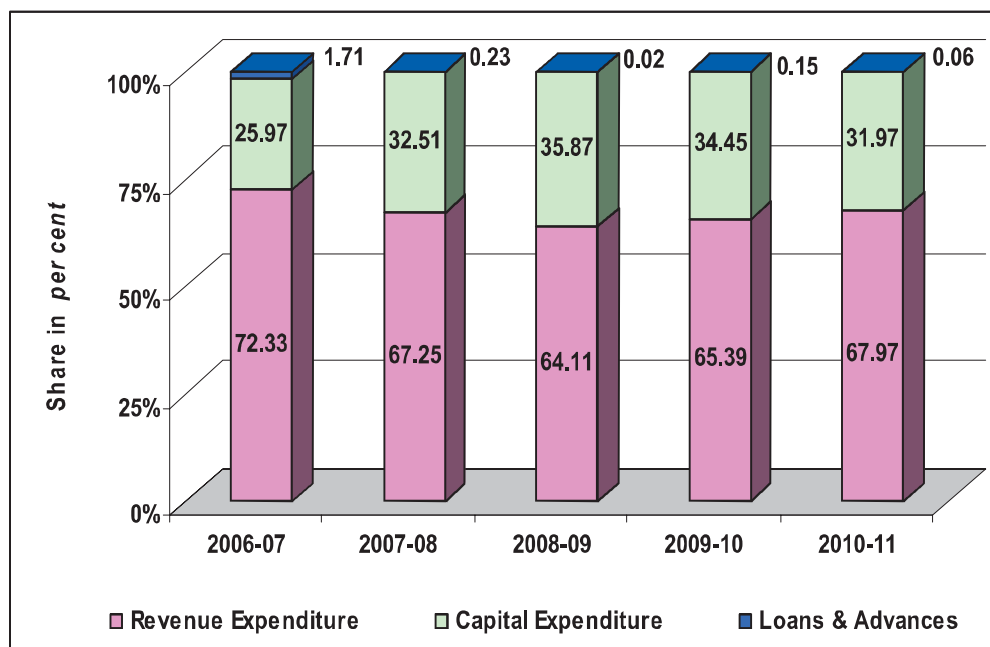
The increase in revenue expenditure (₹ 1063.61 crore) was mainly due to Police (₹254.18 crore), Pension and other Retirement benefits (₹ 107.35 crore), Welfare of Scheduled Castes, Scheduled Tribes and Other backward Classes (₹ 103.06 crore), General Education (₹ 96.06 crore) and Medical and Public Health (₹79.32 crore) partially offset by decrease in Compensation to Local Bodies Raj Institutes (₹ 12.86 crore).

The increase in capital expenditure (₹ 330.28 crore) was mainly due to Public Works (₹ 161.09 crore), Water Supply and Sanitation (₹ 119.44 crore), Minor Irrigation (₹ 94.44 crore), Flood control Projects (₹ 30.46 crore) partially offset by decrease in Urban Development (₹ 50.25 crore), Tourism (₹ 34.63 crore), Education, Sports, Art and Culture (₹ 26.90 crore).

A comparative study of expenditure in terms of Revenue, Capital and Loans and Advances reveals that since 2006-07 the share of State's resources allocation to capital expenditure increased steadily till 2008-09. However, after 2008-09, the trend has been reversed as the share of capital expenditure started declining. The analysis also reveals that expenditure on Loans and Advances has been curtailed drastically since 2006-07. The components of the share of expenditure are shown in the chart below:-

Chart 1.6: Trend showing share of components of Total expenditure

(In per cent)



The composition of expenditure in terms of Plan and non-plan expenditure is shown in the table below:

Table 1.12: Trends in composition of expenditure in terms of Plan and Non-plan

(₹ in crore)					
Types of Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11
NON-PLAN					
Revenue	1994.65	1812.61	2132.23	2304.51	2979.44
Capital	2.42	(-)1.68	3.01	(-)0.80	0.99
Loans and Advances	5.28	3.85	0.34	0.19	0.25
Sub-total *	2002.35 (60)	1814.78 (53)	2135.58 (52)	2303.90 (50)	2980.68 (50)
PLAN					
Revenue	420.00	479.91	490.05	709.89	1098.57
Capital	864.55	1109.59	1463.79	1588.58	1917.07
Loans and Advances	51.56	4.12	0.74	6.7	3.55
Sub-total *	1336.11 (40)	1593.62(47)	1954.58 (48)	2305.17 (50)	3019.19 (50)
TOTAL (Non-Plan and Plan)					
Revenue	2414.65	2292.52	2622.28	3014.40	4078.01
Capital	866.97	1107.91	1466.80	1587.78	1918.06
Loans and Advances	56.84	7.97	1.08	6.89	3.80
Total Expenditure	3338.46	3408.40	4090.16	4609.07	5999.87

(source: Finance Accounts)

* Figures in bracket represent percentage with respect to the Total Expenditure

The table discloses that non-plan expenditure was reduced from 60 *per cent* in 2006-07 to 50 *per cent* in 2010-11, with corresponding increase in Plan expenditure from 40 *per cent* in 2006-07 to 50 *per cent* in 2010-11. The increase in Plan expenditure was mainly due to increase in capital accounts, which increased by ₹ 1052.52 crore (121 *per cent*) and revenue accounts ₹ 678.57 crore (162 *per cent*). Loans and Advances under Plan heads was reduced significantly from ₹ 51.56 crore in 2006-07 to about ₹ four crore only in next four years (2007-11). Under non-plan heads, revenue expenditure has increased by ₹ 984.79 crore (50 *per cent*) from ₹ 1994.65 crore in 2006-07 to ₹ 2979.44 crore in 2010-11. Other components under non-plan heads had been confined to an insignificant amount.

➤ *Non-plan revenue expenditure*

Revenue expenditure is incurred to maintain the current level of services and payment for past obligation and as such does not result in any addition to State's infrastructure and service network.

As discussed in the preceding para, non-plan revenue expenditure (NPRE) in 2010-11 was ₹ 2979.44 crore and accounted for nearly 50 *per cent* of the Total expenditure. The NPRE in the current year exceeded the projections made in the MTFPS/budget estimates (₹ 2912.57 crore) by ₹ 66.87 crore.

The targets of various components of expenditure fixed by the ThFC *vis-à-vis Actuals* in respect of NPRE are as follows:-

Table 1.13: ThFC recommendations of NPRE *vis-à-vis* Actuals (₹ in crore)

ThFC/ Actuals	Salary	General Services (GS)	Interest Payment (under GS)	Pension (under GS)	Social Services	Economic Services	Assignment to Local Bodies	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)(2+3+6+7+8)
ThFC	1242.73	738.34	350.29	273.78	151.54	135.95	110.46	2379.02
Actuals	1595.49 ⁷	972.69	364.78	400.15	70.80	227.35	113.11	2979.44

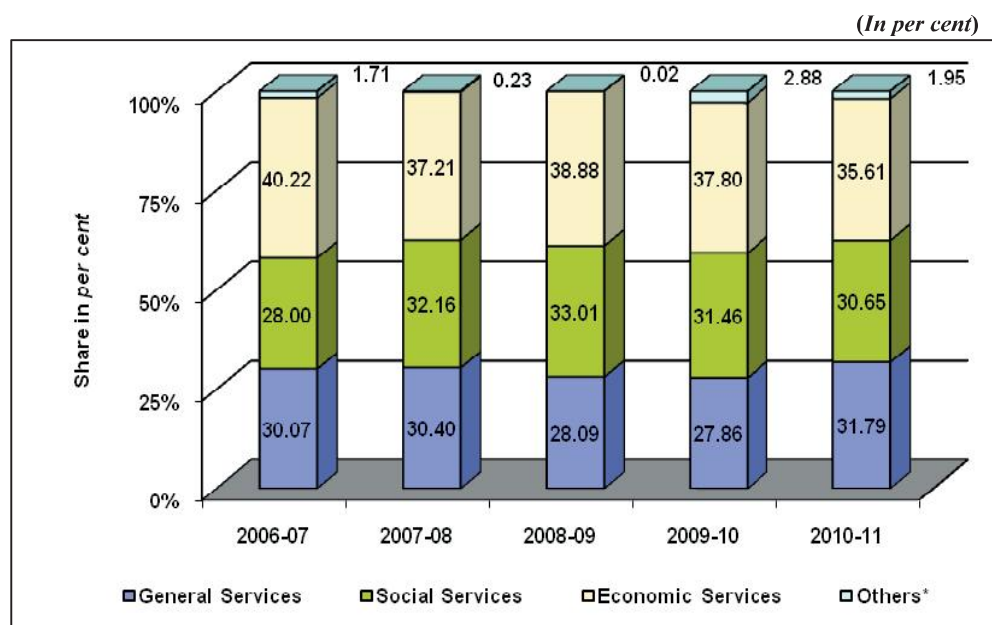
(Source: Thirteenth Finance Commission Report and Finance Accounts)

As can be seen except for expenditure under Social Services, all other components of expenditure exceeded the limits set by the ThFC.

NPRE increased by ₹ 674.93 crore in 2010-11 (₹ 2979.44 crore) over the previous year (₹ 2304.51 crore). The overall increase in NPRE was mainly due to increase in expenditure on account of Police (₹ 252.69 crore), Superannuation and Retirement Allowances (₹ 66.54 crore), Government Primary Schools (₹ 57.44 crore) and Interest on Market Loans (₹ 43.28 crore).

The trend in composition of total expenditure by activities is shown in the chart given below:

Chart 1.7: Trends in composition of Total Expenditure by activities during 2006-11



(* Others includes Loans and Advances)

The share of expenditure on account of General Services which was restricted around 30 per cent or below of the TE during the last four years (2006-10) increased to around 32 per cent of the TE in 2010-11; affecting the share on Social Services and Economic Services by about one to two per cent. Expenditure on General Services increased by ₹ 624 crore⁸ in 2010-11 over

⁷ Includes salary expenditure under Revenue head (Non-plan) including ₹ 2.65 crore on Wages (Non-plan) but excluding ₹ 36.55 crore on Leave salary encashment booked under 'MH-2701- Pensions and Other Retirement Benefits'

⁸ ₹ 462 crore on Revenue accounts and ₹ 162 crore on Capital accounts

the previous year. On revenue account, the increase in expenditure on General Services was mainly due to increase in expenditure on account of Police (₹ 252.69 crore) and Pensions and Other retirement benefits (₹ 107.35 crore) while on capital accounts it was mainly on account of Office Buildings (₹ 114.94 crore).

1.7.2 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. The table below and Chart 1.8 present the trends in the expenditure on these components during 2005-10.

Chart 1.8: Trend of Committed expenditure for the years 2006-11

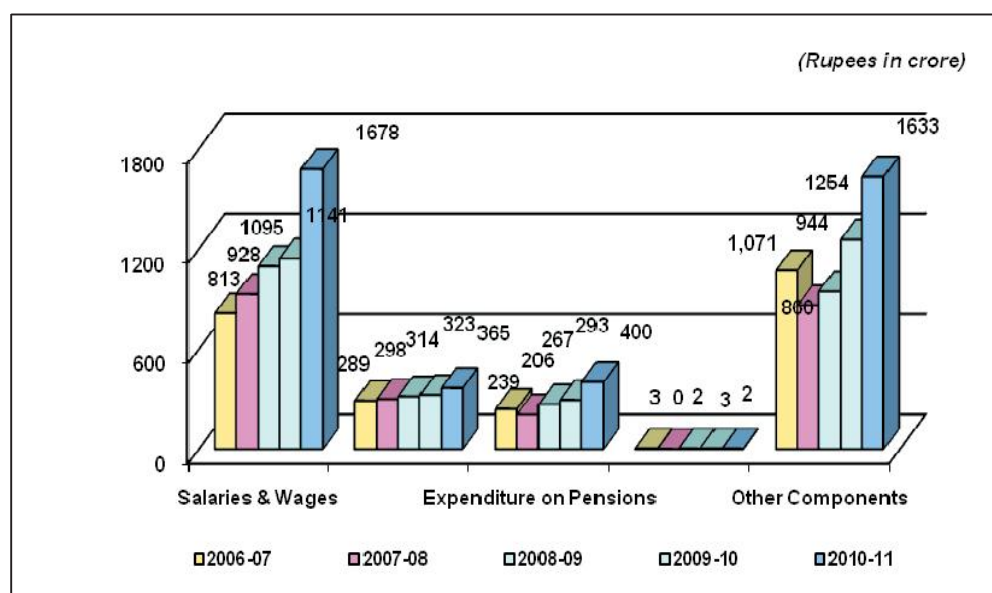


Table-1.14: Components of Committed Expenditure

Components of Committed Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11	
					BE	Actual
Salaries & Wages , of which	813 (28.40)	928 (26.45)	1095 (28.27)	1141 (29.46)	1596.53	1678* (30.90)
Non-Plan Head	779	884	1041	1077	1495.51	1595.49
Plan Head	34	44	54	64	101.02	82
Interest Payments	289 (10.09)	298 (8.49)	314 (8.11)	323 (8.34)	361.40	365 (6.72)
Expenditure on Pensions	239 (8.35)	206 (5.87)	267 (6.89)	293 (7.56)	399.59	400 (7.37)
Subsidies	3 (0.01)	-	2 (0.05)	3 (0.08)	1.90	2 (0.03)
Other Components	1,071 (37.41)	860 (24.52)	944 (24.38)	1254 (32.38)	1690.37	1633 (30.07)
Total	2,415 (84.35)	2,292 (65.34)	2,622 (67.71)	3,014 (77.82)	4,049.79	4,078 (75.10)

(source: Budget documents and Finance Accounts)

* including expenditure on account of Wages ₹ 4.81 crore and excluding ₹ 36.55 crore on Leave salary encashment booked under 'MH-2701- Pensions and Other Retirement Benefits'

(Figures in the parentheses indicate percentage to Revenue receipts)

Salaries and wages alone accounted about 31 *per cent* of revenue receipts of the State during 2010-11 and increased by ₹ 537 crore (47 *per cent*) over the previous year. The increase in salary expenditure (₹ 537 crore) in 2010-11 over the previous year was nearly twelve times the increase in salary expenditure (₹ 46 crore) in 2009-10. Expenditure on salaries under non-plan heads increased by ₹ 518 crore (48 *per cent*) in 2010-11 (₹ 1595.49 crore) over the previous year (₹ 1077 crore), whereas this expenditure on plan head increased by ₹ 18 crore (28 *per cent*) in 2010-11 (₹ 82 crore) over the previous year (₹ 64 crore). The non-plan salary expenditure was more by ₹ 352.76 crore than the projection (₹ 1242.73 crore) made by the ThFC. The considerable increase in salary expenditure was due to implementation of 6th pay commission recommendation, payment of revised pay arrears for three months and dearness allowances and fresh recruitment in Police department.

Interest payments increased by 26 *per cent* from ₹ 289 crore in 2006-07 to ₹ 365 crore in 2010-11. Compared to previous year, interest payments during 2010-11 increased by 13 *per cent*. Interest payments was mainly made on Interest on Internal debt (₹ 245.71 crore). Interest on Internal debt accounted for 67 *per cent* (₹ 245.71 crore) while the remaining share was for payment of interest on Small Savings, Provident Funds *etc.* and on Loans and Advances from Central Government. As *per cent* of revenue receipts, Interest payment showed a declining trend and steadily decreased from 10 *per cent* in 2006-07 to 7 *per cent* in 2010-11. The overall interest payment (₹ 364.78 crore) during the year was higher by ₹ 14.49 crore than the projection (₹ 350.29 crore) made by the ThFC of the year.

Pension payments accounted for 7 *per cent* of revenue receipts of the State during 2010-11 and increased by 37 *per cent* from ₹ 293 crore in 2009-10 to ₹ 400 crore in 2010-11. Increase of ₹ 107 crore in pension payments during 2010-11 over the previous year was mainly due to increase in Superannuation and Retirement Allowances (₹ 66.54 crore) and Family Pensions (₹ 26.90 crore). As compared to ThFC projection of ₹ 273.78 crore, the Pension payment in 2010-11 (₹ 400.15 crore) was more by 46 *per cent* (₹ 126.37 crore).

The State Government has adopted the new Restructured Defined Contribution Pension Scheme of the GoI *mutatis mutandis* in respect of new entrants to the State's service with effect from 1 January 2005. The contribution of the State Government employees covered under the new scheme increased from a closing balance of ₹ 17.60 crore in 2009-10 to ₹ 33.86 crore in 2010-11. The State Government, however, had not contributed a matching share of the contribution of employees. Thus, the liability of the Government would increase by further ₹ 33.86 crore.

1.7.3 Financial assistance by State Government to local bodies and other institutions

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in the table below:

Table 1.15: Financial Assistance to Local Bodies *etc.*

(₹ in crore)

Financial Assistance to Institutions	2006-07	2007-08	2008-09	2009-10	2010-11	
					BE	Actual
Educational Institutions (Aided Schools, Aided Colleges, Universities <i>etc.</i>)	40.20	40.50	29.75	32.04	35.55	35.17
Municipal Corporations and Municipalities	0.87	1.93	19.90	3.60	7.62	3.81
Other Institutions	1.25	0.84	1.02	1.67	5.82	2.11
Total	42.32	43.27	50.67	37.31	48.99	41.09
Assistance as percentage of RE	1.75	1.89	1.93	1.24	1.20	1.01

(source: Budget documents and Finance Accounts)

The total assistance (₹ 41.09 crore) provided during 2010-11 was less than the estimates made in the budget (₹ 48.99 crore) by ₹ 7.9 crore. As compared to last year, the total assistance increased by ₹ 3.78 crore in 2010-11. Financial assistance to universities and educational institutions alone constituted nearly 86 *per cent* of the total assistance of the State Government during 2010-11. Amongst education services, maximum assistance was given to Non-Government Primary Schools (₹ 21.43 crore).

1.8 Quality of expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, *viz.*, adequacy of the expenditure (*i.e.* adequate provisions for providing public services); efficiency of expenditure use and the effectiveness (assessment of outlay-outcome relationships for selected services).

1.8.1 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods⁹. Apart from improving the allocation towards development expenditure¹⁰, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While Table 1.16 presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year *vis-à-vis* budgeted and the previous years, Table 1.17 provides the details of capital expenditure and the components of salary and wages in revenue expenditure of the selected social and economic services.

⁹ Refer glossary in Appendix 4.1

¹⁰ Refer glossary in Appendix 4.1

Table-1.16: Development Expenditure

					(₹ in crore)	
Components of Development Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11	
					BE	Actual
Development Expenditure (a to c)						
a. Development Revenue Expenditure	1,542 (46.18)	1,360 (39.91)	1,528 (37.36)	1707 (37.04)	2529.86	2322 (38.70)
b. Development Capital Expenditure	402 (12.04)	482 (14.14)	1,412 (34.52)	1485 (32.22)	1526.18	1653 (27.55)
c. Development Loans and Advances	52 (1.56)	4 (0.12)	1 (0.02)	7 (0.15)	16.70	4 (0.06)

(source: Budget documents and Finance Accounts)

Figures in parentheses indicate percentage to Aggregate expenditure

Development Revenue Expenditure increased by ₹ 615 crore from ₹ 1,707 crore last year to ₹ 2322 crore during the current year. Though Development capital expenditure increased by ₹ 168 crore in 2010-11 over the previous year, its share to Aggregate expenditure decreased from 32 per cent to 28 per cent in 2010-11. The Development Capital Expenditure, however, was more than what was estimated in the budget. The above table also revealed that Development Capital Expenditure which as percentage of aggregate expenditure increased significantly in 2008-09 has since shown a steady declining trend. As a consequence, the gap of share of developmental capital expenditure *vis-à-vis* that of developmental revenue has increased in 2010-11.

Percentages of revenue and capital expenditure to the aggregate expenditure of the sector/sub-sector of some selected Social and Economic Services are shown in the table below:

Table 1.17 –Efficiency of Expenditure in Selected Social and Economic Services

Social/Economic Infrastructure	2009-10		2010-11	
	Share of CE to TE	Share of S&W in RE	Share of CE to TE	Share of S&W in RE
Social Services (SS)				
General Education	7.66	75.22	4.39	75.31
Health and Family Welfare	38.72	74.78	31.21	63.01
WS, Sanitation, & HUD	73.94	26.23	78.53	36.59
Total (SS)	38.55	57.19	32.66	52.96
Economic Services (ES)				
Agriculture & Allied Activities	3.29	37.54	4.12	39.93
Irrigation and Flood Control	79.20	73.46	85.57	77.16
Power & Energy	64.21	20.19	59.34	31.29
Transport	79.24	26.89	74.30	31.92
Total (ES)	53.15	31.91	49.19	34.72
Total (SS+ES)	46.52	45.11	41.55	44.45

(source: Finance Accounts)

TE: Total expenditure inclusive of loans and advances of each sector/sub-sector/head; CE: Capital expenditure; RE: Revenue expenditure; S&W: Salaries and Wages.

