

**State Finances Audit Report
of
The Comptroller and Auditor General of India
For the year ended 31 March 2018**



GOVERNMENT OF MANIPUR
Report No. 1 of 2019

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PREFACE

1. *This Report has been prepared for submission to the Governor of Manipur under Article 151(2) of the Constitution of India for being laid in the Legislature of the State.*
2. *Chapters I and II of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2018. Information has been obtained from the Government of Manipur for inclusion in this Report, wherever necessary.*
3. *Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.*
4. *The Report containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and Revenue Sector are presented separately.*

EXECUTIVE SUMMARY

Executive Summary

Background

This Report on the Finances of the Government of Manipur is being brought out with a view to assess the financial performance of the State during the year 2017-18. 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, effort was made to compare the achievements with the targets envisaged by the State Government in Fiscal Responsibility and Budget Management Act, 2005 as well as in the Budget estimates of 2017-18.

The Report

Based on the audited accounts of the Government of Manipur for the year 2017-18, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of the Government of Manipur's fiscal position as on 31 March 2018. It provides an insight into trends of committed expenditure and 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 the State Government's compliance with various reporting requirements and financial rules.

AUDIT FINDINGS AND RECOMMENDATIONS

Chapter I: Finances of the State Government

➤ *Revenue receipts*

Revenue Receipts increased by ₹ 1228.71 crore (13.46 per cent) over the previous year. The increase was mainly due to increase in GIA from Government of India (GoI) (₹ 617.97 crore) and increase in Share of Union Taxes/duties (₹ 397.20 crore).

Contribution of the State's Own revenue to the Revenue Receipts was in the range of 8 per cent to 10 per cent for the period 2013-18. The State's share of Union taxes and duties and GIA from GoI contributed in the range of

90 per cent to 92 per cent to the Revenue Receipts during 2013-18 and remained the main contributor to Revenue Receipts of the State.

Both Own Tax revenue and Non-tax revenue could not achieve the targets/assessment of XIV FC and Budget estimates during 2017-18.

(Paragraphs 1.1.2, 1.3 and 1.3.1)

➤ ***Expenditure Status***

The Total Expenditure of the State increased by ₹ 3694.95 crore (52.70 per cent) from ₹ 7010.76 crore in 2013-14 to ₹ 10705.71 crore in 2017-18. The Revenue Expenditure of the State increased by ₹ 3555.17 crore (62.17 per cent) from ₹ 5718.83 crore in 2013-14 to ₹ 9274.00 crore in 2017-18.

Capital Expenditure exhibited a fluctuating trend during 2013-14 to 2017-18. Revenue Expenditure, on the other hand has increased steadily during 2013-18. Revenue Expenditure as a percentage of the Total Expenditure increased from 81.57 per cent in 2013-14 to 86.63 per cent in 2017-18. This shows that a bulk of the total expenditure has been increasingly spent to meet expenditure on maintenance, salary, etc.

(Paragraph 1.6.1)

➤ ***Investment in companies, corporations and co-operative societies and returns***

During 2013-18, investment in companies, corporations and co-operative societies ranging from ₹ 160.30 crore to ₹ 177.57 crore was made by the State Government. Against this, the State Government could earn only ₹ 16,000 during 2013-18. The State Government paid an average rate of interest ranging from 6.13 per cent to 6.67 per cent on its borrowings. However, the rate of return from the investment was insignificant.

(Paragraph 1.8.2)

➤ ***Loans and Advances by the State Government***

The opening balance of outstanding Loans and Advances as on 1 April 2017 was ₹ 204.19 crore. Against repayment of Loans and Advances of ₹ 8.02 crore, an amount of ₹ 3.40 crore was disbursed during 2017-18, resulting in closing balance of outstanding Loans and Advances of ₹ 199.57 crore as on 31 March 2018. Interest Receipts decreased from ₹ 0.35 crore in 2013-14 to ₹ 0.17 crore in 2017-18. Pertinently, Interest Receipts of ₹ 0.17 crore against Loan of ₹ 204.19 crore was insignificant.

(Paragraph 1.8.3)

➤ **Fiscal liabilities and fiscal position**

The overall Fiscal liabilities of the State Government maintained an increasing trend during 2013-14 to 2017-18, which increased from ₹ 7060.68 crore in 2013-14 to ₹ 9565.94 crore in 2017-18. The Fiscal liabilities increased by 8.61 per cent (₹ 758.12 crore) in 2017-18 over the previous year (2016-17). This was mainly due to increase of ₹ 655.51 crore under Internal Debt, which constituted 86.47 per cent of the increase of the Fiscal liabilities in 2017-18. This underlines the extent of increase of Fiscal liabilities in 2017-18. Such a trend, if continued in coming years, would put pressure on the State Government in meeting the burden on re-payment of debt and interest thereon.

(Paragraph 1.9.2)

Recommendations

- *The State Government should take measures to increase its own resources of revenue.*
- *The State Government needs to ensure realisation of commensurate receipts of interest from the outstanding Loans and Advances.*
- *The State Government may critically review the functioning of the corporations and companies to make their operations viable to ensure more returns on the investments.*
- *The State Government should review the Internal Debt of the State and devise a road map to handle re-payment of principal and interest.*

Chapter II: Financial Management and Budgetary Control

- During 2017-18, an expenditure of ₹ 11397.17 crore was incurred against a total budget provision of ₹ 13739.49 crore resulting in overall savings of ₹ 2342.32 crore. The overall savings was the net result of savings of ₹ 2809.53 crore offset by an excess of ₹ 467.21 crore. The excess requires regularisation under Article 205 of the Constitution of India. Excess expenditure (₹ 3203.20 crore) for the period 2010-16 had been recommended for regularisation by Public Accounts Committee (PAC). However, the excess expenditure was still pending for regularisation.

(Paragraphs 2.2 and 2.3.5)

- Supplementary provision aggregating to ₹ 545.94 crore in 28 cases, during the year proved unnecessary as the expenditure did not come up to the level of original provision.

(Paragraph 2.3.7)

- Out of 81 Controlling Officers (COs), 14 COs did not reconcile their expenditure with the expenditure booked in the books of accounts maintained by the Accountant General (A&E), Manipur.

(Paragraph 2.4)

Recommendations

- *The Government should strengthen budgetary and expenditure monitoring/management and take timely action in order to avoid large savings of funds.*
- *The Government should ensure that all anticipated savings are surrendered on time so that the funds can be utilised for other development purposes.*
- *The Government should ensure timely budgetary and expenditure monitoring/ management to avoid inadequate/excessive/unnecessary re-appropriation of funds.*
- *The Government should ensure that the Controlling Officers carry out timely reconciliation of their expenditure figures with the books of the AG (A&E) in the interest of financial discipline.*

Chapter III: Financial Reporting

- During 2003-04 to 2017-18, an amount of ₹ 4,814.30 crore was drawn as AC bills, out of which an amount of ₹ 3,179.42 crore has been adjusted with DCC bills (position as of December 2018). Thus, an amount of ₹ 1,634.88 crore (34 per cent) is outstanding for which DCC bills are yet to be submitted.

(Paragraph 3.1)

- There were 4706 Utilisation Certificates aggregating to ₹ 6077.96 crore in arrears in respect of grants given to 38 Departments as of 30 September 2018.

(Paragraph 3.2)

- There were also delays and arrears in finalisation of accounts by the Autonomous District Councils (ADCs), Autonomous Bodies and Departmental Commercial Undertakings and in the placement of SARs in the legislature. Six Undertakings have not submitted their accounts for more than 10 years, out of which three are non-working companies.

(Paragraphs 3.3, 3.4 and 3.5)

Recommendations

The Government may consider to:

- *put in place a mechanism in the Departments for timely submission of DCC bills against drawal made on AC bills,*

- *strengthen internal controls of the departments to ensure timely submission of utilization certificates,*
- *ensure timely finalization of Annual Accounts by the Autonomous District Councils, Autonomous Bodies and Departmental Commercial Undertakings,*
- *ensure timely placement of Separate Audit Reports in the State legislature.*

CHAPTER I
FINANCES OF THE STATE GOVERNMENT

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

Profile of the State

Manipur is located in the north-eastern part of India. The total geographical area of the State is 22,327 sq. km. comprising the central valley and the hills surrounding the valley. There are 16 districts in the State, of which six are in the valley and ten districts are located in the hills. As per Census of 2011, the State's population increased from 22.94 lakh in 2001 to 28.56 lakh in 2011. Out of the total population, 29.21 *per cent* people (8.34 lakh) live in urban areas and the remaining 70.79 *per cent* (20.22 lakh) in rural areas. The density of population is 128 persons per sq. km. The State's literacy rate has increased from 66.61 *per cent* (as per 2001 census) to 76.94 *per cent* in 2011. Other related details are given in **Appendix 1.1 (Part D)**. Manipur is categorised as Special Category State (SCS) as 90 *per cent* of plan assistance is given by the Government of India (GoI) as grants and 10 *per cent* as loans against 70:30 for general category states. The primary source of Revenue Receipts of the State is the Central Government which contributed between 90 *per cent* to 92 *per cent* of the Total revenue of the State in the form of State's share of Union taxes and duties and Grants-in-Aid (GIA) during 2013-18.

About this Chapter

This chapter provides a broad perspective of the finances of the Government of Manipur during 2017-18 and analysis of critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years (2013-18). The details of structure, form of Government accounts, layout of Finance Accounts, methodology adopted for assessment of fiscal position, profile of the State *etc.*, are given in **Appendix 1.1 (Part A to D)**.

1.1 Introduction

1.1.1 Gross State Domestic Product

Gross State Domestic Product (GSDP) is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy. The trends in the annual growth at current prices of the State's GSDP are indicated in the following table:

**Table 1.1: GSDP of the State, All India GDP and the rate of growth
During 2013-18**

Year	2013-14	2014-15	2015-16	2016-17	2017-18
All India GDP	1,12,33,522	1,24,67,959	1,37,64,037	1,52,53,114	1,67,73,145
Growth rate of GDP (<i>per cent</i>)	12.97	10.99	10.40	10.82	9.96
State's GSDP ¹	16,198	18,129	19,531	21,066 (Q)	23,167 (A)
Growth rate of GSDP (<i>per cent</i>)	17.82	11.92	7.73	7.86	9.97

Q – Quick estimates, A – Advance estimates

(Source: Ministry of Statistics and Programme Implementation and Department of Economics and Statistics, Government of Manipur)

¹ At current price (A) – Advance (Q) - Quick.

The decrease in growth rate of GSDP from the year 2013-14 to 2014-15 was mainly due to decrease in growth rate of Tertiary Sector² (from 15.59 to 9.73 per cent). During 2015-16 decrease in annual growth rate of GSDP compared to the previous year was mainly due to negative growth in the Primary Sector³ (-0.72 per cent) and reduction in growth rate of Secondary Sector⁴ (from 23.87 to 11.20 per cent).

In 2017-18, as per Quick and Advance estimates of 2016-17 and 2017-18 respectively, the GSDP of the State grew at the rate of 9.97 per cent (₹ 2,101 crore) at current price during 2017-18 against a growth of 7.86 per cent (₹ 1,535 crore) during 2016-17. The increase in growth rate of GSDP was mainly due to increase growth rate in the Secondary Sector (from 1.46 per cent in 2016-17 to 15.93 per cent in 2017-18) and increased growth rate in Primary Sector (from 0.43 to 5.09 per cent). The increase in growth rate of the Secondary Sector during 2017-18 was mainly due to growth in Construction and Manufacturing activities. Whereas, increased growth in the Primary Sector was mainly from growth in Agriculture, forestry and fishing.

1.1.2 Summary of fiscal transactions

The following table presents the summary of the State Government's fiscal transactions during the current year (2017-18) vis-à-vis the previous year (2016-17), while **Appendix 1.2** provides details of receipt and disbursements as well as the overall fiscal position during 2017-18.

Table 1.2: Summary of Fiscal operations

(₹ in crore)					
Receipts	2016-17	2017-18	Disbursements	2016-17	2017-18
Section-A: Revenue					
Revenue Receipts	9,129.12	10,357.83	Revenue Expenditure	8,184.76	9,274.00
Tax revenue	586.67	790.94	General services	3,421.19	3,666.88
Non-tax revenue	164.80	174.07	Social services	2,056.76	2,569.42
Share of Union Taxes/duties	3,757.13	4,154.33	Economic services	2,342.96	2,503.61
GIA from the Government of India	4,620.52	5,238.49	GIA and Contributions ⁵	363.85	534.09
Section-B: Capital					
Miscellaneous Capital Receipts	-	-	Capital Expenditure	1,493.57	1,428.31
Recoveries of Loans and Advances	1.15	8.02	Loans and Advances disbursed	0.25	3.40
Public Debt Receipts ⁶	1,551.29	1,295.91	Repayment of Public debt	1,144.97	675.53
Contingency Fund	-	-	Contingency Fund	-	-
Public Account Receipts	549.20	2,632.65	Public Account Disbursement	396.83	2,577.17
Opening Cash Balance	385.19	395.58	Closing Cash Balance	395.58	731.58
Total	11,615.95	14,689.99	Total	11,615.95	14,689.99

(Source: Finance Accounts)

² Also known as Service Sector, includes various services e.g. trade, transport, communication, public administration, real estate, financial services, etc.

³ Primary Sector constitutes Activities related to agriculture, forestry, fishing, mining and animal husbandary, etc.

⁴ Secondary Sector includes manufacturing, electricity, gas, water supply and other utility services, construction, etc.

⁵ Compensation to Local Bodies and Panchayati Raj Institutions.

⁶ Under Internal Debt Receipts/repayment only the Net transactions under Ways and Means Advances is taken.

The following are the significant changes during 2017-18 over the previous year:

- Revenue Receipts increased by ₹ 1,228.71 crore (13.46 per cent) over the previous year. The increase was mainly due to increase in GIA from Government of India (GoI) (₹ 617.97 crore) and increase in Share of Union Taxes/duties (₹ 397.20 crore).
- Revenue Expenditure increased by ₹ 1,089.24 crore (13.31 per cent) over the previous year. There was increase in Revenue Expenditure on Social services (₹ 512.66 crore), General services (₹ 245.69 crore), GIA and Contributions (₹ 170.24 crore) and Economic services (₹ 160.65 crore).
- Capital Expenditure decreased marginally by 4.37 per cent (₹ 65.26 crore) over the previous year.
- Public Debt Receipts decreased by 16.46 per cent (₹ 255.38 crore) over the previous year. There was also decrease in repayment of Public Debt by 41 per cent (₹ 469.44 crore) over the previous year.
- Both Public Account Receipts and Public Account disbursement increased significantly by 379.36 per cent (₹ 2,083.45 crore) and 549.44 per cent (₹ 2,180.34 crore) respectively over the previous year. The increase in receipts was mainly due to increase in Suspense Accounts (₹ 2,778.99 crore) partially offset by decrease in Remittances (₹ 531.63 crore). The increase in disbursement was mainly due to increase in Suspense Accounts (₹ 2,779.03 crore).
- The total inflow of Receipts was ₹ 14,689.99 crore during 2017-18 against ₹ 11,615.95 crore in 2016-17. There was closing cash balance of ₹ 731.58 crore at the end of 2017-18 as compared to cash balance of ₹ 395.58 crore at the end of the previous year (2016-17).

1.1.3 Achievement against Targets prescribed under the FRBM Act and the Rules

The State Government enacted the Manipur Fiscal Responsibility and Budget Management (FRBM) Act in August 2005 to ensure prudence in fiscal management and fiscal stability by achieving sufficient Revenue surplus, reduction in Fiscal deficit, prudent debt management consistent with fiscal sustainability, and greater transparency in fiscal operations of the Government. As per Manipur FRBM Rules 2005 (enacted in December 2005 and amendments thereafter) framed under the Act, various fiscal targets of Revenue surplus and Fiscal deficit *etc.*, were fixed. The targets under the Act and the Rules are given in **Appendix-1.1 (Part E)**. Yearly targets are also set in the Medium Term Fiscal Policy Statements (MTFPS) placed in the State Legislative Assembly. However, during 2017-18, MTFPS was not placed in the Legislative Assembly. The targets for major fiscal variables provided in the FRBM Act and Rules thereunder of the State is depicted in the following table:

Table 1.3: Trends in Major fiscal parameters/variables vis-à-vis targets for the year 2017-18
(₹ in crore)

Fiscal variables	Targets		Remarks
	FRBM Act	Actuals	
Revenue deficit (-)/ surplus (+)	Maintain Revenue surplus	1083.83	Revenue surplus was achieved.
Fiscal deficit/GSDP (in per cent)	Below three per cent	1.47	It was kept below the limit fixed by FRBM act.
State's outstanding guarantees ⁷	The total outstanding guarantees as on first of April of any year shall not exceed thrice the State's Own Tax Revenue Receipts of the second preceding year i.e. ₹ 1651.32 crore ⁸	490.19	It was within the limit set by the Act.
Salary expenditure (including Wages)	35 per cent of Revenue Expenditure net interest payment and pension i.e. ₹ 2585.35 crore ⁹	3381.43	Expenditure under salary and wages exceeded the limit set in FRBM Act
Total Outstanding Debt ¹⁰ /GSDP (in per cent)	Reduce Outstanding Debt to a maximum of 54.30 per cent of GSDP.	38.36	It was within the limit set by the Act.

(Source: FRBM Act and Finance Accounts)

The State could maintain Revenue surplus (₹ 1,083.83 crore) as envisaged in the FRBM Act. The Fiscal deficit – GSDP ratio (1.47 per cent) was kept below the targets of FRBM Act (three per cent).

The target of limiting State's outstanding guarantee as set out in the FRBM Act (₹ 1,651.32 crore) was fully achieved as the outstanding guarantee was restricted at ₹ 490.19 crore. Salary¹¹ expenditure (₹ 3,381.43 crore) exceeded the limit set in the FRBM Act (₹ 2,585.35 crore) by ₹ 796.08 crore .

Total Outstanding Debt-GSDP ratio (38.36 per cent) was also kept within the targets of FRBM Act (54.30 per cent).

The Fourteenth Finance Commission (XIV FC) recommended limiting Fiscal deficit-GSDP ratio at 3.25 per cent¹². Against this, the Fiscal deficit-GSDP ratio in 2017-18 was 1.47 per cent.

Thus, on the positive side, the State achieved the targets fixed by FRBM Act in respect of maintaining Revenue surplus and limiting fiscal deficit, outstanding guarantees and Outstanding Debt-GSDP ratio. However, in respect of expenditure under Salary and wages, the State Government could not achieve the target/limit fixed by the Act.

Off-budget borrowings

The borrowings of the State Government are governed by Article 293(1) of the Constitution of India. In addition to the contingent liabilities, the State Government also extended guarantees against loans availed of by Government Companies/Corporations. These Companies/Corporations borrowed funds from the market/ financial institutions for implementation of various State plan programmes envisaged from outside the State budget. Funds for those

⁷ Closing balance of outstanding guarantees at the end of the year 2017-18 i.e. as on March 2018 is taken here.

⁸ ₹ 550.44 crore (in 2015-16) x 3.

⁹ 35 per cent of (₹ 9274.00 crore – ₹ 562.96 crore – ₹ 1324.32 crore).

¹⁰ Including Debt under Public Accounts i.e. Small Savings etc, & Deposits.

¹¹ Including Wages.

¹² A state can have a maximum fiscal deficit-GSDP limit of 3.5 per cent on fulfilling certain criteria.

programmes were to be met out of resources mobilised by those Companies/Corporations outside the State budget but in reality the borrowings of those concerns ultimately turn out to be the liabilities of the State Government termed 'off-budget borrowings' and the Government had to repay the loans availed of by those Companies/ Corporations including interest through regular budget provision under capital account.

The State Government has not reported (November 2018) any off-budget borrowings during 2017-18.

1.1.4 Budget estimates and actual

The budget papers presented by the State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the Budget estimates are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of reasons, some within and some beyond the control of the Government. The following table and chart present the consolidated picture of Budget estimates and Actuals of the State Finances during 2017-18.

Table 1.4: Statement showing Budget estimates and Actuals for the year 2017-18

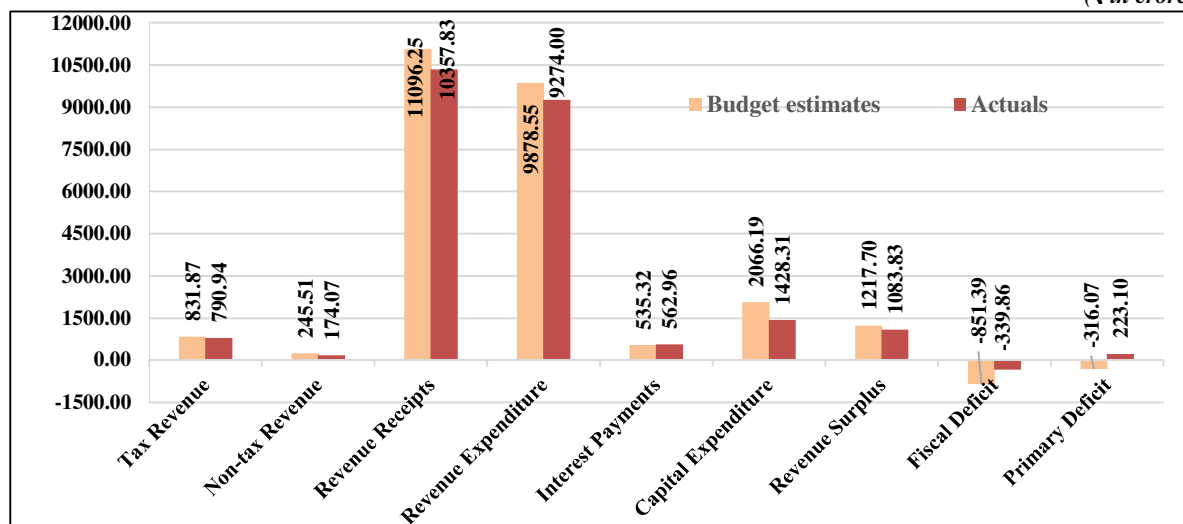
(₹ in crore)

Particulars	Budget estimates (BE)	Revised estimates (RE)	Actual	Percentage of increase / decrease w.r.t BE
Tax Revenue	831.87	879.57	790.94	(-) 4.92
Non-tax Revenue	245.51	245.51	174.07	(-) 29.10
Revenue Receipts	11096.25	12025.33	10357.83	(-) 6.65
Revenue Expenditure	9878.55	10294.11	9274.00	(-) 6.12
Interest Payments	535.32	566.43	562.96	(+) 5.16
Capital Expenditure	2066.19	2556.89	1428.31	(-) 30.87
Disbursement of Loans and Advances	6.70	4.85	3.40	(-) 49.25
Revenue surplus	1217.70	1731.22	1083.83	(-) 10.99
Fiscal deficit (-)/ surplus (+)	(-)851.39	(-)826.72	(-)339.86	(+) 60.08
Primary deficit (-)/surplus (+)	(-)316.07	(-)260.29	(+)223.10	(+) 170.59
Recoveries of Loans and Advances	3.80	3.80	8.02	(+) 111.05

(Source: Budget documents and Finance Accounts)

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

(₹ in crore)



(Source: Budget documents and Finance Accounts)

It can also be seen from the preceding table that there was a variation between Budget estimates (BE) and Actuals for Non-Tax Revenue collection by 29.10 *per cent* (₹ 71.44 crore). The variation was mainly from Other Non-Tax Revenue (₹ 50.16 crore) and General Services (₹ 36.33 crore) offset by increase under other heads. In case of Capital Expenditure, the projection of BE and Actuals varied by 30.87 *per cent* (₹ 637.88 crore). The variation in Capital expenditure was mainly from Economic Services (₹ 761.37 crore) and Social Services (₹ 188.18 crore). The margin of variation in Disbursement of Loans and Advances was 49.25 *per cent* (₹ 3.30 crore) while it was 111.05 *per cent* (₹ 4.22 crore) in case of Recoveries of Loans and Advances.

The variation between BE and Actuals in Fiscal deficit was 60.08 *per cent* (₹ 511.53 crore) and 170.59 *per cent* (₹ 539.17 crore) in Primary surplus. Thus, the budgetary projection was unrealistic in case of Primary surplus as there was huge variation.

Large variation between Budget estimates and Actual figures could be unfavourable for overall fiscal and budgetary management of the State.

1.1.5 Major policy initiatives in the budget

The Deputy Chief Minister (in-charge Finance), Government of Manipur while giving the Budget speech (July 2017) during budget session, highlighted the uphill and challenging task the State was facing on the fiscal management front. In view of the existing difficult financial position of the State, priority would be to exercise fiscal prudence and maintain financial discipline so as to maximise revenue in various sectors. The CM's aim of continuing commitment to fiscal management was largely achieved. The State continued with Revenue surplus in 2017-18, Fiscal deficit-GSDP ratio was confined at 1.47 *per cent* as against the target of below three *per cent* set in the FRBM Act. The total outstanding Debt-GSDP ratio was 38.36 *per cent*.

The Total Receipts¹³ under the Consolidated Fund of the State were estimated at ₹ 12,510.61 crore in 2017-18 of which ₹ 11,096.25 crore was targeted from the Revenue Receipts. Against this, the Actual Receipts was ₹ 11,661.76 crore¹⁴, of which ₹ 10,357.83 crore was from Revenue Receipts.

The Total Expenditure of the State was estimated at ₹ 12,420.65 crore out of the Consolidated Fund of the State, of which ₹ 9,952.35 crore was under Revenue account and ₹ 2,468.30 crore under Capital account. Against this, the Actual Total Expenditure was ₹ 11,381.24 crore, of which ₹ 9,274.00 crore was from Revenue account and ₹ 1,428.31 crore was from Capital account.

The Capital expenditure, if spent efficiently, could enhance productivity of the economy and increase Government's net worth from augmented revenues. As such, the variation indicates non-attainment and non-optimisation of the desired fiscal objectives.

¹³ In budget speech, the gross amount was mentioned.

¹⁴ ₹ 10357.83 crore (Revenue Receipt) + ₹ 1303.93 crore (Capital Receipt).

1.2 Resources of the State

1.2.1 Resources of the State as per the Annual Finance Accounts

Revenue and Capital are the two streams of receipt that constitute the main resources of the State Government. Revenue Receipts consists of Tax revenues, Non-tax revenues, State's share of Union Taxes and Duties and GIA from GoI. Capital Receipts comprise miscellaneous Capital Receipts, recoveries of Loans and Advances, Debt Receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and Loans and Advances from GoI. Besides, the funds available in the Public Accounts after disbursement is also utilised by the State Government to finance its deficit. **Table 1.2** presents the receipt and disbursements of the State during the current year (2017-18) as recorded in the Finance Accounts of the State Government.

The components and major sub-components of revenue are shown in **Chart 1.2** as a flow diagram. **Chart 1.3** depicts the trends in various components of the receipt of the State during 2013-18. **Chart 1.4** depicts the composition of resources of the State during 2017-18.

Chart 1.2: Components and Major sub-components of Revenue during 2017-18

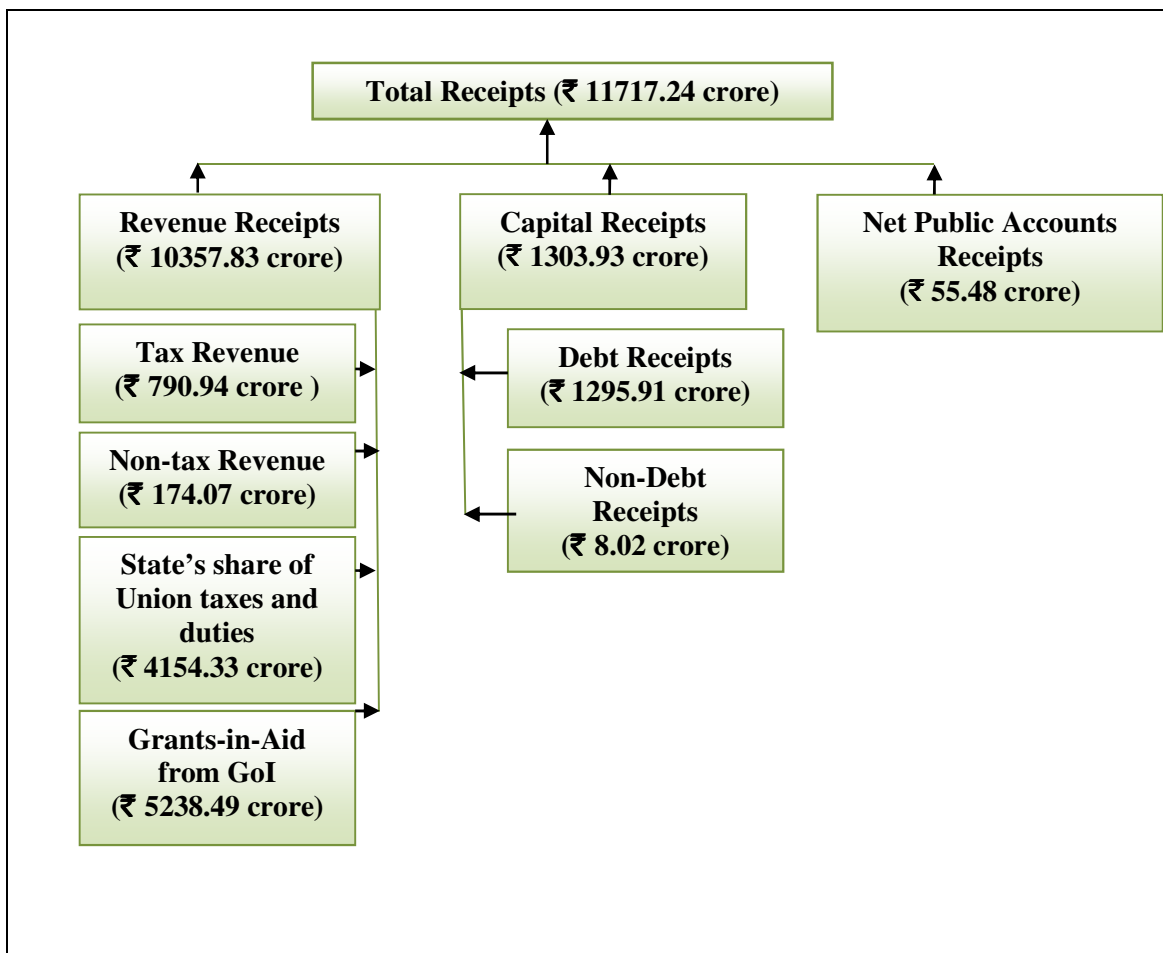


Chart 1.3: Trends in Receipts

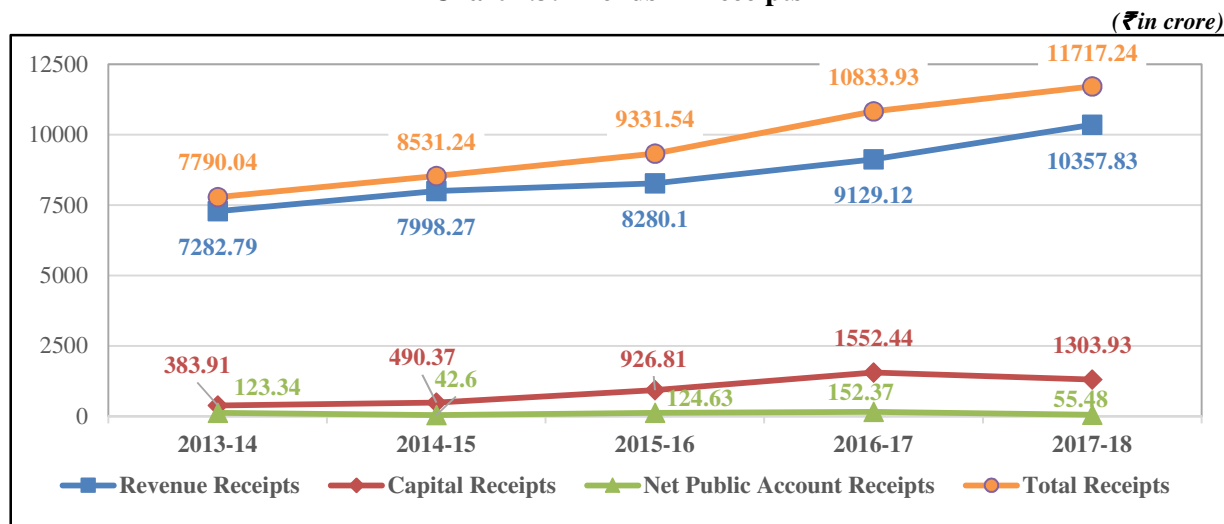
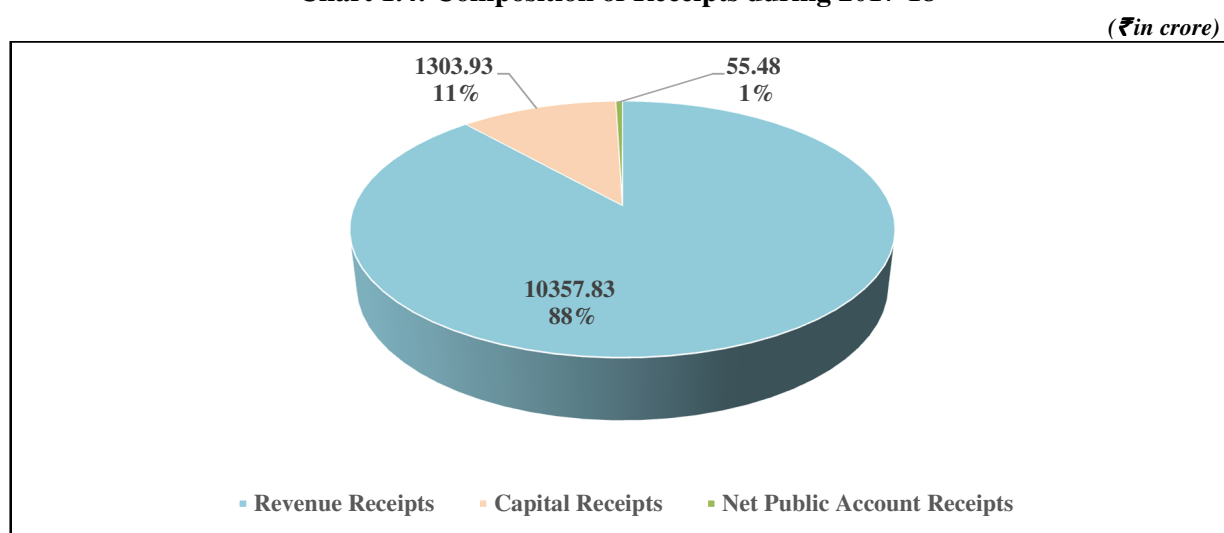


Chart 1.4: Composition of Receipts during 2017-18



Total Receipts of the State increased by ₹ 3,927.20 crore from ₹ 7,790.04 crore in 2013-14 to ₹ 11,717.24 crore in 2017-18. The increase in Total Receipts was mainly due to increase in Revenue Receipts (₹ 3,075.04 crore). Net Public Accounts Receipts decreased from ₹ 123.34 crore in 2013-14 to ₹ 55.48 crore in 2017-18. Public Debt Receipts, which comprised the major portion of Capital Receipts increased from ₹ 382.68 crore in 2013-14 to ₹ 1,295.91 crore in 2017-18.

1.2.2 Funds directly transferred to State Implementing Agencies

As per Government of India (GoI) decision, all assistance to Centrally Sponsored Scheme and Additional Central Assistance under various schemes would be released directly to the State Government and not to the State Implementing Agencies¹⁵. These funds would be routed through the State budget from the year 2015-16 onwards.

¹⁵ State Implementing Agencies include any organisation/institution including Non-Governmental organisations, which are authorised by the State Government to receive funds from the GoI for implementing specific programmes in the State.

As per records of Public Financial Management System (PFMS) portal of the Controller General of Accounts, GoI has been transferring funds directly to the State Implementing Agencies in violation of the above GoI decision for implementation of various critical schemes/programmes in Social and Economic services. In the present mechanism, these funds are not routed through the State Budget/State Treasury system and hence do not find mention in the Finance Accounts of the State. As such, the Annual Finance Accounts of the State does not include the quantum of receipt and expenditure of this category.

During the year 2017-18, Central funds of ₹ 54.68 crore were transferred directly to the State Implementing Agencies. The programmes assisted by GoI where funds were transferred are presented in **Appendix 1.3**. Amounts released for implementation of some major programmes/schemes are detailed in the following table:

Table 1.5: Funds transferred directly to State Implementing Agencies for major Schemes/Programmes

			(₹ in crore)
Sl. No.	Programme/Scheme	Implementing Agency	Funds transferred directly by the GoI during 2017-18
1	Organic Value Chain Development for North East Region	Manipur Organic Mission Agency (MOMA)	17.88
2	Pradhan Mantri Matritva Vandana Yojana	Department of Social Welfare Manipur	12.63
3	National Programme for Dairy Development	Manipur Milk Producers co-operative union	2.97
4	Rashtriya Gokul Mission	Manipur Livestock Development Board	2.00
5	Boys and Girls Hostel (CS)	Society for Rural Development Agency	1.17
6	Boys and Girls Hostel (CS)	Council for Development of Poor & Labourers	1.02
Total			37.67

(Source: Appendix VI of Finance Accounts Vol -II)

The six schemes/programmes as shown above constituted 69 per cent of the total funds of ₹ 54.68 crore directly transferred to the State Implementing Agencies. An amount of ₹ 17.88 crore (about 33 per cent of the total funds of ₹ 54.68 crore directly transferred) was for Organic Value Chain Development for North Eastern Region and ₹ 12.63 crore (23 per cent) for Pradhan Mantri Matritva Vandana Yojana schemes.

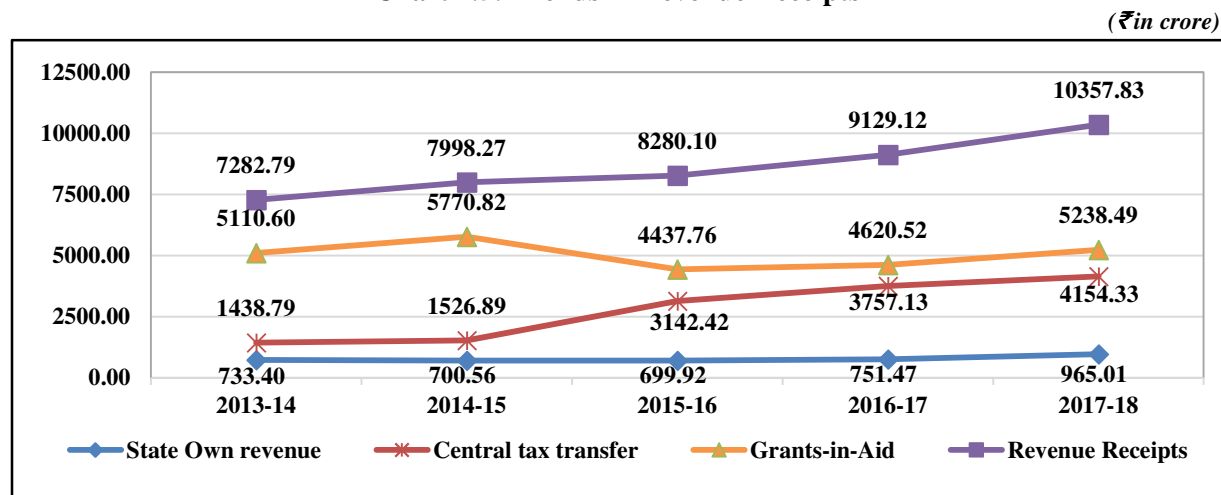
As compared to ₹ 330.54 crore transferred directly in 2016-17, only ₹ 54.68 crore was transferred directly in 2017-18, resulting in decrease of ₹ 275.86 crore. Thus, transfer of funds outside the State Budget had substantially reduced in 2017-18. As there is no central monitoring mechanism for utilisation of funds under this category, reliable data on quantum of expenditure was not readily available to Audit.

During discussion of the audit findings in Exit Conference held on 08 January 2019 with the Finance Department, Government of Manipur, the Department stated (January 2019) that funds directly transferred to State Implementing Agencies were reduced drastically over the years. However, it did not offer any comments on further action to be adopted.

1.3 Revenue Receipts

The Revenue Receipts of the State Government consist of the State's Own Tax revenue and Non-tax revenues, Central tax transfers and GIA from the GoI. The trends and composition of Revenue Receipts over the period 2013-18 are presented in **Appendix 1.4** and are also depicted in the following chart:

Chart 1.5: Trends in Revenue Receipts



During 2013-14 to 2017-18, Revenue Receipts increased by ₹ 3,075.04 crore. During these years (2013-18), Central share of Union taxes and duties maintained an increasing trend. Both State's Own revenue and GIA presented an increasing trend from 2015-16.

As compared to the previous year (2016-17), Revenue Receipts increased by 13.46 *per cent* (₹ 1,228.71 crore). The increase was mainly due to increase in GIA (₹ 617.97 crore) and State's share of Union taxes and duties (₹ 397.20 crore).

Contribution of the State's Own revenue to the Revenue Receipts was in the range of eight *per cent* to 10 *per cent* for the period 2013-18. The State's share of Union taxes and duties and GIA from GoI contributed in the range of 90 *per cent* to 92 *per cent* to the Revenue Receipts during 2013-18 and remained the main contributor to Revenue Receipts of the State.

The trends in Revenue Receipts relative to GSDP are presented in the following table:

Table 1.6: Trends of Revenue Receipts relative to GSDP

(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Receipts (RR)	7282.79	7998.27	8280.10	9129.12	10357.83
Rate of growth of RR (<i>per cent</i>)	6.79	9.82	3.52	10.25	13.46
GSDP	16198.43	18129.05	19530.67	21065.85 (Q)	23167.02 (A)
Rate of growth of GSDP (<i>per cent</i>)	17.83	11.92	7.73	7.86	9.97
RR/GSDP (<i>per cent</i>)	44.96	44.12	42.40	43.34	44.71
Buoyancy Ratios¹⁶					
Revenue Buoyancy w.r.t GSDP	0.38	0.82	0.46	1.30	1.35
State's Own Revenue	733.40	700.56	699.92	751.47	965.01

¹⁶ 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 of 0.6 implies that Revenue Receipts tend to increase by 0.6 percentage points if the GSDP increases by one *per cent*.

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Rate of growth of State's Own Revenue	29.89	(-)4.48	(-)0.09	7.37	28.42
State's Own Revenue Buoyancy w.r.t GSDP	1.68	(-)0.38	(-)0.01	0.94	2.85
Revenue Buoyancy with reference to State's Own Tax	0.23	(-)2.19	(-)38.53	1.39	0.47

Q – Quick & A – Advance estimates

(Source: Finance Accounts & Information furnished by the Department of Economic and Statistics, Government of Manipur)

In 2017-18, Revenue Receipts grew by 13.46 per cent as compared to 10.25 per cent in 2016-17, which was mainly due to increase in GIA (₹ 617.97 crore) and State's share of Union taxes and duties (₹ 397.20 crore). Whereas, increase in Revenue Receipts from the State's Own Resources in 2017-18 as compared to 2016-17 was ₹ 213.54 crore which was mainly due to collection under State Goods and Services Tax (SGST) and Taxes on Sales, Trade, etc. (₹ 187.46 crore). In the year 2013-18, the GSDP growth rate was in the range of 7.73 per cent to 17.83 per cent while the growth rate of Revenue Receipts was in the range of 3.52 per cent to 13.46 per cent.

Increase in GIA indicates increased dependence of the State on funds from Government of India (GoI). The Public Account Committee expressed its concern over the State's dependence on Central grants (as mentioned in Appendix 3.5). The revenue surplus registered by the State was mainly due to receipt of huge Revenue Deficit Grant¹⁷ from the GoI and not owing to its Own Tax mobilisation efforts. Thus, the State Government should, therefore, consider improving its Tax mobilisation resources in view of XIV FC projections.

1.3.1 State's Own Resources

As the quantum of the State's share of Union taxes and duties and GIA from GoI are determined on the basis of recommendations of the Finance Commission, the State's performance in mobilisation of resources was assessed in terms of its own resources comprising Own Tax and Non-tax sources.

