



**GOVERNMENT
OF
MIZORAM**

**Accounts At A Glance
2010-2011**

**PRINCIPAL
ACCOUNTANT GENERAL
MIZORAM, AIZAWL**



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PREFACE

This is the Twelfth issue of our annual publication, the ‘**Accounts At A Glance**’.

The Annual Accounts of the State Government are prepared and examined under the directions 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 Service) Act, 1971 for being laid before the Legislature of the State. The Annual Accounts consists of (a) Finance Accounts Volume 1 & Volume 2 and (b) Appropriation Accounts. Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise expenditures against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided. The Principal Accountant General (Accounts) prepares the State Finance Accounts and the Appropriation Accounts. ‘**Accounts At A Glance**’ provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs.

We look forward to suggestions that would help us in improving the publication.

Place: Aizawl

**Principal Accountant General
Mizoram**

Date:

CHAPTER I

OVERVIEW

1.1 Introduction

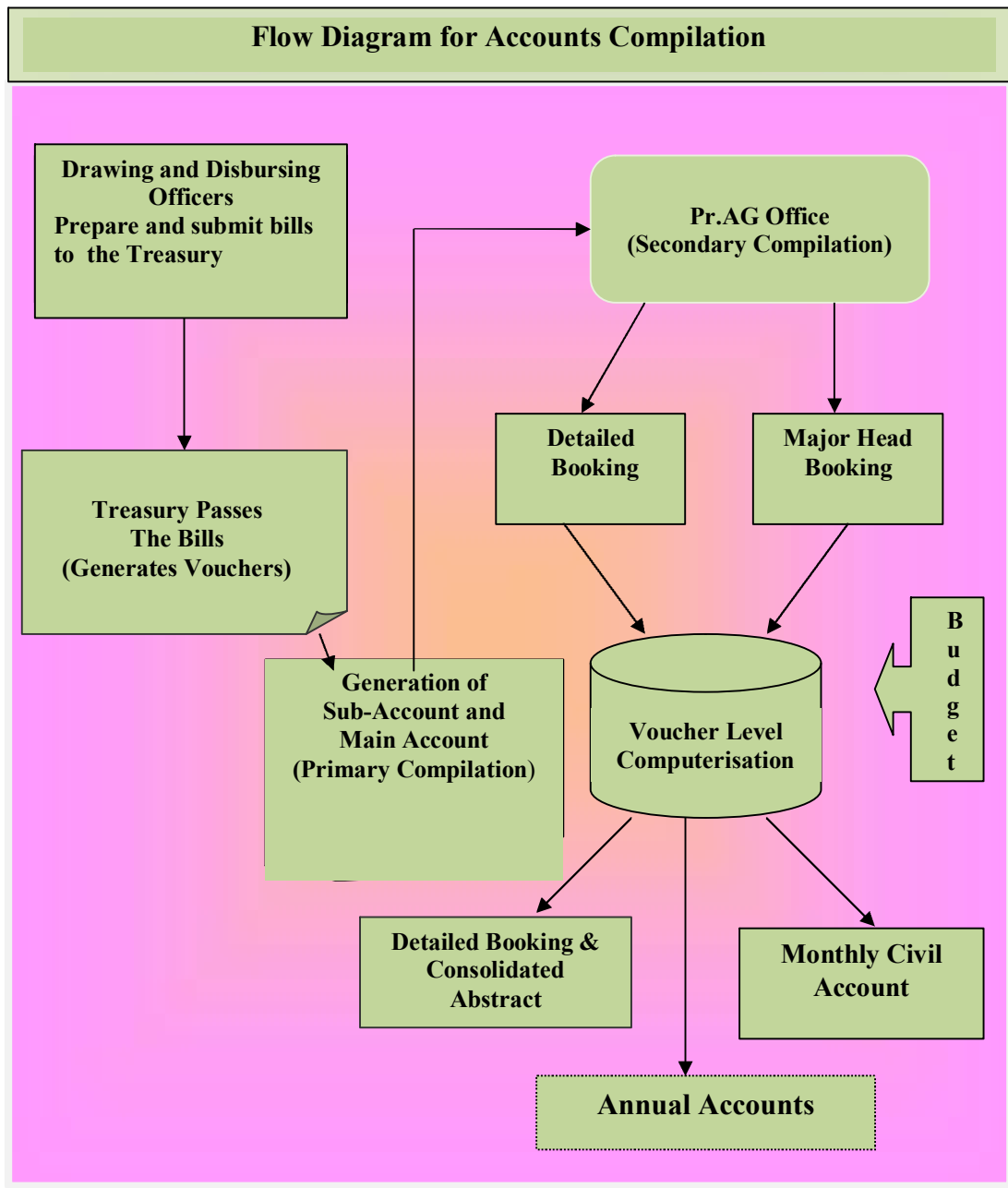
The Principal Accountant General (Accounts), Mizoram compiles the accounts of receipts and expenditure of the Government of Mizoram. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. Following such compilation, the Principal Accountant General (Accounts) prepares, the Annual Finance and Appropriation Accounts, which are placed before the State Legislature after audit by the Principal Accountant General (Civil Audit) Mizoram and certification by the Comptroller and Auditor General of India.

1.2 Structure of Accounts

1.2.1 Government Accounts are kept in three parts:

Part I CONSOLIDATED FUND	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
Part II CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
Part III PUBLIC ACCOUNT	Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking the final heads of account.

1.2.2 Compilation of Accounts



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. From 2009-2010, the Finance Accounts have been issued in two volumes in a new format, to make them more comprehensive and informative. Volume 1 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, quality of accounts and other items: Volume 2 contains other summarized statements (Part -I), detailed statements (Part-II) and appendices (Part -III).

Receipts and disbursement of the Government of Mizoram as depicted in the Finance Accounts 2010-2011 are given below:

(₹ in crore)

Receipts (Total: 3900.82)	Revenue (Total: 2855.37)	Tax Revenue	5,82.10
		Non Tax Revenue	1,46.72
		Grants -in-Aid and Contributions	2126.55
	Capital (Total: 1045.45)	Recovery of Loans and Advances	25.97
		Borrowings and other Liabilities (*)	1019.48
Disbursements (Total: 3900.82)	Revenue	3256.24	
	Capital	614.71	
	Loans and Advances	29.87	

(*) 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.

The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various schemes and programmes. This year, the Government of India directly released ₹ 264.87 crore (₹ 683.19 crore last year). Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume 2 of the Finance Accounts.

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts 'Charged' on the Consolidated Fund or 'Voted' by the State Legislature. There were 5 charged Appropriation and 47 voted Grants.

The Appropriation Act 2010-2011, had provided for gross expenditure of ₹ 5105.47 crore and reduction of expenditure (recoveries) of ₹ 141.75 crore. Against this, the actual gross expenditure was ₹ 4312.26 crore and reduction expenditure was ₹ 138.90 crore, resulting in net savings of ₹ 793.21 crore (15.54%). The gross expenditure includes ₹ 163.10 crore drawn on Abstract Contingent (AC) Bill, against which ₹ 50.51 crore still outstanding at the end of the year for want of supporting Detailed Countersigned Contingent (DCC) bills.

During 2010-2011, no amount was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD accounts are to be transferred back to the Government at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD accounts are available only with the treasuries, since they are responsible for maintaining such records, but, no information thereof was received from the Government of Mizoram.

1.4 Source and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Government to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 0.20 crore) maintained with the RBI. During 2010-2011, the Government of Mizoram did not resort to OD facilities and availed of WMA (₹ 163.36 crore) for 21 days which was repaid during the year itself.

1.4.2 Fund flow statement

The State had a Revenue Deficit of ₹ 400.87 crore and a Fiscal Deficit of ₹ 1019.48 crore representing 6.62% and 16.83% of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 26.14 % of total expenditure. Around 61.78% of the revenue receipts (₹ 2855.37 crore) of the State Government was spent on committed expenditure like salaries (₹ 1408.92 crore), interest payment (₹ 105.58 crore) and pensions (₹ 249.54 crore).

