



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

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



GOVERNMENT OF MIZORAM

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PREFACE

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

EXECUTIVE SUMMARY

This Report on the Finances of the Government of Mizoram 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 a better insight into both well performing as well as ill 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, 2006 as well as in the Budget Estimates of 2010-11 and projections made by Thirteenth Finance Commission.

The Report

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

Chapter-I is based on the audit of Finance Accounts and makes an assessment of Mizoram Government'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 Mizoram Government's compliance with various reporting requirements and financial rules.

The Report also has appendices of additional data collated from several sources in support of the findings and at the end gives a glossary of selected terms related to State economy, used in this report.

Audit findings

Revenue Receipts

Revenue receipts decreased to ₹ 2,855.37 crore in 2010-11 from ₹ 2,963.51 crore in 2009-10 (3.65 per cent); mainly due to decrease in Grants-in-Aid (₹ 208.34 crore) offset by increase in Tax Revenue (₹ 22.86 crore), Non Tax Revenue (₹ 20.21 crore) and Central share of Taxes (₹ 57.13 crore). The revenue receipt (₹ 2,855.37 crore) was, however, less by ₹ 398.50 crore (13.14 per cent) than the assessment of the State Government in its Fiscal Correction Path (FCP) (₹ 3,253.87 crore).

Revenue Expenditure and Capital Expenditure

Revenue Expenditure and Capital Expenditure increased by ₹ 553.54 crore (20.48 per cent) and ₹ 41.91 crore (7.32 per cent) respectively over the previous year. Revenue expenditure was higher by ₹ 344.01 crore (11.81 per cent) than the assessment made by the State Government in its FCP (₹ 2,912.23 crore). Also, Capital expenditure was higher by ₹ 226.23 crore (58.23 per cent) than the projection made by the State Government in its FCP (₹ 388.48 crore).

The total expenditure of the State increased from ₹ 2,184 crore in 2006-07 to ₹ 3,901 crore in 2010-11 at an annual average rate of 15.73 per cent and increased by 18.18 per cent during the current year over the previous year. Of the total expenditure during 2010-11, the revenue expenditure (₹ 3,256 crore) constituted 83.47 per cent while capital expenditure (₹ 615 crore) constituted 15.77 per cent and loans and advances (₹ 30 crore) formed 0.77 per cent.

The breakup of total expenditure in terms of plan and non-plan expenditure during 2010-11 reveals that while the share of plan expenditure of ₹ 1,846 crore constituted 47.32 per cent of the Total Expenditure, the remaining 52.68 per cent (₹ 2,055 crore) was non-plan expenditure. Moreover, of the increase of ₹ 600 crore in total expenditure, plan expenditure shared 57 per cent (₹ 342 crore) while non-plan expenditure contributed 43 per cent (₹ 258 crore) in 2010-11.

Funds directly transferred to State Implementing Agencies

Funds transferred directly from the Union Government to the State Implementing Agencies run the risk of poor oversight and therefore, unless uniform accounting practices are followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers. It also impacts the Fiscal Responsibility and Budget Management (FRBM) requirement of transparency in fiscal operations and thus bypasses accountability. During the current year GoI transferred ₹ 984.09 crore (approximate) directly to State Implementing Agencies for implementation of various schemes/programmes.

Fiscal liabilities

The overall fiscal liabilities of the State increased at an average annual rate of 9.05 per cent during the period 2006-11. During the current year, the overall fiscal liabilities of the State Government increased by ₹ 869.17 crore (23.96 per cent) from ₹ 3,627.69 crore in 2009-10 to ₹ 4,496.86 crore in 2010-11. The increase in fiscal liabilities was mainly due to increase in the internal debt by ₹ 286.71 crore and Public Account liabilities by ₹ 604.50 crore, offset marginally by decrease in loans and advances from GoI by ₹ 22.04 crore. The ratio of fiscal liabilities to GSDP has increased from 64.56 per cent in 2009-10 to 74.23 per cent in 2010-11. These fiscal liabilities stood at nearly 1.57 times the revenue receipts and 16.22 times of the State's own resources at the end of 2010-11.

Investment and Returns

As of March 2011, the State Government invested ₹ 19.27 crore, out of which ₹ 3.03 crore was invested in Government Companies and ₹ 16.24 crore was invested in Co-operative Societies. During the current year, State Government invested only ₹ 0.27 crore in Public Sector and other Undertakings of Government Companies, however, no dividends were received during 2010-11. As of March 2011, five Working Government Companies have registered accumulated losses of ₹ 49.20 crore.

Debt sustainability

During the current year, the sum of quantum spread and primary deficit turned negative indicating that the debt-GSDP ratio is unstable and eventually the ratio would rise. The sum of quantum spread and primary deficit at ₹ 725 crore during 2010-11 against ₹ 445 crore

in 2009-10 is a negative sign indicating fiscal imbalances in the forthcoming years.

Negative resource gap indicates incremental non-debt receipts are not sufficient to cover the incremental interest liabilities and incremental primary expenditure. Weakening of resource gap from ₹ (-) 218 crore in 2009-10 to ₹ (-) 709 crore during 2010-11 indicates worsening capacity of the State to sustain the debt in the medium to long run.

Fiscal Imbalances

The large deficit in revenue account during the current year was mainly on account of decrease in revenue receipts by ₹ 108 crore (- 3.65 *per cent*) against an increase of ₹ 553 crore (20.46 *per cent*) in revenue expenditure over the previous year.

The fiscal deficit, which represents the total borrowings of the Government and its total resource gap increased to the level of ₹ 1,019 crore in 2010-11 from fiscal deficit of ₹ 311 crore in 2009-10.

The primary surplus of ₹ 38 crore during 2006-07 showed reverse trend from 2007-08 onwards and resulted into primary deficit of ₹ 57 crore in 2009-10 and drastically increased to ₹ 914 crore during the current year.

Financial Management and Budgetary Control

The estimates of receipts and expenditure under Consolidated Fund, Contingency Fund and Public Account were prepared without adequate due diligence in observing prescribed budgetary regulations.

Non-maintenance of Budget calendar, poor verification of departmental figures etc., indicates absence of financial control. Besides,

due to failure in exercising control mechanism, huge excess expenditure over budget provisions, non-utilisation of budget provisions and persistent savings etc. were noticed.

During 2010-11, an expenditure of ₹ 4,312.26 crore was incurred against the total grants and appropriations of ₹ 5,105.47 crore, resulting in savings of ₹ 793.21 crore. The overall savings were the net result of savings of ₹ 797.90 crore which were offset by excess of ₹ 4.69 crore. The excess requires regularisation under Article 205 of the Constitution of India. At the close of the year 2010-11, there were five (5) grants/appropriations in which savings of ₹ 316.88 crore (39.70 *per cent* of the total savings) occurred but no surrenders were made by the concerned departments.

Out of total provisions amounting to ₹ 278.04 crore in 38 Schemes, an amount of ₹ 230.84 crore was surrendered which included 100 *per cent* surrender in 18 Schemes amounting to ₹ 28.00 crore.

In 20 cases, as against savings of ₹ 250.28 crore, an amount of ₹ 262.53 crore was surrendered resulting in excess surrender of ₹ 12.25 crore. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh and above in 34 sub-heads.

Financial Reporting

At the end of March 2011, out of the total amount of ₹ 2,232.38 crore drawn, an amount of ₹ 1,188.46 crore remained outstanding for want of Utilisation Certificates. The annual accounts of Mizoram Khadi Village Industries Board (MKVIB) for the year 2009-10, due for submission by June 2010, had not been furnished (March 2012). In the absence of the annual accounts, proper account/utilisation of

the grants and loans disbursed to the above mentioned Autonomous Bodies remained unverified. Reasons for non-preparation/submission of the accounts were, however, not intimated to Audit (January 2012).

In spite of repeated comments about the arrears in preparation of accounts of two Commercial Undertakings by the Comptroller and Auditor General of India in previous State reports, no improvement has been reported by the undertakings. In the absence of timely finalisation of accounts, the investment of the Government remained outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any, needed for ensuring accountability could not be taken in time

Recommendations

Revenue Receipts: *The State Government should mobilize additional resources both through tax and non-tax sources by expanding the tax base and rationalizing the user charges. Efforts should also be made to increase tax compliance, reduce tax administration costs, etc. The State Government should ensure that the Government of India releases all grants due to the State by taking timely action on all conditionalities that are pre-requisites to the release of such grants to the State.*

Prioritisation of Expenditure: *The Government should also focus on expenditure management to bring about qualitative improvement in the public spending. The State Government should initiate action to restrict the components of non-plan revenue expenditure by phasing out implicit subsidies and resort to need based borrowings to curb interest and principal payments. In view of the substantial increase in Revenue deficit*

and Fiscal deficit, there is an urgent need to apply due prudence in expenditure pattern so that the resource gap remains within manageable levels of the fiscal capability of the State.

Debt Sustainability: *Recourse to borrowed funds in future should be carefully assessed and managed so that the recommendations of the Thirteenth Finance Commission to bring Fiscal Liabilities-GSDP ratio to around 25 per cent could be achieved in the next four years. Maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year will ensure that market borrowings are sourced optimally. A clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.*

The State should make efforts to return to Primary surplus as in the previous year to widen the scope of fiscal manoeuvre towards more productive and capital creation expenditure.

Government Investments: *A performance-based system of accountability should be put in place in the Government Companies/Statutory Corporations so as to derive profitability and improve efficiency in service. The Government should ensure better value for money in investments by identifying the Companies/Corporations which are endowed with low financial but high socio-economic returns and justify the use of high cost borrowed funds for non-revenue generating investments through a clear and transparent guidelines.*

Financial Management and Budgetary control: *Government should put in place an effective mechanism to ensure financial*

discipline and prepare realistic budget. Budgetary controls should be strengthened in all the Government Departments where savings/excesses persisted for last three years. Issuance of Re-appropriation/surrender orders at the end of the year should be avoided. Provision of funds through 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.

A close and rigorous monitoring mechanism should be put in place by the DDOs to adjust the Abstract Contingent Bills within thirty days from the date of drawal of the amount.

Financial Reporting: *The Finance Department should ensure strict compliance to the codal provisions as well as its own instructions to honour Public Finance Accountability norms. The State Government should initiate regular monitoring and issue necessary instructions to the concerned Departments for furnishing the Utilisation Certificates in time. The Heads of the Departments should ensure that the departmental undertakings prepare proforma accounts and submit the same to Accountant General for audit. Departmental inquiries in misappropriation/loss cases should be expedited to bring the defaulters to book. Internal Control in all organisations should be strengthened to prevent such type of cases in future.*

Finances of the State Government

Profile of Mizoram

Mizoram is a mountainous region and is situated in the north-east of India. It has a pleasant climate and is also very rich in flora and fauna. It became the 23rd State of the Indian Union on 20 February 1987. It has an area of 21,081 sq. km., being bound on the north by the State of Assam and Manipur, on the west by Bangladesh and State of Tripura, on the east and south by Myanmar (Burma) and has an international boundary with Myanmar and Bangladesh. The State has eight districts with 26 Blocks and 23 sub-divisions and three Autonomous District Councils. According to the 2011 Census, Mizoram has a population of 10,91,014 of which 5,52,339 are males and 5,38,675 females. The literacy rate for the State is 91.58 *per cent* (2011 census). The State has only one airport at Lengpui which is 30 km away from the capital city, Aizawl.

Gross State Domestic Product (GSDP) at current prices during the year 2010-11 was ₹ 6,057.70 crore (base year 2004-05) (**Appendix-1.1 Part-D**). GSDP of the State registered a lesser growth of 7.80 *per cent* in 2010-11 as against a growth of 20.91 *per cent* in 2009-10.

The State Government presented its Budget for 2010-11 in the wake of the National Economy showing signs of recovery and with the expectation of a high growth over the medium term and even prospect of crossing the double digit barrier. Following the recommendations of the Thirteenth Finance Commission (XIII FC), the State Government in their Budget 2010-11, is committed to work within the optimum mix of economic growth and fiscal consolidation for long term fiscal stability.

The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account (**Appendix-1.1 Part-A**). The annual accounts of the State Government consist of Finance Accounts and Appropriation Accounts. The Finance Accounts of the Government of Mizoram are laid out in nineteen statements, the layouts of which are depicted in **Appendix-1.1 Part-B**. The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are shown in **Appendix-1.1 Part-C**.

This chapter provides a broad perspective of the finances of the State Government of Mizoram 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 Operations

Table-1.1 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.

Table-1.1: Summary of Current Year's Fiscal Operations (2010-11)

(₹ in crore)

2009-10	Receipts	2010-11	2009-10	Disbursements	2010-11		
					Non Plan	Plan	Total
Section-A: Revenue							
2963.51	Revenue receipts	2855.37	2702.70	Revenue expenditure	2055.19	1201.05	3256.24
107.58	Tax revenue	130.44	947.67	General services	969.96	41.33	1011.29
126.51	Non-tax revenue	146.72	1105.68	Social services	661.86	575.52	1237.38
394.53	Share of Union Taxes/ Duties	451.66	649.35	Economic services	423.37	584.20	1007.57
2334.89	Grants from Government of India	2126.55	---	Grants-in-aid and Contributions	---	---	---
Section-B: Capital							
--	Misc. Capital Receipts	---	572.80	Capital Outlay	110.01	504.70	614.71
25.31	Recoveries of Loans and Advances	25.97	24.94	Loans and Advances disbursed			29.87
225.89	Public Debt receipts	537.22	365.33	Repayment of Public Debt			272.55
--	Contingency Fund	---	---	Contingency Fund			---
2463.30	Public Account receipts	3332.56	2504.71	Public Account Disbursement			2482.28
175.69	Opening Cash Balance	(-316.78)	(-316.78)	Closing Cash Balance			(-221.31)
5853.70	Total	6434.34	5853.70	Total			6434.34

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

- **Revenue receipts** decreased to ₹ 2,855.37 crore in 2010-11 from ₹ 2,963.51 crore in 2009-10 (3.65 *per cent*); mainly due to decrease in Grants-in-Aid (₹ 208.34 crore) offset by increase in Tax Revenue (₹ 22.86 crore), Non Tax Revenue (₹ 20.21 crore) and Central share of Taxes (₹ 57.13 crore). Tax revenue, increased from ₹ 107.58 crore in 2009-10 to ₹ 130.44 crore in 2010-11 (21.25 *per cent*), Non Tax Revenue increased from ₹ 126.51 crore to ₹ 146.72 crore (15.98 *per cent*) and Central share of Taxes also

increased from ₹ 394.53 crore to ₹ 451.66 crore (14.48 *per cent*). The revenue receipt (₹ 2,855.37 crore) was also, lesser by ₹ 398.50 crore (13.14 *per cent*) than the assessment of the State Government in its Fiscal Correction Path (FCP) (₹ 3,253.87 crore).

- **Revenue Expenditure and Capital Expenditure** increased by ₹ 553.54 crore (20.48 *per cent*) and ₹ 41.91 crore (7.32 *per cent*) respectively over the previous year. Revenue expenditure was higher by ₹ 344.01 crore (11.81 *per cent*) than the assessment made by the State Government in its FCP (₹ 2,912.23 crore). Also, Capital expenditure was higher by ₹ 226.23 crore (58.23 *per cent*) than the projection made by the State Government in its FCP (₹ 388.48 crore).
- **Disbursement of Loans and Advances** increased by ₹ 4.93 crore (19.77 *per cent*) while **recoveries** of the same, increased by ₹ 0.66 crore (2.61 *per cent*) over the previous year.
- **Public Debt receipts** increased by ₹ 311.33 crore (137.82 *per cent*) and **repayments** decreased by ₹ 92.78 crore (25.40 *per cent*) over the previous year.
- **Public Account receipts** increased by ₹ 869.26 crore (35.29 *per cent*) and **disbursements** decreased by ₹ 22.42 crore (0.90 *per cent*) over the previous year.
- **Cash balance** of the State decreased by ₹ 95.47 crore (30.14 *per cent*) over the previous year, and as a result, the investments from cash balances decreased from ₹ 266.48 crore in 2009-10 to ₹ 211.45 crore in 2010-11.

1.2 Fiscal Responsibility and Budget Management Act, 2006

As per the Mizoram Fiscal Responsibility and Budget Management (MZFRBM) Act, 2006, the State Government prepares a Medium Term Fiscal Policy Statement (MTFPS) showing the rolling fiscal targets, each year for placement in the State Assembly.

According to XIII FC recommendations:

- (1) States that incurred zero revenue deficit or achieved revenue surplus in 2007-08 should eliminate revenue deficit by 2011-12 and maintain revenue balance or attain a surplus thereafter. Other States should eliminate revenue deficit by 2014-15.
- (2) All Special Category States with base fiscal deficit of less than 3 *per cent* of GSDP in 2007-08 could incur a fiscal deficit of 3 *per cent* in 2011-12 and maintain thereafter. Mizoram should limit their fiscal deficit to 3 *per cent* of GSDP by 2014-15.
- (3) 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.

In line with the recommendation of the XIII FC, Mizoram Fiscal Responsibility and Budget Management (MZFRBM) Act, 2006 was amended which envisaged that:

- (1) As per Second Amendment Act, 2010 dated 19 October 2010, Clause (2) of Section 6 of the Principal Act, “reduce fiscal deficit to 3 *per cent* of the estimated Gross State Domestic Product by 2014-15”. Further Clause (4) of Section 6 of the principal Act also envisages “reduce fiscal deficit annually at a percentage of Gross State Domestic Product so as to reach the above goal with the following rates of annual reduction – 8.50 *per cent* in base year 2010-11, 6.40 *per cent* in 2011-12, 5.20 *per cent* in 2012-13, 4.10 *per cent* in 2013-14 and 3 *per cent* in 2014-15.
- (2) As per Third Amendment Act, 2011 (Act No. 4 of 2011) dated 29 March 2011, reduce total outstanding debt at a percentage of Gross Domestic Product so as to reach the annual target of 87.30 *per cent* in 2010-11, 85.70 *per cent* in 2011-12, 82.90 *per cent* in 2012-13, 79.20 *per cent* in 2013-14 and 74.80 *per cent* in 2014-15.

The performance of the State during 2010-11 in terms of Fiscal targets fixed for selected variables laid down in the FRBM Act, MTFPS and the Fiscal Correction Path (FCP) *vis-à-vis* achievement is given in the table below:

Table-1.2: Trends in Major fiscal parameters/variables *vis-à-vis* projections for 2010-11

Fiscal variables	Targets as per FRBM Act	Projections made in		Actual
		FCP	MTFPS	
Revenue Deficit/ Surplus	Revenue deficit targeted at 0.00 (by 31.03.09)	(+)342	(+)342	(-)401
Fiscal Deficit	reduce fiscal deficit to 3 <i>per cent</i> of the estimated Gross State Domestic Product by 2014-15	(-)42	(-)42	(-)1019
Fiscal Deficit/GSDP (<i>per cent</i>)	3 <i>per cent</i> of GSDP (by 31.03.15)	(-)0.88	(-)0.88	(-)16.82
State's Outstanding Liabilities	reduce total outstanding debt at a percentage of Gross Domestic Products so as to reach the annual target of 87.30 <i>per cent</i> in 2010-11 i.e. ₹ 5288 crore	3384	3384	4497

Although the State achieved revenue surplus in the last 5 years, during the current year *i.e.* 2010-11 the State registered a revenue deficit. Against the target of ₹ 342 crore revenue surplus set in FCP and MTFPS, the revenue deficit was ₹ 401 crore. The State Government should therefore, endeavor to return to revenue surplus in the next year to comply with the recommendation of XIII FC.

The fiscal deficit during the current year could not be kept within the limit set in the Thirteenth Finance Commission for Mizoram. The fiscal deficit in 2010-11 was ₹ 1,019 crore which was

₹ 977 crore higher than the assessment made in the FCP (₹ 42 crore) and ₹ 708 crore more than the fiscal deficit of ₹ 311 crore in 2009-10. The increase in fiscal deficit in the current year was mainly due to increase in Revenue expenditure (₹ 554 crore), Capital expenditure (₹ 42 crore), disbursement of Loans and Advance (₹ five crore) and decrease in Revenue receipt (₹ 108 crore) over the previous year. With that in view, the Government should pursue a policy of reducing revenue expenditure so as to confine the fiscal deficit to the target set for the State.

While the State's outstanding liabilities (₹ 4,497 crore) in 2010-11 was within prescribed limit of 87.30 per cent of GSDP as per MZFRBM Act, it was more than the assessment of ₹ 3,384 crore made in FCP by ₹ 1,113 crore (32.89 per cent). The State's outstanding liabilities increased by ₹ 869 crore (23.95 per cent) in the current year over 2009-10. The State Government should pursue a sustainable debt management to maintain the annual prescribed limit.

1.3 Budget Analysis

The budget papers presented by State Government provide descriptions of projections or estimates 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 the actual realization from budget estimates. It could be because of unanticipated and unforeseen events or under or over estimation of expenditure or revenue at the budget stage etc. Actual realization of revenue and its disbursement however depends on a variety of factors, some internal and others external. **Table-1.3** presents the consolidated picture of State Finances during 2009-10 (Accounts), 2010-11–Budget estimates (BE), 2010-11 Revised Estimates (RE) and 2010-11 (Accounts).

Table-1.3: Variation in Major items – 2010-11 (Accounts) over 2010-11 Budget Estimates & Revised Estimates and 2009-10 (Accounts)

(₹ in crore)

Parameters	2009-10	2010-11		
	Actual	Budget Estimate	Revised Estimate	Actual
Tax Revenue	108	118	124	130
Non-Tax Revenue	127	166	178	147
Revenue Receipts	2964	3254	3716	2855
Non-debt Capital Receipts	25	30	33	26
Revenue Expenditure	2703	2912	3700	3256
Interest Payment	254	246	259	106
Capital Expenditure	573	388	750	615
Disbursement of Loans and Advances	25	25	32	30
Revenue Deficit/Surplus	(+) 261	(+) 342	(+) 17	(-) 401
Fiscal deficit/surplus	(-) 311	(-) 42	(-) 733	(-) 1019
Primary deficit/surplus	(-) 57	(+) 204	(-) 474	(-) 914

- During 2010-11, the actual revenue receipts fell short of the budget estimates by ₹ 399 crore (12.26 *per cent*) while actual revenue expenditure was ₹ 344 crore (11.81 *per cent*) more than the budget estimates, which were contributory factors for revenue deficit during the year.
- The actual collection of tax revenue during the year increased by ₹ 12 crore (10.17 *per cent*) over the budget estimate for the year. The increase was mainly contribution from increased collection under taxes on sales, trade etc. by ₹ 7.77 crore (8.02 *per cent*), land revenue by ₹ 1.83 crore (73.20 *per cent*) and taxes on vehicles by ₹ 0.92 crore (13.53 *per cent*) over the Budget Estimate.
- Although, there was an increase in non-tax revenue by ₹ 20 crore (15.75 *per cent*) over the previous year, it recorded a shortfall of ₹ 19 crore (11.45 *per cent*) over the Budget Estimates. The deficit in actual non-tax revenue over Budget Estimates was largely due to less receipts under interest, dividends and profits by ₹ 13.49 crore (51.47 *per cent*), decrease in revenue receipts under Economic Services by ₹ 12.87 crore (11.39 *per cent*) and Social Services by ₹ 2.29 crore (17.67 *per cent*), which was partially offset by increase in General Services by ₹ 9.01 crore (6.35 *per cent*).
- The revenue expenditure increased by ₹ 553.54 crore (20.46 *per cent*) during 2010-11 over the previous year. There was an increase in revenue expenditure by ₹ 344 crore (11.81 *per cent*) over the budget provision which was due to more expenditure under Social Services by ₹ 185.72 crore (17.66 *per cent*) and Economic Services by ₹ 209.90 crore (26.31 *per cent*), offset by a decrease of ₹ 53.36 crore (5.01 *per cent*) under General Services.
- The major increases in revenue expenditure under Social services were under Education, Sports, Art and Culture by ₹ 64.06 crore (12.21 *per cent*), Water Supply, Sanitation, Housing and Urban development by ₹ 30.54 crore (25.12 *per cent*), Welfare of ST, SC and OBC by ₹ 39.49 crore (28.68 *per cent*) and Social Welfare and Nutrition by ₹ 36.04 crore (41.78 *per cent*).
- Similarly, the significant increases in expenditure under Economic Services were under Agriculture and Allied Activities by ₹ 250.56 crore (99.81 *per cent*), Energy by ₹ 23.29 crore (13.30 *per cent*) and Industry and Minerals by ₹ 24.69 crore (66.18 *per cent*) which was offset by a decrease in expenditure under General Economic Services by ₹ 100.36 crore (66.63 *per cent*).
- However, there was a decrease in expenditure under General Services which were mainly under Interest Payment and Servicing of Debt by ₹ 140.43 crore (53.39 *per cent*) offset by

an increase in expenditure under Administrative Services by ₹ 32.79 crore (6.31 per cent) and Pensions and Miscellaneous General Services by ₹ 44.28 crore (21.44 per cent).

- The Capital expenditure during 2010-11 increased by ₹ 41.91 crore (7.32 per cent) over 2009-10. Also, the actual capital expenditure *vis-à-vis* Budget Estimate was more by ₹ 226.23 crore (58.23 per cent).
- The actual fiscal deficit deteriorated with reference to the assessment made in the Budget Estimates by ₹ 977 crore (2,326.19 per cent) and Revised Estimates by ₹ 286 crore (39.02 per cent) mainly due to increase in revenue expenditure by ₹ 344 crore (11.81 per cent) and capital expenditure by ₹ 227 crore (58 per cent). Also, the actual primary deficit as compared with the budget estimates exacerbated from a primary surplus of ₹ 204 crore to primary deficit of ₹ 914 crore in 2010-11.

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

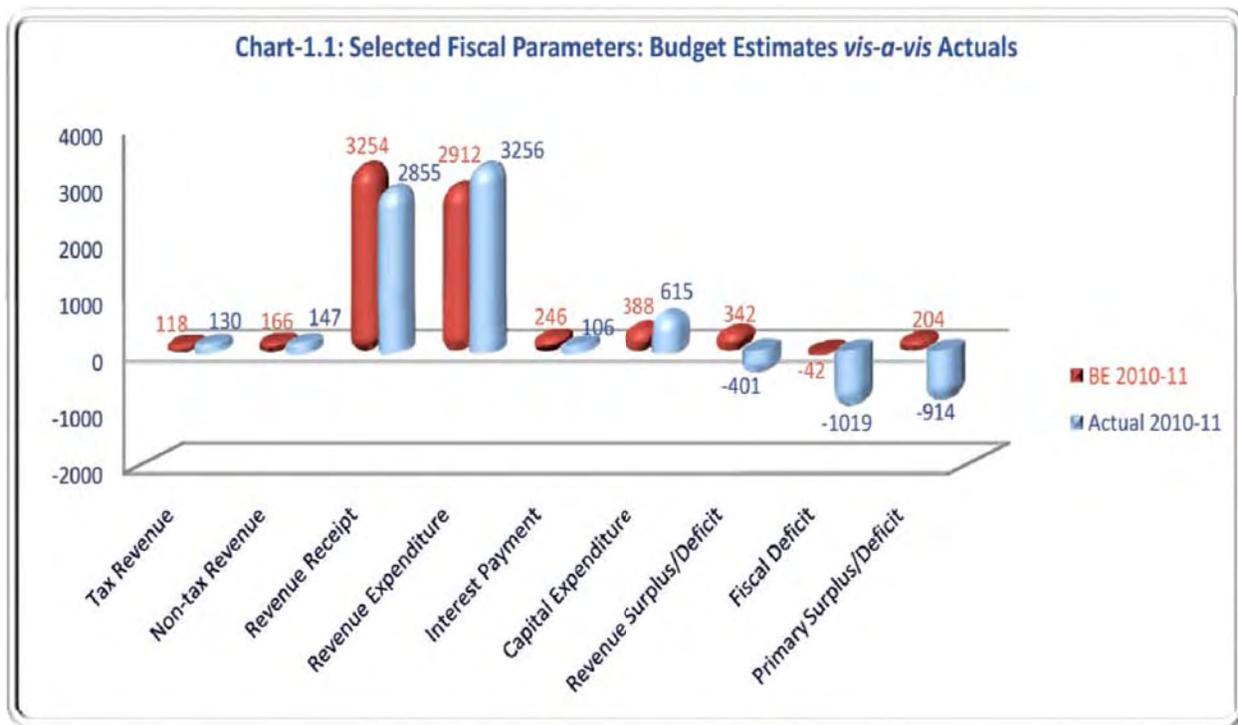


Chart-1.1 depicts that revenue receipts decreased by ₹ 399 crore over the estimated amount of ₹ 3,254 crore. Revenue expenditure was ₹ 3,256 crore during 2010-11 against the estimated amount of ₹ 2,912 crore. Against the estimation of revenue surplus of ₹ 342 crore, there was revenue deficit of ₹ 401 crore during 2010-11. There was fiscal deficit of ₹ 1,019 crore and primary deficit of ₹ 914 crore during 2010-11 against the estimated fiscal deficit of ₹ 42 crore and primary surplus of ₹ 204 crore respectively. The wide variation between budget provisions and actual indicated that the budget estimates were unrealistic.

