



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth and Public Interest



सत्यमेव जयते

ACCOUNTS AT A GLANCE

for the year
2017-18

GOVERNMENT OF MIZORAM



**Accounts at a Glance
for the year 2017-18**

**Principal Accountant General
(Mizoram, Accounts)**

GOVERNMENT OF MIZORAM

Preface

I am happy to present the Nineteenth issue of our annual publication, the 'Accounts At A Glance' for the year 2017-18, which provides an overview of Governmental activities, as reflected in the Finance Accounts and Appropriation Accounts.

The Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and Public Account. The Appropriation Accounts record the grant-wise expenditure against provisions approved by the State Legislature and depict explanations for variations between the actual expenditure and the funds allocated.

Finance and Appropriation Accounts are prepared annually by my office (Accounts Wing) under the direction of the Comptroller and Auditor General of India (C&AG) in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971 for being laid before the Legislature of the State.

We look forward to reader's feedback that would help us in improving the publication.



Place : Aizawl
Date : 17 May 2019

(L. Tochhawng)
Principal Accountant General
Mizoram

Our Vision, Mission and Core Values

VISION

(The vision of the institution of the Comptroller and Auditor General of India Represents what we aspire to become.)

We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and reorganized for independent, credible, balanced and timely reporting on public finance and governance.

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide Independent assurance to our stakeholders: the Legislature, the Executive and the Public-that public funds are being used efficiently and for the intended purposes.

MISSION

(Our mission enunciates our current role and describes what we are doing today.)

VISION

(Our core values are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.)

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach

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Chapter I

Overview

1.1 Introduction

The Principal Accountant General (Accounts) [PAG (Accounts)], Mizoram collates, classifies, compiles the accounts data rendered by multiple agencies, and prepares the accounts of the Government of Mizoram. The compilation is done from the initial accounts rendered by the ten District Treasuries, 73 Public Works Divisions, 34 Forest Divisions, accounts rendered by the other states/accounting offices and advices of Reserve Bank of India. Every month, a Monthly Civil Account is presented by the Office of the PAG (Accounts) to the Government of Mizoram. The Office of the PAG (Accounts) also submits a quarterly Appreciation Note on the important financial indicators and quality of expenditure of the Government. The PAG (Accounts) also prepares, annually, Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the Principal Accountant General (Audit), Mizoram and certification by the Comptroller and Auditor General of India.

1.2 Structure of Government Accounts

1.2.1 Government accounts are kept in three parts:

Structure of Government Accounts

● Part 1 CONSOLIDATED FUND

All revenue received by the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon) form the Consolidated Fund.

All expenditure and disbursements of the Government, including release of loans and repayments of loans taken (and interest thereon), are met from this fund.

The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorization by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund. The corpus of this fund for the Government of Mizoram is ₹ 0.10 crore.

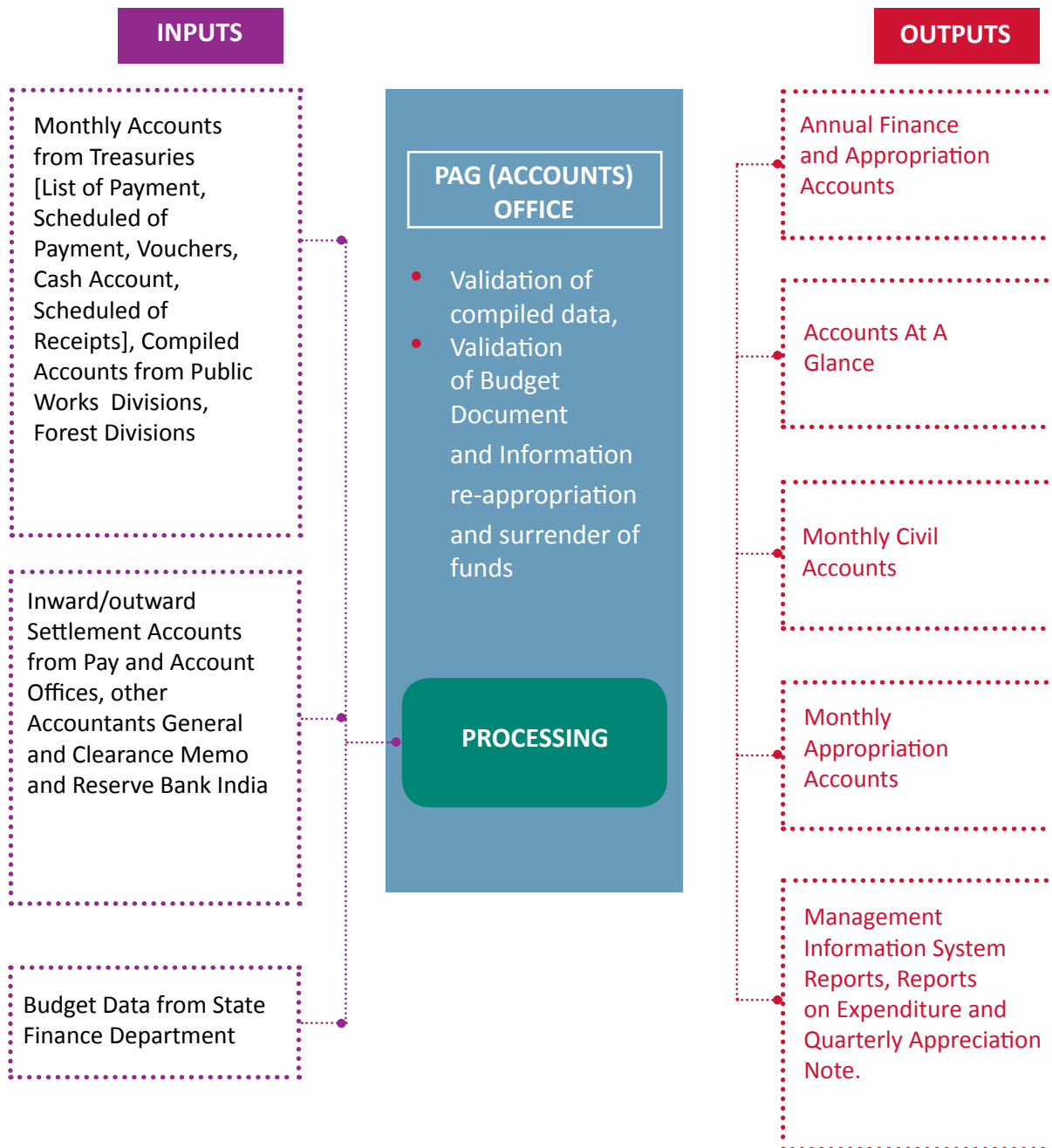
● Part 2 CONTINGENCY FUND

● Part 3 PUBLIC ACCOUNT

In Public Account, the transactions relating Debt (Other than those included in Part I), 'Deposits', 'Advances' (in respect of which Government incurs a liability to pay the money received or has a claim to recover the amounts paid, together with the repayments of the former (Debt and Deposits) and recoveries of the latter (Advances), 'Remittances' and 'Suspense' (embracing all merely adjusting heads under which shall appear such transactions as remittances of cash between treasuries and currency chest and transfer between different accounting circles) shall be recorded. The initial debits or credits of these heads will be cleared eventually by corresponding receipts or payments either within the same circle or in another account circle or by booking to the final heads of accounts.

1.2.2 Compilation of Accounts

Flow diagram for Accounts Compilation



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital Accounts, Public Debt and Public Account balances recorded in the accounts. Finance Accounts are prepared in two volumes to make them more comprehensive and informative. Volume I of the Finance Accounts contains the Certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to accounts' containing summary of significant accounting policies, comments on quality of accounts and other items. Volume II contains detailed statements (Part I) and appendices (Part II).

The Union Government transfers substantial fund directly to State Implementing Agencies/Non-Governmental Organizations (NGOs) for implementation of various schemes and programmes. During 2017-18, the Government of India (GOI) released ₹ 182.14 crore directly to the implementing agencies in Mizoram. Since these funds are not routed through the State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI in Volume II of the Finance Accounts.

1.3.2 Financial Highlights of Accounts 2017-18

The following table provides the details of actual financial results *vis-à-vis* budget estimates for the year 2017-18:

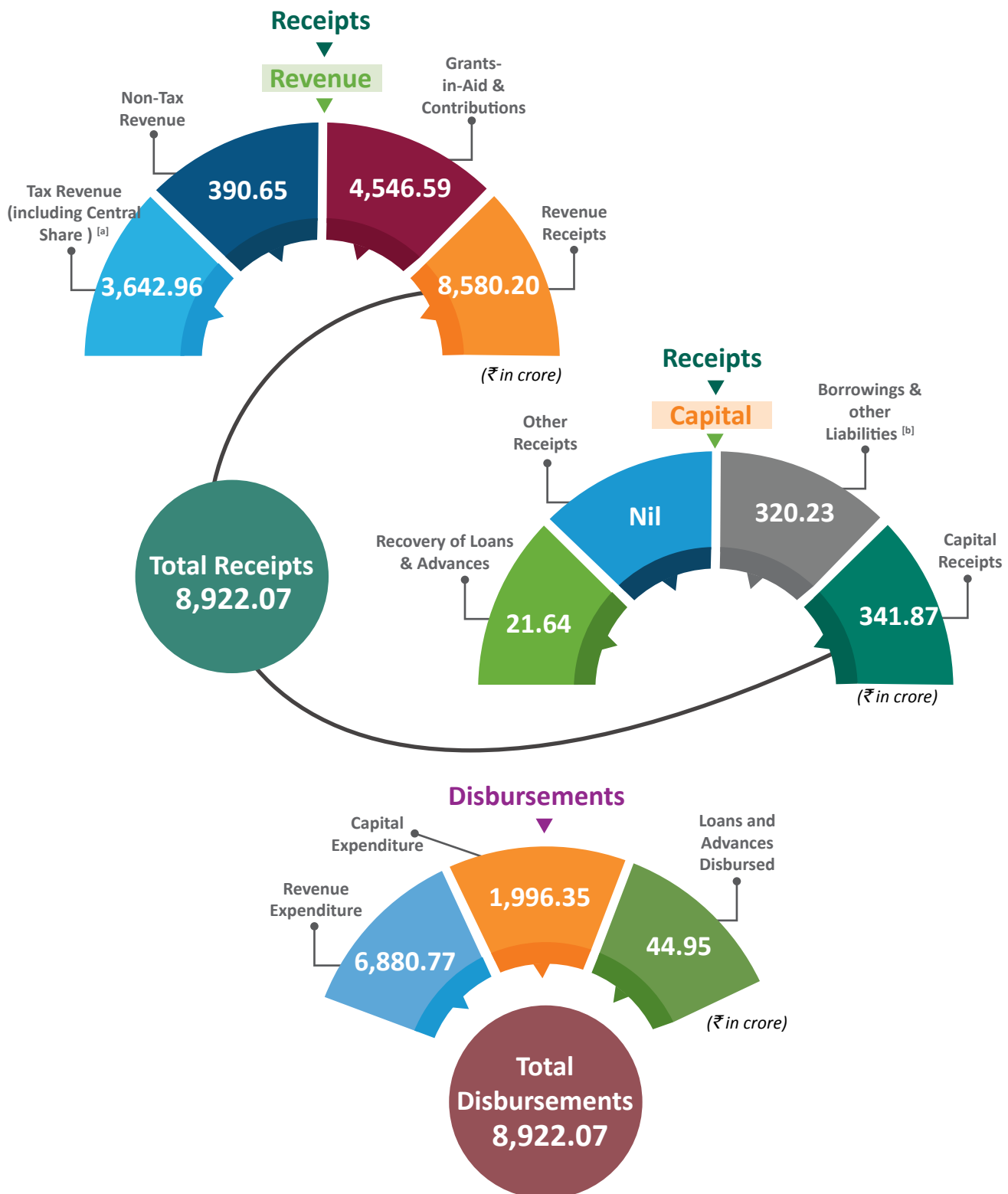
Sl. No.	Component	Budget Estimates (₹ in crore)	Actuals (₹ in crore)	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP ⁽⁵⁾
1.	Tax Revenue (including Central Share) ^(a)	3,504.97	3,642.96	103.94	20.54
2.	Non-Tax Revenue	296.93	390.65	131.56	2.20
3.	Grants-in-Aid and Contributions	4,371.41	4,546.59	104.01	25.63
4.	Revenue Receipts (1+2+3)	8,173.31	8,580.20	104.98	48.37
5.	Recovery of Loans and Advances	32.84	21.64	65.90	0.12
6.	Other Receipts	...	...	...	...
7.	Borrowings & Other Liabilities ^(b)	2,425.30	320.23	13.20	1.81
8.	Capital Receipts (5+6+7)	2,458.14	341.87	13.91	1.93
9.	Total Receipts (4+8)	10,631.45	8,922.07	83.92	50.30
10.	Revenue Expenditure	7,640.38	6,880.77	90.06	38.79
11.	Expenditure on Interest Payments (Out of Revenue Expenditure)	379.06	339.20	89.48	1.91
12.	Capital Expenditure	2,898.55	1,996.35	68.87	11.26
13.	Loans and Advances Disbursed	92.52	44.95	48.58	0.25
14.	Total Expenditure (10+12+13)	10,631.45	8,922.07	83.92	50.30
15.	Revenue Surplus (+)/Deficit (-) (4-10)	532.93	1,699.43	318.88	9.58
16.	Fiscal Deficit (-)/Surplus (+) (4+5+6-14)	(-)2,425.30	(-) 320.23	(-) 13.20	(-)1.81

⁽⁵⁾ GSDP : Gross State Domestic Product for the year 2017-18 was ₹ 17,739.33 crore.

^(a) Includes share of net (tax) proceeds assigned to the State amounting to ₹ 3,097.05 crore.

^(b) Borrowings and other Liabilities Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts- Disbursements) of Public Account+ Net of Opening and Closing Cash Balance.

