The Report has been laid on the table of the State Legislature Assembly on 16-06-2014

सत्यमेव जयते

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

For the year ended 31 March 2013

GOVERNMENT OF MEGHALAYA

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on

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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 2013.

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 2012-13. The aim of this Report is to provide the State Government with timely inputs based on actual data so that there is a better insight into both well performing as well as ill performing schemes/programmes of the Government. 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 2012-13, Meghalaya Fiscal Responsibility and Budget Management (MFRBM) Act, 2006 (amended in October 2011) and projections made by the Thirteenth Finance Commission (XIII FC).

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

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 2013. 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 significant improvement in the financial health of the State during 2012-13 relative to previous four years (2008-12). During 2012-13, the State has returned to the status of revenue surplus as the revenue

deficit which was ₹ 180.34 crore during 2011-12 turned to revenue surplus of a significant amount of ₹ 536.81 crore during the current year. This achievement was, however, mainly due to increase of central transfer in the form of share of Union Taxes and Duties and grants-in-aid by ₹ 614.98 crore (17.14 *per cent*) during 2012-13 against ₹ 201.19 crore (5.94 *per cent*) during the previous year and marginal increase in revenue expenditure by ₹ 164.73 crore (3.41 *per cent*) during the current year against a substantial increase of ₹ 822.07 crore (20.49 *per cent*) during the previous year. The fiscal deficit as well as primary deficit of the State have also significantly decreased during 2012-13 compared to previous year.

❖ *Revenue Receipts*

Revenue receipts during 2012-13 grew by 18.95 *per cent* (₹ 881.88 crore) over previous year. The tax revenue and non-tax revenue receipts exceeded normative assessment made by XIII FC by 32.52 *per cent* and 54.21 *per cent* respectively. But State's own resources (tax and non-tax revenue) contributed 30.26 *per cent* (₹ 266.90 crore) of the incremental revenue receipts during 2012-13 (₹ 881.88 crore). Whereas Central transfers comprising State's share of central taxes and grants-in-aid from the Government of India increased by ₹ 614.98 crore in 2012-13 and contributed 69.74 *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.

❖ *Revenue / Capital / Total Expenditure*

The revenue expenditure of the State increased by 86.36 *per cent* from ₹ 2682.78 crore in 2008-09 to ₹ 4999.54 crore in 2012-13. The expenditure pattern of the State reveals that though the revenue expenditure as a percentage of total expenditure marginally decreased by 0.23 *per cent* in the current year over previous year, hovered around 85 *per cent* during the period (2008-13) leaving inadequate resources for expansion of services and creation of assets. Within the revenue expenditure, Non-Plan Revenue Expenditure (NPRE) at ₹ 3280.13 crore in 2012-13 constituted 65.61 *per cent* and remained significantly higher (12.17 *per cent*) than the normatively assessed level of ₹ 2924.21 crore by XIII FC for the year. Further, expenditure on salaries, pensions, interest payments and subsidies continued to consume a large share of revenue expenditure which was 47.49 *per cent* during 2012-13. During 2012-13, though the development expenditure (₹ 4304.87 crore) increased by ₹ 118.51 crore (2.83 *per cent*) over previous year, it was much below the budget estimate (₹ 5848.58 crore) for 2012-13. The relative share of revenue development expenditure was 79.58 *per cent* of the total development expenditure, while this share in respect of capital development expenditure was only 20.16 *per cent.* Predominant share of revenue expenditure in development expenditure indicated that more emphasis was given on maintenance of the current level of services. Capital outlay during 2012-13 (₹ 928.34 crore) though increased by ₹ 73.10 crore over previous year, fell short by 33.63 *per cent*

(₹ 470.36 crore) of the projection (₹ 1398.70 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 2008-13, whereas its average interest outgo was in the range of 6.22 to 6.51 *per cent*.

❖ *Debt sustainability*

During 2012-13, there was improvement in all the three major fiscal indicators, *viz*., revenue surplus, fiscal deficit and primary deficit over previous year. The fiscal deficit decreased from ₹ 1065.25 crore in 2011-12 to ₹ 395.30 crore during the current year. Primary deficit also decreased significantly by around 90 *per cent* (₹ 698.10 crore) compared to the previous year. The fiscal deficit-GSDP ratio stood at 2.13 *per cent* during 2012-13 against the ceiling of 3 *per cent* or less prescribed in the MFRBM Act, 2006 (as amended) and also the recommendation of the XIII FC to maintain this ratio at 3 *per cent* of GSDP or less. The prevalence of fiscal deficit during 2008-13 indicates continued reliance of the State on borrowed funds, resulting in increasing fiscal liabilities of the State over the period 2008-12. However, fiscal liabilities during 2012-13 marginally decreased by 2.47 *per cent* (₹ 125.70 crore) and stood at 26.74 *per cent* of the GSDP during the current year against 30.97 *per cent* during 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 approximately ₹ 830.58 crore 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 2012-13, there was an overall saving of ₹ 2546 crore, which was the result of saving of ₹ 2660.45 crore offset by excess of ₹ 114.45 crore. The excess of ₹ 114.45 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 of mobilising additional resources both through tax and non-tax sources by expanding the tax base and rationalising the user charges.

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. Though expenditure incurred under capital heads had been increasing over the years, yet the expenditure pattern under this sector also needs correction. From the point of view of improving developmental expenditure, it is pertinent for the Government of Meghalaya to take appropriate expenditure 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 Fiscal Liabilities-GSDP ratio can be restricted to the projection made in the Medium Term Fiscal Policy Statement.

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 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, 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. As indicated in **Appendix 1.1 (Part-D),** the State's population increased from 23,18,822 in 2001 to 29,66,889 in 2011 recording a decadal growth of 27.95 *per cent.* The percentage of population below the poverty line of the State (11.87 *per cent*) was 10.05 *per cent* less than the all India average (21.92 *per cent*). The State's Gross Domestic Product (GSDP) in 2012-13 at current prices was ₹ 18563.84 crore. The State's literacy rate increased from 62.56 *per cent* (2001) to 74.43 *per cent* (as per 2011 census). General data relating to the State is given in **Appendix 1.1 (Part-D)**.

Gross State Domestic Product

Gross Domestic Product (GSDP) is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the State's economy as it indicates the standard of living of the State's population. The trends in the annual growth of India's GDP *vis-à-vis* State's GSDP at current prices are indicated below:

Table 1.1 : Trends in Gross State Domestic Product

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
India's GDP (₹ in crore)	5303567	6108903	7266967	8353495	9461013
Growth rate of GDP (*per cent*)	15.75	15.18	18.96	14.95	13.26
Gross State Domestic Product (₹ in crore)	11617.04	12709.10	14582.56	16433.86	18563.84
Growth rate of GSDP (*per cent*)	19.34	9.40	14.74	12.70	12.96

{Source: India's GDP: Central Statistics Office, Ministry of Statistics and Programme Implementation as on 01 August 2013.; State's GSDP (base year 2004-05: as furnished (October 2013) by the Directorate of Economics & Statistics, Government of Meghalaya}

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 2008-09 reached its peak to 19.34 *per cent*, it declined to 12.96 *per cent* in 2012-13. The GSDP increased from ₹ 16433.86 crore in 2011-12 to ₹ 18563.84 crore in 2012-13, representing an increase of 12.96 *per cent.* The increase in the growth of GSDP during 2012-13 over that of previous year was mainly due to increase of 17.45 *per cent* under secondary sector (manufacturing, construction, electricity, gas and water supply) followed by 13.35 *per cent* under services like transport, storage and communication including banking, public administration, hotels, *etc.* The GSDP during 2012-13 also exceeded the assessment (₹ 15,308 crore) made by the XIII FC by 21.87 *per cent*. Incidentally, the growth of GSDP during 2012-13 at 12.96 *per cent* exceeded the assessment of the

XIII FC (11.5 *per* cent). The average compound annual growth rate in respect of GSDP for Meghalaya between 2004-05 and 2012-13 was 13.89 *per cent.*

1.1 Introduction

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 (Parts A, B C & D).** The time series data on key fiscal variables/parameters and fiscal ratios relating to the State Government finances for the period 2008-13 are presented **Appendix 1.2**.

1.1.1 Summary of Current Year's Fiscal Transactions

Table 1.2 presents the summary of the State Government's fiscal transactions during the current year (2012-13) *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 1.2 : Summary of Current Year's Fiscal Transactions

(₹ in crore)

Receipts			Disbursements				
	2011-12	2012-13		2011-12	2012-13		
Section – A : Revenue							
				Total	Non-Plan	Plan	Total
Revenue Receipts	**4654.47**	**5536.35**	**Revenue Expenditure**	**4834.81**	**3280.13**	**1719.41**	**4999.54**
Tax revenue	697.54	847.73	General Services	1487.19	1557.64	16.16	1573.80
Non-tax revenue	368.24	484.95	Social Services	1742.47	1083.80	664.13	1747.93
Share of Union Taxes/Duties	1044.19	1192.45	Economic Services	1605.15	638.69	1039.12	1677.81
Grants-in-aid from Government of India	2544.50	3011.22					
Section – B : Capital							
Miscellaneous Capital receipts	**…**	**…**	**Capital Outlay**	**855.24**	48.96	879.38	**928.34**
Recoveries of Loans and Advances	**22.71**	**23.25**	**Loans and Advances disbursed**	**52.38**	15.64	11.38	**27.02**
Public Debt Receipts[1]	**467.91**	**523.23**	**Repayment of Public Debt**	**202.64**	**…**	**…**	**168.51**
Contingency Fund	**…**	**…**	**Contingency Fund**	**…**	**…**	**…**	**…**
Public Account Receipts	**4091.31**	**3642.21**	**Public Account Disbursements**	**3270.77**	**…**	**…**	**3993.97**
Opening Balance	**350.71**	**371.27**	**Closing Balance**	**371.27**	**…**	**…**	**- 21.07**
Total	**9587.11**	**10096.31**	**Total**	**9587.11**			**10096.31**

[1] Includes net Ways and Means Advances.

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

- **Revenue receipts** increased by 18.95 *per cent* (₹ 881.88 crore) over the previous year. The increase was due to increase in grants-in-aid from the Government of India (GOI) (₹ 466.72 crore), State's share of Union taxes and duties (₹ 148.26 crore), tax revenue (₹ 150.19 crore) and non-tax revenue (₹ 116.71 crore).

- **Revenue expenditure** increased by 3.41 *per cent* (₹ 164.73 crore) over the previous year. While there was a decrease of ₹ 239.37 crore under plan heads, the expenditure under non-plan heads increased by ₹ 404.10 crore over previous year.

- Compared to previous year, the **capital outlay** of the State increased by 8.55 *per cent* (₹ 73.10 crore), which was the net result of increase under economic services (₹ 129.05 crore) and general services (₹ 8.15 crore) and decrease under social services (₹ 64.10 crore).

- **Recovery of loans and advances** during the current year marginally increased by ₹ 0.54 crore and **disbursement of loans and advances decreased** ₹ 25.36 crore compared to the previous year.

- **Public Debt receipts** increased by ₹ 55.32 crore over the previous year while repayment of public debt, decreased by ₹ 34.13 crore over the previous year.

- **Public Account receipts** decreased by ₹ 449.10 crore, but **disbursements** under Public Account significantly increased by ₹ 723.20 crore over the previous year.

1.1.2 Review of fiscal situation

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. In accordance with the recommendations of the XIII FC, the MFRBM Act was amended by the State Government and came into force from 10 October 2011. The amended MFRBM Act (**Appendix 1.1- Part E**) laid down the following fiscal targets.

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

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

(c) ensure outstanding debt of the State will be aligned as recommended by XIII FC 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.

The performance of the State during 2012-13 in terms of key fiscal targets set for selected parameters laid down in MFRBM Act, 2006 and projections made in Medium Term Fiscal Policy (MTFP) statement *vis-à-vis* achievements are given in **Table 1.3**.

Table 1.3 : Trends in major fiscal parameters *vis-à-vis* projections for 2012-13

Fiscal parameters	2012-13			
	XIII FC targets for the State	Targets as prescribed in MFRBM Act	Projections MTFP Statement	Actual
Revenue Surplus (+)/ Deficit (-) (₹ in crore)	Maintain revenue balance or attain a surplus	Maintain Revenue Surplus during 2011-15	-	536.81
Revenue Surplus/Total Revenue Receipts (*per cent*)	-	-	14.49	9.70
Fiscal Deficit/GSDP (*per cent*)	3 *per cent*	3 *per cent* or less during 2011-15	2.07	2.13
Total Outstanding Liabilities/ GSDP (*per cent*)	32.3 *per cent* (Outstanding Debt as *per cent* of GSDP)	Reduce to 31.7 *per cent* during 2014-15	24.30	26.74

During 2012-13, the State was successful in maintaining revenue surplus as prescribed in MFRBM Act. The actual revenue surplus to total revenue receipts (as *per cent*) was 9.70 against projection of 14.49 made in MTFP Statement. The Fiscal Deficit-GSDP ratio was within the limit fixed in MFRBM Act as well as by XIII FC but exceeded the projections made in MTFP Statement. Similarly, Total Outstanding Liabilities-GSDP ratio exceeded the targets fixed in the MTFP Statement but was within the limit prescribed in MFRBM Act and that fixed by XIII FC. The State Government has to initiate requisite measures to contain these fiscal parameters within the permissible limit.

1.1.3 Budget estimates and actual

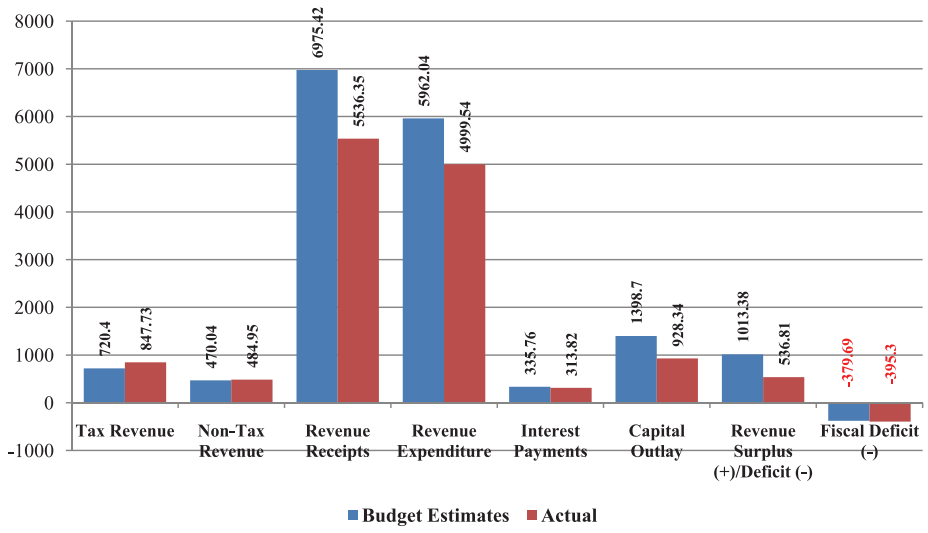
The budget papers presented by State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviation from the Budget Estimates are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, some within the control of the Government and some beyond the control of the Government. **Table 1.4** presents the consolidated picture of finances of the State during 2011-12 (actuals) and 2012-13 (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 – Actual of 2012-13 over 2011-12, Actual of 2012-13 *vis-à-vis* Budget Estimates and Revised Estimates

(₹ in crore)

Parameters	2011-12	2012-13			Percentage of Excess (+)/ Shortfall (-) during 2012-13 with reference to	
	Actual	Budget Estimates (BE)	Revised Estimates (RE)	Actual	Actual of 2011-12	BE/RE
Tax Revenue	697.54	720.40	720.40	847.73	+ 21.53	+ 17.67
Non-Tax Revenue	368.24	470.04	470.04	484.95	+ 31.69	+ 3.17
Revenue Receipts	4654.47	6975.42	6939.69	5536.35	+ 18.95	-20.63/ -20.22
Non-debt Capital Receipts	22.71	23.98	23.98	23.25	+ 2.38	- 3.04
Revenue Expenditure	4834.81	5962.04[2]	5962.04[3]	4999.54	+ 3.41	- 16.14
Interest Payments	285.67	335.76	335.76	313.82	+ 9.85	- 6.53
Capital Outlay	855.24	1398.70	1398.70	928.34	+ 8.55	- 33.63
Disbursement of Loans & Advances	52.38	18.35	18.35	27.02	- 48.42	+ 47.25
Revenue Surplus (+)/Deficit (-)	- 180.34	+ 1013.38	+ 977.65	+536.81	+ 197.67	-47.03/ -45.09
Fiscal Deficit (-)	- 1065.25	- 379.69	- 415.42	- 395.30	- 62.89	+ 4.11/ - 4.84
Primary Deficit (-)/Surplus (+)	- 779.58	- 43.93	- 79.66	- 81.48	- 89.55	+85.48/ +2.28

Chart 1.1: Selected Fiscal Parameters - Budget Estimate vis-à-vis Actuals 2012-13 (₹ in crore)



- During 2012-13, actual **revenue receipts** fell short of the budget estimates and revised estimates by 20.63 *per cent* and 20.22 *per cent* respectively.
- The State Government was successful in restricting the **revenue expenditure** during 2012-13, which was less than the budget estimate by 16.14 *per cent* (₹ 962.50 crore).

[2] Net estimates
[3] Net estimates

- The **capital outlay** *vis-à-vis* budget estimate was less by 33.63 *per cent* (₹ 470.36 crore).
- The year 2012-13 ended with a revenue surplus of ₹ 536.81 crore against assessment for revenue surplus of ₹ 1013.38 crore and ₹ 977.65 crore made in the budget estimate and revised estimate for the year respectively. Due to shortfall in revenue surplus compared to budget estimate during the year by ₹ 476.57 crore, actual fiscal deficit and primary deficit during 2012-13 was higher than the assessment made in the budget estimate by 4.11 *per cent* (₹ 15.61 crore) and 85.48 *per cent* (₹ 37.55 crore) respectively despite actual capital outlay was ₹ 470.36 crore less than budget estimate. The wide variation between the budget estimates and the actual indicated that the budgeting was unrealistic and lacked credibility. Paragraph 50 of the Budget Manual provides that the revised estimate should be a genuine re-estimation of the requirements in the light of updated knowledge. On the contrary, most of the parameters in the revised estimate were repetition of the budget estimated figures and were way off the mark.

1.1.4 Gender Budgeting

Gender budget of the State discloses the expenditure proposed to be incurred within the overall budget on schemes which are designed to benefit women fully or partly. The budget documents for the year 2012-13 presented to the State Legislature did not include any separate volume on gender budget. The information whether gender budgeting was introduced in Meghalaya, though called for (January 2014) from the Finance Department, had not been furnished.

1.2 Resources of the State

1.2.1 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. Besides the funds available in the Public Accounts after disbursement are also utilised by the Government to finance its deficit. **Chart 1.2** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.3** depicts the trends in various components of the receipts of the State during 2008-13, the **Chart 1.4** depicts the composition of resources of the State during the current year.

Chart 1.2

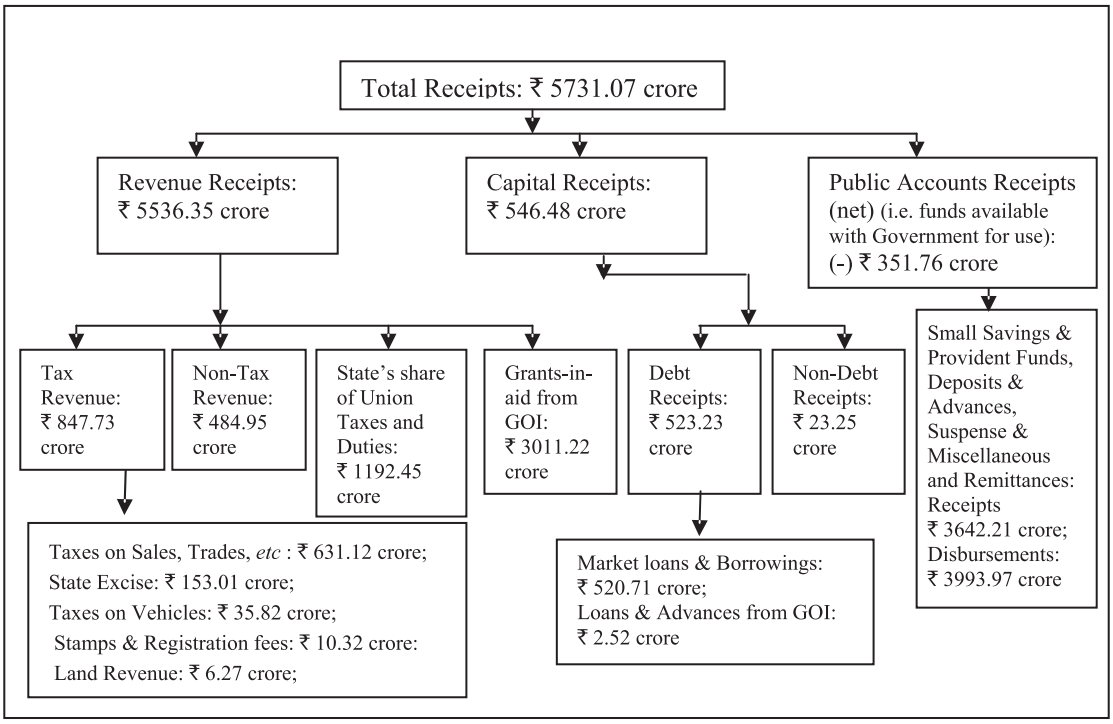
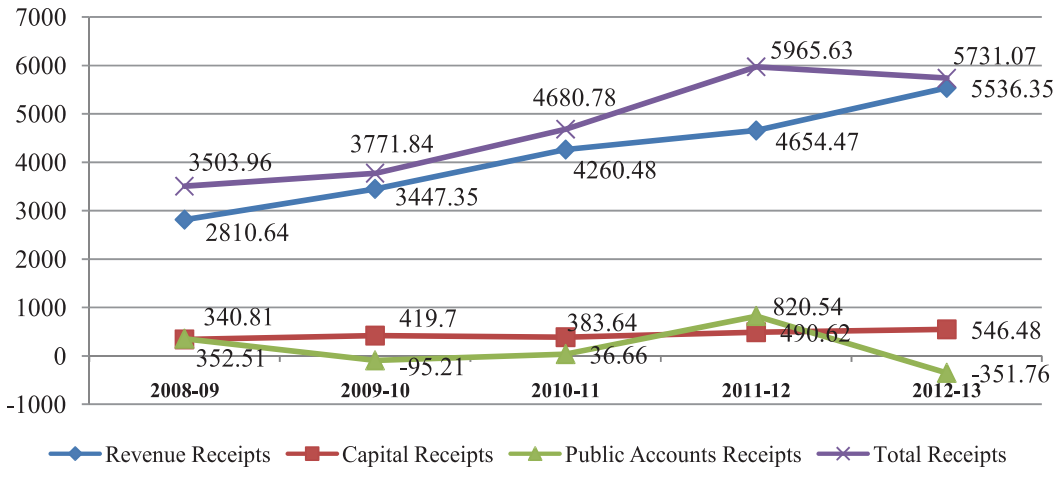


Chart 1.3: Trends in Receipts (₹ in crore)



The **total receipts** during the current year decreased by ₹ 234.56 crore (3.93 *per cent*) over the previous year. This was due to disbursements under Public Account during 2012-13 exceeding the receipts by ₹ 351.76 crore. This was mainly due to disbursement under 'Deposits and Advances' (₹ 1468.58 crore) in excess of receipts (₹ 886.54 crore).

The **total receipts** of the State for 2012-13 were ₹ 5731.07 crore, of which ₹ 5536.35 crore (96.60 *per cent*) came from revenue receipts and ₹ 546.48 crore (9.54 *per cent*) came from recoveries of loans and advances and borrowings. The total receipts of the State increased by 63.56 *per cent* from ₹ 3503.96 crore in 2008-09 to ₹ 5731.07 crore in 2012-13. The share of revenue receipts in total receipts of the State increased by

16.39 *per cent* from 80.21 *per cent* in 2008-09 to 96.60 *per cent* in 2012-13. On the other hand, the capital receipts together with Public Account ranged between 3.40 *per cent* and 21.98 *per cent* of total receipts during 2008-13, which was at its peak during 2011-12 (21.98 *per* cent) and was lowest during 2012-13 (3.40 *per cent*).

Revenue receipts increased by 96.98 *per cent* from ₹ 2810.64 crore in 2008-09 to ₹ 5536.35 crore in 2012-13, whereas the debt capital receipts which create future repayment obligation increased by 62.22 *per cent* from ₹ 322.55 crore (9.21 *per cent* of total receipts) in 2008-09 to ₹ 523.23 crore (9.13 *per cent* of total receipts) in 2012-13. The net **Public Account receipts** fluctuated widely during the period 2008-13, with a negative receipt of ₹ 351.76 crore during 2012-13. During the current year, the **Capital receipts** (recoveries of loans and advances plus Public Debt receipts) accounted for 9.54 *per cent* of total receipts.

1.2.2 Funds Transferred to State Implementing Agencies outside the State Budget

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies[4] for implementation of various schemes/ programmes in social and economic sectors, which are recognised as critical. In the present mechanism these funds are not routed through the State Budget/State Treasury System and hence do not find mention in the Finance Accounts of the State. As such, the Annual Finance Accounts of the State does not provide a complete picture of the resources under the control of the State Government. To present the holistic picture on availability of aggregate resources, an illustrative position of Central funds directly transferred to State Implementing Agencies are presented in **Appendix 1.4**. The Government of India directly transferred an approximate amount of ₹ 830.58 crore to various State Implementing Agencies during 2012-13. Scheme-wise position involving ₹ 5 crore or more are given in **Table 1.5** below**.**

Table 1.5 : Funds Transferred directly to State Implementing Agencies

(in Rupees)

Sl. No	Programme/ Scheme	Implementing Agency in the State	Funds transferred by GOI
1.	Central Rural Sanitation Programme	State Water and Sanitation Mission, Meghalaya	25,40,01,000
2.	Human Resources for Health	DHS, Meghalaya	13,51,50,000
3.	Integrated Watershed Management Programme (IWMP)	SLNA Meghalaya(Shillong)	37,92,47,303
4.	Mahatma Gandhi National Rural Employment Guarantee	DRDAs, East Garo Hills, West Khasi Hills, Ri Bhoi, Jaintia Hills, East Khasi Hills, South Garo Hills and West Garo Hills	226,10,82,000
5.	MPs Local Area Development Schemes MPLADS	Deputy Commissioner, East Khasi Hills	5,00,00,000
		Deputy Commissioner, West Garo Hills	5,00,00,000

[4] 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 transferred by GOI
6.	National Rural Drinking Water Program	SWSM Meghalaya, Shillong	97,23,30,000
7.	National Rural Health Mission (NRHM & JIIT) Centrally	State Health Society, Meghalaya	87,94,54,000
8.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	State Rural Road Development Agency	50,00,00,000
9.	Rural Housing –IAY	DRDAs, East Garo Hills, Ri Bhoi, West Garo Hills, Jaintia Hills, East Khasi Hills, South Garo Hills and West Khasi Hills	48,94,99,300
10.	Sarva Shiksha Abhiyan(SSA)	Sarva Shiksha Abhiyan State Mission Authority of Meghalaya	186,70,78,000

Source: Central Plan Scheme Monitoring System of CGA website.

Of ₹ 830.58 crore, ₹ 226.11 crore (27.22 *per cent*) was transferred to District Rural Development Agencies for utilisation under Mahatma Gandhi National Rural Employment Guarantee Act and ₹ 186.71 crore (22.48 *per cent*) to the SSA State Education Mission Authority. 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.

Based on the data/information obtained for three programmes, *viz.*, Pradhan Mantri Gram Sadak Yojana, Sarva Shiksha Abhiyan and National Rural Drinking Water Programme, an analysis as to how these funds were being transferred and utilised for the purposes for which they were sanctioned was carried out, 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 (in hill states, 500 persons and above) through good all weather roads within three years, i.e., by 2003 and habitations with 500 people or more (in hill states, 250 persons and above), by the end of Tenth Plan (2007). The PMGSY is executed in the State by the District Project Implementation Unit (DPIUs) of the concerned 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 ₹ 50 crore during 2012-13. Out of the total funds of ₹ 310.14 crore received up to March 2013 for implementation of PMGSY, expenditure of ₹ 261.47 crore was incurred till March 2013, leaving an unspent balance of ₹ 48.67 crore. However, information regarding submission of utilisation certificate to GOI, though called for in August 2013, had not been furnished due to non-completion of statutory audit.

➢ ***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 since 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 2012-13:

Table 1.6

(₹ in crore)

Opening balance	Fund released and received by Implementing Agencies			Miscella-neous receipts	Total fund available	Expen-diture[5]	Unspent balance (*per cent*)
	GOI	State	Total				
72.74	186.71	29.40	216.11	13.18	302.03	239.03	63.00 (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 2012-13. Utilisation certificates for the fund utilised have not yet been furnished. The State Project Director (SPD), SSA SEMA stated (September 2013) that the utilisation certificates 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 information available in Central Plan Scheme Monitoring System of CGA website, during 2012-13, GOI released ₹ 97.23 crore to the State Implementing Agency of NRDWP. But as per the information furnished (September 2013) by the Chief Engineer (CE), PHE, Meghalaya (responsible for implementation of the programme in the State), during 2012-13, GOI released ₹ 97.39 crore. Out of the total fund of ₹ 131.27 crore (including opening balance: ₹ 33.20 crore and Interest earned: ₹ 0.68 crore) available with the implementing agency during 2012-13, expenditure of ₹ 98.41 crore was incurred during the year leaving an unspent balance of ₹ 32.86 crore as of 31 March 2013. Of the total expenditure of ₹ 98.41 crore incurred during 2012-13, ₹ 65.22 crore was incurred out of ₹ 97.39 crore leaving a balance of ₹ 32.17 crore unutilised out of the funds received during the year. The CE, PHE, however, stated (September 2013) that utilisation certificate for the funds received during 2012-13 had been furnished to GOI.