1.4 Resources of the State

1.4.1 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 the 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.

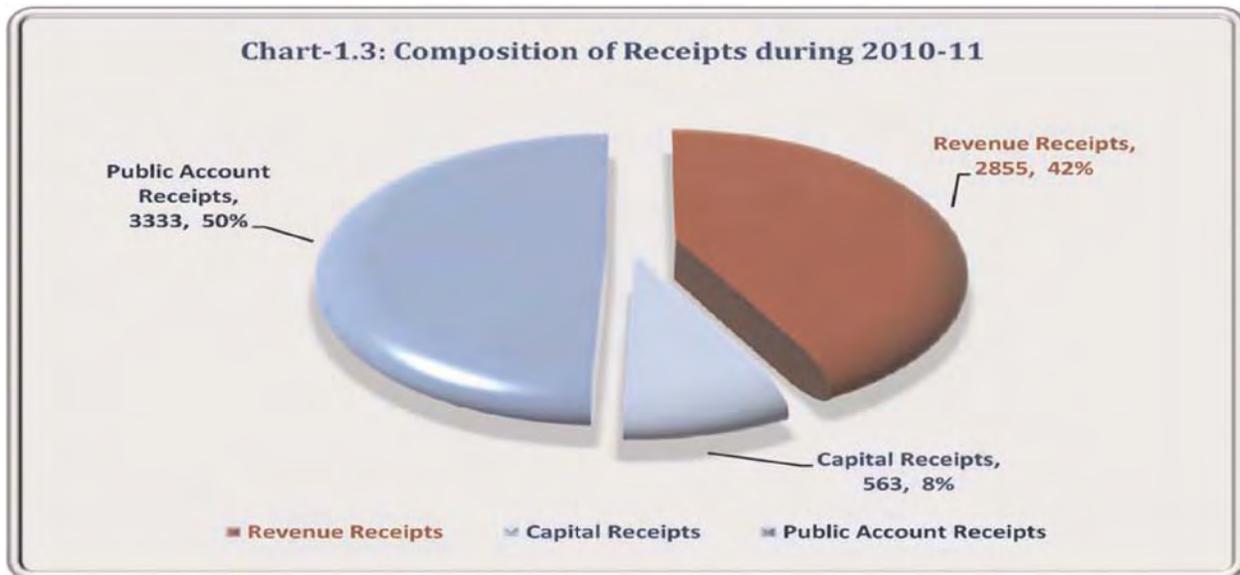
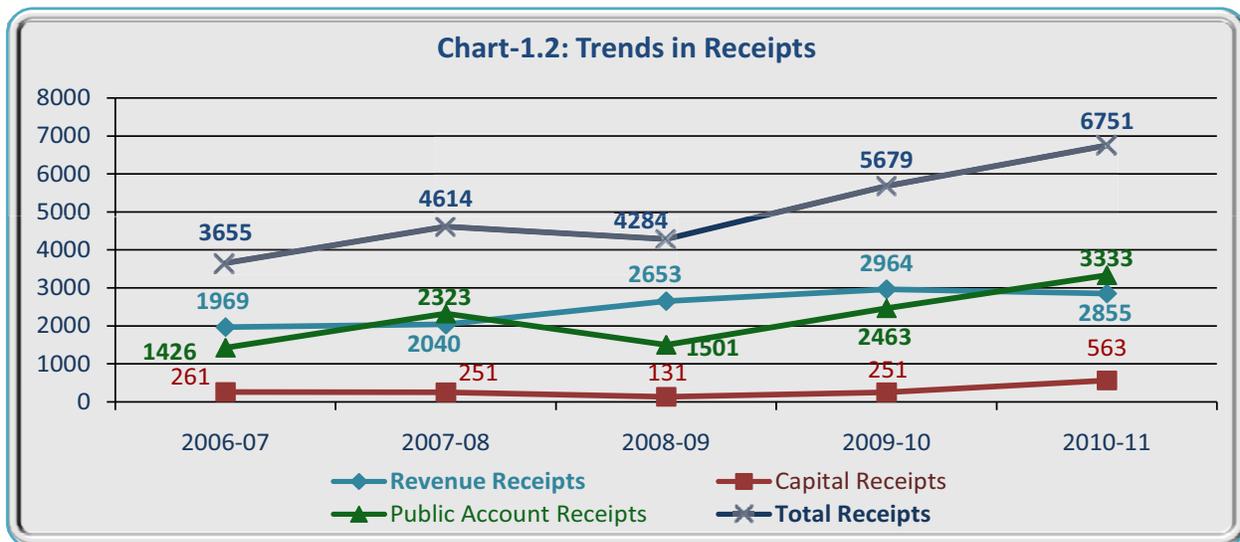


Table-1.4: Trends in growth and composition of receipts

(₹ in crore)

Sources of State's Receipts	2006-07	2007-08	2008-09	2009-10	2010-11
I Revenue Receipts	1969	2040	2653	2964	2855
II Capital Receipts (CR)	261	251	131	251	563
Miscellaneous Capital Receipts	0	0	0	0	0
Recovery of Loans and Advances	24	28	25	25	26
Public Debt Receipts	237	224	106	226	537
Rate of growth of debt capital receipts	(-6.32)	(-5.49)	(-52.68)	113.21	137.61
Rate of growth of non-debt capital receipts	4.35	16.67	(-10.71)	0	4.00
Rate of growth of GSDP	10.75	16.06	22.25	20.89	7.81
Rate of growth of CR (<i>per cent</i>)	(-5.43)	(-3.83)	(-47.81)	91.60	124.30
III Contingency Fund	0	0	0	0	0
IV Public Account Receipts	1426	2323	1501	2463	3333
Total Receipts	3656	4614	4285	5678	6751

The total receipts of the State Government for 2010-11 was ₹ 6,751 crore of which ₹ 2,855 crore (42 *per cent*) came from revenue receipts and balance ₹ 3,896 crore (58 *per cent*) from borrowings, Public Account and Capital Receipts.

The share of revenue receipt of the State to total receipts decreased from 54 *per cent* in 2006-07 to 42 *per cent* in 2010-11. On the other hand, the Capital Receipts together with Public Account receipts ranged from 38 *per cent* to 58 *per cent* of total receipts during 2006-11. Revenue receipts increased steadily from ₹ 1,969 crore in 2006-07 to ₹ 2,964 crore in 2009-10, however, there was a decrease in revenue receipt to ₹ 2,855 crore in 2010-11. The Capital receipts which create future repayment obligation with inter year fluctuation decreased from ₹ 261 crore (seven *per cent* of total receipts) in 2006-07 to ₹ 131 crore (three *per cent* of total receipts) in 2008-09 and again increased to ₹ 563 crore (eight *per cent* of total receipts) in 2010-11. The percentage share of Public Account receipts showed inter year variation ranging from 35 *per cent* to 50 *per cent* of total receipt during 2006-11 and stood at 50 *per cent* in the current year.

The rate of growth of debt capital receipts increased from 131.21 *per cent* in 2009-10 to 137.61 *per cent* in 2010-11 while the ratio of growth of non-debt capital receipts was four *per cent* in 2010-11.

The rate of growth of capital receipts increased from 91.60 *per cent* in 2009-10 to 124.30 *per cent* in 2010-11, while the rate of growth of revenue receipts decreased from 11.72 *per cent* in

2009-10 to a negative 3.65 per cent in 2010-11. The rate of growth of GSDP also decreased from 20.89 per cent in 2009-10 to 7.81 per cent in 2010-11.

1.4.2 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 Agencies for the implementation of various schemes/programmes in social and economic sectors recognized as critical. As these 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 underestimated.

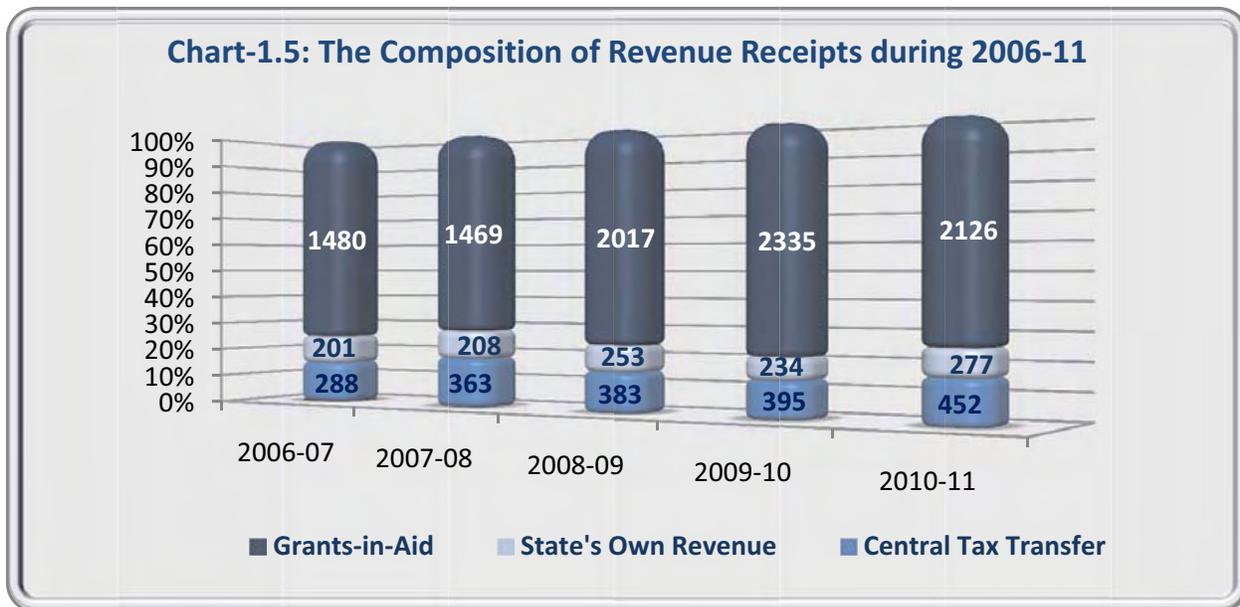
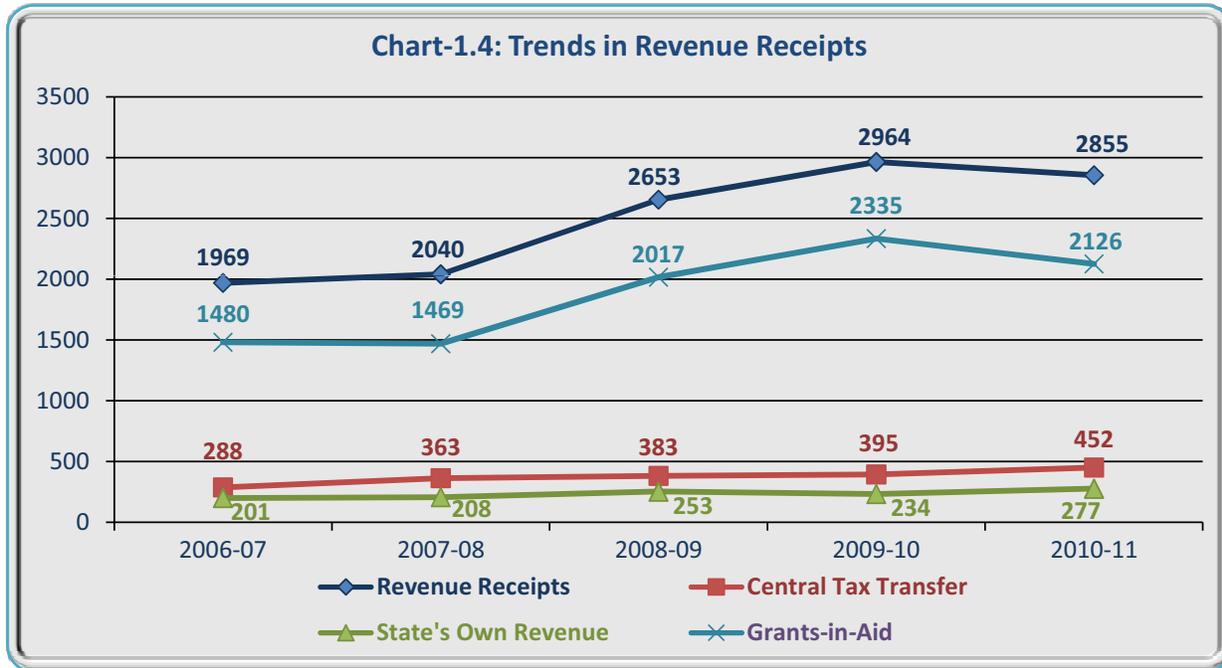
To present a holistic picture on availability of aggregate resources, an attempt was made in audit to obtain the scheme-wise funds directly transferred to the State implementing agencies which aggregated to ₹ 984.09 crore (**Appendix-1.5**) for implementation of various Centrally Sponsored Plan Schemes which among others included ₹ 216.17 crore (NREGS), ₹ 112.92 crore (SSA), ₹ 80.51 crore (NRWDP), ₹ 78.28 crore (RGGVY) and ₹ 61.58 crore (NRSWSP). With this huge transfer of fund from Government of India to State Implementing Agencies, the total availability of State resources increased from ₹ 6,752.09 crore to ₹ 7,736.18 crore in 2010-11. Considering that the direct transfers are so large (34.46 per cent of State's Revenue Receipts) it is imperative that the end use of this fund is monitored in a timely manner by both the Union and State Governments so that the intended outcomes are actually realized.

There was no single agency monitoring the funds directly transferred by the GoI and there was no readily available data on how much was actually spent in any particular year on major flagship schemes and other important schemes being implemented by the State Implementing Agencies and funded directly by the GoI. Also, funds transferred directly from the Union Government to the State Implementing Agencies run the risk of poor oversight and therefore, unless uniform accounting practices are followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers.

1.5 Revenue Receipts

Statement 11 of the Finance Accounts depicts 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 the GoI.

The trends and composition of revenue receipts over the period 2006-11 are presented in **Appendix-1.4** and also depicted in **Chart-1.4** and **1.5** respectively.



During 2010-11, revenue receipts of the State decreased by ₹ 108 crore (3.65 per cent) over the previous year. The Revenue receipts of the State showed progressive growth from ₹ 1,969 crore in 2006-07 to ₹ 2,964 crore in 2009-10, however, 2010-11 registered a drop in revenue receipts to ₹ 2,855 crore. About 90 per cent (₹ 2,578 crore) of revenue receipt have been contributed by central tax transfers and grants-in-aid together while 10 per cent (₹ 277 crore) accrued from State's Own resources during the year.

Tax Revenue: - Tax revenue constituted five per cent of the total revenue receipts and increased by ₹ 22.86 crore during 2010-11 recording a growth rate of 21.25 per cent over the previous

year. The percentage of tax revenue to total revenue receipts ranged between three to five *per cent* during 2006-11. The increase in tax revenue during 2010-11 over previous year was mainly due to increase in taxes on Sales, Trade, etc. by ₹ 18.76 crore (increase of 21.83 *per cent* over previous year) and constituted 80 *per cent* of incremental increase.

Non-Tax Revenue: - Non-tax revenue constituted five *per cent* of total revenue receipts and increased by ₹ 20.21 crore during 2010-11 recording a growth rate of 15.98 *per cent* over the previous year. The increase in non-tax revenue during 2010-11 over previous year was mainly due to increase in receipts under police for services rendered to other parties (₹ 7.07 crore), transmission and distribution of power (₹ 4.78 crore), mineral concession fees, rents and royalties (₹ 3.56 crore) and tolls on roads (₹ 9.51 crore) which was, however, offset by a decrease mainly due to less interest realized on investment of cash balance (₹ 5.13 crore) and less receipt under building and general-other receipt (₹ 2.43 crore).

Central Tax Transfer: - Central tax revenue increased by ₹ 57.13 crore from ₹ 395.53 crore in 2009-10 to ₹ 451.66 crore in 2010-11 and constituted 15.82 *per cent* of revenue receipts during the year. The increase was mainly due to increase in Corporation tax by ₹ 20.84 crore (12.84 *per cent*), Customs by ₹ 20.39 crore (36.93 *per cent*), Union Excise Duties by ₹ 14.09 crore (31.68 *per cent*) and Service tax by ₹ 4.34 crore (10.42 *per cent*) offset by a decrease in Taxes on Income other than Corporation Tax by ₹ 2.57 crore (2.84 *per cent*). Increase in Central tax transfers during the current year was due to higher devolution in the share of net proceeds of sharable taxes recommended by the Thirteenth Finance Commission.

Grants-in-aid: - Grants-in-aid from the GoI decreased by ₹ 208.34 crore (8.92 *per cent*) from ₹ 2,334.89 crore in 2009-10 to ₹ 2,126.55 crore in 2010-11 mainly due to decreases in Grants for State/Union Territory Plan Schemes by ₹ 157.37 crore (11.76 *per cent*) and Grants for Centrally Sponsored Plan Schemes by ₹ 65.68 crore (29.48 *per cent*) which was, however, offset by an increase in Grants for Central Plan Schemes by ₹ 0.59 crore (5.38 *per cent*) and Grants for Special Plan Schemes by ₹ 14.48 crore (38.82 *per cent*).

Against ₹ 78.58 crore recommended by the Thirteenth Finance Commission under Non-Plan grant the GoI released ₹ 61.28 crore (**Table-1.5**). The release of such grants *vis-à-vis* the recommendation of Thirteenth Finance Commission during 2010-11 was for the following purpose.

Table-1.5: Release of XIII Finance Commission grants by GoI

(₹ in crore)

Purpose	Amount recommended by XIII FC	Amount released by GoI	Shortfall in release	Expenditure
Disaster Relief Fund	8.55	5.56	2.99	5.56
Capacity Building	1.00	1.00	--	1.00
Grants to local bodies (Panchayati Raj Institutions (PRIs), ULBs & Special Area Grants	29.30	29.00	0.30	28.00

Purpose	Amount recommended by XIII FC	Amount released by GoI	Shortfall in release	Expenditure
Elementary Education	1.00	1.00	--	--
Heritage Conservation	12.00	--	12.00	--
Grants for improving outcomes:				
(i) Judiciary delivery	2.59	0.82	1.77	0.82
(ii) Incentive Grant for UID	0.24	--	0.24	--
(iii) Employees and Pension Data Base	2.50	2.50	--	0.11
Environment related grants	21.40	21.40	--	21.40
Total	78.58	61.28	17.30	56.89

There was an overall shortfall in release of grants by GoI by ₹ 17.30 crore which was the net result of shortfall under (i) Disaster Relief Fund (₹ 2.99 crore), (ii) Grants to local bodies (PRIs, ULBs and Special Area Grant) (₹ 0.30 crore), (iii) Judiciary delivery grants (₹ 1.77 crore) and non-release of grants by GoI under (i) Heritage Conservation (₹ 12 crore) and (ii) Incentive grant for UID (₹ 0.24 crore). Out of the total amount released by GoI i.e. ₹ 61.28 crore, there was an overall expenditure of ₹ 56.89 crore resulting in unutilised balance of ₹ 4.39 crore.

The trends in revenue receipts relative to Gross State Domestic Product (GSDP) are presented in **Table-1.6:**

Table-1.6: Trends in revenue receipts relative to GSDP

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Receipts (RR) (₹ in crore)	1969	2040	2653	2964	2855
Rate of growth of RR (<i>per cent</i>)	19.04	3.61	30.05	11.72	(-)3.65
RR/GSDP (<i>per cent</i>)	60.10	53.66	57.08	52.75	47.13
Buoyancy Ratios¹					
Revenue Buoyancy w.r.t. GSDP	1.77	0.22	1.35	0.56	(-)0.47
State's Own Tax Buoyancy w.r.t. GSDP	2.20	0.92	0.98	0.66	2.61
Revenue Buoyancy with reference to State's own taxes	0.81	0.25	1.38	0.86	(-)0.18
Gross State Domestic Product (₹ in crore)	3276.18	3802.42	4647.55	5619.41	6057.70
Rate of growth of GSDP (<i>per cent</i>)	10.76	16.06	22.23	20.91	7.80

GSDP Source: Directorate of Economics and Statistics, Government of Mizoram

The GSDP at current prices was estimated to increase from ₹ 5,619.41 crore in 2009-10 to ₹ 6,057.70 crore in 2010-11, representing an increase of 7.80 *per cent*. The revenue receipts of

¹ 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 1.24 implies that revenue receipts tend to decrease by 1.24 percentage points, if the GSDP increases by one *per cent*

the State registered increase from ₹ 1,969 crore in 2006-07 to ₹ 2,964 crore in 2009-10, however, during the current year the revenue receipts decreased to ₹ 2,855 crore and registered a negative growth rate of 3.65 *per cent* over the previous year. Although the buoyancy ratio of revenue receipts with reference to GSDP exhibited a decrease, the growth rate of State's own tax revenue was more than double the rate of growth of GSDP during the current year. During the period 2006-11, the buoyancy ratio of revenue receipts to State's own taxes indicates that the pace of growth of revenue receipts was lower than the growth of State's own taxes except during 2008-09 the growth of revenue receipts was faster than the growth of State's own taxes.

1.5.1 State's Own Resources

The State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The performance of State in regard to mobilization of its own resources *vis-à-vis* assessment made by the XIII FC and State Government in its FCP statements for 2010-11 was as shown in **Table-1.7**:

Table-1.7: Tax Revenue and Non-tax Revenue *vis-à-vis* XIII FC/FCP

(₹ in crore)

Parameters	Assessment made by XIII FC	Fiscal Correction Path (FCP)	Actual
State's own Tax Revenue	133.35	118.26	130.44
State's own Non-tax Revenue	66.82	166.37	146.72

Source: Finance Accounts-2010-11, Thirteenth Finance Commission and Fiscal Policy Strategy Statement-2010-11

The above table indicates that tax revenue fell short by two *per cent* than the assessment made in the XIII FC, however, ***it recorded an increase of ten per cent over the normative assessment made in FCP.*** The Non-tax revenue increased significantly by 120 *per cent* over the assessment made in the XIII FC, however, ***it decreased by 12 per cent over the normative assessment made in the FCP.***

(a) Tax Revenue

The tax revenue has increased by ₹ 22.86 crore from ₹ 107.58 crore in 2009-10 to ₹ 130.44 crore in 2010-11. The tax revenue of the State showed progressive increase from ₹ 67.62 crore in 2006-07 to ₹ 130.44 crore in 2010-11 at an annual average rate of 18.58 *per cent*. The major sources in the State's own tax during 2010-11 are sales tax ₹ 104.70 crore (80.27 *per cent* of tax revenue), other taxes ₹ 9.24 crore (7.08 *per cent* of tax revenue) taxes on vehicles ₹ 7.72 crore (5.92 *per cent* of tax revenue) and land revenue ₹ 4.33 crore (3.32 *per cent* of tax revenue). Collection of sales tax increased by ₹ 18.76 crore in 2010-11 over previous year; mainly due to increase of ₹ 11.62 crore in Receipts under State Sales Tax Act and ₹ 7.01 crore under Tax on Sale of Motor Spirits and

Lubricants which was partly offset by decrease of ₹ 0.56 crore in Other Receipts. The sector wise components of Tax revenue is given in **Table-1.8**:

Table-1.8: Sector-wise component of tax revenue for the year 2006-11

(₹ in crore)

Name of component	Year				2010-11		
	2006-07	2007-08	2008-09	2009-10	BE	2010-11	Variation of Actual over BE (in per cent)
Sales Tax	53.72	62.04	77.51	85.94	96.93	104.70	(+) 8.02
State Excise	1.65	1.69	1.87	2.10	2.06	2.39	(+)16.02
Taxes on vehicles	5.01	5.37	5.50	6.71	6.80	7.72	(+)13.53
Land Revenue	0.73	1.48	1.63	2.76	2.50	4.33	(+)73.20
Stamps & Registration fees	0.21	0.23	0.46	0.39	0.70	0.34	(-)51.43
Taxes on Goods & Passengers	0.98	1.07	1.43	1.39	1.32	1.72	(+)30.30
Other Taxes	5.32	5.65	6.22	8.29	7.95	9.24	(+)16.23
Total	67.62	77.53	94.62	107.58	118.26	130.44	(+)10.30

Source: Statement 11 (Finance Accounts of the respective years) and Annual Financial Statement-2010-11

There was large variation of Actual figures over Budget Estimates on Sales tax by (+) 8.02 per cent, taxes on vehicles by (+) 13.53 per cent, land revenue by (+) 73.20 per cent and other taxes by (+) 16.23 per cent. The actual Own Tax Revenue (OTR) of the State remained below the normative assessment made by XIII FC (₹ 133.35 crore) and above the projection of FCP (₹ 118.26 crore).

(b) Non-tax Revenue

The non-tax revenue, which constituted four to seven per cent of the total revenue receipts during the last five years, increased by ₹ 20.21 crore during the current year recording an increase of 15.98 per cent over the previous year. There were fluctuations in non-tax revenue during the last five years, and during the current year it increased to ₹ 146.72 crore from ₹ 126.50 crore in 2009-10. The major contributors in State's non-tax revenue during 2010-11 are Police (₹ 7.07 crore), Power (₹ 4.78 crore), Non-ferrous mining and metallurgical industries (₹ 3.56 crore) and Roads and Bridges (₹ 9.51 crore) which was partly offset mainly by decrease under Public Works (₹ 2.42 crore).

The composition of non-tax revenue for the year 2006-11 is given in **Table-1.9** below:

Table-1.9: Composition of non-tax revenue for the year 2006-11

(₹ in crore)

Name of component	Year				2010-11		
	2006-07	2007-08	2008-09	2009-10	BE	2010-11	Variation of Actual over BE (in per cent)
General Services	52.50	6.48	12.13	18.05	14.18	23.19	(+)63.54
Social Services	7.78	8.80	8.25	9.60	12.96	10.66	(-)17.75
Economic Services	64.35	99.42	105.38	81.00	113.02	100.15	(-)11.39
Interest received and dividends & profits	8.76	15.60	32.91	17.85	26.21	12.72	(-)51.47
Total	133.39	130.30	158.67	126.50	166.37	146.72	(-)11.81

Source: Statement 11 (Finance Accounts of the respective years) and Annual Financial Statement-2010-11

As can be seen from the above table, there was large variations between Actual figures and Budget Estimates under General Services by (+) 63.54 *per cent* and Interest received and dividends & Profits by (-) 51.47 *per cent*. The actual Own Non-Tax Revenue (ONTR) of the State remained above the normative assessment made by XIII FC (₹ 66.82 crore) and below the projection of FCP (₹ 166.37 crore).

1.5.2 Cost of recovery

The details of Non-Tax Revenue receipts (NTR), Non-Plan Revenue Expenditure (NPRE) and the percentage of NTR *vis-à-vis* NPRE (Cost of Recovery) of some selected services 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	Cost Recovery (per cent)	Non-Tax Revenue Receipts	Non Plan Revenue Expenditure	Cost Recovery (per cent)
Power	67.86	139.11	48.78	72.63	162.35	44.74
Water Supplies and Sanitation	7.39	46.06	16.04	7.64	49.44	15.45
Transport	4.32	62.05	6.96	13.94	63.50	21.95
Total	79.57	247.22	32.19	94.21	275.29	34.22

Source: Statement 11 & 12 (Finance Accounts of the respective years)

As can be seen from the above table, overall NTR as percentage of NPRE slightly increased during 2010-11 (34.22 *per cent*) over the previous year (32.19 *per cent*). The rise in cost of recovery in 2010-11 was largely due to increase in Non-tax Revenue Receipts under Transport by ₹ 9.62 crore. However, there was a slight fall in cost of recovery in 2010-11 under Power due to increase in Non-plan Revenue Expenditure by ₹ 23.24 crore and under Water Supplies and Sanitation due to increase in Non-plan Revenue Expenditure by ₹ 3.38 crore. Incremental raising of user charges will facilitate sustainable provision of these services over a period of time.

1.5.3 Cost of collection

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

Table-1.11: Expenditure on collection *vis-à-vis* percentage to gross collection

(₹ in crore)

Head of revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure over gross collection	All India average percentage for the year 2009-10
Taxes/VAT on sales, trade etc.	2008-09	77.51	6.03	7.78	0.96
	2009-10	85.94	6.84	7.96	
	2010-11	104.70	8.49	8.11	
State Excise	2008-09	1.87	Cost of collection has not been segregated	---	3.64
	2009-10	2.10			
	2010-11	2.39			
Stamp duties and registration fees	2008-09	0.46	0.16	34.78	2.47
	2009-10	0.39	0.17	43.59	
	2010-11	0.34	0.12	35.29	
Taxes on vehicles	2008-09	5.50	3.31	60.18	3.07
	2009-10	6.71	3.68	54.84	
	2010-11	7.72	5.39	69.82	

Source: Statement 11 & 12 (Finance Accounts of the respective years)

The table above indicates that the percentage of expenditure on collection in respect of all the components of State's Own Tax revenue was much higher than All India Average cost of collection which is indicative of the fact that excess expenditure incurred on collection of revenue might impede in the path of improvement towards achieving a healthy fiscal position in the State.