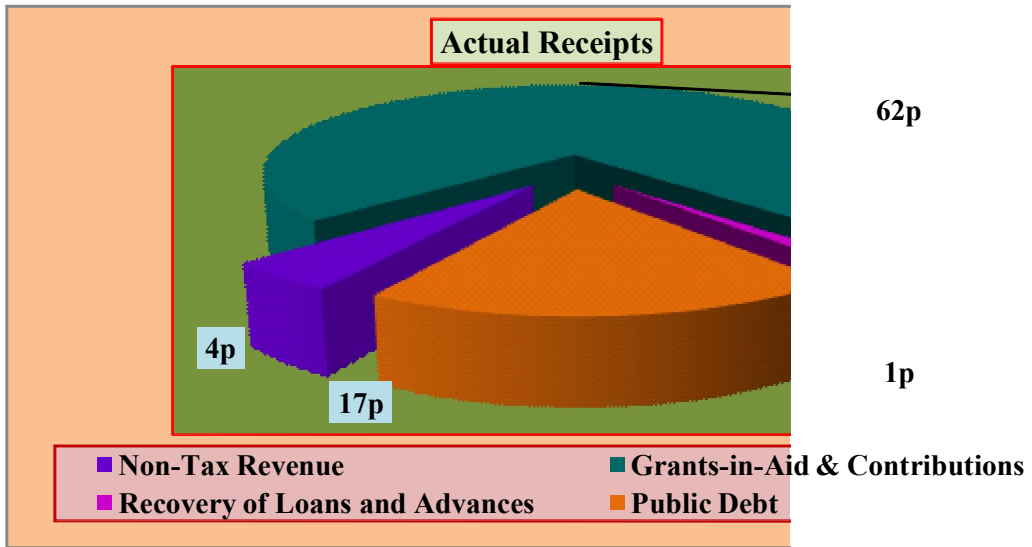
Source and Application of Funds

(₹ in crore)

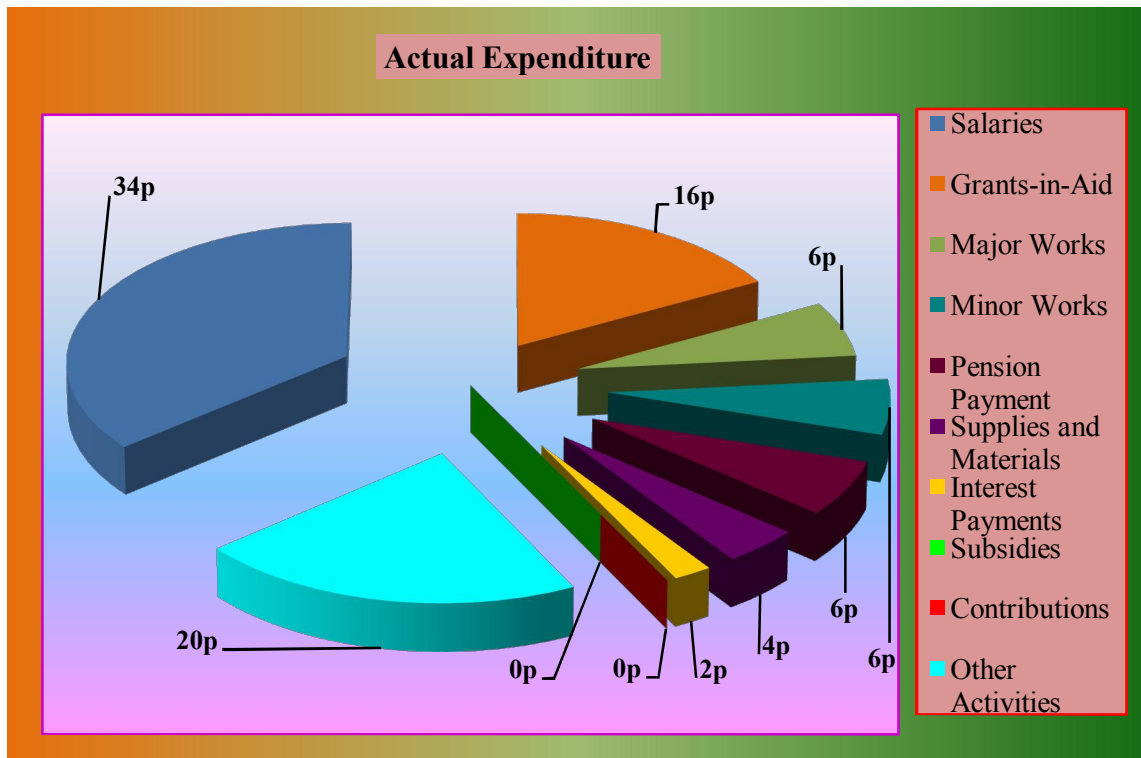
	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2010	(-)130.87
	Revenue Receipts	2855.37
	Recovery of Loans and Advances	25.97
	Public Debt	537.22
	Small Savings Provident Fund & Others	495.88
SOURCES	Reserves and Sinking Funds	24.41
	Deposits Received	789.01
	Civil Advances Repaid	20.89
	Suspense Account	4289.61
	Remittances	1485.24
	Contingency Fund	26.51
	Total	10419.24

	PARTICULARS	AMOUNT
	Revenue Expenditure	3256.24
	Capital Expenditure	614.71
	Loans Given	29.87
	Repayment of Public Debt	272.54
	Transfer to Contingency Fund	26.51
	Small Savings Provident Fund & Others	219.97
APPLICATION	Reserves and Sinking Funds	28.78
	Deposits Received	456.05
	Civil Advances Repaid	20.41
	Suspense Account	4080.03
	Remittances	1521.07
	Closing Cash Balance as on 31.3.2011	(-)106.94
	Total	10419.24

1.4.3 Where the Rupee came from



1.4.4 Where the rupee went



1.5 Highlights of Accounts

(₹ in crore)

	B.E.2010-11	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP(\$)
1. Tax Revenue	681.32	582.10(@)	85.44	9.61
2. Non-Tax Revenue	166.37	146.72	88.19	2.42
3. Grants-in-Aid & Contributions	2406.48	2126.55	88.37	35.10
4. Revenue Receipts (1+2+3)	3253.87	2855.37	87.75	47.14
5. Recovery of Loans and Advances	30.01	25.97	86.54	0.43
6. Borrowings & Other Liabilities (A)	1250.64	1019.48	81.52	16.83
7. Capital Receipts (5+6)	1280.65	1045.45	81.63	17.26
8. Total Receipts (4+7)	4534.52	3900.82	86.02	64.39
9. Non-Plan Expenditure	2393.73	2195.07	91.70	36.24
10. NPE on Revenue Account	2248.18	2055.19	91.42	33.93
11. NPE on Interest Payments	263.01	105.58	40.14	1.74
12. NPE on Capital Account	145.55	139.88	96.10	2.31
13. Plan Expenditure	2140.59	1705.75	79.69	28.16
14. PE on Revenue Account	1500.10	1201.05	80.06	19.83
15. PE on Capital Account	640.49	504.70	78.80	8.33
16. Total Expenditure (9+13)	4534.32	3900.82	86.03	64.39
17. Revenue Expenditure(10+14)	3748.28	3256.24	86.87	53.75
18. Capital Expenditure (12+15)	786.04	644.58 (#)	82.00	10.64
19. Revenue Surplus(4-17)	(-) 494.41	(-)400.87	(-) 81.08	(-) 6.62
20. Fiscal Deficit (4+5-16)	1250.64	1019.48	81.52	16.83

(@) Includes State's share of Union Taxes ₹ 451.66 crore

(\$) GSDP - Gross State Domestic Product for the year 2010-2011 was ₹ 6057.70 crore.

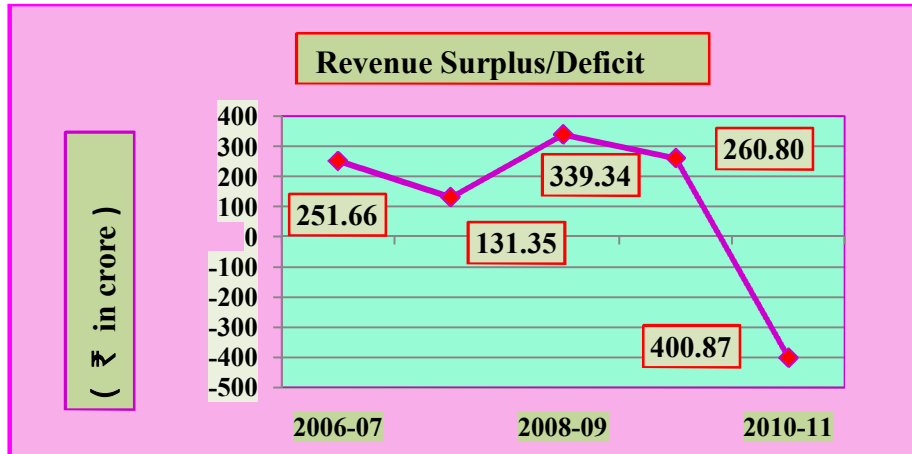
(#) Expenditure on Capital Account includes Capital Expenditure (₹ 614.71 crore) and Loans and Advances disbursed (₹ 29.87 crore) (A) Borrowings and other Liabilities Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts- Disbursements) of Public Account+ Net of Opening and Closing Cash Balance.

