

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

on

State Finances

for the year ended 31 March 2015

GOVERNMENT OF MIZORAM

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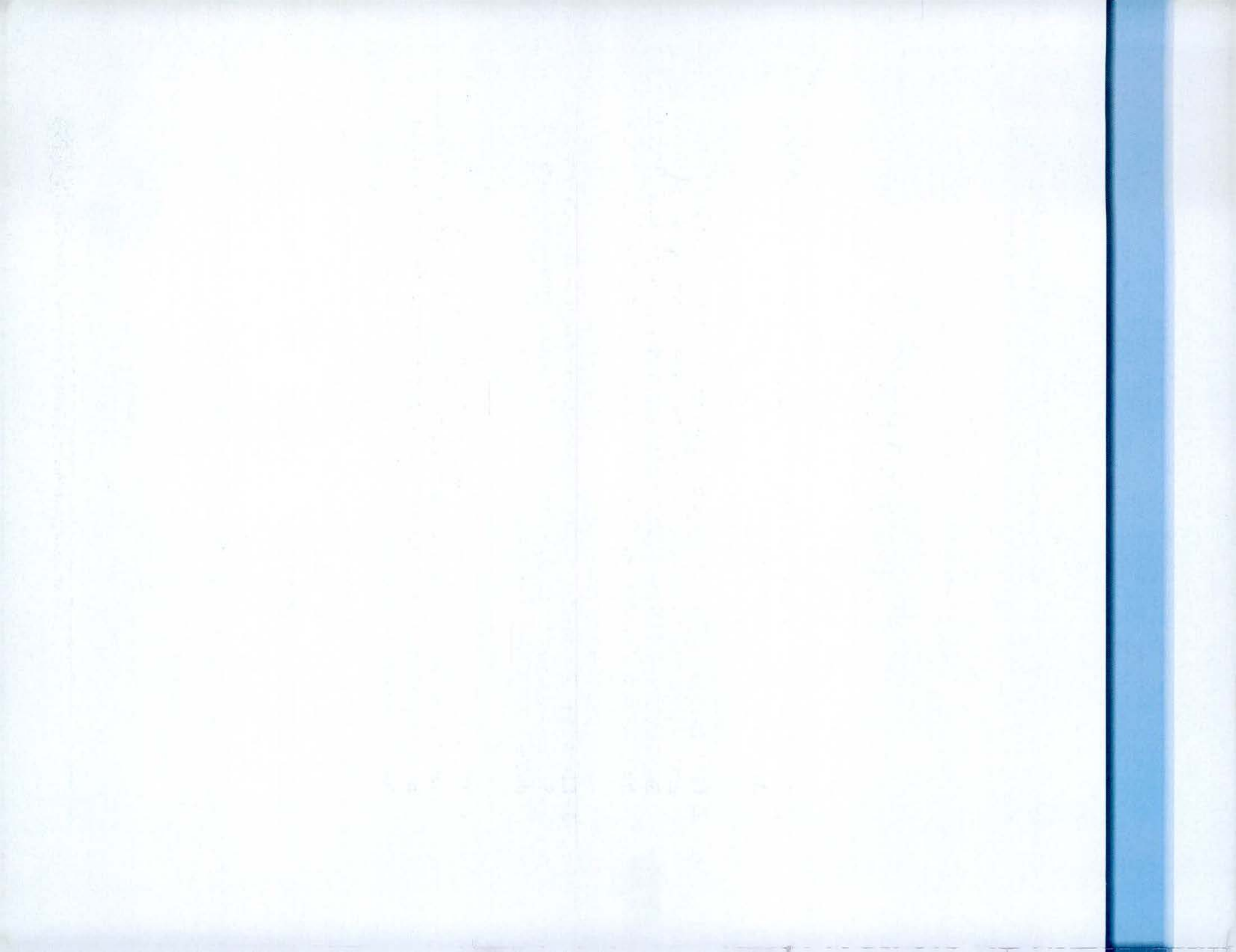
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PREFACE

1. This Report has been prepared for submission to the Governor of Mizoram under Article 151 of the Constitution.
2. Chapters-I and II of the Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2015. Information has been obtained from Government of Mizoram wherever necessary.
3. 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.
4. The Report containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on 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 2014-15. 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/programme 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 2014-15 and projections made by Thirteenth Finance Commission.

The Report

Based on the audited accounts of the Government of Mizoram for the year ending March 2015, 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 2015. 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 ₹ 746.25 crore (15.66 percent) over the previous year mainly due to increase in Grants-in-Aid (₹ 609.22 crore). The revenue receipt (₹ 5,511.10 crore) was lower by ₹ 368.37 crore (6.27 per cent) than the assessment of the State Government in its Fiscal Correction Path (FCP) (₹ 5,879.47 crore).

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Revenue Expenditure and Capital Expenditure

Revenue Expenditure increased by ₹ 735.46 crore (14.96 per cent) while **Capital Expenditure** increased by ₹ 328.11 crore (54.74 per cent) over the previous year. Revenue expenditure was lower by ₹ 111.97 crore (1.94 per cent) over the assessment made by the State Government in its FCP (₹ 5,764.41 crore) while, capital expenditure was higher by ₹ 213.23 crore (29.85 per cent) over the projection made by the State Government in its FCP (₹ 714.28 crore).

Total Expenditure of the State increased progressively from ₹ 3,900.82 crore in 2010-11 to ₹ 6,582.38 crore in 2014-15 at an annual average rate of 13.75 per cent and increased by 18.66 per cent from ₹ 5,547.09 crore in 2013-14 to ₹ 6,582.38 crore in 2014-15. Of the total expenditure during 2014-15, the revenue expenditure (₹ 5,652.44 crore) constituted 85.87 per cent while capital expenditure (₹ 927.51 crore) constituted 14.09 per cent and loans and advances (₹ 2.43 crore) constituted 0.04 per cent.

During 2014-15, while the share of plan expenditure of ₹ 2,945.51 crore constituted 44.75 per cent of the total expenditure, the remaining 55.25 per cent (₹ 3,636.87 crore) was non-plan expenditure. Moreover, out of the increase of ₹ 1,035.29 crore in total expenditure in 2014-15, plan expenditure constituted 61.13 per cent (₹ 632.92 crore) while non-plan expenditure contributed 38.87 per cent (₹ 402.37 crore).

Fiscal liabilities

The overall fiscal liabilities of the State increased at an average annual rate of 9.13 per cent during the period 2010-15. During the current year, the overall fiscal liabilities of the State Government increased by ₹ 936.92 crore (16.69 per cent) from ₹ 5,613.47 crore in 2013-14 to ₹ 6,550.39 crore in 2014-15. The increase in fiscal liabilities was mainly due to increase in the Public Account liabilities by ₹ 743.08 crore and Internal Debt by ₹ 208.11 crore, offset by a decrease in Loans and Advances by ₹ 14.27 crore. **The ratio of fiscal liabilities to GSDP has decreased from 54.52 per cent in 2013-14 to 52.41 per cent in 2014-15 however, the ratio of fiscal liabilities to revenue receipts increased from 117.71 per cent in 2013-14 to 118.86 per cent in 2014-15 and with respect to Own resources it decreased from 1,322.63 per cent in 2013-14 to 1,288.23 per cent in 2014-15.**

Against the target of 74.80 per cent for the current year, the outstanding fiscal liabilities of the State at the end of the year 2014-15 stood at 52.41 per cent of GSDP.

Investment and Returns

As of 31 March 2015, Government had invested ₹ 25.19 crore in Government Companies and Co-operative Bank, Societies, etc. out of which an amount of ₹ 6.04 crore was invested in Government Companies and ₹ 19.15 crore was invested in Co-operative Bank, Societies,

EXECUTIVE SUMMARY

etc. During the current year, the State Government invested ₹ 1.12 crore in Government Companies and ₹ 1.80 crore in Consumer Co-operatives. No dividend was received during 2014-15. ***The 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 6.08 per cent on its borrowings during 2010-15.***

Debt sustainability

Widening of the resource gap from a ₹ (-) 168.63 crore during 2013-14 to ₹ (-) 290.53 crore during 2014-15 indicates depreciating capacity of the State to sustain the debt from the non-debt receipts in the medium to long run. This also means the State has to depend on borrowed funds for meeting current revenue and capital expenditure.

Fiscal Imbalances

Due to increase of ₹ 1,035.29 crore in total expenditure in 2014-15 over the previous year, the position of both fiscal deficit and primary deficit also adversely deteriorated. While fiscal deficit increased by ₹ 290.52 crore, primary deficit had increased by ₹ 269.19 crore over the previous year.

Financial Management and Budgetary Control: The estimates of receipts and expenditure under Consolidated Fund, Contingency Fund and Public Account were prepared without observing due diligence in regarding prescribed budgetary regulations.

Absence 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-utilisations of budget provisions and persistent savings *etc.* were noticed.

During 2014-15, an expenditure of ₹ 7,868.97 crore was incurred against the total grants and appropriations of ₹ 9,106.55 crore, resulting in savings of ₹ 1,237.53 crore. The overall savings of ₹ 1,237.53 crore was the net result of savings of ₹ 1,361.56 crore which was offset by excess of ₹ 124.03 crore. Out of the total unspent provisions/savings of ₹ 1,237.53 crore, an amount of ₹ 1,104.42 crore (89.24 *per cent* of the total unspent provision) was surrendered by 31 March. The excess requires regularisation under Article 205 of the Constitution of India. Moreover, it was noticed that at the close of the financial year 2014-15, there were six grants/appropriations in which savings of ₹ 120.32 crore (8.84 *per cent* of the total savings) occurred but no part of it was surrendered by the concerned Departments.

Out of the total provision amounting to ₹ 782.01 crore in 51 schemes/works, an amount of ₹ 676.72 crore was surrendered which included 100 *per cent* surrender in 18 schemes/works amounting to ₹ 382.98 crore.

EXECUTIVE SUMMARY

In 14 cases, as against savings of ₹ 229.55 crore, an amount of ₹ 257.81 crore was surrendered resulting in excess surrender of ₹ 28.26 crore. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh and above in 45 sub-heads also.

Financial Reporting: At the end of March 2015, an amount of ₹ 3,150.66 crore remained outstanding for want of 4,877 number of Utilisation Certificates. In spite of repeated comments about the arrears in preparation of accounts of two Commercial Undertakings by the Comptroller and Auditor General of India in previous State reports, no improvement has been reported by the undertakings. In the absence of timely finalisation of accounts, the investment of the Government remained outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any, needed for ensuring accountability could not be taken in time.

Recommendations

Revenue Receipts: *The State Government should mobilise additional resources both through tax and non-tax sources by expanding the tax base and rationalising 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 marginal improvement achieved in revenue deficit and drastic deterioration 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 limits 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: *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.*

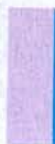
EXECUTIVE SUMMARY

Government Investments: *A performance-based system of accountability should be put in place in the Government Companies/Statutory Corporations so as to ensure profitability and improve efficiency in service. The Government should have a re-look on the re-structuring of the loss-making Companies so as to curb the increasing debt burden of the Government.*

Financial Management and Budgetary control: *Government should put in place an effective mechanism to ensure financial discipline and prepare a 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. 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 drawing of the amount.

Financial Reporting: *Finance Department should ensure strict compliance of codal provisions as well as its own instructions to comply with 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 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 of Mizoram is located in the north-east of India. It is the 25th largest State in terms of geographical area (21,081 sq.km.) and the 2nd least populated State in the country. 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 (20.40 per cent) than the all-India average (21.92 per cent)¹. The State's Gross State Domestic Product (GSDP) in 2014-15 at current prices was ₹ 12,498.69 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: Directorate of Economics & Statistics, Mizoram*) stands at ₹ 90,015.00 during 2014-15. General data relating to the State is given in **Appendix-1.1**.

Gross State Domestic Product

Gross State Domestic Product (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 the State GSDP 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	2010-11	2011-12	2012-13	2013-14	2014-15
India's GDP (₹ in crore)	72,48,860	83,91,691	93,88,876	1,04,72,807	1,15,09,810*
Growth rate of GDP (percentage)	18.66	15.77	11.88	11.54	-
State's GSDP (₹ in crore)	6,387.88	6,889.75	8,362.92	10,296.98	12,498.69
Growth rate of GSDP (percentage)	21.45	7.86	21.38	23.13	21.38

Annual growth rate of GDP and GSDP at current prices

* Excluding three states namely Goa, A&N Islands and Chandigarh

Source: Central Statistics Office, Ministry of Statistics and Programme Implementation Directorate of Economics and Statistics, Government of Mizoram

GSDP at current prices during the year 2014-15 was ₹ 12,498.69 crore (Projected Figure) (**Appendix-1.1 Part-D**). GSDP of the State registered marginally lower growth of 21.38 per cent in 2014-15 as against a growth of 23.13 per cent in 2013-14.

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

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

of the State Government consist of Finance Accounts and Appropriation Accounts. The Finance Accounts of the Government of Mizoram are laid out in twenty-two 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 2014-15

Table-1.2 presents a summary of the State Government's fiscal transactions during the current year (2014-15) *vis-à-vis* the previous year (2013-14), 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 transactions in 2014-15

(₹ in crore)

Receipts	2013-14	2014-15	Disbursements	2013-14	2014-15		
					Non-Plan	Plan	Total
Section-A: Revenue							
Revenue Receipts	4,764.85	5,511.10	Revenue Expenditure	4,916.98	3,500.62	2,151.82	5,652.44
Tax Revenue	229.78	266.52	General Services	1,686.62	1,704.40	45.25	1,749.65
Non-Tax Revenue	194.26	241.96	Social Services	1,823.64	1,034.81	1,126.12	2,160.93
Share of Union Taxes/Duties	858.08	910.67	Economic Services	1,406.72	761.41	980.45	1,741.86
Grants from Government of India	3,482.73	4,091.95	Grants-in-Aid and Contributions	---	---	---	---
Section-B: Capital							
Misc. Capital Receipts	---	---	Capital Outlay	599.40	136.25	791.26	927.51
Recoveries of Loans and Advances	33.11	31.63	Loans and Advances disbursed	30.71	---	---	2.43
Public Debt Receipts	955.24	1,383.08	Repayment of Public Debt	956.66	---	---	1,189.24
Contingency Fund	---	---	Contingency Fund	---	---	---	---
Public Account Receipts	3,435.47	3,692.99	Public Account Disbursement	2,677.93	---	---	2,834.48
Opening Cash Balance	(-) 259.02	(-) 252.03	Closing Cash Balance	(-) 252.03	---	---	(-) 239.33
Total	8,929.65	10,366.77	Total	8,929.65			10,366.77

Source: Finance Accounts for the years 2013-14 and 2014-15

The following are the significant changes during 2014-15 over the previous year:

- **Revenue receipts** increased by ₹ 746.25 crore (15.66 *per cent*) over the previous year mainly due to increase in Grants-in-Aid (₹ 609.22 crore). The revenue receipts (₹ 5,511.10 crore) was lower by ₹ 368.37 crore (6.27 *per cent*) than the assessment of the State Government in its Fiscal Correction Path (FCP) (₹ 5,879.47 crore).
- **Revenue expenditure** increased by ₹ 735.46 crore (14.96 *per cent*) while **capital expenditure** increased by ₹ 328.11 crore (54.74 *per cent*) over the previous year. Revenue expenditure was lower by ₹ 111.97 crore (1.94 *per cent*) over the assessment made by the State Government in its FCP (₹ 5,764.41 crore) while, capital expenditure was higher by ₹ 213.23 crore (29.85 *per cent*) over the projection made by the State Government in its FCP (₹ 714.28 crore).
- **Disbursement of loans and advances** decreased by ₹ 28.28 crore (92.09 *per cent*) and **recoveries** of the same also decreased by ₹ 1.48 crore (4.47 *per cent*) over the previous year.
- **Public Debt receipts** increased by ₹ 427.84 crore (44.79 *per cent*) and **repayments** also increased by ₹ 232.58 crore (24.31 *per cent*) over the previous year.
- **Public Account receipts** increased by ₹ 257.52 crore (7.50 *per cent*) and **disbursements** also increased by ₹ 156.55 crore (5.85 *per cent*) over the previous year.
- **Cash balance** of the State changed by ₹ 12.70 crore (5.04 *per cent*) over the previous year. The investments from cash balances decreased by ₹ 83.24 crore from ₹ 265.33 crore in 2013-14 to ₹ 182.09 crore in 2014-15.

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 Thirteenth Finance Commission (XIII FC), MZFRBM Act, 2006 has been amended from time to time as given below:

- (1) The Second Amendment Act, 2010 (Act No. 13 of 2010) dated 19 October 2010, sub-Section (2) of Section 6 of the Principal Act envisages reducing fiscal deficit to three *per cent* of the estimated Gross State Domestic Product by 2014-15. Further sub-Section (4) of Section 6 of the principal Act also envisages to 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) The Third Amendment Act, 2011 (Act No. 4 of 2011) dated 29 March 2011 sub-Section (5) of Section 6 of the Principal Act envisages to 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 2014-15 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 2014-15

(₹ in crore)

Fiscal variables	2014-15				
	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 XIII FC award period	Maintain revenue surplus throughout XIII FC award period	(+) 115.06	(+) 115.06	(-) 141.34
Fiscal Deficit/ GSDP (per cent)	Three per cent of GSDP by 2014-15	Three per cent of GSDP in 2014-15	5.98 per cent of GSDP	5.98 per cent of GSDP	8.32 per cent of GSDP
State's Outstanding Liabilities	Reduce total outstanding debt at a percentage of GSDP so as to reach the annual target of 74.80 per cent by 2014-15	Reduce total outstanding debt at a percentage of GSDP so as to reach the annual target of 74.80 per cent in 2014-15	5,651.27 (57.64 per cent of GSDP)	5,651.27 (57.64 per cent of GSDP)	6,550.39 (52.41 per cent of GSDP)

The State failed to maintain revenue surplus as per the target set in the FRBM Act. Against the target of ₹ 115.06 crore revenue surplus set in FC Pand MTFPS, there was a revenue deficit of ₹ 141.34 crore in the current year. **The State Government needs to achieve the revenue surplus position.**

The fiscal deficit during the current year could not be kept within the limit set in the XIII FC for Mizoram. The fiscal deficit in 2014-15 was ₹ 1,039.65 crore which was ₹ 452.98 crore higher than the assessment made in the FCP and MTFPS (₹ 586.67 crore) and the fiscal deficit increased by ₹ 290.52 crore during 2014-15 in comparison to 2013-14. The increase in fiscal deficit in the current year was mainly due to increase in revenue expenditure by ₹ 735.46 crore and increase in the capital expenditure by ₹ 328.11 crore over the previous year set off partially by increase in Revenue Receipt by ₹ 746.25 crore, which was mainly due to increase in Grants-in-Aid (₹ 609.22 crore). The Government needs to make efforts of increasing the revenue receipt without relying on the devolution of funds from the Central Government and also reduce non-plan revenue expenditure so as to confine the fiscal deficit to the target set for the State.

While the State's outstanding liabilities (₹ 6,550.39 crore) in 2014-15 were within the prescribed limit of 74.80 *per cent* of GSDP as per MZFRBM Act, these were more than the assessment of ₹ 5,651.27 crore made in FCP by ₹ 899.12 crore (15.91 *per cent*). The State's outstanding liabilities increased by ₹ 936.92 crore (16.69 *per cent*) in the current year over 2013-14. The State Government should pursue a sustainable debt management policy to restrict 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 the 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 estimate *vis-à-vis* actual of the State Finances during 2014-15.

Table-1.4: Variation in major items – 2014-15 Actual over 2014-15 Budget Estimate & Revised Estimate

Parameters	2014-15			Percentage of excess (+)/ shortfall (-) <i>w.r.t.</i> Revised Estimate
	Budget Estimate	Revised Estimate	Actual	
Tax Revenue	270.39	266.53	266.52	0.00
Non-Tax Revenue	278.48	241.42	241.96	(+) 0.22
Revenue Receipts	5,879.47	5,317.21	5,511.10	(+) 3.65
Recoveries of Loans and Advances	40.00	40.00	31.63	(-) 20.93
Revenue Expenditure	5,764.41	6,268.51	5,652.44	(-) 9.83
Interest Payment	289.77	297.52	305.83	(+) 2.79
Capital Expenditure	714.28	1,087.35	927.51	(-) 14.70
Disbursement of Loans and Advances	27.45	2.70	2.43	(-) 10.00
Revenue Deficit/Surplus	(+) 115.06	(-) 951.30	(-) 141.34	(-) 85.14
Fiscal Deficit/Surplus	(-) 586.67	(-) 2001.35	(-) 1,039.65	(-) 48.05
Primary Deficit/Surplus	(-) 296.90	(-) 1,703.83	(-) 733.82	(-) 56.93

The Chart below presents the budget estimate and actual for some important fiscal parameters during 2014-15.

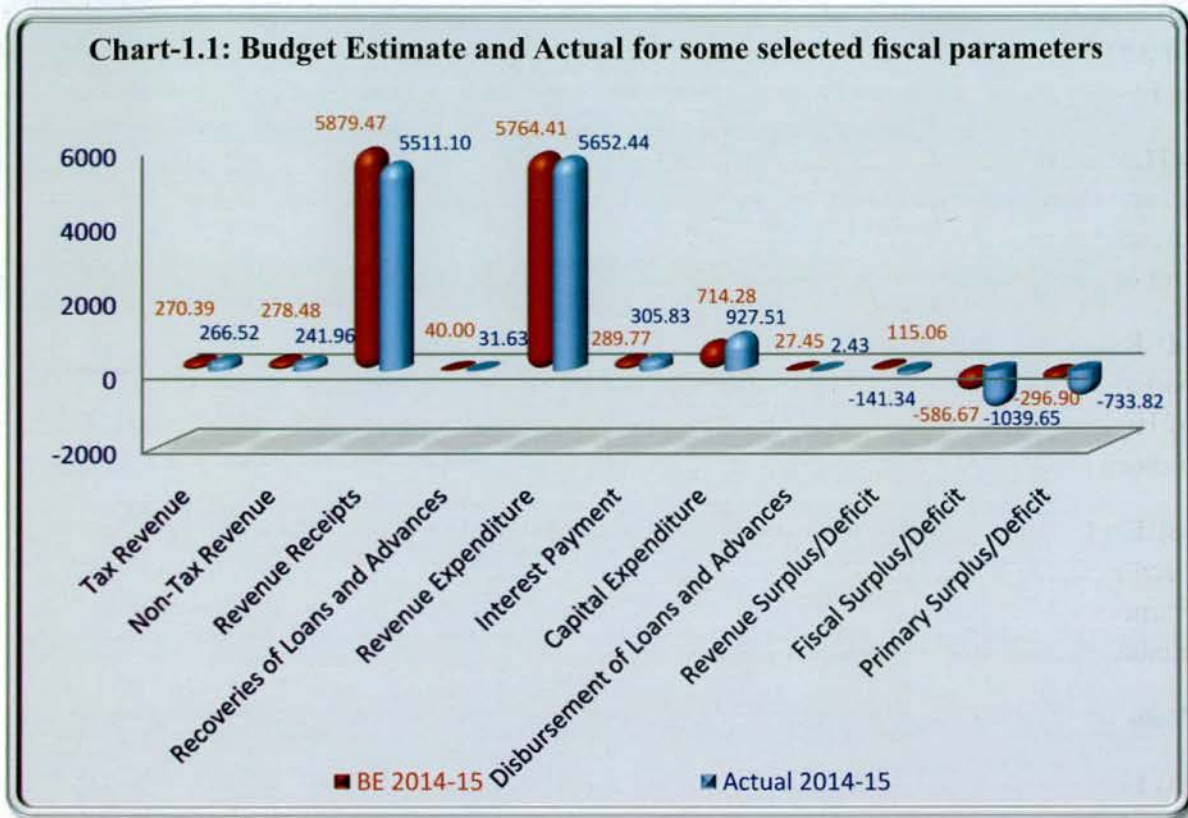


Chart-1.1 depicts that revenue receipts were lower by ₹ 368.37 crore over the estimated amount of ₹ 5,879.47 crore. Revenue expenditure was lower by ₹ 111.97 crore over the estimated amount of ₹ 5,764.41 crore. Against the estimate of revenue surplus of ₹ 115.06 crore, there was revenue deficit of ₹ 141.34 crore during 2014-15. The fiscal deficit during the current year was higher by ₹ 452.98 crore over the estimated fiscal deficit of ₹ 586.67 crore while there was primary deficit of ₹ 733.82 crore during 2014-15 against the estimated primary deficit of ₹ 296.90 crore respectively. The key parameters of deficit indications viz. Revenue Deficit, Fiscal Deficit and Primary Deficit were way off the budget projections.

1.2.2 Reforms/Measures in Tax Administration

The XIII FC introduced new roadmaps for fiscal consolidation of the State by projecting the growth rate of the State's GSDP at 9.70 *per cent* during 2010-11, 10.05 *per cent* in 2011-12, 10.34 *per cent* in 2012-13, 10.34 *per cent* 2013-14 and 10.34 *per cent* 2014-15. In order to augment the State's own revenues, the State Government introduced various new tax policies as discussed below:

Tax Measures

(a) Collection of Tax through e-payment system: This initiative is introduced as a part of computerisation of records on tax collection. It is expected that this initiative will bring about a turnaround in the tax collection efficiency.

(b) Mizoram Entertainment Tax: Reassessment of Entertainment Tax especially for Cable TV Operators has been carried out by the Department which is expected to increase the collection of Entertainment Tax by rupees two crore annually.

(c) Land Revenue: In order to bring about higher collection of land revenue as well as realisation of arrears accumulated over the years, it has been proposed to restructure the Department, streamline the tax collection system and improve the land record management and assessment and collection of arrears.

(d) Road Tax: Introduction of e-payment of Road Tax and waiving of late fee for a certain period of time to the defaulter, lifetime payment of Road tax at one go and recent introduction of High Security Plate for vehicles are expected to improve collection of taxes on account of motor vehicles and passengers and goods tax.

(e) Excise duty on sale of Liquor: The Mizoram Liquor Total Prohibition Act, 1995 has been replaced by the Mizoram Liquor (Prohibition and Control) Act, 2014. This Act and rules framed under it are expected to earn an additional revenue to the tune of ₹ 30 crore to ₹ 40 crore annually in the form of state excise duties.

Non-Tax Measures

(a) Levy of user charges: The Government has proposed to move slowly towards levying of optimum level of user charges on various Government services and differential subsidy so that providing of services to the people *vis-à-vis* levying of user charges for generating funds for maintenance of assets becomes sustainable in the long run.

