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24 JUL 2013

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

on

State Finances

for the year ended 31 March 2012

GOVERNMENT OF MIZORAM

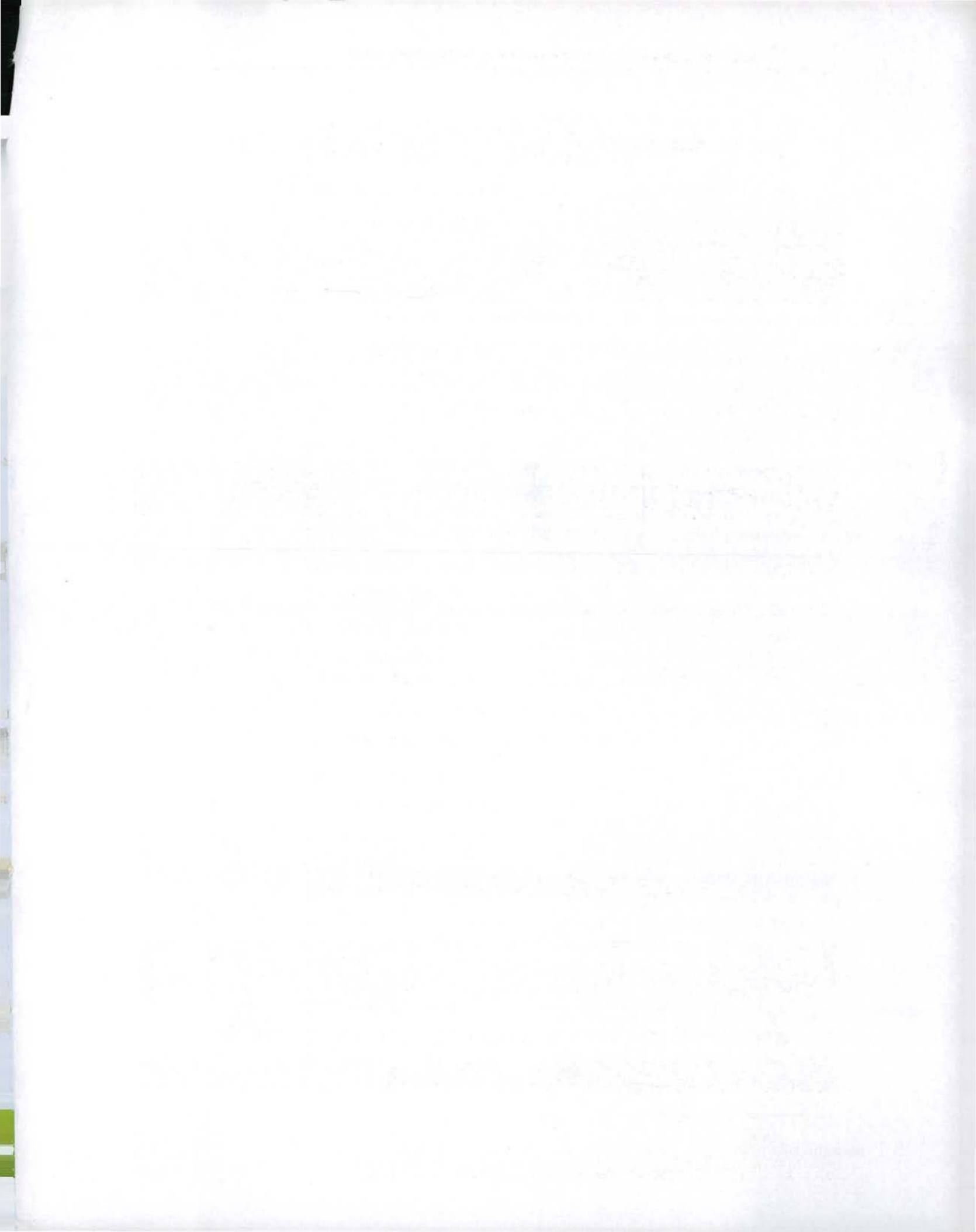


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PREFACE

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

Chapters-I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2012.

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

Audit observations on matters arising from performance reviews and audit of transactions in various departments including the Public Works Department, audit of revenue receipts and departmentally run commercial undertakings for the year ended 31 March 2012 are included in a separate Report.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

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 2011-12. The aim of this Report is to provide the State Government with timely inputs based on actual data so that there is a better insight into both well performing as well as ill performing schemes/programmes of the Government. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government in Fiscal Responsibility and Budget Management Act, 2006 as well as in the Budget Estimates of 2011-12 and projections made by Thirteenth Finance Commission.

The Report

Based on the audited accounts of the Government of Mizoram for the year ending March 2012, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

Chapter-I is based on the audit of Finance Accounts and makes an assessment of Mizoram Government's fiscal position as on 31 March 2012. It provides an insight into trends in committed expenditure, borrowing pattern besides a brief account of central funds transferred directly to the State Implementing Agencies.

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

Chapter-III is an inventory of 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 to ₹ 3,824.90 crore in 2011-12 from ₹ 2,855.37 crore in 2010-11 (33.95 *per cent*); mainly due to increase in Grants-in-Aid (₹ 523.87 crore) and Central share of Taxes (₹ 375.72 crore). The revenue receipt (₹ 3,824.90 crore) was also higher by ₹ 76.60 crore (2.04 *per cent*) than the assessment made by the State Government in its Fiscal Correction Path (FCP) (₹ 3,748.30 crore).

Revenue Expenditure and Capital Expenditure

Revenue Expenditure increased by ₹ 441.09 crore (13.55 *per cent*) while **Capital Expenditure** decreased by ₹ 14.44 crore (2.35 *per cent*) over the previous year. Revenue expenditure was higher by ₹ 271.07 crore (7.91 *per cent*) than the assessment made by the State Government in its FCP (₹ 3,426.26 crore). Also, Capital expenditure was higher by ₹ 103.32 crore (20.79 *per cent*) than the projection made by the State Government in its FCP (₹ 496.95 crore).

The total expenditure of the State increased progressively from ₹ 2,458.75 crore in 2007-08 to ₹ 4,331.12 crore in 2011-12 at an annual average rate of 14.72 *per cent*

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and increased by 11.02 per cent from ₹ 3,900.82 crore in 2010-11 to ₹ 4,331.12 crore in 2011-12. Of the total expenditure during 2011-12, the revenue expenditure (₹ 3,697.33 crore) constituted 85.37 per cent while capital expenditure (₹ 600.27 crore) constituted 13.85 per cent and loans and advances (₹ 33.52 crore) formed 0.77 per cent.

The breakup of total expenditure in terms of plan and non-plan expenditure during 2011-12 reveals that while the share of plan expenditure of ₹ 1,884.17 crore constituted 43.50 per cent of the total expenditure, the remaining 56.50 per cent (₹ 2,446.95 crore) was non-plan expenditure. Moreover, out of the increase of ₹ 430.30 crore in total expenditure, plan expenditure shared 34.52 per cent (₹ 148.55 crore) while non-plan expenditure contributed 65.48 per cent (₹ 281.75 crore) in 2011-12.

Funds directly transferred to State Implementing Agencies

Funds transferred directly from the Union Government to the State Implementing Agencies run the risk of poor oversight and therefore, unless uniform accounting practices are followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers. It also inhibits the Fiscal Responsibility and Budget Management (FRBM) requirement of transparency in fiscal operations and thus bypasses accountability. During the current year GoI transferred ₹ 668.43 crore (approximate) directly to State Implementing Agencies for implementation of various schemes/programmes.

Fiscal liabilities

The overall fiscal liabilities of the State increased at an average annual rate of 6.93 per cent during the period 2007-12. During the current year, the overall fiscal liabilities of the State Government increased by ₹ 51.59 crore (1.15 per cent) from ₹ 4,496.86 crore in 2010-11 to ₹ 4,548.45 crore in 2011-12. The increase in fiscal liabilities was mainly due to increase in the Public Account liabilities by ₹ 82.60 crore and Loans and Advances by ₹ 4.25 crore, offset by a decrease in Internal Debt by ₹ 35.26 crore. **The ratio of fiscal liabilities to GSDP has decreased from 74.23 per cent in 2010-11 to 65.06 per cent in 2011-12. These fiscal liabilities stood at nearly 1.19 times the revenue receipts and 13.10 times of the State's own resources at the end of 2011-12.** As per Thirteenth Finance Commission recommendations the State Government should bring the Fiscal Liabilities-GSDP ratio to around 25 per cent by 2014-15.

Investment and Returns

As of 31 March 2012, Government had invested ₹ 19.77 crore in Government Companies and Co-operatives, out of which an amount of ₹ 3.28 crore was invested in Government Companies and ₹ 16.49 crore was invested in Co-operative Societies. During the current year, State Government invested only ₹ 0.50 crore in Public Sector and other Undertakings of Government Companies. No dividend was received during 2011-12. **The average return on this investment was Nil in the last five years while the Government paid an average interest rate ranging from 2.60 per cent to 7.02 per cent on its borrowings during 2007-12.**

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Debt sustainability

During the current year, the sum of quantum spread and primary deficit turned positive indicating that the debt-GSDP ratio is stable and eventually the ratio would fall. The sum of quantum spread and primary deficit at ₹ 216.27 crore during 2011-12 against ₹ (-) 725.24 crore in 2010-11 is a positive sign towards fiscal balances in the forthcoming years.

The persistent negative resource gap indicates the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. Negative resource gap indicates incremental non-debt receipts are not sufficient to cover the incremental interest liabilities and incremental primary expenditure. Narrowing of the resource gap from ₹ (-) 707.86 crore in 2010-11 to ₹ (+) 541.06 crore during 2011-12 indicates improving capacity of the State to sustain the debt in the medium to long run.

Fiscal Imbalances

Despite increase of ₹ 430.30 crore in total expenditure in 2011-12 over the previous year, both fiscal deficit and primary deficit were restrained as a result of improvement of revenue receipts by ₹ 969.53 crore. While fiscal deficit decreased by ₹ 541.06 crore, primary deficit had decreased by ₹ 710.63 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 adequate due diligence in observing prescribed budgetary regulations.

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

During 2011-12, an expenditure of ₹ 4,676.96 crore was incurred against the total grants and appropriations of ₹ 5,150.67 crore, resulting in savings of ₹ 473.71 crore. The overall savings of ₹ 473.71 crore were the net result of savings of ₹ 476.75 crore which were offset by excess of ₹ 3.04 crore. The excess requires regularisation under Article 205 of the Constitution of India. At the close of the year 2011-12, there were five grants/appropriations in which savings of ₹ 638.30 crore (1.34 *per cent* of the total savings) occurred but no surrenders were made by the concerned departments.

Out of total provisions amounting to ₹ 218.85 crore in 31 Schemes, ₹ 196.59 crore were surrendered which included 100 *per cent* surrender in 13 Schemes amounting to ₹ 97.25 crore. In 19 cases, as against savings of ₹ 194.11 crore, an amount of ₹ 264.94 crore was surrendered resulting in excess surrender of ₹ 70.84 crore. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh and above in 56 sub-heads.

Financial Reporting : At the end of March 2012, out of the total amount of ₹ 2,829.71 crore drawn, an amount of ₹ 1,603.16 crore remained outstanding for want of Utilisation Certificates. The annual accounts of Mizoram Khadi Village Industries Board (MKVIB) for

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the year 2010-11, due for submission by June 2011, had not been furnished (March 2012). In the absence of the annual accounts, proper account/utilisation of the grants and loans disbursed to the above mentioned Autonomous Bodies remained unverified. Reasons for non-preparation/submission of the accounts were, however, not intimated to Audit (March 2012). In spite of repeated comments about the arrears in preparation of accounts of two Commercial Undertakings by the Comptroller and Auditor General of India in previous State reports, no improvement has been reported by the undertakings. In the absence of timely finalisation of accounts, the investment of the Government remained outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any, needed for ensuring accountability could not be taken in time.

Recommendations

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

Prioritisation of Expenditure : *The Government should also focus on*

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

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

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

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

Government Investments : *A performance-based system of accountability should be put in place in the Government Companies/ Statutory Corporations so as to derive profitability and improve efficiency in service. The Government should ensure better value for money in investments by identifying the Companies/Corporations which are endowed with low financial but high socio-economic returns and justify the use of high cost borrowed funds for non-revenue generating investments through a clear and transparent guideline. The Government should have a re-look on the re-structuring of the loss-making Companies so as to curbe 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 realistic budget. Budgetary controls should be strengthened in all the Government Departments where savings/excesses persisted for last three years. Issuance of Re-appropriation/ Surrender orders at the end of the year*

should be avoided. Provision of funds through supplementary provisions should be used as an instrument to fine-tune the flow of expenditure and should be applied in a judicious manner so that budget provisions and actual expenditure are convergent to each other as nearest as possible.

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

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

**FINANCES OF THE
STATE GOVERNMENT**

Profile of Mizoram

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

Gross State Domestic Product (GSDP) at current prices during the year 2011-12 was ₹ 6,991.40 crore (base year 2004-05) (**Appendix-1.1 Part-D**). GSDP of the State registered a higher growth of 15.41 *per cent* in 2011-12 as against a growth of 7.80 *per cent* in 2010-11.

The State Government presented its Budget for 2011-12 in the wake of the National Economy showing signs of recovery and with the expectation of a high growth over the medium term and even prospect of crossing the double digit barrier. Following the recommendations of the Thirteenth Finance Commission (XIII FC), the State Government in their Budget 2011-12, is committed to work within the optimum mix of economic growth and fiscal consolidation for long term fiscal stability.

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

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

1.1 Summary of Current Year's Fiscal Operations

Table-1.1 presents the summary of the State Government's fiscal transactions during the current year (2011-12) *vis-à-vis* the previous year while **Appendix-1.2** provides details of receipts and disbursements as well as overall fiscal position during the current year.

Table-1.1: Summary of Current Year's Fiscal Operations (2011-12)

(₹ in crore)

2010-11	Receipts	2011-12	2010-11	Disbursements	2011-12		
					Non-Plan	Plan	Total
Section-A: Revenue							
2,855.37	Revenue receipts	3,824.90	3,256.24	Revenue expenditure	2,381.22	1,316.11	3,697.33
130.44	Tax revenue	179.07	1,011.29	General services	1,185.32	41.06	1,226.38
146.72	Non-tax revenue	168.03	1,237.38	Social services	667.60	687.09	1,354.69
451.66	Share of Union Taxes/Duties	827.38	1,007.57	Economic services	528.30	587.96	1,116.26
2,126.55	Grants from Government of India	2,650.42	---	Grants-in-aid and Contributions	---	---	---
Section-B: Capital							
---	Misc. Capital Receipts	---	614.71	Capital Outlay	65.73	534.54	600.27
25.97	Recoveries of Loans and Advances	27.80	29.87	Loans and Advances disbursed			33.52
537.22	Public Debt receipts	225.70	272.55	Repayment of Public Debt			251.67
---	Contingency Fund	---	---	Contingency Fund			---
3,332.56	Public Account receipts	3,297.52	2,482.28	Public Account Disbursement			2,766.79
(-316.78)	Opening Cash Balance	(-221.31)	(-221.31)	Closing Cash Balance			(-194.97)
6,434.34	Total	7,154.61	6,434.34	Total			7,154.61

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

- **Revenue receipts** increased to ₹ 3,824.90 crore in 2011-12 from ₹ 2,855.37 crore in 2010-11 (33.95 *per cent*); mainly due to increase in Grants-in-Aid (₹ 523.87 crore)

and Central share of Taxes (₹ 375.72 crore). The revenue receipt (₹ 3,824.90 crore) was also higher by ₹ 76.60 crore (2.04 *per cent*) than the assessment made by the State Government in its Fiscal Correction Path (FCP) (₹ 3,748.30 crore).

- **Revenue Expenditure** increased by ₹ 441.09 crore (13.55 *per cent*) while **Capital Expenditure** decreased by ₹ 14.44 crore (2.35 *per cent*) over the previous year. Revenue expenditure was higher by ₹ 271.07 crore (7.91 *per cent*) than the assessment made by the State Government in its FCP (₹ 3,426.26 crore). Also, Capital expenditure was higher by ₹ 103.32 crore (20.79 *per cent*) than the projection made by the State Government in its FCP (₹ 496.95 crore).
- **Disbursement of Loans and Advances** increased by ₹ 3.65 crore (12.22 *per cent*) and **recoveries** of the same, increased by ₹ 1.83 crore (7.05 *per cent*) over the previous year.
- **Public Debt receipts** decreased by ₹ 311.52 crore (57.99 *per cent*) and **repayments** also decreased by ₹ 20.88 crore (7.66 *per cent*) over the previous year.
- **Public Account receipts** decreased by ₹ 35.04 crore (1.05 *per cent*) and **disbursements** increased by ₹ 284.51 crore (11.46 *per cent*) over the previous year.
- **Cash balance** of the State decreased by ₹ 26.34 crore (11.90 *per cent*) over the previous year, however, the investments from cash balances increased from ₹ 211.45 crore in 2010-11 to ₹ 292.51 crore in 2011-12.

1.2 Fiscal Responsibility and Budget Management Act, 2006

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

According to XIII FC recommendations:

- (1) States that incurred zero revenue deficit or achieved revenue surplus in 2007-08 should eliminate revenue deficit by 2011-12 and maintain revenue balance or attain a surplus thereafter. Other States should eliminate revenue deficit by 2014-15.
- (2) All Special Category States with base fiscal deficit of less than 3 *per cent* of GSDP in 2007-08 could incur a fiscal deficit of 3 *per cent* in 2011-12 and maintain thereafter. Mizoram should limit their fiscal deficit to 3 *per cent* of GSDP by 2014-15.
- (3) States should amend/enact FRBM Acts to build in the fiscal reform path worked out. State-specific grants recommended for a state should be released upon compliance.
- (4) Reduce aggregate debt stock of the Central and State Government to 68 *per cent* of GSDP by end of the award period (2014-15). The Central Government's debt will

come down to 45 *per cent* of GSDP and combined debt of the State Government at 25 *per cent*.

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

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

The performance of the State during 2011-12 in terms of Fiscal targets fixed for selected variables laid down in the FRBM Act, MTFPS and the Fiscal Correction Path (FCP) *vis-à-vis* achievement is given in the table below:

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

(₹ in crore)

Fiscal variables	Targets as per FRBM Act	Projections made in		Actual
		FCP	MTFPS	
Revenue Deficit/ Surplus	Maintain Revenue Surplus throughout 13 th Finance Commission award period	(+) 322.30	(+) 322.30	(+) 127.57
Fiscal Deficit		(-) 172.86	(-) 172.86	(-) 478.42
Fiscal Deficit/GSDP (<i>per cent</i>)	6.40 <i>per cent</i> of GSDP in 2011-12	(-) 2.47	(-) 2.47	(-) 6.84
State's Outstanding Liabilities	Reduce total outstanding debt at a percentage of Gross Domestic Products so as to reach the annual target of 85.70 <i>per cent</i> in 2011-12	3,975.73	3,975.73	4,548.45 (65.06 % of GSDP)

The State managed to turn around to Revenue Surplus as per the target set in the FRBM Act from a Revenue Deficit of ₹ 400.87 crore in 2010-11. Against the target of ₹ 322.30 crore revenue surplus set in FCP and MTFPS, the revenue surplus was ₹ 127.57 crore in the current

year. The State Government should therefore, endeavor to maintain this revenue surplus in the following years to comply with the recommendation of XIII FC.

The fiscal deficit during the current year could not be kept within the limit set in the Thirteenth Finance Commission for Mizoram. The fiscal deficit in 2011-12 was ₹ 478.42 crore which was ₹ 305.56 crore higher than the assessment made in the FCP and MTFPS (₹ 172.86 crore), however, the fiscal deficit declined by ₹ 541.06 crore during 2011-12 in comparison to 2010-11. The decrease in fiscal deficit in the current year was mainly due to increase in Revenue Receipt (₹ 969.53 crore) and decrease in Capital expenditure (₹ 14.44 crore) over the previous year. The Government should pursue a policy of increasing the revenue receipt without relying on the devolution of funds from the Central Government and also by reducing non-plan revenue expenditure so as to confine the fiscal deficit to the target set for the State.

While the State's outstanding liabilities (₹ 4,548.45 crore) in 2011-12 was within the prescribed limit of 85.70 *per cent* of GSDP as per MZFRBM Act, it was more than the assessment of ₹ 3,975.73 crore made in FCP by ₹ 572.72 crore (14.41 *per cent*). The State's outstanding liabilities increased by ₹ 51.59 crore (1.15 *per cent*) in the current year over 2010-11. The State Government should pursue a sustainable debt management to confine the State's outstanding liabilities within the annual prescribed limit.

1.2.1 Reforms/Measures in Tax Administration

The Thirteenth Finance Commission introduced the new roadmaps for State fiscal consolidation by projecting the growth rate of State's GSDP at 9.70 *per cent* during 2010-11, 10.05 *per cent* in 2011-12, and 10.34 *per cent* of GSDP during the next successive three years. In order to augment the State's Own Receipt, the State Government introduced various new tax policies as discussed below:

Tax Measures

(a) Sales Tax/VAT: The State Government adopted upward revision of the existing sales tax on various Petroleum Products with respect to LPG, Motor Spirit (Petrol) and High Speed Diesel from 2 *per cent* to 4 *per cent*, 18 *per cent* to 20 *per cent* and 10 *per cent* to 12 *per cent* respectively.

(b) Professional Tax: The State Government revised and increased the rate of tax payable by any person under the Mizoram Professions, Trades, Callings and Employment Taxation Act, 1995 with effect from the assessment year 2011-12.

(c) Stamps and Registration: The State Government imposed through notification (February 2011) levying of Stamp Duty on monthly payment of Salaries to all regular Government officials (Stamp duty of ₹ 10 per bill for Gazetted officers and

₹ 5 for Non-Gazetted officers per bill) and on all bills in respect of payment made by various Departments and offices to private parties.

Non-Tax Measures

(a) User Charges on Water Supply: The State Government amended the Mizoram Water Supplies (Control) Act (September 2011) for upward revision of water tariff on water supplied to the public through all types of Water Supply Schemes.

1.3 Budget Analysis

The budget papers presented by State Government provide descriptions of projections or estimates of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Several reasons may account for the deviation of the actual realization from budget estimates. It could be because of unanticipated and unforeseen events or under or over estimation of expenditure or revenue at the budget stage *etc.* Actual realization of revenue and its disbursement however depends on a variety of factors, some internal and others external. **Table-1.3 and Chart-1.1** presents the consolidated picture of Budget estimates *vis-à-vis* actual of the State Finances during 2011-12.

**Table-1.3: Variation in Major items – 2011-12 (Accounts) over 2011-12
Budget Estimates & Revised Estimates**

Parameters	2011-12			Percentage of excess (+)/ shortfall (-) w.r.t. Revised Estimate
	Budget Estimate	Revised Estimate	Actual	
Tax Revenue	173.17	180.31	179.07	(-) 0.69
Non-Tax Revenue	237.58	241.18	168.03	(-) 30.33
Revenue Receipts	3,748.30	4,127.72	3,824.90	(-) 7.34
Non-debt Capital Receipts	36.76	36.76	27.80	(-) 24.37
Revenue Expenditure	3,426.26	3,934.06	3,697.33	(-) 6.02
Interest Payment	271.24	271.70	275.15	(+) 1.27
Capital Expenditure	496.95	686.22	600.27	(-) 12.53
Disbursement of Loans and Advances	34.71	35.06	33.52	(-) 4.39
Revenue Deficit/ Surplus	(+) 322.04	(+) 193.66	(+) 127.57	(-) 34.13
Fiscal Deficit/ Surplus	(-) 172.86	(-) 490.86	(-) 478.42	(-) 2.53

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

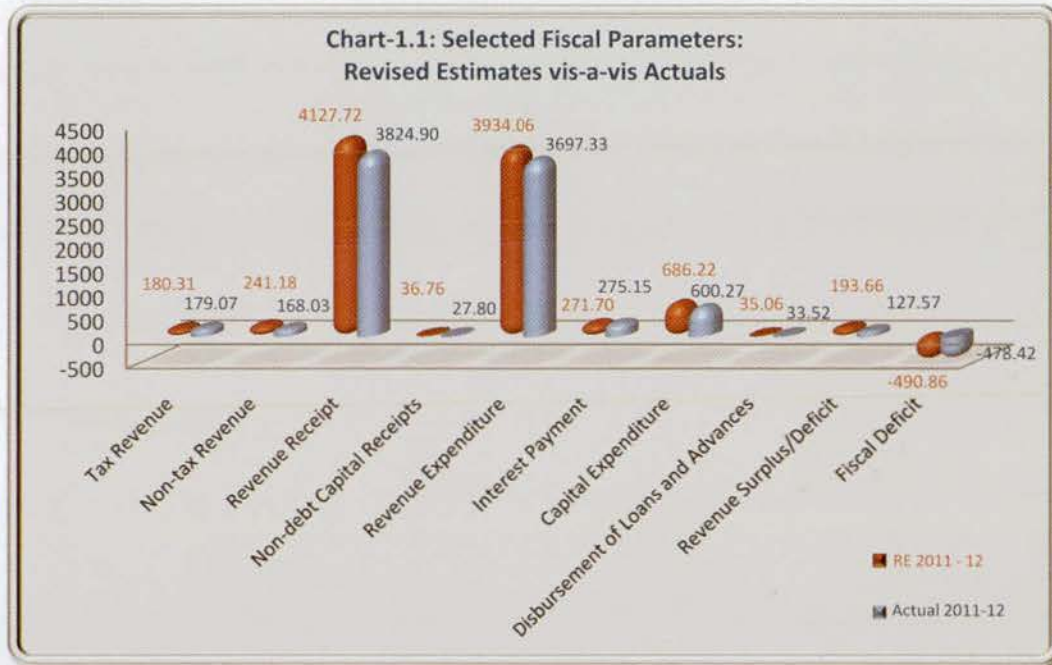


Chart-1.1 depicts that revenue receipts decreased by ₹ 302.82 crore over the estimated amount of ₹ 4,127.72 crore. Revenue expenditure was ₹ 3,697.33 crore during 2011-12 against the estimated amount of ₹ 3,934.06 crore. Against the estimation of revenue surplus of ₹ 193.66 crore, there was revenue surplus of ₹ 127.57 crore during 2011-12. There was fiscal deficit of ₹ 478.42 crore against the estimated fiscal deficit of ₹ 490.86 crore during 2011-12. The budget projections of Tax Revenue, Revenue Receipts, Revenue Expenditure, Interest Payments and Disbursement of Loans and Advances were relatively accurate as there was marginal difference with the actual (*i.e.* within 10 per cent variations). The key parameters of deficits indications *viz.* Revenue Surplus, Fiscal Deficit and Primary Deficit were healthier than the budget projections.

