

**Report of the
Comptroller and Auditor General
of India**

on State Finances

For the year ended 31 March 2012

GOVERNMENT OF MANIPUR

TABLE OF CONTENTS

	<i>Paragraph</i>	<i>Page</i>
Preface	-	v
Executive Summary	-	vii
CHAPTER-I FINANCES OF THE STATE GOVERNMENT		
Summary of current year's fiscal Transactions	1.1	1
Fiscal Responsibility and Budget Management (FRBM) Act, 2005	1.2	3
Growth and Composition of Gross State Domestic Product	1.3	4
Budget analysis	1.4	4
Resources of the State	1.5	6
Revenue Receipts	1.6	11
Application of resources	1.7	15
Quality of Expenditure	1.8	24
Financial Analysis of Government Expenditure and Investments	1.9	26
Assets and Liabilities	1.10	30
Debt sustainability	1.11	33
Fiscal imbalances	1.12	35
Conclusion and recommendations	1.13	38
CHAPTER-II FINANCIAL MANAGEMENT AND BUDGETARY CONTROL		
Introduction	2.1	41
Summary of Appropriation Accounts	2.2	41
Financial Accountability and Budget Management	2.3	42
Non-Reconciliation of Departmental figures	2.4	51
Personal Deposit Accounts	2.5	53
Outcome of review of selected grant	2.6	53
Errors in budgeting process	2.7	56
Conclusion and recommendations	2.8	57
CHAPTER-III FINANCIAL REPORTING		
Utilization Certificates	3.1	59

Non-submission/delay in submission of accounts	3.2	60
Status of placement of Separate Audit Reports of Autonomous Bodies/Autonomous District Councils	3.3	61
Departmental commercial undertakings	3.4	62
Misappropriations, losses, defalcations <i>etc.</i>	3.5	62
Conclusion and recommendations	3.6	63
APPENDICES		
1.1	Part A: Structure and Form of Government Accounts	65
	Part B: Layout of Finance Accounts	66
	Part C: Methodology Adopted for the Assessment of Fiscal Position	67
	Part D: State Profile	68
	Part E: The Fiscal Responsibility and Budget Management (FRBM) Act, 2005	69
1.2	Abstract of Receipts and disbursements for the year 2011-12	70
1.3	Statement showing funds transferred to the State implementing Agencies under Programmes/Schemes outside the State budget during 2011-12	72
1.4	Time series data on the State Government finances	75
1.5	Assets and Liabilities of the Government of Manipur as on 31 March 2012	78
1.6	Maturity profile of debt	79
2.1	Statement of various Grants/Appropriations where savings was more than ₹ one crore in each case or more than 25 <i>per cent</i> of the total provision	80
2.2	Statement showing expenditure incurred without provision during 2011-12	82
2.3	Statement showing amount debited head-wise and credited to '8449 – Other Deposits' during March 2012	83
2.4	Excess over provision of previous years requiring regularisation	83
2.5	Excess/Unnecessary/Insufficient re-appropriation of funds	84
2.6	Statement showing cases of substantial surrenders (exceeding ₹ 10 crore) made during the year 2011-12	87
2.7	Statement of various Grants/Appropriations in which savings occurred but no part of which had been surrendered	89
2.8	Statement showing details of saving of ₹ one crore and above not surrendered	91
2.9	Statement showing cases of surrender of funds made as on 31 March 2012	93
2.10	Rush of expenditure during March where expenditure was more than ₹ 10 crore and 25 <i>per cent</i> of the Total expenditure for the year	94
2.11	Pending DCC bills up to 2011-12 as on November 2012	95

3.1	Statement showing outstanding Utilization Certificates as on 31 March 2012	96
3.2	Statement showing names of Bodies, the accounts of which had not been received	99
3.3	Statement showing position of placement of SAR of ADC/ Autonomous body as on 31 March 2012	100
3.4	Statement of finalization of accounts and the Government investment in departmentally managed commercial and quasi-commercial undertakings	100
4.1	Glossary of terms	101

PREFACE

1. *This Report has been prepared for submission to the Governor under Article 151 of the Constitution.*
2. *Chapters I and II of this Report contain Audit findings on matters arising from examination of Finance Accounts and Appropriation Accounts respectively of the State Government for the year ended 31 March 2012.*
3. *Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives issued during the current year.*
4. *Audit observations on matters arising from performance reviews and audit of transactions in various departments including the Public Works and Irrigation and Flood Control Departments, audit of stores and stock, audit of autonomous bodies, audit of revenue receipts and departmentally run commercial undertakings for the year ended 31 March 2012 are included in a separate Report.*
5. *The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.*

Executive Summary

Background

This Report on the Finances of the Government of Manipur is being brought out with a view to assess objectively the financial performance of the State during the year 2011-12. 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, 2005 as well as in the Budget estimates of 2011-12.

The Report

Based on the audited accounts of the Government of Manipur for the year ending March 2012, 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 the Government of Manipur's fiscal position as on 31 March 2012. It provides an insight into trends in committed expenditure, borrowing pattern besides a brief account of Central funds transferred directly to the State implementing agencies.

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

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

Audit findings and recommendations

FINANCES OF THE STATE GOVERNMENT

Revenue receipts

Despite significant increase in own Tax revenue and own Non-tax revenue, Revenue receipts of the State as a whole increased marginally by 4 *per cent* (₹ 223.61 crore) only due to decrease in Grants-in-aid from GoI. Against this, the Revenue expenditure increased by 23 *per cent* (₹ 928.91 crore). The mismatch between Revenue receipts and Revenue expenditure resulted in sharp decline in Revenue surplus from ₹ 1352 crore in the previous year to ₹ 647 crore in 2011-12. The Total receipts of the State in the current year increased by ₹ 1792.90 crore, of which 88 *per cent* of the increase (₹ 1573.66 crore) was contributed by

Public Accounts Receipts, for which the State Government had to bear payment liabilities in future (paras 1.1 and 1.5.1).

Funds transferred directly from GoI to the State implementing agencies

The GoI directly transferred ₹ 1259.23 crore to State implementing agencies during 2011-12. Direct transfer of funds from the GoI to the State implementing agencies run the risk of inadequate monitoring of utilization of funds by these agencies in the absence of uniform accounting policies and effective monitoring system.

In most of the test checked units, no proper cash book was maintained and in one case some amount transferred by the State implementing agencies had not been still received by the implementing unit. In one case, no co-operation was extended to Audit by the implementing unit despite taking up the matter with the highest level.

Expenditure status

During 2011-12 the total expenditure increased by ₹ 702.54 crore (12 *per cent*) from the previous year. The increase was due to increase in Revenue expenditure (₹ 928.91 crore) offset by decrease in Capital expenditure (₹ 222.65 crore). During 2007-12, Revenue expenditure had increased significantly by 118 *per cent* as compared to increase of 53 *per cent* in respect of Capital expenditure. There was a similar trend in increase of Non-plan Revenue expenditure (NPRE), which constituted major portion of Revenue expenditure. Non-plan Revenue expenditure which remained around 50 *per cent* of the Total expenditure during 2007-11 increased to 59 *per cent* in the current year at the expense of Plan expenditure. Committed expenditure as percentage of Revenue receipts increased from 41 *per cent* (2007-08) to 45 *per cent* (2009-10) to 57 *per cent* (2011-12). As such, the State's expenditure scope for developmental activities has been increasingly limited over the years.

Salaries expenditure has increased substantially during the last two years and account for 39 *per cent* of Revenue receipts during 2011-12. The Non-plan salary expenditure in 2011-12 was more by ₹ 803.90 crore (62 *per cent*) than what was assessed by the ThFC.

Increase of Revenue expenditure and Non-plan expenditure at the expense of Plan expenditure may deter stimulus for economic growth. As substantial portion of Revenue receipts are confined to Committed expenditure like Salaries and Wages, Interest payment *etc.*, the State has limited scope for other development activities. The State may need to re-look this aspect with the Revenue receipts and fiscal liabilities profile of the State (paras 1.7.1 and 1.7.2).

Fiscal position, fiscal liabilities and sustainability of debt

Decrease in devolution of Grants-in-aid from the GoI has an adverse effect on the economy of the State in terms of fiscal position and sustainability of debt. This is despite increase in Own tax and Non-tax collection by the State and decrease in Capital expenditure (paras 1.1 and 1.12.3). In terms of key fiscal indicators, the deficit experienced by the State was the worst during the last five years (2007-12). Fiscal deficit increased from ₹ 569 crore to ₹ 1047 crore while Primary deficit increased from ₹ 204 to ₹ 650 crore over the previous year (para 1.12.1).

Fiscal deficit scenario experienced by the State is a cause of concern, especially from the fact the year 2011-12 ended with negative closing cash balance. In case the position does not improve in the coming years, the State may face the prospect of an unmanageable debt scenario. The State's flow of revenue resources should keep up with the pace of expenditure obligations, and the Government may need to explore avenues for further raising the revenue realizations from both tax and non-tax revenue sources.

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

During 2011-12, an expenditure of ₹ 6881.85 crore was incurred against a total budget provision of ₹ 8711.53 crore, resulting in overall saving of ₹ 1829.68 crore. The overall savings was the net result of saving of ₹ 1919.06 crore offset by excess of ₹ 89.38 crore. The excess requires regularization under Article 205 of the Constitution of India. Excess expenditure amounting to ₹ 276.02 crore for the period 2007-11 are still awaiting regularization, despite recommendation of the Public Accounts Committee to regularize the excess expenditure (Paras 2.2 and 2.3).

Supplementary provision aggregating ₹ 97.21 crore in 10 cases was unnecessary as the expenditure did not come up to the level of original provision while in 12 cases, supplementary provision of ₹ 74.64 crore proved insufficient by more than ₹ 10 lakh in each case. Substantial surrenders (amount exceeding ₹ 10 crore in each case) were made in respect of 16 sub-heads, out of which in twelve schemes/programmes, the whole provision amounting to ₹ 649.60 crore was surrendered. There was one case in which an amount of ₹ 2.26 crore was surrendered despite having excess expenditure over the total provision (Para 2.3).

Out of ₹ 2411.95 crore paid through Abstract Contingent (AC) bills during 2003-12, Detailed Countersigned Contingent bills for ₹ 948.35 crore are outstanding as on November 2012 (Para 2.4).

The Government should regularize the excess expenditure as it is not only a violation of constitutional provision but also a disregard of the recommendations made by the PAC. 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 nearly as possible. A close and rigorous monitoring mechanism should be put in place to adjust AC bills within thirty days from the date of drawal of the amount, and the Government needs to take a firm action to arrest the trend of rising drawal of Abstract Contingent Bills and pendency in submission of Detailed Countersigned Contingent Bills.

FINANCIAL REPORTING

As of March 2012, 2410 Utilization Certificates involving ₹ 1425.34 crore in respect of grants were in arrear. There were also delays in placement of Separate Audit Reports on Autonomous District Councils to Legislature and huge arrears in finalization of accounts by the ADC/Autonomous Bodies. Five Departmental undertakings of certain Government Departments have not submitted their accounts for more than 10 years. Out of 50 departments/Autonomous bodies, only seven replies were received to ascertain the status of non-adjustment of temporary advances, misappropriation, losses *etc.* (Paras 3.1, 3.2, 3.3 and 3.4).

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

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

GSDP¹ of the State grew at the rate of 14.29 *per cent* (₹ 10619 crore) at current price during 2011-12 against a growth of 12.56 *per cent* (₹ 9291 crore) during 2010-11. The Compounded Annual Growth Rate (CAGR) of GSDP of the State during 2002-12 was 12.29 *per cent* (**Appendix-1.1 - Part D**).

This chapter provides a broad perspective of the finances of the Government of Manipur during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. The details of structure, form of Government accounts, layout of Finance Accounts, methodology adopted for assessment of fiscal position, profile of the State *etc.* are given in **Appendix-1.1**.

1.1 Summary of current year's fiscal transactions

The table below presents the summary of the State Government's fiscal transactions during the current year (2011-12) *vis-à-vis* the previous year while **Appendix-1.2** provides details of receipts and disbursements as well as overall fiscal position during the current year.

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

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

2010-11	Receipts	2011-12	2010-11	Disbursements	2011-12		
Section-A: Revenue					Non - Plan	Plan	Total
5429.94	Revenue receipts	5653.55	4078.01	Revenue expenditure	3925.83	1081.09	5006.92
267.05	Tax revenue	368.07	1642.75	General services	2124.69	8.91	2133.60
259.88	Non-tax revenue	311.53	1238.47	Social services	856.18	583.11	1439.29
990.57	Share of Union Taxes/ Duties	1154.03	1083.68	Economic services	768.30	489.07	1257.37
3912.44	Grants from Government of India	3819.92	113.11	Grants-in-aid and Contributions	176.66	-	176.66
Section-B: Capital							
-	Misc. Capital receipts	-	1918.06	Capital expenditure	(-) 3.22	1698.63	1695.41
1.19	Recoveries of Loans and Advances	1.89	3.80	Loans and Advances disbursed			0.08
298.40	Public debt receipts	293.33	115.02	Repayment of public debt *			160.24
-	Contingency Fund	-	-	Contingency Fund			-
4008.55	Public Account receipts	5582.21	3634.11	Public Account disbursements			5396.61
367.40	Opening Cash Balance	356.48	356.48	Closing Cash Balance			(-)371.80
10105.48	Total	11887.46	10105.48	Total			11887.46

(Source: Finance Accounts)

*Excluding net transactions under Ways and means advances (₹ 89.95 crore) and Overdraft, if any

Following are the significant changes during 2011-12 over the previous year:

- **Revenue receipts** increased marginally by ₹ 223.61 crore (4 per cent) over the previous year. Tax revenue and Non-tax revenue increased by ₹ 101.02 crore (38 per cent) and ₹ 51.65 crore (20 per cent) respectively. State's share of Union Taxes and Duties also increased by ₹ 163.46 crore. Grants-in-aid from Government of India (GoI) decreased by ₹ 92.52 crore. Despite significant increase in Own tax revenue and Non-tax revenue, Revenue receipts as a whole increased marginally due to decline in Grants-in-aid;
- **Revenue expenditure** increased by ₹ 928.91 crore (23 per cent) over the previous year while **Capital expenditure** decreased by ₹ 222.65 crore (12 per cent);
- **Disbursement of Loans and Advances** decreased significantly by ₹ 3.72 crore (98 per cent) over the previous year. Recoveries of Loans and advances increased by ₹ 0.70 crore over the previous year;
- **Public debt receipts** decreased by ₹ 5.07 crore (2 per cent) over the previous year. Repayment of public debt increased sharply by ₹ 45.22 crore (39 per cent) over the previous year;
- **Public Account receipts and disbursements** increased significantly by ₹ 1573.66 crore (39 per cent) and ₹ 1762.50 crore (48 per cent) respectively over the previous year; and

- The total inflow during 2011-12 was ₹ 11887.46 crore against ₹ 10,105.48 crore in 2010-11, while the total outflow during 2011-12 was ₹ 12259.26 crore against ₹ 9749 crore during the previous year, leading to negative cash balances of the State of ₹ 371.80 crore.

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

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

The performance of the State during 2011-12 in terms of fiscal targets fixed for major fiscal parameters/variables laid down in the FRBM Act and MTFPS *vis-à-vis* achievements is given in the table below:

Table 1.2: Trends in Major fiscal parameters/variables *vis-à-vis* projections for 2011-12
(₹ in crore)

Fiscal parameters	Targets as per FRBM Act	Projections made in MTFPS	Actual
Revenue deficit/surplus	Revenue deficit targeted at 0.00 (by 31.3.2009)	19 per cent of Total Revenue Receipts i.e. 19 per cent x 5653.55 i.e. ₹ 1074.17 crore	(+) 646.63
Fiscal deficit/ GSDP (per cent)	3 per cent of GSDP (by 31.3.2009)	7 per cent of GSDP	9.86 per cent (FD – ₹ 1046.97 cr and GSDP – ₹ 10619 cr)
State's outstanding guarantees	Not to exceed thrice the State's own tax revenue receipts of the second preceding year i.e. ₹ 588.12 crore (196.04 x 3)	NA	175.35
Salary expenditure	35 per cent of revenue expenditure net interest payment and pension i.e. 35 per cent of (5006.92–397.44–628.15) i.e. ₹ 1393.47 crore	NA	2215.87 ²

(Source: FRBM Act/Rules, MTFPS etc.)

The above table reveals that the State could achieve the targets of fiscal parameters of FRBM Act in respect of Revenue Deficit/Surplus and Outstanding guarantees. Though there was Revenue surplus, it could not achieve the targets set in MTFPS. Fiscal parameters in respect of fiscal deficits/GSDP and Salary expenditure could not be achieved as in the previous years. Fiscal deficit (FD) increased by ₹ 478.23 crore (84.09 per cent) from ₹ 568.74 crore in previous year to ₹ 1046.97 crore in 2011-12 and the target of FD as percentage of GSDP could not be achieved as set in the FRBM act/MTFPS. As compared to previous year FD-GSDP ratio of 6.18 per cent, the ratio was 9.86 per cent in the current year.

² including ₹ 5.78 crore on wages and excluding ₹ 49.19 crore (Leave Encashment benefits) booked under 'Major Head-2071-Pensions and Other Retirement Benefits'

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

As in the previous years, the curb on Salary expenditure could not be achieved *vis-a-vis* FRBM target. The expenditure under salary and wages exceeded the targets set as per FRBM Act (₹ 1393.47 crore) by ₹ 822.40 crore (59 *per cent*). Expenditure on Salary and Wages increased by ₹ 537.92 crore from ₹ 1677.95 crore (32 *per cent*) in 2010-11 to ₹ 2215.87 crore in 2011-12.

1.3 Growth and composition of Gross State Domestic Product

Gross State Domestic Product (GSDP), a major fiscal indicator is considered to be a key factor for assessing the performance of the State's economy. It is prepared based on income generating approach that measures gross income generated by factors of production physically located within the geographical boundaries of the State and also represents the volume of goods and services produced within the State. During 2011-12, the advance estimate GSDP for the State of Manipur was ₹ 10619 crore, which was arrived at on the basis of current price. The table below shows the trend of growth of GSDP for the last five years.

Table 1.3: GSDP and the rate of growth during 2007-12

	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Gross State Domestic Product*	6799	7399	8254	9291(Q)	10619(A)
Growth rate of GSDP in <i>per cent</i>	10.79	8.82	11.56	12.56	14.29

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

As per the preliminary GSDP figures of 2010-12, the State could register a robust GSDP growth as compared to earlier years (2007-10). The advance estimates of GSDP of the State during 2011-12 at ₹ 10619 crore was higher than the ThFC figure of ₹ 9001 crore but marginally lower than MTFPS projection of ₹ 10660 crore. The registered growth rate of GSDP at 14.29 *per cent* in 2011-12 was also higher than the ThFC projected annual growth rate of 10.91 *per cent*.

1.4 Budget analysis

The budget papers presented by the State Government provide description of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Several reasons may account for the deviation of actual realization from budget estimates *e.g.* unanticipated and unforeseen events or under/over estimation of expenditure/revenue *etc.* The table below and chart presents the consolidated picture of budget estimates and actuals of the State finances during 2011-12.

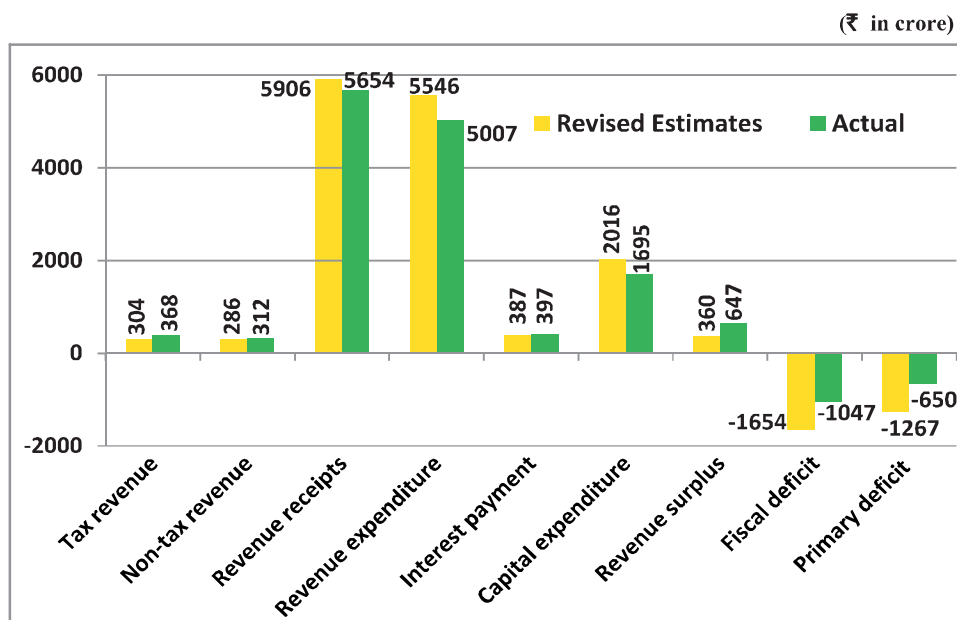
Table 1.4: Statement showing budget estimates and Actuals

(₹ in crore)

Parameters	2011-12			Percentage of excess (+)/shortfall (-) w.r.t. RE
	Budget Estimates (BE)	Revised Estimates (RE)	Actual	
Tax revenue	317.84	304.45	368.07	20.90
Non-tax revenue	459.72	285.88	311.53	8.97
Revenue receipts	5882.32	5906.47	5653.55	(-) 4.28
Revenue expenditure	4744.00	5546.45	5006.92	(-) 9.73
Interest payment	392.40	387.12	397.44	2.67
Capital expenditure	1978.84	2016.35	1695.41	(-) 15.92
Disbursement of Loans & Advances	2.50	1.50	0.08	(-) 94.67
Revenue surplus	1138.31	360.02	646.63	79.61
Fiscal deficit	- 839.09	- 1654.24	- 1046.97	(-) 36.71
Primary deficit (-)/surplus (+)	- 446.69	- 1267.12	- 649.53	(-) 48.74
Capital receipts	-	-	-	-
Recoveries of Loans and Advances	3.93	3.59	1.89	(-) 47.35

(Source: Budget documents and Finance Accounts)

The chart below presents the budget estimates and actuals for some important fiscal parameters during 2011-12.

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

During 2011-12 revenue receipts, revenue expenditure and capital expenditure were less than the budget projections. Actual tax revenue collection and non tax revenue collection were more than the budget figures by ₹ 63.62 crore and by ₹ 25.65 crore respectively. The budget project of Interest payment was relatively accurate as there was marginal difference (₹ 10 crore) with the actual expenditure. The key parameters of deficits indicators *viz.*, revenue surplus, fiscal deficit and primary deficit were better than the budget projects. While revenue surplus was more than the budget figures by ₹ 286.61 crore (80 per cent), fiscal deficit was less than the budget figures by ₹ 607.27 crore.

In case of primary deficit, it was less than the budget by 49 *per cent* (₹ 617.59 crore).

1.5 Resources of the State

1.5.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, Non-tax revenues, State's share of union taxes and duties and Grants-in-aid from the Government of India (GoI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI as well as accruals from Public Account. **Table-1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while Chart 1.2 depicts the trends in various components of the receipts of the State during 2007-12. Chart 1.3 depicts the composition of resources of the State during the current year.

Chart 1.2: Trends in Receipts

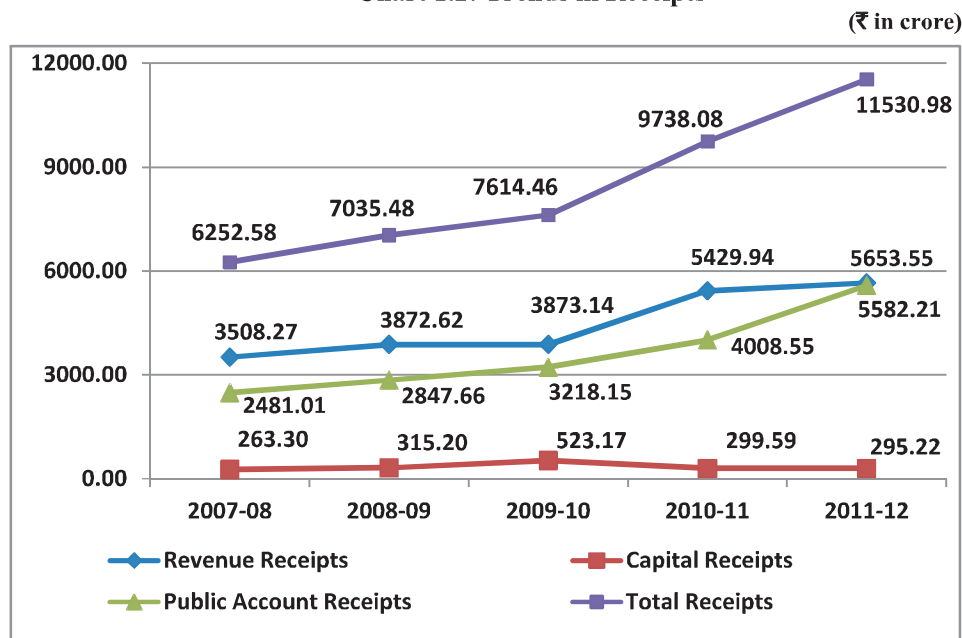
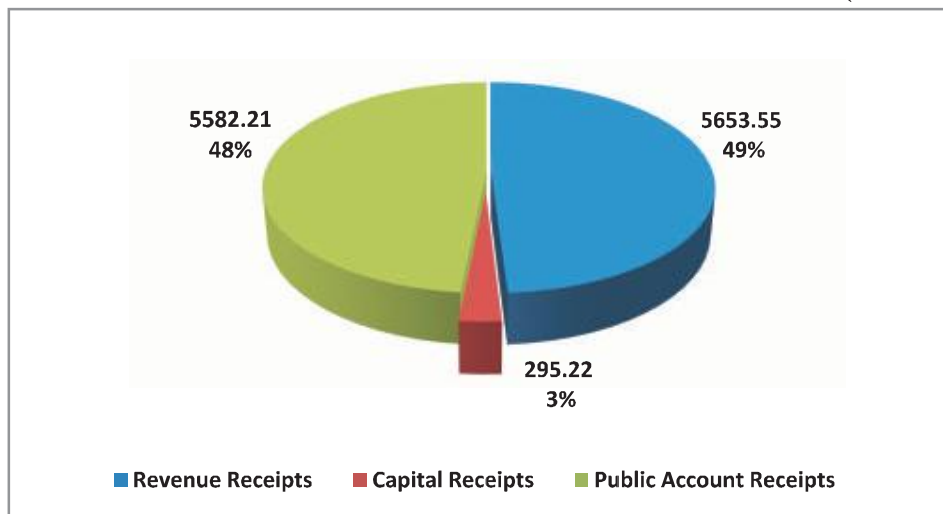


Chart 1.3: Composition of Receipts during 2011-12

(₹ in crore)



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

The total receipts during the current year has increased by ₹ 1792.90 crore (18 *per cent*) over the previous year. The increase in total receipts was mainly due to increase in Public Account receipts (₹ 1573.66 crore) which comprised 88 *per cent* of the increase in total receipts. Revenue receipts increased by ₹ 223.61 crore while capital receipts decreased marginally by ₹ 4.37 crore. Thus, increase in total receipts in the current year came in the form of borrowings, which may put a strain on the repayment profile if such trend were to be continued.

The total receipts of the State for 2011-12 was ₹ 11530.98 crore, of which ₹ 5653.55 crore (49 *per cent*) came from revenue receipts and ₹ 5582.21 crore (48 *per cent*) came from Public Account receipts. Capital receipts contributed ₹ 295.22 crore which formed three *per cent* of the total receipts.

Though Revenue receipts registered a steady growth of 61 *per cent* from ₹ 3508.27 crore in 2007-08 to ₹ 5653.55 crore in the current year, it could increase marginally in 2011-12 by 4 *per cent* as compared to 2010-11. Public Account receipts increased significantly by 39 *per cent* in 2011-12 over the previous year. During these five years (2007-12), the Public Account receipts increased significantly by 125 *per cent* from ₹ 2481.01 crore in 2007-08 to ₹ 5582.21 crore in 2011-12.

As in previous year, Capital receipts declined by ₹ 4.37 crore from ₹ 299.59 crore in 2010-11 to ₹ 295.22 crore in 2011-12.

