

09 JUL 2014

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

on

State Finances

for the year ended 31 March 2013

GOVERNMENT OF MIZORAM

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PREFACE

This Report has been prepared for submission to the Governor under Article 151 of the Constitution.

Chapters-I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2013. Information has been obtained from Government of Mizoram wherever necessary.

Chapter-III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

The Report containing performance audit and compliance audit in various departments, audit of Statutory Corporations, Boards, Government Companies and Revenue Receipts are presented separately.



EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This Report on the Finances of the Government of Mizoram is being brought out with a view to assess objectively the financial performance of the State during the year 2012-13. The aim of this Report is to provide the State Government with timely inputs based on actual data so that there is a better insight into both well performing as well as ill performing schemes/programmes of the Government. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government in Fiscal Responsibility and Budget Management Act, 2006 as well as in the Budget Estimates of 2012-13 and projections made by Thirteenth Finance Commission.

The Report

Based on the audited accounts of the Government of Mizoram for the year ending March 2013, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

Chapter-I is based on the audit of Finance Accounts and makes an assessment of Mizoram Government's fiscal position as on 31 March 2013. It provides an insight into trends in committed expenditure, borrowing pattern besides a brief account of central funds transferred directly to the State Implementing Agencies.

Chapter-II is based on audit of Appropriation Accounts and gives the grant-by-grant description of appropriations

and the manner in which the allocated resources were managed by the service delivery departments.

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

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

Audit findings

Revenue Receipts

Revenue receipts increased by ₹ 711.84 crore (18.61 *per cent*) over the previous year mainly due to increase in Grants-in-Aid (₹ 664.42 crore). The revenue receipt (₹ 4,536.74 crore) was lower by ₹ 259.74 crore (5.42 *per cent*) than the assessment of the State Government in its Fiscal Correction Path (FCP) (₹ 4,796.48 crore).

Revenue Expenditure and Capital Expenditure

Revenue Expenditure increased by ₹ 811.58 crore (21.95 *per cent*) while **Capital Outlay** increased by ₹ 7.28 crore (1.21 *per cent*) over the previous year. Revenue expenditure was higher by ₹ 340.20 crore (8.16 *per cent*) than the assessment made by the State Government in its FCP (₹ 4,168.71 crore). While, Capital expenditure was lower by ₹ 281.19 crore (31.64 *per cent*) than the projection made by the State Government in its FCP (₹ 888.74 crore).

EXECUTIVE SUMMARY

The total expenditure of the State increased progressively from ₹ 2,772.25 crore in 2008-09 to ₹ 5,146.71 crore in 2012-13 at an annual average rate of 17.13 per cent and increased by 11.02 per cent from ₹ 4,331.12 crore in 2011-12 to ₹ 5,146.71 crore in 2012-13. Of the total expenditure during 2012-13, the revenue expenditure (₹ 4,508.91 crore) constituted 87.61 per cent while capital expenditure (₹ 607.55 crore) constituted 11.80 per cent and loans and advances (₹ 30.25 crore) formed 0.59 per cent.

The breakup of total expenditure in terms of plan and non-plan expenditure during 2012-13 reveals that while the share of plan expenditure of ₹ 2,298.28 crore constituted 44.66 per cent of the Total Expenditure, the remaining 55.34 per cent (₹ 2,848.43 crore) was non-plan expenditure. Moreover, out of the increase of ₹ 815.59 crore in total expenditure, plan expenditure shared 50.77 per cent (₹ 414.11 crore) while non-plan expenditure contributed 49.23 per cent (₹ 401.48 crore) in 2012-13.

Funds directly transferred to State Implementing Agencies

Direct transfer of funds from the Union Government to the State Implementing Agencies run the risk of poor oversight and therefore, unless uniform accounting practices are followed by all these agencies with proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers. Considering that the direct transfers are so large, it is imperative that the end use of

this fund is monitored in a timely manner by both the Union and State Governments so that the intended outcomes are actually realized. During the current year GoI transferred ₹ 934.33 crore (approximate) directly to State Implementing Agencies for implementation of various schemes/programmes.

Fiscal liabilities

The overall fiscal liabilities of the State increased at an average annual rate of 8.30 per cent during the period 2008-13. During the current year, the overall fiscal liabilities of the State Government increased by ₹ 565.75 crore (12.44 per cent) from ₹ 4,548.45 crore in 2011-12 to ₹ 5,114.20 crore in 2012-13. The increase in fiscal liabilities was mainly due to increase in the Public Account liabilities by ₹ 431.52 crore and Internal Debt by ₹ 152.85 crore, offset by a decrease in Loans and Advances by ₹ 18.62 crore. The ratio of fiscal liabilities to GSDP has decreased from 65.06 per cent in 2011-12 to 63.51 per cent in 2012-13. These fiscal liabilities stood at nearly 1.13 times the revenue receipts and 11.73 times of the State's own resources at the end of 2012-13. The buoyancy of these liabilities with respect to GSDP during the year was 0.82 indicating that for each one per cent increase in GSDP, fiscal liabilities grew by 0.82 per cent. As per Thirteenth Finance Commission recommendations the State Government should bring the Fiscal Liabilities-GSDP ratio to around 25 per cent by 2014-15.

EXECUTIVE SUMMARY

Investment and Returns

As of 31 March 2013, Government had invested ₹ 20.91 crore in Government Companies and Co-operatives, out of which an amount of ₹ 4.12 crore was invested in Government Companies and ₹ 16.79 crore was invested in Co-operative Societies. During the current year, State Government invested ₹ 85 lakh in Public Sector and other Undertakings of Government Companies and ₹ 29.34 lakh in Consumer Co-operatives. The accumulated losses in these stand at ₹ 59.23 crore as on 31 March 2013. No dividend was received during 2012-13. The average return on this investment was Nil in the last five years while the Government paid an average interest rate ranging from 2.60 per cent to 7.02 per cent on its borrowings during 2008-13.

Debt sustainability

During the current year, the sum of quantum spread and primary deficit remained positive indicating that the debt-GSDP ratio is stable. Although, the sum of quantum spread and primary deficit decreased by ₹ 89.18 crore from ₹ 216.27 crore in 2011-12 to ₹ 127.09 crore during 2012-13, which was attributable to increase in primary deficit in 2012-13 to ₹ 292.34 crore as compared to primary deficit of ₹ 203.27 crore in 2011-12. This indicated deteriorating debt stability during the year compared to the previous year.

Widening of the resource gap which was positive in 2011-12 (₹ 541.06 crore) turned into negative ₹ 102.27 crore during 2012-13

indicates depreciating capacity of the State to sustain the debt in the medium to long run. This also meant the State had to depend on borrowed funds for meeting current revenue and capital expenditure.

Market Borrowings

Out of the outstanding market loan of ₹ 1,599.89 crore payable in the next 10 years, around 55.47 per cent (₹ 887.49 crore) is payable within the next seven years the remaining 44.53 per cent (₹ 712.40 crore) are to be paid in more than seven years time. Thus, owing to the increasing trends in market borrowing since 2010-11 by the State Government, there would be immense redemption pressure from 2020-21 onwards.

Cash Balances

Cash balance of the State Government at the end of the current year increased by ₹ 67.55 crore from ₹ 194.97 crore in 2011-12 to ₹ 262.52 crore in 2012-13. The investment from cash balances decreased by ₹ one crore from ₹ 292.51 crore in 2011-12 to ₹ 291.52 crore in 2012-13 against which an amount of ₹ 9.18 crore was realized as interest.

Fiscal Imbalances

Due to increase of ₹ 815.59 crore in total expenditure in 2012-13 over the previous year, both fiscal deficit and primary deficit could not be restrained. While fiscal deficit increased by ₹ 102.07 crore, primary deficit had increased by ₹ 89 crore over the previous year.

EXECUTIVE SUMMARY

Financial Management and Budgetary Control:

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

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

During 2012-13, an expenditure of ₹ 5,583.97 crore was incurred against the total grants and appropriations of ₹ 6,294.32 crore, resulting in savings of ₹ 710.35 crore. The overall savings of ₹ 710.35 crore were the net result of savings of ₹ 829.24 crore which were offset by excess of ₹ 118.89 crore. The excess requires regularization under Article 205 of the Constitution of India. At the close of the financial year 2012-13, there were, however, eight grants/appropriations in which savings of ₹ 105.39 crore (14.83 *per cent* of the total savings) occurred but no part of the available savings was surrendered by the concerned Departments.

Out of total provisions amounting to ₹ 405.93 crore in 40 Schemes, an amount of ₹ 268.32 crore was surrendered which included 100 *per cent* surrender in 16 Schemes amounting to ₹ 69.93 crore.

In 19 cases, as against savings of ₹ 148.58 crore, an amount of ₹ 165.74 crore was surrendered resulting in excess surrender of ₹ 17.16 crore. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh and above in 25 sub-heads.

Financial Reporting: At the end of March 2013, out of the total amount of ₹ 3,570.08 crore drawn, an amount of ₹ 1,219.04 crore remained outstanding for want of Utilisation Certificates. The annual accounts of Mizoram Khadi & Village Industries Board (MKVIB) for the year 2011-12 have been furnished (June 2013). In the absence of the annual accounts, proper account/utilisation of the grants and loans disbursed to the above mentioned Autonomous Bodies remained unverified. In spite of repeated comments about the arrears in preparation of accounts of two Commercial Undertakings by the Comptroller and Auditor General of India in previous State reports, no improvement has been reported by the undertakings. In the absence of timely finalisation of accounts, the investment of the Government remained outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any, needed for ensuring accountability could not be taken in time.

EXECUTIVE SUMMARY

Recommendations

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

Prioritisation of Expenditure: The Government should also focus on expenditure management to bring about qualitative improvement in the public spending. The State Government should initiate action to restrict the components of non-plan revenue expenditure by phasing out implicit subsidies and resort to need-based borrowings to curb interest and principal payments. In view of the improvement achieved in revenue surplus and reduction of fiscal deficit, the State Government should put in place more stringent fiscal reforms measures to maintain a sustainable space to provide scope for fiscal stability. As such there is an urgent need to apply due prudence in expenditure pattern so that the resource gap remains within manageable controls of the fiscal capability of the State. The increasing revenue expenditure should be curtailed as

it poses a threat to the State Government's capability to maintain revenue surplus and to build up the accumulated revenue surplus for financing the capital investment. In order to meet the yearly increments of revenue expenditure, the Government has to generate its own resources.

Debt Sustainability: Recourse to borrowed funds in future should be carefully assessed and managed so that the recommendations of the Thirteenth Finance Commission to bring Fiscal Liabilities-GSDP ratio to around 25 per cent could be achieved by 2014-15. Maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year will ensure that market borrowings are sourced optimally. A clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.

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

EXECUTIVE SUMMARY

Market Borrowings: Strict monitoring and proper accounting by the Government is required to check the utilisation of market borrowing for generating capital assets.

Financial Management and Budgetary control: Government should put in place an effective mechanism to ensure financial discipline and prepare realistic budget. Budgetary controls should be strengthened in all the Government Departments where savings/excesses persisted for the last three years. Issuance of Re-appropriation/surrender orders at the end of the year should be avoided. Provision of funds through supplementary provisions should be used as an instrument to fine-tune the flow of expenditure and should be applied in a judicious manner so that budget provisions and actual expenditure are convergent to each other as nearest as possible.

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

Financial Reporting: Finance Department should ensure strict compliance of codal provisions as well as its own instructions to honour Public Finance Accountability norms. The State Government should undertake regular monitoring and issue necessary instructions to the concerned Departments for furnishing timely Utilisation Certificates. The Heads of Departments should ensure that the departmental undertakings prepare proforma accounts and submit the same to

the Principal Accountant General for audit. Departmental inquiries in misappropriation/loss cases should be expedited to bring the defaulters to book. Internal Controls in all organisations should be strengthened to prevent such cases in future.

FINANCES OF THE STATE GOVERNMENT

Profile of Mizoram

The State is located in the north-east of India. It is the 24th largest State in terms of geographical area (21,081 sq.km.) and the 27th largest by population. As indicated in **Appendix-1.1**, the State's population increased from 8,88,573 in 2001 to 10,97,206 in 2011 recording a decadal growth of 23.48 *per cent*. The percentage of population below the poverty line was lower (21.40 *per cent*) than the all-India average (21.92 *per cent*)¹. The State's Gross State Domestic Product (GSDP) in 2012-13 at current prices was ₹ 8,053.09 crore. The State's literacy rate increased from 88.80 *per cent* (as per 2001 census) to 91.33 *per cent* (as per 2011 census). The per capita income of the State (Source: Economic Survey, Mizoram, 2012-13) stands at ₹ 54,689.00 against the country average of ₹ 61,564.00 for the year 2011- 12. General data relating to the State is given in **Appendix-1.1**.

Gross State Domestic Product (GSDP)

GSDP is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the State's population. The trends in the annual growth of India's GDP and the State's GSDP at current prices are indicated below:

Table 1.1: Trends in the annual growth of India's GDP and State's GSDP at current prices

| Year | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-------------------------------------|--------------|--------------|--------------|--------------|--------------|
| India's GDP (₹ in crore) | 53,03,567.00 | 61,08,903.00 | 72,66,967.00 | 83,53,495.00 | 94,61,013.00 |
| Growth rate of GDP (percentage) | 15.75 | 15.18 | 18.96 | 14.95 | 13.26 |
| State's GSDP (₹ in crore) | 4,647.55 | 5,619.41 | 6,057.70 | 6,991.40 | 8,053.09 |
| Growth rate of GSDP (percentage) | 22.23 | 20.91 | 7.80 | 15.41 | 15.19 |

Annual growth rate of GDP and GSDP at current prices

Source: Directorate of Economics and Statistics, Government of Mizoram

Gross State Domestic Product (GSDP) at current prices during the year 2012-13 was ₹ 8,053.09 crore (Projected Figure) (base year 2004-05) (**Appendix-1.1 Part-D**). GSDP of the State registered a lower growth of 15.19 *per cent* in 2012-13 as against a growth of 15.41 *per cent* in 2011-12.

¹ Press Note on Poverty Estimates, 2011-12, Planning Commission (July 2013)

The State Government presented its Budget for 2012-13 in the wake of the National Economy showing signs of recovery and with the expectation of a high growth over the medium term and even prospect of crossing the double digit barrier. Following the recommendations of the Thirteenth Finance Commission (XIII FC), the State Government in their Budget 2012-13, is committed to work within the optimum mix of economic growth and fiscal consolidation for long term fiscal stability.

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

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

1.1 Introduction

1.1.1 Summary of Fiscal Transactions in 2012-13

The **Table-1.2** presents the summary of the State Government's fiscal transactions during the current year (2012-13) *vis-à-vis* the previous year (2011-12), while **Appendix-1.2** provides details of receipts and disbursements as well as the overall fiscal position during the current year.

Table-1.2: Summary of Fiscal operations in 2012-13

₹ in crore)

| Receipts | 2011-12 | 2012-13 | Disbursements | 2011-12 | 2012-13 | | |
|---------------------------------|----------|----------|---------------------------------|----------|----------|----------|----------|
| | | | | | Non-Plan | Plan | Total |
| Section-A: Revenue | | | | | | | |
| Revenue receipts | 3,824.90 | 4,536.74 | Revenue expenditure | 3,697.33 | 2,748.92 | 1,759.99 | 4,508.91 |
| Tax revenue | 179.07 | 223.15 | General services | 1,226.38 | 1,371.41 | 49.15 | 1,420.56 |
| Non-tax revenue | 168.03 | 212.80 | Social services | 1,354.69 | 782.47 | 869.74 | 1,652.21 |
| Share of Union Taxes/Duties | 827.38 | 785.95 | Economic services | 1,116.26 | 595.03 | 841.11 | 1,436.14 |
| Grants from Government of India | 2,650.42 | 3,314.84 | Grants-in-aid and Contributions | --- | --- | --- | --- |

| Section-B: Capital | | | | | | | |
|----------------------------------|-----------------|-----------------|------------------------------|-----------------|-------|--------|-----------------|
| Misc. Capital Receipts | --- | --- | Capital Outlay | 600.27 | 99.51 | 508.04 | 607.55 |
| Recoveries of Loans and Advances | 27.80 | 29.48 | Loans and Advances disbursed | 33.52 | --- | --- | 30.25 |
| Public Debt receipts | 225.70 | 420.28 | Repayment of Public Debt | 251.67 | --- | --- | 286.05 |
| Contingency Fund | --- | --- | Contingency Fund | --- | --- | --- | --- |
| Public Account receipts | 3,297.52 | 3,055.71 | Public Account Disbursement | 2,766.79 | --- | --- | 2,677.00 |
| Opening Cash Balance | (-) 221.31 | (-) 194.97 | Closing Cash Balance | (-) 194.97 | --- | -- | (-) 262.52 |
| Total | 7,154.61 | 7,847.24 | Total | 7,154.61 | | | 7,847.24 |

Source: Finance Accounts for the years 2011-12 and 2012-13

The following are the significant changes during 2012-13 over the previous year:

- **Revenue receipts** increased by ₹ 711.84 crore (18.61 per cent) over the previous year mainly due to increase in Grants-in-Aid (₹ 664.42 crore). The revenue receipt (₹ 4,536.74 crore) was lower by ₹ 259.74 crore (5.42 per cent) than the assessment of the State Government in its Fiscal Correction Path (FCP) (₹ 4,796.48 crore).
- **Revenue Expenditure** increased by ₹ 811.58 crore (21.95 per cent) while **Capital Outlay** increased by ₹ 7.28 crore (1.21 per cent) over the previous year. Revenue expenditure was higher by ₹ 340.20 crore (8.16 per cent) than the assessment made by the State Government in its FCP (₹ 4,168.71 crore). While, Capital expenditure was lower by ₹ 281.19 crore (31.64 per cent) than the projection made by the State Government in its FCP (₹ 888.74 crore).
- **Disbursement of Loans and Advances** decreased by ₹ 3.27 crore (9.76 per cent) and **recoveries** of the same, increased by ₹ 1.68 crore (6.04 per cent) over the previous year.
- **Public Debt receipts** increased by ₹ 194.58 crore (86.21 per cent) and **repayments** also increased by ₹ 34.38 crore (13.66 per cent) over the previous year.
- **Public Account receipts** decreased by ₹ 241.81 crore (7.33 per cent) and **disbursements** decreased by ₹ 89.79 crore (3.25 per cent) over the previous year.
- **Cash balance** of the State increased by ₹ 67.55 crore (34.65 per cent) over the previous year, however, the investments from cash balances decreased by ₹ one crore from ₹ 292.51 crore in 2011-12 to ₹ 291.51 crore in 2012-13.

1.1.2 Review of the fiscal situation

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

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

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

The performance of the State during 2012-13 in terms of Fiscal targets fixed for selected variables laid down in the FRBM Act, MTFPS and the Fiscal Correction Path (FCP) *vis-à-vis* achievement is given in the table below:

Table-1.3: Trends in Major fiscal parameters/variables *vis-à-vis* projections for 2012-13

(₹ in crore)

| Fiscal variables | 2012-13 | | | | |
|--|--|---|--------------------------------|--------------------------|--|
| | XIII FC targets for the State | Target as prescribed in FRBM Act | Targets proposed in the Budget | Projections made in MTFP | Actual |
| Revenue Deficit/ Surplus | Maintain Revenue Surplus throughout 13 th Finance Commission award period | Maintain Revenue Surplus throughout 13 th Finance Commission award period | (+) 627.77 | (+) 627.77 | (+) 27.83 |
| Fiscal Deficit/ GSDP (<i>per cent</i>) | 3 <i>per cent</i> of GSDP by 2014-15 | 5.20 <i>per cent</i> of GSDP in 2012-13 | --- | --- | 7.21 <i>per cent</i> of GSDP |
| State's Outstanding Liabilities | Reduce total outstanding debt at a percentage of Gross Domestic Products so as to reach the annual target of 68 <i>per cent</i> by 2014-15 | Reduce total outstanding debt at a percentage of Gross Domestic Products so as to reach the annual target of 82.90 <i>per cent</i> in 2012-13 | 4,362.31 | 4,362.31 | 5,114.20 (63.51 <i>per cent</i> of GSDP) |

The State managed to maintain the Revenue Surplus as per the target set in the FRBM Act. Against the target of ₹ 627.77 crore revenue surplus set in FCP and MTFPS, the revenue surplus was ₹ 27.83 crore in the current year. The State Government should therefore, endeavor to maintain this revenue surplus in the following years to comply with the recommendation of XIII FC.

The fiscal deficit during the current year could not be kept within the limit set in the Thirteenth Finance Commission for Mizoram. The fiscal deficit in 2012-13 was ₹ 580.49 crore which was ₹ 314.87 crore higher than the assessment made in the FCP and MTFPS (₹ 265.62 crore) and the fiscal deficit increased by ₹ 102.07 crore during 2012-13 in comparison to 2011-12. The increase in fiscal deficit in the current year was mainly due to increase in Revenue Expenditure by ₹ 811.58 crore over the previous year. Although, there was increase in the State's own revenue, however, the Government should pursue a policy of increasing the revenue receipt without relying on the devolution of funds from the Central Government and also by reducing non-plan revenue expenditure so as to confine the fiscal deficit to the target set for the State.

While the State's outstanding liabilities (₹ 5,114.20 crore) in 2012-13 were within the prescribed limit of 82.90 *per cent* of GSDP as per MZFRBM Act, these were more than the assessment of ₹ 4,362.31 crore made in FCP by ₹ 751.89 crore (17.24 *per cent*). The State's outstanding liabilities increased by ₹ 565.75 crore (12.44 *per cent*) in the current year over 2011-12. The State Government should pursue a sustainable debt management to confine the State's outstanding liabilities within the annual prescribed limit.

1.2 Budget Analysis

1.2.1 Budget Estimates and Actual

The budget papers presented by State Government provide descriptions of projections or estimates of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the Budget Estimates are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, some within the control of the Government and some beyond the control of the Government.

Table-1.4 and Chart-1.1 present the consolidated picture of Budget estimates *vis-à-vis* actual of the State Finances during 2012-13.

Table-1.4: Variation in Major items – 2012-13 (Accounts) over 2012-13 Budget Estimates & Revised Estimates

(₹ in crore)

| Parameters | 2012-13 | | | Percentage of excess (+)/ shortfall (-) w.r.t Revised Estimate |
|---------------------------------------|--------------------|---------------------|------------|--|
| | Budget Estimate | Revised Estimate | Actual | |
| Tax Revenue | 190.42 | 202.08 | 223.15 | (+) 10.43 |
| Non-Tax Revenue | 229.43 | 206.75 | 212.80 | (+) 2.93 |
| Revenue Receipts | 4796.48 | 5259.69 | 4536.74 | (-) 13.75 |
| Non-debt Capital Receipts | 26.55 | 26.55 | 29.48 | (+) 11.04 |
| Revenue Expenditure | 4168.71 | 4673.04 | 4508.91 | (-) 3.51 |
| Interest Payment | 242.00 | 248.37 | 288.15 | (+) 16.02 |
| Capital Expenditure | 888.74 | 1144.11 | 607.55 | (-) 46.90 |
| Disbursement of Loans and Advances | 31.20 | 31.20 | 30.25 | (-) 3.04 |
| Revenue Deficit/Surplus | (+) 627.77 | (+) 586.65 | (+) 27.83 | (-) 95.26 |
| Fiscal deficit/surplus | (-) 265.62 | (-) 562.11 | (-) 580.49 | (+) 3.27 |

The Chart below presents the revised estimates and actuals for some important fiscal parameters during 2012-13.

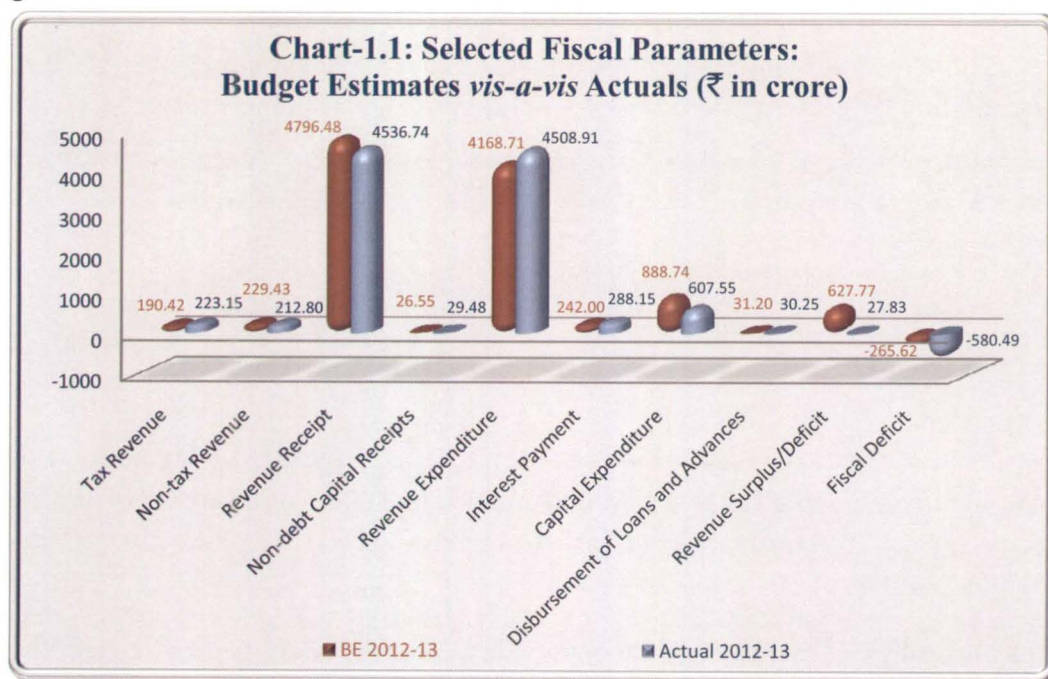


Chart-1.1 depicts that revenue receipts were lower by ₹ 259.74 crore over the estimated amount of ₹ 4,796.48 crore. Revenue expenditure was ₹ 4,508.91 crore during 2012-13 against the estimated amount of ₹ 4,168.71 crore. Against the estimation of revenue surplus of ₹ 627.77 crore, there was a revenue surplus of ₹ 27.83 crore during 2012-13. There was fiscal deficit of ₹ 580.49 crore and primary deficit of ₹ 292.34 crore during 2012-13 against

the estimated fiscal deficit of ₹ 265.62 crore and primary deficit of ₹ 23.62 crore respectively. The budget projections of Non-Tax Revenue, Revenue Receipts, Revenue Expenditure and Disbursement of Loans and Advances were relatively accurate as there was only a marginal difference with the actuals (*i.e.* within 10 *per cent* variations). The key parameters of deficits indications *viz.* Revenue Surplus, Fiscal Deficit and Primary Deficit were not healthier than the budget projections.

1.2.2 Reforms/Measures in Tax Administration

The Thirteenth Finance Commission introduced the new roadmaps for State fiscal consolidation by projecting the growth rate of State's GSDP at 9.70 *per cent* during 2010-11, 10.05 *per cent* in 2011-12, and 10.35 *per cent* during the current year. In order to augment the State's Own revenues, the State Government introduced various new tax policies as discussed below:

Tax Measures

(a) Sales Tax/VAT: The Government of Mizoram revised the existing rates of the Mizoram Value Added Tax Act, 2005 for augmenting the resources of the State from four *per cent* to five *per cent* and 12.50 *per cent* to 13 *per cent* vide Notification No. J.11020/1/2012-TAX dated 18 December 2012 to be effective from 1 January 2013.

(b) Professional Tax: The existing rates of Mizoram Professions, Trades, Callings and Employments Taxation Act, 1995 have been revised by Government vide No. J.17011/1/96-TAX dated 24 May 2013 with reference to the return period of 2012-13.

(c) Entertainment Tax: Proposal for revision of Mizoram Entertainment Tax Act, 2012 has been submitted to the Government vide letter No. A.28022/2/08-COMTAX/55 dated 27 June 2012 which was approved by Government of Mizoram vide No. H.12018/83/2013-LJD dated 30 April 2013.

Non-Tax Measures

(a) User Charges on Water Supply: The State Government amended the Mizoram Water Supplies (Control) Act for upward revision of water tariff on water supplied to the public through all types of Water Supply Schemes.

(b) Cess on Construction Works: The State Government vide O.M No. B-16012/2/2011-LE&IT dated 29 May 2012 directed all the Departments to deduct one *per cent* Cess at source of the cost of construction works/projects undertaken by all Building and Other Constructors in the State.

1.2.3 Reduction in Non-Plan Expenditure

The State Government instructed all Departments to reduce their respective Budget Allocation under the head of non-salary portion of Non-Plan fund by two *per cent* of the total allocation during the previous year.

However, contrary to the above instruction, the non-salary portion of Non-Plan Expenditure increased by ₹ 149.69 crore (12.22 *per cent*) during the year (₹ 1,374.37 crore) compared to the previous year (₹ 1,224.68 crore).

1.3 Resources of the State

1.3.1 Resources of the State as per Annual Finance Accounts

Revenue and Capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the Government of India (GoI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from the GoI. Besides the funds available in the Public Accounts after disbursement is also utilised by the Government to finance its deficit. **Table-1.2** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart-1.3** depicts the trends in various components of the receipts of the State during 2008-13. **Chart-1.4** depicts the composition of resources of the State during the current year. The components and sub-components of the resources are shown in the flowchart given below:

Chart-1.2: Components and Sub-components of resources

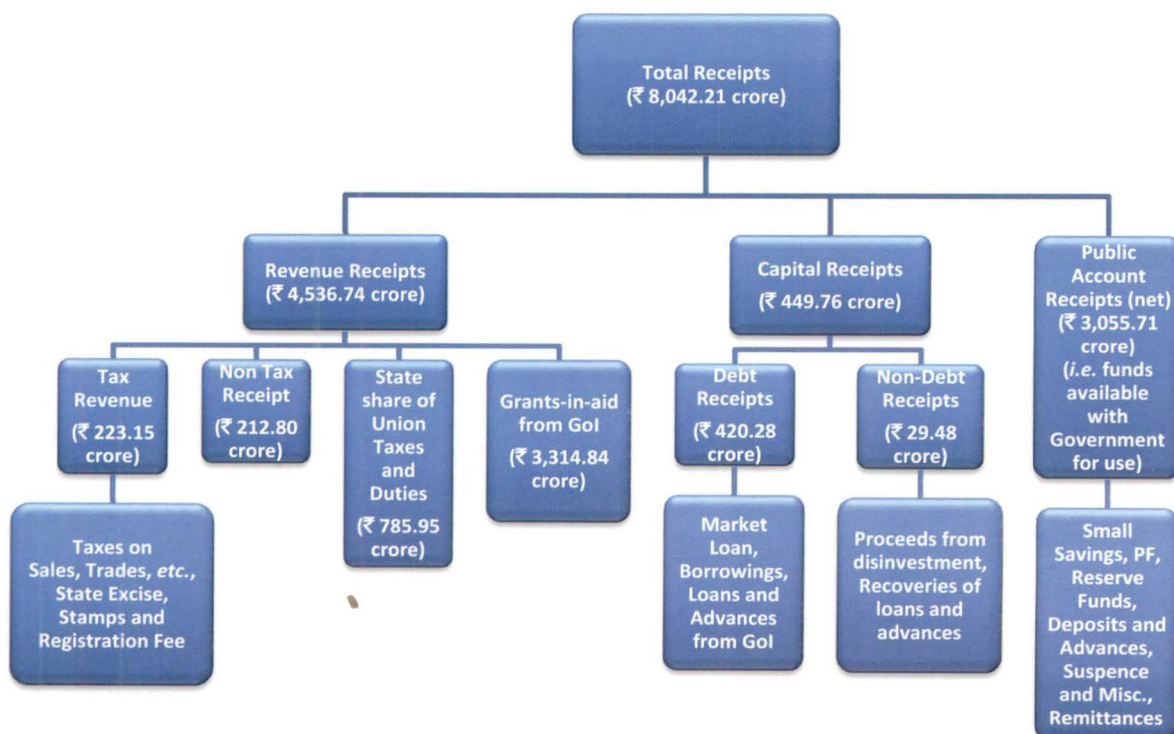


Chart-1.3: Trends in Receipts (₹ in crore)

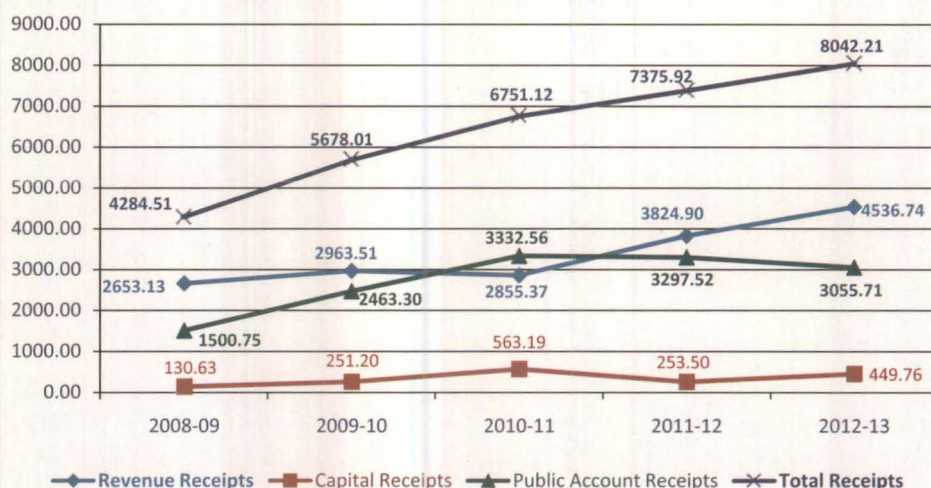


Chart-1.4: Composition of Receipts during 2012-13 (₹ in crore)

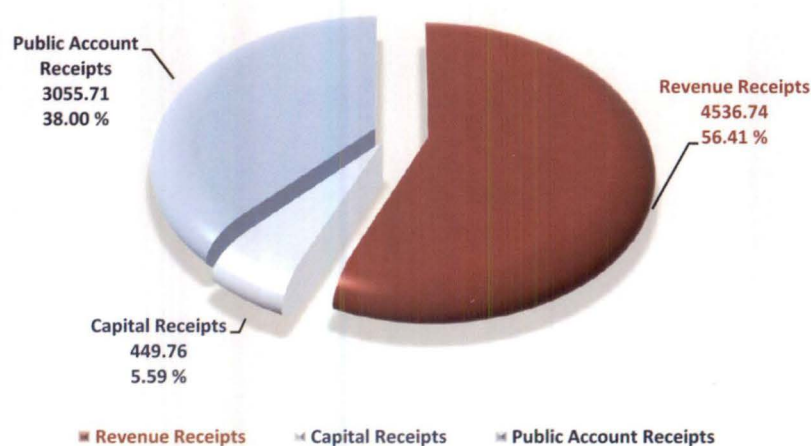


Table-1.5: Trends in growth and composition of total receipts

(₹ in crore)

| Sources of State's Receipts | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenue Receipts | 2,653.13 | 2,963.51 | 2,855.37 | 3,824.90 | 4,536.74 |
| Capital Receipts (CR) | 130.63 | 251.20 | 563.19 | 253.50 | 449.76 |
| Contingency Fund | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Public Account Receipts | 1,500.75 | 2,463.30 | 3,332.56 | 3,297.52 | 3,055.71 |
| Total Receipts | 4,284.51 | 5,678.01 | 6,751.12 | 7,375.92 | 8,042.21 |

The total receipts of the State Government for 2012-13 were ₹ 8,042.21 crore of which ₹ 4,536.74 crore (56.41 *per cent*) came from revenue receipts and balance ₹ 3,505.46 crore (43.59 *per cent*) from borrowings, Public Account and Capital Receipts.