1.4 Resources of the State

1.4.1 Resources of the State as per Annual Finance Accounts

Revenue and Capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the Government of India (GoI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from the GoI as well as accruals from Public Account. **Table-1.1** presents the receipts and disbursements of the State

during the current year as recorded in its Annual Finance Accounts while **Chart-1.2** depicts the trends in various components of the receipts of the State during 2007-12. **Chart-1.3** depicts the composition of resources of the State during the current year.

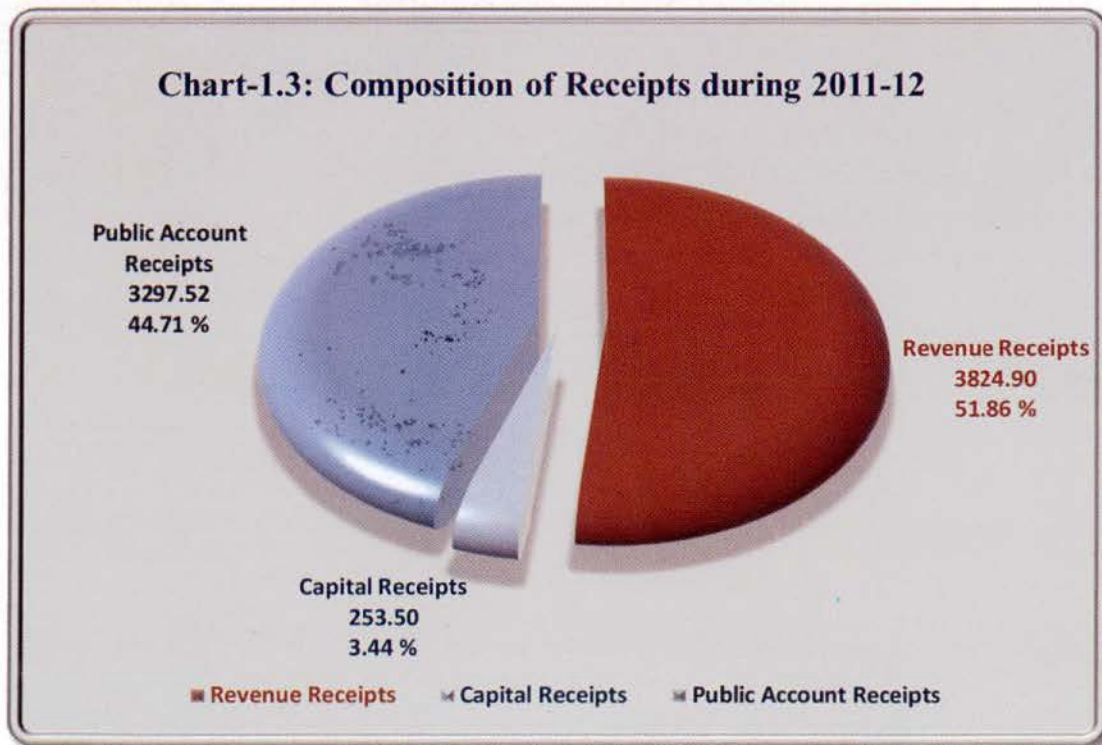
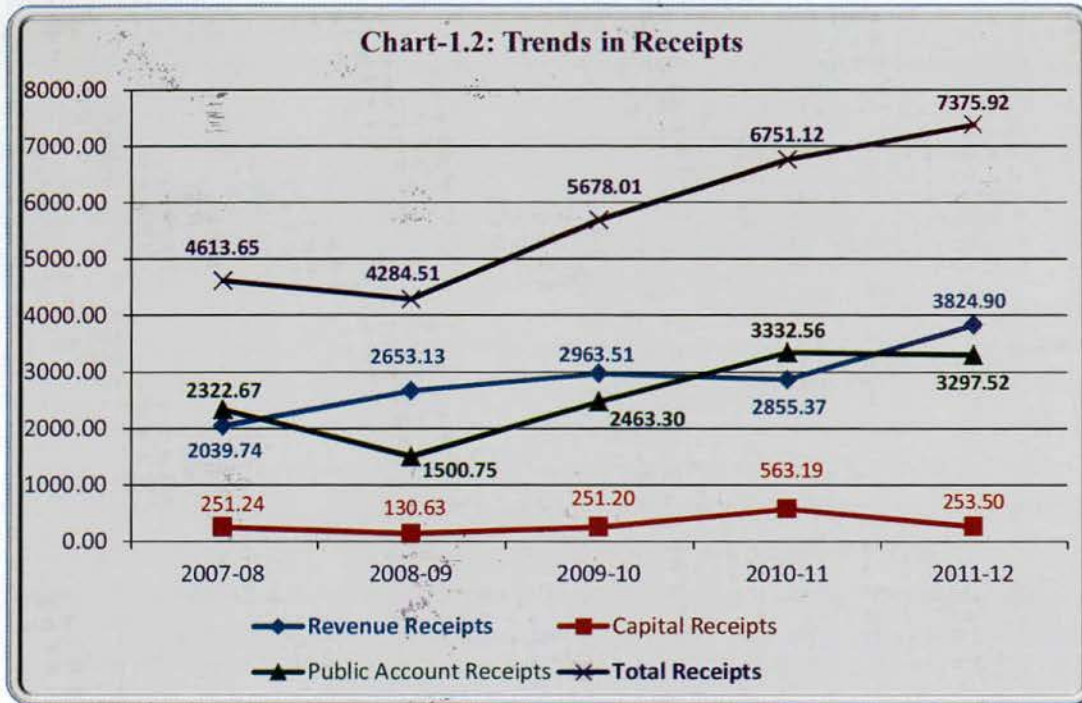


Table-1.4: Trends in growth and composition of receipts

(₹ in crore)					
Sources of State's Receipts	2007-08	2008-09	2009-10	2010-11	2011-12
I Revenue Receipts	2,039.74	2,653.13	2,963.51	2,855.37	3,824.90
II Capital Receipts (CR)	251.24	130.63	251.20	563.19	253.50
Miscellaneous Capital Receipts	0	0	0	0	0
Recovery of Loans and Advances	27.53	24.86	25.31	25.97	27.80
Public Debt Receipts	223.71	105.77	225.89	537.22	225.70
Rate of growth of debt capital receipts	(-)5.49	(-)52.72	113.57	137.82	(-)57.99
Rate of growth of non-debt capital receipts	16.67	(-)9.70	1.81	2.61	7.05
Rate of growth of GSDP	16.06	22.23	20.81	7.80	15.41
Rate of growth of CR (<i>per cent</i>)	(-)3.58	(-)48.01	92.3	124.20	(-)54.99
III Contingency Fund	0	0	0	0	0
IV Public Account Receipts	2,322.67	1,500.75	2,463.30	3,332.56	3,297.52
Total Receipts	4,613.65	4,284.51	5,678.01	6,751.12	7,375.92

The total receipts of the State Government for 2011-12 was ₹ 7,375.92 crore of which ₹ 3,824.90 crore (52 *per cent*) came from revenue receipts and balance ₹ 3,551.02 crore (48 *per cent*) from borrowings, Public Account and Capital Receipts.

The share of revenue receipt of the State to total receipts increased from 44 *per cent* in 2007-08 to 52 *per cent* in 2011-12. On the other hand, the Capital Receipts together with Public Account receipts ranged from 38 *per cent* to 58 *per cent* of total receipts during 2006-11. Revenue receipts increased steadily from ₹ 2,039.74 crore in 2007-08 to ₹ 2,963.51 crore in 2009-10, however, there was a decrease in revenue receipt to ₹ 2,855.37 crore in 2010-11, followed by an increase in revenue receipt by ₹ 969.53 crore (34 *per cent*) during the current year (₹ 3,824.90 crore). The Capital receipts which create future repayment obligation with inter year fluctuation decreased from ₹ 251.24 crore (five *per cent* of total receipts) in 2007-08 to ₹ 130.63 crore (three *per cent* of total receipts) in 2008-09 and again increased to ₹ 563.19 crore (eight *per cent* of total receipts) in 2010-11, which however, decreased to ₹ 253.50 crore (three *per cent* of total receipts) during 2011-12. The percentage share of Public Account receipts showed inter year variation ranging from 35 *per cent* to 50 *per cent* of total receipt during 2007-12 and stood at 45 *per cent* in the current year.

The rate of growth of debt capital receipts decreased from 137.82 *per cent* in 2010-11 to a negative growth of 57.99 *per cent* in 2011-12, while the ratio of growth of non-debt capital receipts increased from 2.61 *per cent* in 2010-11 to 7.05 *per cent* in 2011-12. The rate of growth of capital receipts decreased from 124.20 *per cent* in 2010-11 to a negative growth of 54.99 *per cent* in 2011-12, while the negative growth rate of revenue receipts in 2010-11 (3.65 *per cent*) improved to a positive growth rate of 33.95 *per cent* in 2011-12.

The rate of growth of GSDP also increased from 7.80 *per cent* in 2010-11 to 15.41 *per cent* in 2011-12.

1.4.2 Funds Transferred to State Implementing Agencies outside the State Budgets

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies for the implementation of various schemes/programmes in social and economic sectors recognized as critical. As these funds are not routed through the State Budget/State Treasury System, Annual Finance Accounts do not capture the flow of these funds and to that extent, State's receipts and expenditure as well as other fiscal variables/ parameters derived from them are underestimated.

To present a holistic picture on availability of aggregate resources, an attempt was made in audit to obtain the scheme-wise funds directly transferred to the State implementing agencies which aggregated to ₹ 668.43 crore (**Appendix-1.5**) for implementation of various Centrally Sponsored Plan Schemes which among others included ₹ 311.95 crore (NREGS), ₹ 108.14 crore (SSA), ₹ 33.95 crore (NRHM) and ₹ 37.14 crore (NRDWP). With this huge transfer of fund from Government of India to State Implementing Agencies, the total availability of State resources increased from ₹ 7,375.92 crore to ₹ 8,044.35 crore in 2011-12. Considering that the direct transfers are so large (17.48 *per cent* of State's Revenue Receipts) it is imperative that the end use of this fund is monitored in a timely manner by both the Union and State Governments so that the intended outcomes are actually realized.

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

1.5 Revenue Receipts

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

The trends and composition of revenue receipts over the period 2007-12 are presented in **Appendix-1.4** and also depicted in **Chart-1.4** and **1.5** respectively.

Chart-1.4: Trends in Revenue Receipts

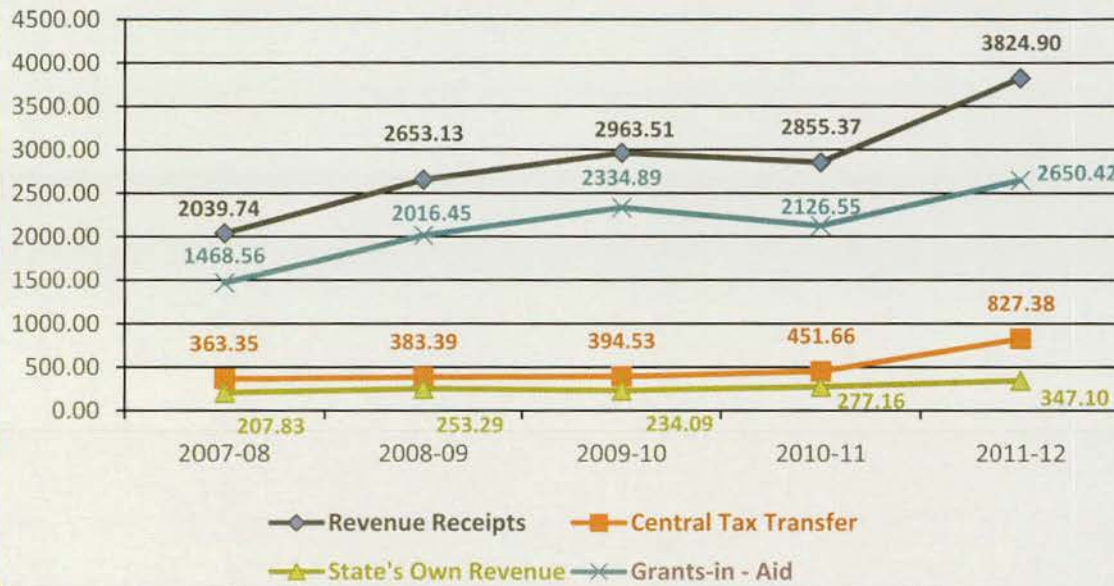


Chart-1.5: The Composition of Revenue Receipts during 2007-12



During 2011-12, revenue receipts of the State increased by ₹ 969.53 crore (33.95 per cent) over the previous year. The Revenue receipts of the State showed progressive growth from ₹ 2,039.74 crore in 2007-08 to ₹ 3,824.90 crore in 2011-12, although, during 2010-11 it registered a drop in revenue receipts to ₹ 2,855.37 crore. About 91 per cent (₹ 3,477.80 crore)

of revenue receipt have been contributed by central tax transfers and grants-in-aid together while only 9 *per cent* (₹ 347.10 crore) accrued from State's Own resources during the year.

Tax Revenue: Tax revenue constituted 4.68 *per cent* of the total revenue receipts and increased by ₹ 48.63 crore during 2011-12 recording a growth rate of 37.28 *per cent* over the previous year. The percentage of tax revenue to total revenue receipts ranged between 3.57 to 4.68 *per cent* during 2007-12. The increase in tax revenue during 2011-12 over previous year was mainly due to increase in taxes on Sales, Trade, *etc.* by ₹ 37.46 crore (increase of 35.78 *per cent* over previous year) and taxes on Vehicles by ₹ 8.99 crore (increase of 116 *per cent* over previous year).

Non-Tax Revenue: Non-tax revenue constituted 4.39 *per cent* of total revenue receipts and increased by ₹ 21.31 crore during 2011-12 recording a growth rate of 14.52 *per cent* over the previous year. The increase in non-tax revenue during 2011-12 over previous year was mainly due to increase in receipts under Power sector (₹ 36.88 crore), more receipts under Interest Receipts *etc.* (₹ 2.88 crore), mineral concession fees, rents and royalties (₹ 1.98 crore) and Forestry & Wildlife (₹ 2.34 crore) which was, however, offset by a decrease mainly due to less receipts under state lotteries and other receipts (₹ 8.97 crore), Roads & Bridges (₹ 8.09 crore) and less receipts under Police (₹ 6.38 crore).

Central Tax Transfer: Central tax revenue increased by ₹ 375.72 crore from ₹ 451.66 crore in 2010-11 to ₹ 827.38 crore in 2011-12 and constituted 21.63 *per cent* of revenue receipts during the year. The increase was mainly due to increase in Corporation tax by ₹ 135.49 crore (73.96 *per cent*), Taxes on Income other than Corporation Tax by ₹ 84.20 crore (95.76 *per cent*), Customs by ₹ 71.46 crore (94.52 *per cent*), Union Excise Duties by ₹ 35.27 crore (60.23 *per cent*) and Service tax by ₹ 49.00 crore (106.59 *per cent*). Increase in Central tax transfers during the current year was due to higher devolution in the share of net proceeds of sharable taxes recommended by the Thirteenth Finance Commission.

Grants-in-aid: Grants-in-aid from the GoI increased by ₹ 523.87 crore (24.63 *per cent*) from ₹ 2,126.55 crore in 2010-11 to ₹ 2,650.42 crore in 2011-12 mainly due to increase in Grants for State/Union Territory Plan Schemes by ₹ 258.23 crore (21.86 *per cent*), Grants for Central and Centrally Sponsored Plan Schemes by ₹ 176.80 crore (104.87 *per cent*), Grants for Non-Plan grants by ₹ 72.27 crore (9.97 *per cent*) and Grants for Special Plan Schemes by ₹ 16.57 crore (32.01 *per cent*).

The trends in revenue receipts relative to Gross State Domestic Product (GSDP) are presented in **Table-1.5**.

Table-1.5: Trends in revenue receipts relative to GSDP

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Receipts (RR) (₹ in crore)	2,039.74	2,653.13	2,963.51	2,855.37	3,824.90
Rate of growth of RR (<i>per cent</i>)	3.61	30.07	11.70	(-)3.65	33.95
RR/GSDP (<i>per cent</i>)	53.64	57.09	52.74	47.14	54.71
Buoyancy Ratios¹					
Revenue Buoyancy w.r.t. GSDP	0.22	1.35	0.56	(-)0.47	2.20
State's Own Tax Buoyancy w.r.t. GSDP	0.92	0.99	0.66	2.72	2.42
Revenue Buoyancy with reference to State's own taxes	0.25	1.36	0.85	(-)0.17	0.91
Gross State Domestic Product (₹ in crore)	3,802.42	4,647.55	5,619.41	6,057.70	6,991.40
Rate of growth of GSDP (<i>per cent</i>)	16.06	22.23	20.91	7.80	15.41

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

The GSDP at current prices was estimated to increase from ₹ 6,057.70 crore in 2010-11 to ₹ 6,991.40 crore in 2011-12, representing an increase of 15.41 *per cent*. The revenue receipts of the State registered increase from ₹ 2,039.74 crore in 2007-08 to ₹ 2,963.51 crore in 2009-10, however, during 2010-11, the revenue receipts decreased to ₹ 2,855.37 crore followed by an increase in the current year to ₹ 3,824.90 crore. The revenue receipts remained buoyant *vis-à-vis* GSDP and grew at more than twice the rate of GSDP during the current year. In the last five years, the buoyancy of State's own taxes with reference to GSDP and revenue receipt fluctuated widely. However, during 2010-11 and 2011-12 buoyancy of State's Own Taxes with reference to GSDP was more than two indicating that State's Own Taxes grew at more than twice the rate of growth of GSDP.

1.5.1 State's Own Resources

The State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources. The performance of State in regard to mobilization of its own resources *vis-à-vis* assessment made by the XIII FC and State Government in its FCP statements for 2011-12 was as shown in **Table-1.6**:

Table-1.6: Tax Revenue and Non-tax Revenue *vis-à-vis* XIII FC/FCP

(₹ in crore)

Parameters	Assessment made by XIII FC	Fiscal Correction Path (FCP)	Actual
State's own Tax Revenue	149.81	173.17	179.07
State's own Non-tax Revenue	87.56	237.58	168.03

Source: Finance Accounts-2011-12, Thirteenth Finance Commission and Fiscal Policy Strategy Statement-2011-12

¹ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy at 1.24 implies that revenue receipts tend to increase by 1.24 percentage points, if the GSDP increases by one *per cent*

The above table indicates that tax revenue recorded an increase of 19.53 per cent and 3.41 per cent over the normative assessment made in the XIII FC and FCP respectively. Also, the Non-tax revenue increased significantly by 91.90 per cent over the assessment made in the XIII FC, however, it was lesser by 29.27 per cent over the normative assessment made in the FCP.

(a) Tax Revenue

The tax revenue increased by ₹ 48.63 crore from ₹ 130.44 crore in 2010-11 to ₹ 179.07 crore in 2011-12. The tax revenue of the State showed progressive increase from ₹ 77.53 crore in 2007-08 to ₹ 179.07 crore in 2011-12 at an annual average rate of 26.19 per cent. The major sources in the State's own tax during 2011-12 are sales tax ₹ 142.16 crore (79.39 per cent of tax revenue), other taxes ₹ 12.63 crore (7.05 per cent of tax revenue), taxes on vehicles ₹ 16.71 crore (9.33 per cent of tax revenue) and land revenue ₹ 2.52 crore (1.41 per cent of tax revenue). Collection of sales tax increased by ₹ 37.46 crore in 2011-12 over previous year; mainly due to increase of ₹ 42.76 crore in Receipts under State Sales Tax and ₹ 10.06 crore under other receipts which was partly offset by decrease of ₹ 16.26 crore in Tax on Sale of Motor Spirits and Lubricants. The increase in Tax revenue was mainly attributed due to the upward revision of Sales Tax and Professional Tax which contributed to the yield in revenue by ₹ 33.10 crore and ₹ 11.68 crore respectively. The sector wise components of Tax revenue is given in Table-1.7:

Table-1.7: Sector-wise component of tax revenue for the year 2007-12

Name of component	Year				2011-12		
	2007-08	2008-09	2009-10	2010-11	BE	Actuals	Variation of Actual over BE (in per cent)
Sales Tax	62.04	77.51	85.94	104.70	135.23	142.16	(+)5.12
State Excise	1.69	1.87	2.10	2.39	2.30	2.31	(+)0.43
Taxes on vehicles	5.37	5.50	6.71	7.72	8.76	16.71	(+)90.75
Land Revenue	1.48	1.63	2.76	4.33	10.64	2.52	(-)76.32
Stamps & Registration fees	0.23	0.46	0.39	0.34	2.50	0.69	(-)72.40
Taxes on Goods & Passengers	1.07	1.43	1.39	1.72	3.22	2.05	(-)36.34
Other Taxes	5.65	6.22	8.29	9.24	10.52	12.63	(+)20.06
Total	77.53	94.62	107.58	130.44	173.17	179.07	(+)3.41

Source: Statement 11 (Finance Accounts of the respective years) and Annual Financial Statement-2011-12

There was variation of Actual figures over Budget Estimates on Sales tax by (+) 5.12 per cent, taxes on vehicles by (+) 90.75 per cent, land revenue by (+) 76.32 per cent and other taxes by (+) 20.06 per cent.

(b) Non-Tax Revenue

The non-tax revenue, which constituted four to six *per cent* of the total revenue receipts during the last five years, increased by ₹ 21.31 crore during the current year recording an increase of 14.52 *per cent* over the previous year. There were fluctuations in non-tax revenue during the last five years, and during the current year it increased to ₹ 168.04 crore from ₹ 146.72 crore in 2010-11. The major contributors in State's non-tax revenue during 2011-12 are Power (₹ 109.52 crore), Interest Receipts, Dividends & Profits (₹ 15.60 crore), Non-ferrous Mining and Metallurgical Industries (₹ 6.95 crore) and Water Supply & Sanitation (₹ 8.82 crore).

The composition of non-tax revenue for the year 2007-12 is given in **Table-1.8** below:

Table-1.8: Composition of Non-Tax Revenue for the year 2007-12

(₹ in crore)

Name of component	Year				2011-12		
	2007-08	2008-09	2009-10	2010-11	BE	Actuals	Variation of Actual over BE (in per cent)
General Services	6.48	12.13	18.05	23.19	15.02	9.14	(-)39.15
Social Services	8.80	8.25	9.60	10.66	24.28	12.42	(-)48.85
Economic Services	99.42	105.38	81.00	100.15	166.28	130.87	(-)21.30
Interest received and dividends & profits	15.60	32.91	17.85	12.72	32.00	15.60	(-)51.25
Total	130.30	158.67	126.50	146.72	237.58	168.03	(-)29.27

Source: Statement 11 (Finance Accounts of the respective years) and Annual Financial Statement-2011-12

As can be seen from the above table, there was huge shortfall in collection of non-tax revenue all components compared with Budget estimates.

1.5.2 Cost of recovery

The details of Non-Tax Revenue receipts (NTR), Non-Plan Revenue Expenditure (NPRE) and the percentage of NTR *vis-à-vis* NPRE (Cost of Recovery) of some selected services are shown in the table below:

Table-1.9: Cost of recovery of socio-economic services during 2010-12

(₹ in crore)

Name of services	2010-11			2011-12		
	Non-Tax Revenue Receipts	Non-Plan Revenue Expenditure	Cost Recovery (per cent)	Non-Tax Revenue Receipts	Non-Plan Revenue Expenditure	Cost Recovery (per cent)
Power	72.63	162.35	44.74	109.52	248.94	43.99
Water Supplies and Sanitation	7.64	49.44	15.45	8.82	55.99	15.75
Transport	13.94	63.50	21.95	4.95	81.25	6.09
Total	94.21	275.29	34.22	123.29	386.18	31.93

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

As can be seen from the above table, overall NTR as percentage of NPRES decreased during 2011-12 (31.93 per cent) over the previous year (34.22 per cent). The drop in cost of recovery in 2011-12 was largely due to decrease in Non-tax Revenue Receipts under Transport by ₹ 8.99 crore. Also, the drop in cost of recovery in 2011-12 was mainly due to increase in Non-Plan Revenue Expenditure under Power by ₹ 86.59 crore and under Transport by ₹ 17.75 crore. Incremental raising of user charges will facilitate sustainable provision of these services over a period of time.

1.5.3 Cost of collection

The gross collection in respect of major revenue receipts, expenditure incurred on collection and the percentage of such expenditure to gross collection during the last three years (2009-10 to 2011-12) along with relevant All India Average percentage of expenditure on collection to gross collection for 2011-12 are mentioned in the table below:

Table-1.10: Expenditure on collection vis-à-vis percentage to gross collection

(₹ in crore)

Head of revenue	Year	Gross collection	Expenditure on collection	Percentage of expenditure over gross collection	All India average percentage for the year 2010-11
Taxes/VAT on sales, trade etc.	2009-10	85.94	6.84	7.96	0.88
	2010-11	104.70	8.49	8.11	0.96
	2011-12	142.16	9.69	6.82	0.75
State Excise	2009-10	2.10	Cost of collection has not been segregated	---	3.66
	2010-11	2.39			3.64
	2011-12	2.31			3.05
Stamp duties and registration fees	2009-10	0.39	0.17	43.59	2.77
	2010-11	0.34	0.12	35.29	2.47
	2011-12	0.69	0.30	43.48	1.60
Taxes on vehicles	2009-10	6.71	3.68	54.84	2.93
	2010-11	7.72	5.39	69.82	3.07
	2011-12	16.71	4.92	29.44	3.71

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

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

1.5.4 Revenue Arrears

The position of Outstanding Revenue Arrears during 2006-12 is given below:

Table-1.11: Outstanding Revenue Arrears

(₹ in lakh)

Sl. No.	Department	Type of Revenue	Amount outstanding as on						Total
			2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	
1.	PWD	Rent	201.96	45.32	201.64	15.22	--	--	464.14
2.	PWD	Tolls and other charges	25.32	21.76	11.25	42.83	--	--	101.16
3.	Taxation	Sales Tax	128.73	143.23	268.45	466.33	14.99	1470.13	2,491.86
4.	Land Revenue	Land Revenue	--	3.40	9.24	--	--	--	12.64
5.	Forest	Forest Revenue	10.99	6.20	0.20	--	--	--	17.39
6.	Transport	Taxes on Vehicles	--	--	--	--	2.19	--	2.19
7.	Local Administration Department	Interest Receipt	0.32	0.45	0.43	0.62	1.21	57.86	60.89
Total			367.32	220.36	491.21	525.00	18.39	1,527.99	3,150.27

Source: Information furnished by the Departments

The total outstanding arrears in respect of some principal heads of revenue from 2006-07 to 2011-12 amounted to ₹ 31.50 crore of which ₹ 25.53 crore was outstanding for five years. The outstanding arrears in respect of PWD was ₹ 1.01 crore, Sales Tax was ₹ 24.92 crore, Land Revenue was ₹ 0.13 crore, Forest Revenue was ₹ 0.17 crore, Taxes on vehicles was ₹ 0.02 crore and interest receipt was ₹ 0.61 crore.

