Report of the Comptroller and Auditor General of India

on

State Finances

For the year ended 31 March 2012

GOVERNMENT OF MEGHALAYA

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PREFACE

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 2012.

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. Report containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Government Companies and the Report containing observations on Revenue Receipts are presented separately.

Executive Summary

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 2011-12. 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 the budget estimates of 2011-12, Meghalaya Fiscal Responsibility and Budget Management (MFRBM) Act, 2006 (amended in October 2011) and projections made by the Thirteenth Finance Commission.

Based on the audited accounts of the Government of Meghalaya for the year ending March 2012, 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 on 31 March 2012. It provides an insight into trends in 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 deterioration in the financial health of the State during 2011-12 relative to previous four years (2007-11). During 2011-12, the State had become a revenue deficit State from its status of revenue surplus

as the revenue surplus which was ₹ 247.74 crore during 2010-11 turned to a revenue deficit of ₹ 180.34 crore attributable to the disproportionate growth of revenue expenditure (20.49 *per cent*) *vis-à-vis* revenue receipts (9.25 *per cent*) in 2011-12 over previous year. The fiscal deficit as well as primary deficit of the State have also significantly increased during 2011-12 compared to previous year.

❖ *Revenue Receipts*

Revenue receipts during 2011-12 grew by 9.25 *per cent* (₹ 393.99 crore) over previous year. The tax revenue and non-tax revenue receipts exceeded normative assessment made by Thirteenth Finance Commission (XIII FC) by 24.56 *per cent* and 23.33 *per cent* respectively. The State's own resources (tax and non-tax revenue) contributed 48.94 *per cent* of the incremental revenue receipts during 2011-12 (₹ 393.99 crore), whereas Central transfers (comprising State's share of central taxes and grants-in-aid from the Government of India) increased by ₹ 201.19 crore in 2011-12 and contributed 51.06 *per cent* of the incremental revenue receipts during the year.

❖ *Revenue / Capital / Total Expenditure*

The overall revenue expenditure of the State increased by 114.53 *per cent* from ₹ 2253.67 crore in 2007-08 to ₹ 4834.81 crore in 2011-12. The expenditure pattern of the State reveals that though the revenue expenditure as a percentage of total expenditure decreased by 2.49 *per cent* in 2011-12 over previous year, it hovered around 85 *per cent* during the period (2007-12) leaving inadequate resources for expansion of services and creation of assets. Within the revenue expenditure, non-plan revenue expenditure (NPRE) at ₹ 2876.03 crore in 2011-12 constituted 59.49 *per cent* and remained significantly higher than the normatively assessed level of ₹ 2153.55 crore by XIII FC for the year. Further, expenditure on salaries, pensions, interest payments and subsidies continued to consume a major share of revenue expenditure which was 47.41 *per cent* during 2011-12. During 2011-12, though development expenditure (₹ 4186.36 crore) increased by ₹ 925.87 crore (28.4 *per cent*) over the previous year, it was much below the budget estimate (₹ 4567.35 crore) for 2011-12. The relative share of revenue development expenditure and capital development expenditure was 79.96 *per cent* and 19.18 *per cent* of the total development expenditure respectively. The predominant share of revenue expenditure in development expenditure indicated that more emphasis was given on maintenance of the current level of services. Capital expenditure during 2011-12 (₹ 855.24 crore) though increased by ₹ 280.51 crore over previous year, fell short of the projection (₹ 972.67 crore) made by the State Government in its budget for the year.

❖ *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 2007-12, whereas its average interest outgo was in the range of 6.22 to 6.51 *per cent*.

❖ *Debt sustainability*

During 2011-12, there was deterioration in all the three major fiscal indicators, *viz*., revenue surplus, fiscal deficit and primary deficit over previous year. The fiscal deficit increased by three-folds from ₹ 341.39 crore in 2010-11 to ₹ 1065.25 crore during the current year. Primary deficit increased by over 823 *per cent* compared to the previous year and was ₹ 779.58 crore in 2011-12 as compared to ₹ 84.46 crore in 2010-11. The fiscal deficit-GSDP ratio stood at 6.7 *per cent* during 2011-12 against the ceiling of 3 *per cent* or less prescribed in the MFRBM Act, 2006 and also far surpassed the recommendation of the XIII FC to maintain this ratio at 3 *per cent* of GSDP or less. The prevalence of fiscal deficit during 2007-12 indicates continued reliance of the State on borrowed funds, resulting in increasing fiscal liabilities of the State over this period, which stood at 32.02 *per cent* of the GSDP in 2011-12.

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

Funds flowing directly to the implementing agencies through off-budget route inhibit fiscal responsibility legislation requirements of transparency and therefore escape accountability. During the current year, GOI transferred ₹ 814.90 crore (approximate) directly to the State Implementing Agencies for implementation of various schemes/programmes without routing the amount through the State Budget.

❖ *Financial management and budgetary control*

During 2011-12, there was an overall saving of ₹ 916.64 crore, which was the result of saving of ₹ 1094.12 crore offset by excess of ₹ 177.48 crore. The excess of ₹ 177.48 crore requires regularisation under Article 205 of the Constitution of India. There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. 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. Budgetary procedure and expenditure control of the Government was weak.

❖ *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. Also, there were instances of losses and misappropriations.

RECOMMENDATIONS

Revenue Receipts: The State Government should explore the possibilities to mobilise additional resources by expanding the non-tax base and rationalising the user charges. The State should also make efforts to increase tax compliance and reduce tax administration costs.

Greater priority to capital expenditure: Expenditure pattern of the State Government needs correction in the ensuing years. The State should initiate action to restrict the components of non-plan revenue expenditure. From the point of view of improving developmental expenditure, it is pertinent for Government of Meghalaya to take appropriate measures and lay emphasis on provision of development capital expenditure.

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 in investments by identifying the companies/corporations which are endowed with low financial but high socio-economic returns and justify the use of high cost borrowed funds for non-revenue generating investments through clear and transparent guideline.

Debt sustainability: Recourse to borrowed funds in future should be carefully assessed and managed so that the recommendations of the XIII FC to bring Fiscal Liabilities-GSDP ratio to 25 *per cent* could be achieved in next three years. Efforts should also be made to return to revenue surplus and reduce fiscal deficit and primary deficit.

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, the State Government may institute a mechanism for centralised monitoring of utilisation of funds.

Financial management and budgetary control: Efforts should be made by all departments to submit realistic budget estimates keeping in view the trends in receipts and expenditure in order to avoid large scale savings/excess. Savings should be surrendered as and when they are noticed and within the prescribed date. Last minute fund releases and issuance of re-appropriation/ surrender orders should be avoided.

Financial reporting: Departments should ensure timely submission of utilisation certificates for the grants released for specific purposes and the annual accounts of autonomous bodies. Departmental enquiries in all fraud/misappropriation cases should be expedited and internal controls strengthened to prevent such cases.

CHAPTER-I

FINANCES OF THE STATE GOVERNMENT

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, Kamrup and Nowgong Districts of Assam, on the east by Karbi Anglong and North Cachar Hills Districts of Assam and on the south and west by Bangladesh. With a geographical area of about 22,429 sq km, Meghalaya provides shelter to 0.24 *per cent* population of the country. According to the Census of India, 2011 (provisional data), the population of the State stands at 29,64,007 (Male: 14,92,668; Female: 14,71,339) and the density of population of the State is 132 persons per sq km. State's Gross Domestic Product (GSDP) [2] during the year 2011-12 was ₹ 15,895.15 crore (base year 2004-05). The estimated per capita income[3] of the State stood at ₹ 53,627 during 2011-12.

As per GSDP series (base year 2004-05), there was a fluctuating trend in the growth rate of GSDP. While the growth of GSDP during 2007-08 was 12.86 *per cent,* and reached its peak in 2008-09 (19.34 *per cent*), it declined to 12.85 *per cent* in 2011-12. The average Compound Annual Growth Rate (CAGR) in respect of GSDP for Meghalaya between 2004-05 and 2011-12 was 13.48 *per cent.* The CAGR of capital expenditure between 2002-03 and 2010-11 was 15.14 *per cent*, which increased to 18.47 *per cent* between 2002-03 and 2011-12. The State depends mostly on resources transferred by the Central Government as the State's own resources during 2007-12 contribute only around 20 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 2007-12. It declined from its peak of 32.26 *per cent* in 2007-08 to 32.02 *per cent* in 2011-12.

This chapter provides a broad perspective of the finances of the Government of Meghalaya (GOM) 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 position and State Profile are shown in **Appendix 1.1.** The time series data on key fiscal variables/parameters and fiscal ratios relating to the State Government finances for the period 2007-12 are presented **Appendix 1.2**.

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[1] The Fifth Finance Commission accorded (1969) special status to three states (undivided Assam, Jammu & Kashmir and Nagaland) on the basis of harsh terrain, backwardness and social problems prevailing in these states. Thereafter number of such states has increased to 11 (due to division of Assam and creation/addition of new states) including Meghalaya. The special privileges in financial assistance from GOI are given to these States.

[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.

[3] Calculated as per calculation made by the Directorate of Economics & Statistics, Government of Meghalaya, i.e., GSDP ÷ Population

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 (2011-12) *vis-à-vis* the previous year. **Appendix 1.3** 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

(₹ in crore)

2010-11	Receipts	2011-12	2010-11	Disbursements	2011-12		
Section – A : Revenue							
					Non-Plan	**Plan**	**Total**
4260.48	**Revenue Receipts**	**4654.47**	**4012.74**	**Revenue Expenditure**	**2876.03**	**1958.78**	**4834.81**
571.45	Tax revenue	697.54	1316.80	General Services	1425.28	61.91	1487.19
301.53	Non-tax revenue	368.24	1376.03	Social Services	931.66	810.81	1742.47
896.27	Share of Union Taxes/Duties	1044.19	1319.91	Economic Services	519.09	1086.06	1605.15
2491.23	Grants-in-aid from Government of India	2544.50	…	…	…	…	…
Section – B : Capital							
…	**Miscellaneous Capital receipts**	…	**574.73**	**Capital Outlay**	3.77	851.47	**855.24**
27.25	**Recoveries of Loans and Advances**	**22.71**	**41.65**	**Loans and Advances disbursed**	19.44	32.94	**52.38**
356.39	**Public Debt Receipts[4]**	**467.91**	**141.08**	**Repayment of Public Debt**	…	…	**202.64**
99.00	**Contingency Fund**	…	**99.00[5]**	**Contingency Fund**	…	…	…
2765.86	**Public Account Receipts**	**4091.31**	**2729.20**	**Public Account Disbursements**	…	…	**3270.77**
440.13	**Opening Balance**	**350.71**	**350.71**	**Closing Balance**	…	…	**371.27**
7949.11	**Total**	**9587.11**	**7949.11**	**Total**			**9587.11**

Following are the significant changes during 2011-12 over the previous year:

- **Revenue receipts** increased by 9.25 *per cent* (₹ 393.99 crore) over the previous year. The increase was contributed by State's share of Union taxes and duties of ₹ 147.92 crore, tax revenue of ₹ 126.09 crore, non-tax revenue of ₹ 66.71 crore and grants-in-aid of ₹ 53.27 crore from the Government of India (GOI).

- **Revenue expenditure** increased by 20.49 *per cent* (₹ 822.07 crore) over the previous year. While ₹ 491.71 crore increased under plan heads, the increase under non-plan heads was ₹ 330.36 crore. Capital expenditure during the year significantly increased by 48.81 *per cent* (₹ 280.51 crore) over the previous year.

- Compared to previous year, the **capital expenditure** of the State increased by ₹ 280.51 crore, which was the net result of increase under social services (₹ 155.66 crore), economic services (₹ 109.05 crore) and general services (₹ 15.80 crore).

[4] Includes net Ways and Means Advances.
[5] Appropriation from the Consolidated Fund

- **Recovery of loans and advances** during the current year decreased by ₹ 4.54 crore and **disbursement of loans and advances increased** ₹ 10.73 crore compared to the previous year.

- **Public Debt receipts** increased by ₹ 111.52 crore over the previous year mainly due to increase in receipts under market loan bearing interest (₹ 120 crore). Repayment of Public Debt also increased by ₹ 61.56 crore over the previous year.

- **Public Account receipts** and **disbursements** increased by ₹ 1325.45 crore and ₹ 541.57 crore respectively over the previous year.

1.2 Meghalaya Fiscal Responsibility and Budget Management Act

In accordance with the recommendations of the Twelfth Finance Commission (XII FC), the GOM has enacted the Meghalaya Fiscal Responsibility and Budget Management (MFRBM) Act, 2006. According to the recommendations of the XIII FC, "*the states should amend/enact FRBM Acts to build in the fiscal reform path worked out. State-specific grants recommended for a state should be released upon compliance*". However, the MFRBM Act has been amended by the State Government only in October 2011 and came into force from 10 October 2011. The amended MFRBM Act substituted clauses (a), (b) and (c) of Section 4 of the MFRBM Act, 2006 and inserted a new clause (g) under Section 4 as follows:

(a) maintain revenue surplus during the award period 2011-12 to 2014-15 [amended Clause (a)];

(b) reduce fiscal deficit to 3 *per cent* of GSDP or less during 2011-12 to 2014-15 [amended Clause (b)];

(c) ensure outstanding debt of the State will be aligned as recommended by Thirteenth Finance Commission and such outstanding debt expressed as percentage of GSDP shall progressively be reduced from 32.7 *per cent* during 2011-12 to 31.7 *per cent* during 2014-15 [amended Clause (c)];

(d) restrict issuing of guarantees except on selective basis where the quality and viability of the scheme to be guaranteed is properly analysed [Clause 4(1)(d) of MFRBM Act, 2006];

(e) bring out an annual statement that gives a perspective on the State's economy and related fiscal strategy [Clause 4(1)(e) of MFRBM Act, 2006]; and,

(f) 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 [Clause 4(1)(f) of MFRBM Act, 2006].

(g) Government shall notify a Medium Term Fiscal Plan with three years rolling targets, giving details of all significant items of receipts-expenditure along with underlying assumptions made for projection purpose [newly inserted Clause].

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.

As prescribed in the Act, the State Government had incorporated the following disclosure statements for the year 2011-12:

- Macro Economic Framework Statement
- Medium Term Fiscal Policy (MTFP) Statement prescribing fiscal targets and assumptions for achieving them. The targets for the year 2011-12 were as under:
  - Revenue surplus as a percentage of total revenue receipts: 11.17
  - Debt as a percentage of GSDP: 24.79
  - Fiscal deficit as a percentage of GSDP: 2.52
- Fiscal Policy Strategy Statement of the State for the ensuing year relating to taxation, expenditure, borrowings, *etc.*

The performance of the State during 2011-12 in terms of key fiscal targets set for selected parameters laid down in MFRBM Act, 2006 *vis-à-vis* achievements are given in **Table 1.2**.

Table 1.2 : Trends in major fiscal parameters *vis-à-vis* projections for 2011-12

Fiscal parameters	2011-12		
	Targets as prescribed in FRBM Act	Projections made in Medium Term Fiscal Policy Statement	Actual
Revenue Surplus (+)/ Deficit (-)	Maintain Revenue Surplus during 2011-15		- 180.34
Revenue Surplus/Total Revenue Receipts	-	11.17	Revenue Deficit
Fiscal Deficit (₹ in crore)	-	418.81	1065.25
Fiscal Deficit/GSDP (*per cent*)	3 *per cent* or less	2.52	6.70
Total Outstanding Liabilities/GSDP (*per cent*)	32.7 *per cent*	24.79	32.02

The above table indicates that the State was not successful in restricting all the above fiscal parameters as prescribed in the MFRBM Act as well as projections made in the Medium Term Fiscal Policy Statement. The State Government has to initiate requisite measures to contain these fiscal parameters 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 (July 2012) by the Directorate of Economics and Statistics, GOM, during 2011-12, the advance estimated GSDP for the State of Meghalaya was ₹ 15,895.15 crore, which was arrived at on the basis of current price taking into account 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	2007-08	2008-09	2009-10	2010-11	2011-12
Gross State Domestic Product (₹ in crore)	9734.73	11617.04	12709.11	14085.70	15895.15
Growth rate of GSDP	12.86	19.34	9.40	10.83	12.85

Source: GSDP figures (current prices – base year 2004-05) as furnished (July 2012) by the Directorate of Economics & Statistics, GOM.

The GSDP at current prices increased from ₹ 14085.70 crore in 2010-11 to ₹ 15895.15 crore in 2011-12, representing an increase of 12.85 *per cent.* The increase in the growth of GSDP during 2010-11 over that of previous year was mainly due to increase of 16.38 *per cent* under services like public administration, banking, hotels, *etc.* followed by 9.32 *per cent* under industrial sector. The GSDP during 2011-12 also exceeded the projection (₹ 13,729 crore) made by the XIII FC by 15.78 *per cent*. Incidentally, the growth of GSDP during 2011-12 exceeded the projection of the XIII FC. The average compound annual growth rate in respect of GSDP for Meghalaya between 2004-05 and 2011-12 was 13.48 *per cent.*

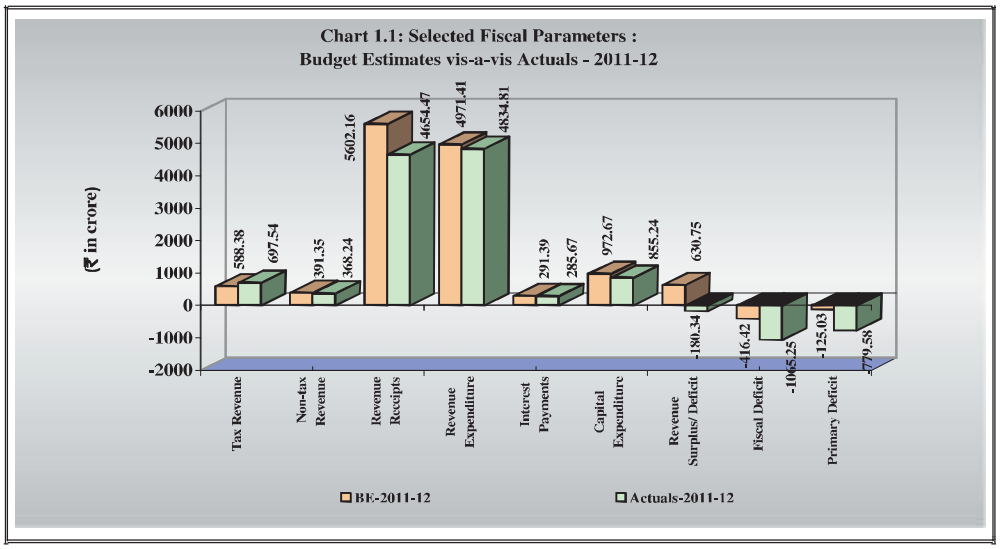
1.4 Budget Analysis

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 realisation 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 realisation 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 2010-11 (actuals) and 2011-12 (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 2011-12 over 2010-11 Budget Estimates and Revised Estimates and actuals of 2011-12

(₹ in crore)

Parameters	2010-11	2011-12			Percentage of Excess (+)/ Shortfall (-) with reference to	
	Actual	Budget Estimates (BE)	Revised Estimates (RE)	Actual	Actual of 2010-11	BE/RE
Tax Revenue	571.45	588.38	588.38	697.54	+ 22.06	+ 18.55
Non-Tax Revenue	301.53	391.35	391.35	368.24	+ 22.12	- 5.91
Revenue Receipts	4260.48	5602.16	5602.16	4654.47	+ 9.25	- 16.92
Non-debt Capital Receipts	27.25	22.00	22.00	22.71	- 16.66	+ 3.23
Revenue Expenditure	4012.74	4971.41[6]	4971.41	4834.81	+ 20.49	- 2.75
Interest Payments	256.93	291.39	291.39	285.67	+ 11.19	- 1.96
Capital Expenditure	574.73	972.67	972.67	855.24	+ 48.81	- 12.07
Disbursement of Loans & Advances	41.65	96.50	96.50	52.38	+ 25.76	- 45.72
Revenue Surplus (+)/ Deficit (-)	+ 247.74	+ 630.75	+ 630.75	- 180.34	-	-
Fiscal Deficit (-)	- 341.39	- 416.42	- 416.42	- 1065.25	+ 212.03	+ 155.81
Primary Deficit (-) / Surplus (+)	- 84.46	- 125.03	- 125.03	- 779.58	+ 823.02	+ 523.51



- During 2011-12, both the actual **revenue receipts** and **revenue expenditure** fell short of the budget estimates by 16.92 *per cent* and 2.75 *per cent* respectively.

- The **capital expenditure** *vis-à-vis* budget estimate was less by 12.07 *per cent* (₹ 117.43 crore).

- The year 2011-12 ended with a revenue deficit of ₹ 180.34 crore against assessment for revenue surplus of ₹ 630.75 crore made in the budget estimate for the year. Actual fiscal deficit and primary deficit during 2011-12 also far surpassed the assessment made in the budget estimate and revised estimate by 155.81 *per cent*

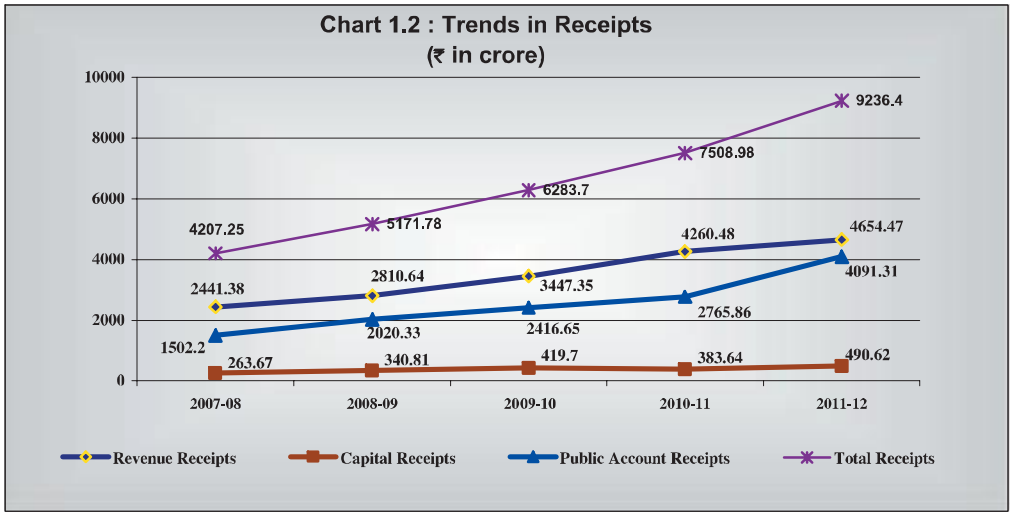
[6] Net estimates

(₹ 648.83 crore) and 523.51 *per cent* (₹ 654.55 crore) respectively mainly due to revenue deficit experienced during the year and substantial increase in capital expenditure. Substantial increase in fiscal deficit by ₹ 648.83 crore together with marginal decrease in interest payments by ₹ 5.72 crore compared to the budget estimates led to increase in primary deficit by 523.51 *per cent* (₹ 654.55 crore) than the assessment made in the budget estimate. 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 a genuine re-estimation of the requirements in the light of updated knowledge.

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. **Chart 1.2 and Table 1.5** depicts the trends in various components of the receipts of the State during 2007-12. **Chart 1.3** depicts the composition of resources of the State during the current year.



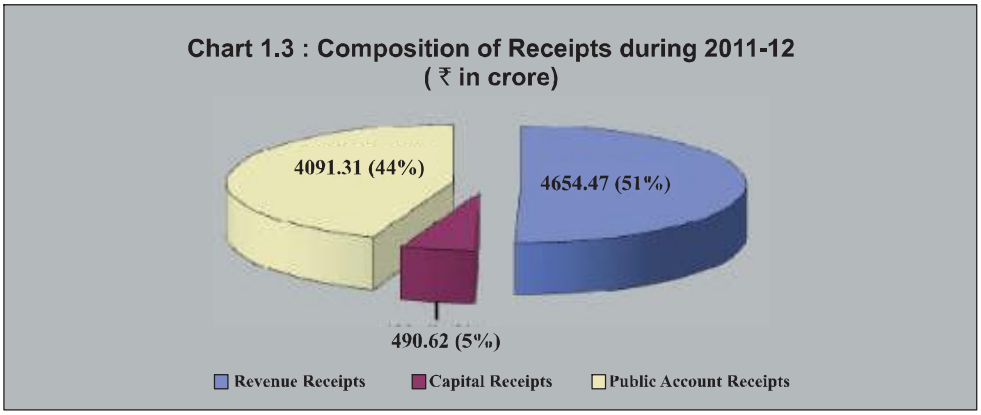


Table 1.5 : Trends in growth and composition of receipts

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

Sl. No.	Sources of State's Receipts	2007-08	2008-09	2009-10	2010-11	2011-12
I	**Revenue Receipts**	**2441.38**	**2810.64**	**3447.35**	**4260.48**	**4654.47**
II	**Capital Receipts (CR)**	**263.67**	**340.81**	**419.70**	**383.64**	**490.62**
	Miscellaneous Capital Receipts	-	-	-	-	**-**
	Recovery of Loans and Advances	16.49	18.26	16.68	27.25	**22.71**
	Public Debt Receipts	247.18	322.55	403.02	356.39	**467.91**
	Rate of growth of non-debt capital receipts	**- 3.62**	**10.73**	**- 8.65**	**63.37**	**- 16.66**
	Rate of growth of debt capital receipts	**0.46**	**30.49**	**24.95**	**- 11.57**	**31.29**
	Rate of growth of GSDP	**12.86**	**19.34**	**9.40**	**10.83**	**12.85**
	Rate of growth of CR	**0.19**	**29.26**	**23.15**	**- 8.59**	**27.89**
III	**Contingency Fund**	**-**	**-**	**-**	**99.00**	**-**
IV	**Public Account Receipts**	**1502.20**	**2020.33**	**2416.65**	**2765.86**	**4091.31**
	Small Savings, Provident Fund, *etc.*	101.46	106.55	121.56	155.74	**181.49**
	Reserve Funds	23.66	25.85	27.26	24.17	**39.90**
	Deposits and Advances	528.03	814.35	823.65	878.80	**1687.12**
	Suspense and Miscellaneous	- 18.67	9.69	- 39.89	- 40.85	**- 13.89**
	Remittances	867.72	1063.89	1484.07	1748.00	**2196.69**
	Total Receipts	**4207.25**	**5171.78**	**6283.70**	**7508.98**	**9236.40**

The **total receipts** during the current year has increased by ₹ 1727.42 crore (23 *per cent*) over the previous year. Of the increase in total receipts, public account receipts formed 76.73 *per cent* (₹ 1325.45 crore) followed by revenue receipts by 22.81 *per cent* (₹ 393.99 crore). Out of the total receipts under public account, remittances constituted 53.69 *per cent.* While 41.72 *per cent* (₹ 1706.98 crore) of the remittances have come from public works remittances, forest remittances (₹ 272.96 crore) and cash remittances between treasuries and currency chests (₹ 215.15 crore), together constituted 11.93 *per cent.*

The **total receipts** of the State for 2011-12 was ₹ 9236.40 crore, of which ₹ 4654.47 crore (50.39 *per cent*) came from revenue receipts and balance (49.61 *per cent*) came from recoveries of loans and advances, borrowings and Public Account. The total receipts of the State increased by 119.54 *per cent* from ₹ 4207.25 crore in 2007-08 to

₹ 9236.40 crore in 2011-12. The share of revenue receipts in total receipts of the State decreased by 7.64 *per cent* from 58.03 *per cent* in 2007-08 to 50.39 *per cent* in 2011-12. On the other hand, the capital receipts together with Public Account ranged between 41.94 *per cent* and 49.61 *per cent* of total receipts during 2007-12.

Revenue receipts increased steadily by 90.65 *per cent* from ₹ 2441.38 crore in 2007-08 to ₹ 4654.47 crore in 2011-12, whereas the debt capital receipts which create future repayment obligation increased by 89.3 *per cent* from ₹ 247.18 crore (5.88 *per cent* of total receipts) in 2007-08 to ₹ 467.91 crore (5.07 *per cent* of total receipts) in 2011-12. The Public Account receipts increased steadily from ₹ 1502.20 crore (35.71 *per cent* of total receipts) in 2007-08 to ₹ 4091.31 crore (44.3 *per cent* of total receipts) in 2011-12.

Capital receipts increased by around 86 *per cent* from ₹ 263.67 crore in 2007-08 to ₹ 490.62 crore in 2011-12. During the current year, the capital receipts accounted for 5.31 *per cent* of total receipts. The rate of growth of capital receipts increased from a negative 8.59 *per cent* in 2010-11 to a positive 27.89 *per cent* in 2011-12. The rate of growth of debt capital receipts, which is the main component of capital receipts, increased from a 0.46 *per cent* in 2007-08 to 31.29 *per cent* in 2011-12.

