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*Report of The Comptroller and
Auditor General of India
on
State Finances*

For the Year ended 31 March 2009

Government of Mizoram

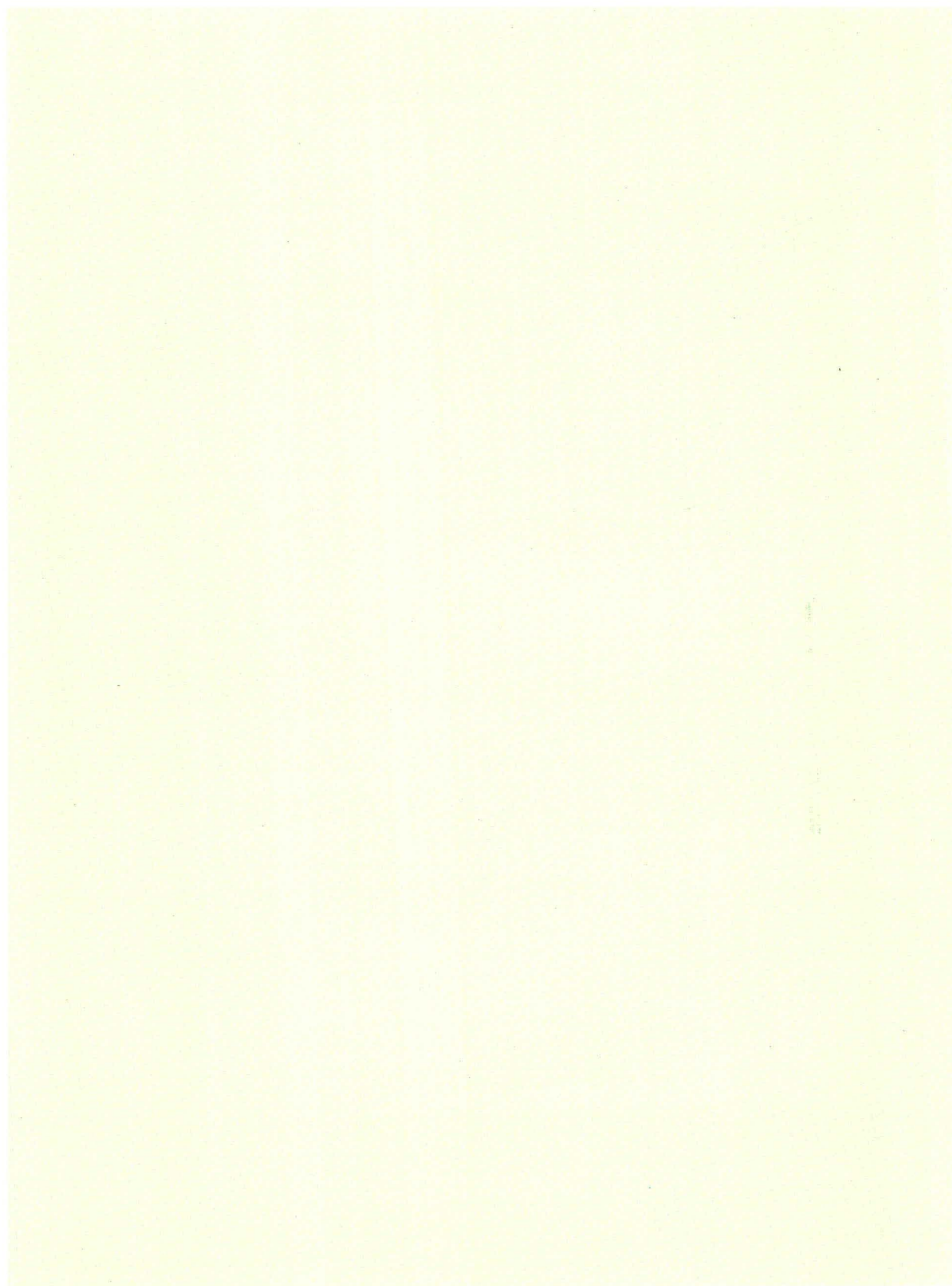


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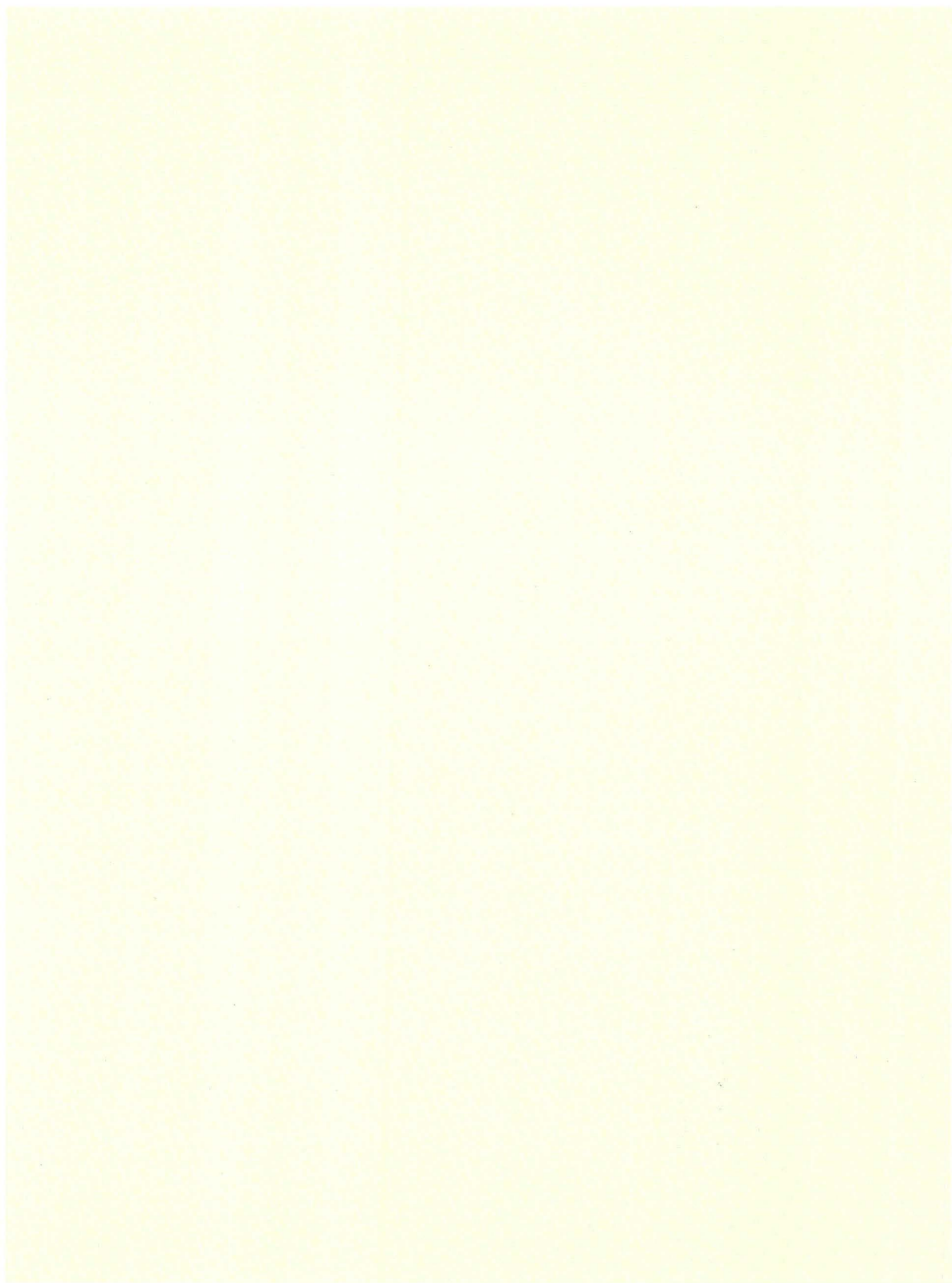


PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters-I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2009.
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. Audit observations on matters arising from performance reviews and audit of transactions in various departments including the Public Works Department, audit of revenue receipts and departmentally run commercial undertakings for the year ended 31 March 2009 are included in a separate Report.
5. The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.



EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

In November 2006, Government of Mizoram responded to the recommendations of the Twelfth Finance Commission (TFC) by legislating its “Fiscal Responsibility and Budget Management (FRBM) Act” to ensure prudence in fiscal management and fiscal stability by progressive reduction of revenue deficit and fiscal deficit. The State Government formulated roadmap and reform agenda through its own Fiscal Correction Path (FCP) in the medium term with long-term goals of securing growth stability for its economy. The State Government’s commitment to carry forward those reforms is largely reflected in certain policy initiatives announced in the subsequent budget. The benefits of FRBM legislation have been realized to a great extent in terms of reduction of deficit indicators but, the State Government still needs fiscal correction in areas like the introduction of new pension scheme, setting up of guarantee redemption fund, putting a check on increasing revenue expenditure and a host of other institutional and sectoral reforms measures. This will go a long way in building up the much needed “fiscal space”¹ for improving the quality of public expenditure and to promote fiscal stability.

The State Government has considerably improved the institutional mechanism on fiscal transparency as evident from the year-to-year presentation of the performance of the State during the FRBM Act regime in terms of key fiscal target fixed for selected variables laid down in the Act. Those outcome indicators tend to serve the limited purpose of measuring the performance against the targets. They do not, however, give the “big picture” of the status of financial management including debt position and cash management etc. for the benefit of the State Legislature and other stakeholders.

The Comptroller and Auditor General’s (CAG’s) Civil Audit Reports are an effort to fill this gap. CAG’s reports have been commenting upon the Government’s finances for over two years since FRBM legislation and two reports² have been published prior to this report. These comments then formed a part of the civil audit report but it was seen that the audit findings on the State finances remained camouflaged in the large body of audit findings on compliance and performance audits. The obvious fallout of this well intentioned but all inclusive reporting was that the financial management portion of these findings did not receive proper attention. In recognition of the need to bring State finances to center-stage once again, stand alone report on State Government finances is considered an appropriate audit response to this challenge. Accordingly, from the report year 2009 onwards, CAG has decided to bring out a separate volume titled “Report on State Finances”.

1 Efficiency in Public Expenditure.

2 Report of the CAG of India, Government of Mizoram, for the year 2006-07 and 2007-08.

THE REPORT

Based on the audited accounts of the Government of Mizoram for the year ending March 2009, this report provides an analytical review of the annual accounts of the State Government. The report is structured in three chapters.

Chapter-I is based on the audit of Finance Accounts and makes an assessment of Mizoram Government's fiscal position as on 31 March 2009. It provides an insight into the trends in committed expenditure, borrowing pattern. Besides, a brief accounts of central funds transferred directly to the State implementing agencies through off-budget route, is also included herein.

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

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

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

AUDIT FINDINGS AND RECOMMENDATIONS

Fiscal Correction : Although the Government of Mizoram has been successful in bringing down the core fiscal deficit indicators within the ambit of TFC targets in time, some areas of concern relating to fiscal correction still remains. There is need for the State to undertake corrective fiscal reforms programme to eliminate the mismatch between receipt and expenditure. In particular the Non-Plan Revenue Expenditure needs to be curtailed. There is a need to initiate adequate measures to contain expenditure on pension and salaries relative to its own resources to achieve the FRBM targets within the award period (**Para-1.3**). The State has the reasonable prospect of achieving the targets set out in the FRBM Act provided an effort is made to strengthen the tax administration, reduce cost of tax administration and to collect revenue arrears (**Para-1.3.2**) in particular.

Greater priority to Capital Expenditure : The State Government may lay greater emphasis on the rationalization of Non-Plan Revenue Expenditure (NPRES) so that resources may be diverted to plan expenditure particularly to Capital Expenditure (CE) as well as for creation of capital assets. While there is adequate thrust for development expenditure, the CE/AE ratio in 2008-09 for Mizoram was marginally lower than the national average. Thus, the CE requires greater thrust (**Para-1.5.1**).

Review of Government investment : The investment position of the Government has been dismal over the last five years with 'nil' returns whereas average interest outgo was in the range of 6.43 to 7.57 per cent (**Para-1.6.2**). This is obviously an unsustainable position. The State Government

should therefore hasten to seek better value for money in investment. Otherwise high cost borrowed funds invested in projects without financial returns will continue to strain the economy. Projects which are justified on account of low financial but high socio-economic return, may be identified and prioritized with full justification for the high-cost borrowings. Time has come to revisit the workings of State owned public sector undertakings (**Para-1.6.2**) and work out either a revival strategy (for those that are strategic in nature and can be made viable) or close down (if they are not likely to be viable given current market conditions). Moreover, no specific law under Article 293 of the Constitution had been passed by the State Legislature laying down the maximum limit within which Government may give guarantees on the security of the Consolidated Fund of the State. The State Government is yet to implement the recommendations of the TFC by setting up a Guarantee Redemption Fund (GRF) through earmarked guarantee fees (**Para-1.7.3**).

Prudent Cash Management : The cash balances decreased during the year 2008-09. Interest receipt on investments from cash balances during the year was 10 *per cent* against the payment of interest at the rate of 6.46 *per cent* by the Government on its borrowings. At the same time the investments from cash balances decreased by 18 *per cent* (**Para-1.6.4**) over the previous year. Proper debt management through advance planning could have maximised the interest receipts from the investments from cash balances.

Debt Sustainability : A prior condition for the debt sustainability is the debt stabilization in terms of debt/GSDP ratio. The Government of Mizoram should ideally keep the debt-GSDP ratio stable. Borrowed funds should be used as far as possible only to fund capital expenditure and revenue expenditure should be met from revenue receipts. Maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year and clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.

Oversight of funds transferred directly from the Government of India (GOI) to the State Implementing Agencies : Funds flowing directly to the implementing agencies through off-budget routing inhibits FRBM requirements of transparency and therefore bypass accountability. There is no single agency monitoring its use and there is no readily available data on the amounts spent in any particular year on major flagship and other important schemes (**Para-1.2.2**).

A system has to be urgently put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Accountant General (A&E).

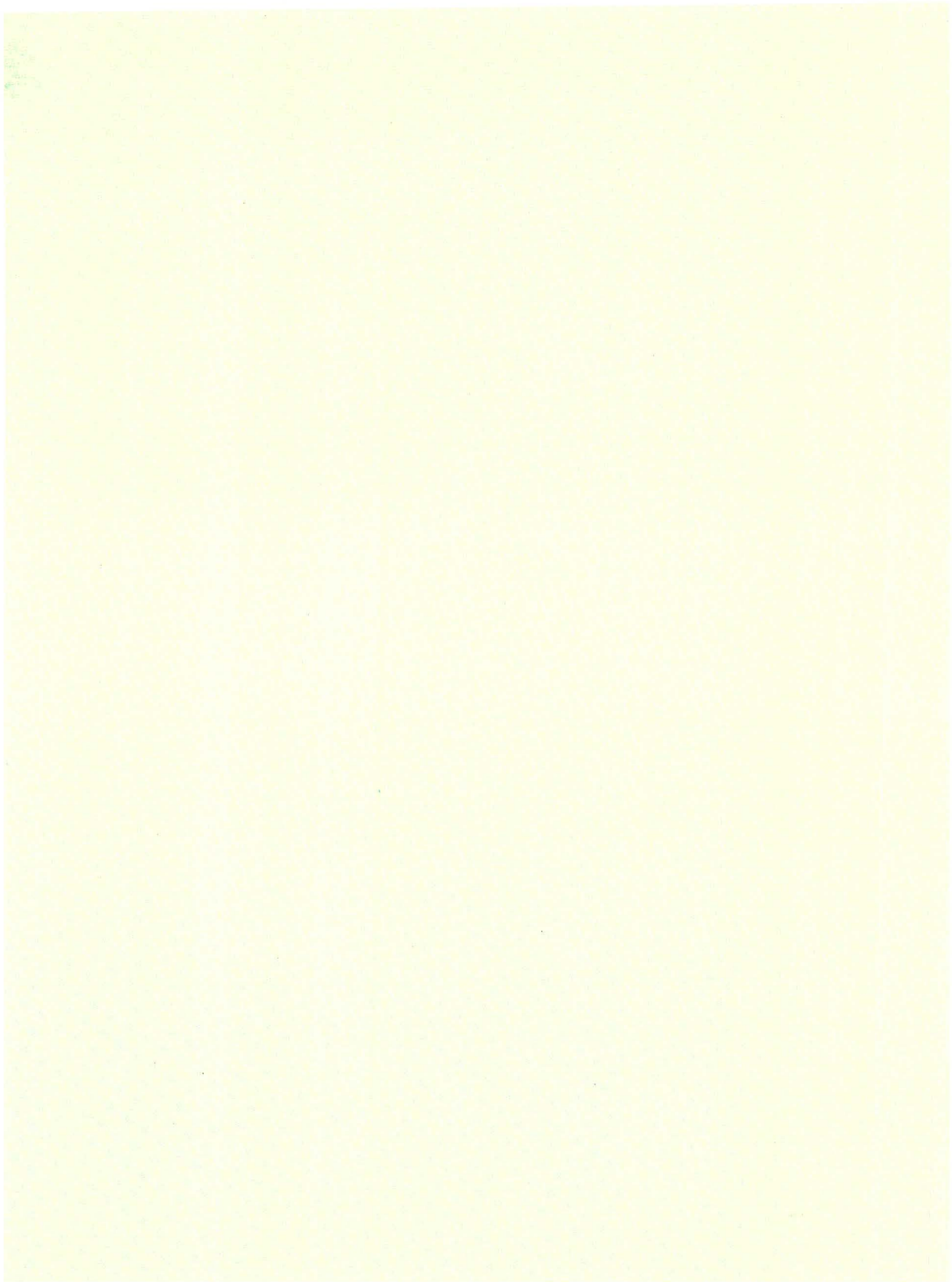
Financial Management and Budgetary Control : Slow pace of programme implementation in the State left an overall savings of Rs.578.03 crore offset by excess of Rs.30.13 crore, which requires regularization under Article 205 of the Constitution of India (**Para-2.2, 2.3.6 and 2.3.7**). Planning and programme implementation Departments and Finance Department posted large savings persistently for the last five years (**Para-2.3.2**). There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriation. Rush of

expenditure at the end of the year is another chronic feature noticed in the overall financial management. In many cases, the anticipated savings were not surrendered. Detailed bills were not submitted for large amount of advances drawn on abstract contingent bills (**Para-2.4.1**) and substantial amounts of expenditure remained un-reconciled by controlling officers (**Para-2.4.2**). Budgetary control should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation orders/surrender orders should be avoided.

Financial Reporting : State Government's compliance with various rules, procedures and directives was unsatisfactory as evident from delays in furnishing utilization certificates against the loans and grants from various grantee institutions. Delays also figured in submission of annual accounts by Autonomous Bodies/Authorities. There were instances of losses and misappropriations. Departmental inquiries in such cases should be expedited to bring the defaulters to book. Internal control in all the organizations should be strengthened to prevent such cases in future.

CHAPTER - I

FINANCES OF THE STATE GOVERNMENT



CHAPTER - I

FINANCES OF THE STATE GOVERNMENT

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

1.1 Summary of Current Year's Fiscal Transactions

Table-1.1 presents the summary of the State Government's fiscal transactions during the current year (2008-09) *vis-à-vis* the previous year while **Appendix-1.4** provides details of receipts and disbursements as well as overall fiscal position during the current year.

Table-1.1: Summary of Current Year's Fiscal Operations

(Rupees in crore)

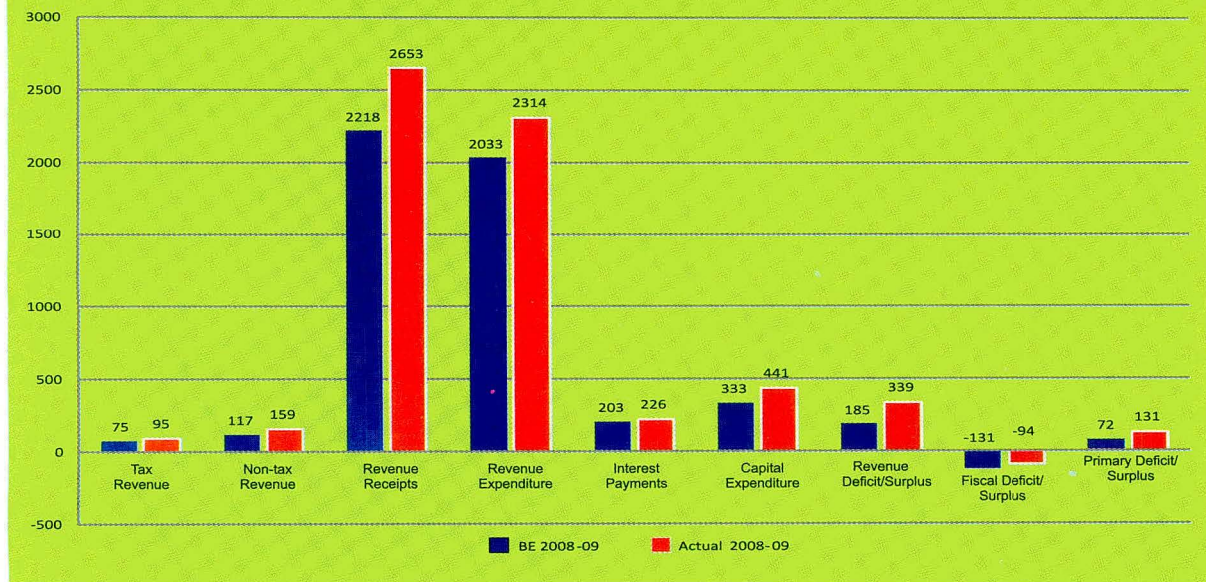
2007-08	Receipts	2008-09	2007-08	Disbursements	2008-09		
					Non Plan	Plan	Total
Section-A: Revenue							
2039.74	Revenue receipts	2653.13	1908.39	Revenue expenditure	1573.21	740.59	2313.80
77.53 (a)	Tax revenue	94.62	645.66	General services	786.74	17.01	803.75
130.30 (b)	Non-tax revenue	158.67	696.77	Social services	455.29	442.90	898.19
363.35	Share of Union Taxes/ Duties	383.39	565.96	Economic services	331.18	280.68	611.86
1468.56	Grants from Government of India	2016.45	--	Grants-in-aid and Contributions	--	--	--
Section-B: Capital							
--	Misc. Capital Receipts	--	544.24	Capital Outlay	74.45	366.59	441.04
27.53	Recoveries of Loans and Advances	24.86	6.12	Loans and Advances disbursed	--	--	17.41
223.71	Public Debt receipts	105.77	143.96	Repayment of Public Debt	--	--	96.29
--	Contingency Fund	--	--	Contingency Fund	--	--	--
2322.67	Public Account receipts	1500.75	1780.10	Public Account disbursements	--	--	1480.05
8.93	Opening Cash Balance	239.77	239.77	Closing Cash Balance	--	--	175.69
4622.58	Total	4524.28	4622.58	Total			4524.28

- (a) Excluding share of net proceeds of taxes and duties assigned to State under various heads viz. 0020 Corporation Tax, 0021 Taxes on Income other than Corporation Tax, 0037 Customs, 0038 Union Excise duties and 0044 Service Tax.
- (b) Share of net proceeds assigned to State.

Following are the significant changes during 2008-09 over the previous year:

- Revenue receipts grew by Rs.613 crore (30 *per cent*) over the previous year. The increase was mainly attributable to increase in tax revenue (Rs.17 crore); a result of mainly increase in Sales Tax Act and sale of motor spirit and lubricants, Non-tax revenue receipts (Rs.28 crore); mainly due to increase in Interest receipts and more revenue under Major Head 0801 Power, State's share of Union Taxes and Duties (Rs.20 crore) and Grants-in-Aid from Government of India (Rs.548 crore). The revenue receipt was higher by Rs.435 crore than the assessment of the State Government in its Fiscal Correction Path (FCP) (Rs.2,218 crore).
- Revenue expenditure increased by Rs.405 crore (21 *per cent*) and capital expenditure decreased by Rs.103 crore (19 *per cent*) over the previous year. Revenue expenditure was higher by Rs.281 crore (14 *per cent*) than the assessment made by the State Government in its FCP (Rs.2,033 crore); mainly due to increase in recurring expenses like Salaries, domestic travelling expenses etc. Capital expenditure was also higher by Rs.108 crore (32 *per cent*); due to increase on General Services (by 47 *per cent*) than the projection made by the State Government in its FCP (Rs.333 crore).
- Disbursement of Loans and Advances increased by Rs.11 crore (184 *per cent*); as a result of increase in the amount of loans and advances to Government servants and loans to small scale industries, while recoveries of the same, however, decreased by rupees three crore (11 *per cent*) over the previous year.
- Public Debt receipts and repayment decreased by Rs.118 crore (53 *per cent*) and Rs.48 crore (33 *per cent*) respectively over the previous year. Thus, net receipts decreased by Rs.70 crore;
- Public Account receipts and disbursements decreased by Rs.822 crore (35 *per cent*) and Rs.300 crore (17 *per cent*) over the previous year. Thus, net receipts decreased during the year by Rs.522 crore; and
- Cash balance of the State decreased by Rs.64 crore (27 *per cent*) over the previous year, as a result, the investment from cash balances decreased by 26 *per cent* over the previous year.

Several reasons may account for the deviation of the actual realization from the budget estimates. It may be because of unanticipated and unforeseen events or under or over estimation of expenditure or revenue at the budget stage etc. Actual realization of revenue and its disbursement, however, depends on a variety of factors, some internal and others external. **Chart-1.1** presents the budget estimates and actual for some important fiscal parameters.

Chart-1.1 : Selected Fiscal Parameters : Budget Estimates *vis-a-vis* Actuals

The above chart depicts that revenue receipts increased by Rs.435 crore over the estimated amount of Rs.2,218 crore. Revenue expenditure was Rs.2,314 crore during 2008-09 against the estimated amount of Rs.2,033 crore. Against the estimation of revenue surplus of Rs.185 crore, there was revenue surplus of Rs.339 crore during 2008-09. There was fiscal deficit of Rs. (-) 94 crore and primary surplus of Rs. (+) 131 crore during 2008-09 against the estimated fiscal deficit of Rs. (-) 131 crore and primary surplus of Rs. (+) 72 crore respectively.

1.2 Resources of the State

1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI as well as accruals from Public Account. **Table-1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart-1.2** depicts the trends in various components of the receipts of the State during 2004-09. **Chart-1.3** depicts the composition of resources of the State during the current year.

Chart-1.2 : Trends in Receipts

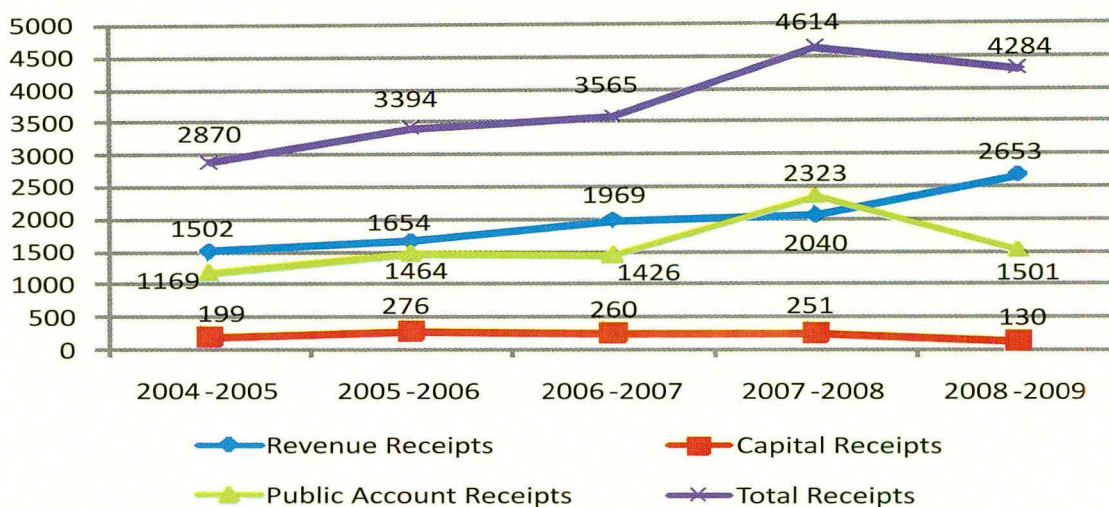
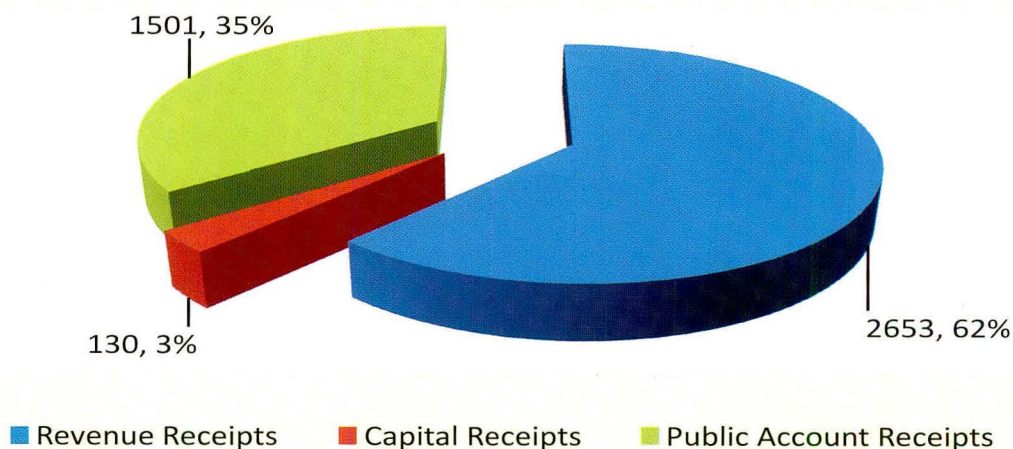


Chart-1.3: Composition of Receipts during 2008-2009



The total receipts of the State Government for 2008-09 was Rs.4,284 crore of which Rs.2,653 crore (62 *per cent*) came from revenue receipts and balance (38 *per cent*) from borrowing and Public Account. The total receipts of the State increased by Rs.1,414 crore (49 *per cent*) from Rs.2,870 crore in 2004-05 to Rs.4,284 crore in 2008-09.