1.3 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 2008-13 are presented in **Appendix 1.2** and also

[5] Provisional

depicted in **Charts 1.4** and **1.5** respectively. The trends in revenue receipts relative to GSDP are presented in **Table 1.7.**

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

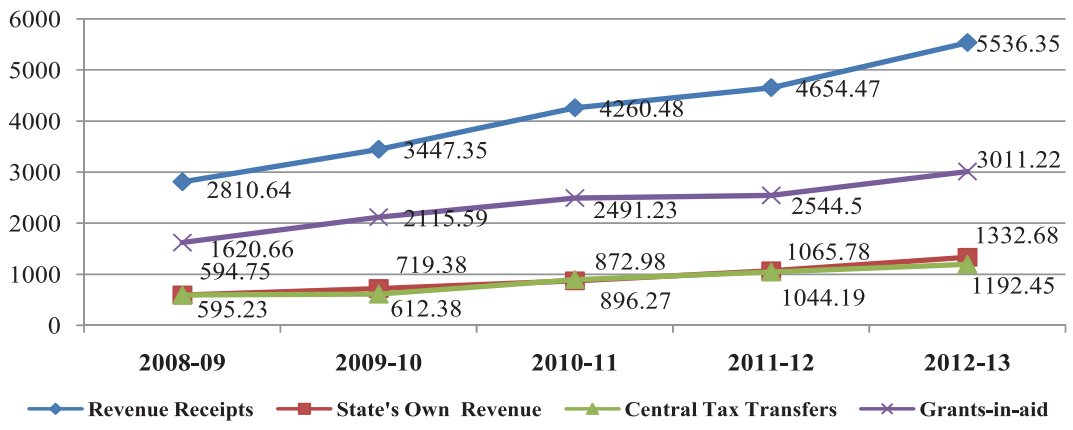


Chart 1.5: The composition of Revenue Receipts during 2008-13 (₹ in crore)

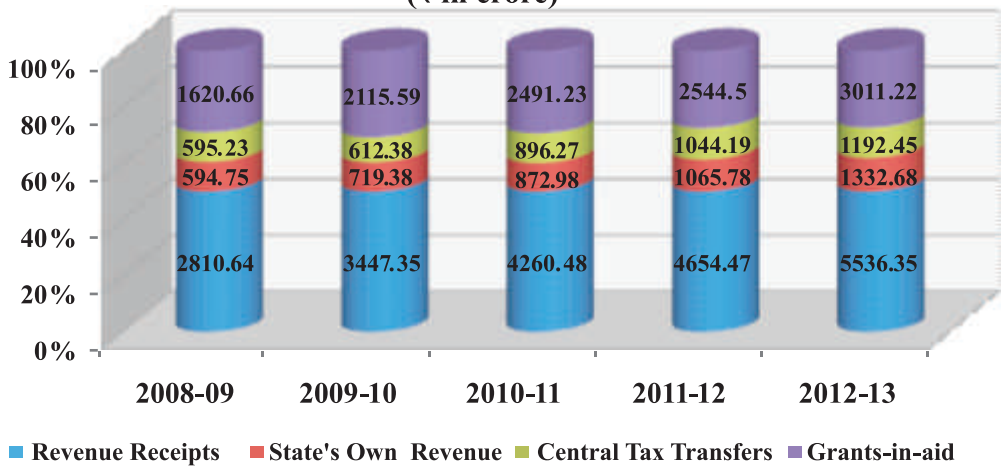


Table 1.7 : Trends in Revenue Receipts relative to GSDP

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Receipts (RR) (₹ in crore)	**2810.64**	**3447.35**	**4260.48**	**4654.47**	**5536.35**
Rate of Growth of RR (*per cent*)	15.13	22.65	23.59	9.25	18.95
Rate of Growth of Own Taxes (*per cent*)	15.78	20.26	28.62	22.06	21.53
RR/GSDP (*per cent*)	24.19	27.13	29.22	28.32	29.82
Buoyancy Ratio[6]					
Revenue Buoyancy Ratio with reference to GSDP	0.78	2.41	1.60	0.73	1.46
State's Own Taxes Buoyancy Ratio with reference to GSDP	0.82	2.16	1.94	1.74	1.66
State's Own Taxes Buoyancy Ratio with reference to Revenue Receipts	1.04	0.89	1.21	2.39	1.14

[6] Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance revenue buoyancy at 1.46 during 2012-13 implies that revenue receipts tend to increase by 1.4 percentage points, if the GSDP increases by one *per cent*.

1.3.1 General Trends

The **revenue receipts** of the State increased by ₹ 2725.71 crore from ₹ 2810.64 crore in 2008-09 to ₹ 5536.35 crore in 2012-13. There were, however, wide inter-year variations in the growth rates, recording an increase of 18.95 *per cent* in 2012-13 compared to growth rate of 9.25 *per cent* during the preceding year. All the components of revenue receipts have exhibited increases in absolute terms over the period 2008-13. The buoyancy ratio of revenue receipts in 2012-13 with reference to GSDP has increased primarily due to significant increase in the rate of growth of revenue receipts compared to previous year and marginal increase in growth rate of GSDP during 2012-13. However, the buoyancy ratio of the State's own tax revenue with reference to GSDP has decreased marginally due to decrease in the rate of growth of own tax revenue in 2012-13 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 four years (2008-09 and 2010-11 to 2012-13), which is a positive indicator. Buoyancy ratio of state's own taxes with reference to revenue receipts was 1.14 during the year 2012-13 against buoyancy ratio of 2.39 during 2011-12, when it was at its peak.

1.3.2 State's Own Resources

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

The State's actual tax and non-tax receipts for the year 2012-13 *vis-à-vis* assessments made by the XIII FC and State Government in Budget Estimate (BE) are given below:

Table 1.8

(₹ in crore)

	XIII FC projections	Budget estimates	Actual
Tax revenue	639.71	720.40	847.73
Non tax revenue	314.47	470.04	484.95

The State has successfully achieved the target fixed by XIII FC in collection of tax and non-tax revenue during 2012-13. During the year, tax revenue was 32.52 *per cent* higher than the assessment made by the XIII FC and 17.67 *per cent* higher than the assessment made in the budget estimate for the year.

1.3.2.1 Tax Revenue

Table 1.9 : Tax Revenue

(₹ in crore)

Heads	2008-09	2009-10	2010-11	2011-12	2012-13	Variations over previous year Increase (+) Shortfall (-) (*per cent*)
Taxes on Sales, Trade, *etc.*	281.83	321.40	409.88	512.50	631.12	+ 118.62 (23.15)
State Excise	69.79	90.29	104.50	131.50	153.01	+ 21.51 (16.36)
Taxes on Vehicles	13.21	13.61	19.19	31.12	35.82	+ 4.70 (15.10)
Stamps and Registration Fees	5.54	11.02	10.76	9.08	10.32	+ 1.24 (13.66)
Land Revenue	0.50	0.26	17.11	2.40	6.27	+ 3.87 (161.25)
Other Taxes[7]	- 1.43	7.72	10.01	10.94	11.19	+ 0.25 (2.29)
Total	**369.44**	**444.30**	**571.45**	**697.54**	**847.73**	+ 150.19 (21.53)

Tax revenue has increased by around 22 *per cent* during the current year (₹ 847.73 crore) over the previous year (₹ 697.54 crore). The revenue from sales tax contributed the major share of tax revenue (74.45 *per cent*) and it increased by 23.15 *per cent* over the previous year. State excise and Taxes on Vehicles were the other major contributors to the State's tax revenue. *The tax-GSDP ratio (4.57 per cent) during 2012-13 was higher than the projection (4.18 per cent) made by the XIII FC*. The CAGR of tax revenue between 2003-04 and 2011-12 was 18.64 *per cent*, which has marginally increased to 18.96 *per cent* between 2003-04 and 2012-13.

1.3.2.2 Non-Tax Revenue

Table 1.10 : Non-Tax Revenue

(₹ in crore)

Heads	2008-09	2009-10	2010-11	2011-12	2012-13	Variations over previous year Increase (+)/ Shortfall (-) (*per cent*)
Interest receipts	**17.82**	**23.28**	**24.72**	**27.13**	**25.38**	-1.75 (-6.45)
Dividends and Profits	**0.03**	**0.04**	**0.03**	**0.08**	**0.08**	0
General Services	**46.48**	**17.53**	**24.15**	**35.57**	**52.83**	17.26 (48.52)
Social Services	**3.85**	**8.84**	**5.77**	**7.36**	**7.44**	0.08 (1.09)
Economic Services	**157.13**	**225.39**	**246.86**	**298.10**	**399.22**	101.12 (33.92)
Non-ferrous Mining and Metallurgical Industries	132.73	198.21	215.58	262.58	357.97	95.39 (36.33)
Forestry and Wild life	17.36	20.03	22.05	26.03	30.87	4.84 (18.59)
Other Economic Services	7.04	7.15	9.23	9.49	10.38	0.89 (9.38)
Total	**225.31**	**275.08**	**301.53**	**368.24**	**484.95**	116.71 (31.69)

[7] 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.

The non-tax revenue (NTR), which constituted around 9 *per cent* of the total revenue receipts, has increased by ₹ 116.71 crore during 2012-13 recording a growth rate of 31.69 *per cent* over the previous year. Around 82 *per cent* (₹ 399.22 crore) of non-tax revenue during 2012-13 was received from economic services and within this category, receipts under non-ferrous mining and metallurgical industries alone contributed around 90 *per cent* (₹ 357.97 crore). This was mainly due to receipts of additional amount of ₹ 95.10 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 2003-04 and 2011-12 (14.02 *per cent*) has also marginally increased to 15.86 *per cent* between 2003-04 and 2012-13.

1.3.3 Grants-in-Aid

Details of Grants-in-aid from the GOI are given in **Table 1.11.**

Table 1.11 : Grants-in-Aid from the GOI

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Non-Plan Grants	439.92	377.12	664.07	527.07	895.72
Grants for State Plan Schemes	957.87	1394.56	1427.57	1702.64	1747.75
Grants for Central Plan Schemes	8.18	26.24	12.58	16.29	14.50
Grants for Centrally Sponsored Plan Schemes	158.99	251.01	315.15	242.27	268.20
Grants for Special Plan Schemes	55.70	66.66	71.86	56.23	85.05
Total	**1620.66**	**2115.59**	**2491.23**	**2544.50**	**3011.22**
Percentage of increase over previous year	*19.27*	*30.54*	*17.76*	*2.14*	*18.34*

Grants-in-aid from the GOI have significantly increased by 18.34 *per cent* (₹ 466.72 crore) from ₹ 2544.50 crore in 2011-12 to ₹ 3011.22 crore in the current year and contributed 52.92 *per cent* of the incremental revenue receipts (₹ 881.88 crore) during the year . Within the plan grants, while grants for Special Plan Schemes, Centrally Sponsored Plan Schemes and State Plan Schemes increased by 51.25 *per cent* (₹ 28.82 crore), 10.70 *per cent* (₹ 25.93 crore) and 2.65 *per cent* (₹ 45.11 crore) respectively, grants for Central Plan Schemes decreased by 10.99 *per cent* (₹ 1.79 crore). The major increase under Special Plan Schemes was in the form of grants of ₹ 25 crore released for 'Improvement and Upgradation of Mairang Ranigodown-Azra Road'. The major increase under State Plan Schemes was in the form of grants of ₹ 399.76 crore released as 'Special Plan Assistance', offset by release of less 'Special Central Assistance for the Schemes/Projects by ₹ 300 crore. Grants for Centrally Sponsored Plan Schemes increased during 2012-13 mainly due to release of additional grants of ₹ 30.51 crore for 'Mid-Day Meal in Schools' compared to the previous year.

The Non-Plan grants (₹ 895.72 crore) constituted 29.75 *per cent* of the total grants during the year and increased by 69.94 *per cent* (₹ 368.65 crore) over the previous year. Of the Non-Plan grants, 91.43 *per cent* (₹ 819 crore) was for meeting the non-

plan revenue deficit. Other components of non-plan grants mainly included grants for maintenance of roads and bridges (₹ 24 crore), contribution to calamity relief fund (₹ 15.19 crore) and elementary education (₹ 10 crore).

1.3.4 Central Tax Transfers

The **Central Tax transfers** increased significantly by 14.20 *per cent* (₹ 148.26 crore) over the previous year and constituted 21.54 *per cent* of revenue receipts. The increase was mainly due to transfer of additional amount of ₹ 49.54 crore as 'Service Tax' and ₹ 47.67 crore as 'Taxes on Income other than Corporation Tax' during 2012-13 compared to previous year. The central tax transfers also contributed around 16.81 *per cent* (₹ 148.26 crore) of the incremental revenue receipts (₹ 881.88 crore) during the year.

1.3.5 Optimisation of XIII FC Grants

XIII FC had recommended ₹ 9842.50 crore as transfer to the State during the period 2010-11 to 2014-15 including ₹ 8729.40 crore as Share in Central Taxes and Duties (₹ 5918.50 crore) and post devolution non-plan revenue deficit (NPRD) (₹ 2810.90 crore). The details of the balance amount of ₹ 1113.10 crore recommended by the XIII FC, actual release up to 31 March 2013 and its utilisation are given in **Table 1.12.**

Table 1.12 : Transfers recommended and actual release of grants-in-aid

(₹ in crore)

Sl. No.	Transfers	Recommendation of the XIII FC	Actual release	Expenditure under relevant heads of account	Shortfall (-)/ Excess (+)
1.	Local Bodies	432.40	100.34	94.55	- 5.79
2.	Disaster Relief (including capacity building)	77.90	36.31	2.00	- 34.31
3.	Elementary Education	52.00	29.00	20.00	- 9.00
4.	Improving Outcomes	27.70	8.69	4.59	- 4.10
(i)	*Improvement in Justice Delivery*	*4.20*	*0.84*	*0.04*	*- 0.80*
(ii)	*Improvement for issuing UIDs*	*4.50*	*0.45*	*0.90*	*+ 0.45*
(iii)	*District Innovation Fund*	*7.00*	*3.50*	*0*	*- 3.50*
(iv)	*Improvement of Statistical Systems at State and District level*	*7.00*	*1.40*	*0*	*- 1.40*
(v)	*Employee and Pension Data Base*	*5.00*	*2.50*	*3.65*	*+ 1.15*

Sl. No.	Transfers	Recommendation of the XIII FC	Actual release	Expenditure under relevant heads of account	Shortfall (-)/ Excess (+)
5.	Environment related Grants	172.10	42.02	19.23	- 22.79
(i)	*Forests*	*168.10*	*42.02*	*19.23*	*- 22.79*
(ii)	*Water Sector Management*	*4.00*	*0*	*0*	*0*
6.	Maintenance of Roads and Bridges	101.00	47.00	80.41	+ 33.41
7.	State Specific	250.00	46.75	61.15	+ 14.40
(i)	Setting up of Meghalaya Police Academy	50.00	12.50	12.50	0
(ii)	Augmentation of Tura Phase I & II Water Supply Schemes	50.00	12.50	12.50	0
(iii)	Heritage and Tourism	30.00	1.25	1.25	0
(iv)	Infrastructure for Horticulture	38.00	0	0	0
(v)	Warehousing Facilities	2.00	0.50	0	- 0.50
(vi)	Construction of Bridges	80.00	20.00	34.90	+ 14.90
	Total	**1113.10**	**310.11**[8]	**281.93**	**- 28.18**

Source: Report of the XIII FC and State Loan Data: Ministry of Finance, GOI (finmin.nic.in) and *Detailed Appropriation Accounts.*

Analysis of above information/data pertaining to releases made by GOI in pursuance to XIII FC recommendations during 2010-13 and its utilisation under the respective head of accounts by the State Government shows that:

- As per the available information, against the release of ₹ 310.11 crore, an expenditure of ₹ 281.93 crore was incurred by the State Government during the period, resulting in non-utilisation of ₹ 28.18 crore. This included expenditure of ₹ 49.91 crore incurred in excess of the amount released under improvement for issuing of Unique Identification to people below poverty line, Employee and Pension Data Base, Maintenance of Roads and Bridges and Construction of Bridges;
- Under-utilisation of funds of ₹ 72.69 crore (34.86 *per cent*) was noticed in respect of five heads, *viz.* Local Bodies, Disaster Relief, Elementary Education, Improvement of Justice Delivery and Forests.

[8] Excluding ₹ 41.92 crore details of which are not available.

1.4 Capital Receipts

Table 1.13: Trends in growth and composition of Capital receipts

(₹ in crore)

Sources of State's Receipts	2008-09	2009-10	2010-11	2011-12	2012-13
Capital Receipts (CR)	**340.81**	**419.70**	**383.64**	**490.62**	**546.48**
Miscellaneous Capital Receipts	-	-	-	-	-
Recovery of Loans and Advances	18.26	16.68	27.25	22.71	23.25
Public Debt Receipts	322.55	403.02	356.39	467.91	523.23
Rate of growth of debt capital receipts	30.49	24.95	-11.57	31.29	11.82
Rate of growth of non-debt capital receipts	10.73	-8.65	63.37	-16.66	2.38
Rate of growth of GSDP	19.34	9.40	14.74	12.70	12.96
Rate of growth of CR (*per cent*)	29.26	23.15	-8.59	27.89	11.39

Capital receipts increased by 60.35 *per cent* from ₹ 340.81 crore in 2008-09 to ₹ 546.48 crore in 2012-13. The rate of growth of capital receipts decreased from 27.89 *per cent* in 2011-12 to 11.39 *per cent* in 2012-13. The rate of growth of debt capital receipts, which is the main component of capital receipts, also decreased from 31.29 *per cent* in 2011-12 to 11.82 *per cent* in 2012-13. Market loans constituted the major share of debt capital receipts during the current year which increased from ₹ 310 crore in 2011-12 to ₹ 385 crore during 2012-13, which was in line with the recommendation of XIII FC. While debt receipts from internal sources (market loans, borrowings financial institutions, *etc*.) increased by ₹ 72.05 crore during 2012-13 over previous years, loans and advances from GOI decreased by ₹ 16.73 crore. Non-debt capital receipts in the form of recoveries of loans and advances almost remained constant during 2011-12 and 2012-13.

1.5 Public Account Receipts

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

Table 1.14 : Composition of Public Account receipts

(₹ in crore)

Resources under various heads	2008-09	2009-10	2010-11	2011-12	2012-13
Public Account Receipts	**2020.33**	**2416.65**	**2765.86**	**4091.31**	**3642.21**
(a) Small Savings, Provident Fund, *etc*.	106.55	121.56	155.74	181.49	204.03
(b) Reserve Fund	25.85	27.26	24.17	39.90	111.70
(c) Deposits and Advances	814.35	823.65	878.80	1687.12	886.54
(d) Suspense and Miscellaneous	9.69	- 39.89	- 40.85	- 13.89	92.01
(e) Remittances	1063.89	1484.07	1748.00	2196.69	2347.93

Public Account receipts decreased by 10.98 *per cent* (₹ 449.10 crore) over previous year. Shortfall in receipts under Public Account during 2012-13 was mainly due to less receipts under 'Deposits and Advances' by ₹ 800.58 crore over previous year.

1.6 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with 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 the expenditure directed towards development and social sectors.

1.6.1 Growth and Composition of Expenditure

The total expenditure and its compositions during the years 2008-09 to 2012-13 are presented in the **Table 1.15**.

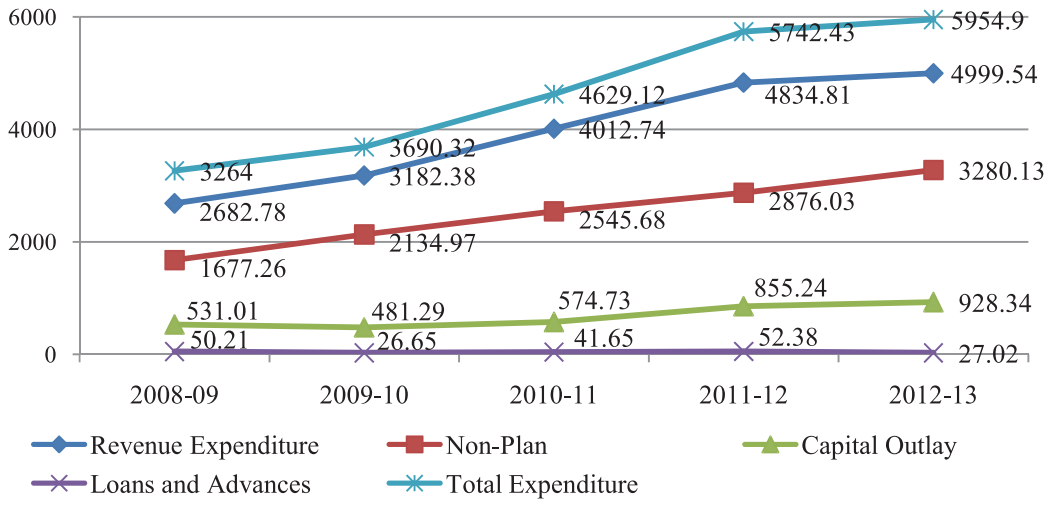
Table 1.15 : Total expenditure and its compositions

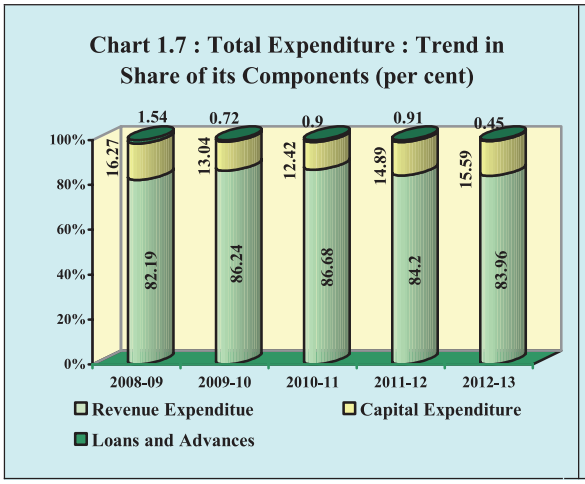
(₹ in crore)

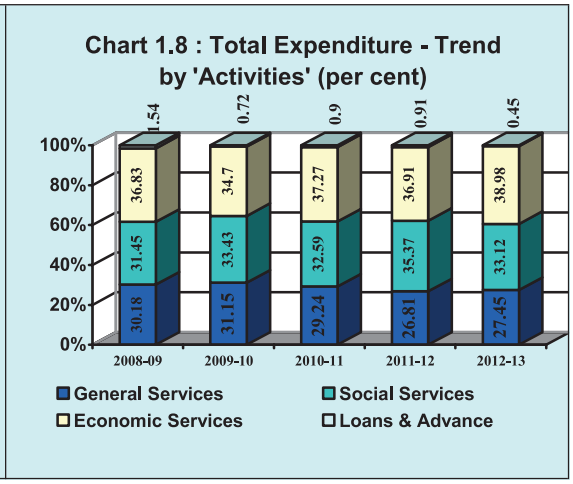
Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Total Expenditure	**3264.00**	**3690.32**	**4629.12**	**5742.43**	**5954.90**
Revenue Expenditure	2682.78	3182.38	4012.74	4834.81	4999.54
Of which, Non-plan Revenue Expenditure	*1677.26*	*2134.97*	*2545.68*	*2876.03*	*3280.13*
Capital Expenditure	531.01	481.29	574.73	855.24	928.34
Loans and Advances	50.21	26.65	41.65	52.38	27.02

Chart 1.6 presents the trends in total expenditure over a period of five years (2008-13) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted respectively in **Charts 1.7 and 1.8.**

Chart 1.6: Total Expenditure - Trends and Composition
(₹ in crore)







1.6.1.1 Trends in Total Expenditure

The total expenditure of the State increased by ₹ 2690.90 crore (82.44 *per cent*) from ₹ 3264 crore in 2008-09 to ₹ 5954.90 crore in 2012-13. The total expenditure, its annual growth rate, the ratio of expenditure to the 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	2008-09	2009-10	2010-11	2011-12	2012-13
Total Expenditure (TE) (₹ in crore)	3264.00	3690.32	4629.12	5742.43	5954.90
Rate of growth (*per cent*)	22.15	13.06	25.44	24.05	3.70
TE/GSDP ratio (*per cent*)	28.10	29.04	31.74	34.94	32.08
RR/TE ratio (*per cent*)	86.11	93.42	92.04	81.05	92.97
Buoyancy of Total Expenditure with reference to:					
GSDP (ratio)	1.15	1.39	1.73	1.89	0.29
RR (ratio)	1.46	0.58	1.08	2.60	0.20

The increase of ₹ 212.47 crore (3.70 *per cent*) in total expenditure during 2012-13 over previous year was mainly on account of increase of ₹ 164.73 crore in revenue expenditure followed by increase in capital outlay by ₹ 73.10 crore and partially off-set by decrease in disbursement of loans and advances by ₹ 25.36 crore respectively. While the share of plan expenditure constituted 43.83 *per cent* (₹ 2610.17 crore) of the total expenditure, the remaining 56.17 *per cent* (₹ 3344.73 crore) was non-plan expenditure. During the current year, 92.97 *per cent* (₹ 5536.35 crore) of the total expenditure was met from revenue receipts. The buoyancy of total expenditure to GSDP stood at 0.29 in 2012-13 due to growth rate of total expenditure at slower pace as compared to that of GSDP. Similarly, the buoyancy ratio of total expenditure to revenue receipts stood at 0.20 indicating increase in expenditure at a pace much slower 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 2012-13, expenditure on general services and interest payments, which is considered as non-developmental,

together accounted for 27.45 *per cent.* On the other hand, expenditure on social and economic services (excluding loans and advances) together accounted for 72.10 *per cent* during 2012-13. The relative share of social services decreased from 35.37 *per cent* in 2011-12 to 33.12 *per cent* in 2012-13. The relative share of economic services which ranged between 34.7 *per cent* and 38.98 *per cent* during 2008-13 and reached its peak at 38.98 *per cent* during 2012-13. Loans and advances revealed wide fluctuations during the period 2008-13 and stood at 0.45 *per cent* of total expenditure during 2012-13.

1.6.1.2 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	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Expenditure (RE)	2682.78	3182.38	4012.74	4834.81	4999.54
Of which					
Non-Plan Revenue Expenditure (NPRE)	1677.26 (62.52)	2134.97 (67.09)	2545.68 (63.44)	2876.03 (59.49)	3280.13 (65.61)
Plan Revenue Expenditure (PRE)	1005.52 (37.48)	1047.41 (32.91)	1467.06 (36.56)	1958.78 (40.51)	1719.41 (34.39)
Rate of Growth of					
RE (*per cent*)	19.04	18.62	26.09	20.49	3.41
NPRE (*per cent*)	9.46	27.29	19.24	12.98	14.05
PRE (*per cent*)	39.40	4.17	40.07	33.52	-12.22
Ratio (*per cent*)					
RE as percentage of TE	82.19	86.24	86.68	84.19	83.96
NPRE/GSDP (*per cent*)	14.44	16.80	17.46	17.50	17.67
NPRE as percentage of TE	51.39	57.85	54.99	50.08	55.08
NPRE as percentage of RR	59.68	61.93	59.75	61.79	59.25
Buoyancy Ratio of Revenue Expenditure with					
GSDP	0.98	1.98	1.77	1.61	0.26
Revenue Receipts	1.26	0.82	1.11	2.22	0.18

(Figures in brackets represent percentages to revenue expenditure)

Revenue expenditure constituted 82.19 *per cent* to 86.68 *per cent* of total expenditure during 2008-13 and increased by 86.36 *per cent* from ₹ 2682.78 crore in 2008-09 to ₹ 4999.54 crore in 2012-13. The non-plan revenue expenditure (NPRE) during the same period increased by 95.56 *per cent* from ₹ 1677.26 crore to ₹ 3280.13 crore. As a percentage of total revenue expenditure also the NPRE increased from 62.52 *per cent* in 2008-09 to 65.61 *per cent* in 2012-13. As a result, plan revenue expenditure (PRE), which normally covers the maintenance expenditure incurred on services,

decreased its share in total revenue expenditure from 37.48 *per cent* during 2008-09 to 34.39 *per cent* during 2012-13.

The NPRE constituted a dominant share of 65.61 *per cent* in the revenue expenditure during 2012-13 and has increased by ₹ 404.10 crore over the previous year. The growth of NPRE during 2012-13 also increased to 14.05 *per cent* against 12.98 *per cent* during the previous year. In absolute terms, the increase in NPRE during 2012-13 was mainly due to increase in expenditure under general education (₹ 58.74 crore) followed by transport (₹ 54.91 crore), water supply and sanitation (₹ 48.49 crore) and health and family welfare (₹ 42.23 crore). On the other hand, PRE, which normally covers the maintenance expenditure incurred on services, decreased by ₹ 239.37 crore over the previous year. The growth of PRE during 2012-13 turned to a negative 12.22 *per cent* against 33.52 *per cent* during the preceding year mainly due to decline in the growth of expenditure under general education (- 37.56 *per cent* in 2012-13 against 71.78 *per cent* in 2011-12) and general economic services (- 35.14 *per cent* during 2012-13 against 114.89 *per cent* during 2011-12).