1.5.4 Revenue Arrears

The position of Outstanding Revenue Arrears during 2005-11 is given below:

Table-1.12: Outstanding Revenue Arrears

(₹ in lakh)

Sl. No.	Department	Type of Revenue	Amount outstanding as on						Total
			2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	
1.	PWD	Rent	104.62	201.96	45.32	201.64	15.22	--	568.76
2.	PWD	Tolls and other charges	5.87	25.32	21.76	11.25	42.83	--	107.03
3.	Taxation	Sales Tax	95.78	128.73	143.23	268.45	466.33	14.99	1117.51
4.	Land Revenue	Land Revenue	--	--	3.40	9.24	--	--	12.64
5.	Forest	Forest Revenue	1.32	10.99	6.20	0.20	--	--	18.71
6.	Transport	Taxes on Vehicles	--	--	--	--	--	2.19	2.19
7.	Local Administration Department	Interest Receipt	1.11	0.32	0.45	0.43	0.62	1.21	4.14
Total			208.70	367.32	220.36	491.21	525.00	18.39	1830.98

Source: Information furnished by the Departments

The total outstanding arrears in respect of some principal heads of revenue from 2005-06 to 2010-11 amounted to ₹ 18.31 crore of which ₹ 18.16 crore was outstanding for more than five years. The outstanding arrears in respect PWD was ₹ 6.76 crore, Sales Tax was ₹ 11.18 crore, Land Revenue was ₹ 0.13 crore, Forest Revenue was ₹ 0.20 crore, Taxes on vehicles was ₹ 0.02 crore and interest receipt was ₹ 0.04 crore.

1.6 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.

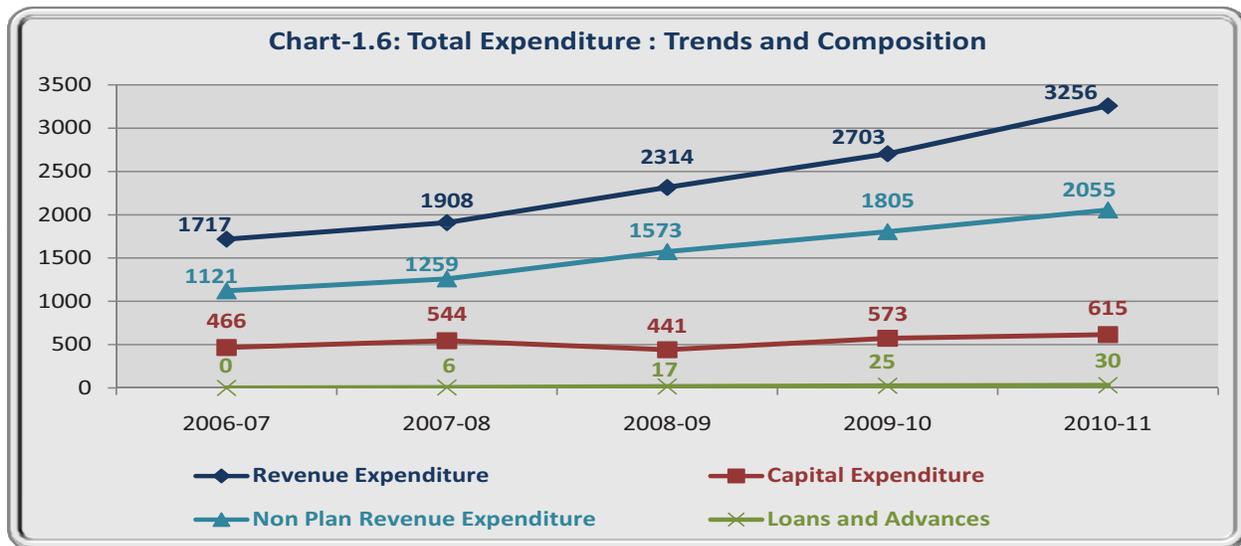
1.6.1 Growth and Composition of Expenditure

The total expenditure and its compositions during the years 2006-07 to 2010-11 are presented in the **Table-1.13**.

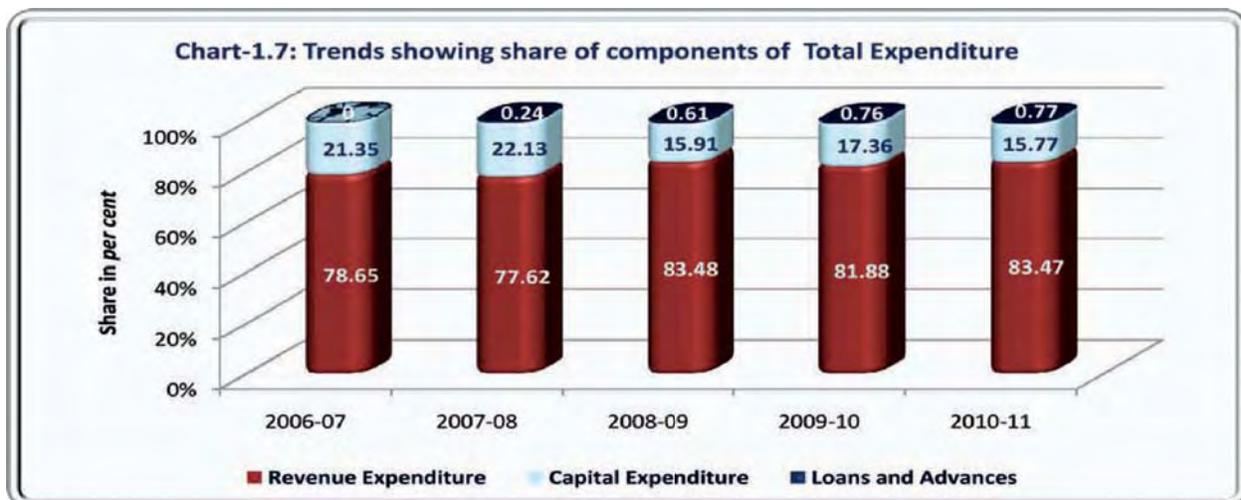
Table-1.13: Total expenditure and its compositions

	2006-07	2007-08	2008-09	2009-10	2010-11
	(₹ in crore)				
Total Expenditure	2184	2458	2772	3301	3901
Revenue Expenditure	1717	1908	2314	2703	3256
<i>Of which, Non-plan Revenue Expenditure</i>	1121	1259	1573	1805	2055
Capital Expenditure	466	544	441	573	615
Loans and Advances	0	6	17	25	30

Chart-1.6 presents the trends in total expenditure over a period of five years (2006-11) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted in **Charts-1.7** and **1.8** respectively.



The trends showing share of components of Total Expenditure during 2006-11 are shown in **Chart-1.7**:



Statement 12 of the Finance Accounts depicts the detailed revenue expenditure and Statement 13 depicts capital expenditure. States raised resources to perform their sovereign functions, maintained their existing nature of delivery of social and economic services, to extend to network of these services through capital expenditure and investments and to discharge their debt service obligations.

The total expenditure of the State increased from ₹ 2,184 crore in 2006-07 to ₹ 3,901 crore in 2010-11 at an annual average rate of 15.73 *per cent* and increased by 18.18 *per cent* from ₹ 3,301 crore in 2009-10 to ₹ 3,901 crore in 2010-11. Of the total expenditure during 2010-11, the revenue expenditure (₹ 3,256 crore) constituted 83.47 *per cent* while capital expenditure (₹ 615 crore) constituted 15.77 *per cent* and loans and advances (₹ 30 crore) formed 0.77 *per cent*.

The total expenditure, its annual growth rate, the ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table-1.14**.

Table-1.14: Total Expenditure – basic parameters

	2006-07	2007-08	2008-09	2009-10	2010-11
Total Expenditure (TE) (₹ in crore)	2184	2458	2772	3301	3901
Rate of Growth (<i>per cent</i>)	5.31	12.6	12.77	19.08	18.18
TE/GSDP ratio (<i>per cent</i>)	66.66	64.64	59.64	58.74	64.40
RR/TE ratio (<i>per cent</i>)	90.20	82.99	95.71	89.79	73.19
Buoyancy of Total Expenditure with reference to:					
GSDP (ratio)	0.49	0.78	0.57	0.91	2.33
RR (ratio)	0.28	3.49	0.42	1.63	4.94

The increase of ₹ 600 crore (18.18 *per cent*) in total expenditure in 2010-11 over 2009-10 was on account of an increase of ₹ 553 crore in revenue expenditure, ₹ 42 crore in capital expenditure and ₹ 5 crore in disbursement of Loans and Advances. During the current year, 73 *per cent* (₹ 2,855 crore) of the total expenditure was met from revenue receipts and the remaining (₹ 1,046 crore) from capital receipts and borrowed funds.

The breakup of total expenditure in terms of plan and non-plan expenditure during 2010-11 reveals that while the share of plan expenditure of ₹ 1,846 crore constituted 47.32 *per cent* of the Total Expenditure, the remaining 52.68 *per cent* (₹ 2,055 crore) was non-plan expenditure. Moreover, out of the increase of ₹ 600 crore in total expenditure, plan expenditure shared 57 *per cent* (₹ 342 crore) while non-plan expenditure contributed 43 *per cent* (₹ 258 crore) in 2010-11.

The decrease in ratio of revenue receipts to total expenditure from 89.79 *per cent* in 2009-10 to 73.19 *per cent* in 2010-11 is to be viewed in the light of the sudden decrease of Grants-in-Aid received from Government of India by ₹ 208.34 crore during 2010-11 over 2009-10 and also due to increase in total expenditure by ₹ 600 crore during the current year over the previous year. The buoyancy of total expenditure with reference to GSDP increased to 2.33 during 2010-11 from 0.91 in 2009-10 due to increase in the rate of growth of total expenditure (18.18 *per cent*) as compared to the rate of growth of GSDP (7.80 *per cent*). The buoyancy ratio of total expenditure with reference to revenue receipts in 2010-11 was minus 4.94 as rate of growth of revenue receipts was negative during the current year, whereas the rate of growth of total expenditure was positive.

1.6.2 Trends in total expenditure in terms of activities

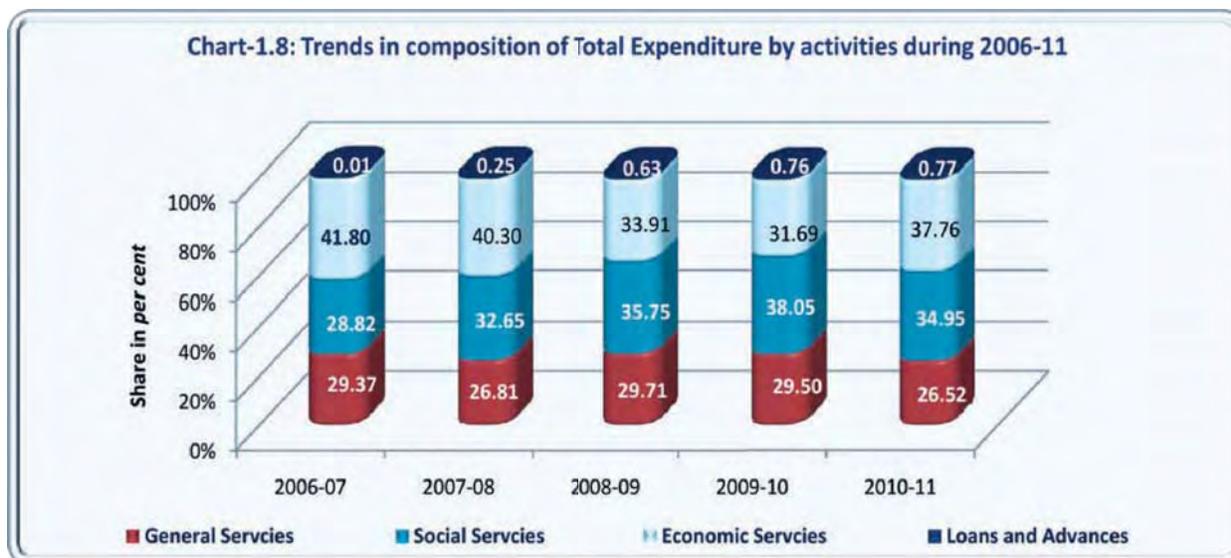
In terms of activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social and Economic Services, Grants-in-Aid and Loans and advances. Relative shares of these components in the total expenditure are indicated in **Table-1.15** and **Chart-1.8**.

Table-1.15: Components of expenditure – relative shares

	2006-07	2007-08	2008-09	2009-10	2010-11
	(in per cent)				
General Services	29.37	26.81	29.71	29.50	26.52
Of which, Interest Payments	10.47	8.46	8.14	7.71	2.71
Social Services	28.82	32.65	35.75	38.05	34.95
Economic Services	41.80	40.30	33.91	31.69	37.76
Loans and Advances	0.01	0.25	0.63	0.76	0.77

The movement of relative share of these components of expenditure indicated that all components of expenditure had inter-year variations. But the expenditure on general services including interest payments, which are considered as non-developmental, together accounted for 26.52 *per cent* in 2010-11 as against 29.50 *per cent* in 2009-10. On the other hand development expenditure, i.e. expenditure on Social and Economic Services together accounted for 72.71 *per cent* in 2010-11 as against 69.74 *per cent* in 2009-10. This indicates that there was a moderate decrease in non-developmental expenditure and marginal increase in developmental expenditure in comparison to previous year.

The trends in composition of Total Expenditure by activities during 2006-11 are shown in the **Chart-1.8** below:



1.6.3 Revenue Expenditure

Revenue Expenditure (RE) is incurred to maintain the current level of services and payment of the past obligation and as such does not result in any addition to the State's infrastructure and service network. Revenue Expenditure had a predominant share of 78.62 per cent of total expenditure in 2006-07 which have since escalated to 83.47 per cent of total expenditure during the current year. The overall revenue expenditure of the State increased by 89.63 per cent from ₹ 1,717 crore in 2006-07 to ₹ 3,256 crore in 2010-11 at an annual average rate of 17.93 per cent. The revenue expenditure increased by 20.46 per cent from ₹ 2,703 crore in 2009-10 to ₹ 3,256 crore in 2010-11 in absolute terms.

A comparative position of Non Plan Revenue Expenditure (NPRE) *vis-à-vis* assessment made by XIII FC and FCP revealed that NPRE remained significantly higher than the normative assessment made in Thirteenth Finance Commission by 40.45 per cent (₹ 591.92 crore) and also higher than the projection made in FCP by 5.72 per cent (₹ 111.27 crore), as indicated in **Table-1.16:-**

Table-1.16: Comparison of Non-plan revenue expenditure *vis-à-vis* XIII FC and FCP

(₹ in crore)

	Assessment/Projections		Actual
	XIII FC	FCP	
Non Plan Revenue Expenditure	1463.27	1943.92	2055.19

The Plan Revenue Expenditure (PRE) increased by ₹ 303.70 crore (33.84 per cent) from ₹ 897.35 crore in 2009-10 to ₹ 1,201.05 crore in 2010-11 mainly due to increase in Social Welfare (₹ 53.18 crore), Agriculture and Allied Activities (₹ 259.05 crore), Rural Development (₹ 24.38 crore) and Industry and Minerals (₹ 23.15 crore) which was offset by a decreased expenditure under Health and Family Welfare (₹ 93.61 crore) over the previous year.

The ratio of NPRE to GSDP decreased from 34.23 *per cent* in 2006-07 to 33.92 *per cent* during 2010-11, however, the ratio of NPRE to GSDP increased from 32.13 *per cent* in 2009-10 to 33.92 *per cent* in 2010-11. The buoyancy of NPRE to GSDP increased significantly from 0.71 in 2009-10 to 1.77 in 2010-11, and also the ratio of NPRE with reference to Revenue Receipts (RR) increased from 60.91 *per cent* in 2009-10 to 71.99 *per cent* in 2010-11 as indicated in the **Table-1.17**.

Table-1.17: NPRE vis-à-vis GSDP and Revenue Receipt

	(₹ in crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Non Plan Revenue Expenditure	1121.49	1259.31	1573.21	1805.35	2055.19
Growth of NPRE	7.01	12.29	24.93	14.76	13.84
GSDP	3276.18	3802.42	4647.55	5619.41	6057.70
Growth of GSDP	10.76	16.06	22.23	20.91	7.80
Ratio of NPRE to GSDP	34.23	33.12	33.85	32.13	33.92
Revenue Receipts	1969.00	2040.00	2653.00	2964.00	2855.00
Ratio of NPRE to RR	56.96	61.73	59.30	60.91	71.99
Buoyancy of NPRE w.r.t. GSDP	0.65	0.77	1.12	0.71	1.77

1.6.4 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. **Table-1.18** and **Chart-1.9** present the trends in the expenditure on these components during 2006-11.

Table-1.18: Components of Committed Expenditure

Components of Committed Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11	
					BE ^(@)	Actuals ^(@)
Salaries* & Wages , of which	623 (31.64)	757 (37.11)	906 (34.15)	1079 (36.40)	1126	1409 (49.35)
Non-Plan Head	473	602	737	888	---	1183
Plan Head**	150	155	169	191	---	226
Interest Payments	229 (11.63)	208 (10.20)	226 (8.52)	254 (8.57)	246	106 (3.71)
Expenditure on Pensions	77 (3.91)	97 (4.75)	126 (4.75)	164 (5.53)	148	250 (8.76)
Subsidies	--	8 (0.39)	6 (0.23)	4 (0.13)	---	2 (0.07)

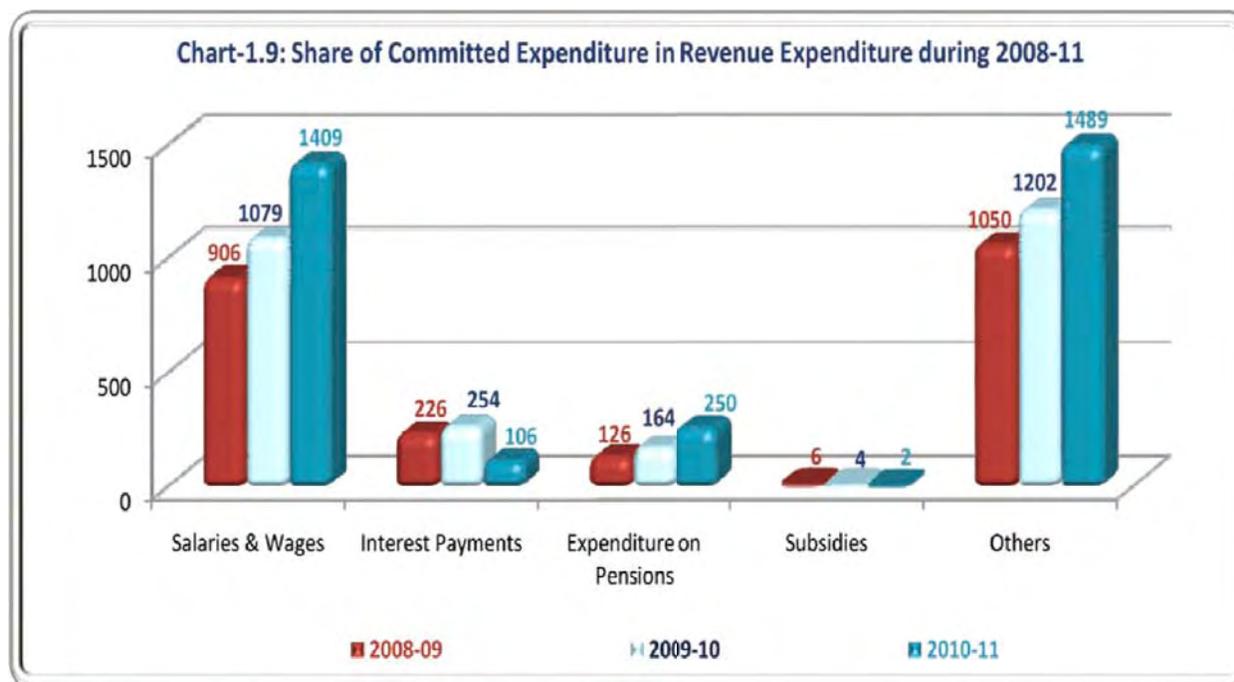
Components of Committed Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11	
					BE ^(a)	Actuals ^(a)
Other Components	788 (40.02)	838 (41.08)	1050 (39.58)	1202 (40.55)	1392	1489 (52.15)
Total Revenue Expenditure	1717	1908	2314	2703	2912	3256
Revenue Receipt	1969	2040	2653	2964	3253.87	2855

Figures in the parentheses indicate percentage to Revenue Receipts

* Represents Salaries and wages and includes those spent from Grants-in-aid

** Plan Head also includes the salaries and wages paid under Centrally Sponsored Schemes

^(a) BE figures are gross figures sourced from Fiscal Policy Strategy Statement (FCP), Government of Mizoram, 2010-11, while Actuals are net figures sourced from Finance Accounts, 2010-11



(A) Salaries

Salaries and wages alone accounted for more than 49 per cent of revenue receipts and more than 68 per cent of the Non-Plan Revenue Expenditure of the State Government during the year. The expenditure on salaries and wages increased by more than 30 per cent from ₹ 1,079 crore in 2009-10 to ₹ 1,409 crore in 2010-11. Salary expenditure under Non-Plan head and Plan head during 2010-11 increased by ₹ 295 crore (33.22 per cent) and ₹ 35 crore (18.32 per cent) respectively over the previous year. Non-plan salary expenditure ranged from 75.92 per cent to 83.96 per cent of total expenditure on salaries during 2006-11. The expenditure on salaries during 2010-11 was significantly higher by ₹ 283 crore (25.13 per cent) than the projections (₹ 1,126 crore) made by the State Government in its FCP. The increase of ₹ 330 crore in salary expenditure over the previous year was attributable to payment of arrears on the basis of the recommendation of 6th Pay Commission by the State Government.

(B) Interest Payments

The major sources of borrowings of the State Government were (i) Loans from the Centre, (ii) Market loans, (iii) Loans from Banks and Financial Institutions, (iv) Loans from Small Savings Fund. Interest payments decreased by 58.27 *per cent* from ₹ 254 crore in 2009-10 to ₹ 106 crore in 2010-11. The interest payments decreased mainly due to decrease in Internal Debt (₹ 65.73 crore), Loans and Advances from Central Government (₹ 11.45 crore) and Small Savings, Provident Fund, etc. (₹ 71.59 crore).

Table-1.19: Interest Payments vis-à-vis XIII FC assessment and State Projections

(₹ in crore)

Year	Assessment made by the Thirteenth Finance Commission (XIII FC)	Assessment made by the State Government (BE)	Actual
2010-11	281	246	106

The interest payment was ₹ 140 crore lower than the assessment (₹ 246 crore) made by the State Government in its Fiscal Correction Path (FCP) for the year 2010-11 and also lower by ₹ 175 crore than the projection (₹ 281 crore) made as per the Thirteenth Finance Commission.

(C) Pension Payments

Pension payments grew at an annual average rate of 45 *per cent* from ₹ 77 crore in 2006-07 to ₹ 250 crore in 2010-11. Pension payment (₹ 250 crore) alone account for nearly 9 *per cent* of revenue receipts (₹ 2,855 crore) of the State during the year and increased by ₹ 86 crore (52.44 *per cent*) over the previous year. The increase was mainly due to increase in expenditure under Superannuation and Retirement Allowances by ₹ 36.71 crore, Commuted value of Pensions by ₹ 14.34 crore, Gratuities by ₹ 16.55 crore, Family Pensions by ₹ 4.37 crore and Leave Encashment Benefits by ₹ 11.18 crore. The State Government had introduced 'The New Defined Contribution Pension Scheme' on 1 September 2010, however, contribution of employees covered under the scheme commenced from the salary of January 2011 and no amount towards employees contribution and employers share has been deposited under the head 8342 – Other deposits – 117 – Defined Contribution Pension Scheme for Government employees during the year 2010-11, as salaries, for the period from January 2011 to March 2011 were paid during the month of April 2011 by the State Government. **Table-1.20** shows the actual pension payments with reference to assessment made by the Thirteenth Finance Commission and projection of the State Government.

Table-1.20: Actual Pension Payments vis-à-vis XIII FC assessment and State Projections

(₹ in crore)

Year	Assessment made by the XIII FC	Assessment made by the State Government (BE)	Actual
2010-11	146	148	250

Pension payments were higher than the assessment made by the Thirteenth Finance Commission by ₹ 104 crore (71.23 per cent) as well as the State Government Projections made in its budget by ₹ 102 crore (68.92 per cent).

(D) Subsidies

Table-1.18 indicates that subsidies as a percentage of revenue receipts decreased from 0.13 per cent in 2009-10 to 0.07 per cent in 2010-11. The expenditure on subsidies has progressively decreased from ₹ eight crore during 2007-08 to ₹ two crore during the current year. During the current year the Departments, which received subsidy, include Co-Operation accounting for 11.89 per cent of total subsidies (₹ 25.50 lakh) and Crop Husbandry 88.11 per cent (₹ 189 lakh).

1.6.5 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 **Table-1.21**.

Table-1.21: Financial Assistance to Local Bodies etc.

Financial Assistance to Institutions	(₹ in crore)				
	2006-07	2007-08	2008-09	2009-10	2010-11
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	27.00	29.20	33.34	31.47	30.97
PRIs/ULBs	71.05	85.50	90.50	2.60	3.62
Consumer Co-operative Societies/MIZOFED	2.10	2.66	2.46	0.95	1.00
Other Institutions ²	28.22	30.42	13.44	412.21	614.58
Total	128.37	147.78	139.74	447.23	650.17
Assistance as percentage of RE	7.48	7.75	6.04	16.55	19.97

Source: Finance Account, 2010-11

The grants extended to local bodies and other institutions with inter-year variations increased by 45.38 per cent from ₹ 447.23 crore in 2009-10 to ₹ 650.17 crore in 2010-11. The share of grants and loans to the revenue expenditure increased from 7.48 per cent in 2006-07 to 19.97 per cent during the current year. The increase of financial assistance to local bodies by ₹ 202.94 crore was due to increase in financial assistance to PRIs/ULBs by ₹ 1.02 crore, Consumer Co-operative Societies/MIZOFED by ₹ 0.05 crore and a substantial increase of assistance to Other Institutions by ₹ 202.37 crore, however, there was a decrease of financial assistance to Educational Institutions by ₹ 0.50 crore.

² (Figures for 2010-11) Apex Bank (₹ 0.07 crore), Emergency Management Research Institute (₹ 13 crore), Pollution Control Board (₹ 0.30 crore), State Library (₹ 0.26 crore), NREGS (₹ 19.95 crore), Sports Council (₹ 10.61 crore), Lai Autonomous District Council (₹ 72.47 crore), Mara Autonomous District Council (₹ 64.03 crore), Chakma Autonomous District Council (₹ 40.70 crore), MUCO Bank (₹ 0.07 crore) and others (₹ 393.13 crore)

1.7 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 select services).

1.7.1 Adequacy of Public 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. The expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to the State Governments. Enhancing human development levels requires the States to step up their expenditure on key social services like education and health etc. **Table-1.22** analyses the fiscal priority and fiscal capacity of the State Government with regard to development expenditure, social sector expenditure and capital expenditure during 2007-08 and 2010-11.

Table-1.22: Fiscal Priority and Fiscal capacity of the State during 2007-08 and 2010-11

Fiscal Priority by the State	AE/GSDP	DE/AE	SSE/AE	CE/AE	Education/AE	Health/AE
Mizoram State's Average (Ratio) 2007-08	64.66	73.11	32.81	22.13	13.75	4.02
Mizoram State's Average (Ratio) 2010-11	64.39	72.89	35.08	15.76	15.86	4.46

*AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Sector Expenditure CE: Capital Expenditure
Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.*

Source: For GSDP, the information was collected from the State's Directorate of Economic and Statistics

The AE to GSDP ratio of the Government of Mizoram had marginally decreased by 0.27 *per cent* from 64.66 *per cent* in 2007-08 to 64.39 *per cent* in 2010-11. The DE to AE and CE to AE decreased by 0.22 *per cent* and 6.37 *per cent* respectively, whereas, SSE to AE ratio increased by 2.27 *per cent* as compared to 2007-08. Further, the expenditure on Education as proportion of aggregate expenditure was 15.86 *per cent* and the expenditure on Health as proportion of aggregate expenditure was only 4.46 *per cent* in 2010-11.