The share of revenue receipt of the State to total receipts decreased from 61.92 *per cent* in 2008-09 to 56.41 *per cent* in 2012-13. On the other hand, the Capital Receipts together with Public Account receipts ranged from 38.08 *per cent* to 57.71 *per cent* of total receipts during 2008-13. Revenue receipts increased from ₹ 2,653.13 crore in 2008-09 to ₹ 2,963.51 crore in 2009-10, however, there was a decrease in revenue receipts to ₹ 2,855.37 crore in 2010-11, followed by a steady increase in revenue receipts thereon to ₹ 4,536.74 crore during the current year. The Capital receipts which create future repayment obligation with inter-year fluctuation increased from ₹ 130.63 crore (three *per cent* of total receipts) in 2008-09 to ₹ 449.76 crore (six *per cent* of total receipts) during 2012-13. The percentage share of Public Account receipts showed inter-year variation ranging from 35.03 *per cent* to 49.36 *per cent* of total receipts during 2008-13 and stood at 38 *per cent* in the current year.

1.3.2 Funds Transferred to State Implementing Agencies outside the State Budgets

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies for the implementation of various schemes/programmes in the social and economic sectors recognized as critical. As per the present mechanism, these funds are not routed through the State Budget/State Treasury System and hence do not find mention in the Finance Accounts of the State. As such, the Annual Finance Accounts of the State does not provide a complete picture of the resources under the control of the State Government.

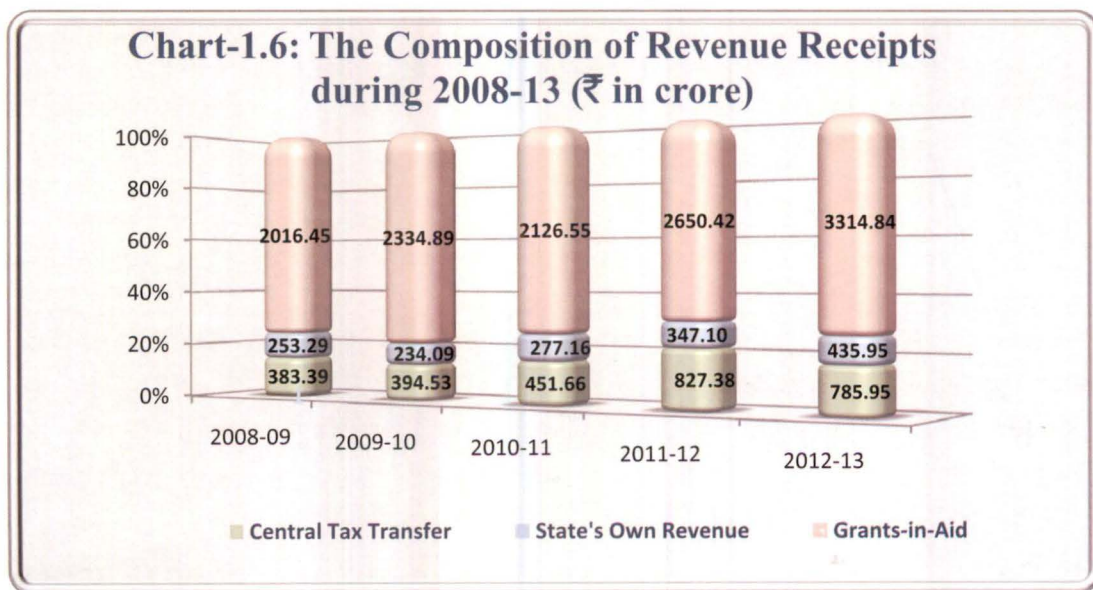
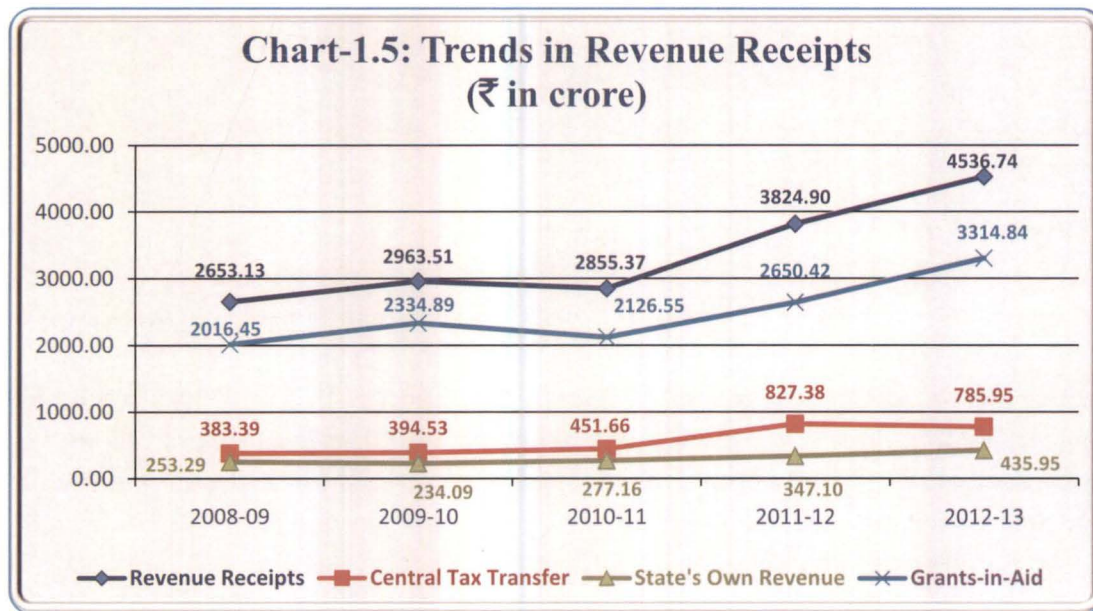
To present a holistic picture on the availability of aggregate resources, an attempt was made in audit to obtain the scheme-wise funds directly transferred to the State implementing agencies which aggregated to ₹ 934.33 crore (**Appendix-1.5**) for implementation of various Schemes. Of the directly transferred funds to various State Implementing Agencies during 2012-13, the following Schemes were given more than ₹ 50 crore during the year, viz., ₹ 251.60 crore (National Rural Employment Guarantee Scheme), ₹ 153.21 crore (Sarva Shiksha Abhiyan), ₹ 91.47 crore (National Rural Health Mission), ₹ 71.82 crore (Pradhan Mantri Gram Sadak Yojana), ₹ 50.34 crore (Jawaharlal Nehru Urban Renewal Mission) and ₹ 63.92 crore (Rashtriya Madhyamik Shiksha Abhiyan).

Direct transfer of funds from the Union Government to the State Implementing Agencies run the risk of poor oversight and therefore, unless uniform accounting practices are followed by all these agencies with proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers. Considering that the direct transfers are so large, it is imperative that the end use of these fund is monitored in a timely manner by both the Union and State Governments, so that the intended outcomes are actually realized.

1.4 Revenue Receipts

Statement 11 of the Finance Accounts depicts the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, central tax transfers and grants-in-aid from the GoI.

The trends and composition of revenue receipts over the period 2008-13 are presented in **Appendix-1.4** and also depicted in **Chart-1.5** and **1.6** respectively.



During 2012-13, revenue receipts of the State increased by ₹ 711.84 crore (18.61 per cent) over the previous year. The Revenue receipts of the State showed progressive growth from

₹ 2,653.13 crore in 2008-09 to ₹ 4,536.74 crore in 2012-13, except during 2010-11 when there was a drop in revenue receipts compared to previous year. About 90.39 *per cent* (₹ 4,100.79 crore) of revenue receipt have been contributed by central tax transfers and grants-in-aid together while only 9.61 *per cent* (₹ 435.95 crore) accrued from State's Own resources during the year.

Tax Revenue: - Tax revenue constituted 4.92 *per cent* of the total revenue receipts and increased by ₹ 44.08 crore during 2012-13 recording a growth rate of 24.62 *per cent* over the previous year. The percentage of tax revenue to total revenue receipts ranged between 3.57 to 4.92 *per cent* during 2008-13. The increase in tax revenue during 2012-13 over previous year was mainly due to increase in taxes on Sales, Trade, *etc.* by ₹ 33.71 crore (increase of 23.71 *per cent* over previous year) and taxes on Vehicles by ₹ 6.12 crore (increase of 36.62 *per cent* over previous year).

Non-Tax Revenue: - Non-tax revenue constituted 4.69 *per cent* of total revenue receipts and increased by ₹ 44.77 crore during 2012-13 recording a growth rate of 26.64 *per cent* over the previous year. The increase in non-tax revenue during 2012-13 over previous year was mainly due to increase in receipts under Roads & Bridges (₹ 33 crore), more receipts under Miscellaneous General Services (₹ 3.40 crore), Power (₹ 1.75 crore), Social Security & Welfare (₹ 1.62 crore), Civil Aviation (₹ 1.38 crore) and more receipts under Interest Receipts (₹ 1.27 crore) which was, however, offset by a decrease mainly due to less receipts under mineral concession fees, rents and royalties (₹ 1.68 crore), and less receipts under Forestry and Wildlife (₹ 0.80 crore).

Central Tax Transfer: - Central tax revenue decreased by ₹ 41.43 crore from ₹ 827.38 crore in 2011-12 to ₹ 785.95 crore in 2012-13 and constituted 17.32 *per cent* of revenue receipts during the year. The decrease was mainly due to decrease in Corporation Tax by ₹ 36.32 crore {(-) 11.40 *per cent*}, Customs by ₹ 16.44 crore {(-) 11.18 *per cent*}, Union Excise Duties by ₹ 5.06 crore {(-) 5.39 *per cent*} and Taxes on Income other than Corporation Tax by ₹ 2.69 crore {(-) 1.57 *per cent*} which was offset by an increase in Service Tax by ₹ 19.72 crore (20.76 *per cent*).

Grants-in-aid: - Grants-in-aid from the GoI increased by ₹ 664.42 crore (25.07 *per cent*) from ₹ 2,650.42 crore in 2011-12 to ₹ 3,314.84 crore in 2012-13 mainly due to increase in Grants for State/Union Territory Plan Schemes by ₹ 426.15 crore (29.61 *per cent*), Non-Plan Grants by ₹ 259.93 crore (32.60 *per cent*) and Grants for Special Plan Schemes by ₹ 14.84 crore (21.71 *per cent*) which was offset by a decrease in Grants for Central and Centrally Sponsored Plan Schemes by ₹ 36.50 crore {(-) 10.57 *per cent*}.

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

Table-1.6: Trends in revenue receipts relative to GSDP

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenue Receipts (RR) (₹ in crore) | 2,653.13 | 2,963.51 | 2,855.37 | 3,824.90 | 4,536.74 |
| Rate of growth of RR (<i>per cent</i>) | 30.07 | 11.70 | (-) 3.65 | 33.95 | 18.61 |
| RR/GSDP (<i>per cent</i>) | 57.09 | 52.74 | 47.14 | 54.71 | 56.34 |
| Buoyancy Ratios² | | | | | |
| Revenue Buoyancy w.r.t. GSDP | 1.35 | 0.56 | (-) 0.47 | 2.20 | 1.23 |
| State's Own Tax Buoyancy w.r.t. GSDP | 0.99 | 0.66 | 2.72 | 2.42 | 1.69 |
| Revenue Buoyancy with reference to State's own taxes | 1.36 | 0.85 | (-) 0.17 | 0.91 | 0.73 |

The revenue receipts remained buoyant *vis-à-vis* GSDP and grew at 1.23 times the rate of GSDP during the current year. In the last five years, the buoyancy of State's own taxes with reference to GSDP and revenue receipt fluctuated widely. However, during 2011-12 and 2012-13 buoyancy of State's Own Taxes with reference to GSDP was more than 2 and 1½ times respectively, indicating that State's Own Taxes grew at a higher rate than the growth of GSDP.

1.4.1 State's Own Resources

As the State's share in central taxes and grants-in-aid is determined on the basis of recommendations of the Finance Commission, 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 States actual tax and non-tax receipts for the year 2012-13 *vis-à-vis* assessment made by XIII FC and MTFP are given in **Table-1.7**:

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

(₹ in crore)

| Parameters | Assessment made by XIII FC | Medium Term Fiscal Policy (MTFP) | Actual |
|-----------------------------|----------------------------|----------------------------------|--------|
| State's own Tax Revenue | 168.66 | 190.42 | 223.15 |
| State's own Non-tax Revenue | 167.10 | 229.43 | 212.80 |

Source: Finance Accounts-2012-13, Thirteenth Finance Commission and Medium Term Fiscal Policy Statement-2012-13

The above table indicates that tax revenue recorded an increase of 32.31 per cent and 17.19 per cent over the normative assessment made in the XIII FC and FCP respectively.

² 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 1.23 implies that revenue receipts tend to increase by 1.23 percentage points, if the GSDP increases by one *per cent*

Also, the Non-tax revenue increased by 27.35 per cent over the assessment made in the XIII FC, however, *it was lesser by 7.25 per cent over the normative assessment made in the FCP.*

1.4.1.1 Tax Revenue

The sector wise components of Tax revenue is given in **Table-1.8:**

Table-1.8: Sector-wise component of tax revenue for the year 2008-13

| Name of component | Year | | | | | (₹ in crore) |
|-----------------------------|--------------|---------------|---------------|---------------|---------------|-------------------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | % increase over previous year |
| Sales Tax | 77.51 | 85.94 | 104.70 | 142.16 | 175.87 | 23.71 |
| State Excise | 1.87 | 2.10 | 2.39 | 2.31 | 2.83 | 22.51 |
| Taxes on vehicles | 5.50 | 6.71 | 7.72 | 16.71 | 22.83 | 36.62 |
| Land Revenue | 1.63 | 2.76 | 4.33 | 2.52 | 3.04 | 20.63 |
| Stamps & Registration fees | 0.46 | 0.39 | 0.34 | 0.69 | 0.64 | (-) 7.25 |
| Taxes on Goods & Passengers | 1.43 | 1.39 | 1.72 | 2.05 | 3.77 | 83.90 |
| Other Taxes | 6.22 | 8.29 | 9.24 | 12.63 | 14.17 | 12.19 |
| Total | 94.62 | 107.58 | 130.44 | 179.07 | 223.15 | 24.62 |

Source: Finance Accounts

The tax revenue increased by ₹ 44.08 crore from ₹ 179.07 crore in 2011-12 to ₹ 223.15 crore in 2012-13. The tax revenue of the State showed progressive increase from ₹ 94.62 crore in 2008-09 to ₹ 223.15 crore in 2012-13 at an annual average rate of 27.17 per cent. Taxes on sales, trades, etc. ₹ 175.87 crore (78.81 per cent) was the major sources in the State's own tax during 2012-13 followed by taxes on vehicles ₹ 22.83 crore (10.23 per cent), other taxes ₹ 14.17 crore (6.35 per cent), taxes on goods and passengers ₹ 3.77 crore (1.69 per cent), taxes on land revenue ₹ 3.04 crore (1.36 per cent) and State excise ₹ 2.83 crore (1.27 per cent). Collection of sales tax increased by ₹ 33.71 crore in 2012-13 over the previous year; mainly due to increase of ₹ 21.18 crore in Receipts under Central Sales Tax, ₹ 8.93 crore under Other Receipts and ₹ 2.59 crore under tax on sale of motor spirits and lubricants. The increase in Tax revenue was mainly attributed due to the upward revision of Mizoram Value Added Tax contributing ₹ 108.63 crore yield in revenue, Professional Tax contributing to ₹ 13.70 crore yield in revenue and Entertainment Tax which contributed to the yield in revenue by ₹ 0.46 crore.

1.4.1.2 Non-Tax Revenue

The composition of non-tax revenue for the year 2008-13 is given in **Table-1.9** below:

Table-1.9: Composition of Non-Tax Revenue for the year 2008-13

(₹ in crore)

| Name of component | Year | | | | 2012-13 | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---|-------------------------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | BE | Actuals | Variation of Actual over BE (in per cent) | % increase over previous year |
| General Services | 12.13 | 18.05 | 23.19 | 9.14 | 17.23 | 11.48 | (-) 33.37 | 25.60 |
| Social Services | 8.25 | 9.60 | 10.66 | 12.42 | 31.70 | 19.48 | (-) 38.55 | 56.84 |
| Economic Services | 105.38 | 81.00 | 100.15 | 130.87 | 158.74 | 164.98 | 3.93 | 26.06 |
| Interest received and dividends & profits | 32.91 | 17.85 | 12.72 | 15.60 | 21.76 | 16.86 | (-) 22.52 | 8.08 |
| Total | 158.67 | 126.50 | 146.72 | 168.03 | 229.43 | 212.80 | (-) 7.25 | 26.64 |

Source: Statement 11 (Finance Accounts of the respective years) and Annual Financial Statement-2012-13

The non-tax revenue, which constituted 4.27 to 5.98 *per cent* of the total revenue receipts during the last five years, increased by ₹ 44.77 crore during the current year recording an increase of 26.64 *per cent* over the previous year. There were fluctuations in non-tax revenue during the last five years, and during the current year, it increased to ₹ 212.80 crore from ₹ 168.03 crore in 2011-12. The major contributors in State's non-tax revenue during 2012-13 were Power (₹ 111.27 crore), Roads and Bridges (₹ 34.85 crore), Interest Receipts, Dividends & Profits (₹ 16.86 crore), and Water Supply & Sanitation (₹ 14.51 crore).

There was variation of Actual figures over Budget Estimates on Social Services by (-) 38.55 *per cent*, General Services by (-) 33.37 *per cent* and Interest received and Dividends & Profits by (-) 22.52 *per cent*. Also, there was a shortfall in collection of non-tax revenue by (-) 7.25 *per cent* compared with Budget estimates.

1.4.2 Grants in aid from GoI

Table-1.10 depicts the Grants-in-aid received from GoI during 2008-09 to 2012-13.

Table-1.10: Grants-in-aid received from GoI during 2008-09 to 2012-13

(₹ in crore)

| Particulars | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Non-Plan Grants | 733.84 | 725.33 | 724.97 | 797.24 | 1,057.17 |
| Grants for State Plan Schemes | 919.61 | 1,338.59 | 1,181.22 | 1,439.45 | 1,865.60 |
| Grants for Central Plan Schemes | 19.51 | 10.87 | 11.46 | 18.47 | 14.56 |
| Grants for Centrally Sponsored Schemes | 285.65 | 222.81 | 157.13 | 326.92 | 294.33 |
| Grants for Special Plan Schemes | 57.83 | 37.29 | 51.77 | 68.34 | 83.18 |
| Total | 2,016.44 | 2,334.89 | 2,126.55 | 2,650.42 | 3,314.84 |
| Percentage of increase over previous year | 37.31 | 15.79 | -8.92 | 24.63 | 25.07 |
| Total grants as a percentage of Revenue Receipts | 76.00 | 78.79 | 74.48 | 69.29 | 73.07 |

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

The Grants-in-aid from GoI increased by ₹ 664.42 crore (25.07 *per cent*) from ₹ 2,650.42 crore in 2011-12 to ₹ 3,314.84 crore which constituted 73.07 *per cent* of the total revenue receipts in 2012-13. Grants-in-aid increased during the current year largely due to increase in Grants for State Plan Schemes by ₹ 426.15 crore (29.61 *per cent*), followed by Non-Plan Grants by ₹ 259.93 crore (32.60 *per cent*) and Grants for Special Plan Schemes by ₹ 14.84 crore (21.71 *per cent*) which was offset by a decrease in Grants for Centrally Sponsored Schemes by ₹ 32.59 crore {(-) 9.97 *per cent*}.

1.4.3 Central Tax Transfers

As per XIII FC, the share of net proceeds of shareable central taxes shall be 32 *per cent* in each of the financial years from 2010-11 to 2014-15. Further, the share of Mizoram in the net proceeds of all shareable central taxes during the period is fixed at 0.269 *per cent* for all shareable taxes excluding Service Tax and 0.273 *per cent* for Service Tax. **Table-1.11** gives the position of Central Tax transfers during 2012-13 with reference to the target fixed by XIII FC.

Table-1.11: Central Tax Transfers during 2012-13 vis-à-vis XIII FC

| (₹ in crore) | | | | | | |
|---------------------------------------|-----------------------|---------------|---------------|---|---|--|
| Revenue Head | Target as per XIII FC | 2011-12 | 2012-13 | Percentage variation of Actual over XIII FC | Percentage variation of Actual over previous year | |
| Corporation Tax | 356.57 | 318.68 | 282.36 | (-) 20.81 | (-) 11.40 | |
| Income other than Corporation Tax | 156.74 | 171.73 | 169.04 | 7.84 | (-) 1.57 | |
| Taxes on Wealth | 0.59 | 1.11 | 0.48 | (-) 18.71 | (-) 56.76 | |
| Customs | 136.11 | 147.06 | 130.62 | (-) 4.04 | (-) 11.18 | |
| Union Excise Duties | 147.89 | 93.83 | 88.77 | (-) 39.97 | (-) 5.39 | |
| Service Tax | 91.62 | 94.97 | 114.69 | 25.18 | 20.76 | |
| Total of Central Tax Transfers | 889.51 | 827.38 | 785.95 | (-) 11.64 | (-) 5.01 | |

Source: Finance Accounts

The Central Tax transfers decreased by ₹ 41.43 crore (5.01 *per cent*) from ₹ 827.38 crore in 2011-12 to ₹ 785.95 crore during 2012-13 largely due to decrease in Corporation Tax (₹ 36.32 crore) and Customs (₹ 16.44 crore) offset by an increase in Service Tax (₹ 19.72 crore). The share of Central Tax transfer was also lower by ₹ 103.56 crore (11.64 *per cent*) in comparison to the target set by XIII FC during 2012-13 mainly due to lower devolution of taxes under Corporation Tax (₹ 74.21 crore) and Union Excise Duties (₹ 59.12 crore) offset by higher transfer of share under Service Tax (₹ 23.07 crore) and Income other than Corporation Tax (₹ 12.29 crore).

1.4.4 Optimisation of the XIII FC grants

The details of funds transferred to the State as recommended by the XIII FC during award period of 2010-15 are as follows:

Table-1.12: Funds recommended by Thirteenth Finance Commission

(₹ in crore)

| Sl. No. | Transfers | Recommendation of the 13 th FC | Actual Release | Expenditure under relevant revenue head of account | Utilisation (+) Excess (-) Shortfall |
|---------|-------------------------------------|---|----------------|--|--------------------------------------|
| 1. | Local Bodies, out of which | 310.70 | 100.66 | 91.44 | (-) 9.22 |
| | Grants to PRIs | 201.30 | 56.85 | 55.68 | (-) 1.17 |
| | Grants to ULBs | 94.30 | 40.21 | 32.16 | (-) 8.05 |
| | Special Areas Grant | 15.10 | 3.60 | 3.60 | 0.00 |
| 2. | Disaster Relief | 47.50 | 26.27 | 27.27 | (+) 1.00 |
| 3. | Improving outcome grants | 35.20 | 42.13 | 5.60 | (-) 36.53 |
| 4. | Environmental related grants | 175.20 | 75.37 | 75.37 | 0.00 |
| 5. | Elementary Education | 5.00 | 1.00 | 32.00 | (+) 31.00 |
| 6. | Roads and Bridges | 89.00 | 40.00 | 40.00 | 0.00 |
| 7. | State specific grants | 250.00 | 61.83 | 61.83 | 0.00 |
| | Total | 912.60 | 347.26 | 333.51 | (-) 13.75 |

Source: XIII FC Report and Departmental Figures

The XIII FC recommended ₹ 912.60 crore as Grants in aid for the State of Mizoram during the period 2010-15. The State however, received ₹ 347.26 crore as Grants-in-aid from GoI in the first three years of the award period (2010-13). Out of the total release of ₹ 347.26 crore, an amount of ₹ 333.51 crore was expended during 2010-13 resulting in unutilised balance of ₹ 13.75 crore.

1.5 Capital Receipts

The details of Capital receipts during 2008-09 to 2012-13 are given in Table-1.13.

Table-1.13: Trends in growth and composition of receipts

(₹ in crore)

| Particulars | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|---------------|---------------|---------------|---------------|---------------|
| Capital Receipts (CR) | 130.63 | 251.20 | 563.19 | 253.50 | 449.76 |
| Miscellaneous Capital Receipts | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Recovery of Loans and Advances | 24.86 | 25.31 | 25.97 | 27.80 | 29.48 |
| Public Debt Receipts | 105.77 | 225.89 | 537.22 | 225.70 | 420.28 |
| Rate of growth of debt capital receipts | (-) 52.72 | 113.57 | 137.82 | (-) 57.99 | 86.21 |
| Rate of growth of non-debt capital receipts | (-) 9.70 | 1.81 | 2.61 | 7.05 | 6.04 |
| Rate of growth of CR (per cent) | (-) 48.01 | 92.30 | 124.20 | (-) 54.99 | 77.42 |

Source: Finance Accounts

The Public Debt receipt comprised 93.45 *per cent* of the total Capital receipt during 2012-13. The rate of growth of debt capital receipts increased from a negative growth rate of 57.99 *per cent* in 2011-12 (₹ 225.70 crore) to a growth rate of 86.21 *per cent* in 2012-13 (₹ 420.28 crore).

1.5.1 Debt receipts from internal sources

The main contributors of debt receipts from internal sources were Market Borrowings (₹ 185.75 crore), Ways and Means Advances (₹ 166.58 crore) and Loans from the National Bank for Agricultural and Rural Development (NABARD) (₹ 42.46 crore).

1.5.2 Recoveries of Loans and Advances

The recoveries of Loans and Advances increased progressively from ₹ 24.86 crore during 2008-09 to ₹ 29.48 crore during 2012-13. The major contributor of recoveries under Loans and Advances were loan recovery from Housing (₹ 17.38 crore) and Government Servants (₹ 11.98 crore).

1.5.3 Loans and Advances from GoI

The Loans and Advances from GoI decreased significantly by ₹ 22.12 crore, from ₹ 22.22 crore during 2011-12 to ₹ 0.10 crore during 2012-13. The State Government repaid an amount of ₹ 18.71 crore during 2012-13 leaving a balance of ₹ 523.34 crore as on 31 March 2013.

1.6 Public Account Receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.* which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. Here the Government acts as a banker. The balance after disbursements is the fund available with the Government for use which is depicted in **Table-1.14**:

Table-1.14: Public Account Receipts for the years 2008-13

| (₹ in crore) | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Resources under various heads | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| Public Account Receipts | 1,500.75 | 2,463.30 | 3,332.56 | 3,297.52 | 3,055.71 |
| a. Small Savings, Provident Fund, <i>etc.</i> | 315.15 | 396.79 | 495.88 | 387.37 | 506.78 |
| b. Reserve Fund | 71.82 | 23.90 | 24.41 | 33.40 | 34.68 |
| c. Deposits and Advances | 299.54 | 476.63 | 809.90 | 746.56 | 964.20 |
| d. Suspense and Miscellaneous | (-) 113.57 | 452.20 | 517.13 | 603.42 | 48.67 |
| e. Remittances | 927.81 | 1,113.78 | 1,485.24 | 1,526.77 | 1,501.38 |

Source: Statement 18 of Volume II, Finance Accounts of the respective years

The Public Account Receipts showed progressive increase from ₹ 1,500.75 crore in 2008-09 to ₹ 3,332.56 crore in 2010-11, thereafter, it recorded a decrease during 2011-12 and 2012-13 to ₹ 3,297.52 crore and ₹ 3,055.71 crore respectively. During 2012-13, the Public Account Receipts decreased by ₹ 241.81 crore (7.33 *per cent*) over the previous year which was mainly due to decreases in Suspense and Miscellaneous receipts by ₹ 554.75 crore and Remittances by ₹ 25.39 crore offset by an increase in Deposits and Advances by ₹ 217.64 crore and Small Savings, Provident Fund, *etc.* by ₹ 119.41 crore.

1.7 Application of Resources

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

1.7.1 Growth and Composition of Expenditure

The total expenditure and its compositions during the years 2008-09 to 2012-13 are presented in the **Table-1.15**.

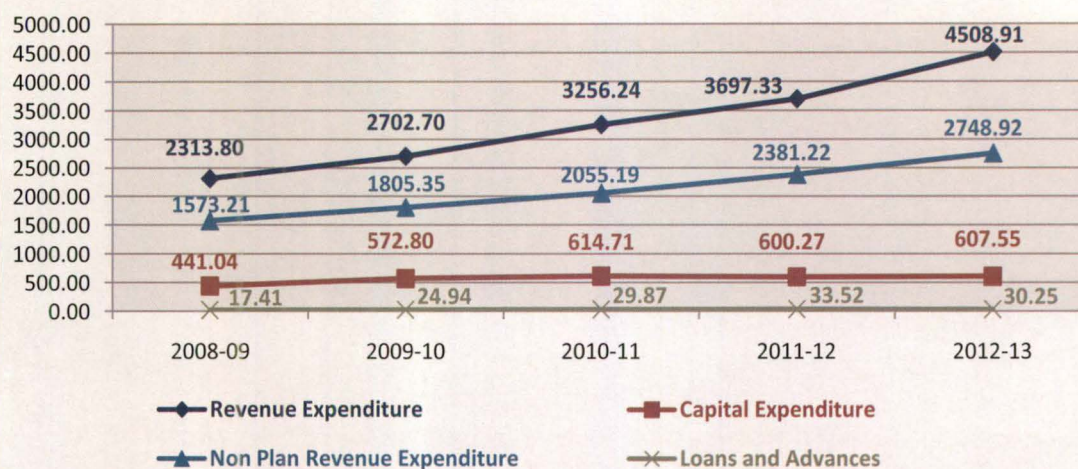
Table-1.15: Total expenditure and its compositions

| | (₹ in crore) | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| Total Expenditure | 2,772.25 | 3,300.44 | 3,900.82 | 4,331.12 | 5,146.71 |
| Revenue Expenditure | 2,313.80 | 2,702.70 | 3,256.24 | 3,697.33 | 4,508.91 |
| <i>Of which, Non-plan Revenue Expenditure</i> | <i>1,573.21</i> | <i>1,805.35</i> | <i>2,055.19</i> | <i>2,381.22</i> | <i>2,748.92</i> |
| Capital Expenditure | 441.04 | 572.8 | 614.71 | 600.27 | 607.55 |
| Loans and Advances | 17.41 | 24.94 | 29.87 | 33.52 | 30.25 |

Source: Finance Accounts of the respective years

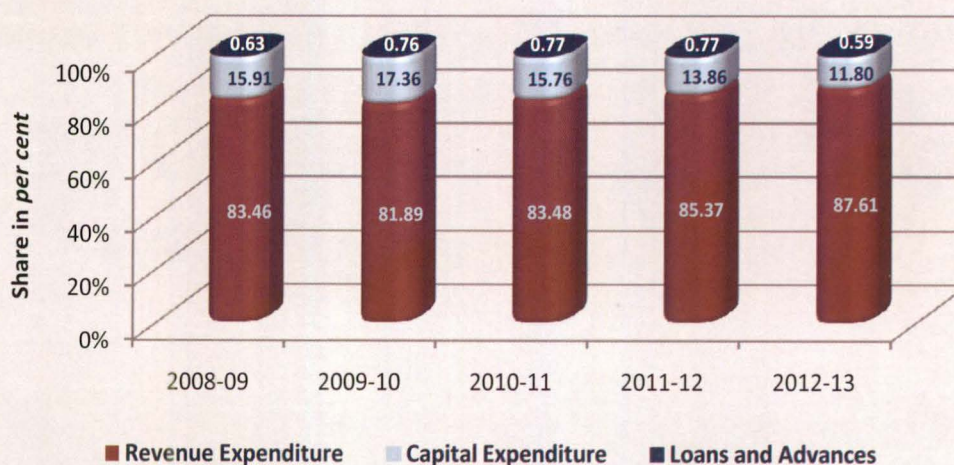
Chart-1.7 presents the trends in total expenditure over a period of five years (2008-13) and its composition both in terms of 'economic classification' and 'expenditure' by activities is depicted in **Charts-1.8** and **1.9** respectively.

Chart-1.7: Total Expenditure : Trends and Composition (₹ in crore)



The trends showing share of components of Total Expenditure during 2008-13 are shown in Chart-1.8:

Chart-1.8: Trends showing share of components of Total Expenditure



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

The total expenditure of the State increased progressively from ₹ 2,772.25 crore in 2008-09 to ₹ 5,146.71 crore in 2012-13 at an annual average rate of 17.13 *per cent* and increased by 18.83 *per cent* from ₹ 4,331.12 crore in 2011-12 to ₹ 5,146.71 crore in 2012-13. Of the total expenditure during 2012-13, the revenue expenditure (₹ 4,508.91 crore) constituted 87.61 *per cent* while capital expenditure (₹ 607.55 crore) constituted 11.80 *per cent* and loans and advances (₹ 30.25 crore) formed 0.59 *per cent*.

The total expenditure, its annual growth rate, the ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table-1.16**.

Table-1.16: Total Expenditure – basic parameters

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total Expenditure (TE) (₹ in crore) | 2,772.25 | 3,300.44 | 3,900.82 | 4,331.12 | 5,146.71 |
| Rate of Growth (<i>per cent</i>) | 12.75 | 19.05 | 18.19 | 11.03 | 18.83 |
| TE/GSDP ratio (<i>per cent</i>) | 59.65 | 58.73 | 64.39 | 61.95 | 63.91 |
| RR/TE ratio (<i>per cent</i>) | 95.70 | 89.79 | 73.20 | 88.31 | 88.15 |
| Buoyancy of Total Expenditure with reference to: | | | | | |
| GSDP (ratio) | 0.57 | 0.91 | 2.33 | 0.72 | 1.24 |
| RR (ratio) | 0.42 | 1.63 | 4.94 | 0.32 | 1.01 |

The increase of ₹ 815.59 crore (18.83 *per cent*) in total expenditure in 2012-13 over 2011-12 was on account of an increase of ₹ 811.58 crore in revenue expenditure and ₹ 7.28 crore in Capital Expenditure offset by a decrease of ₹ 3.27 crore in disbursement of Loans and Advances. During the current year, 88.15 *per cent* (₹ 4,536.74 crore) of the total expenditure was met from revenue receipts and the remaining (₹ 609.97 crore) from capital receipts and borrowed funds.