The NPRE at ₹ 3280.13 crore during 2012-13 was 12.17 *per cent* (₹ 355.92 crore) higher than the normatively assessed level of ₹ 2924.21 crore by XIII FC (**Table 1.18).**

Table 1.18 : Non-Plan Revenue Expenditure during 2012-13: Actuals *vis-à-vis* Normative Assessment by XIII FC

(₹ in crore)

Sectors	XIII FC Recommendations	Actuals
Salary	1034.65	1464.32
Interest Payments	329.99	313.82
Pension	248.85	388.26
Other General Services	201.63	244.11
Social Services	345.70	547.97
Economic Services	169.56	321.65
Committed Liabilities	593.83	-
Total	**2924.21**	**3280.13**

Except for interest payments during 2012-13, the actual expenditure incurred on all other components of NPRE (Pension, Other General Services, Social Services and Economic Services) was more than the assessments made by the XIII FC. The total NPRE during 2012-13 also exceeded the projection made by the State Government in its Budget (net: ₹ 2950.47 crore) by 11.17 *per cent* (₹ 329.66 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 2012-13, the revenue receipts of Meghalaya, excluding Plan assistance (₹ 2115.50 crore), was ₹ 3420.85 crore. Against this, the NPRE during the year was ₹ 3280.13 crore. Thus, during 2012-13, the revenue receipt of the State was able to cover NPRE, which implies that there was no diversion of plan assistance to meet non-plan needs.

1.6.1.3 Components of Revenue Expenditure

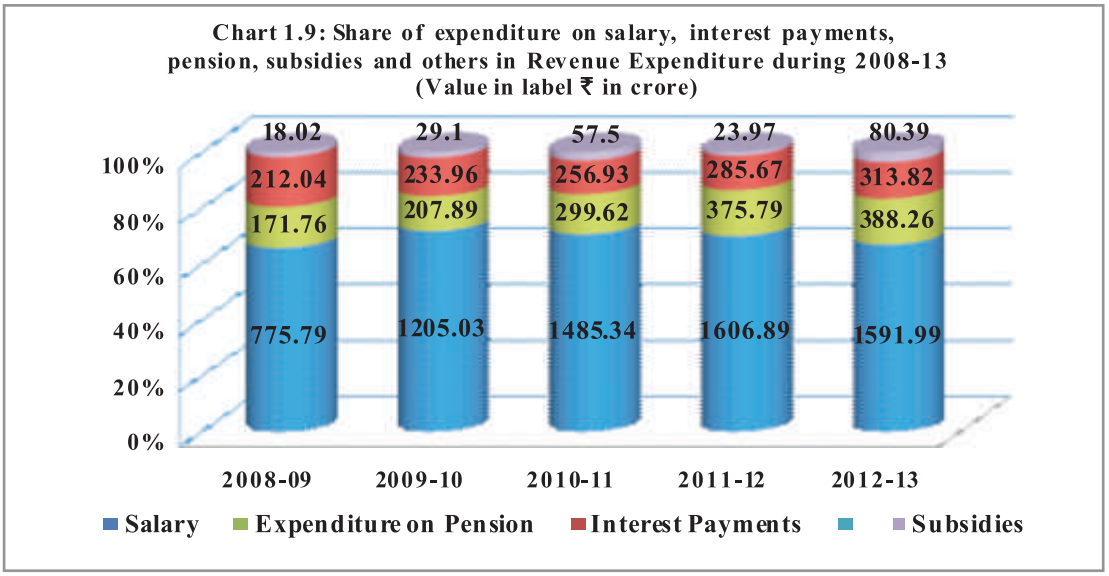
The expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.19** and **Chart 1.9** present the trends in the expenditure on these components during 2008-13.

Table 1.19 : Components of Revenue Expenditure

(₹ in crore)

Components of Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13
Salary	775.79 (27.60)	1205.03 (34.95)	1485.34 (34.86)	1606.89 (34.52)	1591.99 (28.76)
Of which					
Non-Plan Head	*640.48 (22.79)*	*999.36 (28.99)*	*1231.40 (28.90)*	*1324.62 (28.46)*	*1464.32* (26.45)
Plan Head	*135.31 (4.81)*	*205.67 (5.97)*	*253.94 (5.96)*	*282.27 (6.06)*	*127.67 (2.31)*
Interest Payments	212.04 (7.54)	233.96 (6.79)	256.93 (6.03)	285.67 (6.14)	313.82 (5.67)
Expenditure on Pension and other retirement benefits	171.76 (6.11)	207.89 (6.03)	299.62 (7.03)	375.79 (8.07)	388.26 (7.01)
Subsidies	18.02 (0.64)	29.10 (0.84)	57.50 (1.35)	23.97 (0.51)	80.39 (1.45)
Other Components of revenue expenditure, i.e, other than salary, interest payments, pension and subsidies	1505.17 (53.55)	1506.40 (43.70)	1913.35 (44.91)	2542.49 (54.62)	2625.08 (47.42)

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



1.6.1.4 Salary

Salary alone during 2012-13 accounted for around 29 *per cent* of the revenue receipts of the State during the year. However, it marginally decreased by 0.93 *per cent* from ₹ 1606.89 crore in 2011-12 to ₹ 1591.99 crore in 2012-13. Expenditure on salary under non-plan head during 2012-13 increased by ₹ 139.70 crore (10.55 *per cent*) over the previous year, whereas this expenditure under plan head decreased by ₹ 154.60 crore (54.77 *per cent*) over the previous year. *The non-plan revenue*

expenditure on salary component during 2012-13 was also significantly higher by around 41.53 per cent (₹429.67 crore) than the assessment made by the XIII FC for the State (₹1034.65 crore).

1.6.1.5 Interest Payments

Interest payments increased by 48 *per cent* (₹ 101.78 crore) from ₹ 212.04 crore in 2008-09 to ₹ 313.82 crore in 2012-13. Compared to previous year, interest payments during 2012-13 increased by 9.85 *per cent* (₹ 28.15 crore). Interest payments were mainly on market loans (₹ 159.09 crore), State Provident Funds (₹ 60.86 crore), Special Securities issued to National Small Savings Fund of the Central Government (₹ 47.43 crore), loans and advances received from Central Government (₹ 22.31 crore) and other internal debts (₹ 24.13 crore). Of the total interest payments during the year, around 51 *per cent* (₹ 159.09 crore) were paid on market borrowings. *The overall interest payments (₹ 313.82 crore) was, however, lower than the projections made by the XIII FC (₹ 329.99 crore) as well as budget estimates (₹ 335.76 crore) of the year.*

1.6.1.6 Pension Payments

The pension payments (including other retirement benefits) indicated an increasing trend during the five year period 2008-13. Pension payments during the current year have increased by ₹ 12.47 crore, an increase of 3.32 *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 ₹ 139.41 crore and the projection made by the State Government in its Budget for the year 2012-13 by ₹ 162.63 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
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)
2012-13	248.85	(NA)	225.63	388.26	139.41 (56.02)	(NA)	162.63 (72.08)

(*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.

1.6.1.7 Subsidies

Table 1.19 shows that the expenditure on payment of subsidies increased by 235.38 *per cent* from ₹ 23.97 crore in 2011-12 to ₹ 80.39 crore during 2012-13. The increase of ₹ 56.42 crore is mainly due to payment of more subsidy under fisheries by ₹ 47.48 crore during the current year over previous year.

1.6.2 Capital Outlay

Capital outlay during the current year (2012-13) increased by ₹ 73.10 crore over previous year mainly due to increased expenditure on transport (₹ 93.49 crore), health and family welfare (₹ 26.60 crore) and special areas programmes (₹ 18.15 crore), partly offset by decrease in expenditure on housing and urban development (₹ 75.69 crore) and water supply and sanitation (₹ 14.30 crore). As *per cent* to total expenditure, capital outlay showed a fluctuating trend over the period 2008-09 to 2012-13 and ranged between 12.42 *per cent* and 16.27 *per cent*. The capital outlay constituted 15.59 *per cent* of total expenditure during 2012-13 against 14.89 *per cent* during the preceding year. Though there was an increase in capital outlay during the current year compared to the previous year, the State Government failed to fulfil its commitment made in the budget as it fell short by 33.63 *per cent* (₹ 470.36 crore) of the budget estimate (₹ 1398.70 crore) for the year.

1.6.3 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	2008-09	2009-10	2010-11	2011-12	2012-13	
					Budget Estimate	Actual
University and Educational Institutions	244.61	291.70	379.02	590.54	668.97	507.84
Co-operative Societies	1.92	0.64	0.65	3.18	17.49	2.77
District Councils	16.93	1.05	10.92	2.86	7.82	2.60
Municipalities	2.29	1.97	3.00	2.89	27.85	10.30
Power sector	209.51	110.65	114.52	179.10	270.26	174.22
Other Institutions[9]	3.87	34.66	33.20	48.14	50.76	44.33
Total	**479.13**	**440.67**	**541.31**	**826.71**	**1043.15**	**742.06**
Assistance as percentage of RE	17.86	13.85	13.49	17.10		14.84

[9] **Other Institutions (figures for 2012-13 in brackets)**: Emergency Management Research Institute & NGOs (₹ 21.58 crore), National Rural Health Mission (₹ 13.94 crore), Khadi Industries (₹ 2.47 crore), Local bodies for prevention of air and water (₹ 1.84 crore), Forest Development Corporation (₹ 1.75 crore), Indian Red Cross Society, Shillong, Meghalaya State Housing Board, Voluntary Organisations, Meghalaya, State Medival Plan Board, *etc.* (₹ 2.75 crore).

The financial assistance extended to the above local bodies and other institutions with inter-year variations decreased by 10.24 *per cent* from ₹ 826.71 crore in 2011-12 to ₹ 742.06 crore in 2012-13. The share of financial assistance in revenue expenditure also decreased from 17.1 *per cent* in 2011-12 to 14.84 *per cent* during the current year. The State Government was successful in restricting the expenditure on payment of financial assistance within the projection made in its annual budget for the year 2012-13.

University and Educational Institutions were the major recipients as over 68 *per cent* of the total financial assistance during 2012-13 was given to them. The assistance under this sector, however, decreased by 14 *per cent,* i.e. from ₹ ₹ 590.54 crore during 2011-12 to ₹ 507.84 crore during the current year. Of ₹ 507.84 crore, ₹ 291.94 crore was given to Non-Government Primary Schools and ₹ 145.28 crore to Non-Government Secondary Schools. Out of ₹ 44.33 crore given to other institutions, major share (₹ 21.58 crore) was paid to Emergency Management Research Institute and Non-Government Organisations followed by National Rural Health Mission (₹ 13.94 crore).

1.7 Local Bodies

There are no Panchayati Raj Institutions (PRIs) in Meghalaya. However, there are six Urban Local Bodies (ULB), viz. (i) Shillong Municipal Board, (ii) Tura Municipal Board, (iii) Jowai Municipal Board, (iv) Williamnagar Municipal Board, (v) Baghmara Municipal Board and (vi) Resubelpara Municipal Board. The main function of these Municipal Boards is to provide civic amenities, e.g., water supply, street lighting, drainage and sanitation.

1.7.1 Accounts and Audit

As per the Meghalaya Municipal Act, 1973, the accounts of these ULBs are to be submitted within four months after the close of the financial year. Except two ULBs (Shillong and Tura Muncipal Boards), these provisions had not been followed by other four ULBs. The audit of accounts of these ULBs is conducted under Section 20(1) of Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971. Audit findings arising out of conduct of such audit are conveyed to the State Government in the form of an Annual Technical Inspection Report (ATIR).

1.7.2 Pattern of finances in ULBs

As per the information furnished (July 2013) by the Director, Urban Affairs, Meghalaya, the pattern of finances in six ULBs during 2008-09 to 2012-13 is as indicated in **Table 1.22**:

Table 1.22

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Resources					
Own Revenue	6.41	7.88	8.31	8.36	8.27
Assigned Revenues (XII & XIII FC)	0.80	3.20	3.73	10.24	6.24
Grants, Contribution & Subsidy	1.36	1.61	2.86	2.90	3.82
Capital Receipts	15.19	24.06	26.43	27.57	25.05
Other Receipts	5.89	8.03	5.51	5.90	7.85
Total	**29.65**	**44.78**	**46.84**	**54.97**	**51.23**
Expenditure					
Revenue Expenditure	7.82	9.19	11.19	12.40	13.06
Expenditure out of assigned revenues	0.80	3.2	3.73	10.24	6.24
Expenditure out of Grants, Contribution & Subsidy	0.44	0.37	1.08	1.31	1.18
Capital Outlay	8.82	22.30	20.63	20.51	28.41
Other Expenditure	5.89	8.03	5.51	5.90	7.85
Total	**23.77**	**43.09**	**42.14**	**50.36**	**56.74**

The resources of the ULBs have increased by 72.78 *per cent* from ₹ 29.65 crore in 2008-09 to ₹ 51.23 crore in 2012-13. The expenditure during 2012-13 exceeded the available resources of the year by ₹ 5.51 crore.

1.8 Quality of Expenditure

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

1.8.1 Adequacy of Public Expenditure

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[10]. Apart from improving the allocation towards development expenditure[11], the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.23** presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year *vis-à-vis* budgeted and the previous years,

[10] As defined in Appendix 1.1
[11] As defined in Appendix 1.1.

Table 1.24 provides the details of capital outlay and the components of revenue expenditure incurred on the selected social and economic services.

Table 1.23 : Development Expenditure

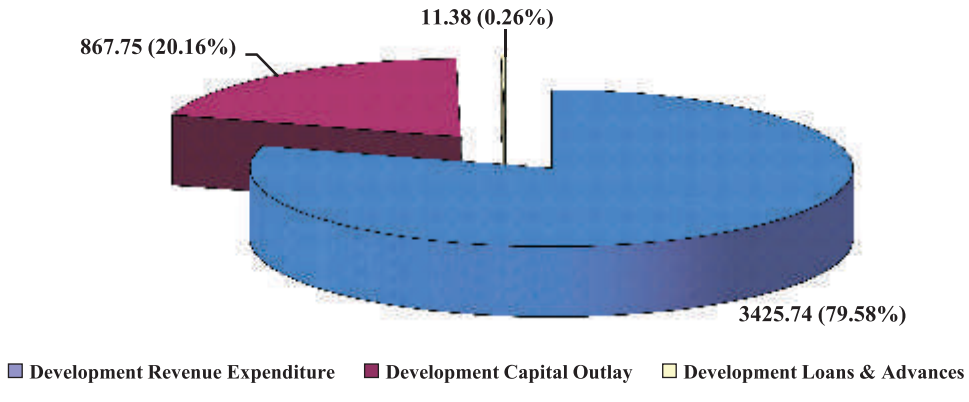
(₹ in crore)

Components of Development Expenditure	2008-09	2009-10	2010-11	2011-12	2012-13	
					BE (Net)	Actuals
Development Expenditure (a to c)	**2271.96 (69.61)**	**2524.80 (68.42)**	**3260.49 (70.43)**	**4186.36 (72.90)**	**5848.58 (79.26)**	**4304.87 (72.29)**
a. Development Revenue Expenditure	1745.26 (53.47)	2081.39 (56.40)	2695.94 (58.24)	3347.62 (58.30)	4537.49 (61.49)	3425.74 (57.53)
b. Development Capital Outlay	483.44 (14.81)	432.89 (11.73)	538.09 (11.62)	802.80 (13.98)	1308.60 (17.73)	867.75 (14.57)
c. Development Loans and Advances	43.26 (1.33)	10.52 (0.29)	26.46 (0.57)	35.94 (0.62)	2.49 (0.04)	11.38 (0.19)

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

The development expenditure marginally increased by 2.83 *per cent* over previous year. During the current year, though the State Government earmarked 79.26 *per cent* of the estimated aggregate expenditure for development expenditure, this assessment fell short by 6.97 *per cent* at the end of the year, as only 72.29 *per cent* of the aggregate expenditure during 2012-13 was incurred for development purposes. The relative share of development expenditure during 2012-13 given in **Chart 1.10** below showed that 79.58 *per cent* of the development expenditure was incurred on revenue account and only 20.16 *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 12.97 *per cent* of revenue expenditure on salary under social services and 6.59 *per cent* on economic services) which did not result in any addition to State's infrastructure and service network. Thus, expenditure pattern under this sector needs correction in the ensuing year.

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

(In *per cent*)

Social/Economic Infrastructure	2011-12		2012-13	
	Ratio of Capital Expenditure to Total Expenditure[12]	In Revenue Expenditure, the share of Salary	Ratio of Capital Expenditure to Total Expenditure[12]	In Revenue Expenditure, the share of Salary
Social Services (SS)	**14.20**	**36.71**	**11.37**	37.11
General Education	0.25	30.97	0.33	35.05
Technical Education, Sports, Arts and Culture	1.32	20.04	0.57	15.62
Health and Family Welfare	11.31	73.74	15.89	63.58
Water Supply & Sanitation, Housing and Urban Development	57.15	40.37	40.64	31.69
Other SS	0.28	18.45	0.00	21.03
Economic Services (ES)	**24.27**	**20.85**	**27.72**	19.65
Agriculture and Allied Activities	5.33	38.92	2.07	37.87
Irrigation & Flood Control	53.84	27.82	53.48	26.69
Energy	0.00	0.00	0.00	0.00
Transport	73.67	0.00	70.93	0.00
Other ES	8.81	15.99	14.18	15.85

Social Services

The trends presented in **Table 1.24** reveal that development capital expenditure as a percentage of total expenditure constituted only 11.37 *per cent* in 2012-13, which indicated that the revenue expenditure was dominant. While there was significant improvement in the share of capital expenditure during 2012-13 under 'Health and Family Welfare', there was deterioration in the share of capital expenditure during the year under 'Water Supply and Sanitation, Housing and Urban Development' and 'Technical Education, Sports, Arts and Culture' compared to 2011-12.

Of the revenue expenditure on social services, the share of salary component marginally increased from 36.71 *per cent* in 2011-12 to 37.11 *per cent* in 2012-13. The non-salary expenditure on social services decreased by 0.31 *per cent* during 2012-13 from ₹ 1102.76 crore in 2011-12 to ₹ 1099.35 crore in 2012-13. Within the priority sectors, non-salary component continue to have the dominant share under general education, technical education, sports, art and culture and water supply, sanitation, housing and urban development. During 2012-13, share of salary expenditure under health and family welfare services was 63.58 *per cent* of Revenue Expenditure.

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

Economic Services

The share of capital expenditure on economic services to total of revenue and capital expenditure on economic services increased to 27.72 *per cent* during 2012-13 from 24.27 *per cent* in 2011-12. Salary component within the revenue expenditure on economic services as a percentage of the total expenditure on economic sector marginally reduced from 20.85 *per cent* in 2011-12 to 19.65 *per cent* in 2012-13.

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

According to the information furnished (July 2013) by the different authorities, the position of implementation of 13 programmes/schemes during 2012-13 is given in **Appendix 1.5**. Details of significant shortfall in achievement of targets are given in **Table 1.25** below:

Table 1.25

(₹ 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	Indira Awaas Yojana (IAY)	11.50	6.93	Construction of houses (in number)	12,608	5,356 (58)
2	Special Nutrition Programme (SNP)	73.71	57.59	Number of beneficiaries (Mini beneficiaries)	6,48,973	5,16,804 (20)
3	Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)	206.78	79.00	Number of villages	694	476 (31)
4	Accelerated Irrigation Benefit Programme (AIBP)	75.00	75.00	Creation of Irrigation Potential (in hectare)	3015.82	1072.06 (64)

Source: Information furnished by Social Welfare, Community & rural Development, Meghalaya Power Distribution Corporation Limited and Chief Engineer, Water Resources.

As can be seen from the above table, shortfall in achievement of targets under the above schemes ranged between 20 *per cent* and 64 *per cent*. Out of all the above programmes, major shortfall in achievement of targets (64 *per cent*) during 2012-13 was under Accelerated Irrigation Benefit Programme.

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 2012-13, as of 31 March 2013, there were 196 ongoing projects in the State. The department-wise information pertaining to incomplete projects as on 31 March 2013 even after target date(s) of completion is given in **Table 1.26**.

Table 1.26 : Department-wise profile of incomplete projects

(₹ in crore)

Department	Number of incomplete projects	Initial estimated cost	Original estimated cost of projects which were revised		Revised cost of incomplete projects	Cost overrun	Cumulative expenditure of all incomplete projects (as of March 2013)
			Number	Amount			
Public Works (Roads & Bridges)	32	452.73	03	19.81	29.31	9.50	280.44
Public Health Engineering	19	348.10	01	18.66	23.16	4.50	117.43
Total	**51**	**800.83**	**04**	**38.47**	**52.47**	**14.00**	**397.87**

As can be seen from the above table, 51 projects stipulated for completion on or before March 2013 at an estimated cost of ₹ 800.83 crore, remained incomplete with an expenditure of ₹ 397.87 crore. The revised cost of three incomplete projects under Public Works (Roads & Bridges) Department and one project under PHE Department increased by 36.39 *per cent* from ₹ 38.47 crore to ₹ 52.47 crore, resulting in a total cost overrun of ₹ 14 crore. Effective steps need to be taken to complete the incomplete projects without further delay to avoid cost overrun due to time overrun. Further, in case of three projects under PHE Department, the original estimated cost (₹ 21.59 crore) was revised to ₹ 6.39 crore, i.e., less by over 70 *per cent* (₹ 15.20 crore), although the cumulative expenditure on these projects till March 2013 was 70 *per cent* (₹ 15.19 crore) of the original estimated cost. Reasons for downward revision of estimated cost of the project was not furnished.

1.9.2 Financial results of irrigation works

The State Government has not declared any irrigation project as commercial/productive. Hence, the financial results in respect of irrigation projects have not been worked out.

1.9.3 Investment and returns

As per Statement 14 of Finance Accounts for the year 2012-13, as of 31 March 2013, the State Government had invested ₹ 383.51 crore in two Statutory Corporations (₹ 71.11 crore), eight Government Companies (₹ 228.68 crore) and 1,456 Co-operative Banks and Societies (₹ 83.72 crore). Details are given in **Table 1.27.**

Table 1.27 : Return on Investment

Investment/Return/Cost of Borrowings	2008-09	2009-10	2010-11	2011-12	2012-13
Investment at the end of the year (₹ in crore)					
(i) Statutory Corporations	40.79	70.91	71.11	71.11	71.11
(ii) Government Companies	112.92	152.51	177.51	188.51	228.68
(iii) Co-operative Societies	46.72	62.77	67.17	77.45	83.72
Total	**200.43**	**286.19**	**315.79**	**337.07**	**383.51**
Return (₹ in crore)	0.03	0.04	0.03	0.08	0.08
Return (*per cent*)	0.01	0.01	0.01	0.02	0.02
Average rate of interest on Government borrowing *(per cent)*	6.32	6.34	6.51	6.22	6.24
Difference between interest rate and return (*per cent*)	6.31	6.33	6.50	6.20	6.22

On the investments made, Government earned a return of merely ₹ 0.08 crore in 2012-13. The return on investment was very low at less than one *per cent* during 2008-13 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 which had accumulated loss of ₹ 3.55 crore as per the latest finalised annual accounts (2009-10). Out of ₹ 228.68 crore invested in Government Companies, ₹ 136.14 crore was invested in four ailing Companies, which had accumulated losses of ₹ 20.33 crore as per the latest finalised annual accounts of these Companies[13]. Further, out of ₹ 83.72 crore invested in co-operative banks/societies, ₹ 21.03 crore was invested in 1,091 loss making co-operative banks/societies, which had accumulated losses of ₹ 7.47 crore up to 31 March 2010. Up-to-date working results of one Government company and 365 co-operative banks/societies had not been intimated (August 2013).

Further, Mawmluh Cherra Cements limited (MCCL) is a loss incurring Company, which had accumulated losses of ₹ 18.71 crore as per the latest finalised Annual Accounts for the year 2011-12. But the State Government released ₹ 34.07 crore as share capital to the MCCL in January 2013 for payment of energy bills, which

[13] Mawmluh Cherra Cements Limited: Annual Accounts-2011-12-Loss: ₹ 18.71 crore; Meghalaya Mineral Development Corporation Limited: Annual Accounts-2011-12-Loss: ₹ 0.12 crore; Forest Development Corporation of Meghalaya Limited: Annual Accounts-2003-04- Loss: ₹0.61 crore; Meghalaya Tourism Development Corporation Limited: Annual Accounts-1997-98-Loss: ₹ 0.89 crore.

included an avoidable expenditure of ₹ 15.89 crore as 'delay payment charges' for the period from December 2008 to November 2012.

1.9.4 Loans and advances by the 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 1.28** presents the outstanding loans and advances as on 31 March 2013, interest receipts *vis-à-vis* interest payments during the last five years**.**

Table 1.28 : Average Interest Received on Loans and Advances given by the State Government

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Opening Balance	**478.96**	**510.91**	**520.88**	**535.28**	**564.95**
Amount advanced during the year	50.21	26.65	41.65	52.38	27.02
Amount recovered during the year	18.26	16.68	27.25	22.71	23.25
Closing Balance	**510.91**	**520.88**	**535.28**	**564.95**	**568.72**
Net Addition	31.95	9.97	14.40	29.67	3.77
Interest Receipts	2.04	2.59	4.62	4.83	6.46
Interest received as *per cent* to outstanding Loans and Advances	0.41	0.50	0.87	0.88	1.14
Interest payments as *per cent* to outstanding fiscal liabilities of the State Government	6.32	6.34	6.51	6.22	6.24
Difference between interest payments and receipts (*per cent*)	5.91	5.84	5.64	5.34	5.10

Loans and advances given by the State Government during 2012-13 decreased by 48.42 *per cent* over previous year. The total outstanding loans and advances as on 31 March 2013 was ₹ 568.72 crore. Out of the loans of ₹ 27.02 crore advanced during 2012-13, ₹ 11.38 crore was given to Electricity Boards for power projects and ₹ 15.64 crore was given to Government servants. Interest receipt of ₹ 6.46 crore on loans and advances by GOM during 2012-13 constituted around 1.14 *per cent* only of the outstanding loans and advances at the end of 2009-10 (₹ 520.88 crore).

1.9.5 Cash Balances and Investment of Cash balances

Table 1.29 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.29 : Cash Balances and Investment of Cash Balances

(₹ in crore)

Particulars	Opening balance on 01 April 2012	Closing balance on 31 March 2013
(a) General Cash Balance-		
Cash in Treasuries	15.12	29.12
Deposits with Reserve Bank	54.56	- 45.46
	69.68	**-16.34**
Investments held in Cash Balance investment account	301.22	- 5.63
Total (a)	**370.90**	**- 21.97**
(b) Other Cash Balances and Investments		
Cash with departmental officers, of Forest and Public Works Department	0.37	0.90
Permanent advances for contingent expenditure with departmental officers	[14]	[15]
Investment of earmarked funds	115.81	136.24
- *Sinking Fund Investment Account*	*115.78*	*136.21*
- *Other Development and Welfare Fund*	*0.03*	*0.03*
Total (b)	**116.18**	**137.14**
Grand Total (a) + (b)	**487.08**	**115.17**

Cash balances (excluding investment of earmarked funds) of the State Government at the end of the current year significantly decreased from ₹ 371.27 crore in 2011-12 to a negative ₹ 21.07 crore in 2012-13. As on 31 March 2013, the Government invested ₹ 136.24 crore in Sinking Fund and Development and Welfare Fund. During 2012-13, interest of ₹ 18.93 crore was earned on investment of cash balances against ₹ 22.30 crore earned during the preceding year.

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 2008-09 to 2012-13, 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 2013, compared with the corresponding

[14] ₹ 246 only
[15] ₹ 246 only

position on 31 March 2012. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

1.10.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in **Appendix 1.2.** However, the composition of fiscal liabilities during the current year *vis-à-vis* the previous year are presented in **Charts 1.11** and **1.12.**

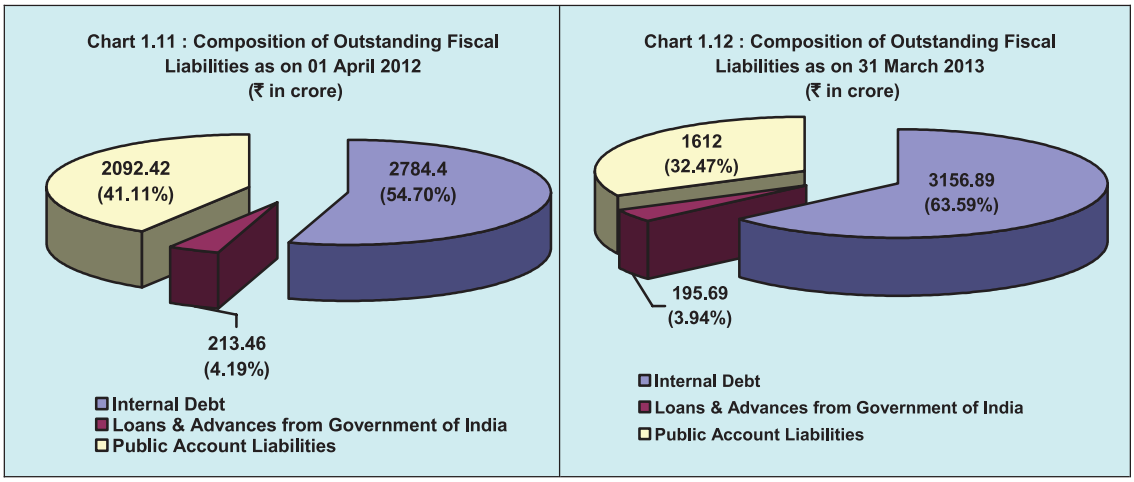


Table 1.30 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP to revenue receipts and State's own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

Table 1.30 : Fiscal Liabilities – Basic Parameters

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Fiscal Liabilities[16] (₹ in crore)	3572.95	3802.62	4088.28	5090.28	4964.58
Rate of Growth (*per cent*)	13.76	6.43	7.51	24.51	-2.47
Ratio of Fiscal Liabilities to					
GSDP (*per cent*)	30.76	29.92	28.04	30.97	26.74
Revenue Receipts (*per cent*)	127.12	110.31	95.96	109.36	89.67
Own Resources (*per cent*)	600.75	528.60	468.31	477.61	372.53
Buoyancy of Fiscal Liabilities to					
GSDP (ratio)	0.71	0.68	0.51	1.93	-0.19
Revenue Receipts (ratio)	0.91	0.28	0.32	2.65	-0.13
Own Resources (ratio)	0.94	0.31	0.35	1.11	-0.10

Fiscal liabilities of ₹ 4964.58 crore during 2012-13 consist of internal debt, e.g., market loans, loans from financial institutions, Special Securities issued to National Small Savings Fund, *etc.* (₹ 3156.89 crore), loans and advances from Central Government (₹ 195.69 crore), small savings, provident funds, *etc.* (₹ 840.46 crore)

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

and other liabilities, e.g., Reserve Funds and Deposits (₹ 771.54 crore). Fiscal liabilities of the State increased from ₹ 3572.95 crore in 2008-09 to ₹ 4964.58 crore in 2012-13. Compared to previous year, the fiscal liabilities during 2012-13 decreased by 2.47 *per cent* mainly due to decrease under other liabilities in the form of 'Deposit not bearing interest' by ₹ 582.05 crore (43.75 *per cent*). The ratio of fiscal liabilities to GSDP also decreased from 30.97 *per cent* in 2011-12 to 26.74 *per cent* in 2012-13. These liabilities stood at 0.9 times of the revenue receipts and 3.73 times of the State's own resources at the end of 2012-13. The buoyancy of these liabilities with respect to GSDP during the year was a negative 0.19 indicating that for each one *per cent* increase in GSDP, fiscal liabilities declined by 0.19 *per cent*.

