PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.

2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2010.

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 Meghalaya is being brought out with a view to assess objectively the financial performance of the State during the year 2009-10. 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. 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 Meghalaya Fiscal Responsibility and Budget Management (MFRBM) Act, 2006 as well as in the Budget estimates of 2009-10. A comparison has been made to see whether the State has given adequate fiscal priority to developmental, social sector and capital expenditure compared to other North Eastern States, and whether the expenditure has been effectively absorbed by the intended beneficiaries.

The Comptroller and Auditor General's (C&AG) civil audit reports step in to fill this gap. C&AG's reports have been commenting upon the Government's finances for two years since the MFRBM legislation and have published two reports already. Since these comments formed part of the civil audit report, it was felt that the audit findings on State finances remained camouflaged in the large body of audit findings on compliance and performance audits. The obvious fallout of this well-intentioned but all-inclusive reporting was that the financial management portion of these findings did not receive proper attention. In recognition of the need to bring State finances to center-stage once again, a stand-alone report on State Government finances is considered as an appropriate audit response to this challenge. Accordingly, from the report year 2008-09 onwards, C&AG has decided to bring out a separate volume titled "Report of the Comptroller and Auditor General of India on State Finances". This Report is the second in this endeavour.

Based on the audited accounts of the Government of Meghalaya for the year ending March 2010, this report provides an analytical review of the Annual Accounts of the State Government. The report is structured in three Chapters.

The Report

Chapter I is based on the audit of Finance Accounts and makes an assessment of Meghalaya Government's fiscal position as at 31 March 2010. It provides an insight into trends in committed expenditure, borrowing pattern besides a brief account of central funds transferred directly to the State implementing agencies through off-budget route.

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

Chapter III is an inventory of Meghalaya Government's compliance with various reporting requirements and financial rules. The report also has an appendage of additional data collected from several sources in support of the findings.

Audit findings

❖ *Return to fiscal correction*

The fiscal position of the State viewed in terms of key fiscal parameters – revenue surplus, fiscal deficit, primary deficit – indicated that the State not only maintained revenue surplus during the last five-year period ending 2009-10, but also the revenue surplus reached its peak during the current year. The fiscal deficit of the State has also significantly reduced during 2009-10 compared to previous year and the primary deficit of 2008-09 turned into a primary surplus.

❖ *Revenue Receipts*

During the current year the revenue account increased by ₹ 1,700 crore over 2005-06 and the growth of revenue receipts was 23 *per cent* over the previous year. The increase was mainly contributed by grants-in-aid from the Government of India (31 *per cent*), non-tax revenue (22 *per cent*), tax revenue (20 *per cent*) and State's share of Union Taxes and Duties (3 *per cent*). *The revenue receipts at ₹ 3,447 crore was higher by ₹ 435 crore than the assessment made by the State Government in its Fiscal Correction Path (FCP) (₹ 3,012 crore).*

The total loss of revenue due to understatement/short levy/non-levy of taxes, *etc.*, which was around 26 *per cent* of the State's own resources consisting of tax and non-tax revenue during 2009-10, indicates the presence of loopholes in resource mobilization. Pending revenue arrears constituted over 20 *per cent* of tax revenue of the State during 2009-10.

❖ *Revenue / Capital / Total Expenditure*

The revenue expenditure of the State increased by 90 *per cent* from ₹ 1,674 crore in 2005-06 to ₹ 3,182 crore in 2009-10 and constituted 86 *per cent* of total expenditure during 2009-10. The non-plan revenue expenditure (NPRE) increased by 27.31 *per cent* over the previous year. The NPRE exceeded the normative assessment made by TFC and assessment made by Government in its FCP by 38.10 *per cent* and 29.79 *per cent* respectively. The growth of plan revenue expenditure during 2009-10 declined to 4.08 *per cent* against 39.53 *per cent* during the previous year.

The expenditure on salaries during the year 2009-10 was 6.14 *per cent* higher than the assessment made in FCP (₹ 1,157 crore). Pension payments during the year exceeded

the normative assessment made by Twelfth Finance Commission (TFC) and by State Government in its FCP by 61 *per cent and* 58 *per cent* respectively.

The capital expenditure during 2009-10 (₹ 481 crore) decreased by 9.42 *per cent* over the previous year and was also lower by 12.7 *per cent* than that projected in FCP (₹ 551 crore) and constituted only 13 *per cent* of total expenditure during the year (₹ 3,690 crore).

During 2009-10, though the State Government earmarked 74.87 *per cent* of the estimated aggregate expenditure for development expenditure, this assessment fell short by around 6.44 *per cent* at the end of the year. However, the ratio of development expenditure as a proportion to aggregate expenditure for Meghalaya is higher than NE States average which indicates that the State is giving higher priority to this category of expenditure as compared to other NE States.

❖ *Government investments*

The average return on Meghalaya Government's investments in Statutory Corporations, Government Companies and Co-operative Societies was less than one *per cent* during 2005-10, whereas its average interest outgo was in the range of 6.32 to 8.06 *per cent*. This is obviously an unsustainable proposition.

❖ *Prudent cash management*

The cost of holding surplus cash balances is high. Interest received on investment of cash balances was only 4.12 *per cent* (₹ 20.68 crore) during 2009-10, while the Government raised open market loans at interest rates of 7.8 to 8.27 *per cent* per annum.

❖ *Debt sustainability*

The fiscal liabilities of the State Government increased by ₹ 230 crore (6.44 *per cent*) from ₹ 3,573 crore in 2008-09 to ₹ 3,803 crore in 2009-10. The prevalence of fiscal deficit during 2005-10 indicates continued reliance of the State on borrowed funds, resulting in increasing fiscal liabilities of the State over this period, which stood at 30.42 *per cent* of the GSDP in 2009-10 and would further increase to 38.05 *per cent* after incorporating the contingent liabilities in the fold of total liabilities on Consolidated Fund of the State during the year and appears to be quite high especially if compared with the limit of 28 *per cent* prescribed in the MFRBM Act, 2006.

❖ *Funds transferred directly from the GOI to the State Implementing Agencies*

GOI directly transferred ₹ 534 crore to the State Implementing Agencies during 2009-10. Funds flowing directly to the implementing agencies through off-budget routing inhibit FRBM requirements of transparency and therefore bypass accountability. A system has to be urgently put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Accountant General (A&E).

❖ *Financial management and budgetary control*

During 2009-10, there was an overall saving of ₹ 1,056.41 crore, which was the result of saving of ₹ 1,106.12 crore offset by excess of ₹ 49.71 crore. The excess of ₹ 49.71 crore requires regularisation under Article 205 of the Constitution of India. Three grants, *viz.* 'North Eastern Areas', 'Welfare of Scheduled Castes, *etc.*' and 'Co-operation, *etc.*' posted large savings persistently for the last five years. There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. Rush of expenditure at the end of the year is another chronic feature noticed in the overall financial management. In many cases, the anticipated savings were either not surrendered or surrendered on the last day of the year leaving no scope for utilising these funds for other development purposes. Detailed bills were not submitted for large amount of advances drawn on abstract contingent bills within the stipulated time limit. Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/ surrender orders should be avoided.

❖ *Financial reporting*

State Government's compliance with various rules, procedures and directives was unsatisfactory as evident from delay in furnishing utilisation certificates for grants given by Government departments. Delays also figured in submission of annual accounts by some autonomous bodies. There were instances of losses and misappropriations. Departmental enquiries in such cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases in future.

Recommendations

Return to fiscal correction: The State should make efforts to increase tax compliance, collect revenue arrears, reduce tax administration costs and avoid leakages of revenue.

Greater priority to capital expenditure: The State may consider enhancing the priority it gives to capital expenditure as a proportion of Aggregate Expenditure as this ratio is lower for Meghalaya than the NE State Average.

Government investments: Considering the low return on investment in Statutory Corporations, Government Companies and Co-operatives, the State Government should ensure better value for money invested. Projects which are justified on account of low financial but high socio-economic return may be identified and prioritized with full justification. It would also be prudent to review the working of state public sector undertakings which are incurring huge losses and work out either a revival strategy (for those that are strategic in nature and can be made viable) or close down (if they are not likely to be viable given current market conditions).

Debt sustainability: The Government of Meghalaya should endeavour to achieve the total liabilities-GSDP ratio as specified in the MFRBM Act which states that the total liabilities on the Consolidated Fund of the State should not be more

than 28 *per cent* of GSDP. Efforts should be made to maintain the state of primary surpluses and increase revenue surplus. Maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year and a clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.

Funds transferred directly from the GOI to the State implementing agencies: Direct transfers from the Union Government to the State Implementing Agencies runs the risk of poor accountability. As such, a system should be put in place to ensure proper accounting of these funds which remain outside the State budget.

CHAPTER I
Finances of the State Government

Profile of Meghalaya

Meghalaya, a Special Category State[1], is situated in the North-East region of India and is bounded on the north by Goalpara and Nowgong Districts of Assam on the east by Karbi Anglong and North Cachar Hills Districts of Assam and on south and west by Bangladesh. With a geographical area of about 22,429 sq km, Meghalaya provides shelter to 0.23 *per cent* population of the country. According to the Census of India, 2001, the population of the State stands at 23,18,822 (Male: 11,76,087; Female: 11,42,735) and the density of population of the State is 103 per sq km. State's Gross Domestic Product during the year 2009-10 was ₹ 12,502 crore (base year 2004-05). The estimated per capita income of the State stood at ₹ 48,494 during 2009-10.

As per revised Gross State Domestic Product (GSDP)[2] series (base year 2004-05), there was an increasing trend in the growth rate of GSDP. While the growth of GSDP during 2005-06 was 10.45 *per cent,* this was 14.97 *per cent* during 2009-10. Considering the pre-revised GSDP figures (base year 1999-2000), the average Compound Annual Growth Rate (CAGR) in respect of GSDP for Meghalaya between 2000-01 and 2008-09 was 11.72 *per cent*, which was marginally higher than that of NE average of 11.67 *per cent*. In respect of other parameters, the CAGRs of both revenue receipts and total expenditure between 2000-01 and 2008-09 were lower than those of other NE States. The CAGR of capital expenditure between 2000-01 and 2008-09 was 11.27 *per cent*, which declined to 8.76 *per cent* between 2000-01 and 2009-10 mainly due to decrease in capital expenditure during 2009-10. The State depends mostly on resources transferred by the Central Government as the State's own resources contribute only 21 to 23 *per cent* of the total revenue receipts. The outstanding fiscal liabilities of the State as percentage to GSDP indicated a fluctuating trend during the period 2005-10. It declined from its peak of 35.6 *per cent* in 2005-06 to 30.42 *per cent* in 2009-10.

This chapter provides a broad perspective of the finances of the Government of Meghalaya during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. The analysis has been made based on State Finance Accounts and the information obtained from State Government. The structure of Government Accounts, lay out of Finance Accounts, methodology adopted for the assessment of fiscal

---

[1] The Fifth Finance Commission accorded (1969) special status to three states on the basis of harsh terrain, backwardness and social problems prevailing in these states. Thereafter number of such states has increased to 11 including Meghalaya. The special privileges given to Meghalaya include financial assistance from GOI in the ratio of 90 *per cent* grant and 10 *per cent* loan unlike non-special category states which get Central aid in the ratio of 70 *per cent* grant and 30 *per cent* loan.

[2] GSDP is defined as the total income of the State or the market value of goods and services using labour and all other factors of production.

position and State Profile are shown in **Appendix 1.1. Appendix 1.2** of the Chapter briefly outlines the fiscal responsibility and Budget Management Act of the Government and Outcome Indicators of the State's Own Fiscal Correction Path while **Appendix 1.3** presents the time series data on key fiscal variables/parameters and fiscal ratios relating to the State Government finances for the period 2005-10.

1.1 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2009-10) *vis-à-vis* the previous year while **Appendix 1.4** provides details of receipts and disbursements as well as overall fiscal position during the current year.

Table 1.1 : Summary of Current Year's Fiscal Transactions

(Rupees in crore)

2008-09	Receipts	2009-10	2008-09	Disbursements	2009-10		
Section – A : Revenue							
					Non-Plan	**Plan**	**Total**
2810.64	**Revenue Receipts**	**3447.35**	**2682.78**	**Revenue Expenditure**	**2134.97**	**1047.41**	**3182.38**
369.44	Tax revenue	444.30	937.52	General Services	1052.34	48.65	1100.99
225.31	Non-tax revenue	275.08	804.92	Social Services	629.51	462.87	1092.38
595.23	Share of Union Taxes/Duties	612.38	940.34	Economic Services	453.12	535.89	989.01
1620.66	Grants-in-aid from Government of India	2115.59	…	…	…	…	…
Section – B : Capital							
…	**Miscellaneous Capital receipts**	**…**	**531.01**	**Capital Outlay**	**1.35**	**479.94**	**481.29**
18.26	**Recoveries of Loans and Advances**	**16.68**	**50.21**	**Loans and Advances disbursed**	**16.13**	**10.52**	**26.65**
322.55	**Public Debt Receipts[3]**	**403.02**	**168.73**	**Repayment of Public Debt**	**…**	**…**	**143.03**
…	**Contingency Fund**	**…**	**…**	**Contingency Fund**	**…**	**…**	**…**
2020.33	**Public Account Receipts**	**2416.65**	**1667.82**	**Public Account Disbursements**	**…**	**…**	**2511.86**
430.41	**Opening Balance**	**501.64**	**501.64**	**Closing Balance**	**…**	**…**	**440.13**
5602.19	**Total**	**6785.34**	**5602.19**	**Total**			**6785.34**

Following are the significant changes during 2009-10 over the previous year:

- **Revenue receipts** grew by 23 *per cent* (₹ 636.71 crore) over the previous year. The increase was contributed by grants-in-aid of ₹ 494.93 crore from the Government of India (31 *per cent*), non-tax revenue of ₹ 49.77 crore (22 *per cent*), tax revenue of ₹ 74.86 crore (20 *per cent*) and State's share of Union taxes and duties - ₹ 17.15 crore (3 *per cent*). *The revenue receipts at ₹3,447.35 crore were also higher*

[3] Includes net Ways and Means Advances.

by ₹434.95 crore than the assessment made by the State Government in its Fiscal Correction Path (FCP)[4]**.**

- **Revenue expenditure** increased by ₹ 499.60 crore (19 *per cent*) over the previous year. While 27 *per cent* (₹ 457.71 crore) of the increase was under non-plan heads, the increase under plan heads was 4 *per cent* only (₹ 41.89 crore). Capital expenditure during the year declined by 9 *per cent* (₹ 49.72 crore) over previous year mainly because of less expenditure under water supply, sanitation, housing and urban development by ₹ 78.79 crore (40 *per cent*). *In respect of both the revenue and capital expenditure during 2009-10, the State Government failed to fulfill its commitment made in the FCP because of excess revenue expenditure by 19 per cent (₹517.28 crore) and shortfall under capital expenditure by 13 per cent (₹69.75 crore) compared to FCP.*

- **Recovery and disbursement of loans and advances** during the current year decreased by ₹ 1.58 crore and ₹ 23.56 crore respectively compared to the previous year.

- **Public Debt receipts** increased by ₹ 80.47 crore over the previous year mainly due to increase in receipts under special securities issued to National Small Savings Fund (₹ 58.13 crore) and market loan bearing interest (₹ 14.14 crore). Repayment of Public Debt decreased by ₹ 25.70 crore over the previous year.

- **Public Account receipts** and disbursements increased by ₹ 396.32 crore and ₹ 844.04 crore respectively over the previous year.

- Total inflow during 2009-10 was ₹ 6,283.70 crore against ₹ 5,171.78 crore in 2008-09, while total outflow during 2009-10 was ₹ 6,345.21 crore against ₹ 5,100.55 crore during the previous year registering increase of 21 *per cent* and 24 *per cent* respectively leading to **decline in the cash balances of the State by ₹ 61.51 crore (12 *per cent*) over the previous year**. The decrease was mainly due to decrease in cash balance investment during 2009-10 by ₹ 50.70 crore (9 *per cent*) and increase in negative balance under deposits with Reserve Bank by ₹ 9.64 crore (16 *per cent*).

1.2 Meghalaya Fiscal Responsibility and Budget Management Act, 2006

The performance of the State during 2009-10 in terms of key fiscal targets set for selected parameters laid down in Meghalaya Fiscal Responsibility and Budget Management (MFRBM) Act, 2006 *vis-à-vis* achievements are given in **Table 1.2**.

[4] FCP: The State Government developed its own Fiscal Correction Path detailing the structural adjustments required for mobilizing additional resources and identifying areas where expenditure could be compressed, to achieve the targets set out in the Meghalaya Fiscal Responsibility and Budget Management Act, 2006.

Table 1.2 : Trends in major fiscal parameters *vis-à-vis* projections for 2009-10

Fiscal Parameters	2009-10			
	Targets as per prescribed in FRBM Act	Projections made in		Actual
		FCP	Medium Term Fiscal Policy Statement	
Revenue Deficit	Eliminate by 2008-09	-	-	-
Revenue Surplus/ Total Revenue Receipts	-	11.52	5.70	7.69
Fiscal Deficit (Rupees in crore)	-	242	-	226
Fiscal Deficit/GSDP (*per cent*)	3 *per cent* by 2008-09	3	6.67	1.81
Total Outstanding Liabilities/ GSDP (*per cent*)	Not more than 28 *per cent* of GSDP	27.62	34.87	38.05

The above table indicates that though the State was successful in restricting the Fiscal Deficit-GSDP ratio as prescribed in the MFRBM Act, the ratio of Total Outstanding Liabilities-GSDP far surpassed the target fixed in this Act. The State Government has to initiate requisite measures to contain the Total Outstanding Liabilities-GSDP ratio within the permissible limit.

1.3 Growth and Composition of GSDP

Gross State Domestic Product, a major fiscal indicator is considered to be a key factor for assessing the performance of the State's economy. It is prepared based on income generating approach that measures gross income generated by factors of production physically located within the geographical boundaries of the State and also represents the volume of goods and services produced within the State. As per New GSDP series furnished (November 2010) by the Directorate of Economics and Statistics of the State Government, during 2009-10, the advance estimated GSDP for the State of Meghalaya was ₹ 12,502 crore, which was arrived at on the basis of current price taking into account the 2004-05 as base year. The table below shows the trend of growth of GSDP for the last five years.

Table 1.3 : Trends in Gross State Domestic Product

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Gross State Domestic Product (Rupees in crore)	7,208	8,522	9,625	10,874[5]	12,502[6]
Growth rate of GSDP	10.45	18.23	12.94	12.98	14.97

Source: GSDP figures (current prices – base year 2004-05) as furnished (November 2010) by the Directorate of Economics & Statistics, Government of Meghalaya.

The GSDP at current prices increased from ₹ 10,874 crore in 2008-09 to ₹ 12,502 crore in 2009-10, representing an increase of 14.97 *per cent.* Considering the pre-revised GSDP figures (base year 1999-2000), the average compound annual growth rate in respect of GSDP for Meghalaya between 2000-01 and 2008-09 was 11.72 *per cent*, which was higher than that of NE average of 11.67 *per cent.*

[5] Quick Estimates.
[6] Advanced Estimates.

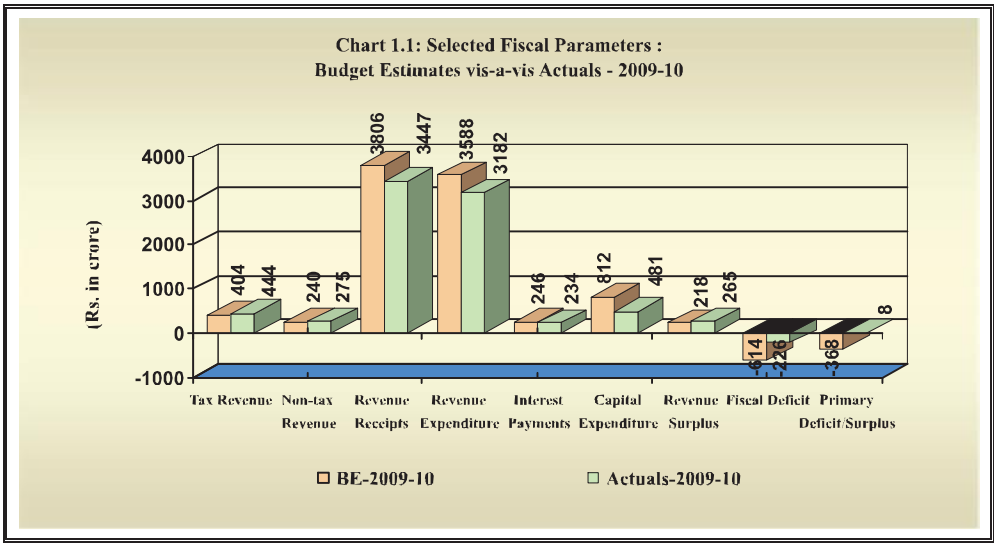
1.4 Budget Analysis

The budget papers presented by 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. Several reasons may account for the deviation of the actual realization from the budget estimates. It may be because of unanticipated and unforeseen events or under or over estimation of expenditure or revenue at the budget stage, *etc.* Actual realization of revenue and its disbursement, however, depends on a variety of factors, some internal and others external. **Table 1.4** presents the consolidated picture of State finances during 2008-09 (actuals) and 2009-10 (budget estimates, revised estimates and actuals) and **Chart 1.1** presents the budget estimates and actuals for some important fiscal parameters.

Table 1.4 : Variation in major items – actuals of 2009-10 over 2009-10 Budget Estimates and Revised Estimates and actuals of 2008-09

(Rupees in crore)

Parameters	2008-09	2009-10			Percentage of Excess (+)/Shortfall (-) with reference to	
	Actual	Budget Estimates (BE)	Revised Estimates (RE)	Actual	Actual of 2008-09	BE/RE
Tax Revenue	370	404	404	444	+ 20.00	+ 9.90
Non-Tax Revenue	225	240	240	275	+ 22.22	+ 14.58
Revenue Receipts	2,811	3,806	3,806	3,447	+ 22.63	- 9.43
Non-debt Capital Receipts	18	19	19	17	- 5.56	- 10.53
Revenue Expenditure	2,683	3,588	3,588	3,182	+ 18.60	- 11.32
Interest Payments	212	246	246	234	+ 10.38	- 4.88
Capital Expenditure	531	812	812	481	- 9.42	- 40.76
Disbursement of Loans & Advances	50	39	39	27	- 46.00	- 30.77
Revenue Surplus	128	218	218	265	+ 107.03	- 21.56
Fiscal Deficit (-)	- 435	- 614	- 614	- 226	- 48.05	- 63.19
Primary Deficit (-) / Surplus (+)	- 223	- 368	- 368	+ 8	-	-



- During 2009-10, both the actual **revenue receipts** and **revenue expenditure** fell short of the budget estimates by 9.43 *per cent* and 11.32 *per cent* respectively.

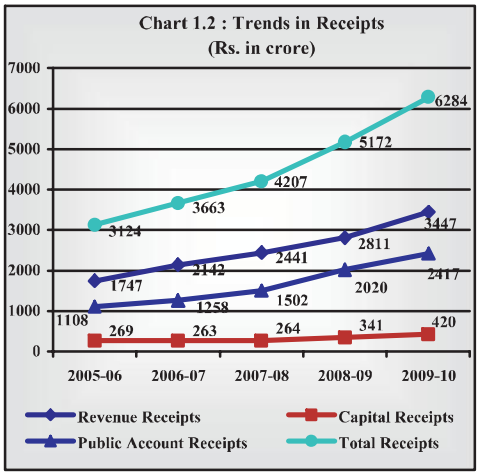
- The **capital expenditure** *vis-à-vis* budget estimate was less by 40.76 *per cent* (₹ 331 crore). Compared to previous year, the capital expenditure of the State declined by ₹ 50 crore, which was the net result of decrease in social services under capital account by ₹ 81 crore (36 *per cent*), partly offset by increase of ₹ 29 crore (11 *per cent*) under economic services.

- The **revenue surplus** (₹ 265 crore) during the year exceeded by 21.56 *per cent* compared to the assessment made in the budget estimate. Actual fiscal deficit fell short of the assessment made in the budget estimate and revised estimate by 63 *per cent* (₹ 388 crore) mainly due to substantial increase in revenue receipts (₹ 636 crore) and public debt receipts (₹ 80 crore) and decrease in capital expenditure by ₹ 50 crore. Decrease in budget estimated fiscal deficit and interest payment by ₹ 400 crore led to decrease in primary deficit by ₹ 376 crore than the assessment made in the budget and revised estimates. The wide variation between the budget estimates and the actuals indicated that the budgeting was unrealistic and lacked credibility. Repetition of the budget estimated figures of all parameters in the revised estimate was contrary to paragraph 50 of the Budget Manual which provides that the revised estimate should be genuine re-estimation of the requirements in the light of the knowledge up-to-date.

1.5 Resources of the State

1.5.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI as well as accruals from Public Account. **Table 1.1** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.2 and Table 1.5** depicts the trends in various components of the receipts of the State during 2005-10. **Chart 1.3** depicts the composition of resources of the State during the current year.



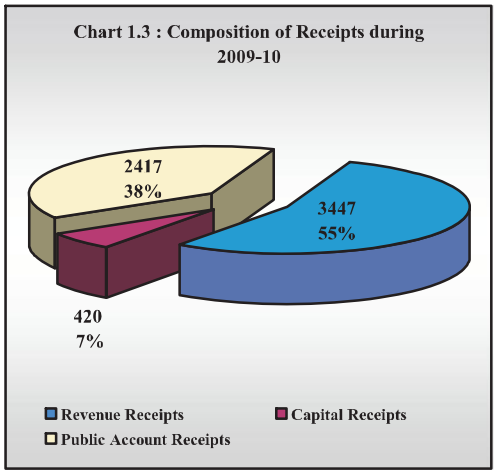


Table 1.5 : Trends in growth and composition of receipts

(Rupees in crore/Rate of growth in *per cent*)

Sl. No.	Sources of State's Receipts	2005-06	2006-07	2007-08	2008-09	2009-10
I	**Revenue Receipts**	**1,747**	**2,142**	**2,441**	**2,811**	**3,447**
II	**Capital Receipts (CR)**	**269**	**263**	**264**	**341**	**420**
	Miscellaneous Capital Receipts	-	-	-	-	-
	Recovery of Loans and Advances	19	17	17	18	17
	Public Debt Receipts	250	246	247	323	403
	Rate of growth of non-debt capital receipts	0	- 10.52	0	5.88	- 5.56
	Rate of growth of debt capital receipts	- 15.82	- 1.60	0.41	30.77	24.77
	Rate of growth of GSDP	10.45	18.23	12.94	12.98	14.97
	Rate of growth of CR	**- 14.87**	**- 2.23**	**0.38**	**29.17**	**23.17**
III	**Contingency Fund**	-	-	-	-	-
IV	**Public Account Receipts**	**1,108**	**1,258**	**1,502**	**2,020**	**2,417**
	Small Savings, Provident Fund, *etc.*	89	91	101	106	122
	Reserve Funds	20	21	24	26	27
	Deposits and Advances	343	342	528	814	824
	Suspense and Miscellaneous	- 18	30	- 19	10	- 40
	Remittances	674	774	868	1,064	1,484
	Total Receipts	**3,124**	**3,663**	**4,207**	**5,172**	**6,284**

The **total receipts** during the current year has increased by ₹ 1,112 crore (21.50 *per cent*) over the previous year. Of the increase in total receipts, revenue receipts formed 57 *per cent* (₹ 636 crore) followed by public account receipts 36 *per cent* (₹ 397 crore) and capital receipts 7 *per cent* (₹ 79 crore). Out of the total receipts under public account, remittances constituted 61 *per cent*. While 75 *per cent* (₹ 1,117 crore) of the remittances have come from public works remittances, cash remittances between treasuries and currency chests (₹ 185 crore) and forest remittances (₹ 181 crore) together constituted 24.66 *per cent*.

The **total receipts** of the State for 2009-10 was ₹ 6,284 crore, of which ₹ 3,447 crore (55 *per cent*) came from revenue receipts and balance (45 *per cent*) came from borrowings and Public Account. The total receipts of the State increased by 101 *per*

cent from ₹ 3,124 crore in 2005-06 to ₹ 6,284 crore in 2009-10. The share of revenue receipts in total receipts of the State marginally decreased by one *per cent* from 56 *per cent* in 2005-06 to 55 *per cent* in 2009-10. On the other hand, the capital receipts together with Public Account ranged between 42 *per cent* and 46 *per cent* of total receipts during 2005-10.

Revenue receipts increased steadily by 97 *per cent* from ₹ 1,747 crore in 2005-06 to ₹ 3,447 crore in 2009-10, whereas the debt capital receipts which create future repayment obligation increased by 61 *per cent* from ₹ 250 crore (8 *per cent* of total receipts) in 2005-06 to ₹ 403 crore (6 *per cent* of total receipts) in 2009-10. The Public Account receipts increased steadily from ₹ 1,108 crore (35 *per cent* of total receipts) in 2005-06 to ₹ 2,417 crore (38 *per cent* of total receipts) in 2009-10.

The rate of growth of capital receipts decreased from 29.17 *per cent* in 2008-09 to 23.17 *per cent* in 2009-10 while the **rate of growth of non-debt capital receipts** decreased from 5.88 *per cent* in 2008-09 to a negative 5.56 *per cent* in 2009-10. Compared to 2005-06, the rate of growth of debt capital receipts increased from a negative 15.82 *per cent* in 2005-06 to 24.77 *per cent* in 2009-10 while the rate of growth of GSDP increased from 10.45 *per cent* in 2005-06 to 14.97 *per cent* in 2009-10 resulting in increase in the rate of growth of debt capital buoyancy from (-) 6.167 in 2005-06 to (-) 2.167 in 2009-10.

1.5.2 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 Agencies[7] for the implementation of various schemes/ programmes in social and economic sectors recognised as critical. As these funds are not routed through the State Budget/State Treasury System, Annual Finance Accounts do not capture the flow of these funds and to that extent, State's receipts and expenditure as well as other fiscal variables/parameters derived from them are underestimated. An illustrative position of Central funds transferred to the State Implementing Agencies during 2009-10 for implementation of various schemes is given in **Appendix 1.5**. Scheme-wise position involving substantial amount of Central funds is given in **Table 1.6.**

Table 1.6 : Funds Transferred directly to State Implementing Agencies

(Rupees in crore)

Programme/Scheme	Implementing Agency in the State	Funds transferred by the GOI
Medicinal Plants	State Medicinal Plants Board, Meghalaya	3.19
National Bamboo Mission	Member Secretary CEO, Shillong	3.39
Aside Assistance to States for Developing Export Infrastructure and Allied Activities	Meghalaya Industrial Development Corporation Ltd.	7.52

[7] State Implementing Agency includes any organisation/institution including non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State, e.g., State Implementing Society for SSA and State Health Mission for NRHM, *etc.*

Programme/Scheme	Implementing Agency in the State	Funds transferred by the GOI
Central Rural Sanitation Programme	SWSM Meghalaya, Shillong	13.79
National AIDS Control Programme	Meghalaya State AIDS Control Society	1.84
National Rural Health Mission (CSS)	State Health Society, Meghalaya	63.89
	Meghalaya State TB Control Society	1.38
Integrated Watershed Management Programme	Meghalaya State Watershed and Wasteland Development Agency.	3.74
	District Rural Development Agency (DRDA)	1.54
DRDA Administration	DRDAs	3.29
National Rural Employment Guarantee Scheme	DRDAs	209.51
Swarnajayanti Gram Swarozgar Yojana	DRDAs	6.48
Rural Housing IAY	DRDAs	37.83
Sarva Shiksha Abhiyan	SSA State Mission Authority	93.83
Rashtriya Madhyamik Sikhsha Abhiyan (RMSA)	Sarva Shiksha Abhiyan State Mission Authority of Meghalaya	1.06
MPs Local Area Development Scheme	Deputy Commissioners	5.00
Accelerated Rural Water Supply Scheme	SWSM Meghalaya, Shillong	57.99
Total		**515.27**

The GOI directly transferred ₹ 534 crore to State Implementing Agencies during 2009-10. With this transfer, the total availability of State resources increased from ₹ 6,284 crore to ₹ 6,818 crore. Of ₹ 534 crore, ₹ 259 crore (around 49 *per cent*) was transferred to the DRDAs and ₹ 95 crore (18 *per cent*) to State Mission Authority of Sarva Shiksha Abhiyan. Direct transfer from the Union to the State Implementing Agencies runs the risk of poor accountability. Unless uniform accounting practices are diligently followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers.

