



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

For the year ended 31 March 2013

The Report has been laid on the table of the State Legislature Assembly on 16-07-2014



GOVERNMENT OF MANIPUR

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PREFACE

1. *This Report has been prepared for submission to the Governor of Manipur under Article 151 of the Constitution.*
2. *Chapters I and II of this Report contain audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts respectively, of the State Government for the year ended 31 March 2013. Information has been obtained from the Government of Manipur wherever necessary.*
3. *Chapter III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.*
4. *The Report containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.*

EXECUTIVE SUMMARY

Background

This Report on the Finances of the Government of Manipur is being brought out with a view to assess objectively the financial performance of the State during the year 2012-13. The aim of this Report is to provide the State Government with timely inputs based on actual data so that there is a better insight into both well performing as well as ill performing schemes/programmes of the Government. In order to give a perspective to the analysis, an effort has been made to compare the achievements with the targets envisaged by the State Government in Fiscal Responsibility and Budget Management Act, 2005 as well as in the Budget estimates of 2012-13.

The Report

Based on the audited accounts of the Government of Manipur for the year ending March 2013, this Report provides an analytical review of the Annual Accounts of the State Government. The Report is structured in three Chapters.

Chapter I is based on the audit of Finance Accounts and makes an assessment of the Government of Manipur's fiscal position as on 31 March 2013. It provides an insight into trends of committed expenditure and borrowing pattern, besides a brief account of Central funds transferred directly to the State Implementing Agencies. It also contains audit findings on Market Borrowings made during 2008-13.

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

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

Audit findings and recommendations

FINANCES OF THE STATE GOVERNMENT

Revenue receipts

Revenue receipts increased significantly by ₹ 1166.21 crore (21 *per cent*) over the previous year. Despite the decrease in Tax revenue (₹ 35.24 crore) and Non tax revenue (₹ 79.75 crore) over the previous year, Revenue receipts increased by ₹ 1166.21 crore due to increase in Grants-in-aid. Increase in Grants-in-aid from the Government of India (GoI) constituted 96 *per cent* of increase of Revenue receipt of the State. The State's share of Union Taxes and Duties also increased by ₹ 163.80 crore over the previous year (paras 1.1.1 and 1.12.1).

Funds transferred directly from GoI to the State Implementing Agencies

During the year 2012-13 central funds of ₹ 1349.46 crore were transferred directly to the State implementing agencies, of which an amount of ₹ 590.23 crore (about 44 *per cent* of the total funds transferred) was for Mahatma Gandhi National Rural Employment Guarantee Scheme, ₹ 186.14 crore (about 14 *per cent*) for Pradhan Mantri Gram Sadak Yojana and ₹ 173.62 crore (about 13 *per cent*) for Sarva Shiksha Abhiyan. As there is no single agency monitoring the funds directly transferred by the GoI and there is no readily available data on how much is actually spent in any particular year on major flagship schemes, utilization of these funds runs the risk of poor accountability. It would be helpful if the accounts are kept in a uniform manner to ensure transparent reporting of the actual expenditure, for facilitating tracking of end use of funds (para 1.2.2).

Expenditure status

The total expenditure of the State increased from ₹ 4090.16 crore in 2008-09 to ₹ 6821.39 crore in 2012-13 and increased by ₹ 118.98 crore (2 *per cent*) to ₹ 6821.39 crore in 2012-13 from ₹ 6702.41 crore in 2011-12.

The Revenue expenditure of the State increased from ₹ 2622.28 crore in 2008-09 to ₹ 5316.53 crore in 2012-13 and increased by 6 *per cent* from ₹ 5006.92 crore in 2011-12 to ₹ 5316.53 crore in 2012-13. The Capital expenditure increased from ₹ 1466.80 crore in 2008-09 to ₹ 1501.56 crore in 2012-13 and decreased by 11 *per cent* from ₹ 1695.41 crore in 2011-12 to ₹ 1501.56 crore in 2012-13.

Capital expenditure had exhibited a declining trend since 2010-11. Revenue expenditure, on the other hand has been increasing steadily during 2008-13. Revenue expenditure as a percentage of total expenditure increased from 74.70 *per cent* in 2011-12 to 77.94 *per cent* in 2012-13.

Non-plan expenditure as a percentage of total expenditure increased from 59 *per cent* in 2011-12 to 62 *per cent* in 2012-13, and remained around 50 *per cent* during 2008-13 (paras 1.6.1 and 1.6.2).

Review on Market Borrowings

During 2008-13, Market Borrowings increased by ₹ 910.18 crore from ₹ 1452.45 crore (2008-09) to ₹ 2362.63 crore (2012-13); and constituted more than 50 *per cent* of the Public debt during this period. After 2018-19, the quantum of maturing market loans as a percentage of outstanding loans (as on 31 March 2013) would rise beyond 10 *per cent*. Given the fact that borrowings will continue to be made by the State Government to service their past debt as is presently being done, the redemption pressure in coming years will undoubtedly exert pressure on the finances of the State. Planning for Market Borrowings needs to be driven on need-based basis and a policy needs to be framed. The budgetary estimate should commensurate with borrowing requirements (para 1.11).

Fiscal position and sustainability of debt

The Fiscal deficit (₹ 1.04 crore) reduced significantly in 2012-13 over the previous year, mainly due to the increase in Revenue surplus by ₹ 856.60 crore (132 *per cent*) over the previous year, and was the lowest during the last five years (2008-13). The Primary deficit experienced during 2008-12 turned into Primary surplus of ₹ 431.97 crore in 2012-13.

The substantial checks in managing debt in 2012-13 was due to a significant increase of ₹ 1117.40 crore of Grants-in-aid from the GoI in 2012-13 over the previous year, despite decrease of ₹ 114.99 crore in collection of the State's Tax and Non-tax revenue. Secondly, there was a reduction of expenditure in some key areas. Plan Revenue expenditure decreased by ₹ 14.89 crore in 2012-13 while Capital expenditure decreased by ₹ 193.85 crore in 2012-13.

Thus, while the State Government may have temporarily controlled Fiscal deficit, this was achieved mainly with the help of Grants-in-aid from the GoI and at the expense of expenditure meant for asset creation. Given the backdrop that – (i) more devolution from the GoI is not a certainty; (ii) the State Government may not be able to prolong suppression of expenditure for too long; (iii) growth of Own Revenue collection is not impressive; and (iv) that a poor cash position continues to constrain the State Government; it may be imperative to explore more tenable ways to manage the deficits (para 1.12.1).

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

There was overall saving of ₹ 1486.47 crore in 2012-13. This was the net result of saving of ₹ 2027.89 crore in 48 Grants and two Appropriations under Revenue Section and 28 grants under Capital Section, offset by excess of ₹ 541.42 crore in two grants under Revenue Section and one Appropriation. Excess expenditure occurred mainly in Appropriation No. 2 – Interest Payment and Debt Services, both under Capital Charged (₹ 522.85 crore) and Revenue Charged (₹ 17.07 crore) (para 2.2).

During the period 2008-13, there were persistent savings of more than ₹ 50 lakh in ten sub-heads of accounts. On the other hand, there were seven cases of persistent excess expenditure during 2008-13 (paras 2.3.2 and 2.3.3).

Supplementary provision aggregating to ₹ 208.49 crore in 22 cases, during 2012-13 proved unnecessary as the expenditure did not come up to the level of original provision. In three cases, supplementary provision of ₹ 7.43 crore proved insufficient by more than ₹ 50 lakh in each case, leaving an aggregate uncovered excess expenditure of ₹ 18.57 crore. In case of Appropriation No. 2 – Interest Payment and Debt Services (Capital Charged), no supplementary provision had been made despite a huge excess of expenditure of ₹ 522.85 crore, indicating a gross deficiency in budgetary management and control. (para 2.3.8).

There were 20 heads of accounts in the budget which did not conform with the list of Major and Minor heads of Accounts. In case of 8 Minor heads and 2 Sub Major heads, the code reflected in the budget was not included in the list of Major and Minor heads and therefore was unauthorised. In 18 cases, the scheme under which the Grants-in-aid were given had not been indicated against the Sub head of accounts. In three cases, the expenditure on Grants-in-aid had been booked under Capital expenditure, which was irregular (para 2.7).

FINANCIAL REPORTING

There were 3560 Utilization Certificates (UCs) aggregating to ₹ 2185.95 crore, in arrears in respect of grants as of March 2013. Six departments *viz.* Tribal Affairs and Hills Department, Rural Development and Panchayati Raj Department, Planning Department, Forest Department, Medical and Family Welfare Department, Municipal Administration, Housing and Urban Development Department together accounted for 2050 UCs (57.58 *per cent*) out of 3560 outstanding UCs; involving an amount of ₹ 1780.66 crore (81 *per cent*) of outstanding amount of ₹ 2185.95 crore. Heads of Department should initiate prompt action to submit utilization certificates (para 3.1).

The State Government took suitable action on the assurance (26 November 2013) made to the Public Accounts Committee, and placed 40 outstanding Separate Audit Reports (SARs) of five Autonomous District Councils and 7 outstanding SARs of the Manipur State Legal Service Authority before the State Legislative Assembly on 19 December 2013. Such action would need to be continued so that SARs are placed timely before the State Legislative Assembly (para 3.3).

As of September 2013, there were ten undertakings which had not prepared their accounts upto 2012-13. Two undertakings (Manipur Plantation Crop Corporation and Manipur Agro Industries Corporation) have not submitted their accounts for more than twenty years, and three undertakings (Manipur Tribal Development Corporation, Manipur Police Housing Corporation and Manipur Film Development Corporation) have not submitted their accounts for more than 10 years. The State Government may need to consider having in place appropriate mechanisms to ensure timely finalization and submission of accounts (para 3.4).

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

CHAPTER I

FINANCES OF THE STATE GOVERNMENT

Profile of the State

Manipur is located in the north-eastern corner of India. Both in terms of geographical area and population it ranks twenty-third amongst the States in India. The land-locked State is bound by Nagaland in the north, Mizoram in the south, Cachar district of Assam in the west, and has an international border-line with Myanmar in the east. The total geographical area of 22,327 sq. km. of the State is divided into two parts – the central valley and the hills surrounding the valley. There are nine districts in the State, of which four are in the valley and five districts are located in the hills. The State is connected by three National Highways (NH) viz., NH-39, NH-53 and NH-150. There is an airport at Imphal, the capital town of the State. Presently, rail-line connects only Jiribam town at the border of Assam. The State's population increased from 21.67 lakh in 2001 to 27.22 lakh in 2011 recording a decadal growth of 26 *per cent*. The density of population is 122 per sq. km. The percentage of population below the poverty line was 17.30 *per cent* (All India Average- 27.5 *per cent*). The State's literacy rate has increased from 70.53 *per cent* (as per 2001 census) to 79.21 *per cent* (as per 2011 census). Manipur ranks fifth among the North Eastern States of India in terms of literacy. Other related details are given in **Appendix 1.1 (Part D)**.

Gross State Domestic Product

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

Table 1.1: GSDP and the rate of growth during 2008-13

(₹ in crore)					
Year	2008-09	2009-10	2010-11	2011-12	2012-13
State's GSDP*	7399	8254	9108(P)	10410(Q)	11713(A)
Growth rate of GSDP (percentage)	8.82	11.56	10.35	14.30	12.52

*At current price with base year 2004-05. (P) – Provisional estimates, (Q) - Quick estimates, (A) - Advanced estimates

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

GSDP of the State grew at the rate of 12.52 *per cent* (₹ 11713 crore) at current price during 2012-13 against a growth of 14.30 *per cent* (₹ 10410 crore) during 2011-12. The Compounded Annual Growth Rate (CAGR) of GSDP of the State during 2003-13 was 13.52 *per cent* (**Appendix 1.1 - Part D**).

This chapter provides a broad perspective of the finances of the Government of Manipur during 2012-13 and analyses critical changes in the major fiscal aggregates relative to the previous year, keeping in view the overall trends during the last five years (2008-13). The details of structure, form of

Government accounts, layout of Finance Accounts, methodology adopted for assessment of fiscal position, profile of the State *etc.* are given in **Appendix 1.1 (Part C)**.

1.1 Introduction

1.1.1 Summary of fiscal transactions

The following table presents the summary of the State Government's fiscal transactions during the current year (2012-13) *vis-à-vis* the previous year (2011-12), while **Appendix 1.2** provides details of Receipts and Disbursements as well as the overall fiscal position during the current year.

Table 1.2: Summary of Fiscal operations

(₹ in crore)

Receipts	2011-12	2012-13	Disbursements	2011-12	2012-13		
Section-A: Revenue					Non Plan	Plan	Total
Revenue receipts	5653.55	6819.76	Revenue expenditure	5006.92	4250.33	1066.20	5316.53
Tax revenue	368.07	332.83	General Services	2133.60	2273.98	7.85	2281.83
Non-tax revenue	311.53	231.78	Social Services	1439.29	970.11	558.11	1528.22
Share of Union Taxes/ Duties	1154.03	1317.83	Economic Services	1257.37	813.02	500.24	1313.26
Grants-in-aid from the Government of India	3819.92	4937.32	Grants-in-aid and Contributions	176.66	193.22	-	193.22
Section-B: Capital							
Miscellaneous Capital Receipts	-	-	Capital expenditure	1695.41	7.87	1493.69	1501.56
Recoveries of Loans and Advances	1.89	0.59	Loans and Advances disbursed	0.08	2.30	1.00	3.30
Public Debt receipts	293.33	340.25 ¹	Repayment of Public Debt	160.24			171.81 ²
Contingency Fund	-	-	Contingency Fund	-	-	-	-
Public Account receipts	5582.21	3921.37	Public Account disbursements	5396.61			3772.34
Opening Cash Balance	356.48	(-)371.80	Closing Cash Balance	(-)371.80			(-)55.37
Total	11887.46	10710.17	Total	11887.46			10710.17

(Source: Finance Accounts for the respective years)

The following are the significant changes during 2012-13 over the previous year:

¹ ₹ 340.25 crore = ₹ 332.28 crore (Internal debt receipt other than Ways and Means Advances and overdrafts) plus ₹ 7.97 crore (Net transactions under Ways and Means Advances)

² ₹ 171.81 crore = ₹ 127.81 crore (Repayment of Internal debt other than Ways and Means Advances and Overdrafts) plus ₹ 44.00 crore (Repayment of Loans and Advances to Central Government)

- Revenue receipts increased significantly by ₹ 1166.21 crore (21 *per cent*) over the previous year. Despite the decrease in Tax revenue (₹ 35.24 crore) and Non tax revenue (₹ 79.75 crore) over the previous year, Revenue receipts increased by ₹ 1166.21 crore, mainly due to increase in Grants-in-aid. In fact, increase in Grants-in-aid from the Government of India constituted 96 *per cent* of increase of Revenue receipt of the State. The State's share of Union Taxes and Duties also increased by ₹ 163.80 crore over the previous year. The Revenue receipt of ₹ 6819.76 crore in 2012-13 was, however, lower than the projection made in the Medium Term Fiscal Policy Statement (MTFPS) (₹ 7746.44 crore).
- Revenue expenditure increased by ₹ 309.61 crore over the previous year while Capital expenditure decreased by ₹ 193.85 crore. The Revenue expenditure (₹ 5316.53 crore) and Capital expenditure (₹ 1501.56 crore) for the year 2012-13 were less than the projections made under MTFPS (Revenue expenditure - ₹ 6139.57 crore) and (Capital expenditure - ₹ 2258.43 crore).
- Public debt receipts increased by ₹ 46.92 crore (16 *per cent*) over the previous year. Repayment of Public debt also increased by ₹ 11.57 crore (7 *per cent*) over the previous year.
- Public Account receipts decreased significantly by ₹ 1660.84 crore (30 *per cent*) in 2012-13 over the previous year. Similarly, Public Account disbursement decreased by ₹ 1624.27 crore (30 *per cent*) in 2012-13 as compared to the previous year. The decrease under Public Accounts receipts and disbursement during the year was mainly due to decrease in Suspense and Miscellaneous (₹ 1970.47 crore under receipt and ₹ 1966.00 crore under disbursement).
- The total inflow during 2012-13 was ₹ 10,710.17 crore against ₹ 11,887.46 crore in 2011-12, while the total outflow during 2012-13 was ₹ 10,765.54 crore against ₹ 12,259.26 crore during the previous year, leading to a negative cash balance of ₹ 55.37 crore, at the end of 2012-13.

1.1.2 Review of the fiscal situation

The State Government enacted the Manipur Fiscal Responsibility and Budget Management (FRBM) Act in August 2005 to ensure prudence in fiscal management and fiscal stability by achieving sufficient revenue surplus; reduction in Fiscal deficit; prudent debt management consistent with fiscal sustainability; and greater transparency in fiscal operations of the Government. As per Manipur FRBM Rules, 2005 (enacted in December 2005 and subsequent amendments thereafter) framed under the Act, various fiscal targets of revenue surplus and fiscal deficit *etc.* were set. The targets under the Act and the Rules are given in **Appendix 1.1 (Part E)**. Yearly targets are also set in the Medium Term Fiscal Policy Statements (MTFPS) placed in the State Legislative Assembly.

Major fiscal variables provided in the recommendations of the 13th Finance Commission (FC), targeted in the FRBM Act and FRBM Rules, as well as those laid down in the Budget and MTFPS of the State is depicted in the following table:

Table 1.3: Trends in Major fiscal parameters/variables vis-à-vis targets for 2012-13

(₹ in crore)

Fiscal variables	Targets				
	13 th FC	FRBM Act	Budget	MTFPS	Actual
Revenue Deficit (-)/ Surplus (+)	Eliminate Revenue deficit by 2011-12 and maintain revenue balance or attain a surplus thereafter	Maintain Revenue surplus	1606.87	1606.87	1503.23
Fiscal Deficit/GSDP (in per cent)	3.5 per cent	Below 3.5 per cent	4.19	4.19	0.01
State's outstanding guarantees	NA	Not to exceed thrice the State's own tax revenue receipts of the second preceding year i.e. ₹ 801.15 crore ³	NA	NA	191.36
Salary expenditure	1333.51	35 per cent of Revenue expenditure net interest payment and pension i.e. ₹ 1443.13 crore ⁴	NA	NA	2351.63 ⁵
Total outstanding debt /GSDP (in per cent)	60.10 per cent	60.10 per cent	47.52	47.52	34.50

(NA: - Not available)

(Source: 13th FC, FRBM Act, Budget documents, MTFPS and Finance Accounts)

While the State could maintain Revenue surplus as envisaged in the recommendation of 13th FC and FRBM Act, the Revenue surplus (₹ 1503.23 crore) was short by ₹ 103.64 crore vis-a-vis the projections of Budget/MTFPS (₹ 1606.87 crore). The above table reveals that the State could achieve the targets of fiscal parameters of Fiscal Deficit-GSDP ratio, State's Outstanding Guarantee and Total Outstanding debt-GSDP ratio.

Fiscal Deficit-GSDP ratio came down to 0.01 per cent against target of 3.5 per cent to 4.19 per cent. As against FRBM Act limit of ₹ 801.15 crore of State's Outstanding guarantee, the actual was ₹ 191.36 crore. The Total Outstanding debt –GSDP ratio stood at 34.50 per cent against 47.52 per cent to 60.10 per cent targeted.

Salary expenditure emerged as an area of concern, as the actual has considerably exceeded the corresponding target figures. Against targeted amount of ₹ 1333.51 crore (13th FC) and ₹ 1443.13 crore (FRBM Act), the actual expenditure on salary was ₹ 2351.63 crore.

³ ₹ 267.05 crore x 3

⁴ 35 per cent of (₹ 5316.53 crore – ₹ 433.01 crore – ₹ 760.28 crore)

⁵ including ₹ 5 crore on wages and excluding ₹ 96.16 crore (Leave Encashment benefits) booked under 'Major Head-2071-Pensions and Other Retirement Benefits'

1.1.3 Budget estimates and actual

The budget papers presented by the State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviations from the Budget Estimates are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, some within the control of the Government and some beyond the control of the Government.

The following table and chart present the consolidated picture of budget estimates and actuals of the State Finances during 2012-13.

Table 1.4: Statement showing budget estimates and actuals

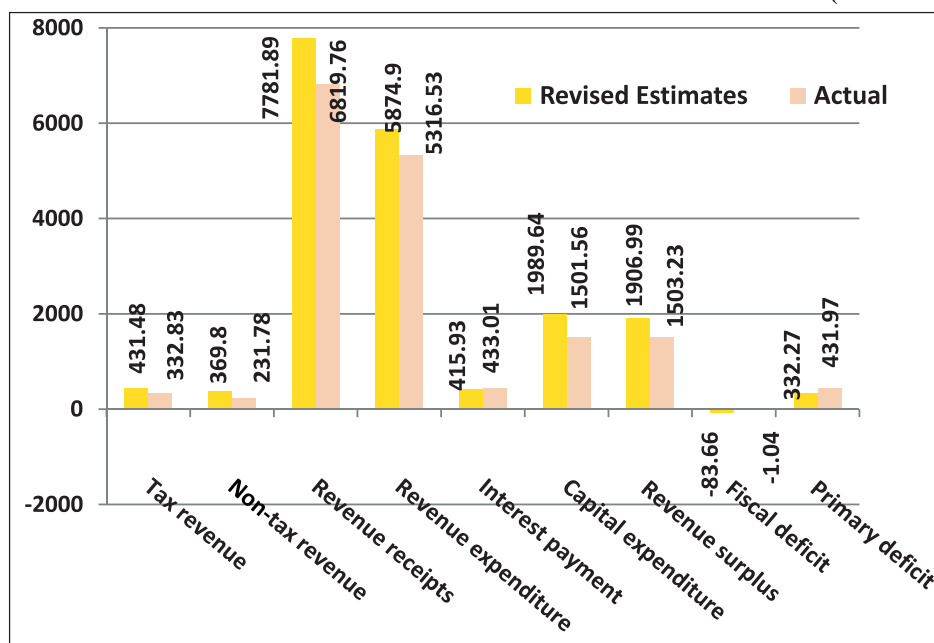
(₹ in crore)

Particulars	Budget Estimates (BE)	Revised Estimates (RE)	Actual	Percentage of excess (+)/ shortfall (-) w.r.t RE
Tax revenue	325.51	431.48	332.83	(-) 22.86
Non-tax revenue	385.84	369.80	231.78	(-) 37.32
Revenue receipts	7746.43	7781.89	6819.76	(-) 12.36
Revenue expenditure	6139.57	5874.90	5316.53	(-) 9.50
Interest payment	410.42	415.93	433.01	4.11
Capital expenditure	2075.77	1989.64	1501.56	(-) 24.53
Disbursement of Loans & Advances	7.00	4.60	3.30	(-) 28.26
Revenue surplus	1606.86	1906.99	1503.23	(-) 21.17
Fiscal deficit	(-) 472.32	(-) 83.66	(-) 1.04	98.76
Primary deficit (-)/surplus (+)	(-) 61.90	(+) 332.27	(+) 431.97	30.01
Recoveries of Loans and Advances	3.59	3.59	0.59	(-) 83.57

(Source: Budget documents and Finance Accounts)

Chart 1.1: Selected fiscal parameters, budget estimates vis-à-vis actual

(₹ in crore)



(Source: Budget documents and Finance Accounts)

It can also be seen from the table and in the preceding chart that Revenue receipts, Revenue expenditure and Capital expenditure were less than the budget projections. The actual Revenue receipts were less than the budgeted Revenue receipts by ₹ 962.13 crore. Further, the actual tax revenue and the actual non-tax revenue were less than the budget projections by ₹ 98.65 crore and ₹ 138.02 crore respectively. The Revenue surplus was less than the budget estimates by ₹ 403.76 crore due to high variation of estimate and actual figures of Revenue receipt. The figures of Fiscal deficit were better than the budget estimate by ₹ 82.62 crore (98.76 *per cent*). In case of Primary Surplus, it was better than the budget estimate by ₹ 99.70 crore (30.01 *per cent*). This indicates that Fiscal deficit of the current year was due to past liabilities, as Fiscal deficit net of Interest payment is surplus by ₹ 431.97 crore.

The year 2011-12 closed with an Overdraft of ₹ 493 crore. Despite such re-payment liability, only ₹ 175.64 crore was provided in the budgetary provision for the year 2012-13 under capital head in “Appropriation No. 2 – Interest Payment and Debt Services”. The fund earmarked under this Appropriation was inadequate, and the budget should have anticipated re-payment of the Overdraft along with other debt re-payment burden. The actual expenditure under this Appropriation was ₹ 698.49 crore, resulting in excess expenditure of ₹ 522.85 crore *vis-a-vis* budgetary provision. No supplementary was also given to the Appropriation, indicating lack of control in budgetary management.

1.1.4 Major policy initiatives in the budget

The following points were mentioned in the Budget speech of the Chief Minister of Manipur:

The total receipt of the State was estimated at ₹ 8232.66 crore in 2012-13, a jump of 30 *per cent* over the revised budget estimate figures of 2011-12 of ₹ 6331.79 crore.

Total expenditure was estimated at ₹ 8434.64 crore in 2012-13 against actual expenditure of ₹ 6821.39 crore. Under Non-Plan Revenue Expenditure, expenditure on Salary was projected at ₹ 2175.77 crore against actual expenditure of ₹ 2217.97 crore.

Normal Central assistance was fixed at ₹ 840.54 crore in 2012-13. Against this projection, actual receipt was ₹ 786.55 crore. A sum of ₹ 450 crore sought from the Government of India, for taking up important and priority projects in the State under Special Plan Assistance was considered and received wholly.

Capital expenditure was estimated at ₹ 1818.18 crore during 2012-13 while actual expenditure was ₹ 1501.56 crore. Capital expenditure under agriculture was to be increased to ₹ 164.66 crore in 2012-13. However, capital expenditure under Agriculture and allied activities decreased by ₹ 7.41 crore in 2012-13 as compared to the previous year.

There was no mention of gender budgeting in the budget speech of the Chief Minister.

1.2 Resources of the State

1.2.1 Resources of the State as per the Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the main resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the Government of India (GoI). Capital receipts comprise miscellaneous capital receipts such as recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from the GoI. Besides the funds available in the Public accounts after disbursement is also utilised by the State Government to finance its deficit. **Table-1.2** at page 2 presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.2** at page 8 depicts the trends in various components of the receipts of the State during 2008-13. **Chart 1.3** depicts the composition of resources of the State during the current year.

The following flow-diagram shows the components and major sub-components of resources:

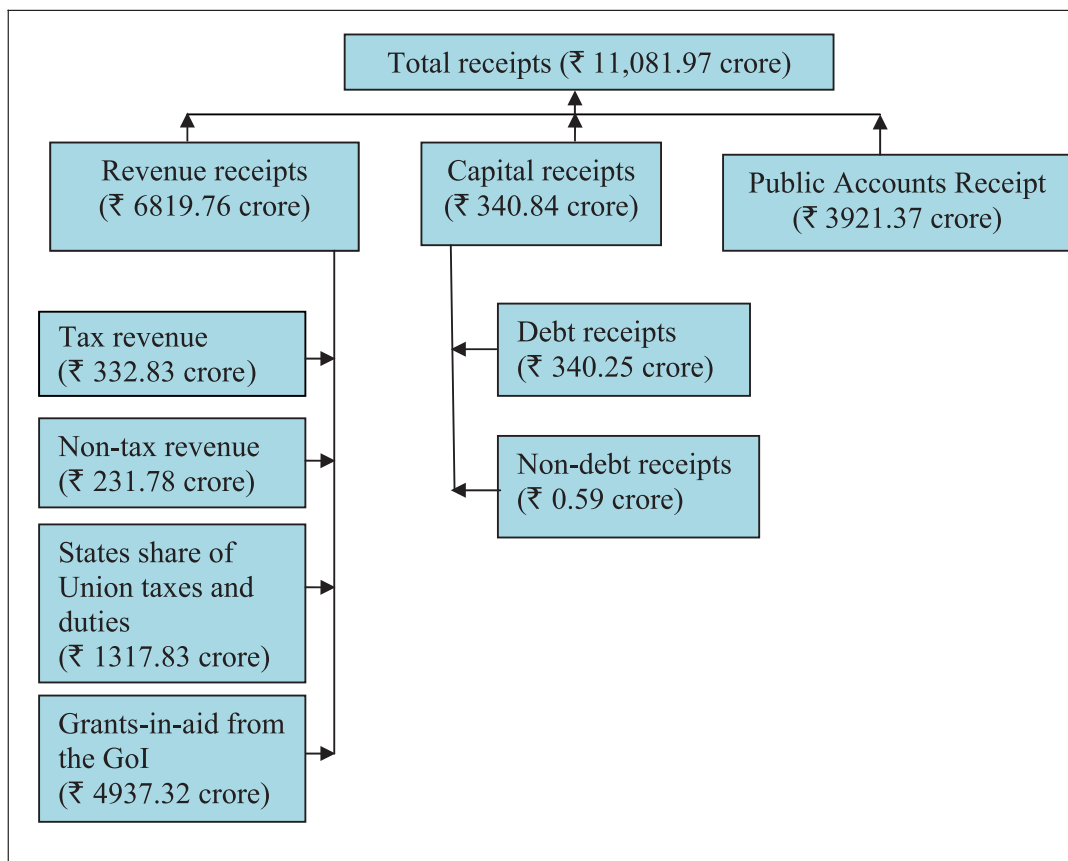


Chart 1.2: Trends in Receipts

(₹ in crore)

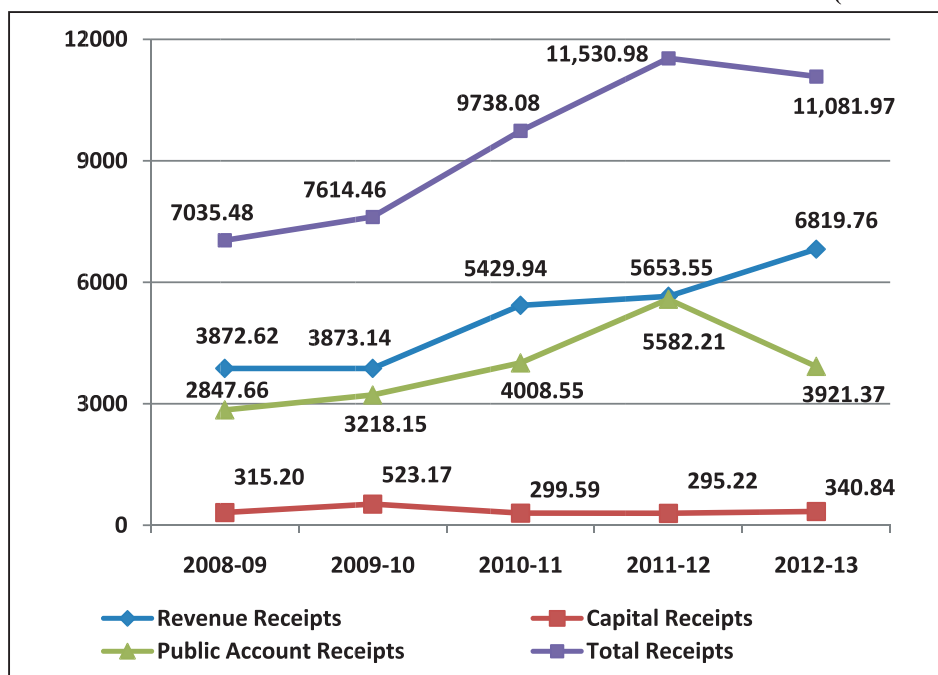
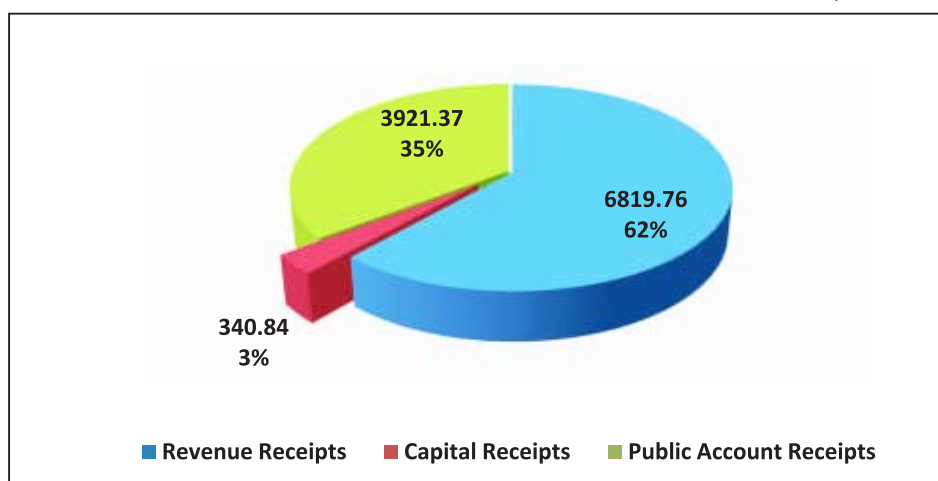


Chart 1.3: Composition of Receipts during 2012-13

(₹ in crore)



Total receipts of the State decreased from ₹ 11,530.98 crore in 2011-12 to ₹ 11,081.97 crore in 2012-13. The decrease in Total receipts was mainly due to decrease in Public Account receipts (₹ 1660.84 crore).

Capital receipts increased by ₹ 45.62 crore in 2012-13 over the previous year. Public debt receipts were the main contributor to Capital receipts during 2008-13. The Public Debt receipts, however, have interest payment obligation and repayment obligation, which may put pressure on the fiscal health of the State, in the coming years.

Contribution of the State's own revenue to the Revenue receipt was in the range of 8 *per cent* to 12 *per cent* for the period 2008-13.

The State's share of Union taxes and duties and Grants-in-aid from GoI contributed in the range of 88 *per cent* to 92 *per cent* to the Revenue receipt during 2008-13 and thus remained the main contributor to Revenue receipt of the State.

1.2.2 Funds transferred to State Implementing Agencies outside the State Budget

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies⁶ for implementation of various schemes/programmes in Social and Economic sectors, which are recognised as critical. In the present mechanism, these funds are not routed through the State Budget/State Treasury System and hence do not find mention in the Finance Accounts of the State. As such, the Annual Finance Accounts of the State does not provide a complete picture of the resources under the control of the State Government. During the year 2012-13 central funds of ₹ 1349.46 crore were transferred directly to the State implementing agencies. The programmes assisted by Government of India where funds were transferred are presented in **Appendix 1.3**. Amounts released for some major programmes/schemes are detailed in the following table:

Table 1.5: Funds transferred directly to State Implementing Agencies
(₹ in crore)

Programme/scheme	Implementing Agency in the State	Funds transferred directly by the GoI during 2012-13
Nirmal Bharat Abhiyan (Central Rural Sanitation Scheme)	State Water and Sanitation Mission/CCDU	35.09
Indira Awas Yojana	9 DRDAs	21.38
Integrated Watershed Management Programme	2 DRDAs and SLNA Manipur	34.77
Mahatma Gandhi National Rural Employment Guarantee Scheme	9 DRDAs	590.23
National AIDS Control Programme III	Manipur State AIDS Control Society	21.44
National Rural Drinking Water Programme	State Water and Sanitation Mission, Manipur	66.21
Pradhan Mantri Gram Sadak Yojana	Manipur Rural Roads Development Agency	186.14
Rashtriya Madhyamik Shiksha Abhiyan	State Implementation Society, Manipur	43.01
Sarva Shiksha Abhiyan	State Implementation Society, Manipur	173.62
Total		1171.89

(Source: Finance Accounts)

CCDU- Communication and Capacity Development Unit, DRDA- District Rural Development Agency, SLNA- State Level Nodal Agency

⁶ State Implementing Agencies include any organization/institution including Non-Governmental organizations, which are authorized by the State Government to receive funds from the Government of India for implementing specific programmes in the State.

The preceding table shows that an amount of ₹ 590.23 crore (about 44 *per cent* of the total funds transferred) was for Mahatma Gandhi National Rural Employment Guarantee Scheme, ₹ 186.14 crore (about 14 *per cent*) for Pradhan Mantri Gram Sadak Yojana and ₹ 173.62 crore (about 13 *per cent*) for Sarva Shiksha Abhiyan.

There is no single agency monitoring the funds directly transferred by the GoI and there is no readily available data on how much is actually spent in any particular year on major flagship schemes and other important schemes which are being implemented by the State Implementing Agencies and therefore, utilization of these funds runs the risk of poor accountability. It would be helpful if the accounts are kept in a uniform manner to ensure transparent reporting of the actual expenditure, for facilitating tracking of end use of funds.

Analysis of two of these schemes viz., Nirmal Bharat Abhiyan (NBA) and Rashtriya Madhyamik Siksha Abhiyan (RMSA) are as follows:

➤ **Nirmal Bharat Abhiyan**

The Total Sanitation Campaign (TSC) was renamed (April 2012) as “Nirmal Bharat Abhiyan (NBA)”. The main objectives of the NBA are to bring about an improvement in the general quality of life in the rural areas; accelerate sanitation coverage in rural areas; and motivate communities and Panchayati Raj Institutions in promoting sustainable sanitation facilities.

The scheme is implemented through the Communication and Capacity Development Unit (CCDU) under Public Health Engineering Department (PHED), as the nodal agency, in the State.

During 2012-13, ₹ 38.99 crore was received from the Government of India (GoI) through eight sanction orders (including three sanction orders of 2011-12) for the implementation of the scheme. With interest earned (₹ 0.13 crore) and earlier cash at bank (₹ 0.27 crore), the total receipt amounted to ₹ 39.39 crore. Out of the total amount, ₹ 13.34 crore was allocated to nine Programme Implementing Units (PIUs). An amount of ₹ 26.05 crore remained as cash at bank. Details are given in the following table:

Table 1.6: Allocation of funds under NBA

(₹ in crore)	
Implementing Unit	Amount released
Churachandpur	3.00
Thoubal	2.00
Imphal East	2.07
Imphal West	1.90
Bishnupur	0.80
Chandel	1.00
Senapati	0.87
Kangpokpi	0.70
Tamenglong	1.00
Sub-Total	13.34
Cash at Bank	26.05
Total	39.39

(Source: Finance Accounts)

Out of the nine PIUs, two divisions viz. Imphal East Division and Imphal West Division were test checked (September 2013). In case of Imphal East Division, no cash book entries were made for NBA for the year 2012-13. The matter was pointed out (September 2013) to the Division; corrective action has not been intimated (October 2013).