1.6 Application of Resources

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

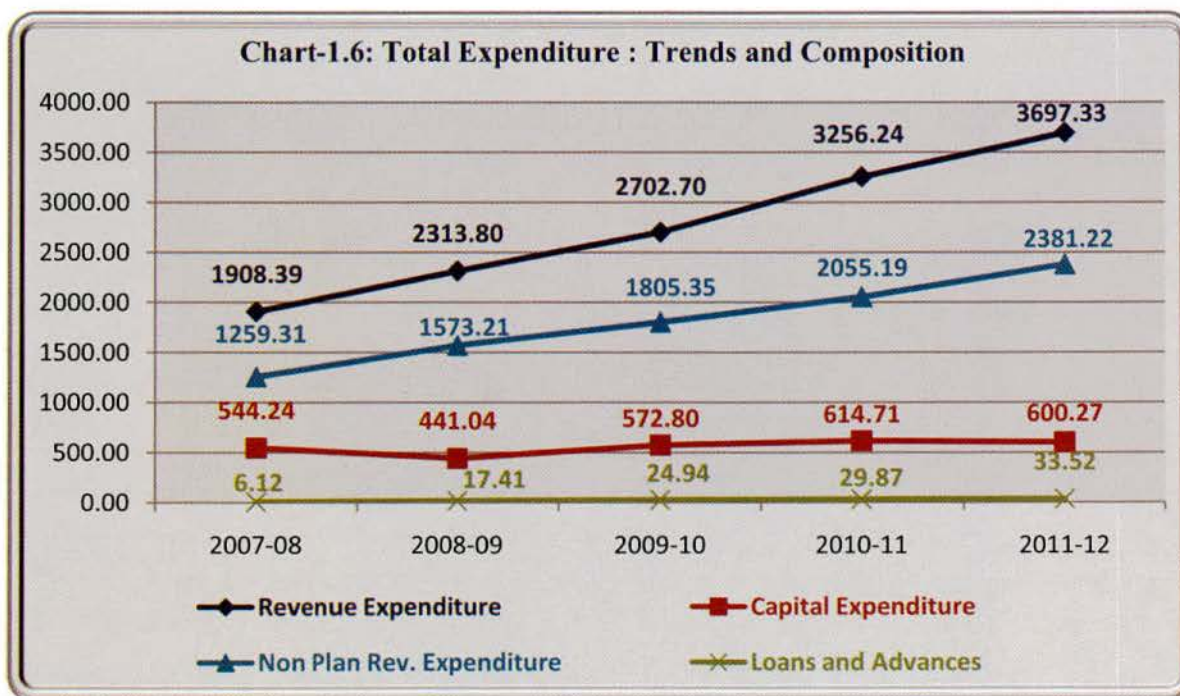
1.6.1 Growth and Composition of Expenditure

The total expenditure and its compositions during the years 2007-08 to 2011-12 are presented in the **Table-1.12**.

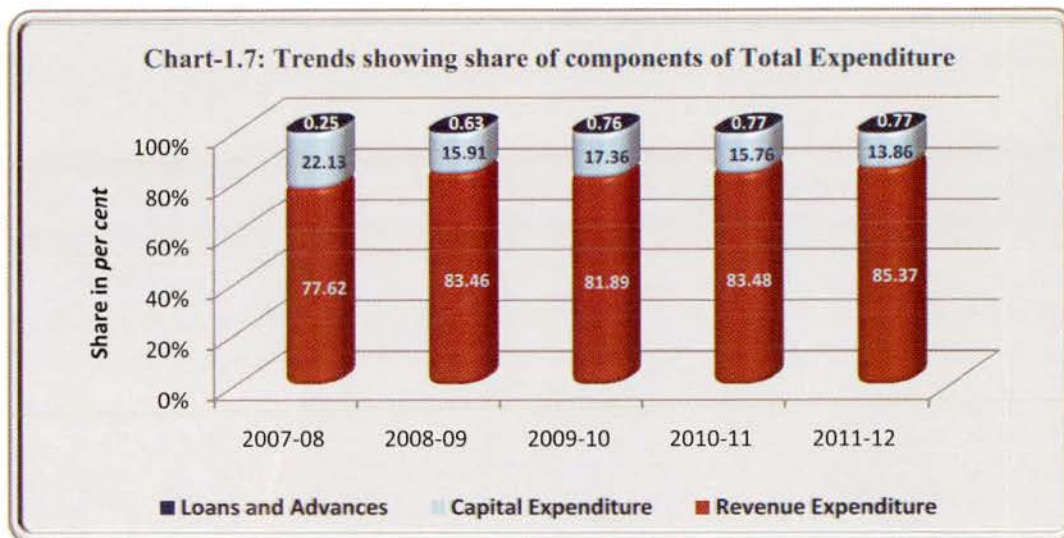
Table-1.12: Total expenditure and its compositions

	(₹ in crore)				
	2007-08	2008-09	2009-10	2010-11	2011-12
Total Expenditure	2,458.75	2,772.25	3,300.44	3,900.82	4,331.12
Revenue Expenditure	1,908.39	2,313.80	2,702.70	3,256.24	3,697.33
<i>Of which, Non-plan Revenue Expenditure</i>	<i>1,259.31</i>	<i>1,573.21</i>	<i>1,805.35</i>	<i>2,055.19</i>	<i>2,381.22</i>
Capital Expenditure	544.24	441.04	572.80	614.71	600.27
Loans and Advances	6.12	17.41	24.94	29.87	33.52

Chart-1.6 presents the trends in total expenditure over a period of five years (2007-12) and its composition both in terms of 'economic classification' and 'expenditure' by activities is depicted in **Charts-1.7** and **1.8** respectively.



The trends showing share of components of Total Expenditure during 2007-12 are shown in **Chart-1.7:**



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

The total expenditure of the State increased progressively from ₹ 2,458.75 crore in 2007-08 to ₹ 4,331.12 crore in 2011-12 at an annual average rate of 14.72 *per cent* and increased by 11.02 *per cent* from ₹ 3,900.82 crore in 2010-11 to ₹ 4,331.12 crore in 2011-12. Of the total expenditure during 2011-12, the revenue expenditure (₹ 3,697.33 crore) constituted 85.37 *per cent* while capital expenditure (₹ 600.27 crore) constituted 13.85 *per cent* and loans and advances (₹ 33.52 crore) formed 0.77 *per cent*.

The total expenditure, its annual growth rate, the ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table-1.13.**

Table-1.13: Total Expenditure – basic parameters

	2007-08	2008-09	2009-10	2010-11	2011-12
Total Expenditure (TE) (₹ in crore)	2,458.75	2,772.25	3,300.44	3,900.82	4,331.12
Rate of Growth (<i>per cent</i>)	12.60	12.75	19.05	18.19	11.03
TE/GSDP ratio (<i>per cent</i>)	64.65	59.65	58.73	64.39	61.95
RR/TE ratio (<i>per cent</i>)	82.96	95.70	89.79	73.20	88.31
Buoyancy of Total Expenditure with reference to:					
GSDP (ratio)	0.78	0.57	0.91	2.33	0.72
RR (ratio)	3.49	0.42	1.63	4.94	0.32

The increase of ₹ 430.30 crore (11.02 *per cent*) in total expenditure in 2011-12 over 2010-11 was on account of an increase of ₹ 441.09 crore in revenue expenditure and ₹ 3.65 crore in disbursement of Loans and Advances offset by a decrease of ₹ 14.44 crore in Capital Expenditure. During the current year, 88.31 *per cent* (₹ 3,824.90 crore) of the total expenditure was met from revenue receipts and the remaining (₹ 506.22 crore) from capital receipts and borrowed funds.

The breakup of total expenditure in terms of plan and non-plan expenditure during 2011-12 reveals that while the share of plan expenditure of ₹ 1,884.17 crore constituted 43.50 *per cent* of the total expenditure, the remaining 56.50 *per cent* (₹ 2,446.95 crore) was non-plan expenditure. Moreover, out of the increase of ₹ 430.30 crore in total expenditure, plan expenditure shared 34.52 *per cent* (₹ 148.55 crore) while non-plan expenditure contributed 65.48 *per cent* (₹ 281.75 crore) in 2011-12.

The increase in ratio of revenue receipts to total expenditure from 73.20 *per cent* in 2010-11 to 88.31 *per cent* in 2011-12 is to be viewed in the light of the sudden increase of Grants-in-Aid received from Government of India by ₹ 523.87 crore and State's share of Union taxes and duties by ₹ 375.72 crore during 2011-12 over 2010-11. The buoyancy of total expenditure with reference to GSDP decreased to 0.72 during 2011-12 from 2.33 in 2010-11 due to decrease in the rate of growth of total expenditure by 7.16 *per cent* and increase in the rate of growth of GSDP by 7.61 *per cent*. The buoyancy ratio of total expenditure with reference to revenue receipts in 2011-12 was 0.32 as rate of growth of revenue receipts (33.95 *per cent*) was more than the rate of growth of total expenditure (11.02 *per cent*) during the current year.

1.6.2 Trends in total expenditure in terms of activities

In terms of activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social and Economic Services, Grants-in-Aid and Loans and advances. Relative shares of these components in the total expenditure are indicated in **Table-1.14** and **Chart-1.8**.

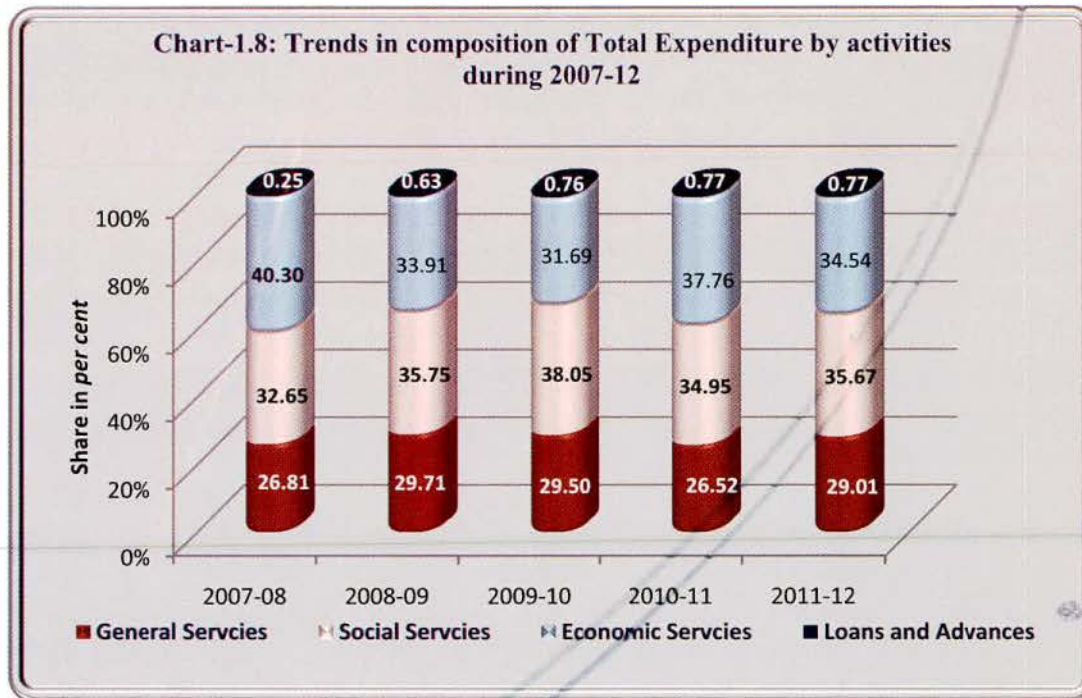
Table-1.14: Components of expenditure – relative shares

	2007-08	2008-09	2009-10	2010-11	2011-12
	(in per cent)				
General Services	26.81	29.71	29.50	26.52	29.01
Of which, Interest Payments	8.46	8.14	7.71	2.71	6.35
Social Services	32.65	35.75	38.05	34.95	35.67
Economic Services	40.30	33.91	31.69	37.76	34.54
Loans and Advances	0.25	0.63	0.76	0.77	0.77

The movement of relative share of these components of expenditure indicated that all components of expenditure had inter-year variations. But the expenditure on general services including interest payments, which are considered as non-developmental, together accounted

for 29.01 per cent in 2011-12 as against 26.52 per cent in 2010-11. On the other hand development expenditure, i.e. expenditure on Social and Economic Services together accounted for 70.21 per cent in 2011-12 as against 72.71 per cent in 2010-11. This indicates that there was an increase in non-developmental expenditure and marginal decrease in developmental expenditure in comparison to previous year.

The trends in composition of Total Expenditure by activities during 2007-12 are shown in the **Chart-1.8** below:



1.6.3 Revenue Expenditure

Revenue Expenditure (RE) is incurred to maintain the current level of services and payment of the past obligation and as such does not result in any addition to the State's infrastructure and service network. Revenue Expenditure had a predominant share of 77.62 per cent of total expenditure in 2007-08 which have since escalated to 85.37 per cent of total expenditure during the current year. The overall revenue expenditure of the State increased by 93.74 per cent from ₹ 1,908.39 crore in 2007-08 to ₹ 3,697.33 crore in 2011-12 at an annual average rate of 18.75 per cent. The revenue expenditure increased by 13.55 per cent from ₹ 3,256.24 crore in 2010-11 to ₹ 3,697.33 crore in 2011-12 in absolute terms.

A comparative position of Non-Plan Revenue Expenditure (NPRE) *vis-à-vis* assessment made by XIII FC and FCP revealed that NPRE remained significantly higher than the normative assessment made in Thirteenth Finance Commission by 52.23 per cent (₹ 817.02 crore) and also higher than the projection made in FCP by 7.26 per cent (₹ 161.14 crore), as indicated in **Table-1.15**:

Table-1.15: 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	1,564.20	2,220.08	2,381.22

The Plan Revenue Expenditure (PRE) increased by ₹ 115.06 crore (9.58 per cent) from ₹ 1,201.05 crore in 2010-11 to ₹ 1,316.11 crore in 2011-12 mainly due to increase in Education, Sports, Art and Culture (₹ 129.42 crore) and Agriculture and Allied Activities (₹ 28.76 crore) which was offset by a decreased expenditure under Social Welfare and Nutrition (₹ 29.44 crore), Rural Development (₹ 21.03 crore) and Industry and Minerals (₹ 10.80 crore) over the previous year.

The ratio of NPRE to GSDP increased from 33.12 per cent in 2007-08 to 34.06 per cent during 2011-12, and also, the ratio of NPRE to GSDP increased from 33.93 per cent in 2010-11 to 34.06 per cent in 2011-12. The ratio of NPRE with reference to Revenue Receipts (RR) decreased from 71.98 per cent in 2010-11 to 62.26 per cent in 2011-12. The buoyancy of NPRE to GSDP decreased significantly from 1.77 in 2010-11 to 1.03 in 2011-12 which signifies that the rate of growth of NPRE was marginally higher than the rate of GSDP as indicated in the **Table-1.16**.

Table-1.16: NPRE vis-à-vis GSDP and Revenue Receipt

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Non-Plan Revenue Expenditure	1,259.31	1,573.21	1,805.35	2,055.19	2,381.22
Growth of NPRE	12.29	24.93	14.76	13.84	15.86
GSDP	3,802.42	4,647.55	5,619.41	6,057.70	6,991.40
Growth of GSDP	16.06	22.23	20.91	7.80	15.41
Ratio of NPRE to GSDP	33.12	33.85	32.13	33.92	34.06
Revenue Receipts	2,039.74	2,653.13	2,963.51	2,855.37	3,824.90
Ratio of NPRE to RR	61.74	59.30	60.92	71.98	62.26
Buoyancy of NPRE w.r.t. GSDP	0.77	1.12	0.71	1.77	1.03

1.6.4 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table-1.17** and **Chart-1.9** present the trends in the expenditure on these components during 2007-12.

Table-1.17: Components of Committed Expenditure

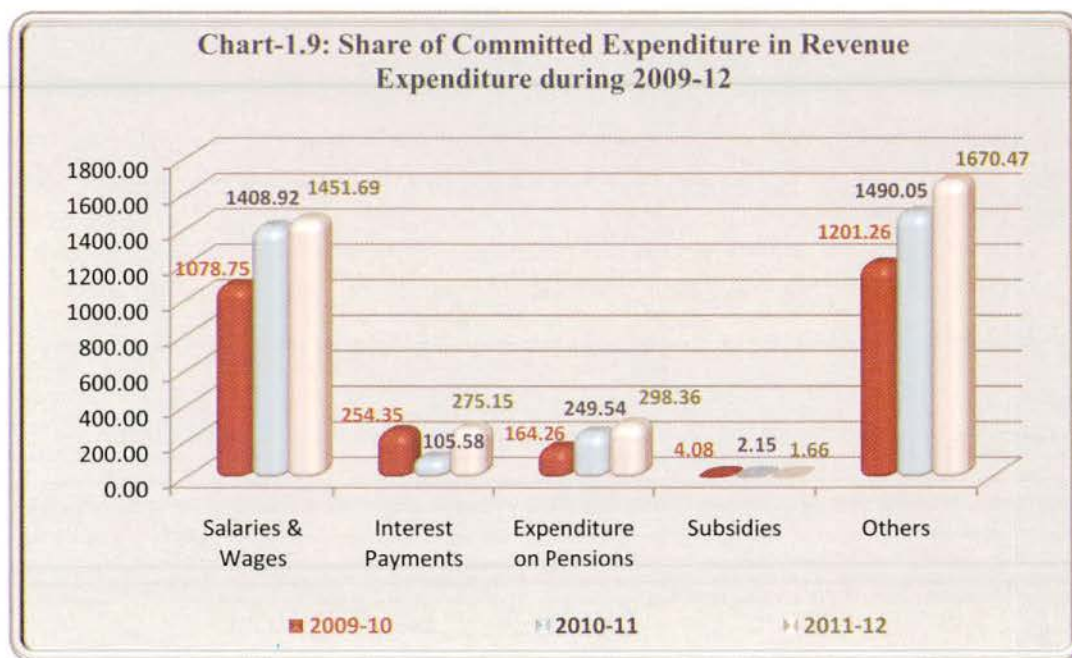
Components of Committed Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12	
					BE ^(a)	Actuals ^(a)
Salaries* & Wages, of which	735.12 (36.04)	906.41 (34.16)	1,078.75 (36.40)	1,408.92 (49.34)	1,223.55	1,451.69 (37.95)
Non-Plan Head	588.06	737.61	887.85	1,183.24	---	1,156.55
Plan Head**	147.06	168.80	190.90	225.68	---	295.14
Interest Payments	208.01 (10.20)	225.61 (8.50)	254.35 (8.58)	105.58 (3.70)	271.24	275.15 (7.19)
Expenditure on Pensions	97.93 (4.80)	126.98 (4.79)	164.26 (5.54)	249.54 (8.74)	219.01	298.36 (7.80)
Subsidies	7.54 (0.37)	5.88 (0.22)	4.08 (0.14)	2.15 (0.08)	---	1.66 (0.04)
Other Components	859.79 (42.15)	1,048.92 (39.54)	1,201.26 (40.54)	1,490.05 (52.18)	1,712.46	1,670.47 (43.67)
Total Revenue Expenditure	1,908.39	2,313.80	2,702.70	3,256.24	3,426.26	3,697.33
Revenue Receipt	2,039.74	2,653.13	2,963.51	2,855.37	3,748.30	3,824.90

Figures in the parentheses indicate percentage to Revenue Receipts

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

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

(a) BE figures are gross figures sourced from Fiscal Policy Strategy Statement (FCP), Government of Mizoram, 2012-13, while Actuals are net figures sourced from Finance Accounts, 2011-12



(A) Salaries

Salaries and wages alone accounted for more than 37.95 per cent of revenue receipts and 60.96 per cent of the Non-Plan Revenue Expenditure of the State Government during the year. The expenditure on salaries and wages increased by 3.04 per cent from ₹ 1,408.92 crore in 2010-11 to ₹ 1,451.69 crore in 2011-12. Salary expenditure under Non-Plan head decreased

by ₹ 26.69 crore (2.26 per cent), however, salary expenditure under Plan head during 2011-12 increased by ₹ 69.46 crore (30.78 per cent) over the previous year. Non-plan salary expenditure ranged from 79.67 per cent to 83.98 per cent of total expenditure on salaries during 2007-12. The expenditure on salaries during 2011-12 was significantly higher by ₹ 228.14 crore (18.65 per cent) than the projections (₹ 1,223.55 crore) made by the State Government in its FCP.

(B) Interest Payments

The major sources of borrowings of the State Government were (i) Loans from the Centre, (ii) Market loans, (iii) Loans from Banks and Financial Institutions, (iv) Loans from Small Savings Fund. Interest payments increased significantly by 160.61 per cent from ₹ 105.58 crore in 2010-11 to ₹ 275.15 crore in 2011-12. The interest payments increased mainly due to increase in Interest on Internal Debt by ₹ 86.91 crore and Interest on Small Savings, Provident Fund etc. by ₹ 83.05 crore.

Table-1.18: Interest Payments vis-à-vis XIII FC assessment and State Projections

(₹ in crore)			
Year	Assessment made by the Thirteenth Finance Commission (XIII FC)	Assessment made by the State Government (BE)	Actual
2011-12	304.96	271.24	275.15

The interest payment (₹ 275.15 crore) was marginally higher by ₹ 3.91 crore than the assessment (₹ 271.24 crore) made by the State Government in its Fiscal Correction Path (FCP) for the year 2011-12 and also lower by ₹ 29.81 crore than the projection (₹ 304.96 crore) made as per the Thirteenth Finance Commission.

(C) Pension Payments

Pension payments grew from ₹ 97.93 crore in 2007-08 to ₹ 298.36 crore in 2011-12. Pension payment (₹ 298.36 crore) alone accounted for nearly 7.80 per cent of revenue receipts (₹ 3,824.90 crore) of the State during the year and increased by ₹ 48.82 crore (19.56 per cent) over the previous year. The increase was mainly due to increase in expenditure under Superannuation and Retirement Allowances by ₹ 30.79 crore, Gratuities by ₹ 14.18 crore, Family Pensions by ₹ 6.83 crore and Pensions to Legislature by ₹ 2.92 crore offset by a decrease in expenditure under Commuted value of Pensions by ₹ 3.88 crore and Other Pensions by ₹ 2.65 crore. The State Government had introduced 'The New Defined Contribution Pension Scheme' on 1 September 2010, however, no deposit was made under the head 8342 – Other Deposit – 117 – Defined Contribution Pension Scheme, instead employees contribution recovered from monthly salary were credited under the head 0071 – Contribution and Recoveries towards Pension and Other retirement Benefits. Under this account the State Government has a liability of ₹ 0.41 crore which was due to the fact that some of the employees contribution already recovered and credited to the concerned head of account cannot be matched and transferred to pension fund manager due to non-allotment of PRAN by National Securities Depository Limited (NSDL). An amount of

₹ 0.17 crore has been accounted for and booked under the head 2071 – Pensions and Other Retirement Benefits – 117 – Government Contribution for Defined Contribution Pension Scheme which was not reconciled. **Table-1.19** shows the actual pension payments with reference to assessment made by the Thirteenth Finance Commission and projection of the State Government.

Table-1.19: Actual Pension Payments vis-à-vis XIII FC assessment and State Projections
(₹ in crore)

Year	Assessment made by the XIII FC	Assessment made by the State Government (BE)	Actual
2011-12	160.69	219.01	298.36

Pension payments were higher than the assessment made by the Thirteenth Finance Commission by ₹ 137.67 crore (85.67 per cent) as well as the State Government Projections made in its budget by ₹ 79.35 crore (36.23 per cent).

(D) Subsidies

Table-1.17 indicates that subsidies as a percentage of revenue receipts decreased from 0.08 per cent in 2010-11 to 0.04 per cent in 2011-12. The expenditure on subsidies has progressively decreased from ₹ 7.54 crore during 2007-08 to ₹ 1.66 crore during the current year. During the current year, the Departments which received subsidy include Co-Operation accounting for 6.55 per cent of total subsidies (₹ 10.87 lakh) and Crop Husbandry 93.45 per cent (₹ 155.00 lakh).

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

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table-1.20**.

Table-1.20: Financial Assistance to Local Bodies etc.

Financial Assistance to Institutions	2007-08	2008-09	2009-10	2010-11	2011-12
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	29.20	33.34	31.47	30.97	20.86
PRIs/ULBs	85.50	90.50	2.60	3.62	4.08
Consumer Co-operative Societies/MIZOFED	2.66	2.46	0.95	1.00	--
Other Institutions ²	30.42	13.44	412.21	614.58	196.35
Total	147.78	139.74	447.23	650.17	221.29
Assistance as percentage of RE	7.74	6.04	16.55	19.97	5.99

Source: Finance Accounts, 2011-12

² (Figures for 2011-12) Aizawl Development Authority (₹ 1.80 crore), Aizawl Municipal Council (₹ 2.28 crore), Sports Council (₹ 2.01 crore), Lai Autonomous District Council (₹ 66.33 crore), Mara Autonomous District Council (₹ 61.13 crore), Chakma Autonomous District Council (₹ 36.16 crore), Khadi & Village Industry (₹ 5.28 crore), Non-Govt. High School (₹ 10.86 crore), SSA Matching Share (₹ 10.00 crore) and Others (₹ 25.45 crore)

The grants extended to local bodies and other institutions with inter-year variations decreased by 65.96 per cent from ₹ 650.17 crore in 2010-11 to ₹ 221.29 crore in 2011-12. The share of grants and loans to the revenue expenditure decreased from 7.75 per cent in 2007-08 to 5.99 per cent during the current year. The decrease of financial assistance to Institutions by ₹ 428.88 crore was mainly due to decrease in financial assistance to Other Institutions by ₹ 418.23 crore and Educational Institutions by ₹ 10.11 crore.

1.7 Quality of Expenditure

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

1.7.1 Adequacy of Public Expenditure

The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure. The expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to the State Governments. Enhancing human development levels requires the States to step up their expenditure on key social services like education and health etc. **Table-1.21** analyses the fiscal priority and fiscal capacity of the State Government with regard to development expenditure, social sector expenditure and capital expenditure during 2008-09 and 2011-12.