1.7.2 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 rationalisation measures and lay emphasis on provision of core public and merit

goods³. Apart from improving the allocation towards development expenditure, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, 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-1.23** 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-1.24** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table-1.23: Development Expenditure

(₹ in crore)

Components of Development Expenditure	2006-07	2007-08	2008-09	2009-10	2010-11	
					BE@	Actuals
Development Expenditure (a to c)	1543(71)	1798(73)	1943(70)	2307(70)	2366	2850(73)
a. Development Revenue Expenditure	1101(50)	1263(51)	1510(54)	1755(53)	1849	2245(58)
b. Development Capital Expenditure	442(20)	531(22)	421(15)	547(17)	512	591(15)
c. Development Loans and Advances	0	4(0)	12(0)	5(0)	5	7(0)

Figures in parentheses indicate percentage to aggregate expenditure
 (e) BE figures are gross figures sourced from Annual Financial Statement (budget), Government of Mizoram, 2010-11, while Actuals are net figures sourced from Finance Accounts, 2010-11

Development Expenditure on socio-economic services increased from ₹ 1,543 crore in 2006-07 to ₹ 2,850 crore in 2010-11. As a percentage of aggregate expenditure, the share of Development Expenditure ranged between 70 per cent and 73 per cent registering a moderate growth during 2006-11 and increased by 23.54 per cent (₹ 543 crore) during 2010-11 over the previous year. During the current year, the State Government earmarked ₹ 2,366 crore out of the estimated aggregate expenditure for development expenditure, this assessment was exceeded by ₹ 484 crore at the end of the year. Development Revenue and Capital expenditure showed increasing trend since 2006-07 at an annual growth rate of 20.78 per cent and 6.74 per cent respectively.

- The development revenue expenditure increased by ₹ 490 crore from ₹ 1,755 crore in 2009-10 to ₹ 2,245 crore in 2010-11. Expenditure on Social sector increased by 11.84 per cent (₹ 131 crore) from ₹ 1,106 crore in 2009-10 to ₹ 1,237 crore in 2010-11, while the Economic sector increased by 55.32 per cent (₹ 359 crore) from ₹ 649 crore in 2009-10 to ₹ 1,008 crore in 2010-11. The actual development revenue expenditure was more than the State's projection in budget by ₹ 396 crore.

³ As defined in Appendix 1.1.C

- The Development Capital Expenditure increased by ₹ 44 crore from ₹ 547 crore in 2009-10 to ₹ 591 crore in the current year. The increase of ₹ 44 crore in development capital expenditure was due to increase in expenditure under economic services by ₹ 68 crore, however, there was a decrease in expenditure under social services by ₹ 24 crore over the previous year. The actual development capital expenditure was more than the State's projection in budget by ₹ 79 crore.
- The Expenditure on Development Loans and Advances increased by ₹ two crore from ₹ five crore in 2009-10 to ₹ seven crore in 2010-11. The actual expenditure on development loans and advances was also more than the State's assessment in budget by ₹ two crore.

Access to basic education, health services and drinking water and sanitation facilities are strong indicators of socio-economic progress. Further, expenditure on Economic services includes all such services that promote directly and indirectly productive capacity within the State by improving the quality of human resources. Therefore, it is pertinent to make an assessment with regard to expansion and efficient provision of these services in the State. **Table-1.24** summarizes percentage of expenditure under different components of economic and social services sector incurred by the State Government in expanding and maintaining social and economic services in the State during 2009-10 and 2010-11.

Table-1.24: Efficiency of Expenditure Use in Selected Social and Economic Services

Social/ Economic Infrastructure	2009-10				2010-11			
	Ratio of CE to TE [@]	In RE, the share of		Non-Salary ₹ in crore	Ratio of CE to TE [@]	In RE, the share of		Non-Salary ₹ in crore
		S & W				S & W		
		₹ in crore	In per cent			₹ in crore	In per cent	
Social Services (SS)								
Education, Sports, Art and Culture	7.28	337.37	69.06	151.12	4.84	443.33	75.31	145.35
Health and Family Welfare	0.00	95.55	37.94	156.28	0.03	125.00	71.81	49.07
WS, Sanitation & HUD	43.53	23.24	16.69	116.04	37.75	31.14	20.47	120.99
Other Social Services	0.26	31.21	13.80	194.87	0.20	9.75	3.02	312.75
Total (SS)	11.91	487.37	44.08	618.31	9.20	609.22	49.23	628.16

Social/ Economic Infrastructure	2009-10				2010-11			
	Ratio of CE to TE [@]	In RE, the share of		Non-Salary ₹ in crore	Ratio of CE to TE [@]	In RE, the share of		Non-Salary ₹ in crore
		S & W				S & W		
		₹ in crore	In per cent	₹ in crore		In per cent		
Economic Services (ES)								
Agri. & Allied Activities	31.85	93.41	38.17	151.34	19.94	118.88	23.70	382.72
Irrigation and Flood Control	89.31	2.84	53.28	2.49	88.66	5.34	72.26	2.05
Power & Energy	32.88	43.52	25.49	127.21	26.72	57.91	29.19	140.47
Transport	61.07	43.99	56.83	33.41	65.62	16.10	20.65	61.88
Other Economic Services	17.73	54.62	36.14	96.52	21.52	180.10	81.05	42.12
Total (ES)	37.91	238.38	36.71	410.97	31.55	378.33	37.55	629.24
Grand Total (SS+ES)	23.70	725.75	41.35	1029.28	20.80	987.55	43.99	1257.40

TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages

[@] *Total Revenue and Capital Expenditure of the services concerned*

The trends in the above table reveal that development capital expenditure as a percentage of total expenditure decreased from 23.70 per cent in 2009-10 to 20.80 per cent. The ratio of salary and wage component under Social and Economic Services to revenue expenditure during the current year was 43.99 per cent, a slight increase of 2.64 per cent over the previous year. The salary and wage component under revenue expenditure in Social Sector increased by ₹ 121.85 crore from ₹ 487.37 crore in 2009-10 to ₹ 609.22 crore in 2010-11, showing an increase by 5.15 per cent over the previous year; while non-salary component marginally increased by 1.59 per cent over the previous year from ₹ 618.31 crore in 2009-10 to ₹ 628.16 crore in 2009-10. Again, within the revenue expenditure under economic services, the salary and wage component increased by ₹ 139.95 crore (an increase of 0.84 per cent) from ₹ 238.38 crore in 2009-10 to ₹ 378.33 crore in 2010-11 and also non-salary component increased by 53.11 per cent from ₹ 410.97 crore in 2009-10 to ₹ 629.24 crore in 2010-11.

The salary and wages expenditure under Education, Sports, Art & Culture increased by ₹ 105.96 crore (an increase of 6.25 per cent) from ₹ 337.37 crore in 2009-10 to ₹ 443.33 crore in 2010-11; while the increase in expenditure on Health and Family Welfare was ₹ 29.45 crore from ₹ 95.55 crore in 2009-10 to ₹ 125.00 crore in 2010-11, showing a significant increase by 33.87 per cent over the previous year. Trends in expenditure under Education, Sports, Art & Culture revealed that the salary and wage component increased by 31 per cent and non-salary and wage decreased by four per cent over 2009-10.

During 2010-11, the salary & wage component under Economic Services registered a decrease in Agriculture and Allied Activities by 14.47 *per cent* Transport by 36.18 *per cent*, however, there was a major increase in salary component in Irrigation & Flood Control by 18.98 *per cent*, Energy by 3.70 *per cent* and Other Economic Services by 44.91 *per cent*.

The expenditure on Economic Services includes all such expenditure that promotes directly or indirectly, productive capacity within the State's economy. The trend in revenue and capital expenditure on Economic Services indicate that revenue expenditure increased by 55.17 *per cent* from ₹ 649.35 crore in 2009-10 to ₹ 1,007.57 crore in 2010-11 and capital expenditure increased by 17.35 *per cent* from ₹ 396.59 crore in 2009-10 to ₹ 465.41 crore in 2010-11 (Detailed in **Appendix-1.6 Part-A & Part-B**).

1.7.3 Effectiveness of the Expenditure, i.e. Outlay-Outcome Relationship

Besides, stepping up the expenditure on key social and economic services, enhancing human development requires the State to improve the delivery mechanism to obtain the desired outcomes. The State Government is expected to relate expenditure to outcomes in terms of quality, reach and the impact of Government expenditure. 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 Chief Controlling based Audit of the Public Health Engineering Department taken up during May-July 2011 is summarized below:

Public Health Engineering Department is responsible for providing adequate and safe drinking water to the rural and urban population as well as hygienic sanitation facilities in the State. Apart from the coverage of remaining uncovered habitations with safe drinking water system, the Department is committed to promote sustainability of safe drinking water system and to institutionalize water quality monitoring and surveillance system. The Department is also engaged in improving the quality of life of the rural people and also to provide privacy and dignity to women through Total Sanitation Campaign.

A performance review of Chief Controlling based Audit on Public Health Engineering Department revealed shortfalls in achieving the programme objectives owing largely to the deficiency in planning. Deficiency in planning in turn impinged on the financial management of the schemes and projects, which was conspicuously apparent in the persistent recurrence of savings in each successive years between 2006-11 revealing the Departments incapacity to absorb funds released by GoI as evidenced by the trend of rush of expenditure in the last quarter of the financial year, and worse still, leading to huge amounts being parked in PW Deposits. Diversion of funds towards operations and maintenance revealed that the Department had digressed in its application of funds for purposes it was sanctioned thereby affecting vital programme elements like Water Quality measures, which has serious public health implications. There were cases of manpower remaining virtually idle during 2006-11 in the Ground Water and Quality Control Division arising out of the failure of the Department to plan and provide the requisite and laboratory equipment for the technical hands in position to work on is an obvious instance of inefficiencies in HR management.

There were some positives in the effort of the Department in program execution especially with reference to capacity building and sensitisation drive through IEC strategies, however, the review has flagged glaring aberration in the material procurement process and serious deviation from the basic canons of financial propriety especially with reference to purchase of GI pipes by the Department. Materials were procured and payments made beyond the scope of delegated powers by the Head of Department and without obtaining the approval of the State Purchase Advisory Board. Absence of independent program evaluation, poor and deficient monitoring activity and absence of internal control mechanism revealed shortfalls in achieving the programme objectives of the Department.

1.8 Financial Analysis of Government Expenditures 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.

1.8.1 Incomplete projects

The department-wise information pertaining to incomplete time overrun projects as on 31 March 2011 is given in **Table-1.25** below:

Table-1.25: Department-wise Profile of Incomplete Projects

(₹ in crore)

Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Total Cost of Projects	Cost Over Runs	Cumulative actual expenditure as on 31 March 2011
Public Works (Roads)	24	212.61	--	--	158.21
Public Works (Buildings)	3	49.65	--	--	36.21
Power and Electricity (P&E)	3	410.35	191.13	55.93	415.41
Public Health Engineering (PHE)	6	110.34	113.47	41.67	130.09
Total	36	782.95	304.60	97.60	739.92

Source: Appendix X (Finance Account 2010-11)

Out of 164 projects, there were 36 incomplete projects as of March 2011, which were started with initial budgeted cost of ₹ 782.95 crore under Public Works (Roads) (₹ 212.61 crore), Public Works (Buildings) (₹ 49.65 crore), Public Health Engineering (₹ 110.34 crore) and Power & Electricity Departments (₹ 410.35 crore) and the projects were to be completed on or before March 2011.

The delay in completion in respect of two projects has resulted in a cost overrun of ₹ 97.60 crore at the close of the current year. Due to non-completion of the projects (March 2011), an amount of ₹ 739.92 crore booked against these projects remained blocked. Out of these projects, one project under Power and Electricity (Construction of Serlui 'B' SHP – 12 MW) which was to be completed at a cost of ₹ 135.20 crore had subsequently been revised at ₹ 191.13 crore and one project under Public Health Engineering (Greater Aizawl Water Supply, Phase II) whose initial budgeted cost was ₹ 71.80 crore had been later revised to ₹ 113.47 crore. Due to delay in completion of the projects, not only the benefits to be accrued to the society got delayed but also the cost to the exchequer increased due to time overruns involved in their completion.

1.8.2 Investment and returns

As of 31 March 2011, Government had invested ₹ 19.27 crore in Government Companies and Co-operatives, out of which an amount of ₹ 3.03 crore was invested in Government Companies and ₹ 16.24 crore was invested in Co-operative Societies. During the current year, State Government invested only ₹ 0.27 crore in Public Sector and other Undertakings of Government Companies. No dividend was received during 2010-11. **The average return on this investment was Nil in the last five years while the Government paid an average interest rate ranging from 2.60 per cent to 7.56 per cent on its borrowings during 2006-11 (Table-1.26).**

Table-1.26: 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 (₹ in crore)	15.37	17.21	18.73	19.00	19.27
Return (₹ in crore)	--	--	--	--	--
Return (per cent)	--	--	--	--	--
Average rate of interest on Government borrowing (per cent)	7.56	6.43	6.45	7.02	2.60
Difference between interest rate and return (per cent)	7.56	6.43	6.45	7.02	2.60

Five Working Government Companies have registered accumulated losses of ₹ 49.20 crore (*Mizoram Electronic Development Corporation Ltd* ₹ 3.09 crore up to 2001-20; *Mizoram Food and Allied Industries Corporation Ltd.* ₹ 18.33 crore during 2007-2008 to 2009-2010; *Mizoram Handloom and Handicraft Development Corporation Ltd.* ₹ 3.53 crore up to 1999-2000; *Zoram Industrial Development Corporation Ltd.* ₹ 19.61 crore up to 2008-2009 and *Mizoram Agricultural Marketing Corporation Ltd.* ₹ 4.64 crore during 2005-2006 to 2008-2009).

A performance-based system of accountability should be put in place in the Government Companies/ Statutory Corporations so as to increase profitability and improve efficiency in service. The Government should ensure better value for money in investments by identifying the Companies/

Corporations which are endowed with low financial but high socio-economic returns and see if high cost borrowings need to be invested in those Companies/Corporations.

1.8.3 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/organisations. **Table-1.27** presents the outstanding loans and advances as on 31 March 2011, interest receipts *vis-à-vis* interest payments during the last three years.

Table-1.27: Average Interest Received on Loans Advanced by the State Government

Quantum of Loans/Interest Receipts/Cost of Borrowings	2008-09	2009-10	2010-11
			Actual
Opening Balance	248.96	241.51	241.14
Amount advanced during the year	17.41	24.94	29.87
Amount repaid during the year	24.86	25.31	25.97
Closing Balance	241.51	241.14	245.04
Of which Outstanding balance for which terms and conditions have been settled			
Net addition	(-) 7.45	(-) 0.37	(+)3.90
Interest Receipts	5.36	1.70	0.06
Interest receipts as <i>per cent</i> to outstanding Loans and advances	2.22	0.70	0.02
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	6.24	7.01	2.35
Difference between interest payments and interest receipts (<i>per cent</i>)	4.02	6.31	2.33

The total amount of outstanding Loans and Advances as on 31 March 2011 was ₹ 245.04 crore. The amount of loans disbursed during the year increased from ₹ 24.94 crore in 2009-10 to ₹ 29.87 crore in 2010-11. Out of the total amount of loans advanced during the year, ₹ five crore went to social services, ₹ 2.15 crore to economic services and ₹ 22.72 crore to Government servants. Under the social services, the amount of ₹ 5 crore was disbursed to Housing only and in economic services the amount of ₹ 2.15 crore was disbursed to Co-operation (₹ 0.51 crore) and Village and Small Industries (₹ 1.64 crore). The recovery of loans and advances increased marginally from ₹ 25.31 crore in 2009-10 to ₹ 25.97 crore in 2010-11 mainly on account of recovery under Housing (₹ 19.99 crore) from Government Servants (₹ 5.56 crore). As the current level of recovery on loans advanced by the States is extremely poor, the XIII FC projected the interest receipts of States on a normative basis without linking it to the current level. Outstanding loans and advances at the end of 2009-10 have been projected by XIII FC as constant over the projection period and applied an interest rate of seven *per cent* to these outstanding loans and taken as the interest receipt in each of the years.

Interest received against these loans and advances further decreased by 96.47 per cent from ₹ 1.71 crore in 2009-10 to an almost negligible amount of ₹ 0.06 crore in 2010-11 and as a result the interest receipt to outstanding loans stood at 0.02 per cent during 2010-11.

1.8.4 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 ordinary Ways and Means Advances to the State Government was ₹ 55 crore with effect from 1 April 2006. The limit for Special Ways and Means Advances is being revised by the RBI from time to time. Under an agreement with the Reserve Bank of India, the State Government has to maintain a minimum daily cash balance of ₹ 0.20 crore with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary and special ways and means advances/overdrafts from time to time.

The position of Ways and Means Advances and Overdraft is shown in the table below:

Table-1.28: Ways and Means Advances and Overdraft

	2006-07	2007-08	2008-09	2009-10	2010-11
(₹ in crore)					
Ordinary and Special Ways & Means Advances					
Availed in the year	19.59	23.98	--	1.37	163.36
Outstanding WMAs	31.72	12.13	12.13	12.13	27.21
Interest paid	--	0.02	--	8.63	--
Number of days	8	3	--	19	21
Overdraft					
Availed in the year	--	--	--	--	--
Outstanding Overdraft	15.08	15.08	15.08	15.08	15.08
Number of days	--	--	--	--	--
Interest paid	--	--	--	--	--

The State availed Ordinary and Special Ways & Means Advances during the period 2006-07 to 2010-11 except during 2008-09 against which an interest of ₹ 8.63 crore was paid. The State however did not avail any overdraft facility during 2006-11.

Table-1.29 depicts the cash balances and investments made by the State Government out of cash balances⁴ during the year.

⁴ The General cash balance represents the combined balances of the Consolidated Fund of India and the Public Account. As per the agreement with the Reserve Bank of India, the State Government has to maintain with the Bank on all days a minimum balance. (Explanatory Notes on Appendix-I, Finance Accounts, Vol. I)

Table-1.29: Cash Balances and Investment of Cash balances

Particulars	(₹ in crore)		
	As on 01 April 2010	As on 31 March 2011	Increase (+)/ Decrease(-)
Cash Balances	317	221	(-)96
Investments from Cash Balances (a to d)	345	307	(-)38
a. GoI Treasury Bills	266	211	(-)55
b. GoI Securities	--	--	--
c. Other Securities, if any specify	--	--	--
d. Other Investments	79	96	(+)17
Fund-wise Break-up of Investment from Earmarked balances			
a. Sinking Fund	79	96	(+)17
Interest Realized	12	5.74	(-)6.26

Cash balance of the State Government at the end of the current year decreased by ₹ 96 crore from ₹ 317 crore in 2009-10 to ₹ 221 crore in 2010-11. The investment from cash balances decreased by 11.01 *per cent* from ₹ 345 crore in 2009-10 to ₹ 307 crore in 2010-11. An amount of ₹ 5.74 crore was earned as interest during 2010-11 on the amount invested. Further, during the year, the Government appropriated an amount of ₹ 16.50 crore from revenue and credited to Consolidated Sinking Fund, constituted during 2000-2001 for redemption of open market loans, for investment in the Government of India Securities. As a result the balance as on 31 March 2011 was ₹ 95.75 crore for amortisation of long term loans.

1.9 Assets and Liabilities

1.9.1 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-1.3** 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 Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

The FRBM Act, 2006 of the State defined the total liabilities as “The explicit liabilities under the Consolidated Fund of the State and the Public Account of the State including General Provident Fund”.

1.9.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix-1.4**. The compositions of fiscal liabilities during the current year *vis-à-vis* the previous year are presented in **Chart-1.10** and **1.11**.

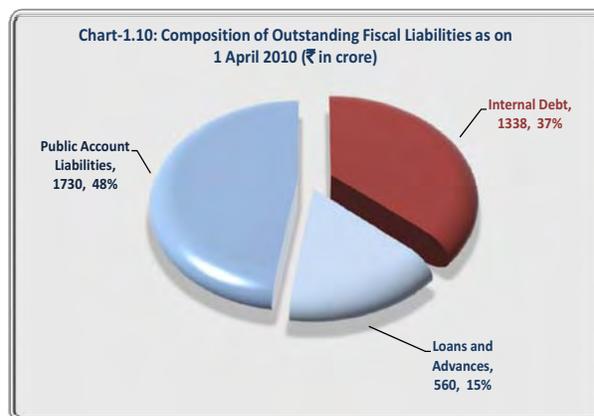
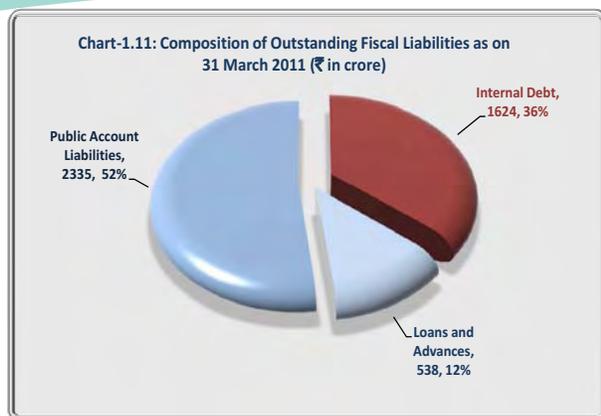


Table-1.30 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP, to revenue receipts and to State's own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

Table-1.30: Fiscal Liabilities – Basic Parameters

	2006-07	2007-08	2008-09	2009-10	2010-11
Fiscal Liabilities [#] (₹ in crore)	3095.52	3378.04	3614.06	3627.69	4496.86
Rate of Growth (<i>per cent</i>)	4.83	9.13	6.99	0.38	23.96
Ratio of Fiscal Liabilities to:					
GSDP (<i>per cent</i>)	94.49	88.84	77.76	64.56	74.23
Revenue Receipts (<i>per cent</i>)	157.22	165.61	136.22	122.41	157.49
Own Resources (<i>per cent</i>)	1540.06	1625.39	1426.85	1549.7	1622.48
Buoyancy of Fiscal Liabilities with reference to:					
GSDP (ratio)	0.45	0.57	0.31	0.02	3.07
Revenue Receipts (ratio)	0.25	2.53	0.23	0.03	(-)6.52
Own Resources (ratio)	0.33	2.69	0.32	(-)0.05	1.30

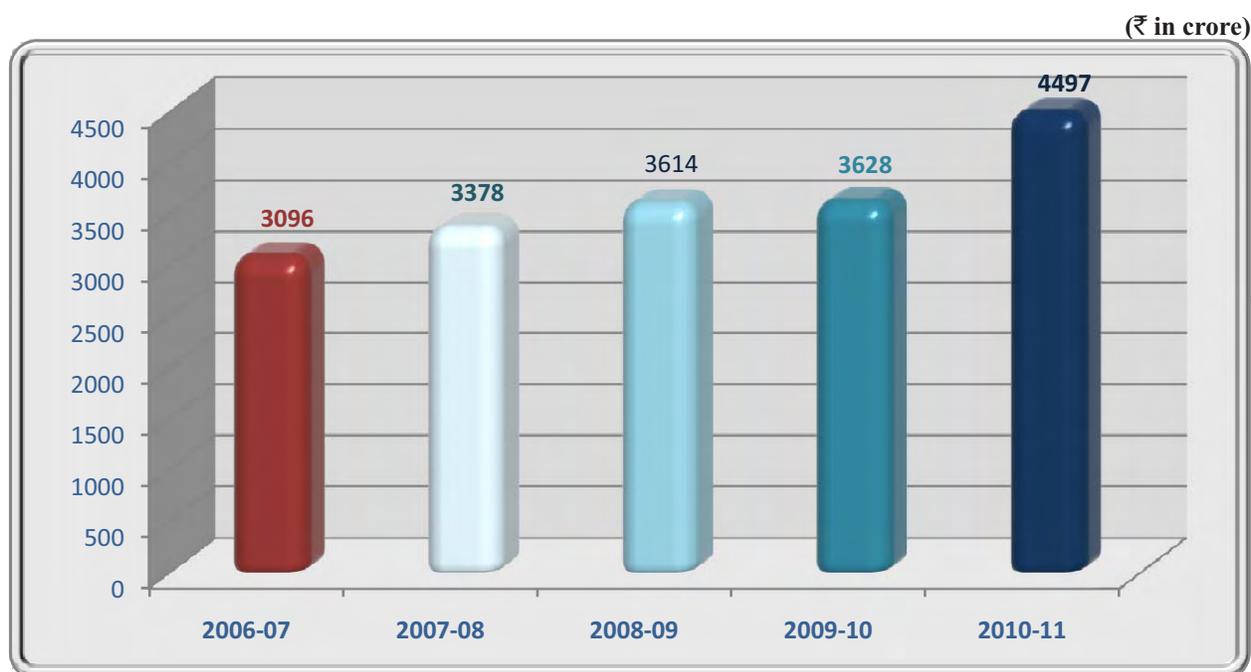
[#] Includes Internal Debt, Loans and Advances from GoI, Small Savings, Provident Fund etc., Reserve Funds (Gross) and Deposits

The overall fiscal liabilities of the State increased at an average annual rate of 9.05 *per cent* during the period 2006-11. During the current year, the overall fiscal liabilities of the State Government increased by ₹ 869.17 crore (23.96 *per cent*) from ₹ 3,627.69 crore in 2009-10 to ₹ 4,496.86 crore in 2010-11. The increase in fiscal liabilities was mainly due to increase in the internal debt by

₹ 286.71 crore and Public Account liabilities by ₹ 604.50 crore, offset marginally by decrease in loans and advances from GoI by ₹ 22.04 crore. *The ratio of fiscal liabilities to GSDP has increased from 64.56 per cent in 2009-10 to 74.23 per cent in 2010-11. These fiscal liabilities stood at nearly 1.57 times the revenue receipts and 16.22 times of the State's own resources at the end of 2010-11.* The buoyancy of these liabilities with respect to GSDP during the year was 3.07 indicating that for each one *per cent* increase in GSDP, fiscal liabilities grew by 3.07 *per cent*. As per Thirteenth Finance Commission recommendations the State Government should bring the Fiscal Liabilities-GSDP ratio to around 25 *per cent* in the next five years. In line with the recommendation of the Twelfth Finance Commission, the State Government has set up sinking fund for amortisation of market borrowings as well as other loans and debt obligations. As of 31 March 2011, the balance in the sinking fund was ₹ 95.75 crore. During 2009-10, ₹ 16.50 crore has been invested in the sinking fund.

The increasing position of fiscal liabilities during 2006-11 is depicted in the bar chart below:

Chart-1.12: Trend showing Fiscal Liabilities during 2006-11



1.9.3 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. In compliance with the Twelfth Finance Commission recommendations regarding creation of Guarantee Redemption Fund (GRF), the State Government has set up the fund during May 2009 with initial corpus fund of ₹ 50 lakh. Also during 2010-11, an additional fund of ₹ 50 lakh has been transferred to Guarantee Redemption Fund (GRF). A ceiling has been laid down in its Medium Term Fiscal Policy Strategy Statement

stipulating that fresh guarantees in a year should not exceed three *per cent* of GSDP. However, information regarding Guarantee Commission or fee has not been received from the State Government⁵.

As per Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table-1.31**.

Table-1.31: Guarantees given by the Government of Mizoram

Guarantees	₹ in crore)		
	2008-09	2009-10	2010-11
Maximum amount guaranteed	305	189	189
Outstanding amount of guarantees	134	103	103
Revenue Receipts	2653	2964	2855
Total Receipts in Consolidated Fund of the State	2784	3215	3418
Percentage of maximum amount guaranteed to revenue receipts	11.50	6.38	6.62

The State Government had guaranteed loans raised by various corporations and others which at the end of 2010-11 stood at ₹ 103 crore. No fresh guarantees were extended in the current year. The outstanding guarantees were 3.61 *per cent* of the revenue receipts of the Government and it is pertinent to note that if the liabilities arising out of the outstanding guarantees are added to the fiscal liabilities of the State Government at the close of the current year, the ratio of total liabilities to GSDP would increase from 74.23 *per cent* to 75.93 *per cent*.

1.10 Debt Sustainability

Apart from the magnitude of debt of State Government, it is important to analyze various indicators that determine the debt sustainability⁶ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation⁷, sufficiency of non-debt receipts⁸, net availability of borrowed funds⁹, burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table-1.32** analyzes the debt sustainability of the State according to these indicators for the period of five years beginning from 2006-07.

⁵ Source: Notes to Finance Account, 2010-11, Vol.-I

⁶ As defined in Appendix 1.1.C

⁷ As defined in Appendix 1.1.C

⁸ As defined in Appendix 1.1.C

⁹ It indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds

Table-1.32: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability	2006-07	2007-08	2008-09	2009-10	2010-11
Debt Stabilization (Quantum Spread + Primary Deficit)	94 + 38 =132	298+(-)183 =115	533+131 =664	502+(-)57 =445	189+(-)914 =(-)725
Sufficiency of Non-debt Receipts (Resource Gap)	(+) 205	(-) 200	(+) 297	(-) 218	(-)709
Net Availability of Borrowed Funds	(-) 86	75	10	(-) 241	764
Burden of Interest Payments (IP/RR Ratio)	11.62	10.20	8.50	8.58	3.71
Maturity Profile of State Debt (In Years)					(₹ in crore)
Maturity Profile^(a)				Amount	Per cent
0 – 1				1160.70	15.06
1 – 3				1165.52	15.13
3 – 5				1064.92	13.82
5 – 7				1230.73	15.97
7 – 9				981.74	12.74
9 – 11				863.73	11.21
11 – 13				636.22	8.26
13 – 15				275.22	3.57
15 and above				326.98	4.24
Total				7705.76	100

^(a) As per Finance Accounts.