1.6 What do the Deficits and Surpluses indicate

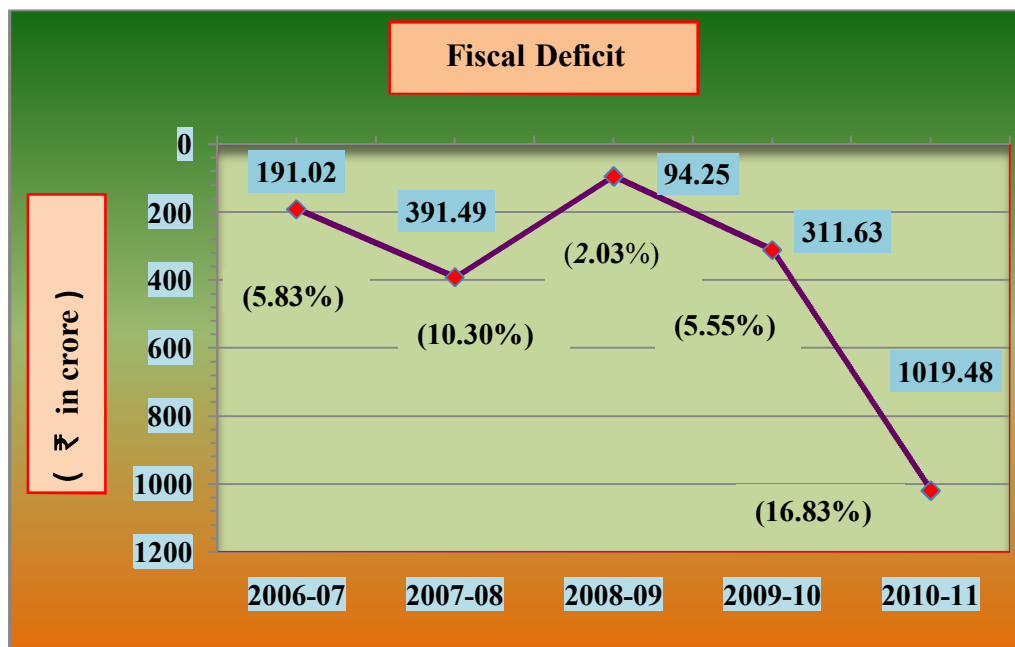
Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
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.

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government. In line with the recommendation of the 13th Finance Commission, the Mizoram Fiscal Responsibility and Budget Management (MZFRBM) Act, 2006 was amended which envisaged that (i) As per Clause (2) of Section 6 of the Principal Act of Second Amendment Act 2010 “reduce fiscal deficit to 3 per cent of the estimated GSDP by 2014-2015”. Further, Clause (4) of Section 6 of the Principal Act, “ reduce fiscal deficit annually at a percentage of GSDP so as to reach the above goal with the following rates of reduction: 8.50% in base year 2010-2011, 6.40% in 2011-2012, 5.20% in 2012-2013 4.10% in 2013-2014 and 3% in 2014-2015”. The State Government has been successful in achieving the Revenue Surplus since 2005-2006 to 2009-2010 but, State experienced with Revenue Deficit of ₹ 400.87 crore in 2010-2011.

1.6.1 Trend of Deficit / Surplus

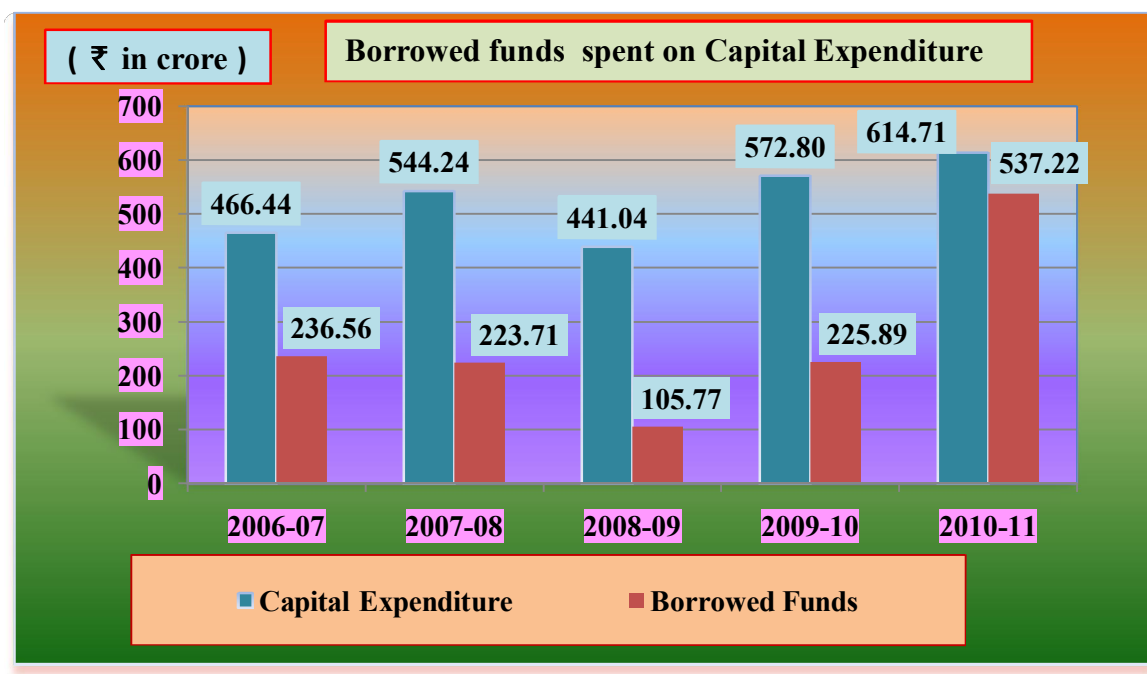


1.6.2 Trend of Fiscal Deficit



Figures in parentheses represent percentage to GSDP.

1.6.3 Proportion of borrowed funds spent on Capital Expenditure



It is desirable to fully utilize 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 full amount of the borrowings of the current year (₹ 537.22 crore) on capital expenditure inclusive of disbursement of Loans and Advances.

CHAPTER II

RECEIPTS

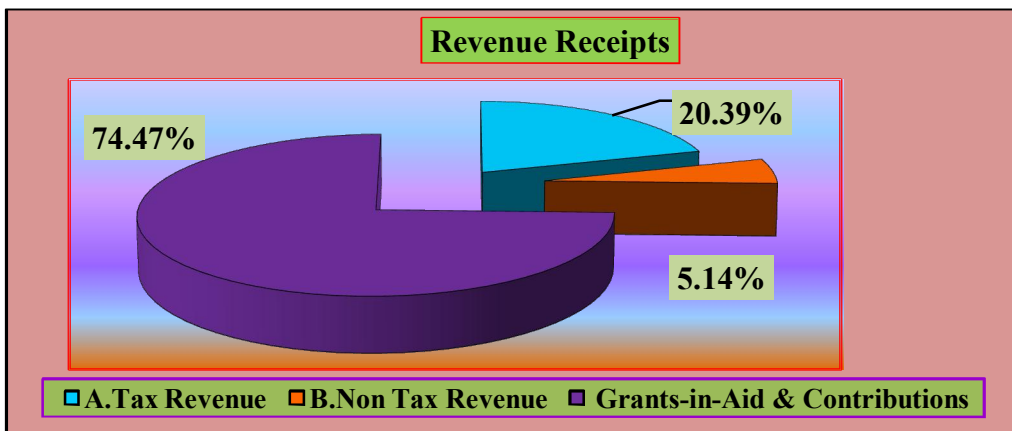
2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts.

Total Revenue Receipts for 2010-2011 were ₹ 2855.37 crore.

2.2 Revenue Receipts

Tax Revenue	Comprises Taxes collected and retained by the State and State's share of Union taxes under Article 280 (3) of the Constitution.
Non-Tax Revenue	Includes Interest receipts, Dividends, Profits etc.
Grants-in-Aid & Contributions	Essentially, a form of Central Assistance to the State Government from the Union Government. It includes 'External Grants Assistance' and Aid, 'Material and Equipment' received from foreign Governments and channelised through the Union Government. In turn, the State Government also give Grants-in-Aid to institutions like Panchayati Raj institutions, Autonomous bodies etc.