Table-1.21: Fiscal Priority and Fiscal capacity of the State during 2008-09 and 2011-12

Fiscal Priority by the State	AE/ GSDP	DE/ AE	SSE/ AE	CE/ AE	Education/ AE	Health/ AE
Mizoram State's Average (Ratio) 2008-09	59.65	70.10	35.87	15.91	14.63	6.31
Mizoram State's Average (Ratio) 2011-12	61.95	70.41	35.86	13.86	17.64	4.39

AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Sector Expenditure
CE: Capital Expenditure

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

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

The AE to GSDP ratio of the Government of Mizoram had increased by 2.30 per cent from 59.65 per cent in 2008-09 to 61.95 per cent in 2011-12. The DE to AE ratio marginally increased by 0.31 per cent, however, the SSE to AE ratio and CE to AE ratio decreased by

0.01 per cent and 2.05 per cent respectively as compared to 2008-09. Further, the expenditure on Education as proportion of aggregate expenditure increased from 14.63 per cent in 2008-09 to 17.64 per cent in 2011-12 and the expenditure on Health as proportion of aggregate expenditure decreased from 6.31 per cent in 2008-09 to 4.39 per cent in 2010-11.

1.7.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods³. Apart from improving the allocation towards development expenditure, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table-1.22** presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year *vis-à-vis* budgeted expenditure and the previous years, **Table-1.23** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

Table-1.22: Development Expenditure

(₹ in crore)

Components of Development Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12	
					BE@	Actuals
Development Expenditure (a to c)	1,797.61 (73.11)	1,943.43 (70.10)	2,307.01 (69.90)	2,843.45 (72.89)	2,822.60	3,049.41 (70.41)
a. Development Revenue Expenditure	1,262.73 (51.36)	1,510.05 (54.47)	1,755.03 (53.18)	2,244.95 (57.55)	2,189.50	2,470.95 (57.05)
b. Development Capital Expenditure	530.74 (21.59)	421.25 (15.20)	546.81 (16.57)	591.35 (15.16)	623.39	570.15 (13.16)
c. Development Loans and Advances	4.14 (0.17)	12.13 (0.44)	5.17 (0.16)	7.15 (0.18)	9.71	8.31 (0.19)

Figures in parentheses indicate percentage to aggregate expenditure
 (a) BE figures are gross figures sourced from Annual Financial Statement (budget), Government of Mizoram, 2011-12, while Actuals are net figures sourced from Finance Accounts, 2011-12

Development Expenditure on socio-economic services increased from ₹ 1,797.61 crore in 2007-08 to ₹ 3,049.41 crore in 2011-12. As a percentage of aggregate expenditure, the share

³ As defined in Appendix 1.1.C

of Development Expenditure ranged between 69.90 *per cent* and 73.11 *per cent* with inter year variations. Though Development Expenditure registered an increase of 7.24 *per cent* (₹ 205.96 crore) during 2011-12 over the previous year. During the current year, the State Government earmarked ₹ 2,822.60 crore out of the estimated aggregate expenditure for development expenditure, and this assessment was less than the actual development expenditure by ₹ 226.81 crore at the end of the year. Development Revenue and Capital expenditure showed increasing trend since 2007-08 at an annual growth rate of 19.14 *per cent* and 1.49 *per cent* respectively.

- The development revenue expenditure increased by ₹ 226.00 crore from ₹ 2,244.95 crore in 2010-11 to ₹ 2,470.95 crore in 2011-12. Expenditure on Social sector increased by 9.48 *per cent* (₹ 117.31 crore) from ₹ 1,237.38 crore in 2010-11 to ₹ 1,354.69 crore in 2011-12, while the Economic sector increased by 10.79 *per cent* (₹ 108.69 crore) from ₹ 1,007.57 crore in 2010-11 to ₹ 1,116.26 crore in 2011-12. The actual development revenue expenditure was more than the State's projection in budget by ₹ 281.45 crore.
- The Development Capital Expenditure decreased by ₹ 21.20 crore from ₹ 591.35 crore in 2010-11 to ₹ 570.15 crore in the current year. The decrease of ₹ 21.20 crore in development capital expenditure was due to decrease in expenditure under economic services by ₹ 85.59 crore, however, there was an increase in expenditure under social services by ₹ 64.39 crore over the previous year. The actual development capital expenditure was significantly less than the State's projection in budget by ₹ 53.24 crore.
- The Expenditure on Development Loans and Advances increased by ₹ 1.16 crore from ₹ 7.15 crore in 2010-11 to ₹ 8.31 crore in 2011-12. The actual expenditure on development loans and advances was less than the State's assessment in budget by ₹ 1.40 crore.

Access to basic education, health services and drinking water and sanitation facilities are strong indicators of socio-economic progress. Further, expenditure on Economic services includes all such services that promote directly and indirectly productive capacity within the State by improving the quality of human resources. Therefore, it is pertinent to make an assessment with regard to expansion and efficient provision of these services in the State. **Table-1.23** summarizes percentage of expenditure under different components of economic and social services sector incurred by the State Government in expanding and maintaining social and economic services in the State during 2010-11 and 2011-12.

Table-1.23: Efficiency of Expenditure Use in Selected Social and Economic Services

Social/ Economic Infrastructure	2010-11				2011-12			
	Ratio of CE to TE [@]	In RE, the share of S & W		Non-Salary ₹ in crore	Ratio of CE to TE [@]	In RE, the share of S & W		Non-Salary ₹ in crore
		₹ in crore	In per cent			₹ in crore	In per cent	
Social Services (SS)								
Education, Sports, Art and Culture	4.84	443.33	75.31	145.35	8.63	484.88	69.48	212.99
Health and Family Welfare	0.03	125.00	71.81	49.07	1.76	128.13	68.59	58.68
WS, Sanitation & HUD	37.75	31.14	20.47	120.99	44.31	29.91	19.73	121.72
Other Social Services	0.20	9.75	3.02	312.75	0.13	43.98	13.81	274.40
Total (SS)	9.20	609.22	49.23	628.16	12.32	686.90	50.71	667.79
Economic Services (ES)								
Agri. & Allied Activities	19.94	118.88	23.70	382.72	13.48	120.80	22.74	410.33
Irrigation and Flood Control	88.66	5.34	72.26	2.05	84.54	5.16	57.08	3.88
Power & Energy	26.72	57.91	29.19	140.47	20.81	54.59	18.87	234.78
Transport	65.62	16.10	20.65	61.88	54.21	15.44	15.38	84.94
Other Economic Services	21.52	180.10	81.05	42.12	22.05	113.04	60.66	73.30
Total (ES)	31.55	378.33	37.55	629.24	25.39	309.03	27.68	807.23
Grand Total (SS+ES)	20.80	987.55	43.99	1,257.40	18.75	995.93	40.31	1,475.02

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

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

The trends in the above table reveal that development capital expenditure as a percentage of total expenditure decreased from 20.80 per cent in 2010-11 to 18.75 per cent in current year.

The ratio of salary and wage component under Social and Economic Services to revenue expenditure during the current year was 40.31 per cent, a decrease of 3.68 per cent over the previous year. The salary and wage component under revenue expenditure in Social Sector increased by ₹ 77.68 crore from ₹ 609.22 crore in 2010-11 to ₹ 686.90 crore in 2011-12, showing an increase by 12.75 per cent over the previous year; while non-salary component marginally increased by 6.31 per cent over the previous year from ₹ 628.16 crore in 2010-11 to ₹ 667.79 crore in 2011-12.

Again, within the revenue expenditure under economic services, the salary and wage component decreased by ₹ 69.30 crore (a decrease of 18.32 per cent) from ₹ 378.33 crore in 2010-11 to ₹ 309.03 crore in 2011-12 while non-salary component increased by 28.29 per cent from ₹ 629.24 crore in 2010-11 to ₹ 807.23 crore in 2011-12.

The expenditure on Economic Services includes all such expenditure that promotes directly or indirectly, productive capacity within the State's economy. The trend in revenue on Social and Economic Services indicate that revenue expenditure increased by 10.07 *per cent* from ₹ 2,244.95 crore in 2010-11 to ₹ 2,470.95 crore in 2011-12 whereas capital expenditure decreased by 3.59 *per cent* from ₹ 591.35 crore in 2010-11 to ₹ 570.15 crore in 2011-12. Similarly, expenditure of salary portion on Social and Economic Services increased by 0.85 *per cent* from ₹ 987.55 crore in 2010-11 to ₹ 995.93 crore in 2011-12 and on Non-Salary by 17.31 *per cent* from ₹ 1,257.40 crore in 2010-11 to ₹ 1,475.02 crore in 2011-12 (Detailed in Appendix-1.6 Part-A & Part-B).

1.8 Financial Analysis of Government Expenditures and Investments

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

1.8.1 Incomplete projects

The department-wise information pertaining to incomplete time overrun projects as on 31 March 2012 is given in **Table-1.24** below:

Table-1.24: 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 2012
Public Works (Roads)	17	192.18	7.11 (2)	112.10
Public Works (Buildings)	23	65.09	--	45.00
Power and Electricity (P&E)	2	35.17	--	26.37
Public Health Engineering (PHE)	5	93.16	41.67 (1)	122.78
Total	47	385.60	48.78 (3)	306.25

Source: Appendix X (Finance Account 2011-12)

Out of 81 projects, which were to be completed on or before March 2012, there were 47 incomplete projects as of March 2012, which were started with initial budgeted cost of ₹ 385.60 crore under Public Works (Roads), Public Works (Buildings), Public Health Engineering and Power & Electricity Departments which resulted in cost overrun of

₹ 48.78 crore in three projects at the close of the current year. Due to non-completion of the projects (March 2012), an amount of ₹ 128.13 crore booked against these projects remained blocked. Due to delay in completion of the projects, not only the benefits to be accrued to the society got delayed but also the cost to the exchequer increased due to time overruns involved in their completion.

1.8.2 Investment and returns

⁴The Thirteenth Finance Commission recommended completion of a roadmap for closure of non-working PSUs by March 2011 and for which a task force and a steering committee was to be put in place to oversee sale or closure of such non-functioning PSUs.

As of 31 March 2012, Government had invested ₹ 19.77 crore in Government Companies and Co-operatives, out of which an amount of ₹ 3.28 crore was invested in Government Companies and ₹ 16.49 crore was invested in Co-operative Societies. During the current year, State Government invested only ₹ 0.50 crore in Public Sector and other Undertakings of Government Companies. No dividend was received during 2011-12. ***The average return on this investment was Nil in the last five years while the Government paid an average interest rate ranging from 2.60 per cent to 7.02 per cent on its borrowings during 2007-12 (Table-1.25).***

Table-1.25: Return on Investment

	(₹ in crore)				
Investment/ Return/ Cost of Borrowings	2007-08	2008-09	2009-10	2010-11	2011-12
Investment at the end of the year (₹ in crore)	17.21	18.73	19.00	19.27	19.77
Return (₹ in crore)	--	--	--	--	--
Return (per cent)	--	--	--	--	--
Average rate of interest on Govt. borrowing (per cent)	6.43	6.45	7.02	2.60	6.08
Difference between interest rate and return (per cent)	6.43	6.45	7.02	2.60	6.08

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

A performance-based system of accountability should be put in place in the Government Companies/Statutory Corporations so as to increase profitability and improve efficiency in

⁴ Source: Fiscal Policy Strategy Statement, Government of Mizoram, 2012-13

service. The Government should ensure better value for money in investments by identifying the Companies/Corporations which are endowed with low financial but high socio-economic returns and see if high cost borrowings need to be invested in those Companies/Corporations.

⁵Although the Government could not comply with the Thirteenth Finance Commission recommendation, as a positive step in that direction, the Finance Department has engaged specialist for restructuring the PSUs for specific recommendations to the State Government to rebuild some of the PSUs.

1.8.3 Loans and Advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organisations. **Table-1.26** presents the outstanding loans and advances as on 31 March 2012, interest receipts *vis-à-vis* interest payments during the last three years.

Table-1.26: Average Interest Received on Loans Advanced by the State Government

(₹ in crore)

Quantum of Loans/ Interest Receipts/ Cost of Borrowings	2009-10	2010-11	2011-12
Opening Balance	241.51	241.14	245.04
Amount advanced during the year	24.94	29.87	33.52
Amount repaid during the year	25.31	25.97	27.80
Closing Balance	241.14	245.04	250.76
Of which Outstanding balance for which terms and conditions have been settled			
Net addition	(-) 0.37	(+)3.90	(+) 5.72
Interest Receipts	1.70	0.06	3.03
Interest receipts as <i>per cent</i> to outstanding Loans and advances (a)	0.70	0.02	1.21
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government (b)	7.01	2.35	6.05
Difference between interest payments and interest receipts (<i>per cent</i>) (c) = (b) – (a)	6.31	2.33	4.84

The total amount of outstanding Loans and Advances as on 31 March 2012 was ₹ 250.76 crore. The amount of loans disbursed during the year increased from ₹ 29.87 crore in 2010-11 to ₹ 33.52 crore in 2011-12. Out of the total amount of loans advanced during the year, ₹ eight crore went to social services, ₹ 0.31 crore to economic services and ₹ 25.21 crore to Government servants. Under the social services, the amount of ₹ eight crore was disbursed to Housing only and in economic services the amount of ₹ 0.31 crore was disbursed to Co-operation. The recovery of loans and advances increased marginally from ₹ 25.97 crore in 2010-11 to ₹ 27.80 crore mainly on account of recovery under Housing (₹ 18.50 crore) and Government Servants (₹ 8.81 crore). As the current level of recovery on loans advanced by the States is extremely poor, the XIII FC projected the interest receipts of States on a

⁵ Source: Fiscal Policy Strategy Statement, Government of Mizoram, 2012-13

normative basis without linking it to the current level. Outstanding loans and advances at the end of 2009-10 have been projected by XIII FC as constant over the projection period and applied an interest rate of seven *per cent* to these outstanding loans and taken as the interest receipt in each of the years.

Interest received against these loans and advances significantly increased from ₹ 0.06 crore in 2010-11 to ₹ 3.03 crore in 2011-12 and as a result the interest receipt to outstanding loans stood at 1.21 per cent during 2011-12.

1.8.4 Cash Balances and Investment of Cash balances

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

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

Table-1.27: Ways and Means Advances and Overdraft

	2007-08	2008-09	2009-10	2010-11	2011-12
(₹ in crore)					
Ordinary and Special Ways & Means Advances					
Availed in the year	23.98	--	1.37	163.36	71.39
Outstanding WMAs	12.13	12.13	12.13	27.21	46.45
Interest paid	0.02	--	8.63	--	--
Number of days	3	--	19	21	11
Overdraft					
Availed in the year	--	--	--	--	--
Outstanding Overdraft	15.08	15.08	15.08	15.08	15.08
Number of days	--	--	--	--	--
Interest paid	--	--	--	--	--

The State availed Ordinary and Special Ways & Means Advances during the period 2007-08 to 2010-11 except during 2008-09 against which an interest of ₹ 8.63 crore was paid and during the current year, the state availed only Special Ways & Means Advances. The State, however, did not avail any overdraft facility during 2007-12.

Table-1.28 depicts the cash balances and investments made by the State Government out of cash balances⁶ during the year.

Table-1.28: Cash Balances and Investment of Cash balances

Particulars	(₹ in crore)		
	As on 31 March 2011	As on 31 March 2012	Increase (+)/ Decrease(-)
Cash Balances	221.31	194.97	(-) 26.34
Investments from Cash Balances (a to d)	307.20	410.01	(+) 102.81
a. GOI Treasury Bills	211.45	292.51	(+) 81.06
b. GOI Securities	--	--	--
c. Other Securities, if any specify	--	--	--
d. Other Investments	95.75	117.25	(+) 21.75
Fund-wise Break-up of Investment from Earmarked balances			
a. Sinking Fund	95.75	117.50	(+) 21.75
Interest Realized	5.74	8.37	(+) 2.63

Cash balance of the State Government at the end of the current year decreased by ₹ 26.34 crore from ₹ 221.31 crore in 2010-11 to ₹ 194.97 crore in 2011-12. The investment from cash balances increased by 33.47 *per cent* from ₹ 307.20 crore in 2010-11 to ₹ 410.01 crore in 2011-12. An amount of ₹ 8.37 crore was earned as interest during 2011-12 on the amount invested. Further, during the year, the Government appropriated an amount of ₹ 21.75 crore from revenue and credited to Consolidated Sinking Fund, constituted during 2000-2001 for redemption of open market loans, for investment in the Government of India Securities. As a result the balance as on 31 March 2012 was ₹ 117.50 crore for amortisation of long term loans.

1.9 Assets and Liabilities

1.9.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix-1.3** gives an abstract of such liabilities and the assets as on 31 March 2012, compared with the corresponding position on 31 March 2011. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GoI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

⁶ The General cash balance represents the combined balances of the Consolidated Fund of India and the Public Account. As per the agreement with the Reserve Bank of India, the State Government has to maintain with the Bank on all days a minimum balance. (**Explanatory Notes on Appendix-I, Finance Accounts, Vol. I**)

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

1.9.2 Fiscal Liabilities

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

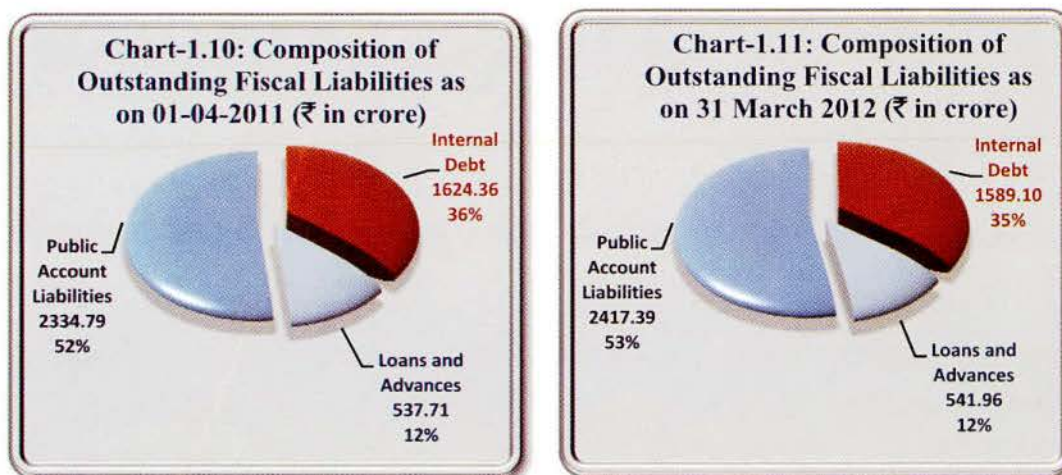


Table-1.29 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP, revenue receipts and to State’s own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

Table-1.29: Fiscal Liabilities – Basic Parameters

	2007-08	2008-09	2009-10	2010-11	2011-12
Fiscal Liabilities* (₹ in crore)	3,378.04	3,614.06	3,627.69	4,496.86	4,548.45
Rate of Growth (<i>per cent</i>)	9.13	6.99	0.38	23.96	1.15
Ratio of Fiscal Liabilities to:					
GSDP (<i>per cent</i>)	88.84	77.76	64.56	74.23	65.06
Revenue Receipts (<i>per cent</i>)	165.61	136.22	122.41	157.49	118.92
Own Resources (<i>per cent</i>)	1,625.39	1,426.85	1,549.70	1,622.48	1,310.41
Buoyancy of Fiscal Liabilities with reference to:					
GSDP (ratio)	0.57	0.31	0.02	3.05	0.07
Revenue Receipts (ratio)	2.53	0.23	0.03	(-) 6.51	0.03
Own Resources (ratio)	2.69	0.32	(-) 0.05	1.30	0.05

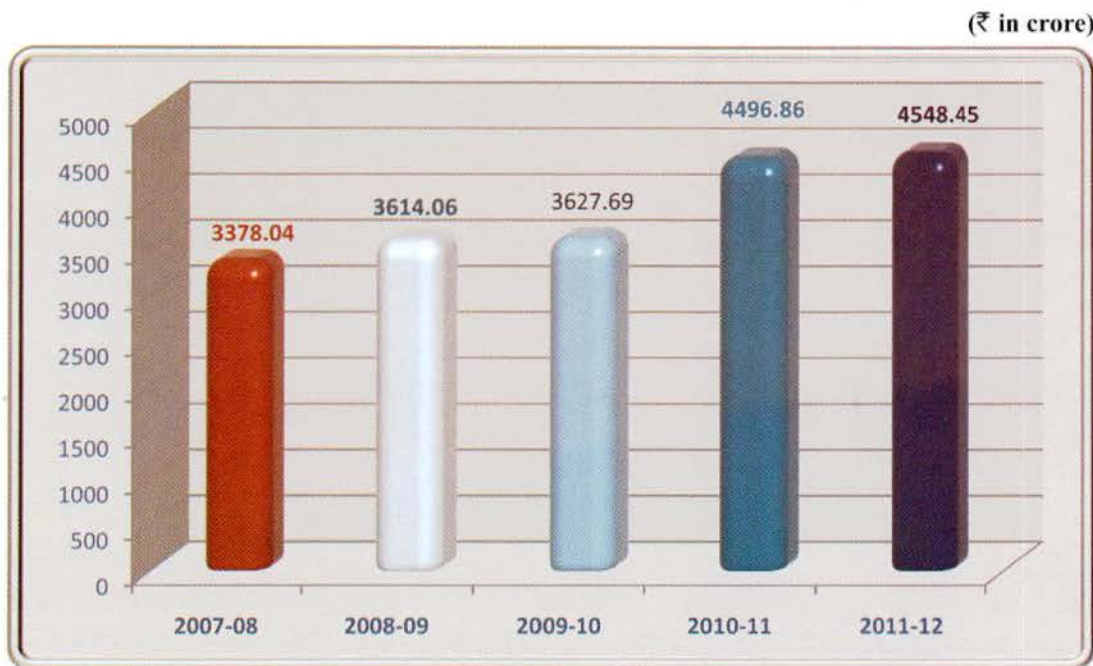
* Includes Internal Debt, Loans and Advances from GOI, Small Savings, Provident Fund etc., Reserve Funds (Gross) and Deposits

The overall fiscal liabilities of the State increased at an average annual rate of 6.93 *per cent* during the period 2007-12. During the current year, the overall fiscal liabilities of the State Government increased by ₹ 51.59 crore (1.15 *per cent*) from ₹ 4,496.86 crore in 2010-11 to ₹ 4,548.45 crore in 2011-12. The increase in fiscal liabilities was mainly due to increase in the

Public Account liabilities by ₹ 82.60 crore and Loans and Advances by ₹ 4.25 crore, offset by a decrease in Internal Debt by ₹ 35.26 crore. **The ratio of fiscal liabilities to GSDP has decreased from 74.23 per cent in 2010-11 to 65.06 per cent in 2011-12. These fiscal liabilities stood at nearly 1.19 times the revenue receipts and 13.10 times of the State's own resources at the end of 2011-12.** The buoyancy of these liabilities with respect to GSDP during the year was 0.07 indicating that for each one *per cent* increase in GSDP, fiscal liabilities grew by 0.07 *per cent*. As per Thirteenth Finance Commission recommendations the State Government should bring the Fiscal Liabilities-GSDP ratio to around 25 *per cent* by 2014-15 which seems most unlikely in the present scenario unless some drastic steps are taken to reduce debt. In line with the recommendation of the Twelfth Finance Commission, the State Government has set up sinking fund for amortisation of market borrowings as well as other loans and debt obligations. As of 31 March 2012, the balance in the sinking fund was ₹ 117.50 crore. During 2011-12, ₹ 21.75 crore has been invested in the sinking fund.

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

Chart-1.12: Trend showing Fiscal Liabilities during 2007-12



1.9.3 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. In compliance with the Twelfth Finance Commission recommendations regarding creation of Guarantee Redemption Fund (GRF), the State Government has set up the fund during May 2009 with initial corpus fund of ₹ 50 lakh. Although, in 2010-11, an additional fund of ₹ 50 lakh had been transferred to Guarantee Redemption Fund (GRF), however, no amount was transferred to the fund during

the accounting period of 2011-12. Information regarding Guarantee Commission or fee has not been received from the State Government⁷ and no investment has been made in Guarantee Redemption Fund during 2011-12.

As per Statement 9 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table-1.30**.

Table-1.30: Guarantees given by the Government of Mizoram

(₹ in crore)

Guarantees	2009-10	2010-11	2011-12
Maximum amount guaranteed	189.03	189.02	243.34
Outstanding amount of guarantees	102.75	102.72	232.18
Revenue Receipts	2,963.51	2,855.37	3,824.90
Total Receipts in Consolidated Fund of the State	3,214.71	3,418.56	4,078.40
Percentage of maximum amount guaranteed to revenue receipts	6.38	6.62	6.36

The State Government had guaranteed loans raised by various corporations and others which at the end of 2011-12 stood at ₹ 232.18 crore. No fresh guarantees were extended in the current year. The outstanding guarantees were 6.07 *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 65.06 *per cent* to 68.38 *per cent*.

1.10 Debt Sustainability

Apart from the magnitude of debt of State Government, it is important to analyze various indicators that determine the debt sustainability⁸ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilisation⁹, sufficiency of non-debt receipts¹⁰, net availability of borrowed funds¹¹, burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table-1.31** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from 2007-08.

⁷ Source: Notes to Finance Account, 2011-12 (Vol.-I)

⁸ As defined in Appendix 1.1.C

⁹ As defined in Appendix 1.1.C

¹⁰ As defined in Appendix 1.1.C

¹¹ It indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds

Table-1.31: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability	2007-08	2008-09	2009-10	2010-11	2011-12
Debt Stabilization (Quantum Spread + Primary Deficit)	298.29 + (-) 183.47 = 114.82	532.81 + (+) 131.35 = 664.16	501.87 + (-) 57.27 = 444.60	188.66 + (-) 913.90 = (-) 725.24	419.54 + (-) 203.27 = 216.27
Sufficiency of Non-debt Receipts (Resource Gap)	(-) 200.48	(+) 297.22	(-) 217.36	(-) 707.86	(+) 541.06
Net Availability of Borrowed Funds	74.52	10.40	(-) 240.73	763.60	(-) 218.50
Burden of Interest Payments (IP/RR Ratio)	10.20	8.50	8.58	3.70	7.19
Maturity Profile of State Debt (In Years)					(₹ in crore)
Maturity Profile^(a)			Amount	Per cent	
0 – 1			728.05	11.72	
1 – 3			1,070.81	17.24	
3 – 5			1,267.51	20.41	
5 – 7			981.01	15.79	
Sub-total (A)			4,047.38	65.16	
7 – 9			866.28	13.95	
9 – 11			688.71	11.09	
11 – 13			272.63	4.39	
13 – 15			215.50	3.47	
15 and above			120.67	1.94	
Sub-total (B)			2,163.79	34.84	
Total (A +B)			6,211.17	100.00	

^(a) As per Finance Accounts

During the current year, the sum of quantum spread and primary deficit turned positive indicating that the debt-GSDP ratio is stable and eventually the ratio would fall. The sum of quantum spread and primary deficit at ₹ 216.27 crore during 2011-12 against ₹ (-) 725.24 crore in 2010-11 is a positive sign towards fiscal balances in the forthcoming years.