Table-1.32 reveals that quantum spread together with primary deficit/surplus has been positive during the period from 2006-07 to 2009-10. However, during the current year sum of quantum spread and primary deficit turned negative indicating that the debt-GSDP ratio is unstable and eventually the ratio would rise. The sum of quantum spread and primary deficit at ₹ (-) 725 crore during 2010-11 against ₹ 445 crore in 2009-10 is a negative sign towards fiscal balances in the forthcoming years.

The persistent negative resource gap indicates the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. Negative resource gap indicates incremental non-debt receipts are not sufficient to cover the incremental interest liabilities and incremental primary expenditure. Widening of resource gap from ₹ (-) 218 crore in 2009-10 to ₹ (-) 709 crore during 2010-11 indicates worsening capacity of the State to sustain the debt in the medium to long run.

The Public Debt Receipts of the State increased from ₹ 236.56 crore in 2006-07 to ₹ 537.22 crore in 2010-11 Public Debt receipts jumped by 238 per cent in the current year from ₹ 225.89 crore

in 2009-10. The cash balance also came down to ₹ 221.31 crore in 2010-11 from ₹ 316.78 crore in 2009-10. This calls for serious efforts towards raising non-debt receipts to maintain debt stability.

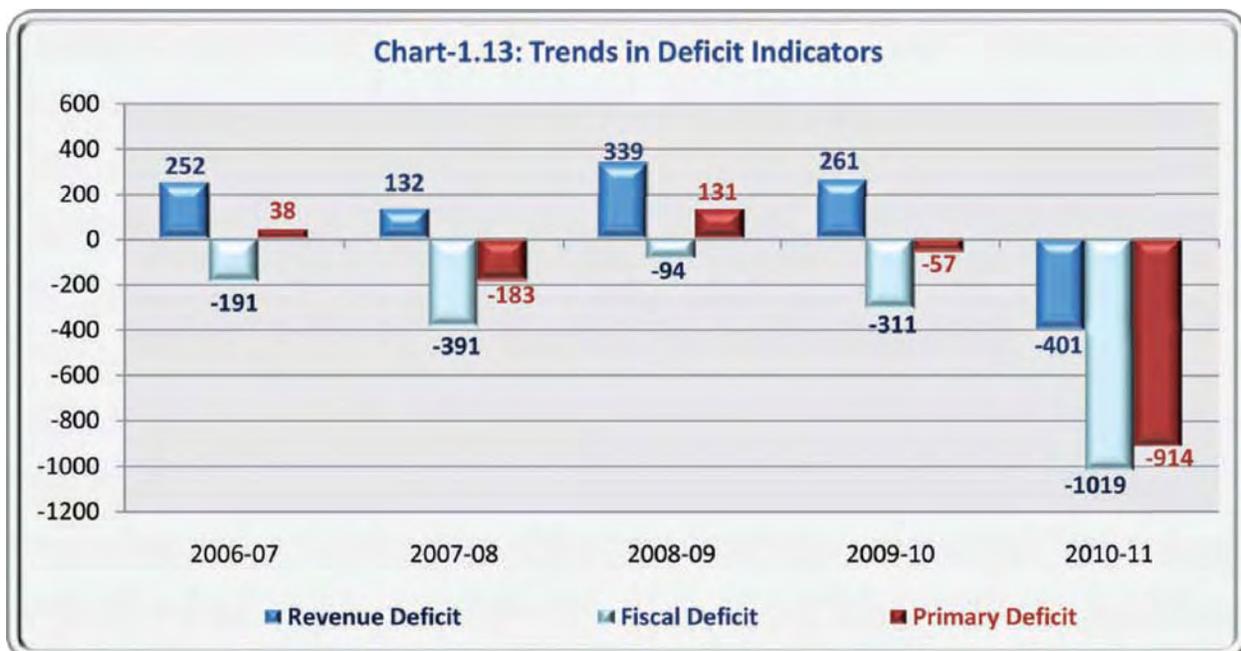
The maturity profile of the State's debt during the current year indicates that out of the outstanding debt stock of ₹ 7,705.76 crore, around 60 per cent (₹ 4,621.87 crore) is payable within the next seven years while the remaining 40 per cent (₹ 3,083.89 crore) are to be paid in more than seven years time. Since there was no fiscal surplus during the last five years (2006-11), the Government will have to borrow further to discharge the expenditure obligations unless there is adequate fiscal surplus. Ideally, further borrowings in future should be made in such a way that there is no bunching of repayments in any particular year as that will cause undue stress on the budget.

1.11 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 and 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.

1.11.1 Trends in Deficits

Chart-1.13 and 1.14 presents the trends in deficit indicators over the period 2006-11.



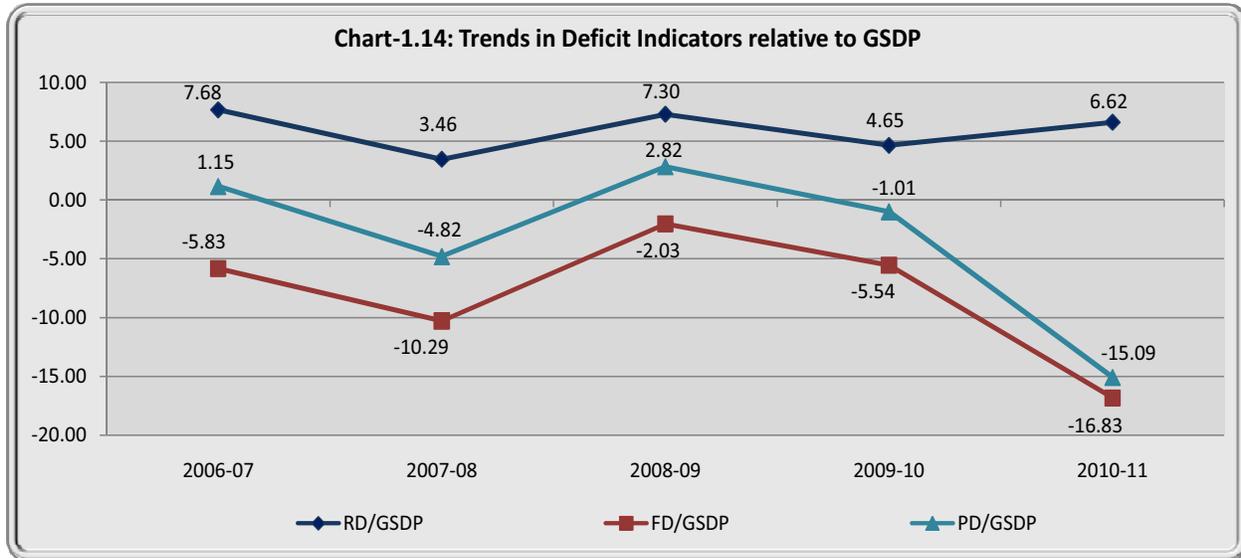


Chart-1.13 reveals that the revenue account experienced a huge deficit of ₹ 401 crore during 2010-11. The State had a revenue surplus during the period from 2006-07 to 2009-10 and the revenue surplus steeply increased from ₹ 252 crore in 2006-07 to ₹ 339 crore in 2008-09 and declined to ₹ 261 crore during 2009-10. *The large deficit in revenue account during the current year was mainly on account of decrease in revenue receipts by ₹ 108 crore (- 3.65 per cent) against an increase of ₹ 553 crore (20.46 per cent) in revenue expenditure over the previous year.* Despite the fact that State's own resources increased by ₹ 43 crore from ₹ 234 crore in 2009-10 to ₹ 277 crore during 2010-11 and central transfers of taxes by ₹ 57 crore from ₹ 395 crore in 2009-10 to ₹ 452 crore during the current year, the decrease in revenue account in the current year was primarily on account less receipt of Grants-in-Aid received from Government of India by ₹ 208 crore from ₹ 2,335 crore in 2009-10 to ₹ 2,126 crore in 2010-11.

The fiscal deficit, which represents the total borrowings of the Government and its total resource gap increased to the level of ₹ 1,019 crore in 2010-11 from fiscal deficit of ₹ 311 crore in 2009-10. *The substantial revenue deficit of ₹ 401 crore during the current year as against revenue surplus of ₹ 261 crore in previous year along with increase in capital expenditure by ₹ 42 crore from ₹ 573 crore in 2009-10 to ₹ 615 crore in 2010-11 resulted in a fiscal deficit of ₹ 1,019 crore in 2010-11 as against fiscal deficit of ₹ 311 crore during the previous year.*

The primary surplus of ₹ 38 crore during 2006-07 took a turnaround from 2007-08 onwards and resulted into primary deficit of ₹ 57 crore in 2009-10 and drastically increased to ₹ 914 crore during the current year. *The radical increase in fiscal deficit despite decrease of ₹ 148 crore in interest payment resulted in primary deficit¹⁰ of ₹ 914 crore during the current year as against a primary deficit of ₹ 57 crore in 2009-10.*

¹⁰ Primary deficit defined as the fiscal deficit net of interest payments indicates the extent of deficit, which is an outcome of the fiscal transactions of the State's during the course of the year

1.11.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table-1.33**.

Table-1.33: Components of Fiscal Deficit and its Financing Pattern

		(₹ in crore)				
Particulars		2006-07	2007-08	2008-09	2009-10	2010-11
Decomposition of Fiscal Deficit		(-191)	(-391)	(-94)	(-311)	(-1019)
1.	Revenue Surplus/Deficit	252	132	339	261	(-401)
2.	Net Capital Expenditure	466	544	441	573	614
3.	Net Loans and Advances	(-23)	(-21)	(-8)	(-) 0.40	4
Financing Pattern of Fiscal Deficit*						
1.	Market Borrowings	108	129	29	(-)59	256
2.	Loans from GoI	(-)26	(-)7	(-)12	13	(-)22
3.	Special Securities Issued to NSSF	8	(-)1	(-)2	8	19
4.	Loans from Financial Institutions	40	(-)36	(-)2	(-)98	16
5.	Compensation and other Bonds	(-)4	(-)4	(-)3	(-)4	(-)5
6.	Small Savings, PF etc.	143	172	188	44	276
7.	Deposits and Advances	(-)128	36	37	105	333
8.	Suspense and Misc.	112	32	(-)78	292	210
9.	Remittances	(-)26	26	(-)72	(-)40	(-)36
10.	Reserve Fund	2	(-)6	1	4	(-)4
11.	Increase/decrease in Cash balance with RBI	(-)38	50	8	46	(-)24
12.	Overall Deficit (1 to 11)	(-191) (5.83)	(-391) (10.28)	(-94) (2.02)	(-311) (5.53)	(-1019) (16.84)
<p><i>Figures in brackets indicate the per cent to revised GSDP of base year 2004-05</i></p> <p><i>* All these figures are net of disbursements/outflows during the year</i></p>						

It can be seen from **Table-1.33** that there was *fiscal deficit during the last five years with a slight improvement during 2008-09 (₹ 94.39 crore), however, the fiscal deficit drastically deteriorated during the current year to the level of ₹ 1,019 crore (16.83 per cent of GSDP)*. During 2010-11, fiscal deficit was primarily financed by market borrowings, Special Securities issued to NSSF, Loans from Financial Institutions, Small Savings, PF etc., Deposits and Advances and Suspense and Miscellaneous balances.

The solution to the Government debt problem lies in the method of application of borrowed funds i.e., whether they are being used efficiently and productively for capital expenditure which either provides returns directly or results in increased productivity of the economy which may result in increase in Government revenue in future, making debt payments manageable.

1.11.3 Quality of Deficit/Surplus

The ratio of RD to FD and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit (**Table-1.34**) would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which might be necessary to improve the productive capacity of the State's economy.

Table-1.34: Primary deficit/Surplus – Bifurcation of factors

(₹ in crore)							
Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit (-)/ surplus (+)	Primary deficit (-)/ surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2006-07	1993	1489	466	--	1955	(+) 504	(+) 38
2007-08	2067	1700	544	6	2250	(+) 367	(-) 183
2008-09	2678	2088	441	17	2546	(+) 590	(+)132
2009-10	2989	2449	573	25	3047	(+) 540	(-) 58
2010-11	2881	3150	615	30	3795	(-) 270	(-)914

The non-debt receipts of the State during 2006-07 to 2009-10 were sufficient to meet the primary revenue expenditure. However, during the current year the non-debt receipts was inadequate to cover the primary revenue expenditure. The non-debt receipts of the State decreased by more than three *per cent* from ₹ 2,989 crore in 2009-10 to ₹ 2,881 crore in 2010-11 which was less than primary expenditure by ₹ 914 crore. Over the period 2006-2011, there has been an increase in the proportion of capital expenditure in primary expenditure however, during 2008-09, the proportion reduced considerably. Though the proportion of capital expenditure increased during the current year over the previous years, the State Government should further focus on increasing the productive capacity of the State's economy and containing unproductive expenditure.

1.12 Conclusion and Recommendations

Conclusion

Revenue receipts decreased to ₹ 2,855.37 crore in 2010-11 from ₹ 2,963.51 crore in 2009-10 (3.65 per cent); mainly due to decrease in Grants-in-Aid (₹ 208.34 crore) offset by increase in Tax Revenue (₹ 22.86 crore), Non Tax Revenue (₹ 20.21 crore) and Central share of Taxes (₹ 57.13 crore). The revenue receipt (₹ 2,855.37 crore) was, however, lesser by ₹ 398.50 crore (13.14 per cent) than the assessment of the State Government in its Fiscal Correction Path (FCP) (₹ 3,253.87 crore).

Revenue Expenditure and Capital Expenditure

Revenue Expenditure and Capital Expenditure increased by ₹ 553.54 crore (20.48 per cent) and ₹ 41.91 crore (7.32 per cent) respectively over the previous year. **Revenue expenditure was higher by ₹ 344.01 crore (11.81 per cent) than the assessment made by the State Government in its FCP (₹ 2,912.23 crore). Also, Capital expenditure was higher by ₹ 226.23 crore (58.23 per cent) than the projection made by the State Government in its FCP (₹ 388.48 crore).**

The total expenditure of the State increased from ₹ 2,184 crore in 2006-07 to ₹ 3,901 crore in 2010-11 at an annual average rate of 15.73 per cent and increased by 18.18 per cent during the current year over the previous year. Of the total expenditure during 2010-11, the revenue expenditure (₹ 3,256 crore) constituted 83.47 per cent while capital expenditure (₹ 615 crore) constituted 15.77 per cent and loans and advances (₹ 30 crore) formed 0.77 per cent.

The breakup of total expenditure in terms of plan and non-plan expenditure during 2010-11 reveals that while the share of plan expenditure of ₹ 1,846 crore constituted 47.32 per cent of the Total Expenditure, the remaining 52.68 per cent (₹ 2,055 crore) was non-plan expenditure. Moreover, of the increase of ₹ 600 crore in total expenditure, plan expenditure shared 57 per cent (₹ 342 crore) while non-plan expenditure contributed 43 per cent (₹ 258 crore) in 2010-11.

Funds directly transferred to State Implementing Agencies

Funds transferred directly from the Union Government to the State Implementing Agencies run the risk of poor oversight and therefore, unless uniform accounting practices are followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers. It also inhibits the Fiscal Responsibility and Budget Management (FRBM) requirement of transparency in fiscal operations and thus bypasses accountability. During the current year GoI transferred ₹ 984.09 crore (approximate) directly to State Implementing Agencies for implementation of various schemes/programmes.

Fiscal liabilities

The overall fiscal liabilities of the State increased at an average annual rate of 9.05 per cent during the period 2006-11. During the current year, the overall fiscal liabilities of the State Government increased by ₹ 869.17 crore (23.96 per cent) from ₹ 3,627.69 crore in 2009-10 to ₹ 4,496.86 crore in 2010-11. The increase in fiscal liabilities was mainly due to increase in the internal debt by ₹ 286.71 crore and Public Account liabilities by ₹ 604.50 crore, offset marginally by decrease in loans and advances from GoI by ₹ 22.04 crore. **The ratio of fiscal liabilities to GSDP has increased from 64.56 per cent in 2009-10 to 74.23 per cent in 2010-11. These fiscal liabilities stood at nearly 1.57 times the revenue receipts and 16.22 times of the State's own resources at the end of 2010-11.**

Investment and Returns

As of March 2011, the State Government invested ₹ 19.27 crore, out of which ₹ 3.03 crore was invested in Government Companies and ₹ 16.24 crore was invested in Co-operative Societies. During the current year, State Government invested only ₹ 0.27 crore in Public Sector and other Undertakings of Government Companies however, no dividend were received during 2010-11. As of March 2011, five Working Government Companies have registered accumulated loss of ₹ 49.20 crore.

Debt sustainability

During the current year, the sum of quantum spread and primary deficit turned negative indicating that the debt-GSDP ratio is unstable and eventually the ratio would rise. The sum of quantum spread and primary deficit at ₹ (-) 725 crore during 2010-11 against ₹ 445 crore in 2009-10 is a negative sign towards fiscal balances in the forthcoming years.

Negative resource gap indicates incremental non-debt receipts are not sufficient to cover the incremental interest liabilities and incremental primary expenditure. Weakening of resource gap from ₹ (-) 218 crore in 2009-10 to ₹ (-) 709 crore during 2010-11 indicates worsening capacity of the State to sustain the debt in the medium to long run.

Fiscal Imbalances

The large deficit in revenue account during the current year was mainly on account of decrease in revenue receipts by ₹ 108 crore (- 3.65 per cent) against an increase of ₹ 553 crore (20.46 per cent) in revenue expenditure over the previous year.

The fiscal deficit, which represents the total borrowings of the Government and its total resource gap increased to the level of ₹ 1,019 crore in 2010-11 from fiscal deficit of ₹ 311 crore in 2009-10.

The primary surplus of ₹ 38 crore during 2006-07 took a turnaround from 2007-08 onwards and resulted in primary deficit of ₹ 57 crore in 2009-10 and drastically increased to ₹ 914 crore during the current year.

Recommendations

- ❖ **Revenue Receipts:** *The State Government should mobilize additional resources both through tax and non-tax sources by expanding the tax base and rationalizing the user charges. It should also make efforts to collect revenue arrears. Efforts should also be made to increase tax compliance, reduce tax administration costs, etc. so that deficits are contained. The State Government should ensure that the Government of India releases all grants due to the State by taking timely action on all conditionalities that are pre-requisite to the release. There is an urgent need to improve collection of tax and non-tax revenues so that dependence on borrowed funds could be reduced.*

- ❖ **Prioritisation of Expenditure:** *The Government should also focus on expenditure management to bring about qualitative improvement in the public spending. The State Government should initiate action to restrict the components of non-plan revenue expenditure by phasing out implicit subsidies and resort to need-based borrowings to curb interest and principal payments. In view of the substantial increase in Revenue deficit and Fiscal deficit, there is an urgent need to apply due prudence in expenditure pattern so that the resource gap remains within manageable controls of the fiscal capability of the State.*

- ❖ **Debt Sustainability:** *Recourse to borrowed funds in future should be carefully assessed and managed so that the recommendations of the Thirteenth Finance Commission to bring Fiscal Liabilities-GSDP ratio to around 25 per cent could be achieved in the next four years. Maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year will ensure that market borrowings are sourced optimally. A clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.*

The State should make efforts to return to Primary surplus as in the previous year to widen the scope of fiscal manoeuvre towards more productive and capital creation expenditure.

- ❖ **Government Investments:** *A performance-based system of accountability should be put in place in the Government Companies/Statutory Corporations so as to derive profitability and improve efficiency in service. The Government should ensure better value for money in investments by identifying the Companies/Corporations which are endowed with low financial but high socio-economic returns and justify the use of high cost borrowed funds for non-revenue generating investments through a clear and transparent guideline.*

Financial Management and Budgetary Control

2.1 Introduction

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, facilitate management of finances and monitoring of budgetary provisions and are therefore complementary to Finance Accounts.

Audit of appropriations by the Comptroller and Auditor General of India 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.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2010-2011 against 49 grants/appropriations (48 Grants and one Appropriation) are given in **Table-2.1**.

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	2641.25	820.93	3462.18	3122.82	(-) 339.36
	II Capital	528.28	365.61	893.89	752.95	(-)140.94
	III Loans and Advances	25.00	7.15	32.15	29.86	(-) 2.29
	Total Voted	3194.53	1193.69	4388.22	3905.63	(-) 482.59
Charged	IV Revenue	272.73	15.12	287.85	134.08	(-) 153.77
	V Capital	-	-	-	-	-
	VI Public Debt-Repayment	252.20	177.20	429.40	272.55	(-) 156.85
	Total Charged	524.93	192.32	717.25	406.63	(-) 310.62
Appropriation to Contingency Fund (if any)		-	-	-	-	-
Grand Total		3719.46	1386.01	5105.47	4312.26	(-) 793.21 (Net)

The overall savings of ₹ 793.21 crore was the result of savings of ₹ 797.90 crore in 46 grants and one appropriations under Revenue Section, 18 grants and one appropriation under Capital Section offset by excess of ₹ 4.69 crore in two grants under Revenue Section and one grant under Capital Section.

The Appropriation accounts of 2010-11 included 48 Grants and one Appropriation. Major savings occurred in Planning and Programme Implementation Department (₹ 109.03 crore), Environment and Forest Department (₹ 49.21 crore), Finance Department (₹ 32.59 crore), School Education (₹ 17.48 crore), Soil and Water Conservation Department (₹ 15.11 crore), Agriculture Department (₹ 13.88 crore), Medical and Public Health Department (₹ 12.77 crore), Home Department ₹ 10.82 crore) Power Department (₹ 10.43 crore) and Public Debt (₹ 153.18 crore) under Revenue Section. There were also substantial savings occurred in Urban Development and Poverty Alleviation Department (₹ 66.61 crore), Power Department (₹ 32.81 crore), Public Works Department (₹ 31.29 crore), Home Department (₹ 4.73 crore) and Public Debt (₹ 156.85 crore) under Capital Section. Excess occurred in Transport Department (₹ 1.01 crore) under Revenue Section and Food, Civil Supplies and Consumer Affairs Department (₹ 3.36 crore) under Capital Section.

The reasons for savings/excess were called for from the concerned Departments. However, no reply was received (January 2012).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit revealed that savings aggregating ₹ 486.59 crore in 27 cases (Revenue voted and charged) and ₹ 302.27 crore in 11 cases (Capital voted and charged), exceeded ₹ one crore in each case (**Appendix-2.1**). Also savings aggregating ₹ 722.19 crore in 15 cases (Revenue and Capital voted), exceeded ₹ 10 crore and above (**Appendix-2.1 A**). Against the overall savings of ₹ 797.90 crore during 2010-11, savings of ₹ 485.67 crore (60.87 per cent) occurred in four cases relating to three grants where savings were more than ₹ 50 crore and above as indicated in **Table-2.2**.

Table-2.2: List of Grants with savings of ₹ 50 crore and above

							(₹ in crore)
Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings	
Revenue-Voted							
1.	14-Planning and Programme Implementation	134.68	5.20	139.88	30.85	109.03	
2.	Public Debt (Charged)	263.01	12.75	275.77	122.58	153.19	

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
Capital-Voted						
3.	46-Urban development and Poverty Alleviation	103.66	5.11	108.77	42.17	66.61
4.	<i>Public Debt (Charged)</i>	<i>252.20</i>	<i>177.20</i>	<i>429.40</i>	<i>272.55</i>	<i>156.85</i>
Total		753.55	200.26	953.82	468.15	485.68

2.3.2 Persistent Savings

In two cases, during the last six years there were persistent savings of more than ₹ one crore in each case and also by more than 20 per cent or more of the total grant (Table-2.3).

Table-2.3: List of Grants indicating Persistent Savings during 2005-11

(₹ in crore)

Sl. No.	No. and Name of the grant	Amount of savings					
		2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue-Voted							
1.	14 - Planning and Programme Implementation Department.	72.40 (79)	64.56 (85)	50.77 (61)	112.39 (80)	8.85 (21)	109.03 (77.95)
2.	9 - Finance	5.00 (100)	5.00 (100)	3.27 (65)	4.97 (50)	200.23 (91)	32.59 (10.67)

Figures in the parentheses indicate percentage to total provision of that grant

2.3.3 Excess Expenditure

Revenue expenditure aggregating ₹ 295.00 crore in 12 cases exceeded the approved provisions (₹ 179.54 crore) by ₹ 115.46 crore and also by more than one crore in each case representing percentages ranging between 15.77 per cent to 285.48 per cent over the total provisions (Appendix-2.2). In eight cases, expenditure exceeded more than 50 per cent over the approved provisions. Details are given in Table-2.4:

Table-2.4: Grants/Appropriations where expenditure exceeded more than 50 per cent over the approved provisions during 2010-11

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/ Appropriation with Major or Minor heads	Total Grant/ Appropriation	Expenditure	Excess Expenditure	Percentage
Revenue (Voted)						
1.	9	Finance 2071-01-101(01)Pension	7500.00	11270.42	3770.42	50.27

Sl. No.	Grant No.	Name of the Grant/ Appropriation with Major or Minor heads	Total Grant/ Appropriation	Expenditure	Excess Expenditure	Percentage
		2071-01-115(01) Leave Encashment	1200.00	2812.34	1612.34	134.36
		2071-01-104(01) Pension/ Gratuities	2352.00	3866.36	514.36	64.38
		2071-01-102(01) Commuted Value of Pension	1300.00	2755.89	1455.89	111.99
2.	21	Higher & Technical Education Department. 2202-03-107(01) Mizoram Scholarship	56.47	217.68	161.21	285.48
3.	34	Animal Husbandry 2403-001(01) Direction	187.80	302.79	114.99	61.23
4.	39	Power 2801-01-001(02) Administration	878.66	2283.34	1404.68	159.87
5.	48	Information & Comm. 06-EAP-3275-800-(02) Capacity Building Under E-Gov (EAP)	73.10	207.50	134.40	86.86
Total			13548.03	23716.32	9168.29	67.67

2.3.4 Unutilised provision of Fund

Appropriation of fund for a work/scheme during a financial year is approved by the Legislature through budget for implementation of the work/scheme. During the year 2010-11, a provision of ₹ 5.50 crore including supplementary grant for implementation of CSS, NEC, NLCPR schemes under seven departments was approved. The departments, however, could not utilise the funds as approved and resulted in savings. The details are given in **Appendix-2.3**.

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 a State Government to get the excess over a grant/appropriation regularized by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, but the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 409.02 crore for the years 2004-05 to 2009-10 was yet to be regularised. The year-wise amount of excess expenditure pending regularisation for grants/appropriations is summarised in **Table-2.5**.

Table-2.5: Excess over provisions relating to previous years requiring regularisation

(₹ in crore)

Year	Number of grants/appropriations	Grant/Appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2004-05	6	1, 2, 4, 38, 39 & Public Debt	308.98	-
2005-06	5	4, 12, 16, 33 & Public Debt	29.78	-
2006-07	2	38 & Public Debt	25.30	-
2007-08	4	4, 33, 36 & 38	13.92	-
2008-09	4	8, 9, 20, 30	30.13	-
2009-10	3	29, 33 (Capital)	0.91	-
Total	24		409.02	

2.3.6 Excess over provision during 2010-11 requiring regularisation

Table-2.6 contains the summary of total excess in three grants amounting to ₹ 4.69 crore over authorization from the Consolidated Fund of the State (CFS) during 2010-11 and requires regularisation under Article 205 of the Constitution.

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

(₹ in crore)

Sl. No.	Number and title of grant/appropriation	Total grant/appropriation	Expenditure	Excess
Voted Grants				
1.	17 – Food, Civil Supplies and Consumer Affairs (Capital)	240.21	243.57	3.36
2.	28 – Labour and Employment (Revenue)	6.61	6.93	0.32
3.	42 – Transport (Revenue)	26.70	27.71	1.01
Total (Voted)		273.52	278.21	4.69

2.3.7 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 36.04 crore obtained in 14 cases, ₹ 10 lakh or more in each case, during the year proved unnecessary as the original provision was not fully utilised as detailed in **Appendix-2.4**. Out of the above 14 cases, ₹ 33.83 crore proved unnecessary in eight cases and were more than one crore and above in each case as detailed in **Table-2.7**.