Revenue Receipts Components (2010-2011)

(₹ in crore)

Components	Actuals
A. Tax Revenue	582.10
Taxes on Income & Expenditure	279.88
Taxes on Property and Capital Transactions	5.08
Taxes on Commodities and Services	297.14
B. Non-Tax Revenue	146.72
Interest Receipts , Dividends and Profits	12.72
General Services	23.19
Social Services	10.67
Economic Services	100.14
C. Grants-in-Aid and Contributions	2126.55
Total- Revenue Receipts	2855.37

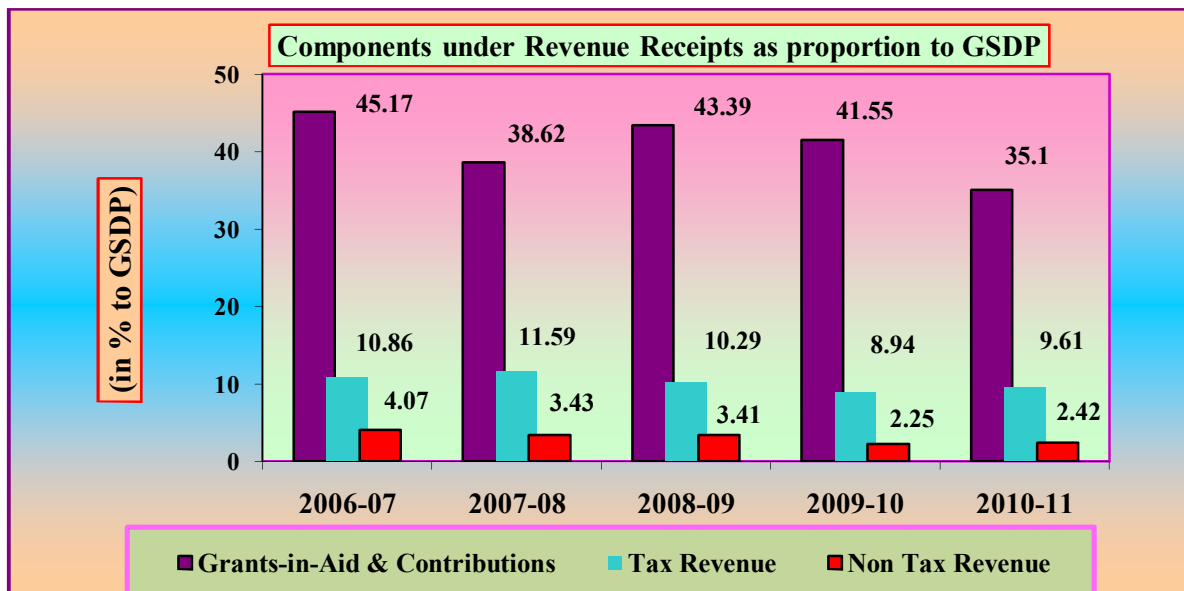
2.3 Trend of Receipts

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-2011
Tax Revenue	355.67 (10.86)	440.87 (11.59)	478.01 (10.29)	502.11 (8.94)	582.10 (9.61)
Non-Tax Revenue	133.38 (4.07)	130.30 (3.43)	158.67 (3.41)	126.51 (2.25)	146.72 (2.42)
Grants -in-Aid and Contributions	1479.90 (45.17)	1468.57 (38.62)	2016.45 (43.39)	2334.89 (41.55)	2126.55 (35.10)
Total Revenue Receipts	1968.95 (60.10)	2039.74 (53.64)	2653.13 (57.09)	2963.51 (52.74)	2855.37 (47.14)
GSDP	3276.18	3802.42	4647.55	5619.41	6057.70

Figures in parentheses represent percentage to GSDP

Though the GSDP increased by 7.80% between 2009-2010 and 2010-2011, total revenue collection was decreased by 3.65% as there was decline of receipt by 8.92% under Grants-in-Aid from Central Government. The State's own revenue under certain tax components, like taxes on sales, trade etc. (₹ 104.70 crore), land revenue (₹ 4.33 crore) showed a higher trend.



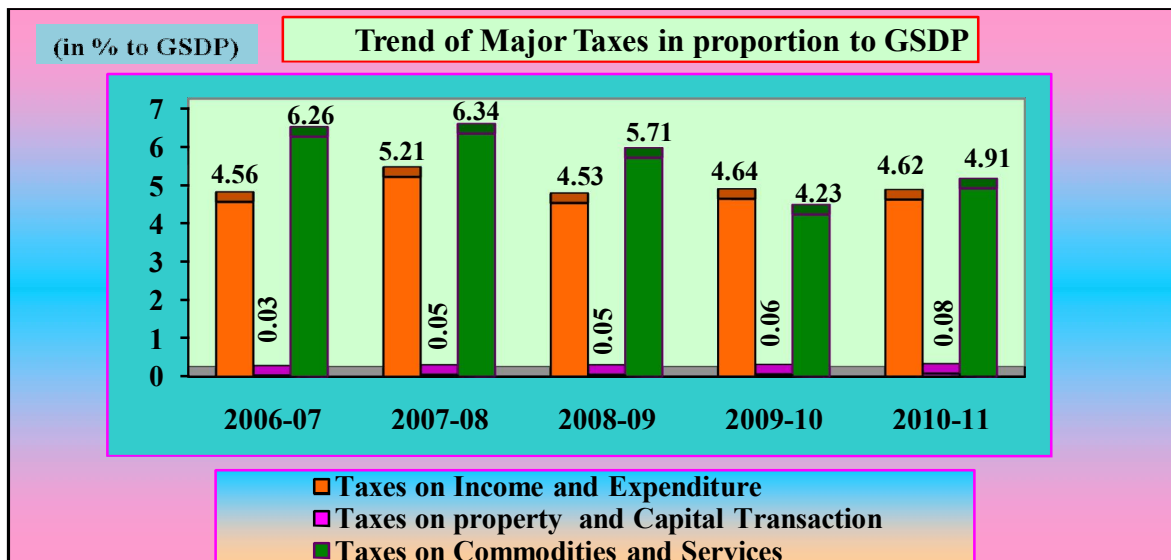
Sector-wise Tax Revenue

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Taxes on Income and Expenditure (*)	149.50	198.04	210.52	260.78	279.88
Taxes on property and Capital Transaction	1.04	1.84	2.20	3.52	5.08
Taxes on Commodities and Services	205.13	240.99	265.29	237.81	297.14
Total Tax Revenue	355.67	440.87	478.01	502.11	582.10

(*) Primarily net proceeds of Central share to the State

The increase in collection of Taxes on income and Expenditure was mainly due to more collection under MH 0028 Other Taxes on Income and Expenditure, further increase in collection of Taxes on Commodities and Services was also mainly due to more collection under MH (i) 0037 Customs, (ii) 0038 Union Excise Duties, 0040 Taxes on Sales, Trades etc.



2.4 Performance of State's own Revenue Collection

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2006-2007	355.67	288.05	67.62	2.06
2007-2008	440.87	363.35	77.52	2.04
2008-2009	478.01	383.39	94.62	2.04
2009-2010	502.11	394.53	107.58	1.91
2010-2011	582.10	451.66	130.44	2.15

2.5 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Collection	1.04	1.84	2.20	3.52	5.08
Expenditure on Collection (*)	12.05	5.79	7.07	9.41	10.83
Efficiency of Tax Collection	1158.65%	314.67%	321.36%	267.33%	213.19%

(*) Cost of collection include expenditure under Direction and Administration & Other Expenditure due to non-classification in the State Budget.

B. Taxes on Commodities and Services

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Revenue Collection	205.13	240.99	265.29	237.81	297.14
Expenditure on Collection (●)	9.99	11.39	15.39	16.87	22.44
Efficiency of Tax Collection	4.87%	4.73%	5.80%	7.09%	7.55%

(●) Cost of collection include expenditure under Direction and Administration & Other Expenditure in respect of the Major Head: 2039 State Excise Duties and 2041 Taxes on Vehicles due to non-classification in the State Budget.

Taxes on commodities and services form a major part of tax revenue. Cost of collection under Taxes on property and capital Transactions during the period from 2006-2007 to 2010-2011 were much higher than the revenue collection, hence State Government should take necessary steps for improving the efficiency of the collection of revenue.