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 2010-15. **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 **Chart-1.2** given below:

Chart-1.2: Components and sub-components of resources

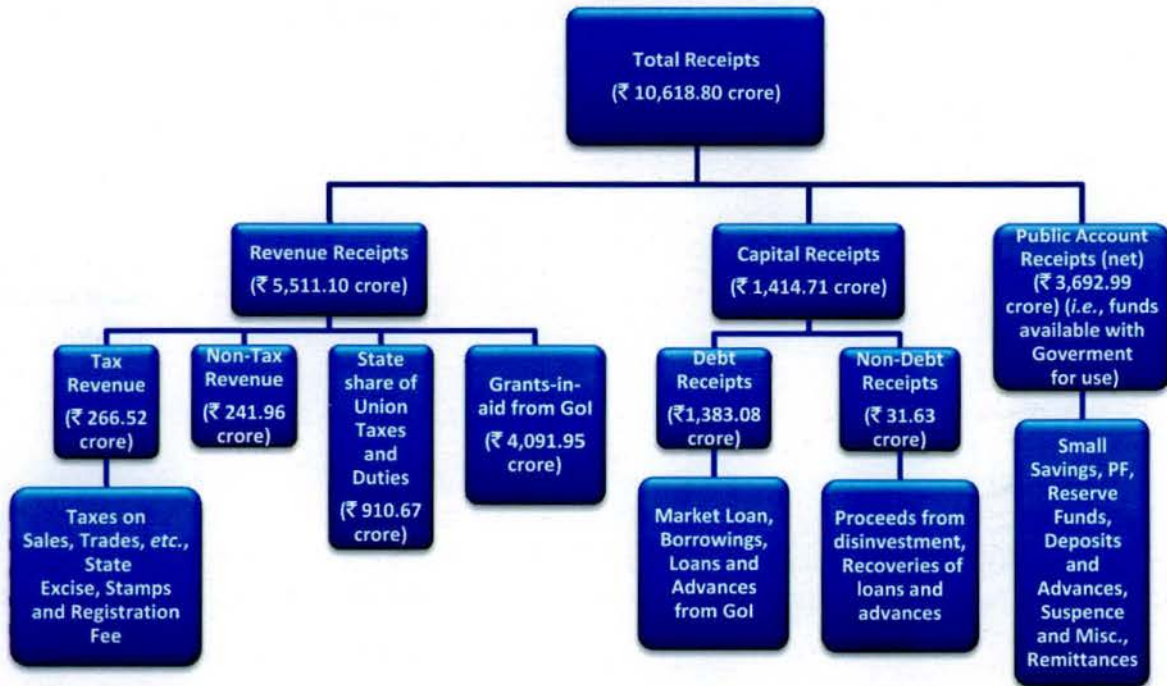


Chart-1.3: Trends in Receipts

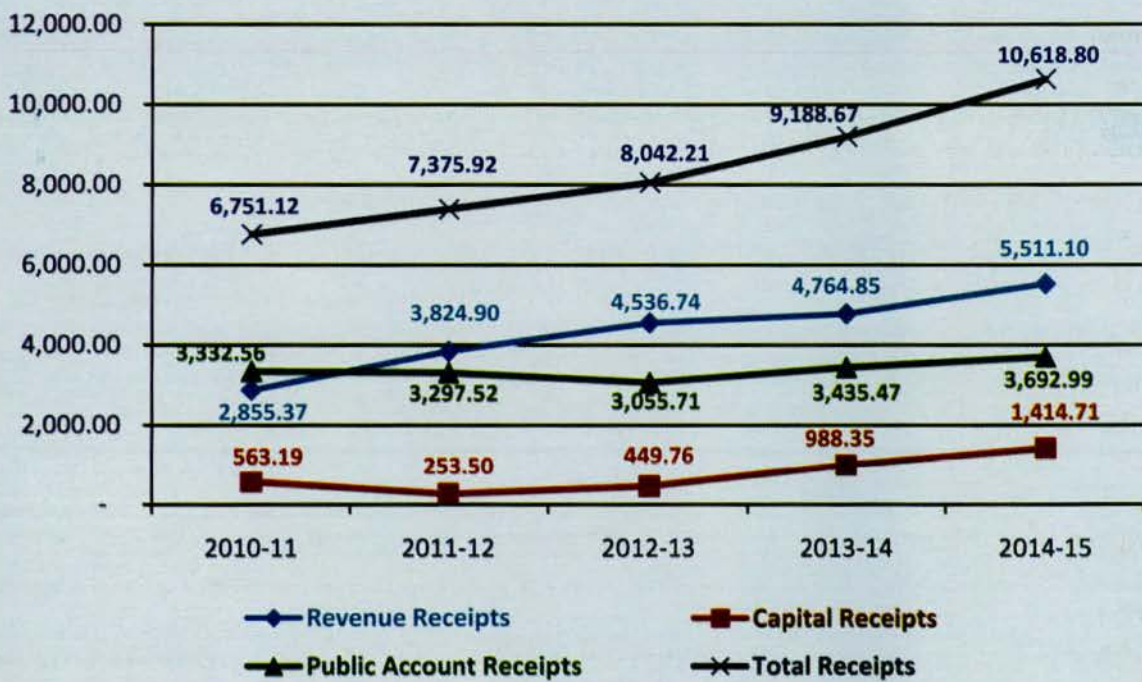


Chart-1.4: Composition of Receipts during 2014-15

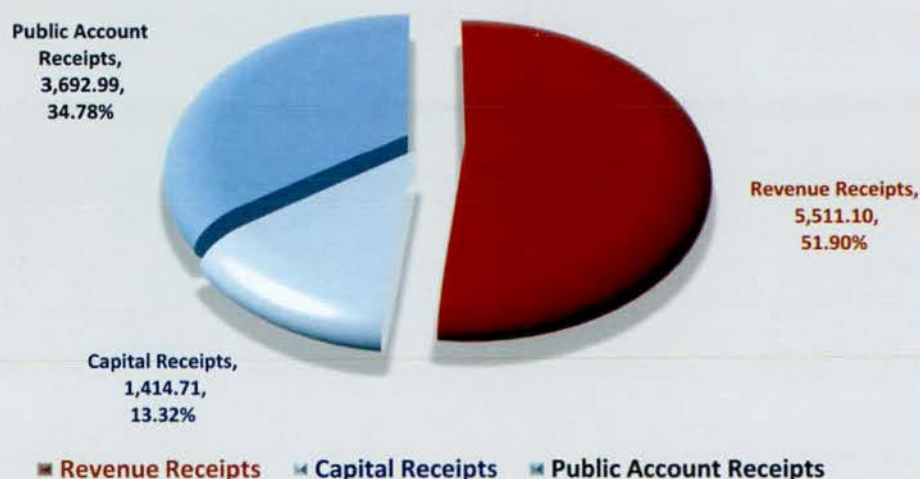


Table-1.5: Trends in growth and composition of total receipts

Sources of State's Receipts	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Receipts	2,855.37	3,824.90	4,536.74	4,764.85	5,511.10
Capital Receipts	563.19	253.50	449.76	988.35	1,414.71
Public Account Receipts	3,332.56	3,297.52	3,055.71	3,435.47	3,692.99
Total Receipts	6,751.12	7,375.92	8,042.21	9,188.67	10,618.80

The total receipts of the State Government for 2014-15 were ₹ 10,618.80 crore of which ₹ 5,511.10 crore (51.90 per cent) came from revenue receipts and balance ₹ 5,107.70 crore (48.10 per cent) from Public Account and Capital Receipts.

The share of revenue receipt of the State to total receipts in 2014-15 was 51.90 per cent and depicted inter year fluctuations during the period 2010-15 ranging from 42.29 to 56.41 per cent. On the other hand, the Capital Receipts together with Public Account receipts ranged from 43.59 to 57.71 per cent of total receipts during 2010-15. Revenue receipts increased steadily from ₹ 2,855.37 crore in 2010-11 to ₹ 5,511.10 crore during the current year. The Capital receipts which create future repayment obligation with inter-year fluctuation increased from ₹ 563.19 crore (eight per cent of total receipts) in 2010-11 to ₹ 1,414.71 crore (thirteen per cent of total receipts) during 2014-15. The percentage share of Public Account receipts decreased steadily from 49.36 per cent of total receipts during 2010-11 to 34.78 per cent of total receipts in the current year.

1.3.2 Funds Transferred to State Implementing Agencies outside the State Budgets

The Central Government has been transferring funds directly to the State Implementing Agencies for the implementation of various schemes/programmes in the social and economic sectors which are recognised 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 Account of the State. As such, the annual Finance Account 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 to obtain the details of funds directly transferred to the State Implementing Agencies which aggregated to ₹ 276.05 crore (**Appendix-1.5**) for implementation of various Schemes. Out of the directly transferred funds, the Schemes which received more than ₹ 50 crore during the year were (National Rural Health Mission: ₹ 103.82 crore and Support to NIT including Ghani Khan Institute: ₹ 53.00 crore).

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 2010-15 are presented in **Appendix-1.4** and also depicted in **Chart-1.5** and **1.6** respectively.

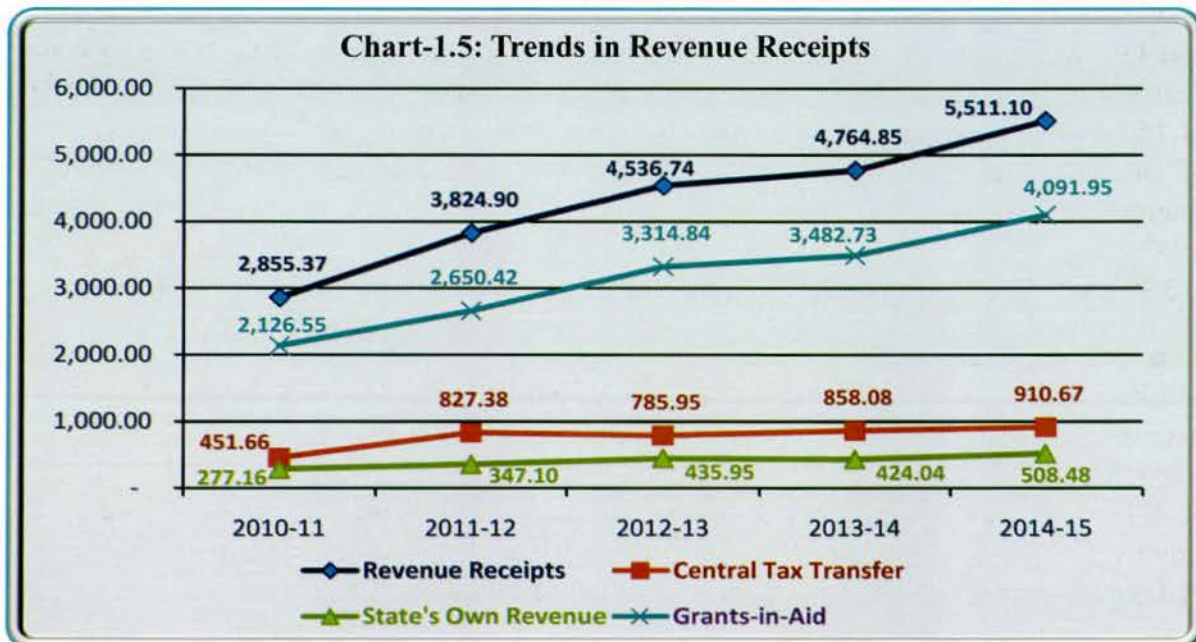


Chart-1.6: The Composition of Revenue Receipts during 2010-15



During 2014-15, revenue receipts of the State increased by ₹ 746.25 crore (15.66 per cent) over the previous year. The revenue receipts of the State showed progressive growth from ₹ 2,855.37 crore in 2010-11 to ₹ 5,511.10 crore in 2014-15. About 90.77 per cent (₹ 5,002.62 crore) of revenue receipt have been contributed by central tax transfers and grants-in-aid together while only 9.23 per cent (₹ 508.48 crore) accrued from State's own resources during the year.

Tax Revenue: Tax revenue constituted 4.84 per cent of the total revenue receipts and increased by ₹ 36.74 crore during 2014-15 recording a growth rate of 15.99 per cent over the previous year. The percentage of tax revenue to total revenue receipts ranged between 4.57 and 4.92 per cent during 2010-15. The increase in tax revenue during 2014-15 over previous year was mainly due to increase in taxes on Sales, Trade, etc., by ₹ 28.61 crore (increase of 15.60 per cent over previous year), taxes on Land Revenue by ₹ 6.52 crore (increase of 143.61 per cent over previous year), Stamps and Registration Fees by ₹ 2.20 crore (increase of 144.74 per cent over previous year) and State Excise by ₹ 1.80 crore (increase of 57.88 per cent over previous year), off-set mainly by less receipts in taxes on vehicles by ₹ 2.39 crore (decrease of 12.31 per cent over previous year).

Non-Tax Revenue: Non-tax revenue constituted 4.39 per cent of total revenue receipts and increased by ₹ 47.70 crore during 2014-15 recording a growth rate of 24.55 per cent over the previous year. The increase in non-tax revenue during 2014-15 over previous year was mainly due to more receipts under Power (₹ 35.31 crore), Water Supply and Sanitation (₹ 3.93 crore), Co-operation (₹ 3.47 crore), Forestry and Wild Life (₹ 2.22 crore), State Lottery (₹ 2.20 crore), Interest Receipts (₹ 1.95 crore) and Other Administrative Service (₹ 1.33 crore) off-set by less receipts in Roads & Bridges (₹ 2.36 crore).

Central Tax Transfer: Central tax transfer increased by ₹ 52.59 crore from ₹ 858.08 crore in 2013-14 to ₹ 910.67 crore in 2014-15 and constituted 16.52 per cent of revenue receipts during the year. The increase was mainly due to increase in Taxes on Income other than

Corporation Tax by ₹ 37.07 crore (19.51 per cent), Corporation Tax by ₹ 29.43 crore (10.20 per cent) and Customs by ₹ 7.27 crore (5.19 per cent). The decrease was observed in Union Excise Duties by ₹ 15.72 crore (15.89 per cent) and Service Tax by ₹ 5.54 crore (3.97 per cent).

Grants-in-Aid: Grants-in-aid from the GoI increased by ₹ 609.22 crore (17.49 per cent) from ₹ 3,482.73 crore in 2013-14 to ₹ 4,091.95 crore in 2014-15 mainly due to increase in Grants for State Plan Schemes by ₹ 359.37 crore (18.87 per cent), Grants for Centrally Sponsored Plan Schemes by ₹ 293.70 crore (79.58 per cent) and Grants for Central Plan Schemes by ₹ 12.66 crore (106.93 per cent). The decrease was noticed in Non-Plan Grants by ₹ 46.13 crore (4.04 per cent) and Grants for Special Plan Schemes by ₹ 10.40 crore (18.77 per cent).

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

Table-1.6: Trends in revenue receipts relative to GSDP

	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Receipts (RR) (₹ in crore)	2,855.37	3,824.90	4,536.74	4,764.85	5,511.10
Rate of growth of RR (per cent)	(-) 3.65	33.95	18.61	5.03	15.66
RR/GSDP (per cent)	44.70	55.52	54.25	46.27	44.09
Buoyancy Ratios²					
Revenue Buoyancy w.r.t. GSDP	(-) 0.17	4.32	0.87	0.22	0.73
State's Own Tax Buoyancy w.r.t. GSDP	0.99	4.74	1.15	0.13	0.75
Revenue Buoyancy with reference to State's own taxes	(-) 0.17	0.91	0.76	1.69	0.98

The revenue receipt's buoyancy *vis-à-vis* GSDP was less than one due to lower growth rate of revenue receipts in comparison to the high growth rate of GSDP during the current year. The buoyancy of State's own taxes with reference to GSDP had improved from 0.13 during 2013-14 to 0.75 during 2014-15. The Revenue Buoyancy *vis-à-vis* State's own taxes decreased from 1.69 in 2013-14 to 0.98 in 2014-15 indicating that the increase in State's own taxes contributed some part to increase in Revenue Receipts which mostly resulted from increase in revenue other than State's Own Tax.

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 mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

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 0.73 implies that revenue receipts tend to increase by 0.73 percentage points, if the GSDP increases by one per cent

The State's actual tax and non-tax receipts for the year 2014-15 *vis-à-vis* assessment made by the 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

Parameters	(₹ in crore)		
	Assessment made by XIII FC	Medium Term Fiscal Policy (MTFP)	Actual
State's own Tax Revenue	213.54	270.39	266.52
State's own Non-Tax Revenue	195.06	278.48	241.96

Source: Finance Accounts (2014-15), XIII FC and Medium Term Fiscal Policy Statement (2014-15)

The above table indicates that tax revenue was higher by 24.81 per cent over the normative assessment made in the XIII FC, however, *it was lesser by 1.43 per cent over the normative assessment made in the FCP*. Also, the non-tax revenue was higher by 24.04 per cent over the assessment made in the XIII FC, however, *it was lesser by 13.11 per cent over the normative assessment made in the FCP*.

1.4.1.1 Tax Revenue

The sector-wise components of tax revenue are given in **Table-1.8**:

Table-1.8: Sector-wise component of tax revenue during 2010-15

Name of component	Year					Percentage increase/decrease over previous year
	2010-11	2011-12	2012-13	2013-14	2014-15	
Taxes on Sales and Trade, etc.	104.70	142.16	175.87	183.34	211.95	15.60
State Excise	2.39	2.31	2.83	3.11	4.91	57.88
Taxes on vehicles	7.72	16.71	22.83	19.42	17.03	(-) 12.31
Land Revenue	4.33	2.52	3.04	4.54	11.06	143.61
Stamps & Registration fees	0.34	0.69	0.64	1.52	3.72	144.74
Taxes on Goods & Passengers	1.72	2.05	3.77	2.63	2.55	(-) 2.66
Other Taxes	9.24	12.63	14.17	15.22	15.30	0.46
Total	130.44	179.07	223.15	229.78	266.52	15.99

Source: Finance Accounts of the respective years and Annual Financial Statement, 2014-15

The above table indicates that tax revenue increased by ₹ 36.74 crore from ₹ 229.78 crore in 2013-14 to ₹ 266.52 crore in 2014-15. The tax revenue of the State showed progressive

Chapter-I: Finances of the State Government

The Central Tax transfers increased by ₹ 52.58 crore (6.13 per cent) from ₹ 858.08 crore in 2013-14 to ₹ 910.66 crore in 2014-15. The increase was largely contributed by an increase in Taxes on Income other than Corporation Tax (₹ 37.07 crore), Corporation Tax (₹ 29.43 crore) and Customs (₹ 7.27 crore) which was offset by a decrease in Union Excise Duties (₹ 15.72 crore) and Service Tax (₹ 5.54 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 indicated in **Table-1.12**:

Table-1.12: Funds recommended by XIII FC

(₹ in crore)

Sl. No.	Transfers	Recommendation of the XIII FC	Actual Release	Expenditure under relevant revenue head of account	Utilisation (+) Excess (-) Shortfall
1.	Local Bodies, out of which	310.70	188.48	188.48	--
	<i>Grants to PRIs</i>	<i>201.30</i>	<i>87.88</i>	<i>87.88</i>	--
	<i>Grants to ULBs</i>	<i>94.30</i>	<i>94.84</i>	<i>94.84</i>	--
	<i>Special Areas Grant</i>	<i>15.10</i>	<i>5.76</i>	<i>5.76</i>	--
2.	Disaster Relief	42.54	47.11	47.11	--
3.	Improving outcome grants	--	--	--	--
4	Environmental related grants	171.20	148.09	148.09	--
5.	Elementary Education	5.00	1.00	1.00	--
6.	Roads and Bridges	89.00	89.00	89.00	--
7.	State specific grants	250.00	204.89	204.89	--
	Total	868.44	678.57	678.57	--

Source: The XIII FC Report and Departmental Figures

The XIII FC recommended ₹ 868.44 crore as Grants-in-aid for the State of Mizoram during the period 2010-15. The State however, received ₹ 678.57 crore as Grants-in-aid from Gol during the five years of the award period *i.e.*, 2010-15. The whole amount of ₹ 678.57 crore was expended during the period.

1.5 Capital Receipts

The details of Capital receipts during 2010-11 to 2014-15 are given in **Table-1.13**.

Table-1.13: Trends in growth and composition of receipts

Particulars	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Capital Receipts (CR)	563.19	253.50	449.76	988.35	1,414.71
Recovery of Loans and Advances	25.97	27.80	29.48	33.11	31.63
Public Debt Receipts	537.22	225.70	420.28	955.24	1,383.08
Rate of growth of debt capital receipts	137.82	(-) 57.99	86.21	127.29	44.79
Rate of growth of non-debt capital receipts	2.61	7.05	6.04	12.31	(-) 4.47
Rate of growth of CR (<i>per cent</i>)	124.20	(-) 54.99	77.42	119.75	43.14

Source: Finance Accounts of the respective years

The Public Debt receipt formed 97.76 *per cent* of the total Capital receipt during 2014-15. The rate of growth of debt capital receipts decreased from 127.29 *per cent* in 2013-14 to 44.79 *per cent* in 2014-15.

1.5.1 Debt receipts from internal sources

The main contributors of debt receipts from internal sources were Ways and Means Advances (₹ 1,066.87 crore), Market Borrowings (₹ 230.04 crore), Special Securities issued to National Small Savings Fund (₹ 30.31 crore) and Loans from the National Bank for Agricultural and Rural Development (NABARD) (₹ 28.11 crore).

1.5.2 Recoveries of Loans and Advances

The recoveries of Loans and Advances increased progressively from ₹ 25.97 crore during 2010-11 to ₹ 33.11 crore during 2013-14 which then declined to ₹ 31.63 crore during 2014-15. The major contributor of recoveries under Loans and Advances were loan recovery from Government Servants (₹ 17.39 crore) and Housing (₹ 13.49 crore).

1.5.3 Loans and Advances from GoI

The receipts under Loans and Advances from GoI was ₹ 4.89 crore during 2014-15.

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. Table-1.14 depicts Public Account receipts of the State during 2010-15.

Table-1.14: Public Account Receipts for the years 2010-15

(₹ in crore)					
Resources under various heads	2010-11	2011-12	2012-13	2013-14	2014-15
Public Account Receipts	3,332.56	3,297.52	3,055.71	3,435.47	3,692.99
a. Small Savings, Provident Fund, etc.	495.88	387.37	506.78	655.20	733.07
b. Reserve Fund	24.41	33.40	34.68	32.58	31.73
c. Deposits and Advances	809.90	746.56	964.20	1,106.20	1,346.28
d. Suspense and Miscellaneous	517.13	603.42	48.67	123.34	(-) 79.76
e. Remittances	1,485.24	1,526.77	1,501.38	1,518.15	1,661.67

Source: Finance Accounts of the respective years

The Public Account receipts showed inter-year fluctuation during the period 2010-15 and increased from ₹ 3,332.56 crore in 2010-11 to ₹ 3,692.99 crore in 2014-15. During 2014-15, the Public Account Receipts increased by ₹ 257.52 crore (7.50 per cent) over the previous year which was mainly due to increases in Deposits and Advances by ₹ 240.08 crore, Remittances by ₹ 143.52 crore and Small Savings, Provident Fund, etc. by ₹ 77.87 crore which was offset by a decrease in Suspense and Miscellaneous receipts by ₹ 203.10 crore due to more adjustment during the year 2014-15.

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

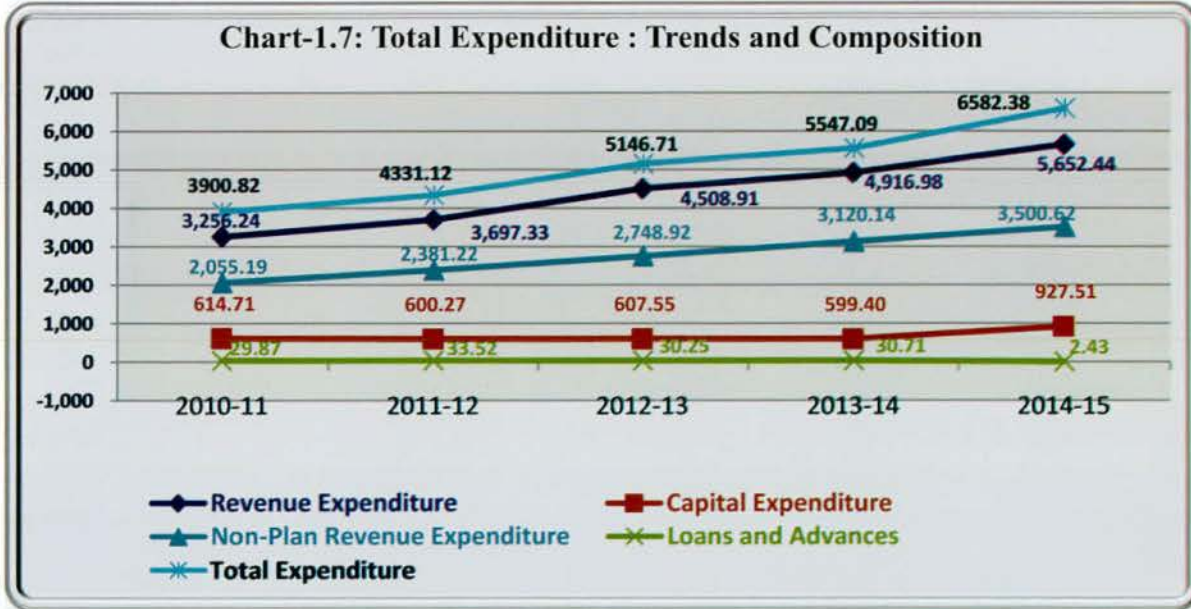
The total expenditure and its compositions during the years 2010-11 to 2014-15 are presented in **Table-1.15**.

Table-1.15: Total Expenditure and its compositions

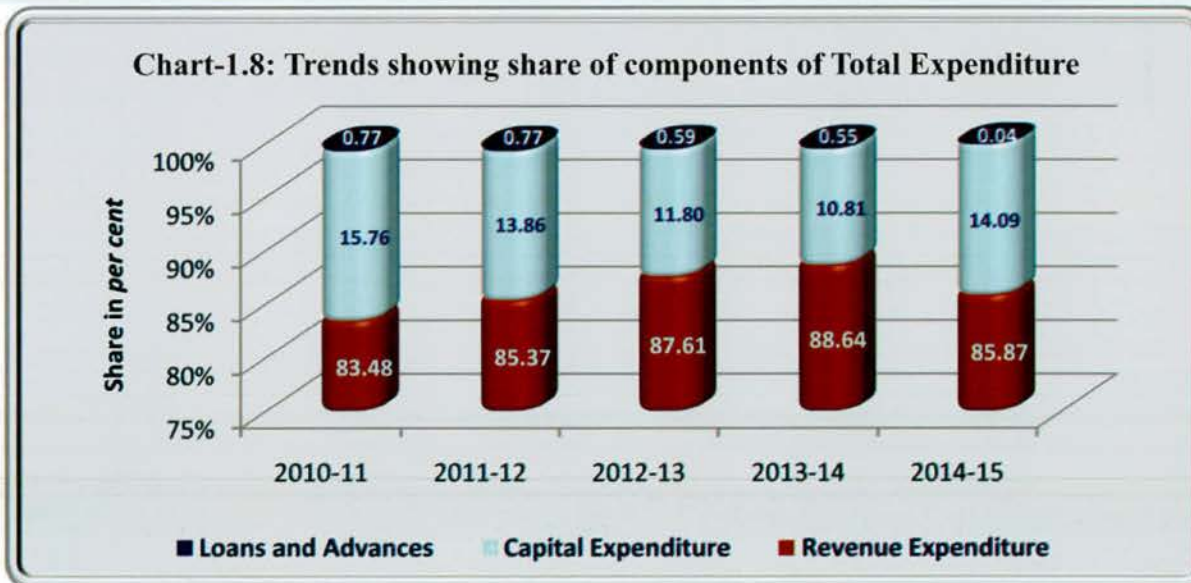
(₹ in crore)					
	2010-11	2011-12	2012-13	2013-14	2014-15
Total Expenditure	3,900.82	4,331.12	5,146.71	5,547.09	6,582.38
Revenue Expenditure	3,256.24	3,697.33	4,508.91	4,916.98	5,652.44
<i>Of which, Non-plan Revenue Expenditure</i>	<i>2,055.19</i>	<i>2,381.22</i>	<i>2,748.92</i>	<i>3,120.14</i>	<i>3,500.62</i>
Capital Expenditure	614.71	600.27	607.55	599.40	927.51
Loans and Advances	29.87	33.52	30.25	30.71	2.43

Source: Finance Accounts of the respective years

Chart-1.7 presents the trends in total expenditure over a period of five years (2010-15) and its composition both in terms of ‘economic classification’ and ‘activities’ is depicted in Charts-1.8 and 1.9 respectively.



The trends showing share of components of total expenditure during 2010-15 are shown in Chart-1.8:



Statement 12 of the Finance Account depicts the detailed revenue expenditure and Statement 13 depicts capital expenditure. States raise resources to perform their sovereign functions to maintain their existing level of delivery of social and economic services, to extend the 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 ₹ 3,900.82 crore in 2010-11 to ₹ 6,582.38 crore in 2014-15 at an annual average rate of 13.75 *per cent* and increased by 18.66 *per cent* from ₹ 5,547.09 crore in 2013-14 to ₹ 6,582.38 crore in 2014-15. Of the total expenditure during 2014-15, the revenue expenditure (₹ 5,652.44 crore) constituted 85.87 *per cent* while capital expenditure (₹ 927.51 crore) constituted 14.09 *per cent* and loans and advances (₹ 2.43 crore) constituted 0.04 *per cent*.

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

Table-1.16: Total Expenditure – basic parameters

	2010-11	2011-12	2012-13	2013-14	2014-15
Total Expenditure (TE) (₹ in crore)	3,900.82	4,331.12	5,146.71	5,547.09	6,582.38
Rate of Growth (<i>per cent</i>)	18.19	11.03	18.83	7.78	18.66
TE/GSDP ratio (<i>per cent</i>)	61.07	62.86	61.54	53.87	52.66
RR/TE ratio (<i>per cent</i>)	73.20	88.31	88.15	85.90	83.73
Buoyancy of Total Expenditure with reference to:					
GSDP (ratio)	1.33	1.40	0.88	0.34	0.87
RR (ratio)	(-) 4.98	0.32	1.01	1.55	1.19

The increase of ₹ 1,035.29 crore (18.66 *per cent*) in total expenditure in 2014-15 over 2013-14 was on account of increase of ₹ 735.46 crore in revenue expenditure and ₹ 328.11 crore in capital expenditure which was offset by a decrease of ₹ 28.28 crore in disbursement of loans and advances.

During the current year, 83.73 *per cent* (₹ 5,511.10 crore) of the total expenditure was met from revenue receipts and the remaining 16.27 *per cent* (₹ 1,071.28 crore) from capital receipts and borrowed funds.

The breakup of total expenditure in terms of plan and non-plan expenditure during 2014-15 reveals that while the share of plan expenditure of ₹ 2,945.51 crore constituted 44.75 *per cent* of the total expenditure, the remaining 55.25 *per cent* (₹ 3,636.87 crore) was non-plan expenditure. Moreover, out of the increase of ₹ 1,035.29 crore in total expenditure in 2014-15, plan expenditure constituted 61.13 *per cent* (₹ 632.92 crore) while non-plan expenditure contributed 38.87 *per cent* (₹ 402.37 crore).

The slight decrease in ratio of revenue receipts to total expenditure from 85.90 *per cent* in 2013-14 to 83.73 *per cent* in 2014-15 is to be viewed in the light of increase in revenue expenditure by ₹ 735.46 crore and capital expenditure by ₹ 328.11 crore. 72.08 *per cent* of the increase in total expenditure was covered by an increase in revenue receipt by ₹ 746.25 crore during 2014-15 over 2013-14. The buoyancy of total expenditure with respect to GSDP increased to 0.87 during 2014-15 from 0.28 during 2013-14 due to a significant increase in growth rate of total expenditure by 10.88 *per cent* and a slight decrease in the growth rate of GSDP by 1.75 *per cent*. The buoyancy ratio of total expenditure with respect to revenue receipts in 2014-15 was 1.19 as the growth rate of total expenditure (18.66 *per cent*) was higher than the growth rate of revenue receipts (15.66 *per cent*) during the current year.