A test check was conducted on the accounts of two agencies which revealed as follows:

Meghalaya Aids Control Society

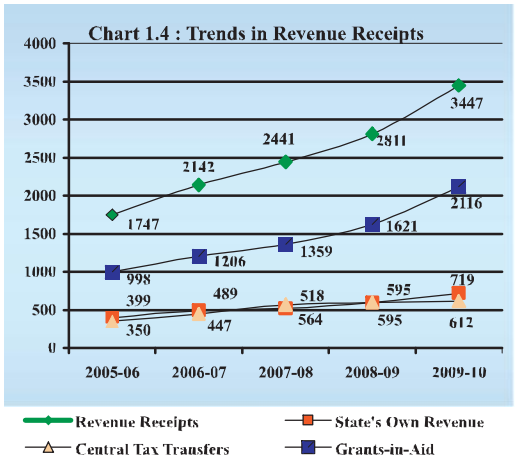
The Meghalaya Aids Control Society (MASC) was formed with the objective to halt and reverse the epidemic in the State in the next five years by integrating programmes for prevention, care, support and treatment. Since 1999-2000, funds were directly transferred by the GOI to the MASC. Till 2009-10, ₹ 12.43 crore was directly received by the MASC from the GOI, of which ₹ 1.84 crore was received in 2009-10. Total expenditure incurred up to 2009-10 was ₹ 10.85 crore.

Meghalaya TB Control Society

Revised National TB Control Programme (RNTCP) was being implemented in the State since October 2003 by the State TB Control Society with the objectives to achieve and maintain at least 85 *per cent* cure rate of new sputum smear-positive patients and detection of at least 70 *per cent* of such cases in the population. Total fund received by the Society directly from the GOI till 2009-10 was ₹ 6.82 crore including ₹ 1.38 crore received during 2009-10. Total expenditure incurred in 2009-10 was ₹ 6.68 crore.

1.6 Revenue Receipts

Statement 11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2005-10 are presented in **Appendix 1.3** and also depicted in **Charts 1.4** and **1.5** respectively. The trends in revenue receipts relative to GSDP are presented in **Table 1.7.**



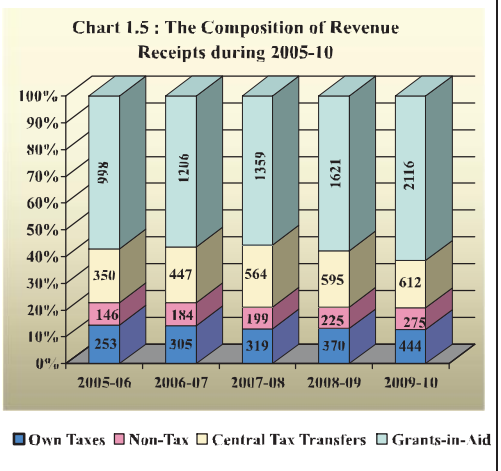


Table 1.7 : Trends in Revenue Receipts relative to GSDP

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue Receipts (RR) (Rupees in crore)	**1,747**	**2,142**	**2,441**	**2,811**	**3,447**
Rate of Growth of RR (*per cent*)	13.00	22.61	13.96	15.16	22.63
Rate of Growth of Own Taxes (*per cent*)	21.63	20.55	4.59	15.99	20.00
RR/GSDP (*per cent*)	24.24	25.13	25.36	25.85	27.57
Buoyancy Ratio[8]					
Revenue Buoyancy Ratio with reference to GSDP	1.24	1.24	1.08	1.17	1.51
State's Own Taxes Buoyancy Ratio with reference to GSDP	2.07	1.13	0.35	1.23	1.34
State's Own Taxes Buoyancy Ratio with reference to Revenue Receipts	1.66	0.91	0.33	1.05	0.88

1.6.1 General Trends

The **revenue receipts** of the State increased by ₹ 1,700 crore from ₹ 1,747 crore in 2005-06 to ₹ 3,447 crore in 2009-10. There were, however, wide inter-year variations in the growth rates, which increased to 22.63 *per cent* in 2009-10 from 15.16 *per cent* during the preceding year. All the components of revenue receipts have exhibited increases in absolute terms over the period 2005-10. The buoyancy ratios of revenue

[8] 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 1.51 during 2009-10 implies that revenue receipts tend to increase by 1.51 percentage points, if the GSDP increases by one *per cent*.

receipts and the State's own tax revenue with reference to GSDP have increased primarily due to significant increase in the rates of growth of both revenue receipts and the State's own tax revenue under 'Taxes on Sales, Trade, *etc.*' in 2009-10 relative to the previous year. Buoyancy ratio of State's own taxes to revenue receipts indicates that the pace of growth of own taxes was faster than the revenue receipts in two (2005-06 and 2008-09) out of five years while it grew at lower pace during the remaining three years including 2009-10.

1.6.2 Central Tax Transfers

The **Central Tax transfers** increased by ₹ 17 crore over the previous year and constituted 18 *per cent* of revenue receipts.

1.6.3 Grants-in-Aid

Details of Grants-in-aid from the GOI are given in **Table 1.8.**

Table 1.8 : Grants-in-Aid from the GOI

(Rupees in crore)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Non-Plan Grants	406	472	461	440	377
Grants for State Plan Schemes	445	569	645	958	1395
Grants for Central Plan Schemes	3	11	4	8	26
Grants for Centrally Sponsored Schemes	119	107	179	159	251
Grants for Special Plan Schemes	25	47	70	56	67
Total	**998**	**1,206**	**1,359**	**1,621**	**2,116**
Percentage of increase over previous year	6.62	20.84	12.69	19.28	30.54

Grants-in-aid from the GOI have increased by 30.54 *per cent* from ₹ 1,621 crore in 2008-09 to ₹ 2,116 crore in the current year. Within the plan grants, while grants for Central Plan Scheme increased by 225 *per cent* (₹ 18 crore), grants for Centrally Sponsored Plan Scheme, State Plan Scheme and Special Plan Scheme increased by 58 *per cent*, 46 *per cent* and 20 *per cent* respectively. The major increase under State Plan Schemes was in the form of increase in Block Grants (₹ 445 crore) and National Programme of Mid Day Meal in Schools (₹ 62 crore). The Non-Plan grants (₹ 377 crore) constitute 18 *per cent* of the total grants during the year, of which 83 *per cent* (₹ 312 crore) was primarily for meeting the non-plan revenue deficit owing to the recommendations of the TFC. Other components of non-plan grants mainly included (i) modernization of police force (₹ 13 crore), (ii) maintenance of roads and bridges on the recommendation of TFC (₹ 11 crore) and (iii) contribution of calamity relief fund (₹ 10 crore).

1.6.4 State's Own Resources

As the State's share in central taxes and grants-in-aid are determined on the basis of recommendations of the Finance Commission, collection of central tax receipts and central assistance for plan schemes, *etc.*, the State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising

revenue from its own tax and non-tax sources. **Tables 1.9 and 1.10** below show the trends of tax and non-tax revenue during the years 2005-10 as well as the variation between the budget estimates of revenue receipts and the actual receipts under the principal heads of tax and non-tax revenue for the year 2009-10.

Table 1.9 : Tax Revenue

(Rupees in crore)

Heads	2005-06	2006-07	2007-08	2008-09	2009-10		
					Budget Estimate	Actu-als	Variations Increase (+) Shortfall (-) (*per cent*)
Taxes on Sales, Trade, *etc.*	173	216	235	282	289	321	+ 32 (11)
State Excise	59	54	59	70	80	90	+ 10 (13)
Taxes on Vehicles	9	9	11	13	14	14	...
Stamps and Registration Fees	6	6	6	6	8	11	+ 3 (38)
Land Revenue	0.33	6	2	0.50	3	0.26	- 2.74 (91)
Other Taxes[9]	5.67	14	6	- 1.50	9	8	- 1 (11)
Total	**253**	**305**	**319**	**370**	**403**	**444**	**+ 44 (11)**

Table 1.10 : Non-Tax Revenue

(Rupees in crore)

Heads	2005-06	2006-07	2007-08	2008-09	2009-10		
					Budget Estimate	Actu-als	Variations Increase (+) Shortfall (-) (*per cent*)
Interest receipts, dividends and profits	**7**	**13**	**15**	**18**	**11**	**23**	**+ 12 (109)**
General Services	**17**	**36**	**29**	**46**	**28**	**18**	**- 10 (36)**
Social Services	**3**	**3**	**3**	**4**	**15**	**9**	**- 6 (4)**
Economic Services	**119**	**132**	**152**	**157**	**187**	**225**	
Non-ferrous Mining and Metallurgical Industries	98	109	124	133	155	198	+ 43 (28)
Forestry and Wild life	15	17	16	17	20	20	...
Other Economic Services	6	6	12	7	12	7	- 5 (42)
Total	**146**	**184**	**199**	**225**	**241**	**275**	**(+)34**

1.6.4.1 Tax Revenue

Tax revenue has increased by 20 *per cent* during the current year (₹ 444 crore) over the previous year (₹ 370 crore). The revenue from sales tax contributed the major share of tax revenue (72 *per cent*) and it increased by 14 *per cent* over the previous year. State excise, and taxes on vehicles and Stamps and Registration Fees were the other major contributors in the State's tax revenue. *The CAGR of tax revenue for Meghalaya between 2000-01 and 2008-09 was 15.26 per cent, which was marginally higher than that of NE States (15.15 per cent).*

➢ *Cost of Collection*

The gross collection of major revenue receipts, expenditure incurred on collection and the percentage of such expenditure to gross collection during the years 2007-08 to

[9] Other Taxes include taxes on professions, trades, callings and employment, taxes on goods and passengers, taxes and duties on electricity and other taxes and duties on commodities and services.

2009-10 along with the relevant all India average percentage of expenditure on collection to gross collections for 2008-09 are mentioned below.

Table 1.11

(Rupees in crore)

Sl. No.	Head of revenue	Year	Gross collection	Cost of collection	Percentage of expenditure to gross collection	All India average percentage during the preceding year
1.	Taxes/VAT on Sales, Trade, *etc.*	2007-08	234.89	4.09	1.74	0.82
		2008-09	281.83	4.46	1.58	0.83
		2009-10	321.39	6.80	2.12	0.88
2.	State Excise[10]	2007-08	58.62	4.42	7.54	3.30
		2008-09	69.79	6.21	8.90	3.27
		2009-10	90.29	7.23	8.00	3.66
3.	Taxes on Vehicles	2007-08	11.35	6.57	57.89	2.47
		2008-09	13.21	3.14	23.77	2.58
		2009-10	13.61	3.89	28.58	2.93

As can be seen from the above table, except State Excise, there were increasing trends in cost of collection of revenue under both the other heads. The situation in respect of Taxes on Vehicles was more alarming because of consumption of around 23 *per cent* to 58 *per cent* of taxes on vehicles towards collection during 2007-10. Besides, the percentage of expenditure on collection during 2008-10 as compared to the all India average percentage for the year 2008-09 was on the higher side, which is indicative of the fact that the excess expenditure incurred on collection of revenue might impede in the path of improvement towards achieving a healthy fiscal path in the State.

➢ *Impact of implementation of Value Added Tax (VAT) on the State's Own Tax Revenue*

Table 1.12 gives the comparative position of pre-VAT (2001-02 to 2004-05) and post-VAT (2005-06 to 2009-10) tax collection and the growth rate in each year.

Table 1.12

(Rupees in crore)

Pre-VAT			Post-VAT		
Year	Actual collection[11]	Percentage of growth	Year	Actual collection	Percentage of growth
2001-02	59.78	81.43	2005-06	159.65	50.12
2002-03	71.67	19.89	2006-07	187.78	17.62
2003-04	83.37	16.32	2007-08	216.89	15.50
2004-05	106.35	27.56	2008-09	271.07	24.98
			2009-10	298.43	10.09
Average growth		**36.30**			**23.66**

The average growth rate during 2001-02 to 2004-05 was 36.30 *per cent* while the average growth rate for 2005-06 to 2009-10 was 23.66 *per cent*. Though the revenue all along the years from 2001-02 to 2009-10 showed an increasing trend, yet the growth rate of revenue after implementation of VAT showed a declining trend as

[10] Department's figures.

[11] Collection under Sales Tax (MST + MFST + PT) and Motor Spirits and Lubricants Acts.

compared to 2005-06. The scenario would have been much better had the tax collection mechanism been more efficient and effective and instances of loss of revenue been avoided/minimised as pointed out in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2010 (Revenue Receipts).

1.6.4.2 Non-Tax Revenue

The non-tax revenue (NTR), which constituted 8 *per cent* of the total revenue receipts, has increased by ₹ 50 crore during 2009-10 recording a growth rate of 22 *per cent* over the previous year. 82 *per cent* of non-tax revenue during 2009-10 was received from economic services and within this category, receipts under non-ferrous mining and metallurgical industries alone contributed 88 *per cent* (₹ 198 crore). This was mainly due to receipts under Geological Survey of India. The trends in interest receipts and dividends and profits also reveal significant improvement (249 *per cent*) during 2009-10 compared to 2005-06 mainly because of increase in realisation of interest on investment of cash balances by ₹ 15.49 crore. *The CAGR of non-tax revenue for Meghalaya between 2000-01 and 2008-09 (12.69 per cent) was much lower than that of NE States (17.53 per cent) and thus, needs improvement.*

➢ *Cost recovery in supply of merit goods and services*

The current levels of cost recovery (non-tax revenue receipts as a percentage of non-plan revenue expenditure) in supply of merit goods and services by Government were negligible, as depicted in **Table 1.13.**

Table 1.13 : Cost Recovery – 2009-10

(Rupees in lakh)

Particulars	Non-tax revenue receipts	Non-plan revenue expenditure	Cost Recovery (*per cent*)
Secondary Education	39	9,237	0.42
Medical & Public Health	56	11,579	0.48
Water Supply & Sanitation	288	9,668	2.98
Roads & Bridges	6	9,781	0.06
Minor Irrigation	17	1,530	1.11

As can be seen from above, while the cost recovery for minor irrigation and water supply & sanitation during 2009-10 were 1.11 *per cent* and 2.98 *per cent* respectively, for medical & public health, secondary education and roads & bridges the percentages were 0.48, 0.42 and 0.06 respectively. However, there was an increase under water supply & sanitation during the current year as compared to last year.

1.6.4.3 Own resources vis-à-vis assessments made by the Twelfth Finance Commission

The mobilisation of State's own resources *vis-à-vis* assessments made by the TFC and State Government in its own Fiscal Correction Path are given below:

Table 1.14

(Rupees in crore)

Year	Assessment made by TFC			Assessment made by State Government in FCP			Actuals		
	Tax Revenue	Non-Tax Revenue	Total	Tax Revenue	Non-Tax Revenue	Total	Tax Revenue	Non-Tax Revenue	Total
2005-06	243	162	405	253	146	399	253	146	399
2006-07	276	180	456	268	173	441	305	184	489
2007-08	312	200	512	332	176	508	319	199	518
2008-09	353	221	574	383	196	579	370	225	595
2009-10	400	244	644	464	216	680	444	275	719

The State has **successfully achieved** the target fixed by TFC in collection of tax revenue during 2005-10. During 2009-10, tax revenue was 11 *per cent* higher than the assessment made by the TFC, but it was lower by 4.31 *per cent* compared to the assessment made by the State Government in the FCP for the year. *The non-tax revenue was 12.70 per cent and 27.31 per cent higher than the assessment made by the TFC and in the FCP respectively during the year.*

1.6.4.4 Loss of Revenue due to Evasion of Taxes, Write off/Waivers and Refunds

Test-check of the records of sales tax, state excise, motor vehicles tax, other tax receipts, forest receipts and other non-tax receipts conducted during the year 2009-10 revealed underassessment/short/non-levy/loss of revenue amounting to ₹ 903.26 crore in 169 cases. The total loss of revenue, which was in excess of 26 *per cent* of the State's own resources consisting of tax and non-tax revenue (₹ 719.38 crore) during 2009-10, indicates the presence of loopholes in resource mobilisation thereby adversely affecting the developmental activities of the State. Serious irregularities which resulted in loss of revenue of the State have been discussed in the Report of the Comptroller and Auditor General (CAG) of India for the year ended 31 March 2010 (Revenue Receipts).

1.6.4.5 Revenue Arrears

The arrears of tax revenue at the end of March 2010 in respect of some principal heads of revenue were ₹ 90.70 crore of which, ₹ 10.72 crore (11.82 *per cent*) relating to state excise were more than five years old. As the pending revenue arrears constituted over 20 *per cent* of tax revenue of the State during 2009-10, appropriate steps need to be initiated by the State Government for their recovery, which would in turn provide a cushion to reduce the burden of fiscal liabilities of the State.

1.7 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in

raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially expenditure directed towards development and social sectors.

1.7.1 Growth and Composition of Expenditure

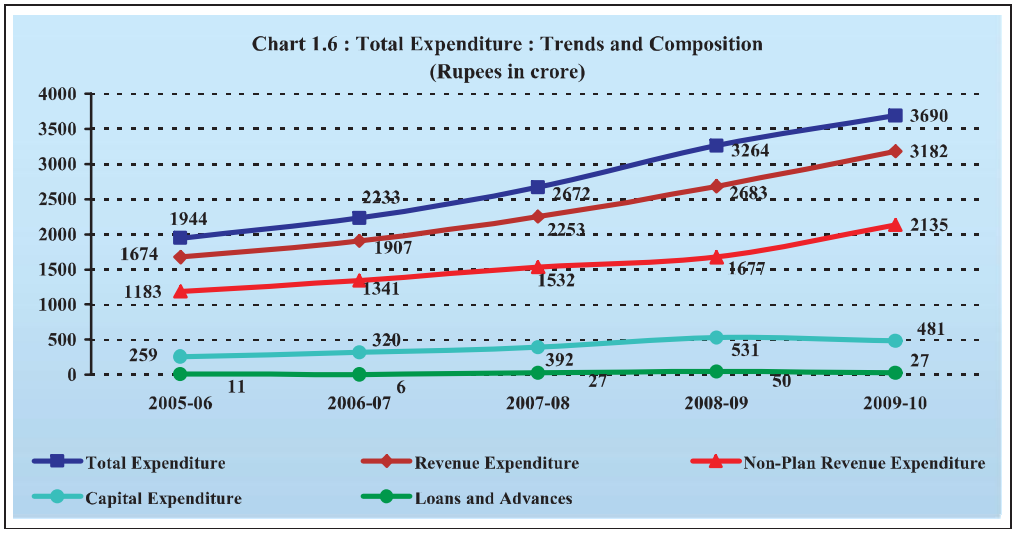
The total expenditure and its compositions during the years 2005-06 to 2009-10 are presented in the **Table 1.15**.

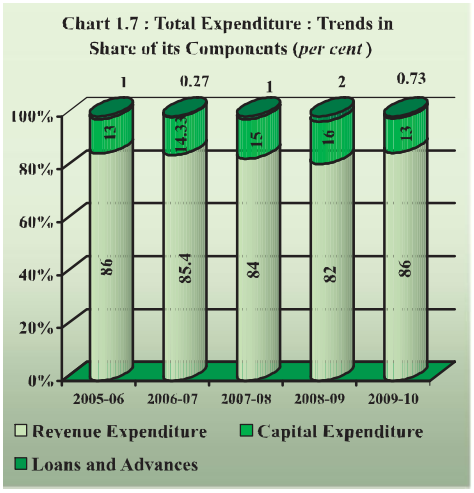
Table 1.15 : Total expenditure and its compositions

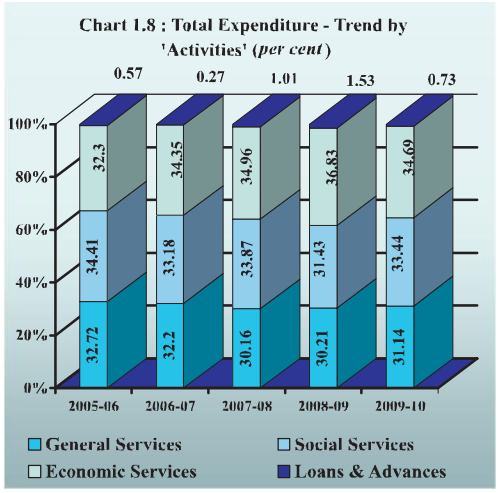
(Rupees in crore)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Total Expenditure	**1,944**	**2,233**	**2,672**	**3,264**	**3,690**
Revenue Expenditure	1,674	1,907	2,253	2,683	3,182
Of which, Non-plan Revenue Expenditure	*1,183*	*1,341*	*1,532*	*1,677*	*2,135*
Capital Expenditure	259	320	392	531	481
Loans and Advances	11	6	27	50	27

Chart 1.6 presents the trends in total expenditure over a period of five years (2005-10) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted respectively in **Charts 1.7 and 1.8.**







1.7.1.1 Trends in Total Expenditure

The total expenditure of the State increased by ₹ 1,746 crore (89.81 *per cent*) from ₹ 1,944 crore in 2005-06 to ₹ 3,690 crore. The total expenditure, its annual growth rate, the ratio of expenditure to the State GSDP and to revenue receipts and its buoyancy with respect to GSDP and revenue receipts are indicated in **Table 1.16**.

Table 1.16 : Total Expenditure – Basic Parameters

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Total Expenditure (TE) (Rupees in crore)	1.944	2,233	2,672	3,264	3,690
Rate of growth (*per cent*)	3.51	14.87	19.66	22.16	13.05
TE/GSDP ratio (*per cent*)	26.97	26.20	27.76	30.02	29.52
RR/TE ratio (*per cent*)	89.87	95.92	91.35	86.12	93.41
Buoyancy of Total Expenditure with reference to:					
GSDP (ratio)	0.34	0.82	1.52	1.71	0.87
RR (ratio)	0.27	0.66	1.41	1.46	0.58

The increase of ₹ 426 crore (13.05 *per cent*) in total expenditure during 2009-10 over previous year was mainly on account of increase of ₹ 499 crore in revenue expenditure offset by decrease in capital expenditure and disbursement of loans and advances by ₹ 50 crore and ₹ 23 crore respectively. While the share of plan expenditure constituted 42 *per cent* (₹ 1,538 crore) of the total expenditure, the remaining 58 *per cent* (₹ 2,152 crore) was non-plan expenditure. During the current year, 93 *per cent* (₹ 3,447 crore) of the total expenditure was met from revenue receipts and the remaining (₹ 243 crore) from capital receipts and borrowed funds. The buoyancy of total expenditure to GSDP stood at 0.87 in 2009-10 due to growth rate of GSDP at much greater pace as compared to that of total expenditure. Similarly, the buoyancy ratio of total expenditure to revenue receipts stood at 0.58 indicating increase in expenditure at a pace much lower than the receipt.

In terms of the activities, total expenditure could be considered as being composed of expenditure on general services including interest payments, social and economic services, grants-in-aid and loans and advances. The movement of the relative share of these components of expenditure indicated that all components of expenditure had inter-year variations. Of the total expenditure during 2009-10, expenditure on general services and interest payments, which is considered as non-developmental, together accounted for 31.14 *per cent*. On the other hand, expenditure on social and economic services together accounted for 68.13 *per cent* during 2009-10. The relative share of social services declined from 34.41 *per cent* in 2005-06 to 33.44 *per cent* in 2009-10. The relative share of economic services, which ranged between 32.30 *per cent* and 36.83 *per cent* during the last four year period 2005-09, has decreased to 34.69 *per cent* in 2009-10, while loans and advances revealed wide fluctuations during the period 2005-09 and stood at 0.73 *per cent* of total expenditure during 2009-10.

1.7.1.2 Incidence of Revenue Expenditure

Revenue expenditure had the predominant share in the total expenditure. Revenue expenditure is incurred to maintain the current level of services and payment for the past obligations and as such does not result in any addition to the State's infrastructure and service network. The overall revenue expenditure, its rate of growth, ratio of revenue expenditure to GSDP and to revenue receipts and its buoyancy are indicated in **Table 1.17.**

Table 1.17 : Revenue Expenditure – Basic Parameters

(Rupees in crore)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Revenue Expenditure (RE)	1,674	1,907	2,253	2,683	3,182
Of which					
Non-Plan Revenue Expenditure (NPRE)	1,183 (70.67)	1,341 (70.32)	1,532 (68.00)	1,677 (62.50)	2,135 (67.10)
Plan Revenue Expenditure (PRE)	491 (29.33)	566 (29.68)	721 (32.00)	1,006 (37.50)	1,047 (32.90)
Rate of Growth of					
RE (*per cent*)	4.89	13.92	18.14	19.09	18.60
NPRE (*per cent*)	5.63	13.36	14.24	9.46	27.31
PRE (*per cent*)	3.15	15.27	27.39	39.53	4.08
Ratio (*per cent*)					
RE as percentage of TE	86.11	85.40	84.32	82.20	86.23
NPRE/GSDP (*per cent*)	16.41	15.74	15.92	15.42	17.08
NPRE as percentage of TE	60.85	60.05	57.34	51.38	57.86
NPRE as percentage of RR	67.72	62.60	62.76	59.66	61.94
Buoyancy Ratio of Revenue Expenditure with					
GSDP	0.47	0.76	1.40	1.47	1.24
Revenue Receipts	0.38	0.62	1.30	1.26	0.82

(Figures in brackets represent percentages to revenue expenditure)

Revenue expenditure constituted 82 *per cent* to 86 *per cent* of total expenditure during 2005-10 and increased by 90 *per cent* from ₹ 1,674 crore in 2005-06 to ₹ 3,182 crore

in 2009-10. The non-plan revenue expenditure (NPRE) during the same period increased from ₹ 1,183 crore to ₹ 2,135 crore, showing an increase of 80 *per cent* indicating that the share of NPRE in total revenue expenditure declined from 71 *per cent* in 2005-06 to 67 *per cent* in 2009-10. As a result, plan revenue expenditure (PRE), which normally covers the maintenance expenditure incurred on services, has increased by ₹ 556 crore during 2005-10 keeping its share in total revenue expenditure between 29 and 33 *per cent* during the period.

The NPRE constituted a dominant share of more than 67 *per cent* in the revenue expenditure during 2009-10 and has increased by ₹ 458 crore over the previous year. The growth of NPRE during 2009-10 increased to 27.31 *per cent* against 9.46 *per cent* during the previous year mainly due to increased expenditure on Education, Sports, Art and Culture (₹ 63 crore) followed by Agriculture and Allied Activities (₹ 55 crore), Health and Family Welfare (₹ 41 crore) and Rural Development (₹ 36 crore). As a result, PRE, which normally covers the maintenance expenditure incurred on services, has increased by ₹ 41 crore only (4.08 *per cent*) over previous year.

The NPRE at ₹ 2,135 crore during the year was 38.10 *per cent* (₹ 589 crore) higher than the normatively assessed level of ₹ 1,546 crore by TFC (**Table 1.18).**

Table 1.18 : Non-Plan Revenue Expenditure: Actuals *vis-à-vis* Normative Assessment by TFC

(Rupees in crore)

Sectors	TFC Recommendation					Actuals				
	2005-06	2006-07	2007-08	2008-09	2009-10	2005-06	2006-07	2007-08	2008-09	2009-10
Interest Payments	197	212	228	244	263	191	203	189	212	234
Pension	88	97	106	117	129	93	118	135	172	208
Other General Services	236	249	266	273	285	319	357	424	519	610
Social Service	399	433	471	512	557	341	390	439	478	630
Economic Service	202	212	223	235	247	239	273	345	296	453
Committed Liabilities			56	61	65	NA				
Total	**1122**	**1203**	**1350**	**1442**	**1546**	**1183**	**1341**	**1532**	**1677**	**2135**

Except for interest payments and expenditure on social services during 2005-09, the actual expenditure incurred on all other components of NPRE was more than the assessments made by the TFC. The total NPRE during 2009-10 also exceeded the assessment made by the State Government in its FCP (₹ 1,645 crore) by 29.79 *per cent* (₹ 490 crore).

1.7.1.3 Capital Expenditure

Capital expenditure constituted only 13 *per cent* to 16 *per cent* of total expenditure during 2005-10. Compared to 2008-09, capital expenditure during the current year (2009-10) decreased by 9.42 *per cent* mainly due to less expenditure on Urban Development (by ₹ 38 crore). Consequently, the State Government failed to fulfil its

commitment of incurring expenditure on capital account made in the FCP (₹ 551 crore), which fell short of ₹ 70 crore (12.7 *per cent*).

1.7.2 Committed Expenditure

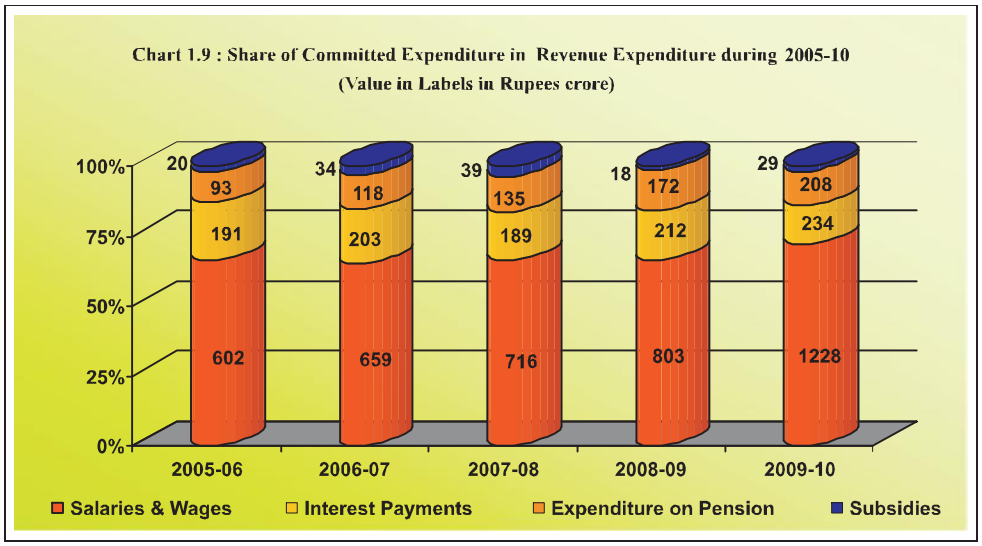
The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.19** and **Chart 1.9** present the trends in the expenditure on these components during 2005-10.