Table-2.7: Statement showing unnecessary Supplementary Provision of ₹ one crore and above

(₹ in lakh)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
A. Revenue (Voted)					
1.	6 Land Revenue and Reforms	1471.29	1457.81	13.48	152.49
2.	14 Planning and Programme Implementation	13468.21	3084.72	10383.49	519.58
3.	17 Food, Civil Supplies and Consumer Affairs	5231.81	5010.15	221.66	210.22
4.	Public Debt (Charged)	26301.36	12258.13	14043.23	1275.17
Total for Revenue (Voted)		46472.67	21810.81	24661.86	2157.46
B. Capital (Voted)					
5.	10 Mizoram Public Service Commission	---	---	---	113.68
6.	16 Home	1066.22	975.86	90.36	382.28
7.	21 Higher and Technical Education	---	---	---	218.53
8.	46 Urban Development and Poverty Alleviation	10366.00	4216.82	6149.18	511.46
Total for Capital (Voted)		11432.22	5192.68	6239.54	1225.95
Grand Total		57904.89	27003.49	30901.40	3383.41

Further, in 42 cases Supplementary Provisions aggregating ₹ 392.01 crore, ₹ 20.00 lakh and above in each case proved excessive/inadequate as detailed in **Appendix-2.5**. Out of these, where supplementary provision proved excessive by more than ₹ one crore in each case are detailed in **Table-2.8**.

Table-2.8: Statement showing excessive supplementary provision (₹ 1 crore and above)

(₹ in lakh)

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Total Provision	Expenditure	Sup. Pro. Excess(+)/ Less(-)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A. Revenue (Voted)						
1.	4 Law and Judicial	1248.70	373.41	1622.11	1336.79	+285.32
2.	9 Finance	25742.50	4804.21	30546.71	27287.90	+3258.81
3.	11 Secretariat Administration	5267.45	524.35	5791.80	5480.95	+310.85

Chapter-II: Financial Management and Budgetary Control

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Total Provision	Expenditure	Sup. Pro. Excess(+)/ Less(-)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
4.	15 General Administration	4115.34	1018.26	5133.60	4775.58	+358.02
5.	16 Home	32200.38	6421.47	38621.85	37539.53	+1082.32
6.	19 Local Administration	3661.22	570.29	4231.51	4064.26	+167.25
7.	20 School Education	42892.07	7437.89	50329.96	48581.93	+1748.03
8.	21 H & T E	6911.13	1210.08	8121.21	7500.88	+620.33
9.	24 Medical and Public Health Services	15938.45	2744.87	18683.32	17406.59	+1276.73
10.	25 Water Supply and Sanitation	8554.49	2372.61	10927.10	10556.81	+370.29
11.	29 Social Welfare	7081.92	4754.05	11835.97	10823.92	+1012.05
12.	31 Agriculture	8468.80	10159.92	18628.72	17241.16	+1387.56
13.	33 Soil and Water Conservation	1392.50	2840.00	4232.50	2721.02	+1511.48
14.	34 Animal Husbandry	3227.88	3247.05	6474.93	5943.34	+531.59
15.	38 Rural Development	7755.83	1470.40	9226.23	8888.19	+338.04
16.	39 Power	17480.09	3365.68	20845.77	19802.94	+1042.83
17.	40 Industries	2844.17	2058.59	4902.76	4765.12	+137.64
18.	41 Sericulture	886.67	1072.00	1958.67	1434.53	+524.14
19.	42 Transport	2468.93	201.00	2669.93	2770.92	-100.99
20.	45 Public Works	9158.50	667.72	9826.22	9500.61	+325.61
21.	46 UD & PA	2130.39	1084.12	3214.51	3027.04	+187.47
Total for Revenue (Voted)		209427.41	58397.97	267825.38	251450.01	16375.37
B. Capital (Voted)						
22.	9 Finance	1975.00	500.00	2475.00	2271.80	+203.20
23.	17 Food, Civil Supplies and Consumer Affairs	17836.60	6184.02	24020.62	24356.97	-336.35
24.	25 Water Supply and Sanitation	1273.00	3269.20	4542.20	4441.57	+100.63
25.	39 Power	4020.76	6570.27	10591.03	7309.70	+3281.33
26.	45 Public Works	8929.00	16038.96	24967.96	21838.83	+3129.13
27.	47 Minor Irrigation	5315.00	655.00	5970.00	5776.91	+193.09
Total for Capital (Voted)		39349.36	33217.45	72566.81	65995.78	6571.03
C. Capital (Charged)						
28.	Public Debt	25220.24	17720.05	42940.29	27254.74	+15685.55
Total for Capital (Charged)		25220.24	17720.05	42940.29	27254.74	15685.55
Grand Total		273997.01	109335.47	383332.48	344700.53	38631.95

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 excessive or insufficient in 23 sub-heads and resulted in savings/excess of over ₹ 10 lakh and above as detailed in **Appendix-2.6**.

2.3.9 Substantial surrenders

Substantial surrenders (the cases where more than 50 per cent of total provision was surrendered) were made in respect of 38 sub-heads on account of either non-implementation or slow implementation of schemes/programmes or late receipt of sanction from Government. Out of the total provision amounting to ₹ 275.41 crore in these 38 Schemes, ₹ 229.06 crore were surrendered (**Appendix-2.7**) which included 100 per cent surrender in 18 Schemes (₹ 28.00 crore).

2.3.10 Surrenders in excess of actual savings

As against savings of ₹ 250.28 crore, an amount of ₹ 262.53 crore was surrendered resulting in excess surrender of ₹ 12.25 crore as detailed in **Appendix-2.8**. There were two cases where the surrender in excess (₹ 10.32 crore) were more than ₹ 50 lakh as shown in **Table-2.9**.

Table-2.9: Surrenders in excess of actual savings (₹ 50 lakh or more)

(₹ in lakh)					
Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Savings	Amount surrendered	Amount surrendered in excess
Revenue – Voted					
1.	20-School Education	50329.96	1748.03	2677.88	929.85
2.	48-Information and Communication Technology	662.10	224.16	326.53	102.37
Grand Total		50992.06	1972.19	3004.41	1032.22

In 53 cases, an amount of ₹ 208.39 crore were surrendered without furnishing any reason (March 2011) as detailed in **Appendix-2.9**. The amount surrendered in excess of actual savings indicated lack of budgetary control in these departments.

2.3.11 Anticipated savings not surrendered

As per extant Financial Rules, the spending 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 financial year 2010-2011, there were, however, eight grants/ appropriations in which savings of ₹ 316.88 crore (39.70 per cent of the total savings)

occurred but no part of the available savings was surrendered by the concerned Departments as shown in **Table-2.10**.

Table-2.10: Statement of various grants/appropriations in which savings occurred but no part of which had been surrendered

			(₹ in lakh)
Sl. No.	Grant No.	Number and Name of grant/appropriation	Saving
1.	27	District Council (Revenue Voted)	80.00
2.	10	Mizoram Public Service Commission (Revenue Charged)	32.74
3.		Public Debt (Revenue Charged)	15318.40
4.	9	Finance (Capital Voted)	203.20
5.	10	Mizoram Public Service Commission (Capital Voted)	113.68
6.	21	Higher and Technical Education (Capital Voted)	218.53
7.	33	Soil and Water Conservation (Capital Voted)	35.84
8.		Public Debt (Capital Charged)	15685.55
Total Revenue (Voted and Charged)			15431.14
Total Capital (Voted and Charged)			16256.80
Total			31687.94

Similarly, out of total savings of ₹ 89.47 crore (savings of ₹ one crore and above), under eight other grants/appropriations, savings amounting to ₹ 43.17 crore (48.25 per cent) were not surrendered as shown in **Table-2.11** below. Besides, out of total savings of ₹ 104.41 crore under 22 grants/appropriations, savings of ₹ 3.68 crore remained to be surrendered as shown in **Appendix-2.10**.

Table-2.11: Details of savings of ₹ one crore and above not surrendered

					(₹ in crore)
Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered	
Revenue (Voted)					
1.	4 – Law and Judicial	2.85	1.78	1.08	
2.	9 – Finance	32.59	0.33	32.26	
3.	11 – Secretariat Administration	3.11	1.23	1.88	
4.	21 – Higher and Technical Education	6.20	4.86	1.34	
5.	34 – Animal Husbandry and Veterinary	5.32	4.07	1.25	
6.	38 – Rural Development	3.38	1.60	1.78	
Capital (Voted)					
7.	16 – Home	4.73	2.60	2.12	
8.	45 – Public Works	31.29	29.83	1.46	
Total		89.47	46.30	43.17	

2.3.12 Rush of Expenditure

According to Financial Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 9 Grants listed in **Appendix-2.11**, expenditure exceeding ₹ 10 crore (in seven cases out of 10 Major Heads)¹ of the total expenditure for the year was incurred in March 2011. **Table-2.12** also presents four major head where more than 50 per cent expenditure was incurred either during the last quarter or during the last month of the financial year.

Table-2.12: Cases of Rush of Expenditure towards the end of the financial year 2010-11

(₹ in crore)

Sl. No.	Grant Number	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2011	
				Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	29, 30 and 16	2235	81.55	56.68	69.50	43.44	53.27
2.	31	2401	243.86	199.08	81.64	115.64	47.42
3.	34	2403	56.64	36.11	63.75	22.14	39.09
4.	40 and 41	2851	57.82	32.61	56.40	19.49	33.71
Total			439.87	324.48	73.77	200.71	45.63

Source: Information furnished by A.G (A&E)

2.4 Reconciliation of Departmental figures

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

As per Central Treasury Rules, 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 (A&E) within one month from the date of receipt of the DCC bills in his office.

It was noticed that against the total amount (₹ 1,155.55 crore) drawn in AC bills during the period 2000-01 to 2010-11, DCC bills for ₹ 1090.65 crore have been received by the Principal Accountant General (A&E) as of 31 March 2011. Thus, an amount ₹ 64.90 crore (5.62 per cent) drawn in AC bills remained outstanding as of March 2011 due to non-submission of DCC bills to that extent. The year wise details are given in **Table-2.13**.

¹ Expenditure exceeding ₹ 10 crore in the Major Heads – 2055, 2202, 2210, 2235, 2401, 2403 and 2851

Table-2.13: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

(₹ in crore)

Year	Amount drawn in AC bills	Amount adjusted through DCC bills	Amount outstanding as of 31 March 2011	Percentage of outstanding amount
2000-01 to 2003-04	164.19	156.96	7.23	4.40
2004-05	88.06	88.06	--	0.00
2005-06	86.25	86.25	--	0.00
2006-07	86.13	86.13	--	0.00
2007-08	172.06	172.05	0.01	0.01
2008-09	228.38	223.61	4.77	2.09
2009-10	167.38	165.00	2.38	1.42
2010-11	163.10	112.59	50.51	30.97
Total	1155.55	1090.65	64.90	5.62

Source: Finance Account 2010-11(Vol-I)

Non-adjustment of advances for long period is fraught with risk of misappropriation and therefore, requires close monitoring by the respective Drawing and Disbursing Officers (DDOs).

2.4.2 Un-reconciled Expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budgetary 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 (A&E). Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers continued to persist during 2010-11 also.

It was noticed that during the year 2010-11, out of 79 Controlling Officers, 52 Controlling Officers (65.82 per cent) reconciled the expenditure of ₹ 1,780.68 crore (42.68 per cent) against the total expenditure of ₹ 4,173.36 crore. Similarly, out of 52 Controlling Officers under Receipt Heads, 13 Controlling Officers (25.00 per cent) reconciled receipts of ₹ 66.75 crore (1.95 per cent) against the total receipts of the Government amounting to ₹ 3,418.56 crore. As a result, expenditure of ₹ 2,392.68 crore and receipts of ₹ 3,351.81 crore remained un-reconciled with the Books of Accounts of the Principal Accountant General (A&E) during the year 2010-11.

2.5 Conclusion and Recommendations

Conclusion

The estimates of receipts and expenditure under Consolidated Fund, Contingency Fund and Public Account were prepared without adequate due diligence in observing prescribed budgetary regulations.

Non-maintenance of Budget calendar, poor verification of departmental figures etc., indicates absence of financial control. Besides, failure to exercise control mechanism huge excess expenditure over budget provisions, non-utilization of budget provisions and persistent savings etc. were noticed.

During 2010-11, an expenditure of ₹ 4,312.26 crore was incurred against the total grants and appropriations of ₹ 5,105.47 crore, resulting in savings of ₹ 793.21 crore. The overall savings were the net result of savings of ₹ 797.90 crore which were offset by excess of ₹ 4.69 crore. The excess requires regularization under Article 205 of the Constitution of India. At the close of the year 2010-11, there were five (5) grants/appropriations in which savings of ₹ 316.88 crore (39.70 per cent of the total savings) occurred but no surrenders were made by the concerned departments.

Out of total provisions amounting to ₹ 278.04 crore in 38 Schemes, ₹ 230.84 crore were surrendered which included 100 per cent surrender in 18 Schemes amounting to ₹ 28.00 crore.

In 20 cases, as against savings of ₹ 250.28 crore, an amount of ₹ 262.53 crore was surrendered resulting in excess surrender of ₹ 12.25 crore. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh and above in 34 sub-heads.

Recommendations

- ❖ ***Government should put in place an effective mechanism to ensure financial discipline and prepare realistic budget. Budgetary controls should be strengthened in all the Government Departments where savings/excesses persisted for last three years. Issuance of Re-appropriation/surrender orders at the end of the year should be avoided. Provision of funds through 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.***

A close and rigorous monitoring mechanism should be put in place by the DDOs to adjust the Abstract Contingent Bills within thirty days from the date of drawal of the amount.

Financial Reporting

A sound internal financial reporting with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. 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 in meeting its basic stewardship responsibilities, including strategic planning and decision making. This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

3.1 Utilisation Certificates

General Financial Rules provides that Utilisation Certificates (UC) 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 specified purposes. At the end of March 2011, out of the total amount of ₹ 2,232.38 crore drawn, an amount of ₹ 1,188.46 crore remained outstanding for want of Utilisation Certificates. Details are given in **Table-3.1**.

Table-3.1: Year-wise arrears of Utilisation Certificates

(₹ in crore)

Year	Total Amount drawn during the year	Utilisation Certificate outstanding	No. of GIA Sanction awaiting Utilisation Certificate
Upto 2003-2004	107.48	107.48	879
2004-05	138.12	138.12	948
2005-06	167.87	167.87	1128
2006-07	245.08	245.08	1371
2007-08	254.82	254.82	1298
2008-09	295.10	275.09	1108
Total Upto 2008-09	1208.47	1188.46	6703
2009-10	447.23	414.70	1076
2010-11	576.68	544.80	1036
Total	2232.38	2147.96	8815

Source : Finance Accounts, Vol.-I, 2010-11

In the absence of the UCs, it could not be ascertained whether the recipients had utilised the grants for the purpose for which these were given.

3.2 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 Government/ Heads of the Department 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 audit of accounts of the Mizoram Khadi Village Industries Board (MKVIB) upto 2010-11 was entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Comptroller and Auditor General's Duties, Powers and Conditions of Service Act, 1971. However, the annual accounts for the year 2009-10, due for submission by June 2010, had not been furnished (March 2012).

In the absence of the annual accounts, proper account/utilisation of the grants and loans disbursed to the above mentioned Autonomous Body remained unverified. Reasons for non preparation/ submission of the accounts were, however, not been intimated to Audit (January 2012).

3.3 Departmental Commercial Undertakings

The departmental undertakings of certain Government Departments performing activities of quasi-commercial nature are required to prepare proforma accounts in the prescribed format annually showing the working results of financial operations so that the Government can assess their performance. The finalised accounts of departmentally managed commercial and quasi-commercial undertakings reflect their overall financial health and efficiency in conducting business. In the absence of timely finalisation of accounts, the investment of the Government remains outside the scrutiny of Audit/State Legislature. Consequently, corrective measures, if any, needed for ensuring accountability and improving efficiency cannot be taken in time. Besides, the delay in finalisation of accounts may also make the system vulnerable to fraud and leakage of public money.

The Heads of Department in the Government are to ensure that the undertakings prepare such accounts and submit the same to Accountant General for audit by 30 June each year. The proforma accounts in respect of State Trading Scheme and Mizoram State Transport were not prepared. As of January 2012, the position of arrears in preparation of proforma accounts of these two bodies and working results of Mizoram State Transport for the last three years is given in **Table-3.2 and 3.3**.

Table-3.2: Finalisation of Accounts and Government Investments

(₹ in crore)

Sl. No.	Name of the Undertakings	Accounts finalised up to	Investment as per the last accounts finalised	Remarks/Reasons for Delay in preparation of accounts
Department: Food, Civil Supplies and Consumer Affairs				
1.	State Trading Scheme	2003-04	54.20	In spite of repeated reminders, reply from the Department is awaited. Also no information regarding working result was furnished.
Department: Transport				
2.	Mizoram State Transport	2001-02	16.40	Proforma accounts for the period 2002-03 to 2006-07 furnished by the department had been returned as the accounts did not tally with the reconcile figures of Principal Accountant General. Revised accounts are awaited (January 2012).

Table-3.3: Working Results of Mizoram State Transport

(₹ in crore)

Sl. No.	Description	2008-09	2009-10	2010-11
1.	Total revenue	2.08	1.98	2.31
2.	Operating revenue	1.91	1.82	2.06
3.	Total expenditure	13.08	12.89	20.96
4.	Operating expenditure	10.46	10.85	14.12
5.	Total loss	11.00	10.91	18.65
6.	Operating loss	8.55	9.03	12.06

3.4 Misappropriation, losses, defalcations etc.

Information regarding cases of misappropriation, losses, defalcations, if any, were called from the State Government. However, no cases of misappropriation were reported by the State Government (January 2012).

In course of test check of records during local audit, five cases of temporary misappropriation/non-accounting of Government Money were detected to the tune of ₹ 178 lakh as shown in **Table-3.4.**

Table-3.4: Cases of Misappropriation

(₹ in lakh)

Sl. No.	Department	Period of Accounts	Amount of temporary misappropriation	Remarks
1.	Principal, Government Zirtiri Residential Science College, Aizawl	01.04.2005 to 30.06.2010	11.59	Reply not yet received
2.	Director, Health Services, Aizawl	01.04.2007 to 31.03.2009	130.00	Reply not yet received
3.	Principal, Mizoram Polytechnic, Lunglei	01.04.2005 to 31.03.2010	10.01	Reply not yet received
4.	Principal, Government Hrangbana College, Aizawl	01.04.2003 to 31.10.2011	12.41	Reply received but not tenable
5.	Sr. Liaison Officer, Mizoram House, Kolkata	01.10.2001 to 31.12.2009	13.99	Reply not yet received
Total			178.00	

Sources: Local Audit Inspection Report

3.5 Conclusion and Recommendations

Conclusion

At the end of March 2011, out of the total amount of ₹ 2,232.38 crore drawn, an amount of ₹ 1,188.46 crore remained outstanding for want of Utilisation Certificates. The annual accounts of Mizoram Khadi Village Industries Board (MKVIB) for the year 2009-10, due for submission by June 2010, had not been furnished (March 2012). In the absence of the annual accounts, proper account/utilisation of the grants and loans disbursed to the above mentioned Autonomous Bodies remained unverified. Reasons for non-preparation/submission of the accounts were, however, not intimated to Audit (January 2012).

In spite of repeated comments about the arrears in preparation of accounts of two Commercial Undertakings by the Comptroller and Auditor General of India in previous State reports, no improvement has been reported by the undertakings. In the absence of timely finalisation of accounts, the investment of the Government remained outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any, needed for ensuring accountability could not be taken in time

Recommendations

- ❖ ***Finance Department should ensure strict compliance of codal provisions as well as its own instructions to honour Public Finance Accountability norms. The State Government should undertake regular monitoring and issue necessary instructions to the concerned***

Departments for furnishing timely Utilisation Certificates. The Heads of Departments should ensure that the departmental undertakings prepare proforma accounts and submit the same to Accountant General for audit. Departmental inquiries in misappropriation/ loss cases should be expedited to bring the defaulters to book. Internal Control in all organisations should be strengthened to prevent such type of cases in future.



(L. Tochwang)

Principal Accountant General (Audit), Mizoram

Aizawl

The 5 June 2012

Countersigned



(Vinod Rai)

Comptroller and Auditor General of India

New Delhi

The 12 June 2012

Part-A: Structure and Form of Government Accounts

(Reference: Paragraph-Profile of Mizoram; Page-1)

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 the 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, remittances 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.

Part-B: Layout of Finance Accounts

(Reference: Paragraph-Profile of Mizoram; Page-1)

The new format of Finance Accounts introduced from the year 2009-2010, has been divided into two Volumes – Volume 1 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 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 Investment 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	Statement of items for which allocation of balances as a result of reorganisation of States has not been finalised
XII	Maintenance expenditure with segregation of salary and non-salary portion

Part-C: Methodology Adopted for the Assessment of Fiscal Position

(Reference: Paragraph-Profile of Mizoram; Page-1)

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 mobilisation 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 parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
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 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 minus all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt

Terms	Basis of calculation
Compound Annual Growth Rate (CAGR)	The compound annual growth rate is calculated by taking the n^{th} root of the total percentage growth rate, where n is the number of years in the period being considered. CAGR = $[\text{Ending Value}/\text{Beginning Value}]^{(1/\text{no. of years})} - 1$
Core public goods and Merit goods	Core public goods 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 etc. Merit goods 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 etc.
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.
Debt Stabilisation	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.
Non-debt receipts	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.

Part D: State Profile

(Reference: Paragraph-Profile of Mizoram; Page-1)

Sl. No.	Particulars		Figures
1.	Area		21,081 sq. km
2.	As per 2011 Census		10.91 lakh
3.	Density of Population (2001) (All India Density = 325 persons per sq.km)		52 sq. km.
4.	Literacy (2011) (All India Average = 64.8%)		91.58 per cent
5.	Gross State Domestic Product (GSDP) 2010-11 at current prices		₹ 6057.70 crore
6.	GSDP CAGR** (2000-01 to 2009-10)*		22.57 per cent
7.	Population Growth (2000-01 to 2010-11)	Mizoram	22.72 per cent
Financial Data			
Particulars		Figures (in per cent)	
CAGR		2000-01 to 2009-10	2000-01 to 2010-11
a.	of Revenue Receipts.	15.22	14.74
b.	of Own Tax Revenue.	25.01	27.71
c.	of Non Tax Revenue.	13.53	15.42
d.	of Total Expenditure.	11.73	13.83
e.	of Capital Expenditure.	14.93	15.84
f.	of Revenue Expenditure on Education.	11.18	12.9
g.	of Revenue Expenditure on Health.	18.69	13.92
h.	of Salary and Wages#.	13.01	16.42
i.	of Pension.	17.14	22.71

For the period 2003-04 to 2009-10 or 2010-2011 as the case may be

Source: Financial data is based on figures in Finance Accounts. BPL (Planning Commission & NSSO data, 61st Round- <http://planning.commission.nic.in/data/database/Data0910/tab%2021.pdf>), Infant mortality rate (SRS Bulletin October, 2009), Density of population (Office of the Registrar General and census commissioner of India; Ministry of Home Affairs) and Literacy (Office of the Registrar General of India; Ministry of Home Affairs)

Part E: Outcome Indicators of the State's Own Fiscal Correction Path (FCP)

(Reference: Paragraph-Profile of Mizoram; Page-1)

(₹ in crore)

	Items	2007-08 (Actual)	2008-09 (Actual)	2009-10 (Actual)	2010-11 (BE)	2010-11 (RE)	2011-12 (BE)	2012-13 (Proj)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
A.	Revenue Receipts:							
1.	Own Tax Revenue	77.51	94.62	107.58	118.26	124.15	173.17	190.49
2.	Own Non Tax Revenue	130.30	158.67	126.50	166.37	177.59	237.58	261.34
3.	Own Tax + Non Tax Revenue (1+2)	207.81	253.29	234.08	284.63	301.74	410.75	451.83
4.	Share in Central Taxes & Duties	363.36	383.39	394.53	563.06	590.78	709.73	780.70
5.	Plan Grants	789.99	1281.83	1609.56	1599.44	1929.60	1701.90	1872.09
6.	Non Plan Grants	678.58	734.62	725.33	806.74	894.20	925.92	1018.51
7.	Total Central Transfer (4 to 6)	1831.93	2399.84	2729.42	2969.24	3414.58	3337.55	3671.31
8.	Total Revenue Receipts (3+7)	2039.74	2653.13	2963.50	3253.87	3716.32	3748.30	4123.13
9.	Plan Expenditure	648.99	740.58	897.35	968.31	1496.12	1206.18	1326.80
10.	Non Plan Expenditure	1259.40	1573.22	1805.35	1943.92	2203.58	2220.08	2442.09
	<i>Of which</i>							
11.	Salary Expenditure	588.26	739.06	881.80	1126.40	1216.90	1212.99	1334.29
12.	Pension	97.14	126.05	164.26	148.41	192.93	219.01	240.91
13.	Interest Payments	208.01	225.61	254.35	246.01	258.77	271.24	298.36
14.	Subsidies – General	-	-	-	-	-	-	-
15.	Subsidies – Power	-	-	-	-	-	-	-
16.	Total Revenue Expenditure (9+10)	1908.39	2313.80	2702.70	2912.23	3699.70	3426.26	3768.89
17.	Salary + Interest Payments + Pension (11+12+13)	893.41	1090.72	1300.41	1520.82	1668.60	1703.24	1873.56
18.	As per cent of Revenue Receipts (17/8)	43.80	41.11	43.88	46.74	44.90	45.44	49.98
19.	Revenue Surplus(+) / Deficit(-) (8-16)	131.35	339.33	260.80	341.64	16.62	322.04	354.24

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
B. Consolidated Debt:								
1.	Outstanding debt and liability	3062.46	3259.82	3163.95	3201.35	3410.21	3580.72	3759.76
2.	Total Outstanding guarantee (of which guarantees on accounts of budgeted borrowing and SPV borrowing)	131.97	114.25	102.99	110.00	110.00	110.00	110.00
C. Capital Account:								
1.	Capital Outlay	544.24	441.04	572.80	388.48	750.34	496.95	546.65
2.	Disbursement of Loans and Advances	6.12	17.41	24.94	25.00	32.15	34.71	38.18
3.	Recovery of Loans and Advances	27.52	24.86	25.32	30.01	33.01	36.76	40.44
4.	Other Capital Receipts	-	-	-	-	-	-	-
5.	Transfer to Contingency Funds	-	-	-	-	-	-	-
D	Gross Fiscal Deficit: (A8+C3+C4) – (A16+C1+C2+C5)	(-391.49)	(-94.26)	(-311.62)	(-41.83)	(-732.86)	(-172.86)	(-190.15)
E.	GSDP at current prices	3411.66	3809.16	5497.93	6297.10	6297.10	7216.75	7938.43
	Actual/Assumed Growth Rate (<i>per cent</i>)	14.29	11.65	44.33	14.54	0.00	14.60	10.00
F. Indicators as per cent of GSDP:								
1.	Own Tax Revenue (A1/E)	2.27	2.48	1.96	1.88	1.97	2.40	2.40
2.	Own Non-Tax Revenue (A2/E)	3.82	4.17	2.30	2.64	2.82	3.29	3.29
3.	Total Central Transfer (A7/E)	53.70	63.00	49.64	47.15	54.22	46.25	46.25
4.	Total Revenue Expenditure (A16/E)	55.94	60.74	49.16	46.25	58.75	47.48	47.48
5.	Revenue Surplus/Deficit (A19/E)	3.85	8.91	4.74	5.43	0.26	4.46	4.46
6.	Gross Fiscal Deficit*	9.91	2.15	5.67	0.66	11.64	2.40	2.40
7.	Outstanding debt and Liabilities (B1/E)	89.76	85.58	57.55	50.84	54.16	49.62	47.36

* The State's GSDP series has been taken for measuring the GFD relative to GSDP

Appendix 1.2

Abstract of Receipt and Disbursements for the year 2010-11

(Reference: Paragraph-1.1; Page-2)

(₹ in crore)

Receipts			Disbursements				
2009-10		2010-11	2009-10		2010-11		
					Non-Plan	Plan	Total
Section –A: Revenue							
2963.51	I. Revenue receipts	2855.37	2702.70	I. Revenue expenditure	2055.19	1201.05	3256.24
107.58	Tax Revenue	130.44	947.67	General Services	969.96	41.33	1011.29
126.51	Non Tax Revenue	146.72	1105.68	Social Services	661.86	575.52	1237.38
394.53	State's Share of Union Taxes and Duties	451.66	488.49	Education, Sports, Art and Culture	367.08	221.60	588.68
725.33	Non-Plan grants	724.97	251.83	Health and Family Welfare	77.29	96.78	174.07
1338.59	Grants for State Plan Scheme	1181.22	139.28	Water Supply, Sanitation, Housing & Urban Development	65.76	86.37	152.13
233.68	Grants for Central and Centrally Sponsored Plan Schemes	168.59	6.15	Information and Broadcasting	4.96	2.24	7.20
37.29	Grants for Special Plan Schemes	51.77	140.03	Welfare of ST, SC and OBC	115.46	61.74	177.20
			4.99	Labour and Labour Welfare	4.03	3.27	7.30
			67.39	Social Welfare and Nutrition	18.78	103.52	122.30
			7.52	Others	8.50	---	8.50
			649.35	Economic Services	423.37	584.20	1007.57
			244.75	Agriculture and Allied Activities	131.05	370.55	501.60
			35.13	Rural Development	12.60	51.92	64.52
			31.64	Special Areas Programmes	---	38.33	38.33
			5.33	Irrigation and Flood Control	2.46	4.93	7.39
			170.72	Energy	162.35	36.03	198.38
			33.99	Industry and Minerals	20.19	41.81	62.00
			77.40	Transport	63.50	14.48	77.98
			5.62	Communication	---	4.38	4.38
			2.56	Science, Technology and Environment	0.37	2.35	2.72
			42.21	General Economic Services	30.85	19.42	50.27
			-	Grants-in-aid and contributions	---	---	---
	II. Revenue deficit carried over to Section B	400.87	260.81	II. Revenue surplus carried over to Section B			
2963.51	Total (A)	3256.24	2963.51	Total (A)	2055.19	1201.05	3256.24