1.5.2 Funds transferred to State Implementing Agencies outside the State budgets

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

³ Refer glossary in Appendix 4.1

funds are not routed through the State Budget/State Treasury System, Annual Finance Accounts do not capture the flow of these funds and to that extent State's receipts and expenditure as well as other fiscal variables/parameters derived from them are understated. During 2011-12, the Government of India has transferred an amount of around ₹ 1259.32 crore to the Implementing Agencies. Details are given in **Appendix-1.3**. Significant amount released for major programmes/schemes are detailed in the table below:

Table-1.5: Major funds transferred directly to State Implementing Agencies

(₹ in crore)			
Sl. No.	Programme/Scheme	Implementing Agency in the State	Total fund released by the GoI during 2011-12
1	Mahatma Gandhi National Rural Employment Guarantee	9 District Rural Development Agencies (DRDAs)	584.85
2	Pradhan Mantri Gram Sadak Yojana	Manipur Rural Roads Development Agency	177.53
3	National Mission on Medicinal Plants	Manipur Horticulture Development Society	87.46
4	National Mission on Micro Irrigation	State Micro Irrigation Committee, Manipur	50.00
5	National Rural Drinking Water Programme	State Level Water and Sanitary Mission, Manipur	47.60
6	Sarva Shiksha Abhiyan	State Implementation Society	39.41
7	Rashtriya Madhyamik Shiksha Abhiyan	State Implementation Society	38.13
8	Integrated Watershed Management Programme	5 DRDAs	25.57
9	Rural Housing –Indira Awas Yojana	9 DRDAs	23.63
10	National Bamboo Mission	State Bamboo Steering Committee	17.22
11	National AIDS Control Programme including sexually transmitted disease Control	Manipur State AIDS Control Society	13.40
12	National Afforestation Programme	Forest Development Agencies, Thoubal and State Forest Development Agency Manipur	12.74
		Total:	1117.54

(Source: Finance Accounts)

The above table shows that an amount of ₹ 584.85 crore (about 46 *per cent* of the total funds transferred) was given for Mahatma Gandhi National Rural Employment Guarantee Programme, ₹ 177.53 crore (about 14 *per cent*) for Pradhan Mantri Gram Sadak Yojana and ₹ 87.46 crore (about 7 *per cent*) for National Mission on Medicinal Plants. With the transfer of an amount of around ₹ 1259.32 crore directly by the GoI to the State Implementing Agencies, the total availability of State resources increased from ₹ 11,530.98 crore to ₹ 12,790.30 crore during the current year.

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

uniform manner and report the actual expenditure to the GoI, which would help in keeping track of end use of funds.

An analysis of two of these schemes viz., National Rural Drinking Water Programme and National Aids Control Programme revealed the following improper maintenance of accounts:

➤ **National Rural Drinking Water Programme**

The activities of the National Rural Drinking Water Programme (NRDWP) in the State are carried out through State Level Water and Sanitary Mission (SWSM) under Community and Capacity Development Unit (CCDU) of the Public Health Engineering Department. CCDU transferred the fund released by the GoI to various Programme Implementing Units (PIUs).

During 2011-12, ₹ 47.60 crore was released by the GoI through 14 sanction orders for the implementation of the programme. Out of the total amount, ₹ 45.18 crore was allocated to 14 PIUs. An amount of ₹ 2.42 crore pertaining to two sanction orders received from the GoI were utilized by the Nodal Agency itself. The Nodal agency stated that the late release of fund from the Ministry resulted in inability to utilize the funds fully. The details are shown below:

Table 1.6: Allocation of fund under NRDWP for the year 2011-12

(₹ in crore)	
Name of Division	Receipt
Bishnupur division	4.29
Chandel division	2.73
Churachandpur division	3.44
Imphal East division	5.55
Imphal West division	6.92
Thoubal division	6.17
Senapati division	3.07
Kangpokpi division	2.68
Ukhrul division	2.43
Jiribam division	3.29
Mechanical & Electrical division	0.42
Investigation Planning and Design division-I	1.31
Maintenance division-II	0.15
Tamenglong division	2.73
CCDU	2.42
Total:	47.60

(Source: Departmental records)

Out of the above 14 divisions, two divisions were test checked (November-December 2012). In case of Imphal East, PHE Division, no separate cash book was maintained for the fund transferred under NRDWP. On this being pointed out by audit, the Department accepted (November 2012) the audit comment and stated that cash book will be maintained henceforth.

In the cash book of the Mechanical and Electrical Division no entry was made in the receipt column. The department accepted the audit observation and made a spot rectification thereafter.

➤ **National AIDS Control Programme**

The activities of the National AIDS Control Programme in the State are carried out through the Manipur AIDS Control Society (MACS). MACS transferred the funds released by GoI to various NGOs, District Hospitals, District Authorities, Autonomous Bodies *etc.* The details are as below:

Table 1.7: Funds received for National AIDS Control Programme, 2011-12

(₹ in crore)			
	Receipt	Payment	Balance
Global Fund Rolling Continuous Channel (RCC)-II	Grant from NACO- 3.35	Advance to NGOs- 0.02	1.05
	Previous year balance, Other Income- 0.14	Advances to Autonomous Bodies, Inter Unit Transfer- 0.64 Other expenses- 1.78	
	Sub-total- 3.49	Sub-total- 2.44	
Global Fund RCC-IV	Grant from NACO- 0.68	Advance to NGOs- 1.60	0.61
	Previous Year balance, Other Income- 2.94	Advance to Staff, Autonomous Bodies, Inter Unit Transfer- 0.60 Advance to District Hospital- 0.22 Other expenses- 0.59	
	Sub-total- 3.62	Sub-total- 3.01	
Pool Fund	Grant from NACO- 13.33	Advances to NGOs- 7.84	3.94
	Previous Year balance, other income, imprest- 3.79	Advance to District Hospital- 0.06 Other Advances- 1.74 Other expenses- 3.54	
	Sub-total- 17.12	Sub-total- 13.18	
Global Fund VII	Grant from NACO- 0.76	Advance to NGOs- 1.89	0.77
	Previous year balance, Other income- 1.90		
	Sub-total- 2.66	Sub-total- 1.89	
Grand total:	26.89 *	20.52	6.37

* including ₹ 8.77 crore from Previous year balance, Other income (as shown in the above Table) and ₹ 4.72 crore not reflected in CGA's website.

(Source: Departmental records)

The two amounts transferred under RCC II (₹ 0.5 crore) during 2011-12 and under Pool Fund (₹ 4.22 crore) received by MACS from the GoI were not reflected in Controller General of Account's (CGA) website.

Four implementing units/ centres viz., (i) Anti-Retroviral Therapy (ART) Centre, Regional Institute of Medical Sciences (RIMS), (ii) Centre of Excellence, RIMS, (iii) ART (Adult) Centre, Jawaharlal Nehru Institute of Medical Sciences (JNIMS) and (iv) ART(Pediatrics) Centre, JNIMS were test checked.

No cash book was found to be maintained in ART (Adult) Centre, JNIMS. On this being pointed out by Audit, the Centre accepted the audit observation and stated that cash book will be maintained henceforth (January 2013).

Cash book entries were not made at ART centre, RIMS for the funds transferred by MACS. On this being pointed out by Audit, the necessary rectifications were carried out. Further, ₹ 1.5 lakh released by MACS (January 2013) had not been received by the Centre.

No discrepancy was noticed in respect of Centre of Excellence, RIMS and ART (Pediatrics) Centre, JNIMS did not co-operate with Audit despite taking the matter with the highest level of the State Government.

1.6 Revenue Receipts

Statement-11 of the Finance Accounts contains details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, central tax transfers and Grants-in-aid from GoI. The trends of revenue receipts over the period 2007-12 are presented in **Appendix-1.4** and depicted in the chart below. The trends in revenue receipts relative to GSDP are also presented in the table below:

Chart 1.4: Trends in Revenue receipts

(₹ in crore)

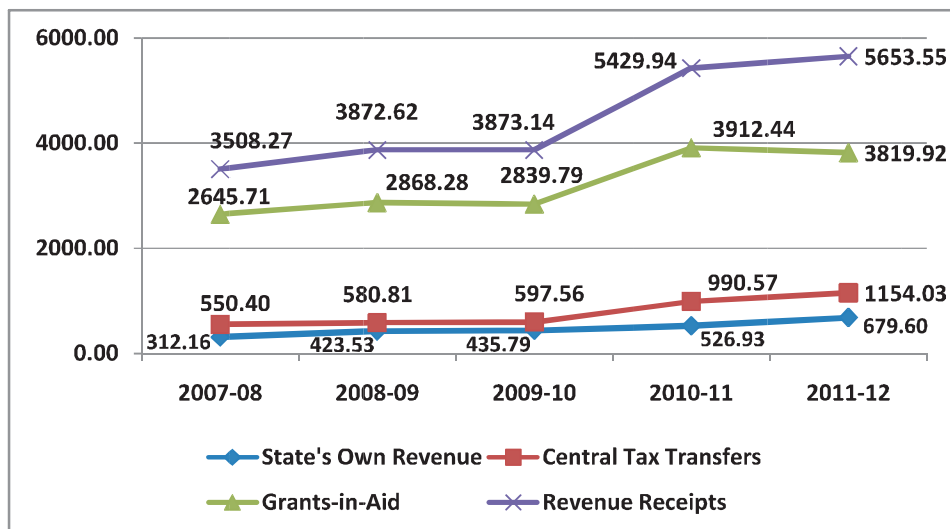


Table 1.8: Trends in Revenue receipts relative to GSDP

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue receipts (RR) (₹ in crore)	3508.27	3872.62	3873.14	5429.94	5653.55
Rate of growth of RR (<i>per cent</i>)	22.55	10.39	0.01	40.19	4.12
State Own taxes* (₹ in crore)	312.16	423.53	435.79	526.93	679.60
Rate of growth of Own taxes (<i>per cent</i>)	3.16	35.68	2.89	20.91	28.97
GSDP (₹ in crore)	6799	7399	8254	9291(Q)	10619(A)
Rate of growth of GSDP (<i>per cent</i>)	10.79	8.82	11.56	12.56	14.29
Revenue Receipts/GSDP (<i>per cent</i>)	51.60	52.34	46.92	58.44	53.24
Buoyancy Ratios⁴					
Revenue buoyancy w.r.t. GSDP	2.09	1.18	0.0009	3.20	0.29
State's Own taxes Buoyancy w.r.t GSDP	0.29	4.05	0.25	1.66	2.03

* includes both Tax revenue and Non-tax revenue

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

Though the State's own taxes remained buoyant as compared to the GSDP during 2011-12, it will have little impact to the revenue position in the State as the contribution of the State's own taxes to the revenue receipts of the State is marginal (about 12 *per cent*). Nearly 88 *per cent* of the State Revenue receipt is from the Grants-in aid and Central tax transfers. As such, unless the proportion of State's own revenue sources improves, any reduced devolution of Central funds in future will have an adverse impact on the State's economy. As can be seen from **Appendix-1.4**, some of the sources of tax revenue like

⁴ Refer glossary in Appendix 4.1

taxes on vehicles, state excise, stamp and registration *etc.*, have the scope of increasing their revenue collection.

1.6.1 General trends

As can be seen from chart 1.4, during 2007-12 around 88 to 91 *per cent* of the revenue receipt of the State came from GoI. The revenue receipts of the State increased by ₹ 2145.28 crore from ₹ 3508.27 crore in 2007-08 to ₹ 5653.55 crore in 2011-12. There were, however, wide inter-year variations in the growth rates, which ranged from 40.19 *per cent* growth (2010-11) to almost nil growth (2009-10). During 2011-12, the growth rate reduced to 4.12 *per cent*. Except for Grants-in-aid from GoI in 2009-10 and 2011-12, all the components of revenue receipts have exhibited increases in absolute terms over the period of 2007-12. The almost nil growth in revenue receipts in 2009-10 and 2011-12 coincided with the negative growth of Grants-in-aid from GoI in 2009-10; and shows the extent to which the State's economy is dependent on central funds. The revenue receipts remained buoyant *vis-à-vis* GSDP during the period 2007-12 except during 2009-10 and 2011-12. The buoyancy of the State's own taxes depicted widely fluctuating figures, indicating an uncertain trend of rate of growth as compared to GSDP growth rate.

1.6.2 Central tax transfers

The Central tax transfers increased by ₹ 163.46 crore (16 *per cent*) over the previous year and constituted 20 *per cent* of revenue receipts. The increase was mainly due to increase in Corporation tax (₹ 67.06) and Customs duties (₹ 26.87 crore).

1.6.3 Grants-in-aid

Grants-in-aid from GoI decreased by ₹ 92.52 crore in 2011-12 over the previous year from ₹ 3912.44 crore to ₹ 3819.92. However, it continued to remain the major contributor to the revenue receipts of the State and accounted for 67 *per cent* of the revenue receipts of the State. The decrease in Grants-in-aid was mainly due to decrease in Grants for Centrally Sponsored Schemes (₹ 63.39 crore), Grants for State/Union Territory Plan Schemes (₹ 17.83 crore) and Non-plan Grants (₹ 9.74 crore).

1.6.4 State's own resources

As the State's share in Central taxes and Grants-in-aid are determined on the basis of recommendations of the Finance Commission, collection of Central tax receipts and Central assistance for plan schemes *etc.*, the State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The table below shows the trends of tax and non-tax revenue during the years 2007-12 as well as the variation between the budget estimates of revenue receipts and the actual receipts under the principal heads of tax and non-tax revenue for the year 2011-12.

Table 1.9: Sector-wise component of Tax revenue and Non-tax revenue

(₹ in crore)

Name of component	Year				2011-12		
	2007-08	2008-09	2009-10	2010-11	BE	Actual	Variation in Actual and BE (in per cent)
Tax revenue							
Sales tax	120.75	141.38	163.28	227.57	242.20	296.92	22.59
Other taxes on Income and Expenditure	14.72	15.46	17.63	18.77	30.00	21.60	(-) 28
Taxes on vehicles	3.57	4.03	4.34	4.44	15.65	13.21	(-) 15.59
State excise	3.75	3.91	4.70	6.61	12.11	9.80	(-) 19.08
Stamps and registration fees	2.93	3.18	4.26	3.57	15.52	4.82	(-) 68.94
Others tax revenue	1.73	2.11	1.83	6.09	2.36	21.72	820
Sub-total:	147.45	170.07	196.04	267.05	317.84	368.07	15.80
Non-tax revenue							
General Services	62.31	105.12	80.74	96.36	122.78	157.73	28.47
Social Services	4.79	9.78	11.63	16.25	24.07	7.89	(-) 67.22
Economic Services	70.00	98.57	114.65	102.62	271.82	120.73	(-) 55.58
Interest receipts and dividends etc.	27.61	39.99	32.73	44.65	41.05	25.18	(-) 38.66
Fiscal services	--	--	*	Δ	#	-	
Sub-total:	164.71	253.46	239.75	259.88	459.72	311.53	(-) 32.23
Total:	312.16	423.53	435.79	526.93	777.56	679.60	(-) 12.60

* ₹ 0.12 lakh only Δ ₹ 0.05 lakh only # ₹ 0.16 lakh only
(Source:- Budget documents and Finance Accounts)

(a) Own tax revenue

The tax revenue during 2011-12 increased by 38 *per cent* from ₹ 267.05 crore in 2010-11 to ₹ 368.07 crore in 2011-12. The tax revenue was 15.80 *per cent* more than the budget estimates of ₹ 317.84 crore. The increase of ₹ 101.02 crore was mainly contributed by Sales Tax (₹ 69.35 crore). As in the previous years, Sales Tax (₹ 296.92 crore) is the major contributor of the State own tax resource and accounted for around 81 *per cent* of the tax. The own tax revenue-GSDP ratio (3.47 *per cent*) was higher than the projection (2.81 *per cent*) made by the ThFC. The Compounded Annual Growth Rate⁵ (CAGR) of own tax revenue between 2002-03 and 2010-11 was 19.28 *per cent*, which increased to 21.21 *per cent* between 2002-03 and 2011-12; indicating that the collection of own tax revenue has improved in 2011-12 relative to previous years.

(b) Non-tax revenue

The non-tax revenue increased by 20 *per cent* (₹ 51.65 crore) from ₹ 259.88 crore in 2010-11 to ₹ 311.53 crore in 2011-12. The increase of ₹ 51.65 crore was mainly due to increase in Miscellaneous General Services (₹ 61.46 crore) and Power (₹ 18.30 crore), offset by decrease under Interest Receipts (₹ 19.47 crore) and Water Supply and Sanitation (₹ 8.34 crore). The CAGR of Own non-tax revenue between 2002-03 and 2010-11 was 21.02 *per cent*, which declined to 20.89 *per cent* between 2002-03 and 2011-12. The Non-tax revenue was less by 32.23 *per cent* than budget estimates of ₹ 459.72 crore.

⁵ Compounded 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 under considered. $CAGR = [Ending\ Value/Beginning\ Value]^{(1/no.\ of\ years)} - 1$

As such there is a significant variation between the budget estimate and the actual non-tax revenue collection.

➤ *Cost of recovery in supply of merit goods and services*

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

Table 1.10: Cost of recovery of socio-economic services during 2010-12
(₹ in crore)

Name of Services	2010-11			2011-12		
	Non-tax revenue receipts	Non-plan revenue expenditure	NTR as percentage of NPRE	Non-tax revenue receipts	Non-plan revenue expenditure	NTR as percentage of NPRE
Water Supply and Sanitation	14.21	46.83	30	5.87	64.32	9
Irrigation	10.68	26.85	40	8.80	31.63	28

(Source: Finance Accounts)

NTR as percentage of NPRE under Water Supply and Sanitation decreased from 30 *per cent* in 2010-11 to 9 *per cent* in 2011-12. This was due to increase in NPRE and decrease in NTR over the previous year. It is not understood how the NTR of a service like water supply and sanitation should have fallen by more than 50 *per cent* over the previous year. Similarly, in case of Irrigation the corresponding figure declined from 40 *per cent* to 28 *per cent*. In these two selected services, the NPRE was more than the NTR in both the years; and therefore efforts needs to be explored to limit NPRE and increase NTR collection so as to make the provision of these important services self sufficient.

1.6.5 Own resources vis-à-vis assessments of Twelfth/Thirteenth Finance Commissions (TFC/ThFC)

The mobilization of State's own resources *vis-à-vis* assessments made by the TFC (2006-10)/ThFC (2010-12) and actuals are as follows:

Table 1.11: TFC/ThFC recommendations of Tax and Non-Tax vis-à-vis Actuals
(₹ in crore)

Year	Assessment of TFC/ThFC			Actual			Shortfall (percentage)		
	Tax	Non-Tax	Total	Tax	Non-Tax	Total	Tax	Non-Tax	Total
2007-08	190.17	48.76	238.93	147.45	164.71	312.16	42.72(22)	-	-
2008-09	213.18	58.34	271.52	170.07	253.46	423.53	43.11(20)	-	-
2009-10	238.98	69.11	308.09	196.04	239.75	435.79	42.94(18)	-	-
2010-11	223.41	49.96	273.37	267.05	259.88	526.93	-	-	-
2011-12	253.17	82.90	336.07	368.07	311.53	679.60	-	-	-

(Source: Finance Accounts)

The State could not achieve the targets of Tax revenue collection fixed by the TFC during the award period of 2006-10. However, the State tax collection was more than the projected figure of ThFC in 2010-12. Thus, for two successive years the actual Tax revenue collected was more than the projection

made in the ThFC. The actual revenue collection from Non-tax revenue was much higher than the TFC/ThFC targets and there was no shortfall in own revenue collection *vis-à-vis* TFC/ThFC targets during 2007-12.

Tax revenue of ₹ 368.07 crore was more than the projection made in the MTFPS/budget (Tax revenue - ₹ 317.84 crore). However, Non-tax revenue of ₹ 311.53 crore was short of the projections made in the MTFPS/budget (Non-tax revenue - ₹ 459.72 crore) during 2011-12.

1.7 Application of resources

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

1.7.1 Growth and composition of expenditure

The Total expenditure and its compositions during the years 2007-12 are presented in the table and depicted in the chart below:

Table 1.12: Composition of Total expenditure

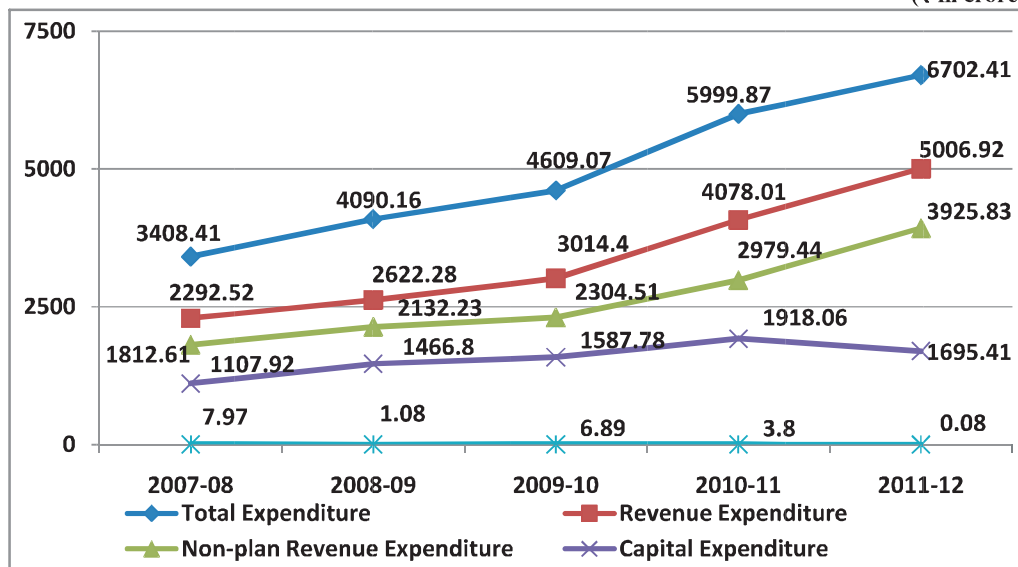
(₹ in crore)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Total Expenditure	3408.41	4090.16	4609.07	5999.87	6702.41
Revenue expenditure	2292.52	2622.28	3014.40	4078.01	5006.92
Of which, Non-plan revenue expenditure	1812.61	2132.23	2304.51	2979.44	3925.83
Capital expenditure	1107.92	1466.80	1587.78	1918.06	1695.41
Loans and Advances	7.97	1.08	6.89	3.80	0.08

(Source: Finance Accounts)

Chart 1.5: Trends in various components of Total Expenditure during 2007-12

(₹ in crore)



During 2011-12, the total expenditure increased by ₹ 702.54 crore (12 *per cent*) from the previous year. The increase was due to increase in revenue expenditure (₹ 928.91 crore) and offset by decrease in Capital expenditure (₹ 222.65 crore). During 2007-12, Revenue expenditure had increased significantly by 118 *per cent* from ₹ 2292.52 crore to ₹ 5006.92 crore. There was a similar trend in increase of Non-plan revenue expenditure (NPRE), which constitutes the major portion of revenue expenditure. During the same period, the capital expenditure increased by 53 *per cent* only. As such allotment of expenditure towards asset creation has grown at a much lower pace as compared to day-to-day activities of the Government. There was a decrease of expenditure of ₹ 7.89 crore under Loans and Advances during the period 2007-08 to 2011-12.

The increase in Revenue expenditure (₹ 928.91 crore) was mainly due to increase in expenditure relating to Pension and other Retirement benefits (₹ 228 crore), Police (₹ 185.21 crore), General Education (₹ 84.41 crore), Power (₹ 62.85 crore) and Medical and Public Health (₹ 41.24 crore), as compared to 2010-11.

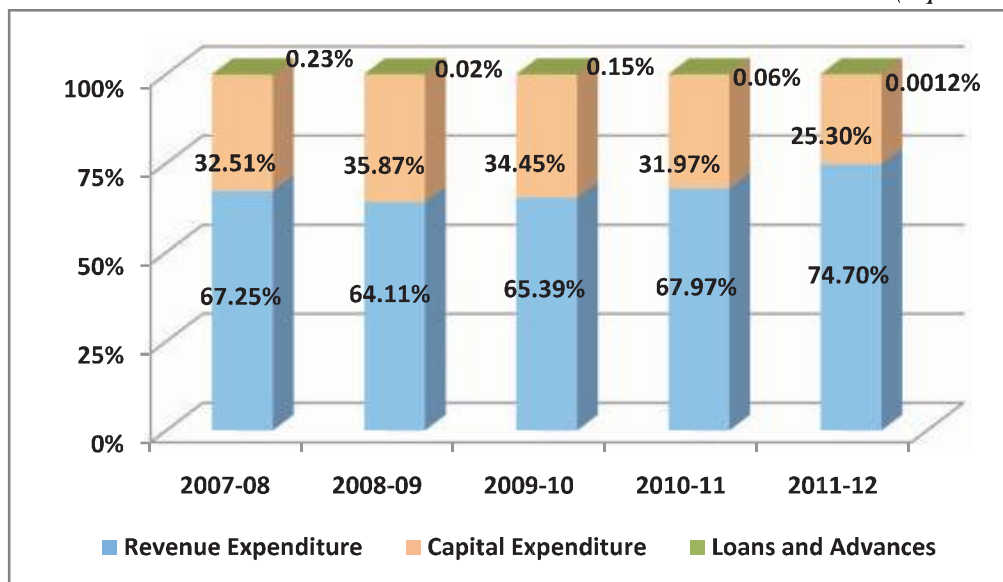
The decrease in Capital expenditure (₹ 222.65 crore) was mainly due to decrease in expenditure relating to Water Supply and Sanitation (₹ 135.15 crore), Power Projects (₹ 113.47 crore) and Major Irrigation (₹ 77.71 crore), partially offset by increase in Medical and Public Health (₹ 47.30 crore), Police (₹ 35.37 crore)⁶ and North Eastern Areas (₹ 31.98 crore).

A comparative study of expenditure in terms of Revenue, Capital and Loans and Advances reveals that since 2008-09, capital expenditure had a declining trend and there was a significant reduction in the share of capital expenditure during the year 2011-12. Revenue expenditure on the other hand has been increasing steadily since 2008-09. The analysis also reveals that expenditure on Loans and Advances has been below 1 *per cent* during the whole period of 2007-12. The components of the share of expenditure are shown in the chart below:

⁶ The increase was mainly due to increased in expenditure in relation to minor head 211-Police Housing (₹ 29.37 crore)

Chart 1.6: Trends showing share of components of Total expenditure

(in per cent)



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

Table 1.13: Trends in composition of expenditure in terms of Plan and Non-plan

(₹ in crore)

Types of Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12
NON-PLAN					
Revenue	1812.61	2132.23	2304.51	2979.44	3925.83
Capital	(-)1.68	3.01	(-)0.80	0.99	(-) 3.22
Loans and Advances	3.85	0.34	0.19	0.25	0.08
Sub-total *	1814.78 (53)	2135.58 (52)	2303.90 (50)	2980.68 (50)	3922.69(59)
PLAN					
Revenue	479.91	490.05	709.89	1098.57	1081.09
Capital	1109.59	1463.79	1588.58	1917.07	1698.63
Loans and Advances	4.12	0.74	6.7	3.55	-
Sub-total *	1593.62(47)	1954.58 (48)	2305.17 (50)	3019.19 (50)	2779.72(41)
TOTAL (Non-Plan and Plan)					
Revenue	2292.52	2622.28	3014.40	4078.01	5006.92
Capital	1107.91	1466.80	1587.78	1918.06	1695.41
Loans and Advances	7.97	1.08	6.89	3.80	0.08
Total Expenditure	3408.40	4090.16	4609.07	5999.87	6702.41

(Source: Finance Accounts)

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

The table discloses that Non-plan expenditure which remained around 50 per cent of total expenditure during 2007-11 increased to 59 per cent in 2011-12. The corresponding decrease of 9 per cent in Plan expenditure over the previous year was mainly due to decrease in capital accounts which decreased by ₹ 218.44 crore. Loans and Advances under Plan heads was nil in the year 2011-12. Under Non-plan heads, Revenue expenditure has increased by ₹ 2113.22 crore (117 per cent) from ₹ 1812.61 crore in 2007-08 to ₹ 3925.83 crore in 2011-12. Other components under Non-plan heads had been confined to an insignificant amount.

➤ **Non-plan Revenue expenditure**

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

As discussed in the preceding para, Non-plan revenue expenditure (NPRE) in 2011-12 was ₹ 3925.83 crore and was nearly 59 *per cent* of the Total expenditure. The NPRE in the current year exceeded the projections made in the MTFPS/budget estimates (₹ 3114.95 crore) by ₹ 810.88 crore.