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 2011-12 for implementation of various schemes is given in **Appendix 1.4**. Scheme-wise position involving ₹ 5 crore or more are given in **Table 1.6.**

Table 1.6 : Funds Transferred directly to State Implementing Agencies

(₹ in crore)

Sl. No	Programme/ Scheme	Implementing Agency in the State	Funds transferred by GOI
1.	Central Rural Sanitation Programme	State Water and Sanitation Mission, Meghalaya	11.16
2.	DRDA Administration	DRDAs, West Garo Hills, West Khasi Hills, South Garo Hills, Ri Bhoi, Jaintia Hills, East Garo Hills, East Khasi Hills	6.67
3.	Economic Census	Deputy Commissioners, East Khasi Hills, West Garo Hills	15.50
4.	Electronic Governance	Meghalaya Information Technology Society	5.23

[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.*

Sl. No	Programme/ Scheme	Implementing Agency in the State	Funds trans-ferred by GOI
5.	Grant in Aid to NGOs for STs Including Coaching & Allied	R K Mission, R. K. Mission Ashrama Shillong , Meghalaya	6.43
6.	Integrated Watershed Management Programme	SLNA Meghalaya(Shillong)	9.83
7.	Mahatma Gandhi National Rural Employment Guarantee Act	DRDAs, West Garo Hills, West Khasi Hills, South Garo Hills, Ri Bhoi, Jaintia Hills, East Garo Hills, East Khasi Hills	284.98
8.	National AIDS Control Programme including STD Control	Meghalaya AIDS Control Society	5.86
9.	National Rural Drinking Water Program	SWSM Meghalaya, Shillong	95.89
10.	National Rural Health Mission	State Health Society, Meghalaya	70.12
11.	Pradhan Mantri Gram Sadak Yojana	State Rural Road Development Agency	38.00[8]
12.	Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	Sarva Shiksha Abhiyan State Mission Authority of Meghalaya	10.61
13.	Rural Housing –IAY	DRDAs, West Garo Hills, West Khasi Hills, South Garo Hills, Ri Bhoi, Jaintia Hills, East Garo Hills, East Khasi Hills	55.13
14.	Sarva Shiksha Abhiyan(SSA)	Sarva Shiksha Abhiyan State Mission Authority of Meghalaya	144.11
15.	Scheme for setting up of 6000 model schools at block	State Education Mission Authority of Meghalaya	15.03
16.	Support to Extension Programme for Extension	Meghalaya Small Farmers Agri-Business Consortium Agency	2.89
Total			**777.44**

Source: Central Plan Scheme Monitoring System of CGA website.

The Government of India directly transferred ₹ 814.90 crore (approximately) to various State Implementing Agencies during 2011-12. Of ₹ 814.90 crore, ₹ 144.11 crore (about 18 *per cent*) was transferred to SSA State Education Mission Authority. ₹ 55.13 crore was transferred to DRDA (6.77 *per cent*) for utilisation in Rural Housing IAY Scheme. 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.

An analysis on how these funds are being transferred and utilised for the purposes for which they are sanctioned is carried out based on the data/information obtained for three programmes, *viz.*, Pradhan Mantri Gram Sadak Yojana, Sarva Shiksha Abhiyan and National Rural Drinking Water Programme, which revealed the following:

- ***Pradhan Mantri Gram Sadak Yojana***

Pradhan Mantri Gram Sadak Yojana (PMGSY) was launched by the Government of India (GOI) in December 2000 with the objective of connecting every habitation that had a population of 1,000 or more through good all weather roads within three years, i.e., by 2003 and habitations with 500 people or more, by the end of Tenth Plan (2007). The PMGSY is executed in the State by the District Project Implementation

[8] World Bank Assisted Projects (₹ 37 crore); Assistance to District Rural Development Agencies/Other Executing Agencies, *etc.* (₹ 1 crore)

Unit (DPIUs) of all the seven districts headed by an Executive Engineer under the supervision of State Rural Road Development Agency (SRRDA) headed by the Empowered Officer.

According to the information furnished (December 2012) by the Chief Engineer (Standard) cum Empowered Officer, SRRDA, GOI released ₹ 37 crore during 2011-12. Of this, expenditure of ₹ 23.12 crore was incurred during 2011-12 leaving an unspent balance of ₹ 13.88 crore. However, information regarding submission of utilisation certificate to GOI, though called for in October 2012, had not been furnished.

➢ ***Sarva Shiksha Abhiyan***

Sarva Shiksha Abhiyan (SSA) was launched by GOI in January 2001 to provide useful and relevant elementary education to all children in the age group 6-14 years. The SSA was being implemented in Meghalaya in October 2002 by the SSA State Education Mission Authority (SEMA). Table below shows the position of funds received *vis-à-vis* releases under SSA programme during 2011-12:

Table 1.7

(₹ in crore)

Opening balance	Fund released and received by Implementing Agencies			Miscella-neous receipts	Total fund available	Expen-diture	Unspent balance (*per cent*)
	GOI	State	Total				
65.10	144.11	18.30	162.41	22.19	249.70	197.79	51.91(21)

Source: Information furnished by the State Project Director, SSA State Education Mission Authority.

From the above table it is noticed that the SEMA could not utilise 21 *per cent* of the funds available during 2011-12. Utilisation certificates for the fund utilised has not yet been furnished. The State Project Director (SPD), SSA SEMA stated (August 2012) that the utilisation certificate would be furnished after completion of statutory audit.

➢ ***National Rural Drinking Water Programme***

National Rural Drinking Water Programme (NRDWP) was launched by GOI in September 2009. The main objective of the programme is to provide adequate safe drinking water in rural habitations.

According to the information furnished (November 2012) by the Chief Engineer (CE), PHE, Meghalaya (responsible for implementation of the programme in the State), during 2011-12, GOI released ₹ 93.11 crore as programme funds (excluding release of ₹ 2.78 crore for support organisation) to the State Implementing Agency of NRDWP, Meghalaya. Out of the total fund of ₹ 116.37 crore (including opening balance: ₹ 23.10 crore and Interest earned: ₹ 0.16 crore) available with the implementing agency during 2011-12, expenditure of ₹ 83.19 crore was incurred during the year leaving an unspent balance of ₹ 33.18 crore as of 31 March 2012. The CE, PHE stated (November 2012) that utilisation certificate had been furnished to GOI.

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 2007-12 are presented in **Appendix 1.2** and also depicted in **Charts 1.4** and **1.5** respectively. The trends in revenue receipts relative to GSDP are presented in **Table 1.8.**

Chart 1.4 : Trends in Revenue Receipts
(₹ in crore)

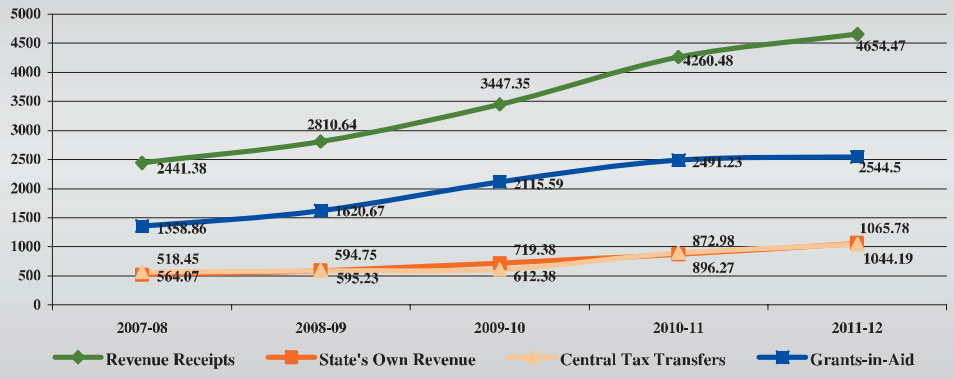


Chart 1.5 : The Composition of Revenue Receipts during 2007-12
(₹ in crore)

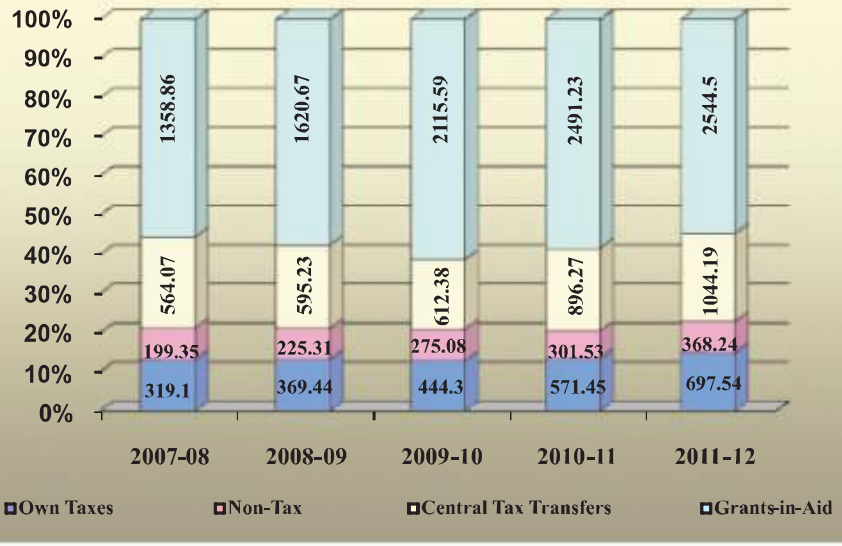


Table 1.8 : Trends in Revenue Receipts relative to GSDP

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Receipts (RR) (₹ in crore)	**2441.38**	**2810.64**	**3447.35**	**4260.48**	**4654.47**
Rate of Growth of RR (*per cent*)	13.97	15.13	22.65	23.59	9.25
Rate of Growth of Own Taxes (*per cent*)	4.71	15.99	20.26	28.62	22.06
RR/GSDP (*per cent*)	25.08	24.19	27.13	30.25	29.28
Buoyancy Ratio[9]					
Revenue Buoyancy Ratio with reference to GSDP	1.09	0.78	2.41	2.18	0.72
State's Own Taxes Buoyancy Ratio with reference to GSDP	0.37	0.83	2.16	2.64	1.72
State's Own Taxes Buoyancy Ratio with reference to Revenue Receipts	0.34	1.06	0.89	1.21	2.38

1.6.1 General Trends

The **revenue receipts** of the State increased by ₹ 2213.09 crore from ₹ 2441.38 crore in 2007-08 to ₹ 4654.47 crore in 2011-12. There were, however, wide inter-year variations in the growth rates, which decreased to 9.25 *per cent* in 2011-12 from 23.59 *per cent* during the preceding year. All the components of revenue receipts have exhibited increases in absolute terms over the period 2006-11. The buoyancy ratios of revenue receipts and the State's own tax revenue with reference to GSDP have decreased primarily due to significant decrease in the rates of growth of revenue receipts and the rate of growth own tax revenue in 2011-12 relative to the previous year against the increase in the rate of growth of GSDP. 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 three years (2008-09, 2010-11 and 2011-12) and was fastest during the current year i.e., 2011-12.

1.6.2 Central Tax Transfers

The **Central Tax transfers** increased significantly by 16.5 *per cent* (₹ 147.92 crore) over the previous year and constituted 22.43 *per cent* of revenue receipts. The increase was mainly due to transfer of additional amount of ₹ 60.67 crore as corporation tax during 2011-12 (₹ 410.94 crore) compared to previous year (₹ 350.27 crore). The central tax transfers also contributed around 37.54 *per cent* of the incremental revenue receipts (₹ 393.99 crore) during the year.

[9] Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance revenue buoyancy at 0.72 during 2011-12 implies that revenue receipts tend to increase by 0.72 percentage points, if the GSDP increases by one *per cent*.

1.6.3 Grants-in-Aid

Details of Grants-in-aid from the GOI are given in **Table 1.9.**

Table 1.9 : Grants-in-Aid from the GOI

(₹ in crore)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Non-Plan Grants	461.02	439.92	377.12	664.07	527.07
Grants for State Plan Schemes	645.42	957.88	1394.56	1427.57	1702.64
Grants for Central Plan Schemes	3.69	8.18	26.24	12.58	16.29
Grants for Centrally Sponsored Plan Schemes	178.75	158.99	251.01	315.15	242.27
Grants for Special Plan Schemes	69.98	55.70	66.66	71.86	56.23
Total	**1358.86**	**1620.67**	**2115.59**	**2491.23**	**2544.50**
Percentage of increase over previous year	***12.68***	***19.27***	***30.54***	***17.76***	***2.14***

Grants-in-aid from the GOI have marginally increased by 2.14 *per cent* (₹ 53.27 crore) from ₹ 2491.23 crore in 2010-11 to ₹ 2544.50 crore in the current year and contributed 13.52 *per cent* of the incremental revenue receipts during the year. Within the plan grants, while grants for State Plan Schemes increased by 19.27 *per cent* (₹ 275.07 crore), grants for Centrally Sponsored Plan Schemes and Special Plan Schemes decreased by 23.13 *per cent* (₹ 72.88 crore) and 21.75 *per cent* (₹ 15.63 crore) respectively. The major increase under State Plan Schemes was in the form of grants of ₹ 600 crore released as 'Special Central Assistance for the Schemes/Projects'. Compared to previous years, receipts of grants for Centrally Sponsored Plan Schemes declined significantly mainly due to release of less grants under National Programme of Mid Day Meal in Schools (₹ 101.24 crore).

The Non-Plan grants (₹ 527.07 crore) constitute 20.71 *per cent* of the total grants during the year, of which 60.52 *per cent* (₹ 319 crore) was primarily for meeting the non-plan revenue deficit. Other components of non-plan grants mainly included grants for (i) State specific needs (₹ 56.25 crore), (ii) local bodies (₹ 38.69 crore), (iii) maintenance of roads and bridges (₹ 23 crore) and (iv) maintenance of forests (₹ 21.01 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 1.10 and 1.11** below show the trends of tax and non-tax revenue during the years 2007-12 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 2011-12.

Table 1.10 : Tax Revenue

(₹ in crore)

Heads	2007-08	2008-09	2009-10	2010-11	2011-12		
					Budget Estimate	Actuals	Variations Increase (+) Shortfall (-) (*per cent*)
Taxes on Sales, Trade, *etc.*	234.89	281.83	321.40	409.88	418.20	512.50	+ 94.30 (22.55)
State Excise	58.62	69.79	90.29	104.50	124.42	131.50	+ 7.08 (5.69)
Taxes on Vehicles	11.35	13.21	13.61	19.19	18.59	31.12	+ 12.53 (67.40)
Stamps and Registration Fees	5.99	5.54	11.02	10.76	12.29	9.08	- 3.21 (26.12)
Land Revenue	2.12	0.50	0.26	17.11	3.23	2.40	- 0.83 (25.70)
Other Taxes[10]	6.13	- 1.43	7.72	10.01	11.65	10.94	- 0.71 (6.09)
Total	**319.10**	**369.44**	**444.30**	**571.45**	**588.38**	**697.54**	**+ 109.16 (18.55)**

Table 1.11 : Non-Tax Revenue

(₹ in crore)

Heads	2007-08	2008-09	2009-10	2010-11	2011-12		
					Budget Estimate	Actuals	Variations Increase (+) Shortfall (-) (*per cent*)
Interest receipts, dividends and profits	**15.39**	**17.85**	**23.32**	**24.75**	**23.70**	**27.21**	**+ 3.51(14.81)**
General Services	**28.67**	**46.48**	**17.53**	**24.15**	**33.20**	**35.57**	**+ 2.37 (7.14)**
Social Services	**2.84**	**3.85**	**8.84**	**5.77**	**18.93**	**7.36**	**- 11.57 (61.12)**
Economic Services	**152.45**	**157.13**	**225.39**	**246.86**	**315.52**	**298.10**	**- 17.42 (5.52)**
Non-ferrous Mining and Metallurgical Industries	123.66	132.73	198.21	215.58	276.42	262.58	-13.84 (5.01)
Forestry and Wild life	15.60	17.36	20.03	22.05	25.05	26.03	+ 0.98 (3.91)
Other Economic Services	13.19	7.04	7.15	9.23	14.05	9.49	- 4.56 (32.46)
Total	**199.35**	**225.31**	**275.08**	**301.53**	**391.35**	**368.24**	**- 23.11 (5.91)**

1.6.4.1 Tax Revenue

Tax revenue has increased by around 22 *per cent* during the current year (₹ 697.54 crore) over the previous year (₹ 571.45 crore). The revenue from sales tax contributed the major share of tax revenue (73.47 *per cent*) and it increased by 25.03 *per cent* over the previous year. State excise and Taxes on Vehicles were the other major contributors in the State's tax revenue. *The tax-GSDP ratio (4.39 per cent) during 2011-12 was also marginally higher than the projection (4.08 per cent) made by the XIII FC.* The CAGR of tax revenue between 2002-03 and 2010-11 was 18.71 *per cent*, which has marginally increased to 19.08 *per cent* between 2002-03 and 2011-12.

[10] 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.

➢ *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 2009-10 to 2011-12 along with the relevant all India average percentage of expenditure on collection to gross collections are mentioned below.

Table 1.12

(₹ 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 on Sales, Trade, *etc.*	2009-10	321.39	6.80	2.12	*0.88*
		2010-11	409.89	8.71	2.12	*0.96*
		2011-12	512.50	10.33	2.02	*0.75*
2.	State Excise[11]	2009-10	90.29	7.23	8.01	*3.66*
		2010-11	104.50	9.95	9.52	*3.64*
		2011-12	131.50	10.80	8.21	*3.05*
3.	Taxes on Vehicles	2009-10	13.61	3.89	28.58	*2.93*
		2010-11	19.19	4.86	25.33	*3.07*
		2011-12	31.12	5.15	16.55	*3.71*

As can be seen from the above table, the cost of collection of Taxes on Sales, Trade, *etc.*, State Excise and Taxes on Vehicles increased during 2011-12 compared to previous year. The percentage of expenditure on collection during 2011-12 as compared to the all India average percentage of preceding year was also on the higher side, which is indicative of the fact that the excess expenditure incurred on collection of revenue might impede the path of improvement towards achieving a healthy fiscal path in the State.

1.6.4.2 Non-Tax Revenue

The non-tax revenue (NTR), which constituted around 8 *per cent* of the total revenue receipts, has increased by ₹ 66.71 crore during 2011-12 recording a growth rate of 22.12 *per cent* over the previous year. Around 81 *per cent* (₹ 298.10 crore) of non-tax revenue during 2011-12 was received from economic services and within this category, receipts under non-ferrous mining and metallurgical industries alone contributed 88.08 *per cent* (₹ 262.58 crore). This was mainly due to receipts of additional amount of ₹ 41.85 crore under Mineral concession fees, rents and royalties during the current year over that of previous year. The CAGR of non-tax revenue for Meghalaya between 2002-03 and 2010-11 (15.87 *per cent*) has also marginally increased to 16.55 *per cent* between 2002-03 and 2011-12.

➢ *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.**

[11] Department's figures.

Table 1.13 : Cost Recovery – 2011-12

(₹ in lakh)

Particulars	Non-tax revenue receipts	Non-plan revenue expenditure	Cost Recovery (*per cent*)
Secondary Education	29.26	14466.20	0.20
Medical & Public Health	135.08	13151.99	1.03
Water Supply & Sanitation	374.11	10777.12	3.47
Roads & Bridges	12.72	11736.99	0.11
Minor Irrigation	23.89	1925.41	1.24

As can be seen from above, while the cost recovery for water supply and sanitation during 2011-12 was 3.47 *per cent*, for minor irrigation, medical and public health, secondary education and roads and bridges the percentages were 1.24, 1.03, 0.20 and 0.11 respectively. However, there was increase in the cost recovery under water supply and sanitation, medical and public health and minor irrigation and decrease under secondary education and roads and bridges during the current year as compared to previous year.

1.6.4.3 Own resources vis-à-vis assessments made by the Twelfth/Thirteenth Finance Commissions

The mobilisation of State's own resources *vis-à-vis* assessments made by the XII FC (2007-10)/XIII FC (2010-12) and State Government in its own Fiscal Correction Path (2007-10)/Budget Estimate (BE) (2010-12) are given below:

Table 1.14

(₹ in crore)

Year	Assessment made by XII FC/ XIII FC			Assessment made by State Government in Fiscal Correction Path (FCP)/BE			Actuals		
	Tax Revenue	Non-Tax Revenue	Total	Tax Revenue	Non-Tax Revenue	Total	Tax Revenue	Non-Tax Revenue	Total
2007-08	311.87	199.54	511.41	331.93	176.23	508.16	319.10	199.35	518.45
2008-09	353.04	220.57	573.61	383.27	195.96	579.23	369.44	225.31	594.75
2009-10	399.64	243.55	643.19	464.00	216.12	680.12	444.30	275.08	719.38
2010-11	490.09	283.78	773.87	461.81	261.22	723.03	571.45	301.53	872.98
2011-12	560.00	298.57	858.57	588.38	391.35	979.73	697.54	368.24	1065.78

The State has **successfully achieved** the target fixed by XII FC/XIII FC in collection of tax revenue during 2007-12. During 2011-12, tax revenue was 24.56 *per cent* higher than the assessment made by the XIII FC and 18.55 *per cent* higher than the assessment made in the budget estimate for the year. The non-tax revenue was 23.33 *per cent* higher than the assessment made by the XIII FC. However, the State could not achieve the target for collection of non-tax revenue during 2011-12 as projected in the budget estimate for the year, as the actual collection fell short of 5.91 *per cent* compared to the budget estimate.

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

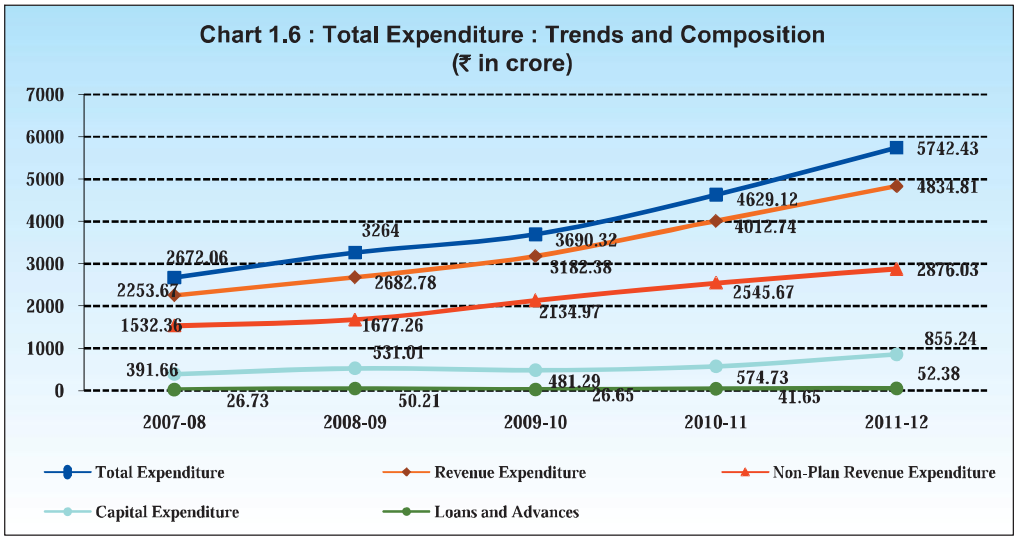
The total expenditure and its compositions during the years 2007-08 to 2011-12 are presented in the **Table 1.15**.

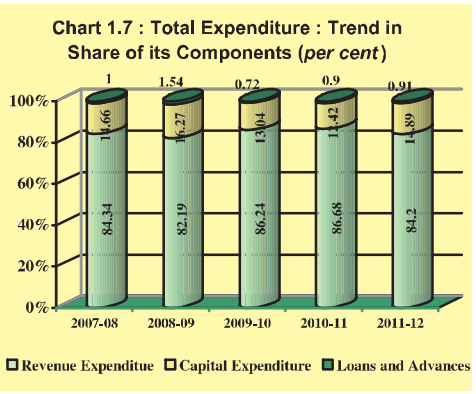
Table 1.15 : Total expenditure and its compositions

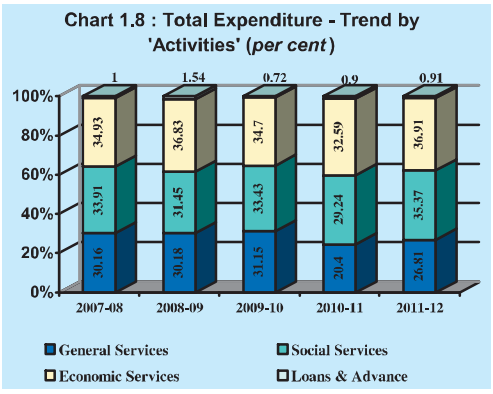
(₹ in crore)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Total Expenditure	**2672.06**	**3264.00**	**3690.32**	**4629.12**	**5742.43**
Revenue Expenditure	2253.67	2682.78	3182.38	4012.74	4834.81
Of which, Non-plan Revenue Expenditure	*1532.36*	*1677.26*	*2134.97*	*2545.67*	*2876.03*
Capital Expenditure	391.66	531.01	481.29	574.73	855.24
Loans and Advances	26.73	50.21	26.65	41.65	52.38

Chart 1.6 presents the trends in total expenditure over a period of five years (2007-12) 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 ₹ 3070.37 crore (114.91 *per cent*) from ₹ 2672.06 crore in 2007-08 to ₹ 5742.43 crore in 2011-12. 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	2007-08	2008-09	2009-10	2010-11	2011-12
Total Expenditure (TE) (₹ in crore)	2672.06	3264.00	3690.32	4629.12	5742.43
Rate of growth (*per cent*)	19.64	22.15	13.06	25.44	24.05
TE/GSDP ratio (*per cent*)	27.45	28.10	29.04	32.86	36.13
RR/TE ratio (*per cent*)	91.37	86.11	93.42	92.04	81.05
Buoyancy of Total Expenditure with reference to:					
GSDP (ratio)	1.53	1.15	1.39	2.35	1.87
RR (ratio)	1.41	1.46	0.58	1.08	2.60

The increase of ₹ 1113.31 crore (24.05 *per cent*) in total expenditure during 2011-12 over previous year was mainly on account of increase of ₹ 822.07 crore in revenue expenditure followed by increase in capital expenditure and disbursement of loans and advances by ₹ 280.51 crore and ₹ 10.73 crore respectively. While the share of plan expenditure constituted 49.51 *per cent* (₹ 2843.19 crore) of the total expenditure, the remaining 50.49 *per cent* (₹ 2899.24 crore) was non-plan expenditure. During the current year, 81.05 *per cent* (₹ 4654.47 crore) of the total expenditure was met from revenue receipts. The buoyancy of total expenditure to GSDP stood at 1.87 in 2011-12 due to growth rate of total expenditure at much greater pace as compared to that of GSDP. Similarly, the buoyancy ratio of total expenditure to revenue receipts stood at 2.6 indicating increase in expenditure at a pace much higher than the receipt.

In terms of the activities, total expenditure is composed of expenditure on general services including interest payments, social and economic services, grants-in-aid and loans and advances. Of the total expenditure during 2011-12, expenditure on general services and interest payments, which is considered as non-developmental,

together accounted for 26.81 *per cent*. On the other hand, expenditure on social and economic services together accounted for 72.28 *per cent* during 2011-12. The relative share of social services increased from 32.59 *per cent* in 2010-11 to 35.37 *per cent* in 2011-12. The relative share of economic services, which ranged between 34.7 *per cent* and 37.27 *per cent* during the last four year period 2007-11, has decreased to 36.91 *per cent* in 2011-12 compared to 37.27 *per cent* during the preceding year. Loans and advances revealed wide fluctuations during the period 2007-12 and stood at 0.91 *per cent* of total expenditure during 2011-12.

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

(₹ in crore)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Expenditure (RE)	2253.67	2682.78	3182.38	4012.74	4834.81
Of which					
Non-Plan Revenue Expenditure (NPRE)	1532.36 (67.99)	1677.26 (62.52)	2134.97 (67.09)	2545.67 (63.44)	2876.03 (59.49)
Plan Revenue Expenditure (PRE)	721.30 (32.01)	1005.52 (37.48)	1047.41 (32.91)	1467.07 (36.56)	1958.78 (40.51)
Rate of Growth of					
RE (*per cent*)	18.15	19.04	18.62	26.09	20.49
NPRE (*per cent*)	14.27	9.46	27.29	19.24	12.98
PRE (*per cent*)	27.33	39.40	4.17	40.01	33.52
Ratio (*per cent*)					
RE as percentage of TE	84.34	82.19	86.24	86.68	84.19
NPRE/GSDP (*per cent*)	15.74	14.44	16.80	18.07	18.09
NPRE as percentage of TE	57.35	51.39	57.85	54.99	50.08
NPRE as percentage of RR	62.77	59.68	61.93	59.75	61.79
Buoyancy Ratio of Revenue Expenditure with					
GSDP	1.41	0.98	1.98	2.41	1.59
Revenue Receipts	1.30	1.26	0.82	1.11	2.22

(Figures in brackets represent percentages to revenue expenditure)

Revenue expenditure constituted around 82 *per cent* to 87 *per cent* of total expenditure during 2007-12 and increased by 114.53 *per cent* from ₹ 2253.67 crore in 2007-08 to ₹ 4834.81 crore in 2011-12. The non-plan revenue expenditure (NPRE) during the same period increased from ₹ 1532.36 crore to ₹ 2876.03 crore. However, as a percentage of total revenue expenditure, NPRE declined from 67.99 *per cent* in 2007-08 to 59.49 *per cent* in 2011-12. As a result, plan revenue expenditure (PRE), which normally covers the maintenance expenditure incurred on services, increased

its share in total revenue expenditure from 32.01 *per cent* during 2007-08 to 40.51 *per cent* during 2011-12.