The State's Own Tax and Non-tax Receipts during 2013-14 to 2017-18 vis-a-vis assessment made by the XIII FC/XIV FC and Budget estimates are shown in the following table:

Table 1.7: Own Revenue Receipts vis-à-vis targets

Particular	2013-14	2014-15	2015-16	2016-17	2017-18
(₹ in crore)					
Own Revenue Receipts					
XIII FC projections/ XIV FC	557.65	622.43	864.00	1014.00	1193.00
Budget estimates	921.64	904.89	890.57	858.42	1077.38
Actual	733.40	700.56	699.92	751.47	965.01
Own Tax revenue					
XIII FC projections/ XIV FC	326.27	370.16	689.00	824.00	985.00
Budget estimates	491.87	620.83	671.15	667.20	831.87
Actual	472.73	516.83	550.44	586.67	790.94

¹⁷ Non-plan/ Post-Devolution Revenue Deficit Grant (XIII and XIV FC Grant) received: (₹ in crore)

2013-14	2014-15	2015-16	2016-17	2017-18
1,271.87 (17)	1,114.00 (14)	2,066.00 (25)	2,096.00 (23)	2,091.00 (20)

Source: Finance Accounts (Figures in brackets indicate per cent w.r.t Revenue Receipts)

Particular	2013-14	2014-15	2015-16	2016-17	2017-18
Own Non-tax revenue					
XIII FC projections/ XIV FC	231.38	252.27	175.00	190.00	208.00
Budget estimates	429.77	284.06	219.42	191.22	245.51
Actual	260.67	183.73	149.48	164.80	174.07

XIII FC Projection for 2013-14 and 2014-15 & XIV FC from the year 2015-16 to 2017-18

(Source: Budget documents, XIII/XIV FC Report and Finance Accounts).

In 2013-14 and 2014-15, Own Revenue Receipts was more than the assessment of the XIII FC, but during 2015-16 to 2017-18, it was less than the assessment of XIV FC. As compared to Budget estimates, the Actual was less than the assessment during 2013-14 to 2017-18.

As can be seen from the above table, Own Revenue Receipts could not achieve the targets/assessment of XIV FC and Budget estimates during 2017-18.

In 2013-14 and 2014-15, Own Tax revenue was more than the assessment of the XIII FC, but during 2015-16 to 2017-18, it was less than the assessment of XIV FC. As compared to Budget estimates, the Actual was less than the assessment during 2013-14 to 2017-18.

Non-tax revenue was more than the assessment of the XIII FC in 2013-14, but from 2014-15 it was less than the assessment of the FC recommendations. As compared to Budget estimates, it was less than the assessment during 2013-14 to 2017-18.

As can be seen from the above table, both Own Tax revenue and Non-tax revenue could not achieve the targets/assessment of XIV FC and Budget estimates during 2017-18.

Failure to achieve the targets of the State Own Revenue Receipts would result in increased dependence on GIA from the Government of India.

Recommendation: The State Government should take measures to increase its own resources of revenue.

1.3.1.1 Tax revenue

The gross collection in respect of major taxes and duties are given in the following table:

Table 1.8: Components of State's own resources

Revenue Head	2013-14	2014-15	2015-16	2016-17	2017-18	% increase over previous year
State Goods & Services Tax (SGST)	-	-	-	-	301.53 ¹⁸	(100)
Taxes on sales, trades etc.	395.74	433.33	466.51	499.65	385.58	(-) 22.83
State excise	9.20	9.32	8.78	9.32	9.37	0.54
Taxes on vehicles	18.73	20.77	23.29	25.04	36.14	44.33
Stamp duty and Registration fees	7.90	7.76	10.45	10.03	13.98	39.38
Land revenue	1.12	1.42	2.59	1.91	1.44	(-) 24.61
Taxes on goods and passengers	1.24	1.20	1.02	1.00	1.13	13
Other taxes ¹⁹	38.80	43.03	37.80	39.72	41.77	5.13
Total	472.73	516.83	550.44	586.67	790.94	34.82

(Source: Finance Accounts)

¹⁸ During July 2017 to March 2018.

¹⁹ Other taxes include taxes on immovable property other than agricultural land, taxes and duties on electricity and agricultural income.

With the introduction of the Goods and Service Tax (GST) from July 2017, there was a new component in Tax Revenue of the State Goods & Service Tax (SGST) which was ₹ 301.53 crore. During the year 2017-18, the collection of State's Own Tax was ₹ 790.94 crore. Sales tax (₹ 385.58 crore) and SGST (₹ 301.53 crore) were the main contributors to the State's Own Tax revenue and accounted for 87 *per cent* of the Tax revenue. The Tax revenue during 2017-18 increased by ₹ 204.26 crore (34.82 *per cent*) over the previous year (2016-17). Other than Sales tax, SGST and Taxes on vehicles, revenue collection from other sources was not significant

Growth rate in respect of Tax Revenue of Manipur for the period 2017-18 was 34.82 *per cent*. It was 12.2 *per cent* for General Category States and 49.3 *per cent* for Special Category States. Therefore, growth of Tax Revenue in Manipur was lower than that of Special Category States and higher than that of General Category States.

Further, comparison of ratio of Own Tax revenue to GSDP with neighbouring States is also given in the following table:

Table 1.9: Comparison of Own Tax revenue to GSDP with neighbouring States

Particular	(₹ in crore)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Manipur					
Own Tax revenue	473	517	550	587	791
GSDP	16198	18129	19531	21066 (Q)	23167 (A)
<i>Percentage of Own Tax revenue to GSDP</i>	2.92	2.85	2.82	2.79	3.41
Nagaland					
Own Tax revenue	333	389	427	511	638
GSDP	16612	18414	20524	21119	23623
<i>Percentage of Own Tax revenue to GSDP</i>	2.00	2.11	2.08	2.42	2.70
Mizoram					
Own Tax revenue	230	266	358	442	546
GSDP	10293	13509	15339	16366	17739
<i>Percentage of Own Tax revenue to GSDP</i>	2.23	1.97	2.33	2.70	3.08
Sikkim					
Own Tax revenue	525	527	567	653	688
GSDP	13862	15407	18034	20020	22248
<i>Percentage of Own Tax revenue to GSDP</i>	3.79	3.42	3.14	3.26	3.09

(Source: Finance Accounts)

As can be seen in the above table, the collection of Own Tax revenue of Manipur was more than that of the neighbouring States (Nagaland, Mizoram and Sikkim) during 2017-18. The percentage of Own Tax revenue to GSDP of Manipur during 2017-18 stood at 3.41 *per cent* compared to Nagaland (2.70 *per cent*), Mizoram (3.08 *per cent*) and Sikkim (3.09 *per cent*). During 2013-14 to 2016-17, the State's collection of Own Tax revenue was lesser than Sikkim but more than Nagaland and Mizoram.

1.3.1.2 Position of protected revenue to actual collection after implementation of GST

The Manipur Goods and Services Tax (GST) Act, 2017 was passed by the State Legislature in June 2017 and made effective from 01 July 2017 in the State. The Protected revenue²⁰ of the State for the year 2017-18 in accordance with Section 6 of GST (Compensation to States) Act, 2017, was fixed at ₹ 451.04 crore with a monthly average²¹ protected revenue amounting to ₹ 37.59 crore per month for the period.

Accordingly, the revenue of the State to be protected during the period from July 2017 to March 2018 was worked out to ₹ 338.31 crore (₹ 37.59 crore x nine months). The actual revenue received by the State under Goods and Services Tax (SGST) was ₹ 368.04 crore including an amount of ₹ 28.27 crore on account of apportionment of Integrated Goods and Services Tax (IGST) and pre- GST arrear of VAT collection of ₹ 66.52 crore. Details of different components of SGST including arrears of VAT received by the State during the corresponding period are shown in **Table 1.10**:

Table 1.10: Details of SGST receipt including apportionment of IGST and pre GST arrears of VAT during July 2017 to March 2018

Sl. No	Components	Amount ²² (₹ in crore)
1.	Revenue to be protected	338.31
2.	State Goods and Services Tax (SGST)	301.52
	(a) Tax	75.61
	(b) Input Tax Credit Cross utilisation of SGST and IGST	182.64
	(c) Apportionment of Taxes from IGST	28.27
	(d) Advance apportionment of Taxes from IGST	15.00
3.	Collection of Taxes subsumed in GST (Arrears pre-GST)	66.52
	Total	368.04

{Source: Finance Accounts of the Government of Manipur and Ministry of Finance, Department of Revenue (State Taxes Section) OM dated 7 November, 2017}

Thus, the revenue collection of the Government of Manipur was more than the protected revenue of the State during the period (July 2017 to March 2018).

Further, as per Section 7(2) of the GST (Compensation to state) Act, 2017, the compensation payable to a State shall be provisionally calculated and released at the end of every two months' period, and shall be finally calculated for every financial year after the receipt of final revenue figures, as audited by the Comptroller and Auditor-General of India.

During 2017-18, for the bi-monthly period of July-August, the collection under SGST and pre-GST VAT was ₹ 52 crore against revenue to be protected of ₹ 75 crore, and accordingly, the State Government had received a compensation of ₹ 24 crore as GST compensation.

²⁰ The GST (Compensation to state) Act, 2017 provides that Union shall compensate the states for loss of revenue due to implementation of GST. Base year for calculating the compensation shall be the revenue collection of the State for 2015-16. Protected revenue is calculated/arrived at, by taking into consideration the revenue collection of base year plus 14 per cent increase for every following year.

²¹ Ministry of Finance, GoI Office Memorandum No. S-31011/03/2014-SO (ST)-Pt-I dated 29 August 2017.

²² Figures mentioned in the column are provisional.

1.3.1.3 Non-tax revenue

The trends in Non-tax revenue during 2013-18 is given in the following table:

Table 1.11: Trends of Non-tax revenue during 2013-18

Revenue Head						(₹ in crore)
	2013-14	2014-15	2015-16	2016-17	2017-18	% increase over previous year
Interest Receipts	33.10	30.60	27.43	19.73	19.27	(-) 2.33
Miscellaneous General Service	110.83	132.48	106.09	118.61	114.39	(-) 3.56
Power	96.23	0.10	0.01	0.13	0	(-) 100
Others	20.51	20.55	15.95	26.33	40.41	53.47
Total	260.67	183.73	149.48	164.80	174.07	5.62

(Source: Finance Accounts)

As seen from the table, receipt from the Miscellaneous General Service depicted a fluctuating trend ranging from ₹ 106.09 crore in 2015-16 to ₹ 132.48 crore in 2014-15. Collection from Miscellaneous General Service remained the main contributor to Non-tax revenue during 2013-14 to 2017-18. Interest Receipts decreased steadily from ₹ 33.10 crore in 2013-14 to ₹ 19.73 crore in 2017-18.

Non-tax revenue increased by ₹ 9.27 crore in 2017-2018 over the previous year (2016-17) mainly due to increase in collection under Forestry and Wildlife (₹ 17.16 crore) offset by decrease in collections under Miscellaneous General Services (₹ 4.22 crore) and Other Administrative Services (₹ 4.09 crore).

Cost of recovery in socio-economic services

The ratio of Non-Tax Revenue to Revenue Expenditure is considered as an indicator of cost of recovery of revenue from Socio-Economic services. The cost of recovery of Non-tax Revenue Receipts (NTR) as a percentage of Revenue Expenditure (RE) in supply of merit goods and services of two selected socio-economic services by Government is shown in the following table:

Table 1.12: Cost of recovery of socio-economic services during 2016-18

Name of Services	2016-17			2017-18		
	Non-tax revenue (NTR) receipt	Revenue Expenditure (RE)	NTR as percentage of RE	NTR receipts	RE	NTR as percentage of RE
Water Supply and Sanitation	2.42	55.30	4.38	2.68	62.57	4.28
Irrigation	1.75	31.41	5.57	0.28	51.27	0.55

(Source: Finance Accounts)

NTR as a percentage of RE in respect of Water Supply and Sanitation remained largely similar at about four *per cent* in 2016-17 and in 2017-18. In case of Irrigation, NTR as a percentage of RE decreased from 5.57 *per cent* to 0.55 *per cent*. This depicts that NTR collection vis-à-vis Irrigation had declined to a large extent in 2017-18.

1.3.2 Grants-in-Aid (GIA) from Government of India (GoI)

The details of GIA from GoI during 2013-18 are shown in the following table:

Table 1.13: Grants-in-Aid from Government of India during 2013-18

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Non-Plan Grants	1769.87	1899.17	2218.18	2234.72	**
Grants for State Plan Schemes	2588.52	2929.12	1758.39	1858.43	**
Grants for Central Plan Schemes	13.64	14.05	83.13	160.52	**
Grants for Centrally Sponsored Plan Schemes	652.68	836.14	178.36	184.07	**
Grants for Special Plan Schemes	85.89	92.34	199.70	182.78	**
Centrally Sponsored Schemes*	-	-	-	-	2322.71
Finance Commission Grants*	-	-	-	-	2288.82 ²³
Other transfer/Grants to State*	-	-	-	-	626.96
Total	5110.60	5770.82	4437.76	4620.52	5238.49
Percentage of increase over previous year	3.51	12.92	(-)23.10	4.12	13.37
Total grants as a percentage of Revenue receipts	70.17	72.15	53.60	50.61	50.58

(Source: Finance Accounts)

* Since Plan/Non-Plan categorization was done away with, GIA from GoI was booked under these heads.

** During 2017-18, no Plan & Non Plan Head of accounts were operated.

GIA from GoI increased by ₹ 617.97 crore from ₹ 4,620.52 crore in 2016-17 to ₹ 5,238.49 crore in 2017-18. As a percentage of Revenue Receipts, GIA was in the range of 50.58 per cent to 72.15 per cent, and thus remained a major contributor to Revenue Receipts of the State during 2013-18.

1.3.3 Central tax transfers

There was an increase in the State's Share of Union taxes and duties in share of net proceeds on corporation tax and taxes on income other than corporation tax, as compared to the previous year. However, there was decrease in the State's Share of Union taxes and duties on customs, Union excise duties, service tax, wealth tax and other taxes and duties on commodities. There was new inclusion of Share of net proceeds on Central Goods and Service Tax (CGST) and Integrated Goods and Service Tax (IGST) with the implementation of GST.

Table 1.14: Central tax transfers

Share of net proceeds of taxes	2013-14	2014-15	2015-16	2016-17	2017-18
Central Goods and Service Tax (CGST)	-	-	-	-	59.32
Integrated Goods and Service Tax (IGST)	-	-	-	-	419.56
Corporation tax	483.90	533.24	993.78	1205.86	1272.66
Taxes on income other than corporation tax	318.64	380.79	694.88	838.08	1074.66
Wealth tax	1.33	1.43	0.08	2.76	(-) 0.04
Customs	234.77	246.96	501.73	518.71	419.40
Union excise duties	165.80	139.45	413.53	592.33	438.40
Service tax	234.35	225.01	536.63	599.38	470.37
Other taxes and duties on commodities and services	--	--	1.69	0.01	--
TOTAL	1438.79	1526.89	3142.42	3757.13	4154.33

Source: Finance Accounts.

State's share of union taxes and Duties increased by ₹ 397.20 crore (10.57 per cent) from ₹3757.13 crore in 2016-17 to ₹ 4154.33 crore in 2017-18 contributing 40.11 per cent of the

²³ It includes: Post-Devolution Revenue Deficit Grant - ₹ 2091 crore, Grants for Rural Local Bodies - ₹166.13 crore, Grants for Urban Local Bodies - ₹12.79 crore and Grants for State Disaster Response Fund - ₹ 18.90 crore.

total Revenue Receipts during 2017-18. This increase was mainly due to new inclusion of Share of net proceeds on Central Goods and Service Tax (₹ 59.32 crore) and Integrated Goods and Service Tax (₹ 419.56 crore).

1.4 Capital Receipts

The details of Capital Receipts during 2013-14 to 2017-18 are shown in the following table:

Table 1.15: Trends in growth and composition of Capital receipts

Particulars	(₹ in crore)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Capital Receipts (CR)	383.91	490.37	926.81	1,552.44	1,303.93
Miscellaneous Capital Receipts	-	-	-	-	-
Recovery of Loans and Advances	1.23	0.97	1.02	1.15	8.02
Public Debt Receipts	382.68	489.40	925.79	1551.29	1295.91
Rate of growth of Public Debt Receipts (per cent)	12.47	27.88	89.17	67.56	(-)16.46
Rate of growth of Non-Debt Capital Receipts (per cent)	108.47	(-) 21.13	5.15	12.75	597.39
Rate of growth of CR (per cent)	12.64	27.73	89.00	67.50	(-)16.01
Rate of growth of GSDP	17.82	11.92	7.73	7.86	9.97

(Source: Finance Accounts)

As can be seen from above table, Capital Receipts was almost entirely contributed by Public Debt Receipts. Public Debt Receipts decreased by ₹ 255.38 crore (16.46 per cent) from ₹ 1,551.29 crore in 2016-17 to ₹ 1,295.91 crore in 2017-18. Decrease in Market borrowings (₹ 105.00 crore²⁴) and Ways and Means Advance (WMA) from RBI (₹ 141.86²⁵ crore) mainly contributed to the decrease in Public Debt Receipts. During 2017-18, the State Government raised Market Loan of ₹ 525.00 crore through two instruments²⁶ which accounted for 41 per cent of the Total Public Debt Receipt (₹ 1,295.91 crore). This was made at interest rates 7.15 per cent and 8.02 per cent.

1.4.1 Recoveries of Loans and Advances

Recovery of Loans and Advances increased to ₹ 8.02 crore in 2017-18 from ₹ 1.15 crore in 2016-17. Recovery was made mostly from Social Security and Welfare Programmes (₹ 7.37 crore) and Loans to Government Servants *etc.* (₹ 60.24 lakh). At the end of the year, there was a closing outstanding Loan of ₹ 199.57 crore, mostly under Social Security and Welfare Programmes (₹ 120.98 crore), Loans for Village & Small Industries (₹ 22.25 crore) and Loans for Housing (₹ 18.11 crore). Outstanding Loans under these Heads constituted 80.84 per cent of the Total Outstanding Loan. The Government needs to give attention to recover the outstanding Loans and Advances.

The Finance Department stated (January 2019) that loans and advances were given to only Government Servants and MLAs and recovery would be made as per the extant provisions.

Recommendation: The State Government needs to ensure realisation of commensurate receipts of interest from the outstanding Loans and Advances.

²⁴ Against Market Loans, repayment of ₹ 247.23 crore was made during 2017-18.

²⁵ Repayment of ₹ 279.88 crore against WMA was also made.

²⁶ (i) 8.02 per cent Manipur SDL, 2028 = ₹ 225.00 crore & (ii) 7.15 per cent Manipur SDL, 2027 = ₹ 300.00 crore

1.4.2 Loans and Advances from Government of India

The opening balance of the Loans and Advances from GoI to the State were ₹ 366.96 crore as on 1 April 2017. The State received an amount of ₹ 8.96 crore and repaid an amount of ₹ 44.09 crore of the Central Loans during 2017-18. Thus, an amount of ₹ 331.83 crore remained as outstanding Loans and Advances from GoI as on 31 March 2018.

1.5 Public Account Receipts

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 of India and are not subjected to vote by the State Legislature. Here the Government acts as a banker. The balance after disbursements is the fund available with the Government for use for its various activities. The details of Net Public Account receipts are shown in the following table:

Table 1.16: Net Public Account Receipts

(₹ in crore)					
Resources under various heads	2013-14	2014-15	2015-16	2016-17	2017-18
Small Savings, Provident Fund <i>etc.</i>	103.12	86.29	60.74	49.54	(-)3.48
Reserve Fund	48.45	64.55	110.71	127.76	165.53
Deposits and Advances	(-) 14.43	(-) 70.88	116.85	98.82	(-)24.38
Suspense and Miscellaneous	1.90	(-) 15.56	(-) 19.13	(-) 21.62	(-)21.66
Remittances	(-) 15.70	(-) 21.80	(-) 144.54	(-) 102.13	(-)60.53
Total	123.34	42.60	124.63	152.37	55.48

(Source: Finance Accounts)

As may be seen from the above table, Net Public Account Receipts decreased by ₹ 96.89 crore (63.59 *per cent*) in 2017-18 over the previous year (2016-17). The decrease in Net Public Account Receipts was mainly due to decrease in net receipts under Deposits and Advances Head from ₹ 98.82 crore in 2016-17 to minus ₹ 24.38 crore in 2017-18 and decrease in net receipts under Small Savings, Provident Fund *etc.* from ₹ 49.54 crore to minus ₹ 3.48 crore.

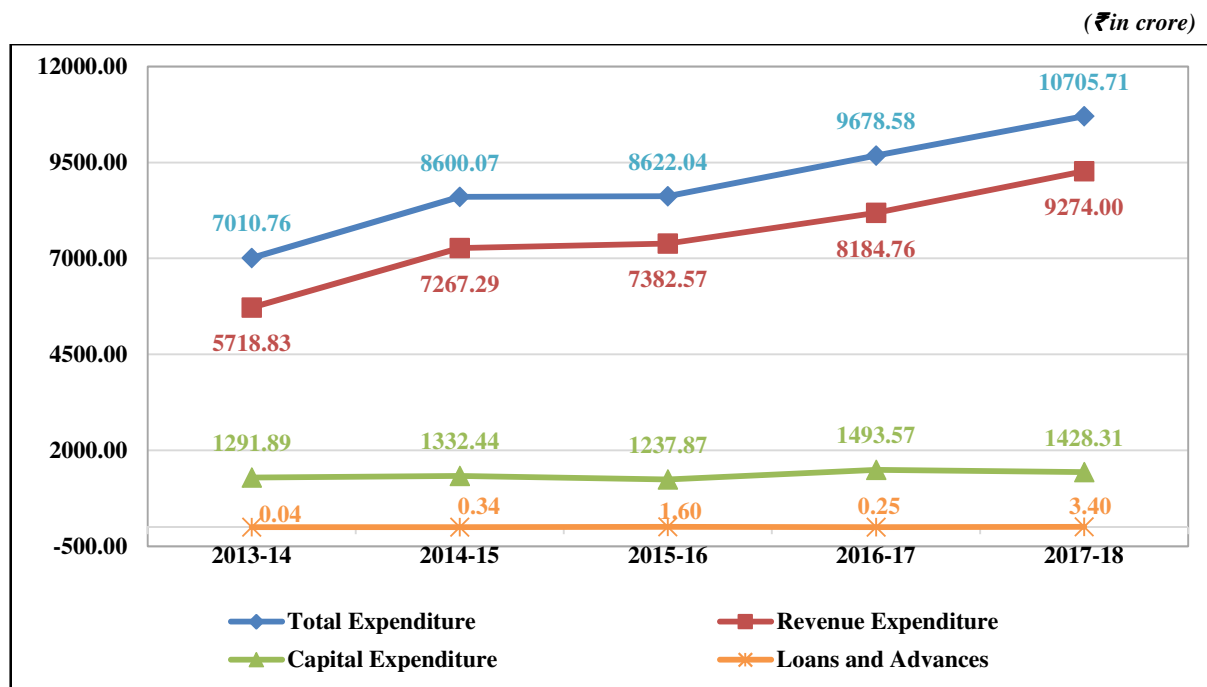
1.6 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with the State Government. 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 the expenditure directed towards development of social services.

1.6.1 Growth and Composition of expenditure

Chart 1.6 presents the trends in Total Expenditure over a period of the last five years (2013 -18). The composition of expenditure both in terms of ‘economic classification’ and ‘expenditure by activities’ is depicted respectively in **Charts 1.7 and 1.8**.

Chart 1.6: Trends in various components of Total Expenditure during 2013-18



The Total Expenditure of the State increased by ₹ 3,694.95 crore (52.70 per cent) from ₹ 7,010.76 crore in 2013-14 to ₹ 10,705.71 crore in 2017-18. The Revenue Expenditure of the State increased by ₹ 3,555.17 crore (62.17 per cent) from ₹ 5,718.83 crore in 2013-14 to ₹ 9,274.00 crore in 2017-18 and Capital Expenditure increased by ₹ 136.42 crore (10.56 per cent) from ₹ 1,291.89 crore in 2013-14 to ₹ 1,428.31 crore in 2017-18.

Revenue Expenditure increased by ₹ 1,089.24 crore in 2017-18 over the previous year (2016-17). The increase was mainly due to increase in expenditure under Social services (₹ 512.66 crore). Capital Expenditure decreased by ₹ 65.26 crore in 2017-18 over the previous year (2016-17). The decrease was mainly due to decrease in expenditure under Other Capital outlay on Industries and Minerals (₹ 148.69 crore) and Capital outlay on Major Irrigation (₹ 140.99 crore) offset by increase in expenditure under Capital Outlay on Urban Development (₹ 152.15 crore) and Capital outlay on Welfare of Scheduled Castes, Scheduled Tribe, Other Backward Classes and Minorities (₹ 70.96 crore).

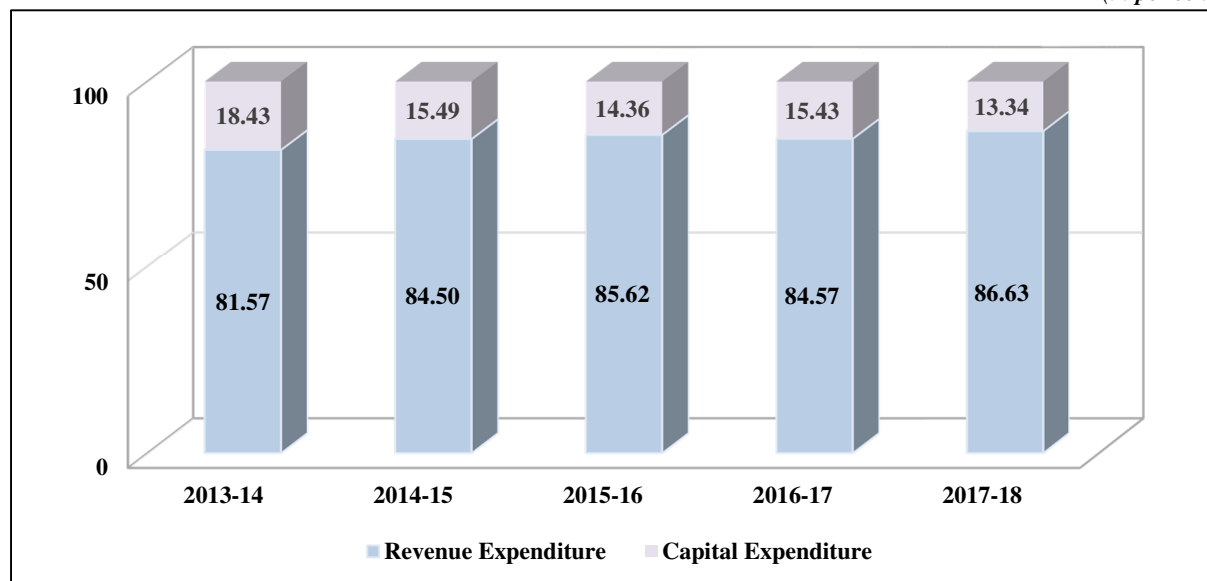
Capital Expenditure exhibited a fluctuating trend during 2013-14 to 2017-18. Revenue Expenditure, on the other hand increased steadily during 2013-18. **Revenue Expenditure as a percentage of the Total Expenditure increased from 81.57 per cent in 2013-14 to 86.63 per cent in 2017-18.** This shows that a bulk of the Total Expenditure has been increasingly spent to meet expenditure on maintenance, salary, etc.

As such, the State Government may give priority to increase Capital Expenditure.

The composition of Revenue Expenditure, Capital Expenditure and Loans and Advances as a percentage of Total Expenditure during 2013-14 to 2017-18 is shown in the following chart:

Chart 1.7: Trends showing share of components of Total Expenditure²⁷

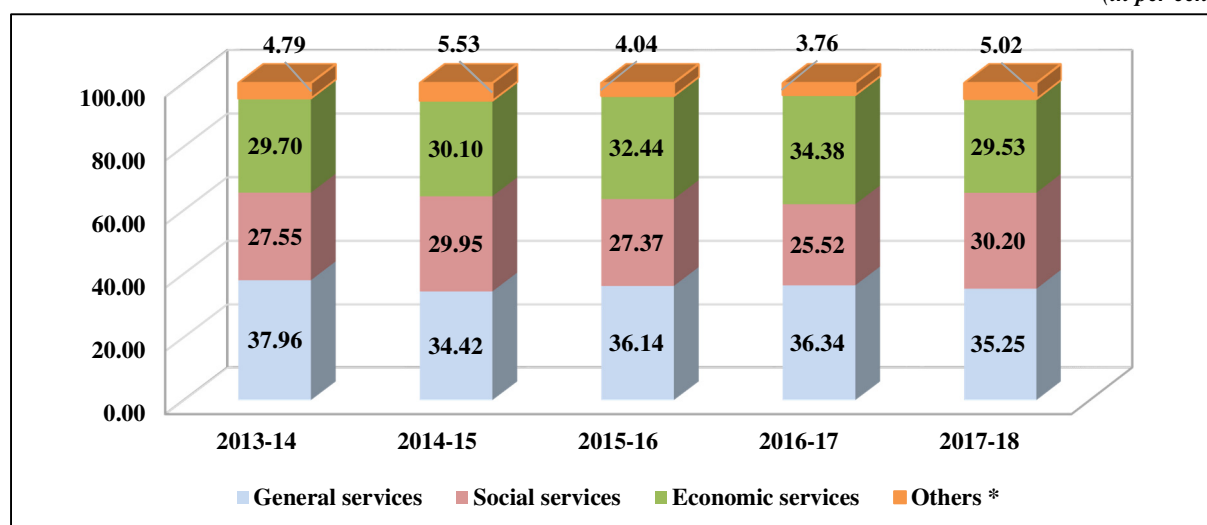
(in per cent)



Expenditure is also classified by its activities like General services, Social services, *etc.* Percentage of expenditure under General services, Social services, Economic services, *etc.*, against Total expenditure is given in the following chart:

Chart 1.8: Percentage of expenditure by activities against Total Expenditure

(in per cent)



* Grants-in-Aid and Contributions

The share of expenditure on account of Economic services maintained an increasing trend from 29.70 per cent in 2013-14 to 34.38 per cent in 2016-17. The trend reversed in 2017-18 and the share of Economic services stood at 29.53 per cent. The share of expenditure on account of Social services increased from 27.55 per cent in 2013-14 to 29.95 per cent in 2014-15 and then decreased to 27.37 per cent in 2015-16. From 25.52 per cent in 2016-17, it increased to 30.20 per cent in 2017-18. The share of expenditure on account of General services declined to 34.42 per cent in 2014-15 from 37.96 per cent in 2013-14. From 2014-15 it exhibited an increasing trend to 36.34 per cent in 2016-17. However, it decreased to

²⁷ Percentage of Loans & Advances component was negligible in the Total Expenditure i.e. 0.0006 (2013-14), 0.004 (2014-15), 0.0186 (2015-16), 0.0026 (2016-17) and 0.0318 (2017-18).

35.25 per cent during 2017-18. Thus, there is no appreciable change in the share of expenditure on account of General services during 2013-14 to 2017-18.

The details of Revenue Receipts, Revenue Expenditure and Revenue surplus as percentage of GSDP are given in the following table:

Table 1.17: Trends of Revenue Receipts and expenditure as per cent of GSDP

Particulars*	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue Receipts as a percentage of GSDP	(7282.79) 44.96	(7998.28) 44.12	(8280.10) 42.40	(9129.12) 43.34	(10357.83) 44.71
Revenue Expenditure as a percentage of GSDP	(5718.83) 35.30	(7267.29) 40.09	(7382.57) 37.80	(8184.76) 38.85	(9274.00) 40.03
Revenue surplus as a percentage of GSDP	(1563.96) 9.66	(730.98) 4.03	(897.53) 4.60	(944.36) 4.48	(1083.83) 4.68

*Figure in bracket indicates Actuals (₹ in crore)

(Source: Finance Accounts and Department of Economics and Statistics, Government of Manipur)

The Revenue Receipts as a percentage of GSDP was in the range of 42.40 per cent to 44.96 per cent during 2013-18 while Revenue Expenditure as a percentage of GSDP was in the range of 35.30 per cent to 40.09 per cent. Revenue Expenditure as a percentage of GSDP increased from 35.30 per cent in 2013-14 to 40.09 per cent in 2014-15 and then decreased to 37.80 per cent in 2015-16. From 38.85 per cent in 2016-17, it increased to 40.03 per cent in 2017-18.

Revenue Receipts-GSDP ratio, Expenditure-GSDP ratio and Revenue surplus-GSDP ratio increased in 2017-18 as compared to previous year (2016-17).

1.6.2 Comparison of Capital expenditure to GSDP with neighbouring States

Capital Expenditure assumes importance as it has a lasting impact on growth as compared to Revenue Expenditure. If spent efficiently, it also ensures a more productive economy and enhances the Government's net worth arising from augmented revenues. The following table presents the comparison of Capital expenditure to GSDP with the neighbouring States:

Table 1.18: Comparison of Capital expenditure to GSDP with neighbouring States

(₹ in crore)

Particular	2013-14	2014-15	2015-16	2016-17	2017-18
Manipur					
Capital expenditure	1292	1332	1238	1494	1428
Manipur GSDP	16198	18129	19531	21066 (Q)	23167 (A)
Percentage of Capital expenditure to GSDP	7.98	7.35	6.34	7.09	6.16
Nagaland					
Capital expenditure	1207	1023	1059	1076	1275
GSDP	16612	18414	20524	21119	23623
Percentage of Capital expenditure to GSDP	7.27	5.56	5.16	5.09	5.40
Mizoram					
Capital expenditure	599	927	711	911	1996
GSDP	10293	13509	15339	16366	17739
Percentage of Capital expenditure to GSDP	5.82	6.86	4.64	5.57	11.25
Sikkim					
Capital expenditure	912	981	634	720	1507
GSDP	13862	15407	18034	20020	22248
Percentage of Capital expenditure to GSDP	6.58	6.37	3.52	3.60	6.78

(Source: Finance Accounts and Economic & Statistics Department, GoM)

The percentage of Capital expenditure to GSDP of Manipur was more than that of Nagaland, Mizoram and Sikkim during 2013-14 to 2016-17. However, it was lesser than Mizoram (11.25 per cent) and Sikkim (6.78 per cent) but more than Nagaland (5.40 per cent) during 2017-18.

1.6.3 Committed expenditure

The Committed expenditure of the State Government on revenue account mainly consists of Interest Payments, expenditure on Salaries and Wages, Pensions and Subsidies. The following table presents the trends in the expenditure on these components during 2013-2018.

Table 1.19: Components of Committed expenditure

Components of Committed expenditure	2013-14	2014-15	2015-16	2016-17	2017-18	
					BE*	Actuals**
Salaries** & Wages	2543.30 (34.92)	2646.04 (33.08)	2772.71 (33.48)	2982.83 (32.67)	3673.11	3381.43 (32.65)
Interest Payments	444.92 (6.11)	473.19 (5.92)	516.23 (6.23)	543.75 (5.95)	535.32	562.96 (5.44)
Expenditure on Pensions	771.48 (10.59)	934.32 (11.68)	1010.25 (12.20)	1173.67 (12.86)	1205.31	1324.32 (12.79)
Subsidies ²⁸	0.43 (0.01)	170.19 (2.13)	185.22 (2.24)	156.62 (1.72)	NA	123.47 (1.19)
Total	3760.13 (51.63)	4223.74 (52.81)	4484.41 (54.16)	4856.87 (53.20)	5534.49 (55.36)	5392.18 (52.06)

* Budget estimates ** excluding Leave Encashment benefits booked under 'Major Head – 2071 – Pensions and Other Retirement Benefits'

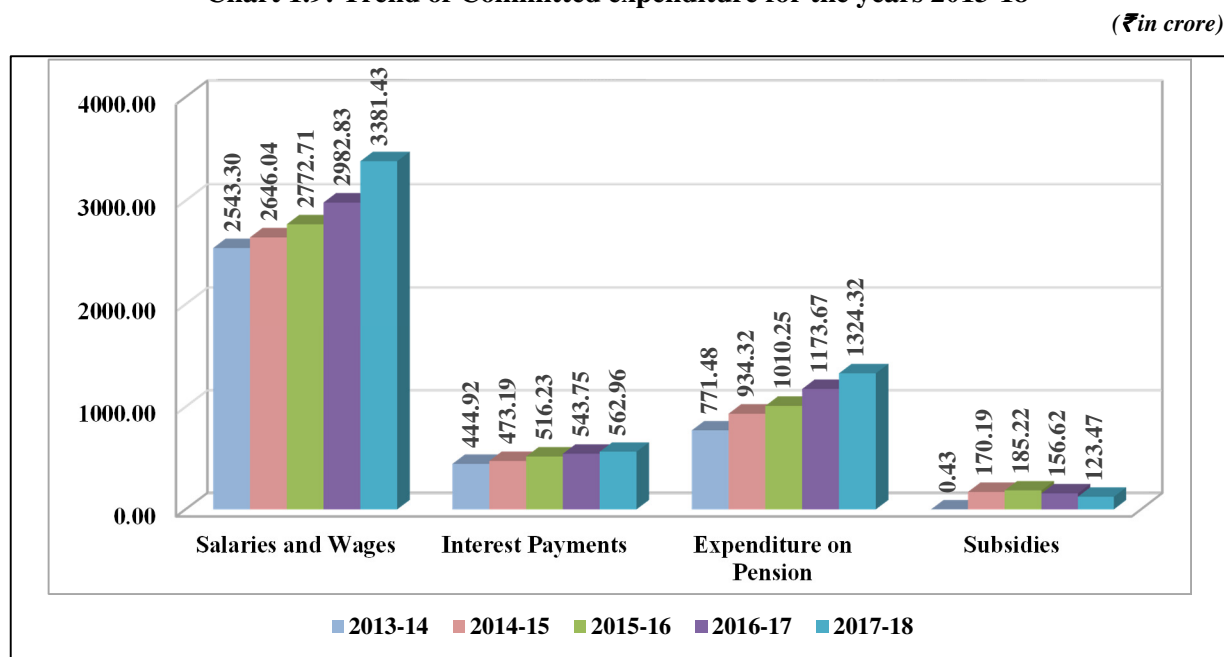
NA: Not Available

(Figures in the parentheses indicates percentage to Revenue Receipts)

(Source: Voucher Level Computerisation data for Salaries & Wages and Finance Accounts for others)

A graphical representation of the Committed expenditure of the State is shown in the following chart:

Chart 1.9: Trend of Committed expenditure for the years 2013-18



²⁸ The subsidy figures as featured in Statement 2 of Finance Accounts has been adopted

Salaries and Wages:- Salaries and Wages accounted for about 33 *per cent* of the Revenue Receipts of the State during 2017-18 and increased by ₹ 398.60 crore (13.36 *per cent*) over the previous year (2016-17). Against the budget estimate of ₹ 3,673.11 crore, expenditure on salary and wages was ₹ 3,381.43 crore during 2017-18.

Interest Payments:- Interest Payments increased continually from ₹ 444.92 crore in 2013-14 to ₹ 562.96 crore in 2017-18. Interest payments increased by ₹ 19.21 crore from ₹ 543.75 crore in 2016-17 to ₹ 562.96 crore in 2017-18. As in the previous year, Interest on internal debt (₹ 416.63 crore) constituted a major portion of Interest payment and accounted for 74.01 *per cent* while the remaining share was for payment of interest on Small Savings, Provident Funds *etc.*, and on Loans and Advances from Central Government. Interest payments was more than the Budget estimate by ₹ 27.64 crore during 2017-18.

Pension Payment:- Pension Payment increased continually from ₹ 771.48 crore in 2013-14 to ₹ 1,324.32 crore in 2017-18. Pension Payment increased by ₹ 150.64 crore (12.83 *per cent*) from ₹ 1,173.67 crore in 2016-17 to ₹ 1,324.32 crore in 2017-18. The increase was mainly due to increase in payment on Superannuation and Retirement Allowances (₹ 74.64 crore), Leave Encashment Benefits (₹ 36.79 crore), Gratuities (₹ 36.64 crore), Family Pension (₹ 23.61 crore), *etc.*

Subsidies: - During 2013-14, State Government incurred ₹ 0.43 crore as expenditure on subsidy. In 2014-15, there was sharp increase of subsidy, which was ₹ 170.19 crore which further increased to ₹ 185.22 crore in 2015 -16. The expenditure on subsidies decreased from ₹ 156.62 crore in 2016-17 to ₹ 123.47 crore in 2017-18. Subsidy of ₹ 123.00 crore was given to Power sector during 2017-18 and constituted 99.62 *per cent* of the total subsidy.

1.6.4 Financial Assistance by the State Government to Local Bodies, Urban Local Bodies and other institutions

The quantum of assistance provided by way of grants and loans to local bodies and other institutions during 2017-18 relative to the previous years is presented in the following table:

Table 1.20: Financial Assistance to local bodies, other institutions *etc.*

Financial Assistance to Institutions	2013-14	2014-15	2015-16	2016-17	2017-18	
					BE*	Actual
Educational Institutions (Aided Schools, Aided Colleges, Universities <i>etc.</i>)	95.48	91.65	28.67	51.27	78.73	72.40
Municipal Corporations and Municipalities	14.72	25.05	30.94	17.12	47.84	32.14
Co-operative institutions	0.59	0.42	0.17	0	0.17	0.17
Power	-	448.23	531.42	665.43	415.21	465.19
Other Institutions	17.63	21.27	118.48	96.54	137.39	128.62
Total	128.42	586.62	709.68	830.36	676.23	698.52
Assistance as percentage of Revenue Expenditure	2.25	8.07	9.61	10.15	6.84	7.53

* BE – Budget estimates

(Source: Finance Accounts and Detailed Appropriation Accounts)

The total assistance (₹ 698.52 crore) provided during 2017-18 was more than the estimate made in the budget (₹ 676.23 crore) by ₹ 22.29 crore. As compared to 2016-17, the total assistance decreased by ₹ 131.84 crore in 2017-18. Financial assistance to Power alone constituted 66.60 *per cent* of the total assistance of the State Government during 2017-18.

The percentage of assistance to the total Revenue Expenditure increased from 2.25 *per cent* in 2013-14 to 10.15 *per cent* in 2016-17. In 2017-18, it decreased to 7.53 *per cent*.

1.6.5 Local Bodies

The 73rd and 74th Constitutional amendment Acts marked a new era in the federal democratic set up at the grass root level so far as it conferred constitutional status to the Panchayati Raj Institutions (PRIs) and Urban Local Bodies (ULBs) and recognized them as the third tier of Government. The Constitutional amendments provide for devolution of powers and responsibilities with respect to preparation of plans and programmes for economic development and social justice relating to 29 subjects to PRIs and 18 subjects to ULBs listed in the XI and XII Schedule of the Constitution of India respectively.

After the 73rd Constitutional amendment, the State Government enacted the Manipur Panchayati Raj (MPR) Act, 1994 and established a two-tier PRI system at the village and district levels. The State has 16 districts of which 10 districts are located in the hilly areas and six districts are in the valley. As of March 2018, there were six Zilla Parishads and 161 Gram Panchayats in the State. Consequent upon the 74th Constitutional amendment, the Government enacted the Manipur Municipality Act, 1994. The ULBs in the State are governed by this Act. As of March 2018, there is one Municipal Corporation, 21 Municipal Councils (MCs), five Nagar Panchayats (NPs) and one Small Town Committee (STC) in the State.

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

The 73rd Constitutional amendment and the Manipur Panchayati Raj Act, 1994 envisaged transfer of the functions to PRIs listed in the XI Schedule. Accordingly, the State Government through executive orders had to transfer all the 29 functions to the PRIs. For effective functioning of both the State Government and PRIs, activity mapping delineated the role and responsibility of PRIs. Out of 29 functions, the State Government devolved functions of 16 departments²⁹ to PRIs as of March 2018.

The 74th Constitutional amendments provide for devolution of powers and responsibilities with respect to preparation of plans and programmes for economic development and social justice and implementation relating to 18 subjects listed in the XII Schedule for ULBs. The Directorate of Municipal Administration, Housing and Urban Development (MAHUD), Government of Manipur intimated (August 2018) that out of 18 functions, 11 functions³⁰ were transferred to ULBs.