1.7.2 Trends in total expenditure in terms of activities

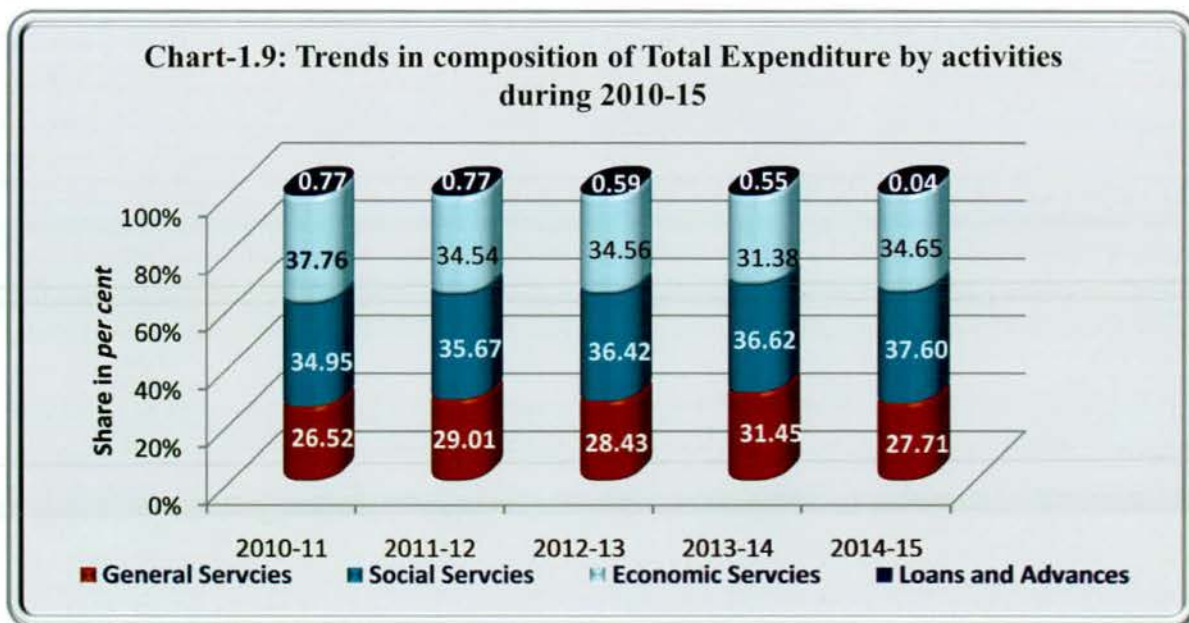
In terms of activities, total expenditure could be considered as being composed of expenditure on General Services which includes interest payments, Social Services and Economic Services and Loans and Advances. Relative shares of these components in the total expenditure are indicated in **Table-1.17**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

Table-1.17: Components of expenditure – relative shares

	(in per cent)				
	2010-11	2011-12	2012-13	2013-14	2014-15
General Services	26.52	29.01	28.43	31.45	27.71
<i>Of which, Interest Payments</i>	2.71	6.35	5.60	5.13	4.65
Social Services	34.95	35.67	36.42	36.62	37.60
Economic Services	37.76	34.54	34.56	31.38	34.65
Loans and Advances	0.77	0.77	0.59	0.55	0.04

The movement of relative share of these components of expenditure indicated that all components of expenditure had inter-year variations. The expenditure on general services including interest payments, which are considered as non-developmental, accounted for 27.71 per cent in 2014-15 as against 31.45 per cent in 2013-14. On the other hand developmental expenditure, i.e. expenditure on Social and Economic Services together accounted for 72.26 per cent in 2014-15 as against 68 per cent in 2013-14. This indicates that there was an increase in developmental expenditure and a decrease in non-developmental expenditure in comparison to previous year.

The trends in composition of total expenditure by activities during 2010-15 are shown in the **Chart-1.9**:



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 83.48 per cent of total expenditure in 2010-11 which had since escalated to 85.87 per cent of total expenditure during the current year. The overall revenue expenditure of the State increased from ₹ 3,256.24 crore in 2010-11 to ₹ 5,652.44 crore in 2014-15 at an annual average rate of 14.72 per cent. The revenue expenditure increased by 14.96 per cent from ₹ 4,916.98 crore in 2013-14 to ₹ 5,652.44 crore in 2014-15.

A comparative position of Non-Plan Revenue Expenditure (NPRE) *vis-à-vis* assessment made by the XIII FC and FCP revealed that NPRE remained significantly higher than the normative assessment made in XIII FC by 54.35 per cent (₹ 1,232.58 crore) and also higher than the projection made in FCP by 4.85 per cent (₹ 161.98 crore), as indicated in **Table-1.18**:

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

(₹ in crore)

	Assessment/Projections		Actual
	XIII FC	FCP	
Non-Plan Revenue Expenditure	2,268.04	3,338.64	3,500.62

The Plan Revenue Expenditure (PRE) increased by ₹ 354.98 crore (19.76 per cent) from ₹ 1,796.84 crore in 2013-14 to ₹ 2,151.82 crore in 2014-15 mainly due to increase in Rural Development (₹ 167.41 crore), Education, Sports, Art and Culture (₹ 121.84 crore), Transport (₹ 46.41 crore), Health and Family Welfare (₹ 42.24 crore), Agriculture and Allied Activities (₹ 38.26 crore) and Industry and Minerals (₹ 18.64 crore) which was however offset by a decrease in Social Welfare and Nutrition (₹ 34.51 crore), Energy (₹ 6.15 crore) and Water Supply, Sanitation, Housing & Urban Development (₹ 4.54 crore).

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

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Non-Plan Revenue Expenditure (NPRE)	2,055.19	2,381.22	2,748.92	3,120.14	3,500.62
Growth of NPRE	13.84	15.86	15.44	13.50	12.19
Ratio of NPRE to GSDP	32.17	34.56	32.87	30.30	28.01
Ratio of NPRE to RR	71.98	62.26	60.59	65.48	63.52
Buoyancy of NPRE <i>w.r.t.</i> GSDP	1.01	2.02	0.72	0.58	0.57

The ratio of NPRE to GSDP decreased from 32.17 per cent in 2010-11 to 28.01 per cent during 2014-15. For the current year it decreased from 30.30 per cent in 2013-14 to 28.01 per cent. The ratio of NPRE with respect to Revenue Receipts (RR) slightly decreased from 65.48 per cent in 2013-14 to 63.52 per cent in 2014-15, implying that a lesser percentage of revenue receipts was applied to meet the non-plan revenue expenditure. The buoyancy of NPRE to GSDP decreased marginally from 0.58 in 2013-14 to 0.57 in 2014-15 which signifies that the rate of growth of NPRE was lower than the rate of GSDP as indicated in the **Table-1.19**.

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 2010-15.

Table-1.20: Components of Committed Expenditure

(₹ in crore)

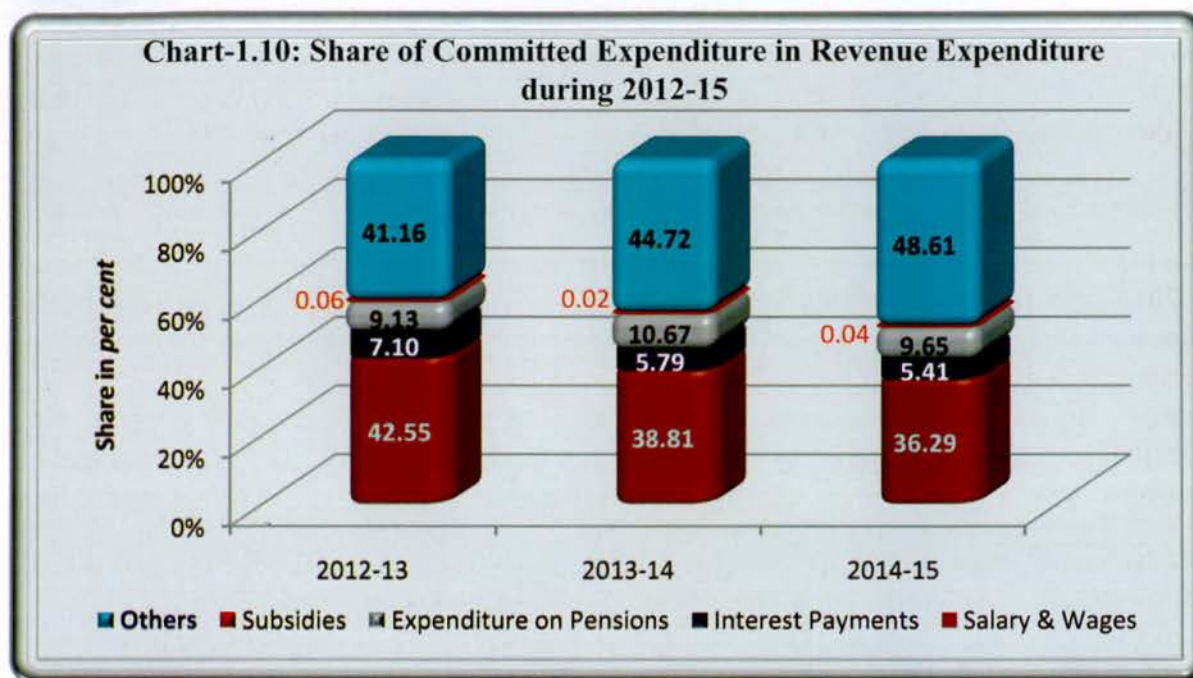
Components of Committed Expenditure	2010-11	2011-12	2012-13	2013-14	2014-15	
					BE ^(a)	Actuals ^(a)
Salaries & Wages*, of which	1,408.92 (49.34)	1,451.69 (37.95)	1,726.74 (38.06)	1,908.22 (40.05)	1,896.80 (32.26)	2,051.47 (37.22)
Non-Plan Head	1,183.24	1,156.55	1,374.55	1,503.55	---	1,695.24
Plan Head**	225.68	295.14	352.19	404.67	---	356.23
Interest Payments	105.58 (3.70)	275.15 (7.19)	288.15 (6.35)	284.50 (5.97)	289.77 (4.93)	305.83 (5.55)
Expenditure on Pensions	249.54 (8.74)	298.36 (7.80)	370.52 (8.17)	524.58 (11.01)	375.87 (6.39)	545.26 (9.89)
Subsidies	2.15 (0.08)	1.66 (0.04)	2.48 (0.05)	0.74 (0.02)	---	2.08 (0.04)
Other Components	1,490.05 (52.18)	1,670.47 (43.67)	2,121.02 (46.75)	2,198.94 (46.15)	3,201.97 (54.46)	2,747.80 (49.86)
Total Revenue Expenditure	3,256.24	3,697.33	4,508.91	4,916.98	5,764.41	5,652.44

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 (FPSS), Government of Mizoram, 2014-15, while Actuals are net figures sourced from Finance Account, 2014-15



(A) Salaries

Salaries and wages (₹ 2,051.47 crore) alone accounted for more than 37.22 per cent of revenue receipts (₹ 5,511.10 crore) during the year. The expenditure on salaries and wages increased by 7.51 per cent from ₹ 1,908.22 crore in 2013-14 to ₹ 2,051.47 crore in 2014-15. During 2014-15, salary expenditure under Non-Plan head increased by ₹ 191.69 crore (12.75 per cent) while salary expenditure under Plan head decreased by ₹ 48.44 crore (11.97 per cent) over the previous year. Non-plan salary expenditure ranged from 78.79 per cent to 83.98 per cent of total expenditure on salaries during 2010-15. The expenditure on salaries during 2014-15 was higher by ₹ 154.67 crore (8.15 per cent) than the projections (₹ 1,896.80 crore) made by the State Government in its Budget Estimate.

(B) Interest Payments

The major sources of borrowings of the State Government were (i) Loans from the Centre, (ii) Internal Debt (Market loans, Loans from Banks and Financial Institutions, Ways and Means Advances from RBI, etc.) (iii) Loans from Small Savings, Provident Funds, etc. Interest payments increased by 7.50 per cent from ₹ 284.50 crore in 2013-14 to ₹ 305.83 crore in 2014-15 mainly due to increase in interest on Internal Debt by ₹ 22.84 crore which was offset by a decrease in interest on Loans and Advances from Central Government by ₹ 1.51 crore.

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

(₹ in crore)

Year	Assessment made by the XIII FC	Assessment made by the State Government (BE)	Actual
2014-15	361.44	289.77	305.83

The expenditure on interest payments (₹ 305.83 crore) was higher by ₹ 16.06 crore than the projection (₹ 289.77 crore) made by the State Government in Budget Estimates for the year 2014-15. However, it was lower by ₹ 55.61 crore than the assessment (₹ 361.44 crore) made by the XIII FC.

(C) Pension Payments

The expenditure on pension payments grew from ₹ 249.54 crore in 2010-11 to ₹ 545.26 crore in 2014-15 and it accounted for 9.89 per cent of revenue receipts (₹ 5,511.10 crore) of the State during the year and increased by ₹ 20.68 crore (3.94 per cent) over the previous year. The increase was mainly due to increase in expenditure under Family Pensions by ₹ 52.54 crore, Gratuities by ₹ 24.22 crore and Leave Encashment Benefits by ₹ 18.92 crore offset by decrease in expenditure under Superannuation and Retirement Allowances by ₹ 52.51 crore and Other Pensions by ₹ 31.73 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 01 September 2010. In terms of the Scheme, an 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 and as such the actual liability of the State Government under the Scheme is unknown. However, the State Government has intimated (October 2015) that during 2014-15 ₹ 15.92 crore has been transferred to NSDL against actual contribution of ₹ 16.26 crore. The balance amount of ₹ 0.34 crore could not be transferred due to late allotment of Permanent Retirement Account Number (PRAN), errors in challan contents, etc.

Table-1.22 shows 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 XIII FC	Assessment made by the State Government (BE)	Actual
2014-15	213.88	375.87	545.26

The expenditure on pension payments was higher than the assessment made by the XIII FC by ₹ 331.38 crore (154.94 per cent) as well as the State Government Projection made in its budget by ₹ 169.39 crore (45.07 per cent).

(D) Subsidies

Table-1.20 indicates that subsidies as a percentage of revenue receipts marginally increased from 0.02 per cent in 2013-14 to 0.04 per cent in 2014-15. During the period 2010-15, the

expenditure on subsidies showed inter year variations ranging from ₹ 0.74 crore to ₹ 2.48 crore and has significantly increased in the current year to ₹ 2.08 crore from ₹ 0.74 crore during the previous year. During the current year the Departments which received subsidy include Co-operation and Agriculture (Crop Husbandry) accounting for 96.15 per cent (₹ two crore) and 3.85 per cent (₹ eight lakh) of total subsidies respectively.

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	2010-11	2011-12	2012-13	2013-14	2014-15
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	30.97	20.86	60.80	121.87	260.95
PRIs/ULBs	3.62	4.08	29.53	13.50	65.49
Consumer Co-operative Societies/MIZOFED	1.00	--	---	---	---
Other Institutions ³	614.58	196.35	864.99	859.00	1305.37
Total	650.17	221.29	955.32	994.37	1631.81
Assistance as percentage of RE	19.97	5.99	21.19	20.22	29.61

Source: Finance Account, 2014-15

The grants extended to local bodies and other institutions increased significantly by 64.10 per cent from ₹ 994.37 crore in 2013-14 to ₹ 1,631.81 crore in 2014-15. The share of grants and loans to the revenue expenditure increased from 19.97 per cent in 2010-11 to 29.61 per cent during the current year. The increase of financial assistance to Institutions by ₹ 637.44 crore was attributed by increase in financial assistance to Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.) by ₹ 139.08 crore, assistance to PRIs/ULBs by ₹ 51.99 crore and Other Institutions by ₹ 446.37 crore.

1.7.6 End use of Cess

The Central Government had specified a Cess for the purpose of Building and Other Construction Welfare (regulation of Employment and Conditions of Service) Act, 1996 at the rate of one per cent of the cost of construction incurred by an employer or any executing agency as the case may be. Rule 5 of the Cess Rule, 1996 also provided that proceeds of the Cess collected shall be transferred by such Government office/Establishment as the case may be to the Mizoram Building and Other Construction Welfare Board.

³ (Figures for 2014-15) Sports Council (₹ 19.50 crore), Lai Autonomous District Council (₹ 96.05 crore), Mara Autonomous District Council (₹ 88.73 crore), Chakma Autonomous District Council (₹ 54.63 crore), National Service Schemes (₹ 0.82 crore), Khadi and Village Industry (₹ 7.26 crore) and Rashtriya Krishi Vikas Yojana (₹ 98.96 crore)

Accordingly, the State Government, vide its Office Memorandum No. B-16012/2/2011-LE&IT dated 29 May 2012 directed all the Departments of the State Government to deduct at source the Labour Cess at the rate of one *per cent* on the cost of construction works/projects undertaken by all Building and Other Constructors in the State of Mizoram. Further, the deduction of Labour Cess at source shall be submitted the amount so deducted to the Secretary, Mizoram Building and Other Construction Welfare Board, Department of Labour Employment and Industrial Training, Government of Mizoram through Account Payee Cheque/Bank Draft.

The details of Cess collected and fund position of the Secretary, Mizoram Building and Other Construction Workers' Welfare Board, Mizoram for the year 2014-15 is presented in **Table-1.24**.

Table-1.24: Fund Position of Mizoram Building and Other Construction Workers' Welfare Board

(figures in ₹)

Year	Opening Balance	Receipt				Total Fund	Expenditure	Closing Balance
		Cess	Beneficiary Registration Fee	Bank Interest	Total			
2014-15	7,88,85,887	8,20,65,642	8,64,300	29,40,718	8,58,70,660	16,47,56,547	9,63,29,927	6,84,26,620

During 2014-15, the Board collected ₹ 8.21 crore as labour cess at the rate of one *per cent* on the cost of construction works/projects and incurred a total expenditure of ₹ 9.63 crore on various heads of accounts. Expenditure incurred under Beneficiary Schemes was ₹ 0.34 crore (3.49 *per cent*), Capacity Building was ₹ 7.04 crore (73.05 *per cent*), Administrative Expenses was ₹ 1.89 crore (19.63 *per cent*) and Soft Loan was ₹ 0.37 crore (3.84 *per cent*).

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 categorised into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure. The expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to the State Governments. Enhancing human development level requires the States to step up their

expenditure on key social services like education and health *etc.* **Table-1.25** analyses the fiscal priority and fiscal capacity of the State Government with regard to development expenditure, social sector expenditure and capital expenditure during 2014-15.

Table-1.25: Fiscal Priority and Fiscal Capacity of the State during 2014-15

Fiscal Priority by the State	TE/ GSDP	DE/ TE	SSE/ TE	CE/ TE	Education/ TE	Health/ TE
Mizoram State's Average (Ratio) 2014-15	52.66	72.28	37.60	14.09	17.68	5.25
Special Category States Average (Ratio) 2014-15	NA	63.51	38.14	14.22	19.31	5.49

TE: Total Expenditure, DE: Development Expenditure, SSE: Social Sector Expenditure and CE: Capital Expenditure Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Development Loans and Advances disbursed.

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

A comparison of the data related to Mizoram with that of the Special Category States (SCS) revealed the following:

- During 2014-15, development expenditure as a proportion of total expenditure has been higher in the State compared to the SCS average.
- Expenditure on Social Sector as a proportion of total expenditure was slightly lower than the SCS average during 2014-15. The share of expenditure on education and health as a proportion of total expenditure was also lower than the SCS average of 2014-15.
- The share of capital expenditure of the State was slightly lower than the SCS average during the year 2014-15.

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-1.26** presents the trends in development expenditure relative to the total expenditure of the State during the current year *vis-à-vis* budgeted expenditure and the previous years, **Table-1.27** 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-1.26: Development Expenditure

(₹ in crore)

Components of Development Expenditure	2010-11	2011-12	2012-13	2013-14	2014-15	
					BE@	Actuals
Development Expenditure (a to c)	2,843.45 (72.89)	3,049.41 (70.41)	3,657.75 (71.07)	3,776.33 (68.08)	4,858.44	4,757.89 (72.28)
a. Development Revenue Expenditure	2,244.95 (57.55)	2,470.95 (57.05)	3,088.36 (60.01)	3,230.36 (58.24)	4,026.40	3,902.79 (59.29)
b. Development Capital Expenditure	591.35 (15.16)	570.15 (13.16)	564.81 (10.97)	541.68 (9.77)	830.24	853.30 (12.96)
c. Development Loans and Advances	7.15 (0.18)	8.31 (0.19)	4.58 (0.09)	4.29 (0.08)	1.80	1.80 (0.03)

Figures in parentheses indicate percentage to total expenditure
 (@) BE figures are gross figures sourced from Annual Financial Statement (Budget), Government of Mizoram, 2014-15, while Actual are net figures sourced from Finance Account, 2014-15

The Development Expenditure on socio-economic services increased from ₹ 2,843.45 crore in 2010-11 to ₹ 4,757.89 crore in 2014-15 and it registered an increase of 25.99 per cent (₹ 981.56 crore) during 2014-15 over the previous year. As a percentage of total expenditure, the share of Development Expenditure ranged between 68.08 per cent and 72.89 per cent with inter year variations during 2010-15. During the current year, the State Government earmarked ₹ 4,858.44 crore out of the estimated total expenditure for development expenditure. However, the actual development expenditure was lower by ₹ 100.55 crore. Development Revenue Expenditure showed increasing trend since 2010-11 at an annual growth rate of 14.77 per cent while Development Capital Expenditure showed inter year variations during the period 2010-15 and increased significantly by ₹ 311.62 crore (57.53 per cent) during 2014-15 (₹ 853.30 crore) over 2013-14 (₹ 541.68 crore). The trend in Development Revenue Expenditure indicates that Development Revenue Expenditure increased by 20.82 per cent from ₹ 3,230.36 crore in 2013-14 to ₹ 3,902.79 crore in 2014-15 whereas Development Capital Expenditure increased by 57.53 per cent from ₹ 541.68 crore in 2013-14 to ₹ 853.30 crore in 2014-15.

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 productive capacity directly or indirectly 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-1.27** summarises 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 2013-14 and 2014-15.

Table-1.27: Efficiency of expenditure use in selected Social and Economic Services

Social/ Economic Infrastructure	2013-14				2014-15			
	Ratio of CE to TE ^a	In RE, the share of S & W		Non-Salary	Ratio of CE to TE ^a	In RE, the share of S & W		Non-Salary
		₹ in crore	In per cent	₹ in crore		₹ in crore	In per cent	₹ in crore
Social Services (SS)								
Education, Sports, Art and Culture	3.07	640.30	68.40	295.78	1.86	689.94	60.42	452.06
Health and Family Welfare	5.53	176.73	71.26	71.29	5.15	190.11	57.95	137.95
Water Supply, Sanitation, Housing and Urban Development	38.93	51.38	23.80	164.46	47.37	53.44	20.96	201.53
Other Social Services	5.79	38.34	9.05	385.36	9.35	39.95	9.16	395.95
Total (SS)	10.23	906.75	49.72	916.89	12.69	973.44	45.05	1,187.49
Economic Services (ES)								
Agriculture & Allied Activities	16.21	161.47	24.30	503.07	17.66	173.85	24.08	548.02
Irrigation and Flood Control	0.22	7.34	71.54	2.92	4.49	8.09	71.72	3.19
Power & Energy	17.05	74.13	23.38	242.98	29.52	80.11	23.68	258.23
Transport	41.07	70.13	51.29	66.59	49.13	74.42	39.13	115.78
Other Economic Services	16.26	84.72	30.46	193.37	10.86	91.21	19.00	388.96
Total (ES)	19.18	397.79	28.28	1,008.93	23.64	427.68	24.55	1,314.18
Grand Total (SS + ES)	14.36	1,304.54	40.38	1,925.82	17.94	1,401.12	35.90	2,501.67

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

^a 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 increased from 14.36 per cent in 2013-14 to 17.94 per cent in current year.

The salary and wage component under revenue expenditure in Social Services increased by ₹ 66.69 crore from ₹ 906.75 crore in 2013-14 to ₹ 973.44 crore in 2014-15, showing an increase by 7.35 per cent over the previous year; while non-salary component increased by 29.51 per cent over the previous year from ₹ 916.89 crore in 2013-14 to ₹ 1,187.49 crore in 2014-15.

Again, within the revenue expenditure under economic services, the salary and wage component increased by ₹ 29.89 crore (7.51 per cent) from ₹ 397.79 crore in 2013-14 to ₹ 427.68 crore in 2014-15; while the non-salary component decreased by ₹ 305.25 crore (30.25 per cent) from ₹ 1,008.93 crore in 2013-14 to ₹ 1,314.18 crore in 2014-15.

The ratio of salary and wage component under Social and Economic Services to revenue expenditure during the current year was 35.90 per cent, a decrease of 4.48 per cent over the previous year. The expenditure on salary and wages under Social and Economic Services increased by 7.40 per cent from ₹ 1,304.54 crore in 2013-14 to ₹ 1,401.12 crore in 2014-15 and the non-salary revenue expenditure on Social and Economic Services increased by 29.90 per cent from ₹ 1,925.82 crore in 2013-14 to ₹ 2,501.67 crore in 2014-15.

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, to avoid 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

Out of 36 ongoing projects as of March 2015, there were 24 projects which were to be completed on or before March 2015, with initial budgeted cost of ₹ 203.83 crore under Public Health Engineering and Power & Electricity Departments. The department-wise information pertaining to incomplete time overrun projects as on 31 March 2015 is given in **Table-1.28** below:

Table-1.28: 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 2014
Power and Electricity (P&E)	4	32.73	0.44 (1)	19.60
Public Health Engineering (PHE)	20	171.10	0	129.74
Total	24	203.83	0.44	149.34

Source: Appendix X (Finance Account 2014-15)

There was cost overrun of ₹ 0.44 crore in one project at the close of the current year. 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 overrun involved in their completion.

1.9.2 Investment and returns

As of 31 March 2015, Government had invested ₹ 25.19 crore in Government Companies and Co-operative Bank, Societies, *etc.* out of which ₹ 6.04 crore was invested in Government Companies and ₹ 19.15 crore was invested in Co-operative Bank, Societies, *etc.* During the current year, the State Government invested ₹ 1.12 crore in Government Companies and ₹ 1.80 crore in Consumer Co-operatives. No dividend was received during 2014-15. *The return on this investment was Nil in the last five years while the Government paid an*

average interest rate ranging from 2.60 to 6.08 per cent on its borrowings during 2010-15 (Table-1.29).

Table-1.29: Return on Investment

	(₹ in crore)				
Investment/Return/Cost of Borrowings	2010-11	2011-12	2012-13	2013-14	2014-15
Investment at the end of the year (₹ in crore)	19.27	19.77	20.91	22.27	25.19
Return (₹ in crore)	--	--	--	--	--
Return (per cent)	--	--	--	--	--
Average rate of interest on Government borrowing (per cent)	2.60	6.08	5.96	5.31	5.03
Difference between interest rate and return (per cent)	2.60	6.08	5.96	5.31	5.03

Six working Government Companies had accumulated losses of ₹ 60.71 crore⁵ as per latest finalised annual accounts.

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.

1.9.3 Loans and Advances by the 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-1.30** presents the outstanding loans and advances as on 31 March 2015, interest receipts *vis-à-vis* interest payments during the last three years.

Table-1.30: Average Interest received on Loans advanced by the State Government

	(₹ in crore)		
Quantum of Loans/Interest Receipts/Cost of Borrowings	2012-13	2013-14	2014-15
Opening Balance	250.76	251.53	249.13
Amount advanced during the year	30.25	30.71	2.43
Amount repaid during the year	29.48	33.11	31.63
Closing Balance	251.53	249.13	219.93

⁵ (Mizoram Electronic Development Corporation Ltd., ₹ 4.31 crore in 2001-02; Mizoram Food and Allied Industries Corporation Ltd., ₹ 19.33 crore in 2010-11; Mizoram Handloom and Handicraft Development Corporation Ltd., ₹ 8.23 crore in 2003-04; Zoram Industrial Development Corporation Ltd., ₹ 22.39 crore in 2011-12; Mizoram Agricultural Marketing Corporation Ltd., ₹ 6.43 crore in 2008-09 and Mizoram Mineral Development Corporation Ltd., ₹ 0.02 crore in 2013-14)

Quantum of Loans/Interest Receipts/Cost of Borrowings	2012-13	2013-14	2014-15
<i>Of which Outstanding balance for which terms and conditions have been settled</i>			
Net addition	(+) 0.77	(-) 2.40	(-) 29.20
Interest Receipts	7.69	1.34	0.74
(a) Interest receipts as <i>per cent</i> to outstanding Loans and Advances	3.06	0.54	0.34
(b) Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	5.63	5.07	4.67
(c) = (b) – (a) Difference between interest payments and interest receipts (<i>per cent</i>)	2.57	4.53	4.33

The total amount of outstanding Loans and Advances as on 31 March 2015 was ₹ 219.93 crore. The amount of loans disbursed during the year decreased considerably from ₹ 30.71 crore in 2013-14 to ₹ 2.43 crore in 2014-15. Out of the total amount of loans advanced during the year, ₹ 1.80 crore (Loans for Co-operation) to economic services and ₹ 0.63 crore to Government servants. The recovery of loans and advances decreased by ₹ 1.48 crore from ₹ 33.11 crore in 2013-14 to ₹ 31.63 crore in 2014-15 mainly on account of decrease in recovery under loans for Housing (₹ 3.80 crore) which was offset by an increase in recovery under loans to Government Servants (₹ 1.99 crore) and loans for Co-operation (₹ 0.32 crore).

Interest received against these loans and advances significantly decreased from ₹ 7.69 crore in 2012-13 to ₹ 0.74 crore in 2014-15 and as a result the interest receipt to outstanding loans stood at 0.34 per cent during 2014-15.

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 the Reserve Bank of India (RBI) has been put in place. The operative limit for Ordinary 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 RBI, 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-1.31**.

Table-1.31: Ways and Means Advances and Overdraft

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Ordinary and Special Ways & Means Advances					
Availed in the year	163.36	71.39	166.58	561.73	1,013.59
Outstanding WMAs	27.21	46.45	115.77	14.11	14.11
Interest paid	0.09	0.03	0.04	0.66	1.12
Number of days	21	11	6	62	71
Overdraft					
Availed in the year	--	--	--	172.80	53.28
Outstanding Overdraft	--	--	--	(-) 31.62	(-) 31.62
Interest paid	--	--	--	--	--
Number of days	--	--	--	3	2

The State was able to maintain a minimum balance of ₹ 0.20 crore with the RBI for 292 days during 2014-15 except two days on which the Government had to resort to Overdraft facility in addition to availing Ordinary and Special Ways & Means Advances during 2014-15 for 39 days and 32 days respectively, against which an interest of ₹ 1.12 crore was paid. The State resorted to Ways and Means Advances of ₹ 1,013.59 crore and repaid ₹ 1,013.59 crore leaving an unpaid balance of ₹ 14.11 crore as on 31 March 2015, which was carried forward from 2013-14. Also, the State availed Overdraft facility of ₹ 53.28 crore and repaid ₹ 53.28 crore leaving a balance of (-) 31.62 crore as on 31 March 2015.