While the share of capital expenditure as ratio of total expenditure in respect of General Education and Health and Family Welfare decreased in 2010-11 as compared to previous year, the ratio in respect Water Supply, Sanitation and Housing and Urban Development had increased in 2010-11. The decrease of share in General Education was mainly due to decrease in capital expenditure

in respect of Secondary Education (₹ 10.95 crore). In Health and Family Welfare even though the capital expenditure increased by ₹ 14.97 crore, its share as percentage of total expenditure reduced as expenditure under Revenue head had increased by much higher rate (₹ 82.70 crore). The improvement in share of Water Supply, Sanitation and Housing and Urban Development was mainly due to increase on account of Water Supply (₹ 67.67 crore).

Under Economic Services, while the share of capital expenditure in Agriculture and Allied Activities and Irrigation and Flood Control improved, the share in Power and Energy and Transport had decreased in 2010-11 as compared to previous year. The improvement in Agriculture and Allied Activities and Irrigation and Flood Control was mainly due to increase in Capital Outlay on Crop Husbandry (₹ 7.50 crore) while improvement in Irrigation and Flood Control was mainly due to capital outlay on Major and Medium Irrigation (₹ 94.44 crore) respectively. The share of capital expenditure under Transport decreased in 2010-11 as a result of the decrease under Capital Outlay on Roads and Bridges (₹ 16.19 crore). In Power and Energy, capital expenditure increased by ₹ 7.97 crore against increase in revenue expenditure of ₹ 43.89 crore. As such, the ratio of capital expenditure to total expenditure had decreased due to large variation in rate of increase expenditure under capital and revenue heads.

Except for Health and Family Welfare share of salary and wages as percentage of revenue expenditure have increased as compared to 2009-10 in all the selected services.

1.8.2 Effectiveness of expenditure, i.e. outlay-outcome relationship

Performance reviews indicating the outlay-outcome relationship are *inter-alia* included in the State Audit Report. The effectiveness of the expenditure as brought out in performance review of Public Distribution System in the State taken up during 2009-10 is as follows:

A review on Public Distribution System (PDS) revealed that there was short lifting of wheat and sugar against the allocation made by Government of India. There were instances of diversion of rice, wheat and kerosene. Monitoring, inspection and the activities of the vigilance committee at State and District level were found to be inadequate. Monitoring mechanism and inspection of Fair Price Shop at different levels needs strengthening to prevent pilferage of commodities. The review also revealed that the State Government did not formulate guidelines for identification of beneficiaries and review of households. PDS consumers were denied the intended benefit of having PDS items at prescribed scale and affordable price in a timely manner. Bank interest on Cash Credit Account was charged from the beneficiaries even when credit facilities were not availed of and instead of availing of transport subsidy and Hill Transport Subsidy Scheme, the State Government charged beneficiaries the cost of transportation by fixing high end retail price.

(Paragraph 1.1 of Audit Report 2009-10)

1.9 Financial analysis of Government expenditure and investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowing) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to complete dependence on market based resources, the State Government needs to initiate measures to earn adequate return on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year *vis-à-vis* previous years.

1.9.1 Incomplete projects

The department-wise information pertaining to incomplete projects of which the scheduled date of completion is already over as on 31 March 2011 is given in the table below:

Table 1.18: Department-wise Profile of Incomplete Projects

(₹ in crore)

Department	No. of Incomplete Projects	Initial Budgeted Cost	Cumulative actual expenditure as on 31.03.2011
IFCD	1	3.76	2.00
NLCPR	1	3.40	3.08
PWD	13	79.62	54.96
PHED	6	79.87	72.14
Total	21	166.65	132.18

(source: Finance Accounts)

As of 31 March 2011, there were 21 incomplete projects each costing ₹ 1 crore and above, involving total budgeted cost of ₹ 166.65 crore on which expenditure of ₹ 132.18 crore has already been incurred. The above list is only indicative and not exhaustive and does not include projects for which the targeted dates of completion have been revised. The following pictures represent few of the projects lying incomplete as of March 2011:



A zonal reservoir (estimated cost ₹ 464 lakh) was to be constructed at Kwakeithel Thiyam Leikai, Imphal. The reservoir (scheduled to be completed on March 2011) which was started on 2009-10 has not been completed as on March 2011 despite spending ₹ 301.60 lakh. (PHED)



Construction of main office building of PHED (estimated cost ₹ 841.23 lakh) which started on 2007-2008 was scheduled to be completed by March 2011. Despite spending ₹ 669.01 lakh, construction of office building has not been completed as of March 2011. (PHED)

(source of photographs: Public Health Engineering Department)

Delay in completion of works invites the risk of escalation in cost of the works besides depriving the beneficiaries of the benefits of the projects.

1.9.2 Investment and returns

As of 31 March 2011, Government had invested ₹ 176.31 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives. During the last five years (2006-11), the Government could earn only ₹ five lakh from the investment made on these Corporations/ Companies *etc.* while it paid an average rate of interest ranging from 6 *per cent* to 7 *per cent*, the details of which are shown in the table below:

Table-1.19: Return on Investment

(₹ in crore)

Investment/Return/Cost of Borrowings	2006-07	2007-08	2008-09	2009-10	2010-11
Investment at the end of the year	173.17	173.87	175.83	176.25	176.31
Return	-	0.05	-	-	-
Return (<i>per cent</i>)	-	0.03	-	-	-
Average rate of interest on Govt. borrowing (<i>per cent</i>)	7.14	6.84	6.69	6.22	6.27
Difference between interest rate and return (<i>per cent</i>)	7.14	6.81	6.69	6.22	6.27

(source: Finance Accounts)

Investments as on 31 March 2011 were made in two statutory corporations, 15 Government companies and 46 types of Co-operative banks and institutions.

Major investments were made in Manipur State Road Transport Corporation (₹ 41.56 crore), Manipur Spinning Mills Corporation Ltd. (₹ 33.89 crore), Manipur Handloom and Handicrafts Development Corporation Ltd. (₹ 11.79 crore) and Manipur State Co-operative Bank Ltd. (₹ 21.99 crore). Of these, Manipur State Road Transport Corporation has been liquidated and Manipur Spinning Mills Corporation Ltd. is under liquidation process since June 2003. However, the liquidation of the company is yet to be completed as of February 2012, reason of which was not on record.

1.9.3 Loans and advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organizations. The table below presents the outstanding loans and advances as on 31 March 2011, interest receipts *vis-à-vis* interest payments during the last four years.

Table-1.20: Average Interest Received on Loans Advanced by the State Government

Quantum of Loans/Interest Receipts/Cost of Borrowings	2007-08	2008-09	2009-10	2010-11	
				BE	Actual
Opening Balance	193.11	198.79	199.20	202.81	202.81
Amount advanced during the year	7.97	1.07	6.89	18.20	3.80
Amount repaid during the year	2.29	0.66	3.28	3.66	1.19
Closing Balance	198.79	199.20	202.81	217.35	205.42
<i>Of which</i> Outstanding balance for which terms and conditions have been settled	NA	NA	NA	NA	NA
Net addition	5.68	0.41	3.61	14.54	2.61
Interest Receipts	0.56	0.58	2.23	NA	7.37
Interest receipts as <i>per cent</i> to outstanding Loans and Advances	0.28	0.29	1.10	NA	3.59
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	6.84	6.46	5.84	NA	5.96
Difference between interest payments and interest receipts (<i>per cent</i>)	6.56	6.17	4.74	NA	2.37

(source: Budget documents and Finance Accounts)

No budget provision for interest receipts on loans advanced was available in the Budget documents.

Total amount of outstanding loans and advances as on 31 March 2011 was ₹ 205.42 crore. Interest received against these loans and advances improved substantially from ₹ 2.23 crore in the previous year to ₹ 7.37 crore in 2010-11. Against repayment of Loans/Advances of ₹ 1.19 crore, an amount of ₹ 3.80 crore was advanced during 2010-11. As of March 2011, major recipients of loans were for Other Social Security and Welfare Programmes (₹ 129.15 crore), Village and Small Industries (₹ 22.59 crore), Housing (₹ 18.13 crore) and Co-operation (₹ 14.01 crore).

1.9.4 Cash balances and investment of cash balances

It is generally desirable that State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatch in the flow of resources and the expenditure obligations, a mechanism of Ways and Means Advances from RBI has been put in place. The operative limit for

Normal Ways and Means Advances is reckoned on the three years average of revenue receipts and the operative limit for Special Ways and Means Advances is fixed by the RBI from time to time depending on the holding of Government securities. The limit for Normal Ways and Means Advances has been fixed (April 2006) at ₹ 60 crore while the limit of Special Ways and Means Advances is revised by the RBI from time to time.

The State availed of Ways and Means Advance of ₹ 38.79 crore for seven days in 2007-08 and paid an interest of ₹ three lakh. During the last three years (2008-11), the Government did not have to resort to Ways and Means Advances and Overdraft indicating a comfortable position of cash balances of the State.

The table below depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table-1.21: Cash balances and investment of cash balances

(₹ in crore)			
Particulars	As on 31 March 2010	As on 31 March 2011	Increase(+)/Decrease(-)
Cash Balances ¹¹	367.40	356.48	(-)10.92
Investments from Cash Balances (a to c)	590.80	155.31	(-)435.49
<i>a. GoI Treasury Bills</i>	588.37	152.88	(-)435.49
<i>b. Other Securities (Long term Investment)</i>	2.43	2.43	-
<i>c. Other Investments</i>	-	-	-
Funds-wise Break-up of Investment from Earmarked balances (a to c)	33.98	68.42	(+)34.44
<i>a. Sinking Fund</i>	30.98	51.94	(+)20.96
<i>b. Guarantee Redemption Fund</i>	3.00	6.30	(+)3.30
<i>c. State Disaster Response Fund</i>	-	10.18	(+)10.18
Interest Realized on investment of cash balances	30.49	37.28	6.79

(source: Finance Accounts)

The cash balances of the State Government at the end of current year decreased by ₹ 10.92 crore from ₹ 367.40 crore in the previous year to ₹ 356.48 crore in 2010-11. As of 31 March 2011, the State Government has invested ₹ 152.88 crore in GoI treasury bills and ₹ 2.43 crore in GoI securities (long term security). During 2010-11, an interest of ₹ 37.28 crore was earned on investment of cash balance. Further, the Government invested ₹ 68.42 crore in Sinking fund/Guarantee redemption fund *etc.* as of March 2011.

1.10 Assets and liabilities

1.10.1 Growth and composition of assets and liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. Appendix 1.4 gives an abstract of such liabilities and the assets as on 31 March 2011, compared with the corresponding position on 31 March 2010. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and

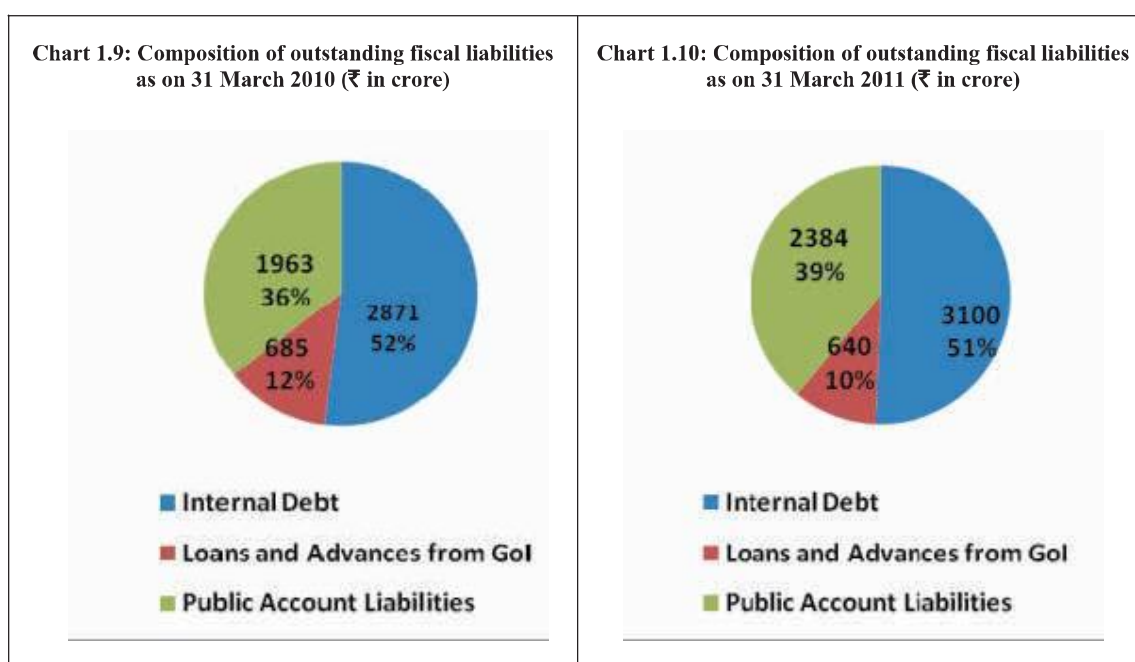
¹¹ Including investment of earmarked funds

Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

The FRBM Act of the State has defined the total liabilities as “Total liabilities means the sum of the liabilities under the Consolidated Fund of the State, and the Public Account of the State and also include borrowings by the public sector undertakings and special purpose vehicles and other equivalent instruments including guarantees where principal and/or interest are to be serviced out of the State budget”.

1.10.2 Fiscal liabilities

The trends in outstanding fiscal liabilities of the State are presented in Appendix 1.5. The composition of fiscal liabilities during the current year *vis-à-vis* the previous year are presented in Charts 1.9 and 1.10.



The table below gives fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP and revenue receipts.

Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Fiscal liabilities ¹² (Rupees in crore)	4187	4529	4861	5519	6124
Rate of growth (<i>per cent</i>)	7	8	7	14	11
Ratio of fiscal liabilities to					
GSDP (<i>per cent</i>)	68.23	66.61	65.70	66.38	66.58
Revenue receipts (<i>per cent</i>)	146.25	129.09	125.48	142.50	112.78

(source: Finance Accounts)

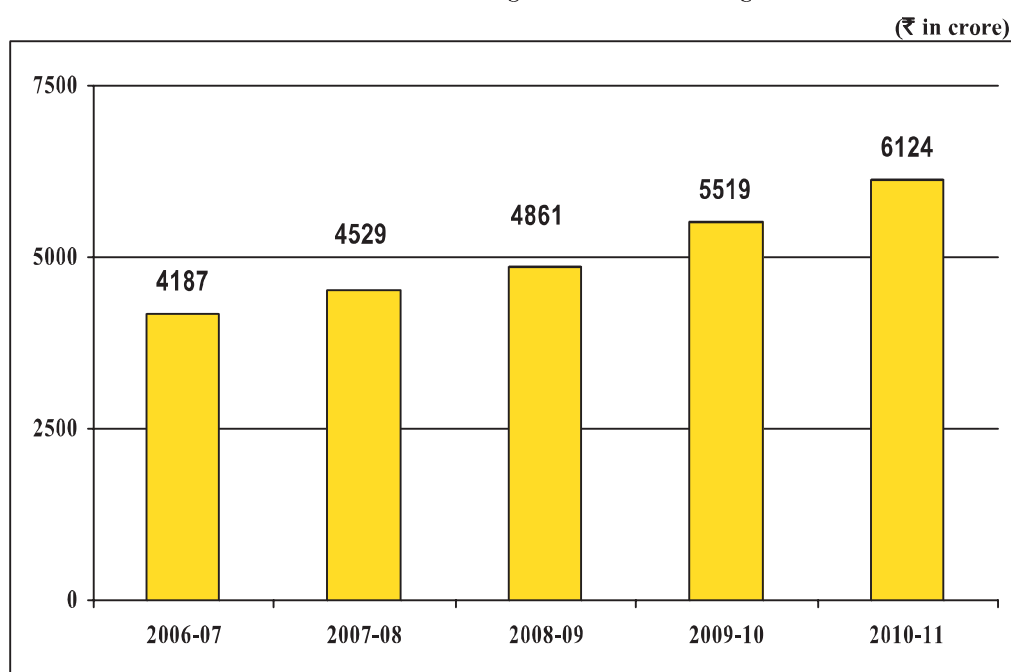
As can be seen from the table above, fiscal liabilities during the last two years (2009-11) has grown at a faster rate as compared to the previous years and the ratio of fiscal liabilities to GSDP during 2006-11 remained above 65 *per cent*.

¹² Refer glossary in Appendix 4.1

The ratio of fiscal liabilities to revenue receipts depicted a fluctuating trend during 2006-11 and was 1.13 to 1.46 times more than that of revenue receipts. As per the ThFC recommendations, fiscal liabilities should be limited to 25 *per cent* of GSDP by 2014-15. Fiscal liabilities – GSDP ratio was projected at 57.33 *per cent* in 2010-11 in the MTFPS and projected at 52.18 *per cent* in the next two years. Given the trend of ratio of fiscal liabilities to GSDP during 2006-11, the target of limiting Fiscal liabilities to 25 *per cent* of GSDP (ThFC) will be difficult. It also appears unlikely to meet the target of fiscal liabilities-GSDP ratio (MTFPS) of 52.18 *per cent*.

Thus, there is an urgent need for the State Government to re-look at its borrowings and repayment patterns and to ensure an economy path to foster faster growth of GSDP and ensure better repayment capacity to curb down the growth rate of fiscal liabilities. The increasing position of fiscal liabilities during 2006-11 is depicted in the bar chart below:

Chart 1.11: Trend showing fiscal liabilities during 2006-11



The overall fiscal liabilities of the State Government increased by ₹ 605 crore from ₹ 5519 crore in 2009-10 to ₹ 6124 crore in 2010-11. The increase in fiscal liabilities was mainly due to increase in Internal Debt (₹ 228.65 crore) and Public Account liabilities (₹ 421.52 crore) offset by a decrease in Loans and Advances from GoI (₹ 45.27 crore). The increase in Internal Debt was mainly due to three market loans totaling to ₹ 258.14 crore borrowed with interest rates ranging from 8.40 *per cent* to 8.55 *per cent*. The increase in Public Accounts was mainly due to “8449-Other Deposits” (₹ 166.32 crore) and Public Works Deposits (₹ 163.47 crore). The fiscal liabilities during the current year exceeded by ₹ 1472 crore than the assessed figure of ₹ 4652 crore in the MTFPS.

The State Government had set up (February 2008) a Consolidated Sinking Fund for amortization of market borrowings, other loans and debt obligations, as per the recommendation of the TFC, and transferred an amount of ₹ 20.96 crore¹³ in 2010-11. The closing balance of the fund at the close of the year was ₹ 51.94 crore. The corpus of the fund has been reinvested in purchasing of securities.

1.10.3 Status of guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per FRBM Act and the Manipur Ceiling on State Government Guarantee Act, 2004, the total outstanding guarantees as of 1 April of any year shall not exceed thrice the State's own tax revenue receipts of the second preceding year.

The maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in the table below:

Table-1.22: Guarantees given by the Government of Manipur

(₹ in crore)				
Guarantees	2007-08	2008-09	2009-10	2010-11
Maximum amount guaranteed	207	197	197	196
Outstanding amount of guarantees	211	274	195	233
Percentage of maximum amount guaranteed to total revenue receipts	5.90	5.09	5.09	3.61

(source: Finance Accounts)

The outstanding guarantee of ₹ 233 crore was kept within the limit of the FRBM Act *ibid*. No additional guarantee has been given by the State Government in respect of loans raised by Statutory Corporations, Local bodies and other institutions during 2010-11. As of 31 March 2011, the interest amount (₹ 120.62 crore) has exceeded the principal amount (₹ 111.98 crore). The principal beneficiaries of outstanding loans were Planning and Development Authority (₹ 120.63 crore), Khadi and Village Industries (₹ 31.48 crore) and Manipur Tribal Development Corporation Limited (₹ 21.17 crore).

The State Government had set up (February 2008) a guarantee redemption fund to meet the contingent liabilities arising from such guarantees, as per the recommendation of the TFC and transferred an amount of ₹ 3.30 crore¹⁴ during 2010-11. The closing balance of the fund at the close of the year was ₹ 6.30 crore, which was reinvested on purchase of securities.

1.10.4 Off- budget borrowings

The State Government has not reported (February 2012) any off-budget borrowings during 2010-11.

¹³ Including appropriated amount of ₹ 19.09 crore and Interest.

¹⁴ Including appropriated amount of ₹ 3 crore and interest

1.11 Debt sustainability

Apart from the magnitude of debt of State Government, it is important to analyze various indicators that determine the debt sustainability¹⁵ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization¹⁶; sufficiency of non-debt receipts¹⁷; net availability of borrowed funds¹⁸; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. The table below analyzes the debt sustainability of the State according to these indicators during 2006-11.