Despite the increase in the quantum of expenditure in 2011-12, the buoyancy in revenue receipt had a positive impact in the debt scenario of the economy of the State and to some

extent reverse deteriorating debt scenario experienced in the previous year as compared to primary deficit of ₹ 913.90 crore in 2010-11, the primary deficit in 2011-12 decreased to ₹ 203.27 crore, which had resulted in positive indications that the debt was again being stabilized in the current year.

The persistent negative resource gap indicates the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. Negative resource gap indicates incremental non-debt receipts are not sufficient to cover the incremental interest liabilities and incremental primary expenditure. Narrowing of the resource gap from ₹ (-) 707.86 crore in 2010-11 to ₹ (+) 541.06 crore during 2011-12 indicates improving capacity of the State to sustain the debt in the medium to long run.

During 2011-12, against debt receipt of ₹ 1,375.25 crore, debt redemption and interest payment was ₹ 1,593.75 crore, leaving no borrowed funds for purposes other than debt redemption. Thus, the debt receipt of 2011-12 was insufficient even for servicing of past liabilities of the State. With the proportionate increase in revenue receipt as well as interest payment in the current year, the ratio of interest payment – revenue receipts have increased to 7.19 *per cent* in 2011-12 from 3.71 *per cent* in the previous year; increasing the burden of interest payment on revenue receipt by 3.48 *per cent* in the current year.

The maturity profile of the State's debt during the current year indicates that out of the outstanding debt stock of ₹ 6,211.17 crore, around 65.16 *per cent* (₹ 4,047.38 crore) is payable within the next seven years while the remaining 34.84 *per cent* (₹ 2,163.79 crore) are to be paid in more than seven years' time. Since there was no fiscal surplus during the last five years (2007-12), the Government will have to borrow further to discharge the expenditure obligations unless there is adequate fiscal surplus. Ideally, further borrowings in future should be made in such a way that there is no bunching of repayments in any particular year as that will cause undue stress on the budget.

1.11 Fiscal Imbalances

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

1.11.1 Trends in Deficits

Chart-1.13 and 1.14 presents the trends in deficit indicators over the period 2007-12.

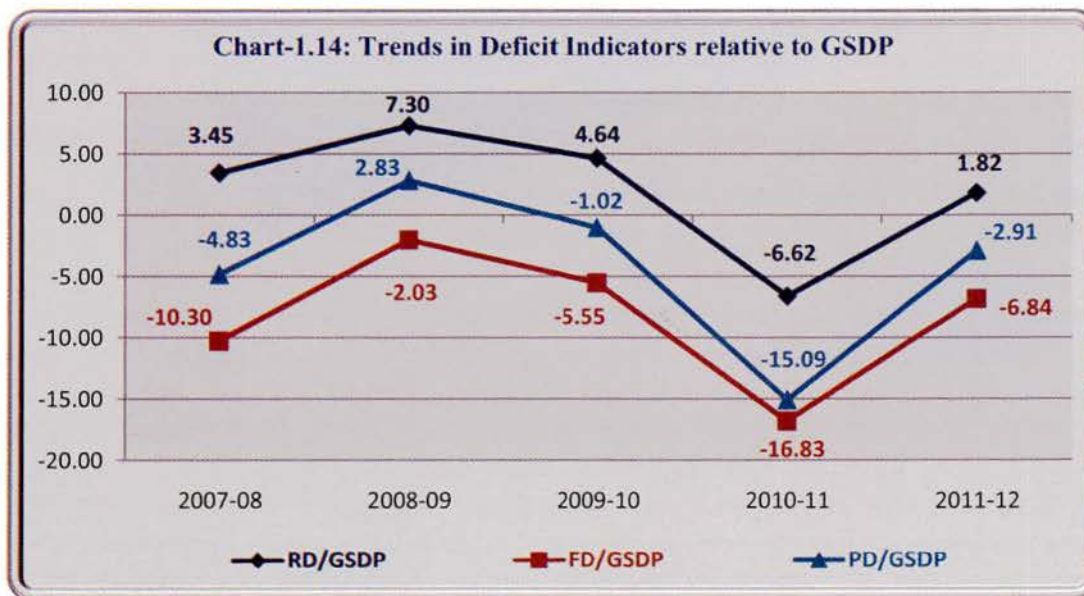
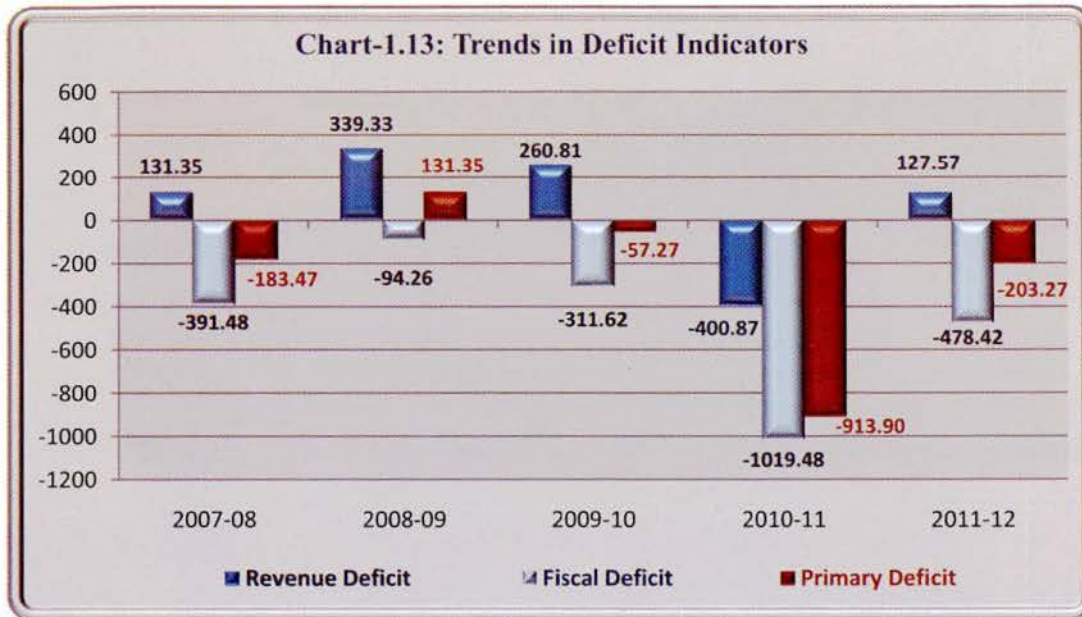


Chart-1.13 reveals that the significant improvement in revenue surplus by ₹ 528.44 crore in 2011-12 over the previous year served as a harbinger in controlling the harsh financial deficit situation experienced by the State in the previous year. Despite increase of ₹ 430.30 crore in total expenditure in 2011-12 over the previous year, both fiscal deficit and primary deficit were restrained as a result of improvement of revenue receipts by ₹ 969.53 crore. While fiscal deficit decreased by ₹ 541.06 crore, primary deficit had decreased by ₹ 710.63 crore over the

previous year. Interest payment (₹ 275.15 crore) alone accounted for 57.51 per cent of the fiscal deficit (₹ 478.42 crore) and as such obligations of past liabilities formed major portion of the fiscal deficit in the current year. Interest bearing borrowing¹² of ₹ 225.70 crore in 2011-12 as compared to ₹ 537.22 crore in the previous year may ease out interest burden in coming years; provided such a trend is followed in the future. Though there are signs of recovery of the financial deficit situation of the State, a cautious and prudent management of expenditure and revenue mobilization needs to be addressed so that financial position returns to a comfortable state.

1.11.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table-1.32**.

Table-1.32: Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)					
Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Decomposition of Fiscal Deficit	(-391.48)	(-94.26)	(-311.62)	(-1,019.48)	(-478.42)
1. Revenue Surplus/Deficit	131.35	339.33	260.81	(-400.87)	(+) 127.57
2. Net Capital Expenditure	(-544.24)	(-441.04)	(-572.80)	(-614.71)	(-600.27)
3. Net Loans and Advances	(+)21.41	(+)7.45	(+) 0.37	(-)3.90	(-)5.72
Financing Pattern of Fiscal Deficit*					
1. Market Borrowings	128.71	29.63	(-) 58.61	256.56	9.92
2. Loans from GOI	(-) 7.07	(-) 12.05	13.30	(-) 22.04	4.25
3. Special Securities Issued to NSSF	(-) 1.23	(-) 2.42	8.18	18.71	7.11
4. Loans from Financial Institutions	(-) 36.55	(-) 2.95	(-) 97.76	16.01	(-) 42.68
5. Compensation and other Bonds	(-) 4.12	(-) 2.71	(-) 4.56	(-) 4.56	(-) 4.55
6. Small Savings, PF etc.	172.27	187.88	43.58	275.91	115.72
7. Deposits and Advances	36.55	37.65	105.49	333.44	(-) 32.42
8. Suspense and Misc.	32.41	(-) 78.36	292.16	209.58	453.72
9. Remittances	26.60	(-) 71.93	(-) 39.96	(-) 35.83	57.03
10. Reserve Fund	(-) 6.05	1.01	4.03	(-) 4.37	0.11
11. Increase/decrease in Cash balance with RBI	49.96	8.51	45.77	(-) 23.93	(-) 89.79
12. Overall Deficit (1 to 11) (per cent of GSDP)	(-391.48) (10.30)	(-94.26) (2.03)	(-311.62) (5.55)	(-1,019.48) (16.83)	(-478.42) (6.84)
* All these figures are net of disbursements/outflows during the year					

It can be seen from **Table-1.32** that there was *fiscal deficit during the last five years with a slight improvement during 2008-09 (₹ 94.26 crore)* However, the fiscal deficit drastically deteriorated during 2010-11 to the level of ₹ 1,019.48 crore (16.83 per cent of GSDP) and improved during the current year to ₹ 478.42 crore. During 2011-12, fiscal deficit was

¹² Includes only Internal debt and Loans and Advances from Central Government

primarily financed by Small Savings, PF *etc.*, Suspense and Miscellaneous, and Remittances balances.

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

1.11.3 Quality of Deficit/Surplus

The ratio of RD to FD and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit (**Table-1.33**) 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-1.33: 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)
2007-08	2,067.27	1,700.38	544.24	6.12	2,250.74	(+) 366.89	(-) 183.47
2008-09	2,677.99	2,088.19	441.04	17.41	2,546.64	(+) 589.80	(+) 131.35
2009-10	2,988.82	2,448.35	572.80	24.94	3,046.09	(+)540.47	(-) 57.27
2010-11	2,881.34	3,150.66	614.71	29.87	3,795.24	(-)269.32	(-) 913.90
2011-12	3,852.70	3,422.18	600.27	33.52	4,055.97	(+) 430.52	(-) 203.27

The non-debt receipts of the State during 2006-07 to 2009-10 were sufficient to meet the primary revenue expenditure. During 2010-11, the non-debt receipt was inadequate to cover the primary revenue expenditure, however, during the current year the non-debt receipt was in excess of the primary revenue expenditure by ₹ 430.52 crore. The non-debt receipts of the State increased by 33.71 *per cent* from ₹ 2,881.34 crore in 2010-11 to ₹ 3,852.70 crore in 2011-12 which was more than the primary expenditure by ₹ 430.52 crore. Over the period 2007-2012, there has been an inter-year variation in the proportion of capital expenditure in primary expenditure. The proportion of capital expenditure decreased during the current year over the previous years by ₹ 14.44 crore. The State Government should focus on increasing the productive capacity of the State's economy and containing unproductive expenditure.

1.12 Conclusion and Recommendations

Conclusion

Revenue receipts increased to ₹ 3,824.90 crore in 2011-12 from ₹ 2,855.37 crore in 2010-11 (33.95 per cent); mainly due to increase in Grants-in-Aid (₹ 523.87 crore) and Central share of Taxes (₹ 375.72 crore). The revenue receipt (₹ 3,824.90 crore) was also higher by ₹ 76.60 crore (2.04 per cent) than the assessment of the State Government in its Fiscal Correction Path (FCP) (₹ 3,748.30 crore).

Revenue Expenditure and Capital Expenditure

Revenue Expenditure increased by ₹ 441.09 crore (13.55 per cent) while **Capital Expenditure** decreased by ₹ 14.44 crore (2.35 per cent) over the previous year. Revenue expenditure was higher by ₹ 271.07 crore (7.91 per cent) than the assessment made by the State Government in its FCP (₹ 3,426.26 crore). Also, Capital expenditure was higher by ₹ 103.32 crore (20.79 per cent) than the projection made by the State Government in its FCP (₹ 496.95 crore).

The total expenditure of the State increased progressively from ₹ 2,458.75 crore in 2007-08 to ₹ 4,331.12 crore in 2011-12 at an annual average rate of 14.72 per cent and increased by 11.02 per cent from ₹ 3,900.82 crore in 2010-11 to ₹ 4,331.12 crore in 2011-12. Of the total expenditure during 2011-12, the revenue expenditure (₹ 3,697.33 crore) constituted 85.37 per cent while capital expenditure (₹ 600.27 crore) constituted 13.85 per cent and loans and advances (₹ 33.52 crore) formed 0.77 per cent.

The breakup of total expenditure in terms of plan and non-plan expenditure during 2011-12 reveals that while the share of plan expenditure of ₹ 1,884.17 crore constituted 43.50 per cent of the total expenditure, the remaining 56.50 per cent (₹ 2,446.95 crore) was non-plan expenditure. Moreover, out of the increase of ₹ 430.30 crore in total expenditure, plan expenditure shared 34.52 per cent (₹ 148.55 crore) while non-plan expenditure contributed 65.48 per cent (₹ 281.75 crore) in 2011-12.

Funds directly transferred to State Implementing Agencies

Funds transferred directly from the Union Government to the State Implementing Agencies run the risk of poor oversight and therefore, unless uniform accounting practices are followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers. During the current year GoI transferred ₹ 668.43 crore (approximate) directly to State Implementing Agencies for implementation of various schemes/programmes.

Fiscal liabilities

The overall fiscal liabilities of the State increased at an average annual rate of 6.93 *per cent* during the period 2007-12. During the current year, the overall fiscal liabilities of the State Government increased by ₹ 51.59 crore (1.15 *per cent*) from ₹ 4,496.86 crore in 2010-11 to ₹ 4,548.45 crore in 2011-12. The increase in fiscal liabilities was mainly due to increase in the Public Account liabilities by ₹ 82.60 crore and Loans and Advances by ₹ 4.25 crore, offset by a decrease in Internal Debt by ₹ 35.26 crore. ***The ratio of fiscal liabilities to GSDP has decreased from 74.23 per cent in 2010-11 to 65.06 per cent in 2011-12. These fiscal liabilities stood at nearly 1.19 times the revenue receipts and 13.10 times of the State's own resources at the end of 2011-12.*** As per Thirteenth Finance Commission recommendations the State Government should bring the Fiscal Liabilities-GSDP ratio to around 25 *per cent* by 2014-15.

Investment and Returns

As of 31 March 2012, Government had invested ₹ 19.77 crore in Government Companies and Co-operatives, out of which an amount of ₹ 3.28 crore was invested in Government Companies and ₹ 16.49 crore was invested in Co-operative Societies. During the current year, State Government invested only ₹ 0.50 crore in Public Sector and other Undertakings of Government Companies. No dividend was received during 2011-12. ***The average return on this investment was Nil in the last five years while the Government paid an average interest rate ranging from 2.60 per cent to 7.02 per cent on its borrowings during 2007-12.***

Debt sustainability

During the current year, the sum of quantum spread and primary deficit turned positive indicating that the debt-GSDP ratio is stable and eventually the ratio would fall. The sum of quantum spread and primary deficit at ₹ 216.27 crore during 2011-12 against ₹ (-) 725.24 crore in 2010-11 is a positive sign towards fiscal balances in the forthcoming years.

The persistent negative resource gap indicates the non-sustainability of debt while the positive resource gap strengthens the capacity of the State to sustain the debt. Negative resource gap indicates incremental non-debt receipts are not sufficient to cover the incremental interest liabilities and incremental primary expenditure. Narrowing of the resource gap from ₹ (-) 707.86 crore in 2010-11 to ₹ (+) 541.06 crore during 2011-12 indicates improving capacity of the State to sustain the debt in the medium to long run.

Fiscal Imbalances

Despite increase of ₹ 430.30 crore in total expenditure in 2011-12 over the previous year, both fiscal deficit and primary deficit were restrained as a result of improvement of revenue receipts by ₹ 969.53 crore. While fiscal deficit decreased by ₹ 541.06 crore, primary deficit had decreased by ₹ 710.63 crore over the previous year.

**FINANCIAL MANAGEMENT
AND
BUDGETARY CONTROL**

2.1 Introduction

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

Audit of appropriations by the Comptroller and Auditor General of India seeks to ascertain whether the expenditure actually incurred under various grants is within the authorization given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2011-2012 against 49 grants/appropriations (48 Grants and one Appropriation) are given in **Table-2.1**.

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

(₹ in crore)						
	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	3,121.76	506.64	3,628.40	3,389.00	(-) 239.40
	II Capital	646.95	189.66	836.61	693.31	(-) 143.30
	III Loans and Advances	34.71	1.21	35.92	34.28	(-) 1.64
	Total Voted	3,803.42	697.51	4,500.93	4,116.59	(-) 384.34
Charged	IV Revenue	305.75	1.27	307.02	308.70	1.68
	V Capital	-	-	-	-	-
	VI Public Debt Repayment	258.17	84.55	342.72	251.67	(-) 91.05
	Total Charged	563.92	85.82	649.74	560.37	(-) 89.37
Appropriation to Contingency Fund (if any)		-	-	-	-	-
Grand Total		4,367.34	783.33	5,150.67	4,676.96	(-) 473.71

The overall savings of ₹ 473.71 crore was the result of savings of ₹ 476.75 crore in 47 grants under Revenue Section, 16 grants and one appropriation under Capital Section

offset by excess of ₹ 3.04 crore in one grants and one appropriation under Revenue Section and two grant under Capital Section.

The Appropriation accounts of 2011-12 included 48 Grants and one Appropriation. Major savings occurred in Planning and Programme Implementation Department (₹ 50 crore), Finance Department (₹ 20.91 crore), School Education (₹ 17.22 crore), Home Department (₹ 15 crore), Medical and Public Health Services (₹ 14.31 crore), Local Administration (₹ 12.54 crore) and Water Supply and Sanitation (₹ 10.36 crore) under Revenue Section. There were also substantial savings occurred in Public Debt (₹ 91.05 crore), Food, Civil Supplies and Consumer Affairs (₹ 49.13 crore), Public Works Department (₹ 45.44 crore), Minor Irrigation (₹ 23.87 crore) and Urban Development and Poverty Alleviation (₹ 15.16 crore) under Capital Section (**Appendix-2.1A**).

The reasons for savings/excess were called for from the concerned Departments. However, no reply was received (February 2013).

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 ₹ 233.34 crore in 31 cases (Revenue voted) and ₹ 235.10 crore in 10 cases (Capital voted and charged), exceeded ₹ one crore in each case (**Appendix-2.1**). Also savings aggregating ₹ 364.99 crore in 12 cases (Revenue and Capital voted), exceeded ₹ 10 crore and above (**Appendix-2.1A**). Against the overall savings of ₹ 476.75 crore during 2011-12, savings of ₹ 141.05 crore (29.55 per cent) occurred in two cases relating to two grants where savings were more than ₹ 50 crore and above as indicated in **Table-2.2**.

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

(₹ in crore)						
Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
Revenue-Voted						
1.	14-Planning and Programme Implementation	80.43	1.37	81.80	31.80	50.00
Capital-Voted						
2.	Public Debt (Charged)	258.16	84.55	342.71	251.67	91.05
Total		338.59	85.92	424.51	283.47	141.05

2.3.2 Persistent Savings

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

Table-2.3: List of Grants indicating Persistent Savings during 2006-12

(₹ in crore)

Sl. No.	No. and Name of the grant	Amount of savings					
		2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
1.	14 - Planning and Programme Implementation Department.	64.56 (85)	50.77 (61)	112.39 (80)	8.85 (21)	109.03 (77.95)	50.00 (61.12)
2.	9 - Finance	5.00 (100)	3.27 (65)	4.97 (50)	200.23 (91)	32.59 (10.67)	21.06 (5.75)

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

2.3.3 Excess Expenditure

Revenue expenditure aggregating ₹ 339.27 crore in 12 cases exceeded the approved provisions (₹ 243.06 crore) by ₹ 96.21 crore and also by more than one crore in each case representing percentages ranging between 9.79 per cent and 500.25 per cent over the total provision. Also Capital expenditure of ₹ 194.27 crore in five cases exceeded the approved provisions (₹ 104.97 crore) by 89.31 crore and also by more than one crore in each case representing percentages ranging between 19.48 per cent and 13,623.68 per cent over the total provision (Appendix-2.2). In eight cases, expenditure exceeded more than 50 per cent over the approved provisions. Details are given in Table-2.4:

Table-2.4: Grants/Appropriations where expenditure exceeded more than 50 per cent over the approved provisions during 2011-12

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/ Appropriation with Major or Minor heads	Total Grant/ Appropriation	Expenditure	Excess Expenditure	Percentage
Revenue (Voted)						
1.	6	Land Revenue & Reforms 2029-103(01)-Maint. of Land Records	306.17	654.38	348.21	113.73
2.	9	Finance 2071-01-101(01) Pension	8,500.00	14,349.61	5,849.61	68.82
		20171-01-111(01) - Pension to Legislators	250.00	400.86	150.86	60.34
3.	27	District Councils 2225-80-800(08)- Rural Sanitation Prog. MADC/NLCPR	28.12	168.79	140.67	500.25
4.	30	Disaster Management & Rehabilitation 2245-05-101(01) State DRF (FC)	213.75	670.35	456.60	213.61
Total			9,298.04	16,243.99	6,945.95	74.70

Sl. No.	Grant No.	Name of the Grant/ Appropriation with Major or Minor heads	Total Grant/ Appropriation	Expenditure	Excess Expenditure	Percentage
Capital (Voted)						
1.	16	Home 4055-211(02) Police Housing (LIC)	195.08	435.78	240.70	123.39
2.	46	Urban Development & Poverty Alleviation 4217-01-051(04)-Construction (JNNURM-Plan)	353.11	1,633.10	1,279.99	362.49
3.	Public Debt	Public Debt 6003-110(01) Ways & Means Advance from RBI	38.00	5,215.00	5,177.00	13,623.68
Total			586.19	7,283.88	6,697.69	1,142.58

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 2011-12, a provision of ₹ 133.15 crore including supplementary grant for implementation of CSS, NLCPR schemes under nine departments and public debt was approved. The departments, however, could not utilise the funds as approved and resulted in savings. The details are given in **Appendix-2.3**.

2.3.5 Excess over provisions relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularized by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, but the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 409.02 crore for the years 2004-05 to 2009-10 was yet to be regularised. The year-wise amount of excess expenditure pending regularisation for grants/appropriations is summarised in **Table-2.5**.

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

(₹ in crore)				
Year	Number of grants/ appropriations	Grant/Appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2007-08	4	4, 33, 36 & 38	13.92	-
2008-09	4	8, 9, 20 & 30	30.13	-
2009-10	3	29 & 33	0.91	-
2010-11	3	17, 28 & 42	4.69	
Total	14		49.65	

2.3.6 Excess over provision during 2010-11 requiring regularisation

Table-2.6 contains the summary of total excess in three grants amounting to ₹ 0.59 crore over authorization from the Consolidated Fund of the State (CFS) during 2011-12 and requires regularisation under Article 205 of the Constitution.

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

(₹ in crore)

Sl. No.	Number and title of grant/ appropriation	Total grant/ appropriation	Expenditure	Excess
Voted Grants				
1.	27 – District Council (Revenue)	202.20	202.48	0.28
2.	16 – Home (Capital)	7.58	7.73	0.15
3.	25 – Water Supply and Sanitation (Capital)	46.00	46.16	0.16
Total (Voted)		255.78	256.37	0.59

2.3.7 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 147.98 crore obtained in 26 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 26 cases, ₹ 143.98 crore proved unnecessary in 14 cases and were more than one crore and above in each case as detailed in **Table-2.7**.

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

(₹ in lakh)

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
A. Revenue (Voted)					
1.	4 Law & Judicial	1,331.94	1,207.52	124.42	195.05
2.	8 Taxation	1,004.41	969.04	35.37	171.59
3.	9 Finance	33,867.32	31,981.44	1,885.88	205.53
4.	14 Planning and Programme Implementation	8,043.41	3,180.03	4,863.38	136.53
5.	19 Local Administration	3,788.89	3,132.10	656.79	597.15
6.	30 Disaster Management and Rehabilitation	1,567.85	874.89	692.96	215.14
7.	37 Co-Operation	1,243.35	1,156.37	86.98	105.13
8.	38 Rural Development	6,613.00	6,235.32	377.68	108.67
9.	40 Industries	4,074.77	4,006.26	68.51	323.02
10.	45 Public Works	11,926.23	11,632.22	294.01	375.72
Total for Revenue (Voted)		73,461.17	64,375.19	9,085.98	2,433.53

Sl. No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
B. Capital (Voted)					
11.	17 Food, Civil Supplies and Consumer Affairs	17,826.70	15,903.72	1,922.98	2,989.56
12.	38 Rural Development	4,635.00	4,542.25	92.75	356.97
13.	46 Urban Development and Poverty Alleviation	5,977.00	4,623.69	1,353.31	163.12
Total for Capital (Voted)		28,438.70	25,069.66	3,369.04	3,509.65
C. Capital (Charged)					
14.	<i>Public Debt</i>	<i>25,816.72</i>	<i>25,166.94</i>	<i>649.78</i>	<i>8,454.74</i>
Total for Capital (Charged)		25,816.72	25,166.94	649.78	8,454.74
Grand Total		1,27,716.59	1,14,611.79	13,104.80	14,397.92

Further, in 23 cases Supplementary Provisions aggregating ₹ 147.12 crore, ₹ 20.00 lakh and above in each case proved excessive/inadequate as detailed in **Appendix-2.5**. Out of these, there were 18 cases where supplementary provision proved excessive by more than ₹ one crore as detailed in **Table-2.8**.