The share of revenue receipt of the State to total receipts increased from 52 *per cent* in 2004-05 to 62 *per cent* in 2008-09. On the other hand, the Capital Receipts together with Public Account Receipts ranged between 48 *per cent* to 56 *per cent* of total receipts during 2004-08 and came down to

38 per cent in 2008-09. Revenue receipts increased steadily by 77 per cent from Rs.1,502 crore in 2004-05 to Rs.2,653 crore in 2008-09, whereas the debt Capital receipts which create future repayment obligation with inter year fluctuation decreased from Rs.199 crore (seven per cent of total receipts) in 2004-05 to Rs.130 crore (three per cent of total receipts) in 2008-09. While during the period from 2004-05 to 2007-08, the Public Account Receipts increased steadily from Rs.1,169 crore (41 per cent of total receipts) to Rs.2,323 crore in 2007-08 (50 per cent of total receipts) except in 2008-09 when the Public Account Receipts decreased to Rs.1,501 crore (35 per cent) over the previous year 2007-08.

The Revenue Buoyancy and Capital Buoyancy increased from 0.34 per cent and 0.32 per cent in 2007-08 to 1.97 per cent and 3.16 per cent in 2008-09 respectively, while Public Account Buoyancy¹ decreased from (-) 0.03 per cent in 2007-08 to (-) 0.21 per cent in 2008-09.

1.2.2 Funds Transferred to State Implementing Agencies outside the State Budgets

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies for the implementation of various schemes/programmes in social and economic sectors recognized as critical. As these funds are not routed through the State Budget/ State Treasury System, Annual Finance Accounts do not capture the flow of these funds and to that extent, State's receipts and expenditure as well as other fiscal variables/ parameters derived from them are underestimated. To present a holistic picture on availability of aggregate resources, an attempt was made in audit and scheme wise funds directly transferred to State Implementing Agencies were obtained from nine schemes as detailed in Table-1.2.

Table-1.2: Funds Transferred Directly to State Implementing Agencies

(Rupees in crore)

Sl. No.	Programme/Scheme	Implementing Agency in the State	2008-09
			Central Share
1	2	3	4
1	National Rural Health Mission (NRHM)	Mizoram Health Society NRHM; Asstt. Drug Controller Govt. of Mizoram; GFK Mode Pvt. Ltd.; Mizoram General/Tribal Area; M S Civil Hospital Lunglei and CMO Aizawl West District Hospital, Aizawl	35.52
2	National Rural Employment Guarantee Scheme (NREGS)	Project Director, DRDA, Serchipp (AIZ-S), Lawngtlai, Aizawl, Saiha (Chimtupui), Champhai, Lunglei, Mamit, Kolasib and SGO Director, Kolasib	152.26
3	Indira Awaas Yojana (IAY)	Project Director, DRDA, Serchipp(AIZ-S), Lawngtlai, Aizawl, Saiha (Chimtupui), Champhai, Lunglei, Mamit and Kolasib	12.51
4	DRDA Administration	Project Director, DRDA, Serchipp (AIZ-S), Lawngtlai, Aizawl, Saiha (Chimtupui), Champhai, Lunglei, Mamit and Kolasib	4.11
5	Pradhan Mantri Gram Sadak Yojana (PMGSY)	SGO MZ303 update Description, Aizawl	25.00
6	Swaranjayanti Gram Swarozgar Yojana (SGSY)	Project Director, DRDA, Serchipp(AIZ-S), Lawngtlai, Aizawl, Saiha (Chimtupui), Champhai, Lunglei, Mamit and Kolasib	4.33
7	Sarva Shiksha Abhiyan (SSA)	Mizoram Sarva Shiksha Abhiyan, Mission	51.13
8	National Bamboo Mission	National Bamboo Mission Society	8.25
9	National AIDS Control including STD Control	Mizoram State AIDS Control Society	4.43
Total			297.54

Source: CGA's e-lekha portal.

1 Definition included in Appendix-1.2.

The GOI directly transferred to State Implementing Agencies an amount of Rs.297.54 crore in 2008-09. Thus, with the transfer of Rs.297.54 crore by GOI to State Implementing Agencies, the total availability of State resources increased from Rs.4,284 crore to Rs.4,581.54 crore in 2008-09. Details are given in **Appendix-1.5 (Part-A)**. As per the information furnished by the State Finance Department, the direct transfers was shown as Rs.404.82 crore (**Appendix-1.5 (Part-B)**) which is much higher than what is figuring in the Controller General of Accounts (CGA)'s e-portal. There is an urgent need to reconcile these figures.

Funds transferred directly from the Union Government to the State Implementing Agencies run the risk of poor oversight and therefore, unless uniform accounting practices are followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers. It also inhibits the Fiscal Responsibility and Budget Management (FRBM) requirement of transparency in fiscal operations and thus bypass accountability.

1.3 Revenue Receipts

Statement 11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2004-09 are presented in **Appendix-1.3** and also depicted in **Chart-1.4** and **1.5** respectively.

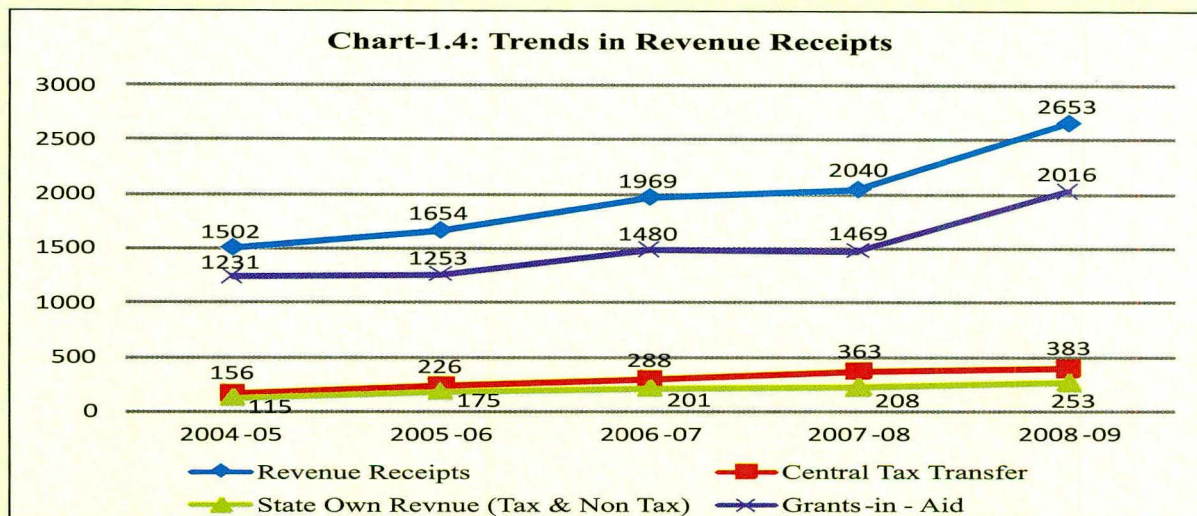
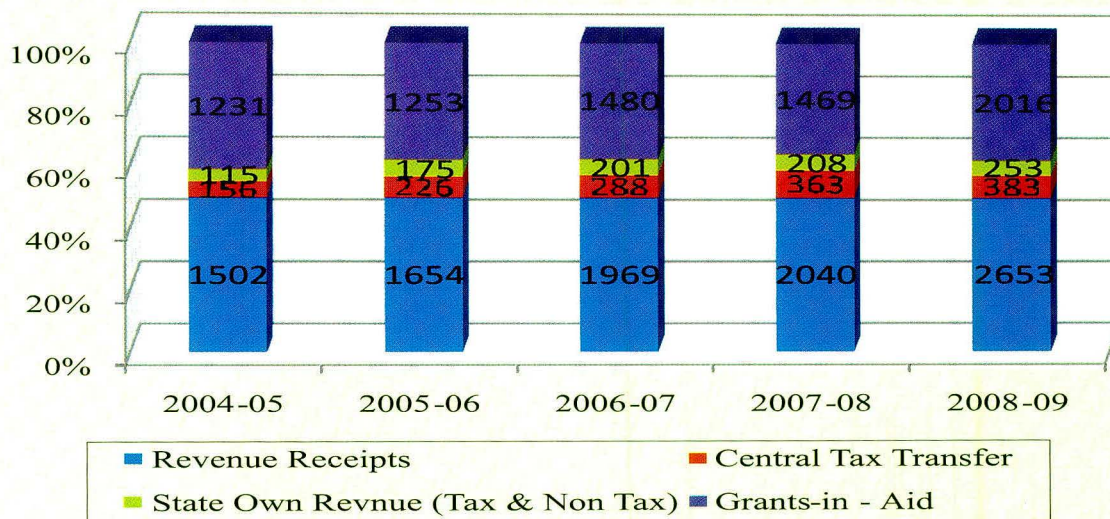


Chart-1.5: The composition of Revenue Receipts during 2004-09

The Revenue receipts of the State increased from Rs.1,502 crore in 2004-05 to Rs.2,653 crore in 2008-09 at an annual average rate of 16 *per cent*, while 10 *per cent* of the Revenue receipts (Rs.2,653 crore) during 2008-09 have come from State's own resources (Rs.253 crore), central tax transfers and grant-in-aid together contributed about 90 *per cent*.

Tax Revenue:- The percentage of tax revenue to total revenue receipts ranged between three to four *per cent* during 2004-09. The tax revenue has increased by Rs.17 crore (21.79 *per cent*) from Rs.78 crore in 2007-08 to Rs.95 crore in 2008-09. The increase in tax revenue during 2008-09 over previous year was mainly due to increase in Sales tax (Rs.15.46 crore).

Non-Tax Revenue:- Non-tax revenue constituted 6 *per cent* of total revenue receipts and increased by Rs.29 crore during 2008-09 recording a growth rate of 22.31 *per cent* over the previous year. The increase in non-tax revenue during 2008-09 over previous year was mainly due to increased realization of interest on cash balance investment (Rs.17.31 crore), other receipts (Rs.9.80 crore) like transmission and distribution under Power Department.

In terms of an incentive scheme of Twelfth Finance Commission (TFC), a reward for fiscal performance was built into the debt-write off package under Debt Consolidation Relief Fund (DCRF²). According to the

² In pursuance of recommendations of the TFC for fiscal consolidation and elimination of revenue deficit of the States GOI formulated a scheme "the Sates DCRF (2005-06 to 2009-10)" under which general debt relief is provided by consolidating and rescheduling the Central loans granted to States at substantially reduced rates of interest, on enacting the FRBM Act and debt waiver is granted based on fiscal performance, linked to the reduction of revenue deficit of the States.

scheme, the quantum of write off of repayment of GOI loans after consolidation and rescheduling will be linked to the absolute amount by which revenue deficit is reduced in each successive year during the award period. However, the debt waiver was not received by the State Government during the current year due to deterioration in fiscal performance of the State viewed in terms of deficit indicators.

Central Tax Transfer:- Central tax revenue increased by Rs.20 crore from Rs.363 crore in 2007-08 to Rs.383 crore in 2008-09 and constituted 14.44 *per cent* of revenue receipts during the year. The increase was mainly due to increase in transfer of corporation tax (Rs.10.36 crore), customs (Rs.4.62 crore) and service tax (Rs.5.14 crore).

Grants-in-aid:- Grants-in-aid from the GOI increased by Rs.547 crore (37.24 *per cent*) from Rs.1,469 crore in 2007-08 to Rs.2,016 crore in 2008-09 mainly due to increases in grants for non-plan grants (Rs.55 crore), grants for State plan Schemes (Rs.259 crore), grants for central plan Schemes (Rs.11 crore), grants for Centrally Sponsored Scheme (CSS) (Rs.201 crore) and grants for special plan schemes (Rs.22 crore). The trends in revenue receipts relative to Gross State Domestic Product (GSDP) are presented in **Table-1.3** below:

Table-1.3 : Trends in revenue receipts relative to GSDP

	2004-05	2005-06	2006-07	2007-08	2008-09
Revenue Receipts (RR) (Rupees in crore)	1502	1654	1969	2040	2653
Rate of growth of RR (<i>per cent</i>)	9.56	10.12	19.04	3.61	30.05
RR/GSDP (<i>per cent</i>)	61.53	61.40	65.96	61.72	69.65
Buoyancy Ratios					
Revenue Buoyancy w.r.t. GSDP	0.57	0.98	1.76	0.34	1.97 ³
State's Own Tax Buoyancy w.r.t. GSDP	1.01	3.79	2.11	1.37	1.45
Revenue Buoyancy with reference to State's own taxes	0.57	0.26	0.84	0.25	1.36

The revenue receipts of the State grew by 30.05 *per cent* during 2008 09 over the previous year due to increase in tax revenue by Rs.17 crore (21.79 *per cent*), non-tax revenue by Rs.29 crore (22.31 *per cent*), central tax transfers by Rs.20 crore (5.51 *per cent*) and grants-in-aid by Rs.547 crore (37.24 *per cent*).

1.3.1 State's Own Resources

As the State's share in central taxes and grants-in-aid are determined on the basis of recommendations of the Finance Commission, collection of central tax receipts and central assistance for plan schemes

3 Buoyancy ratio indicates the elasticity of degree of responsiveness of a fiscal variable with respect a given change in the base variable. For instance, revenue buoyancy at 1.97 during 2008-09 implies that revenue receipts tend to increase by 1.97 percentage points, if the GSDP increases by one *per cent*.

etc. the State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

The tax revenue has increased by Rs.17 crore from Rs.78 crore in 2007-08 to Rs.95 crore in 2008-09. The annual average rate increase in tax revenue was 3.40 *per cent* during 2005-06 to 2008-09. The major contributions in the State's own tax during 2008-09 are sales tax Rs.78 crore (82 *per cent* of tax revenue), taxes on vehicles Rupees six crore (six *per cent* of tax revenue) and other taxes Rupees six crore (six *per cent* of tax revenue). Collection of sales tax increased by Rs.15.44 crore in 2008-09 over previous year (due to increase of Rs.20.58 crore in lubricants/ Motor Spirit and Rs.4.71 crore in sales tax) partly offset by decrease in receipts under Surcharge on Sales Tax by Rs.0.85 crore and Rs.8.78 crore under other receipts.

Non-tax revenue on the other hand increased from Rs.76 crore in 2004-05 to Rs.159 crore in 2008-09 at an annual average rate of 6.20 *per cent*. The major contributors in State's non-tax revenue during 2008-09 are interest receipts on cash balance investment (Rs.17.31 crore) and other receipts (transmission and distribution) of Rs.9.80 crore under Power Department. The performance of State in regard to mobilization of its own resources *vis-à-vis* assessment made by the TFC and State Government in its FCP statements for 2008-09 were as under:-

(Rupees in crore)

Parameters	Assessment made by TFC	Fiscal Correction Path (FCP)	Actual
Tax Revenue	99.49	74.56	94.62
Non-Tax Revenue	71.15	117.27	158.67

The above table indicates that tax revenue fell short by five *per cent* than the assessment made in the TFC while it recorded an increase of 27 *per cent* than the assessment made in FCP. However, non-tax revenue increased by 123 *per cent* and 35 *per cent* over the assessment made in the TFC and FCP respectively.

1.3.2 Revenue Arrears

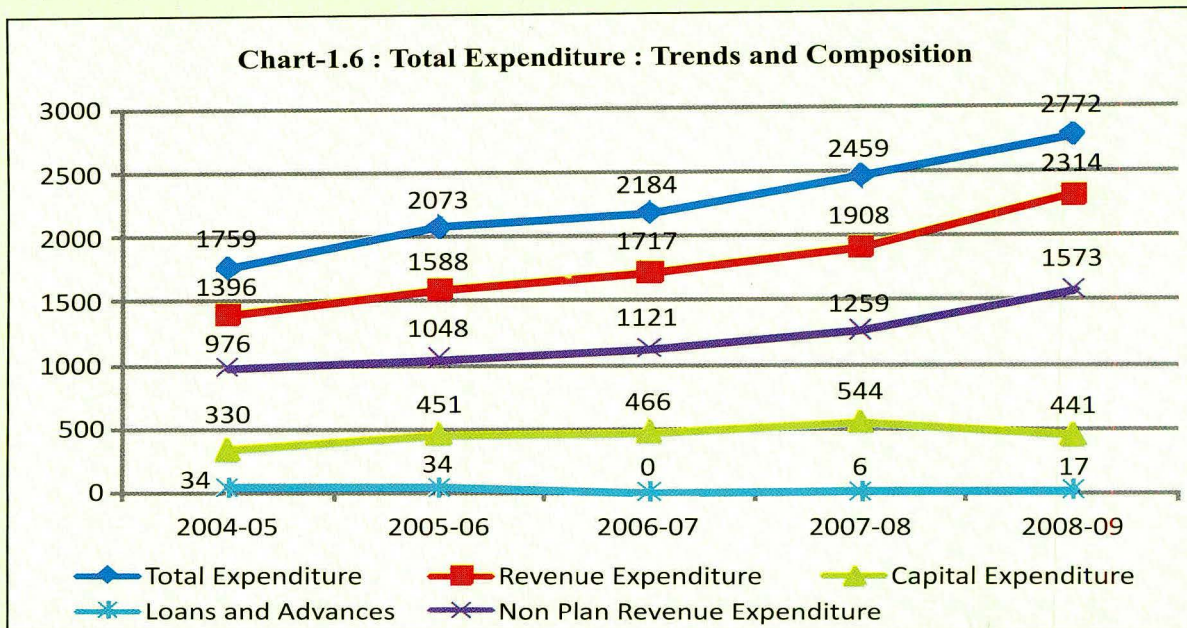
The arrears in revenue in respect of State sales tax increased from Rs.0.28 lakh in 2004-05 to Rs.179.71 lakh in 2008-09, while arrears in revenue from Mahaldars under Environment and Forest Department increased from Rs.2.77 lakh in 2004-05 to Rs.21.48 lakh in 2008-09. The Environment and Forest Department stated (August 2009) that the outstanding revenue of Rs.21.48 lakh could not be realized from the defaulting Mahaldars.

1.4 Application of Resources

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

1.4.1 Growth and Composition of Expenditure

Chart-1.6 presents the trends in total expenditure over a period of five years (2004-09) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted respectively in **Charts-1.7 and 1.8**.



Statement 12 of the Finance Accounts depicts the detailed revenue expenditure by minor heads and capital expenditure by major heads. States raised resources to perform their sovereign functions, maintained their existing nature of delivery of social and economic services, to extend to network of these services through capital expenditure and investments and to discharge their debt service obligations. The total expenditure of the State increased from Rs.1,759 crore in 2004-05 to Rs.2,772 crore in 2008-09 at an annual average rate of 12.13 *per cent* and by Rs.313 crore (12.73 *per cent*) increased from Rs.2,459 crore in 2007-08 to Rs.2,772 crore in 2008-09. Of the total expenditure, the revenue expenditure constituted 83.48 *per cent* (Rs.2,314 crore) while capital expenditure constituted 15.91 *per cent* (Rs.441 crore) and loan and advances formed 0.61 *per cent* (Rs.17 crore).

The breakup of total expenditure in terms of plan and non-plan expenditure reveals that while the share of plan expenditure constituted 39.94 *per cent* (Rs.1,107 crore), the remaining 60.06 *per cent* (Rs.1,665 crore) was non-plan expenditure. The increase in total expenditure during 2008-09 over the previous year was due to increase in revenue expenditure by Rs.405 crore (21 *per cent*) and loan and advances by Rs.11 crore (184 *per cent*) despite a decrease in capital expenditure by Rs.103 crore (19 *per cent*).

The increase in revenue expenditure during 2008-09 over the previous year was mainly due to increase in expenditure on Education, Sports, Art and Culture (Rs.66.17 crore), Health and Family Welfare (Rs.72.44 crore), Social Welfare (Rs.48.57 crore), Water Supply, Sanitation, Housing and Urban Development (Rs.6.36 crore), Welfare of Scheduled Castes, Scheduled Tribe and other Backward Classes (Rupees five crore), General Services (Rs.158.09 crore), Agriculture and allied activities (Rs.18.75 crore), Energy (Rs.20.68 crore), General Economic Services (Rs.6.86 crore) and Special Area Programmes (SAP) (Rs.6.11 crore), Communication (Rs.3.44 crore) which was partly offset by decrease in Rs.8.82 crore under Rural Development in Economic Sector.

The decrease in capital expenditure of Rs.103 crore over the previous year was mainly due to decrease in plan expenditure on Water Supply and Sanitation (Rs.12.14 crore), Rural Development (Rs.5.71 crore), Energy (Rs.34.14 crore), Transport (Rs.113.09 crore) partly offset by increased in expenditure on Agriculture and allied activities (Rs.16.06 crore), Irrigation and Flood Control (Rs.44.33 crore) and General Economic Services (Rs.6.66 crore) under plan capital expenditure in Economic Sector. Loans and advances constituted 0.63 *per cent* of the total expenditure which increased by Rs.11 crore over the previous year. The increase in loan and advances was mainly due to increase in disbursement of loans to Village and Small Scale Industries (Rs.8.72 crore) and loans to Government Servant (Rs.3.24 crore) over the previous year.

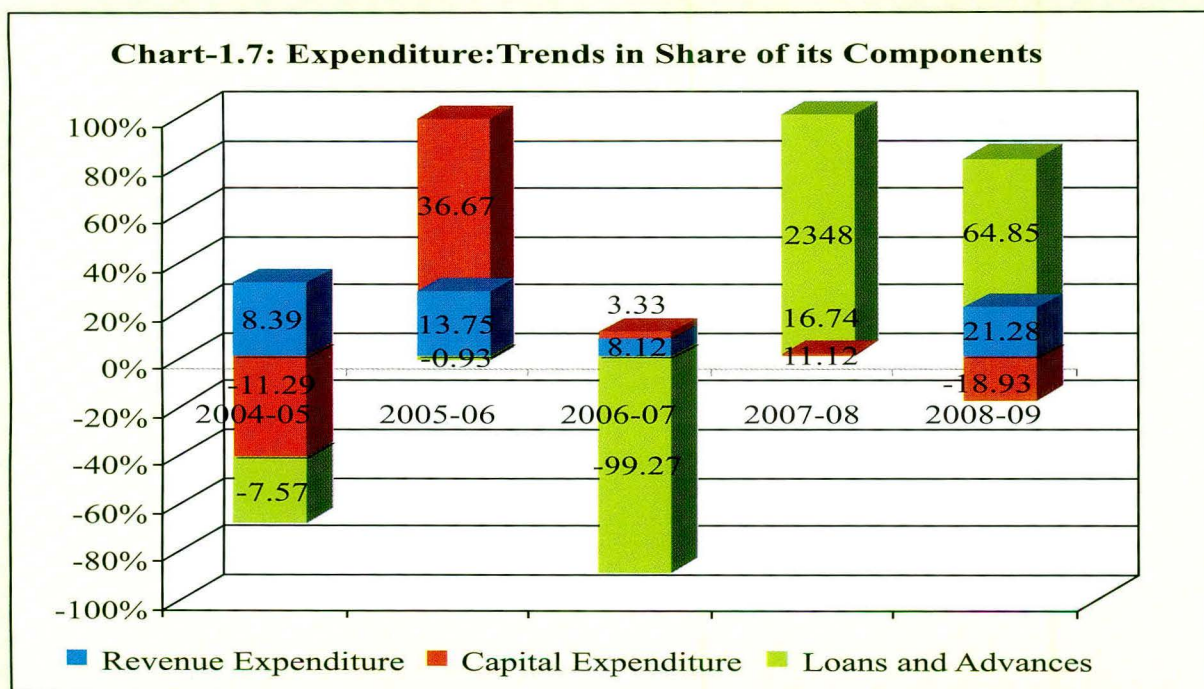
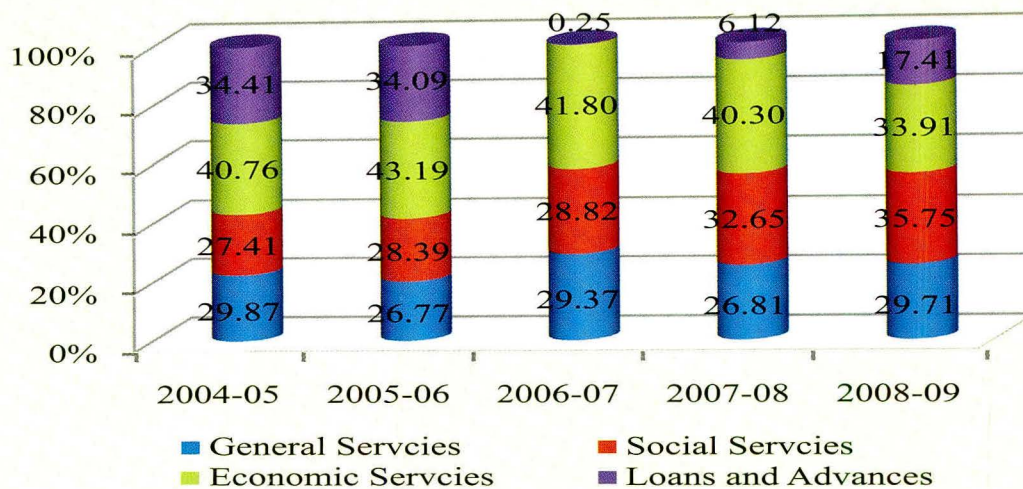


Chart 1.8: Total Expenditure: Trends by Activities



In terms of activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social and Economic Services, Grants-in-Aid and Loans and Advances. The movement of relative share of these components of expenditure indicated that all components of expenditure had inter-year variations. But the expenditure on general services including interest payments, which are considered as non developmental, together accounted for 29.71 *per cent* in 2008-09 as against 26.81 *per cent* in 2007-08. On the other hand development expenditure, i.e. expenditure on Social and Economic Services together accounted for 69.66 *per cent* in 2008-09 as against 72.95 *per cent* in 2007-08. This indicates that there was increase in non developmental expenditure and decrease in developmental expenditure in comparison to previous year.

Revenue expenditure had predominant share in total expenditure. Revenue expenditure is increased to maintain the current level of services and payment for the past obligation and as such does not result in any addition to State's infrastructure and service network. The overall revenue expenditure of the State increased by 65.80 *per cent* from Rs.1,395.51 crore in 2004-05 to Rs.2,313.80 crore in 2008-09 at an average rate of 13.58 *per cent* and increased from Rs.1,908.39 crore in 2007-08 to Rs.2,313.80 crore in 2008-09. Thus, the revenue expenditure as a percentage of the total expenditure did not indicate a regular trend as it constituted 79 *per cent* in 2006-07, 78 *per cent* in 2007-08 to 83 *per cent* in 2008-09. A comparative position of Non Plan Revenue Expenditure (NPRE) *vis-à-vis* assessment made by TFC and FCP revealed that NPRE was 15 *per cent* (Rs.205 crore) higher than the projections made in FCP and also higher by 39 *per cent* (Rs.438 crore) relative to TFC assessment, as indicated below:-

(Rupees in crore)

	Assessment/Projections		Actual
	TFC	FCP	
Non Plan Revenue Expenditure	1135	1368	1573

The Plan Revenue Expenditure (PRE) increased by Rs.92 crore from Rs.649 crore in 2007-08 to Rs.741 crore in 2008-09 mainly due to increase in Education, Sports and Art & Culture (Rs.31.69 crore), Health and Family Welfare (Rs.63.20 crore), Water Supply, Sanitation, Housing and Urban Development (Rs.3.16 crore), Social Welfare and Nutrition (Rs.5.66 crore), Special Areas Programme (Rs.6.11 crore), and General Economic Services (Rs.2.27 crore) over the previous year.

The ratio of NPRE to GSDP rose from 39.99 *per cent* to 41.30 *per cent* during 2004-09. The buoyancy of NPRE to GSDP increased from 0.39 *per cent* in 2007-08 to 1.63 *per cent* in 2008-09, while with reference to Revenue Receipts (RR) it decreased by 2.43 *per cent* from 2007-08 to 2008-09 as indicated below:

	2004-05	2005-06	2006-07	2007-08	2008-09
Non Plan Revenue Expenditure	976.38	1048.07	1121.49	1259.31	1573.21
Growth of NPRE	6.45	7.34	7.01	12.29	24.93
GSDP	2441.47	2693.96	2984.99	3305.09	3809.16
Growth of GSDP	16.74	10.34	10.80	10.72	15.25
Ratio of NPRE to GSDP	39.99	38.90	37.57	38.10	41.30
Revenue Receipts (RR)	1502.00	1654.00	1969.00	2040.00	2653.00
Ratio of NPRE to RR	65.01	63.37	56.96	61.73	59.30
Buoyancy of NPRE w.r.t. GSDP	0.39	0.71	0.65	1.15	1.63

1.4.2 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table-1.4** and **Chart-1.9** present the trends in the expenditure on these components during 2004-09.

Table-1.4: Components of Committed Expenditure

(Rupees in crore)

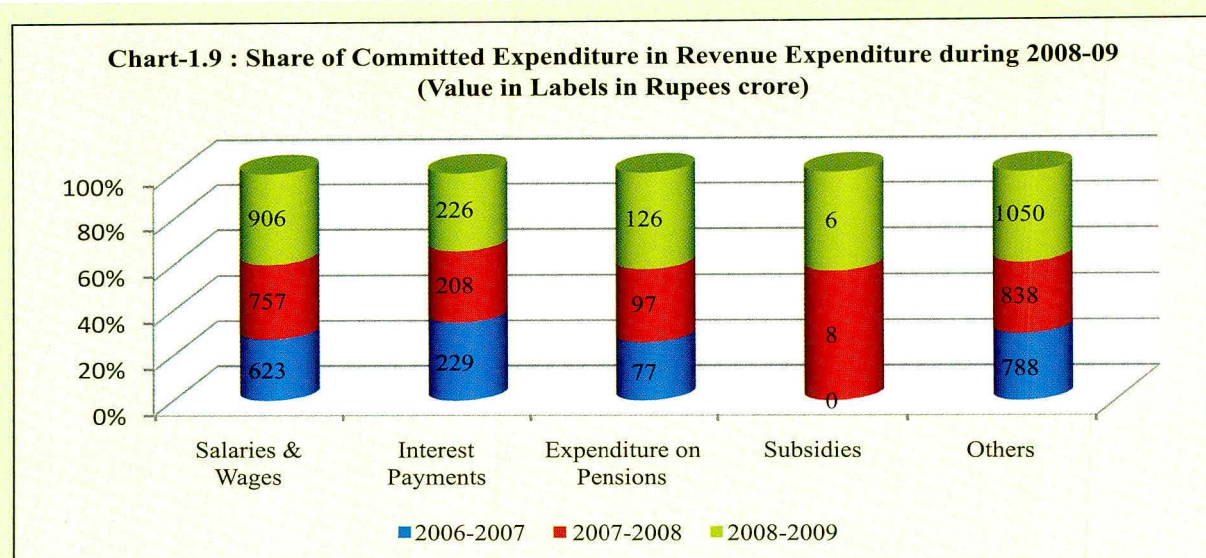
Components of Committed Expenditure	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE ^(@)	Actuals ^(@)
Salaries* & Wages, of which	564 (37.55)	560 (33.86)	623 (31.64)	757 (37.11)	708.37	906 (34.15)
Non-Plan Head	461	445	473	602	--	737
Plan Head**	103	115	150	155	--	169
Interest Payments	182 (12.12)	185 (11.19)	229 (11.63)	208 (10.20)	203.13	226 (8.52)
Expenditure on Pensions	89 (5.93)	89 (5.38)	77 (3.91)	97 (4.75)	106.01	126 (4.75)
Subsidies	1 (0.07)	2 (0.12)	--	8 (0.39)	--	6 (0.23)
Other Components	560 (37.28)	752 (45.47)	788 (40.02)	838 (41.08)	1015.13	1050 (39.58)
Total Revenue Expenditure	1396	1588	1717	1908	2033	2314
Revenue Receipt	1502	1654	1969	2040	2653	

Figures in the parentheses indicate percentage to Revenue Receipts

* Represents Salaries and Wages and includes spent from Grants-in-aid.