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

Table 1.14: ThFC recommendations of NPRE *vis-à-vis Actuals*
(₹ in crore)

ThFC/ Actuals ⁷	Salary	General Services (GS)	Interest Payment (under GS)	Pension (under GS)	Social Services (SS)	Economic Services (ES)	Assignment to Local Bodies	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)(2+3+6+7+8)
2010-11								
ThFC	1242.73	738.34	350.29	273.78	151.54	135.95	110.46	2379.02
Actuals	1595.49	972.69	364.78	400.15	70.80	227.35	113.11	2979.44
2011-12								
ThFC	1287.66	804.97	373.90	301.15	163.66	144.39	119.30	2519.98
Actuals	2091.56	1284.13	397.44	628.15	74.30	299.18	176.66	3925.83

(Source: Thirteenth Finance Commission Report and Finance Accounts)

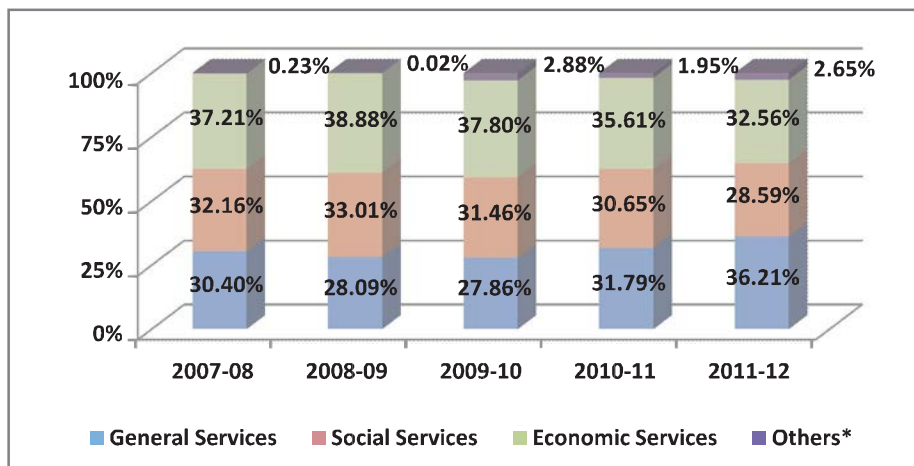
As in the previous years, all the components of expenditure except for expenditure under Social Services exceeded the limits set by the ThFC.

NPRE increased by ₹ 946.39 crore in 2011-12 (₹ 3925.83 crore) over the previous year (₹ 2979.44 crore). The overall increase in NPRE was mainly due to increase in expenditure on account of Superannuation and Retirement benefits (₹ 228.00 crore), Special Police (₹ 102.39 crore) and Family Pensions (₹ 58.67 crore).

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

⁷ The amount shown under Salary excludes Leave Encashment. Amounts under GS, SS and ES is excluding salary under the respective sectors.

Chart 1.7: Trends in composition of Total Expenditure by activities during 2007-12
(In per cent)



(* Others includes Loans and Advances)

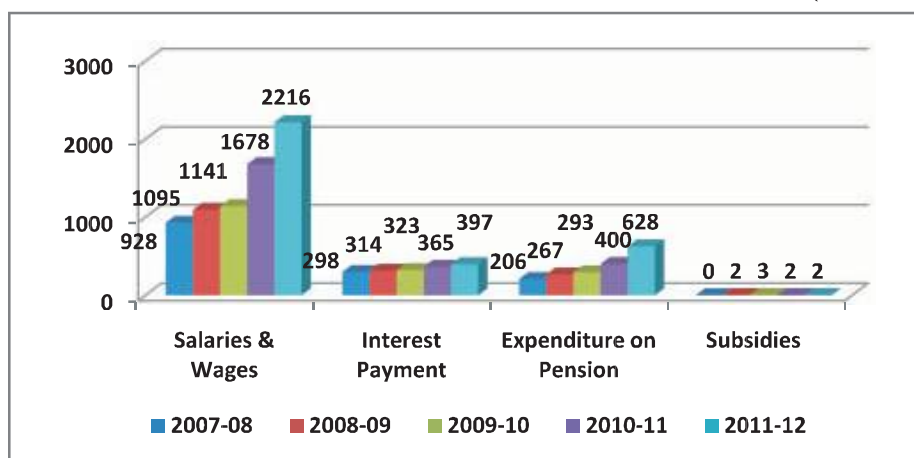
The share of expenditure on account of General Services increased by four *per cent* during the current year while the share on Social Services and Economic Services decreased by about two to three *per cent*. Expenditure on General Services increased by ₹ 519.50 crore⁸ in 2011-12 over the previous year. On revenue account, the increase in expenditure on General Services was mainly due to increase in expenditure on account of Pensions and Other retirement benefits (₹ 228 crore) and Police (₹ 185.21 crore).

1.7.2 Committed expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. The table below and Chart 1.8 present the trends in the expenditure on these components during 2007-12.

Chart 1.8: Trend of Committed expenditure for the years 2007-12

(₹ in crore)



⁸ ₹ 490.85 crore on Revenue accounts and ₹ 28.65 crore on Capital accounts

Table-1.15: Components of Committed Expenditure

Components of Committed Expenditure	2007-08	2008-09	2009-10	2010-11	(₹ in crore)	
					2011-12	
					BE	Actual
Salaries & Wages , of which	928 (26.45)	1095 (28.27)	1141 (29.46)	1678 (30.90)	1830.00	2215.87* (39.19)
Non-Plan Head	884	1041	1077	1595.49	1743.38	2091.56
Plan Head	44	54	64	82	86.62	124.31
Interest Payments	298 (8.49)	314 (8.11)	323 (8.34)	365 (6.72)	392.39	397.44 (7.03)
Expenditure on Pensions	206 (5.87)	267 (6.89)	293 (7.56)	400 (7.37)	389.55	628.15 (11.11)
Subsidies	-	2 (0.05)	3 (0.08)	2 (0.03)	2.09	1.84 (0.03)
Total:	1432 (40.82)	1678 (43.33)	1760 (45.44)	2445 (45.03)	2614.03	3243.30 (57.37)

(Source: Budget documents and Finance Accounts)

* including expenditure on account of Wages ₹ 5.78 crore and excluding ₹ 49.19 crore on Leave salary encashment booked under 'MH-2071- Pensions and Other Retirement Benefits'

(Figures in the parentheses indicate percentage to Revenue receipts)

Salaries and wages accounted for about 39 *per cent* of revenue receipts of the State during 2011-12 and increased by ₹ 537.87 crore (32 *per cent*) over the previous year. During the last two years, the expenditure on Salary and Wages has increased substantially. Expenditure on salaries under Non-plan heads increased by ₹ 496.07 crore (31 *per cent*) in 2011-12 (₹ 2091.56 crore) over the previous year (₹ 1595.49 crore). Salary under Plan head increased significantly by ₹ 42.31 crore (52 *per cent*) in 2011-12 (₹ 124.31 crore) over the previous year (₹ 82 crore). The Non-plan salary expenditure was more by ₹ 803.90 (62 *per cent*) crore than the projection (₹ 1287.66 crore) made by the ThFC. Committed expenditure as a percentage of Revenue receipts increased from 41 *per cent* (2007-08) to 45 *per cent* (2009-10) to 57 *per cent* (2011-12). As such, if the trend continues the State's economy would be limited to a lesser scope of expenditure over the coming years.

Interest payments increased by 33 *per cent* from ₹ 298 crore in 2007-08 to ₹ 397.44 crore in 2011-12. Compared to previous year, interest payments during 2011-12 increased by 8 *per cent*. Interest payments was mainly made on Interest on Internal debt (₹ 266.47 crore). Interest on Internal debt accounted for 67 *per cent* out of the total interest payment of ₹ 397.14 crore while the remaining share was for payment of interest on Small Savings, Provident Funds, *etc.* and on Loans and Advances from Central Government. The overall interest payment (₹ 397.44 crore) during the year was higher by ₹ 23.54 crore than the projection (₹ 373.90 crore) made by the ThFC of the year.

Pension payments accounted for 11 *per cent* of Revenue receipts of the State during 2011-12 and increased by 57 *per cent* from ₹ 400 crore in 2010-11 to ₹ 628.15 crore in 2011-12. Increase of ₹ 228.15 crore in pension payments during 2011-12 over the previous year was mainly due to increase in Superannuation and Retirement Allowances (₹ 123.26 crore) and Family Pensions (₹ 58.67 crore). The Pension payment in 2011-12 (₹ 628.15 crore) was more by 109 *per cent* (₹ 327 crore) when compared with the ThFC projection (₹ 301.15 crore).

The State Government has adopted (August 2010) the new Restructured Defined Contribution Pension Scheme of the GoI *mutatis mutandis* in respect of new entrants to the State's service with effect from 1 January 2005. The funds available in head "Defined Contribution Pension Scheme for Government Employees" increased from ₹ 33.86 crore in 2010-11 to ₹ 61.35 crore in 2011-12. The State Government had not contributed its matching share up to 2010-11 towards this Scheme. However, the State Government contributed only ₹ 8.23 crore towards this Scheme against employees' contribution of ₹ 27.49 crore during 2011-12. Thus, the State Government had not fully contributed its matching share and its liability at the close of 2011-12 stood at ₹ 53.12 crore (₹ 61.35 crore - ₹ 8.23 crore).

As per the provision of the scheme, three funds managers viz. State Bank of India Pension Funds Private limited, Life Insurance Corporation Pension Fund limited and Unit Trust of India asset Management Company were appointed as pension fund managers. However, no funds had been transferred to these fund managers for investment for the benefit of the employees covered by the new pension scheme.

1.7.3 Financial assistance by State Government to other institutions

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

Table 1.16: Financial Assistance to other institutions etc.

Financial Assistance to Institutions ⁹	2007-08	2008-09	2009-10	2010-11	2011-12	
					BE	Actual
Educational Institutions (Aided Schools, Aided Colleges, Universities etc.)	40.50	29.75	32.04	35.17	42.22	44.81
Municipal Corporations and Municipalities	1.93	19.90	3.60	3.81	11.87	3.72
Co-operative institutions	*	*	*	*	1.52	1.39
Other Institutions	0.84	1.02	1.67	2.11	5.68	0.86
Total:	43.27	50.67	37.31	41.09	61.29	50.78
Assistance as percentage of RE	1.89	1.93	1.24	1.01	1.29	1.01

* included in Other Institutions

(Source: Budget documents and Finance Accounts)

The total assistance (₹ 50.78 crore) provided during 2011-12 was less than the estimates made in the budget (₹ 61.29 crore) by ₹ 10.51 crore. As compared to 2010-11, the total assistance increased by ₹ 9.69 crore in 2011-12. Financial assistance to universities and educational institutions alone constituted nearly 88 *per cent* of the total assistance of the State Government during 2011-12. Amongst education services, maximum assistance was given to Non-Government Primary Schools (₹ 26.85 crore). During the period 2007-08 to 2011-12, the assistance as a percentage of revenue expenditure ranged between 1.93 to 1.01.

⁹ Only minor heads relating to "Assistance" under the respective major head of accounts had been considered.

1.7.4 Local Bodies

The 73rd and 74th Constitutional Amendments Acts marked a new era in the federal democratic set up of the country so far as it conferred constitutional status to the panchayats and municipalities and recognized them as the third tier of Government. The Constitutional amendment provide for devolution of powers and responsibilities with respect to preparation of plans and programmes for economic development and social justice and implementation of 29 subjects and 18 subjects listed in XI and XII Schedule of the Constitution of India.

Post 73rd Constitutional Amendment the Government enacted the Manipur Panchayati Raj (MPR) Act and established a two-tier Panchayati Raj Institutions (PRIs) system at the village and district levels. The State has 9 districts of which 5 districts are located in the hill areas and 4 districts are spread out in the valley. As on March 2012 there were 4 Zilla Parishads and 165 Gram Panchayats in the State. Consequent upon the 74th Constitutional Amendment the Government enacted the Manipur Municipality Act 1994. There are three categories of Urban Local Bodies (ULBs) in the State e.g. Municipal Councils (MCs), Nagar Panchayats (NPs) and Small Town Committee (STC). As of March 2012 there were 9 Municipal Councils (MCs), 18 Nagar Panchayats (NPs) and one Small Town Committee (STC) in the State.

Devolution of functions, functionaries and funds (3 Fs) to PRIs and ULBs

The 73rd Amendment to the Constitution and the Manipur Panchayati Raj Act, 1994 envisaged transfer of the functions to PRIs listed in the XIth Schedule. Accordingly, the State Government through executive orders had to transfer all the 29 functions to the PRIs. For effective functioning of both the State Government and PRIs, Activity Mapping delineated the role and responsibility of PRIs. Out of 29 functions the State Government devolved functions of 16 departments to PRIs as of March 2012. There has been no change in the 3Fs transferred since the first time the order was issued in 2005.

The 74th Constitutional amendments provide for devolution of powers and responsibilities with respect to preparation of plans and programmes for economic development and social justice and implementation relating to 18 subjects listed in the XIIth Schedule for municipalities. However, the State Government has not issued any notification in case of transfer of funds, functions and functionaries to ULBs.

Thus, transfer of funds, functions and functionaries to PRIs and ULBs was not adequate and effective to enable them to function as institutions of local self government.

Accounting and auditing arrangement of PRIs and ULBs

PRIs: Sections 43 and 73 of MPR Act stipulated that the accounts of GPs and ZPs shall be kept in such form and manner as may be prescribed. However, the basic records like Advance Register, Cheque Issue Register, Assets Registers etc., and Receipt and Payment Accounts were not maintained in

PRIs. Model Accounting Structure for PRI prescribed by the Ministry of Panchayati Raj (MoPR), Government of India in consultation with the C&AG of India was also not adopted in any of the GPs and ZPs.

The Director, Local Fund Audit (DLFA), Government of Manipur conducts audit of accounts of GPs and ZPs under Sections 44(1) and 74(1) of the Manipur Panchayati Raj Act, 1994. The duty of the DLFA is to conduct audit on the PRIs accounts and audit reports are to be forwarded to the audited entities and the State Government.

The Accountant General (Audit), Manipur conducts the audit of the accounts of PRIs under Sections 14(1) and 20(1) of C&AG's Duties, Power and Condition of Service (DPC) Act, 1971. The State Government had entrusted audit of PRIs to the C&AG under Technical Guidance and Support (TGS) arrangement in February 2012 by way of Gazette notification in pursuance of the 13th Finance Commission recommendations.

ULBs: The Ministry of Urban Development, GOI and C&AG developed (December 2004) National Municipal Accounts Manual (NMAM) which is based on accrual based double entry accounting system and circulated to the State Government for adoption in ULBs for greater transparency and control over finances. The ULBs were required to prepare their budget and maintain their accounts in the formats as prescribed in NMAM with appropriate codifications and classifications. The State Government also issued an order to all ULBs in March 2011 for adoption of NMAM with immediate effect. It was, however, observed that none of the ULBs had adopted NMAM as of March 2012. All ULBs kept their accounts in conventional method without following any acceptable accounting standards. Thus, the correctness of accounts could not be ascertained.

The Director, Local Fund Audit (DLFA) conducts audit of accounts of MCs, NPs and STC under Sections 72(1) of the Manipur Municipalities Act, 1994. In August 2012, the DLFA intimated that the audit of accounts upto March 2012 of 18 units out of 28 auditable ULBs units were conducted.

C&AG of India conducts the audit of the accounts of ULBs under Section 20(1) of C&AG's DPC Act, 1971 under Technical Guidance and Support (TG&S) module, as entrusted by the State Government in pursuance of the recommendation of the Thirteenth Finance Commission. The State Gazette notification regarding entrustment of TG&S to C&AG was issued in March 2012.

Reporting arrangement

Under TG&S arrangement, audit findings of test checked accounts of PRIs and ULBs conducted by the Accountant General are presented in the form of Annual Technical Inspection Report (ATIR) and submitted to the State Government for necessary action. There is a provision in the terms and conditions of TG&S entrustment that CAG or his representative will have the right to report to the State Legislature, the result of audit.

1.8 Quality of Expenditure

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

1.8.1 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods¹⁰. Apart from improving the allocation towards development expenditure¹¹, 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 (Development expenditure or Capital expenditure) to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.17** 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 1.18** provides the details of capital expenditure and the components of salary and wages in revenue expenditure of the selected social and economic services.

Table 1.17: Development Expenditure¹²

Components of Development Expenditure	2007-08	2008-09	2009-10	2010-11	(₹ in crore)	
					2011-12	
					BE	Actual
Development Expenditure (a to c)						
a. Development Revenue Expenditure	1,360 (39.91)	1,528 (37.36)	1707 (37.04)	2322 (38.70)	3081.00	2696.66 (40.23)
b. Development Capital Expenditure	482 (14.14)	1,412 (34.52)	1485 (32.22)	1653 (27.55)	1705.25	1402.00 (20.92)
c. Development Loans and Advances	4 (0.12)	1 (0.02)	7 (0.15)	4 (0.06)	1.00	-

(Source: Budget documents and Finance Accounts)

Figures in parentheses indicate percentage to Aggregate expenditure

Development Revenue expenditure increased by ₹ 374.66 crore from ₹ 2322 crore last year to ₹ 2696.66 crore during the current year. Development capital expenditure decreased by ₹ 251 crore in 2011-12 over the previous year. Both the Development Revenue Expenditure and the Development Capital Expenditure, however, were less than what was estimated in the budget. The above table also revealed that Development Capital Expenditure which as percentage of aggregate-expenditure increased significantly till 2008-09 has since shown a steady declining trend. The gap between the share of

¹⁰ Refer glossary in Appendix 4.1

¹¹ Refer glossary in Appendix 4.1

¹² Refer glossary in Appendix 4.1

developmental capital expenditure *vis-à-vis* that of developmental revenue expenditure has further increased in 2011-12.

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

Table 1.18: Efficiency of Expenditure in Selected Social and Economic Services
(In per cent)

Social/Economic Infrastructure	2010-11		2011-12	
	Share of CE to TE	Share of S&W in RE	Share of CE to TE	Share of S&W in RE
Social Services (SS)				
General Education	4.39	75.31	4.18	85.69
Health and Family Welfare	31.21	63.01	36.11	69.04
WS, Sanitation & HUD	78.53	36.59	67.65	45.09
Total (SS)	32.66	52.96	24.90	61.30
Economic Services (ES)				
Agriculture & Allied Activities	4.12	39.93	4.14	50.07
Irrigation and Flood Control	85.57	77.16	80.68	82.23
Power & Energy	59.34	31.29	41.66	32.49
Transport	74.30	31.92	67.70	30.48
Total (ES)	49.19	34.72	42.38	39.21
Total (SS+ES)	41.55	44.45	34.21	51.00

(Source: Finance Accounts)

TE: Total expenditure inclusive of loans and advances of each sector/sub-sector/head; CE: Capital expenditure; RE: Revenue expenditure; S&W: Salaries and Wages, WS: Water Supply and HUD: Housing and Urban Development.

Under Social Services, the share of capital expenditure as ratio of total expenditure in respect of General Education and Water Supply, Sanitation and Housing and Urban Development decreased in 2011-12 as compared to previous year. However, the ratio in respect of Health and Family Welfare had increased in 2011-12. The share of Capital expenditure to Total expenditure in respect of General Education decreased marginally in the current year as compared to that of previous year. The decrease of share in General Education was mainly due to decrease in capital expenditure in respect of Education, Sports, Art and Culture (₹ 11.08 crore). The increase in the share of Health and Family Welfare was mainly due to increase in Medical and Public Health (₹ 47.30 crore). The reduction in share of Water Supply, Sanitation and Housing and Urban Development was mainly due to decrease on account of Water Supply and Sanitation (₹ 135.15 crore).

Under Economic Services, while the share of capital expenditure in Agriculture and Allied Activities improved marginally, the share in Irrigation and Flood Control, Power and Energy and Transport had decreased in 2011-12 as compared to previous year. Reduction in Irrigation and Flood Control was mainly due to decrease in capital outlay on Major Irrigation (₹ 77.71 crore). In transport, Capital expenditure decreased by ₹ 3.68 crore while Revenue expenditure increased by ₹ 36.35 crore. The Capital expenditure on Power and Energy decreased over the previous year by ₹ 113.47 crore while the Revenue expenditure increased by ₹ 61.84 crore. As such, the ratio of Capital expenditure to total expenditure had decreased due to large variation in rate of increase in expenditure under capital and revenue heads.

Except for Transport, share of salary and wages as percentage of Revenue expenditure have increased as compared to 2010-11 in all the selected services. In respect of General Education and Irrigation and Flood Control, the share of salary and wages of Revenue expenditure was very high and was above 80 *per cent*.

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

Performance reviews indicating the outlay-outcome relationship are *inter-alia* included in the State Audit Report. The effectiveness of the expenditure as brought out in performance review of Elementary Education in the State as reflected in Audit Report 2010-11 is as follows:

The performance audit of the Elementary education revealed that Sarva Shiksha Abhiyan (SSA) was being implemented without proper planning and without carrying out household survey and pre-project activities. There were short release of fund, delay in release of fund and diversion of fund in implementation of SSA. Teachers were posted in school with zero enrolment and there were schools with no posting of teachers. Under Mid-Day Meal (MDM), despite a trend of low attendance, foodgrains consumption for 100 *per cent* attendance was reported.

Civil works taken up both under SSA and MDM suffered from many deficiencies/irregularities due to which there were infrastructure gaps. Contract management was weak both under these schemes with loopholes in the contract clauses.

(Paragraph 1.1 of Audit Report 2010-11)

1.9 Financial analysis of Government expenditure and investments

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

1.9.1 Incomplete projects

The department-wise information pertaining to incomplete projects of which the scheduled date of completion is already over as on 31 March 2012 is given in the table below:

Table 1.19: Department-wise Profile of Incomplete Projects



(₹ in crore)

Department/Implementing Agencies	No. of Incomplete Projects	Initial Budgeted Cost	Cumulative actual expenditure as on 31.03.2012
Minor Irrigation (NLCPR)	3	13.02	4.69
Public Works	7	12.29	8.05
Health Services (NLCPR)	1	14.37	13.47
Youth Affairs and Sports	5	93.64	82.61
MSRRDA(PMGSY-Phase-VI)	1	363.66	270.70
Education (Schools)	79	24.76	12.17
Total	96	521.74	391.69

(Source: Finance Accounts)

NLCPR-Non-Lapsable Central Pool of Resources; MSRRDA-Manipur State Rural Road Development Agency; PMGSY-Pradhan Mantri Gram Sadak Yojana.

As of 31 March 2012, there were 17¹³ incomplete projects each costing ₹ 1 crore and above, involving a total budgeted cost of ₹ 496.98 crore on which an expenditure of ₹ 379.52 crore had already been incurred. The above list is only indicative and not exhaustive and does not include projects for which the targeted dates of completion have been revised. The following pictures represent few of the projects lying incomplete as of March 2012:

	
<p>A barrage (estimated cost: ₹ 498 lakh) was to be constructed over the Itok River at Chandrakhong. The barrage (scheduled to be completed during 2011-12) which was started during 2010-11 has not been completed and only ₹ 179.35 lakh, 36 per cent of the estimated cost has been incurred as on March 2012 (Minor Irrigation Department).</p>	<p>Construction of District Sports Complex, Thoubal (estimated cost ₹ 2114 lakh) which started during 2007-2008 was scheduled to be completed during 2011-12. Despite spending ₹ 1800.40 lakh, much of the construction of the complex has not been completed as of March 2012 (Youth Affairs and Sports Department).</p>

(Source of photographs: Public Health Engineering Department & Youth Affairs and Sports Department)

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

¹³ Excluding 79 projects undertaken by Education (Schools) as these projects cost less than ₹ 1 crore.

1.9.2 Investment and returns

As of 31 March 2012, Government had invested ₹ 180.93 crore in statutory corporations, rural banks, joint stock companies and co-operatives. During the last five years (2007-12), the Government could earn only ₹ five lakh from the investment made on these corporations/companies *etc.* while it paid an average rate of interest ranging from 6.22 *per cent* to 6.84 *per cent*, the details of which are shown in the table below:

Table 1.20: Return on Investment

(₹ in crore)					
Investment/Return/Cost of Borrowings	2007-08	2008-09	2009-10	2010-11	2011-12
Investment at the end of the year	173.87	175.83	176.25	176.31	180.93
Return	0.05	-	-	-	*
Return (<i>per cent</i>)	0.03	-	-	-	-
Average rate of interest on Govt. borrowing (<i>per cent</i>)	6.84	6.69	6.22	6.27	6.36
Difference between interest rate and return (<i>per cent</i>)	6.81	6.69	6.22	6.27	6.36

* only ₹ 3,000/-

(Source: Finance Accounts)

Investments as on 31 March 2012 were made in two statutory corporations, 15 Government companies and 46 types of co-operative banks and institutions. Major investments were made in Manipur State Road Transport Corporation (₹ 41.56 crore), Manipur Spinning Mills Corporation Ltd. (₹ 33.89 crore), Manipur Handloom and Handicrafts Development Corporation Ltd. (₹ 11.79 crore) and Manipur State Co-operative Bank Ltd. (₹ 26.62 crore).

1.9.3 Loans and advances by State Government

In addition to investments in co-operative societies, corporations and companies, Government has also been providing loans and advances to many institutions/organizations. The table below presents the outstanding loans and advances as on 31 March 2012, interest receipts *vis-à-vis* interest payments during the last four years.

Table 1.21: Average Interest Received on Loans Advanced by the State Government

(₹ in crore)						
Quantum of Loans/Interest Receipts/Cost of Borrowings	2007-08	2008-09	2009-10	2010-11	2011-12	
					BE	Actual
Opening Balance	193.11	198.79	199.20	202.81	205.42	205.42
Amount advanced during the year	7.97	1.07	6.89	3.80	2.50	0.08
Amount repaid during the year	2.29	0.66	3.28	1.19	3.93	1.89
Closing Balance	198.79	199.20	202.81	205.42	203.99	203.61
<i>Of which</i> Outstanding balance for which terms and conditions have been settled	NA	NA	NA	NA	NA	NA
Net addition	5.68	0.41	3.61	2.61	(-)1.43	(-) 1.81
Interest Receipts	0.56	0.58	2.23	7.37	NA	1.25
Interest receipts as <i>per cent</i> to outstanding Loans and Advances	0.28	0.29	1.10	3.59	NA	0.61
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	6.84	6.46	5.84	5.96	NA	6.23
Difference between interest payments and interest receipts (<i>per cent</i>)	6.56	6.17	4.74	2.37	NA	5.62

(Source: Budget documents and Finance Accounts)

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

Total amount of outstanding loans and advances as on 31 March 2012 was ₹ 203.61 crore. Interest received against these loans and advances reduced significantly from ₹ 7.37 crore in the previous year to ₹ 1.25 crore in 2011-12. Against repayment of Loans/Advances of ₹ 1.89 crore, an amount of ₹ 0.08 crore was advanced during 2011-12. As of March 2012, major recipients of loans were Other Social Security and Welfare Programmes (₹ 128.56 crore), Village and Small Industries (₹ 22.59 crore), Housing (₹ 18.13 crore) and Co-operation (₹ 13.95 crore).

1.9.4 Cash balances and investment of cash balances

It is generally desirable that the State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatch in the flow of resources and the expenditure obligations, a mechanism of Ways and Means Advances from RBI has been put in place. The operative limit for Normal Ways and Means Advances is reckoned on the three years average of revenue receipts and the operative limit for Special Ways and Means Advances is fixed by the RBI from time to time depending on the holding of Government securities. The limit for Normal Ways and Means Advances has been fixed (April 2006) at ₹ 60 crore while the limit of Special Ways and Means Advances is revised by the RBI from time to time.

The State availed Ways and Means Advance of ₹ 38.79 crore for seven days in 2007-08 and paid an interest of ₹ three lakh. During the last three years (2008-11), the Government did not have to resort to Ways and Means Advances and Overdraft indicating a comfortable position of cash balances. However, during the current year, the State Government resorted to Ways and Means Advance of ₹ 89.95 crore.

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

Table-1.22: Cash balances and investment of cash balances

(₹ in crore)			
Particulars	As on 31 March 2011	As on 31 March 2012	Increase(+)/ Decrease(-)
Cash Balances ¹⁴	356.48	(-) 371.80	(-)728.28
Investments from Cash Balances (a to c)	155.31	2.43	(-)152.88
a. GoI Treasury Bills	152.88	-	(-)152.88
b. Other Securities (Long term Investment)	2.43	2.43	-
c. Other Investments	-	-	-
Funds-wise Break-up of Investment from Earmarked balances (d to f)	68.42	99.38	30.96
d Sinking Fund	51.94	78.37	26.43
e Guarantee Redemption Fund	6.30	10.83	4.53
f State Disaster Response Fund	10.18	10.18	-
Interest Realized on investment of cash balances	37.28	20.42	(-)16.86

(Source: Finance Accounts)

¹⁴ Including investment of earmarked funds

The cash balances of the State Government at the end of current year decreased by ₹ 728.28 crore from ₹ 356.48 crore in the previous year to a negative cash balance of ₹ 371.80 crore in 2011-12. As of 31 March 2012, the State Government has invested ₹ 2.43 crore in GoI securities (long term security). However, the Government has withdrawn ₹ 152.88 crore from GoI treasury bills during the year 2011-12. During 2011-12, an interest of ₹ 20.42 crore was earned on investment of cash balance. Further, the Government invested ₹ 99.38 crore in Sinking fund/Guarantee redemption fund *etc.* as of March 2012. Most of the interest receipts in 2011-12 was from investment of cash balance (₹ 20.42 crore out of ₹ 25.18 crore). As can be seen from the above table, the Government had a nil Treasury bill investment at the close of the 2011-12. As such, the interest receipts of the State Government in the next year may be adversely affected by the negative closing cash balance in 2011-12.