The breakup of total expenditure in terms of plan and non-plan expenditure during 2012-13 reveals that while the share of plan expenditure of ₹ 2,298.28 crore constituted 44.66 *per cent* of the Total Expenditure, the remaining 55.34 *per cent* (₹ 2,848.43 crore) was non-plan expenditure. Moreover, out of the increase of ₹ 815.59 crore in total expenditure, plan expenditure shared 50.77 *per cent* (₹ 414.11 crore) while non-plan expenditure contributed 49.23 *per cent* (₹ 401.48 crore) in 2012-13.

The slight decrease in ratio of revenue receipts to total expenditure from 88.31 *per cent* in 2011-12 to 88.15 *per cent* in 2012-13 is to be viewed in the light of increase in Revenue Expenditure by ₹ 811.58 crore and Capital Expenditure by ₹ 7.28 crore, although most of the increase in total expenditure was covered by an increase in Revenue Receipt by ₹ 711.84 crore during 2012-13 over 2011-12. The buoyancy of total expenditure with reference to GSDP increased to 1.24 during 2012-13 from 0.72 in 2011-12 due to increase in the rate of growth of total expenditure by 7.80 *per cent* and decrease in the rate of growth of GSDP by 0.22 *per cent*. The buoyancy ratio of total expenditure with reference to revenue receipts in 2012-13 was 1.01 as rate of growth of revenue receipts (18.61 *per cent*) was almost equivalent to the rate of growth of total expenditure (18.83 *per cent*) during the current year.

1.7.2 Trends in total expenditure in terms of activities

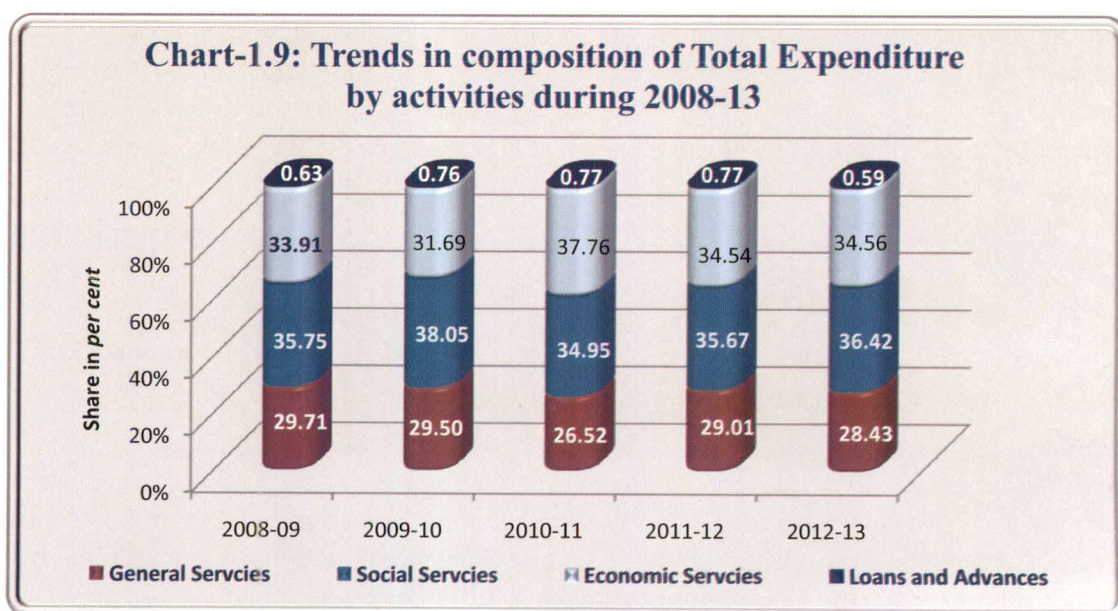
In terms of activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social and Economic Services, Grants-in-Aid and Loans and Advances. Relative shares of these components in the total expenditure are indicated in **Table-1.17** and **Chart-1.9**.

Table-1.17: Components of expenditure – relative shares

| | (in per cent) | | | | |
|------------------------------------|---------------|---------|---------|---------|---------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| General Services | 29.71 | 29.50 | 26.52 | 29.01 | 28.43 |
| Of which, Interest Payments | 8.14 | 7.71 | 2.71 | 6.35 | 5.60 |
| Social Services | 35.75 | 38.05 | 34.95 | 35.67 | 36.42 |
| Economic Services | 33.91 | 31.69 | 37.76 | 34.54 | 34.56 |
| Loans and Advances | 0.63 | 0.76 | 0.77 | 0.77 | 0.59 |

The movement of relative share of these components of expenditure indicated that all components of expenditure had inter-year variations. But the expenditure on general services including interest payments, which are considered as non-developmental, together accounted for 28.43 *per cent* in 2012-13 as against 29.01 *per cent* in 2011-12. On the other hand development expenditure, *i.e.* expenditure on Social and Economic Services together accounted for 70.98 *per cent* in 2012-13 as against 70.21 *per cent* in 2011-12. This indicates that there was a slight decrease in non-developmental expenditure and marginal increase in developmental expenditure in comparison to previous year.

The trends in composition of Total Expenditure by activities during 2008-13 are shown in the **Chart-1.9** below:



1.7.3 Revenue Expenditure

Revenue Expenditure (RE) is incurred to maintain the current level of services and payment of the past obligation and as such does not result in any addition to the State's infrastructure and service network. Revenue Expenditure had a predominant share of 83.46 *per cent* of total expenditure in 2008-09 which had since escalated to 87.61 *per cent* of total expenditure during the current year. The overall revenue expenditure of the State increased from ₹ 2,313.80 crore in 2008-09 to ₹ 4,508.91 crore in 2012-13 at an annual average rate of 18.97 *per cent*. The revenue expenditure increased by 21.95 *per cent* from ₹ 3,697.33 crore in 2011-12 to ₹ 4,508.91 crore in 2012-13.

A comparative position of Non-Plan Revenue Expenditure (NPRE) *vis-à-vis* assessment made by XIII FC and FCP revealed that NPRE remained significantly higher than the normative assessment made in Thirteenth Finance Commission by 37.27 *per cent* (₹ 746.37 crore) and also higher than the projection made in FCP by 6.54 *per cent* (₹ 168.72 crore), as indicated in **Table-1.18**:

Table-1.18: Comparison of Non-Plan revenue expenditure *vis-à-vis* XIII FC and FCP

| | Assessment/Projections | | Actual |
|------------------------------|------------------------|----------|----------|
| | XIII FC | FCP | |
| Non-Plan Revenue Expenditure | 2,002.55 | 2,580.20 | 2,748.92 |

The Plan Revenue Expenditure (PRE) increased by ₹ 443.88 crore (33.73 *per cent*) from ₹ 1,316.11 crore in 2011-12 to ₹ 1,759.99 crore in 2012-13 mainly due to increase in Agriculture and Allied Activities (₹ 155.59 crore), Education, Sports, Art and Culture (₹ 79.93 crore), Industry and Minerals (₹ 71.29 crore), Welfare of SC, ST and OBC (₹ 47.83 crore) and Social Welfare and Nutrition (₹ 27.14 crore) over the previous year.

The ratio of NPRE to GSDP increased from 33.85 *per cent* in 2008-09 to 34.13 *per cent* during 2012-13, and also, the ratio of NPRE to GSDP increased from 34.06 *per cent* in 2011-12 to 34.13 *per cent* in 2012-13. The ratio of NPRE with reference to Revenue Receipts (RR) decreased from 62.26 *per cent* in 2011-12 to 60.59 *per cent* in 2012-13, implies that lesser percentage of Revenue Receipts was applied to meet the Revenue Expenditure, which is development in right direction. The buoyancy of NPRE to GSDP decreased marginally from 1.03 in 2011-12 to 1.02 in 2012-13 which signifies that the rate of growth of NPRE was marginally lower than the rate of GSDP as indicated in the **Table-1.19**.

Table-1.19: NPRE vis-à-vis GSDP and Revenue Receipt

| | (₹ in crore) | | | | |
|------------------------------|--------------|----------|----------|----------|----------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| Non-Plan Revenue Expenditure | 1,573.21 | 1,805.35 | 2,055.19 | 2,381.22 | 2,748.92 |
| Growth of NPRE | 24.93 | 14.76 | 13.84 | 15.86 | 15.44 |
| Ratio of NPRE to GSDP | 33.85 | 32.13 | 33.92 | 34.06 | 34.13 |
| Ratio of NPRE to RR | 59.30 | 60.92 | 71.98 | 62.26 | 60.59 |
| Buoyancy of NPRE w.r.t. GSDP | 1.12 | 0.71 | 1.77 | 1.03 | 1.02 |

1.7.4 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table-1.20** and **Chart-1.10** present the trends in the expenditure on these components during 2008-13.

Table-1.20: Components of Committed Expenditure

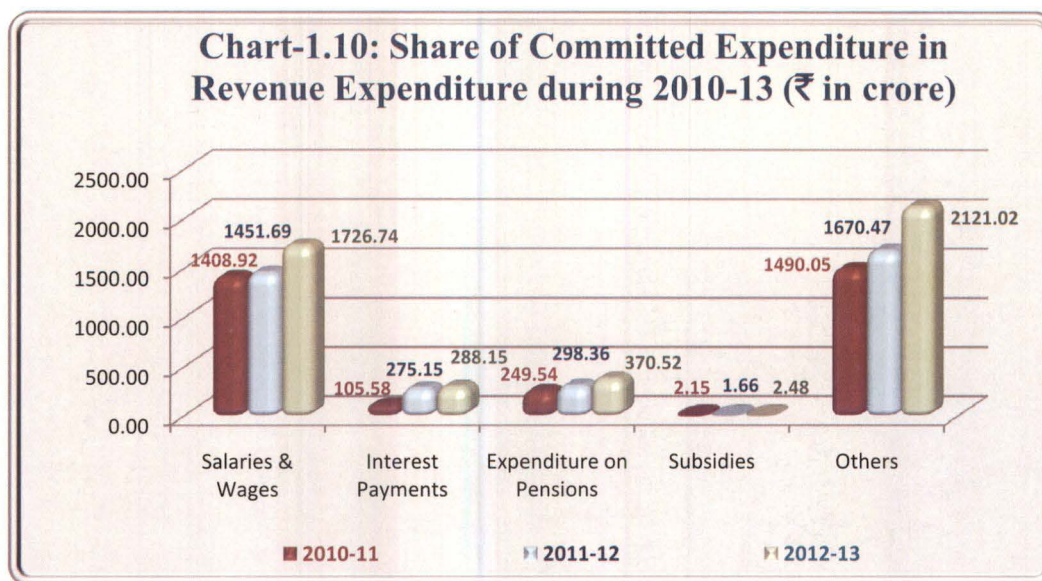
| Components of Committed Expenditure | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|------------------------|
| | | | | | BE ^(a) | Actuals ^(a) |
| Salaries* & Wages , of which | 906.41 (34.16) | 1,078.75 (36.40) | 1,408.92 (49.34) | 1,451.69 (37.95) | 1,483.15 | 1,726.74 (38.06) |
| Non-Plan Head | 737.61 | 887.85 | 1,183.24 | 1,156.55 | --- | 1,374.55 |
| Plan Head** | 168.80 | 190.90 | 225.68 | 295.14 | --- | 352.19 |
| Interest Payments | 225.61 (8.50) | 254.35 (8.58) | 105.58 (3.70) | 275.15 (7.19) | 242.00 | 288.15 (6.35) |
| Expenditure on Pensions | 126.98 (4.79) | 164.26 (5.54) | 249.54 (8.74) | 298.36 (7.80) | 238.72 | 370.52 (8.17) |
| Subsidies | 5.88 (0.22) | 4.08 (0.14) | 2.15 (0.08) | 1.66 (0.04) | --- | 2.48 (0.05) |
| Other Components | 1,048.92 (39.54) | 1,201.26 (40.54) | 1,490.05 (52.18) | 1,670.47 (43.67) | 2,204.84 | 2,121.02 (46.75) |
| Total Revenue Expenditure | 2,313.80 | 2,702.70 | 3,256.24 | 3,697.33 | 4,168.71 | 4,508.91 |

Figures in the parentheses indicate percentage to Revenue Receipts

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

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

^(a) BE figures are gross figures sourced from Fiscal Policy Strategy Statement (FCP), Government of Mizoram, 2013-14, while Actuals are net figures sourced from Finance Accounts, 2012-13



(A) Salaries

Salaries and wages alone accounted for more than 38.06 *per cent* of revenue receipts and 62.82 *per cent* of the Non-Plan Revenue Expenditure of the State Government during the year. The expenditure on salaries and wages increased by 18.95 *per cent* from ₹ 1,451.69 crore in 2011-12 to ₹ 1,726.74 crore in 2012-13. Salary expenditure under Non-Plan head increased by ₹ 218 crore (18.85 *per cent*) and salary expenditure under Plan head during 2012-13 increased by ₹ 57.05 crore (13.33 *per cent*) over the previous year. Non-Plan salary expenditure ranged from 79.60 *per cent* to 83.98 *per cent* of total expenditure on salaries during 2008-13. The expenditure on salaries during 2012-13 was significantly higher by ₹ 243.59 crore (16.42 *per cent*) than the projections (₹ 1,483.15 crore) made by the State Government in its Budget Estimates and was also nearly double than assessment made by XIII FC (₹ 873.75 crore).

(B) Interest Payments

The major sources of borrowings of the State Government were (i) Loans from the Centre, (ii) Market loans, (iii) Loans from Banks and Financial Institutions, (iv) Loans from Small Savings Fund. Interest payments increased by 4.72 *per cent* from ₹ 275.15 crore in 2011-12 to ₹ 288.15 crore in 2012-13 mainly due to increase in interest on Internal Debt by ₹ 11.31 crore.

Table-1.21: Interest Payments *vis-à-vis* XIII FC assessment and State Projections

(₹ in crore)

| Year | Assessment made by the Thirteenth Finance Commission (XIII FC) | Assessment made by the State Government (BE) | Actual |
|---------|--|--|--------|
| 2012-13 | 326.98 | 242.00 | 288.15 |

The interest payment (₹ 288.15 crore) was significantly higher by ₹ 46.15 crore than the assessment (₹ 242 crore) made by the State Government in Budget Estimates for the year

2012-13, however, the interest payments was lower by ₹ 38.83 crore than the projection (₹ 326.98 crore) made as per the Thirteenth Finance Commission.

(C) Pension Payments

Pension payments grew from ₹ 126.98 crore in 2008-09 to ₹ 370.52 crore in 2012-13. Pension payment (₹ 370.52 crore) alone accounted for nearly 8.17 *per cent* of revenue receipts (₹ 4,536.74 crore) of the State during the year and increased by ₹ 72.16 crore (24.19 *per cent*) over the previous year. The increase was mainly due to increase in expenditure under Superannuation and Retirement Allowances by ₹ 29.82 crore, Gratuities by ₹ 16.38 crore, Leave Encashment Benefits by ₹ 14.97 crore, Commuted value of Pensions by ₹ 4.12 crore and Family Pensions by ₹ 4.09 crore. The State Government had introduced 'The New Defined Contribution Pension Scheme' on 1 September 2010 which covered State Government employees recruited on or after 1 September 2010. In terms of the Scheme, the employee contributes 10 *per cent* of his monthly salary and Dearness Allowance, which is matched by State Government and the entire amount is transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/Trustee Bank. The actual amount payable by employees and the matching Government contribution has not been estimated, but during the year 2012-13, the State Government deposited ₹ 5.31 crore to NSDL/Trustee Bank, which included ₹ 2.89 crore towards employees contribution and ₹ 2.42 crore towards employers contribution, leaving a balance of ₹ 0.47 crore contributed under the Scheme as on 31 March 2013 NSDL/Trustee Bank. **Table-1.22** shows the actual pension payments with reference to assessment made by the Thirteenth Finance Commission and projection of the State Government.

Table-1.22: Actual Pension Payments vis-à-vis XIII FC assessment and State Projections

| (₹ in crore) | | | |
|--------------|--------------------------------|--|--------|
| Year | Assessment made by the XIII FC | Assessment made by the State Government (BE) | Actual |
| 2012-13 | 176.76 | 268.72 | 370.52 |

Pension payments were higher than the assessment made by the Thirteenth Finance Commission by ₹ 193.76 crore (109.62 per cent) as well as the State Government Projections made in its budget by ₹ 101.80 crore (37.88 per cent).

(D) Subsidies

Table-1.20 indicates that subsidies as a percentage of revenue receipts marginally increased from 0.04 *per cent* in 2011-12 to 0.05 *per cent* in 2012-13. The expenditure on subsidies has progressively decreased from ₹ 5.88 crore during 2008-09 to ₹ 1.66 crore in 2011-12 followed by an increase to ₹ 2.48 crore during 2012-13. During the current year the Departments, which received subsidy, include Co-operation accounting for 14.92 *per cent* of total subsidies (₹ 37 lakh) and Crop Husbandry 85.08 *per cent* (₹ 211 lakh).

1.7.5 Financial Assistance by State Government to local bodies and other institutions

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table-1.23**.

Table-1.23: Financial Assistance to Local Bodies etc.

| | (₹ in crore) | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| Financial Assistance to Institutions | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.) | 33.34 | 31.47 | 30.97 | 20.86 | 60.80 |
| PRIs/ULBs | 90.50 | 2.60 | 3.62 | 4.08 | 29.53 |
| Consumer Co-operative Societies/ MIZOFED | 2.46 | 0.95 | 1.00 | -- | --- |
| Other Institutions ³ | 13.44 | 412.21 | 614.58 | 196.35 | 864.99 |
| Total | 139.74 | 447.23 | 650.17 | 221.29 | 955.32 |
| Assistance as percentage of RE | 6.04 | 16.55 | 19.97 | 5.99 | 21.19 |

Source: Finance Account

The grants extended to local bodies and other institutions with inter-year variations increased significantly by 331.71 per cent from ₹ 221.29 crore in 2011-12 to ₹ 955.32 crore in 2012-13. The share of grants and loans to the revenue expenditure increased from 6.04 per cent in 2008-09 to 21.19 per cent during the current year. The increase of financial assistance to Institutions by ₹ 734.03 crore was mainly attributed by increase in financial assistance to Other Institutions by ₹ 668.64 crore, Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.) by ₹ 39.94 crore) and PRIs/ULBs by ₹ 25.45 crore.

1.8 Quality of Expenditure

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

1.8.1 Adequacy of Public Expenditure

The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into social services, economic services and general

³ (Figures for 2012-13) Sports Council (₹ 25.93 crore), Lai Autonomous District Council (₹ 80.87 crore), Mara Autonomous District Council (₹ 4.63 crore), Chakma Autonomous District Council (₹ 43.97 crore) and Khadi and Village Industry (₹ 4.71 crore)

services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure. The expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to the State Governments. Enhancing human development levels requires the States to step up their expenditure on key social services like education and health *etc.* **Table-1.24** analyses the fiscal priority and fiscal capacity of the State Government with regard to development expenditure, social sector expenditure and capital expenditure during 2012-13.

Table-1.24: Fiscal Priority and Fiscal capacity of the State during 2012-13

| Fiscal Priority by the State | AE/ GSDP | DE/ AE | SSE/ AE | CE/ AE | Education/AE | Health/ AE |
|------------------------------|-------------|-----------|------------|-----------|--------------|---------------|
|------------------------------|-------------|-----------|------------|-----------|--------------|---------------|

| | | | | | | |
|--|-------|-------|-------|-------|-------|------|
| Mizoram State's Average (Ratio) 2012-13 | 63.91 | 71.07 | 36.50 | 11.80 | 16.32 | 4.30 |
|--|-------|-------|-------|-------|-------|------|

AE: Aggregate Expenditure

DE: Development Expenditure

SSE: Social Sector Expenditure

CE: Capital Expenditure

Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed

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

1.8.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods⁴. Apart from improving the allocation towards development expenditure, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table-1.25** presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year *vis-à-vis* budgeted expenditure and the previous years, **Table-1.26** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

⁴ As defined in Appendix-1.1.C

Table-1.25: Development Expenditure

(₹ in crore)

| Components of Development Expenditure | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------|-----------------------------|
| | | | | | BE@ | Actuals |
| Development Expenditure (a to c) | 1,943.43 (70.10) | 2,307.01 (69.90) | 2,843.45 (72.89) | 3,049.41 (70.41) | 3,832.99 | 3,657.75 (71.07) |
| a. Development Revenue Expenditure | 1,510.05 (54.47) | 1,755.03 (53.18) | 2,244.95 (57.55) | 2,470.95 (57.05) | 2,828.20 | 3,088.36 (60.01) |
| b. Development Capital Expenditure | 421.25 (15.20) | 546.81 (16.57) | 591.35 (15.16) | 570.15 (13.16) | 1,000.04 | 564.81 (10.97) |
| c. Development Loans and Advances | 12.13 (0.44) | 5.17 (0.16) | 7.15 (0.18) | 8.31 (0.19) | 4.75 | 4.58 (0.09) |

Figures in parentheses indicate percentage to aggregate expenditure
 (@) BE figures are gross figures sourced from Annual Financial Statement (budget), Government of Mizoram, 2012-13, while Actuals are net figures sourced from Finance Accounts, 2012-13

The Development Expenditure on socio-economic services increased from ₹ 1,943.43 crore in 2008-09 to ₹ 3,657.75 crore in 2012-13. As a percentage of aggregate expenditure, the share of Development Expenditure ranged between 69.90 per cent and 72.89 per cent with inter year variations. Though Development Expenditure registered an increase of 19.95 per cent (₹ 608.34 crore) during 2012-13 over the previous year. During the current year, the State Government earmarked ₹ 3,832.99 crore out of the estimated aggregate expenditure for development expenditure, and this assessment was higher than the actual development expenditure by ₹ 175.24 crore at the end of the year. Development Revenue and Capital expenditure showed increasing trend since 2008-09 at an annual growth rate of 20.90 per cent and 6.82 per cent respectively.

Access to basic education, health services and drinking water and sanitation facilities are strong indicators of socio-economic progress. Further, expenditure on Economic services includes all such services that promote directly and indirectly productive capacity within the State by improving the quality of human resources. Therefore, it is pertinent to make an assessment with regard to expansion and efficient provision of these services in the State. **Table-1.26** summarizes percentage of expenditure under different components of economic and social services sector incurred by the State Government in expanding and maintaining social and economic services in the State during 2011-12 and 2012-13.

Table-1.26: Efficiency of Expenditure Use in Selected Social and Economic Services

| Social/ Economic Infrastructure | 2011-12 | | | | 2012-13 | | | |
|------------------------------------|--------------------------------|---------------------|-------------|------------|--------------------------------|---------------------|-------------|------------|
| | Ratio of CE to TE [@] | In RE, the share of | | Non-Salary | Ratio of CE to TE [@] | In RE, the share of | | Non-Salary |
| | | S & W | | ₹ in crore | | S & W | | ₹ in crore |
| | | ₹ in crore | In per cent | | | ₹ in crore | In per cent | |
| Social Services (SS) | | | | | | | | |
| Education, Sports, Art and Culture | 8.63 | 484.88 | 69.48 | 212.99 | 1.04 | 590.55 | 71.03 | 240.90 |
| Health and Family Welfare | 1.76 | 128.13 | 68.59 | 58.68 | 0.46 | 156.03 | 70.84 | 64.24 |
| WS, Sanitation & HUD | 44.31 | 29.91 | 19.73 | 121.72 | 48.83 | 46.86 | 24.80 | 142.08 |
| Other Social Services | 0.13 | 43.98 | 13.81 | 274.40 | 6.49 | 31.57 | 7.67 | 379.98 |
| Total (SS) | 12.32 | 686.90 | 50.71 | 667.79 | 11.84 | 825.01 | 49.93 | 827.20 |
| Economic Services (ES) | | | | | | | | |
| Agri. & Allied Activities | 13.48 | 120.80 | 22.74 | 410.33 | 13.88 | 144.98 | 20.08 | 576.88 |
| Irrigation and Flood Control | 84.54 | 5.16 | 57.08 | 3.88 | 0.00 | 6.59 | 69.08 | 2.95 |
| Power & Energy | 20.81 | 54.59 | 18.87 | 234.78 | 19.40 | 66.54 | 22.07 | 234.90 |
| Transport | 54.21 | 15.44 | 15.38 | 84.94 | 46.77 | 65.96 | 55.78 | 52.28 |
| Other Economic Services | 22.05 | 113.04 | 60.66 | 73.30 | 14.80 | 73.42 | 25.76 | 211.64 |
| Total (ES) | 25.39 | 309.03 | 27.68 | 807.23 | 19.25 | 357.49 | 24.89 | 1,078.65 |
| Grand Total (SS+ES) | 18.75 | 995.93 | 40.31 | 1,475.02 | 15.44 | 1,182.50 | 38.29 | 1,905.85 |

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

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

The trends in the above table reveal that development capital expenditure as a percentage of total expenditure decreased from 18.75 per cent in 2011-12 to 15.44 per cent in current year.

The ratio of salary and wage component under Social and Economic Services to revenue expenditure during the current year was 38.29 per cent, a decrease of 2.02 per cent over the previous year. The salary and wage component under revenue expenditure in Social Sector increased by ₹ 138.11 crore from ₹ 686.90 crore in 2011-12 to ₹ 825.01 crore in 2012-13, showing an increase by 20.10 per cent over the previous year; while non-salary component increased by 23.87 per cent over the previous year from ₹ 667.79 crore in 2011-12 to ₹ 827.20 crore in 2012-13.

Again, within the revenue expenditure under economic services, the salary and wage component increased by ₹ 48.46 crore (15.68 per cent) from ₹ 309.03 crore in 2011-12 to ₹ 357.49 crore in 2012-13 and also the non-salary component increased by ₹ 271.42 crore (33.62 per cent) from ₹ 807.23 crore in 2011-12 to ₹ 1,078.65 crore in 2012-13.

The expenditure on Economic Services includes all such expenditure that promotes directly or indirectly, productive capacity within the State's economy. The trend in revenue on Social

and Economic Services indicate that revenue expenditure increased by 24.99 *per cent* from ₹ 2,470.95 crore in 2011-12 to ₹ 3,088.35 crore in 2012-13 whereas capital expenditure decreased marginally by 0.94 *per cent* from ₹ 570.15 crore in 2011-12 to ₹ 564.81 crore in 2012-13. Similarly, expenditure of salary portion on Social and Economic Services increased by 18.73 *per cent* from ₹ 995.93 crore in 2011-12 to ₹ 1,182.50 crore in 2012-13 and on Non-Salary by 29.21 *per cent* from ₹ 1,475.02 crore in 2011-12 to ₹ 1,905.85 crore in 2012-13 (Detailed in **Appendix-1.6 Part-A & Part-B**).

1.9 Financial Analysis of Government Expenditures and Investments

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

1.9.1 Incomplete projects

The department-wise information pertaining to incomplete time overrun projects as on 31 March 2013 is given in **Table-1.27** below:

Table-1.27: Department-wise Profile of Incomplete Projects

(₹ in crore)

| Department | No. of Incomplete Projects | Initial Budgeted Cost | Cost Over Runs (No. of Projects) | Cumulative actual expenditure as on 31 March 2013 |
|---------------------------------|----------------------------|-----------------------|----------------------------------|---|
| Public Works (Roads) | 15 | 142.10 | -- | 69.15 |
| Public Works (Buildings) | 15 | 100.59 | 5.68 (1) | 33.37 |
| Power and Electricity (P&E) | 1 | 57.49 | -- | 35.67 |
| Public Health Engineering (PHE) | 11 | 109.20 | -- | 71.77 |
| Total | 42 | 409.38 | 5.68 | 209.96 |

Source: Appendix-X (Finance Account 2012-13)

Out of 81 projects, which were to be completed on or before March 2013, there were 42 incomplete projects as of March 2013, which were started with initial budgeted cost of ₹ 409.38 crore under Public Works (Roads), Public Works (Buildings), Public Health Engineering and Power & Electricity Departments which resulted in cost overrun of ₹ 5.68 crore in one projects at the close of the current year. Due to non-completion of the projects (March 2013), an amount of ₹ 205.10 crore booked against these projects

remained blocked. Due to delay in completion of the projects, not only the benefits to be accrued to the society got delayed but also the cost to the exchequer increased due to time overruns involved in their completion.

1.9.2 Investment and returns

As of 31 March 2013, Government had invested ₹ 20.91 crore in Government Companies and Co-operatives, out of which an amount of ₹ 4.12 crore was invested in Government Companies and ₹ 16.79 crore was invested in Co-operative Societies. During the current year, State Government invested ₹ 85 lakh in Public Sector and other Undertakings of Government Companies and ₹ 29.34 lakh in Consumer Co-operatives. No dividend was received during 2012-13. *The average return on this investment was Nil in the last five years while the Government paid an average interest rate ranging from 2.60 per cent to 7.02 per cent on its borrowings during 2008-13 (Table-1.28).*

Table-1.28: Return on Investment

| | (₹ in crore) | | | | |
|---|--------------|---------|---------|---------|---------|
| Investment/Return/Cost of Borrowings | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| Investment at the end of the year (₹ in crore) | 18.73 | 19.00 | 19.27 | 19.77 | 20.91 |
| Return (₹ in crore) | -- | -- | -- | -- | -- |
| Return (per cent) | -- | -- | -- | -- | -- |
| Average rate of interest on Government borrowing (per cent) | 6.45 | 7.02 | 2.60 | 6.08 | 5.96 |
| Difference between interest rate and return (per cent) | 6.45 | 7.02 | 2.60 | 6.08 | 5.96 |

Source: Finance Accounts

Five Working Government Companies have registered accumulated losses of ₹ 59.23 crore (Mizoram Electronic Development Corporation Ltd. ₹ 4.31 crore in 2001-2002; Mizoram Food and Allied Industries Corporation Ltd. ₹ 19.33 crore in 2010-2011; Mizoram Handloom and Handicraft Development Corporation Ltd. ₹ 8.23 crore in 2003-2004; Zoram Industrial Development Corporation Ltd. ₹ 20.93 crore in 2009-2010 and Mizoram Agricultural Marketing Corporation Ltd. ₹ 6.43 crore in 2008-2009).

A performance-based system of accountability should be put in place in the Government Companies/Statutory Corporations so as to increase profitability and improve efficiency in service. The Government should ensure better value for money in investments by identifying the Companies/Corporations which are endowed with low financial but high socio-economic returns and see if high cost borrowings need to be invested in those Companies/Corporations.

Although the Government could not comply with the Thirteenth Finance Commission recommendation, as a positive step in that direction, the Finance Department has

engaged⁵ specialist for restructuring the PSUs for specific recommendations to the State Government to rebuild some of the PSUs.

1.9.3 Loans and Advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organisations. **Table-1.29** presents the outstanding loans and advances as on 31 March 2013, interest receipts *vis-à-vis* interest payments during the last three years.

Table-1.29: Average Interest Received on Loans Advanced by the State Government

| | (₹ in crore) | | |
|--|---------------|---------------|---------------|
| Quantum of Loans/ Interest Receipts/ Cost of Borrowings | 2010-11 | 2011-12 | 2012-13 |
| Opening Balance | 241.14 | 245.04 | 250.76 |
| Amount advanced during the year | 29.87 | 33.52 | 30.25 |
| Amount repaid during the year | 25.97 | 27.80 | 29.48 |
| Closing Balance | 245.04 | 250.76 | 251.53 |
| Of which Outstanding balance for which terms and conditions have been settled | | | |
| Net addition | (+)3.90 | (+) 5.72 | (+) 0.77 |
| Interest Receipts | 0.06 | 3.03 | 7.69 |
| (a) Interest receipts as <i>per cent</i> to outstanding Loans and advances | 0.02 | 1.21 | 3.06 |
| (b) Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government | 2.35 | 6.05 | 5.63 |
| (c) = (b) – (a) Difference between interest payments and interest receipts (<i>per cent</i>) | 2.33 | 4.84 | 2.57 |

Source: Finance Accounts

The total amount of outstanding Loans and Advances as on 31 March 2013 was ₹ 251.53 crore. The amount of loans disbursed during the year decreased from ₹ 33.52 crore in 2011-12 to ₹ 30.25 crore in 2012-13. Out of the total amount of loans advanced during the year, ₹ 4.01 crore was disbursed to social services, ₹ 0.57 crore to economic services and ₹ 25.67 crore to Government servants. Under the social services, the amount of ₹ 4.01 crore was disbursed to Housing only and in economic services the amount of ₹ 0.57 crore was disbursed to Co-operation. The recovery of loans and advances increased marginally from ₹ 27.80 crore in 2011-12 to ₹ 29.48 crore in 2012-13 mainly on account of recovery under Housing (₹ 17.38 crore), Co-operation (₹ 0.10 crore), North-Eastern Areas (₹ 0.01 crore), Village and Small Industries (₹ 0.01 crore) and Government Servants (₹ 11.98 crore).

Interest received against these loans and advances significantly increased from ₹ 3.03 crore in 2011-12 to ₹ 7.69 crore in 2012-13 and as a result the interest receipt to outstanding loans stood at 3.06 per cent during 2012-13.

⁵ Source: Fiscal Policy Strategy Statement, Government of Mizoram, 2013-14

1.9.4 Cash Balances and Investment of Cash balances

It is generally desirable that State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatch in the flow of resources and the expenditure obligations, a mechanism of Ways and Means Advances from RBI has been put in place. The operative limit for Normal Ways and Means Advances is reckoned on the three years average of revenue receipts and the operative limit for Special Ways and Means Advances is fixed by the RBI from time to time depending on the holding of Government securities. The limit for ordinary Ways and Means Advances to the State Government was ₹ 55 crore with effect from 1 April 2006. The limit for Special Ways and Means Advances is being revised by the RBI from time to time. Under an agreement with the Reserve Bank of India, the State Government has to maintain a minimum daily cash balance of ₹ 0.20 crore with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary and special ways and means advances/overdrafts from time to time.