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

(₹ in lakh)

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Total Provision	Expenditure	Sup. Pro. Excess(+)/ Less(-)
A. Revenue (Voted)						
1.	6 Land Revenue & Reforms	1,438.45	681.07	2,119.52	1,983.41	(+) 136.11
2.	15 General Administration Department	4,784.74	333.80	5,118.54	4,787.80	(+) 330.74
3.	16 Home	35,754.72	2,179.14	37,933.86	36,433.96	(+)1,499.90
4.	17 Food, Civil Supplies & Consumer Affairs	5,110.33	350.12	5,460.45	5,134.29	(+)326.16
5.	20 School Education	45,654.73	9,377.79	55,032.52	53,310.41	(+)1,722.11
6.	21 Higher & Technical Education	6,461.32	5,965.77	12,427.09	12,094.75	(+)332.34
7.	22 Sports & Youth Services	3,087.06	697.52	3,784.58	3,643.43	(+)141.15
8.	24 Medical & Public Health Services	18,168.98	1,944.05	20,113.03	18,681.22	(+)1,431.81
9.	25 Water Supply & Sanitation	8,692.62	2,695.79	11,388.41	10,352.24	(+)1,036.17
10.	29 Social Welfare	3,933.55	4,569.23	8,502.78	7,900.88	(+) 601.90
11.	31 Agriculture	18,044.54	3,350.76	21,395.30	20,777.10	(+) 618.20
12.	34 Animal Husbandry & Veterinary	10,835.33	520.65	11,355.98	11,149.52	(+) 206.46
13.	36 Environment & Forest	6,029.00	650.06	6,679.06	6,322.82	(+) 356.24
14.	39 Power	19,133.20	10,808.00	29,941.20	28,948.50	(+) 992.70
15.	46 Urban Development & Poverty Alleviation	3,392.16	585.50	3,977.66	3,647.27	(+) 330.39
Total for Revenue (Voted)		1,90,520.73	44,709.25	2,35,229.98	2,25,167.60	(+) 10,062.38

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Total Provision	Expenditure	Sup. Pro. Excess(+)/ Less(-)
B. Capital (Voted)						
16.	22 Sports & Youth Services	442.41	139.00	581.41	443.73	(+) 137.68
17.	39 Power	5,859.21	1,847.70	7,706.91	7,604.02	(+) 102.89
18.	45 Public Works	18,053.41	10,821.91	28,875.32	24,331.24	(+) 4,544.08
Total for Capital (Voted)		24,355.03	12,808.61	37,163.64	32,378.99	(+) 4,784.65
Grand Total		2,14,875.76	57,517.86	2,72,393.62	2,57,546.59	(+) 14,847.03

2.3.8 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient in 56 sub-heads and resulted in savings/excess of over ₹ 10 lakh and above as detailed in **Appendix-2.6**.

2.3.9 Substantial surrenders

Substantial surrenders (the cases where more than 50 per cent of total provision was surrendered) were made in respect of 31 sub-heads on account of either non-implementation or slow implementation of schemes/programmes or late receipt of sanction from Government. Out of the total provision amounting to ₹ 218.85 crore in these 31 Schemes, ₹ 196.59 crore were surrendered (**Appendix-2.7**) which included 100 per cent surrender in 13 Schemes (₹ 97.25 crore).

2.3.10 Surrenders in excess of actual savings

As against savings of ₹ 194.11 crore, an amount of ₹ 264.94 crore was surrendered resulting in excess surrender of ₹ 70.84 crore as detailed in **Appendix-2.8**. There were seven cases where the surrender in excess (₹ 69.76 crore) were more than ₹ 50 lakh as shown in **Table-2.9**.

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

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Savings	Amount surrendered	Amount surrendered in excess
(₹ in lakh)					
Revenue – Voted					
1.	9- Finance	34,072.85	2,091.41	7,473.56	5,382.15
2.	21- Higher & Tech. Education Department	12,427.09	332.34	492.15	159.81
3.	24- Medical and Public Health	20,113.03	1,431.81	1,557.92	126.11
4.	42- Transport	3,427.72	779.99	932.76	152.77
5.	46- Urban Development & Poverty Alleviation	3,977.66	330.39	499.25	168.86
Capital - (Voted)					
6.	45-Public Works	28,875.32	4,544.08	4,609.51	65.43
7.	46-Urban Development & Poverty Alleviation	6,140.12	1,516.43	2,437.42	920.99
Grand Total		1,09,033.79	11,026.45	18,002.57	6,976.12

In 28 cases, an amount of ₹ 125.23 crore were surrendered without furnishing any reason (March 2012) as detailed in **Appendix-2.9**. The amount surrendered in excess of actual savings indicated lack of budgetary control in these departments.

2.3.11 Anticipated savings not surrendered

As per extant Financial Rules, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the financial year 2011-2012, there were, however, five grants/appropriations in which savings of ₹ 638.30 crore (1.34 per cent of the total savings) occurred but no part of the available savings was surrendered by the concerned Departments as shown in **Table-2.10**.

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

(₹ in lakh)			
Sl. No.	Grant No.	Name of grant/appropriation	Saving
1.	7	Excise and Narcotics (Revenue Voted)	38.23
2.	9	Finance (Capital Voted)	14.48
3.	15	General Administration Department (Capital Voted)	202.68
4.	22	Sports and Youth Services (Capital Voted)	137.68
5.		Public Debt (Revenue Charged)	245.23
Total Revenue (Voted and Charged)			283.46
Total Capital (Voted and Charged)			354.84
Total			638.30

Similarly, out of total savings of ₹ 165.23 crore (savings of ₹ one crore and above), under five other grants/appropriations, savings amounting to ₹ 117.95 crore (71.39 per cent) were not surrendered as shown in **Table-2.11** below. Besides, out of total savings of ₹ 242.86 crore under 32 grants/appropriations, savings of ₹ 123.61 crore remained to be surrendered as shown in **Appendix-2.10**.

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

(₹ in crore)				
Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
Revenue (Voted)				
1.	19-Local Administration	12.54	10.22	2.32
2.	23-Arts & culture	2.15	0.70	1.44
3.	25-Water Supply & Sanitation	10.36	9.31	1.05
Capital (Voted)				
4.	17-Food, Civil Supplies & Consumer Affairs	49.13	1.41	47.71
Capital (Charged)				
5.	Public Debt	91.05	25.62	65.43
Total		165.23	47.26	117.95

2.3.12 Rush of Expenditure

According to Financial Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 25 Grants listed in **Appendix-2.11**, expenditure more than 25 per cent of the total expenditure for the year was incurred in March 2012. Of these, in 19 cases involving ₹ 118.73 crore, the whole amount was incurred in March, indicating there was no control over the flow of expenditure.

2.4 Reconciliation of Departmental figures

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

As per Central Treasury Rules, Abstract Contingent (AC) bills must be regularized by Detailed Countersigned Contingent (DCC) bills. An AC bill should not be encashed without a certificate to the effect that DCC bills in respect of earlier AC bills drawn more than a month before the date of that bill have been submitted to the Controlling Officer. The Controlling Officers must submit the DCC bills to the AG (A&E) within one month from the date of receipt of the DCC bills in his office.

It was noticed that against the total amount (₹ 1,217.53 crore) drawn in AC bills during the period 2000-01 to 2011-12, DCC bills for ₹ 1,135.89 crore have been received by the Accountant General (A&E) as of 31 March 2012. Thus, an amount ₹ 81.64 crore (6.71 per cent) drawn in AC bills remained outstanding as of March 2012 due to non-submission of DCC bills to that extent. The year wise details are given in **Table-2.13**.

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

Year	Amount drawn in AC bills	Amount adjusted through DCC bills	Amount outstanding as of 31 March 2011	(₹ in crore)
				Percentage of outstanding amount
2000-01 to 2003-04	164.19	156.96	7.23	4.40
2004-05	88.06	88.06	--	0.00
2005-06	86.25	86.25	--	0.00
2006-07	86.13	86.13	--	0.00
2007-08	172.06	172.05	0.01	0.01
2008-09	228.38	223.61	4.77	2.09
2009-10	167.38	166.59	0.79	0.47
2010-11	163.10	115.08	48.02	29.44
2011-12	61.98	41.16	20.82	33.59
Total	1,217.53	1,135.89	81.64	6.71

Source: Finance Accounts, 2011-12 (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 2011-12 also.

It was noticed that during the year 2011-12, out of 78 Controlling Officers, 55 Controlling Officers (70.51 *per cent*) reconciled the expenditure of ₹ 3,288.39 crore (76.26 *per cent*) against the total expenditure of ₹ 4,311.96 crore. Similarly, out of 55 Controlling Officers under Receipt Heads, eight Controlling Officers (14.55 *per cent*) reconciled receipts of ₹ 8.32 crore (0.20 *per cent*) against the total receipts of the Government amounting to ₹ 4,078.40 crore. As a result, expenditure of ₹ 1,023.57 crore and receipts of ₹ 4,070.08 crore remained un-reconciled with the Books of Accounts of the Pr. Accountant General (A&E) during the year 2011-12.

FINANCIAL REPORTING

2.5 Conclusion and Recommendations

Conclusion

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

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

During 2011-12, an expenditure of ₹ 4,676.96 crore was incurred against the total grants and appropriations of ₹ 5,150.67 crore, resulting in savings of ₹ 473.71 crore. The overall savings of ₹ 473.71 crore were the net result of savings of ₹ 476.75 crore which were offset by excess of ₹ 3.04 crore. The excess requires regularisation under Article 205 of the Constitution of India. At the close of the year 2011-12, there were five grants/appropriations in which savings of ₹ 638.30 crore (1.34 *per cent* of the total savings) occurred but no surrenders were made by the concerned departments.

Out of total provisions amounting to ₹ 218.85 crore in 31 Schemes, ₹ 196.59 crore were surrendered which included 100 *per cent* surrender in 13 Schemes amounting to ₹ 97.25 crore.

In 19 cases, as against savings of ₹ 194.11 crore, an amount of ₹ 264.94 crore was surrendered resulting in excess surrender of ₹ 70.84 crore. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh and above in 56 sub-heads.

Recommendations

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

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

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

3.1 Utilisation Certificates

General Financial Rules provides that Utilisation Certificates (UC) should be obtained by the departmental officers from the Grantees and after verification these should be forwarded to the Accountant General within 18 months from the date of their sanction unless specified otherwise in respect of grants provided for specified purposes. At the end of March 2012, out of the total amount of ₹ 2,829.71 crore drawn, an amount of ₹ 1,603.16 crore remained outstanding for want of Utilisation Certificates. Details are given in **Table-3.1**.

Table-3.1: Year-wise arrears of Utilisation Certificates

(₹ in crore)

Year	Total Amount drawn during the year	Utilisation Certificate outstanding	No. of GIA Sanction awaiting Utilisation Certificate
Upto 2003-2004	107.48	107.48	879
2004-05	138.12	138.12	948
2005-06	167.87	167.87	1,128
2006-07	245.08	245.08	1,371
2007-08	254.82	254.82	1,298
2008-09	295.10	275.09	1,108
2009-10	447.23	414.70	1,076
Total Upto 2009-10	1,655.7	1,603.16	7,808
2010-11	576.68	544.80	1,036
2011-12	597.33	597.33	1,011
Total	2,829.71	2,745.29	9,826

Source : Finance Accounts, 2011-12 (Vol.-I)

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

3.2 Submission of Accounts

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

The audit of accounts of the Mizoram Khadi Village Industries Board (MKVIB) upto 2010-11 was entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Comptroller and Auditor General's Duties, Powers and Conditions of Service Act, 1971. However, the annual accounts for the year 2010-11, due for submission by June 2011, had not been furnished (March 2012).

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

3.3 Departmental Commercial Undertakings

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

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

Table-3.2: Finalisation of Accounts and Government Investments

(₹ in crore)

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

Table-3.3: Working Results of Mizoram State Transport

(₹ in crore)

Sl. No.	Description	2009-10	2010-11	2011-12
1.	Total revenue	1.98	2.31	2.14
2.	Operating revenue	1.82	2.06	1.78
3.	Total expenditure	12.89	20.96	19.87
4.	Operating expenditure	10.85	14.12	14.62
5.	Total loss	10.91	18.65	17.73
6.	Operating loss	9.03	12.06	12.84

3.4 Conclusion and Recommendations

Conclusion

At the end of March 2012, out of the total amount of ₹ 2,829.71 crore drawn, an amount of ₹ 1,603.16 crore remained outstanding for want of Utilisation Certificates. The annual accounts of Mizoram Khadi Village Industries Board (MKVIB) for the year 2010-11, due for submission by June 2011, had not been furnished (March 2012). In the absence of the annual accounts, proper account/utilisation of the grants and loans disbursed to the above mentioned Autonomous Bodies remained unverified. Reasons for non-preparation/submission of the accounts were, however, not intimated to Audit (March 2012). In spite of repeated comments about the arrears in preparation of accounts of two Commercial Undertakings by the Comptroller and Auditor General of India in previous State reports, no improvement has been reported by the undertakings. In the absence of timely finalisation of accounts, the investment of the Government remained outside the scrutiny of the Audit/State Legislature. Consequently, corrective measures, if any, needed for ensuring accountability could not be taken in time.

Recommendations

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

Aizawl
The 30 April 2013



(L. Tochhawng)
Principal Accountant General (Audit),
Mizoram

Countersigned

New Delhi
The 02 May 2013



(Vinod Rai)
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.

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

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

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

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

(Reference: Paragraph-Profile of Mizoram, 1.7.2 and 1.10; Page-1, 27 and 37)

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

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

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

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

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

Terms	Definition
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 subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation <i>etc.</i>
Debt sustainability	The Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.
Debt Stabilisation	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
Non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

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

Sl. No.	Particulars		Figures
1.	Area		21,081 sq. km.
2.	As per 2011 Census		10.91 lakh
3.	Density of Population (2001) (All India Density = 325 persons per sq.km)		52 sq. km.
4.	Literacy (2011) (All India Average = 64.8%)		91.58 per cent
5.	Gross State Domestic Product (GSDP) 2010-11 at current prices		₹ 6,991.40 crore
6.	GSDP CAGR (2000-01 to 2009-10)		12.31 per cent
7.	Population Growth (2000-01 to 2010-11)	Mizoram	22.78 per cent
Financial Data			
Particulars		Figures (in per cent)	
CAGR		2000-01 to 2010-11	2001-02 to 2011-12
a.	of Revenue Receipts	14.74	14.29
b.	of Own Tax Revenue	27.71	9.88
c.	of Non Tax Revenue	15.42	12.62
d.	of Total Expenditure	13.83	11.27
e.	of Capital Expenditure	15.84	14.11
f.	of Revenue Expenditure on Education	12.90	11.72
g.	of Revenue Expenditure on Health	13.92	10.48
h.	of Pension	22.71	17.92

Source: Economic Survey, Mizoram 2011-12, Planning & Programme Implementation Department, Government of Mizoram

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

1.1

(₹ in crore)

Items	2008-09 (Actual)	2009-10 (Actual)	2010-11 (Actual)	2011-12 (BE)	2011-12 (RE)	2012-13 (BE)	2013-14 (Proj)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
A. Revenue Receipts:								
1.	Own Tax Revenue	94.62	107.58	130.08	173.17	180.31	190.42	218.41
2.	Own Non Tax Revenue	158.67	126.50	146.71	237.58	241.18	229.43	263.16
3.	Own Tax+ Non Tax Revenue (1+2)	253.29	234.08	276.79	410.75	421.49	419.85	481.57
4.	Share in Central Taxes& Duties	383.39	394.53	590.78	709.73	709.73	813.71	895.00
5.	Plan Grants	1,281.83	1,609.56	1,688.08	1,701.90	2,069.11	2,398.56	2,638.42
6.	Non Plan Grants	734.62	725.33	819.06	925.92	927.39	1,164.36	1,280.80
7.	Total Central Transfer (4 to 6)	2,399.84	2,729.42	3,097.92	3,337.55	3,706.23	4,376.63	4,814.22
8.	Total Revenue Receipts (3+7)	2,653.13	2,963.50	3,374.71	3,748.30	4,127.72	4,796.48	5,295.79
9.	Plan Expenditure	740.58	897.35	1,197.48	1,206.18	1,506.76	1,588.51	1,747.36
10.	Non Plan Expenditure	1,573.22	1,805.35	2,057.55	2,220.08	2,427.30	2,580.20	2,838.22
	<i>Of which</i>							
11.	Salary Expenditure	739.06	881.80	1,171.72	1,223.55	1,240.22	1,483.15	1,631.46
12.	Pension	126.05	164.26	248.75	219.01	219.01	238.72	262.59
13.	Interest Payments	225.61	254.35	105.46	271.24	271.70	241.99	266.19
14.	Subsidies – General	-	-	-	-	-	-	-
15.	Subsidies – Power	-	-	-	-	-	-	-
16.	Total Revenue Expenditure (9+10)	2,313.80	2,702.70	3,255.03	3,426.26	3,934.06	4,168.71	4,585.58
17.	Salary+ Interest Payments + Pension (11+12+13)	1,090.72	1,300.41	1,525.93	1,713.80	1,730.93	1,963.86	2,160.24
18.	<i>As per cent of Revenue Receipts (17/8)</i>	41.11	43.88	45.22	45.72	41.93	40.94	40.79
19.	Revenue Surplus(+) Deficit(-) (8-16)	339.33	260.80	119.68	322.04	193.66	627.77	710.21

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

1.1

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
B.	Consolidated Debt:							
1.	Outstanding debt and liability	3,259.82	3,163.95	3,697.24	3,975.73	3,994.48	4,362.31	4,580.43
2.	Total Outstanding guarantee (of which guarantees on accounts of budgeted borrowing and SPV borrowing)	114.25	102.99	102.75	103.25	103.25	103.25	103.25
C.	Capital Account:							
1.	Capital Outlay	441.04	572.80	615.38	496.95	686.22	888.74	977.61
2.	Disbursement of Loans and Advances	17.41	24.94	29.87	34.71	35.06	31.20	34.32
3.	Recovery of Loans and Advances	24.86	25.32	25.97	36.76	36.76	26.55	26.55
4.	Other Capital Receipts	-	-	-	-	-	-	-
5.	Transfer to Contingency Funds	-	-	-	-	-	-	-
D.	Gross Fiscal Deficit: (A8 + C3 + C4) – (A16+C1+C2+C5)	(-94.26)	(-311.62)	(-499.60)	(-172.86)	(-490.86)	(-265.62)	(-275.17)
E.	GSDP at current prices	3,809.16	5,497.93	6,057.70	6,991.40	6,991.40	8,018.96	9,200.71
	Actual/Assumed Growth Rate (per cent)	11.65	44.33	10.18	15.41	0.00	14.70	14.74
F.	Indicators as per cent of GSDP:							
1.	Own Tax Revenue (A1/E)	2.48	1.96	2.15	2.48	2.58	2.37	2.37
2.	Own Non-Tax Revenue (A2/E)	4.17	2.30	2.42	3.40	3.45	2.86	2.86
3.	Total Central Transfer (A7/E)	63.00	49.64	51.14	47.74	53.01	54.58	52.32
4.	Total Revenue Expenditure (A16/E)	60.74	49.16	53.73	49.01	56.27	51.99	49.84
5.	Revenue Surplus/Deficit (A19/E)	8.91	4.74	1.98	4.61	2.77	7.83	7.72
6.	Gross Fiscal Deficit*	2.15	5.67	8.25	2.47	7.02	3.31	2.99
7.	Outstanding debt and Liabilities (B1/E)	85.58	57.55	61.03	56.87	57.13	54.40	49.78

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

Appendix Abstract of Receipt and Disbursements for 1.2 the year 2011-12

(Reference: Paragraph-1.1; Page-2)

(₹ in crore)

Receipts			Disbursements				
2010-11		2011-12	2010-11	2011-12			
				Non-Plan	Plan	Total	
Section -A: Revenue							
2,855.37	I. Revenue receipts	3,824.90	3,256.24	I. Revenue expenditure	2,381.22	1,316.11	3,697.33
130.44	Tax Revenue	179.07	1,011.29	General Services	1,185.32	41.06	1,226.38
146.72	Non Tax Revenue	168.03	1,237.38	Social Services	667.61	687.08	1,354.69
451.66	State's Share of Union Taxes and Duties	827.38	588.68	Education, Sports, Art and Culture	346.85	351.02	697.87
724.97	Non-Plan grants	797.24	174.07	Health and Family Welfare	81.25	105.56	186.81
1,181.22	Grants for State Plan Scheme	1,439.45	152.13	Water Supply, Sanitation, Housing & Urban Development	73.17	78.46	151.63
168.59	Grants for Central and Centrally Sponsored Plan Schemes	345.39	7.20	Information and Broadcasting	5.31	2.18	7.49
51.77	Grants for Special Plan Schemes	68.34	177.20	Welfare of ST, SC and OBC	129.56	72.75	202.31
			7.30	Labour and Labour Welfare	3.57	3.03	6.60
			122.30	Social Welfare and Nutrition	18.57	74.08	92.65
			8.50	Others	9.33	0.00	9.33
			1,007.57	Economic Services	528.30	587.96	1,116.26
			501.60	Agriculture and Allied Activities	131.82	399.31	531.13
			64.52	Rural Development	12.08	30.89	42.97
			38.33	Special Areas Programmes	0.00	36.20	36.20
			7.39	Irrigation and Flood Control	3.40	5.64	9.04
			198.38	Energy	248.94	40.43	289.37
			62.00	Industry and Minerals	19.96	31.01	50.97
			77.98	Transport	81.25	19.13	100.38
			4.38	Communication	0.00	2.19	2.19
			2.72	Science, Technology and Environment	0.36	2.30	2.66
			50.27	General Economic Services	30.49	20.86	51.35
			0.00	Grants- in- aid and contributions	0.00	0.00	0.00
400.87	II. Revenue deficit carried over to Section B	0.00	0.00	II. Revenue surplus carried over to Section B			127.57
3,256.24	Total (A)	3,824.90	3,256.24	Total (A)			3,824.90

Appendix Abstract of Receipt and Disbursements for 1.2 the year 2011-12

Receipts			Disbursements				
2010-11		2011-12	2010-11		2011-12		
					Non-Plan	Plan	Total
Section – B: Others							
-316.78	III. Opening Cash balance including Permanent Advances and Cash Balance investment	-221.31	0	III. Opening Overdraft from Reserve Bank of India	0	0	0
---	IV. Miscellaneous Capital receipts	---	614.71	IV. Capital Outlay	65.73	534.54	600.27
			23.36	General Services	0.50	29.62	30.12
			125.94	Social Services	0.00	190.33	190.33
			29.95	Education, Sports, Art and Culture	0.00	65.94	65.94
			0.05	Health and Family Welfare	0.00	3.35	3.35
			95.29	Water Supply, Sanitation	0.00	120.64	120.64
			0.65	Information and Broadcasting	0.00	0.40	0.40
			0	Welfare of SC, ST and OBC	0.00	0.00	0.00
			0	Social Welfare and Nutrition	0.00	0.00	0.00
			0	Others	0.00	0.00	0.00
			465.41	Economic Services	65.23	314.59	379.82
			124.95	Agriculture and Allied Activities	65.23	17.55	82.78
			7.26	Rural Development	0.00	8.80	8.80
			31.49	Special Areas Programmes	0.00	36.62	36.62
			57.77	Irrigation & Flood Control	0.00	49.44	49.44
			72.33	Energy	0.00	76.04	76.04
			2.92	Industry and Minerals	0.00	0.00	0.00
			148.84	Transport	0.00	118.85	118.85
			19.85	General Economic Services	0.00	7.28	7.28
25.97	V. Recoveries of Loans and Advances	27.80	29.87	V. Loans and Advances disbursed			33.52
0.00	From Power Projects	---	0	For Power Projects			0.00
5.56	From Government Servants	8.81	22.72	To Government Servants			25.21
0.01	Loans for Village and Small Industries	0	1.64	Loans for Village and Small Industries			0.00
19.98	Loans for Housing	18.50	5	Loans for Housing			8.00
0.42	From Others	0.49	0.51	To Others			0.31
0.00	VI. Revenue surplus brought down	127.57	400.87	VI. Revenue deficit brought down			0.00

Appendix Abstract of Receipt and Disbursements for 1.2 the year 2011-12

Receipts			Disbursements				
2010-11		2011-12	2010-11		2011-12		
					Non-Plan	Plan	Total
537.22	VII. Public Debt Receipts	225.70	272.55	VII. Repayment of Public Debt			251.67
0.00	External debt	0	0	External debt			0.00
372.83	Internal debt other than Ways and Means Advances & Overdraft	132.09	86.11	Internal debt other than Ways & Means Advances & Overdraft			181.55
163.36	Net transaction under Ways and Means Advances including Overdraft	71.39	163.36	Net transaction under Ways and Means Advances including Overdraft			52.15
1.03	Loans and Advances from Central Government	22.22	23.08	Repayment of Loans and Advances to Central Government			17.97
0.00	VIII. Appropriation to Contingency Fund	0	0	VIII. Appropriation to Contingency Fund			0.00
0.00	IX. Amount transferred to Contingency Fund	0	0	IX. Expenditure from Contingency Fund			0.00
3,332.56	X. Public Accounts receipts	3,297.52	2,482.28	X. Public Accounts Disbursements			2,766.79
495.88	Small Savings and Provident Fund	387.37	219.97	Small Savings and Provident Fund			271.64
24.41	Reserve Funds	33.40	12.28	Reserve Funds			11.53
517.13	Suspense and Miscellaneous	603.42	252.51	Suspense and Miscellaneous			234.89
1,485.24	Remittance	1,526.77	1,521.07	Remittance			1,469.74
809.90	Deposits and Advances	746.56	476.46	Deposits and Advances			778.99
	XI. Closing overdraft from Reserve Bank of India		-221.31	XI. Cash Balance at end of 31 March 2009			-194.97
			0	Cash in Treasuries and Local Remittances			
			-106.94	Deposits with Reserve Bank			-17.15
			1.33	Departmental Cash Balance			-2.81
			-211.45	Cash Balance Investment			-292.51
			95.75	Investment of earmarked funds			117.50
3,578.97	Total (B)	3,457.28	3,578.97	Total (B)			3,457.28
6,835.21	Grand Total (A)+(B)	7,282.18	6,835.21	Grand Total (A)+(B)			7,282.18

Appendix Assets and Liabilities of the Government of Mizoram as on 31 March 2012

1.3

(Reference: Paragraph-1.9.1; Page-34)

(₹ in crore)