In Imphal West Division, PHED the total receipt was ₹ 3.15 crore (including GoI share, State share, opening balance, interest earned). Out of this, only ₹ 1.27 crore was made as expenditure {(including Sanitary Complex, Individual Household Latrines (IHHL), Information Education & Communication, Eco Sanitary Toilet, Administration, Solid Waste Management}. The remaining amount of ₹ 1.88 crore was kept in the bank account. The Division stated (December 2013) that due to slow progress of the work under IHHL by the Non-Government Organisation/Village Level Water and Sanitation Committee attributable to bandhs and blockades, the allocated amount could not be utilized. It was further stated that the Division has taken up maximum efforts for completion of works under tight supervision of the field staff.

➤ **Rashtriya Madhyamik Shiksha Abhiyan**

Rashtriya Madhyamik Shiksha Abhiyan (RMSA) was launched with the objective to enhance access to secondary education and to improve its quality. It envisages to achieve an enrolment rate of 75 *per cent* from 52.26 *per cent* in 2005-06 at the secondary stage within 5 years of implementation of the scheme. The other objectives include improving quality of education imparted at secondary level by conforming to prescribed norms; removing gender, socio-economic and disability barriers; providing universal access to secondary level education by 2017, i.e., by the end of 12th Five Year Plan and achieving universal retention by 2020. The Mission is implemented in the State by the State Implementation Society, RMSA, Manipur.

The amount of funds received and expenditure made under RMSA during 2012-13 are given in the following table:

Table 1.7: Statement of funds received and expenditure under RMSA

(₹ in crore)

Sl. No.	Head of Account	Amount	Remarks
Receipt			
1	Opening Balance	Recurring	4.81 R*
		Non-recurring	10.59 NR*
2	Central share	12.45	R
3	Central share	30.56	NR
4	State share	1.38	R
5	Others ⁷	1.26	R
Total		61.05	
Expenditure			
1	Civil Works Advance (School Management and Development Committee)	0.36	NR
2	Civil Works Advance (Engineering Wing)	14.72	NR
3	Civil Works Advance (Manipur Development Society)	10.44	NR
4	3 per cent contingency of Civil Works	0.85	NR
5	Value Added Tax (VAT) Payment	0.51	R
6	Annual School Grant	1.71	R
7	Minor Repair Grant	0.54	R
8	Others ⁸	14.13	R
Sub-Total		43.26	
9	Advance Graduate Teacher Salary	4.78	R
10	Cash in Hand	\$	
11	Cash in Bank	13.08	
Sub-Total		17.86	
Grand total		61.12	

* R - Recurring and NR - Non- recurring

\$: ₹ 9627

(Source: Departmental records)

The Society received ₹ 43.01crore {Sl.no. 2 & 3 of (receipt) above} from the GoI during 2012-13. The total fund available along with opening balance, bank interest *etc.* was ₹ 61.05 crore during 2012-13. Out of the total fund, ₹ 43.26 crore was spent leaving an amount of ₹ 17.86 crore as balance. It was also observed that the central share was released by the GOI in five tranches during the month of October 2012. However, the Annual School Grant and Minor repair Grant were released by the Implementing society to the schools in the months of February and March 2013. Thus, there were delays of 4 to 5 months in releasing of grants to the schools. Further, in the receipt and payment statements (2012-13) furnished to Audit, the amounts did not balance; reasons for which are yet to be furnished.

Test checks were conducted in 8 schools receiving grants of RMSA, Manipur in three districts (Imphal West, Thoubal and Bishnupur). The account of RMSA was yet to be audited by Chartered Accountant (September 2013) for the year 2012-13. In 7 out of 8 schools, installment of civil works grants sanctioned in the year 2011-12 were credited to the School Management

⁷ Includes Bank interest, Regional Workshop, VAT collection, Settlement of advance

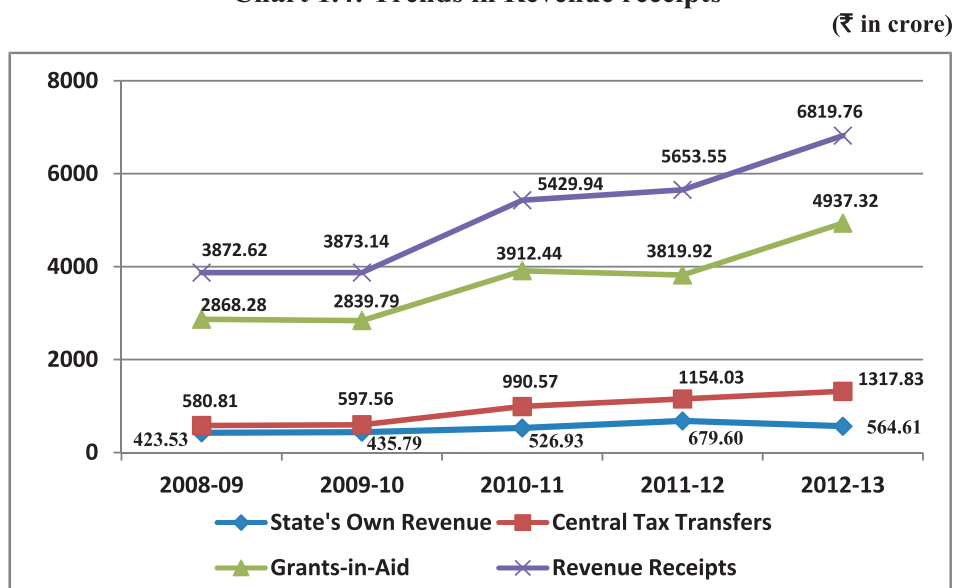
⁸ Includes Salary of Graduate Teacher, Refund of Security Deposit, Bank Charge, Teacher Exposure Visit, In Service Teacher Training, Head Master Training, Local Excursion for Students, Video Spot Documentary Movie, Workshop on Module Preparation, Remedial Coaching, SMDC Training, Management, Monitoring, Evaluation and Research, Advance to Staff

Development Committees (SMDCs) bank account in the year 2012-13. In reply, the State Implementing Society, RMSA stated (December 2013) that the sanctioned funds were kept under transit due to lack of confirmation of satisfactory progress report of the work undertaken by SMDCs, and this practice was followed for all 204 schools receiving civil works grants during 2011-12. A junior high school (Practicing Junior High school, Kakching) was yet to be upgraded to High School (September 2013). However, the school was receiving grant from the State Implementation Society since 2011-12. The school had utilised the grant for the year 2011-12 but the grant for the year 2012-13 remained unutilized, though annual grant is to be utilised in a time bound manner. Actual Payment/Payee Receipts (APRs) of utilization of funds of Langjing High School (Imphal West District) bore the signature of the Principal of another school (Recent Higher Secondary School); thereby casting a doubt on the veracity of expenditure incurred.

1.3 Revenue Receipts

The Revenue receipts of the State Government consist of the State's own tax and non-tax revenues, central tax transfers and grants-in-aid from the GoI. The trends and composition of revenue receipts over the period 2008-13 are presented in **Appendix 1.4** and are also depicted in the following chart:

Chart 1.4: Trends in Revenue receipts



Revenue receipt increased significantly by ₹ 1166.21 crore from ₹ 5653.55 crore in 2011-12 to ₹ 6819.76 crore in 2012-13. This was mainly due to increase in Grants-in-aid from GoI which increased by ₹ 1117.40 crore from ₹ 3819.92 crore in 2011-12 to ₹ 4937.32 crore in 2012-13. The increase in Grants-in-aid constituted 96 *per cent* of increase of Revenue receipts.

The trends in revenue receipts relative to GSDP are presented in the following table:

Table 1.8: Trends in Revenue Receipts relative to GSDP

	(₹ in crore)				
	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Receipts (RR)	3872.62	3873.14	5429.94	5653.55	6819.76
Rate of growth of RR (<i>per cent</i>)	10.39	0.01	40.19	4.12	20.63
GSDP *	7399	8254	9108 (P)	10410 (Q)	11713 (A)
Rate of growth of GSDP (<i>per cent</i>)	8.82	11.56	10.35	14.30	12.52
RR/GSDP (<i>per cent</i>)	52.34	46.92	59.62	54.31	58.22
Buoyancy Ratios ⁹					
Revenue Buoyancy w.r.t GSDP	1.18	0.0009	3.88	0.29	1.65
State's Own Tax Buoyancy w.r.t GSDP	4.05	0.25	2.02	2.03	(-) 1.35
Revenue Buoyancy with reference to State's own taxes	0.29	0.003	1.92	0.14	(-) 1.22

* GSDP at current price with base year 2004-05. P- Provisional estimates, Q – Quick estimates and A – Advance estimates

(Source: Finance Accounts)

From the above table, it is seen that the Revenue receipts of the State increased marginally between 2008-09 to 2009-10 and 2010-11 to 2011-12. However, the increase in Revenue receipts was appreciable during 2010-11 and 2012-13, which corresponds to the significant increase in Grants-in-aid from the Government of India. The increase in the Revenue receipts in the current year over the previous year occurred despite reduction in collection of State own resources, both under Own Tax Revenue and Own Non-Tax Revenue. This shows the extent to which the State is dependent on the Central Government.

In the year 2010-11, the growth rate of Revenue receipts was more than three times that of GSDP growth rate while the growth rate of Revenue receipts was nearly two times that of GSDP growth rate in 2012-13. These uneven trends in the growth rate further illustrate the high dependency and contribution of Grants-in-aid from the GoI to the Revenue receipts.

State's Own Tax buoyancy with respect to GSDP decreased significantly from 2.03 in 2011-12 to a negative of 1.35 in 2012-13, mainly due to decrease in the collection of Taxes on Sales, Trades *etc.* and Other Taxes and Duties on Commodities and services.

1.3.1 State's Own Resources

As the State's share in Central taxes and Grants-in-aid is determined on the basis of recommendations of the Finance Commission, the State's performance in mobilisation of resources was assessed in terms of its own resources comprising own tax and non-tax sources.

The contribution of Tax revenue to the Total Revenue Receipts of the State ranged between 4 *per cent* to 6 *per cent* during 2008-13. Tax revenue decreased from ₹ 368.07 crore in 2011-12 to ₹ 332.83 crore mainly due to

⁹ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy of 0.6 implies that revenue receipts tend to increase by 0.6 percentage points if the GSDP increases by one *per cent*.

decrease in Taxes on Sales, Trades *etc.* and Other Taxes and Duties on Commodities and services.

The State's actual Tax and Non-tax receipts for the year 2012-13 *vis-a-vis* assessment made by the 13th Finance Commission (FC) and MTFPS (2012) are shown in the following table:

Table 1.9: Own Tax revenue and Own Non-tax revenue *vis-à-vis* targets

(₹ in crore)

Particular	13 th FC projections	Budget estimates	MTFPS projection	Actual
Own Tax revenue	287.47	325.51	325.51	332.83
Own Non-tax revenue	211.76	385.84	385.84	231.78

(Source: Budget documents, 13th Finance Commission Report and Finance Accounts)

From the above table, it is seen that the actual Own Tax revenue was more than the normative assessment by the 13th FC by 16 *per cent*. The actual Own Tax revenue was more than the budget estimates/MTFPS projection for the current year. The Own non-Tax revenue realised during the year was more than the normative assessment made by the 13th FC projection by 9 *per cent* but less than the budget estimates/MTFPS projection by 40 *per cent*. However, given the low share of Tax and Non-tax revenue to the Total Revenue receipts of the State, greater efforts will be necessary on the part of the State to improve these collections.

1.3.1.1 Tax revenue

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

Table 1.10: Components of State's own resources

(₹ in crore)

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13	% increase over previous year
Taxes on sales, trades <i>etc.</i>	141.38	163.28	227.57	296.92	258.52	(-) 12.93
State excise	3.91	4.70	6.61	9.80	9.94	1.43
Taxes on vehicles	4.03	4.34	4.44	13.21	15.83	19.83
Stamp duty and Registration fees	3.18	4.26	3.57	4.82	5.98	24.07
Land revenue	0.78	0.81	1.29	0.84	1.24	47.62
Taxes on goods and passengers	0.80	0.81	0.90	1.40	1.43	2.14
Other taxes ¹⁰	15.99	17.84	22.67	41.08	39.89	(-) 2.90
Total	170.07	196.04	267.05	368.07	332.83	(-)9.57

(Source: Finance Accounts for the respective years)

The Tax revenue during 2012-13 decreased by 10 *per cent* over the previous year mainly due to decrease in Sales tax by ₹ 38.40 crore. As in the previous years, Sales tax (₹ 258.52 crore) remained the main contributor to the State's Own Tax resource and accounted for 78 *per cent* of the Tax revenue. Decrease

¹⁰ Other taxes include taxes on immovable property other than agricultural land, taxes and duties on electricity and agricultural income.

in Sales Tax collection is a cause of concern, especially when the GSDP is reported to be growing at a robust rate. It may indicate the need for efforts to plug leakages in tax collection and for a relook at the tax base and tax rates. Decrease in Sales Tax/VAT could also have a link with reduction of Capital expenditure, as construction work/capital nature works are major contributors to Sales Tax/VAT.

1.3.1.2 Non-tax revenue

Non-Tax revenue as a percentage of Revenue receipts decreased from 6 *per cent* in 2011-12 to 3 *per cent* in 2012-13. Non-tax revenue decreased by ₹ 79.75 crore over the previous year mainly due to decrease in Miscellaneous General Services (₹ 63.04 crore), Public Works (₹ 9.13 crore) and Medium Irrigation (₹ 4.86 crore). The MTFPS stated that the Medium Irrigation would be a major contributor of Non-Tax revenue. However, there was an actual decrease in the revenue collection of Medium Irrigation during 2012-13. The trends in Non-Tax revenue during 2008-13 is given in the following table:

Table 1.11: Trends of Non-Tax Revenue during 2008-13

(₹ in crore)

Revenue Head	2008-09	2009-10	2010-11	2011-12	2012-13	% increase over previous year
Interest receipts	39.99	32.73	44.65	25.18	20.66	(-)17.95
Others* of which	213.47	207.01	215.23	286.35	211.12	(-)26.27
Miscellaneous General Service	92.77	61.47	76.87	138.33	75.29	(-) 45.57
Power	88.28	104.07	88.29	106.59	108.30	1.60
Total	253.46	239.74	259.88	311.53	231.78	(-)25.60

* Including other fiscal services, dividend and profit, if any.

(Source: Finance Accounts)

As seen from the table, Other non-tax receipts increased sharply in 2011-12 and decreased significantly in 2012-13. Interest receipt decreased from ₹ 25.18 crore in 2011-12 to ₹ 20.66 crore in 2012-13. Decrease in Interest receipt since 2011-12 indicates a decrease in earnings from investment instruments of the State. This can be attributed to unfavourable cash balance position of the State Government during 2011-13, which reduced from an Opening Cash balance of ₹ 356.48 crore to a negative Closing Cash balance of ₹ 371.80 crore in 2011-12. Though there was improvement in 2012-13, the year still ended with a negative Closing Cash balance of ₹ 55.37 crore. The receipts from the Miscellaneous General Service declined considerably in 2012-13, while that from the Power sector reflects negligible growth rate. These adverse trends could be worthy of attention on the part of the State Government.

➤ Cost of recovery in supply of merit goods and services

The cost of recovery of Non-Tax Revenue Receipts (NTR) as a percentage of Non-plan Revenue Expenditure (NPRE) in supply of merit goods and services of two selected socio-economic services by Government are shown in the following table:

Table 1.12: Cost of recovery of socio-economic services during 2011-13

(₹ in crore)

Name of Services	2011-12			2012-13		
	Non-tax revenue (NTR) receipts	Non-plan revenue expenditure (NPRE)	NTR as percentage of NPRE	NTR receipts	NPRE	NTR as percentage of NPRE
Water Supply and Sanitation	5.87	64.32	9	6.15	59.71	10
Irrigation	8.80	31.63	28	3.82	30.69	12

(Source: Finance Accounts)

NTR as a percentage of NPRE under Water Supply and Sanitation increased marginally from 9 *per cent* in 2011-12 to 10 *per cent* in 2012-13. In case of Irrigation, NTR as a percentage of NPRE decreased from 28 *per cent* to 12 *per cent*, mainly due to decrease in NTR receipt, which decreased from ₹ 8.80 crore (2011-12) to ₹ 3.82 crore (2012-13). As NTR as a percentage of NPRE is very low, efforts needs to be explored to limit NPRE and increase NTR collection so as to make the provision of these important services self sufficient.

1.3.2 Grants-in-aid from the Government of India

The details of Grants-in-aid from the Government of India during 2008-09 to 2012-13 are shown in the following table:

Table 1.13: Grants-in-aid from the Government of India during 2008-13

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Non-Plan Grants	1017.08	1059.41	1302.84	1293.10	1882.87
Grants for State Plan Schemes	1491.04	1416.73	2137.55	2119.73	2659.00
Grants for Central Plan Schemes	12.53	6.22	12.71	12.47	36.56
Grants for Centrally Sponsored Schemes	329.92	328.30	413.20	349.81	306.34
Grants for Special Plan Schemes	17.71	29.13	46.14	44.81	52.55
Total	2868.28	2839.79	3912.44	3819.92	4937.32
Percentage of increase over previous year	8.41	(-)0.99	37.77	(-)2.36	29.25
Total grants as a percentage of Revenue Receipts	74.07	73.32	72.05	67.57	72.40

(Source: Finance Accounts)

Grants-in-aid from Government of India increased by ₹ 1117.40 crore from ₹ 3819.92 crore in 2011-12 to ₹ 4937.32 crore in 2012-13. The increase in Grants-in-aid was mainly due to increase in Non-Plan Grants (₹ 589.77 crore) and Grants for State Plan Schemes (₹ 539.27 crore). As in the previous years, the Grants-in-aid continue to be the major contributor to the Revenue receipts of the State. The Grants-in-aid was in the range of 67.57 *per cent* to 74.07 *per cent* of the Revenue receipts of the State during 2008-13.

1.3.3 Optimisation of the 13th FC grants

The details of funds transferred to the State as recommended by the 13th FC during award period of 2010-15, and fund released and expenditure thereon as on 31 March 2013 are shown in the following table: -

Table 1.14: Transfer of funds under 13th FC

(₹ in crore)

Sl. No.	Transfers/Items	Recomm- endation of the 13 th FC grants	Actual release	Expenditure under relevant revenue head of account
(1)	(2)	(3)	(4)	(5)
1	Local Bodies, of which	315.90	51.02	51.02
	General Basic Grant to PRIs	143.16	Details of funds released under each component and Expenditure thereon, not furnished by the Finance Department	
	General Performance Grant to PRIs	75.84		
	General Basic Grant to ULBs	53.54		
	General Basic Performance to PRIs	28.36		
	Special Areas Basic Grant	8.80		
	Special Areas Performance Grant	6.20		
2	Disaster Relief (including capacity building)	40.90	23.48	23.48
3	Elementary Education	15.00	11.51	11.51
4	Improving outcome grants	38.60	65.77	65.77
5	Environment related grants	158.30	3.00	3.00
6	Maintenance of Roads and Bridges	100.00	46.00	46.00
7	State specific grants	301.00	104.00	104.00
	Total	969.70	304.78	304.78

(Source: 13th FC and State Finance Department)

The 13th FC had recommended transfer of ₹ 969.70 crore during 2010-15 for the items as mentioned in the above table. Against this, ₹ 304.78 crore (31.43 per cent) had been released till 31 March 2013, and the amount has been spent.

1.4 Capital Receipts

The details of Capital receipts during 2008-09 to 2012-13 are shown in the following table:

Table 1.15: Trends in growth and composition of receipts

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Capital Receipts (CR)	315.20	523.17	299.59	295.22	340.84
Miscellaneous Capital Receipts	-	-	-	-	-
Recovery of Loans and Advances	0.66	3.28	1.19	1.89	0.59
Public Debt Receipts	314.54	519.89	298.40	293.33	340.25
Rate of growth of debt capital receipts	20.51	65.29	(-)42.60	(-)1.70	16.00
Rate of growth of non-debt capital receipts	(-)71.18	396.97	(-)63.72	58.82	(-) 68.78
Rate of growth of GSDP	8.82	11.56	10.35	14.30	12.52
Rate of growth of CR (per cent)	19.72	65.98	(-)42.74	(-)1.46	15.45

(Source: Finance Accounts)

As can be seen from the preceding table, almost the entire amount of Capital receipts was contributed by the Public debt receipts. The total Public Debt

receipt increased by ₹ 46.92 crore from ₹ 293.33 crore in 2011-12 to ₹ 340.25 crore in 2012-13. The main contributors to the increase in Public Debt receipt were Market Borrowings (₹ 275 crore) and Loans from National Bank for Agricultural and Rural Development (₹ 44 crore). The State had raised amounts totalling ₹ 275 crore through four Market Borrowings with interest rates in the range of 8.80 *per cent* to 8.95 *per cent* during the year 2012-13. During the year, the State also repaid an amount of ₹ 108.70 crore. Thus, the net addition from Market Borrowings to the public debt was ₹ 166.30 crore.

The State had an opening balance of Ways and Means Advance (WMA) of ₹ 89.95 crore as on 1 April 2013. During the year the State availed WMA of ₹ 534.65 crore and repaid an amount of ₹ 526.68 crore, leaving a closing balance of ₹ 97.92 crore under WMA. The State had to resort to Special WMA for 72 days to meet its requirements. This indicates the tenuous Fiscal position of the State.

1.4.1 Recoveries of loans and advances

Recovery of loans and advances decreased by ₹ 1.30 crore from ₹ 1.89 crore in 2011-12 to ₹ 0.59 crore in 2012-13. Recovery from Loans to Government Servants (₹ 55.89 lakh) and Loans for Economic Services (₹ 2.72 lakh) are the two significant heads under which transactions occurred during 2012-13.

1.4.2 Loans and advances from the Government of India

No Central loans were contracted during the year 2012-13. The opening balance of the Loans and Advances from the Government of India to the State were ₹ 574.43 crore as on 1 April 2013. The State repaid an amount of ₹ 44.00 crore of the Central Loans. Thus, an amount of ₹ 530.43 crore remained as unpaid Loans and Advances from Government of India as on 31 March 2013.

1.5 Public Accounts Receipts

Receipts and disbursements in respect of certain transactions such as small savings, provident funds, reserve funds, deposits, suspense, remittances *etc.* which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subjected to vote by the State Legislature. Here the Government acts as a banker. The balance after disbursements is the fund available with the Government for use. The details of Public Account Receipts are shown in the following table:

Table 1.16: Public Account receipts

Sl. No.	Resources under various heads	(₹ in crore)				
		2008-09	2009-10	2010-11	2011-12	2012-13
1	Small Savings, Provident Fund <i>etc.</i>	343.36	143.75	179.56	348.34	297.28
2	Reserve Fund	25.08	30.51	27.87	38.36	48.08
3	Deposits and Advances	481.71	868.12	1053.75	624.86	821.44
4	Suspense and Miscellaneous	45.26	45.37	53.11	2079.13	108.66
5	Remittances	1952.25	2130.40	2694.26	2491.52	2645.91
Total		2847.66	3218.15	4008.55	5582.21	3921.37

(Source: Finance Accounts)

As may be seen from the preceding table, Public Account receipts decreased by ₹ 1660.84 crore in 2012-13 over the previous year. The decrease in Public Account receipts was mainly due to reduction in Suspense and Miscellaneous (₹ 1970.47 crore) and Small Savings, Provident Fund *etc.* (₹ 51.06 crore), offset by an increase in Remittances (₹ 154.39 crore).

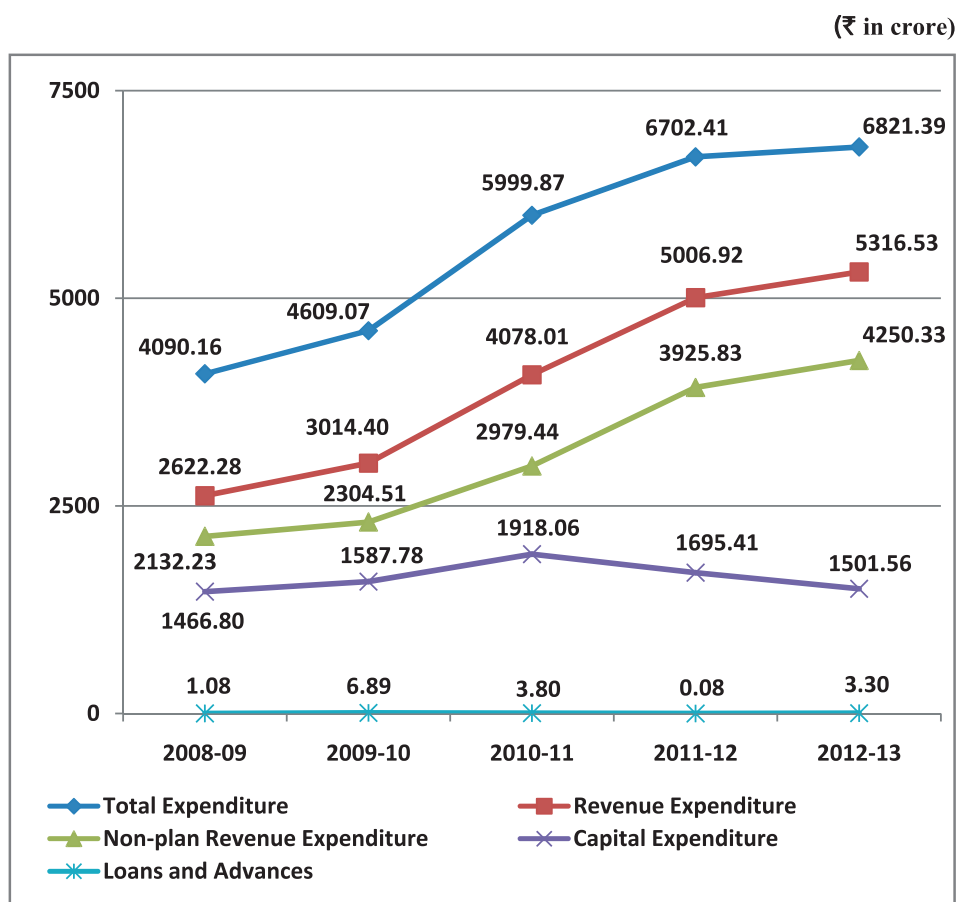
1.6 Application of Resources

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

1.6.1 Growth and Composition of Expenditure

Chart 1.5 presents the trends in total expenditure over a period of the last five years (2008-13). The composition of expenditure both in terms of ‘economic classification’ and ‘expenditure by activities’ is depicted respectively in **Charts 1.6** and **1.7**.

Chart 1.5: Trends in various components of Total Expenditure during 2008-13



The total expenditure of the State increased from ₹ 4090.16 crore in 2008-09 to ₹ 6821.39 crore in 2012-13 at an annual average rate of 15 *per cent* and increased by ₹ 118.98 crore (2 *per cent*) to ₹ 6821.39 crore in 2012-13 from ₹ 6702.41 crore in 2011-12. The Revenue expenditure of the State increased from ₹ 2622.28 crore in 2008-09 to ₹ 5316.53 crore in 2012-13 and increased by 6 *per cent* from ₹ 5006.92 crore in 2011-12 to ₹ 5316.53 crore in 2012-13. The Capital expenditure increased from ₹ 1466.80 crore in 2008-09 to ₹ 1501.56 crore in 2012-13 and decreased by 11 *per cent* from ₹ 1695.41 crore in 2011-12 to ₹ 1501.56 crore in 2012-13.

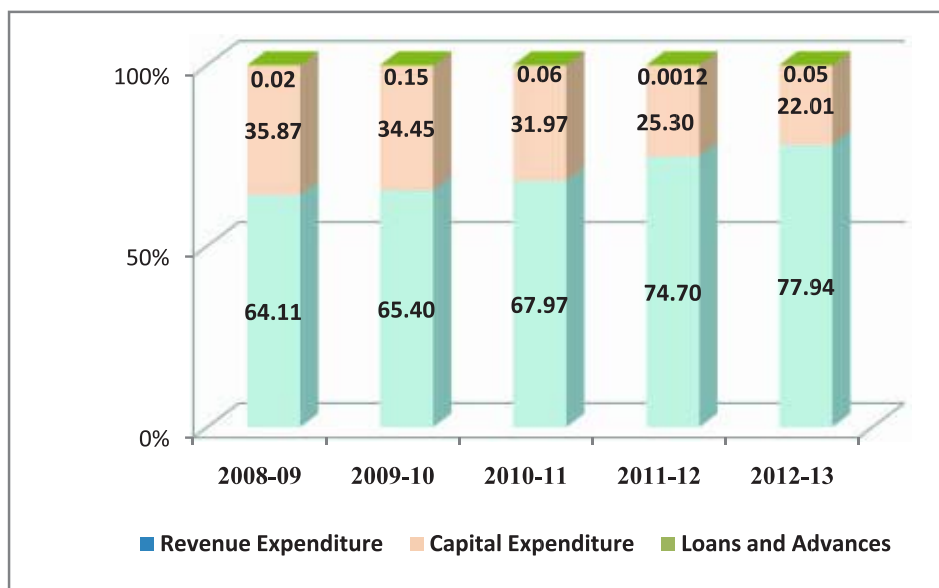
The increase in Revenue expenditure during 2012-13 (₹ 309.61 crore) as compared to 2011-12 was mainly due to increase in expenditure relating to General Education (₹ 133.50 crore), Pensions and Other Retirement Benefits (₹ 132.50 crore), Interest Payment (₹ 35.57 crore) and Food Storage and Warehousing (₹ 15.03 crore).

The decrease in Capital expenditure (₹ 193.85 crore) was mainly due to decrease in Minor Irrigation (₹ 114.35 crore), Roads and Bridges (₹ 111.36 crore), Medical and Public Health (₹ 64.64 crore) and Education, Sports, Art and Culture (₹ 44.96 crore) offset by increase in Thoubal River Irrigation Project (₹ 219.73 crore).

Capital expenditure exhibited a declining trend since 2010-11. Revenue expenditure, on the other hand has increased steadily during 2008-13. Revenue expenditure as a percentage of the total expenditure increased from 74.70 *per cent* in 2011-12 to 77.94 *per cent* in 2012-13. This shows that a bulk of the Total expenditure has been spent on meeting current expenditure. The composition of Revenue expenditure, Capital expenditure and Loans and Advances as a percentage of Total expenditure, during 2008-09 to 2012-13 are shown in the following chart:

Chart 1.6: Trends showing share of components of Total expenditure

(in per cent)



The details of expenditure in terms of Plan expenditure and Non-plan expenditure are given in the following table:

Table 1.17: Trends in composition of expenditure in terms of Plan and Non-Plan Classification

(₹ in crore)

Types of Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13
NON-PLAN					
Revenue	2132.23	2304.51	2979.44	3925.83	4250.33
Capital	3.01	(-) 0.80	0.99	(-) 3.22	7.87
Loans and Advances	0.34	0.19	0.25	0.08	2.30
Sub-total *	2135.58 (52)	2303.90 (50)	2980.68 (50)	3922.69 (59)	4260.50 (62)
PLAN					
Revenue	490.05	709.89	1098.57	1081.09	1066.20
Capital	1463.79	1588.58	1917.07	1698.63	1493.69
Loans and Advances	0.74	6.70	3.55	-	1.00
Sub-total *	1954.58 (48)	2305.17 (50)	3019.19 (50)	2779.72 (41)	2560.89 (38)
Total (Non-Plan & Plan)					
Revenue	2622.28	3014.40	4078.01	5006.92	5316.53
Capital	1466.80	1587.78	1918.06	1695.41	1501.56
Loans and Advances	1.08	6.89	3.80	0.08	3.30
Total Expenditure	4090.16	4609.07	5999.87	6702.41	6821.39

(Source: Finance Accounts)

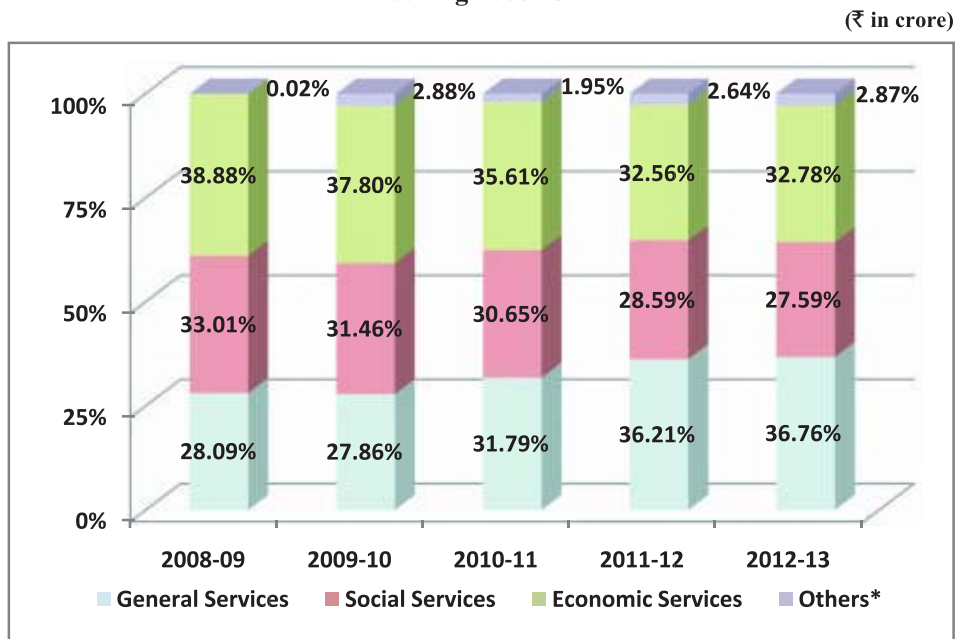
*Figures in bracket represent percentage with respect to the Total Expenditure

The table above discloses that Non-plan expenditure as a percentage of total expenditure increased from 59 per cent in 2011-12 to 62 per cent in 2012-13. It also shows that the Non-plan expenditure as a percentage of total expenditure remained around 50 per cent during 2008-13. Plan expenditure as a percentage of total expenditure decreased from 50 per cent in 2010-11 to 38 per cent in 2012-13. Under Plan expenditure there were decrease in both

Revenue expenditure and Capital expenditure in 2012-13 over the previous year.

Expenditure is also classified by its activities like General Service, Social Service, *etc.* A chart showing the percentage of expenditure under General Services, Social Services, Economic Services, *etc.* is given in the following chart:

Chart 1.7: Trends in composition of Total Expenditure by activities during 2008-13



* Grants-in-aids and Contributions

The share of expenditure on account of Economic Services decreased from 38.88 *per cent* in 2008-09 to 32.78 *per cent* in 2012-13. Similarly, the share of Social Services decreased from 33.01 *per cent* in 2008-09 to 27.59 *per cent* in 2012-13. The share of expenditure on General Services, on the other hand, increased from 28.09 *per cent* in 2008-09 to 36.76 *per cent* in 2012-13. Thus, share of Development expenditure *i.e.* expenditure on Economic Services and Social Services decreased during the period 2008-13.

The details of Revenue receipts, Revenue expenditure and Revenue surplus as percentage of GSDP are given in the following table:-

Table 1.18: Trends of Revenue receipt and expenditure

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Receipt as a percentage of GSDP	52.34	46.92	59.62	54.31	58.22
Revenue Expenditure as a percentage of GSDP	35.44	36.52	44.77	48.10	45.39
Revenue Surplus as a percentage of GSDP	16.91	10.41	14.84	6.22	12.83

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

The Revenue receipts as a percentage of GSDP was in the range of 46.92 *per cent* to 59.62 *per cent* during 2008-13. Revenue expenditure as a percentage of GSDP increased from 35.44 *per cent* in 2008-09 to 48.10 *per cent* in 2011-12 before it decreased to 45.39 *per cent* in 2012-13. This indicates that in 2012-13, there was a better Revenue Receipt *vis-à-vis* GSDP ratio as

compared to the previous year while Revenue expenditure *vis-à-vis* GSDP ratio was reduced in 2012-13 as compared to previous year. The combined effect of increase in Revenue receipt and decrease in Revenue expenditure *vis-à-vis* GSDP resulted in doubling the Revenue surplus-GSDP ratio to 12.83 *per cent* in 2012-13 as compared to 6.22 *per cent* in 2011-12.

1.6.2 Committed Expenditure

The Committed expenditure of the State Government on revenue account mainly consists of Interest payments, expenditure on Salaries and Wages, Pensions and subsidies. The following table presents the trends in the expenditure on these components during 2008-2013.