The State Government in its MTFP Statement for the year 2012-13 projected the Total Outstanding Liabilities-GSDP ratio as 24.30 *per cent.* As can be seen from the **Table 1.30** above, the Fiscal Liabilities-GSDP ratio of the State (26.74 *per cent*), though decreased during 2012-13 compared to previous year, was higher than the projection made in the MTFP Statement.

1.10.3 Transactions under Reserve Funds

Reserves and Reserve Funds are created for specific and well defined purposes under the Sector 'J' in the accounts of the State Government (Public Account). These funds are fed by contributions or grants from the Consolidated Fund of India or State. The contributions are treated as expenditure under the Consolidated Fund. The expenditure relating to the fund is initially accounted under the Consolidated Fund itself for which the vote of the legislature is obtained. At the end of the year, at the time of closure of accounts, the expenditure relating to the fund is transferred to Public Account under the concept of gross budgeting through an operation of deduct entry in accounts. The funds may be further classified as 'Funds carrying interest' and 'Funds not carrying interest'.

The total accumulated balance as of 31 March 2013 in these funds was ₹ 159.31 crore (active funds: ₹ 137.75 crore; dormant funds: ₹ 21.56 crore) in nine reserve funds. However, only two are active. Investment out of these funds was ₹ 136.24 crore, which is around 86 *per cent* of the accumulated balance. Action needs to be taken to close the inoperative reserve funds and remit the balances into the Consolidated Fund.

During 1999-2000, the State Government constituted a 'Consolidated Sinking Fund' for redemption and amortisation of open market loans. In 2012-13, the Government has appropriated ₹ 20.43 crore from revenue and credited to this fund for investment in the Government of India Securities.

1.10.4 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 2008-09 are given in **Table 1.31**.

Table 1.31: Guarantees given by GOM

(₹ in crore)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Maximum amount guaranteed	1083.19	1033.34	948.79	1002.85	947.02
Outstanding amount of guarantees (including interest)	990.25	953.74	1110.77	1293.20	1285.19
Percentage of maximum amount guaranteed to total revenue receipts	38.54	29.97	22.27	21.55	17.11

Government has guaranteed loans raised by various Corporations and others, which at the end of 2012-13 stood at ₹ 1285.19 crore (including interest). Bulk of the guaranteed amount (₹ 1282.24 crore) was outstanding against the power sector for repayment of principal and payment of interest on loans from Rural Electrification Corporation (₹ 451.48 crore), Housing and Urban Development Corporation (₹ 248.47 crore) and short term loans, bonds, *etc.* (₹ 582.29 crore). The outstanding amount of guarantees is in the nature of contingent liabilities, which was 17 *per cent* of revenue receipts of the State during 2012-13. *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, though notified by GOM in June 2011, was yet to be set up.*

1.11 Debt Management

1.11.1 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 amortisation[17]; sufficiency of non-debt receipts[18]; net availability of borrowed funds[19]; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.32** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from 2008-09.

[17] As defined in Appendix 1.1.

[18] As defined in Appendix 1.1.

[19] As defined in Appendix 1.1.

Table 1.32: Debt Sustainability: Indicators and Trends

(₹ in crore)

Indicators of Debt Sustainability	2008-09	2009-10	2010-11	2011-12	2012-13
Debt Stabilisation (Quantum Spread + Primary Deficit)	185.86	117.00	228.50	-514.66	260.59
Sufficiency of Non-debt Receipts (Resource Gap)	-220.91	208.81	-115.1	-723.86	669.95
Net Availability of Borrowed Funds	220.2	-4.29	28.73	716.35	-439.52
Burden of Interest Payments (IP/RR) (*per cent*)	7.54	6.79	6.03	6.14	5.67

Table 1.32 reveals that four out of five year-period 2008-13, the quantum spread together with primary deficit remained positive. The quantum spread, which was negative during 2011-12, not only turned positive in the current year but also reached its peak during 2008-13. At 26.74 *per cent*, the Debt[20]-GSDP ratio during 2012-13 (**Appendix 1.2**) was well below the target of outstanding Debt to GSDP (32.3 *per cent*) set forth by XIII FC for the State.

The trends in resource gap indicate the oscillation between positive and negative magnitudes. The resource gap has been negative in three 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 improved during 2012-13 when the resource gap turned to positive ₹ 669.95 crore.

The trends in debt redemption ratio fluctuated widely during 2008-13 and increased to 127.17 *per cent* during 2012-13 against 67.60 *per cent* during the previous year (**Appendix 1.2).** During the current year, against receipts of ₹ 1617.62 crore, Government repaid ₹ 2057.14 crore as principal and interest on internal debt (₹ 378.87 crore), loans and advances from Central Government (₹ 42.60 crore) and other liabilities[21] (₹ 1635.67 crore), as a result of which no borrowed fund was available at the end of the year.

1.11.2 Debt profile

The maturity profile of the State debt is as indicated in **Table 1.33** and **Chart 1.13**.

Table 1.33: Maturity Profile of State Debt

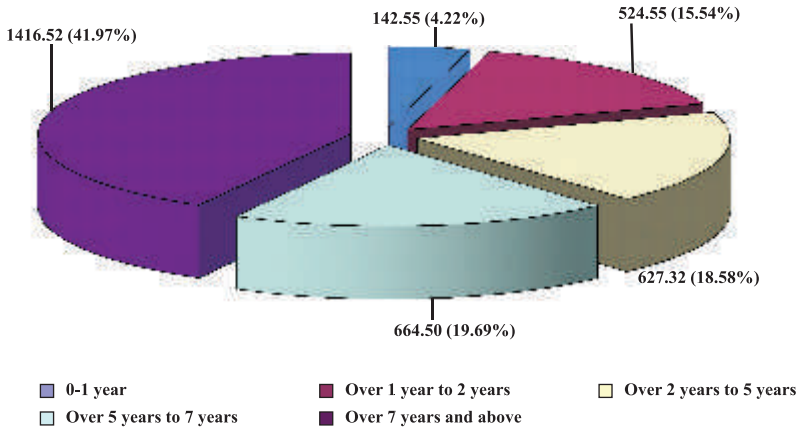
(₹ in crore)

Debt maturity	Maturity Profile	Amount			*Per cent*
		Internal Debt	Loans & Advances from GOI	Total	
During 2013-14	0-1 year	122.62	19.93	142.55	4.22
Between 14-15 & 2015-16	Over 1 year to 2 years	484.84	39.71	524.55	15.54
Between 2016-17 & 2017-18	Over 2 years to 5 years	597.02	30.30	627.32	18.58
Between 2018-19 & 2019-20	Over 5 years to 7 years	633.29	31.21	664.50	19.69
2020-21 onwards	Over 7 years and above	1319.56	96.96	1416.52	41.97
Total		**3157.33**	**218.11**	**3375.44**	100

[20] Internal Debt, Loans & Advances from GOI and Other Liabilities (Small Savings, Provident Funds, Reserve Funds, Deposits)

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

Chart 1.13: Maturity Profile of Public Debt
(₹ in crore)



The maturity profile of outstanding stock of public debt as on 31 March 2013 indicates that out of the outstanding Public Debt of ₹ 3375.44 crore, 58.03 *per cent* (₹ 1958.92 crore) is payable within the next seven years while the remaining 41.97 *per cent* was in the maturity bracket of over seven years and above. Of the total outstanding Public Debt, market borrowings constituted 67.31 *per cent* (₹ 2272.16 crore).

The above position indicates that 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 planned 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 Market Borrowings

1.12.1 Introduction

Fiscal deficit represents the borrowing requirements of the Government during the year. The borrowings are accounted for under the Consolidated Fund (E-Public Debt). The major divisions are Internal Debt of the State Government and Loans and Advances from the Government of India (GOI). The Internal Debt is further divided into market loans and negotiated loans. Market borrowings are raised by issuing dated securities/bonds, termed State Development Loan (SDL) of varying tenors. These borrowings are controlled by GOI and managed by the Reserve Bank of India (RBI). According to Article 293 (2) of the Constitution, the states may not, without the consent of GOI, raise any loan if they are indebted to GOI. The RBI manages the domestic borrowings of states through separate agreements with each of them.

1.12.2 Position of Open Market Borrowing of the State

The position of market loans raised by the Government of Meghalaya (GOM) during 2008-09 to 2012-13 is summarised below:

Table 1.34 : Position of Open Market Borrowing Of the State

(₹ in crore)

Year	Borrowings of the State	Date of floatation	Percentage of Market borrowing quarterly	Date of redemption
2008-09	120.00	11.11.2008	46 (3rd quarter)	12.11.2018
	103.54	27.02.2009	54 (4th quarter)	02.03.2019
	25.64	09.03.2009		12.03.2019
	10.22	24.03.2009		25.03.2019
Total	**259.40**			
2009-10	50.00	23.06.2009	18 (1st quarter)	24.06.2019
	50.00	22.09.2009	18 (2nd quarter)	23.09.2019
	123.54	29.10.2009	46 (3rd quarter)	30.10.2019
	50.00	19.01.2010	18 (4th quarter)	20.01.2020
Total	**273.54**			
2010-11	50.00	21.09.2010	26 (2nd quarter)	22.09.2020
	100.00	11.11.2010	74(3rd quarter)	12.11.2020
	40.00	21.12.2010		22.12.2020
Total	**190.00**			
2011-12	100.00	10.05.2011	32 (1stqur)	11.05.2021
	60.00	18.10.2011	36 (3rd quarter)	19.10.2021
	50.00	22.11.2011		23.11.2021
	50.00	10.01.2012	32 (4th quarter)	11.01.2022
	50.00	24.01.2012		25.01.2022
Total	**310.00**			
2012-13	50.00	03.07.2012	26 (2nd quarter)	04.07.2022
	50.00	21.08.2012		22.08.2022
	100.00	06.11.2012	39 (3rd quarter)	07.11.2022
	50.00	20.11.2012		21.11.2022
	80.00	22.01.2013	35 (4th quarter)	23.01.2023
	55.00	19.03.2013		20.03.2023
Total	**385.00**			

Source: Records of the Finance Department.

As can be seen from the above table, maximum loan was raised during third and fourth quarters of the respective years which ranged between 18 *per cent* and 74 *per cent* during 2008-13.

It was further noticed from the records of the Finance Department that there was no analysis for borrowing on the part of the State Government. The amount was fixed on the basis of ceiling fixed by GOI. Amount floated by Government depends on the cash balance position of the State.

1.12.3 Profile of market loans

Table 1.35 depicts the profile of market loans for the years from 2008-09 to 2012-13:

Table 1.35: Profile of market loans

(₹ in crore)

Details	Amount of loan raised				
	2008-09	2009-10	2010-11	2011-12	2012-13
Loan raised during the year	259.40	273.54	190.00	310.00	385.00
Loan repaid during the year	73.08	81.88	70.00	101.45	87.00
Outstanding loan at the end of the year	1453.94	1645.60	1765.60	1974.15	2272.15
Percentage of repayment to outstanding loan	5.03	4.98	3.96	5.13	3.83
Percentage of loan raised during the year to outstanding loan	17.84	16.62	10.76	15.70	16.94

Source: Finance Accounts

The maturity profile of borrowings showed that since 2005-06, all issues of State Development Loans (SDL) had a maturity of 10 years. The total outstanding loan at the end of 2012-13 (₹ 2272.15 crore) was 56.28 *per cent* higher as compared to 2008-09 (₹ 1453.94 crore). The percentage of loan raised to total outstanding market loan, after inter-year variations, stood at 16.94 *per cent* during 2012-13. For providing a cushion for redemption of open market loans, the State has a corpus of ₹ 164.31 crore under Consolidated Sinking Fund (CSF). However, the outstanding loan at the end of 2012-13 far surpassed the corpus of CFS.

1.12.4 Interest payment on market loan

Table 1.36 present the interest rate profile of loans raised during 2008-13.

Table 1.36 : Interest rate profile

Rate of interest (*per cent*)	Market loans raised during the year (₹ in crore)					
	2008-09	2009-10	2010-11	2011-12	2012-13	Total
7 to 7.99	103.54	50.00	-	-	-	153.54
8 to 8.99	155.86	223.54	190.00	200.00	385.00	1154.40
9 to 9.99	-	-	-	110.00	-	110.00
Total	**259.40**	**273.54**	**190.00**	**310.00**	**385.00**	**1417.94**

Source: Finance Accounts

Out of the total amount of loan of ₹ 1417.94 crore raised during 2008-09 to 2012-13, 81.41 *per cent* (₹ 1154.40 crore) was raised at an interest of 8 *per cent* to 8.99 *per cent.* As far as the burden of interest payment on market loans is concerned, the State is in a comfortable position because the ratio of interest payment on market loans to revenue receipts showed a declining trend which declined to 2.87 *per cent* during 2012-13 against 3.72 *per cent* in 2008-09.

1.12.5 Market borrowings for current expenditure

Table 1.37 depicts the position of revenue surplus or revenue deficit of the State during 2008-09 to 2012-13 along with the market loan raised, capital outlay and market loan repaid:

Table 1.37 : Revenue Surplus/Deficit

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Surplus (+)/Deficit (-)	+ 127.86	+ 264.97	+ 247.74	- 180.34	+ 536.81
Market loan raised	259.40	273.54	190.00	310.00	385.00
Capital Outlay	531.01	481.29	574.73	855.24	928.34
Market loan repaid	73.08	81.88	70.00	101.45	87.00

Source: Finance Accounts

As per the MFRBM Act, 2006, *the State Government was to ensure that borrowings are used for productive assets and accumulation of capital assets and are not used to finance revenue expenditure*. During the five-year period ending 2012-13, the State experienced revenue deficit of ₹ 180.34 crore only during 2011-12. This indicated that the revenue receipts during 2008-11 and 2012-13 were sufficient to meet the requirement of revenue expenditure. Even during the year 2011-12, when there was revenue deficit the market borrowing need not have been utilised to meet revenue deficit. The capital outlay (₹ 855.24 crore) plus market loan repaid (₹ 101.45 crore) was much more than the amount of market loan raised (₹ 310 crore) during the year. The gap was financed from the Public Accounts as the Public Accounts Receipts during the year was much more than the Public Accounts Disbursements (by ₹ 820.54 crore). Thus, during five year period 2008-13, the State Government did not use the borrowings to finance revenue expenditure.

1.13 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2012-13.

1.13.1 Trends in Deficits

Charts 1.14 and **1.15** present the trends in deficit indicators over the period 2008-13.

Chart 1.14 : Trends in deficit indicators

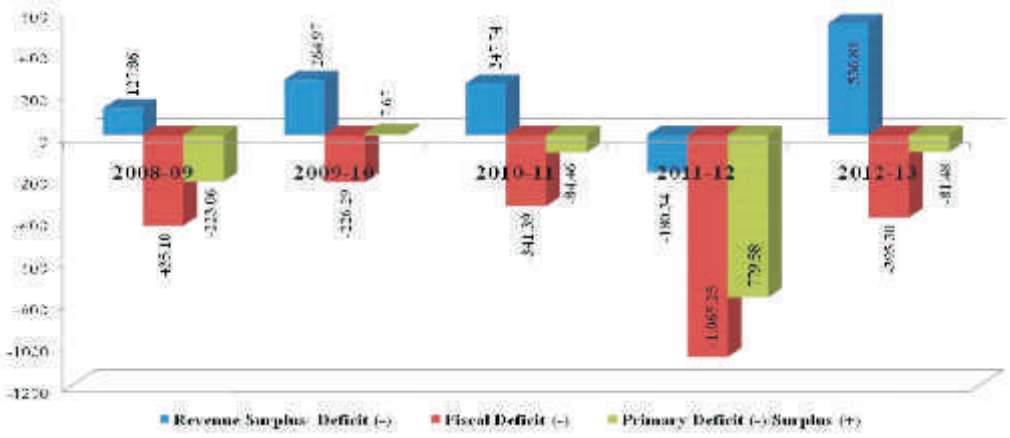


Chart 1.15 : Trends in deficit relative to GSDP

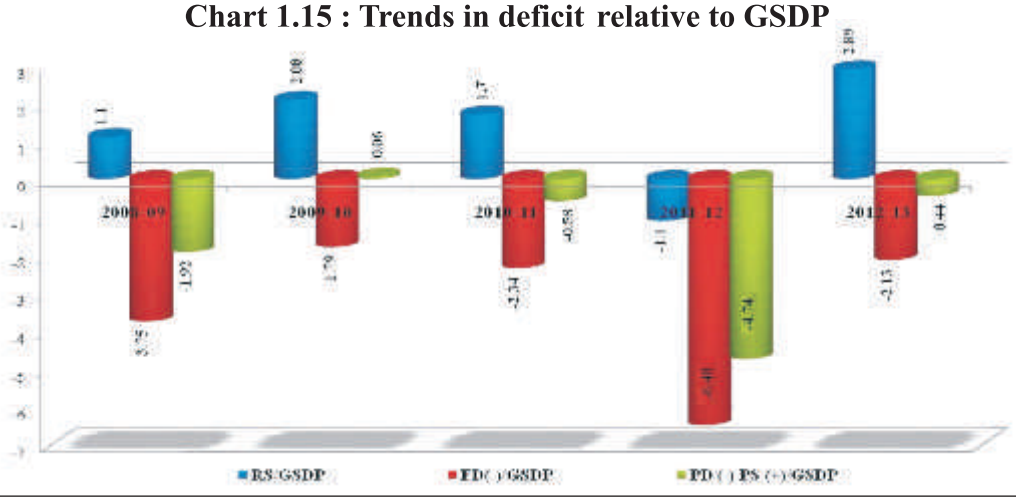


Chart 1.14 reveals that the State was able to attain a revenue surplus of a substantial amount of ₹ 536.81 crore during 2012-13 against the deficit of ₹ 180.34 crore during the preceding year. This was, however, mainly due to increase of central transfer in the form of share of Union Taxes and Duties and grants-in-aid by ₹ 614.98 crore (17.14 *per cent*) during 2012-13 against ₹ 201.19 crore (5.94 *per cent*) during the previous year and an increase in revenue expenditure by ₹ 164.73 crore (3.41 *per cent*) during the current year against a substantial increase of ₹ 822.07 crore (20.49 *per cent*) during the previous year. The State Government was successful in fulfilling the commitment made in the MFRBM Act, (as amended) *to maintain revenue surplus during 2011-12 to 2014-15 as recommended by the XIII FC except during 2011-12.*

The fiscal deficit, which represents the total borrowings of the Government and its total resource gap, decreased from ₹ 1065.25 crore during 2011-12, to ₹ 395.30 crore in 2012-13. Revenue surplus attained during the year against revenue deficit during the previous year and marginal increase (8.55 *per cent*) in capital outlay against a substantial increase in capital outlay (48.81 *per cent*) during the previous year as well as decrease in loans and advances disbursed (₹ 25.36 crore) over the previous year led to decrease in fiscal deficit by ₹ 669.95 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, (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 2.13 *per cent* during 2012-13 and thus, GOM was successful in restricting this ratio as per recommendation of the XIII FC and its own commitment in the MFRBM Act, (as amended).

The primary deficit during 2012-13 also decreased significantly by ₹ 698.10 crore over previous year. A sharp decrease of ₹ 669.95 crore in fiscal deficit and a moderate increase in interest payment (₹ 28.15 crore) resulted in a primary deficit of ₹ 81.48 crore during the current year.

1.13.2 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 1.38.**

Table 1.38 : Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)

Sl. No.	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Decomposition of Fiscal Deficit (1 + 2 + 3)						
	Fiscal Deficit	**435.10**	**226.29**	**341.39**	**1065.25**	**395.30**
1.	Revenue Surplus (-)/ Deficit (+)	- 127.86	- 264.97	- 247.74	+ 180.34	- 536.81
2.	Net Capital Outlay	531.01	481.29	574.73	855.24	928.34
3.	Net Loans and Advances	31.95	9.97	14.40	29.67	3.77
Financing Pattern of Fiscal Deficit[(a)]						
1.	Market Borrowing	186.32	191.66	120.00	208.55	298.00
2.	Loans from GOI	- 53.38	- 18.33	- 19.05	- 26.04	- 17.77
3.	Special Securities issued to NSSF	5.80	61.43	89.82	47.14	70.73
4.	Loans from Financial Institutions	15.08	25.23	24.54	35.62	3.76
5.	Small Savings, PF, *etc.*	45.58	67.65	84.30	105.08	109.07
6.	Reserve Funds	0.20	7.02	- 4.14	14.30	- 7.44
7.	Deposits and Advances	232.62	- 105.14	- 10.12	617.37	- 582.04
8.	Suspense and Miscellaneous	58.54	- 39.71	- 28.89	- 18.42	110.67
9.	Remittances	15.57	- 25.03	- 4.49	102.21	17.98
10.	Increase (-) / Decrease (+) in Cash Balances	- 71.23	+ 61.51	+ 89.42	- 20.56	+ 392.34
	Percentage to GSDP	**3.75**	**1.79**	**2.34**	**6.48**	**2.13**

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

There were fiscal deficits during the five year period ending 2012-13, which peaked to ₹ 1065.25 crore during 2011-12, but declined significantly to ₹ 395.30 crore during 2012-13. During 2012-13, fiscal deficit was primarily financed through market borrowing, special securities issued to National Small Savings Fund (NSSF) of the Central Government, small savings, provident fund, *etc.*

1.13.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital outlay as well as 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 1.39)** 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 1.39: Primary Deficit/Surplus – Bifurcation of Factors

(₹ in crore)

Year	Non-debt Receipt	Primary Revenue Expendi-ture	Capital Outlay	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)
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
2012-13	5559.60	4685.72	928.34	27.02	5641.08	873.88	- 81.48

The bifurcation of the factors resulting into primary deficit or surplus of the State during 2008-13 reveals that-

- Non-debt receipts increased by 96.53 *per cent* from ₹ 2828.90 crore in 2008-09 to ₹ 5559.60 crore in 2012-13.
- Total primary expenditure increased by ₹ 2589.12 crore (84.83 *per cent*) during 2012-13 compared to 2008-09 due to increase in primary revenue expenditure to the extent of ₹ 2214.98 crore (89.65 *per cent*) during the period 2008-09 to 2012-13.
- The primary revenue surplus, which had shown sharp decline in 2011-12, again showed a sharp increase during 2012-13.
- In four (2008-09 and 2010-13) out of five years, the State experienced primary deficit. However, non-debt receipts of the State were sufficient to meet the primary expenditure[22] requirements, but was not adequate for expenditure on capital outlay and loans and advances except during the year 2009-10. The extent of the primary deficit during 2012-13 has been mainly on account of increase in capital expenditure by ₹ 73.10 crore compared to previous year,

[22] 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.

which may be desirable to improve the productive capacity of the State's economy.

1.14 Institutional measures

Towards strengthening fiscal disciplines, 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 (August 2013) from the Finance Department, GOM, had not been furnished (December 2013). As such, the position of PPP projects in the State could not be ascertained by Audit.

1.15 Conclusion and Recommendations

The fiscal position of the State viewed in terms of key fiscal parameters – revenue surplus, fiscal deficit, primary deficit – indicated significant improvement in the financial health of the State during 2012-13 relative to previous four years (2008-12). During 2012-13, the State has returned to the status of revenue surplus as the revenue deficit which was ₹ 180.34 crore during 2011-12 turned to revenue surplus of a significant amount of ₹ 536.81 crore during the current year. This achievement was, however, mainly due to increase of central transfer in the form of share of Union Taxes and Duties and grants-in-aid by ₹ 614.98 crore (17.14 *per cent*) during 2012-13 against ₹ 201.19 crore (5.94 *per cent*) during the previous year and marginal increase in revenue expenditure by ₹ 164.73 crore (3.41 *per cent*) during the current year against a substantial increase of ₹ 822.07 crore (20.49 *per cent*) during the previous year. The fiscal deficit as well as primary deficit of the State have also significantly decreased during 2012-13 compared to previous year.

Revenue Receipts

Revenue receipts during 2012-13 grew by 18.95 *per cent* (₹ 881.88 crore) over previous year. The tax revenue and non-tax revenue receipts exceeded normative assessment made by XIII FC by 32.52 *per cent* and 54.21 *per cent* respectively. But State's own resources (tax and non-tax revenue) contributed 30.26 *per cent* (₹ 266.90 crore) of the incremental revenue receipts during 2012-13 (₹ 881.88 crore). The Central transfers comprising State's share of central taxes and grants-in-aid from the Government of India increased by ₹ 614.98 crore in 2012-13 and contributed 69.74 *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 State Government should explore the possibilities of mobilising additional resources both through tax and non-tax sources by expanding the tax base and rationalizing the user charges.

Revenue and Total Expenditure

The revenue expenditure of the State increased by 86.36 *per cent* from ₹ 2682.78 crore in 2008-09 to ₹ 4999.54 crore in 2012-13. The expenditure pattern of the State reveals that though the revenue expenditure as a percentage of total expenditure marginally decreased by 0.23 *per cent* in the current year over previous year, it hovered around 85 *per cent* during the period (2008-13) leaving inadequate resources for expansion of services and creation of assets. Within the revenue expenditure, NPRE at ₹ 3280.13 crore in 2012-13 constituted 65.61 *per cent* and remained significantly higher (12.17 *per cent*) than the normatively assessed level of ₹ 2924.21 crore by XIII FC for the year. Further, expenditure on salaries, pensions, interest payments and subsidies continued to consume a large share of revenue expenditure which was 47.49 *per cent* during 2012-13. During 2012-13, though the development expenditure (₹ 4304.87 crore) increased by ₹ 118.51 crore (2.83 *per cent*) over the previous year, it was much below the budget estimate (₹ 5848.58 crore) for 2012-13. The relative share of revenue development expenditure was 79.58 *per cent* of the total development expenditure, while this share in respect of capital development expenditure was only 20.16 *per cent.* Predominant share of revenue expenditure in development expenditure indicated that more emphasis was given on maintenance of the current level of services. Capital outlay during 2012-13 (₹ 928.34 crore) increased by ₹ 73.10 crore over previous year. As *per cent* to total expenditure, the capital outlay showed a fluctuating trend over the period 2008-09 to 2012-13. It increased to 15.59 *per cent* of total expenditure during 2012-13 against 14.89 *per cent* during the preceding year, but fell short by 33.63 *per cent* (₹ 470.36 crore) of the projection (₹ 1398.70 crore) made by the State Government in its budget for the year.

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. Though expenditure incurred under capital heads had been increasing over the years, yet the expenditure pattern under this sector also needs correction.

From the point of view of improving developmental expenditure, it is pertinent for the Government of Meghalaya to take appropriate expenditure measures and lay emphasis on provision of development capital expenditure.

Fiscal Correction Path

During 2012-13, there was improvement in all the three major fiscal indicators, *viz*., revenue surplus, fiscal deficit and primary deficit over previous year. The fiscal deficit decreased from ₹ 1065.25 crore in 2011-12 to ₹ 395.30 crore during the current year. Primary deficit also decreased significantly by around 90 *per cent* (₹ 698.10 crore) compared to the previous year. The fiscal deficit-GSDP ratio stood at 2.13 *per cent* during 2012-13 against the ceiling of 3 *per cent* or less prescribed in the MFRBM Act, 2006 (as amended) and also the recommendation of the XIII FC to maintain this ratio at 3 *per cent* of GSDP or less. The prevalence of fiscal deficit during 2008-13 indicates continued reliance of the State on borrowed funds, resulting in increasing fiscal liabilities of the State over the period 2008-12. However, fiscal liabilities during 2012-13 marginally decreased by 2.47 *per cent* (₹ 125.70 crore) and stood at 26.74 *per cent* of the GSDP during the current year against 30.97 *per cent* during 2011-12, but exceeded the limit of total outstanding liabilities-GSDP ratio (24.30 *per cent*) projected in the Medium Term Fiscal Policy Statement for the year.

The average return on investment in Statutory corporations, Government companies and Co-operative societies was less than one *per cent* during 2008-13, while the Government paid interest at an average rate of 6.22 *per cent* to 6.51 *per cent* on its borrowings during the period. Interest received as *per cent* to outstanding Loans and Advances given by the State Government was also inadequate, which ranged between 0.41 *per cent* and 0.88 *per cent* during 2008-12 and stood at 1.14 *per cent* during 2012-13.