Out of the 16 transferred subjects, funds and functionaries were transferred to six subjects (Fisheries, Rural Development and Panchayati Raj, Horticulture, Tribal Development, Science

²⁹ (1) Transport, (2) Health, (3) Veterinary and Animal Husbandry, (4) Fisheries, (5) Rural Development, (6) Education (School), (7) Industries, (8) Agriculture, (9) Horticulture, (10) Tribal Development, (11) Cooperation, (12) Minor Irrigation, (13) Arts and Culture, (14) Social Welfare, (15) Science and Technology, (16) Family Welfare.

³⁰ (1) Urban planning including town planning, (2) Regulation of land-use and construction of the building, (3) Planning for economic and social development, (4) Public Health, Sanitation, Conservancy and Solid Waste Management (SWM), (5) Urban forestry, protection of environment and promotion of ecological aspects, (6) Safeguarding the interests of the weaker sections of the society, including the handicapped and the mentally retarded, (7) Urban poverty alleviation, (8) Provision of urban amenities and facilities such as parks, gardens, playground, (9) Cattle pounds and prevention of cruelty to animals, (10) Vital statistics including registration of births and deaths, (11) Public amenities including street lighting, bus stops, public conveniences.

and Technology, Veterinary and Animal Husbandry) for PRIs. The State Government allocated funds to PRIs and ULBs as per the recommendations of the Manipur State Finance Commission (MSFC)³¹. However there was shortage in transfer of funds. During 2017-18, as per recommendations of MSFC, ₹ 165.81 crore was to be transferred to PRIs, however, amount actually released was ₹ 27.05 crore, which resulted in short release by ₹ 138.76 crore. Similarly, in case of ULBs, ₹ 105.17 crore was required to be transferred during 2017-18 by the State Government, however, only ₹ 18.71 crore was released which resulted in short release by ₹ 86.99 crore. Such shortfall would ultimately impede the development works in the PRIs and ULBs of the State.

Accounting and auditing arrangement of PRIs and ULBs

Panchayati Raj Institutions (PRIs): Sections 43 and 73 of MPR Act, 1994 stipulated that the accounts of GPs and ZPs shall be kept in such form and manner as may be prescribed. However, the PRIs did not maintain basic records like Advance Register, Cheque Issue Register, Assets Registers and Receipt and Payment Accounts. The State Government issued an order in July 2014 that the accounts of the PRIs would be maintained in the format as envisaged in the Model Accounting System as prescribed by the Ministry of *Panchayati Raj*, GoI in consultation with the Comptroller and Auditor General (CAG) of India with effect from April 2013. However, none of the PRIs in the State maintained their accounts in the prescribed format as of March 2018.

The Director, Local Fund Audit (DLFA), Government of Manipur is the Statutory Auditor and conducts audit of accounts of GPs and ZPs under Sections 44(1) and 74(1) of the MPR Act, 1994 and is to forward the audit reports to GPs and ZPs within one month from the date of completion of audit. During 2017-18, out of 57 PRIs planned for audit, 54 PRIs were audited. During 2018-19, out of 167 units, 45 units were planned for audit under PRIs out of which 31 units were audited as of December 2018. The Annual Inspection Report for the year 2016-17 was prepared and sent to the State Legislature during February 2018 for placement in the State Legislature.

Urban Local Bodies (ULBs): The Ministry of Urban Development, GoI in consultation with the CAG of India developed (December 2004) National Municipal Accounts Manual (NMAM) which is based on double entry accrual based accounting system and circulated it to the State Governments for adoption for greater transparency and control over finances. The State Government also issued an order to all ULBs in March 2011 for adoption of NMAM with immediate effect. Accordingly, the ULBs in the State were required to prepare their budget and maintain their accounts in the formats as prescribed in NMAM with appropriate codifications and classifications. It was, however, observed that none of the ULBs had adopted NMAM as of March 2018. The accounts of the ULBs were not kept as per NMAM. Due to non-maintenance of accounts in the prescribed format, the actual financial position of ULBs in the State could not be ascertained.

³¹ As per the IIIrd Manipur State Finance Commission (constituted in February 2013 and covered five years from 2013-14 to 2017-18), the State Government was required to transfer 10 per cent of the State's own revenue including the State's share of Central taxes to the local bodies including the Autonomous District Councils (ADCs). Out of this allocation, 35.28 per cent was to be transferred to PRIs, 22.49 per cent was to the ULBs and 42.23 per cent to the Autonomous District Councils.

The DLFA conducts audit of accounts of Municipal Corporation, MCs, NPs and STC under Sections 72(1) of the Manipur Municipalities Act, 1994. During 2017-18, out of 28 ULB units planned for audit, 15 ULB units were audited. Out of 28 ULBs units, 27 ULBs units were planned for audit during the year 2018-19 out of which 12 units were audited upto December 2018. The Annual Inspection Report for the year 2016-17 was prepared and sent to the State Legislature during February 2018 for placement in the State Legislature.

Audit of PRIs and ULBs by CAG of India

The DLFA is the statutory auditor for PRIs and ULBs in the State. The State Government has entrusted (March 2012) audit of PRIs and ULBs to the Comptroller and Auditor General of India (CAG) with the responsibility of providing Technical Guidance and Support (TG&S). Accordingly, CAG conducts supplementary audit of accounts of PRIs and ULBs under TG&S arrangement.

Reporting arrangement

Under TG&S arrangement, audit findings of test checked accounts of PRIs and ULBs conducted by the Accountant General (Audit) are presented in the form of Annual Technical Inspection Report (ATIR) and submitted to the State Government for necessary action. There is a provision in the terms and conditions of TG&S entrustment that the CAG of India or his representative will have the right to report the result of audit to the State Legislature. Accordingly, the ATIR are placed before the State Legislature. Annual Technical Inspection Reports upto the year 2015-16 had been placed in the Legislature. However, ATIR for the year 2011-12 only was discussed by PAC (December 2013). The ATIR for the year 2016-17 is yet to be placed before the State Legislature.

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 expenditure (*i.e.* adequate provisions for providing public services), efficiency of expenditure use and its effectiveness (assessment of outlay-outcome relationships for selected services).

1.7.1 Adequacy of Public expenditure

In view of the importance of Public expenditure on developmental heads from the point of view of social and economic development, it is important for the State Government to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods³². Adequacy of expenditure is also reflected by ratio of allocation towards Development expenditure³³ and Capital Expenditure to Total Expenditure (and/or GSDP) and proportion of Revenue Expenditure spent on operation and maintenance of the existing Social and Economic services. The higher the ratio of these components (Development expenditure or Capital Expenditure) to Total Expenditure (and/or GSDP), the better would be the quality of expenditure. The following table presents the trends in Development expenditure relative to

³² Refer glossary in Appendix 1.7

³³ Refer glossary in Appendix 1.7

the Total Expenditure of the State during 2017-18 *vis-à-vis* budget estimates and the previous years' actuals.

Table 1.21: Components of Development expenditure

(₹ in crore)

Components of Development expenditure	2013-14	2014-15	2015-16	2016-17	2017-18	
					BE*	Actual
Development Revenue Expenditure	2942.27 (41.97)	4040.44 (46.98)	4083.72 (47.36)	4399.73 (45.46)	6293.56 (58.79)	5073.03 (47.39)
Development Capital Expenditure	1071.57 (15.28)	1123.62 (13.07)	1072.83 (12.44)	1397.57 (14.44)	1895.00 (17.70)	1321.81 (12.35)
Development Loans and Advances	There was no payment of Loans & Advances for development expenditure (Social & Economic Services)					

* BE- Budget estimates (Figures in parentheses indicate percentage to Total expenditure)
(Source: Budget documents and Finance Accounts)

While Development Revenue Expenditure increased by ₹ 673.30 crore from ₹ 4,399.73 crore in 2016-17 to ₹ 5,073.03 crore in 2017-18, Development Capital Expenditure decreased marginally by ₹ 75.76 crore during 2017-18 over the previous year (2016-17). Both Development Revenue Expenditure and Development Capital Expenditure were less than budget estimates. The Development Revenue Expenditure shows a steady increasing trend during 2013-14 to 2017-18 while Development Capital Expenditure represented a fluctuating trend.

The various parameters of Fiscal Priority of the State during 2013-14 and 2017-18 are given in the following **Table No. 1.22:**

Table 1.22: Fiscal priority in 2013-14 and 2017-18

(in per cent)

Fiscal Priority of the State	TE/ GSDP	SSE/TE	ESE/TE	DE/TE	CE/TE	Education/ TE	Health/TE
SCS Average 2013-14	23.50	37.60	29.30	64.00	13.80	18.30	5.40
Manipur 2013-14	43.28	27.55	29.70	57.25	18.43	13.11	5.85
SCS Average 2016-17	27.40	34.20	30.00	61.40	13.60	16.60	5.40
Manipur 2016-17	41.50	25.52	34.38	59.90	15.43	12.51	4.95
SCS Average 2017-18	25.80	34.90	28.90	58.90	15.50	18.20	6.20
Manipur 2017-18	46.21	30.20	29.53	59.73	13.34	12.72	5.42

* TE - Total Expenditure; DE - Developmental Expenditure; SSE - Social services Expenditure; ESE - Economic services Expenditure, CE - Capital Expenditure; SCS - Special Category States

(Source: Finance Accounts)

The Aggregate Expenditure as percentage of GSDP of Manipur was more than that of Special Category States (SCS) during 2013-14 and 2017-18. As compared to SCS, Manipur gave more Fiscal priority to Economic expenditure during 2013-14 and 2017-18. The Fiscal priority of Manipur in Social services and Education was lesser than SCS during 2013-14 and 2017-18.

As compared to 2013-14, there was reduction of Capital Expenditure *vis-a-vis* Total Expenditure in 2017-18. The State's Fiscal priority on Education and Health *vis-a-vis* Total Expenditure also depicted a declining figure. However, Social services and Development Expenditure *vis-a-vis* Total Expenditure depicted an increasing figure and Economic services remained more or less static during 2017-18 as compared to 2013-14.

Capital expenditure, if spent efficiently, could enhance productivity of the economy and increase Government's net worth from augmented revenues. As such, the reduction in the share of Capital Expenditure may indicate non-optimisation of the desired fiscal objectives.

1.7.2 Efficiency of expenditure in Social and Economic services

Percentages of Capital Expenditure, Salaries and Wages and expenditure on Operation and Maintenance to the Total Expenditure of the sector/sub-sector of Social and Economic Services are shown in the following table:

Table 1.23: Efficiency of expenditure³⁴ in Social and Economic Services

(in per cent)

Sector	2016-17			2017-18		
	Percentage of CE* to TE* of the respective sector	Percentage of RE* vis-a-vis		Percentage of CE to TE of the respective sector	Percentage of RE vis-a-vis	
		Salaries & wages	OM*		Salaries & wages	OM*
Social services	16.72	64.90	2.49	20.53	60.01	4.23
Economic services	29.59	18.30	7.22	20.81	20.49	16.01

* CE-Capital Expenditure, TE-Total Expenditure, RE-Revenue Expenditure & OM-Operation and Maintenance

(Source: Finance Accounts)

Capital Expenditure under Social services increased by ₹ 250.71 crore from ₹ 412.99 crore in 2016-17 to ₹ 663.70 crore in 2017-18. The share of Capital Expenditure to Total Expenditure increased from 16.72 per cent in 2016-17 to 20.53 per cent in 2017-18 under Social services. This indicates that allocation of Capital Expenditure under Social services was given more priority in 2017-18 from that in 2016-17. Salaries and Wages as a percentage of Revenue Expenditure under Social services stood at 60.01 per cent in 2017-18. Thus, major outgo of Revenue Expenditure under Social services is for payment of Salary and Wages.

Capital Expenditure under Economic services decreased by ₹ 326.46 crore from ₹ 984.57 crore in 2016-17 to ₹ 658.11 crore in 2017-18. The outflow of Salaries and Wages as a percentage of Revenue Expenditure was much better under Economic services as compared to Social services. Under Social services 60.01 per cent of Revenue Expenditure was utilised as Salary and Wages whereas it was 20.49 per cent under Economic services. Under Economic services, Operation and maintenance cost as a percentage of Revenue Expenditure increased substantially from 7.22 per cent in 2016-17 to 16.01 per cent in 2017-18.

1.8 Financial analysis of expenditure and investments

In the post-FRBM framework, the State is expected to keep its Fiscal deficit not only at low levels but also to 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 the cost of borrowed funds rather than bearing the same in its budget in the form of

³⁴

(₹ in crore)

	2016-17	2017-18
Social services	CE- ₹ 412.99, RE- ₹ 2056.76 & TE- ₹2469.75	CE- ₹ 663.70, RE- ₹ 2569.42 & TE- ₹3233.12
Economic services	CE- ₹ 984.57, RE- ₹ 2342.97 & TE- ₹3327.53	CE- ₹ 658.11, RE- ₹ 2503.61 & TE- ₹3161.72

implicit subsidy, and along with 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 2017-18 *vis-à-vis* previous years.

1.8.1 Incomplete projects:

The department-wise information pertaining to some major incomplete projects of which the scheduled date of completion is already over as on 31 March 2018 is given in the following table:

Table 1.24: Department-wise Profile of Incomplete Projects

(₹ in crore)				
Department	Year of commencement of the Projects	No. of incomplete Projects ³⁵	Initial Budgeted Cost	Cumulative expenditure as on 31.03.2018
Irrigation & Flood Control Department (IFCD)	2009-10 to 2015-16	13	156.98	65.63
Public Works Department (PWD)	Between October 2013 and January 2017	11	46.87	40.57
Total		24	203.85	106.20

(Source: Finance Accounts)

As of 31 March 2018, there were 24 incomplete projects involving a total budgeted cost of ₹ 203.85 crore on which an expenditure of ₹ 106.20 crore had already been incurred. These 24 incomplete works pertain to two Departments *viz.*, IFCD and PWD. Delay in completion of works invites the risk of escalation in cost of the works besides depriving the State of the benefits of the projects.

1.8.2 Investment in companies, corporations and co-operative societies and returns

During 2013-18, investment in companies, corporations and co-operative societies ranging from ₹ 160.30 crore to ₹ 177.57 crore was made by the State Government. Against this, the State Government could earn only ₹ 16,000 during 2013-18, as shown in the following table:-

Table 1.25: Return on Investment from Companies/Corporations etc.

Investment/Return/Cost of Borrowings	2013-14	2014-15	2015-16	2016-17	2017-18
Investment at the end of the year (₹ in crore)	160.30	167.13	175.24	176.32	177.57
Return (in ₹)	₹ 3000	₹ 2000	₹ 3000	₹ 4000	₹ 4000*
Return (per cent)	0.00	0.00	0.00	0.00	0.00
Average rate of interest on Govt. borrowing (per cent)	6.42	6.56	6.67	6.42	6.13
Difference between interest rate and return (per cent)	6.42	6.56	6.67	6.42	6.13

(Source: Finance Accounts)

*From one Cooperative Society

As of 31 March 2018, the State Government had invested ₹ 177.57 crore³⁶ in two statutory corporations, 18 Government companies and 3135 numbers of various types of co-operative banks and institutions. However, the return on these investments could not be calculated due to non-finalization of accounts up to the year 2017-18 except one Cooperative Society which contributed dividend of ₹ 4000 during 2017-18. The State Government paid an average rate of interest ranging from 6.13 *per cent* to 6.67 *per cent* on its borrowings. However, the rate of return from the investment was insignificant.

³⁵ The above list does not include projects for which the targeted dates of completion have been revised.

³⁶ Investment/Share as featured in Statement 1 of Finance Accounts has been adopted.

The State Government may critically review the functioning of the corporations and companies to make their operations viable to ensure more returns on the investments.

The Department accepted (January 2019) the audit observation that the collection of ₹ 4,000 is too low. However, Department did not mention anything about the future course of action to remedy the problem.

Recommendation: *The State Government may critically review the functioning of the corporations and companies to make their operations viable to ensure more returns on the investments.*

1.8.3 Loans and Advances by the State Government

In addition to investments in co-operative societies, corporations and companies, the State Government had also been providing Loans and Advances to many institutions/organizations. The following table presents the outstanding Loans and Advances as on 31 March 2018 and Interest receipt *vis-à-vis* Interest Payments during 2013-14 to 2017-18.

Table 1.26: Average Interest received on Loans and Advances by the State Government

(₹ in crore)

Quantum of Loans/Interest receipt/Cost of Borrowings	2013-14	2014-15	2015-16	2016-17	2017-18	
					BE*	Actual
Opening Balance	206.32	205.13	204.51	205.09	NA	204.19
Amount advanced during the year	0.04	0.34	1.60	0.25	6.70	3.40
Amount repaid during the year	1.23	0.97	1.02	1.15	3.80	8.02
Closing Balance	205.13	204.50	205.09	204.19	NA	199.57
<i>Of which</i> Outstanding balance for which terms and conditions have been settled	NA	NA	NA	NA	NA	NA
Net addition	(-) 1.19	(-) 0.63	0.58	(-)0.90	NA	(-)4.62
Interest Receipts	0.35	0.55	0.32	0.37	NA	0.17
Interest Receipts as <i>per cent</i> to outstanding Loans and Advances	0.17	0.27	0.16	0.18	NA	0.09
Total Interest Payments as <i>per cent</i> to outstanding Fiscal liabilities of the State Government	6.30	6.43	6.35	6.17	NA	5.89
Difference between Interest Payments and Interest Receipts (<i>per cent</i>)	6.13	6.16	6.19	5.99	NA	5.80

* BE- Budget estimates ** Difference in opening balance & closing balance due to rounding. NA - Not available
(Source: Budget documents and Finance Accounts)

The opening balance of outstanding Loans and Advances as on 1 April 2017 was ₹ 204.19 crore. Against repayment of Loans and Advances of ₹ 8.02 crore, an amount of ₹ 3.40 crore was disbursed during 2017-18, resulting in closing balance of outstanding Loans and Advances of ₹ 199.57 crore as on 31 March 2018. Interest Receipts decreased from ₹ 0.35 crore in 2013-14 to ₹ 0.17 crore in 2017-18. Pertinently, Interest Receipts of ₹ 0.17 crore against Loan of ₹ 204.19 crore³⁷ was insignificant. The State Government needs to ensure realisation of commensurate receipt of interest from the outstanding Loans and Advances.

Due to irregular recovery of loans and advances during the previous years, the outstanding loans and advances stood at ₹ 199.57 crore. As such, attention needs to be given to recover the outstanding loans and advances of the previous years.

³⁷ Opening balance (OB) of Loan

1.8.4 Cash Balances and Investment of Cash Balances

It is generally desirable that the State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatch in the flow of resources and the expenditure obligations, a mechanism of Ways and Means Advances (WMA) from RBI has been put in place. The operative limit for Normal Ways and Means Advances is based on the three years average of Revenue Receipts and the operative limit for Special Ways and Means Advances/Special Drawing Facility 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 ₹ 195 crore for 2017-18. The position of Ways and Means Advances and Overdraft is shown in the following table:

Table 1.27: Ways and Means Advances and Overdrafts

(₹ in crore)					
Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Ways and Means Advance					
Availed in the year	274.52	Nil	184.75	805.26	663.40
Outstanding WMAs	Nil	Nil	184.75	102.42	485.94 ³⁸
Interest paid	0.19	Nil	Nil	0.75	0.10
Number of days	13	Nil	1	32	8 ³⁹
Overdraft					
Number of days	8	Nil	Nil	Nil	1

(Source: Finance Accounts) NA: Not Available

The State Government resorted to Ways and Means Advance (WMA) during 2013-14, 2015-16, 2016-17 and 2017-18. During 2014-15 the State Government did not avail any Ways and Means Advance. During 2017-18, an amount of ₹ 663.40 crore was availed as WMA for 8 days. After repayment of ₹ 279.88 crore, the balance WMA at the end of the year was ₹ 485.94 crore. There was an Overdraft of ₹ 231.20 crore during 2017-18.

Ways and Means Advances are meant to provide support for temporary difficulties that arise on account of mismatch/shortfall in flow of resources for meeting the expenditure obligations of the Government. Resorting to Ways and Means Advances in four out of the past five years indicates a difficult position of cash balances of the State Government.

The following table depicts the cash balances and investments made by the State Government out of cash balances at the beginning and at the end of 2017-18:

Table 1.28: Cash balances and investment of cash balances as on 31 March 2018

(₹ in crore)		
Particulars	Opening balance on 1.4.2017	Closing balance on 31.3.2018
(a) General Cash Balance -		
Cash in Treasuries	4.63	4.63
Deposits with Reserve Bank	(-)155.02	29.69
Remittances in transit - Local	Nil	Nil
Sub-total	(-) 150.39	34.32
Investments in Cash Balance investment account	Nil	Nil
Total (a)	(-) 150.39	34.32
(b) Other Cash Balances and Investments		
Cash with departmental officers ⁴⁰	63.88	38.94

³⁸ OB of WMA was ₹ 102.42 crore, availed ₹ 663.40 crore and repaid ₹ 279.88 crore.

³⁹ For 3 days, both Ordinary WMA and Special WMA was availed.

⁴⁰ Public Works Department Officers, and Forest Department Officers.

Particulars	Opening balance on 1.4.2017	Closing balance on 31.3.2018
Permanent advances for contingent expenditure with departmental officers	0.02	0.02
Investment of earmarked funds	482.07	658.30
Total (b)	545.97	697.26
Grand total (a)+ (b)	395.58	731.58

(Source: Finance Accounts)

Against opening cash balance of ₹ 395.58 crore at the beginning of 2017-18, the cash balance closed at an amount of ₹ 731.58 crore at the end of the year. This was mainly due to increase in Deposits with Reserve Bank by ₹ 184.71 crore from minus ₹ 155.02 crore in 2016-17 to ₹ 29.69 crore in 2017-18 and increase in Investment of earmarked funds by ₹ 176.23 crore from ₹ 482.07 crore in 2016-17 to ₹ 658.30 crore in 2017-18 partly offset by decrease in Cash with departmental officers (₹ 24.94 crore). However, there was no balance lying in Cash Balance investment account at the end of 2017-18.

1.9 Assets and Liabilities

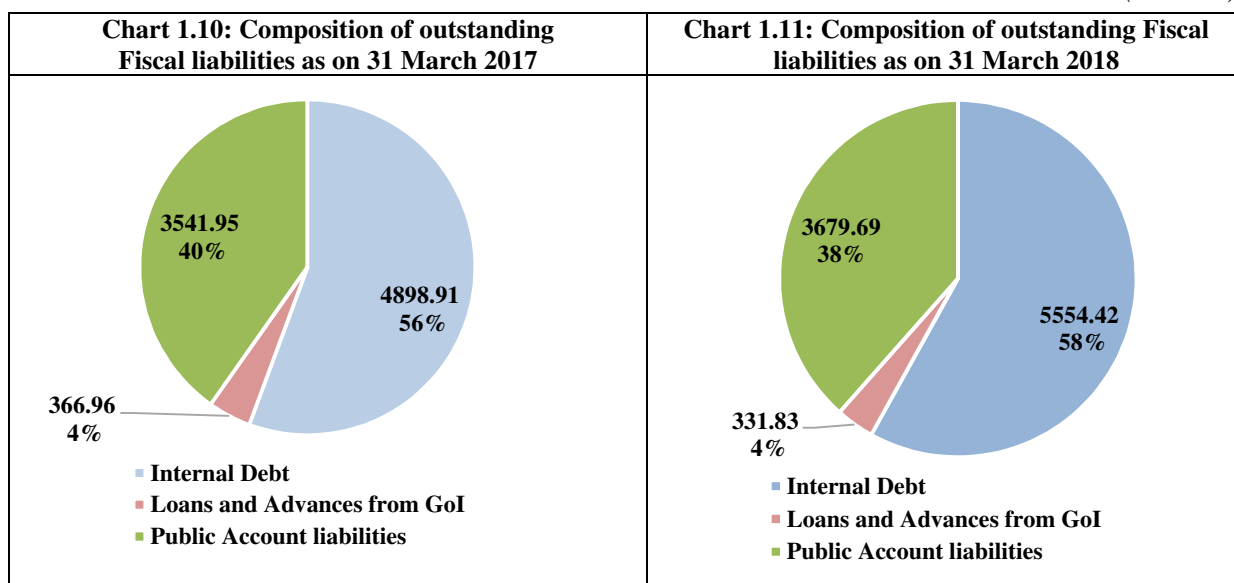
1.9.1 Growth and Composition of Assets and Liabilities

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 1.5** gives an abstract of such liabilities and assets as on 31 March 2018, compared with the corresponding position on 31 March 2017. The liabilities in this Appendix consist mainly of internal borrowings, receipt from the Public Account, Small Savings, Provident Funds and Loans and Advances from Central Government. The assets comprise mainly Capital Expenditure, Remittance Balance and Loans and Advances given by the State Government.

1.9.2 Fiscal liabilities

The composition of Fiscal liabilities during 2017-18 *vis-à-vis* the previous year is presented in the following charts:

(₹ in crore)



The following table presents the Fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP and Revenue Receipts.

Table 1.29: Details showing Fiscal liabilities, its growth rate and ratio to GSDP

(₹ in crore)					
Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Fiscal liabilities ⁴¹	7060.68	7357.38	8125.39	8807.82	9565.94
Rate of growth (<i>per cent</i>)	3.82	4.20	10.44	8.40	8.61
Percentage of Fiscal liabilities to					
GSDP (<i>per cent</i>)	43.59	40.58	41.60	41.81	41.29
Revenue Receipts (<i>per cent</i>)	96.95	91.99	98.13	96.48	92.35

(Source: Finance Accounts & Directorate of Economics & Statistics)

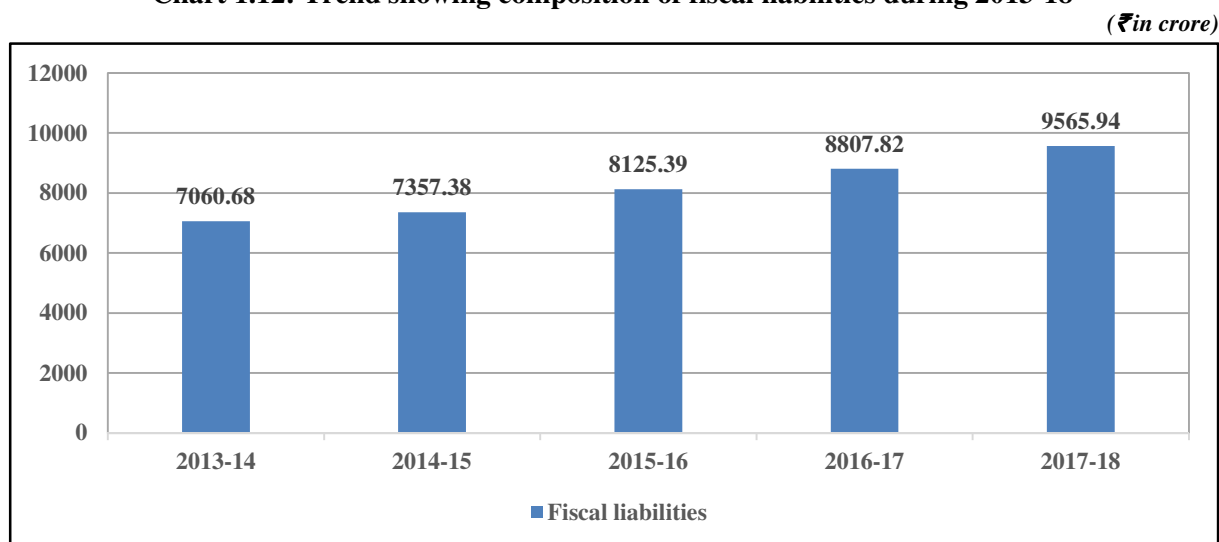
The overall Fiscal liabilities of the State Government maintained an increasing trend during 2013-14 to 2017-18, which increased from ₹ 7,060.68 crore in 2013-14 to ₹ 9,565.94 crore in 2017-18. The Fiscal liabilities increased by 8.61 *per cent* (₹ 758.12 crore) in 2017-18 over the previous year (2016-17). This was mainly due to increase of ₹ 655.51 crore under Internal Debt, which constituted 86.47 *per cent* of the increase of the Fiscal liabilities in 2017-18. This underlines the extent of increase of Fiscal liabilities in 2017-18. Such a trend, if continued in coming years, would put pressure on the State Government in meeting the burden on re-payment of debt and interest thereon.

The annual growth rate of Fiscal liabilities increased from 8.40 *per cent* in 2016-17 to 8.61 *per cent* during 2017-18.

Both percentages of Fiscal liabilities to GSDP and to Revenue Receipts in 2017-18 decreased from the previous year.

The trends showing composition of Fiscal liabilities are further depicted in the following chart:-

Chart 1.12: Trend showing composition of fiscal liabilities during 2013-18



(Source: Finance Accounts)

⁴¹ Refer glossary in Appendix 1.7. Fiscal Liabilities as shown in the Table is inclusive of Investment out of Reserved Funds

The increase in Fiscal liabilities (₹ 758.12 crore) during 2017-18 as compared to 2016-17 was due to increase in Internal Debt (₹ 655.51 crore) and Public Accounts (₹ 137.74 crore) offset by decrease in Loans and Advances from GoI (₹ 35.13 crore).

The increase in Internal Debt was mainly due to two market loans totalling to ₹ 525 crore, at interest rates 7.15 per cent and 8.02 per cent. The increase in Reserve Fund was due to increase in Sinking fund (₹ 135.28 crore). Loans and Advances from GoI decreased as repayment of ₹ 44.09 crore was made and only ₹ 8.96 crore were obtained from GoI during 2017-18.

Recommendation: The State Government should review the Internal Debt of the State and devise a road map to handle re-payment of principal and interest.

1.9.3 Transactions under Reserve Fund

The State has four Reserve Funds viz., State Disaster Response Fund, Consolidated Sinking Fund, Depreciation Reserve Funds of Government Commercial Departments/Undertakings and Guarantee Redemption Fund. The balance under these four Reserve Funds for the year ended March 2018 was ₹ 678.89 crore and the amount that has been invested from these Funds in GoI securities was ₹ 658.30.

Consolidated Sinking Fund (CSF)

The State Government created in 2008-09 a Consolidated Sinking Fund for amortization of market borrowings, other loans and debt obligation liabilities, as recommended by the XII Finance Commission. As per the guidelines, the State Government was required to contribute a minimum of 0.5 per cent of its outstanding liabilities (i.e. internal debt plus public account) at the end of the previous year. Accordingly, the contribution due from the State Government in 2017-18 was ₹ 44.04 crore (0.5 per cent of outstanding liabilities of ₹ 8,807.83 crore as on 31 March 2017). Against this, the State Government contributed ₹ 30.90 crore to the Fund in 2017-18 resulting in short contribution of ₹ 13.14 crore during 2017-18.

The corpus of the Fund (including accumulated interest) amounting to ₹ 513.70 crore as on 31 March 2018, was invested by the Reserve Bank of India in GoI Securities.

Short contribution to CSF may put the Government in financial difficulties to pay off a debt in the long-term if economic or financial conditions worsen.

The Finance Department acknowledged (January 2019) the audit finding but maintained silence on further action to be adopted.

State Disaster Response Fund (SDRF)

The State has commenced operation of the “State Disaster Response Fund” (SDRF) in 2010-11⁴². With an opening balance under SDRF of ₹ 16.96 crore in 2011-12 and receipt of ₹ 7.40 crore during the year, the closing balance of the fund at the end of the year was ₹ 24.36 crore. The closing balance of the erstwhile Calamity Relief Fund⁴³ by the end of March 2017 was to be transferred to this Head during this year.

⁴² under Major Head ‘8121-General and Other Reserve Funds, 122-State Disaster Response Fund’

⁴³ Under Major Head ‘8235-General and Other Reserve Funds, 111- State Disaster Response Fund’, operated under ‘(b) Reserve Fund not bearing interest’

GoI released ₹ 18.90 crore⁴⁴ towards SDRF in 2017-18. However no amount was transferred to the fund by the State Government in 2017-18. Out of the corpus of ₹ 41.24 crore as on 31 March 2018, ₹ 10.70 crore was invested. In terms of extant guidelines of the Funds, the Government is required to pay interest at 7.5 per cent per annum on the fund balances of the previous year. Therefore, ₹ 2.29 crore was required to be provided as interest for the un-invested balance of ₹ 30.54 crore, which was not done.

The Department stated (January 2019) that the investment from SDRF may be a setback in case of emergency as funds may not be easily liquidated. Audit suggested that the State Government may take up the matter with the Central Government.

In-operative Reserve Funds

The total amount lying under in-operative Reserve Funds was ₹ 0.24 crore at the end of the year. The fund was lying under the Major Head- '8226-Depreciation/Renewal Reserve Fund', Minor Head '101-Depreciation Reserve Fund of Government Commercial Department'. This fund was in-operative from 1975-76.

In the Exit Conference, the Department accepted (January 2019) the position stated in the Report.

1.9.4 Contingent liabilities

Status of Guarantees

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee had been extended. As per the FRBM Act and the Manipur Ceiling on State Government Guarantee Act, 2004, the total outstanding guarantees as of 1 April of any year shall not exceed thrice the State's Own Tax Revenue Receipts of the second preceding year.

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

Table 1.30: Guarantees given by Government of Manipur

Guarantees		(₹ in crore)				
		2013-14	2014-15	2015-16	2016-17	2017-18
Maximum amount guaranteed		197.45	197.45	588.00	588.00	738.00
Outstanding at the beginning of the year	Principal	76.69	75.57	62.96	269.96	490.19
	Interest	123.04	139.73	129.99	69.57	58.06
	Total	199.73	215.30	192.95	339.53	548.25
Invoked during the year (Discharge)		-	23.34	28.17	-	50.07
Outstanding at the end of the year	Principal	75.57	62.96	269.96	490.19 ⁴⁵	451.04
	Interest	139.73	129.99	69.57	58.06	62.69
	Total	215.30	192.95	339.53	548.25	513.73
Number of guarantees		13	13	14	14	15
Percentage of maximum amount guaranteed to Total Revenue Receipts		2.71	2.47	7.10	6.44	7.12

(Source: Finance Accounts)

⁴⁴ ₹ 110.82 crore was also transferred from National Disaster Response Fund (NDRF)

⁴⁵ Guarantee of ₹ 144.87 crore given to M/S Manipur State Power Company Ltd. During 2016-17 was intimated during 2017-18. Thus the earlier closing balance of 2016-17 of ₹403.38 crore is now treated as ₹548.25 crore (₹403.38+₹144.87), as featured in the Finance Accounts 2017-18.

The total outstanding guarantee (Principal and Interest) as on 1 April 2017 was ₹ 548.25 crore, which is less than ₹ 1651.32 crore⁴⁶ i.e. thrice the State's Own Tax Revenue Receipts for the year 2015-16.

During 2017-18, the State Government issued fresh guarantee of ₹ 10.92 crore to Manipur State Power Distribution Company Limited. However, guarantee fee of ₹ 0.11 crore from the PSU was not collected. The corpus available in the Guarantee Redemption Fund was ₹ 134.41 crore at the end of 2017-18.

In the Exit Conference, while accepting the audit observation, the Department assured (January 2019) Audit that it would take up necessary action for collection of the guarantee fee.

1.9.5 Liabilities towards Pensionary Benefits

During the year, ₹ 1,324.31 crore (including ₹ 149.47 crore on account of leave encashment benefits) i.e. 14.28 per cent of total revenue expenditure was incurred on "Pension and Other Retirement Benefits" to the State Government employees.

National Pension System

State Government employees recruited on or after 1 January 2005 are covered under the National Pension System (NPS), which is a defined contributory pension scheme. In terms of the Scheme, such employees contribute 10 per cent of their basic pay and dearness allowances on monthly basis and equal share is matched by the State Government. The entire amount is to be transferred to the designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank.

The position of contributions made to NPS by the employees and the Government and transfer of funds to NSDL/Trustee Bank during 2013-2018 is shown in the following table:

Table 1.31: Contribution made to NPS and transfer of funds to NSDL/Trustee Bank

Year	Opening Balance	Details of contribution				Amount transferred to NSDL	Closing Balance (2+6-7)	Interest Liability ⁴⁷
		Employee	Government	Short (3-4)	Total (3+4)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
2013-14	84.87	41.49	38.12	3.37	79.61	82.25	82.23	7.68
2014-15	82.23	69.67	61.89	7.78	131.56	124.91	88.88	7.83
2015-16	88.88	67.07	52.11	14.96	119.18	123.21	84.85	9.03
2016-17	84.85	77.04	81.17	-4.13	158.21	118.43	124.63	6.46
2017-18	124.63	99.11	58.22	40.89	157.33	152.14	129.82	12.91
Total		354.38	291.51	62.87*	645.89	600.94		43.91

* During 2006-2013, quantum of short contribution towards NPS by the Government was ₹75.06 crore.

The actual amount paid by employees and the share matched by the Government up to the end of 2017-18 were ₹ 445.94 crore and ₹ 308.01 crore respectively, resulting in a shortfall of ₹ 137.93 crore not matched by the State Government. This short contribution resulted in overstatement of the Revenue Surplus and understatement of the Fiscal Deficit in the respective years.

⁴⁶ Not to exceed thrice the State's Own Tax Revenue Receipts of the second preceding year as on 1 April of that year i.e. ₹ 1651.32 crore (₹ 550.44 crore (in 2015-16) x 3).

⁴⁷ Interest liability calculated on Opening Balance Plus short contribution of during 2013-18 @8.7 per cent for 2013-14, 2014-15 and 2015-16, @8.0 per cent for 2016-17 and @7.8 per cent for 2017-18.

During 2017-18, the State Government deposited ₹ 157.33 crore (employees' contribution: ₹ 99.11 crore plus employer's share: ₹ 58.22 crore) in the Fund with the shortfall of ₹ 40.89 crore by the Government. Out of the previous year's balance of ₹ 124.63 crore and current year's deposit of ₹ 157.33 crore, the State Government transferred only ₹ 152.14 crore to NSDL. Short contributions over the years and un-transferred balances may attract interest, which may also have to be included at the time of transferring the employer's contribution to NSDL.

As on 31 March 2018, a cumulative balance of ₹ 129.82 crore contributed under the Scheme remained to be transferred to NSDL/Trustee Bank. Therefore, unmatched employers' share of ₹ 137.93 crore, un-transferred amount of ₹ 129.82 crore less by ₹ 4.23 crore (which was deposited by the Government of Manipur during 2012-13 directly with NSDL without deposit to Major Head 8342-117 concerned), *i.e.* a total of ₹ 263.52 crore *plus* uncollected amounts, represents outstanding liabilities under the Scheme. Moreover, the State Government has acquired the interest liability on the amount not transferred to NSDL.

After being pointed out by Audit, the Finance Department, Government of Manipur stated (March 2019) that due to the lack of adequate fund provision to meet Government's matching share, credit of NPS contribution to the respective Permanent Retirement Account Number (PRAN) accounts has been delayed. The Government has taken the matter seriously and has recently provided an additional fund of ₹ 39.46 crore which shall be used for crediting NPS contributions in respect of the non-credited PRAN accounts for the period from January 2018 to December 2018. The Department further stated that for streamlining the issues related to NPS, the following decisions have been taken:

- a) Additional fund shall be provided for the Government Matching Share under MH: 2071 in the next financial year 2019-20.
- b) Instructions have been given to the Director, Treasuries & Accounts to complete the process of crediting of non-credited/backlog NPS contribution by the next financial year 2019-20.

Audit observation on short contribution of Government's matching share and non-transfer to the NSDL/Trustee Bank was already pointed out in the C&AG's Report on State Finances 2011-12 and the matter was also discussed (July 2014) by the Public Accounts Committee. Despite this, adequate corrective measures were yet to be taken up by the State Government.

Non-compliance with statutory requirements by the Government has the impact of deferring Government liabilities to future years and also affect, accuracy and transparency of accounts. Moreover, the State Government has created interest liability on the amount not transferred to NSDL, as the above Major Head is classified as 'Deposits bearing Interest' in the Government Accounts. Further, delays in investment of NPS contributions with Fund Managers also create an atmosphere of uncertainty about:

- i) the rate of return to be accrued to the employees concerned for such periods on the investment of their NPS contribution, and
- ii) the amount of avoidable financial liability to be borne by the Government on account of non-deposit of the NPS contributions with the designated authorities.

Non-contribution of ₹ 137.93 crore by the Government towards NPS apart from understating liabilities of the Government, would also deprive the subscribers of their benefits on time. Thus, as a whole, ₹ 267.75 crore, which was required to be transferred to NSDL has not been transferred to NSDL, which would inevitably lead to bankruptcy of the NPS corpus and eventual failure of the Scheme itself.

Recommendation:

- *The State Government needs to ensure that Government contribution is fully matched with that of the employees' contribution and that the entire amount is transferred to NSDL in a timely manner to avoid unlimited liability on the State exchequer as well as to provide an assurance to the pensioners about the returns on their investment.*
- *Further, amount remitted late should be remitted with a reasonable rate of interest so that the loss to the subscribers is minimised.*

1.10 Debt Management

Fiscal deficit is usually managed by way of borrowings by the State. The rate of growth of debt, the debt repayment liability, Public debt repayment, reliance on debt for financing current expenditure (not Capital Expenditure) are discussed in succeeding paragraphs.

1.10.1 Debt Profile

The maturity profile of debt at the end of 2017-18 is shown in the following table:

Table 1.32: Maturity Profile of debt⁴⁸

(₹ in crore)			
Maturity profile (in years)	Year of maturity	Amount	Percentage to Total Public Debt
0 - 1	2018-19	241.40	4.10
1 - 3	2019-21	716.49	12.17
3 - 5	2021-23	770.74	13.09
5 - 7	2023-25	1180.45	20.05
7 - 9	2025-27	1245.17	21.15
9 -11	2027-29	530.67	9.02
11-13	2038-40	25.00	0.42
Miscellaneous ⁴⁹	-	1176.33	19.98
Total		5886.25	

(Source: Finance Accounts)

Maturity profile of the existing debt of the State shows that repayment burden would increase from ₹ 241.40 crore in the '0-1 year slab' to ₹ 716.49 crore in the '1-3 years slab'. In the next '3-5 years slab', this would increase to ₹ 770.74 crore. The repayment burden would substantially increase to ₹ 1,180.45 crore in the '5-7 years slab' and to ₹ 1,245.17 crore in the '7-9 years slab'. Thus, the repayment burden during the 1-7 years slab is ₹ 2,909.08 crore (49 per cent of total debt). The year wise details of maturity profile of debt at the end of 2017-18 is given in **Appendix 1.6**.

The maturity profile would increase substantially after '0-1 year maturity slab'. Steep increase is anticipated in the '5-9 years slab' before decreasing in the next '9-11 years slab'. The Government needs to formulate a clear road-map for servicing of the increasing debt profile.

⁴⁸ Excluding debt under Public Accounts

⁴⁹ Year of maturity not known; clarification in this regard was sought from the Finance Department, however, their reply was awaited (March 2019).

While accepting (January 2019) the audit observation, the Department was silent over the issue of further action to be taken.

During Conference (January 2019), Audit underlined that the increasing trend of debt profile may put the economy of the State under stress. While accepting the audit observation, the Department did not give any reply about the course of action to be taken.

1.10.2 Net availability of borrowed funds

Details of net availability of borrowed funds during 2013-18 are given in the following table:

Table 1.33: Net availability of Borrowed Funds

(₹ in crore)					
Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Receipts under public debt and other liabilities	1816.65	1577.76	1960.38	2537.90	2077.73
Repayments (Principal and interest) under public debt and other liabilities	2001.83	1754.26	1819.31	2520.40	2048.11
Net funds available	(-)185.18	(-)176.50	141.07	17.50	29.62
Percentage of net funds available to receipts under public debt	(-)10.19	(-)11.19	7.20	0.69	1.43

(Source: Finance Accounts of the respective years)

Net availability of borrowed funds was ₹ 29.62 crore in 2017-18 compared to ₹ 17.50 crore in 2016-17. This indicates that more funds were available from borrowed funds for other purpose after meeting the re-payment obligations of past debt and interest during 2017-18 as compared to 2016-17.