Table 1.19: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13	
					BE*	Actuals
Salaries & Wages, of which	1094.75 (28.27)	1140.77 (29.45)	1677.95 (30.90)	2215.87 (39.19)	2651.87	2351.63** (34.48)
Non-Plan Head	1041.12	1077.25	1595.49	2091.56	2412.58	2217.97
Plan Head	53.63	63.52	82.46	124.31	239.29	133.66
Interest Payments	313.83 (8.10)	322.57 (8.33)	364.78 (6.72)	397.44 (7.03)	410.42	433.01 (6.35)
Expenditure on Pensions	267.06 (6.90)	292.79 (7.56)	400.15 (7.37)	628.15 (11.11)	679.71	760.28 (11.15)
Subsidies	2.41 (0.06)	2.92 (0.08)	1.86 (0.03)	1.84 (0.03)	2.47	1.36 (0.02)
Total	1678.05 (43.33)	1759.05 (45.42)	2444.74 (45.02)	3243.30 (57.37)	3744.47	3546.28 (52.00)

* Budget estimates

**

Including ₹ 5.00 crore on account of Wages; and excluding ₹ 96.16 crore on Leave Salary encashment booked under 'MH-2071-Pensions and Other Retirement Benefits'

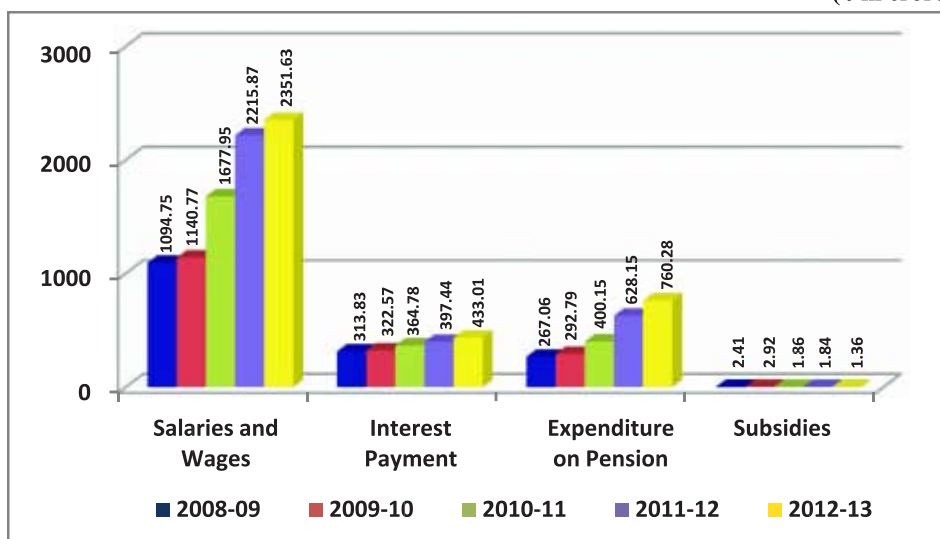
(Figures in the parentheses indicates percentage to Revenue receipts)

(Source: Voucher Level Computerisation of the Accountant General (A&E) for Salaries & Wages and Finance Accounts for others)

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

Chart 1.8: Trend of Committed expenditure for the years 2008-13

(₹ in crore)



Salaries and Wages:- Salaries and Wages accounted for about 34 *per cent* of the Revenue receipts of the State during 2012-13 and increased by ₹ 135.76 crore (6 *per cent*) over the previous year. However, expenditure under Salary and Wages was less than the budget estimate by ₹ 300.24 crore. The outgo on Salary and Wages in 2012-13 was 114 *per cent* of that of 2008-09. Salary expenditure under non-plan head increased from ₹ 2091.56 crore in 2011-12 to ₹ 2217.97 crore in 2012-13. The Non-plan salary expenditure (₹ 2217.97 crore) was more than the projection (₹ 1333.51 crore) made by the 13th Finance Commission.

Interest payment:- Interest payment increased by ₹ 35.57 crore from ₹ 397.44 crore in 2011-12 to ₹ 433.01 crore in 2012-13. Interest payment increased continually from ₹ 313.83 crore in 2008-09 to ₹ 433.01 crore in 2012-13. As in the previous year, Interest on internal debt constituted a major portion of Interest payment and accounted for 66 *per cent* while the remaining share was for payment of interest on Small Savings, Provident Funds *etc.* and on Loans and Advances from Central Government. Interest payment was more than the Budget estimate by ₹ 22.59 crore during 2012-13. Further, Interest payment exceeded the 13th Finance Commission projection (₹ 400.16 crore) by ₹ 32.85 crore.

Pension payment:- Pension payment increased by ₹ 493.22 crore (185 *per cent*) from ₹ 267.06 crore in 2008-09 to ₹ 760.28 crore in 2012-13. Pension payment increased significantly from ₹ 628.15 crore in 2011-12 to ₹ 760.28 crore in 2012-13 mainly due to increase in Leave Encashment Benefits (₹ 46.96 crore) and Gratuity (₹ 33.23 crore). Pension payment exceeded the projected figures in the 13th Finance Commission during the period 2010-13.

The payment of pension and other retirement benefits of All India Service officers prior to 1 April 2008 was a liability of the State Government. As per the new procedure introduced from 1 April 2008, the payment was to be reimbursed by the Central Government. The State Government had paid an amount of ₹ 3.26 crore till 31 March 2013 to All India Service officers. However, the Central Government was yet to reimburse the outstanding amount since 2009-10 to the State Government. Since the cash position of the State is poor, the State Government may need to take up requisite steps to obtain this amount from the Central Government.

The State Government had adopted (August 2010) the new Restructured Defined Contribution Pension Scheme of the GoI *mutatis mutandis* in respect of new entrants to the State's service with effect from 1 January 2005. The funds available under the head "Defined Contribution Pension Scheme for Government Employees" increased from ₹ 53.11 crore in 2011-12 to ₹ 84.87 crore in 2012-13. As in the previous years, the State Government had not fully contributed its matching share and contributed only ₹ 12.50 crore as its matching share while the State Government employees has contributed ₹ 46.48 crore during 2012-13. Thus, there is an appreciable shortfall here on the part of the State Government.

The Finance Department stated (January 2014) that the Government has started contribution of its share from November 2010. However, the status of Government contribution to the fund prior to November 2010 has not been intimated.

Subsidies: - As per Finance Accounts, minor amounts ranging from ₹ 1.36 crore to ₹ 3.00 crore is shown to have been given as subsidies by State Government to various departments. However, a closer look revealed that the State Government could be implicitly providing higher levels of support, particularly in the power sector, as cost of purchase of power was less than Non-tax revenue collection under Power. The Electricity Department stated (September 2013) that an amount of ₹ 221 crore was given as subsidy by the State Government. Therefore, there is a need for proper booking of subsidies under appropriate head of account, so that the finances of the State could be depicted in a more transparent manner.

1.6.3 Non-plan Revenue expenditure

Revenue expenditure is incurred to maintain the current level of services and payment for past obligations and as such does not result in any addition to the State's infrastructure and service network.

Non-plan revenue expenditure (NPRE) in 2012-13 was ₹ 4250.33 crore and was nearly 62 *per cent* of the total expenditure. The NPRE in the current year exceeded the projections made in the MTFPS/budget estimates (₹ 4149.80 crore) by ₹ 100.53 crore.

The targets of various components of expenditure fixed by the 13th Finance Commission *vis-à-vis* Actuals in respects of NPRE and its component are as shown in the following table:-

Table 1.20: 13th FC recommendations of NPRE *vis-à-vis* Actuals

(₹ in crore)

13 th FC/ Actuals	Salary	General Services (GS)	Interest Payment (under GS)	Pension (under GS)	Social Services	Economic Services	Assignment to Local Bodies	Total of Non- Plan revenue expenditure
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)(2+3+6+7+8)
13 th FC	1242.73	738.34	350.29	273.78	151.54	135.95	110.46	2379.02
Actuals	2214.66	1407.59	433.01	760.28	79.73	355.13	193.22	4250.33

(Source: 13th Finance Commission Report and Finance Accounts)

All the components of expenditure except for expenditure under Social Services exceeded the limits set by the 13th FC. NPRE in 2012-13 exceeded the targets of 13th Finance Commission by ₹ 1871.31 crore.

The NPRE increased from ₹3925.83 crore in 2011-12 to ₹ 4250.33 crore in 2012-13 mainly due to increase in Pensions and Other Retirement Benefits (₹ 132.13 crore), General Education (₹ 97.92 crore), Power (₹ 46.75 crore) and Interest payment (₹ 35.57 crore) as compared to the previous year. During the period 2008-13, the NPRE grew by ₹ 2118.10 crore (99 *per cent*) from ₹ 2132.23 crore in 2008-09 to ₹ 4250.33 crore in 2012-13.

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

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

Table 1.21: Financial Assistance to local bodies, other institutions etc.

(₹ in crore)

Financial Assistance to Institutions ¹¹	2008-09	2009-10	2010-11	2011-12	2012-13	
					BE*	Actual
Educational Institutions (Aided Schools, Aided Colleges, Universities etc.)	29.75	32.04	35.17	44.81	34.31	42.24
Municipal Corporations and Municipalities	19.90	3.60	3.81	3.72	28.40	15.57
Co-operative institutions	**	**	**	1.39	0.80	0.63
Other Institutions	1.02	1.67	2.11	0.86	7.68	6.42
Total	50.67	37.31	41.09	50.78	71.19	64.86
Assistance as percentage of RE	1.93	1.24	1.01	1.01	1.16	1.22

* BE – Budget estimates

** included in Other Institutions

(Source: Budget documents and Finance Accounts)

The total assistance (₹ 64.86 crore) provided during 2012-13 was less than the estimates made in the budget (₹ 71.19 crore) by ₹ 6.33 crore. As compared to 2011-12, the total assistance increased by ₹ 14.08 crore in 2012-13. Financial assistance to universities and educational institutions alone constituted nearly 65 *per cent* of the total assistance of the State Government during 2012-13. Amongst education services, maximum assistance was given to Non-Government Primary School (₹ 25.78 crore). The assistance increased from 1.01 *per cent* of the Revenue expenditure in 2011-12 to 1.22 *per cent* in 2012-13.

1.6.4.1 Local Bodies

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

Post the 73rd Constitutional amendment, the State Government enacted the Manipur Panchayati Raj (MPR) Act, 1994 and established a two-tier PRI system at the village and district levels. The State has 9 districts of which 5 districts are located in the hill areas and 4 districts are spread out in the valley. As on March 2013 there were 4 Zilla Parishads and 161 Gram Panchayats in the State. Consequent upon the 74th Constitutional amendment the

¹¹ Only minor heads relating to “Assistance” under the respective major head of accounts had been considered.

Government enacted the Manipur Municipality Act, 1994. There are three categories of ULBs in the State viz., Municipal Councils (MCs), Nagar Panchayats (NPs) and Small Town Committee (STC). As of March 2013 there were 9 Municipal Councils (MCs), 18 Nagar Panchayats (NPs) and one Small Town Committee (STC) in the State.

Devolution of funds, functions and functionaries (3 Fs) to PRIs and ULBs

The 73rd Constitutional amendment and the Manipur Panchayati Raj Act, 1994 envisaged transfer of the functions to PRIs listed in the XIth Schedule. Accordingly, the State Government through executive orders had to transfer all the 29 functions to the PRIs. For effective functioning of both the State Government and PRIs, Activity Mapping delineated the role and responsibility of PRIs. Out of 29 functions, the State Government devolved functions of 16 departments to PRIs as of March 2013. There has been no change in the 3Fs transferred since the first time the order was issued in 2005.

The 74th Constitutional amendments provide for devolution of powers and responsibilities with respect to preparation of plans and programmes for economic development and social justice and implementation relating to 18 subjects listed in the XIIth Schedule for ULBs. The Directorate of Municipal Administration, Housing and Urban Development (MAHUD), Government of Manipur intimated (January 2013) that out of 18 functions, 7 functions are now being performed by ULBs.

Thus, transfer of funds, functions and functionaries to PRIs and ULBs was not adequate and effective to enable them to function as institutions of local self government.

Accounting and auditing arrangement of PRIs and ULBs

PRIs: Sections 43 and 73 of MPR Act stipulated that the accounts of GPs and ZPs shall be kept in such form and manner as may be prescribed. However, the basic records like Advance Register, Cheque Issue Register, Assets Registers *etc.*, and Receipt and Payment Accounts were not maintained in PRIs. Model Accounting Structure for PRI prescribed by the Ministry of Panchayati Raj (MoPR), Government of India in consultation with the C&AG of India was also not adopted in any of the GPs and ZPs.

The Director, Local Fund Audit (DLFA), Government of Manipur is the Primary Auditor and conducts audit of accounts of GPs and ZPs under Sections 44(1) and 74(1) of the Manipur Panchayati Raj Act, 1994 and is to forward the audit reports to GPs and ZPs within one month from the completion of date of audit.

The Accountant General (Audit), Manipur conducts the audit of the accounts of PRIs under Sections 14(1) and 20(1) of C&AG's Duties, Power and Condition of Service (DPC) Act, 1971. The State Government had entrusted audit of PRIs to the C&AG of India under Technical Guidance and Support (TGS) arrangement in March 2012 by way of Gazette notification in pursuance of the 13th Finance Commission recommendations.

ULBs: The Ministry of Urban Development, GoI and the C&AG of India developed (December 2004) National Municipal Accounts Manual (NMAM)

which is based on double entry accrual based accounting system and circulated it to the State Governments for adoption for greater transparency and control over finances. The State Government also issued an order to all ULBs in March 2011 for adoption of NMAM with immediate effect. Accordingly, the ULBs in the State were required to prepare their budget and maintain their accounts in the formats as prescribed in NMAM with appropriate codifications and classifications. It was, however, observed that none of the ULBs had adopted NMAM as of March 2013. All ULBs kept their accounts in conventional method without following any acceptable accounting standards. Thus, the actual financial position of ULBs in the State could not be ascertained.

The Director, Local Fund Audit (DLFA) conducts audit of accounts of MCs, NPs and STC under Sections 72(1) of the Manipur Municipalities Act, 1994. In June 2013, the DLFA intimated that the audits of accounts of 16 units out of 28 auditable ULBs units were conducted during the year 2012-13.

The Accountant General (Audit), Manipur conducts the audit of the accounts of ULBs under Section 20(1) of C&AG's DPC Act, 1971 under Technical Guidance and Support (TG&S) module, as entrusted by the State Government in pursuance of the recommendation of the 13th Finance Commission. The State Gazette notification regarding entrustment of TG&S to the C&AG of India was issued in March 2012.

Reporting arrangement

Under TG&S arrangement, audit findings of test checked accounts of PRIs and ULBs conducted by the Accountant General are presented in the form of Annual Technical Inspection Report (ATIR) and submitted to the State Government for necessary action. There is a provision in the terms and conditions of TG&S entrustment that the C&AG of India or his representative will have the right to report to the State Legislature, the result of audit. Accordingly, the ATIR for the year 2011-12 was placed before the State Legislature on 26 June 2013. The ATIR was discussed by the Public Accounts Committee during December 2013.

1.7 Quality of Expenditure

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

1.7.1 Adequacy of Public Expenditure

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Government to take appropriate expenditure rationalization measures

and lay emphasis on provision of core public and merit goods¹². Apart from improving the allocation towards development expenditure¹³, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components (Development expenditure or Capital expenditure) to total expenditure (and/or GSDP), the better would be the quality of expenditure. The following table presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year *vis-à-vis* budgeted and the previous years.

Table 1.22: Development Expenditure¹⁴

(₹ in crore)

Components of Development Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13	
					BE*	Actual
Development Expenditure						
Development Revenue Expenditure	1,527.67 (37.36)	1707.14 (37.04)	2322.15 (38.70)	2696.66 (40.23)	3896.38	2841.48 (41.66)
Development Capital Expenditure	1,412.01 (34.52)	1484.77 (32.22)	1653.30 (27.55)	1402.00 (20.92)	1843.71	1275.69 (18.70)
Development Loans and Advances	0.74 (0.02)	6.70 (0.15)	3.55 (0.06)	-	3.00	1.00 (0.01)

* BE- Budget estimates

(Source: Budget documents and Finance Accounts)

Figures in parentheses indicate percentage to Aggregate expenditure

Development Revenue expenditure increased by ₹ 144.82 crore from ₹ 2696.66 crore in 2011-12 to ₹ 2841.48 crore in 2012-13. However, Development Revenue expenditure was less than the budget estimate. Development Capital expenditure decreased by ₹ 126.31 crore from ₹ 1402 crore in 2011-12 to ₹ 1275.69 crore in 2012-13. The Development Capital expenditure shows a steady declining trend since 2010-11. The trend of diminishing Capital expenditure does not augur well for the long term economic health of the State.

During 2012-13, Revenue expenditure as a percentage of total expenditure was 78 *per cent*, out of which Non-plan Revenue expenditure accounts for 62 *per cent* of total expenditure. Capital expenditure was 22 *per cent* of the total expenditure in the year 2012-13. Thus, as in the previous year, a major portion of total expenditure was consumed by the Non-plan Revenue expenditure during 2012-13 also.

1.7.2 Efficiency of Expenditure in Social and Economic Services

Percentages of Capital expenditure and Salaries and Wages to the aggregate expenditure of the sector/sub-sector of some selected Social and Economic Services are shown in the following table:

¹² Refer glossary in Appendix 1.10

¹³ Refer glossary in Appendix 1.10

¹⁴ Refer glossary in Appendix 1.10

Table 1.23: Efficiency of Expenditure in Selected Social and Economic Services
(in per cent)

Sector	2011-12			2012-13		
	Percentage of Capital expenditure (CE) to Total expenditure (TE) of the respective sector	Percentage of Revenue expenditure ¹⁵ (RE) vis-a-vis		Percentage of CE to TE	Percentage of RE ¹⁶ vis-a-vis	
		Salaries & wages	OM*		Salaries & wages	OM*
Social Services	24.90 (CE-₹ 477.23 crore) (TE-₹ 1916.61 crore)	61.30	0.41	18.81 (CE-₹ 354.04 crore) (TE-₹ 1882.26 crore)	65.75	0.62
Economic Services	42.38 (CE-₹ 924.68 crore) (TE-₹ 2182.05 crore)	39.21	6.60	41.22 (CE-₹ 921.65 crore) (TE-₹ 2235.91 crore)	36.33	6.27

* Operation and Maintenance
(Source: Finance Accounts)

It is seen that Capital expenditure under Social sector decreased by ₹ 123.28 crore from ₹ 477.32 crore in 2011-12 to ₹ 354.04 crore in 2012-13. The share of Capital expenditure to Total expenditure decreased from 24.90 per cent in 2011-12 to 18.81 per cent in 2012-13. Salaries and Wages as a percentage of Revenue expenditure increased from 61.30 per cent in 2011-12 to 65.75 per cent in 2012-13. This shows that the major outgo of Revenue expenditure under Social expenditure is for payment of Salary and Wages. The trend of diminishing Capital expenditure does not augur well for the long term economic health of the State.

Revenue expenditure under economic services increased from ₹ 1257.37 crore in 2011-12 to ₹ 1313.26 crore in 2012-13, while Capital expenditure decreased from ₹ 924.68 crore in 2011-12 to ₹ 921.65 crore in 2012-13. Operation and maintenance cost as a percentage of Revenue expenditure under Economic Services decreased from 6.60 per cent in 2011-12 to 6.27 per cent in 2012-13. The declining percentage is again not a healthy symptom.

1.8 Financial Analysis of Government Expenditure and Investments

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

¹⁵ Revenue Expenditure - ₹ 1439.29 crore (Social Sector) and ₹ 1257.37 crore (Economic Sector)

¹⁶ Revenue Expenditure - ₹ 1528.22 crore (Social Sector) and ₹ 1313.26 crore (Economic Sector)

undertaken by the Government during the current year *vis-à-vis* previous years.

1.8.1 Incomplete projects

The department-wise information pertaining to some major incomplete projects of which the scheduled date of completion is already over as on 31 March 2013 is given in the following table:

Table 1.24: Department-wise Profile of Incomplete Projects

(₹ in crore)

Department/Implementing Agency	No. of Incomplete Projects	Initial Budgeted Cost	Cumulative actual expenditure as on 31.03.2013
Minorities and Other Backward Classes and Scheduled Castes	8	18.27	8.28
Manipur State Road Development Agency	1	363.66	297.31
Veterinary and Animal Husbandry	1	7.49	7.34
Public Works Department	1	5.89	3.23
Total	11	395.31	316.16

(Source: Finance Accounts)

As of 31 March 2013, there were 11 incomplete projects each costing ₹ one crore and above, involving a total budgeted cost of ₹ 395.31 crore on which an expenditure of ₹ 316.16 crore had already been incurred. The above list is only indicative and not exhaustive and does not include projects for which the targeted dates of completion have been revised. Delay in completion of works invites the risk of escalation in cost of the works besides depriving the beneficiaries of the benefits of the projects.

1.8.2 Investment and returns

As of 31 March 2013, the State Government had invested ₹ 160.29 crore in statutory corporations, rural banks, joint stock companies and co-operatives. During the last five years (2008-13), the Government could earn only ₹ 39,000 from the investment made on these corporations/companies *etc.* while it paid an average rate of interest ranging from 6.22 *per cent* to 6.69 *per cent*. Investments as on 31 March 2013 were made in two statutory corporations, 15 Government companies and 3135 types of co-operative banks and institutions the details of which are shown in the following table:

Table 1.25: Return on Investment

(₹ in crore)

Investment/Return/Cost of Borrowings	2008-09	2009-10	2010-11	2011-12	2012-13
Investment at the end of the year	175.83	176.25	176.31	160.18 ¹⁷	160.29
Return	-	∇	∇∇	*	\$
Return (<i>per cent</i>)	-	-	-	-	-
Average rate of interest on Govt. borrowing (<i>per cent</i>)	6.68	6.19	6.21	6.27	6.52
Difference between interest rate and return (<i>per cent</i>)	6.68	6.19	6.21	6.27	6.52

∇ only ₹ 28,000; ∇∇ only ₹ 4,000; * only ₹ 3,000; and \$ only ₹ 4,000

(Source: Finance Accounts)

¹⁷ Investments of ₹ 180.93 crore as mentioned in Finance Accounts 2011-12 has since been reconciled at ₹ 160.18 crore in 2012-13.

The State's economy was heavily strained by the high Fiscal Deficits experienced in the previous years. The State Government could improve the position of Fiscal Deficit in 2012-13 only because of devolution of more Grants-in-aid from GoI and by tightly restricting expenditure even on critical areas like Capital and Plan expenditure. Thus, to keep the deficits under reign it would be expedient to carefully measure all outflows of expenditure and investments; and to ensure that the investment of ₹ 160.29 crore fetches a commensurate return. Addedly, it may be prudent on the part of the State Government to critically review the functioning of the corporations, companies and co-operatives and come out with a commensurate action plan for making their operations viable.

1.8.3 Investment in Public Private Partnership (PPP) projects

The State has PPP projects in the Infrastructure sector, Health sector and Information Technology sectors. PPP projects involving a total amount of ₹ 1147.44 crore are being conceived in the State. The summary of PPP projects under pipeline, implementation and operation are detailed in the following table:

Table 1.26: Investment in Public Private Partnership projects

(₹ in crore)

Name of the Projects ¹⁸	Completed		Under implementation/ construction		Under Planning/pipeline		Grand total	
	No.	Cost	No.	Cost	No.	Cost	No.	Cost
Infrastructure Sector								
IT- Special Economic Zone	-	-	-	-	-	832.00	-	832.00
Upgradation of Hotel Imphal to a 5-Star Category Hotel	-	-	-	-	-	100.00	-	100.00
Cable Car/ ropeway from Sendra Hillock to Thanga Island over Loktak Lake	-	-	-	-	-	100.00	-	100.00
Golf course at Nongmaiching	-	-	-	-	-	70.00	-	70.00
Mini-Golf Course near Takmu	-	-	-	-	-	30.00	-	30.00
Social Sector								
PPP in 2 Primary Health Centres in the State	-	-	-	0.95	-	0.57	-	1.52
Economic Sector								
Information Communication Technology- Common Service Centre	-	13.92	-	-	-	-	-	13.92
Total	-	13.92	-	0.95	-	1132.57	-	1147.44

(Source: Information as furnished by the Finance Department)

As per information furnished by the State Government, PPP projects costing ₹ 13.92 crore have/has been completed. Two Primary Health Centres under PPP costing ₹ 0.95 crore are under implementation. Projects costing ₹ 1132.57 crore are in the pipeline, mostly under infrastructure sector, to promote tourism.

¹⁸ Number of projects had not been furnished by the Government.

1.8.4 Loans and advances by the State Government

In addition to investments in co-operative societies, corporations and companies, the State Government had also been providing loans and advances to many institutions/organizations. The following table presents the outstanding loans and advances as on 31 March 2013, and Interest receipts *vis-à-vis* Interest payments during 2008-09 to 2012-13.

Table 1.27: Average Interest Received on Loans and Advances by the State Government

(₹ in crore)

Quantum of Loans/Interest Receipts/Cost of Borrowings	2008-09	2009-10	2010-11	2011-12	2012-13	
					BE*	Actual
Opening Balance	198.79	199.20	202.81	205.42	203.61	203.61
Amount advanced during the year	1.07	6.89	3.80	0.08	7.00	3.30
Amount repaid during the year	0.66	3.28	1.19	1.89	3.59	0.59
Closing Balance	199.20	202.81	205.42	203.61	207.02	206.32
<i>Of which</i> Outstanding balance for which terms and conditions have been settled	NA**	NA	NA	NA	NA	NA
Net addition	0.41	3.61	2.61	(-) 1.81	3.41	2.71
Interest Receipts	0.58	2.23	7.37	1.25	NA	0.94
Interest receipts as <i>per cent</i> to outstanding Loans and Advances	0.29	1.10	3.59	0.61	NA	0.46
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	6.44	5.81	5.89	6.13	NA	6.37
Difference between interest payments and interest receipts (<i>per cent</i>)	6.15	4.71	2.30	5.52	NA	5.91

* BE- Budget estimates

** NA - Not available

(Source: Budget documents and Finance Accounts)

The information of outstanding Principal and Interest in respect of loans and advances where the accounts are maintained by the State Government is not incorporated in the above table, as the details have not been submitted by the State Government.

Total amount of outstanding loans and advances as on 31 March 2013 was ₹ 206.32 crore. Against repayment of Loans/Advances of ₹ 0.59 crore, an amount of ₹ 3.30 crore was advanced during 2012-13. Interest receipt has decreased significantly from ₹ 7.37 crore in 2010-11 to ₹ 0.94 crore in 2012-13. Pertinently, interest receipt of ₹ 0.94 crore against an opening balance of ₹ 203.61 crore is insignificant. The State Government may therefore need to make better efforts to ensure realisation of commensurate returns from the Loans and Advances.

1.8.5 Cash Balances and Investment of Cash Balances

It is generally desirable that the State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatch in the flow of resources and the expenditure obligations, a mechanism of Ways and Means Advances (WMA) from RBI has been put in place. The operative limit for Normal Ways and Means Advances is reckoned on the three years average of revenue receipts and the operative limit for Special Ways and

Means Advances is fixed by the RBI from time to time, depending on the holding of Government securities. The limit for Normal Ways and Means Advances had been fixed (April 2006) at ₹ 60 crore by the RBI.

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

Table 1.28: Ways and Means Advances and Overdrafts

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Ways and Means Advance					
Availed in the year	-	-	-	89.95	534.65
Outstanding WMAs	-	-	-	89.95	97.92
Interest paid	-	-	-	-	1.21
Number of days	-	-	-	1	72
Overdraft					
Number of days	-	-	-	1 *	31

* An Overdraft of ₹ 493.26 crore was availed in 2011-12

(Source: Finance Accounts)

The State Government resorted to Ways and Means Advance of ₹ 89.95 crore in 2011-12.

The State availed Special Ways and Means Advance (WMA) over the ordinary WMA during the current year for 72 days. During the current year, the State resorted to WMA of ₹ 534.65 crore and discharged WMA of ₹ 526.68 crore leaving an unpaid WMA of ₹ 97.92 crore¹⁹ as on 31 March 2013. An Overdraft ranging from ₹ 25.04 crore to ₹ 195.78 crore was availed during 2012-13, and there was outstanding balance of Overdraft of ₹ 195.78 crore as on 31 March 2013.

The following table depicts the cash balances and investments made by the State Government out of cash balances at the beginning and at end of 2012-13:

Table 1.29: Cash balances and investment of cash balances

(₹ in crore)

Particulars	Opening balance on 1.4.2012	Closing balance on 31.3.2013
(a) General Cash Balance -		
Cash in Treasuries	4.62	4.62
Deposits with Reserve Bank	(-) 515.44	(-) 249.12
Deposits with other Banks	-	-
Remittances in transit - Local	0.81	1.20
Sub-total	(-) 510.01	(-) 243.30
Investments held in Cash Balance investment account ²⁰	2.43	2.43
Total (a)	(-) 507.58	(-) 240.87
(b) Other Cash Balances and Investments		
Cash with departmental officers ²¹	36.38	49.77
Permanent advances for contingent expenditure with departmental officers	0.02	0.02
Investment of earmarked funds	99.38	135.71
Total (b)	135.78	185.50
Grand total (a)+ (b)	(-) 371.80	(-) 55.37

(Source: Finance Accounts)

¹⁹ ₹ 534.65 crore minus ₹ 526.68 crore plus ₹ 89.95 crore (outstanding balance of 2011-12).

²⁰ GoI Treasury bills-Nil, Long term investment- ₹ 2.43 crore, Other investment-Nil.

²¹ Public Works Department Officers, Forest Department Officers, District Collectors.

As in the previous year, the cash balances of State Government is negative (₹ 55.37 crore). Cash with the Departmental officers in 2012-13 increased by ₹ 13.39 crore from ₹ 36.38 crore in 2011-12 to ₹ 49.77 crore in 2012-13. Cash with the Departmental officers increased despite the fact that the State is experiencing a negative cash balance. Therefore the State Government may need a re-look at this position more minutely.

1.9 Assets and Liabilities

1.9.1 Growth and Composition of Assets and Liabilities

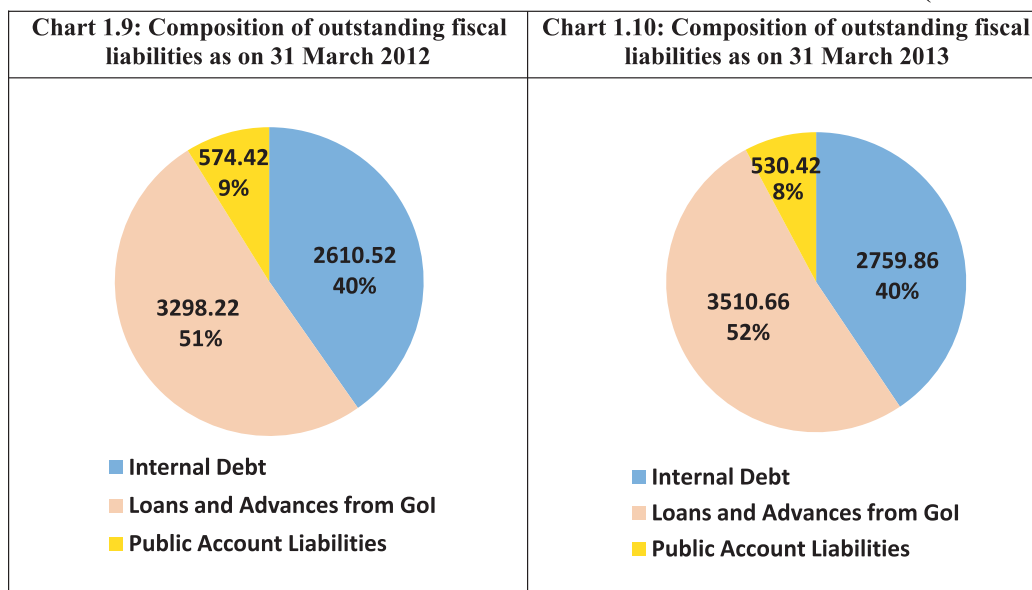
In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.5** gives an abstract of such liabilities and assets as on 31 March 2013, compared with the corresponding position on 31 March 2012. While the liabilities in this Appendix consist mainly of internal borrowings, receipts from the Public Account, Small Savings, Provident Funds and Loans and Advances from Central Government, the assets comprise mainly the capital expenditure, Remittance Balance and Loans and Advances given by the State Government.

The FRBM Act of the State has defined the total liabilities as “Total liabilities means the sum of the liabilities under the Consolidated Fund of the State, and the Public Account of the State and also include borrowings by the public sector undertakings and special purpose vehicles and other equivalent instruments including guarantees where principal and/or interest are to be serviced out of the State budget”.

1.9.2 Fiscal Liabilities

The trends in outstanding Fiscal liabilities of the State are presented in **Appendix 1.4**. The composition of Fiscal liabilities during the current year *vis-à-vis* the previous year are presented in the following Charts:

(₹ in crore)



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

Table 1.30: Details showing Fiscal liabilities, its growth rate and ratio to GSDP

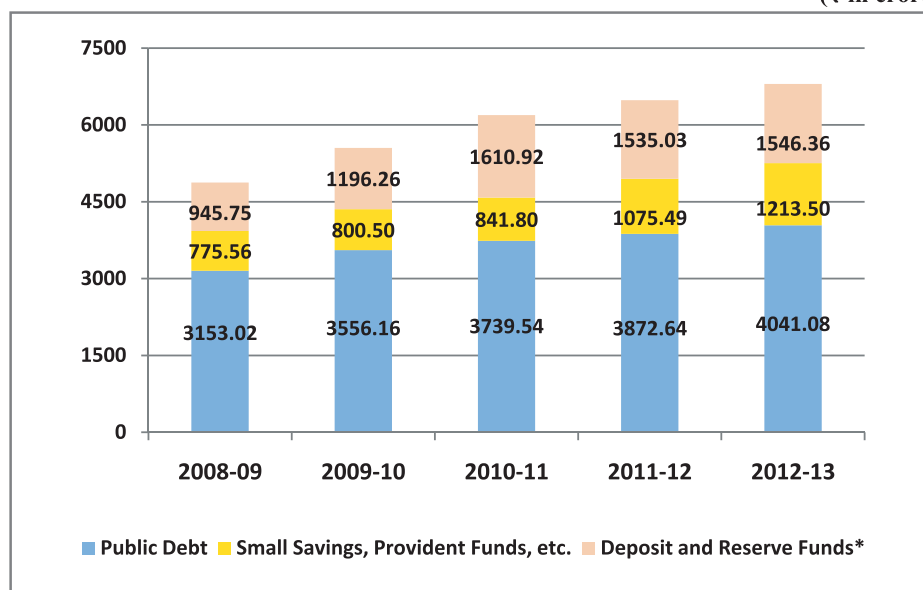
(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Fiscal liabilities ²²	4874.33	5552.92	6192.26	6483.16	6800.94
Rate of growth (<i>per cent</i>)	7.63	13.92	11.51	4.70	4.90
Ratio of Fiscal liabilities to					
GSDP (<i>per cent</i>)	65.88	67.28	67.99	62.28	58.06
Revenue receipts (<i>per cent</i>)	125.87	143.37	114.07	114.67	99.72

The overall Fiscal liabilities of the State Government increased by ₹ 317.78 crore from ₹ 6483.16 crore in 2011-12 to ₹ 6800.94 crore in 2012-13. The Fiscal liabilities to GSDP ratio which maintained an increasing trend during 2008-11 has declined since 2010-11. The ratio of Fiscal liabilities to GSDP during 2008-12 remained above 60 *per cent*. The ratio of Fiscal liabilities to GSDP decreased from 62.28 *per cent* in 2011-12 to 58.06 *per cent* in 2012-13. This indicates that the rate of Fiscal liabilities has grown at a slower pace as compared to the growth of GSDP during 2012-13. The ratio of Fiscal liabilities to Revenue receipts were above 100 *per cent* during 2008-12. The Fiscal liability was 99.72 *per cent* of Revenue receipts in 2012-13. The trends are further depicted in the following chart.

²² Refer glossary in Appendix 1.10. Fiscal Liabilities as shown in the Table is inclusive of Investment out of Reserved Funds

Chart 1.11: Trend showing composition of fiscal liabilities during 2008-13
(₹ in crore)



*including funds bearing Interest and funds not bearing Interest under Reserve fund- ₹ 23.07 crore (2008-09); ₹ 47.58 crore (2009-10); ₹ 75.45 crore (2010-11); ₹ 113.80 crore (2011-12); and ₹ 161.88 crore (2012-13)

(Source: Finance Accounts)

The increase in Fiscal liabilities was mainly due to increase in Internal Debt (₹ 212.44 crore), Public Account Liabilities (₹ 149.34 crore) and offset by a decrease in Loans and Advances (₹ 44.00 crore). The increase in Internal Debt was mainly due to four market loans totalling to ₹ 275 crore, borrowed with interest rate ranging from 8.80 per cent to 8.95 per cent. The increase in Public Account liabilities was mainly due to “8009-State Provident Funds” (₹ 138.50 crore). Under Deposit heads, the liabilities were mainly due to deposits into “Major Head-8449-Other Deposits” which had increased from ₹ 545.84 crore in 2008-09 to ₹ 657.36 crore in 2012-13. As per extant rules, all deposits or balances unclaimed for more than 3 completed years shall be credited to the Government accounts. As such the State Government, may need to look into this matter for appropriate compliance. The fiscal liabilities during the current year exceeded the assessed figure of ₹ 5361.19 crore in the MTFPS by ₹ 1439.76 crore. The incessant rise of Fiscal liabilities is not a good portent for the coming years and indicates the need to responsibly explore avenues to reduce the mounting burden.

1.9.3 Transactions under Reserve fund

The State has four Reserve Funds viz., State Disaster Response Funds, Sinking Funds, Depreciation Reserve Funds of Government Commercial Departments/Undertakings and Guarantee Redemption Funds.

The State Disaster Response Fund has been set up by the State Government in 2010-11, as per the recommendations of the 13th Finance Commission (FC). The corpus of the funds is required to be contributed by the Central and the State Government in the proportion of 90:10. The Government of India had

released ₹ 10.57 crore and the State Government has transferred an amount of ₹ 1.18 crore in 2012-13. The fund had a closing balance of ₹ 22.76 crore as on 31 March 2013.

The Consolidated Sinking Fund for amortization of market borrowings, other loans and debt obligations has been set up (February 2008) by the State Government, as per the recommendation of the 12th Finance Commission (FC). As per guidelines of the fund, the State Government is required to contribute a minimum of 0.5 *per cent* of its outstanding liabilities (internal debt + public accounts) as at the end of the previous year. The State Government transferred an amount of ₹ 30.27 crore in 2012-13. The closing balance of the fund was ₹ 108.63 crore as on 31 March 2013. The corpus of the fund has been reinvested in purchasing of securities.