The position of Ways and Means Advances and Overdraft is shown in the **Table-1.30**:

Table-1.30: Ways and Means Advances and Overdraft

| | (₹ in crore) | | | | |
|---|--------------|---------|---------|---------|---------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| Ordinary and Special Ways & Means Advances | | | | | |
| Availed in the year | -- | 1.37 | 163.36 | 71.39 | 166.58 |
| Outstanding WMAs | 12.13 | 12.13 | 27.21 | 46.45 | 115.77 |
| Interest paid | -- | 0.09 | 0.09 | 0.03 | 0.04 |
| Number of days | -- | 19 | 21 | 11 | 6 |
| Overdraft | | | | | |
| Availed in the year | -- | -- | -- | -- | 46.70 |
| Outstanding Overdraft | -- | -- | -- | -- | 46.70 |
| Number of days | -- | -- | -- | -- | 1 |
| Interest paid | -- | -- | -- | -- | -- |

Source: Finance Accounts

The State was able to maintain a minimum balance of ₹ 0.20 crore with the Reserve Bank for 358 days during 2012-13 except one day on which the Government had to resort to overdraft (₹ 46.70 crore) facility in addition to availing Ordinary and Special Ways & Means Advances during 2012-13 for two days and four days respectively, against which an interest of ₹ 0.04 crore was paid. The State resorted to Ways and Means Advances of ₹ 166.58 crore and repaid ₹ 97.26 crore leaving an unpaid balance of ₹ 115.77 crore as on 31 March 2013.

The cash balances and investments made by the State Government out of cash balances during 2012-13 are shown in **Table-1.31**:

Table-1.31: Cash Balances and Investment of Cash Balances

(₹ in crore)

| Particulars | Opening Balance on 1 April 2012 | Closing Balance on 31 March 2013 |
|---|------------------------------------|-------------------------------------|
| (a) General Cash Balance | | |
| Cash in Treasuries | --- | --- |
| Remittance in transit (local) | --- | --- |
| Deposit with Reserve Bank ⁶ | (-) 17.15 | (-) 101.64 |
| Total | (-) 17.15 | (-) 101.64 |
| Investment held in Cash Balance investment account | (-) 292.51 | (-) 291.51 |
| Total (a) | (-) 309.66 | (-) 393.15 |
| (b) Other Cash Balances and Investments | | |
| Cash with Departmental Officers viz. Forest Officers and Public Work Officers | (-) 2.81 | (-) 4.77 |
| Permanent Advances for contingent expenditure with Departmental Officers | --- | --- |
| Investments of Earmarked Funds | 117.50 | 135.40 |
| Total (b) | 114.69 | 130.63 |
| Grand Total (a) + (b) | (-) 194.97 | (-) 262.52 |

Source: Finance Accounts

Cash balance of the State Government at the end of the current year increased by ₹ 67.55 crore from ₹ 194.97 crore in 2011-12 to ₹ 262.52 crore in 2012-13. The investment from cash balances decreased by ₹ one crore from ₹ 292.51 crore in 2011-12 to ₹ 291.52 crore in 2012-13 against which an amount of ₹ 9.18 crore was realized as interest. Further, during the year, the Government appropriated an amount of ₹ 17.90 crore from revenue and credited to Consolidated Sinking Fund which was constituted during 2000-2001 for redemption of open market loans, for investment in the Government of India Securities. As a result the balance as on 31 March 2013 was ₹ 135.40 crore for amortisation of long term loans.

1.9.5 Outstanding balances under the head 'Cheques and Bills'

The major head '8670 – Cheques and Bills' is an intermediary account head for initial records of transaction which are to be cleared eventually. Outstanding balance under '8670 – Cheques and Bills' represents the amount of unencashed cheques. There was no transaction under this head during the period 2008-09 to 2012-13 and the balance of ₹ 0.15 crore is continued to lay in this head for the last five years.

⁶ Balance under the head 'Deposits with Reserve Bank' is arrived after taking into account the Inter Government monetary settlements pertaining to transactions of financial year 2012-13 advised to the RBI 31 March 2013

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-1.3** gives an abstract of such liabilities and the assets as on 31 March 2013, compared with the corresponding position on 31 March 2012. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

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

1.10.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix-1.4**. The compositions of fiscal liabilities during the current year *vis-à-vis* the previous year are presented in **Chart-1.11** and **1.12**.

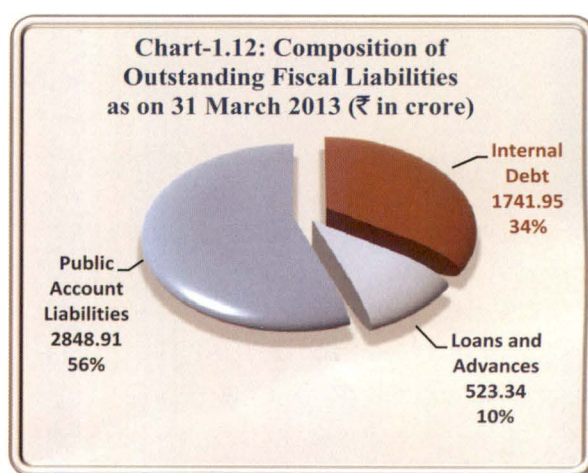
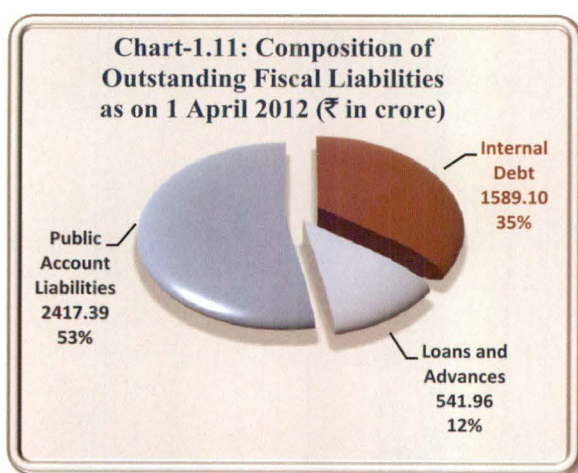


Table-1.32 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP, revenue receipts and to State’s own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

Table-1.32: Fiscal Liabilities – Basic Parameters

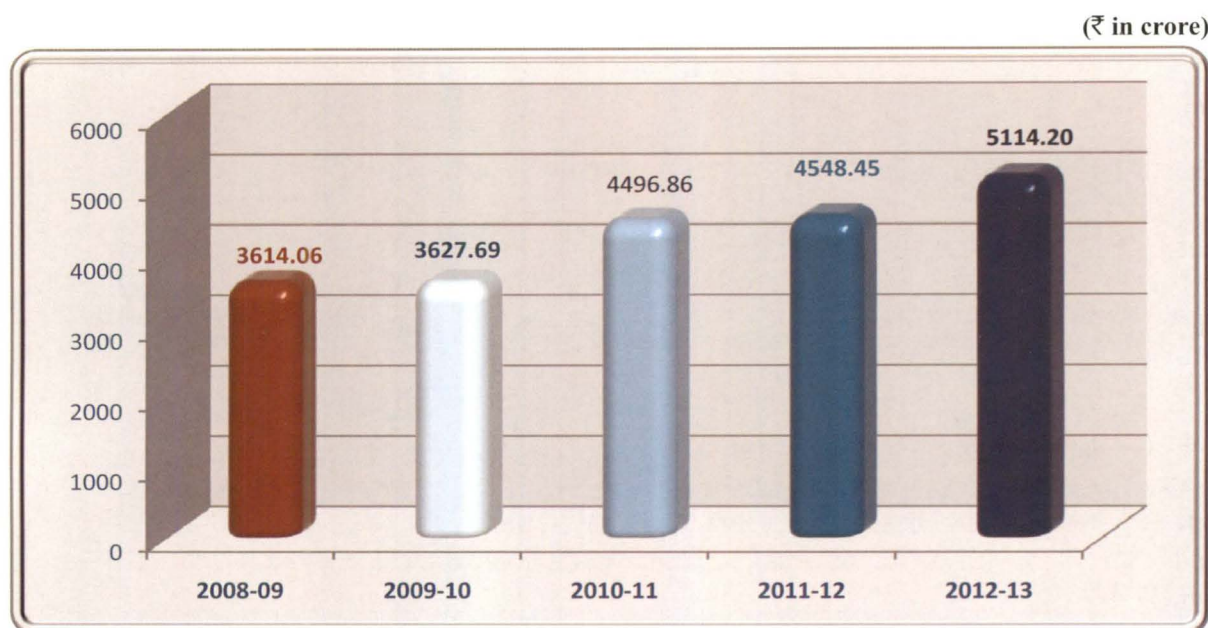
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|----------|----------|----------|----------|----------|
| Fiscal Liabilities [#] (₹ in crore) | 3,614.06 | 3,627.69 | 4,496.86 | 4,548.45 | 5,114.20 |
| Rate of Growth (<i>per cent</i>) | 6.99 | 0.38 | 23.96 | 1.15 | 12.44 |
| Ratio of Fiscal Liabilities to: | | | | | |
| GSDP (<i>per cent</i>) | 77.76 | 64.56 | 74.23 | 65.06 | 63.51 |
| Revenue Receipts (<i>per cent</i>) | 136.22 | 122.41 | 157.49 | 118.92 | 112.73 |
| Own Resources (<i>per cent</i>) | 1,426.85 | 1,549.70 | 1,622.48 | 1,310.41 | 1,173.12 |
| Buoyancy of Fiscal Liabilities with reference to: | | | | | |
| GSDP (ratio) | 0.31 | 0.02 | 3.05 | 0.07 | 0.82 |
| Revenue Receipts (ratio) | 0.23 | 0.03 | (-) 6.51 | 0.03 | 0.67 |
| Own Resources (ratio) | 0.32 | (-) 0.05 | 1.30 | 0.05 | 0.49 |

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

The overall fiscal liabilities of the State increased at an average annual rate of 8.30 *per cent* during the period 2008-13. During the current year, the overall fiscal liabilities of the State Government increased by ₹ 565.75 crore (12.44 *per cent*) from ₹ 4,548.45 crore in 2011-12 to ₹ 5,114.20 crore in 2012-13. The increase in fiscal liabilities was mainly due to increase in the Public Account liabilities by ₹ 431.52 crore and Internal Debt by ₹ 152.85 crore, offset by a decrease in Loans and Advances by ₹ 18.62 crore. **The ratio of fiscal liabilities to GSDP has decreased from 65.06 per cent in 2011-12 to 63.51 per cent in 2012-13. These fiscal liabilities stood at nearly 1.13 times the revenue receipts and 11.73 times of the State's own resources at the end of 2012-13.** The buoyancy of these liabilities with respect to GSDP during the year was 0.82 indicating that for each one *per cent* increase in GSDP, fiscal liabilities grew by 0.82 *per cent*. As per XIII FC, the combined debt stock of the States had to be steadily reduced to less than 25 *per cent* of GDP by 2014-15. To achieve this target of reducing the debt stock, the XIII FC has made projections for the Mizoram State to reduce total outstanding debt as a percentage of Gross State Domestic Product, so as to reach the annual target of 87.30 *per cent* in 2010-11, 85.70 *per cent* in 2011-12, 82.90 *per cent* in 2012-13, 79.20 *per cent* in 2013-14 and 74.80 *per cent* in 2014-15, which has been adopted by the State Government as an amendment in the Mizoram Fiscal Responsibility and Budget Management (MZFRBM) Act, 2006. Against this the outstanding fiscal liability of the State at the end of the year 2012-13 stood at 63.51 *per cent* of GSDP. In line with the recommendation of the Twelfth Finance Commission, the State Government has set up sinking fund for amortisation of market borrowings as well as other loans and debt obligations. As of 31 March 2013, the balance in the sinking fund was ₹ 135.40 crore. During 2012-13, ₹ 17.90 crore has been invested in the sinking fund.

The increasing position of fiscal liabilities during 2008-13 is depicted in the bar chart below:

Chart-1.13: Trend showing Fiscal Liabilities during 2008-13



1.10.3 Transactions under Reserve Fund

Reserves and Reserve Funds are created for specific and well defined purposes under the Sector 'J' in the accounts of the State Government (Public Account). These funds are fed by contributions or grants from the Consolidated Fund of India or State. The contributions are treated as expenditure under the Consolidated Fund. The expenditure relating to the fund is initially accounted under the Consolidated Fund itself for which the vote of the legislature is obtained. At the end of the year, at the time of closure of accounts, the expenditure relating to the fund is transferred to Public Account under the concept of gross budgeting through an operation of deduct entry in accounts. The funds may be further classified as 'Funds carrying interest' and 'Funds not carrying interest'.

The total accumulated balance at the end of 31 March 2013 in Reserve funds was ₹ 142.27 crore, out of which, ₹ 135.40 crore (95.17 per cent) was invested. The reserve funds are as under:

(a) Consolidated Sinking Fund (CSF)

Following the recommendations of the Tenth Finance Commission, the Reserve Bank enabled the creation of a Consolidated Sinking Fund (CSF) in 1999 to provide the State with a cushion for repayment of open market loans, whereby the States were to contribute 1-3 per cent of their outstanding open market loans as at the end of the previous year. Subsequently, the ambit of the CSF was expanded in 2006-07 to include amortisation of all the liabilities with the stipulated contribution of minimum 0.5 per cent of the outstanding liabilities of the State as at the end of the preceding financial year.

During 2012-13, the State Government contribution was ₹ 17.90 crore, against the required amount of ₹ 22.74 crore (0.50 *per cent* of the total outstanding liabilities of the Government of Mizoram as on 31 March 2012 *i.e.*, ₹ 4,548.45 crore). As on 31 March 2013, an amount of ₹ 135.40 crore was credited in Consolidated Sinking Fund, which was 2.98 *per cent* of outstanding liabilities.

(b) Guarantee Redemption Fund (GRF)

Guarantee Redemption Fund (GRF) was set up in the State with initial corpus of ₹ 50.00 lakh. The State Government was required to contribute an amount equivalent to at least 1/5th of the outstanding guarantees during the year. During 2012-13, the State Government transferred ₹ 1.50 crore to the Guarantee Redemption Fund against the required amount of ₹ 6.34 crore (1/5th of ₹ 31.70 crore). As of March 2013, ₹ 2.50 crore was credited in GRF.

(c) State Disaster Response Fund (SDRF)

As per the recommendations of the Thirteenth Finance Commission, the Centre and the State was required to contribute to the fund in the proportion 90:10. The SDRF had an opening balance of ₹ 0.04 crore at the beginning of the year. An amount of ₹ 13.75 crore and ₹ 1.53 crore was released by the Central and the State Government respectively against which an expenditure of ₹ 9.88 crore was incurred during the year from the fund. The fund had a closing balance of ₹ 5.35 crore as on 31 March 2013.

1.10.4 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 Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table-1.33**.

Table-1.33: Guarantees given by the Government of Mizoram

| | (₹ in crore) | | |
|---|--------------|----------|----------|
| Guarantees | 2010-11 | 2011-12 | 2012-13 |
| Maximum amount guaranteed | 189.02 | 243.34 | 124.78 |
| Outstanding amount of guarantees | 102.72 | 232.18 | 31.70 |
| Revenue Receipts | 2,855.37 | 3,824.90 | 4,536.74 |
| Percentage of maximum amount guaranteed to revenue receipts | 6.62 | 6.36 | 2.75 |

Source: Finance Accounts

The State Government had guaranteed loans raised by various corporations and others which at the end of 2012-13 stood at ₹ 31.70 crore. Fresh guarantees of ₹ 0.54 crore were extended to Mizoram State Cooperative Marketing & Consumers Federation (MIZOFED) in the current year. The outstanding guarantees were 0.70 *per cent* of the revenue receipts of the Government and it is pertinent to note that if the liabilities arising out of the outstanding guarantees are added to the fiscal liabilities of the State Government at the close of the current year, the ratio of total liabilities to GSDP would increase from 63.51 *per cent* to 63.90 *per cent*.

1.11 Debt Management

Apart from the magnitude of debt of State Government, it is important to analyze various indicators that determine the debt sustainability of the State. The Debt sustainability is defined as the ability of the State to maintain a constant debt-GSDP 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. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation⁷, sufficiency of non-debt receipts⁸, net availability of borrowed funds⁹, burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table-1.34** analyzes the debt sustainability of the State according to these indicators for the period of five years beginning from 2008-09.

Table-1.34: Debt Sustainability: Indicators and Trends

| Indicators of Debt Sustainability | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|------------|------------|-----------------|---------------|------------|
| Debt Stabilization | 532.81 + | 501.87 + | 188.66 + | 419.54 + | 419.43 + |
| (Quantum Spread + | 131.35 | (-) 57.27 | (-) 913.90 | (-) 203.27 | (-) 292.34 |
| Primary Deficit) | = 664.16 | = 444.60 | = (-) 725.24 | = 216.27 | = 127.09 |
| Sufficiency of Non-debt Receipts (Resource Gap) | (+) 297.22 | (-) 217.36 | (-) 707.86 | (+) 541.06 | (-) 102.27 |
| Net Availability of Borrowed Funds | 10.40 | (-) 240.73 | 763.60 | (-) 218.50 | 277.60 |
| Burden of Interest Payments (IP/RR Ratio) | 8.50 | 8.58 | 3.70 | 7.19 | 6.35 |
| Maturity Profile of State Debt (In Years) | | | (₹ in crore) | | |
| Maturity Profile ^(a) | | | Amount | Per cent | |
| 0 – 1 | | | 158.51 | 7.51 | |
| 1 – 3 | | | 226.33 | 10.72 | |
| 3 – 5 | | | 364.88 | 17.28 | |
| 5 – 7 | | | 366.36 | 17.35 | |
| Sub-total (A) | | | 1,116.08 | 52.87 | |
| 7 – 9 | | | 652.13 | 30.89 | |
| 9 – 11 | | | 264.67 | 12.54 | |
| 11 – 13 | | | 13.51 | 0.64 | |
| 13 – 15 | | | 33.87 | 1.60 | |
| 15 and above | | | 30.89 | 1.46 | |
| Sub-total (B) | | | 995.07 | 47.13 | |
| Total (A +B) | | | 2,111.15 | 100.00 | |

^(a) As per Finance Accounts

⁷ As defined in Appendix-1.1.C

⁸ As defined in Appendix-1.1.C

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

During the current year, the sum of quantum spread and primary deficit remained positive indicating that the debt-GSDP ratio is stable. Although, the sum of quantum spread and primary deficit decreased by ₹ 89.18 crore from ₹ 216.27 crore in 2011-12 to ₹ 127.09 crore during 2012-13, which was attributable to increase in primary deficit in 2012-13 to ₹ 292.34 crore as compared to primary deficit of ₹ 203.27 crore in 2011-12. This indicated deteriorating debt stability during the year compared to the previous year.

Another indicator of debt sustainability is the adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. Debt sustainability could be facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure. Negative resource gap indicates non-sustainability of debt while positive resource gap indicates sustainability of debt. Widening of the resource gap which was positive from 2011-12 (₹ 541.06 crore) turned into negative ₹ 102.27 crore during 2012-13 indicates depreciating capacity of the State to sustain the debt in the medium to long run. This also meant the State had to depend on borrowed funds for meeting current revenue and capital expenditure.

Debt sustainability also depends on the ratio of debt redemption (principal + interest payments) to total debt receipts and application of available borrowed funds. The ratio of debt redemption to debt receipts indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.

During 2012-13, against debt receipt of ₹ 1,910.16 crore, debt redemption and interest payment was ₹ 1,632.56 crore, leaving ₹ 277.60 crore for purposes other than debt redemption and for servicing of past liabilities of the State.

The maturity profile of the State's debt during the current year indicates that out of the outstanding debt stock of ₹ 2,111.15 crore, around 52.87 *per cent* (₹ 1,116.08 crore) is payable within the next seven years while the remaining 47.13 *per cent* (₹ 995.07 crore) are to be paid in more than seven years' time. Since there was no fiscal surplus during the last five years (2008-13), the Government will have to borrow further to discharge the repayment obligations unless there is adequate fiscal surplus. Ideally, further borrowings in future should be made in such a way that there is no bunching of repayments in any particular year as that will cause undue stress on the budget.

1.12 Market Borrowings

Market loans are the most significant component of instruments which are used for financing the fiscal deficit of the Government. The borrowing requirement of the Government during the year is determined by the Fiscal deficit.

Under the provisions of Article 293(1) of the Constitution of India, the State Governments are empowered to borrow funds within the territory of India upon the security of the Consolidated Fund of the State within such limits, if any, as may from time to time be fixed by the Legislature

of such State by law. However, Article 293(3) of the Constitution of India imposes restriction that a State may not without the consent of the Government of India raise any loan if there is still outstanding any part of a loan which has been made to the State by the Government of India or in respect of which a guarantee has been given by the Government of India.

Market loans are raised either by auction or are tapped as part of a multi-state debt issuance process using the RBI as agent, with a fixed interest rate payable half yearly and fixed maturity tenure.

1.12.1 Position of Market Loans

The requirement of market borrowing which forms component of total borrowings of the State (which includes loans from NSSF, loans from Banks and Financial Institutions) are finalised at the time of finalisation of Annual Plan Financing by the Planning Commission each year. Once the Planning Commission approves the plan size and associated borrowings, proposal for market borrowings, *etc.* are sent to Ministry of Finance, GoI for their approval. The borrowing is carried out in a phased manner throughout the year based on actual requirement of funds and market conditions. Before raising each tranche of loan from the market, the State Government has to obtain sanction from Ministry of Finance, GoI for raising the loan.

The position of the borrowing limit, opening balances, borrowings/repayments together with closing balances, of open market loans in respect of the State, is brought out in the **Table-1.35**.

Table-1.35: Position of Market Borrowings

| Details | Amount of loan raised | | | | | |
|--|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | Total |
| Borrowing Limits | 122.88 | 167.63 | 151.99 | 350.18 | 285.75 | 1,078.43 |
| Opening balance (Outstanding Market loan at the beginning of the year) | 837.79 | 964.00 | 1,084.32 | 1,334.43 | 1,594.35 | |
| Loan raised | 156.18 | 155.29 | 266.65 | 300.00 | 185.75 | 1,063.87 |
| Repayments made | 29.97 | 34.97 | 16.54 | 40.08 | 117.97 | 239.53 |
| Outstanding Market loan on 31 March | 964.00 | 1,084.32 | 1,334.43 | 1,594.35 | 1,662.13 | |
| Net Increase | 126.21 | 120.32 | 250.11 | 259.92 | 67.78 | 824.34 |
| Percentage of increase in the outstanding market loan | 15.06 | 12.48 | 23.07 | 19.48 | 4.25 | |

Source: Departmental figures

It can be seen from the above table that during 2008-13, the State Government borrowed ₹ 1063.87 crore, through open market borrowings and repaid ₹ 239.53 crore. Outstanding market loan as of 31 March 2014 stood at ₹ 1,662.13 crore against the outstanding balance of ₹ 837.79 crore at the beginning of 2008-09, *i.e.* an increase of ₹ 824.34 crore (98.39 per cent).

The net increase in borrowing from open market was lowest (4.25 *per cent*) in 2012-13, while the increase ranged between 12.48 *per cent* and 23.07 *per cent* during the previous four years (i.e. 2008-12).

1.12.2 Maturity Profile of Market Loans

During the period 2008-13, the State Government used various instruments viz. Mizoram State Development Loan (MSDL) and Mizoram Government Stock (securities) for raising Market loans. The instruments were sold through the Reserve Bank of India (RBI) by auction. The tenor of all the market loans raised by the State during the period was of 10 year maturity with varying interest rates payable semi-annually.

The maturity profile of Market Loans of the State payable in the next 10 years is shown below:

Table-1.36: Maturity trend of market loans

| Maturity year | Maturity amount (₹ in crore) | As a <i>per cent</i> of Outstanding market loans |
|---------------|---------------------------------|---|
| 2013-14 | 100.67 | 6.29 |
| 2014-15 | 89.09 | 5.57 |
| 2015-16 | 114.66 | 7.17 |
| 2016-17 | 124.74 | 7.80 |
| 2017-18 | 146.86 | 9.18 |
| 2018-19 | 156.18 | 9.76 |
| 2019-20 | 155.29 | 9.71 |
| 2020-21 | 226.65 | 14.17 |
| 2021-22 | 300.00 | 18.75 |
| 2022-23 | 185.75 | 11.61 |
| Total | 1,599.89 | 100.00 |

Source: Departmental figures

It may be seen from the above table that out of the outstanding market loan of ₹ 1,599.89 crore payable in the next 10 years, around 55.47 *per cent* (₹ 887.49 crore) is payable within the next seven years and the remaining 44.53 *per cent* (₹ 712.40 crore) is to be paid in more than seven years time. Thus, owing to the increase in market borrowings by the State Government since 2010-11, there would be immense redemption pressure from 2020-21 onwards. Since there was no fiscal surplus during the last 4 years (2008-12), the Government will have to borrow further to discharge the expenditure obligations unless there is adequate fiscal surplus. Ideally, further borrowings in future should be made in such a way that there is no bunching of repayments in any particular year as that will cause undue stress on the State budget.

1.12.3 Interest Rate Profile of Market Loans

The interest rate of market loans is set by the lender and incorporated in the loan conditions. The cut-off yield determined at the auction is the coupon rate *per cent* per annum on the Stock sold at the auction. The position of interest rate profile of market loans raised during 2008-13 is given below:

Table-1.37: Interest rate profile

| Rate of interest (per cent) | Market loans raised during the year (₹ in crore) | | | | | |
|--------------------------------|--|---------------|---------------|---------------|---------------|-----------------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | Total |
| Below 5 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5 – 5.99 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6 – 6.99 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 – 7.99 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8 – 8.99 | 96.58 | 155.29 | 266.65 | 300.00 | 120.75* | 939.27 |
| 9 – 9.99 | 59.60 | 0.00 | 0.00 | 0.00 | 65.10 | 124.70 |
| 10 -10.99 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 156.18 | 155.29 | 266.65 | 300.00 | 185.75 | 1,063.87 |
| Average interest rate | 8.80 | 8.33 | 8.49 | 8.66 | 8.89 | - |

Source: Departmental figures

It may be seen from the above table that a total of ₹ 1,063.87 crore was raised by the State Government as Market loans during the period from 2008-13 with varying average interest rates ranging from 8.33 *per cent* (2009-10) to 8.89 *per cent* (2012-13).

The percentage of interest payments on market loan to revenue receipts varied widely from 4.71 *per cent* (2008-09) to 2.41 *per cent* (2010-11) and stood 3.60 *per cent* during the current year and as shown in the following table.

Table-1.38: Interest payments on market loan as a percentage of revenue receipts

| Particulars | (₹ in crore) | | | | | |
|--|--------------|----------|----------|----------|----------|--|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | |
| Interest payment on market loan | 124.98 | 133.29 | 66.91 | 151.40 | 163.39 | |
| Revenue Receipts | 2,653.13 | 2,963.51 | 2,855.37 | 3,824.90 | 4,536.74 | |
| Interest payment as percentage of revenue receipts | 4.71 | 4.50 | 2.34 | 3.96 | 3.60 | |

Source: Finance Accounts

1.12.4 Application of borrowings

The Debt Management manual of Government of Mizoram further envisages that the Government shall be guided by a high degree of prudence in fiscal management and ensure that borrowing is not resorted to for meeting current revenue expenditure and is only meant for financing the capital investment requirements of the Government.

Table-1.39 indicates the position of Revenue Surplus/Deficit, Fiscal Deficit, Market loan raised and Capital outlay during the period 2008-13.

Table-1.39: Position of Deficits *vis-à-vis* Market Loan raised and Capital Outlay during 2008-13

| | (₹ in crore) | | | | |
|---------------------------------|--------------|------------|------------|------------|-----------|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| Revenue Surplus (+)/Deficit (-) | (+) 339.33 | (+) 260.81 | (-) 400.87 | (+) 127.57 | (+) 27.83 |
| Fiscal Deficit | 94.26 | 311.62 | 1,019.48 | 478.42 | 580.49 |
| Market loan raised | 156.71 | 155.32 | 266.70 | 300.05 | 185.75 |
| Capital Outlay | 441.04 | 572.80 | 614.71 | 600.27 | 607.55 |

As could be seen from the above table, except during the year 2010-11 the State Government had maintained revenue surplus in the remaining four years during the period 2008-13. Further, the capital outlay was always more than the market borrowings throughout the entire period including the year 2010-11 (when there was revenue deficit). This implied that during these years, besides the borrowed funds a part of revenue surplus was used on capital outlay or repayment of past loan obligations.

Though during 2010-11 the State witnessed revenue deficit (₹ 400.87 crore), the capital outlay during that year was ₹ 600.27 crore while the market borrowing was only ₹ 300.00 crore. The revenue deficit was financed from the Public Accounts (*i.e.*, Small Saving, PF *etc.*, Deposits & Advance and Suspense & Miscellaneous). This implied that even in this year borrowed funds were spent on capital outlay.

1.12.5 Untimely borrowings leading to surplus cash balance

The borrowing is required to be carried out in a phased manner throughout the year based on actual requirement of funds and market conditions. As per the agreement with the Reserve Bank of India, the State Government has to maintain certain specified amount as a minimum cash balance with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary or special ways and means advances/overdrafts from time to time. On any day, if the cash balance is found in excess of the stipulated minimum, excess cash balance is automatically invested by the Reserve Bank in 14 days Treasury Bills (2011-12) under the directions of the State Government. Open market borrowings of the State Government made through Reserve Bank of India are invested in 14 day Intermediate Treasury Bills bearing interest rate of 5 *per cent* per annum, on the subsequent day of auction, if the cash balance of the State is found to be in excess of the stipulated minimum.

During 2008-13, the State Government raised ₹ 1,064.53 crore as market loans on 14 occasions of which ₹ 848.46 crore (79.70 *per cent* of loan raised) was invested immediately on 13 occasions in 14 days intermediate treasury bills. In three occasions, the

entire amount raised by market loans was invested immediately in 14 days intermediate treasury bills. Further, in many occasion, the amount matured after 14 days of investment in intermediate treasury bills were again reinvested in 14 days intermediate treasury bills along with other funds.

1.12.6 Consolidated Sinking Fund

The State Government constituted a reserve fund called Consolidated Sinking Fund to meet future repayment obligations of loans contracted in the past including Market Loans. As per the instructions of Reserve Bank of India, the State was required to contribute a minimum of 0.5 *per cent* of their outstanding liabilities (internal debt *plus* public account) as at the end of the previous year to the Consolidated Sinking Fund. During 2012-13, the State Government contribution was ₹ 17.90 crore, against the required amount of ₹ 22.74 crore (0.5 *per cent* of the total outstanding liabilities of the Government of Mizoram as on 31 March 2012 *i.e.*, ₹ 4,548.45 crore). As on 31 March 2013, an amount of ₹ 135.40 crore was credited to the Consolidated Sinking Fund, which was 8.15 *per cent* outstanding market loan.

The State did not make projections to take care of asset liability matching through maturity profiling with revenue estimations to meet the liabilities during the review period.

Though the steps taken by the State Government for redemption were encouraging, the fund in Consolidated Sinking Fund is just 3.24 *per cent* of total outstanding liabilities of the State at ₹ 4,185.13 crore as of 31 March 2013.

1.13 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government Accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised and applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2012-13.

1.13.1 Trends in Deficits

Chart-1.14 and **1.15** presents the trends in deficit indicators over the period 2008-13.

Chart-1.14: Trends in Deficit Indicators
(₹ in crore)

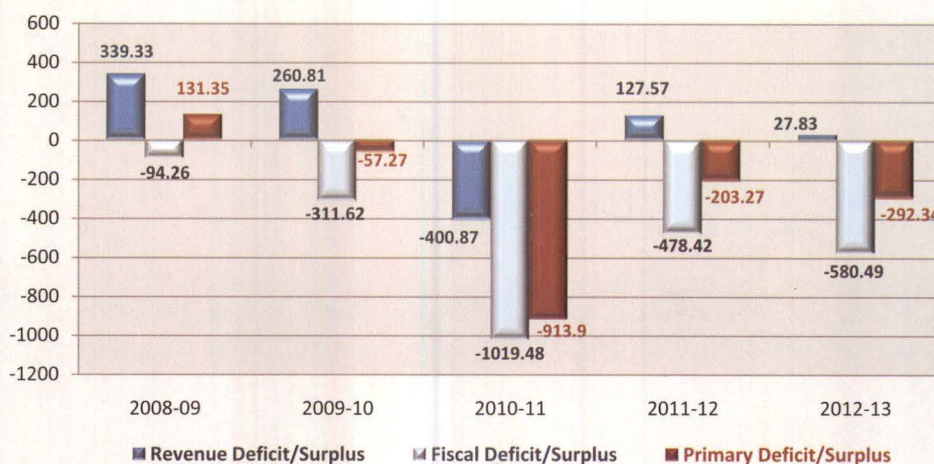


Chart-1.15: Trends in Deficit Indicators relative to GSDP

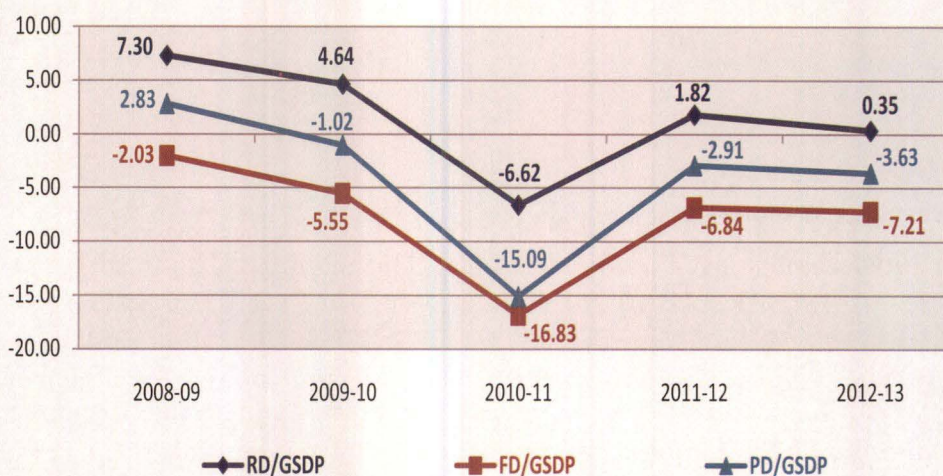


Chart-1.14 reveals that the depreciation in revenue surplus by ₹ 99.74 crore in 2012-13 over the previous year was due to significant increase in revenue expenditure by 21.95 per cent, although the revenue receipt was higher by 18.61 per cent. Due to increase of ₹ 815.59 crore in total expenditure in 2012-13 over the previous year, both fiscal deficit and primary deficit also deteriorated. While fiscal deficit increased by ₹ 102.07 crore, primary deficit had increased by ₹ 89 crore over the previous year. Interest payment (₹ 288.15 crore) alone accounted for 49.64 per cent of the fiscal deficit (₹ 580.49 crore) and as such obligations of past liabilities formed major portion of the fiscal deficit in the current year. Interest bearing borrowing¹⁰ of ₹ 420.28 crore in 2012-13 as compared to ₹ 225.70 crore in the previous year may amplify the interest burden in the coming years. Though there are signs of recovery of the financial deficit situation of the State, a cautious and prudent management

¹⁰ Includes only Internal debt and Loans and Advances from Central Government

of expenditure and revenue mobilization needs to be addressed so that financial position returns to a comfortable state.