Receipts and disbursements in year 2017-18



^[a] Includes share of net (tax) proceeds assigned to the State amounting to ₹ 3,097.05 crore. (State Government Own Tax receipts were ₹ 545.91 crore which was 3.08 *per cent* of GSDP)

^[b] Borrowings and other Liabilities Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts- Disbursements) of Public Account+ Net of Opening and Closing Cash Balance.

1.3.3 Appropriation Accounts

Under the Constitution, no expenditure can be incurred by the Government except with authorization of the Legislature. Barring certain expenditure specified in the Constitution as “charged” on the Consolidated Fund, which can be incurred without vote of the Legislature, all other expenditure requires to be “voted”. The Appropriation Accounts supplement the Finance Accounts. The budget of the Mizoram has six Charged Appropriation and 46 Voted Grants. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure compiled with the appropriation authorized by the Legislature through the Appropriation Act of each year.

1.3.4 Efficiency on Budget Preparation

At the end of the year, the actual expenditure of the Government of Mizoram against the budget approved by the Legislature, showed a net saving of ₹ 1,804.49 crore (16.27 per cent of estimates) and under-estimation of ₹ 74.94 crore (41.11 per cent of estimates) on reduction of expenditure. Certain grants, like those relating to Law and Judicial, Land Revenue and Settlement, Excise and Narcotics, Secretariat Administration, Planning and Programme Implementation, General Administration, Home, Food, Civil Supplies and Consumer Affairs, Printing and Stationery, School Education, Higher and Technical Education, Sports and Youth Services, Art and Culture, Medical and Public Health Services, Water Supply and Sanitation, Information and Public Relations, Labour, Employment, Skill Development and Entrepreneurship, Social Welfare, Agriculture, Horticulture, Land Resources, Soil and Water Conservation, Animal Husbandry, Veterinary, Environment, Forests and Climate Change, Co-operation, Rural Development, Power, Commerce and Industries, Sericulture, Transport, Tourism, Public Works, Urban Development and Poverty Alleviation, Irrigation and Water Resources, Information and Communication Technology and Public Debt showed substantial savings.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

Ways and Means Advances are taken from the Reserve Bank of India to maintain liquidity by making good the deficiency in the agreed minimum cash balance (₹ 0.20 crore) which the State Government is required to maintain with the Reserve Bank of India. No Ways and Means advance was obtained during the year 2017-18 by the Government of Mizoram.

1.4.2 Overdraft from the Reserve Bank of India

Overdraft is taken from the Reserve Bank of India while the limit of minimum cash balance falls below *i.e.* ₹ 0.20 crore, even after taking Ways and Means Advances which is required to be maintained with the Reserve Bank of India. During the year 2017-18 there was no over draft of the State Government.

1.4.3 Fund Flow Statement

The State had a Revenue Surplus of ₹ 1,699.43 crore and a Fiscal Deficit of ₹ 320.23 crore representing 9.58 per cent and 1.81 per cent respectively of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 3.59 per cent of total expenditure. Around 43.38 per cent of the revenue receipts (₹ 8,580.20 crore) of the State Government was spent on committed expenditure like salaries (₹ 2,400.82 crore), interest payments (₹ 339.20 crore) and pensions (₹ 837.78 crore) subsidies (₹ 13.00 crore) and wages (₹ 131.47 crore).

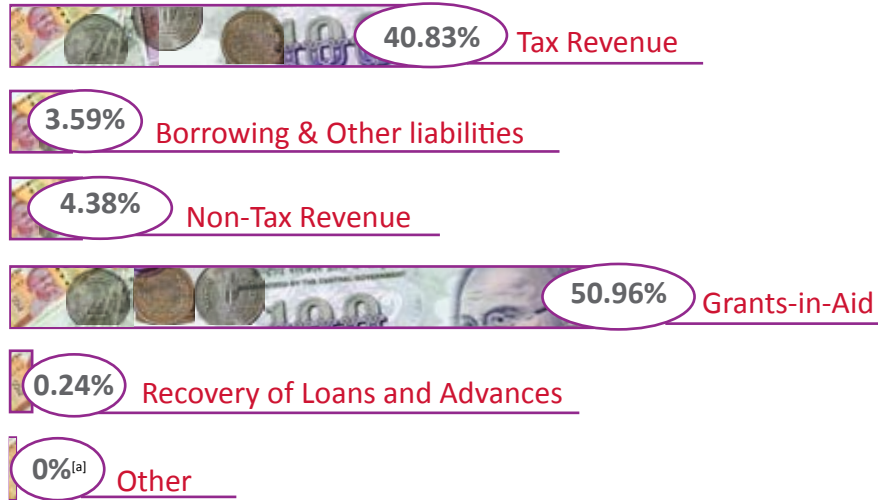
Sources and Application of Funds

(₹ in crore)

	PARTICULARS	AMOUNT
SOURCES	Opening Cash Balance as on 01-04-2017	(-)212.92
	Revenue Receipts	8,580.20
	Capital Receipts	...
	Recovery of Loans and Advances	21.64
	Public Debt	894.14
	Small Savings Provident Fund, etc.	847.16
	Reserves and Sinking Funds	75.38
	Deposits Received	1,232.04
	Civil Advances Repaid	7.31
	Suspense Account	17,651.82
	Remittances	2,668.47
	Contingency Fund	...
	Total	31,765.24
	APPLICATION	Revenue Expenditure	6,880.77
Capital Expenditure		1,996.35
Loans Given		44.95
Repayment of Public Debt		472.96
Transfer to Contingency Fund		...
Small Savings Provident Fund, etc.		1,026.30
Reserves and Sinking Funds		67.95
Deposits Received		906.22
Civil Advances Given		7.31
Suspense Account		17,686.23
Remittances		2,738.07
Closing Cash Balance as on 31-03-2018		(-)61.87
Total		31,765.24

1.4.4 Where the ₹ came from?

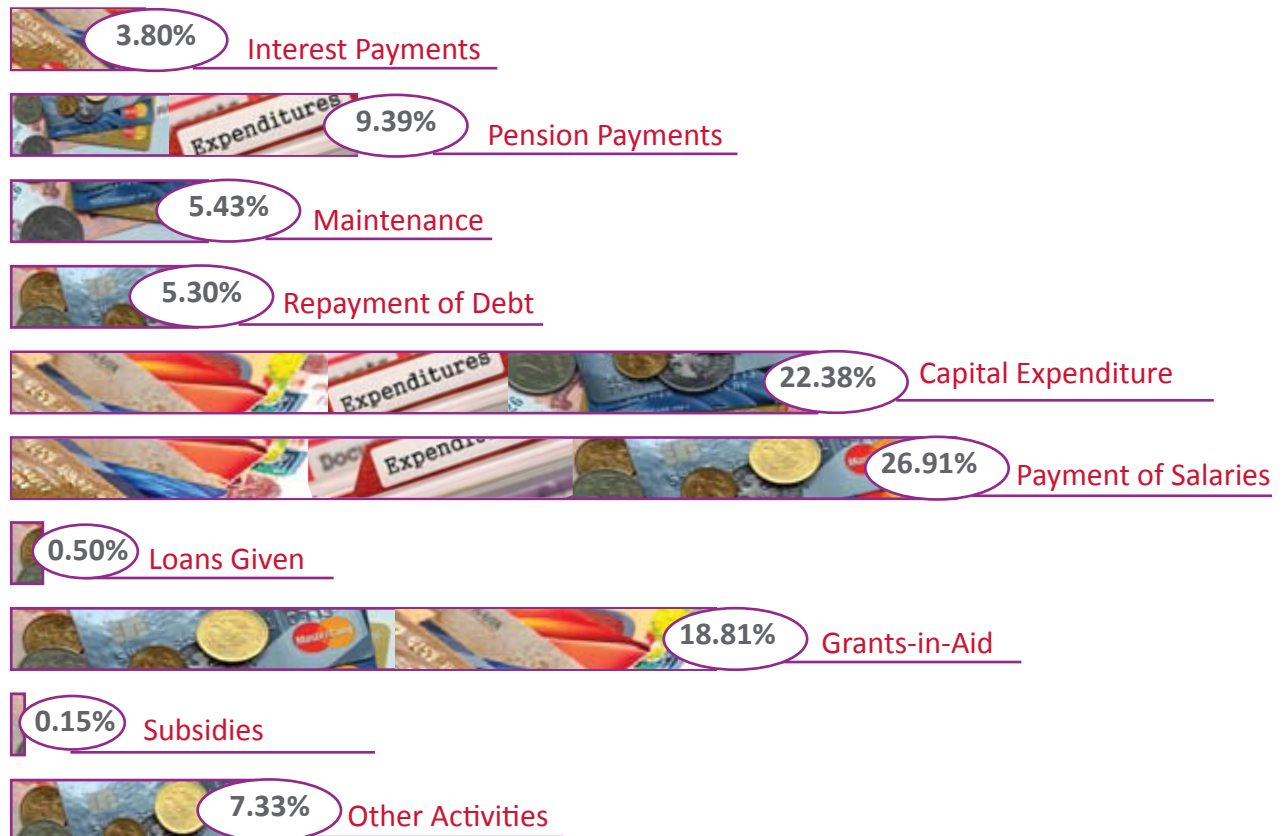
Actual Receipts



^[a] Nil

1.4.5 Where the ₹ went?

Actual Expenditure



What do the Deficits and Surpluses indicate?

DEFICIT

Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.

Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.

REVENUE DEFICIT/ SURPLUS

FISCAL DEFICIT/ SURPLUS

Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the Borrowings should be invested in capital projects.

1.5 Fiscal Responsibility and Budget Management (FRBM) Act, 2005

The Government of Mizoram has enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2005. As per the Act, the State Government was required to achieve certain fiscal target by specified periods. The Fiscal Policy Strategy Statement laid before the Mizoram Legislative Assembly on 16 March 2017 as required under Section 6 (6) of the Mizoram Fiscal Responsibility and Management Act, 2006, the fiscal target set by Fourteenth Finance Commission have been recognized, but Government of Mizoram has not fixed any target for Revenue Surplus and Outstanding Debt for 2017-18. The Gross Fiscal Deficit for 2017-18 was estimated at ₹ 138.94 crore (0.79 per cent of the GSDP, ₹ 17,561.60 crore as mentioned in the "Fiscal Policy Strategy Statement" Government of Mizoram for 2017-18). The State Government's performance as reflected in the accounts during the year 2017-18, is given below:

Achievements during 2017-18 as per the Accounts

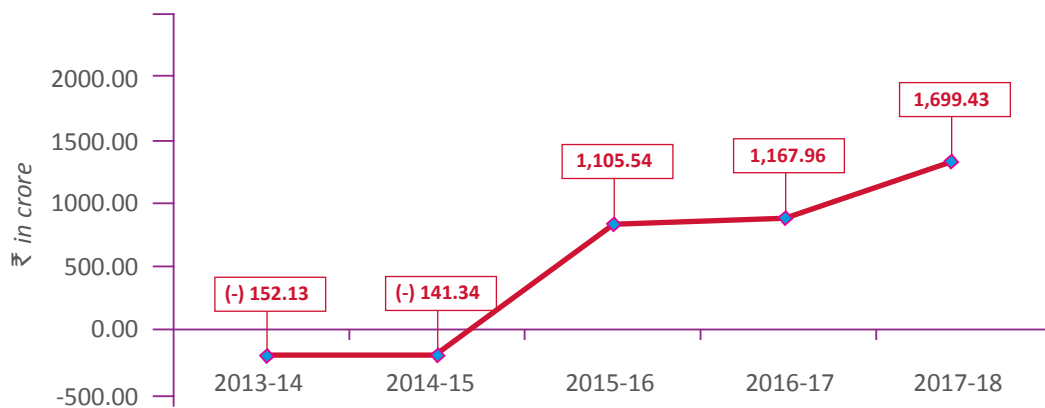
Sl. No.	Targets	Achievements during 2017-18 as per the Accounts
1.	No target for Revenue Surplus has been fixed for 2017-18.	The Government of Mizoram had a Revenue Surplus of ₹ 1,699.43 crore in 2017-18.
2.	Gross Fiscal Deficit for 2017-18 was estimated at ₹ 138.94 crore (0.79 per cent of the GSDP, ₹ 17,561.60 crore as mentioned in the "Fiscal Policy Strategy Statement" Government of Mizoram for 2017-18).	The State had a Fiscal Deficit of ₹ 320.23 crore for 2017-18 as per the accounts, which was (-)1.81 per cent of GSDP. ^[1]
3.	Outstanding Debt target to the percentage of GSDP ^[1] has not been fixed for 2017-18.	The Outstanding Debt for 2017-18 (₹ 7,300.31 crore) was 41.15 per cent of GSDP. ^[1]

^[1] GSDP : Gross State Domestic Product for the year 2017-18 was ₹ 17,739.33 crore.

As per Accounts, the State Government had revenue surplus of ₹ 1,167.96 crore in 2016-17 and ₹ 1,699.43 crore during 2017-18. During 2017-18, there was Fiscal Deficit of ₹ 320.23 crore against Fiscal Surplus of ₹ 251.95 crore in 2016-17.