1.10 Assets and Liabilities

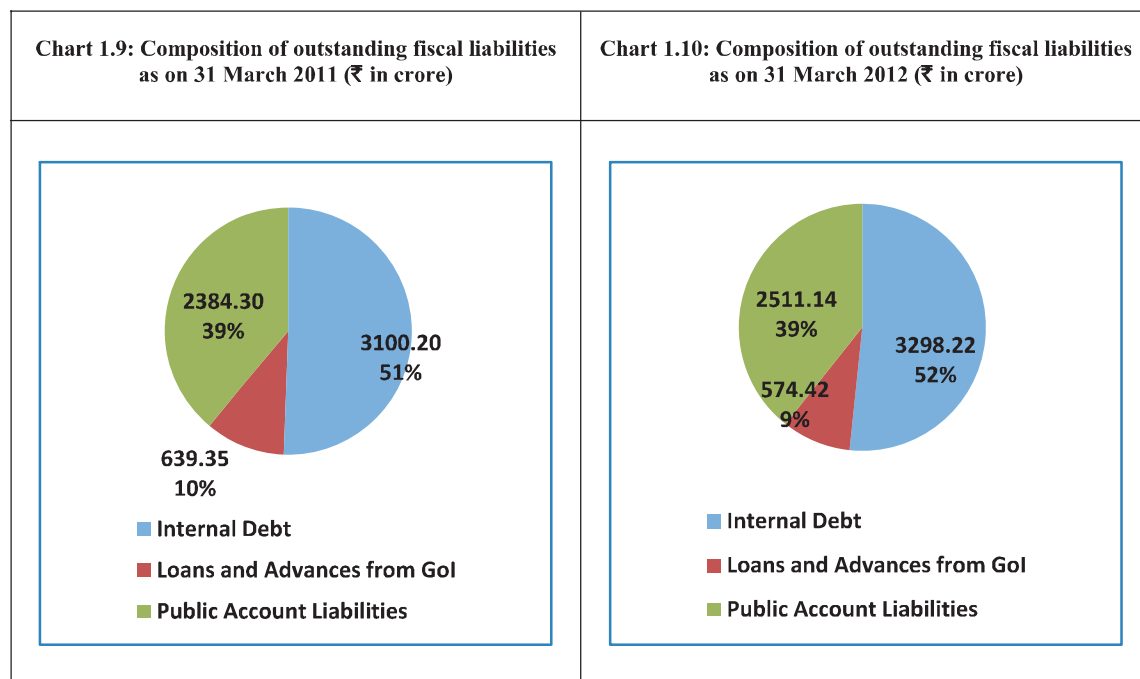
1.10.1 Growth and composition of assets and liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.5** gives an abstract of such liabilities and assets as on 31 March 2012, compared with the corresponding position on 31 March 2011. While the liabilities in this Appendix consist mainly of internal borrowings, receipts from the Public Account, Small Savings, Provident Funds and Loans and Advances from Central Government, the assets comprise mainly the capital outlay, Remittance Balance and Loans and Advances given by the State Government.

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

1.10.2 Fiscal liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix-1.4**. The composition of fiscal liabilities during the current year *vis-à-vis* the previous year are presented in Charts 1.9 and 1.10.



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

Table 1.23: Details showing Fiscal liabilities, its growth rate and ratio to GSDP

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Fiscal liabilities ¹⁵ (₹ in crore)	4529	4861	5519	6124	6384
Rate of growth (<i>per cent</i>)	8	7	14	11	4
Ratio of fiscal liabilities to :-					
GSDP (<i>per cent</i>)	66.61	65.70	66.38	66.58	60.12
Revenue receipts (<i>per cent</i>)	129.09	125.48	142.50	112.78	112.92

(Source: Finance Accounts)

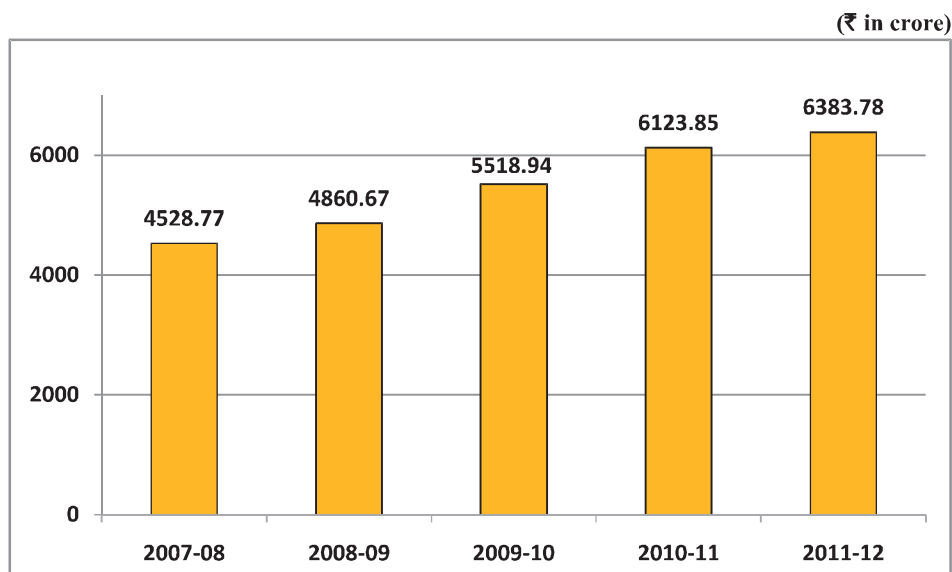
As can be seen from the table above, Fiscal liabilities has increased by ₹ 260 crore from ₹ 6124 crore in 2010-11 to ₹ 6384 crore in 2011-12 and the percentage of fiscal liabilities to GSDP during 2007-11 remained above 65 *per cent*. However, the ratio decreased to 60 *per cent* during the current year. The percentage of fiscal liabilities to Revenue receipts depicted a fluctuating trend during 2007-12 and was 113 to 143 *per cent* more than that of Revenue receipts. As per the ThFC recommendations, fiscal liabilities should be limited to 25 *per cent* of GSDP by 2014-15. Fiscal liabilities – GSDP ratio was projected at 66 *per cent* in 2011-12 in the MTFPS and projected at 61 *per cent* in the next two years. Given the trend of ratio of fiscal liabilities to GSDP during 2007-12, the target of limiting Fiscal liabilities to 25 *per cent* of GSDP (ThFC) will be difficult. The target of Fiscal liabilities-GSDP ratio *vis-à-vis* that of MTFPS, however, could be achieved.

Thus, there is an urgent need for the State Government to re-look at its borrowings and repayment patterns and to ensure an economy path to foster faster growth of GSDP and ensure better repayment capacity to curb down the

¹⁵ Refer glossary in Appendix-4.1

growth rate of fiscal liabilities. The increasing position of fiscal liabilities during 2007-12 is depicted in the bar chart below:

Chart 1.11: Trend showing fiscal liabilities during 2007-12



The increase in fiscal liabilities (₹ 259.93 crore) was mainly due to increase in Internal Debt (₹ 198 crore) and Public Account liabilities (₹ 127 crore) offset by a decrease in Loans and Advances from GoI (₹ 65 crore). The increase in Internal Debt was mainly due to two market loans totaling to ₹ 150 crore borrowed with interest rates ranging from 8.65 *per cent* to 9.04 *per cent*. The increase in Fiscal Liability was mainly due to “MH-8009-State Provident Funds” (₹ 233.19 crore) under Public Accounts. The fiscal liabilities during the current year was lesser by ₹ 639 crore than the assessed figure of ₹ 7023 crore in the MTFPS.

The State Government had set up (February 2008) a Consolidated Sinking Fund for amortization of market borrowings, other loans and debt obligations, as per the recommendation of the TFC, and transferred an amount of ₹ 26.43 crore in 2011-12. The closing balance of the fund at the close of the year was ₹ 78.37 crore. The corpus of the fund has been reinvested in purchasing of securities.

1.10.3 Status of guarantees – Contingent liabilities

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

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

Table 1.24: Guarantees given by the Government of Manipur

(₹ in crore)					
Guarantees	2007-08	2008-09	2009-10	2010-11	2011-12
Maximum amount guaranteed	207	197	197	196	196
Outstanding amount of guarantees	211	274	195	233	175
Percentage of maximum amount guaranteed to Total revenue receipts	5.90	5.09	5.09	3.61	3.47

(Source: Finance Accounts)

The outstanding guarantee of ₹ 175 crore was kept within the limit of the FRBM Act *ibid*. No additional guarantee has been given by the State Government in respect of loans raised by Statutory Corporations, Local bodies and other institutions during 2011-12. As of 31 March 2012, the interest amount (₹ 96.51 crore) has exceeded the principal amount (₹ 78.84 crore). The principal beneficiaries of outstanding loans were Planning and Development Authority (₹ 61.26 crore), Khadi and Village Industries (₹ 34.36 crore) and Manipur Tribal Development Corporation Limited (₹ 21.24 crore).

The State Government had set up (February 2008) a guarantee redemption fund to meet the contingent liabilities arising from such guarantees, as per the recommendation of the TFC. The State Government transferred an amount of ₹ 4.53 crore to this fund during 2011-12. The closing balance of the fund at the close of the year was ₹ 10.83 crore, which was reinvested on purchase of securities. However, compared to outstanding amount of guarantee of ₹ 175 crore, the corpus of ₹ 10.83 crore available in this fund is very meager and would not be able to cushion much of the outstanding guarantee in case of repayment default by the loanee institutes.

1.10.4 Off - budget borrowings

The State Government has not reported (January 2013) any off-budget borrowings during 2011-12.

1.11 Debt sustainability

Apart from the magnitude of debt of the State Government, it is important to analyze various indicators that determine the debt sustainability¹⁶ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization¹⁷; sufficiency of non-debt receipts¹⁸; net availability of borrowed funds¹⁹; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. The table below analyzes the debt sustainability of the State according to these indicators during 2007-12.

¹⁶ Refer glossary in Appendix 4.1

¹⁷ Refer glossary in Appendix 4.1

¹⁸ Refer glossary in Appendix 4.1

¹⁹ Refer glossary in Appendix 4.1

Table 1.25: Debt sustainability: Indicators and trends

(₹ in crore)

Indicators of debt sustainability	2007-08	2008-09	2009-10	2010-11	2011-12
Debt stabilization (Quantum spread + Primary deficit)	397	303	(-) 57	37	(-)163.91
Sufficiency of non-debt receipts (Resource gap)	(+) 577	(-) 318	(-) 517	(+)164	(-)478.23
Net availability of borrowed funds	42	32	336	241	(-)137.51
Burden of interest payments (IP/RR Ratio)	8.49	8.11	8.33	6.72	7.03

(Source: Finance Accounts)

The increase in the quantum of expenditure coupled with marginal increase in revenue collection in 2011-12 had a negative impact in the debt scenario of the economy of the State. The fiscal indicator of Debt Stabilization indicates that from 2009-10 onwards the position was moving to unstable conditions. The scenario has since deteriorated in 2011-12 and this gives an indication that the economy may be burdened with debt unsustainability in coming years.

The incremental total/aggregate expenditure (₹ 702.54 crore)²⁰ was higher than the incremental non-debt receipt (₹ 224.31 crore). This resulted in a resource gap of ₹ 478.23 crore. In other words, 68 *per cent* of the incremental total/aggregate expenditure (including repayment of earlier debt) had to be met from borrowed funds. This trend if continued in the coming years could put severe strain on the debt position of the economy.

The maturity profile of debt is given in the table below and in case of 2011-12 depicted in chart below:

Table 1.26: Maturity profile of debt

(₹ in crore)

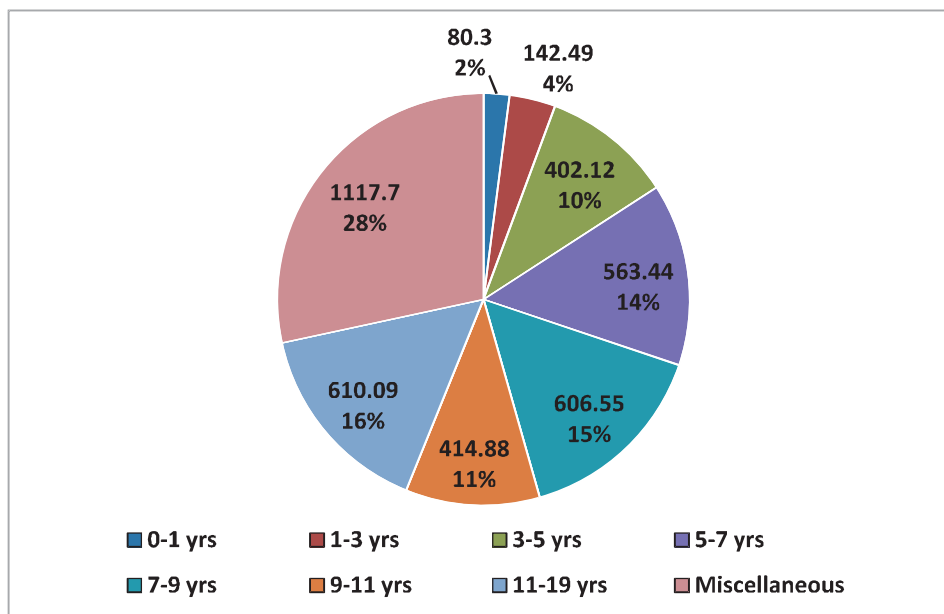
Maturity profile (in years)	2009-10	2010-11	2011-12
0 - 1	27.21	32.36	80.30
1 - 3	126.44	149.32	142.49
3 - 5	142.98	266.54	402.12
5 - 7	404.82	434.32	563.44
7 - 9	596.08	654.73	606.55
9 -11	608.53	574.38	414.88
11 - 19	717.88	676.51	610.09
Miscellaneous*	974.20	996.65	1117.70
Total	3598.14	3784.81	3937.57

(Source: Finance Accounts)

* Year of maturity not known.

²⁰ Total/Aggregate expenditure of current year-Total/Aggregate expenditure of pervious year

Chart 1.12: Maturity profile of debt in 2011-12 (₹ in crore)



As stated earlier, Fiscal liability–GSDP ratio in the current year stood at 60 per cent (para 1.10.2). Analysis of the debt profile²¹ given in **Appendix-1.6** revealed that from 4th year (2015-16) onwards re-payment debt profile will increase to ₹ 188.07 crore from ₹ 78.19 crore from the previous year. The trend will increase to ₹ 361.74 crore in the 7th year (2018-19) to ₹ 408.59 crore in the 10th year (2021-22) before peaking it at ₹ 596.33 crore in the 13th year (2024-25). Such re-payment profile is very high as compared to repayment of ₹ 160.24 crore in the current year and ₹ 115.02 in 2010-11. The corpus of ₹ 78.37 crore available in the Consolidated Sinking Fund at the end of the current year is also far too meager to buffer any re-payment shortcomings, should such situation arise in future.

1.12 Fiscal imbalances

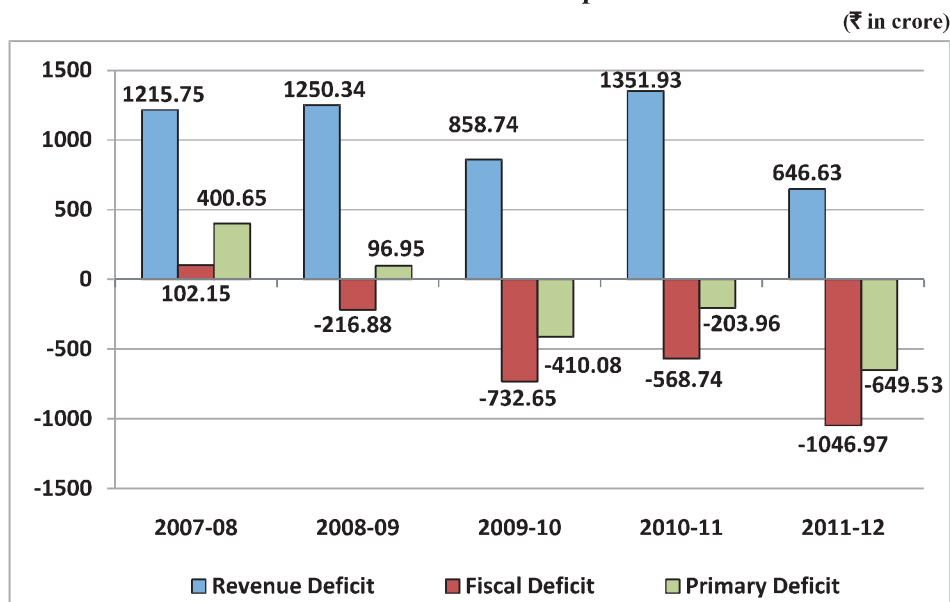
Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and Fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2011-12.

²¹ Debt profile of which year of maturity is known

1.12.1 Trends in deficits

The chart below presents the trends in deficit indicators over the period 2007-12:

Chart 1.13: Trends of deficit/surplus indicators



There has been a significant reduction in Revenue surplus by ₹ 705.30 crore in 2011-12 over the previous year due to reduction in grant in aid given by the GoI. This in turn brought out the worst Fiscal deficit and Primary deficit experienced by the State during the last five years (2007-12). The Fiscal deficit increased by ₹ 478.23 crore over the previous year and the Primary deficit increased by ₹ 445.57 crore over the previous year. Given the profile of increase of Fiscal deficit (84 *per cent* over the previous year) and Primary deficit (219 *per cent* over the previous year), the strain in the economy was more of the current year expenditure *vis-a-vis* revenue mobilization than of past liabilities. There may be a need to balance the expenditure *vis-à-vis* revenue mobilization to have a better control of fiscal deficit scenario as experienced in the current year. As may be seen from chart above the primary deficit alone in 2011-12 is more than the fiscal deficits of the year 2010-11 and 2008-09.

1.12.2 Components of fiscal deficit and its financing pattern

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

Table 1.27: Components of fiscal deficit and its financing pattern

		(₹ in crore)				
	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
(a) Decomposition of fiscal deficit		(+)102	(-)217	(-) 733	(-)568.74	(-)1046.97
1	Revenue surplus	1216	1250	859	1351.93	646.63
2	Net capital expenditure	(-) 1108	(-) 1467	(-) 1588	(-)1918.06	(-)1695.41
3	Net Loans and Advances	(-) 6	(-) 0.42	(-) 3.61	(-)2.61	1.81
(b) Financing pattern of fiscal deficit*						
1	Market Borrowings	192.73	248.79	445	206.20	76.97
2	Special Securities Issued to NSSF	199.92	199.46	(-) 2.67	(-) 5.91	(-)12.85
3	Loans from Financial Institutions	(-)2.74	(-)4.08	2.77	28.36	43.96
4	Ways and Means Advance from the RBI	-	-	-	-	89.95
5	Loans from the GoI	(-)236.71	(-)239.96	(-) 41.97	(-) 45.27	(-)64.93
6	Small Savings, PF etc.	52.41	52.32	24.94	41.31	233.69
7	Deposits and Advances	132.78	83.72	226	386.78	(-)114.24
8	Suspense and Miscellaneous	27.64	(-)4.78	(-) 34.34	(-) 0.28	6.23
9	Remittances	111.13	(-)48.16	(-) 160.23	(-) 81.22	21.57
10	Reserve Fund	3.88	5.40	24.52	27.87	38.35
11	Increase (-) /decrease (+) in cash balance	(-) 583.16	(-) 75.83	248.65	10.92	728.28
Total (b) (1 to 11)		(-)102	(+)217	(+) 733	(+)568.74	(+)1046.97

(Source: Finance Accounts)

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

As can be seen from the above table, fiscal deficit of 2007-12 was mainly on account of difference in capital receipts and capital expenditure. To finance this gap, the State Government relied more on Market borrowings and Loans from Financial Institutions and increasingly reduced the dependency from the Central Government. Consequently, during the current year, borrowing from small savings, provident fund etc., increased significantly by ₹ 192.38 crore from ₹ 41.31 crore in 2010-11 to ₹ 233.69 crore in 2011-12.

1.12.3 Quality of deficit/surplus

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

Table 1.28: Primary deficit/surplus – Bifurcation of factors

		(₹ in crore)					
Year	Non-debt receipts	Primary revenue expenditure*	Capital expenditure	Loans and Advances	Primary expenditure	Primary revenue surplus	Primary deficit (-)/surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2007-08	3,510	1,994	1,108	8	3,110	1,516	(+) 400
2008-09	3,874	2,308	1,467	1	3,776	1,566	(+) 98
2009-10	3,876	2,692	1,588	7	4,287	1,184	(-) 411
2010-11	5,431	3,713	1,918	4	5,635	1,718	(-) 204
2011-12	5,655	4,610	1,695	0.08	6,305	1,045	(-)650

(Source: Finance Accounts)

* Net of Total revenue expenditure and Interest payment

The non-debt receipts of the State during 2007-12 were sufficient to meet the primary revenue expenditure²² and in two years (2007-09) it was more than the primary expenditure, resulting in primary surplus in these two years. In the remaining three years (2009-12) where primary deficit had occurred, the primary surplus was not adequate to cover the capital expenditure and Loans and Advances. There was a decrease in Primary revenue surplus by ₹ 673 crore. This was due to higher quantum of increase of Primary revenue expenditure (₹ 897 crore) as compared to quantum of increase of Non-debt receipts (₹ 224 crore). This mismatch between the rate of growth of Non-debt receipts and Primary revenue expenditure could have restricted the increasing trend of Capital expenditure, which decreased from ₹ 1918 crore from previous year to ₹ 1695 crore to the current year.

1.13 Conclusion and recommendations

Revenue receipts

Despite significant increase in own Tax revenue and own Non-tax revenue, Revenue receipts of the State as a whole increased marginally by 4 *per cent* (₹ 223.61 crore) only due to decrease in Grants-in-aid from GoI. Against this, the Revenue expenditure increased by 23 *per cent* (₹ 928.91 crore). The mismatch between Revenue receipts and Revenue expenditure resulted in sharp decline in Revenue surplus from ₹ 1352 crore in the previous year to ₹ 647 crore in 2011-12. The Total receipts of the State in the current year increased by ₹ 1792.90 crore, of which 88 *per cent* of the increase (₹ 1573.66 crore) was contributed by Public Accounts Receipts, for which the State Government had to bear payment liabilities in future (paras 1.1 and 1.5.1).

Funds transferred directly from GoI to the State implementing agencies

The GoI directly transferred ₹ 1259.23 crore to State implementing agencies during 2011-12. Direct transfer of funds from the GoI to the State implementing agencies run the risk of inadequate monitoring of utilization of funds by these agencies in the absence of uniform accounting policies and effective monitoring system.

In most of the test checked units, no proper cash book was maintained and in one case some amount transferred by the State implementing agencies had not been still received by the implementing unit. In one case, no co-operation was extended to Audit by the implementing unit despite taking up the matter with the highest level.

The State need to set up a mechanism to monitor utilization and proper maintenance of records of funds directly received by the implementing agencies (para 1.5.2).

²² Primary revenue expenditure is revenue expenditure minus interest payment.

Expenditure status

During 2011-12 the total expenditure increased by ₹ 702.54 crore (12 *per cent*) from the previous year. The increase was due to increase in Revenue expenditure (₹ 928.91 crore) offset by decrease in Capital expenditure (₹ 222.65 crore). During 2007-12, Revenue expenditure had increased significantly by 118 *per cent* as compared to increase of 53 *per cent* in respect of Capital expenditure. There was a similar trend in increase of Non-plan Revenue expenditure (NPRE), which constituted major portion of Revenue expenditure. Non-plan Revenue expenditure which remained around 50 *per cent* of the Total expenditure during 2007-11 increased to 59 *per cent* in the current year at the expense of Plan expenditure. Committed expenditure as percentage of Revenue receipts increased from 41 *per cent* (2007-08) to 45 *per cent* (2009-10) to 57 *per cent* (2011-12). As such, the State's expenditure scope for developmental activities has been increasingly limited over the years.

Salaries expenditure has increased substantially during the last two years and account for 39 *per cent* of Revenue receipts during 2011-12. The Non-plan salary expenditure in 2011-12 was more by ₹ 803.90 crore (62 *per cent*) than what was assessed by the ThFC.

Increase of Revenue expenditure and Non-plan expenditure at the expense of Plan expenditure may deter stimulus for economic growth. As substantial portion of Revenue receipts are confined to Committed expenditure like Salaries and Wages, Interest payment *etc.*, the State has limited scope for other development activities. The State may need to re-look this aspect with the Revenue receipts and fiscal liabilities profile of the State (paras 1.7.1 and 1.7.2).

Fiscal position, fiscal liabilities and sustainability of debt

Decrease in devolution of Grants-in-aid from the GoI has an adverse effect on the economy of the State in terms of fiscal position and sustainability of debt. This is despite increase in Own tax and Non-tax collection by the State and decrease in Capital expenditure (paras 1.1 and 1.12.3). In terms of key fiscal indicators, the deficit experienced by the State was the worst during the last five years (2007-12). Fiscal deficit increased from ₹ 569 crore to ₹ 1047 crore while Primary deficit increased from ₹ 204 to ₹ 650 crore over the previous year (para 1.12.1).

Fiscal deficit scenario experienced by the State is a cause of concern, especially from the fact the year 2011-12 ended with negative closing cash balance. In case the position does not improve in the coming years, the State may face the prospect of an unmanageable debt scenario. The State's flow of revenue resources should keep up with the pace of expenditure obligations, and the Government may need to explore avenues for further raising the revenue realizations from both tax and non-tax revenue sources.

CHAPTER II

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 2011-12 against 53 Grants/Appropriations (50 Grants and three Appropriations) is indicated in the table below:

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

(₹ in crore)						
	Nature of expenditure	Original grant/ Appropriation	Supplementary grant/ Appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	4352.67	1030.30	5382.97	4618.90	-764.07
	II Capital	1986.84	795.13	2781.97	1698.63	-1083.34
	III Loans and Advances	2.50	0.00	2.50	0.08	-2.42
Sub-total Voted:		6342.01	1825.43	8167.44	6317.61	-1849.83
Charged	IV Revenue	410.01	0.35	410.36	404.01	-6.35
	V Capital	-	-	-	-	-
	VI Public Debt- Repayment	133.55	0.18	133.73	160.23	26.50
Sub-total Charged:		543.56	0.53	544.09	564.24	20.15
Appropriation to Contingency Fund		-	-	-	-	-
Grand total:		6885.57	1825.96	8711.53	6881.85	-1829.68

(Source: Appropriation Accounts)

The overall saving of ₹ 1829.68 crore was the net result of saving of ₹ 1919.06 crore in 44 grants and two appropriations under Revenue Section, 29 grants under Capital Section, offset by excess of ₹ 89.38 crore in ten grants under Revenue Section, two grants under Capital Section and one appropriation (Appropriation no. 2- Interest Payment and Debt Services)¹.

Substantial savings occurred in Planning (Capital voted) (₹ 689.18 crore), Planning (Revenue voted) (₹ 488.59), Irrigation and Flood Control (Capital voted) (₹ 125.43 crore), Public Health Engineering (Capital voted) (₹ 71.29 crore) and Education (Capital voted) (₹ 65.43 crore).

Excess expenditure occurred mainly in Minor Irrigation (Capital voted) (₹ 36.28 crore), Interest Payment and Debt Services under Capital account (₹ 26.51 crore) and Power (Revenue voted) (₹ 15.73 crore).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit reveals that in 53 cases, savings exceeded ₹ one crore in each case or by more than 25 *per cent* of total provision. Details are given in **Appendix-2.1**.

Against the total savings of ₹ 1919.06 crore, savings of ₹ 1757.91 crore (92 *per cent*) occurred in 14 cases relating to 11 grants, where savings were ₹ 15 crore and above in each case. Details are indicated in the table below:

¹ In case of Appropriation no. 2, excess occurred both under Revenue Head and Capital Head.