1.13.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table-1.40**.

Table-1.40: Components of Fiscal Deficit and its Financing Pattern

| (₹ in crore) | | | | | | |
|---|------------------|-------------------|---------------------|-------------------|-------------------|--|
| Particulars | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | |
| Decomposition of Fiscal Deficit | (-) 94.26 | (-) 311.62 | (-) 1,019.48 | (-) 478.42 | (-) 580.49 | |
| 1. Revenue Surplus/Deficit | (+) 339.33 | (+) 260.81 | (-) 400.87 | (+) 127.57 | (+) 27.83 | |
| 2. Net Capital Expenditure | (-) 441.04 | (-) 572.80 | (-) 614.71 | (-) 600.27 | (-) 607.55 | |
| 3. Net Loans and Advances | (+) 7.45 | (+) 0.37 | (-) 3.90 | (-) 5.72 | (-) 0.77 | |
| Financing Pattern of Fiscal Deficit* | | | | | | |
| 1. Market Borrowings | 29.63 | (-) 58.61 | 256.56 | 9.92 | 67.78 | |
| 2. Loans from GoI | (-) 12.05 | 13.30 | (-) 22.04 | 4.25 | (-) 18.61 | |
| 3. Special Securities Issued to NSSF | (-) 2.42 | 8.18 | 18.71 | 7.11 | 18.41 | |
| 4. Loans from Financial Institutions | (-) 2.95 | (-) 97.76 | 16.01 | (-) 42.68 | 71.22 | |
| 5. Compensation and other Bonds | (-) 2.71 | (-) 4.56 | (-) 4.56 | (-) 4.55 | (-) 4.56 | |
| 6. Small Savings, PF etc. | 187.88 | 43.58 | 275.91 | 115.72 | 196.33 | |
| 7. Deposits and Advances | 37.65 | 105.49 | 333.44 | (-) 32.42 | 230.33 | |
| 8. Suspense and Misc. | (-) 78.36 | 292.16 | 209.58 | 453.72 | (-) 51.79 | |
| 9. Remittances | (-) 71.93 | (-) 39.96 | (-) 35.83 | 57.03 | (-) 18.50 | |
| 10. Reserve Fund | 1.01 | 4.03 | (-) 4.37 | 0.11 | 5.39 | |
| 11. Increase/decrease in Cash balance with RBI | 8.51 | 45.77 | (-) 23.93 | (-) 89.79 | 84.49 | |
| 12. Overall Deficit (1 to 11) | (-) 94.26 | (-) 311.62 | (-) 1,019.48 | (-) 478.42 | (-) 580.49 | |
| (% of GSDP) | (2.03) | (5.55) | (16.83) | (6.84) | (7.21) | |
| * All these figures are net of disbursements/outflows during the year | | | | | | |

It can be seen from **Table-1.40** that there was *fiscal deficit during the last five years with lowest deficit in 2008-09 (₹ 94.26 crore), however, the fiscal deficit drastically deteriorated during 2010-11 to the level of ₹ 1,019.48 crore (16.83 per cent of GSDP) which improved in 2011-12 to ₹ 478.42 crore and finally stood at ₹ 580.49 crore during 2012-13*. During 2012-13, fiscal deficit was primarily financed by Small Savings, PF etc., Deposits and Advances, Cash Balance with RBI, Loans from financial Institutions and Market Borrowings.

The solution to the Government debt problem lies in the method of application of borrowed funds i.e., whether they are being used efficiently and productively for capital expenditure

which either provides returns directly or results in increased productivity of the economy which may result in increase in Government revenue in future, making debt payments manageable.

1.13.3 Quality of Deficit/Surplus

The ratio of RD to FD and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit (**Table-1.41**) would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which might be necessary to improve the productive capacity of the State's economy.

Table-1.41: Primary deficit/Surplus – Bifurcation of factors

(₹ in crore)

| Year | Non-debt receipts | Primary Revenue Expenditure | Capital Expenditure | Loans and Advances | Primary Expenditure | Primary revenue deficit (-)/surplus (+) | Primary deficit (-)/surplus (+) |
|---------|-------------------|-----------------------------|---------------------|--------------------|---------------------|---|---------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 (3+4+5) | 7 (2-3) | 8 (2-6) |
| 2008-09 | 2,677.99 | 2,088.19 | 441.04 | 17.41 | 2,546.64 | (+) 589.80 | (+) 131.35 |
| 2009-10 | 2,988.82 | 2,448.35 | 572.80 | 24.94 | 3,046.09 | (+) 540.47 | (-) 57.27 |
| 2010-11 | 2,881.34 | 3,150.66 | 614.71 | 29.87 | 3,795.24 | (-) 269.32 | (-) 913.90 |
| 2011-12 | 3,852.70 | 3,422.18 | 600.27 | 33.52 | 4,055.97 | (+) 430.52 | (-) 203.27 |
| 2012-13 | 4,566.22 | 4,220.76 | 607.55 | 30.25 | 4,858.56 | (+) 345.46 | (-) 292.34 |

The non-debt receipts of the State during 2008-09 to 2012-13 were sufficient to meet the primary revenue expenditure except during 2010-11. During 2011-12 and 2012-13 the non-debt receipt was in excess of the primary revenue expenditure by ₹ 430.52 crore and ₹ 345.46 crore respectively. The non-debt receipts of the State increased by 18.52 per cent from ₹ 3,852.70 crore in 2011-12 to ₹ 4,566.22 crore in 2012-13 which was more than the primary revenue expenditure by ₹ 345.46 crore. The proportion of capital expenditure increased during the current year over the previous years by ₹ 7.28 crore. The State Government should focus on increasing the productive capacity of the State's economy and containing unproductive expenditure.

1.14 Conclusion and Recommendations

Conclusion

Revenue receipts increased by ₹ 711.84 crore (18.61 *per cent*) over the previous year mainly due to increase in Grants-in-Aid (₹ 664.42 crore). The revenue receipt (₹ 4,536.74 crore) was lower by ₹ 259.74 crore (5.42 *per cent*) than the assessment of the State Government in its Fiscal Correction Path (FCP) (₹ 4,796.48 crore).

Revenue Expenditure and Capital Expenditure

Revenue Expenditure increased by ₹ 811.58 crore (21.95 *per cent*) while **Capital Outlay** increased by ₹ 7.28 crore (1.21 *per cent*) over the previous year. Revenue expenditure was higher by ₹ 340.20 crore (8.16 *per cent*) than the assessment made by the State Government in its FCP (₹ 4,168.71 crore). While, Capital expenditure was lower by ₹ 281.19 crore (31.64 *per cent*) than the projection made by the State Government in its FCP (₹ 888.74 crore).

The total expenditure of the State increased progressively from ₹ 2,772.25 crore in 2008-09 to ₹ 5,146.71 crore in 2012-13 at an annual average rate of 17.13 *per cent* and increased by 11.02 *per cent* from ₹ 4,331.12 crore in 2011-12 to ₹ 5,146.71 crore in 2012-13. Of the total expenditure during 2012-13, the revenue expenditure (₹ 4,508.91 crore) constituted 87.61 *per cent* while capital expenditure (₹ 607.55 crore) constituted 11.80 *per cent* and loans and advances (₹ 30.25 crore) formed 0.59 *per cent*.

The breakup of total expenditure in terms of plan and non-plan expenditure during 2012-13 reveals that while the share of plan expenditure of ₹ 2,298.28 crore constituted 44.66 *per cent* of the Total Expenditure, the remaining 55.34 *per cent* (₹ 2,848.43 crore) was non-plan expenditure. Moreover, out of the increase of ₹ 815.59 crore in total expenditure, plan expenditure shared 50.77 *per cent* (₹ 414.11 crore) while non-plan expenditure contributed 49.23 *per cent* (₹ 401.48 crore) in 2012-13.

Funds directly transferred to State Implementing Agencies

During the current year GoI transferred ₹ 934.33 crore (approximate) directly to State Implementing Agencies for implementation of various schemes/programmes. Direct transfer of funds from the Union Government to the State Implementing Agencies run the risk of poor oversight and therefore, unless uniform accounting practices are followed by all these agencies with proper documentation and timely reporting of expenditure. Considering that the direct transfers are so large, it is imperative that the end use of this fund is monitored in a timely manner by both the Union and State Governments so that the intended outcomes are actually realized.

Fiscal liabilities

The overall fiscal liabilities of the State increased at an average annual rate of 8.30 *per cent* during the period 2008-13. During the current year, the overall fiscal liabilities of the

State Government increased by ₹ 565.75 crore (12.44 per cent) from ₹ 4,548.45 crore in 2011-12 to ₹ 5,114.20 crore in 2012-13. The increase in fiscal liabilities was mainly due to increase in the Public Account liabilities by ₹ 431.52 crore and Internal Debt by ₹ 152.85 crore, offset by a decrease in Loans and Advances by ₹ 18.62 crore. ***The ratio of fiscal liabilities to GSDP has decreased from 65.06 per cent in 2011-12 to 63.51 per cent in 2012-13. These fiscal liabilities stood at nearly 1.13 times the revenue receipts and 11.73 times of the State's own resources at the end of 2012-13.*** The buoyancy of these liabilities with respect to GSDP during the year was 0.82 indicating that for each one per cent increase in GSDP, fiscal liabilities grew by 0.82 per cent. As per Thirteenth Finance Commission's recommendations, the State Government should bring the Fiscal Liabilities-GSDP ratio to around 25 per cent by 2014-15.

Investment and Returns

As of 31 March 2013, Government had invested ₹ 20.91 crore in Government Companies and Co-operatives, out of which an amount of ₹ 4.12 crore was invested in Government Companies and ₹ 16.79 crore was invested in Co-operative Societies. During the current year, State Government invested ₹ 85 lakh in Public Sector and other Undertakings of Government Companies and ₹ 29.34 lakh in Consumer Co-operatives. No dividend was received during 2012-13. The accumulated losses in these stand at ₹ 59.23 crore as on 31 March 2013. ***The average return on this investment was Nil in the last five years while the Government paid an average interest rate ranging from 2.60 per cent to 7.02 per cent on its borrowings during 2008-13.***

Debt sustainability

During the current year, the sum of quantum spread and primary deficit remained positive indicating that the debt-GSDP ratio is stable. Although, the sum of quantum spread and primary deficit decreased by ₹ 89.18 crore from ₹ 216.27 crore in 2011-12 to ₹ 127.09 crore during 2012-13, which was attributable to increase in primary deficit in 2012-13 to ₹ 292.34 crore as compared to primary deficit of ₹ 203.27 crore in 2011-12. This indicated deteriorating debt stability during the year compared to the previous year.

Widening of the resource gap which was positive in 2011-12 (₹ 541.06 crore) turned into negative ₹ 102.27 crore during 2012-13 indicates depreciating capacity of the State to sustain the debt in the medium to long run. This also meant the State had to depend on borrowed funds for meeting current revenue and capital expenditure.

Market Borrowings

Out of the outstanding market loan of ₹ 1,599.89 crore payable in the next 10 years, around 55.47 per cent (₹ 887.49 crore) is payable within the next seven years the remaining 44.53 per cent (₹ 712.40 crore) are to be paid in more than seven years time. Thus, owing to the increasing trends in market borrowing since 2010-11 by the State Government, there would be immense redemption pressure from 2020-21 onwards.

Cash Balances

Cash balance of the State Government at the end of the current year increased by ₹ 67.55 crore from ₹ 194.97 crore in 2011-12 to ₹ 262.52 crore in 2012-13. The investment from cash balances decreased by ₹ one crore from ₹ 292.51 crore in 2011-12 to ₹ 291.52 crore in 2012-13 against which an amount of ₹ 9.18 crore was realized as interest.

Fiscal Imbalances

Due to increase of ₹ 815.59 crore in total expenditure in 2012-13 over the previous year, both fiscal deficit and primary deficit could not be restrained. While fiscal deficit increased by ₹ 102.07 crore, primary deficit had increased by ₹ 89 crore over the previous year.

Recommendations

Revenue Receipts

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

Prioritisation of Expenditure

The Government should also focus on expenditure management to bring about qualitative improvement in the public spending. The State Government should initiate action to restrict the components of non-plan revenue expenditure by phasing out implicit subsidies and resort to need-based borrowings to curb interest and principal payments. In view of the improvement achieved in revenue surplus and reduction of fiscal deficit, the State Government should put in place more stringent fiscal reforms measures to maintain a sustainable space to provide scope for fiscal stability. As such there is an urgent need to apply due prudence in expenditure pattern so that the resource gap remains within manageable controls of the fiscal capability of the State.

The increasing revenue expenditure should be curtailed as it poses a threat to the State Government's capability to maintain revenue surplus and to build up the accumulated revenue surplus for financing the capital investment. In order to meet the yearly increments of revenue expenditure, the Government has to generate its own resources.

Debt Sustainability

Recourse to borrowed funds in future should be carefully assessed and managed so that the recommendations of the Thirteenth Finance Commission to bring Fiscal Liabilities-GSDP could be achieved by 2014-15. Maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year will ensure that market borrowings are sourced optimally. A clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.

Government Investments

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

Market Borrowings

Strict monitoring and proper accounting by the Government is required to check the utilisation of market borrowing for generating capital asset.



**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 2012-2013 against 49 grants/appropriations (48 Grants and one Appropriation) are given in **Table-2.1**.

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

(₹ in crore)

| | Nature of expenditure | Original grant/ appropriation | Supplementary grant/ appropriation | Total | Actual expenditure | Saving (-)/ Excess (+) |
|----------------|--|----------------------------------|---------------------------------------|-----------------|--------------------|---------------------------|
| Voted | I Revenue | 3,894.30 | 507.06 | 4,401.36 | 4,198.51 | (-)202.85 |
| | II Capital | 1,012.30 | 225.62 | 1,237.92 | 670.03 | (-)567.89 |
| | III Loans and Advances | 57.64 | 57.22 | 114.86 | 108.61 | (-)6.25 |
| | Total Voted | 4,964.24 | 789.90 | 5,754.14 | 4,977.15 | (-)776.99 |
| Charged | IV Revenue | 281.79 | 0.88 | 282.67 | 320.77 | 38.10 |
| | V Capital | - | - | - | - | - |
| | VI Public Debt Repayment | 87.59 | 169.92 | 257.51 | 286.05 | 28.54 |
| | Total Charged | 369.38 | 170.80 | 540.18 | 606.82 | 66.64 |
| | Appropriation to Contingency Fund (if any) | - | - | - | - | - |
| | Grand Total | 5,333.62 | 960.70 | 6,294.32 | 5,583.97 | (-)710.35 |

The overall savings of ₹ 710.35 crore was the result of savings of ₹ 829.24 crore in 46 grants under Revenue Section, 18 grants and one appropriation under Capital Section offset by excess of ₹ 118.89 crore in one grants and one appropriation under Revenue Section and one grant and one appropriation under Capital Section.

The Appropriation accounts of 2012-13 included 48 Grants and one Appropriation. Major savings occurred in Home Department (₹ 29.51 crore), Planning and Programme Implementation Department (₹ 29.40 crore), Environment and Forest (₹ 23.61 crore), School Education (₹ 19.71 crore) and Agriculture (₹ 14.70 crore) under Revenue section. Substantial savings also occurred in Public Works Department (₹ 310.40 crore), Minor Irrigation (₹ 135.60 crore) and Urban Development and Poverty Alleviation (₹ 77.09 crore) under Capital Section (**Appendix-2.1 A**).

The reasons for savings/excess were called for from the concerned Departments. However, no reply was received (February 2014).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit revealed that savings aggregating ₹ 244.33 crore in 30 cases (Revenue voted) and ₹ 572.29 crore in 11 cases (Capital voted), exceeded ₹ one crore in each case (**Appendix-2.1**). Also savings aggregating ₹ 3,005.07 crore in 15 cases (Revenue and Capital voted), exceeded ₹ 10 crore and above (**Appendix-2.1 A**). Against the overall savings of ₹ 829.24 crore during 2012-13, savings of ₹ 523.09 crore (63.08 per cent) occurred in three cases relating to three grants where savings were more than ₹ 50 crore and above as indicated in **Table-2.2**.

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

| (₹ in crore) | | | | | | |
|---------------|--|----------|---------------|--------|--------------------|---------|
| Sl. No. | No. and Name of the Grant | Original | Supplementary | Total | Actual Expenditure | Savings |
| Capital-Voted | | | | | | |
| 1. | 45-Public Works | 431.30 | 84.95 | 516.25 | 205.84 | 310.41 |
| 2. | 47-Minor Irrigation | 135.60 | - | 135.60 | - | 135.60 |
| 3. | 46-Urban Development and Poverty Alleviation | 122.79 | 13.53 | 136.32 | 59.24 | 77.08 |
| Total | | 689.69 | 98.48 | 788.17 | 265.08 | 523.09 |

2.3.2 Persistent Savings

In one case, during the last six years there were persistent savings of more than ₹ one crore (**Table-2.3**).

Table-2.3: List of Grants indicating Persistent Savings during 2007-13

| (₹ in crore) | | | | | | | |
|--------------|---|-------------------|----------------|--------------|-------------------|------------------|------------------|
| Sl. No. | No. and Name of the grant | Amount of savings | | | | | |
| | | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
| 1. | 14 - Planning and Programme Implementation Department | 50.77 (61) | 112.39 (80) | 8.85 (21) | 109.03 (77.95) | 50.00 (61.12) | 29.40 (40.51) |

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

2.3.3 Excess Expenditure

Revenue expenditure aggregating ₹ 432.30 crore in 9 cases exceeded the approved provisions (₹ 269.33 crore) by ₹ 162.96 crore and also by more than one crore in each case representing percentages ranging between 33.08 *per cent* to 126.25 *per cent* over the total provision. Also Capital expenditure of ₹ 111.44 crore in three cases exceeded the approved provisions (₹ 71.95 crore) by ₹ 39.49 crore and also by more than one crore in each case representing percentages ranging between 40.61 *per cent* to 361.23 *per cent* over the total provision (**Appendix-2.2**). In seven cases, expenditure exceeded more than 50 *per cent* over the approved provisions. Details are given in **Table-2.4**:

Table-2.4: Grants/Appropriations where expenditure exceeded more than 50 *per cent* over the approved provisions during 2012-13

(₹ in lakh)

| Sl. No. | Grant No | Name of the Grant/ Appropriation with Major or Minor heads | Total Grant/ Appropriation | Expenditure | Excess Expenditure | Percentage |
|------------------------|----------|--|-------------------------------|------------------|-----------------------|------------|
| Revenue (Voted) | | | | | | |
| 1. | 4 | Law and Judicial 2014-105-09 Family Courts (voted) | 1.80 | 3.66 | 1.86 | 103.33 |
| | | Finance 2071-01-101(01) Pension | 9,500.00 | 17,331.67 | 7,831.67 | 82.44 |
| 2. | 9 | 2071-01-104(01) Pension/ Gratuities | 4,350.00 | 6,922.32 | 2,572.32 | 59.13 |
| | | 2071-115(01) Leave encashment | 2,800.00 | 4,398.70 | 1,598.70 | 57.10 |
| | | 2071-110(01) Pension to Employees of Local Bodies | 150.00 | 339.37 | 189.37 | 126.25 |
| 3. | 14 | Planning and Programme Implementation 3454-02-201-01 National Sample Survey (CSS) | 34.00 | 68.00 | 34.00 | 100.00 |
| Total | | | 16,835.80 | 29,063.72 | 12,227.92 | --- |
| Capital (Voted) | | | | | | |
| 1. | 45 | Public Works 4217-01-051-04 Construction (SCA) | 277.27 | 1,280.66 | 1,003.39 | 361.23 |
| Total | | | 277.27 | 1,280.66 | 1,003.39 | --- |

2.3.4 Unutilised provision of Fund

Appropriation of fund for a work/scheme during a financial year is approved by the Legislature through budget for implementation of the work/scheme. During the year 2012-13, a provision of ₹ 356.11 crore including supplementary grant for implementation of CSS, NLCPR schemes under seven departments was approved. The departments, however, could not utilise the funds as approved and resulted in savings. The details are given in **Appendix-2.3**.

2.3.5 Excess over provisions relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, but the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 124.17 crore for the years 2004-05 to 2009-10 was yet to be regularised. The year-wise amount of excess expenditure pending regularisation for grants/appropriations is summarised in **Table-2.5**.

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

(₹ in crore)

| Year | Number of grants/appropriations | Grant/Appropriation numbers | Amount of excess | Stage of consideration by Public Accounts Committee (PAC) |
|--------------|---------------------------------|-----------------------------|------------------|---|
| 2010-11 | 3 | 17, 28 & 42 | 4.69 | - |
| 2011-12 | 3 | 27, 16 & 25 | 0.59 | - |
| 2012-13 | 2 | 9 & 49 | 118.89 | - |
| Total | 8 | | 124.17 | |

2.3.6 Excess over provision during 2012-13 requiring regularisation

Table-2.6 contains the summary of total excess in one grant and one appropriation amounting to ₹ 118.89 crore over authorization from the Consolidated Fund of the State (CFS) during 2012-13 and requires regularisation under Article 205 of the Constitution.

Table-2.6: Excess over provisions requiring regularisation during 2012-13

(₹ in crore)

| Sl. No. | Number and title of grant/appropriation | Total grant/appropriation | Expenditure | Excess |
|-----------------------|---|---------------------------|---------------|---------------|
| Voted Grants | | | | |
| 1. | 9-Finance (Revenue) | 345.24 | 395.81 | 50.57 |
| | Total (Voted) | 345.24 | 395.81 | 50.57 |
| Charged Grants | | | | |
| 2. | Public Debt (Revenue) | 267.77 | 307.55 | 39.78 |
| 3. | Public Debt (Capital) | 257.51 | 286.05 | 28.54 |
| | Total (Charged) | 525.28 | 593.60 | 68.32 |
| | Total | 870.52 | 989.41 | 118.89 |

2.3.7 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 163.62 crore obtained in 23 cases, ₹ 10 lakh or more in each case, during the year proved unnecessary as the original provision was not fully utilised as detailed in **Appendix-2.4**. Out of the above 23 cases, ₹ 159 crore proved unnecessary in 12 cases and were more than one crore and above in each case as detailed in **Table-2.7**.

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

(₹ in lakh)

| Sl. No. | Number and Name of the Grant | Original Provision | Actual Expenditure | Savings out of Original Provision | Supplementary Provision |
|----------------------------------|--|--------------------|--------------------|-----------------------------------|-------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| A. Revenue (Voted) | | | | | |
| 1. | 4 Law & Judicial | 1,688.70 | 1,449.63 | 239.07 | 121.30 |
| 2. | 6 Land Revenue and Reforms | 2,123.22 | 1,994.67 | 128.55 | 192.56 |
| 3. | 11 Secretariat Administration | 7,151.39 | 6,779.64 | 371.75 | 157.67 |
| 4. | 14 Planning and Programme Implementation | 6,857.39 | 4,316.43 | 2,540.96 | 399.16 |
| 5. | 16 Home | 41,758.58 | 41,353.95 | 404.63 | 2,546.54 |
| 6. | 17 Food, Civil Supplies and Consumer Affairs | 5,884.65 | 5,721.38 | 163.27 | 489.12 |
| 7. | 19 Local Administration | 3,847.13 | 2,987.11 | 860.02 | 522.48 |
| 8. | 36 Environment and Forest | 9,625.85 | 8,217.81 | 1,408.04 | 952.75 |
| 9. | 38 Rural Development | 8,308.73 | 7,620.33 | 688.40 | 555.73 |
| 10. | 42 Transport | 4,186.10 | 3,059.94 | 1,126.16 | 115.23 |
| Total for Revenue (Voted) | | 91,431.74 | 83,500.89 | 7,930.85 | 6,052.54 |
| B. Capital (Voted) | | | | | |
| 11. | 45 Public Works | 43,130.19 | 20,584.44 | 22,545.75 | 8,494.67 |
| 12. | 46 Urban Development and Poverty Alleviation | 12,279.37 | 5,923.89 | 6,355.48 | 1,353.02 |
| Total for Capital (Voted) | | 55,409.56 | 26,508.33 | 28,901.23 | 9,847.69 |
| Grand Total (A+B) | | 1,46,841.30 | 1,10,009.22 | 36,832.08 | 15,900.23 |

Further, in 49 cases, Supplementary Provisions aggregating ₹ 634.31 crore, ₹ 20 lakh and above in each case proved excessive/inadequate as detailed in **Appendix-2.5**. Out of these, there were 35 cases where supplementary provision proved excessive by more than ₹ one crore as detailed in **Table-2.8**.

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

(₹ in lakh)

| Sl. No. | Number and Name of the Grant | Original Provision | Supplementary Provision | Total Provision | Expenditure | Sup. Pro. Excess (+)/ Less (-) |
|----------------------------------|--|--------------------|-------------------------|--------------------|--------------------|--------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| A. Revenue (Voted) | | | | | | |
| 1. | 3 Council of Ministers | 560.70 | 43.65 | 604.35 | 451.65 | 152.70 |
| 2. | 4 Law and Judicial | 1,688.70 | 121.30 | 1,810.00 | 1,449.63 | 360.37 |
| 3. | 6 Land Revenue & Reforms | 2,123.22 | 192.56 | 2,315.78 | 1,994.67 | 321.11 |
| 4. | 9 Finance | 34,231.99 | 292.36 | 34,524.35 | 39,580.73 | (-) 5,056.38 |
| 5. | 11 Secretariat Administration | 7,151.39 | 157.67 | 7,309.06 | 6,779.64 | 529.42 |
| 6. | 14 Planning and Programme Implementation | 6,857.39 | 399.16 | 7,256.55 | 4,316.43 | 2,940.12 |
| 7. | 15 General Administration Department | 5,054.55 | 925.57 | 5,980.12 | 5,686.89 | 293.23 |
| 8. | 16 Home | 41,758.58 | 2,546.54 | 44,305.12 | 41,353.95 | 2,951.17 |
| 9. | 17 Food, Civil Supplies & Consumer Affairs | 5,884.65 | 489.12 | 6,373.77 | 5,721.38 | 652.39 |
| 10. | 18 Printing and Stationery | 1,396.78 | 53.42 | 1,450.20 | 1,145.35 | 304.85 |
| 11. | 19 Local Administration Department | 3,847.13 | 522.48 | 4,369.61 | 2,987.11 | 1,382.50 |
| 12. | 20 School Education | 57,820.90 | 5,230.85 | 63,051.75 | 61,081.24 | 1,970.51 |
| 13. | 24 Medical & Public Health Services | 18,276.86 | 3,961.42 | 22,238.28 | 22,026.35 | 211.93 |
| 14. | 25 Water Supply & Sanitation | 10,674.25 | 3,137.00 | 13,811.25 | 13,475.72 | 335.53 |
| 15. | 27 District Councils | 24,316.85 | 3,532.13 | 27,848.98 | 26,547.98 | 1,301.00 |
| 16. | 29 Social Welfare | 6,747.64 | 5,312.43 | 12,060.07 | 10,698.12 | 1,361.95 |
| 17. | 30 Disaster Management and Rehabilitation | 1,678.38 | 916.07 | 2,594.45 | 1,698.62 | 895.83 |
| 18. | 31 Agriculture | 19,963.58 | 5,617.59 | 25,581.17 | 24,111.19 | 1,469.98 |
| 19. | 32 Horticulture | 11,871.60 | 567.00 | 12,438.60 | 12,320.88 | 117.72 |
| 20. | 33 Soil and Water Conservation | 5,990.52 | 75.23 | 6,065.75 | 5,746.95 | 318.80 |
| 21. | 34 Animal Husbandry & Veterinary | 11,395.08 | 1,523.09 | 12,918.17 | 12,608.52 | 309.65 |
| 22. | 36 Environment & Forest | 9,625.85 | 952.75 | 10,578.60 | 8,217.81 | 2,360.79 |
| 23. | 37 Co-operation | 1,199.69 | 77.16 | 1,276.85 | 1,126.44 | 150.41 |
| 24. | 38 Rural Development | 8,308.73 | 555.73 | 8,864.46 | 7,620.33 | 1,244.13 |
| 25. | 39 Power | 27,546.44 | 3,099.78 | 30,646.22 | 30,120.39 | 525.83 |
| 26. | 40 Industries | 9,756.70 | 851.82 | 10,608.52 | 10,239.97 | 368.55 |
| 27. | 42 Transport | 4,186.10 | 115.23 | 4,301.33 | 3,059.94 | 1,241.39 |
| 28. | 45 Public Works | 14,220.56 | 1,291.20 | 15,511.76 | 15,363.50 | 148.26 |
| 29. | 46 Urban Development and Poverty Alleviation | 4,122.36 | 479.36 | 4,601.72 | 4,421.33 | 180.39 |
| 30. | 47 Minor Irrigation | 1,155.93 | 24.49 | 1,180.42 | 952.44 | 227.98 |
| Total for Revenue (Voted) | | 3,59,413.10 | 43,064.16 | 4,02,477.26 | 3,82,905.15 | 19,572.11 |

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|----------------------------------|--|--------------------|------------------|--------------------|--------------------|------------------|
| C. Capital (Voted) | | | | | | |
| 31. | 16 Home | 2,466.00 | 2,079.96 | 4,545.96 | 2,510.47 | 2,035.49 |
| 32. | 25 Water Supply & Sanitation | 2,605.53 | 5,631.97 | 8,237.50 | 7,717.03 | 520.47 |
| 33. | 39 Power | 6,143.24 | 2,782.38 | 8,925.62 | 7,255.13 | 1,670.49 |
| 34. | 45 Public Works | 43,130.19 | 8,494.67 | 51,624.86 | 20,584.44 | 31,040.42 |
| 35. | 46 Urban Development & Poverty Alleviation | 12,279.37 | 1,353.02 | 13,632.39 | 5,923.89 | 7,708.50 |
| Total for Capital (Voted) | | 66,624.33 | 20,342.00 | 86,966.33 | 43,990.96 | 42,975.37 |
| Grand Total | | 4,26,037.43 | 63,406.16 | 4,89,443.59 | 4,26,896.11 | 62,547.48 |

2.3.8 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient in 25 sub-heads and resulted in savings/excess of over ₹ 10 lakh and above as detailed in **Appendix-2.6**.

2.3.9 Substantial surrenders

Substantial surrenders (the cases where more than 50 per cent of total provision was surrendered) were made in respect of 40 sub-heads on account of either slow implementation of schemes/programmes or late receipt of sanction from Government or non-receipt/misclassification of expenditure statement. Out of the total provision amounting to ₹ 405.93 crore in these 40 Schemes, an amount of ₹ 268.32 crore was surrendered (**Appendix-2.7**) which included 100 per cent surrender in 16 Schemes (₹ 69.93 crore).

2.3.10 Surrenders in excess of actual savings

As against savings of ₹ 148.58 crore, an amount of ₹ 165.74 crore was surrendered resulting in excess surrender of ₹ 17.16 crore as detailed in **Appendix-2.8**. There were seven cases where the surrender in excess (₹ 15.47 crore) were more than ₹ 50 lakh as shown in **Table-2.9**.

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

| | | | | | | (₹ in lakh) |
|------------------------|--|---------------------------|-----------------|--------------------|------------------------------|-------------|
| Sl. No. | Number and name of the grant/appropriation | Total grant/appropriation | Saving | Amount surrendered | Amount surrendered in excess | |
| Revenue (Voted) | | | | | | |
| 1. | 6- Land Revenue and Reform | 2,315.78 | 321.11 | 378.36 | 57.25 | |
| 2. | 11- Secretariat Administration Department | 7,309.06 | 529.42 | 623.11 | 93.69 | |
| 3. | 20- School Education | 63,051.75 | 1,970.51 | 2,275.75 | 305.24 | |
| 4. | 21- Higher and Technical Education | 17,617.92 | 60.82 | 165.70 | 104.88 | |
| 5. | 24- Medical and Public Health Services | 22,238.28 | 211.93 | 879.56 | 667.63 | |
| 6. | 42- Transport | 4,301.33 | 1,241.39 | 1,429.53 | 188.14 | |
| 7. | 45- Public Works | 15,511.76 | 148.26 | 278.91 | 130.65 | |
| Grand Total | | 1,32,345.88 | 4,483.44 | 6,030.92 | 1,547.48 | |

In 31 cases, an amount of ₹ 167.23 crore was surrendered without furnishing any reason as detailed in **Appendix-2.9**. The amount surrendered in excess of actual savings indicated lack of budgetary control in these departments.

2.3.11 Anticipated savings not surrendered

As per extant Financial Rules, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the financial year 2012-13, there were, however, eight grants/appropriations in which savings of ₹ 105.39 crore (14.83 *per cent* of the total savings) occurred but no part of the available savings was surrendered by the concerned Departments as shown in **Table-2.10**.

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

| (₹ in lakh) | | |
|--------------------------|---|---|
| Sl. No. | Number and Name of Grants/Appropriation | Saving which remained to be surrendered |
| Revenue (Voted) | | |
| 1. | 27-District Councils | 1,301.00 |
| Revenue (Charged) | | |
| 2. | Public Debt | 3,978.54 |
| Capital (Voted) | | |
| 3. | 4-Law and Judicial | 185.00 |
| 4. | 16-Home | 2,035.49 |
| 5. | 21-Higher and Technical Education | 3.46 |
| 6. | 34-Animal Husbandry and Veterinary | 44.44 |
| 7. | 43-Tourism | 137.62 |
| Capital (Charged) | | |
| 8. | Public Debt | 2,853.66 |
| Total | | 10,539.21 |

Besides, out of total savings of ₹ 391.41 crore (savings of ₹ one crore and above), under seven other grants/appropriations, savings amounting to ₹ 55.58 crore (14.20 *per cent*) were not surrendered as shown in **Table-2.11** below. Besides, out of total savings of ₹ 573.82 crore under 41 grants/appropriations, savings of ₹ 164.56 crore remained to be surrendered as shown in **Appendix-2.10**.

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

(₹ in lakh)

| Sl. No. | Number and Name of Grants/ Appropriation | Saving | Surrender | Saving which remained to be surrendered |
|------------------------|--|------------------|------------------|---|
| Revenue (Voted) | | | | |
| 1. | 4-Law and Judicial | 360.37 | 225.82 | 134.55 |
| 2. | 9-Finance | 5,056.38 | 2,126.58 | 2,929.80 |
| 3. | 25-Water Supply & Sanitation | 335.53 | 200.00 | 135.53 |
| 4. | 34-Animal Husbandry and Veterinary | 309.65 | 153.35 | 156.30 |
| 5. | 40-Industries | 368.55 | 256.70 | 111.85 |
| Capital (Voted) | | | | |
| 6. | 39-Power | 1,670.49 | 0.06 | 1,670.43 |
| 7. | 45-Public Works | 31,040.42 | 30,620.78 | 419.64 |
| Total | | 39,141.39 | 33,583.29 | 5,558.10 |

2.3.12 Rush of Expenditure

According to Financial Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 29 Grants listed in **Appendix-2.11**, expenditure of more than 25 *per cent* of the total expenditure for the year was incurred in March 2013. Of these, in 19 cases involving ₹ 61.13 crore, the whole amount was incurred in March, indicating there was no control over the flow of expenditure.