The cash balances and investments made by the State Government out of cash balances during 2014-15 are shown in **Table-1.32**.

Table-1.32: Cash Balances and Investment of Cash Balances

(₹ in crore)

Particulars	Opening Balance on 1 April 2014	Closing Balance on 31 March 2015
(a) General Cash Balance		
Cash in Treasuries	---	---
Remittance in transit (local)	---	---
Deposit with Reserve Bank ⁶	(-) 143.73	(-) 233.45
Total	(-) 143.73	(-) 233.45
Investment held in Cash Balance investment account	(-) 265.33	(-) 182.09
Total (a)	(-) 409.06	(-) 415.54

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 2014-15 advised to the RBI as on 31 March 2015

Particulars	Opening Balance on 1 April 2014	Closing Balance on 31 March 2015
(b) Other Cash Balances and Investments		
Cash with Departmental Officers viz. Forest Officers and Public Work Officers	(-) 4.77	(-) 4.77
Permanent Advances for contingent expenditure with Departmental Officers	---	---
Investments of Earmarked Funds	161.80	180.98
Total (b)	157.03	176.21
Grand Total (a) + (b)	(-) 252.03	(-) 239.33

Cash balance of the State Government at the end of the current year changed by ₹ 12.70 crore from ₹ (-) 252.03 crore in 2013-14 to ₹ (-) 239.33 crore in 2014-15. There was also a difference of ₹ 57.60 crore (net credit) at the end of the accounting year 2014-15 between the Cash Balance as worked out by the Accountant General and as reported by the Reserve Bank of India. This difference is mainly due to erroneous reporting by the accredited banks to the Reserve Bank of India, Nagpur which is responsible for maintaining the Cash Balance of the State Government. The net difference as on May 2015 decreased to ₹ 57.06 crore (Cr) following subsequent reconciliation.

The investment held in the cash balances investment account changed by ₹ 83.24 crore from (-) ₹ 265.33 crore in 2013-14 to (-) ₹ 182.09 crore in 2014-15 against which ₹ 6.80 crore was realised as interest. Further, during the year, the Government appropriated ₹ 17.19 crore from revenue and credited to Consolidated Sinking Fund which was constituted during 2000-01 for redemption of open market loans, for investment in the Government of India Securities. As a result the balance as on 31 March 2015 was ₹ 173.49 crore for amortisation of long term loans. In addition, as of 31 March 2015, there was a balance of ₹ 7.50 crore in investment under Guarantee Redemption Fund.

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 2010-11 to 2014-15 and the outstanding balance of ₹ 0.15 crore continues to remain in this head for the last five years.

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 2015, compared with the corresponding position on 31 March 2014. While the liabilities in this Appendix consist mainly of internal debt (Market loans, Loans from Banks and Financial Institutions, Ways and Means Advances from RBI, *etc.*), loans and advances from the GoI and receipts from the Public Accounts (Small Savings, Provident Fund *etc.*, Reserve Funds (Gross) and Deposits), 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 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 **Charts-1.11** and **1.12**.

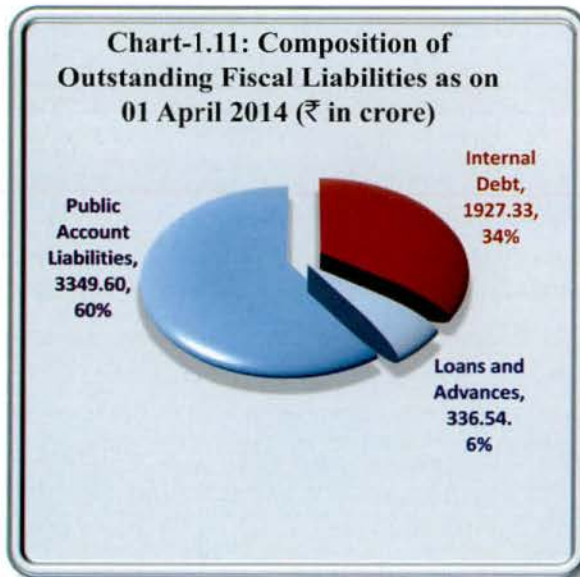


Table-1.33 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP, revenue receipts and to State’s own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

Table-1.33: Fiscal Liabilities – Basic Parameters

	2010-11	2011-12	2012-13	2013-14	2014-15
Fiscal Liabilities* (₹ in crore)	4,496.86	4,548.45	5,114.20	5,613.47	6,550.39
Rate of Growth (per cent)	23.96	1.15	12.44	9.76	16.69
Ratio of Fiscal Liabilities to:					
GSDP (per cent)	74.23	65.06	63.51	54.52	52.41
Revenue Receipts (per cent)	157.49	118.92	112.73	117.81	118.86
Own Resources (per cent)	1,622.48	1,310.41	1,173.12	1,323.81	1,288.23
Buoyancy of Fiscal Liabilities with reference to:					
GSDP (ratio)	3.05	0.07	0.82	0.42	0.78
Revenue Receipts (ratio)	(-) 6.51	0.03	0.67	1.94	1.07
Own Resources (ratio)	1.30	0.05	0.49	(-) 3.58	0.84

* Includes Internal Debt (Market loans, Loans from Banks and Financial Institutions, Ways and Means Advances from RBI, etc.), Loans and Advances from Gol, receipts from the Public Accounts (Small Savings, Provident Fund etc., Reserve Funds (Gross) and Deposits)

The overall fiscal liabilities of the State increased at an average annual rate of 9.13 per cent during the period 2010-15. During the current year, the overall fiscal liabilities of the State Government increased by ₹ 936.92 crore (16.69 per cent) from ₹ 5,613.47 crore in 2013-14 to ₹ 6,550.39 crore in 2014-15. The increase in fiscal liabilities was mainly due to increase in the Public Account liabilities by ₹ 743.08 crore and Internal Debt by ₹ 208.11 crore, offset by a decrease in Loans and Advances by ₹ 14.27 crore. *The ratio of fiscal liabilities to GSDP has decreased from 54.52 per cent in 2013-14 to 52.41 per cent in 2014-15 however, the ratio of fiscal liabilities to revenue receipts increased from 117.71 per cent in 2013-14 to 118.86 per cent in 2014-15 and with respect to Own resources it decreased from 1,322.63 per cent in 2013-14 to 1,288.23 per cent in 2014-15.* The buoyancy of these liabilities with respect to GSDP during the year was 0.78 however, with respect to revenue receipts it was 1.07 indicating that for each one per cent increase in revenue receipts, fiscal liabilities grew by 1.07 per cent. The buoyancy of fiscal liabilities with respect to own resources was 0.84. To achieve the 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 GSDP, 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 by an amendment in the Mizoram Fiscal Responsibility and Budget Management (MZFRBM) Act, 2006. Against the target for the current year, the outstanding fiscal liabilities of the State at the end of the year 2014-15 stood at 52.41 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.

The increasing position of fiscal liabilities during 2010-15 is depicted in the bar chart below:

Chart-1.13: Trend showing Fiscal Liabilities during 2010-15

₹ in crore)



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 and accounted under the Consolidated Fund 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 2015 in Reserve Funds was ₹ 193.54 crore, out of which, ₹ 180.99 crore (93.52 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 one to three 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 0.50 per cent of the outstanding liabilities of the State as at the end of the previous financial year.

During 2014-15, the State Governments contribution was ₹ 17.19 crore, against the requirement of ₹ 28.07 crore (0.50 per cent of the total outstanding liabilities of the

Government of Mizoram as on 31 March 2014 *i.e.*, ₹ 5,613.47 crore). As on 31 March 2015, ₹ 173.49 crore was credited in Consolidated Sinking Fund, which was 3.09 *per cent* of outstanding liabilities of the previous financial year and has been invested in Government of India securities.

(b) Guarantee Redemption Fund (GRF)

Guarantee Redemption Fund (GRF) was set up in the State with initial corpus of ₹ 50 lakh to meet the possible invoking of the guarantees given by the State Government to the loans raised by its entities. The State Government was required to contribute an amount equivalent to at least 1/5th of the outstanding guarantees during the year. During 2014-15, the State Government transferred ₹ 2.00 crore to the GRF against the requirement of ₹ 19.38 crore (1/5th of outstanding guarantee of ₹ 96.90 crore as on 31 March 2015). The balance in the Fund as on 31 March 2015 was ₹ 7.50 crore which has been invested and guarantees of ₹ 3.59 crore was invoked during the year. The interest that accrued on the investment out of the fund was ₹ 0.03 crore.

(c) State Disaster Response Fund (SDRF)

The State Government replaced the existing Calamity Relief Fund (CRF) and created the “State Disaster Response Fund” (SDRF) in 2010-11 as per the recommendation of the XIII FC. The recommendation of the XIII FC envisaged that the Centre and the State were to contribute to the fund in the proportion 90:10. The SDRF had an opening balance of ₹ 7.20 crore at the beginning of the year and ₹ 12.54 crore was transferred to the fund against which an expenditure of ₹ 13.71 crore was incurred during the year from the fund. The fund had a closing balance of ₹ 6.03 crore as on 31 March 2015.

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 and 20 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-1.34**.

Table-1.34: Guarantees given by the Government of Mizoram

	(₹ in crore)		
Guarantees	2012-13	2013-14	2014-15
Maximum amount guaranteed	243.84	273.94	273.94
Outstanding amount of guarantees	159.79	107.48	96.90
Revenue Receipts	4,536.74	4,764.85	5,511.10
Percentage of maximum amount guaranteed to revenue receipts	5.37	5.75	4.97

The State Government had guaranteed loans raised by various corporations and others which at the end of 2014-15 stood at ₹ 96.90 crore. The maximum amount guaranteed during 2014-15 stood at ₹ 273.94 crore out of which the major extension of fresh guarantees were towards Mizoram Co-operative Apex Bank Ltd. (₹ 102.75 crore), Zoram Industrial Development Corporation Limited (₹ 59.67 crore), Consortium Bank Credit (CBC) scheme (₹ 44.28 crore), MCA (₹ 25 crore) and MUCO Bank Ltd. (₹ 20.17 crore) in the current year. The outstanding guarantees were 4.97 *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 52.41 to 53.18 *per cent*.

1.11 Debt Management

Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability⁷ 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 cost of additional borrowings with return 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 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-1.35** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from 2010-11.

Table-1.35: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability	2010-11	2011-12	2012-13	2013-14	2014-15
Debt/GSDP (as <i>per cent</i>)	56.79	65.27	54.39	49.67	44.91
Sufficiency of Non-debt Receipts (Resource Gap)	(-) 707.86	541.06	(-) 102.07	(-) 168.63	(-) 290.53
Net Availability of Borrowed Funds	763.60	(-) 218.51	277.60	209.75	631.09
Burden of Interest Payments (IP/RR Ratio)	3.70	7.19	6.35	5.97	5.55

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

Indicators of Debt Sustainability	2010-11	2011-12	2012-13	2013-14	2014-15
Maturity Profile of State Debt (In Years)					
Maturity Profile^(a)				Amount (₹ in crore)	Per cent
0 – 1				509.63	13.46
1 – 3				940.34	24.84
3 – 5				746.50	19.72
5 – 7				790.81	20.89
Sub-total (A)				2,987.28	78.90
7 – 9				642.34	16.97
9 – 11				97.82	2.58
11 – 13				35.97	0.95
13 – 15				18.10	0.48
15 and above				4.65	0.12
Sub-total (B)				798.88	21.10
Total (A + B)				3,786.16	100.00

^(a) As per Finance Accounts

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 from a ₹ (-) 168.63 crore during 2013-14 to ₹ (-) 290.53 crore during 2014-15 indicates depreciating capacity of the State to sustain the debt from the non-debt receipts in the medium to long run. This also means the State has 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 2014-15, against debt receipt of ₹ 3,465.20 crore, debt redemption and interest payment was ₹ 2,834.11 crore, leaving ₹ 631.09 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 ₹ 3,786.16 crore, around 78.90 per cent (₹ 2,987.28 crore) is payable within the next seven years and more than 24.84 per cent in one to three years. Since there was no fiscal surplus during the last five years (2010-15), the Government will have to borrow further to discharge the repayment obligations unless there is adequate fiscal surplus. It is a serious position and State is heading towards debt trap.

1.12 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government Accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised 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 2014-15.

1.12.1 Trends in Deficits

Charts-1.14 and 1.15 present the trends in deficit indicators over the period 2010-15.

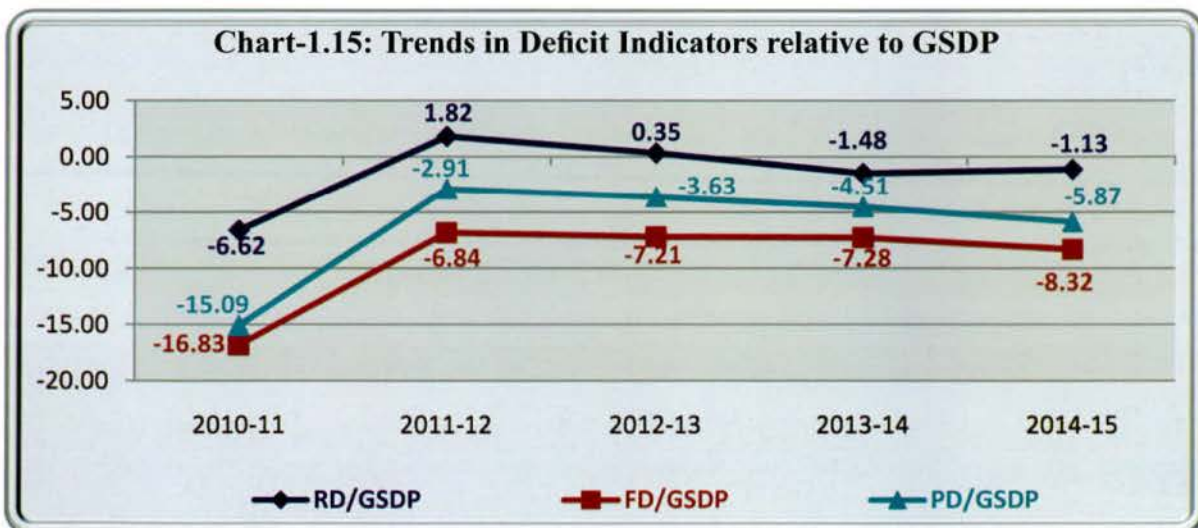
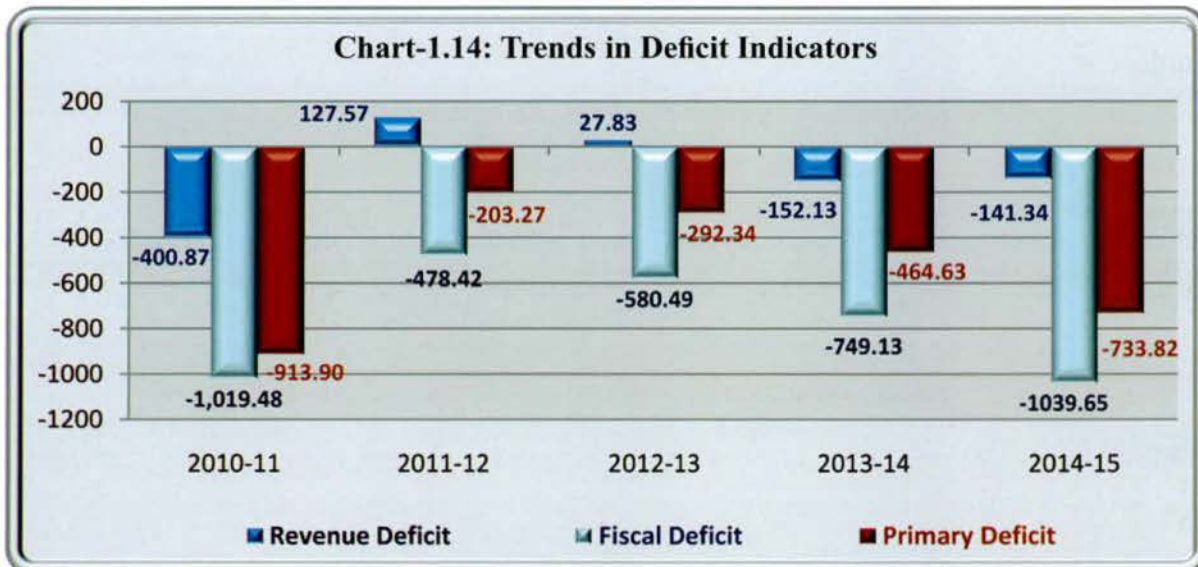


Chart-1.14 reveals that the reduction in revenue deficit by ₹ 10.79 crore in 2014-15 over the previous year was due to increase in revenue receipts by 15.66 *per cent*, although the revenue expenditure was also higher by 14.96 *per cent*. Due to increase of ₹ 1,035.29 crore in total expenditure in 2014-15 over the previous year, the position of both fiscal deficit and primary deficit also adversely deteriorated. While fiscal deficit increased by ₹ 290.52 crore, primary deficit had increased by ₹ 269.19 crore over the previous year. Interest payment (₹ 305.83 crore) alone accounted for 29.42 *per cent* of the fiscal deficit (₹ 1,039.65 crore) and as such obligations of past liabilities formed major portion of the fiscal deficit in the current year. Interest bearing borrowing¹⁰ of ₹ 1,383.08 crore in 2014-15 as compared to ₹ 955.24 crore in the previous year may amplify the interest burden in the coming years. A cautious and prudent management of expenditure and revenue mobilization needs to be taken up so that financial position returns to a comfortable state.

1.12.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in **Table-1.36**.

Table-1.36: Components of Fiscal Deficit and its Financing Pattern

		(₹ in crore)				
Particulars		2010-11	2011-12	2012-13	2013-14	2014-15
Decomposition of Fiscal Deficit		(-) 1,019.48	(-) 478.42	(-) 580.49	(-) 749.13	(-) 1,039.65
1.	Revenue Surplus/Deficit	(-) 400.87	(+) 127.57	(+) 27.83	(-) 152.13	(-) 141.34
2.	Net Capital Expenditure	(-) 614.71	(-) 600.27	(-) 607.55	(-) 599.40	(-) 927.51
3.	Net Loans and Advances	(-) 3.90	(-) 5.72	(-) 0.77	(+) 2.40	29.20
Financing Pattern of Fiscal Deficit*						
1.	Market Borrowings	256.56	9.92	67.78	229.60	175.82
2.	Loans from GoI	(-) 22.04	4.25	(-) 18.61	(-) 186.80	(-) 14.27
3.	Special Securities Issued to NSSF	18.71	7.11	18.41	7.73	23.17
4.	Loans from Financial Institutions	16.01	(-) 42.68	71.22	(-) 47.40	13.68
5.	Compensation and other Bonds	(-) 4.56	(-) 4.55	(-) 4.56	(-) 4.56	(-) 4.56
6.	Small Savings, PF etc.	275.91	115.72	196.33	309.95	310.74
7.	Deposits and Advances	333.44	(-) 32.42	230.33	183.78	433.51
8.	Suspense and Misc.	209.58	453.72	(-) 51.79	206.48	(-) 80.63
9.	Remittances	(-) 35.83	57.03	(-) 18.50	6.41	93.64
10.	Reserve Fund	(-) 4.37	0.11	5.39	1.85	(-) 1.17
11.	Increase/decrease in Cash Balance with RBI	(-) 23.93	(-) 89.79	84.49	42.09	89.72
12.	Overall Deficit (1 to 11) (Percentage of GSDP)	(-) 1,019.48 (16.83)	(-) 478.42 (6.84)	(-) 580.49 (7.21)	(-) 749.13 (7.28)	(-) 1,039.65 (8.32)
* All these figures are net of disbursements/outflows during the year						

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

It can be seen from **Table-1.35** that there was *fiscal deficit during the last five years which has progressively deteriorated and finally stood at ₹ 1,039.65 crore during 2014-15*. During 2014-15, fiscal deficit was primarily financed by Deposits and Advances, Small Savings, PF etc., Market Borrowings, Remittances and Cash Balance with RBI.

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.

1.12.3 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) was not having any asset backup. The bifurcation of the primary deficit (**Table-1.37**) 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-1.37: 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)
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
2013-14	4,797.96	4,632.48	599.40	30.71	5,262.59	(+) 165.48	(-) 464.63
2014-15	5,542.73	5,346.61	927.51	2.43	6,276.55	(+) 196.12	(-) 733.82

The non-debt receipts of the State during 2010-11 to 2014-15 were sufficient to meet the primary revenue expenditure except during 2010-11. During 2013-14 and 2014-15 the non-debt receipt was in excess of the primary revenue expenditure by ₹ 165.48 crore and ₹ 196.12 crore respectively. The non-debt receipts of the State increased by 15.52 per cent from ₹ 4,797.96 crore in 2013-14 to ₹ 5,542.73 crore in 2014-15 which was more than the primary expenditure by ₹ 196.12 crore. The proportion of capital expenditure increased during the current year over the previous years by ₹ 328.11 crore.

1.13 Conclusion and Recommendations

Conclusion

Revenue Receipts increased by ₹ 746.25 crore (15.66 per cent) over the previous year mainly due to increase in Grants-in-Aid (₹ 609.22 crore). The revenue receipt (₹ 5,511.10 crore) was lower by ₹ 368.37 crore (6.27 per cent) than the assessment of the State Government in its Fiscal Correction Path (FCP) (₹ 5,879.47 crore).

Revenue Expenditure and Capital Expenditure

Revenue Expenditure increased by ₹ 735.46 crore (14.96 per cent) while **Capital Expenditure** increased by ₹ 328.11 crore (54.74 per cent) over the previous year. Revenue expenditure was lower by ₹ 111.97 crore (1.94 per cent) over the assessment made by the State Government in its FCP (₹ 5,764.41 crore) while, capital expenditure was higher by ₹ 213.23 crore (29.85 per cent) over the projection made by the State Government in its FCP (₹ 714.28 crore).

Total Expenditure of the State increased progressively from ₹ 3,900.82 crore in 2010-11 to ₹ 6,582.38 crore in 2014-15 at an annual average rate of 13.75 per cent and increased by 18.66 per cent from ₹ 5,547.09 crore in 2013-14 to ₹ 6,582.38 crore in 2014-15. Of the total expenditure during 2014-15, the revenue expenditure (₹ 5,652.44 crore) constituted 85.87 per cent while capital expenditure (₹ 927.51 crore) constituted 14.09 per cent and loans and advances (₹ 2.43 crore) constituted 0.04 per cent.

During 2014-15, while the share of plan expenditure of ₹ 2,945.51 crore constituted 44.75 per cent of the total expenditure, the remaining 55.25 per cent (₹ 3,636.87 crore) was non-plan expenditure. Moreover, out of the increase of ₹ 1,035.29 crore in total expenditure in 2014-15, plan expenditure constituted 61.13 per cent (₹ 632.92 crore) while non-plan expenditure contributed 38.87 per cent (₹ 402.37 crore).

Fiscal liabilities

The overall fiscal liabilities of the State increased at an average annual rate of 9.13 per cent during the period 2010-15. During the current year, the overall fiscal liabilities of the State Government increased by ₹ 936.92 crore (16.69 per cent) from ₹ 5,613.47 crore in 2013-14 to ₹ 6,550.39 crore in 2014-15. The increase in fiscal liabilities was mainly due to increase in the Public Account liabilities by ₹ 743.08 crore and Internal Debt by ₹ 208.11 crore, offset by a decrease in Loans and Advances by ₹ 14.27 crore. **The ratio of fiscal liabilities to GSDP has decreased from 54.52 per cent in 2013-14 to 52.41 per cent in 2014-15 however, the ratio of fiscal liabilities to revenue receipts increased from 117.71 per cent in 2013-14 to 118.86 per cent in 2014-15 and with respect to Own resources it decreased from 1,322.63 per cent in 2013-14 to 1,288.23 per cent in 2014-15.**

The buoyancy of these liabilities with respect to GSDP during the year was 0.78 however, with respect to revenue receipts it was 1.07 indicating that for each one per cent increase

in revenue receipts, fiscal liabilities grew by 1.07 *per cent*. The buoyancy of fiscal liabilities with respect to own resources was 0.84. Against the target of 74.80 *per cent* for the current year, the outstanding fiscal liabilities of the State at the end of the year 2014-15 stood at 52.41 *per cent* of GSDP.

Investment and Returns

As of 31 March 2015, the State Government had invested ₹ 25.19 crore in Government Companies and Co-operative Bank, Societies, *etc.* out of which an amount of ₹ 6.04 crore was invested in the Government Companies and ₹ 19.15 crore was invested in Co-operative Bank, Societies, *etc.* During the current year, the State Government invested ₹ 1.12 crore in the Government Companies and ₹ 1.80 crore in Consumer Co-operatives. No dividend was received during 2014-15. ***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 6.08 per cent on its borrowings during 2010-15.***

Debt sustainability

Widening of the resource gap from a ₹ (-) 168.63 crore during 2013-14 to ₹ (-) 290.53 crore during 2014-15 indicates depreciating capacity of the State to sustain the debt from the non-debt receipts in the medium to long run. This also means the State has to depend on borrowed funds for meeting current revenue and capital expenditure.

Fiscal Imbalances

Due to increase of ₹ 1,035.29 crore in total expenditure in 2014-15 over the previous year, the position of both fiscal deficit and primary deficit also adversely deteriorated. While fiscal deficit increased by ₹ 290.52 crore, primary deficit had increased by ₹ 269.19 crore over the previous year.

Recommendations

Revenue Receipts

The State Government should mobilise additional resources both through tax and non-tax sources by expanding the tax base and rationalising 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.

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 marginal improvement achieved in revenue deficit and drastic deterioration 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

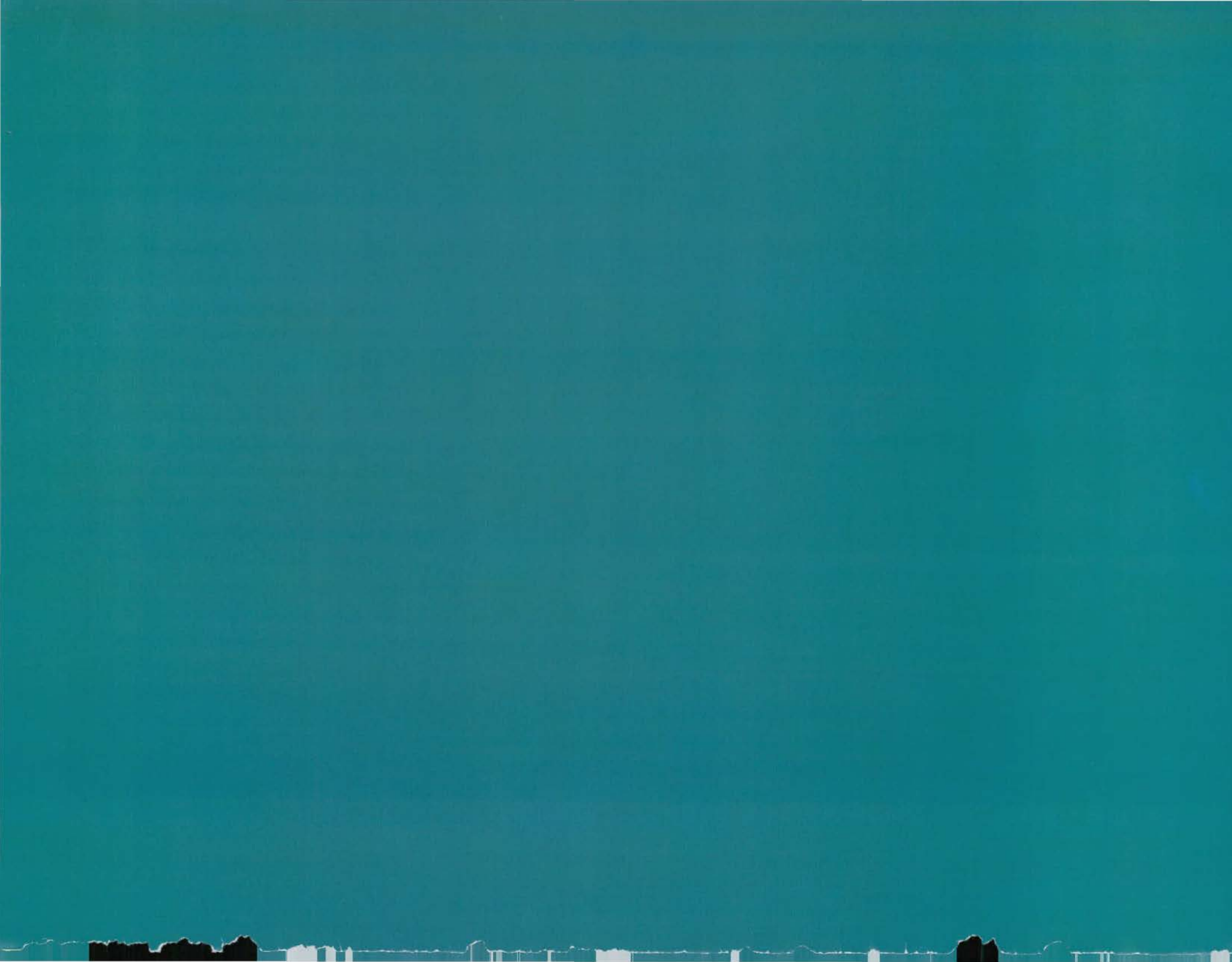
Maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year will ensure that market borrowings are sourced optimally. A clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.

Government Investments

A performance-based system of accountability should be put in place in the Government Companies/Statutory Corporations so as to ensure profitability and improve efficiency in service. The Government should have a re-look on the re-structuring of the loss-making Companies so as to curb the increasing debt burden of the Government.



**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 authorised 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 summarised position of actual expenditure during 2014-15 against 49 grants/appropriations (48 Grants and one Appropriation) are given in **Table-2.1**.