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

(@) BE figures are gross figures sourced from Annual Financial Statement, Government of Mizoram, 2008-09, while Actuals are net figures sourced from Finance Accounts, 2008-09.



Salaries (Rs.906 crore) alone accounted for more than 34 *per cent* of revenue receipts (Rs.2,653 crore) during the year. It increased by about 20 *per cent* from Rs.757 crore in 2007-08 to Rs.906 crore in 2008-09. Salary expenditure under Non-Plan head during 2008-09 increased by Rs.135 crore (22.43 *per cent*) over the previous year; whereas the salary expenditure on Plan head increased by Rs.14 crore (9.03 *per cent*) over the previous year. Non-plan salary expenditure ranged between 75.92 *per cent* to 81.35 *per cent* of total expenditure on salaries during 2006-09. Expenditure on salaries during 2008-09 was higher by Rs.198 crore (27.96 *per cent*) than assessed (Rs.708 crore) by the State Government in its FCP. The expenditure on salaries (Rs.906 crore) was 46.18 *per cent* of the revenue expenditure, net of interest payment and pension (Rs.1,962 crore) as against TFC norms of 35 *per cent* and constituted 357 *per cent* of total tax and non-tax revenue (Rs.254 crore) during 2008-09, requiring immediate attention of the Government to achieve the TFC norm.

Pension payments grew at an annual average rate of 28 *per cent* from Rs.77 crore in 2006-07 to Rs.126 crore in 2008-09. Pension payment (Rs.126 crore) alone account for nearly 4.75 *per cent* of revenue receipts (Rs.2,653 crore) of the State during the year and increased by Rs.29 crore (29.90 *per cent*) over the previous year. Pension payment was Rs.20 crore (18.87 *per cent*) higher than the projections (Rs.106.01 crore) made by the State Government in its FCP though Rs.29 crore less than the assessment made by the TFC (Rs.155.11 crore). Increase of Rs.29 crore in pension payment during 2008-09 over the previous year was mainly due to increase in expenditure under superannuation and retirement allowances (Rs.4.48 crore), commutation of pension (Rs.6.40 crore), gratuities (Rs.8.98 crore) and leave encashment (Rs.6.72 crore). A part of the increased expenditure was offset by decrease in payment of family pension (Rs.0.77 crore). Again Pensions to Legislatures increased by 355 *per cent* during 2008-09 (Rs.0.91 crore) over the previous year 2007-08 (Rs.0.20 crore) attracted immediate attention of the State Government.

Interest payments increased by 8.65 *per cent* from Rs.208 crore in 2007-08 to Rs.226 crore in 2008-09. The interest payments has increased mainly due to increase in Internal Debt (Rs.27.67 crore) partly offset by decrease in Loans and Advances from Central Government (Rs.3.61 crore) and Small Savings, Provident Fund, etc. (Rs.6.45crore). The interest payment was Rs.23 crore more than that projected (Rs.203 crore) in FCP for the year 2008-09 and also Rs.11 crore higher than projected (Rs.215 crore) by TFC. The interest payment relative to revenue receipts at 8.52 *per cent* was well within the norm of 15 *per cent* recommended by the TFC to be achieved during the award period. The major sources of borrowings of the State Government were (i) Loans from the Centre, (ii) Market loans, (iii) Loans from Banks and Financial Institutions, (iv) Loans from Small Savings Fund of the Central Government with interest rate ranging from 6.46 *per cent* to 7.57 *per cent* per annum during the period 2006-09.

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

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table-1.5**.

Table-1.5: Financial Assistance to Local Bodies etc.

(Rupees in crore)

Financial Assistance to Institutions	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE	Actual
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	37.39	43.77	27.00	29.20	21.51	33.34
Zilla Parishads and Other Panchayati Raj Institutions	61.29	66.46	71.05	85.50	90.50	90.50
Consumer Co-operative Societies/MIZOFED	0.96	0.74	2.10	2.66	2.46	2.46
Other Institutions ⁴	16.97	11.45	28.22	30.42	9.45	13.44
Total	116.61	122.42	128.37	147.78	123.92	139.74
Assistance as per percentage of RE	8.36	7.71	7.48	7.74		6.04

Source : Information furnished by the Office of the Accountant General (A&E) Mizoram.

The total assistance at the end of the year 2008-09 had increased by 20 *per cent* over the level of 2004-05. Assistance to local bodies as a percentage of total revenue expenditure had decreased from 8.36 *per cent* in 2004-05 to 6.04 *per cent* in 2008-09. Financial assistance to educational institutions alone constituted 24 *per cent* of total assistance of the State Government during 2008-09.

1.5 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,

4 (Figures for 2008-09) Local Administration (Rs.748.57 lakh), Social Welfare (Rs.20 lakh), Animal Husbandry (Rs.78.03 lakh), Environment and Forest (Rs.30 lakh), Rural Development (Rs.71.48 lakh) and Urban Development and Poverty Alleviation (Rs.396.42 lakh).

viz. adequacy of the expenditure (i.e. adequate provisions for providing public services); efficiency of expenditure use and the effectiveness (assessment of outlay-outcome relationships for select services).

1.5.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to the State Governments. Enhancing human development levels requires the States to step up their expenditure on key social services like, education and health etc. The low level of spending on any sector by a particular State may be either due to low fiscal priority attached by the State Government or on account of the low fiscal capacity of the State Government or due to both working together. The low fiscal priority (ratio of expenditure category to aggregate expenditure) is attached to a particular sector if it is below the respective national average while the low fiscal capacity would be reflected if the State's per capita expenditure is below the respective national average even after having a fiscal priority that is more than or equal to the national average. **Table-1.6** analyses the fiscal priority and fiscal capacity of the State Government with regard to development expenditure, social sector expenditure and capital expenditure during the current year.

Table-1.6: Fiscal Priority and Fiscal capacity of the State in 2005-06 and 2008-09

Fiscal Priority by the State	AE/GSDP	DE/AE	SSE/AE	CE/AE
All States/National Average* (Ratio) 2005-06	19.50	61.44	30.41	14.13
Mizoram's Average (Ratio) 2005-06	76.95	73.23	30.78	21.76
All States/National Average* (Ratio) 2008-09	19.16	67.68	33.90	16.87
Mizoram's Average (Ratio) 2008-09	72.78	70.10	35.75	15.91
Fiscal Capacity of the State	DE	SSE	CE	
All States Average per capita Expenditure 2005-06	3010	1490	692	
Mizoram's per capita Expenditure (Amount in Rupees) in 2005-06	15180	6380	4510	
Adjusted per capita** Expenditure (Amount in Rupees) in 2005-06	NR	NR	NR	
All States Average per capita Expenditure 2008-09	5030	2520	1254	
Mizoram's per capita Expenditure (Amount in Rupees) in 2008-09	19434	9911	4410	
Adjusted per capita** Expenditure (Amount in Rupees) in 2008-09	NR	NR	NR	

*As per cent to GSDP

**Calculated as per the methodology explained in the Appendix-1.2

AE: Aggregate Expenditure, DE: Development Expenditure, SSE: Social Sector Expenditure, CE: Capital Expenditure
Population of Mizoram 0.10 crore in 2005-06 and 0.10 crore in 2008-09.

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

Source: (1) For GSDP, the information was collected from the State's Directorate of Economic and Statistics
(2) Population figures were taken from Projection 2001-2026 of the Registrar General & Census Commissioner, India
(Website: <http://www.censusindia.gov.in>) Population = Average of Projected Population for 2005 and 2006.

NR = No adjustment required since the State is giving adequate fiscal priority.

Data for Arunachal Pradesh has not been included in All States Average.

Table 1.6 shows that the ratio of aggregate expenditure to GSDP for Mizoram (76.95 *per cent* and 72.78 *per cent*) is higher than all the States/ National Average (19.50 *per cent* and 19.16 *per cent*) in 2005-06 and 2008-09 respectively. This means that on average, other States are spending a lower proportion of their GSDP annually. Similarly, the ratio of development expenditure and social sector expenditure as a proportion of aggregate expenditure for Mizoram is also higher than the respective national averages. This indicates that Mizoram is giving adequate fiscal priority to all these categories of expenditure compared to other States. In the case of capital expenditure, in 2005-06 it was higher than the national average, however, in 2008-09, the State has a lower expenditure than the national average and there is a need to give greater fiscal priority to capital expenditure.

The per capita expenditure in Mizoram in these three categories is higher than the national average in 2005-06 and 2008-09 as depicted in **Table-1.6**.

1.5.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods⁵. Apart from improving the allocation towards development expenditure⁶, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table-1.7** presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year vis-à-vis budgeted and the previous years, **Table-1.8** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

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

6 The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.

Table-1.7: Development Expenditure

(Rupees in crore)

Components of Development Expenditure	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE	Actuals
Development Expenditure (a to c)	1234 (70)	1518 (73)	1543 (71)	1798 (73)	1640	1943 (70)
Development Revenue Expenditure	881 (50)	1046 (50)	1101 (50)	1263 (51)	1312	1510 (54)
Development Capital Expenditure	319 (18)	438 (21)	442 (21)	531 (22)	319	421 (15)
Development Loans and Advances	34 (2)	34 (2)	0	4 (0)	9	12 (0)
Figures in parentheses indicate percentage to aggregate expenditure						

The development expenditure was higher than the assessment made by the State Government in budget estimates by Rs.303 crore during 2008-09. The development revenue expenditure increased by 20 per cent (Rs.247 crore), while development capital expenditure decreased by 21 per cent (Rs.110 crore) over the previous year.

Table-1.8: Efficiency of Expenditure Use in Selected Social and Economic Services

Social/ Economic Infrastructure	2007-08				2008-09			
	Ratio of CE to TE	In RE, the share of		Non-Salary	Ratio of CE to TE	In RE, the share of		Non-Salary
		S & W		Rs. in crore		S & W		Rs. in crore
		Rs. in crore	In <i>per cent</i>			Rs. in crore	In <i>per cent</i>	
Social Services (SS)								
Education, Sports, Art and Culture	1.61	232.92	70.03	99.68	1.70	282.20	70.77	116.57
Health and Family Welfare	0.19	70.38	71.46	28.11	2.35	82.42	48.22	88.51
WS, Sanitation & HUD	43.19	21.15	18.94	90.50	38.14	23.37	19.80	94.64
Other Social Services	8.89	17.31	11.24	136.72	4.12	21.60	10.26	188.87
Total (SS)	53.88	341.76	49.05	355.01	46.31	409.59	45.60	488.59
Economic Services (ES)								
Agri. & Allied Activities	2.88	67.64	32.85	67.64	3.13	80.38	35.78	224.66
Irrigation and Flood Control	1.25	2.34	36.11	2.34	2.71	2.57	61.93	4.15
Power & Energy	2.80	31.98	22.03	31.98	1.25	37.99	22.91	165.84
Transport	6.33	32.65	48.09	32.65	1.54	33.67	48.59	69.29
Other Economic Services	4.01	40.09	28.53	40.09	3.21	46.52	31.45	147.92
Total (ES)	17.27	174.70	30.87	174.70	11.84	201.13	32.87	611.86
Grand Total (SS+ES)	71.15	516.46	40.90	516.46	58.15	610.72	40.44	1510.04

The ratio of salary and wage component under Social and Economic Services to revenue expenditure during the current year was 40.44 *per cent*, a marginal decrease of 0.46 *per cent* over the previous year. The salary and wage component under revenue expenditure in Social Sector increased by Rs.68 crore from Rs.342 crore in 2007-08 to Rs.410 crore in 2008-09, showing a decrease by 3.45 *per cent* over the previous year; while non-salary component increased by 38 *per cent* from Rs.355 crore in 2007-08 to Rs.489 crore in 2008-09. Again, within the revenue expenditure under economic services, the salary and wage component increased by 15 *per cent* from Rs.175 crore in 2007-08 to Rs.201 crore in 2008-09 and also non-salary component increased by five *per cent* from Rs.391 crore in 2007-08 to Rs.411 crore in 2008-09.

Expenditure under Education, Sports, Art & Culture increased by Rs.49 crore (0.74 *per cent*) from Rs.233 crore in 2007-08 to Rs.282 crore in 2008-09; while the increase in expenditure on Health and Family Welfare was Rs.12 crore from Rs.70 crore in 2007-08 to Rs.82 crore in 2008-09, showing a decrease by 23.24 *per cent* over the previous year. Recognizing the need to improve the quality of education and health services, TFC recommended that non-plan salary expenditure under Education and Health and Family Welfare department should increase by five to six *per cent* while non-salary expenditure under non-plan head should increase by 30 *per cent* during the award period. Trends in expenditure revealed that the salary and wage component and non-salary and wage component under Education, Sports, Art & Culture increased by 21 *per cent* and 17 *per cent* respectively over 2007-08.

During 2008-09, the salary & wage component under Economic Services, an increase was observed in Agri. and Allied Activities (18.83 *per cent*), Energy (18.79 *per cent*) and in Irrigation and Flood Control (9.83 *per cent*).

The trend in revenue and capital expenditure on Economic Services indicate that revenue expenditure increased by 8.13 *per cent* from Rs.566 crore in 2007-08 to Rs.612 crore in 2008-09, while capital expenditure decreased by 22.82 *per cent* from Rs.425 crore in 2007-08 to Rs.328 crore in 2008-09 (Detailed in **Appendix-1.6 Part-A & Part-B**).

1.5.3 Effectiveness of the Expenditure, i.e. Outlay-Outcome Relationship

Performance review of implementation of the Schemes viz. Bamboo Flowering and Famine Combat (BAFFACOS) and Mizoram State Transport – Departmental Undertaking was taken up during 2008-09, results of the performance review is summarized below:

Box:1 Bamboo Flowering and Famine Combat Scheme (BAFFACOS)

To combat the problem arising out of gregarious flowering of bamboo, the State Government introduced (August 2004) "Bamboo Flowering and Famine Combat Scheme (BAFFACOS)". A performance review of BAFFACOS revealed shortcomings in the planning with no approved centralized objectives for the scheme. The State Government provided Rs.125 crore for implementation of the scheme. The allocation to 15 departments was done in an ad-hoc manner without any prioritisation of activities. The entire amount was spent by the State Government without giving any importance for the core activities of the scheme. There was also no co-ordination amongst different Departments and activities were implemented in a standalone mode resulting in wastage, misuse, diversion of funds and creation of idle assets. Due to non extraction of bamboo the State Government also sustained a loss of Rs.226 crore. Test check of ten implementing Departments revealed spending of Rs.23.08 crore on creation of idle assets, misuse of funds, diversion of fund and doubtful expenditure. BAFFACOS, thus, did not address the core issue of utilization of resource and providing livelihood to affected families.

Box:2 Mizoram State Transport – Departmental Undertaking

The public road transport is primarily provided by Mizoram State Transport (MST), a Departmental Undertaking, which is to provide an efficient, adequate, economical and properly coordinated road transport. MST had fleet strength of 54 buses as on 31 March 2009 and carried an average of 353 passengers per day. MST had incurred operational losses every year varying from Rs.12.40 crore to Rs.14.72 crore and net loss ranged between Rs.13.92 crore and Rs.16.25 crore during five years ending 2008-09. MST's fleet utilization at 39 *per cent* in 2008-09 was below hill area average of 90 *per cent*. Its vehicle productivity at 61.93 kilometers per day per bus was also below the hill area average of 196 kilometers. Similarly, its load factor at 47.76 *per cent* remained below the hill area average of 63 *per cent*. All the 29 routes operated by the MST were not meeting its variable cost due to high cost of operation. Thus, on all important parameters the performance was below the all India average in respect of hill area. Manpower and fuel constitute 67.65 and 5.89 *per cent* respectively of total cost. Thus, expenditure control has to come from manpower by reducing excessive manpower. Expenditure on repairs and maintenance was Rs.2.10 crore in 2008-09. MST is incurring losses mainly due to its high cost of operations. The top management of MST is expected to demonstrate managerial capability to set realistic and progressive targets, address areas of weakness and take remedial action. However, MST lacked in these aspects and could not control the cost and increase the revenue. MST can control the losses by increasing operational efficiency. Audit noticed that with a right kind of policy measures and better management of its affairs, it is possible to increase revenue and reduce cost so as to serve its cause better.

1.6 Financial Analysis of Government Expenditure and Investments

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

1.6.1 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2009 is given in **Table-1.9** below:

Table-1.9: Department-wise Profile of Incomplete Projects

(Rupees in crore)

Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Total Cost of Projects	Cost Over Runs	Cum. actual exp. as on 31.3.2009
Public Works (Roads)	4	80.28	--	--	63.07
Public Works (Buildings)	1	4.89	--	--	4.44
Public Health Engineering (PHE)	1	576.81	--	--	534.08
	2	85.51	136.17	50.66	129.19
Power and Electricity (P&E)	3	33.34	--	--	22.10
	2	138.54	197.33	58.79	178.06
Total	13	919.37	333.50	109.45	930.94

Source : Finance Account 2008-09.

As of March 2009, there were 13 incomplete projects, which were started with initial budgeted cost of Rs.919.37 crore under Public Works (Roads), Public Works (Buildings), Public Health Engineering and Power & Electricity Departments. The projects were to be completed between November 2003 to March 2009. Due to non completion of the 13 projects (March 2009), an amount of Rs.930.94 crore booked against these projects remained blocked. Out of 13 projects, four projects (PHE - two projects and P&E - two projects) which were to be completed at a cost of Rs.224.05 crore had subsequently been revised at Rs.333.50 crore due to non completion within scheduled dates of completion. The cost over-run on these projects was Rs.109.45 crore.

1.6.2 Investment and returns

As of 31 March 2009, Government had invested Rs.19 crore in Government Companies and Co-operatives. The average returns on this investment was 'nil' in the last five years while the Government paid an average interest rate ranging from 6.43 per cent to 7.57 per cent on its borrowings during 2004-2009 (**Table-1.10**).

Table-1.10: Return on Investment

(Rupees in crore)

Investment/ Return/ Cost of Borrowings	2004-05	2005-06	2006-07	2007-08	2008-09
					Actual
Investment at the end of the year (Rupees in crore)	11.68	13.68	15.37	17.21	18.73
Return (Rupees in crore)	--	--	--	--	--
Return (per cent)	--	--	--	--	--
Average rate of interest on Govt. borrowing (per cent)	7.14	6.53	7.57	6.43	6.46
Difference between interest rate and return (per cent)	7.14	6.53	7.57	6.43	6.46

During the last five years, i.e. 2004-09, the State Government's investments have increased by Rs.7.05 crore. During the current year, Government has invested Rs.2.49 crore in Government Companies and Rs.16.24 crore in Co-operative Societies. As of March 2009, five Working Government Companies have registered accumulated loss of Rs.40.23 crore.

In view of the substantial losses in all the five Working Government Companies, the Government should review their working so as to wipe out their losses in the short run and to make them self sustaining in medium to long term.

1.6.3 Loans and Advances by State Government

In addition to investments in Co-operative Societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/organizations. Table-1.11 presents the outstanding loans and advances as on 31 March 2009, interest receipts *vis-à-vis* interest payments during the last three years.

Table-1.11: Average Interest Received on Loans Advanced by the State Government

(Rupees in crore)

Quantum of Loans/ Interest Receipts/ Cost of Borrowings	2006-07	2007-08	2008-09
			Actual
Opening Balance	294	270	249
Amount advanced during the year	0.25	6	17
Amount repaid during the year	24	27	25
Closing Balance	270	249	241
Of which Outstanding balance for which terms and conditions have been settled			
Net addition	(-) 24	(-) 21	(-) 8
Interest Receipts	4.31	5.03	5.36
Interest receipts as <i>per cent</i> to outstanding Loans and advances	1.53	1.94	2.22
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	7.57	6.43	6.46
Difference between interest payments and interest receipts (<i>per cent</i>)	6.04	4.49	4.24

Total amount of outstanding loans and advances as on 31 March 2009 was Rs.241 crore. Interest received against these loans and advances continued to be negligible which increased by 6.56 *per cent* from Rs.5.03 crore in 2007-08 to Rs.5.36 crore in 2008-09. Major recipients of loans during 2008-09 were Small Scale Industries (Rs.8.72 crore), Loans for housing (Rs.3.28 crore) and Government Servants (Rs.5.28 crore). During 2008-09, only Rs.25 crore was repaid by the Institutions/ Organisations/Government Servants.

1.6.4 Cash Balances and Investment of Cash balances

Table-1.12 depicts the cash balances and investments made by the State Government out of cash balances⁷ during the year.

Table-1.12: Cash Balances and Investment of Cash balances

(Rupees in crore)

Particulars	As on 1 April 2008	As on 31 March 2009	Increase/ Decrease
Cash Balances	240	176	(-) 64
Investments from Cash Balances (a to d)	315	259	(-) 56
a. GOI Treasury Bills	267	196	(-) 71
b. GOI Securities	--	--	--
c. Other Securities, if any specify	--	--	--
d. Other Investments	48	63	(+) 15
Funds-wise Break-up of Investment from Earmarked balances (a to c)			
a. Sinking Fund	48	63	(+) 15
Interest Realized	11	27	(+) 16

Cash balance of the State Government at the end of the current year decreased from Rs.240 crore in 2007-08 to Rs.176 crore in 2008-09. Investment from cash balances decreased by 18 *per cent* from Rs.315 crore in 2007-08 to Rs.259 crore in 2008-09. The State Government has invested Rs.196 crore in GOI Treasury Bills and earned an interest of Rs.27 crore (10 *per cent*) during 2008-09. Further, the Government transferred Rs.63 crore to Sinking Fund for amortization of long term loans.

⁷ The General cash balance represents the combined balances of the Consolidated Fund of India and the Public Account. As per the agreement with the Reserve Bank of India, the State Government has to maintain with the Bank on all days a minimum balance. (Explanatory Notes on Statement No. – 7, Finance Accounts).

The efficiency of handling the cash balances by the State can also be assessed by monitoring the trends in monthly daily average of cash balances held by the State to meet its normal banking transactions. **Table-1.13** presents the trends in monthly average daily cash balances in 14 days Treasury Bills. The investment in Auction Treasury Bills for the last three years (2006-09) was 'nil'.

Table-1.13: Trends in Monthly Average Daily Cash Balances and Investment in 14 days Treasury Bills

(Rupees in crore)

Month	Monthly Average Daily Cash Balances			Investment in 14 days Treasury Bills			
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	
April	126.18(Cr)	109.34(Cr)	121.24(Cr)	267.04(Dr)	135.82(Dr)	579.34(Dr)	(-) 86.41
				203.61(Cr)	135.82(Cr)	665.75(Cr)	
May	107.00(Cr)	132.00(Cr)	135.00(Cr)	209.73(Dr)	223.28(Dr)	633.76(Dr)	(-) 34.38
				254.04(Cr)	178.22(Cr)	668.14(Cr)	
June	150.18(Cr)	102.27(Cr)	161.22(Cr)	314.79(Dr)	308.00(Dr)	578.25(Dr)	(-) 20.60
				260.38(Cr)	277.87(Cr)	598.85(Cr)	
July	80.12(Cr)	96.00(Cr)	103.32(Cr)	206.46(Dr)	397.14(Dr)	772.03(Dr)	73.10
				281.31(Cr)	339.90(Cr)	698.93(Cr)	
August	111.00(Cr)	104.00(Cr)	182.00(Cr)	255.66(Dr)	466.76(Dr)	729.06(Dr)	29.61
				283.98(Cr)	423.24(Cr)	699.45(Cr)	
September	184.28(Cr)	87.22(Cr)	103.03(Cr)	177.36(Dr)	406.15(Dr)	785.75(Dr)	24.82
				202.60(Cr)	398.79(Cr)	760.93(Cr)	
October	94.00(Cr)	90.47(Cr)	159.24(Cr)	191.44(Dr)	740.95(Dr)	847.32(Dr)	20.96
				179.33(Cr)	672.99(Cr)	826.36(Cr)	
November	114.03(Cr)	100.21(Cr)	245.03(Cr)	215.43(Dr)	670.82(Dr)	742.66(Dr)	(-) 48.84
				189.03(Cr)	641.41(Cr)	791.50(Cr)	
December	206.00(Cr)	183.00(Cr)	101.11(Cr)	188.79(Dr)	505.68(Dr)	620.69(Dr)	(-) 89.13
				245.57(Cr)	609.06(Cr)	709.82(Cr)	
January	67.02(Cr)	205.00(Cr)	136.00(Cr)	211.03(Dr)	634.97(Dr)	856.48(Dr)	37.67
				158.60(Cr)	572.92(Cr)	818.81(Cr)	
February	123.37(Cr)	174.48(Cr)	89.00(Cr)	244.48(Dr)	698.35(Dr)	817.35(Dr)	48.30
				224.56(Cr)	625.37(Cr)	769.05(Cr)	
March	419.37(Cr)	436.00(Cr)	625.00(Cr)	407.32(Dr)	672.09(Dr)	660.36(Dr)	(-) 25.63
				491.00(Cr)	717.63(Cr)	685.99(Cr)	

Source: Accountant General (A&E).

Dr = Average Amount Invested in 14 Days Treasury Bills from Cash Balances

Cr = Amount of Treasury Bills Rediscounted

The State Government had maintained a minimum cash balance of Rs.26 lakh as per agreement with the Reserve Bank of India during the last three years.

Government of India Treasury Bills amounting to Rs.8,623.05 crore were purchased and Rs.8,693.58 crore rediscounted during 2008-09. Resultantly, investment from cash balances decreased by Rs.71 crore over the previous year.

1.7 Assets and Liabilities

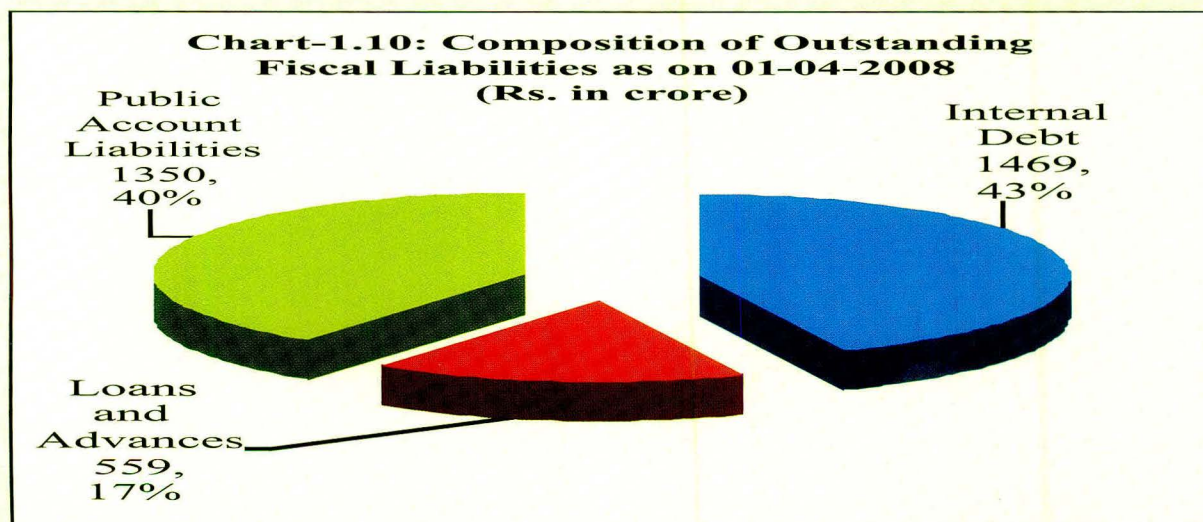
1.7.1 Growth and composition of Assets and Liabilities

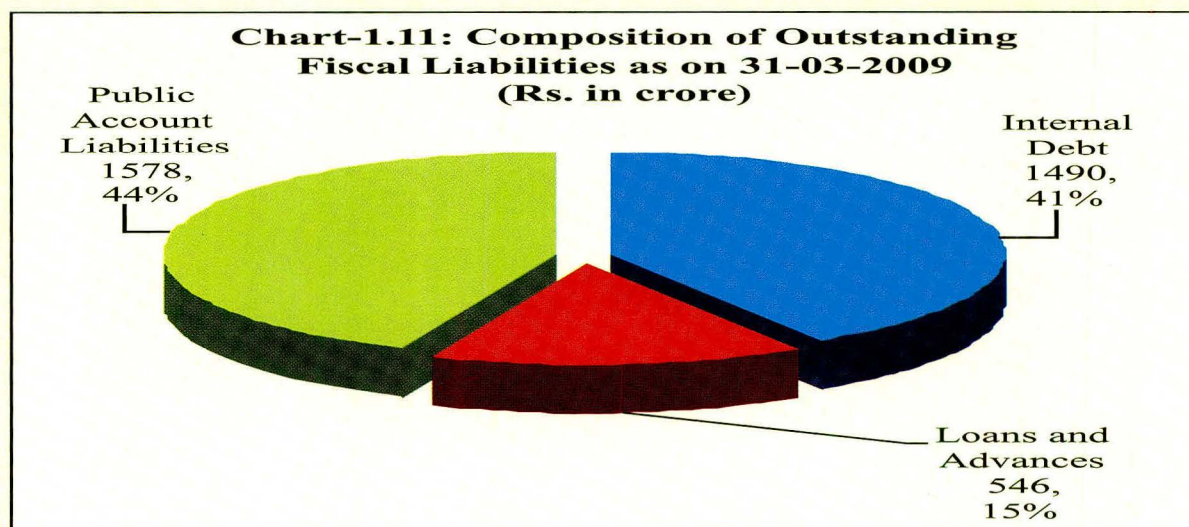
In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix-1.4** gives an abstract of such liabilities and the assets as on 31 March 2009, compared with the corresponding position on 31 March 2008. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

1.7.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix-1.3**.