The State Government has set up (February 2008) a guarantee redemption fund to meet the contingent liabilities arising from such guarantees, as per the recommendation of the 12th FC. The State Government transferred an amount of ₹ 6.07 crore to this fund during 2012-13. The closing balance of the fund at the close of the year was ₹ 16.90 crore, which was reinvested on purchase of securities.

One reserve fund *viz.*, Depreciation Reserve Funds of Government Commercial Department/Undertakings had been inoperative at least during the last three years. An amount of ₹ 23.98 lakh is lying in the account, unutilised for the last three years.

1.9.4 Contingent liabilities

Status of Guarantees

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

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

Table 1.31: Guarantees given by the Government of Manipur

(₹ in crore)

Guarantees		2008-09	2009-10	2010-11	2011-12	2012-13
Maximum amount guaranteed		197.24	197.24	196.04	195.55	193.98
Outstanding at the beginning of the year	Principal	210.95	189.66	110.34 [@]	111.98	78.84
	Interest	NA	83.90	97.10	120.62	96.51
	Total	NA	273.56	207.44	232.60	175.35
Invoked during the year (Discharge)			61.18	16.39	33.14	6.80
Outstanding at the end of the year	Principal	189.66	128.48 [@]	111.98	78.84	72.04
	Interest	83.90	66.27	120.62	96.51	119.32
	Total	273.56	194.75	232.60	175.35	191.36
Number of guarantees		17	17	15	14	13
Percentage of maximum amount guaranteed to Total revenue receipts		5.09	5.09	3.61	3.47	2.84

(Source: Finance Accounts)

NA:-Not available

[@] Discrepancy between Closing balance and Opening balance were due to unreconciled repayment made during 2009-10 and were corrected in 2010-11.

The outstanding guarantee of ₹ 191.36 crore was kept within the limit²³ of the FRBM Act *ibid*. No additional guarantee has been given by the State Government in respect of loans raised by Statutory Corporations, Local bodies and other institutions during 2012-13. An amount of ₹ 6.80 crore has been discharged during the year 2012-13. Despite discharging of an amount of ₹ 6.80 crore there was an increase in the outstanding Guarantees to ₹ 191.36 crore in 2012-13 from ₹ 175.35 crore in the previous year, mainly due to increase in the outstanding interest by ₹ 22.81 crore (₹ 119.32 crore - ₹ 96.51 crore)

1.10 Debt Management

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

1.10.1 Debt Profile

The maturity profile of debt at the end of 2012-13 is shown in the following table:

Table 1.32: Maturity Profile of debt

(₹ in crore)	
Maturity profile (in years)	Position as on 2012-13
0 - 1	82.06
1 - 3	358.33
3 - 5	491.78
5 - 7	723.90
7 - 9	773.04
9 - 11	321.07
11 - 19	539.40
Miscellaneous*	751.50
Total	4041.08

* Year of Maturity not known

(Source: Finance Accounts)

Maturity profile of the existing debt of the State reveals that repayment burden will increase from ₹ 82.06 crore in the (0-1) year slab to ₹ 358.33 crore by the (1-3) years slab. In the next (3-5) years slab, this will increase to ₹ 491.78 crore. There will be higher repayment pressure in the (5-7) years slab (₹ 723.90 crore) and at (7-9) years slab (₹ 773.04 crore). The year wise details of maturity profile at the end of 2012-13 is given in **Appendix 1.6**, along with a chart depicting the trend.

1.10.2 Debt sustainability

Apart from the magnitude of the debt of State Government, it is important to analyze various indicators that determine the debt sustainability²⁴ of the State,

²³ Not to exceed thrice the State's own tax revenue receipts of the second preceding year *i.e.*, ₹ 801.15 crore (267.05 x 3)

²⁴ Refer glossary in Appendix 1.10

sufficiency of non-debt receipts²⁵; net availability of borrowed funds²⁶; *etc.* The following table analyzes the debt sustainability of the State according to these indicators during 2008-13.

Table 1.33: Debt sustainability, Indicators and Trends

(₹ in crore)

Indicators of debt sustainability	2008-09	2009-10	2010-11	2011-12	2012-13
Debt stabilization (Quantum spread ²⁷ + Primary deficit)	193.87	(-) 148.33	25.93	(-) 152.29	820.96
Sufficiency of non-debt receipts (Resource gap)	(-) 319.03	(-) 515.77	(+)164.26	(-)478.23	1045.93
Net availability of borrowed funds	31.73	335.70	240.12	(-)137.51	(-)151.56
Burden of interest payments (IP/RR* Ratio percentage)	8.11	8.33	6.72	7.03	6.35

* IP – Interest Payment and RR – Revenue Receipts
(Source: Finance Accounts)

The table reveals that the quantum spread alongwith primary deficit reversed from a negative figure in 2011-12 to a positive figure during 2012-13. Further the sufficiency of non-debt receipts to cover incremental expenditure also reversed from negative to positive figure. However, it is seen that the net availability of borrowed funds is negative. It is also seen that despite the increase in the amount of interest payment in 2012-13 over the previous year, the burden of interest payment reduced from 7.03 *per cent* in 2011-12 to 6.35 *per cent* in 2012-13, mainly due to increase in Revenue receipts. The effect of the positive indicators would be fleeting, as it is arising mainly from a favourable revenue receipts contributed mainly by a surge in Grants-in-aid from the GoI in 2012-13.

1.10.3 Debt consolidation and relief facility

The States' enactment/amendment of the FRBM Act, incorporating the targets prescribed in the 13th FC was a pre-condition for release of all State-specific grant and debt relief measures. The State Government enacted the Manipur FRBM Act in August 2005 to ensure prudence in fiscal management and fiscal stability by achieving sufficient revenue surplus, reduction in fiscal deficit, prudent debt management consistent with fiscal sustainability, and greater transparency in fiscal operations of the Government. As per Manipur FRBM Rules 2005 (enacted in December 2005) and subsequent amendments framed under the FRBM Act of August 2005, the various fiscal targets in respect of revenue surplus and fiscal deficit were set. The targets prescribed under the Act and the Rules are given in **Appendix-1.1 Part E**.

²⁵ Refer glossary in Appendix 1.10

²⁶ Refer glossary in Appendix 1.10

²⁷ Refer glossary in Appendix 1.10

1.10.4 Off-budget borrowings

The State Government has not reported (December 2013) any off-budget borrowings during 2012-13.

1.11 Review on Market Borrowings

1.11.1 Introduction

Fiscal deficit represents the borrowing requirement of the government during the year. The borrowings are accounted for under the consolidated fund (E-Public Debt.) The major divisions are Internal Debt of the State Government and Loans and Advances from the Central Government. The Internal Debt is further divided into market loans and negotiated loans. Market Borrowings pertain to the head of accounts under 6003- Internal Debt of the State Government – 101 Market Loans.

Market Borrowings are controlled by the Central Government and managed by the Reserve Bank of India (RBI). States may not, without the consent of the Central Government, raise any loan if they are indebted to the Central Government (Article 293). The RBI manages the domestic borrowings of the States through separate agreements with each of them. The State Government issue dated securities, termed State Development Loans (SDLs), of varying tenures.

1.11.2 Scope of Audit

The Performance Audit on Market Borrowings of the State Government for the period 2008-13 was conducted during May-June 2013. Market Borrowings of the State under Public Debt during 2008-13 was covered in the review.

1.11.3 Audit Objectives

The objectives of the Performance Audit were to assess whether:-

- the Market Borrowings and debt were sustainable, and a proper accounting system and re-payment profile existed;
- borrowings were limited as per ceiling set by Finance Commissions, there is a proper system of assessment of borrowing requirements, borrowings were made with clear objectives, and planning and flow of borrowings were closely monitored as per policy set;
- the increase in Market Borrowings led to an increase in capital expansion, and Government resources were purposefully utilised and re-paid in time by loanees to reduce pressure on borrowings; and

1.11.4 Audit Criteria

The audit criteria for benchmarking audit findings were derived from:

- Recommendations of the 12th Finance Commission (FC) and the 13th FC;
- The Manipur Fiscal Responsibility and Budget Management (FRBM) Act and Rules framed thereunder;
- Medium Term Fiscal Policy Statements (MTFPS) of the State Government; and
- Budget documents of the State Government.

1.11.5 Audit Methodology

Audit methodology included holding an entry conference (May 2013) with the State Finance Department, checking of related documents of Market Borrowings and other borrowings under Public debt as available in the Finance Accounts and State Finance Department, issuing audit queries and observations to elicit replies of the Department and analysis of data and documentary evidence on the basis of audit criteria. An exit conference was held with the concerned officials on November 2013. The replies of the Department have been incorporated at the appropriate places.

Audit Findings

The significant audit findings are discussed in succeeding paras, as per the set of audit objectives.

Whether the Market Borrowings and debt were sustainable, and a proper accounting system and re-payment profile existed?

11.6 Overall Position

The overall position of debt, its sustainability, maturity profile and interest rate are as follows:-

1.11.6.1 Debt Sustainability of market loans

The Debt Sustainability is defined as the ability of the State to maintain a constant Debt-GSDP ratio over a period of time and the ability to service its debt seamlessly. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with financial capability to service the debt. The following table indicates various debt sustainability indicators of the State during the year 2008-13:

Table 1.34: Debt Sustainability indicators

Description	2008-09	2009-10	2010-11	2011-12	(₹ in crore) 2012-13
Total liabilities	4874.33	5552.92	6192.26	6483.16	6800.94
Total Public Debt	3153.02	3556.16	3739.54	3872.64	4041.08
Total Market loans	1452.45	1897.45	2103.65	2180.62	2362.63
Percentage of Market loans to total liabilities	29.80 %	34.17%	33.97%	33.64%	34.74%
Percentage of Market loans to total public debt	46.06 %	53.36%	56.25%	56.31%	58.47%
Weighted average interest rate on market loans	7.17	6.13	7.30	7.83	7.98
Interest paid on market loans	95.23	102.71	145.99	167.79	181.34
Rate of growth of interest paid on market loans over previous year	4.24%	7.85%	42.14%	14.93%	8.08%
GSDP	7399	8254	9108(P)	10410(Q)	11713(A)
Rate of growth of GSDP	8.82%	11.56%	10.35%	14.30%	12.52%
Weighted average interest rate [@]	6.68	6.19	6.21	6.27	6.52
GSDP growth rate & interest rate ratio	1.32	1.87	1.67	2.28	1.92
Gross interest payments	313.83	322.57	364.78	397.44	433.01
Revenue Receipts	3872.62	3873.14	5429.94	5653.55	6819.76
Gross interest payments to revenue receipts ratio	0.08	0.08	0.07	0.07	0.06
Primary surplus/deficit	96.95	-410.08	-203.96	-649.53	431.97
Revenue surplus/deficit	1250.34	854.74	1351.93	646.63	1503.23
Fiscal deficit	-216.88	-732.65	-568.74	-1046.97	-1.04
Percentage of total liabilities to GSDP	65.88%	67.28%	67.99%	62.28%	58.06%
Outstanding guarantees	273.56	194.75	232.60	175.35	191.36

(Source: Finance Accounts (2008-13))

GSDP: Gross State Domestic Product

@ Weighted average Interest rate= {Gross Interest Payment/(Total Liabilities of the current year + Total Liabilities of the previous year) ÷ 2} x 100

It could be seen from the above table that:

- The total liabilities increased by ₹ 1926.61 crore from ₹ 4874.33 crore in 2008-09 to ₹ 6800.94 crore in 2012-13. During the same period the market loans increased by ₹ 910.18 crore. Thus, around 47 *per cent* of the total increment in the total liabilities during the period 2008-09 to 2012-13 was contributed by market loans. Further, market loans constituted more than 50 *per cent* of the total public debt in each financial year during 2009-13.
- Similarly, market loans constituted about 102 *per cent* of the total increment in the total public debt (₹ 888.06 crore) during the period 2008-09 to 2012-13. This increase in resorting to Market Borrowings is a result of significant reduction of loans and advances from the Central Government from the year 2007-08, as State Governments were expected to manage their own debt instead of relying on the Central Government. Further, no loans and advances was raised from the Central Government from 2010-11 onwards.

- The interest payment on market loans also increased from ₹ 95.23 crore in 2008-09 to ₹ 181.34 crore in 2012-13, as a result of increasing trend of Market Borrowings.

The year-wise detail of Market Borrowings during the period 2008-13 is given in the following table:

Table 1.35: Year-wise details of Market Borrowings

(₹ in crore)					
Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Opening balance of market loans as on 1 April	1203.66	1452.45	1897.45	2103.65	2180.62
Borrowing during the year	303.30	502.78	258.14	150.00	275.00
Repayment during the year	54.51	57.78	51.94	73.03	92.99
Closing balance	1452.45	1897.45	2103.65	2180.62	2362.63
Increase/decrease of market loans as on 31 March	248.79	445.00	206.20	76.97	182.01

(Source: Finance Accounts)

The closing balance of market loans during 2008-13 exhibited an increasing trend. The closing balance increased from ₹ 1452.45 crore in 2008-09 to ₹ 2362.63 crore in 2012-13.

1.11.6.2 Maturity Profile of Market Borrowings

The details of maturity of market loans raised during the period 2008-09 to 2012-13 can be seen from the following table:

Table 1.36: Profile of Market Loans

(₹ in crore)						
Details of maturity	Amount of loan raised					
	2008-09	2009-10	2010-11	2011-12	2012-13	Total
Less than 7 years	0.00	0.00	0.00	0.00	0.00	0.00
More than 7 years	303.30	502.78	258.14	150.00	275.00	1489.22
Total amount of loan raised during the year	303.30	502.78	258.14	150.00	275.00	-
Total outstanding as on 31 March	1452.45	1897.45	2103.65	2180.62	2362.63	
Percentage of loan raised during the year to total outstanding loan of that year	20.88	26.50	12.27	6.88	11.64	

(Source: Finance Accounts)

During the period of audit (2008-13), the State Government raised Market Loans through State Development Loans. The instruments were sold through the Reserve Bank of India by auction.

As may be seen from the table above, the tenure of the loans raised during the period 2008-13 was more than 7 years. No borrowings were made for less than 7 years during this period. During the period 2008-13, there was an addition of

₹ 1489.22 crore, and the outstanding Market Borrowings almost doubled from ₹ 1452.45 crore to ₹ 2362.63 crore.

1.11.6.3 Weighted Average Maturity of Market Loan

The Weighted Average Maturity (WAM)²⁸ of loans is the average number of years until the loans are paid off. A high WAM means that the loans will not mature for a long time and the State Government will continue to pay interest and principal, as applicable. Conversely, a low WAM means that the loans will mature in a short time. The position of WAM of market loans of the State during 2008-13 is shown in the following table:

Table 1.37: Weighted Average Maturity of market loans

(in years)

Year	Maturity of Market Borrowing	
	Raised during the year	WAM of Outstanding market loans ²⁹
2008-09	10	6.87
2009-10	10	7.09
2010-11	10	6.60
2011-12	10	6.08
2012-13	10	5.66

(Source: Finance Accounts)

As may be seen from the above table, the WAM of the outstanding market loans for the period 2008-13 are in the range of 5.66 years to 7.09 years. Thus, the State Government does not have any repayment pressure in the short term. However, the State Government may face rollover risks³⁰ beyond 6 years. The State Government, during the five years (2008-09 to 2012-13) has undertaken only long term Market Loans thereby reducing repayment burden in the short and medium term, but which creates a burden for the future. As such, a strategic planning and management of market borrowings would be required so that the future years do not suffer on account of the policies of the present.

An illustration of calculating Weighted Average Maturity of Market loans relating to the year 2008-09 is given at **Appendix 1.7**.

²⁸ Each outstanding loan is assigned a weight by dividing by the total outstanding loans during a particular year. Each weight is multiplied by the remaining number of years the loan is to mature. WAM is arrived by summation of these products.

²⁹ Illustrative calculation in respect of the year 2008-09 is shown in Appendix 1.7.

³⁰ Rollover risk is faced whenever the debt is about to mature and needs to be rolled over into a new debt.

1.11.6.4 Maturity Profile of Market Loans

The maturity trends of Market Loans are indicated in the following table:

Table 1.38: Maturity Trend of Market Loans

(₹ in crore)

Maturity year	Maturity amount	Outstanding market loans as on 31-3-2013	Maturity amount as a percentage of outstanding market loans as on 31-3-2013
2013-14	46.12	2362.59*	1.95
2014-15	78.06		3.31
2015-16	188.00		7.96
2016-17	213.90		9.05
2017-18	185.73		7.86
2018-19	361.56		15.30
2019-20	292.08		12.36
2020-21	314.00		13.29
2021-22	408.14		17.28
2022-23	275.00		11.64

(Source: Finance Accounts)

*excluding ₹ 0.04 crore for which details of maturity year not available

As can be seen from the table above, the repayment obligation of the Market Borrowings of the State Government is at ₹ 78.06 crore till the year 2014-15. However, from 2015-16 onwards the repayment obligation increases significantly to ₹ 188 crore and above. From 2018-19, the repayment obligation increases further. The quantum of loan maturing as a percentage of outstanding market loans (as on 31 March 2013) is low till 2014-15, at below 5 *per cent* of outstanding market loan. Thereafter, there is marginal increase till 2017-18. After 2018-19, the maturing amount as a percentage of outstanding loans (as on 31 March 2013) rises beyond 10 *per cent*. As can be observed from the trends of the finances of the State under Para 1.2.1, it is heavily reliant on the State's share of Union taxes and duties and Grants-in-aid during 2008-13. The contribution of its own tax and non-tax revenue is low. Thus, there is a likelihood that borrowings will continue to be made by the State Government to service the past debt as is presently being done. The redemption pressures on account of the market loans is likely to put a strain on the finances of the State in the coming years.

1.11.6.5 Interest rate Profile

The interest rate profile of Market Borrowings is shown in the following table:

Table 1.39: Interest Rate profile of Market Borrowings

(₹ in crore)

Rate of interest (%)	Market Loan raised during the year					
	2008-09	2009-10	2010-11	2011-12	2012-13	Total
7-7.99	303.30	-	-	-	-	303.30
8-8.99	-	502.78	258.14	100.00	275.00	1135.92
9-9.99	-	-	-	50.00	-	50.00
Total amount	303.30	502.78	258.14	150.00	275.00	1489.22
Total interest paid on market loan	95.23	102.71	145.99	167.79	181.34	
Outstanding loan	1452.45	1897.45	2103.65	2180.62	2362.63	
Loan Repaid during the year	54.51	57.78	51.94	73.03	92.99	
Weighted average interest rate on market loans	7.17	6.13	7.30	7.83	7.98	

(Source: Finance Accounts and Departmental Records.)

As per Finance Accounts, earlier loans raised in the 1990s with maturities up to 2009-10 were of low principal but with high rate of interest ranging from 11.50 to 13.75 *per cent*. The recent loans raised during 2008-13 were for larger principal but at comparatively lower rate of interest of 7 to 9.04 *per cent*. As such, the interest rates had migrated from higher rate to lower rate of interest. Despite this, the interest paid on Market Borrowings during 2008-09 to 2012-13 depicted an increasing trend due to continual increase of outstanding loans.

1.11.6.6 Interest payment as a percentage of Revenue Receipt

The following table shows interest payments as a percentage of revenue receipts:

Table 1.40: Interest Payments as a percentage of Revenue Receipts

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Interest payment	313.83	322.57	364.78	397.44	433.01
Revenue receipts	3872.62	3873.14	5429.94	5653.55	6819.76
Interest payment as percentage of Revenue receipts	8.10	8.33	6.72	7.03	6.35
12 th /13 th FC assessment of Interest payment	399.36	429.31	350.29	373.90	400.16

(Source:- Finance Accounts, 12th and 13th Finance Commission Reports)

The above table shows that Interest payment for the year 2008-10 was less than the projection made by the Twelfth Finance Commission. However, in the subsequent years 2010-13 the Interest payment was more than the projection made by the Thirteenth Finance Commission.

Whether borrowings were limited as per ceiling set by Finance Commissions, there is a proper system of assessment of borrowing requirements, borrowings were made with clear objectives and planning and flow of borrowings were closely monitored as per policy set?

1.11.7 Basis of Borrowing

1.11.7.1 Differences in the Planning Commission's Approved plan and the Budget estimate

The Budget estimates of loans to be raised through Market Borrowings should be as per the approved plan for that particular financial year. The details of borrowings made and its estimates in the Planning Commission's Approved plan and the Budget estimates of the State Government are shown in **Appendix 1.8**. As can be seen from the Appendix, the Budget estimate of 2011-12 is more than the Gross Market Borrowing as mentioned in the Approved plan. Had the borrowing in the Budget estimate of 2011-12 been actually raised, it would have crossed the ceiling limit of total borrowing of Approved plan. Thus, Budget estimates were not prepared keeping in conformity to the ceiling limits of total borrowings. The Finance Department replied (July 2013) that the Budget estimate is prepared, based on the Approved Scheme of Financing and if there is increased allocation of Market Loans than that of the Approved Scheme of Financing, the overall borrowing will be kept within the ceiling limit. The reply of the Department is not acceptable because the amount estimated in budget should not exceed the figures given in the approved plan of that particular financial year. The budgetary preparation should be made within the set parameter to avoid possibilities of aberrations.

1.11.7.2 Shortfall in Borrowing of Market Loans

Determining the borrowing needs is a critical function that requires a significant amount of information, coordination and planning. Borrowing more than the actual requirement could put pressure on the fiscal position, while under borrowing could lead to shortage of capital and create an obstacle in implementing developmental plan. The following table shows the difference in actual Market Borrowings and Approved plan of the State:

Table 1.41: Shortfall in raising of targeted market loan

(₹ in crore)

Year	Approved Plan			Actual MB raised
	Net Market Borrowings (MB)	Market Borrowings for repayment of earlier MB	Gross Market Borrowings	
(1)	(2)	(3)	(4) (2 +3)	(5)
2008-09	271.15	39.05	310.05	303.30
2009-10	332.51	41.82	503.35 ³¹	502.00
2010-11	343.82	36.23	380.05	258.14
2011-12	297.62	32.13	329.75	150.00
2012-13	366.08	84.47	450.55	275.00

(Source: Department Records)

³¹ Including loans through ₹ 68.52 crore (Market Loan in lieu of Normal Central Assistance) and ₹ 60.50 crore (Market Loan in lieu of Special Plan Assistance)

Thus, it can be seen that there were marginal shortfall in borrowing in the years 2008-10. The shortfalls of actual Market Borrowings raised *vis-a-vis* that of Approved Plan was significantly high during 2010-13. This could contribute to creating impediment in implementing various development programmes of the Government. During these years, the actual Market Borrowings raised was less than even the projected net Market Borrowings requirement. Further, the Government of India gave approval to raise ₹ 140 crore in March 2012, which the State failed to raise. The Department replied (July 2013) that the State is totally dependent on the consent given by the Ministry of Finance. However, the State could have appropriately moved the Central Government for raising the amount upto the Approved limit of borrowing, if this was required. Thus, the State Government's borrowing was not made in a planned manner but depended on other factors.

1.11.7.3 Objectives of the Market Loans raised

As per the State Fiscal Responsibility and Budget Management (FRBM) Act, the Mid Term Fiscal Policy Statement (MTFPS)³² shall include an assessment regarding use of borrowing for generating productive assets. However, the objective of the loans raised during the period 2007-12 seems to be for purposes other than creating productive assets. The details of objective of market loans raised are given in **Appendix 1.9**.

Audit observed that the State Government participated in the Market Borrowings programmes 13 times during the period 2008-13. In three cases, borrowing programmes had the objective *"The loan will be utilized towards financing of the Securities and the features and methods of issue of different types of Securities pertaining to the particular Security issued during the year"*. The meaning of this objective seems to be ambiguous. The Department replied (July 2013) that the ambiguity in the wording will be corrected as a portion was used for repayment and the remaining balance was utilised for financing development works.

In one case, borrowing was made with the objective of financing various development programmes. In another three cases, the objective of the borrowing could not be discerned from the files and records made available to Audit. In six cases, borrowing was made with the objective *"The loan is for financing the State's annual plan and that the borrowing will be utilized exclusively for repayment of existing debt"*. Thus, apparently it was utilised exclusively for serving of past debts. In such a scenario, the possibility of getting trapped in a vicious circle of debt cannot be ruled out.

In the MTFPS, it was stated (July, 2010) that *"Market Borrowings and negotiated loan availed so far has been utilized almost entirely for funding capital expenditure"*. However, the market loan raised during the period 2008-13 were utilised mainly for purposes other than funding capital expenditure. Thus, there is a discrepancy between the purpose stated in the MTFPS placed in the Legislative Assembly of the State and actual practices being followed

³² A document placed to the State Legislature during every budget session.

by the Finance Department in utilisation of Market Borrowings. The Department replied (July 2013) that it is not possible to link the fund borrowed under Open Market Borrowings with any Capital Project. The reply is not acceptable as borrowing made for specific asset creation can be easily linked with expenditure made from the Consolidated Fund of the State. The reply is also evasive as the audit observation is about the difference between the objectives stated in MTFPS and what was stated during the borrowings.

1.11.7.4 Planning and Monitoring

The Reserve Bank of India (RBI) intimates the State Government of the need to furnish the quarterly “Advance Indicative Calendar of Market Borrowings Programme”. Such Calendar was to be submitted to the RBI before the particular quarter.

Further, the RBI stated (September 2010) that bunching of borrowing towards the end of the financial year may considerably increase borrowing costs. However, it was observed that during the period 2008-11, the State Government did not participate in the Market Borrowings Programme in the first and second quarters of the financial year. The State Government usually participated in the programme in the third and fourth quarters of the financial year. Thus, in contravention of the instruction of the RBI, the State Government had been indulging in bunching of borrowing towards the end of these financial years. The Finance Department stated (June 2013) that the State has been regularly sending quarterly borrowings requirement to RBI for the last two years. However, the State had been bunching the borrowings in the second quarter and the third quarter of the financial year during 2008-09 to 2010-11. The lack of initiative and anticipation of the Department was thus evident during 2011-12.

The Department intimated (June 2011) the RBI that it would not participate in the Market Borrowings Programme during the second quarter of 2011-12. The Department later retracted and sought (25 August 2011) participation in the Programme of third tranche of second quarter (September 2011) for raising a loan amount of ₹ 150 crore. Finally, the GoI consented (30 August 2011) for raising of ₹ 100 crore only, ₹ 50 crore less than what was envisaged. Lack of planning and anticipation was evident as the Department first made a volte face about participation in the Programme and later on made a late intimation to RBI/GoI. The Department stated (June 2013) that borrowings are made as per cash position of the State. The reply is not acceptable as in the year 2011-12 the State Government experienced a negative closing cash balance of ₹ 372 crore unlike previous years. The worsening cash position was also evident from the fact that ways and means advance was taken for ₹ 90 crore (during 2011-12) for the first time in the last seven years.

The RBI had instructed the State Government to submit the tentative amount and timing of Market Borrowings on or before 20 December 2011 for the fourth quarter (January to March 2012) of 2011-12. However, the State Government intimated the RBI on 12 January 2012 the tentative date of participation in the Market Borrowings Programme for an amount of ₹ 179.75 crore. The RBI informed that no amount was raised due to lack of consent of

the Government of India as it was given on 26 March 2012 (for ₹ 100 crore) and 27 March 2012 (for ₹ 40 crore) for the auction to be held on 29 March 2012.

Due to paucity of time, the auction of 29 March 2012 to raise an amount of ₹ 140 crore (₹ 100 crore + ₹ 40 crore) failed as no dealer could participate. The failure was attributable to the State Government as it made a late submission to the RBI. Such a failure makes it imperative that the State Government should try to participate in Market Borrowings programmes in earlier quarters, which was mostly not done during review period. The Department also stated (July 2013) that it does not have any policy on Market Borrowings.

Whether the increase in Market Borrowings led to an increase in capital expansion, and Government resources were purposefully utilised and repaid in time by loanees to reduce pressure on borrowings?

1.11.8 Application of Market Borrowings

Funds from Market Borrowings should be ideally channelized for asset creation so that productivity of the State increases and generates faster rate of growth of economy. The MTFPS also emphasises on expending funds from Market Borrowings for capital asset creation. However, during audit no instance of utilisation of Market Borrowings for capital asset creation was seen.

There was one instance where such fund was proposed (March 2011) for utilization for paying salary to police personnel and teachers of Autonomous District Councils. However, the loan of ₹ 77 crore had been raised with the objective of “*financing the State’s annual plan and repayment of existing debt*”. As such, the expenditure on payment of salary was in contravention of its stated objective. Such practices show the extent to which borrowings are being utilised for non-plan expenditure. If the trend continues, the purpose of Market loan for utilisation of creation of assets/productive purpose may remain unfruitful. This is pertinent as the Department does not have any policy on Market Borrowings.

1.11.9 Conclusion

During 2008-13, the Market Borrowings increased by ₹ 910.18 crore from ₹ 1452.45 crore (2008-09) to ₹ 2362.63 crore (2012-13); and constituted more than 50 *per cent* of the Public debt during this period. After 2018-19, the quantum of maturing market loans as a percentage of outstanding loans (as on 31 March 2013) would rise beyond 10 *per cent*. Given the fact that borrowings will continue to be made by the State Government to service their past debt as is presently being done, the redemption pressure with effect from 2018-19 will undoubtedly exert pressure on the finances of the State. The loans raised during 2008-13 were for larger principal but at comparatively lower rate of interest of 7 to 9.04 *per cent* as compared to those loans made during 1990s. Though the interest rates had migrated from higher rate to lower rate, the

average interest rate remained within a close range of 6.13 per cent to 7.98 per cent, as the loans raised had increased.

1.11.10 Recommendations

The State Government should ensure that:-

- *Open Market Borrowings are made strictly after ascertaining actual requirement of funds and the State needs to adhere to the objectives for seeking such borrowing;*
- *The repayment of debt and its maturity profile needs utmost attention, as there are possibility of roll-over risks of debt which can push the State's economy into a vicious cycle of debt trap in the coming years;*
- *Planning for Market Borrowings needs to be driven on need-based basis and a policy needs to be framed. The budgetary estimate should commensurate with borrowing requirements; and*
- *A strategic thinking and planning needs to be set in motion as to how to gradually find ways out to steer away from the present path of borrowing to service past debt.*

1.12 Fiscal imbalances

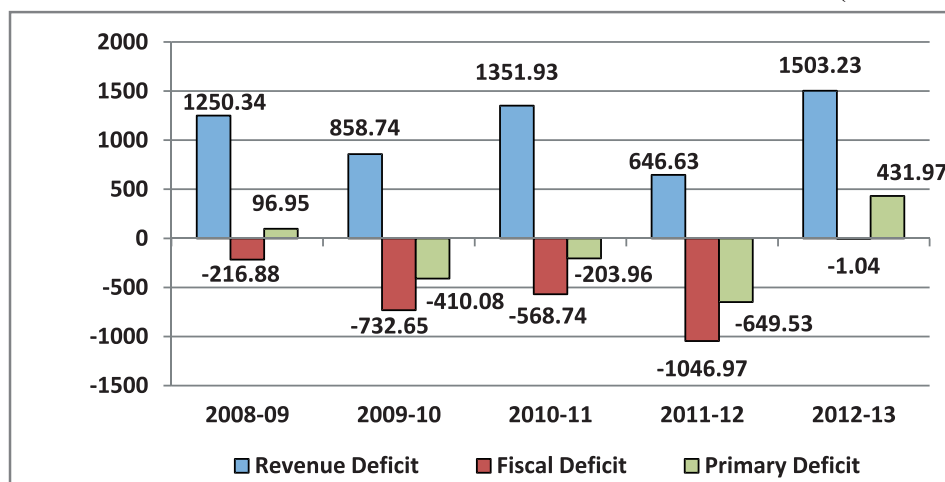
Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit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

1.12.1 Trends in Deficits

The following chart presents the trends in deficit indicators during 2008-13:

Chart 1.12: Trends of deficit/surplus indicators

(₹ in crore)



The Fiscal deficit reduced significantly in 2012-13 over the previous year mainly due to the increase in Revenue surplus by ₹ 856.60 crore (132 *per cent*) over the previous year. The Fiscal deficit in 2012-13 was the lowest during the last five years. The Primary deficit experienced during 2008-12 has been turned into Primary surplus of ₹ 431.97 crore in 2012-13. Thus, substantial checks appear to have been exercised in managing debt in 2012-13.

The apparent success in bringing down of the deficits was achieved mainly by substantial increase of ₹ 1117.40 crore of Grants-in-aid from GoI in 2012-13 over the previous year, despite decrease of ₹ 114.99 crore in collection of Own State Tax and Own State Non-tax revenues. In the last five years (2008-13) Grants-in-aid has exhibited cycles of increase and decrease in alternate years as reflected by the figures in the Table 1.42. If this trend continues in the next year (2013-14), Grants-in-aid from the GoI could either remain stagnant or increase marginally.

The reduction in Fiscal deficits was also managed by reducing expenditure or maintaining expenditure in some key areas. Thus, Plan Revenue expenditure decreased by ₹ 14.89 crore to ₹ 1066.20 crore in 2012-13 from ₹ 1081.09 crore in 2011-12. The reduction in expenditure was more significant under Capital expenditure head which decreased by ₹ 193.85 crore to ₹ 1501.56 crore in 2012-13 from ₹ 1695.41 crore in 2011-12. Plan Revenue expenditure under Social Services was also curtailed to ₹ 558.11 crore in 2012-13 from ₹ 583.11 crore in 2011-12.

Thus, while the State Government may have temporarily controlled Fiscal deficit, it was achieved more with the help of Grants-in-aid from GoI and at the expense of expenditure meant for asset creation and reduction of liabilities. Given the backdrop that – (i) more devolution from GoI cannot be guaranteed; (ii) the State Government may not be able to prolong suppression of expenditure for too long; (iii) growth of Own Revenue collection is not impressive, and (iv) a poor cash position continues to constrain the State Government; it may be imperative to explore more tenable ways to manage the deficits. Thus, the State Government may need to take up steps to collect more Revenues, recover Loans, earn more Interest on investments *etc.* as pointed out earlier in this chapter.

1.12.2 Composition of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit is shown in the following table:-

Table 1.42: Components of fiscal deficit and its financing pattern

(₹ in crore)

Sl. No.	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
	Grants-in-aid from GoI	2868.28	2839.79	3912.44	3819.92	4937.32
	Decomposition of fiscal deficit	(-)216.88	(-) 732.65	(-)568.74	(-)1046.97	(-)1.04
1	Revenue surplus	1250.34	858.74	1351.93	646.63	1503.23
2	Net capital expenditure	(-) 1466.80	(-) 1587.78	(-)1918.06	(-)1695.41	(-)1501.56
3	Net Loans and Advances	(-) 0.42	(-) 3.61	(-)2.61	1.81	(-)2.71
	Financing pattern of fiscal deficit*					
1	Market Loans	248.79	445	206.20	76.97	182.01
2	Loans from the GoI	(-)239.96	(-) 41.97	(-) 45.27	(-)64.93	(-)44.01
3	Special Securities Issued to NSSF**	199.46	(-) 2.67	(-) 5.91	(-)12.85	(-)16.19
4	Loans from Financial Institutions	(-)4.08	2.77	28.36	43.96	38.66
5	Ways and Means Advance from the RBI	-	-	-	89.95	7.97
6	Small Savings, PF** etc.	52.32	24.94	41.31	233.69	138.01
7	Deposits and Advances	83.72	226	386.78	(-)114.24	(-)36.74
8	Suspense and Miscellaneous	(-)4.78	(-) 34.34	(-) 0.28	6.23	1.77
9	Remittances	(-)48.16	(-) 160.23	(-) 81.22	21.57	(-)2.09
10	Reserve Fund	5.40	24.52	27.87	38.35	48.08
	Increase/decrease in cash balance	(-)75.83	248.65	10.92	728.28	(-)316.43

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

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

(Source: Finance Accounts)

The fiscal deficit reduced significantly from ₹ 1046.97 crore in 2011-12 to ₹ 1.04 crore in 2012-13 mainly due to increase in Revenue surplus and by a reduction in Capital expenditure. During 2008-13 to finance the gap, the State Government also continually relied on market borrowing and Loans from Financial Institutions. The State Government also relied on funds from Small Savings, Provident funds etc. to bridge the gap.

1.12.3 Quality of Deficit/Surplus

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

Table 1.43: Primary deficit/surplus – Bifurcation of factors

(₹ in crore)

Year	Non-debt receipts	Primary revenue expenditure *	Capital expenditure	Loans and Advances	Primary expenditure	Primary revenue surplus	Primary deficit (-)/surplus (+)
(1)	(2)	(3)	(4)	(5)	6 (3+4+5)	7 (2-3)	8 (2-6)
2008-09	3,873.28	2,308.45	1,466.80	1.08	3,776.33	1,564.83	(+) 96.95
2009-10	3,876.42	2,692.83	1,587.78	6.89	4,286.50	1,184.59	(-) 410.08
2010-11	5,431.13	3,713.23	1,918.06	3.80	5,635.09	1,717.90	(-) 203.96
2011-12	5655.44	4609.48	1695.41	0.08	6304.97	1044.07	(-)649.53
2012-13	6820.35	4883.52	1501.56	3.30	6388.38	1936.83	(+)431.97

(Source: Finance Accounts)

* Net of Revenue expenditure and Interest payment

The non-debt receipts of the State during 2008-13 were sufficient to meet the primary revenue expenditure³³ and in two years viz., 2008-09 and 2012-13 it was more than the primary expenditure, resulting in primary surplus in these two years. In the remaining three years (2009-12) where primary deficit had occurred, the primary surplus was not adequate to cover the capital expenditure and Loans and Advances. The non-debt receipt of the State increased by 77 *per cent* from ₹ 3873.28 crore in 2008-09 to ₹ 6820.35 crore in 2012-13. The primary expenditure, however, increased by 69 *per cent* from ₹ 3776.33 crore in 2008-09 to ₹ 6388.38 crore in 2012-13. Capital expenditure grew by 2 *per cent* from ₹ 1466.80 crore to ₹ 1501.56 crore in 2008-13.