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

								(₹ in crore)
Nature of expenditure	Original grant	Supplementary grant	Total	Actual expenditure	Saving (-) / Excess (+)	Amount surrendered*	Percentage of savings surrendered by 31 March (Col. 7/Col.6)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(9)	
Voted	I Revenue	5,435.46	754.53	6,189.99	5,313.58	(-) 876.41	895.06	102.13
	II Capital	892.55	376.20	1,268.75	1,022.40	(-) 246.35	182.40	74.04
	III Loans and Advances	27.45	-	27.45	2.43	(-) 25.02	25.05	100.12
	Total Voted	6,355.46	1,130.73	7,486.19	6,338.41	(-) 1,147.78	1,102.51	96.06
Charged	IV Revenue	330.95	9.70	340.65	341.32	(+) 0.67	1.91	-
	V Capital	-	-	-	-	-	-	-
	VI Public Debt Repayment	264.66	1015.00	1279.66	1,189.24	(-) 90.42	-	0.00
	Total Charged	595.61	1,024.70	1,620.31	1,530.56	(-) 89.75	1.91	2.13
Appropriation to Contingency Fund (if any)	-	-	-	-	-	-	-	
Grand Total	6,951.07	2,155.43	9,106.50	7,868.97	(-) 1,237.53	1,104.42	89.24	

* Entire amount was surrendered only on 31 March 2015

The overall savings of ₹ 1,237.53 crore was the result of savings of ₹ 1,361.56 crore in 44 grants under Revenue Section, 17 grants and one appropriation under Capital Section which was offset by excess of ₹ 124.03 crore in four grants and one appropriation under Revenue Section and two grants under Capital Section.

Out of the total unspent provisions/savings of ₹ 1,237.53 crore, ₹ 1,104.42 crore (89.24 *per cent* of the total unspent provision) was surrendered on 31 March 2015 as depicted in the above Table-2.1. The amount surrendered under the expenditure head Revenue (voted) on 31 March was ₹ 895.06 crore (102.13 *per cent* of unspent provision) which was ₹ 18.65 crore more than the unspent provision of ₹ 876.41 crore. The amount surrendered under the expenditure head Capital (voted) on 31 March was ₹ 182.40 crore (74.04 *per cent* of the unspent provision) which was ₹ 63.95 crore lesser than the unspent provision of ₹ 246.35 crore. The amount surrendered under the expenditure head Loans and Advances (voted) on 31 March was ₹ 25.05 crore (100.12 *per cent* of the unspent provision) which was ₹ 0.03 crore more than the unspent provision of ₹ 25.02 crore. Under the charged expenditure, even though there was excess expenditure of ₹ 0.67 crore under Revenue head, ₹ 1.91 crore was injudiciously surrendered whereas no surrender was made out of the unspent provision of ₹ 90.42 crore under the head Public Debt Repayment.

The Appropriation accounts of 2014-15 included 48 Grants and one Appropriation. Major savings occurred in Planning and Programme Implementation Department (₹ 232.59 crore), Rural Development (₹ 125.08 crore), Medical and Public Health Services (₹ 107.15 crore), Home (₹ 79.68 crore) and Higher and Technical Education (₹ 76.18 crore) under Revenue section. Substantial savings also occurred in Public Debt (₹ 90.42 crore), Minor Irrigation (₹ 64.04 crore), Urban Development & Poverty Alleviation (₹ 61.34 crore) and Food, Civil Supplies & Consumer Affairs (₹ 54.43 crore) under Capital Section (**Appendix-2.1**).

The reasons for savings/excess were called for from the concerned Departments. Their replies were awaited (January 2016).

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 ₹ 958.61 crore in 36 cases (Revenue) and ₹ 397.58 crore in 16 cases (Capital) exceeded ₹ one crore in each case or more than 20 *per cent* of the total provision (**Appendix-2.1**). Against the overall savings of ₹ 1,361.56 crore during 2014-15, savings of ₹ 464.82 crore (34.14 *per cent*) occurred in three cases relating to three grants where savings were more than ₹ 100 crore and above as indicated in **Table-2.2**.

Table-2.2: List of Grants with savings of ₹ 100 crore and above

(₹ in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings	Percentage
Revenue-Voted							
1.	14 - Planning and Programme Implementation	270.30	2.93	273.23	40.65	232.59	85.13
2.	24 - Medical and Public Health Services	326.77	108.45	435.21	328.06	107.15	24.62
3.	38 - Rural Development	330.93	43.47	374.41	249.33	125.08	33.41
Total		928.00	154.85	1,082.85	618.04	464.82	42.74

2.3.2 Persistent Savings

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

Table-2.3: List of Grants indicating Persistent Savings during 2010-15

(₹ in crore)

Sl. No.	No. and Name of the Grant	Amount of savings				
		2010-11	2011-12	2012-13	2013-14	2014-15
1.	14 - Planning and Programme Implementation Department	109.03 (77.95)	50.00 (61.12)	29.40 (40.51)	921.40 (95.92)	232.59 (85.12)

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

2.3.3 Excess Expenditure

Revenue expenditure aggregating ₹ 780.67 crore in 21 cases exceeded the approved provisions (₹ 539.79 crore) by ₹ 240.88 crore which was more than the approved provision by one crore in each case or more than 33 per cent of the total provision. Also Capital expenditure of ₹ 670.67 crore in 22 cases exceeded the approved provisions (₹ 532.18 crore) by ₹ 138.49 crore (Appendix-2.2). In 10 cases, expenditure exceeded more than 50 per cent over the approved provisions. Moreover, there was expenditure of ₹ 67.12 crore without any provisions/appropriations in 23 cases. Details are given in Table-2.4:

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Table-2.4: Grants/Appropriations where expenditure exceeded more than 50 per cent over the approved provisions during 2014-15

(₹ 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.	6	Land Revenue and Reforms	0.00	7.46	7.46	---
		2506-012-01 Statistics and Evaluation				
		2506-101-01 Regulation of Land Holding and Tenancy	0.00	2.42	2.42	---
2.	9	Finance	5,431.00	9,258.09	3,827.09	70.47
		2071-01-105-01 Family Pension				
		2071-01-115-01 Leave Encashment	3,136.00	6,563.19	3,427.19	109.29
		2071-01-200-02 VRS for School Teachers (SAL/TA-EAP)	0.00	178.00	178.00	---
		2071-01-103-01 Compassionate Allowances	6.00	21.24	15.24	254.00
3.	14	Planning and Programme Implementation	7.74	77.74	70.00	904.39
		3425-60-004-04 SMS for MIIMS/ MIRSAC				
4.	16	Home	219.93	458.28	233.35	108.38
		2055-101-03 DSB Aizwal				
5.	25	Water Supply and Sanitation	1,210.00	2,952.33	1,742.33	143.99
		2215-01-101-01 Urban Water Supply Programme				
		2215-01-102-02 National Rural Drinking Water Project (NRDWP)/CSS	0.00	481.71	481.71	---
6.	30	Disaster Management and Rehabilitation	100.00	200.00	100.00	100.00
		2245-05-101-03 Capacity Building Fund (FC)				
7.	45	Public Works	0.00	18.00	18.00	---
		2055-001-01 Direction				
8.	48	Information and Communication Technology	95.00	169.00	74.00	77.89
		3275-800-09 ZENICS				
9.	99	2049-01-305-01 Management of Debt/ Commission on Market	40.00	60.91	20.91	52.28
Total			10,245.67	20,448.37	10,197.70	---
Capital (Voted)						
1.	15	General Administration Department	0.00	1,429.94	1,429.94	---
		4575-06-101-01 BADP under RD Department				
		7610-201-01 House Building Advance to Government Servants	0.00	3.00	3.00	---
2.	17	Food, Civil Supplies and Consumer Affairs	49.64	496.35	446.71	899.90
		4408-02-101-02 Construction of Go-down (NABARD)				

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(1)	(2)	(3)	(4)	(5)	(6)	(7)
3.	21	Higher and Technical Education 4202-02-104-07 Infrastructure development of various Colleges (10 Nos.)	0.00	9.80	9.80	---
4.	25	Water Supply and Sanitation 4217-03-051-02 Augmentation of Water Supply Scheme under NERDP/CSS	0.00	657.70	657.70	---
5.	45	Public Works 4059-01-051-01 Construction of Judiciary Buildings (CSS)	0.00	1,084.56	1,084.56	---
		4055-211-01 Construction of Judiciary Buildings (CSS)	0.00	677.84	677.84	---
		4210-03-103-01 Primary Health Centre (FC)	0.00	421.82	421.82	---
		5452-01-102-01 Tourist Accommodation (CSS)	0.00	363.14	363.14	---
		4055-800-01 Modernisation of Police Forces (CSS)	0.00	348.00	348.00	---
		4202-01-203-01 Infrastructure development of various Colleges (10 Nos.) in Mizoram (NLCPR)	0.00	255.52	255.52	---
		4202-03-102-09 Construction of Indoor Stadium at Chanmari, Lunglei (NLCPR)	0.00	178.63	178.63	---
		4515-102-04 Construction of Market Building at Vairengte (NLCPR)	0.00	139.55	139.55	---
		4435-01-101-01 North Eastern Areas	0.00	134.64	134.64	---
		5053-60-101-01 Communications (NLCPR)	0.00	92.81	92.81	---
		4059-60-051-01 Construction of Examination Hall for MPSC (NLCPR)	0.00	75.17	75.17	---
		4202-01-800-02 Construction of HSS Buildings at Kawlhem & Kawkulh (NLCPR)	0.00	70.50	70.50	---
		4210-80-800-54 Construction of 100 bedded Civil Hospital, Saiha (NLCPR)	0.00	63.70	63.70	---
		4202-03-102-06 Construction of Indoor Stadium at Keitum (NLCPR)	0.00	17.88	17.88	---
Capital (Charged)						
6.	99	Public Debt 6003-110-03 Overdraft/Shortfall	1,500.00	5,328.01	3,828.01	255.20
Total			1,549.64	11,848.56	10,298.92	---
Grand Total			11,795.31	32,296.93	20,501.62	---

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 2014-15, a provision of ₹ 143.78 crore including supplementary grant for implementation of Finance Commission, CSS, RUSA, NERDP, NLCPR Schemes, *etc.* under 13 departments was approved. The departments, however, could not utilise the funds as approved and resulted in savings of the entire provision. 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 ₹ 624.28 crore for the years 2010-11 to 2013-14 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	The information regarding regularisation of Excess over provisions have not been received (January 2016).
2011-12	3	27, 16 & 25	0.59	
2012-13	2	9 & 49	118.89	
2013-14	5	9, 10, 19, 44 & 49	500.11	
Total	13	-	624.28	

2.3.6 Excess over provision during 2014-15 requiring regularisation

Table-2.6 contains the summary of total excess in six grants and one appropriation of ₹ 124.04 crore over authorisation from the Consolidated Fund of the State (CFS) during 2014-15 and requires regularisation under Article 205 of the Constitution.

Table-2.6: Excess over provisions requiring regularisation during 2014-15

(₹ in crore)

Sl. No.	Number and title of grant/appropriation	Total grant/appropriation	Expenditure	Excess
Voted Grants				
1.	9 - Finance (Revenue)	500.44	579.05	78.61
2.	25 - Water Supply and Sanitation (Revenue)	152.80	158.53	5.73

Sl. No.	Number and title of grant/appropriation	Total grant/appropriation	Expenditure	Excess
3.	30 - Disaster Management and Rehabilitation (Revenue)	27.43	27.93	0.50
4.	35 - Fisheries (Revenue)	31.71	31.76	0.05
5.	15 - General Administration Department (Capital)	0.93	14.33	13.40
6.	45 - Public Works (Capital)	286.6	309.77	23.17
Total (Voted)		999.91	1121.37	121.46
Charged Grants				
7.	Public Debt (Revenue)	322.44	325.02	2.58
Total (Charged)		322.44	325.02	2.58
Total		1,322.35	1,446.39	124.04

2.3.7 Persistent Excess

During the last three years there were persistent excess of more than ₹ one crore under the following Grants/Heads as mentioned below (Table-2.7).

Table-2.7: List of Grants indicating Persistent Excess during 2010-15

(₹ in crore)

Sl. No.	No. and Name of the Grant	Amount of Excess				
		2010-11	2011-12	2012-13	2013-14	2014-15
1.	9 - Finance (Revenue)	-	-	50.57	149.61	78.61
2.	Public Debt (Revenue)	-	-	39.78	2.02	2.58

Thus, persistent excess under the grants/heads was indicative of un-realistic budgetary assumptions.

2.3.8 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 168.69 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, ₹ 164.72 crore proved unnecessary in 15 cases and were more than ₹ one crore and above in each case as detailed in Table-2.8.

Table-2.8: Statement showing unnecessary Supplementary Provision of ₹ one crore and above

(₹ in lakh)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
A. Revenue (Voted)					
1.	4 - Law and Judicial	1,783.15	1,706.04	77.11	320.04
2.	11 - Secretariat Administration	8,796.00	7,980.35	815.65	297.34

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Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
3.	14 - Planning and Programme Implementation	27,030.26	4,064.55	22,965.71	293.09
4.	16 - Home	53,840.29	47,044.00	6,796.29	1,171.29
5.	19 - Local Administration	7,310.05	3,450.84	3,859.21	390.5
6.	28 - Labour and Employment	1,677.00	1,101.97	575.03	384.47
7.	29 - Social Welfare	12,682.68	9,624.67	3,058.01	584.39
8.	31 - Agriculture	19,029.65	16,231.02	2,798.63	1,153.92
9.	34 - Animal Husbandry and Veterinary	17,436.07	17,153.75	282.32	518.91
10.	38 - Rural Development	33,093.23	24,932.96	8,160.27	4,347.40
11.	42 - Transport	4,474.96	3,337.29	1,137.67	121.33
Total for Revenue (Voted)		187,153.34	136,627.44	50,525.90	9,582.68
B. Capital (Voted)					
12.	4 - Law and Judicial	998.00	0.00	998.00	1,084.56
13.	25 - Water Supply and Sanitation	7,956.70	7,057.81	898.89	1,266.40
14.	38 - Rural Development	3,977.00	3,675.55	301.45	1,729.49
15.	46 - Urban Development and Poverty Alleviation	16,190.96	12,865.78	3,325.18	2,808.39
Total for Capital (Voted)		29,122.66	23,599.14	5,523.52	6,888.84
Grand Total (A+B)		2,16,276.00	1,60,226.58	56,049.42	16,471.52

Further, in 63 cases, Supplementary Provisions aggregating ₹ 1,140.39 crore, ₹ 20 lakh and above in each case, proved excessive/inadequate as detailed in **Appendix-2.5**. Out of these, there were 50 cases where supplementary provision proved excessive/inadequate by more than ₹ one crore as detailed in **Table-2.9**.

Table-2.9: 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 (-)
A. Revenue (Voted)						
1.	1 - Legislative Assembly	2,131.79	7.00	2,138.79	1,933.66	205.13
2.	4 - Law and Judicial	1,783.15	320.04	2,103.19	1,706.04	397.15
3.	6 - Land Revenue and Reforms	1,999.25	445.13	2,444.38	2,187.68	256.70
4.	7 - Excise and Narcotics	2,539.36	307.92	2,847.28	2,676.12	171.16
5.	9 - Finance	47,243.58	2,800.55	50,044.13	57,904.70	(-) 7,860.57
6.	11 - Secretariat Administration	8,796.00	297.34	9,093.34	7,980.35	1,112.99
7.	14 - Planning and Programme Implementation	27,030.26	293.09	27,323.35	4,064.55	23,258.80

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Sl. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Total Provision	Expenditure	Sup. Pro. Excess (+)/ Less (-)
8.	15 - General Administration Department	5,878.32	1,441.87	7,320.19	6,327.53	992.66
9.	16 - Home	53,840.29	1,171.29	55,011.58	47,044.00	7,967.58
10.	17 - Food, Civil Supplies and Consumer Affairs	7,209.89	2,231.47	9,441.36	7,522.63	1,918.73
11.	18 - Printing and Stationery	1,362.76	245.77	1,608.53	1,437.51	171.02
12.	19 - Local Administration	7,310.05	390.50	7,700.55	3,450.84	4,249.71
13.	20 - School Education	83,866.40	9,544.77	93,411.17	89,960.79	3,450.38
14.	21 - Higher and Technical Education	17,542.65	10,218.22	27,760.87	20,143.06	7,617.81
15.	22 - Sports and Youth Services	2,844.40	550.35	3,394.75	3,188.58	206.17
16.	23 - Art and Culture	1,106.50	93.57	1,200.07	909.18	290.89
17.	24 - Medical and Public Health Services	32,676.50	10,844.66	43,521.16	32,805.74	10,715.42
18.	25 - Water Supply and Sanitation	9,572.50	5,707.86	15,280.36	15,852.80	(-)572.44
19.	26 - Information and Public Relations	1,229.70	76.20	1,305.90	1,102.18	203.72
20.	27 - District Councils	24,814.90	4,937.29	29,752.19	28,435.31	1,316.88
21.	28 - Labour and Employment	1,677.00	384.47	2,061.47	1,101.97	959.50
22.	29 - Social Welfare	12,682.68	584.39	13,267.07	9,624.67	3,642.40
23.	31 - Agriculture	19,029.65	1,153.92	20,183.57	16,231.02	3,952.55
24.	32 - Horticulture	13,562.00	52.40	13,614.40	11,222.41	2,391.99
25.	33 - Soil and Water Conservation	5,220.97	23.55	5,244.52	5,021.03	223.49
26.	34 - Animal Husbandry and Veterinary	17,436.07	518.91	17,954.98	17,153.75	801.23
27.	36 - Environment and Forests	11,080.95	2,141.51	13,222.46	12,164.99	1,057.47
28.	37 - Co-operation	1,286.56	120.04	1,406.60	1,297.63	108.97
29.	38 - Rural Development	33,093.23	4,347.40	37,440.63	24,932.96	1,2507.67
30.	39 - Power	28,775.35	5,747.54	34,522.89	33,845.69	677.20
31.	40 - Industries	10,113.70	1,865.36	11,979.06	11,523.30	455.76
32.	42 - Transport	4,474.96	121.33	4,596.29	3,337.29	1,259.00
33.	45 - Public Works	22,018.60	2,543.23	24,561.83	22,970.47	1,591.36
34.	46 - Urban development and Poverty Alleviation	7,539.22	2,558.13	10,097.35	8,926.10	1,171.25
35.	47 - Minor Irrigation	12,92.40	31.95	1,324.35	1,127.81	196.54
36.	48 - Information and Communication Technology	1,406.00	43.62	1,449.62	1,137.60	312.02
Total for Revenue (Voted)		5,31,467.59	74,162.64	6,05,630.23	5,18,251.94	87,378.29

Chapter-II: Financial Management and Budgetary Control

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Total Provision	Expenditure	Sup. Pro. Excess (+)/ Less (-)
B. Revenue (Charged)						
37.	99 - Public Debt	31469.30	774.91	32,244.21	32,501.89	(-) 257.68
Total for Revenue (Charged)		31,469.30	774.91	32,244.21	32,501.89	(-) 257.68
C. Capital (Voted)						
38.	4 - Law and Judicial	998.00	1,084.56	2,082.56	0.00	2,082.56
39.	15 - General Administration Department	0.00	92.95	92.95	1,432.94	(-) 1,339.99
40.	16 - Home	2,549.00	2,772.40	5,321.40	3,911.13	1,410.27
41.	17 - Food, Civil Supplies and Consumer Affairs	19,326.60	9,708.95	29,035.55	23,592.41	5,443.14
42.	21 - Higher and Technical Education	0.00	265.32	265.32	9.87	255.45
43.	22 - Sports and Youth Services	0.00	719.66	719.66	0.00	719.66
44.	24 - Medical and Public Health Services	255.10	711.47	966.57	346.76	619.81
45.	25 - Water Supply and Sanitation	7,956.70	1,266.40	9,223.10	7,057.81	2,165.29
46.	38 - Rural Development	3,977.00	1,729.49	5,706.49	3,675.55	2,030.94
47.	44 - Trade and Commerce	475.00	183.64	658.64	542.00	116.64
48.	45 - Public Works	24,100.20	4,559.56	28,659.76	30,976.94	(-) 2,317.18
49.	46 - Urban development and Poverty Alleviation	16,190.96	2,808.39	18,999.35	12,865.78	6,133.57
Total for Capital (Voted)		75,828.56	25,902.79	1,01,731.35	84,411.19	17,320.16
D. Capital (Charged)						
50.	99 - Public Debt	26,466.05	1,01,500.01	1,27,966.05	1,18,924.06	9,041.99
Total for Capital (Charged)		26,466.05	1,01,500.01	1,27,966.05	1,18,924.06	9,041.99
Grand Total		6,38,765.45	2,02,340.35	8,67,571.84	7,54,089.08	1,13,482.76

2.3.9 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive/inadequate or insufficient in 45 sub-heads and resulted in savings/excess of over ₹ 10 lakh and above as detailed in **Appendix-2.6**.

2.3.10 Substantial surrenders

Substantial surrenders (the cases where more than 50 *per cent* of total provision was surrendered) were made in respect of 51 sub-heads on account of either non-filling up of vacant posts, revision of annual action plan resulted in non-utilisation of fund, non-disbursement of loans to government servants, less receipt or non-receipt/release of sanction order from Government of India and re-provision of fund for the next financial

year etc. Out of the total provision amounting to ₹ 782.01 crore in these 51 schemes/works, ₹ 676.72 crore was surrendered which included 100 per cent surrender in 18 schemes/works (₹ 382.98 crore) (Appendix-2.7).

Moreover, out of the total provision of ₹ 18.15 crore in 4 sub-heads ₹ 13.92 crore was surrendered on account of non-receipt of expenditure sanction from the Government of Mizoram (Appendix-2.7).

2.3.11 Surrenders in excess of actual savings

As against savings of ₹ 229.55 crore, ₹ 257.81 crore was surrendered resulting in excess surrender of ₹ 28.26 crore as shown in Appendix-2.8. There were four cases where the surrender in excess (₹ 27.87 crore) were more than ₹ 50 lakh as shown in Table-2.10.

Table-2.10: 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.	16 - Home	55,011.58	(-) 7,967.58	8,768.24	800.66
2.	20 - School Education	93,411.17	(-) 3,450.38	4,710.45	1,260.07
3.	27 - District Councils	29,752.19	(-) 1,316.88	1,969.43	652.55
4.	48 - Information and Communication Technology	1,449.62	(-) 312.02	386.00	73.98
Grand Total		1,79,624.56	(-) 13,046.86	15,834.12	2,787.26

In 89 cases, ₹ 466.02 crore was surrendered without furnishing any reasons as detailed in Appendix-2.9. The amount surrendered in excess of actual savings indicated lack of budgetary control in these departments.

2.3.12 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 2014-15, there were, however, six grants/appropriations in which savings of ₹ 120.32 crore (8.84 per cent of the total savings) occurred but no part of it was surrendered by the concerned Departments as shown in Table-2.11.

Table-2.11: 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/Appropriations	Saving which remained to be surrendered
1.	4 - Law and Judicial	2,082.56
2.	20 - School Education	70.50

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Sl. No.	Number and Name of Grants/Appropriations	Saving which remained to be surrendered
3.	22 - Sports and Youth Services	719.66
4.	37 - Co-operation	0.18
5.	44 - Trade and Commerce	116.64
6.	99 - Public Debt	9,041.99
Total		12,031.53

Out of total savings of ₹ 1,032.71 crore under 44 grants/appropriations, savings of ₹ 404.73 crore remained to be surrendered as shown in **Appendix-2.10**. Besides, out of total savings of ₹ 558.39 crore under 17 grants/appropriations where savings was ₹ one crore and above in each case, only savings amounting to ₹ 158.02 crore (28.30 per cent) was surrendered leaving a balance savings of ₹ 400.37 crore (71.70 per cent) not surrendered as shown in **Table-2.12** below.

Table-2.12: Details of savings not surrendered (₹ one crore and above)

(₹ in lakh)				
Sl. No.	Number and Name of Grants/Appropriations	Saving	Surrender	Saving which remained to be surrendered
Revenue (Voted)				
1.	21 - Higher and Technical Education	7,617.81	1,962.02	5,655.79
2.	23 - Art and Culture	290.89	125.13	165.76
3.	28 - Labour and Employment	959.5	53.02	906.48
4.	29 - Social Welfare	3,642.40	3,480.88	161.52
5.	34 - Animal Husbandry and Veterinary	801.23	221.67	579.56
6.	38 - Rural Development	12,507.67	498.33	12,009.34
Capital (Voted)				
7.	4 - Law and Judicial	2,082.56	0.00	2,082.56
8.	16 - Home	1,410.27	305.25	1,105.02
9.	17 - Food, Civil Supplies and Consumer Affairs	5,443.14	1,611.42	3,831.72
10.	21 - Higher and Technical Education	255.45	48.10	207.35
11.	22 - Sports and Youth Services	719.66	0.00	719.66
12.	24 - Medical and Public Health Services	619.81	134.3	485.51
13.	25 - Water Supply and Sanitation	2,165.29	1,424.83	740.46
14.	38 - Rural Development	2,030.94	461.45	1,569.49
15.	44 - Trade and Commerce	116.64	0.00	116.64
16.	46 - Urban Development and Poverty Alleviation	6,133.57	5,475.67	657.90
Capital (Charged)				
17.	99 - Public Debt	9,041.99	0.00	9,041.99
Total		55,838.82	15,802.07	40,036.75

2.3.13 Rush of Expenditure

According to extant Financial Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 30 Grants appended in **Appendix-2.11**, expenditure of more than 25 *per cent* of the total expenditure for the financial year was incurred in the month of March 2015. Of these, in 19 cases involving ₹ 51.28 crore, the whole amount was incurred in March, indicating complete lack of 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 Accountant General within one month from the date of receipt of the DCC bills in his office.

However, it was noticed that against ₹ 1,384.17 crore drawn in AC bills during the period 2000-01 to 2014-15, DCC bills for ₹ 1,319.86 crore have been received by the Accountant General as of 31 March 2015. Thus, ₹ 64.31 crore (4.65 *per cent*) drawn in AC bills remained outstanding as of 31 March 2015 due to non-submission of DCC bills to that extent. The year wise details are given in **Table-2.13**.

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

(₹ in crore)				
Year	Amount drawn in AC bills	Amount adjusted through DCC bills	Amount outstanding (as of 31 March 2014)	Percentage of outstanding amount
Upto 2012-13	1,217.81	1,214.30	3.51	0.29
2013-14	22.08	22.08	0.00	0
2014-15	144.28	83.48	60.80	42.14
Total	1,384.17	1,319.86	64.31	4.65

Source : Finance Account 2014-15 (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 2014-15 also.

It was noticed that during the year 2014-15, out of 79 Controlling Officers, 71 Controlling Officers (89.87 per cent) reconciled the expenditure of ₹ 5,618.10 crore (72.29 per cent of the total expenditure). Similarly, out of 72 Controlling Officers under Receipt Heads, 17 Controlling Officers (23.61 per cent) reconciled receipts of ₹ 1,647.65 crore (23.79 per cent of the total receipts). As a result, expenditure of ₹ 2,153.52 crore and receipts of ₹ 5,278.16 crore remained un-reconciled with the Books of Accounts of the Accountant General (A&E) during the year 2014-15.

2.5 Conclusion and Recommendations

Conclusion

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

Absence 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 2014-15, an expenditure of ₹ 7,868.97 crore was incurred against the total grants and appropriations of ₹ 9,106.55 crore, resulting in savings of ₹ 1,237.53 crore. The overall savings of ₹ 1,237.53 crore was the net result of savings of ₹ 1,361.56 crore which was offset by excess of ₹ 124.03 crore. Out of the total unspent provisions/savings of ₹ 1,237.53 crore, an amount of ₹ 1,104.42 crore (89.24 per cent of the total unspent provision) was surrendered by 31 March. The excess requires regularisation under Article 205 of the Constitution of India. Moreover, it was noticed that at the close of the financial year 2014-15, there were six grants/appropriations in which savings of ₹ 120.32 crore (8.84 per cent of the total savings) occurred but no part of it was surrendered by the concerned Departments.

Out of the total provision amounting to ₹ 782.01 crore in 51 schemes/works, an amount of ₹ 676.72 crore was surrendered which included 100 per cent surrender in 18 schemes/works amounting to ₹ 382.98 crore.

In 14 cases, as against savings of ₹ 229.55 crore, ₹ 257.81 crore was surrendered resulting in excess surrender of ₹ 28.26 crore. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh and above in 45 sub-heads also.