The NPRE constituted a dominant share of 59.49 *per cent* in the revenue expenditure during 2011-12 and has increased by ₹ 330.36 crore over the previous year. The growth of NPRE during 2011-12 decreased to 12.98 *per cent* against 19.24 *per cent* during the previous year. The increase in NPRE during 2011-12 was mainly due to increase in expenditure under general education (₹ 64.91 crore) followed by transport (₹ 33.99 crore), welfare of scheduled castes, scheduled tribes and other backward classes (₹ 13.98 crore) and industry and minerals (₹ 13.92 crore). PRE, which normally covers the maintenance expenditure incurred on services, has also increased by ₹ 491.71 crore over previous year. However, the growth of PRE during 2011-12 (33.52 *per cent*) declined from 40.01 *per cent* during the preceding year mainly due to decline in the growth of expenditure under agriculture and allied activities (- 16.97 *per cent* in 2011-12 against 83.92 *per cent* in 2010-11) and health and family welfare (7.12 *per cent* during 2011-12 against 55.55 *per cent* during 2010-11).

The NPRE at ₹ 2876.03 crore during 2011-12 was 33.55 *per cent* (₹ 722.48 crore) higher than the normatively assessed level of ₹ 2153.55 crore by XIII FC (**Table 1.18).**

Table 1.18 : Non-Plan Revenue Expenditure during 2011-12: Actuals *vis-à-vis* Normative Assessment by XIII FC

(₹ in crore)

Sectors	XIII FC Recommendations	Actuals
Salary	976.12	1324.62
Interest Payments	295.55	285.67
Pension	226.22	375.79
Other General Services	177.07	182.16
Social Services	320.09	469.11
Economic Services	158.50	238.68
Total	**2153.55**	**2876.03**

Except for interest payments during 2011-12, the actual expenditure incurred on all other components of NPRE was more than the assessments made by the XIII FC. The total NPRE during 2011-12 also exceeded the projection made by the State Government in its Budget (₹ 2597.47 crore) by 10.72 *per cent* (₹ 278.56 crore).

According to the recommendation of the XIII FC, "*the practice of diversion of plan assistance to meet non-plan needs of special category states should be discontinued to leave these states with adequate plan expenditure*". During 2011-12, the revenue receipts of Meghalaya, excluding Plan assistance (₹ 2017.43 crore), was ₹ 2637.04 crore. Against this, the NPRE during the year was ₹ 2876.03 crore. Obviously, plan assistance was diverted for non-plan heads and thus, the State could not adhere to the recommendation of the XIII FC.

1.7.1.3 Components of Revenue Expenditure

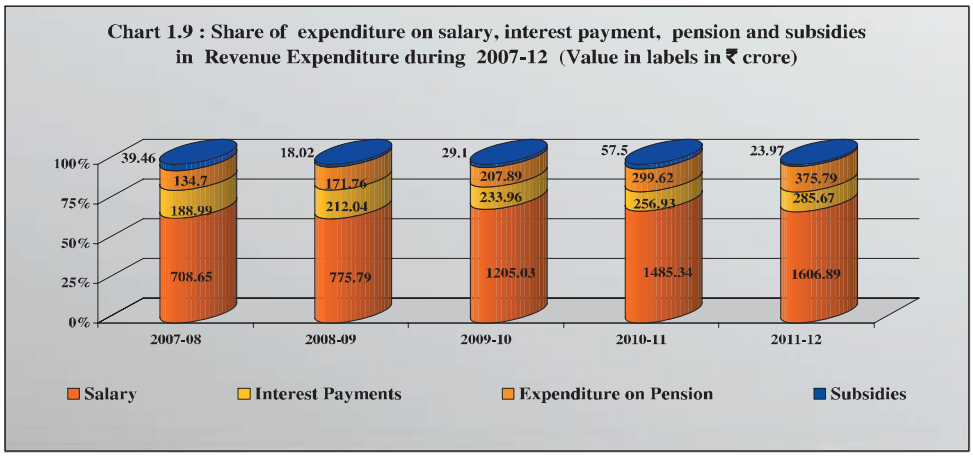
The expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.19** and **Chart 1.9** present the trends in the expenditure on these components during 2007-12.

Table-1.19 : Components of Revenue Expenditure

(₹ in lakh)

Components of Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12
Salary	708.65 (29.03)	775.79 (27.6)	1205.03 (34.95)	1485.34 (34.86)	1606.89 (34.52)
Of which					
Non-Plan Head	*590.54 (24.19)*	*640.48 (22.79)*	*999.36 (28.99)*	*1231.40 (28.90)*	*1324.62 (28.46)*
Plan Head	*118.11 (4.84)*	*135.31 (4.81)*	*205.67 (5.97)*	*253.94 (5.96)*	*282.27 (6.06)*
Interest Payments	188.99 (7.74)	212.04 (7.54)	233.96 (6.79)	256.93 (6.03)	285.67 (6.14)
Expenditure on Pension and other retirement benefits	134.70 (5.52)	171.76 (6.11)	207.89 (6.03)	299.62 (7.03)	375.79 (8.07)
Subsidies	39.46 (1.62)	18.02 (0.64)	29.10 (0.84)	57.50 (1.35)	23.97 (0.51)
Other Components of revenue expenditure, i.e, other than salary, interest payments, pension and subsidies	1181.87 (48.41)	1505.17 (53.55)	1506.40 (43.70)	1913.35 (44.91)	2542.49 (54.62)

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



1.7.1.4 Salary

Salary alone during 2011-12 accounted for around 35 *per cent* of the revenue receipts of the State during the year. It increased by 8.18 *per cent* from ₹ 1485.34 crore in 2010-11 to ₹ 1606.89 crore in 2011-12. Increase in the expenditure on salary was contrary to the commitment made by the State Government in its 'Fiscal Policy Strategy Statement' for the year 2011-12 that *effort would be made to reduce expenditure on salaries through an objective analysis of the relevance of existing posts and abolition of posts identified as redundant.* Expenditure on salary under

non-plan head during 2011-12 increased by ₹ 93.22 crore (7.57 *per cent*) over the previous year, whereas this expenditure under plan head increased by ₹ 28.33 crore (11.16 *per cent*) over the previous year. *The non-plan revenue expenditure on salary component during 2011-12 was also significantly higher by around 36 per cent (₹348.50 crore) than the assessment made by the XIII FC for the State (₹976.12 crore).*

1.7.1.5 Interest Payments

Interest payments increased by 51.16 *per cent* from ₹ 188.99 crore in 2007-08 to ₹ 285.67 crore in 2011-12. Compared to previous year, interest payments during 2011-12 increased by 11.19 *per cent.* Interest payments were mainly on market loans (₹ 141.72 crore), State Provident Funds (₹ 52.46 crore), Special Securities issued to National Small Savings Fund of the Central Government (₹ 43 crore), loans and advances received from Central Government (₹ 24.03 crore) and other internal debts (₹ 23.85 crore). Of the total interest payments during the year, around 50 *per cent* (₹ 141.72 crore) were paid on market borrowings. *The overall interest payments (₹ 285.67 crore) was, however, lower than the projections made by the XIII FC (₹ 295.55 crore) as well as budget estimates (₹ 291.39 crore) of the year.*

1.7.1.6 Pension Payments

The pension payments (including other retirement benefits) indicated an increasing trend during the five year period 2007-12. Pension payments during the current year have increased by ₹ 76.17 crore, an increase of over 25 *per cent* over the previous year. The comparative analysis of actual pension payments and the assessment/projection made by XIII FC and the State Government shows that actual pension payment exceeded the assessment made by XIII FC by ₹ 149.57 crore and the projection made by the State Government in its Budget for the year 2011-12 by ₹ 139.89 crore as shown in (**Table 1.20**).

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

(₹ in crore)

Year	Assessment made by XII FC/XIII FC	Assessment made by the State Government in		Actuals	Expenditure in excess of Assessment made in the		
		FCP	Budget		XII FC/XIII FC	FCP	Budget
2007-08	106.45	113.40	113.38	134.70	28.25 (26.54)	21.30 (18.78)	21.32 (18.80)
2008-09	117.10	122.47	125.57	171.76	54.66 (46.68)	49.29 (40.25)	46.19 (36.78)
2009-10	128.81	132.27	176.00	207.89	79.08 (61.39)	75.62 (57.17)	31.89 (18.12)
2010-11	205.66	(NA)	201.65	299.62	93.96 (45.69)	(NA)	97.97 (48.58)
2011-12	226.22	(NA)	235.90	375.79	149.57 (66.12)	(NA)	139.89 (59.30)

(*Figures in brackets represent percentages*). NA: Not available.

GOI introduced a defined, contribution based New Pension System (NPS) with effect from 01 April 2004 to cover all new entrants to government service. According to the

recommendations of the XIII FC, the migration to the NPS needs to be completed at the earliest. The NPS for the employees of the GOM had been adopted since 1st April 2010.

1.7.1.7 Subsidies

Table 1.19 shows that the expenditure on payment of subsidies decreased by 58.31 *per cent* from ₹ 57.50 crore in 2010-11 to ₹ 23.97 crore during 2011-12. The decrease of ₹ 33.53 crore is mainly due to payment of less subsidy under fisheries by ₹ 36.30 crore during the current year over previous year.

1.7.2 Capital Expenditure

Capital expenditure during the current year (2011-12) significantly increased by ₹ 280.51 crore over previous year mainly due to increased expenditure on housing and urban development (₹ 96.02 crore), transport (₹ 95.77 crore) and water supply and sanitation (₹ 53.95 crore). The capital expenditure during 2011-12 constituted 14.89 *per cent* of total expenditure during the year against 12.42 *per cent* during the preceding year. Though there was an increase in capital expenditure during the current year compared to the previous year, the State Government failed to fulfill its commitment made in the budget estimate for incurring capital expenditure during the year (₹ 972.67 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.*

(₹ in crore)

Financial Assistance to Institutions	2007-08	2008-09	2009-10	2010-11	2011-12	
					Budget Estimate	Actuals
University and Educational Institutions	243.31	244.61	291.70	379.02	622.42	590.54
Co-operative Societies	1.80	1.92	0.64	0.65	19.63	3.18
District Councils	11.85	16.93	1.05	10.92	16.06	2.86
Municipalities	1.92	2.29	1.97	3.00	2.85	2.89
Power sector	100.26	209.51	110.65	114.52	447.26	179.10
Other Institutions[12]	8.87	3.87	34.66	33.20	73.08	48.14
Total	**368.01**	**479.13**	**440.67**	**541.31**	**1181.30**	**826.71**
Assistance as percentage of RE	16.33	17.86	13.85	13.49	21.34	17.10

[12] **Other Institutions (figures for 2011-12 in brackets)**: National Rural Health Mission (₹ 15 crore), Emergency Management Research Institute (₹ 10 crore), Hospitals and Dispensaries run by Voluntary organisations for patients suffering from TB, Cancer and other fell diseases (₹ 3.86 crore), Forest Development Corporation of Meghalaya (₹ 1.18 crore), Meghalaya Tourism Development Corporation (₹ 1.15 crore), Mawmluh Cherra Cements Ltd. (₹ 3 crore), Financial Institution (₹ 4.24 crore), State Board for Prevention and Control of Water Pollution/Meghalaya State Pollution Control Board (₹ 3.10 crore), Small & Marginal Farmers (₹ 2.10 crore), Khadi Industries (₹ 2.66 crore) and Voluntary organisation, Housing Board, Meghalaya State Medical Plant Board, *etc.* (₹ 1.85 crore).

The financial assistance extended to the above local bodies and other institutions with inter-year variations increased by 52.72 *per cent* from ₹ 541.31 crore in 2010-11 to ₹ 826.71 crore in 2011-12. The share of financial assistance in revenue expenditure increased from 13.49 *per cent* in 2010-11 to 17.1 *per cent* during the current year. However, the State Government was successful to restrict the expenditure on payment of financial assistance within the projection made in its annual budget for the year 2011-12.

University and Educational Institutions were the major recipients as around 72 *per cent* of the total financial assistance during 2011-12 was given to them. The assistance under this sector increased by 55.81 *per cent,* i.e. from ₹ 379.02 crore during 2010-11 to ₹ 590.54 crore during the current year. Of ₹ 590.54 crore, ₹ 364.99 crore was given to Non-Government Primary Schools and ₹ 152.85 crore to Non-Government Secondary Schools. Out of ₹ 48.14 crore given to other institutions, major share (₹ 15 crore) was paid to National Rural Health Mission followed by Emergency Management Research Institute and Non-Government Organisation (₹ 10 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 Efficiency of Expenditure Use

In view of the importance of public expenditure for social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods[13]. Apart from improving the allocation towards development expenditure[14], 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 1.22** 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 1.23** provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

[13] As defined in Appendix 1.1

[14] As defined in Appendix 1.1.

Table 1.22 : Development Expenditure

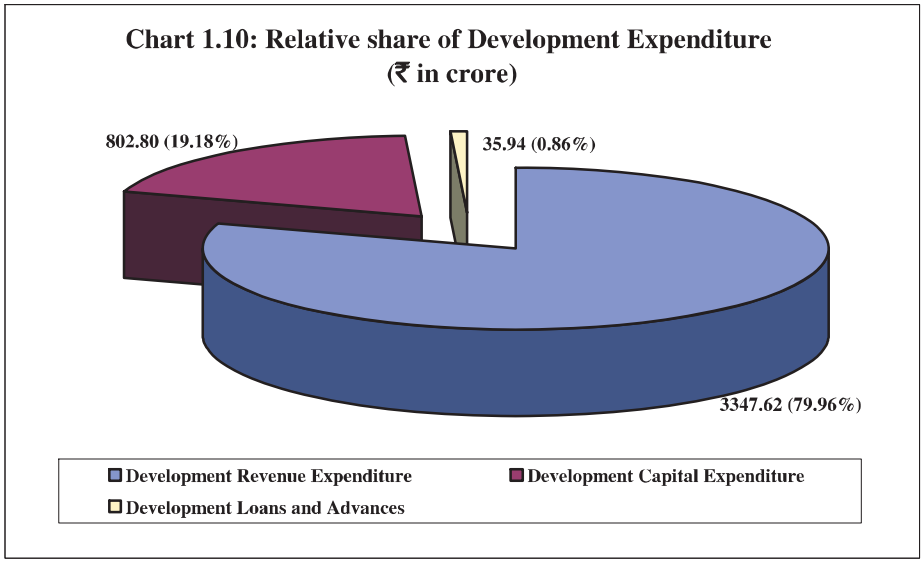
(₹ in crore)

Components of Development Expenditure	2007-08	2008-09	2009-10	2010-11	2011-12	
					BE (Net)	Actuals
Development Expenditure (a to c)	**1858.91 (69.57)**	**2271.96 (69.61)**	**2524.80 (68.42)**	**3260.49 (70.43)**	**4567.35 (75.81)**	**4186.36 (72.90)**
a. Development Revenue Expenditure	1475.39 (55.22)	1745.26 (53.47)	2081.39 (56.40)	2695.94 (58.24)	3590.23 (59.59)	3347.62 (58.30)
b. Development Capital Expenditure	363.97 (13.62)	483.44 (14.81)	432.89 (11.73)	538.09 (11.62)	896.60 (14.88)	802.80 (13.98)
c. Development Loans and Advances	19.55 (0.73)	43.26 (1.33)	10.52 (0.29)	26.46 (0.57)	80.52 (1.34)	35.94 (0.62)

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

The development expenditure increased by 28.4 *per cent* over previous year. During the current year, though the State Government earmarked 75.81 *per cent* of the estimated aggregate expenditure for development expenditure, this assessment fell short by 2.91 *per cent* at the end of the year, as only 72.9 *per cent* of the aggregate expenditure during 2011-12 was incurred for development purposes. The relative share of development expenditure during 2011-12 given in **Chart 1.10** below showed that 79.96 *per cent* of the development expenditure was incurred on revenue account and only 19.18 *per cent* was utilised for capital expenditure.

Chart 1.10: Relative share of Development Expenditure (₹ in crore)



Predominant share of revenue expenditure in development expenditure indicated that more emphasis was given on maintenance of the current level of services (including 13.23 *per cent* of revenue expenditure on salary under social services and 6.92 *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 1.23 : Efficiency of Expenditure Use in Selected Social and Economic Services

(In *per cent*)

Social/Economic Infrastructure	2010-11		2011-12	
	Ratio of Capital Expenditure to Total Expenditure[15]	In Revenue Expenditure, the share of Salary	Ratio of Capital Expenditure to Total Expenditure[15]	In Revenue Expenditure, the share of Salary
Social Services (SS)	**8.80**	**43.52**	**14.20**	**36.71**
General Education	1.15	38.38	0.25	30.97
Technical Education, Sports, Arts and Culture	1.32	32.46	1.32	20.04
Health and Family Welfare	6.77	71.11	11.31	73.74
Water Supply & Sanitation, Housing and Urban Development	37.84	44.31	57.15	40.37
Other SS	3.15	23.40	0.28	18.45
Economic Services (ES)	**23.50**	**23.88**	**24.27**	**20.85**
Agriculture and Allied Activities	3.63	33.13	5.33	38.92
Irrigation & Flood Control	69.85	52.05	53.84	27.82
Energy	-	-	-	-
Transport	73.46	-	73.67	-
Other ES	11.06	21.32	8.81	15.99

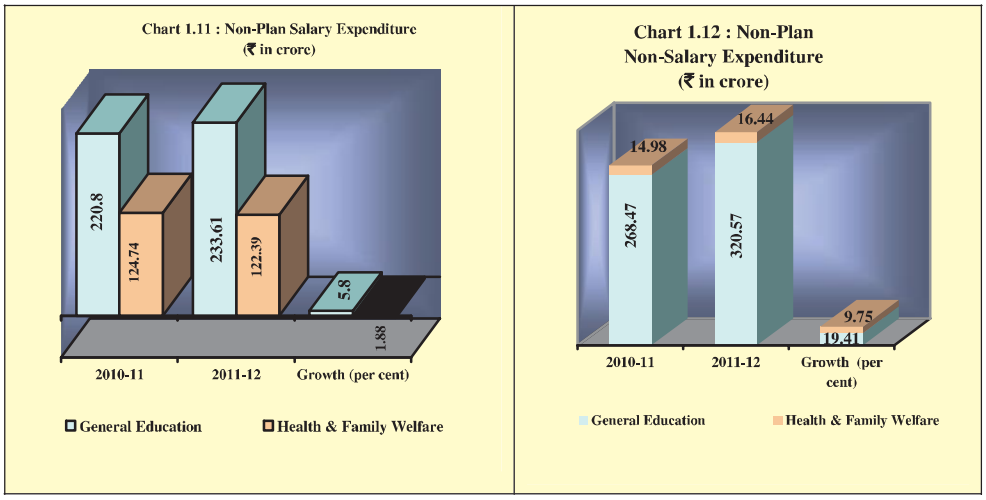
Social Services

The trends presented in **Table 1.23** reveal that development capital expenditure as a percentage of total expenditure constitute only 14.2 *per cent* in 2011-12, which indicated that the revenue expenditure was dominant. While there was significant improvement in the share of capital expenditure during 2011-12 under Health and Family Welfare and Water Supply and Sanitation, Housing and Urban Development, there was deterioration in the share of capital expenditure during the year under General Education compared to 2010-11.

Of the revenue expenditure on social services, the share of salary component has declined from 43.52 *per cent* in 2010-11 to 36.71 *per cent* in 2011-12. The non-salary and wage expenditure on social services has increased by 42.53 *per cent* during 2010-11 from ₹ 773.72 crore in 2010-11 to ₹ 1102.76 crore in 2011-12. Within the priority sectors, non-salary and wage component continue to have the dominant share under education, sports, art and culture and water supply, sanitation, housing and urban development. High salary and wage expenditure during 2010-11 (71.11 *per cent*) and 2011-12 (73.34 *per cent*) was observed under health and family welfare services.

Charts 1.11 and **1.12** provide non-plan salary and non-salary expenditure under social services (general education and health and family welfare) incurred during 2010-12.

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



The expenditure on non-plan salary and wage component during 2011-12 under general education sector marginally increased by 5.8 *per cent*, under health and family welfare sector it declined by 1.88 *per cent*. A mitigating factor was the increase in non-salary (non-plan) expenditure under both general education and health and family welfare sectors by 19.41 *per cent* and 9.75 *per cent* respectively during 2011-12 over previous year. However, increase in the salary component of revenue expenditure under health and family welfare during 2011-12 (73.74 *per cent*) over that of previous year (71.11 *per cent*) was a matter of concern. Thus, expenditure pattern under this sector needs correction in the ensuing years.

Economic Services

The expenditure on economic services (including loans and advances) during 2011-12 (₹ 2155.49 crore) accounted for 37.54 *per cent* of the total expenditure[16] and 51.49 *per cent* of the development expenditure during the year. Out of the total expenditure on economic services during the current year, 24.61 *per cent* was incurred on agriculture and allied activities, 20.87 *per cent* on transport and 14.5 *per cent* on rural development.

The trends in revenue and capital expenditure on economic services indicate that capital expenditure consistently increased from ₹ 211.49 crore in 2007-08 to ₹ 514.40 crore (143.23 *per cent*) in 2011-12. The share of capital expenditure on economic services to total of revenue and capital expenditure on economic services marginally increased to 24.27 *per cent* during 2011-12 from 23.5 *per cent* in 2010-11. Revenue expenditure consistently increased from ₹ 721.84 crore in 2007-08 to ₹ 1605.15 crore (122.37 *per cent*) in the current year. An increase of ₹ 225.24 crore (21.61 *per cent*) under economic services of revenue expenditure during 2011-12 over the previous year was mainly due to the increase under general economic services (₹ 118.34 crore), rural development (₹ 70.49 crore), energy (₹ 52.26 crore) and transport (₹ 33.29 crore), partly offset by decrease under agriculture and allied activities (₹ 50.23 crore).

[16] Revenue expenditure + Capital expenditure + Disbursement of Loans and Advances

Salary component within the revenue expenditure on economic services as a percentage of the total expenditure on economic sector reduced from 23.88 *per cent in 2010-11 to* 20.85 *per cent* 2011-12 despite it increase from ₹ 315.13 crore in 2010-11 to ₹ 334.62 crore (6.18 *per cent*) during the current year.

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

According to the information furnished (July 2012) by the Directorate of Programme Implementation and Evaluation, GOM (**Appendix 1.5**), in 18 cases under different programmes, the physical targets fixed by the departments concerned for the year 2011-12 were not achieved. Details of significant shortfall in achievement of targets are given in **Table 1.24** below:

Table 1.24

(₹ in crore)

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure		Physical Achievement/Outcome of the Programme		
		Outlay	Expendi-ture	Performance Indicator	Targets	Achievement/ Outcome (Percentage of shortfall)
1.	Sarva Shiksha Abhiyan (SSA)	168.83	197.83	Number of activities	8,45,741	7,12,080 (16)
2.	Mid Day Meal Programme Foodgrains distributed	6.50	6.29	Foodgrain in MT	11,856.00	8,779.88 (26)
3.	Special Nutrition Programme (SNP) in ICDS Areas	66.08	65.85	Number of beneficiaries	6,48,973	5,25,805 (19)
4.	Total Sanitation Campaign (TSC)	96.37	86.41	Number of habitations	3,01,833	2,18,198 (28)
5.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	197.86	197.86	Length of road - Phase V (in Km)	183.6	98.01 (47)
6.	Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)	347.84	234.61	Number of villages	1,866	1,172 (37)

Source: Information furnished (July 2012) by the Directorate of Programme Implementation and Evaluation, GOM.

As can be seen from the above table, shortfall in achievement of targets under the above schemes ranged between 16 *per cent* and 47 *per cent*. Out of all the above programmes, major shortfall in achievement of targets (47 *per cent*) during 2011-12 was under Pradhan Mantri Gram Sadak Yojana.

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 2011-12, as of 31 March 2012, there were 107 ongoing projects in the State. Of these, 14 projects were targeted for completion on or before 31 March 2012, 60 projects were stipulated for completion after March 2012 and the target dates for the remaining 33 projects are not available.

An expenditure of ₹ 26.43 crore (till March 2012) was incurred on the 14 projects (total estimated cost of ₹ 40.03 crore) those were targeted for completion on or before 31 March 2012 but remained incomplete. Out of these 14 projects, four projects remained incomplete for one to three years. The revised cost of one incomplete project increased by 25.22 *per cent* from ₹ 1.71 crore (estimated cost) to ₹ 2.15 crore (revised cost) resulting in a total cost overrun of ₹ 0.44 crore.

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 per Statement 14 of Finance Accounts for the year 2011-12, as of 31 March 2012, the State Government had invested ₹ 337.07 crore in two Statutory Corporations (₹ 71.11 crore), eight Government Companies (₹ 188.51 crore) and 1,449 Co-operative Banks and Societies (₹ 77.45 crore). Details are given in **Table 1.25.**

Table 1.25 : Return on Investment

Investment/Return/Cost of Borrowings	2007-08	2008-09	2009-10	2010-11	2011-12
Investment at the end of the year (₹ in crore)					
(i) Statutory Corporations	40.34	40.79	70.91	71.11	71.11
(ii) Government Companies	102.59	112.92	152.51	177.51	188.51
(iii) Co-operative Societies	43.86	46.72	62.77	67.17	77.45
Total	**186.79**	**200.43**	**286.19**	**315.79**	**337.07**
Return (₹ in crore)	0.02	0.03	0.04	0.03	0.08
Return (*per cent*)	0.01	0.01	0.01	0.01	0.02
Average rate of interest on Government borrowing *(per cent)*	6.40	6.32	6.34	6.51	6.22
Difference between interest rate and return (*per cent*)	6.39	6.31	6.33	6.50	6.20

On the investments made, Government earned a return of merely ₹ 0.08 crore in 2011-12 which is more than that of 2010-11 by ₹ 0.05 crore. The return on investment was very low at less than one *per cent* during 2007-12 while the average rate of interest paid during the period ranged between 6.22 *per cent* and 6.51 *per cent.*

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. Out of ₹ 188.51 crore invested in Government Companies, ₹ 188.46 crore was invested in seven ailing Companies, which had accumulated loss of ₹ 98.71 crore. Similarly, out of ₹ 77.45 crore invested in co-operative banks/societies, ₹ 19.68 crore was invested in 1,091 loss making co-operative banks/societies. Working results of one Government company and 304 co-operative banks/societies had not been intimated (August 2012).

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 for other purposes, e.g., loans for power projects, loans to Government servants, loans for tourism, *etc.* **Table 1.26** presents the outstanding loans and advances as on 31 March 2012, interest receipts *vis-à-vis* interest payments during the last five years**.**

Table 1.26 : Average Interest Received on Loans and Advances given by the State Government

(₹ in crore)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Opening Balance	468.72	478.96	510.91	520.88	535.28
Amount advanced during the year	26.73	50.21	26.65	41.65	52.38
Amount recovered during the year	16.49	18.26	16.68	27.25	22.71
Closing Balance	478.96	510.91	520.88	535.28	564.95
Net Addition	10.24	31.95	9.97	14.40	29.67
Interest Receipts	1.65	2.04	2.59	4.62	4.83
Interest received as *per cent* to outstanding Loans and Advances	0.35	0.41	0.50	0.87	0.88
Interest payments as *per cent* to outstanding fiscal liabilities of the State Government	6.40	6.32	6.34	6.51	6.22
Difference between interest payments and receipts (*per cent*)	6.05	5.91	5.84	5.64	5.34

Loans and advances given by the State Government during 2011-12 increased by around 25.76 *per cent* over previous year. During 2007-12, recovery of loans and advances was ₹ 101.39 crore against ₹ 197.62 crore advanced during the period. The total outstanding loans and advances as on 31 March 2012 was ₹ 564.95 crore. *As the current level of recovery on loans advanced by the states is extremely poor, the XIII FC projected the interest receipts of states on a normative basis without linking it to the current level. Outstanding loans and advances at the end of 2009-10 have been projected by XIII FC as constant over the projection period and applied an interest rate of 7 per cent to these outstanding loans and taken as the interest receipt in each of the years*. Interest receipt of ₹ 4.83 crore on loans and advances by GOM during 2011-12 constituted around 0.93 *per cent* only of the outstanding loans and advances at the end of 2009-10 (₹ 520.88 crore) and thus, much below the interest rate of 7 *per cent* as applied by XIII FC.