1.13 Follow up of Public Accounts Committee meeting

The Public Accounts Committee examined the State Finance Report 2011-12 on 14 December 2013. Based on the examination, the State Government assured the Committee of taking up austerity measures on all fronts, extending potential areas for increasing the tax base and making efforts for mopping up more revenue by the State Government and also for taking concerted steps to contain Non-Plan Revenue Expenditure (NPRE). The commitments included the following:

- Expeditious actions in respect of New Pension Contributory Scheme would be taken to ensure regular monthly deposits of contributions of the employee and Government contribution to the Fund Managers, and to reconcile the outstanding contribution;

³³ Primary revenue expenditure is revenue expenditure minus interest payment.

- Information in respect of deposits lying under “MH-8449-Other Deposits” and other similar heads would be furnished in a transparent format;
- Expenditure under NPRES will be examined so as to control the financial pressure, including taking up austerity measures;
- Suitable measures will be firmed up for controlling Fiscal Liabilities and Fiscal Deficit, including broadening of Tax bases, and exploring new avenues for increasing Tax collection;
- Infirmities in the State Government’s Budget, as pointed out regularly in the Audit Reports will be corrected/avoided in future budgeting; and
- Effort will be made to regularize Outstanding AC bills and UCs and arrest arrears.

1.14 Conclusion and Recommendations

Revenue receipts

Substantial increase of Grants-in-aid from the GoI of ₹ 1117.40 crore in 2012-13 over the previous year was the main cause for increase of Revenue receipts of ₹ 1166.21 crore in 2012-13 over the previous year. In fact, increase in Grants-in-aid from the GoI constituted 96 *per cent* of increase of revenue receipt of the State. During 2012-13, both Own Tax revenue and Own Non-Tax revenue decreased by an aggregated amount of ₹ 114.99 crore. As per the past five year trend, Grants-in-aid from GoI have increased or decreased/stagnated in alternative years. Therefore, were this trend to continue in the next financial year, coupled with the decline in Own Tax revenue and Own Non-Tax revenue, the lesser availability of funds under Revenue Accounts may have serious implications on the debt position of the State. Therefore, it is important that efforts are made to realise more collections from the State’s Own tax revenue and Own Non-tax revenue (paras 1.1.1 and 1.12.1).

Funds transferred directly from GoI to the State Implementing Agencies

The GoI directly transferred ₹ 1349.46 crore to State implementing agencies during 2012-13. Direct transfer of funds from the GoI to the State implementing agencies run the risk of inadequate monitoring of utilization of funds by these agencies, in the absence of uniform accounting policies and effective monitoring system.

There were instances of deficiencies in transfer of funds to the implementing units. The State needs to have in place a suitable mechanism to monitor

utilisation and ensure proper maintenance of records of funds directly received by the Implementing Agencies (para 1.2.2).

Expenditure Status

During 2012-13, the total expenditure increased by ₹ 118.98 crore (2 *per cent*) from the previous year. Increase in total expenditure was restricted mainly due to decline in Capital expenditure, which decreased by ₹ 193.85 crore in 2012-13 from the previous year. Salaries and Wages accounted for about 34 *per cent* of Revenue receipts of the State during 2012-13 and increased by ₹ 135.76 crore (6 *per cent*) over the previous year. Interest payment increased by ₹ 35.57 crore in 2012-13 from the previous year; pension payment increased significantly from ₹ 628.51 crore in 2011-12 to ₹ 760.28 crore in 2012-13. Payment of pension on account of All India Service pensioners was yet to be reimbursed by the Central Government. Arrears of such reimbursement pertaining to previous years need to be reconciled by the State Government. This may also help tide over the poor cash position of the State in the short run (paras 1.6.1 and 1.6.2).

Cash Position

There was a negative cash balance of ₹ 371.80 crore at the beginning of the year. Despite tightly controlled expenditure and more devolution of Grants-in-aid from the GoI, the current financial year ended with negative cash balance of ₹ 55.37 crore. Given the backdrop that Own Tax Revenue and Own Non-Tax Revenue have declined and Grants-in-aid from GoI have been following a cyclic trend of increase and decrease in alternate years, there may be a need for a careful re-look at the cash flow. The State Government may need to examine the returns from PSUs, Rural banks, *etc.* which have given negligible returns, despite investment of ₹ 160.29 crore. The State Government also may need to focus on Loans and Advances which has not given commensurate returns in comparison to the loans advanced. Substantial cash balances amounting to ₹ 49.77 crore was also lying with the departmental officers. Closer monitoring of these matters could also help to manage the cash position (paras 1.8.2 and 1.8.5).

Review on Market borrowing

During 2008-13, the Market borrowing increased by ₹ 910.18 crore from ₹ 1452.45 crore (2008-09) to ₹ 2362.63 crore (2012-13); and constituted more than 50 *per cent* of the Public debt during this period. After 2018-19, the quantum of maturing market loans as a percentage of outstanding loans (as on 31 March 2013) would rise beyond 10 *per cent*. Given the fact that borrowings will continue to be made by the State Government to service their past debt as is presently being done, the redemption pressure in the coming years will undoubtedly exert pressure on the finances of the State. Planning for Market borrowings needs to be driven on need-based basis and a policy needs to be framed. The budgetary estimate should commensurate with borrowing requirements (para 1.11).

Fiscal liabilities and fiscal position

Fiscal liabilities increased by ₹ 317.78 crore from the previous year to ₹ 6800.94 crore in 2012-13. The increase in Fiscal liabilities was mainly due to increase in Internal debt (₹ 212.44 crore) and State Provident funds (₹ 138.50 crore). Of the outstanding fiscal liability of ₹ 6800.94 crore as of March 2013, liabilities with repayment obligations was ₹ 5254.58 crore³⁴ (77 *per cent* of Fiscal liability) comprising of Public debt and Small Saving, Provident funds *etc* (para 1.9.2).

Significant increase of devolution of Grants-in-aid from the GoI and a tightly controlled expenditure has resulted in temporarily managing Fiscal deficit in 2012-13. The State could also achieve Primary Surplus of ₹ 431.97 crore; indicating the expenditure obligation made by the State Government in the current year was within its non-debt receipts (para 1.12.1).

However there would be a need to see that borrowings are channelized for asset creation and the development activities to increase growth and productivity. Otherwise, the accumulated liability may prove to be a strain to the economy of the State. The position needs to be evaluated with due thoughts and actions, as the State is perched on an infirm fiscal situation.

³⁴ Without taking into account the repayment obligations under Deposit heads.

CHAPTER II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

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FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

2.1 Introduction

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

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

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2012-13 against 53 Grants/Appropriations (50 Grants and three Appropriations) is indicated in the following table:

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

(₹ in crore)

	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Saving (-)/ Excess (+)
Voted	I Revenue	5729.98	508.84	6238.82	4881.61	-1357.21
	II Capital	2098.38	60.76	2159.14	1505.29	-653.85
	III Loans and Advances	7.00	-	7.00	3.30	-3.70
	Sub-total Voted	7835.36	569.60	8404.96	6390.20	-2014.76
Charged	IV Revenue	428.65	5.54	434.19	439.63	5.44
	V Capital	-	-	-	-	-
	VI Public Debt-Repayment	175.64	-	175.64	698.49	522.85
	Sub-total Charged	604.29	5.54	609.83	1138.12	528.29
	Appropriation to Contingency Fund	-	-	-	-	-
	Grand Total	8439.65	575.14	9014.79	7528.32	-1486.47

(Source: Appropriation Accounts)

The overall saving of ₹ 1486.47 crore was the net result of saving of ₹ 2027.89 crore in 48 Grants and two Appropriations under Revenue Section and 28 Grants under Capital Section, offset by excess of ₹ 541.42 crore in two Grants under Revenue Section and one Appropriation (Appropriation No. 2 – Interest Payment and Debt Services)¹.

Substantial savings occurred in Planning (Revenue voted) (₹ 634.57 crore), Social Welfare (Revenue voted) (₹ 155.51 crore), Irrigation and Flood Control (Capital voted) (₹ 141.78 crore), Public Health Engineering (Capital voted) (₹ 116.28 crore), and Minor Irrigation (Capital voted) (₹ 89.88 crore).

Excess expenditure occurred mainly in Appropriation No. 2 – Interest Payment and Debt Services, both under Capital Charged (₹ 522.85 crore) and Revenue Charged (₹ 17.07 crore).

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit reveals that in 55 cases, savings exceeded ₹ one crore in each case or by more than 25 *per cent* of total provision. Details are given in **Appendix 2.1**. It can be seen that no expenditure were incurred in case of 3 Grants². There were 14 cases³ where Savings were 50 *per cent* and above of the total provision in each case.

Against the total savings of ₹ 2027.89 crore, savings of ₹ 1730.24 crore (85 *per cent*) occurred in 16 cases relating to 15 Grants, where savings were ₹ 30 crore and above in each case. Details are indicated in the following table:

¹ In case of Appropriation No. 2, excess occurred both under Revenue Head and Capital Head.

² Grant No. 26 under Revenue Charged, Grants No. 3 and 5 under Capital voted.

³ Grants No. 21, 30 & 44 (Revenue Voted), Grants No. 1 & 5 (Revenue Charged), and Grants No. 2, 9, 10, 18, 21, 22, 25, 36 & 45 (Capital Voted)

Table 2.2: List of Grants with savings of ₹ 30 crore and above

(₹ in crore)

Sl. No.	No. and Name of the Grant	Original	Supplementary	Total	Actual Expenditure	Saving
Revenue voted						
1	5 – Finance	720.35	111.90	832.25	801.22	31.03
2	7 – Police	816.84	21.29	838.13	782.88	55.25
3	10 – Education	688.56	114.74	803.30	742.77	60.53
4	14 – Tribal Affairs and Hills Department	392.07	0.00	392.07	343.54	48.53
5	17 – Agriculture	161.13	0.00	161.13	103.89	57.24
6	20 – Community Development , IRDP and NREP ⁴	216.93	0.00	216.93	162.01	54.92
7	21 – Commerce and Industries	128.11	0.00	128.11	62.20	65.91
8	30 – Planning	719.62	0.00	719.62	85.05	634.57
9	44 – Social Welfare Department	139.31	114.85	254.16	98.65	155.51
	Sub-total	3982.92	362.78	4345.70	3182.21	1163.49
Capital voted						
10	8 – Public Works Department	362.01	0.00	362.01	314.90	47.11
11	10 – Education	53.90	4.57	58.47	9.47	49.00
12	12 – Municipal Administration, Housing and Urban Development	145.44	2.57	148.01	89.82	58.19
13	22 – Public Health Engineering	233.86	0.00	233.86	117.58	116.28
14	23 – Power	204.23	0.00	204.23	139.72	64.51
15	36 – Minor Irrigation	102.00	5.75	107.75	17.87	89.88
16	40 – Irrigation and Flood Control Department	631.48	25.66	657.14	515.36	141.78
	Sub-total	1732.92	38.55	1771.47	1204.72	566.75
	Total	5715.84	401.33	6117.17	4386.93	1730.24

(Source: Appropriation Accounts)

It was seen that in 14 cases (excepting Sl. No. 1 and 3) the actual expenditure was less than the original provision in each case. In respect of six cases, the supplementary provisions were unnecessary (Sl. No. 2, 9, 11, 12, 15 and 16). Further, in four cases *viz.* Planning (₹ 634.57 crore) and Social Welfare (₹ 155.51 crore) under Revenue Voted, Public Health Engineering (₹ 116.28 crore) and Irrigation and Flood Control (₹ 141.78 crore) under Capital voted, there was saving of more than ₹ 100 crore in each case.

The Police Department stated (July 2013) that the main reasons for saving were non-receipt of sanction from the Government and from the Ministry of Home Affairs, non-payment of salaries due to non-filling up of vacant posts and non-preparation of arrear of increment of employees of Police Department. The Adult Education Department⁵ stated (August 2013) that the main reasons for saving were non-payment of salary, electricity and water charges.

2.3.2 Persistent savings

In 10 cases, during the last five years there were persistent savings of more than ₹ 50 lakh and above in each case in the following sub-heads of accounts:

⁴ IRDP – Integrated Rural Development Programme; NREP – National Rural Employment Programme.

⁵ Adult Education Department is one of the Departments included under Grant No.10 – Education.

Table 2.3: List of Sub-Heads of Persistent Savings during 2008-13

(₹ in lakh)

Sl. No.	Heads of Accounts	Amount of savings				
		2008-09	2009-10	2010-11	2011-12	2012-13
Revenue-Voted						
1	2014 - Administration of Justice 102 - High Courts 08 - High Court(Charged)	412.35	600.00	562.23	571.88	1,045.76
2	2055 - Police 109 - District Police 16 - Chandel District	84.70	157.61	76.85	255.58	888.64
3	2055 - Police 115 - Modernisation of Police Force 25 - Modernisation of Police Forces	2,293.23	1,337.40	80.51	3,445.23	1,064.00
4	2059 - Public Works 053 - Maintenance and Repairs 09 - Functional Buildings	1,279.44	1,018.31	447.73	648.85	674.58
5	3054 - Roads and Bridges 337 - Road works 19 - Other District Roads	130.85	349.82	517.01	455.34	138.90
6	4552 - Capital Outlay on North Eastern Areas 337 - Road Works 15(H) – North Eastern Council Works	278.16	209.74	2,199.54	1,714.13	1,121.49
7	4702 - Capital Outlay on Minor Irrigation 800 - Other Expenditure 02(H) - Accelerated Irrigation Benefit Programme	962.04	2,232.00	2,200.00	1,338.00	3,750.00
8	4702 - Capital Outlay on Minor Irrigation 800 - Other Expenditure 02(V) - Accelerated Irrigation Benefit Programme	962.04	2,232.00	2,200.00	1,072.00	5,110.34
9	4711 - Capital Outlay on Flood Control Projects 103 - Civil Works 03(V) - Civil Works	249.25	260.00	217.86	516.95	6,053.10
10	5054 - Capital Outlay on Roads and Bridges 337 - Road Works 16 - National Highway No. 39	500.00	500.00	500.00	500.00	500.00

* H-Hill, V-Valley

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

Persistent savings in respect of three cases⁶ were ₹ five crore or more during the period 2008-13. In case of Sl. No. 10, there were consistent savings of the same amount of ₹ five crore during the last five years. This had occurred because the amount was transferred from this sub-head of accounts to another sub-head of accounts within the major head of accounts. As this is routinely recurring over the last five years, it is indicative of a lack of attention and want of exercise of checks during the budgetary planning and finalisation processes.

⁶ (1) Accelerated Irrigation Benefit Programme (Hills) (Sl. No. 7); (2) Accelerated Irrigation Benefit Programme (Valley) (Sl. No.8) and (3) National Highway No. 39 (Sl. No. 10).

2.3.3 Persistent Excess Expenditure

During the period 2008-13, there were seven cases of persistent excess expenditure in the following sub-heads of accounts:

Table 2.4: List of Sub-Heads of Persistent Excesses during 2008-13

(₹ in lakh)

Sl. No.	Heads of Accounts	Amount of excess				
		2008-09	2009-10	2010-11	2011-12	2012-13
1	2071 - Pensions and Other Retirement Benefits 102 - Commuted value of Pension 06 - Commuted Value of Pension	394.82	690.84	117.08	548.57	829.42
2	2071 - Pensions and Other Retirement Benefits 115 - Leave Encashment Benefits 44 - Leave Salaries	0.56	611.31	832.99	1050.37	1936.10
3	2210 - Medical and Public Health 110 - Hospital and Dispensaries 15(V) - Hospitals	238.04	236.57	372.60	373.39	287.51
4	2801 - Power 101 - Purchase of Power 40 - United Common Pool Transmission Tariff Charge for Power Grid Corporation of India Limited	1058.93	272.12	1682.21	1421.33	359.15
5	5054 - Capital Outlay on Roads and Bridges 337 - Road Works 06 - Deduct Amount transferred to Other Major Heads	500.00	500.00	500.00	500.00	500.00
6	5054 - Capital Outlay on Roads and Bridges 800 - Other Expenditure 37(H) - Inter Village Roads	214.07	156.46	801.19	87.07	723.31
7	5054 - Capital Outlay on Roads and Bridges 800 - Other Expenditure 37(V) - Inter Village Roads	214.07	156.46	801.19	1200.41	925.76

H – Hills, V – Valley

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

It may be seen from the above table, under the Major Head (MH)-2071-Pensions and Other Retirement Benefits, 44-Leave Salaries (Sl. No. 2) the amount of excess expenditure continually increased during the period 2008-13 and the amount of excess was ₹ 19.36 crore during 2012-13. The details of the State Government employees have been captured on a computerised database since 2006. With such a computerised database, the number of employees retiring from service should have been known in advance, and the financial impact of retirement benefits could have been better worked out beforehand. Therefore, the excess of expenditure in respect of Commuted Value of Pension (Sl. No. 1) and Leave Salaries (Sl. No. 2), especially in case of Sl. No. 2 where the excess of expenditure continually increased is unacceptable. This implies that the database of employees were either unreliable, or was not used in the budgetary forecast.

In case of excess under the MH-5054-800-37(V), the amount was transferred from another sub-head of accounts within the major head. As this was done routinely, the budgetary provision made was unrealistic.

2.3.4 Expenditure without provision

Expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 73.73 crore was incurred in 34 cases (**Appendix 2.2**) without any provision of funds in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

In one case, Backward Regions Grant Fund (Hill) under Community Development, IRDP and NREP (State Plan)⁷ expenditure without provision of fund exceeded ₹ 20 crore viz, (₹ 21.99 crore).

2.3.5 Drawal of funds to avoid lapse of budget grant

As per provisions of Rule 290 of Central Treasury Rules, no money shall be drawn from the Treasury unless it is required for immediate disbursement. In respect of the cases mentioned in **Appendix 2.3**, ₹ 7291.30 lakh drawn at the fag end of the year during March 2013 were deposited into the head of account “8449-Other Deposits” to avoid lapse of budget grant.

2.3.6 Excess over provisions relating to previous years requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a Grant/Appropriation regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). The excess over provisions of ₹ 213.60 crore relating to the periods 2007-10 had been regularized by the State Legislature. However, excess expenditure amounting to ₹ 151.80 crore for the years 2010-12 was yet to be regularized as detailed in **Appendix 2.4**. The year-wise amount of excess expenditure pending regularization for grants/appropriations is summarized in the following table:

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

(₹ in crore)

Year	No. of Grants	No. of Appropriation	Amount of excess	Status of Regularization (as of November 2013)
2010-11	6	1	62.42	Excess expenditure yet to be discussed by PAC.
2011-12	12	2	89.38	-do-
Total:	18	3	151.80	

(Source: Appropriation Accounts)

⁷ Sl. No. 14 of the Appendix, under Grant No. 20

2.3.7 Excess over provisions during 2012-13 requiring regularization

The following table contains the summary of total excess over authorization in 4 cases⁸ amounting to ₹ 541.42 crore from the Consolidated Fund of the State during 2012-13 and requires regularization under Article 205 of the Constitution.

Table 2.6: Excess over provisions during 2012-13 requiring regularization

(in ₹)

Sl. No.	Number and title of Grant/Appropriation	Total provision	Expenditure	Excess
Revenue Voted				
1	39 – Sericulture	271176000	277919990	6743990
2	40 – Irrigation and Flood Control Department	508611000	516827530	8216530
	Sub total:	779787000	794747520	14960520
Revenue Charged				
3	Appropriation No. 2 - Interest Payment & Debt Services	4159297000	4330081719	170784719
	Sub total:	4159297000	4330081719	170784719
Capital Charged				
4	Appropriation No. 2 – Interest Payment & Debt Services	1756432000	6984902147	5228470147
	Sub total:	1756432000	6984902147	5228470147
	Total:	6695516000	12109731386	5414215386

(Source: Appropriation Accounts)

In the previous year in 2011-12 there was an overdraft of ₹ 493.26 crore. Since the amount was to be re-paid, sufficient budgetary provision should have been provided to meet this contingency. Repayment of overdraft was a foreknown liability. Non-provision of adequate budgetary provision is indicative of the fact that no proper exercise was done in budgetary planning.

2.3.8 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating to ₹ 208.49 crore in 22 cases, during the year proved unnecessary as the expenditure did not come up to the level of original provision.

Out of these, in three cases unnecessary supplementary provisions provided exceeded ₹ 10 crore viz., Police (₹ 21.29 crore) (Sl. No. 4), Social Welfare (₹ 114.85 crore) (Sl. No. 11) under Revenue account and Irrigation and Flood Control (₹ 25.66 crore) (Sl. No. 22) under Capital account. The details are given in the following table:

⁸ Two Grants and one Appropriation.

Table 2.7: Statement showing unnecessary supplementary provision

(₹ in lakh)

Sl. No.	Number and name of Grant/Appropriation	Original provision	Expenditure	Savings out of Original Provision	Supplementary
	Revenue voted				
1	1 - State Legislature	3111.08	3003.28	107.80	326.52
2	3 - Secretariat	5718.03	5088.18	629.85	590.47
3	6 - Transport	569.71	501.82	67.89	60.46
4	7 - Police	81683.95	78288.23	3395.72	2129.33
5	18 - Animal Husbandry and Veterinary	7282.53	5896.19	1386.34	549.81
6	26 - Administration of Justice	1993.99	1627.05	366.94	310.55
7	33 - Home Guards	1066.89	1061.39	5.50	8.66
8	35 - Stationery and Printing	474.42	472.90	1.52	8.66
9	36 - Minor Irrigation	1062.98	1014.70	48.28	97.68
10	38 - Panchayat	5401.43	3683.85	1717.58	239.20
11	44 - Social Welfare Department	13931.12	9864.64	4066.48	11484.84
12	47 - Minorities, Other Backward Classes and Scheduled Castes Department	2447.16	1798.55	648.61	45.52
13	49 - Economics & Statistics	1274.08	1029.36	244.72	15.05
	Revenue charged				
14	Appropriation No.3 - Manipur Public Service Commission	287.68	266.34	21.34	3.30
	Capital voted				
15	10 - Education	5389.82	946.63	4443.19	457.13
16	11 - Medical, Health and Family Welfare Services	9099.00	7842.47	1256.53	781.62
17	12 - Municipal Administration, Housing and Urban Development	14543.72	8981.53	5562.19	257.37
18	14 - Tribal Affairs and Hills Department	850.00	792.67	57.33	184.65
19	18 - Animal Husbandry and Veterinary	340.00	60.00	280.00	57.00
20	25 - Youth Affairs and Sports Department	3785.00	1194.37	2590.63	100.41
21	36 - Minor Irrigation	10200.06	1787.20	8412.86	574.76
22	40 - Irrigation and Flood Control Department	63148.00	51536.09	11611.91	2565.82
	Total	233660.65	186737.44	46923.21	20848.81

(Source: Appropriation Accounts)

In three cases, supplementary provision of ₹ 7.43 crore proved insufficient by more than ₹ 50 lakh in each case, leaving an aggregate uncovered excess expenditure of ₹ 18.57 crore. Details are given in the following table:

Table 2.8: Statement showing major cases of insufficient supplementary provision

(₹ in lakh)

Sl. No.	Number and Title of Grant and Appropriation	Original	Supplementary	Total	Expenditure	Excess
	Revenue Voted					
1	39 - Sericulture	2637.57	74.19	2711.76	2779.2	67.44
2	40 - Irrigation and Flood Control Department	4968.37	117.74	5086.11	5168.27	82.16
	Revenue Charged					
3	Appropriation 2 – Interest Payment and Debt Services	41041.83	551.14	41592.97	43300.82	1707.85
	Total:	48647.77	743.07	49390.84	51248.29	1857.45

(Source: Appropriation Accounts)

In case of Appropriation No. 2 – Interest Payment and Debt Services (Capital Charged), no supplementary provision had been made despite a huge excess of expenditure of ₹ 522.85 crore. In another case of the same Appropriation under Revenue account, the excess of expenditure of ₹ 17.07 crore occurred despite providing supplementary provision. Thus, it indicates deficiency in the budgetary management and lack of financial control.

2.3.9 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved insufficient by ₹ one crore or more in each case and resulted in excess of expenditure of ₹ 23.70 crore in 38 sub-heads (Sl. Nos. 96 to 133 of Appendix 2.5). Injudicious re-appropriation also proved excessive by ₹ one crore or above in 95 sub-heads (Nos. 1 to 95 of Appendix 2.5) resulting in savings of ₹ 514.29 crore. This resulted in overall savings of ₹ 276.99 crore in these 133 sub-heads as detailed in **Appendix 2.5**.

Despite re-appropriation, there were savings of ₹ 30 crore or more in three cases involving two departments *viz.*, Minor Irrigation Department (₹ 37.50 crore under 4702.0.800.2 (Hill) at Sl. No. 64 and ₹ 51.10 crore under 4702.0.800.2 (Valley) at Sl. No. 65), and Social Welfare Department (₹ 72.00 crore under 2236.2.101.48 (Valley) at Sl. No. 69).

On the excess side, there was one case in which excess of expenditure exceeded more than ₹ 50 crore *viz.*, Planning Department (₹ 81.51 crore under 4059.80.800.1 (Valley) at Sl. No. 124).

2.3.10 Substantial surrenders

Substantial surrenders exceeding ₹ 10 crore in each case were made in respect of 6 sub-heads, out of which in three schemes/programmes, the whole provision amounting to ₹ 720.23 crore was surrendered. The details are given in **Appendix 2.6**. Planning Department accounted for majority (two cases) of substantial surrenders. Surrender of 100 *per cent* of fund involving substantial

amount of ₹ 720.23 crore is a matter of concern and indicates that fund provisions had been made without adequate planning and due consideration of requirements.

2.3.11 Surrenders in excess of actual saving

In two cases, the amount surrendered was in excess of actual savings (Revenue Voted) indicating lack of, or inadequate budgetary control in these departments. Against savings of ₹ 7.99 crore, the surrendered amount was ₹ 9.40 crore resulting in excess surrender of ₹ 1.41 crore as shown in the following table:

Table 2.9: Cases of surrender in excess of savings

(₹ in lakh)

Sl. No.	Grant No.	Total provision	Expenditure	Saving	Surrender	Amount surrendered in excess
1	11 – Medical, Health and Family Welfare Services	26823.13	26227.16	595.97	680.35	84.38
2	41 – Art and Culture	2424.43	2221.59	202.84	259.39	56.55
	Total:	29247.56	28448.75	798.81	939.74	140.93

(Source: Appropriation Accounts)

2.3.12 Surrender despite excess of expenditure

In one case, viz. Appropriation No. 2 – Interest Payment and Debt Services (Capital charged), an amount of ₹ 2.94 crore was surrendered despite having excess of expenditure over total provision. The details are given in the following table:

Table 2.10: Statement showing cases of surrender despite excess of expenditure

(₹ in lakh)

Appropriation No.	Total Provision	Expenditure	Excess	Surrender
Appropriation No. 2 –Interest Payment and Debt Services (Capital Charged)	17564.32	69849.02	52284.70	293.61
Total:	17564.32	69849.02	52284.70	293.61

(Source: Appropriation Accounts)

Surrender of fund provision when there was excess of expenditure over budgetary provision shows total absence of budgetary control. Excess of expenditure under this head of accounts alone is more than the total excess of expenditure under the same head during 2007-12. Despite such huge excess of expenditure, surrender of fund indicates that no budgetary control mechanism was in place and could render budget mechanism to mere procedural exercise.

2.3.13 Anticipated savings not surrendered

Departments are required to surrender the Grants/Appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2012-13, there were, however, 42 Grants/Appropriations

(54 cases) in which savings occurred, but no part of which had been surrendered by the concerned Departments. The amount involved in these cases was ₹ 810.41 crore (55 *per cent* of the overall savings of ₹ 1486.47 crore) (**Appendix 2.7**). It is observed that in two cases, savings exceeded ₹ 100 crore but no part of which was surrendered *viz.*, Social Welfare Department (₹ 155.51 crore – Sl. No. 27 of the **Appendix 2.7**) and Irrigation and Flood Control Department (₹ 141.77 crore – Sl. No. 51 of the **Appendix 2.7**).

Similarly, out of savings of ₹ 1994.01 crore under 32 Grants/Appropriations (44 cases) where saving was ₹ one crore and above in each case, only ₹ 886.14 crore pertaining to thirteen Grants⁹ could be surrendered leaving a balance savings of ₹ 1107.87 crore (55 *per cent*). Details are given in **Appendix 2.8**.

Besides, in 22 Grants (28 cases), ₹ 909.22 crore were surrendered on 31 March 2013 (**Appendix 2.9**) indicating inadequate financial control and the fact that these funds could not be utilized for the purpose it was sanctioned or for other development purposes.

2.3.14 Rush of expenditure

As per Rule 56 (3) of the General Financial Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 21 Major Heads of accounts as listed in **Appendix 2.10**, expenditure more than ₹ 10 crore and 25 *per cent* of the total expenditure for the year was incurred in March 2013. Of these, in 6 cases involving ₹ 113.21 crore¹⁰, the whole expenditure was incurred in March, indicating that there was no control over the flow of expenditure. The irregularities in the pace of expenditure suggested lack of financial control.

2.4 Non-reconciliation of Departmental figures

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

As per Central Treasury Rules¹¹, Abstract Contingent (AC) bills must be regularized by detailed countersigned contingent (DCC) bills. An AC bill should not be encashed without a certificate to the effect that DCC bills in respect of earlier AC bills drawn more than a month before the date of that bill have been submitted to the controlling officer. The controlling officers must submit the DCC bills to the Accountant General (A&E) within one month from the date of receipt of the DCC bills in his office.

The total amount of DCC bills received during the period 2003-13 was ₹ 1672.36 crore against the amount of AC bills of ₹ 2617.76 crore leading to an outstanding balance of DCC bills of ₹ 954.40 crore as on October 2013. Year wise details are given in the following table:

⁹ Grants Nos. 4, 8, 13, 14, 17, 20, 21, 30, 43 and 50 under Revenue Voted and Grant Nos. 8, 12, 22 and 23 under Capital Voted.

¹⁰ Sl. Nos. 2, 5, 16, 18, 19 and 23 of Appendix 2.10

¹¹ Rule 308, Rule 309 & Note 4 under Rule 312

Table 2.11: Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills as on October 2013

(₹ in crore)

Year	Amount of AC bills	Amount of DCC bills submitted	Outstanding DCC bills	Outstanding DCC bills as percentage of AC bills drawn
2003-04	34.56	13.78	20.78	60.13
2004-05	82.53	77.65	4.88	5.91
2005-06	46.01	39.28	6.73	14.63
2006-07	149.68	107.24	42.44	28.35
2007-08	355.57	264.95	90.62	25.49
2008-09	592.34	538.83	53.51	9.03
2009-10	422.83	320.80	102.03	24.13
2010-11	354.36	158.35	196.01	55.31
2011-12	374.07	88.00	286.07	76.47
2012-13	205.81	63.48	142.33	69.16
Total:	2617.76	1672.36	945.40	

(Source: - Voucher Level Computerisation data of the Office of the AG (A&E), Manipur)

Department-wise pending DCC bills for the years up to 2012-13 is detailed in **Appendix 2.11**. Non-adjustment of advances for long periods is fraught with the risk of mis-appropriation and therefore, requires close monitoring by the respective DDOs. Thus, there is a need of early reconciliation of AC bills.

2.4.2 Un-reconciled expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure, to keep it within the budget grants and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General (A&E). Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2012-13 also. Out of 81 controlling officers (CO), 55 COs could not reconcile any of their accounts with the Office of the Accountant General (A & E). (Details are given in **Appendix 2.12**)

2.5 Personal Deposit Accounts

Personal Deposit (PD) Accounts is created for parking funds by debit to the Consolidated Fund of the State and should be closed at the end of the financial year by minus debit to the relevant service heads. However, there were five PD accounts existing at the beginning of the year 2012-13 viz., Planning and Development Authority, Government Oil Depot, Manipur State Lotteries, Apex Housing Co-operative Society and Consumer Affairs and Public Distribution. There were two PD accounts in two District Treasuries¹² which were opened during 2012-13. Balance of ₹ 61.77 crore remained with these accounts, which was not transferred back to the respective service heads as of

¹² Government Oil Depot in Imphal West treasury and Consumer Affairs and Public Distribution in Lamphel Treasury.

31 March 2013. This has occurred despite having negative cash balance of ₹ 55.37 crore at the end of the financial year.

2.6 Outcome of review of selected grant

A review on budgetary procedure and control over expenditure was conducted (November 2013) in respect of “Grant No. 43 – Horticulture and Soil Conservation Department”.

Against a budget provision of ₹ 47.95 crore under revenue head, the actual expenditure was ₹ 41.64 crore resulting in saving of ₹ 6.31 crore. Under revenue accounts surrender of fund of ₹ 5.22 crore was made.

Cases of expenditure without budget provision (five cases), excess expenditure over provision (13 cases) and Excess/Unnecessary/Insufficient re-appropriation of funds (20 cases) noticed during the review are detailed below:

Expenditure without budget provision: In five cases, including works on soil survey and testing and soil conservation, an expenditure of ₹ 216.49 lakh was incurred without budget provision. The details are given in the following table:

Table 2.12: Expenditure without provision

(₹ in lakh)

Sl. No.	Head of accounts	Expenditure
1	2402(SP)-Soil and Water Conservation 101-Soil Survey and Testing 30(H)- Survey, Investigation and Planning	11.64
2	2402(SP)-Soil and Water Conservation 101-Soil Survey and Testing 30(V)- Survey, Investigation and Planning	16.50
3	2552 (NEC) – North Eastern Areas 102 – Soil Conservation 01(V) –Amelioration of Acid Soil on Horticulture Crop Area	71.00
4	2552(NEC) – North Eastern Areas 800 – Other expenditure 08(H) –Development of Progeny Orchards	113.83
5	2401(CSS) – Crop Husbandry 800 – Other expenditure 24(V) – Strengthening & Modernisation of Plant Quarantine Facilities in Manipur	3.52
	Total	216.49

SP – State Plan, NEC – North Eastern Council, CSS – Centrally Sponsored Scheme, H – Hills and V - Valley

(Source: Detailed Appropriation Accounts)

Excess over provision: In 13 cases, expenditure exceeded the budget provisions by ₹ 327.72 lakh in the following heads of accounts, reasons of which had not been furnished. The details are given in the following table:

Table 2.13: Excess over provision

(₹ in lakh)

Sl. No.	Head of account	Total (O+ S)*	Expenditure	Excess
1	2401(NP) – Crop Husbandry 001 - Direction and Administration 01 - Direction	189.01	229.74	40.73
2	2401(NP) – Crop Husbandry 119 – Horticulture and Vegetable Crops 04 - Fruit Preservation Factory	78.54	84.78	6.24
3	2415(NP) – Agricultural Research and Education 01 - Crop Husbandry 005 – Education 12 – Training of Graduate and Post Graduate	1.00	2.84	1.84
4	2401(SP) – Crop Husbandry 001 - Direction and Administration 01(H) – Direction	5.00	6.04	1.04
5	2401(SP) – Crop Husbandry 109 – Extension and Farmer's Training 28(V) – Strengthening of Horticulture Information Unit	5.00	6.43	1.43
6	2402(SP) – Soil and Water Conservation 001 – Direction and Administration 29(V) - Strengthening of Soil Conservation	23.50	43.45	19.95
7	2402(SP) – Soil and Water Conservation 101 – Direction and Administration 30(H) - Strengthening of Soil Conservation	0.00	11.64	11.64
8	2402(SP) – Soil and Water Conservation 101 – Direction and Administration 30(V) - Strengthening of Soil Conservation	0.00	16.50	16.50
9	2402(SP) – Soil and Water Conservation 103 – Land reclamation and Development 02(H) - Assistance to Small and Marginal Farmers for increasing Agricultural Production	24.00	45.29	21.29
10	2402(SP) – Soil and Water Conservation 103 – Land reclamation and Development 02(V) - Assistance to Small and Marginal Farmers for increasing Agricultural Production	8.00	26.71	18.71
11	2552 - North Eastern Areas 102 - Soil Conservation 01(V) - Amelioration of Acid Soil on Horticulture Crop Area Crash Scheme for Generation of Employment	0.00	71.00	71.00
12	2552 - North Eastern Areas 800 - Soil Conservation 08(H) -Development of Progeny Orchards	0.00	113.83	113.83
13	2401 – Crop Husbandry 800 – Other Expenditure 24(V) – Strengthening & Modernisation of Plant Quarantine Facilities in Manipur	0.00	3.52	3.52
	Total	334.05	661.77	327.72

SP – State Plan, NEC – North Eastern Council, CSS – Centrally Sponsored Scheme, H – Hills and V - Valley

* O–Original and S–Supplementary

(Source: Detailed Appropriation Accounts)

Excessive/unnecessary re-appropriation of funds: Excessive/unnecessary re-appropriation of funds resulted in savings (15 cases) and excesses (5 cases). Details are as shown in the following table:

Table 2.14: Excess/Unnecessary/Insufficient re-appropriation of funds
(Savings (-)/Excess (+))

(₹ in lakh)

Sl. No.	Head of Account	Original	Supplementary	Re-appropriation	Total	Expenditure	Final excess(+)/savings(-)
1	2	3	4	5	6	7	8
	Saving Cases						
1	2401 (NP).001.01	189.01	0.00	68.03	257.04	229.74	-27.30
2	2401 (NP).103.08	218.66	0.00	2.59	221.25	209.03	-12.22
3	2401 (NP).108.02	84.21	0.00	-24.03	60.18	59.19	-0.99
4	2401 (NP).109.07	88.10	0.00	-16.73	71.37	69.61	-1.76
5	2401 (NP).119.05	119.69	0.00	-1.74	117.95	117.30	-0.65
6	2402 (NP).001.01	734.36	0.00	-87.48	646.88	634.88	-12.00
7	2402 (NP).101.12	240.21	0.00	-9.39	230.82	219.5	-11.32
8	2402 (NP).102.10	351.99	0.00	-39.93	312.06	293.18	-18.88
9	2415 (NP).01.004.11	61.04	0.00	-17.09	43.95	38.61	-5.34
10	2415 (NP).01.005.12	1.00	0.00	2.00	3.00	2.84	-0.16
11	2401 (SP).001.01 (V)	25.00	0.00	1.00	26.00	18.87	-7.13
12	2402 (SP).001.29(H)	16.50	0.00	5.00	21.50	9.04	-12.46
13	2402 (SP).101.30(H)	0.00	0.00	16.00	16.00	11.64	-4.36
14	2402 (SP).103.02 (V)	8.00	0.00	20.00	28.00	26.71	-1.29
15	2402 (SP).800.01(H)	127.36	0.00	-89.86	37.50	13.89	-23.61
	Sub Total	2265.13	0.00	-171.63	2093.50	1954.03	-139.47
	Excess Cases						
16	2401(NP).001.03	688.93	0.00	-137.73	551.20	571.08	19.88
17	2401 (NP).119.04	78.54	0.00	1.85	80.39	84.78	4.39
18	2402 (SP).101.29(V)	23.50	0.00	12.86	36.36	43.45	7.09
19	2402 (SP).101.30(V)	0.00	0.00	16.00	16.00	16.50	0.50
20	2402 (SP).103.02(H)	24.00	0.00	20.00	44.00	45.29	1.29
	Sub Total	814.97	0.00	-87.02	727.95	761.10	33.15
	Total	3080.10	0.00	-258.65	2821.45	2715.13	-106.32

SP – State Plan, NEC – North Eastern Council, CSS – Centrally Sponsored Scheme, H – Hills and V – Valley

(Source: Detailed Appropriation Accounts)

In two cases, there were savings of above ₹ 20 lakh (Sl. No.1 and 15) due to excess/insufficient re-appropriation of funds. There was excess expenditure of above ₹ 10 lakh in another case (Sl. No.16) due to excess re-appropriation of funds.