1.10.3 Debt sustainability

Apart from the magnitude of the debt of State Government, it is important to analyse various indicators that determine the debt sustainability⁵⁰ of the State, sufficiency of non-debt receipt⁵¹; net availability of borrowed funds⁵² etc. The following table analyses the debt sustainability of the State according to these indicators during 2013-18.

Table 1.34: Debt sustainability, Indicators and Trends

Indicators of debt sustainability	2013-14	2014-15	2015-16	2016-17	2017-18
Outstanding Debt ⁵³ (₹ in crore)	6850.34	7082.50	7739.79	8294.46	8887.05
Rate of growth of Debt (per cent)	3.18	3.39	9.28	7.17	7.14
Rate of growth of GSDP(per cent)	17.83	11.92	7.73	7.86	9.97
Average rate of interest on Govt. borrowing (per cent)	6.42	6.56	6.67	6.42	6.13
Net availability of borrowed funds (₹ in crore)	(-) 185.18	(-) 176.50	141.07	17.50	29.62
Outstanding Debt/GSDP(per cent)	42.29	39.07	39.63	39.37	38.36
Outstanding Debt/RR (per cent)	57.17	54.76	58.69	57.68	56.86
Burden of interest payments (IP/RR* Ratio per cent)	6.11	5.92	6.23	5.96	5.44

* IP – Interest Payment and RR – Revenue Receipts

(Source: Finance Accounts)

The Outstanding Debt increased substantially by ₹ 592.58 crore from ₹ 8,294.46 crore in 2016-17 to ₹ 8,887.05 crore in 2017-18. The rate of growth of Debt remained largely the same at 7.14 per cent during 2017-18 compared to 7.17 per cent in 2016-17. The increase in Outstanding Debt was mostly due to increase in Internal Debt (₹ 655.51 crore) offset by decrease in Loans and Advances from Central Government (₹ 35.13 crore). As per the

⁵⁰ Refer glossary in Appendix 1.7

⁵¹ Refer glossary in Appendix 1.7

⁵² Refer glossary in Appendix 1.7

⁵³ Including Debt under Public Accounts other than Reserve Fund

recommendation of the XIV Finance Commission, Manipur was excluded from operation of National Small Saving Fund (NSSF) with effect from 1 April 2016. As such there was no receipt under Special Security issued to NSSF during 2017-18. After repayment of ₹ 53.11 crore during 2017-18, there was an outstanding balance of ₹ 684.96 crore under this account. The burden of Interest payments reduced slightly from 5.96 per cent in 2016-17 to 5.44 per cent in 2017-18.

1.10.4 Debt consolidation and relief facility

The States' enactment/amendment of the FRBM Act, incorporating the targets prescribed by the Finance Commission was a pre-condition for release of all State-specific grant and debt relief measures. The State Government enacted the Manipur FRBM Act in August 2005 to ensure prudence in fiscal management and fiscal stability by achieving sufficient Revenue surplus, reduction in Fiscal deficit, prudent debt management consistent with fiscal sustainability, and greater transparency in fiscal operations of the Government. As per the Manipur FRBM Rules 2005 (enacted in December 2005) and subsequent amendments framed under the FRBM Act of August 2005, the various fiscal targets in respect of Revenue surplus and Fiscal deficit were fixed. The targets prescribed under the Act and the Rules are given in **Appendix-1.1 Part E**.

1.11 Fiscal imbalances

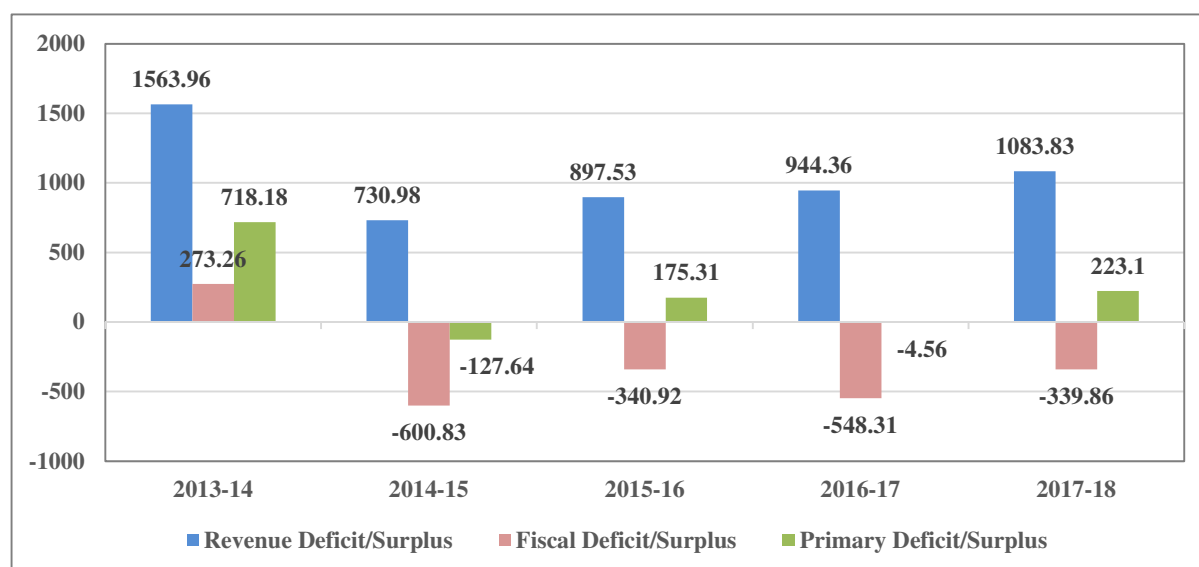
Three key fiscal parameters *i.e.* Revenue, Fiscal and Primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit/surplus in the Government accounts represents the gap between its receipt and expenditure. The nature of deficit/surplus is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied, are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing of these deficits/utilisation of surplus.

1.11.1 Trends in Deficits/Surplus

The following chart presents the trends in deficit indicators during 2013-18:

Chart 1.14: Trends of deficit/surplus indicators

(₹ in crore)



* The Primary deficit for the year 2016-17 was negligible and hence not reflected in the above chart.

The State was able to maintain Revenue surplus throughout 2013-14 to 2017-18, which ranged from ₹ 730.98 crore to ₹ 1,563.96 crore. As compared to 2016-17, Revenue surplus improved by ₹ 139.47 crore in 2017-18.

The Fiscal surplus of ₹ 273.26 crore in 2013-14 reversed to its peak Fiscal deficit of ₹ 600.83 crore in 2014-15, thereby maintaining a Fiscal deficit from ₹ 340.92 crore in 2015-16 to ₹ 339.86 crore in 2017-18. As compared to 2016-17, Fiscal deficit improved by ₹ 208.45 crore in 2017-18.

The Primary surplus of ₹ 718.18 crore experienced in 2013-14 turned its trend in 2014-15 to a deficit of ₹ 127.64 crore. This reversed back to a Primary surplus of ₹ 175.31 crore in 2015-16. However, it reverted to Primary deficit of ₹ 4.56 crore again in 2016-17. In 2017-18, there was a Primary surplus of ₹ 223.10 crore. Thus, the pattern of Primary deficit/surplus during 2013-18 depicts a fluctuating trend.

1.11.2 Composition of Fiscal deficit/surplus and its Financing pattern

The financing pattern of the Fiscal deficit/surplus is shown in the following table:-

Table 1.35: Components of Fiscal deficit and its financing pattern

(₹ in crore)						
Sl. No.	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Decomposition of Fiscal deficit (-) /surplus (+)		(+) 273.26	(-) 600.83	(-) 340.92	(-)548.31	(-)339.86
1	Revenue surplus	1563.96	730.98	897.53	944.36	1083.83
2	Net Capital Expenditure	(-) 1291.89	(-) 1332.44	(-) 1237.87	(-)1493.57	(-)1428.31
3	Net Loans and Advances	1.19	0.63	(-) 0.58	0.90	4.62
Financing/utilisation pattern of Fiscal deficit/surplus*						
1	Market Loans	288.17	339.23	311.29	478.17	277.77
2	Loans from the GoI	(-) 47.08	(-) 44.17	(-) 44.13	(-)28.08	(-)35.13
3	Special Securities Issued to NSSF**	(-) 21.50	(-) 26.03	18.51	(-)53.11	(-)53.11
4	Loans from Financial Institutions and other loans	0.94	(-) 52.87	9.29	91.67	47.33
5	Ways and Means Advance	(-) 97.92	-	184.75	(-)82.33	383.52
6	Small Savings, PF** etc.	103.11	86.30	60.74	49.54	(-)3.48
7	Deposits and Advances	(-) 14.43	(-) 70.88	116.85	98.82	(-)24.38
8	Suspense and Miscellaneous	1.91	(-) 15.56	(-) 19.13	(-)21.61	(-)21.65
9	Remittances	(-) 15.71	(-) 21.81	(-) 144.54	(-)102.13	(-)60.54
10	Reserve Fund	48.46	64.55	110.71	127.76	165.53
Increase (-)/decrease (+) in cash balance		(-) 519.21	342.07	(-) 263.42	(-)10.39	(-)336.00

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

** NSSF – National Small Saving Funds and PF – Provident Funds

(Source: Finance Accounts)

The Fiscal deficit of ₹ 339.86 crore in 2017-18 was mainly due to excess of expenditure on Capital account partially reduced by the Revenue surplus. The deficit was mainly financed by Ways and Means Advance (₹ 383.52 crore), Market loans and Other Loans (₹ 277.77 crore) and Reserve Fund (₹ 165.53 crore) partially reduced by outflow of Remittances (₹ 60.54 crore) and Special securities Issued to NSSF (₹ 53.11 crore).

1.11.3 Quality of Deficit/Surplus

The decomposition of Primary deficit into Primary revenue deficit/surplus and Capital Expenditure (including loans and advances) would indicate the quality of deficit in the States' finances, which would further indicate the extent to which the deficit/surplus has been on account of enhancement in Capital Expenditure which may be desirable to improve the productive capacity of the State's economy. The following table indicates decomposition of Primary deficit/surplus:

Table 1.36: Primary deficit/surplus, Bifurcation of factors

(₹ in crore)

Year	Non-debt receipt	Primary revenue expenditure *	Capital expenditure	Loans and Advances	Primary expenditure	Primary revenue surplus	Primary deficit (-)/ surplus (+)
(1)	(2)	(3)	(4)	(5)	6 (3+4+5)	7 (2-3)	8 (2-6)
2013-14	7284.02	5273.91	1291.89	0.04	6565.84	2010.11	(+) 718.18
2014-15	7999.24	6794.10	1332.44	0.34	8126.88	1205.14	(-) 127.64
2015-16	8281.12	6866.34	1237.86	1.60	8105.81	1414.78	(+) 175.31
2016-17	9130.27	7641.01	1493.57	0.25	9134.83	1489.26	(-) 4.56
2017-18	10365.85	8711.04	1428.31	3.40	10142.75	1654.81	(+)223.10

* Net of Revenue Expenditure and Interest Payments

(Source: Finance Accounts)

The Non-debt Receipts of the State during 2013-18 was sufficient to meet the Primary revenue expenditure. During 2013-14, 2015-16 and 2017-18 it was more than the Primary expenditure, resulting in Primary surplus during these years. In 2014-15 and 2016-17, the Primary revenue surplus was not adequate to cover the Capital Expenditure and Loans and Advances, resulting in Primary deficit during these years. There was Primary surplus of ₹ 223.10 crore in 2017-18 reversing the trend of Primary deficit of the previous year (2016-17).

1.12 Conclusion

Revenue Receipts

Revenue Receipts increased by ₹ 1,228.71 crore (13.46 per cent) over the previous year. The increase was mainly due to increase in GIA from Government of India (GoI) (₹ 617.97 crore) and increase in Share of Union Taxes/duties (₹ 397.20 crore).

Contribution of the State's Own revenue to the Revenue Receipts was in the range of 8 per cent to 10 per cent for the period 2013-18. The State's share of Union taxes and duties and GIA from GoI contributed in the range of 90 per cent to 92 per cent to the Revenue Receipts during 2013-18 and remained the main contributor to Revenue Receipts of the State.

Both Own Tax revenue and Non-tax revenue could not achieve the targets/assessment of XIV FC and Budget estimates during 2017-18.

Expenditure status

The Total Expenditure of the State increased by ₹ 3,694.95 crore (52.70 per cent) from ₹ 7,010.76 crore in 2013-14 to ₹ 10,705.71 crore in 2017-18. The Revenue Expenditure of the

State increased by ₹ 3,555.17 crore (62.17 per cent) from ₹ 5,718.83 crore in 2013-14 to ₹ 9,274.00 crore in 2017-18.

Capital Expenditure exhibited a fluctuating trend during 2013-14 to 2017-18. Revenue Expenditure, on the other hand increased steadily during 2013-18. Revenue Expenditure as a percentage of the Total Expenditure increased from 81.57 per cent in 2013-14 to 86.63 per cent in 2017-18. This shows that a bulk of the total expenditure was increasingly spent to meet expenditure on maintenance, salary etc.

Investment in companies, corporations and co-operative societies and returns

During 2013-18, investment in companies, corporations and co-operative societies ranging from ₹ 160.30 crore to ₹ 177.57 crore was made by the State Government. Against this, the State Government could earn only ₹ 16,000 during 2013-18. The State Government paid an average rate of interest ranging from 6.13 per cent to 6.67 per cent on its borrowings. However, the rate of return from the investment was insignificant.

Loans and Advances by the State Government

The opening balance of outstanding Loans and Advances as on 1 April 2017 was ₹ 204.19 crore. Against repayment of Loans and Advances of ₹ 8.02 crore, an amount of ₹ 3.40 crore was disbursed during 2017-18, resulting in closing balance of outstanding Loans and Advances of ₹ 199.57 crore as on 31 March 2018. Interest Receipts decreased from ₹ 0.35 crore in 2013-14 to ₹ 0.17 crore in 2017-18. Pertinently, Interest Receipts of ₹ 0.17 crore against Loan of ₹ 204.19 crore was insignificant.

Fiscal liabilities and fiscal position

The overall Fiscal liabilities of the State Government maintained an increasing trend during 2013-14 and 2017-18, which increased from ₹ 7,060.68 crore in 2013-14 to ₹ 9,565.94 crore in 2017-18. The Fiscal liabilities increased by 8.61 per cent (₹ 758.11 crore) in 2017-18 over the previous year (2016-17). This was mainly due to increase of ₹ 655.51 crore under Internal Debt, which constituted 86.47 per cent of the increase of the Fiscal liabilities in 2017-18. This underlines the extent of increase of Fiscal liabilities in 2017-18. Such a trend, if continued in coming years, would put pressure on the State Government in meeting the burden on re-payment of debt and interest thereon.

CHAPTER II
FINANCIAL MANAGEMENT AND
BUDGETARY CONTROL

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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 contain the list of original budget estimates, supplementary grants, surrenders and re-appropriations distinctly indicating actual capital and revenue expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both charged and voted items of the budget. Appropriation Accounts thus facilitate management of finances and monitoring of budgetary provisions is 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 was within the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution of India was so charged. It also ascertains whether the expenditure so incurred was in conformity with the law, relevant rules, regulations and instructions of the Government.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2017-18 against Grants/Appropriations (50 Grants and three Appropriations) is indicated in the following table:

Table 2.1: Summarised 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 (+)	Amount surrendered (Amount Surrendered on 31 March) ¹	Percentage of savings surrendered
(1)	(2)	(3)	(4)	(5)	(6) (4-5)	(7)	(8)
Voted							
Revenue	9,386.45	604.34	9,990.79	8,700.81	(-)1,289.98	188.21 (188.21)	14.59
Capital	2,066.19	682.04	2,748.23	1,428.30	(-) 1,319.93	191.34 (191.34)	14.50
Loans and Advances	6.70	0.15	6.85	3.40	(-) 3.45	0 (0)	0
Sub-total Voted	11,459.34	1,286.53	12,745.87	1,0132.51	(-)2,613.36	379.55 (379.55)	14.52
Charged							
Revenue	565.90	32.31	598.21	589.13	(-) 9.08	0.20 (0.20)	2.20
Capital	0	0	0	0	0	0 (0)	0

¹ As per Appropriation Account, the whole amount was surrendered on 31 March.

Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Saving (-) /Excess (+)	Amount surrendered (Amount Surrendered on 31 March) ¹	Percentage of savings surrendered
(1)	(2)	(3)	(4)	(5)	(6) (4-5)	(7)	(8)
Public Debt- Repayment	395.41	0	395.41	675.53	(+) 280.12	77.51 (77.51)	27.67
Sub-total Charged	961.31	32.31	993.62	1,264.66	(+) 271.04	77.71 (77.71)	28.67
Appropriation to Contingency Fund	0	0	0	0	0	0	0
Grand Total	12,420.65	1,318.84	13,739.49	11,397.17	(-)2,342.32	457.26 (457.26)	19.52

(Source: Appropriation Accounts)

During 2017-18, an expenditure of ₹ 11,397.17 crore was incurred against a total budget provision of ₹ 13,739.49 crore resulting in overall saving of ₹ 2,342.32 crore. The overall saving of ₹ 2,342.32 crore was the net result of saving of ₹ 2,809.53 crore in 47 Grants and three Appropriations under Revenue section and 29 Grants under Capital section, offset by an excess of ₹ 467.21 crore in four Grants under Revenue section and one Grant and one Appropriation under Capital section. The overall savings of ₹ 2,342.32 crore stood at 17 per cent of total grants/appropriations which showed poor financial management by the State. It also indicated that budget estimates were not prepared properly and the activities were not executed in a planned manner.

Substantial savings occurred in Police (Revenue voted – ₹ 106.57 crore) (Grant no. 7), Public Works Department (Revenue voted- ₹ 113.18 crore) (Grant no. 8), Education (Revenue voted – ₹ 198.13 crore) (Grant no. 10), Municipal Administration, Housing and Urban Development (Revenue voted - ₹ 127.08 crore) (Grant No. 12), Community and Rural Development (Revenue Voted - ₹ 146.67 crore) (Grant no. 20) Planning (Revenue voted - ₹ 116.25 crore) (Grant no. 30), Social Welfare Department (Revenue voted - ₹ 123.53 crore) (Grant no. 44), Public Works Department (Capital voted - ₹ 437.75 crore) (Grant no. 8), Planning (Capital voted - ₹ 148.34 crore) (Grant no. 30), Minor Irrigation (Capital voted - ₹ 102.91 crore) (Grant no. 36) and Irrigation and Flood Control Department (Capital voted – ₹ 288.86 crore) (Grant no. 40). Excess expenditure occurred mainly in Interest Payment and Debt Services (Capital Charged - ₹ 280.12 crore) (Appropriation No. 2) and Finance Department (Revenue voted - ₹ 139.98 crore) (Grant no. 5).

During Exit Conference (January 2019), while accepting the audit observation, the Finance Department stated that the excess expenditure on Interest Payment and Debt Services were mainly on account of charges for debt services on Ways and Means Advances availed by the State Government during 2018-19. The Department further stated that the efforts would be made to streamline the budgetary and expenditure management/control process.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priority

The outcome of appropriation audit shows that in 70 cases, savings exceeded ₹ one crore in each case or by more than 25 per cent of total provision. Details are given in **Appendix 2.1**.

There were 19² cases where savings were 50 per cent and above of the total provision in each case. Out of these, 100 per cent savings occurred in three Grants³ under Capital voted. There was savings amounting to ₹ 2,227.96 crore in 16 cases, where savings were ₹ 50 crore and above in each case. Details are indicated in the following table:

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

(₹ in crore)

Sl. No	Grant No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Saving
Revenue Voted						
1	7. Police	1,309.80	22.70	1,332.50	1,225.93	106.57
2	8. Public Works Department	281.45	-	281.45	168.26	113.19
3	10. Education	1,442.87	-	1,442.87	1,244.74	198.13
4	11. Medical, Health and Family Welfare Services	582.66	54.51	637.17	563.83	73.33
5	12. Municipal Administration, Housing and Urban Development	235.39	-	235.39	108.31	127.08
6	17. Agriculture	163.17	7.25	170.42	114.64	55.78
7	19. Environment and Forest	192.96	14.36	207.31	135.42	71.90
8	20. Community and Rural Development	1,040.46	48.92	1,089.39	942.72	146.67
9	21. Commerce and Industries	120.23	-	120.23	52.77	67.46
10	30. Planning	226.36	-	226.36	110.11	116.25
11	44. Social Welfare Department	322.14	36.70	358.84	235.31	123.53
	Sub Total	5,917.49	184.44	6101.93	4,902.04	1,199.89
Capital Voted						
12	8. Public Works Department	729.73	93.19	822.92	385.18	437.75
13	12. Municipal Administration, Housing and Urban Development	88.98	170.01	259.00	208.79	50.21
14	30. Planning	200.57	-	200.57	52.23	148.34
15	36. Minor Irrigation	138.83	2.18	141.01	38.11	102.91
16	40. Irrigation and Flood Control Department	267.07	149.76	416.83	127.97	288.86
	Sub Total	1,425.18	415.14	1,840.33	812.28	1,028.07
	Total	7,342.67	599.58	7,942.26	5,714.32	2,227.96

(Source: Appropriation Accounts)

It may be seen from the above table that in nine cases, Supplementary Grants were given even though the Actual expenditure was less than Original Provision viz., Police (Sl. No. 1), Medical Health and Family Welfare Services (Sl. No. 4), Agriculture (Sl. No. 6), Environment and Forest (Sl. No. 7), Community and Rural Development (Sl. No. 8), Social Welfare Department (Sl. No. 11) under Revenue Voted and Public Works Department (Sl. No. 12), Minor Irrigation (Sl. No. 15) Irrigation and Flood Control Department (Sl. No. 16) under Capital Voted. Further, in eleven cases viz., Police (₹ 106.57 crore); Public Works Department (₹ 113.19 crore); Education (₹ 198.13 crore); Municipal Administration, Housing and Urban Development (₹ 127.08 crore), Community and Rural Development (₹ 146.67 crore), Planning (₹ 116.25 crore) and Social Welfare Department (₹ 123.53 crore) under Revenue Voted, Public Works Department (₹ 437.75 crore), Planning (₹ 148.34 crore), Minor

² Grant Nos. 12, 21, 30, and 47 (Revenue Voted), Grant No. 8 (Revenue Charged) and Grant Nos. 2, 6, 8, 13, 16, 17, 23, 26, 27, 30, 36, 40, 42 and 45 (Capital voted).

³ Grant No. 6 - Transport (Sl. No. 49), Grant No. 23 - Power (Sl. No. 60) and Grant No. 27 - Election (Sl. No. 63) under Capital voted.

Irrigation (₹ 102.91 crore) and Irrigation and Flood Control Department (₹ 288.86 crore) under Capital Voted, there was savings of more than ₹ 100 crore in each case.

While accepting the audit observation, the Finance Department stated (January 2019) that the efforts would be made to streamline the budgetary and expenditure management/control process to avoid savings.

Recommendation: *The Government should strengthen budgetary and expenditure monitoring/management and take timely action in order to avoid large savings of funds.*

2.3.2 Expenditure without provision

Expenditure should not be incurred on a scheme/service without provision of funds authorised by the Legislature. Audit noticed that expenditure of ₹ 7.50 crore was incurred in two cases without provision of funds in the original estimates/supplementary demand. The details are given in the following table:

Table 2.3 Statement showing expenditure incurred without provision during 2017-18

(₹ in lakh)

Sl. No.	No. and Name of Grant/Appropriation (Heads of Accounts)	Amount of Expenditure
Grant No. 22 – Public Health Engineering		
1	4215.02.101.19(V) – Imphal Sewerage	713.00
Grant No. 40 – Irrigation and Flood Control Department		
2	4700.04.800.12(V) – Dolaithabi River Irrigation Project	37.19
Total		750.19

* V- Valley (Source: Detailed Appropriation Accounts)

Thus, the expenditure so incurred by the respective departments was against the spirit of financial principles and also against the will of the legislature which was indicative of lack of financial discipline.

While accepting the audit observation, the Department stated (January 2019) that efforts would be made to streamline the budgetary and expenditure management/control process to avoid expenditures without budgetary provisions.

Recommendation: *The Government should strengthen budgetary and expenditure monitoring/control to avoid incurring of expenditure without provision of funds.*

2.3.3 Persistent savings

There were 15 cases where persistent savings were found during the last five years i.e. 2013-14 to 2017-18. Of these, eight cases pertained to Revenue Voted accounts, two cases pertained to Revenue Charged accounts and the remaining five cases under Capital Voted accounts. The details are given **Appendix 2.2**. In one case⁴, during the last five years (2013-18), there were persistent savings of more than ₹ 50 lakh. Persistent savings occurring year after year is indicative of the fact that proper analysis was not done while framing the estimates.

⁴ Sl. No. 4 of Appendix 2.2.

Trends of persistent savings are being highlighted in the Report of the CAG on State Finances every year but corrective measures had not been taken by the departments concerned to correct the situation. It is recommended that disciplinary action may be initiated against the erring officials.

During discussion (January 2019), the Department stated that efforts would be made to streamline the budgetary and expenditure management/control process to avoid the above position.

Recommendation: *The Government should ensure that all anticipated savings are surrendered on time so that the funds can be utilised for other development purposes.*

2.3.4 Drawal of funds at the end of the financial year

As per provisions of Rule 290 of Central Treasury Rules, no money shall be drawn from the Treasury unless it is required for immediate disbursement. Audit noticed that in respect of 20 cases mentioned in **Appendix 2.3**, ₹ 31.31 crore drawn at the end of the year during March 2018 were deposited into the head of account MH 8449 Other Deposits- Minor Head 120 Miscellaneous Deposits. In eight cases, the amount deposited was more than ₹ one crore viz, Joint Director, Arts & Culture, (₹ 1.87 crore); Joint Director, MAHUD, (₹ 1.77 crore); District Session Judge, Imphal East, (₹ 8.47 crore); Director/Agriculture Officer, MOBC, (₹ 1.25 crore); Joint Director, Youth Affairs & Sports, (₹ 4.99 crore); Additional Director of Education – S (Valley), (₹ 1.95 crore); Additional Director of Education – S (Hills), (₹ 1.26 crore) and Administrative Officer, Medical Directorate, (₹ 5.72 crore). Audit also noticed that an amount of ₹ 44.97 crore was deposited during March 2018 under MH-8443 Civil Deposits-Minor Head 108 Public Works Deposits (details at **Appendix 2.4**). Thus, although the figure of ₹ 76.28 crore (MH 8449: ₹ 31.31 crore + MH 8443: ₹ 44.97 crore) had been booked as expenditure in the accounts, the amount was actually kept parked under the Deposit Heads resulting in inflation of the reported expenditure figure.

While accepting the audit observation, the Finance Department stated (January 2019) that efforts would be made to streamline the budgetary and expenditure management/control process to avoid drawal of funds at the end of financial year.

Drawal of fund without immediate requirement in order to avoid the lapse of budgetary grant is in violation of Rule 290 of the Central Treasury Rules. Such practice is also in violation of budgetary norms since the Appropriation Act passed by the State Legislature authorises the Government to incur expenditure during the financial year and not beyond the year. When funds are drawn and kept parked for expenditure to be incurred in another financial year, such practice exceeds the authority granted to the Government by the Appropriation Act. Drawl of funds without actual expenditure also leads to falsification of accounts of the Government.

Recommendation: *The Government should avoid drawal of funds at the end of the financial year merely to avoid lapse of budgetary grant.*

2.3.5 Non-regularisation of excess expenditure made during previous years

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a Grant/Appropriation regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). The excess over provisions of ₹ 3,203.20 crore relating to the periods 2010-16 had been recommended by the PAC for regularisation in its 39th, 46th, 48th and 50th Report. However, action for the regularisation of the excess expenditure was yet to be initiated (December 2018) by the State Government. Excess expenditure amounting to ₹ 50.73 crore for the year 2016-17 was yet to be examined (December 2018) by the PAC. The details of excess expenditure during 2010-17 are shown in **Appendix 2.5**. The year-wise amount of excess expenditure pending regularisation for grants/appropriations is summarised in the following table:

Table 2.4: Excess expenditure over provisions relating to previous years requiring regularisation

(₹ in crore)

Year	No. of Grants	No. of Appropriation	Amount of excess	Status of Regularisation (as of October 2016)
2010-11	6	1	62.42	Recommended for regularisation by the PAC but follow-up action was awaited from Finance Department.
2011-12	12	2	89.38	
2012-13	2	2	541.42	
2013-14	0	2	369.90	
2014-15	1	1	1,996.48	
2015-16	9	2	143.60	Excess expenditure yet to be discussed by PAC
2016-17	0	1	50.73	
Total	30	11	3,253.93	

(Source: Appropriation Accounts)

All such excess expenditure over grants are needed to be got regularised at the earliest under the Article 205 of the Constitution of India. The responsibility of the executive on account of persistent excess expenditure over Grants/appropriations needs to be fixed as this is contrary to legislative intent and defeats the objective of ensuring accountability of the executive over utilisation of public money. In future, such unauthorised excess expenditure should be stopped completely, except in case (s) of dire and extreme emergency, the amount of which cannot be met from the Contingency Fund.

2.3.6 Excess expenditure incurred during 2017-18

The following table contains the summary of total excess over provisions in seven cases amounting to ₹ 467.21 crore from the Consolidated Fund of the State during 2017-18 and requires regularisation under Article 205 of the Constitution. The excess expenditure incurred during 2017-18 is shown in the following table:

Table 2.5: Excess over provisions during 2017-18 requiring regularisation

(₹ in lakh)

Sl. No.	Number and title of Grant/Appropriation	Total provision	Expenditure	Excess
Revenue Voted				
1	1. State Legislature	7,485.92	8,656.64	1,170.72
2	5. Finance Department	1,27,372.37	1,41,370.84	13,998.47
3	13. Labour and Employment	2,040.73	4,804.57	2,763.84
4	39. Sericulture	2,540.75	2,753.33	212.58
Sub Total		1,39,439.77	1,57,585.38	18,145.61
Revenue Charged				
5	5. Finance Department	1,08.01	1,13.62	5.61
Sub Total		108.01	113.62	5.61
Capital Voted				
6	21. Commerce and Industries	1846.87	2403.95	557.08
Sub Total		1,846.87	2,403.95	557.08
Capital Charged				
7	Appropriation No. 2 - Interest Payments and Debt services	39541.01	67553.27	28012.26
Sub Total		39,541.01	67,553.27	28,012.26
Total		1,80,935.66	2,27,656.22	46,720.56

(Source: Appropriation Accounts)

Thus, taking recourse to excess expenditure over grants is a matter of concern and in violation of the will of the Legislature. It is, therefore, imperative that responsibility of erring official is fixed in this regard to discourage this practice.

Recommendation: The Government should avoid taking recourse to excess expenditure beyond the provision of Grant/Appropriation authorized by the Legislature.

2.3.7 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating to ₹ 545.94 crore in 28 cases, during the year proved unnecessary as the expenditure did not come up to the level of original provision. Out of these, in seven cases unnecessary supplementary provisions provided exceeded ₹ 20 crore viz., Police (₹ 22.69 crore), Medical, Health and Family Welfare Services (₹ 54.51 crore), Community and Rural Development (₹ 48.92 crore) and Social Welfare Department (₹ 36.70 crore) under Revenue Voted and Public Works Department (₹ 93.19 crore), Irrigation and Flood Control Department (₹ 149.76 crore) and Tourism (₹ 36.40 crore), under Capital Voted. The details are given in **Appendix 2.6**.

In three cases, supplementary provision of ₹ 4.14 crore was insufficient and there was an aggregate excess expenditure of ₹ 39.40 crore. Details are given in the following table:

Table 2.6: Statement showing major cases of insufficient supplementary provision

(₹ in lakh)

Sl. No.	Number and Title of Grant and Appropriation	Original	Supplementary	Total	Expenditure	Excess
Revenue Voted						
1	1. State Legislature	7,485.08	0.84	7,485.92	8,656.64	1170.72
2	13. Labour and Employment	1,725.80	314.93	2,040.73	4,804.57	2763.84
Sub Total		9,210.88	315.77	9,526.65	13,461.21	3934.56

Revenue Charged						
3	5. Finance Department	10.01	98.00	108.01	113.62	5.61
	Sub Total	10.01	98.00	108.01	113.62	5.61
Grand Total		9,220.89	413.77	9,634.66	13,574.83	3940.17

(Source: Appropriation Accounts)

During discussion (January 2019), the Finance Department while accepting the audit observation, stated that efforts would be made to streamline the budgetary and expenditure management/control process to avoid unnecessary/excessive/inadequate supplementary provision.

2.3.8 Inadequate/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. Audit noticed that re-appropriation proved insufficient by one crore or more in each case and resulted in excess expenditure of ₹ 425.93 crore⁵ in 42 sub-heads (Sl. Nos. 98 to 139 of **Appendix 2.7**). It was also noticed that re-appropriation proved excessive by one crore or above in 97 sub-heads (Nos. 1 to 97 of **Appendix 2.7**) resulting in savings of ₹ 687.07 crore. This resulted in overall savings of ₹ 261.14 crore in these 139 sub-heads as detailed in **Appendix 2.7**. Thus, the re-appropriations proved injudicious.

Despite re-appropriation, there were savings of more than ₹ 50 crore in two cases⁶. On the excess side, there were two cases⁷ in which excess of expenditure exceeded more than ₹ 50 crore.

While accepting the audit observation, the Department stated (January 2019) that the efforts would be made to streamline the budgetary and expenditure management/control process to avoid inadequate/excessive/unnecessary re-appropriation of funds.

Recommendation: *The Government should ensure timely budgetary and expenditure monitoring/management to avoid inadequate/excessive/unnecessary re-appropriation of funds.*

2.3.9 Substantial surrenders

Substantial surrenders exceeding ₹ 10 crore and more than 25 per cent of the Total Provision⁸ in each case were made in respect of seven sub-heads. The details are given in **Appendix 2.8**. An amount of ₹ 384.57 crore (67 per cent of the Provisions) was surrendered in these seven cases. This constituted 84 per cent of the Total amount of ₹ 457.26 crore surrendered in 2017-18.

In one case (under Grant No. 23 - Power-Sl. No. 4) the whole provision of ₹ 46.16 crore was surrendered. Surrender of 100 per cent of fund is a matter of concern.

⁵ These excesses pertain to sub-heads level, and not for the whole grant/appropriation.

⁶ Sl. Nos. 57 and 61.

⁷ Sl. Nos. 100 and 132.

⁸ Original and Supplementary.

Thus, surrender of funds indicated that fund provisions had been made without adequate planning. Such treatment renders the budgetary exercise a mere routine exercise which appears to be done in an arbitrary manner without any consideration.

While accepting the audit observation, the Department stated (January 2019) that efforts would be made to streamline the budgetary and expenditure management/control process to control surrender of funds.

Recommendation: *The Government should ensure proper budgetary planning and management in order to avoid substantial surrender of funds.*

2.3.10 Inadequate Budgetary control

In one case, the amount surrendered was in excess of actual savings (Revenue Voted) indicating lack of, or inadequate budgetary control in the department. Against savings of ₹ 1.34 crore, the surrendered amount was ₹1.76 crore resulting in excess surrender of ₹ 0.42 crore as shown in the following table:

Table 2.7: Statement showing case of surrender in excess of savings

(₹ in lakh)

Sl. No.	Grant No.	Total Provision	Expenditure	Saving	Surrender	Amount surrendered in excess ⁹
1	28 - State Excise	1884.98	1750.83	134.15	176.57	42.42
	Total	1884.98	1750.83	134.15	176.57	42.42

(Source: Appropriation Accounts)

During discussion (January 2019), the Finance Department stated that efforts would be made to streamline the budgetary and expenditure management/control process to avoid fund surrenders in excess of savings.

2.3.11 Surrender despite excess of expenditure

In four cases, ₹ 83.14 crore was surrendered despite having excess expenditure over total provision. The details are given in the following table:

Table 2.8: Statement showing cases of surrender despite excess expenditure

(₹ in lakh)

Sl. No.	Name of Grant/Appropriation	Total Provision	Expenditure	Excess	Surrender
Revenue Voted					
1	5 - Finance Department	127372.37	141370.84	13998.47	69.80
2	39 - Sericulture	2540.75	2753.33	212.58	11.81
Capital Voted					
3	21 - Commerce and industries	1846.87	2403.95	557.08	481.65
Capital Charged					
4	Appropriation 2 - Interest Payment and Debt Services	39541.01	67553.27	28012.26	7751.42
Total		171301.00	214081.39	42780.39	8314.68

(Source: Appropriation Accounts)

⁹ In this particular case, exact date of surrender of amount is not reflected in the Appropriation Accounts.

Surrender of fund provision when there was excess of expenditure over budgetary provision shows absence of budgetary control. Despite such huge excess of expenditure, surrender of fund indicates that no budgetary control mechanism was in place and could render budget mechanism a mere procedural exercise.

While accepting the audit observation, the Department stated (January 2019) that the efforts would be made to streamline the budgetary and expenditure management/control process to avoid surrender of funds despite the excess expenditure.

2.3.12 Anticipated savings not surrendered

Departments are required to surrender the Grants/Appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2017-18, no part of savings in 62 cases was surrendered by the Departments concerned. The amount involved in these cases was ₹ 1,969.70 crore (70 per cent of the overall savings of ₹ 2,809.53 crore) (**Appendix 2.9**). It is observed that in seven cases¹⁰, savings exceeded ₹ 100 crore but were not surrendered.

Similarly, out of savings of ₹ 2,791.92 crore under 62 cases in 43 Grants/Appropriations where saving was to the tune of ₹ one crore and above in each case, only ₹ 320.62 crore pertaining to 12 Grants¹¹ could be surrendered leaving an un-surrendered balance savings of ₹ 2,471.30 crore (88 per cent). Details are given in **Appendix 2.10**.

Besides, in 22 Grants/Appropriations (23 cases), ₹ 457.26 crore were surrendered on 31 March 2018 (**Appendix 2.11**) indicating inadequate financial control. Moreover, these funds could not be utilised for the purpose it was sanctioned or for other development purposes.

The Department stated (January 2019) that efforts would be made to streamline the budgetary and expenditure management/control process to ensure that the savings anticipated are surrendered

2.3.13 Rush of expenditure

As per Rule 62 (3) of the General Financial Rules, 2017, rush of expenditure in the closing month of the financial year shall be regarded as a breach of financial propriety and shall be avoided. In contravention to this rule, in 30 cases as shown in **Appendix 2.12**, expenditure of more than ₹ 10 crore and 25 per cent of the total expenditure for the year was incurred in March 2018. Of these, in three cases¹² 100 per cent of the expenditure was incurred in March, indicating that there was no control over the flow of expenditure.

¹⁰ Police (₹ 106.57 crore – Sl. No. 4 of Appendix 2.9), Public Works (₹ 113.18 crore - Sl. No. 5 of Appendix 2.9), Community and Rural Development (₹ 146.67 crore Sl.No.13 of Appendix 2.8), Social Welfare Department (₹ 123.53 crore - Sl.No.26 of Appendix 2.9) under Revenue Voted and Public Works (₹ 437.75 crore - Sl.No.42 of Appendix 2.9), Minor Irrigation (₹ 102.91 crore - Sl. No. 55 of Appendix 2.9) and Irrigation and Flood Control Department (₹ 288.86 crore - Sl. No. 57 of Appendix 2.9) under Capital Voted.

¹¹ Grant Nos.10, 11, 12, 21, 30, 33, 40, 43, 47 and 49 under Revenue Voted, Grant Nos. 13 and 30 under Capital Voted.

¹² Sl. Nos. 5, 19 and 28 of Appendix 2.12.

The details of Major Heads under which expenditure of above ₹ 100 crore was incurred during March 2018 are shown in the following table:

Table 2.9: Statement of Major Heads where expenditure was above ₹ 100 crore during March 2018

(₹ in crore)

Sl. No.	Description / Major Head	Expenditure during Jan-March	Expenditure during March	Total expenditure	Percentage of total expenditure during March
(1)	(2)	(3)	(4)	(5)	(6)
1	Medical and Public Health/2210	207.38	181.85	537.52	33.83
2	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions/3604	192.97	191.86	485.44	39.52
3	Special Programmes for Rural Development/2501	271.40	179.14	579.06	30.94
4	Power/2801	264.40	154.97	557.59	27.79

For a sound financial management, uniform pace of expenditure should be maintained. Thus, contrary to the spirit of financial regulation, a substantial amount incurred by the department at the end of the year was indicative of poor financial control over the expenditure.

While accepting the audit observation, the Department stated (January 2019) that efforts would be made to streamline the budgetary and expenditure management/control process to control the rush of expenditures during the month of March.

2.4 Expenditure remaining un-reconciled

To enable Controlling Officers of Departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts, expenditure recorded in their books should be reconciled every month¹³ 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 in this regard continued to persist during 2017-18 also. Out of 81 Controlling Officers (COs), 14 COs did not reconcile their expenditure with the expenditure figure booked in the books of the Accountant General (A&E), during 2017-18. As such, effective control over expenditure and accuracy of accounts of these offices could not be ensured. Details are given in **Appendix 2.13**.

Recommendation: *The Government should ensure that the Controlling Officers carry out timely reconciliation of their expenditure figures with the books of the AG (A&E) in the interest of financial discipline.*

¹³ As per Rule 52 (5) of General Financial Rules 2005 and Rule 57(5) of General Financial Rules 2017.

2.5 Personal Deposit Accounts

Personal Deposit (PD) accounts are created for keeping of funds by debit to the Consolidated Fund of the State which are required¹⁴ to be closed at the end of the same financial year by minus debit to the relevant service heads. Personal Deposit (PD) accounts are operated by transferring amounts from the Consolidated Fund and utilized for specific purposes. Unspent balances lying in PD accounts are required to be transferred to the Consolidated Fund on the last working day of the financial year.

As on April 2017, there was an opening balance of two¹⁵ PD accounts of ₹ 2.41 crore on account of unspent balances of PD accounts during 2016-17. During the year 2017-18, one PD account was opened by Government Oil Depot and the State Government transferred ₹ 0.32¹⁶ crore to the three PD accounts and withdrew ₹ 0.02 crore from the PD accounts. Thus, at the end of the year, two PD accounts of ₹ 2.71 crore (including earlier year's balance of ₹ 2.41 crore) had not been closed and unspent balances have not been transferred back to the Consolidated Fund as detailed below:

Table 2.10: Statement showing PD accounts

(₹ in crore)

Opening balance as on 01 April 2017		Additions during the year 2017-18		Closed during the year 2017-18		Closing balance as on 31 March 2018	
No.	Amount	No.	Amount	No.	Amount	No.	Amount
02	2.41	01	0.32 ¹⁷	01	0.02	02 ¹⁸	2.71

Source: Finance Accounts

This practice of retaining fund in the PD Accounts after the closing of the financial year is fraught with the risk of misuse of public funds, fraud and misappropriation and therefore, needs to be stopped. Besides, strict action needs to be taken against the officers concerned who failed to close such PD Accounts at the end of financial year.

The Department accepted (January 2019) the audit observation. However, it was silent over the further course of action to be adopted.

Recommendation: The Finance Department should review all PD accounts and ensure that (i) all PD accounts with zero/minimum balances are immediately closed; (ii) all amounts lying in PD accounts at the end of the year are immediately remitted to the Consolidated Fund; (iii) appropriate action is taken against departmental and treasury officers who fail to follow the financial rules relating to PD accounts.

¹⁴ Under Rule 88 of the General Financial Rules, 2017.

¹⁵ Planning & Development Authority and Apex Housing Co-Operative Society.

¹⁶ Includes ₹ 0.29 crore and ₹ 0.01 crore deposited by Planning and Development Authority and Apex Housing Co-Operative Society respectively, and ₹ 0.02 crore deposited into the newly opened PD account by Government Oil Depot.

¹⁷ It includes ₹ 0.29 crore and ₹ 0.01 crore pertaining to two PD accounts opened during previous year by the Planning and Development Authority and Apex Housing Co-Operative Society respectively and ₹ 0.02 crore deposited into newly opened PD account by Government Oil Depot.

¹⁸ Planning & Development Authority and Apex Housing Co-Operative Society.