1.9.4 Cash Balances and Investment of Cash balances

Table 1.27 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.27 : Cash Balances and Investment of Cash Balances

(₹ in crore)

Particulars	As on 1st April 2011	As on 31 March 2012	Increase(+)/ decrease (-)
Cash Balances[17]	**350.71**	**371.27**	**+ 20.56**
Investments from Cash Balances (a & b)	**844.20**	**301.22**	**- 542.98**
a. GOI Treasury Bills	835.45	292.47	- 542.98
b. GOI Stock/Securities	8.75	8.75	…
Fund-wise break-up of Investment from Earmarked balances (a & b)	**98.25**	**115.81**	**+ 17.56**
a. Sinking Fund Investment Account	98.22	115.78	+ 17.56
b. Other Development and Welfare Fund	0.03	0.03	-
Interest realised on investment of cash balances	**20.09**	**22.30**	**+ 2.21**

Cash balances of the State Government at the end of the current year increased from ₹ 350.71 crore in 2010-11 to ₹ 371.27 crore in 2011-12. As on 31 March 2012, the State Government has invested ₹ 292.47 crore in GOI Treasury Bills and ₹ 8.75 crore in GOI stock/securities. During 2011-12, interest of ₹ 22.30 crore was earned on investment of cash balances. Further, the Government invested ₹ 115.81 crore in Sinking Fund and Development and Welfare Fund as of March 2012.

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.

During the years 2007-08 to 2011-12, 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

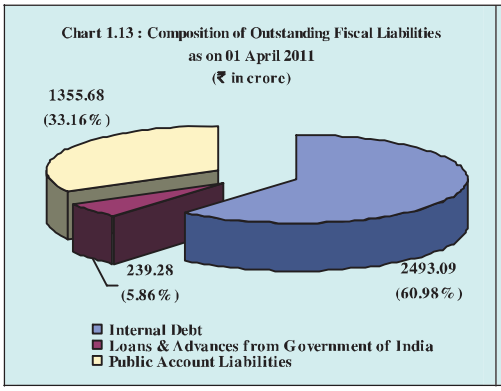
In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.3** gives an abstract of such liabilities and the assets as on 31 March 2012, compared with the corresponding position on 31 March 2011. While the liabilities in this Appendix consist mainly of

[17] Excluding investment of earmarked funds.

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 1.2.** 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.**



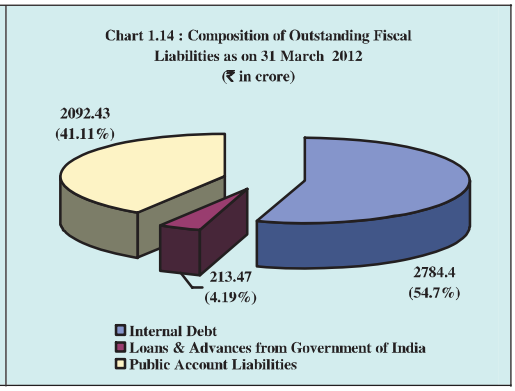


Table 1.28 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP to revenue receipts and State's own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

Table 1.28 : Fiscal Liabilities – Basic Parameters

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Fiscal Liabilities[18] (₹ in crore)	3140.71	3572.95	3802.62	4088.28	5090.30
Rate of Growth (*per cent*)	13.73	13.76	6.43	7.51	24.51
Ratio of Fiscal Liabilities to					
GSDP (*per cent*)	32.26	30.76	29.92	29.02	32.02
Revenue Receipts (*per cent*)	128.64	127.12	110.31	95.96	109.36
Own Resources (*per cent*)	605.79	600.75	528.60	468.31	477.61
Buoyancy of Fiscal Liabilities to					
GSDP (ratio)	1.07	0.71	0.68	0.69	1.91
Revenue Receipts (ratio)	0.98	0.91	0.28	0.32	2.65
Own Resources (ratio)	2.29	0.93	0.31	0.35	1.11

Fiscal liabilities of ₹ 5090.30 crore during 2011-12 consist of internal debt, e.g., market loans bearing interest, loans from financial institutions, Special Securities issued to National Small Savings Fund of the Central Government, *etc.* (₹ 2784.40 crore), loans and advances from Central Government (₹ 213.47 crore), small savings, provident funds, *etc.* (₹ 731.39 crore) and other liabilities, e.g., Reserve Funds and

[18] Includes Internal Debt, Loans and Advances from Government of India, Small Savings, Provident Funds, *etc.*, Reserve Funds and Deposits.

Deposits (₹ 1361.04 crore). Overall fiscal liabilities of the State increased from ₹ 3140.71 crore in 2007-08 to ₹ 5090.30 crore in 2011-12. The growth rate in 2011-12 was 24.51 *per cent* over the previous year. The ratio of fiscal liabilities to GSDP increased from 29.02 *per cent* in 2010-11 to 32.02 *per cent* in 2011-12. These liabilities stood at 1.09 times of the revenue receipts and 4.78 times of the State's own resources at the end of 2011-12. The buoyancy of these liabilities with respect to GSDP during the year was 1.91 indicating that for each one *per cent* increase in GSDP, fiscal liabilities grew by 1.91 *per cent.*

As per the recommendations of the XIII FC, fiscal consolidation path embodies the steady reduction in augmented debt stock of the states to less than 25 per cent of GDP by 2014-15. The State Government, in its Fiscal Policy Strategy (FPS) Statement of 2011-12, also committed to put in place a better debt management mechanism which would attempt to limit the outstanding debt-GSDP ratio as per limit recommended by the XIII FC. Further, as per the Medium Term Fiscal Policy (MTFP) Statement for the year 2011-12, the estimated Debt-GSDP ratio was 24.79 *per cent.* As can be seen from the **Table 1.28** above, the fiscal liabilities to GSDP ratio during 2011-12 increased to 32.02 *per cent* in 2011-12 against *29.02 per cent* during the previous year. Thus, neither the projection made in the MTFP Statement was fulfilled, nor there was any indication to fulfill the commitment made in the FPS Statement.

During 1999-2000, the State Government constituted a 'Consolidated Sinking Fund' for redemption and amortisation of open market loans. In 2011-12, the Government has appropriated ₹ 17.56 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 2007-08 are given in **Table 1.29**.

Table 1.29 : Guarantees given by GOM

(₹ in crore)

Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Maximum amount guaranteed	954.16	1083.19	1033.34	948.79	1002.85
Outstanding amount of guarantees (including interest)	750.63	990.25	953.74	1110.77	1293.20
Percentage of maximum amount guaranteed to total revenue receipts	39.08	38.54	29.97	22.27	21.55

Government has guaranteed loans raised by various Corporations and others, which at the end of 2011-12 stood at ₹ 1293.20 crore (including interest). Bulk of the guaranteed amount (₹ 1292.20 crore) was outstanding against the power sector for repayment of principal and payment of interest on loans from Rural Electrification Corporation (₹ 475.03 crore), Housing and Urban Development Corporation

(₹ 151.92 crore), short term loans, bonds, *etc.* (₹ 525.61 crore) and Federal Bank and IOB (₹ 139.64 crore). The outstanding amount of guarantees is in the nature of contingent liabilities, which was about 22 *per cent* of revenue receipts of the State during 2011-12. *In order to provide for sudden discharge of the states' obligations on guarantees, the XII FC recommended that state should set up guarantee redemption funds. However, the Guarantee Redemption Fund was constituted by GOM only in June 2011.*

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 stabilisation[19]; sufficiency of non-debt receipts[20]; net availability of borrowed funds[21]; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.30** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from 2007-08.

Table 1.30 : Debt Sustainability: Indicators and Trends

(₹ in crore)

Indicators of Debt Sustainability	2007-08	2008-09	2009-10	2010-11	2011-12
Debt Stabilisation (Quantum Spread + Primary Deficit)	153.20	185.86	117.00	79.81	- 508.53
Sufficiency of Non-debt Receipts (Resource Gap)	- 140.29	- 220.91	+ 208.81	- 115.10	- 723.86
Net Availability of Borrowed Funds	190.12	220.20	- 4.29	28.73	716.35
Burden of Interest Payments (IP/RR) (*per cent*)	7.74	7.54	6.79	6.03	6.14

Table 1.30 reveals that during 2007-08 to 2010-11, the quantum spread together with primary deficit remained positive, but this turned negative in the current year. The debt-GSDP ratio (**Appendix 1.2**) was at its lowest in 2010-11 (29.02 *per cent)*, increased to 32.02 *per cent* during 2011-12 and *was much higher than the projection (24.79 per cent) made by the State Government in its MTFP Statement for 2011-12.*

[19] As defined in Appendix 1.1.

[20] As defined in Appendix 1.1.

[21] As defined in Appendix 1.1.

The trends in resource gap indicate the oscillation between positive and negative magnitudes. The resource gap has been negative in four out of five year period indicating that the incremental non-debt receipts were not sufficient to meet the incremental primary expenditure and interest burden. The situation has been worsened during 2011-12 when the resource gap has been increased to a negative ₹ 723.86 crore. These trends indicate that State needs to make sustainable efforts to mobilize more resources to meet the incremental liabilities arising on account of additional primary expenditure and interest payment during the year.

The trends in debt redemption ratio has fluctuated widely during 2007-11 and decreased to 67.6 *per cent* during 2011-12 against 97.79 *per cent* during the previous year (**Appendix 1.2).** During the current year, Government repaid ₹ 1494.80 crore as principal and interest on internal debt (₹ 366.52 crore), loans and advances from Central Government (₹ 69.32 crore) and other liabilities[22] (₹ 1058.96 crore), as a result of which the borrowed funds of ₹ 716.35 crore were available at the end of the year. However, 6.53 *per cent* (₹ 50.07 crore) of the net funds available from internal debt and other obligations (₹ 766.42 crore) was used to meet the repayment obligation of the loans and advances from the Central Government. The maturity profile of the State debt is given in **Table 1.31**.

Table 1.31 : Maturity Profile of State Debt

(₹ in crore)

Maturity Profile[(a)]	Amount	*Per cent*
0-1 year	177.03	5.57
Over 1 year to 3 years	318.05	10.00
Over 3 years to 5 years	481.97	15.16
Over 5 years to 7 years	621.70	19.55
Over 7 years and above	1580.72	49.72
Total	**3179.47**	**100**

[(a)] As per Finance Accounts.

The maturity profile of the State's debt during the current year indicates that out of the outstanding debt stock of ₹ 3179.47 crore, over 50 *per cent* (₹ 1598.75 crore) is payable within the next seven years while the remaining 50 *per cent* are to be paid in more than seven years time. Since there was no fiscal surplus during the last five years (2007-12), the Government will have to borrow further to discharge the expenditure obligations unless there is adequate fiscal surplus. Ideally, further borrowings in future should be made in such a way that there is no bunching of repayments in any particular year as that will cause undue stress on the budget.

1.12 Fiscal Imbalances

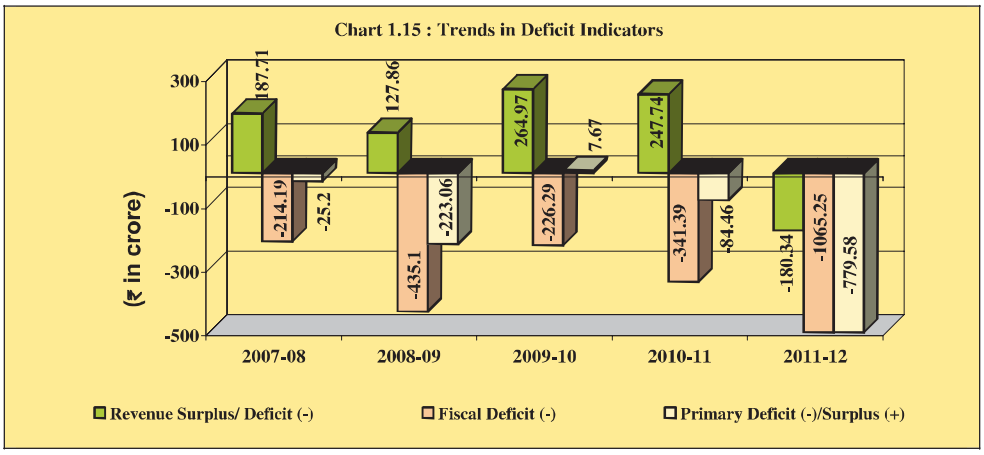
Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of

[22] Small Savings, Provident Funds, Reserve Funds, Deposits, *etc.*

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 2011-12.

1.12.1 Trends in Deficits

Charts 1.15 and **1.16** present the trends in deficit indicators over the period 2007-12.



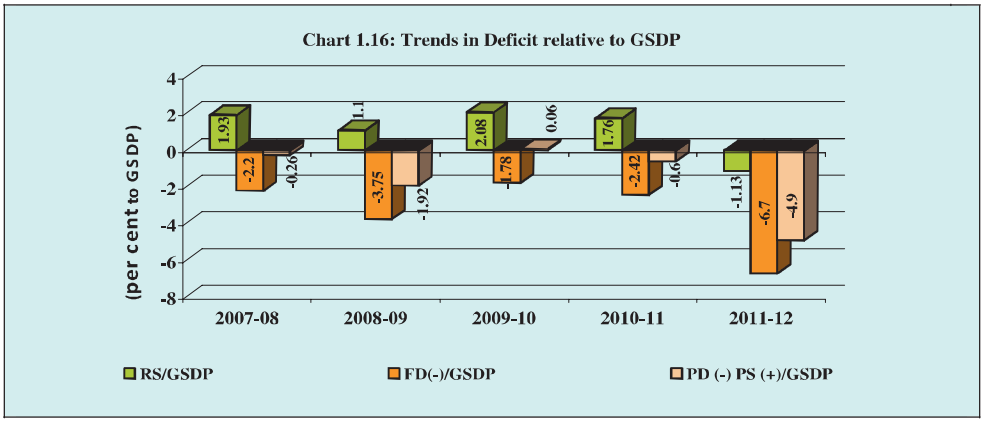


Chart 1.15 reveals that the State has become a revenue deficit State from its status of revenue surplus as the revenue surplus which was ₹ 247.74 crore during 2010-11 turned to revenue deficit of ₹ 180.34 crore due to disproportionate growth of revenue expenditure (20.49 *per cent*) *vis-à-vis* revenue receipts (9.25 *per cent*). Despite achieving growth rate of about 22 *per cent* under State Own resources during the current year, the main reason for lower growth rate of revenue receipt was due to mere 2 *per cent* growth rate in receipt under grants-in-aid from GOI, which constituted more than 50 *per cent* of revenue receipts of the State. The commitment made by the State Government in MFRBM Act, 2006 (as amended) *to maintain revenue surplus during 2011-12 to 2014-15 as recommended by the XIII FC*, thus, remained unfulfilled during 2011-12.

The fiscal deficit, which represents the total borrowings of the Government and its total resource gap, increased from ₹ 341.39 crore in 2010-11 to an exorbitant amount of ₹ 1065.25 crore during 2011-12. The revenue deficit during the current year against revenue surplus during the previous year compounded with increase in capital expenditure (₹ 280.51 crore) as well as in loans and advances disbursed (₹ 10.73 crore) over the previous year led to an increase in fiscal deficit by ₹ 723.86 crore during the current year.

As per the recommendations of the XIII FC, *all special category states with base fiscal deficit of less than 3 per cent of GSDP in 2007-08 could incur a fiscal deficit of 3 per cent in 2011-12 and maintain it thereafter.* GOM also agreed in the MFRBM Act, 2006 (as amended) to reduce fiscal deficit to 3 *per cent* of GSDP or less during 2011-15 of the award period of the XIII FC. The fiscal deficit-GSDP ratio was at 6.7 *per cent* during 2011-12. Thus, GOM failed to restrict this ratio as per recommendation of the XIII FC and its own commitment in the MFRBM Act, 2006 (as amended).

The primary deficit during 2011-12 also increased significantly by ₹ 695.12 crore over previous year. A sharp increase of ₹ 723.86 crore in fiscal deficit and a moderate increase in interest payment (₹ 28.74 crore) resulted in a primary deficit of ₹ 779.58 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 1.32.**

Table 1.32 : Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)

Sl. No.	Particulars	2007-08	2008-09	2009-10	2010-11	2011-12
Decomposition of Fiscal Deficit (1 + 2 + 3)						
	Fiscal Deficit	**214.19**	**435.10**	**226.29**	**341.39**	**1065.25**
1.	Revenue Surplus (-)/ Deficit (+)	- 187.71	- 127.86	- 264.97	- 247.74	+ 180.34
2.	Net Capital Expenditure	391.66	531.01	481.29	574.73	855.24
3.	Net Loans and Advances	10.24	31.95	9.97	14.40	29.67
Financing Pattern of Fiscal Deficit[(a)]						
1.	Market Borrowing	147.49	186.32	191.66	120.00	208.55
2.	Loans from GOI	- 14.70	- 53.38	- 18.33	- 19.05	- 26.04
3.	Special Securities issued to NSSF	8.82	5.80	61.43	89.82	47.14
4.	Loans from Financial Institutions	6.50	15.08	25.23	24.54	35.62
5.	Small Savings, PF, *etc.*	45.83	45.58	67.65	84.30	105.08
6.	Reserve Funds	- 9.35	0.20	7.02	- 4.14	14.30
7.	Deposits and Advances	194.51	232.62	- 105.14	- 10.12	617.37
8.	Suspense and Miscellaneous	- 36.65	58.54	- 39.71	- 28.89	- 18.42
9.	Remittances	- 1.05	15.57	- 25.03	- 4.49	102.21
10.	Increase (-) / Decrease (+) in Cash Balances	- 127.21	- 71.23	+ 61.51	+ 89.42	- 20.56
	Percentage to GSDP	**2.20**	**3.75**	**1.78**	**2.42**	**6.70**

[(a)] All these figures are net of disbursements/outflows during the year.

There were fiscal deficit during the five year period ending 2011-12, which peaked to ₹ 1065.25 crore during 2011-12 against ₹ 341.29 crore during previous year. During 2011-12, fiscal deficit was primarily financed through market borrowing, special securities issued to National Small Savings Fund (NSSF) of the Central Government, deposits and advances and small savings, provident fund, *etc.*

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 1.33)** 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 1.33 : Primary Deficit/Surplus – Bifurcation of Factors

(₹ 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)
2007-08	2457.87	2064.68	391.66	26.73	2483.07	393.19	- 25.20
2008-09	2828.90	2470.74	531.01	50.21	3051.96	358.16	- 223.06
2009-10	3464.03	2948.42	481.29	26.65	3456.36	515.61	+ 7.67
2010-11	4287.73	3755.81	574.73	41.65	4372.19	531.92	- 84.46
2011-12	4677.18	4549.14	855.24	52.38	5456.76	128.04	- 779.58

The bifurcation of the factors resulting into primary deficit or surplus of the State during 2007-12 reveals that in four (2007-09 and 2010-12) out of five years, the State experienced primary deficit, 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[23] requirements, but was not adequate for capital expenditure and loans and advances except during the year 2009-10. The extent of the primary deficit during 2011-12 has been mainly on account of (i) increase in capital expenditure by ₹ 280.51 crore compared to previous year, which may be desirable to improve the productive capacity of the State's economy and (ii) decrease in primary revenue surplus by ₹ 403.88 crore during current year which need to be addressed.

[23] 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.

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

Information regarding framing of any policy on PPP and particulars of PPP projects under execution in the State, though called for (July 2012) from the Finance Department, GOM, had not been furnished (October 2012). As such, the position of PPP projects in the State could not be ascertained by Audit.

A PPP partnership involves several risks, e.g., feasibility/organisational 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

Revenue Receipts

Revenue receipts during 2010-11 grew by 9.25 *per cent* (₹ 393.99 crore) over previous year. The tax revenue and non-tax revenue receipts exceeded normative assessment made by XIII FC by 24.56 *per cent* and 23.33 *per cent* respectively. But State's own resources (tax and non-tax revenue) contributed 48.94 *per cent* of the incremental revenue receipts during 2011-12 (₹ 393.99 crore). Whereas Central transfers comprising State's share of central taxes and grants-in-aid from the Government of India increased by ₹ 201.19 crore in 2011-12 and contributed 51.06 *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 percentage of expenditure on collection of taxes was much higher than the all India average percentage of preceding year.

The State Government should explore the possibilities to mobilise additional resources both through tax and non-tax sources by expanding the tax base and rationalizing the user ch

CHAPTER-II

FINANCIAL MANAGEMENT AND BUDGETARY CONTROL

CHAPTER II
Financial Management and Budgetary Control

2.1 Introduction

Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimates, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those 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.

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.

2.2 Summary of Appropriation Accounts

The summarised position of actual expenditure during 2011-12 against 58 Grants and five Appropriations is given in **Table 2.1**:

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

(₹ in crore)

	Nature of expenditure	Original Grant/ Appro-priation	Supplemen-tary Grant/ Appropria-tion	Total	Actual expendi-ture	Saving (-)/ Excess (+)
Voted	I. Revenue	4652.86	553.11	5205.97	4532.28	(-)673.69
	II. Capital	972.66	48.84	1021.50	855.24	(-)166.26
	III. Loans and Advances	96.50	3.00	99.50	52.38	(-) 47.12
Total Voted		**5722.02**	**604.95**	**6326.97**	**5439.90**	**(-)887.07**
Charged	IV. Revenue	320.95	0.73	321.68	312.09	(-) 9.59
	V. Capital	…	1.30	1.30	…	(-) 1.30
	VI. Public Debt-Repayment	221.32	…	221.32	202.64	(-) 18.68
Total Charged		**542.27**	**2.03**	**544.30**	**514.73**	**(-) 29.57**
Appropriation to Contingency Fund (if any)		…	…	…	…	
Grand Total		**6264.29**	**606.98**	**6871.27**	**5954.63**	**(-)916.64**

The overall saving of ₹ 916.64 crore was the result of saving of ₹ 1094.12 crore in 54 Grants and one Appropriation under Revenue Section, 21 Grants and one Appropriation under Capital Section, offset by excess of ₹ 177.48 crore in nine Grants and one Appropriation under Revenue Section and two Grants and one Appropriation under Capital Section.

The savings/excesses were intimated (August 2012) to the Controlling Officers requesting them to explain the significant variations. Department-wise position involving substantial amount of savings/excess (exceeding ₹ 10 crore) 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 26 cases, savings exceeded ₹ 1 crore in each case and also by more than 20 *per cent* of total provision **(Appendix 2.2).** Against the total savings of ₹ 1094.12 crore, savings of ₹ 445.08 crore (40.68 *per cent*)[1] occurred in four cases relating to four Grants as indicated in **Table 2.2.**

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

(₹ in crore)

Number and name of the Grant	Original	Supple-mentary	Total	Actual expenditure	Savings
I. Revenue-Voted					
11- Other Taxes and Duties on Commodities and Services, *etc.*	395.45	0.14	395.59	169.38	226.21
34- Welfare of Scheduled Castes/Scheduled Tribes, *etc.*	214.17	21.38	235.55	177.71	57.84
43- Housing, Crop Husbandry, Agricultural Research and Education *etc.*	306.85	22.72	329.57	228.07	101.50
Total Revenue -Voted	**916.47**	**44.24**	**960.71**	**575.16**	**385.55**
II. Capital-Voted					
19 – Secretariat General Services, Public Works, *etc.*	89.64	2.19	91.83	32.30	59.53
Total Capital -Voted	**89.64**	**2.19**	**91.83**	**32.30**	**59.53**
Grand Total	**1006.11**	**46.43**	**1052.54**	**607.46**	**445.08**

Reasons for excessive savings in the above cases had not been furnished (August 2012).

2.3.2 Persistent Savings

In eight 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).**

[1] Exceeding ₹ 50 crore in each case.

Table 2.3: List of Grants indicating Persistent Savings during 2007-12

(₹ in crore)

Sl. No.	Number and Name of the grant	Amount of savings				
		2007-08	2008-09	2009-10	2010-11	2011-12
Revenue-Voted						
1.	11- Other Taxes and Duties on Commodities and Services, *etc*	96.33 (41)	105.04 (27)	155.52 (56)	169.29 (59)	226.21 (57)
2.	29- Urban Development, Capital Outlay on Housing, *etc*	14.29 (38)	13.09 (38)	16.14 (31)	24.37 (45)	19.74 (31)
3.	34-Welfare of Scheduled Castes, *etc.*	82.90 (59)	45.33 (39)	73.06 (39)	69.05 (34)	57.84 (25)
4.	39 – Cooperation	7.34 (50)	7.90 (48)	6.15 (36)	5.87 (31)	13.99 (47)
5.	40-North Eastern Areas	43.00 (66)	65.59 (72)	14.96 (39)	44.08 (74)	12.80 (34)
Revenue-Charged						
6.	4-Administration of Justice	1.41 (100)	1.73 (99)	2.65 (100)	2.70 (100)	2.90 (100)
Capital-Voted						
7.	39-Cooperation	4.16 (47)	3.81 (48)	4.08 (53)	3.01 (40)	6.20 (36)
Capital Charged						
8.	Appropriation – Internal Debt of the State Government	41.59 (34)	41.49 (28)	40.60 (25)	37.27 (24)	43.35 (22)

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

Three grants and one Appropriation , *viz.* 'Other Taxes and Duties on Commodities and Services, *etc.*', Welfare of Scheduled Castes, *etc.*, 'North Eastern Areas' and 'Appropriation – Internal Debt of the State Government' posted large savings persistently for the last five years.

2.3.3 Expenditure without Provision

As per the Budget Manual[2], expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 48.63 crore was incurred in 41 cases as detailed in **Appendix 2.3** 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 2.4.**

Table 2.4: Expenditure incurred without provision during 2011-12

(₹ in crore)

Sl. No.	Grant/Appropriation Number. – Major Head of Accounts - Sub-Head - Detailed Head	Expenditure without provision
1.	19 – 2059 – 80 – 001 – (07) Divisional and Subordinate Offices (Roads) General	1.02
2.	21 – 2202 – 02 – 800 – 19 Payment of Decretal – General	1.26
3.	21 – Centrally Sponsored Scheme – 2203 – 103 – (03) Setting up of Technical University – General	5.00
4.	21 – 2204 – 800 – (01) Urban Infrastructure – General	4.30
5.	26 – 2211 – 101 – (02) Rural Family Welfare Sub-Centres - Sixth Schedule (Part II) Areas	3.61

[2] Budget Manual of the Government of Assam (Volume I) as adopted by the Government of Meghalaya

Sl. No.	Grant/Appropriation Number. – Major Head of Accounts - Sub-Head - Detailed Head	Expenditure without provision
6.	26 – Centrally Sponsored Schemes – 2211- 003 – (02) Schemes for Auxiliary Nurses and Mid-Wives Training Programme (Female Health Workers) – Sixth Schedule (Part II) Areas	1.04
7.	26 – Centrally Sponsored Schemes - 2211 – 101 – (02) Rural Family Welfare Sub-Centres - Sixth Schedule (Part II) Areas	6.67
8.	26 – Centrally Sponsored Schemes - 2211 – 101 – (02) Rural Family Welfare Sub-Centres - General	3.64
9.	26 – 4210 – 01 – 110 – (23) Upgradation of State T.B. Cum Demonstration and Training Centre Shillong – Sixth Schedule (Part II) Areas	2.43
10.	27 – 4215 – 01 – 102 – (02) Rural Water Supply Maintenance - Sixth Schedule (Part II) Areas	5.77
11.	30 – 2220 – 60 – 001 – (01) Directorate of Information and Public Relations - Sixth Schedule (Part II) Areas	1.62
12.	42 – 3475 – 106 – (06) Strengthening of Weights and Measures Infrastructures – General	1.00
13.	56 – 5054 – 04 – 800 - (08) HUDCO Loan – Sixth Schedule (Part-II) Areas	2.49

2.3.4 Drawal of funds to avoid lapse of budget grant

According to Rule 211 of Meghalaya Treasury Rules, 1986, no money shall be drawn from the Treasury unless it is required for immediate disbursement. In respect of the cases mentioned in **Appendix 2.4** an amount of ₹ 438.15 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.

2.3.5 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 excess expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). As indicated in the Reports of the Comptroller and Auditor General of India, excess expenditure of ₹ 1210.96 crore for the years from 1971-72 to 2010-11 was yet to be regularised, details of which are given in **Appendix 2.5.**

Out of the total excess expenditure of ₹ 1210.96 crore, ₹ 697.38 crore was recommended by the PAC for regularisation. But Act of Legislature in support of regularisation of the excess expenditure had not been furnished, though called for (October 2012) from the Law Department, Government of Meghalaya. Department-wise position of such excess expenditure is given in **Appendix 2.6.**

2.3.6 Excess over provisions during 2011-12 requiring regularisation

Table 2.5 contains the summary of total excess in 11 Grants and two Appropriations amounting to ₹ 177.48 crore over authorisation from the Consolidated Fund during 2011-12 and requires regularisation under Article 205 of the Constitution.