Table 2.2: List of Grants with savings of ₹ 15 crore and above

(₹ in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Saving
Revenue voted						
1	7 – Police	593.92	264.27	858.19	800.68	57.51
2	10 – Education	613.41	50.58	663.99	605.24	58.75
3	11 – Medical, Health and Family Welfare	230.81	38.21	269.02	251.69	17.33
4	12 – Municipal Administration, Housing and Urban Development	82.45	0.00	82.45	51.28	31.17
5	14 – Development of Scheduled Tribes and Scheduled Castes Department & Hills	252.73	143.90	396.63	359.82	36.81
6	30 – Planning	590.75	0.00	590.75	102.16	488.59
	Sub-total:	2364.07	496.96	2861.03	2170.87	690.16
Capital voted						
7	8 – Public Works Department	150.88	329.84	480.72	439.44	41.28
8	10 – Education	18.37	82.69	101.06	35.63	65.43
9	11 – Medical, Health and Family Welfare Services	32.98	136.25	169.23	140.10	29.13
10	22 – Public Health Engineering	217.68	0.00	217.68	146.39	71.29
11	25 – Youth Affairs and Sports Department	30.94	15.23	46.17	30.96	15.21
12	30 – Planning	824.70	0.00	824.70	135.52	689.18
13	40 – Irrigation and Flood Control Department	292.55	7.70	300.25	174.82	125.43
14	47 – Welfare of Minorities and Other Backward Classes	1.00	30.46	31.46	0.66	30.80
	Sub-total:	1569.10	602.17	2171.27	1103.52	1067.75
	Total:	3933.17	1099.13	5032.30	3274.39	1757.91

(Source: Appropriation Accounts)

It was seen that in six cases (Sl. No. 2, 6, 10, 12, 13 and 14) the actual expenditure were even less than the original provisions and particularly in respect of three cases (Sl. No. 2, 13 and 14), the supplementary provisions were unnecessary. There was saving of more than ₹ 100 crore in three cases viz. Planning under Revenue Voted (₹ 488.59 crore) and under capital voted (₹ 689.18 crore) and Irrigation and Flood Control under Capital voted (₹ 125 crore).

2.3.2 Persistent savings

In sixteen cases, during the last five years there were persistent savings of more than ₹ 1 crore and above in each case as indicated in the table below:

Table 2.3: List of Grants indicating Persistent Savings during 2007-12

(₹ in lakh)

Sl. No.	Name of the grant	Amount of savings (per cent of savings vis-à-vis total provision)				
		2007-08	2008-09	2009-10	2010-11	2011-12
Revenue -Voted						
1	3 - Secretariat	149.35 (5)	586.01 (16)	616.13 (16)	563.41 (10)	224.87 (4)
2	4 - Land Revenue, Stamps & Registration and District Administration	108.52 (4)	246.96 (7)	662.90 (17)	619.44 (12)	314.90 (5)
3	7 – Police	1096.81 (4)	2502.51 (7)	1641.54 (4)	1746.20 (3)	5751.12 (7)
4	8 - Public Works Department	5317.95 (30)	2835.60 (15)	2689.07 (15)	1349.63 (8)	1007.69 (5)
5	10 - Education	1854.10 (5)	3189.72 (8)	4497.87 (10)	8666.14 (14)	5875.29 (9)
6	11 - Medical, Health and Family Welfare Services	1439.72 (14)	831.66 (7)	805.67 (6)	1209.19 (5)	1732.86 (6)
7	12 - Municipal Administration, Housing and Urban Development	1626.34 (55)	173.40 (4)	156.30 (3)	409.49 (6)	3116.64 (38)
8	14 - Development of Scheduled Tribes & Scheduled Castes Department & Hills	121.18 (1)	594.81 (5)	1814.14 (12)	761.62 (3)	3681.12 (9)
9	21 - Commerce & Industries	929.69 (2)	1477.73 (32)	1550.60 (32)	822.87 (14)	345.68 (5)
10	26 -Administration of Justice	213.42 (22)	181.08 (21)	133.63 (15)	203.21 (11)	458.97 (20)
11	30- Planning	13871.53 (63)	1555.78 (25)	373.60 (3)	13187.51 (43)	48859.30 (83)
12	44 - Social Welfare Department	689.87 (9)	1246.23 (12)	2405.70 (21)	929.13 (6)	321.34 (2)
13	47 - Welfare of Minorities and Other Backward Classes	838.20 (43)	228.58 (15)	430.38 (18)	260.39 (10)	982.97 (35)
Capital –Voted						
15	30 - Planning	3852.84 (9)	8259.10 (15)	4300.78 (8)	2417.69 (4)	68918.33 (84)
16	40 - Irrigation and Flood Control Department	6312.02 (38)	2005.97 (9)	10680.79 (45)	9673.60 (32)	12543.07 (42)

(Source: Appropriation Accounts)

Persistent savings in respect of Irrigation and Flood Control Department has been reported in the Audit Reports since 2008-09.

Reasons for persistent savings were called (January 2013) from the concerned Departments, The reason for persistent saving in case of Police Department was stated (February 2013) to be due to non-finalization of tender for purchase of items/materials. In case of Irrigation and Flood Control Department, it was stated (January 2013) to be due to non-sanction of funds of Accelerated Irrigation Benefits Programme by Central Government. Minorities and Other Backward Classes Department stated (February 2013) that it was due to non-encashment of pre and post matric scholarship. Education (Schools) Department stated (February 2013) that saving was due to non-filling of vacant post while in case of Adult Education it was attributed (January 2013) to non-payment of salary of *adhoc* staff. Replies in respect of other Departments have not been received.

2.3.3 Excess Expenditure

In six cases, expenditure aggregating ₹ 87.34 crore exceeded the total provisions by ₹ 50 lakh or more in each case. Details are given in the table below:

Table 2.4: Statement showing excess of expenditure by ₹ 50 lakh or more

(₹ in lakh)

Sl. No.	Grant No.	Total Provision	Expenditure	Excess
Revenue voted				
1	22 – Public Health Engineering	6176.42	6455.40	278.98
2	23 –Power	25317.52	26890.93	1573.41
3	39 –Sericulture	2675.92	2774.84	98.92
Revenue charged				
4	Appropriation No. 2 – Interest Payment and Debt Services	39239.50	39744.03	504.53
Capital voted				
5	36 – Minor Irrigation	6810.97	10439.06	3628.09
Capital charged				
6	Appropriation No. 2 – Interest Payment and Debt Services	13372.64	16023.45	2650.81
Total:		93592.97	102327.71	8734.74

(Source: Appropriation Accounts)

Audit noticed that in three cases the expenditure exceeded ₹ 10 crore *viz.* Minor Irrigation (Capital voted) (₹ 36.28 crore), Appropriation No. 2 (₹ 26.51 crore) under Capital Charged and Power (Revenue voted) (₹ 15.73 crore).

2.3.4 Expenditure without provision

Expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 126.26 lakh was incurred in 12 cases (**Appendix-2.2**) without any provision of funds in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

In one case, Development of Progeny Orchards (Hill) under Horticulture and Soil Conservation (State Plan)² expenditure without provision of fund exceeded ₹ fifty lakh viz. ₹ 94.84 lakh.

2.3.5 Drawal of funds to avoid lapse of budget grant

As per provisions of Rule 290 of Central Treasury Rules, no money shall be drawn from the treasury unless it is required for immediate disbursement. In respect of the cases mentioned in **Appendix-2.3**, ₹ 206.06 crore drawn at the fag end of the year during March 2012 were deposited into the head of account “8449-Other Deposits” to avoid lapse of budget grant.

2.3.6 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 regularization of expenditure has been prescribed under the Article, regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, excess expenditure amounting to ₹ 276.02 crore for the years 2007-11 was yet to be regularized as detailed in **Appendix-2.4**. The year-wise amount of excess expenditure pending regularization for grants/appropriations is summarized in the table below:

Table 2.5: Excess over provisions relating to previous years requiring regularization
(₹ in crore)

Year	No. of Grants	No. of Appropriation	Amount of excess	Status of Regularization (as of December 2012)
2007-08	11	2	81.59	Regularized vide 37 th PAC Report. Receipt of Act for regularization of excess payment awaited from the Finance Department.
2008-09	14	--	102.87	-do-
2009-10	10	1	29.14	-do-
2010-11	6	1	62.42	Excess expenditure yet to be discussed by PAC.
Total:	41	4	276.02	

(Source: Appropriation Accounts)

2.3.7 Excess over provisions during 2011-12 requiring regularization

The table below contains the summary of total excess over authorization in 14 cases³ amounting to ₹ 89.38 crore from the Consolidated Fund of the State during 2011-12 and requires regularization under Article 205 of the Constitution.

² Under Grant No. 43, under Major Head-2552 (NEC).800.08(H)

³ 12 Grants/Appropriation

Table 2.6: Excess over provisions requiring regularization during 2011-12

(in ₹)				
Sl. No.	Number and title of grant/appropriation	Total provision	Expenditure	Excess
Revenue Voted				
1	13 – Labour and Employment	148050000	152397376	4347376
2	16 – Co-operation	166363000	168487834	2124834
3	22 –Public Health Engineering	617642000	645539751	27897751
4	23 –Power	2531752000	2689092740	157340740
5	28 –State Excise	167593000	171848559	4255559
6	36 –Minor Irrigation	106599000	109263340	2664340
7	37 –Fisheries	267420000	270344472	2924472
8	39 –Sericulture	267592000	277484331	9892331
9	45 –Tourism	56091000	57257033	1166033
10	49 –Economics and Statistics	121901000	122942304	1041304
	Sub total:	4451003000	4664657740	213654740
Revenue Charged				
11	Appropriation No. 2 - Interest Payment & Debt Services	3923950000	3974403437	50453437
	Sub total:	3923950000	3974403437	50453437
Capital Voted				
12	3 – Secretariat	36400000	38166000	1766000
13	36 – Minor Irrigation	681097000	1043906318	362809318
	Sub total:	717497000	1082072318	364575318
Capital Charged				
14	Appropriation No. 2 – Interest Payment & Debt Services	1337264000	1602345169	265081169
	Sub total:	1337264000	1602345169	265081169
	Total:	10429714000	11323478664	893764664

(Source: Appropriation Accounts)

2.3.8 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating to ₹ 97.21 crore in 10 cases, during the year proved unnecessary as the expenditure did not come up to the level of original provision.

Out of these, in two cases unnecessary supplementary provisions provided exceeded ₹ 10 crore viz. Education (₹ 50.59 crore) under Revenue account and Welfare of Minorities and Other Backward Classes (₹ 30.47 crore) under Capital account. The details are given in the table below:

Table 2.7: Statement showing unnecessary supplementary provision

(₹ in lakh)

Sl. No.	Grant No.	Original provision	Expenditure	Savings out of Original Provision	Supplementary
	Revenue voted				
1	2- Council of Ministers	365.28	266.06	99.22	1.89
2	3 – Secretariat	4860.06	4817.91	42.15	182.72
3	10- Education	61340.94	60524.29	816.65	5058.64
4	38-Panchayat	4308.46	3106.21	1202.25	88.98
5	47-Welfare of Minorities and Other Backward Classes	2614.87	1853.25	761.62	221.35
6	48- Relief and Disaster Management	971.93	921.67	50.26	333.70
	Revenue Charged				
7	1-State Legislature	46.35	35.47	10.88	5.08
8	Appn 1- Governor	299.27	288.87	10.40	12.73
	Capital voted				
9	40- Irrigation and Flood Control Department	29255.00	17481.72	11773.28	769.79
10	47- Welfare of Minorities and Other Backward Classes	100.03	66.09	33.94	3046.53
	Total:	104162.19	89361.54	14800.65	9721.41

(Source: Appropriation Accounts)

In 12 cases, supplementary provision of ₹ 74.64 crore proved insufficient by more than ₹ 10 lakh in each case, leaving an aggregate uncovered excess expenditure of ₹ 48.05 crore. Details are given in the table below:

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

Sl. No.	Grant No.	Original	Supplementary	Total	Expenditure	Excess
	Revenue Voted					
1	13-Labour and Employment	1294.01	186.49	1480.50	1523.97	43.47
2	16- Co-operation	1411.07	252.56	1663.63	1684.88	21.25
3	22- Public Health Engineering	4339.57	1836.85	6176.42	6455.40	278.98
4	23- Power	21005.49	4312.03	25317.52	26890.93	1573.41
5	28- State Excise	1371.49	304.44	1675.93	1718.49	42.56
6	36- Minor Irrigation	925.54	140.45	1065.99	1092.63	26.64
7	37- Fisheries	2589.46	84.74	2674.20	2703.45	29.25
8	39- Sericulture	2661.13	14.79	2675.92	2774.84	98.92
9	45- Tourism	488.53	72.38	560.91	572.57	11.66
10	49- Economics and Statistics	1091.50	127.51	1219.01	1229.42	10.41
	Capital Voted					
11	3- Secretariat	250.00	114.00	364.00	381.66	17.66
	Capital Charged					
12	Appropriation 2 – Interest Payment and Debt Services	13355.14	17.50	13372.64	16023.45	2650.81
	Total:	50782.93	7463.74	58246.67	63051.69	4805.02

(Source: Appropriation Accounts)

In two cases the excess of expenditure of more than ₹ 15 crore occurred despite providing supplementary provision *viz.* Power (₹ 15.73 crore) under Revenue account and Appropriation no.2-Interest payment and Debt Services (₹ 26.51 crore) under Capital account.

2.3.9 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved insufficient by ₹ 1 crore or more in each case and resulted in excess of expenditure of ₹ 184.57 crore in 33 sub-heads. Injudicious re-appropriation also proved excessive in 63 sub-heads resulting in savings of ₹ 419.58 crore. This resulted in overall savings of ₹ 235.01 crore in these 96 sub-heads as detailed in **Appendix-2.5**.

Despite re-appropriation, there were savings of ₹ 30 crore or more in three cases *viz.*, Irrigation and Flood Control Department (4700.03.051.11 (Valley)) (₹ 77.38 crore), Irrigation and Flood Control Department (4700.04.051.12 (Hill)) (₹ 40.34 crore) and Education Department (2202.01.101.19) (₹ 34.75 crore).

On the excess side, there were two cases in which excess of expenditure exceeded more than ₹ 20 crore *viz.*, Planning Department (4702.00.800.03 (Valley)) (₹ 26.50 crore) and Education Department (2202.02.109.24) (₹ 20.55 crore).

2.3.10 Substantial surrenders

Substantial surrenders (amount exceeding ₹ 10 crore in each case) were made in respect of 16 sub-heads, out of which in twelve schemes/programmes, the whole provision amounting to ₹ 649.60 crore was surrendered. The details are given in **Appendix-2.6**. Planning Department accounts for majority (15 cases) of substantial surrender. Surrender of *cent per cent* of fund involving a substantial amount of ₹ 649.60 crore is a matter of concern and indicates that fund provisions had been made without adequate planning and due consideration of its requirements.

2.3.11 Surrender in excess of actual saving

In two cases, the amount surrendered was in excess of actual savings indicating lack of or inadequate budgetary control in these departments. Against savings of ₹ 5.52 crore, the surrendered amount was ₹ 7.33 crore resulting in excess surrender of ₹ 1.81 crore as shown in the table below:

Table 2.9: Cases of surrender in excess of savings

(₹ in lakh)

Sl. No.	Grant No.	Total	Expenditure	Saving	Surrender	Amount surrendered in excess
1	20 – Community Development and ANP, IRDP and NREP	11685.85	11362.13	323.72	503.57	179.85
2	46 – Science and Technology	968.92	740.89	228.03	229.31	1.28
	Total:	12654.8	12103	551.75	732.88	181.13

(Source: Appropriation Accounts)

2.3.12 Surrender despite excess of expenditure

In one case viz. Minor Irrigation (Capital voted), an amount of ₹ 226.46 crore was surrendered despite having excess of expenditure over total provision.

Table 2.10: Statement showing cases of surrender despite excess of expenditure

(₹ in lakh)

Grant No.	Total Provision	Expenditure	Excess	Surrender
36 –Minor Irrigation (Capital Voted)	6810.97	10439.06	3628.09	226.46
Total:	6810.97	10439.06	3628.09	226.46

(Source: Appropriation Accounts)

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

2.3.13 Anticipated savings not surrendered

Departments are required to surrender the Grants/Appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At

the close of the year 2011-12, there were, however, 39 Grants/Appropriations (56 cases) in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in these cases was ₹ 591.17 crore (32 *per cent* of the overall savings of ₹ 1829.68 crore) (**Appendix-2.7**).

Similarly, out of savings of ₹ 1906.27 crore under 32 Grants/Appropriations (43 cases) where savings was ₹ one crore and above in each case, only ₹ 961.74 crore pertaining to fifteen grants⁴ could be surrendered leaving a balance savings of ₹ 944.53 crore (49.55 *per cent*). Details are given in **Appendix-2.8**.

Besides, in 17 Grants (20 cases), ₹ 971.70 crore were surrendered on 31 March 2012 (**Appendix-2.9**) indicating inadequate financial control and the fact that these funds could not be utilized for the purpose it was sanctioned for other development purposes.

2.3.14 Rush of expenditure

As per Rule 56 (3) of the General Financial Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 26 major heads of accounts as listed in **Appendix-2.10**, expenditure more than ₹ 10 crore and 25 *per cent* of the total expenditure for the year was incurred in March 2012. Of these, in 4 cases involving ₹ 92.88 crore⁵, the whole amount was incurred in March, indicating there was no control over the flow of expenditure.

2.4 Non-reconciliation of Departmental figures

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

As per Central Treasury Rules⁶, Abstract Contingent (AC) bills must be regularized by detailed countersigned contingent (DCC) bills. An AC bill should not be encashed without a certificate to the effect that DCC bills in respect of earlier AC bills drawn more than a month before the date of that bill have been submitted to the controlling officer. The controlling officers must submit the DCC bills to the Accountant General within one month from the date of receipt of the DCC bills in his office.

The total amount of DCC bills received during the period 2003-12 was ₹ 1463.60 crore against the amount of AC bills of ₹ 2411.95 crore leading to an outstanding balance of DCC bills of ₹ 948.35 crore as on November 2012. Year wise details are given in the table below:

⁴ Grants no. 12, 17, 30, 41, 42, 44 and 50 under Revenue Voted and Grant no. 26 under Revenue Charged and Grant no. 13, 14, 21, 22, 30, 37, 41 under Capital voted.

⁵ Sl. No. 1, 16, 20 and 21 of Appendix 2.10

⁶ Rule 308, Rule 309 & Note 4 under Rule 312

Table 2.11: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills⁷

(₹ in crore)

Year	Amount of AC bills	Amount of DCC bills	DCC bills as percentage of AC bills	Outstanding DCC bills
2003-04	34.56	13.78	39.87	20.78
2004-05	82.53	77.65	94.09	4.88
2005-06	46.01	37.52	81.55	8.49
2006-07	149.68	104.82	70.03	44.86
2007-08	355.57	262.99	73.96	92.58
2008-09	592.34	521.72	88.08	70.62
2009-10	422.83	293.59	69.43	129.24
2010-11	354.36	130.85	36.93	223.51
2011-12	374.07	20.68	5.53	353.39
Total:	2411.95	1463.60		948.35

(Source: Voucher Level Computerization data of O/o AG (A&E))

Department-wise pending DCC bills for the years up to 2011-12 is detailed in **Appendix-2.11**. Non-adjustment of advances for long periods is fraught with the risk of mis-appropriation and therefore, requires close monitoring by the respective DDOs. Thus, there is a need of early reconciliation of AC bills.

2.4.2 Un-reconciled expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General. Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2011-12 also. Out of 81 controlling officers (CO), 29 COs could not reconcile any of their accounts with Accountant General (A & E) office. During the last three years, 19 COs⁸ have not at all reconciled their accounts with the Accountant General (A & E). Thus, in the absence of reconciliation of expenditure by the Cos the accuracy of figures cannot be ensured.

⁷ Discrepancy in figure between VLC data and Finance Accounts is under reconciliation with Departments. Figures of VLC data is being adopted to keep uniformity with the earlier Audit Reports.

⁸ Chief Engineer(Minor Irrigation), Chief Engineer(Power), Chief Engineer(IFCD), Chief Engineer (PHED), D.C(Churachandpur), D.C. (Chandel), D.C.(Ukhrul), D.C.(Tamenglong), Director (Tourism), Director (Youth Affair & Sports), Director(Agriculture), Director(Economics. & Statistics), Director(Fisheries), Director (Local Fund Audit), Director (Education (S) & (U)), Director (RD & PR), Principal Chief Conservator of Forest and Secretary(Assembly Secretariat)

2.5 Personal Deposit Accounts

Personal Deposit (PD) Accounts is created for parking funds by debit to the Consolidated Fund of the State and should be closed at the end of the financial year by minus debit to the relevant service heads. However, in the state there were four PD accounts existing at the beginning of the year 2011-12 viz., Planning and Development Authority, Manipur State Lotteries, Apex Housing Co-operative Society and Consumer Affairs and Public Distribution. There were two PD accounts in two District Treasuries⁹ which were opened during 2011-12. Of these accounts, one PD accounts¹⁰ was closed as of 31 March 2012 and balance of ₹ 71.29 crore remained with these accounts which was not transferred back to the respective service heads as of 31 March 2012.

2.6 Outcome of review of selected grant

A review on budgetary procedure and control over expenditure was conducted (December 2012) in respect of “Grant No. 18 – Animal Husbandry and Veterinary Department”.

Against a budget provision of ₹ 69.69 crore (including supplementary provision of ₹ 14.80 crore) under revenue head, the actual expenditure was ₹ 62.34 crore resulting in saving of ₹ 7.36 crore. In view of the final savings of ₹ 7.36 crore, the supplementary provision of ₹ 14.80 crore obtained during the year was more than what was required. Under capital account, the actual expenditure was ₹ 8.27 crore against budget provision of ₹ 10.78 crore (including supplementary provision ₹ 4.88 crore), resulting in saving of ₹ 2.51 crore. As such, supplementary provision of ₹ 4.88 crore was more than what was required. Under both revenue and capital accounts no surrender of fund was made in anticipation of the savings.

Cases of Savings (10 cases), expenditure without budget provision (four cases) and Excess expenditure over provision (10 cases) noticed during the review are detailed below:

Saving: There were ten cases where *cent per cent* saving for a total amount of ₹ 119 lakh had occurred. One of these cases related to a centrally sponsored scheme of investigation and statistics. Of these, 45 *per cent* of the savings had occurred in matters relating to administrative and construction works (Sl. No. 2, 3 and 10 below).

⁹ Government Oil Depot and Raw Material Bank both in Imphal West Treasury.

¹⁰ Raw Material Bank

Table 2.12: Cases where no part of budget provision was utilized

(₹ in lakh)			
Sl. No.	Head of account	Total provision(O+S+R)	Savings
1	2403(SP) – Animal Husbandry 001 – Direction and Administration 01(H) - Direction	5.00	5.00
2	2403(SP) – Animal Husbandry 101 – Veterinary Services and Animal Health 08(H) - Disease Investigation Laboratory	6.00	6.00
3	2403(SP) – Animal Husbandry 101 – Veterinary Services and Animal Health 09(H) – District and Sub divisional Veterinary Hospital	3.00	3.00
4	2403(SP) – Animal Husbandry 102 – Cattle and Buffalo Development 12(H) – Frozen Semen Laboratory/Semen Bank	8.00	8.00
5	2403(SP) – Animal Husbandry 102 – Cattle and Buffalo Development 30(H) – Strengthening of Cross Breed Cattle farm, Turibari	5.00	5.00
6	2403(SP) – Animal Husbandry 105 – Piggery Development 22(H) – Regional Pony Development Project	2.00	2.00
7	2403(SP) – Animal Husbandry 109 – Extension and Training 04 (H) – B.V.Sc./F.A. & Farmers Training Programme	6.00	6.00
8	2403(SP) – Animal Husbandry 113 –Administrative Investigation and Statistics 02(H) – 50% State Share of Centrally Sponsored Schemes	19.00	19.00
9	2403(SP) – Animal Husbandry 195 – Assistance to Animal Husbandry Co-operatives 14(H) – Integrated Poultry/Piggery/Dairy development Programme Search Programme	20.00	20.00
10	4403(SP) – Animal Husbandry 800 – Other Expenditure 03(H) – Animal Husbandry Buildings	45.00	45.00
Total:		119	

(Source: Detail Appropriation Accounts)

Expenditure without budget provision

In four cases relating to departmental farms, an expenditure of ₹ 6.19 lakh was incurred without budget provision. The details are given below:

Table 2.13: Expenditure without provision

Head of accounts	(₹ in lakh) Expenditure
2403(SP) – Animal Husbandry 102 – Cattle and Buffalo Department 05(H) – Buffalo Breeding Farm	0.08
2403(SP) – Animal Husbandry 102 – Cattle and Buffalo Development 30(V) – Strengthening of Cross Breed Cattle Farm, Turibari	3.24
2403(SP) – Animal Husbandry 106 – Other Livestock Development 22(V) – Regional Pony development Project	1.91
2403(SP) – Animal Husbandry 107 – Fodder and Feed Development 11(H) – Fodder Farms	0.96
Total :	6.19

(Source: Detail Appropriation Accounts)

Excess over provision: In 10 cases, expenditure exceeded the budget provisions by ₹ 134.76 lakh, reasons of which had not been furnished. The details are given in the table below:

Table 2.14: Excess over provision

(₹ in lakh)

Sl. No.	Head of account	Total (O+ S)	Expenditure	Excess
1	2403 – Animal Husbandry 001-Direction and Administration 01 - Direction	705.54	784.99	79.45
2	2404 – Dairy Development 109 – Extension & Training 06 - Extension & Training	0.50	0.70	0.20
3	2403 – Animal Husbandry 101 – Veterinary Services and Animal Health 08(V) – Disease Investigation Laboratory	25.00	26.49	1.49
4	2403 – Animal Husbandry 102 – Cattle and Buffalo Development 05(V) – Buffalo Breeding Farm	7.00	8.30	1.30
5	2403 – Animal Husbandry 102 – Cattle and Buffalo Development 12(V) – Frozen Semen Laboratory/Semen Bank	21.00	28.98	7.98
6	2403 – Animal Husbandry 105 – Piggery Development 18(V) – Piggery Farms	22.50	26.98	4.48
7	2403 – Animal Husbandry 109 – Extension and Training 04(V) – B.V.Sc./F.A. & Farmers training Programme	5.00	10.90	5.90
8	2403 – Animal Husbandry 109 – Extension and Training 31(V) – Composite demonstration Units	2.00	2.32	0.32
9	2404 – Dairy Development 102 – Dairy Development Projects 25(V) – Rural Dairy Centres	25.00	27.68	2.68
10	4403 – Capital Outlay on Animal Husbandry 800 – Other Expenditure 03(V) – Animal Husbandry Buildings	445.00	475.96	30.96
	Total	1258.54	1393.30	134.76

(Source: Detail Appropriation Accounts)

2.7 Errors in budgeting process

The following lapses or errors were observed in the State budget for the year 2011-12:

Incorrect/Unauthorized heads of accounts: There were 16 heads of accounts in the budget which did not conform with the list of Major and Minor heads of Accounts. Of these nine cases pertained to Minor heads, six cases related to Sub Major head and one case was for Sub head against which the name of the scheme was not indicated. In case of Sub Major head, the code reflected in the budget was not listed in the list of Major and Minor Head and therefore was unauthorized.

Error in respect of heads of Grants-in-aid: In 141 cases, the scheme under which the Grants-in-aid was given had not been indicated against the Sub head. In all these cases, the recipient agencies had not been indicated the Detailed head.

2.8 Conclusion and recommendations

During 2011-12, an expenditure of ₹ 6881.85 crore was incurred against a total budget provision of ₹ 8711.53 crore, resulting in overall saving of ₹ 1829.68 crore. The overall savings was the net result of saving of ₹ 1919.06 crore offset by excess of ₹ 89.38 crore. The excess requires regularization under Article 205 of the Constitution of India. Excess expenditure amounting to ₹ 276.02 crore for the period 2007-11 are still awaiting regularization, despite recommendation of the Public Accounts Committee to regularize the excess expenditure (paras 2.2 and 2.3).

Supplementary provision aggregating ₹ 97.21 crore in 10 cases was unnecessary as the expenditure did not come up to the level of original provision while in 12 cases, supplementary provision of ₹ 74.64 crore proved insufficient by more than ₹ 10 lakh in each case. Substantial surrenders (amount exceeding ₹ 10 crore in each case) were made in respect of 16 sub-heads, out of which in twelve schemes/programmes, the whole provision amounting to ₹ 649.60 crore was surrendered. There was one case in which an amount of ₹ 2.26 crore was surrendered despite having excess expenditure over the total provision (Para 2.3).

Out of ₹ 2411.95 crore paid through Abstract Contingent (AC) bills during 2003-12, Detailed Countersigned Contingent bills for ₹ 948.35 crore are outstanding as on November 2012 (Para 2.4).