However, the compositions of fiscal liabilities during the current year *vis-à-vis* the previous year are presented in **Chart-1.10** and **1.11**.





The overall fiscal liabilities of the State Government increased by Rs.236 crore (seven *per cent*) from Rs.3,378 crore in 2007-08 to Rs.3,614 crore in 2008-09. The increase in fiscal liabilities was mainly due to increase in the Internal Debt (Rs.21 crore) and Public Account Liabilities (Rs.228 crore). The ratio of fiscal liabilities to GSDP has decreased from 102.21 *per cent* in 2007-08 to 94.88 *per cent* in 2008-09. These fiscal liabilities stood at nearly 1.36 times the Revenue receipts and 14.28 times of State's own recourses at the end of 2008-09. In line with the recommendation of the TFC the State Government set up sinking fund for amortization of market borrowings as well as other loans and debt obligations. As on 31 March 2009, the balance in the sinking fund was Rs.58.25 crore. During 2008-09, Rs.15 crore has been invested in the sinking fund.

1.7.3 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. According to Mizoram Fiscal Responsibility and Budget Management (MFRBM) Act, 2006, total outstanding debt, excluding Public Account and risk Weighted outstanding guarantees in a year shall not exceed twice the estimated receipts in the Consolidated Fund of the State at the close of the year. The State Government is yet to implement (31 March 2009) the recommendations of the TFC by setting up of guarantee redemption funds through earmarked guarantee fees.

As per Statement 6 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in **Table-1.14**.

Table-1.14: Guarantees given by the Government of Mizoram.*(Rupees in crore)*

Guarantees	2006-07	2007-08	2008-09
			Actual
Maximum amount guaranteed	249	232	305
Outstanding amount of guarantees	150	153	134
Revenue Receipts	1969	2040	2653
Total Receipts in Consolidated Fund of the State	2230	2291	2784
Percentage of maximum amount guaranteed to revenue receipts	12.65	11.37	11.50
Criteria as per FRBM Act/any other Act or Order of the State	As per FRBM Act, 2006 of Mizoram, total outstanding debt, excluding Public Account and risk weighted outstanding guarantees in a year shall not exceed twice the estimated receipts in the Consolidated Fund of the State at the close of the year.		

Government had guaranteed loans raised by various corporations and others which at the end of 2008-09 stood at Rs.134 crore. The outstanding guarantees decreased by 12.42 *per cent* from Rs.153 crore in 2007-08 to Rs.134 crore in 2008-09. The outstanding guarantees were five *per cent* of the revenue receipts of the Government, which were well within the ceiling limit prescribed by FRBM Act. The total outstanding debt, excluding Public Account and risk weighted outstanding guarantees (Rs.1,902 crore) during the year was 68 *per cent* of the total receipts in the consolidated fund which were well within the prescribed limit.

It is pertinent to note that if the liabilities arising out of the outstanding guarantees are added to the fiscal liabilities of the State Government at the close of the current year, the ratio of total liabilities to GSDP would increase to 98.40 *per cent* from 94.88 *per cent*.

No specific law under Article 293 of the Constitution had been passed by the State Legislature laying down the maximum limit within which Government may give guarantees on the security of the Consolidated Fund of the State. The State Government is yet to implement the recommendations of the TFC by setting up a Guarantee Redemption Fund (GRF) is under through earmarked guarantee fees.

1.8 Debt Sustainability

Apart from the magnitude of debt of State Government, it is important to analyze various indicators that determine the debt sustainability⁸ of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization⁹; sufficiency of non-debt receipts¹⁰; net availability of borrowed funds¹¹; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table-1.15** analyzes the debt sustainability of the State according to these indicators for the period of five years beginning from 2004-05.

Table-1.15: Debt Sustainability: Indicators and Trends

Indicators of Debt Sustainability	2004-05	2005-06	2006-07	2007-08	2008-09
Debt Stabilization (Quantum Spread + Primary Deficit)	229+(-)54 = 175	104+(-)212 = (-) 108	95+38 = 133	133+(-)183 = (-) 50	297+132 = 429
Sufficiency of Non-debt Receipts (Resource Gap)	(+) 70	(-) 161	(+) 206	(-) 200	(+) 297
Net Availability of Borrowed Funds	40	58	(-) 74	75	11
Burden of Interest Payments (IP/RR Ratio)	12.12	11.19	11.63	10.20	8.52
Maturity Profile of State Debt (In Years)*					
0 – 1	Information not furnished by the State Government				
1 – 3					
3 – 5					
5 – 7					
7 and above					

The sum of quantum spread and primary deficit was positive during 2008-09 resulting in decrease in debt-GSDP ratio. If the positive trends persist in the succeeding years, the State would certainly move towards debt stabilization. Positive resource gap during the current year is also pointed towards fiscal and debt stability of the State. During last two years, net fund availability was also positive indicating that Rs.75 crore of 2007-08 and Rs.11 crore of 2008-09 of the total debt receipts of the respective years were utilised for other purposes rather than for discharging past obligations.

8 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.

9 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.

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

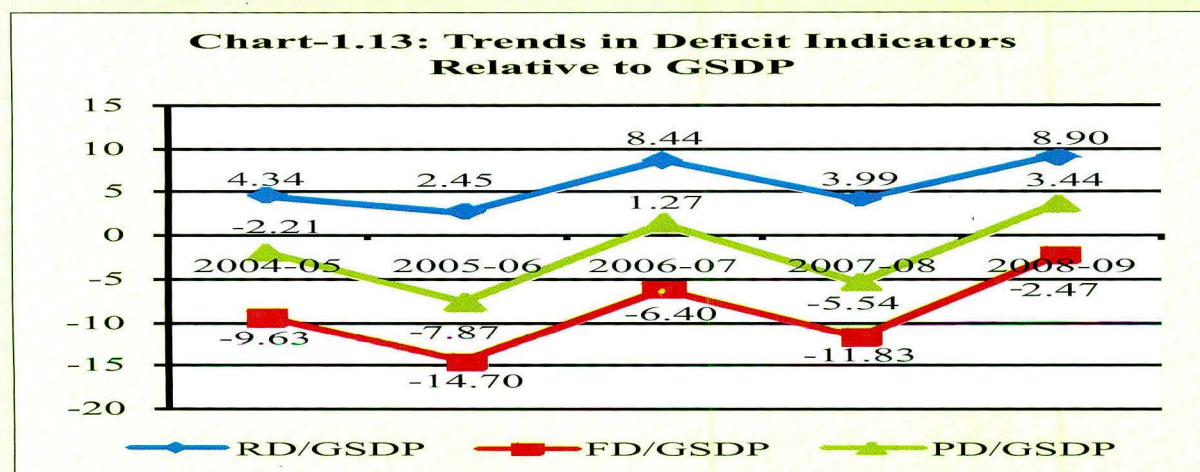
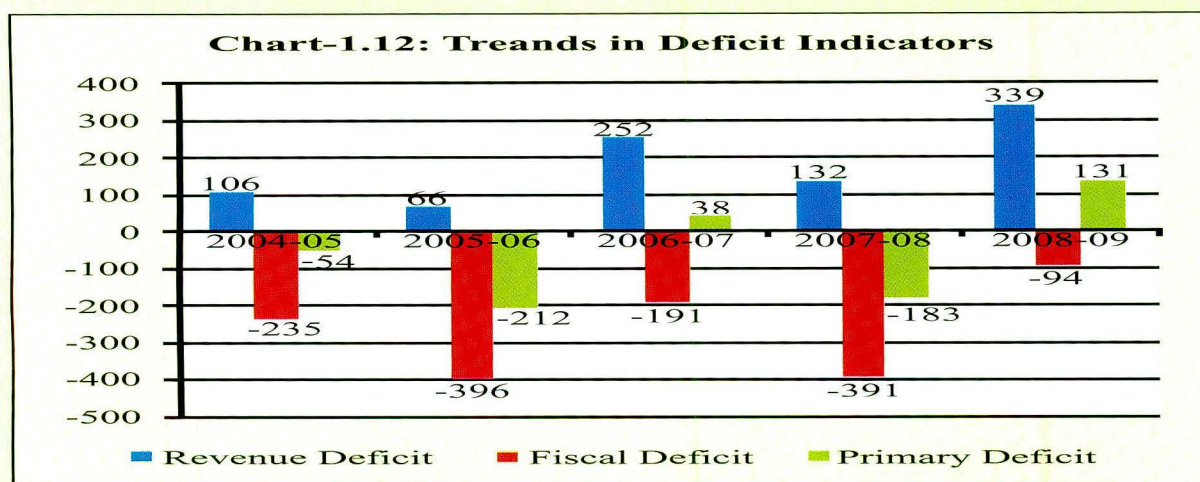
11 Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.

1.9 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government Accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised and applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2008-09.

1.9.1 Trends in Deficits

Chart-1.12 and 1.13 presents the trends in deficit indicators over the period 2004-09.



The State had continued to experience revenue surplus during the last five years. The revenue surplus has increased to Rs.339 crore in 2008-09 from Rs.132 crore in 2007-08 i.e. increased by 157 *per cent*. This improvement on revenue account during 2008-09 was mainly due to steep increase in Central Transfers by Rs.567 crore in 2008-09 over the previous year. Revenue Expenditure on the other hand increased by Rs.405 crore in 2008-09 over the previous year resulting in huge surplus on revenue account during the current year. The decrease in fiscal deficit (Rs.297 crore) accompanied by increase of Rs.18 crore in interest payments led to an increase of Rs.315 crore in primary surplus during the year.

1.9.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the Table-1. 16.

Table-1.16: Components of Fiscal Deficit and its Financing Pattern

(Rupees in crore)

Particulars		2004-05	2005-06	2006-07	2007-08	2008-09
Decomposition of Fiscal Deficit		235	396	191	391	94
1	Revenue Deficit	(-) 106	(-) 66	(-) 252	(-) 132	(-) 339
2	Net Capital Expenditure	329	451	466	544	441
3	Net Loans and Advances	12	11	(-) 23	(-) 21	(-) 8
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	79	99	108	129	29
2	Loans from GOI	40	(-) 9	(-) 26	(-) 7	(-) 12
3	Special Securities Issued to NSSF	---	26	8	(-) 1	(-) 2
4	Loans from Financial Institutions	(-) 1	38	40	(-) 36	(-) 2
5	Small Savings, PF etc.	127	98	143	172	188
6	Deposits and Advances	68	(-) 2	(-) 128	36	37
7	Suspense and Misc	(-) 151	123	112	32	(-) 78
8	Remittances	19	71	(-) 26	26	(-) 72
9	Reserve Fund	9	(-) 9	2	(-) 6	1
10	Increase/decrease in Cash balance with RBI	45	(-) 39	(-) 38	50	8
11	Compensation and other Bonds	---	--	(-) 4	(-) 4	(-) 3
12	Overall Deficit (1 to 12)	235 (9.63)	396 (14.70)	191 (6.40)	391 (11.83)	94 (2.47)

Figures in brackets indicate the *per cent* to GSDP.

*All these figures are net of disbursements/outflows during the year

The State had fiscal deficits during the last five years (2005-09) with inter year variations. However, the deficits have decreased to Rs.94 crore in 2008-09 from Rs.391 crore in 2007-08. During 2008-09, the fiscal deficit of Rs.94 crore was mainly met out from market borrowings (Rs.29 crore) and Small Savings and Provident Funds etc. (Rs.188 crore). The net Small Savings Provident Fund increased by nine *per cent* over the previous year; thus, increasing the interest burden in future.

1.9.3 Quality of Deficit/Surplus

The ratio of RD to FD and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit (**Table-1.17**) would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table-1.17: Primary deficit/Surplus – Bifurcation of factors

(Rupees in crore)

Year	Non-debt receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary revenue deficit (-)/ surplus (+)	Primary deficit (-)/ surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2004-05	1524	1214	330	34	1578	(+) 310	(-) 54
2005-06	1677	1403	451	34	1888	(+) 274	(-) 211
2006-07	1993	1489	466	--	1955	(+) 504	(+) 38
2007-08	2067	1700	544	6	2250	(+) 367	(-) 183
2008-09	2678	2088	441	17	2546	(+) 590	(+) 132

The non-debt receipts of the State during 2004-05 to 2008-09 were sufficient to meet the primary expenditure. The non-debt receipts of the State increased by more than 75 *per cent* from Rs.1,524 crore in 2004-05 to Rs.2,678 crore in 2008-09. The primary expenditure, however, increased by around 62 *per cent* from Rs.1,578 crore in 2004-05 to Rs.2,546 crore in 2008-09.

1.9.4 State's Own Revenue and Deficit Correction

It is worthwhile to observe the extent to which the deficit correction is achieved by the State on account of improvement in its own resources which is an indicator of the durability of the correction in deficit indicators. **Table-1.18** presents the change in revenue receipts of the State and the correction of the deficit during the last three years.

Table-1.18: Change in Revenue Receipts and Correction of Deficit

(Per Cent of GSDP)

Parameters	2006-07	2007-08	2008-09	
			BE	Actual
Revenue Receipts (a to d)	65.97	61.71	51.78	69.65
a. State's Own Tax Revenue	2.27	2.35	1.96	2.48
b. State's Own Non- tax Revenue	4.47	3.94	3.08	4.17
c. State's Share in Central Taxes and Duties	9.65	10.99	11.23	10.06
d. Grants-in-Aid	49.58	44.43	35.51	52.94
Revenue Expenditure	57.53	57.74	53.36	60.74
Revenue Surplus	8.44	3.97	-1.58	8.91
Fiscal Deficit	(-)6.40	(-)11.84	(-) 3.45	(-) 2.48

Ratio of revenue receipts to GSDP increased over the previous years by 7.94 *per cent* and budget estimates for the year by 17.87 *per cent*. Ratio of revenue expenditure to GSDP also increased by three *per cent* in 2008-09 over the previous year. The revenue receipts to GSDP increased by 17.87 *per cent* in 2008-09 over the budget estimates for the year due to increase in the State's own tax revenue, own non-tax revenue and grants-in-aid by 0.52 *per cent*, 1.10 *per cent* and 10.98 *per cent* respectively.

1.10 Conclusion and Recommendations

During the current year, the revenue account increased by Rs.208 crore as the growth of revenue receipts was 30 *per cent* while the growth of revenue expenditure was 21 *per cent* over the previous year. The tax revenue of the State fell short by 5 *per cent* compared to the assessment of Twelfth Finance Commission (TFC) and was higher by 27 *per cent* of the assessment in Fiscal Correction Path (FCP). Non-tax revenue increased by 123 *per cent* and 35 *per cent* over the assessment made in the TFC and FCP respectively during the year **(Para-1.3)**.

The Non Plan Revenue Expenditure (NPRE) increased by 25 *per cent* over the previous year. The NPRE *vis-à-vis* assessment made by FCP and TFC revealed that NPRE was 15 *per cent* (Rs.205 crore) and 39 *per cent* (Rs.438 crore) higher than the projection of FCP and TFC respectively. The Plan Revenue Expenditure (PRE) increased by Rs.92 crore from Rs.649 crore in 2007-08 to Rs.741 crore in 2008-09 **(Para-1.4.1)**.

The Capital expenditure decreased by 19 *per cent* (Rs.103 crore) over the previous year **(Para-1.4.1)**.

The ratio of the fiscal liabilities to Gross State Domestic Product (GSDP) decreased from 102.21 *per cent* in 2007-08 to 94.88 *per cent* in 2008-09. These fiscal liabilities stood at nearly 1.36 times of the revenue receipts and 14.28 times of State's own resources at the end of 2008-09 **(Para-1.7.2)**.

As of 31 March 2009, there were 13 incomplete projects in which Rs.931 crore were blocked **(Para-1.6.1)**.

Fiscal Correction : Although the State has achieved the deficit targets, before the time lines prescribed in the FRBM Act, it has to initiate requisite corrective measures to contain the expenditure on salaries relative to its own resources. The expenditure on salaries was 46.18 *per cent* of the revenue expenditure, net of interest payment and pension against TFC norms of 35 *per cent* and constituted 357 *per cent* of tax and non- tax revenue during 2008-09 **(Para-1.4.2)** requiring immediate attention of the Government to achieve the TFC norms. Again, pension payment was observed as higher than the projection in FCP. The State has reasonable prospect of achieving the targets set up in the FRBM Act, 2006, provided an effort is made to increase the tax compliance, reduce tax administration cost and make efforts to collect revenue arrears **(Para-1.3.2)**.

Greater priority to Capital Expenditure : The State Government may lay greater emphasis on the rationalization of Non-Plan Revenue Expenditure (NPRE) so that resources may be diverted to plan

expenditure particularly to Capital Expenditure (CE) as well as for creation of capital assets. While there is adequate thrust for development expenditure, the CE/AE ratio in 2008-09 for Mizoram was marginally lower than the national average. Thus, the CE requires greater thrust **(Para-1.5.1)**.

Review of Government investments : The average return on this investment was 'nil' in the last five years where as average interest rates was in the range 6.43 to 7.57 *per cent* **(Para-1.6.2)**. It would be necessary for the State Government to ensure better value for money investments, otherwise high cost borrowed funds will continue to be invested in projects with low financial returns. Projects which are justified on account of low financial but high socio-economic return may be identified and prioritized with full justification on why high cost borrowings should be employed there. It would also be prudent to review the workings of those Government companies incurring substantial losses and work out either a revival strategy (for those that are strategic in nature and can be made viable) or close down (if they are not likely to be viable given current market conditions). Further, no specific law under Article 293 of the Constitution had been passed by the State Legislature laying down the maximum limit within which Government may give guarantees on the security of the Consolidated Fund of the State. The State Government is yet to implement the recommendations of the TFC by setting up a Guarantee Redemption Fund (GRF) through earmarked guarantee fees **(Para-1.7.3)**.

Prudent cash management : The cost of holding surplus cash balance is high. In 2008-09, interest receipt against investment on cash balance was 10 *per cent* while Government paid interest @ 6.46 *per cent* on its borrowings during the year **(Para-1.6.4)**. Proper debt management through advance planning could minimize the need for the State Government to hold larger surpluses.

Debt sustainability : The Government of Mizoram should ideally keep the debt-GSDP ratio stable. Borrowed funds should be used as far as possible only to fund capital expenditure and revenue expenditure should be met from revenue receipts. Maintaining a regular flow of borrowing to avoid bunching towards the end of financial year and clear understanding of the maturity profile of debt payments will go a long way in prudent debt management **(Para-1.8)**.

Oversight funds transferred directly from the Government of India (GOI) to the State implementing agencies: As long as these funds remains outside the State budget, there is no single agency monitoring its use and there is no readily available data on how much is actually spent in any particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies and are funded directly by the GOI.

Moreover, some discrepancies were found in transfers of fund between the data given by the Finance Department and the data available in the Controller General of Accounts (CGA)'s portal, which needs to be reconciled immediately **(Para-1.2.2)**.

A system has to be urgently put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Accountant General (A&E).



CHAPTER - II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL



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FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

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

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

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2008-2009 against 47 grants/appropriations (46 Grants and one Appropriation) was as given in **Table-2.1**.

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

(Rupees in crore)

	Nature of expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	1,810.53	517.01	2,327.54	2,065.53	(-) 262.01
	II Capital	400.95	365.56	766.51	581.54	(-) 184.97
	III Loans and Advances	9.07	13.85	22.92	14.16	(-) 8.76
	Total Voted	2,220.55	896.42	3,116.97	2,661.23	(-) 455.74
Charged	IV Revenue	224.36	27.90	252.26	248.36	(-) 3.90
	V Capital	—	—	—	—	—
	VI Public Debt-Repayment	180.12	4.43	184.55	96.29	(-) 88.26
	Total Charged	404.48	32.33	436.81	344.65	(-) 92.16
	Appropriation to Contingency Fund (if any)	—	—	—	—	—
	Grand Total	2,625.03	928.75	3,553.78	3,005.88	(-) 547.90

The overall savings of Rs.547.90 crore was the result of savings of Rs.578.03 crore in 39 grants and three appropriations under Revenue Section, 18 grants and one appropriation under Capital Section offset by excess of Rs.30.13 crore in four grants and one Appropriation under Revenue Section.

The Appropriation accounts of 2008-09 included 46 Grants and one Appropriation. The reasons for savings/excess were called for by the Accountant General (A&E) in respect of 111 Heads of Accounts. Out of 111 Head of accounts, explanation for variation in respect of 107 Heads were not received (March 2009) and explanation in respect of four Heads were partially received.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit reveals that in 16 cases, savings exceeded Rupees one crore in each case and by more than 12 per cent of total provision (**Appendix-2.1**). Against the total savings of Rs.578.03 crore, savings of Rs.386.63 crore (67 per cent)¹ occurred in four cases relating to three grants and one appropriations where saving were more than Rs.50 crore and above as indicated in **Table-2.2**.

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

(Rupees in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Savings
Revenue-Voted						
1	11-Secretariat Administration	97.74	6.89	104.63	38.55	66.08
2	14-Planning and Programme Implementation Department	130.49	9.18	139.67	27.28	112.39
Capital-Voted						
3	46-Urban Development and Poverty Alleviation	125.12	--	125.12	5.21	119.91
Capital-Charged						
4	Public Debt	180.12	4.42	184.54	96.29	88.25
Total		533.47	20.49	553.96	167.33	386.63

2.3.2 Persistent Savings

In two cases, during the last five years there were persistent savings of more than Rupees one crore in each case and also by more than 20 per cent or more of the total grant (**Table-2.3**).

¹ Exceeding Rs. 50 crore in each case.

Table-2.3: List of Grants indicating Persistent Savings during 2004-09

(Rupees in crore)

Sl. No.	No. and Name of the grant	Amount of savings				
		2004-05	2005-06	2006-07	2007-08	2008-09
Revenue-Voted						
1.	14-Planning and Programme Implementation Department	68.72 (82)	72.40 (79)	64.56 (85)	50.77 (61)	112.39 (80)
Capital-Voted						
2.	9 - Finance	5.00 (100)	5.00 (100)	5.00 (100)	3.27 (65)	4.97 (50)
Figures in the parentheses indicate percentage to total provision of that grant						

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

2.3.3 Excess Expenditure

In three cases, expenditure aggregating Rs.515.34 crore exceeded the approved provisions by Rs.30.04 crore and also by more than one crore in each case or by more than 15 per cent (in one case) of the total provisions. Details are given in **Appendix-2.2**.

2.3.4 Expenditure without Provision

An amount of Rs.10.28 crore was incurred in three cases as detailed in **Table-2.4** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

Table-2.4: Expenditure incurred without provision during 2008-09

(Rupees in crore)

Number and Name of grants/appropriations	Amount of Expenditure without provision	Reasons/Remarks
45 - Public Works (Major Head 3054 800(01)) (Revenue)	0.29	Reason for incurring expenditure without provision had not been intimated. (Sept. 2009)
40 - Industries (Major Head 6851) (Capital Voted)	8.72	Reason for incurring expenditure without provision had not been intimated. (Sept. 2009)
45 - Public Works Major Head 4202 (Capital)	1.27	Reason for incurring expenditure without provision had not been intimated. (Sept. 2009)
Total	10.28	

2.3.5 Drawal of funds to avoid lapse of budget grant

As per Central Treasury Rules, no money shall be drawn from the treasury unless it is required for immediate disbursement. In respect of cases mentioned in **Appendix-2.3**, an amount of Rs.46.46 crore was drawn by various departments and credited to the Head of Account – 8443 – Civil Deposit at the fag end of the year to avoid lapse of budget grant.

2.3.6 Excess over provisions relating to previous years requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, but the regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to Rs.765.32 crore for the years 2003-04 to 2007-08 was yet to be regularized as detailed in **Appendix-2.4**. The year-wise amount of excess expenditure pending regularization for grants/appropriations is summarized in **Table-2.5**.

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

(Rupees in crore)

Year	Number of			Amount of excess over provision
	Grants	Appropriations	Total	
2003-04	4	1	5	387.34
2004-05	5	1	6	308.98
2005-06	4	1	5	29.78
2006-07	1	1	2	25.30
2007-08	4	-	4	13.92
Total	18	4	22	765.32

2.3.7 Excess over provisions during 2008-09 requiring regularization

Table-2.6 contains the summary of total excess in four grants amounting to Rs.30.13 crore over authorization from the Consolidated Fund of the State (CFS) during 2008-09 and requires regularization under Article 205 of the Constitution.

Table-2.6: Excess over provisions requiring regularization during 2008-09

(Rupees in crore)

Sl. No.	Number and title of grant/appropriation		Total grant/ appropriation	Expenditure	Excess
Voted Grants					
1.	8	Taxation	5.95	6.03	0.08
2.	9	Finance	119.98	139.65	19.67
3.	20	School Education	311.46	317.75	6.29
4.	30	Disaster Management and Rehabilitation.	53.85	57.94	4.09
Total (Voted)			491.24	521.37	30.13

2.3.8 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating Rs.43.07 crore obtained in six cases, Rs.50 lakh or more in each case, during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix-2.5**. In three cases, supplementary provision of Rs.99.42 crore proved insufficient by more than Rupees one crore in each leaving an aggregate uncovered excess expenditure of Rs.30.04 crore (**Appendix-2.6**).

2.3.9 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over Rs.10 lakh in 13 sub-heads and in three sub-heads (Grant no. 20) more than Rupees four crore as detailed in **Appendix-2.7**.

In three cases (*Grant numbers* 24, 28 and 42) funds were re-appropriated by reducing the allocations due to non receipt of sanction/administrative approval from the Government, re-validation of sanction for next year and non-approval/late release of fund by the Government, time constrained to get quotations etc. and due to economic measures. However, in two cases (*Grant numbers* 28 and 42), in spite of re-appropriation there was final excess expenditure. Reasons for the final excess have, however, not been intimated (September 2009).

2.3.10 Unexplained re-appropriations

Scrutiny of re-appropriation orders issued by the Finance Department revealed that out of 41 items of re-appropriations for 35 items reasons for increase/decrease of provisions were not stated. (September 2009). The details are given in **Appendix-2.8**.

2.3.11 Substantial surrenders

Substantial surrenders (the cases where more than 50 *per cent* of total provision was surrendered) were made in respect of 57 sub-heads on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to Rs.251.71 crore in these 57 Schemes, Rs.224.44 crore (89 *per cent*) were surrendered, which included 100 *per cent* surrender in 46 Schemes (Rs.145.91 crore). The details of such cases are given in **Appendix-2.9**.

2.3.12 Surrender in excess of actual savings

As against savings of Rs.93.11 crore, an amount of Rs.97.53 crore was surrendered (Rs.50 lakh or more in each case) resulting in excess surrender of Rs.4.42 crore. Details are given in **Appendix 2.10**. The amount surrendered was in excess of actual savings indicating lack of budgetary control in these departments.

2.3.13 Anticipated savings not surrendered

As per Budget Manual, the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2008-09, there were, however, eight grants/appropriations in which savings occurred but no part of which was surrendered by the concerned departments. The amount involved in these cases was Rs.205.51 crore (37.51 per cent of the total savings) (**Appendix-2.11**).

Similarly, out of total savings of Rs.249.56 crore under five other grants/appropriations (savings of Rupees one crore and above were indicated in each grant appropriation), savings amounting to Rs.215.64 crore (86.41 per cent of total savings) was not surrendered, details of which are given in **Appendix-2.12**.

2.3.14 Rush of expenditure

According to Financial Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 10 Major-heads listed in **Appendix-2.13**, expenditure exceeding Rs.10 crore (in six out of 10 Major Heads)² of the total expenditure for the year was incurred in March 2009. **Table-2.7** also presents one major head where more than 50 per cent expenditure was incurred either during the last quarter or during the last month of the financial year.

Table-2.7: Cases of Rush of Expenditure towards the end of the financial year 2008-09

(Rupees in crore)

Sl. No.	Grant Number	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2009	
				Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	31 & 32	2401	88.79	66.23	74.59	62.35	70.22

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

2.4 Reconciliation of Departmental figures

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

As per rule, every drawing officer has to certify in each abstract contingent bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and transmission to the Accountant General (A&E). It was noticed that the total amount of Detailed Countersigned Contingent (DCC) bills received during the period 2000-01 to 2008-2009 was only Rs.192.31 crore against the amount of Abstract Contingent (AC) bills of Rs.231.88 crore leading to an outstanding balance of DCC bills of Rs.39.58 crore as on 31 March 2009. Year wise details are given in **Table-2.8**.

² Expenditure exceeding Rs.10 crore in the Major Heads – 2055, 2202, 2210, 2215, 2235 and 2401.

Table-2.8: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills*(Rupees in crore)*

Year	Amount of AC bills	Amount of DCC bills	DCC bills as percentage of AC bills	Outstanding DCC bills
2000-01	1.44	0	0	1.44
2001-02	6.24	0.04	0.64	6.20
2003-04	0.47	0	0	0.47
2005-06	1.00	0	0	1.00
2007-08	0.01	0	0	0.01
2008-09	222.72	192.27	86.33	30.46
Total	231.88	192.31	86.97	39.58

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

Non-adjustment of advances for long periods is fraught with risk of misappropriation and therefore, requires close monitoring by the respective Drawing and Disbursing Officers (DDOs). Department-wise pending DCC bills for the years up to 2008-09 is detailed in **Appendix-2.14**.

2.4.2 Un-reconciled Expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General. Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers continued to persist during 2008-09 also. Five Controlling Officers did not reconcile expenditure amounting to Rs.93.15 crore as of March 2009. Of the five controlling officers, amounts exceeding Rs.10 crore in each case remained un-reconciled during 2008-2009 in respect of the following three Controlling Officers as given in **Table-2.9**.