2.4 Reconciliation of Departmental figures**2.4.1 Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills**

As per Central Treasury Rules, Abstract Contingent (AC) bills must be regularised 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 AG (A&E) within one month from the date of receipt of the DCC bills in his office.

It was noticed that against the total amount (₹ 1217.81 crore) drawn in AC bills during the period 2000-01 to 2012-13, DCC bills for ₹ 1141.07 crore have been received by the Accountant General (A&E) as of 31 March 2013. Thus, an amount ₹ 76.74 crore (6.30 *per cent*) drawn in AC bills remained outstanding as of March 2013 due to non-submission of DCC bills to that extent. The year-wise details are given in **Table-2.12**.

Table-2.12: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

(₹ in crore)

| Year | Amount drawn in AC bills | Amount adjusted through DCC bills | Amount outstanding (as of 31 March 2013) | Percentage of outstanding amount |
|---------------------|--------------------------|-----------------------------------|--|----------------------------------|
| Upto 2010-11 | 1,155.55 | 1,100.96 | 54.59 | 4.72 |
| 2011-12 | 61.98 | 40.11 | 21.87 | 35.29 |
| 2012-13 | 0.28 | 0.00 | 0.28 | 100.00 |
| Total | 1,217.81 | 1,141.07 | 76.74 | 6.30 |

Source: Finance Account 2012-13(Vol-I)

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

2.4.2 Un-reconciled Expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budgetary grants and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General (A&E). Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers continued to persist during 2012-13 also.

It was noticed that during the year 2012-13, out of 79 Controlling Officers, 67 Controlling Officers (84.81 *per cent*) reconciled the expenditure of ₹ 3,966.70 crore (77.52 *per cent* of the total expenditure). Similarly, out of 13 Controlling Officers under Receipt Heads, 13 Controlling Officers (100 *per cent*) reconciled receipts of ₹ 339.67 crore (7.49 *per cent* against the total receipts). As a result, expenditure of ₹ 1,150.30 crore and receipts of ₹ 4,195.31 crore remained un-reconciled with the Books of Accounts of the Principal Accountant General (A&E) during the year 2012-13.

2.5 Conclusion and Recommendations

Conclusion

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

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

During 2012-13, an expenditure of ₹ 5,583.97 crore was incurred against the total grants and appropriations of ₹ 6,294.32 crore, resulting in savings of ₹ 710.35 crore. The overall savings of ₹ 710.35 crore were the net result of savings of ₹ 829.24 crore which were offset by excess of ₹ 118.89 crore. The excess requires regularisation under Article 205 of the Constitution of India. At the close of the financial year 2012-13, there were, however, eight grants/appropriations in which savings of ₹ 105.39 crore (14.83 *per cent* of the total savings) occurred but no part of the available savings was surrendered by the concerned Departments.

Out of total provisions amounting to ₹ 405.93 crore in 40 Schemes, an amount of ₹ 268.32 crore was surrendered which included 100 *per cent* surrender in 16 Schemes amounting to ₹ 69.93 crore.

In 19 cases, as against savings of ₹ 148.58 crore, an amount of ₹ 165.74 crore was surrendered resulting in excess surrender of ₹ 17.16 crore. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh and above in 25 sub-heads.

Recommendations

- ❖ *Government should put in place an effective mechanism to ensure financial discipline and prepare realistic budget. Budgetary controls should be strengthened in all the Government Departments where savings/excesses persisted for the last three years. Issuance of Re-appropriation/surrender orders at the end of the year should be avoided. Provision of funds through supplementary provisions should be used as an instrument to fine-tune the flow of expenditure and should be applied in a judicious manner so that budget provisions and actual expenditure are convergent to each other as nearest as possible.*

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

FINANCIAL REPORTING

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

3.1 Utilisation Certificates

General Financial Rules provides that Utilisation Certificates (UC) should be obtained by the departmental officers from the Grantees and after verification these should be forwarded to the Accountant General within 18 months from the date of their sanction unless specified otherwise in respect of grants provided for specified purposes. At the end of March 2013, out of the total amount of ₹ 3,570.08 crore drawn, an amount of ₹ 1,219.04 crore remained outstanding for want of Utilisation Certificates. Details are given in **Table-3.1**.

Table-3.1: Year-wise arrears of Utilisation Certificates

(₹ in crore)

| Year | Total Amount drawn during the year | Utilisation Certificate outstanding | No. of GIA Sanction awaiting Utilisation Certificate |
|--------------|------------------------------------|-------------------------------------|--|
| Upto 2010-11 | 2,232.38 | 1,219.04 | 4,494 |
| 2011-12 | 597.33 | 419.23 | 480 |
| 2012-13 | 740.37 | 740.37 | 988 |
| Total | 3,570.08 | 2,378.64 | 5,962 |

Source: Finance Accounts, Vol.-I, 2012-13

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

3.2 Submission of Accounts

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

The Re-entrustment of the Mizoram Khadi & Village Industries Board (MKVIB) for the years 2011-16 is yet to be received by the Comptroller and Auditor General of India under Section 19(3) of the Comptroller and Auditor General's Duties, Powers and Conditions of Service Act, 1971. The annual accounts have been received (June 2013) for the year 2011-12.

In the absence of the annual accounts, proper account/utilisation of the grants and loans disbursed to the above mentioned Autonomous Body remained unverified. Reasons for non-preparation/submission of the accounts were, however, not intimated to Audit (March 2013).

3.3 Departmental Commercial Undertakings

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

The Heads of Department in the Government are to ensure that the undertakings prepare such accounts and submit the same to Accountant General for audit by 30 June each year. The proforma accounts in respect of State Trading Scheme and Mizoram State Transport were not prepared. As of March 2013, the position of arrears in preparation of proforma accounts of these two bodies and working results of Mizoram State Transport for the last three years is given in **Table-3.2 and 3.3**.

Table-3.2: Finalisation of Accounts and Government Investments

(₹ in crore)

| Sl. No. | Name of the Undertakings | Accounts finalised up to | Investment as per the last accounts finalised | Remarks/Reasons for Delay in preparation of accounts |
|--|--------------------------|--------------------------|---|---|
| Department: Food, Civil Supplies and Consumer Affairs | | | | |
| 1. | State Trading Scheme | 2003-04 | 54.20 | In spite of repeated reminders, reply from the Department is awaited. Also no information regarding working result was furnished. |
| Department: Transport | | | | |
| 2. | Mizoram State Transport | 2001-02 | 16.40 | Proforma accounts for the period 2002-03 to 2006-07 furnished by the department had been returned as the accounts did not tally with the reconciled figures of Accountant General. Revised accounts are awaited (March 2013). |

Table-3.3: Working Results of Mizoram State Transport

(₹ in crore)

| Sl. No. | Description | 2010-11 | 2011-12 | 2012-13 |
|---------|-----------------------|---------|---------|---------|
| 1. | Total revenue | 2.32 | 2.16 | 2.02 |
| 2. | Operating revenue | 1.68 | 1.66 | 1.71 |
| 3. | Total expenditure | 15.29 | 26.28 | 19.73 |
| 4. | Operating expenditure | 12.54 | 19.58 | 16.00 |
| 5. | Total loss | 12.97 | 24.12 | 17.71 |
| 6. | Operating loss | 10.86 | 17.93 | 14.29 |

3.4 Conclusion and Recommendations

Conclusion

At the end of March 2013, out of the total amount of ₹ 3,570.08 crore drawn, an amount of ₹ 1,219.04 crore remained outstanding for want of Utilisation Certificates. The annual accounts of Mizoram Khadi & Village Industries Board (MKVIB) for the year 2011-12 have been furnished (June 2013). In the absence of the annual accounts, proper account/ utilisation of the grants and loans disbursed to the above mentioned Autonomous Bodies remained unverified. In spite of repeated comments about the arrears in preparation of accounts of two Commercial Undertakings by the Comptroller and Auditor General of India in previous State reports, no improvement has been reported by the undertakings. In the absence of timely finalisation of accounts, the investment of the Government remained outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any, needed for ensuring accountability could not be taken in time.

Recommendations

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



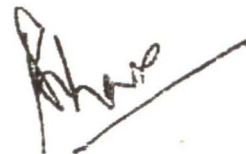
(L. Tochhawng)

Principal Accountant General (Audit), Mizoram

Aizawl

The 25 April 2014

Countersigned



(Shashi Kant Sharma)

Comptroller and Auditor General of India

New Delhi

The 05 May 2014



APPENDICES

(Reference: Paragraph-Profile of Mizoram; Page-2)

Structure of Government Accounts

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

Part I: Consolidated Fund:

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

Part II: Contingency Fund

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

Part III: Public Account

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

Appendix *Part-B: Layout of Finance Accounts*

1.1

(Reference: Paragraph-Profile of Mizoram; Page-2)

The new format of Finance Accounts introduced from the year 2009-2010, has been divided into two Volumes – Volume 1 and 2. Volume 1 represents the financial statements of the Government in summarized form while Volume 2 represents detailed financial statement. The layout of the Finance Accounts is chalked out in the following manner:

| Statement | Layout |
|--------------------------------|--|
| Volume 1 | |
| Statement No.1 | Statement of Financial Position |
| Statement No.2 | Statement of Receipts and Disbursements |
| Statement No.3 | Statement of Receipts (Consolidated Fund) |
| Statement No.4 | Statement of Expenditure (Consolidated Fund) by Function and Nature Notes to Accounts Appendix I: Cash Balances and Investment of Cash Balances |
| Volume 2 | |
| Part – I | |
| Statement No. 5 | Statement of Progressive Capital Expenditure |
| Statement No.6 | Statement of Borrowings and other Liabilities |
| Statement No.7 | Statement of Loans and Advances given by the Government |
| Statement No.8 | Statement of Grants-in-Aid given by the Government |
| Statement No.9 | Statement of Guarantees given by the Government |
| Statement No.10 | Statement of Voted and Charged Expenditure |
| Part – II | |
| Statement No.11 | Detailed Statement of Revenue and Capital Receipts by minor heads |
| Statement No.12 | Detailed Statement of Revenue Expenditure by minor heads |
| Statement No.13 | Detailed Statement of Capital Expenditure |
| Statement No.14 | Detailed Statement of Investments of the Government |
| Statement No.15 | Detailed Statement of Borrowings and other Liabilities |
| Statement No.16 | Detailed Statement on Loans and Advances given by the Government |
| Statement No.17 | Detailed Statement on Sources and Application of funds for expenditure other than Revenue account |
| Statement No.18 | Detailed Statement on Contingency Fund and other Public Account Transactions |
| Statement No.19 | Detailed Statement on Investment of Earmarked Funds |
| Part – III : Appendices | |
| II | Comparative Expenditure on Salary |
| III | Comparative Expenditure on Subsidy |
| IV | Grants-in-Aid (Scheme wise and Institution wise) |
| V | Externally Aided Projects |
| VI | Plan Scheme expenditure (Central and State Plan Schemes) |
| VII | Direct transfer of central scheme funds to implementing agencies in the State |
| VIII | Summary of Balances |
| IX | Financial results of Irrigation Schemes |
| X | Incomplete Works |
| XI | Statement of items for which allocation of balances as a result of reorganisation of States has not been finalised |
| XII | Maintenance expenditure with segregation of salary and non-salary portion |

Appendix 1.1 Part-C: Methodology Adopted for the Assessment of Fiscal Position

(Reference: Paragraph-Profile of Mizoram; Page-2)

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

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

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

| Terms | Basis of calculation |
|---|--|
| Buoyancy of a parameter | Rate of Growth of the parameter/GSDP Growth |
| Buoyancy of a parameter (X) with respect to another parameter (Y) | Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y) |
| Rate of Growth (ROG) | $[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$ |
| Average | Trend of growth over a period of 5 years |
| Share shift/Shift rate of a parameter | Trend of percentage shares, over a period of 5 years, of the parameter in Revenue Expenditure as the case may be |
| Development Expenditure | Social Services + Economic Services |
| Weighted Interest Rate (Average interest paid by the State) | $\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$ |
| Interest spread | GSDP growth – Weighted Interest Rate |
| Quantum spread | $\text{Debt stock} * \text{Interest spread} / 100$ |
| Interest received as <i>per cent</i> to Loans Outstanding | $\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$ |
| Revenue Deficit | Revenue Receipt – Revenue Expenditure |
| Fiscal Deficit | Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts |
| Primary Deficit | Fiscal Deficit – Interest payments |
| Balance from Current Revenue (BCR) | Revenue Receipts minus all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt |
| Compound Annual Growth Rate (CAGR) | The compound annual growth rate is calculated by taking the n^{th} root of the total percentage growth rate, where n is the number of years in the period being considered. $\text{CAGR} = [\text{Ending Value} / \text{Beginning Value}]^{(1/\text{no. of years})} - 1$ |

Core public goods and Merit goods

Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, *e.g.* enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. Merit goods are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the Government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation *etc.*

Debt Stabilisation

A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.

Non-debt receipts

Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

Appendix *Part D: State Profile*

1.1

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

| Sl. No. | Particulars | Figures |
|---------|--|-----------------------|
| 1. | Area | 21,081 sq. km |
| 2. | Population as per 2011 Census | 10.97 lakh |
| 3. | Density of Population (2011) (All India Density = 382 persons per sq.km) | 52 sq. km. |
| 4. | Literacy (2011) (All India Average = 74.04%) | 91.33 <i>per cent</i> |
| 5. | Gross State Domestic Product (GSDP) 2012-13 at current prices | ₹ 8,053.09 crore |
| 6. | GSDP CAGR (2002-03 to 2012-13) | 12.39 <i>per cent</i> |
| 7. | Population Growth (2000-01 to 2010-11) Mizoram | 23.48 <i>per cent</i> |

| Financial Data | | |
|--|-------------------------------|--------------------|
| Particulars | Figures (in <i>per cent</i>) | |
| CAGR | 2001-02 to 2011-12 | 2002-03 to 2012-13 |
| a. of Revenue Receipts | 14.29 | 14.29 |
| b. of Own Tax Revenue | 9.88 | 20.56 |
| c. of Non Tax Revenue | 12.62 | 13.40 |
| d. of Total Expenditure | 11.40 | 12.77 |
| e. of Capital Expenditure | 14.11 | 11.14 |
| f. of Revenue Expenditure on Education | 11.72 | 13.75 |
| g. of Revenue Expenditure on Health | 10.48 | 11.41 |
| h. of Pension | 17.92 | 20.39 |
| i. of Interest | 5.86 | 7.20 |

Source: Economic Survey, Mizoram 2012-13, Planning & Programme Implementation Department, Government of Mizoram

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

1.1

(₹ in crore)

| | Items | 2009-10 (Actuals) | 2010-11 (Actuals) | 2011-12 (Actuals) | 2012-13 (BE) | 2012-13 (RE) | 2013-14 (BE) | 2014-15 (Proj) |
|-----------------|---|----------------------|----------------------|----------------------|-----------------|-----------------|-----------------|-------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
| A. | Revenue Receipts: | | | | | | | |
| 1. | Own Tax Revenue | 107.58 | 130.08 | 178.67 | 190.42 | 202.08 | 222.25 | 255.09 |
| 2. | Own Non Tax Revenue | 126.50 | 146.71 | 168.03 | 229.43 | 206.75 | 266.00 | 305.29 |
| 3. | Own Tax+ Non Tax Revenue (1+2) | 234.08 | 276.79 | 346.70 | 419.85 | 408.83 | 488.25 | 560.38 |
| 4. | Share in Central Taxes& Duties | 394.53 | 590.78 | 827.78 | 813.71 | 792.64 | 935.66 | 1055.00 |
| 5. | Plan Grants | 1609.56 | 1688.08 | 1980.83 | 2398.56 | 2893.86 | 2451.08 | 2696.19 |
| 6. | Non Plan Grants | 725.33 | 819.06 | 856.50 | 1164.36 | 1164.36 | 1164.43 | 1280.87 |
| 7. | Total Central Transfer (4 to 6) | 2729.42 | 3097.92 | 3665.11 | 4376.63 | 4850.86 | 4551.17 | 5032.06 |
| 8. | Total Revenue Receipts (3+7) | 2963.50 | 3374.71 | 4011.81 | 4796.48 | 5259.69 | 5039.42 | 5592.44 |
| 9. | Plan Expenditure | 897.35 | 1197.48 | 1373.14 | 1588.51 | 1953.13 | 1873.79 | 2061.17 |
| 10. | Non Plan Expenditure | 1805.35 | 2057.55 | 2350.71 | 2580.20 | 2719.91 | 2783.82 | 3062.20 |
| <i>Of which</i> | | | | | | | | |
| 11. | Salary Expenditure | 881.80 | 1171.72 | 1150.09 | 1483.15 | 1482.72 | 1617.13 | 1778.84 |
| 12. | Pension | 164.26 | 248.75 | 298.36 | 238.72 | 240.17 | 240.17 | 264.19 |
| 13. | Interest Payments | 254.35 | 105.46 | 273.79 | 242.00 | 248.37 | 248.49 | 273.34 |
| 14. | Subsidies – General | - | - | - | - | - | - | - |
| 15. | Subsidies – Power | - | - | - | - | - | - | - |
| 16. | Total Revenue Expenditure (9+10) | 2702.70 | 3255.03 | 3723.85 | 4168.71 | 4673.04 | 4657.61 | 5123.37 |
| 17. | Salary + Interest Payments + Pension (11+12+13) | 1300.41 | 1525.93 | 1722.24 | 1963.87 | 1971.26 | 2105.79 | 2316.37 |
| 18. | <i>As per cent of Revenue Receipts (17/8)</i> | 43.88 | 45.22 | 42.93 | 40.94 | 37.48 | 41.79 | 41.42 |
| 19. | Revenue Surplus(+)/ Deficit(-) (8-16) | 260.80 | 119.68 | 287.96 | 627.77 | 586.65 | 381.81 | 469.07 |

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

1.1

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|-----------|---|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|
| B. | Consolidated Debt: | | | | | | | |
| 1. | Outstanding debt and liability | 3,163.95 | 3,704.55 | 3,999.77 | 4,362.31 | 4,241.10 | 4,582.85 | 4,899.85 |
| 2. | Total Outstanding guarantee (of which guarantees on accounts of budgeted borrowing and SPV borrowing) | 102.99 | 102.75 | 126.70 | 103.25 | 126.30 | 130.00 | 135.00 |
| C. | Capital Account: | | | | | | | |
| 1. | Capital Outlay | 572.80 | 615.38 | 494.84 | 888.74 | 1144.11 | 451.80 | 496.98 |
| 2. | Disbursement of Loans and Advances | 24.94 | 29.87 | 33.52 | 31.20 | 31.20 | 31.20 | 34.32 |
| 3. | Recovery of Loans and Advances | 25.32 | 25.97 | 27.80 | 26.55 | 26.55 | 27.55 | 30.30 |
| 4. | Other Capital Receipts | - | - | | | | | |
| 5. | Transfer to Contingency Funds | - | - | | | | | |
| D | Gross Fiscal Deficit: (A8 + C3 + C4) – (A16+C1+C2+C5) | (-)311.62 | (-)499.60 | (-)212.60 | (-)265.62 | (-)562.11 | (-)73.64 | (-)31.93 |
| E. | GSDP at current prices | 5497.93 | 6057.70 | 6991.40 | 8018.96 | 8018.96 | 9200.71 | 10560.27 |
| | Actual/Assumed Growth Rate (<i>per cent</i>) | 44.33 | 10.18 | 15.41 | 14.70 | 14.70 | 14.74 | 14.78 |
| F. | Indicators as <i>per cent</i> of GSDP: | | | | | | | |
| 1. | Own Tax Revenue (A1/E) | 1.96 | 2.15 | 2.56 | 2.37 | 2.52 | 2.42 | 2.42 |
| 2. | Own Non-Tax Revenue (A2/E) | 2.30 | 2.42 | 2.40 | 2.86 | 2.58 | 2.89 | 2.89 |
| 3. | Total Central Transfer (A7/E) | 49.64 | 51.14 | 52.42 | 54.58 | 60.49 | 49.47 | 47.65 |
| 4. | Total Revenue Expenditure (A16/E) | 49.16 | 53.73 | 53.26 | 51.99 | 58.27 | 50.62 | 48.52 |
| 5. | Revenue Surplus/ Deficit (A19/E) | 4.74 | 1.98 | 4.12 | 7.83 | 7.32 | 4.15 | 4.44 |
| 6. | Gross Fiscal Deficit* | 5.67 | 8.25 | 3.04 | 3.31 | 7.01 | 0.80 | 0.30 |
| 7. | Outstanding debt and Liabilities (B1/E) | 57.55 | 61.15 | 57.21 | 54.40 | 52.89 | 49.81 | 46.40 |

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

Appendix 1.2 Abstract of Receipts and Disbursements for the year 2012-13

(Reference: Paragraph-1.1.1; Page-2)

(₹ in crore)

| Receipts | | | | Disbursements | | | |
|---------------------|---|----------|----------|---|----------|----------|----------|
| 2011-12 | | 2012-13 | 2011-12 | | 2012-13 | | |
| | | | | | Non-Plan | Plan | Total |
| Section –A: Revenue | | | | | | | |
| 3,824.90 | I. Revenue receipts | 4,536.74 | 3,697.33 | I. Revenue expenditure | 2,748.92 | 1,759.99 | 4,508.91 |
| 179.07 | Tax Revenue | 223.15 | 1,226.38 | General Services | 1,371.41 | 49.15 | 1,420.56 |
| 168.03 | Non Tax Revenue | 212.80 | 1,354.69 | Social Services | 782.47 | 869.74 | 1,652.21 |
| 827.38 | State’s Share of Union Taxes and Duties | 785.95 | 697.87 | Education, Sports, Art and Culture | 400.50 | 430.95 | 831.45 |
| 797.24 | Non-Plan grants | 1057.17 | 186.81 | Health and Family Welfare | 94.76 | 125.51 | 220.27 |
| 1,439.45 | Grants for State Plan Scheme | 1,865.60 | 151.63 | Water Supply, Sanitation, Housing & Urban Development | 102.17 | 86.77 | 188.94 |
| 345.39 | Grants for Central and Centrally Sponsored Plan Schemes | 308.89 | 7.49 | Information and Broadcasting | 5.91 | 1.72 | 7.63 |
| 68.34 | Grants for Special Plan Schemes | 83.18 | 202.31 | Welfare of ST, SC and OBC | 145.00 | 120.58 | 265.58 |
| | | | 6.6 | Labour and Labour Welfare | 4.32 | 2.99 | 7.31 |
| | | | 92.65 | Social Welfare and Nutrition | 27.88 | 101.22 | 129.10 |
| | | | 9.33 | Others | 1.93 | 0.00 | 1.93 |
| | | | 1,116.26 | Economic Services | 595.03 | 841.11 | 1,436.14 |
| | | | 531.13 | Agriculture and Allied Activities | 166.96 | 554.90 | 721.86 |
| | | | 42.97 | Rural Development | 17.12 | 46.49 | 63.61 |
| | | | 36.2 | Special Areas Programmes | 0.00 | 31.57 | 31.57 |
| | | | 9.04 | Irrigation and Flood Control | 4.13 | 5.41 | 9.54 |
| | | | 289.37 | Energy | 261.56 | 39.88 | 301.44 |
| | | | 50.97 | Industry and Minerals | 26.05 | 102.30 | 128.35 |
| | | | 100.38 | Transport | 92.95 | 25.29 | 118.24 |
| | | | 2.19 | Communication | 0.00 | 8.45 | 8.45 |
| | | | 2.66 | Science, Technology and Environment | 0.42 | 2.55 | 2.97 |
| | | | 51.35 | General Economic Services | 25.84 | 24.27 | 50.11 |
| | | | 0 | Grants- in- aid and contributions | 0.00 | 0.00 | 0.00 |
| 0.00 | II. Revenue deficit carried over to Section B | 0.00 | 127.57 | II. Revenue surplus carried over to Section B | | | 27.83 |
| 3,824.90 | Total (A) | 4,536.74 | 3,824.90 | Total (A) | | | 4,536.74 |

Appendix 1.2 Abstract of Receipts and Disbursements for the year 2012-13

| Receipts | | | Disbursements | | | | |
|---------------------|--|---------|---------------|---|----------|--------|--------|
| 2011-12 | | 2012-13 | 2011-12 | | 2012-13 | | |
| | | | | | Non-Plan | Plan | Total |
| Section – B: Others | | | | | | | |
| -221.31 | III. Opening Cash balance including Permanent Advances and Cash Balance investment | -194.97 | 0.00 | III. Opening Overdraft from Reserve Bank of India | 0.00 | 0.00 | 0.00 |
| --- | IV. Miscellaneous Capital receipts | --- | 600.27 | IV. Capital Outlay | 99.51 | 508.04 | 607.55 |
| | | | 30.12 | General Services | 0.00 | 42.74 | 42.74 |
| | | | 190.33 | Social Services | 0.00 | 222.42 | 222.42 |
| | | | 65.94 | Education, Sports, Art and Culture | 0.00 | 8.72 | 8.72 |
| | | | 3.35 | Health and Family Welfare | 0.00 | 1.01 | 1.01 |
| | | | 120.64 | Water Supply, Sanitation | 0.00 | 184.12 | 184.12 |
| | | | 0.40 | Information and Broadcasting | 0.00 | 0.00 | 0.00 |
| | | | 0.00 | Welfare of SC, ST and OBC | 0.00 | 0.00 | 0.00 |
| | | | 0.00 | Social Welfare and Nutrition | 0.00 | 28.57 | 28.57 |
| | | | 0.00 | Others | 0.00 | 0.00 | 0.00 |
| | | | 379.82 | Economic Services | 99.51 | 242.88 | 342.39 |
| | | | 82.78 | Agriculture and Allied Activities | 99.51 | 16.95 | 116.46 |
| | | | 8.80 | Rural Development | 0.00 | 6.99 | 6.99 |
| | | | 36.62 | Special Areas Programmes | 0.00 | 41.15 | 41.15 |
| | | | 49.44 | Irrigation & Flood Control | 0.00 | 0.00 | 0.00 |
| | | | 76.04 | Energy | 0.00 | 72.55 | 72.55 |
| | | | 0.00 | Industry and Minerals | 0.00 | 0.00 | 0.00 |
| | | | 118.85 | Transport | 0.00 | 103.87 | 103.87 |
| | | | 7.28 | General Economic Services | 0.00 | 1.37 | 1.37 |
| 27.80 | V. Recoveries of Loans and Advances | 29.48 | 33.52 | V. Loans and Advances disbursed | | | 30.25 |
| --- | From Power Projects | | 0.00 | For Power Projects | | | 0.00 |
| 8.81 | From Government Servants | 11.98 | 25.21 | To Government Servants | | | 25.67 |
| 0.00 | Loans for Village and Small Industries | 0.01 | 0.00 | Loans for Village and Small Industries | | | 0.00 |
| 18.50 | Loans for Housing | 17.38 | 8.00 | Loans for Housing | | | 4.01 |
| 0.49 | From Others | 0.11 | 0.31 | To Others | | | 0.57 |
| 127.57 | VI. Revenue surplus brought down | 27.83 | 0.00 | VI. Revenue deficit brought down | | | 0.00 |

Appendix 1.2 Abstract of Receipts and Disbursements for the year 2012-13

| Receipts | | | Disbursements | | | | |
|----------|---|----------|---------------|---|----------|------|----------|
| 2011-12 | | 2012-13 | 2011-12 | | 2012-13 | | |
| | | | | | Non-Plan | Plan | Total |
| 225.70 | VII. Public Debt Receipts | 420.28 | 251.67 | VII. Repayment of Public Debt | | | 286.05 |
| 0.00 | External debt | 0.00 | 0.00 | External debt | | | 0.00 |
| 132.09 | Internal debt other than Ways and Means Advances & Overdraft | 253.60 | 181.55 | Internal debt other than Ways & Means Advances & Overdraft | | | 170.08 |
| 71.39 | Net transaction under Ways and Means Advances including Overdraft | 166.58 | 52.15 | Net transaction under Ways and Means Advances including Overdraft | | | 97.26 |
| 22.22 | Loans and Advances from Central Government | 0.10 | 17.97 | Repayment of Loans and Advances to Central Government | | | 18.71 |
| 0.00 | VIII. Appropriation to Contingency Fund | 0.00 | 0.00 | VIII. Appropriation to Contingency Fund | | | 0.00 |
| 0.00 | IX. Amount transferred to Contingency Fund | 0.00 | 0.00 | IX. Expenditure from Contingency Fund | | | 0.00 |
| 3,297.52 | X. Public Accounts receipts | 3,055.71 | 2,766.79 | X. Public Accounts Disbursements | | | 2,677.00 |
| 387.37 | Small Savings and Provident Fund | 506.78 | 271.64 | Small Savings and Provident Fund | | | 310.45 |
| 33.40 | Reserve Funds | 34.68 | 11.53 | Reserve Funds | | | 11.38 |
| 603.42 | Suspense and Miscellaneous | 48.67 | 234.89 | Suspense and Miscellaneous | | | 101.42 |
| 1,526.77 | Remittance | 1,501.38 | 1,469.74 | Remittance | | | 1,519.88 |
| 746.56 | Deposits and Advances | 964.20 | 778.99 | Deposits and Advances | | | 733.87 |
| | XI. Closing overdraft from Reserve Bank of India | | -194.97 | XI. Cash Balance at end of 31-03-2013 | | | -262.52 |
| | | | | Cash in Treasuries and Local Remittances | | | 0.00 |
| | | | -17.15 | Deposits with Reserve Bank | | | -101.64 |
| | | | -2.81 | Departmental Cash Balance | | | -4.77 |
| | | | -292.51 | Cash Balance Investment | | | -291.51 |
| | | | 117.50 | Investment of earmarked funds | | | 135.40 |
| 3,457.28 | Total (B) | 3,338.33 | 3,457.28 | Total (B) | | | 3,338.33 |
| 7,282.18 | Grand Total (A)+(B) | 7,875.07 | 7,282.18 | Grand Total (A)+(B) | | | 7,875.07 |

Appendix 1.3 Assets and Liabilities of the Government of Mizoram as on 31 March 2013

(Reference: Paragraph-1.10.1; Page-36)

(₹ in crore)

| As on 31 March 2012 | | Liabilities | | As on 31 March 2013 |
|------------------------|----------|---|----------|------------------------|
| 1,589.10 | | Internal Debt | | 1,741.95 |
| | 1,070.25 | Market Loans bearing interest | 1,138.03 | |
| | 0.00 | Market Loans not bearing interest | 0.00 | |
| | 95.63 | Loans from Life Insurance Corporation of India | 71.97 | |
| | 0.07 | Loans from General Insurance Corporation of India | 0.07 | |
| | 14.90 | Loans from other Institutions | 13.83 | |
| | 140.69 | Loans from NABARD | 167.09 | |
| | 20.51 | Compensation and other Bonds | 15.95 | |
| | 3.81 | Loans from NCDC | 4.04 | |
| | 46.45 | Ways and Means Advances | 115.78 | |
| | 0.00 | Overdrafts from Reserve Bank of India | 0.00 | |
| | 172.32 | Special Securities to NSSF | 190.72 | |
| | 24.47 | Other loans | 24.47 | |
| 541.96 | | Loans and Advances from Central Government | | 523.34 |
| | 0.00 | Pre 1984-85 Loans | 0.00 | |
| | 41.06 | Non-Plan Loans | 41.06 | |
| | 300.45 | Loans for State Plan Schemes | 281.83 | |
| | 0.02 | Loans for Central Plan Schemes | 0.02 | |
| | 16.77 | Loans for Centrally Sponsored Plan Schemes | 16.77 | |
| | 15.69 | Loans for Special Schemes | 15.69 | |
| | 167.97 | Ways and Means Advances towards expenditure etc. | 167.97 | |
| 0.10 | | Contingency Fund | | 0.10 |
| 1,658.20 | | Small Savings, Provident Funds, etc. | | 1,854.53 |
| 757.72 | | Deposits | | 987.51 |
| 118.98 | | Reserve Funds | | 142.27 |
| 1,028.50 | | Suspense and Miscellaneous | | 975.75 |
| 916.74 | | Surplus on Government Account | | 944.57 |
| | 127.57 | Current year surplus | 27.83 | |
| | 789.17 | Add Accumulated Surplus as on 31 March 2012 | 916.74 | |
| 6,611.30 | | Total | | 7,170.02 |

Appendix 1.3 Assets and Liabilities of the Government of Mizoram as on 31 March 2013

| As on 31 March 2012 | Assets | | | | As on 31 March 2013 |
|------------------------|------------|--|------------|--|------------------------|
| 6,390.62 | | Gross Capital Outlay on Fixed Assets | | | 6,998.17 |
| | 19.77 | Investments in shares of Companies, Corporations, etc. | 20.91 | | |
| | 6,370.85 | Other Capital Outlay | 6,977.26 | | |
| 250.76 | | Loans and Advances | | | 251.53 |
| | 1.60 | Loans for Power Projects | 1.60 | | |
| | 39.12 | Other Development Loans | 39.57 | | |
| | 153.91 | Loans for Housing | 140.54 | | |
| | 56.13 | Loans to Government servants and Miscellaneous loans | 69.82 | | |
| 0.53 | | Civil Advances | | | (-) 0.02 |
| 164.36 | | Remittance Balances | | | 182.86 |
| (-) 312.47 | | Cash Balance | | | (-) 397.92 |
| | (-) 17.15 | Cash in Treasuries and Local Remittances | (-) 101.64 | | |
| | (-) 2.81 | Departmental Cash Balance including Permanent Advances | (-) 4.77 | | |
| | (-) 292.51 | Cash Balance Investments | (-) 291.51 | | |
| 117.50 | | Investment out of Reserve Fund | | | 135.40 |
| 6,611.30 | | Total | | | 7,170.02 |

Appendix 1.4 Time Series Data on State Government Finances

(Reference: Paragraphs-1.4 and 1.10.2; Pages-11 and 36)

(₹ in crore)