2.7 Errors in budgeting process

The following lapses or errors were observed in the State budget for the year 2012-13:

Incorrect heads of accounts: There were 19 heads of accounts in the budget which did not conform with the list of Major and Minor heads of Accounts. Of which, 1 case belonged to Major head, and 9 cases each belonged to Sub-Major heads and Minor heads. As the expenditures were booked in heads of Accounts not conforming to list of Major and Minor heads of Accounts, the codes reflected in the budget were incorrect. The details are given in **Appendix 2.13**.

Error in respect of heads of Grants-in-aid: In 18 cases, the scheme under which the Grants-in-aid were given had not been indicated against the Sub head of accounts. In 27 cases, the Detailed heads of accounts were not indicated. In three cases, the expenditure on Grants-in-aid had been booked under Capital expenditure, which was irregular.

2.8 Outcome of inspection of Treasuries

The following shortcomings were observed in the State Treasuries in the year 2012-13:

Booking under Suspense Head: In 11 Treasuries and 1 sub-Treasury, an amount of ₹ 2.31 crore had been booked under Suspense head due to non-submission of vouchers in support of payments during 2012-13.

Excess payment of pension/gratuity: In two treasuries¹³ and two sub-treasuries¹⁴, there was excess payment of ₹ 74,276 on account of pension/gratuity during 2011-13. Action taken to address these excess payments has not been intimated (January 2014).

2.9 Conclusion and Recommendations

During 2012-13, an expenditure of ₹ 7528.32 crore was incurred against a total budget provision of ₹ 9014.79 crore, resulting in overall saving of ₹ 1486.47 crore. The overall savings was the net result of saving of ₹ 2027.89 crore offset by excess of ₹ 541.42 crore. The excess requires regularization under Article 205 of the Constitution of India. Excess expenditure for the period 2007-08 to 2009-10 had been regularised on the recommendation of the Public Accounts Committee (PAC). However, the excess expenditure (₹ 151.80 crore) for the period 2010-11 to 2011-12 were yet to be discussed by the PAC (Paras 2.2 and 2.3). Despite a foreknown liability of ₹ 493.26 crore as overdraft in the previous year 2011-12, insufficient budgetary provision was made, leading to an excess expenditure of ₹ 522.85 crore over budgetary provision under Appropriation No. 2 – Interest Payment and Debt Services (Capital Charged) (Para 2.3.7).

Supplementary provision aggregating to ₹ 208.49 crore in 22 cases, during the year proved unnecessary as the expenditure did not come up to the level of original provision while in three cases, supplementary provision of ₹ 7.43 crore proved insufficient by more than ₹ 10 lakh in each case, leaving an aggregate uncovered excess expenditure of ₹ 18.57 crore. Substantial surrenders (amount exceeding ₹ 10 crore in each case) were made in respect of 6 sub-heads, out of which in three schemes/programmes, the whole provision amounting to ₹ 720.23 crore was surrendered. There was one case in which an amount of ₹ 2.94 crore was surrendered despite having excess of expenditure over total provision (Para 2.3).

¹³ Imphal West Treasury and Ukhrul Treasury

¹⁴ Kakching sub-treasury and Moreh sub-treasury

Out of ₹ 2617.76 crore paid through Abstract Contingent (AC) bills during 2003-13, Detailed Countersigned Contingent bills for ₹ 945.40 crore were outstanding as on October 2013 (Para 2.4).

Excess expenditure needs to be regularised as laid down under the Constitution. Non-provision of adequate budgetary provision despite overdraft in the previous year (2011-12) and thus leading to excess expenditure of ₹ 541.42 crore is indicative of lack of proper budgetary exercise and planning. Provision of funds through supplementary provisions should be used as an instrument to fine-tune the flow of expenditure and should be applied in a judicious manner so that budget provisions and actual expenditure are convergent to each other as close as possible. A close and rigorous monitoring mechanism should be put in place to adjust AC bills within thirty days from the date of drawal of the amount, and the Government needs to take a firm action to arrest the trend of rising drawal of Abstract Contingent Bills and pendency in submission of Detailed Countersigned Contingent Bills.

CHAPTER III

FINANCIAL REPORTING

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FINANCIAL REPORTING

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

3.1 Utilization Certificates

Rule 212 (1) of General Financial Rules, 2005 read with Rule 210 provides that Utilization Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General (A&E) within 12 months from the date of their sanction, unless specified otherwise in respect of grants provided for specific purposes. However, 3560 UCs aggregating to ₹ 2185.95 crore in respect of grants were in arrears as of March 2013. The department-wise break-up of outstanding UCs is given in **Appendix 3.1** and the year-wise break-up of outstanding UCs is summarized in the following table:

Table 3.1 Year-wise arrears of Utilization Certificates

(₹ in crore)

Year	Total Grant paid		Utilization Certificates outstanding	
	No. of cases	Amount	No. of certificates	Amount
2012-13	1210	773.50	1210	773.50
2011-12	751	731.39	745	727.91
2010-11	695	394.26	661	389.42
2009-10	152	105.79	144	104.12
Upto 2008-09	812	193.90	800	191.00
Total	3620	2198.84	3560	2185.95

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

UCs were mainly pending in respect of Tribal Affairs and Hills Department (1338 UCs: ₹ 689.49 crore), Rural Development and Panchayati Raj Department (342 UCs: ₹ 347.90 crore), Planning Department (75 UCs: ₹ 225.16 crore), Forest Department (90 UCs: ₹ 193.88 crore), Medical and Family Welfare Department (29 UCs: ₹ 173.83 crore) and Municipal Administration, Housing and Urban Development (176 UCs: ₹ 150.40 crore). These six departments together accounted for 2050 UCs (57.58 *per cent*) out of 3560 outstanding UCs; involving an amount of ₹ 1780.66 crore (81 *per cent*) out of outstanding amount of ₹ 2185.95 crore. In the absence of UCs it could not be ascertained whether the recipients had utilized the grants for the purposes for which these were given.

A test check of UCs of grants-in-aid of two Department viz. Agriculture Department and Information Technology Department was conducted by this office during October 2013. The results of the test check are given below:

- Agriculture Department: - Grants-in-aid for the year 2008-09 was released in 31 March 2009 and deposited in Major Head -8449-Other Deposits. Though the amount was utilized in 2009-10, the amount was shown as utilized in 2008-09 in the UCs. The grants-in-aid for the year 2012-13 was given without obtaining proper sanction from the concerned authority.
- Information Technology Department: - Grants-in-aid was given to Manipur State Information Technology Society (MSITS) during the period 2010-13. The UCs for the grants-in-aid for the period 2010-13 were submitted by the Department only to Finance Department. The Department stated that UCs from the year 2013-14 onwards will be submitted to the Accountant General (Accounts & Entitlement).

Thus, the Department should ensure submission of UCs timely to the Accountant General (Accounts & Entitlements).

3.2 Non-submission/delay in submission of accounts

Under Section 19 (3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, Autonomous Bodies/Authorities are to submit their accounts to the Office of the Accountant General (Audit) within three months from the close of the financial year.

Out of 7 Autonomous Bodies/Authorities¹, annual accounts of 6² Autonomous Bodies/Authorities due upto 2012-13 had not been received (January 2014). The details of these accounts are given in **Appendix 3.2** and their age-wise pendency is presented in the following table.

Table 3.2 Age-wise Arrears of Annual Accounts due from Autonomous Bodies

(₹ in lakh)

Delay in Years	No. of the Bodies/Authorities	Grants Received
0 – 1	-	NF
1 – 3	3	NF
3 – 5	3	NF
5 – 7	-	NF
Total:	6	

NF-Not furnished

(Source: Departmental records)

Annual accounts of 2012-13 of Autonomous District Council, Churachandpur have been received and audit of accounts of the Authority has been completed upto March 2013. In respect of Autonomous District Councils of Ukhrul, Senapati and Tamenglong the annual accounts are outstanding for three years.

3.3 Delays in placement of Separate Audit Reports of Autonomous District Councils/Autonomous Body

Six Autonomous District Councils (ADCs) exist in the State and one Autonomous Body *i.e.* Manipur State Legal Services Authority has been set up by the State Government. These Bodies are audited by the Comptroller and Auditor General of India (CAG) with regard to the verification of their transactions, operational activities and accounts, conducting regulatory compliance audit of all transactions scrutinised in audit, review of internal management and financial control, review of system and procedures *etc.* The audit of accounts of these seven Bodies in the State has been entrusted to the CAG. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Report (SAR) and its placement in the Legislature are indicated in **Appendix 3.3**. Delay in placement of SARs in the Legislature after issuing them is summarized in the following table:

¹ Six Autonomous Districts Councils (Chandel, Churachandpur, Sardar Hills, Senapati, Tamenglong and Ukhrul) and Manipur State Legal Service Authority.

² In respect of Autonomous District Council, Churachandpur up-to-date accounts have been submitted.

**Table 3.3: Delay in submission / placement of Separate Audit Reports
as on December 2013**

Sl. No.	Name of the ADC/ Autonomous Bodies	Year	Date of issue	Date of placement of SAR in the Legislature	Delay in submission of SAR to the Legislature
1	Chandel	2009-10	11.6.13	26.6.13	-
2	Churachandpur	2009-10	2.12.13	19.12.13	-
3	Sadar Hills	2006-07	19.6.09	-do-	Over 4 years
4	Senapati	2007-08	20.10.10	-do-	Over 3 years
5	Tamenglong	2007-08	20.10.10	-do-	Over 3 years
6	Ukhrul	2006-07	13.1.10	-do-	Over 3 years
7	Manipur State Legal Service Authority	2010-11	6.12.13	-do-	-

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

During the Public Accounts Committee (PAC) meetings held during October 2013 to December 2013, the State Government made an assurance (November 2013) that all the outstanding SARs would be placed in the ensuing Legislative Assembly session of December 2013. Accordingly, the State Government placed 40 outstanding SARs of five ADCs (Sl. No. 2 to Sl. No. 6 above) and 7 outstanding SARs of the Manipur State Legal Service Authority. Though there had been delays in placement on SARs in the past, the State Government has now taken suitable action on the assurance made to the PAC. Such action would need to be continued so that delays are avoided in placement of SARs in future.

3.4 Departmental Commercial Undertakings

Departmental undertakings of certain Government departments performing activities of commercial/quasi-commercial nature are required to prepare accounts in the prescribed format annually showing the working results of financial operations, so that the Government can assess their working. As per Section 619 of the Companies Act 1956, the accounts of these Government Undertakings are subject to supplementary audit by the C&AG. As of September 2013, there were ten such undertakings which had not prepared

their accounts upto 2012-13. The Reports of the C&AG of India have repeatedly highlighted the issues of arrears in preparation of accounts in Audit Report No. 1 (Government of Manipur). There is some improvement in preparation of accounts since last reported in the Audit Report. The Department-wise position of arrears in preparation of accounts and investment made by the Government are given in **Appendix 3.4**. Three undertakings³ have not submitted their accounts for more than twenty years. Three undertakings⁴ have not submitted their accounts for more than 10 years. In case of Manipur Tribal Development Corporation, the accounts have not been submitted for the year 1990-91 onwards and in case of Manipur Film Development Corporation, the accounts for the years 1995-96 onwards.

Delay in preparation of accounts of these Departmental undertakings increases the risk of fraud and leakage of public money.

3.5 Misappropriations, losses, defalcations *etc.*

Information regarding non-adjustment of temporary advances, reasons for non-adjustment, non-submission/delay in submission of accounts, cases of misappropriation, losses, defalcations, if any, were called for from 51 Departments/Autonomous Bodies/Departmental Commercial Undertakings.

However, information in respect of only eight Departments and one Corporation *viz.* Forest and Environment Department, Public Works Department, Irrigation and Flood Control Department, Horticulture and Soil Conservation Department, Art and Culture Department, Police Department, Public Health Engineering Department, Agriculture Department and Manipur Handloom & Handicrafts Development Corporation Ltd. were received (October 2013). Except for the Forest and Environment Department, all these Departments/Corporation reported (between July to September 2013) no pending cases of Advances and no cases of write-off.

Rule 33 of General Financial Rules 2005 provides that any loss of public money, Departmental revenue, or properties of the State Government shall be immediately reported to the Accountant General (Audit) even when such loss has been made good by the party responsible for it. The Forest and Environment Department reported (July 2013) loss during 2012-13. The detail of loss reported by the Forest Department is given in the following table:

³ Manipur Plantation Crop Corporation, Manipur Agro Industries Corporation and Manipur Tribal Development Corporation

⁴ Manipur Police Housing Corporation, Manipur Film Development Corporation and Manipur Pulp & Allied Products Ltd.

Table 3.4: Profile of misappropriations, losses, defalcations, etc.

Nature of the Pending Cases		
Nature/ characteristics of the cases	Number of cases	Amount involved
Cases of loss written off during the year	1	Not stated

(Source: Departmental records)

As seen from the above table one case involving loss written off of 1677 logs of teak timber occurred in the Forest and Environment Department. However, the value of the loss written off was not furnished to Audit. Details regarding the loss written off was referred (October 2013) to the Department. No reply has yet been received (January 2014). Thus, due to non furnishing of the details, Audit could not ascertain the actual amount of loss.

3.6 Conclusion and Recommendations

- 3560 Utilization Certificates involving ₹ 2185.95 crore in respect of grants were in arrears as of March 2013.

Heads of Department may need to initiate prompt action to submit utilization certificates. Internal controls of the executing agencies need to be strengthened to utilize the funds within the stipulated time so as to avoid delays in submission of utilisation certificates.

- There were also delays and arrears in finalization of accounts by the Autonomous District Councils (ADCs), Autonomous Bodies and Departmental Commercial Undertakings. Three Departmental Undertakings have not submitted their accounts for more than 10 years and another three for more than 20 years.

The State Government may need to consider having in place appropriate mechanisms to ensure timely finalization and submission of accounts to the Office of the Accountant General (Audit) by the ADCs, Autonomous Bodies and Departmental Commercial Undertakings. It may be appropriate for the State Government to organize a special drive for expediting the submission of accounts that are in backlog for a considerable period.

- Though there had been delays in placement of Separate Audit Reports (SARs) in the past, the State Government has taken suitable action on the assurance made to the PAC and placed 47 SARs to the State Legislative Assembly on 19 December 2013.

Such action would need to be continued so that SARs are placed timely before the State Legislative Assembly.



**Imphal
The**

**(Siddhartha Singh Longjam)
Accountant General (Audit), Manipur**

Countersigned



**New Delhi
The**

**(Shashi Kant Sharma)
Comptroller and Auditor General of India**

APPENDICES

Appendix 1.1

Part A: Structure and Form of Government Accounts

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

Part I: Consolidated Fund

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

Part II: Contingency Fund

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

Part III: Public Account

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

Appendix 1.1 – contd.

PART B: Layout of Finance Accounts

The new format of Finance Accounts introduced from the year 2009-10, has been divided into two Volumes – Volume I and 2. Volume 1 represents the financial statements of the Government in summarized form while Volume 2 represents detailed financial statement. The layout of the Finance Accounts is chalked out in the following manner:

Statement	Layout
Volume 1	
Statement No. 1	Statement of Financial Position
Statement No. 2	Statement of Receipts and Disbursements
Statement No. 3	Statement of Receipts (Consolidated Fund)
Statement No. 4	Statement of Expenditure (Consolidated Fund) by Function and Nature, Notes to Accounts, and Appendix I: Cash Balances and Investment of Cash Balances
Volume 2	
PART - I	
Statement No. 5	Statement of Progressive Capital expenditure
Statement No. 6	Statement of Borrowings and other Liabilities
Statement No. 7	Statement of Loans and Advances given by the Government
Statement No. 8	Statement of Grants-in-aid given by the Government
Statement No. 9	Statement of Guarantees given by the Government
Statement No. 10	Statement of Voted and Charged Expenditure
PART - II	
Statement No. 11	Detailed Statement of Revenue and Capital Receipts by Minor Heads
Statement No. 12	Detailed Statement of Revenue Expenditure by Minor Heads
Statement No. 13	Detailed Statement of Capital Expenditure
Statement No. 14	Detailed Statement of Investments of the Government
Statement No. 15	Detailed Statement of Borrowings and other Liabilities
Statement No. 16	Detailed Statement on Loans and Advances given by the Government
Statement No. 17	Detailed Statement on Sources and Application of Funds for Expenditure other than Revenue Account
Statement No. 18	Detailed Statement on Contingency Fund and other Public Account Transactions
Statement No. 19	Detailed Statement on Investments of Earmarked Funds
PART - III	
Appendices	
II	Comparative Expenditure on Salary
III	Comparative Expenditure on Subsidy
IV	Grants-in-aid (Scheme wise and Institution wise)
V	Externally Aided Projects
VI	Plan Scheme Expenditure (Central and State Plan Schemes)
VII	Direct Transfer of Central Scheme Funds to Implementing Agencies in the State
VIII	Summary of Balances
IX	Financial Results of Irrigation Schemes
X	Incomplete Works
XI	Maintenance Expenditure with Segregation of Salary and Non-salary Portion

Appendix 1.1- contd.

Part C: Methodology Adopted for the Assessment of Fiscal Position

The norms/ceilings prescribed by the 13th Finance Commission for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other Statements required to be laid in the Legislature under the Act are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that Gross State Domestic Product (GSDP) is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure *etc.*, are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP.

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

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

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) with respect to another parameter (Y)	Rate of Growth of the parameter (X)/ Rate of Growth of the parameter (Y)
Rate of Growth (RoG)	$[(\text{Current year Amount}/\text{Previous years Amount}) - 1] * 100$
Average	Trend of growth over a period of 5 years
Share shift/Shift rate of a parameter	Trend of percentage shares, over a period of 5 years, of the parameter in Revenue or Expenditure, as the case may be
Development Expenditure	Social Services + Economic Services
Weighted Interest Rate (Average interest paid by the State)	$\text{Interest payment}/[(\text{Amount of previous year's Fiscal Liabilities} + \text{current year's Fiscal Liabilities})/2] * 100$
Interest spread	GSDP growth – Weighted Interest rate
Quantum spread	$\text{Debt stock} * \text{Interest spread}/100$
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances})/2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts <i>minus</i> all Plan grants and Non-plan Revenue Expenditure excluding debits under 2048 – Appropriation for reduction or Avoidance of debt

Appendix 1.1- contd.

Part D: State Profile

Sl. No	Particulars		Figures
1.	Area		22,327 sq. km.
2	Population		
	a.	As per 2001 census	21.67 lakh
	b.	As per 2011 census	27.22 lakh
3	Density of Population (2001)(All India Average = 325 persons per sq km)		103 persons per sq. km.
	Density of Population (2011)(All India Average = 382 persons per sq km)		122 persons per sq. km.
4	Population below poverty line^ (All India Average = 27.5 per cent)		17.30 per cent
5	Literacy (2001) (All India Average = 64.80 per cent)		70.53 per cent
	Literacy (2011) (All India Average = 74.04 per cent)		79.21 per cent
6	Infant Mortality (per 1000 live births), 2011 (All India Average = 50 per 1000 live births)		16
7	Gross State Domestic Product (GSDP) in 2012-13 at current prices		₹ 11713 crore (A)
8	GSDP CAGR* (2003-04 to 2012-13)	Manipur	13.52 per cent
9	Per capita GSDP CAGR (2002-03 to 2011-12)	Manipur	11.01 per cent
Financial Data			
Particulars		Figures (in per cent)	
		2003-04 to 2011-12	2003-04 to 2012-13
CAGR of Manipur			
a	Revenue Receipts	18.85	19.05
b	Own Tax Revenue	23.50	19.30
c	Non Tax Revenue	25.69	18.58
d	Total Expenditure	18.65	16.65
e	Capital Expenditure	28.79	23.54
f	Revenue Expenditure on Education	10.70	11.82
g	Revenue Expenditure on Health	18.08	16.45
h	Pension	18.85	19.05

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

(A) – Advanced Estimates

*Compounded Annual Growth Rate

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

Appendix 1.1- contd.

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

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

- (i) strive to remain revenue surplus by making a balance in revenue receipts and expenditure and build up further surplus;
- (ii) strive to bring down fiscal deficit to 3 *per cent* of the Gross State Domestic Product;
- (iii) limit the amount of outstanding Government guarantees as per the provisions of the Manipur Ceiling on State Government Guarantee Act, 2004; and
- (iv) follow a recruitment and wage policy, in a manner such that the total salary bill relative to revenue expenditure excluding interest payments and pensions does not exceed 35 *per cent*:

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

- remain revenue surplus and build up further surplus having regard to the norms of Central Assistance for the State Plan and the tax and non-tax revenue potential of the State;
- reduce the fiscal deficit to a maximum of 3.5% of the Gross State Domestic Product by 2010-2011 and maintain it below 3.5% in succeeding financial years upto 2012-13 and thereafter reduce it to a maximum of 3% of the Gross State Domestic Product from 2013-14 and beyond; and
- maintain outstanding debt to a maximum of 65.80% of Gross State Domestic Product in 2010-11, 62.9% of Gross State Domestic Product in 2011-12, 60.1% of Gross State Domestic Product in 2012-13, 57.00% of Gross State Domestic Product in 2013-14 and 54.30% of Gross State Domestic Product in 2014-15.

Appendix 1.2
(Reference: Paragraph 1.1.1)

Abstract of Receipts and disbursements for the year 2012-13

(₹ in crore)

2011-12	Receipts	2012-13		2011-12	Disbursements	2012-13		
						Non-Plan	Plan	Total
Section-A: Revenue								
5653.55	I - Revenue receipts		6819.76	5006.92	I-Revenue expenditure-	4250.33	1066.20	5316.53
368.07	-Tax revenue	332.83		2133.60	General Services-	2273.98	7.85	2281.83
311.53	-Non-tax revenue	231.78		1439.29	Social Services of which	970.11	558.11	1528.22
1154.03	-State's share of Union Taxes	1317.83		655.87	-Education, Sports, Art and Culture	673.63	121.08	794.71
1293.10	-Non-plan Grants	1882.87		251.70	-Health and Family Welfare	147.34	114.93	262.27
2119.73	-Grants for State Plan Schemes	2659.00		120.77	-Water Supply, Sanitation, Housing and Urban Development	79.26	45.36	124.62
362.28	-Grants for Central and Centrally sponsored Plan Schemes	342.90		5.19	-Information and Broadcasting	3.94	1.01	4.95
44.81	-Grants for Special Schemes for NEC and for other purposes	52.55		220.18	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	14.91	184.84	199.75
				14.74	-Labour and Labour Welfare	9.89	2.57	12.46
				165.44	-Social Welfare and Nutrition	41.11	88.32	129.43
				5.40	-Others	0.03	-	0.03
				1257.37	Economic Services of which	813.02	500.24	1313.26
				397.03	-Agriculture and Allied Activities	204.90	166.74	371.64
				88.19	-Rural Development	35.87	103.34	139.21
				47.17	-Special Areas Programmes	-	59.67	59.67
				78.03	-Irrigation and Flood Control	50.09	27.65	77.74
				273.41	-Energy	315.66	4.00	319.66
				96.98	-Industry and Minerals	45.08	43.86	88.94
				136.74	-Transport	137.46	-	137.46

2011-12	Receipts	2012-13		2011-12	Disbursements	2012-13		
						Non-Plan	Plan	Total
				19.99	-Science, Technology and Environment	1.97	20.14	22.11
				119.83	-General Economic Services	21.99	74.84	96.83
				176.66	Grants-in-aid and Contributions	193.22	-	193.22
-	II- Revenue deficit carried over to Section B		-	646.63	II- Revenue Surplus carried over to Section B			1503.23
5653.55	Total: Section A		6819.76	5653.55	Total: Section A			6819.76
Section-B: Others								
356.48	III - Opening Cash balance including Permanent Advances and Cash Balance Investment		(-)371.80		III - Opening Overdraft from Reserve Bank of India			
-	IV - Miscellaneous Capital receipts		-	1695.41	IV - Capital Expenditure-	7.87	1493.69	1501.56
				293.41	General Services-	-	225.87	225.87
				477.32	Social Services of which	0.01	354.03	354.04
				71.32	-Education, Sports, Art and Culture	-	26.36	26.36
				142.26	-Health and Family Welfare	-	77.62	77.62
				252.58	-Water Supply, Sanitation, Housing and Urban Development	0.01	207.99	208.00
				0.15	-Information and Broadcasting	-	0.04	0.04
				10.54	-Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	-	36.57	36.57
				-	-Social Welfare and Nutrition	-	5.30	5.30
				0.47	-Others	-	0.15	0.15
				924.68	Economic Services of which	7.86	913.79	921.65
				17.15	-Agriculture and Allied Activities	7.86	1.88	9.74
				-	-Rural Development	-	-	-

2011-12	Receipts	2012-13		2011-12	Disbursements	2012-13		
						Non-Plan	Plan	Total
				43.36	-Special Areas Programmes	-	34.99	34.99
				325.82	-Irrigation and Flood Control	-	543.30	543.30
				195.28	-Energy	-	138.08	138.08
				27.31	-Industry and Minerals	-	14.99	14.99
				7.35	-Science Technology and Environment	-	-	-
				286.57	-Transport	-	180.22	180.22
				21.84	-General Economic Services	-	0.33	0.33
1.89	V - Recoveries of Loans and Advances-		0.59	0.08	V - Loans and Advances disbursed-			3.30
	-From Power Projects	-			-For Power Projects			
0.60	-From Government Servants	0.56		0.08	To Government Servants	2.30		
1.29	-From Others	0.03			-To Others	1.00		
646.63	VI - Revenue Surplus brought down		1503.23		VI - Revenue Deficit brought down			-
293.33	VII - Public debt receipts-		340.25	160.24	VII - Repayment of Public debt			171.81
-	-External debt	-		-	External debt	-		
203.38	-Internal debt other than Ways and Means Advances and overdrafts	332.28		95.31	-Internal debt other than Ways and Means Advances and Overdrafts	127.81		
89.95	-Net transactions under Ways and Means Advances	7.97		-	-Net transactions under Ways and Means Advances	-		
-	-Loans and Advances from Central Government			64.93	-Repayment of Loans and Advances to Central Government	44.00		
-	-Net transactions under over- draft							
	VIII - Appropriation to Contingency Fund		-		VIII - Appropriation to Contingency Fund			-
-	IX - Amount transferred to Contingency Fund		-		IX - Expenditure from Contingency Fund			-

2011-12	Receipts	2012-13		2011-12	Disbursements	2012-13		
						Non-Plan	Plan	Total
5582.21	X - Public Account receipts-		3921.37	5396.61	X - Public Account disbursement-			3772.34
348.34	Small Savings and Provident Funds	297.28		114.66	-Small Savings and Provident Funds	159.26		
38.36	-Reserve Funds	48.08		0.01	-Reserve Funds	-		
2079.13	Suspense and Miscellaneous	108.66		2072.89	-Suspense and Miscellaneous	106.89		
2491.52	Remittances	2645.91		2465.95	-Remittances	2648.01		
624.86	Deposits and Advances	821.44		739.10	-Deposits and Advances	858.18		
	XI – Closing Overdraft from Reserve Bank of India			(-371.80)	XI - Cash Balance at end-			(-) 55.37
				5.43	-Cash in Treasuries and Local Remittances	5.82		
				(-)515.44	-Deposits with Reserve Bank	(-)249.12		
				36.40	-Departmental Cash Balance including permanent Advances	49.79		
				101.81	-Cash Balance Investment and Investment of earmarked fund	138.14		
12534.09	Total:		12213.40	12534.09	Total:			12213.40

Appendix 1.3
(Reference: Paragraph 1.2.2)

Statement showing funds transferred to the State implementing Agencies under Programmes/Schemes outside the State budget during 2012-13

		(₹ in lakh)
Implementing Agency	GOI Programme/Scheme	Amount
9 District Rural Development Agencies (DRDA)	Aajeevika-Swaran Jayanti Gram Swarozgar Yojana (SGSY) / National Rural Livelihood Mission	3,43.27
22 Non-Government Organisations(NGO)	Advocacy and Publicity	28.99
State Forest Development Agency, Manipur	Afforestation and Forest Management	9,45.69
6 NGOs	Archives and Archival Libraries	1.08
13 NGOs	Assistance to Voluntary Organisation for providing Social Defence	92.93
Institute of Bioresources And Sustainable Development	Autonomous R&D Institution	9,98.12
29 NGOs	Baba Saheb Ambedkar Hastashilpa Vikas Yojana	3,95.42
D.M. College of Science & S. Kula Women's College	Bio-informatics	14.81
7 NGOs	Biotechnology for Societal Development	90.89
State Water and Sanitation Mission Manipur	Central Rural Sanitation Scheme	35,09.18
5 NGO's	Comprehensive Scheme for Combating Trafficking	37.81
Wakft Board Manipur	Computerisation of Records of State Wakft Boards	7.20
13 NGOs	Deen Dayal Disabled Rehabilitation Scheme for Social Justice and Empowerment	1,25.34
20 NGOs	Design and Technical Development	60.43
National Association of Fishermen and Service, Education for Welfare Action	Development of Marine Fisheries, Infrastructure & Post Harvest	15.77
Institute of Bioresources and Sustainable Development, and Foundation for Environment, and Economic Development Services.	Disha Programme for Women in Science	13.90
Manipur Milk Producers' Co-operative Union Ltd.	Dairy Development Project	4,18.18
9 DRDAs	DRDA Administration	3,81.06
4 NGOs	Environment Information Education and Awareness	0.50
Enhancing Skill Development Infrastructure, Manipur	Enhancing Skill Development Infrastructure in States	4,95.00
Manipur State Information Technology Society and Department of Electronics and Accreditation of Computer Courses Society Imphal Centre	Electronic Governance	2,70.64
10 NGOs	Free Coaching and Allied Scheme for Minorities	70.06
Society for Progressive Development	Grants-in-aid for Research Publication and Monitoring	1.19
3 NGOs	Grants-in-aid to NGO's including Coaching & Allied Scheme	1,49.41
Social Reformation and Development Organisation, Peoples Welfare Association and Environment and Economic Management Association	Grants-in-aid for Innovative Work on Women and Child Development	13.77
11 NGOs	Grants-in-aid to NGOs for SCs, OBCs & Research & Training	27.40
9 NGOs	Human Resource Development (HRD)	12.66
Imphal College, Lilong Haoreibi College and Kula Women's College	HRD & Biotechnology	77.00
9 DRDAs	Indira Awaz Yojana (IAY) Rural Housing	21,37.81

Implementing Agency	GOI Programme/Scheme	Amount
Manipur Renewable Energy Development Agency (MANIREDA) and Integrated Rural Reconstruction and Education Organisation.	Information Publicity and Extension	76.75
2 DRDAs and State Level Nodal Agency, Manipur	Integrated Watershed Management Programme (IWMP)	34,76.70
9 DRDAs	Mahatma Gandhi National Rural Employment Guarantee Scheme	5,90,23.09
Manipur Handloom & Handicrafts Development Corporation Ltd, Imphal and Manipur Industrial Development Corporation Ltd	Marketing and Export Promotion Scheme	1,41.60
11 NGOs	Marketing Support and Services & Export Promotion	79.01
Deputy Commissioner, Imphal West & Deputy Commissioner, Churachandpur.	MPs Local Area Development Scheme MPLADS	17,50.00
Agape Museum	Museums	2.00
Manipur State AIDS Control Society.	National AIDS Control Programme III	21,43.88
State Bamboo Steering Committee	National Mission on Bamboo	13,35.95
Islamic Social Education and Cultural Development Organisation and Centre for Development Activities.	National Child Labour Project including Grants-in-aid to Voluntary Agencies	6.86
State Agricultural Management & Extension Training Institute	National Food Security Mission	11,89.98
State Health Society, Manipur, Imphal	National Mental Health Programme	84.09
Manipur Horticulture Development Society	National Mission on Medicinal Plants	57.60
Institute of Bio-Resources and Sustainable Development Agency & Forest Development Agency Central Forest Division, Imphal	National Mission on Medicinal Plants Board	16.00
State Micro Irrigation Committee, Manipur	National Mission on Micro Irrigation	1,25.00
Manipur Mountaineering & Trekking Association	National Programme for Youth and Adolescent Development, General Component	10.00
Manipur Livestock Development Board Ltd.	National Project for Cattle and Buffalo Breeding	1,53.58
State Water and Sanitation Mission, Manipur Imphal	National Rural Drinking Water Programme	66,20.56
State Health Society, Manipur, Imphal; Manipur State TB Society, Manipur; National Programme for Control of Blindness Manipur; Volunteers Organisation for Social Affairs; and Social Action & Development Organisation	National Rural Health Mission (NRHM)	6,97.30
7 Local Institutions	North Eastern Areas	9,70.76
Manipur Renewable Energy Development Agency (MANIREDA)	Off Grid Decentralized Renewable Power System	15,84.50
15 NGOs	Panchayati Raj Institutions Voluntary Organizations	1,12.12
Manipur Pollution Control Board	Pollution Abatement	6.09
Manipur State Rural Roads Development Agency (MSRRDA)	Pradhan Mantri Gram Sadak Yojana (PMGSY)	1,86,14.00
72 NGOs (Dance and Cultural Organisations)	Promotion and Dissemination of Art and Culture	7,27.48
5 NGOs	Promotion of Sports among Disabled	14.96
20 NGOs	Promotional Services Institutions and Programme Revenue	9.80
6 NGOs	Research & Development (Handicrafts)	17.10
Institute of Bioresources and Sustainable Development	Research & Development Biotechnology	6,44.74
State Implementation Society, SSA, Manipur	Rashtriya Madhyamic Shiksha Abhiyan (RMSA)	43,01.14
Tribal Research Institute, Manipur	Research Information and Mass Education, Tribal Festivals and others	10.00

Implementing Agency	GOI Programme/Scheme	Amount
State Implementation Society, SSA, Manipur	Sarva Shiksha Abhiyan (SSA)	1,73,62.44
Rishang Keishing Foundation for Management for Tribal Areas, Manipur Food Industries Corporation Limited and Associate Action for Progressive Development Society.	Scheme for Infrastructure Development, Food Processing Industries	4,04.01
Kuki Christian Church	Skill for Leadership Development of Minority Women	55.39
Manipur Skill Development Society	Skill Development Initiative	1,50.00
4 NGOs	Scheme for Quality Assurance, CODEX (<i>Codex Alimentarius</i>) Standard Research	75.48
22 NGOs	Scheme for Technology Up -gradation/Establishment/Modernization	4,97.28
The Women Welfare and Development Organisation, Goodwill Foundation for Culture and Oriental Fast Industrial Association.	Scheme for Human Resource Development, Food Processing Industries	2.40
15 NGOs	Scheme for the Welfare of Working Children in Need of Care and Protection	1,30.64
People Advance in Social Service, Churachandpur.	Scheme Arising out of the Implementation of the Person with Disabilities, Social Justice and Empowerment	4.21
Relief & Disaster Management Department.	Scheme of National Disaster Management Authority	1,51.89
Marchang Jims	Scholarship to Students of ST for Studies Abroad	0.66
Manipur Science and Technology, United Meetei Mayek Accademy, Science Teachers Forum, Manipur, Hill Area Socio Economic Development Association and Utlou Joint Farming Pisciculture Cooperative Society.	Science and Technology Programme for Socio Economic Development.	45.18
Manipur Science and Technology Council	State Science and Technology Programme	87.02
8 NGOs	Step Support to Training and Employment Programme for Women	62.83
State Agricultural Management & Extension Training Institute (SAMETI), Manipur	Support to State Extension Programme for Extension Reforms	4,75.68
Jana Shikshan Sansthan, Senapati, Jana Shikshan Sansthan, Imphal West and Jana Shikshan Sansthan, Thoubal	Support to NGO's Social Responsibility Cells for Adult Education and Skill Development Merged Schemes of NGOs, Jan Shiksha Sansthan and Social Responsibility Cells	89.40
13 NGOs	Swadhar Scheme	1,65.14
Manipur Urban Development Agency (MUDA)	Swarna Jayanti Shahari Rojgar Yojana (SJSRY)	3,99.65
Manipur Science & Technology Council	Technology Development Programme	0.30
S. Kula Women's College and Organisation for Unemployed Women Welfare	Working Women Hostel	46.95
Others	Youth Hostel	1.44
	Total	1,34,946.14

Appendix 1.4
(Reference: Paragraph 1.3)