Table-2.9: List of controlling officers where amounts exceeding Rupees 10 crore in each case remained un-reconciled during 2008-2009*(Rupees in crore)*

Sl. No.	Major Head	Controlling Officers	Amount not reconciled
1.	2230	Director of Labour and Employment	5.07
2.	2053	Secretary, General Administration Department *	19.53
	2070		
	3053		
3.	2408	Director, Food and Civil Supplies *	29.29
4.	2245	Director, Relief and Rehabilitation	7.19
5.	2801	Chief Engineer, Power Department *	32.07
Total			93.15

* Amount exceeding Rs. 10 crore in each case

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

2.5 Outcome of Review of Selected Grants (Grant No. 16)

A review on budgetary procedure and control over expenditure in respect of Grant No.-16-Home was conducted by Audit during November 2009. Important points noticed during the review are detailed below:

Against a budget provision of Rs.248.62 crore (including supplementary provision of Rs.76.13 crore) under the Revenue Heads, there was actual expenditure of Rs.237.98 crore resulting in savings of Rs.10.64 crore of the total provision. It was, however, found that an amount of Rs.11.11 crore was surrendered in excess of the savings during the year. Reasons/source of excess surrendered of Rs.0.47 crore was not intimated to audit (September 2009).

Further, in view of the final savings of Rs.10.64 crore, the supplementary provision of Rs.76.13 crore obtained under the grant proved to be excessive.

Out of the total provision of Rs.4.41 crore under the Capital Head of accounts (4055-Capital Outlay on Police), expenditure of Rs.0.87 crore was incurred during the year resulting in saving of Rs.3.54 crore which constituted 80 *per cent* of the total provision. It was also noticed that final saving of Rs.1.75 crore, Rs.4.12 crore and Rs.2.17 crore occurred under this head during 2005-06, 2006-07 and 2007-08 respectively.

As per budget manual, the Controlling Officers are required to surrender the grants/appropriations to the Finance Department all savings anticipated in the budget under their control as soon as the certainty of non-requirement is known by 15 March at the latest for utilisation by the Finance Department for other purposes. However, no part of the available saving of Rs.3.54 crore under Capital Head was surrendered during the year for fruitful utilisation of the funds.

2.5.1. Excess expenditure over provisions

During audit it was noticed that in 33 cases expenditure of Rs.11.09 crore was made in excess over the budget provision. The excess expenditure was, however, offset by way of re-appropriation out of savings of Rs.34.24 crore under Salary head of 2055-001(01) within the grant. Details of the excess expenditure made over provisions are shown in **Appendix-2.15**.

2.5.2. Expenditure without provisions

It was noticed in Audit that an expenditure of Rs.8,885 was incurred without provisions being made in the original/supplementary demands or through re-appropriation under 2056-Jails,101(03)-Sub-Jails.

2.5.3 Substantial surrender of rupees one crore and above or more than 50 per cent of Budget Provision as on 31 March 2009

During review of Grant No. 16 - Home, it was noticed that there were few cases where surrender of rupees one crore or more or where the surrendered amount is more than 50 *per cent* of the provision (or both) were made on 31 March 2009. Some of these are shown below:

(Rupees in lakh)

Sl. No.	Name of the Schemes/Accounts	Provision	Amount surrendered	Remarks
1.	2055-Police 001-Direction & Administration 01- Direction (01)- Salary	4212.25	140.17	Amount more than one crore
2.	2055-Police 115- Modernization of Police Force 01- Modernization (CSS) (51)- Motor Vehicles	331.85	331.85	100 per cent as well as more than one crore
3.	2055- Police 115-Modernization of Police Force 01- Modernization (CSS) (52)- Machinery and Equipment	608.79	379.69	62 per cent as well as more than one crore
4.	2070- Other Administrative Services 107- Home Guards 02- Administration (02)- Wages	590.00	111.00	Surrendered amount more than one crore
5.	2070- Other Administrative Services 800-Other Expenditure (01)-Modernization of MRHG (CSS/NP)	82.11	57.07	70 per cent
Total		5,825.00	1,019.78	

2.5.4 Injudicious and Unnecessary Supplementary Grant

Against the total provision of Rs.105.85 lakh³ under Major Head 2056-Jails; 101(03)-Sub Jails, Rs.2.05 lakh was withdrawn through re-appropriation giving a total grant of Rs.103.80 lakh. It was, however, found that out of the total provision of Rs.103.80 lakh, only Rs.48.32 lakh had been incurred resulting in a final saving of Rs.55.48 lakh. As such, supplementary grant of Rupees seven lakh proved to be injudicious/unnecessary as even the original grant of Rs.98.85 lakh could not be appropriated.

2.5.5 Injudicious surrender resulting in excess expenditure

During test check of Grant No.16-Home, it was noticed that there was injudicious surrender of Rs.192.56 lakh out of the budget provision of Rs.1,605.04 lakh resulting in excess expenditure of Rs.159.52 lakh over the provision. The details of such injudicious re-appropriation of funds are shown below:

³ (Original grant = Rs.98.85 lakh + Supplementary Grant = Rs.7.00 lakh).

(Rupees in lakh)

Sl. No.	Head of Accounts	Total provision (O+S)	Amount surrendered	Final grant	Actual expenditure	Amount of excess expenditure
1.	2055-Police 101-Criminal Investigation & Vigilance (03)-DSB, Aizawl	128.70	(-) 7.37	121.33	132.32	(+) 10.99
	(04)-DSB, Lunglei	33.70	(-) 0.68	33.02	34.33	(+) 1.31
	110-Village Police (01)-Village Defence Orgn.	7.60	(-) 0.11	7.49	8.18	(+) 0.69
2.	2056-Jails 001(01)-Direction(N/P)	145.81	(-) 12.69	133.12	156.68	(+) 23.56
	101(02)-District Jails (N/P)	416.28	(-) 13.96	402.32	505.52	(+) 103.20
	102(01)-Jail manufacturers (N/P)	8.25	(-) 3.25	5.00	5.56	(+) 0.56
3.	2070-OAS 107(03)-Direction C.T.I.	226.60	(-) 38.52	188.08	198.87	(+) 10.79
	107(02)-Administration	638.10	(-)115.98	522.12	530.54	(+) 8.42
Total		1605.04	(-) 192.56	1412.48	1572.00	(+) 159.52

2.5.6 Injudicious Re-appropriation of fund

Test check of the re-appropriation orders issued revealed that against 19 cases of Grant No.16 - Home, an amount of Rs.28.65 crore was re-appropriated as additional provision on budget grant of Rs.96.96 crore giving a final grant of Rs.125.61 crore. However, it was noticed that an expenditure of Rs.131.24 crore was made over and above the final grant by Rs.5.63 crore.

Further, in three other cases, an amount of Rs.45.56 crore was re-appropriated from the budget grant of Rs.68.83 crore giving a final grant of Rs.23.28 crore. Against which an amount of Rs.16.16 crore was incurred resulting in a saving of Rs.7.12 crore.

Thus, proper assessment was not taken up before re-appropriation. Details of improper assessment of re-appropriation of fund against 22 cases are given in **Appendix-2.16**.

2.5.7 Un-explained Re-appropriation

The reasons for re-appropriations are expected to be explained in details giving reasons for additional funds required as well as for savings in Form-'K'. Scrutiny of re-appropriation orders, however, revealed that in most of the cases reasons for re-appropriations were not explained in details and in some cases no reason was given. Details are shown in **Appendix-2.17**.

The above instances were indicative of inadequate and ineffective budgetary and expenditure control mechanism in the Department/State Government.

2.6. Conclusion and Recommendations

During 2008-09, expenditure of Rs.3,005.88 crore was incurred against the total grants and appropriations of Rs.3,553.78 crore, resulting in a savings of Rs.547.90 crore (**Para-2.2**). The overall savings was the net result of saving of Rs.578.03 crore which was offset by excess of Rs.30.13 crore (**Para-2.3.1**). The excess requires regularization under Article 205 of the Constitution of India (**Para-2.3.6**). At the close of the financial year 2008-09, there were eight grants/appropriations in which savings of Rs.205.51 crore (37.51 *per cent* of total savings) occurred but no part of which was surrendered by the concerned departments (**Para-2.3.13**). In four cases, Rs.97.53 crore was surrendered in excess of actual savings of Rs.93.11 crore which were more than Rs.50 lakh in each case (**Para-2.3.12**). In six other cases, as against total savings of Rs.249.56 crore, an amount of Rs.215.64 crore (86.60 *per cent*) were not surrendered (**Para-2.3.13**). Injudicious re-appropriation proved excessive or insufficient and resulted in saving excess of over Rs.10 lakh in 13 sub-heads (**Para-2.3.9**).

Rush of expenditure were noticed in respect of 10 major heads whose expenditure exceeding Rs.10 crore of the total expenditure for the year was incurred in March 2009 (**Para-2.3.14**). A.C bills (99 nos.) amounting to Rs.39.58 remained outstanding as of March 2009 for non-submission of DCC bills (**Para-2.4.1**).

Budgetary controls should be strengthened in all the Government Departments where savings/excess persisted for the last five years.

A close and rigorous monitoring mechanism should be put in place by the DDOs to adjust the abstract contingent bills within a specified period from the date of drawal of the amount.



CHAPTER - III

FINANCIAL REPORTING



CHAPTER - III

FINANCIAL REPORTING

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

3.1 Delay in furnishing Utilization Certificates

Financial Rules provide that for the grants provided for specific purposes, Utilization Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General within 12 months from the date of their sanction unless specified otherwise. However, of the 2,179 UCs due in respect of grants and loans aggregating Rs.525.42 crore paid up to 2008-09 1,615 UCs (74 *per cent*) for an aggregate amount of Rs.265.84 crore were in arrears. The department-wise break-up of outstanding UCs is given in **Appendix-3.1**. The age-wise delays in submission of UCs are summarized in **Table-3.1**.

Table-3.1: Age-wise arrears of Utilization Certificates

(Rupees in crore)

Sl. No.	Range of Delay in Number of Years	Total grants paid		Utilization Certificates Outstanding	
		Number	Amount	Number	Amount
1.	0 - 1	951	276.88	886	167.64
2.	1 - 3	1228	248.54	729	98.20
Total		2179	525.42	1615	265.84

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

Out of 1,615 UCs worth Rs.265.84 crore, 729 UCs (Rs.98.20 crore) were pending for more than two years as on March 2009. Pendency of UCs mainly pertained to Agriculture Department (36 UCs: Rs.2,792.18 lakh), School Education (676 UCs: Rs.6,075 lakh), Higher & Technical Education (503 UCs: Rs.1,978.32 lakh), District Council (24 UCs: Rs.4,973.25 lakh), Health and Family Welfare Department (37 UCs : Rs.2,641.12 lakh) and Social Welfare Department (95 UCs : Rs.1,472.87 lakh).

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

3.2 Submission of Accounts

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

The audit of accounts of the two Autonomous District Councils (Chakma and Lai) for the year 2007-08 which was due during 2008-09, could not be covered in 2008-09 due to late receipt of accounts.

The annual accounts of one Autonomous District Council (Mara) due for the period from 2005-06 to 2007-08 had not been received as of December 2009 by the Accountant General (Audit). The details of these accounts are given in **Appendix-3.2**.

In the absence of the annual accounts, proper account/utilization of the grants and loans disbursed to these autonomous bodies remained unverified. Reasons for non preparation of the accounts were, however, not intimated.

3.3 Departmental Commercial Undertakings

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

The Heads of Department in the Government are to ensure that the undertakings prepare such accounts and submit the same to Accountant General for audit within a specified time frame. As of September 2009, there were two-such undertakings viz. State Trading Scheme and Mizoram State Transport which either not prepared their accounts or required to resubmit their accounts after reconciliation of figures. The department-wise position of arrears in preparation of proforma accounts and investment made by the Government are given in **Appendix-3.3**.

3.4 Misappropriations, losses, defalcations etc.

State Government reported two cases of misappropriation, defalcation etc. involving Government money amounting to Rs.3.78 lakh upto the period March 2009 on which final action was pending. Details of pending cases in misappropriation/loss are summarized in **Table-3.2**.

Table-3.2: Profile of Misappropriations, losses, defalcations, etc.

(Rupees in lakh)

Pending Cases		Reasons for the Delay/ Outstanding Pending Cases	Nature of the Pending Cases		
No. of Cases	Amount Involved		Nature/ Characteristics of the Cases	No. of Cases	Amount Involved
2	3.78	(i) Departmental action initiated but not finalized; and (ii) Awaiting orders for recovery or write off	Misappropriation/ Loss of material	2	3.78
Total	2		Total	2	3.78

Source: Finance Department, Government of Mizoram

3.5 Conclusion and Recommendations

Out of 1,615 Utilization Certificates (UCs) worth of Rs.265.84 crore as of March 2009, all the UCs (1,615) (cent *per cent*) were pending for more than two years. In the absence of the UCs, it could not

be ascertained whether the recipients had utilized the grants for the purposes for which these were given **(Para-3.1)**. Annual accounts of one Autonomous District Council (Mara) due upto 2008-09 had not yet been received by the Accountant General (Audit) as of December 2009 from 2005-06 onwards **(Para-3.2)**.

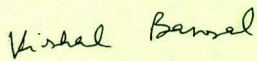
In spite of repeated comments about the arrears in preparation of accounts of two Commercial Undertakings by the Comptroller and Auditor General of India in State report, no improvement has been made by the undertaking. In the absence of timely finalization of accounts, the investment of the Government remained outside the Scrutiny of the Audit/State Legislature. Consequently, corrective measure if any required, for ensuring accountability could not be taken in time **(Para-3.3)**.

Analysis of cases pertaining to misappropriation/loss of material revealed that these cases were pending either due to non-initiation of action by the department or awaiting orders for recovery/write off **(Para-3.4)**.

Recommendations

- The State Government should initiate regular monitoring and instruct the concerned departments for furnishing timely Utilization Certificates.
- Departmental enquiries in misappropriation/loss cases should be expedited to bring the defaulters to book. Internal Control in all the organizations should be strengthened to prevent such cases.

Aizawl
The


(Vishal Bansal)
Accountant General

Countersigned

New Delhi
The


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

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

APPENDIX - 1.1

Part-B: Layout of Finance Accounts

Statement	Layout
Statement No.1	Presents the summary of transactions of the State Government – receipts and expenditure, revenue and capital, public debt receipts and disbursements etc. in the Consolidated Fund, Contingency Fund and Public Account of the State
Statement No.2	Contains the summarized statement of capital outlay showing progressive expenditure to the end of 2008-09
Statement No.3	Gives financial results of irrigation works, their revenue receipts, working expenses and maintenance charges, capital outlay, net profit or loss etc.
Statement No.4	Indicates the summary of debt position of the State which includes borrowing from intern debt, Government of India, other obligations and servicing of debt.
Statement No. 5	Gives the summary of loans and advances given by the State Government during the year repayments made, recoveries in arrears etc.
Statement No.6	Gives the summary of guarantees given by the Government for repayment of loans etc. raised by the statutory corporations, local bodies and other institutions
Statement No.7	Gives the summary of cash balances and investments made out of such balances.
Statement No.8	Depicts the summary of balances under Consolidated Fund, Contingency Fund and Public Account as on 31 March 2009
Statement No.9	Shows the revenue and expenditure under different heads for the year 2008-09 as a percentage of total revenue/expenditure
Statement No.10	Indicates the distribution between the charged and voted expenditure incurred during the year
Statement No.11	Indicates the detailed account of revenue receipts by minor heads
Statement No.12	Provides accounts of revenue expenditure by minor heads under non-plan and plan separately and capital expenditure by major head wise
Statement No.13	Depicts the detailed capital expenditure incurred during and to the end of 2008-09
Statement No.14	Shows the details of investment of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies etc. up to the end of 2008-09
Statement No.15	Depicts the capital and other expenditure to the end of 2008-09 and the principal sources from which the funds were provided for that expenditure
Statement No.16	Gives the detailed account of receipts disbursements and balances under heads of account relating to Debt, Contingency Fund and Public Account
Statement No.17	Presents detailed account of debt and other interest bearing obligations of the Government of Mizoram
Statement No.18	Provides the detailed account of loans and advances given by the Government of Mizoram, the amount of loan repaid during the year, the balance as on 31 March 2009
Statement No.19	Gives the details of earmarked balances of reserve funds

APPENDIX - 1.2

Part A : Methodology Adopted for the Assessment of Fiscal Position

The norms/Ceilings prescribed by the TFC for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the legislature under the Act (**Part B of Appendix 1.2**) are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that GSDP is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the Gross State Domestic Product (GSDP) at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc. are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

The trends in GSDP for the last five years are indicated below:

Trends in Gross State Domestic Product (GSDP)

	2004-05	2005-06	2006-07	2007-08	2008-09
Gross State Domestic Product (Rupees in crore)	2,441.47	2,693.96	2,984.99	3,305.09	3,809.16
Growth rate of GSDP	16.74	10.34	10.80	10.72	15.25

Source: Economics & Statistics Department, Government of Mizoram

Methodology for Estimating the Fiscal Capacity

For working out the fiscal capacity of the State Governments, the following methodology given in Twelfth Finance Commission report has been adopted.

Step 1: Calculate the national average of AE-GSDP and CO/DE/ SSE-AE.

Step 2: Based on the national average of AE-GSDP ratio, derive the aggregate expenditure so that no State is having a ratio AEGSDP less than the national average, i.e., if

$$AE/GSDP = x$$

$$AE = x * GSDP \dots\dots\dots(1)$$

where x is the national average of AE-GSDP ratio.

Wherever the States are having AE-GSDP ratio higher than national average, no adjustments were made. Wherever this ratio was less than average, it was made equal to the national average.

Step 3: Based on the national average of DE-AE, SSE-AE and COAE, derive the respective DE, SSE and CO, so that no State is having these ratios less than national average, i.e., if

$$DE/AE = y$$

$$DE = y * AE \dots \dots \dots (2)$$

where y is the national average of DE-AE ratio

Substituting (1) in (2), we get

$$DE = y * x * GSDP \dots \dots \dots (3)$$

Wherever the States are having DE-AE, SSE-AE and CO-AE ratio higher than national average, no adjustments have been made. Wherever these ratios were less than average, it was made equal to the national average.

Step 4: Based on the derived DE, SSE and CO as per equation (3), respective per capita expenditure was calculated, *i.e.*

$$PCDE = DE/P \dots \dots \dots (4)$$

where PCDE is the per capita development expenditure and P is the population.

Substituting (3) in (4), we get

$$PDE = (y * x * GSDP)/P \dots \dots \dots (5)$$

Equation (5) provides the adjusted per capita expenditure. If the adjusted per capita expenditure is less than the national average of per capita expenditure, then the States' low level of spending is due to the low fiscal capacity. This gives a picture of actual level of expenditure when all the State Governments are attaching fiscal priority to these sectors equivalent to the national average.

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

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X) / Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
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 – Average Interest Rate
Quantum spread	Debt stock * Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} / [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts <u>minus</u> all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt

APPENDIX - 1.2

Part B : Outcome Indicators of the State's Own Fiscal Correction Path

(Rupees in crore)

Items		2005-06 Actual	2006-07 (Actual)	2007-08 (BE)	2007-08 (RE)	2008-09 (BE)	2009-10 (Proj)	2010-11 (Proj)
1	2	3	4	5	6	7	8	9
A. State Revenue Account:								
1.	Own Tax Revenue	55.06	67.62	68.13	68.88	74.56	93.05	111.53
2.	Own Non-Tax Revenue	120.09	133.38	97.97	128.94	117.27	129.00	141.90
3.	Own Tax + Non-Tax Revenue (1 + 2)	175.15	201.00	166.10	197.82	191.83	222.05	253.43
4.	Share in Central Taxes & Duties	225.83	288.05	340.89	340.89	427.81	470.59	517.65
5.	Plan Grants	649.08	837.08	770.90	1,132.98	924.73	987.08	1,070.10
6.	Non-Plan Grants	603.60	642.82	658.46	690.71	673.50	689.41	694.50
7.	Total Central Transfer (4 to 6)	1,478.51	1,767.95	1,770.25	2,164.58	2,026.04	2,147.08	2,282.25
8.	Total Revenue Receipts (3 + 7)	1,653.66	1,968.95	1,936.35	2,362.40	2,217.87	2,369.13	2,535.68
9.	Plan Expenditure	539.95	595.80	557.24	715.28	664.43	622.64	624.43
10.	Non-Plan Expenditure	1,048.07	1,121.49	1,216.27	1,258.56	1,368.21	1,431.51	1,504.61
Of which								
11.	Salary Expenditure	435.52	462.51	596.75	611.49	708.37	768.58	833.91
12.	Pension	89.16	77.31	106.01	106.01	106.01	116.61	128.27
13.	Interest Payments	184.65	239.75	214.08	180.58	203.13	233.21	230.70
14.	Subsidies – General	–	–	–	–	–	–	–
15.	Subsidies – Power	–	–	–	–	–	–	–
16.	Total Revenue Expenditure (9 + 10)	1,588.02	1,717.29	1,773.51	1,973.82	2,032.64	2,054.15	2,129.04
17.	Salary + Interest Payments + Pension (11 + 12 + 13)	709.33	779.57	916.84	898.08	1,017.51	1,118.40	1,192.88
18.	As per cent of Revenue Receipts (17/8)	42.89	39.59	47.21	38.02	45.88	47.21	47.07
19.	Revenue Surplus (+)/ Deficit (-) (8 - 16)	(+) 65.64	(+) 251.66	(+) 162.84	(+) 388.58	(+) 185.23	(+) 314.98	(+) 406.64

Items		2005-06 Actual	2006-07 (Actual)	2007-08 (BE)	2007-08 (RE)	2008-09 (BE)	2009-10 (Proj)	2010-11 (Proj)
1	2	3	4	5	6	7	8	9
B. Consolidated Debt:								
1.	Outstanding debt and liability	2,541.55	2,810.45	3,011.71	3,026.59	3,201.47	3,347.42	3,509.42
2.	Total Outstanding guarantee	163.25	130.38	196.31	196.31	196.31	196.31	196.31
(Of which guarantees on accounts of budgeted borrowing and SPV borrowing)								
C. Capital Account:								
1.	Capital Outlay	451.37	466.44	288.69	541.42	332.95	477.36	585.57
2.	Disbursement of Loans and Advances	34.09	0.25	10.51	10.41	9.07	7.57	7.57
3.	Recovery of Loans and Advances	22.98	24.01	22.76	24.66	25.30	24.00	24.50
4.	Other Capital Receipts	--	--	--	--	--	--	--
E. Gross Fiscal Deficit:								
	(8 + C3 + C4) – (16 + C1 + C2)	(-) 396.84	(-) 191.03	(-) 113.64	(-) 138.59	(-) 131.49	(-) 145.95	(-) 162.00
F. GSDP at current prices								
	Actual/Assumed Growth Rate (per cent)	9.90	10.70	10.10	10.10	10.40	10.17	10.99
G. Indicators as per cent of GSDP:								
1.	Own Tax Revenue	2.04	2.27	2.07	2.09	2.05	2.31	2.50
2.	Own Non-Tax Revenue	4.45	4.47	2.98	3.92	3.23	3.21	3.18
3.	Total Central Transfer	54.82	59.23	53.84	65.83	55.80	53.42	51.16
4.	Total Revenue Expenditure	58.88	57.53	53.94	60.03	55.98	51.10	47.72
5.	Revenue Deficit	2.43	8.43	4.95	11.82	5.10	7.84	9.11
6.	Gross Fiscal Deficit	(-) 12.38	(-) 5.37	2.88	3.51	3.00	3.00	3.00
7.	Outstanding Debt and Liabilities	94.23	94.15	91.60	92.05	88.17	83.28	78.66

APPENDIX - 1.3

(Reference: Paragraph(s)-1.3 and 1.7.2; Page(s)-6 and 25)

Time Series Data on State Government Finances

(Rupees in crore)

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Part A Receipts					
1. Revenue Receipts	1,502 (52)	1,654 (49)	1,969 (54)	2,040 (44)	2,653 (62)
(i) Tax Revenue	39.55 (3)	55.05 (3)	67.62 (3)	77.53 (4)	94.62 (4)
Taxes on Agricultural Income	0	0	0	0	0
Taxes on Sales, Trade etc.	28.08 (71)	41.59 (105)	53.72 (136)	62.04 (157)	77.51 (196)
State Excise	1.40 (4)	1.46 (4)	1.65 (4)	1.69 (4)	1.87 (5)
Taxes on Vehicles	3.80 (10)	4.35 (11)	5.01 (13)	5.37 (14)	5.50 (14)
Stamps and Registration fees	0.10 (0)	0.17 (0)	0.21 (1)	0.23 (1)	0.46 (1)
Land Revenue	0.86 (2)	1.59 (4)	0.73 (2)	1.48 (4)	1.63 (4)
Taxes on Goods and Passengers	0.69 (2)	0.99 (3)	0.98 (2)	1.07 (3)	1.43 (4)
Other Taxes	4.62 (12)	4.90 (12)	5.32 (13)	5.65 (14)	6.22 (16)
(ii) Non-Tax Revenue	75.60 (5)	120.09 (7)	133.38 (7)	130.30 (6)	158.67 (6)
(iii) State's share of Union taxes and duties	155.79 (10)	225.83 (14)	288.05 (15)	363.35 (18)	383.39 (14)
Grants in aid from Government of India	1,230.92 (82)	1,252.68 (76)	1,479.90 (75)	1,468.56 (72)	2,016.45 (76)
2. Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
3. Recoveries of Loans and Advances	22.30	22.98	24.01	27.53	24.86
4. Total Revenue and Non-debt capital receipts (1+2+3)	1,524.30	1,676.98	1,993.01	2,067.53	2,677.86
5. Public Debt Receipts	176.56 (6)	253.20 (7)	236.56 (6)	223.71 (5)	105.77 (2)
Internal Debt (excluding Ways and Means Advances and Overdrafts)	108.78	243.40	211.64	190.01	99.58
Net transactions under Ways and Means Advances and Overdrafts	0.00	0.00	19.59	23.98	0.00
Loans and Advances from Government of India	67.78	9.80	5.33	9.72	6.19
6. Total Receipts in the Consolidated Fund	1,700.86	1,930.18	2,229.57	2,291.24	2,783.63
7. Contingency Fund Receipts	0	0	0	0	0
8. Public Account Receipts	1,168.98 (41)	1,463.54 (43)	1,425.61 (39)	2,322.67 (50)	1,500.75 (35)

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
9. Total Receipts of the State (6+7+8)	2870	3394	3655	4614	4284
Part B Expenditure/Disbursement					
10. Revenue Expenditure	1,395.51 (50)	1,588.01 (47)	1,717.30 (47)	1,908.39 (44)	2,313.80 (53)
Plan	419.13 (30)	539.94 (34)	595.81 (35)	649.08 (34)	740.59 (32)
Non-Plan	976.38 (233)	1,048.07 (194)	1,121.49 (188)	1,259.31 (194)	1,573.21 (212)
General Services (including interest payments)	514.65 (53)	541.64 (52)	616.91 (55)	645.66 (51)	803.75 (51)
Social Services	404.36 (79)	498.78 (92)	507.49 (82)	696.77 (108)	898.19 (112)
Economic Services	476.50 (118)	547.59 (110)	592.90 (117)	565.96 (81)	611.86 (68)
Grants-in-aid and contributions	0	0	0	0	0
11. Capital Expenditure	329.54 (12)	451.37 (13)	466.44 (13)	544.24 (12)	441.04 (10)
Plan	319.89 (97)	453.90 (101)	458.70 (98)	489.72 (90)	366.59 (83)
Non-Plan	9.65 (3)	-2.53 (-1)	7.74 (2)	54.52 (11)	74.45 (20)
General Services	10.95 (113)	13.46 (-532)	24.44 (316)	13.50 (25)	19.79 (27)
Social Services	77.97 (712)	89.95 (668)	122.03 (499)	105.94 (785)	92.94 (470)
Economic Services	240.62 (309)	347.96 (387)	319.97 (262)	424.80 (401)	328.31 (353)
12. Disbursement of Loans and Advances	34.41	34.09	0.25	6.12	17.41
13. Total (10+11+12)	1,759.46	2,073.47	2,183.99	2,458.75	2,772.25
14. Repayments of Public Debt	58.49	98.50	110.95	143.96	96.29
Internal Debt (excluding Ways and Means Advances and Overdrafts)	31.14	79.76	79.34	83.61	78.05
Net transactions under Ways and Means Advances and overdraft	0	0	0	43.57	0
Loans and Advances from Government of India	27.35	18.74	31.61	16.78	18.24
15. Appropriation to Contingency Fund	0	0	0	0	0
16. Total disbursement out of Consolidated Fund (13+14+15)	1,817.95	2,171.97	2,294.94	2,602.71	2,868.54
17. Contingency Fund disbursements	0	0	0	0	0
18. Public Account disbursements	994.10	1,212.95	1,394.12	1,780.10	1,480.05
19. Total disbursement by the State (16+17+18)	2,812.05	3,384.92	3,689.06	4,382.81	4,348.59
Part C Deficits					
20. Revenue Deficit (-) / Revenue Surplus (+) (1-10)	(+) 106.49	(+) 65.99	(+) 251.70	(+) 131.61	(+) 339.20

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
21. Fiscal Deficit (-)/Fiscal Surplus (+) (4-13)	(-) 235.16	(-) 396.49	(-) 190.98	(-) 391.22	(-) 94.39
22. Primary Deficit (21-23)	(-) 53.66	(-) 211.84	(+) 37.77	(-) 183.21	(+) 131.22
Part D Other data					
23. Interest Payments (included in revenue expenditure)	181.50	184.65	228.75	208.01	225.61
24. Financial Assistance to local bodies etc.	116.61	137.61	128.37	148.00	139.75
25. Ways and Means Advances/Overdraft availed (days)	92.00	8.00	8.00	3.00	0.00
Ways and Means Advances availed (days)	0.00	0.00	0.00	0.00	0.00
Overdraft availed (days)	0.00	0.00	0.00	0.00	0.00
26. Interest on Ways and Means Advances/Overdraft	0.48	0.03	0.00	2.04	0.00
27. Gross State Domestic Product (GSDP)@	2,441.47	2,693.96	2,984.99	3,305.09	3,809.16
28 Outstanding Fiscal liabilities (yearend)	2,711.00	2,953.00	3,096.00	3,378.00	3,614.00
29. Outstanding guarantees (yearend) (including interest)	136.70	145.02	130.38	131.97	134.03
30. Maximum amount guaranteed (year end)	229.39	269.73	249.23	231.95	305.13
31. Number of incomplete projects	9.00	7.00	0.00	0.00	13.00
32. Capital blocked in incomplete projects	18.37	97.08	0.00	0.00	930.94
Part E Fiscal Health Indicators					
I Resource Mobilization					
Own Tax revenue/GSDP	1.62	2.04	2.27	2.35	2.48
Own Non-Tax Revenue/GSDP	3.10	4.46	4.47	3.94	4.17
Central Transfers/GSDP	6.38	8.38	9.65	10.99	10.06
II Expenditure Management					
Total Expenditure/GSDP	72.07	76.97	73.17	74.39	72.78
Total Expenditure/Revenue Receipts	121.04	131.32	116.55	127.58	108.12
Revenue Expenditure/Total Expenditure	79.31	76.59	78.63	77.62	83.46
Expenditure on Social Services/Total Expenditure	27.41	28.39	28.82	32.65	35.75