Receipts			Disbursements				
2009-10		2010-11	2009-10		2010-11		
					Non-Plan	Plan	Total
<i>Section – B: Others</i>							
175.69	III. Opening Cash balance including Permanent Advances and Cash Balance investment	(-) 316.78	0.00	III. Opening Overdraft from Reserve Bank of India	0.00	0.00	0.00
---	IV. Miscellaneous Capital receipts	---	572.80	IV. Capital Outlay	110.01	504.70	614.71
			25.99	General Services	0.40	22.96	23.36
			150.22	Social Services	4.37	121.57	125.94
			38.37	Education, Sports, Art and Culture	0.00	29.95	29.95
			0.00	Health and Family Welfare	0.00	0.05	0.05
			111.25	Water Supply, Sanitation	4.37	90.92	95.29
			0.24	Information and Broadcasting	0.00	0.65	0.65
			0.00	Welfare of SC, ST and OBC	0.00	0.00	0.00
			0.36	Social Welfare and Nutrition	0.00	0.00	0.00
			0.00	Others	0.00	0.00	0.00
			396.59	Economic Services	105.24	360.17	465.41
			114.13	Agriculture and Allied Activities	105.24	19.71	124.95
			5.48	Rural Development	0.00	7.26	7.26
			22.01	Special Areas Programmes	0.00	31.49	31.49
			44.53	Irrigation & Flood Control	0.00	57.77	57.77
			83.63	Energy	0.00	72.33	72.33
			1.63	Industry and Minerals	0.00	2.92	2.92
			121.44	Transport	0.00	148.84	148.84
			3.74	General Economic Services	0.00	19.85	19.85
25.31	V. Recoveries of Loans and Advances	25.97	24.94	V. Loans and Advances disbursed			29.87
0.00	From Power Projects	0.00	0.00	For Power Projects			0.00
3.11	From Government Servants	5.56	19.77	To Government Servants			22.72
0.00	Loans for Village and Small Industries	0.01	0.00	Loans for Village and Small Industries			1.64
0.00	Loans for Housing	19.98	0.00	Loans for Housing			5.00
22.20	From Others	0.42	5.17	To Others			0.51
260.81	VI. Revenue surplus brought down	0.00	0.00	VI. Revenue deficit brought down			400.87

Receipts			Disbursements				
2009-10		2010-11	2009-10		2010-11		
					Non-Plan	Plan	Total
225.89	VII. Public Debt Receipts	537.22	365.33	VII. Repayment of Public Debt			272.55
0.00	External debt	0.00	0.00	External debt			0.00
56.98	Internal debt other than Ways and Means Advances & Overdraft	372.83	209.73	Internal debt other than Ways & Means Advances & Overdraft			86.11
136.74	Net transaction under Ways and Means Advances including Overdraft	163.36	136.74	Net transaction under Ways and Means Advances including Overdraft			163.36
32.17	Loans and Advances from Central Government	1.03	18.86	Repayment of Loans and Advances to Central Government			23.08
0.00	VIII. Appropriation to Contingency Fund	0.00	0.00	VIII. Appropriation to Contingency Fund			0.00
0.00	IX. Amount transferred to Contingency Fund	0.00	0.00	IX. Expenditure from Contingency Fund			0.00
2463.30	X. Public Accounts receipts	3332.56	2504.70	X. Public Accounts Disbursements			2482.28
396.79	Small Savings and Provident Fund	495.88	353.21	Small Savings and Provident Fund			219.97
23.90	Reserve Funds	24.41	3.87	Reserve Funds			12.28
452.20	Suspense and Miscellaneous	517.13	622.74	Suspense and Miscellaneous			252.51
1113.78	Remittance	1485.24	1153.74	Remittance			1521.07
476.63	Deposits and Advances	809.90	371.14	Deposits and Advances			476.46
	XI. Closing overdraft from Reserve Bank of India		(-)316.78	XI. Cash Balance at end of 31-03-2009			(-)221.31
			0.00	Cash in Treasuries and Local Remittances			0.00
			(-)130.87	Deposits with Reserve Bank			(-)106.94
			1.32	Departmental Cash Balance			1.33
			(-)266.48	Cash Balance Investment			(-)211.45
			79.25	Investment of earmarked funds			95.75
3151.00	Total (B)	3578.97	3151.00	Total (B)			3578.97
6114.51	Grand Total (A)+(B)	6835.21	6114.51	Grand Total (A)+(B)			6835.21

Assets and Liabilities of the Government of Mizoram as on 31 March 2011

(Reference: Paragraph-1.9.1; Page-36)

(₹ in crore)

As on 31.03.10	Liabilities			As on 31.03.11
1337.64		Internal Debt		1624.36
	808.81	Market Loans bearing interest	1065.37	
	--	Market Loans not bearing interest	---	
	235.46	Loans from Life Insurance Corporation of India	211.29	
	0.07	Loans from General Insurance Corporation of India	0.07	
	12.14	Loans from other Institutions	8.94	
	60.54	Loans from NABARD	93.88	
	29.62	Compensation and other Bonds	25.06	
	3.35	Loans from NCDC	2.85	
	27.22	Ways and Means Advances	27.22	
	--	Overdrafts from Reserve Bank of India	---	
	146.50	Special Securities to NSSF	165.21	
	13.93	Other loans	24.47	
559.75		Loans and Advances from Central Government		537.71
	--	Pre 1984-85 Loans	---	
	41.05	Non-Plan Loans	41.06	
	318.25	Loans for State Plan Schemes	296.20	
	0.02	Loans for Central Plan Schemes	0.02	
	16.77	Loans for Centrally Sponsored Plan Schemes	16.77	
	15.69	Loans for Special Schemes	15.69	
	167.97	Ways and Means Advances towards expenditure etc.	167.97	
0.10		Contingency Fund		0.10
1266.57		Small Savings, Provident Funds, etc.		1542.48
457.99		Deposits		790.94
84.98		Reserve Funds		97.11
390.28		Suspense and Miscellaneous		654.93
1190.03		Surplus on Government Account		789.16
	260.81	Current year surplus	(-)400.87	
	929.22	Add Accumulated Surplus as on 31.03.08	1190.03	
5287.34		Total		6036.79

As on 31.03.10	Assets			As on 31.03.11
5175.64		Gross Capital Outlay on Fixed Assets		5790.35
	19.00	Investments in shares of Companies, Corporations, etc.	19.27	
	5156.64	Other Capital Outlay	5771.08	
241.12		Loans and Advances		245.04
	1.60	Loans for Power Projects	1.60	
	37.56	Other Development Loans	39.30	
	179.40	Loans for Housing	164.41	
	22.56	Loans to Government servants and Miscellaneous loans	39.73	
1.81		Civil Advances		1.33
185.55		Remittance Balances		221.38
(-) 396.03		Cash Balance		(-)317.06
	(-)130.87	Cash in Treasuries and Local Remittances	(-)106.94	
	1.32	Departmental Cash Balance including Permanent Advances	1.33	
	(-)266.48	Cash Balance Investments	(-)211.45	
79.25		Investment out of Reserve Fund		95.75
5287.34	Total			6036.79

Time Series Data on State Government Finances

(Reference: Paragraphs-1.5 and 1.9.2; Pages-10 and 36)

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Part A: Receipts					
1. Revenue Receipts	1,968.95	2,039.74	2,653.13	2,963.51	2,855.37
(i) Tax Revenue	67.62	77.53	94.62	107.58	130.44
Taxes on Agricultural Income	0.00	0.00	0.00	0.00	0.00
Taxes on Sales, Trade, etc.	53.72	62.04	77.51	85.94	104.70
State Excise	1.65	1.69	1.87	2.10	2.39
Taxes on Vehicles	5.01	5.37	5.50	6.71	7.72
Stamps and Registration fees	0.21	0.23	0.46	0.39	0.34
Land Revenue	0.73	1.48	1.63	2.76	4.33
Taxes on Goods and Passengers	0.98	1.07	1.43	1.39	1.72
Other Taxes	5.32	5.65	6.22	8.29	9.24
(ii) Non Tax Revenue	133.38	130.30	158.67	126.51	146.72
(iii) State's share of Union taxes and duties	288.05	363.35	383.39	394.53	451.66
Grants in aid from Government of India	1,479.90	1,468.56	2,016.45	2,334.89	2,126.55
2. Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
3. Recoveries of Loans and Advances	24.01	27.53	24.86	25.31	25.97
4. Total Revenue and Non-debt capital receipts (1+2+3)	1,992.96	2,067.27	2,677.99	2,988.82	2,881.34
5. Public Debt Receipts	236.56	223.71	105.77	225.89	537.22
Internal Debt (excluding Ways and Means Advances and Overdrafts)	211.64	190.01	99.58	56.98	372.83
Net transactions under Ways and Means Advances and Overdrafts	19.59	23.98	0.00	136.74	163.36
Loans and Advances from Government of India	5.33	9.72	6.19	32.17	1.03
6. Total Receipts in the Consolidated Fund	2,229.52	2,290.98	2,783.76	3,214.71	3,418.56
7. Contingency Fund Receipts	0.00	0.00	0.00	0.00	0.00
8. Public Account Receipts	1,425.61	2,322.67	1,500.75	2,463.30	3,332.56
9. Total Receipts of the State (6+7+8)	3,655.13	4,613.65	4,284.51	5,678.01	6,751.12
Part B: Expenditure/Disbursement					
10. Revenue Expenditure	1,717	1,908	2,314	2,703	3,256
Plan	596	649	741	897	1,201
Non Plan	1,121	1,259	1,573	1,805	2,055
General Services (including interest payments)	617	646	804	948	1,011
Social Services	507	697	898	1,106	1,237
Economic Services	593	566	612	649	1,008
Grants in aid and contributions	0	0	0	0	0

	2006-07	2007-08	2008-09	2009-10	2010-11
11. Capital Expenditure	466	544	441	573	615
Plan	459	490	367	465	505
Non Plan	8	55	74	107	110
General Services	24	14	20	26	23
Social Services	122	106	93	150	126
Economic Services	320	425	328	397	465
12. Disbursement of Loans and Advances	0	6	17	25	30
13. Total (10+11+12)	2,184	2,459	2,772	3,300	3,901
14. Repayments of Public Debt	111	144	96	365	273
Internal Debt (excluding Ways and Means Advances and Overdrafts)	79	84	78	210	86
Net transactions under Ways and Means Advances and overdraft	0	44	0	137	163
Loans and Advances from Government of India	32	17	18	19	23
15. Appropriation to Contingency Fund	0	0	0	0	0
16. Total disbursement out of Consolidated Fund (13+14+15)	2,295	2,603	2,869	3,666	4,173
17. Contingency Fund disbursements	0	0	0	0	0
18. Public Account disbursements	1,394	1,780	1,480	2,505	2,482
19. Total disbursement by the State (16+17+18)	3,689	4,383	4,349	6,170	6,656
Part C: Deficits					
20. Revenue Deficit (-) / Revenue Surplus (+) (1-10)	252	131	339	261	-401
21. Fiscal Deficit (-)/ Fiscal Surplus (+) (4-13)	-191	-391	-94	-312	-1,019
22. Primary Deficit (21-23)	38	-183	131	-57	-914
Part D: Other data					
23. Interest Payments (included in revenue expenditure)	229	208	226	254	106
24. Financial Assistance to local bodies etc.	128	148	140	447	650
25. Ways and Means Advances/ Overdraft availed (days)	8	3	0	19	21
Ordinary Ways and Means Advances availed (days)	-	-	-	-	10
Special Ways and Means Advances availed (days)	0	0	0	0	11
Overdraft availed (days)	0	0	0	0	0
26. Interest on Ways and Means Advances/Overdraft	0	2	0	9	0
27. Gross State Domestic Product (GSDP)	3,276	3,802	4,648	5,619	6,058
28. Outstanding Fiscal liabilities (year-end)	3,096	3,378	3,614	3,628	4,497

	2006-07	2007-08	2008-09	2009-10	2010-11
29. Outstanding guarantees (year-end) (including interest)	130	132	134	103	103
30. Maximum amount guaranteed (year-end)	249	232	305	189	189
31. Number of incomplete projects	0	0	13	48	36
32. Capital blocked in incomplete projects	0	0	931	306	739.92
Part E: Fiscal Health Indicators					
I - Resource Mobilisation					
Own Tax revenue/GSDP	2.06	2.04	2.04	1.91	2.15
Own Non Tax Revenue/GSDP	4.07	3.43	3.41	2.25	2.42
Central Transfers/GSDP	8.79	9.56	8.25	7.02	7.46
II - Expenditure Management					
Total Expenditure/GSDP	66.66	64.66	59.65	58.73	64.39
Total Expenditure/Revenue Receipts	110.92	120.54	104.49	111.37	136.61
Revenue Expenditure/Total Expenditure	78.63	77.62	83.46	81.89	83.48
Expenditure on Social Services/Total Expenditure	28.82	32.65	35.75	38.05	34.95
Expenditure on Economic Services/Total Expenditure	41.80	40.30	33.91	31.69	37.76
Capital Expenditure/Total Expenditure	21.36	22.13	15.91	17.36	15.76
Capital Expenditure on Social and Economic Services/Total Expenditure	20.24	21.59	15.20	16.57	15.16
III - Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	7.68	3.45	7.30	4.64	-6.62
Fiscal deficit/GSDP	-5.83	-10.30	-2.03	-5.55	-16.83
Primary Deficit (surplus)/GSDP	1.15	-4.83	2.83	-1.02	-15.09
Revenue Deficit/Fiscal Deficit	-131.73	-33.55	-359.99	-83.69	39.32
Primary Revenue Balance/GSDP	15.40	9.65	12.69	9.62	-4.45
IV - Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	94.49	88.84	77.76	64.56	74.23
Fiscal Liabilities/RR	157.22	165.61	136.22	122.41	157.49
Primary deficit <i>vis-à-vis</i> quantum spread	**	-61.42	**	-11.31	-484.42
Debt Redemption (Principal +Interest)/Total Debt Receipts	112.18	90.67	98.68	121.53	58.65
V - Other Fiscal Health Indicators					
Return on Investment	0	0	0	0	0
Balance from Current Revenue (Rupees in crore)	17.38	4.45	-187.69	-434.90	-584.39
Financial Assets/Liabilities	1.13	1.14	1.22	1.29	1.15

* - There was revenue surplus

** - There was primary surplus

Appendix 1.5

Funds Transferred Directly to State Implementing Agencies

(Reference: Paragraphs-1.4.2; Pages-10)

Sl. No.	GoI Scheme	Implementing Agency	(₹ in crore)
			GoI released fund 2010-11
(1)	(2)	(3)	(4)
1.	National Rural Employment Guarantee Scheme (NREGS)	Rural Development (RD)	216.17
2.	Indira Awaas Yojana (IAY)	Rural Development (RD)	13.36
3.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	Mizoram Rural Road Development Agency	95.59
4.	National Rural Health Mission (NRHM)	Health Services	54.23
5.	Swarnjayanti Gram Swarojgar Yojana (SGSY)	District Rural Development Agency	4.44
6.	District Rural Development Agency (Admn)	District Rural Development Agency	8.69
7.	State Institute of Rural Development (SIRD)	State Institute of Rural Development (SIRD)	10.10
8.	Integrated Wasteland Development Project (IWDP)	District Rural Development Agency	27.57
9.	Integrated Watershed Management Programme (IWMP)	Mizoram Watershed Development Agency	22.19
10.	National Project on Cattle & Buffalo Breeding (NPCBB)	State Implementation Unit, Mizoram	2.02
11.	Food & Mouth Disease (FMD) Network	I.V.R.I.	0.04
12.	National Bamboo Mission	Forest Department	17.38
13.	Food Testing Laboratory	Directorate of Trade & Commerce	3.08
14.	HIV/AIDS	State AIDS Control Society, Mizoram	17.19
15.	Sarva Shiksha Abhiyan	State Project Office	112.92
16.	Mid-Day Meal	State Nodal Officer (MDM)	18.06
17.	Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	State Project Office	32.31
18.	Common Service Centre (CSC)	Information and Communication Technology - MSeGS	0.54
19.	State Service Delivery Gateway & State Portal (SSDG & SP)	Information and Communication Technology - MSeGS	2.79
20.	Land Resource Information (LRIS)	Information and Communication Technology - MSeGS	1.17
21.	Northern Tourist Circuit	PWD	1.57
22.	Tourist Destination Chalfilh	PWD	1.00
23.	Southern Tourist Circuit Phase II	PWD	1.41
24.	Tourist Destination Sakawrdai	PWD	0.94
25.	Tourist Destination Kanhmun	PWD	1.00
26.	Aerosport	PWD	0.60
27.	Celebration of Anthurium Festival	Tourism Department	0.10
28.	Celebration of Thalfavang Kut Festival	Tourism Department	0.20
29.	Celebration of Khuado Festival	Tourism Department	0.05
30.	Celebration of Chapchar Kut Festival	Tourism Department	0.05

(1)	(2)	(3)	(4)
31.	Celebration of Lyuva Khutla Festival	Tourism Department	0.05
32.	Celebration of Hnam Kutpui Festival	Tourism Department	0.05
33.	Serlui B Lake Destination	MTDA	3.08
34.	Aizawl Tourist Destination	MTDA	3.66
35.	Software Work Plan under CBSP	Centre for Rural Development & Research, Zarkawt, Aizawl	0.15
36.	NRWDP	PHED	80.51
37.	NRSWSP	PHED	61.58
38.	National Bamboo Mission (Non Forest Area)	Bamboo Development Agency, Mizoram	3.05
39.	ATMA	Mizoram Agricultural Management and Extension Training Institute (MAMETI)	2.07
40.	Training Programme Sponsored by DoPT	Training Division, Govt. of India, DoPT, New Delhi	0.24
41.	Training for All	Training Division, Govt. of India, DoPT, New Delhi	0.15
42.	NIDM	National Institute of Disaster Management, New Delhi	0.26
43.	Strengthening of State Nodal Agency	Mizoram Food & Allied Industries Corporation Ltd. (MIDCO)	0.08
44.	Establishment of Patent Information Centre at Aizawl	Mizoram Council of Science, Technology and Environment	0.07
45.	Third Installment of Grant for Sihmit Law Head Micro Turbine Project	Mizoram Council of Science, Technology and Environment	0.10
46.	Salary for Employees of Mizoram Council of Science, Technology & Environment for 2010-11	Mizoram Council of Science, Technology and Environment	0.34
47.	Additional Grant for Salary of Employees of Mizoram Council of Science, Technology and Environment for 2010-11 due to implementation of Sixth Pay	Mizoram Council of Science, Technology and Environment	0.10
48.	2 nd Installment of Grant for Observation of Science Day 2008	Mizoram Council of Science, Technology and Environment	0.004
49.	Preparation of State Action Plan on Climate Change	Mizoram Council of Science, Technology and Environment	0.03
50.	JNNURM	UDPA	58.15
51.	National Social Assistance Programme (NSAP)	Social Welfare Department	7.50
52.	Integrated Child Development Scheme (ICDS)	Social Welfare Department	17.83
53.	RGVY	Power Department	78.28
Total			984.09

Source: Information furnished by Departments and Finance Accounts – 2010-11

Appendix 1.6

Part A: Statement showing Efficiency of Expenditure use in Selected Social and Economic Services

(Reference: Paragraph-1.7.2; Page-31)

(₹ in crore)

Social/Economic Infrastructure	2009-10					2010-11				
	CE	TE				CE	TE			
		CE	RE	L&A	Total		CE	RE	L&A	Total
Social Services (SS)										
Education, Sports, Art and Culture	38.37	38.37	488.49	0.00	526.86	29.95	29.95	588.68	0.00	618.63
Health and Family Welfare	0.00	0.00	251.83	0.00	251.83	0.05	0.05	174.07	0.00	174.12
WS, Sanitation & HUD	111.25	111.25	139.28	5.05	255.58	95.29	95.29	152.13	5.00	252.42
Other Social Services	0.60	0.60	226.08	0.00	226.68	0.65	0.65	322.50	0.00	323.15
Total (SS)	150.22	150.22	1105.68	5.05	1260.95	125.94	125.94	1237.38	5.00	1368.32
Economic Services (ES)										
Agri. & Allied Activities	114.13	114.13	244.75	0.00	358.88	124.95	124.95	501.60	0.00	626.55
Irrigation and Flood Control	44.53	44.53	5.33	0.00	49.86	57.77	57.77	7.39	0.00	65.16
Power & Energy	83.63	83.63	170.72	0.00	254.35	72.33	72.33	198.38	0.00	270.71
Transport	121.44	121.44	77.40	0.00	198.84	148.84	148.84	77.98	0.00	226.82
Other Economic Services	32.86	32.86	151.15	0.12	184.13	61.52	61.52	222.22	2.15	285.89
Total (ES)	396.59	396.59	649.35	0.12	1046.06	465.41	465.41	1007.57	2.15	1475.13
Total (SS+ES)	546.81	546.81	1755.03	5.17	2307.01	591.35	591.35	2244.95	7.15	2843.45

CE - Capital Expenditure
TE - Total Expenditure
RE - Revenue Expenditure
L&A - Loans and Advances

Source : Statement 12,13 and 16

Part B: Statement showing Efficiency of Expenditure use in Selected Social and Economic Services

(Reference: Paragraph-1.7.2; Page-31)

(₹ in crore)

	2009-10			2010-11		
	Salary	Non-Salary	Total	Salary	Non-Salary	Total
Social Services (SS)						
Education, Sports, Art and Culture	337.37	151.12	488.49	443.33	145.35	588.68
Health and Family Welfare	95.55	156.28	251.83	125.00	49.07	174.07
WS, Sanitation & HUD	23.24	116.04	139.28	31.14	120.99	152.13
Other Social Services	31.21	194.87	226.08	9.75	312.75	322.50
Total (SS)	487.37	618.31	1105.68	609.22	628.16	1237.38
Economic Services (ES)						
Agri. & Allied Activities	93.41	151.34	244.75	118.88	382.72	501.60
Irrigation and Flood Control	2.84	2.49	5.33	5.34	2.05	7.39
Power & Energy	43.52	127.21	170.73	57.91	140.47	198.38
Transport	43.99	33.41	77.40	16.10	61.88	77.98
Other Economic Services	54.62	96.52	151.14	180.10	42.12	222.22
Total (ES)	238.38	410.97	649.35	378.33	629.24	1007.57
Total (SS+ES)	725.75	1029.28	1755.03	987.55	1257.40	2244.95

Source: Finance Account (Vol.-II) – Statement 12 and Appendix II

Statement of various grants/appropriations where savings were more than ₹ one crore each or more than 12 per cent of the total provision

(Reference: Paragraph-2.3.1; Page-50)

(₹in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
Revenue (Voted)					
1.	4	Law and Judicial	16.22	2.85	17.57
2.	6	Land Revenue and Reforms	16.24	1.66	10.22
3.	9	Finance	305.47	32.59	10.67
4.	11	Secretariat Administration	57.92	3.11	5.37
5.	14	Planning and Programme Implementation	139.88	109.03	77.95
6.	15	General Administration Department	51.34	3.58	6.97
7.	16	Home	386.22	10.82	2.80
8.	17	Food, Civil Supplies and Consumer Affairs	54.42	4.32	7.94
9.	19	Local Administration	42.32	1.67	3.95
10.	20	School Education	503.30	17.48	3.47
11.	21	Higher and Technical Education	81.21	6.20	7.63
12.	24	Medical and Public Health Services	186.83	12.77	6.84
13.	25	Water Supply and Sanitation	109.27	3.70	3.39
14.	29	Social Welfare	118.36	10.12	8.55
15.	30	Disaster Management and Rehabilitation	10.91	2.19	20.07
16.	31	Agriculture	186.29	13.88	7.45
17.	33	Soil and Water Conservation	42.33	15.11	35.7
18.	34	Animal Husbandry	64.75	5.32	8.22
19.	36	Environment and Forest	152.88	49.21	32.19
20.	38	Rural Development	92.26	3.38	3.66
21.	39	Power	208.46	10.43	5
22.	40	Industries	49.03	1.38	2.81
23.	41	Sericulture	19.59	5.24	26.75
24.	45	Public Works	98.26	3.26	3.32
25.	46	Urban Development and Poverty Alleviation	32.15	1.87	5.82
26.	48	Information and Communication Technology	6.62	2.24	33.84
27.		<i>Public Debt (Charged)</i>	275.77	153.18	55.55
Total			3308.30	486.59	14.71

(1)	(2)	(3)	(4)	(5)	(6)
Capital (Voted)					
1.	9	Finance	24.75	2.03	8.20
2.	10	Mizoram Public Service Commission	1.14	1.14	100
3.	15	General Administration Department	1.67	1.67	100
4.	16	Home	14.49	4.73	32.64
5.	21	Higher and Technical Education	2.19	2.19	100
6.	25	Water Supply and Sanitation	45.42	1.01	2.22
7.	39	Power	105.91	32.81	30.98
8.	45	Public Works	249.68	31.29	12.53
9.	46	Urban Development and Poverty Alleviation	108.77	66.61	61.24
10.	47	Minor Irrigation	59.70	1.93	3.23
11.		<i>Public Debt (Charged)</i>	<i>429.40</i>	<i>156.86</i>	<i>36.53</i>
Total			1043.12	302.27	28.98
Grand Total			4351.42	788.86	18.13

Appendix 2.1A

Statement of various grants/appropriations where savings were more than ₹ 10 crore and above or more than 12 per cent of the total provision

(Reference: Paragraph-2.3.1; Page-50)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
Revenue (Voted)					
1.	9	Finance	305.47	32.59	10.67
2.	14	Planning and Programme Implementation	139.88	109.03	77.95
3.	16	Home	386.22	10.82	2.80
4.	20	School Education	503.30	17.48	3.47
5.	24	Medical and Public Health Services	186.83	12.77	6.84
6.	29	Social Welfare	118.36	10.12	8.55
7.	31	Agriculture	186.29	13.88	7.45
8.	33	Soil and Water Conservation	42.33	15.11	35.70
9.	36	Environment and Forest	152.88	49.21	32.19
10.	39	Power	208.46	10.43	5.00
11.		<i>Public Debt (Charged)</i>	275.77	153.18	55.55
Total			2505.79	434.62	17.34
Capital (Voted)					
1.	39	Power	105.91	32.81	30.98
2.	45	Public Works	249.68	31.29	12.53
3.	46	Urban Development and Poverty Alleviation	108.77	66.61	61.24
4.		<i>Public Debt (Charged)</i>	429.40	156.86	36.53
Total			893.76	287.57	32.18
Grand Total			3399.55	722.19	21.24

Statement of various grants/appropriations where Expenditure against the approved provision was more than ₹ one crore each or more than 33 per cent of the total provision

(Reference: Paragraph-2.3.3; Page-51)

(₹ in lakh)

Sl. No.	Grant No	Name of the Grant/ Appropriation with Major or Minor heads	Total Grant/ Appropriation	Expenditure	Excess Expenditure	Percentage
Revenue (Voted)						
1.	8	Taxation 2040-(01)-Direction	263.21	367.32	104.11	39.55
2.	9	Finance 2071-01-101(01)Pension	7500.00	11270.42	3770.42	50.27
		2071-01-115(01)Leave Encashment	1200.00	2812.34	1612.34	134.36
		2071-01-104(01)Pension/ Gratuities	2352.00	3866.36	1514.36	64.39
		2071-01-102(01)Commuted Value of Pension	1300.00	2755.89	1455.89	111.99
		2071-01-105(01)Family Pension	2750.00	3647.54	897.54	32.64
		2054-095(01)Direction	635.30	735.48	100.18	15.77
3.	21	Higher & Technical Education Department 2202-03-107(01) Mizoram Scholarship	56.47	217.68	161.21	285.48
4.	34	Animal Husbandry 2403-001(01) Direction	187.80	302.79	114.99	61.23
5.	39	Power 2801-01-001(02)Administration	878.66	2283.34	1404.68	159.87
		2801-04-001(02)Administration	757.59	1032.86	275.27	36.33
6.	48	Information & Comm. 06-EAP-3275-800-(02)Capacity Building Under E-Gov (EAP)	73.10	207.50	134.40	183.86
Total			17954.13	29499.52	11545.35	64.30