Time series data on the State Government finances

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Part A Receipts					
1. Revenue Receipts (i +ii+iii+iv)	3872.62	3873.14	5429.94	5653.55	6819.76
(i) Tax Revenue of which	170.07	196.04	267.05	368.07	332.83
<i>Taxes on Agricultural Income</i>	-	-	-	-	-
<i>Taxes on Sales, Trade, etc.</i>	141.38	163.28	227.57	296.92	258.52
<i>State Excise</i>	3.92	4.70	6.61	9.80	9.94
<i>Taxes on Vehicles</i>	4.03	4.34	4.44	13.21	15.83
<i>Stamps and Registration fees</i>	3.18	4.26	3.57	4.82	5.98
<i>Land Revenue</i>	0.78	0.81	1.29	0.84	1.24
<i>Taxes on Goods and Passengers</i>	0.80	0.81	0.90	1.40	1.43
<i>Other taxes</i>	15.59	17.83	22.67	40.74	39.85
<i>Taxes and duties on electricity</i>	0.39	0.01	▽	0.34	0.04
(ii) Non-Tax Revenue	253.46	239.75	259.88	311.53	231.78
(iii) State's share of Union taxes and duties	580.81	597.56	990.57	1154.03	1317.83
(iv) Grants-in-aid from Government of India	2868.28	2839.79	3912.44	3819.92	4937.32
2. Miscellaneous Capital Receipts	-	-	-	-	-
3. Recoveries of Loans and Advances	0.66	3.28	1.19	1.89	0.59
4. Total Revenue and Non-debt capital receipts (1+2+3)	3,873.28	3876.42	5431.13	5655.44	6820.35
5. Public Debt Receipts of which	314.54	519.89	298.40	293.33	340.25
<i>Internal Debt (excluding Ways and Means Advances and Overdrafts)</i>	309.36	519.81	298.40	203.38	332.28
<i>Net transactions under Ways and Means Advances and Overdrafts</i>	-	-	-	89.95	7.97
<i>Loans and Advances from the Government of India</i>	5.18	0.08	-	-	-
6. Total Receipts in the Consolidated Fund (4+5)	4187.82	4396.31	5729.53	5948.77	7160.60
7. Contingency Fund Receipts	-	-	-	-	-
8. Public Account Receipts	2847.66	3218.15	4008.55	5582.21	3921.37
9. Total Receipts of the State (6+7+8)	7035.48	7614.46	9738.08	11530.98	11081.97
Part B Expenditure/Disbursement					
10. Revenue Expenditure	2622.28	3014.40	4078.01	5006.92	5316.53
<i>Plan</i>	490.08	709.89	1098.57	1081.09	1066.20
<i>Non-Plan</i>	2132.23	2304.51	2979.44	3925.83	4250.33
<i>General Services (including interest payments)</i>	1094.61	1181.29	1642.75	2133.60	2281.83
<i>Social Services</i>	803.05	891.16	1238.47	1439.29	1528.22
<i>Economic Services</i>	724.62	815.98	1083.68	1257.37	1313.26
<i>Grants-in-aid and contributions</i>	-	125.97	113.11	176.66	193.22
11. Capital Expenditure	1,466.80	1,587.78	1,918.06	1695.41	1501.56
<i>Plan</i>	1,463.79	1588.58	1917.07	1698.63	1493.69

	2008-09	2009-10	2010-11	2011-12	2012-13
<i>Non-Plan</i>	3.01	(-) 0.80	0.99	(-)3.22	7.87
<i>General Services</i>	54.79	103.01	264.76	293.41	225.87
<i>Social Services</i>	547.15	559.10	600.73	477.32	354.04
<i>Economic Services</i>	864.86	925.67	1052.57	924.68	921.65
12. Disbursement of Loans and Advances	1.08	6.89	3.80	0.08	3.30
13. Total/Aggregate Expenditure (10+11+12)	4090.16	4609.07	5999.87	6702.41	6821.39
14. Repayments of Public Debt of which	309.79	116.75	115.02	160.24	171.81
<i>Internal Debt (excluding Ways and Means Advances and Overdrafts)</i>	64.65	74.70	69.75	95.31	127.81
<i>Net transactions under Ways and Means Advances and Overdrafts</i>	-	-	-	-	-
<i>Loans and Advances from Government of India</i>	245.14	42.05	45.27	64.93	44.00
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	4399.95	4725.82	6114.89	6862.65	6993.20
17. Contingency Fund disbursements	-	-	-	-	-
18. Public Account disbursements	2559.71	3137.29	3634.11	5396.61	3772.34
19. Total disbursement by the State (16+17+18)	6959.66	7863.11	9749.00	12259.26	10765.54
Part C Deficits					
20. Revenue Deficit (-)/Surplus (+) (1-10)	(+) 1250.34	(+) 858.74	(+) 1351.93	(+) 646.63	(+) 1503.23
21. Fiscal Deficit (-)/Surplus (+) (4-13)	(-) 216.88	(-) 732.65	(-) 568.74	(-) 1046.97	(-) 1.04
22. Primary Deficit(-)/ Surplus(+) (21+23)	(+) 96.95	(-) 410.08	(-) 203.96	(-) 649.53	(+) 431.97
Part D Other data					
23. Interest Payments (included in revenue expenditure)	313.83	322.57	364.78	397.44	433.01
24. Financial Assistance to local bodies etc.	50.67	37.31	41.09	50.78	64.86
25. Ways and Means Advances/Overdraft availed (days)	-	-	-	1	103
<i>Ways and Means Advances availed (days)</i>	-	-	-	1	72
<i>Overdraft availed (days)</i>	-	-	-	-	31
26. Interest on Ways and Means Advances/Overdraft	-	-	-	-	1.21
27. Gross State Domestic Product (GSDP)[@]	7399	8254	9108(P)	10410(Q)	11713(A)
28. Outstanding Fiscal liabilities	4874.33	5552.92	6192.26	6483.16	6800.94
29. Outstanding guarantees (year end) (including interest)	273.57	194.75	232.60	175.35	191.36
30. Maximum amount guaranteed (year end)	197.24	197.24	196.04	195.55	193.38
31. Number of incomplete projects^s	49	44	21	96	11
32 Capital blocked in incomplete projects	144.00	224.62	132.18	391.69	316.16
Part E Fiscal Health Indicators					
I Resource Mobilization (in per cent)					
Own Tax revenue/GSDP	2.30	2.38	2.93	3.54	2.84
Own Non-Tax Revenue/GSDP	3.43	2.90	2.85	2.99	1.98

	2008-09	2009-10	2010-11	2011-12	2012-13
Central Transfers/GSDP	7.85	7.24	10.88	11.09	11.25
II Expenditure Management (in per cent)					
Total Expenditure/GSDP	55.28	55.84	65.87	64.38	58.24
Total Expenditure/Revenue Receipts	105.62	119.00	110.50	118.55	100.02
Revenue Expenditure/Total Expenditure	64.11	65.40	67.97	74.70	77.94
Expenditure on Social Services/Total Expenditure	33.01	31.47	30.65	28.60	27.59
Expenditure on Economic Services/Total Expenditure	38.86	37.79	35.60	32.56	32.76
Capital Expenditure/Total Expenditure	35.86	34.45	31.97	25.30	22.01
Capital Expenditure on Social and Economic Services/Total Expenditure	34.52	32.21	27.56	20.92	18.70
III Management of Fiscal Imbalances (in per cent)					
Revenue deficit (surplus)/GSDP	16.90	10.40	14.84	6.21	12.83
Fiscal deficit (surplus)/GSDP	(-) 2.93	(-) 8.88	(-) 6.24	(-) 10.06	(-) 0.01
Primary Deficit (surplus)/GSDP	1.31	(-) 4.97	(-) 2.24	(-) 6.24	3.69
Revenue Deficit/Fiscal Deficit	(-) 576.51	(-) 117.21	(-) 237.71	(-) 61.76	(-) 1445.51
Primary Revenue Balance/GSDP	21.15	14.35	18.86	10.05	16.54
Fiscal Liabilities/GSDP	65.88	67.28	67.99	62.28	58.06
Fiscal Liabilities/RR	125.87	143.37	114.04	114.67	99.72
Primary deficit vis-à-vis quantum spread	193.87	(-) 148.33	25.93	(-) 152.29	820.96
Debt Redemption (Principal+Interest)/Total Debt Receipts	97.25	78.28	84.31	110.78	107.55
V Other Fiscal Health Indicators					
Return on Investment	-	Only ₹ 28,000.00	Only ₹ 4000.00	Only ₹ 3000.00	Only ₹ 4000.00
Balance from Current Revenue (₹ in crore)	(-) 97.15	(-) 188.43	(-) 137.01	(-) 773.38	(-) 1457.11
Financial Assets/Liabilities	1.79	8.91	(-) 69.42	(-) 14.57	2.24

▽ only ₹ 26,000.00

@: GSDP figures as communicated by the State Government

\$: Projects for which initial cost is more than ₹ one crore

P: Provisional; Q: Quick; A: Advance

Appendix 1.5
(Reference: Paragraph 1.9.1)

Assets and Liabilities of the Government of Manipur as on 31 March 2013

		(₹ in crore)	
As on 31.03.2012	Liabilities	As on 31.03.2013	
3298.22	Internal Debt -		3510.66
2180.58	Market Loans bearing interest	2362.59	
0.04	Market Loans not bearing interest	0.04	
5.93	Loans from Life Insurance Corporation of India	5.93	
94.93	Loans from NABARD	135.87	
0.11	Loans from SBI and others	0.11	
6.14	Loans from National Co-operative Development Corporation	6.12	
836.41	Special Securities issued to National Small Savings Fund of the Central Government	820.21	
84.13	Other Loans	81.87	
89.95	Ways and Means Advance	97.92	
574.42	Loans and Advances from Central Government -		530.42
0.06	Pre 1984-85 Loans	0.06	
492.72	Non-Plan Loans	454.83	
77.65	Loans for State Plan Schemes	71.93	
-	Loans for Central Plan Schemes	-	
0.01	Loans for Centrally Sponsored Plan Schemes	-	
3.98	Loans for Special Plan Schemes	3.60	
-	Other Ways & Means Advances	-	
-	Contingency Fund	-	
1075.48	Small Savings, Provident Funds, etc.		1213.50
1421.23	Deposits		1384.48
113.80	Reserve Funds		161.88
6928.08	Deficit on Government Account		8431.31
646.63	Add Revenue Surplus of the current year	1503.23	
	Miscellaneous Deficit		
6281.45	Accumulated Deficit at the beginning of the year	6928.08	
13411.23	Total:		15232.25
Assets			
13213.03	Gross Capital Outlay on Fixed Assets -		14714.59
160.18	Investments in shares of Companies, Corporations, etc.	160.29	
13052.85	Other Capital Expenditure	14554.30	
203.61	Loans and Advances -		206.32
-	Loans for Power Projects	-	
10.28	Loans to Government servants and Miscellaneous loans	12.10	
193.33	Other Development Loans	194.22	
1.73*	Advances		1.72
(-)515.44	Deposit with Reserve Bank and other banks		(-)249.12
245.95	Remittance Balance		248.05
118.71	Suspense and Miscellaneous Balance		116.94
143.64	Cash -		193.75
5.43	Cash in Treasuries and Local Remittances	5.82	
36.38	Departmental Cash Balance	49.77	
0.02	Permanent Advances	0.02	
2.43	Cash Balance Investments	2.43	
99.38	Investment of earmarked funds	135.71	
13411.23			15232.25

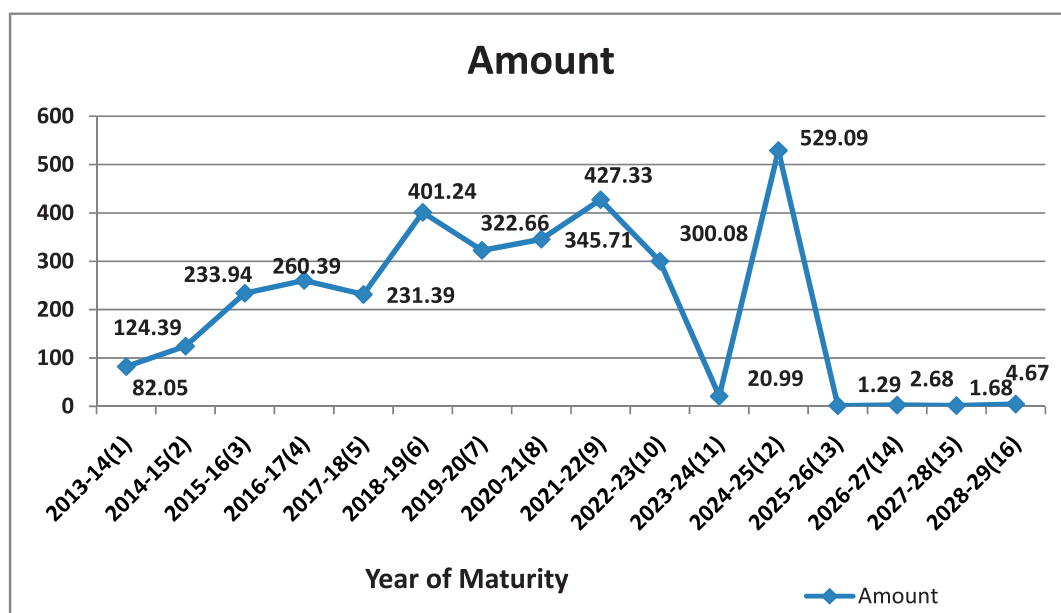
* Discrepancy in figures with respect to previous year is due to rounding.

Appendix 1.6
(Reference: Paragraph 1.10.1)

Maturity Profile of debt¹

			(₹ in lakh)
Year of Maturity	Internal Debt	Loans and advances from the Central Government	Amount
2013-14(1)	8197.55	7.81	8205.36
2014-15(2)	12432.9	6.57	12439.47
2015-16(3)	23389.55	4.33	23393.88
2016-17(4)	26029.56	9.50	26039.06
2017-18(5)	23120.36	18.74	23139.10
2018-19(6)	40109.74	13.78	40123.52
2019-20(7)	32255.68	10.79	32266.47
2020-21(8)	34544.40	26.83	34571.23
2021-22(9)	42696.32	36.78	42733.10
2022-23(10)	29382.32	625.46	30007.78
2023-24(11)	1882.32	216.91	2099.23
2024-25(12)	1882.32	51026.49	52908.81
2025-26(13)	-	128.74	128.74
2026-27(14)	-	267.60	267.60
2027-28(15)	-	167.65	167.65
2028-29(16)	-	467.37	467.37
Sub-Total	275923.02	53035.35	328958.37
Amount for which year of Maturity is not known	75143.15	6.67	75149.82
Total	351066.17	53042.02	404108.19

(₹ in crore)



* excluding ₹ 751.50 crore for which year of Maturity is not known.

¹ Principal amount only

Appendix 1.7
(Reference: Paragraph 1.11.6.3)

Illustration of calculating Weighted Average Maturity of Market loans of 2008-09

Sl. No.	Interest Rate	Year of raising loan	Balances on 31st March 2009 (₹ in thousands)	Remaining period for loan to mature (in years)	Weight	Component contributing to Weighted Average =Weight multiplied by remaining period for loan to mature
(1)	(2)	(3)	(4)	(5)	(6)=(4)/Outstanding Loan	(7)=(5) x (6)
1	11.50%	1989-1990	114300.00	1	0.007871026	0.007871
2	11.50%	1990-1991	110300.00	2	0.007595574	0.015191
3	11.50%	1991-1992	45400.00	3	0.003126374	0.009379
4	12%	1991-1992	75900.00	3	0.005226692	0.01568
5	11.85%	1999-2000	97500.00	1	0.00671413	0.006714
6	12.25%	1999-2000	206400.00	1	0.014213296	0.014213
7	10.25%	2000-2001	157600.00	1	0.010852788	0.010853
8	12%	2000-2001	94400.00	2	0.006500655	0.013001
9	10.35%	2001-2002	100010.00	2	0.006886976	0.013774
10	8.30%	2001-2002	132900.00	3	0.009151875	0.027456
11	8%	2001-2002	119000.00	3	0.008194681	0.024584
12	9.45%	2001-2002	100000.00	2	0.006886287	0.013773
13	7.80%	2002-2003	103300.00	3	0.007113534	0.021341
14	7.80%	2002-2003	275200.00	3	0.018951062	0.056853
15	6.80%	2002-2003	214326.00	3	0.014759103	0.044277
16	6.95%	2002-2003	135000.00	4	0.009296487	0.037186
17	6.75%	2002-2003	44975.00	4	0.003097108	0.012388
18	6.20%	2003-2004	104006.00	4	0.007162152	0.028649
19	5.90%	2003-2004	500000.00	8	0.034431434	0.275451
20	8.50%	2003-2004	1099658.00	8	0.075725605	0.605805
21	5.85%	2003-2004	280000.00	6	0.019281603	0.11569
22	6.40%	2003-2004	266200.00	4	0.018331296	0.073325
23	5.85%	2003-2004	576900.00	6	0.039726989	0.238362
24	6.35%	2003-2004	91008.00	4	0.006267072	0.025068
25	6.20%	2003-2004	104041.00	6	0.007164562	0.042987
26	5.60%	2004-2005	340000.00	5	0.023413375	0.117067
27	7.02%	2004-2005	20000.00	6	0.001377257	0.008264
28	7.17%	2004-2005	29300.00	8	0.002017682	0.016141
29	7.36%	2004-2005	440600.00	5	0.03034098	0.151705
30	7.39%	2005-2006	272300.00	6	0.018751359	0.112508
31	7.45%	2005-2006	369510.00	6	0.025445519	0.152673
32	7.61%	2005-2006	300000.00	7	0.020658861	0.144612
33	7.74%	2005-2006	850000.00	7	0.058533439	0.409734
34	7.77%	2005-2006	257290.00	6	0.017717728	0.106306
35	7.98%	2006-2007	566500.00	7	0.039010815	0.273076
36	7.82%	2006-2007	422500.00	7	0.029094562	0.203662
37	8.35%	2007-2008	856700.00	8	0.05899482	0.471959
38	8.02%	2007-2008	1243750.00	9	0.085648193	0.770834
39	8.02%	2007-2008	371840.00	9	0.025605969	0.230454
40	7%	2008-2009	2000000.00	9	0.137725738	1.239532
41	7.09%	2008-2009	1033000.00	10	0.071135343	0.711353
Outstanding Loan			14521614.00		Weighted average	6.869751

Appendix 1.8
(Reference: Paragraph 1.11.7.1)
Details of Market Borrowings planned and raised

(₹ in crore)

Planning Commission's approved Plan of the State Government			Budget Estimate of the State Government		Amount raised				Total Amount raised (Actual)
					First Quarter (April to June)	Second Quarter (July to September)	Third Quarter (October to December)	Fourth Quarter (January to March)	
Net Market Borrowing	Repayment to be made	Gross Market Borrowing	Budget estimate	Revised estimate					
2008-09									
271.15	39.05	310.05	303.30	303.30	-	-	200.00	103.30	303.30
2009-10									
332.51	41.82	503.35 [#]	317.80	-	-	-	188.78	314.00	502.78
2010-11									
343.82	36.23	380.05	314.98	263.53	-	-	-	258.14*	258.14
2011-12									
297.62	32.13	329.75	361.74	361.74	-	100.00	50.00	140 (Failed)	150
2012-13									
366.08	84.47	450.55	411.64	438.07	75	200**	-	-	275

(Source: Finance Accounts, Budget Documents, Departmental Records)

[#] Including loans through ₹ 68.52 crore (Market Loan in lieu of Normal Central Assistance) and ₹ 60.50 crore (Market Loan in lieu of Special Plan Assistance)

* ₹ 150 crore, ₹ 31.14 crore, ₹ 77 crore made in three occasions

** ₹ 60 crore, ₹ 90 crore and ₹ 50 crore

Appendix 1.9
(Reference: Paragraph 1.11.7.3)
Objectives of Market Borrowings

(₹ in crore)

Sl. No.	Date of Market Borrowing	Amount	Objectives of the Market Borrowing (MB) as per the State Government (as given in the Specific notification)	Objectives of the MB as consented by the Government of India (GoI)
1	11-12-2008	200.00	The loan will be utilized towards financing of the Securities and the features and methods of issue of different types of Securities pertaining to the particular Security issued during the year 2008-09.	For financing the State's annual plan.
2	22-1-2009	103.30	NA	NA
3	29-10-2009	188.78	The loan will be utilized towards financing of the Securities and the features and methods of issue of different types of Securities pertaining to the particular Security issued during the year 2009-10.	For financing the State's annual plan.
4	23-2-2010	314.00	NA	For financing the State's annual plan.
5	18-1- 2011	150.00	The loan will be utilized towards financing of the Securities and the features and methods of issue of different types of Securities pertaining to the particular Security issued during the year 2010-11.	For financing the State's annual plan.
6	1-3- 2011	31.14	The loan will be utilized towards financing of various programme of the State during the year 2010-11.	For financing the State's annual plan.
7	22-3- 2011	77.00	The loan is for financing the State's annual plan 2011-12 and that the borrowing will be utilized exclusively for repayment of existing debt.	To allow the State Government of Manipur to raise Additional Open Market Borrowing (AOMB) of ₹ 77 crore against repayment of loans made by the State Government during current financial year under Open Market Borrowing (OMB) Programme of the States for financing the State's Annual Plan 2010-11 and that the borrowing will be utilized exclusively for repayment of existing debt.
8	20-9-2011	100.00	The loan is for financing the State's annual plan 2011-12 and that the borrowing will be utilized exclusively for repayment of existing debt.	For financing the State's annual plan.
9	18-10-2011	50.00	The loan is for financing the State's annual plan 2011-12 and that the borrowing will be utilized exclusively for repayment of existing debt.	NA
10	17-04-2012	75.00	NA	NA

Sl. No.	Date of Market Borrowing	Amount	Objectives of the Market Borrowing (MB) as per the State Government (as given in the Specific notification)	Objectives of the MB as consented by the Government of India (GoI)
11	17-07-2012	60.00	The loan is for financing the State's annual plan 2012-13 and that the borrowing will be utilized exclusively for repayment of existing debt.	For financing the State's Annual Plan 2012-13.
12	**	90.00**	The loan is for financing the State's annual plan 2012-13 and that the borrowing will be utilized exclusively for repayment of existing debt.	For financing the State's Annual Plan 2012-13
13	18-09-2012	50.00	The loan is for financing the State's annual plan 2012-13 and that the borrowing will be utilized exclusively for repayment of existing debt.	For financing the State's Annual Plan 2012-13

(Source: Departmental records)

** As per Finance Account 2012-13, Market Borrowing of ₹ 90 crore was raised but the document relating to auction result was not available with the Finance Department.

NA- Not made available to audit

Appendix 1.10

Glossary of terms

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

Appendix 2.1
(Reference: Paragraph 2.3.1)

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

(₹ in lakh)

Sl. No.	Grant/ Appropriation	Total provision	Saving	Percentage
1	2	3	4	5
Revenue Voted				
1	1 - State Legislature	3437.60	434.32	13
2	3 - Secretariat	6308.50	1220.32	19
3	4 - Land Revenue, Stamps & Registration and District Administration	6524.36	1031.03	16
4	5 - Finance	83225.52	3103.85	4
5	6 - Transport	630.17	128.35	20
6	7 - Police	83813.28	5525.05	7
7	8 - Public Works Department	20695.12	2256.36	11
8	10 - Education	80329.81	6052.77	8
9	11 - Medical, Health and Family Welfare Services	26823.13	595.97	2
10	12 - Municipal Administration, Housing and Urban Development	8874.88	2194.55	25
11	13 - Labour and Employment	1580.29	284.04	18
12	14 - Tribal Affairs and Hills Department	39207.40	4853.47	12
13	15 - Consumer Affairs, Food and Public Distribution	3292.12	322.87	10
14	17 - Agriculture	16113.26	5724.37	36
15	18 - Animal Husbandry and Veterinary including Dairy Farming	7832.34	1936.15	25
16	19 - Environment and Forest	15543.66	2412.49	16
17	20 -Community Development, IRDP and NREP	21692.62	5491.95	25
18	21 - Commerce and Industries	12810.80	6590.62	51
19	23 - Power	32158.63	592.5	2
20	26 - Administration of Justice	2304.54	677.49	29
21	30 - Planning	71961.81	63457.27	88
22	31 - Fire Protection and Control	1059.95	185.23	17
23	36 - Minor Irrigation	1160.66	145.96	13
24	38 - Panchayat	5640.63	1956.78	35
25	41 - Art and Culture	2424.43	202.84	8
26	42 - State Academy of Training	762.28	216.05	28
27	43 - Horticulture and Soil Conservation	4795.10	630.64	13
28	44 - Social Welfare Department	25415.96	15551.32	61
29	47 - Minorities, Other Backward Classes and Scheduled Castes Department	2492.68	694.13	28
30	49 - Economics & Statistics	1289.13	259.77	20
31	50 - Information Technology	1095.71	356.00	32
Revenue Charged				
32	1 - State Legislature	46.35	36.00	78
33	5 - Finance	10.01	8.63	86
34	26 - Administration of Justice	1045.76	1045.76	100

1	2	3	4	5
Capital Voted				
35	2 - Council of Ministers	80.00	70.00	88
36	3 - Secretariat	250.00	250.00	100
37	5 - Finance	40.01	40.01	100
38	8 - Public Works Department	36200.50	4710.31	13
39	9 - Information and Publicity	300.00	296.00	99
40	10 - Education	5846.95	4900.32	84
41	11 - Medical, Health and Family Welfare Services	9880.62	2038.15	21
42	12 - Municipal Administration, Housing and Urban Development	14801.09	5819.56	39
43	14 - Tribal Affairs and Hills Department	1034.65	241.98	23
44	15 - Consumer Affairs, Food and Public Distribution	331.00	101.00	31
45	17 - Agriculture	3837.00	1524.58	40
46	18 - Animal Husbandry and Veterinary including Dairy Farming	397.00	337.00	85
47	21 - Commerce and Industries	430.00	332.04	77
48	22 - Public Health Engineering	23386.47	11628.59	50
49	23 - Power	20422.55	6450.78	32
50	25 - Youth Affairs and Sports Department	3885.41	2691.04	69
51	30 - Planning	9000.00	127.00	1
52	36 - Minor Irrigation	10774.82	8987.62	83
53	40 - Irrigation and Flood Control Department	65713.82	14177.73	22
54	45 - Tourism	240.14	207.39	86
55	47 - Minorities, Other Backward Classes and Scheduled Castes Department	3291.20	427.08	13
Total:		802541.72	201533.08	

IRDP – Integrated Rural Development Programme and NREP – National Rural Employment Programme

Appendix 2.2
(Reference: Paragraph 2.3.4)
Statement showing expenditure incurred without provision during 2012-13

(₹ in lakh)

Sl. No.	No. and Name of Grant/Appropriation (Heads of Accounts)	Amount of Expenditure without provision	Reasons/Remarks
Appropriation no. 2 – Interest Payment and Debt Services			
1	2049(NP).200.40	120.84	Reasons for incurring expenditure without provisions had not been intimated (December 2013) nor mentioned in the Detailed Appropriation Account
2	2049(NP).305.04	173.92	-do-
Grant No. 8 – Public Works Department			
3	4059(SP).101.01(H)	358.00	-do-
Grant No. 11 – Medical, Health and Family Welfare Services			
4	2210(NP).200.12	134.70	-do-
5	4210(SP).04.800.31(V)	880.00	-do-
6	2210(CSS).06.800.01(V)	75.00	-do-
7	4210(CPS).02.110.02(V)	628.00	-do-
8	4210(CPS).80.800.01(V)	203.00	-do-
Grant No. 14 – Tribal Affairs and Hills Department			
9	2225(SP).02.102.05(V)	5.00	-do-
10	2225(SP).02.794.18(H)	5.00	-do-
Grant No. 18 – Animal Husbandry and Veterinary including Dairy Farming			
11	2403(SP).195.33(V)	25.00	-do-
Grant No. 19 – Environment and Forest			
12	2406(SP).01.800.57(H)	0.22	-do-
Grant No. 20 – Community Development, IRDP and NREP			
13	2501(SP).01.001.12(V)	2.62	-do-
14	2575(SP).02.800.16(H)	2199.00	-do-
Grant No. 21 – Commerce and Industries			
15	2552(NEC).800.40(V)	104.88	-do-
Grant No. 22 – Public Health Engineering			
16	4215(SP).01.102.21(H)	556.00	-do-
Grant No. 23 – Power			
17	4059(SP).01.051.12(H)	9.35	-do-
18	4801(SP).06.799.72(H)	529.36	-do-
19	4801(SP).06.799.72(V)	292.20	-do-
Grant No. 30 – Planning			
20	2059(SP).01.053.01(V)	146.00	-do-
21	4210(SP).80.800.02(V)	45.00	-do-
22	2552(NEC).800.01(V)	36.61	-do-
23	2552(NEC).800.02(V)	125.00	-do-
24	2552(NEC).800.04(V)	120.00	-do-
25	4552(NEC).800.01(H)	168.00	-do-
26	4552(NEC).800.01(V)	160.00	-do-
Grant No. 37 – Fisheries			
27	2405(CSS).101.07(V)	21.00	-do-
28	2405(CSS).101.08(V)	2.00	-do-
Grant No. 43 – Horticulture and Soil Conservation			
29	2402(SP).101.30(H)	11.64	-do-
30	2402(SP).101.30(V)	16.50	-do-
31	2552(NEC).102.01(V)	71.00	-do-
32	2552(NEC).800.08(H)	113.83	-do-
33	2401(CSS).800.24(V)	3.52	-do-
Grant No. 43 – Science and Technology			
34	2552(NEC).60.004.15(V)	30.90	-do-
Total		7373.09	

*NP - Non-plan, H - Hill, SP - State Plan, V - Valley, CSS - Centrally Sponsored Scheme, CPS - Central Plan Scheme, NEC - North Eastern Council, IRDP – Integrated Rural Development Programme and NREP – National Rural Employment Programme

Appendix 2.3
(Reference: Paragraph 2.3.5)

**Statement showing amount debited head-wise and credited to
'8449 – Other Deposits' during March 2013**

(₹ in lakh)

Sl. No.	Department/Name of DDO	Debit Head	Credit Head	Amount credited
1	Command Area Development Authority	2705, 4705	8449	510.64
2	Art and Culture	4202	8449	200.00
3	Police	2055, 4049	8449	2339.56
4	Relief and Disaster Management	2245	8449	100.00
5	Planning	2052, 2053	8449	4037.11
6	Transport	2041	8449	103.99
	Total			7291.30

Appendix 2.4
(Reference: Paragraph 2.3.6)

Excess over provision of previous years requiring regularisation

(₹ in crore)

Year	No. of Grants/ Appropriations	Grant/Appropriation No.	Amount of excess	Stage of consideration by Public Accounts Committee (PAC)
2010-11	7	5, 46 (Revenue voted), 17, 22, 36, 41 and Appropriation no – 2 (Capital charged)	62.42	Excess expenditure yet to be discussed by PAC.
2011-12	14	13, 16, 22, 23, 28, 36, 37, 39, 45 and 49 (Revenue voted), Appropriation No. 2 (Revenue charged), 3 and 36 (Capital voted) and Appropriation No. -2 (Capital charged)	89.38	-do-
	21	Total	151.80	

Appendix 2.5
(Reference: Paragraph 2.3.9)

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

(₹ in lakh)

Sl. No.	Grants/Appropriation No.	Head of Account	Re-appropriation	Final excess(+)/ Saving(-)
	Savings cases			
1	1 - State Legislature	2011.2.101.8	3.74	-214.45
2	10 - Education	2202.1.1.1	27.40	-161.26
3	-do-	2202.1.102.4	11.08	-111.26
4	-do-	2202.1.800.19 (V)	217.92	-979.79
5	-do-	2202.1.800.42 (H)	9.00	-159.00
6	-do-	2202.1.800.7 (V)	-2,334.00	-492.40
7	-do-	2202.2.800.62 (H)	389.40	-514.40
8	-do-	2202.2.800.62 (V)	767.60	-105.78
9	-do-	2202.2.800.90 (V)	-200.00	-178.67
10	-do-	2202.3.103.31 (H)	-2.00	-192.40
11	-do-	2202.80.1.1	4.05	-253.50
12	-do-	2202.80.800.17 (V)	-131.78	-330.63
13	-do-	4202.2.104.94 (V)	-3.50	-246.50
14	-do-	4202.2.800.3 (V)	358.00	-460.00
15	-do-	4552.0.800.29 (V)	56.00	-411.00
16	11 - Medical, Health and Family Welfare Services	2210.1.110.15 (H)	-394.00	-254.32
17	-do-	2210.1.110.20	588.41	-241.93
18	-do-	2210.1.200.12	1,645.81	-1,511.11
19	-do-	4210.1.110.15 (V)	215.29	-120.98
20	-do-	4210.2.110.2 (H)	-269.88	-730.12
21	-do-	4210.4.800.31 (H)	418.38	-2,200.00
22	-do-	4552.8.110.15 (V)	175.00	-175.00
23	12 - Municipal Administration, Housing and Urban Development	2217.1.800.33 (V)	-708.41	-124.83
24	-do-	2217.1.800.8 (V)	-18.45	-780.85
25	14 - Tribal Affairs and Hills Department	2225.2.1.1 (H)	-78.28	-251.07
26	-do-	4225.2.800.32 (H)	-10.00	-190.00
27	17 - Agriculture	2401.0.102.10	4.01	-110.73
28	-do-	2401.0.800.26 (V)	-208.35	-600.33
29	-do-	2401.0.800.30 (V)	150.00	-150.00
30	19 - Environment and Forest	2406.1.1.1	706.15	-583.22
31	-do-	2406.1.1.1 (H)	-230.00	-197.70
32	-do-	2406.1.1.1 (V)	-528.00	-391.14
33	-do-	2406.2.110.22 (H)	-47.56	-106.71
34	20 - Community Development, IRDP and NREP	2501.1.800.17 (H)	5.80	-130.00
35	-do-	2505.2.101.2 (H)	-1,897.00	-1,096.57
36	-do-	2505.2.101.2 (V)	-2,137.00	-1,546.71
37	21 - Commerce & Industries	2851.0.1.1	2.94	-129.25
38	-do-	2851.0.103.40 (V)	-246.45	-488.25
39	-do-	2851.0.103.46 (H)	50.00	-100.00
40	22 - Public Health Engineering	2215.1.1.1	183.77	-1,200.55

41	-do-	4215.1.102.14 (V)	-364.00	-197.77
42	-do-	4215.1.102.19 (H)	100.00	-293.67
43	-do-	4215.1.102.23 (V)	159.35	-159.35
44	-do-	4552.10.102.3 (H)	140.00	-140.00
45	23 - Power	2801.1.101.28	355.09	-580.36
46	-do-	2801.1.101.29	126.00	-211.89
47	-do-	2801.80.1.22	-42.92	-109.26
48	-do-	4059.1.51.12 (V)	-130.00	-215.34
49	-do-	4552.12.799.7 (H)	145.00	-145.00
50	-do-	4552.12.799.8 (H)	130.00	-130.00
51	-do-	4552.5.799.7 (H)	124.00	-124.00
52	-do-	4801.5.799.11 (H)	-50.00	-257.59
53	-do-	4801.5.799.2 (H)	146.00	-593.23
54	-do-	4801.5.799.2 (V)	195.09	-214.45
55	-do-	4801.5.799.92 (H)	-100.90	-275.10
56	-do-	4801.5.799.94 (H)	-179.20	-128.84
57	-do-	4801.5.799.95 (V)	-368.00	-1,132.00
58	-do-	4801.6.800.69 (V)	100.00	-482.35
59	25 - Youth Affairs and Sports Department	2204.0.104.8 (V)	-20.00	-100.00
60	-do-	4202.3.800.13 (V)	180.00	-180.00
61	-do-	4202.3.800.7 (V)	168.32	-268.73
62	-do-	4202.3.800.8 (V)	114.00	-107.20
63	30 - Planning	3451.0.92.8 (V)	63.50	-151.46
64	36 - Minor Irrigation	4702.0.800.2 (H)	-90.00	-3,750.00
65	-do-	4702.0.800.2 (V)	-120.00	-5,110.34
66	-do-	4702.0.800.7 (H)	200.00	-255.00
67	4 - Land Revenue, Stamps and Registration and District Administration	2053.0.94.25	0.01	-133.16
68	44 - Social Welfare Department	2236.2.101.3 (V)	120.20	-156.69
69	-do-	2236.2.101.48 (V)	292.22	-7,200.00
70	47 - Welfare of Minorities and Other Backward Classes	2225.1.277.1 (V)	130.58	-176.10
71	-do-	2225.80.800.7 (V)	64.92	-266.08
72	49 - Appropriation No. 2 - Interest Payment & Debt Services	2049.1.200.35	-148.10	-311.85
73	5 - Finance Department	2071.1.105.9	463.13	-1,458.58
74	-do-	2071.1.111.28	106.87	-147.20
75	7 - Police	2055.0.101.13	397.37	-468.73
76	-do-	2055.0.104.10	155.31	-304.16
77	-do-	2055.0.104.28	0.15	-228.18
78	-do-	2055.0.104.3	138.67	-289.78
79	-do-	2055.0.104.33	2.15	-136.53
80	-do-	2055.0.104.8	85.81	-406.10
81	-do-	2055.0.104.9	226.26	-269.77
82	-do-	2055.0.109.22	170.98	-625.82
83	-do-	2055.0.109.31	81.51	-217.55
84	-do-	2055.0.109.33	150.29	-325.35
85	-do-	2055.0.109.34	138.67	-122.81
86	-do-	2055.0.115.25	-2,225.59	-1,064.00
87	8 - Public Works Department	4059.1.201.1 (V)	914.41	-914.41
88	-do-	4059.1.51.11 (V)	-30.00	-115.75
89	-do-	4059.60.51.4 (V)	-30.23	-157.06