Table-1.19 : Components of Committed Expenditure

(Rupees in crore)

Components of Committed Expenditure	2005-06	2006-07	2007-08	2008-09	2009-10
Salaries & Wages	602 (34)	659 (31)	716 (29)	803 (29)	1228 (36)
Of which					
Non-Plan Head	*502 (29)*	*547 (26)*	*596 (24)*	*651 (23)*	*1011 (29)*
Plan Head	*100 (6)*	*112 (5)*	*120 (5)*	*152 (6)*	*217(6)*
Interest Payments	191 (11)	203 (9)	189 (8)	212 (8)	234 (7)
Expenditure on Pension and other retirement benefits	93 (5)	118 (6)	135 (6)	172 (6)	208 (6)
Subsidies	20 (1)	34 (2)	39 (2)	18 (1)	29 (1)
Other Components of revenue expenditure, i.e, other than committed expenditure	768 (44)	893 (42)	1,174 (48)	1,478 (53)	1483 (43)

(*Figures in the parentheses indicate percentage to Revenue Receipts*)



1.7.2.1 Salaries and Wages

Salaries and wages during 2009-10 alone accounted for around 36 *per cent* of the revenue receipts of the State during the year. It increased by around 53 *per cent* from ₹ 803 crore in 2008-09 to ₹ 1,228 crore in 2009-10, an increase of ₹ 425 crore, mainly due to implementation of recommendations of State's Pay Commission. Expenditure on salaries and wages under non-plan head during 2009-10 increased ₹ 360 crore (55.30 *per cent*) over the previous year, whereas this expenditure on plan

head increased by ₹ 65 crore (42.76 *per cent*) over the previous year. Non-plan salary and wage expenditure ranged between 81.07 *per cent* and 83.39 *per cent* of total expenditure on salaries and wages during 2005-10. The State could not restrict the expenditure on salaries and wages during 2009-10 as assessed in its FCP (₹ 1,157 crore). This expenditure was 44.81 *per cent* of the revenue expenditure, net of interest payments and pension, as against TFC norm of 35 *per cent.*

1.7.2.2 Interest Payments

Interest payments increased by 23 *per cent* from ₹ 191 crore in 2005-06 to ₹ 234 crore in 2009-10. Compared to previous year, interest payments during 2009-10 increased by 10 *per cent.* The State was, however, successful in restricting the interest payments during 2009-10 as assessed in its FCP (₹ 233 crore). Interest payments were on market loans (₹ 117 crore), Special Securities issued to National Small Savings Fund of the Central Government (₹ 29 crore), other internal debt (₹ 21 crore), loans and advances received from Central Government (₹ 27 crore) and Small Savings, Provident Fund, *etc.* (₹ 40 crore). Of the total interest payments during the year, about 50 *per cent* (₹ 117 crore) were paid on market borrowings. *The overall interest payments (₹ 234 crore) was lower than the projections made by the TFC (₹ 263 crore) and FCP (₹ 233 crore) as well as budget estimates (₹ 246 crore) of the year.*

1.7.2.3 Pension Payments

The pension payments (including other retirement benefits) indicated an increasing trend during the five year period 2005-10. Pension payments during the current year have increased by ₹ 36 crore, an increase of over 21 *per cent* over the previous year. The increase in expenditure under pension was mainly due to increase in number of pensioners by 180 (Pensioners: 95; Family pensioners: 79; MLA pensioners: 6) over the previous year. The comparative analysis of actual pension payments and the assessment/projection made by TFC and the State Government shows that actual pension payment exceeded the normative assessment made by TFC by ₹ 79 crore and the assessment made by the State Government in its FCP & Budget for the year 2009-10 by ₹ 76 crore and ₹ 32 crore respectively as shown in (**Table 1.20**).

Table 1.20 : Actual Pension Payments *vis-à-vis* Projection

(Rupees in crore)

Year	Assessment made by the TFC	Assessment made by the State Government in		Actuals	Expenditure in excess of Assessment made in the		
		FCP	Budget		TFC	FCP	Budget
2005-06	88	93	84	93	5 (6)	...	9 (11)
2006-07	97	95	95	118	21 (22)	23 (24)	23 (24)
2007-08	106	113	113	135	29 (27)	22 (19)	22 (19)
2008-09	117	122	126	172	55 (47)	50 (41)	46 (37)
2009-10	129	132	176	208	79 (61)	76 (58)	32 (18)

(*Figures in brackets represent percentages*)

1.7.2.4 Subsidies

Table 1.19 shows that the expenditure on payment of subsidies increased by 61 *per cent* from ₹ 18 crore in 2008-09 to ₹ 29 crore during the current year. The increase of ₹ 11 crore is mainly due to increase in payment of subsidies by the departments like Fisheries by (₹ 3.57 crore), and power by (₹ 6.14 crore). The subsidy to power sector (₹ 17.84 crore) during the year 2009-10 was ₹ 5.34 crore (42.72 *per cent*) higher than the assessment made by the State Government in FCP for the year 2009-10 (₹ 12.50 crore).

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

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in **Table 1.21**.

Table 1.21 : Financial Assistance to Local Bodies, *etc.*

(Rupees in crore)

Financial Assistance to Institutions	2005-06	2006-07	2007-08	2008-09	2009-10	
					Budget Estimate	Actuals
University and Educational Institutions	151	164	243	245	290	291
Co-operative Societies	2	5	2	2	1	1
District Councils	3	1	12	17	1	1
Municipalities	2	1	2	2	2	2
Power sector	7	35	100	209	94	111
Other Institutions[12]	2	2	9	4	12	35
Total	**167**	**208**	**368**	**479**	**400**	**441**
Assistance as percentage of RE	9.98	10.91	16.33	17.85		13.86

The financial assistance extended to local bodies and other institutions with inter-year variations decreased by 8 *per cent* from ₹ 479 crore in 2008-09 to ₹ 441 crore in 2009-10. The share of financial assistance in revenue expenditure also decreased from 17.85 *per cent* in 2008-09 to 13.86 *per cent* during the current year. The State Government failed to restrict the expenditure on payment of financial assistance within the projection made in its annual budget for the year 2009-10.

University and Educational Institutions were the major recipients as 64 *per cent* of the total financial assistance during 2009-10 was given to them. The share under this sector increased by 19 *per cent* i.e. from ₹ 245 crore during 2008-09 to ₹ 291 crore during the current year. Of ₹ 291 crore, ₹ 101 crore was given to Non Government Primary Schools and ₹ 62 crore to Non Government Secondary School.

[12] Other Institutions (figures for 2009-10 in brackets): Medical and Public Health (₹ 16.58 crore), Water Supply and Sanitation (₹ 17 crore), Social Security and Welfare (₹ 0.32 crore), Welfare of Handicapped & Women Welfare (₹ 0.08 crore), Forestry and Wildlife (₹ 0.56 crore) and Village and Small Industries (₹ 0.12 crore).

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

1.8.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to the State Governments. Low fiscal priority (ratio of expenditure category to aggregate expenditure) is attached to a particular sector if it is below the respective national average. **Table 1.22** analyses the fiscal priority and fiscal capacity of the State Government with regard to development expenditure, social sector expenditure and capital expenditure during the current year.

Table 1.22 : Fiscal Priority of the State during 2009-10

Fiscal priority by the State	AE/GSDP	DE[13]/AE	SSE/AE	CE/AE	Education/ AE	Health/ AE
All NE States' Average (Ratio)-2005-06	29.92	65.98	32.91	16.21	18.06	4.63
Meghalaya's Ratio-2005-06	26.97	67.13	34.41	13.32	16.05	5.71
All NE States' Average (Ratio)-2009-10	37.18	64.98	34.64	17.55	16.47	5.65
Meghalaya's Ratio-2009-10	29.52	68.43	33.44	13.04	15.34	6.23

AE: Aggregate Expenditure, i.e., Total Expenditure (Revenue, Capital and Loans & advances disbursed). DE: Development Expenditure. SSE: Social Sector Expenditure. CE: Capital Expenditure.

Table 1.22 shows the fiscal priority given by the Meghalaya Government to various expenditure heads in 2005-06 (the first year of the TFC Award Period) and the current year. The ratio of aggregate expenditure to GSDP for Meghalaya in both the years (around 27 and 30 *per cent*) is lower than NE States' average. This means that on an average, other NE states are spending a higher proportion of their GSDP annually. The ratio of development expenditure as a proportion to aggregate expenditure for Meghalaya is higher than NE States' Average which indicates that the state is giving higher priority to this category of expenditure as compared to other NE States.

In social sector expenditure involving the major components, *viz.* education and health, the Meghalaya Government's expenditure on health as a percentage of AE was higher than the NE States' Average during both the years 2005-06 and 2009-10, whereas the expenditure on education sector as a percentage of AE during these years was lower compared to NE States' Average. *Considering the fact that the literacy rate*

[13] Development Expenditure includes Revenue Expenditure, Capital Expenditure and Loans and Advances disbursed on Social and Economic Services.

*(62.6 per cent) of Meghalaya is below the All India Average Literacy Rate (64.8 per cent) as per Census, 2001 (**Appendix 1.1-Part D**), the State Government may consider to give priority to this sector of social services.*

In regard to CE, the ratio is lower in both 2005-06 and 2009-10 than the NE States' Average. *The CAGR of this expenditure between 2000-01 and 2008-09 (11.27 per cent) was much lower than that of NE States (19.67 per cent) which further declined to 8.76 per cent between 2000-01 and 2009-10. This indicated that the Government of Meghalaya had been attaching low priority to this sector.*

1.8.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods[14]. Apart from improving the allocation towards development expenditure[15], particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.23** 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 1.24** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

---

[14] *Core public goods* are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. *Merit goods* are commodities that the public sector provides free or at subsidised 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 subsidised food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation, *etc.*

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

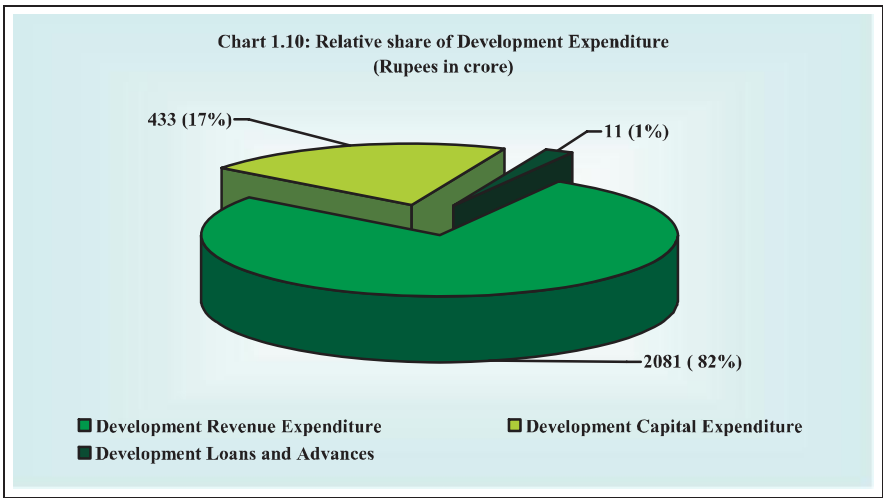
Table 1.23 : Development Expenditure

(Rupees in crore)

Components of Development Expenditure	2005-06	2006-07	2007-08	2008-09	2009-10	
					BE	Actuals
Development Expenditure (a to c)	**1,305 (67.13)**	**1,510 (67.62)**	**1,859 (69.57)**	**2,271 (69.58)**	**3,322 (74.87)**	**2,525 (68.43)**
a. Development Revenue Expenditure	1,049 (53.96)	1,204 (53.92)	1,475 (55.20)	1,745 (53.46)	2,528 (57)	2,081 (56.40)
b. Development Capital Expenditure	248 (12.76)	304 (13.61)	364 (13.62)	483 (14.80)	761 (17.15)	433 (11.73)
c. Development Loans and Advances	8 (0.41)	2 (0.09)	20 (0.75)	43 (1.32)	33 (0.74)	11 (0.30)

(*Figures in parentheses indicate percentage to aggregate expenditure*)

The development expenditure increased by 11 *per cent* over previous year. During the current year, though the State Government earmarked 74.87 *per cent* of the estimated aggregate expenditure for development expenditure, this assessment fell short by 6.44 *per cent* at the end of the year. The relative share of development expenditure to total expenditure during 2009-10 given in **Chart 1.10** below showed that 82 *per cent* of the development expenditure was incurred on revenue account and only 17 *per cent* was utilised for capital expenditure.



Predominant share of revenue expenditure in development expenditure indicated that more emphasis was given on maintenance of the current level of services (including 15 *per cent* revenue expenditure on salaries and wages under social services and 8.52 *per cent* on economic services) which did not result in any addition to State's infrastructure and service network. Thus, expenditure pattern under this sector needs correction in the ensuing year.

Table 1.24 : Efficiency of Expenditure Use in Selected Social and Economic Services

(In *per cent*)

Social/Economic Infrastructure	2008-09		2009-10	
	Ratio of Capital Expenditure to Total Expenditure[16]	In Revenue Expenditure, the share of Salary & Wages	Ratio of Capital Expenditure to Total Expenditure[16]	In Revenue Expenditure, the share of Salary & Wages
Social Services (SS)				
General Education	1.03	33.55	0.42	38.34
Technical Education, Sports, Arts and Culture	1.57	25.30	1.01	32.57
Health and Family Welfare	13.39	79.17	9.37	75.92
Water Supply & Sanitation, Housing and Urban Development	58.92	29.39	41.13	38.40
Other SS	0.66	22.37	0.13	23.71
Total (SS)	**21.58**	**38.52**	**11.46**	**43.30**
Economic Services (ES)				
Agriculture and Allied Activities	5.83	47.98	5.12	44.38
Irrigation & Flood Control	56.01	40.87	56.04	57.41
Power and Energy	-	-	-	-
Transport	68.52	-	66.76	-
Other ES	8.07	10.43	7.52	15.70
Total (ES)	**21.79**	**20.39**	**22.76**	**27.41**

Social Services

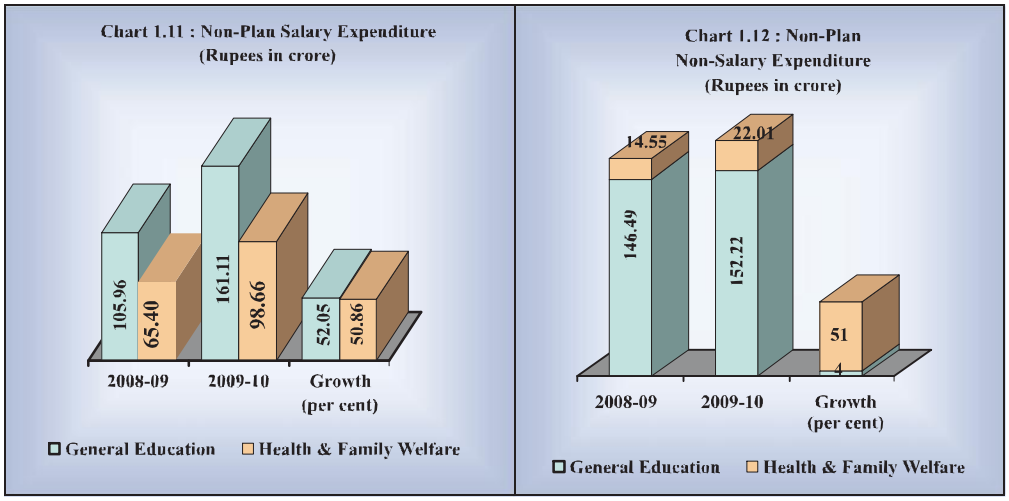
The trends in capital expenditure on social services during 2008-10 reveal that the share of capital expenditure to total expenditure during these years was around 22 and 11 *per cent*, which indicated that the revenue expenditure was dominant. In all the categories of social services there was deterioration in the share of capital expenditure during the year. General Education Sector was the worst sufferer as only 0.42 *per cent* of total expenditure on this sector was incurred on capital account during 2009-10 against 1.03 *per cent* during the preceding year.

Of the revenue expenditure on social services, the share of salary and wage component has increased from 38.52 *per cent* in 2008-09 to 43.30 *per cent* in 2009-10. The non-salary and wage expenditure on social services has increased by 25.15 *per cent* during 2009-10 from ₹ 494.88 crore in 2008-09 to ₹ 619.36 crore in 2009-10. Within the priority sectors, non-salary and wage component continue to have the dominant share under education, sports, art and culture, health and family welfare and water supply, sanitation, housing and urban development. High salary and wage expenditure during 2008-09 (79 *per cent*) and 2009-10 (76 *per cent*) was observed under health and family welfare services.

Recognising the need to improve the quality of education and health services, TFC recommended that the non-plan salary expenditure under education, health and

[16] Total revenue and capital expenditure of the services concerned.

family welfare should increase only by 5 to 6 per cent, while non-salary expenditure under non-plan heads should increase by 30 per cent per annum during the award period. **Charts 1.11** and **1.12** provide non-plan salary and non-salary expenditure under social services incurred during 2008-10.



The expenditure on non-plan salary and wage component under both education and health and family welfare sectors increased by 52.05 per cent and 50.86 per cent respectively over the previous year and far surpassed the recommendation of the TFC. While the increase of 51 per cent in non-salary (non-plan) expenditure under health and family welfare sector was quite satisfactory when compared to the 30 per cent as recommended by the TFC, the increase of mere 4 per cent in this parameter of expenditure under education was much below the recommendation of the TFC. Thus expenditure pattern under both these sectors needs correction in the ensuing years.

Economic Services

The expenditure on economic services during 2009-10 (₹ 1,280 crore) accounted for about 35 *per cent* of the total expenditure and 51 *per cent* of the development expenditure during the year. Out of the total expenditure on economic services during the current year, 30 *per cent* was incurred on agriculture and allied services, 23 *per cent* on transport and 10 *per cent* on energy.

The trends in revenue and capital expenditure on economic services indicate that capital expenditure consistently increased from ₹ 134 crore in 2005-06 to ₹ 291 crore (117 *per cent*) in 2009-10. However, the share of capital expenditure to total expenditure on economic services during 2008-10 almost remained constant at 22-23 *per cent* which indicated that the revenue expenditure was dominant. Revenue expenditure also consistently increased from ₹ 494 crore in 2005-06 to ₹ 989 crore (100 *per cent*) in the current year. An increase of ₹ 49 crore (5 *per cent*) during 2009-10 over the previous year in revenue expenditure was mainly due to the increase under agriculture and allied activities (₹ 114 crore), industry and minerals (₹ 29 crore) and transport (₹ 23 crore), partly offset by decrease under energy (₹ 114 crore) and rural development (₹ 28 crore). Within the revenue expenditure, salary and wage

component constituted 20 *per cent* and 27 *per cent* of the total revenue expenditure during 2008-09 and 2009-10 respectively. It increased from ₹ 192 crore in 2008-09 to ₹ 271 crore (41 *per cent*) during the current year.

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

According to the information furnished by the Directorate of Programme Implementation and Evaluation, there were 12 programmes launched during the year 2009-10 **(Appendix-1.6).** Some of the programmes where significant shortfall in achievement of targets were noticed are given in **Table 1.25** below:

Table 1.25

(Rupees in crore/ Targets, Achievements and Shortfall in numbers)

Flagship Programme	Performance indicator	Budget allocation	Targets	Actual expendi-ture	Achieve-ment	Shortfall in achievement of targets (*per cent*)
Indira Awas Yojana (IAY) (New Construction)	Houses constructed	49.31	16440	38.12	9630	6810 (41)
Accelerated Rural Water Supply Programme (ARWSP)	Habitations covered	78.40	400	68.57	218	182 (46)
Total Sanitation Campaign (TSC)	(i) Individual Household Latrines constructed (ii) School Toilets (iii) Sanitary Complex (iv) Anganwadi Toilets (v) RSM	19.29	85798 7147 100 1437 0	12.23	47256 1358 18 162 3	38542 (45) 5789 (81) 82 (82) 1275 (89) -
Accelerated Irrigation Benefit Programme – (AIBP)	Schemes (21 ongoing and 7 new schemes) Beneficiaries	27.78	28 1119	27.78	16 683	12 (43) 436 (39)
Rural Electrification (RGGVY)	Electrification (i)UEV - (ii)DEV - (iii)EV - (iv)H/H – (v)BPL (Rhh)-	100.98	 (i)1533 (ii)369 (iii)3513 (iv)200624 (v)114507	43.60	 44 99 703 0 21569	 1489 (97) 270 (73) 2810 (80) 200624 (100) 92938 (81)
Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	Urban Infrastructure & Governance, Basic Service to the Urban Poor, Urban Infrastructure Development of Small & Medium Towns, Integrated Housing & Slum Development Programmes	61.34	7 projects	32.94	Under progress	

As can be seen from the above table, shortfall in achievement of targets under most of the flagship programmes ranged between 41 *per cent* and 100 *per cent*. Against the target for construction of 16,440 houses under Indira Awas Yojana, achievement was only 9630. Under Accelerated Rural Water Supply Programme, 218 habitations were covered against the target of 400. Out of all the above programmes, major shortfall in achievement of targets (73 *per cent* to even 100 *per cent*) during 2009-10 was under Rural Electrification.

Review of one of the flagship programmes, *viz*. Jawaharlal Nehru National Urban Renewal Mission (JNNURM) revealed the followings:

- **JNNURM** was launched by the GOI with the objectives of development of infrastructure in cities, providing basic services to the urban poor, *etc*.
- In respect of three projects *viz*. storm water drainage master plan for Shillong, Augmentation of water supply in Shillong and purchase of buses for Shillong city, under urban infrastructure and governance, JNNURM released ₹ 58.59 crore during 2008-09 (₹ 51.45 crore) and 2009-10 (₹ 7.14 crore). But, no work was initiated during 2008-09 due to delay in selection of implementing agency by the State Government.
- For the development of infrastructure in cities, supply orders for purchase of buses were issued in July 2010.
- During 2009-10, though expenditure of ₹ 49.60 crore was incurred by the implementing agency for storm water drainage master plan for Shillong, stipulated for completion by March 2010, and augmentation of water supply in Shillong by March, 2011, achievements were only 46.81 *per cent* and 7 *per cent* respectively till 31 March 2010.
- For two other projects under Basic Services for Urban poor, JNNURM released ₹ 20.54 crore during 2007-10.Though, ₹ 5.94 crore was released during 2007-08 for construction of housing units - Phase I, scheduled to be completed by August 2009, and Phase II, scheduled to be completed by January 2010, no expenditure was incurred by the Agency during that period. There was delay of six to seven months in initiating the work because of delay in transfer of land belonging to Housing Department to the Urban Affair Department. As of 31 March 2010, total expenditure incurred on this project was ₹ 11.10 crore and the work was in progress. For the project 'Slum Improvement Programme' ₹ 5.32 crore was released during 2009-10, but only tender was floated till March 2010.
- For Solid Waste Management Project (Tura & Nongpoh) under Urban Infrastructure Development Scheme, ₹ 6.45 crore was released during 2008-10, but only tender was invited till March 2010.
- Against release of ₹ 5.19 crore during 2007-08 (₹ 0.91 crore) and 2008-09 (₹ 4.28 crore) for construction of dwelling units for urban poor at Tura Unit, expenditure of only ₹ 0.38 crore was incurred during 2009-10. The delay in initiation of the work was reported as due to litigation. For Williamnagar and Nongpoh units, JNNURM released ₹ 6.73 crore during 2009-10. But there was no achievement till March 2010.
- Thus, due to lack of proper and timely planning by the Department, the objectives for which funds were released by the JNNURM could not be achieved so far besides blocking of ₹ 41.74 crore.

1.9 Financial Analysis of Government Expenditure and Investments

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

1.9.1 Incomplete projects

According to the information available in Appendix X of the Finance Accounts for the year 2009-10, as of 31 March 2010, there were 446 ongoing projects in the State. The department-wise information pertaining to incomplete projects as on 31 March 2010 even after target date(s) of completion is given in **Table 1.26**.

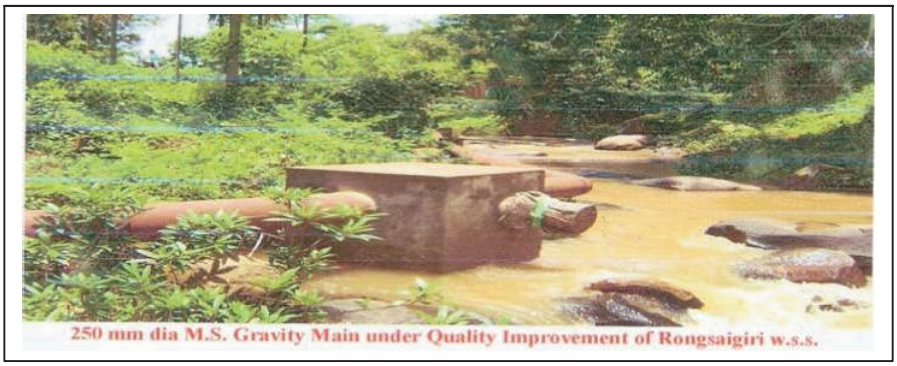
Table 1.26 : Department-wise Profile of Incomplete Projects

(Rupees in crore)

Department	Number of incomplete projects	Initial estimated cost	Original estimated cost of two projects which were revised		Revised cost of two incomplete Projects	Cost overrun of two projects which were revised	Cumulative actual expenditure as on 31 March 2010
			Number	Amount			
Public Health Engineering	22	60.94	1	1.42	4.36	2.94	41.56
Public Works	29	63.47	1	1.52	2.12	0.60	51.89
Agriculture (Irrigation Wing)	8	17.35	1	2.72	5.96	3.24	11.90
Total	**59**	**141.76**	**3**	**5.66**	**12.44**	**6.78**	**105.35**

Source: Finance Accounts 2009-10.

As can be seen from the above table, 59 projects stipulated for completion on or before 31 March 2010 at an estimated cost of ₹ 141.76 crore, remained incomplete with an expenditure of ₹ 105.35 crore till March 2010. Out of 59 projects, 47 remained incomplete for two to five years, seven for six to 11 years and one project involving ₹ 4.32 crore remained incomplete for 24 years (year of commencement in respect of four projects not available). The revised cost of three incomplete projects increased by 120 *per cent* from ₹ 5.66 crore (estimated cost) to ₹ 12.44 crore (total revised cost) resulting in a total cost overrun of ₹ 6.78 crore. The photograph given below would indicate actual state of affairs of one of the incomplete projects targeted for completion by March 2010:



250 mm dia M.S. Gravity Main under Quality Improvement of Rongsaigiri w.s.s.

Effective steps need to be taken to complete the incomplete projects without further delay to avoid cost overrun due to time overrun.

1.9.2 Investment and returns

As of 31 March 2010, the State Government had invested ₹ 286.19 crore in Statutory Corporations, Government Companies and Co-operative Societies **(Table 1.27)**. The average return on this investment was less than one *per cent* during 2005-10, while the Government paid interest at an average rate of 6.34 *per cent* on its borrowings during the period.

Table 1.27 : Return on Investment

Investment/Return/Cost of Borrowings	2005-06	2006-07	2007-08	2008-09	2009-10
Investment at the end of the year (Rupees in crore)					
(i) Statutory Corporations	37.08	40.19	40.34	40.79	70.91
(ii) Government Companies	102.05	102.29	102.59	112.92	152.51
(iii) Co-operative Societies	38.19	40.68	43.86	46.72	62.77
Return (Rupees in crore)	0.01	0.01	0.02	0.03	0.04
Return (*per cent*)	0.01	0.01	0.01	0.01	0.01
Average rate of interest on Government borrowing *(per cent)*	8.06	7.62	6.40	6.32	6.34
Difference between interest rate and return (*per cent*)	8.05	7.61	6.39	6.31	6.33

As of March 2010, the State Government had invested ₹ 70.91 crore in two Statutory Corporations, ₹ 152.51 crore in eight Government Companies and ₹ 62.77 crore in 1,442 Co-operative Societies. Of the two Statutory Corporations, bulk of the investment (₹ 68.97 crore) was made to the Meghalaya Transport Corporation Limited during 1986-2010 despite accumulated loss of ₹ 62.61 crore sustained by the Corporation up to 31 March 2009. Out of ₹ 152.51 crore invested in Government Companies, ₹ 63.46 crore was invested in six loss making Companies, which had accumulated loss of ₹ 27.91 crore as detailed in **Table 1.28**. Up-to-date working results of one Government company and all the co-operative societies had not been intimated (September 2010).

Table 1.28 : Details of loss making Government Companies

(Rupees in crore)

Name of Companies	Amount invested up to March 2010	Invested up to	Accumulated loss	Period up to[17]
Mawmluh Cherra Cement Ltd.	47.72	2009-10	2.85	2009-10
Meghalaya Tourism Development Corporation Limited	7.96	2001-02	3.12	2009-10
Meghalaya Government Construction Corporation Limited	0.75	2000-01	12.77	2009-10
Meghalaya Handloom and Handicrafts Development Corporation Limited	2.74	2009-10	1.75	2009-10
Meghalaya Mineral Development Corporation Limited	2.32	2001-02	5.27	2009-10
Forest Development Corporation of Meghalaya Limited	1.97	2000-01	2.15	2007-08
Total	**63.46**		**27.91**	

[17] Accounts for the subsequent years are in arrears.

1.9.3 Loans and advances by State Government

In addition to investments in co-operative societies, corporations and companies, Government has also been providing loans and advances to many of these institutions/ organisations. **Table 1.29** presents the outstanding loans and advances as on 31 March 2010, interest receipts *vis-à-vis* interest payments during the last three years.

Table 1.29 : Average Interest Received on Loans and Advances given by the State Government

(Rupees in crore)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Opening Balance	488	480	469	479	511
Amount advanced during the year	11	6	27	50	27
Amount recovered during the year	19	17	17	18	17
Closing Balance	480	469	479	511	521
Net Addition	- 8	- 11	10	32	10
Interest Receipts	1.48	1.36	1.65	2.04	2.59
Interest received as *per cent* to outstanding Loans and Advances	0.31	0.29	0.35	0.41	0.50
Interest payments as *per cent* to outstanding fiscal liabilities of the State Government	8.06	7.62	6.40	6.32	6.34
Difference between interest payments and receipts (*per cent*)	7.75	7.33	6.05	5.91	5.84

Loans and advances given by the State Government during 2009-10 decreased by 46 *per cent* over previous year. During 2005-10, recovery of loans and advances was ₹ 88 crore against ₹ 121 crore advanced during the period. The total outstanding loans and advances as on 31 March 2010 was ₹ 521 crore. As the interest received as *per cent* to outstanding loans and advances was much lower than the cost at which the State Governments borrows, the TFC in its restructuring plan of State finances assumed a 7 *per cent* return on outstanding loans and advances to be achieved in a graded manner by the terminal year of the forecast period (2005-10). *The assumption of the TFC, however, remained unfulfilled in Meghalaya because of a nominal return of* 0.5 *per cent on outstanding loans and advances given by the State Government till the end of the forecast period.*

Out of the outstanding loans of ₹ 521 crore, ₹ 441 crore pertained to power projects. It was noticed that the electricity charges of ₹ 80.31 crore outstanding from the State Government agencies to the Meghalaya State Electricity Board (MeSEB) (renamed as Meghalaya Energy Corporation Ltd.) till March 2008 were liquidated by the Government of Meghalaya in April 2008 through a one time settlement of ₹ 50 crore. Even so, in a matter of 23 months from April 2008 to February 2010, the electricity dues from State Government consumers had again accumulated to ₹ 11.25 crore. This was due to failure of the MeSEB to take action for discontinuance of power supply against errant government consumers as per Section 56 of the Electricity Act, 2003.

1.9.4 Cash Balances and Investment of Cash balances

Table 1.30 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.30 : Cash Balances and Investment of Cash Balances

(Rupees in crore)

Particulars	As on 1st April 2009	As on 31 March 2010	Increase(+)/ decrease (-)
Cash Balances	**501.64**	**440.12**	**(-) 61.52**
Investments from Cash Balances (a & b)	**552.48**	**501.78**	**(-) 50.70**
a. GOI Treasury Bills	543.73	493.03	(-) 50.70
b. GOI Stock/Securities	8.75	8.75	-
Fund-wise break-up of Investment from Earmarked balances (a & b)	**68.53**	**82.62**	**(+) 14.09**
a. Sinking Fund Investment Account	68.50	82.59	(+) 14.09
b. Other Development and Welfare Fund	0.03	0.03	-
Interest Realised on investment of cash balance	**15.78**	**20.68**	**4.90**

Cash balances of the State Government at the end of the current year decreased from ₹ 501.64 crore in 2008-09 to ₹ 440.12 crore in 2009-10. As on 31 March 2010, the State Government has invested ₹ 493.03 crore in GOI Treasury Bills and ₹ 8.75 crore in GOI stock/securities. During 2009-10, interest of ₹ 20.68 crore was earned on investment of cash balance. Further, the Government invested ₹ 82.62 crore in Sinking Fund and Development and Welfare Fund as of March 2010. During 2009-10, the interest receipts against investment on cash balance was 4.12 *per cent*, whereas the State Government raised three open market loans totalling ₹ 770.54 crore during the year at the interest rates of 7.8, 8.24 and 8.27 *per cent* per annum.

It is generally desirable that the State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatches in the flow of resources and expenditure obligations, a mechanism of Ways and Means Advances (WMA) – Ordinary and Special – from Reserve Bank of India (RBI) has been put in place. The operating limit for Ordinary WMA is reckoned as the three years average of revenue receipts and the operative limit for Special WMA is fixed by RBI from time to time depending on the holding of Government securities.