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

(₹ in crore)

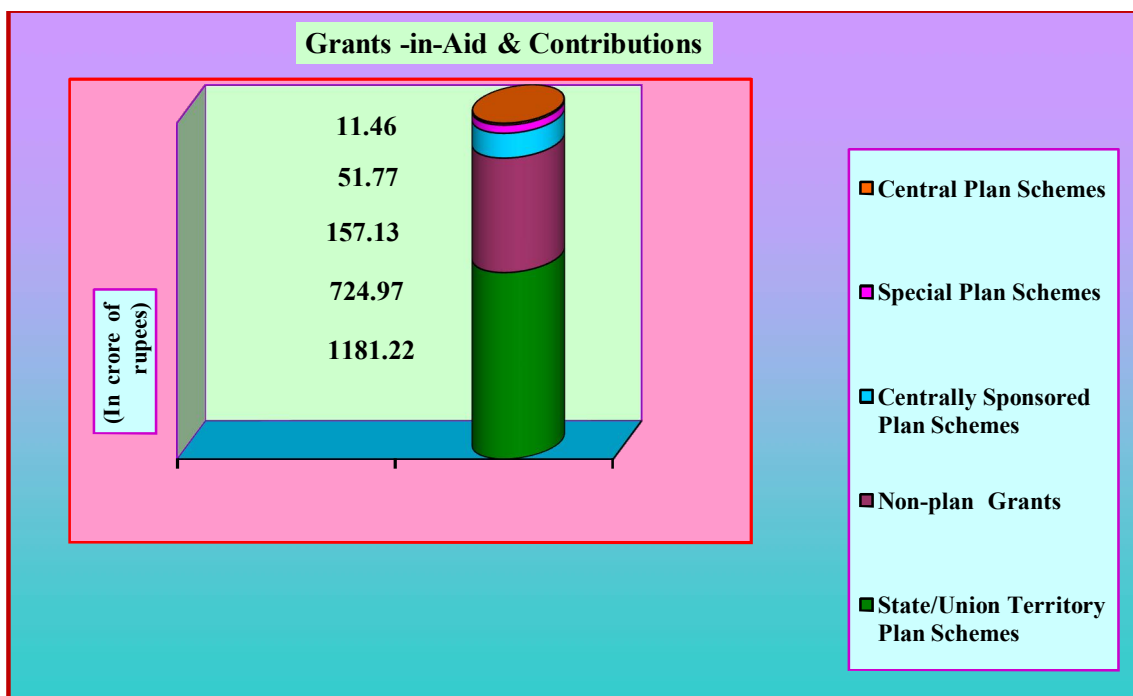
Major Head description	2006-07	2007-08	2008-09	2009-10	2010-11
Corporation Tax	89.91	115.32	125.68	162.35	183.19
Taxes on Income other than Corporation Tax	54.60	77.40	78.91	90.50	87.93
Other Taxes on Income and Expenditure	(-)0.01(a)	...	...	...	..
Taxes on Wealth	0.11	0.13	0.11	00.37	0.41
Customs	56.18	68.68	73.30	55.21	75.60
Union Excise Duties	59.66	65.57	63.99	44.47	58.56
Service Tax	27.62	36.26	41.40	41.63	45.97
Other Taxes and Duties on Commodities and Services	(-)0.12(a)	(-)0.01(a)	...	...	...
State Share of Union Taxes	288.05	363.35	383.39	394.53	451.66
Total Tax Revenue	355.67	440.88	478.01	502.11	582.10
% of Union Taxes to Total Tax Revenue	80.99	82.41	80.21	78.57	77.59

(a) Minus figure due to excess release of State's Share of net proceeds on recommendation of the 12th Finance Commission.

The amount of net proceeds of share was ₹ 451.66 crore in 2010-2011 which was increased by 14.48% over the last year. Significant increase has been noticed under Customs and Union Excise Duties to the extent of 36.93% and 31.68% respectively.

2.7 Grants-in-Aid and Contributions

Grants-in-Aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2010-2011 under Grants in-Aid were ₹ 2126.55 crore as shown below:



The share of Grants for Non-Plan Grants in total Grants-in-Aid increased from 31.06 % during 2009-2010 to 34.09 % in 2010-2011, while the share of Grants for Plan Schemes declined from 68.94 % in 2009-2010 to 65.91 % in 2010-2011. As against budget estimate of ₹ 1599.45 crore of union share in Plan schemes, the State Government has actually received ₹ 1401.57 crore of Grants-in-Aid (87.63 % of BE).

2.8 Public Debt

Trend of Public Debt over the past five years

(₹ in crore)

Description	2006-07	2007-08	2008-09	2009-10	2010-11
Internal Debt	151.90	86.81	21.52	(-)152.75	286.72
Central Loans	(-)26.29	(-)7.07	(-)12.05	13.31	(-) 22.04
Total Public Debt	125.61	79.74	9.47	(-)139.44	264.68

Minus figures due to excess of repayment over receipts

In 2010-2011, three loans of ₹ 40.00 crore, ₹ 50.00 crore and ₹ 76.65 crore were raised from the market which bear interest at 8.55% , 8.47% and 8.40% per annum respectively redeemable at par in 2021 and one loan of ₹ 100.00 crore was raised which bears interest at 8.52% per annum redeemable at par in 2020.

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 the organization. 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 Plan and Non-Plan.

General Services	Includes Justice, Police, Jail, PWD, Pension etc.
Social Services	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 3256.24 crore for 2010-2011 fell short of budget estimates by ₹ 492.04 crore due to less disbursement of ₹ 299.05 crore and ₹ 192.99 crore under Plan Expenditure and Non-plan Expenditure respectively. The shortfall of expenditure against budget estimates under Revenue Section during the past five years are given below:

(₹ in crore)

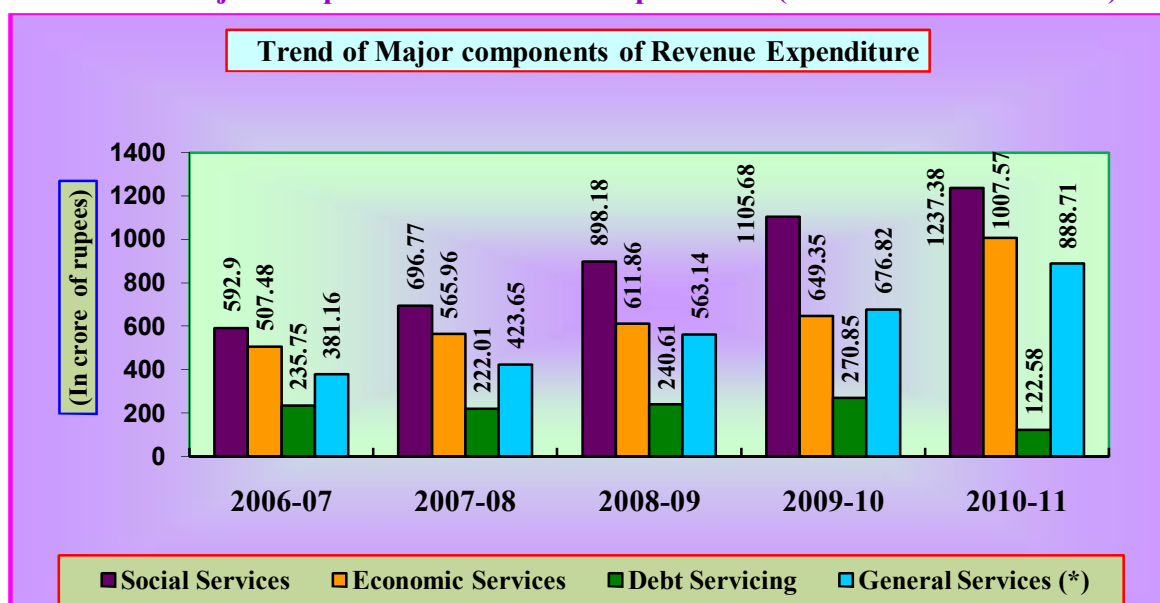
	2006-07	2007-08	2008-09	2009-10	2010-11
Budget Estimates	1859.55	2124.25	2577.55	3116.00	3748.28
Actuals	1717.29	1908.39	2313.79	2702.70	3256.24
Gap	142.26	215.86	263.76	413.30	492.04
Percentage of gap over B.E.	7.65	10.16	10.23	13.26	13.13

3.2.1 Sectoral distribution of Revenue Expenditure (2010-2011)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	42.56	1.31
(i) Collection of Taxes on Property and Capital Transactions	10.83	0.33
(ii) Collection of Taxes on Commodities and Services	30.86	0.95
(iii) Other Fiscal Services	0.87	0.03
B. Organs of State	42.97	1.32
C. Interest Receipts , Dividends and Profits	122.58	3.76
D. Administrative Services	552.41	16.97
E. Pensions and Miscellaneous General Services	250.77	7.70
F. Social Services	1237.38	38.00
G. Economic Services	1007.57	31.94
H. Grants-in-Aid	...	...
Total- Expenditure (Revenue Account)	3256.24	100.00

3.2.2 Major components of Revenue Expenditure (2006-2007 to 2010-2011)



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

The expenditure on economic Services (which includes important sectors like Rural Development, Agriculture and Irrigation) has gone down, as against a steady increase in other services.

3.3 Capital Expenditure

Capital disbursements for 2010-2011 at 10.64% of GSDP were less than Budget (₹ 786.04 crore) estimates by ₹ 141.46 crore (less disbursement of ₹ 135.79 crore and ₹ 5.67 crore under Plan expenditure and Non-Plan expenditure respectively).

3.3.1 Sectoral distribution of Capital Expenditure

During 2010-2011, the Government spent ₹ 507.08 crore on various Major Works. The Government also invested ₹ 0.27 crore in Public Sector and other Undertakings of the Government.