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Expenditure on Economic Services/ Total Expenditure	40.76	43.19	41.80	40.30	33.91
Capital Expenditure/Total Expenditure	18.73	21.77	21.36	22.13	15.91
Capital Expenditure on Social and Economic Services/Total Expenditure	18.11	21.12	20.24	21.59	15.20
III Management of Fiscal Imbalances					
Revenue deficit (surplus)/GSDP	(+) 4.36	(+) 2.45	(+) 8.43	(+) 3.98	(+) 8.90
Fiscal deficit/GSDP	(-) 9.63	(-) 14.72	(-) 6.40	(-) 11.84	(-) 2.48
Primary Deficit (surplus) /GSDP	(-) 2.20	(-) 7.86	(+) 1.27	(-) 5.54	(+) 3.44
Revenue Deficit/Fiscal Deficit	(-) 45.28	(-) 16.64	(-) 131.79	(-) 33.64	(-) 359.36
Primary Revenue Balance/GSDP	(+) 12.71	(+) 10.16	(+) 16.90	(+) 11.11	(+) 15.48
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	111.04	109.62	103.72	102.21	94.88
Fiscal Liabilities/RR	180.49	178.54	157.24	165.59	136.22
Primary deficit <i>vis-à-vis</i> quantum spread	(-) 24.66	(-) 204.56	**	(-) 137.94	**
Debt Redemption (Principal +Interest)/ Total Debt Receipts	85.71	92.89	112.18	90.67	98.68
V Other Fiscal Health Indicators					
Return on Investment	0	0	0	0	0
Balance from Current Revenue (Rupees in crore)	(-) 232.19	(-) 37.50	(+) 17.38	(+) 4.45	(-) 187.69
Financial Assets/Liabilities	1.05	1.06	1.13	1.14	1.22

APPENDIX - 1.4

(Reference: Paragraph(s)-1.1 and 1.7.1; Page(s)-1 and 25)

Part A : Abstract of Receipts and Disbursements for the year 2008-09

(Rupees in crore)

Receipts			Disbursements				
2007-08		2008-09	2007-08		2008-09		
					Non-Plan	Plan	Total
Section – A: Revenue							
2039.74	I. Revenue Receipts	2,653.13	1,908.39	I. Revenue Expenditure	1,573.21	740.59	2,313.80
77.53	Tax Revenue	94.62	645.66	General Services	786.74	17.01	803.75
130.30	Non-Tax Revenue	158.67	696.77	Social Services	455.29	442.90	898.19
363.35	State's Share of Union Taxes and Duties	383.39	332.60	Education, Sports, Art and Culture	213.03	185.74	398.77
678.58	Non-Plan grants	733.84	98.49	Health and Family Welfare	52.10	118.83	170.93
660.22	Grants for State Plan Scheme	919.61	111.65	Water Supply, Sanitation, Housing & Urban Development	48.81	69.20	118.01
93.58	Grants for Central and Centrally Sponsored Plan Schemes	305.16	4.81	Information and Broadcasting	3.61	1.85	5.46
36.18	Grants for Special Plan Schemes	57.84	85.50	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	63.82	26.68	90.50
			4.30	Labour and Labour Welfare	2.21	2.86	5.07
			54.98	Social Welfare and Nutrition	65.81	37.74	103.55
			4.44	Others	5.90	0.00	5.90
			565.96	Economic Services	331.18	280.68	611.86
			205.91	Agriculture and Allied Activities	96.64	128.02	224.66
			50.68	Rural Development	7.25	34.61	41.86
			28.91	Special Areas Programmes	0.00	35.02	35.02
			6.48	Irrigation and Flood Control	1.57	2.58	4.15
			145.17	Energy	141.08	24.77	165.85

Receipts			Disbursements				
2007-08		2008-09	2007-08		2008-09		
					Non-Plan	Plan	Total
			29.79	Industry and Minerals	12.98	16.60	29.58
			67.90	Transport	51.90	17.38	69.28
			1.51	Communication	0.00	4.95	4.95
			2.52	Science, Technology and Environment	0.22	2.34	2.56
			27.09	General Economic Services	19.54	14.41	33.95
				Grants-in-aid and contributions	0.00	0.00	0.00
	II. Revenue deficit		131.35	II. Revenue surplus			339.33
	carried over to Section B			carried over to Section B			
2039.74	Total (A)	2,653.13	2,039.74	Total (A)			2,653.13
Section – B: Others							
8.93	III. Opening Cash balance including Permanent Advances and Cash Balance investment	239.77		III. Opening Overdraft from Reserve Bank of India	0.00	0.00	0.00
	IV. Miscellaneous Capital receipts		544.24	IV. Capital Outlay	74.45	366.59	441.04
			13.50	General Services	0.00	19.79	19.79
			105.94	Social Services	0.00	92.94	92.94
			5.44	Education, Sports, Art and Culture	0.00	6.90	6.90
			0.19	Health and Family Welfare	0.00	4.11	4.11
			84.89	Water Supply, Sanitation	0.00	72.75	72.75
			0.40	Information and Broadcasting	0.00	0.49	0.49
				Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.00	0.00	0.00
			15.02	Social Welfare and Nutrition	0.00	8.69	8.69
				Others	0.00	0.00	0.00

Receipts			Disbursements				
2007-08		2008-09	2007-08		2008-09		
					Non-Plan	Plan	Total
			424.81	Economic Services	74.45	253.86	328.31
			70.72	Agriculture and Allied Activities	74.45	12.33	86.78
			2.65	Rural Development	0.00	8.36	8.36
			71.69	Special Areas Programmes	0.00	58.61	58.61
			30.77	Irrigation & Flood Control	0.00	75.10	75.10
			68.92	Energy	0.00	34.78	34.78
			3.80	Industry and Minerals	0.00	8.17	8.17
			155.76	Transport	0.00	42.67	42.67
			20.50	General Economic Services	0.00	13.84	13.84
27.53	V. Recoveries of Loans and Advances	24.86	6.12	V. Loans and Advances disbursed			17.41
	From Power Projects			For Power Projects	0.00	0.00	0.00
3.19	From Government Servants	2.84	1.98	To Government Servants			5.28
24.34	From Others	22.02	4.14	To Others			12.13
131.35	VI. Revenue surplus brought down	339.33		VI. Revenue deficit brought down	0.00	0.00	0.00
223.71	VII. Public Debt Receipts	105.77	143.96	VII. Repayment of Public Debt			96.29
	External debt			External debt			0.00
190.01	Internal debt other than Ways and Means Advances & Overdraft	99.58	83.61	Internal debt other than Ways & Means Advances & Overdraft			78.05
23.98	Net transaction under Ways and Means Advances including Overdraft		43.57	Net transaction under Ways and Means Advances including Overdraft			0.00
9.72	Loans and Advances from Central Government	6.19	16.78	Repayment of Loans and Advances to Central Government			18.24
	VIII. Appropriation to Contingency Fund			VIII. Appropriation to Contingency Fund			0.00

Receipts			Disbursements				
2007-08		2008-09	2007-08		2008-09		
					Non-Plan	Plan	Total
	IX. Amount transferred to Contingency Fund			IX. Expenditure from Contingency Fund			0.00
2322.67	X. Public Accounts Receipts	1,500.75	1,780.10	X. Public Accounts Disbursements			1,480.05
273.72	Small Savings and Provident Fund	315.15	101.45	Small Savings and Provident Fund			127.27
29.79	Reserve Funds	71.82	21.85	Reserve Funds			55.81
675.23	Suspense and Miscellaneous	(-) 113.57	376.02	Suspense and Miscellaneous			35.36
1073.27	Remittance	927.81	1046.68	Remittance			999.74
270.66	Deposits and Advances	299.54	234.10	Deposits and Advances			261.87
	XI. Closing overdraft from Reserve Bank of India		239.77	XI. Cash Balance at end of 31-03-2009			175.69
				Cash in Treasuries and Local Remittances			0.00
			(-) 76.59	Deposits with Reserve Bank			(-) 85.10
			1.32	Departmental Cash Balance			1.32
			266.79	Cash Balance Investment			196.22
			48.25	Investment of earmarked funds			63.25
2714.19	Total (B)	2,210.48	2,714.19	Total (B)			2,210.48
4753.93	Grand Total (A)+(B)	4,863.61	4,753.93	Grand Total (A)+(B)			4,863.61

APPENDIX - 1.4

(Reference: Paragraph(s) 1.1 and 1.7.1; Page(s)-1 and 25)

Part B : Summarized Financial position of the Government of Mizoram as on 31 March 2009

(Rupees in crore)

As on 31.03.08	Liabilities		As on 31.03.09
1,468.86		Internal Debt	1,490.39
	837.79	Market Loans bearing interest	867.42
	--	Market Loans not bearing interest	--
	285.84	Loans from Life Insurance Corporation of India	282.39
	0.07	Loans from General Insurance Corporation of India	0.07
	67.92	Loans from other Institutions	66.65
	56.40	Loans from NABARD	59.98
	36.89	Compensation and other Bonds	34.17
	2.07	Loans from NCDC	0.24
	27.21	Ways and Means Advances	27.22
		Overdrafts from Reserve Bank of India	
	140.74	Special Securities to NSSF	138.32
	13.93	Other loans	13.93
558.50		Loans and Advances from Central Government	546.45
		Pre 1984-85 Loans	
	42.50	Non-Plan Loans	41.78
	310.71	Loans for State Plan Schemes	300.59
	0.02	Loans for Central Plan Schemes	0.02
	19.87	Loans for Centrally Sponsored Plan Schemes	18.28
	17.43	Loans for Special Schemes	17.81
	167.97	Ways and Means Advances towards expenditure etc.	167.97
0.10		Contingency Fund	0.10
1,035.11		Small Savings, Provident Funds etc.	1,222.99
314.88		Deposits	352.53
48.95		Reserve Funds	64.95
709.78		Suspense and Miscellaneous	560.84
589.89		Surplus on Government Account	929.22
	131.35	Current year surplus	339.33
	458.54	Add Accumulated Surplus as on 31.03.08	589.89
4,726.07		Total	5,167.47

As on 31.03.08	Assets			As on 31.03.09
4,161.80		Gross Capital Outlay on Fixed Assets		4,602.84
	17.21	Investments in shares of Companies, Corporations, etc.	18.73	
	4,144.59	Other Capital Outlay	4,584.11	
248.97		Loans and Advances		241.51
		Loans for Power Projects	1.61	
	31.19	Other Development Loans	37.94	
	214.30	Loans for Housing	196.05	
	3.48	Loans to Government servants and Miscellaneous loans	5.91	
1.87		Civil Advances		1.84
73.66		Remittance Balances		145.59
239.77		Cash Balance		112.44
		Cash in Treasuries and Local Remittances		
	(-) 76.59	Deposits with Reserve Bank	(-) 85.10	
	1.32	Departmental Cash Balance including Permanent Advances	1.32	
	266.79	Cash Balance Investments	196.22	
	48.25	Investment out of Reserve Fund		63.25
4,726.07		Total		5,167.47

APPENDIX - 1.5

(Reference: Paragraph-1.2.2 ; Page-6)

Part A : Statement showing Funds Transferred directly to State Implementing Agencies

(Rupees in lakh)

Sl. No.	Programme/Scheme	Implementing Agency in the State	2008-09
	(Indicate Centre: State Share)		Total
1.	(0143) Drugs Quality Control*	Mizoram Health Society, NRHM and Asstt. Drug Controller, Govt. of Mizoram	58.22
2.	(0142) Hospitals And Dispensaries under NRHM*	Mizoram Health Society, NRHM and NRHM, Aizawl	375.00
3.	(0135) Medicinal Plants	State Medical Plant Boards	3.14
4.	(0145) Medicinal Plants Processing Zones	Managing Director	127.44
5.	(0001) Agriculture Census	State	23.00
6.	(0052) Control of Shifting Cultivation	State	600.00
7.	(0043) Integrated Scheme of Oil Seeds Oil Palm Pluses and Maize Development	State	390.00
8.	(0049) Macro Management of Agriculture Scheme	State	2,716.28
9.	(0046) National Bamboo Mission*	National Bamboo Mission Society	825.27
10.	(0009) National Project on Management of Soil and Health Fertility	Mizo Agri Market and Exten Trg Inst	60.00
11.	(0010) National Project on Promotion of Organic Farming	State	25.76
12.	(0017) Post Harvest Technology and Management	State	25.20
13.	(0053) Rashtriya Krishi Vikash Yojana	State RKVY	80.00
14.	(0048) Support to State Extension Programme for Extension Reforms	Mizo Agri Market and Exten Trg Inst	125.56
15.	(0149) Bioinformatics	Mizoram University	5.00
16.	(0150) Research and Development Department of Biotechnology	Mizoram University	4.88
17.	(0211) ASIDE Assistance to States for Developing Export Infrastructure and allied Activities	Bamboo Development Agency	356.00

Sl. No.	Programme/Scheme	Implementing Agency in the State	2008-09
	(Indicate Centre: State Share)		Total
18.	(0215) Market Access Initiative	Mizoram University	2.00
19.	(0241) Accelerated Rural Water Supply Programme	State Government Organisations and DWSM Secretary DWSC - Executive Engineer, Saiha	5,448.34
20.	(0242) Central Rural Sanitation Programme	SGO Member Secretary; DWSM Secretary DWSC- Executive Engineer, Saiha Serchhip (Aizawl), Mamit DWSM District Water & Sanitation Committee (TSC), Champhai, Kolasib; DWSM Member Secretary cum Executive Engineer, DWSM, Mamit; DWSM Secretary, Aizawl and DWSM Executive Engineer, Lawngtlai	691.15
21.	(0405) National AIDS Control including STD Control*	Mizoram State AIDS Control Society	442.65
22.	(0392) National Rural Health Mission, NRHM*	GFK Mode Pvt Ltd	22.35
23.	(0404) National Health Mission, NRHM CSP*	State of Mizoram; Mizoram State Health Society; Cost Adjustment Sanction RI; Mizoram State Health Society, Blindness; Consultative Meeting of CDC NE Representative RL; NVBDCP cost Adj Sanction, Mizoram General/Tribal Area; M S Civil Hospital Lunglei and CMO Aizawl West District Hospital, Aizawl	2,781.22
		Mizoram State Health Society TB and Leprosy Control, Aizawl	174.62
		Mizoram State Health Society	141.31
24.	(0403) Redevelopment of Hospitals Institutions	Regional Instt of paramedical and Nursing Science	600.00
25.	(0407) TOBACCO Control	Mission Director, Mizoram	12.12
26.	(0903) Education in Human Values Dhe	Save Help and Development Electric Veng, Aizawl	0.50
27.	(0538) Cyber Security including CERT in IT Act CCA	Mizoram University	34.00
28.	(0537) Electronic governance	CDAC, Kolkata and Mizoram State e-Governance Society	312.00
29.	(0532) IT for masses Gender SC ST DIT	Mizoram State e-governance Society and DOEACC Society, Aizawl	102.00
30.	(0621) Integrated Watershed Management Program DPAP DDP IWDP DLR	Project Director, DRDA, Serchipp (AIZ-S), Aizawl, Kolasib, Mamit and Lunglei	2,649.65
31.	(0851) E and I for States from CRF RTH	State	1,839.00
32.	(0848) Road Safety RTH	Under Secretary	0.50

Sl. No.	Programme/Scheme	Implementing Agency in the State	2008-09
	(Indicate Centre: State Share)		Total
33.	(0826) DRDA Administration RD*	Project Director, DRDA, Serchipp(AIZ-S), Lawngtlai, Aizawl, Saiha (Chimtupui), Champhai, Lunglei, Mamit and Kolasib	410.60
34.	(0821) Management support to RD programs and strengthening of District Planning process in lieu of programmes	Project Director, DRDA, Serchipp(AIZ-S), Lawngtlai, Aizawl, Saiha (Chimtupui), Champhai, Lunglei, Mamit, Kolasib and SGO Director, Kolasib	94.90
35.	(0422) National Rural Employment Guarantee Scheme*	Project Director, DRDA, Serchipp(AIZ-S), Lawngtlai, Aizawl, Saiha (Chimtupui), Champhai, Lunglei, Mamit, Kolasib and SGO Director, Kolasib	15,225.80
36.	(0828) Pradhan Mantri Gram Sadak Yojana*	SGO MZ303 update Description, Aizawl	2,500.00
37.	(0827) Rural Housing IAY RD*	Project Director, DRDA, Serchipp(AIZ-S), Lawngtlai, Aizawl, Saiha (Chimtupui), Champhai, Lunglei, Mamit and Kolasib	1,250.85
38.	(0825) Swaranjayanti Gram Swarozgar Yojana*	Project Director, DRDA, Serchipp(AIZ-S), Lawngtlai, Aizawl, Saiha (Chimtupui), Champhai, Lunglei, Mamit and Kolasib	432.99
39.	(0295) Integrated Education for Disabled Children	State	133.43
40.	(0280) Mid Day Meal National Programme on Nutritional Support to Primary Education	State	1,317.31
41.	(0293) National Scheme for incentive to the Girl Child for Secondary Education	State	80.73
42.	(0279) Sarva Shiksha Abhiyan*	Mizoram Sarva Shiksha Abhiyan Mission	5,112.59
43.	(0281) Strengthening of Teacher Training Institutions	State	498.26
44.	(0287) Support to NGOs institutions SRCs for Adult Education and Skill Development Merged Schemes of NGOs JSS SRCs	Jan Shikshan Sansthan, Aizawl	17.46
45.	(1015) Autonomous Institutions and Professional Bodies	Mizoram University	0.50
46.	(1009) Research and Development Support SERC	Mizoram University	162.70
47.	(1011) Science and Technology Programme for Socio Economic Development	Centre for Environment Protection; Khualen Tung and Coff Plant and Indust Association; Mizoram Council of Science Technology and Environment and Pachhunga University, Aizawl	26.01
48.	(1013) State Science and Technology Programme	Mizoram Council of Science and Technology and Environment	24.00

Sl. No.	Programme/Scheme	Implementing Agency in the State	2008-09
	(Indicate Centre: State Share)		Total
49.	(1010) Technology Development Programme	Mizoram University and Directorate of Industries	8.50
50.	(1140) NE Lumpsum Provision for Projects Schemes for the Benefit of the NE Region and Sikkim	State	2,808.16
51.	(1146) North Eastern Region UD Project	Project Director SIPMIU	72.47
52.	(0076) Development of Inland Fisheries and Aquaculture	State	40.00
53.	(0060) Integrated Sample Survey	State	27.29
		State	8.21
54.	(0059) Livestock Census	State	20.00
55.	(0057) National Livestock Disease Control Programme	State Government Mizoram, PED and NPPE	92.00
		State Government Mizoram, PED	131.00
56.	(0071) Project for Dairy Development including for clean milk production	Champhai District Milk Produces Coop Union Ltd	50.00
57.	(0055) Project for Feed and Fodder	Mizoram Multi Commodity Producers Co-operative UNIO; Department of Animal Husbandry and Department of Forest	199.50
58.	(0079) Strengthening of DATABASE and Information Networking	State	9.72
59.	(0582) Grants in Aid to State Government Law and Justice	State	25.00
60.	(0709) DFID Project for Capacity Building for Poverty Reduction PPG	Administrative Training Institute, Aizawl	25.00
61.	(0702) Training for all Support for Training Activities and Capacity Building for Project Appraisal PPG	Administrative Training Institute, Aizawl	21.93
62.	(0708) UNDP Capacity Building for Access to Information	Administrative Training Institute, Aizawl	7.00
63.	(0989) Capacity Development SPI	Secretary Planning, Mizoram	28.00
64.	(1261) MPs Local Area Development Scheme MPLADs	Deputy Commissioner, Aizawl	400.00
65.	(0204) Archives and Archival Libraries	Pachchunga University College	0.20
66.	(0202) Promotion and Dissemination of Art and Culture	Mizoram Drama Organisation; Do Re Mi Drama Cultural Club, Electric Veng and Academies	10.44

Sl. No.	Programme/Scheme	Implementing Agency in the State	2008-09
	(Indicate Centre: State Share)		Total
67.	(0249) Assistance from Central Pool for NE and Sikkim	State	1,494.52
68.	(0248) North Eastern Council	State, Information and Comm Tech Deptt.; Young Mizo Association Dawrpui Vengthar, Aizawl; Tennis Academy, Aizawl; DIPR; PWD; Director of Sports and Youth Services; President young Mizo Association, Chawnpui Branch, Dawrpui Vengthar, Kanan Veng Branch, Mizoram Basketball Association, Hargbana College, Mizoram University, Bamboo Development Agency; Industries Department; Power and Electricity; Mizoram Remote Sensing Application Centre S n T; Secretary Mizo Women's Hockey Association and Director, Sports and Youth Services, Aizawl	4,095.87
69.	(0253) Conservation of Natural Resources and Ecosystems	Deptt. of Environment and Forest	71.99
70.	(0266) Environment Information Education and Awareness	Mizoram State Pollution Control Board ENVIS AND Centre for Environment Protection, Aizawl	14.69
71.	(0256) Gregarious Flowering of Muli	State	500.00
72.	(0258) Integrated Development of Wild Life Habitats	Chief Wildlife Warden	312.54
73.	(0257) Intensification of Forest Management Farmer Integrated Forest Protection Scheme	Chief Wildlife Warden and State	428.37
74.	(0273) National Afforestation and Eco Development Board	L H Tribal Development Society and M and S Fraternity Society	8.65
75.	(0261) National Afforestation Programme	Kolasib, Aizawl, Mamit, Mara, Thenzawl Jhum FDA; Tawi Wildlife Sanctuary, Tlabung, Murlen National Park, Chakma ADC, Darlawn, Kawrthah, FDA; Mara, Lai Autonomous Dist Council; Forest Development Agency, Tawi WL/Murlen Nath park/Champhai	961.33
76.	(0264) Pollution Abetment	Mizoram State pollution Control Board	16.28
77.	(0259) Project Tiger	State, Secretary Forests	256.69
78.	(0265) Research and Development for Conservation and Development	Mizoram University	16.03
79.	(0390) Scheme for Human Resource Development FPI	NE Industrial Consultancy Organisation	2.00
80.	(0391) Scheme for Strengthening of Institutions including NIFTEM	State Nodal Agency Mizoram and Mizoram Food and Allied Industries Corporation Ltd.	7.50
81.	(0490) Improvement in Vital Statistics System and Other Scheme Home Affairs	Directorate of Census Operations	0.76
82.	(1160) SJSRY Swarna Jayanti Shahari Rojgar Yojana	State	350.20

Sl. No.	Programme/Scheme	Implementing Agency in the State	2008-09
	(Indicate Centre: State Share)		Total
83.	(0616) Externally Aided Project for Reforms and Investment in Vocation Training Services Rendered by Central and State	Director, Deptt. of Labour and Employment, Aizawl	9.00
84.	(0614) Skill Development Initiative	Director, Deptt. of Labour and Employment, Aizawl	30.00
85.	(0660) Rajiv Gandhi Udyami Mitra Yojana	Director of Industries	1.64
86.	(0636) Free Coaching and Allied Scheme for Minorities MA	DOEACC Society, Aizawl Centre	29.48
87.	(0639) Merit cum Means Scholarship for Professional and Technical Courses	State	66.72
88.	(0642) Post Matric Scholarships for Minorities	State	87.01
89.	(0641) Pre Matric Scholarships for Minorities	State	44.35
90.	(0693) Administration and Monitoring including HRD and Training	Zoram Energy Development Agency	14.20
91.	(0682) Grid interactive Renewable Power MNRE	Zoram Energy Development Agency	92.50
92.	(0691) Information Publicity and Extension	Zoram Energy Development Agency	9.12
93.	(0683) OFF Grid DRPS	Zoram Energy Development Agency	25.82
94.	(0685) Renewable Energy for Rural Applications for all Villages	Anmial Husbandry and Veterinary	12.50
95.	(0752) Setting up of Joint SERC for Manipur and Mizoram POWER	Setting UP JSERC, Mizoram	102.25
96.	(0976) Assistance TO Panchayati Raj Institutions Voluntary Organizations Self Help Groups for Programmes Related to Aged SJE	Save Help and Development Electric Veng, Aizawl	3.87
97.	(0975) Assistance to Voluntary Organisation for Providing Social Defence Services including Prevention of Alcoholism and Drug	Blessing Home Aizawl Mizoram; Mizoram Social Defence Board, Aizawl; nlhs, Aizawl; Agape Moral Reformation, Aizawl; Faith Moral Reformation, Aizawl; Woman Anti Drug Association, Lunglei; Social Guidance Agency, Aizawl; Mizoram Social Defence and Rehabilitation Board; Thutak Nunputu Team, Kolasib and Zoram Drivers Ramthim Board, Aizawl	51.65
98.	(0971) Deen Dayal Disabled Rehabilitation Scheme SJE	Spastic Society of Mizoram	16.10
99.	(1095) Capacity Building for Service Providers	Managing Board, Platonic High School Society, Mizoram; The Mizoram Apex H H Co-op Society; Mizoram Handloom and Handicraft Development Co-op and Cent for Comm Dev Th Netw Edu Res Trai Res	90.21

Sl. No.	Programme/Scheme	Implementing Agency in the State	2008-09
	(Indicate Centre: State Share)		Total
100.	(1102) Computerisation and IT	The Mizoram Apex H H Co-op Society; Mizoram Handloom and Handicraft Development Co-op	34.08
101.	(1097) Domestic Promotion and Publicity including Hospitality	Member Secretary, Mizoram Tourism Dev Authority	5.00
		Publicity Events and Information Technology	9.21
		Programme Division PEIT and State	19.00
102.	(1106) Product Infrastructure Development for Destinations and Circuits	Mizoram Tourism Dev Agency	277.89
103.	(1107) Grant in Aid to NGOs and for Coaching ST Students for Competitive Exams	Mizoram Hmeithai Association	40.86
104.	(1119) Scheme of PMS Book Banks and Upgradation of Merit of ST Students	State	1,421.18
105.	(TSP2) Grant in Aid	State	403.57
106.	(1108) Vocational Trainin Centre in Tribal Areas	State	57.08
107.	(1162) Development of Water Resources Information System	Director, STAT	1.37
108.	(1195) Grants in Aid for Innovative Work on Women and Child Development	Adoption Co-ord Agency	2.84
109.	(1199) ICDS Integrated Child Development Services	State	2,403.79
110.	(1200) Scheme for Prevention and Control of Juvenile Social Mal Adjustment	State	10.97
111.	(1181) Shishu Greh Scheme	Department of Social Welfare, Aizawl	5.53
112.	(1186) Step support to Training and Employment Programme for Women	Mizoram Multi Commodity Producers Co-op Union Ltd	39.02
113.	(1236) National Service Scheme NSS	State	69.30
114.	(1237) Panchayat Yuva Krida and Khel Abhiyan Pykka	State Sports Council	69.84
115.	(1208) Youth Hostel	Youth Hostel, Aizawl	0.72
116.	(1364) National E Governance Action Plan NEGAP	State	4,056.92
Total			70,479.29

Source - CGA's e-lekha portal.

* These schemes are included in the Table-1.2.

APPENDIX - 1.5

(Reference: Paragraph-1.2.2 ; Page-6)

Part B : Statement showing Funds Transferred directly to State Implementing Agencies

(Rupees in lakh)

Programme/Scheme (Indicate Centre: State Share)	Implementing Agency in the State	2007-08			2008-09		
		Central Share	State Share, if applicable	Total	Central Share	State Share, if applicable	Total
1. National Rural Development Scheme (NREGS)	Rural Development	37.21	--	37.21	9.71	--	9.71
2. Indira Awaas Yojana (IAY)	Rural Development	4.00	--	4.00	0.10	--	0.10
3. Pradhan Mantri Gram Sadak Yojana (PMGSY)	Public Works Deptt.	260.59	--	260.59	315.15	--	315.15
4. Sarva Shiksha Abhiyan (SSA)	Education Deptt.	42.64	--	42.64	0.00	--	0.00
5. National Rural Health Mission (NRHM)	Health Services	56.31	--	56.31	79.86	--	79.86
Total		400.75	--	400.75	404.82	--	404.82

Source - Finance Department, Government of Mizoram.