90	-do-	4552.0.337.15 (H)	969.50	-1,121.49
91	-do-	5054.4.800.39 (H)	50.00	-228.39
92	-do-	5054.4.800.39 (V)	89.00	-320.74
93	-do-	5054.5.337.15 (H)	159.60	-409.60
94	-do-	5054.5.337.72 (V)	-633.00	-100.00
95	-do-	5054.80.800.48 (H)	-230.00	-218.12
	Sub Total		-862.89	-51,429.34
	Excess Cases			
96	10 - Education	2202.1.800.42 (V)	-109.00	100.46
97	-do-	2202.2.800.61 (V)	-21.00	296.94
98	-do-	2202.80.3.25	-9.91	166.24
99	11 - Medical, Health and Family Welfare Services	2210.1.110.15 (V)	-200.00	287.51
100	-do-	2210.3.101.27	21.11	137.61
101	-do-	2210.3.103.26	169.15	104.44
102	-do-	2210.3.110.20	-157.39	206.69
103	-do-	2210.4.200.12 (H)	-544.00	548.75
104	-do-	2210.4.200.12 (V)	-418.28	964.46
105	-do-	4210.80.800.1 (V)	101.50	101.50
106	14 - Tribal Affairs and Hills Department	2225.2.1.1	143.45	209.93
107	-do-	2225.2.1.1 (V)	-35.65	270.20
108	-do-	4225.2.800.32 (V)	10.00	293.95
109	17 - Agriculture	2401.0.102.19	1.38	102.03
110	19 - Environment and Forest	2406.1.1.4	-0.11	146.99
111	20 - Community Development, IRDP and NREP	2501.1.800.17 (V)	40.20	130.00
112	-do-	2505.2.101.1 (H)	-81.00	752.71
113	-do-	2505.2.101.1 (V)	-835.00	1,890.57
114	21 - Commerce & Industries	2851.0.103.40 (H)	-126.95	488.25
115	-do-	2852.8.600.1 (V)	-2,601.02	120.27
116	22 - Public Health Engineering	2215.1.101.3	16.44	1,143.70
117	-do-	4215.1.102.14 (H)	-106.00	195.94
118	23 - Power	2801.1.101.38	-1,066.66	1,599.03
119	-do-	2801.1.101.40	585.57	359.15
120	-do-	2801.80.1.17	12.05	108.44
121	-do-	2801.80.1.30	8.17	119.21
122	-do-	4801.5.799.11 (V)	-50.00	296.75
123	-do-	4801.5.799.92 (V)	-764.60	257.08
124	30 - Planning	4059.80.800.1 (V)	-500.00	8,151.10
125	41 - Art and Culture	2205.0.1.1 (V)	-128.00	298.15
126	7 - Police	2055.0.1.1	754.23	1,047.24
127	-do-	2055.0.104.7	-363.33	216.31
128	-do-	2055.0.109.23	185.44	335.45
129	8 - Public Works Department	5054.4.800.37 (H)	-120.00	723.31
130	-do-	5054.4.800.37 (V)	-165.00	925.76
131	-do-	5054.4.800.46 (H)	-37.00	361.65
132	-do-	5054.5.337.15 (V)	-266.47	123.03
133	-do-	5054.5.337.5 (H)	2.75	149.41
	Sub Total		-6,654.93	2,370.21
	Total		-7,517.82	-27,699.13

* IRDP – Integrated Rural Development Programme; NREP – National Rural Employment Programme

Appendix 2.6

(Reference: Paragraph 2.3.10)

Statement showing cases of substantial surrenders (exceeding ₹ 10 crore) made during the year 2012-13

(₹ in crore)

Sl. No.	Name of Grant	Head of Account	Total provision	Amount of surrender	Percentage of surrender
1	2	3	4	5	6
1	14 - Tribal Affairs and Hills Department	2225 – Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes			
		02 – Welfare of Scheduled Tribes			
		800 – Other expenditure			
		09 – Scheme under National Bank for Agriculture and Rural Development	26.00	12.19	46.88
2	20 - Community Development, Integrated Rural Development Programme and National Rural Employment Programme	2505 – Rural Employment			
		02 - Rural Employment Guarantee Scheme			
		101 – National Rural Employment Guarantee Scheme			
		02 – State Matching Share for National Rural Employment Guarantee Programme	90	40.34	44.82
3	21 - Commerce and Industries	2852 – Industries			
		08 – Consumer Industries			
		600 – Others			
		01 – National Mission for Food Processing	40	37.16	92.90
4	22 - Public Health Engineering	4215 – Capital Outlay on Water Supply and Sanitation			
		02 – Sewerage and Sanitation			
		101 – Urban Sanitation Services			
		16 – Externally Aided Project Component	100	100	100.00
5	30 - Planning	3451 – Secretariat - Economic Services			
		092 – Other Offices			
		13 – Special Development Fund	20.23	20.23	100.00
6	30 - Planning	3451 – Secretariat - Economic Services			
		092 – Other Offices			
		26 – Earmarked resource to bridge the gap in Plan Finance	600	600	100.00

Appendix 2.7
(Reference: Paragraph 2.3.13)

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

(₹ in lakh)

Sl. No.	Grant No.	Total provision	Expenditure	Saving
Revenue voted				
1	1 - State Legislature	3437.60	3003.28	434.32
2	2 - Council of Ministers	566.13	486.77	79.36
3	3 - Secretariat	6308.50	5088.18	1220.32
4	5 - Finance	83225.52	80121.67	3103.85
5	6 - Transport	630.17	501.82	128.35
6	7 - Police	83813.28	78288.23	5525.05
7	10 - Education	80329.81	74277.04	6052.77
8	12 - Municipal Administration, Housing and Urban Development	8874.88	6680.33	2194.55
9	15 - Consumer Affairs, Food and Public Distribution	3292.12	2969.25	322.87
10	18 - Animal Husbandry and Veterinary including Dairy Farming	7832.34	5896.19	1936.15
11	19 - Environment and Forest	15543.66	13131.17	2412.49
12	22 - Public Health Engineering	6061.74	5991.20	70.54
13	23 - Power	32158.63	31566.13	592.50
14	25 - Youth Affairs and Sports Department	3405.46	3396.71	8.75
15	26 - Administration of Justice	2304.54	1627.05	677.49
16	27 - Election	1078.48	1043.23	35.25
17	28 - State Excise	1725.21	1688.42	36.79
18	29 - Sales Tax, Other Taxes/Duties on Commodities and Services	478.97	393.17	85.80
19	31 - Fire Protection and Control	1059.95	874.72	185.23
20	32 - Jails	1535.54	1460.62	74.92
21	33 - Home Guards	1075.55	1061.39	14.16
22	34 - Rehabilitation	129.01	121.59	7.42
23	35 - Stationery and Printing	483.08	472.90	10.18
24	36 - Minor Irrigation	1160.66	1014.70	145.96
25	37 - Fisheries	2855.42	2796.66	58.76
26	38 - Panchayat	5640.63	3683.85	1956.78
27	44 - Social Welfare Department	25415.96	9864.64	15551.32
28	46 - Science and Technology	963.32	894.07	69.25
29	47 - Minorities, Other Backward Classes and Scheduled Castes Department	2492.68	1798.55	694.13
30	48 - Relief and Disaster Management	1450.69	1393.20	57.49
31	49 - Economics and Statistics	1289.13	1029.36	259.77
Revenue Charged				
32	Appropriation No. 1 - Governor	332.50	298.85	33.65
33	Appropriation No. 3 - Manipur Public Service Commission	290.98	266.34	24.64
34	5 - Finance	10.01	1.38	8.63
35	8 - Public Works Department	100.10	85.03	15.07
36	26 - Administration of Justice	1045.76	0.00	1045.76

Capital voted				
37	2 - Council of Ministers	80.00	10.00	70.00
38	3 - Secretariat	250.00	0.00	250.00
39	5 - Finance	40.01	0.00	40.01
40	10 - Education	5846.95	946.63	4900.32
41	11 - Medical, Health and Family Welfare Services	9880.62	7842.47	2038.15
42	13 - Labour and Employment	15.02	15.00	0.02
43	14 - Tribal Affairs and Hill Department	1034.65	792.67	241.98
44	15 - Consumer Affairs, Food and Public Distribution	331.00	230.00	101.00
45	16 - Co-operation	66.20	49.70	16.50
46	17 - Agriculture	3837.00	2312.42	1524.58
47	18 - Animal Husbandry and Veterinary including Dairy Farming	397.00	60.00	337.00
48	25 - Youth Affairs and Sports Department	3885.41	1194.37	2691.04
49	36 - Minor Irrigation	10774.82	1787.20	8987.62
50	39 - Sericulture	1402.00	1400.72	1.28
51	40 - Irrigation and Flood Control Department	65713.82	51536.09	14177.73
52	41 - Art and Culture	545.00	495.00	50.00
53	44 - Social Welfare Department	586.01	530.00	56.01
54	47 - Minorities, Other Backward Classes and Scheduled Castes Department	3291.20	2864.12	427.08
Total:		4,96,374.72	4,15,334.08	81,040.64

Appendix 2.8
(Reference: Paragraph 2.3.13)

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

(₹ in lakh)

Sl. No.	Grant No.	Total provision	Expenditure	Saving	Surrender	Saving not surrendered
	Revenue Voted					
1	1 - State Legislature	3437.60	3003.28	434.32	0.00	434.32
2	3 - Secretariat	6308.50	5088.18	1220.32	0.00	1220.32
3	4 - Land revenue, Stamps & Registration and District Administration	6524.36	5493.33	1031.03	227.73	803.30
4	5 - Finance	83225.52	80121.67	3103.85	0.00	3103.85
5	6 - Transport	630.17	501.82	128.35	0.00	128.35
6	7 - Police	83813.28	78288.23	5525.05	0.00	5525.05
7	8 - Public Works Department	20695.12	18438.76	2256.36	171.80	2084.56
8	10 - Education	80329.81	74277.04	6052.77	0.00	6052.77
9	12 - Municipal Administration, Housing and Urban Development	8874.88	6680.33	2194.55	0.00	2194.55
10	13 - Labour and Employment	1580.29	1296.25	284.04	159.50	124.54
11	14 - Tribal Affairs and Hills Department	39207.40	34353.93	4853.47	1218.82	3634.65
12	15 - Consumer Affairs, Food and Public Distribution	3292.12	2969.25	322.87	0.00	322.87
13	17 - Agriculture	16113.26	10388.89	5724.37	479.99	5244.38
14	18 - Animal Husbandry and Veterinary including Dairy Farming	7832.34	5896.19	1936.15	0.00	1936.15
15	19 - Environment and Forest	15543.66	13131.17	2412.49	0.00	2412.49
16	20 - Community Development, Integrated Rural Development Programme and National Rural Employment Programme	21692.62	16200.67	5491.95	5006.98	484.97
17	21 - Commerce and Industries	12810.80	6220.18	6590.62	4122.39	2468.23
18	23 - Power	32158.63	31566.13	592.50	0.00	592.50
19	26 - Administration of Justice	2304.54	1627.05	677.49	0.00	677.49
20	30 - Planning	71961.81	8504.54	63457.27	62184.11	1273.16
21	31 - Fire Protection	1059.95	874.72	185.23	0.00	185.23
22	36 - Minor Irrigation	1160.66	1014.70	145.96	0.00	145.96
23	38 - Panchayat	5640.63	3683.85	1956.78	0.00	1956.78
24	43 - Horticulture and Soil Conservation	4795.10	4164.46	630.64	522.45	108.19
25	44 - Social Welfare Department	25415.96	9864.64	15551.32	0.00	15551.32
26	47 - Minorities, Other Backward Classes and Scheduled Castes Department	2492.68	1798.55	694.13	0.00	694.13
27	49 - Economics and Statistics	1289.13	1029.36	259.77	0.00	259.77

28	50 - Information Technology	1095.71	739.71	356.00	200.01	155.99
	Revenue Charged					
29	26- Administration of Justice	1045.76	0.00	1045.76	0.00	1045.76
	Capital Voted					
30	3 - Secretariat	250.00	0.00	250.00	0.00	250.00
31	8 - Public Works Department	36200.50	31490.19	4710.31	524.02	4186.29
32	10 - Education	5846.95	946.63	4900.32	0.00	4900.32
33	11 - Medical, Health and Family Welfare Services	9880.62	7842.47	2038.15	0.00	2038.15
34	12 - Municipal Administration, Housing and Urban Development	14801.09	8981.53	5819.56	257.37	5562.19
35	14 - Tribal Affairs and Hills Department	1034.65	792.67	241.98	0.00	241.98
36	15 - Consumer Affairs, Food and Public Distribution	331.00	230.00	101.00	0.00	101.00
37	17 - Agriculture	3837.00	2312.42	1524.58	0.00	1524.58
38	18 - Animal Husbandry and Veterinary including Dairy Farming	397.00	60.00	337.00	0.00	337.00
39	22 - Public Health Engineering	23386.47	11757.88	11628.59	10989.04	639.55
40	23 - Power	20422.55	13971.77	6450.78	2549.91	3900.87
41	25 - Youth Affairs and Sports Department	3885.41	1194.37	2691.04	0.00	2691.04
42	36 - Minor Irrigation	10774.82	1787.20	8987.62	0.00	8987.62
43	40 -Irrigation and Flood Control Department	65713.82	51536.09	14177.73	0.00	14177.73
44	47 - Minorities, Other Backward Classes and Scheduled Castes Department	3291.20	2864.12	427.08	0.00	427.08
	Total:	7,62,385.37	5,62,984.22	1,99,401.15	88,614.12	1,10,787.03

Appendix 2.9
(Reference: Paragraph 2.3.13)

Statement showing cases of surrender of funds made as on 31 March 2013

(₹ in lakh)

Sl. No.	Grant No.	Total Provision	Expenditure	Excess (+) / Saving (-)	Surrender	%age of surrender vis-à-vis Total Provision
Revenue Voted						
1	4 - Land Revenue, Stamps & Registration and District Administration	6524.36	5493.33	-1031.03	227.73	3.49
2	8 - Public Works Department	20695.12	18438.76	-2256.36	171.80	0.83
3	9 - Information and Publicity	538.42	477.80	-60.62	33.04	6.14
4	11 - Medical, Health and Family Welfare Services	26823.13	26227.16	-595.97	680.35	2.54
5	13 - Labour and Employment	1580.29	1296.25	-284.04	159.50	10.09
6	14 - Tribal Affairs and Hills Department	39207.40	34353.93	-4853.47	1218.82	3.11
7	16 - Co-operation	1619.05	1550.73	-68.32	24.51	1.51
8	17 - Agriculture	16113.26	10388.89	-5724.37	479.99	2.98
9	20 - Community Development, Integrated Rural Development Programme and National Rural Employment Programme	21692.62	16200.67	-5491.95	5006.98	23.08
10	21 - Commerce and Industries	12810.80	6220.18	-6590.62	4122.39	32.18
11	24 - Vigilance Department	246.12	224.49	-21.63	3.20	1.30
12	30 - Planning	71961.81	8504.54	-63457.27	62184.11	86.41
13	41 - Art and Culture	2424.43	2221.59	-202.84	259.39	10.70
14	42 - State Academy of Training	762.28	546.23	-216.05	124.67	16.35
15	43 - Horticulture and Soil Conservation	4795.10	4164.46	-630.64	522.45	10.90
16	45 - Tourism	575.89	548.70	-27.19	11.73	2.04
17	50 - Information and Technology	1095.71	739.71	-356.00	200.01	18.25
Revenue Charged						
18	1 - State Legislature	46.35	10.35	-36.00	14.00	30.20
Capital Voted						
19	1 - State Legislature	280.00	220.00	-60.00	40.00	14.29
20	8 - Public Works Department	36200.50	31490.19	-4710.31	524.02	1.45
21	9 - Information and Publicity	300.00	4.00	-296.00	290.00	96.67
22	12 - Municipal Administration, Housing and Urban Development	14801.09	8981.53	-5819.56	257.37	1.74
23	21 - Commerce and Industries	430.00	97.96	-332.04	332.00	77.21
24	22 - Public Health Engineering	23386.47	11757.88	-11628.59	10989.04	46.99
25	23 - Power	20422.55	13971.77	-6450.78	2549.91	12.49
26	30 - Planning	9000.00	8873.00	-127.00	122.00	1.36
27	37 - Fisheries	360.00	147.82	-212.18	170.40	47.33
28	45 - Tourism	240.14	32.75	-207.39	202.34	84.26
Total:		334932.89	213184.67	-121748.22	90921.75	

Appendix 2.10
(Reference: Paragraph 2.3.14)

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

(₹ in crore)

Sl. No.	Grant	Description / Major Head	Expenditure during Jan-March	Expenditure during March	Total expenditure	% of Total expenditure during Jan-March	% of Total expenditure during March
1	2	3	4	5	6	7	8
1	1	Parliament/ State/Union Territory Legislatures Council of Ministers/2011	13.12	10.51	28.96	45.00	33
2	7	Capital Outlay on Public Works/4059	26.75	26.75	26.75	100.00	100
3	11	Capital Outlay on Medical and Public Health / 4210	75.75	70.15	77.17	98.00	91
4	12	Urban Development/ 2217	49.35	45.53	55.27	89.00	82
5	12	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions / 3604	11.25	11.25	11.25	100.00	100
6	12	Capital Outlay on Urban Development / 4217	84.15	72.46	89.82	94.00	81
7	14	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes / 2225	130.62	122.99	180.69	72.00	68
8	15	Food, Storage and Warehousing / 2408	19.08	18.08	26.20	73.00	69
9	17	Crop Husbandry/2401	54.23	30.95	81.61	66.00	38
10	17	Command Area Development/ 2705	12.89	12.57	15.57	83.00	81
11	17	Capital Outlay on Command Area Development / 4705	13.52	11.67	13.52	100.00	86
12	19	Soil and Water Conservation / 2402	24.02	11.99	46.33	52.00	26
13	20	Rural Employment / 2505	77.38	28.42	94.93	82.00	30
14	21	Village and Small Industries / 2851	39.94	23.47	58.94	68.00	40.00
15	22	Water Supply and Sanitation / 2215	20.89	15.72	55.58	38.00	28
16	25	Capital Outlay on Education, Sports, Art and Culture /4202	11.94	11.94	11.94	100.00	100

17	30	Capital Outlay on Public Works / 4059	85.00	83.92	85.00	100.00	99
18	38	Compensation and Assignments to Local Bodies and Panchayati Raj Institutions / 3604	20.62	20.62	20.62	100.00	100
19	39	Capital Outlay on Village and Small Industries /4851	14.01	14.01	14.01	100.00	100
20	41	Art and Culture/2205	16.05	14.63	21.79	74.00	67
21	44	Social Security and Welfare / 2235	40.83	33.20	91.28	45.00	36
22	47	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes / 2225	14.83	14.40	17.83	83.00	81
23	47	Capital Outlay on Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes/4225	28.64	28.64	28.64	100.00	100
24	51	Relief on account of Natural Calamities/2245	13.32	13.19	13.85	96.00	95

Appendix 2.11
(Reference: Paragraph 2.4.1)

Pending DCC bills up to 2012-13 as on October 2013

(₹ in crore)

Sl. No.	Department/Institutes	Number of AC bills	Amount of Pending DCC bills
1	Agriculture Department	7	16.53
2	Art & Culture Department	6	4.97
3	Department of Information & Public Relations	4	0.16
4	Development of Tribals and Backward Classes	127	84.01
5	District Administration	6	1.15
6	Economics and Statistics Department	1	1.80
7	Education (School) Department	112	148.5
8	Education (U) Department	65	37.18
9	Election Department	2	13.13
10	Family and Children Welfare Bureau	6	0.85
11	Finance Department	18	12.03
12	Food and Civil Supply Department	7	9.70
13	General Administration Department	2	0.22
14	Industries Department	22	19.44
15	Information Technology	4	11.37
16	Jail (Prison) Department	4	2.93
17	Labour Department	2	0.05
18	Manipur Fire Service	1	0.21
19	Manipur Public Service Commission	1	0.24
20	Medical and Health Services Department	259	192.67
21	Municipal Administration, Housing and Urban Development	6	4.83
22	Planning Department	45	191.09
23	Police Department	41	53.30
24	Rural Development and Panchayati Raj	30	35.72
25	Science and Technology Department	5	3.86
26	Secretariat Development Department	1	7.50
27	Sericulture Department	4	1.22
28	Sports and Youth Services Department	37	15.37
29	State Council of Educational Research & Training Department	13	1.08
30	Taxation Department	5	1.53
31	Tourism Department	35	49.98
32	Transport Department	8	8.26
33	Veterinary and Animal Husbandry Department	33	5.42
34	Weights & Measures Department	1	0.20
35	Welfare of Minorities and other Backward Classes	23	8.90
Total:		943	945.40

(Figures as furnished from the output of Voucher Level Computerisation Software, Office of the Accountant General (A&E), Manipur)

Appendix 2.12

(Reference: Paragraph 2.4.2)

Controlling Officers of the State Government of Manipur who had not reconciled the figures for the year 2012-13 with the Accounts booked by Office of the Accountant General (A&E), Manipur

Sl. No.	Name of Controlling Officers
1	Administrator, Command Area Development Authority
2	Chief Engineer (Minor Irrigation), Department
3	Deputy Resident Commissioner, Kolkata
4	Deputy Secretary, Information Technology
5	Chief Engineer (Power)
6	Chief Engineer, Irrigation & Flood Control Department
7	Chief Town Planner
8	Director, Youth Affairs and Sports
9	Director (Information and Public Relations)
10	Director, Tourism
11	Deputy Commissioner, Imphal East
12	Deputy Commissioner, Imphal West
13	Deputy Commissioner, Churachandpur
14	Deputy Commissioner, Chandel
15	Registrar, Co-operative Societies
16	Deputy Commissioner, Ukhrul
17	Deputy Commissioner, Senapati
18	Deputy Commissioner, Tamenglong
19	Director, State Lottery Department
20	Director, Art and Culture
21	Director, Agriculture
22	Resident Commissioner, New Delhi
23	Director, Veterinary and Animal Husbandry Services
24	Chief Engineer, Public Health Engineering Department
25	Director, Economics and Statistics
26	Director, Fisheries
27	Director, Social Welfare
28	Director, Sericulture
29	Director, Local Fund Audit
30	Director, Education (U)
31	Director, Education (S)
32	Director, State Council Education Research and Training
33	Director, Non-Formal Education
34	Director, Transport
35	Director, Rural Development and Panchayati Raj
36	Director, Municipal Administration Housing and Urban Development
37	Director, Food and Civil Supply Department
38	District and Session Judge, Manipur East
39	District and Session Judge, Manipur West
40	Director, Institutional Finance Cell
41	Engineer in Chief, Registration
42	Inspector General of Prisons
43	Judge, Family Court
44	Principal Chief Conservator of Forest
45	Registrar, Guwahati High Court
46	Secretary, Governor Secretariat
47	Secretary, Assembly Secretariat
48	Secretary, Revenue
49	Secretary, Manipur Public Service Commission
50	Director, Rehabilitation
51	Director, Manpower Planning and Development
52	Chief Engineer, Public Works Department
53	Director, District Information of Education and Training
54	Inspector General of Registrar
55	Director General of Home Guard

Appendix 2.13
(Reference: Paragraph 2.7)

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

Sl. No.	Grant No.	Heads of Account in the budget
Major Head not conforming to the list of Major & Minor Head of Accounts		
1	Demand No. 12 - Municipal Administration Housing and Urban Development	3604- Assignment to Local Bodies & Other Aided Institutions ((Non Plan (NP))
Sub-Major Heads not conforming to the list of Major & Minor Head of Accounts		
1	Demand No.10 - Education	4202- C/o on Education, Sports, Arts & Culture (Plan) 03-University and Higher Education
2	Demand No.21 - Commerce and Industries	4852- C/o on Iron and Steel Industries (Plan) 00-
3	Demand No.22 - Public Health Engineering	4552- C/o on North Eastern Areas (NEA) 01- Water Supply
4	Demand No. 23 – Power	4552-C/o on NEA 01-Hydel Generation
5	Demand No.30 - Planning	4202- C/o on Education, Sports, Arts and Culture 00-
6	Demand 40 - Irrigation and Flood Control Department	2700- Major Irrigation (NP) 08- General
7	Demand No. 46 - Science and Technology	2501- Special Programme for Rural Development 04 - Integrated Rural Energy Planning Programme
8	Demand No.8 - Public Works Department	2216- Housing (NP) 07-Other Housing
9	Demand No.30 - Planning	3451- Secretariat Economic Services (Plan) 00 -
Minor Heads not conforming to the list of Major & Minor Head of Accounts		
1	Demand No.4 - Land Revenue Stamp Registration and District Administration	2053- District Administration (N.P) 093- District Administration
2	Demand No.8 - Public Works Department	4059- Capital Outlay on Public Works (Plan) 01- Office Building 101- Construction of General Pool Accommodation

3	Demand No.10 – Education	4202- C/o on Education, sports, Arts & culture (Plan) 02- Technical Education 203- University and Higher Education
4	Demand No.13 - Labour & Employment	2230- Labour and Employment (NP) 03-Training 052- Machinery & Equipment
5	Demand No. 17- Agriculture	2415- Agriculture Research and Education (NP) 80- General 272- Education
6	Demand No. 19 - Environment and Forest	2406- Forestry and wild life (P) 01- Forestry 109- Extension and Training
7	Demand No.30 -Planning	4059- C/o on Public works (Plan) 01 -Office Buildings 101- Construction of General Pool Accommodation
8	Demand No. 36- Minor Irrigation	2702- Minor Irrigation (NP) 01-Surface Water 101- Lift Irrigation Schemes
9	Demand No. 43 - Horticulture and Soil Conservation	2415- Agricultural Research & Education (N.P). 01-Crop Husbandry 005 Education

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

C/o – Capital Outlay

Appendix 3.1
(Reference: Paragraph 3.1)

Statement showing outstanding Utilization Certificates as on 31 March 2013

(₹ in crore)

Sl. No.	Department	Year of payment of Grant	Total Grants paid		Utilization Certificates			
			Number	Amount	Received		Outstanding	
					Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Agriculture	Upto 2009-10	1	0.05	Nil	Nil	1	0.05
		2010-11	1	0.05	Nil	Nil	1	0.05
		2011-12	2	0.05	Nil	Nil	2	0.05
		2012-13	1	0.05	Nil	Nil	1	0.05
2	Arts & Culture	Upto 2009-10	72	5.11	4	2.52	68	2.59
		2010-11	38	6.03	30	3.92	8	2.11
		2011-12	56	4.88	2	2.58	54	2.30
		2012-13	43	5.51	Nil	Nil	43	5.51
3	Co-operation	Upto 2009-10	16	2.05	16	2.05	Nil	Nil
		2010-11	4	0.92	4	0.92	Nil	Nil
		2011-12	4	0.90	4	0.90	Nil	Nil
		2012-13	5	0.92	Nil	Nil	5	0.92
4	Tribal Affairs and Hills	Upto 2009-10	245	53.64	Nil	Nil	245	53.64
		2010-11	241	101.60	Nil	Nil	241	101.60
		2011-12	256	276.95	Nil	Nil	256	276.95
		2012-13	596	257.3	Nil	Nil	596	257.3
5	District Administration	Upto 2009-10	48	3.43	Nil	Nil	48	3.43
		2010-11	29	1.39	Nil	Nil	29	1.39
		2011-12	23	0.75	Nil	Nil	23	0.75
		2012-13	21	0.56	Nil	Nil	21	0.56
6	Education (S)	Upto 2009-10	143	15.96	Nil	Nil	143	15.96
		2010-11	123	29.45	Nil	Nil	123	29.45
		2011-12	121	39.31	Nil	Nil	121	39.31
		2012-13	191	34.78	Nil	Nil	191	34.78
7	Education (U)	Upto 2009-10	37	11.16	Nil	Nil	37	11.16
		2010-11	10	5.72	Nil	Nil	10	5.72
		2011-12	16	5.63	Nil	Nil	16	5.63
		2012-13	23	7.45	Nil	Nil	23	7.45
8	Excise	Upto 2009-10	1	0.02	Nil	Nil	1	0.02
		2010-11	Nil	Nil	Nil	Nil	Nil	Nil
		2011-12	Nil	Nil	Nil	Nil	Nil	Nil
		2012-13	Nil	Nil	Nil	Nil	Nil	Nil
9	Finance	2010-11	1	0.04	Nil	Nil	1	0.04
		2011-12	Nil	Nil	Nil	Nil	Nil	Nil
		2012-13	2	0.05	Nil	Nil	2	0.05

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
10	Fisheries	Upto 2009-10	16	2.18	Nil	Nil	16	2.18
		2010-11	7	2.44	Nil	Nil	7	2.44
		2011-12	5	1.62	Nil	Nil	5	1.62
		2012-13	10	1.87	Nil	Nil	10	1.87
11	Forest	Upto 2009-10	32	38.99	Nil	Nil	32	38.99
		2010-11	15	53.96	Nil	Nil	15	53.96
		2011-12	16	54.05	Nil	Nil	16	54.05
		2012-13	27	46.88	Nil	Nil	27	46.88
12	General Administrative/ Secretariat General Services	Upto 2009-10	39	31.30	Nil	Nil	39	31.30
		2010-11	11	0.75	Nil	Nil	11	0.75
		2011-12	21	0.49	Nil	Nil	21	0.49
		2012-13	9	0.21	Nil	Nil	9	0.21
13	Industries	Upto 2009-10	23	19.57	Nil	Nil	23	19.57
		2010-11	14	10.00	Nil	Nil	14	10.00
		2011-12	21	19.48	Nil	Nil	21	19.48
		2012-13	14	14.37	Nil	Nil	14	14.37
14	Information Technology	2010-11	1	0.28	Nil	Nil	1	0.28
		2011-12	2	1.00	Nil	Nil	2	1.00
		2012-13	9	4.59	Nil	Nil	9	4.59
15	Labour	2011-12	1	0.50	Nil	Nil	1	0.50
		2012-13	2	0.65	Nil	Nil	2	0.65
16	Law Department	Upto 2009-10	19	0.30	Nil	Nil	19	0.30
		2010-11	Nil	Nil	Nil	Nil	Nil	Nil
		2011-12	1	0.05	Nil	Nil	1	0.05
		2012-13	Nil	Nil	Nil	Nil	Nil	Nil
17	Medical & Health Services	Upto 2009-10	10	17.43	Nil	Nil	10	17.43
		2010-11	7	33.08	Nil	Nil	7	33.08
		2011-12	7	62.57	Nil	Nil	7	62.57
		2012-13	5	60.75	Nil	Nil	5	60.75
18	Municipal Administration, Housing & Urban Development	Upto 2009-10	31	13.36	Nil	Nil	31	13.36
		2010-11	35	24.10	Nil	Nil	35	24.10
		2011-12	59	45.40	Nil	Nil	59	45.40
		2012-13	51	67.54	Nil	Nil	51	67.54
19	Other Administrative Services	Upto 2009-10	4	0.08	Nil	Nil	4	0.08
		2010-11	2	0.09	Nil	Nil	2	0.09
		2011-12	Nil	Nil	Nil	Nil	Nil	Nil
		2012-13	Nil	Nil	Nil	Nil	Nil	Nil
20	Planning	Upto 2009-10	10	31.54	Nil	Nil	10	31.54
		2010-11	18	44.52	Nil	Nil	18	44.52
		2011-12	22	81.63	Nil	Nil	22	81.63
		2012-13	25	67.47	Nil	Nil	25	67.47
21	Police	Upto 2009-10	13	0.70	Nil	Nil	13	0.70
		2010-11	3	0.10	Nil	Nil	3	0.10
		2011-12	6	0.28	Nil	Nil	6	0.28
		2012-13	1	0.05	Nil	Nil	1	0.05

22	Public Works Department	Upto 2009-10	1	0.01	Nil	Nil	1	0.01
		2010-11	Nil	Nil	Nil	Nil	Nil	Nil
		2011-12	Nil	Nil	Nil	Nil	Nil	Nil
		2012-13	Nil	Nil	Nil	Nil	Nil	Nil
23	Town Planning	Upto 2009-10	2	0.13	Nil	Nil	2	0.13
		2010-11	4	1.89	Nil	Nil	4	1.89
		2011-12	Nil	Nil	Nil	Nil	Nil	Nil
		2012-13	3	0.63	Nil	Nil	3	0.63
24	Sports & Youth Affairs Department	Upto 2009-10	20	2.59	Nil	Nil	20	2.59
		2010-11	4	1.46	Nil	Nil	4	1.46
		2011-12	4	1.37	Nil	Nil	4	1.37
		2012-13	2	1.01	Nil	Nil	2	1.01
25	Veterinary and Animal Husbandry	Upto 2009-10	43	3.45	Nil	Nil	43	3.45
		2010-11	3	1.84	Nil	Nil	3	1.84
		2011-12	3	1.26	Nil	Nil	3	1.26
		2012-13	6	0.25	Nil	Nil	6	0.25
26	Social Welfare	Upto 2009-10	40	5.74	Nil	Nil	40	5.74
		2010-11	12	0.82	Nil	Nil	12	0.82
		2011-12	6	0.95	Nil	Nil	6	0.95
		2012-13	12	1.88	Nil	Nil	12	1.88
27	Sericulture	Upto 2009-10	3	5.80	Nil	Nil	3	5.80
		2010-11	2	6.22	Nil	Nil	2	6.22
		2011-12	3	5.08	Nil	Nil	3	5.08
		2012-13	4	8.75	Nil	Nil	4	8.75
28	Science & Technology	Upto 2009-10	16	11.53	Nil	Nil	16	11.53
		2010-11	6	8.21	Nil	Nil	6	8.21
		2011-12	6	5.59	Nil	Nil	6	5.59
		2012-13	11	2.88	Nil	Nil	11	2.88
29	Rural Development & Panchayati Raj	Upto 2009-10	58	21.17	Nil	Nil	58	21.17
		2010-11	97	54.62	Nil	Nil	97	54.62
		2011-12	81	117.70	Nil	Nil	81	117.70
		2012-13	106	154.41	Nil	Nil	106	154.41
30	Welfare of Minorities & Other Backward Classes	Upto 2009-10	21	2.40	Nil	Nil	21	2.40
		2010-11	7	4.68	Nil	Nil	7	4.68
		2011-12	9	3.90	Nil	Nil	9	3.90
		2012-13	19	32.46	Nil	Nil	19	32.46
31	Governor Secretariat	2012-13	12	0.23	Nil	Nil	12	0.23
	Sub-total	Upto 2009-10	964	299.69	20	4.57	944	295.12
		2010-11	695	394.26	34	4.84	661	389.42
		2011-12	751	731.39	6	3.48	745	727.91
		2012-13	1210	773.50	0	0	1210	773.50
	Total		3620	2198.84	60	12.89	3560	2185.95

Appendix 3.2
(Reference: Paragraph 3.2)

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

Sl. No.	Name of the Body/Authority	Year from which accounts had not been received	Grants received (₹ in lakh)
	Department: Department of Tribals Affairs and Hills		
1	Autonomous District Council, Churachandpur	-	NF
2	Autonomous District Council, Chandel	2011-12 to 2012-13	
3	Autonomous District Council, Tamenglong	2010-11 to 2012-13	NF
4	Autonomous District Council, Ukhul	2010-11 to 2012-13	NF
5	Autonomous District Council, Senapati	2010-11 to 2011-12	NF
6	Autonomous District Council, Kangpokpi	2011-12 to 2012-13	NF
	Department: Law		
7	Manipur State Legal Service Authority	2011-12 to 2012-13	NF

NF:-Not furnished

Appendix 3.3
(Reference: Paragraph 3.3)

Statement showing position of placement of SARs of ADCs/ Autonomous body as on 31 December 2013

Name of the ADC/Autonomous Bodies	Period of entrustment	Year up to which accounts were rendered	Position of last SAR placed in the State Legislature					Position of SARs issued but not placed		
			Year of last SAR placed	Date of issue	Date of placement of SAR	Delay in placement of SAR	Reasons for delay	SARs issued	Date of issue	Reasons for non placement of SARs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Chandel	Under Section 19 (3)	2010-11	2009-10	11.6.13	26.06.13	-	-	-	-	-
Churachandpur	-do-	2012-13	2009-10	2.12.13	19.12.13	-	-	-	-	-
Sardar Hills	-do-	2010-11	2006-07	19.6.09	19.12.13	Over 4 years	NA	2007-08	18.12.13	-
Senapati	-do-	2009-10	2007-08	20.10.10	19.12.13	Over 3 years	NA	-	-	-
Tamenglong	-do-	2009-10	2007-08	20.10.10	19.12.13	Over 3 years	NA	-	-	-
Ukhul	-do-	2009-10	2006-07	13.1.10	19.12.13	Over 3 years	NA	-	-	-
Manipur State Legal Service Authority	-do-	2010-11	2010-11	6.12.13	19.12.13	-	-	-	-	-

NA – Not Available

Appendix 3.4
(Reference: Paragraph 3.4)

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

(₹ in crore)

Sl. No.	Name of the Undertaking	Accounts Finalized up to	Investment as per last Account finalized	Remarks/Reasons for Delay in Preparation of accounts
Commerce and Industries				
1	Manipur Industrial Development Corporation	2009-10	12.14	NA
2	Manipur Handloom and Handicrafts Development Corporation	2004-05	11.68	NA
3	Manipur Electronics Development Corporation	2005-06	2.74	NA
4	Manipur Food Industries Corporation	2009-10	5.41	NA
Tribal Area Backward Classes Development				
5	Manipur Tribal Development Corporation	1990-91	0.01	NA
Home Department				
6	Manipur Police Housing Corporation	1997-98	0.02	NA
Arts and Culture				
7	Manipur Film Development Corporation	1995-96	0.06	NA
Agriculture and allied				
8	Manipur Plantation Crops Corporation Ltd.	1983-84	2.00	NA
9	Manipur Agro Industries Corporation Ltd.	1988-89	2.00	NA
Misc.				
10	Manipur Pulp & Allied Products Ltd.	1997-98	0.89	NA
Total :			32.06	

NA-Not available

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