Table 1.23: Debt sustainability: Indicators and trends

Indicators of debt sustainability	₹ in crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Debt stabilization (Quantum spread + Primary deficit)	(-) 250	397	303	(-) 57	37
Sufficiency of non-debt receipts (Resource gap)	(-) 204	(+) 577	(-) 318	(-) 517	(+) 164
Net availability of borrowed funds	(-) 7	42	32	336	241
Burden of interest payments (IP/RR Ratio)	10.09	8.49	8.11	8.33	6.72

(source: Finance Accounts)

Despite the increase in the quantum of expenditure in 2010-11, the buoyancy in revenue collection had a positive impact in the debt scenario of the economy of the State and to some extent reversed deteriorating debt scenario experienced in the previous year. As compared to primary deficit of ₹ 410 crore in 2009-10, the primary deficit in 2010-11 decreased to ₹ 204 crore, which had resulted in positive indicators that the debt was again being stabilized in the current year.

The incremental total/aggregate expenditure (₹ 1391 crore) was also lower than the incremental non-debt receipt (₹ 1555 crore). Thus, increment of total/aggregate expenditure in the current year did not aggravate the fiscal deficit and primary deficit position of the State in 2010-11 as it did in the previous year.

During 2010-11 against debt receipt of ₹ 1531 crore, debt redemption and interest payment was ₹ 1290 crore, leaving borrowed funds of ₹ 241 crore only for purposes other than debt redemption. Thus, 84 *per cent* of the borrowed fund was being utilized to service the past liabilities of the State. With the increase in revenue receipts in the current year, the ratio of interest payment–revenue receipts have declined to 6.72 *per cent* in 2010-11 from 8.33 *per cent* in the previous year; reducing the burden of interest payment on revenue receipts by about 2 *per cent* in the current year.

¹⁵ Refer glossary in Appendix 4.1

¹⁶ Refer glossary in Appendix 4.1

¹⁷ Refer glossary in Appendix 4.1

¹⁸ Refer glossary in Appendix 4.1

The maturity profile of debt is given in the table below and in case of 2010-11 depicted in chart below:

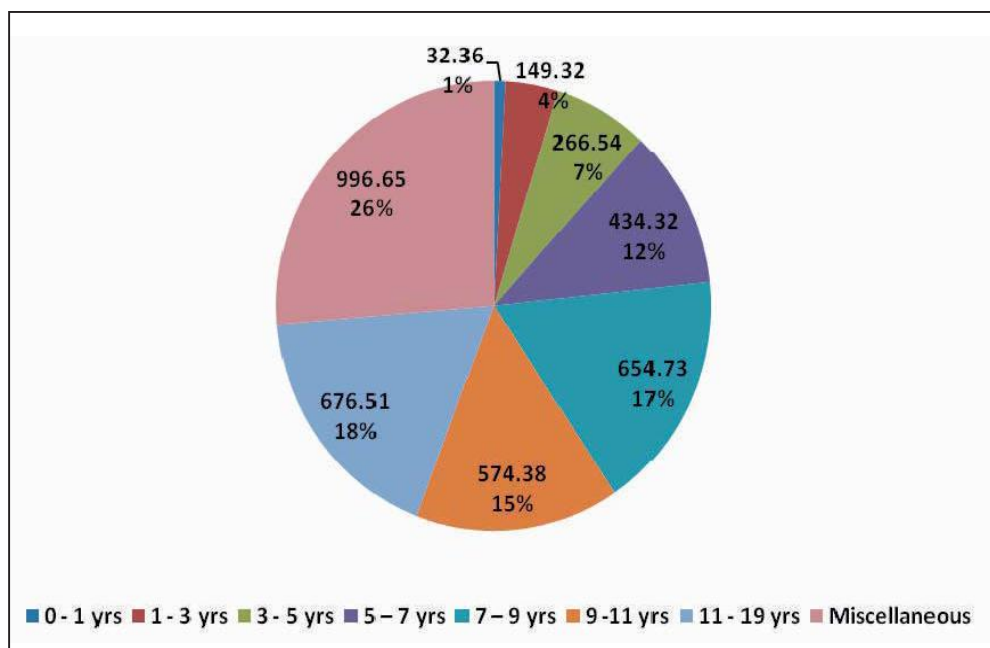
Table 1.24: Maturity profile of debt

(₹ in crore)			
Maturity profile (in years)	2008-09	2009-10	2010-11
0 - 1	56.45	27.21	32.36
1 - 3	86.60	126.44	149.32
3 - 5	164.48	142.98	266.54
5 - 7	280.16	404.82	434.32
7 - 9	476.94	596.08	654.73
9 -11	466.08	608.53	574.38
11 - 19	718.66	717.88	676.51
Miscellaneous*	45.82	974.20	996.65
Total	2,295.19	3598.14	3784.81

(source: Finance Accounts)

* Year of maturity not known.

Chart 1.12: Maturity profile of debt in 2010-11 (₹ in crore)



As stated earlier, Fiscal liability–GSDP ratio in the current year stood at 66.58 *per cent* (para 1.10.2). Given the fact that the maturity profile of debt payment has stabilized in 2010-11 as compared to previous year, the Government may find this as an opportune time to initiate the process of debt stabilization and controlling of deficits at 25 *per cent* of GSDP as envisaged by the ThFC.

1.12 Fiscal imbalances

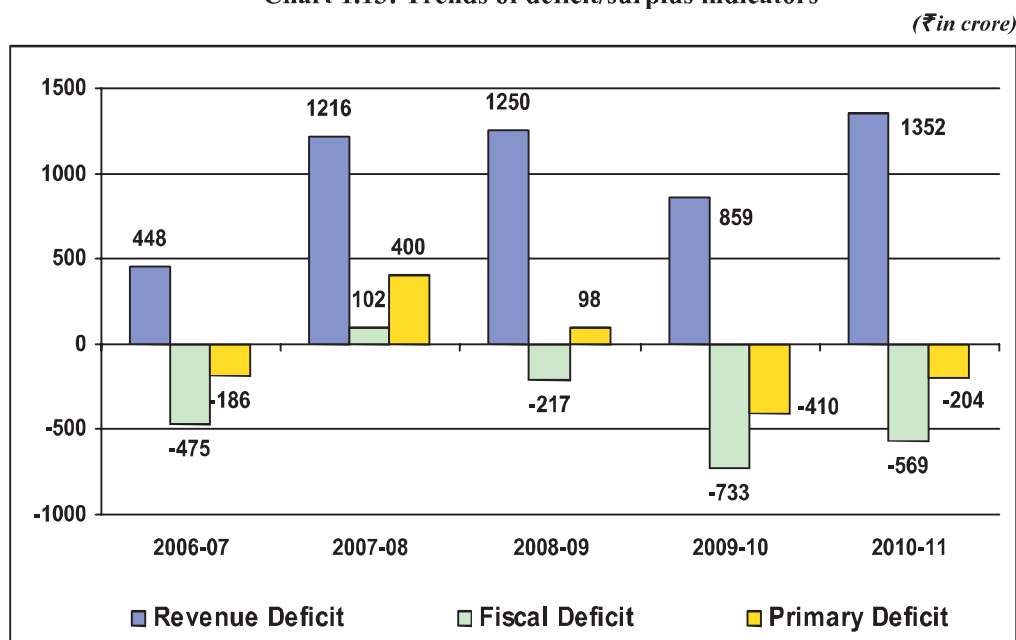
Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an

indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and Fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2010-11.

1.12.1 Trends in deficits

The chart below presents the trends in deficit indicators over the period 2006-11:

Chart 1.13: Trends of deficit/surplus indicators



The significant improvement in revenue surplus by ₹ 493 crore in 2010-11 over the previous year served as harbinger in controlling the harsh financial deficit situation experienced by the State in the previous year. Despite increase of ₹ 1391 crore in total expenditure in 2010-11 over the previous year, both fiscal deficit and primary deficit were restrained as a result of improvement of revenue receipts. While fiscal deficit decreased by ₹ 164 crore, primary deficit had decreased by ₹ 206 crore over the previous year. Interest payment (₹ 365 crore) alone accounted for 64 *per cent* of the fiscal deficit (₹ 569 crore) and as such obligations of past liabilities formed major portion of the fiscal deficit in the current year. As interest bearing borrowing¹⁹ in 2010-11 was ₹ 298.40 crore as compared to ₹ 519.89 crore in the previous year, this may ease out interest burden in coming years; provided such a trend is followed in the future. Though there are signs of recovery of the financial deficit situation of the State, a cautious and prudent management of expenditure and revenue mobilization needs to be addressed so that financial position returns to a comfortable position.

¹⁹ Includes only Internal debt and Loans and Advances from Central Government

1.12.2 Components of fiscal deficit and its financing pattern

The financing pattern of the fiscal deficit is reflected in the table below:

Table 1.25: Components of fiscal deficit and its financing pattern

		(₹ in crore)			
	Particulars	2007-08	2008-09	2009-10	2010-11
Decomposition of fiscal deficit		(+)102	(-)217	(-) 733	(-)568.74
1	Revenue surplus	1216	1250	859	1351.93
2	Net capital expenditure	(-) 1108	(-) 1467	(-) 1588	(-)1918.06
3	Net Loans and Advances	(-) 6	(-) 0.42	(-) 3.61	(-)2.61
Financing pattern of fiscal deficit*					
1	Market Borrowings	192.73	248.79	445	206.20
2	Loans from the Gol	(-)236.71	(-)239.96	(-) 41.97	(-) 45.27
3	Special Securities Issued to NSSF	199.92	199.46	(-) 2.67	(-) 5.91
4	Loans from Financial Institutions	(-)2.74	(-)4.08	2.77	28.36
5	Small Savings, PF etc.	52.41	52.32	24.94	41.31
6	Deposits and Advances	132.78	83.72	226	386.78
7	Suspense	27.64	(-)4.78	(-) 34.34	(-) 0.28
8	Remittances	111.13	(-)48.16	(-) 160.23	(-) 81.22
9	Reserve Fund	3.88	5.40	24.52	27.87
Increase/decrease in cash balance		(-) 156.40	36.36	28.50	(-) 395.76

(source: Finance Accounts)

* All these figures are net of additions and discharges during the year

As can be seen from the above table, fiscal deficit of 2007-11 was mainly due to quantum of capital expenditure, which followed a continual path of increasing trend since 2007-08. To finance this gap, the State Government relied more on Market borrowings and Loans from Financial Institutions and reduced the dependency from the Central Government. Due to decrease in fiscal deficit in the current year, the market borrowings increased by only ₹ 206 crore in 2010-11 as compared to increase of ₹ 445 crore occurred in previous year.

1.12.3 Quality of deficit/surplus

The decomposition of primary deficit into primary revenue deficit/surplus and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances; which would indicate the extent to which the deficit/surplus has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy. The table below analyses decomposition of primary deficit/surplus:

Table 1.26: Primary deficit/surplus – Bifurcation of factors

		(₹ in crore)					
Year	Non-debt receipts	Primary revenue expenditure *	Capital expenditure	Loans and Advances	Primary expenditure	Primary revenue surplus	Primary deficit (-)/ surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2006-07	2,864	2,126	867	57	3,050	738	(-) 186
2007-08	3,510	1,994	1,108	8	3,110	1,516	(+) 400
2008-09	3,874	2,308	1,467	1	3,776	1,566	(+) 98
2009-10	3,876	2,692	1,588	7	4,287	1,184	(-) 411
2010-11	5,431	3,713	1,918	4	5,635	1,718	(-) 204

(source: Finance Accounts)

* Net of Total expenditure and Interest payment

The non-debt receipts of the State during 2006-11 were sufficient to meet the primary revenue expenditure²⁰ and in two years (2007-09) it was more than the primary expenditure, resulting in primary surplus in these two years. In the remaining three years (2006-07 and 2009-11) where primary deficit had occurred, the primary surplus was not adequate to cover the capital expenditure and Loans and Advances. Primary deficit has been mainly on account of increase in capital expenditure during these years and may improve the productive capacity of the State's economy. However, this needs to be balanced with the debt profile of the State and financial deficits scenario experienced by the State in the last two years (2009-11).

1.13 Conclusion and recommendations

The fiscal position of the State viewed in terms of key parameters—revenue surplus, fiscal deficit, primary deficit, *etc.* revealed that the state had maintained revenue surplus during the last five years, as set out in the Manipur FRBM Act, 2005 and the Manipur FRBM Act, 2010.

Revenue receipts

During 2006-11, around 89 to 91 *per cent* of the revenue receipts of the State came from the GoI. There has been a significant increase of ₹ 1557 crore in the revenue receipts in 2010-11 as compared to previous year; mainly due to increase in the State's share of Union taxes and duties and also due to greater devolution of Grants-in-aid from the GoI. The significant increase in Grants-in-aid (₹ 1072 crore) experienced in the current year had a favourable impact on the revenue receipts of the state and was the main factor for the increase in the revenue receipts. The share of Union Taxes / Duties also increased by ₹ 394 crore in 2010-11 from previous year; augmenting the increase of revenue receipts during the current year. Increase of own tax and non-tax collection (₹ 91 crore) also contributed in the overall of revenue receipts of the State (Paras 1.1, 1.6 and Table 1.8).

Expenditure status

During 2006-11, expenditure on capital accounts had increased significantly by 121 *per cent* from ₹ 867 crore to ₹ 1918 crore; exhibiting a much more steady growth than revenue expenditure which grew by 69 *per cent* during the period (para 1.7.1). Plan expenditure as percentage of total expenditure increased from 40 *per cent* in 2006-07 to 50 *per cent* in 2010-11. This increase was at the expense of non-plan expenditure which exhibited a corresponding decline in trend during 2006-11 (para 1.7.1).

A similar trend was also noticed in terms of expenditure by activities, and was orienting more towards developmental activities of Social Services and Economic Services. However, NPRES continued to exceed the limits set in

²⁰ Primary revenue expenditure is revenue expenditure minus interest payment.

MTFPS/budget/ThFC, and therefore should remain a focal point of attention of the Government (para 1.7.1).

Salaries expenditure alone accounted for more than 31 *per cent* of revenue receipts of the State during the year. The non-plan salary expenditure was more than the projection made by the ThFC (para 1.7.2).

Fiscal position, fiscal liabilities and sustainability of debt

During 2010-11, due to an increase in the devolution of Grants-in-aid from the Central Government and share of taxes and duties, the revenue surplus increased by ₹ 493 crore. As a result of the significant increase in revenue surplus, the State Government was able to restrain both fiscal deficit and primary deficit, despite increase in total expenditure (para 1.12.1). At 6.18 *per cent* of GSDP, the fiscal deficit is still way off the mark of the ThFC target to limit the ratio at 3.5 *per cent* of GSDP by 2012-13 and at 3 *per cent* thereafter. As such this fiscal parameter would need special focus of the State Government if the target of ThFC is to be achieved (para 1.2).

Fiscal liabilities have been increasing during the last five years, and have increased at a faster rate during the last two years (2009-11) as compared to the previous years. The fiscal liabilities during the current year exceeded by ₹ 1472 crore than the assessed figure of ₹ 4652 crore in the MTFPS (Para 1.10.2). The incremental total expenditure was also lower than the incremental non-debt receipt, and thus did not aggravate the fiscal deficit and primary deficit position of the State in 2010-11 as it did in the previous year (para 1.11). Though there are signs of recovery of the financial deficit situation of the State, a cautious and prudent management of expenditure and revenue mobilization needs to be addressed so that financial position returns to a comfortable position (para 1.12.1).

CHAPTER II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

(A) The chapter outlines the Manipur Government's financial accountability and budgetary practices through audit of Appropriation Accounts. Audit of appropriations seeks to ascertain whether the expenditure actually incurred under various Grants is within the authorization given under the Appropriation Act and that the expenditure required to be charged under the provisions of the constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

(B) Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorized by the Appropriation Act in respect of both charged and voted items of budget. Appropriation Accounts thus control document facilitating management of finances and monitoring of budgetary provisions and are therefore complementary to Finance Accounts.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2010-11 against 53 Grants/Appropriations (50 Grants and three Appropriations) is indicated in the table below:

Table 2.1: Summarized position of Actual Expenditure vis-à-vis Original/Supplementary provisions

(₹ in crore)						
	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	3687.86	430.32	4118.18	3715.88	(-) 402.30
	II Capital	1773.06	396.24	2169.30	1920.08	(-) 249.22
	III Loans and Advances	18.20	-	18.20	3.80	(-) 14.40
Sub-total Voted		5479.12	826.56	6305.68	5639.76	(-) 665.92
Charged	IV Revenue	373.86	11.55	385.41	370.12	(-) 15.29
	V Capital	-	-	-	-	-
	VI Public Debt- Repayment	112.95	-	112.95	115.02	(+) 2.07
Sub-total Charged		486.81	11.55	498.36	485.14	(-) 13.22
Appropriation to Contingency Fund		-	-	-	-	-
Grand Total		5965.93	838.11	6804.04	6124.90	(-) 679.14

The overall saving of ₹ 679.14 crore was the result of saving of ₹ 741.56 crore in 49 Grants and three Appropriations under Revenue Section, 25 Grants under Capital Section, offset by excess of ₹ 62.42 crore in two Grants under

Revenue Section, five grants under Capital Section including one appropriation (Interest payment and Debt services).

Substantial savings occurred in Planning (Revenue Voted) (₹ 131.88 crore), Irrigation and Flood Control Department (Capital Voted) (₹ 96.74 crore), Education (Revenue Voted) (₹ 86.66 crore), Sericulture (Capital Voted) (₹ 61.23 crore) and Public Works (Capital Voted) (₹ 54.04 crore). Savings under these five grants accounted for 58 *per cent* of the overall savings.

Excess expenditure occurred mainly in Minor Irrigation (Capital Voted) (₹ 50.03 crore), which accounted for 80 *per cent* of the total excess. Substantial excess also occurred in Public Health Engineering (Capital Voted) (₹ 7.90 crore) and Finance Department (Revenue Voted) (₹ 2.14 crore).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit reveals that in 46 cases, savings exceeded ₹ one crore in each case or by more than 25 *per cent* of total provision. Details are given in Appendix 2.1.

Against the total savings of ₹ 741.56 crore, savings of ₹ 599.01 crore (81 *per cent*) occurred in 13 cases relating to 11 grants, where savings were ₹ 10 crore and above in each case. Details are indicated in the table below:

Table 2.2: List of Grants with savings of ₹ 10 crore and above

(₹ in crore)						
Sl. no.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Saving
Revenue voted						
1	7 – Police	513.75	118.35	632.1	614.64	17.46
2	8 – Public Works Department	162.56	5.20	167.76	154.27	13.50
3	10 – Education	578.76	32.10	610.86	524.20	86.66
4	11 – Medical, Health and Family Welfare Services	191.63	29.79	221.42	209.33	12.09
5	17 – Agriculture	96.39	31.03	127.43	98.65	28.78
6	20 – Community Development and ANP, IRDP and NREP	111.76	2.07	113.83	101.58	12.25
7	30 – Planning	307.41	0	307.41	175.53	131.88
	Sub-total	1962.26	218.54	2180.81	1878.2	302.62
Capital voted						
8	8 – Public Works Department	156.27	74.86	231.13	177.09	54.04
9	12 – Municipal Administration, Housing and Urban Development	84.05	15.21	99.26	52.81	46.45
10	30 – Planning	689.94	0	689.94	665.76	24.18
11	39 – Sericulture	62.76	0	62.76	1.53	61.23
12	40 – Irrigation and Flood Control Department	282.75	18.75	301.50	204.76	96.74
13	44 – Social Welfare Department	13.75	0	13.75	0	13.75
	Sub-total	1289.52	108.82	1398.34	1101.95	296.39
	Total	3251.78	327.36	3579.15	2980.15	599.01

It was seen that in eight cases supplementary provisions were made unnecessarily as the actual expenditure was even less than original provisions.

There was saving of more than ₹ 100 crore in one case viz. Planning (₹ 131.88 crore) under Revenue Voted and was 43 *per cent* of its total provision.

2.3.2 Persistent savings

In two cases, during the last five years there were persistent savings of ₹ 50 lakh or more in each case as indicated in the table below:

Table 2.3: List of Grants indicating Persistent Savings during 2006-11

(₹ in lakh)

Sl. No.	Name of the grant	Amount of savings (per cent of savings vis-à-vis total provision)				
		2006-07	2007-08	2008-09	2009-10	2010-11
Revenue -Voted						
1	40 - Irrigation and Flood Control Department	1172.32 (28)	990.59 (27)	2158.91 (45)	2451.82 (39)	476.20 (9)
Capital -Voted						
2	37 – Fisheries	233.74 (79)	294.45 (100)	59.74 (93)	50 (37)	50.74 (24)

Persistent savings in respect of these two Departments were reported continuously in earlier Audit Reports on State Finances for the years 2008-09 and 2009-10. However, no steps have been taken to avoid such trend of persistent savings, indicating that the budgetary control in these departments and supervision of the Finance Department was weak.