2.6 Outcome of review of selected grant relating to Minorities and Other Backward Classes Department

A review on budgetary procedure and control over expenditure was conducted (October 2018) in respect of “Grant No. 47: Minorities and Other Backward Classes Department”. It was noticed that against a budget provision of ₹ 57.28 crore (including supplementary provision of ₹ 14.93 crore) under Revenue Head, the actual expenditure was ₹ 25.81 crore resulting in savings of ₹ 31.47 crore, out of which an amount of ₹ 0.13 crore only was surrendered. Thus, an amount of ₹ 31.34 crore remained un-surrendered. Under Capital Head, against a budget provision of ₹ 88.14 crore, (including supplementary provision of ₹ 44.34 crore), the actual expenditure was ₹ 63.52 crore resulting in savings of ₹ 24.62 crore. Under capital accounts no surrender of fund was made in anticipation of the savings.

Saving: There were six cases where *cent per cent* saving for a total amount of ₹ 278.00 lakh had occurred. Details are shown in the following table:

Table 2.11: Cases where no part of budget provision was utilised

Sl. No.	Head of account	Total provision (O+S+R) ¹⁹	Savings
1	2225 – Welfare of Scheduled Castes, Schedule Tribes, Other Backward Classes and Minorities 01 – Welfare of Scheduled Castes 102 – Economic Development 02 – Skilled Development for SC	4.00	4.00
2	2225 – Welfare of Scheduled Castes, Schedule Tribes, Other Backward Classes and Minorities 01 – Welfare of Scheduled Castes 282 – Health 03 – Chief Minister’s Laiyeng Shen for widows	20.00	20.00
3	2225 – Welfare of Scheduled Castes, Schedule Tribes, Other Backward Classes and Minorities 03 – Welfare of Backward Classes 277 – Education 04 – Pre-Matric Scholarship to Other Backward Classes Students (Central Share)	100.00	100.00
4	2225 – Welfare of Scheduled Castes, Schedule Tribes, Other Backward Classes and Minorities 04 – Welfare of Minorities 282 – Health 07 – Chief Minister’s Laiyeng Shen for widows	100.00	100.00
5	2225 – Welfare of Scheduled Castes, Schedule Tribes, Other Backward Classes and Minorities 80 – General 800 – Other Expenditure 16 – Skill Development	50.00	50.00
6	2225 – Welfare of Scheduled Castes, Schedule Tribes, Other Backward Classes and Minorities 80 – General 800 – Other Expenditure 18 – Planning Monitoring and Evaluation	4.00	4.00
	Total	278.00	278.00

(Source: Detailed Appropriation Accounts)

¹⁹ O-Original, S-Supplementary, R-Re-appropriation.

Excess over provision: In two cases, expenditure exceeded the budget provisions by ₹ 53.61 lakh, reasons for which were not furnished. The details are given in the table below:

Table 2.12: Statement of excess over provision

(₹ in lakh)

Sl. No.	Head of Account	Total	Expenditure	Excess
1	2225 – Welfare of Scheduled Castes, Schedule Tribes, Other Backward Classes and Minorities 04 – Welfare of Minorities 800 – Other Expenditure 12 – Preservation and Protection of Wakf Properties and Modernizations of Madrassa	200.00	243.33	43.33
2	2225 – Welfare of Scheduled Castes, Schedule Tribes, Other Backward Classes and Minorities 04 – Welfare of Minorities 800 – Other Expenditure 22 – Minorities Affairs	4.00	14.28	10.28
Total		204.00	257.61	53.61

(Source: Detailed Appropriation Accounts)

Inadequate/unnecessary re-appropriation/surrender of funds: There were three cases of inadequate/unnecessary re-appropriation/surrender of funds of ₹ 50 lakh and above, which resulted in a total savings of ₹ 166.10 lakh. Details are shown in the following table:

Table 2.13: Inadequate/unnecessary re-appropriation/surrender of funds (Savings (-)/Excess(+))

(₹ in lakh)

Sl. No.	Head of Account	Original	Supplementary	Re-appropriation/surrender	Total	Expenditure	Savings(-) Excess (+)
1	2225.03.102.04 (V)	150.00	0	73.00	223.00	189.95	-33.05
2	2225.04.102.05 (V)	150.00	0	73.00	223.00	189.95	-33.05
3	2225.04.282.07 (V)	0	0	100.00	100.00	0	-100.00
Total		300.00	0	246.00	546.00	379.90	-166.10

V – Valley (Source: Detailed Appropriation Accounts)

In one case, there was saving of ₹ one crore (Sl. No. 3), though re-appropriation of ₹ one crore was made. The re-appropriation was done despite incurring no expenditure under this head (Sl. No. 3). In view of the savings, the re-appropriation funds proved unnecessary.

The Department accepted (January 2019) the audit observation. However, it did not offer any comments on further course of action to be adopted.

Recommendation: The Government should exercise proper budgetary and expenditure management/control in order to avoid cases of large savings of budget provision, excess of provision, inadequate/unnecessary re-appropriation/surrender of funds, etc.

2.7 Errors in budgeting process

The following deficiencies were observed in the State budget for the year 2017-18:

Incorrect heads of accounts: There were 10 heads of accounts in the budget which did not conform to the list of Major and Minor Heads of Accounts, of which three cases belonged to Major Head, two cases belonged to Sub-Major Head, four cases belonged to Minor Heads and one case belonged to Sub- Head. As the expenditures were booked in heads of Accounts not

conforming to list of Major and Minor Heads of Accounts, the codes reflected in the budget were incorrect. The details are given in **Appendix 2.14**.

While accepting the audit comment (January 2019), the Department assured that necessary corrections would be made in future.

2.8 Outcome of inspection of Treasuries

The following shortcomings were observed in audit of Treasuries²⁰ during 2017-18:

Excess payment of pension/gratuity: During audit of ten Treasuries, in three treasuries viz. Imphal East Treasury (period of account: 01-07-2016 to 30-09-2017), Thoubal Treasury (01-07-2016 to 30-11-2017), Churachandpur Treasury (01-01-2017 to 31-12-2017), excess payment of ₹ 3.08 lakh on account of pension/gratuity was noticed. The excess payment had occurred during July 2016 to December 2017 due to overpayment of arrear family pension, payment after death of family pensioner *etc.*

Deposit under Major Head ‘8449–Other Deposits’: As per Rule 635 of the Central Treasury Rules, deposits unclaimed for more than three years shall be credited to the Government under Consolidated Fund as lapsed deposit. During 2017-18, there was deposit of ₹ 292.93 crore under Major Head 8449 – Other Deposits under various departments lying for more than three years. However, the treasuries had not taken appropriate action in this regard. Details are shown at **Appendix 2.15**.

During discussion (January 2019), the Department accepted the audit observation. However, it did not offer any comments on further course of action to be adopted.

Recommendation: *The Government may review the position of Deposits lying under Major Heads 8449 and 8443 and take appropriate action for lapsing of unclaimed deposits lying for more than three years.*

2.9 Conclusion

During 2017-18, an expenditure of ₹ 11,397.17 crore was incurred against a total budget provision of ₹ 13,739.49 crore resulting in overall savings of ₹ 2342.32 crore. The overall saving was the net result of savings of ₹ 2,809.53 crore offset by an excess of ₹ 467.21 crore. The excess expenditure required regularisation under Article 205 of the Constitution of India. Excess expenditure (₹ 3,203.20 crore) for the period 2010-16 had been recommended for regularisation by Public Accounts Committee (PAC). However, the excess expenditure was still pending for regularisation.

Supplementary provision aggregating to ₹ 545.94 crore in 28 cases, during the year proved unnecessary as the expenditure did not come up to the level of original provision.

Out of 81 Controlling Officers (CO), 14 CO did not reconcile their expenditure with the expenditure booked in the books of accounts maintained by the Accountant General (A&E), Manipur.

²⁰ Conducted by Office of the Principal Accountant General (A&E), Manipur.



CHAPTER III
FINANCIAL REPORTING

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FINANCIAL REPORTING

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. The compliance with financial rules, procedures and directives, as well as the timeliness and quality of reporting on the status of such compliances is thus one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Government to meet its basic stewardship responsibilities, including strategic planning and decision making. This Chapter provides an overview and status of the State Government on the compliance with various financial rules, procedures and directives during the current year (2017-18).

3.1 Drawal of funds on Abstract Contingent bills and submission of Detailed Countersigned Contingent bills

Abstract Contingent (AC) bills are to be used for drawing advances with specific sanction for departmental purposes. As per Central Treasury Rules¹, Abstract Contingent (AC) bills must be regularised by Detailed Countersigned Contingent (DCC) bills. An AC bill should not be encashed without a certificate to the effect that DCC bills in respect of earlier AC bills drawn more than a month before the date of that bill have been submitted to the controlling officer. The controlling officers must submit the DCC bills to the Accountant General (A&E), Manipur within reasonable time frame within the same financial year to show that amount shown in the AC bills corresponds to DCC bills and also to the amount shown in the Appropriation Act.

During 2003-04 to 2017-18, an amount of ₹ 4,814.30 crore was drawn as AC bills, out of which an amount of ₹ 3,179.42 crore has been adjusted with DCC bills (position as of 27 December 2018). Thus, an amount of ₹ 1,634.88 crore (34 *per cent*) was outstanding for which DCC bills were yet to be submitted. Year-wise position of AC bill, DCC adjusted amount and outstanding AC bills is shown in the following table:

Table 3.1: Position of outstanding AC bills (as of December 2018)

(₹ in crore)

Year	No. of AC Bills	AC Bill Amount	No. of AC Bills adjusted	DCC adjusted Amount	No. of Outstanding AC Bills	Unadjusted Amount	Unadjusted percent
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(3)-(5)	(8)={(7)/(3)}X100
2003-04	46	34.56	29	13.78	17	20.78	60.12
2004-05	65	82.54	52	77.75	13	4.78	5.79
2005-06	121	46.00	91	39.91	30	6.10	13.26
2006-07	230	149.68	173	109.06	57	40.62	27.14
2007-08	285	355.57	234	278.24	51	77.33	21.75

¹ Rule 308, Rule 309 and Note under Rule 312.

Year	No. of AC Bills	AC Bill Amount	No. of AC Bills adjusted	DCC adjusted Amount	No. of Outstanding AC Bills	Unadjusted Amount	Unadjusted percent
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(3) -(5)	(8)={(7)/(3)}X100
2008-09	492	592.34	403	545.88	89	46.46	7.84
2009-10	390	422.83	307	364.48	83	58.36	13.80
2010-11	509	354.36	283	224.32	226	130.04	36.70
2011-12	237	374.63	145	279.20	92	95.44	25.47
2012-13	116	205.81	84	173.73	32	32.08	15.59
2013-14	141	297.68	77	250.44	64	47.24	15.87
2014-15	316	810.59	149	448.70	167	361.89	44.64
2015-16	195	369.97	87	147.93	108	222.04	60.02
2016-17	180	347.96	72	186.61	108	161.34	46.37
2017-18	250	369.78	33	39.39	217	330.39	89.35
Total	3,573	4,814.30	2219	3,179.42	1,354	1,634.88	33.96

(Source: VLC System data maintained by the O/o the PAG (A&E) Manipur)

The analysis of Department-wise position of unadjusted AC bills, revealed that out of 60 Departments which had drawn 3573 AC bills amounting to ₹ 4814.30 crore during 2003-04 to 2017-18, 1354 AC bills in respect of 49 Departments amounting to ₹ 1,634.88 crore remained outstanding (as of December 2018) awaiting adjustment of DCC bills. Department-wise position of outstanding AC bills is shown at **Appendix-3.1**.

Major defaulting Departments with total outstanding AC Bills above ₹ 100 crore include Medical & Health (₹ 296.78 crore), Education (S) Department (₹ 193.35 crore), Planning Department (₹ 143.79 crore), Development of Tribals and Backward Classes (₹ 136.78 crore), Power (₹ 110.12 crore) and Education (U) Department (₹ 100.41 crore).

It was further observed that 696 AC bills amounting to ₹ 520.02 crore had remained outstanding for a period ranging from five years to more than ₹ 10 years. Major defaulting Departments with total outstanding amount of above 10 crore of such AC bills pending for more than five years include: (i) Medical and Health Services Department (251 AC bills amounting to ₹ 150.40 crore); (ii) Education (S) (89 AC bills - ₹ 129.38 crore); (iii) Development of Tribal Affairs and Hills (112 AC bills - ₹ 59.21 crore); (iv) Education (U) Department (47 AC bills - ₹ 29.36 crore); (v) Planning Department (11 AC bills - ₹ 26.46 crore); (vi) Rural Development & Panchayati Raj (12 AC bills - ₹ 17.69 crore); (vii) Agriculture Department (seven AC bills - ₹ 16.53 crore); (viii) Finance Department (19 AC bills - ₹ 12.73 crore); and (ix) Youth Affairs and Sports Department (19 AC bills - ₹ 12.00 crore).

Inordinate delay in submission of DCC bill beyond the timeline specified is in violation of the Central Treasury Rules. Further, when substantial amount is drawn on AC bill and kept unadjusted for long periods, this unhealthy practices increase the risk of mis-appropriation and other financial irregularities

While accepting the audit observations in the Exit Conference (January 2019), the Finance Department stated that the drawal of funds for execution of works of various Civil Departments in the State through works executing agencies other than the Works Departments

(Corporations, Societies, Agencies *etc.*) was the main reason for the outstanding AC bills. The drawal of AC bills being a high risk area needs close monitoring by the Department of Finance as without expenditure details (DCC bills), it would not be possible to ascertain whether the funds authorised by the Legislature were used for the intended purpose or had been misappropriated or used for other unauthorised purposes. The Department assured that they would issue necessary directions and monitor the timely settlement of DCC bills.

Recommendations: *Monitoring mechanism may be put in place to ensure that DCC Bills are submitted within the prescribed time. Disciplinary action may be initiated against the Drawing & Disbursing Officers and Treasury Officers for not complying with provisions of extant rules by allowing subsequent AC Bills without ensuring submission of DCC Bills against already drawn AC Bills.*

3.2 Utilisation Certificates

Rule 238 (1) read with Rule 235 of General Financial Rules (GFR)², 2017 provides that Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General (A&E), within 12 months from the date of their sanction, unless specified otherwise in respect of grants provided for specific purposes.

However, it was noticed that 4,706 UCs aggregating to ₹ 6,077.96 crore in respect of grants were in arrears as of 30 September 2018 in respect of 38 departments³. The department-wise break-up of outstanding UCs is given in **Appendix 3.2** and the year-wise break-up of outstanding UCs is summarised in the following table:

Table 3.2: Year-wise arrears of Utilisation Certificates

(₹ in crore)

Year	Opening Balance		Grants during the year		Details of Utilisation Certificates			
					Received		Outstanding	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
2013-14	1146*	630.11	1159	807.98	650	587.97	1655	850.12
2014-15	1655	850.12	1415	1869.64	986	1352.09	2084	1367.67
2015-16	2084	1367.67	1211	2050.55	635	937.68	2660	2480.54
2016-17	2660	2480.54	1278	2196.91	455	918.86	3483	3758.59
2017-18**	3483	3758.59	1238	2390.19	15	70.82	4706 [#]	6077.96 ^{##}
Total			6301	9315.27	2741	3867.42		

(Source: Office of the Principal Accountant General (A&E), Manipur)

* Oldest pending UCs pertains to 2004-05

** Except where the sanction order states otherwise, utilisation certificates in respect of grants disbursed during 2017-18 become due only during 2018-19. # 1146 + 6301 - 2741 = 4706 (outstanding number of Grants).

630.11 + 931.25 - 3867.42 = 6077.96 (outstanding amount of Grants).

It can be seen from the above table that 4706 UCs involving an amount of ₹ 6077.96 crore were awaited as on 30 September 2018. The UCs were mainly awaited in respect of

² Also, as per Rule 212 (1) and Rule 210 of GFR 2005.

³ Sl. Nos. 1 to 39 of Appendix 3.3 except Sl. No. 23.

(i) Development of Tribal Affairs and Hills (2082 UCs: ₹ 1228.18 crore), (ii) Education (Schools) Department (543 UCs: ₹ 513.40 crore), (iii) Rural Development and Panchayati Raj (RD & PR) Department (451 UCs: ₹ 2669.41 crore), (iv) Municipal Administration, Housing and Urban Development (184 UCs: ₹ 220.94 crore), (v) Education (University) Department (123 UCs: ₹ 125.97 crore), (vi) Planning Department (107 UCs: ₹ 278.87 crore), (vii) Power Department (75 UCs: ₹ 445.52 crore) and (viii) Medical and Health Services (44 UCs: ₹ 276.42 crore). These eight departments together accounted for 3609 UCs (76.69 per cent) out of 4706 outstanding UCs; involving an amount of ₹ 5758.71 crore (94.75 per cent) out of total outstanding amount of ₹ 6077.96 crore.

Through the instrument of UCs, the Grantor obtains assurance about proper utilisation of funds placed at the disposal of the Grantee for the sanctioned purpose and also gets a certificate from the Grantee that the intended list of works has been executed, the details of which are available with him/ her. Any delay in furnishing UCs to the Grantor or an inaccuracy in such reporting essentially undermines the control mechanism designed to prevent the diversion from the intended utilisation of grants. Moreover, high pendency of UCs was fraught with the risk of misappropriation and fraud.

During discussion (January 2019), the Finance Department accepted the audit observation. However, it did not comment over the issue of further action to be taken.

Recommendation: *The Government needs to enforce strict compliance to the timelines for submission of the UCs by the recipients and failure to comply with the timelines should be scrupulously dealt with. Action against erring officials needs to be initiated.*

3.3 Non-submission/ pendency of Annual accounts

Six Autonomous District Councils (ADCs) exist in the State and two Autonomous Bodies *i.e.* Manipur State Legal Services Authority and State Compensatory Afforestation Fund Management and Planning Authority (CAMPA) have been set up by the State Government. These Autonomous Bodies/Authorities are audited by the C&AG under Section 14 and 19 (3) of the Duties, Power and Condition of Service (DPC) Act 1971 and Annual Accounts of these Bodies are to be submitted to the Accountant General (Audit) for audit. Annual Accounts of 2017-18 in respect of six⁴ Autonomous Bodies/Authorities had not been received (November 2018). The details are shown in the following table:

Table 3.3: Autonomous Bodies/Authorities for which Accounts had not been received

Sl. No.	Name of the Body/Authority	Year from which accounts had not been received	Grant received (₹ in crore)
1	Autonomous District Council (ADC), Chandel	2017-18	52.62*
2	ADC, Churachandpur	2017-18	70.63*
3	ADC, Senapati	2017-18	85.60*
4	ADC, Tamenglong	2017-18	64.06*

⁴(i) Autonomous District Council (ADC), Churachandpur, (ii) ADC, Chandel, (iii) ADC, Senapati, (iv) ADC, Tamenglong, (v) ADC, Ukhrul, (vi) Manipur State Legal Service Authority.

Sl. No.	Name of the Body/Authority	Year from which accounts had not been received	Grant received (₹ in crore)
5	ADC, Ukhrul	2017-18	61.39*
6	Manipur State Legal Services Authority	2017-18	1.00*
Total			335.30

* As per Accounts of 2016-17

In the absence of finalisation of accounts and their subsequent audit, it could not be ensured whether the grants and expenditure had properly been accounted for and whether the purpose for which the grants were provided had actually been achieved.

Besides, delay in finalisation of accounts carries the risk of financial irregularities remaining undetected apart from violation of the provision of the respective legislations under which the Bodies were constituted.

Thus, there was a need for the Autonomous Bodies/ Authorities to submit their accounts to Audit in a timely Manner.

During discussion (January 2019), the Department accepted the audit observations.

Recommendation : *The Government should put in place appropriate mechanism prescribing duties of these bodies and authorities and that of the departments/offices concerned to ensure necessary reporting and compliance to guard against the repetition of such lapses. Besides, accountability mechanism also needs to be put in place to fix responsibility of persons found at fault.*

3.4 Delay in placement of Separate Audit Reports of Autonomous District Councils/Autonomous Bodies

The six Autonomous District Councils (ADCs) and two Autonomous Bodies *i.e.* Manipur State Legal Services Authority and State Compensatory Afforestation Fund Management and Planning Authority are audited by the Comptroller and Auditor General (C&AG) of India with regard to the verification of their transactions, operational activities and accounts, conducting regulatory compliance audit of all transactions scrutinised in audit, review of internal management and financial control, review of systems and procedures *etc.* The status of rendering of accounts to audit, issuance of Separate Audit Report (SAR) and its placement in the Legislature are indicated in **Appendix 3.3**. Position of placement of Separate Audit Reports (SAR) in the Legislature is summarised in the following table:

Table 3.4: Position of placement of Separate Audit Report as on 30 November 2018

Sl. No.	Name of the ADC/ Autonomous Bodies	SAR finalized and placed before Legislature			Delay in placement of SAR
		Year ⁵	Date of issue	Date of placement of SAR	
(1)	(2)	(3)	(4)	(5)	(6)
1	ADC, Chandel	2009-10	11.06.2013	26.06.2016	Over 3 years
2	ADC, Churachandpur	2010-11	11.06.2013	19.12.2013	No delay
3	ADC, Sadar Hills	2006-07	19.06.2009	19.12.2013	Over 4 years

⁵ Accounts of the Autonomous Bodies finalised upto the year as mentioned in the column.

Sl. No.	Name of the ADC/ Autonomous Bodies	SAR finalized and placed before Legislature			Delay in placement of SAR
		Year ⁵	Date of issue	Date of placement of SAR	
4	ADC, Senapati	2007-08	21.10.2010	19.12.2013	Over 3 years
5	ADC, Tamenglong	2007-08	21.10.2010	19.12.2013	Over 3 years
6	ADC, Ukhrul	2006-07	13.01.2010	19.12.2013	Over 3 years
7	Manipur State Legal Service Authority	2012-13	06.10.2016	05.06.2017	No delay
8	State CAMPA	SARs of 2015-16, 2016-17 and 2017-18 under process.			

(Source: Records of Autonomous District Councils, Manipur State Legal Services Authority and State CAMPA)

The above table shows that there was delay of 3 – 4 years in the placement of SARs of ADCs in the legislature. The Government needs to take appropriate action to place SARs in a timely manner to the State legislature. During discussion (January 2019), the Department accepted the position stated by audit.

Recommendation: *The Government needs to put in place necessary mechanism prescribing duties of persons/authorities concerned to ensure timely submission of accounts.*

3.5 Departmental Commercial Undertakings

Departmental Undertakings of certain Government departments performing activities of commercial/quasi-commercial nature are required to prepare accounts in the prescribed format annually showing the working results of financial operations, so that the Government can assess their performances. As per the Companies Act⁶, the annual accounts of these Government Undertakings are subject to supplementary audit by the CAG. As of 30 September 2018, there were 13 such undertakings (including three non-working companies) which had not prepared their Annual accounts upto 2017-18. The details are shown in the following table:

Table 3.5: Status of Accounts of Undertakings as on 30 September 2018

Sl. No.	Name of the Undertaking	Prepared upto	No. of years of accounts not prepared
1	Manipur Tribal Development Corporation	1987-88	30 years
2	Manipur Police Housing Corporation	1997-98	20 years
3	Manipur Handloom & Handicrafts Development Corporation	2004-05	13 years
4	Manipur Food Industries Corporation Ltd.	2009-10	8 years
5	Manipur Industrial Development Corporation	2009-10	8 years
6	Manipur Electronics Development Corporation	2014-15	3 years
7	Manipur State Power Company Ltd.	2014-15	3 years
8	Manipur State Power Distribution Company Ltd.	2014-15	3 years
9	Manipur IT SEZ Project Development Company Ltd.	Nil ⁷	--

⁶ Section 619 of the Companies Act 1956 and Section 143 of the Companies Act 2013.

⁷ Manipur IT SEZ Project Development Company Ltd. (incorporated on 30-12-2013 under the Companies Act, 1956) yet to submit its first Annual Accounts.

Sl. No.	Name of the Undertaking	Prepared upto	No. of years of accounts not prepared
10	Tourism Corporation of Manipur Ltd.	Nil ⁸	--
Non-Working Companies			
11	Manipur Plantation Crops Corporation Ltd.	1983-84	34 years
12	Manipur Agro Industries Corporation Ltd.	1988-89	29 years
13	Manipur Pulp & Allied Products Ltd.	2002-03	15 years

Amongst the working companies, two companies *viz.* Manipur Food Industries Corporation and Manipur Industrial Development Corporation had not finalized their accounts for eight years. The delay was much more in respect of three companies *viz.* Manipur Tribal Development Corporation, Manipur Police Housing Corporation and Manipur Handloom & Handicrafts Development Corporation which had arrears in accounts ranging from 13 years to 30 years. The three non-working companies had arrears of accounts ranging from 15 years to 34 years. The Reports of the CAG have repeatedly highlighted the issues of arrears in preparation of accounts.

The position of preparation of accounts and investment made by the Government in departmental undertakings are given in **Appendix 3.4**. The delay in preparation of annual accounts of these Departmental undertakings is fraught with the risk of fraud and misappropriation of public money.

During discussion (January 2019), the Finance Department accepted the audit observation on huge pendency of the Annual Accounts and assured that it would take up the matter in a meeting that would be called with the Managing Directors of all State PSUs.

Recommendation: *The State Government needs to ensure timely finalization of Annual Accounts by the Departmental Commercial Undertakings. Effective steps are required to be taken by the State Government for clearance of arrears of accounts.*

3.6 End use of cess

The State Government notified (April 2010) the enforcement of levy and collection of cess at the rate of one *per cent* of the cost of the construction work, for the purpose of the Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996. In compliance with this notification, the Finance Department instructed (January 2011) all the Departments to include one *per cent* of the estimated cost of construction in the work estimates and the DDOs to deduct at source the said cess and deposit the same by challan in Major Head -0045- Other Taxes and Duties on Commodities and Services, 112 Receipts from Cesses under Other Acts. The Finance Department further instructed (November 2017) that the cess collected by DDOs from the construction works may be deposited by challan in the account of the Board.

⁸ Tourism Corporation of Manipur Ltd. (incorporated on 13.07.2016 under the Companies Act, 2013) yet to submit its first Annual Accounts.

The Government of Manipur had constituted the Manipur Building and Other Construction Workers' (MBOCW) Welfare Board under the Labour Department for implementing the Welfare Schemes of Building and Construction workers. The Board receives:

- money/cess collected and transferred under the Building and Other Construction Workers Act, 1996;
- grants and loans, *etc.* made by the State Government, and
- monthly contribution made by the registered workers. The Board also provides benefits and executes schemes as provided under Section 22 of the Building & Other Construction Workers (Regulation of Employment & Conditions of Service) Act, 1996.

The details of amounts collected and actual expenditures incurred during the period from 2013-14 to 2017-18 are shown in following table:

Table 3.6: Statement of cess collection and expenditure incurred during 2013-14 to 2017-18

(₹ in crore)

Year	Opening Balance	Cess Receipt during the year	Available Fund	Expenditure	Balance at the end of the year
2013-14	6.52	3.78	10.30	0.08	10.23
2014-15	10.23	5.85	16.08	2.49	13.58
2015-16	13.58	9.67	23.25	7.50	15.78
2016-17	15.78	12.64	28.42	27.61	0.79
2017-18	0.79	72.15	72.94	47.48	25.47

(Source: Information furnished by MBOCW Welfare Board)

During 2017-18, out of the total available fund of ₹ 72.94 crore, the Board spent ₹ 47.48 crore (65 per cent). Funds were utilised on three major items *viz.* skill development (₹ 34.35 crore: 72 per cent), payment of welfare benefits to workers (₹ 9.88 crore: 21 per cent), construction of office building and shelter home (₹ 2.5 crore: 5 per cent).

3.7 Misappropriations, losses, defalcations *etc.*

Rule 33 (1) of GFR provides that any loss of public money, departmental revenue or receipts, stamp, stores or other property of the State Government shall be immediately reported to the Accountant General (Audit), even when such loss has been made good by the party responsible for it.

Information regarding non-adjustment of temporary advances, reasons for non-adjustment, non-submission/delay in submission of accounts, cases of misappropriation, losses, defalcations, if any, were called for from 68 Departments/Autonomous Bodies/Departmental Commercial Undertakings.

Only 22 Departments⁹ furnished (August 2018 to October 2018) the required information. No pending cases of Advances and no cases of write-off were reported. However, there are two cases of misappropriation, one case each reported from the Manipur Police Housing Corporation Limited (MPHCL) and Science and Technology Department. The details are shown in the following table:

Table 3.7: Profile of misappropriations, losses, defalcations, etc.

Name of Department	Nature of the Pending Cases*				
	Nature of the cases	No. of cases	Range in years	Amount involved (₹ in lakh)	Remarks
Manipur Police Housing Corporation Limited	Misappropriation	1	5 - 10	31.88	Awaiting departmental/ criminal investigation
Science and Technology Department, Manipur	Misappropriation	1	10 - 15	12.02	-do-
Total		2	5 - 15	43.90	

* Year of occurrence of the cases had not been mentioned.
(Source: Information furnished by the Department)

Misappropriation involving a total amount of ₹ 43.90 lakh was pending for about 5-15 years in the Manipur Police Housing Corporation Limited and Science & Technology Department. Both the departments, however, stated that the reason for the delay in settlement of cases of misappropriation was due to waiting for departmental and criminal investigation.

Without completion of departmental enquiry, recovery of the misappropriated amount from the concerned officers would be difficult. Therefore, the department should ensure that enquiry is expedited so that appropriate action can be initiated against the concerned officers. The Department accepted (January 2019) the audit observation.

Recommendation: *The Government should lodge First Information Report in all the cases of defalcation/ misappropriation/ loss to the Government and it may be ensured that timely action is taken in all such cases which may act as a deterrent in avoiding such cases in future.*

⁹ (i) PWD, (ii) PHED, (iii) Taxation Dept., (iv) Education (Adult) Department, (v) Tribal Affairs & Hills Department, (vi) Consumer Affairs, Food and Public Distribution Department, (vii) Tourism Department, (viii) Science and Technology Department, (ix) Law Department, (x) Command Area Development Department, (xi) Election Department, (xii) Fire Services Department, (xiii) Home Guards, (xiv) Settlement & Land Records, (xv) Vigilance Department, (xvi) Information Technology Department, (xvii) Manipur Police Housing Corporation Ltd. (xviii) Manipur State Power Company Ltd., (xix) Autonomous District Council, Senapati(xx) Autonomous District Council, Churachandpur. (xxi) Relief & Disaster Management. (xxii) Autonomous District Council, Kangpokpi.

3.8 Follow up on State Finances Audit Report

As per Article 151 (2) of the Constitution of India, Audit Reports of the CAG of India on State Finances are submitted to the Governor of the State for placing the Reports in the State Legislative Assembly. Audit Reports placed to the Legislative Assembly stand referred to the Public Accounts Committee (PAC). The details of placing of Audit Reports of the last seven years (2010-11 to 2016-17) to the Legislative Assembly and their discussion by the PAC are shown in the following table:

Table 3.8: Discussion of State Finances Audit Report (SFAR) by PAC

Year of SFAR	Date of placing SFAR to the Legislature Assembly	Date of discussion of SAFR by PAC (Date of placing recommendation of PAC)	Gist of Recommendation	Action taken notes	Remarks
2010-11	6.07.12	November 2011* (24 July 2014)	Recommended for regularization of excess expenditure	Action not yet taken	Excess over provisions was discussed
2011-12	11-6-13	14 & 15 November.2013 (24 July 2014)	-do-	-do-	Report was discussed totally
2012-13	16-7-14	<i>Suo-moto</i> examination made by PAC independently (9 July 2015)	-do-	-do-	Excess over provisions was discussed
2013-14	29-6-15	<i>Suo-moto</i> examination made by PAC independently (5 September 2015)	-do-	-do-	Excess expenditure over provision was discussed
2014-15	02-09-16	<i>Suo-moto</i> examination made by PAC independently (23 July 2018)	-do-	-do-	Irregularities of expenditure on financial accountability and Budget management were discussed
2015-16	21-07-17	<i>Suo-moto</i> examination made by PAC independently (23 July 2018)	-do-	-do-	-do-
2016-17	23-07-18	Yet to be discussed by the PAC			

* Exact date of discussion of Report not readily available.

Excess of expenditure over provisions as reported in 2010-11 to 2015-16 was recommended for regularisation by the PAC. However, the State Government has not taken action in this regard.

The Department accepted (January 2019) the audit observation. However, it was silent over the further course of action.

The recommendation of the PAC on the Report is given in **Appendix-3.5**. Action taken note of the Government on the recommendation is awaited till date.

3.9 Conclusion

The Review of drawal of funds on AC bills and submission of DCC bills revealed that there is need for strengthening internal controls and effective monitoring in this area. The funds were drawn on AC bills without adequate planning and immediate requirement and also to avoid lapse of budget grants, thereby resulting in unnecessary retention/parking of funds. Drawal of funds without submission of appropriate supporting documents is fraught with the risk of other financial irregularities including misappropriation of fund.

Delay in submission of DCC bills was noticed. Non-submission of the DCC bills within the stipulated time frame and drawal of funds for plan schemes/capital expenditure on AC bills at the end of the financial year were indicative of inadequate financial management.

There were 4706 Utilisation Certificates aggregating to ₹ 6077.96 crore in arrears in respect of grants given to 38 Departments as of 30 September 2018.

There were delays and arrears in finalisation of accounts by the Departmental Commercial Undertakings. There was also delay in placement of SARs in the Legislature.

Imphal

Dated: 26.06.19

(CHHERING ANGRUP BODH)

Pr. Accountant General (Audit), Manipur

Countersigned

New Delhi

Dated: 28th June, 2019

(RAJIV MEHRISHI)

Comptroller and Auditor General of India

APPENDICES

Appendix 1.1

Part A: Structure and Form of Government Accounts

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

Part I: Consolidated Fund

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

Part II: Contingency Fund

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

Part III: Public Account

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

Appendix 1.1 – contd.

PART B: Layout of Finance Accounts

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

Statement	Layout
Volume 1	
Statement No. 1	Statement of Financial Position
Statement No. 2	Statement of Receipts and Disbursements Annexure-Cash Balances and Investments of Cash Balances
Statement No. 3	Statement of Receipts (Consolidated Fund)
Statement No. 4	Statement of Expenditure (Consolidated Fund)
Statement No. 5	Statement of Progressive Capital expenditure
Statement No. 6	Statement of Borrowings and other Liabilities
Statement No. 7	Statement of Loans and Advances given by the Government
Statement No. 8	Statement of Investments of the Government
Statement No. 9	Statement of Guarantees given by the Government
Statement No. 10	Statement of Grants-in-aid given by the Government
Statement No. 11	Statement of Voted and Charged Expenditure
Statement No. 12	Statement on Sources and Application of Funds for Expenditure other than Revenue Account
Statement No. 13	Summary of Balances under Consolidated Fund, Contingency Fund and Public Account
	Notes to Accounts
Annexure	A Statement of Periodical/Other Adjustment
	B Statement of Major Head-wise Receipts booked under MH 800-Other Receipts
	C Statement of Major Head-wise Expenditure booked under MH 800-Other Expenditure
	D Statement of Controlling officers who have not reconciled the receipt and expenditure figures
	E Statement of Rush of Expenditure towards the end of the year
Volume II Part I	
Statement No. 14	Detailed Statement of Revenue and Capital Receipts by Minor Heads
Statement No. 15	Detailed Statement of Revenue Expenditure by Minor Heads
Statement No. 16	Detailed Statement of Capital Expenditure by Minor Heads and Sub Heads
Statement No. 17	Detailed Statement of Borrowings and other Liabilities
Statement No. 18	Detailed Statement of Loans and Advances given by the Government
Statement No. 19	Detailed Statement of Investments of the Government
Statement No. 20	Detailed Statement of Guarantees given by the Government
Statement No. 21	Detailed Statement of Contingency Fund and Public Account
Statement No. 22	Detailed Statement on Investment of Earmarked Balances
Part II: Appendices	
I	Comparative Expenditure on Salary
II	Comparative Expenditure on Subsidy
III	Grants-in-aid given by the State Government (Scheme wise and Institution wise)
IV	Details of Externally Aided Projects
V	Plan Scheme Expenditure (Central and State Plan Schemes)
VI	Direct Transfer of Central Scheme Funds to Implementing Agencies in the State
VII	Acceptance and Reconciliation of Balances
VIII	(i) Financial Results of Irrigation Scheme (ii) Financial Results of Electricity Schemes
IX	Commitments of the Government-List of Incomplete Capital Works
X	Maintenance Expenditure with segregation of Salary and Non-Salary portion
XI	Major Policy Decisions of the Government during the year or new Schemes proposed in the Budget
XII	Committed Liabilities of the Government

Appendix – 1.1- contd.

Part C: Methodology Adopted for the Assessment of Fiscal Position

The norms/ceilings prescribed by the XIII Finance Commission 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 Gross State Domestic Product (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 GSDP at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure *etc.*, are keeping pace with the change in the base or whether these fiscal aggregates are also affected by factors other than GSDP. The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

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

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of the parameter (X)/ Rate of Growth of the parameter (Y)
Rate of Growth (RoG)	$[(\text{Current year Amount}/\text{Previous years Amount}) - 1] * 100$
Average	Trend of growth over a period of 5 years
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of 5 years, of the parameter in Revenue or Expenditure, as the case may be
Development Expenditure	Social Services + Economic Services
Weighted Interest Rate (Average interest paid by the State)	$\text{Interest payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{current year's Fiscal Liabilities})/2] * 100$
Interest spread	GSDP growth – Weighted Interest rate
Quantum spread	$\text{Debt stock} * \text{Interest spread}/100$
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Receipts + Miscellaneous Capital receipts + Recoveries of Loans and Advances — Revenue Expenditure — Capital Expenditure — Disbursement of Loans and Advances
Primary Deficit	Fiscal Deficit – Interest payments

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

Sl. No	Particulars	Manipur	All India		
1.	Area in sq. Km	22,327	32,87,240		
2	Population in lakh (As per 2011 census)	28.56	12,108.55		
3	Density of Population (2011 census)(persons per sq km)	128	382		
4	Population below poverty line (2011-12)	32.60	21.9		
5	Literacy (2011 census) (percentage)	76.94	73.0		
6	Infant Mortality (per 1000 live births), 2011 census	14.40	34		
7	Gini Coefficient (measure of inequality of income among the population. 'Value rate is from zero to one.' Value close to zero indicates inequality is less and Vice versa).				
	a. Rural	NA	0.29		
	b. Urban	NA	0.38		
8	Gross State Domestic Product (GSDP) in 2017-18 at current prices (₹ in crore)	23,167 (AE)	1,67,73,145		
9	Per capita GSDP CAGR (2008-2018) in percentage	10.84	11.50		
10	Per capita GSDP 2017-18 (in ₹)	69,964	1,29,800		
11	Population Growth (2007-18) in percentage	23.19	11.90		
Financial Data					
Particulars	Figures (in per cent)				
	CAGR (2008-09 to 2016-17)		Growth (2016-17 to 2017-18)		
	SCS states#	Manipur	SCS states#	Manipur	
a	Revenue Receipts	13.70	11.31	10.04	13.46
b	Own Tax Revenue	16.00	16.75	49.30	34.82
c	Non Tax Revenue	8.30	(-5.26)	8.00	5.63
d	Total Expenditure	13.70	11.37	10.60	10.61
e	Capital Expenditure	7.80	0.22	19.60	(-)4.37
f	Revenue Expenditure on Education	16.60	13.58	15.80	12.56
g	Revenue expenditure on Health	18.00	18.80	20.50	31.92
h	Salary & Wages	14.70	13.34	20.60	13.36
i	Pension	18.80	20.33	28.10	12.84

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

(AE) – Advanced Estimate

CAGR - Compounded Annual Growth Rate

Based on 9 Special Category States such as (1) Assam, (2) Himachal Pradesh, (3) Manipur, (4) Meghalaya (5) Mizoram, (6) Nagaland (7) Sikkim, (8) Tripura & (9) Uttarakhand

(Source: Planning Commission and Economics and Statistics Department, Government of Manipur)

Appendix – 1.1- conclud.
(Reference: Paragraphs 1.1.3 and 1.10.4)

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

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

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

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

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

Appendix 1.2
(Reference: Paragraph 1.1.2)
Abstract of Receipts and disbursements for the year 2017-18

(₹ in crore)

2016-17	Receipts	2017-18	2016-17	Disbursements	2017-18
Section-A: Revenue					
9129.12	I – Revenue receipts	10357.83	8184.76	I-Revenue expenditure-	9274.00
586.67	-Tax revenue	790.94	3421.18	General Services-	3666.88
164.80	-Non-tax revenue	174.07	2056.76	Social Services of which	2569.42
3757.13	-State's share of Union Taxes	4154.33	1158.77	-Education, Sports, Art and Culture	1304.36
2234.72	-Non-plan Grants	-	425.22	-Health and Family Welfare	560.95
1858.43	-Grants for State Plan Schemes	-	108.72	-Water Supply, Sanitation, Housing and Urban Development	162.86
344.59	-Grants for Central and Centrally sponsored Plan Schemes	-	5.43	-Information and Broadcasting	19.59
182.78	-Grants for Special Schemes for NEC and for other purposes	-	80.24	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	166.87
-	-Grants for Centrally sponsored Schemes	2322.71	15.03	-Labour and Labour Welfare	20.59
-	Finance Commission Grant	2288.82	263.33	-Social Welfare and Nutrition	334.18
-	Other transfer/Grants to States	626.96		-Others	0.02
			2342.97	Economic Services of which	2503.61
			357.25	-Agriculture and Allied Activities	471.28
			810.82	-Rural Development	987.55
			57.37	-Special Areas Programmes	67.26
			90.71	-Irrigation and Flood Control	89.75
			749.97	-Energy	565.64
			71.09	-Industry and Minerals	80.31
			111.24	-Transport	98.79
			28.29	-Science, Technology and Environment	44.01
			66.22	-General Economic Services	99.02
			363.85	Grants-in-aid and Contributions	534.09
	II- Revenue deficit carried over to Section B		944.36	II- Revenue Surplus carried over to Section B	1083.83
9129.12	Total: Section A	10357.83	9129.12	Total: Section A	10357.83
Section-B: Others					
385.19	III – Opening Cash balance including Permanent Advances and Cash Balance Investment	395.58		III – Opening Overdraft from Reserve Bank of India	-

2016-17	Receipts	2017-18	2016-17	Disbursements	2017-18
Section-A: Revenue					
-	IV – Miscellaneous Capital receipts		1237.87	IV – Capital Expenditure-	1428.31
			96.00	General Services-	106.50
			412.99	Social Services of which	663.70
			52.31	-Education, Sports, Art and Culture	57.41
			53.97	-Health and Family Welfare	19.30
			275.35	-Water Supply, Sanitation, Housing and Urban Development	457.01
			1.04	-Information and Broadcasting	1.05
			27.86	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	98.82
			2.47	-Social Welfare and Nutrition	19.79
			0	-Others	10.33
			984.57	Economic Services of which	658.11
			1.75	-Agriculture and Allied Activities	4.29
			0	-Rural Development	0
			58.17	-Special Areas Programmes	135.91
			405.11	-Irrigation and Flood Control	169.73
			0	-Energy	0
			12.85	-Industry and Minerals	9.98
			10.00	-Science Technology and Environment	10.00
			464.82	-Transport	314.92
			31.88	-General Economic Services	13.28
1.15	V – Recoveries of Loans and Advances-	8.02	0.25	V – Loans and Advances disbursed-	3.40
	-From Power Projects			-For Power Projects	-
0.69	-From Government Servants	0.60	0.25	To Government Servants	3.40
0.46	-From Others	7.42		-To Others	-
944.36	VI – Revenue Surplus brought down	1083.83		VI – Revenue Deficit brought down	-
					-
1551.29	VII – Public debt receipts-	1295.91	1144.96	VII – Repayment of Public debt	675.53
	-External debt		-	External debt	-
729.99	-Internal debt other than Ways and Means Advances and overdrafts	623.55	213.25	-Internal debt other than Ways and Means Advances and Overdrafts	351.56
805.26	-Net transactions under Ways and Means Advances	663.40	887.59	-Net transactions under Ways and Means Advances	279.88