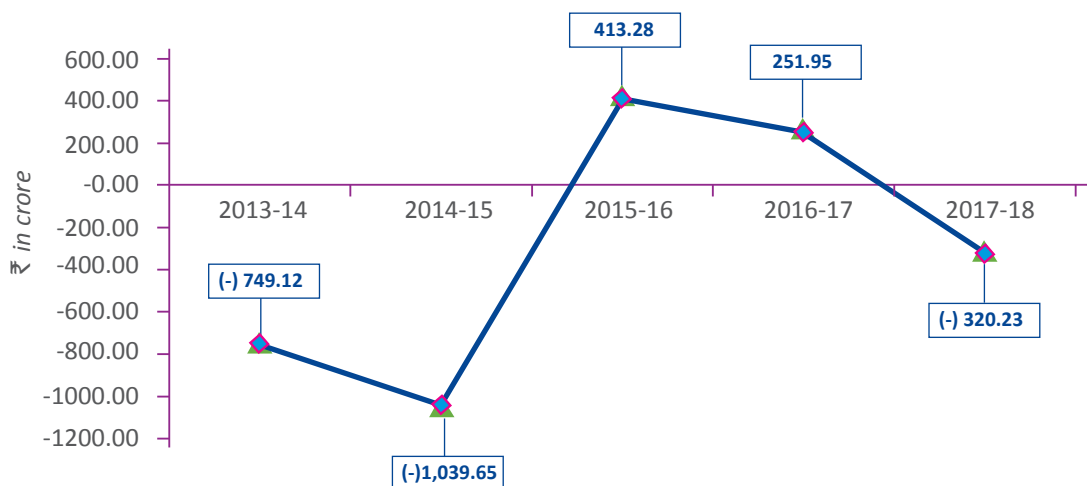
1.5.1 Trend of Revenue Deficit / Surplus

Trend of Revenue Deficit / Surplus



1.5.2 Trend of Fiscal Deficit / Surplus

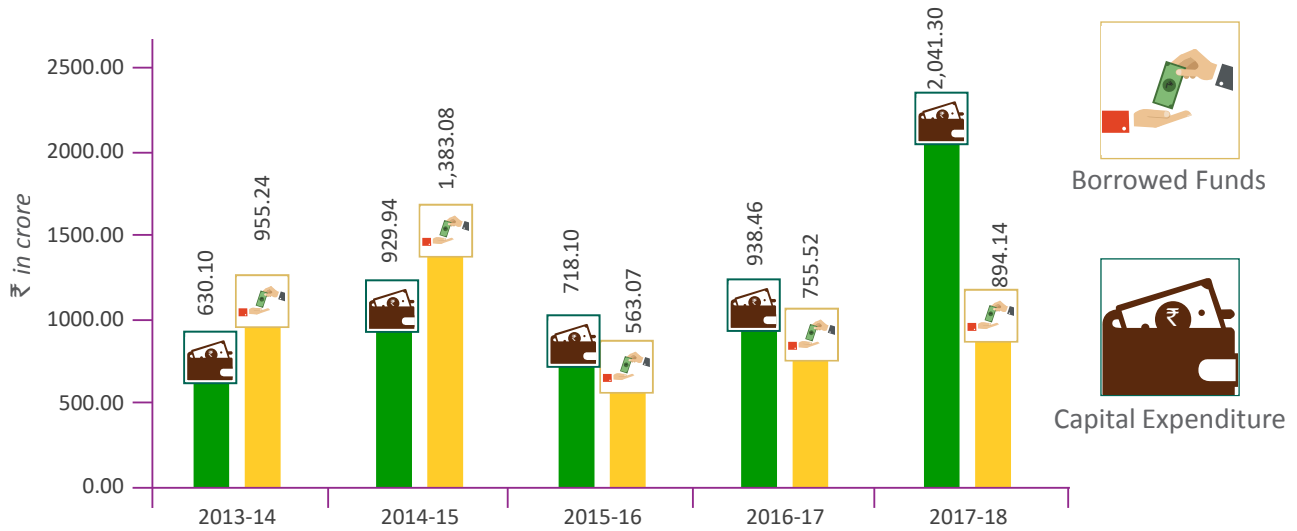
Trend of Fiscal Deficit / Surplus



1.5.3 Proportion of borrowed funds spent on Capital Expenditure

(₹ in crore)

Year	Borrowed Fund	Capital Expenditure
2013-14	955.24	630.10
2014-15	1,383.08	929.94
2015-16	563.07	718.10
2016-17	755.52	938.46
2017-18	894.14	2,041.30



The Governments usually run fiscal deficits and borrowed funds for capital/ assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating and income stream. Thus it is it is desirable to fully utilise borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The State Government however, spent ₹ 2,041.30 crore on capital expenditure inclusive of disbursement of Loans and Advances (₹ 1,996.35 crore *plus* ₹ 44.95 crore) against the borrowings of ₹ 894.14 crore.

Chapter II

Receipts

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Revenue Receipts for 2017-18 were ₹ 8,580.20 crore.

2.2 Revenue Receipts

The revenue receipts of the Government comprise three components viz. Tax Revenue, Non-Tax Revenue and Grants-in-Aid received from the Central Government.

TAX REVENUE

Comprises Taxes collected and retained by the State and State's share of Union taxes under Article 280 (3) of the Constitution.

Includes Interest receipts, Dividends, Profits, etc.

NON-TAX REVENUE

GRANTS-IN-AID

Grants-in-Aid represent Central Assistance to the State Government from the Union Government. It also includes "External Grant Assistance" and "Aid, Material and Equipment" received from Foreign Government and channelized through the Union Government. In turn, the State Government also gives Grants-in-aid to institutions like Panchayati Raj Institution, Autonomous bodies etc.

Revenue Receipts



2.2.1 Revenue Receipts Components (2017-18)

Components	Actuals (₹ in crore)	Per cent to Revenue Receipts
A. Tax Revenue[*]	3,642.96	42.46
Goods and Services Tax	526.72	6.14
Taxes on Income and Expenditure	1,765.80	20.58
Taxes on Property, Capital and Other Transactions	11.46	0.13
Taxes on Commodities and Services other than Goods and Services Tax	1,338.98	15.61
B. Non-Tax Revenue	390.65	4.55
Interest Receipts, Dividends and Profits	51.14	0.60
General Services	32.13	0.37
Social Services	46.83	0.54
Economic Services	260.55	3.04
C. Grants-in-Aid and Contributions	4,546.59	52.99
Total Revenue Receipts	8,580.20	100.00

* Includes share of net proceeds assigned to State (received from the Government of India).

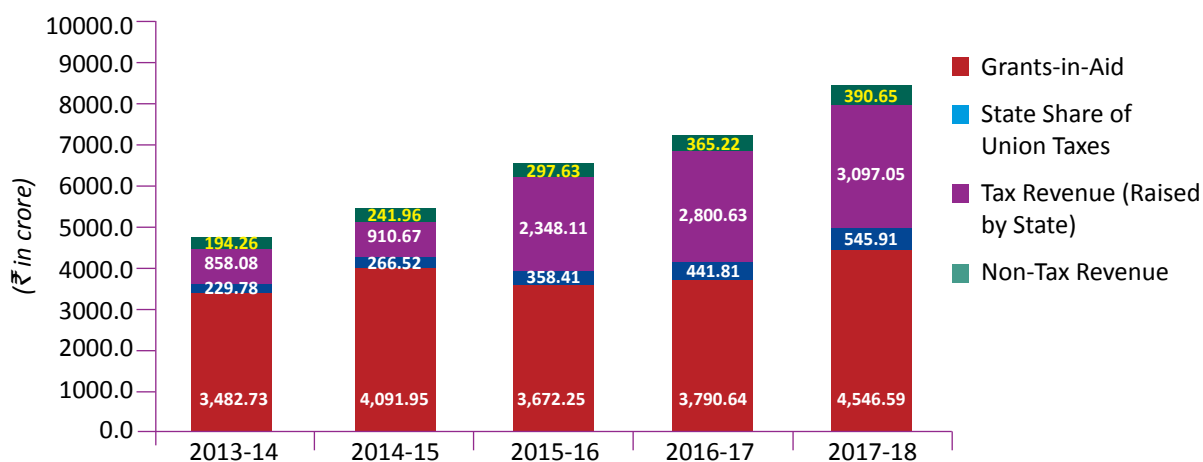
2.2.2 Trend of Revenue Receipts

	(₹ in crore)				
	2013-14	2014-15	2015-16	2016-17	2017-18
Tax Revenues (Raised by the State)	229.78 (2.23)	266.52 (2.56)	358.41 (2.68)	441.81 (2.91)	545.91 (3.08)
State Share of Union Taxes/Duties	858.08 (8.33)	910.67 (8.74)	2,348.11 (17.56)	2,800.63 (18.41)	3,097.05 (17.46)
Non-Tax Revenue	194.26 (1.89)	241.96 (2.32)	297.63 (2.23)	365.22 (2.40)	390.65 (2.20)
Grants -in-Aid and Contributions	3,482.73 (33.82)	4,091.95 (39.29)	3,672.25 (27.46)	3,790.64 (24.92)	4,546.59 (25.63)
Total Revenue Receipts	4,764.85 (46.27)	5,511.10 (52.92)	6,676.40 (49.92)	7,398.30 (48.63)	8,580.20 (48.37)
GSDP	10,297.00	10,413.89	13,373.83	15,211.93	17,739.33

Figures in parentheses represent percentage to GSDP.

The GSDP increased by 16.61 *per cent* between 2016-17 and 2017-18, total revenue receipts increased by 15.98 *per cent* as there was increase of receipts under Tax Revenue (12.35 *per cent*) and Non-Tax Revenue (6.96 *per cent*) and Grants-in-Aid from the Central Government (19.94 *per cent*) respectively. Corporation Tax (₹ 948.82 crore), Taxes on Income other than Corporation Tax (₹ 801.20 crore) and Taxes on Vehicles ₹ 31.58 crore showed a higher trend. Goods and Services Tax (₹ 526.72 crore) being introduced from July 2017 onwards.

Trend of Components of Revenue Receipts



2.3 Tax Revenue

(₹ in crore)

Sector-wise Tax Revenue					
	2013-14	2014-15	2015-16	2016-17	2017-18
a. Goods and Services Tax	NA ^[@]	NA ^[@]	NA ^[@]	NA ^[@]	526.72 (2.97)
b. Taxes on Income and Expenditure ^[*]	493.40 (4.79)	559.22 (5.37)	1,281.89 (9.59)	1,539.25 (10.12)	1,765.80 (9.95)
c. Taxes on Property, Capital and other Transaction	6.86 (0.07)	15.64 (0.15)	12.55 (0.09)	13.89 (0.09)	11.46 (0.07)
d. Taxes on Commodities and Services other than Goods and Services Tax	587.60 (5.71)	602.33 (5.78)	1,412.08 (10.56)	1,689.30 (11.11)	1,338.98 (7.55)
Total Tax Revenue	1,087.86 (10.56)	1,177.19 (11.30)	2,706.52 (20.24)	3,242.44 (21.32)	3,642.96 (20.54)
GSDP	10,297.00	10,413.89	13,373.83	15,211.93	17,739.33

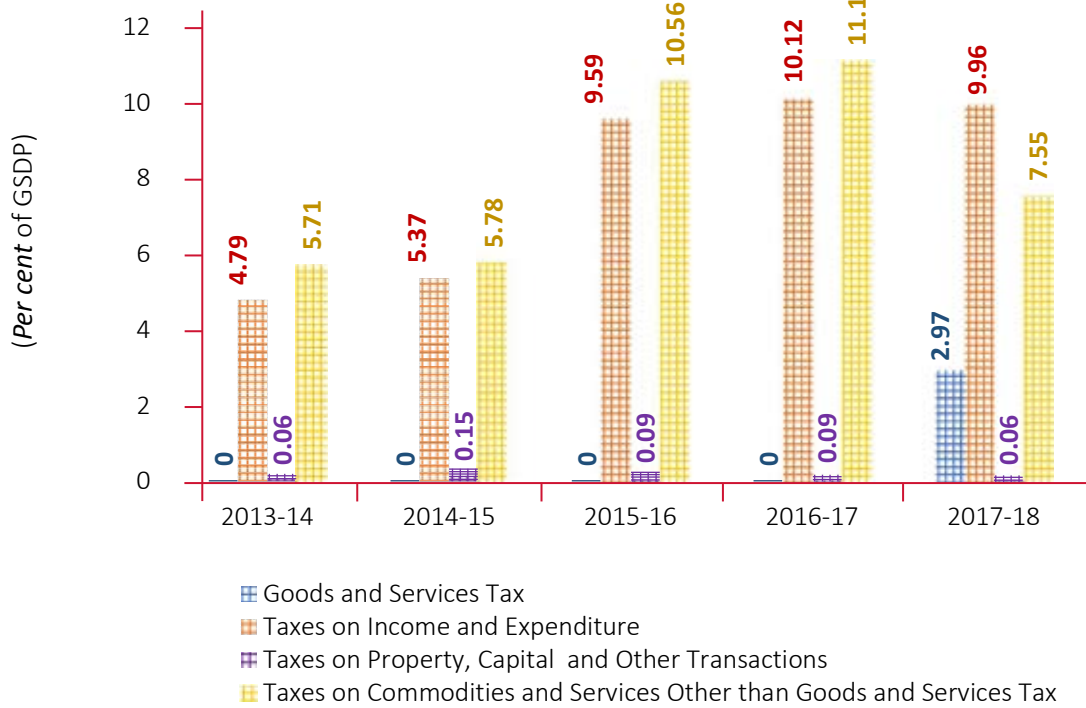
[@] Not Applicable

[*] Primarily Share of net proceeds assigned to State.