2.3.3 Excess Expenditure

In four cases, excess of expenditure over total provision by ₹ one crore or more in each case aggregated to ₹ 62.14 crore; as detailed in the table below:

Table 2.4: Statement showing excess of expenditure by ₹ 25 lakh or more

(₹ in lakh)

Sl. no.	Grant No.	Total Provision	Expenditure	Excess
Revenue voted				
1	5 – Finance Department	43068.59	43282.23	213.64
Capital voted				
2	22 – Public Health Engineering	21207.10	21997.03	789.93
3	36 – Minor Irrigation	6938.24	11941.27	5003.03
Capital charged				
4	Appropriation No. 2 – Interest Payment and Debt Services	11294.89	11501.83	206.94
Total		82508.82	88722.36	6213.54

In one case, the excess of expenditure exceeded ₹ 50 crore viz., Minor Irrigation (Capital Voted) (₹ 50.03 crore).

2.3.4 Expenditure without provision

Expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 113.95 crore was incurred in 22 cases (Appendix-2.2) without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

In two cases, expenditure without provision exceeded ₹ 15 crore viz, Public Health Engineering (Grant no. 22 - 4215(CPS).01.102.02(H)) (₹ 15.64 crore) and Planning (Grant no. 30 - 4059(SP).01.101.01(H)) (₹ 48.15 crore).

2.3.5 Excess over provisions relating to previous years requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for State Government to get the excess over a grant/appropriation regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, excess expenditure amounting to ₹ 213.60 crore for the years 2007-08 to 2009-10 was yet to be regularized as detailed in Appendix 2.3. The year-wise amount of excess expenditure pending regularization for grants/appropriations is summarized in the table below:

Table 2.5: Excess over provisions relating to previous years requiring regularization

(₹ in crore)

Year	No. of Grants	No. of Appropriation	Amount of excess	Status of Regularization (as of November 2011)
2007-08	11	2	81.59	PAC Report awaited.
2008-09	14	--	102.87	-do-
2009-10	10	1	29.14	-do-
Total:	35	3	213.60	

2.3.6 Excess over provisions during 2010-11 requiring regularization

The table below contains the summary of total excess in seven Grants/Appropriation amounting to ₹ 62.42 crore over authorization from the Consolidated Fund of the State during 2010-11 and requires regularization under Article 205 of the Constitution.

Table 2.6: Excess over provisions requiring regularization during 2010-11

(In ₹)

Sl. No.	Number and title of grant/appropriation	Total provision	Expenditure	Excess
Revenue Voted				
1	5 – Finance Department	4306859000	4328223307	21364307
2	46 – Science and Technology	103138000	103313951	175951
	Sub-Total	4409997000	4431537258	21540258
Capital Voted				
3	17 – Agriculture	193157000	193334968	177968
4	22 – Public Health Engineering	2120710000	2199702607	78992607
5	36 – Minor Irrigation	693824000	1194127410	500303410
6	41 – Art and Culture	93200000	95695655	2495655
	Sub-Total	3100891000	3682860640	581969640
Capital Charged				
7	Appropriation No. 2 – Interest Payment & Debt Services	1129489000	1150183099	20694099
	Sub-Total	1129489000	1150183099	20694099
	Total	8640377000	9264580997	624203997

2.3.7 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 75.58 crore obtained in 14 cases, during the year proved unnecessary as the expenditure did not come up to the level of original provision.

Out of these, in three cases unnecessary supplementary provisions provided exceeded ₹ 15 crore viz., Education (₹ 32.10 crore) under Revenue Voted account and Municipal Administration, Housing and Urban Development (₹ 15.21 crore) and Irrigation and Flood Control Department (₹ 18.75 crore) under Capital Voted account.

Table 2.7: Statement showing unnecessary supplementary provision

(₹ in lakh)

Sl. no.	Grant No.	Original provision	Expenditure	Savings out of Original Provision	Supplementary
	Revenue voted				
1	9 – Information and Publicity	414.82	410.87	3.95	13.20
2	10 – Education	57875.74	52419.60	5456.14	3210.00
3	15 – Consumer Affairs, Food and Public Dist.	974.68	899.45	75.23	125.25
4	16 – Co-operation	1309.42	1283.00	26.42	118.06
5	20 – Community Development and ANP, IRDP and NREP	11175.52	10157.79	1017.73	207.05
6	24 – Vigilance Department	197.86	194.62	3.24	2.05
7	28 – State Excise	1248.95	1223.78	25.17	123.66
8	36 – Minor Irrigation	843.43	838.72	4.71	82.11
9	38 – Panchayat	3662.19	3118.60	543.59	43.97
10	48 – Relief and Disaster Management	916.58	552.57	364.01	9.35
11	49 – Economics & Statistics	992.43	843.42	149.01	71.07
	Capital voted				
12	12 – Municipal Admn., Housing and Urban Dev.	8404.61	5280.63	3123.98	1521.24
13	40 – Irrigation and Flood Control Department	28275.00	20476.16	7798.84	1874.76
14	47 – Welfare of Minorities and Other Backward Classes	2301.47	2276.31	25.16	156.12
	Total	118592.70	99975.52	18617.18	7557.89

In five cases, supplementary provision of ₹ 88.82 crore proved insufficient by more than ₹ 10 lakh in each case, leaving an aggregate uncovered excess expenditure of ₹ 62.38 crore in these five cases. Details are given in the table below:

Table 2.8: Statement showing insufficient supplementary provision by more than ₹ 10 lakh

(₹ in lakh)						
Sl. no.	Grant No.	Original	Supplementary	Total	Expenditure	Excess
	Revenue Voted					
1	5 – Finance Department	43068.59	0	43068.59	43282.22	213.63
	Capital Voted					
2	22 – Public Health Engineering	12808.04	8399.06	21207.1	21997.03	789.93
3	36 – Minor Irrigation	6610.53	327.71	6938.24	11941.27	5003.03
4	41 – Art and Culture	777	155	932	956.96	24.96
	Capital Charged					
5	Appropriation 2 – Interest Payment and Debt Services	11294.89	0	11294.89	11501.83	206.94
	Total	74559.05	8881.77	83440.82	89679.31	6238.49

In one case, the excess of expenditure more than ₹ 50 crore occurred despite providing supplementary provision viz., Minor Irrigation (₹ 50.03 crore) under Capital Voted account.

2.3.8 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved insufficient by more than ₹ 50 lakh or more in each case and resulted in excess of expenditure ₹ 145.79 crore in 37 sub-heads and excessive in 65 sub-heads resulting in savings of ₹ 417.39 crore. This resulted in overall savings of ₹ 271.60 crore in these 102 sub-heads as detailed in Appendix-2.4.

Despite re-appropriation, there were savings of ₹ 50 crore or more in two cases viz., Irrigation and Flood Control Department (4700.03.051.11 (Valley)) (₹ 76.85 crore) and Planning (4059.01.101.01 (Valley)) (₹ 68.17 crore).

On excess side, there were two cases in which excess of expenditure exceeded more than ₹ 10 crore viz. Finance Department (2071.01.101.36) (₹ 24.44 crore) and Planning (5054.05.337.02 (Valley)) (₹ 10.82 crore).

2.3.9 Substantial surrenders

Substantial surrenders (amount exceeding ₹ 50 lakh in each case) were made in respect of 18 sub-heads. In one case under Grant 21 – Commerce and Industries (Deen Dayal Hatkargaha Protsaham Yojana (CSS))¹, the whole amount of ₹ 3.96 crore was surrendered. In five cases², the amount surrendered was more than the total provision of the respective heads and in six cases³, despite no provision of fund in the respective heads of accounts, an

¹ Sl. No. 11 – Appendix 2.5

² Sl. No. 2, 7, 8, 10 and 16 of Appendix 2.5

³ Sl. No. of 12, 13, 14, 15, 17 and 18 of Appendix 2.5

amount of ₹ 223.34 crore had been surrendered. The details are given in Appendix-2.5.

2.3.10 *Surrender in excess of actual saving*

There was no Grant or Appropriation where savings had occurred and the surrendered amount of the respective Grant/Appropriation exceeded the savings of that Grant/Appropriation.

2.3.11 *Surrender despite excess of expenditure*

In three cases viz., Finance Department under Revenue accounts, Public Health Engineering under Capital accounts and Appropriation No. 2 under Capital Charged, an amount of ₹ 44.19 crore was surrendered despite having excess of expenditure over total provision.

Table 2.9: Statement showing cases of surrender despite excess of expenditure

(₹ in lakh)					
Sl. no.	Grant No.	Total Provision	Expenditure	Excess	Surrender
1	5 – Finance Department (Revenue Voted)	43068.59	43282.23	213.64	4097.55
2	22 – Public Health Engineering (Capital Voted)	21207.10	21997.03	789.93	21.00
3	Appropriation No. 2 – Interest Payment and Debt Services	11294.89	11501.83	206.94	299.99
	Total	75570.58	76781.09	1210.51	4418.54

Surrender of fund provision when there were excess of expenditure over budgetary provision shows total absence of budgetary control.

2.3.12 *Anticipated savings not surrendered*

Departments are required to surrender the Grants/Appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2010-11, there were, however, 50 Grants/Appropriations (72 cases) in which savings occurred but no part of which had been surrendered by the concerned departments.

The amount involved in these cases was ₹ 510.91 crore (69 *per cent* of the total savings of ₹ 741.56 crore) (Appendix-2.6).

Similarly, out of savings of ₹ 653.15 crore under 33 Grants/Appropriations (42 cases) where savings were ₹ one crore and above in each case, only ₹ 139.12 crore pertaining to four Grants/Appropriation⁴ could be surrendered leaving a balance savings of ₹ 514.03 crore (79 *per cent*). Details are given in Appendix-2.7.

Besides, in nine Grants/Appropriation (11 cases), ₹ 260.98 crore were surrendered on 31 March 2011 (Appendix-2.8) indicating inadequate financial control and the fact that these funds could not be utilized for other development purposes.

⁴ Grants no. 21 and 30 under Revenue Voted; Appropriation 2 under Revenue Charged and Grant 30 under Capital Voted.

2.3.13 Rush of expenditure

As per provisions of the General Financial Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 96 major heads of accounts as listed in Appendix 2.9, expenditure more than 25 *per cent* of the total expenditure for the year was incurred in March 2011. Of these, in 26 cases involving ₹ 126.24 crore, the whole amount was incurred in March, indicating there was no control over the flow of expenditure.

2.4 Non-reconciliation of Departmental figures

2.4.1 Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

As per Central Treasury Rules⁵, Abstract Contingent (AC) bills must be regularized by detailed countersigned contingent (DCC) bills. An AC bill should not be encashed without a certificate to the effect that DCC bills in respect of earlier AC bills drawn more than a month before the date of that bill have been submitted to the controlling officer. The controlling officers must submit the DCC bills to the Accountant General within one month from the date of receipt of the DCC bills in his office.

The total amount of DCC bills received during the period 2003-11 was ₹ 1,366.20 crore against the amount of AC bills of ₹ 2,019.49 crore leading to an outstanding balance of DCC bills of ₹ 653.29 crore as on October 2011. Year wise details are given in the table below:

Table 2.10: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

(₹ in crore)

Year	Amount of AC bills	Amount of DCC bills	DCC bills as percentage of AC bills	Outstanding DCC bills
2003-04	34.56	13.78	39.90	20.77
2004-05	82.54	76.00	92.08	6.54
2005-06	46.00	35.52	77.22	10.48
2006-07	149.68	101.51	67.82	48.17
2007-08	355.57	241.95	68.05	113.62
2008-09	583.76	510.79	87.50	72.97
2009-10	415.72	280.99	67.59	134.73
2010-11	351.66	105.66	30.05	246.00
Total	2019.49	1366.20	67.65	653.29

(source: VLC records of O/o AG (A&E))

Department-wise pending DCC bills for the years up to 2010-11 is detailed in Appendix-2.10. Non-adjustment of advances for long periods is fraught with

⁵ Rule 308, Rule 309 & Note 4 under Rule 312

the risk of mis-appropriation and therefore, requires close monitoring by the respective DDOs. Thus, there is a need of early reconciliation of AC bills.

2.4.2 Un-reconciled expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General. Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2010-11 also. Out of 81 controlling officers (CO), only 23 COs could fully reconcile (November 2010) their accounts with Accountant General (A & E) office.

2.5 Personal Deposit Accounts

Personal Deposit (PD) Accounts is created for parking funds by debit to the Consolidated Fund of the State and should be closed at the end of the financial year by minus debit to the relevant service heads. There were nine PD accounts in three District Treasuries⁶ in operation during 2010-11. Of these accounts, four PD accounts⁷ were not closed as of 31 March 2011 and balance of ₹ 70.75 crore with these accounts was not transferred back to the respective service heads.

2.6 Errors in budgeting process

There was nineteen cases under thirteen demands of grants which had incorrect major heads, sub-major heads and minor heads of accounts; which did not conform with the list of Major and Minor heads of accounts.

2.7 Conclusion and recommendations

During 2010-11, an expenditure of ₹ 6,124.90 crore was incurred against a total budget provision of ₹ 6,804.04 crore, resulting in an overall saving of ₹ 679.14 crore. The overall saving was the net result of saving of ₹ 741.56 crore offset by excess of ₹ 62.42 crore. The excess of expenditure requires regularization under Article 205 of the Constitution of India. Excess expenditure for the period 2007-10 is yet to be regularized, awaiting recommendation of the Public Accounts Committee (PAC) to regularize the excess expenditure (Paras 2.2 and 2.3).

An expenditure of ₹ 113.95 crore was incurred in 22 cases without any provision in the original estimates/supplementary demand/re-appropriation. Supplementary provision aggregating ₹ 75.58 crore in 14 cases was unnecessary as the expenditure did not come up to the level of original

⁶ Imphal West, Imphal East and Lamphel treasuries

⁷ Planning and Development Authority, Apex housing Cooperative Society, State Lotteries and Consumer Affairs and public Distribution

provision while in five cases, supplementary provision of ₹ 88.82 crore proved insufficient by more than ₹ 10 lakh in each case. Substantial surrenders (amount exceeding ₹ 50 lakh in each case) were made in respect of 18 sub-heads, out of which in one scheme/programme, the whole provision amounting to ₹ 3.96 crore was surrendered while in six cases an amount of ₹ 222.34 crore was surrendered despite having no provision of funds in the respective heads of accounts (Para 2.3). Out of ₹ 2,019.49 crore paid through Abstract Contingent (AC) bills during 2003-11, Detailed Countersigned Contingent bills for ₹ 653.29 crore are outstanding as on October 2011 (Para 2.4).

Expenditure without provision and surrender of whole amount/ funds without provision of funds indicate that the budgetary process needs to be improved so as to avoid re-occurrence of such irregularities in future. Supplementary provisions should be used as an instrument to fine tune the flow of expenditure and should be applied in a judicious manner so that budget provisions and actual expenditure are convergent to each other as nearest as possible. While a marked improvement in settling of outstanding AC bills was visible in the current year, a close and rigorous monitoring mechanism needs to be applied to adjust AC bills within thirty days from the date of drawal of the amount.

CHAPTER III

FINANCIAL REPORTING

A sound internal financial reporting system with relevant and reliable information significantly contributes to the efficient and effective governance by the State Government. The compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliances is thus one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Government to meet its basic stewardship responsibilities, including strategic planning and decision making. This Chapter provides an overview and status of the State Government on the compliance of various financial rules, procedures and directives during the current year.

3.1 Utilization Certificates

General Financial Rules provide that Utilization Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General within 18 months from the date of their sanction unless specified otherwise in respect of grants provided for specific purposes. However, 1659 UCs aggregating to ₹ 693.95 crore in respect of grants and loans paid during 2007-11 were in arrears as of March 2011. The department-wise break-up of outstanding UCs is given in Appendix-3.1 and the year-wise break-up of outstanding UCs is summarized in the table below:

Table 3.1 Year-wise arrears of Utilization Certificates

(₹ in crore)

Year	Total Grant paid		Utilization Certificates outstanding	
	No. of cases	Amount	No. of certificates	Amount
2010-11	695	394.26	695	394.26
2009-10	152	105.79	152	105.79
2008-09	721	149.16	721	149.16
2007-08	91	44.74	91	44.74
Total	1659	693.95	1659	693.95

UCs were mainly pending in respect of Development of Tribals and Backward classes (486 UCs: ₹ 131.11 crore), Forest (47 UCs: ₹ 94.95 crore), Planning (28 UCs: ₹ 86.06 crore) and Rural Development and Panchayati Raj (155 UCs: ₹ 79.79 crore). These four departments together accounted for 716 UCs (43 *per cent*) out of 1659 outstanding UCs; involving an amount of ₹ 392.02 crore (57 *per cent*) out of outstanding amount of ₹ 693.95 crore. In the absence of UCs it could not be ascertained whether the recipients had utilized the grants for the purposes for which these were given.

3.2 Non-submission/delay in submission of accounts

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Governments/Heads of the Departments are required to furnish to Audit every year detailed information about the financial assistance given to various institutions, the purpose of assistance granted and the total expenditure of the institutions.

The annual accounts of nine¹ Autonomous Bodies/Authorities due upto 2010-11 had not been received (December 2011) by the Accountant General (Audit). The details of these accounts are given in Appendix-3.2 and their age-wise pendency is presented in table below.

Table 3.2 Age-wise Arrears of Annual Accounts due from Autonomous Bodies

Delay in Years	No. of the Bodies/Authorities	Grants Received
0 – 1	2	NA
1 – 3	2	NA
3 – 5	1	NA
5 & above	3	NA
Total:	8	

¹ In respect of Executive Director, DRDA, Bishnupur, the year upto which accounts have been completed has not been intimated and not incorporated in the above table.

Out of 17 Autonomous Bodies/Authorities, annual account of 2010-11 of eight autonomous bodies/authorities have been received, of which audit of accounts of seven autonomous bodies/authorities² have been completed as of March 2011. In respect of two autonomous bodies³, the annual accounts are outstanding for more than nine years.

3.3 Delays in submission of Accounts/Audit Reports of Autonomous Bodies

Six Autonomous District Councils (ADC) and one Autonomous Body *i.e.* Legal Services Authority have been set up by the State Government. These Bodies are audited by the Comptroller and Auditor General of India (C&AG). Review of internal management and financial control, review of system and procedures etc. is also conducted by Audit. The audit of accounts of these seven Bodies in the State has been entrusted to the C&AG. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Report (SAR) and its placement in the Legislature are indicated in Appendix 3.3. Delay in placement of SARs in the Legislature after issuing them is summarized in the table below:

Table 3.3: Delay in submission / placement of Separate Audit Reports as on 31 March 2011

Sl. No.	Name of the ADC/ Autonomous Bodies	Year of SAR	Date of issue	Date of placement in the Legislature	Delay in submission to the Legislature
1	Churachandpur	1998-99	29.12.00	17.03.06	Over 5 years
2	Senapati	1999-00	6.12.01	17.03.06	Over 4 years
3	Tamenglong	1999-00	11.12.01	17.03.06	Over 4 years
4	Ukhrul	1999-00	11.12.01	17.03.06	Over 4 years
5	Sadar Hills	2000-01	10.04.03	17.03.06	Over 3 years
6	Chandel	2001-02	06.12.04	17.03.06	Over 1 year

The above table shows that SAR pertaining to the period 1998-99 in respect of ADC, Churachandpur was placed in the Legislature after a lapse of over five

² DRDAs (Imphal East, Ukhrul, Senapati, Churachandpur, Tamenglong), Manipur Development Society and Eastern Border Area Development Authority.

³ Manipur State Kala Academy and Manipur Pollution Control Board

years while the SARs for the period 1999-00 in respect of ADCs of Senapati, Tamenglong and Ukhul was placed after a lapse of over four years from the date of issue. The SAR in respect of ADC, Sadar Hills for the period 2000-01 was placed after a lapse of over three years from the date of issue while in respect of ADC, Chandel it was placed after a lapse of one year.

The reasons for the delay in submission/placement of the SARs in the Legislature though called for (September and November 2011) have not been intimated (February 2012).

3.4 Misappropriations, losses, defalcations etc.

Information regarding non-adjustment of temporary advances, reasons for non-adjustment, delay in furnishing utilization certificates, non-submission/delay in submission of accounts, cases of misappropriation, losses, defalcations, if any, were called for from 51 departments/ autonomous bodies.