2016-17	Receipts	2017-18		2016-17	Disbursements	2017-18	
Section-A: Revenue							
16.04	-Loans and Advances from Central Government	8.96		44.12	-Repayment of Loans and Advances to Central Government	44.09	
-	-Net transactions under over- draft	-	-				-
	VIII – Appropriation to Contingency Fund		-	-	VIII – Appropriation to Contingency Fund		-
	IX – Amount transferred to Contingency Fund		-	-	IX – Expenditure from Contingency Fund		
549.20	X – Public Account receipts-		2632.65	396.83	X – Public Account disbursement-		2577.17
300.93	Small Savings and Provident Funds	302.02		251.39	-Small Savings and Provident Funds	305.50	
141.09	-Reserve Funds	176.23		13.32	-Reserve Funds	10.70	
(-)2611.03	Suspense and Miscellaneous	167.96		(-)2589.41	-Suspense and Miscellaneous	189.62	
2007.02	Remittances	1475.39		2109.16	-Remittances	1535.92	
711.19	Deposits and Advances	511.05		612.37	-Deposits and Advances	535.43	
	XI – Closing Overdraft from Reserve Bank of India			395.58	XI – Cash Balance at end-		731.58
				4.63	-Cash in Treasuries and Local Remittances	4.63	
				(-)155.02	-Deposits with Reserve Bank	29.69	
				63.90	-Departmental Cash Balance including permanent Advances	38.96	
				482.07	-Cash Balance Investment and Investment of earmarked fund	658.30	
12560.31	Total:		15773.82	12560.31	Total:		15773.82

(Difference of 0.01 lakh/crore wherever occurring, is mostly due to rounding)

Appendix – 1.3
(Reference: Paragraph 1.2.2)

Statement showing funds transferred to the State Implementing Agencies under Programmes/Schemes outside the State budget during 2017-18

(₹ in lakh)

Scheme	Implementing Agency	Amount
Assistance to Voluntary Organisation for Providing Social Defence Services	All Manipur Senior Citizens Welfare Association	15.91
	Ima Leimarel Women Welfare Association	8.97
	Integrated Rural Development Agency	5.96
	Integrated Rural Upliftment Services	8.94
Assistance to Voluntary Organisation for Programmes Relating to Aged	Kumbi Khullakpam Leikai Women's Association	17.95
	Integrated Rural Development and Educational Organisation (IRDEO)	32.44
	Rural Industries Development Association	9.47
	Rural People's Development Organization	19.42
	Social Development & Rehabilitation Council	5.96
	United Hill People's Development Society	4.48
	Wangjing Women and Girls Society	20.86
	Centre for Development Activities	11.92
	Community Development Association	4.49
	The Centre for Upliftment of Rural Women Association	13.46
	Rural Downtrodden People Upliftment Society	17.95
	Rural Development Society, Manipur	19.94
	Rural Medical Institute	24.92
	South Eastern Rural Development Organization	8.97
Social Human Action for Rural Empowerment Society	2.38	
Volunteers For Rural Health and Action (VORHA)	5.96	
Beti Bachao Beti Padhao	Beti Bachao Beti Padhao (BBBP) Senapati	44.95
Scheme for Prevention of Alcoholism and Substance (Drugs) Abuse	Born Again Rehabilitation Centre, Ukhrul, Manipur	8.75
	Community Development Programme Centre	15.56
	Galaxy Club	36.78
	Institute for Social Disease	15.33
	Integrated Women & Child Development Centre	31.01
	Kha- Manipur Yoga and Nature Cure	46.00

Scheme	Implementing Agency	Amount
	Association	
	Lamka Rehabilitation and Research Centre	20.05
	Manipur Rural Institute Society	20.05
	Rural Development Society, Manipur	9.85
	Rural Health Organisation, Imphal	35.08
	Sneha Bhavan	18.76
	Social Care Ministry	20.05
	The Youth Development Organisation	35.08
	United Voluntary Youth Council	10.02
	Rural Development Foundation Association	20.05
	Social Reformation and Development Organisation	25.33
	The Centre of Mental Hygiene	37.01
Boys and Girls Hostel (CS)	Council for Development of Poor & Labourers	1,02.37
	Society for Rural Development Agency	1,17.03
	Volunteers Union for Rural Forward and Integrity	52.60
Hostel for Working Women	Environment and Economic Management Association	44.80
	Loyalam Foundation	60.38
	Pioneer Welfare Association	83.90
	Women Agency for Development Activities	81.39
National Rural Livelihood Mission CS	DRDA, Imphal East	29.46
	State Rural Livelihood Mission Manipur	26.25
Seekho Aur Kamao– Skill Development Initiatives	Integrated Rural Development and Educational Organisation (IRDEO)	38.40
	Social Amelioration Society	7.88
Assistance to Voluntary Organisation for Welfare of SCS	The Women's Economic Development Society (WEDS)	12.91
	Western Rural Society Economic Development Organisation	12.91
Grants in aid to Voluntary Organisation working for the Welfare of Scheduled Tribes	Chil Chil Asian Mission Society (CHAMS), Kanglatongbi, Manipur	33.39
	Integrated Educational Social Development Organisation (IESDO)	23.26
	Integrated Rural Development and Educational Organisation (IRDEO)	36.25
	Adimjati Shiksha Ashram, Imphal	9.87
	Siamsinpawlpi (Paite Students' Welfare Association), Siamsinpawlpi Complex, Bungmual, Churachandpur	77.34
	Tear Fund India Committee on Relief & Rehabilitation Service (TFICORRS), Manipur	27.02
	Type Writing Institution & Rural	31.63

Scheme	Implementing Agency	Amount
	Development Services (TWIRDS)	
	United Rural Development Service	16.20
	Volunteers for Rural Health and Action (VORHA)	9.32
Food Subsidy	Directorate of Consumer Affairs, Food & Public Distribution, Manipur	97.85
GIA for Research Publication and Monitoring	Manipur Commission for Protection of Child Rights	1.42
Swadhar Grah	Rural Voluntary Services	3.23
National Programme for Dairy Development	Manipur Milk Producers co-operative union	2,97.54
Pradhan Mantri Gram Sadak Yojna-Centre Component	Manipur Rural Roads Development Agency (MSRRDA)	0.27
Pradhan Mantri Matritva Vandana Yojana	Department of Social Welfare Manipur	12,63.42
Rashtriya Gokul Mission	Manipur Livestock Development Board	2,00.00
Schemes for differently abled persons	Educational Research Cell	5.61
	IGNOU-Oinam-Ibohal Polytechnic Community College	4.84
	People Advance in Social Service, Churachandpur	3.38
	Social and Health Development Organisation	34.81
Support to Training and Employment Programme (STEP)	Action for Social Justice Organisation	4.77
	The Bishnupur District Rural Welfare Society	11.34
	The Hafiz Hatta Women Welfare Association	12.24
	Loyalam Foundation	10.80
Ujjawala	Integrated Rural Advancement Centre	6.28
Organic Value Chain Development for North East Region	Manipur Organic Mission Agency (MOMA)	17,88.42
Apprenticeship and Training	Director of Craftsman Training, Manipur	2.40
Agriculture Marketing	Office of Agriculture Officer (Market Intelligence), Manipur	0.02
Mahatma Gandhi National Rural Guarantee Program –State Component	Manipur State Rural Development Agency, Manipur	74.31
Total		5467.57

Appendix 1.4
(Reference: Paragraph 1.3)

Time series data on the State Government finances

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
Part A Receipts					
1. Revenue Receipts (i +ii+iii+iv)	7282.79	7998.27	8280.10	9129.12	10357.83
(i) Tax Revenue of which	472.73	516.83	550.44	586.67	790.94
State Goods & Services Tax (SGST)	-	-	-	-	301.53
Taxes on Agricultural Income	-	-	-	-	-
Taxes on Sales, Trade, etc.	395.74	433.33	466.51	499.65	385.58
State Excise	9.20	9.32	8.78	9.32	9.37
Taxes on Vehicles	18.73	20.77	23.29	25.04	36.14
Stamps and Registration fees	7.90	7.76	10.45	10.03	13.98
Land Revenue	1.12	1.42	2.59	1.91	1.44
Taxes on Goods and Passengers	1.24	1.20	1.02	1.00	1.13
Other taxes	38.76	43.03	37.80	39.72	41.77
Taxes and duties on electricity	0.04	-	#	-	-
(ii) Non-Tax Revenue	260.67	183.73	149.48	164.80	174.07
(iii) State's share of Union taxes and duties	1438.79	1526.89	3142.42	3757.13	4154.33
(iv) Grants-in-aid from Government of India	5110.60	5770.82	4437.76	4620.52	5238.49
2. Miscellaneous Capital Receipts	-	-	-	-	-
3. Recoveries of Loans and Advances	1.23	0.97	1.02	1.15	8.02
4. Total Revenue and Non-debt capital receipts (1+2+3)	7284.02	7999.24	8281.12	9130.27	10365.85
5. Public Debt Receipts of which	382.68	489.40	925.79	1551.29	1295.91
Internal Debt (excluding Ways and Means Advances and Overdrafts)	382.68	489.40	741.04	729.99	623.55
Net transactions under Ways and Means Advances and Overdrafts	-	-	184.75	805.26	663.40
Loans and Advances from the Government of India	-	-	-	16.04	8.96
6. Total Receipts in the Consolidated Fund (4+5)	7666.70	8488.64	9206.91	10681.56	11661.76
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Account Receipts	3883.75	2901.43	2871.65	549.20	2632.65
9. Total Receipts of the State (6+7+8)	11550.45	11390.07	12078.56	11230.76	14294.41
Part B Expenditure/Disbursement					
10. Revenue Expenditure	5718.83	7267.29	7382.57	8184.76	9274.00
General Services (including interest payments)	2441.07	2751.13	2950.80	3421.18	3666.88
Social Services	1603.66	2028.06	1973.60	2056.76	2569.42
Economic Services	1338.61	2012.37	2110.12	2342.97	2503.61
Grants-in-aid and contributions	335.49	475.73	348.05	363.85	534.09
11. Capital Expenditure	1291.89	1332.44	1237.87	1493.57	1428.31
General Services	220.32	208.81	165.03	96.00	106.50
Social Services	328.05	547.63	385.88	412.99	663.70
Economic Services	743.52	576	686.96	984.57	658.11

	2013-14	2014-15	2015-16	2016-17	2017-18
12. Disbursement of Loans and Advances	0.04	0.34	1.60	0.25	3.40
13.Total/Aggregate Expenditure (10+11+12)	7010.76	8600.07	8622.04	9678.58	10705.71
14. Repayments of Public Debt of which	260.07	273.24	446.08	1144.97	675.53
<i>Internal Debt (excluding Ways and Means Advances and Overdrafts)</i>	<i>115.07</i>	<i>229.07</i>	<i>401.95</i>	<i>213.26</i>	<i>351.56</i>
<i>Net transactions under Ways and Means Advances and Overdrafts</i>	<i>97.92</i>	<i>-</i>	<i>-</i>	<i>887.59</i>	<i>279.88</i>
<i>Loans and Advances from Government of India</i>	<i>47.08</i>	<i>44.17</i>	<i>44.13</i>	<i>44.12</i>	<i>44.09</i>
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	7270.83	8873.31	9068.12	10823.55	11381.24
17. Contingency Fund disbursements	-	-	-	-	-
18. Public Account disbursements	3760.41	2858.83	2747.02	396.83	2577.17
19. Total disbursement by the State (16+17+18)	11031.24	11732.14	11815.14	11220.38	13958.41
Part C Deficits					
20. Revenue Deficit (-)/Surplus (+) (1-10)	(+) 1563.96	(+) 730.98	(+) 897.53	(+) 944.36	(+) 1083.83
21. Fiscal Deficit (-)/Surplus (+) (4-13)	(+) 273.26	(-) 600.83	(-) 340.92	(-) 548.31	(-) 339.86
22. Primary Deficit(-)/ Surplus(+)(21+23)	(+) 718.18	(-) 127.64	(+) 175.31	(-) 4.56	(+) 223.10
Part D Other data					
23. Interest Payments (included in revenue expenditure)	444.92	473.19	516.23	543.75	562.96
24. Financial Assistance to local bodies etc.	128.42	586.49	709.68	830.36	698.52
25. Ways and Means Advances/Overdraft availed (days)	13	-	-	32	8
<i>Ways and Means Advances availed (days)</i>	<i>13</i>	<i>-</i>	<i>-</i>	<i>32</i>	<i>8</i>
<i>Overdraft availed (days)</i>	<i>8</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>1</i>
26. Interest on Ways and Means Advances/Overdraft	0.19	-	-	0.75	9.67
27. Gross State Domestic Product (GSDP)	16198.43	18129.05	19530.67	21065.85 (Q)	23167.02 (A)
28. Outstanding Fiscal liabilities	7060.68	7357.38	8125.39	8807.83	9565.94
29. Outstanding guarantees (year end) (including interest)	215.30	192.95	339.53	548.25	513.73
30. Maximum amount guaranteed (year end)	197.45	197.45	588.00	588.00	738.00
31. Number of incomplete projects	37	9	100	87	24
32 Capital blocked in incomplete projects	144.53	36.70	-	-	-
Part E Fiscal Health Indicators					
I Resource Mobilization (in per cent)					
Own Tax revenue/GSDP	2.92	2.85	2.82	2.78	3.41
Own Non-Tax Revenue/GSDP	1.61	1.01	0.77	0.78	0.75
Central Transfers/GSDP	8.88	8.42	16.09	17.84	17.93
II Expenditure Management (in per cent)					

	2013-14	2014-15	2015-16	2016-17	2017-18
Total Expenditure/GSDP	43.28	47.44	44.15	45.95	46.21
Total Expenditure/Revenue Receipts	96.26	107.52	104.13	106.02	103.36
Revenue Expenditure/Total Expenditure	81.57	84.50	85.62	84.57	86.63
Expenditure on Social Services/Total Expenditure	27.55	29.95	27.37	25.52	30.20
Expenditure on Economic Services/Total Expenditure	29.70	30.10	32.44	34.38	29.53
Capital Expenditure/Total Expenditure	18.43	15.49	14.36	15.43	13.34
Capital Expenditure on Social and Economic Services/Total Expenditure	15.28	13.07	12.44	14.44	12.35
III Management of Fiscal Imbalances (in per cent)					
Revenue deficit (surplus)/GSDP	9.66	4.03	4.60	4.48	4.68
Fiscal deficit (surplus)/GSDP	(+) 1.69	(-) 3.31	(-)1.75	(-) 2.60	(-) 1.47
Primary Deficit (surplus)/GSDP	4.43	(-) 0.70	(+) 0.90	(-) 0.02	(+) 0.96
Revenue Deficit/Fiscal Deficit	572.33	(-) 121.66	(-) 263.27	(-) 172.23	(-) 318.90
Primary Revenue Balance/GSDP	12.41	6.65	7.24	7.07	7.14
Fiscal Liabilities/GSDP	43.59	40.58	41.60	41.81	41.29
Fiscal Liabilities/RR	96.95	91.99	98.13	96.48	92.35
Primary deficit vis-à-vis quantum spread	1504.37	414.62	437.97	624.35	561.32
Debt Redemption (Principal+Interest)/Total Debt Receipts	110.19	111.19	155.09	99.32	98.57
V Other Fiscal Health Indicators					
Return on Investment	Only ₹ 3000	Only ₹ 2000	Only ₹ 3000	Only ₹ 4000	Only ₹ 4000
Financial Assets/Liabilities	2.42	2.46	2.43	2.43	2.43

(Difference of 0.01 lakh/crore wherever occurring, is mostly due to rounding)

Appendix 1.5
(Reference: Paragraph 1.9.1)

Assets and Liabilities of the Government of Manipur as on 31 March 2018

(₹ in crore)

As on 31.03.2017		Liabilities	As on 31.03.2018	
	4898.91	Internal Debt -		5554.42
3779.45		<i>Market Loans bearing interest</i>	4057.22	
0.04		<i>Market Loans not bearing interest</i>	0.04	
5.93		<i>Loans from Life Insurance Corporation of India</i>	5.93	
258.77		<i>Loans from NABARD</i>	299.51	
0.11		<i>Loans from SBI and other Banks</i>	0.11	
6.12		<i>Loans from National Co-operative Development Corporation</i>	6.12	
738.07		<i>Special Securities issued to National Small Savings Fund of the Central Government</i>	684.96	
8.01		<i>Other Loans</i>	14.59	
102.42		<i>Ways and Means Advance</i>	485.94	
	366.96	Loans and Advances from Government of India -		331.83
0.06		<i>Pre 1984-85 Loans</i>	0.06	
300.15		<i>Non-Plan Loans</i>	262.25	
64.35		<i>Loans for State Plan Schemes</i>	67.37	
-		<i>Loans for Central Plan Schemes</i>	-	
-		<i>Loans for Centrally Sponsored Plan Schemes</i>	-	
2.40		<i>Loans for Special Plan Schemes</i>	2.15	
-		<i>Other Ways & Means Advances</i>	-	
-		<i>Contingency Fund</i>	-	
	1513.19	Small Savings, Provident Funds, etc.		1509.72
	1515.40	Deposits		1491.08
	513.36	Reserve Funds		678.89
	12568.15	Deficit on Government Account		13651.98
944.36		<i>Add Revenue Surplus of the current year</i>	1083.83	
-		<i>Miscellaneous Deficit</i>	-	
11623.79		<i>Accumulated Deficit at the beginning of the year</i>	12568.15	
	21375.98	Total		23217.92

Assets				
	20070.36	Gross Capital Outlay on Fixed Assets -		21498.66
176.32		<i>Investments in shares of Companies, Corporations, etc.</i>	177.57	
19894.04		<i>Other Capital Expenditure</i>	21321.09	
	204.19	Loans and Advances -		199.57
-		<i>Loans for Power Projects</i>	-	
11.13		<i>Loans to Government servants and Miscellaneous loans</i>	13.84	
193.06		<i>Other Development Loans</i>	185.73	
	2.29	Advances		2.35
	(-)155.02	Deposit with Reserve Bank and other banks		29.69
	532.24	Remittance Balance		592.78
	171.33	Suspense and Miscellaneous Balance		192.99
	550.60	Cash -		701.88
4.63		<i>Cash in Treasuries and Local Remittances</i>	4.63	
63.88		<i>Departmental Cash Balance</i>	38.94	
0.02		<i>Permanent Advances</i>	0.02	
0		<i>Cash Balance Investments</i>	0	
482.07		<i>Investment of earmarked funds</i>	658.29	
	21375.99	Total		23217.92

Appendix 1.6
(Reference: Paragraph 1.10.1)
Maturity Profile of debt¹

(₹ in lakh)

Year of Maturity (Year of maturity from the beginning of 2018-19)	Internal Debt	Loans and advances from the Central Government	Amount	Percentage to Total Public Debt
(1)	(2)	(3)	(4) (2 + 3)	
2017-18(1)		4.40	4.40	0.00
2018-19 (2)	24130.15	6.04	24136.19	4.10
2019-20 (3)	35236.85	4.24	35241.09	5.99
2020-21 (4)	36397.11	10.82	36407.93	6.18
2021-22(5)	46924.89	15.83	46940.72	7.97
2022-23 (6)	29849.56	283.37	30132.93	5.12
2023-24 (7)	39898.70	128.18	40026.88	6.80
2024-25 (8)	48616.68	29401.06	78017.74	13.25
2025-26 (9)	61262.50	79.22	61341.72	10.42
2026-27 (10)	63000.00	175.67	63175.67	10.73
2027-28 (11)	52500.00	114.79	52614.79	8.94
2028-29 (12)		452.49	452.49	0.08
2038-39 (13)		1604.03	1604.03	0.27
2039-40 (14)		895.91	895.91	0.15
(i) Sub-Total	437816.44	33171.65	470992.49	80.02
(ii) Amount for which year of Maturity is not known	117625.84	6.66	117632.50	19.98
Total (i + ii)	555442.28	33182.71	588624.99	100

¹ Maturity profile at the end of 2016-17, the amount indicated is Principal amount only.

Appendix 1.7

Glossary of terms

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

Appendix 2.1
(Reference: Paragraph 2.3.1)

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

(₹ in lakh)

Sl. No.	Grant/ Appropriation	Total provision	Saving	Percentage
1	2	3	4	5
Revenue Voted				
1	2. Council Of Ministers	782.00	186.49	23.85
2	3. Secretariat	8037.30	342.55	4.26
3	4. Land Revenue, Stamps & Registration and District Administration	11056.91	2071.74	18.74
4	6. Transport	1459.33	412.72	28.28
5	7. Police	133249.89	10656.82	8.00
6	8. Public Works Department	28144.54	11318.56	40.22
7	9. Information and Publicity	2034.04	127.44	6.27
8	10. Education	144286.96	19812.78	13.73
9	11. Medical, Health and Family Welfare Services	63716.06	7333.16	11.51
10	12. Municipal Administration, Housing and Urban Development	23538.80	12707.78	53.99
11	14. Department of Tribal Affairs, Hills and Scheduled Caste Development	66283.70	3631.23	5.48
12	15. Consumers Affairs, Food and Public Distribution	8565.25	432.00	5.04
13	17. Agriculture	17042.09	5578.47	32.73
14	18. Animal Husbandry and Veterinary including Dairy Farming	11711.81	3558.90	30.39
15	19. Environment and Forest	20731.47	7189.92	34.68
16	20. Community and Rural Development	108938.75	14666.70	13.46
17	21. Commerce and Industries	12022.99	6745.51	56.11
18	22. Public Health Engineering	6410.06	152.95	2.39
19	23. Power	57853.33	502.85	0.87
20	25. Youth Affairs and Sports Department	4509.85	471.39	10.45
21	26. Administration of Justice	5548.06	759.83	13.70
22	27. Election	1285.87	148.03	11.51
23	28. State Excise	1884.98	134.15	7.12
24	30. Planning	22636.20	11625.46	51.36
25	31. Fire Protection and Control	1385.45	376.38	27.17
26	33. Home Guards	1559.53	382.41	24.52
27	34. Rehabilitation	864.83	161.52	18.68
28	36. Minor Irrigation	1186.40	277.42	23.38
29	37. Fisheries	3947.61	201.59	5.11
30	38. Panchayat	8214.28	767.19	9.34
31	40. Irrigation and Flood Control Department	6759.25	1051.64	15.56
32	41. Art and Culture	2339.69	223.19	9.54
33	42. State Academy of Training	636.10	179.00	28.14
34	43. Horticulture and Soil Conservation	8063.35	1877.20	23.28
35	44. Social Welfare Department	35883.57	12353.04	34.43
36	45. Tourism	2032.98	303.37	14.92
37	46. Science and Technology	1195.01	593.40	49.66
38	47. Minorities and Other Backward Classes D	5741.87	3160.66	55.05
39	48. Relief and Disaster Management	9156.02	3651.87	39.88
40	49. Economics and Statistics	1732.45	389.29	22.47
41	50. Information Technology	1366.81	435.06	31.83

State Finances Audit Report for the year ended 31 March 2018

Sub Total		853795.44	146951.66	17.21
Revenue Charged				
42	1. State Legislature	51.23	22.07	43.08
43	Appro 2 - Interest Payment and Debt services	56642.85	346.39	0.61
44	8. Public Works Department	120.00	87.82	73.18
45	26. Administration of Justice	1830.00	413.66	22.60
Sub Total		58644.08	869.94	1.48
Capital Voted				
46	1. State Legislature	550.00	245.00	44.55
47	2. Council Of Ministers	80.00	65.00	81.25
48	3. Secretariat	550.00	216.00	39.27
49	6. Transport	100.00	100.00	100.00
50	7. Police	8764.00	1400.58	15.98
51	8. Public Works Department	82292.39	43774.85	53.19
52	10. Education	2370.81	469.84	19.82
53	11. Medical, Health and Family Welfare Services	3397.87	1468.25	43.21
54	12. Municipal Administration, Housing and Urban Development	25899.52	5020.79	19.39
55	13. Labour and Employment	3695.11	2662.02	72.04
56	14. Department of Tribal Affairs, Hills and Scheduled Caste Development	4193.20	563.72	13.44
57	16. Co-operation	513.00	400.00	77.97
58	17. Agriculture	5280.00	3245.63	61.47
59	22. Public Health Engineering	25680.77	954.05	3.72
60	23. Power	4616.35	4616.35	100.00
61	25. Youth Affairs and Sports Department	4390.28	655.49	14.93
62	26. Administration of Justice	4330.00	4000.00	92.38
63	27. Election	1560.50	1560.50	100.00
64	30. Planning	20056.88	14834.32	73.96
65	36. Minor Irrigation	14101.40	10290.63	72.98
66	40. Irrigation and Flood Control Department	41683.47	28886.02	69.30
67	42. State Academy of Training	16.00	10.72	67.00
68	44. Social Welfare Department	2481.24	502.20	20.24
69	45. Tourism	5806.91	4446.20	76.57
70	47. Minorities and Other Backward Classes Department	8814.47	2462.41	27.94
Sub Total		271224.17	132850.57	48.98
Grand Total		1183663.70	280672.17	23.71

(Source: Appropriation Accounts)

Appendix 2.2

(Reference: Paragraph 2.3.3)

List of Sub-Heads of Persistent Savings during 2013-18

(`in lakh)

Sl. No.	Heads of Accounts	Amount of savings				
		2013-14	2014-15	2015-16	2017-18	2017-18
Revenue-Voted						
1	2013 – Council of Ministers (NP) 101 – Salaries of Ministers & Dy. Ministers 03 – Salaries of Ministers & Dy. Ministers	22.15	37.41	19.26	23.65	33.50
2	2013 – Council of Ministers (NP) 108 – Tour Expenses 04 – Tour Expenses	29.47	39.89	85.02	49.80	15.54
3	2235 – Social Security & Welfare (NP) 01 – Rehabilitation 200 – Other Relief Measures 35 – Victims of Extremist Action	46.00	35.00	17.00	9.00	29.00
4	2059 – Public Works (NP) 60 – Other Buildings 053 – Maintenance & Repairs 09 – Functional Building	6,16.97	2,95.05	3,52.80	3,42.13	63.92
5	2216 – Housing (NP) 80 - General 800 – Other Expenditure 10 – Furnishing of Residential Quarters	22.00	22.00	22.00	29.00	18.01
6	3054 – Roads & Bridges (NP) 02 – Strategic Border Roads 337 – Road Works 27 – Work executed by BRTF	6.00	6.00	6.00	6.00	6.00
7	2217 – Urban Development (NP) 01 – State Capital Development 800 – Other Expenditure 03 – Duties of Transfer of Property	6.00	6.00	6.00	1.33	6.00
8	2070 – Other Administrative Services (NP) 003 - Training 01 – State Academy of Training	40.48	11.92	47.49	46.20	125.81
Sub-total		195.07	255.27	258.57	210.11	297.78
Revenue Charged						
9	3054 – Roads & Bridges (NP) 04 – District & Other Roads 337 – Road Works 19 – Other District Roads	1,52.93	50.72	1,51.97	38.51	66.55

Sl. No.	Heads of Accounts	Amount of savings				
		2013-14	2014-15	2015-16	2017-18	2017-18
10	2216 – Housing (NP) 80 – General 001 – Direction and Administration 22 – Raj Bhavan	16.19	75.00	0.18	24.31	77.82
Sub-total		70.12	125.72	53.15	62.82	144.37
Capital Voted						
11	7610 – Loans to Government Servants 201- House Building Advances 05 – Loans to Ministers	40.00	40.00	40.00	40.00	40.00
12	7610 – Loans to Government Servants 202 - Advances for Purchase of Motor Conveyances 05 – Loans to Ministers	40.00	25.00	40.00	40.00	25.00
13	7610 – Loans to Government Servant etc. (NP) 201 – House Building Advances 21 – Loans to All India Service Officers	23.20	17.50	25.00	25.00	20.00
14	4216 – Capital Outlay on Housing (P) 01 – Government Residential Buildings 106 – General Pool Accommodation 08 (V) – Building at District and Sib-Divisions	81.49	48.00	28.49	6.08	300.00
15	4702 – Capital Outlay on Minor Irrigation (P) 101 – Surface Water 05 – Pick up weir, Low Head Barrage, percolation tank (H)	30.00	3,40.00	2,08.20	1,03.60	341.15
Sub-total		214.69	173.5	143.69	115.68	726.15
Grand Total						1168.30

* H- Hill, V-Valley, NP-Non-plan, P- Plan and CSS- Centrally Sponsored Schemes

(Source: Records of Voucher Level Computerisation of the Office of the Accountant General (A&E))

Appendix 2.3

(Reference: Paragraphs 2.3.4)

Statement showing amount deposited under Major Head '8449–Other Deposits, Minor Head 120–Miscellaneous Deposits' during March 2018

(₹in lakh)

Sl. No.	Name of Department	Purpose	Date of Deposit	Amount Credited
1	Joint Director, Arts & Culture, Government Of Manipur	Infrastructure Development & equipment installation, Land Development & DPR in respect of Manipur State Film & Television Institute (MSFTI) renovation of Auditorium and classroom of JNMDA, Manipur	31-03-2018	186.87
2	Cotton Development Officer, Directorate Of Agriculture, Manipur	Being the implementation of Pradhan Mantri Fasal Bima Yojana (PMFBY) for Karif, 2016 during the year, 2017-18 under Govt. of Manipur	31-03-2018	48.43
3	Joint Director , MAHUD, Government of Manipur	Deposited being the amount for payment of skilled/unskilled labourers of WDC for the period from 01/03/2017 to 31/08/2017 for 6 months ULBs	31-03-2018	176.99
4	Secretary, MPSC, Imphal	Balance amount of the professional and special services after deduction the total amount releases to MPSC from the total budget amount for the FY 2017-18	22-03-2018	62.14
5	Principal, Government HTT College, Imphal, Government of Manipur	Deposited to 8449	31-03-2018	3.50
6	District and Sessions Judge, Manipur East	14 th Finance Commission Award for the year 2017-2018 for implementation of work namely "Direct purchase of land for Manipur Judicial Academy"	31-03-2018	846.74
7	Director / Agriculture Officer, MOBC, Government of Manipur	Being the amount deposit for Grant-in-Aid Waqf Board	30-03-2018	125.40
8	Joint Director, Youth Affairs & Sports, Government of Manipur	Construction of District Sport, installation of flood lighting at Main Stadium and Hockey Stadium at Kuman Lampak Sports Complex, Imphal	31-03-2018	498.90
9	Joint Director, TA & Hills, Government of Manipur	Construction of retaining wall of District Office (TAH) Ukhrol, SIRRARAKKHONG, Ukhrol and repairing of Ashram School, Tausem TML Dist., procurement of desktop computers and dongles under IT	31-03-2018	47.71

10	Additional Director of Fisheries, Government of Manipur	Construction	31-03-2018	42.56
11	Additional Director of Education (S/V), Government of Manipur	Construction of Primary and Upper Primary Schools	31-03-2018	194.71
12	Additional Director of Education-S (Hills), Government of Manipur	Repairing/renovation of schools/ZEO offices	30-03-2018	126.03
13	Deputy Director, Treasuries System & Admn, Manipur	Digitization of Pension Records	30-03-2018	25.00
14	District Training Officer (FTC), Department of Agriculture, Manipur	Being the implementation of the scheme of Rashtriya Kishan Vikas Yojana	01-03-2018	74.11
15	Principal, Government Polytechnic, Imphal	Purchase of furniture at DTC approved rates for establishment of New Polytechnic at Ukhrul and Imphal East	31-03-2018	14.71
16	Administrative Officer, Medical Directorate, Lamphel. (TP Cell Hill Division No. II)	Construction/renovation/repairing of fencing	31-03-2018	43.69
17	Administrative Officer, Medical Directorate, Manipur. (Director of Health Services, Manipur)	Procurement of equipments and artificial Ventilators	31-03-2018	571.79
18	Joint Director, Directorate of Trade, Commerce, Industries, Manipur	Deposited for 10% State share matching of special type of pottery & stone chip products production centre	31-03-2018	13.67
19	Register, Co-operative Societies, Manipur	Repairing of DCO and construction Boundary Compound Wall	31-03-2018	25.00
20	Principal, Pettigrew College, Ukhrul	Civil deposit 70% of sanction ₹ 500000	31-03-2018	3.50
Total				3131.45

(Source: O/o The Principal Accountant General (A&E), Manipur)

Appendix 2.4
(Reference: Paragraph 2.3.4)

Statement showing amount deposited under 'Major Head 8443 – Civil Deposits, Minor Head 108 – Public Works Deposits' during March 2018

Sl. No.	Name of Department	Purpose	Date	Amount Credited (₹ in lakh)
1	Public Work Department (PWD), Manipur	Retrofitting, re-construction of New market (Nupi Keithel No.3)	29.03.2018	560.93
2		-do-	29.03.2018	300.99
3		Supply & Installation & Commissioning of new Medical gas pipeline System at JNIM	31.03.2018	145.74
4		Construction of compound wall with two Gates at Excise HQ, Lamphel	16.03.2018	62.80
5		Construction of 3 rooms at Excise HQ, Lamphel	30.03.2018	17.22
6		Repairing of SE Room & Conference Hall at Excise HQ, Lamphel	28.03.2018	10.50
7		Deposit for Renovation of Ima Market No.1 at Imphal	29.03.2018	6.94
8	Executive Engineer, Quality Control & monitoring Division, I & F.C. Department,	Construction of Artificial Football Turf at Langjing Achouba, Imphal West District	29.03.2018	900.20
9		Repairing & Renovation of Khuman Lampak Main Stadium, Imphal	29.03.2018	495.13
10		Reconstruction of parking lot in front of Indoor Stadium, Khuman Lampak Sports Complex, Imphal	21.03.2018	213.06
11		Repairing & Renovation of Main Hostel, Khuman Lampak Sports Complex, Imphal	24.03.2018	193.43
12		Repairing & Renovation of State Youth Centre & Sports Hostel No.1 at Khuman Lampak Sports Complex, Imphal	28.03.2018	101.67
13		Repairing & Renovation of Hockey Stadium, Khuman Lampak Sports Complex, Imphal	24.03.2018	23.93
14	Executive Engineer, Monitoring & Quality Control Division, PWD	Construction of Boys & Girls Hostel & Classrooms of IIIT, Manipur for commencing the new academic session of 2017-18 at temporary campus, Mantripukhri.	26.03.2018	256.93
15		For Integrated Mega Tourist Circuit at Marjing – Polo – Kaina – Khebaching (Construction of road, retaining wall & drain at Heingang Hill) of Tourism Department	24.03.2018	117.00
16		For renovation of Guest House of Khongjom War Memorial Complex of Tourism Department	29.03.2018	61.03
17	Executive Engineer, Quality Control & Monitoring Division, Water Resources Department	Installation of flood lighting at Main Stadium and Hockey Stadium at Khuman Lampak Sports Complex, Imphal	31.03.2018	134.67
18		Construction of LSA Complex at Makui, Kangpokpi	31.03.2018	45.01
19		Improvement of the existing ground around the Rowing Canal inside the Khuman Lampak Sports Complex, Imphal	31.03.2018	19.51
20	Executive Engineer,	For renovation of yard lighting in front of Governor's Bungalow and its adjoining area	31.03.2018	30.18

Sl. No.	Name of Department	Purpose	Date	Amount Credited (₹ in lakh)
	Building, Electrical Division No.-I PWD, Manipur			
21	Executive Engineer, Building Division No. II, PWD	Construction of Public Wash Room/Toilet at Cheirap Court Complex & Lamphel Court Complex	31.03.2018	35.13
22		Inauguration of the Court of Addl. Sessions Judge (FTC) for Crimes against Women, Manipur	29.03.2018	15.40
23	Executive Engineer, Thoubal Division, PWD	For Integrated Mega Tourist Circuit at Marjing– Polo–Kaina–Khebaching (SH- improvement of Khongjom Tourist Complex) of Tourism Department for the month of March 2018	30.03.2018	448.00
24		For Integrated Mega Tourist Circuit at Marjing – Polo – Kaina – Khebaching (Construction of Compound wall for old approach road of Khongjom war Memorial) of Tourism Department for the month of March 2018	30.03.2018	104.00
25		Construction of ground sump at Thoubal Court Complex	24.03.2018	13.24
26	Executive Engineer, Chandel Division, PWD, Manipur	Construction of Public Toilet at Chandel Court Complex	24.03.2018	25.26
27	Executive Engineer, Chandel/Tengnoupal Division, PWD	Construction of Public Toilet along with overhead tank with ground sump at Moreh Court Complex	31.03.2018	27.18
28	Executive Engineer, Senapati Division, PWD, Manipur	Construction of Public Toilet at Senapati Court Complex	24.03.2018	25.22
29	Executive Engineer, Bishnupur Division, PWD	Construction of overhead tanks with ground sump of Bishnupur Court Complex	24.03.2018	21.53
30	Executive Engineer, Sadar Hills Division, PWD, Manipur	Construction of Public Toilet at Kangpokpi Court Complex	30.03.2018	25.18
31	Executive Engineer, Ukhrul Division, PWD	Construction of overhead tanks with ground sump at District Judge Court Complex, Ukhrul	31.03.2018	11.71
32		Construction of two Public Toilet along with overhead tanks with ground sump at (i) CJM, Court Complex, Churachandpur, (ii) Churachandpur District Court Complex	31.03.2018	48.50
TOTAL				4497.22

Appendix 2.5
(Reference: Paragraph 2.3.5)

Excess over provision of previous years requiring regularization

(₹ in crore)

Year	No. of Grants/ Appropriations	Grant/Appropriation No.	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2010-11	7	5,46 (Revenue Voted), 17,22,36,41 and Appropriation No. 2 (Capital Charged)	62.42	PAC recommended for regularization (39 th Report), but status of regularization not intimated yet (December 2018).
2011-12	14	13, 16, 22, 23, 28, 36, 37, 39, 45 and 49 (Revenue Voted), Appropriation No. 2 (Revenue Charged), 3 and 36 (Capital Voted) and Appropriation No. 2 (Capital Charged)	89.38	-do-
2012-13	4	39 and 40 (Revenue Voted), Appropriation No. 2 (Revenue Charged) and Appropriation No. 2 (Capital Charged)	541.42	PAC recommended for regularization (46 th Report), but status of regularization not intimated yet (December 2018).
2013-14	2	Appropriation No. 2 (Revenue Charged) (Revenue Voted) Appropriation No. 2 (Capital Charged)	369.90	PAC recommended for regularization (48 th Report), but status of regularization not intimated yet (December 2018).
2014-15	2	Appropriation No. 2 (Revenue Charged) Public Health Engineering -22 (Capital Voted)	1996.48	PAC recommended for regularization (50 th Report), but status of regularization not intimated yet (December 2018).
2015-16	11	5,12,38,48 (Revenue Voted), Appropriation No. 2 and 5 (Revenue Charged), 14,18,21,43 (Capital Voted) Appropriation No. 2 (Capital Charged)	143.60	-do-
2016-17	1	Appropriation No. 2 (Revenue Charged)	50.73	Excess expenditure yet to be discussed by PAC.
Total	41		3253.93	

(Source: Appropriation Accounts and PAC recommendation Report)

Appendix 2.6
(Reference: Paragraph 2.3.7)

Statement showing unnecessary supplementary provision

(₹ in lakh)

Sl. No.	Number and name of Grant/Appropriation	Original provision	Expenditure	Savings out of Original	Supplementary
(1)	(2)	(3)	(4)	(5)(3-4)	(6)
Revenue Voted					
1	3. Secretariat	7735.04	7694.75	40.29	302.26
2	4. Land Revenue, Stamps & Registration and District Administration	10169.19	8985.17	1184.02	887.72
3	6. Transport	1430.54	1046.61	383.93	28.79
4	7. Police	130980.37	122593.07	8387.30	2269.52
5	11. Medical, Health and Family Welfare	58265.53	56382.90	1882.63	5450.53
6	17. Agriculture	16316.89	11463.62	4853.27	725.20
7	18. Animal Husbandry and Veterinary including Dairy Farming	10532.85	8152.91	2379.94	1178.96
8	19. Environment and Forest	19295.56	13541.55	5754.01	1435.91
9	20. Community and Rural Development	104046.46	94272.05	9774.41	4892.29
10	27. Election	1166.08	1137.84	28.24	119.79
11	32. Jails	1961.58	1920.58	41.00	3.77
12	36. Minor Irrigation	1148.02	908.98	239.04	38.38
13	38. Panchayat	7733.42	7447.09	286.33	480.86
14	41. Art and Culture	2207.41	2116.50	90.91	132.28
15	44. Social Welfare Department	32213.72	23530.53	8683.19	3669.85
16	46. Science and Technology	1018.45	601.61	416.84	176.56
17	47. Minorities and Other Backward Classes	4249.13	2581.21	1667.92	1492.74
18	50. Information Technology	1366.45	931.75	434.70	0.36
Sub Total		411836.69	365308.72	46527.97	23285.77
Capital Voted					
19	5. Finance Department	220.01	200.00	20.01	15.00
20	6. Transport	0.00	0.00	0.00*	100.00
21	8. Public Works Department	72973.35	38517.54	34455.81	9319.04
22	10. Education	2181.05	1900.97	280.08	189.76
23	11. Medical, Health and Family Welfare	2315.15	1929.62	385.53	1082.72
24	27. Election	0.00	0.00	0.00*	1560.50
25	36. Minor Irrigation	13883.28	3810.77	10072.51	218.12
26	40. Irrigation and Flood Control Department	26707.00	12797.45	13909.55	14976.47
27	44. Social Welfare Department	2275.00	1979.04	295.96	206.24
28	45. Tourism	2166.91	1360.71	806.20	3640.00
Sub Total		122721.75	62496.10	60225.65	31307.85
Grand Total		534558.44	427804.82	106753.62	54593.62

*There was no provision under Capital Voted in respect of these grants and no expenditure was incurred. However, unnecessary supplementary provision was made.