Figures in parentheses represent percentage to GSDP

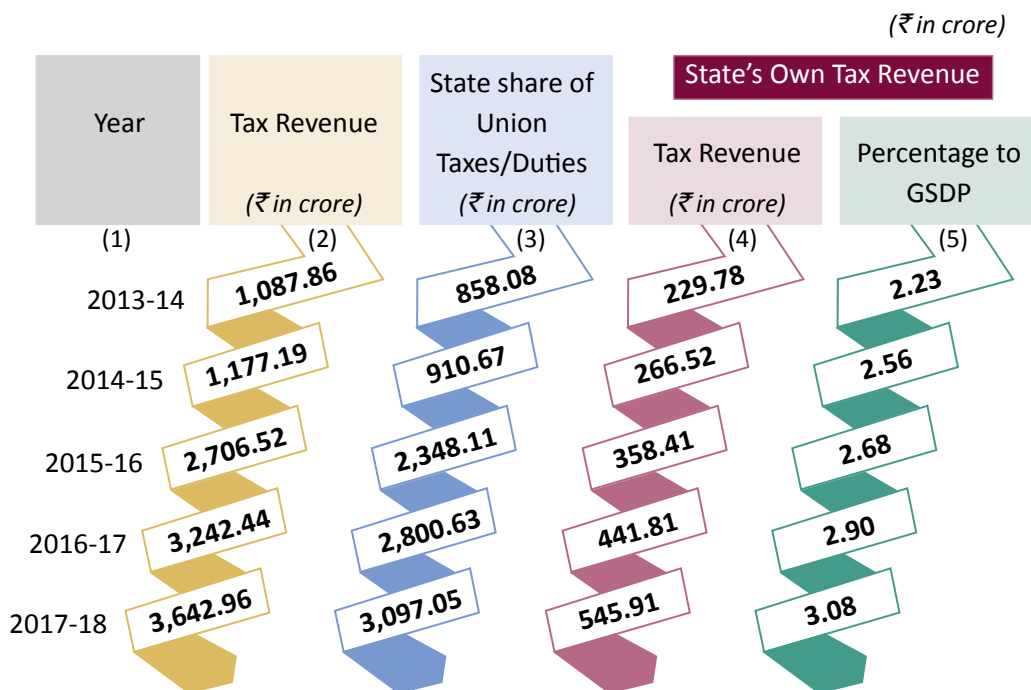
The increase in total Tax Revenue during 2017-18 was mainly attributable to allocation of State Share from Government of India under Goods and Services Tax (₹ 356.96 crore), Corporation Tax (₹ 948.82 crore), Taxes on Income Other than Corporation Tax (₹ 801.20 crore, Customs (₹ 312.70 crore), Union Excise Duties (₹ 326.90 crore) and higher collection under Other Taxes on Income and Expenditure (₹ 15.78 crore) and Taxes on Vehicles (₹ 31.58 crore).

Trend of Major Taxes in proportion to GSDP



2.3.1 State's Own Tax and State's Share of Union Taxes

Tax Revenue of the State Government comes from two sources viz. State's own tax collections and devolution of Union taxes.



Following table depicts the comparative position amount Tax Revenue received from the two sources over a period of five years:

(₹ in crore)

Description	2013-14	2014-15	2015-16	2016-17	2017-18
(1)	(2)	(3)	(4)	(5)	(6)
State's Own Tax Collection	229.78	266.52	358.41	441.81	545.91
Devolution of Union Taxes	858.08	910.67	2,348.11	2,800.63	3,097.05
Total Tax Revenue	1,087.86	1,177.19	2,706.52	3,242.44	3,642.96
Percentage of State's Own Tax to Total Tax Revenue	21.12	22.64	13.24	13.63	14.99

The proportion of State's Own Tax collection in overall Tax Revenue has increased to 22.64 per cent in 2014-15, decreased to 13.24 per cent in 2015-16 and increased to 13.63 per cent and 14.99 per cent in 2016-17 and 2017-18. The Share of Tax Revenue increased to 234.87 per cent compared to 2013-14.

2.3.2 Trend in State's Own Tax collection over the past five years

(₹ in crore)

Sl. No.	Taxes	2013-14	2014-15	2015-16	2016-17	2017-18
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Goods and Services Tax	NA ^[@]	NA ^[@]	NA ^[@]	NA ^[@]	169.76
2.	Taxes on Sales, Trade, etc.	183.34	211.95	247.04	307.81	242.85
3.	State Excise	3.11	4.91	60.60	72.26	65.83
4.	Taxes on Vehicles	19.42	17.03	19.44	25.75	31.58
5.	Stamp and Registration Fees	1.52	3.72	3.57	3.26	3.20
6.	Taxes and Duties on Electricity	...	...	...	...	...
7.	Land Revenue	4.54	11.06	8.88	8.58	8.29
8.	Taxes on Goods and Passengers	2.63	2.55	2.71	7.90	7.83
9.	Other Taxes	15.22	15.30	16.17	16.25	16.57
Total State's Own Tax		229.78	266.52	358.41	441.81	545.91

[@] Not Applicable

2.4 Cost of Tax Collection

(₹ in crore)

Taxes	2013-14	2014-15	2015-16	2016-17	2017-18
1. Goods and Services Tax					
Revenue Collection	NA ^①	NA ^①	NA ^①	NA ^①	526.72
Expenditure on collection	NA ^①	NA ^①	NA ^①	NA ^①	0.94
Cost of Tax Collection (in per cent)	NA ^①	NA ^①	NA ^①	NA ^①	0.18
2. Taxes on Sales, Trade, etc.					
Revenue Collection	183.34	211.95	247.04	307.81	242.85
Expenditure on Collection [*]	13.45	13.88	13.44	15.27	16.83
Cost of Tax Collection (in per cent)	7.34	6.55	5.44	4.96	6.93
3. State Excise					
Revenue Collection	3.11	4.91	60.60	72.26	65.83
Expenditure on Collection [*]	22.42	26.76	26.28	28.90	30.19
Cost of Tax Collection (in per cent)	721.90	545.01	43.37	39.99	45.86
4. Taxes on Vehicles					
Revenue Collection	19.42	17.03	19.44	25.75	31.58
Expenditure on Collection [*]	6.68	7.59	8.84	8.70	10.22
Cost of Tax Collection (in per cent)	34.40	44.57	45.47	33.79	29.35
5. Stamp and Registration Fees					
Revenue Collection	1.52	3.72	3.57	3.26	3.20
Expenditure on Collection [*]	0.28	0.18	0.48	0.30	0.19
Cost of Tax Collection (in per cent)	18.42	4.84	13.45	90.20	5.94

① Not Applicable

[*] Cost of collection includes expenditure under Direction and Administration & Other Expenditure due to non-classification in the State Budget.

The expenditure on collection of taxes on State Excise was high as compared to expenditure on collection of other taxes.

2.5 Trend in State's Share of Union Taxes over the past five years

(₹ in crore)

Major Head description	2013-14	2014-15	2015-16	2016-17	2017-18
Central Goods and Services Tax (CGST)	NA ^①	NA ^①	NA ^①	NA ^①	44.16
Integrated Goods and Services Tax (IGST)	NA ^①	NA ^①	NA ^①	NA ^①	312.80
Corporation Tax	288.62	318.05	744.21	899.01	948.82
Taxes on Income other than Corporation Tax	190.05	227.12	522.29	624.82	801.20
Other Taxes on Income and Expenditure	...	0.01	...	...	...
Taxes on Wealth	0.79	0.86	0.10	2.05	(-) 0.03
Customs	140.03	147.30	374.23	386.72	312.70
Union Excise Duties	98.90	83.18	306.57	441.60	326.90
Service Tax	139.69	134.15	399.66	446.42	350.50
Other Taxes and Duties on Commodities and Services	...	...	1.06	0.01	...
State Share of Union Taxes	858.08	910.67	2,348.11	2,800.63	3,097.05
Total Tax Revenue	1,087.86	1,177.19	2,706.52	3,242.44	3,642.96
Percentage of Union Taxes to Total Tax Revenue	78.88	77.36	86.76	86.37	85.01

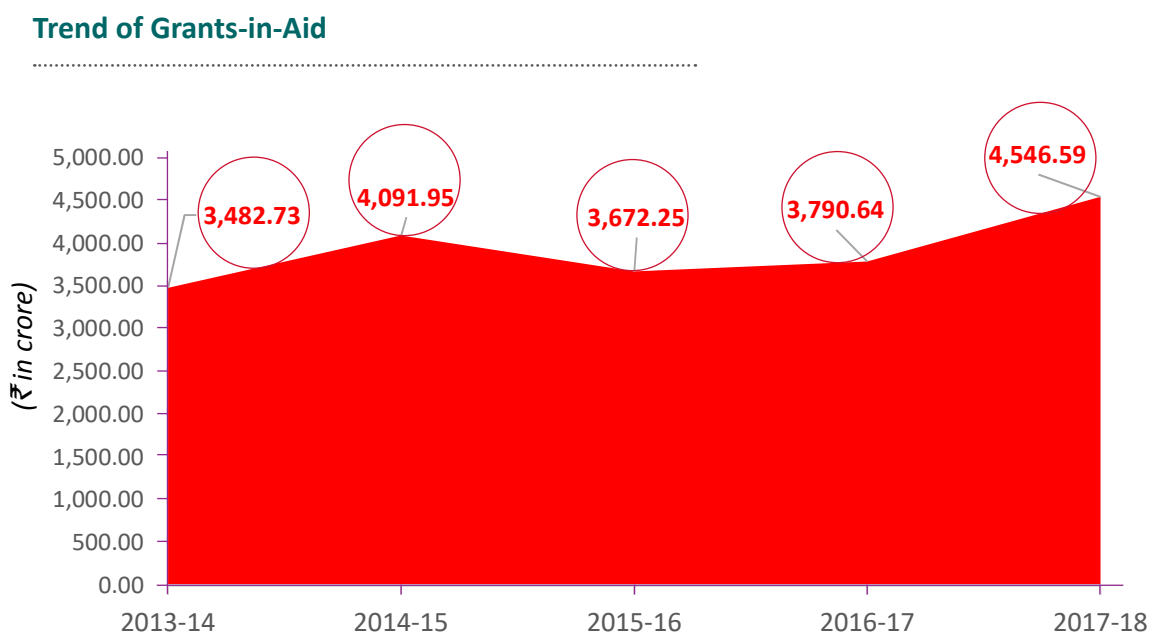
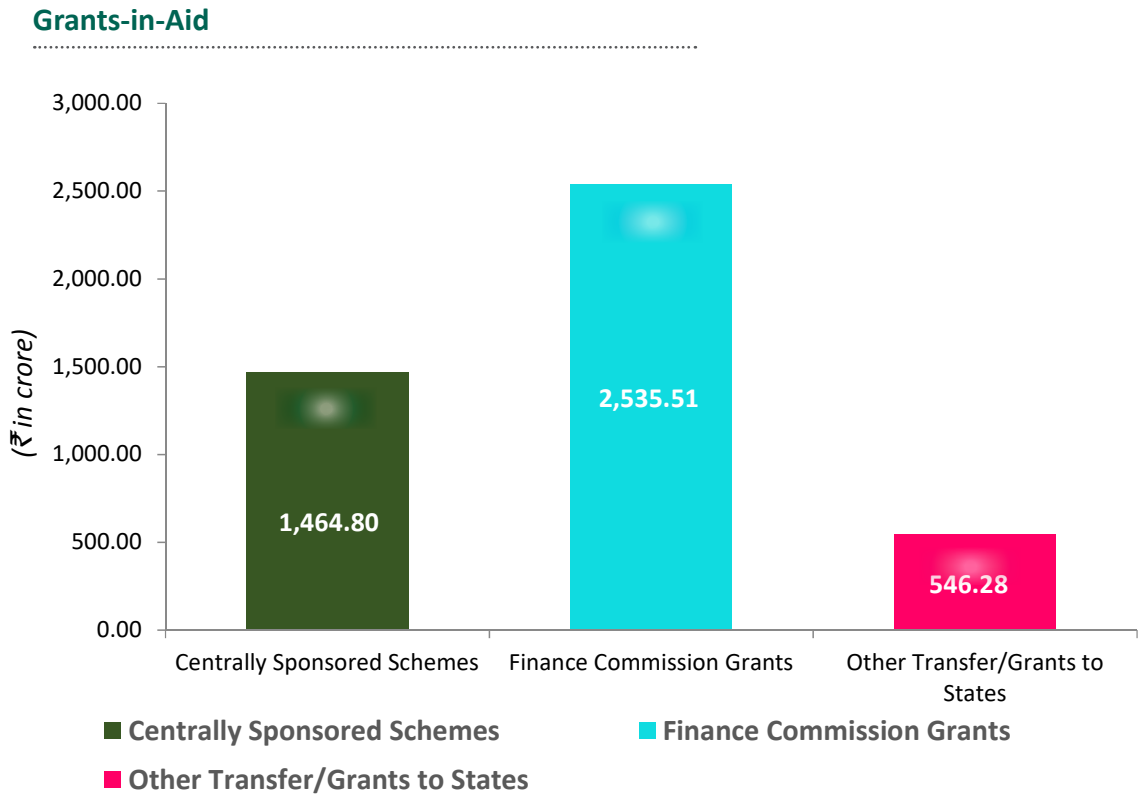
① Not Applicable

Government of Mizoram received ranging between 77.36 per cent to 85.01 per cent share of total Tax Revenue from the net proceeds of all shareable Union taxes during the period 2013-14 to 2017-18.

2.6 Grants-in-Aid

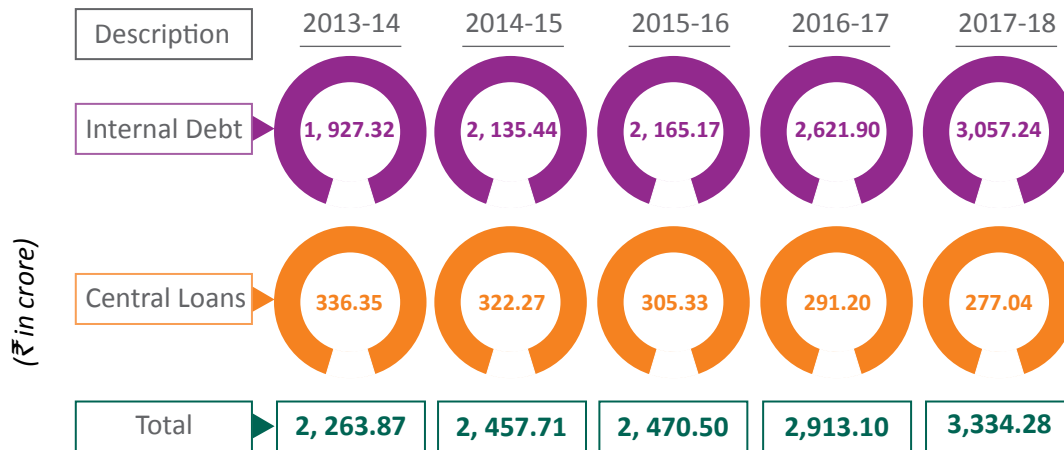
Grants-in-Aid represent assistance from the Government of India, and comprise (from 2017-18 onwards), Grants for Centrally Sponsored Schemes, Finance Commission Grants and other Transfer/Grants to States.