Under the agreement with the RBI, the Government of Meghalaya has to maintain an all time minimum balance of ₹ 21 lakh with RBI. If the balance falls below the agreed minimum, the Government can take Ordinary WMA from the RBI up to a maximum of ₹ 50.50 crore. In addition, Special WMA not exceeding ₹ 9.16 crore are made available against GOI securities held by the State Government. Overdrafts are given by the RBI if the State has a minus balance after availing of the maximum advance.

During the years 2006-07 to 2009-10, the Government did not have to resort to ways and means Advances and overdraft indicating comfortable position of cash balances of the State.

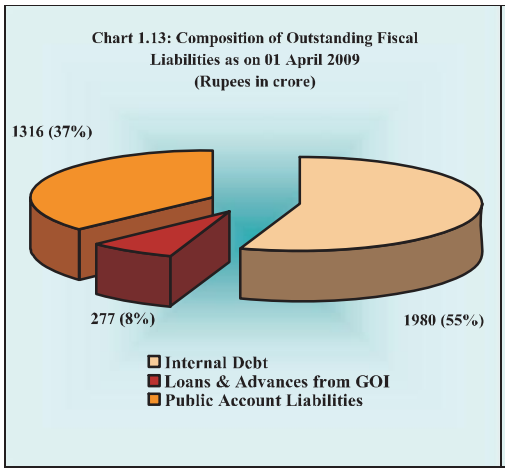
1.10 Assets and Liabilities

1.10.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.4** gives an abstract of such liabilities and the assets as on 31 March 2010, compared with the corresponding position on 31 March 2009. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

1.10.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.3.** However, the composition of fiscal liabilities during the current year *vis-à-vis* the previous year are presented in **Charts 1.13** and **1.14.**



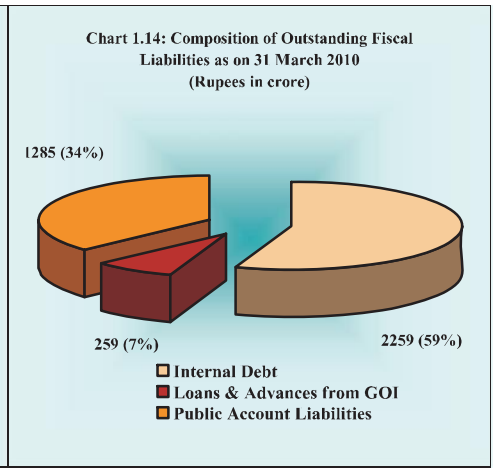


Table 1.31 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP to revenue receipts and State's own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

Table 1.31 : Fiscal Liabilities – Basic Parameters

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Fiscal Liabilities[18] (Rupees in crore)	2,566	2,762	3,141	3,573	3,803
Rate of Growth (*per cent*)	18.09	7.64	13.72	13.75	6.44
Ratio of Fiscal Liabilities to					
GSDP (*per cent*)	35.70	32.41	33.63	32.86	30.42
Revenue Receipts (*per cent*)	146.88	128.94	128.68	127.11	110.33
Own Resources (*per cent*)	643.11	564.83	606.37	600.50	528.93
Buoyancy of Fiscal Liabilities to					
GSDP (ratio)	1.73	0.42	1.06	1.06	0.43
Revenue Receipts (ratio)	1.39	0.34	0.98	0.91	0.28
Own Resources (ratio)	1.06	0.34	2.31	0.93	0.31

Fiscal liabilities of ₹ 3,803 crore during 2009-10 consist of internal debt, e.g., market loans bearing interest, loans from Life Insurance Corporation of India (LIC) and other institutions, *etc.* (₹ 2,259 crore), loans and advances from Central Government (₹ 259 crore), small savings, provident funds (State Provident Funds and Insurance & Pension Funds: ₹ 542 crore) and other non-interest bearing obligations such as deposit of local funds, civil deposits, *etc.* (₹ 743 crore). Overall fiscal liabilities of the State increased from ₹ 2,566 crore in 2005-06 to ₹ 3,803 crore in 2009-10. The growth rate in 2009-10 was 6.44 *per cent* over the previous year. The ratio of fiscal liabilities to GSDP decreased from 32.86 *per cent* in 2008-09 to 30.42 *per cent* in 2009-10. These liabilities stood at 1.10 times the revenue receipts and 5.32 times of the State's own resources at the end of 2009-10. The buoyancy of these liabilities with respect to GSDP during the year was 0.43 indicating that for each one *per cent* increase in GSDP, fiscal liabilities grew by 0.43 *per cent*.

According to **Statement 6** of the Finance Accounts for the year 2009-10, during 1999-2000, the State Government constituted a 'Consolidated Sinking Fund' for redemption and amortisation of open market loans. In 2009-10, the Government has appropriated ₹ 14.09 crore from revenue and credited to this fund for investment in the Government of India Securities.

1.10.3 Status of Guarantees – Contingent liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees at the end of the year since 2005-06 are given in **Table 1.32**.

[18] Includes Internal Debt, Loans and Advances from Government of India, Small Savings, Provident Funds, *etc.*, Deposits and other non-interest bearing obligations.

Table 1.32 : Guarantees given by the Government of Meghalaya

(Rupees in crore)

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Maximum amount guaranteed (year end)	504.67	562.02	954.16	1083.19	1033.34
Outstanding amount of guarantees (including interest)	404.38	435.80	750.63	990.25	953.74
Percentage of maximum amount guaranteed to total revenue receipts	28.89	26.24	39.08	38.54	29.97

Government has guaranteed loans raised by various Corporations and others, which at the end of 2009-10 stood at ₹ 953.74 crore (including interest). Bulk of the guaranteed amount (₹ 945.69 crore) was outstanding against the power sector for repayment of principal and payment of interest of REC and market loans. The outstanding amount of guarantees is in the nature of contingent liabilities, which were about 28 *per cent* of revenue receipts of the State during 2009-10. No law under Article 293 of the Constitution had been passed by the State Legislature laying down the maximum limit within which Government may give guarantees on the security of the Consolidated Fund of the State.

As per Meghalaya Fiscal Responsibility and Budget Management Act, 2006 (MFRBM Act, 2006) and Fiscal Policy Strategy (FPS) Statement, the total liabilities on the Consolidated Fund of the State should not be more than 28 *per cent* of the GSDP. **Table 1.33** gives the position of this ratio during 2005-10:

Table 1.33 : Total Liabilities

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Total Liabilities[19] (Rupees in crore)	2,970	3,198	3,892	4,563	4,757
Ratio of Total Liabilities to GSDP (*per cent*)	41.20	37.53	40.44	41.96	38.05

It is evident from the above table that the ratio of total liabilities to GSDP not only remained higher than the limit (28 *per cent*) prescribed in the MFRBM Act, 2006 and FPS Statement throughout the entire period 2005-10, but also increased by 3.18 *per cent* over the target fixed in the MTFP Statement.

1.11 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.

Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the State Government in terms of debt

[19] Fiscal liabilities + Outstanding amount of guarantees (including interest).

stabilisation[20]; sufficiency of non-debt receipts[21]; net availability of borrowed funds[22]; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.34** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from 2005-06.

Table 1.34 : Debt Sustainability: Indicators and Trends

(Rupees in crore)

Indicators of Debt Sustainability	2005-06	2006-07	2007-08	2008-09	2009-10
Debt Stabilization (Quantum Spread + Primary Deficit)	65	401	155	- 14	316
Sufficiency of Non-debt Receipts (Resource Gap)	+ 135	+ 104	- 140	- 221	+ 209
Net Availability of Borrowed Funds	204	- 8	190	221	- 4
Burden of Interest Payments (IP/RR Ratio)	0.11	0.09	0.08	0.08	0.07

Table 1.34 reveals that the Debt of the State was stable during 2005-08 since the quantum spread together with primary deficit/surplus remained positive. But it became unstable during 2008-09 as there was substantial amount of primary deficit (₹ 223 crore) which in turn effected the Debt stabilisation. However, the position has been improved during 2009-10 as the negative debt stabilisation in 2008-09 turned positive during the next year indicating a stable debt situation.

The trends in resource gap indicate the oscillation between positive and negative magnitudes, i.e. it remained positive during 2005-07, negative during 2007-09 and again turned into positive during 2009-10 as incremental non-debt receipts during 2009-10 was more than the incremental total expenditure. Persistent negative resource gap indicates the non-sustainability of debt, while the positive resource gap strengthens the capacity of the State to sustain the debt. During 2007-09, there was negative resource gap indicating the non-sustainability of debt. The position was, however, improved during 2009-10 when there was a positive resource gap indicating increasing capacity of the State to sustain the debt in the medium to long run.

Against total debt receipts of ₹ 1,285 crore during the current year, the Government repaid ₹ 1,289 crore as principal and interest on internal debt (₹ 292 crore), loans and advances from the GOI (₹ 45 crore) and small savings, provident funds and other obligations (₹ 952 crore), **as a result of which the State Government utilised ₹ 4 crore of its cash balance for repayment of debt.**

[20] 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 stabilise 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.

[21] 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.

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

Table 1.35: Maturity Profile of State Debt

(Rupees in crore)

Maturity Profile[(a)]	Amount	*Per cent*
0-1 year	142.35	6.31
1-3 years	469.33	20.79
3-5 years	275.20	12.19
5-7 years	592.76	26.26
7 years and above	777.66	34.45
Total	**2257.30**	**100**

(a) As per Finance Accounts.

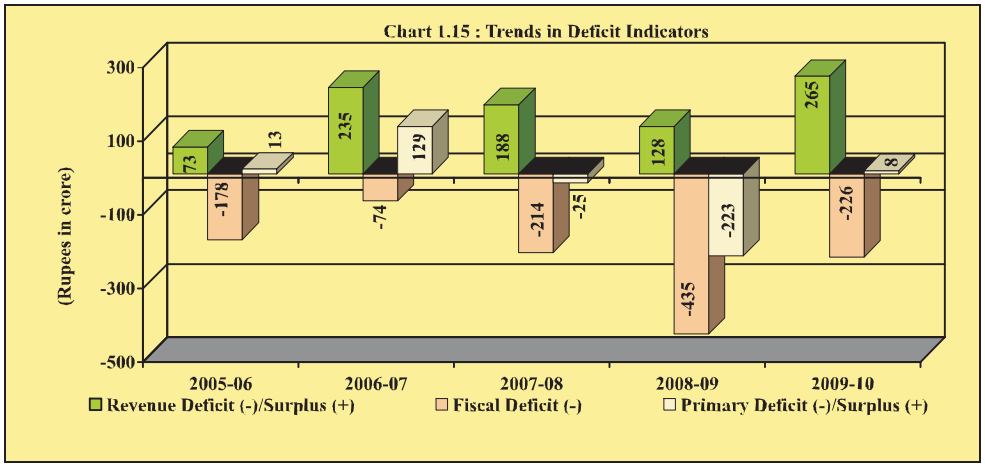
As per data shown in **Table 1.35**, out of the outstanding debt stock of ₹ 2,257.30 crore, 65.55 *per cent* (₹ 1,479.64 crore) is payable within the next seven years while the remaining 34.45 *per cent* are to be paid in more than seven years time. A well thought out debt repayment strategy will ensure that no additional borrowings which are maturing in these seven years is undertaken.

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 and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2009-10.

1.12.1 Trends in Deficits

Charts 1.15 and **1.16** present the trends in deficit indicators over the period 2005-10.



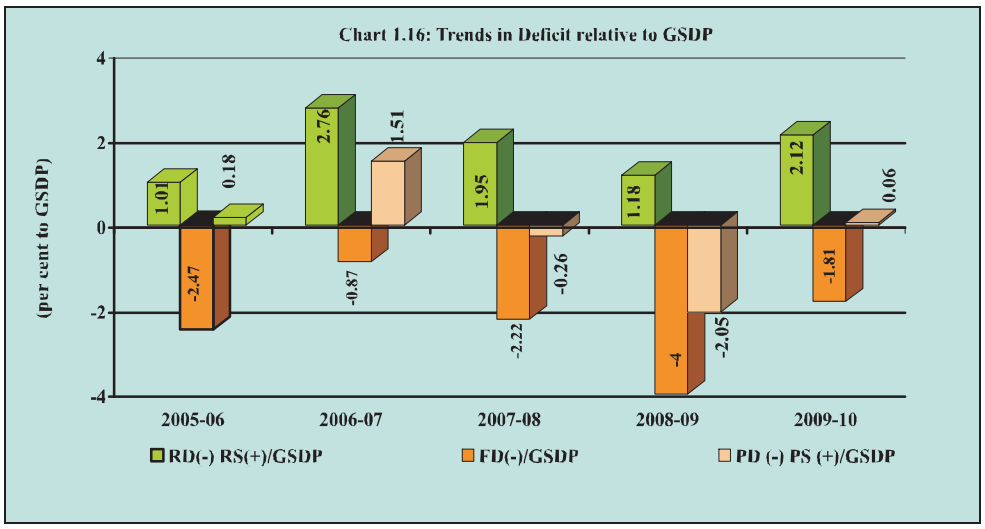


Chart 1.15 reveals that the State had a revenue surplus during the period 2005-10, which increased from ₹ 73 crore in 2005-06 to ₹ 265 crore during the current year. Compared to 2008-09, revenue surplus increased by ₹ 137 crore (107 *per cent*) mainly on account of increase in revenue receipts by ₹ 636 crore (22.63 *per cent*) against ₹ 499 crore (18.6 *per cent*) in revenue expenditure.

The fiscal deficit, which represents the total borrowings of the Government and its total resource gap decreased from ₹ 435 crore in 2008-09 to ₹ 226 crore during 2009-10. The increase in revenue surplus (₹ 137 crore) and decrease in capital expenditure (₹ 50 crore) as well as in loans and advances disbursed (₹ 23 crore) over the previous year led to a decrease in fiscal deficit by ₹ 209 crore during the current year. The State was also successful to restrict the fiscal deficit-GSDP ratio to 1.81 *per cent* during 2009-10 against 3 *per cent* earmarked in the MFRBM Act, 2006.

The primary deficit[23] of ₹ 223 crore experienced by the State during 2008-09 took a turnaround in 2009-10 and resulted in a primary surplus of ₹ 8 crore. A sharp decrease of ₹ 209 crore in fiscal deficit and a moderate increase in interest payment (₹ 22 crore) resulted in a primary surplus of ₹ 8 crore during the current year.

1.12.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.36.**

[23] Primary deficit, defined as the fiscal deficit net of interest payments indicates the extent of deficit which is an outcome of the fiscal transactions of the States during the course of the year.

Table 1.36 : Components of Fiscal Deficit and its Financing Pattern

(Rupees in crore)

Sl. No.	Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
Decomposition of Fiscal Deficit						
	Fiscal Deficit (-) (1 to 3)	**- 178**	**- 74**	**- 214**	**- 435**	**- 226**
1.	Revenue Surplus	73	235	188	128	265
2.	Net Capital Expenditure	259	320	392	531	481
3.	Net Loans and Advances	8	11	- 10	- 32	- 10
Financing Pattern of Fiscal Deficit[a]						
1.	Market Borrowing	130	164	147	186	192
2.	Loans from GOI	- 16	- 27	- 15	- 54	- 18
3.	Special Securities issued to NSSF	56	22	9	6	61
4.	Loans from Financial Institutions	16	1	7	15	25
5.	Small Savings, PF, *etc.*	44	36	46	46	67
6.	Reserve Funds	[b]	3	- 9	[c]	7
7.	Deposits and Advances	162	- 4	194	233	- 105
8.	Suspense and Miscellaneous	- 9	19	- 37	58	- 40
9.	Remittances	- 4	5	- 1	16	- 25
10.	Increase (-) / Decrease (+) in Cash Balances	- 201	- 145	- 127	- 71	+ 62
11.	Increase or decrease in Ways & Means Advances	0	0	0	0	0
	Overall Deficit (1 to 11) (-)	**- 178 (2.47)**	**- 74 (0.87)**	**- 214 (2.22)**	**- 435 (4)**	**- 226 (1.81)**

Figures in brackets indicate *per cent* to GSDP.

[a] All these figures are net of disbursements/outflows during the year. [b] ₹ 0.36 crore only. [c] ₹ 0.20 crore only.

There were fiscal deficit during the five year period ending 2009-10, which reached to its peak during 2008-09. During the current year, fiscal deficit declined significantly from ₹ 435 crore in 2008-09 to ₹ 226 crore. During 2009-10, fiscal deficit was mainly met out from market borrowing (₹ 192 crore) and small savings, provident fund, *etc.* (₹ 67 crore). The net market borrowing increased by 3 *per cent* over the previous year.

1.12.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital expenditure (including loans and advances) would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit **(Table 1.37)** would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.37 : Primary Deficit/Surplus – Bifurcation of Factors

(Rupees in crore)

Year	Non-debt Receipt	Primary Revenue Expendi-ture	Capital Expendi-ture	Loans and Advances	Primary Expendi-ture	Primary Revenue Surplus	Primary Deficit (-)/ Surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2 -6)
2005-06	1,766	1,483	259	11	1,753	283	+ 13
2006-07	2,159	1,704	320	6	2,030	455	+ 129
2007-08	2,458	2,064	392	27	2,483	394	- 25
2008-09	2,829	2,471	531	50	3,052	358	- 223
2009-10	3,464	2,948	481	27	3,456	516	+8

The bifurcation of the factors resulting into primary deficit or surplus of the State during 2005-10 reveals that throughout this period, the State experienced primary deficit during 2007-09, which was on account of capital expenditure incurred and loans and advances disbursed by the State Government. In other words, non-debt receipts of the State were sufficient to meet the primary expenditure[24] requirements, but was not adequate for capital expenditure and loans and advances. During the current year, there was a primary surplus of ₹ 8 crore which indicates that non-debt receipts of the State were not only sufficient to meet the primary expenditure as well as capital expenditure and loans and advances, but also left some amount for other purpose. However, the extent to which the primary surplus has been on account of decline in capital expenditure during 2009-10 by ₹ 50 crore compared to previous year, which may not be desirable and needs improvement.

1.13 Institutional measures

Towards strengthening fiscal disciplines in the State, the Government of Meghalaya had taken certain institutional measures like legislation in respect of guarantees and fiscal responsibilities in the form of enactment of the Meghalaya Fiscal Responsibility and Budget Management Act in 2006. Since then the Government had been undertaking measures like introduction of VAT.

As a measure to improve fiscal transparency, the Government of India outlined several initiatives to assist the State Governments in their developmental and social roles. The Public Private Partnership (PPP) is such an initiation that enables implementation of Government programmes/schemes in partnership with the private sector. The potential benefits derived from PPP are cost effectiveness of the project, higher productivity, accelerated delivery, enhanced social service and recovery of user charges. It also allows the State Government to use limited budgetary resources on high priority schemes where private sector is not willing to enter.

In view of the above, several State Governments across India are entering into PPP agreements in the areas of infrastructure projects, survey and exploitation of mines

[24] Primary expenditure of the State, defined as the total expenditure net of the interest payments, indicates the expenditure incurred on transactions undertaken during the year.

and minerals, development of industrial estates, development of hydro-electricity projects, *etc.*

In order to address the shortage of medical staff and enhancing health services, the World Bank has come up with financial support to Meghalaya to establish its first PPP for a new hospital and medical college. A lead transaction advisor, International Finance Corporation (IFC) is extending its global expertise in structuring and implementing PPP transactions to assist the Government on this project. IFC has been engaged by the State Government to offer advice on providing quality healthcare and training at the hospital and medical college[25].

A PPP partnership involves several risks, e.g., feasibility/organizational risk, condition precedent risks, financing risk, construction risk, operation and maintenance risk, demand risk, *etc.* and a balanced sharing of these risks between the public and private sector partners is essential for its enduring success. Since the PPP projects go through several stages such as finalisation of the contracts, financial closure, construction, maintenance and operation, *etc.*, appropriate precautionary measures need to be taken by the State Government to safeguard the interest of the State keeping in view the risk factors in particular.

1.14 Conclusion and Recommendations

The fiscal position of the State viewed in terms of key fiscal parameters – revenue surplus, fiscal deficit, primary deficit – indicated that the State not only maintained revenue surplus during the last five-year period ending 2009-10, but also the revenue surplus reached its peak during the current year. The fiscal deficit of the State has also significantly reduced during 2009-10 compared to previous year and the primary deficit of 2008-09 turned into a primary surplus.

Revenue Receipts

Revenue receipts during 2009-10 grew by 23 *per cent* (₹ 137 crore) over previous year. The tax revenue and non-tax revenue receipts exceeded normative assessment made by TFC by 11 *per cent* and 13 *per cent* respectively. Central transfers comprising State's share of central taxes and grants-in-aid from the Government of India increased by ₹ 512 crore in 2009-10 and contributed around 81 *per cent* of the incremental revenue receipts during the year, indicating central transfers being the key in the increase in revenue receipts of the State. The total loss of revenue due to understatement/short levy/non-levy of taxes, *etc.*, which was in excess of 26 *per cent* of the State's own resources consisting tax and non-tax revenue during 2009-10, indicates the presence of loopholes in resource mobilization. Pending revenue arrears constituted over 20 *per cent* of tax revenue of the State during 2009-10.

The State should make efforts to increase tax compliance, collect revenue arrears reduce tax administration costs and to avoid leakages of revenue.

[25] Source: http//www.igovernment.in

Revenue and Total Expenditure

The overall revenue expenditure of the State increased by 90 per cent from ₹ 1,674 crore in 2005-06 to ₹ 3,182 crore in 2009-10. *The expenditure pattern of the State reveals that though the revenue expenditure as a percentage of total expenditure increased by 4.03 per cent in the current year over previous year, hovered around 86 per cent during the period (2005-10) leaving inadequate resources for expansion of services and creation of assets. Within the revenue expenditure, NPRE at ₹ 2,135 crore in 2009-10 constituted 67 per cent and remained significantly higher than the normatively assessed level of ₹ 1,546 crore by TFC for the year. Further, the salaries and wages, pensions, interest payments and subsidies continued to consume a major share of Revenue Expenditure which was about 53 per cent during 2009-10. The expenditure on non-plan salary and wage component under both education and health and family welfare sectors increased by 52.05 per cent and 50.86 per cent respectively over the previous year and far surpassed the recommendation of the TFC. While the increase of 51 per cent in non-salary (non-plan) expenditure under health and family welfare sector was quite satisfactory when compared to the 30 per cent as recommended by the TFC, the increase of mere 4 per cent in this parameter of expenditure under education was much below the recommendation of the TFC.*

Expenditure pattern of the State Government needs correction in the ensuing years. There is also need to give greater fiscal priority to the social sector expenditure and capital expenditure, as the State has a lower expenditure on these categories when compared to the ratio of aggregate expenditure in respect of NE States' Average.

Fiscal Correction Path

During 2009-10, there was significant improvements in all the three major fiscal indicators, viz., revenue surplus, fiscal deficit and primary deficit over previous year. The prevalence of fiscal deficit during 2005-10 indicates continued reliance of the State on borrowed funds, resulting in increasing fiscal liabilities of the State over this period, which stood at 30.42 *per cent* of the GSDP in 2009-10 and would further increase to 38.05 *per cent* after incorporating the contingent liabilities in the fold of total liabilities on Consolidated Fund of the State during the year and appears to be quite high especially if compared with the limit of 28 *per cent* prescribed in the MFRBM Act, 2006.

The average return on investment in Statutory corporations, Government companies and Co-operative societies was less than one *per cent* during 2005-10, while the Government paid interest at an average rate of 6.32 *per cent* to 8.06 *per cent* on its borrowings during the period. The increasing fiscal liabilities accompanied by a negligible rate of return on Government investments and inadequate interest cost recovery on loans and advances might lead to an unsustainable fiscal situation in medium to long term, unless suitable measures are initiated to compress the non-plan revenue expenditure and to mobilize additional resources both through the tax and non tax sources in the ensuing years.

The State Government should ensure better value for money in investments, otherwise high cost borrowed funds will continue to be invested in projects with low financial return. Immediate steps need to be taken to restrict the debt-GSDP ratio as per commitment made in the MFRBM Act, 2006 (28 per cent).

Accounting of funds transferred to State Implementing Agencies

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies for implementation of various schemes/programmes in social and economic sectors.

Direct transfer from the Union to the State Implementing Agencies runs the risk of poor accountability. As such, a system should be put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Accountant General (A&E).

CHAPTER II
Financial Management and Budgetary Control

2.1 Introduction

This chapter outlines the Meghalaya Government's financial accountability and budgetary practices through audit of Appropriation Accounts. Audit of appropriations seeks to ascertain whether the expenditure actually incurred under various grants is within the authorisation 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.

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

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2009-10 against 58 Grants and five Appropriations was as given in **Table 2.1**:

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

(Rupees in crore)

	Nature of expenditure	Original Grant/ Appro-priation	Supplemen-tary Grant/ Appropria-tion	Total	Actual expendi-ture	Saving (-)/ Excess (+)
Voted	I. Revenue	3317.33	234.34	3551.67	2937.59	(-) 614.08
	II. Capital	811.92	42.13	854.05	481.29	(-) 372.76
	III. Loans and Advances	39.09	…	39.09	26.65	(-) 12.44
Total Voted		**4168.34**	**276.47**	**4444.81**	**3445.53**	**(-) 999.28**
Charged	IV. Revenue	270.93	0.20	271.13	254.60	(-) 16.53
	V. Capital	…	…	…	…	…
	VI. Public Debt-Repayment	183.34	0.29	183.63	143.03	(-) 40.60
Total Charged		**454.27**	**0.49**	**454.76**	**397.63**	**(-) 57.13**
Appropriation to Contingency Fund (if any)		-	-	-	-	-
Grand Total		**4622.61**	**276.96**	**4899.57**	**3843.16**	**(-) 1056.41**

The overall saving of ₹ 1,056.41 crore was the result of saving of ₹ 1,106.12 crore in 47 Grants and 10 Appropriations under Revenue Section, 24 Grants and one Appropriations under Capital Section, offset by excess of ₹ 49.71 crore in eight Grants under Revenue Section and one Grant under Capital Section.

The savings/excesses (Detailed Appropriation Accounts) were intimated (September 2010) to the Controlling Officers requesting them to explain the significant variations. Out of 881 sub-heads, explanations for variation were not received in respect of 874 sub-heads (Saving: 636 sub-heads; Excess: 245 sub-heads). Department-wise position involving substantial amount of savings/excess for which reasons were not furnished is given in **Appendix 2.1.**

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 ₹ 1 crore in each case or by more than 20 *per cent* of total provision **(Appendix 2.2).** Against the total savings of ₹ 1106.12 crore, savings of ₹ 689.87 crore (62 *per cent*)[1] occurred in eight cases relating to eight Grants as indicated in **Table 2.2.**

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

(Rupees in crore)

Number and name of the Grant	Original	Supplementary	Total	Actual expenditure	Savings
I. Revenue-Voted					
11- Other Taxes and Duties on Commodities and Services, *etc.*	274.20	5.97	280.17	124.65	155.52
21- Miscellaneous General Services, *etc.*	651.06	15.57	666.63	564.22	102.41
34- Welfare of Scheduled Castes/Scheduled Tribes, *etc.*	179.98	5.75	185.73	112.67	73.06
43- Housing, Crop Husbandry, Agricultural, Research and Education, *etc.*	215.13	0.89	216.02	154.67	61.35
51- Housing-Crop Husbandry, Special Programmes for Rural Development, *etc.*	181.04	17.08	198.12	145.57	52.55
Total Revenue-Voted	**1501.41**	**45.26**	**1546.67**	**1101.78**	**444.89**
II. Capital-Voted					
27- Water Supply and Sanitation, Housing, *etc.*	189.89	-	189.89	98.64	91.25
29- Urban Development, Capital outlay on Housing, *etc.*	103.29	-	103.29	14.07	89.22
56- Roads and Bridges Capital Outlay on Roads and Bridges	227.32	-	227.32	162.81	64.51
Total Capital-Voted	**520.50**	**-**	**520.50**	**275.52**	**244.98**
Grand Total	**2021.91**	**45.26**	**2067.17**	**1377.30**	**689.87**

Reasons for excessive savings in the above cases had not been furnished (October 2010).

[1] Exceeding Rs. 50 crore in each case.

2.3.2 Persistent Savings

In six cases, during the last five years, there were persistent savings of more than ₹ 50 lakh in each case and also by 20 *per cent* or more of the total provision (**Table 2.3).**

Table 2.3 : List of Grants indicating Persistent Savings during 2005-10

(Rupees in crore)

Sl. No.	No. and Name of the grant	Amount of savings				
		2005-06	2006-07	2007-08	2008-09	2009-10
Revenue-Voted						
1.	31-Labour and Employment	3.78 (38)	3.31 (32)	6.49 (46)	4.01 (31)	3.36 (22)
2.	34-Welfare of Scheduled Castes, *etc.*	36.81 (47)	56.68 (51)	82.90 (59)	45.33 (39)	73.06 (39)
3.	40-North Eastern Areas	33.99 (89)	37.11 (84)	43.00 (66)	65.59 (72)	14.96 (39)
Revenue-Charged						
4.	4-Administration of Justice	1.12 (100)	1.20 (100)	1.41 (100)	1.73 (99)	2.65 (100)
Capital-Voted						
5.	39-Cooperation	5.03 (54)	2.35 (32)	4.16 (47)	3.81 (48)	4.08 (53)
6.	56-Roads & Bridges, *etc.*	25.31 (23)	50.97 (33)	129.75 (53)	46.85 (23)	64.51 (28)

(*Figures in the parentheses indicate percentage of saving to total provision*)

Three grants, *viz.* 'North Eastern Areas', 'Welfare of Scheduled Castes, *etc.*' and 'Co-operation *etc.*' posted large savings persistently for the last five years. There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations.

2.3.3 Excess Expenditure

In six cases, expenditure aggregating ₹ 49.05 crore exceeded the approved provisions by ₹ 1 crore or more in each case or by more than 20 *per cent* of the total provisions during the current year. Details are given in **Appendix 2.3**. Of these, in the following grants/heads (**Table 2.4),** excess expenditure by more than ₹ 1 crore or 20 *per cent* of the budget provision has been observed consistently for the last five years:

Table 2.4 : List of Grants indicating persistent excess expenditure during 2005-10

(Rupees in crore)

Sl. No.	No. and Name of the grant	Amount of Excess Expenditure				
		2005-06	2006-07	2007-08	2008-09	2009-10
	Revenue-Voted					
1.	1-Parliament/State Union Territory Legislature	22.52	21.56	22.18	11.25	2.19
2.	24- Pension and other Retirement benefits	9.24	22.54	21.32	46.19	31.89
	Total	**31.76**	**44.10**	**43.50**	**57.44**	**34.08**

2.3.4 Expenditure without Provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 65.75 crore was incurred in 27 cases as detailed in **Appendix 2.4** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect. Significant cases of such expenditure involving expenditure in excess of ₹ 1 crore are given in **Table 2.5.**

Table 2.5 : Expenditure incurred without provision during 2009-10

(Rupees in lakh)

Grant/Appropriation No. – Major Head of Accounts - Sub-Head - Detailed Head	Expenditure without provision
10-5055-190-(01) Capital contribution to Meghalaya Transport Corporation – General	300.00
11-2801-01-800-(01) Grants in aid to the MeSEB – General	1000.00
27 – 4215 –01 – 102 – (02)Rural Water Supply Maintenance – Sixth Schedule (Part II) Areas	484.93
43-2401-800-(15) Special Plan Assistance – General	1195.91
51-2515-800-(01) Multi Sectoral Development Programme - Sixth Schedule (Part II) Areas	1078.84
52-2852-80-001-(13) Voluntary Retirement Schemes of sick limits – General	112.20
56-5054-04-800-(04) Road Financed from Central Road Fund - Sixth Schedule (Part II) Areas	1407.24

2.3.5 Drawal of funds to avoid lapse of budget grant

As per provisions of Meghalaya Treasury Rules (Rule 211), no money shall be drawn from the Treasury unless it is required for immediate disbursement. In respect of the cases mentioned in **Appendix 2.5,** an amount of ₹ 272.16 crore were drawn at the fag end of the year and deposited into the head of Account 8443- Civil Deposit to avoid lapse of budget grant.