(Source: Appropriation Accounts)

Appendix 2.7
(Reference: Paragraph 2.3.8)

Excess/Unnecessary/Insufficient re-appropriation of funds
(Savings (-)/Excess (+) Rupees one crore and above)

(₹ in lakh)

Sl. No.	Grants/Appropriation No.	Head of Account	Re-appropriation	Final excess(+)/savings(-)
(1)	(2)	(3)	(4)	(5)
Saving cases				
1	Appro. 2 – Interest Payment & Debt Services	2049.01.123.43 (V)	-790.48	-1284.14
2	Appro. 2 – Interest Payment & Debt Services	2049.01.200.28 (V)	158.00	-446.04
3	Appro. 2 – Interest Payment & Debt Services	2049.01.200.35 (V)	10.00	-192.59
4	Appro. 2 – Interest Payment & Debt Services	2049.01.305.24 (V)	4.37	-262.88
5	Appro. 2 – Interest Payment & Debt Services	2049.04.104.08 (V)	281.56	-281.56
6	Appro. 2 – Interest Payment & Debt Services	6003.00.111.35 (V)	500.00	-268.18
7	Grant 4 – Land Revenue, Stamps and Registration and District Administration	2029.00.001.27 (V)	-14.16	-102.99
8	Grant 4 – Land Revenue, Stamps and Registration and District Administration	2029.00.101.06 (V)	1.25	-114.28
9	Grant 4 - Land Revenue, Stamps and Registration and District Administration	2053.00.093.26 (V)	9.24	-163.54
10	Grant 4 – Land Revenue, Stamps and Registration and District Administration	2053.00.094.19 (H)	1.77	-101.65
11	Grant 5 – Finance Department	2054.00.095.01 (V)	20.03	-129.97
12	Grant 7 – Police	2055.00.001.01 (V)	171.98	-2384.05
13	Grant 7 – Police	2055.00.001.03 (V)	230.00	-158.10
14	Grant 7 – Police	2055.00.001.15 (V)	-34.81	-712.41
15	Grant 7 – Police	2055.00.001.17 (V)	148.00	-148.00
16	Grant 7 – Police	2055.00.104.03 (V)	-73.97	-387.33
17	Grant 7 – Police	2055.00.104.29 (V)	-73.90	-152.42
18	Grant 7 – Police	2055.00.109.23 (V)	-272.01	-410.98
19	Grant 7 – Police	2055.00.109.32 (H)	213.11	-278.92
20	Grant 7 – Police	2055.00.109.33 (V)	205.26	-184.08
21	Grant 7 – Police	2055.00.109.34 (H)	67.88	-215.91
22	Grant 7 – Police	2055.00.114.36 (V)	-1029.15	-585.27
23	Grant 7 – Police	4055.00.207.03 (V)	350.00	-406.45
24	Grant 8 – Public Works Department	2202.01.101.19 (H)	-2680.13	-430.94
25	Grant 8 – Public Works Department	2202.01.101.19 (V)	-2148.96	-624.40
26	Grant 8 – Public Works Department	2202.01.104.19 (H)	65.64	-113.16
27	Grant 8 – Public Works Department	2202.02.109.24 (H)	-1488.66	-1347.13
28	Grant 8 – Public Works Department	2202.02.109.24 (V)	-796.13	-434.57
29	Grant 8 – Public Works Department	2202.03.103.11 (H)	15.00	-390.12
30	Grant 11 – Medical, Health and Family Welfare Services	2210.01.001.01 (V)	-56.11	-194.26
31	Grant 11 – Medical, Health and Family Welfare Services	2210.01.101.20 (V)	-34.85	-556.24
32	Grant 11 – Medical, Health and Family Welfare Services	2210.03.103.01 (V)	-248.00	-4738.63
33	Grant 11 – Medical, Health and Family Welfare Services	2210.03.104.29 (V)	-34.28	-275.05
34	Grant 11 – Medical, Health and Family Welfare Services	2210.04.102.14 (V)	121.67	-168.97

Sl. No.	Grants/Appropriation No.	Head of Account	Re-appropriation	Final excess(+)/savings(-)
35	Grant 11 – Medical, Health and Family Welfare Services	2210.04.200.12 (H)	-99.48	-931.33
36	Grant 11 – Medical, Health and Family Welfare Services	2210.04.200.12 (V)	-170.61	-1022.62
37	Grant 11 – Medical, Health and Family Welfare Services	2210.06.101.24 (V)	21.05	-111.32
38	Grant 11 – Medical, Health and Family Welfare Services	2211.00.001.20 (V)	31.53	-234.71
39	Grant 11 – Medical, Health and Family Welfare Services	2211.00.101.19 (H)	-41.94	-140.70
40	Grant 11 – Medical, Health and Family Welfare Services	4210.01.110.15 (V)	-150.00	-158.21
41	Grant 11 – Medical, Health and Family Welfare Services	4210.04.112.01 (H)	92.23	-175.75
42	Grant 11 – Medical, Health and Family Welfare Services	4210.04.112.01 (V)	175.75	-175.75
43	Grant 13 – Labour and Employment	4250.00.201.14 (V)	262.03	-533.03
44	Grant 14 – Department of Tribal Affairs, Hills and Scheduled Castes Development	2225.02.001.01 (H)	7.08	-570.11
45	Grant 14 – Department of Tribal Affairs, Hills and Scheduled Castes Development	2225.02.794.17 (V)	100.00	-200.00
46	Grant 14 – Department of Tribal Affairs, Hills and Scheduled Castes Development	2225.02.800.05 (H)	244.19	-245.20
47	Grant 15 – Consumer Affairs, Food and Public Distribution	2408.01.102.16 (V)	-200.00	-100.00
48	Grant 18 – Animal Husbandry and Veterinary including Dairy Farming	2403.00.001.01 (V)	19.43	-235.07
49	Grant 18 – Animal Husbandry and Veterinary including Dairy Farming	2403.00.001.05 (H)	30.15	-543.72
50	Grant 18 – Animal Husbandry and Veterinary including Dairy Farming	2403.00.101.04 (H)	-10.00	-514.22
51	Grant 18 – Animal Husbandry and Veterinary including Dairy Farming	2403.00.101.04 (V)	12.00	-154.05
52	Grant 18 – Animal Husbandry and Veterinary including Dairy Farming	2403.00.106.01 (V)	-259.00	-1160.00
53	Grant 19 – Environment and Forest	2406.01.102.01 (V)	-20.99	-105.32
54	Grant 20 – Community and Rural Development	2501.01.101.01 (H)	165.50	-301.50
55	Grant 20 – Community and Rural Development	2501.01.101.01 (V)	-111.52	-114.45
56	Grant 20 – Community and Rural Development	2501.01.800.03 (V)	1655.00	-810.00
57	Grant 20 – Community and Rural Development	2501.01.800.16 (H)	3953.30	-6908.20
58	Grant 20 – Community and Rural Development	2501.01.800.17 (H)	219.06	-279.06
59	Grant 20 – Community and Rural Development	2501.01.800.18 (H)	3263.00	-4013.00
60	Grant 20 – Community and Rural Development	2501.01.800.19 (H)	-2871.50	-1250.00
61	Grant 20 – Community and Rural Development	2505.02.101.02 (H)	-9110.00	-10000.00
62	Grant 20 – Community and Rural Development	2515.00.102.02 (V)	65.82	-157.38
63	Grant 21 – Commerce & Industries	2851.00.001.01 (V)	109.38	-259.61
64	Grant 21 – Commerce & Industries	2851.00.103.42 (H)	677.34	-677.34

Sl. No.	Grants/Appropriation No.	Head of Account	Re-appropriation	Final excess(+)/savings(-)
65	Grant 21 – Commerce & Industries	2851.00.103.42 (V)	-447.37	-1443.63
66	Grant 21 – Commerce & Industries	2851.00.104.96 (H)	100.00	-100.00
67	Grant 21 – Commerce & Industries	2851.00.104.96 (V)	202.00	-202.00
68	Grant 22 – Public Health Engineering	2215.01.001.01 (H)	71.27	-209.00
69	Grant 22 – Public Health Engineering	2215.01.101.10 (V)	-41.07	-217.11
70	Grant 22 – Public Health Engineering	2215.01.102.10 (H)	-21.81	-141.62
71	Grant 22 – Public Health Engineering	4215.01.101.05 (V)	-400.00	-452.83
72	Grant 22 – Public Health Engineering	4215.01.102.17 (H)	141.00	-281.00
73	Grant 23 – Power	2552.24.101.13 (H)	155.43	-155.43
74	Grant 23 – Power	2801.80.800.39 (V)	-2168.42	-707.97
75	Grant 25 – Youth Affairs and Sports Department	4202.03.800.16 (V)	-1500.00	-500.00
76	Grant 30 – Planning	2575.02.800.01 (H)	1300.00	-2300.00
77	Grant 30 – Planning	2575.02.800.16 (H)	256.00	-256.00
78	Grant 33 – Home Guards	2070.00.107.02 (V)	-116.96	-265.45
79	Grant 36 – Minor Irrigation	2702.80.001.03 (V)	35.83	-211.30
80	Grant 36 – Minor Irrigation	4702.00.101.05 (H)	48.00	-341.15
81	Grant 36 – Minor Irrigation	4702.00.101.06 (H)	-10.00	-100.00
82	Grant 36 – Minor Irrigation	4702.00.800.01 (H)	1000.00	-1000.00
83	Grant 37 – Fisheries	2405.00.001.01 (H)	3.00	-147.29
84	Grant 40 – Irrigation and Flood Control Department	2701.04.001.01 (V)	22.00	-131.48
85	Grant 40 – Irrigation and Flood Control Department	2711.01.001.03 (V)	-90.50	-123.47
86	Grant 40 – Irrigation and Flood Control Department	4552.03.800.09 (V)	100.00	-100.00
87	Grant 40 – Irrigation and Flood Control Department	4700.04.800.12 (V)	-26.00	-119.06
88	Grant 40 – Irrigation and Flood Control Department	4700.04.800.13 (V)	-3000.00	-2425.00
89	Grant 40 – Irrigation and Flood Control Department	4711.01.103.01 (V)	1716.27	-3127.78
90	Grant 41 – Art and Culture	2205.00.001.01 (V)	-0.50	-107.23
91	Grant 44 – Social Welfare Department	2235.02.102.40 (H)	28.71	-104.56
92	Grant 45 – Tourism	4552.01.800.10 (V)	150.00	-330.00
93	Grant 45 – Tourism	5452.01.101.05 (V)	-170.00	-237.41
94	Grant 47 – Minorities and Other Backward Classes Department	2225.01.277.04 (V)	-10.80	-1290.99
95	Grant 47 – Minorities and Other Backward Classes Department	2225.04.282.07 (V)	100.00	-100.00
96	Grant 48 – Relief and Disaster Management	2245.01.101.01 (V)	-32.44	-594.56
97	Grant 49 – Economics and Statistics	3454.01.001.01 (H)	4.10	-156.93
Sub Total			-11744.30	-68707.11
Excess cases				
98	Appro. 2 – Interest Payment & Debt Services	2049.01.101.10 (V)	287.45	3367.18
99	Appro. 2 – Interest Payment & Debt Services	2049.03.108.45 (V)	3.19	628.89
100	Appro. 2 – Interest Payment & Debt Services	6003.00.101.25 (V)	-8021.60	8021.60
101	Grant 6 – Transport	2041.00.001.01 (V)	21.10	124.40
102	Grant 7 – Police	2055.00.109.16 (H)	84.04	239.46
103	Grant 10 – Education	2202.80.001.01 (V)	87.07	338.31
104	Grant 11 – Medical, Health and Family Welfare Services	2210.01.001.11 (H)	169.39	356.46
105	Grant 11 – Medical, Health and Family Welfare Services	2210.01.101.09 (H)	6.80	363.60
106	Grant 11 – Medical, Health and Family	2210.01.101.09 (V)	-13.71	283.65

Sl. No.	Grants/Appropriation No.	Head of Account	Re-appropriation	Final excess(+)/savings(-)
	Welfare Services			
107	Grant 11 – Medical, Health and Family Welfare Services	2210.01.101.20 (H)	-53.07	263.90
108	Grant 11 – Medical, Health and Family Welfare Services	2210.03.103.26 (V)	175.36	2050.90
109	Grant 11 – Medical, Health and Family Welfare Services	2210.03.104.29 (H)	-110.75	128.71
110	Grant 11 – Medical, Health and Family Welfare Services	2210.05.105.24 (V)	89.29	130.69
111	Grant 11 – Medical, Health and Family Welfare Services	2210.06.101.23 (H)	77.94	302.39
112	Grant 11 – Medical, Health and Family Welfare Services	2210.06.101.31 (V)	-21.09	192.31
113	Grant 11 – Medical, Health and Family Welfare Services	2210.06.800.03 (V)	-3.57	206.20
114	Grant 11 – Medical, Health and Family Welfare Services	2210.06.800.12 (H)	-4.52	154.13
115	Grant 11 – Medical, Health and Family Welfare Services	4210.01.104.02 (V)	-100.00	100.00
116	Grant 13 – Labour and Employment	2230.03.003.14 (V)	6.80	421.74
117	Grant 13 – Labour and Employment	2235.01.200.17 (V)	-21.50	2716.93
118	Grant 13 – Labour and Employment	2225.02.001.01 (V)	17.19	520.80
119	Grant 19 – Environment and Forest	2406.01.102.11 (V)	-25.00	110.63
120	Grant 20 – Community and Rural Development	2501.01.800.16 (V)	1519.33	2232.13
121	Grant 20 – Community and Rural Development	2501.01.800.17 (V)	180.94	279.05
122	Grant 20 – Community and Rural Development	2501.01.800.18 (V)	2426.00	4013.00
123	Grant 20 – Community and Rural Development	2505.02.101.02 (V)	-3143.01	3031.90
124	Grant 20 – Community and Rural Development	2515.00.001.01 (V)	974.43	100.30
125	Grant 21 – Commerce & Industries	2851.00.001.01 (H)	-1.48	136.22
126	Grant 21 – Commerce & Industries	2851.00.103.86 (V)	40.00	200.93
127	Grant 21 – Commerce & Industries	2851.00.103.96 (V)	10.00	138.24
128	Grant 21 – Commerce & Industries	4552.21.800.01 (V)	-848.65	848.65
129	Grant 22 – Public Health Engineering	2215.01.001.01 (V)	33.46	170.22
130	Grant 22 – Public Health Engineering	2215.02.001.03 (H)	-8.69	183.11
131	Grant 22 – Public Health Engineering	4215.02.102.01 (V)	592.75	111.15
132	Grant 23 – Power	2801.80.800.38 (V)	-3300.00	5705.90
133	Grant 25 – Youth Affairs and Sports Department	4202.03.800.08(V)	401.07	521.84
134	Grant 30 – Planning	2575.02.800.16 (V)	-256.00	175.62
135	Grant 36 – Minor Irrigation	4702.00.101.05 (V)	-48.00	515.49
136	Grant 36 – Minor Irrigation	4702.00.800.01 (V)	-1000.00	1000.00
137	Grant 39 – Sericulture	2851.00.107.01 (V)	92.80	144.11
138	Grant 40 – Irrigation and Flood Control Department	4700.03.800.11 (V)	87.94	1845.93
139	Grant 40 – Irrigation and Flood Control Department	4711.01.103.03 (V)	981.96	215.88
Sub Total			-8614.34	42592.55
Grand Total			-20358.64	-26114.56

(Source: Detailed Appropriation Accounts)

Appendix 2.8
(Reference: Paragraph 2.3.9)

Statement showing cases of substantial surrenders (exceeding ₹10 crore) and more than 25 per cent of Total provision made during the year 2017-18

(₹ in crore)

Sl. No.	Name of grant	Head of Account	Total provision	Amount surrendered	Percentage of surrender
(1)	(2)	(3)	(4)	(5)	(6)
1	Appro. 2 – Interest Payment & Debt Services	6003 – Internal Debt of the State Government			
		101 – Market Loans			
		25 – Market Loans	247.23	77.51	31.35
2	Grant 12 – Municipal Administration, Housing and Urban Development	2217 – Urban Development			
		01 – State Capital Development			
		191 – Assistance to Local Bodies Corporations, Urban Development Authorities, Town Improvement Board, etc.			
		03 – Smart City	30.00	28.13	93.77
3	Grant 21 – Commerce & Industries	2851 – Village and Small Industries			
		104 – Handicraft Industries			
		04 – Ambedkar Hastship Vikas Yojana (Central Share)	20.70	16.04	77.49
4	Grant 23 – Power	4801 – Capital Outlay on Power Projects			
		05 – Transmission and Distribution			
		800 – Other Expenditure			
		01 – Construction of 400/132/33 KV Sub-Station at Thoubal (Central Share)	46.16	46.16	100
5	Grant 30 – Planning	3451 – Secretariat – Economic Services			
		092 – Other Offices			
		13 – Special Development Fund	91.81	80.99	88.21
6	Grant 30 – Planning	4552 – Capital Outlay on North Eastern Areas			
		800 – Other Expenditure			
		02 – NEC Funded Projects	17.10	15.27	89.30
7	Grant 30 – Planning	4575 – Capital Outlay on other Special Areas Programmes			
		60 – Others			
		800 – Other Expenditure			
		01 – Schemes under NLCPR	120.97	120.47	99.59
Total			573.97	384.57	67.00

(Source: Detailed Appropriation Accounts)

Appendix 2.9
(Reference: Paragraph 2.3.12)

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

(₹ in lakh)

Sl. No.	Grants/Appropriation No.	Total Provision	Expenditure	Saving
Revenue Voted				
1	3. Secretariat	8037.30	7694.75	342.55
2	4. Land Revenue, Stamps & Registration and District Administration	11056.91	8985.17	2071.74
3	6. Transport	1459.33	1046.61	412.72
4	7. Police	133249.89	122593.07	10656.82
5	8. Public Works Department	28144.54	16825.98	11318.56
6	9. Information and Publicity	2034.04	1906.60	127.44
7	14. Department of Tribal Affairs, Hills and Scheduled Caste Development	66283.70	62652.47	3631.23
8	15. Consumers Affairs, Food and Public Distribution	8565.25	8133.25	432.00
9	16. Co-operation	2117.31	2042.61	74.70
10	17. Agriculture	17042.09	11463.62	5578.47
11	18. Animal Husbandry and Veterinary including Dairy Farming	11711.81	8152.91	3558.90
12	19. Environment and Forest	20731.47	13541.55	7189.92
13	20. Community and Rural Development	108938.75	94272.05	14666.70
14	22. Public Health Engineering	6410.06	6257.11	152.95
15	26. Administration of Justice	5548.06	4788.23	759.83
16	27. Election	1285.87	1137.84	148.03
17	29. Sales Tax, Other Taxes/Duties on Commodities and Services	791.47	780.09	11.38
18	31. Fire Protection and Control	1385.45	1009.07	376.38
19	32. Jails	1965.35	1920.58	44.77
20	34. Rehabilitation	864.83	703.31	161.52
21	36. Minor Irrigation	1186.40	908.98	277.42
22	37. Fisheries	3947.61	3746.02	201.59
23	38. Panchayat	8214.28	7447.09	767.19
24	41. Art and Culture	2339.69	2116.50	223.19
25	42. State Academy of Training	636.10	457.10	179.00
26	44. Social Welfare Department	35883.57	23530.53	12353.04
27	45. Tourism	2032.98	1729.61	303.37
28	46. Science and Technology	1195.01	601.61	593.40
29	48. Relief and Disaster Management	9156.02	5504.15	3651.87
30	50. Information Technology	1366.81	931.75	435.06
Sub Total		503581.95	422880.21	80701.74
Revenue Charged				
31	1. State Legislature	51.23	29.16	22.07
32	Appro 1 - Governor	501.73	501.19	0.54
33	Appro 2 - Interest Payment and Debt services	56642.85	56296.46	346.39
34	8. Public Works Department	120.00	32.18	87.82
35	26. Administration of Justice	1830.00	1416.34	413.66
Sub Total		59145.81	58275.33	870.48
Capital Voted				
36	1. State Legislature	550.00	305.00	245.00
37	2. Council Of Ministers	80.00	15.00	65.00
38	3. Secretariat	550.00	334.00	216.00
39	5. Finance Department	235.01	200.00	35.01
40	6. Transport	100.00	0.00	100.00
41	7. Police	8,764.00	7363.42	1400.58

Sl. No.	Grants/Appropriation No.	Total Provision	Expenditure	Saving
42	8. Public Works Department	82,292.39	38517.54	43774.85
43	9. Information and Publicity	105.00	104.87	0.13
44	10. Education	2,370.81	1900.97	469.84
45	11. Medical, Health and Family Welfare Services	3,397.87	1929.62	1468.25
46	12. Municipal Administration, Housing and Urban Development	25,899.52	20878.73	5020.79
47	14. Department of Tribal Affairs, Hills and Scheduled Caste Development	4,193.20	3629.48	563.72
48	16. Co-operation	513.00	113.00	400.00
49	17. Agriculture	5,280.00	2034.37	3245.63
50	22. Public Health Engineering	25,680.77	24726.72	954.05
51	23. Power	4,616.35	0.00	4616.35
52	25. Youth Affairs and Sports Department	4,390.28	3734.79	655.49
53	26. Administration of Justice	4,330.00	330.00	4000.00
54	27. Election	1,560.50	0.00	1560.50
55	36. Minor Irrigation	14,101.40	3810.77	10290.63
56	37. Fisheries	61.00	52.17	8.83
57	40. Irrigation and Flood Control Department	41,683.47	12797.45	28886.02
58	41. Art and Culture	194.20	194.19	0.01
59	42. State Academy of Training	16.00	5.28	10.72
60	44. Social Welfare Department	2,481.24	1979.04	502.20
61	45. Tourism	5,806.91	1360.71	4446.20
62	47. Minorities and Other Backward Classes Department	8,814.47	6352.06	2462.41
Sub Total		248067.39	132669.18	115398.21
Grant Total		810795.15	613824.72	196970.43

(Source: Appropriation Accounts)

Appendix 2.10
(Reference: Paragraph 2.3.12)

Statement showing details of savings of ₹ one crore and above not surrendered

(₹ in lakh)

Sl. No.	Grant No.	Total provision	Expenditure	Saving	Surrender	Saving not surrendered
(1)	(2)	(3)	(4)	(5)	(6)	(7) (5-6)
Revenue Voted						
1	3. Secretariat	8,037.30	7,694.75	342.55	-	342.55
2	4. Land Revenue, Stamps & Registration and District Administration	11,056.91	8,985.17	2,071.74	-	2,071.74
3	6. Transport	1,459.33	1,046.61	412.72	-	412.72
4	7. Police	1,33,249.89	1,22,593.07	10,656.82	-	10,656.82
5	8. Public Works Department	28,144.54	16,825.98	11,318.56	-	11,318.56
6	9. Information and Publicity	2,034.04	1,906.60	127.44	-	127.44
7	10. Education	1,44,286.96	1,24,474.18	19,812.78	4,638.39	15,174.39
8	11. Medical, Health and Family Welfare Services	63,716.06	56,382.90	7,333.16	43.04	7,290.12
9	12. Municipal Administration, Housing and Urban Development	23,538.80	10,831.02	12,707.78	2,813.42	9,894.36
10	14. Department of Tribal Affairs, Hills and Scheduled Caste Development	66,283.70	62,652.47	3,631.23	-	3,631.23
11	15. Consumers Affairs, Food and Public Distribution	8,565.25	8,133.25	432.00	-	432.00
12	17. Agriculture	17,042.09	11,463.62	5,578.47	-	5,578.47
13	18. Animal Husbandry and Veterinary including Dairy Farming	11,711.81	8,152.91	3,558.90	-	3,558.90
14	19. Environment and Forest	20,731.47	13,541.55	7,189.92	-	7,189.92
15	20. Community and Rural Development	1,08,938.75	94,272.05	14,666.70	-	14,666.70
16	21. Commerce and Industries	12,022.99	5,277.48	6,745.51	1,604.14	5,141.37
17	22. Public Health Engineering	6,410.06	6,257.11	152.95	-	152.95
18	26. Administration of Justice	5,548.06	4,788.23	759.83	-	759.83
19	27. Election	1,285.87	1,137.84	148.03	-	148.03
20	30. Planning	22,636.20	11,010.74	11,625.46	8,099.38	3,526.08
21	31. Fire Protection and Control	1,385.45	1,009.07	376.38	-	376.38
22	33. Home Guards	1,559.53	1,177.12	382.41	116.96	265.45
23	34. Rehabilitation	864.83	703.31	161.52	-	161.52
24	36. Minor Irrigation	1,186.40	908.98	277.42	-	277.42
25	37. Fisheries	3,947.61	3,746.02	201.59	-	201.59
26	38. Panchayat	8,214.28	7,447.09	767.19	-	767.19
27	40. Irrigation and Flood Control Department	6,759.25	5,707.61	1,051.64	354.80	696.84
28	41. Art and Culture	2,339.69	2,116.50	223.19	-	223.19
29	42. State Academy of Training	636.10	457.10	179.00	-	179.00
30	43. Horticulture and Soil Conservation	8,063.35	6,186.15	1,877.20	288.67	1,588.53
31	44. Social Welfare Department	35,883.57	23,530.53	12,353.04	-	12,353.04
32	45. Tourism	2,032.98	1,729.61	303.37	-	303.37
33	46. Science and Technology	1,195.01	601.61	593.40	-	593.40
34	47. Minorities and Other Backward Classes Department	5,741.87	2,581.21	3,160.66	13.42	3,147.24
35	48. Relief and Disaster Management	9,156.02	5,504.15	3,651.87	-	3,651.87
36	49. Economics and Statistics	1,732.45	1,343.16	389.29	53.36	335.93

Sl. No.	Grant No.	Total provision	Expenditure	Saving	Surrender	Saving not surrendered
37	50. Information Technology	1,366.81	931.75	435.06	-	435.06
Sub total		7,88,765.28	6,43,108.50	1,45,656.78	18,025.58	1,27,631.20
Revenue charged						
38	Appro 2 - Interest Payment and Debt services	56,642.85	56,296.46	346.39	-	346.39
39	26. Administration of Justice	1,830.00	1,416.34	413.66	-	413.66
Sub total		58,472.85	57,712.80	760.05	-	760.05
Capital voted						
40	1. State Legislature	550.00	305.00	245.00	-	245.00
41	3. Secretariat	550.00	334.00	216.00	-	216.00
42	6. Transport	100.00	-	100.00	-	100.00
43	7. Police	8,764.00	7,363.42	1,400.58	-	1,400.58
44	8. Public Works Department	82,292.39	38,517.54	43,774.85	-	43,774.85
45	10. Education	2,370.81	1,900.97	469.84	-	469.84
46	11. Medical, Health and Family Welfare Services	3,397.87	1,929.62	1,468.25	-	1,468.25
47	12. Municipal Administration, Housing and Urban Development	25,899.52	20,878.73	5,020.79	-	5,020.79
48	13. Labour and Employment	3,695.11	1,033.09	2,662.02	462.19	2,199.83
49	14. Department of Tribal Affairs, Hills and Scheduled Caste Development	4,193.20	3,629.48	563.72	-	563.72
50	16. Co-operation	513.00	113.00	400.00	-	400.00
51	17. Agriculture	5,280.00	2,034.37	3,245.63	-	3,245.63
52	22. Public Health Engineering	25,680.77	24,726.72	954.05	-	954.05
53	23. Power	4,616.35	-	4,616.35	-	4,616.35
54	25. Youth Affairs and Sports Department	4,390.28	3,734.79	655.49	-	655.49
55	26. Administration of Justice	4,330.00	330.00	4,000.00	-	4,000.00
56	27. Election	1,560.50	-	1,560.50	-	1,560.50
57	30. Planning	20,056.88	5,222.56	14,834.32	13,573.92	1,260.40
58	36. Minor Irrigation	14,101.40	3,810.77	10,290.63	-	10,290.63
59	40. Irrigation and Flood Control Department	41,683.47	12,797.45	28,886.02	-	28,886.02
60	44. Social Welfare Department	2,481.24	1,979.04	502.20	-	502.20
61	45. Tourism	5,806.91	1,360.71	4,446.20	-	4,446.20
62	47. Minorities and Other Backward Classes Department	8,814.47	6,352.06	2,462.41	-	2,462.41
Sub total		2,71,128.17	1,38,353.32	1,32,774.85	14,036.11	1,18,738.74
Grand total		11,18,366.30	8,39,174.62	2,79,191.68	32,061.69	2,47,129.99

(Source: Appropriation Accounts)

Appendix 2.11
(Reference: Paragraph 2.3.12)

Statement showing cases of surrender of funds made as on 31 March 2018

(₹ in lakh)

Sl. No.	Grant No.	Total Provision	Expenditure	Excess (+)/ Saving (-)	Surrender	Percentage of surrender vis-à-vis Total Provision
Revenue Voted						
1	2. Council Of Ministers	782.00	595.51	186.49	104.86	13.41
2	5. Finance Department	127372.37	141370.84	13998.47	69.80	0.05
3	10. Education	144286.96	124474.18	19812.78	4638.39	3.21
4	11. Medical, Health and Family Welfare Services	63716.06	56382.9	7333.16	43.04	0.07
5	12. Municipal Administration, Housing and Urban Development	23538.80	10831.02	12707.78	2813.42	11.95
6	21. Commerce and Industries	12022.99	5277.48	6745.51	1604.14	13.34
7	24. Vigilance Department	392.62	363.65	28.97	16.59	4.23
8	25. Youth Affairs and Sports Department	4509.85	4038.46	471.39	414.19	9.18
9	28. State Excise	1884.98	1750.83	134.15	176.57	9.37
10	30. Planning	22636.20	11010.74	11625.46	8099.38	35.78
11	33. Home Guards	1559.53	1177.12	382.41	116.96	7.50
12	35. Stationery and Printing	577.26	544.62	32.64	1.20	0.21
13	39. Sericulture	2540.75	2753.33	212.58	11.81	0.46
14	40. Irrigation and Flood Control Department	6759.25	5707.61	1051.64	354.8	5.25
15	43. Horticulture and Soil Conservation	8063.35	6186.15	1877.2	288.67	3.58
16	47. Minorities and Other Backward Classes Department	5741.87	2581.21	3160.66	13.42	0.23
17	49. Economics and Statistics	1732.45	1343.16	389.29	53.36	3.08
Sub-Total		428117.29	376388.81	80150.58	18820.60	4.40
Revenue Charged						
18	Appro 3 - Manipur Public Service Commission	567.50	523.64	43.86	20.00	3.52
Sub-Total		567.50	523.64	43.86	20.00	3.52
Capital Voted						
19	13. Labour and Employment	3695.11	1033.09	2662.02	462.19	12.51
20	21. Commerce and Industries	1846.87	2403.95	557.08	481.65	26.08
21	23. Power	4616.35	0	4616.35	4616.35	100.00
22	30. Planning	20056.88	5222.56	14834.32	13573.92	67.68
Sub-Total		30215.21	8659.6	22669.77	19134.11	63.33
Capital Charged						
23	Appro 2 - Interest Payment and Debt services	39541.01	67553.27	28,012.26	7751.42	19.60
Sub-Total		39541.01	67553.27	28,012.26	7751.42	19.60
Grand Total		498441.01	453125.32	130876.47	45726.13	9.17

(Source: Appropriation Accounts)

Appendix 2.12
(Reference: Paragraph 2.3.13)

**Rush of expenditure during March 2018 where expenditure was more than ₹ 10 crore
and 25 per cent of the Total expenditure for the year 2017-18**

(₹ in crore)

Sl. No.	Grant	Description / Major Head	Expenditure during Jan-March	Expenditure during March	Total expenditure	% of total expenditure during Jan-March	% of total expenditure during March
1	2	3	4	5	6	7	8
1	10	Capital Outlay on Education, Sports, Art and Culture/4202	19.00	19.00	19.01	99.97	99.97
2	11	Medical and Public Health/2210	207.38	181.85	537.52	38.58	33.83
3	11	Capital and Outlay on Medical and Public Health/4210	16.64	12.98	19.30	86.25	67.27
4	12	Urban Development /2217	27.41	24.33	89.60	30.59	27.15
5	12	Compensation and Assignment to Local Bodies and Panchayati Raj Institutions/3604	18.71	18.71	18.71	100.00	100.00
6	12	Capital Outlay on Urban Development/4217	159.64	91.08	208.79	76.46	43.62
7	14	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities/2225	88.64	82.51	141.08	62.83	58.48
8	14	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions/3604	192.97	191.86	485.44	39.75	39.52
9	14	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities/4225	34.43	33.00	35.29	97.58	93.51
10	15	Food, Storage and Ware Housing/2408	42.05	30.14	76.99	54.62	39.15
11	17	Crop Husbandry/2401	44.63	35.35	86.67	51.50	40.79
12	17	Command Area Development/2705	17.64	17.31	23.59	74.78	73.37
13	17	Capital Outlay on Command Area Development/4705	17.35	17.35	19.34	89.70	89.70
14	20	Special Programmes for Rural Development/2501	271.40	179.14	579.06	46.87	30.94
15	23	Power/2801	264.40	154.97	557.59	47.42	27.79
16	25	Sports and Youth Services/2204	16.26	10.21	40.38	40.27	25.28
17	25	Capital Outlay On Education, Sports, Art And Culture/4202	30.93	30.90	36.46	84.85	84.75
18	26	Administration of Justice/2014	30.68	27.26	56.06	54.72	48.62
19	30	Other Special Area Programmes/2575	50.88	50.88	50.88	100.00	100.00

1	2	3	4	5	6	7	8
20	30	Secretariat Economic Services/ 3451	38.82	36.65	59.23	65.54	61.88
21	37	Fisheries/2405	15.47	13.07	36.25	42.68	36.07
22	38	Other Rural Development Programmes/2515	21.72	20.44	44.53	48.77	45.90
23	38	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions/3604	29.94	28.98	29.94	100.00	96.78
24	39	Village and Small Industries/2851	13.79	12.06	27.53	50.08	43.82
25	43	Crop Husbandry/2401	31.01	25.55	45.72	67.83	55.90
26	44	Social Security and Welfare/ 2235	121.30	93.57	201.70	60.48	46.39
27	44	Nutrition/2236	12.13	10.21	33.61	36.09	30.39
28	45	Capital Outlay on Tourism/5452	12.02	12.02	12.02	100.00	100.00
29	47	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities/2225	15.99	14.54	25.78	62.00	56.38
30	47	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities/4225	56.86	56.86	63.52	89.51	89.51

(Source: VLC Data, O/o The Principal Accountant General (A&E), Manipur)

Appendix 2.13
(Reference: Paragraph 2.4)

**Controlling Officers of the Government of Manipur who had not reconciled
the figures for the year 2017-18 with the Accounts booked by
the Office of the Accountant General (A&E), Manipur**

(₹ in crore)

Sl. No.	Name of Controlling Officers	Amount
1	Deputy Commissioner, Imphal West	2.87
2	Deputy Commissioner, Churachandpur	6.30
3	Deputy Commissioner, Chandel	4.75
4	Deputy Commissioner, Senapati	105.79
5	Director, Transport	10.47
6	Inspector General Registration	4.09
7	Chief Engineer, PWD	62.03
8	Chief Engineer, Water Resources	157.50
9	Chief Engineer, PHED	54.33
10	Chief Engineer, Minor Irrigation	8.95
11	Director, Fishery	77.51
12	Registrar, Co-operation	21.56
13	Director, Sericulture	27.53
14	District Session Judge, Imphal West	0.97
Total		544.65

Source: O/o The Principal Accountant General (A & E), Manipur

Appendix 2.14
(Reference: Paragraph 2.7)

Statement showing Heads of Account in the budget not conforming to the list of Major & Minor Head of Accounts

Sl. No.	Grant No.	Heads of Account in the budget	Observation
Major Head not conforming to the list of Major & Minor Head of Accounts			
1	Demand No. 10 – Education	2203 – General Education	It should be 2203 – Technical Education
2	Demand No. 14 – Department of Tribal Affairs and Hills Development	4225 – Capital Outlay on Welfare of SC, ST & OBC	It should be 4225 – Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities
3	Demand No. 23 – Power	2810 – Non-Conventional Sources of Energy	It should be 2810 – New and Renewable Energy
Sub-Major Head not conforming to the list of Major & Minor Head of Accounts			
4	Demand No. 8 – Public Works Department	3054 – Roads and Bridges 02 – Strategic Border Roads	It should be 02 – Strategic and Border Roads
5	Demand No. 10 – Education	4202 – Capital Outlay on Education, Sports, Arts & Culture 03 – University and Higher Education	It should be 03 – Sports and Youth Services
Minor Heads not conforming to the list of Major & Minor Head of Accounts			
6	Appropriation No. 1 – Governor	2012 – President/Vice President/ Governor/Administrator of Union Territories 03 – Governor/Administrator of Union Territories 106 – Entertainment Expenses of the Governor	It should be 106 – Entertainment Expenses
7	Demand No. 21 – Commerce and Industries	4860 – Capital Outlay on Consumer Industries 01 – Textiles 190 – Investments in Public Sector Undertaking Undertakings	It should be 190 – Investment in Public Sector & Other Undertakings
8	Demand No. 22 – Public Health Engineering	2215 – Water Supply and Sanitation 02 – Sewerage and Sanitation 001 – Direction	It should be 001 – Direction and Administration
9	Demand No. 29 – Sales Tax, Other Taxes/Duties on Commodities and Services	2045 – Other Taxes and Duties on Commodities and Service 101 – Collection Charges	It should be 101 – Collection charges – Entertainment Tax
Sub Heads not conforming to the list of Districts in Manipur			
10	Demand No. 4 – Land Revenue, Stamps & Registration and District Administration	2053 – District Administration 093 – District Establishment 05 – Tengmoupal District	It should be 05 – Tengmoupal District

Source: O/o the Principal Accountant General (A & E), Manipur

Appendix 2.15

(Reference: Paragraph 2.8)

Non-lapsing of Deposit under Major Head 8449 during 2017-18

(in ₹)

Sl. No.	Name of Department	Name of DDO	Treasury	Amount
1	Public Work Department	EE Store Division, PWD	Lamphel	55,63,46,000
2	-do-	EE Building Division No. I, PWD		1,94,33,000
3	-do-	EE Highway South Division, PWD		1,02,07,83,000
4	-do-	EE MI Division No. III		1,07,45,000
5	-do-	EE Thoubal Project Division No. II		1,36,95,000
6	-do-	EE National Highway Division No. I		6,00,00,000
7	-do-	Deputy Director (Store)		19,46,006
8	Food & Civil Supply Department	Deputy Director (FCS)		3,54,47,309
9	-do-	Accounts Officer, Consumer Affairs, Food & Public Distribution		1,65,08,442
10	-do-	Joint Director, Consumer Affairs, Food & Public Distribution		1,05,00,000
11	Fisheries Department	Additional Director, Fisheries		1,14,43,047
12	Medical & Health Services Department	A.O, Medical		4,94,59,304
13	Treasuries & Accounts Department	Assistant Director, Treasuries & Accounts		2,00,000
14	Sericulture Department	Deputy Director, Sericulture (HQ)		4,86,47,524
15	Industries Department	Joint Director, Director of Craftsmen Training		2,68,809
16	-do-	General Manager, Commerce & Industries		73,778
17	-do-	Deputy Director, Commerce & Industries		4,97,06,905
18	Family & Children Welfare Bureau	Deputy Director, Family Welfare (Store)		85,51,669
19	-do-	Joint Director (Audit)		29,00,000
20	Education (U) Department	Directorate of University & Higher Education		5,30,005
21	-do-	Deputy Director, Technical Education		5,57,75,053
22	-do-	Joint Director, University & Higher Education		29,40,327
23	Labour Department	Director, Labour Commission		51,00,000
24	Settlement & Land Records	Sub-Divisional Officer, Lamsang		697
25	-do-	Deputy Settlement Officer		2,587
26	Co-operation Department	Assistant Registrar, Co-operatives Societies		3,000
27	Weights & Measures Department	Assistant Controller, Weights & Measures		60,09,465
28	Economics & Statistics Department	Deputy Director, Economics & Statistics		24,49,500
29	Power Department	Administrative Officer, (Power) Electricity Department		83,08,70,846
Sub Total				2,82,03,36,273
30	Education (S) Department	Additional Division of Education (S) Hill	Moirang	1,36,02,661
31	-do-	Directorate of Education (S)		7,19,83,000
Sub Total				8,55,85,661
32	Development of Tribal and Backward Classes	Deputy Director, TA & Hills	STO, Imphal	1,08,30,000
33	Tourism Department	Deputy Director, Tourism		13,64,353
34	Welfare of Minorities and Other Backward Classes	AO, MOBC		88,99,678
Sub Total				2,10,94,031
35	Rural Development & Panchayati Raj	Executive Director, DRDA	Senapati	22,65,464
Grand Total				2,92,92,81,429

(Source: Treasury Inspection Report by O/o the Accountant General (A&E), Manipur)

Appendix – 3.1

(Reference: Paragraph 3.1)

Department wise position of AC bills drawn and outstanding AC Bills (position as of December 2018)

(₹ in crore)

Sl. No.	Name of Department	No of AC Bills	AC Bill Amount	No of AC Bills adjusted	Adjusted Amount	No. of Unadjusted AC Bills	Unadjusted Amount	Unadjusted per cent
1	Medical & Health Services Department	561	674.48	206	377.70	355	296.78	44.00
2	Education (S) Department	290	344.07	129	150.71	161	193.35	56.20
3	Planning Department	229	706.33	175	562.54	54	143.79	20.36
4	Development of Tribals and Backward Classes	340	291.91	181	155.13	159	136.78	46.86
5	Power Department	20	123.49	2	13.38	18	110.12	89.17
6	Education (U) Department	163	176.57	66	76.16	97	100.41	56.87
7	Welfare of Minorities and other Backward Classes	121	193.54	75	109.43	46	84.11	43.46
8	Tourism Department	195	179.09	125	95.17	70	83.92	46.86
9	Sports & Youth Services Department	218	228.28	165	147.06	53	81.23	35.58
10	Police Department	119	391.47	76	311.92	43	79.55	20.32
11	Horticulture Department	49	93.17	29	45.09	20	48.08	51.60
12	Finance Department	250	442.70	224	397.11	26	45.59	10.30
13	Agriculture Department	28	61.50	12	22.11	16	39.39	64.05
14	Election Department	79	105.38	67	69.48	12	35.90	34.07
15	Industries Department	89	44.82	67	22.54	22	22.28	49.71
16	Rural Development & Panchayati Raj	35	59.44	23	41.75	12	17.69	29.76
17	Sericulture Department	35	29.84	28	14.68	7	15.17	50.82
18	Food & Civil Supply Department	27	30.83	16	20.02	11	10.81	35.06
19	General Administrative Department (GAD)	63	53.43	51	44.07	12	9.36	17.52
20	Transport Department	18	103.45	11	94.96	7	8.48	8.20
21	Art & Culture Department	49	41.26	42	32.97	7	8.30	20.11
22	Veterinary & Animal Husbandry Department	84	14.88	52	6.94	32	7.94	53.39
23	Sectt. Development Department	1	7.50	0	-	1	7.50	100
24	Forest Department	3	7.00	0	-	3	7.00	100
25	Social Welfare Department	18	88.06	12	81.77	6	6.29	7.14
26	Relief and Disaster Management Department	11	5.01	3	0.46	8	4.55	90.82
27	Labour Department	82	22.16	72	18.45	10	3.71	16.75
28	Information Technology	5	18.63	4	15.05	1	3.58	19.22
29	Family & Children Welfare Bureau	15	5.09	2	1.57	13	3.52	69.15
30	Jail (Prison) Department	15	17.65	11	14.72	4	2.93	16.60
31	District and Sessions Judge	3	2.23	2	0.06	1	2.17	97.31

Sl. No.	Name of Department	No of AC Bills	AC Bill Amount	No of AC Bills adjusted	Adjusted Amount	No. of Unadjusted AC Bills	Unadjusted Amount	Unadjusted per cent
32	Treasuries & Accounts Department	5	2.54	2	0.49	3	2.05	80.75
33	Manipur Public Service Commission	6	2.04	1	0.10	5	1.94	95.10
34	Taxation Department	6	1.78	1	0.29	5	1.50	83.85
35	Department of Information & Public Relations	108	11.76	95	10.32	13	1.44	12.21
36	Governor Secretariat	1	1.25	0	-	1	1.25	100
37	Co-Operation Department	16	4.46	10	3.26	6	1.20	26.96
38	District Administration	24	15.24	17	14.08	7	1.16	7.61
39	Excise Department	2	0.90	0	-	2	0.90	100
40	State Council of Educational Research & Training Department	13	1.12	2	0.22	11	0.89	80.10
41	Directorate of Civil Defence, Manipur	1	1.80	0	1.31	1	0.49	27.15
42	Science & Technology Department	20	19.61	17	19.15	3	0.46	2.36
43	Other Administrative Services	7	0.73	4	0.31	3	0.41	56.87
44	Municipal Administration, Housing & Urban Development	86	175.21	84	174.80	2	0.41	0.23
45	Economics & Statistics Department	2	2.09	1	1.80	1	0.29	13.93
46	State Academy of Training	2	0.26	1	0.13	1	0.13	50.08
47	Fisheries Department	25	2.20	24	2.16	1	0.04	1.75
48	Revenue Department	1	0.02	0	-	1	0.02	100
49	Public Works Department	1	0.01	0	-	1	0.01	100
50	Adult Education Department	5	0.43	5	0.43	0	-	0
51	District & Sessions Court	2	0.05	2	0.05	0	-	0
52	Employment Exchange Department	4	0.26	4	0.26	0	-	0
53	Government Polytechnic	3	0.57	3	0.57	0	-	0
54	Governor's Secretariat	4	0.10	4	0.10	0	-	0
55	Manipur Fire Service	2	1.23	2	1.23	0	-	0
56	Printing & Stationery Department	2	0.09	2	0.09	0	-	0
57	Public Health Engineering Department	1	0.60	1	0.60	0	-	0
58	Settlement & Land Records	6	4.17	6	4.17	0	-	0
59	Town Planning Department	1	0.01	1	0.01	0	-	0
60	Weights & Measures Department	2	0.50	2	0.50	0	-	0
Grand Total		3,573	4,814.30	2,219	3,179.42	1,354	1,634.88	33.96

(Source: VLC System data maintained by the Office of the PAG (A&E) Manipur)

Appendix 3.2

(Reference Paragraph 3.2)

Statement showing outstanding Utilisation Certificates as on 30 September 2018

(₹ in crore)