However, information in respect of seven departments/ autonomous District Council/Corporations viz., Irrigation and Flood Control Department, Taxation Department, Transport Department, Science and Technology Department, Manipur Industrial Development Corporation Ltd., Manipur Handloom and Handicrafts Development Corporation Ltd. and Autonomous District Council, Churachandpur were received (December 2011). Non-adjustment of advance of ₹ 0.16 crore for less than one year (Science and Technology Department) and ₹ 145.37 crore for more than 10 years (Manipur Industrial Development Corporation Ltd.)(MANIDCO) was reported. While the advance in respect of Science and Technology Department could not be adjusted as clarification on expenditure was awaited from the Government, no reason was furnished in respect of MANIDCO. The Corporation also further reported (September 2011) three cases of misappropriation/losses/defalcation etc. amounting to ₹ 339 lakh; but no reasons were furnished (February 2012).

3.5 Conclusion and recommendations

Utilization Certificates in respect of 1,659 grants and loans paid during 2007-11 involving ₹ 693.95 crore were in arrear as of March 2011. There were also delays in placement of Separate Audit Reports to Legislature and huge arrears in finalization of accounts by the ADC/Autonomous Bodies. Out of 51 departments/Autonomous bodies, only seven replies were received to ascertain the status of non-adjustment of temporary advances, misappropriation, losses *etc.* (Paras 3.1, 3.2, 3.3 and 3.4).



**Imphal
The**

**(Stephen Hongray)
Accountant General (Audit), Manipur**

Countersigned



**New Delhi
The**

**(Vinod Rai)
Comptroller and Auditor General of India**

Appendix 1.1

Part A: Structure and Form of Government Accounts

Structure of Government Accounts: The accounts of the State Government are kept in three parts (i) Consolidated Fund (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund

All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund entitled 'The Consolidated Fund of State' established under Article 266 (1) of the Constitution of India.

Part II: Contingency Fund

Contingency Fund of State established under Article 267 (2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by the Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

Part III: Public Account

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittance *etc.* which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature.

Appendix 1.1 –contd.
PART B: Layout of Finance Accounts

The new format of Finance Accounts introduced from the year 2009-10, has been divided into two Volumes – Volume I and 2. Volume 1 represents the financial statements of the Government in summarized form while Volume 2 represents detailed financial statement. The layout of the Finance Accounts is chalked out in the following manner:

Statement	Layout
Volume 1	
Statement No.1	Statement of Financial Position.
Statement No.2	Statement of Receipts and Disbursements.
Statement No.3	Statement of Receipts (Consolidated Fund)
Statement No.4	Statement of Expenditure (Consolidated Fund) by Function and Nature, Notes to Accounts, and Appendix I: Cash Balances and Investment of Cash Balances
Volume 2	
PART - I	
Statement No.5	Statement of Progressive Capital expenditure
Statement No.6	Statement of Borrowings and other Liabilities
Statement No.7	Statement of Loans and Advances given by the Government
Statement No.8	Statement of Grants-in-aid given by the Government
Statement No.9	Statement of Guarantees given by the Government
Statement No.10	Statement of Voted and Charged Expenditure
PART - II	
Statement No.11	Detailed Statement of Revenue and Capital Receipts by minor heads
Statement No.12	Detailed Statement of Revenue Expenditure by minor heads
Statement No.13	Detailed Statement of Capital Expenditure
Statement No.14	Detailed Statement of Investments of the Government
Statement No.15	Detailed Statement of Borrowings and other Liabilities
Statement No.16	Detailed Statement on Loans and Advances given by the Government
Statement No.17	Detailed Statement on Sources and Application of funds for expenditure other than Revenue account
Statement No.18	Detailed Statement on Contingency Fund and other Public Account Transactions
Statement No.19	Detailed Statement on Investments of Earmarked Funds
PART - III	
Appendices	
II	Comparative Expenditure on Salary
III	Comparative Expenditure on Subsidy
IV	Grants-in-aid (Scheme wise and Institution wise)
V	Externally Aided Projects
VI	Plan Scheme expenditure (Central and State Plan Schemes)
VII	Direct transfer of central scheme funds to implementing agencies in the State
VIII	Summary of Balances
IX	Financial results of Irrigation Schemes
X	Incomplete Works
XI	Maintenance expenditure with segregation of salary and non-salary portion

Appendix – 1.1-contd.

Part C: Methodology Adopted for the Assessment of Fiscal Position

The norms/Ceilings prescribed by the TFC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the Legislature under the Act are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the Gross State Domestic Product (GSDP) at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure *etc.*, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

List of terms used in the Chapter I and basis for their calculation

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of the parameter (X)/ Rate of Growth of the parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount}/\text{Previous years Amount}) - 1] * 100$
Average	Trend of growth over a period of 5 years
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of 5 years, of the parameter in Revenue or Expenditure as the case may be
Development Expenditure	Social Services + Economic Services
Weighted Interest Rate (Average interest paid by the State)	$\text{Interest payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{current year's Fiscal Liabilities})/2] * 100$
Interest spread	GSDP growth – Weighted Interest rate
Quantum spread	$\text{Debt stock} * \text{Interest spread}/100$
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts <i>minus</i> all Plan grants and Non-plan Revenue Expenditure excluding debits under 2048 – Appropriation for reduction or Avoidance of debt

Appendix 1.1-contd.
Part D: State Profile

Part D: State Profile				
Sl. No.	Particulars		Figures	
1.	Area		22,327 sq km	
2	Population			
	a.	As per 2001 census	21.67 lakh	
	b.	As per 2011 census	27.22 lakh	
3	Density of Population (2001)(All India Average = 325 persons per sq km)		103 persons per sq km.	
	Density of Population (2011)(All India Average = 382 persons per sq km)		122 persons per sq km.	
4	Population below poverty line^ (All India Average = 27.5%)		17.30 <i>per cent</i>	
5	Literacy (2001) (All India Average = 64.8%)		70.53 <i>per cent</i>	
6	Infant Mortality (per 1000 live births) (All India Average = 50 per 1000 live births)		16	
7	Gross State Domestic Product (GSDP) in 2010-11 at current prices		₹ 9198 crore (A)	
8	GSDP CAGR* (2001-02 to 2010-11)	Manipur	11.79 <i>per cent</i>	
		NE States	12.52 <i>per cent</i>	
9	Per capita GSDP CAGR (2000-01 to 2009-10)	Manipur	8.69 <i>per cent</i>	
		NE States	9.49 <i>per cent</i>	
10	Population Growth (2000-01 to 2009-10)	Manipur	18.65 <i>per cent</i>	
		NE States	16.94 <i>per cent</i>	
Financial Data				
Particulars		Figures (in per cent)		
		2001-02 to 2009-10	2001-02 to 2010-11	
CAGR of		NE States	Manipur	Manipur
a	Revenue Receipts	15.53	16.06	18.50
b	Own Tax Revenue	15.99	18.33	20.17
c	Non Tax Revenue	21.28	30.37	27.69
d	Total Expenditure	14.52	14.89	16.48
e	Capital Expenditure	18.88	31.70	30.40
f	Revenue Expenditure on Education	11.27	5.75	7.81
g	Revenue Expenditure on Health	16.48	7.85	13.08
h	Pension	13.11	9.67	12.36

[^]The level of poverty is being determined on different measures and the data furnished by Planning Commission & NSSO is one such indicator.

*Compounded Annual Growth Rate

Source: BPL – Planning Commission & NSSO data, 61st Round, Life Expectancy at Birth – Office of the Registrar General of India, Ministry of Home Affairs and Economic Survey 2009-10, Infant Mortality Rate – SRS Bulletin (January 2011).

Appendix – 1.1—contd.**Part E Fiscal Responsibility and Budget Management (FRBM) Act, 2005****The Fiscal Responsibility and Budget Management (FRBM) Act, 2005**

The State Government enacted the Manipur Fiscal Responsibility and Budget Management (FRBM) Act in August 2005 to ensure prudence in fiscal management and fiscal stability by achieving sufficient revenue surplus, reduction in fiscal deficit, prudent debt management consistent with fiscal sustainability, greater transparency in fiscal operations of the Government. The Act prescribed the following fiscal targets for the State Government:

- (i) strive to remain revenue surplus by making a balance in revenue receipts and expenditure and build up further surplus;
- (ii) strive to bring down fiscal deficit to 3 *per cent* of Gross State Domestic Product;
- (iii) limit the amount of outstanding Government guarantees as per the provisions of the Manipur Ceiling on State Government Guarantee Act, 2004;
- (iv) follow a recruitment and wage policy, in a manner such that the total salary bill relative to revenue expenditure excluding interest payments and pensions does not exceed 35 *per cent*:

As per Manipur FRBM Rules 2005 (enacted in December 2005 and subsequently amended in January 2006 and in July 2006) fraud under the Act, the following fiscal targets in respect of revenue surplus and fiscal deficit was set:

- remain revenue surplus and build up further surplus having regard to the norms of Central Assistance for the State Plan and the tax and non-tax revenue potential of the State,
- reduce the fiscal deficit by a minimum of 1 *per cent* of the Gross State Domestic Product by the end of each financial years, beginning with the financial year 2005-06 so as to reduce the same to 3 *per cent* or below by 2008-09 provided that, in the event of shortfall in the reduction of revenue and fiscal deficit as envisaged, the target of reduction of deficit in the succeeding year shall stand enhanced by the amount of shortfall in the preceding year.

Appendix 1.2
(Reference: Paragraph 1.1)
Abstract of Receipts and disbursements for the year 2010-11

(₹ in crore)

2009-10	Receipts	2010-11		2009-10	Disbursements		2010-11	
						Non-Plan	Plan	Total
Section-A: Revenue								
3873.14	I - Revenue receipts		5,429.94	3014.40	I - Revenue expenditure-	2,979.44	1098.57	4078.01
196.04	-Tax revenue	267.05		1,181.29	General Services-	1,618.53	24.22	1,642.75
239.75	-Non-tax revenue	259.88		891.16	Social Services of which	662.83	575.64	1,238.47
597.56	-State's share of Union Taxes	990.57		452.21	-Education, Sports, Art and Culture	436.01	133.01	569.02
1059.41	-Non-plan Grants	1,302.84		126.63	-Health and Family Welfare	114.42	94.91	209.33
1416.73	-Grants for State Plan Schemes	2,137.55		105.48	-Water Supply, Sanitation, Housing and Urban Development	60.28	42.02	102.30
334.52	-Grants for Central and Centrally sponsored Plan Schemes	425.91		3.51	-Information and Broadcasting	3.41	1.25	4.66
29.13	-Grants for Special Schemes for NEC and for other purposes	46.14		78.20	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	11.31	169.96	181.27
				8.41	-Labour and labour Welfare	6.81	3.79	10.60
				112.11	-Social Welfare and Nutrition	25.29	130.70	155.99
				4.61	-Others	5.30	-	5.30
				815.98	Economic Services of which	584.97	498.71	1,083.68
				270.38	-Agriculture and Allied Activities	152.62	231.06	383.68
				71.56	-Rural Development	26.06	59.80	85.86
				51.12	-Special Areas Programmes	-	41.58	41.58
				54.71	-Irrigation and Flood Control	42.00	24.67	66.67
				167.67	-Energy	206.06	5.50	211.56
				50.57	-Industry and Minerals	35.42	38.85	74.27
				83.63	-Transport	100.40	-	100.40
				8.79	-Science, Technology and Environment	1.35	13.32	14.67
				57.55	-General Economic Services	21.06	83.93	104.99
				125.97	Grants-in-aid and Contributions	113.11	-	113.11
-	II - Revenue deficit carried over to Section B		-	858.74	II - Revenue Surplus carried over to Section B			1351.93
3873.14	Total: Section A		5,429.94	3873.14	Total: Section A			5429.94
Section -B: Others								
616.05	III - Opening Cash balance including Permanent Advances and Cash Balance Investment		367.40	-	III - Opening Overdraft from Reserve Bank of India			-
-	IV - Miscellaneous Capital receipts		-	1587.78	IV - Capital Outlay-	0.99	1917.07	1918.06
				103.01	General Services-	-	264.76	264.76
				559.10	Social Services of which	0.01	600.72	600.73
				109.29	-Education, Sports, Art and Culture	-	82.40	82.40
				80.00	-Health and Family Welfare	-	94.96	94.96
				299.28	-Water Supply, Sanitation, Housing and Urban Development	0.01	374.06	374.07
				0.20	-Information and Broadcasting	-	0.15	0.15
				54.13	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	47.24	47.24
				14.09	-Social Welfare and Nutrition	-	-	-
				2.11	-Others	-	1.91	1.91
				925.67	Economic Services of which	0.98	1,051.59	1,052.57
				9.21	-Agriculture and Allied Activities	0.98	15.50	16.48
					-Rural Development	-	-	-
				21.81	-Special Areas Programmes	-	11.38	11.38
				208.32	-Irrigation and Flood Control	-	395.31	395.31
				300.78	-Energy	-	308.75	308.75

				24.51	-Industry and Minerals	-	7.09	7.09
				2.05	-Science and Technology and Environment	-	18.37	18.37
				319.42	-Transport	-	290.25	290.25
				39.57	-General Economic Services	-	4.94	4.94
3.28	V - Recoveries of Loans and Advances-		1.19	6.89	V - Loans and Advances disbursed-			3.80
-	-From Power Projects	-			-For Power Projects	-	-	-
0.60	-From Government Servants	0.62		0.19	To Government Servants	0.25	-	0.25
2.68	-From Others	0.57		6.70	-To Others	-	3.55	3.55
858.74	VI - Revenue Surplus brought down		1351.93	-	VI - Revenue Deficit brought down			-
519.89	VII - Public debt receipts-		298.40	116.75	VII - Repayment of Public debt			115.02
	-External debt	-		-	External debt		-	
519.81	-Internal debt other than Ways and Means Advances and overdrafts	298.40		74.70	-Internal debt other than Ways and Means Advances and Overdrafts		69.75	
-	-Net transactions under Ways and Means Advances	-		-	-Net transactions under Ways and Means Advances		-	
0.08	-Loans and Advances from Central Government	-		42.05	-Repayment of Loans and Advances to Central Government		45.27	
-	-Net transactions under over- draft	-						
	VIII - Appropriation to Contingency Fund		-	--	VIII - Appropriation to Contingency Fund			-
	IX - Amount transferred to Contingency Fund		-	--	IX - Expenditure from Contingency Fund			-
3218.15	X - Public Account receipts-		4008.55	3137.29	X - Public Account disbursement-			3634.11
143.75	Small Savings and Provident Funds	179.56		118.81	-Small Savings and Provident Funds		138.25	
30.51	-Reserve Funds	27.87		5.99	-Reserve Funds		-	
45.37	Suspense and Miscellaneous	53.11		79.74	-Suspense and Miscellaneous		53.41	
2130.40	Remittances	2694.26		2,290.63	-Remittances		2,775.48	
868.12	Deposits and Advances	1053.75		642.12	-Deposits and Advances		666.97	
-	XI - Closing Overdraft from Reserve Bank of India			367.40	XI - Cash Balance at end-			356.48
					-Cash in Treasuries and Local Remittances		4.62	
					-Deposits with Reserve Bank		95.96	
					-Departmental Cash Balance including permanent Advances		32.17	
					-Cash Balance Investment and Investment of earmarked fund		223.73	
9089.25	Total		11457.41	9,089.25	Total			11457.41

Appendix – 1.3
(Reference: Paragraph 1.5.2)

Statement showing funds transferred to the State implementing Agencies under Programmes/Schemes outside the State budget during 2010-11

(₹ in lakh)

Implementing Agency	GOI Programme/Scheme	Amount
1. The Women's Voluntary Organization 2. Weaker Section Development Association	Access and Equity	14.59
9 NGOs	Archives and Archival Libraries	1.81
Institute of Bioresources and Sustainable Development	Autonomous R&D Institution	688.22
Institute of Bioresources and Sustainable Development	Bio-informatics	16.38
5 NGOs	Biotechnology for Social Development	37.57
34 NGOs	Baba Saheb Ambedkar Hastashilpa Vikas Yojana	452.02
Wakf Board Manipur	Computerisation of Records of State WAKF Boards	27.10
State Water and Sanitation Mission Manipur	Central Rural Sanitation Scheme	80.30
1. Centre for Development 2. Institute for Community Action & Resource	Comprehensive Scheme for Combating Trafficking	27.22
19 NGOs	Credit Support Programme	18.81
Manipur Police Housing Corporation Ltd.	Crime and Criminal Tracking Network and System	1,266.20
14 NGOs	Deel Dayal Rehabilitation Scheme SJE	305.91
50 NGOs	Design and Technical Development	116.20
DRDAs	DRDA Administration	528.58
Women's Income Generation Centre & Kanglei Mime Theatre Repertory	Education in Human Values DHE	3.66
Manipur State Information Technology Society	Electronic Governance	62.55
Manipur ENVIS Centre and Project Implementation Committee, Environment & Ecology	Environment Information Education and Awareness	31.52
Institute of Bioresources and Sustainable Development	Grand Challenge Programmes	28.82
Council for Development of Poor Labourers & Rural Area Development Committee (RADCO)	Free Coaching and Allied Scheme for Minorities MA	7.76
Type Writing Institute & Rural Development Services (TWIRDS)	Free Coaching for SC's and OBC's SJE	78.40
Wangjing Women and Girl Society & Universal Caring Mission	GIA for Research Publication and Monitoring	4.57
13 NGOs	GIA to NGO's including Coaching	422.21
19 NGOs	GIA to Research Training Information and Miscellaneous SJE	78.40
Philanthropic Society, Rural Service Agency and Action for Women and Rural Development (AWARD)	Grants in Aid to Research Academic Institutions land Non Governmental Voluntary Organizations for undertaking research in Labour Related Subjects	2.64
8 NGOs	HRD	12.45
State Health Society, Manipur, Imphal	Hospitals and Dispensaries (Under NRHM)	6.90
7 DRDAs	Indira Awas Yojana (IAY) Rural Housing	2,052.53
Development Net Working Agency	Information Education and Communication	1.00
Manipur Renewable Energy Development Agency (MANIREDA)	Information Publicity and Extension	29.00
Administrative Officer, Medical Directorate	HRD for Health	3,000.00
Volunteers for Village Development	Information Education and Communication, M/o Water	2.29

Manipur Milk Producer's Co-operative Union Ltd.	Intensive Dairy Development Programme	200.00
5 DRDAs	Integrated Watershed Management Programme (IWMP)	2,670.49
Secretary, MAHUD, Government of Manipur	Market Access Initiative	5.52
DOEACC Society, Imphal Centre	Manpower Development (including Skill Development in IT)	9.10
9 DRDAs	Mahatma Gandhi National Rural Employment NRE	33,945.99
17 NGOs	Marketing Support and Services & Export Promotion	240.82
Manipur State Medicinal Plants Board, Manipur	Medicinal Plants	7.64
Deputy Commissioner	MPs Local Area Development Scheme MPLADS	600.00
Zoom Arts and Cultural Development	Museums	54.27
Highland Welfare	National Afforestation and Eco-Development Board	3.75
Forest Development Agencies Thoubal, Imphal	National Afforestation Programme	1,036.88
Marchang Jims	National Overseas Scholarship Scheme	0.02
Manipur State AIDS Control Society, SASO – Social Awareness Service	National AIDS Control Programme including STD Control	2,303.38
State Bamboo Steering Committee (SBSC)	National Bamboo Mission	1,307.00
1. 30 NGOs 2. Rural Upliftment and Development Organisation (RUDO)	National Programme for Youth and Adolescent Development General Component	17.42
Manipur Livestock Development Board Ltd.	National Project for Cattle and Buffalo Breeding	361.75
SWSM Manipur, Imphal	National Rural Drinking Water Programme	4,020.92
State Health Society, Manipur, Imphal	National Rural Health Mission (NRHM) Central Sector	35.00
State Health Society, Manipur, Imphal	National Rural Health Mission (NRHM) (including CSP)	5,145.04
Manipur Renewable Energy Development Agency (MANIREDA)	Off Grid DRPS	289.33
24 NGOs	Panchayati Raj Institutions Voluntary Organizations	139.94
Manipur Pollution & Project Implementation Committee, Environment & Ecology	Pollution Abatement	36.14
Manipur Rural Roads Development Agency (MSRRDA)	Pradhan Mantri Gram Sadak Yojana (PMGSY)	8,883.00
Manipur Development Society	Product/Infrastructure Development for	2,513.52
47 NGOs (Dance and Cultural Organizations)	Promotion and Dissemination of Art and Culture	530.80
5 NGOs	Promotion of Sports among Disabled	12.00
1. Women's Worth Organization 2. Malem Leima Destitute & Backward Women's Welfare Association	Research & Development (Handicrafts)	4.17
2 NGOs	Research & Development Bioresources	169.24
State Implementation Society, SSA, Manipur	Rashtriya Madhyamic Shiksha Abhiyan (RMSA)	2,526.00
2 NGOs	Research and Development Support (SERC)	322.81
Development Network Agency	Research and Development Water Resources	0.28
4 NGOs	Research Information and Mass Education – Tribal	1.08
State Implementation Society, SSA, Manipur	Sarva Shiksha Abhiyan (SSA)	13,253.77
1. The Centre for Rural Development 2. S. Kula Women College	Scheme for Human Resources Development FPI	3.00
Rishang Keishing Foundation for Management for Tribal Areas MASTA	Scheme for Infrastructure Development FPI	100.00