Total receipts during 2017-18 under Grants-in-Aid were ₹ 4,546.59 crore as shown below:



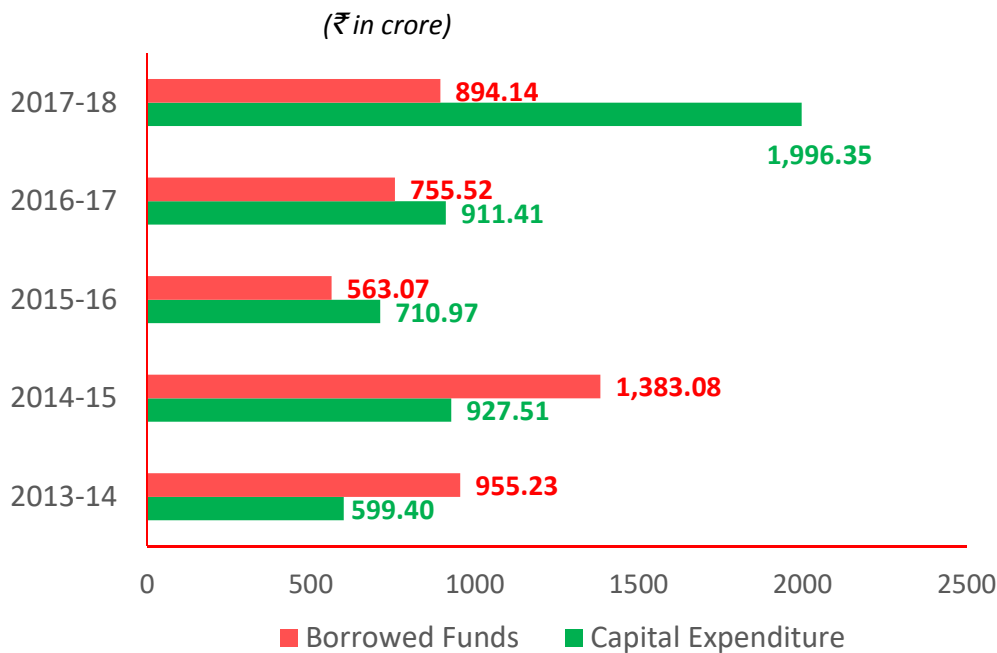
2.7 Public Debt

Trend of position of Public Debt over the past five years



During the year 2017-18, four loans totaling ₹ 424.37 crore were raised from the market which bear interest at 7.22 per cent, 7.41 per cent, 7.71 per cent and 8.14 per cent per annum redeemable at par in 2027, 2027, 2027 and 2028. The Government also received ₹ 7.87 crore from Government of India as loans and advances.

Borrowed funds *viz-a-viz* Capital Expenditure



Chapter III

Expenditure

3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of an organisation. Capital expenditure is used to create permanent assets or to enhance the utility of such assets or to reduce permanent liabilities. Expenditure is further classified under State and Central Assistance (including Centrally Sponsored Schemes/Central Schemes).

In Government Accounts, the expenditure is classified at top level into three sectors: General Services, Social Services and Economic Services. The significant areas of expenditure covered under these sectors are mentioned in the Table given below:



3.2 Revenue Expenditure

The shortfall of revenue expenditure against budget estimates as per Appropriation Accounts during five years is given below:

(₹ in crore)

Year	2013-14	2014-15	2015-16	2016-17	2017-18
Budget Estimates	6,156.03	6,530.64	6,740.35	7,540.84	7,642.38
Actuals	4,926.74	5,654.89	5,578.98	6,235.41	6,905.71
Gap	1,229.29	875.75	1,161.37	1,305.43	736.67
Percentage of gap over Budget Estimates	19.97	13.41	17.23	17.31	9.64

Around 54.10 *per cent* of the total revenue expenditure was incurred on committed expenses viz. Salaries and Wages (₹ 2,400.82 crore and ₹ 131.47 crore), Interest Payment (₹ 339.20 crore), Pensions (₹ 837.78 crore) and Subsidies (₹ 13.00 crore) which is committed liability of the State Government.

The position of Committed and Uncommitted Revenue Expenditure over the last five years is given below:

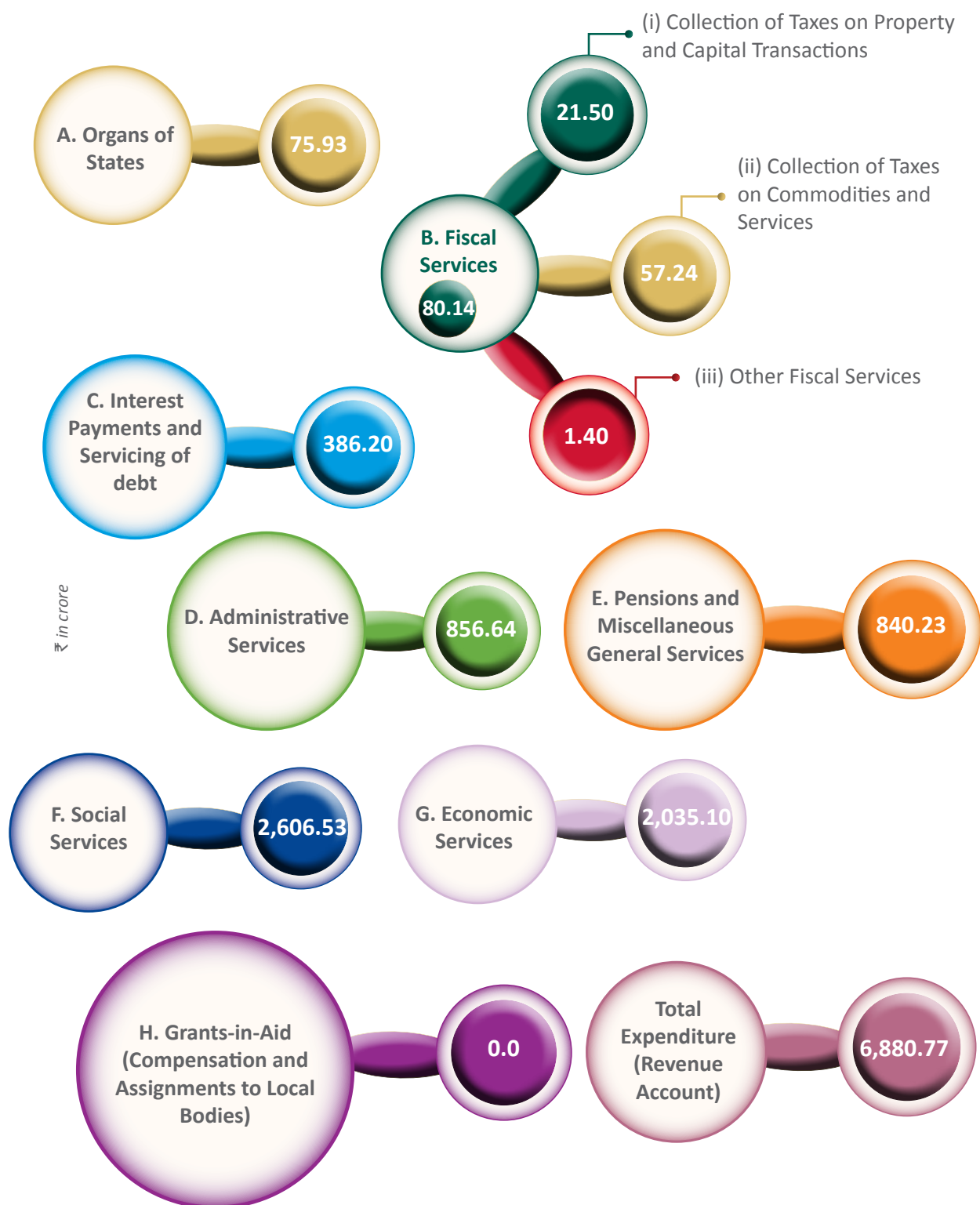
(₹ in crore)

Component	2013-14	2014-15	2015-16	2016-17	2017-18
Total revenue expenditure	4,916.98	5,652.44	5,570.86	6,230.34	6,880.77
Committed revenue expenditure ^[#]	2,793.10	2,988.15	3,272.36	3,515.10	3,722.27
Percentage of committed revenue expenditure to total revenue expenditure	56.81	52.86	58.74	56.42	54.10
Uncommitted revenue expenditure	2,123.88	2,664.29	2,298.50	2,715.24	3,158.50

^[#] Committed revenue expenditure includes expenditure on Salaries, Wages, Interest Payments, Pensions and Subsidies.

It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has increased by 48.71 *per cent* during 2017-18 from ₹ 2,123.88 crore in 2013-14 to ₹ 3,158.50 crore in 2017-18. The total revenue expenditure increased by 39.94 *per cent* from ₹ 4,916.98 crore in 2013-14 to ₹ 6,880.77 crore in 2017-18 and committed revenue expenditure increased by 33.27 *per cent* over the same period.

3.2.1 Sectoral distribution of Revenue Expenditure (2017-18)

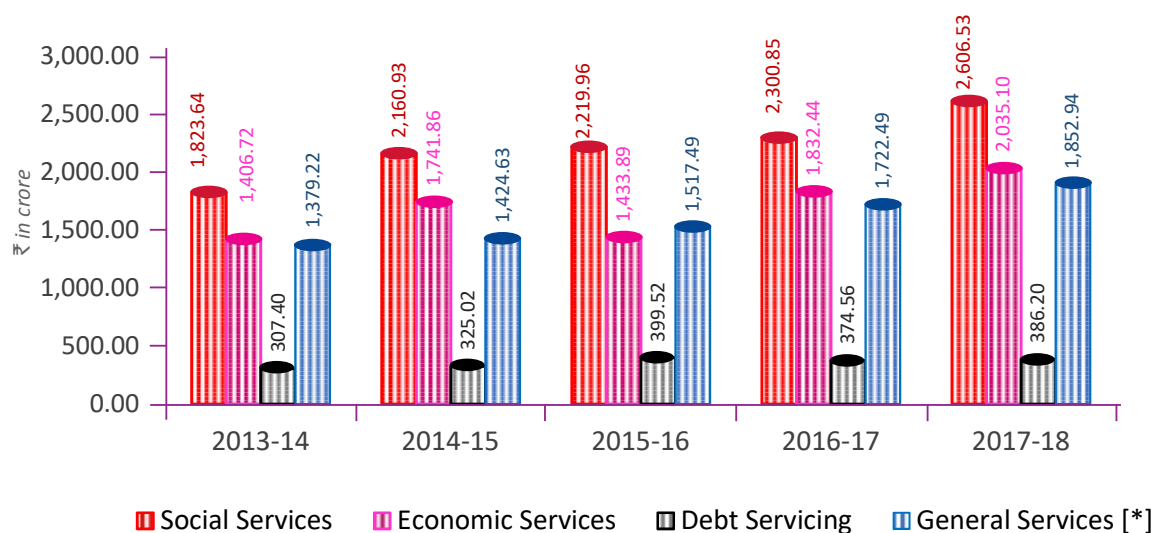


3.2.2 Major components of Revenue Expenditure 2013-14 to 2017-18

(₹ in crore)

Components	2013-14	2014-15	2015-16	2016-17	2017-18
Social Services	1,823.64	2,160.93	2,219.96	2,300.85	2,606.53
Economic Services	1,406.72	1,741.86	1,433.89	1,832.44	2,035.10
Debt Servicing	307.40	325.02	399.52	374.56	386.20
General Services (excluding expenditure on debt servicing)	1,379.22	1,424.63	1,517.49	1,722.49	1,852.94

Trend of Major Components of Revenue Expenditure



[*] General Services excludes MH 2048 (Appropriation for reduction or avoidance of debt), MH 2049 (Interest payments).

3.3 Capital Expenditure

Capital expenditure is essential if the growth process is to be sustained. Capital disbursements during 2017-18 amounting for ₹ 2,041.30 crore (11.51 per cent of GSDP) were less than Budget Estimates by ₹ 949.77 crore (less disbursement of ₹ 902.22 crore under capital and less disbursement of ₹ 47.57 crore under loans and advances. The growth in capital expenditure has kept pace with the steady growth of GSDP since 2013-14 except during 2015-16.

This can be seen from the table below:

(₹ in crore)

Sl. No.	Components	2013-14	2014-15	2015-16	2016-17	2017-18
1.	Budget Estimates (B.E.)	1,141.37	1,117.94	1,450.00	1,827.42	2,991.07
2.	Actual Expenditure ^[#]	630.10	929.99	718.10	938.46	2,041.30
3.	Percentage of Actual Exp. to B.E.	55.21	83.18	49.52	51.35	68.25
4.	Yearly growth in Capital Expenditure (in <i>per cent</i>)	(-)1.21	47.59	22.78	30.69	117.52
5.	GSDP	10,297.00	10,413.89	13,373.83	15,211.93	17,739.33
6.	Yearly growth in GSDP (in <i>per cent</i>)	27.86	1.14	28.42	13.74	16.61

^[#] Includes expenditure on Loans and Advances.

3.3.1 Sectoral distribution of Capital Expenditure

During 2017-18, the Government spent ₹ 1,820.21 crore on various Major Works. Apart from above, the Government also invested ₹ 3.94 crore in Co-operative Institutions.