As on 31 March 2011	Liabilities		As on 31 March 2012
1,624.36		Internal Debt	1,589.10
	1,065.37	Market Loans bearing interest	1,070.25
	---	Market Loans not bearing interest	---
	211.29	Loans from Life Insurance Corporation of India	95.63
	0.07	Loans from General Insurance Corporation of India	0.07
	8.94	Loans from other Institutions	14.90
	93.88	Loans from NABARD	140.69
	25.06	Compensation and other Bonds	20.51
	2.85	Loans from NCDC	3.81
	27.22	Ways and Means Advances	46.45
	---	Overdrafts from Reserve Bank of India	---
	165.21	Special Securities to NSSF	172.32
	24.47	Other loans	24.47
537.71		Loans and Advances from Central Government	541.96
	---	Pre 1984-85 Loans	---
	41.06	Non-Plan Loans	41.06
	296.20	Loans for State Plan Schemes	300.45
	0.02	Loans for Central Plan Schemes	0.02
	16.77	Loans for Centrally Sponsored Plan Schemes	16.77
	15.69	Loans for Special Schemes	15.69
	167.97	Ways and Means Advances towards expenditure etc.	167.97
0.10		Contingency Fund	0.10
1,542.48		Small Savings, Provident Funds, etc.	1,658.20
790.94		Deposits	757.72
97.11		Reserve Funds	118.98
654.93		Suspense and Miscellaneous	1,028.50
789.16		Surplus on Government Account	916.74
	(-)400.87	Current year surplus	127.57
	1,190.03	Add Accumulated Surplus as on 31 March 2008	916.74
6,036.79		Total	6,611.30

Appendix **1.3** *Assets and Liabilities of the Government of Mizoram as on 31 March 2012*

As on 31 March 2011	Assets		As on 31 March 2012
5,790.35		Gross Capital Outlay on Fixed Assets	6,390.62
	19.27	Investments in shares of Companies, Corporations, etc.	19.77
	5,771.08	Other Capital Outlay	6,370.85
245.04		Loans and Advances	250.76
	1.60	Loans for Power Projects	1.6
	39.30	Other Development Loans	39.12
	164.41	Loans for Housing	153.91
	39.73	Loans to Government servants and Miscellaneous loans	56.13
1.33		Civil Advances	0.53
221.38		Remittance Balances	164.36
(-317.06)		Cash Balance	(-312.47)
	(-)106.94	Cash in Treasuries and Local Remittances	(-)17.15
	1.33	Departmental Cash Balance including Permanent Advances	(-)2.81
	(-)211.45	Cash Balance Investments	(-)292.51
95.75		Investment out of Reserve Fund	117.50
6,036.79		Total	6,611.30

Appendix Time Series Data on State Government

1.4 Finances

(Reference: Paragraphs-1.5 and 1.9.2; Pages-10 and 35)

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Part A: Receipts					
1. Revenue Receipts	2,039.74	2,653.13	2,963.51	2,855.37	3,824.90
(i) Tax Revenue	77.53	94.62	107.58	130.44	179.07
Taxes on Agricultural Income	0.00	0.00	0.00	0.00	0
Taxes on Sales, Trade, etc.	62.04	77.51	85.94	104.70	142.16
State Excise	1.69	1.87	2.10	2.39	2.31
Taxes on Vehicles	5.37	5.50	6.71	7.72	16.71
Stamps and Registration fees	0.23	0.46	0.39	0.34	0.69
Land Revenue	1.48	1.63	2.76	4.33	2.52
Taxes on Goods and Passengers	1.07	1.43	1.39	1.72	2.05
Other Taxes	5.65	6.22	8.29	9.24	12.63
(ii) Non Tax Revenue	130.30	158.67	126.51	146.72	168.03
(iii) State's share of Union taxes and duties	363.35	383.39	394.53	451.66	827.38
Grants in aid from Government of India	1,468.56	2,016.45	2,334.89	2,126.55	2,650.42
2. Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
3. Recoveries of Loans and Advances	27.53	24.86	25.31	25.97	27.80
4. Total Revenue and Non-debt capital receipts (1+2+3)	2,067.27	2,677.99	2,988.82	2,881.34	3,852.70
5. Public Debt Receipts	223.71	105.77	225.89	537.22	225.70
Internal Debt (excluding Ways and Means Advances and Overdrafts)	190.01	99.58	56.98	372.83	132.09
Net transactions under Ways and Means Advances and Overdrafts	23.98	0.00	136.74	163.36	71.39
Loans and Advances from Government of India	9.72	6.19	32.17	1.03	22.22
6. Total Receipts in the Consolidated Fund	2,290.98	2,783.76	3,214.71	3,418.56	4,078.40
7. Contingency Fund Receipts	0.00	0.00	0.00	0.00	0.00
8. Public Account Receipts	2,322.67	1,500.75	2,463.30	3,332.56	3,297.52
9. Total Receipts of the State (6+7+8)	4,613.65	4,284.51	5,678.01	6,751.12	7,375.92
Part B: Expenditure/Disbursement					
10. Revenue Expenditure	1,908.39	2,313.80	2,702.70	3,256.24	3,697.33
Plan	649.08	740.59	897.35	1,201.05	1,316.11
Non Plan	1,259.31	1,573.21	1,805.35	2,055.19	2,381.22
General Services (including interest payments)	645.66	803.75	947.67	1,011.29	1,226.38
Social Services	696.77	898.19	1,105.68	1,237.38	1,354.69
Economic Services	565.96	611.86	649.35	1,007.57	1,116.26
Grants in aid and contributions	0.00	0.00	0.00	0.00	0.00

1.4 Finances

	2007-08	2008-09	2009-10	2010-11	2011-12
11. Capital Expenditure	544.24	441.04	572.80	614.71	600.27
Plan	489.72	366.59	465.43	504.70	534.54
Non Plan	54.52	74.45	107.37	110.01	65.73
General Services	13.50	19.79	25.99	23.36	30.12
Social Services	105.94	92.94	150.21	125.94	190.33
Economic Services	424.80	328.31	396.60	465.41	379.82
12. Disbursement of Loans and Advances	6.12	17.41	24.94	29.87	33.52
13. Total (10+11+12)	2,458.75	2,772.25	3,300.44	3,900.82	4,331.12
14. Repayments of Public Debt	143.96	96.29	365.33	272.55	251.67
Internal Debt (excluding Ways and Means Advances and Overdrafts)	83.61	78.05	209.73	86.11	181.55
Net transactions under Ways and Means Advances and overdraft	43.57	0.00	136.74	163.36	52.15
Loans and Advances from Government of India	16.78	18.24	18.86	23.08	17.97
15. Appropriation to Contingency Fund	0.00	0.00	0.00	0.00	0.00
16. Total disbursement out of Consolidated Fund (13+14+15)	2,602.71	2,868.54	3,665.77	4,173.37	4,582.79
17. Contingency Fund disbursements	0.00	0.00	0.00	0.00	0.00
18. Public Account disbursements	1,780.10	1,480.05	2,504.70	2,482.29	2,766.79
19. Total disbursement by the State (16+17+18)	4,382.81	4,348.59	6,170.47	6,655.66	7,349.58
Part C: Deficits					
20. Revenue Deficit (-) / Revenue Surplus (+) (1-10)	131.35	339.33	260.81	-400.87	127.57
21. Fiscal Deficit (-)/ Fiscal Surplus (+) (4-13)	-391.48	-94.26	-311.62	-1,019.48	-478.42
22. Primary Deficit (21-23)	-183.47	131.35	-57.27	-913.90	-203.27
Part D: Other data					
23. Interest Payments (included in revenue expenditure)	208.01	225.61	254.35	105.58	275.15
24. Financial Assistance to local bodies etc.	148.00	139.75	447.23	650.17	221.29
25. Ways and Means Advances/ Overdraft availed (days)	3.00	0.00	19.00	21.00	11.00
Ordinary Ways and Means Advances availed (days)	0	0	0	10.00	0
Special Ways and Means Advances availed (days)	0	0	0	11.00	11
Overdraft availed (days)	0	0	0	0	0
26. Interest on Ways and Means Advances/Overdraft	2.04	0.00	8.63	0.00	0.00
27. Gross State Domestic Product (GSDP)	3,802.42	4,647.55	5,619.41	6,057.70	6,991.40
28. Outstanding Fiscal liabilities (year-end)	3,378.04	3,614.06	3,627.69	4,496.86	4,548.45

1.4 Finances

	2007-08	2008-09	2009-10	2010-11	2011-12
29. Outstanding guarantees (year-end) (including interest)	131.97	134.03	102.75	102.72	232.18
30. Maximum amount guaranteed (year-end)	231.95	305.13	189.03	189.02	243.34
31. Number of incomplete projects	0.00	13.00	48.00	36.00	47.00
32. Capital blocked in incomplete projects	0.00	930.94	306.23	504.42	128.13
Part E: Fiscal Health Indicators					
I - Resource Mobilisation					
Own Tax revenue/GSDP	2.04	2.04	1.91	2.15	2.56
Own Non Tax Revenue/GSDP	3.43	3.41	2.25	2.42	2.40
Central Transfers/GSDP	9.56	8.25	7.02	7.46	11.83
II - Expenditure Management					
Total Expenditure/GSDP	64.66	59.65	58.73	64.39	61.95
Total Expenditure/Revenue Receipts	120.54	104.49	111.37	136.61	113.23
Revenue Expenditure/Total Expenditure	77.62	83.46	81.89	83.48	85.37
Expenditure on Social Services/Total Expenditure	32.65	35.75	38.05	34.95	35.67
Expenditure on Economic Services/Total Expenditure	40.30	33.91	31.69	37.76	34.54
Capital Expenditure/Total Expenditure	22.13	15.91	17.36	15.76	13.86
Capital Expenditure on Social and Economic Services/Total Expenditure.	21.59	15.20	16.57	15.16	13.16
III - Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	3.45	7.30	4.64	-6.62	1.82
Fiscal deficit/GSDP	-10.30	-2.03	-5.55	-16.83	-6.84
Primary Deficit (surplus)/GSDP	-4.83	2.83	-1.02	-15.09	-2.91
Revenue Deficit/Fiscal Deficit	-33.55	-359.99	-83.69	39.32	-26.66
Primary Revenue Balance/GSDP	9.65	12.69	9.62	-4.45	6.16
IV - Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	88.84	77.76	64.56	74.23	65.06
Fiscal Liabilities/RR	165.61	136.22	122.41	157.49	118.92
Primary deficit <i>vis-à-vis</i> quantum spread	-61.42	**	-11.31	-484.42	-48.45
Debt Redemption (Principal +Interest)/ Total Debt Receipts	90.67	98.68	121.53	58.65	226.60
V - Other Fiscal Health Indicators					
Return on Investment	0	0	0	0	0
Balance from Current Revenue (Rupees in crore)	4.45	-187.69	-434.90	-584.39	-387.75
Financial Assets/Liabilities	1.14	1.22	1.29	1.15	1.16

* There was revenue surplus

** There was primary surplus

Appendix Funds transferred directly to State

1.5 Implementing Agencies

(Reference: Paragraphs-1.4.2; Pages-10)

(₹ in crore)

Sl. No.	GoI Scheme	Implementing Agency	GoI released fund
			2011-12
1.	National Rural Employment Guarantee Scheme (NREGS)	Rural Development (RD)	311.95
2.	Indira Awaas Yojana (IAY)	Rural Development (RD)	3.06
3.	HMNEH	Department of Horticulture	40.00
4.	National Rural Health Mission (NRHM)	Mizoram State Health Society	33.95
5.	National Rural Drinking Water Programme	State Water & Sanitary Mission	37.14
6.	District Rural Development Agency (Admn)	District Rural Development Agency	7.56
7.	State Institute of Rural Development (SIRD)	State Institute of Rural Development (SIRD)	2.22
8.	Integrated Wasteland Development Project (IWDP)	District Rural Development Agency	3.05
9.	Integrated Watershed Management Programme (IWMP)	Mizoram Watershed Development Agency	5.83
10.	Sarva Shiksha Abhiyan	State Project Office	108.14
11.	Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	State Project Office	26.24
12.	Strengthening /Activation of Aerosport	Mizoram Tourist Development Authority	3.75
13.	Rural Tourism, Thenzawl	Mizoram Tourist Development Authority	0.40
14.	Tourist Lodge, Khawzawl	Mizoram Tourist Development Authority	2.70
15.	Tourist Destination, Demagiri	Mizoram Tourist Development Authority	3.88
16.	Training Sponsored Programme	A.T.I	44.06
17.	English Language Teaching Institute (ELTI)	SCERT	23.42
18.	Swaranjayanti Gram Swarozgar Yojana (SGSY)	District Rural Development Agency	11.08
Total			668.43

Source: Information from Finance Accounts – 2011-12

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

1.6

(Reference: Paragraph-1.7.2; Page-30)

(₹ in crore)

Social/Economic Infrastructure	2010-11					2011-12				
	CE	TE				CE	TE			
		CE	RE	L&A	Total		CE	RE	L&A	Total
Social Services (SS)										
Education, Sports, Art and Culture	29.95	29.95	588.68	0.00	618.63	65.94	65.94	697.87	0.00	763.81
Health and Family Welfare	0.05	0.05	174.07	0.00	174.12	3.35	3.35	186.81	0.00	190.16
WS, Sanitation & HUD	95.29	95.29	152.13	5.00	252.42	120.64	120.64	151.63	8.00	280.27
Other Social Services	0.65	0.65	322.50	0.00	323.15	0.40	0.40	318.38	0.00	318.78
Total (SS)	125.94	125.94	1,237.38	5.00	1,368.32	190.33	190.33	1,354.69	8.00	1,553.02
Economic Services (ES)										
Agri. & Allied Activities	124.95	124.95	501.60	0.00	626.55	82.78	82.78	531.13	0.47	614.38
Irrigation and Flood Control	57.77	57.77	7.39	0.00	65.16	49.44	49.44	9.04	0.00	58.48
Power & Energy	72.33	72.33	198.38	0.00	270.71	76.04	76.04	289.37	0.00	365.41
Transport	148.84	148.84	77.98	0.00	226.82	118.85	118.85	100.38	0.00	219.23
Other Economic Services	61.52	61.52	222.22	2.15	285.89	52.71	52.71	186.34	0.02	239.07
Total (ES)	465.41	465.41	1,007.57	2.15	1,475.13	379.82	379.82	1,116.26	0.49	1,496.57
Total (SS+ES)	591.35	591.35	2,244.95	7.15	2,843.45	570.15	570.15	2,470.95	8.49	3,049.59

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

Source : Statement 12, 13 and 16

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

1.6

(Reference: Paragraph-1.7.2; Page-30)

(₹ in crore)

	2010-11			2011-12		
	Salary	Non-Salary	Total	Salary	Non-Salary	Total
Social Services (SS)						
Education, Sports, Art and Culture	443.33	145.35	588.68	484.88	212.99	697.87
Health and Family Welfare	125.00	49.07	174.07	128.13	58.68	186.81
WS, Sanitation & HUD	31.14	120.99	152.13	29.91	121.72	151.63
Other Social Services	9.75	312.75	322.50	43.98	274.40	318.38
Total (SS)	609.22	628.16	1,237.38	686.90	667.79	1,354.69
Economic Services (ES)						
Agri. & Allied Activities	118.88	382.72	501.60	120.80	410.33	531.13
Irrigation and Flood Control	5.34	2.05	7.39	5.16	3.88	9.04
Power & Energy	57.91	140.47	198.38	54.59	234.78	289.37
Transport	16.10	61.88	77.98	15.44	84.94	100.38
Other Economic Services	180.10	42.12	222.22	113.04	73.30	186.34
Total (ES)	378.33	629.24	1,007.57	309.03	807.23	1,116.26
Total (SS+ES)	987.55	1,257.40	2,244.95	995.93	1,475.02	2,470.95

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

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

(Reference: Paragraph-2.3.1; Page-48)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
Revenue (Voted)					
1.	4	Law and Judicial	15.27	3.19	20.89
2.	6	Land Revenue and Reforms	21.20	1.36	6.42
3.	8	Taxation	11.76	2.07	17.60
4.	9	Finance	340.73	20.91	6.14
5.	11	Secretariat Administration	61.95	3.64	5.88
6.	14	Planning and Programme Implementation	81.80	50.00	61.12
7.	15	General Administration Department	51.19	3.31	6.47
8.	16	Home	379.34	15.00	3.95
9.	17	Food, Civil Supplies and Consumer Affairs	54.60	3.26	5.97
10.	19	Local Administration Department	43.86	12.54	28.59
11.	20	School Education	550.33	17.22	3.13
12.	21	Higher and Technical Education	124.27	3.32	2.67
13.	22	Sports and Youth Services	37.85	1.41	3.73
14.	23	Art and Culture	9.53	2.15	22.56
15.	24	Medical and Public Health Services	201.13	14.32	7.12
16.	25	Water Supply and Sanitation	113.88	10.36	9.10
17.	29	Social Welfare	85.03	6.02	7.08
18.	30	Disaster Management and Rehabilitation	17.83	9.08	50.93
19.	31	Agriculture	213.95	6.18	2.89
20.	32	Horticulture	34.76	1.09	3.14
21.	34	Animal Husbandry and Veterinary	113.56	2.06	1.81
22.	36	Environment and Forests	66.79	3.56	5.33
23.	37	Co-operation	13.48	1.92	14.24
24.	38	Rural Development	67.22	4.86	7.23
25.	39	Power	299.41	9.93	3.32
26.	40	Industries	43.98	3.92	8.91
27.	42	Transport	34.28	7.80	22.75
28.	45	Public Works	123.02	6.70	5.45
29.	46	Urban Development and Poverty Alleviation	39.78	3.30	8.30
30.	47	Minor Irrigation	10.23	1.20	11.73
31.	48	Information & Communication Technology	3.85	1.66	43.12
Total			3,265.86	233.34	7.14

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

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
Capital (Voted)					
1.	15	General Administration Department	2.03	2.03	100.00
2.	17	Food, Civil Supplies and Consumer Affairs	208.16	49.13	23.60
3.	22	Sports & Youth Services	5.81	1.38	23.75
4.	37	Co-operation	2.07	1.51	72.95
5.	38	Rural Development	49.92	4.50	9.01
6.	39	Power	77.07	1.03	1.34
7.	45	Public Works	288.75	45.44	15.74
8.	46	Urban Development and Poverty Alleviation	61.40	15.16	24.69
9.	47	Minor Irrigation	72.15	23.87	33.08
10.		<i>Public Debt (Charged)</i>	<i>342.71</i>	<i>91.05</i>	<i>26.57</i>
Total			1,110.07	235.10	21.18
Grand Total			4,375.93	468.44	10.70

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

(Reference: Paragraph-2.2 and 2.3.1; Page-48)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
Revenue (Voted)					
1.	9	Finance	340.73	20.91	6.14
2.	14	Planning and Programme Implementation	81.80	50.00	61.12
3.	16	Home	379.34	15.00	3.95
4.	19	Local Administration	43.86	12.54	28.59
5.	20	School Education	550.33	17.22	3.13
6.	24	Medical and Public Health Services	201.13	14.31	7.11
7.	25	Water Supply and Sanitation	113.88	10.36	9.10
Total			1,711.07	140.34	8.20
Capital (Voted)					
1.	17	Food, Civil Supplies and Consumer Affairs	208.16	49.13	23.60
2.	45	Public Works	288.75	45.44	15.74
3.	46	Urban Development and Poverty Alleviation	61.40	15.16	24.69
4.	47	Minor Irrigation	72.15	23.87	33.08
5.		<i>Public Debt (Charged)</i>	<i>342.71</i>	<i>91.05</i>	<i>26.57</i>
Total			973.17	224.65	23.08
Grand Total			2,684.24	364.99	13.60

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-49)

(₹ 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 & Reforms 2029-103(01)-Maint. of Land Records	306.17	654.38	348.21	113.73
2.	9	Finance 2071-01-101(01) Pension	8,500.00	14,349.61	5,849.61	68.82
		2071-01-104(01) Pension/Gratuities	4,350.00	5,284.71	934.71	21.49
		2071-01-105(01) Family Pension	3,750.00	4,330.45	580.46	15.48
		2071-102(01) Commuted Value of Pension	2,000.00	2,367.99	367.99	18.40
		2071-01-115(01)-Leave Encashment	2,600.00	2,901.22	301.22	11.59
		20171-01-111(01)- Pension to Legislators	250.00	400.86	150.86	60.34
3.	24	Medical & Public Health 2210-03-102(01) Sub. Health Centre	1,319.57	1,448.72	129.15	9.79
4.	27	District Councils 2225-80-800(08)-Rural Sanitation Prog. MADC/NLCPR	28.12	168.79	140.67	500.25
5.	30	Disaster Management & Rehabilitation 2245-05-101(01) State DRF(FC)	213.75	670.35	456.60	213.61
6.	46	Urban Development & Poverty Alleviation 2217-01-001(01)-Direction	521.72	765.95	244.23	46.81
		2217-05-001(01) Direction (Rajiv Awas Yojana-(CSS))	467.07	584.28	117.21	25.09
Total			24,306.40	33,927.31	9,620.92	39.58
Capital (Voted)						
1.	16	Home 4055-211(02) Police Housing (LIC)	195.08	435.78	240.70	123.39
2.	45	Public Works 4059-80-051(14) - Constn. Under SPA for Priority Project	944.44	1,128.44	184.00	19.48
3.	46	Urban Development & Poverty Alleviation 4217-01-051(04)-Construction(JNNURM-Plan)	353.11	1,633.10	1,279.99	362.49
4.	Public Debt	Public Debt 2049-01-101(09)- Interest on Market Borrowings	8,965.00	11,014.63	2,049.63	22.86
		6003-110(01) Ways & Means Advance from RBI	38.00	5,215.00	5,177.00	13,623.68
Total			10,495.63	19,426.95	8,931.32	85.10
Grand Total			34,802.03	53,354.26	18,552.24	53.31

Appendix 2.3 Statement showing unutilised provision of fund during 2011-12

(Reference paragraph: 2.3.4; Page-50)

(₹ 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.	9 - Finance	2052-090-04 Finance Dept.	2,500.00	---	2,500.00	(-)2,500.00	Reasons for non-utilisation not stated
		2020-502-01 Banking cash transaction tax	50.00	---	50.00	(-)50.00	-do-
2.	15 - GAD	2053-093-01 DC Aizawl	50.00	---	50.00	(-)50.00	-do-
		2053-093-02 DC Lunglei	50.00	---	50.00	(-)50.00	-do-
		2053-093-03 DC Saiha	50.00	---	50.00	(-)50.00	-do-
		2053-093-04 DC Champhai	50.00	---	50.00	(-)50.00	-do-
		2053-093-05 DC Mamit	50.00	---	50.00	(-)50.00	-do-
		2053-093-06 DC Kolasib	50.00	---	50.00	(-)50.00	-do-
		2053-093-08 DC Lawngtlai	50.00	---	50.00	(-)50.00	-do-
		2225-80-800-19 Local Body Grants to SHDC (FC)	20.00	---	20.00	(-) 20.00	-do-
3.	16 - Home	5053-60-101-03 Upgradation of Lengpui Airport (NLCPR)	202.68	---	202.68	(-)202.68	-do-
		4055-211-03-Police Housing (FC)	220.60 (-)75.00	---	145.60	(-)145.60	-do-
4.	22 - Sports & Youth Services	4202-03-102-06 Const. of Stadium at Keitum/NLCPR	---	69.50	69.50	(-)69.50	-do-
		4202-03-102-07 Const. of Stadium at Bungtlang/NLCPR	---	69.50	69.50	(-)69.50	-do-
5.	24 - Medical & Public Health Services	2210-02-102-01 Homeopathy - ISM (CSS)	25.00 (-) 18.18	---	6.82	(-) 6.82	-do-
		4210-02-103-01 Primary Health Centre	11.88	---	11.88	(-) 11.88	-do-
6.	30 - Disaster Management & Rehabilitation	2245-80-103-04 NDRF	456.60	---	456.60	(-)456.60	-do-

Appendix *Statement showing unutilised provision of*
2.3 *fund during 2011-12*

Sl. No	Grant Number and Name	Head of Account/ Description	Budget Provision			Savings due to non-utilisation	Reasons/ Remarks
			Original	Supplementary	Total Provision		
7.	38 - Rural Development	4515-102-05 Const. of Community Hall (NLCPR)	---	43.00	43.00	(-)43.00	-do-
8.	45 – Public Works	2059-80-799-01 Purchase of Stock Materials	25.00	---	25.00	(-)25.00	-do-
		4059-80-051-10 Contn. Of Assembly Annexed Connecting Bridge (CSS)	174.00	---	174.00	(-)174.00	-do-
		4202-01-203-09 Contn. of Govt. Lawngtlai College (NLCPR)	---	54.43	54.43	(-)54.43	-do-
9.	46 – Urban Development & Poverty Alleviation	4217-01-051-02 NERUDP (EAP)	359.00	---	359.00	(-) 359.00	-do-
10.	Public Debt	2048-200-01 Guarantees Redemption Fund Schemes	100.00	---	100.00	(-) 100.00	-do-
		6003-101-99 Repayment of Market Loans(SAL-EAP)	6,061.50 (-)2,561.58	----	3,499.92	(-)3,499.92	-do-
		6003-110-02 Special Ways & Means Advances	1.00	5,176.00	5,177.00	(-) 5,177.00	-do-
Total			7,902.50	5,412.43	13,314.93	(-) 13,314.93	

Appendix Unnecessary supplementary provision

2.4 (₹ 10 lakh and above)

(Reference: Paragraph-2.3.7; Page-51)

(₹ in lakh)

Sl. No.	Number and Name of the Granta	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
A. Revenue (Voted)					
1.	4 Law & Judicial	1,331.94	1,207.52	124.42	195.05
2.	5 Vigilance	412.55	371.97	40.58	45.65
3.	7 Excise and Narcotics	1,721.67	1,701.44	20.23	18.00
4.	8 Taxation	1,004.41	969.04	35.37	171.59
5.	9 Finance	33,867.32	31,981.44	1,885.88	205.53
6.	11 Secretariat Administration	6,172.15	5,830.50	341.65	22.83
7.	13 Personnel and Administrative Reforms	207.90	205.17	2.73	28.80
8.	14 Planning and Programme Implementation	8,043.41	3,180.03	4,863.38	136.53
9.	18 Printing and Stationery	1,377.70	1,341.79	35.91	26.27
10.	19 Local Administration	3,788.89	3,132.10	656.79	597.15
11.	23 Art and Culture	919.00	738.62	180.38	34.12
12.	28 Labour and Employment	670.02	660.17	9.85	49.49
13.	30 Disaster Management and Rehabilitation	1,567.85	874.89	692.96	215.14
14.	32 Horticulture	3,445.64	3,366.66	78.98	30.00
15.	33 Soil and Water Conservation	3,964.59	3,886.45	78.14	16.87
16.	37 Co-Operation	1,243.35	1,156.37	86.98	105.13
17.	38 Rural Development	6,613.00	6,235.32	377.68	108.67
18.	40 Industries	4,074.77	4,006.26	68.51	323.02
19.	41 Sericulture	1,112.90	1,090.70	22.2	30.00
20.	44 Trade and Commerce	406.00	402.34	3.66	25.97
21.	45 Public Works	11,926.23	11,632.22	294.01	375.72
22.	47 Minor Irrigation	986.73	906.64	80.09	36.30
Total for Revenue (Voted)		94,858.02	84,877.64	9,980.38	2,797.83