Table 2.5 : Excess over provisions requiring regularisation during 2011-12

(₹ in crore)

Sl. No.	Number and title of Grant/Appropriation	Total Grant/ Appropriation	Expenditure	Excess (*per cent*)
Revenue – Voted				
1.	7 – Stamps and Registration	1.78	1.82	0.04 (2)
2.	14 – District Administration	20.22	22.04	1.82 (9)
3.	23 – Other Administrative Services	3.39	4.57	1.18 (35)
4.	24 – Pensions and Other Retirement Benefits	236.62	375.79	139.17 (35)
5.	25 – Miscellaneous General Services	0.87	0.87	[3]
6.	32 –Civil Supplies, Capital Outlay on Food Storage and Warehousing	10.85	10.86	0.01 (0.09)
7.	35 – Social Security and Welfare	0.85	0.86	0.01 (1)
8.	44 – Medium Irrigation, Flood Control and Drainage, Capital Outlay on Medium Irrigation, Capital Outlay on Flood Control Projects	0.81	0.91	0.10 (12)
9.	56 – Roads and Bridges, Capital Outlay on Roads and Bridges	112.91	118.45	5.54 (5)
10.	Appropriation – Public Service Commission	2.60	2.60	[4]
Capital – Voted				
1.	52 – Industries, Capital Outlay on Cement, Capital Outlay on Industries and Minerals, Other Loans to Industries and Minerals	14.60	14.83	0.23 (2)
2.	56 – Roads and Bridges, Capital Outlay on Roads and Bridges	310.76	315.48	4.72 (2)
3.	Appropriation – Loans and Advances from the Central Government	20.62	45.29	24.67 (120)
Total		**736.88**	**914.37**	**177.48**

In six of the above cases, expenditure aggregating ₹ 177.10 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. Of these, in one grant *viz.* Grant No.24 – Pension & other retirement benefits (**Table 2.6),** 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 2.6 : List of Grants indicating persistent excess expenditure during 2007-12

(₹ in crore)

Sl. No.	Number and Name of the Grant	Amount of Excess Expenditure				
		2007-08	2008-09	2009-10	2010-11	2011-12
1.	24- Pension and other Retirement benefits (Revenue - Voted)	21.32	46.19	31.89	97.97	139.17

2.3.7 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 245.72 crore obtained in 24 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 four cases,

[3] ₹14,000 only.
[4] ₹5,000 only.

supplementary provision of ₹ 5.94 crore proved insufficient by more than ₹ 1 crore in each case leaving an aggregate uncovered excess expenditure of ₹ 142.40 crore **(Table 2.7).**

Table 2.7: Insufficient Supplementary Provisions

(₹ in crore)

Number and Name of Grant	Original Provision	Supplemen-tary provision	Total	Expendi-ture	Excess
14 – District Administration Revenue – Voted	19.00	1.22	20.22	22.04	1.82
23 – Other Administrative Services Revenue – Voted	2.39	1.00	3.39	4.57	1.18
24 – Pensions and Other Retirements Benefits Revenue - Voted	235.90	0.72	236.62	375.79	139.17
52 – Industries, Capital Outlay on Cement, Capital Outlay on Industries and Minerals, Other Loans to Industries and Minerals Capital – Voted	11.60	3.00	14.60	14.83	0.23
Total	**268.89**	**5.94**	**274.83**	**417.23**	**142.40**

2.3.8 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. As per the Appropriation Accounts, re-appropriation made under 202 sub-heads proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh. Instances of such cases where excess/saving was more than ₹ one crore in each case are detailed in **Appendix 2.8.**

2.3.9 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 Appropriation Accounts revealed that reasons for re-appropriations made during 2011-12 under various head of accounts were not explained in detail. Reasons given for additional provision/withdrawal of provision in re-appropriation orders were of general nature like "less requirement of funds", "less expenditure than anticipated", "non-receipt of sanction", "non-implementation of the scheme" *etc.*

2.3.10 Substantial surrenders

Substantial surrenders (the cases where more than 50 *per cent* of total provision was surrendered) were made in respect of 169 sub-heads on account of either non-implementation or non receipt of sanction of schemes/programmes. Out of the total provision of ₹ 758.19 crore in these 169 schemes, ₹ 583.99 crore were surrendered, which included cent *per cent* surrender in 56 schemes. The details of 27 such cases involving surrender of entire provisions of ₹ 208.82 crore are given in **Appendix 2.9.**

2.3.11 Surrender in excess of actual saving

The spending departments, as per the provisions of the Budget Manual, are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. Surrender of the provision in anticipation of savings and incurring expenditure subsequently by controlling officers is resulting in surrender in excess of overall saving grant/appropriation.

In 13 cases, the amount surrendered was in excess of actual savings indicating lack of or inadequate budgetary control in these departments. As against savings of ₹ 137.84 crore, the amount surrendered was ₹ 148.58 crore resulting in excess surrender of ₹ 10.74 crore (**Appendix 2.10).** Some significant cases are shown in **Table 2.8.**

Table 2.8 : Cases of surrender in excess of savings

(₹ in crore)

Number and name of Grant	Total Grant	Savings	Amount surrendered	Amount surrendered in excess of savings
4 – Administration of Justice Revenue – Voted	10.27	0.91	1.26	0.35
9 – Sales Tax, Other Taxes and Duties on Commodities and Services Revenue – Voted	20.21	4.03	7.04	3.01
30 – Information and Publicity Revenue – Voted	17.31	1.32	1.97	0.65
34 – Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes, *etc* Revenue – Voted	235.55	57.84	62.52	4.68
36 – Miscellaneous General Services, Social Security and Welfare Revenue – Voted	2.36	0.12	0.50	0.38
38 – Secretariat Economic Services Revenue – Voted	198.24	2.72	3.33	0.61
54 – Housing, Village and Small Scale Industries, Capital Outlay on Housing, *etc.* Revenue – Voted	24.60	4.67	5.07	0.40
Total	**508.54**	**71.61**	**81.69**	**10.08**

2.3.12 Anticipated savings not surrendered

As per Paragraph 152 (iii) of Budget Manual, controlling officers are 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 2011-12, there were, however, 17 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 ₹ 39.88 crore (4.35 *per cent* of the overall savings of ₹ 916.64 crore) **(Appendix 2.11).**

Similarly, out of total savings of ₹ 480.93 crore under 20 other Grants/Appropriation (savings of ₹ 1 crore and above were indicated in each Grant/Appropriation), amount aggregating ₹ 271.74 crore (57 *per cent* of total savings) were not surrendered, details of which are given in **Appendix 2.12**. Besides, in 41 cases, (surrender of funds in

excess of ₹ 1 crore), ₹ 801.01 crore were (**Appendix 2.13**) surrendered on the last working day of March 2012, indicating inadequate financial control and the fact that these funds could not be utilised for other development purposes.

2.3.13 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 2011-12, the expenditure during the fourth quarter and in the month of March compared to the total expenditure during the year ranged between 24.92 *per cent* and 79.90 *per cent* and 17.69 *per cent* and 78.97 *per cent* respectively in respect of nine illustrative major heads of account as indicated in **Table 2.9** below:

Table 2.9 : Cases of Rush of Expenditure towards the end of the financial year 2011-12

(₹ in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2012	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2055	341.40	85.07	24.92	60.40	17.69
2.	2202	943.89	342.49	36.28	298.13	31.59
3.	2210	256.62	92.11	35.89	48.67	18.97
4.	2235	68.87	38.37	55.71	35.63	51.74
5.	2401	146.56	100.01	68.24	88.29	60.24
6.	2406	76.45	30.23	39.54	23.23	30.39
7.	2501	51.69	31.57	61.08	31.31	60.57
8.	2852	7.98	3.15	39.47	1.66	20.80
9.	3451	214.44	171.34	79.90	169.35	78.97

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 Reconciliation of departmental figures

2.4.1 Detailed Contingent Bills against Abstract Contingency 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 2011-12 (Volume I), the total amount of DCC bills received during the period 2008-12 was only ₹ 11.16 crore against the amount of AC bill of ₹ 13.99 crore leading to an outstanding balance of AC bills of ₹ 2.83 crore as on March 2012. Year wise details are given in the table below:

Table 2.10 : Outstanding DCC Bills

(₹ in crore)

Year	Amount drawn on AC bills	Amount of DCC bills	Outstanding AC bills	Percentage of outstanding AC bills
Up to 2008-09	11.00	8.98	2.02	18.36
2009-10	0.28	0.14	0.14	50.00
2010-11	2.45	1.88	0.57	23.27
2011-12	0.26	0.16	0.10	38.46
Total	**13.99**	**11.16**	**2.83**	**20.23**

Non-adjustment of advances for long period is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs.

2.4.2 Un-reconciled Expenditure

To enable Controlling Officers (COs) of Departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Budget Manual stipulates that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General(A&E). Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of COs in this regard continued to persist. During 2011-12, 10 out of 47 COs did not reconcile expenditure amounting to ₹ 2529.91 crore as of March 2012.

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 01 April 2011, there were 13 PD accounts with a balance of ₹ 1.82 crore. One PD account involving ₹ 0.17 crore was opened and no PD account was closed during the year. As of 31 March 2012, 14 PD accounts involving ₹ 1.63 crore were in existence.

2.6 Review of Budgetary Process

2.6.1 Introduction

A major concern is that budgetary process are being undertaken in a mechanical and routine fashion and adequate due diligence is not being given to ensure high level of preparedness before the budget is finalised. This could reduce the effectiveness of the Government to ensure that developmental goals are achieved as intended by Government.

2.6.2 Budget and Accounts

The Annual Financial Statement of the estimated receipt and expenditure of the State for a financial year is laid before the House of the Legislature in accordance with Article 202 of the Constitution of India. The estimates of expenditure embodied in the Annual Finance Statement shall show separately – (a) the sums required to meet expenditure charged upon the Consolidated Fund of the State, and (b) the sums

required to meet other expenditure proposed to be made from the Consolidated Fund of the State.

Government accounts are kept in three parts, namely Part –I Consolidated Fund, Part – II Contingency fund and Part – III Public Account. The details of transactions under the three parts are classified according to various Major Heads, Sub-Major Heads, Minor Heads, Sub-Heads and Detailed Heads of accounts prescribed by the Controller General of Accounts.

The outlays on the various activities of Government are met from the Consolidated Fund which is made up of (a) Revenue-consisting of receipts heads (Revenue Account) and expenditure heads (Revenue Account), (b) Capital, Public Debt, Loans, *etc*. – consisting of receipt heads (Capital Account) and Expenditure Heads (Capital Account). No money (except expenditure charged upon the Consolidated Fund) can be withdrawn from the Consolidated Fund without the authority of the Legislature and for this purpose necessary Demands for Grants are placed before the Legislature at the beginning of each financial year. The Grants, as and when passed by the Legislature, are incorporated in an Appropriation Act authorising necessary appropriation from the Consolidated Fund. In Public Account, records are kept for all transactions relating to public moneys other than those of the Consolidated Fund and the Contingency Fund.

2.6.3 Examination and evaluation of the budgetary system

An attempt has been made to examine and evaluate the budget documents of the Government of Meghalaya for the year 2011-12. The findings of Audit are given in the succeeding paragraphs.

2.6.4 Budget Process

As contemplated in Paragraphs 1 and 78 of Budget Manual, the duty of preparing budget estimates (Receipts and Expenditure) and revised estimates for laying before the Legislature vests with the Finance Department. The budget estimates are prepared on departmental basis. The budget making process moves from the bottom to the top. As soon as the departmental estimates and revised estimates are received, the Finance Department scrutinises these and after consultation with the administrative departments, enters the figures, which it accepts for the revised and budget estimates. The estimates of receipts should show the amount expected to be actually realised within the year and in case of fluctuating revenue, the estimate should be based upon a comparison of last three years receipts.

During scrutiny of records of Finance Department it was noticed that the departmental budget estimates were not submitted by the Administrative Departments within the target date (29 October) fixed by the Finance (Budget) Department in September 2010. Instances of such delays are given in **Table 2.11.**

Table 2.11: Statement showing the date of submission of Budget Estimates

Sl. No.	Name of the Department	Grant Number (Head of Accounts)	Date of submission of Departmental Budget Estimates	Period of delay
1.	Election	05 (2015)	10-01-2011	Two Months
2.	Secretariat Administration Department.	13 (2052,2251,3451)	02-12-2010	One Month
3.	Police	16 (2055,2070)	21-01-2011	Two Months
4.	Printing and Stationery	18 (2058)	01-12-2010	One Month
5.	Education, Sports, Art & Culture	21 (2202)	18-01-2011	Two Months
6.	Finance (Pension Cell)	24 (2071)	10-01-2011	Two Months
7.	Health & Family Welfare	26 (2210)	06-12-2010	One Month
8.	Public Health Engineering	27 (2215)	20-01-2011	Two Months
9.	Directorate of Information and Public Relation	30 (2220)	08-12-2010	One Month
10.	Labour	31 (2230)	10-01-2011	Two Months
11.	Agriculture	43 (2401)	17-12-2010	One Month
12.	Agriculture	45 (2402)	09-12-2010	One Month
13.	Agriculture	49 (2405)	09-12-2010	Two Months
14.	Agriculture	51 (2401)	09-12-2010	One Month
15.	Forest	50 (2406)	11-01-2011	Two Months

As can be seen from the above table, there were delays ranging from one month to two months in submission of departmental budget estimates to the Finance Department. Consequently, there was either no scope or little scope for scrutiny of these estimates by the Finance Department.

2.6.5 Actual receipts in Consolidated Fund vis-à-vis provision

The position of Revenue and Capital receipts under Consolidated Fund during 2011-12 is presented in **Table 2.12** below**:**

Table 2.12: Revenue and Capital Receipts

(₹ in crore)

Year	Revenue Account				Capital Account			
	Budget Provision	Actual Receipt	Shortfall in receipt	Percen-tage of shortfall	Budget Provision	Actual Receipt	Shortfall in receipt	Percen-tage of shortfall
2009-10	3806.31	3447.35	358.96	9.43	500.18	419.70	80.48	16.09
2010-11	4393.81	4260.48	133.33	3.03	543.72	383.64	160.08	29.44
2011-12	5602.16	4654.47	947.69	16.92	648.11	490.62	157.49	24.30

Source: Annual Financial Statement and Finance Accounts

As can be seen from the table above, the shortfall of revenue receipts ranged between 3.03 *per cent* and 16.92 *per cent*, and that of capital receipts ranged between 16.09 *per cent* and 29.44 *per cent* during 2009-12. A more reliable and scientific method of forecasting revenues should be adopted so that there is better planning of expenditure and recourse to need based borrowings.

2.6.6 Estimates of expenditure under Consolidated Fund

The estimates of expenditure should be prepared for the charges that will be needed for actual payment during the year. It is of great importance that the expenditure

estimates should be accurately framed. The Finance Department could not furnish to Audit the departmental estimates and revised estimates, if any, received from the various departments, though called for in August 2012. Thus, it could not be verified whether proposals of the departments were duly considered in framing the budget.

Budget provisions for expenditure (gross) and actuals thereagainst under revenue and capital accounts during 2011-12 are shown in the **Table 2.13** below:

Table 2.13

(₹ in crore)

Year	Revenue Account				Capital Account (including Loans and Advances and Public Debt)			
	Budget Provision	Actual Expendi-ture	Shortfall in expendi-ture	Percen-tage of shortfall	Budget Provision	Actual Expendi-ture	Shortfall in expen-diture	Percen-tage of shortfall
2009-10	3822.80	3192.19	630.61	16.50	1076.77	650.97	425.80	39.54
2010-11	4705.01	4019.10	685.91	14.58	1053.80	856.46	197.34	18.73
2011-12	5527.65	4844.37	683.28	12.36	1343.62	1110.26	233.36	17.37

In all the three years there was overestimation of expenditure which resulted in savings ranging from around 12 *per cent* to 17 *per cent* under Revenue Account and 17 *per cent* to 40 *per cent* under Capital Account. This was indicative of the fact that contrary to the prescribed budgetary regulations estimation was made without proper analysis of actual needs.

2.6.7 Inaccuracy in preparation of revised estimates

According to Budget Manual, the revised estimate should not merely be a repetition of the budget figures of the year, but a genuine re-estimation of requirement.

Cases where in the revised estimates were mere repetition of the budget estimates leading to excess/shortfall in actual expenditure during 2011-12 under both receipts and expenditure heads of accounts are given below:

Table 2.14: Variation between revised estimated and actuals

(₹ in crore)

Sl.No	Number and name of head of accounts	Budget estimates	Revised estimated provision	Actuals	Variation Excess(+)/ Shortfall (-) (*per cent*)
	RECEIPTS				
1.	0029- Land Revenue	3.23	3.23	2.40	(-) 0.83 (26)
2.	0030- Stamps & Registration	12.29	12.29	9.08	(-) 3.21 (26)
3.	0032- Taxes on Wealth	0.82	0.82	1.59	(+) 0.77 (94)
4.	0038- Union Excise Duties	139.01	139.01	117.13	(-)21.88 (16)
5.	0040- Sales Tax	418.20	418.20	512.50	(+) 94.30 (23)
6.	0041- Taxes on Vehicles	18.59	18.59	31.12	(+) 12.53 (67)
7.	0043- Taxes & Duties on Electricity	1.36	1.36	0.87	(-) 0.49 (36)
8.	0044- Service Tax	105.72	105.72	124.78	(+) 19.06 (18)
9.	0049- Interest Receipts	23.65	23.65	27.13	(+) 3.48 (15)
10.	0202- Education, Sports, Art & Culture	1.44	1.44	0.79	(-) 0.65 (45)
11.	0215- Water supply and Sanitation	13.32	13.32	3.74	(-) 9.58 (72)
12.	0220- Information and Publicity	0.17	0.17	0.05	(-) 0.12 (70)
13.	0235- Social Services & Welfare	0.54	0.54	0.01	(-) 0.53 (98)

Sl.No	Number and name of head of accounts	Budget estimates	Revised estimated provision	Actuals	Variation Excess(+)/ Shortfall (-) *(per cent)*
14.	0404- Dairy Development	1.43	1.43	0.02	(-) 1.41 (99)
15.	0515- Other Rural Development Programme	0.43	0.43	0.01	(-) 0.42 (98)
16.	0853- Non-Ferrous Mining and Metallurgical Industries	276.42	276.42	262.58	(-) 13.84 (5)
	EXPENDITURE				
1.	2039- State Excise	14.11	14.11	11.23	(-) 2.88 (20)
2.	2041- Taxes on Vehicles	10.98	10.98	13.42	(+) 2.44 (22)
3.	2053- District Agriculture	19.00	19.00	22.04	(+) 3.04 (16)
4.	2055- Police	315.90	315.90	341.41	(+) 25.51 (8)
5.	2059- Public Works	176.85	176.85	138.64	(-) 36.85 (21)
6.	2205- Art & Culture	22.99	22.99	32.55	(+) 9.56 (42)
7.	2210- Medical & Public Health	290.07	290.07	256.62	(-) 33.45 (12)
8.	2211- Family Welfare	11.16	11.16	29.19	(+) 18.03 (162)
9.	2217- Urban Development	60.83	60.83	44.55	(-) 16.28 (27)

Wide variations between the budget provisions and actuals particularly with reference to revised estimates indicated absence of proper care in estimating the revised estimates by the concerned controlling officers as envisaged in the Budget Manual and failure of the Finance (Budget) Department in exercising adequate check over the rough preliminary revised estimates.

2.6.8 Budgetary control monitoring

As per paragraph 152 (i) of Budget Manual, for the purpose of facilitating the watch over progress of expenditure and the provision of additional funds when necessary a statement in duplicate was to be submitted to the Finance Department twice a year (by 25th November and 1st January). Statements/returns received, if any, from the different Controlling Officers/ Heads of Departments were not furnished to Audit. However, shortcomings in the budget formulation as noticed and discussed in the succeeding paragraphs indicated that the prescribed budgetary control/monitoring system to watch over the progress of expenditure remained ineffective and the Finance Department could not take any step to contain the trend of shortcomings like excess expenditure, persistent savings, *etc.*

2.6.9 Anticipated savings and surrender

According to Budget Manual (Paragraph 152-iii), the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department latest by 15 March as an when the savings are anticipated. There were, however, over estimation in respect of 38 to 43 Grants/Appropriations under revenue section and 12 to 15 Grants under Capital Section during 2011-12. The percentage of significant savings during the period from 2009-12 vis-à-vis budget provisions and actual expenditure is depicted in **Table 2.15.**

Table 2.15

(₹ in crore)

Section	Year	Number of Grants/ Appropriation	Total Budget Provision	Total expenditure	Savings (*per cent*)	Amount surrendered (*per cent*)	Unsurrendered saving (*per cent*)
Revenue	2009-10	38	2986.72	2347.86	638.86 (21)	485.95 (76)	152.91 (24)
	2010-11	44	3957.01	3142.94	814.07 (21)	498.65 (61)	315.42 (39)
	2011-12	43	4675.38	3851.44	823.94 (17)	566.46 (69)	257.48 (45)
Capital	2009-10	15	597.17	347.98	249.19 (42)	179.97 (72)	69.22 (28)
	2010-11	12	416.78	217.63	199.15 (48)	156.59 (79)	42.56 (21)
	2011-12	12	720.55	492.01	228.54 (32)	222.92 (98)	5.62 (3)

Source: Appropriation Accounts.

Huge savings against budget provisions, which was 17 to 21 *per cent* under revenue section and 32 *per cent* to 48 *per cent* under capital section during 2009-12, indicated that the provisions were made without assessing the actual requirement. 3 *per cent* to 45 *per cent* of these savings were also not surrendered to the Finance Department as required under Budget Manual. The reasons for such huge savings and not surrendering of the same were not furnished despite repeated requests.

2.6.10 Excess expenditure over budget provision

Paragraph 7 of the Budget Manual envisages that no expenditure which has not been provided for in the budget estimate as passed by the Legislature, can be incurred without prior consultation and approval of the Finance Department provided that such expenditure does not lead to an excess over the appropriation authorised for the particular grant under which the charge will fall and that the expenditure is not a new expenditure. Instances of such cases involving excess expenditure exceeding ₹ 1 crore in each case are given in **Table 2.16**

Table 2.16

(₹ in crore)

Name of Account	Year	Grant Number/ Appropriation	Total Grant/ Appropriation	Total expenditure	Excess expenditure
Revenue Account	2009-10	1,20,24 & 26	425.35	474.02	48.67
	2010-11	1,4,14,24 & 26	501.61	635.82	134.21
	2011-12	14,23,24, & 56	373.14	520.85	147.71
Capital Account	2009-10	-	-	-	-
	2010-11	-	-	-	-
	2011-12	56	310.76	315.48	4.72

It is, thus evident that due to failure to follow the existing control mechanism not only led to huge excess expenditure over budget provisions but also violated the codal provisions.

2.6.11 Technical and qualitative application of resources

Budget provisions (revised), actual expenditure and shortfall (savings) under Plan and Non-Plan heads of both revenue and capital sections in respect of Social Services and Economic Services for the year 2011-12 are presented in **Table 2.17.**

Table 2.17 : Social Services and Economic Services

(₹ in crore)

Year	Budget Estimate (net) (percentage to total provisions)			Actual expenditure (percentage to total provisions)			Shortfall (-)/Excess (+)	
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan
							Amount (per cent)	Amount (per cent)
Social Services								
2009-10	970.76 (60.88)	623.90 (39.12)	1594.66	603.33 (62.15)	630.50 (101.06)	1233.83	-367.43 (37.85)	+6.60 (1.06)
2010-11	1085.17 (61.62)	676.02 (38.38)	1761.19	676.53 (62.34)	832.24 (123.11)	1508.77	-408.64 (37.66)	+ 156.22 (23.11)
2011-12	1404.85 (63.79)	797.29 (36.21)	2202.14	1098.94 (78.22)	931.93 (116.89)	2030.87	- 305.91 (21.78)	(+) 134.64 (16.89)
Total	**3460.78 (62.27)**	**2097.21 (37.73)**	**5557.99**	**2378.80 (68.74)**	**2394.67 (114.18)**	**4773.47**	**-1081.98 (31.26)**	**+297.46 (14.18)**
Economic Services								
2009-10	1286.54 (76.54)	394.40 (23.46)	1680.94	827.33 (64.31)	453.12 (114.89)	1280.45	- 459.21 (35.69)	+58.72 (14.89)
2010-11	1333.46 (75.43)	434.40 (24.57)	1767.86	1269.17 (95.18)	456.09 (104.99)	1725.26	- 64.29 (4.82)	+ 21.69 (4.99)
2011-12	1770.94 (77.59)	511.49 (22.41)	2282.43	1598.52 (90.26)	521.02 (101.87)	2119.55	-172.42 (9.74)	(+) 9.53 (1.86)
Total	**4390.94 (76.61)**	**1340.29 (23.39)**	**5731.23**	**3695.02 (84.15)**	**1430.25 (106.71)**	**5125.27**	**-695.92 (15.85)**	**+89.94 (6.71)**

Source : Memorandum of Budget Estimates and Finance Accounts

- **Social services**

During 2009-12, provision for Plan and Non-Plan expenditure under Social services were made as ₹ 3460.78 crore and ₹ 2097.21 crore respectively which constituted 62.27 *per cent* and 37.73 *per cent* of the total provisions. However, the actual expenditure under Plan and Non-Plan was for ₹ 2378.80 crore and ₹ 2394.67 crore which constituted 68.74 *per cent* and 114.18 *per cent* of the total provisions. While, there was a shortfall in Plan expenditure against the budget provision during all the three years, the Non-Plan expenditure exceeded the budget provisions.

- **Economic Services**

There was deterioration in the consumption of budget provisions for Plan expenditure, which decreased to 90.26 *per cent* from 95.18 *per cent* during the previous year. Non-Plan expenditure far surpassed the budget provisions during all the three years (2009-12). While the overall shortfall during 2009-12 over the expectation (provisions) under Plan expenditure was 15.85 *per cen*t, the Non-Plan expenditure exceeded the budget provision by 6.71 *per cent* during the period.

The above positions indicated that the expenditure under Plan schemes of Social and Economic Services was inadequate in comparison to the Non-Plan schemes, basically meant for payment of salary and office expenses.

2.7 Outcome of review of selected Grant

A review of budgetary procedure and control over expenditure was conducted (September 2012) in respect of 'Grant Number -51 Housing, Nutrition, Crop Husbandry, Special Programme for Rural Development, Rural Employment, Other Rural Development Programmes, Capital outlay on Housing, Capital outlay on Rural Development, Loans for other Rural Development Programmes'. The Director of Community and Rural Development is the Controlling officer of this grant.

Significant cases of savings and excess expenditure over budget provisions noticed during review are detailed below:

2.7.1 Excessive supplementary provision/non surrender of savings

Under revenue head there was a Budget provision of ₹ 291.24 crore (including supplementary provision of ₹ 91.19 crore), out of which the actual expenditure incurred was ₹ 272.59 crore resulting in final savings of ₹ 18.65 crore. Out of the saving of ₹ 18.65 crore the Controlling Officer surrendered ₹ 45,000 only on 31 March 2012. The balance savings of which was around ₹ 18.65 crore, was not surrendered during the year contrary to the provisions in Paragraph 152 (iii) of the Budget Manual which provides for surrender of all anticipated savings to the Finance Department latest by 15 March so that the same could be utilised for other purpose.

2.7.2 Savings

Savings ranged between 69 *per cent* and 100 *per cent* were occurred under seven schemes, in respect of major Head of accounts 2216-Housing, 2501- Special Programme for Rural Development and 2515 – Other Rural Development Programmes. Major cases are shown in the table below:

Table 2.18 : Cases where no part of budget provisions was utilised

(₹ in lakh)

Name of the Scheme	Original Provision	Savings	Percentage
2216 – Housing			
Maintenance and Repair	59.00	43.64	74
2501 – Special Programme for Rural Development			
Self Employment Programme	374.90	346.66	92
State Institute for Research and Training of Rural Development (SIRD)	76.66	66.82	87
Extension of Training Centre (ETC)	32.50	22.50	69
Tribal Area Development Programme under Article 275 (1)	1100.00	1100.00	100
2515 – Other Rural Development Programmes			
Non-lapsable Central Pool of Resources for Development of North East	100.00	100.00	100
Construction and Maintenance of Departmental Building/Non-residential Building	4.00	4.00	100

2.7.3 Excess over provision

As per detailed Appropriation Accounts for the year 2011-12 prepared by the Accountant General (A&E), under three schemes, expenditure of ₹ 25.35 crore exceeded the budget provision by ₹ 1.43 crore. The details are given below :

Table 2.19: Excess expenditure over budget provisions

(₹ in lakh)

Name of the Scheme	Original provision	Actual expendi-ture	Excess
2515 – Other Rural Development Programmes			
0002 (02) District Office under Community Development	118.69	125.78	7.09
0005 (05) Stage II Block Offices	2243.89	2378.43	134.54
4515 – Capital Outlay on Other Rural Development Programmes			
(01) Construction, Repair and Maintenance of Govt. Residential/ Non- residential Buildings for the existing Blocks and New Block	30.00	30.98	0.98

2.8 Conclusion and Recommendations

2.8.1 Conclusion

The financial management and budgetary control of the Government was not satisfactory. Government presented ambitious budget of ₹ 6871.27 crore[5] for the year 2011-12, of which it could incur an expenditure of ₹ 5954.63 crore resulting in an overall shortfall in disbursements of ₹ 916.64 crore (13.34 *per cent* of total provision). Supplementary provision of ₹ 245.72 crore obtained in 24 cases proved unnecessary as the expenditure did not come up to the level of original provision. During the current year, Government incurred ₹ 177.48 crore in excess of the provisions under 11 Grants and two Appropriation, which requires regularisation by the State Legislature. There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. In many cases, the anticipated savings were not surrendered or surrendered on the last day of the year leaving no scope for utilising these for other development purposes.