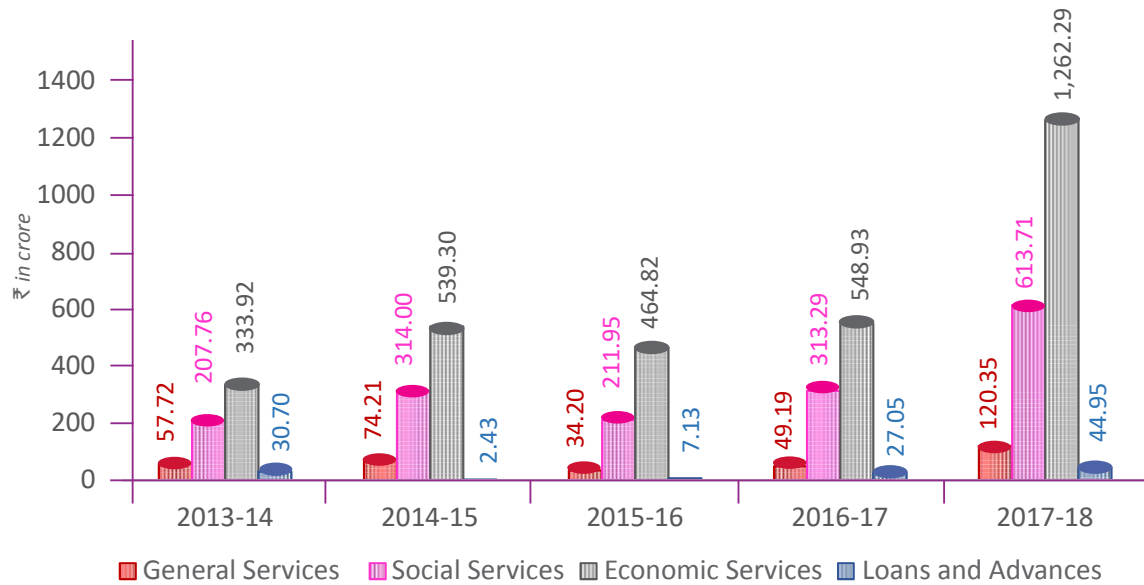
3.3.2 Sectoral distribution of Capital Expenditure over the past five years

(₹ in crore)

Sector	2013-14	2014-15	2015-16	2016-17	2017-18
General Services	57.72 (9.16)	74.21 (7.98)	34.20 (4.76)	49.19 (5.24)	120.35 (5.90)
Social Services	207.76 (32.97)	314.00 (33.77)	211.95 (29.52)	313.29 (33.39)	613.71 (30.06)
Economic Services	333.92 (53.00)	539.30 (57.99)	464.82 (64.73)	548.93 (58.49)	1,262.29 (61.84)
Loans and Advances	30.70 (4.87)	2.43 (0.26)	7.13 (0.99)	27.05 (2.88)	44.95 (2.20)
Total	630.10	929.94	718.10	938.46	2,041.30

Figures in parenthesis represents percentage to total capital expenditure.

Trend of Sectoral Distribution of Capital Expenditure



3.3.3 Sectoral distribution of Capital and Revenue Expenditure

The comparative sectoral distribution of capital and revenue expenditure over the past five years is illustrated below:

(₹ in crore)

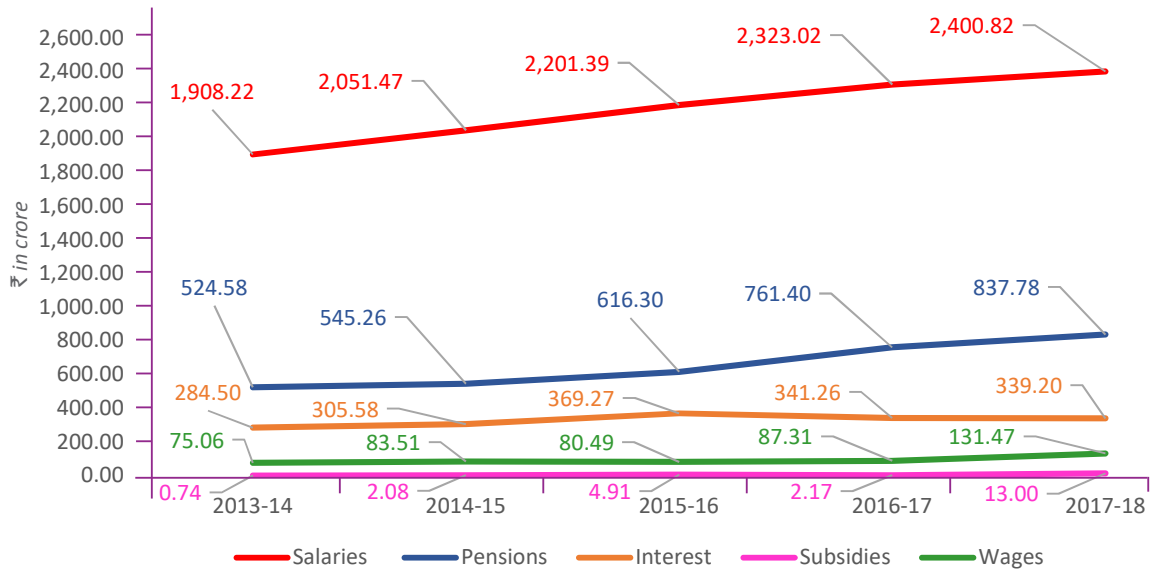
Sl. No.	Sector		2013-14	2014-15	2015-16	2016-17	2017-18
(A)	General Services	Capital	57.72	74.21	34.20	49.19	120.35
		Revenue	1,686.62	1,749.01	1,917.01	2,097.05	2,239.14
(B)	Social Services	Capital	207.76	314.00	211.95	313.29	613.71
		Revenue	1,823.64	2,160.93	2,219.96	2,300.85	2,606.53
(C)	Economic Services	Capital	333.92	539.30	464.82	548.93	1,262.29
		Revenue	1,406.72	1,741.86	1,433.89	1,832.41	2,035.10
(D)	Grants-in-Aid and Contribution	Capital	NA ^[#]	NA ^[#]	NA ^[#]	NA ^[#]	NA ^[#]
		Revenue	994.38	1,631.81	1,338.24	1,445.31	1,678.61

[#] Not Applicable

3.4 Committed Expenditure

Expenditure on Salaries, Pensions, Subsidies and Wages were increased in 2017-18 over the previous years which are shown below:

Trend of Committed Expenditure



The Trend of Committed Expenditure in comparison to revenue expenditure and revenue receipt over the past five years is depicted below:

	2013-14	2014-15	2015-16	2016-17	2017-18
Committed Expenditure	2,793.10	2,988.15	3,272.36	3,515.10	3,722.27
Revenue Expenditure	4,916.98	5,652.44	5,570.86	6,230.34	6,880.77
Revenue Receipts	4,764.85	5,511.10	6,676.40	7,398.30	8,580.20
Percentage of Committed Expenditure to Revenue Receipts	58.62	54.22	49.01	47.51	43.38
Percentage of Committed Expenditure to Revenue Expenditure	56.81	52.86	58.74	56.42	54.10

The Committed Expenditure increased by 33.27 per cent from 2013-14 to 2017-18 while revenue expenditure registered the growth of 33.94 per cent during the same period, leaving the Government with lesser flexibility in development spending.

Chapter IV

Appropriation Accounts

4.1 Summary of Appropriation Accounts for 2017-18

(₹ in crore)

Sl. No.	Nature of Expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings (-) Excesses(+)
1.	Revenue						
	Voted	5,941.23	1,246.70	...	7,187.93	6,497.27	(-) 690.66
	Charged	446.98	7.47	...	454.45	408.44	(-) 46.01
2.	Capital						
	Voted	2,086.15	990.67	...	3,076.82	2,078.74	(-) 998.08
	Charged	...	...	...	...	...	...
3.	Public Debt						
	Charged	277.74	...	...	277.74	255.57	(-) 22.17
4.	Loans and Advances						
	Voted	51.00	41.52	...	92.52	44.95	(-)47..57
	Total	8,803.10	2,286.36	...	11,089.46	9,284.97	(-)1,804.49

4.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings(-)/Excess(+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
2013-14	(-) 1,229.28	(-) 536.16	(+) 348.38	(-)25.25	(-) 1,442.31
2014-15	(-) 875.75	(-) 246.34	(-) 90.42	(-) 25.02	(-) 1,237.53
2015-16	(-) 1,161.37	(-) 767.98	(+) 34.96	(-) 32.87	(-) 1,927.26
2016-17	(-) 1,305.43	(-) 947.32	(-) 4.59	(-) 26.29	(-) 2,283.63
2017-18	(-) 736.67	(-)998.08	(-) 22.17	(-) 47.57	(-) 1,804.49

4.3 Significant Savings

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes/programmes. Some grants with persistent and significant savings are given below:

(₹ in crore)

Grant No.	Nomenclature	2013-14	2014-15	2015-16	2016-17	2017-18
4	Law and Judicial	3.20	25.60	14.04	21.96	3.77
6	Land Revenue and Settlement	1.89	2.57	4.62	6.61	10.32
7	Excise and Narcotics	...	1.71	3.04	2.59	3.71
11	Secretariat Administration	...	11.13	12.34	19.27	21.33
14	Planning and Programme Implementation	921.40	...	356.74	664.21	10.95
15	General Administration	13.22	...	19.76	15.80	20.63
16	Home	41.37	93.78	66.33	73.76	57.20
17	Food, Civil Supplies and Consumer Affairs	70.64	73.62	64.93	66.27	53.73
18	Printing and Stationery	...	1.71	2.85	2.66	1.50
19	Local Administration	37.75	42.50	...	3.19	0.40
20	School Education	53.04	35.21	123.93	46.24	53.33
21	Higher and Technical Education	9.76	78.73	53.39	60.32	44.38
22	Sports and Youth Services	...	9.26	8.79	4.49	1.99
23	Art and Culture	...	2.91	1.40	1.33	1.00
24	Medical and Public Health Services	14.74	113.35	178.47	173.69	185.58
25	Water Supply and Sanitation	2.63	15.93	55.51	54.10	50.95
26	Information and Public Relations	...	2.04	2.04	3.82	1.66
28	Labour, Employment, Skill Development and Entrepreneurship	...	9.60	5.03	16.24	17.83
29	Social Welfare	8.79	36.42	37.69	28.37	30.41

(₹ in crore)

Grant No.	Nomenclature	2013-14	2014-15	2015-16	2016-17	2017-18
31	Agriculture	110.72	39.53	151.20	51.40	80.43
32	Horticulture	5.80	23.92	32.73	10.13	7.37
33	Land Resources, Soil and Water Conservation	3.65	2.23	1.33	3.14	0.17
37	Co-operation	0.99	1.09	...	5.80	1.76
34	Animal Husbandry and Veterinary	15.53	8.01	9.97	32.43	8.67
36	Environment, Forests and Climate Change	52.50	10.57	11.90	9.61	8.89
38	Rural Development	12.84	145.39	70.51	118.02	90.42
39	Power	27.00	7.55	12.65	25.47	21.34
40	Commerce and Industries	1.02	4.56	5.58	18.84	60.68
41	Sericulture	1.69	0.01	0.01	1.31	3.42
42	Transport	9.63	12.59	14.38	17.89	4.03
46	Urban Development and Poverty Alleviation	115.71	73.05	89.76	57.21	14.84
47	Irrigation and Water Resources	137.62	66.01	81.03	39.02	35.25
48	Information and Communication Technology	...	3.12	10.07	12.30	12.41
	Public Debt	...	87.84	45.93	213.32	65.83

During 2017-18, supplementary grants totaling ₹ 2,286.36 crore (24.62 per cent of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below:

(₹ in crore)

Grant No.	Nomenclature	Section		Original	Supplementary	Actual Expenditure
3	Council of Ministers	Revenue	Voted	5.67	0.16	4.78
		Capital	Voted	...	0.10	...
4	Law and Judicial	Revenue	Charged	7.93	1.03	7.72
		Capital	Voted	...	0.62	0.50
6	Land Revenue and Reforms	Revenue	Voted	31.85	3.25	24.79
7	Excise and Narcotics	Revenue	Voted	31.40	2.50	30.19
9	Finance	Revenue	Voted	935.07	12.07	877.99
		Capital	Voted	730.75	17.70	19.67

(₹ in crore)

Grant No.	Nomenclature	Section		Original	Supplementary	Actual Expenditure
11	Secretariat Administration	Revenue	Voted	113.91	4.02	96.60
13	Personnel and Administrative Reforms	Revenue	Voted	4.89	0.49	3.68
14	Planning and Programme Implementation	Capital	Voted	5.00	6.05	1.70
16	Home	Revenue	Voted	565.57	31.11	548.79
18	Printing and Stationary	Capital	Voted	...	0.30	...
21	Higher and Technical Education	Capital	Voted	10.00	10.28	6.26
26	Information and Public Relations	Revenue	Voted	14.36	0.87	13.69
		Capital	Voted	...	1.78	1.66
28	Labour, Employment, Skill Development and Entrepreneurship	Revenue	Voted	29.62	1.21	13.00
31	Agriculture	Capital	Voted	98.55	22.85	68.26
32	Horticulture	Capital	Voted	3.00	0.50	0.50
40	Commerce and Industries	Capital	Voted	61.69	0.77	24.17
41	Sericulture	Revenue	Voted	18.28	1.39	16.25
42	Transport	Capital	Voted	5.00	0.40	3.60
47	Irrigation and Water Resources	Revenue		20.41	1.07	11.40
		Capital	Voted	41.39	3.14	19.36
48	Information and Communication Technology	Revenue	Voted	18.32	1.63	7.78
		Capital	Voted	...	0.25	...