6 NGOs	Scheme for Quality Assurance, CODEX Standard	91.45
5 NGOs	Scheme for Technology	82.04
SC/ST Backward Women and Children Development, Society for Progressive Development	Scheme for the Welfare of Working Children in Need of Care and Protection	151.94
People Advance in Social Service, Lions Club of Thoubal	Scheme Arising out of the Implementation of the Person with Disabilities SJE	11.82
Manipur Science and Technology	Science and Technology Programme for Socio Economic	77.71
National Institute of Technology	Setting up of National Institute	250.00
Manipur Science & Technology Council	State Science and Technology Programme	85.72
5 NGOs	Step Support to Training and Employment Programme for Women	100.74
Manipur Renewable Energy Development Agency (MANIREDA)	Solar Thermal Systems Water Heating	25.00
1. Jana Shikshan Sansthan, Senapati 2. Jana Shikshan Sansthan, Imphal West 3. Jana Shikshan Sansthan, Thoubal	Support to NGO's SRCs for Adult Education and Skill Development Merged Schemes of NGOs, JSS and SRCs	90.00
State Agricultural Management & Extension Training Institute (SAMETI), Manipur	Support to State Extension Programme	174.71
1. 9 NGOs 2. Department of Social Welfare	SWADHAR	224.75
9 DRDAs	Swaran Jayanti Gram Swarozgar Yojana (SGSY)	934.04
Manipur Urban Development Agency (MUDA)	SJSRY (Swarna Jayanti Shahari Rojgar Yojana)	448.44
1. Krishi Bigyan Kendra Sylvan 2. Manipur Science & Technology Council	Technology Development Programme	6.60
Institute of Social Research & Development Society	UNESCO related activities including fund for	0.87
16 NGOs	Voluntary Organization for providing social	193.48
Leirik Memorial Hospital	Working Women Hostel (WWH)	52.81
Total:		93,157.80

(source: Finance Accounts)

Appendix 1.4
(Reference: Paragraph 1.10.1)
Assets and Liabilities of the Government of Manipur as on 31 March 2011

(₹ in crore)

As on 31.03.2010		Liabilities	As on 31.03.2011	
2871.54		Internal Debt -		3100.20
	1897.41	Market Loans bearing interest	2103.61	
	0.04	Market Loans not bearing interest	0.04	
	5.93	Loans from Life Insurance Corporation of India	5.93	
	20.94	Loans from NABARD	47.92	
	0.11	Loans from SBI	0.11	
	8.79	Loans from National Co-operative Development Corporation	6.14	
	855.17	Special Securities issued to National Small Savings Fund of the Central Government	849.26	
	83.15	Other Loans	87.19	
684.62		Loans and Advances from Central Government -		639.35
	0.06	Pre 1984-85 Loans	0.06	
	568.62	Non-Plan Loans	530.67	
	89.00	Loans for State Plan Schemes	83.31	
	1.96	Loans for Central Plan Schemes	1.69	
	20.35	Loans for Centrally Sponsored Plan Schemes	19.28	
	4.63	Loans for Special Plan Schemes	4.34	
	-	Other Ways & Means Advances	-	
	-	Contingency Fund	-	
800.50		Small Savings, Provident Funds, etc.		841.80
1148.68		Deposits		1535.46
47.58		Reserve Funds		75.45
5552.92		Total		6192.26
Assets				
9599.56		Gross Capital Outlay on Fixed Assets -		11517.62
	176.25	Investments in shares of Companies, Corporations, etc.	176.31	
	9423.31	Other Capital Outlay	11341.31	
202.81		Loans and Advances -		205.42
	-	Loans for Power Projects	-	
	11.17	Loans to Government servants and Miscellaneous loans	10.80	
	191.64	Other Development Loans	194.62	
1.73		Advances		1.73
(-)299.80		Deposit with Reserve Bank and other banks		95.96
186.30		Remittance Balance		267.52
124.64		Suspense and Miscellaneous Balance		124.95
667.20		Cash -		260.52
	4.61	Cash in Treasuries and Local Remittances	4.62	
	37.79	Departmental Cash Balance	32.15	
	0.02	Permanent Advances	0.02	
	590.80	Cash Balance Investments	155.31	
	33.98	Investment of earmarked funds	68.42	
(-)4929.52		Deficit on Government Account		(-)6281.46
	(-)858.74	Less Revenue Surplus of the current year	(-)1351.93	
		Miscellaneous Deficit		
	(-)4070.78	Accumulated Deficit at the beginning of the year	(-)4929.53	
5552.92				6192.26

Appendix 1.5
(Reference: Paragraph 1.6)
Time series data on the State Government finances

(₹ in crore)

	2006-2007	2007-2008	2008-2009	2009-10	2010-11
Part A Receipts					
1. Revenue Receipts (i +ii+iii+iv)	2,863	3,508	3,873	3873	5430
(i) Tax Revenue of which	122	147	170	196	267
<i>Taxes on Agricultural Income</i>	-	-	-	-	-
<i>Taxes on Sales, Trade, etc.</i>	97	121	141	163	227
<i>State Excise</i>	4	4	4	5	7
<i>Taxes on Vehicles</i>	3	3	4	4	4
<i>Stamps and Registration fees</i>	3	3	3	4	4
<i>Land Revenue</i>	1	1	1	1	1
<i>Taxes on Goods and Passengers</i>	1	1	1	1	1
<i>Other taxes</i>	13	14	16	18	23
<i>Taxes and duties on electricity</i>	-	-	-	-	-
(ii) Non-Tax Revenue	181	165	254	240	260
(iii) State's share of Union taxes and duties	436	550	581	597	991
(iv) Grants-in-aid from Government of India	2,124	2,646	2,868	2840	3912
2. Miscellaneous Capital Receipts	-	-	-	-	-
3. Recoveries of Loans and Advances	1	2	1	3	1
4. Total Revenue and Non-debt capital receipts (1+2+3)	2,864	3,510	3,874	3876	5431
5. Public Debt Receipts of which	266	261	314	520	298
<i>Internal Debt (excluding Ways and Means Advances and Overdrafts)</i>	260	253	309	520	298
<i>Net transactions under Ways and Means Advances and Overdrafts</i>	-	-	-	-	-
<i>Loans and Advances from Government of India</i>	6	8	5	-	-
6. Total Receipts in the Consolidated Fund (4+5)	3130	3771	4188	4396	5729
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Account Receipts	2207	2481	2848	3218	4009
9. Total Receipts of the State (6+7+8)	5337	6252	7036	7614	9738
Part B Expenditure/Disbursement					
10. Revenue Expenditure	2415	2292	2622	3014	4078
<i>Plan</i>	420	480	490	710	1099
<i>Non-Plan</i>	1,995	1,812	2,132	2304	2979
<i>General Services (including interest payments)</i>	873	932	1,094	1181	1643
<i>Social Services</i>	664	718	803	891	1238
<i>Economic Services</i>	878	642	725	816	1084
<i>Grants-in-aid and contributions</i>	-	-	-	126	113
11. Capital Expenditure	867	1,108	1,467	1588	1918
<i>Plan</i>	865	1,110	1,464	1589	1917
<i>Non-Plan</i>	2	(-)2	3	(-)1	1
<i>General Services</i>	131	104	55	103	265
<i>Social Services</i>	271	378	547	559	601
<i>Economic Services</i>	465	626	865	926	1052
12. Disbursement of Loans and Advances	57	8	1	7	4
13. Total/Aggregate Expenditure (10+11+12)	3339	3408	4090	4609	6000

14. Repayments of Public Debt of which	285	308	310	117	115
<i>Internal Debt (excluding Ways and Means Advances and Overdrafts)</i>	40	63	65	75	70
<i>Net transactions under Ways and Means Advances and Overdrafts</i>	-	-	-	-	-
<i>Loans and Advances from Government of India</i>	245	245	245	42	45
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	3624	3716	4400	4726	6115
17. Contingency Fund disbursements	-	-	-	-	-
18. Public Account disbursements	1787	1953	2560	3137	3634
19. Total disbursement by the State (16+17+18)	5411	5669	6960	7863	9749
Part C Deficits					
20. Revenue Deficit (-)/Surplus (+) (1-10)	(+)448	(+)1,216	(+)1,251	(+) 859	(+)1352
21. Fiscal Deficit (-)/Surplus (+) (4-13)	(-)475	(+)102	(-)216	(-) 733	(-)569
22. Primary Deficit(-)/ Surplus(+) (21+23)	(-)186	(+)400	(+)98	(-) 410	(-)204
Part D Other data					
23. Interest Payments (included in revenue expenditure)	289	298	314	323	365
24. Financial Assistance to local bodies etc.	42	43	51	37	41
25. Ways and Means Advances/Overdraft availed (days)	-	7	-	-	-
Ways and Means Advances availed (days)	-	7	-	-	-
Overdraft availed (days)	-	-	-	-	-
26. Interest on Ways and Means Advances/Overdraft	-	0.03	-	-	-
27. Gross State Domestic Product (GSDP)@	6137	6799	7399	8314	9198
28. Outstanding Fiscal liabilities (year end)	4187	4529	4861	5519	6124
29. Outstanding guarantees (year end) (including interest)	251	211	274	195	233
30. Maximum amount guaranteed (year end)	194	207	197	197	196
31. Number of incomplete projects*	90	228	49	44	21
32. Capital blocked in incomplete projects	149	176	144	225	132
Part E Fiscal Health Indicators					
I Resource Mobilization					
Own Tax revenue/GSDP	1.99	2.16	2.30	2.36	2.90
Own Non-Tax Revenue/GSDP	2.95	2.43	3.43	2.89	2.83
Central Transfers/GSDP	7.10	8.09	7.85	7.18	10.77
II Expenditure Management					
Total Expenditure/GSDP	54.41	50.12	55.28	55.44	65.23
Total Expenditure/Revenue Receipts	116.63	97.15	105.60	119.00	110.50
Revenue Expenditure/Total Expenditure	72.33	67.25	64.11	65.39	67.97
Expenditure on Social Services/Total Expenditure	28.00	32.15	33.01	31.46	30.65
Expenditure on Economic Services/Total Expenditure	40.22	32.15	38.88	37.80	35.60
Capital Expenditure/Total Expenditure	25.96	32.51	35.87	34.45	31.97
Capital Expenditure on Social and Economic Services/Total Expenditure	22.04	29.46	34.52	32.22	27.55
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	7.30	17.88	16.89	10.33	14.70
Fiscal deficit (surplus)/GSDP	(-) 7.74	1.50	(-)2.93	(-) 8.82	(-)6.18
Primary Deficit (surplus)/GSDP	(-) 3.03	5.88	1.32	(-) 4.93	(-)2.22
Revenue Deficit/Fiscal Deficit	(-)94.32	1,192.16	(-)576.04	(-) 117.19	(-)237.61
Primary Revenue Balance/GSDP	12.03	22.30	21.17	14.24	18.68
IV Management of Fiscal Liabilities					

Fiscal Liabilities/GSDP	68.23	66.61	65.70	66.38	66.58
Fiscal Liabilities/RR	146.24	129.10	125.50	142.50	112.78
Primary deficit vis-à-vis quantum spread	(+) 1039.73	1199.76	(-) 302.77	(-) 57.69	36.67
Debt Redemption (Principal+Interest)/Total Debt Receipts	100.85	95.88	97.25	78.28	84.31
V Other Fiscal Health Indicators					
Return on Investment	-	0.05	-	-	-
Balance from Current Revenue (₹ in crore)	(-)325	32	(-)97.15	(-) 188.43	(-)137.01
Financial Assets/Liabilities	1.35	1.59	1.79	8.91	(-)69.42

@ GSDP figures as communicated by the State Government

* Projects for which initial cost is more than ₹ one crore

Appendix 2.1
(Reference: Paragraph 2.3.1)

Statement of various Grants/Appropriations where savings was more than ₹ one crore in each case or more than 25 per cent of the total provision

(₹ in lakh)

Sl. no.	Grant/ Appropriation	Total provision	Saving	Percentage of savings
(1)	(2)	(3)	(4)	(5)
Revenue Voted				
1	1 – State Legislature	2795.72	270.94	10
2	3 – Secretariat	5603.06	563.41	10
3	4 – Land Revenue, Stamps & Registration and District Administration	5151.51	619.44	12
4	7 – Police	63209.89	1746.20	3
5	8 – Public Works Department	16776.22	1349.63	8
6	10 – Education	61085.74	8666.14	14
7	11 – Medical, Health and Family Welfare Services	22141.92	1209.19	5
8	12 – Municipal Administration, Housing and Urban Development	6511.83	409.49	6
9	14 – Development of Scheduled Tribes and Scheduled Castes Department	24958.68	761.62	3
10	15 – Consumer Affairs, Food and Public Distribution	1099.93	200.48	18
11	16 – Co-operation	1427.48	144.48	10
12	17 – Agriculture	12742.66	2877.59	23
13	18 – Animal Husbandry and Veterinary including Dairy Farming	5557.71	549.20	10
14	19 – Environment and Forest	8678.95	545.12	6
15	20 – Community Development and ANP, IRDP and NREP	11382.57	1224.78	11
16	21 – Commerce & Industries	5708.56	822.87	14
17	22 – Public Health Engineering	5314.57	599.80	11
18	23 – Power	21041.84	435.53	2
19	26 – Administration of Justice	1807.98	203.21	11
20	28 – State Excise	1372.61	148.83	11
21	30 – Planning	30740.84	13187.51	43
22	37 – Fisheries	2525.06	138.06	5
23	38 – Panchayat	3706.16	587.56	16
24	40 – Irrigation and Flood Control Department	5121.37	476.20	9
25	43 – Horticulture and Soil Conservation	5126.92	141.31	3
26	44 – Social Welfare Department	14735.95	929.13	6
27	47 - Welfare of Minorities and Other Backward Classes	2503.85	260.39	10
28	48 – Relief and Disaster Management	925.93	373.36	40
29	49 – Economics & Statistics	1063.50	220.08	21
30	50 – Information Technology	513.70	140.11	27
Revenue Charged				
31	Appropriation No. 2	37265.65	787.87	2
32	5 – Finance Department	10.01	9.09	91
33	8 – Public Works Department	100.20	65.38	65
34	26 – Administration of Justice	609.12	609.12	100
Capital Voted				

35	1 – State Legislature	30.00	30.00	100
36	2 – Council of Ministers	80.00	80.00	100
37	5 – Finance Department	40.01	15.16	38
38	6 – Transport	1080.00	228.01	21
39	8 – Public Works Department	23113.03	5403.98	23
40	11 – Medical, Health and Family Welfare Services	3501.60	435.59	12
41	12 – Municipal Administration, Housing and Urban Development	9925.85	4645.22	47
42	16 – Co-operation	84.50	30.00	36
43	21 – Commerce & Industries	620.00	264.84	43
44	23 – Power	25983.01	313.08	1
49	25 – Youth Affairs and Sports Department	2575.95	541.32	21
50	30 – Planning	68993.55	2417.69	4
51	32 – Jails	0.01	0.01	100
52	37 – Fisheries*	50.00	50.00	100
53	39 – Sericulture	6276.00	6122.73	98
54	40 – Irrigation and Flood Control Department	30149.76	9673.60	32
55	44 – Social Welfare Department	1375.00	1375.00	100
45	45 – Tourism	793.32	240.17	30
46	47 – Welfare of Minorities and Other Backward Classes	2457.59	181.28	7
	Total	566446.87	73320.80	

* Under Loans and Advances of the Grant

Appendix 2.2
(Reference: Paragraph 2.3.4)

Statement showing expenditure incurred without provision during 2010-11

(₹ in crore)

Sl. No.	No. and Name of Grants (Heads of Accounts)	Amount of Expenditure without provision	Reasons/Remarks
Grant No. 7 – Police			
1	3454.01.800.21	0.47	Reasons for incurring expenditure without provisions had not been intimated (November 2011) nor mentioned in the detailed appropriation account
2	4055(SP).207.17(V)	0.85	-do-
Grant No. 8 – Public Works Department			
3	5054(SP).01.337.45(V)	14.37	-do-
Grant No. 11 – Medical, Health and Family Welfare Services			
4	2210(SP).01.110.15(H)	3.73	-do-
5	2211(CSS).105.04(V)	0.13	-do-
Grant No. 14 – Development of Scheduled Tribes & Scheduled Castes Department			
6	2225(SP).02.277.06(V)	2.48	-do-
7	4225(SP).02.800.31(V)	8.22	-do-
8	4225(CSS).02.800.10(V)	13.73	-do-
Grant No. 17 - Agriculture			
9	2401(SP).104.35(V)	0.03	-do-
10	4705(SP).800.01(V)	2.00	-do-
Grant No. 18 – Animal Husbandry and Veterinary including Dairy Farming			
11	2404(SP).102.25(V)	0.20	-do-
Grant No. 19 – Environment and Forest			
12	2406(SP).01.101.08(H)	0.11	-do-
13	2406(CSS).01.101.04(H)	0.50	-do-
Grant No. 21 – Commerce & Industries			
14	2851(SP).001.01(H)	0.13	-do-
15	2851(SP).102.21(H)	0.02	-do-
Grant No. 22 – Public Health Engineering			
16	4215(SP).01.102.09.(H)	1.68	-do-
17	4215(CPS).01.102.02(H)	15.64	-do-
Grant No. 23 – Power			
18	4801(SP).05.799.03(H)	0.02	-do-
19	4801(SP).05.799.90(H)	0.94	-do-
Grant No. 25 – Youth Affairs and Sports Department			
20	4202(SP).03.800.12(V)	0.05	-do-
21	4202(SP).03.800.13(V)	0.50	-do-
Grant No. 30 – Planning			
22	4059(SP).01.101.01(H)	48.15	-do-
	Total	113.95	

'H' stands for Hill, 'V' for Valley, 'SP' for State Plan and 'CSS' for Centrally Sponsored Scheme

Appendix 2.3
(Reference: Paragraph 2.3.5)
Excess over provision of previous years requiring regularization

(₹ in crore)

Year	No. of Grants/ Appropriations	Grant/Appropriation No.	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2007-08	13	1, Appn.2 (Capital charged), 26,16,18,22,25,41,8,23,25,41 and Appn.2 (Charged)	81.59	PAC recommendation awaited (November 2011)
2008-09	14	5,11,12,13,22,23,25,27,29,33 ,39,45,46,47	102.87	-do-
2009-10	11	5, 13, 19, 22, 25, 39 and 48 (Revenue voted), 11, 12, 22 and Appropriation no. 2 (Capital voted)	29.14	-do-
	38	Total	213.60	

Appendix 2.4
(Reference: Paragraph 2.3.8)
Excess /Unnecessary/Insufficient re-appropriation of funds

(₹ in lakh)

Sl. No.	Grants/ Appropriation No.	Head of Account	Reappropriation	Final excess(+)/ Saving(-)
	Savings cases			
1	Grant 5 – Finance Department	2071.01.104.11	(-) 180.26	(-) 168.13
2	Grant 6 – Transport	5075.60.800.13(V)	(-) 66.72	(-) 68.11
3	-do-	5075.60.800.15(V)	147.28	(-) 55.38
4	Grant 7 – Police	2055.001.01	(-) 7520.85	(-) 294.02
5	-do-	2055.003.24	306.80	(-) 84.59
6	-do-	2055.101.03	552.35	(-) 215.54
7	-do-	2055.101.04	305.30	(-) 117.54
8	-do-	2055.101.29	508.71	(-) 137.79
9	-do-	2055.101.30	458.81	(-) 96.83
10	-do-	2055.115.25	1140.07	(-) 80.51
11	Grant 8 – Public Works Department	3054.80.001.08	60.38	(-) 1259.56
12	-do-	4059.80.800.45(V)	(-) 400.00	(-) 167.86
13	-do-	4059.80.800.46(V)	102.50	(-) 102.50
14	-do-	5054.03.101.07(H)	55.00	(-) 245.00
15	-do-	5054.04.800.39(H)	50.00	(-) 231.75
16	-do-	4552.337.15(H)	926.74	(-) 2199.54
17	-do-	5054.05.101.15(V)	332.63	(-) 144.31
18	-do-	5054.05.337.16(H)	351.98	(-) 205.65
19	Grant 10 – Education	2202.01.101.19	132.01	(-) 4457.13
20	-do-	2202.02.109.24	1509.14	(-) 2791.48
21	-do-	2202.03.103.11	(-) 1820.97	(-) 486.11
22	-do-	2202.04.001.07	13.51	(-) 229.40
23	-do-	2202.80.001.01	34.41	(-) 60.36
24	-do-	2203.105.12	5.22	(-) 114.83
25	-do-	2202.03.001.01(H)	117.64	(-) 415.42
26	-do-	2202.03.104.76(V)	286.86	(-) 286.86
27	-do-	2202.04.001.01(H)	1.33	(-) 100.53
28	-do-	2202.01.800.19(V)	453.68	(-) 108.58
29	-do-	2202.80.800.17(V)	30.11	(-) 69.21