2.3.6 Excess over provisions relating to previous years requiring regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to ₹ 925.87 crore for the years from 1971-72 to 2008-09 was yet to be regularised as detailed in **Appendix 2.6.**

2.3.7 Excess over provisions during 2009-10 requiring regularisation

Table 2.6 contains the summary of total excess in Eight Grants amounting to ₹ 49.71 crore over authorisation from the Consolidated Fund during 2009-10 and requires regularisation under Article 205 of the Constitution.

Table 2.6 : Excess over provisions requiring regularization during 2009-10

(Rupees in crore)

Sl. No.	Number and title of Grant/Appropriation	Total Grant/ Appropriation	Expenditure	Excess
Revenue – Voted				
1.	1-Parliament/State/ Union Territory	30.26	32.45	2.19
2.	2-Governor, Capital Outlay on Housing	0.03	0.11	0.08
3.	20-Other Administrative Services *etc.*, Capital Outlay on Public Works	22.96	24.80	1.84
4.	23-Other Administrative Services	2.19	2.57	0.38
5.	24-Pension and Other Retirement Benefits	176.00	207.89	31.89
6.	26-Medical & Public Health, Family Welfare, Capital Outlay on Medical & Public Health	196.13	208.88	12.75
7.	35-Social Security and Welfare	0.65	0.65	[1]
8.	52 – Industries	5.39	5.67	0.28
Capital - Voted				
1.	1-Parliament/State/ Union Territory	0.48	0.78	0.30
Total		**433.44**	**483.15**	**49.71**

2.3.8 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 84.60 crore obtained in 19 cases (₹ 10 lakh or more in each case) during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix 2.7**. In two cases, supplementary provision of ₹ 8.45 crore proved insufficient by more than ₹ 1 crore in each leaving an aggregate uncovered excess expenditure of ₹ 14.94 crore **(Table 2.7).**

Table 2.7: Insufficient Supplementary Provisions

(Rupees in crore)

Number and Name of Grant	Original Provision	Supplementary provision	Total	Expendi-ture	Excess
1-Parliament/State/Union Territory Legislature, Stationery and Printing, *etc.* Revenue – Voted	23.81	6.45	30.26	32.45	2.19
26- Medical and Public Health, Family Welfare, Capital outlay on Medical and Public Health, Capital outlay on Family Welfare.	194.13	2.00	196.13	208.88	12.75
	217.94	**8.45**	**226.39**	**241.33**	**14.94**

2.3.9 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh in 60 sub-heads (**Appendix 2.8**). The excess/saving was more than ₹ one crore in 23 sub-heads as detailed in **Table 2.8.**

[1] ₹ 79,000/- only.

Table 2.8 : Injudicious re-appropriation resulted in savings/excess of over ₹ 1 crore

(Rupees in crore)

Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
4	102-High Courts- (02)- High Court/Bench Office – General	2014	(+)0.06	(-)1.87
11	800- Other Loans to Electricity Boards (01)- Loans to State Electricity Board for Externally Aided Project – General	6801	(-)0.18	(-)1.85
	800- Other Loans to Electricity Boards (01) Loans to State Electricity Board (For Externally Aided Project) – Sixth Schedule (Part II) Areas	6801	(+)0.09	(+)1.95
13	090 – Secretariat (02) Secretariat Administration Department (including other Minor Department not shown separately) – General.	2052	(+)0.49	(-)2.01
16	001- Direction and Administration-(01) Inspector General of Polices Office – General	2055	(+)0.49	(+)1.62
	101- Criminal Investigation and Vigilance – (01) State CID Organisation – General.	2055	(+)0.02	(-)2.20
	101- Criminal Investigation and vigilance (02) State Special Branch – General.	2055	(-)0.14	(-)4.21
	104 – Special Police – (04) 2nd Meghalaya Police Battalion – General	2055	(+)1.12	(+)12.31
	104 – Special Police – (05) Raising of 3rd MLP Battalion/IRB – General	2055	(+)0.12	(+)1.96
	104 – Special Police – (06) Raising of 4th MLP Battalion/2nd IR Battalion – General	2055	(-)0.04	(-)7.59
	104 – Special Police – (11) Raising of 5th MLP Battalion/3rd JRBN – General	2055	(-)1.59	(-)10.66
	115 – Modernisation of Police Force (04) Expenditure on Modernisation of District Police – Sixth Schedule (Part-II) Areas.	2055	(+)0.58	(-)1.84
	108 – Fire protection and control (02) protection and Control (Fire services station) – Sixth Schedule (Part-II) Areas.	2070	(+)0.08	(-)6.59
21	02- Secondary Education 109- Government Secondary Schools (01) Secondary Schools for boys, Sixth Schedule.	2202	(-)0.88	(+)2.01
40	07-80 General-005 Investigation (03) Survey and Investigation of Power projects- General	2552	(-)0.40	(-)1.75
	07-80 General-800 Other Expenditure (01) Transmission – General	2552	(-)99.10	(-)13.46
	07-80 General-800 Other Expenditure (01) Transmission – Sixth schedule (Part-II) Areas	2552	(+)1.26	(+)14.42
	07-80 General-(05) Small Hydro Projects (SHPs) General	2552	(-)0.17	(-)1.93
43	119- Horticulture & Vegetable Crops (15) Vegetable Development Scheme – General	2401	(-)4.68	(-)5.49
46	800- Other expenditure (01) Acquisition of land General	2401	(+)1.38	(-)11.78
	01-Integrated Rural Development Programmes 800-other expenditure (05) Border Areas Programmes under Public Works Department – General	2501	(-)0.21	(-)2.72
50	01- Forestry-102 Social and Farm Forestry (04) Social Forestry – Sixth schedule (Part-II) Areas	2406	(+)0.24	(-)1.52
	CSS-01-Forestry-800 Other Expenditure (04) Intensification of Forest Management Scheme – Sixth schedule (Part-II) Areas	2406	(-)1.05	(-)2.87

2.3.10 Unexplained re-appropriations

According to Paragraph 115 of the Budget Manual (Volume I), read with Form 'K' of re-appropriation statement, reasons for all re-appropriations of ₹ 1,000 or more should

be given. Scrutiny of re-appropriation orders under various head of accounts, however, revealed that the reasons for re-appropriation were not explained in detail. Reasons given for additional provision/withdrawal of provision in re-appropriation orders in respect of 65 items (out of test-checked 70 items) were of general nature like "less requirement of funds", "requirement of more funds", "less expenditure", "non-receipt of sanction", *etc.* In respect of three items, reasons were not stated.

2.3.11 Substantial surrenders

Substantial surrenders (the cases where more than 50 *per cent* of total provision was surrendered) were made in respect of 148 sub-heads on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision of ₹ 220.46 crore in these 148 schemes, ₹ 205.60 crore were surrendered, which included cent *per cent* surrender in 85 schemes (₹ 184.86 crore). The details of 18 such cases involving surrender of entire provisions of ₹ 140.97 crore are given in **Appendix 2.9.**

2.3.12 Surrender in excess of actual saving

In 17 cases, the amount surrendered was in excess of actual savings indicating lack of or inadequate budgetary control in these departments. As against savings of ₹ 97.35 crore, the amount surrendered was ₹ 102.39 crore resulting in excess surrender of ₹ 5.04 crore (**Appendix 2.10).** Some significant cases are shown in **(Table 2.9).**

Table 2.9 : Cases of surrender in excess of savings

(Rupees in crore)

Number and name of Grant	Total Grant	Saving	Amount surrendered	Amount surrendered in excess
5 – Elections	16.29	9.02	10.11	1.09
14 – District Administration	18.04	0.97	1.80	0.83
18-Stationery & Printing Capital Outlay on Stationery & Printing Capital Outlay on Housing	16.54	1.25	1.84	0.59
28 – Housing Capital Outlay on Housing, Loans for Housing				
Revenue – Voted	15.98	5.38	5.92	0.54
Capital – Voted	0.95	0.16	0.22	0.06
38-Secretariat Economic Services	41.16	21.33	21.83	0.50
Total	**108.96**	**38.11**	**41.72**	**3.61**

2.3.13 Anticipated savings not surrendered

As per Paragraph 152(iii) of the Budget Manual (Volume I), controlling officers are required to surrender to the Finance Department all savings anticipated in the budget under their control as soon as the certainty of non-requirement is known and in any case by the 15th March at the latest. At the close of the year 2009-10, there were, however, 27 grants/appropriations in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in these cases was ₹ 218.06 crore (21 *per cent* of the total savings) **(Appendix 2.11).**

Similarly, out of total savings of ₹ 832.06 crore under 35 other grants/ appropriations (savings of ₹ 1 crore and above were indicated in each grant/ appropriation) amount aggregated ₹ 440.16 crore (50 *per cent* of total savings) were not surrendered, details of which are given in **Appendix 2.12.** Besides, in 35 cases, (surrender of funds in

excess of ₹ 1 crore), ₹ 681.22 crore were (**Appendix 2.13)** surrendered on the last working day of March 2010 indicating inadequate financial control and the fact that these funds could not be utilised for other development purposes.

2.3.14 Rush of expenditure

Rush of expenditure at the close of the year can lead to infructuous, nugatory or ill-planned expenditure. As such, Government expenditure is required to be evenly phased out throughout the year as far as possible. It was, however, noticed that during 2009-10, the expenditure during the fourth quarter and in the month of March compared to the total expenditure during the year ranged between 24 *per cent* and 77 *per cent* and 16 *per cent* and 59 *per cent* respectively in respect of 10 illustrative major heads of account as indicated in **Table 2.10** below:

Table 2.10 : Cases of Rush of Expenditure towards the end of the financial year 2009-10

(Rupees in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2010	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2015	7.27	2.67	37	2.12	29
2.	2055	260.96	74.48	29	49.26	19
3.	2202	527.20	202.43	38	159.11	30
4.	2210	186.50	71.39	38	50.08	27
5.	2211	22.38	6.37	28	3.48	16
6.	2215	103.56	24.76	24	18.21	18
7.	2235	35.75	13.50	38	9.57	27
8.	2401	121.64	93.25	77	71.48	59
9.	2403	43.15	13.03	30	7.70	18
10.	2515	119.85	55.14	46	47.20	39

As can be seen from the table above, the uniform flow of expenditure during the year, which is a primary requirement of budgetary control, was not maintained, indicating deficient financial management.

2.4 Non-reconciliation of departmental figures

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

According to the Meghalaya Treasury Rules, 1985, the Controlling Officers are to submit Detailed Countersigned Contingent (DCC) bills against the drawal of Abstract Contingent (AC) bills to the Accountant General (AG) within a month from the date of receipt of such bills in his office. As per Finance Accounts for the year 2009-10 (Volume I), the total amount of DCC bills received during the period 2003-10 was only ₹ 22.40 crore against the amount of AC bills of ₹ 31.55 crore leading to an outstanding balance of DCC bills of ₹ 9.15 crore as on 31 March 2010. Year-wise details are given in **Table 2.11**.

Table 2.11 : Pendency in submission of Detailed Countersigned Contingent Bills against Abstract Contingent Bills

(Rupees in crore)

Year	Amount of AC Bills	Amount of DCC bills	DCC bills as percentage of AC bills	Outstanding AC bills
Up to 2003-04	1.49	1.48	99.30	0.01
2004-05	2.73	2.41	88.29	0.32
2005-06	3.36	3.00	89.29	0.36
2006-07	4.12	3.76	91.26	0.36
2007-08	12.77	10.85	85.04	1.92
2008-09	6.79	0.76	11.19	6.03
2009-10	0.29	0.14	48.28	0.15
Total	**31.55**	**22.40**	**71.00**	**9.15**

Department-wise pending DCC bills for the years up to 2009-10 is detailed in **Appendix 2.14**.

2.4.2 Un-reconciled Expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General. Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of controlling officers in this regard continued to persist during 2009-10 also. 22 controlling officers did not reconcile expenditure amounting to ₹ 1488.64 crore as of March 2010 (**Appendix 2.15**). Of these, amounts exceeding ₹ 10 crore in each case remained un-reconciled during 2009-10 in respect of 15 controlling officers as given in **Table 2.12**.

Table 2.12 : Amounts exceeding ₹ 10 crore in each case remained un-reconciled

(Rupees in crore)

Sl. No.	Controlling Officers	Number of Head of Accounts involved	Amount not reconciled
1.	Registrar of Co-operative Societies	2425	10.93
2.	Directorate of Sports and Youth Affairs	2205	20.96
3.	Directorate of Employment	2230	11.96
4.	Directorate of Community & Rural Development	2501	22.80
5.	Directorate of Industries	2851	19.45
6.	Directorate of Animal Husbandry and Veterinary	2403	43.15
7.	Director of Higher & Technical Education	2202	527.20
8.	Director General of Police	2055	260.96
9.	Secretary, Legislative Assembly	2011	33.78
10.	Director of Printing & Stationery	2058	13.23
11.	Director of Accounts & Treasuries	2071	207.89
12.	Director of Land Records & Survey	2248	12.73
13.	Director of Social Welfare	2236	59.90
		2225	18.87
14.	Director of Agriculture	2401	120.38
15.	Secretary GAD (Accounts)	2052	42.28
Total			**1426.47**

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. As of March 2010, there were 13 PD Accounts in three District Treasuries, viz. East Khasi Hills, West Garo Hills and Jaintia Hills. None of these accounts was closed as of March 2010 and the balance of ₹ 89.06 lakh available in these Accounts was not transferred to the respective heads. Out of 13 accounts, two accounts were not in operation for last 10 years, two accounts for five years and one account for two years. The amount involved in these six inoperative accounts was ₹ 2.03 lakh.

2.6 Budget Speech

In its Budget Speech the Government of Meghalaya made commitment that steps would be taken to implement Online Treasury NET application in all the Treasuries and Sub-Treasuries of the State during 2009-10 which could not be fulfilled and the target was extended to the end of 2010-11.

2.7 Outcome of review of selected Grant

A review on budgetary procedure and control over expenditure was conducted (October 2010) in respect of "Grant No. 26-Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, Capital Outlay on Family Welfare" significant cases of savings and excess expenditure over budget provision noticed during review are detailed below:

Against a budget provision of ₹ 196.13 crore (including supplementary provision of ₹ 2 crore) under the revenue head, the actual expenditure incurred was ₹ 208.88 crore resulting in excess expenditure of ₹ 12.75 crore. In view of the final excess of ₹ 12.75 crore, the supplementary provision of ₹ 2 crore obtained during the year was inadequate. Also, in view of excess expenditure of ₹ 12.75 crore, surrender of ₹ 0.26 crore in March 2010 proved injudicious.

Under capital account, the actual expenditure was ₹ 21.60 crore against budget provision of ₹ 23.37 crore resulting in saving of ₹ 1.77 crore. Of this, ₹ 12,000 only was surrendered on 31 March 2010, contrary to the provision of the Budget Manual (Paragraph 152-iii) which provides for surrender of all anticipated savings to the Finance Department latest by 15th March so that the same could be utilised the same for other purposes.

Savings: 100 *per cent* savings were occurred under 38 schemes including 17 Centrally Sponsored Schemes, major cases of which are shown in **Table 2.13**. The controlling officer could not utilize any part of the provisions made in the budget, indicating that the budget provisions were unrealistic.

Table 2.13 : Cases where no part of budget provision was utilised

(Rupees in lakh)

Name of the Schemes	Original provision	Savings
Payment due to MeSEB/Municipal Board	33.50	33.50
Establishment of Psychiatric Clinic	27.80	27.80
Non-Lapsable Central Pool Resources	400.00	400.00
Assistance to National Rural Health Mission	1500.00	1500.00
Setting up of an Ayurvedic wing attached to Civil Hospital, Shillong	11.00	11.00
Setting up of Homeopathic wing at Civil Hospital, West Khasi Districts, Nongstoin	17.00	17.00
Setting up of Homeopathic wing at Civil Hospital, West Khasi Districts Nongstoin	17.00	17.00
Setting up of Homeopathic wing at Civil Hospital, Ri-bhoi Districts, Nongpoh	32.00	32.00
Setting up of Homeopathic wing at Civil Hospital, Jowai	17.00	17.00
Setting up of Homeopathic wing at Civil Hospital, Tura	18.00	18.00
Setting up of Homeopathic wing at Civil Hospital, South Garo Hills, Baghmara	21.00	21.00
Setting up of Homeopathic wing at Civil Hospital, South Garo Hills, Williamnagar	13.00	13.00
Construction of Meghalaya Institute of Mental Health and Neurological Science	40.00	40.00
Upgradation of State T.B. Office to State T.B. Cum Demonstration and Training Centre, Shillong	41.00	41.00
Establishment of Blood cell component separation unit in Blood Bank attached to the Pasteur Institute, Shillong – General Plan	24.88	24.88
Building	45.00	45.00
Renovation and improvement of Pasteur Institute	35.00	35.00
Visual Impairment and Blindness Control Programme	27.00	27.00
Conventional, contraceptives	50.00	50.00
Civil works of RCH schemes	50.00	50.00
Total	**2420.18**	**2420.18**

Excess over provisions: Under 34 schemes, expenditure of ₹ 169.41 crore exceeded the budget provisions by ₹ 54.56 crore, reasons for which had not been furnished. Some significant cases of excess expenditure over budget provisions are given in **Table 2.14**.

Table 2.14 : Significant cases of excess expenditure exceeding 100 *per cent* of budget provisions

(Rupees in crore)

Major Head and Name of the Schemes	Total provision	Actual expenditure	Excess (Percentage)
2210-Medical and Public Health 01-Urban Health Services-Allopathy 001-Direction and Administration (05) Establishment of Acquired Immune Deficiency Syndrome Sixth Schedule (Part II) Areas	0.03	0.12	0.09 (300)
2210- Medical & Public Health 01- Urban Health Services – Allopathy 104- Medical Stores Depot (02)- Establishment of Central Medical Store General.	4.62	13.39	8.77 (190)
2210- Medical & Public Health 01- Urban Health Services – Allopathy 110- Hospitals & Dispensaries (07)- Establishment of T.B. Centre and isolation beds General	0.21	0.60	0.39 (186)

Major Head and Name of the Schemes	Total provision	Actual expenditure	Excess (Percentage)
2210- Medical & Public Health 02- Urban Health Services – Other systems of Medicine 102- Homeopathy Homeopathic/Hospital Sixth Schedule (Part-II) Areas	0.11	0.22	0.11 (100)
2210- Medical & Public Health 03- Rural Health Services – Allopathy 110- Hospitals and Dispensaries (01) Other existing and new Dispensaries with or without indoor facilities Sixth Schedule (Part-II) Areas	6.12	14.49	8.37 (137)
2210- Medical & Public Health 05- Medical Education, Training and research 105- Allopathy (02)- Education General	0.30	0.61	0.31 (103)
2210- Medical & Public Health 06- Public Health 101- Prevention and Control of Diseases (09)- State Leprosy Officer's Establishment Sixth Schedule (Part-II) Areas	0.02	0.14	0.12 (600)
2211- Family Welfare 001- Direction and Administration (01)- State Family Welfare Bureau General	0.31	0.72	0.41 (132)
	11.72	**30.29**	**18.57**

Expenditure without Budget provision: As envisaged in Paragraph 95 of Budget Manual (Volume I), no expenditure under a head (minor or sub-head) against which, no provision exists can be incurred prior to provision of funds by re-appropriation sanctioned by a competent authority. It was, however, noticed that in 23 cases, expenditure of ₹ 6.24 crore was incurred without provisions being made in the original or supplementary demands and by re-appropriation. Significant cases involving expenditure in excess of ₹ 10 lakh are indicated below:

Table 2.15 : Expenditure without provision

(Rupees in lakh)

Head of accounts	Expenditure
2210- Medical & Public Health - 01-Urban Health Services-Allopathy 001-Direction and Administration (01)-Health Directorate -Sixth Schedule (Part-II) Areas.	48.39
2210- Medical & Public Health - 01-Urban Health Services-Allopathy 110- Hospitals and Dispensaries (10)-Establishment of Psychiatric Clinic -Sixth Schedule (Part-II) Areas	10.64
2210- Medical & Public Health - 06- Public Health 101- Prevention and Control of Diseases (08)- National Vector Borne Disease Control (Rural) – General	93.35
2210- Medical & Public Health - 001- Centrally Sponsored Schemes (CSS) 03- Rural Health Services – Allopathy 110- Hospitals and Dispensaries (02)- Establishment TB Centres and isolation beds – Sixth Schedule (Part-II) Areas	21.11
2210- Medical & Public Health - 001- Centrally Sponsored Schemes (CSS) 06- Public Health 101- Prevention & Control of Diseases (01)- National Malaria Eradication Programme – Sixth Schedule (Part-II) Areas	36.47
4210-Capital Outlay on Medical and Public Health - 04-Public Health 106-Other Expenditure (05)-Manufacture of Social/ Vaccine (03)- Renovation and Improvement of Pasteur Institute - Sixth Schedule (Part-II) Areas	60.48
2211- Family Welfare - 001- Direction and Administration (02)- District Family Welfare Bureau – General	72.42

Head of accounts	Expenditure
2211- Family Welfare - 001- Direction and Administration (02)- District Family Welfare Bureau – Sixth Schedule (Part-II) Areas.	78.87
2211- Family Welfare - 101- Rural Family Welfare Services (02)- Rural family Welfare Sub-Centres – General	67.86
2211- Family Welfare - 101- Rural Family Welfare Services (02)- Rural family Welfare Sub-Centres – Sixth Schedule (Part-II) Areas	94.33
	583.92

2.8 Conclusion

During 2009-10, there was an overall saving of ₹1056.41 crore, which was the result of saving of ₹1106.12 crore offset by excess of ₹49.71 crore. The excess of ₹49.71 crore requires regularisation under Article 205 of the Constitution of India. Three grants, viz. 'North Eastern Areas', 'Welfare of Scheduled Castes, etc.' and Co-operation, etc.' posted large savings persistently for the last five years. There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. Rush of expenditure at the end of the year is another chronic feature noticed in the overall financial management. In many cases, the anticipated savings were either not surrendered or surrendered on the last day of the year leaving no scope for utilising these funds for other development purposes. Detailed bills were not submitted for large amount of advances drawn on abstract contingent bills. Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/ surrender orders should be avoided.

CHAPTER III
Financial Reporting

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

3.1 Delay in furnishing Utilisation Certificates

Rule 515 (Appendix 14) of the Meghalaya Financial Rules, 1981, provides that unless otherwise ruled by the State Government, every grant made for a specified object is subject to the implied conditions that the grant will be spent upon that object within a reasonable time (one year from the date of issue of the letter sanctioning the grant), if no time-limit has been fixed by the sanctioning authority.

Department-wise position of Utilisation Certificates (UC) for the grants provided for specific purposes, though called for (June 2010) from various departments, have been received only in respect of four departments, *viz.,* Social Welfare Department, Directorate of Health Services, Co-operation Department and Directorate of Commerce and Industries. While utilisation certificates were outstanding in respect of grants given by the Co-operation Department and Directorate of Commerce and Industries, no utilisation certificate was outstanding in respect of other two departments. Out of 1,586 UCs involving grants of ₹ 4.45 crore released up to 2009-10, 488 UCs (30.77 *per cent*) for an aggregate amount of ₹ 1.91 crore (42.82 *per cent*) were in arrears. The department wise break-up of outstanding UCs is given in **Appendix 3.1** and age-wise delay in submission of UCs is summarized in **Table 3.1**.

Table 3.1 :Age-wise arrears of Utilisation Certificates

(Rupees in lakh)

Sl. No.	Range of delay in number of years	Total grants paid		Utilisation Certificates outstanding as on 31 March 2010	
		Number	Amount	Number	Amount
1	0-1	603	288.07	311	107.32
2	1-3	385	108.97	135	78.52
3	3-5	82	20.69	9	3.01
4	5-7	52	2.00	5	0.20
5	7-9	104	7.00	5	0.29
6	9 & above	360	18.26	23	1.19
	Total	**1586**	**444.99**	**488**	**190.53**

Source: Information furnished by the Co-operation Department and Directorate of Commerce & Industries.

Out of 488 UCs involving ₹ 1.91 crore pending as on March 2010, 33 UCs pertaining to Co-operation Department involving ₹ 1.68 lakh were pending for more than five years.

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

3.2 Non-submission/delay in submission of accounts

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

The annual accounts of 28 autonomous bodies/ authorities due up to 2009-10 had not been received as of August 2010 by the Principal Accountant General (Audit). The details of these accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2.**

Table 3.2: Age-wise arrears of Annual Accounts due from Government Bodies

(Rupees in lakh)

Sl. No.	Delay in Number of years	Number of the Bodies/Authorities	Amount
1.	0 - 1	2	2427.60
2.	1 - 3	4	9507.04
3.	3 - 5	3	1754.68
4.	5 - 7	6	739.23
5.	7 - 9	2	20.57
6.	9 & above	11	1164.65
	Total	**28**	**15613.77**

Out of 28 bodies/authorities, annual accounts in respect of six organisations, *viz.*, Project Executive, District Rural Development Agency, Shillong, Meghalaya Supervision and Cadre Management Co-operative, Director of Housing, Director of Industries, Director of Health Services (MI) and Special Commissioner and Special Secretary to the Government of Meghalaya (Power Department) were outstanding for the period of 15 years and more.

3.3 Delay in submission of Accounts of Autonomous Bodies

Several autonomous bodies have been set up by the State Government in the field of khadi and village industries, urban development, *etc*. Of these, the audit of accounts of the Meghalaya Khadi and Village Industries Board (MKVIB) up to 2009-10 was entrusted to the Comptroller and Auditor General of India under Section 19(3) of the DPC Act. However, the annual accounts of the MKVIB for the year 2009-10, due for submission by June 2010, had not been furnished (August 2010).

3.4 Misappropriations, losses, defalcations, *etc.*

According to Rule 112 of the Meghalaya Financial Rules, 1981 any defalcation or loss of public money or other property discovered in Government Treasury or other office or department, which is under the audit of the Accountant General, should be immediately reported to the Accountant General, even when such loss has been made good by the person responsible for it.

State Government reported 83 cases of misappropriation, defalcation, *etc*. involving Government money amounting to ₹ 1.66 crore up to the period March 2010 on which final action was pending. Break up of pending cases and age-wise analysis is given in **Appendix 3.3** and department-wise break up of pending cases is given in **Table 3.3.**

Table 3.3: Department-wise break up of pending cases

(Rupees in lakh)

Name of Department	Theft		Misappropriation		Loss of Government material		Total	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Education	-	-	-	-	1	0.03	1	0.03
General Administration	-	-	1	0.05	-	-	1	0.05
Public Works	4	4.20	1	0.22	2	0.75	7	5.17
Health & Family Welfare	1*	NA	1	0.26	1*+2	5.21	5	5.47
Home (Police)	-	-	2	0.21	-	-	2	0.21
Agriculture	1	0.23	1	0.44	-	-	2	0.67
Public Health Engineering	55	6.99	-	-	-	-	55	6.99

* Amount not intimated.

Name of Department	Theft		Misappropriation		Loss of Government material		Total	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Legislative Assembly	-	-	1	3.34	-	-	1	3.34
Finance	1	1.20	1	0.92	2	102.24	4	104.36
Forest & Environment	1	2.14	-	-	-	-	1	2.14
Mining & Geology	-	-	1	16.55	-	-	1	16.55
Soil Conservation	1	2.17	-	-	-	-	1	2.17
Community & Rural Development	1	3.03	-	-	-	-	1	3.03
Printing & Stationery	1	15.76	-	-	-	-	1	15.76
Total	**65+1***	**35.72**	**9**	**21.99**	**7+1***	**108.23**	**83**	**165.94**

Age-profile of pending cases and the number of cases pending in each category (theft and misappropriation/loss) are summarised in **Table 3.4.**

Table 3.4: Profile of Misappropriations, losses, defalcations *etc.*

(Rupees in lakh)

Age-Profile of the Pending Cases			Nature of the Pending Cases		
Range in years	Number of cases	Amount involved	Nature/characteristics of the cases	Number of cases	Amount involved
0 - 5	2	1.40	Theft	66	35.73
5 - 10	3	1.28			
10 - 15	37	129.36	Misappropriation/loss of material	17	130.21
15 - 20	20	13.57			
20 - 25	10	0.63	**Total**	**83**	**165.94**
25 & above	11	19.70	Cases of losses written off during the year	Nil	Nil
			Recovery during the year	Nil	Nil
Total	**83**	**165.94**	**Total Pending Cases**	**83**	**165.94**

A further analysis indicates that the reasons for which the cases were outstanding could be classified, for example, in the categories listed in **Table 3.5**.

Table 3.5: Reasons for Outstanding cases of Misappropriations, losses, defalcations *etc.*

(Rupees in lakh)

	Reasons for the Delay/Outstanding Pending Cases	Number of cases	Amount
1.	Awaiting departmental and criminal investigation	54	27.27
2.	Departmental action initiated but not finalised	8	3.79
3.	Awaiting orders for recovery or write off	18	115.27
4.	Pending in the courts of law	3	19.61
	Total	**83**	**165.94**

Out of ₹ 1.66 crore, the highest amount of theft, misappropriation and losses was ₹ 1.04 crore in Finance Department involving four cases, while the highest number of theft cases (55 cases) involving ₹ 6.99 lakh were pending in Public Health Engineering Department.

3.5 Conclusion

State Government's compliance with various rules, procedures and directives was unsatisfactory as evident from delay in furnishing utilisation certificates for grants given by Co-operation Department and also non-submission of information regarding utilisation certificates by the various departments of the State Government. There were instances of losses and misappropriations, which remained unsettled with various departments for period ranging from one to over 25 years. Departmental enquiries in such cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases.

(A.W.K. LANGSTIEH)
Principal Accountant General (Audit)
Meghalaya

Shillong
The

Countersigned

(VINOD RAI)
Comptroller and Auditor General of India

New Delhi
The

APPENDIX 1.1

Part A - Structure and Form of Government Accounts

(Reference: Page 2)

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

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

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

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

APPENDIX 1.1

Part-B: Layout of Finance Accounts

(Reference: Page 2)

Layout of Finance Accounts

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

Layout	
VOLUME I	
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
Appendix I	Cash Flow Statement
VOLUME II - 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 funds to implementing agencies
VIII	Summary of Balances
IX	Financial results of Irrigation Schemes
X	Incomplete Works
XI	Statement of items for which allocation of balances as a result of re-organisation of States has not been finalised
XII	Maintenance expenditure with segregation of salary and non-salary portion

Appendix 1.1
Part-C: Methodology adopted for the Assessment of Fiscal Position
(Reference: Page 2)

The norms/ceilings prescribed by the Twelfth 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[1] (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 New GSDP series with 2004-05 as base as furnished (November 2010) by the Director of Economics and Statistics of the State Government have been used in estimating these percentages and buoyancy ratios.

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 parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	[(Current year Amount /Previous year Amount)-1]* 100
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)2]*100
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock *Interest spread
Interest received as *per cent* to Loans Outstanding	Interest Received [(Opening balance + 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 **minus** all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt
Compound Annual Growth Rate (CAGR)	The compound annual growth rate is calculated by taking the n^{th} root of the total percentage growth rate, where n is the number of years in the period being considered. CAGR = [Ending Value/Beginning Value]$^{(1/\text{no. of years})} - 1$

[1] GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production.