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Part A: Receipts | | | | | |
| 1. Revenue Receipts | 2,653.13 | 2,963.51 | 2,855.37 | 3,824.90 | 4,536.74 |
| (i) Tax Revenue | 94.62 | 107.58 | 130.44 | 179.07 | 223.15 |
| Taxes on Agricultural Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Taxes on Sales, Trade, etc. | 77.51 | 85.94 | 104.7 | 142.16 | 175.87 |
| State Excise | 1.87 | 2.10 | 2.39 | 2.31 | 2.83 |
| Taxes on Vehicles | 5.50 | 6.71 | 7.72 | 16.71 | 22.83 |
| Stamps and Registration fees | 0.46 | 0.39 | 0.34 | 0.69 | 0.64 |
| Land Revenue | 1.63 | 2.76 | 4.33 | 2.52 | 3.04 |
| Taxes on Goods and Passengers | 1.43 | 1.39 | 1.72 | 2.05 | 3.77 |
| Other Taxes | 6.22 | 8.29 | 9.24 | 12.63 | 14.17 |
| (ii) Non Tax Revenue | 158.67 | 126.51 | 146.72 | 168.03 | 212.80 |
| (iii) State's share of Union taxes and duties | 383.39 | 394.53 | 451.66 | 827.38 | 785.95 |
| (iv) Grants in aid from Government of India | 2,016.45 | 2,334.89 | 2,126.55 | 2,650.42 | 3,314.84 |
| 2. Miscellaneous Capital Receipts | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3. Recoveries of Loans and Advances | 24.86 | 25.31 | 25.97 | 27.80 | 29.48 |
| 4. Total Revenue and Non-debt capital receipts (1+2+3) | 2,677.99 | 2,988.82 | 2,881.34 | 3,852.70 | 4,566.22 |
| 5. Public Debt Receipts | 105.77 | 225.89 | 537.22 | 225.70 | 420.28 |
| Internal Debt (excluding Ways and Means Advances and Overdrafts) | 99.58 | 56.98 | 372.83 | 132.09 | 253.60 |
| Net transactions under Ways and Means Advances and Overdrafts | 0.00 | 136.74 | 163.36 | 71.39 | 166.58 |
| Loans and Advances from Government of India | 6.19 | 32.17 | 1.03 | 22.22 | 0.10 |
| 6. Total Receipts in the Consolidated Fund | 2,783.76 | 3,214.71 | 3,418.56 | 4,078.40 | 4,986.50 |
| 7. Contingency Fund Receipts | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 8. Public Account Receipts | 1,500.75 | 2,463.30 | 3,332.56 | 3,297.52 | 3,055.71 |
| 9. Total Receipts of the State (6+7+8) | 4,284.51 | 5,678.01 | 6,751.12 | 7,375.92 | 8,042.21 |
| Part B: Expenditure/Disbursement | | | | | |
| 10. Revenue Expenditure | 2,313.80 | 2,702.70 | 3,256.24 | 3,697.33 | 4,508.91 |
| Plan | 740.59 | 897.35 | 1,201.05 | 1,316.11 | 1,759.99 |
| Non Plan | 1,573.21 | 1,805.35 | 2,055.19 | 2,381.22 | 2,748.92 |
| General Services (including interest payments) | 803.75 | 947.67 | 1,011.29 | 1,226.38 | 1,420.56 |
| Social Services | 898.19 | 1,105.68 | 1,237.38 | 1,354.69 | 1,652.21 |
| Economic Services | 611.86 | 649.35 | 1,007.57 | 1,116.26 | 1,436.14 |
| Grants-in-aid and contributions | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Appendix 1.4 Time Series Data on State Government Finances

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|------------------|-------------------|---------------------|-------------------|-------------------|
| 11. Capital Expenditure | 441.04 | 572.80 | 614.71 | 600.27 | 607.55 |
| Plan | 366.59 | 465.43 | 504.70 | 534.54 | 508.04 |
| Non-Plan | 74.45 | 107.37 | 110.01 | 65.73 | 99.51 |
| General Services | 19.79 | 25.99 | 23.36 | 30.12 | 42.74 |
| Social Services | 92.94 | 150.21 | 125.94 | 190.33 | 222.42 |
| Economic Services | 328.31 | 396.60 | 465.41 | 379.82 | 342.39 |
| 12. Disbursement of Loans and Advances | 17.41 | 24.94 | 29.87 | 33.52 | 30.25 |
| 13. Total (10+11+12) | 2,772.25 | 3,300.44 | 3,900.82 | 4,331.12 | 5,146.71 |
| 14. Repayments of Public Debt | 96.29 | 365.33 | 272.55 | 251.67 | 286.05 |
| Internal Debt (excluding Ways and Means Advances and Overdrafts) | 78.05 | 209.73 | 86.11 | 181.55 | 170.08 |
| Net transactions under Ways and Means Advances and overdraft | 0.00 | 136.74 | 163.36 | 52.15 | 97.26 |
| Loans and Advances from Government of India | 18.24 | 18.86 | 23.08 | 17.97 | 18.71 |
| 15. Appropriation to Contingency Fund | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 16. Total disbursement out of Consolidated Fund (13+14+15) | 2,868.54 | 3,665.77 | 4,173.37 | 4,582.79 | 5,432.76 |
| 17. Contingency Fund disbursements | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 18. Public Account disbursements | 1,480.05 | 2,504.70 | 2,482.29 | 2,766.79 | 2,677.00 |
| 19. Total disbursement by the State (16+17+18) | 4,348.59 | 6,170.47 | 6,655.66 | 7,349.58 | 8,109.76 |
| Part C: Deficits | | | | | |
| 20. Revenue Deficit (-) / Revenue Surplus (+) (1-10) | 339.33 | 260.81 | (-) 400.87 | 127.57 | 27.83 |
| 21. Fiscal Deficit (-)/ Fiscal Surplus (+) (4-13) | (-) 94.26 | (-) 311.62 | (-) 1,019.48 | (-) 478.42 | (-) 580.49 |
| 22. Primary Deficit (21-23) | 131.35 | (-) 57.27 | (-) 913.90 | (-) 203.27 | (-) 292.34 |
| Part D: Other data | | | | | |
| 23. Interest Payments (included in revenue expenditure) | 225.61 | 254.35 | 105.58 | 275.15 | 288.15 |
| 24. Financial Assistance to local bodies etc. | 139.75 | 447.23 | 650.17 | 221.29 | 955.32 |
| 25. Ways and Means Advances/ Overdraft availed (days) | 0 | 19 | 21 | 11 | 7 |
| Ordinary Ways and Means Advances availed (days) | 0 | 0 | 10 | 0 | 2 |
| Special Ways and Means Advances availed (days) | 0 | 0 | 11 | 11 | 4 |
| Overdraft availed (days) | 0 | 0 | 0 | 0 | 1 |
| 26. Interest on Ways and Means Advances/Overdraft | 0.00 | 0.09 | 0.09 | 0.03 | 0.04 |
| 27. Gross State Domestic Product (GSDP) | 4,647.55 | 5,619.41 | 6,057.70 | 6,991.40 | 8,053.09 |
| 28. Outstanding Fiscal liabilities (year-end) | 3,614.06 | 3,627.69 | 4,496.86 | 4,548.45 | 5,114.20 |

Appendix 1.4 Time Series Data on State Government Finances

| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 |
|---|------------|------------|------------|------------|------------|
| 29. Outstanding guarantees (year-end) (including interest) | 134.03 | 102.75 | 102.72 | 232.18 | 31.70 |
| 30. Maximum amount guaranteed (year-end) | 305.13 | 189.03 | 189.02 | 243.34 | 124.78 |
| 31. Number of incomplete projects | 13.00 | 48.00 | 36.00 | 47.00 | 42.00 |
| 32. Capital blocked in incomplete projects | 930.94 | 306.23 | 504.42 | 128.13 | 205.10 |
| Part E: Fiscal Health Indicators | | | | | |
| I - Resource Mobilisation | | | | | |
| Own Tax revenue/GSDP | 2.04 | 1.91 | 2.15 | 2.56 | 2.77 |
| Own Non Tax Revenue/GSDP | 3.41 | 2.25 | 2.42 | 2.40 | 2.64 |
| Central Transfers/GSDP | 8.25 | 7.02 | 7.46 | 11.83 | 9.76 |
| II - Expenditure Management | | | | | |
| Total Expenditure/GSDP | 59.65 | 58.73 | 64.39 | 61.95 | 63.91 |
| Total Expenditure/Revenue Receipts | 104.49 | 111.37 | 136.61 | 113.23 | 113.45 |
| Revenue Expenditure/Total Expenditure | 83.46 | 81.89 | 83.48 | 85.37 | 87.61 |
| Expenditure on Social Services/Total Expenditure | 35.75 | 38.05 | 34.95 | 35.67 | 36.42 |
| Expenditure on Economic Services/Total Expenditure | 33.91 | 31.69 | 37.76 | 34.54 | 34.56 |
| Capital Expenditure/Total Expenditure | 15.91 | 17.36 | 15.76 | 13.86 | 11.80 |
| Capital Expenditure on Social and Economic Services/Total Expenditure | 15.20 | 16.57 | 15.16 | 13.16 | 10.97 |
| III - Management of Fiscal Imbalances | | | | | |
| Revenue deficit (surplus)/GSDP | 7.30 | 4.64 | -6.62 | 1.82 | 0.35 |
| Fiscal deficit/GSDP | (-) 2.03 | (-) 5.55 | (-) 16.83 | (-) 6.84 | (-) 7.21 |
| Primary Deficit (surplus)/GSDP | 2.83 | (-) 1.02 | (-) 15.09 | (-) 2.91 | (-) 3.63 |
| Revenue Deficit/Fiscal Deficit | (-) 359.99 | (-) 83.69 | 39.32 | (-) 26.66 | (-) 4.79 |
| Primary Revenue Balance/GSDP | 12.69 | 9.62 | (-) 4.45 | 6.16 | 4.29 |
| IV - Management of Fiscal Liabilities | | | | | |
| Fiscal Liabilities/GSDP | 77.76 | 64.56 | 74.23 | 65.06 | 63.51 |
| Fiscal Liabilities/RR | 136.22 | 122.41 | 157.49 | 118.92 | 112.73 |
| Primary deficit vis-à-vis quantum spread | * | (-) 11.41 | (-) 484.42 | (-) 48.45 | (-) 69.70 |
| Debt Redemption (Principal +Interest)/Total Debt Receipts | 98.66 | 121.53 | 58.65 | 115.89 | 85.47 |
| V - Other Fiscal Health Indicators | | | | | |
| Return on Investment | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Balance from Current Revenue (₹ in crore) | (-) 187.69 | (-) 434.90 | (-) 584.39 | (-) 387.75 | (-) 450.45 |
| Financial Assets/Liabilities | 1.22 | 1.29 | 1.15 | 1.16 | 1.15 |

* There was primary surplus

Appendix 1.5 Funds transferred directly to State Implementing Agencies

(Reference: Paragraph-1.3.2; Page-10)

(₹ in crore)

| Sl. No. | GoI Scheme | Implementing Agency | GoI released fund |
|---------|--|---|-------------------|
| | | | 2012-13 |
| (1) | (2) | (3) | (4) |
| 1. | NSAP-National Social Assistance Programme | Social Welfare Department | 8.68 |
| 2. | JNNURM-BSUP Jawaharlal Nehru Urban Renewal Mission | Urban Development and Poverty Alleviation | 50.34 |
| 3. | National Rural Health Mission (NRHM) | Health Services | 91.47 |
| 4. | NREGS-90:10 National Rural Employment Guarantee Scheme | Rural Development (RD) | 251.60 |
| 5. | IAY-Indira Awas Yojana | Rural Development (RD) | 10.80 |
| 6. | Sarva Shiksha Abhiyan | School Department | 153.21 |
| 7. | BRGF-Backward Region Grant Fund | Rural Development (RD) | 19.42 |
| 8. | PMGSY-Pradhan Mantri Gram Sadak Yojana | Public Works Department | 71.82 |
| 9. | Rashtriya Madhyamik Shiksha Abhiyan (RMSA) | Mizoram Education Mission Society | 63.92 |
| 10. | National Rural Drinking Water Programme | State Water & Sanitary Mission | 47.92 |
| 11. | Swarnajyanti Shahri Swarojgar Yojana (SJSRY) | State Urban Development Agency | 6.53 |
| 12. | DRDA Administration | District Rural Development Agency | 5.80 |
| 13. | Integrated Watershed Management Programme | District Rural Development Agency | 25.16 |
| 14. | MPs Local Area Development (MPLADS) | Deputy Commissioner Aizawl | 12.50 |
| 15. | Scheme of NDMA | Disaster Management & Rehabilitation Department, Mizoram | 1.52 |
| 16. | Aajeevika-Swaran Jayanti Gram Swarojgar Yojana | Rural Development (RD) | 14.05 |
| 17. | Setting of Joint SERC for Manipur and Mizoram Power | Joint Electricity Regulatory Commission for Manipur and Mizoram | 1.09 |
| 18. | National Food Security Mission | Mameti (Agriculture) | 6.04 |
| 19. | Support to State Extension Programme for Extension | Mameti (Agriculture) | 4.97 |
| 20. | Infrastructure Development FPI | Mizofa Fish Seed farm | 1.52 |
| 21. | Enhancing Skill Development Infrastructure in NE | Mizoram Council for Vocational Training | 3.68 |

Appendix 1.5 Funds transferred directly to State Implementing Agencies

| (1) | (2) | (3) | (4) |
|--------------|--|--|---------------|
| 22. | Technology Development Programme | Mizoram Council of Science, Technology and Environment | 1.09 |
| 23. | Setting up of 6000 Model Schools at Block | Mizoram Education Mission Society | 1.73 |
| 24. | North Eastern Areas | Mizoram State Sports Council | 1.48 |
| 25. | Panchayat Yuva Krida and Khel Abhiyan(PYKKA) | Mizoram State Sports Council | 3.36 |
| 26. | Scheme of Hostels for ST Girls and Boys | Mizoram University | 4.37 |
| 27. | National Mission on Bamboo | Agriculture | 17.05 |
| 28. | Setting up of New National Institute | National Institute Of Technology Mizoram | 13.38 |
| 29. | NLRMP | Programme Management Unit for NLRMP | 1.78 |
| 30. | National AIDS Control Programme III | State AIDS Control Programme III | 14.22 |
| 31. | Afforestation and Forest Management | State Forest Development Agency | 8.77 |
| 32. | National Medicinal Plants Board | State Forest Development Agency | 2.65 |
| 33. | National Project for Cattle and Buffalo Breeding | State Implementation Unit Mizoram of NPCBB | 1.05 |
| 34. | Central Rural Sanitation Programme | SWSM Mizoram Aizawl | 4.97 |
| 35. | North Eastern Areas | Zoram Electronics Development Corporation Ltd | 1.50 |
| 36. | Grid Interactive Renewable Power MNRE | New and Renewable Energy | 3.04 |
| 37. | Off Grid DRPS | New and Renewable Energy | 1.85 |
| Total | | | 934.33 |

Source: Information from Finance Accounts – 2012-13

Appendix 1.6 Part A: Statement showing Efficiency of Expenditure use in Selected Social and Economic Services

(Reference: Paragraph-1.8.2; Page-31)

(₹ in crore)

| Social/Economic Infrastructure | 2011-12 | | | | 2012-13 | | | |
|------------------------------------|---------------|-----------------|-------------|-----------------|---------------|-----------------|-------------|-----------------|
| | TE | | | | TE | | | |
| | CE | RE | L&A | Total | CE | RE | L&A | Total |
| Social Services (SS) | | | | | | | | |
| Education, Sports, Art and Culture | 65.94 | 697.87 | 0.00 | 763.81 | 8.72 | 831.45 | 0.00 | 840.17 |
| Health and Family Welfare | 3.35 | 186.81 | 0.00 | 190.16 | 1.01 | 220.27 | 0.00 | 221.28 |
| WS, Sanitation & HUD | 120.64 | 151.63 | 8.00 | 280.27 | 184.12 | 188.94 | 4.01 | 377.07 |
| Other Social Services | 0.40 | 318.38 | 0.00 | 318.78 | 28.57 | 411.55 | 0.00 | 440.12 |
| Total (SS) | 190.33 | 1,354.69 | 8.00 | 1,553.02 | 222.42 | 1,652.21 | 4.01 | 1,878.64 |
| Economic Services (ES) | | | | | | | | |
| Agri. & Allied Activities | 82.78 | 531.13 | 0.31 | 614.22 | 116.46 | 721.86 | 0.57 | 838.89 |
| Irrigation and Flood Control | 49.44 | 9.04 | 0.00 | 58.48 | 0.00 | 9.54 | 0.00 | 9.54 |
| Power & Energy | 76.04 | 289.37 | 0.00 | 365.41 | 72.55 | 301.44 | 0.00 | 373.99 |
| Transport | 118.85 | 100.38 | 0.00 | 219.23 | 103.87 | 118.24 | 0.00 | 222.11 |
| Other Economic Services | 52.71 | 186.34 | 0.00 | 239.05 | 49.51 | 285.06 | 0.00 | 334.57 |
| Total (ES) | 379.82 | 1,116.26 | 0.31 | 1,496.39 | 342.39 | 1,436.14 | 0.57 | 1,779.10 |
| Total (SS+ES) | 570.15 | 2,470.95 | 8.31 | 3,049.41 | 564.81 | 3,088.35 | 4.58 | 3,657.74 |

Source: Statement 12,13 and 16 of Finance Accounts 2012-13

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

Appendix 1.6 *Part B: Statement showing Efficiency of Expenditure use in Selected Social and Economic Services*

(Reference: Paragraph-1.8.2; Page-31)

(₹ in crore)

| | 2011-12 | | | 2012-13 | | |
|------------------------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Salary | Non-Salary | Total | Salary | Non-Salary | Total |
| Social Services (SS) | | | | | | |
| Education, Sports, Art and Culture | 484.88 | 212.99 | 697.87 | 590.55 | 240.90 | 831.45 |
| Health and Family Welfare | 128.13 | 58.68 | 186.81 | 156.03 | 64.24 | 220.27 |
| WS, Sanitation & HUD | 29.91 | 121.72 | 151.63 | 46.86 | 142.08 | 188.94 |
| Other Social Services | 43.98 | 274.40 | 318.38 | 31.57 | 379.98 | 411.55 |
| Total (SS) | 686.90 | 667.79 | 1,354.69 | 825.01 | 827.20 | 1,652.21 |
| Economic Services (ES) | | | | | | |
| Agri. & Allied Activities | 120.80 | 410.33 | 531.13 | 144.98 | 576.88 | 721.86 |
| Irrigation and Flood Control | 5.16 | 3.88 | 9.04 | 6.59 | 2.95 | 9.54 |
| Power & Energy | 54.59 | 234.78 | 289.37 | 66.54 | 234.90 | 301.44 |
| Transport | 15.44 | 84.94 | 100.38 | 65.96 | 52.28 | 118.24 |
| Other Economic Services | 113.04 | 73.30 | 186.34 | 73.42 | 211.64 | 285.06 |
| Total (ES) | 309.03 | 807.23 | 1,116.26 | 357.49 | 1,078.65 | 1,436.14 |
| Total (SS+ES) | 995.93 | 1,475.02 | 2,470.95 | 1,182.50 | 1,905.85 | 3,088.35 |

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

Appendix 2.1 *Statement of various grants/appropriations where savings were more than ₹ one crore each or more than 12 per cent of the total provision*

(Reference: Paragraph-2.3.1; Page-56)

(₹ in crore)

| Sl. No. | Grant No. | Name of the Grant/Appropriation | Total Grant/Appropriation | Savings | Percentage |
|------------------------|-----------|---|---------------------------|---------------|-------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| Revenue (Voted) | | | | | |
| 1. | 2 | Governor | 0.12 | 0.04 | 33.33 |
| 2. | 3 | Council of Ministers | 6.04 | 1.53 | 25.33 |
| 3. | 4 | Law and Judicial | 18.10 | 3.60 | 19.89 |
| 4. | 6 | Land Revenue and Reforms | 23.16 | 3.21 | 13.86 |
| 5. | 11 | Secretariat Administration | 73.09 | 5.29 | 7.24 |
| 6. | 14 | Planning and Programme Implementation | 72.57 | 29.40 | 40.51 |
| 7. | 15 | General Administration Department | 59.80 | 2.93 | 4.90 |
| 8. | 16 | Home | 443.05 | 29.51 | 6.66 |
| 9. | 17 | Food, Civil Supplies and Consumer Affairs | 63.74 | 6.52 | 10.23 |
| 10. | 18 | Printing and Stationery | 14.50 | 3.05 | 21.03 |
| 11. | 19 | Local Administration Department | 43.70 | 13.83 | 31.65 |
| 12. | 20 | School Education | 630.52 | 19.71 | 3.13 |
| 13. | 24 | Medical and Public Health Services | 222.38 | 2.12 | 0.95 |
| 14. | 25 | Water Supply and Sanitation | 138.11 | 3.36 | 2.43 |
| 15. | 27 | District Councils | 278.49 | 13.01 | 4.67 |
| 16. | 29 | Social Welfare | 120.60 | 13.62 | 11.29 |
| 17. | 30 | Disaster Management and Rehabilitation | 25.94 | 8.96 | 34.54 |
| 18. | 31 | Agriculture | 255.81 | 14.70 | 5.75 |
| 19. | 32 | Horticulture | 124.39 | 1.18 | 0.95 |
| 20. | 33 | Soil and Water Conservation | 60.66 | 3.19 | 5.26 |
| 21. | 34 | Animal Husbandry and Veterinary | 129.18 | 3.10 | 2.40 |
| 22. | 36 | Environment and Forests | 105.79 | 23.61 | 22.32 |
| 23. | 37 | Co-operation | 12.77 | 1.50 | 11.75 |
| 24. | 38 | Rural Development | 88.64 | 12.44 | 14.03 |
| 25. | 39 | Power | 306.46 | 3.26 | 1.06 |
| 26. | 40 | Industries | 106.09 | 3.69 | 3.48 |
| 27. | 42 | Transport | 43.01 | 12.41 | 28.85 |
| 28. | 45 | Public Works | 155.12 | 1.48 | 0.95 |
| 29. | 46 | Urban Development and Poverty Alleviation | 46.02 | 1.80 | 3.91 |
| 30. | 47 | Minor Irrigation | 11.80 | 2.28 | 19.32 |
| Total | | | 3,679.65 | 244.33 | 6.64 |

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

| (1) | (2) | (3) | (4) | (5) | (6) |
|------------------------|-----|---|-----------------|---------------|--------------|
| Capital (Voted) | | | | | |
| 1. | 4 | Law and Judicial | 1.85 | 1.85 | 100.00 |
| 2. | 16 | Home | 45.46 | 20.35 | 44.76 |
| 3. | 18 | Printing and Stationery | 3.30 | 3.30 | 100.00 |
| 4. | 25 | Water Supply and Sanitation | 82.38 | 5.20 | 6.31 |
| 5. | 37 | Co-operation | 1.13 | 0.27 | 23.89 |
| 6. | 39 | Power | 89.26 | 16.70 | 18.71 |
| 7. | 43 | Tourism | 1.38 | 1.38 | 100.00 |
| 8. | 44 | Trade and Commerce | 1.20 | 0.15 | 12.50 |
| 9. | 45 | Public Works | 516.25 | 310.40 | 60.13 |
| 10. | 46 | Urban Development and Poverty Alleviation | 136.32 | 77.09 | 56.55 |
| 11. | 47 | Minor Irrigation | 135.60 | 135.60 | 100.00 |
| Total | | | 1,014.13 | 572.29 | 56.43 |
| Grand Total | | | 4,693.78 | 816.62 | 17.40 |

Appendix 2.1 A Statement of various grants/appropriations where savings were more than ₹ 10 crore and above or more than 12 per cent of the total provision

(Reference: Paragraph-2.3.1; Page-56)

(₹ in crore)

| Sl. No. | Grant No. | Name of the Grant/ Appropriation | Total Grant/ Appropriation | Savings | Percentage |
|------------------------|-----------|---|----------------------------|---------------|--------------|
| Revenue (Voted) | | | | | |
| 1. | 14 | Planning and Programme Implementation | 72.57 | 29.40 | 40.51 |
| 2. | 16 | Home | 443.05 | 29.51 | 6.66 |
| 3. | 19 | Local Administration | 43.70 | 13.83 | 31.65 |
| 4. | 20 | School Education | 630.52 | 19.71 | 3.13 |
| 5. | 27 | District Councils | 278.49 | 13.01 | 4.67 |
| 6. | 29 | Social Welfare | 120.6 | 13.62 | 11.29 |
| 7. | 31 | Agriculture | 255.81 | 14.70 | 5.75 |
| 8. | 36 | Environment and Forest | 105.79 | 23.61 | 22.32 |
| 9. | 38 | Rural | 88.64 | 12.44 | 14.03 |
| 10. | 42 | Transport | 43.01 | 12.41 | 28.85 |
| Total | | | 2,082.18 | 182.24 | 8.75 |
| Capital (Voted) | | | | | |
| 1. | 16 | Home | 45.46 | 20.35 | 44.76 |
| 2. | 39 | Power | 89.26 | 16.70 | 18.71 |
| 3. | 45 | Public Works | 516.25 | 310.40 | 60.13 |
| 4. | 46 | Urban Development and Poverty Alleviation | 136.32 | 77.09 | 56.55 |
| 5. | 47 | Minor Irrigation | 135.60 | 135.60 | 100.00 |
| Total | | | 922.89 | 560.14 | 60.69 |
| Grand Total | | | 3,005.07 | 742.38 | 24.70 |

Appendix 2.2

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

(Reference: Paragraph-2.3.3; Page-57)

(₹ in lakh)

| Sl. No. | Grant No | Name of the Grant/ Appropriation with Major or Minor heads | Total Grant/ Appropriation | Expenditure | Excess Expenditure | Percentage |
|------------------------|-------------|--|----------------------------|------------------|--------------------|--------------|
| Revenue (Voted) | | | | | | |
| 1. | 4 | Law and Judicial 2014-105-09 Family Courts (voted) | 1.80 | 3.66 | 1.86 | 103.33 |
| | | 2014-103-01 Special Courts (voted) | 47.46 | 68.35 | 20.89 | 44.02 |
| 2. | 9 | Finance 2071-01-101(01) Pension | 9,500.00 | 17,331.67 | 7,831.67 | 82.44 |
| | | 2071-01-104(01) Pension/ Gratuities | 4,350.00 | 6,922.32 | 2,572.32 | 59.13 |
| | | 2071-115(01) Leave Encashment | 2,800.00 | 4,398.70 | 1,598.70 | 57.10 |
| | | 2071-110(01) Pension to Employees of Local Bodies | 150.00 | 339.37 | 189.37 | 126.25 |
| 3. | 14 | Planning and Programme Implementation 3454-02-201-01 National Sample Survey (CSS) | 34.00 | 68.00 | 34.00 | 100.00 |
| 4. | Public Debt | Public Debt 2049-01-101-09 Interest on Market Borrowings | 8,850.00 | 12,500.53 | 3,650.53 | 41.25 |
| | | 2049-122-01 Int. on investment in Spl. Central Government securities issued against net collection of S.S. from 1 April 1999 | 1,200.00 | 1,596.93 | 396.93 | 33.08 |
| Total | | | 26,933.26 | 43,229.53 | 16,296.27 | 60.51 |
| Capital (Voted) | | | | | | |
| 1. | 45 | Public Works 4217-01-051-04 Construction (SCA) | 277.27 | 1,280.66 | 1,003.39 | 361.23 |
| | | 5452-01-102-01 Tourist Centre | 0.00 | 137.62 | 137.62 | 0.00 |
| 2. | Public Debt | 6003-110-02 Special Ways and Means Advances | 6,917.00 | 9,726.00 | 2,809.00 | 40.61 |
| Total | | | 7,194.27 | 11,144.28 | 3,950.01 | 54.90 |
| Grand Total | | | 34,127.53 | 54,373.81 | 20,246.28 | 59.32 |

Appendix 2.3 Statement showing unutilised provision of fund during 2012-13

(Reference paragraph: 2.3.4; Page-57)

(₹ in lakh)

| Sl. No | Grant Number and Name | Head of Account/ Description | Budget Provision | | | Savings due to non-utilisation | Reasons/ Remarks |
|--------------|--|---|--------------------------|-------------------|------------------|--------------------------------|--|
| | | | Original | Supplementary | Total Provision | | |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
| 1. | 6 - Land Revenue and Reforms | 2029-001-01 Direction (CSS) | --- | 45.93 (-)32.60 | 13.33 | (-)13.33 | Reasons for non-utilisation not stated |
| 2. | 9 - Finance | 2071-01-200-02 VRS for School Teachers | 3,000.00 | --- | 3,000.00 | (-)3,000.00 | -do- |
| | | 2052-090-04 Finance Dept. | 2,700.00 | --- | 2,700.00 | (-)2,700.00 | -do- |
| 3. | 16 -Home | 4235-01-800-01 Construction of Sainik School at Chhingchhip (NLCPR) | --- | 1,985.97 | 1,985.97 | (-) 1,985.97 | -do- |
| 4. | 17 - Food, Civil Supplies and Consumer Affairs | 3475-106-01 Regulation of Weights & Measures (CSS) | 0.10 | 75.00 (-)75.00 | 0.10 | (-)0.10 | -do- |
| 5. | 30 - Disaster Management and Rehabilitation | 2235-01-001-01 Direction (CSS) | 22.79 | --- | 22.79 | (-)22.79 | -do- |
| 6. | 43 - Tourism | 5452 Capital Outlay on Tourism | 13,762.00 | --- | 13,762.00 | (-)13,762.00 | -do- |
| 7. | 45 - Public Works | 4235-01-800-01 Construction of Sainik School at Chhingchhip (NLCPR) | 1,985.97 (-) 1,419.00 | --- | 566.97 | (-)566.97 | -do- |
| 8. | 47 - Minor Irrigation (All Voted) | 4702 - Capital Outlay on Minor Irrigation | 13,560.00 | --- | 13,560.00 | (-)13,560.00 | -do- |
| Total | | | 33,611.86 | 1,999.30 | 35,611.16 | (-) 35,611.16 | |

Appendix 2.4 Unnecessary supplementary provision (₹ 10 lakh and above)

(Reference: Paragraph-2.3.7; Page-59)

(₹ in lakh)

| Sl. No. | Number and Name of the Grant | Original Provision | Actual Expenditure | Savings out of Original Provision | Supplementary Provision |
|------------------------------------|--|--------------------|--------------------|-----------------------------------|-------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| A. Revenue (Voted) | | | | | |
| 1. | 1 Legislative Assembly | 1,488.68 | 1,462.65 | 26.03 | 25.00 |
| 2. | 3 Council of Ministers | 560.70 | 451.65 | 109.05 | 43.65 |
| 3. | 4 Law & Judicial | 1,688.70 | 1,449.63 | 239.07 | 121.30 |
| 4. | 6 Land Revenue and Reforms | 2,123.22 | 1,994.67 | 128.55 | 192.56 |
| 5. | 7 Excise and Narcotics | 2,025.58 | 1,981.81 | 43.77 | 47.69 |
| 6. | 11 Secretariat Administration | 7,151.39 | 6,779.64 | 371.75 | 157.67 |
| 7. | 14 Planning and Programme Implementation | 6,857.39 | 4,316.43 | 2,540.96 | 399.16 |
| 8. | 16 Home | 41,758.58 | 41,353.95 | 404.63 | 2,546.54 |
| 9. | 17 Food, Civil Supplies and Consumer Affairs | 5,884.65 | 5,721.38 | 163.27 | 489.12 |
| 10. | 18 Printing and Stationery | 1,396.78 | 1,145.35 | 251.43 | 53.42 |
| 11. | 19 Local Administration | 3,847.13 | 2,987.11 | 860.02 | 522.48 |
| 12. | 26 Information and Public relation | 789.00 | 762.92 | 26.08 | 43.50 |
| 13. | 28 Labour and Employment | 775.92 | 731.24 | 44.68 | 29.34 |
| 14. | 33 Soil and Water Conservation | 5,990.52 | 5,746.95 | 243.57 | 75.23 |
| 15. | 36 Environment and Forest | 9,625.85 | 8,217.81 | 1,408.04 | 952.75 |
| 16. | 37 Co-Operation | 1,199.69 | 1,126.44 | 73.25 | 77.16 |
| 17. | 38 Rural Development | 8,308.73 | 7,620.33 | 688.40 | 555.73 |
| 18. | 42 Transport | 4,186.10 | 3,059.94 | 1,126.16 | 115.23 |
| 19. | 47 Minor Irrigation | 1,155.93 | 952.44 | 203.49 | 24.49 |
| Total for Revenue (Voted) | | 1,06,814.54 | 97,862.34 | 8,952.20 | 6,472.02 |
| B. Revenue (Charged) | | | | | |
| 20. | 4 Law & Judicial | 489.15 | 426.61 | 62.54 | 10.54 |
| 21. | 10 Mizoram Public Service Commission | 430.00 | 417.58 | 12.42 | 32.00 |
| Total for Revenue (Charged) | | 919.15 | 844.19 | 74.96 | 42.54 |
| C. Capital (Voted) | | | | | |
| 22. | 45 Public Works | 43,130.19 | 20,584.44 | 22,545.75 | 8,494.67 |
| 23. | 46 Urban Development and Poverty Alleviation | 12,279.37 | 5,923.89 | 6,355.48 | 1,353.02 |
| Total for Capital (Voted) | | 55,409.56 | 26,508.33 | 28,901.23 | 9,847.69 |
| Grand Total (A+B+C) | | 1,63,143.25 | 1,25,214.86 | 37,928.39 | 16,362.25 |

Appendix 2.5 Excessive/Inadequate supplementary provision (₹ 20 lakh and above)

(Reference: Paragraph-2.3.7; Page-59)