30	Grant 11 – Medical, Health and Family Welfare Services	2210.01.001.11	27.35	(-) 69.76
31	-do-	2210.01.110.20	(-) 25.36	(-) 97.71
32	-do-	2210.01.110.15(V)	2.50	(-) 393.41
33	Grant 17 – Agriculture	2401.103.27(V)	256.31	(-) 256.31
34	Grant 19 – Environment and Forest	2406.01.800.54(H)	1227.83	(-) 105.55
35	-do-	2406.01.101.04(V)	0.09	(-) 59.60
36	Grant 20 – Community Development and ANP, IRDP and NREP	2505.02.101.01(V)	1.95	(-) 713.46
37	Grant 21 – Commerce and Industries	2851.001.01	153.27	(-) 193.48
38	-do-	2851.103.87(H)	248.00	(-) 248.00
39	-do-	2851.103.40(V)	71.76	(-) 107.29
40	Grant 23 – Power	4801.05.799.11(H)	50.00	(-) 131.16
41	-do-	4801.05.799.90(V)	(-) 150.00	(-) 100.00
42	-do-	4801.05.799.94(V)	311.00	(-) 111.12
43	-do-	4801.05.799.95(V)	1040.00	(-) 120.50
44	Grant 26 – Administration of Justice	2014.102.08	(-) 46.89	(-) 562.23
45	Grant 30 – Planning	2402.800.02(V)	(-) 882.11	(-) 161.79
46	-do-	3451.042.04(H)	300.00	(-) 1000.00
47	-do-	4059.01.101.01(V)	4340.56	(-) 6817.09
48	-do-	4202.03.800.02(H)	(-) 65.08	(-) 200.00
49	-do-	4210.01.110.02(H)	(-) 30.00	(-) 346.00
50	-do-	4702.800.01(H)	70.00	(-) 370.00
51	-do-	4801.05.799.01(H)	1000.00	(-) 749.16
52	-do-	4801.05.799.02(V)	(-) 1500.00	(-) 300.00
53	-do-	5054.05.101.01(V)	2165.00	(-) 819.27
54	-do-	5054.05.337.02(H)	7500.00	(-) 398.77
55	Grant 40 – Irrigation and Flood Control Department	2711.01.001.03	50.00	(-) 128.01
56	-do-	2700.05.001.01(H)	21.00	(-) 346.78
57	-do-	4700.01.051.10	30.00	(-) 206.63
58	-do-	4700.03.051.11(V)	(-) 30.00	(-) 7684.76
59	Grant 44 – Social Welfare Department	2235.02.104.32(V)	1080.26	(-) 1247.51
60	Grant 45 – Tourism	5452.01.101.03(V)	1.86	(-) 225.18
61	Grant 47 – Welfare of Minorities and Other Backward Classes	4225.03.800.20(V)	43.88	(-) 354.15
62	-do-	2225.80.800.06(V)	133.05	(-) 106.59
63	-do-	4225.80.800.03(V)	(-) 193.88	(-) 1472.58
64	Grant 48 – Relief and Disaster Management	2245.05.101.01	713.25	(-) 361.00
65	Grant 49 – Economics and Statistics	3454.02.205.09	108.93	(-) 180.00
	Sub Total			(-) 41739.37
	Excess Cases			
66	Appropriation 2 – Interest Payment & Debt Services	2049.01.101.10	(-) 279.26	161.68
67	-do-	2049.01.305.24	5.32	99.61
68	Grant 5 – Finance Department	2071.01.101.36	(-) 1249.86	2443.86
69	-do-	2071.01.102.06	(-) 242.04	117.08
70	-do-	2071.01.105.09	(-) 105.86	870.82
71	-do-	2071.01.105.28	(-) 385.35	316.16
72	Grant 6 – Transport	5075.60.800.14(V)	(-) 258.23	73.15
73	Grant 7 – Police	2055.101.32	52.64	361.49
74	Grant 8 – Public Works Department	2216.07.053.01	(-) 156.31	248.96
75	-do-	3054.04.337.12	3.40	869.64
76	-do-	3054.80.001.01	30.70	996.29
77	-do-	4059.01.051.11(V)	107.00	188.14
78	-do-	5054.03.101.07(V)	(-) 55.00	88.93
79	-do-	5054.04.800.37(V)	(-) 50.00	888.90

80	-do-	5054.05.337.15(V)	70.15	332.68
81	Grant 10 – Education	2202.02.101.24	4.53	133.47
82	-do-	2202.03.001.01(V)	(-) 300.00	410.62
83	-do-	2202.03.103.31(V)	(-) 128.00	69.71
84	-do-	2202.04.001.01(V)	(-) 1.33	100.49
85	Grant 12 – Municipal Administration, Housing and Urban Development	4217.01.800.06(V)	300.77	99.64
86	Grant 14 – Development of Scheduled Tribes & Scheduled Castes Department	2225.02.800.07(V)	88.32	95.89
87	Grant 19 – Environment and Forest	2406.01.800.54(V)	(-) 1227.83	105.80
88	Grant 20 – Community Development and ANP, IRDP and NREP	2515.102.02	94.87	345.29
89	-do-	2575.02.101.01(V)	(-) 209.00	209.00
90	Grant 21 – Commerce & Industries	2851.103.87(V)	(-) 248.00	248.00
91	-do-	2851.103.31(V)	(-) 395.75	395.75
92	Grant 22 – Public Health Engineering	4059.01.102.18(V)	(-) 210.00	210.00
93	Grant 30 – Planning	3451.092.04(V)	765.00	1000.00
94	-do-	4210.01.110.02(V)	(-) 530.00	341.10
95	-do-	4217.60.051.04(V)	(-) 741.83	100.00
96	-do-	4702.800.01(V)	103.78	370.00
97	-do-	4801.05.799.01(V)	(-) 111.11	424.27
98	-do-	5054.05.337.02(V)	(-) 1082.50	1082.46
99	Grant 36 – Minor Irrigation	4702.800.02(V)	(-) 187.05	304.80
100	Grant 39 – Sericulture	4851.107.14(V)	(-) 6211.00	88.55
101	Grant 40 – Irrigation and Flood Control Department	2700.05.001.01(V)	(-) 21.00	288.49
102	46 – Science and Technology	2501.04.105.08(V)	18.00	98.50
	Sub Total			14579.22
	Total			(-) 27160.15

‘V’ stands for Valley and ‘H’ stands for Hill

Appendix 2.5

(Reference: Paragraph 2.3.9)

Statement showing cases of substantial surrenders (exceeding ₹ 50 lakh) made during the year 2010-11

(₹ in crore)

Sl. No.	Name of Grant	Head of Account	Total provision	Amount of surrender	Percentage of surrender
1	Appropriation No. 2 – Interest Payment & Debt Services	2049 – Interest Payment			
		01 – Interest on Internal Debt			
		101 – Interest on Market Loans			
		10 – Interest on Market Loans	144.37	2.79	2
2	-do-	6003 – Internal Debt of the State Government			
		103 – Loans from Life Insurance Corporation of India			
		18 – Loans from Life Insurance Corporation of India	0.00*	3.00	NA
3	5 – Finance Department	2071 – Pensions and Other Retirement benefits			
		01 – Civil			
		101 – Superannuation and Retirement Allowances			
		36 – Superannuation and Retirement Allowances	189.05	12.50	7
4	-do-	2071 – Pensions and Other Retirement benefits			
		01 – Civil			
		102 – Commuted value of Pensions			
		06 – Commuted value of Pension	28.17	2.42	9
5	-do-	2071 – Pensions and Other Retirement benefits			
		01 – Civil			
		104 – Gratuities			
		11 – Gratuities	29.70	1.80	6
6	-do-	2071 – Pensions and Other Retirement benefits			
		01 – Civil			
		105 – Family Pensions			
		09 – Family Pensions	79.67	1.05	1
7	-do-	2071 – Pensions and Other Retirement benefits			
		01 – Civil			
		111 – Pensions to Legislators			
		28 – Pension to Legislators	1.21	3.85	NA
8	-do-	2071 – Pensions and Other Retirement benefits			
		01 – Civil			
		117 – Government Contribution for Defined Contribution Pension Scheme			
		01 – Government Contribution	0.02	19.34	NA
9	6 – Transport	5075 – Capital Outlay on Other Transport Services			
		60 – Others			
		800 – Other Expenditure			
		13 – Compensation for Acquisition of Land for Imphal Airport	7.05	0.67	10

* Only ₹ 1,000

10	-do-	5075 – Capital Outlay on Other Transport Services			
		60 – Others			
		800 – Other Expenditure			
		14 – Construction of Road for expansion of Tulihal Airport	0.50	1.15	NA
11	21 – Commerce & Industries	2851 – Village and Small Industries			
		103 – Handloom Industries			
		31 – Deen Dayal Hatkargha Protsahan Yojana (CSS)	3.96	3.96	100
12	30 – Planning	3451 – Secretariat Economic Services			
		092 – Other Offices			
		13 – Special Development Fund	0.00	128.19	NA
13	-do-	4217 – Capital Outlay on Urban Development			
		60 – Other Urban Development Schemes			
		051 – Construction			
		05 – Construction of Ima Market under SPA	0.00	3.85	NA
14	39 – Sericulture	4851 – Capital Outlay on Village and Small Industries			
		107 – Sericulture Industries			
		14 – Sericulture Project (EAP)	0.00	62.11	NA
15	44 – Social Welfare Department	4235 – Capital Outlay on Social Security and Welfare			
		02 – Social Welfare			
		800 – Other Expenditure			
		36 – Construction of Anganwadi Centres	0.00	13.75	NA
16	48 – Relief and Disaster Management	2245 – Relief on account of Natural Calamities			
		05 – State Disaster Response Fund			
		101 – Transferred to Reserve Funds and Deposits Accounts State Disaster I			
		01 – State Disaster Response Fund	7.22	14.27	NA
17	-do-	2245 – Relief on account of Natural Calamities			
		80 – General			
		800 – Other Expenditure			
		04 – State Disaster Relief Fund	0.00	1.44	NA
18	-do-	2245 – Relief on account of Natural Calamities			
		80 – General			
		800 – Other Expenditure			
		05 – State Disaster Relief Fund	0.00	13.00	NA
	Total		490.92	289.14	

Appendix 2.6
(Reference: Paragraph 2.3.12)

Statement of various Grants/Appropriations in which savings occurred but no part of which had been surrendered

(₹ in lakh)

Sl. no.	Grant No.	Total provision	Expenditure	Saving
Revenue voted				
1	1 – State Legislature	2795.72	2524.78	270.94
2	2 – Council of Ministers	380.28	317.02	63.26
3	3 – Secretariat	5603.06	5039.65	563.41
4	4 – Land Revenue, Stamps & Registration and District Administration	5151.51	4532.07	619.44
5	6 – Transport	466.53	426.07	40.46
6	7 – Police	63209.89	61463.69	1746.20
7	8 – Public Works Department	16776.22	15426.59	1349.63
8	9 – Information and Publicity	428.02	410.87	17.15
9	10 – Education	61085.74	52419.60	8666.14
10	11 – Medical, Health and Family Welfare Services	22141.92	20932.73	1209.19
11	12 – Municipal Administration, Housing and Urban Development	6511.83	6102.34	409.49
12	13 – Labour and Employment	1128.11	1059.87	68.24
13	14 – Development of Scheduled Tribes & Scheduled Castes Department	24958.68	24197.06	761.62
14	15 – Consumer Affairs, Food and Public Distribution	1099.93	899.45	200.48
15	16 – Co-operation	1427.48	1283.00	144.48
16	17 – Agriculture	12742.66	9865.07	2877.59
17	18 – Animal Husbandry and Veterinary including Dairy Farming	5557.71	5008.51	549.20
18	19 – Environment and Forest	8678.95	8133.83	545.12
19	20 – Community Development and ANP, IRDP and NREP	11382.57	10157.79	1224.78
20	22 – Public Health Engineering	5314.57	4714.77	599.80
21	23 – Power	21041.84	20606.31	435.53
22	24 – Vigilance Department	199.91	194.62	5.29
23	25 – Youth Affairs and Sports Department	2463.04	2456.77	6.27
24	26 – Administration of Justice	1807.98	1604.77	203.21
25	27 – Election	625.06	540.28	84.78
26	28 – State Excise	1372.61	1223.78	148.83
27	29 – Sales Tax, Other Taxes/Duties on Commodities and Services	423.36	408.65	14.71
28	31 – Fire Protection and Control	726.13	690.10	36.03
29	32 – Jails	1250.96	1163.77	87.19
30	33 – Home Guards	986.93	985.39	1.54
31	34 – Rehabilitation	204.25	179.22	25.03
32	35 – Stationery and Printing	444.68	437.11	7.57
33	36 – Minor Irrigation	925.54	838.72	86.82
34	37 – Fisheries	2525.06	2387.00	138.06
35	38 – Panchayat	3706.16	3118.60	587.56
36	39 – Sericulture	2670.29	2645.76	24.53
37	40 – Irrigation and Flood Control Department	5121.37	4645.17	476.20
38	41 – Art and Culture	2116.67	2067.00	49.67
39	42 – State Academy of Training	472.10	461.06	11.04
40	43 – Horticulture and Soil Conservation	5126.92	4985.61	141.31
41	44 – Social Welfare Department	14735.95	13806.82	929.13
42	45 – Tourism	473.31	459.55	13.76

43	47 – Welfare of Minorities and Other Backward Classes	2503.85	2243.46	260.39
44	48 – Relief and Disaster Management	925.93	552.57	373.36
45	49 – Economics & Statistics	1063.50	843.42	220.08
46	50 – Information Technology	513.70	373.59	140.11
Revenue Charged				
47	1 – State Legislature	27.62	21.22	6.40
48	App. 1 - Governor	281.27	252.49	28.78
49	App. 3 – Manipur Public Service Commission	246.84	225.18	21.66
50	5 – Finance Department	10.01	0.92	9.09
51	8 – Public Works Department	100.20	34.82	65.38
52	26 – Administration of Justice	609.12	0.00	609.12
Capital voted				
53	1 – State Legislature	30.00	0.00	30.00
54	2 – Council of Ministers	80.00	0.00	80.00
55	5 – Finance Department	40.01	24.85	15.16
56	7 – Police	3108.92	3108.66	0.26
57	8 – Public Works Department	23113.03	17709.05	5403.98
58	10 – Education	2336.40	2298.18	38.22
59	11 – Medical, Health and Family Welfare Services	3501.60	3066.01	435.59
60	12 – Municipal Administration, Housing and Urban Development	9925.85	5280.63	4645.22
61	13 – Labour and Employment	192.54	191.05	1.49
62	14 – Development of Scheduled Tribes & Scheduled Castes Department	2541.54	2447.29	94.25
63	15 – Consumer Affairs, Food and Public Distribution	300.02	300.00	0.02
64	16 – Co-operation	84.50	54.50	30.00
65	21 – Commerce & Industries	1176	911.16	264.84
66	23 – Power	25983.01	25669.93	313.08
67	30 – Planning	68993.55	66575.86	2417.69
68	37 – Fisheries	212.22	161.48	50.74
69	40 – Irrigation and Flood Control Department	30149.76	20476.16	9673.60
70	42 – State Academy of Training	45.25	45.23	0.02
71	45 – Tourism	793.32	553.15	240.17
72	47 – Welfare of Minorities and Other Backward Classes	2457.59	2276.31	181.28
Total		507608.65	456517.99	51090.66

Appendix 2.7
(Reference: Paragraph 2.3.12)

Statement showing details of saving of ₹one crore and above not surrendered

(₹ in lakh)

Sl. no.	Grant No.	Total provision	Expend-iture	Saving	Surrender	Saving not surrendered
	Revenue Voted					
1	1 – State Legislature	2795.72	2524.78	270.94	0.00	270.94
2	3 – Secretariat	5603.06	5039.65	563.41	0.00	563.41
3	4 – Land Revenue, Stamps & Registration and District Administration	5151.51	4532.07	619.44	0.00	619.44
4	7 – Police	63209.89	61463.69	1746.20	0.00	1746.2
5	8 – Public Works Department	16776.22	15426.59	1349.63	0.00	1349.63
6	10 – Education	61085.74	52419.60	8666.14	0.00	8666.14
7	11 – Medical, Health and Family Welfare Services	22141.92	20932.73	1209.19	0.00	1209.19
8	12 – Municipal Administration, Housing and Urban Development	6511.83	6102.34	409.49	0.00	409.49
9	14 – Development of Scheduled Tribes & Scheduled Castes Department	24958.68	24197.06	761.62	0.00	761.62
10	15 – Consumer Affairs, Food and Public Distribution	1099.93	899.45	200.48	0.00	200.48
11	16 – Co-operation	1427.48	1283.00	144.48	0.00	144.48
12	17 – Agriculture	12742.66	9865.07	2877.59	0.00	2877.59
13	18 – Animal Husbandry and Veterinary including Dairy Farming	5557.71	5008.51	549.20	0.00	549.20
14	19 – Environment and Forest	8678.95	8133.83	545.12	0.00	545.12
15	20 – Community Development and ANP, IRDP and NREP	11382.57	10157.79	1224.78	0.00	1224.78
16	21 – Commerce & Industries	5708.56	4885.69	822.87	408.41	414.46
17	22 – Public Health Engineering	5314.57	4714.77	599.80	0.00	599.80
18	23 – Power	21041.84	20606.31	435.53	0.00	435.53
19	26 – Administration of Justice	1807.98	1604.77	203.21	0.00	203.21
20	28 – State Excise	1372.61	1223.78	148.83	0.00	148.83
21	30 – Planning	30740.84	17553.33	13187.51	12819.17	368.34
22	37 – Fisheries	2525.06	2387.00	138.06	0.00	138.06
23	38 – Panchayat	3706.16	3118.60	587.56	0.00	587.56
24	40 – Irrigation and Flood Control Department	5121.37	4645.17	476.20	0.00	476.20
25	43 – Horticulture and Soil Conservation	5126.92	4985.61	141.31	0.00	141.31
26	44 – Social Welfare Department	14735.95	13806.82	929.13	0.00	929.13
27	47 – Welfare of Minorities and Other Backward Classes	2503.85	2243.46	260.39	0.00	260.39
28	48 – Relief and Disaster Management	925.93	552.57	373.36	0.00	373.36
29	49 – Economics & Statistics	1063.50	843.42	220.08	0.00	220.08
30	50 – Information Technology	513.70	373.59	140.11	0.00	140.11
	Revenue Charged					
31	Appropriation No. 2 – Interest Payment and Debt Services	37265.65	36477.78	787.87	299.99	487.88
32	26 – Administration of Justice	609.12	0.00	609.12	0.00	609.12
	Capital Voted					
33	8 – Public Works Department	23113.03	17709.05	5403.98	0.00	5403.98
34	11 – Medical, Health and Family Welfare Services	3501.60	3066.01	435.59	0.00	435.59
35	12 – Municipal Administration, Housing and Urban Development	9925.85	5280.63	4645.22	0.00	4645.22
36	23 – Power	25983.01	25669.93	313.08	0.00	313.08
37	25 – Youth Affairs and Sports Department	2575.95	2034.63	541.32	0.00	541.32

38	30 – Planning	68993.55	66575.86	2417.69	384.55	2033.14
39	40 – Irrigation and Flood Control Department	30149.76	20476.16	9673.60	0.00	9673.60
40	45 – Tourism	793.32	553.15	240.17	0.00	240.17
41	47 – Welfare of Minorities and Other Backward Classes	2457.59	2276.31	181.28	0.00	181.28
42	21 – Commerce & Industries	1176	911.16	264.84	0	264.84
	Total	557877.14	492561.72	65315.42	13912.12	51403.30

Appendix 2.8
(Reference: Paragraph 2.3.12)

Statement showing cases of surrender of funds made as on 31 March 2011

(₹ in lakh)

SL. no.	Grant No.	Total Provision	Expend-iture	Excess (+) /Saving (-)	Surrender	%age of surrender vis-à-vis Total Provision
Revenue Voted						
1	5 – Finance Department	43068.59	43282.22	213.63	4097.55	9.51
2	21 – Commerce and Industries	5708.56	4885.69	-822.87	408.41	7.15
3	30 - Planning	30740.84	17553.33	-13187.51	12819.17	41.70
Revenue Charged						
4	App. 2 - Interest Payment & Debt Services	37265.65	36477.78	-787.87	299.99	0.81
Capital Voted						
5	6 - Transport	1080.00	851.99	-228.01	181.57	16.81
6	22 – Public Health Engineering	21207.10	21997.03	789.93	21.00	0.10
7	30 – Planning	67993.55	66575.86	-1417.69	384.55	0.54
8	32 – Jails	0.01	0.00	-0.01	0.01	100.00
9	39 – Sericulture	6276.00	153.27	-6122.73	6211.00	98.96
10	44 – Social Welfare Department	1375.00	0.00	-1375.00	1375.00	100
Capital Charged						
11	App. 2 – Interest Payment & Debt Services	11294.89	11501.83	206.94	299.99	2.66
	Total	226010.19	203279.00	-22731.19	26098.24	