Though there was an indication of improvement in the financial health of the State during 2012-13 compared to previous year, the substantial amount of fiscal liabilities accompanied by a negligible rate of return on Government investments and inadequate interest cost recovery on loans and advances might lead to an unsustainable fiscal situation in medium to long term, unless suitable measures are initiated to compress the non-plan revenue expenditure and to mobilise additional resources both through the tax and non-tax sources in the ensuing years.

The State should make efforts to maintain revenue surplus and reduce fiscal deficit. Recourse to borrowed funds in future should be carefully assessed and managed so that the Fiscal Liabilities-GSDP ratio can be restricted to the projection made in the MTFP Statement. The State Government should also 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. The State Government should also explore the possibility of the closure of perennially sick Public Sector Undertakings.

Funds transferred to State Implementing Agencies

Large amount of money is being given directly by Government of India to the State implementing agencies. Such 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.

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 2012-13 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	5596.63	792.30	6388.93	4665.25	-1723.68
	II. Capital	1398.70	267.33	1666.03	925.81	-740.22
	III. Loans and Advances	18.35	13.63	31.98	27.02	-4.96
Total Voted		**7013.68**	**1073.26**	**8086.94**	**5618.08**	**-2468.86**
Charged	IV. Revenue	367.81	1.82	369.63	343.57	-26.06
	V. Capital	…	2.53	2.53	2.53	…
	VI. Public Debt-Repayment	219.59	…	219.59	168.51	-51.08
Total Charged		**587.40**	**4.35**	**591.75**	**514.61**	**-77.14**
Appropriation to Contingency Fund (if any)		…	…	…	…	…
Grand Total		**7601.08**	**1077.61**	**8678.69**	**6132.69**	**-2546.00**

The overall saving of ₹ 2546 crore was the result of saving of ₹ 2660.45 crore in 49 Grants (including seven cases of Appropriation) under Revenue Section, 23 Grants

(including six cases of Appropriation) and two Appropriations under Capital Section, offset by excess of ₹ 114.45 crore in seven Grants and three cases of Appropriations under Revenue Section and one Grant under Capital Section.

The savings/excesses were intimated (07 August 2013) 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 (August 2013) by the departments concerned 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 38 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 ₹ 2546 crore, savings of ₹ 1987.06 crore (78.05 *per cent*)[1] occurred in 12 cases relating to 11 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.*	280.58	3.86	284.44	178.44	106.00
21 – Miscellaneous General Services	1237.96	126.04	1364.00	962.05	401.95
34 – Welfare of Scheduled Caste/ Scheduled Tribe and Other Backward Classes, *etc.*	269.52	3.22	272.74	167.54	105.20
38 – Secretariat Economic Services	446.76	1.96	448.72	96.04	352.68
40 – North Eastern Areas, Capital Outlay on North Eastern Areas	113.37	4.11	117.48	27.35	90.13
43- Housing, Crop Husbandry, Agricultural, Research and Education *etc.*	392.66	65.59	458.25	244.13	214.12
45 – Housing, Soil and Water Conservation, *etc.*	173.86	32.70	206.56	81.53	125.03
50 – Forestry and Wildlife, Agricultural Research and Education, *etc.*	138.39	…	138.39	79.44	58.95
Total Revenue -Voted	**3053.10**	**237.48**	**3290.58**	**1836.52**	**1454.06**
II. Capital-Voted					
19 – Secretariat General Services, Public Works, Housing, Capital Outlay on Public Works, *etc.*	75.33	42.90	118.23	50.23	68.00
27 – Water Supply and Sanitation, Housing, *etc.*	294.58	…	294.58	128.06	166.52
29 – Urban Development, *etc*	250.38	1.85	252.23	20.48	231.75
43- Housing, Crop Husbandry, Agricultural, Research and Education *etc.*	150.07	…	150.07	83.34	66.73
Total Capital -Voted	**770.36**	**44.75**	**815.11**	**282.11**	**533.00**
Grand Total	**3823.46**	**282.23**	**4105.69**	**2118.63**	**1987.06**

[1] Exceeding ₹ 50 crore in each case.

Reasons for excessive savings in the above cases had not been furnished (August 2013).

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).**

Table 2.3: List of Grants indicating Persistent Savings during 2008-13

(₹ in crore)

Sl. No.	No. and Name of the grant	Amount of savings				
		2008-09	2009-10	2010-11	2011-12	2012-13
Revenue-Voted						
1.	11- Other Taxes and Duties on Commodities and Services, *etc*	105.04 (27)	155.52 (56)	169.29 (59)	226.21 (57)	106.00 (37)
2.	29- Urban Development, Capital Outlay on Housing, *etc*	13.09 (38)	16.14 (31)	24.37 (45)	19.74 (31)	47.65 (54)
3.	34-Welfare of Scheduled Castes, *etc.*	45.33 (39)	73.06 (39)	69.05 (34)	57.84 (25)	105.20 (39)
4.	39 – Cooperation	7.90 (48)	6.15 (36)	5.87 (31)	13.99 (47)	14.96 (51)
5.	40-North Eastern Areas	65.59 (72)	14.96 (39)	44.08 (74)	12.80 (34)	90.13 (77)
Revenue-Charged						
6.	4-Administration of Justice	1.73 (99)	2.65 (100)	2.70 (100)	2.90 (100)	2.48 (100)
Capital-Voted						
7.	39-Cooperation	3.81 (48)	4.08 (53)	3.01 (40)	6.20 (36)	8.33 (54)
Capital Charged						
8.	Appropriation – Internal Debt of the State Government	41.49 (28)	40.60 (25)	37.27 (24)	43.35 (22)	50.50 (25)

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

Four Grants and one Appropriation , *viz.* 'Other Taxes and Duties on Commodities and Services, *etc.*', 'Urban Development', 'Welfare of Scheduled Caste, *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, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 120.28 crore was incurred in 42 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 2012-13

(₹ in crore)

Sl. No.	Grant/Appropriation No. – Major Head of Accounts - Sub-Head - Detailed Head	Expenditure without provision
1.	19 – 4216 –01 – 700 – (01) Each Scheme - General	1.06
2.	26 – 2210 – 01 – 104 – (01) Establishment of District Medical Store in the District – General	3.88
3.	26 – CSS – 2211 – 101 – (02) Rural Family Welfare Centres - General	3.27
4.	26 – CSS – 2211 – 101 – (02) Rural Family Welfare Sub Centres – Sixth Scheduled (Part II) Areas	2.60
5.	27 - 4215 – 01 – 102 –(02) Rural Water Supply Maintenance – Sixth Schedule (Part II) Areas	12.92
6.	29 – 4217 – 60 -051 – (01) Lumpsum Fund for Development of North Eastern States - General	1.85
7.	40 – 2552 -01 – 110 – (02) Upgradation of Equipment Infrastructure and Development of District Hospital - Sixth Schedule (Part II) Areas	3.00
8.	40 – 4552 -14 – 800 – (07) Improvement including widening of Agia – Medhipara – Phulbari – Tura Road (73rd – 133rd KM) - Sixth Schedule (Part II) Areas	23.50
9.	40 – 4552 -14 – 800 – (09) Conversion of Bridge No. 22/2 on Mankachar – Mahendraganj Road (0-63 Kms) - Sixth Schedule (Part II) Areas	3.22
10.	40 – 4552 -14 – 800 – (16) Improvement including Metalling and Black-topping of Rymbai – Bataw – Borghat – Jalalpur Road(63rd – 96th Km) and construction of Road (from 96th – 120th Km)- Sixth Schedule (Part II) Areas	7.27
11.	43 – 2401 – 800 – (07) - Macro Management of Agriculture – New Innovations – General	1.07
12.	43 – 4702 – 101 –(05) NABARD Loan for Construction of MIPs - Sixth Schedule (Part-II) Areas	2.00
13.	44 -4711 – 01 – 103 – (01) Works – General	1.27
14.	46 – 2501 – 04 – 105 – (101) Administrative Expenses – General	1.75
15.	48 – 2404 – 102 - (14) Community for Dairy Farming with ACA under NADP/ RKVY - Sixth Schedule (Part-II) Areas	7.74
16.	51 – 2515 – 102 – (01)) Stage -1 Block - Sixth Schedule (Part-II) Areas	1.40
17.	54 – 2851 – 200 – (8) National Mission on Food Programme – General	1.89
18.	56 – 5054 - 04 – 800 – (04) Roads Financed from Central Road Fund – Sixth Schedule (Part-II) Areas	22.61
19.	56 – 5054 - 04 – 800 – (21) Project undertaken under Special Plan Assistance– General	6.94
20.	56 – 5054 - 04 – 800 – (22) Grant under Article 275(1)– General	4.22

2.3.4 Drawal of funds to avoid lapse of budgetary provision

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 18 cases mentioned in **Appendix 2.4** an amount of ₹ 33.14 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 ₹ 1388.44 crore for the years from 1971-72 to 2011-12 was yet to be regularised, details of which are given in **Appendix 2.5.**

2.3.6 Excess over provisions during 2012-13 requiring regularisation

Table 2.5 contains the summary of total excess in seven Grants and three cases of Appropriations under Revenue Section and one Grant under Capital Section amounting to ₹ 114.45 crore over authorisation from the Consolidated Fund during 2012-13 and requires regularisation under Article 205 of the Constitution.

Table 2.5 : Excess over provisions requiring regularisation during 2012-13

(₹ in crore)

Sl. No.	Number and title of Grant/Appropriation	Total Grant/ Appropriation	Expenditure	Excess (+) (*per cent*)
Revenue – Voted				
1.	2 – Governor, Capital Outlay on Housing	6.00	6.04	0.04(0.67)
2.	7 – Stamps and Registration	1.36	1.60	0.24(17.65)
3.	24 – Pensions and Other Retirement Benefits	314.77	388.26	73.49(23.35)
4.	44 – Medium Irrigation, Flood Control and Drainage, Capital Outlay on Medium Irrigation, Capital Outlay on Flood Control Projects	0.83	0.91	0.08(9.64)
5.	46 – Special Programme for Rural Development	85.49	85.76	0.27(0.32)
6.	48 – Housing, Dairy Development, Agricultural Research and Education	10.90	16.18	5.28 (48.44)
7.	56 – Roads and Bridges, Capital Outlay on Roads and Bridges	140.30	174.15	33.85 (24.13)
Revenue - Charged				
1.	12 – Other Fiscal Services, Appropriation for Reduction or Avoidance of Debt, Interest Payments, Public Service Commission	2.83	2.83	0.0024 (0.08)
2.	16 – Police, Other Administrative Services, Housing, Capital Outlay on Police	0.10	0.12	0.02 (20)
3.	19 – Secretariat General Services, Public Works, Housing, etc.	…	1.00	1.00 (100)
Capital – Voted				
1.	44 - Medium Irrigation, Flood Control and Drainage, Capital Outlay on Medium Irrigation, Capital Outlay on Flood Control Projects	2.68	2.86	0.18 (6.72)
Total		**565.26**	**679.71**	**114.45**

In four of the above cases, expenditure aggregating ₹ 113.62 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 2008-13

(₹ in crore)

Sl. No.	Number and name of the Grant	Amount of Excess Expenditure				
		2008-09	2009-10	2010-11	2011-12	2012-13
1.	24- Pension and other Retirement benefits (Revenue - Voted)	46.19	31.89	97.97	139.17	73.49

2.3.7 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating ₹ 368.60 crore obtained in 26 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 2.6.** In two cases, supplementary provision of ₹ 89.37 crore proved insufficient by more than ₹ 1 crore in each case leaving an aggregate uncovered excess expenditure of ₹ 78.78 crore **(Table 2.7).** Again, in one case, no supplementary provision was obtained resulting in an excess expenditure of ₹ 33.85 crore **(Table 2.7).**

Table 2.7: Insufficient Supplementary Provisions

(₹ in crore)

Number and Name of Grant	Original Provision	Supplementary provision	Total	Expendi-ture	Excess
24 – Pensions and Other Retirements Benefits Revenue - Voted	225.63	89.14	314.77	388.27	73.50
48 – Housing, Dairy Development, Agricultural Research and Education Revenue – Voted	10.67	0.23	10.90	16.18	5.28
56 – Roads and Bridges, Capital Outlay on Roads and Bridges Revenue – Voted	140.30	0.00	140.30	174.15	33.85
Total	**376.60**	**89.37**	**465.97**	**578.60**	**112.63**

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 239 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 2.7.**

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 2012-13 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 143 sub-heads on account of either non-implementation or non receipt of sanction of schemes/programmes. Out of the total provision of ₹ 1052.42 crore in these 143 schemes, ₹ 942.34 crore were surrendered, which included cent *per cent* surrender in 55 schemes. The details of 55 such cases involving surrender of entire provisions of ₹ 427.25 crore are given in **Appendix 2.8.**

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 10 cases, the amount surrendered was in excess of actual savings indicating lack of or inadequate budgetary control in these departments. As against savings of ₹ 266.61 crore, the amount surrendered was ₹ 307.40 crore resulting in excess surrender of ₹ 40.79 crore (**Appendix 2.9).** 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 surren-dered	Amount surrendered in excess of savings
9 –Taxes on Sales, Trade *etc*., Other Taxes and Duties on Commodities and Services Revenue – Voted	19.17	4.77	9.74	4.97
34 – Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes, *etc* Revenue – Voted	272.74	105.20	106.50	1.30
40- North Eastern Areas, Capital Outlay on North Eastern Areas Capital – Voted	94.13	17.48	50.00	32.52
53 – Village & Small Industries, Capital Outlay on Village & Small Industries, *etc* Revenue - Voted	61.02	4.42	5.18	0.76

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 2012-13, there were, however, 17 Grants in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in these cases was ₹ 345.60 crore (13.57 *per cent* of the overall savings of ₹ 2546 crore) **(Appendix 2.10).**

Similarly, out of total savings of ₹ 1449.12 crore under 17 other Grants (savings of ₹ 1 crore and above in each Grant), amount aggregating ₹ 917.87 crore (63.34 *per cent* of total savings) were not surrendered, details of which are given in **Appendix 2.11**. Besides, in 38 cases, (surrender of funds in excess of ₹ 1 crore), ₹ 1424.35 crore were (**Appendix 2.12**) surrendered on the last working day of March 2013, 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 2012-13, the expenditure during the fourth quarter and in the month of March compared to the total expenditure during the year ranged between 24.88 *per cent* and 79.82 *per cent* and 13.89 *per cent* and 76.19 *per cent* respectively in respect of 10 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 2012-13

(₹ in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2013	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2055	349.54	86.96	24.88	48.55	13.89
2.	2202	856.26	254.04	29.67	185.83	21.70
3.	2210	304.75	130.62	42.86	103.90	34.09
4.	2215	160.08	60.83	38.00	22.70	14.18
5.	2235	76.29	39.74	52.09	32.13	42.12
6.	2401	161.04	116.23	72.17	87.13	54.10
7.	2406	77.39	35.86	46.34	32.91	42.52
8.	2501	96.90	53.16	54.86	24.02	24.79
9.	2852	7.01	1.82	25.96	1.19	16.98
10.	3451	139.93	111.69	79.82	106.61	76.19

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 2012-13 (Volume I), the total amount of DCC bills received upto 2010-11 and during 2011-13 was only ₹ 11.19 crore against the amount of AC bills of ₹ 29.94 crore leading to an

outstanding balance of DCC bills of ₹ 18.75 crore as on March 2013. Year wise details are given in the table below:

Table 2.10 : Outstanding DCC Bills

(₹ in crore)

Year	Amount of AC bills	Amount of DCC bills	Outstanding AC bills	Percentage of Outstanding AC bills
Up to 2010-11	13.73	11.00	2.73	19.88
2011-12	0.26	0.17	0.09	34.62
2012-13	15.95	0.02	15.93	99.87
Total	**29.94**	**11.19**	**18.75**	**62.63**

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 2012-13, 18 out of 68 COs did not reconcile expenditure amounting to ₹ 2079.36 crore (33.91 *per cent* of total expenditure (₹ 6132.69 crore)) as of March 2013. Out of the unreconciled expenditure of ₹ 2079.36 crore, ₹ 349.54 crore related to the Director General of Police followed by ₹ 170.38 crore in respect of the Director of Agriculture and ₹ 85.63 crore in respect of Director of Technical Education.

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 2012, there were 14 PD accounts with a balance of ₹ 1.63 crore. No PD account was opened during the year. As of 31 March 2013, 14 PD accounts involving ₹ 3.22 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 2012-13. 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[2] , 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

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

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 (31 October 2011) fixed by the Finance (Budget) Department in August 2011. 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)	21.02.2012	Three months
2.	Land revenue	06 (2029,2245)	12.11.2012	Twelve months
3.	Power	11 (2801)	01.11.2012	Twelve months
4	Police	16 (2055, 2070)	24.01.2013	Fourteen months
5	Education, Sports, Art & Culture	21 (2202, 2203, 2204, 2205)	12.12.2011	One month
6	Finance Pension Cell	24 (2071)	08.12.2011	One month
7	Health & Family Welfare	26 (2210)	14.02.2012	Three months
8	Public Health Engineering	27 (2215)	05.01.2012	Two months
9	Urban Development	29 (2217)	07.11.2012	Twelve months
10	Labour	31 (2230)	20.12.2011	One month
11	Social Welfare	34 (2235, 2236)	27.01.2012	Two months
12	Agriculture	43 (2401)	06.12.2011	One month
13	Irrigation	43 (2702)	21.12.2011	One month
14	Animal Husbandry & Veterinary	47 (2403)	21.03.2013	Seventeen months
15	Forest	50 (2406)	08.11.2012	Twelve months

It can be seen from the above table, the date of submission of departmental budget estimates for the year 2012-13 by six departments was after the commencement of the financial year. The glaring aspect is that the proposal for the year 2012-13 was submitted to the Finance Department by which time proposal for the next financial year (i.e. 2013-14) was already due for submission. Animal Husbandry and Veterinary Department was the worst case as it submitted the budget proposal of the department when just 10 days was remaining in the financial year. Therefore, the provisions made in the State budget were done based on trends of expenditure of previous year and evidently does of aptly reflect the requirement of the concerned departments.

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

The position of Revenue and Capital receipts under Consolidated Fund during 2012-13 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	Percentage of shortfall	Budget Provision	Actual Receipt	Shortfall in receipt	Percentage of shortfall
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
2012-13	6975.42	5536.35	1439.07	20.63	708.57	546.48	162.09	22.88

Source: Annual Financial Statement & Finance Accounts

It can be seen from the table above, the shortfall of revenue receipts ranged between 3.03 *per cent* and 20.63 *per cent*, and that of capital receipts ranged between 22.88 *per cent* and 29.44 *per cent* during 2010-13. In view of that, it is necessary that a more reliable and scientific method of forecasting revenues needs to be adopted to achieve better planning of expenditure and taking 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 2013. 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 2012-13 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 (O + S)	Actual expenditure	Saving	Percentage of savings	Budget provision (O + S)	Actual expenditure	Saving	Percentage of savings
2010-11	4705.01	4019.10	685.91	14.58	1053.80	856.46	197.34	18.72
2011-12	5527.65	4844.37	683.28	12.36	1343.62	1110.26	233.36	17.37
2012-13	6758.58	5008.82	1749.74	25.89	1920.13	1123.87	796.26	41.47

O: Original; S: Supplementary

In all the three years there was overestimation of expenditure which resulted in savings ranging from 12 *per cent* to 26 *per cent* under Revenue Account and 17 *per cent* to 41 *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 Paragraphs 29 and 50 of the Budget Manual, the revised estimate of receipts should be the best forecast that the estimating officer can make and the revised estimates for expenditure should not merely be a repetition of the budget figures of the year, but a genuine re-estimation of requirements.

Significant cases of variation between the revised estimates and the actuals during 2012-13 under both receipts and expenditure heads of accounts are given below:

Table 2.14: Variation between revised estimates and actuals

(₹ in crore)

Sl. No.	Number and name of head of accounts	Budget Estimates	Revised estimates	Actuals	Variation Excess(+)/ Shortfall (-) (*per cent*)
	RECEIPTS				
1.	0029 - Land Revenue	3.59	3.59	6.27	+ 2.68 (74.65)
2.	0040 – Sales Tax	517.17	517.17	631.12	+ 113.95 (22.03)
3.	0050 – Dividends and Profits	6.00	6.00	7.58	+ 1.58 (26.33)
4.	0051 – Public Service Commission	0.39	0.39	1.77	+ 1.38 (353.85)
5.	0055 – Police	7.14	6.88	2.90	- 3.98 (57.85)
6.	0059 – Public Works	9.02	9.02	43.43	+ 34.41 (381.49)
7.	0070 – Other Administrative Services	6.31	6.31	3.36	- 2.95 (46.75)
8.	0075 – Miscellaneous Services	12.44	12.44	0.37	- 12.07 (97.03)
9.	0215 – Water Supply and Sanitation	15.18	15.18	3.02	- 12.16 (80.11)
	EXPENDITURE				
1.	2056 – Jails	14.35	14.35	8.98	- 5.37 (37.42)
2.	2071 – Pension and other Retirement Benefits	225.63	225.63	388.26	+ 162.63 (72.08)
3.	2203 – Technical Education	21.58	21.58	10.78	- 10.80 (50.05)
4.	2204 – Sports and Youth Services	68.85	68.85	77.36	+ 8.51 (12.36)
5.	2205 – Arts and Culture	60.55	60.55	16.74	- 43.81 (72.35)
6.	2217 – Urban Development	85.99	85.99	41.34	- 44.65 (51.92)
7.	2225 – Welfare of Scheduled Tribe and Other backward classes	87.62	87.62	24.34	- 63.28 (72.22)
8.	2401 – Crop Husbandry	242.45	242.45	161.04	- 81.41 (33.58)
9.	2702 – Minor Irrigation	134.44	134.44	72.48	- 61.96 (46.09)
10.	2801 – Power	279.69	279.69	173.21	- 106.48 (38.07)
11.	3451 – Secretariat Economics Services	473.44	473.44	139.93	- 333.51 (70.44)

Wide variations ranging from 22.03 *per cent* to 381.49 *per cent* under Receipt heads and 12.36 *per cent* to 72.35 *per cent* under Expenditure heads 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 Errors in Budgetary Process

2.6.8.1 Paragraph 98 of the Budget Manual requires that when the expenditure requiring provision is obligatory, a supplementary grant or appropriation may be taken towards the end of the year provided that the total provision made by law under the grant concerned, is not exceeded before the Supplementary Demand is obtained.

We observed that implementation of the Budget in the State was not in conformity with the approved Budget leading to large-scale savings under the Revenue (voted) and Capital (voted) sections as under:

- Under Revenue (voted) the original grants and supplementary grants were ₹ 5596.63 crore and ₹ 792.30 crore respectively aggregating to ₹ 6388.93

crore, against which the actual expenditure was ₹ 4665.25 crore resulting in savings of ₹ 1723.68 crore. This was more than the supplementary provision.

- Similarly under Capital (voted) including Loans and Advances, the original and supplementary grants were ₹ 1417.05 crore and ₹ 280.96 crore respectively aggregating to ₹ 1698.01 crore against which the actual expenditure was ₹ 952.83 crore, resulting in savings of ₹ 745.18 crore. This was more than the supplementary grants.

In the above cases, the supplementary provision of ₹ 792.30 crore under Revenue (voted) and ₹ 280.96 crore under Capital (voted) obtained during the year, proved unnecessary as the actual expenditure did not come up to the level of original provisions as indicated in **Table 2.15:**

Table 2.15: Actual Expenditure vis-à-vis Original/Supplementary provisions

(₹ in crore)

Sl. No.	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure	Savings (-)/ Excess (+)
1.	Revenue (voted)	5596.63	792.30	6388.93	4665.25	(-) 1723.67
2.	Capital (voted)	1417.05	280.96	1698.01	952.83	(-) 745.18
Total		**7013.68**	**1073.26**	**8086.94**	**5618.08**	**(-) 2468.86**

2.6.8.2 Expenditure relating to minor works, repairs and grants-in-aid is to be classified as revenue expenditure. The State Government, however, made budget provision and classified ₹ 31.45 crore on such expenditure under Capital major heads, as detailed below:

Table 2.16

(₹ in crore)

Sl. No.	Major Head	Sub Major Head	Minor Head	Sub Head	Amount
1	4210	01	200	Other Health Services	0.94
2	4210	01	110	Hospital and Dispensaries	10.32
3	4210	02	800	Other Expenditure	0.78
4	4210	02	101	Health Sub-Centres	12.88
5	4210	04	106	Manufacture of Sera/Vaccine other woks each costing ₹ 5 crore or less	0.70
6	4216	01	700	Other Housing	1.01
7	4216	80	800	Other Expenditure	1.12
8	4401	0	800	Other Expenditure	0.32
9	4406	01	70	Communication and building	0.14
10	4435	0	800	Other Expenditure	0.75
11	4702	0	101	Surface Water	1.89
12	5505	01	102	Acquisition of fleet	0.02
13	5452	01	190	Investment in Public Sector Undertakings	0.10
14	4435	01	800	Other Expenditure	0.45
15	5055	-	800	Other Expenditure	0.03
Total					**31.45**

Due to such misclassification, the revenue surplus of the State Government for the year 2012-13 was overstated to this extent. The misclassification, though reported (December 2012) by the Accountant General (A&E) to the State Government, remained un-rectified.

2.6.9 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 2012-13 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 (+)	
	Non-Plan	Plan	Total	Non-Plan	Plan	Total	Non-Plan	Plan
							Amount (*per cent*)	Amount (*per cent*)
Social Services								
2010-11	676.02	1085.17	1761.19	832.24	676.53	1508.77	156.22	-408.64
	(38.38)	(61.62)		(123.11)	(62.34)		(23.11)	(-37.66)
2011-12	796.37	1404.85	2201.22	931.93	1098.94	2030.87	135.56	-305.91
	(36.18)	(63.82)		(117.02)	(78.22)		(17.02)	(-21.78)
2012-13	985.58	1826.02	2811.60	1087.43	884.79	1972.22	101.85	-941.23
	(35.05)	(64.95)		(110.33)	(48.45)		(10.33)	(-51.55)
Total	**2457.97**	**4316.04**	**6774.01**	**2851.6**	**2660.26**	**5511.86**	393.63	-1655.78
	(36.29)	**(63.71)**		**(116.01)**	**(61.64)**		**(16.01)**	**(-38.36)**
Economic Services								
2010-11	434.39	1333.47	1767.86	456.09	1269.17	1725.26	21.70	-64.30
	(24.57)	(75.43)		(105.00)	(95.18)		(5.00)	(-4.82)
2011-12	511.30	1770.94	2282.24	521.04	1598.52	2119.56	9.74	-172.42
	(22.40)	(77.60)		(101.90)	(90.26)		(1.90)	(-9.74)
2012-13	570.15	2465.73	3035.88	681.23	1640.04	2321.27	111.08	-825.69
	(18.78)	(81.22)		(119.48)	(66.51)		(19.48)	(-33.49)
Total	**1515.84**	**5570.14**	**7085.98**	**1658.36**	**4507.73**	**6166.09**	142.52	-1062.41
	(21.39)	**(78.61)**		**(109.40)**	**(80.93)**		**(9.40)**	**(-19.07)**

Source : Memorandum of Budget Estimates and Finance Accounts

- **Social services**

During 2010-13, provision for Non-Plan and Plan expenditure under Social services were made as ₹ 2457.97 crore and ₹ 4316.04 crore respectively which constituted 36.29 *per cent* and 63.71 *per cent* of the total provisions. However, the actual expenditure under Non-Plan and Plan was ₹ 2851.60 crore and ₹ 2660.26 crore respectively which constituted 116.01 *per cent* and 61.64 *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 66.51 *per cent* during 2012-13 against 90.26 *per cent* during the previous years. Non-Plan expenditure far surpassed the budget provisions during all the three years (2010-13). While the overall shortfall during 2010-13 over the expectation (provisions) under Plan expenditure was 19.07 *per cen*t, the Non-Plan expenditure exceeded the budget provisions by 9.40 *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.

2.6.10 Budgetary control/monitoring system

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 discussed in the foregoing 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 initiative to contain the trend of shortcomings like excess expenditure, persistent savings, *etc*.

2.7 Outcome of review of selected Grant

A review of budgetary procedure and control over expenditure was conducted (September 2013) in respect of 'Grant Number - 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. The Director of Agriculture is the Controlling Officer (CO) for Agriculture Department (under the Major Head of account '2401'), Director of Horticulture is the CO of Horticulture Department (under the Major Head of account '2401 & 2435') and Chief Engineer is the CO of Water Resources Department (under the Major Head of account '2702'). The irregularities noticed during the review are discussed below.