(₹ in lakh)

| Sl. No. | Number and Name of the Grant | Original Provision | Supplementary Provision | Total Provision | Expenditure | Sup. Pro. Excess (+)/ Less (-) |
|----------------------------------|--|--------------------|-------------------------|--------------------|--------------------|--------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| A. Revenue (Voted) | | | | | | |
| 1. | 1 Legislative Assembly | 1,488.68 | 25.00 | 1,513.68 | 1,462.65 | 51.03 |
| 2. | 3 Council of Ministers | 560.70 | 43.65 | 604.35 | 451.65 | 152.70 |
| 3. | 4 Law and Judicial | 1,688.70 | 121.30 | 1,810.00 | 1,449.63 | 360.37 |
| 4. | 6 Land Revenue & Reforms | 2,123.22 | 192.56 | 2,315.78 | 1,994.67 | 321.11 |
| 5. | 7 Excise and Narcotics | 2,025.58 | 47.69 | 2,073.27 | 1,981.81 | 91.46 |
| 6. | 8 Taxation | 1,010.00 | 378.07 | 1,388.07 | 1,293.06 | 95.01 |
| 7. | 9 Finance | 34,231.99 | 292.36 | 34,524.35 | 39,580.73 | (-) 5,056.38 |
| 8. | 11 Secretariat Administration | 7,151.39 | 157.67 | 7,309.06 | 6,779.64 | 529.42 |
| 9. | 14 Planning and Programme Implementation | 6,857.39 | 399.16 | 7,256.55 | 4,316.43 | 2,940.12 |
| 10. | 15 General Administration Department | 5,054.55 | 925.57 | 5,980.12 | 5,686.89 | 293.23 |
| 11. | 16 Home | 41,758.58 | 2,546.54 | 44,305.12 | 41,353.95 | 2,951.17 |
| 12. | 17 Food, Civil Supplies & Consumer Affairs | 5,884.65 | 489.12 | 6,373.77 | 5,721.38 | 652.39 |
| 13. | 18 Printing and Stationery | 1,396.78 | 53.42 | 1,450.20 | 1,145.35 | 304.85 |
| 14. | 19 Local Administration Department | 3,847.13 | 522.48 | 4,369.61 | 2,987.11 | 1,382.50 |
| 15. | 20 School Education | 57,820.90 | 5,230.85 | 63,051.75 | 61,081.24 | 1,970.51 |
| 16. | 21 Higher & Technical Education | 12,432.03 | 5,185.89 | 17,617.92 | 17,557.10 | 60.82 |
| 17. | 22 Sports & Youth Services | 3,581.03 | 141.70 | 3,722.73 | 3,648.37 | 74.36 |
| 18. | 23 Art and Culture | 822.44 | 93.23 | 915.67 | 858.79 | 56.88 |
| 19. | 24 Medical & Public Health Services | 18,276.86 | 3,961.42 | 22,238.28 | 22,026.35 | 211.93 |
| 20. | 25 Water Supply & Sanitation | 10,674.25 | 3,137.00 | 13,811.25 | 13,475.72 | 335.53 |
| 21. | 26 Information & Public Relation | 789.00 | 43.50 | 832.50 | 762.92 | 69.58 |
| 22. | 27 District Councils | 24,316.85 | 3,532.13 | 27,848.98 | 26,547.98 | 1301.00 |
| 23. | 28 Labour and Employment | 775.92 | 29.34 | 805.26 | 731.24 | 74.02 |
| 24. | 29 Social Welfare | 6,747.64 | 5,312.43 | 12,060.07 | 10,698.12 | 1,361.95 |
| 25. | 30 Disaster Management and Rehabilitation | 1,678.38 | 916.07 | 2,594.45 | 1,698.62 | 895.83 |
| 26. | 31 Agriculture | 19,963.58 | 5,617.59 | 25,581.17 | 24,111.19 | 1,469.98 |
| 27. | 32 Horticulture | 11,871.60 | 567.00 | 12,438.60 | 12,320.88 | 117.72 |
| 28. | 33 Soil and Water Conservation | 5,990.52 | 75.23 | 6,065.75 | 5,746.95 | 318.80 |
| 29. | 34 Animal Husbandry & Veterinary | 11,395.08 | 1,523.09 | 12,918.17 | 12,608.52 | 309.65 |
| 30. | 35 Fishery | 2,423.73 | 1,112.00 | 3,535.73 | 3,506.88 | 28.85 |
| 31. | 36 Environment & Forest | 9,625.85 | 952.75 | 10,578.60 | 8,217.81 | 2,360.79 |
| 32. | 37 Co-operation | 1,199.69 | 77.16 | 1,276.85 | 1,126.44 | 150.41 |
| 33. | 38 Rural Development | 8,308.73 | 555.73 | 8,864.46 | 7,620.33 | 1,244.13 |
| 34. | 39 Power | 27,546.44 | 3,099.78 | 30,646.22 | 30,120.39 | 525.83 |
| 35. | 40 Industries | 9,756.70 | 851.82 | 10,608.52 | 10,239.97 | 368.55 |
| 36. | 41 Sericulture | 2,446.55 | 180.00 | 2,626.55 | 2,595.08 | 31.47 |
| 37. | 42 Transport | 4,186.10 | 115.23 | 4,301.33 | 3,059.94 | 1,241.39 |
| 38. | 45 Public Works | 14,220.56 | 1291.20 | 15,511.76 | 15,363.50 | 148.26 |
| 39. | 46 Urban Development and Poverty Alleviation | 4,122.36 | 479.36 | 4,601.72 | 4,421.33 | 180.39 |
| 40. | 47 Minor Irrigation | 1,155.93 | 24.49 | 1,180.42 | 952.44 | 227.98 |
| Total for Revenue (Voted) | | 3,87,208.06 | 50,300.58 | 4,37,508.64 | 4,17,303.05 | 20,205.59 |

Appendix 2.5

Excessive/Inadequate supplementary provision (₹ 20 lakh and above)

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|------------------------------------|--|--------------------|------------------|--------------------|--------------------|------------------|
| B. Revenue(Charged) | | | | | | |
| 41. | 4 Law and Judicial | 489.15 | 10.54 | 499.69 | 426.61 | 73.08 |
| 42. | 10 Mizoram Public Service Commission | 430.00 | 32.00 | 462.00 | 417.58 | 44.42 |
| Total for Revenue (Charged) | | 919.15 | 42.54 | 961.69 | 844.19 | 117.50 |
| C. Capital (Voted) | | | | | | |
| 43. | 9 Finance | 2,475.00 | 90.00 | 2,565.00 | 2,487.21 | 77.79 |
| 44. | 16 Home | 2,466.00 | 2,079.96 | 4,545.96 | 2,510.47 | 2,035.49 |
| 45. | 25 Water Supply & Sanitation | 2,605.53 | 5,631.97 | 8,237.50 | 7,717.03 | 520.47 |
| 46. | 38 Rural Development | 4,432.00 | 436.63 | 4,868.63 | 4,813.57 | 55.06 |
| 47. | 39 Power | 6,143.24 | 2,782.38 | 8,925.62 | 7,255.13 | 1,670.49 |
| 48. | 45 Public Works | 43,130.19 | 8,494.67 | 51,624.86 | 20,584.44 | 31,040.42 |
| 49. | 46 Urban Development & Poverty Alleviation | 12,279.37 | 1,353.02 | 13,632.39 | 5,923.89 | 7,708.50 |
| Total for Capital (Voted) | | 73,531.33 | 20,868.63 | 94,399.96 | 51,291.74 | 43,108.22 |
| Grand Total | | 4,61,658.54 | 71,211.75 | 5,32,870.29 | 4,69,438.98 | 63,431.31 |

Appendix 2.6 Excessive/Inadequate/Insufficient re-appropriation of funds (₹ 10 lakh and above)

(Reference: Paragraph-2.3.8; Page-61)

(₹ in lakh)

| Sl. No. | Grant No. | Description | Major Head | Re-appropriation | Final Excess(+)/ Saving (-) |
|---------|-----------|---|------------|------------------|-----------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| | | Governor | | | |
| 1. | 2 | 03-103-01 Household Estt. of Governor (Charged) | 2012 | (-) 13.71 | (-)10.66 |
| | | Council of Ministers | | | |
| 2. | 3 | 090-18 Chief Minister's Secretariat | 2052 | (-) 35.36 | (-)83.26 |
| | | Law and Judicial | | | |
| | | 114-01 Legal Remembrances (voted) | | (+) 3.66 | (-)130.73 |
| | | 103-01 Special Courts (voted) | | (-) 39.21 | (+)20.89 |
| 3. | 4 | 114-05 Public Prosecutors (voted) | 2014 | (-) 6.94 | (-)10.83 |
| | | (05) 09 Turning of Judicial Officers (FC) | | (-) 4.32 | (-)12.10 |
| | | Land Revenue and Reforms | | | |
| 4. | 6 | 103-01 Maintenance of Land Records | 2029 | (-) 62.86 | (+)16.01 |
| | | 001-01 Direction (CSS) | | (-)32.60 | (-)13.33 |
| | | Finance | | | |
| 5. | 9 | 095-01 Direction | 2054 | (+)3.88 | (+)11.84 |
| | | Secretariat Administration | | | |
| 6. | 11 | 090-01 Secretariat Admn. Deptt. | 2052 | (-)549.37 | (+)94.53 |
| | | Home | | | |
| | | 101-04 Construction of Jails/FC | | (-)833.00 | (-)20.14 |
| 7. | 16 | 101-02 District Jails | 2056 | (-)2.62 | (-)27.74 |
| | | 001-01 Direction | | (-)2.84 | (+)56.24 |
| | | 107-03 Direction C.T.I | 2070 | (-) 79.11 | (-)14.82 |
| | | Food, Civil Supplies and Consumer Affairs | | (-)184.14 | (+)15.73 |
| 8. | 17 | 001-02 Admn. | 3456 | (-)78.33 | (+)20.60 |
| | | 001-01 Direction | | | |
| | | Printing and Stationery | | | |
| 9. | 18 | 101-01 Forms and Stationery | 2058 | (-)33.94 | (-)41.05 |
| | | Soil and Water Conservation | | | |
| 10. | 33 | 001-01 Direction | 2402 | (+)0.84 | (-)19.03 |
| | | 001-02 Admn. | | (+)0.15 | (+)19.26 |
| | | Rural Development | | | |
| 11. | 38 | 001-03 Block Level Admn. | 2515 | (-)6.47 | (-)40.87 |
| | | 01-101-01 Admn. of DRDA | 2501 | (-)0.54 | (-) 10.01 |
| | | Transport | | | |
| | | 001-02 Admn. | | (-)434.63 | (+)56.69 |
| 12. | 42 | 001-01 Direction | 3055 | (-)218.18 | (+)42.21 |
| | | 800-02 Booking Station | | (-)63.31 | (+) 11.64 |
| | | 101-01 Consumer Petrol Pump | 2057 | (-)23.85 | (+)12.25 |

Appendix 2.7 Results of review of substantial surrenders (more than 50 per cent of total provision) made during the year 2012-13

(Reference: Paragraph-2.3.9; Page-61)

(₹ in lakh)

| Sl. No. | Grant No. | Number and details of Grant/ Scheme | Total Provision | Amount of Surrender | Percentage of Surrender | Reasons/ Remarks |
|---------|-----------|--|-----------------|---------------------|-------------------------|--|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | | Law & Judicial | | | | |
| 1. | 4 | 2014-105-10 Family Courts Lunglei | 51.15 | 48.66 | 95.13 | Not Stated |
| | | 2014-09 Family Courts (voted) | 51.15 | 49.35 | 96.48 | Not Stated |
| 2. | 5 | Vigilance (Rev. Voted) 2070-104 (01) Direction | 100.00 | 74.24 | 74.24 | Not Stated |
| | | Land Revenue and Reforms | | | | |
| 3. | 6 | (Rev-Voted) 2029-001-01 Direction (CSS) | 45.93 | 32.60 | 70.98 | Non Finalisation of court cases on land disputes |
| | | Finance (Rev-Voted) | | | | |
| | | 2052-092-99 Capacity Development for FMU/FMC (SAL/TA-EAP) | 2,124.00 | 1,837.87 | 86.53 | Not Stated |
| 4. | 9 | 2054-800-04 Database for Government Employees and pension (FC) | 229.64 | 224.14 | 97.60 | Slow implementation of Database project by the Government |
| | | 2030-01-101-01 Judicial Stamp | 24.02 | 17.10 | 71.19 | Non-receipt of Bills for the cost of stamps from secretary Printing press, Hyderabad |
| | | Secretariat Administration | | | | |
| 5. | 11 | (Rev-Voted) 2052-090-01 Sectt. Admn. Dept. | 7,041.38 | 549.37 | 7.80 | Non receipt of claims, re-provision of fund |
| | | 2250-800-01 NRC for postal service | 50.00 | 50.00 | 100.00 | Non receipt of claims, re-provision of fund |
| | | Planning & Programme Implementation. | | | | |
| | | 3451-101-02 Evaluation and Monitoring | 651.51 | 410.44 | 63.00 | Re-provision of fund |
| 6. | 14 | 3451-101-03 Evaluation and Monitoring (ACA) | 1,762.72 | 1,762.72 | 100.00 | Not Stated |
| | | 3451-101-02 Evaluation & Monitoring | 651.51 | 410.44 | 63.00 | Re-provision of fund |
| | | 3451-01-001-02 Admn. (FC) | 120.00 | 120.00 | 100.00 | Not Stated |
| | | 3454-02--204-02 India Statistical strengthening project (ISSP) (SCA) | 41.00 | 24.00 | 58.54 | Not Stated |
| | | Home | | | | |
| 7. | 16 | 2056-101-04 Construction of Jails/ FC | 869.23 | 833.00 | 95.83 | Late receipt of fund |
| | | 2055-001-04 Repatriation/ Rehabilitation of Bru migrants | 787.06 | 787.06 | 100.00 | Revalidation of fund |
| | | 2055-101-05 DSB, Saiha | 162.27 | 94.06 | 57.97 | Not stated |
| | | Food, Civil Supplies and Consumer Affairs | | | | |
| 8. | 17 | 3475-106-01 Regulation of Weight and Measures (CSS) | 75.10 | 75.00 | 99.87 | Due to non-finalisation of work |
| | | Local Admn. Department | | | | |
| 9. | 19 | 2070-198-01 General basic grants to Rural LB (FC) | 2545.00 | 1357.00 | 53.32 | Not stated |
| | | Social Welfare (Rev-Voted) | | | | |
| | | 2235-02-800-01 Scheme under Article 275 (1) (ACA) | 1200.00 | 930.90 | 77.58 | Non transfer of fund to PWD and revalidation |
| 10. | 29 | 2235-800-02 Establishment of Eklavya Model Residential School at Lunglei (ACA) | 81.00 | 81.00 | 100.00 | Non receipt of sanction order from GoI |
| | | 2235-03-102-01 National family benefit schemes | 61.40 | 61.40 | 100.00 | Non receipt of sanction order from GoI |

Appendix 2.7 Results of review of substantial surrenders (more than 50 per cent of total provision) made during the year 2012-13

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|--------------|-----|---|------------------|------------------|--------------|---|
| 11. | 30 | Disaster Management and Rehabilitation 2245-80-103-04 National disaster response fund | 456.60 | 456.60 | 100.00 | Non-release of fund by GoI |
| 12. | 36 | Environment and Forest 2406-01-800-02 Maintenance of Forest (TFC) | 4280.00 | 2354.00 | 55.00 | Not stated |
| 13. | 37 | Co-operation 2425-101-01 Audit of co-operatives Incentive to IUD Registration (FC) | 41.30 | 21.12 | 51.14 | Non filling up of vacant post and normal saving |
| 14. | 38 | Rural Development 2501-05-101-02 Integrated water shed management programme | 500.00 | 355.00 | 71.00 | Less/non- receipt of central share |
| | | 2515-800-02 Incentive for UID registration (FC) | 24.00 | 24.00 | 100.00 | Not stated |
| 15. | 42 | Transport 3055-800-01 Railway out agency | 76.46 | 51.52 | 67.38 | Measure of economy in expenditure |
| | | Public Works 4235-01-800-01 Construction of Sainik School at Chhingchhip (NLCPR) | 1,985.97 | 1,419.00 | 71.45 | Non-receipt of expenditure sanction and revalidation |
| | | 5054-04-337-01 Construction of roads under EAP | 1,000.00 | 1,000.00 | 100.00 | Non-receipt/ misclassification of expenditure statement |
| | | 5054-800-01 Construction of road-ACA/CRF | 1,088.00 | 963.00 | 88.51 | Non-receipt/ misclassification of expenditure statement |
| 16. | 45 | 4216-01-700-04 Construction of Raj Bhawan complex (FC) | 750.00 | 750.00 | 100.00 | do |
| | | 5054-04-800-06 State matching share of NABARD loan (SCA) | 588.00 | 588.00 | 100.00 | do |
| | | 4202-03-800-02 Construction of Multi level parking and community centre | 509.12 | 509.12 | 100.00 | do |
| | | 4216-01-700-05 Construction of Addl. Secct. Building (FC) | 500.00 | 500.00 | 100.00 | do |
| | | 5053-60-101-04 Construction of Helipad in Mizoram | 103.27 | 103.27 | 100.00 | do |
| | | 4202-03-102-08 Construction of Playground at Khatla | 50.00 | 50.00 | 100.00 | do |
| 17. | 46 | Urban Development and Poverty Alleviation 4217-01-051-01 Construction (JNNURM ACA) | 8699.26 | 7087.39 | 81.47 | Not stated |
| | | 4217-01-051-04 Construction (JNNURM-Plan) | 1066.15 | 619.14 | 58.07 | Not stated |
| 18. | 47 | Minor Irrigation 2705-800-02 On farm development (AIBP) (ACA) | 150.00 | 150.00 | 100.00 | Non receipt of sanction from GoI |
| Total | | | 40,593.20 | 26,831.51 | 66.10 | |

Appendix 2.8 *Surrenders in excess of actual savings*

(Reference: Paragraph-2.3.10; Page-61)

(₹ in lakh)

| Sl. No. | Number and name of the grant/ appropriation | Total grant/ appropriation | Saving | Amount surrendered | Amount surrendered in excess |
|--------------------------|--|----------------------------|------------------|--------------------|------------------------------|
| Revenue (Voted) | | | | | |
| 1. | 6- Land Revenue and Reform | 2,315.78 | 321.11 | 378.36 | 57.25 |
| 2. | 8- Taxation | 1,388.07 | 94.61 | 97.09 | 2.48 |
| 3. | 11- Secretariat Administration Department | 7,309.06 | 529.42 | 623.11 | 93.69 |
| 4. | 14- Planning & Programme Implementation Department | 7,256.55 | 2,940.12 | 2,979.59 | 39.47 |
| 5. | 16- Home | 44,305.12 | 2,951.17 | 2,967.59 | 16.42 |
| 6. | 17- Food, Civil Supplies and Consumer affairs | 6,373.77 | 652.39 | 701.09 | 48.70 |
| 7. | 19- Local Administration Department | 4,369.61 | 1,382.50 | 1,389.41 | 6.91 |
| 8. | 20- School Education | 63,051.75 | 1,970.51 | 2,275.75 | 305.24 |
| 9. | 21- Higher and Technical Education | 17,617.92 | 60.82 | 165.70 | 104.88 |
| 10. | 24- Medical and Public Health Services | 22,238.28 | 211.93 | 879.56 | 667.63 |
| 11. | 28- Labour and Employment | 805.26 | 74.02 | 86.01 | 11.99 |
| 12. | 29- Social Welfare | 12,060.07 | 1,361.95 | 1,391.11 | 29.16 |
| 13. | 33- Soil and Water Conservation | 6,065.75 | 318.80 | 318.97 | 0.17 |
| 14. | 41- Sericulture | 2,626.55 | 31.47 | 43.22 | 11.75 |
| 15. | 42- Transport | 4,301.33 | 1,241.39 | 1,429.53 | 188.14 |
| 16. | 45- Public Works | 15,511.76 | 148.26 | 278.91 | 130.65 |
| 17. | 48- Information and Communication Technology | 847.24 | 2.54 | 2.90 | 0.36 |
| Revenue (Charged) | | | | | |
| 18. | 10- Mizoram Public Service Commission | 462.00 | 44.42 | 45.01 | 0.59 |
| Capital (Voted) | | | | | |
| 19. | 25- Water Supply and Sanitation | 8,237.50 | 520.47 | 520.96 | 0.49 |
| Grand Total | | 2,27,143.37 | 14,857.90 | 16,573.87 | 1,715.97 |

Appendix 2.9 Unexplained surrender of more than ₹ 10 lakh

(Reference: Paragraph-2.3.10; Page-62)

(₹ in lakh)

| Sl. No. | Grant No. | Grant Name and Major Head | Total Grant | Expenditure | Amount Surrendered | Reasons |
|---------|-----------|--|-------------|-------------|--------------------|------------|
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1. | 2 | Governor 2012-03-103-01 Household Estt. of Governor(Charged) | 159.84 | 149.18 | 13.71 | Not Stated |
| 2. | 3 | Council of Ministers 2052-090-18 Chief Minister's secretariat | 155.44 | 72.18 | 35.36 | Not Stated |
| 3. | 4 | Law and Judicial 2014-105-10 Family Courts Lunglei | 2.49 | | 48.66 | Not Stated |
| | | 2014-105-09 Family Courts (Voted) | 1.80 | 3.66 | 49.35 | Not Stated |
| | | 2014-105-03 Administration/ Saiha (Voted) | 54.49 | 55.02 | 27.46 | Not Stated |
| | | 2014-105-05 District Judge, Kolasib (Voted) | 50.85 | 51.37 | 24.35 | Not Stated |
| | | 2014-105-06 District Judge, Serchhip (Voted) | 23.50 | 23.50 | 23.18 | Not Stated |
| | | 2014-105-07 District Judge, Mamit (Voted) | 23.62 | 24.81 | 22.08 | |
| | | 2014-105-04 District Judge, Champhai (Voted) | 63.17 | 62.38 | 17.53 | Not Stated |
| 4. | 5 | Vigilance 2070-104-01 Direction | 25.76 | 25.71 | 74.24 | Not Stated |
| 5. | 8 | Taxation 2040-001-01 Direction (CSS) | 281.40 | 281.40 | 20.39 | Not Stated |
| 6. | 9 | Finance 2052-092-99 Capacity Development for FMU/FMC (SAL/TA-EAP) | 286.13 | 286.13 | 1837.87 | Not Stated |
| | | 2054-095-02 District Treasury | 829.99 | 826.62 | 42.26 | Not Stated |

Appendix 2.9 Unexplained surrender of more than ₹ 10 lakh

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|--------------|-----|---|------------------|------------------|------------------|------------|
| | | Planning and Programme Implementation | | | | |
| | | 3451-101-03 Evaluation and Monitoring (ACA) | 0.00 | 0.00 | 1,762.72 | Not Stated |
| 7. | 14 | 3454-01-001-02 Admn. (FC) | 0.00 | 0.00 | 120.00 | Not Stated |
| | | 3451-101-01 Plan Formulation | 257.94 | 265.14 | 98.26 | Not Stated |
| | | 3454-01-001-01 Direction (FC) | 160.00 | 160.00 | 40.00 | Not Stated |
| | | 3454-02-204-02 India Statistical Strengthening project (ISSP) (SCA) | 17.00 | 17.00 | 24.00 | Not Stated |
| | | Home | | | | |
| | | 2055-104-02 2nd Battalion MAP | 2,547.95 | 2,547.95 | 61.22 | Not Stated |
| 8. | 16 | 2055-101-03 DSB, Aizawl | 235.00 | 235.01 | 25.67 | Not Stated |
| | | 2055-116-01 Forensic Science Laboratory | 147.27 | 147.13 | 13.56 | Not Stated |
| | | Local Administration | | | | |
| 9. | 19 | 2070-198-01 General Basic Grants to Rural Local Bodies (FC) | 1,188.00 | 1,188.00 | 1,357.00 | Not Stated |
| | | 2070-800-01 Direction | 110.60 | 110.60 | 20.04 | Not Stated |
| | | Environment and Forest | | | | |
| 10. | 36 | 2406-01-800-02 Maintenance of forest (TFC) | 1,926.00 | 1,926.00 | 2,354.00 | Not Stated |
| | | Rural Development | | | | |
| 11. | 38 | 2515-800-02 Incentive for UID Registration (FC) | 0.00 | 0.00 | 24.00 | Not Stated |
| | | Transport 3055-001-02 Admn. | 769.68 | 826.37 | 434.63 | Not Stated |
| | | 3055-001-03 General Admn. | 503.30 | 499.90 | 357.87 | Not Stated |
| 12. | 42 | 3055-800-02 Booking Station | 86.61 | 98.25 | 63.31 | Not Stated |
| | | 2057-101-01 Consumer Petrol Pump | 66.57 | 78.82 | 23.85 | Not Stated |
| | | Urban Development & Poverty Alleviation | | | | |
| 13. | 46 | 4217-01-051-01 Construction (JNNURM ACA) | 1,611.87 | 1,611.87 | 7,087.39 | Not Stated |
| | | 4217-01-051-04 Construction (JNNURM-Plan) | 447.01 | 447.01 | 619.14 | Not Stated |
| Total | | | 12,033.28 | 12,021.01 | 16,723.10 | |

Appendix Details of savings not surrendered

2.10

(Reference: Paragraph-2.3.11; Page-62)

(₹ in lakh)

| Sl. No. | Number and Name of Grants/Appropriation | Saving | Surrender | Saving which remained to be surrendered |
|--------------------------|---|------------------|------------------|---|
| Revenue (Voted) | | | | |
| 1. | 1- Legislative Assembly | 51.03 | 51.02 | 0.01 |
| 2. | 3- Council of Ministers | 152.70 | 70.11 | 82.59 |
| 3. | 4- Law and Judicial | 360.37 | 225.82 | 134.55 |
| 4. | 5- Vigilance | 33.82 | 33.49 | 0.33 |
| 5. | 7- Excise and Narcotics | 91.46 | 89.87 | 1.59 |
| 6. | 9- Finance | 5,056.38 | 2,126.58 | 2,929.80 |
| 7. | 13- Personnel and Administrative Reforms | 17.44 | 16.84 | 0.60 |
| 8. | 15- General Administration Department | 293.23 | 276.05 | 17.18 |
| 9. | 18- Printing and Stationery | 304.85 | 263.79 | 41.06 |
| 10. | 22- Sports & Youth Services | 74.36 | 67.33 | 7.03 |
| 11. | 23- Arts & culture | 56.88 | 56.70 | 0.18 |
| 12. | 25- Water Supply & Sanitation | 335.53 | 200.00 | 135.53 |
| 13. | 26- Information and Public Relations | 69.58 | 0.49 | 69.09 |
| 14. | 27- District Councils | 1,301.00 | 0.00 | 1,301.00 |
| 15. | 31- Agriculture | 1,469.98 | 1,469.83 | 0.15 |
| 16. | 32- Horticulture | 117.72 | 117.00 | 0.72 |
| 17. | 34- Animal Husbandry and Veterinary | 309.65 | 153.35 | 156.30 |
| 18. | 35- Fisheries | 28.85 | 28.16 | 0.69 |
| 19. | 36- Environment and Forest | 2,360.79 | 2,355.66 | 5.13 |
| 20. | 37- Co-operation | 150.41 | 149.45 | 0.96 |
| 21. | 38- Rural Development | 1,244.13 | 1,187.16 | 56.97 |
| 22. | 39- Power | 525.83 | 518.69 | 7.14 |
| 23. | 40- Industries | 368.55 | 256.70 | 111.85 |
| 24. | 43- Tourism | 10.55 | 9.93 | 0.62 |
| 25. | 44- Trade and Commerce | 8.00 | 7.96 | 0.04 |
| 26. | 46- Urban Development & Poverty Alleviation | 180.39 | 160.86 | 19.53 |
| 27. | 47- Minor Irrigation | 227.98 | 227.48 | 0.50 |
| Revenue (Charged) | | | | |
| 28. | 2- Governor | 24.87 | 24.86 | 0.01 |
| 29. | 4- Law & Judicial | 73.08 | 71.72 | 1.36 |
| 30. | Public Debt | 3,978.54 | 0.00 | 3,978.54 |
| Capital (Voted) | | | | |
| 31. | 4- Law and Judicial | 185.00 | 0.00 | 185.00 |
| 32. | 9- Finance | 77.79 | 33.00 | 44.79 |
| 33. | 16- Home | 2,035.49 | 0.00 | 2,035.49 |
| 34. | 17- Food, Civil Supplies and Consumer Affairs | 0.56 | 0.46 | 0.10 |
| 35. | 21- Higher and Technical Education | 3.46 | 0.00 | 3.46 |
| 36. | 34- Animal Husbandry and Veterinary | 44.44 | 0.00 | 44.44 |
| 37. | 38- Rural Development | 55.06 | 55.00 | 0.06 |
| 38. | 39- Power | 1,670.49 | 0.06 | 1,670.43 |
| 39. | 43- Tourism | 137.62 | 0.00 | 137.62 |
| 40. | 45- Public Works | 31,040.42 | 30,620.78 | 419.64 |
| Capital (Charged) | | | | |
| 41. | Public Debt | 2,853.66 | 0.00 | 2,853.66 |
| Total | | 57,381.94 | 40,926.20 | 16,455.74 |

Appendix *Rush of Expenditure*

2.11

(Reference: Paragraph-2.3.12; Page-63)

(₹ in crore)

| Sl. No. | Grant Number | Head of Accounts | Major Head | Total expenditure during the year | Expenditure during March 2013 ¹ | |
|---------|--------------|--|------------|-----------------------------------|--|---------------------------------|
| | | | | | Amount | Percentage of total expenditure |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| 1. | 9 | Stamps and Registration | 2030 | 0.14 | 0.04 | 28.57 |
| | | Capital outlay on other Fiscal Services | 4047 | 0.90 | 0.90 | 100.00 |
| 2. | 14 | Other Scientific Research | 3425 | 2.89 | 1.34 | 46.37 |
| | | Secretariat-Economic Services | 3451 | 11.45 | 4.02 | 35.11 |
| 3. | 15 | Secretariat-General Services | 2052 | 1.20 | 0.50 | 41.67 |
| | | Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes | 2225 | 0.10 | 0.10 | 100.00 |
| | | Civil Aviation | 3053 | 2.68 | 1.54 | 57.46 |
| | | Social Security and Welfare | 2235 | 3.09 | 0.84 | 27.18 |
| 4. | 16 | Capital Outlay on Police | 4055 | 5.25 | 5.25 | 100.00 |
| | | Other Administrative Services | 2070 | 23.63 | 16.47 | 69.70 |
| | | Urban Development | 2217 | 4.69 | 1.79 | 38.17 |
| 5. | 19 | Other Rural Development Programmes | 2515 | 0.16 | 0.05 | 31.25 |
| | | Loans for Housing | 6216 | 4.00 | 4.00 | 100.00 |
| 6. | 21 | Capital Outlay on Education, Sports, Art and Culture | 4202 | 0.77 | 0.77 | 100.00 |
| | | Sports and Youth Services | 2204 | 36.48 | 24.12 | 66.12 |
| 7. | 22 | Capital Outlay on Education, Sports, Art and Culture | 4202 | 2.21 | 2.21 | 100.00 |
| 8. | 23 | Art and Culture | 2205 | 8.59 | 2.44 | 28.41 |
| 9. | 24 | Family Welfare | 2211 | 33.67 | 9.05 | 26.88 |
| | | Capital Outlay on Medical and Public Health | 4210 | 1.00 | 1.00 | 100.00 |
| 10. | 25 | Capital Outlay on Water Supply and Sanitation | 4215 | 57.75 | 48.92 | 84.71 |
| | | Capital Outlay on Urban Development | 4217 | 19.42 | 11.11 | 57.21 |
| 11. | 29 | Social Security and Welfare | 2235 | 69.63 | 29.27 | 42.04 |
| | | Nutrition | 2236 | 37.35 | 23.78 | 63.67 |
| | | Capital Outlay on Social Security and Welfare | 4235 | 3.05 | 3.05 | 100.00 |
| 13. | 30 | Relief on account of Natural Calamities | 2245 | 15.28 | 9.30 | 60.86 |
| 14. | 31 | Crop Husbandry | 2401 | 225.07 | 184.83 | 82.12 |
| | | Agriculture Research and Education | 2415 | 16.04 | 6.87 | 42.83 |
| 15. | 32 | Crop Husbandry | 2401 | 123.21 | 103.89 | 84.32 |
| 16. | 33 | Soil and Water Conservation | 2402 | 57.47 | 21.79 | 37.92 |

Appendix *Rush of Expenditure*

2.11

| (1) | (2) | (3) | (4) | (5) | (6) | (7) |
|--------------|-------------|--|------|-----------------|-----------------|--------|
| 17. | 34 | Animal Husbandry | 2403 | 124.34 | 64.73 | 52.06 |
| | | Capital Outlay on Animal Husbandry | 4403 | 5.13 | 5.10 | 99.42 |
| 18. | 35 | Fisheries | 2405 | 35.07 | 16.28 | 46.42 |
| 19. | 36 | Forestry and Wildlife | 2406 | 82.10 | 22.43 | 27.32 |
| | | Ecology and Environment | 3435 | 0.08 | 0.08 | 100.00 |
| 20. | 37 | Capital Outlay on Co-operation | 4425 | 0.29 | 0.09 | 31.03 |
| | | Loans for Co-operation | 6425 | 0.57 | 0.21 | 36.84 |
| | | Special Programmes for Rural Development | 2501 | 9.23 | 3.34 | 36.19 |
| | | Rural Employment | 2505 | 28.22 | 15.64 | 55.42 |
| 21. | 38 | Other Special Areas Programmes | 2575 | 19.57 | 8.83 | 45.12 |
| | | Other Rural Development Programmes | 4515 | 6.99 | 6.89 | 98.57 |
| | | Other Special Areas Programmes | 4575 | 41.15 | 33.10 | 80.44 |
| 22. | 39 | Non-conventional sources of Energy | 2810 | 0.40 | 0.40 | 100.00 |
| | | Power Projects | 4801 | 75.55 | 37.09 | 49.09 |
| 23. | 40 | Village and Small Industries | 2851 | 97.63 | 39.90 | 40.87 |
| 24. | 42 | Inland Water Transport | 3056 | 0.05 | 0.05 | 100.00 |
| | | Housing | 2216 | 5.92 | 1.51 | 25.51 |
| | | Medium Irrigation | 2701 | 0.02 | 0.02 | 100.00 |
| | | Police | 4055 | 4.88 | 4.88 | 100.00 |
| | | Public Works | 4059 | 25.95 | 25.70 | 99.04 |
| | | Other Administrative Services | 4070 | 5.77 | 5.77 | 100.00 |
| | | Education, Sports, Arts and Culture | 4202 | 5.74 | 3.90 | 67.94 |
| | | Housing | 4216 | 17.77 | 16.36 | 92.07 |
| 25. | 45 | Urban Development | 4217 | 29.95 | 24.01 | 80.17 |
| | | Social Security and Welfare | 4235 | 5.66 | 5.66 | 100.00 |
| | | Animal Husbandry | 4403 | 1.48 | 1.28 | 86.49 |
| | | Fisheries | 4405 | 0.25 | 0.25 | 100.00 |
| | | Food Storage and Warehousing | 4408 | 5.96 | 5.96 | 100.00 |
| | | Civil Aviation | 5053 | 2.52 | 1.27 | 50.40 |
| | | Roads and Bridges | 5054 | 98.53 | 80.78 | 81.99 |
| | | Tourism | 5452 | 1.38 | 1.38 | 100.00 |
| 26. | 46 | Urban Development | 2217 | 42.19 | 15.56 | 36.88 |
| | | Urban Development | 4217 | 59.24 | 39.78 | 67.15 |
| 27. | 47 | Command Area Development | 2705 | 0.23 | 0.10 | 43.48 |
| 28. | 48 | Other Communication Services | 3275 | 8.45 | 4.02 | 47.57 |
| 29. | Public Debt | Appropriation for Reduction or Avoidance of Debt | 2048 | 19.40 | 19.40 | 100.00 |
| | | Interest Payment | 2049 | 2.88 | 1.33 | 46.18 |
| | | Internal Debt | 6003 | 2.67 | 2.46 | 92.13 |
| Total | | | | 1,640.38 | 1,034.78 | |

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

GLOSSARY OF ABBREVIATIONS

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

GLOSSARY OF ABBREVIATIONS

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