APPENDIX - 1.6

(Reference: Paragraph-1.5.2 ; Page-19)

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

(Rupees in lakh)

Social/Economic Infrastructure	2007-08					2008-09				
	CE	TE				CE	TE			
		CE	RE	L&A	Total		CE	RE	L&A	Total
Social Services (SS)										
Education, Sports, Art and Culture	5.44	5.44	332.60	0.00	338.04	6.90	6.90	398.77	0.00	405.67
Health and Family Welfare	0.19	0.19	98.49	0.00	98.68	4.11	4.11	170.93	0.00	175.04
WS, Sanitation & HUD	84.89	84.89	111.65	0.00	196.54	72.75	72.75	118.01	0.00	190.76
Other Social Services	15.42	15.42	154.03	3.96	173.41	9.18	9.18	210.47	3.28	222.93
Total (SS)	105.94	105.94	696.77	3.96	806.67	92.94	92.94	898.18	3.28	994.40
Economic Services (ES)										
Agri & Allied Activities	70.72	70.72	205.91	0.00	276.63	86.78	86.78	224.66	0.00	311.44
Irrigation and Flood Control	30.77	30.77	6.48	0.00	37.25	75.10	75.10	4.15	0.00	79.25
Power & Energy	68.92	68.92	145.17	0.00	214.09	34.78	34.78	165.84	0.00	200.62
Transport	155.76	155.76	67.90	0.00	223.66	42.67	42.67	69.29	0.00	111.96
Other Economic Services	98.64	98.64	140.50	0.18	239.32	88.99	88.99	147.92	8.85	245.76
Total (ES)	424.81	424.81	565.96	0.18	990.95	328.32	328.32	611.86	8.85	949.03
Total (SS + ES)	530.75	530.75	1,262.73	4.14	1,797.62	421.26	421.26	1,510.04	12.13	1,943.43

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

APPENDIX - 1.6

(Reference: Paragraph-1.5.2 ; Page-19)

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

(Rupees in lakh)

	2007-08			2008-09		
	Salary	Non-Salary	Total	Salary	Non-Salary	Total
Social Services (SS)						
Education, Sports, Art and Culture	232.92	99.68	332.60	282.20	116.57	398.77
Health and Family Welfare	70.38	28.11	98.49	82.42	88.51	170.93
WS, Sanitation & HUD	21.15	90.50	111.65	23.37	94.64	118.01
Other Social Services	17.31	136.72	154.03	21.60	188.87	210.47
Total (SS)	341.76	355.01	696.77	409.59	488.59	898.18
Economic Services (ES)						
Agri & Allied Activities	67.64	138.27	205.91	80.38	144.28	224.66
Irrigation and Flood Control	2.34	4.14	6.48	2.57	1.58	4.15
Power & Energy	31.98	113.19	145.17	37.99	127.85	165.84
Transport	32.65	35.25	67.90	33.67	35.62	69.29
Other Economic Services	40.09	100.41	140.50	46.52	101.40	147.92
Total (ES)	174.70	391.26	565.96	201.13	410.73	611.86
Total (SS + ES)	516.46	746.27	1,262.73	610.72	899.32	1,510.04

APPENDIX - 2.1

(Reference: Paragraph-2.3.1; Page-36)

Statement of various grants/appropriations where saving was more than Rupees one crore each or more than 12 per cent of the total provision

(Rupees in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
1	2	3	4	5	6
Revenue (Voted)					
1.	4	Law and Judicial	8.63	1.16	13.44
2.	6	Land Revenue and Reformed	11.87	1.53	12.89
3.	11	Secretariat Administration	104.63	66.08	63.16
4.	14	Planning & Programme Implementation	139.67	112.39	80.47
5.	38	Rural Development	71.67	12.05	16.81
6.	42	Transport	23.54	2.83	12.02
7.	24	Medical and Public Health Services	210.63	36.77	17.46
8.	29	Social Welfare	59.98	18.35	30.59
Total			630.62	251.16	
Capital (Voted)					
1.	9	Finance	10.00	4.97	49.70
2.	16	Home	4.41	3.54	80.27
3.	29	Social Welfare	10.61	1.93	18.19
4.	39	Electricity	63.59	21.98	34.57
5.	40	Industries	26.38	9.49	35.97
6.	45	Public Works	151.42	27.78	18.35
7.	46	Urban Development & Poverty Alleviation	125.12	119.91	95.84
8.		Public Debt	184.55	88.25	47.82
Total			576.08	277.85	

APPENDIX - 2.2

(Reference: Paragraph-2.3.3; Page-37)

Statement of various grants/appropriations where Expenditure was more than Rupees one crore each or more than 15 per cent of the total provision

(Rupees in crore)

Sl. No.	Grant No.	Name of the grant/ appropriation	Total grant/ appropriation	Expenditure	Excess Expenditure	Percentage
1	2	3	4	5	6	7
Revenue-Voted						
1.	9	Finance	119.98	139.65	19.67	16.39
2.	20	School Education	311.47	317.75	6.28	2.02
3.	30	Relief & Rehabilitation	53.85	57.94	4.09	7.60
Total			485.30	515.34	30.04	--

APPENDIX - 2.3

(Reference to Paragraph-2.3.5; Page-37)

Statement showing the amount debited department-wise and credited in '8443'

(Amount in Rupees)

Sl. No.	Challan No.	From whom received	Debit Head of Account	Particulars	Amount
1	2	3	4	5	6
1.	609	B	2575	BADP, Khawbung R.D.	1,25,00,000.00
2.	610	B	2575	BADP, Champhai R.D.	1,48,00,000.00
3.	611	B	4575	Construction of Road Hnathial R.D.	5,00,000.00
4.	612	B	4575	Construction of Community Hall Teipung R.D.	6,00,000.00
5.	613	B	4575	Construction of Road Ngapa R.D.	5,00,000.00
6.	614	B	2575	BADP, W. Phaibang R.D.	23,00,000.00
7.	615	B	2575	BADP, Bunghung R.D.	1,21,00,000.00
8.	616	B	2575	BADP, Ngapa R.D.	1,17,00,000.00
9.	617	B	2575	BADP, Zawlpuan R.D.	1,43,80,000.00
10.	618	B	4575	Construction of Community Hall Santhang Khawbung R.D.	3,00,000.00
11.	619	B	4575	Construction of Community Hall Zawlman R.D.	3,50,000.00
12.	620	B	4575	Construction of Playground Lungbeng R.D.	10,00,000.00
13.	621	B	2575	BADP, Chawngte R.D.	1,65,00,000.00
14.	622	B	2575	BADP, Champhai R.D.	5,00,000.00
15.	623	B	2575	BADP, Hnathial R.D.	5,00,000.00
16.	624	B	2575	BADP, Lawngtlai R.D.	1,50,00,000.00
17.	625	B	2575	BADP, W. Phailang R.D.	1,02,00,000.00
18.	626	B	2575	BADP, R. Lwangdar R.D.	80,00,000.00
19.	627	B	2575	Social Education	2,55,000.00
20.	628	B	4515	Housing for Project Staff	2,68,000.00
21.	629	B	4575	Jeepable Road W.Phailang R.D.	6,00,000.00
22.	630	B	4575	Jeepable Road Ngopa R.D.	12,00,000.00
23.	631	B	4575	Construction of Community Hall Saiha R.D.	2,00,000.00
24.	632	B	2575	BADP, Zawlman R.D.	6,70,000.00
25.	633	B	2575	BADP, Khawbung R.D.	13,00,000.00
26.	634	B	2575	BADP, Khawbung R.D.	18,00,000.00
27.	635	B	2575	BAD, Sangu R.D.	95,00,000.00
28.	636	B	2575	BADP, Khawzawl R.D.	23,50,000.00
29.	637	B	2575	BADP, Various R.D.	56,00,000.00
30.	640	B	2575	BADP, Thipang R.D.	1,44,00,000.00
31.	641	B	2575	Construction of Road Champhai R.D.	7,00,000.00
32.	646	B	2575	Construction of Road Khawzawl R.D.	9,00,000.00
33.	948	B	2525	BADP, Khawbung R.D.	13,00,000.00
34.	949	B	2525	Construction of T/road Khawzawl R.D.	4,00,000.00
35.	950	B	2525	Construction of Community Hall W. Phailong R.D.	7,00,000.00
36.	951	B	2525	Construction of J/road Bunghnum R.D.	6,00,000.00
37.	952	B	2525	Construction of Information Centre W. Phailong R.D.	1,00,000.00

1	2	3	4	5	6	7
38.	1002	B	Director, Health Services	4210	Construction of Department Building	24,58,000.00
39.	1003	B		4210	Construction of Department Building	37,96,000.00
40.	1004	B		4210	Construction of Department Building	17,69,000.00
41.	1005	B		4210	Construction of Department Building	25,26,000.00
42.	1006	B		4210	Construction of Department Building	16,80,000.00
43.	270	B	Registrar, Co-operative Societies	2425	State Level Exhibition cum fair	10,00,000.00
44.	585	B		2425	Study tour for member of Co-operative Societies	3,00,000.00
45.	956	B		4425	Reconstruction of R.C.C etc. Lunglei	5,00,000.00
46.	538	B	Dy. Director, Social Welfare	2235	GIA to forest village	4,35,00,000.00
47.	539	B		2236	Nutrition food	1,07,01,028.00
48.	501	B	Director, Sericulture	2851	Construction of Seri appliances	29,85,999.00
49.	983	B	Joint Director, School Education	4202	A/C bill for construction of kitchen shed	5,40,60,000.00
50.	990	B	Director, Hospital & Medical Education	2203	State illness assistant fund	15,00,000.00
51.	998	B		4210	Construction of Quarter	16,59,000.00
52.	586	B	Director, Rural Development	2575	BADP Khawzawl	9,00,000.00
53.	587	B		2575	Construction of community Hall Tlabung	9,00,000.00
54.	588	B		2575	Widening of jeep road W. Phailang	11,00,000.00
55.	589	B		2575	Construction of P/s of Ngopa	2,00,000.00
56.	590	B		2575	Construction of road Ngopa R.D.	5,00,000.00
57.	591	B		2575	Installation of 2000 M W/P	3,00,000.00
58.	592	B		2575	Extension of H.S.S building Khawzawl	10,00,000.00
59.	593	B		2575	BADP, Hnahthial R.D.	44,80,000.00
60.	594	B		2575	BADP, Saiha	1,45,00,000.00
61.	595	B		2575	Widening Road Nmgopa R.D.	10,00,000.00
62.	596	B		2575	BADP, Bnghmun R.D.	22,00,000.00
63.	597	B		2575	BADP, E. Lungdar R.D.	9,00,000.00
64.	598	B		4575	Construction of community hall Khawzawl R.D.	4,00,000.00
65.	599	B		4515	Construction of SDO quarter (Hnazhthial) & truck road	5,00,000.00
66.	600	B		2575	BADP, Zawlnuam R.D.	2,00,000.00
67.	601	B		2575	BADP, Champhai R.D.	8,00,000.00
68.	602	B		2575	BADP, Saiha R.D.	5,00,000.00
69.	603	B		2575	BADP, Lungsen R.D.	17,00,000.00
70.	604	B		2575	BADP, Khawzawl R.D.	19,00,000.00
71.	605	B		4575	Construction of Truck Road Khawzawl R.D.	5,00,000.00
72.	606	B		2575	BADP, Hnahthial R.D.	17,00,000.00
73.	607	B		2575	BADP, Hnahthial R.D.	9,00,000.00
74.	608	B		2575	BADP, Ngopa R.D.	21,00,000.00
75.	961	B		2575	BADP, Khawzawl R.D.	1,22,00,000.00
76.	962	B		2575	BADP, E. Lungdar R.D.	24,00,000.00
77.	987	B		2575	BADP, Hnahthial R.D.	32,50,000.00
78.	988	B		4575	Construction of Community Hall Champhai R.D. BADP, Champhai R.D.	9,00,000.00

1	2	3	4	5	6	7
79.	991	B	Director, Rural Development	2575	BADP, Champhai R.D.	2,00,000.00
80.	992	B		2575	BADP, Hnahthial R.D.	4,00,000.00
81.	993	B		2575	BADP, Hnahthial R.D.	4,00,000.00
82.	994	B		2575	BADP, Saiha R.D.	8,00,000.00
83.	995	B		2575	BADP, Lungsan R.D.	1,24,00,000.00
84.	996	B		2575	BADP, Bungtlang 'S' R.D.	1,25,00,000.00
85.	998	B		4515	Housing for Project Staff	3,21,000.00
86.	1701	B	Director, Food, Civil Supplies & Consumers' Affairs	3456	Consumer awareness camp	1,50,000.00
87.	1699	B	Director General of Police	4055	Construction of furnitures etc.	26,38,111.00
88.	1695	B	Dy. Director, Local Administration Department	2070	Implementation of maintenance	14,79,500.00
89.	1692	B		2070	Minor works	2,50,000.00
90.	1691	B		2070	Minor works	4,50,000.00
91.	1690	B		2070	Minor works	3,00,000.00
92.	1693	B		2216	Minor works under departmental Housing	9,00,000.00
93.	1694	B		6216	LIC Housing loan	3,28,00,000.00
94.	1655	B	Director, Animal Husbandry & Veterinary Department	4059	Construction of building	6,00,000.00
95.	1603	B	Director General of Police	4055	Construction of Water Reservoir	14,99,570.00
96.	1515	B	Director, Horticulture	2401	Purchase of Banana seeds	45,00,000.00
97.	1516	B		2401	Cost of awareness camp.	24,46,000.00
98.	1600	B	Controller, General Administration Department (Aviation)	3053	Fencing of car parking at Lengpui	21,27,491.00
99.	1605	B		3053	Construction of mini cargo complex	10,00,000.00
100.	1705	B	Director, Industries Department	2851	First all India census	10,00,000.00
101.	1702	B		4059	Cost of IGC	2,40,24,790.00
102.	1589	B	Director, Horticulture	4401	Cost of Potato seeds	1,04,26,500.00
Total						46,45,50,996.00

Source: Aizawl (North and South) Treasury records.

APPENDIX - 2.4

(Reference: Paragraph-2.3.6; Page-38)

Excess over provisions relating to previous years requiring regularization

(Rupees in crore)

Year	Number of grants/ appropriations	Grant/ Appropriation numbers	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2003-04	5	17, 22, 39, 43 & Public Debt	387.34	-
2004-05	6	1, 2, 4, 38, 39 & Public Debt	308.98	-
2005-06	5	4, 12, 16, 33 & Public Debt	29.78	-
2006-07	2	38 & Public Debt	25.30	-
2007-08	4	4, 33, 36 & 38	13.92	-
Total	22		765.32	

APPENDIX - 2.5

(Reference: Paragraph-2.3.8; Page-39)

Unnecessary/Excessive/Inadequate supplementary provision

(Rupees in thousand)

Sl. No.	Number and Name of the Grant	Original Provision	Actual expenditure	Savings out of Original provision	Supplementary provision
A. Revenue (Voted)					
1.	11	9,77,425	3,85,462	5,91,963	68,858
	Secretariat Administration				
2.	42	2,11,145	2,07,069	4,076	24,257
	Transport				
Total for Voted		11,88,570	5,92,531	5,96,039	93,115
B. Capital (Voted)					
3.	16	37,500	8,710	28,790	6,625
	Home				
4.	39	4,41,100	4,16,141	24,959	1,94,810
	Power				
5.	14	13,04,910	2,72,842	10,32,068	91,822
	Planning & Program Implementation				
Total for Capital		17,83,510	6,97,693	10,85,817	2,93,257
C. Capital (Charged)					
1.	Public Debt	18,01,190	9,62,933	8,38,257	44,279
Total for Charged		18,01,190	9,62,933	8,38,257	44,279
Grand Total		47,73,270	22,53,157	25,20,113	4,30,651

APPENDIX - 2.6

(Reference: Paragraph-2.3.8; Page-39)

Statement of various grants/appropriations where supplementary provision proved insufficient by more than Rupees one crore each

(Rupees in crore)

Sl. No.	Grant Number	Name of the grants and appropriation	Original Provision	Supplementary provision	Total	Expenditure	Excess
Revenue (Voted)							
1.	9	Finance	118.24	1.74	119.98	139.65	19.67
2.	20	School Education	259.92	51.55	311.47	317.75	6.28
3.	30	Relief & Rehabilitation	7.72	46.13	53.85	57.94	4.09
Total			385.88	99.42	485.30	515.34	30.04

APPENDIX - 2.7

(Reference: Paragraph-2.3.9; Page-39)

Excess/Unnecessary/Insufficient re-appropriation of funds (Rupees 10 lakh and above)

(Rupees in lakh)

Sl. No.	Grant No.	Description	Budget provision	Re-appropriation	Total Grant	Total Expenditure	Final Excess(+)/ Saving (-)
1.	8	Taxation					
		2040-Taxes on Sales, Trade etc.					
		001(01)-Direction	231.43	(-) 25.13	206.30	272.13	(+) 65.83
2.		-do-					
		001(02)- Administration	356.07	(+) 22.56	378.63	329.25	(-) 49.38
3.	11	Secretariat & Administration					
		2052-Secretariat General Services	1,515.97	(-) 98.28	1,417.69	1,403.90	(-) 13.79
		090(01)-Secctt. Admn. Department					
4.		-do-					
		090(05)-General Admn. Department	57.30	(+) 14.74	72.04	46.88	(-) 25.16
5.	18	Printing and Stationery 2058-101(01)- Forms & Stationery	201.47	(+) 0.34	201.81	152.51	(-) 49.30
6.	20	School Education					
		2202-01-101(02)-Govt. Middle School	8011.10	(+) 367.71	8,378.81	8,278.81	(-) 100.00
7.		-do-					
		01-101(01)-Govt. Primary School	6,132.60	(+) 161.14	6,293.74	6,014.96	(-) 278.78
8.		-do-					
		02-109(03)-Govt. High School	1,165.30	(+) 21.14	1,186.44	1,142.71	(-) 43.73
9.	24	Medical & Public Health					
		2210-01-110(01)-Hosp. & Dispensary	3,391.10	(-) 41.48	3,349.62	3,303.00	(-) 46.62
10.	26	Information & Publicity					
		2220-01-001(01)-Direction	160.71	(-) 3.03	157.68	137.30	(-) 20.38
11.	28	Labour & Employment					
		2230-02-101(01)-Employment Exchange	142.62	(-) 37.35	105.27	116.13	(+) 10.86
12.	31	Agriculture					
		2702-80-001(02)-Administration	286.05	(+) 0.88	286.93	319.28	(+) 32.35
13.	42	Transport 3055-800(03)-Central Workshop	163.95	(-) 47.01	116.94	134.24	(+) 17.30
Total			21,815.67		22,151.90	21,651.10	

APPENDIX - 2.8

(Reference: Paragraph-2.3.10; Page-39)

Statement showing Un-explained re-appropriation

(Rupees in crore)

Sl. No.	Grant No. and Name	Major Head	Amount Re-appropriated		Reasons for re-appropriation
			Decrease (-)	Increase (+)	
1.	4 - Law and Judicial	2014 - 105 (02) District Judge Lunglei	1.49	0.00	Due to normal savings
		2014 - 105 (09) Family Court	4.10	0.00	Specific reasons not stated
		2014 - 105 (01) District Judge Aizawl	1.03	0.00	Not stated
2.	6 - Land Revenue and Reforms	2506 - 001 (01) Direction	16.73	4.81	Insufficient reasons
		2029 - 001 (02) Administration	42.65	0.00	Insufficient reasons
3.	8 - Taxation	2040 - 001 (02) Administration	0.38	25.17	Insufficient reasons
	11 - Secretariat Administration	2052 - 090 (04) Finance Department	1.74	0.00	Normal Saving
4.	14 - Planning and Programme Implementation	3451 - 101 (02) Evaluation and monitoring	237.66	33.59	Not stated
		3451 - 101 (01) Plan formulation	1.50	6.11	Not stated
		3451 - 102 (02) Pilot project	0.50	200.50	Not stated
5.	20 - School Education	2202 - 101 (02) Government middle School	3.82	0.00	Not stated
		2202 - 102 (02) Appointment of modern language teachers	22.81	260.62	Not stated
		2202 - 109 (01) Government High School	506.14	1.86	Not stated
		2202 - 004 (01) SCERT	313.53	2.30	Not stated
		2202 - 101 (01) Government Primary School	5.54	166.68	Not stated
		2202 - 105 (01) DIET	79.26	1.40	Not stated
		2202 - 104 (01) Inspection	42.44	0.00	Not stated
		2202 - 02(101-01) Inspection	41.06	0.00	Not stated
		2202 - 01 (104-02) Government Elementary	40.24	0.00	Not stated

Sl. No.	Grant No. and Name	Major Head	Amount Re-appropriated		Reasons for re-appropriation
			Decrease (-)	Increase (+)	
	20 - School Education	2202 - 02 (110-03) Vocationalisation of Secondary Education	31.18	0.00	Not stated
		2202 - 80 (004-01) Statistical and Educational Services	30.49	0.44	Not stated
		2202 - 02 (109-03) Government Higher Secondary School	10.71	31.85	Not stated
		2202 - 02 (107-10) Scholarship for minorities	21.36	0.00	Not stated
		2202 - 80 (001-01) Direction	19.70	1.86	Not stated
		2202 - 80 (800-01) Physical Education	17.53	0.00	Not stated
		2202 - 02 (004-02) Science Promotion	16.55	2.75	Not stated
		2202 - 01 (001-01) Direction	13.45	0.00	Not stated
6.	23 - Art and Culture	2205 - 102(03) Tribal Research Institute	0.11	1.04	Normal Saving
		2205 - 001 (04) District Administration	5.37	0.00	Normal Saving
7.	24 - Medical and Public Health Services	2210 - 06 (112-02) Public Health Insurance (SAL-EAP)	0.81	0.82	Not stated
		2210 - 01 (001-02) Administration	81.42	74.03	Not stated
		2210 - 03 (103-01) Primary Health Centre	39.07	74.22	Not stated
		2210 - 05 (105-01) Medical Education	16.56	16.18	Not stated
		2210 - 06 (101-11) Disaster Management	10.00	0.00	Not stated
		2210 - 06 (101-08) NMEP	20.24	38.25	Not stated
8.	28 - Labour and Employment	2230 - 02 (101-01) Employment Exchange	16.64	0.00	Normal Saving
9.	38 - Rural Development	2501 - 06 (800-05) SGSY	22.34	0.00	Not stated

Sl. No.	Grant No. and Name	Major Head	Amount Re-appropriated		Reasons for re-appropriation
			Decrease (-)	Increase (+)	
10.	41 - Sericulture	2851 - 107 - 02 Administration	13.63	0.00	Normal Saving
11.	42 - Transport	3055 - 001 - 03 General Administration	1.00	0.18	Due to Economy Measures & for Rs.0.18 lakh reasons not stated
		3055 - 800 - 03 Central Workshop	3.54	0.13	Due to Economy Measures & for Rs.0.13 lakh reasons not stated
		2041 - 001 - 01 Direction	7.39	4.43	Due to Economy Measures & for Rs.4.43 lakh reasons not stated
Total			1,761.71	949.22	

APPENDIX - 2.9

(Reference: Paragraph-2.3.11; Page-39)

Results of review of substantial surrenders (i.e. more than 50 per cent of total provision) made during the year 2008-09

(Rupees in lakh)

Sl. No	Grant No.	Number and details of Grant/Scheme	Total provision	Amount of Surrender	Percentage of Surrender	Reasons/remarks
1	2	3	4	5	6	7
1.	1	2011: Parliament/State/UT Legislature				Non incumbency of Dy. Speaker.
		101 (01) Speaker/Dy. Speaker(a)	31.26	17.81	57%	Less Addl. Claim than anticipated.
		(12) Travelling abroad	10	10	100%	Less performances of Foreign tour.
						Non performances of Foreign tour.
2.		101 (02) MLA (Voted)				Less expd. on foreign travel than anticipated.
		(12) Foreign Travelling Exp.	9	6.48	72%	Absence of requirement for write off/losses.
		(64) Write off/Losses	1	1	100%	
3.		103 (01) Assembly sect. (voted)				Less performance of foreign tour than anticipated.
		(12) Travelling abroad	3.20	2.71	85%	
4.	4	2014: Admn of justice	0.45	0.45	100%	NA
		105 (03) (02) - Wages				
5.		105 (08) Civil & Session Court Lawngtlai				Non filling up of posts.
		(01) Salaries	20.45	15.36	75%	
6.		105 (06) District Judge, Serchhip				Non filling up of posts.
		(01) Salaries	19.60	16.50	84%	
7.		105 (07) District Judge, Mamit				Non filling up of posts.
		(01) Salaries	19.50	16.38	84%	
8.		105 (09) Family court				Family court not yet constituted.
		(01) Salaries	6	6	100%	
9.		114 Legal Advisers & Counsels				Frequent court adjournment.
		(01) Legal Remembrance				
		(28) Professional services	9	4.10	54%	
10.		114 (04) Advocate General				Normal saving.
		(11) DTE	1.50	1.44	96%	

1	2	3	4	5	6	7
11.	6	Land Revenue & Reform				NA.
		2029 Land Revenue	97.98	97.98	100%	
		2506 Land Reforms				
12.	9	7610: Loans to Govt. Servants				Reprovision to meet the requirement for advance of conveyance.
		204 Adv. Of computers				
		(55) Loans & Advances	500	500	100%	
13.	11	2052 Secretariat General services				NA.
		090/(04) Finance Deptt.				
		(06) Medical Treatment	4,000	4,000	100%	
14.		2250 Other Social Service				Non-receipt of NRC bill during the year.
		800 Other expenditure				
		(01) NRC for postal service	50	32.13	64%	
15.	12	2052 Sectt. General service				Non receipt of claims.
		92 Other offices				
		02 Parliament affairs				
		(06) Medical treatment	2.05	1.90	93%	
16.	13	2070 Other Administrative Services				NA.
		003 Training				
		(01) Director Medical Treatment(06)	6	3.47	58%	
17.	14	3425 Other Scientific Research				NA.
		60 Others				
		004 (06) Medical Treatment	3.60	2.14	59%	
18.		3451 Secretariat Eco. Services				NA.
		101 Planning commission				
		(01) Salaries	6	3.72	62%	
19.		102 District Planning Machinery				NA.
		01 (01) Salaries	10	7.70	77%	
20.		3275 Other Communication Service				
		800 other expenditure				
		02 Capacity Building under ecg.				
		31 GIA (Negp)	596	596	100%	NA.
21.		50 OC (CSS)	10	10	100%	NA.
22.	15	2053 District Administration (N/P)				
		094 Other Establishment				
		(10) G.C. Mamit				
		(02) Wages	1	1	100%	No permission issued.

1	2	3	4	5	6	7
23.	15	093 District Establishment				
		(07) DC Serchhip				
		(06) Medical Treatment	15.10	10.43	69%	Good year.
24.		2015 Election				
		102 Electoral Officer				
		01 Direction				
		(02) Wages	1	1	100%	Exercise of economy measure.
25.	16	Publication	1	1	100%	
		02 Administration				
		(14) Rent	1	1	100%	Exercise of economy measure.
26.		2070 OAS (CSS)				Late receipt of proforma bills and allocation of fund.
		800 Other expenditure	82.11	57.07	70%	
		01 Modernization of MRHG				
27.		2055 Police				
		115 Modernization of police force				
		(01) Modernization (CSS)				
		(51) M.V.	331.85	331.85	100%	Late/Non receipt of State Govt. sanction.
		(52) M.E.	608.79	379.69	62%	
28.	17	3456 Civil Supplies				Non payment of salaries of DF President
		800 Other expenditure				Non filling up of one expenditure M.R.
		(02) District Forum	35.40	22.42	63%	Non receipt of Medl. Referred bills in time.
29.		(04) State consumer helpline	21.95	11.95	54%	Late allocation of fund.
						Non completion of consumer helpline.
30.	23	2205: Arts & Culture				
		102 Promotion of Art & Culture				
		(03) Tribal Research Institute				
		(16) Publication	1	1	100%	Non publication of books.
31.		(01) Direction				Non sanction.
		(28) Professional Service	1	1	100%	
32.	24	2211 Family welfare (P)				
		102/01 District P.P. unit(P)				
		(11) DTE	2	1.80	90%	Less performance of tour.
33.		2210 Medical & Public Health (CSS) H.S.	17.10	9.87	58%	On going scheme.
34.		2211 Family welfare (CSS)				
		001/01 Direction (CSS)	5	5	100%	Less performance of tour.
		(11) DTE				

1	2	3	4	5	6	7
35.	24	(50) Other charges	9.50	6.07	64%	Economy measures.
		001/02 Administration (CSS)				
		(11) DTE	8	8	100%	Late receipt of sanction.
36.		003/01 Training of ANM				
		(01) Salaries	39.75	20.57	52%	On going scheme.
37.		101/01 Maintenance of sub centre				
		(11) DTE	10.01	10.01	100%	Late receipt of sanction.
		(13) Office expenses	3	3	100%	On going scheme
38.		101/03 Procurement of FW materials				
		(52) Machinery & Equipment	5.96	5.96	100%	Late receipt of sanction.
39.		2210 M & P.H.				NA.
		01-001/01 Direction(P)				
		(01) Salaries	26	16.50	63%	
40.		01-110/02 State illness fund				Non receipt of Administrative approval/sanction.
		(31) GIA (50) OC	15	15	100%	
41.		02- 200/51 National Mental Health programme (CSS)				
		(13) O/E				
		(50) O/C	4	3.75	94%	NA.
			5	5	100%	
42.		04-200/52 National Mental Health programme, Lunglei	26.20	26.20	100%	Non filling up of post due to waiting for Govt. permission.
						Non filling up of post due to waiting for response from employment exchange.
						Repeated election with ban on recruitment of new staff.
43.	25	4215 Co. on water supply and sanitation.				Natural calamities as per instructions of Planning Board.
		800 OE				
		(01) Building	10	8	80%	
44.	28	2230 Labour & Employment Deptt.				Revalidation on the next year 2009-10.
		03 Training	37	37	100%	
		101/(27) Minor works				

1	2	3	4	5	6	7		
45.	29	2235 Social security & welfare						
		02 Social welfare						
		101(05) Persons with disability Act, 1995 (P)				Approval for functioning of Com office for PWD not received from the Govt. of Mizoram.		
		(01) Salaries	4.80	4.80	100%			
		(13) O.E.	3	3	100%			
		(50) O.C.	3	3	100%	Normal saving.		
		001 Direction & Administration				-do-		
		(02) Wages	20	14.73	74%			
		(11) T.E.	17	9.26	54%			
		60 Others				Project approval not received from the GOI.		
		800 Other expenditure						
		(01) Minorities concentration District/CSS						
		(31) GIA	1,377	1,377	100%			
46.	31	2401: Crop husbandry				Two <i>per cent</i> cest imposed by the Government for natural calamities.		
		107 (01) Plant protection (P)	5	4	80%			
		(21) Supply & materials				-do-		
		108 (02) Oil seeds Development (P)	10	5	50%			
		(21) Supplies & materials				-do-		
		108 (03) Pulses Development (P)	10	5	50%	-do-		
		(21) Supplies & materials				Non approval by Govt.		
		105 (03) Fertilizers on Macro Management (CSS)	245	195	80%			
		114 (02) ISOPOM (CSS)				Shortage of time of expenditure sanction.		
		(21) Supplies & materials	274.67	146.25	53%			
		109 (03) Post Harvest Technology Management (CSS)				Late release of fund and time constraint to get quotation.		
		(52) Machinery & Equipment	25	25	100%			
		47.	2702 Minor Irrigation	(01) Direction (CSS)				
				(01) Salaries	7.80	6.26	80%	Non filling up of 3 post.
				48.	34	2403: Animal Husbandry		
80 General								
113 Admn. Investigation & stats.								
(02) Sample survey & stat (CSS)								
(11) D.T.E.	5	4.28	86%			Economy measures on ongoing scheme.		
(13) O.E.	10	10	100%					
(16) Publication	4	2.13	53%					
113 Admn. Investigation & stats.								
113 (03) Livestock census (CSS)								
(11) D.T.E	7.99	6.19	77%			-do-		
113 (03) Livestock census (CSS)								
(11) D.T.E	7.99	6.19	77%			-do-		

1	2	3	4	5	6	7
49.	35	2552 NEA				
		135 Fisheries				
		(01) Integrated fisheries development project (NEA)				
		(27) MW	49.50	49.50	100%	Refund as per instruction of Adviser, NEC & Finance Department.
50.	36	2406: Forestry & Wildlife				
		01 Forestry				
		001 Direction & Administration				
		(50) Other charges	20.35	12.70	62%	NA.
		101 Forest conservation development & Regeneration				
		(06) (13) office expenses				
		110 Wildlife preservation (CSS)	28.28	24	85%	-do-
		(01) (13) office expenses				-do-
		110 (06) National Park Sanctuary	35	19.50	56%	-do-
		(13) Office expenses	6	6	100%	-do-
51.	37	2425 Cooperation				
		001 Direction & Administration				
		001 (01) Direction (P)				
		(50) O.C.	10	9.86	99%	Two per cent set aside for disaster management.
52.	38	2515 ORDP (P)				
		001 Direction & Administration				
		(01) (16) Publication	3	3	100%	N.A.
		(02) (11) DTE	3	2.50	83%	-do-
		(03) (11) DTE	2.30	2.30	100%	-do-

1	2	3	4	5	6	7
53.	39	2801: Power				
		05 Trans & Distribution				
		799 Suspense				
		(01) Stock suspense				
		(43) Suspense (NP)	50	50	100%	No expenditure sanction.
		001 Direction and Administration				
		(01) (26) Advertising & Publicity	7	5.30	76%	N.A.
		(34) Scholarship & stipend	35	33	94%	Surrender was made due to transfer of fund to PW payment of stipend/ Book grant to engineering study.
		4552: Co on NEA				
		80 General				
		139 Power & Electricity				Non release of fund by Govt.
		(07) Construction of 33 KV transmission line from Serchhip S/S to Sialsule S/S NEA				
		(08) Construction of 132 KV S/C transmission line from Melriat S/S to Luangmual/NEA.	250	250	100%	Expenditure sanctioned is not accorded by Govt.
		4801 Co. on power project	60	60	100%	
		01 Hydel Generation				
		(04) R&M of Tuipui SHP/CSS				Non-release of fund by Govt. of Mizoram.
		53 Major works				
		(05) Transmission & Distribution				
		(01) APDRP (ACA)	25.82	25.82	100%	Expenditure sanction not accorded by Govt.
		53 Major Works				
		(05) Transformation				Transfer of fund under GIA (P).
		53 Major works	2,015	1,774.02	88%	
			160	85	53%	
	40	2851- V&SI	5	4.83	97%	Non-occupation of private building.
		001-Direction & Administration				
		(01)-Direction				
		(14)-Rent				
		102-SSI	5.30	4	75%	Less available of artisan during the year.
		(05)-Development of R.I.(P)				
54.	45	(34)-SS				
		2059 Public Works2 (NP)				
		80 General				
		001 Dir. & Admn.				
		799(01) Purchase of stock materials	25	25	100%	N.A.
		5054: Co on Roads & Bridge (P)				
		04/800 (13) Construction of Bridge over kictum – Artahkawn/NLCPR.	90	90	100%	Non receipt of E/S surrender for re-appropriation.