Appendix 2.9
(Reference: Paragraph 2.3.13)

Statement showing cases of rush of expenditure during March; which was more than 25 per cent of the total expenditure of the year

(₹ in crore)

Sl. No.	Heads of Accounts/Major Head	Total expenditure during the year	Expenditure during March 2011	
			Amount	Percentage of total expenditure
1	Council of Ministers/2013	3.11	1.00	32.15
2	Other Fiscal Services/2047	0.27	0.07	25.93
3	Other Administrative Services/2070	2.60	2.34	90.00
4	Information and Publicity/2220	0.55	0.17	30.91
5	Social Security and Welfare/2235	0.19	0.15	78.95
6	Capital Outlay on Public Works/4059	5.85	5.60	95.73
7	Taxes on Sales, Trade etc./2040	3.80	1.40	36.84
8	Interest Payment/2049	0.009	0.002	22.22
9	Capital Outlay on Public Works/4059	1.05	1.05	100.00
10	Capital Outlay on Other Administrative Services/4070	0.45	0.45	100.00
11	Public Works/2059	0.40	0.24	60.00
12	Other Administrative Services/2070	9.78	2.46	25.15
13	Housing/2216	0.03	0.03	100.00
14	Social Security and Welfare/2235	0.11	0.06	59.80
15	Capital Outlay on Public Works/4059	47.44	34.93	73.64
16	Capital Outlay on Education, Sports, Art and Culture/4202	44.84	44.84	100.00
17	Capital Outlay on North Eastern Area/4552	0.46	0.46	100.00
18	Welfare of Scheduled Castes, Scheduled Tribes & Other Backward Classes/2225	158.34	41.80	26.40
19	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes/4225	24.47	23.02	94.07
20	North Eastern Area/2552	1.04	1.04	100.00
21	Industry/2852	3.77	2.02	53.58
22	Capital Outlay on Village and Small Industries/4851	5.55	4.11	74.05
23	Capital Outlay on Information and Publicity/4220	0.14	0.10	71.43
24	Capital Outlay on Tourism/5452	4.94	2.86	57.89
25	Art and Culture/2205	20.42	11.66	57.10
26	Capital Outlay on Education, Sports, Art and Culture/4202	9.56	5.05	52.82
27	Pensions and Other Retirement benefits/2071	0.003	0.003	100.00
28	Soil and Water Conservation/2402	0.03	0.01	33.33
29	Food Storage and Warehousing/2408	0.20	0.05	25.00
30	Other Agricultural Programmes/2435	0.03	0.02	66.67
31	Capital Outlay on Crop Husbandry/4401	6.69	4.54	67.86
32	Capital Outlay on Command Area Development/4705	9.65	9.65	100.00
33	Soil and Water Conservation/2402	18.90	7.02	37.14
34	North Eastern Area/2552	1.65	1.65	100.00
35	Capital Outlay on Crop Husbandry/4401	0.80	0.48	60.00
36	Animal Husbandry/2403	46.14	15.04	32.60
37	Dairy Development/2404	1.49	0.43	28.86
38	Capital Outlay on Animal	5.83	4.44	76.16

	Husbandry/4403			
39	Family Welfare/2211	0.01	0.01	100.00
40	Capital Outlay on Medical and Public Health/4210	94.79	89.32	94.23
41	Capital Outlay on North Eastern Areas/4552	1.52	1.18	77.63
42	Family Welfare/2211	14.94	5.77	38.62
43	Social Security and Welfare/2235	0.73	0.18	24.66
44	Fisheries/2405	22.88	7.53	32.91
45	Capital Outlay on Fisheries/4405	1.61	1.60	99.38
46	Social Security and Welfare/2235	83.03	22.33	26.89
47	Nutrition/2236	53.26	27.29	51.24
48	Village and Small Industries/2851	25.84	11.42	44.20
49	Capital Outlay on Village and Small Industries/4851	0.64	0.61	95.31
50	Other Special Areas Programmes/2575	4.89	3.92	80.16
51	Secretariat-Economic Services/3451	84.17	24.28	28.85
52	Capital Outlay on Public Works/4059	19.18	12.42	64.75
53	Capital Outlay on Minor Irrigation/4702	9.23	9.23	100.00
54	Capital Outlay on Other Scientific and Environmental Research/5425	7.00	7.00	100.00
55	Stationery and Printing/2058	3.96	1.00	25.25
56	Stamps and Registration/2030	0.09	0.09	100.00
57	Special Programmes for Rural Development/2501	1.48	1.17	79.05
58	North Eastern Areas/2552	2.51	2.51	100.00
59	Non-Conventional Sources of Energy/2810	5.50	2.65	48.18
60	Other Scientific Research/3425	1.77	0.62	35.03
61	Technical Education/2203	10.14	2.56	25.25
62	North Eastern Areas/2552	0.06	0.06	100.00
63	Capital Outlay on Education, Sports, Art and Culture/4202	27.05	24.41	90.24
64	General Education/2202	409.22	137.92	33.70
65	Sports and Youth Services/2204	0.64	0.35	54.69
66	Capital Outlay on Other Transport Services/5075	4.02	2.78	69.15
67	Land Revenue/2029	3.83	1.11	28.98
68	Pensions and Other Retirement Benefits/2071	0.01	0.01	100.00
69	Soil and Water Conservation/2402	0.02	0.02	100.00
70	Special Programmes for Rural Development/2501	4.84	1.38	28.51
71	Rural Employment/2505	51.92	16.92	32.59
72	Census Surveys and Statistics/3454	0.74	0.74	100.00
73	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions/3604	18.75	18.75	100.00
74	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes/4225	14.55	11.34	77.94
75	Urban Development/2217	46.16	28.22	61.14
76	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions/3604	11.25	11.25	100.00
77	Capital Outlay on Urban Development/4217	80.38	35.45	44.10

78	Capital Outlay on Food Storage and Warehousing/4408	3.00	1.50	50.00
79	Capital Outlay on other Social Services/4250	1.91	1.89	98.95
80	Jails/2056	11.04	4.62	41.85
81	Capital Outlay on Public Works/4059	5.99	5.99	100.00
82	Administration of Justice/2014	9.02	3.41	37.80
83	Forestry and Wild Life/2406	22.44	5.65	25.18
84	Interest Payment/2049	0.008	0.008	100.00
85	Parliament/State/Union Territory Legislatures/2011	24.76	7.92	31.99
86	Water Supply and Sanitation/2215	32.49	12.15	37.40
87	Roads and Bridges/3054	0.0004	0.0004	100.00
88	Stamps and Registration/2030	0.22	0.11	50.00
89	Social Security and Welfare/2235	0.003	0.003	100.00
90	Other Administrative Services/2070	5.69	3.23	56.77
91	Welfare of Scheduled Castes, Scheduled Tribes & Other Backward Classes/2225	22.32	19.17	85.89
92	Other Social Services/2250	0.03	0.03	100.00
93	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes/4225	5.10	1.50	29.41
94	Other Scientific Research/3425	3.73	3.26	87.40
95	Capital Outlay on Other Scientific and Environmental Research/5425	11.37	11.37	100.00
96	Relief on account of Natural Calamities/2245	5.15	4.64	90.10
Total		1727.46	842.10	

Appendix 2.10
(Reference: Paragraph 2.4.1)

Statement showing department/institute-wise outstanding A.C. Bills as on October 2011

(₹ in crore)			
Sl. No.	Department/Institutes	Number of AC bills	Amount
1	Adult Education Department	1	0.15
2	Agriculture Department	3	0.31
3	Art & Culture Department	10	6.62
4	Co-Operation Department	1	0.13
5	Department of Information & Public Relations	5	0.23
6	Development of Tribals and Backward Classes	107	61.50
7	District Administration	6	1.15
8	Education (S) Department	132	174.79
9	Education (U) Department	66	40.53
10	Election Department	1	0.04
11	Family & Children Welfare Bureau	6	0.92
12	Finance Department	2	1.85
13	Fisheries Department	2	0.19
14	Food & Civil Supply Department	8	7.30
15	General Administration Department (GAD) Secretariat	5	0.22
16	Horticulture Department	1	1.65
17	Industries Department	14	7.98
18	Information Technology	4	11.37
19	Jail (Prison) Department	4	4.36
20	Labour Department	7	1.36
21	Manipur Fire Service	1	0.21
22	Medical & Health Services Department	298	116.81
23	Municipal Administration, Housing & Urban Development	8	7.71
24	Planning Department	19	26.57
25	Police Department	17	55.17
26	Relief and Disaster Management Department	1	0.06
27	Rural Development & Panchayati Raj	34	37.69
28	Science & Technology Department	4	9.07
29	Secretariat Development Department	1	7.50
30	Sericulture Department	1	0.39
31	Sports & Youth Services Department	37	16.35
32	Taxation Department	4	1.51
33	Tourism Department	14	27.64
34	Transport Department	10	10.60
35	Veterinary & Animal Husbandry Department	33	6.45
36	Weights & Measures Department	2	0.50
37	Welfare of Minorities and Other Backward Classes	14	6.41
	Total	883	653.29

Appendix – 3.1
(Reference: Paragraph 3.1)

Statement showing outstanding Utilization Certificates as on 31 March 2011

(₹ in crore)

Sl. No.	Department	Year of payment of Grant	Total Grants paid		Utilization Certificates			
			Number	Amount	Received		Outstanding	
					Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Agriculture	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	1	0.05	Nil	Nil	1	0.05
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	1	0.05	Nil	Nil	1	0.05
2	Arts & Culture	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	43	2.39	Nil	Nil	43	2.39
		2009-10	29	2.72	Nil	Nil	29	2.72
		2010-11	38	6.03	Nil	Nil	38	6.03
3	Co-operation	2007-08	5	0.59	Nil	Nil	5	0.59
		2008-09	5	0.58	Nil	Nil	5	0.58
		2009-10	6	0.88	Nil	Nil	6	0.88
		2010-11	4	0.92	Nil	Nil	4	0.92
4	Development of Tribals and Backward Classes	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	245	29.51	Nil	Nil	245	29.51
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	241	101.60	Nil	Nil	241	101.60
5	District Administration	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	48	3.43	Nil	Nil	48	3.43
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	29	1.39	Nil	Nil	29	1.39
6	Education (S)	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	143	15.96	Nil	Nil	143	15.96
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	123	29.45	Nil	Nil	123	29.45
7	Education (U)	2007-08	14	4.46	Nil	Nil	14	4.46
		2008-09	11	3.34	Nil	Nil	11	3.34
		2009-10	12	5.36	Nil	Nil	12	5.36
		2010-11	10	5.72	Nil	Nil	10	5.72
8	Excise	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	1	0.02	Nil	Nil	1	0.02
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	Nil	Nil	Nil	Nil	Nil	Nil
9	Finance	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	Nil	Nil	Nil	Nil	Nil	Nil
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	1	0.04	Nil	Nil	1	0.04
10	Fisheries	2007-08	4	0.57	Nil	Nil	4	0.57
		2008-09	6	0.62	Nil	Nil	6	0.62
		2009-10	6	0.99	Nil	Nil	6	0.99
		2010-11	7	2.44	Nil	Nil	7	2.44

11	Forest	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	18	7.57	Nil	Nil	18	7.57
		2009-10	14	33.42	Nil	Nil	14	33.52
		2010-11	15	53.96	Nil	Nil	15	53.96
12	General Administrative/ Secretariat General Services	2007-08	11	14.52	Nil	Nil	11	14.52
		2008-09	14	11.50	Nil	Nil	14	11.50
		2009-10	14	7.40	Nil	Nil	14	7.40
		2010-11	11	0.75	Nil	Nil	11	0.75
13	Industries	2007-08	8	5.74	Nil	Nil	8	5.74
		2008-09	6	4.68	Nil	Nil	6	4.68
		2009-10	9	11.15	Nil	Nil	9	11.15
		2010-11	14	10.00	Nil	Nil	14	10.00
14	Information Technology	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	Nil	Nil	Nil	Nil	Nil	Nil
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	1	0.28	Nil	Nil	1	0.28
15	Law Department	2007-08	4	0.06	Nil	Nil	4	0.06
		2008-09	8	0.12	Nil	Nil	8	0.12
		2009-10	7	0.13	Nil	Nil	7	0.13
		2010-11	Nil	Nil	Nil	Nil	Nil	Nil
16	Medical & Family Welfare	2007-08	3	0.83	Nil	Nil	3	0.83
		2008-09	1	0.20	Nil	Nil	1	0.20
		2009-10	6	16.40	Nil	Nil	6	16.40
		2010-11	7	33.08	Nil	Nil	7	33.08
17	Municipal Administration, Housing & Urban Development	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	31	15.36	Nil	Nil	31	15.36
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	35	24.10	Nil	Nil	35	24.10
18	Other Administrative Services	2007-08	3	0.06	Nil	Nil	3	0.06
		2008-09	1	0.02	Nil	Nil	1	0.02
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	2	0.09	Nil	Nil	2	0.09
19	Planning	2007-08	4	13.50	Nil	Nil	4	13.50
		2008-09	3	11.90	Nil	Nil	3	11.90
		2009-10	3	16.14	Nil	Nil	3	16.14
		2010-11	18	44.52	Nil	Nil	18	44.52
20	Police	2007-08	6	0.44	Nil	Nil	6	0.44
		2008-09	3	0.05	Nil	Nil	3	0.05
		2009-10	4	0.21	Nil	Nil	4	0.21
		2010-11	3	0.10	Nil	Nil	3	0.10
21	Public Works	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	1	0.01	Nil	Nil	1	0.01
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	Nil	Nil	Nil	Nil	Nil	Nil
22	Rural Development & Panchayati Raj	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	58	25.17	Nil	Nil	58	25.17
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	97	54.62	Nil	Nil	97	54.62

23	Sericulture	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	1	4.94	Nil	Nil	1	4.94
		2009-10	2	0.86	Nil	Nil	2	0.86
		2010-11	2	6.22	Nil	Nil	2	6.22
24	Science & Technology	2007-08	5	2.06	Nil	Nil	5	2.06
		2008-09	6	5.65	Nil	Nil	6	5.65
		2009-10	5	3.82	Nil	Nil	5	3.82
		2010-11	6	8.21	Nil	Nil	6	8.21
25	Social Welfare	2007-08	11	0.55	Nil	Nil	11	0.55
		2008-09	12	1.25	Nil	Nil	12	1.25
		2009-10	17	3.94	Nil	Nil	17	3.94
		2010-11	12	0.82	Nil	Nil	12	0.82
26	Sports & Youth Services	2007-08	7	0.85	Nil	Nil	7	0.85
		2008-09	7	1.09	Nil	Nil	7	1.09
		2009-10	6	0.65	Nil	Nil	6	0.65
		2010-11	4	1.46	Nil	Nil	4	4.94
27	Town Planning	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	Nil	Nil	Nil	Nil	Nil	Nil
		2009-10	2	0.13	Nil	Nil	2	0.13
		2010-11	4	1.89	Nil	Nil	4	1.89
28	Veterinary & Animal Husbandry	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
		2008-09	41	2.85	Nil	Nil	41	2.85
		2009-10	2	0.60	Nil	Nil	2	0.60
		2010-11	3	1.84	Nil	Nil	3	1.84
29	Welfare of Minorities and Other Backward Classes	2007-08	6	0.51	Nil	Nil	6	0.51
		2008-09	7	0.90	Nil	Nil	7	0.90
		2009-10	8	0.99	Nil	Nil	8	0.99
		2010-11	7	4.68	Nil	Nil	7	4.68
Sub-total		2007-08	91	44.74	Nil	Nil	91	44.74
		2008-09	721	149.16	Nil	Nil	721	149.16
		2009-10	152	105.79	Nil	Nil	152	105.79
		2010-11	695	394.26	Nil	Nil	695	394.26
Grand total			1659	693.95	Nil	Nil	1659	693.95

Appendix 3.2

(Reference: Paragraph 3.2)

Statement showing names of Bodies, the accounts of which had not been received

(₹ in lakh)

Sl. No.	Name of the Body/Authority	Year from which accounts had not been received	Grants received
	Department: Rural Development		
1	Executive Director, DRDA, Imphal West	2010-11	Not Furnished
2	Executive Director, DRDA, Imphal East	2010-11	-do-
3	Executive Director, DRDA, Bishnupur	Nil	-do-
4	Executive Director, DRDA, Thoubal	2010-11	-do-
5	Executive Director, DRDA, Ukhul	2010-11	-do-
6	Executive Director, DRDA, Senapati	2010-11	-do-
7	Executive Director, DRDA, Chandel	2008-09	-do-
8	Executive Director, DRDA, Churachandpur	2010-11	-do-
9	Executive Director, DRDA, Tamenglong	2010-11	-do-
	Department: Forest		-do-
10	Loktak Development Authority	2005-06	-do-
11	Manipur Pollution Control Board	1999-2000	-do-
	Department: Commerce and Industries		-do-
12	Manipur Development Society	2009-10	-do-
	Department: Medical and Health		-do-
13	Manipur AIDS control Society	2001-02	-do-
	Department: Art and Culture		-do-
14	Manipur State Kala Academy	1998-99	-do-
	Department: Horticulture and Soil Conservation		-do-
15	Eastern Border Area Development Authority	2010-11	-do-
16	Barak River Valley Development Board	2009-10	-do-
	Department: Social Welfare		-do-
17	Manipur State Social Welfare Board	2007-08	-do-

Appendix 3.3
(Reference: Paragraph 3.3)

Statement showing position of placement of SAR of ADC/ Autonomous body as on 31 March 2011

Name of the ADC/ Autonom-ous Bodies	Period of entrust-ment	Year up to which accounts were rendered	Position of SAR placed in the State Legislature					Position of SARs issued but not placed		
			Year of SAR	Date of issue	Date of place-ment of SAR	Delay in placement of SAR	Reasons for delay	SARs issued	Date of issue	Reasons for placement
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Chandel	Under Section 19 (3)	2006-07	2001-02	6.12.04	17.3.06	Over 1 year	NA	2002-03 to 2006-07	Between 29.5.06 and 24.8.10	NA
Churachandpur	-do-	2007-08	1998-99	29.12.00	17.3.06	Over 5 years	NA	1999-00 to 2007-08	Between 31.1.02 and 26.8.10	NA
Sadar Hills	-do-	2008-09	2000-01	10.4.03	17.3.06	Over 3 ycars	NA	2001-02 to 2006-07	Between 4.2.05 and 19.6.09	NA
Senapati	-do-	2007-08	1999-00	6.12.01	17.3.06	Over 4 years	NA	2000-01 to 2007-08	Between 3.10.02 and 21.10.10	NA
Tamenglong	-do-	2007-08	1999-00	11.12.01	17.3.06	Over 4 years	NA	2000-01 to 2007-08	Between 21.7.05 and 21.10.10	NA
Ukhrul	-do-	2006-07	1999-00	11.12.01	17.3.06	Over 4 years	NA	2000-01 to 2006-07	Between 11.2.05 and 13.1.10	NA
Manipur State Legal Service Authority	-do-	2003-04	2003-04	28.8.08	October 2008	Over 1 month	NA	NA	NA	NA

Appendix 4.1

Glossary of terms

Sl. No.	Terms	Description
1	State Implementing Agency	State Implementing Agency includes any Organization/Institution including Non-Governmental Organization which is authorized by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g. State Implementation Society for SSA and State Health Mission for NRHM <i>etc.</i>
2	GSDP	GSDP is defined as total income of the State or market value of goods and services produced using labour and other factors of production at constant/current prices.
3	Buoyancy ratio	Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 1.67 implies that revenue receipts tend to increase by 1.67 percentage points, if the GSDP increases by one <i>per cent.</i>
4	Core Public and Merit goods	<i>Core public goods</i> are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure <i>etc.</i> <i>Merit goods</i> are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation <i>etc.</i>
5	Development Expenditure	The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.
6	Fiscal Liabilities	Includes Internal Debt, Loans and Advances from GoI, Small Savings, Provident Funds, etc., Deposits and other non-interest bearing obligations.
7	Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.
8	Debt Stabilization	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
9	Sufficiency of Non-debt receipts (Resource gap)	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
10	Net availability of borrowed funds	Difference between Debt receipt and debt redemption (Principal +Interest payments)
11	Non debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and incremental primary expenditure.