2.7.1 Excessive supplementary provision/non surrender of savings

Under the revenue head there was a Budget provision of ₹ 458.25 crore (including supplementary provision of ₹ 65.59 crore), out of which the actual expenditure incurred was ₹ 244.13 crore resulting in final savings of ₹ 214.12 crore. Out of the saving of ₹ 214.12 crore, the Controlling Officer surrendered ₹ 29.79 crore on 31 March 2013. The balance savings of ₹ 184.33 crore, were 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

Hundred *per cent* savings occurred under 58 schemes, in respect of major Head of accounts 2401 - Crop Husbandry, 2702 - Minor Irrigation, 4401 - Capital Outlay on Crop Husbandry and 4711 - Capital Outlay on Flood Control Project. Instances of such major cases involving savings of ₹ 1 crore and above in each case 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
2401 – Crop Husbandry			
Post Harvesting Market	100.00	100.00	100
Centrally Sponsored Schemes – Macro Management of Agriculture Seed Production Programme	550.00	550.00	100
Macro Management of Agriculture Integrated Nutrient Management	550.00 R (-) 13.60 536.40	536.40	100
Setting up of compost Plants for Urban Solid Waste	130.00	130.00	100
Support to State extension programmes for extension reforms	391.00	391.00	100
Integrated cereals Development Programmes-Rice and Wheat	657.00	657.00	100
Strengthening/Setting up of State Pesticides Testing Laboratory	154.00	154.00	100
Training of Women in Agriculture	170.00	170.00	100
Promotion. Strengthening of IT in Agriculture (Agrisnet)	365.00	365.00	100
Macro Management of Agriculture Research Programmes	130.00	130.00	100
2702 – Minor Irrigation			
NABARD Loan for Construction of MIP	650.00	650.00	100
Repair, Renovation and Restoration of Water bodies	560.00	560.00	100
Command Areas Development Activities	235.00	235.00	100
Command Areas Development	100.00	100.00	100
4401 – Capital Outlay on crop Husbandry			
Construction of Administrative Buildings(Hort)	100.00	100.00	100
Accelerated Irrigation Benefit Programme	7000.00	7000.00	100
NABARD Loan for Construction of MIPs	200.00	200.00	100
Construction of Departmental Buildings	350.00	350.00	100
Minor Irrigation Scheme to be Funded by NEC under Irrigation Flood Control & Watershed Management Sector	500.00	500.00	100
4711 – Capital Outlay on Flood Control Project			
Critical Flood control and Anti-Erosion Scheme	127.00	127.00	100
Works	5000.00	5000.00	100
Critical Flood Control and Anti-Erosion Scheme	800.00	800.00	100

R: Re-appropriation

2.7.3 Excess over provision

As per detailed Appropriation Accounts for the year 2012-13 prepared by the Accountant General (A&E), under two schemes, expenditure of ₹ 2.32 crore exceeded the budget provision by ₹ 0.48 crore. The details are given below:

Table 2.19: Excess expenditure over budget provisions

(₹ in lakh)

Major Head & Group Head	Final grant or appropriation	Actual expenditure	Excess
2401-Crop Husbandry 105 – Manure & Fertilizers – (4) Soil Testing Laboratory	35.30	66.58	31.28
(5) State Soil Survey Organisation	148.50	165.71	17.21

However, as per the information furnished (November 2013) by the Controlling Officer (Director of Agriculture), there was excess expenditure of ₹ 14.04 lakh and ₹ 17.41 lakh under (4) Soil Testing Laboratory and (5) State Soil Survey Organisation respectively. The discrepancy was due to non-reconciliation of expenditure figures by the concerned Controlling Officer with the figures recorded in the books of the Accountant General (A&E).

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 ₹ 8678.69 crore[3] for the year 2012-13, of which it could incur an expenditure of ₹ 6132.69 crore resulting in an overall shortfall in disbursements of ₹ 2546 crore (29.33 *per cent* of total provision). Supplementary provision of ₹ 368.60 crore obtained in 26 cases proved unnecessary as the expenditure did not come up to the level of original provision. During the current year, Government incurred ₹ 114.45 crore in excess of the provisions, 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.**

[3] Original plus Supplementary.

CHAPTER-III

FINANCIAL REPORTING

CHAPTER III
Financial Reporting

A sound internal financial reporting system 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 with respect to financial reporting.

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 (July 2013) from various departments, have been received only in respect of three departments *viz.*, Registrar of Co-operatives Societies, Director of Housing and Director of Food & Civil Supplies.

As revealed from the records of 10 departments/organisations and information furnished by the Registrar of Co-operative Societies, 1,518 UCs for an aggregate amount of ₹ 69.63 crore were in arrears as of March 2013. 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 crore)

Sl. No.	Range of delay in number of years	Total grants paid		Utilisation Certificates Outstanding as on 31 March 2013	
		Number	Amount	Number	Amount
1	0 to 1 year	844	51.62	699	48.09
2	Above 1 year to 3 years	1000	55.94	352	14.70
3	Above 3 years to 5 years	1392	12.55	410	5.75
4	Above 5 years to 7 years	732	9.21	56	0.43
5	Above 7 years to 9 years	01	0.69	01	0.66
	Total	**3969**	**130.01**	**1518**	**69.63**

Out of 1,518 UCs involving ₹ 69.63 crore pending as on 31 March 2013, 1,326 UCs pertaining to Registrar of Co-operative Societies (RCS) involving ₹ 17.42 crore were pending for one year to seven years. This was stated (August 2013) by the RCS to be due to non-submission of UCs by the district officers.

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.

The annual accounts of 27 autonomous bodies/ authorities due up to 2012-13 had not been received (November 2013) by the 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	No. of Bodies/ Authorities	Grants Received		
			Year	No. of Bodies/ Authorities	Amount
1	0 to 1 year	06	2011-12	06	36.11
2	Above 1 year to 3 years	10	2008-09	10	170.55
3	Above 3 years to 5 years	01	2007-08	01	74.11
4	Above 5 years to 7 years	06	2006-07	06	16.17
5	Above 7 years to 9 years	01	2004-05	01	6.67
6	Above 9 years	03	1989-90 to 91-92	03	24.79
Total		**27**		**27**	**328.40**

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 2012-13, due for submission by June 2013, had not been furnished (November 2013).

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 81 cases of misappropriation, defalcation *etc*. involving Government money amounting to ₹ 2.14 crore up to the period March 2013 on which final action was pending. A 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		Misappro-priation		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	1	0.22	2	4.53	5	8.51
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	-	-	2	44.09	-	-	2	44.09
Finance	1	86.50	-	-	1	15.74	2	102.24
Forest	1*+1	2.14	-	-	-	-	1*+1	2.14
Mining	-	-	1	16.55	-	-	1	16.55
Community & Rural Development	1	3.03	-	-	-	-	1	3.03
Labour	-	-	-	-	1	0.66	1	0.66
Land Record & Survey	1	1.56	-	-	-	-	1	1.56
Horticulture	-	-	-	-	1	21.06	1	21.06
Total	**67**	**109.57**	**5**	**61.30**	**9**	**43.09**	**81**	**213.96**

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	63.06	Theft	67	109.57
5 - 10	6	93.79			
10 - 15	35	10.55	Misappropriation/loss of material	14	104.39
15 - 20	5	24.08			
20 - 25	23	3.29			
25 & above	6	19.19			
Total	**81**	**213.96**	**Total Pending Cases**	**81**	**213.96**

During 2012-13, one theft case in respect of Finance Department involving ₹ 1.20 lakh and one fraud case in respect of Public Works Department involving ₹ 0.20 lakh were 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	83.65
2.	Departmental action initiated but not finalised	8	3.79
3.	Awaiting orders for recovery or write off	14	109.97
4.	Pending in the courts of law	1	16.55
	Total	**81**	**213.96**

Out of ₹ 2.14 crore, the highest amount of theft, misappropriation and losses of ₹ 1.02 crore pertained to the Finance Department involving two cases, while the highest number of theft cases and losses (58 cases) involving ₹ 7.59 lakh were pending in Public Health Engineering Department (PHED).

3.5 Conclusion and Recommendation

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 81 cases were pending due to non-initiation of departmental and

criminal investigation (58 cases), non-issue of orders for recovery or write off (14 cases), non-finalisation of departmental action (eight cases) and cases pending in the court of law (one case). Departmental enquiries in all misappropriation/ defalcation cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases.

Shillong
The

(Rajesh Singh)
Accountant General (Audit)
Meghalaya

Countersigned

New Delhi
The

(Shashi Kant Sharma)
Comptroller and Auditor General of India

APPENDICES

APPENDIX 1.1

Part A - Structure and Form of Government Accounts

(Reference: Page 2)

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

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

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

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

APPENDIX 1.1

Part-B: Layout of Finance Accounts

(Reference: Page 2)

Layout of Finance Accounts

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

Layout	
VOLUME I	
Statement No. 1	Statement of Financial Position
Statement No. 2	Statement of Receipts and Disbursements
Statement No. 3	Statement of Receipts 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: Paragraph 1.1; Page 2)

The norms/ceilings prescribed by the Twelfth Finance Commission for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other statements required to be laid in the Legislature under the Act are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that Gross State Domestic Product[1] (GSDP) is the good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP at current market prices. The buoyancy coefficients for relevant fiscal variables with reference to the base represented by GSDP have also been worked out to assess as to whether the 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 (October 2013) 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: Pages 1 & 2)

A. General Data		
Sl No.	**Particulars**	**Figures**
1.	Area	22,429 sq km
2.	Population	
	As per Census 2011	29,66,889
	Male	14,91,832
	Female	14,75,057
3.	Density of Population (Census 2011) (All India Average = 382 persons per sq km)	132 persons per sq km
4.	Population below poverty line (2009-10) (All India = 21.92%)	3.61 lakh 11.87%
5.	Population Growth (2001 to 2011)	27.95%
6.	Literacy (Census 2011) (All India Average = 74.04%)	74.43%
7.	Infant Mortality (per 1000 live births) (All India Average = 42 per 1000 live births)	49
8.	Gross State Domestic Product (GSDP) 2012-13	₹ 18563.84 crore
9.	GSDP[2] CAGR (2004-05 to 2012-13)	13.89%

B. Financial Data			
Particulars		**Figures (in *per cent*)**	
		2003-04 to 2011-12	**2003-04 to 2012-13**
CAGR of			
(a)	Revenue Receipts	16.22	16.52
(b)	Own Tax Revenue	18.64	18.96
(c)	Non-Tax Revenue	14.02	15.86
(d)	Total Expenditure	17.15	15.57
(e)	Capital Expenditure	17.51	16.47
(f)	Revenue Expenditure on General Education	18.63	15.15
(g)	Revenue Expenditure on Health & Family Welfare	16.79	16.79
(h)	Salary[3]	12.60	11.01
(i)	Pension	22.07	19.83

Source: Sl.4: Press Note on Poverty Estimation – 2011-12 by Tendulkar Methodology; Sl 7: SRS Bulletin September 2013 .

[2] Based on GSDP Series (current prices) with 2004-05 as Base Year as furnished by the Directorate of Economics & Statistics, Meghalaya in October 2013.

[3] 2003-04: Based on information furnished (August 2004) by the Finance (Economic Affairs) Department, Government of Meghalaya; 2011-12 & 2012-13: Based on Finance Accounts.

APPENDIX 1.1

Part E: Fiscal Responsibility and Budget Management Act

(Reference: Paragraph 1.1.2; Page 3)

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. In accordance with the recommendations of the XIII FC, the MFRBM Act has been amended by the State Government in October 2011 (came into force from 10 October 2011) which 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 2012-13:

- Macro Economic Framework Statement
- Medium Term Fiscal Policy (MTFP) Statement prescribing fiscal targets and assumptions for achieving them. The targets for the year 2012-13 were as under:
  - Revenue surplus as percentage of total revenue receipts: 14.49
  - Total Outstanding Liabilities as percentage of GSDP: 24.30
  - Fiscal deficit as percentage of GSDP: 2.07
- Fiscal Policy Strategy Statement

APPENDIX 1.2
Time Series Data on State Government Finances
(Reference: Paragraphs 1.1, 1.3, 1.10.2 & 1.11.1; Pages 2, 10, 34 & 37)

(₹ in crore)

	2008-09	2009-10	2010-11	2011-12	2012-13
Part A. - Receipts					
1. Revenue Receipts	**2810.64**	**3447.35**	**4260.48**	**4654.47**	**5536.35**
(i) Tax Revenue	369.44 (13.14)	444.30 (12.89)	571.45 (13.41)	697.54 (14.99)	847.73 (15.31)
Taxes on Sales, Trade, *etc.*	281.83 (76.29)	321.39 (72.34)	409.89 (71.73)	512.50 (73.47)	631.12 (74.45)
State Excise	69.79 (18.89)	90.29 (20.32)	104.50 (18.29)	131.50 (18.85)	153.01 (18.05)
Taxes on Vehicles	13.21 (3.58)	13.61 (3.06)	19.19 (3.36)	31.12 (4.46)	35.82 (4.22)
Stamps and Registration fees	5.54 (1.50)	11.02 (2.48)	10.76 (1.88)	9.08 (1.30)	10.32 (1.22)
Land Revenue	0.50 (0.14)	0.26 (0.06)	17.11 (2.99)	2.40 (0.34)	6.27 (0.74)
Other Taxes	-1.43 (-0.39)	7.73 (1.74)	10.00 (1.95)	10.94 (1.58)	11.19 (1.32)
(ii) Non Tax Revenue	225.31 (8.02)	275.08 (7.98)	301.53 (7.08)	368.24 (7.91)	484.95 (8.76)
(iii) State's share of Union Taxes and Duties	595.23 (21.18)	612.38 (17.76)	896.27 (21.04)	1044.19 (22.43)	1192.45 (21.54)
(iv) Grants-in-aid from Government of India	1620.66 (57.66)	2115.59 (61.37)	2491.23 (58.47)	2544.50 (54.67)	3011.22 (54.39)
2. Miscellaneous Capital Receipts	**…**	**…**	**…**	**…**	**…**
3. Recoveries of Loans and Advances	**18.26**	**16.68**	**27.25**	**22.71**	**23.25**
4. Total revenue and Non-debt capital receipts (1+2+3)	**2828.90**	**3464.03**	**4287.73**	**4677.18**	**5559.60**
5. Public Debt Receipts	**322.55**	**403.02**	**356.39**	**467.91**	**523.23**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	316.42 (98.10)	403.02 (100)	354.92 (99.59)	448.66 (95.89)	520.71 (99.52)
Net transactions under Ways and Means Advances and Overdraft	…	…	…	…	…
Loans and Advances from Government of India[4]	6.13 (1.90)	0.49 (0.12)	1.47 (0.41)	19.25 (4.11)	2.52 (0.48)
6. Total receipts in the Consolidated Fund (4+5)	**3151.45**	**3867.05**	**4644.12**	**5145.09**	**6082.83**
7. Contingency Fund Receipts	**…**	**…**	**99.00**	**…**	**…**
8. Public Accounts Receipts	**2020.33**	**2416.65**	**2765.86**	**4091.31**	**3642.21**
9. Total receipts of the State (6+7+8)	**5171.78**	**6283.70**	**7508.98**	**9236.40**	**9725.04**
Part B - Expenditure					
10. Revenue Expenditure	**2682.78**	**3182.38**	**4012.74**	**4834.81**	**4999.54**
Plan	*1005.52* *(37.48)*	*1047.40* *(32.91)*	*1467.06* *(36.56)*	*1958.78* *(40.51)*	*1719.41* *(34.39)*
Non-Plan	*1677.26* *(62.52)*	*2134.97* *(67.09)*	*2545.68* *(63.44)*	*2876.03* *(59.49)*	*3280.13* *(65.61)*
General Services (including Interest payments)	937.52 (34.95)	1100.99 (34.60)	1316.80 (32.82)	1487.19 (30.76)	1573.80 (31.48)
Social Services	804.92 (30.00)	1092.38 (34.33)	1376.03 (34.29)	1742.47 (36.04)	1747.93 (34.96)
Economic Services	940.34 (35.05)	989.01 (31.08)	1319.91 (32.89)	1605.15 (33.20)	1677.81 (33.56)
11. Capital Expenditure (Capital Outlay)	**531.01**	**481.29**	**574.73**	**855.24**	**928.34**
Plan	*530.73* *(99.95)*	*479.94* *(99.72)*	*574.73* *(100)*	*851.47* *(99.56)*	*879.38* *(94.73)*
Non-Plan	*0.28* *(0.05)*	*1.35* *(0.28)*	*...*	*3.77* *(0.44)*	*48.96* *(5.27)*
General Services	47.57 (8.96)	48.40 (10.06)	36.64 (6.20)	52.44 (6.13)	60.59 (6.53)

[4] Includes Ways and Means Advances

	2008-09	2009-10	2010-11	2011-12	2012-13
Social Services	221.51 (41.71)	141.45 (29.39)	132.74 (23.10)	288.40 (33.72)	224.29 (24.16)
Economic Services	261.93 (49.33)	291.44 (60.55)	405.35 (70.53)	514.40 (60.15)	643.46 (69.31)
12. Disbursement of Loans and Advances	**50.21**	**26.65**	**41.65**	**52.38**	**27.02**
13. Total (10+11+12)	**3264.00**	**3690.32**	**4629.12**	**5742.43**	**5954.90**
14. Repayments of Public Debt	**168.73**	**143.03**	**141.08**	**202.64**	**168.51**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	109.22 (64.73)	124.21 (86.84)	120.56 (85.46)	157.35 (77.65)	148.22 (87.96)
Net transactions under Ways and Means Advances and Overdraft	…	…	…	…	…
Loans and Advances from Government of India	59.51 (35.27)	18.82 (13.16)	20.52 (14.54)	45.29 (22.35)	20.29 (12.04)
15. Appropriation to Contingency Fund	…	…	**99.00**	…	…
16. Total disbursement out of Consolidated Fund (13+14+15)	**3432.73**	**3833.35**	**4869.20**	**5945.07**	**6123.41**
17. Contingency Fund disbursements	…	…	…	…	…
18. Public Account disbursements	**1667.82**	**2511.86**	**2729.20**	**3270.77**	**3993.97**
19. Total disbursement by the State(16+17+18)	**5100.55**	**6345.81**	**7598.40**	**9215.84**	**10117.38**
Part C – Deficits					
20. Revenue Surplus (+) /Deficit (-) (1-10)	**+127.86**	**+264.97**	**+247.74**	**-180.34**	**+536.81**
21. Fiscal Deficit (-) (4-13)	**-435.10**	**-226.29**	**-341.39**	**-1065.25**	**-395.30**
22. Primary Deficit (-)/Surplus (+) (21-23)	**-223.06**	**+7.67**	**-84.46**	**-779.58**	**-81.48**
Part D – Other data					
23. Interest Payments (included in revenue expenditure)	212.04	233.96	256.93	285.67	313.82
24. Financial Assistance to local bodies, *etc.*	479.13	440.67	541.31	826.71	742.06
25. Ways and Means Advances/Overdraft availed (days)	-	-	-	-	-
26. Interest on WMA/Overdraft	-	-	-	-	-
27. Gross State Domestic Product (GSDP)[5]	11617.04	12709.10	14582.56	16433.86	18563.84
28. Outstanding Fiscal Liabilities (year end)	3572.95	3802.62	4088.28	5090.28	4964.58
39. Outstanding guarantees (year end) including interest	990.25	953.74	1110.77	1293.20	1285.19
30. Maximum amount guaranteed (year end)	1083.19	1033.34	948.79	1002.85	947.02
31. Number of incomplete projects	346	446	263	107	258
32. Capital blocked in incomplete projects[6]	31.62 (21)	105.35 (59)	73.65 (53)	26.43 (14)	667.05 (84)
Part E – Fiscal Health Indicator (in per cent)					
I. Resource Mobilisation					
Own Tax Revenue/GSDP	3.18	3.50	3.92	4.24	4.57
Own Non-Tax Revenue/GSDP	1.94	2.16	2.07	2.24	2.61
Central Transfers[7]/GSDP	19.07	21.46	23.23	21.84	22.64
II. Expenditure Management					
Total Expenditure/GSDP	28.10	29.04	31.74	34.94	32.08
Total Expenditure/Revenue Receipts	116.13	107.05	108.65	123.37	107.56
Revenue Expenditure/Total Expenditure	82.19	86.24	86.68	84.19	83.96
Expenditure on Social Services/Total Expenditure	31.45	33.43	32.59	35.37	33.12
Expenditure on Economic Services[8]/Total Expenditure	38.16	34.98	37.84	37.54	39.17
Capital Expenditure/Total Expenditure	16.27	13.04	12.42	14.89	15.59
Capital Expenditure on Social and Economic Services/Total Expenditure	14.81	11.73	11.62	13.98	14.57
III. Management of Fiscal Imbalances					
Revenue Surplus / GSDP	1.10	2.08	1.70	-1.10	2.89
Fiscal deficit (-) / GSDP	-3.75	-1.78	-2.34	-6.48	-2.13
Primary Deficit (-) Surplus (+) / GSDP	-1.92	0.06	-0.58	-4.74	-0.44
Revenue Deficit (-) Surplus (+) / Fiscal Deficit	+ 29.39	+ 116.78	+ 72.57	- 16.93	+ 135.80
Primary Revenue Balance[9]/GSDP	2.93	3.93	3.46	0.64	4.58

[5] GSDP figures (current prices – Base Year 2004-05) as furnished (October 2013) 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] State's share of central taxes and grants-in-aid from Government of India

[8] Including loans and advances

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

	2008-09	2009-10	2010-11	2011-12	2012-13
IV. Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	30.76	29.92	28.04	30.97	26.74
Fiscal Liabilities/RR	127.12	110.31	95.96	109.36	89.67
Primary deficit *vis-à-vis* quantum spread (₹ in crore)	185.86	117.00	228.50	-514.66	260.59
Debt Redemption (Principal +Interest)/ Total Debt Receipts	81.91	100.33	97.79	67.60	127.17
V. Other Fiscal Health Indicators					
Return on Investment (*per cent*)	0.01	0.01	0.01	0.02	0.02
Balance from Current Revenue (₹ in crore)	- 33.84	- 412.00	- 96.72	- 221.43	161.15
Financial Assets/Liabilities (Ratio)	1.45	1.50	1.51	1.37	1.48

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

APPENDIX 1.3

Abstract of Receipts and Disbursements for the year 2012-13

(Reference: Paragraph 1.1; Page 2)

(₹ in crore)

2011-12	Receipts	2012-13	2011-12	Disbursements				2012-13
Section – A : Revenue								
	I. Revenue Receipts			**I. Revenue Expenditure**	**Non-Plan**	**Plan**	**Total**	
697.54	Tax Revenue[10]	847.73	**1487.19**	**General Services**	**1557.64**	**16.16**	**1573.80**	**1573.80**
368.24	Non-Tax Revenue	484.95	**1742.46**	**Social Services**	**1083.80**	**664.13**	**1747.93**	**1747.93**
1044.19	State's Share of Union Taxes and Duties[11]	1192.45	943.89	General Education	612.92	243.34	856.26	
			78.44	Technical Education, Sports, Art and Culture	18.10	86.78	104.88	
527.07	Non-Plan Grants	895.72	285.81	Health and Family Welfare	181.06	152.62	333.68	
1702.64	Grants for State Plan Schemes	1747.75	111.84	Water Supply and Sanitation,	156.26	3.82	160.08	
			74.00	Housing and Urban Development	40.32	30.16	70.48	
16.29	Grants for Central Plan Schemes	14.50	15.99	Information and Broadcasting	5.31	4.61	9.92	
242.27	Centrally Sponsored Plan Schemes	268.20						
56.23	Grants for Special Plan Schemes	85.05	40.39	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	23.48	0.86	24.34	
			30.50	Labour and Labour Welfare	14.23	4.59	18.82	
			155.20	Social Welfare and Nutrition	25.57	137.35	162.92	
			6.40	Others	6.55	…	6.55	
			1605.16	**Economic Services**	**638.69**	**1039.12**	**1677.81**	**1677.81**
			502.20	Agriculture and Allied Activities	215.93	290.45	506.38	
			312.30	Rural Development	38.46	296.09	334.55	
			25.44	Special Areas Programmes	…	27.35	27.35	
			70.59	Irrigation and Flood Control	20.57	52.89	73.46	
			166.12	Energy	11.39	166.02	177.41	
			152.37	Industry and Minerals	140.04	60.36	200.40	
			118.45	Transport	172.28	1.87	174.15	
			0.45	Science, Technology and Environment	0.43	…	0.43	
			257.24	General Economic Services	39.59	144.09	183.68	
4654.47	**Total**	**5536.35**	**4834.81**	**Total**	**3280.13**	**1719.41**	**4999.54**	**4999.54**
180.34	**II. Revenue Deficit carried over to Section B**	…		**II. Revenue Surplus carried over to Section B**				536.81
4834.81	**Total**	**5536.35**	**4834.81**	**Total**				**5536.35**

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

[11] Share of net proceeds assigned to State.

2011-12	Receipts	2012-13	2011-12	Disbursements				2012-13
Section – B : Others								
					Non-Plan	Plan	Total	
350.71	III. Opening Cash Balance including permanent advances and cash balance investment	371.27	…	III. Opening Overdraft from RBI				
…	IV. Miscellaneous Capital Receipts		855.24	IV. Capital Outlay	48.96	879.38	928.34	928.34
			52.44	General Services	2.78	57.81	60.59	
			288.39	Social Services	3.64	220.65	224.29	
			2.38	General Education	…	2.82	2.82	
			1.05	Technical Education, Sports, Art and Culture	…	0.60	0.60	
			36.44	Health and Family Welfare	…	63.04	63.04	
			141.91	Water Supply and Sanitation	1.11	126.50	127.61	
			105.91	Housing and Urban Development	2.53	27.69	30.22	
			0.70	Social Welfare and Nutrition	…	…	…	
			514.41	Economic Services	42.54	600.92	643.46	
			28.31	Agriculture and Allied Activities	…	10.71	10.71	
			0.31	Rural Development	…	0.11	0.11	
			58.50	Special Areas Programmes	8.38	68.27	76.65	
			82.34	Irrigation and Flood Control	0.09	84.37	84.46	
			12.48	Industry and Minerals	34.07	12.40	46.47	
			331.47	Transport	…	424.96	424.96	
			1.00	General Economic Services	…	0.10	0.10	

2011-12	Receipts	2012-13	2011-12	Disbursements	2012-13
22.71	**V. Recoveries of Loans and Advances**	**23.25**	**52.38**	**V. Loans and Advances Disbursed**	**27.02**
	From Power Projects …		28.71	For Power Projects 11.38	
22.71	From Government Servants 22.18		16.43	To Government Servants 15.64	
…	From Others 1.07		7.24	To Others …	
	VI. Revenue Surplus brought down	**536.81**	**180.34**	**VI. Revenue Deficit brought down**	**…**
467.91	**VII. Public Debt receipts**	**523.23**	**202.64**	**VII. Repayment of Public Debt**	**168.51**
448.66	Internal debt other than Ways and Means Advances and Overdraft 520.71		157.35	Internal debt other than Ways and Means Advances and Overdraft 148.22	
…	Net transactions under Ways and Means Advances including Overdraft …		…	Net transactions under Ways and Means Advances including Overdraft …	
19.25	Loans and Advances from Central Government 2.52		45.29	Repayment of Loans and Advances to Central Government 20.29	
4091.31	**VIII. Public Account Receipts**	**3642.21**	**3270.77**	**VIII. Public Account Disbursements**	**3993.97**
181.49	Small Savings and Provident Funds 204.03		76.41	Small Savings and Provident Fund 94.96	
39.90	Reserve Funds 111.70		25.60	Reserve Funds[12] 119.14	
1687.12	Deposits and Advances 886.54		1069.75	Deposits and Advances 1468.58	
(-)13.89	Suspense and Miscellaneous[13] 92.01		4.53	Suspense and Miscellaneous[5] -18.66	
2196.69	Remittances 2347.93		2094.48	Remittances 2329.95	
	IX. Closing Overdraft from Reserve Bank of India		**371.27**	**IX. Cash Balance at end[14]**	**-21.07**
			15.12	Cash in Treasuries 29.12	
			54.56	Deposits with Reserve Bank -45.46	
			0.37	Departmental Cash Balance 0.90	
			301.22	Cash Balance Investment -5.63	
3837.37	**Total**	**5096.77**	**4932.64**	**Total**	**5096.77**

12 Includes disbursement on investment.
13 Excluding 'Other Accounts'.
14 Excluding 'Investment of earmarked funds'

APPENDIX 1.3 (concld.)

Summarised Financial Position of the Government of Meghalaya as on 31 March 2013

(Reference: Paragraph 1.10.1; Page 33)

(₹ in crore)

As on 31 March 2012	Liabilities		As on 31 March 2013
…	**External Debt**		…
2784.39	**Internal Debt**		**3156.88**
1974.15	Market loans bearing interest	2272.15	
	Market loans not bearing interest	…	
0.29	Loan from LIC	0.22	
809.95	Loans from other Institutions	884.51	
…	Ways and Means Advances	…	
…	Overdraft from Reserve Bank of India	…	
213.47	**Loans and Advances from Central Government**		**195.70**
5.37	Pre 1984-85 Loans	5.37	
11.90	Non-plan Loans	11.58	
187.41	Loans for State Plan Schemes	171.30	
0.10	Loans for Central Plan Schemes	0.10	
3.59	Loans for Centrally Sponsored Plan Schemes	3.01	
5.10	Loans for Special Schemes	4.34	
105.00	**Contingency Fund**		**105.00**
731.39	**Small Savings, Provident Funds, *etc.***		**840.46**
1330.52	**Deposits**		**748.48**
146.32	**Reserve Funds**		**159.31**
87.28	**Remittance Balances**		**105.26**
1998.48	**Surplus on Government Accounts**		**2535.29**
2178.82	(i) Revenue Surplus as on 31 March 2012	1998.48	
(-)180.34	(ii) Revenue Surplus for the year 2012-13	536.81	
7396.85			**7846.38**
	Assets		
6113.07	**Gross Capital Outlay on Fixed Assets**		**7041.41**
337.37	Investment in shares of Companies, Corporation, *etc.*	383.51	
5775.70	Other Capital Outlay	6657.90	
564.95	**Loans and Advances**		**568.72**
491.83	Loans for power projects	503.21	
40.84	Other Development Loans	39.77	
32.28	Loans to Government Servants and miscellaneous loans	25.74	
115.81	**Investment of Earmarked Funds**		**136.24**
1.81	**Advances**		**1.80**
124.95	**Suspense and Miscellaneous Balances**		**14.28**
105.00	**Appropriation to Contingency Fund**		**105.00**
…	**Remittances**		…
371.27	**Cash**[15]		**- 21.07**
15.12	Cash in Treasuries	29.12	
54.56	Deposits with Reserve Bank of India	- 45.46	
0.37	Departmental Cash Balance	0.90	
…	Permanent Advances	…	
301.22	Cash Balance Investment	- 5.63	
7396.86			**7846.38**

[15] Excluding 'Investment of earmarked funds'

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 ₹ 59.95 crore between the figures reflected in the accounts {(-) ₹ 45.46 crore} and that intimated by the Reserve Bank of India {(-) ₹ 14.49 crore} due to (i) misclassification by Bank/Treasury (₹ 58.84 crore) and (ii) non-receipt of details of adjustment made by RBI (₹ 1.11 crore).