2.8.2 Recommendations

- **Efforts should be made by all the departments to submit realistic budget estimates keeping in view the trends in receipts and expenditure in order to avoid large scale savings/excess, re-appropriations and surrenders at the fag end of the year. Savings should be surrendered as and when they were noticed, but not later than the prescribed date of 15 March.**
- **Re-appropriation should be judicious supported by justified reasons to avoid excessive and insufficient funds.**
- **Timely reconciliation should be ensured to avoid misclassifications and distortions in financial reporting.**

[5] Original plus Supplementary.

CHAPTER–III

FINANCIAL REPORTING

CHAPTER III
Financial Reporting

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

3.1 Delay in furnishing 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 (January 2012) from various departments, have been received only in respect of two departments, *viz.,* Director of Higher and Technical Education and Sports and Youth Affairs Department. As revealed from the records of 12 departments/organisations, 1,062 UCs for an aggregate amount of ₹ 42.08 crore were in arrears as of March 2012. The department-wise break-up of outstanding UCs is given in **Appendix 3.1.** Age-wise delay in submission of UCs is summarised in **Table 3.1.**

Table 3.1 : Age-wise arrears of Utilisation Certificates

(₹ in lakh)

Sl. No.	Range of Delay	Total grants paid		Utilisation Certificates Outstanding as on 31st March 2012	
		Number	Amount	Number	Amount
1	0 to 1 year	09	354.01	09	354.01
2	Above 1 year to 3 years	662	7073.72	657	3502.14
3	Above 3 years to 5 years	197	100.36	176	79.36
4	Above 5 years to 7 years	142	160.15	122	140.15
5.	Above 7 years to 9 years	66	100.18	66	100.18
6.	Above 9 years	32	32.66	32	32.66
	Total	**1108**	**7821.08**	**1062**	**4208.50**

Out of 1,062 UCs involving ₹ 42.08 crore pending as on March 2012, ten UCs pertaining to Directorate of Commerce and Industries involving ₹ 16.18 crore were pending for more than one year to 17 years.

In the absence of UCs 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. Information for the year 2011-12 called for in June 2011 from 25 departments/ organisations was awaited as of March 2012 (details in **Appendix 3.2**).

The annual accounts of 25 autonomous bodies/ authorities due up to 2011-12 had not been received (August 2012) 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

(₹ in crore)

Sl. No.	Delay in number of years	Number of Bodies/Autho-rities	Grants received		
			Year	Number of Bodies/Authorities	Amount
1.	0 to 1 year	04	2010-11	04	50.68
2.	Above 1 year to 3 years	07	2008-09 & 2009-10	07	55.27
3.	Above 3 years to 5 years	08	2006-07 & 2007-08	08	91.01
4.	Above 5 years to 7 years	01	2004-05 & 2005-06	01	6.67
5.	Above 7 years to 9 years	-	-	-	0
6.	Above 9 years	05	1996-97 to 2001-02	05	29.44
		25		**25**	**233.07**

Out of 25 bodies/authorities, annual accounts in respect of three organisations, *viz*., Managing Director, Economic Development Society, Tura, Meghalaya State Housing Board and Director of Health Services (MI), 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) 2009-10 onwards was entrusted to the Comptroller and Auditor General of India under Section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. However, the annual accounts of the MKVIB for the year 2011-12, due for submission by June 2012, had not been furnished (September 2012).

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 ₹ 1.75 crore up to the period March 2012 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

(₹ 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
Public Works	2	3.76	2	0.42	2	4.53	6	8.71
Health & Family Welfare	1*+1	4.94	--	--	1*+2	0.92	2*+3	5.86
Agriculture	1	0.23	1	0.44	-	-	2	0.67
Public Health Engineering	57	7.41	-	-	1	0.18	58	7.59
Legislative Assembly	-	-	1	3.34	-	-	1	3.34
Finance	2	87.70	-	-	1	15.74	3	103.44
Forest & Environment	1*+1	2.14	-	-	-	-	1*+1	2.14
Mining & Geology	-	-	1	16.55	-	-	1	16.55
Community & Rural Development	1	3.03	-	-	-	-	1	3.03
Printing & Stationery	1	0.25	-	-	-	-	1	0.25
Labour	-	-	-	-	1	0.66	1	0.66
Land Record & Survey	1	1.56	-	-	-	-	1	1.56
Horticulture	-	-	-	-	1	21.06	1	21.06
Total	**69**	**111.02**	**5**	**20.75**	**9**	**43.09**	**83**	**174.86**

* Amount not intimated.

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*.

(₹ 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	6	23.51	Theft	69	111.02
5 - 10	8	94.24			
10 - 15	35	10.55	Misappropriation/loss of material	14	63.84
15 - 20	5	24.08			
20 - 25	23	3.29			
25 & above	6	19.19			
Total	**83**	**174.86**	**Total Pending Cases**	**83**	**174.86**

- During 2011-12, one theft case in respect of Soil Conservation Department involving ₹ 2.17 lakh was written off.

- 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*.

(₹ in lakh)

	Reasons for the Delay/Outstanding Pending Cases	Number of cases	Amount
1.	Awaiting departmental and criminal investigation	58	44.10
2.	Departmental action initiated but not finalised	8	3.79
3.	Awaiting orders for recovery or write off	16	110.42
4.	Pending in the court of law	1	16.55
	Total	**83**	**174.86**

Out of ₹ 1.75 crore, the highest amount of theft, misappropriation and losses was ₹ 1.03 crore in Finance Department involving three cases, while the highest number of theft cases and losses (58 cases) involving ₹ 7.59 lakh were pending in Public Health Engineering Department.

3.5 Conclusion and Recommendation

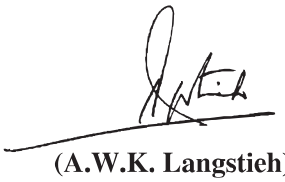
3.5.1 Conclusion

State Government's compliance with various rules, procedures and directives was unsatisfactory as evident from delay in furnishing utilisation certificates for grants given by various authorities/organisations and also delays in submission of accounts by various autonomous bodies. Analysis of pending misappropriation cases revealed that the cases related mainly due to theft and loss of Government material which

remained unsettled with various departments for period ranging from one to over 25 years. All the 83 cases were pending due to non-initiation of departmental and criminal investigation (58 cases), non-issue of orders for recovery or write off (16 cases), non-finalisation of departmental action (eight cases) and cases pending in the court of law (one case).

3.5.2 Recommendation

In all misappropriation/defalcation cases Departmental enquiries should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases.



Shillong
The

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

Countersigned



New Delhi
The

(Vinod Rai)
Comptroller and Auditor General of India

APPENDICES

APPENDIX 1.1

Part A - Structure and Form of Government Accounts

(Reference: Page 1)

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 1)

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 in Consolidated Fund
Statement No. 4	Statement of Expenditure in Consolidated Fund By Function and Nature Notes to Accounts
Appendix I	Cash Balances and Investment of Cash Balances
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
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 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 Consolidated Fund, Contingency Fund and Public Account
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: Pages 25 & 35)

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 mobilisation 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 (July 2012) 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:

1. 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]$^{(1/no.\ of\ years)}$ - 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.

Core public goods and merit goods	**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*.
Development expenditure	The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances 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.
Debt stabilisation	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.
Sufficiency of non-debt receipts	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.
Net availability of borrowed funds	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.

APPENDIX 1.1

Part D: State Profile

(Reference: Page 1)

A. General Data		
Sl No.	**Particulars**	**Figures**
1.	Area	22,429 sq km
2.	Population	
	As per census 2011 (provisional data)	29,64,007
	Male	14,92,668
	Female	14,71,339
3.	Density of Population (2011 – provisional data) (All India Average = 382 persons per sq km)	132 persons per sq km
4.	Population below poverty line (2009-10) (All India = 29.8%)	4.9 lakh 17.1%
5.	Population Growth (2001 to 2011)	27.82%
6.	Literacy (Census 2011- Provisional) (All India Average = 74.04%)	75.48%
7.	Infant Mortality (per 1000 live births) (All India Average = 47 per 1000 live births)	55
8.	Gross State Domestic Product (GSDP) 2010-11	₹ 15895.15 crore
9.	GSDP[2] CAGR (2004-05 to 2011-12)	13.48%

B. Financial Data			
Particulars		**Figures (in *per cent*)**	
		2002-03 to 2010-11	**2002-03 to 2011-12**
CAGR of			
(a)	Revenue Receipts	16.12	15.33
(b)	Own Tax Revenue	18.71	19.08
(c)	Non-Tax Revenue	15.87	16.55
(d)	Total Expenditure	15.46	16.39
(e)	Capital Expenditure	15.14	18.47
(f)	Revenue Expenditure on General Education	15.77	17.45
(g)	Revenue Expenditure on Health & Family Welfare	16.46	14.90
(h)	Salary[3]	12.57	12.07
(i)	Pension	20.60	21.12

Source: Sl.4: Press Note on Poverty Estimation – 2009-10 – Government of India – Planning Commission - 2012; Sl 7: SRS Bulletin December 2011 (Registrar General of India) – Estimated Infant Mortality Rate, 2010.

[2] Based on GSDP Series (current prices) with 2004-05 as Base Year as furnished by the Directorate of Economics & Statistics, Meghalaya in July 2012.

[3] 2002-03: Based on information furnished (August 2004) by the Finance (Economic Affairs) Department, Government of Meghalaya; 2011-12: Based on Finance Accounts – 2011-12.

APPENDIX 1.2
Time Series Data on State Government Finances
(Reference: Pages 1, 12, 33, 35 & 36)

(₹ in crore)

	2007-08	2008-09	2009-10	2010-11	2011-12
Part A. - Receipts					
1. Revenue Receipts	**2441.38**	**2810.64**	**3447.35**	**4260.48**	**4654.47**
(i) Tax Revenue	319.10 (13.07)	369.44 (13.14)	444.30 (12.89)	571.45 (13.41)	697.54 (14.99)
Taxes on Sales, Trade, *etc.*	234.89 (73.61)	281.83 (76.29)	321.39 (72.34)	409.89 (71.73)	512.50 (73.47)
State Excise	58.62 (18.37)	69.79 (18.89)	90.29 (20.32)	104.50 (18.29)	131.50 (18.85)
Taxes on Vehicles	11.35 (3.56)	13.21 (3.58)	13.61 (3.06)	19.19 (3.36)	31.12 (4.46)
Stamps and Registration fees	5.99 (1.88)	5.54 (1.50)	11.02 (2.48)	10.76 (1.88)	9.08 (1.30)
Land Revenue	2.12 (0.66)	0.50 (0.13)	0.0026	17.11 (2.99)	2.40 (0.34)
Other Taxes	6.13 (1.92)	- 1.43 (-0.39)	7.99 (1.80)	10.00 (1.95)	10.94 (1.58)
(ii) Non Tax Revenue	199.35 (8.17)	225.31 (8.02)	275.08 (7.98)	301.53 (7.08)	368.24 (7.91)
(iii) State's share of Union Taxes and Duties	564.07 (23.10)	595.23 (21.18)	612.38 (17.76)	896.27 (21.04)	1044.19 (22.43)
(iv) Grants-in-aid from Government of India	1358.86 (55.66)	1620.67 (57.66)	2115.59 (61.37)	2491.23 (58.47)	2544.50 (54.67)
2. Miscellaneous Capital Receipts	**...**	**...**	**...**	**...**	**...**
3. Recoveries of Loans and Advances	**16.49**	**18.26**	**16.68**	**27.25**	**22.71**
4. Total revenue and Non-debt capital receipts (1+2+3)	**2457.87**	**2828.90**	**3464.03**	**4287.73**	**4677.18**
5. Public Debt Receipts	**247.18**	**322.55**	**403.02**	**356.39**	**467.91**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	244.54 (98.93)	316.42 (98.10)	402.53 (99.88)	354.92 (99.59)	448.66 (95.89)
Net transactions under Ways and Means Advances and Overdraft	**...**	**...**	**...**	**...**	**...**
Loans and Advances from Government of India[4]	2.64 (1.07)	6.13 (1.90)	0.49 (0.12)	1.47 (0.41)	19.25 (4.11)
6. Total receipts in the Consolidated Fund (4+5)	**2705.05**	**3151.45**	**3867.05**	**4644.12**	**5145.09**
7. Contingency Fund Receipts	**...**	**...**	**...**	**99.00**	**...**
8. Public Accounts Receipts	**1502.20**	**2020.33**	**2416.65**	**2765.86**	**4091.31**
9. Total receipts of the State (6+7+8)	**4207.25**	**5171.78**	**6283.70**	**7508.98**	**9236.40**
Part B - Expenditure					
10. Revenue Expenditure	**2253.67**	**2682.78**	**3182.38**	**4012.74**	**4834.81**
Plan	*721.30 (32.01)*	*1005.52 (37.48)*	*1047.41 (32.91)*	*1467.07 (36.56)*	*1958.78 (40.51)*
Non-Plan	*1532.36 (67.99)*	*1677.26 (62.52)*	*2134.97 (67.09)*	*2545.67 (63.44)*	*2876.03 (59.49)*
General Services (including Interest payments)	778.27 (34.53)	937.52 (34.95)	1100.99 (34.60)	1316.80 (32.82)	1487.19 (30.76)
Social Services	753.55 (33.44)	804.92 (30.00)	1092.38 (34.33)	1376.03 (34.29)	1742.47 (36.04)
Economic Services	721.84 (32.03)	940.34 (35.05)	989.01 (31.08)	1319.91 (32.89)	1605.15 (33.20)
11. Capital Expenditure	**391.66**	**531.01**	**481.29**	**574.73**	**855.24**
Plan	*387.39 (98.91)*	*530.73 (99.95)*	*479.94 (99.72)*	*574.73 (100)*	*851.47 (99.56)*
Non-Plan	*4.27 (1.09)*	*0.28 (0.05)*	*1.35 (0.28)*	...	*3.77 (0.44)*
General Services	27.69 (7.07)	47.57 (8.96)	48.40 (10.06)	36.64 (6.20)	52.44 (6.13)

[4] Includes Ways and Means Advances

	2007-08	2008-09	2009-10	2010-11	2011-12
Social Services	152.48 (38.93)	221.51 (41.71)	141.45 (29.39)	132.74 (23.10)	288.40 (33.72)
Economic Services	211.49 (54.00)	261.93 (49.33)	291.44 (60.55)	405.35 (70.53)	514.40 (60.15)
12. Disbursement of Loans and Advances	**26.73**	**50.21**	**26.65**	**41.65**	**52.38**
13. Total (10+11+12)	**2672.06**	**3264.00**	**3690.32**	**4629.12**	**5742.43**
14. Repayments of Public Debt	**99.08**	**168.73**	**143.03**	**141.08**	**202.64**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	81.74 (82.50)	109.22 (64.73)	124.21 (86.84)	120.56 (85.46)	157.35
Net transactions under Ways and Means Advances and Overdraft	...	...	...	...	...
Loans and Advances from Government of India	17.34 (17.50)	59.51 (35.27)	18.82 (13.16)	20.52 (14.54)	45.29
15. Appropriation to Contingency Fund	...	...	...	**99.00**	...
16. Total disbursement out of Consolidated Fund (13+14+15)	**2771.14**	**3432.73**	**3833.95**	**4869.20**	**5945.07**
17. Contingency Fund disbursements	...	...	...	...	...
18. Public Account disbursements	**1308.93**	**1667.82**	**2511.86**	**2729.20**	**3270.77**
19. Total disbursement by the State(16+17+18)	**4080.07**	**5100.55**	**6345.81**	**7598.40**	**9215.84**
Part C – Deficits					
20. Revenue Surplus (+) /Deficit (-) (1-10)	**+ 187.71**	**+ 127.86**	**+ 264.97**	**+ 247.74**	**- 180.34**
21. Fiscal Deficit (-) (4-13)	**- 214.19**	**- 435.10**	**- 226.29**	**- 341.39**	**- 1065.25**
22. Primary Deficit (-)/Surplus (+) (21-23)	**- 25.20**	**- 223.06**	**+ 7.67**	**- 84.46**	**- 779.58**
Part D – Other data					
23. Interest Payments (included in revenue expenditure)	188.99	212.04	233.96	256.93	285.67
24. Financial Assistance to local bodies, *etc.*	368.01	479.13	440.67	541.31	826.71
25. Ways and Means Advances/Overdraft availed (days)	-	-	-	-	-
26. Interest on WMA/Overdraft	-	-	-	-	-
27. Gross State Domestic Product (GSDP)[5]	9734.73	11617.04	12709.11	14085.70	15895.15
28. Outstanding Fiscal Liabilities (year end)	3140.71	3572.95	3802.62	4088.28	5090.30
29. Outstanding guarantees (year end) including interest	750.63	990.25	953.74	1110.77	1293.20
30. Maximum amount guaranteed (year end)	954.16	1083.19	1033.34	948.79	1002.85
31. Number of incomplete projects	323	346	446	263	107
32. Capital blocked in incomplete projects[6]	12.77 (44)	31.62 (21)	105.35 (59)	73.65 (53)	26.43 (14)
Part E – Fiscal Health Indicator (in per cent)					
I. Resource Mobilisation					
Own Tax Revenue/GSDP	3.28	3.18	3.50	4.06	4.39
Own Non-Tax Revenue/GSDP	2.05	1.94	2.16	2.14	2.32
Central Transfers/GSDP	5.79	5.12	4.82	6.36	6.57
II. Expenditure Management					
Total Expenditure/GSDP	27.45	28.10	29.04	32.86	36.13
Total Expenditure/Revenue Receipts	109.45	116.13	107.07	108.65	123.37
Revenue Expenditure/Total Expenditure	84.34	82.19	86.22	86.68	84.19
Expenditure on Social Services/Total Expenditure	33.91	31.45	33.43	32.59	35.37
Expenditure on Economic Services[7]/Total Expenditure	35.66	38.16	34.98	37.84	37.54
Capital Expenditure/Total Expenditure	14.65	16.27	13.04	12.42	14.89
Capital Expenditure on Social and Economic Services/Total Expenditure	13.62	14.81	11.73	11.62	13.98
III. Management of Fiscal Imbalances					
Revenue Surplus (+) Deficit (-) / GSDP	+ 1.93	+ 1.10	+ 2.08	+ 1.76	- 1.13
Fiscal deficit (-) / GSDP	- 2.20	- 3.75	- 1.78	- 2.42	- 6.70
Primary Deficit (-) Surplus (+) / GSDP	- 0.26	- 1.92	+ 0.06	- 0.60	- 4.90
Revenue Deficit/Fiscal Deficit	Revenue Surplus				16.93
Primary Revenue Balance[8]/GSDP	3.87	2.93	3.93	3.58	0.66

[5] GSDP figures (current prices – Base Year 2004-05) as furnished (July 2012) by the Directorate of Economics & Statistics.

[6] Expenditure incurred up to the end of the year on incomplete works (in brackets) scheduled to be completed by end of the respective year.

[7] Including loans and advances

[8] Revenue Receipts – (Revenue Expenditure – Interest Payments).

	2007-08	2008-09	2009-10	2010-11	2011-12
IV. Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	32.26	30.76	30.00	29.02	32.02
Fiscal Liabilities/RR	128.64	127.12	110.31	95.96	109.36
Primary deficit *vis-à-vis* quantum spread (₹ in crore)	153.20	185.86	117.00	79.81	- 508.53
Debt Redemption (Principal +Interest)/ Total Debt Receipts (*per cent*)	77.84	81.01	100.33	97.79	67.60
V. Other Fiscal Health Indicators					
Return on Investment (*per cent*)	0.01	0.01	0.01	0.01	0.02
Balance from Current Revenue (₹ in crore)	- 22.86	- 33.84	- 412.00	- 96.72	- 221.43
Financial Assets/Liabilities (Ratio)	1.48	1.45	1.50	1.51	1.37

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

APPENDIX 1.3

Abstract of Receipts and Disbursements for the year 2011-12

(Reference: Paragraph 1.1; Page 2)

(₹ in crore)

2010-11	Receipts	2011-12	2010-11	Disbursements				2011-12
Section – A : Revenue								
	I. Revenue Receipts			**I. Revenue Expenditure**	**Non-Plan**	**Plan**	**Total**	
571.45	Tax Revenue[9]	697.54	**1316.80**	**General Services**	**1425.28**	**61.91**	**1487.19**	**1487.19**
301.53	Non-Tax Revenue	368.24	**1376.03**	**Social Services**	**931.66**	**810.81**	**1742.47**	**1742.47**
896.27	State's Share of Union Taxes and Duties[10]	1044.19	716.14	General Education	554.18	389.71	943.89	
			41.99	Technical Education, Sports, Art and Culture	12.20	66.24	78.44	
664.07	Non-Plan Grants	527.07	276.93	Health and Family Welfare	138.83	146.98	285.81	
1427.57	Grants for State Plan Schemes	1702.64	105.61	Water Supply and Sanitation	107.77	4.08	111.85	
			55.13	Housing and Urban Development	36.79	37.21	74.00	
12.58	Grants for Central Plan Plan Schemes	16.29	14.05	Information and Broadcasting	5.10	10.89	15.99	
315.15	Grants for Centrally Sponsored Plan Schemes	242.27						
71.86	Grants for Special Plan Schemes	56.23	27.99	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	37.47	2.92	40.39	
			16.94	Labour and Labour Welfare	10.64	19.86	30.50	
			115.55	Social Welfare and Nutrition	22.28	132.92	155.20	
			5.70	Others	6.40	…	6.40	
			1319.91	**Economic Services**	**519.09**	**1086.06**	**1605.15**	**1605.15**
			552.43	Agriculture and Allied Activities	194.99	307.21	502.20	
			241.81	Rural Development	29.38	282.92	312.30	
			14.82	Special Areas Programmes	…	25.44	25.44	
			35.64	Irrigation and Flood Control	19.96	50.63	70.59	
			113.86	Energy	14.41	151.71	166.12	
			136.90	Industry and Minerals	107.46	44.90	152.36	
			85.16	Transport	117.37	1.08	118.45	
			0.39	Science, Technology and Environment	0.45	…	0.45	
			138.90	General Economic Services	35.07	222.17	257.24	
4260.48	**Total**	**4654.47**	**4012.74**	**Total**	**2876.03**	**1958.78**	**4834.81**	**4834.81**
	II. Revenue Deficit carried over to Section B	180.34		**II. Revenue Surplus carried over to Section B**	…	…	…	…
4260.48	**Total**	**4834.81**	**4012.74**	**Total**	**2876.03**	**1958.78**	**4834.81**	**4834.81**

[9] Excluding share of net proceeds of taxes and duties assigned to State.

[10] Share of net proceeds assigned to State.

2010-11	Receipts	2011-12	2010-11	Disbursements				2011-12
Section – B : Others								
					Non-Plan	**Plan**	**Total**	
440.13	**III. Opening Cash Balance including permanent advances and cash balance investment**	**350.71**	…	**III. Opening Overdraft from RBI**				
…	**IV. Miscellaneous Capital Receipts**		**574.73**	**IV. Capital Outlay**	**3.77**	**851.47**	**855.24**	**855.24**
			36.64	**General Services**	**1.56**	**50.88**	**52.44**	**52.44**
			132.74	**Social Services**	**0.27**	**288.13**	**288.40**	**288.40**
			8.36	General Education	…	2.38	2.38	
			0.56	Technical Education, Sports, Art and Culture	…	1.05	1.05	
			20.10	Health and Family Welfare	…	36.44	36.44	
			87.96	Water Supply and Sanitation	0.26	141.65	141.91	
			9.90	Housing and Urban Development	0.01	105.91	105.92	
			5.86	Social Welfare and Nutrition	…	0.70	0.70	
			405.35	**Economic Services**	**1.94**	**512.46**	**514.40**	**514.40**
			20.82	Agriculture and Allied Activities	0.27	28.03	28.30	
			1.20	Rural Development	…	0.31	0.31	
			39.69	Special Areas Programmes	…	58.50	58.50	
			82.56	Irrigation and Flood Control	0.01	82.33	82.34	
			25.38	Industry and Minerals	…	12.48	12.48	
			235.70	Transport	1.66	329.81	331.47	
			…	General Economic Services	…	1.00	1.00	

2010-11	Receipts	2011-12	2010-11	Disbursements	2011-12
27.25	**V. Recoveries of Loans and Advances**	**22.71**	**41.65**	**V. Loans and Advances Disbursed**	**52.38**
…	From Power Projects …		23.11	For Power Projects 28.71	
25.02	From Government Servants 22.53		15.19	To Government Servants 16.43	
2.23	From Others 0.18		3.35	To Others 7.24	
247.74	**VI. Revenue Surplus brought down**	**…**		**VI. Revenue Deficit brought down**	**180.34**
356.39	**VII. Public Debt receipts**	**467.91**	**141.08**	**VII. Repayment of Public Debt**	**202.64**
354.92	Internal debt other than Ways and Means Advances and Overdraft 448.66		120.56	Internal debt other than Ways and Means Advances and Overdraft 157.35	
…	Net transactions under Ways and Means Advances including Overdraft …		…	Net transactions under Ways and Means Advances including Overdraft …	
1.47	Loans and Advances from Central Government 19.25		20.52	Repayment of Loans and Advances to Central Government 45.29	
2765.86	**VIII. Public Account Receipts**	**4091.31**	**2729.20**	**VIII. Public Account Disbursements**	**3270.77**
155.74	Small Savings and Provident Funds 181.49		71.44	Small Savings and Provident Fund 76.41	
24.17	Reserve Funds 39.90		28.31	Reserve Funds[11] 25.60	
878.80	Deposits and Advances 1687.12		888.92	Deposits and Advances 1069.75	
(-) 40.85	Suspense and Miscellaneous[12] (-)13.89		(-) 11.96	Suspense and Miscellaneous[12] 4.53	
1748.00	Remittances 2196.69		1752.49	Remittances 2094.48	
…	**IX. Closing Overdraft from Reserve Bank of India**		**350.71**	**IX. Cash Balance at end**	**371.27**
			14.22	Cash in Treasuries 15.12	
			(-) 507.91	Deposits with Reserve Bank 54.56	
			0.20	Departmental Cash Balance 0.37	
			844.20	Cash Balance Investment 301.22	
3837.37	**Total**	**4932.64**	**3837.37**	**Total**	**4932.64**

[11] Includes disbursement on investment.

[12] Excluding 'Other Accounts'.

APPENDIX 1.3 (concld.)

Summarised Financial Position of the Government of Meghalaya as on 31 March 2012

(Reference: Paragraph 1.10.1; Page 32)

(₹ in crore)

As on 31 March 2011	Liabilities		As on 31 March 2012
...	**External Debt**		**...**
2493.08	**Internal Debt**		**2784.39**
1765.60	Market loans bearing interest	1974.15	
[13]	Market loans not bearing interest	[13]	
0.41	Loan from LIC	0.29	
727.07	Loans from other Institutions	809.95	
...	Ways and Means Advances	...	
...	Overdraft from Reserve Bank of India	...	
239.51	**Loans and Advances from Central Government**		**213.47**
5.37	Pre 1984-85 Loans	5.37	
12.24	Non-plan Loans	11.90	
204.33	Loans for State Plan Schemes	187.41	
0.14	Loans for Central Plan Schemes	0.10	
11.57	Loans for Centrally Sponsored Plan Schemes	3.59	
5.86	Loans for Special Schemes	5.10	
105.00	**Contingency Fund**		**105.00**
626.31	**Small Savings, Provident Funds, *etc.***		**731.39**
713.16	**Deposits**		**1330.52**
114.47	**Reserve Funds**		**146.32**
---	**Remittance Balances**		**87.28**
2178.82	**Surplus on Government Accounts**		**1998.48**
1931.08	(i) Revenue Surplus as on 31 March 2011	2178.82	
247.74	(ii) Revenue deficit for the year 2011-12	(-)180.34	
6470.35			**7396.85**
	Assets		
5257.83	**Gross Capital Outlay on Fixed Assets**		**6113.07**
315.79	Investment in shares of Companies, Corporation, *etc.*	337.37	
4942.04	Other Capital Outlay	5775.70	
535.28	**Loans and Advances**		**564.95**
463.11	Loans for power projects	491.83	
33.79	Other Development Loans	40.84	
38.38	Loans to Government Servants and miscellaneous loans	32.28	
98.25	**Investment of Earmarked Funds**		**115.81**
1.81	**Advances**		**1.80**
106.54	**Suspense and Miscellaneous Balances**		**124.95**
105.00	**Appropriation to Contingency Fund**		**105.00**
14.93	**Remittances**		**...**
350.71	**Cash**		**371.27**
14.22	Cash in Treasuries	15.12	
(-) 507.91	Deposits with Reserve Bank of India	54.56	
0.20	Departmental Cash Balance	0.37	
...	Permanent Advances	...	
844.20	Cash Balance Investment	301.22	
6470.35			**7396.85**

[13] ₹ 0.39 lakh

Explanatory Notes to Appendices 1.2 and 1.3

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 1.3** 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 ₹ 46.75 crore between the figures reflected in the accounts {(-) ₹ 54.56 crore} and that intimated by the Reserve Bank of India {(-) ₹ 7.81 crore} due to (i) misclassification by Bank/Treasury (₹ 44.73 crore) and (ii) non-receipt of details of adjustment made by RBI (₹ 2.02 crore).