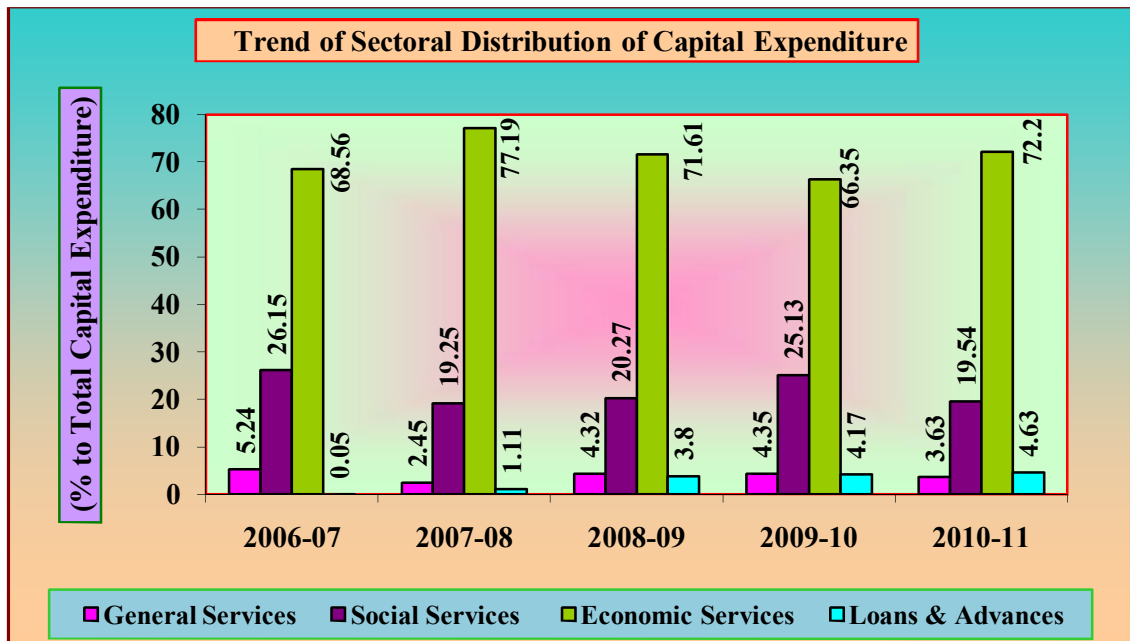
(₹ in crore)

	Components	Amount	Percentage
1	General Services – Police, Land Revenue etc	23.36	3.62
2	Social Services – Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	125.95	19.54
3	Economic Services – Agriculture, Power, Rural Development, Irrigation , Co-operation, Energy, Industries, Transport etc.	465.40	72.20
4	Loans and Advances Disbursed	29.87	4.64
Total		644.58	100.00

3.3.2 Sectoral distribution of Capital Expenditure over the past five years

(₹ in crore)

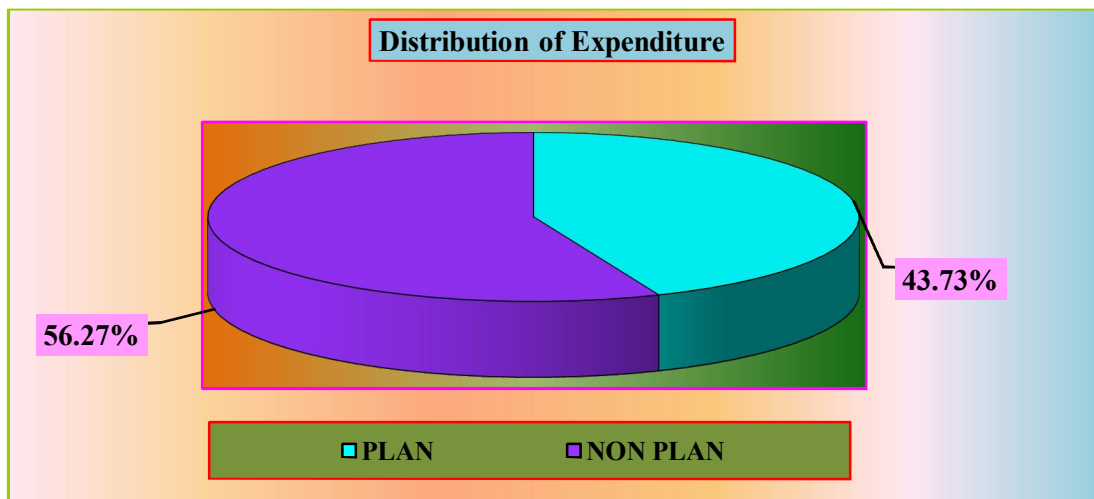
Sl. No.	Sector	2006-07	2007-08	2008-09	2009-10	2010-11
1	General Services	24.44	13.50	19.79	25.99	23.36
2	Social Services	122.03	105.94	92.94	150.21	125.95
3	Economic Services	319.97	424.80	328.31	396.60	465.40
4	Loans and Advances	0.25	6.12	17.41	24.94	29.87
	Total	466.69	550.36	458.45	597.74	644.58



CHAPTER IV

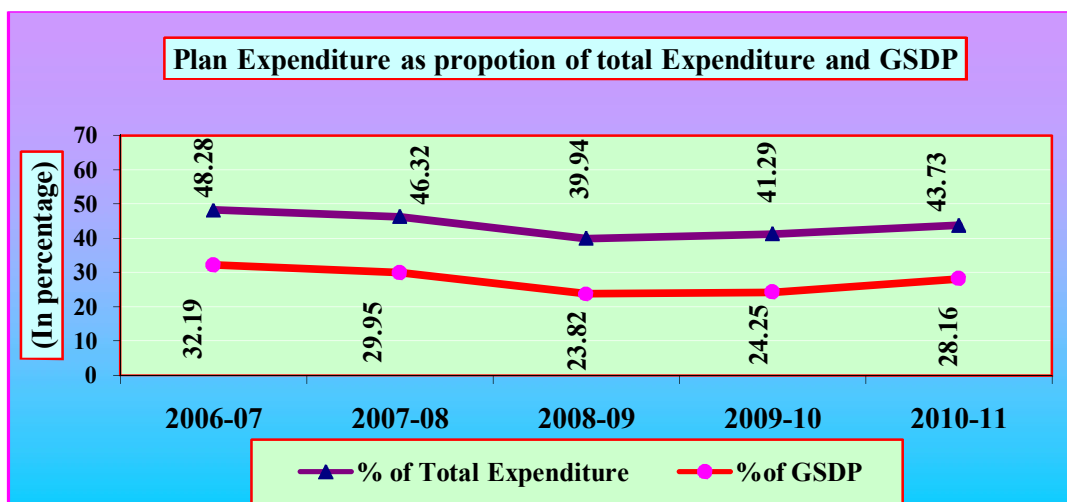
PLAN AND NON-PLAN EXPENDITURE

4.1 Distribution of Expenditure (2010-2011)



4.2 Plan Expenditure

During 2010-2011, Plan Expenditure, representing 43.73 percent of total disbursements was ₹ 1705.75 crore (₹ 1383.80 crore under State Plan and ₹ 321.95 crore under Centrally Sponsored Schemes).



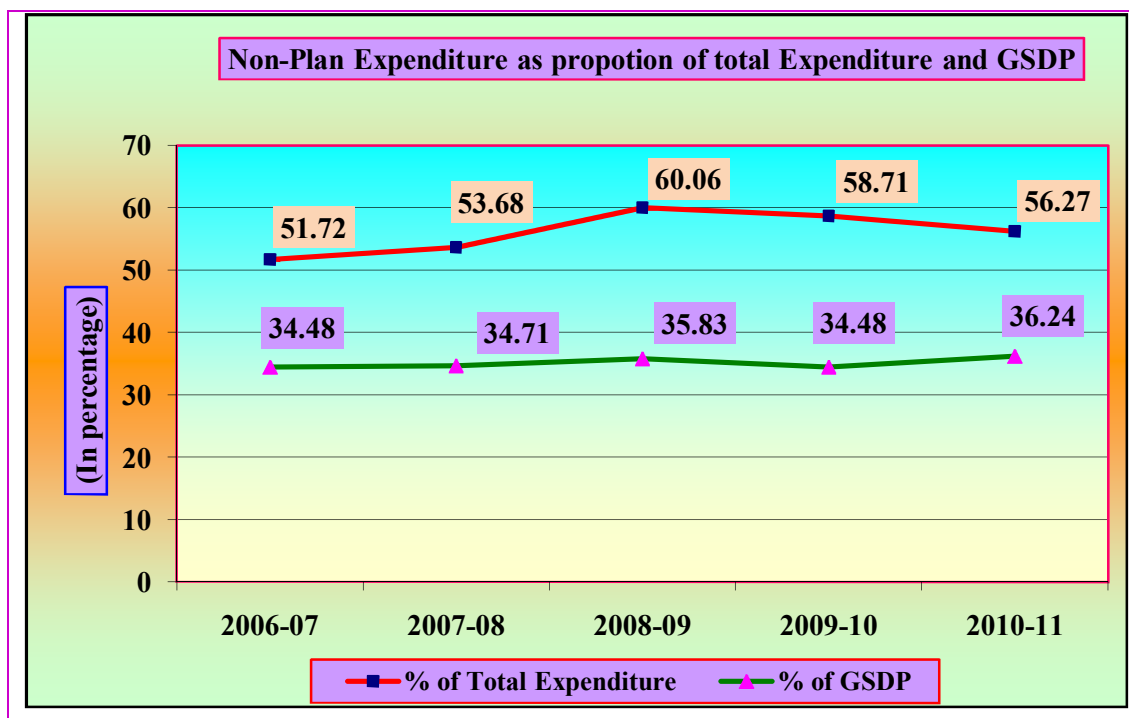
4.2.1 Plan Expenditure under Capital Account