APPENDIX 1.4
Funds Transferred Directly to State Implementing Agencies
(Reference: Paragraph 1.2.2; Page 8)

(Amount in ₹)

Sl. No	Programme/ Scheme	Implementing Agency in the State	Funds transferred by the GOI
1.	Aajeevika – Swaran Jayanti Gram Swarojkar Yojana	DRDA, East Garo Hills, Ri Bhoi, South Garo Hills and West Khasi Hills	25307000
2.	Afforestation and Forest Management	State Forest Development Agency, Meghalaya	33347000
3.	Assistance to Disabled Persons for Purchase/Fitting	State Society for Implementation of Rehabilitation Services for Persons with Disabilities (SSIRPD)	2157000
4.	Baba Saheb Ambedkar Hastshilpa Yojana	Meghalaya Khadi and Village Industries Board	100000
5.	Bioinformatics	St. Edmunds College	862000
6.	Capacity Building for Service Providers	Food Craft Institute Society, Tura (West Garo Hills)	2660097
7.	Central Rural Sanitation Programme	State Water and Sanitation Mission, Meghalaya	254001000
8.	Deen Dayal Disabled Rehabilitation Scheme SJE	Asha Rehabilitation Centre, Meghalaya	459330
		Dwar Jingkyrmen School for Children in need of Special Education	358425
		Bethany Society	4405542
		Montfort Center for Education	2763396
9.	DRDA Administration	DRDAs, East Khasi Hills, Jaintia Hills, Ri Bhoi, West Garo Hills, East Garo Hills, South Garo Hills and West Khasi Hills	29084000
10.	Electronic Governance	Meghalaya Information Technology Society	43011828
11.	Grant in Aid to NGOs for STs Including Coaching & Allied	R K Mission, R. K. Mission Ashrama Shillong , Meghalaya	29349920
12.	Grid Interactive Renewable Power MNRE	Meghalaya State Electricity Board	13500000
13.	Human Resource Development Biotechnology	St. Mary's College	2800000
		St. Anthony's College Registered Sociey	1200000
14.	Human Resources for Health	DHS, Meghalaya	135150000
15.	Information Publicity and Extension	Meghalaya Non Conventional & Rural Energy Development Agency	310000
16.	Integrated Watershed Management Programme (IWMP)	SLNA Meghalaya(Shillong)	379247303
17.	Mahatma Gandhi National Rural Employment Guarantee	DRDAs, East Garo Hills, West Khasi Hills, Ri Bhoi, Jaintia Hills, East Khasi Hills, South Garo Hills and West Garo Hills	2261082000
18.	Marketing and Export Promotion Scheme	Meghalaya Apex Handloom Weavers & Handicrafts Cooperative Federation Ltd., Shillong	500000
19.	Marketing Support and Services & Export Promotion Scheme	Meghalaya HL & HC Dev. Corporation Ltd	560883
20.	MPs Local Area Development Schemes MPLADS	Deputy Commissioner, East Khasi Hills	50000000
		Deputy Commissioner, West Garo Hills	50000000
21.	National AIDS Control Programme III	Meghalaya AIDS Control Society	36461000
22.	National Food Security Mission	Meghalaya Small Farmers Agri-Business Consortium	37509000
23.	National Project for Cattle and Buffalo Breeding	State Implementing Agency Meghalaya	41400000
24.	National Rural Drinking Water Program	SWSM Meghalaya, Shillong	972330000
25.	National Rural Health Mission (NRHM & JIIT) Centrally	Meghalaya State TB Control Society	13824000
		State Health Society, Meghalaya	879454000

Sl. No	Programme/ Scheme	Implementing Agency in the State	Funds transferred by the GOI
26.	National Rural Health Mission/ National Health Mission	State Health Society, Meghalaya	5954000
27.	North Eastern Areas	Directorate of Information & Public Relations, Meghalaya	16530
		Shillong Times Pvt. Ltd	21030
		Director Sports and Youth Affairs	500000
		Meghalaya Board of School Education	3100000
		Food Craft Institute Society, Tura (West Garo Hills)	1717000
		Inner Wheel Club of Shillong	20000
		Directorate of Tourism, Government of Meghalaya, Shillong	9890000
		Meghalaya Information Technology Society	19000000
		M/s Bani Book Depot-1	1116865
		Impact Inc	344892
		Print Xpress	468000
28.	Pollution Abatement	Meghalaya State Pollution Control Board	3333000
29.	Pradhan Mantri Gram Sadak Yojana	State Rural Road Development Agency	500000000
30.	Product/Infrastructure Development for Destinations	Meghalaya Tourism Development Corporation Ltd.	4000000
31.	Promotion of Sports among Disabled	Lynti Jingkyrmen	114443
		Bethany Society	236250
32.	Promotion and Dissemination of Arts and Culture	Nongkrem Youth Development Association	600000
33.	Propogation of Right to Information Act – Improving Transparency	Meghalaya State Information Commission	150000
34.	Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	State Education Mission Authority of Meghalaya	15970000
35.	Renewable Energy for Rural Applications for All	Meghalaya Non Conventional & Rural Energy Development Agency	4175000
36.	Rural Housing –IAY	DRDAs, East Garo Hills, Ri Bhoi, West Garo Hills, Jaintia Hills, East Khasi Hills, South Garo Hills and West Khasi Hills	489499300
37.	Sarva Shiksha Abhiyan(SSA)	Sarva Shiksha Abhiyan State Mission Authority of Meghalaya	1867078000
38.	Scheme for Technology	M/S T. G. Industries	542000
39.	Scheme of NDMA	Disaster Management Department Meghalaya	15189306
40.	Science and Technology Programme for Socio Economic	State Council of Science Technology & Environment (SCSTE), Meghalaya	239000
41.	Skill Development	Meghalaya State Council for Training in Vocational Trades	14900000
42.	State Science and Technology Programme	State Council of Science Technology & Environment (SCSTE), Meghalaya	3258000
43.	Support to Extension Programme for Extension	Meghalaya Small Farmers Agri-Business Consortium	10000000
44.	Swarna Jayanti Shahari Rojgar Yojana (SJSRY)/National	Meghalaya Urban Development Agency	23474000
45.	Transport Subsidy Scheme	Registrar, Gauhati High Court	2632434
46.	Vocational Training Centre in Tribal Areas	Nongkrem Youth Development Association	4896000
47.	Youth Hostel	Garnet Mylliemngap	144000
GRAND TOTAL:			**8305773774**

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 (Rupees in crore)		Physical Achievement/Outcome of the Programme		
		Funds available including (Outlay Budgeted)	Actual expendi-ture	Performance Indicator	Physical Targets	Achieve-ment/ Outcome
1.	Food Civil Supplies & Consumer Affairs (ANNAPURNA)	0.90	0.75	Distribution of foodgrains (in kg)	1111.56 MT	1111.56 MT
2.	Integrated Child Development Scheme (ICDS)	48.89	41.29	Coverage of DPOs/ICDS projects (in number)	41	41
3.	Special Nutrition Programme (SNP) in ICDS Areas	73.71	57.59	Number of Anganwadi Centres/Mini beneficiaries	5,156/ 6,48,973	5,149 5,16,804
4.	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	40.00	34.19	Employment generated (lakh person-days)	Not available	156.76
5.	Indira Awas Yojana (IAY)	11.50	6.93	Construction of Houses (in number)	12,608	5,356
6.	National Social Assistance Programme (NSAP)					
(a)	Indira Gandhi National Old Age Pension Scheme (IGNOAPS)	20.80	13.68	Number	Not available	50,977
(b)	National Family Benefit Scheme (NFBS)			Number	Not available	2,000
(c)	Indira Gandhi National Widow Pension Scheme (IGNWPS)			Number	Not available	7,615
(d)	Indira Gandhi National Disability Pension Scheme (IGNDPS)			Number	Not available	1,470
7.	Restructured Accelerated Power Development and Reforms Programme (R-APDRP)	33.97/ 10.19	6.29	R-APDRP	Nil	Nil
8.	Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)	206.78	79.00	Number of un-electrified villages to be covered	694	476
9.	Accelerated Irrigation Benefit Programme – (AIBP)	75.00	75.00	Irrigation Potential Creation (Hectare) Hectare	3015.82	1072.06

Source: Information furnished by the, Directorates of Food, Civil Supplies & Consumer Affairs, Social Welfare, Community & rural Development, Meghalaya Energy Corporation Limited, Meghalaya Power Distribution Corporation Limited and Chief Engineer, Water Resources

APPENDIX 2.1

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

(Reference: Paragraph 2.2; Page 50)

(₹ in crore)

Name of Department	Number & Name of Grant/Appropriation	Savings (-) Excess (+)
Revenue	6 – Land Revenue, Relief on Account of Natural Calamities, *etc* Revenue – Voted	(-) 10.00
Finance	12 – Other Fiscal Services, *etc.* Revenue – Charged	(-) 22.01
Home (Police)	16 – Police, Other Administrative Services, Housing, Capital Outlay on Police Revenue – Voted Capital – Voted	(-) 31.71 (-) 12.79
Public Works	19 – Secretariat General Services, Public Works, *etc.* Revenue – Voted Capital – Voted	(-) 24.78 (-)68.00
Education, Sports and Youth Affairs and Arts & Culture	21– Miscellaneous General Services, *etc.* Revenue – Voted	(-) 401.96
Finance	24 - Pensions and other Retirement Benefits Revenue – Voted	(+)73.49
Health and Family Welfare	26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, *etc.* Revenue – Voted Capital – Voted	(-) 41.77 (-) 37.77
Public Health Engineering	27 - Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, Capital Outlay on Housing, Capital – Voted	(-)166.52
Urban Development	29 – Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, *etc.* Revenue – Voted Capital – Voted	(-) 47.65 (-) 231.75
Labour	31 – Labour and Employment Revenue – Voted	(-) 24.51
District Council Affairs and Social Welfare	34 – Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes, *etc.* Revenue – Voted Capital – Voted	(-) 105.20 (-) 19.36
Planning	38 – Secretariat Economic Services Revenue – Voted	(-) 352.68
Co-operation	39–Co-operation, Capital Outlay on Co-operation, *etc.* Revenue – Voted	(-) 14.96
Agriculture, Animal Husbandry and Veterinary Industries, *etc*.	40 – North Eastern Areas, Capital Outlay on North Eastern Areas Revenue – Voted Capital - Voted	(-) 90.13 (-) 17.48
Agriculture	43 – Housing, Crop Husbandry, *etc.* Revenue – Voted Capital – Voted	(-) 214.12 (-) 66.73
Soil Conservation	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	(-) 125.03
Animal Husbandry and Veterinary	47 – Housing, Animal Husbandry, Agricultural Research and Education Revenue – Voted	(-) 18.41
Forest	50- Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Revenue – Voted Capital - Voted	(-) 58.95 (-) 21.04

Name of Department	Number & Name of Grant/Appropriation	Savings (-) Excess (+)
Community and Rural Development	51– Housing, Crop Husbandry, *etc.* Revenue – Voted	 (-) 60.17
Public Works	56 – Roads and Bridges, Capital Outlay on Roads and Bridges Revenue – Voted Capital – Voted	 (+) 33.85 (-) 75.62
Transport (Tourism)	57-Tourism, Capital Outlay on Tourism, Capital Outlay on Public Works, Loans for Tourism Revenue – Voted	 (-) 12.56
Finance	Appropriation – Internal Debt of the State Government Capital – Charged	 (-) 50.50

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 50)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percen-tage
1	2	3	4	5	6
1.	1	Parliament/State/Union Territory Legislature, Stationery and Printing *etc.* Revenue – Charged	1.67	1.35	81
2.	2	Governor Capital – Charged	2.53	1.00	40
3.	3	Council of Ministers, Other Administrative Services, *etc* Revenue – Voted	10.09	2.54	25
4.	4	Administration of Justice Revenue – Charged	2.48	2.48	100
5.	6	Land Revenue, Relief on Account of Natural Calamities, *etc.* Revenue – Voted	37.63	10.00	27
6.	9	Sales Tax, Other Taxes and Duties on Commodities and Services Revenue – Voted	19.17	4.77	25
7	10	Taxes on Vehicles, Other Administrative Services *etc*., Revenue – Voted	24.31	8.99	37
8.		Capital - Voted	28.00	6.73	24
9.	11	Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, *etc.* Revenue – Voted	284.44	106.00	37
10.	16	Police, Other Administrative Services, *etc.* Capital – Voted	29.65	12.79	43
11.	17	Jails, Capital Outlay on Public Works Revenue – Voted	14.35	5.37	37
12.	19	Secretariat General Services, Public Works, *etc*. Capital – Voted	118.23	68.00	58
13.	21	Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, *etc.* Revenue – Voted	1364.00	401.95	29
14.		Capital – Voted	5.00	5.00	100
15.	23	Other Administrative Services *etc.* Revenue – Voted	4.95	1.72	35
16.	26	Medical and Public Health, Family Welfare, *etc.* Capital –Voted	100.80	37.77	37
17.	27	Water Supply and Sanitation, Housing, *etc.* Capital - Voted	294.58	166.52	57
18.	28	Housing, Capital Outlay on Housing, Loans for Housing. Revenue – Voted	14.58	9.13	63
19.	29	Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, *etc.* Revenue – Voted	88.99	47.65	54
20.		Capital – Voted	252.23	231.75	92
21.	30	Information and Publicity. Revenue – Voted	15.20	5.27	35
22.	31	Labour and Employment Revenue – Voted	43.33	24.51	57
23.	32	Civil Supplies, Capital Outlay on Food Storage and Warehousing Revenue – Voted	19.99	9.31	47

1	2	3	4	5	6
24.	34	Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes, Social Security and Welfare, Nutrition, *etc.* Revenue – Voted	272.74	105.20	39
25.		Capital – Voted	19.36	19.36	100
26.	38	Secretariat Economic Services Revenue – Voted	448.72	352.68	79
27.	39	Co-operation, Capital Outlay on Co-operation, Capital Outlay on Other Agricultural Programmes, Loans for Co-operation Revenue – Voted	29.27	14.96	51
28.		Capital - Voted	15.55	8.33	54
29.	40	North Eastern Areas, Capital Outlay on North Eastern Areas Revenue – Voted	117.48	90.13	77
30.	41	Census, Survey and Statistics. Revenue – Voted	14.21	4.76	33
31.	43	Housing, Crop Husbandry, Agricultural Research and Education, *etc.* Revenue – Voted	458.25	214.12	47
32.		Capital – Voted	150.07	66.73	44
33.	45	Housing, Soil and Water Conservation, Agricultural Research and Education. Revenue – Voted	206.56	125.03	61
34.	50	Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Revenue – Voted	138.39	58.95	43
35.		Capital – Voted	21.18	21.04	99
36.	54	Village and Small Industries, Capital Outlay on Housing, Capital Outlay on Village and Industries, *etc* Capital – Voted	7.04	2.69	38
37.	57	Tourism, Capital Outlay on Tourism, Capital Outlay on Public Works, Loans for Tourism Revenue – Voted	32.26	12.56	39
38.	6003	Appropriation – Internal Debt of the State Government Capital – Charged	198.72	50.50	25
Total			**4906.00**	**2317.64**	

APPENDIX 2.3
Statement showing expenditure without provision
(Reference: Paragraph 2.3.3; Page 51)

(₹ in lakh)

Sl. No.	Grant/Appropriation Number – Major Head of Accounts - Sub-Head - Detailed Head	Expenditure without provision
1.	1 – 2058 -103 – (01) Press Administration– General	16.10
2.	1 – 2011 – 02 – 101 – (02) Speaker and Deputy Speaker – General	0.47
3.	6 – 2245 – 80 – 102 – (01) Other Disaster Management Projects – General	22.79
4.	8 – 2039 – 001 – (11) Chemical Examiner Attached to Headquarter – General	10.97
5.	16 – 2055 – 115 –(09) Assistance to State Police Organisation in Kind - General	21.00
6.	19 – 4216 – 01 -700 – (01) Each Schemes – General	106.43
7.	19 – 4216 – 01 -700 – (01) Construction and Maintenance of Departmental Residential Buildings – General	100.40
8.	21 – 2202 – 02 – 109 – (06) Assistance for Buildings, Hostels and Staff Quarters – Sixth Schedule (Part II) Areas	7.98
9.	21 –Centrally Sponsored Scheme (CSS) – 2202 – 80 – 003 -(22) Expenditure on Trainees in Basic Training Centres – Sixth Schedule (Part II) Areas	36.59
10.	26 – 2210 – 01– 104 - (01)Establishment of District Medical Store in the District - General	387.75
11.	26 – 2210 – 03– 101 - (03) Other Existing and New Primary Health Centres and Sub-Centres with indoor facilities – under the Basic Minimum Services Programmes – Sixth Schedule (Part II) Areas	14.44
12.	26 – 2211 – 001 – (02) District Family Welfare Bureau – General	64.35
13.	26 – 2211 -101 – (02) Rural Family Welfare Sub Centres - Sixth Schedule (Part II) Areas	260.06
14.	26 – CSS – 2211 – 001 – (01) State Family Welfare Bureau – Sixth Schedule (Part II) Areas	10.18
15.	26 – CSS – 2211 – 101– (01) Rural Family Welfare Centres – Sixth Schedule (Part II) Areas	95.78
16.	26 – CSS – 2211 – 101– (02) Rural Family Welfare Centres – General	327.19
17.	26 – CSS - 4210 – 01 – 110 – (01) Construction of an Out-Patient Department Complex at Civil Hospital, Shillong- Sixth Schedule (Part II) Areas	50.00
18.	27 – 4215 – 01 – 102 – (02) Rural Water Supply Maintenance - Sixth Schedule (Part II) Areas	1291.66
19.	29 – 4217 – 60 -051 – (01) Lumpsum Fund for Development of North Eastern States – General	185.50
20.	34 – CSS – 2235 – 02 – 102 – (15) Integrated Child Development Scheme Enhancement of Honorarium to Anganwadi Workers and Helpers - Sixth Schedule (Part II) Areas	12.41
21.	34 – CSS – 2235 – 02 – 101 – (02) Supplementary Nutrition Programme for Integrated Child Development Scheme - Sixth Schedule (Part II) Areas	45.58
22.	36 – 2235 – 60 – 104 – (01) Government Provident Fund – General	41.32
23.	40 – 2552 – 01 – 110 – (02) Upgradation of Equipment Infrastructure and Development of District Hospital - Sixth Schedule (Part II) Areas	300.00
24.	40- 4552 – 14 – 800 – (07) Improvement including widening of Agia – Medhipara-Phulbari – Tura Road (73rd – 133rd Km) - Sixth Schedule (Part II) Areas	2350.37
25.	40- 4552 – 14 – 800 – (09) Conversion of Bridge No. 22/2 on Mankachar – Mahendraganj Road (0-63 Kms) - Sixth Schedule (Part II) Areas	321.53
26.	40- 4552 – 14 – 800 – (16) Improvement including Metalling and Black-topping of Rymbai – Bataw – Borghat – Jalalpur Road(63rd – 96th Km) and construction of Road (from 96th – 120th Km)- Sixth Schedule (Part II) Areas	727.32

Sl. No.	Grant/Appropriation Number – Major Head of Accounts - Sub-Head - Detailed Head	Expenditure without provision
27.	40- 4552 – 14 – 800 – (33) Improvement/Upgradation of Cherra – Mawsmai – Shella Road (0 – 40 Km) - Sixth Schedule (Part II) Areas	31.97
28.	43 – 2401 – 119 – (29) Model Floriculture Centre – Sixth Schedule (Part II) Areas	15.09
29.	43 – 2401 – 800 – (07) Macro Management of Agriculture – New Innovations – General	107.14
30.	43 – 4702 – 101 – (05) NABARD Loan for Construction of MIPs - Sixth Schedule (Part-II) Areas	199.98
31.	44 – 4711 – 01 -103 – (01) Works – General	127.00
32.	46 – 2501 – 04 – 105 – (101) Administrative Expenses – General	175.00
33.	48 – 2404 – 102 – (14) Community for Dairy Farming with ACA under NADP/ RKVY - Sixth Schedule (Part-II) Areas	774.00
34.	51 – 2515 – 102 – (01) Stage -1 Block - Sixth Schedule (Part-II) Areas	140.64
35.	51 – 2515 – 800 – (01)Multi Sectoral Development Programme -Sixth Schedule (Part-II) Areas	15.00
36.	53 – 2851 – 103 - (27) – Promotion of Departmental Handloom Production Centres on Commercial Lines - Sixth Schedule (Part-II) Areas	13.52
37.	54 – 2851 – 200 – (08) Infrastructure Development of Backward Areas – General	13.50
38.	54 – 2851 – 200 – (08) National Mission on Food Programme – General	189.75
39.	56 – 5054 – 04 – 800 - (05) Construction of Rural Road – General	41.00
40.	56 – 5054 – 04 – 800 - (04) Roads Financed from Central Road Fund – Sixth Schedule (Part-II) Areas	2260.68
41.	56 – 5054 – 04 – 800 - (21) Project undertaken under Special Plan Assistance– General	693.55
42.	56 – 5054 – 04 – 800 - (22) Grant under Article 275 (i)– General	421.68
	Total	**12027.67**

APPENDIX 2.4

Statement showing the amount debited head wise and credited to 8443

(Reference: Paragraph 2.3.4; Page 52)

Sl No.	Debit Head	Credit Amount (₹ in crore)
1.	2055	1.19
2.	2059	1.04
3.	2203	2.05
4.	2204	0.86
5.	2216	0.44
6.	2217	1.02
7.	2220	0.02
8.	2225	11.19
9.	2401	0.23
10.	2403	1.08
11.	2404	7.76
12.	2405	0.70
13.	2406	0.54
14.	2552	2.87
15.	2810	0.30
16.	2851	0.12
17.	3054	0.86
18.	3451	0.87
	Total	**33.14**

APPENDIX 2.5

Excess over provision of previous years requiring regularisation

(Reference: Paragraph 2.3.5; Page 53)

(₹ 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
2011-12	10/2	7, 14, 23, 24, 25, 32, 35, 44, 52, 56, Appropriation- Loans and Advances from the Central Government, Public Service Commission	177.48
Total			**1388.44**

APPENDIX 2.6

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

(Reference: Paragraph 2.3.7; Page 54)

(₹ in lakh)

Sl. No.	Number & name of Grant	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
1.	1-Parliament/State/Union Territory Legislature, Stationery and Printing *etc* Revenue – Voted	5072.84	4683.66	389.18	288.04
2.	6- Land Revenue, Relief on account of Natural Calamities, *etc*. Revenue – Voted	3403.50	2762.54	640.96	359.53
3.	9- Taxes on Sales, Trade, *etc*., Other Taxes and Duties on Commodities and Services Revenue – Voted	1892.00	1439.71	452.29	25.17
4.	10 - Taxes on Vehicles *etc*. Revenue – Voted	2407.00	1531.41	875.59	23.81
5.	Capital – Voted	2200.00	2127.12	72.88	600.00
6.	11- Other Taxes and Duties on Commodities and Services etc. Revenue – Voted	28058.00	17844.34	10213.66	385.99
7.	16 – Police, Other Administrative Services, Housing, Capital Outlay on Police Capital – Voted	2165.00	1686.37	478.63	799.99
8.	19 – Secretariat General Services, *etc.* Revenue – Voted	16771.80	15285.84	1485.96	992.30
9.	Capital – Voted	7533.30	5023.03	2510.27	4290.00
10.	21- Miscellaneous General Services, General Education *etc*. Revenue – Voted	123795.98	96204.78	27591.20	12604.30
11.	23 – Other Administrative Services Revenue – Voted	472.00	323.56	148.44	23.14
12.	26 – Medical and Public Health, Family Welfare, *etc* Capital - Voted	7105.00	6303.33	801.67	2975.00
13.	29 – Urban Development, Capital Outlay on Housing, *etc.* Revenue – Voted	8599.01	4134.29	4464.72	300.00
14.	Capital – Voted	25037.58	2048.28	22989.30	185.50
15.	31 – Labour and Employment Revenue – Voted	4113.98	1882.36	2231.62	219.28
16.	34- Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes, *etc*. Revenue – Voted	26951.70	16754.08	10197.62	322.15
17.	38 - Secretariat Economic Services Revenue – Voted	44676.00	9603.90	35072.10	196.05
18.	39- Co-operation, Capital Outlay on Co-operation, *etc*. Revenue – Voted	2857.49	1431.51	1425.98	70.00
19.	Capital – Voted	1480.13	722.20	757.93	75.00
20	40- North Eastern Areas, Capital Outlay on North Eastern Areas Revenue – Voted	11337.00	2734.72	8602.28	410.90
21.	Capital – Voted	9313.00	7664.59	1648.41	100.00
22.	41 – Census, Survey and Statistics Revenue – Voted	1409.46	944.88	464.58	11.42
23.	43- Housing, Crop Husbandry, Agricultural Research and Education, *etc*. Revenue – Voted	39265.50	24412.61	14852.89	6559.00
24.	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	17386.00	8152.64	9233.36	3270.14

Sl. No.	Number & name of Grant	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
25.	51 – Housing, Crop Husbandry, Special Programmes for Rural Development, Rural Employment, *etc* Revenue – Voted	29942.72	24898.77	5043.95	973.18
26.	57 – Tourism, Capital Outlay on Tourism, Capital Outlay on Public Works, Loans for Tourism Revenue - Voted	2426.00	1969.77	456.23	800.00
	Total	**425671.99**	**262570.29**	**163101.70**	**36859.89**

APPENDIX 2.7

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

(Reference: Paragraph 2.3.8; Page 54)

(₹ in crore)

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
1.	1	103 – Legislative Secretariat (01) Secretariat Establishment General	2011	(+)5.39	(-) 2.80
2.	6	103 – Land Records (13) Procurement of Survey Equipment General	2029	(-) 0.02	(-)2.06
3.		103 – Land Records (01) Strengthening of Revenue Administration and updating of Land Records General		(-)0.23	(-)2.77
4.	8	001 - Direction and Administration (07) Buildings General	2039	(-) 0.10	(-)2.40
5.	9	101 – Collection Charges (01) – District Level Offices Sixth Schedule (Part-II) Areas	2040	(+) 0.22	(+) 3.63
6.	10	800 – Other Expenditure (01) Operation of Helicopter Services General	2070	(-)2.48	(-)8.04
7.		800 – Other Expenditure (23) Construction of Bus/ Trucks Terminus General	5055	(-)0.99	(-)4.01
8.	13	090 – Secretariat (11) Information and Technology Department General	3451	(+)0.06	(-)2.85
9.		090– Secretariat (02) – Secretariat Administration Department (including other Minor Department not shown separately) General	2052	(+) 2.61	(+)1.05
10.	14	094 – Other Establishments (01) Sub-Divisional Establishment Sixth Schedule (Part-II) Areas	2053	(-)0.25	(+)1.43
11.	16	001 – Direction and Administration (01) Inspector General of Police's Office General	2055	(+)1.37	(-)1.95
12.		104 – Special Police (11) Raising of 5th MLP Bn/3rd IRBN General		(+)1.14	(-)2.05
13.		800 – Other Expenditure (02) Acquisition of Land General		(-)0.0012	(-)13.13
14.		109 – District Police (01) District Executive Police Sixth Schedule (Part-II) Areas		(+)17.36	(-)1.56
15.		108 – Fire Protection and Control (01) Direction and Administration (Establishment for Fire Protection Measures in I.G.P.'s office) General	2070	(-)0.01	(-)1.45
16.		108 - Fire Protection and Control (05) Modernisation of Fire Service General		(-)0.93	(+)1.41

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
17.	19	80 – General - 001 - Direction and Administration (07) Divisional and Subordinate Offices (Roads) Sixth Schedule (Part-II) Areas	2059	(+)0.16	(-) 12.04
18.		80 – General - 001 - Direction and Administration (08) Divisional and Subordinate Offices (Buildings) Sixth Schedule (Part-II) Areas		(+)0.02	(-)1.83
19.		80 – General – 052 – Machinery and Equipment (03) R/C of T&P *etc.* Sixth Schedule (Part-II) Areas		(-)0.20	(-)4.97
20.		80 – General – 053 – Maintenance and Repairs (07) Other Maintenance Expenditure Sixth Schedule (Part-II) Areas		(-)1.72	(-)4.06
21.		80 – General – 053 – Maintenance and Repairs (06) Work Charged Establishment Sixth Schedule (Part-II) Areas		(+)1.72	(-)1.05
22.		80 – General – 051 – Construction (01) Functional non-residential Buildings under General Services Sixth Schedule (Part-II) Areas	4059	(-)0.60	(-)13.00
23.		01 – Government Residential Buildings – 700 – Other Housing (01) Construction of Residential Buildings General	4216	(+)0.60	(-)1.23
24.	21	102 – Assistance to Non–Government Primary Schools (30) Drinking water and toilet facilities General	2202	(-)1.00	(-)9.00
25.		110 – Assistance to Non–Government Secondary Schools (03) Expenditure on non-Deficit Secondary Schools for Boys Sixth Schedule (Part-II) Areas	2202	(+)1.51	(-)3.16
26.		800 – Other Expenditure (18) Non-Lapsable Central Pool of Resource Sixth Schedule (Part-II) Areas		(-)0.71	(-)21.02
27.		104 – Assistance to Non-Government Colleges and Institutes (02) Expenditure on College under non Deficit System Sixth Schedule (Part-II) Areas		(-)0.27	(-)2.44
28.		102 – Assistance to Non – Government Primary Schools (01) Expenditure on maintenance of primary schools under deficit system Sixth Schedule (Part-II) Areas		(-)2.33	(+)2.46
29.		110 – Assistance to Non-Government Secondary Schools (01) Expenditure on Secondary Schools under deficit system for Boys Sixth Schedule (Part-II) Areas		(+)3.61	(-)1.54
30.		110 – Assistance to Non-Government Secondary Schools (02) Expenditure on Secondary Schools under deficit system for Girls Sixth Schedule (Part-II) Areas		(+)0.45	(+)11.83