APPENDIX 1.4

Funds Transferred Directly to State Implementing Agencies

(Reference: Paragraph 1.5.2; Page 9)

(Amount in ₹)

Sl. No	Programme/ Scheme	Implementing Agency in the State	Funds transferred by the GOI
1.	AAJEEVIKA	DRDAs,West Khasi Hills, South Garo Hills, Ri Bhoi, East Garo Hills, Jaintia Hills	41210000
2.	Baba Saheb Ambedkar Hastshilpa Yojana	Seng Kynjoh Shaphrang Ki Kynthei Kyndong Tuber.	25064
		Meghalaya Handloom and Handicrafts Development Corporation Ltd.	935500
		Meghalaya Industrial Development Corporation Ltd.	9985000
3.	Central Rural Sanitation Programme	State Water and Sanitation Mission, Meghalaya	111572000
4.	Crime and Criminal Tracking Network and System (CCTNS)	Meghalaya Police Information Technology Society	7369000
5.	Deen Dayal Disabled Rehabilitation Scheme SJE	Bethany Society	853565
		Montfort Center for Education	3094436
6.	Design & Technical Upgradation Scheme	Meghalaya Handloom and Handicrafts Development Corporation Ltd.	90000
7.	Directorate of Forensic Science CFSLs and GEsQD	Meghalaya Police Information Technology Society	4900000
8.	DRDA Administration	DRDAs, West Garo Hills, West Khasi Hills, South Garo Hills, Ri Bhoi, Jaintia Hills, East Garo Hills, East Khasi Hills	66721000
9.	E-Panchayats	Directorate of Community and Rural Development	2796000
10.	Economic Census	Deputy Commissioners, East Khasi Hills, West Garo Hills	155000000
11.	Electronic Governance	Meghalaya Information Technology Society	52264000
12.	Enhancing Skill Development Infrastructure in NE States and Sikkim	Meghalaya State Council for Training in Vocational Trades	25636000
13.	Environment Information Education and Awareness	Forest Development Agency	97000
14.	Grants-in-Aid to NGOs for STs Including Coaching & Allied	R K Mission, R. K. Mission Ashrama Shillong , Meghalaya	64255259
15.	Grants in Aid to Universities and Research Institutions.	St. Anthony's College Registered Society	240000
16.	Grid Interactive Renewable Power MNRE	Meghalaya State Electricity Board	20250000
17.	Health Insurance for Unorganised Sector Workers	State Health Society, Meghalaya	44291307
18.	Hospitals and Dispensaries (under NRHM)	State Health Society, Meghalaya	21590000
19.	Human Resource Development (HRD)	Meghalaya Handloom & Handicrafts Development Corporation Ltd.	125000
20.	Human Resource Development Biotechnology	Lady Keane Girls' College Educational Society	986822
21.	Information Publicity and Extension	Meghalaya Non Conventional & Rural Energy Development Agency	3638000

Sl. No	Programme/ Scheme	Implementing Agency in the State	Funds transferred by the GOI
22.	Integrated Watershed Management Programme (IWMP)	Meghalaya State Watershed and Wasteland Development Agency, Shillong, Meghalaya	30375000
		SLNA Meghalaya(Shillong)	98280000
23.	Mahatma Gandhi National Rural Employment Guarantee Act	DRDAs, West Garo Hills, West Khasi Hills, South Garo Hills, Ri Bhoi, Jaintia Hills, East Garo Hills, East Khasi Hills	2849833000
24.	Marketing and Export Promotion Scheme	Meghalaya Apex Handloom Weavers & Handicrafts Cooperative Federation Ltd., Shillong	1692262
		Director of Sericulture & Weaving, Govt. of Meghalaya, Shillong	4021511
25.	Marketing Support and Services & Export Promotion Scheme	Meghalaya HL & HC Dev. Corporation Ltd	2202761
26.	Museums	Don Bosco Centre for Indigenous Cultures, Shillong	1754820
27.	National Afforestation Programme	State Forest Development Agency Meghalaya	43100000
28.	National AIDS Control Programme including STD Control	Meghalaya AIDS Control Society	58632000
29.	National Mental Health Programme	State Health Society, Meghalaya	4360000
30.	National Mission on Medicinal Plants	Meghalaya State Medicinal Plants Board	9162000
31.	National Rural Drinking Water Program	SWSM Meghalaya, Shillong	958854000
32.	National Rural Health Mission (NRHM) Centrally	Meghalaya State TB Control Society	14999000
		State Health Society, Meghalaya	701184221
33.	National Rural Health Mission (NRHM) Central Sector	State Health Society, Meghalaya	1475000
34.	Off Grid DRPS	Meghalaya Non Conventional & Rural Energy Development Agency	17886358
35.	Pollution Abatement	Meghalaya State Pollution Control Board	7444400
36.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	State Rural Road Development Agency	380000000[14]
37.	Promotion of Sports among Disabled	Lynti Jingkyrmen	146250
		Dwar Jingkyrmen School for Children in need of Special Education	236250
		Bethany Society	236250
		Ferrando Speech and Hearing Centre	236250
38.	Promotion and Dissemination of Arts and Culture	MMS Arts	450000
		Kirsty Youth Welfare Organisation	117500
		Nongkrem Youth Development Association	75000
39.	Propogation of Right to Information Act Strengthening	Meghalaya Administrative Training Institute	584223
40.	Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	State Education Mission Authority of Meghalaya	17801000
		Sarva Shiksha Abhiyan State Mission Authority of Meghalaya	106142000
41.	Renewable Energy for Rural Applications for All	Meghalaya Non Conventional & Rural Energy Development Agency	16610000

[14] World Bank Assisted Projects (₹ 37 crore); Assistance to District Rural Development Agencies/Other Executing Agencies, *etc.* (₹ 1 crore)

Sl. No	Programme/ Scheme	Implementing Agency in the State	Funds transferred by the GOI
42.	Rural Housing –IAY	DRDAs, West Garo Hills, West Khasi Hills, South Garo Hills, Ri Bhoi, Jaintia Hills, East Garo Hills, East Khasi Hills	551312100
43.	Sarva Shiksha Abhiyan(SSA)	Sarva Shiksha Abhiyan State Mission Authority of Meghalaya	1441060000
44.	Scheme for setting up of 6000 model schools at block	State Education Mission Authority of Meghalaya	150300000
45.	Schemes Arising out of the Implementation of the Person	District Disability Rehabilitation Centre, Williamnagar, East Garo Hills	404673
46.	Science and Technology Programme for Socio Economic	State Council of Science Technology & Environment (SCSTE), Meghalaya	1019000
47.	Skill Development Initiative	Meghalaya State Council for Training in Vocational Trades	1456000
48.	State Science and Technology Programme	State Council of Science Technology & Environment (SCSTE), Meghalaya	480000
49.	Support to NGOs/Institutions/ SRCs for Adult Education	State Resource Centre NE Hill University	6752027
50.	Support to Extension Programme for Extension	Meghalaya Small Farmers Agri-Business Consortium Agency	28874000
51.	Technology Promotion Development and Utilization	James A. Syiemiong	50000
52.	Voluntary Organisation for Providing Social Defence	Khasi Jaintia Presbyterian Assembly Social and Economic Life Development Association Meghalaya	1237345
53.	Water Technology Initiative	State Council of Science Technology & Environment (SCSTE), Meghalaya	130000
54.	Youth Hostel	Garnet Mylliemngap	156000
Total			**8149047154**

Source: Central Plan Scheme Monitoring System of CGA website.

APPENDIX 1.5

Effectiveness of expenditure under various programmes

(Reference: Paragraph 1.8.2; Page 29)

(Amount: ₹ in crore)

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure		Physical Achievement/Outcome of the Programme		
		Outlay	Expen-diture	Performance Indicator	Targets	Achieve-ment/ Outcome
1.	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	345.19	321.06	Employment generated (Lakh person-days)	Not availa-ble	175.78
2.	Indira Awas Yojana (IAY)	64.92	63.76	Number of Houses constructed	11,412	12,550
3.	National Social Assistance Programme (NSAP)					
(a)	Indira Gandhi National Old Age Pension Scheme (IGNOAPS)	15.20	12.09	Number of beneficiaries	48,112	48,112
(b)	National Family Benefit Scheme (NFBS)	3.27	0.74	Number of beneficiaries	Not availa-ble	742
(c)	Indira Gandhi National Widow Pension Scheme (IGNWPS)	1.20	1.15	Number of beneficiaries	6,749	6,749
(d)	Indira Gandhi National Disability Pension Scheme (IGNDPS)	0.37	0.24	Number of beneficiaries	1,341	1,341
(e)	Food, Civil Supplies & Consumer Affairs – Annapurna Scheme	0.17	0.17	Food grains distributed (in Kg)	2,77,890	2,77,890
4.	Sarva Shiksha Abhiyan (SSA)	168.83	197.83	Number of activities	8,45,741	7,12,080
5.	Mid Day Meal Programme					
(a)	Cooking Cost	35.83	34.84	Number of cooked meals served	5,13,500	5,00,021
(b)	Foodgrains	6.50	6.29	Foodgrains in MT	11,856	8,779.88
(c)	Honorarium to Cooks cum Helpers	17.02	15.24	Number of cooks cum helpers	17,254	15,720
(d)	Construction of Kitchen Sheds	58.58	58.58	Number of sheds	5,768	5,685
6.	Integrated Child Development Scheme (ICDS)	35.23	40.46	DPOs/ICDS projects covered	34 ICDS projects under 5 DPOs	41 ICDS projects under 7 DPOs
7.	Special Nutrition Programme (SNP) in .ICDS Areas	66.08	65.85	Number of Anganwadi Centres/beneficiaries	5,115 6,48,973	5,114 5,25,805
8.	National Rural Health Mission (NRHM)	77.96	45.12	Home Deliveries (Numbers)	No target fixed	39,579
				Institutional Deliveries(Numbers)		39,516
				Janani Suraksha Yojana		21,999
				Child Immunisation (Numbers)		6,26,900
				Full Immunisation (Numbers)		58,063
				Population Stabilization (Numbers)		2,825
9.	Jawaharlal Nehru National Urban Renewal Mission	106.82	104.47	Drains, buses, housing units, *etc.*	12 projects	Under progress

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure		Physical Achievement/Outcome of the Programme		
		Outlay	Expen-diture	Performance Indicator	Targets	Achieve-ment/ Outcome
10.	National Rural Drinking Water Programme (NRDWP)	84.58	83.18	Number of habitations covered	400	369
11.	Total Sanitation Campaign (TSC)	96.37	86.41	Number of habitations covered	3,01,833	2,18,198
12.	Rural Water Supply Programme (RWSP)	65.50	65.45	Number of habitations covered	135	141
13.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	197.86	197.86	Phase II (in KM) Phase III (in KM) Phase IV (in KM) Phase V (in KM)	263.01 93.10 105.593 183.60	250.76 84.10 103.243 98.01
14.	Accelerated Irrigation Benefit Programme – (AIBP)	130.01	126.93	Area covered (hectares)	20,402	20,402
15.	Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)	347.84	234.61	Number of villages	1,866	1,172
16.	Horticulture Mission for North East and Himalayan States (HMNEH)	26.50	26.50	Rejuvenation (hectares)– Vegetables- Capsicum Broccoli Flowers - Orchids	 140 60 80	 120 30 68
				Green House Structure – Tabular structure (in hectares)	37,850	37,550
				Human Resource Development (number)	850	750

Source: Information furnished (July 2012) by the Directorate of Programme Implementation and Evaluation, GOM.

APPENDIX 2.1

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

(Reference: Paragraph 2.2; Page 46)

(₹ in crore)

Name of Department	Number & Name of Grant/Appropriation	Savings (-) Excess (+)
Transport	10 - Taxes on Vehicles, Other Administrative Services *etc.*, Revenue – Voted	(-) 10.52
Public Works	19 – Secretariat General Services, Public Works, *etc.* Revenue – Voted Capital - Voted	 (-) 29.29 (-) 59.53
Education, Sports and Youth Affairs and Arts & Culture	21– Miscellaneous General Services, *etc.* Revenue – Voted	 (-) 160.60
Finance	24 - Pensions and other Retirement Benefits Revenue – Voted	 (+) 139.17
Health and Family Welfare	26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, *etc.* Revenue – Voted Capital – Voted	 (-) 18.05 (-) 19.67
Public Health Engineering	27 - Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, Capital Outlay on Housing, *etc.* Capital – Voted	 (-) 27.07
Agriculture	43 – Housing, Crop Husbandry, *etc.* Revenue – Voted	 (-) 101.50
Soil and Water Conservation	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	 (-) 19.21
Community and Rural Development	51– Housing, Crop Husbandry, *etc.* Revenue – Voted	 (-) 18.65
Finance	Appropriation – Loans and Advances from the Government Capital – Charged	 (+) 24.67

APPENDIX 2.2

Statement of various grants/appropriations where saving was more than ₹ 1 crore each and more than 20 *per cent* of the total provision

(Reference: Paragraph 2.3.1; Page 46)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percen-tage
1.	3	Council of Ministers, Other Administrative Services, *etc* Revenue – Voted	10.30	7.06	69
2.	4	Administration of Justice Revenue – Charged	2.90	2.90	100
3.	8	State Excise Revenue - Voted	14.11	2.88	20
4.	9	Sales Tax, Other Taxes and Duties on Commodities and Services Revenue – Voted	20.21	4.03	20
5.	10	Taxes on Vehicles, Other Administrative Services *etc*., Revenue – Voted	25.25	10.52	42
6.	11	Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, *etc.* Revenue – Voted	395.59	226.21	57
7.		Capital - Voted	72.43	43.72	60
8.	17	Jails, Capital Outlay on Public Works Revenue – Voted	10.94	3.12	29
9.	19	Secretariat General Services, Public Works, *etc.* Capital - Voted	91.83	59.53	65
10.	26	Medical and Public Health, Family Welfare, *etc.* Capital – Voted	56.11	19.67	35
11.	29	Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, *etc.* Revenue – Voted	64.29	19.74	31
12.		Capital – Voted	124.33	24.48	20
13.	34	Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes, Social Security and Welfare, Nutrition, *etc.* Revenue – Voted	235.55	57.84	25
14.		Capital – Voted	16.35	15.65	96
15.	39	Co-operation, Capital Outlay on Co-operation, Capital Outlay on Other Agricultural Programmes, Loans for Co-operation Revenue – Voted	29.98	13.99	47
16.		Capital –Voted	17.43	6.20	36
17.	40	North Eastern Areas, Capital Outlay on North Eastern Areas Revenue – Voted	38.24	12.80	34
18.	43	Housing, Crop Husbandry, Agricultural Research and Education, *etc.* Revenue – Voted	329.57	101.50	31
19.	48	Housing, Dairy Development Revenue – Voted	12.21	3.84	31
20.	49	Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries Revenue – Voted	20.89	5.83	28
21.		Capital – Voted	1.73	1.34	77
22.	50	Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Revenue – Voted	104.84	26.40	25
23.		Revenue – Charged	0.11	0.11	100
24.	54	Village and Small Industries, Capital Outlay on Housing, Capital Outlay on Village and Industries, *etc* Capital – Voted	7.25	6.10	84
25.	57	Tourism, Capital Outlay on Public Works, Capital Outlay on Tourism, Loans for Tourism Capital – Voted	7.01	1.77	25
26	66	Internal Debt of the State Government Capital – Charged	200.70	43.35	22

APPENDIX 2.3
Statement showing expenditure without provision
(Reference: Paragraph 2.3.3; Page 47)

(₹ in lakh)

Sl. No.	Grant/Appropriation Number – Major Head of Accounts - Sub-Head - Detailed Head	Expenditure without provision
1.	19 – 2059 -80 – 001 – (07) Divisional and Subordinate Offices (Roads) – General	102.22
2.	19- 4059 -02 – 103 – (4699) Renovation Repair and Maintenance of Polytechnic at Cherangre, Tura - Sixth Schedule (Part II) Areas	15.00
3.	21 – 2202 – 01 – 102 – (06) Establishment of Book Bank in Primary Schools – Sixth Schedule (Part-II) Areas	32.00
4.	21 – 2202 – 02 – 105 – (05) Training of teachers seminar works	13.84
5.	21 – 2202 – 02 – 02 – 110 – (13) Extra curricular activities in High and Middle Schools - Sixth Schedule (Part-II) Areas	15.19
6.	21 – 2202 – 02 – 800 – 19 Payment of Decretal – General	125.93
7.	21 – CSS – 2202 – 80 – 003 – (05) Seminar Conference – General	12.24
8.	21 – CSS – 2203 – 103 – (03) Setting up of Technical University – General	500.00
9.	21 – CSS – 2203 – 105 –(01) Upgradation of Existing /Setting up new Polytechnics – General	20.00
10.	21 –2204 – 800 – (01) Urban Infrastructure – General	430.00
11.	26 – 2211 – 001 – (02) District Family Welfare Bureau - General	59.60
12.	26 – 2211 – 101 – (02) Rural Family Welfare Sub-Centres – Sixth Schedule (Part II) Areas	361.30
13.	26 – CSS – 2211 – 001 – (01) State Family Welfare Bureau – Sixth Schedule (Part II) Areas	11.37
14.	26 – CSS – 2211 – 003 – (01) Regional Health & Family Welfare Training Centre – General	80.41
15.	26 – CSS – 2211 – 003 – (02) Schemes for Auxiliary Nurses and Mid-Wives Training Programme (Female Health Workers) - Sixth Schedule (Part II) Areas	103.52
16.	26 – CSS – 2211 – 101 - 0001 – (01) Rural Family Welfare Centres - Sixth Schedule (Part II) Areas	53.73
17.	26 – CSS – 2211-101 – (02) Rural Family Welfare Sub-Centres – Sixth Schedule (Part II) Areas	667.29
18.	26 – CSS – 2211-101 – (02) Rural Family Welfare Sub-Centres – General	364.17
19.	26 – CSS – 2211-102 – (01) Urban Family Welfare Centres - Sixth Schedule (Part II) Areas	21.67
20.	26 – 4210 – 01 – 110 – (23) Upgradation of State T.B. Cum Demonstration and Training Centre Shillong - Sixth Schedule (Part II) Areas	243.06
21.	26 – 4210 – 01 – 110 – (23) Upgradation of Mawkyrwat CHC to Hospital - Sixth Schedule (Part II) Areas	30.00
22.	26 – 4210 – 01 – 110 – (23) Contruction of Health Complex at Red Hill, Shillong - Sixth Schedule (Part II) Areas	47.52
23.	27 – 4215 – 01 – 102 – (02) Rural Water Supply Maintenance - Sixth Schedule (Part II) Areas	576.99
24.	30 - 2220 – 60 – 001 – (01) Directorate of information and Public Relation - Sixth Schedule (Part II) Areas	162.34
25.	34 – 2235 – 02 – 106 - (01) Implementation of Juvenile Justice Act. Establishment of Juvenile Guidance Centres - Sixth Schedule (Part II) Areas	0.91
26.	34 – 2235 – 02 – 102 – (15) Integrated Child Development Scheme enhancement of Honorarium to Anganwadi Workers and Helpers – Sixth Schedule (Part II) Areas	62.88
27.	34 – CSS – 2235 – 02 – 102 – (15) Integrated Child Development Scheme enhancement of Honorarium to Anganwadi Workers and Helpers Sixth Schedule (Part II) Areas	44.43
28.	36 – 2235 – 60 – 104 – (01) Government Provident Fund – General	40.00
29.	42 -3475 – 106 – (06) – Strengthening of Weights and Measures Infrastructures – General	100.00

Sl. No.	Grant/Appropriation Number – Major Head of Accounts - Sub-Head - Detailed Head	Expenditure without provision
30.	43 – 2401 – 107 – (05) Plant Protection including IPM – Sixth Schedule (Part-II) Areas	11.68
31.	43 – 2401 – 108 – (25) Experimental Tea Plantation – Sixth Schedule (Part-II) Areas	11.66
32.	43 – 2401 – 119 – (28) Development of Strawberry Cultivation – General	13.46
33.	43 – 2702 – 800 – (18) Development of Micro Irrigation (Drip Sprinkler) – General	27.20
34.	44 – 2711 – 01 – 103 – (01) New Supplies – General	18.50
35.	48 – 2216 – 07 – 800 – (01) Construction - Sixth Schedule (Part II) Areas	0.31
36.	52 – 4885 – 60 – 800 – 05 Setting up of Bamboo Mat at Nongchram – General	13.13
37.	53 – 2851 – 103 (20) – Integrated Handloom Development Scheme – General	29.98
38.	56 – 5054 – 04 – 800 - (04) Roads Financed from Central Road Fund – Sixth Schedule (Part-II) Areas	49.91
39.	56 – 5054 – 04 – 800 - (08) HUDCO Loan - Sixth Schedule (Part-II) Areas	249.24
40.	Appropriation – Internal Debt of the State Government 6003– 106 – Compensation and other Bonds 8.50% Meghalaya Government Power Bond October 2011 – General	69.95
41.	Appropriation – Internal Debt of the State Government 6003– 106 – Compensation and other Bonds 8.50% Meghalaya Government Power Bond April 2012 – General	69.95
	Total	**4862.58**

APPENDIX-2.4

Statement showing the amount debited head wise and credited to 8443

(Reference: Paragraph 2.3.4; Page 48)

Sl No.	Debit Head	Credit Amount (₹ in crore))
1.	2059	5.03
2.	2210	14.67
3.	2216	8.89
4.	2220	6.60
5.	2225	23.19
6.	2230	9.02
7.	2235	17.16
8.	2236	1.19
9.	2401	61.47
10.	2402	17.52
11.	2403	2.92
12.	2406	12.87
13.	2435	5.46
14.	2501	9.71
15.	2505	30.43
16.	2552	19.95
17.	2801	17.62
18.	2851	11.97
19.	2853	6.10
20.	3054	9.52
21.	3451	141.11
22.	3452	5.75
Total		**438.15**

APPENDIX 2.5

Excess over provision of previous years requiring regularisation

(Reference: Paragraph 2.3.5; Page 48)

(₹ in crore)

Year	Number of Grant/ Appro-priation	Grant(s)/Appropriation(s) numbers	Amount of excess
1971-72	4	64, 79, 80, 88	0.08
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

Year	Number of Grant/ Appro-priation	Grant(s)/Appropriation(s) numbers	Amount of excess
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
2009-10	8	1,2,20,23,24,26,35,52	49.71
2010-11	11/1	1,2,4,7,9,14,24,26,35,36,44/63- Appropriation to Contingency Fund	235.38
Total			**1210.96**

APPENDIX 2.6

Excess expenditure recommended by the Public Accounts Committee (PAC) for regularisation, but not regularised through Act of State Legislature

(Reference: Paragraph 2.3.5; Page 48)

(Amount in ₹)

Sl. No.	Department	Years	Number & Name of Grant/Appropriation	Excess yet to be regularised despite PACs recommendation	PAC Report No.
1.	Inspector General of Prisons	1985-86	17 – Jails (Revenue-Voted)	4,71,945	23rd Report presented to the Assembly on 08.04.1997.
2.	Agriculture	1983-84	45–Agriculture, Minor Irrigation, Other Social and Community Services, etc. (Revenue-Voted)	22,06,937	23rd Report presented to the Assembly on 08.04.1997.
3.	Public Health Engineering	1981-82	28-Public Health Sanitation and Water Supply, etc.	11,04,718	28th Report presented to the Assembly on 16.12.2004.
4.	Finance	1971 to 72 1973 to 74, 1976-77, 1982-83, 1984-85 to 1998-99, 2002-03 to 2006-07	64, 88, 24, 15, 61, 60, 36, Appropriations – Interest on Debt and other obligations, Interest Payment, Loans and Advances from Central Government (Capital-Charged)	587,41,01,113	34th Report presented to Assembly on 19.03.2010.
5.	Finance (AF) and Political Department	1987-88 to 1989-90, 1996-97 to 2005-06	36–Social Security & Welfare	14,62,591	-do-
6.	Home	1980-81 to 1982-83, 1984-85, 1986-87 to 1988-89, 1992-93 to 1994-95, 1995-96, to 1997-98, 2003-04 & 2006-07	20–Other Administrative Services,-1-Civil Defence and Home Guards	2,01,89,975	-do-
7.	Meghalaya Legislative Assembly Secretariat	1987-88, 1995-96 to 1998-99, 2000-2001 to 2007-08	1-Parliament/ State/UT/Legislature	102,94,33,622	-do-
8.	Industries	1983-84, 1987-88 1996-97, 2005-06	53, 54 &56	60,00,000 3,52,65,311	-do-
9.	Printing and Stationery	1983-84 to 1985-86, 1989-90 to 1991-92, 1997-98, 1999-2000 to 2001-02	18-Stationery & Printing	35,78,476	-do-
		Total		**697,38,14,688**	

APPENDIX 2.7

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

(Reference: Paragraph 2.3.7; Page 49)

(₹ in lakh)

Sl. No.	Number & name of Grant	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
1.	6- Land Revenue, Relief on account of Natural Calamities, *etc.* Revenue – Voted	3023.92	2561.91	462.01	39.07
2.	9- Sales Tax, Other Taxes and Duties on Commodities and Services Revenue – Voted	1985.20	1618.00	367.20	36.25
3.	10 - Taxes on Vehicles etc. Revenue – Voted	2422.00	1472.49	949.51	102.90
4.	11- Other Taxes and Duties on Commodities and Services etc. Revenue – Voted	39545.50	16937.65	22607.85	13.76
5.	13- Secretariat General Services etc. Revenue – Voted	8578.00	7898.74	679.26	312.11
6.	19 – Secretariat General Services, *etc.* Capital – Voted	8964.18	3230.05	5734.13	218.75
7.	21- Miscellaneous General Services, General Education *etc.* Revenue – Voted	104031.70	102333.21	1698.49	14361.68
8.	22 – Other Administrative Services, *etc* Housing Revenue – Voted	1996.80	1863.36	133.44	31.89
9.	26 – Medical and Public Health, Family Welfare, *etc* Revenue - Voted	30122.60	28581.33	1541.27	264.07
10.	Capital - Voted	4610.70	3644.00	966.70	1000.00
11.	27- Water Supply and Sanitation, Housing, *etc.* Capital – Voted	16998.00	14341.12	2656.88	50.00
12.	28 – Housing, Capital Outlay on Housing, Loans for Housing Revenue – Voted	1233.10	1115.34	117.76	14.54
13.	29 – Housing, Urban Development, Capital Outlay on Housing, *etc* Revenue – Voted	6083.00	4455.03	1627.97	345.63
14.	34- Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes, *etc.* Revenue – Voted	21417.30	17771.49	3645.81	2137.81
15.	39- Co-operation, Capital Outlay on Co-operation, *etc.* Revenue – Voted	2683.49	1599.27	1084.22	315.00
16.	Capital – Voted	1229.13	1122.60	106.53	513.60
17.	40- North Eastern Areas, Capital Outlay on North Eastern Areas Revenue – Voted	3560.00	2543.58	1016.42	264.00
18.	43- Housing, Crop Husbandry, Agricultural Research and Education, *etc.* Revenue – Voted	30684.60	22806.42	7878.18	2272.14
19.	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	16131.76	15605.01	526.75	1394.59
20.	49 – Housing, Fisheries, Agricultural Research and Education, *etc* Revenue – Voted	1974.38	1506.19	468.19	114.92
21.	50- Forestry and Wildlife, Agricultural Research and Education, *etc.* Revenue – Voted	10382.94	7843.60	2539.34	101.06
22.	54- Village and small Industries, Capital Outlay on Housing, *etc.* Revenue – Voted	2394.07	1992.62	401.45	65.48

Sl. No.	Number & name of Grant	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
23.	55 – Non-Ferrous Mining and Metallurgical Industries, Capital Outlay on Housing, *etc* Revenue – Voted	8787.35	8304.87	482.48	513.09
24.	57 – Tourism, Capital Outlay on Public Works, Capital Outlay on Other Communications Services, *etc* Capital - Voted	611.00	523.64	87.36	90.00
	Total	**329450.72**	**271671.52**	**57779.20**	**24572.34**

APPENDIX 2.8

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

(Reference: Paragraph 2.3.8; Page 50)

(₹ in crore)