Appendix 1.1

Part D: State Profile

(Reference: Pages 1 & 24)

A. General Data		
Sl No.	**Particulars**	**Figures**
1.	Area	22,429 sq km
2.	Population	
	(a) As per 2001 census	23,18,822
	Male	11,76,087
	Female	11,42,735
	(b) 2009-10	25,78,000
3.	Density of Population (2001) (All India Average = 325 persons per sq km)	103 persons per sq km
4.	Population below poverty line (All India Average = 27.5%)	2,32,690 households[2] 55.45%
5.	Literacy (2001) (All India Average = 64.8%)	62.6%
6.	Infant Mortality (per 1000 live births) (All India Average = 53 per 1000 live births)	60
7.	Gross State Domestic Product (GSDP) 2009-10	₹ 12,502 crore
8.	GSDP[3] CAGR (2000-01 to 2008-09)	11.72%
9.	GSDP[4] CAGR (2000-01 to 2009-10)	15.45%
10.	Per capita GSDP CAGR (2000-01 to 2008-09)	10.56%
11.	Population Growth (2000-01 to 2009-10)	11.18%

B. Financial Data				
Particulars		**Figures (in *per cent*)**		
		2000-01 to 2008-09		**2000-01 to 2009-10**
CAGR of		**NE States[5]**	**Meghalaya**	**Meghalaya**
(a)	Revenue Receipts	14.87	12.04	13.17
(b)	Own Tax Revenue	15.15	15.26	15.80
(c)	Non-Tax Revenue	17.53	12.69	13.69
(d)	Total Expenditure	11.80	11.22	11.42
(e)	Capital Expenditure	19.67	11.27	8.76
(f)	Revenue Expenditure on General Education	7.69	7.86	10.20
(g)	Revenue Expenditure on Health & Family Welfare	11.29	8.06	12.82
(h)	Salary[6]	7.26	5.24	12.00
(i)	Pension	11.03	15.32	15.93

Source: Sl. 1, 2(a), 3, 4, 5: Statistical Hand Book - 2008-09 published by the Directorate of Economics & Statistics, Government of Meghalaya; Sl. 2(b): Information furnished by the Directorate of Economics & Statistics, Government of Meghalaya; Sl 6: SRS Bulletin October 2009

[2] Excluding urban families of Shillong, Baghmara and Resubelpara
[3] Based on pre-revised GSDP Series (current prices) with 1999-2000 as Base Year.
[4] Based on revised GSDP Series (current prices) with 2004-05 as Base Year.
[5] Compound Annual Growth Rate (Calculated on the basis of information made available by the respective State AGs).
[6] For the period 2003-04 to 2008-09 or 2009-10 as the case may be.

APPENDIX 1.2

Part A : Fiscal Responsibility and Budget Management Act, 2006

(Reference: Page 2)

The Fiscal Responsibility and Budget Management Act

The State Government has enacted the Meghalaya Fiscal Responsibility and Budget Management (MFRBM) Act, 2006 to (i) ensure fiscal prudence, stability and efficiency, (ii) achieve fiscal consolidation for facilitating the generation of revenue surplus for enhancing the scope for improvement of investment in the social and economic sectors/infrastructure, (iii) ensure fiscal and debt sustainability through progressive reduction of the fiscal deficit and proper debt management system and (iv) provide a more transparent and accountable system of budgeting that will ensure an efficient and effective system of governance. The MFRBM Act, 2006 came into effect on 6 November 2006. To give effect to the fiscal management principles as laid down in the Act and/or the rules framed there under, the Act prescribed *inter alia* the following targets:

- reduce fiscal deficit in each of the financial years beginning from 1st day of April 2006, in a manner that will enable the State to achieve fiscal deficit of 3 *per cent* of GSDP by 2008-09;
- ensure that total outstanding liabilities on the Consolidated Fund are not more than 28 *per cent* of the GSDP;
- restrict issuing of guarantees except on selective basis where the quality and viability of the scheme to be guaranteed is properly analysed;
- bring out an annual statement that gives a perspective on the State's economy and related fiscal strategy; and,
- bring out a special report along with the budget giving details of the number of employees in the Government, Public Sector Undertakings and aided institutions and related salaries, not later than two years from the date on which the Meghalaya Fiscal Responsibility Rules, 2006 came into force.

The Act also provides that the above limits may exceed on account of unforeseen circumstances such as natural calamities, internal disturbances and shortfall in the transfer of financial resources from the GOI.

❖ **Fiscal Policy Statements**

As prescribed in the Act, the State Government had incorporated the following statements in the Budget for the year 2009-10:

- Macro Economic Statement giving an overview of the State economy.
- Medium Term Fiscal Policy (MTFP) Statement prescribing fiscal targets and assumptions for achieving them. The targets for the year 2009-10 were as under:
  - Revenue surplus as a percentage of total revenue receipts: 5.70
  - Total outstanding liabilities as a percentage of GSDP: 34.87
  - Fiscal deficit as a percentage of GSDP: 6.67
- Fiscal Policy Strategy Statement of the State for the ensuing year relating to taxation, expenditure, borrowings, *etc.*

❖ **Roadmap to Achieve the Fiscal Targets as laid down in FRBM Act/Rules**

The State Government has also developed its own Fiscal Correction Path (FCP) detailing the structural adjustments required for mobilising additional resources and identifying areas where expenditure could be compressed, to achieve the targets set out in the MFRBM Act.

APPENDIX 1.2

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

(Reference: Page 2)

(Rupees in crore)

	2004-05 (Actuals)	2005-06 (Pre-Actuals)	2006-07 (Budget Estimate)	2007-08 (Estimates)	2008-09 (Estimates)	2009-10 (Estimates)
A. STATE REVENUE ACCOUNT						
1. Own Tax Revenue	207.73	252.61	268.39	331.93	383.27	464.00
2. Own Non-Tax Revenue	133.50	146.01	173.48	176.23	195.96	216.12
3. Own Tax + Non-Tax Revenue (1+2)	**341.23**	**398.62**	**441.87**	**508.16**	**579.23**	**680.12**
4. Share in Central Taxes and Duties	269.04	350.62	421.41	501.53	501.53	501.53
5. Plan Grants	575.04	575.06	1151.87	1236.96	1324.29	1415.33
6. Non Plan Grants	360.82	396.38	442.98	489.96	457.26	415.42
7. Total Central Transfer (4 to 6)	**1204.90**	**1322.06**	**2016.26**	**2228.45**	**2283.08**	**2332.28**
8. Revenue Receipts (3+7)	**1546.13**	**1720.68**	**2458.13**	**2736.61**	**2862.31**	**3012.40**
9. Plan Expenditure	476.65	493.46	835.37	929.78	971.89	1020.58
10.Non-Plan Expenditure	1119.69	1180.81	1282.39	1498.27	1566.07	1644.52
11. Salary Expenditure	795.48	738.42	826.46	956.41	1052.05	1157.25
12. Pension	86.94	93.23	94.98	113.40	122.47	132.27
13. Interest Payments	177.23	191.00	212.88	219.56	228.66	232.56
14. Subsidies – General						
15. Subsidies – Power	10.80	10.80	12.50	12.50	12.50	12.50
16.Total Revenue Expenditure (9+10)	**1596.34**	**1674.27**	**2117.76**	**2428.05**	**2537.96**	**2665.10**
17.Salary + Interest + Pension (11+12+13)	1059.65	1022.65	1134.32	1289.37	1403.18	1522.08
18.As percentage of Revenue Receipts (17/8)	68.54	59.43	46.15	47.12	49.02	50.53
19.Revenue Surplus/Deficit (8-16)	- 50.21	46.41	340.37	308.56	324.35	347.30
B. CONSOLIDATED REVENUE ACCOUNT:						
1. Power Sector loss/profit net of actual subsidy transfer	5.59	- 45.43	36.15	47.21	66.71	66.52
2. Increase in debtors during the year in power utility accounts - increase(-)	37.13	- 69.74	- 5.74	- 6.23	- 5.07	8.14
3. Interest payment on off budget borrowings and SPV borrowings made by PSU/SPUs outside budget	- 3.49	- 4.59	- 5.32	- 4.39	- 2.31	- 0.76
4. Total (1 to 3)	**39.23**	**- 119.76**	**25.09**	**36.59**	**59.33**	**73.90**
5. Consolidated Revenue Deficit (A.19+B.4)	- 10.98	- 73.35	365.46	345.15	383.68	421.20
C. CONSOLIDATED DEBT						
1. Outstanding debt and liability	1910.46	2097.55	2163.48	2233.36	2286.49	2235.52
2. Total outstanding guarantee						
Of which (a) guarantee on account of budgeted borrowing and SPV borrowing						
D. CAPITAL ACCOUNT						
1. Capital outlay	245.53	259.32	401.07	529.93	540.50	551.04
2. Disbursement of loans and advances	35.93	10.63	44.90	50.95	51.69	52.71
3. Recovery of loans and advances	18.46	18.52	20.00	18.00	16.00	14.00
4. Other capital receipts	354.22	250.46	171.75	175.52	189.56	205.01
E. GROSS FISCAL DEFICIT	**- 313.21**	**- 205.02**	**- 85**	**- 254.32**	**- 251.84**	**- 242.45**
GSDP (Rupees in crore) at current prices	5263.08	5737.05	6245.89	6784.25	7407.11	8093.55
Actual/Assumed Nominal Growth Rate (*per cent*)	9.29	9.01	8.87	8.62	9.18	9.27

APPENDIX 1.3
Time Series Data on State Government Finances
(Reference: Pages 2, 10 & 34)

(Rupees in crore)

	2005-06	2006-07	2007-08	2008-09	2009-10
Part A - Receipts					
1. Revenue Receipts	**1,747**	**2,142**	**2,441**	**2,811**	**3,447**
(i) Tax Revenue	***253 (15)***	***305 (14)***	***319 (13)***	***370 (13)***	***444 (13)***
Taxes on Sales, Trade, *etc.*	173 (68)	216 (71)	235 (74)	282 (76)	321 (72)
State Excise	59 (23)	54 (18)	59 (18)	70 (19)	90 (20)
Taxes on Vehicles	9 (4)	9 (3)	11 (3)	13 (3)	14 (3)
Stamps and Registration fees	6 (3)	6 (2)	6 (2)	6 (2)	11 (3)
Land Revenue	0.33 (…)	6 (2)	2 (1)	0.50	[7]
Other Taxes	5.67 (2)	14 (4)	6 (2)	- 1.50	8(2)
(ii) Non Tax Revenue	***146 (8)***	***184 (9)***	***199 (8)***	***225 (8)***	***275 (8)***
(iii) State's share of Union Taxes and Duties	***350 (20)***	***447 (21)***	***564 (23)***	***595 (21)***	***612 (18)***
(iv) Grants-in-aid from Government of India	***998 (57)***	***1,206 (56)***	***1,359 (56)***	***1,621 (58)***	***2,116 (61)***
2. Miscellaneous Capital Receipts	**…**	**…**	**…**	**…**	**…**
3. Total revenue and Non-debt capital receipts (1+2)	**1,747**	**2,142**	**2,441**	**2,811**	**3,447**
4. Recoveries of Loans and Advances	**19**	**17**	**17**	**18**	**17**
5. Public Debt Receipts	**250**	**246**	**247**	**323**	**403**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	247 (99)	243 (99)	244 (99)	317 (98)	403 (100)
Net transactions under Ways and Means Advances and Overdraft	…	…	…	…	…
Loans and Advances from Government of India[8]	3 (1)	3 (1)	3 (1)	6 (2)	[9]
6. Total receipts in the Consolidated Fund (3+4+5)	**2,016**	**2,405**	**2,705**	**3,152**	**3,867**
7. Contingency Fund Receipts	**…**	**…**	**…**	**…**	**…**
8. Public Accounts Receipts	**1,108**	**1,258**	**1,502**	**2,020**	**2,417**
9. Total receipts of the State (6+7+8)	**3,124**	**3,663**	**4,207**	**5,172**	**6,284**
Part B - Expenditure/Disbursement					
10. Revenue Expenditure	**1,674**	**1,907**	**2,253**	**2,683**	**3,182**
Plan	*491 (29)*	*566 (30)*	*721 (32)*	*1,006 (37)*	*1,047(33)*
Non-Plan	*1,183 (71)*	*1,341 (70)*	*1,532 (68)*	*1,677 (63)*	*2,135(67)*
General Services (including Interest payments)	625 (37)	703 (37)	778 (35)	938 (35)	1,101(35)
Social Services	555 (33)	614 (32)	753 (33)	805 (30)	1,092 (34)
Economic Services	494 (30)	590 (31)	722 (32)	940 (35)	989 (31)
11. Capital Expenditure	**259**	**320**	**392**	**531**	**481**
Plan	*258 (99.61)*	*313 (98)*	*388 (99)*	*531 (100)*	*480(100)*
Non-Plan	*1 (0.39)*	*7 (2)*	*4 (1)*	[10]	*1*
General Services	11 (4)	16 (5)	28 (7)	48 (9)	48 (10)
Social Services	114 (44)	127 (40)	152 (39)	221 (42)	142 (30)
Economic Services	134 (52)	177 (55)	212 (54)	262 (49)	291 (60)
12. Disbursement of Loans and Advances	**11**	**6**	**27**	**50**	**27**
13. Total (10+11+12)	**1,944**	**2,233**	**2,672**	**3,264**	**3,690**
14. Repayments of Public Debt	**63**	**86**	**99**	**169**	**143**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	44 (70)	56 (65)	82 (83)	109 (64)	124 (87)
Net transactions under Ways and Means Advances and Overdraft	…	…	…	…	...
Loans and Advances from Government of India	19 (30)	30 (35)	17 (17)	60 (36)	19 (13)
15. Appropriation to Contingency Fund	**…**	**…**	**…**	**…**	**…**
16. Total disbursement out of Consolidated Fund (13+14+15)	**2,007**	**2,319**	**2,771**	**3,433**	**3,833**
17. Contingency Fund disbursements	**…**	**…**	**…**	**…**	**…**
18. Public Account disbursements	**914**	**1,198**	**1,309**	**1,668**	**2,512**
19. Total disbursement by the State(16+17+18)	**2,921**	**3,517**	**4,080**	**5,101**	**6,345**

[7] ₹ 0.26 crore only
[8] Includes Ways and Means Advances
[9] ₹ 0.49 crore only
[10] ₹ 0.28 crore only

	2005-06	2006-07	2007-08	2008-09	2009-10
Part C – Deficits					
20. Revenue Surplus (+) /Deficit (-) (1-10)	**+ 73**	**+ 235**	**+ 188**	**+ 128**	**(+)265**
21. Fiscal Deficit (-) (3+4-13)	**- 178**	**- 74**	**- 214**	**- 435**	**(-)226**
22. Primary Deficit (-)/Surplus (+) (21-23)	**+ 13**	**+ 129**	**- 25**	**- 223**	**(+)8**
Part D - Other data					
23. Interest Payments (included in revenue expenditure)	191	203	189	212	234
24. Arrears of Revenue (Percentage of Tax and Non-tax Revenue Receipts)[11]	37.71 (9.45)	91.96 (18.8)	56.07 (10.81)	89.82 (15.03)	90.70 (12.61)
25. Financial Assistance to local bodies, *etc.*	167	208	368	478	454
26. Ways and Means Advances/Overdraft availed (days)	92.34 (8)	Nil	Nil	Nil	NIL
27. Interest on WMA/Overdraft	0.08	Nil	Nil	Nil	NIL
28. Gross State Domestic Product (GSDP)[12]	7,208	8,522	9,625	10,874[13]	12,502[14]
29. Outstanding Fiscal Liabilities (year end)	2,566	2,762	3,141	3,573	3,803
30. Outstanding guarantees (year end) including interest	404	436	751	990	954
31. Maximum amount guaranteed (year end)	504.67	562.02	954.16	1,083.19	1,033
32. Number of incomplete projects	172	282	323	346	446
33. Capital blocked in incomplete projects[15]	11.30 (24)	11.76 (43)	12.77 (44)	31.62 (21)	105.35 (59)
Part E – Fiscal Health Indicator (in per cent)					
I. Resource Mobilisation					
Own Tax Revenue/GSDP	3.51	3.58	3.31	3.40	3.55
Own Non-Tax Revenue/GSDP	2.03	2.16	2.07	2.07	2.20
Central Transfers/GSDP	18.70	19.40	19.98	20.38	21.82
II. Expenditure Management					
Total Expenditure/GSDP	26.97	26.20	27.76	30.02	29.52
Total Expenditure/Revenue Receipts	111.28	104.25	109.46	116.12	107.05
Revenue Expenditure/Total Expenditure	86.11	85.40	84.32	82.20	86.23
Expenditure on Social Services/Total Expenditure	34.41	33.18	33.87	31.43	33.44
Expenditure on Economic Services/Total Expenditure	32.30	34.35	34.96	36.83	34.69
Capital Expenditure/Total Expenditure	13.32	14.33	14.67	16.27	13.04
Capital Expenditure on Social and Economic Services/Total Expenditure	12.76	13.61	13.62	14.80	11.73
III Management of Fiscal Imbalances					
Revenue deficit (-) Surplus (+) / GSDP	+ 1.01	+ 2.76	+ 1.95	+ 1.18	+ 2.12
Fiscal deficit (-) / GSDP	- 2.47	- 0.87	- 2.22	- 4.00	- 1.81
Primary Deficit (-) Surplus (+) / GSDP	+ 0.18	+ 1.51	- 0.26	- 2.05	+ 0.06
Revenue Deficit/Fiscal Deficit	Revenue Surplus				
Primary Revenue Balance[16]/GSDP	3.66	5.14	3.92	3.13	3.99
IV Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	35.60	32.41	33.63	32.86	30.42
Fiscal Liabilities/RR	146.88	128.94	128.68	127.11	110.33
Primary deficit *vis-à-vis* quantum spread (Rupees in crore)	77	286	229	1	269
Debt Redemption (Principal +Interest)/ Total Debt Receipts	72.91	-	77.86	81.86	100.31
V Other Fiscal Health Indicators					
Return on Investment	0.01	0.01	0.01	0.01	0.04
Balance from Current Revenue (Rupees in crore)	- 19	77	23	- 34	- 412
Financial Assets/Liabilities (Ratio)	1.43	1.48	1.48	1.45	1.50

Note: Figures in brackets represent percentages (rounded) to total of each sub-heading.

[11] In respect of some principal heads only.
[12] GSDP figures (current prices – Base Year 2004-05) as furnished (July 2010) by the Directorate of Economics & Statistics.
[13] Quick Estimates.
[14] Advanced Estimates.
[15] Expenditure incurred up to the end of the year on incomplete works (in brackets) scheduled to be completed by end of the respective year.
[16] Revenue Receipts – (Revenue Expenditure – Interest Payments).

APPENDIX 1.4

Abstract of Receipts and Disbursements for the year 2009-10

(Reference: Paragraphs 1.1 & 1.10; Pages 2 & 34)

(Rupees in crore)

2008-09	Receipts	2009-10	2008-09	Disbursements				2009-10
Section – A : Revenue								
	I. Revenue Receipts			**I. Revenue Expenditure**	**Non-Plan**	**Plan**	**Total**	
369.44	Tax Revenue[17]	444.30	**937.52**	**General Services**	**1052.34**	**48.65**	**1100.99**	**1100.99**
225.31	Non-Tax Revenue	275.08	**804.92**	**Social Services**	**629.51**	**462.87**	**1092.38**	**1092.38**
595.23	State's Share of Union Taxes and Duties[18]	612.38	433.64	Education, Sports, Art and Culture	323.46	240.18	563.64	
439.92	Non-Plan Grants	377.12	131.08	Health and Family Welfare	120.67	88.21	208.88	
957.87	Grants for State Plan Schemes	1394.56	136.54	Water Supply, Sanitation, Housing and Urban Development	127.26	40.28	167.54	
167.17	Grants for Central Plan and Centrally Sponsored Plan Schemes	277.25	5.83	Information and Broadcasting	4.34	2.98	7.32	
55.70	Grants for Special Plan Schemes	66.66	16.93	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	17.23	1.64	18.87	
			8.81	Labour and Labour Welfare	8.81	3.15	11.96	
			68.21	Social Welfare and Nutrition	21.95	86.43	108.38	
			3.88	Others	5.79	--	5.79	
			940.34	**Economic Services**	**453.12**	**535.89**	**989.01**	**989.01**
			250.01	Agriculture and Allied Activities	163.05	201.18	364.23	
			196.50	Rural Development	50.45	117.77	168.22	
			24.93	Special Areas Programmes	…	23.17	23.17	
			24.98	Irrigation and Flood Control	16.04	11.22	27.26	
			236.16	Energy	18.74	103.90	122.64	
			88.51	Industry and Minerals	81.63	35.57	117.20	
			74.79	Transport	97.81	…	97.81	
			0.15	Science, Technology and Environment	0.27	…	0.27	
			44.31	General Economic Services	25.13	43.08	68.21	
2810.64	**Total**	**3447.35**	**2682.78**	**Total**	**2134.97**	**1047.41**	**3182.38**	**3182.38**
…	**II. Revenue Deficit carried over to Section B**		**127.86**	**II. Revenue Surplus carried over to Section B**	…	…	…	**264.97**
2810.64	**Total**	**3447.35**	**2810.64**	**Total**	**2134.97**	**1047.41**	**3182.38**	**3447.35**

[17] Excluding share of net proceeds of taxes and duties assigned to State.
[18] Share of net proceeds assigned to State.

2008-09	Receipts	2009-10	2008-09	Disbursements				2009-10
Section – B : Others								
					Non-Plan	**Plan**	**Total**	
430.41	**III. Opening Cash Balance including permanent advances and cash balance investment**	**501.64**	…	**III. Opening Overdraft from RBI**	…	…	…	…
…	**IV. Miscellaneous Capital Receipts**		**531.01**	**IV. Capital Outlay**	**1.35**	**479.94**	**481.29**	**481.29**
			47.57	**General Services**	**0.36**	**48.04**	**48.40**	**48.40**
			221.51	**Social Services**	**0.99**	**140.46**	**141.45**	**141.45**
			4.69	Education, Sports, Art and Culture	…	2.58	2.58	
			20.27	Health and Family Welfare		21.60	21.60	
			137.01	Water Supply and Sanitation	…	96.35	96.35	
			58.85	Housing and Urban Development	0.99	19.73	20.72	
			0.69	Social Welfare and Nutrition	…	0.20	0.20	
			261.93	**Economic Services**	…	**291.44**	**291.44**	**291.44**
			15.49	Agriculture and Allied Activities	…	19.67	19.67	
			0.27	Rural Development	…	0.32	0.32	
			37.08	Special Areas Programmes	…	26.19	26.19	
			31.80	Irrigation and Flood Control	…	34.75	34.75	
			14.44	Industry and Minerals	…	14.11	14.11	
			162.80	Transport	…	196.40	196.40	
			0.05	General Economic Services	…	…	…	

2008-09	Receipts	2009-10	2008-09	Disbursements	2009-10
18.26	**V. Recoveries of Loans and Advances**	**16.68**	**50.21**	**V. Loans and Advances Disbursed**	**26.65**
	From Power Projects …			For Power Projects 7.52	
	From Government Servants 16.47			To Government Servants 16.13	
	From Others 0.21			To Others 3.00	
127.86	**VI. Revenue Surplus brought down**	**264.97**	**…**	**VI. Revenue Deficit brought down**	**…**
322.55	**VII. Public Debt receipts**	**403.02**	**168.73**	**VII. Repayment of Public Debt**	**143.03**
	Internal debt other than Ways and Means Advances and Overdraft 402.53			Internal debt other than Ways and Means Advances and Overdraft 124.21	
	Net transactions under Ways and Means Advances including Overdraft …			Net transactions under Ways and Means Advances including Overdraft …	
	Loans and Advances from Central Government 0.49			Repayment of Loans and Advances to Central Government 18.82	
2020.33	**VIII. Public Account Receipts**	**2416.65**	**1667.82**	**VIII. Public Account Disbursements**	**2511.86**
	Small Savings and Provident Funds 121.56			Small Savings and Provident Fund 53.91	
	Reserve Funds 27.26			Reserve Funds[19] 20.24	
	Deposits and Advances 823.65			Deposits and Advances 928.79	
	Suspense and Miscellaneous[20] (-) 39.89			Suspense and Miscellaneous[20] (-)0.18	
	Remittances 1484.07			Remittances 1509.10	
…	**IX. Closing Overdraft from Reserve Bank of India**	**…**	**501.64**	**IX. Cash Balance at end**	**440.13**
				Cash in Treasuries 8.82	
				Deposits with Reserve Bank (-)70.23	
				Departmental Cash Balance (-)0.24	
				Cash Balance Investment 501.78	
2919.41	**Total**	**3602.96**	**2919.41**	**Total**	**3602.96**

[19] Includes disbursement on investment.
[20] Excluding 'Other Accounts'.

APPENDIX 1.4 (concld.)

Summarised Financial Position of the Government of Meghalaya as on 31 March 2010

(Reference: Paragraphs 1.1 & 1.10.1; Pages 2 & 34)

(Rupees in crore)

As on 31 March 2009	Liabilities		As on 31 March 2010
…	**External Debt**		…
1980.41	**Internal Debt**		**2258.73**
1453.92	Market loans bearing interest	1645.60	
0.02	Market loans not bearing interest	0.01	
0.65	Loan from LIC	0.52	
525.82	Loans from other Institutions	612.60	
…	Ways and Means Advances	…	
….	Overdraft from Reserve Bank of India	…	
276.89	**Loans and Advances from Central Government**		**258.56**
5.37	Pre 1984-85 Loans	5.37	
14.28	Non-plan Loans	13.90	
237.33	Loans for State Plan Schemes	221.14	
0.19	Loans for Central Plan Schemes	0.18	
12.41	Loans for Centrally Sponsored Plan Schemes	11.34	
7.31	Loans for Special Schemes	6.62	
6.00	**Contingency Fund**		**6.00**
474.36	**Small Savings, Provident Funds, *etc.***		**542.01**
827.95	**Deposits**		**722.97**
81.88	**Reserve Funds**		**102.98**
14.58	**Remittance Balances**		**…**
1666.11	**Surplus on Government Accounts**		**1931.08**
1538.25	(i) Revenue Surplus as on 31 March 2009	1666.11	
127.86	(ii) Revenue Surplus for the year 2009-10	264.97	
5328.18			**5822.33**
	Assets		
4201.81	**Gross Capital Outlay on Fixed Assets**		**4683.10**
200.43	Investment in shares of Companies, Corporation, *etc.*	286.19	
4001.38	Other Capital Outlay	4396.91	
510.91	**Loans and Advances**		**520.88**
432.50	Loans for power projects	440.02	
29.85	Other Development Loans	32.65	
48.56	Loans to Government Servants and miscellaneous loans	48.22	
68.53	**Investment of Earmarked Funds**		**82.62**
1.35	**Advances**		**1.50**
37.94	**Suspense and Miscellaneous Balances**		**77.65**
6.00	**Appropriation to Contingency Fund**		**6.00**
…	**Remittances**		**10.45**
501.64	**Cash**		**440.13**
9.89	Cash in Treasuries	8.82	
(-) 60.59	Deposits with Reserve Bank of India	(-) 70.23	
(-) 0.14	Departmental Cash Balance	(-) 0.24	
…	Permanent Advances	…	
552.48	Cash Balance Investment	501.78	
5328.18			**5822.33**

Explanatory Notes to Appendices 1.3 and 1.4

1. The abridged accounts in the above Appendices have to be read with comments and explanations in the Finance Accounts.

2. Government accounts being mainly on cash basis, the surplus/deficit on Government account, as shown in **Appendix 1.4** indicates the position on cash basis, as opposed to accrual basis in commercial accounting. Consequently, items payable or receivable or items like depreciation in stock figure, *etc.*, do not figure in the accounts.

3. Suspense and Miscellaneous balances include cheques issued but not paid, payment made on behalf of the State and other pending settlement, *etc.*

4. There was a net difference of ₹ 50.53 crore between the figures reflected in the accounts {(-) ₹ 70.24 crore} and that intimated by the Reserve Bank of India {(-) ₹ 120.77 crore} due to (i) misclassification by Bank/Treasury (₹ 48.51 crore) and (ii) non-receipt of details of adjustment made by RBI (₹ 2.02 crore).

APPENDIX 1.5

Funds Transferred Directly to State Implementing Agencies

(Reference: Paragraph 1.5.2; Page 8)

(In Rupees)

Sl. No.	Programme/Scheme	Implementing Agency in the State	Funds transferred by the GOI
1.	Medicinal Plants	State Medicinal Plants Board, Meghalaya	31860000
2.	National Bamboo Mission	Member Secretary CEO, Shillong	33867000
3.	Aside Assistance to States for Developing Export Infrastructure and Allied Activities	Meghalaya Industrial Development Corporation Ltd.	75250000
4.	Central Rural Sanitation Programme	SWSM Meghalaya, Shillong	137878000
5.	National AIDS Control Programme	Meghalaya State AIDS Control Society	18394000
6.	NRHM, CSS	State Health Society, Meghalaya	638864864
		Meghalaya State TB Control Society	13797000
7.	NRHM Central Sector	State Health Society, Meghalaya	3007000
8.	Integrated Watershed Management Programme	Meghalaya State Watershed and Wasteland Development Agency,	37375000
		DRDAs	15402246
9.	DRDA Administration	DRDAs	32933000
10.	North Eastern Council Scheme (NEC)-Support for promotion of industrialsation in NER	M/s Pillar Nongkhlaw Lime Factory	596000
		Resa Candle Industries	126000
11.	NEC-Development of Sports and Youth Activities in NER	Jaintia Eastern College, Khliehriat	1500000
		Nonglang Sirdarship	3113900
12.	NEC-Information Technology Education Programme in NER	Nice Infotech	422940
		Meghalaya Information Technology Society	6654695
13.	Information Technology Application & Related Services in NER	Meghalaya Board of School Education	7200000
14.	Pollution Abatement	Meghalaya State Pollution Control Board	5000000
15.	National Rural Employment Guarantee Scheme	DRDAs	2095081000
16.	Rural Housing IAY	DRDAs	378331400
17.	Swaranjayanti Gram Swarozgar Yojana	DRDAs	64801000
18.	Sarva Shiksha Abhiyan (SSA)	SSA State Mission Authority of Meghalaya	938300000
19.	Rashtriya Madhyamik Sikhsha Abhiyan (RMSA)	-do-	10600000
20.	State Science and Technology Programme for Socio Economic Development	State Council of Science and Technological Environment	2153640
21.	MPs Local Area Development Scheme	Deputy Commissioners	50000000
22.	National Afforestation Programme	FDA-Jaintia Hills/ East Khasi Hills/West Khasi Hills/ Ri-Bhoi	22100000
23.	Strengthening of Institutions including NIFTEM	Meghalaya Industrial Development Corporation Ltd./ State Nodal Agency	500000
24.	Technology Upgradation Establishment Modernisation of Food Processing Industries	Shiromani Food Products Pvt Limited	1386000
		KD Agro Industries	2845500
		AA Nutritions	3342500
25.	Information Publicity and Extension/ OFF GRID DRPS/ Renewable Energy for Rural Applications for all villages/remote villages	Meghalaya Non Conventional & Rural Energy Development Agency	18380099
26.	Assistance to Voluntary Organisation for providing Social Defence Services including Prevention of Alcoholism and Drug Abuse	Khasi Jaintia Presbyterian Assembly Social and Economic Development Association, Shillong	313200
27.	Deen Dayal Disabled Rehabilitation Scheme	Society for the Welfare of Disabled/ Dwar Jingkrymen School for Children in need of Special ASHA Rehabilitation Centre	1773397
28.	Handicrafts	Women's Group & Handicraft Multipurpose Cooperative Society Ltd.	930000

Sl. No.	Programme/Scheme	Implementing Agency in the State	Funds transferred by the GOI
29.	Handlooms	Meghalaya Apex Handloom Weavers and Handicrafts Cooperative Federation	8892805
30.	Grant in aid to NGOs and for coaching students for competitive Examinations	RK Mission, R.K Mission Ashram, Shillong	49619045
31.	Vocational Training Centre in Tribal Areas	Nongkrem Youth Development Association	3288000
32.	Youth Hostel	Youth Hostel, Shillong	536000
33.	Museum	Don Bosco Centre for Indigenous Cultures, Shillong	3509643
34.	Free Coaching and Allied Scheme for Minorities MA	Kyntiewlang Multipurpose Society	668750
35.	Marine Research and Technology Development	Don Bosco Centre for Indigenous Cultures, Shillong	300000
36.	Accelerated Rural Water Supply Scheme	SWSM Meghalaya Shillong	579867000
37.	National Project on Management of Soil & Health	Meghalaya Small Farmers Agri – Business Consortium	6000000
38.	580 New Community Polytechnics	Shillong Polytechnic, Shillong ,Mawlai Kyntonmassar	1506548
39.	National Urban Information System(NUIS)	Meghalaya Urban Development Agency	960000
40.	Crime and Criminal Tracking Network and System	Meghalaya Police Information Technology Society	16927000
41.	Funding of NGOs Engaged in Local Health Traditions midwifery Practices	Society for Promotion of Indigenous Knowledge and Practices	1000000
42.	Skill Development Initiative	Don Bosco Technical School	590650
43.	National Programme for Youth and Adolescent Development General Component	Nongkrem Youth Development Association	23000
44.	Scheme for the Welfare of Working Children in need of care and protection	Providence Children's home	453060
45.	Health Insurance for Unorganised Sector Workers (Rashtriya Swasthya Bima Yojana)	State Health Society Meghalaya	7713085
46.	Schemes Arising out of the Person with Disabilities SJE	District Disability Rehabilitation Centre, Williamnagar & Jowai	1347139
Total			**5337281106**

Source: e-LEKHA portrail of Controller General of Accounts.