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
31.		110 – Assistance to Non-Government Secondary Schools (04) Expenditure on non-deficit Secondary Schools for Girls Sixth Schedule (Part-II) Areas		(+)0.16	(+)2.23
32.	24	101 – Superannuation and Retirement Allowances (01) Superannuation and Retirement Allowances General	2071	(+)20.15	(+)43.71
33.		105 – Family Pensions (01) Family Pensions for State Government Employees General		(+)9.09	(+)30.66
34.		102 – Commuted value of Pensions (01) – Commuted value of Pension General		(-)20.15	(+)3.35
35.		200 – Other Pensions (01) Pension to Legislators General		(-)9.09	(-)16.14
36.	26	110 - Hospital and Dispensaries (01) Shillong Civil Hospital (including improvement thereof) Sixth Schedule (Part-II) Areas	2210	(-)3.69	(-)13.13
37.		110 – Hospital and Dispensaries (05) Tura Civil Hospital (including improvement thereof) Sixth Schedule (Part-II) Areas		(-)2.05	(+)1.79
38.		110 – Hospital and Dispensaries (16) Upgradation of 30 bedded CHC to Hospital Sixth Schedule (Part-II) Areas		(-)0.51	(-)2.50
39.		103 – Primary Health Centres (02) Other existing and New Primary Health Centres & Sub Centres with Indoor Facilities under Basic Minimum Service Programme Sixth Schedule (Part-II) Areas		(-)0.93	(-)3.97
40.		800 – Other Expenditure (15) Assistance to National Rural Health Mission General		(-)0.73	(-)2.58
41.		110 – Hospital and Dispensaries (02) Ganesh Das Hospital (including improvement thereof) Sixth Schedule (Part-II) Areas		(+)2.10	(-)1.23
42.		101 – Health Sub-centres (01) Other existing and new Primary Health Centres & Sub Centres with Indoor Facilities Sixth Schedule (Part-II) Areas		(-)4.52	(+)12.28
43.		103 - Primary Health Centres (01) Other existing and new Primary Health Centres with Indoor Facilities Sixth Schedule (Part-II) Areas		(+)15.87	(-)8.60
44.		200 – Other Health Schemes (05) Up-gradation of Health Infrastructure including Mobile Hospital Sixth Schedule (Part-II) Areas	4210	(-)2.94	(-)8.56
45.		106 – manufacture of Sera/Vaccine (03) Renovation and Improvement of Pasteur Institute General		(-)0.53	(-)3.42

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
46.	27	102 – Rural Water Supply (12) Development of Sustainable Water Supply Schemes by replacement of existing DTW Schemes Sixth Schedule (Part-II) Areas	4215	(-)50.50	(-)30.32
47.		102 – Rural Water Supply (01) Each Schemes Sixth Schedule (Part-II) Areas		(+)6.00	(-)5.31
48.	43	105 – Manures and Fertilisers (10) Macro Management of Agriculture integrated Nutrient Management General	2401	(-)0.14	(-)5.36
49.		800 – Other Expenditure (01) National Watershed Development project for Rainfed Areas General		(-)4.90	(-)8.10
50.		001 – Direction and Administration (04) Strengthening of Surface Water-Minor Irrigation Or (Investigation Division.) Sixth Schedule (Part-II) Areas	2702	(+)0.45	(-)2.37
51.		800 – Other Expenditure (07) Improvement of Modernisation of Existing Irrigation Sixth Schedule (Part-II) Areas		(-)0.11	(-)1.68
52.		800 – Other Expenditure (09) Establishment and Maintenance Sixth Schedule (Part-II) Areas		(-)3.84	(-)1.47
53.		800 – Other Expenditure (30) Command Areas Development Activities Sixth Schedule (Part-II) Areas		(+)0.85	(-)2.35
54.		800 – Other Expenditure (21) Special Central Assistance Sixth Schedule (Part –II) Areas	2401	(+)17.00	(-)11.75
55.		001 – Direction and Administration (02) Establishment of Division and Sub-Division (Minor I Works) Sixth Schedule (Part –II) Areas	2702	(+)0.44	(+)2.29
56.		001 – Direction and Administration (03) Establishment of Irrigation Wing Sixth Schedule (Part –II) Areas		(+)4.11	(-)2.64
57.		800 – Other Expenditure (01) Critical Flood Control and Anti-Erosion Scheme Sixth Schedule (Part –II) Areas	4711	(+)0.15	(-)1.27
58.	47	101- Veterinary Services and Animal Health (23) Scheme for Establishment for new Dispensaries under NABARD Loan General	2403	(-)2.83	(-)1.02
59.		101- Veterinary Services and Animal Health (24) Veterinary Dispensaries Sixth Schedule (Part-II) Areas		(-)0.03	(-)3.87
60.		101- Veterinary Services and Animal Health (01) Veterinary Hospitals and Dispensaries Sixth Schedule (Part-II) Areas		(+)0.002	(+)1.62
61.		101- Veterinary Services and Animal Health (02) Veterinary Dispensary taken from C.D. Blocks Sixth Schedule (Part-II) Areas		(-)0.01	(+)1.09
62.		102 – Cattle and Buffalo Development (25) Slaughter House to be financed With NABARD Loan General		(+)3.50	(+)4.00

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
63.	51	800 – Other Expenditure (03) Swarnajayanti Gram Swarozgar Yojana Sixth Schedule (Part-II) Areas	2501	(-)0.26	(-)2.97
64.		800 – Other Expenditure (06) State Institute for Research and Training of Rural Development (SIRD) - General		(-)0.20	(-)1.21
65.		702 – Jawahar Gram Samridhi Yojana (03) Indira Awaas Yojana (IAY) Sixth Schedule (Part-II) Areas	2505	(-)3.00	(-)4.56
66.		001 – Direction and Administration (01) Directorate of Community Development General	2515	(+)0.004	(-)1.51
67.	56	800 – Other Expenditure (02) Externally aided Project under Asian Development Bank Sixth Schedule (Part-II) Areas	5054	(-)94.55	(-)25.45
68.		800 – Other Expenditure (21) Project undertaken under Special Plan Assistance Sixth Schedule (Part-II) Areas		(+)90.55	(+)72.57
69.		800 – Other Expenditure (27) Special Plan Assistance – Up-gradation of Roads of New District Headquarters Sixth Schedule (Part-II) Areas		(+)3.00	(+)47.00
70.	57	101 – Tourist Centre (09) Development of Tourist Spot General	3452	(+)0.49	(-)1.96
71.		800 – Other Expenditure (28) Tourism Mission for IBDP General		(-)0.50	(-)5.89
72.	Appro-priation – Internal Debt of the State Govern-ment	105 – Loans from the National Bank for Agricultural and Rural Development (01) Loan from NABARD General	6003	(-)0.004	(-)33.95
73.		101 – Market Loans (71) 7.80% Meghalaya State Development Loan 2012 General		(+)0.004	(+)29.40

APPENDIX 2.8

Results of review of substantial surrenders made during the year

(Reference: Paragraph 2.3.10; Page 55)

(₹ 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.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, New and Renewable Energy, *etc.*	Reconstructed APDRP(2801)	1728.00	100	Not intimated.
2.		Survey and Investigation. (2801)	822.00	100	Non-incurring of any expenditure
3.		Construction of 400 KV D/C line (7 Kms) in Meghalaya (2801)	300.00	100	Non-receipt of sanction
4.		R & M of 5 nos of 33/11 KV Substations in Shillong (2801)	300.00	100	
5.		Renovation, Modernisation and Upgradation of Umtru Power Station (2.8 MW x 4)(2801)	200.00	100	
6.		Equity Participation of Meghalaya for the transmission of Power from Pallatana Gas Base Power Plan in Tripura upto Bongaigoan (2801)	300.00	100	
7.	12 – Other Fiscal Services, Appropriation for Reduction or Avoidance of Debt, Interest Payment, *etc.*	New Loan(2049)	1688.36	100	Not furnished
8.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, Art & Culture, *etc.*	Prematric Scholarship to Children of those engaged in unclean occupation (2202)	100.00	100	Non-receipt of application from students, less requirement of fund and partial implementation of schemes.
9.		National Scholarship at Secondary State Level Children of Rural Areas (2202)	100.00	100	
10.		Post-Matric Scholarship for Minorities(2202)	1100.00	100	
11.		Inclusive Education of The Disabled at the Secondary Stage (IEDSS)(2202)	200.00	100	
12.		Implementation of Programme of Vocationalisation of Secondary Education (2202)	150.00	100	Less requirement of funds and non-implementation of the Scheme
13.		Colleges for Teachers' Education (2202)	150.00	100	
14.		Construction of Girls/Boys Hostel for Scheduled Tribe (2202)	200.00	100	
15.		Computer Education (2202)	100.00	100	
16.		Setting up of Technical University (2203)	500.00	100	Re-allocation of Budget Provision
17.		Establishment of SPIU under World Bank(2203)	100.00	100	Less requirement of fund
18.		NSS Implementation of regular NSS Activities(2204)	100.00	100	Drawal of fund from Centrally Sponsored Scheme
19.		NSS Implementation – Special Campaign Programme(2204)	100.00	100	
20.		Grant Under Article 275(1) for Promotion of Cultural Programme (2205)	520.00	100	Non-receipt of sanction from Government
21.		Scholarships for Students pursuing Music, Film Production *etc.* (2205)	100.00	100	
22.		Up-gradation of Standard of Administration Awarded by the 13th Finance Commission (2205)	625.00	100	
23.	28 – Housing, Capital Outlay on Housing, Loans for Housing	Grant-in-aid of Construction Materials (2216)	650.00	100	Non-approval of proposal by the Empowered Sanc-tioning Committee

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
24.	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
25.		Swarana Jayanti Shahari Rozgar Yojana (2217)	396.00	100	
26.		Rajiv Awas Yojana (2217)	275.63	100	
27.		Satellite Township of Shillong under State Plan (4217)	1500.00	100	Non-inclusion of the component in the approved plan outlay
28.		Externally aided project under JICA (4217)	1200.00	100	Non-receipt of sanction
29.		Lumpsum Fund for Development of North Eastern States (4217)	182.41	100	Non release of fund by GOI
30.	32 – Civil Supplies, Capital Outlay on Food Storage and Ware-Housing	Consumer Welfare Fund (3456)	750.00	100	Non-receipt of sanction
31.	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 or Development of Rural Market under NLCPR Schemes (2225)	725.00	100	Non-release of fund by Ministry of DONER
32.		Indira Gandhi Matritava Sehyog Yojana (IGMSY) Conditional Maternity Benefit Scheme (2225)	100.00	100	Non-release of fund by the GOI
33.		Construction of Office Building of the Directorate of Social Welfare (4235)	236.00	100	Non-receipt of sanction from Government, revision of Sectoral Plan Outlay, *etc.*
34.		Construction of Joint Directorate of Social Welfare at Tura(4235)	200.00	100	Not furnished
35.		Construction of Anganwadi Centre under ICDS Scheme (4235)	1400.00	100	
36.	38 – Secretariat Economic Services	District Innovation Fund (3451)	350.00	100	Less/no expenditure during the year
37.		Climate Change Adaptation Programme (EAP-KFW/GIZ) (3451)	4000.00	100	
38.		Meghalaya Integral Rural Development Programme (MIRDP) (3451)	5000.00	100	
39.	40- North Eastern Areas, Capital Outlay on North Eastern Areas	Small Hydro Projects (SHPs) (2552)	100.00	100	Not furnished
40.		Water Supply Infrastructure Development for New Shillong Township (4552)	1300.00	100	Non-release of fund.
41.		Road infrastructure development of Shillong Township (4552)	1900.00	100	
42.		Power infrastructure develop-ment of New Shillong Township (4552)	1800.00	100	
43.	43 – Housing, Crop Husbandry, Agricultural Research & 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, Loans for Crop Husbandry	Establishment of Directorate of Horticulture (TFC) (2401)	950.00	100	Non-receipt of sanction for the Scheme.
44.		Modernisation of Market Complex 2012-2013 (2401)	200.00	100	Non-sanction of Scheme
45.		Thirteenth Finance Commission Grant for Water Sector Management (2702)	100.00	100	Non-receipt of sanction from GOI

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
46.	45 – Housing, Soil and Water Conservation, Agricultural Research & Education	Special Central Assistance on Watershed Development Project in Shifting Cultivation Areas (2402)	765.00	100	Non-release of fund by the GOI
47.		Non-Lapsable Central Pool of Resources Eco Tourism in Tura (2402)	100.00	100	Less of sanction of funds
48.	47 – Housing, Animal Husbandry, Agricultural Research & Education, Capital Outlay on Public Works, Capital Outlay on Animal Husbandry, Loans for Animal Husbandry	Livestock Mission under Integrated Basin Development and Livestock Programme (2403)	130.00	100	Not furnished
49.		Community Poultry/Layer Farming ACA under NADP/RKVY(2403)	130.00	100	
50.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife	Twelfth Finance Commission Award for maintenance of Forests(2406) – Sixth Scheduled (Part II) Areas	1640.00	100	Non-release of fund
51.		Twelfth Finance Commission Award for maintenance of Forests(2406) – General	461.00	100	
52.		Conservation of Eco Sensitive Areas(2406)	500.00	100	Less requirement of fund
53.		Twelfth Finance Commission for Zoological Parks and Botanical Gardens(4406) – Sixth Scheduled (Part II) Areas	1625.00	100	Non-release of fund by GOI
54.		Twelfth Finance Commission for Zoological Parks and Botanical Gardens(4406) - General	476.00	100	
55.	Appropriation – Internal Debt of the State Government	Ways and Means Advances (6003)	4000.00	100	Non-receipt of loans as anticipated
	Total		**42725.40**		

APPENDIX 2.9

Surrender in excess of actual savings

(Reference: Paragraph 2.3.11; Page 55)

(₹ in lakh)

Sl No.	Number and Name of Grant/Appropriation	Total Grant	Saving	Amount surrendered	Amount surrendered in excess
1.	9 – Taxes on Sales, Trade, *etc*., Other Taxes and Duties on Commodities and Services Revenue – Voted	1917.17	477.46	974.44	496.98
2.	18 – Stationery and Printing, Capital Outlay on Stationery and Printing, Capital Outlay on Housing Revenue – Voted	1935.00	6.35	26.07	19.72
3.	25 – Miscellaneous General Services Revenue – Voted	90.00	3.80	4.82	1.02
4.	28-Housing, Capital outlay on Housing, Loans for Housing Revenue – Voted	1458.00	913.34	946.46	33.12
5.	34-Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes, *etc.* Revenue – Voted	27273.85	10519.77	10649.54	129.77
6.	35 – Social Security and Welfare Revenue – Voted	76.20	0.27	0.54	0.27
7.	36 – Miscellaneous General Services, Social Security and Welfare Revenue – Voted	273.19	45.97	86.10	40.13
8.	40 – North Eastern Areas, Capital Outlay on North Eastern Areas Capital – Voted	9413.00	1748.41	5000.00	3251.59
9.	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	20656.14	12503.50	12534.34	30.84
10.	53 – Village and Small Industries, Capital Outlay on Village and Small Industries, *etc* Revenue – Voted	6102.03	442.12	517.86	75.74
	Total	**69194.58**	**26660.99**	**30740.17**	**4079.18**

APPENDIX 2.10

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

(Reference: Paragraph 2.3.12; Page 55)

(₹ 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	6.77
2.		Revenue – Charged	1.35
3.	2	Governor Capital – Charged	1.00
4.	5	Elections Revenue - Voted	2.60
5.	10	Taxes, on Vehicles, Other Administrative Services, *etc*., Road Transport, Capital Outlay on Civil Aviation, Capital Outlay on Road Transport Revenue –Voted	8.99
6.		Capital – Voted	6.73
7.	15	Treasury and Accounts Administration Revenue – Voted	1.04
8.	16	Police, Other Administrative Services *etc.*, Housing, Capital Outlay on Public Works, *etc*. Revenue – Voted	31.71
9.		Capital - Voted	12.79
10.	17	Jails Revenue – Voted	5.37
11.	21	Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, Art and Culture, Nutrition, Other Scientific Research, Census, Surveys and Statistics, *etc*. Capital – Voted	5.00
12.	27	Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, *etc*. Revenue – Voted	3.35
13.		Capital – Voted	166.52
14.	39	Co-operation, Capital Outlay on Co-operation, Capital Outlay on Other Agricultural Programmes, Loans for Co-operation Capital – Voted	8.33
15.	41	Census, Survey and Statistics Revenue – Voted	4.76
16.	43	Housing, Crop Husbandry, Agricultural Research and Education, Other Agricultural Programmes, Minor Irrigation, *etc.* Capital – Voted	66.73
17.	57	Tourism, Capital Outlay on Tourism, Capital Outlay on Public Works, Loans for Tourism Revenue - Voted	12.56
		Total	**345.60**

APPENDIX 2.11

Details of saving of ₹ 1 crore and above not surrendered

(Reference: Paragraph 2.3.12; Page 56)

(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1.	6 – Land Revenue, Relief on Account of Natural Calamities, Other Social Services, *etc*. Revenue – Voted	10.00	0.81	9.19
2.	13 - Secretariat General Services, Secretariat Social Services, Secretariat Economic Services, *etc* Revenue – Voted	8.37	4.84	3.53
3.	19 – Secretariat General Services, Public Works, Housing, *etc.* Revenue – Voted	24.78	11.05	13.73
4.	Capital – Voted	68.00	25.69	42.31
5.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, *etc.* Revenue – Voted	401.96	211.03	190.93
6.	26 – Medical and Public Health, Family Welfare, *etc*. Revenue – Voted	41.77	0.55	41.22
7.	Capital – Voted	37.77	0.39	37.38
8.	31 – Labour and Employment Revenue – Voted	24.51	1.67	22.84
9.	38 – Secretariat Economic Services Revenue – Voted	352.68	209.76	142.92
10.	39 – Co-operation, Capital Outlay on Co-operation, Capital Outlay on Other Agricultural Programmes, Loans for Co-operation Revenue – Voted	14.96	0.29	14.67
11.	40 – North Eastern Areas, Capital outlay on North Eastern Areas. Revenue – Voted	90.13	17.39	72.74
12.	43 – Housing, Crop Husbandry, Agricultural Research and Education, Other Agricultural Programmes, Minor Irrigation, *etc.* Revenue – Voted	214.12	29.79	184.33
13.	47 – Housing, Animal Husbandry, Agricultural Research and Education Revenue – Voted	18.41	10.03	8.38
14.	51 – Housing, Crop Husbandry, Special Programmes for Rural Development, *etc*. Revenue – Voted	60.17	0.03	60.14
15.	52 – Industries, Capital Outlay on Cement, *etc*. Revenue – Voted	1.40	0.10	1.30
16.	54 –Village and Small Industries, Capital Outlay on Housing, *etc*. Revenue – Voted	4.47	2.76	1.71
17.	56 – Roads and Bridges, Capital Outlay on Roads and Bridges Capital – Voted	75.62	5.07	70.55
	Total	**1449.12**	**531.25**	**917.87**

APPENDIX 2.12

Cases of surrender of funds in excess of ₹ 1 crore on 31 March 2013

(Reference: Paragraph 2.3.12; Page 56)

(₹ in crore)

Sl. No.	Grant No. & Name	Head of Account	Amount surrendered	Percentage of total provision
1.	3 – Council of Ministers	2013	2.34	23.19
2.	4 – Administration of Justice	2014	1.19	11.82
3.			2.01	81.05
4.	8 – State Excise	2039	1.26	9.51
5.	9 – Sales Tax, Other Taxes and Duties on Commodities and Services	2040, 2045	9.74	50.81
6.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, *etc.*	2045, 2501, 2801, 2810	104.25	36.65
7.		6801	2.25	16.51
8.	12 – Other Fiscal Services, Appropriation for Reduction or Avoidance of Debt, Interest Payments, Public Service Commission	2049	21.94	6.53
9.	13 - Secretariat General Services, Secretariat Social Services, *etc.*	2052, 2251, 3451	4.84	4.38
10.	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	11.05	6.22
11.		4059, 4202, 4216	25.69	21.73
12.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, *etc.*	2202, 2203, 2204, 2205, 3425, 3454	211.03	15.47
13.	23 – Other Administrative Services., *etc.*	2070	1.68	33.94
14.	28 – Housing, Capital outlay on Housing, Loans for Housing	2216	9.46	64.88
15.	29 – Urban Development, Capital outlay on Housing, Capital outlay on Urban Development, *etc.*	2217	47.58	53.47
16.		4216, 4217	231.75	91.88
17.	30 – Information and Publicity	2220	4.72	31.05
18.	31 – Labour and Employment	2230	1.67	3.85
19.	32 – Civil Supplies, Capital Outlay on Food Storage and Ware-Housing	3456	9.27	46.37
20.	34 – Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes, *etc.*	2225, 2235, 2236	106.50	39.05
21.		4235	19.36	100
22.	38 – Secretariat Economic Services	3451	209.76	46.75
23.	40 – North Eastern Areas, Capital outlay on North Eastern Areas	2552	17.39	14.80
24.		4552	50.00	53.12
25.	43 – Housing, Crop Husbandry, Agricultural Research & Education, *etc.*	2216, 2401 2415, 2435, 2701, 2702, 2711	29.79	6.50
26.	45 – Housing, Soil, and Water Conservation, Agricultural Research and Education	2216, 2402, 2415	125.34	60.68
27.	46 – Special Programme for Rural Development	2501	1.20	1.40
28.	47 – Housing, Animal Husbandry, Agricultural Research & Education, Capital Outlay on Public Works, *etc.*	2216, 2403, 2415	10.03	10.24

Sl. No.	Grant No. & Name	Head of Account	Amount surrendered	Percentage of total provision
29.	49 – Housing, Fisheries, Agricultural Research and Education, Capital outlay on Housing, Capital outlay on Fisheries	2216, 2405, 2415	1.98	2.75
30.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital outlay on Forestry and Wildlife	2406, 2415	58.39	42.19
31.		4406	21.04	99.34
32.	52 – Industries, Capital Outlay on Cement, Capital Outlay on Industries and Minerals, Other Loans to Industries and Minerals	4854, 4885, 6885	2.31	5.20
33.	53 –Village and Small Industries, Capital Outlay on Village and Small Industries, Loans for Village and Small Industries	2851	5.18	8.49
34.	54 – Housing, Village and Small Industries, Capital Outlay on Housing, *etc.*	2851	2.76	6.35
35.		4216, 4851	2.59	36.79
36.	55 – Non-Ferrous Mining and Metallurgical Industries, Capital Outlay on Housing, *etc*.	2853	1.44	1.45
37.	56 – Roads and Bridges, Capital Outlay on Roads and Bridges	5054	5.07	1.06
38.	Appropriation – Internal Debt of the State Government	6003	50.50	25.41
	Total		**1424.35**	

APPENDIX 3.1
Utilisation Certificates outstanding as on 31 March 2013
(Reference: Paragraph 3.1; Page 67)

(₹ in lakh)

Sl. No.	Department	Year of payment of grant	Total grants paid		Utilisation certificates			
					Received		Outstanding	
			Number	Amount	Number	Amount	Number	Amount
1	Shillong Municipal Board (SMB)	2009-10	1	9.38	Nil	Nil	1	9.38
			1	0.69	Nil	Nil	1	0.69
			1	3.82	Nil	Nil	1	3.82
2	District Council Affairs	2009-10	3	2559.48	2	2166.53	1	392.95
			3	95.55	Nil	Nil	3	95.55
			3	116.79	1	9.86	2	106.93
			3	1422.00	2	1395.19	1	26.81
			1	26.00	Nil	Nil	1	26.00
3	Khadi and Village Industries Commission (KVIC)	2009-10	1	0.13	Nil	Nil	1	0.13
4	Directorate of Higher & Technical Education	2009-10	1	342.25	Nil	Nil	1	342.25
5	Khasi Hills Autonomous District Council (KHADC)	**Youth Affairs**						
		2007-08	30	6.00	2	0.40	28	5.60
		2008-09	28	5.60	4	0.80	24	4.80
		Arts & Culture						
		2007-08	30	4.20	8	1.12	22	3.08
		2008-09	28	2.80	3	0.30	25	2.50
6	North Eastern Region Community Resource Management Project	2011-12	3	3750.49	Nil	Nil	3	3750.49
7	Education	2003-04	1	69.39	Nil	3.00	1	66.39
		2005-06	321	485.12	308	474.70	13	10.42
		2006-07	361	385.90	348	383.10	13	2.80
		2007-08	654	446.09	582	421.95	72	24.14
		2008-09	570	491.10	362	234.91	208	256.19
		2009-10	445	427.50	221	233.91	224	193.59
		2010-11	522	515.49	422	318.44	100	197.05
		2011-12	841	1411.18	145	353.03	696	1058.15
8	Director, Sports & Youth Affairs	2005-06	50	50.00	20	20.00	30	30.00
		2007-08	50	50.00	21	21.00	29	29.00
		2009-10	7	30.00	Nil	Nil	7	30.00
		2010-11	7	30.00	Nil	Nil	7	30.00
9	Director, Urban Affairs	2008-09	1	239.32	Nil	Nil	1	239.32
			1	10.00	Nil	Nil	1	10.00
		2009-10	1	15.00	Nil	Nil	1	15.00
	Total		**3969**	**13001.27**	**2451**	**6038.24**	**1518**	**6963.03**

APPENDIX 3.2

Statement showing names of bodies and authorities, the accounts of which had not been received as on 31 March 2013

(Reference: Paragraph 3.2; Page 68)

(₹ in lakh)

Sl. No	Name of the Departments	Years for which accounts had not been received.	Grants Received	
			Year	Amount
1	2	4	5	6
1	Director of Health Services (MI) Shillong.	1989-90 to 2011-12	2008-09	450.00
2	Registrar of Co-operative Societies Meghalaya Shillong.	1990-91 to 2011-12	2007-08	239.60
3	Meghalaya State Housing Board	1991-1992 to 2011-12	2000-01	1789.60
4	Secretary Ramakrishna Mission Ashrama, Cherrapunjee	2004-05 to 2011-12	2008-09	667.35
5	District Rural Development Agency, Nongstoin	2006-07 to 2011-12	2006-07	1274.89
6	Secretary Seva Bharti A.S. Mandir Building, G.S Road	2006-07 to 2011-12	2006-07	15.94
7	Tura Municipal Board	2006-07 to 2011-12	2006-2010	160.32
8	Williamnagar Municipal Board	2006-07 to 2011-12	2006-2010	60.04
9	Baghmara Municipal Board	2006-07 to 2011-12	2006-2010	46.04
10	Resubelpara Municipal Board	2006-07 to 2011-12	2006-2010	59.97
11	District Rural Development Agency, Tura	2007-08 to 2011-12	2006-07	7411.43
12	District Rural Development Agency, Williamnagar	2008-09 to 2011-12	2012-13	2581.48
13	Chairman Meghalaya State Social Welfare Advisory Board.	2008-09 to 2011-12	2007-08	86.45
14	Secretary Meghalaya Urban Development Authority Shillong	2008-09 to 2011-12	2008-09 to 2011-12	85.74
15	Meghalaya Commercial Crop Development Board Shillong	2008-09 to 2011-12	2008-09	25.00
16	Jowai Municipal Board	2008-09 to 2011-12	2008-09 to 2012-13	320.84
17	Project Director, Meghalaya Rural Development Society (MRDS)	2008-09 to 2011-12	2010-11	1639.77
18	District Rural Development Agency, Nongpoh	2009-10 to 2011-12	2008-09	1926.58
19	State Institute of Rural Development (SIRD), Nongsder Meghalaya	2009-10 to 2011-12	2009-10 to 2010-11	664.94
20	Meghalaya State Agricultural Marketing Board, Lower Lachumiere	2010-11 to 2011-12	2010-11 to 2012-13	126.56
21	District Rural Development Agency, Jowai	2010-11 to 2011-12	2010-11 to 2012-13	9598.11

1	2	4	5	6
22	Secretary State Sports Council	2011-2012	2008-09	1387.17
23	Meghalaya State Pollution Control Board., Shillong	2011-2012	2012-13	219.31
24	State Investment Programme Management & Implementation Unit (SIPMIU) Meghalaya, Shillong	2011-2012	2010-11	693.29
25	Director, Meghalaya and Khadi and Village Industries Commission	2011-2012	2010-11	574.94
26	Director of Higher and Technical Education	2011-2012	2009-10	342.25
27	District Project Implementing Unit (DPIU), Nongpoh	2011-2012	2011-12 upto October 2011	393.62
	Total			**32841.23**

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 2013)

(Reference: Paragraph 3.4; Page 69)

(₹ 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		1 (3.80)		1 (1.78)		3 (2.93)	5 (8.51)
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 (40.75)			1 (3.34)			2 (44.09)
Finance		1 (86.50)				1 (15.74)	2 (102.24)
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)
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 (63.06)**	**6 (93.79)**	**1* 34 (10.55)**	**5 (24.08)**	**1* 22 (3.29)**	**6 (19.19)**	**3* 78 (213.96)**

(Figures in brackets indicate ₹ in lakh)

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