A few instances where there was excess expenditure at the end of the year even after supplementary allocations were made are given below:

(₹ in crore)

Grant No.	Nomenclature	Section		Original	Supplementary	Actual Expenditure
2	2012 President, Vice-President/Governor/Administrator of Union Territories <i>03 Governor/Administrator of Union Territories</i> 090 Secretariat 01 Governor's Secretariat (Charged)	Revenue	Charged	3.13	0.51	3.70

(₹ in crore)

Grant No.	Nomenclature	Section		Original	Supplementary	Actual Expenditure
20	4202 Capital Outlay on Education, Sports, Arts and Culture <i>01 General Education</i> 800 Other Expenditure 07 Construction of Teachers Training Complex/ NLCPR	Capital	Voted	...	0.10	10.50
45	4070 Capital Outlay on Other Administrative Services <i>00</i> 800 Other Expenditure 89 New Economic Development Policy (NEDP)	Capital	Voted	...	16.00	22.00

Chapter V

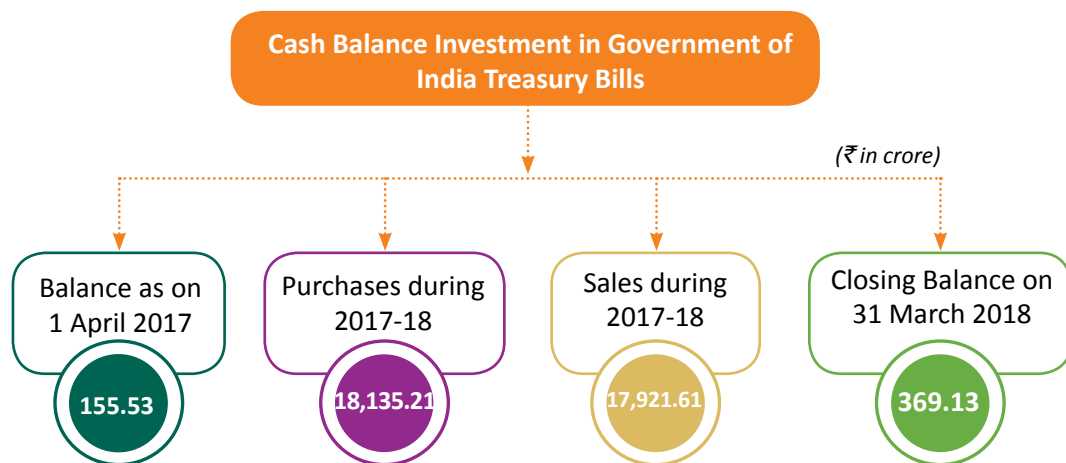
Assets and Liabilities

5.1 Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings, etc., except in the year of acquisition/purchase. Similarly, while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total investment as share capital in Non-Financial Public Sector Undertakings (PSUs) stood at ₹ 38.67 crore at the end of 2017-18. No dividend was received during the year on investment.

Cash Balance with Reserve Bank of India stood at (-) ₹ 212.92 crore on 1 April 2017 and increased to (-) ₹ 61.87 crore at the end of 31 March 2018. In addition, Government had invested an amount of ₹ 18,135.21 crore on 126 occasions in 14 days Treasury Bills and rediscounted Treasury Bill worth ₹ 17,921.61 crore on 103 occasions during 2017-18. The position of investment during the year 2017-18 is depicted in the table given below:



5.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be fixed by the State Legislature from time to time.

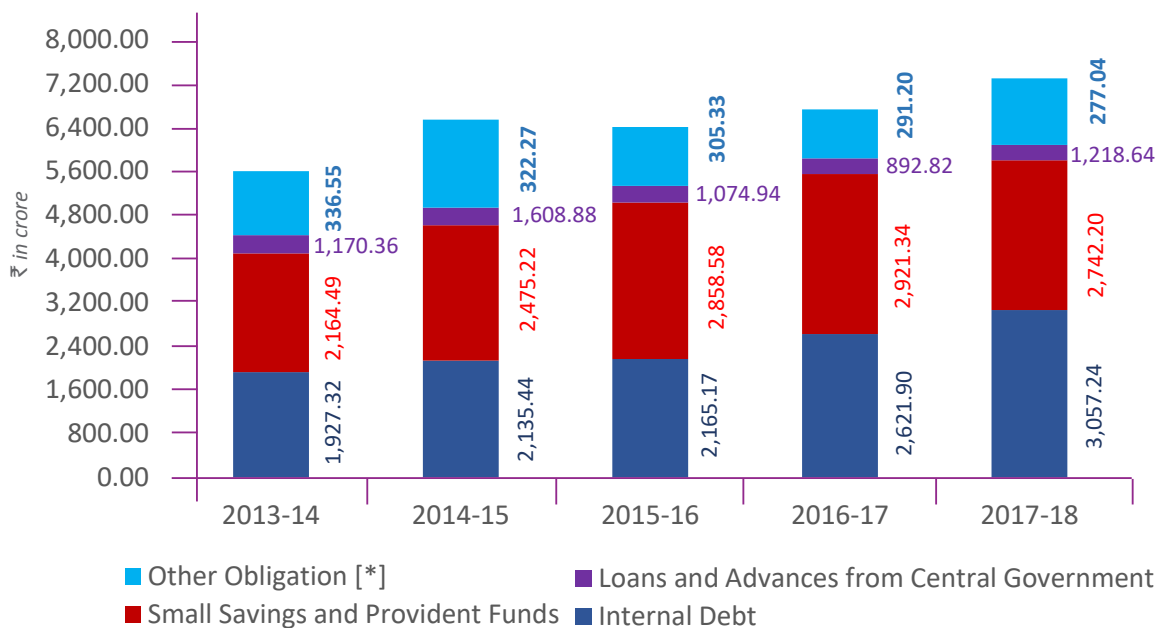
Details of the Public Debt and Total Liabilities of the State Government for the last five years are as under:

Year	Public Debt (₹ in crore)	Percentage to GSDP	Public Account ^(*) (₹ in crore)	Percentage to GSDP	Total Liabilities (₹ in crore)	Percentage to GSDP
2013-14	2,263.87	21.99	3,344.51	32.48	5,608.38	54.47
2014-15	2,457.71	23.60	4,092.68	39.30	6,550.39	62.90
2015-16	2,470.50	18.47	3,936.89	29.44	6,407.39	47.91
2016-17	2,913.10	19.15	3,811.92	25.06	6,725.02	44.21
2017-18	3,334.28	18.80	3,966.03	22.36	7,300.31	41.15

(*) Excludes suspense and remittances balances.
Figures are progressive balance to end of the year.

Public Debt and Other liabilities showed a net increase of ₹ 575.29 crore (8.55 per cent) in 2017-18 over the previous year.

Trend in Government Liabilities



[*] Non-interest bearing obligations such as deposits of Local Funds, Other earmarked fund, etc.

5.3 Guarantees

In addition to directly raising loans, State Governments also guarantee loans raised by Statutory Corporations, Government Companies and Corporations, Co-operative Societies etc. from the market and financial institutions for implementation of various schemes and programmes. These guarantees are contingent liability on the Consolidated Fund of the State in case of default in the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Cooperative Societies, etc., for whom the guarantee was extended and are projected outside the State Budget. The position of guarantees by the State Government for the re-payment of loans (payment of principal and interest thereon) raised by Statutory Corporations, Government Companies and Corporations, Co-operative Societies etc., for the last five years is given below:

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as the end of the year	
		Principal	Interest
		(₹ in crore)	
2013-14	273.94	70.57	37.82
2014-15	273.94	68.59	28.31
2015-16	273.94	71.85	28.37
2016-17	293.94	82.90	41.10
2017-18	293.94	89.61	44.30

Chapter VI

Other Items

6.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, the State Government also guarantees loans raised by Government Companies and corporations from the market and financial institutions for implementation of various schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, the loan repayments appear in Government account, resulting in irreconcilable adverse balances and understatement of liabilities in Government Accounts. As on 31 March 2018, no adverse balance is appearing in favour of Mizoram State.

6.2 Loans and Advances given by the State Government

Total Loans and Advances made by the State Government at the end of 2017-18 was ₹ 229.12 crore. Of this, Loan and Advances to Government Departments, Corporation/ Companies, Non-Government Institutions and Local Bodies amounted to ₹ 145.89 crore. Information about recovery of arrears (Principal as well as Interest) at the end of 31 March 2018 was not received from the Departmental authorities maintaining the detailed accounts.

6.3 Financial Assistance to Local Bodies and Others

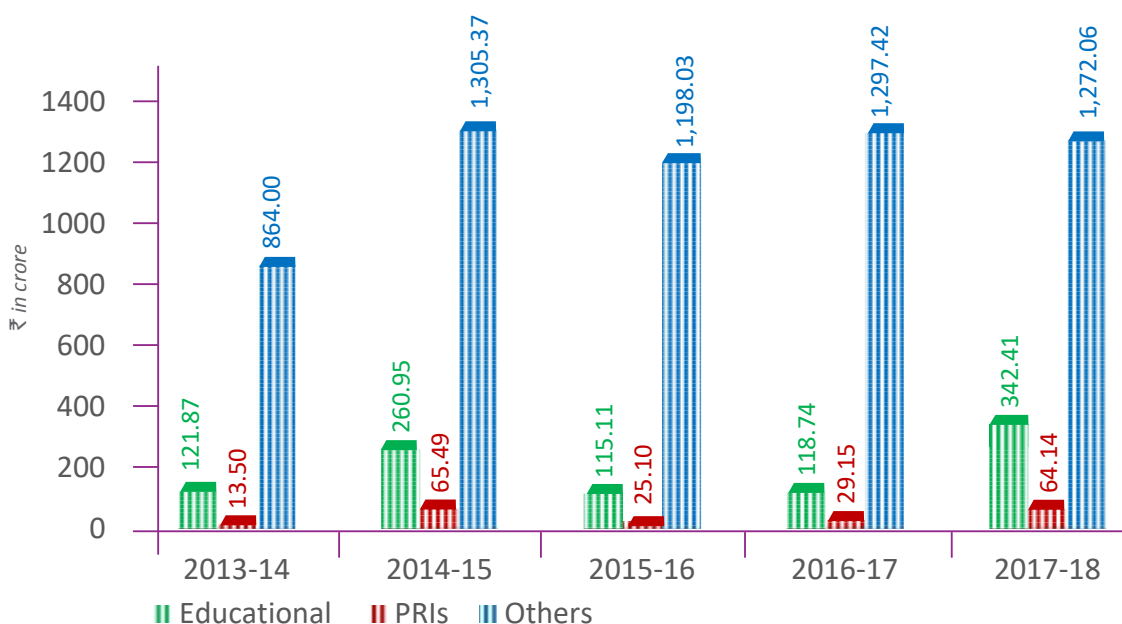
Grants-in-Aid given to local bodies, autonomous bodies, etc. increased from ₹ 994.37 crore in 2013-14 to ₹ 1,678.61 crore in 2017-18.

Details of Financial Assistance to Local Bodies and Others for the past five years are as under:

(₹ in crore)

Sl. No.	Name of Institutions	2013-14	2014-15	2015-16	2016-17	2017-18
1.	Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	121.87	260.95	115.11	118.74	342.41
2.	PRIs/ULBs	13.50	65.49	25.10	29.15	64.14
3.	Others	864.00	1,305.37	1,198.03	1,297.42	1,272.06
	Total	994.37	1,631.81	1,338.24	1,445.31	1,678.61

Financial Assistance to Local Bodies and Others



Details of Grants-in-Aid Given for Creation of Assets for the past five years are as under:

(₹ in crore)

Sl. No.	Name of Institution	2013-14	2014-15	2015-16	2016-17	2017-18
1.	Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	4.74	13.87	3.54	4.88	4.76
2.	PRIs/ULBs	13.50	35.44	9.18	11.95	19.44
3.	Others	94.13	131.38	79.80	115.21	784.38
	Total	112.37	180.69	92.52	132.04	808.58

6.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2017	As on 31 March 2018	Net increase (+) / decrease (-)
Cash Balance	(-)212.92	(-)61.87	151.05
1. Cash in Treasuries	....	....	...
2. Remittance in transit (local)	...	...	...
3. Deposits with Reserve Bank	(-)212.92	(-)61.87	151.05
4. Investment held in the "Cash Balance Investment Account"	155.53	369.13	130.08
Other Cash Balance and Investments	239.55	286.63	147.08
1. Cash with Departmental Officers	(-)4.99	(-)4.91	0.08
2. Permanent Advance for Contingent Expenditure with Departmental Officers	...	...	...
3. Investment of Earmarked Funds	244.54	291.54	47.00
Interest realized	25.45	24.73	(-)0.72

State Government had a negative closing cash balance at the end of 31 March 2018. Interest receipt on the investment of cash balance has decreased by 2.83 *per cent* from ₹ 24.73 crore to ₹ 25.45 crore.

6.5 Reconciliation of Accounts

In order to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts, all Chief Controlling Officers (CCOs)/Controlling Officers (COs) are required to reconcile the Receipts and Expenditure recorded in their books every month with the figures accounted for by the Principal Accountant General (Accounts). Such reconciliation has been completed for 59 *per cent* of total receipts and 79 *per cent* of total expenditure during 2017-18.

6.6 Submission of Accounts by Accounts Rendering Units

The Finance Accounts 2017-18 present the transactions of the Government of Mizoram for the period from 1 April 2017 to 31 March 2018. The Accounts of receipts and expenditure of the Government of Mizoram have been compiled based on the initial accounts rendered by ten Treasuries, 73 Public Works Divisions, 34 Forest Divisions and Advices of the Reserve Bank of India. Rendition of monthly accounts by the Accounts Rendering Units of the State Government was satisfactory and no accounts remained excluded at the end of the financial year.

6.7 Unadjusted Abstract Contingent Bills

When money is required in advance of when they are not able to calculate the exact amount required, Drawing and Disbursing Officers (DDOs) are permitted to draw sums of money without supporting documents, through Abstract Contingent (AC) bills, by debiting service heads and the expenditure is reflected as an expenses under the service heads. These amounts are held under objection pending submission of Detailed Contingent (DC) Bills to the Principal Accountant General (Accounts), within a month. However, the State Government has not introduced a system for identifying such adjustment vouchers, following which, the Principal Accountant General (Accounts) is unable to certify whether all advances have been settled and that there is no misappropriation or fraud. Over the years, the Principal Accountant General (Accounts) has been requesting the State Government to adopt the mode of Abstract

Contingent (AC) bills and subsequent submission of Detailed Countersigned Contingent (DC) bills (vouchers in support of final expenditure) prevalent in the Central Government and other States to ensure greater transparency. Details of AC Bills outstanding as on 31 March 2018 are as given below:

(₹ in crore)

Year	Number of pending DC bills	Amounts
Up to 2015-16	29	2.35
2016-17	01	4.71
2017-18	03	2.35
Total	33	12.41

Out of ₹ 55.22 crore drawn against AC Bills in 2017-18, AC Bills amounting to ₹ 9.11 crore (16.50 per cent) were drawn in March 2018. It is observed that compared to last year, drawal of AC Bill in March 2018 was increased by amount of ₹ 8.71 crore.