APPENDIX 1.6

Outlay-Outcome Relationship during the financial year 2009-10 - Government of India's Flagship Programmes

(Reference: Paragraph 1.8.3; Page 28)

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (Rupees in crore)		Physical Achievement/Outcome of the Programme			
		Outlay Budgeted/ Allocated	Actual expendi-ture	Performance Indicator	Unit of measure-ment	Physical Targets	Achievement/ Outcome
1.	Indira Awas Yojana (IAY) (New Construction)	49.31	38.12	Houses constructed	Nos.	16440	9630
2.	Indira Awas Yojana (IAY) (Upgradation)	NIL	0.41	Houses constructed	Nos	Nil	136 nos of houses under construction
3.	Rural Roads (PMGSY)	274.93	20.37	Length of Road Constructed	km.	645.29	411.88 & 0.75 Up-gradation (up to 31.12.2009)
4.	National Rural Employment Guarantee Act (NREGA)	186.47 (Released during current year)	183.52	Employment generated	Lakh person-days		
5.	Rural Water Supply Programme	55.00	55.00	Habitations covered	Nos.	100	193
6.	Accelerated Rural Water Supply Programme(ARWSP)	78.40	68.57	Habitations covered	Nos.	400	218
7.	Total Sanitation Campaign (TSC)	19.29	12.23	(i) Individual Household Latrines constructed (ii) School Toilets (iii) Sanitary Complex (iv) Anganwadi Toilets (v) RSM	Nos. Nos. Nos. Nos. Nos.	85798 7147 100 1437 0	47256 1358 18 162 3
8.	Accelerated Irrigation Benefit Programme – (AIBP)	27.78	27.78	Schemes (21 ongoing and 7 new schemes) Beneficiaries	Nos.	28 1119	16 683
9.	Rural Electrification (RGGVY)	100.98	43.60	Electrification (i) UEV - (ii) DEV - (iii) EV - (iv) H/H - (v) BPL (Rhh)-	Nos.	 (i)1533 (ii)369 (iii)3513 (iv)200624 (v)114507	 44 99 703 0 21569
10.	Integrated Child Development Scheme (ICDS) SNP	32.88 99.01	25.49 59.72	(i) State Cell (ii) DPOs (iii) ICDS Projects (iv) Aganwadi Centres (v) Beneficiaries -	Nos. Nos. Nos. Nos. No -	1 5 41 5115 648973 -	1 5 41 5096 491005 -
11.	Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	61.34	32.94	Urban Infrastructure & Governance, Basic Service to the Urban Poor, Urban Infrastructure Development of Small & Medium Towns, Integrated Housing & Slum Development Programmes	Nos. & Length in Rm & Unit in Nos.	Seven projects	Under progress
12.	Sarva Shiksha Abhiyan (SSA)	197.38	120.62	Upgradation of EGS to PS Upgraded/New Upper Primary Schools	Centre/ School School	208 425	208 -
		1182.77	**688.37**				

Source: Information furnished (August 2010) by the Directorate of Programme Implementation and Evaluation, Government of Meghalaya.

APPENDIX 2.1

Department-wise position of savings/excess for which reasons were not furnished

(Reference: Paragraph 2.2 ; Page 46)

(Rupees in crore)

Name of Department	Number & Name of Grant/Appropriation	Savings (-) Excess (+)
Assembly Secretariat	1-Parliamentary/State/Union Territory Legislature, Stationery and printing, capital Outlay on Stationery and Printing Revenue – Voted	(+) 2.19
Chief Minister's Secretariats' & Secretariat Administration	3 – Council of Ministers, other Administrative Services, *etc.* Revenue - Voted	(-) 3.87
Law	4 – Administration of Justice Revenue – Charged	(-) 2.65
Election	5-Elections Revenue – Voted	(-) 9.02
Excise	8-State Excise Revenue – Voted	(-)2.17
Taxation	9 – Taxes on Sales, Trades *etc.*, Other Taxes and Duties on Commodities and Services Revenue - Voted	(-) 1.01
Transport	10 - Taxes on Vehicles, Other Administrative Services *etc.*, Revenue – Voted Capital - Voted	(-) 2.93 (-) 2.07
Power (Electricity)	11-Other Taxes and Duties on Commodities and Services, *etc.* Revenue – Voted Capital – Voted	(-) 155.52 (-) 20.76
Finance	13 - Secretariat General Services, *etc.* Revenue – Voted	(-) 20.29
Treasury and Accounts Administration	15- Treasury and Accounts Administration Revenue – Voted	(-) 1.84
Home Police	16 – Police, Other Administrative Services, *etc.*, Housing, Capital Outlay on Police Revenue - Voted Capital – Voted	(-) 17.83 (-) 5.94
Home (Jails)	17 – Jails Revenue – Voted	(-) 1.31
Printing & Stationery	18–Stationery and Printing, Capital Outlay on Stationery and Printing, Capital Outlay on Housing Revenue – Voted	(-) 1.25
Public Works	19 – Secretariat General Services, Public Works, *etc.* Revenue – Voted Capital - Voted	(-) 3.15 (-) 14.33
Public Works	20 - Other Administrative Services, Capital Outlay on Public Works Revenue – Voted	(+) 1.84
Education, Sports & Youth Affairs & Arts & Culture	21 – Miscellaneous General Services, *etc.* Revenue – Voted	(-) 102.41
General Administration, Transport & Communication and Political	22 – Other Administrative Services, Housing Revenue – Voted	(-) 2.88
Finance	24 - Pensions and other Retirement Benefits Revenue – Voted	(+) 31.89
Health & Family Welfare	26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, *etc.* Revenue – Voted Capital – Voted	(+) 12.75 (-) 1.77
Public Health Engineering	27 - Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, Capital Outlay on Housing, Revenue – Voted Capital – Voted	(-) 11.70 (-) 91.25
Housing	28-Housing, Capital Outlay on Housing, Loans for Housing Revenue – Voted	(-)5.38

Name of Department	Number & Name of Grant/Appropriation	Savings (-) Excess (+)
Urban Development	29 – Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, *etc.* Revenue – Voted Capital – Voted	 (-) 16.14 (-)89.22
Information and Publicity	30 – Information and Publicity Revenue – Voted	 (-) 1.87
Labour	31 – Labour and Employment Revenue – Voted	 (-) 3.36
District Council Affairs & Social Welfare	34 – Welfare of Schedule Castes/Schedule Tribes and Other Backward Classes, *etc.* Revenue – Voted Capital – Voted	 (-) 73.06 (-) 14.00
Planning	38 – Secretariat Economic Services Revenue – Voted	 (-) 21.33
Co-operation	39–Co-operation, Capital Outlay on Co-operation, *etc.* Revenue – Voted Capital - Voted	 (-) 6.15 (-) 4.08
Agriculture, Animal Husbandry & Veterinary Industries, *etc.*	40 – North Eastern Areas, (Special Areas Programme), Capital Outlay on North Eastern Areas Revenue – Voted Capital - Voted	 (-) 14.96 (-) 21.82
Planning	41 – Census, Survey and Statistics Revenue – Voted	 (-) 1.31
Agriculture	43 – Housing, Crop Husbandry, *etc.* Revenue – Voted Capital – Voted	 (-) 61.35 (-) 37.89
Public Works	44 – Medium Irrigation-II-Works under Embankment and Drainage Wing-PWD, *etc.* Capital - Voted	 (-) 1.20
Soil Conservation	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	 (-) 2.34
Border Areas Development, Agriculture, Co-operation, PW, Education & Soil Conservation	46 – Special Programme for Rural Development Revenue – Voted	 (-) 3.49
Animal Husbandry and Veterinary	47 – Housing, Animal Husbandry, Agricultural Research and Education Revenue – Voted	 (-) 14.53
Animal Husbandry and Veterinary	48 – Housing, Dairy Development Revenue – Voted	 (-) 1.50
Fisheries	49 – Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries Revenue – Voted	 (-) 4.33
Forest	50- Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Revenue – Voted Capital – Voted	 (-) 13.71 (-)11.16
Community & Rural Development	51– Housing, Crop Husbandry, *etc.* Revenue – Voted	 (-) 52.55
Industries	52 - Industries, Capital Outlay on Cement, Capital Outlay on Industries and Minerals. Capital – Voted	 (-) 2.23
Village and Small Industries	53 – Village and Small Industries, Capital Outlay on Village and Small Industries, *etc.* Revenue – Voted	 (-) 4.95
Village and Small Industries	54 - Village and Small Industries, Capital Outlay on Housing, *etc.* Revenue – Voted	 (-) 3.00
Public Works	56 – Roads and Bridges, Capital Outlay on Roads and Bridges Revenue – Voted Capital – Voted	 (-) 10.99 (-) 64.51

Name of Department	Number & Name of Grant/Appropriation	Savings (-) Excess (+)
Tourism	57-Tourism, Capital Outlay on Public works, Capital Outlay on Tourism, Loans for Tourism Revenue – Voted	(-)5.75
Finance	60 – Loans to Government Servants, *etc.* Capital – Voted	(-) 1.07
Finance	Appropriation – Interest Payment Revenue - Charged	(-) 12.06
Finance	Appropriation – Internal Debt of the State Government Capital – Charged	(-) 40.60

APPENDIX 2.2

Statement of various Grants/Appropriations where saving was more than ₹ 1 crore or more than 20 *per cent* of the total provision

(Reference: Paragraph 2.3.1; Page 46)

(Rupees in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
1.	3	Council of Ministers, Other Administrative Services, *etc.* Revenue – Voted	7.70	3.87	50
2.	4	Administration of Justice Revenue – Charged	2.65	2.65	100
3.	5	Elections Revenue – Voted	16.29	9.02	55
4.	8	State Excise Revenue – Voted	10.96	2.17	20
5.	9	Taxes on Sales, Trades, *etc.* Other Taxes and Duties on commodities and Services Revenue – Voted	9.95	1.01	10
6.	10	Taxes on Vehicles, Other Administrative Services, Road Transport, *etc.* Revenue – Voted	26.13	2.93	11
7.		Capital – Voted	35.65	2.07	6
8.	11	Other Taxes and Duties on Commodities and Services, *etc.* Revenue – Voted	280.17	155.52	56
9.		Capital – Voted	28.28	20.76	73
10.	13	Secretariat General Services, Secretariat Social Services, *etc.* Revenue – Voted	78.62	20.29	26
11.	15	Treasury and Accounts Administration Revenue – Voted	14.96	1.84	12
12.	16	Police, Other Administrative Services, Housing, Capital Outlay on Police Revenue – Voted	299.50	17.83	6
13.		Capital – Voted	12.50	5.94	48
14.	17	Jails Revenue – Voted	8.56	1.31	15
15.	18	Stationery and Printing, Capital outlay on Stationery and Printing, *etc.* Revenue – Voted	16.54	1.25	8
16.	19	Secretariat General Services, Public Works, *etc.* Revenue – Voted	142.72	3.15	2
17.		Capital – Voted	59.95	14.33	24
18.	21	Miscellaneous General Services, General Education, *etc.* Revenue – Voted	666.63	102.41	15
19.	22	Other Administrative Services, Housing Revenue – Voted	18.00	2.88	16
20.	26	Medical and Public Health, Family Welfare, *etc.* Capital – Voted	23.37	1.77	8
21.	27	Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, Capital Outlay on Housing, Revenue – Voted	115.76	11.70	10
22.		Capital – Voted	189.89	91.25	48
23.	28	Housing, Capital Outlay on Housing, Loans for Housing Revenue – Voted	15.98	5.38	34
24.	29	Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, *etc.* Revenue – Voted	52.42	16.14	31
25.		Capital – Voted	103.29	89.22	86

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percentage
26.	30	Information and Publicity Revenue – Voted	9.19	1.87	20
27.	31	Labour and Employment Revenue – Voted	15.32	3.36	22
28.	34	Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes, *etc.* Revenue – Voted	185.73	73.06	39
29.		Capital – Voted	14.20	14.00	99
30.	38	Secretariat Economic Services Revenue – Voted	41.16	21.33	52
31.	39	Co-operation, Capital Outlay on Co-operation, Capital Outlay on other Agricultural Programmes, Loans for Co-operation Revenue – Voted	17.08	6.15	36
32.		Capital – Voted	7.72	4.08	53
33.	40	North Eastern Areas (Special Areas Programme) Capital Outlay on North Eastern Areas Revenue – Voted	38.13	14.96	39
34.		Capital – Voted	48.01	21.82	45
35.	41	Census, Survey and Statistics Revenue – Voted	9.15	1.31	14
36.	43	Housing, Crop Husbandry, Agricultural Research and Education, *etc.* Revenue – Voted	216.02	61.35	28
37.		Capital – Voted	74.72	37.89	51
38.	44	Medium Irrigation-11- Works under Embankment and Drainage Wing PWD, Medium, Flood Control and Drainage, Capital Outlay on Medium Irrigation, Capital Outlay on Flood Control Projects Capital – Voted	4.00	1.20	30
39.	45	Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	88.98	2.34	3
40.	46	Special Programme for Rural Development Revenue – Voted	26.29	3.49	13
41.	47	Housing Animal Husbandry, Agricultural Research and Education Revenue – Voted	60.73	14.53	24
42.	48	Housing, Dairy Development Revenue – Voted	10.76	1.50	14
43.	49	Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries Revenue – Voted	17.55	4.33	25
44.	50	Forestry and Wildlife, Agricultural Research & Education, Capital Outlay on Forestry and Wildlife Revenue – Voted	85.00	13.71	16
45.		Capital – Voted	23.11	11.16	48
46.	51	Housing, Crop Husbandry, Special Programmes for Rural Development, Rural Employment, other Rural Development Programmes, Capital Outlay on Housing, *etc.* Revenue – Voted	198.12	52.55	27
47.	52	Industries, Capital Outlay on Cement, Capital Outlay on Industries and Minerals, *etc.* Capital – Voted	15.72	2.23	14
48.	53	Village and small Industries, Capital Outlay on Village and Small Industries, loans for Village and Small Industries Revenue – Voted	39.91	4.95	12
49.	54	Village and small Industries, Capital Outlay on Housing Capital Outlay on Village and Small Industries, loans for Village and Small Industries Revenue – Voted	22.46	3.00	13

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percen-tage
50.	56	Roads and Bridges, Capital Outlay on Roads and Bridges Revenue – Voted	108.81	10.99	10
51.		Capital – Voted	227.32	64.51	**28**
52.	57	Tourism, Capital Outlay on Public Works, Capital outlay on Tourism, Loans for Tourism Revenue – Voted	24.20	5.75	24
53.	60	Loans to Government Servants *etc.* Capital – Voted	17.20	1.07	6
54.	Appropria-tion	Appropriation – Interest Payments Revenue – Charged	246.03	12.06	5
55.	Appropria-tion	Appropriation – Internal Debt of the State Government Capital – Charged	164.81	40.60	25

APPENDIX 2.3

Statement of various Grants/Appropriations where excess expenditure was more than Rs. 1 crore each or more than 20 *per cent* of the total provision

(Reference: Paragraph 2.3.3; Page 47)

(Rupees in crore)

Sl. No.	Grant No.	Name of the Grant/ Appropriation	Total Grant/ Appropriation	Excess expenditure	Percentage of excess expenditure
1.	1	Parliament/State/Union Territory Legislature, Stationery and Printing, Capital Outlay on Stationery and Printing			
		Revenue–Voted	30.26	2.19	7
		Capital – Voted	0.48	0.30	63
2.	2	Governor, Capital Outlay on Housing			
		Revenue – Voted	0.04	0.08	200
3.	20	Other Administrative Services, Capital Outlay on Public Works			
		Revenue–Voted	22.96	1.84	8
4.	24	Pension and Other Retirement Benefits			
		Revenue–Voted	176.00	31.89	18
5.	26	Medical and Public Health, Family Welfare, Capital outlay on Medical and Public Health Capital outlay on Family Welfare			
		Revenue – Voted	196.13	12.75	7
		Total	**425.87**	**49.05**	

APPENDIX 2.4

Statement showing expenditure without provision

(Reference: Paragraph 2.3.4; Page 48)

(Rupees in lakh)

Sl. No.	Grant/Appropriation No. – Major Head of Accounts - Sub-Head - Detailed Head	Expenditure without provision
1.	10 – 5055 – 190 – (01) Capital Contribution to Meghalaya Transport Corporation – General	300.00
2.	11 – 2801 – 01 – 800 – (01) Grants –in-Aid to the Meghalaya State Electricity Board (MeSEB) – General	1,000.00
3.	16 – 2055 – 115 – (08) Assistance to State Police Organisation in Kind – General	54.00
4.	21 – 2202 – 107 – (05) Merit Cum Means Based Scholarship for Professionally and Technical Course - General	14.34
	21 – 2202 – 800 – (02) Incentives to Girls for Secondary Education – General	51.45
	21 – 2202 – 800 – (19) Rashtriya Madhyamik Mission Shiksha Abhiyan – General	88.89
	21 – 2204 – 102 – (02)NSS Implementation Special Campaign Programme – General	27.95
5.	26 – 2210 – 06 – 101 – (08)National Vector Borne Disease Control – General	93.35
6.	26 – Centrally Sponsored Schemes(CSS) – 2210 – 03 – 110 – (02) Establishment of TB Centres & isolation Beds – Sixth Schedule (Part II) Areas	21.11
7.	26 – Centrally Sponsored Schemes(CSS) – 2210 – 06 – 101 – (01)National Malaria Eradication Programme – Sixth Schedule (Part II) Areas	36.47
8.	26 – 2211 –001 – (02) District Family Welfare Bureau – General	72.42
9.	26 – 2211 –001 – (02) District Family Welfare Bureau – Sixth Schedule (Part II) Areas	78.87
10.	26 – 2211 –101 – (02)Rural Family Welfare Sub- Centres – General	67.86
11.	27 – 4215 –01 – 102 – (02)Rural Water Supply Maintenance Sixth Schedule (Part II) Areas	484.93
12.	29 – 2217 – 80 – 001 – (01)Headquarters' Organisation – Sixth Schedule (Part II) Areas	18.83
13.	34 - Centrally sponsored Schemes(CSS) – 2235 – 02 – 102 – (10) Implementation of Kashori Shakti Yojana under ICDS Scheme – Sixth Schedule (Part II) Areas	23.93
14.	36 – 2235 – 60 – 104 – (01)Government Provident Fund – General	41.53
15.	39 – 4425 – 108 – (13)Share Capital Contribution to MECOFED for Minor Forest produce Operation – General	39.00
16.	41 – 3454 – 02 – 112 – (27)Crop Insurance Scheme – Sixth Schedule (Part II) Areas	31.05
17.	43 – 2401 – 800 – (15) Special Plan Assistance – General	1,195.91
18.	43 Centrally Sponsored Schemes(CSS) – 2415 – 01 – 004 – (05) Research project on Rice-General	19.61
19.	47 - Centrally Sponsored Scheme (CSS) 2403-101 (12) – Assistance to State Control Animal Disease (ASCAD) – General	36.00
20.	47 - Centrally Sponsored Schemes (CSS) 2403-103 (08) Rural Backward Poultry Development Component – General	49.10
21.	47 - 2415-01-004 (04) Agricultural Research Stations and Laboratories Sixth Schedule (Part-II) Areas	54.04
22.	50 - Centrally Sponsored Schemes (CSS) 2406-01-800 (04) Integrated Forest Protection Scheme – Sixth Schedule (Part-II) Areas	16.93
23.	51 - 2501-01-800 (05) Strengthening of Community Development under SGSY Sixth Schedule (Part-II) Areas	28.97
24.	51-2515-800 (01) Multi Sectoral Development Programme Sixth Schedule (Part-II) Areas	1,078.84
25.	52 - 2852-80-800 (13) Voluntary Retirement Scheme of Sick Units – General	112.20
26.	54 - 4851-190 (01) Share Capital Contribution to M.H.H.D.C – General	30.00
27.	56 - 5054-04-800 (04) Road Financed from Central Road Fund Sixth Schedule (Part-II) Areas	1,407.24
	Total	**6,574.82**

APPENDIX 2.5

Statement showing the amount debited head-wise and credited to 8443
(Reference: Paragraph 2.3.5 ; Page 48)

Sl No.	Debit Head	Credit Head	Date of drawal & deposit of the amount	Credit Amount (in rupees)
1.	2055	8443	Deposit in 03/2010	150004895
2.	2203	-do-	-do-	605174
3.	2202	-do-	-do-	624543319
4.	2204	-do-	-do-	35135295
5.	2205	-do-	-do-	23212940
6.	2210	-do-	-do-	98518827
7.	2216	-do-	-do-	4227973
8.	2230	-do-	-do-	3112384
9.	2235	-do-	-do-	46484515
10.	2245	-do-	-do-	285712
11.	2236	-do-	-do-	59098380
12.	2401	-do-	-do-	454910581
13.	2403	-do-	-do-	18805533
14.	2404	-do-	-do-	29889424
15.	2405	-do-	-do-	6041256
16.	2415	-do-	-do-	4716797
17.	2425	-do-	-do-	2749679
18.	2435	-do-	-do-	3742546
19.	2505	-do-	-do-	77477894
20.	2515	-do-	-do-	196679324
21.	2552	-do-	-do-	73560000
22.	2851	-do-	-do-	63476143
23.	2853	-do-	-do-	140183008
24.	3451	-do-	-do-	29586303
25.	3452	-do-	-do-	1863182
26.	3456	-do-	-do-	17962025
27.	3475	-do-	-do-	5058905
28.	2053	-do-	-do-	5025712
29.	2012	-do-	-do-	2307713
30.	2013	-do-	-do-	469522
31.	2014	-do-	-do-	112716
32.	2015	-do-	-do-	631936
33.	2052	-do-	-do-	6774
34.	2215	-do-	-do-	55541881
35.	2217	-do-	-do-	44057091
36.	2702	-do-	-do-	1640144
37.	2711	-do-	-do-	20000
38.	3054	-do-	-do-	18270572
39.	4059	-do-	-do-	809662
40.	4202	-do-	-do-	8719232
41.	4215	-do-	-do-	7872899
42.	4216	-do-	-do-	346881
43.	4217	-do-	-do-	7997000
44.	4401	-do-	-do-	13555
45.	4552	-do-	-do-	19102015
46.	4702	-do-	-do-	8233782
47.	4711	-do-	-do-	444918
48.	5054	-do-	-do-	23390854
49.	2406	-do-	-do-	96818904
50.	2402	-do-	-do-	147223932
51.	4406	-do-	-do-	100611672
Total				**2721601381**

APPENDIX 2.6
Excess over provision of previous years requiring regularisation
(Reference: Paragraph 2.3.6 ; Page 48)

(Rupees in crore)

Year	Number of Grant/ Appro-priation	Grant(s)/Appropriation(s) numbers	Amount of excess	Stage of consider-ation by PAC
1971-72	4	64, 79, 80, 88	0.08	Not considered during 2009-10.
1972-73	3/1	12, 16, 71/ Interest on Debt and other obligations	0.26	
1973-74	2	10, 64	0.01	
1974-75	4	13, 15, 29, 54	0.05	
1975-76	3/1	13, 29, 82/Governor	0.07	
1976-77	4/1	29, 32, 54, 62/Interest Payment	0.10	
1977-78	3/1	7, 13, 54/Governor	0.07	
1978-79	2	3, 22	0.05	
1979-80	2	13, 22	0.03	
1980-81	4/1	13, 20, 30, 39/Governor	0.09	
1981-82	7/1	13, 14, 20, 28, 31, 34, 37/Governor	0.37	
1982-83	12/2	3, 5, 14, 19, 20, 22, 24, 26, 27, 31, 37, 55/Governor, Administration of Justice	7.29	
1983-84	8	3, 8, 27, 31, 37, 40, 45, 56	3.30	
1984-85	12	9, 10, 18, 20, 22, 24, 25, 27, 30, 43, 59, 64	3.15	
1985-86	9/2	7, 8, 17, 18, 24, 27, 37, 38, 64/ Administration of Justice, Loans and Advances from Central Government	4.70	
1986-87	10	7, 8, 9, 24, 25, 27, 29, 39, 55, 56	0.95	
1987-88	11/1	1, 11, 13, 16, 20, 24, 28, 36, 38, 48, 54/ Public Service Commission	1.78	
1988-89	6/1	9, 15, 20, 24, 36, 54/ Public Service Commission	0.71	
1989-90	9/1	8, 11, 22, 24, 29, 36, 41, 48, 54/ Police	4.37	
1990-91	10	9, 18, 24, 26, 28, 36, 37, 53, 54, 58	2.44	
1991-92	12	5, 7, 8, 9, 18, 24, 26, 30, 33, 36, 54, 61	2.56	
1992-93	11/2	5, 7, 8, 9, 13, 20, 24, 26, 33, 49, 54 / Internal Debt of State Government, Governor	30.31	
1993-94	7/3	6, 8, 20, 24, 26, 40, 53 / Internal Debt of State Government, Loans and Advances, Public Service Commission	263.13	
1994-95	4/3	20, 24, 53, 60/Interest Payment, Public Service Commission, Internal Debt	183.34	
1995-96	5/2	1, 14, 24, 47, 53 /Parliament/ State/Union Territory Legislature, Water Supply and Sanitation	4.34	
1996-97	14/2	1, 3, 5, 7, 9, 14, 20, 21, 22, 24, 29, 36, 41, 53 / Governor, Administration of Justice	7.94	
1997-98	10/1	1, 6, 7, 8, 9, 15, 18, 20, 24, 25 / Governor	6.23	
1998-99	5	1, 2, 6, 11, 24	22.82	
1999-2000	2/1	9, 18/Governor	0.17	
2000-01	2/3	1, 40 / 1, 2, 4	3.92	
2001-02	3/2	1, 18, 35/ 1, 2	1.76	
2002-03	4/3	11, 26, 35, 56/ 1, Internal Debt of the State Government, Loans & Advances from Central Government	22.10	
2003-04	3/2	1, 20, 56/1 and Loans & Advances from Central Government	30.18	
2004-05	5/2	1, 7, 19, 24, 56/ 1, Loans and Advances from the Central Government	36.74	
2005-06	5/4	1, 16, 24, 54, 56/ 1, 36, Public Service Commission, Internal Debt of the State Government.	34.69	
2006-07	6/2	1, 4, 8, 20, 24, 40/1, Loans and Advances from the Central Government	65.41	
2007-08	8/1	1, 4, 8, 16, 20, 24, 26, 40 /1	72.79	
2008-09	7/1	1, 4, 8, 20, 24, 35, 44,/ Loans and Advances from the Central Government	107.57	
Total			**925.87**	

APPENDIX 2.7

Cases where supplementary provision (₹ 10 lakh or more in each case) proved unnecessary

(Reference: Paragraph 2.3.8; Page 49)

(Rupees in lakh)

Sl. No.	Number & name of Grant	Original provision	Actual expendi-ture	Savings out of original provision	Supple-mentary provision
Revenue – Voted					
1.	11- Other Taxes and Duties on Commodities and Services, *etc.* Revenue - Voted	27420.00	12464.78	14955.22	596.90
2.	14- District Administration Revenue - Voted	1,766.00	1,707.49	58.51	38.07
3.	17- Jails. Revenue - Voted	756.00	725.33	30.67	100.00
4.	18- Stationery and Printing, Capital outlay on Stationery and Printing, *etc.* Revenue - Voted	1603.55	1528.70	74.85	50.00
5.	21- Miscellaneous General Services, General Education *etc.* Revenue – Voted	65106.00	56422.09	8683.91	1557.49
6.	22- Other Administrative Services etc. Housing. Revenue - Voted	1525.63	1511.91	13.72	274.60
7.	27- Water supply and sanitation, Housing, *etc.* Revenue - Voted	10511.00	10405.81	105.19	1064.85
8.	29- Urban development, Capital outlay on Housing, *etc.* Revenue – Voted	4585.46	3627.42	958.04	656.44
9.	34- Welfare of Schedule castes/ Scheduled Tribes and other backward classes etc. Revenue – Voted	17997.87	11266.62	6731.25	575.00
10.	39- Co-operation, capital outlay on co-operation, *etc.* Revenue – Voted	1670.54	1092.82	577.72	37.00
11.	40- North Eastern Areas, (Special Areas Programme). Revenue – Voted	3698.75	2316.77	1381.98	114.00
12.	42- Housing, other General Economic Services. Revenue – Voted	276.00	274.90	1.10	50.00
13.	43- Housing, Crop Husbandry, Agricultural Research and Education, *etc.* Revenue – Voted	21512.62	15466.53	6046.09	89.39
14.	46- Special Programme for Rural Development. Revenue - Voted	2442.00	2280.55	161.45	187.19
15.	50- Forestry and Wildlife, Agricultural Research and Education etc. Revenue - Voted	7891.61	7129.45	762.16	608.47
16.	51- Housing, Nutrition crop Husbandry, Special programmes for Rural Development, *etc.* Revenue - Voted	18104.00	14556.99	3547.01	1708.06
17.	54- Village and small Industries, Capital outlay on Housing, *etc.* Revenue - Voted	2176.40	1945.12	231.28	69.21
18.	56- Roads and bridges, Capital outlay on Roads and bridges. Revenue - Voted	10280.78	9781.45	499.33	600.00
	Total	**199,324.21**	**154,504.73**	**44819.48**	**8376.67**
Capital - Voted					
19.	19-Secretariat General Services, Public Works, *etc.* Capital - Voted	5912.50	4562.79	1349.71	82.98
		205236.71	**159067.52**	**46169.19**	**8459.65**

APPENDIX 2.8
Excess/Unnecessary/Insufficient re-appropriation of funds
(Reference: Paragraph 2.3.9 ; Page 49)

(Rupees in lakh)

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
1.	3	101 - Salary of Ministers & Dy. Ministers (03) Deputy Ministers /Parliamentary Secretaries – General	2013	(–)15.00	(+)15.00
2.	4	102 - High Courts (01) Judges of High Courts /Bench – General	2014	(–)5.50	(–)77.80
3.		102 - High Courts (02) High Court/Bench Office - General	2014	(+)5.50	(–)187.20
4.		114- Legal Advisers and Counsels (02) Legal Remembrancer and his office - General	2014	(+) 0.74	(+)12.98
5.		114- Legal Advisers and Counsels (09) Permanent Lok Adalat – General	2014	(–)1.95	(–)23.21
6.	9	001- Direction and Administration – (01) Directorate Level Organisation – General	2040	(-)9.99	(-)39.97
7.	11	800- Other Loans to Electricity Boards (01) – Loans to State Electricity Board (For Externally Aided Project) – General	6801	(-)18.48	(-)185.22
8.		800 – Other loans to Electricity Boards (01) Loans to State Electricity Board (For Externally Aided project) Sixth Schedule (Part-II) Areas.	6801	(+)8.81	(+)194.87
9.	13	090 – Secretariat (02) Secretariat Administration Department (including other Minor Department not shown separately) – General.	2052	(+) 49.15	(-)201.11
10.		090 – Secretariat – (03) Nazarat (including expenditure of all grade iv staff of the entire Secretariat) – General	2052	(-)49.80	(+)11.67
11.	15	098 – Local Fund Audit – (01) Establishment of Examiner of local Accounts – General	2054	(+)31.78	(-)61.93
12.	16	001 - Direction and Administration – (01) Inspector General of Police's Office – General	2055	(+)49.13	(+)162.01
13.		101- Criminal Investigation and Vigilance – (01) State CID Organisation – General.	2055	(+)2.48	(+)220.07
14.		101- Criminal Investigation and vigilance (02) State Special Branch – General.	2055	(-)14.00	(-)421.28
15.		101- Criminal Investigation and Vigilance – (04) SCRB – General	2055	(-)2.26	(-)28.85
16.		104 – Special police – (01) 1st Meghalaya Police Battalion – General	2055	(+)26.10	(+)65.96
17.		104 – Special Police – (04) 2nd Meghalaya Police Battalion – General	2055	(+)112.38	(+)1230.53
18.		104 – Special Police – (05) Raising of 3rd MLP Battalion/IRB – General	2055	(+)11.83	(+)196.21
19.		104 – Special Police – (06) Raising of 4th MLP Battalion/2nd IR Battalion – General	2055	(-)4.47	(-)759.15
20.		104 – Special Police – (11) Raising of 5th MLP Battalion/3rd IRBN – General	2055	(-)158.88	(-)1066.04
21.		109 – District Police – (01) District Executive Police – Sixth Schedule (Part-II) Areas.	2055	(+)64.66	(+)90.34
22.		109 – District Police – (06) Expenditure on Police Check Post in Indo-Bangladesh Border - General.	2055	(-)2.64	(-)44.71
23.		109 – District Police – (07) Registration and Surveillance of Foreigners - General.	2055	(-)2.00	(-)33.79
24.		115 – Modernisation of Police Force (04) Expenditure on Modernisation of District Police Sixth Schedule (Part-II) Areas.	2055	(+)57.75	(-)183.96
25.		115 – Modernisation of Police Force (07) Expenditure on Modernisation of 3rd MLP Battalion (IRBn) General	2055	(-)15.75	(-)18.75