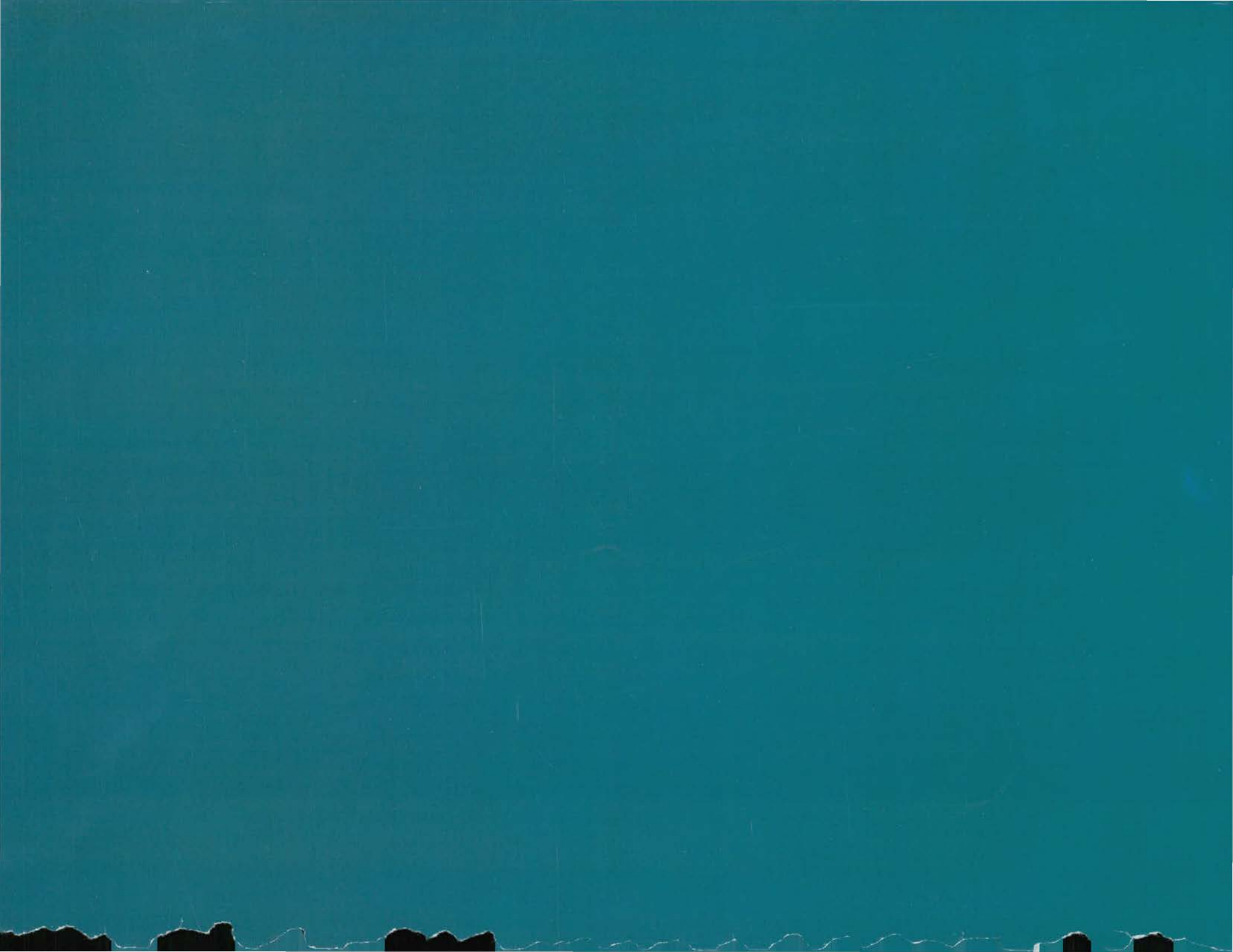
Recommendations

Government should put in place an effective mechanism to ensure financial discipline and prepare a 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 financial year should be avoided. 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 Drawing and Disbursing Officers (DDOs) to adjust the Abstract Contingent Bills within thirty days from the date of drawing 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 (UCs) should be obtained by the departmental officers from the Grantees and after verification these should be forwarded to the Accountant General within 12 months from the date of their sanction unless specified otherwise in respect of grants provided for specified purposes. At the end of March 2015, ₹ 3,150.66 crore remained outstanding for want of 4,877 number of Utilisation Certificates. Details are given in **Table-3.1** below.

Table-3.1: Year-wise arrears of Utilisation Certificates

(₹ in crore)

Year	Utilisation Certificate outstanding (Amount)	No. of GIA Sanction awaiting Utilisation Certificate
Upto 2012-13	2,320.56	3,717
2013-14	568.62	759
2014-15*	261.48	401
Total	3,150.66	4,877

Source: Finance Account, Vol.-I, 2014-15

* UCs for 2014-15 were due for submission in 2015-16 i.e. within one year from the date of release of Grants

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.

As of 30 June 2015, the annual accounts of all three Autonomous District Councils viz., Lai Autonomous District Council, Chakma Autonomous District Council and Mara Autonomous District Council up to the year 2014-15 were submitted.

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 the Accountant General for audit by 30 June each year. The proforma accounts in respect of Food, Civil Supplies & Consumers Affairs and Mizoram State Transport were not prepared. As of 31 March 2015, the position of arrears in preparation of proforma accounts of these two bodies are given in **Table-3.2**.

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
1.	Food, Civil Supplies & Consumer Affairs	2003-04	54.20	Proforma Accounts for the financial year 2004-05 has been audited but issue of comments is under process.
2.	Mizoram State Transport	2001-02	16.40	Proforma Accounts for the financial years 2002-03 to 2006-07 has been returned to the Department for making necessary corrections. Revised accounts are awaited.

3.4 Conclusion and Recommendations

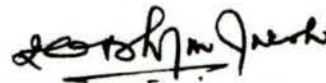
Conclusion

At the end of March 2015, ₹ 3,150.66 crore remained outstanding for want of 4,877 number of Utilisation Certificates. In spite of repeated comments about the arrears in preparation of accounts of two Departmental Commercial Undertakings by the Comptroller and Auditor General of India in previous 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 comply with Public Finance Accountability norms. The State Government should regularly monitor and issue necessary instructions to the concerned Departments for timely furnishing of Utilisation Certificates. The Heads of Departments should ensure that the departmental undertakings prepare proforma accounts and submit the same to the Accountant General for audit.

Aizawl
The 07 March 2016



(H. K. Dharmadarshi)
Accountant General (Audit), Mizoram

Countersigned

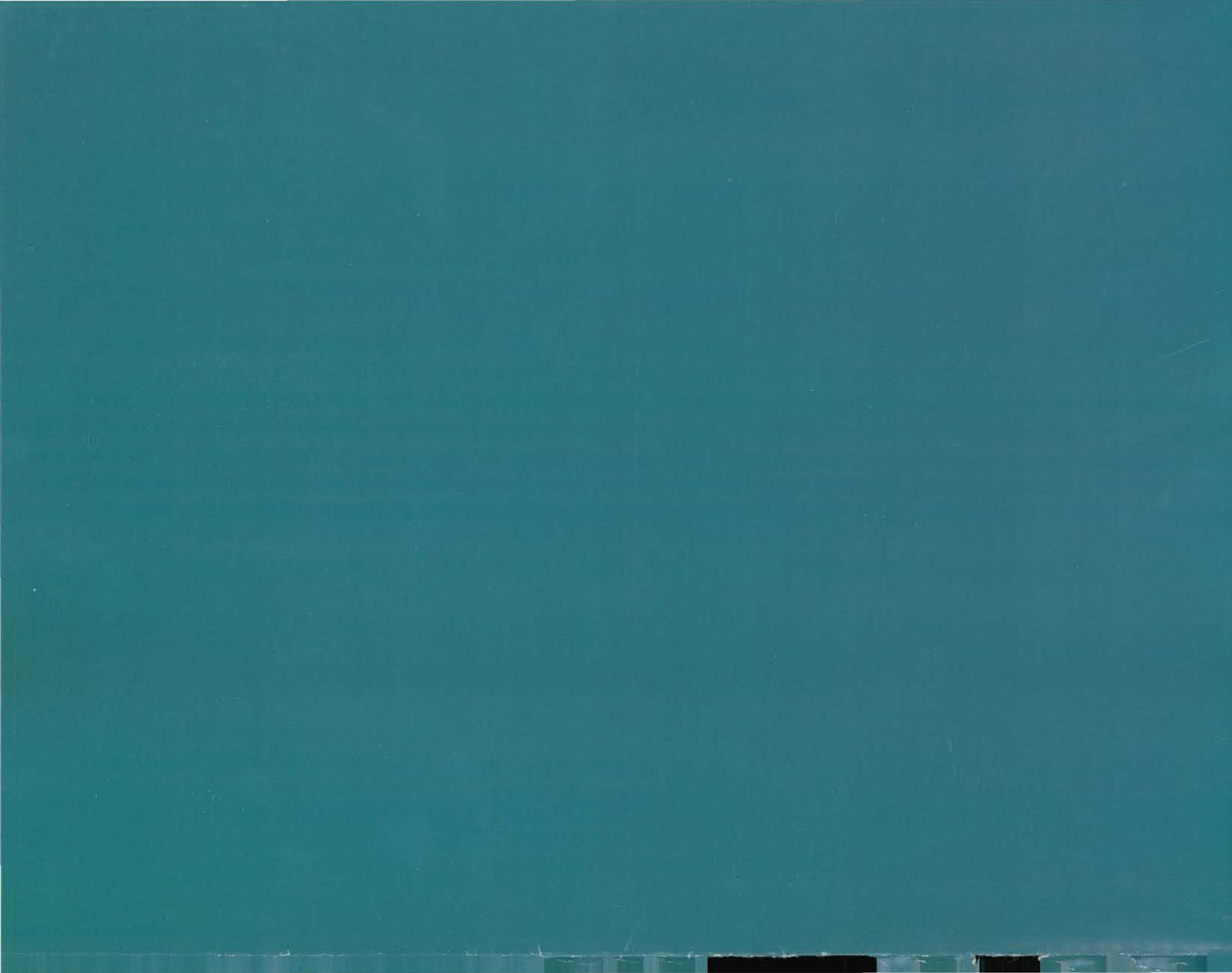
New Delhi
The 11 March 2016



(Shashi Kant Sharma)
Comptroller and Auditor General of India



APPENDICES



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

Structure of Government Accounts

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

Part I: Consolidated Fund:

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

Part II: Contingency Fund

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

Part III: Public Account

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

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 2014-15, has been divided into two Volumes – Volume I and 2. Volume 1 represents the financial statements of the Government in summarised form while Volume 2 represents detailed financial statement. The layout of the Finance Accounts is chalked out in the following manner:

Statement	Layout
Volume I	
Statement No.1	Statement of Financial Position
Statement No.2	Statement of Receipts and Disbursements Annexure-A: Cash Balances and Investment's of Cash Balances
Statement No.3	Statement of Receipts (Consolidated Fund)
Statement No.4	Statement of Expenditure (Consolidated Fund)
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 Investments of the Government
Statement No.9	Statement of Guarantees given by the Government
Statement No.10	Statement of Grants-in-aid given by the Government
Statement No.11	Statement of Voted and Charged Expenditure
Statement No.12	Statement on Sources and Application of funds for expenditure other than Revenue Account
Statement No.13	Summary of Balances under Consolidated Fund, Contingency Fund and Public Account Notes to Accounts
Volume II	
Part – I	
Statement No.14	Detailed Statement of Revenue and Capital Receipts by Minor Heads
Statement No.15	Detailed Statement of Revenue Expenditure by Minor Heads
Statement No.16	Detailed Statement of Capital Expenditure by Minor Heads and Sub Heads
Statement No.17	Detailed Statement of Borrowings and other Liabilities
Statement No.18	Detailed Statement of Loans and Advances given by the State Government
Statement No.19	Detailed Statement of Investments of the Government
Statement No.20	Detailed Statement of Guarantees given by the Government
Statement No.21	Detailed Statement on Contingency Fund and other Public Account transactions
Statement No.22	Detailed Statement on Investment of Earmarked Funds
Part – II : Appendices	
I	Comparative Expenditure on Salary
II	Comparative Expenditure on Subsidy
III	Grants-in-Aid/Assistance given by the State Government (Institution-wise and Scheme-wise)
IV	Details of Externally Aided Projects
V	Plan Scheme expenditure A. Central Schemes (Centrally Sponsored Schemes and Central Plan Schemes) B. State Plan Schemes
VI	Direct transfer of Central Scheme funds to implementing agencies in the State (Funds routed outside State Budget) (Unaudited figures)
VII	Acceptance and Reconciliation of Balances (As depicted in Statements 18 and 21)
VIII	Financial Results of Irrigation Schemes
IX	Commitments of the Government – List of Incomplete Capital Works
X	Maintenance Expenditure with segregation of Salary and Non-salary portion
XI	Major Policy decisions of the Government during the year or new schemes proposed in the Budget
XII	Committed Liabilities of the Government
XIII	Re-organisation of the States – items for which allocation of balances between/among the States has not been finalised

Appendix **Part-C: Methodology Adopted for the** **1.1 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 five years
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of five 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 received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts <i>minus</i> all Plan grants and Non-plan Revenue Expenditure excluding 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. $\text{CAGR} = [\text{Ending Value} / \text{Beginning Value}]^{(1/\text{no. of years}) - 1}$

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

1.1

Terms	Basis of calculation
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, <i>e.g.</i> enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure <i>etc.</i> Merit goods are commodities that the public sector provides free or at subsidised 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 subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation <i>etc.</i>
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 (As per 2011 Census) (All India Density = 382 persons per sq.km.)	52 sq.km.
4	Literacy (As per 2011 Census) (All India Average = 74.04 per cent)	91.33 per cent
5	Gross State Domestic Product (GSDP) 2014-15 at current prices	₹ 12,498.69 crore
6	GSDP CAGR (2004-05 to 2014-15)	16.46 per cent
7	Population Growth (2000-01 to 2010-11)	23.48 per cent

Financial Data				
Particulars	Figures (in per cent)			
	2005-06 to 2013-14		2013-14 to 2014-15	
CAGR	SCS	Mizoram	SCS	Mizoram
a. of Revenue Receipts	13.72	12.48	14.07	15.66
b. of Own Tax Revenue	16.00	17.21	15.46	15.99
c. of Non Tax Revenue	10.67	5.49	10.59	24.55
d. of Total Expenditure	13.86	11.55	13.21	18.66
e. of Capital Expenditure	11.36	3.2	11.16	54.74
f. of Revenue Expenditure on Education	16.09	14.43	16.39	22.53
g. of Revenue Expenditure on Health	16.70	14.3	12.84	32.27
h. of Pension	16.40	21.76	15.11	3.94
i. of Interest	19.95	4.92	18.45	7.50

Source: Statistical Handbook 2014, Directorate of Economics & Statistics, Mizoram

Appendix 1.2 Abstract of Receipts and Disbursements for the year 2014-15

(Reference: Paragraph-1.1.1; Page-2)

(₹ in crore)

Receipts			Disbursements				
2013-14		2014-15	2013-14		2014-15		
					Non-Plan	Plan	Total
Section-A: Revenue							
4,764.85	I. Revenue receipts	5,511.10	4,916.98	I. Revenue expenditure	3,500.62	2,151.82	5,652.44
229.78	Tax Revenue	266.52	1,686.62	General Services	1,704.40	45.25	1,749.65
194.26	Non-Tax Revenue	241.96	1,823.64	Social Services	1,034.81	1,126.12	2,160.93
858.08	State's Share of Union Taxes and Duties	910.67	936.08	Education, Sports, Art and Culture	499.81	642.21	1,142.02
1,141.61	Non-Plan grants	1,095.48	248.02	Health and Family Welfare	146.30	181.76	328.06
1,904.79	Grants for State Plan Scheme	2,264.17	215.84	Water Supply, Sanitation, Housing & Urban Development	161.40	93.57	254.97
380.91	Grants for Central and Centrally Sponsored Plan Schemes	687.28	9.59	Information and Broadcasting	7.42	1.70	9.12
55.42	Grants for Special Plan Schemes	45.02	245.15	Welfare of ST, SC and OBC	183.79	100.56	284.35
			7.91	Labour and Labour Welfare	5.44	5.58	11.02
			159.14	Social Welfare and Nutrition	28.75	100.74	129.49
			1.91	Others	1.90	0.00	1.90
			1,406.72	Economic Services	761.41	980.45	1,741.86
			664.54	Agriculture and Allied Activities	253.46	468.41	721.87
			57.68	Rural Development	21.33	206.35	227.68
			37.87	Special Areas Programme	0.00	36.44	36.44
			10.26	Irrigation and Flood Control	5.08	6.20	11.28
			317.11	Energy	299.95	38.39	338.34
			123.33	Industry and Minerals	39.75	109.15	148.90
			136.72	Transport	110.86	79.34	190.20
			7.70	Communication	0.44	10.94	11.38
			2.97	Science, Technology and Environment	0.58	3.34	3.92
			48.54	General Economic Services	29.96	21.89	51.85
			0.00	Grants-in-Aid and contributions	0.00	0.00	0.00
152.13	II. Revenue deficit carried over to Section B	141.34	0.00	II. Revenue surplus carried over to Section B	0.00	0.00	0.00
4,916.98	Total (A)	5,652.44	4,916.98	Total (A)			5,652.44

Appendix Abstract of Receipts and Disbursements 1.2 for the year 2014-15

Receipts			Disbursements				
2013-14		2014-15	2013-14		2014-15		
					Non-Plan	Plan	Total
Section-B: Others							
(-) 259.02 ¹	III. Opening Cash balance including Permanent Advances and Cash Balance investment	(-) 252.03	0.00	III. Opening Overdraft from Reserve Bank of India	0.00	0.00	0.00
---	IV. Miscellaneous Capital receipts	---	599.40	IV. Capital Outlay	136.25	791.26	927.51
			57.72	General Services	0.00	74.21	74.21
			207.76	Social Services	0.00	314.00	314.00
			29.62	Education, Sports, Art and Culture	0.00	21.70	21.70
			14.53	Health and Family Welfare	0.00	17.80	17.80
			137.59	Water Supply, Sanitation, Housing & Urban Development	0.00	229.53	229.53
			0.56	Information and Broadcasting	0.00	0.00	0.00
			0.00	Welfare of SC, ST and OBC	0.00	0.00	0.00
			25.46	Social Welfare and Nutrition	0.00	44.97	44.97
			0.00	Others	0.00	0.00	0.00
			333.92	Economic Services	136.25	403.05	539.30
			128.54	Agriculture and Allied Activities	136.25	18.62	154.87
			4.05	Rural Development	0.00	3.00	3.00
			39.77	Special Areas Programmes	0.00	49.45	49.45
			0.13	Irrigation & Flood Control	0.00	0.53	0.53
			65.20	Energy	0.00	141.69	141.69
			0.00	Industry and Minerals	0.00	0.00	0.00
			95.27	Transport	0.00	183.71	183.71
			0.96	General Economic Services	0.00	6.05	6.05
33.11	V. Recoveries of Loans and Advances	31.63	30.71	V. Loans and Advances disbursed			2.43
0.00	From Power Projects	0.00	0.00	For Power Projects			0.00
15.41	From Government Servants	17.39	26.42	To Government Servants			0.63
0.00	Loans for Village and Small Industries	0.00	0.00	Loans for Village and Small Industries			0.00
17.29	Loans for Housing	13.49	4.00	Loans for Housing			0.00
0.41	From Others	0.75	0.29	To Others			1.80
0.00	VI. Revenue surplus brought down	0.00	152.13	VI. Revenue deficit brought down			141.34

¹ There is a difference in the Opening Balance [₹ (-) 259.02 crore] of 2013-14 and Closing Balance [₹ (-) 262.52 crore] of 2012-13 due to adjustment in investment of earmarked funds by ₹ 3.50 crore during 2012-13

Appendix Abstract of Receipts and Disbursements 1.2 for the year 2014-15

Receipts			Disbursements				
2013-14		2014-15	2013-14		2014-15		
					Non-Plan	Plan	Total
955.24	VII. Public Debt Receipts	1,383.08	956.66	VII. Repayment of Public Debt			1,189.24
0.00	External debt	0.00	0.00	External debt			0.00
388.52	Internal debt other than Ways and Means Advances & Overdraft	311.32	69.86	Internal debt other than Ways & Means Advances & Overdraft			103.21
734.53	Net transaction under Ways and Means Advances including Overdraft	1,066.87	867.82	Net transaction under Ways and Means Advances including Overdraft			1,066.87
(-) 167.81	Loans and Advances from Central Government	4.89	18.98	Repayment of Loans and Advances to Central Government			19.16
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
3,435.47	X. Public Accounts Receipts	3,692.99	2,677.93	X. Public Accounts Disbursements			2,834.48
655.20	Small Savings and Provident Fund	733.07	345.25	Small Savings and Provident Fund			422.33
32.58	Reserve Funds	31.73	7.83	Reserve Funds			13.71
123.34	Suspense and Miscellaneous	(-) 79.76	(-) 109.32	Suspense and Miscellaneous			(-) 82.36
1,518.15	Remittance	1,661.67	1,511.75	Remittance			1,568.03
1,106.20	Deposits and Advances	1,346.28	922.42	Deposits and Advances			912.77
0.00	XI. Closing overdraft from Reserve Bank of India	0.00	(-) 252.03	XI. Cash Balance at end of 31 March 2014			(-) 239.33
			0.00	Cash in Treasuries and Local Remittances			0.00
			(-) 143.73	Deposits with Reserve Bank			(-) 233.45
			(-) 4.77	Departmental Cash Balance			(-) 4.77
			(-) 265.33	Cash Balance Investment			(-) 182.09
			161.80	Investment of earmarked funds			180.98
4,164.80	Total (B)	4,855.67	4,164.80	Total (B)			4,855.67
9,081.78	Grand Total (A) + (B)	10,508.11	9,081.78	Grand Total (A) + (B)			10,508.11

Appendix 1.3 Assets and Liabilities of the Government of Mizoram as on 31 March 2015

(Reference: Paragraph-1.10.1; Page-36)

		(₹ in crore)	
As on 31 March 2014	Liabilities		As on 31 March 2015
1,927.33	Internal Debt		2,135.44
	1,367.63	Market Loans bearing interest	1,543.45
	0.00	Market Loans not bearing interest	0.00
	67.87	Loans from Life Insurance Corporation of India	65.32
	0.07	Loans from General Insurance Corporation of India	0.07
	17.26	Loans from other Institutions	27.95
	195.47	Loans from NABARD	192.99
	11.39	Compensation and other Bonds	6.83
	4.71	Loans from NCDC	12.73
	(-) 17.50	Ways and Means Advances	(-) 17.50
	0.00	Overdrafts from Reserve Bank of India	0.00
	198.46	Special Securities to NSSF	221.63
	81.97	Other loans	81.97
336.54	Loans and Advances from Central Government		322.27
	0.00	Pre 1984-85 Loans	0.00
	41.05	Non-Plan Loans	41.05
	263.01	Loans for State Plan Schemes	248.74
	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
	0.00	Ways and Means Advances towards expenditure etc.	0.00
0.10	Contingency Fund		0.10
2,164.49	Small Savings, Provident Funds, etc.		2,475.22
1,171.39	Deposits		1,604.90
175.51*	Reserve Funds		193.53
1,208.40	Suspense and Miscellaneous		1,211.01
787.43*	Surplus on Government Account		646.09
	(-) 152.14	Current year surplus	(-) 141.34
	939.57	Add Accumulated Surplus as on 31 March 2014	787.43
7,771.19	Total		8,588.56

* There is a difference of ₹ five crore between last year's closing balance and this year's opening balance due to adjustment relating to the year 2006-07

Appendix 1.3 Assets and Liabilities of the Government of Mizoram as on 31 March 2015

As on 31 March 2014	Assets		As on 31 March 2015
7,597.57		Gross Capital Outlay on Fixed Assets	8,525.08
	22.27	Investments in shares of Companies, Corporations, etc.	2.92
	7,575.30	Other Capital Outlay	8,522.16
249.12		Loans and Advances	219.92
	1.60	Loans for Power Projects	1.60
	35.77	Other Development Loans	36.84
	127.24	Loans for Housing	113.74
	84.51	Loans to Government servants and Miscellaneous loans	67.74
0.08		Civil Advances	0.08
176.45		Remittance Balances	82.81
(-) 413.83		Cash Balance	(-) 420.31
	(-) 143.73	Cash in Treasuries and Local Remittances	(-) 233.45
	(-) 4.77	Departmental Cash Balance including Permanent Advances	(-) 4.77
	(-) 265.33	Cash Balance Investments	(-) 182.09
161.80		Investment out of Reserve Fund	180.98
7,771.19		Total	8,588.56

Appendix 1.4 Time Series Data on State Government Finances

(Reference: Paragraphs-1.4 and 1.10.2; Pages-10 and 36)

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
Part A: Receipts					
1. Revenue Receipts	2,855.37	3,824.90	4,536.74	4,764.85	5,511.10
(i) Tax Revenue	130.44	179.07	223.15	229.78	266.52
Taxes on Agricultural Income	0.00	0.00	0.00	0.00	0.00
Taxes on Sales, Trade, etc.	104.7	142.16	175.87	183.34	211.95
State Excise	2.39	2.31	2.83	3.11	4.91
Taxes on Vehicles	7.72	16.71	22.83	19.42	17.03
Stamps and Registration fees	0.34	0.69	0.64	1.52	3.72
Land Revenue	4.33	2.52	3.04	4.54	11.06
Taxes on Goods and Passengers	1.72	2.05	3.77	2.63	2.56
Other Taxes	9.24	12.63	14.17	15.22	15.29
(ii) Non-Tax Revenue	146.72	168.03	212.80	194.26	241.96
(iii) State's share of Union taxes and duties	451.66	827.38	785.95	858.08	910.67
(iv) Grants-in-aid from Government of India	2,126.55	2,650.42	3,314.84	3,482.73	4,091.95
2. Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
3. Recoveries of Loans and Advances	25.97	27.80	29.48	33.11	31.63
4. Total Revenue and Non-debt capital receipts (1+2+3)	2,881.34	3,852.70	4,566.22	4,797.96	5,542.73
5. Public Debt Receipts	537.22	225.70	420.28	955.24	1,383.08
Internal Debt (excluding Ways and Means Advances and Overdrafts)	372.83	132.09	253.60	388.52	311.32
Net transactions under Ways and Means Advances and Overdrafts	163.36	71.39	166.58	734.53	1,066.87
Loans and Advances from Government of India	1.03	22.22	0.10	(-) 167.81 ²	4.89
6. Total Receipts in the Consolidated Fund	3,418.56	4,078.40	4,986.50	5,753.20	6,925.81
7. Contingency Fund Receipts	0.00	0.00	0.00	0.00	0.00
8. Public Account Receipts	3,332.56	3,297.52	3,055.71	3,435.47	3,692.99
9. Total Receipts of the State (6+7+8)	6,751.12	7,375.92	8,042.21	9,188.67	10,618.80
Part B: Expenditure/Disbursement					
10. Revenue Expenditure	3,256.24	3,697.33	4,508.91	4,916.98	5,652.44
Plan	1,201.05	1,316.11	1,759.99	1,796.84	2,151.82
Non-Plan	2,055.19	2,381.22	2,748.92	3,120.14	3,500.62
General Services (including interest payments)	1,011.29	1,226.38	1,420.56	1,686.62	1,749.65
Social Services	1,237.38	1,354.69	1,652.21	1,823.64	2,160.93
Economic Services	1,007.57	1,116.26	1,436.14	1,406.72	1,741.86
Grants-in-aid and contributions	0.00	0.00	00.00	0.00	0.00

² Minus figure is due to adjustment of previous year's outstanding balance

Appendix Time Series Data on State Government

1.4 Finances

	2010-11	2011-12	2012-13	2013-14	2014-15
11. Capital Expenditure	614.71	600.27	607.55	599.40	927.51
Plan	504.70	534.54	508.04	485.04	791.26
Non-Plan	110.01	65.73	99.51	114.36	136.25
General Services	23.36	30.12	42.74	57.72	74.21
Social Services	125.94	190.33	222.42	207.76	314.00
Economic Services	465.41	379.82	342.39	333.92	539.30
12. Disbursement of Loans and Advances	29.87	33.52	30.25	30.71	2.43
13. Total Expenditure (10+11+12)	3,900.82	4,331.12	5,146.71	5,547.09	6,582.38
14. Repayments of Public Debt	272.55	251.67	286.05	956.66	1,189.24
Internal Debt (excluding Ways and Means Advances and Overdrafts)	86.11	181.55	170.08	69.86	103.21
Net transactions under Ways and Means Advances and overdraft	163.36	52.15	97.26	867.82	1,066.87
Loans and Advances from Government of India	23.08	17.97	18.71	18.98	19.16
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)	4,173.37	4,582.79	5,432.76	6,503.75	7,771.62
17. Contingency Fund disbursements	0.00	0.00	0.00	0.00	0.00
18. Public Account disbursements	2,482.29	2,766.79	2,677.00	2,677.93	2,834.48
19. Total disbursement by the State (16+17+18)	6,655.66	7,349.58	8,109.76	9,181.68	10,606.10
Part C: Deficits					
20. Revenue Deficit (-)/ Revenue Surplus (+) (1-10)	(-) 400.87	127.57	27.83	(-) 152.13	(-) 141.34
21. Fiscal Deficit (-)/ Fiscal Surplus (+) (4-13)	(-) 1,019.48	(-) 478.42	(-) 580.49	(-) 749.13	(-) 1,039.65
22. Primary Deficit (21-23)	(-) 913.90	(-) 203.27	(-) 292.34	(-) 464.63	(-) 733.82
Part D: Other data					
23. Interest Payments (included in revenue expenditure)	105.58	275.15	288.15	284.50	305.83
24. Financial Assistance to local bodies etc.	650.17	221.29	955.32	944.37	1,631.81
25. Ways and Means Advances/ Overdraft availed (days)	21	11	7	65	73
Ordinary Ways and Means Advances availed (days)	10	0	2	24	39
Special Ways and Means Advances availed (days)	11	11	4	38	32
Overdraft availed (days)	0	0	1	3	2
26. Interest on Ways and Means Advances/Overdraft	0.09	0.03	0.04	0.66	1.12
27. Gross State Domestic Product (GSDP)	6,387.88	6,889.75	8,362.92	10,296.98	12,498.69
28. Outstanding Fiscal liabilities (year-end)	4,496.86	4,548.45	5,114.20	5,613.47	6,550.39