Out of the total outstanding AC Bills, the defaulting departments who have not submitted DC Bills are Local Administration (18.94 per cent), Jail (37.95 per cent), Rural Development (40.29 per cent) and Health and Family Welfare (2.82 per cent).

6.8 Status of Suspense and Remittances Balances

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out aggregating the outstanding debit and credit balances separately under various heads. Significant suspense items shown as gross debit and credit balances under Major Head 8658 Suspense Accounts and 8782 Remittances for the last five years, are as under:

(₹ in crore)

Name of Minor Head	2013-14		2014-15		2015-16		2016-17		2017-18	
	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr	Dr	Cr
(a) 8658 Suspense Accounts										
101 Pay and Accounts Office - Suspense	73.80	8.99	37.57	9.00	44.05	9.00	40.27	9.00	44.84	64.14
Net	Dr 64.81		Dr 28.57		Dr 35.05		Dr 31.27		Cr 19.30	
102 Suspense Accounts-Headquarters	78.24	74.58	80.69	74.71	98.20	74.73	98.87	74.72	80.10	72.40
Net	Cr 3.66		Dr 5.98		Dr 23.47		Dr 24.15		Dr 7.70	
109 Reserve Bank Suspense-Headquarters	0.79	(-)1.17	1.85	(-)54.38	2.44	(-)69.68	1.93	(-)16.89	13.19	(-)65.60
Net	Dr 1.96		Dr 56.23		Dr 72.12		Dr 18.82		Dr 78.79	
110 Reserve Suspense-Central Accounts Office	1,533.18	2,819.05	1,484.57	2,791.88	1,372.32	2,675.98	1,307.79	2,049.16	833.45	1,747.47
Net	Cr 1,285.87		Cr 1,307.31		Cr 1,303.66		Cr 741.37		Cr 914.02	
112 Tax Deducted at source (TDS) Suspense	1.01	(-)0.60	0.00	(-)0.09	0.00	0.06	0.01	0.61	0.01	0.37
Net	Dr 1.61		Dr 0.09		Cr 0.06		Cr 0.60		Cr 0.36	

(b) 8782 Cash Remittances and adjustments between officers rendering accounts to the same Accounts office										
102 Public Works Remittances	12,568.37	12,081.66	13,862.82	13,469.79	15,231.73	14,826.17	16,880.44	16,570.28	19,380.32	19,000.29
Net	Dr. 486.71		Dr. 393.03		Dr. 405.56		Dr. 310.16		Dr. 380.03	
103 Forest Remittances	1,471.16	1,798.64	1,757.32	2,072.19	1,919.43	2,224.26	2,145.37	2,455.78	2,378.14	2,688.64
Net	Cr. 327.48		Cr. 314.87		Cr. 304.83		Cr. 310.41		Cr. 310.50	

6.9 Status of Outstanding Utilization Certificates

Institutions receiving Grants-in-Aid from the Government of Mizoram are required to furnish Utilisation Certificates (UCs) with 12 months of the closure of the financial year, countersigned by the Controlling Authority after verification. To the extent of non-receipt of UCs, the expenditure shown in the accounts cannot be treated as final nor can it be confirmed that the amount has been expended /utilized for the intended purposes of sanction. At the close of March 2018 accounts, 38 UCs for three years amounting to ₹ 34.72 crore, remained outstanding. Details are given below:

(₹ in crore)		
Year	Number of UCs awaited	Amount
2011-12	1	3.63
2015-16	10	13.01
2016-17	27	18.08
Total	38	34.72

Defaulting departments who have not submitted UCs are Chakma Autonomous District Council (43.16 per cent), Lai Autonomous District Council (32.74 per cent) and Mara Autonomous District Council (24.10 per cent).

6.10 Commitments on account of Incomplete Capital Works

A total expenditure of ₹ 1,191.24 crore was incurred upto the year ended 31 March 2017-18 by the State Government on various incomplete capital works against an original estimated cost of ₹ 2,079.38 crore (Appendix IX of Finance Accounts Vol. II).

Works namely i) Construction of Serkhan- Bagha Road (115.20 KM in Mizoram, ii) Improvement and upgradation of KDZKT Road and iii) Construction of 5 MW Tlawva SHP had revised their original estimated cost by 17 per cent, 33 per cent and 28 per cent respectively.

6.11 New Pension Scheme

State Government employees recruited on or after 1 September 2010 are covered under the 'New Pension Scheme' (NPS), which is a Defined Contributory Pension Scheme. In terms of the Scheme, employees contribute 10 per cent of basic pay and dearness allowance, which is matched by the State Government and the entire amount is transferred to the designated Fund Manager through the National Securities Depository Limited(NSDL)/ Trustee Bank.

As per the procedure adopted by the Government of Mizoram, the employees' contribution is initially credited to 'MH 0071 Contribution Recoveries towards Pension and Other Retirement Benefits' and thereafter transferred along with the employer's contribution to a Current Account opened for this purpose, for eventual transfer to NSDL. The Current Account is jointly maintained by Chief Controller of Accounts and Joint Director, Accounts and Treasuries. Details of transactions in the Current Account do not constitute part of the accounts rendered to the Principal Accountant General (Accounts). Hence, timely transfer of these balance to NSDL cannot be confirmed.

During 2017-18, the Government of Mizoram collected ₹ 18.64 crore being employees' and ₹ 19.71 crore employer's contribution (excluding ₹ 0.15 crore being Central Record Keeping Agency (CRA) Service Charges). Out of total contribution of ₹ 38.35 crore, State Government has transferred ₹ 35.90 crore (₹ 16.72 crore as employees' contribution plus ₹ 1.23 crore pertaining to previous years' un-transferred employees' contribution and ₹ 17.95 crore as Government Share including ₹ 1.23 crore pertaining to previous years' outstanding) to NSDL, leaving a balance ₹ 1.92 crore employees' contribution in the bank account and unmatched amount of ₹ 1.76 crore for 2017-18. As on 31 March 2018, unmatched Government share and un-transferred amount were ₹ 2.29 crore and ₹ 2.02 crore.

6.12 Personal Deposit Accounts

As per Rule 96 and 97 of General Financial Rules 2017, the Personal Deposit Account is a device intended to facilitate the Designated Officer thereof to credit receipts into and effect withdrawals directly from the account. The initial accounts of the moneys to be held in a personal deposit account and disbursed, shall be arranged to be maintained properly and shall be subject to audit. Every personal deposit account so authorized to be opened, shall form part of the Government Account and be located in the Public Account thereof. However, as per the information furnished by the Govt. of Mizoram, there is no Personal Deposit Account.

6.13 Investment

Information on Government investment appearing in Statement No. 8 and 19 of the Finance Accounts are based on the accounts and sanctioned received by the Principal Accountant General (Accounts). As on 31 March 2018, the total investment of the State Government in Public Sector Undertaking and Co-operatives was ₹ 38.67 crore. These figures required confirmation by the concerned Department (including Finance and the concerned entity).

6.14 Rush of Expenditure

Rush of expenditure particularly in the closing month of the financial year shall be regarded as a breach of financial regularity and should be avoided in terms Rule 62 (3) of GFRs 2017. However, the expenditure incurred under certain selected Heads of Account (Major Head: 2215, 2217, 2236, 2401, 2501, 3275, 3425, 4055, 4059, 4202, 4216, 4217, 4225, 4403, 4435, 4515, 4575, 4702, 4801 and 5053 during March 2018 ranged between 33.16 per cent and 100.00 per cent of the total expenditure of the concerned Major Head during the year indicating a tendency to utilize the budget at the close of the financial year. Flow of expenditure during the end of the financial year 2017-18 in the above mentioned Heads were as below:

(₹ in crore)

Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	During March 2018	Percentage of 3/2018 w.r.t. total expenditure of 2017-18
2215	Water Supply and Sanitation	37.98	34.53	39.24	101.76	213.51	80.95	37.91
2217	Urban Development	18.61	7.57	25.57	45.81	97.56	32.35	33.16
2236	Nutrition	0.17	0.24	0.13	2.30	2.84	2.15	75.70
2401	Crop Husbandry	18.42	27.36	41.39	153.41	240.58	137.29	57.07

(₹ in crore)

Head of Account	Description	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Total	During March 2018	Percentage of 3/2018 w.r.t. total expenditure of 2017-18
2501	Special Programmes for Rural Development	5.95	33.11	26.47	38.80	104.33	37.80	36.23
3275	Other Communication Services	0.49	0.49	0.57	6.23	7.78	5.88	75.58
3425	Other Scientific Research	1.14	2.41	2.57	7.37	13.49	5.81	43.07
4055	Capital Outlay on Police	...	4.34	4.85	13.46	22.65	10.70	47.24
4059	Capital Outlay on Public Works	...	0.18	1.19	57.83	59.20	51.46	86.93
4202	Capital Outlay on Education, Sports, Art and Culture	...	0.94	3.61	50.73	55.28	47.21	85.40
4216	Capital Outlay on Housing	...	0.04	2.67	45.39	48.10	45.39	94.37
4217	Capital Outlay on Urban Development	3.65	24.47	10.63	284.44	323.19	283.51	87.73
4225	Capital Outlay on Welfare of Scheduled Caste, Scheduled Tribes and other Backwards Classes	...	...	...	1.00	1.00	1.00	100
4403	Capital Outlay on Animal Husbandry	...	....	6.94	10.65	17.59	7.13	40.53
4435	Capital Outlay on Other Agricultural Programmes	1.27	0.97	0.15	22.00	24.39	22.01	90.24
4515	Capital Outlay on other Rural Development Programmes	...	...	...	12.29	12.29	11.90	96.83
4575	Capital Outlay on other Special Areas Programmes	...	...	...	49.29	49.29	35.18	71.37
4702	Capital Outlay on Minor Irrigation	...	0.02	0.75	18.19	18.96	17.96	94.73
4801	Capital Outlay on Power Projects	26.89	3.19	14.86	167.81	212.75	161.82	76.06
5053	Capital Outlay on Civil Aviation	...	1.31	0.04	7.79	9.14	6.43	70.35

6.15 Status of Reserve Funds

There are five Reserve Funds earmarked for specific purposes, out of which two funds have been **inactive for 16 years and eight years respectively**. Details are given below: The total accumulated balance at the end of 31 March 2018 in these funds was ₹ 300.70 crore (₹ 294.18 crore in active funds and ₹ 6.52 crore in inactive funds), out of which ₹ 291.54 crore (96.95 per cent) was invested.

6.15.1 Consolidated Sinking Fund

In terms of the recommendations of Twelfth Finance Commission, the Government of Mizoram constituted a revised Consolidated Sinking Fund (CSF) scheme in 2006-07 for redemption of outstanding liabilities. As per the scheme and in terms of the guidelines of the Reserve Bank of India, states are required to contribute a minimum of 0.50 *per cent* of their outstanding liabilities (Internal Debt *plus* Public Account liabilities) as at the end of the previous year. The Fund is administered by the Reserve Bank of India subject to such directions/ instructions as the Government may issue from time to time.

In the year 2017-18, against the minimum required contribution of ₹ 33.63 crore (0.50 *per cent* of outstanding liabilities of ₹ 6,725.02 crore as on 31 March 2017), the State Government contributed ₹ 40.00 crore. Total accumulations in the Fund as on 31 March 2018 was ₹ 273.04 crore which has been invested in Government of India Securities.

6.15.2 Guarantee Redemption Fund

The State Government created a Guarantee Redemption Fund (GRF) in the year 2009-10. As per the guidelines of the scheme, the government is required to contribute an amount equivalent to at least one fifth of the outstanding invoked guarantees *plus* an amount of guarantees likely to be invoked as a result of the incremental guarantees issued during the year. It is open to the Government to increase the contributions to the Fund at its discretion. The fund is administered by Reserve Bank of India. There were no outstanding invoked guarantees in 2017-18. The State Government transferred ₹ seven crore during the year to the Fund. Balance of ₹ 18.50 crore remaining in the fund as on 31 March 2018 has been invested in Government of India securities.

6.15.3 State Disaster Response Fund

Government of India replaced the existing Calamity Relief Fund with the State Disaster Response Fund (SDRF) in 2010-11 on the recommendations of the Thirteenth Finance Commission. Under the guidelines of the Fund, the Centre, and Special Category States like Mizoram are required to contribute to the Fund in the proportion of 90:10.

As on 01 April 2017, the fund had a balance of (-) ₹ 4.79 crore. During 2017-18, the Government of India released an amount of ₹ 17.10 crore towards State Disaster Response Fund (SDRF). The State Government transferred an amount of ₹ 28.38 crore (₹ 28.00 crore *plus* ₹ 0.38 crore being bank interest earned) to Public Account, which is more than the Central contribution and State share (Central share ₹ 17.10 crore and State share ₹ 1.90 crore) resulting in more transfer of ₹ 9.38 crore. During 2017-18, the State Government has withdrawn ₹ 20.95 crore from the Fund and kept the amount in bank account. Consequently, it has not been possible to assess the extent to which the withdrawn amounts have actually been spent on natural calamities.

6.16 Opening of Bank Accounts by the Drawing and Disbursing Officers

The State Government's receipts and disbursement are done through Consolidated Fund of the State for which the Reserve Bank of India acts as a banker. It has been observed that most of the Drawing and Disbursing Officers (DDOs) have opened Current/Saving Bank Accounts in Commercial Banks. Drawal of moneys from the Consolidated Fund and keeping in DDOs' Bank Account for further utilizations may result in fictitious expenditure. As per information provided by the State Government ₹ 500.59 crore was lying in the bank accounts of 96 number of DDOs as on 31 March 2018.

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