The Government should regularize the excess expenditure as it is not only a violation of constitutional provision but also a disregard of the recommendations made by the PAC. 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 nearly as possible. A close and rigorous monitoring mechanism should be put in place to adjust AC bills within thirty days from the date of drawal of the amount, and the Government needs to take a firm action to arrest the trend of rising drawal of Abstract Contingent Bills and pendency in submission of Detailed Countersigned Contingent Bills.

CHAPTER III

FINANCIAL REPORTING

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

3.1 Utilization Certificates

Rule 212 (1) of General Financial Rules, 2005 read with Rule 210 provides that Utilization Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General within 12 months from the date of their sanction unless specified otherwise in respect of grants provided for specific purposes. However, 2410 UCs aggregating to ₹ 1425.34 crore in respect of grants were in arrears as of March 2012. The department-wise break-up of outstanding UCs is given in **Appendix-3.1** and the year-wise break-up of outstanding UCs is summarized in the table below:

Table 3.1: Year-wise arrears of Utilization Certificates

(₹ in crore)

Year	Total Grant paid		Utilization Certificates outstanding	
	No. of cases	Amount	No. of certificates	Amount
2011-12	751	731.39	751	731.39
2010-11	695	394.26	695	394.26
2009-10	152	105.79	152	105.79
Upto 2008-09	812	193.90	812	193.90
Total	2410	1425.34	2410	1425.34

(Source: O/o Accountant General (A&E))

UCs were mainly pending in respect of Tribal Affairs and Hills Department (742 UCs: ₹ 432.19 crore), Rural Development and Panchayati Raj Department (236 UCs: ₹ 193.49 crore), Planning Department (50 UCs: ₹ 157.69 crore), Forest Department (63 UCs: ₹ 147.00 crore), Medical and Family Welfare Department (24 UCs: ₹ 113.08 crore) and Education (Schools) Department (387 UCs: ₹ 84.72 crore). These six departments together accounted for 1502 UCs (62.32 *per cent*) out of 2410 outstanding UCs; involving an amount of ₹ 1128.17 crore (79.15 *per cent*) out of outstanding amount of ₹ 1425.34 crore. In the absence of UCs it could not be ascertained whether the recipients had utilized the grants for the purposes for which these were given.

3.2 Non-submission/delay in submission of accounts

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Heads of the Departments are required to furnish to Audit every year detailed information about the financial assistance of ₹ 25 lakh or more given to various institutions, the purpose of assistance granted and the total expenditure of the institutions.

Out of 21 Autonomous Bodies/Authorities, annual accounts of 19¹ Autonomous Bodies/Authorities due upto 2011-12 had not been received (January 2013). The details of these accounts are given in **Appendix-3.2** and their age-wise pendency is presented in table below.

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

(₹ in lakh)

Delay in Years	No. of the Bodies/Authorities	Grants Received
0 – 1	6	NF
1 – 3	9	NF
3 – 5	2	NF
5 – 7	2	NF
Total:	19	

NF-Not furnished

(Source: Departmental records)

Annual accounts of 2011-12 of two autonomous bodies viz. Manipur State Social Welfare Board and Autonomous District Council, Churachandpur have been received and audit of accounts of the two Autonomous

¹ In respect of two bodies viz., Manipur State Social Welfare Board and Autonomous District Council, Churachandpur up-to-date accounts have been submitted.

Bodies/Authorities has been completed upto March 2012. In respect of one autonomous body², the annual accounts are outstanding for seven years.

3.3 Status of placement of Separate Audit Reports of Autonomous Bodies/ Autonomous District Councils

Six Autonomous District Councils (ADC) and one Autonomous Body *i.e.* Manipur State Legal Services Authority have been set up by the State Government. These Bodies are audited by the Comptroller and Auditor General of India (CAG) with regard to the verification of their transactions, operational activities and accounts, conducting regulatory compliance audit of all transactions scrutinised in audit, review of internal management and financial control, review of system and procedures etc. The audit of accounts of these seven Bodies in the State has been entrusted to the CAG. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Report (SAR) and its placement in the Legislature are indicated in **Appendix-3.3**. Delay in placement of SARs in the Legislature after issuing them is summarized in the table below:

Table 3.3: Delay in submission / placement of Separate Audit Reports as on 31 March 2012

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

(Source: Autonomous District Councils' records)

The above table shows that SAR pertaining to the period 1998-99 in respect of ADC, Churachandpur was placed in the Legislature after a lapse of over five years while the SARs for the period 1999-00 in respect of ADCs of Senapati, Tamenglong and Ukhrul were placed after a lapse of over four years from the date of issue. The SAR in respect of ADC, Sadar Hills for the period 2000-01 was placed after a lapse of over three years from the date of issue while in respect of ADC, Chandel it was placed after a lapse of one year.

² Planning Development Authority

The reasons for the delay in submission/placement of the SARs in the Legislature were not on record.

3.4 Departmental Commercial Undertakings

Departmental undertakings of certain Government departments performing activities of commercial/quasi-commercial nature are required to prepare accounts in the prescribed format annually showing the working results of financial operations, so that the Government can assess their working. As per Section 619 of the Companies Act 1956, the accounts of these Government Undertakings are subject to supplementary audit by the C&AG. As of December 2012, there were seven such undertakings which had not prepared their accounts upto 2011-12. The Reports of the C&AG has repeatedly highlighted the issues of arrears in preparation of accounts in Audit Report No. 1 (Government of Manipur) but there is no improvement in preparation of accounts. The Department-wise position of arrears in preparation of accounts and investment made by the Government are given in **Appendix 3.4**. Five undertakings³ have not submitted their accounts for more than 10 years. In case of Manipur Tribal Development Corporation, the accounts have not been submitted for the year 1988-89 onwards and in case of Manipur Handloom & Handicrafts Corporation, the accounts for the years 1991-92 onwards have not been submitted.

Delay in preparation of accounts of these Departmental undertakings increases the risk of fraud and leakage of public money.

3.5 Misappropriations, losses, defalcations etc.

Information regarding non-adjustment of temporary advances, reasons for non-adjustment, delay in furnishing utilization certificates, non-submission/delay in submission of accounts, cases of misappropriation, losses, defalcations, if any, were called for from 50 departments/autonomous bodies.


However, information in respect of seven department/autonomous District Council/Corporations viz. Forest and Environment Department, Public Works Department, Irrigation and Flood Control Department, Youth Affairs and Sports Department, Stationery and Printing Department, Tribal Affairs and Hills Department and Manipur Film Development Corporation Limited were received (November 2012). No cases of non-adjustment of advances, misappropriation, losses, etc. were reported.

³ Manipur Industrial Development Corporation, Manipur Handloom & Handicrafts Corporation, Manipur Tribal Development Corporation, Manipur Police Housing Corporation and Manipur Film Development Corporation.

3.6 Conclusion and recommendations

As of March 2012, 2410 Utilization Certificates involving ₹ 1425.34 crore in respect of grants were in arrear. There were also delays in placement of Separate Audit Reports on Autonomous District Councils to Legislature and huge arrears in finalization of accounts by the ADC/Autonomous Bodies. Five Departmental undertakings of certain Government Departments have not submitted their accounts for more than 10 years. Out of 50 departments/Autonomous bodies, only seven replies were received to ascertain the status of non-adjustment of temporary advances, misappropriation, losses *etc.* (Paras 3.1, 3.2, 3.3 and 3.4).

Imphal
The


(Siddhartha Singh Longjam)
Accountant General (Audit), Manipur

Countersigned

New Delhi
The


(Vinod Rai)
Comptroller and Auditor General of India

Appendix 1.1

Part A: Structure and Form of Government Accounts

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

Part I: Consolidated Fund

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

Part II: Contingency Fund

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

Part III: Public Account

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

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

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

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

Appendix – 1.1-contd.

Part C: Methodology Adopted for the Assessment of Fiscal Position

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

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

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

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

**Appendix 1.1-contd.
Part D: State Profile**

Sl. No.	Particulars		Figures
1.	Area		22,327 sq km
2	Population		
	a.	As per 2001 census	21.67 lakh
	b.	As per 2011 census	27.22 lakh
3	Density of Population (2001)(All India Average = 325 persons per sq km)		103 persons per sq km.
	Density of Population (2011)(All India Average = 382 persons per sq km)		122 persons per sq km.
4	Population below poverty line^ (All India Average = 27.5%)		17.30 <i>per cent</i>
5	Literacy (2001) (All India Average = 64.8%)		70.53 <i>per cent</i>
6	Infant Mortality (per 1000 live births),2011 (All India Average = 50 per 1000 live births)		16
7	Gross State Domestic Product (GSDP) in 2011-12 at current prices		₹ 10619 crore (A)
8	GSDP CAGR* (2002-03 to 2011-12)	Manipur	12.29 <i>per cent</i>
9	Per capita GSDP CAGR (2001-02 to 2010-11)	Manipur	9.45 <i>per cent</i>
Financial Data			
Particulars		Figures (in per cent)	
		2002-03 to 2010-11	2002-03 to 2011-12
CAGR of		NE States	Manipur
a	Revenue Receipts	15.53	19.25
b	Own Tax Revenue	15.99	19.32
c	Non Tax Revenue	21.28	20.88
d	Total Expenditure	14.52	18.18
e	Capital Expenditure	18.88	36.30
f	Revenue Expenditure on Education	11.27	9.06
g	Revenue Expenditure on Health	16.48	16.98
h	Pension	13.11	11.51

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

*Compounded Annual Growth Rate

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

Appendix – 1.1—contd.

Part E Fiscal Responsibility and Budget Management (FRBM) Act, 2005**The Fiscal Responsibility and Budget Management (FRBM) Act, 2005**

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

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

As per Manipur FRBM Rules 2005 (enacted in December 2005 and subsequently amended in January 2006, July 2006, July 2010 and October 2011) framed under the Act, the following fiscal targets in respect of revenue surplus and fiscal deficit was set:

- remain revenue surplus and build up further surplus having regard to the norms of Central Assistance for the State Plan and the tax and non-tax revenue potential of the State,
- reduce the fiscal deficit to a maximum of 3.5% of the Gross State Domestic Product by 2010-2011 and maintain it below 3.5% in succeeding financial years upto 2012-13 and thereafter reduce it to maximum of 3% of the Gross State Domestic Product from 2013-14 and beyond,
- maintain outstanding debt to a maximum of 65.80% of Gross State Domestic Product in 2010-11, 62.9% of Gross State Domestic Product in 2011-12, 60.1% of Gross State Domestic Product in 2012-13, 57.00% of Gross State Domestic Product in 2013-14 and 54.30% of Gross State Domestic Product in 2014-15.

Appendix 1.2
(Reference: Paragraph 1.1)
Abstract of Receipts and disbursements for the year 2011-12

(₹ in crore)

2010-11	Receipts	2011-12	2010-11	Disbursements	Non-Plan	Plan	2011-12 Total	
Section-A: Revenue								
5,429.94	I - Revenue receipts		5653.55	4078.01	I - Revenue expenditure-	3925.83	1081.09	5006.92
267.05	-Tax revenue	368.07		1,642.75	General Services-	2124.69	8.91	2133.60
259.88	-Non-tax revenue	311.53		1,238.47	Social Services of which	856.18	583.11	1439.29
990.57	-State's share of Union Taxes	1154.03		569.02	-Education, Sports, Art and Culture	570.35	85.52	655.87
1,302.84	-Non-plan Grants	1293.10		209.33	-Health and Family Welfare	135.76	115.94	251.70
2,137.55	-Grants for State Plan Schemes	2119.73		102.30	-Water Supply, Sanitation, Housing and Urban Development	77.71	43.06	120.77
425.91	-Grants for Central and Centrally sponsored Plan Schemes	362.28		4.66	-Information and Broadcasting	4.09	1.10	5.19
46.14	-Grants for Special Schemes for NEC and for other purposes	44.81		181.27	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	13.74	206.44	220.18
				10.60	-Labour and labour Welfare	10.88	3.86	14.74
				155.99	-Social Welfare and Nutrition	38.25	127.19	165.44
				5.30	-Others	5.40	-	5.40
				1,083.68	Economic Services of which	768.30	489.07	1257.37
				383.68	-Agriculture and Allied Activities	199.02	198.01	397.03
				85.86	-Rural Development	32.05	56.14	88.19
				41.58	-Special Areas Programmes	-	47.17	47.17
				66.67	-Irrigation and Flood Control	49.77	28.26	78.03
				211.56	-Energy	268.91	4.50	273.41
				74.27	-Industry and Minerals	55.54	41.44	96.98
				100.40	-Transport	136.74	-	136.74
				14.67	-Science, Technology and Environment	1.23	18.76	19.99
				104.99	-General Economic Services	25.04	94.79	119.83
				113.11	Grants-in-aid and Contributions	176.66	-	176.66
-	II - Revenue deficit carried over to Section B		-	1351.93	II - Revenue Surplus carried over to Section B			646.63
5,429.94	Total: Section A		5653.55	5429.94	Total: Section A			5653.55
Section -B: Others								
367.40	III - Opening Cash balance including Permanent Advances and Cash Balance Investment		356.48	-	III - Opening Overdraft from Reserve Bank of India			
-	IV - Miscellaneous Capital receipts		-	1918.06	IV - Capital Outlay-	(-)3.22	1698.63	1695.41
				264.76	General Services-	-	293.41	293.41
				600.73	Social Services of which	-	477.32	477.32
				82.40	-Education, Sports, Art and Culture	-	71.32	71.32
				94.96	-Health and Family Welfare	-	142.26	142.26
				374.07	-Water Supply, Sanitation, Housing and Urban Development	-	252.58	252.58
				0.15	-Information and Broadcasting	-	0.15	0.15
				47.24	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	10.54	10.54
				-	-Social Welfare and Nutrition	-	-	-
				1.91	-Others	-	0.47	0.47
				1,052.57	Economic Services of which	(-)3.22	927.90	924.68
				16.48	-Agriculture and Allied Activities	(-)3.22	20.37	17.15
				-	-Rural Development	-	-	-
				11.38	-Special Areas Programmes	-	43.36	43.36
				395.31	-Irrigation and Flood Control	-	325.82	325.82

2010-11	Receipts	2011-12		2010-11	Disbursements	Non-Plan	Plan	2011-12 Total
				308.75	-Energy	-	195.28	195.28
				7.09	-Industry and Minerals	-	27.31	27.31
				18.37	-Science Technology and Environment	-	7.35	7.35
				290.25	-Transport	-	286.57	286.57
				4.94	-General Economic Services	-	21.84	21.84
1.19	V - Recoveries of Loans and Advances-		1.89	3.80	V - Loans and Advances disbursed-			0.08
	-From Power Projects	-		-	-For Power Projects	-	-	
0.62	-From Government Servants	0.60		0.25	To Government Servants	0.08	-	
0.57	-From Others	1.29		3.55	-To Others	-	-	
1351.93	VI - Revenue Surplus brought down		646.63	-	VI - Revenue Deficit brought down	64.93		-
298.40	VII - Public debt receipts-		293.33	115.02	VII - Repayment of Public debt			160.24
-	-External debt	-			External debt			
298.40	-Internal debt other than Ways and Means Advances and overdrafts	203.38			-Internal debt other than Ways and Means Advances and Overdrafts	95.31		
-	-Net transactions under Ways and Means Advances	89.95			-Net transactions under Ways and Means Advances			
-	-Loans and Advances from Central Government	-			-Repayment of Loans and Advances to Central Government	64.93		
-	-Net transactions under over- draft	-						
-	VIII - Appropriation to Contingency Fund			-	VIII - Appropriation to Contingency Fund			-
-	IX - Amount transferred to Contingency Fund			-	IX - Expenditure from Contingency Fund			
4008.55	X - Public Account receipts-		5582.21	3634.11	X - Public Account disbursement-			5396.61
179.56	Small Savings and Provident Funds	348.34		138.25	-Small Savings and Provident Funds		114.66	
27.87	-Reserve Funds	38.36		-	-Reserve Funds		0.01	
53.11	Suspense and Miscellaneous	2079.13		53.41	-Suspense and Miscellaneous		2072.89	
2694.26	Remittances	2491.52		2,775.48	-Remittances		2469.95	
1053.75	Deposits and Advances	624.86		666.97	-Deposits and Advances		739.10	
	XI - Closing Overdraft from Reserve Bank of India			356.48	XI - Cash Balance at end-			(-)371.80
				4.62	-Cash in Treasuries and Local Remittances	5.43		
				95.96	-Deposits with Reserve Bank	(-)515.44		
				32.17	-Departmental Cash Balance including permanent Advances	36.40		
				223.73	-Cash Balance Investment and Investment of earmarked fund	101.81		
11457.41	Total:		12534.09	11457.41	Total:			12534.09

Appendix – 1.3

(Reference: Paragraph 1.5.2)

Statement showing funds transferred to the State implementing Agencies under Programmes/Schemes outside the State budget during 2011-12

(₹ in lakh)

Implementing Agency	GOI Programme/Scheme	Amount
1	2	3
Manipur State Literacy Mission Authority, Imphal	Adult Education and Skill Development Scheme	474.83
7 NGOs	Advocacy and Publicity	18.75
Oriental Women Society, Manipur .	Access and Equity	5.00
3 NGOs	Archives and Archival Libraries	0.68
Institute of Bioresources And Sustainable Development	Autonomous R&D Institution	787.95
Bioinformatics Centre, S. Kula Women's College	Bio-informatics	6.20
4 NGOs	Biotechnology for Societal Development	56.77
25 NGOs	Baba Saheb Ambedkar Hastashilpa Vikas Yojana	355.34
State Water and Sanitation Mission Manipur	Central Rural Sanitation Scheme	1087.87
Centre for Development Institute for community Action & Resource	Comprehensive Scheme for Combating Trafficking	18.30
19 NGOs	Credit Support Programme	18.00
Manipur Police Housing Corporation Ltd.	Crime and Criminal Tracking Network and System	219.07
7 NGOs	Deen Dayal Rehabilitation Scheme (Social Justice & Empowerment)	143.47
29 NGOs	Design and Technical Development	79.38
Manipur Police Housing Corporation	Directorate of Forensic Science (Centre for Forensic Science Laboratory & Government Examiners of Questioned Documents)	49.00
Sayang Kurao Makhong Mamang Leikai Women's Development Association	Diversified Handloom Development Scheme	1.20
9 DRDAs	DRDA Administration	601.69
4 NGOs	Environment Information Education and Awareness	82.09
State Health Society, Manipur	Forward Linkages to National Rural Health Mission, New Initiatives in North East	870.00
Human Resource Development Association (HRDA); and Nupi Khunai	Free Coaching and Allied Scheme for Minorities (Minority Affairs)	18.91
Institute of Bioresources and Sustainable Development	Grand Challenge Programmes	28.82
Universal Caring Mission	Grant in Aid for Research Publication and Monitoring	1.91
3 NGOs	Grant in Aid to NGO's including Coaching & Allied Scheme	31.11
14 NGOs	Grant in Aid to Research Training Information and Miscellaneous (Social Justice & Empowerment)	36.10
11 NGOs	Grant in Aid to NGOs for SCs,OBCs & Research & Training	33.13
United Rural Development service	Grant in Aid to NGOs and for Coaching ST Students for Competitive Examination	18.81
24 NGOs	Grants in Aid to Research Academic Institutions and Non Governmental Voluntary Organisations for undertaking research in Labour Related Subjects	5.56
The Manipur State Rashtriya Swasthya Bima Yojana Society	Health Insurance for Unorganised Workers	106.10

1	2	3
3 NGOs	Human Resource Development	15.02
State Health Society, Manipur, Imphal	Hospitals and Dispensaries (Under NRHM)	765.00
Imphal College	Human Resource Development, Biotechnology	24.00
Manipur Renewable Energy Development Agency (MANIREDA)	Information Publicity and Extension	6.00
Institute of Bioresources and Sustainable Development	Inspire	2.50
5 DRDAs	Integrated Watershed Management Programme	2557.02
Department of Electronics and Computer Classes Centre Imphal	IT for Masses (Department of Information Technology)	32.00
9 DRDAs	Mahatma Gandhi National Rural Employment Guarantee	58485.23
3 NGOs	Marketing and Export Promotion Scheme	169.27
15 NGOs	Marketing Support and Services & Export Promotion	199.68
Forest Development Agency, Institute of Bioresources and Sustainable Development	Medicinal Plants	15.15
Deputy Commissioners	MPs Local Area Development Scheme (MPLADS)	1000.00
The Public Museum	Museums	2.50
Highland Welfare	National Afforestation and Eco-Development Board	44.25
Forest Development Agencies Thoubal; and State Forest Development Agency Manipur	National Afforestation Programme	1273.87
Manipur State AIDS Control Society	National AIDS Control Programme including sexually transmitted disease Control	1339.76
State Bamboo Steering Committee (SBSC)	National Bamboo Mission	1721.97
7. NGOs	National Child Labour Project including GIA to Voluntary Agencies	36.57
State Health Society, Manipur, Imphal	National Mental Health Programme	43.37
Manipur Horticulture Development Society	National Mission on Medicinal Plants	8746.00
State Micro Irrigation Committee, Manipur	National Mission on Micro Irrigation	5000.00
30 NGOs; Rural Upliftment and Development Organisation (RUDO); and Islamic Social Education and Cultural Development Organisation	National Programme for Youth and Adolescent Development General Component	1.17
State Water and Sanitation Mission Manipur Imphal	National Rural Drinking Water Programme	4759.65
State Health Society, Manipur, Imphal; and Manipur State TB Society, Manipur.	National Rural Health Mission (NRHM)	579.10 116.00
5 Local Institutions	North Eastern Areas	390.08
Youth Affairs and Sports Department	North East Region Livelihood Project	2.00
Manipur Renewable Energy Development Agency (MANIREDA)	Off Grid Decentralized Renewable Power System	379.35
10 NGOs	Panchayati Raj Institutions Voluntary Organizations	121.67
Manipur Pollution & Project Implementation Committee, Environment & Ecology	Pollution Abatement	105.23

1	2	3
Manipur Rural Roads Development Agency(MSRRDA)	Pradhan Mantri Gram Sadak Yojana (PMGSY)	17753.00
47 NGOs(Dance and Cultural Organisations)	Promotion and Dissemination of Art and Culture	379.17
5 NGOs	Promotion of Sports among Disabled	6.52
Manipur Milk Producer's Co-operative Union Ltd.	Project for Dairy Development	373.06
2 NGOs	Research & Development of Bioresources	204.08
Institute of Bioresources and Sustainable Development	Research & Development Biotechnology	71.51
DM College	Research & Development for Conservation	8.76
State Implementation Society	Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	3813.18
5 NGOs	Research and Development Support (Science and Engineering Research Council)	982.23
Development Network Agency	Research and Development Water Resources	0.47
2 NGOs	Research Information and Mass Education- Tribal	7.57
9 DRDA	Rural Housing – Indira Awas Yojana	2362.85
State Implementation Society	Sarva Shiksha Abhiyan (SSA)	3940.55
Manipur Food Industries Corporation Limited	Scheme for Infrastructure Development (Food Processing Industries)	100.00
Manipur Skill Development Society	Skill Development Initiative	56.65
2 NGOs	Scheme for Quality Assurance, CODEX (<i>Codex Alimentarius</i>) Standard	185.72
7 NGOs	Scheme for Technology	199.88
14 NGOs	Scheme for the Welfare of Working Children in Need of Care and Protection	130.63
Lions Club of Thoubal, Manipur	Scheme Arising out of the Implementation of the Person with Disabilities SJE	11.50
5 NGOs	Science and Technology Programme for Socio Economic	107.90
Manipur Science and Technology Council	State Science and Technology Programme	81.39
3 NGOs	Step Support to Training and Employment Programme for Women	21.38
Nursing Superintendent, Medical Directorate	Strengthening of Institutions for Medical Education Training and Research	16.53
State Agricultural Management & Extension Training Institute (SAMETI), Manipur	Support to State Extension Programme	468.13
Jana Shikshan Sansthan, Senapati; Jana Shikshan Sansthan, Imphal West and Jana Shikshan Sansthan, Thoubal	Support to NGO's Social Responsibility Cells for Adult (SRCs) Education and Skill Development Merged Schemes of NGOs, Jan Shikshan Sansthan and SRCs	45.00
9 NGOs and Department of Social Welfare.	Swadhar Scheme	165.23
8 DRDAs ; and State Rural Livelihood Mission-Manipur	Swaran Jayanti Gram Swarozgar Yojana (SGSY)	736.42
Manipur Urban Development Agency (MUDA)	Swarna Jayanti Shahari Rojgar Yojana (SJSRY)	399.65
Imphal College	Technology Development Programme	2.50
27 NGOs	Voluntary Organization for providing social defence service	181.88
Manipur Science & Technology Council	Water Technology Initiative	18.57
South Eastern Rural Development Organization	Working Women Hostel (WWH)	9.52
Others	Youth Hostel	1.29
Total:		12,59,32.17

(Source: Finance Accounts)

Appendix 1.4
(Reference: Paragraph 1.6)
Time series data on the State Government finances

(₹ in crore)

	2007-2008	2008-2009	2009-10	2010-11	2011-12
Part A Receipts					
1. Revenue Receipts (i + ii + iii + iv)	3508	3873	3873	5430	5654
(i) Tax Revenue of which	147	170	196	267	368
<i>Taxes on Agricultural Income</i>	-	-	-	-	-
<i>Taxes on Sales, Trade, etc.</i>	121	141	163	227	297
<i>State Excise</i>	4	4	5	7	10
<i>Taxes on Vehicles</i>	3	4	4	4	13
<i>Stamps and Registration fees</i>	3	3	4	4	5
<i>Land Revenue</i>	1	1	1	1	1
<i>Taxes on Goods and Passengers</i>	1	1	1	1	1
<i>Other taxes</i>	14	16	18	23	41
<i>Taxes and duties on electricity</i>	-	-	-	-	*
(ii) Non-Tax Revenue	165	254	240	260	312
(iii) State's share of Union taxes and duties	550	581	597	991	1154
(iv) Grants-in-aid from Government of India	2646	2868	2840	3912	3820
2. Miscellaneous Capital Receipts	-	-	-	-	-
3. Recoveries of Loans and Advances	2	1	3	1	2
4. Total Revenue and Non-debt capital receipts (1+2+3)	3,510	3,874	3876	5431	5656
5. Public Debt Receipts of which	261	314	520	298	293
<i>Internal Debt (excluding Ways and Means Advances and Overdrafts)</i>	253	309	520	298	293
<i>Net transactions under Ways and Means Advances and Overdrafts</i>	-	-	-	-	-
<i>Loans and Advances from Government of India</i>	8	5	-	-	-
6. Total Receipts in the Consolidated Fund (4+5)	3771	4188	4396	5729	5949
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Account Receipts	2481	2848	3218	4009	5582
9. Total Receipts of the State (6+7+8)	6252	7036	7614	9738	11531
Part B Expenditure/Disbursement					
10. Revenue Expenditure	2292	2622	3014	4078	5007
<i>Plan</i>	480	490	710	1099	1081
<i>Non-Plan</i>	1812	2132	2304	2979	3926
<i>General Services (including interest payments)</i>	932	1094	1181	1643	2134
<i>Social Services</i>	718	803	891	1238	1439
<i>Economic Services</i>	642	725	816	1084	1257
<i>Grants-in-aid and contributions</i>	-	-	126	113	177
11. Capital Expenditure	1,108	1,467	1588	1918	1695
<i>Plan</i>	1,110	1,464	1589	1917	1698
<i>Non-Plan</i>	(-)2	3	(-)1	1	(-)3
<i>General Services</i>	104	55	103	265	293
<i>Social Services</i>	378	547	559	601	477
<i>Economic Services</i>	626	865	926	1052	925
12. Disbursement of Loans and Advances	8	1	7	4	**
13. Total/Aggregate Expenditure (10+11+12)	3408	4090	4609	6000	6702