(₹ in crore)

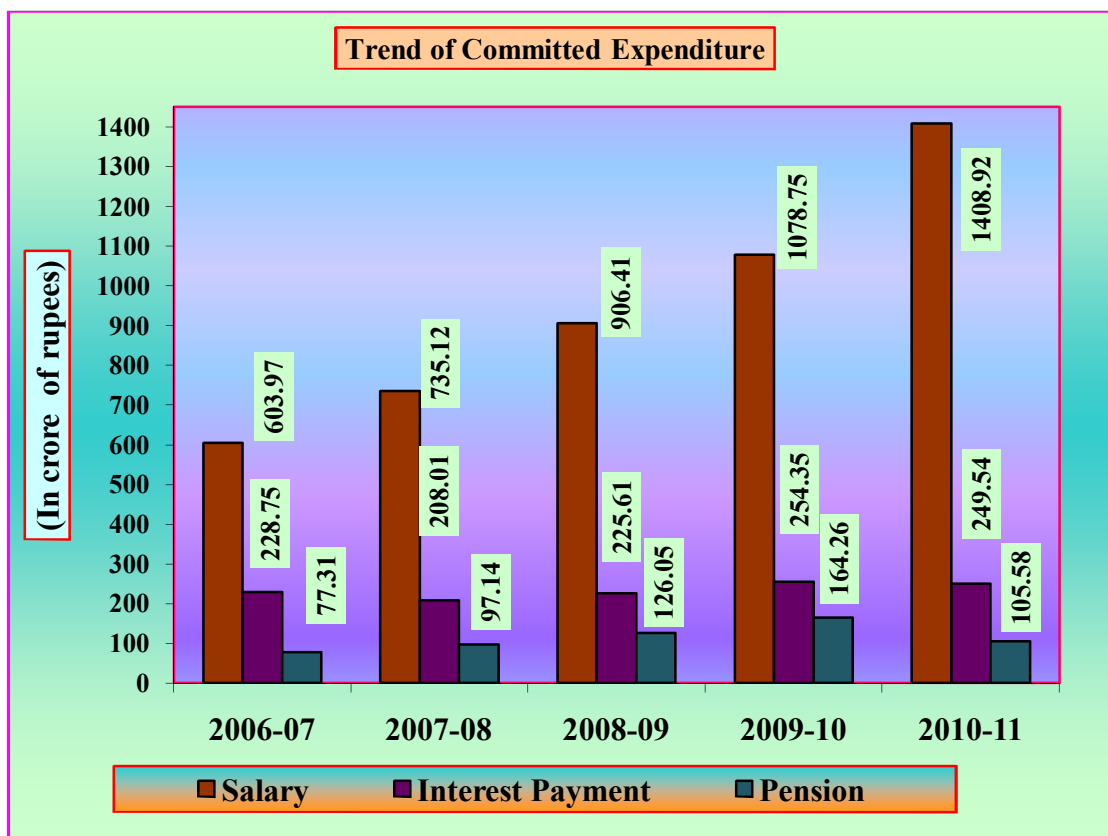
	2006-07	2007-08	2008-09	2009-10	2010-11
Total Capital Expenditure	466.69	550.36	458.45	597.74	644.58
Capital Expenditure (Plan)	458.70	489.72	366.59	465.44	504.70
% of Capital Expenditure(Plan) to Total Capital Expenditure	98.29	88.98	79.96	77.87	78.30

4.3 Non-Plan Expenditure

Non-Plan Expenditure during 2010-2011, representing 56.27 percent of total disbursements was ₹ 2195.07 crore (₹ 2055.19 crore under Revenue and ₹ 139.88 crore expenditure under Capital).



4.4 Committed Expenditure



(₹ in crore)

Component	2006-07	2007-08	2008-09	2009-10	2010-11
Committed Expenditure	910.03	1040.27	1258.07	1497.36	1764.04
Revenue Expenditure	1717.29	1908.39	2313.79	2702.70	3256.24
% of Committed Expenditure to Revenue Receipts	46.22	51.00	47.42	50.53	61.78
% of Committed Expenditure to Revenue Expenditure	52.99	54.51	54.37	55.40	54.17

The steep forward trend on committed expenditure leaves the Government with lesser flexibility for developmental spending.

CHAPTER V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts for 2010-2011

(₹ in crore)

Sl. No.	Nature of Expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings(-) Excess(+)
1	Revenue	2641.25	820.93	...	3462.18	3122.83	(-)339.35
	Voted	272.73	15.11	...	287.84	134.08	(-)153.76
	Charged						
2	Capital	528.28	365.62	...	893.90	752.94	(-) 140.96
	Voted	...	....	...	...	...	...
	Charged						
3	Public Debt Charged	252.20	177.20	...	429.40	272.54	(-) 156.86
4	Loans and Advances Voted	25.00	7.15	...	32.15	29.87	(-)2.28
	Total	3719.46	1386.01	...	5105.47	4312.26	(-) 793.21

5.2 Trend of Savings/Excess during the past five years

(₹ in crore)

Year	Savings(-)/Excess(+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2006-2007	(-) 142.37	(-) 36.33	(-) 34.98	(-) 37.54	(-) 251.22
2007-2008	(-) 217.66	(-) 93.74	(-) 48.93	(-) 5.69	(-) 366.02
2008-2009	(-) 265.92	(-)188.22	(-)88.26	(-) 5.51	(-) 547.91
2009-2010	(-)414.96	(-)316.37	(-)10.85	(-)0.23	(-)742.41
2010-2011	(-) 493.11	(-) 140.96	(-) 156.86	(-) 2.28	(-) 793.21

5.3 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	2006-07	2007-08	2008-09	2009-10	2010-11
9	Finance	34.13	12.54	4.97	209.78	34.62
14	Planning & Programme Implementation	64.56	50.77	112.39	8.85	109.03
29	Social Welfare	0.69	11.34	20.28	23.72	10.12
31	Agriculture	2.06	5.61	5.33	102.36	13.88
39	Power	21.90	20.73	22.12	5.83	43.24
45	Public Works	8.23	17.96	31.46	13.10	34.55
	Public Debt	34.97	55.01	91.92	15.23	310.04

During 2010-2011, supplementary grants totaling ₹ 23.81 crore (0.55% 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:

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
3	Council of Ministers	Revenue	4.92	0.18	4.14
6	Land Revenue and Feforms	Revenue	14.71	1.52	14.58
12	Parliamentary Affairs	Revenue	0.37	0.03	0.34

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
13	Personnel Administrative Reforms	Revenue	2.24	0.13	2.13
14	Planning & Programme Implementation	Revenue	134.68	5.20	30.85
17	Food, Civil Supplies and Consumer Affairs	Revenue	52.32	2.10	50.10
26	Information and Public Relation	Revenue	7.25	0.27	7.20
30	Disaster Management and Rehabilitation	Revenue	10.70	0.21	8.72
47	Minor Irrigation	Revenue	7.40	0.52	7.38
48	Information and Communication Technology	Revenue	5.72	0.90	4.38
	Public Debt	Revenue	263.01	12.75	122.58
Total				23.81	

CHAPTER VI

ASSETS AND LIABILITIES

6.1 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 ₹ 19.27 crore at the end of 2010-2011. No dividend was received during the year on investment.

Cash Balance as well as Cash Balance Investment as on 31st March 2011 were ₹ (-) 106.94 crore and ₹ (-) 211.45 crore respectively.

6.2 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 from time to time fixed by the State Legislature.