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
26.		115 – Modernisation of Police Force (08) Expenditure on modernization on 4th MLP Battalion/2nd (IRBM) General	2055	(-)42.00	(-)27.50
27.		108 – Fire Protection and Control (02) Protection and Control (Fire services station) – Sixth Schedule (Part-II) Areas.	2070	(+) 7.88	(-)659.04
28.	17	101 – Jails (01) District Jail, Shillong – Sixth Schedule (Part-II) Areas	2056	(+)24.77	(+)56.18
29.		101 – Jails (02) District Jail, Tura Sixth Schedule (Part-II) Areas.	2056	(+)1.02	(-)17.83
30.		101 – Jails (04) District Jail, Williamnagar Sixth Schedule (Part II) Areas	2056	(-) 13.58	(-) 19.31
31.		101 – Jails (05) District Jail, Jowai Sixth Schedule (Part-II) Areas.	2056	(-)12.22	(-)10.23
32.	21	02- Secondary Education 109- Government Secondary Schools (01) Secondary Schools for boys - Sixth Schedule (Part-II) Areas	2202	(-)87.81	(+)201.07
33.		02- Secondary Education 109- Government Secondary Schools (02) Secondary Schools for Girls - Sixth Schedule (Part-II) Areas	2202	(+)32.87	(+)48.51
34.		02- Secondary Education 109- Government Secondary Schools (03) Special Schools - Sixth Schedule (Part-II) Areas	2202	(+)54.94	(+)11.90
35.		03- University & Higher Education 103- Government Colleges & Institutes (13) Government College, - Sixth Schedule (Part-II) Areas	2202	(+)9.60	(-)84.96
36.		03- University & Higher Education 107- Scholarships (17) Central Post Matric Scholarship - General.	2202	(-)52.51	(-)86.53
37.		105- Polytechnics (01) Shillong Polytechnic - General	2203	(+)42.91	(+)37.84
38.		105- Polytechnics (07) Setting up of Engineering College, - General	2203	(-)3.13	(-)22.00
39.	22	115- Guest Houses, Government Hostels *etc.* (05) Guest House, Shillong – General	2070	(-)0.03	(-)11.00
40.	29	05- other Urban Development Schemes (04) Special Urban work – Sixth Schedule (Part-II) Areas	2217	(-)220.00	(+)46.88
41.		80 – General (001) Direction and Administration (02) District Offices – Sixth Schedule (Part-II) Areas	2217	(-)5.75	(-)25.97
42.	34	02- Social Welfare 103 - Women's Welfare (01) Training for Self Employment of women in need of Care and Protection – Sixth Schedule (Part-II) Areas.	2235	(-)48.31	(-)56.93
43.	40	07-80 - General-005 Investigation (03) Survey and Investigation of Power projects - General	2552	(-)40.00	(-)175.00
44.		07-80 - General-005 Investigation (03) Survey and Investigation of Power projects – Sixth Schedule (Part-II) Areas.	2552	(+)40.00	(+)95.00
45.		07-80 General-800 Other Expenditure (01) Transmission – General	2552	(-)99.10	(-)1346.00
46.		07-80 – General-800 Other Expenditure (01) Transmission – Sixth Schedule (Part-II) Areas	2552	(+)126.36	(+)1442.00
47.		07-80 - General 800 - Other Expenditure-(05) Small Hydro projects (SHPs) - General	2552	(-)17.26	(-)192.74
48.	43	119- Horticulture & Vegetable Crops (15) Vegetable Development Scheme - General	2401	(-)468.00	(-)549.20
49		800- Other Expenditure (01) Acquisition of land - General	2401	(+)137.80	(-)1177.53
50.	46	01-Integrated Rural Development Programmes 800- Other Expenditure (05) Border Areas Programmes under Public Works Department - General	2501	(-)20.88	(-)272.00
51.	50	01- Forestry-001 Direction & Administration (01) Headquarters Organisation – General	2406	(-)71.10	(-)37.31
52.		01- Forestry-102 Social and Farm Forestry (04) Social Forestry – Sixth Schedule (Part-II) Areas	2406	(+)24.35	(-)151.86

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
53.		02- Environmental Forestry and Wild Life - 110 Wild Life Preservation (02) Other Wild Life Preservation Works – Sixth Schedule (Part-II) Areas	2406	(+)16.40	(-)58.83
54.		02- Environmental Forestry and Wild Life-112-Public Gardens (04) Ward's Lake Establishment – Sixth Schedule (Part-II) Areas	2406	(+)6.83	(-)10.20
55.		CSS-01 Forestry-800 Other Expenditure (04) Intensification of Forest Management Scheme Sixth Schedule (Part-II) Areas	2406	(-)104.80	(-)287.29
56.	51	01- Integrated Rural Development Programme (06) State Institute for Research and Training of Rural Development (SIRD) – General	2501	(-)10.00	(-)28.67
57.	52	80- General-001-Direction and Administration (01) Directorate of Industries – General	2852	(-)0.73	(-)20.55
58.		80- General -001 Direction and Administration (02) District Organisation – Sixth Schedule (Part-II) Areas	2852	(-)0.24	(-)18.56
59.	54	102 - Small Scale Industries- (09) Package Scheme for Inventive Large and Medium – General	2851	(-)30.88	(-)19.12
60.	60	201- House Building Advances (02) Advances to All India Service Personnels – General	7610	(-)2.50	(-)36.10

APPENDIX 2.9

Results of review of substantial surrenders made during the year

(Reference: Paragraph 2.3.11; Page 51)

(Rupees in lakh)

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Amount surrendered	Percentage of surrender	Reasons attributed for surrender
1.	5 – Elections	Charges for conduct of elections to Parliament (2015)	417.00	100	Reasons not stated
2.	11–Other Taxes and Duties on commodities & Services, *etc.*	Non-Lapsable Central Pool of Resources (6801)	700.00	100	Non- receipt of sanction from Government
3.	21–Miscellaneous General Services, General Education, *etc.*	Expenditure on colleges under Deficit System (2202)	528.75	100	Non-receipt of Government order for drawal of Arrear, *etc.*
4.	29–Housing, Urban Development, Capital outlay on Housing, Capital outlay on Urban Development	Non-Lapsable Central Pool of Resources (2217)	100.00	100	Non-release of fund from Government of India.
5.		Construction of Fly over in Shillong (4217)	850.00	100	Revision of plan allocation.
6.		Development of Satellite Town Ship for Shillong (4217)	3,000.00	100	-Do-
7.		Provision for Land Acquisition (4217)	100.00	100	-Do-
8.	34–Welfare of SC/ST and other backward classes, *etc.*	Financial Assistance to District Council for Financing their own plan schemes (2225)	506.00	100	Non-receipt of sanction from GOI.
9.	39–Co-operation, Capital outlay on other Agricultural Programmes, Loans for Co-operation	Assistance for Revival and Restructuring of Credit structures in the state (2425)	500.00	100	Non-finalisation of the scheme for implementation
10.		Loans to different types of Co-operative societies out of NCDC financial Assistance (6425)	100.00	100	Non-receipt of proposal for recommendation to NCDC for approval.
11.	43–Housing, crop Husbandry Agricultural Research & Education, *etc.*	Macro management of Agricultural Seed Production Programmes (2401)	450.00	100	Non-sanction of the schemes from the GOI.
12.		Macro Management of Agricultural Integrated Nutrient Management (2401)	450.00	100	
13.		Setting up of compost plants for urban solid waste (2401)	130.00	100	
14.		Macro Management for promotion of Agricultural mechanization (2401)	420.00	100	-Do-
15.		National project on Organic farming scheme (2401)	180.00	100	Non-receipt of Administrative Approval from the Government of India
16.		Promotion/ strengthening of Information Technology in Agriculture (2401)	265.00	100	-Do-
17.	50 – Forestry & Wildlife, *etc.*	12th Finance Commission for Zoological Parks and Botanical Gardens (4406)	1400.00	100	Less requirement of fund and curtailment of plan.
18.	Appropriation-Internal debt of State Government	Ways and Means Advances (6003)	4000.00	100	Less receipt of loans.
			14096.75		

Appendix 2.10

Surrender in excess of Actual savings

(Reference: Paragraph 2.3.12; Page 51)

(Rupees in lakh)

Sl. No.	Number and Name of Grant/Appropriation	Total grant	Saving	Amount surrendered	Amount surrendered in excess
Revenue - Voted					
1.	3-Council of Ministers, Other Administrative Services	770.16	386.60	394.94	8.34
2.	4-Administration of Justice	674.57	15.86	37.59	21.73
3.	5-Elections	1629.00	901.98	1011.04	109.06
4.	7-Stamps & Registration	134.00	10.97	13.86	2.89
5.	9-Taxes on Sales, Trades *etc.*	995.38	101.22	109.41	8.19
6.	14-District Administration	1804.07	96.58	180.02	83.44
7.	16-Capital Police, Other Administrative Services *etc.*	1250.00	594.35	614.18	19.83
8.	18-Stationery & Printing Capital Outlay on Stationery & Printing, Capital outlay on Housing	1653.55	124.85	183.96	59.11
9.	25-Miscellaneous General Services	81.00	16.39	22.78	6.39
10.	28-Housing, Capital Outlay on Housing, Loans for Housing	1598.46	537.51	591.80	54.29
11.	36-Miscellaneous General Services, Social Security and Welfare	178.45	57.19	97.64	40.45
12.	38-Secretariat Economic Services	4115.50	2132.87	2183.17	50.30
13.	39-Co-operation, Capital outlay on Cooperation, Capital Outlay on Other Agriculture Programmes, Loans for Co-operation	1707.54	614.72	617.69	2.97
14.	55-Non-ferrous Mining & Metallurgical Industries, Capital Outlay on Housing, Capital Outlay on Non-ferrous Mining & Metallurgical Industries	5770.79	57.71	79.58	21.87
15.	Appropriation Public Service Commission	238.03	9.94	11.33	1.39
16.	Appropriation Internal Debt of the State Government	16481.00	4059.78	4067.89	8.11
Capital - Voted					
17.	28-Housing, Capital outlay on Housing, Loans for Housing	94.90	16.31	22.33	6.02
	Total	**39176.40**	**9734.83**	**10239.21**	**504.38**

APPENDIX 2.11

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

(Reference: Paragraph 2.3.13; Page 51)

(Rupees in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Saving
1.	1	Parliamentary/State/Union Territory Legislature, Stationery and Printing, *etc.* Revenue – Charged	0.75
2.	2	Governor Revenue – Charged	0.54
3.	4	Administration of Justice Revenue – Charged	2.65
4.	8	State Excise Revenue – Voted	2.17
5.	10	Taxes, on Vehicles, Other Administrative Services, Road Transport, *etc.* Revenue – Voted	2.93
6.		Capital – Voted	2.07
7.	17	Jails Revenue – Voted	1.31
8.	19	Secretariat General Services, Public Works, Housing, *etc.* Revenue – Charged	0.06
9.	21	Miscellaneous General Services, General Education, Technical Education, *etc.* Capital – Voted	0.50
10.	27	Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, Capital Outlay on Housing Revenue – Voted	11.70
11.		Capital – Voted	91.25
12.	31	Labour and Employment Revenue - Voted	3.36
13.	40	North Eastern Areas (Special Areas Programmes), Capital outlay on North Eastern Areas Capital – Voted	21.82
14.	41	Census, Survey and Statistics Revenue – Voted	1.31
15.	42	Housing, Other General Economic Services Revenue – Voted	0.51
16.	43	Housing, Crop Husbandry, Agricultural Research and Education, *etc.* Revenue – Charged	0.10
17.		Capital – Voted	37.89
18.	44	Medium Irrigation-II-Works under Embankment and Drainage Wing-PWD, *etc.* Revenue – Voted	0.01
19.		Capital –Voted	1.20
20.	45	Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	2.34
21.	47	Housing, Animal Husbandry, Agricultural Research & Education Revenue – Voted	14.53
22.	48	Housing, Dairy Development Revenue – Voted	1.50
23.	50	Forestry and Wildlife, Agricultural Research and Education, *etc.* Revenue – Charged	0.10
24.	51	Housing, Crop Husbandry, Special Programmes for Rural Development, *etc.* Capital – Voted	0.16
25.	56	Roads and Bridges, Capital Outlay on Roads and Bridges Revenue – Voted	11.00
26.	57	Tourism, Capital Outlay on Public Works, Capital Outlay on Tourism, *etc.* Revenue – Voted	5.75
27.		Capital – Voted	0.55
		Total	**218.06**

APPENDIX 2.12

Details of Saving of ₹ 1 crore and above not surrendered

(Reference: Paragraph 2.3.13 ; Page 51)

(Rupees in crore)

Sl. No.	Number and Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1.	4 – Administration of Justice - Revenue – Charged	2.65	0	2.65
2.	8 – State Excise - Revenue – Voted	2.17	0	2.17
3.	10 – Taxes on vehicles, other Administrative Services, *etc.* Revenue – Voted	2.93	0	2.93
4.	Capital - Voted	2.07	0	2.07
5.	11 – Other Taxes and Duties on Commodities and Services, *etc.* Revenue – Voted	155.52	154.15	1.37
6.	13 – Secretariat General Services, Secretariat Social services, *etc.* Revenue – Voted	20.29	11.44	8.85
7.	16 – Police, other Administrative Services, Housing, *etc.* Revenue – Voted	17.83	12.08	5.75
8.	17 – Jails - Revenue – Voted	1.31	0	1.31
9.	19 – Secretariat General Services, Public Works, *etc.* Revenue - Voted	3.15	0.22	2.93
10.	Capital – Voted	14.33	13.30	1.03
11.	21 – Miscellaneous General, Services, General Education, *etc.* Revenue – Voted	102.41	54.84	47.57
12.	26 – Medical and Public Health, Family Welfare, *etc.* Capital – Voted	1.77	0[1]	1.77
13.	27 – Water Supply and Sanitation, Housing, *etc.* Revenue – Voted	11.70	0	11.70
14.	Capital – Voted	91.25	0	91.25
15.	31 – Labour and Employment - Revenue – Voted	3.36	0	3.36
16.	34 – Welfare of Scheduled Castes/ Scheduled Tribes, *etc.* Revenue – Voted	73.06	70.04	3.02
17.	40 – North Eastern Areas (Special Areas Programme), *etc.* Revenue – Voted	14.96	5.78	9.18
18.	Capital - Voted	21.82	0	21.82
19.	41 – Census, Survey and Statistics - Revenue – Voted	1.31	0	1.31
20.	43 – Housing, Crop Husbandry, Agricultural Research, *etc.* Revenue – Voted	61.35	46.39	14.96
21.	Capital – Voted	37.89	0	37.89
22.	44 – Medium Irrigation-II- Works under Embankment and Drainage wing-P.W.D. *etc.* -Capital – Voted	1.20	0	1.20
23.	45 – Housing, Soil and Water Conservation, Agricultural Research, *etc.* - Revenue – Voted	2.34	0	2.34
24.	46 – Special Programme for Rural Development Revenue – Voted	3.49	1.33	2.16
25.	47 – Housing, Animal Husbandry, Agricultural Research and Education - Revenue – Voted	14.53	0	14.53
26.	48 – Housing, Dairy, Development Revenue – Voted	1.50	0	1.50
27.	50 – Forestry and Wildlife, *etc.* Revenue – Voted	13.71	6.24	7.47
28.	51 – Housing, Crop Husbandry, Special Programmes for Rural Development, *etc.* - Revenue – Voted	52.55	0.29	52.26
29.	52 – Industries, Capital Outlay on Cement, *etc.* Capital – Voted	2.23	0.02	2.21

[1] ₹ 12,000/- only.

Sl. No.	Number and Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be surrendered
30.	54 – Village and Small Industries, Capital Outlay on Housing, *etc.* Revenue – Voted	3.00	1.88	1.12
31.	56 – Roads and Bridges, Capital outlay on Roads and Bridges, *etc.* Revenue – Voted	10.99	0	10.99
32.	Capital – Voted	64.51	9.00	55.51
33.	57 – Tourism, Capital Outlay on Public Works, *etc.* Revenue – Voted	5.75	0	5.75
34.	60 – Loans to Government Servants, *etc.* - Capital – Voted	1.07	0.01	1.06
35.	Appropriation – Interest Payments - Revenue – Voted	12.06	4.89	7.17
	Total	**832.06**	**391.90**	**440.16**

APPENDIX 2.13

Cases of surrender of funds in excess of ₹ 1 crore on 31 March 2010

(Reference: Paragraph 2.3.13 ; Page 52)

(Rupees in crore)

Sl. No.	Grant No. & Name	Head of Account	Amount surrendered	Percentage of total provision
1.	3–Council of Ministers, Other Administrative Services	2013	3.95	51
2.	5–Elections	2015	10.11	62
3.	9–Taxes on Sales, Trade etc, Other Taxes and Duties on Commodities & Services	2040, 2045	1.09	11
4.	11–Other Taxes and Duties on Commodities, and Services, Special Programmes for Rural Development, Power, *etc.*	2045, 2501, 2801, 2810	154.15	55
5.		6801	20.76	73
6.	13–Secretariat General Services, Secretariat Social Services, Secretariat Economic Services	2052, 2251, 3451	11.44	15
7.	14–District Administration	2053	1.80	10
8.	15–Treasury and Accounts Administration	2054	1.82	12
9.	16–Police, Other Administrative Services etc, Housing, Capital Outlay on Public works, Capital outlay on Housing	2055, 2070, 2216	12.08	4
10.		4055	6.14	49
11.	18–Stationery and Printing, Capital outlay on Stationery and Printing, Capital Outlay on Housing	2058	1.84	11
12.	19 – Secretariat General Services, Public works, Housing, Capital outlay on Public Works, *etc.*	4059, 4202, 4210, 4216	13.30	22
13.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, Art and Culture, *etc.*	2075, 2202, 2203, 2204, 2205, 3425, 3454	54.84	8
14.	22 – Other Administrative Services, *etc*, Housing	2070, 2216	2.79	16
15.	24 – Pension and other retirement benefits	2071	20.49	12
16.	28 – Housing, Capital Outlay on Housing, Loans for Housing	2216	5.92	37
17.	29 – Housing, Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development	2217	16.03	31
18.		4216, 4217	89.22	86
19.	30 – Information and Publicity	2220	1.07	12
20.	34 – Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes, *etc.*	2225, 2235, 2236	70.04	38
21.		4235	14.00	99
22.	38 – Secretariat Economic Services	3451	21.83	53
23.	39 – Co-operation, Capital Outlay on Co-operation other Agricultural Programmes, Loans for Co-operation	2425	6.18	36
24.		4425, 4435, 6425	4.08	53
25.	40 – North Eastern Areas (Special Areas Programme) Capital outlay on North Eastern Areas	2552	5.78	15
26.	43 – Housing, Crop Husbandry, Agricultural Research and Education, Other Agricultural Programmes, Minor Irrigation, Capital Outlay on Housing, *etc.*	2216, 2401, 2415, 2435, 2702	46.39	21
27.	46 – Special Programmes for Rural Development	2501	1.33	5
28.	49 – Housing, Fisheries, Agricultural Research and Education, *etc.*	2216, 2405, 2415	4.23	24
29.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital outlay on Forestry and Wildlife	2406, 2415	6.24	7
30.		4406	11.04	48
31.	53 – Housing, Village and Small Industries, Capital Outlay on Village and Small Scale Industries, *etc.*	2851	4.79	12
32.	54 – Housing, Village and Small Industries, Capital Outlay on Housing, Capital Outlay on Village and Small Scale Industries, Loans for Village and Small Industries	2851	1.88	8
33.	56 – Roads and Bridges, *etc.*	5054	9.00	4
34.	Appropriation – Interest Payment	2049	4.89	2
35.	Appropriation – Internal Debt of the State Government	6003	40.68	25
	Total		**681.22**	

APPENDIX 2.14

Details of outstanding Abstract Contingent Bills

(Reference: Paragraph 2.4.1 ; Page 53)

Sl. No.	Name of the Drawing and Disbursing Officer/Controlling Officers from whom Detailed Countersigned Contingent Bills are awaited	Month and year of drawal	Number of Abstract Contingent Bill	Amount (in rupees)
1.	Dy. Director of Agriculture (Agronomy) Shillong	March 2004	01	35500
2.	Dy. Commissioner (Election) West Garo Hills Tura	April 2004	01	2300000
3.	Under Secretary to the Government of Meghalaya	March 2005	07	820450
4.	Jt. Director of Agriculture (R&T) Shillong	March 2005	01	36000
5.	Under Secretary to the Government of Meghalaya	October 2005	01	300000
6.	Dy. Commissioner, Baghmara	February 2006	01	1600000
7.	Additional Dy. Commissioner, Civil Sub-division	March 2006	01	250000
8.	Dy. Commissioner Tura	March 2006	01	1500000
9.	Dy. Commissioner (Election), Tura	June 2006	01	1850000
10.	Director of Information and Public Relation, Shillong	March 2007	01	1899000
11.	Dy. Commissioner (Election), Baghmara	November 2007	01	100000
12.	Additional Dy. Commissioner (Election) Resubelpara Civil Sub-division Williamnagar	November 2007	01	100000
13.	Under Secretary (Election) & Asstt. Chief Electoral Officer, Shillong	November 2007	01	113000
14.	Additional Dy. Commissioner (Election) Resubelpara Civil Sub-division Williamnagar	December 2007	01	606000
15.	Dy. Commissioner (Election), Tura	January 2008	01	9500000
16.	Dy. Commissioner (Election), Jowai	February 2008	01	4100000
17.	Sub-divisional Officer, Civil Sub-division, Sohra	February 2008	01	2000000
18.	Sub-divisional Officer (E), Civil Sub-Division, Khliehriat	February 2008	01	2000000
19.	General Manager, Dist. Commerce and Industries Centre, Shillong	March 2008	04	238200
20.	Asstt. Agricultural Engineer (Mech), Shillong	March 2008	01	405000
21.	Dy. Secretary (Election) & Dy. Chief Electoral Officer, Shillong	May 2008	01	38700000
22.	SDO (E), Civil Sub-division, Mawkyrwat	August 2008	02	282500
23.	SDO, Civil Sub-division, Sohra	August 2008	01	288500
24.	Deputy Commissioner (Election) Williamnagar	August 2008	01	596500
25.	SDO (Election), Ampati Civil Sub-Division	August 2008	01	391500
26.	Chief Electoral Officer and Commissioner Secretary to the Government of Meghalaya, Shillong	August 2008	01	19974500
27.	Superintendent of Industries, Ri-Bhoi District, Nongpoh	December 2008	01	69000
28.	District Programme Officer (ICDS) Cell, Shillong	March 2010	01	1481000
	Total		**38**	**91536650**

APPENDIX 2.15

Position of un-reconciled expenditure

(Reference: Paragraph 2.4.2 ; Page 53)

(Rupees in crore)

Sl. No.	Controlling Officers	Number of Head of Accounts involved	Amount not reconciled
1.	Registrar of Co-operative Society	2425	10.93
2.	Directorate of Sports and Youth Affairs	2205	20.96
3.	Directorate of Employment	2230	11.96
4.	Directorate of Community & Rural Development	2501	22.80
5.	Directorate of Industries	2851	19.45
6.	Directorate of Animal Husbandry and Veterinary	2403	43.15
		2404	9.03
7.	Director of Higher & Technical Education	2202	527.20
		2203	5.48
8.	Director General of Prison	2056	7.25
9.	Election Department	2015	0.73
10.	Director General of Police	2055	260.96
11.	Secretary, Legislative Assembly	2011	33.78
12.	Director of Printing & Stationery	2058	13.23
13.	Directorate of Housing	2216	7.69
14.	Secretary to Governor	2012	4.33
15.	Secretary, Law Department	2014	6.59
16.	Director of Urban Affairs	2217	3.63
17.	Director of Accounts & Treasuries	2071	207.89
18.	Director of Land Records & Survey	2248	12.73
		2029	9.23
19.	Director of Social Welfare	2235	0.65
		2236	59.90
		2225	18.87
		2235	1.20
20.	Director of Fisheries	4405	0.09
21.	Director of Agriculture	2401	120.38
		2435	3.64
		2415	2.63
22	Secretary, GAD (Accounts)	2052	42.28
	Total		**1488.64**

APPENDIX 3.1

Utilisation Certificates outstanding as on 31 March 2010

(Reference: Paragraph 3.1; Page 59)

(Rupees in lakh)

Sl. No.	Department	Year of payment of Grant	Total Grants Paid		Utilisation Certificates			
					Received		Outstanding	
			Number	Amount	Number	Amount	Number	Amount
1	Co-operation Department	1987-88	60	1.29	58	1.24	2	0.05
		1988-89	12	0.48	10	0.39	2	0.09
		1989-90	25	1.38	22	1.23	3	0.15
		1990-91	13	0.50	12	0.45	1	0.05
		1991-92	29	2.29	27	2.19	2	0.10
		1992-93	46	2.57	44	2.47	2	0.10
		1993-94	45	2.95	43	2.83	2	0.12
		1994-95	25	1.50	23	1.40	2	0.10
		1995-96	36	1.25	35	1.22	1	0.03
		1996-97	8	0.55	7	0.50	1	0.05
		1997-98	20	1.00	18	0.90	2	0.10
		1998-99	41	2.50	38	2.25	3	0.25
		1999-00	51	3.00	49	2.90	2	0.10
		2001-02	53	4.00	50	3.81	3	0.19
		2002-03	38	1.00	35	0.93	3	0.07
		2003-04	14	1.00	12	0.87	2	0.13
		2004-05	55	16.00	51	13.99	4	2.01
		2005-06	27	4.69	22	3.69	5	1.00
		2006-07	41	4.00	37	3.74	4	0.26
		2007-08	154	12.50	125	10.18	29	2.32
		2008-09	190	92.47	88	16.53	102	75.94
		2009-10	185	99.50	2	0.14	183	99.36
		Total	**1168**	**256.42**	**808**	**73.85**	**360**	**182.57**
2	Directorate of Commerce and Industries	2009-10	418	188.57	290	180.61	128	7.96
		Total	**418**	**188.57**	**290**	**180.61**	**128**	**7.96**
		Grand Total	**1586**	**444.99**	**1098**	**254.46**	**488**	**190.53**

APPENDIX 3.2

Statement showing names of bodies and authorities, the accounts of which had not been received

(Reference: Paragraph 3.2; Page 60)

(Rupees in lakh)

Sl. No.	Name of the body/authority	Years for which accounts had not been received	Grants received	
			Year	Amount
1.	Meghalaya State Social Welfare Advisory Board	2008-09 onwards	2007-08	86.45
2.	State Sports Council	2006-07 onwards	2005-06	463.85
3.	Meghalaya State Pollution Control Board, Shillong	2004-05 onwards	2008-09	120.00
4.	Shillong Municipal Board	2009-10	2007-08	501.02
5.	District Rural Development Agency, Tura	2007-08 onwards	2006-07	7411.43
6.	District Rural Development Agency, Williamnagar	2008-09	2007-08	1984.16
7.	District Rural Development Agency, Nongpoh	2009-10	2008-09	1926.58
8.	Meghalaya State Agricultural Marketing Board,Shillong	2001-02 onwards	2008-09	20.57
9.	District Rural Development Agency, Nongstoin	2006-07 onwards	2006-07	1274.89
10.	Economic Development Society, Tura	1996-97 onwards	2007-08	35.00
11.	Ramakrishna Mission Ashrama, Cherrapunjee	2004-05 onwards	2008-09	619.23
12.	District Rural Development Agency, Shillong	2004-05 onwards	Not available	
13.	Project Executive, District Rural Development Agency, Shillong	1995-96 onwards	-do-	
14.	District Rural Development Agency, Jowai	2002-03 onwards	-do-	
15.	Meghalaya Urban Development Authority, Shillong	2003-04 onwards	-do-	
16.	Seva Bharti A.S. Mandir Building, Shillong	NEW	2006-07	15.94
17.	Meghalaya Commercial Crop Development Board, Shillong	2008-09	2008-09	25.00
18.	Meghalaya Aids Control Society, Shillong	2004-05 onwards	Not available	
19.	Meghalaya District Council Affairs	1999-00 onwards	-do-	
20.	Meghalaya Supervision and Cadre Management Co-operative	1993-94 onwards	-do-	
21.	Registrar of Co-operative Societies Meghalaya, Shillong	1998-99 onwards	2007-08	239.60
22.	Director of Housing	1991-92 onwards	2006-07	10.00
23.	Director of Industries	1989-90 onwards	2007-08	430.05
24.	Director of Health Services(MI) Shillong	1989-90 onwards	2008-09	450.00
25.	Special Commissioner and Special Secretary to the Government of Meghalaya(Power Deptt)	1994-95 onwards	Not available	
26.	Director of Meghalaya Non-Conventional and Rural Energy Development	1999-2000 onwards	-do-	
27.	Director of Urban Development	1.2.2000 onwards	-do-	
28.	Director of Higher and Technical Education	2004-05 onwards	-do-	
				15613.77

APPENDIX 3.3

Department wise /duration wise break-up of the cases of misappropriation, defalcation, *etc.*

(Cases where final action pending at the end of March 2010)

(Reference: Paragraph 3.4; Page 61)

(Rupees in lakh)

Name of the Department	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 Years or more	Total No. of cases
Education	-	-	-	-	-	1 (0.03)	1 (0.03)
General Administration	-	-	-	-	-	1 (0.05)	1 (0.05)
Public Works	1 (0.20)	-	-	1 (1.78)	1 (0.22)	4 (2.97)	7 (5.17)
Health & Family Welfare	-	1*	1 (4.94)	1* + 1 (0.27)	-	1 (0.26)	2* + 3 (5.47)
Home (Police)	-	-	-	-	-	2 (0.21)	2 (0.21)
Agriculture	-	-	1 (0.23)	-	-	1 (0.44)	2 (0.67)
Public Health Engineering	-	2 (1.28)	31 (2.35)	13 (2.95)	9 (0.41)	-	55 (6.99)
Legislative Assembly	-	-	-	1 (3.34)	-	-	1 (3.34)
Finance	1 (1.20)	-	1 (86.50)	1 (0.92)	-	1 (15.74)	4 (104.36)
Forest	-	-	-	1 (2.14)	-	-	1 (2.14)
Mining & Geology	-	-	1 (16.55)	-	-	-	1 (16.55)
Soil Conservation	-	-	-	1 (2.17)	-	-	1 (2.17)
Community & Rural Development	-	-	1 (3.03)	-	-	-	1 (3.03)
Printing & Stationery	-	-	1 (15.76)	-	-	-	1 (15.76)
Total	**2 (1.40)**	**1* + 2 (1.28)**	**37 (129.36)**	**1* + 19 (13.57)**	**10 (0.63)**	**11 (19.70)**	**83 (165.94)**

* Amount not intimated