* ₹ 33.66 lakh only

** ₹ 0.08 crore only

	2007-2008	2008-2009	2009-10	2010-11	2011-12
14. Repayments of Public Debt of which	308	310	117	115	160
<i>Internal Debt (excluding Ways and Means Advances and Overdrafts)</i>	63	65	75	70	95
<i>Net transactions under Ways and Means Advances and Overdrafts</i>	-	-	-	-	-
<i>Loans and Advances from Government of India</i>	245	245	42	45	65
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	3716	4400	4726	6115	6862
17. Contingency Fund disbursements	-	-	-	-	-
18. Public Account disbursements	1953	2560	3137	3634	5397
19. Total disbursement by the State (16+17+18)	5669	6960	7863	9749	12259
Part C Deficits					
20. Revenue Deficit (-)/Surplus (+) (1-10)	(+)1216	(+)1251	(+) 859	(+)1352	(+)647
21. Fiscal Deficit (-)/Surplus (+) (4-13)	(+)102	(-)216	(-) 733	(-)569	(-)1047
22. Primary Deficit(-)/ Surplus(+) (21+23)	(+)400	(+)98	(-) 410	(-)204	(-)650
Part D Other data					
23. Interest Payments (included in revenue expenditure)	298	314	323	365	397
24. Financial Assistance to local bodies etc.	43	51	37	41	51
25. Ways and Means Advances/Overdraft availed (days)	7	-	-	-	1
Ways and Means Advances availed (days)	7	-	-	-	1
Overdraft availed (days)	-	-	-	-	-
26. Interest on Ways and Means Advances/Overdraft	0.03	-	-	-	-
27. Gross State Domestic Product (GSDP)@	6799	7399	8254	9291	10619
28. Outstanding Fiscal liabilities (year end)	4529	4861	5519	6124	6384
29. Outstanding guarantees (year end) (including interest)	211	274	195	233	175
30. Maximum amount guaranteed (year end)	207	197	197	196	196
31. Number of incomplete projects*	228	49	44	21	96
32. Capital blocked in incomplete projects	176	144	225	132	392
Part E Fiscal Health Indicators					
I Resource Mobilization					
Own Tax revenue/GSDP	2.16	2.30	2.37	2.87	3.47
Own Non-Tax Revenue/GSDP	2.43	3.43	2.91	2.80	2.94
Central Transfers/GSDP	8.09	7.85	7.23	10.67	10.87
II Expenditure Management					
Total Expenditure/GSDP	50.12	55.28	55.84	64.58	63.11
Total Expenditure/Revenue Receipts	97.15	105.60	119.00	110.50	118.54
Revenue Expenditure/Total Expenditure	67.25	64.11	65.39	67.97	74.71
Expenditure on Social Services/Total Expenditure	32.15	33.01	31.46	30.65	28.59
Expenditure on Economic Services/Total Expenditure	37.21	38.88	37.80	35.60	32.56
Capital Expenditure/Total Expenditure	32.51	35.87	34.45	31.97	25.29
Capital Expenditure on Social and Economic Services/Total Expenditure	29.46	34.52	32.22	27.55	20.92
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	17.88	16.89	10.41	14.55	6.09
Fiscal deficit (surplus)/GSDP	1.50	(-)2.93	(-) 8.88	(-)6.12	(-)9.86
Primary Deficit (surplus)/GSDP	5.88	1.32	(-) 4.97	(-)2.20	(-)6.12
Revenue Deficit/Fiscal Deficit	1192.16	(-)576.04	(-) 117.19	(-)237.61	(-)61.80
Primary Revenue Balance/GSDP	22.30	21.17	14.34	18.49	9.85

	2007-2008	2008-2009	2009-10	2010-11	2011-12
Fiscal Liabilities/GSDP	66.61	65.70	66.86	65.91	60.12
Fiscal Liabilities/RR	129.10	125.50	142.50	112.78	112.91
Primary deficit vis-à-vis quantum spread	1199.76	(-) 302.77	(-) 57.69	36.67	(-)163.91
Debt Redemption (Principal+Interest)/Total Debt Receipts	95.88	97.25	78.28	84.31	110.78
V Other Fiscal Health Indicators					
Return on Investment	0.05	-	-	-	-
Balance from Current Revenue (₹ in crore)	32	(-)97.15	(-) 188.43	(-)137.01	(-)773.38
Financial Assets/Liabilities	1.59	1.79	8.91	(-)69.42	(-)14.57

@ GSDP figures as communicated by the State Government

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

Appendix 1.5
(Reference: Paragraph 1.10.1)
Assets and Liabilities of the Government of Manipur as on 31 March 2012

(₹ in crore)

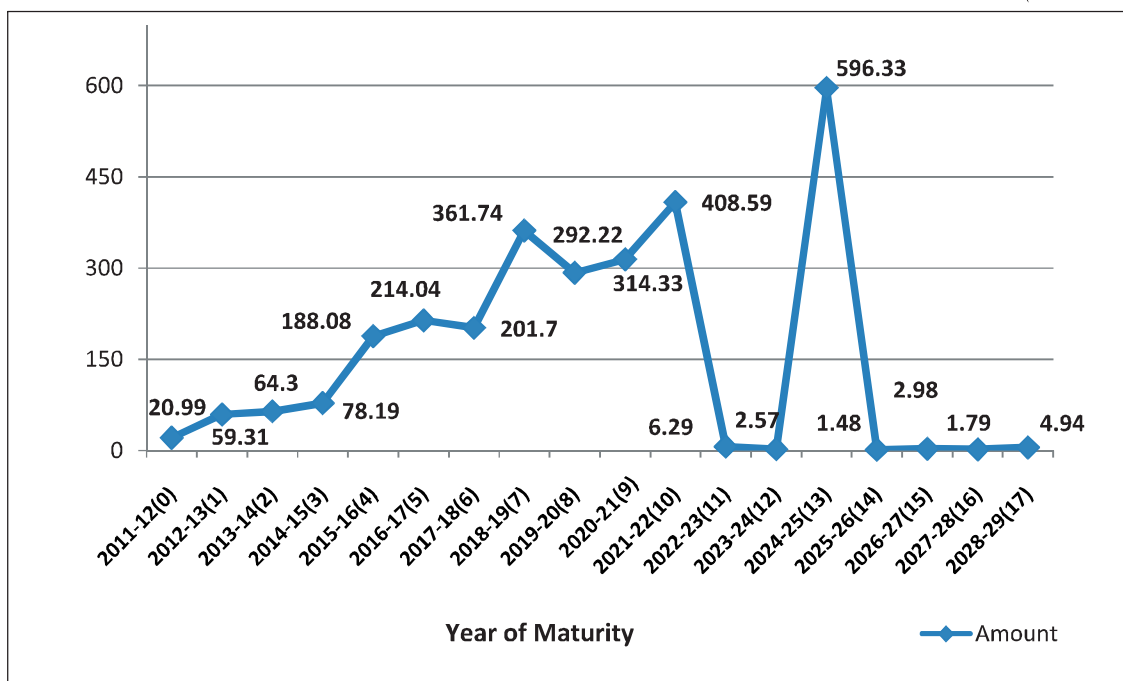
As on 31.03.2011		Liabilities		As on 31.03.2012
3100.20		Internal Debt -		3298.22
	2103.61	Market Loans bearing interest	2180.58	
	0.04	Market Loans not bearing interest	0.04	
	5.93	Loans from Life Insurance Corporation of India	5.93	
	47.92	Loans from NABARD	94.93	
	0.11	Loans from SBI	0.11	
	6.14	Loans from National Co-operative Development Corporation	6.14	
	849.26	Special Securities issued to National Small Savings Fund of the Central Government	836.41	
	87.19	Other Loans	84.13	
		Ways and Means Advance	89.95	
639.35		Loans and Advances from Central Government -		574.42
	0.06	Pre 1984-85 Loans	0.06	
	530.67	Non-Plan Loans	492.72	
	83.31	Loans for State Plan Schemes	77.65	
	1.69	Loans for Central Plan Schemes	-	
	19.28	Loans for Centrally Sponsored Plan Schemes	0.01	
	4.34	Loans for Special Plan Schemes	3.98	
	-	Other Ways & Means Advances	-	
	-	Contingency Fund	-	
841.80		Small Savings, Provident Funds, etc.		1075.48
1535.46		Deposits		1421.23
75.45		Reserve Funds		113.80
6192.26		Total:		6483.15
Assets				
11517.62		Gross Capital Outlay on Fixed Assets -		13213.03
	176.31	Investments in shares of Companies, Corporations, etc.	180.93	
	11341.31	Other Capital Outlay	13032.10	
205.42		Loans and Advances -		203.61
	-	Loans for Power Projects	-	
	10.80	Loans to Government servants and Miscellaneous loans	10.28	
	194.62	Other Development Loans	193.33	
1.73		Advances		1.74
95.96		Deposit with Reserve Bank and other banks		(-)515.44
267.52		Remittance Balance		245.95
124.95		Suspense and Miscellaneous Balance		118.71
260.52		Cash -		143.64
	4.62	Cash in Treasuries and Local Remittances	5.43	
	32.15	Departmental Cash Balance	36.38	
	0.02	Permanent Advances	0.02	
	155.31	Cash Balance Investments	2.43	
	68.42	Investment of earmarked funds	99.38	
(-)6281.46		Deficit on Government Account		(-)6928.09
	(-)1351.93	Less Revenue Surplus of the current year	(-)646.63	
		Miscellaneous Deficit		
	(-)4929.53	Accumulated Deficit at the beginning of the year	(-)6281.46	
6192.26				6483.15

Appendix 1.6
(Reference: Paragraph 1.11)
Maturity Profile of debt

(₹ in lakh)

Year of Maturity	Internal Debt	Loans and advances from the Central Government					Amount
	Manipur State Development Loan/Manipur Government Stock	Non-Plan Loans	Loans for State/Union Territory Schemes	Loans for Central Plan Schemes	Loans for centrally Sponsored Schemes	Sub-Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7) (3+4+5+6)	(8) (2+7)
2011-12(0)		1.89		168.84	1928.10	2098.83	2098.83
2012-13(1)	5928.26	2.70		-	-	2.70	5930.96
2013-14(2)	6411.89	2.50	15.62	-	-	18.12	6430.01
2014-15(3)	7806.00	0.81	12.32	-	-	13.13	7819.13
2015-16(4)	18800.41	0.80	6.33	-	-	7.13	18807.54
2016-17(5)	21390.00	2.77	11.35	-	-	14.12	21404.12
2017-18(6)	20143.76	2.42	23.67	-	-	26.09	20169.85
2018-19(7)	36155.90	5.54	12.76	-	-	18.30	36174.20
2019-20(8)	29208.00	12.47	1.40	-	-	13.87	29221.87
2020-21(9)	31400.00	6.93	26.51	-	-	33.44	31433.44
2021-22(10)	40814.00	38.85	6.14	-	-	44.99	40858.99
2022-23(11)	-	59.91	568.69	-	-	628.60	628.60
2023-24(12)	-	61.00	196.49	-	-	257.49	257.49
2024-25(13)	-	52559.77	7072.93	-	-	59632.70	59632.70
2025-26(14)	-	122.96	25.52	-	-	148.48	148.48
2026-27(15)	-	158.48	139.74	-	-	298.22	298.22
2027-28(16)	-	20.05	158.52	-	-	178.57	178.57
2028-29(17)	-	4.93	488.70	-	-	493.63	493.63
Sub-Total	218058.20	53064.78	8766.69	168.84	1928.10	63928.41	281986.60
Amount for which year of Maturity is not known							111770.19
Total							393756.79

(₹ in crore)



Appendix 2.1
(Reference: Paragraph 2.3.1)

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

(₹ in lakh)

Sl. No.	Grant/ Appropriation	Total provision	Saving	Percentage
1	2	3	4	5
Revenue Voted				
1	2- Council of Ministers	367.17	101.11	28
2	3- Secretariat	5042.78	224.87	4
3	4- Land Revenue, Stamps and Registration and District Administration	5964.05	314.90	5
4	5- Finance Department	67888.16	975.29	1
5	7- Police	85818.68	5751.12	7
6	8- Public Works Department	20415.80	1007.69	5
7	10- Education	66399.58	5875.29	9
8	11- Medical, Health and Family Welfare Services	26902.42	1732.86	6
9	12- Municipal Administration, Housing and Urban Development	8244.99	3116.64	38
10	14- Development of Scheduled Tribes & Scheduled Castes department and Hills	39663.51	3681.12	9
11	17- Agriculture	12110.76	558.87	5
12	18- Animal Husbandry and Veterinary including Dairy Farming	6969.12	735.58	11
13	19- Environment and Forest	13678.89	180.24	1
14	20- Community Development and ANP, IRDP and NREP	11685.85	323.72	3
15	21- Commerce & Industries	7268.86	345.68	5
16	26- Administration of Justice	2256.24	458.97	20
17	30- Planning	59075.26	48859.30	83
18	31- Fire Protection and Control	854.97	177.79	21
19	38- Panchayat	4397.44	1291.23	29
20	41- Art and Culture	2305.92	169.62	7
21	42- State Academy of Training	633.21	171.15	27
22	44- Social Welfare Department	13849.29	321.34	2
23	46- science and Technology	968.92	228.03	24
24	47- Welfare of Minorities and Other Backward Classes	2836.22	982.97	35
25	48- Relief and Disaster Management	1305.63	383.96	29
26	50- Information and Technology	746.71	167.17	22
Revenue Charged				
27	1- State Legislature	51.43	15.96	31
28	8- Public Works Department	100.10	54.09	54
29	26- Administration of Justice	1046.70	1046.70	100

Capital Voted				
30	1-State Legislature	30.00	30.00	100
31	2-Council of Ministers	80.00	80.00	100
32	5- Finance Department	40.01	32.51	81
33	8- Public Works Department	48072.06	4128.02	9
34	10- Education	10106.36	6543.37	65
35	11- Medical, Health and Family Welfare Services	16922.65	2912.87	17
36	12-Municipal Administration, Housing and Urban Development	11008.98	318.78	3
37	13- Labour and Employment	151.51	104.17	69
38	14- Development of Scheduled Tribes & Scheduled Castes department and Hills	1600.00	612.06	38
39	15-Consumer Affairs, Food and Public Distribution	850.00	300.00	35
40	18- Animal Husbandry and Veterinary including Dairy Farming	1077.95	250.68	23
41	21- Commerce & Industries	950.00	625.45	66
42	22-Public Health Engineering	21768.01	7129.43	33
43	23- Power	22039.99	1421.19	6
44	25- Youth Affairs and Sports Department	4616.50	1520.74	33
45	30- Planning	82470.00	68918.33	84
46	32- Jails	0.01	0.01	100
47	37-Fisheries	262.22	159.20	61
48	40- Irrigation and Flood Control Department	30024.79	12543.07	42
49	41- Art and Culture	636.00	240.64	38
50	42- State Academy of Training	30.00	25.73	86
51	44- Social Welfare Department	0.01	0.01	100
52	45- Tourism	3430.35	1187.03	35
53	47- Welfare of Minorities and Other Backward Classes	3146.56	3080.47	98
Total:		728162.62	191417.02	

Appendix 2.2
(Reference: Paragraph 2.3.4)

Statement showing expenditure incurred without provision during 2011-12

(₹ in lakh)

Sl. No.	No. and Name of Grants (Heads of Accounts)	Amount of Expenditure without provision	Reasons/Remarks
Grant No. 11 – Medical, Health and Family Welfare Services			
1	2211(CSS).105.04(V)	12.04	Reasons for incurring expenditure without provisions had not been intimated (December 2012) nor mentioned in the detailed appropriation account
Grant No. 17 – Agriculture			
2	2401(SP).104.35(H)	4.22	-do-
3	2401(SP).104.37(H)	4.00	-do-
Grant No. 18 –Animal Husbandry and Veterinary including Dairy Farming			
4	2403(SP).102.05(H)	0.08	-do-
5	2403(SP).102.30(V)	3.24	-do-
6	2403(SP).106.22(V)	1.91	-do-
7	2403(SP).107.11(H)	0.96	-do-
Grant No. 19 – Environment and Forest			
8	2406(SP).01.101.21(H)	1.19	-do-
Grant No. 37 - Fisheries			
9	2405(SP).101.06(H)	0.60	-do-
Grant No. 39 – Sericulture			
10	2851(SP).107.14(H)	1.55	-do-
Grant No. 43 –Horticulture and Soil Conservation			
11	4401(SP).800.17(V)	1.72	-do-
12	2552(NEC).800.08(H)	94.83	-do-
	Total	126.26	

*V stand for valley, H stands for Hills and SP stands for State Plan.

Appendix 2.3
(Reference: Paragraph 2.3.5)
Statement showing amount debited head-wise and credited to
‘8449 – Other Deposits’ during March 2012

(₹ in lakh)

Sl. No.	Department/Name of DDO	Debit Head	Credit Head	Amount credited	Remarks
1	Autonomous District Council	--	8449	4233.66	*
2	Education (S)	2202	8449	625.42	
3	Sericulture	2851	8449	306.60	
4	University and Higher Education	2202	8449	457.21	
5	Health	2210,2211	8449	9000.00	--
6	Consumer Affairs, Food and Public Distribution	2408,3456,4406	8449	330.00	--
7	Economics and Statistics	3454	8449	180.00	--
8	General Administrative Department	2052	8449	250.00	-
9	Youth Affair and Sports	2204	8449	2112.38	--
10	Minority and Other Backward Classes	2225	8449	360.60	-
11	Police	2055,4059	8449	2749.65	--
	Total			20605.52	

*Debit head awaited from the departments (November 2012)

Appendix 2.4
(Reference: Paragraph 2.3.6)
Excess over provision of previous years requiring regularisation

(₹ in crore)

Year	No. of Grants/Appropriations	Grant/Appropriation No.	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2007-08	13	1, Appn.2 (Capital charged), 26, 16, 18, 22, 25, 41, 8, 23, 25, 41 and Appn.2 (Charged)	81.59	PAC recommended for regularization (37 th Report); but status of regularization not intimated yet. (December 2012)
2008-09	14	5, 11, 12, 13, 22, 23, 25, 27, 29, 33, 39, 45, 46, 47	102.87	-do-
2009-10	11	5, 13, 19, 22, 25, 39 and 48 (Revenue voted), 11, 12, 22 and Appropriation no. 2 (Capital voted)	29.14	-do-
2010-11	7	5, 46 (Revenue voted), 17, 22, 36, 41 and Appropriation no, 2(Capital charged)	62.42	Excess expenditure yet to be discussed by PAC.
	45	Total	276.02	

Appendix 2.5

(Reference: Paragraph 2.3.9)
Excess /Unnecessary/Insufficient re-appropriation of funds
(Savings(-)/Excess(+))one crore and above

(₹ in lakh)

Sl. No.	Grants/Appropriation No.	Head of Account	Reappropriation	Final excess(+)/ Saving(-)
1	2	3	4	5
	Savings cases			
1	Grant 8 – Public Works Department	4059.01.051.11(H)	-422.60	-106.30
2	-do-	4059.01.051.11(V)	-1433.80	-117.08
3	-do-	4059.01.101.01(H)	2571.40	-1437.81
4	-do-	4059.80.800.47(H)	100.00	-100.00
5	-do-	4216.01.106.08(H)	-10.00	-160.19
6	-do-	4216.01.106.08(V)	-5.00	-144.64
7	-do-	5054.05.337.51(H)	-1181.39	-779.37
8	-do-	5054.05.337.52(V)	371.80	-371.80
9	-do-	5054.05.337.53(H)	1490.00	-1490.00
10	-do-	5054.05.337.53(V)	408.00	-408.00
11	-do-	4059.60.051.04(V)	150.00	-209.71
12	Grant 10 – Education	2202.01.001.01	199.68	-149.89
13	-do-	2202.01.101.19	570.81	-3475.66
14	-do-	2202.04.001.07	195.24	-395.08
15	-do-	2202.01.800.07(V)	-400.00	-406.48
16	-do-	2202.02.001.24(V)	100.00	-100.00
17	-do-	2202.02.052.12(V)	34.60	-113.99
18	-do-	2202.02.800.30(V)	125.00	-111.48
19	-do-	2202.02.800.62(H)	280.68	-330.92
20	-do-	2202.02.800.90(V)	-1000.00	-326.63
21	-do-	4202.02.105.93(V)	150.00	-116.10
22	-do-	2202.02.800.14(V)	389.00	-389.00
23	-do-	2202.01.800.19(V)	-467.89	-979.79
24	-do-	2202.80.800.17(V)	293.06	-182.06
25	Grant 11 – Medical, Health and Family Welfare Services	2210.01.110.15(H)	107.00	-509.63
26	-do-	4210.01.110.15(H)	65.84	-452.22
27	-do-	4210.01.800.10(V)	-19.97	-118.87
28	-do-	4210.02.103.24(H)	33.47	-120.00
29	-do-	4210.02.103.01(H)	151.24	-151.24
30	Grant 12 – Municipal Administration, Housing and Urban Development	4217.01.800.06(V)	210.00	-220.00
31	-do-	2217.01.800.08(V)	799.30	-799.30

1	2	3	4	5
32	Grant 12 – Municipal Administration, Housing and Urban Development	4217.60.051.09(V)	265.67	-318.76
33	Grant 14 – Development of Scheduled Tribes & Scheduled Castes Department	4225.02.800.32(H)	-15.00	-400.00
34	Grant 17 – Agriculture	2401.800.27(V)	-20.00	-106.02
35	Grant 19 – Environment and Forest	2406.01.001.01(V)	-3.00	-1444.70
36	Grant 22 – Public Health Engineering	4215.01.102.15(H)	-46.00	-705.22
37	-do-	4215.01.102.13(V)	263.06	-110.81
38	-do-	4215.01.102.15(V)	87.50	-187.50
39	-do-	4215.01.102.19(H)	188.90	-188.90
40	-do-	4215.01.102.20(H)	192.00	-192.00
41	-do-	4215.01.102.21(H)	116.25	-116.25
42	Grant 23 – Power	4801.05.799.01(H)	1090.30	-802.38
43	-do-	4801.05.799.04(V))	460.00	-405.95
44	-do-	4801.05.799.11(H)	52.65	-415.48
45	-do-	4801.05.799.91(V)	98.00	-240.87
46	-do-	4801.05.799.94(H)	-391.00	-425.19
47	-do-	4801.05.799.95(V)	1175.62	-1713.62
48	-do-	4801.05.799.02(H)	123.62	-724.17
49	Grant 26 – Administration of Justice	2014.102.08	-474.82	-571.88
50	Grant 30 – Planning	4055.800.01(V)	850.00	-165.01
51	-do-	4059.80.800.03(V)	-398.00	-126.75
52	-do-	4702.800.02(H)	1338.00	-1338.00
53	-do-	4702.800.02(V)	1072.00	-1072.00
54	Grant 36 – Minor Irrigation	4552.800.01(V)	125.00	-125.00
55	Grant 40 – Irrigation and Flood Control Department	2700.05.001.01(H)	-11.10	-363.40
56	-do-	4700.03.051.11(V)	-916.00	-7738.21
57	-do-	4700.04.051.12(H)	-2705.00	-4034.41
58	-do-	4711.01.103.03(V)	118.41	-516.95
59	-do-	4552.03.800.05(V)	112.38	-150.40
60	Grant 44 – Social Welfare Department	2235.02.104.31(V)	-42.01	-232.33
61	Grant 45 – Tourism	5452.01.101.03(V)	1.14	-1173.47
62	Grant 47 – Welfare of Minorities and Other Backward Classes	2225.03.277.03(V)	553.65	-700.07
63	Grant 48 – Relief and Disaster Management	2245.05.101.01	27.30	-379.00
	Sub Total		7144.99	-41957.94
	Excess Cases			
64	Grant 5 – Finance Department	2071.01.102.06	-151.61	548.57
65	-do-	2071.01.111.28	151.61	312.60

1	2	3	4	5
66	Grant 8 – Public Works Department	4059.80.800.43(H)	-500.00	500.00
67	-do-	5054.05.337.51(V)	-1502.18	1826.28
68	Grant 8 – Public Works Department	5054.05.337.70(H)	413.77	225.90
69	Grant 10 – Education	2202.02.101.24	8.01	165.07
70	-do-	2202.02.109.24	-246.77	2055.57
71	-do-	2202.02.110.64(V)	167.00	151.55
72	-do-	2202.02.800.62(V)	218.32	128.69
73	Grant 11 – Medical, Health and Family Welfare Services	2210.01.110.15(V)	515.00	373.39
74	-do-	4210.01.110.15(V)	-5.80	171.97
75	Grant 12 – Municipal Administration, Housing and Urban Development	4217.01.800.10(V)	2748.48	220.00
76	Grant 14 – Development of Scheduled Tribes & Scheduled Castes Department	2225.02.001.01(V)	-8.00	144.79
77	-do-	2225.02.800.04(H)	298.00	374.90
78	-do-	4225.02.800.32(V)	-130.00	400.00
79	Grant 20 – Community Development and ANP, IRDP and NREP	2515.102.02	612.20	212.45
80	-do-	2505.60.800.11(V)	-750.00	250.00
81	Grant 22 – Public Health Engineering	4215.01.102.15(V)	3.00	556.68
82	Grant 23 – Power	2801.01.101.40	5.00	1421.33
83	-do-	4801.05.799.04(V)	48.00	523.97
84	-do-	4801.05.799.89(H)	-519.00	845.17
85	-do-	4801.05.799.89(V)	-266.00	617.24
86	-do-	4801.05.799.91(H)	-85.00	393.02
87	Grant 30 – Planning	3451.092.04(V)	12.14	1000.00
88	-do-	4210.01.110.02(V)	-14520.00	765.00
89	-do-	4702.800.01(V)	-1590.00	2650.00
90	-do-	4711.01.103.01(V)	-4582.00	136.39
91	Grant 36 – Minor Irrigation	4702.800.07(V)	40.00	459.39
92	-do-	4702.800.03(V)	-179.35	181.64
93	-do-	4702.800.05(V)	-110.25	104.08
94	Grant 39 – Sericulture	2851.107.01	186.48	146.87
95	Grant 40 – Irrigation and Flood Control Department	2700.05.001.01(V)	11.10	367.57
96	Grant 44 – Social Welfare Department	2235.02.104.32(V)	-251.00	227.14
	Sub total:		-19958.85	18457.22
	Total:		-12813.86	-23500.72

Appendix 2.6

(Reference: Paragraph 2.3.10)

Statement showing cases of substantial surrenders (exceeding ₹ 10 crore) made during the year 2011-12

(₹ in crore)

Sl. No.	Name of Grant	Head of Account	Total provision	Amount of surrender	Percentage of surrender
1	2	3	4	5	6
1	22 - Public Health Engineering	4215 – Capital Outlay on Water Supply and Sanitation			
		02 – Sewerage and Sanitation			
		101 – Urban Sanitation Services			
		16 – 16 EAP Component	100.00	60.50	61
2	30 - Planning	2402 – Soil and Water Conservation			
		800 – Other expenditure			
		02 – Development of Loktak lake (SPA)	80.30	68.29	85
3	-do-	3451 – Secretariat-Economic Services			
		092 – Other Offices			
		13 – Special Development Fund	115.09	115.09	100
4	-do-	4059 – Capital Outlay on Public Works			
		01 – Office Buildings			
		101 – Construction-General Pool Accommodation			
		01 – Special Plan Assistance	152.54	91.64	60
5	-do-	4202 – Capital Outlay on Education, Sports, Art and Culture			
		01 – General Education			
		203 – University and Higher Education			
		03 – Upgradation of Infrastructures of Govt. Colleges under SPA	12.10	12.10	100
6	-do-	4202 – Capital Outlay on Education, Sports, Art and Culture			
		02 – Technical Education			
		800 – Other expenditure			
		03 – Acquisition of Land for National Institute of Technology under SPA	10.12	10.12	100
7	-do-	4210 – Capital Outlay on Medical and Public Health			
		01 – Urban Health Services			
		110 – Hospital and Dispensaries			
		02 – Development/Upgradation of JNIMS & other Hospital & Health Institutions under SPA	145.20	145.20	100
8	-do-	4210 – Capital Outlay on Medical and Public Health			
		01 – Urban Health Services			
		110 – Hospital and Dispensaries			
		03 – Construction/Infrastructure Development of Hospitals/Dispensaries under SPA	28.11	28.11	100

1	2	3	4	5	6
9	22 - Public Health Engineering	4225 – Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes			
		02 – Welfare of Scheduled Tribes			
		800 – Other expenditure			
		01 – Construction of Tribal Markets/Hostels and Other buildings under SPA	30.36	30.07	99
10	-do-	4702 – Capital Outlay on Minor Irrigation			
		800 – Other expenditure			
		01 – Integrated Tank Irrigation Project	26.50	26.50	100
11	-do-	4711 – Capital Outlay on Flood Control Projects			
		01 – Flood Control			
		103 – Civil Works			
		01 – Construction of Barrage & Retaining Wall Across & Over Rivers under SPA	45.82	45.82	100
12	-do-	4801 – Capital Outlay on Power Projects			
		05 – Transmission and Distribution			
		799 – Transmission & Distribution System			
		01 – Renovation/Modernisation/Installation under SPA	17.16	17.16	100
13	-do-	4801 – Capital Outlay on Power Projects			
		05 – Transmission and Distribution			
		799 – Transmission & Distribution System			
		02 – APDRP works in Greater Imphal Area	28.38	28.38	100
14	-do-	4851 – Capital Outlay on Village and Small Industries			
		800 – Other expenditure			
		01– Construction of Urban Haat at Imphal	10.12	10.12	100
15	-do-	4851 – Capital Outlay on Village and Small Industries			
		107 – Sericulture Industries			
		01 – Sericulture Project under SPA	10.12	10.12	100
16	-do-	5054 –Capital Outlay on Roads and Bridges			
		05 – Roads			
		337 – Road Works			
		02 – Construction of Roads under SPA	200.88	200.88	100
	Total:		1012.80	900.10	