2.4 (₹ 10 lakh and above)

Sl. No.	Number and Name of the Granta	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
B. Capital (Voted)					
22.	17 Food, Civil Supplies and Consumer Affairs	17,826.70	15,903.72	1,922.98	2,989.56
23.	37 Co-Operation	171.00	56.37	114.63	36.00
24.	38 Rural Development	4,635.00	4,542.25	92.75	356.97
25.	46 Urban Development and Poverty Alleviation	5,977.00	4,623.69	1,353.31	163.12
Total for Capital (Voted)		28,609.70	25,126.03	3,483.67	3,545.65
C. Capital (Charged)					
26.	<i>Public Debt</i>	25,816.72	25,166.94	649.78	8,454.74
Total for Capital (Charged)		25,816.72	25,166.94	649.78	8,454.74
Grand Total (A+B+C)		1,49,284.44	1,35,170.61	14,113.83	14,798.22

Appendix Excessive/Inadequate supplementary provision ₹ 20 lakh and above

2.5

(Reference: Paragraph-2.3.7; Page-52)

(₹ 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.	3 Council of Ministers	464.10	187.83	651.93	569.41	(+) 82.52
2.	6 Land Revenue & Reforms	1,438.45	681.07	2,119.52	1,983.41	(+) 136.11
3.	15 General Administration Department	4,784.74	333.80	5,118.54	4,787.80	(+) 330.74
4.	16 Home	35,754.72	2,179.14	37,933.86	36,433.96	(+)1,499.90
5.	17 Food, Civil Supplies & Consumer Affairs	5,110.33	350.12	5,460.45	5,134.29	(+)326.16
6.	20 School Education	45,654.73	9,377.79	55,032.52	53,310.41	(+)1,722.11
7.	21 Higher & Technical Education	6,461.32	5,965.77	12,427.09	12,094.75	(+)332.34
8.	22 Sports & Youth Services	3,087.06	697.52	3,784.58	3,643.43	(+)141.15
9.	24 Medical & Public Health Services	18,168.98	1,944.05	20,113.03	18,681.22	(+)1,431.81
10.	25 Water Supply & Sanitation	8,692.62	2,695.79	11,388.41	10,352.24	(+)1,036.17
11.	26 Information & Public Relation	745.00	37.32	782.32	748.47	(+)33.85
12.	27 District Councils	18,053.27	2,166.86	20,220.13	20,247.65	(-) 27.52
13.	29 Social Welfare	3,933.55	4,569.23	8,502.78	7,900.88	(+) 601.90
14.	31 Agriculture	18,044.54	3,350.76	21,395.30	20,777.10	(+) 618.20
15.	34 Animal Husbandry & Veterinary	10,835.33	520.65	11,355.98	11,149.52	(+) 206.46
16.	36 Environment & Forest	6,029.00	650.06	6,679.06	6,322.82	(+) 356.24
17.	39 Power	19,133.20	10,808.00	29,941.20	28,948.50	(+) 992.70
18.	43 Tourism	532.11	46.19	578.30	556.57	(+) 21.73
19.	46 Urban Development & Poverty Alleviation	3,392.16	585.50	3,977.66	3,647.27	(+) 330.39
Total for Revenue (Voted)		2,10,315.21	47,147.45	2,57,462.66	2,47,289.70	10,172.96

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

Sl. No.	Number and Name of the Grant	Original Provision	Supplementary Provision	Total Provision	Expenditure	Sup. Pro. Excess(+)/ Less(-)
B. Revenue (Charged)						
20.	Public Debt	29,398.65	46.65	29,445.30	29,690.53	(-) 245.23
Total for Revenue (Charged)		29,398.65	46.65	29,445.30	29,690.53	(-) 245.23
C. Capital (Voted)						
21.	22 Sports & Youth Services	442.41	139.00	581.41	443.73	(+) 137.68
22.	39 Power	5,859.21	1,847.70	7,706.91	7,604.02	(+) 102.89
23.	45 Public Works	18,053.41	10,821.91	28,875.32	24,331.24	(+) 4,544.08
Total for Capital (Voted)		24,355.03	12,808.61	37,163.64	32,378.99	4,784.65
Grand Total		2,64,068.89	60,002.71	3,24,071.60	3,09,359.22	14,712.38

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

(Reference: Paragraph-2.3.8; Page-53)

(₹ in lakh)

Sl. No.	Grant No.	Description	Major Head	Re-appropriation	Final Excess(+)/ Saving (-)
1.	3	Council Of Ministers (101)(01) Salary Of Ministers	2013	(-)14.62	(+)20.81
2.	6.	Land revenue & reforms 001(01) Direction (CSS)	2029	(-)45.93	(-)193.93
		102(01) Survey & Settlement Operations		(+)2.30	(-)98.91
		001(01) Direction	(-)10.03	(-)27.79	
		001(02) Admin.	(+)5.44	(-)19.91	
		103(01) Maint. of Land records	(-)25.09	(+)348.21	
		101(01) Regulation of Land Holding (CSS)	2506	(-)39.20	(-)26.27
		001(01) Direction		(+)2.63	(-)18.72
		101(01) Regulation of Land Holding	(-)5.02	(+)25.58	
3.	9	Finance 095(02) District treasury	2054	(-)82.72	(+)15.61
4.	11	Secretariat Administration 090(01) Sectt. Admin. Deptt.	2052	(-)292.23	(+)57.41
		090(01) Sectt. Admin. Deptt.	3451	(+)100.50	(-)42.11
		090 (01) Sectt. Admin. Deptt.	2251	(-) 123.39	(-) 13.93
5.	15	General Administration Deptt. 094(02)-GC Aizawl	2053	(-)45.80	(-)29.48
		094(04)-GC Lunglei		(-)10.30	(-)25.55
		093(01)-DC Aizawl		(+)0.62	(+)86.50
		093(08)-DC Lawngtlai		(+)13.69	(+)52.46
		093(02)-DC Lunglei		(-)1.15	(+)66.21
		093(06)-DC Kolasib		(-)1.50	(+)53.65
		093(04)-DC Champhai		(-)2.79	(+)49.69
		093(03)-DC Saiha		(-)29.64	(+)63.04
		093(05)-DC Mamit		(-)16.97	(+)46.18
		115(09)- Circuit & Guest House Guwahati		2070	(+)3.15
6.	16	60-101-01- Communication	3053	(-) 20.14	(-) 14.14
		Home 211-02-Building for Police Housing (LIC)	4055	(-)4.92	(+)240.70
		211-03-Building for Police Housing/ FC		(-) 75.00	(-) 145.60
7.	17	Food, Civil Supplies and Consumer Affairs 01(800)(01)-Transport Commissionerate	2408	(-)84.27	(-)48.70
		01-102-01-Subsidies		(-)0.02	(-)25.36
		01-001-02-Administration	(-)55.02	(+)68.07	
		001-02-Administration	3456	(-) 48.55	(-) 10.13
		01-101-01-Procurement and Supply	4408	(-)141.22	(-)4,771.22

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

Sl. No.	Grant No.	Description	Major Head	Re-appropriation	Final Excess(+)/ Saving (-)	
8.	19	Local Administration Department 05-001-01-Direction	2217	(-)3.90	(-)232.11	
9.	24	Medical and Public Health Services 03-102-01-Subsidiary Health Centre	2210	(-) 432.53	(+) 129.15	
10.	25	Water Supply and Sanitation 01-001-02-Administration	2215	(-)723.84	(-)70.41	
		01-001-01-Direction(CE)		(-)167.62	(-)28.18	
		01-001-01-Direction(SE)		(-)50.72	(-)18.15	
11.	29	Social Welfare 02-101-05 – Persons with Disability Act 1995	2235	(-) 0.80	(+) 29.99	
12.	30	Disaster Management and Rehabilitation 05-101-01-State Disaster Response Fund	2245	(-)808.00	(+)456.60	
13.	36	Environment and Forest 01-001-02-Administration	2406	(-)207.97	(-)19.43	
14.	38	Rural Development 001-03-Block Level Administration	2515	(-)165.29	(-)41.04	
		01-001-02 – Administration of RD programme	2501	(-) 4.76	(-) 10.96	
15.	40	Industries 102-03-District Industries Centre	2851	(-)78.91	(-)57.03	
16.	42	Transport 001-02-Administration	3055	(-)342.66	(+)36.79	
		001-01-Direction		(-)221.54	(+)69.81	
		001-02 – Administration		2041	(-) 25.97	(+) 37.29
17.	45	Public Works 80-001-02-Administration	3054	(-)233.14	(-)45.83	
		80-001-01-Direction		(-)111.57	(-)98.22	
		04-800-01-Constn. & repair of Roads, Dist. & Rural Area		(+)49.88	(+)55.83	
		80-004-01-Design Cell		2059	(-) 27.76	(+) 11.41
		80-105-01-Mechanical Division		(-) 50.77	(+) 34.70	
18.	46	Urban Development & Poverty Alleviation 05-001-01-SJSRY(CSS)	2217	(-)5.17	(-)131.17	
		01-051-01-NERUDP/EAP		(-)2.28	(-)29.76	
		01-001-01-Direction		(-)24.25	(+)244.23	
		03-001-01- Direction (TCP)		(-) 0.59	(-) 10.59	
		01-051-04-Construction(JNNURM)		4217	(+)18.11	(+)1,279.99
19.	<i>Public Debt</i>	Public Debt 101-99-Repayment of Market Loans (SAL-EAP)	6003	(-) 2,561.58	(-) 3,499.92	

Appendix 2.7 Results of review of substantial surrenders (more than 50 per cent of total provision) made during the year 2011-12

(Reference: Paragraph-2.3.9; Page-53)

(₹ in lakh)

Sl. No.	Grant No.	Number and details of Grant/ Scheme	Total Provision	Amount of Surrender	Percentage of Surrender	Reasons/ Remarks
1.	4	Law & Judicial 2014-114(06) Morning & Evening courts (FC)	125.00	125.00	100.00	Non setting up of morning/evening courts
		2014-114-11 Court Managers (FC)	17.59	17.59	100.00	Non-recruitment of Court Manager post
2.	5	Vigilance (Rev-Voted) 2070-104(01) Direction	100.00	79.75	79.75	Not Stated
3.	8	Taxation (Rev-Voted) 2040-001-01 Direction (CSS)	195.03	136.69	70.09	Not stated
4.	9	Finance (Rev-Voted) 2071-01-200-02 VRS for School Teachers	5,388.00	5,388.00	100.00	Not Stated
		2052-092-99 Capacity Development for FMU/ FMC (SAL/TA-EAP)	1,949.00	1,754.44	90.02	Not Stated
		2054-800-04 Data base for Govt. Employees and Pension (FC)	239.32	227.88	95.22	Not Stated
5.	11	Secretariat Administration (Rev-Voted) 2250-800-01 NRC for postal services	50.00	50.00	100.00	Non-receipt of NRC bills
6.	14	Planning & Programme Implementation. 3451-101-02 Evaluation and Monitoring	4,784.54	4,651.98	97.23	Re-provision of fund
		3454-01-001-(02) Administration (FC)	120.00	120.00	100.00	Not Stated
		3454-01-001-(01) Direction (FC)	40.00	40.00	100.00	Not Stated
		3451-102-01 Planning Machinery	35.80	25.51	71.26	Transfer of fund
7.	15	General Administration (Rev-Voted) 2053-094-01 Sub-Division Estt., Aizawl	40.55	22.97	56.65	Due to over estimation
8.	17	Food, Civil Supplies and Consumer Affairs 3475-106-01 Regulation of Weight and Measures (CSS)	125.10	75.00	60.00	Due to non-finalisation of work
9.	24	Medical and Public Health Services 4210-80-800-01 Const. of Directorate Bldg.	100.00	85.03	85.03	Instruction from Planning Deptt.
10.	29	Social Welfare (Rev-Voted) 2235-02-800-01 Scheme under Article 275(1) (ACA)	951.66	519.47	54.59	Not stated

Appendix **2.7** *Results of review of substantial surrenders (more than 50 per cent of total provision) made during the year 2011-12*

Sl. No.	Grant No.	Number and details of Grant/ Scheme	Total Provision	Amount of Surrender	Percentage of Surrender	Reasons/ Remarks
11.	30	Disaster Management and Rehabilitation 2245-05-101-01 State DRF (FC)	1,021.75	808.00	79.08	Non-release of fund
		2245-05-101-03 Capacity building Fund (FC)	100.00	100.00	100.00	Late receipt of Govt. order
12.	37	Co-Operation (Rev-Voted) 2425-108-09 Consumer Co-Operative Societies/ NCDC	45.00	34.12	75.82	Release of first installment only
		6425-108-01-Consumer Co-Operative Societies	171.00	139.66	81.67	Due to release of first installment only
13.	38	Rural Development 2515-800-02 Incentive to IUD Registration (FC)	24.00	24.00	100.00	Not Stated
		4515-800-01 Assistance to Rural Housing	400.00	300.00	75.00	Instruction from Planning Department
14.	42	Transport 3055-800-01 Railway Out Agency	109.48	78.01	71.26	Not Stated
15.	45	Public Works (Capital-Voted) 5054-04-337-01 Construction of Roads under EAP	3,250.00	3,250.00	100.00	Non-receipt of expenditure sanction
		5054-04-337-01 Construction of Road – ACA/CRF	1,361.68	691.06	50.75	Non-receipt of expenditure sanction
		4202-02-104-05 Setting up of Polytechnic, Saiha	200.00	200.00	100.00	Non-receipt of expenditure sanction
		4202-02-104-06 Polytechnic at Serchhip	200.00	200.00	100.00	Non-receipt of expenditure sanction
		4055-800-01 Modernisation of Police Forces (CSS)	229.41	153.49	66.91	Non-receipt of expenditure sanction
		4210-02-104-01 Community Health Centre / NLCPR	51.84	51.84	100.00	Non-receipt of expenditure sanction
16.	47	Minor Irrigation (Capital – Voted) 4702-800-01 Flood Management Programme (ACA) (AIBP)	300.00	150.50	50.17	Non-Sanction of the Scheme by GoI
17.	48	Information and Communication Technology (Revenue-Voted) 3275-800-02 Capacity building under E-Governance (NEGAP/EAP)	159.00	159.00	100.00	Non-release of fund by GoI
Total			21,884.75	19,658.99	89.83	

(Reference: Paragraph-2.3.10; Page-53)

(₹ in lakh)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
Revenue – Voted					
1.	1- Legislative Assembly	1,327.85	18.98	21.05	2.07
2.	8- Taxation	1,176.00	206.96	209.07	2.11
3.	9- Finance	34,072.85	2,091.41	7,473.56	5382.15
4.	11- Secretariat Administration Department	6,094.98	364.48	365.85	1.37
5.	14- Planning & Programme Implementation Department	8,179.94	4,999.91	5,006.29	6.38
6.	15- General Administration Department	5,118.54	330.74	348.05	17.31
7.	16- Home	37,933.86	1,499.90	1,520.10	20.20
8.	21- Higher & Tech. Education Department	12,427.09	332.34	492.15	159.81
9.	24- Medical and Public Health	20,113.03	1,431.81	1,557.92	126.11
10.	26- Information and Public Relations	782.32	33.85	41.28	7.43
11.	29- Social welfare	8,502.78	601.90	622.97	21.07
12.	33- Soil and Water Conservation	3,981.46	95.01	96.05	1.04
13.	35- Fisheries	2,518.79	18.49	40.58	22.09
14.	37- Co-Operation	1,348.48	192.11	197.02	4.91
15.	42- Transport	3,427.72	779.99	932.76	152.77
16.	43- Tourism	578.30	21.73	23.16	1.43
17.	46- Urban Development & Poverty Alleviation	3,977.66	330.39	499.25	168.86
Capital (Voted)					
18.	45- Public Works	28,875.32	4,544.08	4,609.51	65.43
19.	46- Urban Development & Poverty Alleviation	6,140.12	1,516.43	2,437.42	920.99
Grand Total		1,86,577.09	19,410.51	26,494.04	7,083.53

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

(Reference: Paragraph-2.3.10; Page-54)

(₹ in lakh)

Sl. No.	Grant No.	Grant Name and Major Head	Total Grant	Expenditure	Amount Surrendered	Reasons
1.	3	Council of Ministers 2052 -090 (18) Chief Minister's Secretariat	144.20	135.69	32.48	Not Stated
2.	4	Law and Judicial 2014 -105 (05) District Judge, Kolasib (voted)	46.19	46.11	23.76	Not Stated
		2014-105 (06) District Judge, Serchhip (voted)	22.54	20.42	19.81	Not Stated
		2014-105 (07) District Judge, Mamit (voted)	21.54	21.20	20.71	Not Stated
		2014-105 (03) Administration/Saiha (voted)	47.05	47.02	14.90	Not Stated
3.	8	Taxation 2040-001(01) Directions (CSS)	58.34	58.34	136.69	Not Stated
4.	9	Finance 2071-01-200(02) VRS for School Teachers	5,388.00	---	5,388.00	Not Stated
		2052-092(99) Capacity Development for FMU/FMC	194.56	194.56	1,754.44	Not Stated
		2054 -800(04) Data base for Govt. Employees and Pension (FC)	11.44	9.48	227.88	Not Stated
		2054-095(02) - District Treasury	716.98	732.59	82.72	Not Stated
5.	11	Secretariat Administration 2052-090(01) Sectt. Adm. Deptt.	3,764.70	3,822.11	292.23	Not Stated
6.	14	Planning and Programme Implementation 3454-01-001 (02) Administration (FC)	120.00	---	120.00	Not Stated
		3454-01-001(01) Direction (FC)	40.00	---	40.00	Not Stated
7.	15	General Administration 3053-60-101 (01) Communication	196.70	182.56	20.14	Not Stated
		2070 - 115(03) Circuit & Guest House, Saiha	22.47	22.46	15.73	Not Stated
		2053-093 (03) D.C. Saiha	210.94	273.98	29.64	Not Stated

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

Sl. No.	Grant No.	Grant Name and Major Head	Total Grant	Expenditure	Amount Surrendered	Reasons
8.	16	Home 4055-211(03) Building for Police Housing	145.60	---	75.00	Not Stated
9.	29	Social Welfare 2235-02-800 (01) Schemes under Article 275 (1) (ACA)	432.19	432.19	519.47	Not Stated
10.	36	Environment and Forests 2406-01-003(01) Forest Extension	35.48	33.33	15.43	Not Stated
		2406-01-003(02) Training of Forest Personnel	68.52	68.47	15.56	Not Stated
11.	38	Rural Development 2515-001(02) Administration	297.44	289.20	87.56	Not Stated
		2515-800(02) Incentive for UID Registration (FC)	24.00	---	24.00	Not Stated
12.	42	Transport 3055 -001(02) Administration	675.96	712.75	342.66	Not Stated
		3055-001(03) General Administration	398.91	404.59	103.93	Not Stated
		3055-800(01) Railway out Agency	31.47	31.07	78.01	Not Stated
		3055-101(01) Consumer Petrol Pump	70.43	73.28	14.49	Not Stated
13.	46	Urban Development and Poverty Alleviation 2217-01-192(01)-General Basic Grants to ULB (FC)	548.00	548.00	466.00	Not Stated
14.	<i>Public Debt</i>	Public Debt 6003-101-99- Repayment of Market Loans (SAL-EAP)	3,499.92	---	2,561.58	Not Stated
Total			17,233.57	8,159.40	12,522.82	

Appendix Details of savings not surrendered

2.10

(Reference: Paragraph-2.3.11; Page-54)

(₹ in lakh)

Sl. No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
Revenue (Voted)				
1.	3-Council of Ministers	82.52	57.11	25.41
2.	4-Law and Judicial	319.47	310.38	9.09
3.	5-Vigilance	86.23	84.53	1.70
4.	6-Land Revenue	136.11	113.12	22.99
5.	10-Mizoram Public Service commission	19.23	18.21	1.02
6.	13-Personnel & Administrative reforms	31.53	31.08	0.45
7.	17-Food, Civil Supplies & Consumer Affairs	326.16	320.62	5.54
8.	18-Printing & Stationery	62.17	29.24	32.93
9.	19-Local Administration	1,253.94	1,021.83	232.11
10.	20-School Education	1,722.11	1,717.61	4.50
11.	22-Sports & Youth Services	141.15	137.63	3.52
12.	23-Arts & culture	214.50	70.44	144.06
13.	25-Water Supply & Sanitation	1,036.17	930.92	105.25
14.	28-Labour & Employment	59.34	56.50	2.84
15.	31-Agriculture	618.20	610.37	7.83
16.	32-Horticulture	108.98	105.14	3.84
17.	34-Animal Husbandry and Veterinary	206.46	174.34	32.12
18.	36-Environment and Forest	356.24	333.55	22.69
19.	38-Rural Development	486.35	420.83	65.52
20.	39-Power	992.70	920.05	72.65
21.	40-Industries	391.53	314.35	77.18
22.	41-Sericulture	52.20	32.03	20.17
23.	44-Trade and Commerce	29.63	29.28	0.35
24.	45-Public Works	669.73	577.43	92.30
25.	48-Information and Communication Technology	166.02	165.37	0.65
Revenue (Charged)				
26.	1-Legislative Assembly	29.49	27.86	1.63
27.	4-Law and Judicial	20.90	18.87	2.03
Capital (Voted)				
28.	17-Food, Civil Supplies & Consumer Affairs	4,912.54	141.42	4,771.12
29.	24-Medical and Public Health	96.91	85.03	11.88
30.	38-Rural Development	449.72	406.00	43.72
31.	39-Power	102.89	102.00	0.89
Capital (Charged)				
32.	Public Debt	9,104.52	2,561.58	6,542.94
Total		24,285.64	11,924.72	12,360.92

Appendix 2.11 Cases of Rush of Expenditure towards the end of the financial year 2011-12

(Reference: Paragraph-2.3.12; Page-55)

(₹ in crore)

Sl. No.	Grant Number	Head of Accounts	Major Head	Total expenditure during the year	Expenditure during March 2012 ¹	
					Amount	Percentage of total expenditure
1.	9	Secretariat – General Services	2052	2.58	0.90	34.88
		Capital Outlay on Other Fiscal Services	4047	0.50	0.50	100.00
2.	14	Secretariat – Economic Services	3451	11.07	3.73	33.69
3.	15	Other Administrative Services	2070	10.13	2.84	28.04
		Civil Aviation	3053	1.83	0.69	37.70
4.	16	Jails	2056	17.05	4.77	27.98
		Capital Outlay on Police	4055	7.73	7.27	94.05
5.	19	Housing	2216	2.47	1.49	60.32
6.	22	Sports and Youth Services	2204	36.43	11.53	31.65
7.	23	Art and Culture	2205	7.39	2.02	27.33
8.	24	Family Welfare	2211	19.34	5.01	25.90
		Capital outlay on Medical and Public Health	4210	0.15	0.15	100.00
9.	25	Capital Outlay on Water Supply and Sanitation	4215	43.90	32.41	73.83
		Capital Outlay on Urban Development	4217	2.26	2.26	100.00
10.	29	Social Security and Welfare	2235	57.41	27.40	47.73
		Nutrition	2236	21.59	14.10	65.31
11.	30	Relief on account of Natural Calamities	2245	7.60	3.04	40.00
12.	31	Crop Husbandry	2401	195.87	88.44	45.15
		Agricultural Research and Education	2415	11.90	4.21	35.38
13.	32	Capital Outlay on Crop Husbandry	4401	1.04	1.04	100.00
14.	34	Animal Husbandry	2403	110.13	41.96	38.10
		Capital Outlay on Animal Husbandry	4403	8.76	4.78	54.57
15.	36	Forestry and Wild life	2406	62.93	16.07	25.54
		Ecology and Environment	3435	0.30	0.29	96.67
16.	37	Capital outlay on Co-operation	4425	0.25	0.14	56.00
17.	38	Special Programmes for Rural Development	2501	9.71	3.17	32.65
		Other Special Area Programmes	2575	26.20	17.00	64.89
		Capital Outlay on Other Rural Development Programmes	4515	8.80	4.77	54.20
		Capital Outlay on Other Special Areas Programmes	4575	36.62	28.93	79.00

¹ Expenditure more than 25 per cent of the total expenditure during the year

Appendix 2.11 Cases of Rush of Expenditure towards the end of the financial year 2011-12

Sl. No.	Grant Number	Head of Accounts	Major Head	Total expenditure during the year	Expenditure during March 2012 ¹	
					Amount	Percentage of total expenditure
18.	39	Power	2801	288.88	83.50	28.90
		Non-Conventional Sources of Energy	2810	0.50	0.50	100.00
		Capital Outlay on Power Projects	4801	76.04	54.56	71.75
19.	40	Industries	2852	0.74	0.20	27.03
20.	42	Inland Water Transport	3056	0.05	0.05	100.00
		Capital Outlay on Road Transport	5055	0.22	0.20	90.91
21.	44	Capital Outlay on Other Agricultural Programmes	4435	0.25	0.12	48.00
22.	45	Medium Irrigation	2701	0.01	0.01	100.00
		Civil Aviation	3053	0.10	0.10	100.00
		Secretariat – Economic Services	3451	0.07	0.07	100.00
		Capital Outlay on Police	4055	5.78	5.78	100.00
		Capital Outlay on Public Works	4059	16.11	13.84	85.91
		Capital Outlay on Education, Sports, Art and Culture	4202	61.50	42.19	68.60
		Capital Outlay on Medical and Public Health	4210	3.21	3.21	100.00
		Capital Outlay on Housing	4216	27.04	25.98	96.08
		Capital Outlay on Urban Development	4217	1.21	1.21	100.00
		Capital Outlay on Information and Publicity	4220	0.40	0.40	100.00
		Capital Outlay on Crop Husbandry	4401	0.73	0.63	86.30
		Capital Outlay on Food Storage and Warehousing	4408	0.86	0.86	100.00
		Capital Outlay on Flood Control Projects	4711	1.16	1.16	100.00
		Capital Outlay on Civil Aviation	5053	6.76	6.76	100.00
		Capital Outlay on Road and Bridges	5054	111.09	103.31	93.00
		23.	46	Capital Outlay on Tourism	5452	7.28
Election	2015			1.55	0.46	29.68
Urban Development	2217			34.93	16.46	47.12
24.	47	Capital Outlay on Urban Development	4217	46.24	46.24	100.00
		Minor Irrigation	2702	8.88	2.67	30.07
		Command Area Development	2705	0.15	0.15	100.00
25.	Public debt	Capital Outlay on Minor Irrigation	4702	48.28	48.28	100.00
		Interest Payment	2049	275.15	87.51	31.80
Total				1,747.11	880.99	

¹ Expenditure more than 25 per cent of the total expenditure during the year
Source: Information furnished by A.G (A&E)

GLOSSARY OF ABBREVIATIONS

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

GLOSSARY OF ABBREVIATIONS

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