Appendix Time Series Data on State Government Finances

1.4

	2010-11	2011-12	2012-13	2013-14	2014-15
29. Outstanding guarantees (year-end) (including interest)	102.72	232.19	223.13	108.39	96.90
30. Maximum amount guaranteed (year-end)	189.02	243.34	243.84	273.94	273.94
31. Number of incomplete projects	36	47	42	54	24
32. Capital blocked in incomplete projects	504.42	128.13	205.10	112.86	54.93
Part E: Fiscal Health Indicators					
I Resource Mobilisation					
Own Tax revenue/GSDP	2.04	2.60	2.67	2.23	2.13
Own Non-Tax Revenue/GSDP	2.30	2.44	2.54	1.89	1.94
Central Transfers/GSDP	7.07	12.01	9.40	8.33	7.29
II Expenditure Management					
Total Expenditure/GSDP	61.07	62.86	61.54	53.87	52.66
Total Expenditure/Revenue Receipts	136.61	113.23	113.45	116.42	119.44
Revenue Expenditure/Total Expenditure	83.48	85.37	87.61	88.64	85.87
Expenditure on Social Services/Total Expenditure	34.95	35.67	36.42	36.62	37.60
Expenditure on Economic Services/Total Expenditure	37.76	34.54	34.56	31.38	34.66
Capital Expenditure/Total Expenditure	15.76	13.86	11.80	10.81	14.09
Capital Expenditure on Social and Economic Services/Total Expenditure.	15.16	13.16	10.97	9.77	12.96
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	(-) 6.28	1.85	0.33	(-) 1.48	(-) 1.13
Fiscal deficit/GSDP	(-) 15.96	(-) 6.94	(-) 6.94	(-) 7.28	(-) 8.32
Primary Deficit (surplus)/GSDP	(-) 14.31	(-) 2.95	(-) 3.50	(-) 4.51	(-) 5.87
Revenue Deficit/Fiscal Deficit	39.32	(-) 26.66	(-) 4.79	20.31	13.59
Primary Revenue Balance/GSDP	(-) 4.22	6.25	4.13	1.61	1.57
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	70.40	66.02	61.15	54.52	52.41
Fiscal Liabilities/RR	157.49	118.92	112.73	117.81	118.86
Primary deficit <i>vis-à-vis</i> quantum spread	(-) 227.37	(-) 253.96	(-) 41.68	(-) 50.95	(-) 79.95
Debt Redemption (Principal + Interest)/Total Debt Receipts	58.65	115.89	85.47	92.27	81.79
V Other Fiscal Health Indicators					
Return on Investment	0.00	0.00	0.00	0.00	0.00
Balance from Current Revenue (₹ in crore)	(-) 584.39	(-) 387.75	(-) 450.45	(-) 673.50	(-) 966.80
Financial Assets/Liabilities	1.15	1.16	1.15	1.14	1.10

Appendix 1.5 Funds transferred directly to State Implementing Agencies

(Reference: Paragraphs-1.3.2; Pages-10)

Sl. No.	GoI Scheme	Implementing Agency	(₹ in crore)
			GoI released fund 2014-15
1.	National Rural Health Mission (NRHM)	Mizoram State Health Society	103.82
2.	Human Resources for Health	Mizoram State Health Society	0.30
3.	MPs Local Area Development (MPLADS)	Deputy Commissioner Aizawl	10.00
4.	Infrastructure Development FPI	Mizofa Fish Seed Farm	0.06
5.	Infrastructure Development FPI	Zoram Fish Seeds Production Centre	2.44
6.	Technology Development Programme	Mizoram Council of Science, Technology & Environment	0.25
7.	Electronic Governance	Mizoram State e-Governance Society (MSeGS)	5.03
8.	National Medicinal Plants Board	State Forest Development Agency	0.11
9.	Redevelopment of Hospitals/Institutions	Regional Institute of Paramedical and Nursing Sciences	46.70
10.	Skill Development	Mizoram Council for Vocational Training	6.57
11.	North Eastern Areas	Zoram Electronics Development Corporation Limited	0.90
12.	North Eastern Areas	Mizoram State Sports Council	0.03
13.	Rajiv Gandhi Khel Abhiyan	Mizoram State Sports Council	1.33
14.	Urban Sports Infrastructure Scheme	Mizoram State Sports Council	1.50
15.	Support to NIT including Ghani Khan Institute	National Institute of Technology, Mizoram	53.00
16.	NLRMP	Programme Management unit for NLRMP	0.90
17.	National Aids Control Programme III	State AIDS Control Society, Mizoram, Aizawl	17.60
18.	Afforestation and Forest Management	State Forest Development Agency Mizoram	17.56
19.	Grid Interactive Renewable Power MNRE	Zoram Energy Development Agency	0.05
20.	Off Grid DRPS	Zoram Energy Development Agency	7.08
21.	Renewable Energy for Urban, Industrial & Commercial Application	Zoram Energy Development Agency	0.82
Total			276.05

Source: Information from Finance Accounts – 2014-15

Appendix 2.1 Statement of various grants/appropriations where savings were more than ₹ one crore each or more than 20 per cent of the total provision

(Reference: Paragraph-2.2 and 2.3.1; Page-50)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
Revenue (Voted)					
1.	1	Legislative Assembly	21.39	2.05	9.58
2.	4	Law & Judicial	21.03	3.97	18.88
3.	6	Land Revenue and Reforms	24.44	2.57	10.52
4.	7	Excise and Narcotics	28.47	1.71	6.01
5.	11	Secretariat Administration	90.93	11.13	12.24
6.	12	Parliamentary Affairs	0.53	0.14	26.42
7.	14	Planning and Programme Implementation	273.23	232.59	85.13
8.	15	General Administration Department	73.20	9.93	13.57
9.	16	Home	550.12	79.68	14.48
10.	17	Food, Civil Supplies and Consumer Affairs	94.41	19.19	20.33
11.	18	Printing and Stationery	16.09	1.71	10.63
12.	19	Local Administration Department	77.01	42.50	55.19
13.	20	School Education	934.11	34.50	3.69
14.	21	Higher and Technical Education	277.61	76.18	27.44
15.	22	Sports and Youth Services	33.95	2.06	6.07
16.	23	Art and Culture	12.00	2.91	24.25
17.	24	Medical and Public Health Services	435.21	107.15	24.62
18.	26	Information and Public relations	13.06	2.04	15.62
19.	27	District Councils	297.52	13.17	4.43
20.	28	Labour and Employment	20.61	9.59	46.53
21.	29	Social Welfare	132.67	36.42	27.45
22.	31	Agriculture	201.84	39.53	19.58
23.	32	Horticulture	136.14	23.92	17.57
24.	33	Soil and Water Conservation	52.45	2.23	4.25
25.	34	Animal Husbandry and Veterinary	179.55	8.01	4.46
26.	36	Environment and Forests	132.22	10.57	7.99
27.	37	Cooperation	14.07	1.09	7.75
28.	38	Rural Development	374.41	125.08	33.41
29.	39	Power	345.23	6.77	1.96
30.	40	Industries	119.79	4.56	3.81
31.	42	Transport	45.96	12.59	27.39
32.	45	Public Works	245.62	15.91	6.48
33.	46	Urban Development and Poverty Alleviation	100.97	11.71	11.60
34.	47	Minor Irrigation	13.24	1.97	14.88
35.	48	Information and Communication Technology	14.50	3.12	21.52
Revenue (Charged)					
36.	1	Legislative Assembly	0.87	0.36	41.38
Total			5,404.45	958.61	17.74

Appendix 2.1 *Statement of various grants/appropriations where savings were more than ₹ one crore each or more than 20 per cent of the total provision*

(1)	(2)	(3)	(4)	(5)	(6)
Capital (Voted)					
1.	1	Legislative Assembly	0.90	0.30	33.33
2.	4	Law & Judicial	20.83	20.83	100.00
3.	9	Finance	24.75	24.75	100.00
4.	16	Home	53.21	14.10	26.50
5.	17	Food, Civil Supplies and Consumer Affairs	290.36	54.43	18.75
6.	20	School Education	2.58	0.70	27.13
7.	21	Higher and Technical Education	2.65	2.55	96.23
8.	22	Sports and Youth Services	7.20	7.20	100.00
9.	24	Medical and Public Health Services	9.67	6.20	64.12
10.	25	Water Supply and Sanitation	92.23	21.65	23.47
11.	38	Rural Development	57.06	20.31	35.59
12.	43	Tourism	10.00	7.59	75.90
13.	44	Trade and Commerce	6.59	1.17	17.75
14.	46	Urban Development and Poverty Alleviation	189.99	61.34	32.29
15.	47	Minor Irrigation	64.19	64.04	99.77
Capital (Charged)					
16.	99	Public debt	1279.66	90.42	7.07
Total			2,111.87	397.58	18.83
Grand Total			7,516.32	1,356.19	18.04

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-51)

(₹ in lakh)						
Sl. No.	Grant No	Name of the Grant/Appropriation with Major or Minor heads	Total Grant/Appropriation	Expenditure	Excess Expenditure	Percentage
Revenue (Voted)						
1.	6	Land Revenue and Reforms				
		2506-012-01 Statistics and Evaluation	0.00	7.46	7.46	---
		2506-101-01 Regulation of Land Holding and Tenancy	0.00	2.42	2.42	---
2.	9	Finance				
		2071-01-101-01 Pension	17,986.00	24,372.68	6,386.68	35.51
		2071-01-105-01 Family Pension	5,431.00	9,258.09	3,827.09	70.47
		2071-01-115-01 Leave Encashment	3,136.00	6,563.19	3,427.19	109.29
		2071-01-104-01 Pension/Gratuities	6,628.00	9,174.12	2,546.12	38.41
		2071-01-102-01 Commuted Value of Pensions	2,970.00	3,639.36	669.36	22.54
		2071-01-200-02 VRS for School Teachers (SAL/TA-EAP)	0.00	178.00	178.00	---
		2071-01-103-01 Compassionate Allowances	6.00	21.24	15.24	254.00
3.	14	Planning and Programme Implementation				
		3425-60-004-04 SMS for MIIMS/ MIRSAC	7.74	77.74	70.00	904.39
4.	15	General Administration Department				
		2053-094-15 Sub-Division, Lawngtlai	45.16	53.44	8.28	18.33
		2053-093-04 D.C., Champhai	218.67	290.40	71.73	32.80
5.	16	Home				
		2055-104-04 1st I. R. Bn (SMS)	2,445.52	2,667.99	222.47	9.10
		2055-101-03 DSB, Aizawl	219.93	458.28	238.35	108.38
6.	25	Water Supply and Sanitation Programme				
		2215-01-101-01 Urban Water Supply	1,210.00	2,952.33	1,742.33	143.99
		2215-01-102-02 National Rural Drinking Water Project (NRDWP)/CSS	0.00	481.71	481.71	---
7.	30	Disaster Management and Rehabilitation				
		2245-05-101-03 Capacity Building Fund (FC)	100.00	200.00	100.00	100.00
8.	45	Public Works				
		2055-001-01 Direction	0.00	18.00	18.00	---
9.	46	Urban Development and Poverty Alleviation				
		2015-109-03 Election of V.C. Members	53.66	75.62	21.96	40.92
10.	48	Information and Communication Technology				
		3275-800-09 ZENICS	95.00	169.00	74.00	77.89
Revenue (Charged)						
11.	99	Public Debt				
		2049-01-101-09 Interest on Market Borrowing	12,000.00	15,758.50	3,758.50	31.32
		2049-01-123-01 Interest on Special Securities to NSSF of the Central Government to State Government	1,650.00	1,930.45	280.45	17.00
		2049-01-305-01 Management of Debt/ Commission on Market	40.00	60.91	20.91	52.28
Total			54,242.68	78,410.93	24,168.25	44.56

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

Capital (Voted)						
1.	15	General Administration Department				
		4575-06-101-01 BADP under RD Department	0.00	1,429.94	1,429.94	---
		7610-201-01 House Building Advance to Government Servants	0.00	3.00	3.00	---
2.	16	Home				
		4235-01-800-01 Construction of Sainik School at Chhingchhip (FC)	1,668.00	2,500.00	832.00	49.88
3.	17	Food, Civil Supplies and Consumer Affairs				
		4408-02-101-02 Construction of Godown (NABARD)	49.64	496.35	446.71	899.90
4.	21	Higher and Technical Education				
		4202-02-104-07 Infrastructure development of various Colleges (10 Nos.)	0.00	9.80	9.80	---
5.	25	Water Supply and Sanitation				
		4217-03-051-02 Augmentation of Water Supply Scheme under NERDP/CSS	0.00	657.70	657.70	---
6.	45	Public works				
		4059-01-051-01 Construction of Judiciary Buildings (CSS)	0.00	1,084.56	1,084.56	---
		4055-211-01 Construction of Judiciary Buildings (CSS)	0.00	677.84	677.84	---
		4210-03-103-01 Primary Health Centre (FC)	0.00	421.82	421.82	---
		5452-01-102-01 Tourist Accommodation (CSS)	0.00	363.14	363.14	---
		4055-800-01 Modernisation of Police Forces (CSS)	0.00	348.00	348.00	---
		4202-01-203-01 Infrastructure development of various Colleges (10 Nos.) in Mizoram (NLCPR)	0.00	255.52	255.52	---
		4202-03-102-09 Construction of Indoor Stadium at Chanmari, Lunglei (NLCPR)	0.00	178.63	178.63	---
		4515-102-04 Construction of Market Building at Vairengte (NLCPR)	0.00	139.55	139.55	---
		4435-01-101-01 North Eastern Areas	0.00	134.64	134.64	---
		5053-60-101-01 Communications (NLCPR)	0.00	92.81	92.81	---
		4059-60-051-01 Construction of Examination Hall for MPSC (NLCPR)	0.00	75.17	75.17	---
		4202-01-800-02 Construction of HSS Buildings at Kawlbem & Kawlkulh (NLCPR)	0.00	70.50	70.50	---
		4210-80-800-54 Construction of 100 bedded Civil Hospital, Saiha (NLCPR)	0.00	63.70	63.70	---
4202-03-102-06 Construction of Indoor Stadium at Keitum (NLCPR)	0.00	17.88	17.88	---		
Capital (Charged)						
7.	99	Public Debt				
		6003-110-03 Overdraft/Shortfall	1,500.00	5,328.01	3,828.01	255.20
		6003-110-02 Special Ways & Means Advances	50,000.00	52,718.00	2,718.00	5.44
Total			53,217.64	67,066.56	13,848.92	26.02
Grand Total			1,07,460.32	1,45,477.49	38,017.17	35.38

Appendix 2.3 Statement showing unutilised provision of fund during 2014-15

(Reference: Paragraph-2.3.4; Page-54)

(₹ 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.	4 - Law and Judicial	4059-01-051-01 Construction of Judiciary Building (Voted/CSS)	813.00	1,084.56	1,897.56	(-) 1,897.56	Due to transfer of fund to PWD
		4059-01-051-03 Construction of Alternate Dispute Resolution Centre (Voted/FC)	185.00	0.00	185.00	(-) 185.00	Due to transfer of fund to PWD
2.	14 - Planning and Programme Implementation	3425-60-004-03 North Eastern Areas	0.00	70.00	70.00	(-) 70.00	Reasons not stated
3.	15 - General Administration Department	2053-093-04 D.C., Champhai	0.00	71.10	71.10	(-) 71.10	Reasons not stated
		5053-60-101-01 Communications NLCPR	0.00	92.95	92.95	(-) 92.95	Reasons not stated
4.	16 - Home	4235-01-800-01 Construction of Sainik School at Chhingchhip (FC)	0.00	832.00	832.00	(-) 832.00	Reasons not stated
		4070-800-01 Construction of Fire Stations & Quarters/ FC	0.00	79.18	79.18	(-) 79.18	Reasons not stated
5.	21 - Higher and Technical Education	2202-03-107-04 Umbrella Scheme for Education of ST Students/CSS	735.00	0.00	735.00	(-) 735.00	Due to non-release of fund by the Government of India
		2202-03-103-06 SMS for Rashtriya Uchchar Shiksha Abhiyan (RUSA)	0.00	30.30	30.30	(-) 30.30	Reasons not stated
		4202-02-104-10 Infrastructure development of various Colleges (10 Nos)	0.00	255.52	255.52	(-) 255.52	Reasons not stated
		4202-02-104-07 Construction of post matric student hostel at Aizawl (NLCPR)	0.00	9.80	9.80	(-) 9.80	Reasons not stated
6.	22 - Sports and Youth Affairs	4202-03-800-02 Construction of Multi Level Parking & Community/ NLCPR	0.00	509.12	509.12	(-) 509.12	Reasons not stated
		4202-03-102-09 Construction of Indoor Stadium at Chanmari, Lunglei/NLCPR	0.00	178.63	178.63	(-) 178.63	Reasons not stated
		4202-03-102-06 Construction of Stadium at Keitum/NLCPR	0.00	17.88	17.88	(-) 17.88	Reasons not stated
		4202-03-102-07 Construction of Stadium at Bungtlang/NLCPR	0.00	14.03	14.03	(-) 14.03	Reasons not stated

Appendix 2.3 Statement showing unutilised provision of fund during 2014-15

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
7.	24 - Medical and Public Health Services	4210-03-103-01 Primary Health Centre (FC)	0.00	421.82	421.82	(-) 421.82	Due to budgetary transfer of fund
		4210-80-800-08 SMS for NLCPR	0.00	63.70	63.70	(-) 63.70	Due to budgetary transfer of fund
8.	25 - Water Supply and Sanitation	4215-01-102-04 SMS of Nirmal Bharat Abhiyan/ CSS	1,035.00	0.00	1,035.00	(-) 1,035.00	Reasons not stated
9.	38 - Rural Development	4515-102-04 Construction of Market Building at Vairengte (NLCPR)	0.00	139.55	139.55	(-) 139.55	Due to transfer of fund to PWD
10.	44 - Trade and Commerce	4435-01-101-01 North Eastern Areas	0.00	134.64	134.64	(-) 134.64	Reasons not stated
11.	45 - Public Works	2216-01-700-02 Repairs of Government Residential Building under General Pool	50.00	0.00	50.00	(-) 50.00	Reasons not stated
12.	46 - Urban Development and Alleviation	2015-109-04 Election to Village Councils within District Councils	0.00	21.96	21.96	(-) 21.96	Reasons not stated
		4217-03-051-01 Augmentation of Water Supply Scheme under NERDP (CSS)	0.00	657.89	657.89	(-) 657.89	Reasons not stated
13.	99 - Public Debt	2049-01-101-01 Interest on Loan from LIC (Housing)	2,712.90	0.00	2,712.90	(-) 2,712.90	Reasons not stated
		2049-01-101-03 Interest on Loan from LIC (Power Project)	74.67	0.00	74.67	(-) 74.67	Reasons not stated
		6003-103-01 Loans from LIC (Housing)	3,954.53	0.00	3,954.53	(-) 3,954.53	Reasons not stated
		6003-103-03 Loans from LIC (Power Project)	133.34	0.00	133.34	(-) 133.34	Reasons not stated
Total			9,693.44	4,684.63	14,378.07	(-) 14,378.07	-

Appendix *Unnecessary supplementary provision*

2.4 (₹ 10 lakh and above)

(Reference: Paragraph-2.3.8; Page-55)

(₹ in lakh)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
A. Revenue (Voted)					
1.	4 - Law and Judicial	1,783.15	1,706.04	77.11	320.04
2.	11 - Secretariat Administration	8,796.00	7,980.35	815.65	297.34
3.	14 - Planning and Programme Implementation	27,030.26	4,064.55	22,965.71	293.09
4.	16 - Home	53,840.29	47,044.00	6,796.29	1,171.29
5.	19 - Local Administration	7,310.05	3,450.84	3,859.21	390.50
6.	23 - Art and Culture	1,106.50	909.18	197.32	93.57
7.	26 - Information and Public Relations	1,229.70	1,102.18	127.52	76.20
8.	28 - Labour and Employment	1,677.00	1,101.97	575.03	384.47
9.	29 - Social Welfare	12,682.68	9,624.67	3,058.01	584.39
10.	31 - Agriculture	19,029.65	16,231.02	2,798.63	1,153.92
11.	32 - Horticulture	13,562.00	11,222.41	2,339.59	52.40
12.	33 - Soil and Water Conservation	5,220.97	5,021.03	199.94	23.55
13.	34 - Animal Husbandry and Veterinary	17,436.07	17,153.75	282.32	518.91
14.	38 - Rural Development	33,093.23	24,932.96	8,160.27	4,347.40
15.	42 - Transport	4,474.96	3,337.29	1,137.67	121.33
16.	47 - Minor Irrigation	1,292.40	1,127.81	164.59	31.95
17.	48 - Information and Communication Technology	1,406.00	1,137.60	268.40	43.62
Total for Revenue (Voted)		2,10,970.91	1,57,147.65	53,823.26	9,903.97
B. Revenue (Charged)					
18.	2 - Governor	489.15	464.45	24.70	12.14
19.	4 - Law and Judicial	556.75	541.05	15.70	64.32
Total for Revenue (Charged)		1,045.90	1,005.50	40.40	76.46
C. Capital (Voted)					
20.	4 - Law and Judicial	998.00	0.00	998.00	1,084.56
21.	25 - Water Supply and Sanitation	7,956.70	7,057.81	898.89	1,266.40
22.	38 - Rural Development	3,977.00	3,675.55	301.45	1,729.49
23.	46 - Urban Development and Poverty Alleviation	16,190.96	12,865.78	3,325.18	2,808.39
Total for Capital (Voted)		29,122.66	23,599.14	5,523.52	6,888.84
Grand Total (A + B + C)		2,41,139.47	1,81,752.29	59,387.18	16,869.27

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

(Reference: Paragraph-2.3.8; Page-56)

(₹ 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	2,131.79	7.00	2,138.79	1,933.66	205.13
2.	3 - Council of Ministers	619.22	6.66	625.88	549.57	76.31
3.	4 - Law and Judicial	1,783.15	320.04	2,103.19	1,706.04	397.15
4.	5 - Vigilance	488.33	6.00	494.33	471.37	22.96
5.	6 - Land Revenue and Reforms	1,999.25	445.13	2,444.38	2,187.68	256.70
6.	7 - Excise and Narcotics	2,539.36	307.92	2,847.28	2,676.12	171.16
7.	8 - Taxation	1,233.30	203.07	1,436.37	1,388.15	48.22
8.	9 - Finance	47,243.58	2,800.55	50,044.13	57,904.70	(-) 7,860.57
9.	10 - Mizoram Public Service Commission	492.60	118.50	611.10	572.49	38.61
10.	11 - Secretariat Administration	8,796.00	297.34	9,093.34	7,980.35	1,112.99
11.	13 - Personnel and Administrative Reforms	223.30	8.97	232.27	215.33	16.94
12.	14 - Planning and Programme Implementation	27,030.26	293.09	27,323.35	4,064.55	23,258.80
13.	15 - General Administration Department	5,878.32	1,441.87	7,320.19	6,327.53	992.66
14.	16 - Home	53,840.29	1,171.29	55,011.58	47,044.00	7,967.58
15.	17 - Food, Civil Supplies and Consumer Affairs	7,209.89	2,231.47	9,441.36	7,522.63	1,918.73
16.	18 - Printing and Stationery	1,362.76	245.77	1,608.53	1,437.51	171.02
17.	19 - Local Administration	7,310.05	390.50	7,700.55	3,450.84	4,249.71
18.	20 - School Education	83,866.40	9,544.77	93,411.17	89,960.79	3,450.38
19.	21 - Higher and Technical Education	17,542.65	10,218.22	27,760.87	20,143.06	7,617.81
20.	22 - Sports and Youth Services	2,844.40	550.35	3,394.75	3,188.58	206.17
21.	23 - Art and Culture	1,106.50	93.57	1,200.07	909.18	290.89
22.	24 - Medical and Public Health Services	32,676.50	10,844.66	43,521.16	32,805.74	10,715.42
23.	25 - Water Supply and Sanitation	9,572.50	5,707.86	15,280.36	15,852.80	(-) 572.44
24.	26 - Information and Public Relations	1,229.70	76.20	1,305.90	1,102.18	203.72
25.	27 - District Councils	24,814.90	4,937.29	29,752.19	28,435.31	1,316.88
26.	28 - Labour and Employment	1,677.00	384.47	2,061.47	1,101.97	959.50
27.	29 - Social Welfare	12,682.68	584.39	13,267.07	9,624.67	3,642.40
28.	30 - Disaster Management and Rehabilitation	2,735.44	7.08	2,742.52	2,793.27	(-) 50.75
29.	31 - Agriculture	19,029.65	1,153.92	20,183.57	16,231.02	3,952.55
30.	32 - Horticulture	13,562.00	52.40	13,614.40	11,222.41	2,391.99
31.	33 - Soil and Water Conservation	5,220.97	23.55	5,244.52	5,021.03	223.49
32.	34 - Animal Husbandry and Veterinary	17,436.07	518.91	17,954.98	17,153.75	801.23
33.	36 - Environment and Forests	11,080.95	2,141.51	13,222.46	12,164.99	1,057.47
34.	37 - Co - operation	1,286.56	120.04	1,406.60	1,297.63	108.97
35.	38 - Rural Development	33,093.23	4,347.40	37,440.63	24,932.96	12,507.67
36.	39 - Power	28,775.35	5,747.54	34,522.89	33,845.69	677.20
37.	40 - Industries	10,113.70	1,865.36	11,979.06	11,523.30	455.76
38.	41 - Sericulture	2,833.40	627.92	3,461.32	3,366.54	94.78
39.	42 - Transport	4,474.96	121.33	4,596.29	3,337.29	1,259.00
40.	43 - Tourism	538.54	87.58	626.12	602.89	23.23
41.	44 - Trade and Commerce	485.72	29.04	514.76	493.45	21.31
42.	45 - Public Works	22,018.60	2,543.23	24,561.83	22,970.47	1,591.36
43.	46 - Urban development and Poverty Alleviation	7,539.22	2,558.13	10,097.35	8,926.10	1,171.25
44.	47 - Minor Irrigation	1,292.40	31.95	1,324.35	1,127.81	196.54
45.	48 - Information and Communication Technology	1,406.00	43.62	1,449.62	1,137.60	312.02

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

Total for Revenue (Voted)		5,41,117.44	75,257.46	6,16,374.90	5,28,705.00	87,669.90
(1)	(2)	(3)	(4)	(5)	(6)	(7)
B. Revenue (Charged)						
46.	2 - Governor	489.15	12.14	501.29	464.45	36.84
47.	4 - Law and Judicial	556.75	64.32	621.07	541.05	80.02
48.	99 - Public Debt	31,469.30	774.91	32,244.21	32,501.89	(-) 257.68
Total for Revenue (Charged)		32,515.20	851.37	33,366.57	33,507.39	(-) 140.82
C. Capital (Voted)						
49.	4 - Law and Judicial	998.00	1,084.56	2,082.56	0.00	2,082.56
50.	15 - General Administration Department	0.00	92.95	92.95	1,432.94	(-) 1,339.99
51.	16 - Home	2,549.00	2,772.40	5,321.40	3,911.13	1,410.27
52.	17 - Food, Civil Supplies and Consumer Affairs	19,326.60	9,708.95	29,035.55	23,592.41	5,443.14
53.	20 - School Education	0.00	257.87	257.87	187.37	70.50
54.	21 - Higher and Technical Education	0.00	265.32	265.32	9.87	255.45
55.	22 - Sports and Youth Services	0.00	719.66	719.66	0.00	719.66
56.	24 - Medical and Public Health Services	255.10	711.47	966.57	346.76	619.81
57.	25 - Water Supply and Sanitation	7,956.70	1,266.40	9,223.10	7,057.81	2,165.29
58.	38 - Rural Development	3,977.00	1,729.49	5,706.49	3,675.55	2,030.94
59.	39 - Power	4,818.12	9,428.74	14,246.86	14,169.10	77.76
60.	44 - Trade and Commerce	475.00	183.64	658.64	542.00	116.64
61.	45 - Public Works	24,100.20	4,559.56	28,659.76	30,976.94	(-) 2,317.18
62.	46 - Urban development and Poverty Alleviation	16,190.96	2,808.39	18,999.35	12,865.78	6,133.57
Total for Capital (Voted)		80,646.68	35,589.40	1,16,236.08	98,767.66	17,468.42
D. Capital (Charged)						
63.	99 - Public Debt	26,466.05	1,01,500.00	1,27,966.05	1,18,924.06	9,041.99
Total for Capital (Charged)		26,466.05	1,01,500.00	1,27,966.05	1,18,924.06	9,041.99
Grand Total		6,80,745.37	2,13,198.23	8,93,943.60	7,79,904.11	1,14,039.49

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

(Reference: Paragraph-2.3.9; Page-58)

(₹ in lakh)

Sl. No.	Grant No.	Description	Major Head	Re-appropriation	Final Excess(+)/ Saving (-)
(1)	(2)	(3)	(4)	(5)	(6)
1.	6	Land revenue and Reforms			
		102-01 Survey and Settlement Operations	2029	(-) 56.73	(-) 28.57
		001-02 Administration	2029	(-) 70.76	(-) 13.89
2.	9	Finance			
		095-02 District Treasury	2054	(-) 325.18	(+) 37.89
		095-01 Direction	2054	(-) 232.12	(-) 33.87
		092-03 State Finance Commission	2052	(-) 76.99	(-) 10.96
3.	15	General Administration Department			
		093-03 D.C., Saiha	2053	(-) 168.38	(+) 14.13
		115-06 Circuit & Guest House, Calcutta	2070	(-) 27.97	(-) 41.53
		093-04 D.C., Champhai	2053	(-) 35.89	(+) 71.73
4.	16	Home			
		104-07 4 th IR Battalion	2055	(-) 1,055.44	(+) 34.68
		104-02 2 nd IR Battalion MAP	2055	(-) 623.53	(-) 221.00
		104-06 3 rd IR Battalion	2055	(-) 644.77	(-) 27.46
		109-01 D.E.F., Aizawl	2055	(-) 363.04	(-) 103.71
		104-05 2 nd IR Battalion	2055	(-) 475.80	(+) 20.72
		101-01 CID (SB)	2055	(-) 269.33	(-) 134.10
		109-05 D.E.F., Mamit	2055	(-) 177.67	(-) 36.74
		003-01 Police Training	2055	(-) 75.70	(-) 68.61
		001-01 Direction	2055	(-) 97.03	(-) 35.92
		104-04 1 st IR Battalion (SMS)	2055	(-) 348.80	(+) 222.47
		109-03 D.E.F., Saiha	2055	(-) 156.00	(+) 31.69
		101-05 DSB, Saiha	2055	(-) 23.80	(-) 18.47
		101-03 DSB, Aizawl	2055	(-) 129.77	(+) 238.35
		800-01 Modernisation of Police Forces (CSS)	4055	(-) 305.13	(-) 348.00
5.	17	Food, Civil Supplies and Consumer Affairs			
		01-101-01 Procurement and Supply	4408	(-) 161.06	(-) 4,278.43
		02-101-02 Construction of Godown (NABARD)	4408	(-) 1,450.36	(+) 446.71
6.	18	Printing and Stationery			
		101-01 Forms and Stationery	2058	(-) 40.19	(-) 30.48
7.	21	Higher and Technical Education			
		03-105-05 Rashtriya Uchchatar Shiksha Abhiyan (RUSA)/CSS	2202	(-) 1,824.05	(-) 4,697.72
		03-103-01	2202	(+) 119.00	(-) 89.63
8.	23	Art and Culture			
		001-01 Direction	2205	(-) 37.47	(-) 10.70