Appendix 2.7

(Reference: Paragraph 2.3.13)

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

(₹ in lakh)

Sl. No.	Grant No.	Total provision	Expenditure	Saving
Revenue voted				
1	1- State Legislature	3509.11	3419.10	90.01
2	2- Council of Ministers	367.17	266.06	101.11
3	3- Secretariat	5042.78	4817.91	224.87
4	4- Land Revenue, Stamps & Registration and District Administration	5964.05	5649.15	314.90
5	5- Finance Department	67888.16	66912.87	975.29
6	6- Transport	564.91	541.74	23.17
7	7- Police	85818.68	80067.56	5751.12
8	8- Public Works Department	20415.80	19408.11	1007.69
9	9- Information and Publicity	480.98	473.81	7.17
10	10- Education	66399.58	60524.29	5875.29
11	11- Medical, health and Family Welfare Services	26902.42	25169.56	1732.86
12	14- Development of Scheduled Tribes & Scheduled Caste Department & Hills	39663.51	35982.39	3681.12
13	15- Consumer Affairs, Food and Public Distribution	1526.36	1506.35	20.01
14	18- Animal Husbandry and Veterinary including Dairy Farming	6969.12	6233.54	735.58
15	19- Environment and Forest	13678.89	13498.65	180.24
16	21- Commerce & Industries	7268.86	6923.18	345.68
17	24- Vigilance Department	238.02	237.10	0.92
18	25- Youth Affairs and Sport Department	3129.50	3098.99	30.51
19	26- Administration of Justice	2256.24	1797.27	458.97
20	27- Election	2021.00	1993.59	27.41
21	29- Sales Tax, Other Taxes/Duties on commodities and Services	503.36	448.43	54.93
22	31- Fire Protection and Control	854.97	677.18	177.79
23	32- Jails	1201.21	1188.24	12.97
24	33- Home Guards	1051.51	1048.43	3.08
25	34- Rehabilitation	298.24	287.01	11.23
26	35- Stationery and Printing	534.11	532.60	1.51
27	38- Panchayat	4397.44	3106.21	1291.23
28	40- Irrigation Flood Control Department	5509.49	5447.51	61.98
29	43- Horticulture and Soil Conservation	5568.48	5506.57	61.91
30	47- Welfare of Minorities and Other Backward Classes	2836.22	1853.25	982.97
31	48- Relief and Disaster Management	1305.63	921.67	383.96
Revenue Charged				
32	1- State Legislature	51.43	35.47	15.96
33	Appn 1- Governor	312.00	288.87	23.13
34	Appn 3- Manipur Public Service Commission	276.28	275.93	0.35
35	5- Finance Department	10.90	10.50	0.40
36	8- Public Works Department	100.10	46.01	54.09
Capital voted				
37	1- State Legislature	30.00	0.00	30.00
38	2- Council of Ministers	80.00	0.00	80.00
39	5- Finance Department	40.01	7.50	32.51
40	7- Police	7612	7611.95	0.05

Sl. No.	Grant No.	Total provision	Expend-iture	Saving
41	8- Public Works Department	48072.06	43944.04	4128.02
42	9- Information and Publicity	15	14.99	0.01
43	10- Education	10106.36	3562.99	6543.37
44	11- Medical, health and Family Welfare Services	16922.65	14009.78	2912.87
45	12- Municipal Administration, Housing and Urban Development	11008.98	10690.2	318.78
46	15- Consumer Affairs, Food and Public Distribution	850	550	300
47	17- Agriculture	1956.02	1954.94	1.08
48	18- Animal Husbandry and Veterinary including Dairy Farming	1077.95	827.27	250.68
49	23- Power	22039.99	20618.8	1421.19
50	25- Youth Affairs and Sport Department	4616.5	3095.76	1520.74
51	32- Jails	0.01	0	0.01
52	39- Sericulture	1072	1026.4	45.6
53	40- Irrigation Flood Control Department	30024.79	17481.72	12543.07
54	44- Social Welfare Department	0.01	0	0.01
55	45- Tourism	3430.35	2243.32	1187.03
56	47- Welfare of Minorities and Other Backward Classes	3146.56	66.09	3080.47
	Total:	547017.75	487900.85	59116.90

Appendix 2.8
(Reference: Paragraph 2.3.13)
Statement showing details of saving of ₹ one crore and above not surrendered.

(₹ in lakh)

Sl. No.	Grant No.	Total provision	Expenditure	Saving	Surrender	Saving not surrendered
	Revenue Voted					
1	2-Council of Ministers	367.17	266.06	101.11	0.00	101.11
2	3- Secretariat	5042.78	4817.91	224.87	0.00	224.87
3	4- Land Revenue, Stamps & Registration and District Administration	5964.05	5649.15	314.90	0.00	314.90
4	5- Finance Department	67888.16	66912.87	975.29	0.00	975.29
5	7- Police	85818.68	80067.56	5751.12	0.00	5751.12
6	8- public Works Department	20415.80	19408.11	1007.69	0.00	1007.69
7	10- Education	66399.58	60524.29	5875.29	0.00	5875.29
8	11- Medical, Health and Family Welfare Services	26902.42	25169.56	1732.86	0.00	1732.86
9	12- Municipal Administration, Housing and Urban Development	8244.99	5128.35	3116.64	351.02	2765.62
10	14- Development of Scheduled Tribes & Scheduled Caste Department and Hills	39663.51	35982.39	3681.12	0.00	3681.12
11	17- Agriculture	12110.76	11551.89	558.87	494.92	63.95
12	18- Animal Husbandry and Veterinary including Dairy Farming	6969.12	6233.54	735.58	0.00	735.58
13	19- Environment and Forest	13678.89	13498.65	180.24	0.00	180.24
14	21- Commerce and Industries	7268.86	692.18	345.68	0.00	345.68
15	26- Administration of Justice	2256.24	1797.27	458.97	0.00	458.97
16	30- Planning	59075.26	10215.96	48859.30	18740.15	30119.15
17	31- Fire Protection and Control	854.97	677.18	177.79	0.00	177.79
18	38- Panchayat	4397.44	3106.21	1291.23	0.00	1291.23
19	41- Art and Culture	2305.92	2136.30	169.62	163.59	6.03
20	42- State Academy of Training	633.21	462.06	171.15	144.29	26.86
21	44- Social Welfare Department	13849.29	13527.95	321.34	140.37	180.97
22	47- Welfare of Minorities and Other Backward Classes	2836.22	1853.25	982.97	0.00	982.97
23	48- Relief and Disaster Management	1305.63	921.67	383.96	0.00	383.96
24	50- Information Technology	746.71	579.54	167.17	66.20	100.97
	Revenue Charged					
25	26- Administration of Justice	1046.70	0.00	1046.70	474.82	571.88
	Capital Voted					
26	8- Public Works Department	48072.06	43944.04	4128.02	0.00	4128.02
27	10- Education	10106.36	3562.99	6543.37	0.00	6543.37
28	11- Medical, Health and Family Welfare Services	16922.65	14009.78	2912.87	0.00	2912.87
29	12- Municipal Administration, Housing and Urban Development	11008.98	10690.20	318.78	0.00	318.78

Sl. No.	Grant No.	Total provision	Expenditure	Saving	Surrender	Saving not surrendered
30	13- Labour and Employment	151.51	47.34	104.17	42.63	61.54
31	14- Development of Scheduled Tribes & Scheduled Caste Department and Hills	1600.00	987.94	612.06	206.97	405.09
32	15- Consumer Affairs, Food and Public Distribution	850.00	550.00	300.00	0.00	300.00
33	18- Animal Husbandry and Veterinary including Dairy Farming	1077.95	827.27	250.68	0.00	250.68
34	21- Commerce and Industries	950.00	324.55	625.45	255.00	370.45
35	22- Public Health Engineering	21768.01	14638.58	7129.43	6050.22	1079.21
36	23- Power	22039.99	20618.80	1421.19	0.00	1421.19
37	25- Youth Affairs and Sports Department	4616.50	3095.76	1520.74	0.00	1520.74
38	30- Planning	82470.00	13551.67	68918.33	68874.55	43.78
39	37- Fisheries	262.22	103.02	159.20	129.40	29.80
40	40- Irrigation and Flood Control Department	30024.79	17481.72	12543.07	0.00	12543.07
41	41- Art and Culture	636.00	395.36	240.64	39.95	200.69
42	45- Tourism	3430.35	2243.32	1187.03	0.00	1187.03
43	47- Welfare of Minorities and Other Backward Classes	3146.56	66.09	3080.47	0.00	3080.47
Total:		715176.29	524549.33	190626.96	96174.08	94452.88

Appendix 2.9
(Reference: Paragraph 2.3.13)

Statement showing cases of surrender of funds made as on 31 March 2012

(₹ in lakh)

Sl. No.	Grant No.	Total Provision	Expenditure	Excess (+) / Saving (-)	Surrender	%age of surrender vis-à-vis Total Provision
Revenue Voted						
1	12- Municipal Administration, Housing and Urban Development	8244.99	5128.35	-3116.64	351.02	4.26
2	17-Agriculture	12110.76	11551.89	-558.87	494.92	4.09
3	20- Community Development and ANP, IRDP and NREP	11685.85	11362.13	-323.72	503.57	4.31
4	30- Planning	59075.26	10215.96	-48859.3	18740.15	31.72
5	41- Art and Culture	2305.92	2136.3	-169.62	163.59	7.09
6	42- State Academy of Training	633.21	462.06	-171.15	144.29	22.79
7	44- Social Welfare Department	13849.29	13527.95	-321.34	140.37	1.01
8	46- Science and Technology	968.92	740.89	-228.03	229.31	23.67
9	50- Information technology	746.71	579.54	-167.17	66.2	8.87
Revenue Charged						
10	26- Administration of Justice	1046.70	0.00	-1046.70	474.82	45.36
Capital Voted						
11	13- Labour and Employment	151.51	47.34	-104.17	42.63	28.14
12	14- Development of Scheduled Tribes & Scheduled Caste Department & Hills	1600.00	987.94	-612.06	206.97	12.94
13	16- Co-operation	528.20	516.42	-11.78	11.20	2.12
14	21- Commerce and Industries	950.00	324.55	-625.45	255.00	26.84
15	22- Public Health Engineering	21768.01	14638.58	-7129.43	6050.22	27.79
16	30- Planning	82470.00	13551.67	-68918.33	68874.55	83.51
17	36- Minor Irrigation	6810.97	10439.06	3628.09	226.46	3.32
18	37- Fisheries	262.22	103.02	-159.20	129.40	49.35
19	41- Art and Culture	636.00	395.36	-240.64	39.95	6.28
20	42- State Academy of Training	30.00	4.27	-25.73	25.60	85.33
Total:		225874.52	96713.28	-129161.24	97170.22	

Appendix 2.10
(Reference: Paragraph 2.3.14)

Rush of expenditure during March where expenditure was more than ₹ 10 crore and 25 percent of the Total expenditure for the year

(₹ in crore)

Sl. No.	Grant	Description / Major Head	Expenditure during Jan-Mar	Expenditure during March	Total expenditure	% of total expenditure during Jan-Mar	% of total expenditure during March
1	2	3	4	5	6	7	8
1	7	Capital Outlay on Police / 4055	29.37	29.37	29.37	100	100
2	7	Capital Outlay and publicity works /4059	26.75	26.75	46.75	57.22	57.22
3	10	General Education / 2202	203.47	140.51	558.02	36.46	25.17
4	10	Capital Outlay on Education, Sports, Art and Culture /4202	31.31	28.33	33.80	92.63	83.83
5	11	Medical and Public Health /2210	92.36	70.14	222.05	41.59	31.59
6	11	Capital Outlay on Medical and Public Health / 4210	128.07	120.13	139.75	91.65	85.96
7	12	Urban Development / 2217	22.94	22.21	51.00	44.98	43.54
8	12	Capital Outlay on Urban Development /4217	57.26	56.31	108.50	52.78	51.90
9	14	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes / 2225	135.96	131.37	200.75	67.74	65.44
10	17	Capital Outlay on Command Area Development / 4705	11.37	10.98	19.55	58.16	56.15
11	19	Soil and Water Conservation / 2402	26.50	25.05	31.51	84.10	79.49
12	20	Rural Employment / 2505	32.71	25.45	48.90	66.88	52.05
13	21	Village and Small Industries / 2851	31.46	27.59	68.13	46.18	40.50
14	22	Water Supply and Sanitation / 2215	24.44	19.43	56.78	43.04	34.23
15	25	Sports and Youth Services / 2204	12.89	10.61	28.30	45.56	37.49
16	25	Capital Outlay on Education, Sports, Art and Culture /4202	30.96	30.96	30.96	100	100
17	30	Secretariat - Economic Services / 3451	44.87	32.64	95.51	46.98	34.18
18	30	Capital Outlay on Public works / 4059	84.27	82.29	85.27	98.83	96.51
19	30	Capital Outlay on Minor Irrigation / 4702	13.25	13.25	26.50	50	50
20	30	Capital Outlay on Village and Small Industries /4851	13.80	13.80	13.80	100	100
21	38	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions / 3604	18.75	18.75	18.75	100	100

1	2	3	4	5	6	7	8
22	39	Village and Small Industries / 2851	12.98	10.63	25.42	51.07	41.80
23	44	Social Security and Welfare / 2235	55.12	53.51	101.36	54.38	52.79
24	44	Nutrition / 2236	26.61	26.06	30.83	86.31	84.52
25	45	Capital Outlay on Tourism / 5452	11.68	10.20	21.84	53.48	46.72
26	47	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes / 2225	14.13	13.86	18.06	78.25	76.76

Appendix 2.11
(Reference: Paragraph 2.4.1)
Pending DCC bills up to 2011-12 as on November 2012

(₹ in crore)

Sl. No.	Department/Institutes	Number of AC bills	Amount
1	Adult Education Department	1	0.15
2	Agriculture Department	7	16.53
3	Art & Culture Department	8	5.31
4	Commerce and Industries Department	20	19.79
5	Co-operation Department	1	0.13
6	Development of Tribals and Backward Classes	128	86.46
7	District Administration	6	1.15
8	Economics and Statistics Department	1	1.80
9	Education (School) Department	136	173.48
10	Education (U) Department	67	51.34
11	Election Department	2	13.13
12	Family and Children Welfare Bureau	6	0.92
13	Finance Department	14	8.84
14	Fisheries Department	1	0.05
15	Food and Civil Supply Department	9	12
16	General Administration Department (Sectt)	2	0.22
17	Department of Information and Public Relation	5	0.21
18	Information Technology	4	11.37
19	Jail (Prison) Department	4	2.93
20	Labour Department	4	0.59
21	Manipur Fire Service	1	0.21
22	Medical and Health Services Department	321	139.50
23	Minorities and Other Backward Classes	20	10.59
24	Municipal Administration, Housing and Urban Development	6	4.83
25	Planning Department	47	159.62
26	Police Department	55	85.89
27	Relief and Disaster Management Department	1	.06
28	Rural Development and Panchayati Raj	33	37.49
29	Science and Technology Department	4	7.90
30	Sectt. Development Department	1	7.50
31	Sericulture Department	4	1.43
32	Taxation Department	5	1.53
33	Tourism Department	19	48.14
34	Transport Department	9	10.05
35	Veterinary and Animal Husbandry Department	34	6.62
36	Weights & Measures Department	2	0.50
37	Sports and Youth Services Department	38	20.09
Total:		1026	948.35

(Figures as furnished by Voucher Level Computerization)

Appendix – 3.1
(Reference: Paragraph 3.1)

Statement showing outstanding Utilization Certificates as on 31 March 2012

(₹ in crore)

Sl. No.	Department	Year of payment of Grant	Total Grants paid		Utilization Certificates			
			Number	Amount	Received		Outstanding	
					Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Agriculture	Upto 2008-09	1	0.05	Nil	Nil	1	0.05
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	1	0.05	Nil	Nil	1	0.05
		2011-12	2	0.05	Nil	Nil	2	0.05
2	Arts & Culture	Upto 2008-09	43	2.39	Nil	Nil	43	2.39
		2009-10	29	2.72	Nil	Nil	29	2.72
		2010-11	38	6.03	Nil	Nil	38	6.03
		2011-12	56	4.88	Nil	Nil	56	4.88
3	Co-operation	Upto 2008-09	10	1.17	Nil	Nil	10	1.17
		2009-10	6	0.88	Nil	Nil	6	0.88
		2010-11	4	0.92	Nil	Nil	4	0.92
		2011-12	4	0.90	Nil	Nil	4	0.90
4	Tribal Affairs and Hills	Upto 2008-09	245	53.64	Nil	Nil	245	53.64
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	241	101.60	Nil	Nil	241	101.60
		2011-12	256	276.95	Nil	Nil	256	276.95
5	District Administration	Upto 2008-09	48	3.43	Nil	Nil	48	3.43
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	29	1.39	Nil	Nil	29	1.39
		2011-12	23	0.75	Nil	Nil	23	0.75
6	Education (S)	Upto 2008-09	143	15.96	Nil	Nil	143	15.96
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	123	29.45	Nil	Nil	123	29.45
		2011-12	121	39.31	Nil	Nil	121	39.31
7	Education (U)	Upto 2008-09	25	5.80	Nil	Nil	25	5.80
		2009-10	12	5.36	Nil	Nil	12	5.36
		2010-11	10	5.72	Nil	Nil	10	5.72
		2011-12	16	5.63	Nil	Nil	16	5.63
8	Excise	2008-09	1	0.02	Nil	Nil	1	0.02
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	Nil	Nil	Nil	Nil	Nil	Nil
		2011-12	Nil	Nil	Nil	Nil	Nil	Nil
9	Finance	Upto 2008-09	Nil	Nil	Nil	Nil	Nil	Nil
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	1	0.04	Nil	Nil	1	0.04
		2011-12	Nil	Nil	Nil	Nil	Nil	Nil

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
10	Fisheries	Upto 2008-09	10	1.19	Nil	Nil	10	1.19
		2009-10	6	0.99	Nil	Nil	6	0.99
		2010-11	7	2.44	Nil	Nil	7	2.44
		2011-12	5	1.62	Nil	Nil	5	1.62
11	Forest	Upto 2008-09	18	5.57	Nil	Nil	18	5.57
		2009-10	14	33.42	Nil	Nil	14	33.52
		2010-11	15	53.96	Nil	Nil	15	53.96
		2011-12	16	54.05	Nil	Nil	16	54.05
12	General Administrative/ Secretariat General Services	Upto 2008-09	25	23.89	Nil	Nil	25	23.89
		2009-10	14	7.41	Nil	Nil	14	7.41
		2010-11	11	0.75	Nil	Nil	11	0.75
		2011-12	21	0.49	Nil	Nil	21	0.49
13	Industries	Upto 2008-09	14	8.42	Nil	Nil	14	8.42
		2009-10	9	11.15	Nil	Nil	9	11.15
		2010-11	14	10.00	Nil	Nil	14	10.00
		2011-12	21	19.48	Nil	Nil	21	19.48
14	Information Technology	Upto 2008-09	Nil	Nil	Nil	Nil	Nil	Nil
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	1	0.28	Nil	Nil	1	0.28
		2011-12	2	1.00	Nil	Nil	2	1.00
15	Labour	2011-12	1	0.50	Nil	Nil	1	0.50
16	Law Department	Upto 2008-09	12	0.18	Nil	Nil	12	0.18
		2009-10	7	0.12	Nil	Nil	7	0.12
		2010-11	Nil	Nil	Nil	Nil	Nil	Nil
		2011-12	1	0.05	Nil	Nil	1	0.05
17	Medical & Family Welfare	Upto 2008-09	4	1.03	Nil	Nil	4	1.03
		2009-10	6	16.40	Nil	Nil	6	16.40
		2010-11	7	33.08	Nil	Nil	7	33.08
		2011-12	7	62.57	Nil	Nil	7	62.57
18	Municipal Administration, Housing & Urban Development	Upto 2008-09	31	13.36	Nil	Nil	31	13.36
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	35	24.10	Nil	Nil	35	24.10
		2011-12	59	45.40	Nil	Nil	59	45.40
19	Other Administrative Services	Upto 2008-09	4	0.08	Nil	Nil	4	0.08
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	2	0.09	Nil	Nil	2	0.09
		2011-12	Nil	Nil	Nil	Nil	Nil	Nil
20	Planning	Upto 2008-09	7	15.40	Nil	Nil	7	15.40
		2009-10	3	16.14	Nil	Nil	3	16.14
		2010-11	18	44.52	Nil	Nil	18	44.52
		2011-12	22	81.63	Nil	Nil	22	81.63
21	Police	2008-09	9	0.49	Nil	Nil	9	0.49
		2009-10	4	0.21	Nil	Nil	4	0.21
		2010-11	3	0.10	Nil	Nil	3	0.10
		2011-12	6	0.28	Nil	Nil	6	0.28

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
22	Public Works	2008-09	1	0.01	Nil	Nil	1	0.01
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	Nil	Nil	Nil	Nil	Nil	Nil
		2011-12	Nil	Nil	Nil	Nil	Nil	Nil
23	Rural Development & Panchayati Raj	Upto 2008-09	58	21.17	Nil	Nil	58	21.17
		2009-10	Nil	Nil	Nil	Nil	Nil	Nil
		2010-11	97	54.62	Nil	Nil	97	54.62
		2011-12	81	117.70	Nil	Nil	81	117.70
24	Sericulture	Upto 2008-09	1	4.94	Nil	Nil	1	4.94
		2009-10	2	0.86	Nil	Nil	2	0.86
		2010-11	2	6.22	Nil	Nil	2	6.22
		2011-12	3	5.08	Nil	Nil	3	5.08
25	Science & Technology	Upto 2008-09	11	7.71	Nil	Nil	11	7.71
		2009-10	5	3.82	Nil	Nil	5	3.82
		2010-11	6	8.21	Nil	Nil	6	8.21
		2011-12	6	5.59	Nil	Nil	6	5.59
26	Social Welfare	Upto 2008-09	23	1.80	Nil	Nil	23	1.80
		2009-10	17	3.94	Nil	Nil	17	3.94
		2010-11	12	0.82	Nil	Nil	12	0.82
		2011-12	6	0.95	Nil	Nil	6	0.95
27	Sports & Youth Services	Upto 2008-09	14	1.94	Nil	Nil	14	1.94
		2009-10	6	0.65	Nil	Nil	6	0.65
		2010-11	4	1.46	Nil	Nil	4	4.94
		2011-12	4	1.37	Nil	Nil	4	1.37
28	Town Planning	2008-09	Nil	Nil	Nil	Nil	Nil	Nil
		2009-10	2	0.13	Nil	Nil	2	0.13
		2010-11	4	1.89	Nil	Nil	4	1.89
		2011-12	Nil	Nil	Nil	Nil	Nil	Nil
29	Veterinary & Animal Husbandry	Upto 2008-09	41	2.85	Nil	Nil	41	2.85
		2009-10	2	0.60	Nil	Nil	2	0.60
		2010-11	3	1.84	Nil	Nil	3	1.84
		2011-12	3	1.26	Nil	Nil	3	1.26
30	Welfare of Minorities and Other Backward Classes	Upto 2008-09	13	1.41	Nil	Nil	13	1.41
		2009-10	8	0.99	Nil	Nil	8	0.99
		2010-11	7	4.68	Nil	Nil	7	4.68
		2011-12	9	3.90	Nil	Nil	9	3.90
Sub total:		Upto 2008-09	812	193.90	Nil	Nil	812	193.90
		2009-10	152	105.79	Nil	Nil	152	105.79
		2010-11	695	394.26	Nil	Nil	695	394.26
		2011-12	751	731.39	Nil	Nil	751	731.39
Grand total:			2410	1425.34	Nil	Nil	2410	1425.34

Appendix 3.2

(Reference: Paragraph 3.2)

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

(₹ in lakh)

Sl. No.	Name of the Body/Authority	Year from which accounts had not been received	Grants received
	Department: Rural Development		
1	Executive Director, DRDA, Imphal West	2010-11 to 2011-12	Not Furnished (NF)
2	Executive Director, DRDA, Imphal East	2010-11 to 2011-12	NF
3	Executive Director, DRDA, Bishnupur	2011-12	NF
4	Executive Director, DRDA, Thoubal	2010-11 to 2011-12	NF
5	Executive Director, DRDA, Ukhrul	2010-11 to 2011-12	NF
6	Executive Director, DRDA, Senapati	2010-11 to 2011-12	NF
7	Executive Director, DRDA, Chandel	2008-09 to 2011-12	NF
8	Executive Director, DRDA, Churachandpur	2011-12	NF
9	Executive Director, DRDA, Tamenglong	2011-12	NF
	Department: Forest		
10	Loktak Development Authority	2006-07 to 2011-12	NF
	Department: Commerce and Industries		
11	Manipur Development Society	2011-12	NF
	Department: Horticulture and Soil Conservation		
12	Eastern Border Area Development Authority	2010-11 to 2011-12	NF
13	Barak River Valley Development Board	2009-10 to 2011-12	NF
	Department: Social Welfare		
14	Manipur State Social Welfare Board	Furnished upto 2011-12	NF
	Department: Municipal Administration, Housing and Urban Development		
15	Planning Development Authority	2005-06 to 2011-12	NF
	Department: Development of Tribals Affairs and Hills		
16	Autonomous District Council, Churachandpur	Furnished upto 2011-12	NF
17	Autonomous District Council, Chandel	2011-12	
18	Autonomous District Council, Tamenglong	2010-11 to 2011-12	NF
19	Autonomous District Council, Ukhrul	2007-08 to 2011-12	NF
20	Autonomous District Council, Senapati	2010-11 to 2011-12	NF
21	Autonomous District Council, Kangpokpi	2011-12	NF

Appendix 3.3
(Reference: Paragraph 3.3)

Statement showing position of placement of SAR of ADC/ Autonomous body as on 31 March 2012

Name of the ADC/ Autonomous Bodies	Period of entrust- ment	Year up to which accounts were rendered	Position of SAR placed in the State Legislature					Position of SARs issued but not placed		
			Year of SAR	Date of issue	Date of placement of SAR	Delay in placement of SAR	Reasons for delay	SARs issued	Date of issue	Reasons for non placement of SARs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Chandel	Under Section 19 (3)	2010-11	2001-02	6.12.04	17.3.06	Over 1 year	NA	2002-03 to 2006-07	Between 29.5.06 and 24.8.10	NA
Churachandpur	-do-	2007-08	1998-99	29.12.00	17.3.06	Over 5 years	NA	1999-00 to 2007-08	Between 31.1.02 and 26.8.10	NA
Sadar Hills	-do-	2010-11	2000-01	10.4.03	17.3.06	Over 3 years	NA	2001-02 to 2006-07	Between 4.2.05 and 19.6.09	NA
Senapati	-do-	2007-08	1999-00	6.12.01	17.3.06	Over 4 years	NA	2000-01 to 2007-08	Between 3.10.02 and 21.10.10	NA
Tamenglong	-do-	2007-08	1999-00	11.12.01	17.3.06	Over 4 years	NA	2000-01 to 2007-08	Between 21.7.05 and 21.10.10	NA
Ukhrul	-do-	2006-07	1999-00	11.12.01	17.3.06	Over 4 years	NA	2000-01 to 2006-07	Between 11.2.05 and 13.1.10	NA
Manipur State Legal Service Authority	-do-	2010-11	2003-04	28.8.08	October 2008	Over 1 month	NA	NA	NA	NA

Appendix—3.4
(Reference: Paragraph 3.4)

**Statement of Finalization of Accounts and the Government Investment in Departmentally
Managed Commercial and Quasi- Commercial Undertakings**

(₹ in crore)

Sl. No.	Name of the Undertaking	Accounts Finalized up to	Investment as per last Account finalized	Remarks/Reasons for Delay in Preparation of accounts
Commerce and Industries				
1	Manipur Industrial Development Corporation	1998-99	7.93	NA
2	Manipur Handloom and Handicraft Corporation	1990-91	0.38	NA
3	Manipur Electronics Development Corporation	2004-05	2.15	NA
4	Manipur Food Industries Corporation	2006-07	0.78	NA
Tribal Area Backward Classes Development				
5	Manipur Tribal Development Corporation	1987-88	0.01	NA
Home Department				
6	Manipur Police Housing Corporation	1996-97	0.02	NA
Arts and Culture				
7	Manipur Film Development Corporation	1995-96	0.03	NA
Total :			11.30	

NA-Not available

Appendix 4.1

Glossary of terms

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