Appendix 2.3

Statement showing unutilised provision of fund during 2010-11

(Reference paragraph: 2.3.4; Page-52)

(₹ in lakh)

Sl. No.	Grant Number and Name	Head of Account/ Description	Budget Provision			Savings due to non-utilisation	Reasons/ Remarks
			Original	Supplementary	Total Provision		
1.	4-Law & Judicial	03-CSS-2014-103(06)Gram Nyayalay(Voted)	107.52	-	107.52	(-)107.52	Non-Utilisation of fund stated due to non-release of fund from GoI
2.	15-GAD	2225-80-800(19)Local Body Grant to Sinlung Hills Council(FC)	-	20.00	20.00	(-)20.00	Reasons for non-utilisation not stated.
3.	21-Higher & Technical Education	04-NEC Scheme 2202-03-107(03) North Eastern Areas	-	150.00	150.00	(-)150.00	-do-
		(07)NLCPR (Capital) 4202-01-203(05) Infrastructure Dev. for 4 Colleges	-	218.53	218.53	(-)218.53	-do-
4.	34-Animal Husbandry	2403-800(01) Bio gas Dev. (CSS)	16.70	-	16.70	(-)16.70	-do-
5.	42-Transport (Cap.)	5055-050(01) Const. of office Building	10.00	-	10.00	(-)10.00	-do-
6.	47-Minor Irrigation	2705-800(01)On farm Dev.(CSS)	15.00	-	15.00	(-)15.00	-do-
7.	48-Information & Communication Tech.	3275-800(06) Community Information centre(CSS)	12.00	-	12.00	(-)12.00	-do-
Total			161.22	388.53	549.75	(-)549.75	

Unnecessary supplementary provision (₹ 10 lakh and above)

(Reference: Paragraph-2.3.7; Page-53)

(₹ in lakh)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
(1)	(2)	(3)	(4)	(5)	(6)
A. Revenue (Voted)					
1.	3 Council of Ministers	491.80	414.04	77.76	18.47
2.	6 Land Revenue and Reforms	1471.29	1457.81	13.48	152.49
3.	13 Personnel and Administrative Reforms	223.58	212.50	11.08	13.00
4.	14 Planning and Programme Implementation	13468.21	3084.72	10383.49	519.58
5.	17 Food, Civil Supplies and Consumer Affairs	5231.81	5010.15	221.66	210.22
6.	26 Information and Public Relations	725.12	719.77	5.35	26.51
7.	30 Disaster Management and Rehabilitation	1070.45	871.86	198.59	20.63
8.	47 Minor Irrigation	740.20	737.70	2.50	51.88
9.	48 Information and Communication Technology	572.00	437.94	134.06	90.10
10.	Public Debt (Charged)	26301.36	12258.13	14043.23	1275.17
Total for Revenue (Voted)		50295.82	25204.62	25091.20	2378.05
B. Capital (Voted)					
11.	10 Mizoram Public Service Commission	---	---	---	113.68
12.	16 Home	1066.22	975.86	90.36	382.28
13.	21 Higher and Technical Education	---	---	---	218.53
14.	46 Urban Development and Poverty Alleviation	10366.00	4216.82	6149.18	511.46
Total for Capital (Voted)		11432.22	5192.68	6239.54	1225.95
Grand Total		61728.04	30397.30	31330.74	3604.00

Appendix 2.5

Excessive/Inadequate supplementary provision ₹ 20 lakh and above

(Reference: Paragraph-2.3.7; Page-54)

(₹ in lakh)

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Total Provision	Expenditure	Sup. Pro. Excess(+)/ Less(-)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
A. Revenue (Voted)						
1.	1 Legislative Assembly	953.61	187.20	1140.81	1118.73	22.08
2.	4 Law and Judicial	1248.70	373.41	1622.11	1336.79	285.32
3.	5 Vigilance	341.15	85.13	426.28	343.48	82.80
4.	8 Taxation	793.35	107.12	900.47	848.95	51.52
5.	9 Finance	25742.50	4804.21	30546.71	27287.90	3258.81
6.	10 Mizoram Public Service Commission	305.99	116.43	422.42	389.68	32.74
7.	11. Secretariat Administration	5267.45	524.35	5791.80	5480.95	310.85
8.	15 General Administration Department	4115.34	1018.26	5133.60	4775.58	358.02
9.	16 Home	32200.38	6421.47	38621.85	37539.53	1082.32
10.	18 Printing and Stationary	1004.34	87.26	1091.60	1021.07	70.53
11.	19 Local Administration Department	3661.22	570.29	4231.51	4064.26	167.25
12.	20 School Education	42892.07	7437.89	50329.96	48581.93	1748.03
13.	21 Higher and Technical Education	6911.13	1210.08	8121.21	7500.88	620.33
14.	22 Sports and Youth Services	2049.80	153.34	2203.14	2155.20	47.94
15.	23 Art and Culture	609.35	56.00	665.35	630.14	35.21
16.	24 Medical and Public Health Services	15938.45	2744.87	18683.32	17406.59	1276.73
17.	25 Water Supply and Sanitation	8554.49	2372.61	10927.10	10556.81	370.29
18.	27 District Councils	13771.40	4126.28	17897.68	17817.68	80.00
19.	28 Labour and Employment	610.60	50.75	661.35	693.34	(-)31.99
20.	29 Social Welfare	7081.92	4754.05	11835.97	10823.92	1012.05
21.	31 Agriculture	8468.80	10159.92	18628.72	17241.16	1387.56
22.	32 Horticulture	1823.04	5394.61	7217.65	7193.75	23.90
23.	33 Soil and Water Conservation	1392.50	2840.00	4232.50	2721.02	1511.48
24.	34 Animal Husbandry	3227.88	3247.05	6474.93	5943.34	531.59

(1)	(2)	(3)	(4)	(5)	(6)	(7)
25.	35 Fisheries	991.26	686.77	1678.03	1649.78	28.25
26.	37 Co-operation	1082.65	92.50	1175.15	1132.92	42.23
27.	38 Rural Development	7755.83	1470.40	9226.23	8888.19	338.04
28.	39 Power	17480.09	3365.68	20845.77	19802.94	1042.83
29.	40 Industries	2844.17	2058.59	4902.76	4765.12	137.64
30.	41 Sericulture	886.67	1072.00	1958.67	1434.53	524.14
31.	42 Transport	2468.93	201.00	2669.93	2770.92	(-)100.99
32.	45 Public Works	9158.50	667.72	9826.22	9500.61	325.61
33.	46 Urban Development and Poverty Alleviation	2130.39	1084.12	3214.51	3027.04	187.47
Total for Revenue (Voted)		233763.95	69541.36	303305.31	286444.73	16860.58
B. Revenue(charged)						
C. Capital (Voted)						
34.	9 Finance	1975.00	500.00	2475.00	2271.80	203.20
35.	17 Food, Civil Supplies and Consumer Affairs	17836.60	6184.02	24020.62	24356.97	(-)336.35
36.	25 Water Supply and Sanitation	1273.00	3269.20	4542.20	4441.57	100.63
37.	33 Soil and Water Conservation	459.44	402.00	861.44	825.60	35.84
38.	39 Power	4020.76	6570.27	10591.03	7309.70	3281.33
39.	42 Transport	110.50	252.41	362.91	314.73	48.18
40.	45 Public Works	8929.00	16038.96	24967.96	21838.83	3129.13
41.	47 Minor Irrigation	5315.00	655.00	5970.00	5776.91	193.09
Total for Capital (Voted)		39919.30	33871.86	73791.16	67136.11	6655.05
D. Capital (Charged)						
42.	Public Debt	25220.24	17720.05	42940.29	27254.74	15685.55
Total for Capital (Charged)		25220.24	17720.05	42940.29	27254.74	15685.55
Grand Total		298903.49	121133.27	420036.76	380835.58	39201.18

Appendix 2.6

Excessive/Inadequate/Insufficient re-appropriation of funds (₹ 10 lakh and above)

(Reference: Paragraph-2.3.8; Page-56)

(₹ in lakh)

Sl. No.	Grant No.	Description	Major Head	Re-appropriation	Final Excess(+)/ Saving (-)
1.	8	Taxation	2040	(-)5.64	(+)104.11
		001(01) Direction			
		001(02) Administration	2040	(+)5.64	(-)101.62
2.	11	Secretariat Administration	2052	(+)50.00	(-)186.33
		090(01) Secretariat Admin.			
3.	24	Medical & Public Health	2211	(-)104.46	(-)18.32
		101(01) Maintenance of sub-centre			
		01-001(01) Primary Health centre	2210	(+)20.94	(+)50.73
4.	28	Labour & Employment	2230	(+)27.52	(+)14.36
		03-003(01) Industrial Training Institute			
		02-101(01)Employment Exchange	2230	(-)51.32	(+)23.10
5.	34	Animal Husbandry	2403	(+)13.39	(-)47.59
		101(01) Hospital & Dispensary			
		105(01) Piggery Development	2403	(-)14.81	(-)13.82
		001(02) Administration	2403	(+)12.39	(-)44.85
		001(01) Direction	2403	(-)3.75	(+)114.99
6.	39	Power	2801	(-)265.00	(-)1252.35
		01-101(01) Purchase of Grid Power			
		001(02) Administration	2801	(-)56.49	(-)451.36
		01-001(01)Direction	2801	(-)112.99	(+)34.64
		01-001(02)Administration	2801	(+)5.63	(+)1404.68
		05-800(01)Maintenance .of Lines/ Buildings	2801	(+)447.02	(-)28.64
		04-001(02)Administration	2801	(-)56.65	(+)275.27
05-001(01) Direction	2801	(+)99.63	(+)32.77		
7.	42	Transport	2041	(+)2.47	(-)20.81
		001(01) Direction			
		001(02) Administration	2041	(+)17.93	(+)68.87
		001(01) Direction	3055	(+)3.31	(+)44.37
		001(02) Administration	3055	(+)9.22	(+)50.82
		001(03)General Administration	3055	(-)24.82	(+)24.41

Results of review of substantial surrenders (more than 50 per cent of total provision) made during the year 2010-11

(Reference: Paragraph-2.3.9; Page-56)

(₹ in lakh)

Sl. No.	Grant No.	Number and details of Grant/ Scheme	Total Provision	Amount of Surrender	Percentage of Surrender	Reasons/ Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	1	Legislative Assembly (Cap. Voted) 7610-201-(01) HBA to MLAs	25.00	25.00	100	Not Stated
2.	4	Law & Judicial 05-(FCR)-2014-114(06) Morning & Evening Courts	125.00	125.00	100	Non Approval of Action Plan
		07-2014-114(11) Court Managers	22.00	17.59	79.95	Non Filling up of court Manager Post
3.	5	Vigilance (Rev. Voted) 2070-104(01) Direction	100.00	81.57	81.57	Not Stated
4.	6	Land Revenue & Reforms 2029-001(01) Direction (CSS)	72.68	37.64	51.79	Non settlement of Court Cases
5.	14	Planning & Programme Implementation 05(FCR) 3454-01-001(02) Admin (FC)	240.00	240.00	100	Not Stated
		3454-01-001(01) Direction (FC)	80.00	80.00	100	Not Stated
		03-CSS-3454-02-204(01) Mizoram Basic Stat. for Local Level Dev. (CSS)	17.30	12.47	72.08	Not Stated
		3454-02-204(02) Indian Statistical Strengthening Project (ISSP) CSS	10.00	10.00	100	Not Stated
		3451-101-(02) Evaluation & Monitoring	10563.94	10420.79	98.64	Not Stated
6.	15	GAD 03-CSS-2015-103(01) P&P of Electoral Rolls (CSS)	11.65	11.65	100	Not Stated
		4070-800-07 Circuit & Guest house New Delhi (Capital)	167.00	167.00	100	Revision of Fund to other head of Account
7.	17	Food, Civil Supplies & Consumer Affairs 3475-106(01) Regulation of Weight & Measures (CSS)	125.00	125.00	100	Non finalisation of the Works
8.	24	Medical & Public Health 2210-03-103(03) Matching Share of NRHM/NABARD	400.00	400.00	100	Withdrawal of Scheme by Planning Department
		4210-Capital Outlay on Medical & Public Health	10.70	5.60	52.34	Not Stated

(1)	(2)	(3)	(4)	(5)	(6)	(7)
9.	29	2235-02-103(06) Kishori Shakti Yojna	50.60	25.30	50	Non receipt of Fund from GoI
10.	31	Agriculture 2401-800(05) Rashtriya Krishi Vikas Yojna	737.00	462.50	62.75	Non release of Fund From GoI
		2401-102(02) Integrated Programme For Rice Dev.	380.35	201.23	52.91	Approval & sanction of modified work Plan
		2401-102(05) Organic Farming (CSS)	69.77	59.77	85.67	Approval & Sanction of ₹ 10 lakh only from GoI
		2401-800(06) NLUP	50.00	50.00	100	Not Stated
		2401-103(02) Quality Control Arrangement on Seeds (CSS)	41.00	27.45	66.95	Not Stated
11.	33	Soil & Water Conservation 2402-800(88) NLUP	2832.00	1415.80	50.00	Not Stated
12.	34	Animal Husbandry 2403-113(03) Live Stock Census(CSS)	50.00	48.78	97.56	Not Stated
		2403-101(06) State Veterinary Council(CSS)	40.00	35.00	87.50	Not Stated
13.	36	Environment & Forest 2406-02-110(14) Diversion of Wildlife Habitats	57.94	57.94	100	Mere token of budget
		2406-02-110(11) Wetland Development Tamdil (CSS)	58.85	32.37	55	Not Stated
14.	39	Power 4801-05-800(06) Cont. of Transmission line (ACA-OT)	3100.00	1977.77	63.80	Revised Sectorial Allocation & Less Sanction
		4801-06-800(03) REC for RGGVY	799.29	799.29	100	Non receipt of A/A exp. Sanction from Govt.
		4801-01-800(01) Construction of Serlui B SHP(CSS)	110.00	110.00	100	Non Receipt of Sanction
		4801-01-800(03) Maicham SHP(CSS)	90.00	90.00	100	Not Stated
		4801-01-800(05) Transformation	35.00	35.00	100	Revision of Works prog.
15.	41	Sericulture 2851-800(88) NLUP	1000.00	500.00	50	Not Stated

(1)	(2)	(3)	(4)	(5)	(6)	(7)
16.	45	PWD (Capital) 4059-80-051(05) Construction Under Gen. Service/ACA	348.00	348.00	100	Reallocation of fund by Government of Mizoram
		4059-80-051-(06) Const. of Multi complex Bldg. Auditorium at P.U. College Aizawl (NLCPR)	102.69	102.69	100	Non Receipt of expenditure sanction from the Government of Mizoram
		4059-01-051(02) Maintenance of Heritage Building (FC)	23.00	23.00	100	-do-
17.	46	UD & PA 2217-01-051(01) NERUDP/EAP	168.00	115.01	68.46	Non-issue of pay slips & non drawal of claims under domestic TA
		(Capital) 4217-01-051(01) Cont. of (JNNURM)	5033.00	4310.19	85.64	Release of fund limiting to ₹ 722.81 lakh only from GoI
18.	48	Information & Communication Tech. 3275-800(02) Capacity building under E-gov (NEGAP/ EAP)	394.00	320.00	81.22	Not Stated
Total			27540.76	22906.40	83.17	

Appendix 2.8

Surrenders in excess of actual savings

(Reference: Paragraph-2.3.10; Page-56)

(₹ in lakh)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
Revenue – Voted					
1.	1 – Legislative Assembly	1140.81	22.08	24.46	2.38
2.	6 – Land Revenue and Reforms	1623.78	165.97	170.50	4.53
3.	14 – Planning and Programme Implementation	13987.79	10903.07	10915.31	12.24
4.	17 – Food, Civil Supplies and Consumer Affairs	5442.03	431.88	445.40	13.52
5.	19 – Local Administration	4231.51	167.25	169.32	2.07
6.	20 – School Education	50329.96	1748.03	2677.88	929.85
7.	23 – Art and Culture	665.35	35.21	36.54	1.33
8.	24 – Medical and Public Health	18683.32	1276.73	1313.14	36.41
9.	25 – Water Supply and Sanitation	10927.10	370.29	408.29	38.00
10.	26 – Information and Public Relations	751.63	31.86	35.51	3.65
11.	32 – Horticulture	7217.65	23.90	26.15	2.25
12.	33 – Soil and Water Conservation	4232.50	1511.48	1523.10	11.62
13.	35 – Fisheries	1678.03	28.25	34.00	5.75
14.	37 – Co-Operation	1175.15	42.23	42.69	0.46
15.	39 – Power	20845.77	1042.83	1082.30	39.47
16.	43 – Tourism	620.58	2.00	3.86	1.86
17.	44 – Trade and Commerce	567.63	14.21	14.99	0.78
18.	45 – Public Works	9826.22	325.61	339.68	14.07
19.	48 – Information and Communication Technology	662.10	224.16	326.53	102.37
Capital (Voted)					
20.	46 – Urban Development and Poverty Alleviation	10877.46	6660.64	6663.16	2.52
Grand Total		165486.40	25027.68	26252.81	1225.13

Unexplained surrender of more than ₹ 10 lakh

(Reference: Paragraph-2.3.10; Page-56)

(₹ in lakh)

Sl. No.	Grant No.	Grant Name and Major Head	Total Grant	Expenditure	Amount Surrendered	Reasons
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	1	Legislative Assembly 7610-201(01)-House Building Advance to MLA (Voted)	25.00	---	25.00	Not Stated
2.	3	Council of Ministers 2052-090(18)-Chief Minister Secretariat	145.01	142.01	53.16	Not Stated
3.	5	Vigilance 2070-104(01)-Direction	100.00	17.33	81.57	Not Stated
4.	8	Taxation 2040-001(02)-Administration	542.95	407.20	39.77	Not Stated
5.	13	Personnel and Administrative Reforms 2070-003(03)-Disaster Management (CSS)	39.10	25.90	13.20	Not Stated
6.	14	Planning and Programme Implementation				
		3451-101(02)-Evaluation and Monitoring	10563.94	163.80	10420.79	Not Stated
		3454-01(001)-02-Administration (FC)	240.00	---	240.00	Not Stated
		3451-101-01-Plan Formulation	299.48	168.35	93.29	Not Stated
		3454-01(001)-01-Direction (FC)	80.00	---	80.00	Not Stated
		3451-102-01-Planning Machinery	50.08	30.82	20.29	Not Stated
		3454-02(204)-01- Mizoram Basic Statistics for local level Development (CSS)	17.30	4.83	12.47	Not Stated
		3451-102-02-Pilot Project	649.78	639.39	11.91	Not Stated
		3454-02(204)-02-ISSP (CSS)	10.00	---	10.00	Not Stated
7.	15	General Administration Department				
		3454-01(800)-04-Census Establishment	213.20	164.06	47.59	Over Estimation
		2070-115-07-Circuit and Guest Houses	340.68	313.12	29.56	Not Stated
		3053-60(101)-01-Communication	251.84	227.60	14.23	Not Stated
		2225-80(800)-19-Local Body Grants (FC)	20.00	---	20.00	Not Stated
		2053-(093)-03-DC, Saiha	238.83	221.77	19.47	Not Stated
		2015-Election 103(01)-Preparation and Printing of Electoral Roll (CSS)	11.65	---	11.65	Not Stated

(1)	(2)	(3)	(4)	(5)	(6)	(7)
8.	21	Higher and Technical Education				
		2202-03(103)-01-Government College	4236.36	3990.43	258.97	Not Stated
		2202-05(102)-01-Mizoram Hindi Training Institute	119.90	80.50	17.62	Not Stated
		2202-03(103)-02-College of Teachers Education	176.60	141.93	27.84	Not Stated
		2202-03(103)-03-Government Zirtiri Res. Science College	357.15	323.44	26.50	Not Stated
		2203-(105)-01-Mizoram Polytechnic	295.70	265.84	17.44	Not Stated
		2202-03(107)-01-Mizoram Scholarship (CSS)	1644.71	1510.56	134.15	Not Stated
9.	29	Social Welfare				
		2235-02-001(03)-Administration ICDS (CSS)	2130.61	1446.28	620.31	Not Stated
		2235-02-001(01)-Direction	208.80	87.09	121.72	Not Stated
		2235-02-001(02)-Administration (CSS)	151.88	58.90	62.99	Not Stated
10.	31	Agriculture	41.00	13.54	27.45	Not Stated
		2401-03(103)-02-Quality Control				
11.	33	Soil and Water Conservation	2832.00	1415.80	1416.20	Not Stated
		2402-800-88-New Land Use Policy (NLUP)				
12.	34	Animal Husbandry and Veterinary				
		2403-101(01)-Hospital and Dispensary	1071.62	963.18	74.24	Not Stated
		2403-03(101)-01-Control of Animal Disease (CSS)	169.18	95.91	70.05	Not Stated
		2403-105(01)-Piggery Development	227.04	157.41	41.00	Not Stated
		2403-102(01)-Cattle Development	316.36	254.50	60.50	Not Stated
		2403-03-113(03)-Livestock Census (CSS)	50.00	1.28	48.78	Not Stated
		2403-03-113(02)-Sample Survey and Statistics (CSS)	81.93	44.65	35.13	Not Stated
		2403-03(101)-06-State Veterinary Council	40.00	5.00	35.00	Not Stated
		2403-03(107)-03-Grassland Development and Environment Cellulosis Waste	10.00	---	10.00	Not Stated

(1)	(2)	(3)	(4)	(5)	(6)	(7)
13.	36	Environment and Forest				
		2406-01-800-88-New Land Use Policy (NLUP)	5560.00	947.51	4612.49	Not Stated
		2406-01-001-02-Administration	2154.28	2034.96	120.68	Not Stated
		2406-03(02)-110(11)-Wetland Development, Tamdil (CSS)	58.85	26.48	32.57	Not Stated
		2406-02-110(01)-Preservation of Wildlife	273.25	246.42	55.45	Not Stated
14.	41	Sericulture				
		2851-800(88)-New Land Use Policy (NLUP)	1000.00	500.00	500.00	Not Stated
		2851-107(01)-Direction	170.68	144.38	17.57	Not Stated
15.	42	Transport	139.71	102.86	12.21	Not Stated
		5055-102(01)-Acquisition of Fleet				
16.	45	Public Works				
		4055-10-800(01)-Modernisation of Police Forces (CSS)	666.69	530.44	39.26	Non Receipt of Expenditure Sanction from GoM
		5054-04-800(01)-Construction of Road-ACA/CRF	929.46	603.78	325.68	Not Stated
		4059-01-051(01)-Construction of Judiciary Building (CSS)	245.00	103.00	142.00	Not Stated
		5452-03-01-102(01)-Tourist Accommodation (CSS)	2117.04	1985.20	162.84	Not Stated
		4059-07-80(051)-06- Construction of Multi Complex Building Auditorium at Pachhunga University College, Aizawl (NLCPR)	102.69	---	102.69	Not Stated
		4059-05-01(051)-02-Maintenance of Heritage Building (FC)	23.00	---	23.00	Not Stated
		4202-07-01(203)-05-Infrastructure Development of the Colleges (NLCPR)	218.53	196.68	21.85	Not Stated
17.	48	Information and Communication Technology	394.00	207.50	320.90	Not Stated
		3275-06-800(02)-Capacity Building under e-governance (NEGAP/EAP)				
Total			42052.86	21011.63	20839.03	

Appendix 2.10

Details of savings not surrendered

(Reference: Paragraph-2.3.11; Page-57)

(₹ in lakh)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
Revenue (Voted)				
1.	3 – Council of Ministers	96.23	87.29	8.94
2.	4 – Law and Judicial	285.32	177.80	107.52
3.	5 – Vigilance	82.80	81.97	0.83
4.	7 – Excise and Narcotics	13.38	12.99	0.39
5.	8 – Taxation	51.52	49.45	2.07
6.	9 – Finance	3258.81	33.06	3225.75
7.	11 – Secretariat Administration	310.85	122.86	187.99
8.	13 – Personnel and Administrative Reforms	24.08	23.87	0.21
9.	15 – General Administration	358.02	325.01	33.01
10.	16 – Home	1082.32	1065.32	17.00
11.	18 – Printing and Stationary	70.53	51.67	18.86
12.	21 – Higher and Technical Education	620.33	486.02	134.31
13.	22 – Sports and Youth Services	47.94	44.38	3.56
14.	29 – Social Welfare	1012.05	917.93	94.12
15.	30 – Disaster Management and Rehabilitation	219.22	218.87	0.35
16.	31 – Agriculture	1387.56	1350.95	36.61
17.	34 – Animal Husbandry and Veterinary	531.59	406.52	125.07
18.	36 – Environment and Forest	4921.22	4913.61	7.61
19.	38 – Rural Development	338.04	160.43	177.61
20.	40 – Industries	137.64	39.12	98.52
21.	41 – Sericulture	524.14	522.63	1.51
22.	46 – Urban Development and Poverty Alleviation	187.47	179.37	8.10
23.	47 – Minor Irrigation	54.38	53.42	0.96
Revenue (Charged)				
24.	2 – Governor	13.57	12.38	1.19
25.	4 – Law and Judicial	2.58	1.34	1.24
Capital (Voted)				
26.	16 – Home	472.64	260.16	212.48
27.	24 – Medical and Public Health	5.70	5.60	0.10
28.	25 – Water Supply and Sanitation	100.63	100.56	0.07
39.	42 – Transport	48.18	12.54	35.64
30.	45 – Public Works	3129.13	2983.44	145.69
Total		19387.87	14700.56	4684.49

Cases of Rush of Expenditure towards the end of the financial year 2010-11

(Reference: Paragraph-2.3.12; Page-58)

(₹ in crore)

Sl. No.	Grant Number	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2011	
				Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	16	2055	337.67	79.89	23.66	30.17	8.93
2.	20	2202	555.81	146.47	26.35	197.19	35.48
3.	24	2210	150.43	45.35	30.15	25.55	16.98
		2211	23.64	11.44	48.39	7.44	31.47
4.	25	2215	105.64	42.17	39.92	6.62	6.27
5.	29, 30 and 16	2235	81.55	56.68	69.50	43.44	53.27
6.	31	2401	243.86	199.08	81.64	115.64	47.42
7.	34	2403	56.64	36.11	63.75	22.14	39.09
8.	38	2515	17.51	4.46	25.47	1.76	10.05
9.	40 and 41	2851	57.82	32.61	56.40	19.49	33.71
Total			1630.57	654.26	40.12	469.44	28.79

Glossary of Abbreviations

ACA	Additional Central Assistance
AC Bill	Abstract Contingent Bill
AE	Aggregate Expenditure
BCR	Balance from Current Revenue
BE	Budget Estimate
BPL	Below Poverty Line
C&AG	Comptroller and Auditor General of India
CAGR	Compounded Annual Growth Rate
CE	Capital Expenditure
CFS	Consolidated Fund of the State
CGA	Controller General of Accounts
CSS	Centrally Sponsored Scheme
DCC	Detailed Countersigned Contingent
DDO	Drawing and Disbursement Officer
DE	Development Expenditure
DRDA	District Rural Development Agency
ES	Economic Services
FCP	Fiscal Correction Path
FD	Fiscal Deficit
FRBM	Fiscal Responsibility and Budget Management
GIA	Grants-in-Aid
GoI	Government of India
GRF	Guarantee Redemption Fund
GSDP	Gross State Domestic Product
H & TE	Higher and Technical Education
IAY	Indira Awaas Yojana
IP	Interest Payment
L & A	Loans and Advances
MZFRBM	Mizoram Fiscal Responsibility and Budget Management
MST	Mizoram State Transport
MTFPS	Medium Term Fiscal Policy Statement
NE	North East
NPRE	Non-Plan Revenue Expenditure
NREGS	National Rural Employment Guarantee Scheme
NRHM	National Rural Health Mission
NSSF	National Small Savings Fund
NTR	Non Tax Revenue
OTR	Own Tax Revenue

P & E	Power and Electricity
PAC	Public Accounts Committee
PD	Primary Deficit
PHE	Public Health Engineering
PRE	Plan Revenue Expenditure
PSE	Public Sector Enterprise
PWD	Public Works Department
RBI	Reserve Bank of India
RD	Revenue Deficit
RE	Revenue Expenditure
RR	Revenue Receipts
S & W	Salaries and Wages
SAP	Special Area Programme
SE	Social Expenditure
SS	Social Service
SSA	Sarva Siksha Abhiyan
SSE	Social Sector Expenditure
TE	Total Expenditure
TFC	Twelfth Finance Commission
UC	Utilisation Certificate
UGC	University Grants Commission
VAT	Value Added Tax
WMA	Ways and Means Advances