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

(1)	(2)	(3)	(4)	(5)	(6)
9.	24	Medical and Public Health			
		06-101-18 National Health Mission/CSS	2210	(-) 8,388.62	(+) 10.00
		03-102-01 Subsidiary Health Centres	2210	(-) 322.18	(-) 15.12
10.	25	Water Supply and Sanitation			
		01-001-02 Administration	2215	(-) 1,408.41	(+) 54.34
		01-001-01 Direction (SE)	2215	(-) 202.00	(-) 26.49
		01-102-12 National Rural Drinking Water Project (NRDWP)/CSS	4215	(-) 1,424.83	(-) 362.01
11.	26	Information and Public Relations			
		01-001-01 Direction	2220	(-) 40.00	(-) 15.76
12.	28	Labour and Employment			
		02-101-01 Employment Exchanges	2230	(-) 27.57	(+) 12.10
13.	29	Social Welfare			
		02-800-01 Schemes under Article 275(1) (ACA)	2235	(-) 667.62	(-) 153.76
14.	38	Rural Development			
		001-03 Block Level Administration	2515	(-) 42.00	(-) 175.41
		001-02 Administration	2515	(-) 51.17	(-) 48.12
		06-101-01 BADP under RD Department	4575	(-) 461.45	(-) 1,429.94
15.	45	Public Works			
		80-001-02 Administration	3054	(-) 688.88	(-) 13.93
		80-001-01 Direction	3054	(-) 186.71	(+) 12.28
		105-01 Mechanical Division	2059	(-) 93.29	(-) 12.02
		800-01 Construction of Fire Stations & Quarters (FC)	4070	(-) 180.00	(+) 65.59
16.	46	Urban Development and Poverty Alleviation			
		01-001-02 Administration	2217	(-) 2.59	(-) 11.01
		109-03 Election to V.C. Members	2015	(-) 0.04	(+) 21.96

Appendix 2.7 Results of review of substantial surrenders (more than 50 per cent of total provision) made during the year 2014-15

(Reference: Paragraph-2.3.10; Page-59)

(₹ in lakh)

Sl. No.	Grant No.	Number and details of Grant/Scheme	Total Provision	Amount of Surrender	Percentage of Surrender	Reasons/ Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	1	Legislative Assembly 2011-02-101-01 Speaker/Dy. Speaker (Charged)	51.55	35.65	69.16	Not stated
		7610-201-01 House Building Advance to MLA (Voted)	60.00	30.00	50.00	Not stated
2.	4	Law and Judicial 2014-105-03 Administration/Saiha (Voted)	122.10	62.89	51.51	Due to non-filling up of vacant post and normal saving
		2014-114111 Court Manager (Voted/FC)	39.18	39.18	100.00	Due to revision of annual action plan which resulted in delay and non-utilisation of fund
		2014-114-06 Morning/Evening Court (Voted/FC)	27.75	27.75	100.00	Due to revision of annual action plan which resulted in delay and non-utilisation of fund
3.	6	Land Revenue and Reforms 2029-001-01 Direction (CSS)	32.21	31.11	96.58	Due to non-settlement of court cases arising out of land disputes
4.	9	Finance 2052-092-99 Capacity Development for FMU/FMC (SAL/TA-EAP)	5,610.00	5,306.27	94.59	Not stated
		2052-090-04 Finance Department	2,700.00	2,700.00	100.00	Due to re-provision of the entire amount to other Departments
		7610-201-01 House Building Advance to Government Servant	2,259.00	2,259.00	100.00	Due to non-disbursement of loans to Government servants
		7610-202-01 Advance for purchase of Motor Conveyances	216.00	216.00	100.00	Due to non-disbursement of loans to Government servants
5.	14	Planning and Programme Implementation 3451-101-05 North Eastern Areas	12,264.00	12,264.00	100.00	Not stated
		3451-101-06 NLCPR Grants	9,877.00	9,877.00	100.00	Not stated
		3451-101-02 Evaluation & Monitoring	1,086.11	811.86	74.75	Not stated
		3451-101-07 UID Grants	24.00	12.00	50.00	Not stated
6.	15	General Administration Department 2070-115-03 Circuit & Guest House, Saiha	65.50	35.04	53.50	Not stated
7.	16	Home 2055-102-01 Borrowed Battalion	53.60	34.38	64.14	Not stated
8.	17	Food, Civil Supplies and Consumer Affairs 3456-800-05 Computerisation of TPDS (CSS)	396.97	313.24	78.91	Not stated
		2408-01-800-03 Annapurna (NSAP-ACA)	31.00	24.22	78.13	Due to less receipt of fund from GoI
		4408-02-101-02 Construction of Godown (NABARD)	1,500.00	1,450.36	96.69	Not stated
		Local Administration 2070-198-01 General Basic Grants to Rural Local Bodies (FC)	3,568.00	3,568.00	100.00	Due to late receipt of sanction from GoI

Appendix Results of review of substantial surrenders 2.7 (more than 50 per cent of total provision) made during the year 2014-15

(1)	(2)	(3)	(4)	(5)	(6)	(7)
10.	21	Higher and Technical Education 2202-03-107-02 PMS/PMMS for students of minorities community CSS	111.24	99.23	89.20	Due to late receipt of stationery bills
		2203-105-04 Mizoram Polytechnic, Kolasib/CSS	12.00	12.00	100.00	Not stated
		2203-105-05 Mizoram Polytechnic, Champhai/CSS	12.00	12.00	100.00	Not stated
11.	24	Medical and Public Health Services 2210-06-101-18 National Health Mission/CSS	12,454.68	8,388.62	67.35	Due to non-release of fund by the GoI and late release of fund by NACO
		2210-02-102-01 Homeopathy (CSS)	223.00	223.00	100.00	Due to non-receipt of fund from GoI
		4210-80-800-08 North Eastern Areas	225.95	134.30	59.44	Due to time limit for completion of civil works
12.	29	Social Welfare 2235-03-101-01 Old Age Pension (ACA)	2,276.92	1,682.23	73.88	Due to non-receipt of fund from GoI
		2235-02-800-01 Schemes under Article 275(1) (ACA)	1,076.00	646.62	60.09	Due to return of sanction proposal for submission of approved fresh proposal along with proforma bills from approved firms
		2225-01-102-01 Development of Schedule Caste	210.00	210.00	100.00	Due to non-receipt of fund from GoI
		2235-02-103-07 Indira Gandhi Matritva Sahyog Yojana (IGMSY) (CSS)	182.62	163.24	89.39	Due to non-receipt of fund from GoI
		2236-02-101-02 RSEAG-SABLA (CSS)	234.00	132.75	56.73	Due to non-receipt of fund from GoI
		2235-103-05 State Resource Centre for the Empowerment of Women/CSS	104.38	74.58	71.45	Due to non-receipt of fund from GoI
		2235-60-800-01 Forest Dwellers Act	10.00	10.00	100.00	Due to return of sanction proposal for defects in proposals and non-receipt of fund from GoI
13.	31	Agriculture 2401-102-07 National Mission for Sustainable Agriculture (NMSA)/CSS	1,400.00	903.70	64.55	Due to allotment of GoI
		2401-109-04 National Mission on Agricultural Extension & Technology (NMAET)/CSS	1,134.00	840.21	74.09	Due to allotment of GoI
		2415-01-800-02 Quality Control Arrangement on Seeds (CSS)	164.72	99.19	60.22	Not stated
		2401-109-05 National e-Governance Plan-Agriculture (NeGP-A)/CSS	33.65	33.65	100.00	Due to non-receipt of expenditure sanction from GoM
		Horticulture 2401-119-10 On Farm Water Management (OFWM)/CSS	900.00	450.00	50.00	Not stated
15.	36	Environment and Forests 2406-01-102-09 Conservation of Natural Resources and Ecosystems (CSS)	253.00	174.12	68.82	Due to non-receipt of expenditure sanction from GoI
		2406-02-110-14 Integrated Development of Wildlife Habitat (CSS)	119.05	105.05	88.24	Due to non-receipt of expenditure sanction from GoI
16.	38	Rural Development 2575-06-101-01 BADP under RD Department	40.00	21.39	53.48	Due to non-release of fund by the GoI

Appendix 2.7 Results of review of substantial surrenders (more than 50 per cent of total provision) made during the year 2014-15

(1)	(2)	(3)	(4)	(5)	(6)	(7)
17.	42	Transport				
		2041-001-01 Direction	350.48	187.12	53.39	Due to adoption of economy measures by the Department
		3055-800-01 Railway Out Agency	71.98	47.66	66.21	Not stated
18.	43	Tourism				
		5452-01-102-01 Tourist Accomodation (CSS)	1,000.00	758.51	75.85	Not stated
19.	45	Public Works				
		5054-04-800-01 Construction of Road-ACA/CRF	1,268.00	845.00	66.64	Due to non-receipt of expenditure sanction from GoM and GoI
		4711-02-103-01 Flood Management Programme (AIBP)(CSS)	346.95	346.95	100.00	Due to non-receipt of expenditure sanction from Government
		4059-80-051-15 Construction of Multipurpose Centre at Ramhlun North (NLCPR)	166.45	166.45	100.00	Due to non-receipt of expenditure sanction from Government
20.	46	Urban Development and Poverty Alleviation				
		4217-01-051-01 Construction (JNNURM-ACA) (CSS)	7,353.29	5,339.51	72.61	Due to non-release of fund by the GoI
21.	47	Minor Irrigation				
		2705-800-02 On farm development (AIBP) (CSS)	63.01	63.01	100.00	Due to non-release of central assistance by the GoI
		4702-101-03 River Diversion (AIBP) (ACA)	6,269.88	6,269.88	100.00	Due to non-release of central assistance by the GoI
		4702-800-01 Flood Management Programme (ACA) (AIBP)	149.50	134.55	90.00	Due to non-release of central assistance by the GoI
Total			78,200.72	67,672.47	86.54	

Appendix *Surrenders in excess of actual savings*

2.8

(Reference: Paragraph-2.3.11; Page-59)

(₹ in lakh)

Sl. No.	Number and name of the grant/appropriation	Total grant/appropriation	Saving (-)	Amount surrendered	Amount surrendered in excess
Revenue (Voted)					
1.	3 - Council of Ministers	625.88	(-) 76.31	76.68	0.37
2.	5 - Vigilance	494.33	(-) 22.96	23.02	0.06
3.	16 - Home	55,011.58	(-) 7,967.58	8,768.24	800.66
4.	17 - Food, Civil Supplies and Consumer Affairs	9,441.36	(-) 1,918.73	1,921.89	3.16
5.	19 - Local Administration	7,700.55	(-) 4,249.71	4,257.30	7.59
6.	20 - School Education	93,411.17	(-) 3,450.38	4,710.45	1,260.07
7.	27 - District Councils	29,752.19	(-) 1,316.88	1,969.43	652.55
8.	36 - Environment and Forests	13,222.46	(-) 1,057.47	1,057.88	0.41
9.	39 - Power	34,522.89	(-) 677.20	685.08	7.88
10.	41 - Sericulture	3,461.32	(-) 94.78	106.23	11.45
11.	43 - Tourism	626.12	(-) 23.23	25.11	1.88
12.	45 - Public Works	24,561.83	(-) 1,591.36	1,596.70	5.34
13.	47 - Minor Irrigation	1,324.35	(-) 196.54	196.83	0.29
14.	48 - Information and Communication Technology	1,449.62	(-) 312.02	386.00	73.98
Grand Total		2,75,605.65	22,955.15	25,780.84	2,825.69

Appendix 2.9 Unexplained surrender of more than ₹ 10 lakh

(Reference: Paragraph-2.3.11; Page-59)

(₹ in lakh)						
Sl. No.	Grant No.	Grant Name and Major Head	Total Grant	Expenditure	Amount Surrendered	Reasons
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	1	Legislative Assembly 2011-02-103-01 Assembly Secretariat (Voted)	1,164.95	1,164.95	193.05	Not stated
		2011-02-101-01 Speaker/Deputy Speaker (Charged)	51.55	51.55	35.65	Not stated
		7610-201-01 House Building Advance to MLA (Voted)	60.00	60.00	30.00	Not stated
2.	2	Governor 2012-03-090-01 Governor's Secretariat (Charged)	261.50	261.60	13.91	Not stated
3.	3	Council of Ministers 2052-090-18 Chief Minister Secretariat	157.64	157.96	52.24	Not stated
4.	9	Finance 2052-092-99 Capacity Development for FMU/FMC (SAL/TA-EAP)	303.73	303.73	5,306.27	Not stated
		2054-095-02 District Treasury	982.31	1,020.20	325.18	Not stated
		2052-092-03 State Finance Commission	124.51	113.55	76.99	Not stated
		2071-01-117-01 Government Contribution	803.07	803.07	21.93	Not stated
5.	14	Planning and Programme Implementation 3451-101-05 North Eastern Areas	0.00	0.00	12,264.00	Not stated
		3451-101-06 NLCPR Grants	0.00	0.00	9,877.00	Not stated
		3451-101-02 Evaluation and Monitoring	274.25	275.25	811.86	Not stated
		3451-101-01 Plan Formulation	281.86	279.25	84.44	Not stated
		3454-01-001-01 Direction	349.39	349.38	31.50	Not stated
		3454-02-201-01 National Sample Survey	194.35	194.34	22.47	Not stated
		3454-02-111-01 Registration of Births & Deaths	97.97	97.97	13.77	Not stated
		3451-102-01 Planning Machinery	29.64	30.42	16.56	Not stated
		3451-101-07 UID Grants	12.00	12.00	12.00	Not stated
6.	15	General Administration Department 2053-093-03 D.C., Saiha	277.62	291.75	168.38	Not stated
		2053-093-05 D.C., Mamit	198.85	199.88	82.25	Not stated
		2053-093-06 D.C., Kolasib	294.60	294.58	66.46	Not stated
		2053-094-05 Sub-Division, Saiha	79.32	81.72	54.68	Not stated
		2070-115-03 Circuit & Guest House, Saiha	30.46	26.69	35.04	Not stated
		2053-094-11 Sub-Division, Kolasib	21.49	21.49	10.01	Not stated

Appendix *Unexplained surrender of more than* **2.9** ₹ 10 lakh

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Home				
		2055-104-07 4 th IR Battalion	2,364.92	2,399.60	439.38	Not stated
		2055-104-02 2 nd Battalion MAP	2,989.59	2,768.59	580.47	Not stated
		2055-104-06 3 rd IR Battalion	3,002.15	2,974.69	615.99	Not stated
		2055-104-08 5 th IR Battalion	2,420.29	2,419.71	607.59	Not stated
		2055-115-01 Modernisation	573.31	573.31	468.98	Not stated
		2055-109-01 D.E.F., Aizawl	2,565.06	2,461.35	447.96	Not stated
		2055-104-05 2 nd IR Battalion	2,752.11	2,772.83	507.99	Not stated
		2055-101-01 CID (SB)	984.15	850.05	288.12	Not stated
		2055-114-01 Wireless Organisation	3,408.68	3,408.77	445.06	Not stated
		2055-104-01 1 st Battalion MAP	3,096.58	3,096.71	403.35	Not stated
		2055-109-02 D.E.F., Lunglei	1,278.74	1,283.46	247.63	Not stated
		2055-109-05 D.E.F., Mamit	743.90	707.16	200.98	Not stated
		2055-109-09 Traffic Police	798.48	798.21	221.75	Not stated
		2055-109-08 D.E.F., Lawngtlai	734.70	734.70	208.32	Not stated
		2055-101-06 VIP Security	1,129.09	1,127.61	214.71	Not stated
7.	16	2055-104-03 3 rd Battalion MAP	2,947.04	2,946.58	192.28	Not stated
		2055-109-04 D.E.F., Champhai	775.15	775.50	172.96	Not stated
		2055-003-01 Police Training	921.84	853.23	103.57	Not stated
		2055-001-01 Direction	1,669.53	1,633.61	133.29	Not stated
		2055-104-04 1 st IR Battalion (SMS)	2,445.52	2,667.99	383.73	Not stated
		2055-109-03 D.E.F., Saiha	780.99	812.68	171.69	Not stated
		2055-101-02 CID (Crime)	466.24	465.85	89.30	Not stated
		2055-109-06 D.E.F., Kolasib	843.32	846.46	84.94	Not stated
		2070-108-01 Fire and Emergency Services	833.46	833.45	63.78	Not stated
		2055-116-01 Forensic Science Laboratory	224.54	224.53	62.00	Not stated
		2055-101-05 DSB, Saiha	74.20	55.73	23.78	Not stated
		2235-01-200-01 Direction S.S. & A. Board	226.45	226.46	35.84	Not stated
		2235-102-01 Borrowed Battalion	22.10	22.10	34.38	Not stated
		2235-01-200-02 Administration S.S. & A. Board	85.68	85.70	26.32	Not stated
		2055-101-04 DSB, Lunglei	35.29	30.61	12.16	Not stated
		2055-101-03 DSB, Aizawl	219.93	458.28	130.77	Not stated
		4055-800-01 Modernisation of Police Forces (CSS)	613.87	265.87	305.13	Not stated
		Food, Civil Supplies and Consumer Affairs				
		3456-800-05 Computerisation of TPDS (CSS)	83.73	83.73	313.24	Not stated
8.	17	3475-106-01 Regulation of Weight and Measures	175.00	175.00	120.00	Not stated
		3475-106-01 Regulation of Weight and Measures (CSS)	345.66	346.69	17.91	Not stated
		4408-02-101-02 Construction of Godown (NABARD)	49.64	496.35	1,450.36	Not stated
		Higher and Technical Education				
		2202-03-103-05 RashtriyaUchchatarShikshaAbhiyan (RUSA)/CSS	5,240.95	543.23	1,824.05	Not stated
9.	21	2202-105-04 Mizoram Polytechnic, Kolasib/CSS	-	-	12.00	Not stated
		2202-105-05 Mizoram Polytechnic, Champhai/CSS	-	-	12.00	Not stated

Appendix 2.9 Unexplained surrender of more than ₹ 10 lakh

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Sports and Youth Services				
		2204-800-02 North Eastern Areas	176.35	176.35	129.00	Not stated
		2204-104-01 Sports & Games	93.23	93.20	26.07	Not stated
10.	22	2204-001-01 Direction	501.68	500.49	15.42	Not stated
		2204-102-06 National Service Schemes (CSS)	110.23	110.22	12.77	Not stated
		2204-102-06 Scouts and Guides	59.70	59.56	11.00	Not stated
		Art and Culture				
11.	23	2205-001-01 Direction	350.00	180.00	36.47	Not stated
		2205-105-02 District Library	73.57	74.55	38.32	Not stated
		2205-102-03 Tribal Research Institute	75.13	75.12	15.62	Not stated
		Water Supply and Sanitation				
12.	25	2215-01-001-02 Administration	10,016.55	10,070.99	1,408.41	Not stated
		2215-01-001-01 Direction (SE)	513.20	486.71	202.00	Not stated
		4215-01-102-12 National Rural Drinking Water Project (NRDWP)/CSS	2,886.17	2,524.16	1,424.83	Not stated
		Labour and Employment				
13.	28	2230-03-003-01 Industrial Training Institute	342.01	338.28	23.90	Not stated
		2230-02-101-01 Employment Exchange	188.83	200.93	18.83	Not stated
		Agriculture				
14.	31	2415-01-800-02 Quality Control Arrangement on Seeds (CSS)	65.53	65.53	99.19	Not stated
		Horticulture				
15.	32	2401-119-10 On Farm Water Management (OFWM)/CSS	450.00	450.00	450.00	Not stated
		Environment and Forests				
16.	36	2406-01-800-02 Maintenance of Forest (FC)	4,442.14	4,442.63	362.16	Not stated
		Rural Development				
17.	38	2515-001-03 Block Level Administration	1,268.35	1,092.94	42.00	Not stated
		2515-001-02 Administration	436.73	388.61	51.17	Not stated
		Transport				
18.	42	3055-800-03 Central Workshop	222.28	222.28	69.04	Not stated
		3055-800-01 Railway Out Agency	24.32	24.32	47.66	Not stated
		3055-800-02 Booking Station	81.91	81.91	31.18	Not stated
		Public Works				
19.	45	3054-04-337-01 Pradhan Mantri Gram Sadak Yojana (PMGSY)/CSS	5,474.00	5,474.00	126.00	Not stated
		Urban Development and Poverty Alleviation				
20.	46	2217-05-001-07 National Urban Livelihood Mission/CSS	851.52	851.52	455.48	Not stated
		2015-101-01 State Election Commission	182.40	182.39	66.97	Not stated
		2217-03-001-01 Direction (TCP)	181.15	182.15	23.35	Not stated
		4217-01-051-02 NERUDP (EAP)	5,601.51	5,601.51	136.16	Not stated
Total			88,641.43	83,268.06	46,602.40	-

Appendix Details of savings not surrendered

2.10

(Reference: Paragraph-2.3.12; Page-60)

(₹ in lakh)				
Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
Revenue (Voted)				
1.	2 - Governor	0.16	0.15	0.01
2.	4 - Law and Judicial	397.15	370.58	26.57
3.	6 - Land Revenue and Reforms	256.70	213.66	43.04
4.	7 - Excise and Narcotics	171.16	170.56	0.60
5.	8 - Taxation	48.22	39.82	8.40
6.	11 - Secretariat Administration	1,112.99	1,105.84	7.15
7.	12 - Parliamentary Affairs	14.19	14.18	0.01
8.	13 - Personnel and Administrative Reforms	16.94	16.91	0.03
9.	14 - Planning and Programme Implementation	23,258.80	23,245.93	12.87
10.	15 - General Administration Department	992.66	962.54	30.12
11.	18 - Printing and Stationery	171.02	145.50	25.52
12.	21 - Higher and Technical Education	7,617.81	1,962.02	5,655.79
13.	22 - Sports and Youth Services	206.17	203.56	2.61
14.	23 - Art and Culture	290.89	125.13	165.76
15.	24 - Medical and Public Health Services	10,715.42	10,700.41	15.01
16.	26 - Information and Public Relations	203.72	174.15	29.57
17.	28 - Labour and Employment	959.50	53.02	906.48
18.	29 - Social Welfare	3,642.40	3,480.88	161.52
19.	31 - Agriculture	3,952.55	3,948.24	4.31
20.	32 - Horticulture	2,391.99	2,384.67	7.32
21.	33 - Soil and Water Conservation	223.49	223.16	0.33
22.	34 - Animal Husbandry and Veterinary	801.23	221.67	579.56
23.	37 - Co-operation	108.97	65.30	43.67
24.	38 - Rural Development	12,507.67	498.33	12,009.34
25.	40 - Industries	455.76	374.44	81.32
26.	42 - Transport	1,259.00	1,248.69	10.31
27.	46 - Urban Development and Poverty Alleviation	1,171.25	1,155.07	16.18
Revenue (Charged)				
28.	2 - Governor	36.84	36.62	0.22
29.	4 - Law and Judicial	80.02	79.93	0.09
30.	10 - Mizoram Public Service Commission	38.61	38.53	0.08
Capital (Voted)				
31.	4 - Law and Judicial	2082.56	0.00	2,082.56
32.	16 - Home	1,410.27	305.25	1,105.02
33.	17 - Food, Civil Supplies and Consumer Affairs	5,443.14	1,611.42	3,831.72
34.	20 - School Education	70.50	0.00	70.50
35.	21 - Higher and Technical Education	255.45	48.10	207.35
36.	22 - Sports and Youth Services	719.66	0.00	719.66
37.	24 - Medical and Public Health Services	619.81	134.30	485.51
38.	25 - Water Supply and Sanitation	2,165.29	1,424.83	740.46
39.	37 - Co-operation	0.18	0.00	0.18
40.	38 - Rural Development	2,030.94	461.45	1,569.49
41.	39 - Power	77.76	77.74	0.02
42.	44 - Trade and Commerce	116.64	0.00	116.64
43.	46 - Urban Development and Poverty Alleviation	6,133.57	5,475.67	657.90
Capital (Charged)				
44.	99 - Public Debt	9,041.99	0.00	9,041.99
Total		1,03,271.04	62,798.25	40,472.79

Appendix *Rush of Expenditure*

2.11

(Reference: Paragraph-2.3.13; Page-61)

(₹ in lakh)

Sl. No.	Grant Number	Head of Accounts	Major Head	Total expenditure during the year	Expenditure during March 2015 ³	
					Amount	Percentage of total expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	1	Elections	2015	1.00	0.48	47.92
2.	15	Civil Aviation	3053	461.31	306.62	66.47
3.	16	Capital Outlay on Police	4055	1,411.13	1,393.92	98.78
		Capital Outlay on Social Security and Welfare	4235	2,500.00	2,500.00	100.00
4.	17	Food, Storage and Warehousing	2408	5,456.94	1,604.16	29.40
		Other General Economic Services	3475	521.69	182.14	34.91
		Capital Outlay on Food, Storage and Warehousing	4408	14,103.03	4,969.16	35.23
5.	18	Stationery and Printing	2058	1,400.37	354.03	25.28
		Capital Outlay on Stationery and Printing	4058	15.07	15.07	100.00
6.	20	Capital Outlay on Education, Sports, Art and Culture	4202	187.37	187.37	100.00
7.	21	Capital Outlay on Education, Sports, Art and Culture	4202	9.80	9.80	100.00
8.	22	Sports and Youth Services	2204	3,188.58	1,829.40	57.37
9.	23	Art and Culture	2205	909.18	267.95	29.47
		Capital Outlay on Education, Sports, Art and Culture	4202	500.00	5,00.00	100.00
10.	24	Capital Outlay on Medical and Public Health Services	4210	346.75	339.46	97.90
11.	25	Water Supply and Sanitation	2215	15,852.80	5,474.61	34.53
		Capital Outlay on Water Supply and Sanitation	4215	6,022.20	3,181.54	52.83
12.	29	Social Security and Welfare	2235	9,460.06	4,598.64	48.61
		Nutrition	2236	164.61	112.12	68.11
		Capital Outlay on Social Security and Welfare	4235	1,996.64	1,992.14	99.77

³ Expenditure more than 25 per cent of the total expenditure during the year

Appendix *Rush of Expenditure*

2.11

(1)	(2)	(3)	(4)	(5)	(6)	(7)
13.	30	Relief on account of Natural Calamities	2245	2,607.53	2,062.03	79.08
14.	31	Crop Husbandry	2401	14,384.28	11,674.07	81.16
		Agricultural Research and Education	2415	1,846.74	934.75	50.62
15.	32	Crop Husbandry	2401	11,222.41	7,929.03	69.76
16.	33	Soil and Water Conservation	2402	5,021.03	3,303.73	65.80
17.	34	Animal Husbandry	2403	17,001.51	13,171.96	77.48
		Capital outlay on Animal Husbandry	4403	527.29	527.29	100.00
18.	35	Fisheries	2405	3,175.68	2,343.01	73.78
19.	36	Forestry and Wildlife	2406	12,134.99	4,346.81	35.82
		Ecology and Environment	3435	30.00	30.00	100.00
20.	37	Capital outlay on Co-operation	4425	180.00	143.76	79.87
		Loans for Co-operation	6425	179.82	93.92	52.23
21.	38	Special Programme for Rural Development	2501	9,145.80	7,854.95	85.89
		Other Special Areas Programme	2575	2,457.60	2,443.38	99.42
		Capital outlay on other Rural Development Programme	4515	160.00	160.00	100.00
		Capital outlay on Other Special Areas Programme	4575	3,515.55	2,010.23	57.18
22.	39	Power	2801	33,791.69	11,542.00	34.16
		Non-conventional sources of energy	2810	42.00	42.00	100.00
		Capital outlay on Power Projects	4801	14,169.10	10,854.20	76.60
23.	40	Village and Small Industries	2851	10,848.25	7,123.24	65.66
24.	41	Village and Small Industries	2851	3,366.54	1,852.96	55.04
		Inland Water Transport	3056	5.00	5.00	100.00
25.	42	Capital Outlay on Road Transport	5055	0.58	0.58	100.00
26.	43	Capital Outlay on Tourism	5452	241.49	241.49	100.00
27.	44	Capital Outlay on Other Agricultural Programme	4435	542.00	448.00	82.66

2.11

(1)	(2)	(3)	(4)	(5)	(6)	(7)
28.	45	Police	2055	18.00	18.00	100.00
		Medium Irrigation	2701	0.50	0.50	100.00
		Roads and Bridges	3054	16,011.72	6,489.44	40.53
		Capital Outlay on Police	4055	1,025.84	348.00	33.92
		Capital Outlay on Public Works	4059	4,483.04	4,407.87	98.32
		Capital Outlay on Other Administrative Services	4070	485.59	485.59	100.00
		Capital Outlay on Education, Sports, Art and Culture	4202	1,472.53	1,425.47	96.80
		Capital Outlay on Medical and Public Health Services	4210	1,433.40	1,369.70	95.56
		Capital Outlay on Housing	4216	2,567.98	2,500.00	97.35
		Capital Outlay on Other Agricultural Programme	4435	134.64	134.64	100.00
		Capital Outlay on Other Rural Programme	4515	139.55	139.55	100.00
		Capital Outlay on Flood Control Projects	4711	38.40	38.40	100.00
		Capital Outlay on Civil Aviation	5053	92.81	92.81	100.00
		Capital Outlay on Roads and Bridges	5054	18,278.01	8,991.24	49.19
Capital Outlay on Tourism	5452	363.14	310.92	85.62		
29.	46	Elections	2015	275.65	87.18	31.63
		Urban Development	2217	8,650.44	4,774.41	55.19
		Capital Outlay on Urban Development	4217	12,865.78	12,841.14	99.81
30.	48	Other Communication Services	3275	1,137.60	952.06	83.69
Total				2,80,580.06	1,66,264.00	59.26

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