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
1.	6	101 – Transfer to Reserve Funds and Deposit Accounts – State Disaster Response Fund (02) Transfer to 8235 – General and other Reserve – Fund- 111 – Calamity Relief Fund General	2245	(-)14.30	(+) 12.21
2.	9	101 – Collection Charges (01) – District Level Offices Sixth Schedule (Part-II) Areas	2040	(-) 0. 004	(+) 1.97
3.	13	090– Secretariat (02) – Secretariat Administration Department (including other Minor Department not shown separately) General	2052	(+) 1.37	(-) 4.62
4.		090 – Secretariat (03) – Nazarat (including expenditure of all Grade IV Staffs of the entire Secretariat) General		(-)1.82	(-)2.57
5.		090 – Secretariat (08) Finance (excluding Economic Affairs) Department General		(-) 0.78	(-)1.12
6.		090 – Secretariat (11) Information and Technology Department General	3451	(+)0.02	(-)3.36
7.	19	80 – General - 001 -Direction and Administration (01) Chief Engineer and his General Establishment (Roads) – General	2059	(+) 0.50	(-) 1.29
8.		80 – General - 001 - Direction and Administration (07) Divisional and Subordinate Offices (Roads) Sixth Schedule (Part-II) Areas		(-)1.65	(-) 9.26
9.	21	102 – Assistance to Non- Government Primary Schools (13) Expenditure on UP Schools under non deficit system General	2202	(+)2.21	(-)3.55
10.		110 – Assistance to Non- Government Secondary Schools (01) Expenditure on Secondary Schools under deficit system for Boys Sixth Schedule (Part-II) Areas		(+) 3.14	(-) 4.82
11.		110 – Assistance to Non- Government Secondary Schools (01) Expenditure on Secondary Schools under deficit system for girls Sixth Schedule (Part-II) Areas		(+)0.84	(-)11.61
12.		800 – Other Expenditure (18) Non Lapsable Central Pool of Resource General		(-)20.26	(-)1.14
13.		800 – Other Expenditure (23) Assistance under Article 275(1) General		(-) 1.00	(-) 3.10
14.		103 – Government Colleges and Institutes (13) Government College Sixth Schedule (Part-II) Areas		(-)1.11	(-)2.55

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
15.	21	104 – Sports and Games (04) Construction of Outdoor and Indoor Stadium Sixth Schedule (Part-II) Areas	2204	(-)1.76	(-)1.22
16.		102 – Youth Welfare Programmes for Students (03) National Cadet Corps Unit Offices General		(-)0.008	(+)1.08
17.		102 – Assistance to Non – Government Primary Schools (13) Expenditure on UP Schools under Non- Deficit System Sixth Schedule (Part-II) Areas	2202	(+)0.50	(+)9.34
18.		109 – Government Secondary Schools (01) Secondary Schools for Boys Sixth Schedule (Part-II) Areas		(-)1.81	(+)2.42
19.		110 – Assistance to Non – Government Secondary Schools (03) Expenditure on non-deficit Secondary Schools for Boys General		(+)6.32	(-)4.28
20.	26	001 – Direction and Administration (09) Payment due to MeSEB/Municipal Board/Telephone Bill (BSNL) Sixth Schedule (Part-II) Areas	2210	(+)0.54	(-)1.43
21.		110 – Hospital and Dispensaries (16) Upgradation of 30 bedded CHC to Hospital Sixth Schedule (Part-II) Areas		(+)0.10	(-)4.05
22.		110 – Hospital and Dispensaries (25) Setting up of Medical College and Teaching Hospital including Hostels and Faculty/Staff Quarters Sixth Schedule (Part-II) Areas		(-)0.92	(-)24.98
23.		800 – Other Expenditure (15) Assistance to National Rural Health Mission General		(-)9.68	(-)6.27
24.		110 – Hospital and Dispensaries (02) Ganesh Das Hospital (including improvement thereof) Sixth Schedule (Part-II) Areas		(+)0.03	(+)3.23
25.	27	102 – Rural Water Supply (01) Each Schemes Sixth Schedule (Part-II) Areas	4215	(-)31.50	(-)5.84
26.		102 – Rural Sanitation Services (01) Each Schemes Sixth Schedule (Part-II) Areas		(-)1.00	(-)6.50
27.	29	051 – Construction (04) Special Urban Work Programme (including Chief Minister's Urban Development Fund) Sixth Schedule (Part-II) Areas	2217	(+)2.20	(-)7.70
28.		800 – Other Expenditure (01) Development of Satellite Township for Shillong Sixth Schedule (Part-II) Areas	4217	(-)7.14	(-)2.25
29.	30	001 – Direction and Administration (01) Directorate of Information and Public Relation General	2220	(-)0.48	(-)2.72
30.		001 – Direction and Administration (02) District and Sub Divisional Information and Public Relations Offices Sixth Schedule (Part-II) Areas		(+)1.62	(-)1.35
31.		001 – Direction and Administration (01) Directorate of Information and Public Relation Sixth Schedule (Part-II) Areas		(-)0.75	(+)1.62

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
32.		101 – Advertising and Visual Publicity (01) Publicity through Cinematography and Exhibitions General		(-)0.42	(+)3.21
33.	34	101 - Special Nutrition Programmes (04) Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG) – SABLA Sixth Schedule (Part-II) Areas	2236	(+)1.67	(-)2.06
34.		101 - Special Nutrition Programmes (02) Supplementary Nutrition Programme for Integrated Child Development Service Scheme Sixth Schedule (Part-II) Areas		(-)5.06	(+)11.28
35.	43	001 – Direction and Administration (03) Establishment of Irrigation Wing Sixth Schedule (Part-II) Areas	2702	(-)0.52	(-)2.12
36.		800 – Other Expenditure (10) NABARD Loan for Construction of MIP General		(+)0.02	(-)1.57
37.		001 – Direction and Administration (02) Establishment of Division and Sub-Division (Minor I Works) Sixth Schedule (Part-II) Areas		(-)0.07	(+)2.36
38.	47	101 – Veterinary Services and Animal Health (24) Veterinary Dispensaries Sixth Schedule (Part-II) Areas	2403	(-)0.06	(-)2.18
39.		101 – Veterinary Services and Animal Health (01) Veterinary Hospitals and Dispensaries Sixth Schedule (Part-II) Areas		(-)0.02	(+)1.77
40.	51	800 – Other Expenditure (03) Swarnajayanti Gram Swarozgar Yojana Sixth Schedule (Part-II) Areas	2501	(-)0.25	(-)3.47
41.		702 – Jawahar Gram Samridhi Yojan (03) Indira Awass Yojana (IAY) Sixth Schedule (Part-II) Areas	2505	(-)1.08	(-)2.48
42.		102 – Community Development (01) Stage –I Block Sixth Schedule (Part-II) Areas	2515	(-)2.00	(-)1.98
43.	56	03 – State Highways- 800 – Other Expenditure (01) Construction Sixth Schedule (Part-II) Areas	5054	(+)30.54	(-) 33.93
44.		04 – District and Other Roads - 800 – Other Expenditure (03) Construction of Rural Roads Sixth Schedule (Part-II) Areas		(+)1.97	(+)34.38
45.		04 – District and Other Roads - 800 – Other Expenditure (06) Road Finance from NABARD Load *etc* Sixth Schedule (Part-II) Areas		(+) 12.76	(+)4.11
46.		04 – District and Other Roads - 800 – Other Expenditure (22) Grant under Article 275 (1) Sixth Schedule (Part-II) Areas		(+)8.05	(-)1.47
47.		04 – District and Other Roads - 800 – Other Expenditure (23) Upgradation of Standard of Administration awarded by 13th Finance Commission Construction of Bridges Sixth Schedule (Part-II) Areas		(+)7.00	(-)4.27

APPENDIX 2.9

Results of review of substantial surrenders made during the year

(Reference: Paragraph 2.3.10; Page 50)

(₹ in lakh)

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Amount of surrender	Percentage of Surrender	Reasons attributed for surrender
1.	6 - Land Revenue, Relief on account of Natural Calamities, Other Social Services, Other General Economic Services, Loans for Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes, *etc.*	Strengthening of Revenue Administration and Updating of Land Records (2029)	100.00	100	Non-incurrence of expenditure during the year
2.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, New and Renewable Energy, *etc.*	Construction of LILO of 132 KV D/C NEHU- Khliehriat line at Jowai (Mustem) along with construction of 2 x 20 MVA, 132/33 KV Sub-Station at Mustem (2801)	2500.00	100	Not specifically stated.
3.		Garo Hills Thermal Project (2 x 365 MW) equity participation. (2801)	3200.00	100	
4.		Construction of 2nd Circuit of 132 KV Agia-Nangalbibra line with OPGW (2801)	1600.00	100	
5.		Construction of 132/33 KV, 2 x 20 MVA Sub-Station with LILO of NEIGHRIM – Khliehriat line at Lad Nongkrem (2801)	2500.00	100	
6.		Construction of 132/33 KV, 2 x 20 MVA Sub-Station with LILO of Rongkhon –Ampati line at Praharinagar (Tura) (2801)	2700.00	100	
7.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, Art & Culture, *etc.*	Exposure trip outside the State (2202)	600.00	100	Non-implementation of the scheme
8.		Assistance under Special Plan Assistance (2202)	600.00	100	
9.		Non-Lapsable Central Pool of Resources (2202)	1550.00	100	Non-receipt of sanction
10.		Inclusive Education of the Disabled at the Secondary Stage (IEDSS) (2202)	200.00	100	Less Requirement of Funds Under The scheme
11.		Implementation of Programme of Vocationalisation of Secondary Education (2202)	150.00	100	Non-implementation of the scheme
12.		Colleges for Teacher's Education (2202)	150.00	100	
13.		Construction of Girls/Boys Hostel for Scheduled Tribe (2202)	200.00	100	
14.		N.S.S. Implementation of regular NSS activities (2204)	100.00	100	Less requirement of fund
15.		N.S.S. Implementation Special Campaign Programme (2204)	100.00	100	
16.	27 – Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, Capital Outlay on Housing, Loans for Water Supply and Sanitation	Each Schemes (4215) – Sixth Schedule (Part II) Areas	100.00	100	Non-allocation of funds by the Planning Department
17.		Each Schemes (4215) – Sixth Schedule (Part II) Areas	200.00	100	Non-release of fund by GOI
18.	29 –Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, Loans for Urban Development	Non-Lapsable Central Pool of Resources (2217)	100.00	100	Non-release of fund by GOI
19.		Swarana Jayanti Shahari Rozgar Yojana (2217)	360.00	100	

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Amount of surrender	Percentage of Surrender	Reasons attributed for surrender
20.	34 – Welfare of Scheduled Caste/Scheduled Tribe and Other Backward Classes, Social Security and Welfare, Nutrition, Capital Outlay on Public Works, Capital Outlay on Social Security and Welfare	Construction of Anganwadi Centre under ICDS Scheme (4235) – Sixth Schedule (Part II) Areas	1400.00	100	Non-release of fund by GOI
21.	39 – Co-operation, Capital Outlay on Co-operation, Capital Outlay on other Agricultural Programmes, Loans for Co-operation	Assistance for revival and restructuring of Credit Structures in the State (2425)	1198.00	100	Keeping the scheme in abeyance
22.		Schemes for integrated Cooperative Development Project in selected Districts (4425) – Sixth Schedule (Part II) Areas	188.34	100	Non submission of proposal to GOI/ NCDC
23.		Construction of Warehouse of the Meghala State Warehousing Corporation (4435)	115.00	100	
24.		Loans to different types of Co-operative Societies out of NCDC financial assistance	100.00	100	
25.	40- North Eastern Areas, Capital Outlay on North Eastern Areas	Regulation and Development of Mines (2552)	100.00	100	Non receipt of approval from NEC
26.	49 – Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries	Aquaculture Development for one thousand ponds (2405) Sixth Scheduled (Part II) Areas	270.38	100	Non- acceptance of the proposal by the Government
27.	54 - Housing, Village and Small Industries, Capital Outlay on Housing, Capital Outlay on Village and Small Scale Industries, Loans for Village and Small Industries	Creation of Outlay Testing Centre at Land Custom Station in Meghalaya (LCS) (4851)	500.00	100	Revision of the Outlay by the Planning Department
	Total		**20881.72**		

APPENDIX 2.10

Surrender in excess of actual savings

(Reference: Paragraph 2.3.11; Page 51)

(₹ in lakh)

Sl No.	Number and Name of Grant/Appropriation	Total Grant	Saving	Amount surrendered	Amount surrendered in excess
1.	4 - Administration of Justice Revenue – Voted	1026.70	91.02	126.45	35.43
2.	9 – Sales Tax, Other Taxes and Duties on Commodities and Services Revenue – Voted	2021.45	403.45	704.32	300.87
3.	27-Water Supply & Sanitation *etc.* Capital – Voted	17048.00	2706.88	2719.46	12.58
4.	28-Housing, Capital outlay on Housing, Loans for Housing Revenue – Voted	1247.64	132.30	140.19	7.89
5.	29- Urban Development, Capital Outlay on Housing, *etc.* Revenue – Voted	6428.63	1973.60	1974.23	0.63
6.	30-Information and Publicity Revenue - Voted	1731.00	131.82	196.76	64.94
7.	34-Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes, *etc.* Revenue – Voted	23555.11	5783.62	6251.52	467.90
8.	36 – Miscellaneous General Services, Social Security and Welfare Revenue – Voted	236.08	12.45	50.32	37.87
9.	38-Secretariat Economic Services Revenue - Voted	19824.47	271.88	332.78	60.90
10.	39-Co-operation, Capital outlay on Cooperation, Capital outlay on other Agriculture Programmes, Loans for Co-operation Revenue - Voted	2998.49	1399.22	1413.59	14.37
11.	42 – Housing, Other General Economic Services Revenue – Voted	406.93	26.94	48.55	21.61
12.	48-Housing, Dairy Development, Agricultural Research and Training Revenue – Voted	1221.07	383.87	393.09	9.22
13.	54 – Housing, Village and Small Scale Industries, Capital Outlay on Housing, *etc.* Revenue – Voted	2459.55	466.93	506.87	39.94
	Total	**80205.12**	**13783.98**	**14858.13**	**1074.15**

APPENDIX 2.11

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

(Reference: Paragraph 2.3.12; Page 51)

(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Saving
1.	1	Parliamentary/State/Union Territory Legislature, Stationery and Printing, Capital Outlay on Stationery and Printing Revenue – Voted	0.64
2.		Revenue – Charged	0.51
3.	2	Governor, Capital Outlay on Housing Capital – Charged	1.30
4.	5	Elections Revenue - Voted	1.09
5.	10	Taxes, on Vehicles, Other Administrative Services, *etc*., Road Transport, Capital Outlay on Civil Aviation, Capital Outlay on Road Transport Capital – Voted	0.02
6.	12	Other Fiscal Services Revenue - Voted	0.09
7.	16	Police, Other Administrative Services *etc.*, Housing, Capital Outlay on Public Works, *etc.* Revenue – Voted	3.94
8.		Revenue Charged	0.04
9.		Capital - Voted	0.22
10.	18	Stationery and Printing, Capital Outlay on Stationery and Printing *etc.* Capital – Voted	0.20
11.	19	Secretariat General Services, Public Works, Housing, Capital Outlay on Public Works, Capital Outlay on Education, Capital Outlay on Medical and Public Health, Capital Outlay on Housing Revenue – Charged	0.06
12.	26	Medical and Public Health, Family Welfare, *etc.* Capital – Voted	19.67
13.	40	North Eastern Areas (Special Areas Programmes) Capital outlay on North Eastern Areas Capital – Voted	8.50
14.	41	Census, Survey and Statistics Revenue – Voted	0.74
15.	43	Housing, Crop Husbandry, Agricultural Research and Education, Other Agricultural Programmes, Minor Irrigation, Capital Outlay on Housing, Capital Outlay on Crop Husbandry, Investments in Agricultural Financial Institutions, Capital Outlay on Minor Irrigation Revenue – Charged	0.10
16.		Capital – Voted	2.42
17.	44	Medium Irrigation-II-Works under Embankment and Drainage Wing-P.W.D. – Medium Irrigation Project, Flood Control, etc. Capital – Voted	0.34
		Total	**39.88**

APPENDIX 2.12

Details of saving of ₹ 1 crore and above not surrendered

(Reference: Paragraph 2.3.12; Page 51)

(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1.	3 – Council of Ministers, Other Administrative Services *etc.* Revenue – Voted	7.06	2.08	4.98
2.	4- Administration of Justice Revenue – Charged	2.90	1.53	1.37
3.	6 – Land Revenue, Relief on Account of Natural Calamities, Other Social Services, *etc.* Revenue – Voted	5.01	2.73	2.28
4.	8 – State Excise Revenue – Voted	2.88	1.86	1.02
5.	10 – Taxes on vehicles, other Administrative Services, Road Transport, Capital outlay on Civil Aviation, Capital outlay on Road Transport. Revenue – Voted	10.52	2.02	8.50
6.	13 – Secretariat General Services, Secretariat Social services, Secretariat Economic Services. Revenue – Voted	9.91	5.49	4.42
7.	17 – Jails, Capital Outlay on Public Works Revenue – Voted	3.12	0.99	2.13
8.	19 – Secretariat General Services, Public works, Housing, *etc.* Revenue – Voted	29.29	23.72	5.57
9.	Capital – Voted	59.53	54.52	5.01
10.	20 – Other Administrative Services, etc. Capital Outlay on Public Works. Revenue – Voted	2.19	0.05	2.14
11.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, *etc.* Revenue – Voted	160.60	102.22	58.38
12.	26 – Medical and Public Health, Family Welfare, etc. Revenue – Voted	18.05	0.30	17.75
13.	40 – North Eastern Areas, Capital outlay on North Eastern Areas. Revenue – Voted	12.80	4.25	8.55
14.	43 – Housing, Crop Husbandry, Agricultural Research and Education, Other Agricultural Programmes, Minor Irrigation, *etc.* Revenue – Voted	101.50	1.30	100.20
15.	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	19.21	5.11	14.10
16.	46 – Special Programme for Rural Development Revenue – Voted	8.39	0.15	8.24
17.	47 – Housing, Animal Husbandry, Agricultural Research and Education Revenue – Voted	5.74	0.34	5.40
18.	51 – Housing, Nutrition, Crop Husbandry, Special Programmes for Rural Development, etc. Revenue – Voted	18.65	.005	18.645
19.	57 – Tourism, Capital Outlay on Public Works, Capital Outlay on Other Communication Services, *etc.* Revenue – Voted	1.81	0.52	1.29
20.	Capital – Voted	1.77	0.0036	1.7664
	Total	**480.93**	**209.1886**	**271.7414**

APPENDIX 2.13

Cases of surrender of funds in excess of ₹ 1 crore on 31 March 2012

(Reference: Paragraph 2.3.12; Page 52)

(₹ in crore)

Sl. No.	Grant No. & Name	Head of Account	Amount surrendered	Percentage of total provision
1.	3 – Council of Ministers	2013, 2070	2.08	20
2.	4 – Administration of Justice	2014	1.26	12
3.			1.53	53
4..	6 – Land Revenue	2029,2245, 2250	2.73	9
5.	8 – State Excise	2039	1.86	13
6.	9 – Sales Tax, Other Taxes and Duties on Commodities and Services	2040, 2045	7.04	35
7.	10 – Taxes on Vehicles, Other Administrative Services *etc.*	2041, 2070	2.02	8
8.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, *etc.*	2045, 2501, 2801, 2810	226.21	57
9.		6801	43.72	60
10.	13 – Secretariat General Services, Secretariat Social Services, Secretariat Economic Services, *etc.*	2052, 2251, 3451	5.49	6
11.	19 – Secretariat General Services, Public works, Housing, Capital outlay on Public works, Capital Outlay on Education, Sports, Art and Culture, Capital Outlay on Medical and Public Health, Capital Outlay on Housing	2052, 2059, 2216	23.72	13
12.		4059, 4202, 4216	54.52	59
13.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, *etc.*	2075, 2202, 2203, 2204, 2205, 3425, 3454	102.22	9
14.	22 – Other Administrative Services., Housing	2070, 2216, 3454	1.44	7
15.	24 – Pension and Other retirement benefits	2071	16.80	7
16.	27 – Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, Capital Outlay on Housing	2215, 2216	4.65	4
17.		4215, 4216	27.19	16
18.	28 – Housing, Capital outlay on Housing, Loans for Housing	2216	1.40	11
19.	29 – Urban Development, Capital outlay on Housing, Capital outlay on Urban Development, *etc.*	2217	19.74	31
20.		4216, 4217	24.48	20
21.	30 – Information and Publicity	2220	1.97	11
22.	31 – Labour and Employment	2230	7.13	19
23.	34 – Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes, *etc.*	2225, 2235, 2236	62.52	27
24.		4235	15.65	96
25.	38 – Secretariat Economic Services	3451	3.33	2
26.	39 – Co-operation, Capital Outlay on Co-operation, Capital Outlay on other Agricultural Programmes, Loans for Co-operation	2425	14.14	47
27.		4425, 4435, 6425	6.20	36
28.	40 – North Eastern Areas, Capital outlay on North Eastern Areas	2552	4.25	11

Sl. No.	Grant No. & Name	Head of Account	Amount surrendered	Percentage of total provision
29.	43 – Housing, Crop Husbandry, Agricultural Research & Education, *etc.*	2216, 2401 2415, 2435 2702, 2711	1.30	0.39
30.	45 – Housing, Soil, and Water Conservation, Agricultural Research and Education	2216, 2402, 2415	5.11	3
31.	48 – Housing, Dairy Development, Agricultural Research and Education	2216, 2404	3.93	32
32.	49 – Housing, Fisheries, Agricultural Research and Education, Capital outlay on Housing, Capital outlay on Fisheries	2216, 2405, 2415	5.63	27
33.		4216, 4405	1.34	77
34.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital outlay on Forestry and Wildlife	2406, 2415	25.63	24
35.	52 – Industries, Capital Outlay on Cement, Capital Outlay on Industries and Minerals, Other Loans to Industries and Minerals	2852	1.18	13
36.	53 –Village and Small Industries, Capital Outlay on Village and Small Industries, Loans for Village and Small Industries	2851	1.88	4
37.	54 – Housing, Village and Small Industries, Capital Outlay on Housing, *etc.*	2851	5.07	21
38.		4851	5.64	78
39.	55 – Non-Ferrous Mining and Metallurgical Industries, Capital Outlay on Housing, *etc.*	2853	9.92	11
40.	Appropriation – Interest Payment	2049	5.74	2
41.	Appropriation – Internal Debt of the State Government	6003	43.35	22
	Total		**801.01**	

APPENDIX 3.1

Utilisation Certificates outstanding as on 31 March 2012

(Reference: Paragraph 3.1; Page 63)

(₹ in lakh)

Sl. No.	Department	Year of payment of Grant	Total Grants Paid		Utilisation Certificates			
					Received		Outstanding	
			Amount	Number of Utilisation Certificates required	Number	Amount	Number	Amount
1.	Directorate of Commerce and Industries	1994-95	12.52	2	Nil	Nil	2	12.52
		1995-96	6.00	1	Nil	Nil	1	6.00
		1998-99	1.37	1	Nil	Nil	1	1.37
		2000-01	7.08	1	Nil	Nil	1	7.08
		2008-09	778.37	3	Nil	Nil	3	778.37
		2009-10	813.00	2	Nil	Nil	2	813.00
2..	Education	2003-04	69.39	1	Nil	Nil	1	69.39
3.	Registrar of Co-operative Societies	2000-01	1.80	9	Nil	Nil	9	1.80
		2001-02	3.39	17	Nil	Nil	17	3.39
		2002-03	11.89	29	Nil	Nil	29	11.89
		2003-04	18.90	36	Nil	Nil	36	18.90
		2004-05	106.35	80	Nil	Nil	80	106.35
		2005-06	3.80	12	Nil	Nil	12	3.80
		2006-07	8.10	27	Nil	Nil	27	8.10
		2007-08	34.66	115	Nil	Nil	115	34.66
		2008-09	212.53	247	Nil	Nil	247	212.53
		2009-10	364.47	378	Nil	Nil	378	364.47
4.	Director of Sports & Youth Affairs	2005-06	50.00	50	20	20.00	30	30.00
		2007-08	50.00	50	21	21.00	29	29.00
		2009-10	30.00	7	Nil	Nil	7	30.00
		2010-11	30.00	7	Nil	Nil	7	30.00
5.	Director of Urban Affairs	2008-09	239.32	1	Nil	Nil	1	239.32
		2008-09	10.00	1	Nil	Nil	1	10.00
		2009-10	15.00	1	Nil	Nil	1	15.00
6.	Forest	2007-08	5.10	4	Nil	Nil	4	5.10
		2008-09	19.56	1	Nil	Nil	1	19.56
		2009-10	5.50	1	Nil	Nil	1	5.50
7.	Community & Rural Development	2007-08	2.50	1	Nil	Nil	1	2.50
		2008-09	3.69	1	Nil	Nil	1	3.69
		2009-10	5.38	1	Nil	Nil	1	5.38
		2010-11	324.01	2	Nil	Nil	2	324.01
8.	Transport	1988-89	0.50	1	Nil	Nil	1	0.50
9.	Shillong Municipal Board	2009-10	9.38	1	Nil	Nil	1	9.38
			0.69	1	Nil	Nil	1	0.69
			3.82	1	Nil	Nil	1	3.82
10.	District Council Affairs	2009-10	2559.48	3	2	2166.53	1	392.95
			95.55	3	Nil	Nil	3	95.55
			116.79	3	1	9.86	2	106.93
			1422.00	3	2	1395.19	1	26.81
			26.81	1	Nil	Nil	1	26.81
11.	KVIC	2009-10	0.13	1	Nil	Nil	1	0.13
12.	Director of Higher & Technical Education	2009-10	342.25	1	Nil	Nil	1	342.25
	Total		**7821.08**	**1108**	**46**	**3612.58**	**1062**	**4208.50**

APPENDIX 3.2

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

(Reference: Paragraph 3.2; Page 64)

(₹ in lakh)

Sl. No.	Name of the body/authority	Years for which accounts had not been received	Grants received	
			Year	Amount
1.	Chairman, Meghalaya State Social Welfare Advisory Board	2008-09 to 2010-11	2007-08	86.45
2.	Secretary, State Sports Council	2010-11 to 2011-12	2008-09	1387.17
3.	Chief Executive Officer Municipality, Shillong	2010-11 to 2011-12	2010-11	853.97
4.	District Rural Development Agency, Tura	2007-08 to 2011-12	2006-07	7411.43
5.	District Rural Development Agency, Williamnagar	2008-09 to 2011-12	2007-08	1984.16
6.	District Rural Development Agency, Nongpoh	2009-10 to 2011-12	2008-09	1926.58
7.	Meghalaya State Agricultural Marketing Board, Shillong	2009-10 to 2011-12	2008-09	25.00
8.	District Rural Development Agency, Nongstoin	2006-07 to 2011-12	2006-07	1274.89
9.	Managing Director Economic Development Society, Tura	1996-97 to 2011-12	2007-08	35.00
10.	Secretary, Ramakrishna Mission Ashrama, Cherrapunjee	2004-05 to 2011-12	2008-09	667.35
11.	District Rural Development Agency, Jowai	2010-11 to 2011-12	2009-10	2252.39
12.	Secretary, Meghalaya Urban Development Authority, Shillong	2008-09 to 2011-12	2007-08	1283.31
13.	Secretary, Seva Bharti A.S. Mandir Building, Shillong	2006-07	2006-07	15.94
14.	Meghalaya Commercial Crop Development Board, Shillong	2008-09 to 2011-12	2008-09	25.00
15	Meghalaya State Housing Board	1991-92 to 2011-12	2000-01	1789.60
16.	Jowai Municipal Board	2006-07	2006-10	71.93
17	Tura Municipal Board	2006-07	2006-10	160.32
18.	Williamnagar Municipal Board	2006-07	2006-10	60.04
19.	Baghmara Municipal Board	2006-07	2006-10	46.04
20	Resubelpara Municipal Board	2006-07	2006-10	59.97
21	State Institute of Rural Development (SIRD), Nongsder, Meghalaya	2009-10 to 2011-12	2008-09	196.41
22.	Registrar of Co-operative Societies Meghalaya, Shillong	1998-99 to 2011-12	2007-08	239.60
23.	Director of Industries	1998-99 to 2011-12	2007-08	430.05
24.	Director of Health Services(MI) Shillong	1989-90 to 2011-12	2008-09	450.00
25.	Director, Meghalaya Khadi and Village Industries Commission	2011-12	2010-11	574.93
	Total			**23307.53**

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 2012)

(Reference: Paragraph 3.4; Page 65)

(₹ 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 to more	Total No. of cases
Public Works	--	2 (4.00)	--	1 (1.78)	--	3 (2.93)	6 (8.71)
Health and Family Welfare	--	1 (0.65)	1+1* (4.94)	1 (0.27)	1*		2*+ 3 (5.86)
Agriculture	--	--	1 (0.23)	--	--	1 (0.44)	2 (0.67)
Public Health Engineering	2 (0.59)	2 (1.28)	31 (2.35)	--	22 (3.29)	1 (0.08)	58 (7.59)
Legislative Assembly	--	--	--	1 (3.34)	--	--	1 (3.34)
Finance	1 (1.20)	1 (86.50)	--	--	--	1 (15.74)	3 (103.44)
Forest	1*	--	--	1 (2.14)	--	--	1* + 1 (2.14)
Mining	--	--	--	1 (16.55)			1 (16.55)
Community and Rural Development	--	--	1 (3.03)	--	--	--	1 (3.03)
Printing and stationery	--	1 (0.25)	--	--	--	--	1 (0.25)
Labour	1 (0.66)	--	--	--	--	--	1 (0.66)
Land Record and Survey	--	1 (1.56)	--	--	--	--	1 (1.56)
Horticulture	1 (21.06)	--	--	--	--	--	1 (21.06)
Total	**1* + 5 (23.51)**	**8 (94.24)**	**1* + 34 (10.55)**	**5 (24.08)**	**1* + 22 (3.29)**	**6 (19.19)**	**3* + 80 (174.86)**

(Figures in brackets indicate ₹ in lakh)

* Amount not intimated.