Sl. No.	Department	Year of Payment of Grants	Total Grants Paid		Utilisation Certificate			
			No. of Vouchers	Amount	Received		Outstanding	
					No. of Vouchers	Amount	No. of Vouchers	Amount
1	2	3	4	5	6	7	8	9
1	General Administrative Department	Up to 2008-09	22	23.89	10	0.06	12	23.83
		2009-10	14	7.41	11	0.20	3	7.21
		2010-11	11	0.75	11	0.75	0	0
		2011-12	21	0.49	21	0.49	0	0
		2012-13	9	0.21	9	0.21	0	0
		2013-14	5	0.78	2	0.35	3	0.43
		2014-15	10	0.93	0	0	10	0.93
		2015-16	16	0.64	0	0	16	0.64
		2016-17	20	0.70	0	0	20	0.70
		2017-18	31	0.58	0	0	31	0.58
	Total		159	36.38	64	2.06	95	34.32
2	Town Planning	Up to 2008-09	0	0	0	0	0	0
		2009-10	2	0.13	0	0	2	0.13
		2010-11	4	1.89	0	0	4	1.89
		2011-12	0	0	0	0	0	0
		2012-13	3	0.63	0	0	3	0.63
		2013-14	0	0	0	0	0	0
		2014-15	0	0	0	0	0	0
		2015-16	0	0	0	0	0	0
		2016-17	0	0	0	0	0	0
		2017-18	0	0	0	0	0	0
	Total		9	2.65	0	0	9	2.65
3	Excise Department	Up to 2008-09	1	0.02	0	0	1	0.02
		2009-10	0	0	0	0	0	0
		2010-11	0	0	0	0	0	0
		2011-12	0	0	0	0	0	0
		2012-13	0	0	0	0	0	0
		2013-14	0	0	0	0	0	0
		2014-15	0	0	0	0	0	0
		2015-16	0	0	0	0	0	0
		2016-17	0	0	0	0	0	0
		2017-18	0	0	0	0	0	0
	Total		1	0.02	0	0	1	0.02
4	Police Department	Up to 2008-09	9	0.49	9	0.49	0	0
		2009-10	4	0.21	4	0.21	0	0
		2010-11	3	0.10	3	0.10	0	0
		2011-12	6	0.30	6	0.30	0	0
		2012-13	1	0.05	1	0.05	0	0
		2013-14	2	0.40	2	0.40	0	0
		2014-15	2	0.15	2	0.15	0	0
		2015-16	2	0.03	0	0	2	0.03
		2016-17	3	0.11	0	0	3	0.11
		2017-18	3	1.91	0	0	3	1.91
	Total		35	3.75	27	1.7	8	2.05

Sl. No.	Department	Year of Payment of Grants	Total Grants Paid		Utilisation Certificate			
			No. of Vouchers	Amount	Received		Outstanding	
					No. of Vouchers	Amount	No. of Vouchers	Amount
5	Youth Affairs and Sports	Up to 2008-09	14	1.94	0	0	14	1.94
		2009-10	6	0.65	0	0	6	0.65
		2010-11	4	1.46	0	0	4	1.46
		2011-12	4	1.37	0	0	4	1.37
		2012-13	2	1.01	0	0	2	1.01
		2013-14	4	2.04	0	0	4	2.04
		2014-15	3	3.00	0	0	3	3.00
		2015-16	2	1.51	0	0	2	1.51
		2016-17	3	2.26	0	0	3	2.26
		2017-18	3	2.82	0	0	3	2.82
	Total	45	18.06	0	0	45	18.06	
6	Development of Tribal Affairs and Hills	Up to 2008-09	245	53.64	109	34.71	136	18.93
		2009-10	0	0	0	0	0	0
		2010-11	241	101.60	115	78.77	126	22.83
		2011-12	256	276.95	254	131.39	2	145.56
		2012-13	596	257.30	305	117.99	291	139.31
		2013-14	608	304.61	317	189.22	291	115.39
		2014-15	714	401.66	542	259.60	172	142.06
		2015-16	543	302.49	334	203.38	209	99.11
		2016-17	570	315.52	250	246.61	320	68.91
		2017-18	543	489.96	8	13.88	535	476.08
	Total	4316	2503.73	2234	1275.55	2082	1228.18	
7	Industries Department	Up to 2008-09	14	8.42	14	8.42	0	0
		2009-10	9	11.15	9	11.15	0	0
		2010-11	14	10.00	7	7.38	7	2.62
		2011-12	21	19.48	13	8.73	8	10.75
		2012-13	14	14.37	8	10.18	6	4.19
		2013-14	33	19.37	13	18.63	20	0.74
		2014-15	9	1.17	4	0.68	5	0.49
		2015-16	6	1.24	1	0.51	5	0.73
		2016-17	6	1.05	0	0	6	1.05
		2017-18	6	0.94	0	0	6	0.94
	Total	132	87.19	69	65.68	63	21.51	
8	Department Of Information and Public Relation	Up to 2008-09	-	-	-	-	0	0
		2009-10	-	-	-	-	0	0
		2010-11	-	-	-	-	0	0
		2011-12	-	-	-	-	0	0
		2012-13	-	-	-	-	0	0
		2013-14	1	0.01	-	-	1	0.01
		2014-15	-	-	-	-	0	0
		2015-16	-	-	-	-	0	0
		2016-17	-	-	-	-	0	0
		2017-18	-	-	-	-	0	0
	Total	1	0.01	0	0	1	0.01	
9	Arts and Culture Department	Up to 2008-09	41	0.66	0	0	41	0.66
		2009-10	27	1.93	2	0.23	25	1.70
		2010-11	8	2.11	1	0.21	7	1.90
		2011-12	54	2.30	4	0.57	50	1.73
		2012-13	43	5.51	18	4.23	25	1.28

Sl. No.	Department	Year of Payment of Grants	Total Grants Paid		Utilisation Certificate			
			No. of Vouchers	Amount	Received		Outstanding	
					No. of Vouchers	Amount	No. of Vouchers	Amount
		2013-14	47	7.02	22	3.25	25	3.77
		2014-15	71	7.22	20	3.93	51	3.29
		2015-16	68	7.46	15	2.30	53	5.16
		2016-17	68	18.42	0	0	68	18.42
		2017-18	53	8.96	0	0	53	8.96
		Total	480	61.59	82	14.72	398	46.87
10	Agriculture Department	Up to 2008-09	1	0.05	-	-	1	0.05
		2009-10	-	-	-	-	0	0
		2010-11	1	0.05	-	-	1	0.05
		2011-12	2	0.05	-	-	2	0.05
		2012-13	1	0.05	-	-	1	0.05
		2013-14	1	0.02	-	-	1	0.02
		2014-15	3	1.77	-	-	3	1.77
		2015-16	6	9.57	-	-	6	9.57
		2016-17	7	8.18	-	-	7	8.18
		2017-18	9	7.56	-	-	9	7.56
		Total	31	27.3	0	0	31	27.3
11	Horticulture and Soil Conservation	Up to 2008-09	-	-	-	-	0	0
		2009-10	-	-	-	-	0	0
		2010-11	-	-	-	-	0	0
		2011-12	-	-	-	-	0	0
		2012-13	-	-	-	-	0	0
		2013-14	-	-	-	-	0	0
		2014-15	1	0.73	-	-	1	0.73
		2015-16	-	-	-	-	0	0
		2016-17	-	-	-	-	0	0
		2017-18	-	-	-	-	0	0
		Total	1	0.73	0	0	1	0.73
12	Veterinary and Animal Husbandry Services	Up to 2008-09	41	2.85	-	-	41	2.85
		2009-10	2	0.60	-	-	2	0.60
		2010-11	3	1.84	-	-	3	1.84
		2011-12	3	1.26	-	-	3	1.26
		2012-13	6	0.25	-	-	6	0.25
		2013-14	10	2.13	-	-	10	2.13
		2014-15	6	6.90	-	-	6	6.90
		2015-16	2	0.21	-	-	2	0.21
		2016-17	0	0	-	-	0	0
		2017-18	3	0.34	-	-	3	0.34
		Total	76	16.38	0	0	76	16.38
13	Medical & Health Services	Up to 2008-09	4	1.03	4	1.03	0	0
		2009-10	6	16.40	5	13.26	1	3.14
		2010-11	7	33.08	1	4.00	6	29.08
		2011-12	7	62.57	7	62.57	0	0

Sl. No.	Department	Year of Payment of Grants	Total Grants Paid		Utilisation Certificate			
			No. of Vouchers	Amount	Received		Outstanding	
					No. of Vouchers	Amount	No. of Vouchers	Amount
		2012-13	5	60.75	4	44.35	1	16.40
		2013-14	6	81.43	6	81.43	0	0
		2014-15	24	192.14	24	192.14	0	0
		2015-16	33	206.64	33	206.64	0	0
		2016-17	13	107.47	5	55.32	8	52.15
		2017-18	28	175.65	0	0	28	175.65
		Total	133	937.16	89	660.74	44	276.42
14	Fisheries Department	Up to 2008-09	10	1.19	1	0.43	9	0.76
		2009-10	6	0.99	6	0.99	0	0
		2010-11	7	2.44	7	2.44	0	0
		2011-12	5	1.62	4	0.80	1	0.82
		2012-13	10	1.87	1	0.21	9	1.66
		2013-14	9	2.17	7	0.89	2	1.28
		2014-15	7	1.99	5	0.72	2	1.27
		2015-16	5	0.76	5	0.76	0	0
		2016-17	3	0.68	3	0.68	0	0
		2017-18	8	2.59	2	0.43	6	2.16
		Total	70	16.3	41	8.35	29	7.95
15	Social Welfare Department	Up to 2008-09	23	1.80	23	1.80	0	0
		2009-10	17	3.94	17	3.94	0	0
		2010-11	12	0.82	12	0.82	0	0
		2011-12	6	0.95	-	-	6	0.95
		2012-13	12	1.88	-	-	12	1.88
		2013-14	9	1.41	-	-	9	1.41
		2014-15	7	1.07	-	-	7	1.07
		2015-16	12	1.10	-	-	12	1.10
		2016-17	11	1.20	-	-	11	1.20
		2017-18	16	6.95	-	-	16	6.95
		Total	125	21.12	52	6.56	73	14.56
16	Sericulture Department	Up to 2008-09	1	4.94	1	4.94	0	0
		2009-10	2	0.86	2	0.86	0	0
		2010-11	2	6.22	2	6.22	0	0
		2011-12	3	5.08	3	5.08	0	0
		2012-13	4	8.75	4	8.75	0	0
		2013-14	3	11.92	3	11.92	0	0
		2014-15	4	0.49	4	0.49	0	0
		2015-16	1	6.71	1	6.71	0	0
		2016-17	0	0	0	0	0	0
		2017-18	3	0.26	-	-	3	0.26
		Total	23	45.23	20	44.97	3	0.26

Sl. No.	Department	Year of Payment of Grants	Total Grants Paid		Utilisation Certificate			
			No. of Vouchers	Amount	Received		Outstanding	
					No. of Vouchers	Amount	No. of Vouchers	Amount
17	Planning Department	Up to 2008-09	7	15.40	7	15.40	0	0
		2009-10	3	16.14	3	16.14	0	0
		2010-11	18	44.52	18	44.52	0	0
		2011-12	22	81.63	10	50.29	12	31.34
		2012-13	25	67.47	15	36.57	10	30.90
		2013-14	13	54.00	3	16.72	10	37.28
		2014-15	16	74.45	4	26.90	12	47.55
		2015-16	14	58.01	4	23.87	10	34.14
		2016-17	42	49.32	14	19.85	28	29.47
		2017-18	25	68.19	-	-	25	68.19
		Total	185	529.13	78	250.26	107	278.87
18	Science and Technology	Up to 2008-09	11	7.71	11	7.71	0	0
		2009-10	5	3.82	5	3.82	0	0
		2010-11	6	8.21	6	8.21	0	0
		2011-12	6	5.59	6	5.59	0	0
		2012-13	11	2.88	11	2.88	0	0
		2013-14	16	6.73	16	6.73	0	0
		2014-15	12	1.30	12	1.30	0	0
		2015-16	10	0.66	0	0	10	0.66
		2016-17	14	0.83	14	0.83	0	0
		2017-18	14	2.56	0	0	14	2.56
		Total	105	40.29	81	37.07	24	3.22
19	Education (U)	Up to 2008-09	25	5.80	25	5.80	0	0
		2009-10	12	5.36	12	5.36	0	0
		2010-11	10	5.72	10	5.72	0	0
		2011-12	16	5.63	10	2.36	6	3.27
		2012-13	23	7.45	15	3.60	8	3.85
		2013-14	29	7.54	18	3.45	11	4.09
		2014-15	20	14.56	7	2.65	13	11.91
		2015-16	23	5.75	17	4.24	6	1.51
		2016-17	31	44.54	13	4.15	18	40.39
		2017-18	61	60.95	0	0	61	60.95
		Total	250	163.30	127	37.33	123	125.97
20	Education (S)	Up to 2008-09	143	15.96	143	15.96	0	0
		2009-10	0	0	0	0	0	0
		2010-11	123	29.45	102	23.89	21	5.56
		2011-12	121	39.31	104	32.33	17	6.98
		2012-13	191	34.78	161	28.06	30	6.72
		2013-14	169	29.84	133	29.73	36	0.11

Sl. No.	Department	Year of Payment of Grants	Total Grants Paid		Utilisation Certificate			
			No. of Vouchers	Amount	Received		Outstanding	
					No. of Vouchers	Amount	No. of Vouchers	Amount
		2014-15	200	174.66	157	50.62	43	124.04
		2015-16	171	151.04	97	58.27	74	92.77
		2016-17	193	171.33	21	4.76	172	166.57
		2017-18	150	110.65	0	0	150	110.65
		Total	1461	757.02	918	243.62	543	513.40
21	Rural Development and Panchayati Raj (RD&PR)	Up to 2008-09	58	21.17	58	21.17	0	0
		2009-10	0	0	0	0	0	0
		2010-11	97	54.62	97	54.62	0	0
		2011-12	81	117.70	81	117.70	0	0
		2012-13	106	154.41	68	92.03	38	62.38
		2013-14	70	192.01	42	163.28	28	28.73
		2014-15	141	602.50	64	445.22	77	157.28
		2015-16	102	700.86	-	-	102	700.86
		2016-17	106	800.42	-	-	106	800.42
		2017-18	100	919.74	0	0	100	919.74
				Total	861	3,563.43	410	894.02
22	Municipal Administration, Housing and Urban Development	Up to 2008-09	31	13.36	31	13.36	0	0
		2009-10	0	0	0	0	0	0
		2010-11	35	24.10	35	24.10	0	0
		2011-12	59	45.4	33	37.54	26	7.86
		2012-13	51	67.54	45	64.31	6	3.23
		2013-14	41	41.52	19	32.50	22	9.02
		2014-15	45	47.71	38	38.06	7	9.65
		2015-16	40	57.93	0	0	40	57.93
		2016-17	28	36.70	0	0	28	36.7
		2017-18	55	96.55	0	0	55	96.55
				Total	385	430.81	201	209.87
23	Food and Civil Supplies	2015-16	1	0.06	1	0.06	0	0
		2016-17	1	0.11	1	0.11	0	0
		2017-18	0	0	0	0	0	0
		Total	2	0.17	2	0.17	0	0
24	Forest Department	Up to 2008-09	18	5.57	2	4.00	16	1.57
		2009-10	14	33.42	14	33.42	0	0
		2010-11	15	53.96	15	53.96	0	0
		2011-12	16	54.05	16	54.05	0	0
		2012-13	27	46.88	27	46.88	0	0
		2013-14	26	25.03	15	23.57	11	1.46
		2014-15	30	13.22	29	11.59	1	1.63
		2015-16	25	31.36	17	27.66	8	3.70
		2016-17	26	22.90	21	17.14	5	5.76

Sl. No.	Department	Year of Payment of Grants	Total Grants Paid		Utilisation Certificate			
			No. of Vouchers	Amount	Received		Outstanding	
					No. of Vouchers	Amount	No. of Vouchers	Amount
		2017-18	23	21.51	1	0.38	22	21.13
		Total	220	307.90	157	272.65	63	35.25
25	Co-operation Department	Up to 2008-09	0	0	0	0	0	0
		2009-10	0	0	0	0	0	0
		2010-11	0	0	0	0	0	0
		2011-12	0	0	0	0	0	0
		2012-13	5	0.92	5	0.92	0	0
		2013-14	4	0.79	4	0.79	0	0
		2014-15	3	2.69	0	0	3	2.69
		2015-16	3	0.82	0	0	3	0.82
		2016-17	4	1.67	0	0	4	1.67
		2017-18	6	1.85	0	0	6	1.85
				Total	25	8.74	9	1.71
26	Law Department	Up to 2008-09	12	0.18	0	0	12	0.18
		2009-10	7	0.13	7	0.13	0	0
		2010-11	0	0	0	0	0	0
		2011-12	1	0.05	1	0.05	0	0
		2012-13	0	0	0	0	0	0
		2013-14	1	0.05	1	0.05	0	0
		2014-15	1	0.01	1	0.01	0	0
		2015-16	0	0	0	0	0	0
		2016-17	5	0.08	5	0.08	0	0
		2017-18	9	0.75	0	0	9	0.75
				Total	36	1.25	15	0.32
27	Public Work Department	Up to 2008-09	1	0.01	0	0	1	0.01
		2009-10	0	0	0	0	0	0
		2010-11	0	0	0	0	0	0
		2011-12	0	0	0	0	0	0
		2012-13	0	0	0	0	0	0
		2013-14	0	0	0	0	0	0
		2014-15	0	0	0	0	0	0
		2015-16	0	0	0	0	0	0
		2016-17	0	0	0	0	0	0
		2017-18	2	6.00	-	-	2	6.00
				Total	3	6.01	0	0
28	District Administration	Up to 2008-09	48	3.43	48	3.43	0	0
		2009-10	0	0	0	0	0	0
		2010-11	29	1.39	29	1.39	0	0
		2011-12	23	0.75	15	0.26	8	0.49

Sl. No.	Department	Year of Payment of Grants	Total Grants Paid		Utilisation Certificate			
			No. of Vouchers	Amount	Received		Outstanding	
					No. of Vouchers	Amount	No. of Vouchers	Amount
		2012-13	21	0.56	11	0.23	10	0.33
		2013-14	21	1.12	16	0.98	5	0.14
		2014-15	13	0.42	4	0.24	9	0.18
		2015-16	-	-	-	-	0	0
		2016-17	-	-	-	-	0	0
		2017-18	1	0.05	-	-	1	0.05
		Total	156	7.72	123	6.53	33	1.19
29	Other Administrative Services	Up to 2008-09	4	0.08	-	-	4	0.08
		2009-10	0	0	0	0	0	0
		2010-11	2	0.09	0	0	2	0.09
		2011-12	0	0	0	0	0	0
		2012-13	0	0	0	0	0	0
		2013-14	0	0	0	0	0	0
		2014-15	1	0.01	0	0	1	0.01
		2015-16	3	0.02	0	0	3	0.02
		2016-17	0	0	0	0	0	0
		2017-18	3	0.03	0	0	3	0.03
		Total	13	0.23	0	0	13	0.23
30	Finance Department	Up to 2008-09	-	-	-	-	0	0
		2009-10	-	-	-	-	0	0
		2010-11	1	0.04	-	-	1	0.04
		2011-12	-	-	-	-	0	0
		2012-13	2	0.05	-	-	2	0.05
		2013-14	11	9.46	-	-	11	9.46
		2014-15	-	-	-	-	0	0
		2015-16	-	-	-	-	0	0
		2016-17	-	-	-	-	0	0
		2017-18	-	-	-	-	0	0
		Total	14	9.55	0	0	14	9.55
31	Welfare of Minorities and Other Backward Classes (MOBC)	Up to 2008-09	13	1.41	3	0.63	10	0.78
		2009-10	8	0.99	8	0.99	0	0
		2010-11	7	4.68	7	4.68	0	0
		2011-12	9	3.90	9	3.90	0	0
		2012-13	19	32.46	9	21.58	10	10.88
		2013-14	8	3.12	4	1.98	4	1.14
		2014-15	7	3.40	4	2.30	3	1.10
		2015-16	6	3.26	3	1.56	3	1.70
		2016-17	2	0.37	-	-	2	0.37
		2017-18	13	4.39	0	-	13	4.39
		Total	92	57.98	47	37.62	45	20.36

Sl. No.	Department	Year of Payment of Grants	Total Grants Paid		Utilisation Certificate			
			No. of Vouchers	Amount	Received		Outstanding	
					No. of Vouchers	Amount	No. of Vouchers	Amount
32	Information Technology (IT)	Up to 2008-09	0	0	0	0	0	0
		2009-10	0	0	-	-	0	0
		2010-11	1	0.28	1	0.28	0	0
		2011-12	2	1.00	2	1.00	0	0
		2012-13	9	4.59	9	4.59	0	0
		2013-14	8	2.00	6	1.95	2	0.05
		2014-15	5	2.00	5	2.00	0	0
		2015-16	13	2.20	10	0.16	3	2.04
		2016-17	8	2.00	8	2.00	0	0
		2017-18	1	1.00	1	1.00	0	0.00
		Total	47	15.07	42	12.98	5	2.09
33	Labour department	Up to 2008-09	-	-	-	-	0	0
		2009-10	-	-	-	-	0	0
		2010-11	-	-	-	-	0	0
		2011-12	1	0.50	1	0.50	0	0
		2012-13	2	0.65	2	0.65	0	0
		2013-14	1	0.15	1	0.15	0	0
		2014-15	1	0.05	1	0.05	0	0
		2015-16	2	0.62	-	-	2	0.62
		2016-17	2	0.55	-	-	2	0.55
		2017-18	6	35.81	-	-	6	35.81
		Total	15	38.33	5	1.35	10	36.98
34	Governor's Secretariat	Up to 2008-09	-	-	-	-	0	0
		2009-10	-	-	-	-	0	0
		2010-11	-	-	-	-	0	0
		2011-12	-	-	-	-	0	0
		2012-13	12	0.23	-	-	12	0.23
		2013-14	-	-	-	-	0	0
		2014-15	-	-	-	-	0	0
		2015-16	-	-	-	-	0	0
		2016-17	-	-	-	-	0	0
		2017-18	-	-	-	-	0	0
		Total	12	0.23	0	0	12	0.23
35	Power	Up to 2008-09	-	-	-	-	0	0
		2009-10	-	-	-	-	0	0
		2010-11	-	-	-	-	0	0
		2011-12	-	-	-	-	0	0
		2012-13	-	-	-	-	0	0
		2013-14	3	1.31	-	-	3	1.31
		2014-15	59	313.44	59	313.44	0	0

Sl. No.	Department	Year of Payment of Grants	Total Grants Paid		Utilisation Certificate			
			No. of Vouchers	Amount	Received		Outstanding	
					No. of Vouchers	Amount	No. of Vouchers	Amount
		2015-16	100	499.44	97	401.56	3	97.88
		2016-17	110	607.35	100	567.33	10	40.02
		2017-18	62	361.44	3	55.13	59	306.31
		Total	334	1,782.98	259	1,337.46	75	445.52
36	Manipur Fire Service	Up to 2008-09	-	-	-	-	0	0
		2009-10	-	-	-	-	0	0
		2010-11	-	-	-	-	0	0
		2011-12	-	-	-	-	0	0
		2012-13	-	-	-	-	0	0
		2013-14	-	-	-	-	0	0
		2014-15	-	-	-	-	0	0
		2015-16	1	0.01	-	-	1	0.01
		2016-17	-	-	-	-	0	0
		2017-18	-	-	-	-	0	0
		Total	1	0.01	0	0	1	0.01
37	Transport Department	Upto2008-09	-	-	-	-	0	0
		2009-10	-	-	-	-	0	0
		2010-11	-	-	-	-	0	0
		2011-12	-	-	-	-	0	0
		2012-13	-	-	-	-	0	0
		2013-14	-	-	-	-	0	0
		2014-15	-	-	-	-	0	0
		2015-16	1	0.15	-	-	1	0.15
		2016-17	1	0.15	-	-	1	0.15
		2017-18	-	-	-	-	0	0
		Total	2	0.30	0	0	2	0.30
38	Tourism Department	Up to 2008-09	-	-	-	-	0	0
		2009-10	-	-	-	-	0	0
		2010-11	-	-	-	-	0	0
		2011-12	-	-	-	-	0	0
		2012-13	-	-	-	-	0	0
		2013-14	-	-	-	-	0	0
		2014-15	-	-	-	-	0	0
		2015-16	-	-	-	-	0	0
		2016-17	1	3.00	-	-	1	3.00
		2017-18	-	-	-	-	0	0
		Total	1	3.00	0	0	1	3.00
39	Relief and Disaster Management Department	Up to 2008-09	0	0	0	0	0	0
		2009-10	0	0	0	0	0	0
		2010-11	0	0	0	0	0	0
		2011-12	0	0	0	0	0	0

Sl. No.	Department	Year of Payment of Grants	Total Grants Paid		Utilisation Certificate			
			No. of Vouchers	Amount	Received		Outstanding	
					No. of Vouchers	Amount	No. of Vouchers	Amount
		2012-13	0	0	0	0	0	0
		2013-14	0	0	0	0	0	0
		2014-15	0	0	0	0	0	0
		2015-16	0	0	0	0	0	0
		2016-17	0	0	0	0	0	0
		2017-18	1	0.20	0	0	1	0.20
		Total	1	0.20	0	0	1	0.20
	Grand Total		9858	11501.25	5152	5423.29	4706	6077.96

(Source: Information furnished by the Office of the PAG (A&E) Manipur)

Appendix 3.3

(Reference: Paragraph 3.4)

Statement showing position of placement of SARs of ADCs & State Autonomous Bodies as on 4 December 2018

Name of the Autonomous Bodies	Section under which audited	Year up to which accounts were rendered	Position of last SAR placed in the state legislature					Position of SARs issued but not placed		
			Year of last SAR placed	Date of issue	Date of placement of SAR	Delay in placement	Reason for delay	SARs issued	Date of issue	Reasons for non-placement of SARs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Autonomous District Council (ADC),Chandel	Under Section 14 &19 (3) of CAG's DPC Act,1971	2016-17	2009-10	11.06.13	26.06.16	Over 3 years	NA	2014-15	02.01.17	NA
ADC , Churachandpur	-do-	2016-17	2010-11	11.06.13	19.12.13	No delay	-	2014-15	24.08.16	NA
ADC, Sadar Hills, Kangpokpi	-do-	2017-18	2006-07	19.6.09	19.12.13	Over 4 years	NA	2013-14	02.01.17	NA
ADC, Senapati	do	2016-17	2007-08	21.10.10	19.12.13	Over 3 years	NA	2015-16	01.06.18	NA
ADC, Tamenglong	-do-	2016-17	2007-08	21.10.10	19.12.13	Over 3 years	NA	2014-15	16.09.16	NA
ADC, Ukhul	-do-	2016-17	2006-07	13.01.10	19.12.13	Over 3 years	NA	2014-15	02.01.17	NA
Manipur State Legal Service Authority	-do-	2016-17	2012-13	06.10.16	05.06.17	No delay	-	-	-	-
State CAMPA	-do-	2017-18	<i>SARs of 2015-16, 2016-17 and 2017-18 under process.</i>							

(Source: Records of ADCs and State Autonomous Bodies)

NA- Not Available

Appendix 3.4
(Reference: Paragraph 3.5)

Statement of finalisation of accounts and the Government investment in departmentally managed commercial and quasi-commercial undertakings (as on September 2018)

(₹ in crore)

Sl. No.	Name of the undertaking	Accounts finalized up to	Investment as per last Account finalized	Remarks/Reasons for Delay in Preparation of accounts
Commerce and Industries				
1	Manipur Electronics Development Corporation	2014-15	2.74	NA
2	Manipur Industrial Development Corporation	2009-10	12.14	NA
3	Manipur Food Industries Corporation	2009-10	5.41	NA
4	Manipur Handloom and Handicrafts Development Corporation	2004-05	11.68	NA
Power				
5	Manipur State Power Company Limited	2014-15	10.05	NA
6	Manipur State Power Distribution Company Ltd.	2014-15	10.05	NA
Tribal Areas Backward Classes Development				
7	Manipur Tribal Development Corporation Limited	1987-88	0.52	NA
Home Department				
8	Manipur Police Housing Corporation	1997-98	0.02	NA
Information Technology				
9	Manipur IT SEZ Project Development Company Ltd.	Nil*	0.05	NA
Tourism Department				
10	Tourism Corporation of Manipur Ltd.	Nil**	0.05	NA
Non-Working Companies				
1	Manipur Plantation Crops Corporation Ltd.	1983-84	0.51	NA
2	Manipur Agro Industries Corporation Ltd.	1988-89	0.32	NA
3	Manipur Pulp & Allied Products Ltd.	2002-03	0.89***	NA
Total			54.43	

(Source: Records of departmental Undertakings/ State PSUs)

* Manipur IT SEZ Project Development Company Ltd. (incorporated on 30-12-2013 under the Companies Act, 1956) is yet to submit its first Annual Accounts. The amount of investment by the State Government is as on the date of incorporation.

** Tourism Corporation of Manipur Ltd. (incorporated on 13.07.2016 under the Companies Act, 2013) is yet to submit its first Annual Accounts. The amount of investment by the State Government is as on the date of incorporation.

*** Invested by MANIDCO

NA: Not available

Appendix 3.5

(Reference: Paragraph 3.8)

Recommendation of Public Accounts Committee (PAC) on State Finance Audit Report (SFAR)

Date of placing Recommendation of PAC	Gist of Recommendation	Action taken notes	Remark
SFR 2010-11 (Date of Placing - 6.7.2012)			
24.7.2014	The Committee recommends that the Government Department discontinues the present practice of excess spending in future and also that the Finance Department puts an appropriate mechanism to control excess expenditure which adversely affects efficient fiscal management. Further, the Committee recommends that the excess expenditures for the years 2011 and 2012 be regularised as required under Article 205 of the Constitution of India.	No Action was taken.	Only "Excess over provisions during 2009-10 requiring regularization" was mainly discussed.
SFR 2011-12 (Date of Placing - 11.6.2013)			
24.7.2014	Same recommendation as above, for regularization of excess of expenditure.	No Action was taken.	-do-
24.7.2014	<p>Chapter I: Finances of the State Government. Revenue Receipt</p> <p>The Committee notes with concern that the fiscal health of the State is largely dependent on Central grants-in-aid. This factor alone determines the extent to which Revenue surplus, primary deficit, fiscal deficits, management of debt, etc. improves or deteriorates in a year. It is in this context, the Committee makes the following observations on some of the important issues:-</p> <p>VAT/Sales Tax:</p> <p>VAT/Sales Tax is collected in event of sales of goods in the State. This is also collected from construction works. In case of public works, it is Government who ultimately pays this tax. VAT/Sales Tax are deducted at source while releasing funds by the Finance Department. Even when funds are deposited into MH – 8449, VAT/Sales Tax are deducted at source. The Committee is of the strong opinion that deduction of VAT/Sales Tax at source is to be avoided, as it would result in artificial increase of VAT/Sales Tax and complication of accounting.</p> <p>Motor Vehicle:</p> <p>The Committee expresses its satisfaction that Motor Vehicles collection has increased. In terms of absolute collection, the amount collected may not have much impact, as the baseline of the tax is low. The Committee recommends to the Government that computerization of Motor Vehicles Department may be taken up with all seriousness.</p> <p>Miscellaneous General Service:</p> <p>As in VAT/Sales Tax collection, Miscellaneous General Service are also collected as "Agency Charges" for execution of public works. It is debatable whether "Agency Charges" need to be collected by the Department like PWD, IFCD, etc; or it be restricted it to Autonomous bodies/PSUs like PDA, MFDC etc.</p> <p>The Committee notes with concern that "Agency Charges" are collected at source while releasing funds for depositing it into MH – 8449 by the Finance Department. Such a practice needs to be avoided.</p> <p>Other avenues of revenue:</p> <p>The Committee agrees that the State has inherently low tax potential. While efforts needs to be made to optimize collection of taxes, the State Government needs a more pragmatic approach to open up other avenues of revenue.</p> <p>FRBM Act:</p> <p>Two targets of FRBM Act have not been achieved consistently. The first is Fiscal deficit-GSDP ration targeted at 3 per cent and target of Salary expenditure.</p>	No Action was taken.	The whole report was also discussed.

Date of placing Recommendation of PAC	Gist of Recommendation	Action taken notes	Remark																																																															
	<p>The Committee observes that target of Fiscal deficit-GSDP ratio has not been largely achieved over the years. Despite this, the Committee is of the view that this target may remain unchanged, as it would have great impact on the fiscal health of the State.</p> <p>As regards target of restricting Salary expenditure at 35 per cent of Revenue Expenditure new Interest Payment and Pension may no longer be realistic in view of the 6th Pay Recommendations. The Committee likes the Government to look into the matter and set a more realistic target.</p> <p>New Pension Scheme: Under the scheme, the Government was to make a matching contribution as the contribution made by the subscribers.</p> <p>The amount is to be invested to Fund Manager(s) for the benefit of the subscribers.</p> <p>The committee is shocked to learn that the contributions made by the subscribers are kept in Government accounts. Matching contribution was not fully made by the Government. If this is not serious enough, the Government has no information regarding the quantum of contribution made by each individual. Therefore, the Committee directs the concerned Department to furnish information in the following format:-</p> <p style="text-align: right;"><i>(Amount in ₹)</i></p> <table border="1" data-bbox="268 869 1203 1012"> <thead> <tr> <th>Sl. No.</th> <th>Name of Employees</th> <th>Employees Contribution</th> <th>Govt. contribution</th> <th>Total Invested to 1st Fund Manager</th> <th>Invested to 2nd Fund Manager</th> <th>Invested to 3rd Fund Manager</th> <th>Total Amount Invested</th> <th>Balance in "MH" 8334</th> <th>PRAN No</th> </tr> <tr> <th>(1)</th> <th>(2)</th> <th>(3)</th> <th>(4)</th> <th>(5) (6) (3)+(4)</th> <th>(7)</th> <th>(8)</th> <th>(9) 6+7+8</th> <th>(10)</th> <th>(11) (5-9)</th> </tr> </thead> <tbody> <tr> <td colspan="10" style="text-align: center;">Total</td> </tr> </tbody> </table> <p><i>Note:- (i) In case funds are released to the Fund Managers directly from Major Head – 2071 (Minor head 117), the amount may be included in the above table with appropriate remarks. (ii) soft copy in Excel sheet may also be furnished. Depart. may furnish updated figures, if it is convenient</i></p> <p>In above table, the "Total" under Column (10) should match with the figures booked in latest Finance Accounts. The above table would keep a track record of each subscriber.</p> <p>The Committee directs the concerned Department to furnish the above information within six months from the date of presentation of this Report to the House.</p> <p>Local bodies: A separate recommendation is being made in respect of Local bodies.</p> <p>Status of guarantees – Contingent liabilities:</p> <p>The Committee appreciates that no additional guarantee has been extended by the State Government. This is important as none of our Local bodies/PSUs etc are functioning properly in the present condition of the economy of the State.</p> <p>Special focus on MH – 8449</p> <p>The contention of the Government is that Central funds are released at times at the fag end of the year. Since this year-end fund cannot be utilized within the financial year, these are parked under MH- 8449 to avoid surrender of funds. Funds are drawn from the Consolidated Fund of the State from their respective "Service heads of accounts" through AC bills to deposit into this head of accounts. The practical reasons and compulsions of the State Government is understandable. However, the head has been utilized to short circuit flow of funds and this is not acceptable.</p> <p>The Committee is dismayed to learn that this account is not properly maintained in a transparent manner. The Committee during examination of the Audit Reports asked the Finance Department to provide information in the following format:-</p> <p style="text-align: right;"><i>(Amount in ₹)</i></p> <table border="1" data-bbox="268 1832 1203 2011"> <thead> <tr> <th rowspan="2">Service Head</th> <th rowspan="2">Purpose of the fund (Deptt.)</th> <th colspan="2">Deposit into MH- "8449 OD"</th> <th colspan="2">(1st) Subsequent Release from MH- "8449 OD"</th> <th colspan="2">(2nd /3rd etc.) Subsequent Release from MH- "8449 OD" (in separate columns)</th> <th rowspan="2">Balance amount in MH- "8449 OD"</th> </tr> <tr> <th>Date</th> <th>Amt</th> <th>Date</th> <th>Amt</th> <th>Date</th> <th>Amt</th> </tr> <tr> <th>(1)</th> <th>(2)</th> <th>(3)</th> <th>(4)</th> <th>(5)</th> <th>(6)</th> <th>(7)</th> <th>(8)</th> <th>(9) (4 -6 -8)</th> </tr> </thead> <tbody> <tr> <td colspan="9" style="text-align: center;">Total</td> </tr> </tbody> </table>	Sl. 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Date of placing Recommendation of PAC	Gist of Recommendation	Action taken notes	Remark
	<p>Note:- The Total under column (9) should match with figures of the latest Finance Accounts *The information in the above format as furnished by the Finance Department, Government of Manipur is appended as Appendix-I</p>		
	<p>The Committee expected that information should be readily available with the Finance Department as it was controlling the funds. However, sadly the matter needed to be referred back to other Departments. The Committee also noticed that parked funds under Mh-8449 are not released in the next financial year as it should have been, but allowed to remain there for year altogether.</p> <p>The fall-out of this is obvious. The AC bills do not get cleared out and gets accumulated, the Capital Expenditure are artificially inflated without any activity at field level and the transparency of accounts was compromised.</p> <p>Constitutionally, budgetary control is the purview of the Legislature. However, when funds are routinely parked into such heads of accounts and subsequently withdrawn in some later years, the funds remain in the exclusive control of the Government and Finance Department; without any involvement of the Legislature. Inherently and potentially, this is very serious and undermines the privilege of the Legislature.</p> <p>As discussed earlier, VAT/Sales tax Agency Charges (under Miscellaneous General Service) are also collected/deducted at source while depositing the funds into MH- 8449.</p> <p>The Committee, therefore, recommends that no deduction be made at source while depositing the funds into MH-8449. The Committee desires that parked funds in this head be released immediately at the beginning of the next financial year so that Capital Expenditure booked in the previous year fructifies and AC bills get cleared out.</p> <p>Sustainability of debt: The Committee is of the view that there is little scope of manoeuvring on this aspect by the State Government. However, the Committee recommends that following broad steps should be considered:</p> <ol style="list-style-type: none"> i) Decrease Non-Plan Revenue Expenditure, as the Committee feels that here would be many areas where loopholes can be plugged, if expenditure is properly monitored. ii) Increase efficiency of Tax collection and make thrust on computerization of such system. iii) Explore more avenues of Tax collection; iv) Ensure that Grants-in-Aid from Central Government does not decline, as in 2011-12, v) Maintain a proper calendar of borrowings, so that future borrowings and re-payment could be planned properly. <p>Chapter II: Financial Management and Budgetary Control Saving and Excess</p> <p>In the Audit Report (Table 2.2 of para 2.3.1), the supplementary provisions are already considered, which be the Revised Estimate (RE). If so, it is not understood to what figure of RE the Finance Department is referring to in their reply. The Committee is, therefore, unsatisfied with the reply of the Department. Further, the Committee is unhappy that out of 20 cases as reported, the Department replied for 4 cases only. In the reply of the Department, there were still substantial savings the reason of which was not explained.</p> <p>Similarly, in case of Excess Expenditure, the “Total Provision” as shown in the Audit Report is after consideration of Supplementary Budget. Therefore, the RE figures contented by the Department is not acceptable to the Committee. Further, the Committee is unsatisfied that reply of only 2 cases was furnished out of 6 cases. Hence, the Committee recommends that the Department furnish the replies for the above mentioned pending cases within three months from presentation of this report.</p> <p>Expenditure without provision</p> <p>The para refer to Appendix 2.2 of the Audit Report, where 12 cases have been mentioned. The Appendix shows the details of the Heads of Accounts. No specific reply has been furnished by the Finance Department, and the Committee feels that the Department has not furnished satisfactory reply. Therefore, the Committee directs the Finance Department to furnish specific reply within three months from the date of presentation of this report to the House.</p> <p>Unnecessary/Excessive/Inadequate/Supplementary provision</p> <p>The Finance Department replied that no Unnecessary/Excessive/Inadequate/Supplementary were made as supplementary demands are fully dependent on quantum of funds released by GoI. The Committee notes with seriousness that the reply of the Department is mis-leading.</p> <p>In Table 2.7 and Table 2.8 (there are 22 cases) of the Audit Report, there are heads like “Council of Ministers (Revenue Voted)”, “State Legislature (Revenue Charged)”, “Governor (Revenue Charge)” etc.</p>		

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	<p>The Committee wonders how these heads would be affected by quantum of fund released by GoI. The Committee to look into the matter, and take appropriate action, if the information to the Committee is not truthfully furnished.</p> <p>The Committee also specifically desires that the Finance Department should explain with point-wise specific reply, fully justifying the extent to which these 22 cases as reported in the Audit Report are affected by release of funds by GoI.</p> <p>Excessive/Un-necessary re-appropriation of funds:</p> <p>The Committee is not satisfied with the reply of the Finance Department that excess/un-necessary re-appropriation was done at the proposed of the Department concerned. It is the responsibility of the Finance Department that any savings and excess are avoided. It is the Finance Department who should be satisfied with the proposal. Unless this is ensured, budgetary exercise would be rendered to a meaningless exercise.</p> <p>Substantial surrenders and anticipated savings not surrendered:</p> <p>The Committee strongly recommends that the Finance Department should take up stronger measures with other Departments in future.</p> <p>Pendency in submission of Detailed Countersigned Bills against AC bills</p> <p>As discussed, the problem of AC bills is linked with release of funds under MH- 8449 to a large extent. Unless the deposit under this head is maintained properly, better control of AC bills would not be possible.</p> <p>However, the Committee notes with satisfaction that all concerned i.e Finance Department, Departments concerned, AG (A&E) and AG (Audit) are closely monitoring the issue and has been able to arrest some pendency.</p> <p>Personal Deposit Account/Personal Ledger Account:</p> <p>The Committee desires that non-operational PDA/PLA be closed immediately and balance amount, if any, be transferred back to Government Accounts. In case of PD/PLA operated by Planning and Development Authority and Apex Housing Society, the Committee desires the Finance Department and the concerned bodies should work out a viable solution, in consultation with AG (A&E).</p>		
<p>SFR 2012-13 (Date of placing- 16.07.2014)</p>			
09-07-2015	<p>The Committee recommends that the Government Department discontinues the present practice of excess spending in future and also Finance Department to put an appropriate mechanism to control excess expenditure which adversely affects efficient fiscal management. Further, the Committee recommends that the excess expenditures for the year 2013 be regularised as required under Article 205 of the Constitution of India.</p>	No action was taken.	Only excess over provision was discussed.
<p>SFR 2013-14 (Date of placing- 29-06-2015)</p>			
05-08-2016	<p>The Committee recommends that failure on the budgetary control by the Government should be stopped. It also seriously recommends that the Finance department should henceforth sort out a system to control the excess expenditures strictly.</p> <p>The cases of excess pending regularisation if any and the instances of the regularised excess expenditures in the recent year should also be timely intimated to the Committee so that necessary procedures may be followed by the Committee.</p> <p>Further, the Committee recommends that the excess expenditures amounting to ₹ 369.90 crore incurred over the provisions for the year 2014 be regularised as required under Article 205 of the Constitution of India.</p>	No action was taken.	Mainly excess expenditure over provision was discussed.
<p>SFR 2014-15 (Date of placing- 02-09-2016) & SFR 2015-16 (Date of placing- 02-09-2016)</p>			
23-07-2018	<ol style="list-style-type: none"> 1. The Committee recommends that the Government/Finance Department to adopt a new policy of repayment of all the debts and related interest. 2. Ensure the preparation of more relevant and accurate budget. 3. All the practices against financial rules and norms must be avoided. There are instances of persistent savings in many Departments. This is indicative of proper analysis not being done from the part of 	No action was taken.	Mainly irregularities of expenditure on financial accountability and

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	<p>Finance department. Hence, the Committee recommended to initiate surrender of the amounts of persistent savings and anticipated savings of every Department to the Finance Department.</p> <ol style="list-style-type: none"> 4. The Committee recommends to speed up the process of regularizing excess expenditure. 5. It recommends to prepare Budget and manage financial matters more judiciously. 6. The Committee recommends that rush of expenditure at the ending part of the financial year must be avoided. 7. It recommends that the Finance Department must strive with dedication to regularize the pending AC/DCC bills. 		<p>Budget management were discussed.</p>

(Source: Reports of Public Accounts Committee)

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