1	2	3	4	5	6	7
55.	45	5054: Co on Road & Bridge				Non receipt of E/S surrender for re-appropriation.
		04/800(08) Construction of Roads under BAFFACOS/TFC	137.67	137.67	100%	
		4202: Co. on Edu., Sports, Art & Culture (P)				
		03/102 (01) Aizawl				Late receipt of E/S surrendered for reprovision.
		Sports Comple/TFC	1,625	1,325	82%	
		4408: Co. on Food Storage & Ware Housing (P)				Late receipt of E/S surrendered for reprovision.
		02/101(01) Rural Godown Prog.				-do-
		4401: Co. on Crop Husbandry (P)	5	5	100%	
		80/108(04) Oil Palm Dev. ACA – OT				-do-
		4406: Co. on Forestry & Wildlife (P)	40	40	100%	
		80/108(04) Oil Palm Dev. ACA – OT				-do- E/S in time.
		4055: Co. on Police (NP)	79	79	100%	
		80/800 (01) Modernization of Police Force (CSS/NP)				
			709.42	352.09	50%	
56.	46	4217: Co. on Urban Dev.				
		01/051 (01) Construction (JNNURM)				
		57 Major Works	1,477	979	66%	NA.
		2049: Interest Payment				
		115 Interest on WMA for RBI	43	25	58%	NA
		305 Management of Debt				
		6003: Internal Debt of the State Govt.				
		109 Loans from Other Institutioun	2,490.80	1,997.10	80%	NA
		110 WMA from RBI	6,670	6,670	100%	NA
		111 Spl. Securities issued to NSSF of the Central Govt.	241.80	122.15	51%	NA
Total			25,170.81	22,443.65		

APPENDIX - 2.10

(Reference: Paragraph-2.3.12; Page-39)

Surrenders in excess of actual savings (Rs.50 lakh or more)

(Rupees in crore)

Sl. No.	Number and name of the grant/ appropriation	Total grant/ appropriation	Saving	Amount surrendered	Amount surrendered in excess
1	2	3	4	5	6
Revenue – Charged					
1.	Public Debt	184.55	88.25	89.99	1.74
2.		244.29	3.67	4.98	1.31
Total		428.84	91.92	94.97	3.05
Revenue – Voted					
3.	15 - General Administration Department	49.79	1.04	1.62	0.58
4.	39 - Power	165.72	0.15	0.94	0.79
Total		215.51	1.19	2.56	1.37
Grand Total		644.35	93.11	97.53	4.42

APPENDIX - 2.11

(Reference: Paragraph-2.3.13; Page-40)

**Statement of various grants/appropriations in which
savings occurred but no part of which had been surrendered**

(Rupees in crore)

Sl. No.	Grant No.	Number and Name of grant/appropriation	Saving
1	2	3	4
Revenue Voted			
1.	14	Planning and Programme Implementation	90.00
		3451-101(03)-EAP	
2.	18	Printing & Stationery	0.49
Total (Revenue Voted)			90.49
Capital Voted			
3.	16	Home	3.54
4.	19	Local Administration	0.54
5.	21	Higher & Technical Education	0.002
6.	31	Agriculture	0.03
7.	36	Environment & Forest	0.79
8.	46	Urban Dev. And Poverty Alleviation	110.12
		4217-06-051(02)-EAP	
Total (Capital Voted)			115.02
Grand Total			205.51

APPENDIX - 2.12

(Reference: Paragraph-2.3.13; Page-40)

Details of saving of Rupees one crore and above not surrendered

(Rupees in crore)

Sl. No.	Number and Name of Grants/ Appropriation	Saving	Surrender	Saving which remained to be surrendered
1	2	3	4	5
Revenue (Voted)				
1.	14 - Planning & Programme Implementation	112.39	22.50	89.89
2.	25 - Water Supply & Sanitation	4.09	0.44	3.65
3.	45 - Public Works	3.68	0.72	2.96
Total (Revenue Voted)		120.16	23.66	96.50
Capital (Voted)				
4.	40 - Industries	9.49	0.47	9.02
5.	46 - Urban Dev. And Poverty Alleviation	119.91	9.79	110.12
Total (Capital Voted)		129.40	10.26	119.14
Grand Total		249.56	33.92	215.64

APPENDIX - 2.13

(Reference: Paragraph-2.3.14; Page-40)

Rush of Expenditure

(Rupees in crore)

(Rupees in Crores)							
Sl. No.	Grant Number and Name	Head of account Scheme/ Service	Expenditure incurred during Jan-March 2009	Expenditure incurred in March 2009	Total expenditure	% of total expenditure incurred during	
						Jan-March 2009	Mar-09
1	2	3	4	5	6	7	8
1.	16-Home	2055	66.15	41.86	214.11	30.90	19.55
2.	20-School Education	2202	129.84	80.41	373.78	34.74	21.51
	21-Higher & Technical Education						
3.	24-Medical & Public Health Services	2210	39.43	29.04	157.50	25.03	18.44
		2211	5.76	4.30	13.43	42.89	32.02
4.	25-Water Supply & Sanitation	2215	33.99	26.42	84.61	40.17	31.23
5.	29-Social Welfare	2235	15.66	12.71	31.45	49.79	40.41
	30-Disaster Management & Rehabilitation						
	16-Home						
6.	31-Agriculture	2401	66.23	62.35	88.79	74.59	70.22
	32-Horticulture						
7.	34-Animal Husbandry	2403	10.61	8.11	26.81	39.57	30.25
8.	38-Rural Development	2515	4.34	2.82	13.85	31.34	20.36
9.	40-Industries	2851	13.25	9.26	26.81	49.42	34.54
	41-Sericulture						
Total			385.26	277.28	1,031.14		

APPENDIX - 2.14

(Reference: Paragraph-2.4.1; Page-41)

Pending DCC bills for the years 2000-01 to 2008-09

(Rupees in crore)

Sl. No.	Year	Department	Number of AC bills	Amount
1	2	3	4	5
1.	2000-01	SDO-Food & Civil Supply Office, Aizawl, Mizoram	2	1.44
2.	2001-02	Joint Director, Directorate of School Education, Aizawl, Mizoram	6	6.20
3.	2003-04	Deputy Director, Rural Development, Aizawl, Mizoram	8	0.47
4.	2005-06	Director, Hospital and Medical Education, Directorate of Health Services, Aizawl, Mizoram	2	1.00
5.	2007-08	Deputy Director, Food & Civil Supply and Consumer Affairs, Aizawl, Mizoram	1	0.01
		Controller, General Administration Department (Aviation Wing), Aizawl, Mizoram	1	0.53
6.	2008-09	Deputy Director, Industries, Aizawl, Mizoram	1	0.10
		Deputy Director, Local Administration, Aizawl, Mizoram	3	0.10
		Deputy Director, Rural Development, Aizawl, Mizoram	72	25.03
		Joint Registrar of Cooperative Societies, Aizawl, Mizoram	1	0.05
		Deputy Director, Food & Civil Supply and Consumer Affairs, Aizawl, Mizoram	1	0.02
		Deputy Director (A)-Urban Development & Poverty Alleviation Department, Aizawl, Mizoram	1	4.63
Total			99	39.58

APPENDIX - 2.15

(Reference: Paragraph-2.5.1; Page-42)

Excess expenditure over provision in Grant No. 16

(Rupees in lakh)

Sl. No.	Major Heads and Name of the Scheme	Provision	Actual Expenditure	Excess Expenditure Amount
1	2	3	4	5
1.	2055-Police			
	003-Education & Training	808.33	835.78	27.45
	01- Police Training			
	101-Criminal Investigation & Vigilance			
	(01) CID (SB)	409.79	479.03	69.24
	101 (02) CID (Crime)	201.56	217.30	15.74
	101 (03) DSB, Aizawl	121.33	132.32	10.99
	101 (04) DSB, Lunglei	33.02	34.33	1.31
	101 (05) DSB, Saiha	47.35	51.72	43.68
	101 (06) VIP Security	471.62	519.75	48.13
	104- Special Police			
	01 – 1 st Bn. MAP	1,713.06	1,775.54	62.48
	02 – 2 nd Bn. MAP	1,613.86	1,657.12	43.26
	03 – 3 rd Bn. MAP	1,734.80	1,816.49	81.69
	04 – 1 st IR Bn. (SMS)	1,626.08	1,656.35	30.27
	05 – 2 nd IR Bn.	2,029.62	2,106.32	76.70
	06 – 3 rd IR Bn.	1,368.34	1,380.95	12.61
	109 – District Police			
	(01) DEF, Aizawl	1,046.07	1,116.91	70.84
	(02) DEF, Lunglei	595.17	613.03	17.86
	(03) DEF, Saiha	372.55	388.19	15.64
	(04) DEF, Champhai	305.36	311.03	56.74
	(05) DEF, Mamit	336.55	349.27	12.72
	(06) DEF, Kolasib	355.01	378.07	23.06
	(07) DEF, Serchhip	218.85	226.54	76.92
	(08) DEF, Lawngtlai	361.70	375.08	13.38
	(09) Traffic Police	297.08	304.95	7.87
	110 – Village Police			
	(01)- Village Defence Organisation	7.49	8.17	0.68
	114- Wireless & Computer			
	(01)- Wireless Organisation	1,547.30	1,633.46	86.16
	116 – Forensic Science			
	(01)- Forensic Science Laboratory (N/P)	46.22	51.48	5.26

1	2	3	4	5
2.	2056- Jails			
	001- Direction & Administration			
	(01)- Direction (N/P)	133.12	156.68	23.56
	101-Jails			
	(02)- District Jails (N/P)	402.32	505.52	103.20
	102- Jail Manufacturers			
	-do- (Plan)	5	5.57	0.57
	(01)- Jail Manufacturers (N/P)	8	11.91	39.06
3.	2070- Other Administrative Services			
	107- Home Guards			
	(03)- Direction C.T.I.	188.08	198.87	10.79
	(02)- Administration	522.12	530.54	8.42
4.	2235- Social Security & Welfare			
	01- Rehabilitation			
	200 (02)- Administration of SS&A Board	35.94	37.03	1.09
5.	4055- Capital Outlay on Police			
	800- Other Expenditure			
	(01)- Modernisation of Police Force (CSS)	66.25	78.10	11.85
Total				1,109.22

APPENDIX - 2.16

(Reference: Paragraph-2.5.6; Page-44)

Statement showing injudicious re-appropriation of funds

(Rupees in lakh)

Sl. No.	Head of Accounts	Total provision (O+S)	Amount re-appropriated	Final grant	Actual expenditure	Amount of excess(+)/ saving(-)
1.	2055-Police 003(01)-Police Training	356.55	(+) 451.78	808.33	835.78	(+) 27.45
2.	101(01)-CID(SB)	339.30	(+) 70.49	409.79	479.03	(+) 69.24
3.	(02)-CID (Crime)	191.45	(+) 10.11	201.56	217.30	(+) 15.74
4.	(05)-DSB, Saiha	38.20	(+) 9.15	47.35	51.72	(+) 4.37
5.	(06)-VIP Security	402.50	(+) 69.12	471.62	519.75	(+) 48.13
6.	104(01)-1 st Bn. MAP	1,368	(+) 345.06	1,713.06	1,775.54	(+) 62.48
7.	104(02)-2 nd Bn. MAP	1,347.50	(+) 266.36	1,613.86	1,657.12	(+) 43.26
8.	104(03)-3 rd Bn. MAP	1,367.50	(+) 367.30	1,734.80	1,816.49	(+) 81.69
9.	104(04)-1 st IR Bn.	1,339	(+) 287.08	1,626.08	1,656.35	(+) 30.27
10.	109(01)-DEF, Aizawl	847.65	(+) 198.42	1,046.07	1,116.91	(+) 70.84
11.	109(02)-DEF, Lunglei	479	(+) 116.17	595.17	613.02	(+) 17.85
12.	109(03)-DEF, Saiha	305.60	(+) 66.95	372.55	388.19	(+) 15.64
13.	109(04)-DEF, Champhai	236.50	(+) 68.86	305.36	311.03	(+) 5.67
14.	109(05)-DEF, Mamit	250.40	(+) 86.15	336.55	349.27	(+) 12.72
15.	109(06)-DEF, Kolasib	251.51	(+) 103.51	355.02	378.07	(+) 23.05
16.	109(07)-DEF, Serchhip	158.10	(+) 60.75	218.85	226.54	(+) 7.69
17.	109(08)-DEF, Lawngtlai	228.10	(+) 133.60	361.70	375.08	(+) 13.38
18.	109(09)-Traffic	150	(+) 147.08	297.08	304.95	(+) 7.87
19.	116(01)-Forensic Science Laboratory (N/P)	39.25	(+) 6.97	46.22	51.48	(+) 5.26
Total (A)		9,696.11	(+) 2,864.91	12,561.02	13,123.62	(+)562.60
20.	2055-Police 001(01)-Direction	5,065.35	(-) 3,475.13	1,590.22	989.86	(-) 600.36
21.	2055-Police	813.39	(-) 369.09	444.30	352.47	(-) 91.83
	104(08)-5 th IR Bn.					
22.	2055-Police 115(01)-Modernization (CSS)	1,004.75	(-) 711.54	293.19	273.68	(-) 19.51
Total (B)		6,883.49	(-) 4,555.76	2,327.71	1,616.01	(-)711.70

APPENDIX - 2.17

(Reference: Paragraph-2.5.7; Page-44)

**Statement showing details of re-appropriation
where no reasons or no detailed reasons are given**

(Rupees in lakh)

Sl. No.	Head of Accounts	Amount re-appropriated	Reasons/ Remarks
1	2	3	4
1.	2055-Police	(-) 3,424.19	Due to wrong calculation
	001(01)-Direction		
	(01)-Salary		
2.	003(01)-PTC	(+) 451.78	Reason not stated
3.	101(01)-CID(SB)	(+) 70.49	-do-
4.	101(02)-CID(Crime)	(+) 10.11	-do-
5.	101(03)-DSB, Aizawl	(-) 7.37	-do-
6.	101(04)-DSB, Lunglei	(-) 0.68	-do-
7.	101(05)-DSB, Saiha	(+) 9.15	-do-
8.	101(06)-VIP Security	(+) 69.12	-do-
9.	102(01)-Borrowed Bn.	(-) 1.40	-do-
10.	104(01)-1 st Bn. MAP	(+) 345.06	-do-
11.	104(02)-2 nd Bn. MAP	(+) 266.36	-do-
12.	104(03)-3 rd Bn. MAP	(+) 367.30	-do-
13.	104(04)-1 st IR Bn.	(+) 287.08	-do-
14.	104(05)-2 nd IR Bn.	(+) 97.12	-do-
15.	104(06)-3 rd IR Bn.	(+) 109.14	Due to non-receipt of Govt. sanction
16.	104(07)-4 th IR Bn.	(+) 292.35	-do-
17.	104(08)-5 th IR Bn.	(-) 369.09	-do-
18.	109(01)-DEF, Aizawl	(+) 198.42	-do-
19.	109(02)-DEF, Lunglei	(+) 116.17	-do-
20.	109(03)-DEF, Saiha	(+) 66.95	-do-
21.	109(04)-DEF, Champhai	(+) 68.86	-do-
22.	109(05)-DEF, Mamit	(+) 86.15	-do-
23.	109(06)-DEF, Kolasib	(+) 103.51	-do-
24.	109(07)-DEF, Serchhip	(+) 60.75	-do-
25.	109(08)-DEF, Lawngtlai	(+) 133.60	-do-
26.	109(09)-Traffic	(+) 147.08	-do-
27.	110(01)-VDO	(-) 0.11	No reason stated
28.	114(01)-Wireless Orgn.	(+) 332.60	-do-
29.	116(01)-Forensic Science Laboratory(N/P)	(+) 6.97	-do-

APPENDIX - 3.1

(Reference: Paragraph-3.1; Page-47)

Utilization Certificates outstanding as on 31 March 2009

(Rupees in lakh)

Sl. No.	Department	Year of Payment of grant	Total grants paid		Utilization Certificates				
					Received		Outstanding		
			Number	Amount	Number	Amount	Year	Number	Amount
1	2	3	4	5	6	7	8	9	10
1.	2401-Agriculture	2007-08	16	1,323.16	0	0	2007-08	16	1,323.16
2.	2425 4425-Co-operation	-do-	29	479.27	16	389.56	-do-	13	89.71
3.	2015-Election	-do-	1	2.50	1	2.50	-do-	0	0
4.	2456-Food & Civil Supplies	-do-	2	1.00	0	0	-do-	2	1.00
5.	2202-Higher & Technical Education	-do-	417	2,475.17	51	1,078.08	-do-	366	1,397.09
6.	2552 2851-Industries 4851	-do-	24	708.70	0	0	-do-	24	708.70
7.	2230-Labour	-do-	2	6.27	0	0	-do-	2	6.27
8.	2070 2216- Local Admn. 2217	-do-	25	927.89	15	574.99	-do-	10	352.90
9.	2575 3425-Planning	-do-	16	2,153.87	14	1,394.87	-do-	2	759.00
10.	2801-Power & Electricity	-do-	1	14.30	1	14.30	-do-	0	0
11.	2215-PHE	-do-	1	38.00	0	0	-do-	1	38.00
12.	2501 2515-Rural Development	-do-	97	2,889.80	77	2,032.67	-do-	20	857.13
13.	2202-School Education	-do-	449	3,468.88	235	1,765.91	-do-	214	1,702.97
14.	2235-Social Welfare	-do-	58	1,062.43	28	347.48	-do-	30	714.95
15.	2204-Sports & Youth Affairs	-do-	32	617.99	26	308.75	-do-	6	309.24

1	2	3	4	5	6	7	8	9	10
16.	2552-Trades & Commerce	2007-08	1	78.75	1	78.75	2007-08	0	0
17.	2225-District Council	-do-	28	8,549.75	20	6,924.56	-do-	8	1,625.19
18.	2205-Art & Culture	-do-	6	27.20	6	117.20	-do-	0	(-) 90.00
19.	2210-Medical and Family Welfare	-do-	22	22.21	8	3.92	-do-	14	18.29
20.	2217-Urban Development	-do-	1	6.50	0	0	-do-	1	6.50
Total (A)			1,228	24,853.64	499	15,033.54		729	9,820.10
21.	2401-Agriculture	2008-09	20	1,469.02	-	-	2008-09	20	1,469.02
22.	2403 2404-Animal Husbandry	-do-	9	228.57	-	-	-do-	9	228.57
23.	2403-Finance (A&T)	-do-	1	9.00	-	-	-do-	1	9.00
24.	2425-Cooperative	-do-	13	112.00	-	-	-do-	13	112.00
25.	2405-Fisheries	-do-	9	374.10	-	-	-do-	9	374.10
26.	2202-Higher & Technical Education	-do-	137	581.23	-	-	-do-	137	581.23
27.	2851 4851-Industries	-do-	16	544.84	-	-	-do-	16	544.84
28.	2230-Labour	-do-	2	0.64	-	-	-do-	2	0.64
29.	2070 2216 2217-Local Administration	-do-	30	1,013.62	-	-	-do-	30	1,013.62
30.	3425 2575 2552 3275-Planning	-do-	14	1,305.14	2	800.00	-do-	12	505.14
31.	2501 2801-Power & Electricity	-do-	3	46.00	1	11.00	-do-	2	35.00
32.	2215-PHE	-do-	1	30.62	-	-	-do-	1	30.62
33.	2501 2505-Rural Development	-do-	33	4,291.16	1	4,263.42	-do-	32	27.74
34.	2202-School Education	-do-	501	4,455.14	39	83.25	-do-	462	4,371.89
35.	2235 4235-Social Welfare	-do-	69	870.15	4	112.23	-do-	65	757.92
36.	2204-Sports & Youth Affairs	-do-	33	783.75	5	74.20	-do-	28	709.55

1	2	3	4	5	6	7	8	9	10
37.	2225-Deputy Commissioner & District Council	2008-09	29	8,928.08	13	5,580.02	2008-09	16	3,348.06
38.	2205-Art & Culture	-do-	6	14.20	-	-	-do-	6	14.20
39.	2210-Medical	-do-	23	2,622.83	-	-	-do-	23	2,622.83
40.	2217-Urban Development	-do-	2	7.81	-	-	-do-	2	7.81
Total (B)			951	27,687.90	65	10,924.12		886	16,763.78
Grand Total (A + B)			2,179	52,541.54	564	25,957.66		1,615	26,583.88

APPENDIX - 3.2

(Reference: Paragraph-3.2; Page-48)

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

Sl. No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
1.	Mara Autonomous District Council	2005-06 to 2008-09	Not yet furnished

APPENDIX - 3.3

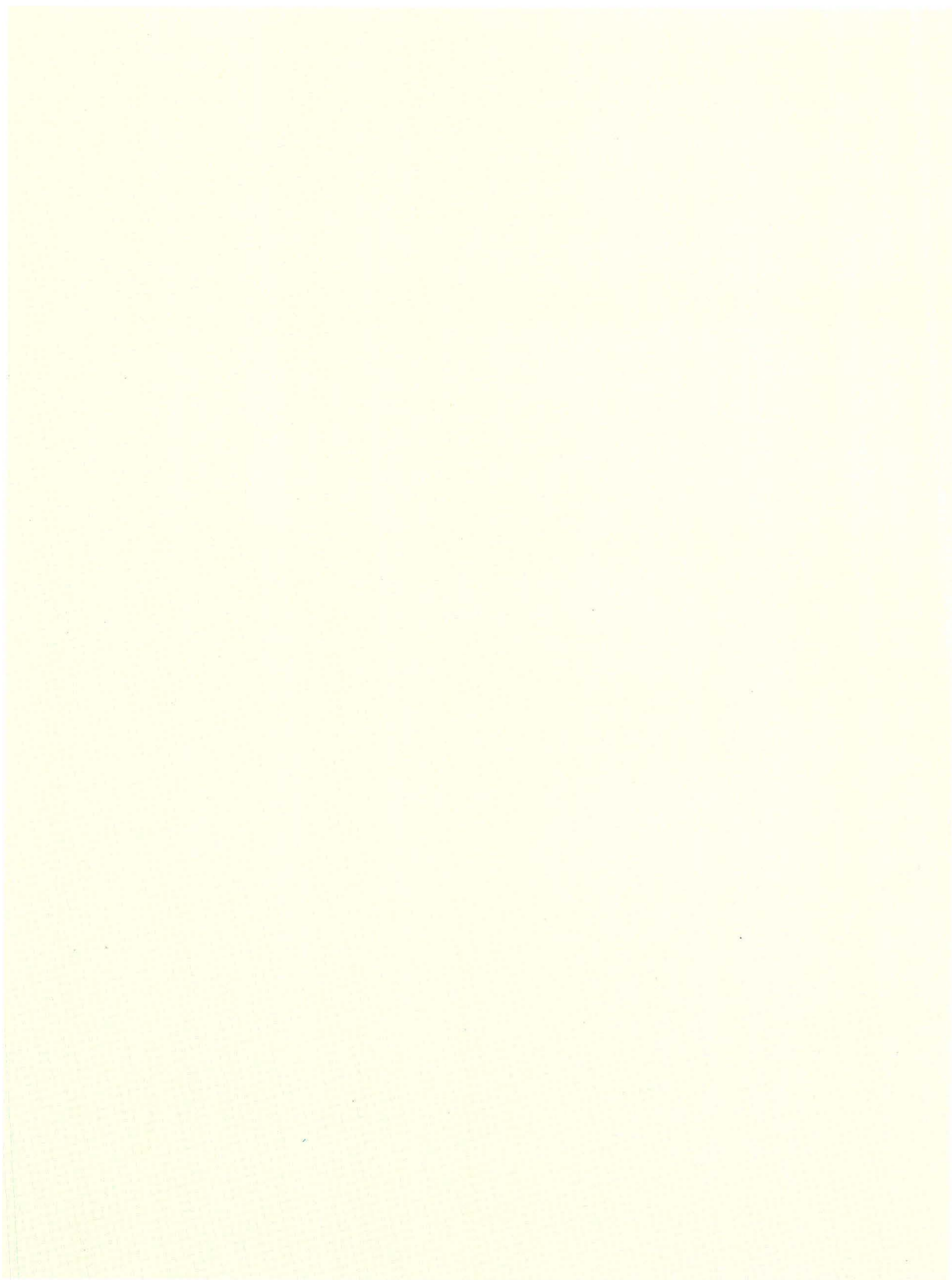
(Reference: Paragraph-3.3; Page-48)

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

(Rupees in crore)

Sl. No.	Name of the Undertakings	Accounts Finalized up to	Investment as per the last accounts finalized	Remarks/Reasons for Delay in Preparation of accounts
Department: Food, Civil Supplies and Consumer Affairs				
1.	State Trading Scheme	2003-04	54.20	In spite of repeated reminders, the department stated Proforma Accounts for the period from 2004-05 to 2008-09 would be submitted in due course.
Department: Transport				
2.	Mizoram State Transport	2001-02	16.40	Proforma accounts for the period 2002-03 to 2006-07 furnished by the department had been returned as the accounts did not tally with the reconcile figures of Accountant General. Revised accounts are awaited.

GLOSSARY OF ABBREVIATIONS



GLOSSARY OF ABBREVIATIONS

ACA	Additional Central Assistance
AC Bill	Abstract Contingent Bill
AE	Aggregate Expenditure
BAFFACOS	Bamboo Flowering and Famine Combat Scheme
BCR	Balance from Current Revenue
BE	Budget Estimate
CAG	Comptroller and Auditor General of India
CAP	Comprehensive Action Plan
CE	Capital Expenditure
CFS	Consolidated Fund of the State
CGA	Controller General of Accounts
CSS	Centrally Sponsored Scheme
DCC	Detailed Countersigned Contingent
DCRF	Debt Consolidation Relief Fund
DDO	Drawing and Disbursement Officer
DE	Development Expenditure
DRDA	District Rural Development Agency
ES	Economic Services
FCP	Fiscal Correction Path
FD	Fiscal Deficit
FRBM	Fiscal Responsibility and Budget Management
GOI	Government of India
GSDP	Gross State Domestic Product
IAY	Indira Awaas Yojana
IP	Interest Payment
L & A	Loans and Advances
MDM	Mid-day Meal
MFRBM	Mizoram Fiscal Responsibility and Budget Management
MST	Mizoram State Transport
NPRE	Non-Plan Revenue Expenditure

NREGS	National Rural Employment Guarantee Scheme
NRHM	National Rural Health Mission
NSSF	National Small Savings Fund
P & E	Power and Electricity
PAC	Public Accounts Committee
PD	Primary Deficit
PHE	Public Health Engineering
PRE	Plan Revenue Expenditure
RD	Revenue Deficit
RE	Revenue Expenditure
RR	Revenue Receipts
S & W	Salaries and Wages
SAP	Special Area Programme
SAR	Separate Audit Report
SE	Social Expenditure
SGSY	Swarnajayanti Gram Swarozgar Yojana
SS	Social Service
SSA	Sarva Siksha Abhiyan
SSE	Social Sector Expenditure
TE	Total Expenditure
TFC	Twelfth Finance Commission
UC	Utilization Certificate
WMA	Ways and Means Advances