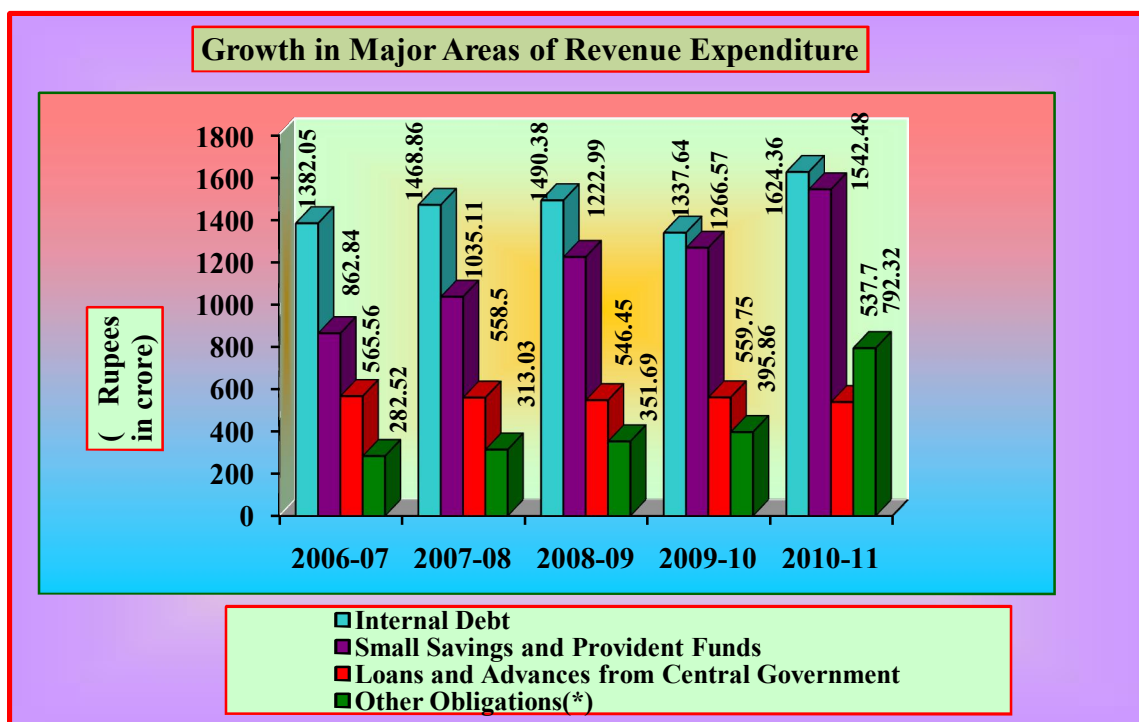
Details of the Public Debt and Total Liabilities of the State Government are as under:

(₹ in crore)

Year	Public Debt	% to GSDP	Public Account(*)	% to GSDP	Total Liabilities	% to GSDP
2006-2007	1947.61	59.45	1146.05	34.98	3093.66	94.43
2007-2008	2027.36	53.32	1348.82	35.47	3376.18	88.89
2008-2009	2036.83	43.83	1575.38	33.90	3612.21	77.72
2009-2010	1897.39	33.76	1728.48	30.76	3625.87	64.52
2010-2011	2162.06	35.69	2333.46	38.52	4495.52	74.21

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

There is a net increase of ₹ 869.65 crore (23.98 %) in Public Debt and Other liabilities as compared to 2009-2010.



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

6.3 Guarantees

The position of guarantees by the State Government for the payment of loans and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations, Co-operative Societies, etc is given below:

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 st March 2011	
		Principal	Interest
2006-2007	249.23	130.38	19.18
2007-2008	231.95	131.97	20.64
2008-2009	305.13	114.25	19.78
2009-2010	189.03	102.99	...
2010-2011	189.02 (*)	102.75 (*)	...

(*) Differ with last year's figure due to rectification of last year's printing mistake.

CHAPTER VII

OTHER ITEMS

7.1 Adverse Balance under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. As on March 31st 2011, there was no adverse balance under Internal Debt.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2010-2011 was ₹ 245.04 crore. Of this, Loan and Advances to Government Departments, Corporation/ Companies, Non-Government Institutes and Local Bodies amounted to ₹ 205.32 crore. Information about recovery of arrears (Principal as well as interest) at the end of 31st March 2011 was not received from the Departmental authorities maintaining the detailed accounts.

7.3 Financial Assistance to Local bodies and Others

During the past five years, Grants-in-Aid to local bodies etc., increased from ₹ 128.37 crore in 2006-2007 to ₹ 650.17 crore in 2010-2011.

(₹ in crore)

	2006-07	2007-08	2008-09	2009-10	2010-11
Educational Institutions (Aided Schools, Aided Colleges, Universities, etc.)	27.00	29.20	33.34	31.47	30.97
PRIs/ULBs	71.05	85.50	90.50	2.60	3.62
Others	30.32	33.08	15.90	413.16	615.58
Total	128.37	147.78	139.74	447.23	650.17

7.4 Cash Balance and Investment of Cash Balance

The closing cash balance (as on 31st March 2011) according to the Reserve Bank of India was ₹ 99.70 crore (debit) against the general cash balance of ₹ 106.94 crore (credit) reflected in State Government accounts. The difference of ₹ 7.24 crore was due to misclassification by Bank/Treasury.

Investment held in the Cash Balance Investment Account as on 31st March 2011 were ₹ 211.45 crore (credit). Other cash balances and investment comprising cash with Departmental Officers (₹ 1.33 crore) and investment of earmarked funds (₹ 95.75 crore) as on 31st March 2011 were ₹ 97.08 crore.

7.5 Reconciliation of Accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Principal Accountant General (Accounts). This exercise is to be conducted by respective Heads of Departments. In 2010-2011 only 42.68% (₹ 1780.68 crore) of the total expenditure of ₹ 4173.36 crore of the State Government was reconciled. Similarly, out of total receipts of ₹ 3418.56 crore, only (1.95%) (₹ 66.75 crore) was reconciled. The following Controlling Officers did not attend to the reconciliation work at all:

Sl.No.	Controlling Officer	Head of Account
1.	Secretary, SAD	2013,2052,2053,2251 & 3451
2.	Secretary Finance	0049,1601,2048, 2049,6003,6004 & 7610
3.	Commissioner of Taxes	2040
4.	Chief Controller of Accounts	2020,2054& 2071
5.	D.C., Aizawl	3454
6.	D. C, Lunglei	2053,2070 & 3454
7.	D.C., Saiha	2053,2070 & 3454
8.	D.C. , Champhai	2053& 3454
9.	D.C. , Mamit	2053 & 3454
10.	D.C. Kolasib	2053 & 3454
11.	D.C., Serchhip	2053& 3454
12.	D.C., Lawngtlai	2053,2070 & 3454
13.	Director, School Education	2202
14.	Director, Higher & Technical Education	2202,2203 & 3053
15.	Director, Animal Husbandry & Veterinary	2403 & 2404
16.	Director, Fisheries	2405
17.	Secretary, Information & Communication Technology	3275

7.6 Submission of Accounts by Treasuries

There was delay of maximum 40 days in respect of one Treasury Accounts for the month of March 2011. Maximum delay in case of Forest and Public Works Accounts during the year were 58 days and 51 days respectively. All the Forest Divisions Accounts have been included before the close of the Annual Accounts. However average delay of all the Accounts are shown below:

Average delay in rendition of Treasury A/cs to Pr.A.G. (Accounts)	Average delay in rendition of Department of Public Works. A/cs to Pr.A.G. (Accounts)	Average delay in rendition of Department of Forest A/cs to Pr. A.G. (Accounts)	Average delay in rendition of Department of Soil Conservation A/cs to Pr. A.G. (Accounts)
06 days	53 days	40 days	46 days

7.7 Abstract Contingent (AC) Bills and Detailed Countersigned Contingent (DCC) Bills

When money is required in advance or the Drawing and Disbursing officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. But, at the end of 31st March 2011, a total amount of ₹ 64.90 crore (drawn on AC bills) was outstanding due to non-submission of Detailed Countersigned Contingent Bills.

7.8 Rush of Expenditure

The Financial rules stipulate that 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. However, the expenditure incurred under certain selected Heads of Account (Major Head: 2055, 2210, 2211, 2235, 2401, 2403 and 2851) during March 2011 ranged between 8.93 % and 53.27 % of the total expenditure 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 2010-2011 in the above mentioned Heads were as below:

(₹ in crore)

Sl. No	Grant Number and Name	Head of account Scheme /Service	Expenditure incurred during Jan-March 2011	Expenditure incurred in March 2011	Total Expenditure	Percentage of Total Expenditure incurred during	
						Jan-March, 2011	March, 2011
1.	16 – Home	2055	79.89	30.17	337.67	23.66	8.93
2.	24 – Medical & Public Health Service	2210	45.35	25.55	150.43	30.15	16.98
		2211	11.44	7.44	23.64	48.39	31.47
3.	16,29 and 30	2235	56.68	43.44	81.55	69.50	53.27
4.	31- Agriculture	2401	199.08	115.64	243.86	81.64	47.42
5.	34- Animal Husbandry	2403	36.11	22.14	56.64	63.75	39.09
6.	40 & 41	2851	32.61	19.49	57.82	19.49	33.71