सत्यमेव जयते

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

For the year ended 31 March 2014

GOVERNMENT OF MEGHALAYA

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PREFACE

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

2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2014.

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 2013-14. 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. An effort has been made to compare the achievements with the targets envisaged by the State Government in the budget estimates of 2013-14, 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 2014, 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 2014. 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 2013-14 relative to previous four years (2009-13). During 2013-14, the State continued to maintain revenue surplus. The revenue surplus of ₹ 536.81 crore during 2012-13 increased to ₹ 715.14 crore during the current year.

This achievement was mainly due to increase (₹ 730.38 crore) in revenue receipts which was more than increase (₹ 552.05 crore) in revenue expenditure relative to previous year. The fiscal deficit as well as primary deficit of the State have also decreased during 2013-14 compared to previous year.

❖ *Revenue Receipts*

Revenue receipts during 2013-14 grew by 13.19 *per cent* (₹ 730.38 crore) over previous year. The tax revenue and non-tax revenue receipts exceeded normative assessment made by XIII FC by 29.98 *per cent* and 79.95 *per cent* respectively. But State's own resources (tax and non-tax revenue) contributed 29.41 *per cent* (₹ 214.77 crore) of the incremental revenue receipts during 2013-14 (₹ 730.38 crore). The Central transfers comprising State's share of central taxes and grants-in-aid from the Government of India increased by ₹ 515.61 crore in 2013-14 and contributed 70.59 *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 74.45 *per cent* from ₹ 3182.38 crore in 2009-10 to ₹ 5551.59 crore in 2013-14. The expenditure pattern of the State reveals that though the revenue expenditure as a percentage of total expenditure marginally decreased by 0.72 *per cent* in the current year over previous year, it hovered around 85 *per cent* during the period (2009-14) leaving inadequate resources for expansion of services and creation of assets. Within the revenue expenditure, Non-Plan Revenue Expenditure (NPRE) at ₹ 3702.82 crore in 2013-14 constituted 66.70 *per cent* and remained significantly higher (18.33 *per cent*) than the normatively assessed level of ₹ 3129.30 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 48.28 *per cent* during 2013-14. During 2013-14, though the development expenditure (₹ 4729.97 crore) increased by ₹ 425.10 crore (9.87 *per cent*) over the previous year, it was much below the budget estimate (₹ 7320.65 crore) for 2013-14. The relative share of revenue development expenditure was 78.51 *per cent* of the total development expenditure, while this share in respect of capital development expenditure was only 20.94 *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 2013-14 (₹ 1075.47 crore), though increased by ₹ 147.13 crore over previous year, fell short by 39.39 *per cent* (₹ 698.81 crore) of the projection (₹ 1774.28 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 2009-14, whereas its average interest outgo was in the range of 6.22 to 6.61 *per cent*.

❖ *Debt sustainability*

During 2013-14, 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 ₹ 395.30 crore in 2012-13 to ₹ 382.18 crore during the current year. Primary deficit also decreased significantly by around 87 *per cent* (₹ 70.80 crore) compared to the previous year. The fiscal deficit-GSDP ratio stood at 1.82 *per cent* during 2013-14 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 2009-14 indicates continued reliance of the State on borrowed funds, resulting in increasing fiscal liabilities of the State over the period 2009-14, which increased by 26.28 *per cent* during 2013-14 compared to previous year. The fiscal liabilities during 2013-14 stood at 29.79 *per cent* of the GSDP during the current year against 27.13 *per cent* during 2012-13.

❖ *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 ₹ 992.54 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 2013-14, there was an overall saving of ₹ 3078.84 crore, which was the result of saving of ₹ 3268.34 crore offset by excess of ₹ 189.50 crore. The excess of ₹ 189.50 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 Plan.

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 2013-14 at current prices was ₹ 21044.60 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 State Domestic Product (GSDP) is the market value of all officially recognised final goods and services produced within the State in a given period of time. The growth of GSDP of the State is an important indicator of the 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	2009-10	2010-11	2011-12	2012-13	2013-14
India's GDP (₹ in crore)	6108903	7248860	8391691	9388876	10472807
Growth rate of GDP (*per cent*)	15.18	18.66	15.77	11.88	11.54
Gross State Domestic Product (₹ in crore)	12709.11	14582.56	17198.57	18296.39	21044.60
Growth rate of GSDP (*per cent*)	9.40	14.74	17.94	6.38	15.02

{Source: India's GDP: Central Statistics Office, Ministry of Statistics and Programme Implementation as on 01 August 2014; State's GSDP (base year 2004-05: as furnished (November 2014) 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. The GSDP increased from ₹ 18296.39 crore in 2012-13 to ₹ 21044.60 crore in 2013-14, representing an increase of 15.02 *per cent.* The increase in the growth of GSDP during 2013-14 over that of previous year was mainly due to increase of 16.41 *per cent* under services like transport, storage and communication including banking, public administration, hotels, *etc.* followed by 15.49 *per cent* under secondary sector (manufacturing, construction, electricity, gas and water supply). The GSDP during 2013-14 also exceeded the assessment (₹ 17,069 crore) made by the XIII FC by 23.29 *per cent*. Incidentally, the growth of GSDP during 2013-14 at 15.02 *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 2013-14 was 13.83 *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 2009-14 are presented in **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 (2013-14) *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				
	2012-13	2013-14		2012-13	2013-14		
Section – A : Revenue							
				Total	Non-Plan	Plan	Total
Revenue Receipts	**5536.35**	**6266.73**	**Revenue Expenditure**	**4999.54**	**3702.82**	**1848.77**	**5551.59**
Tax revenue	847.73	949.30	General Services	1573.80	1821.77	16.60	1838.37
Non-tax revenue	484.95	598.15	Social Services	1747.93	1170.92	802.85	1973.77
Share of Union Taxes/Duties	1192.45	1301.96	Economic Services	1677.81	710.13	1029.32	1739.45
Grants-in-aid from Government of India	3011.22	3417.32					
Section – B : Capital							
Miscellaneous Capital receipts	**…**	**…**	**Capital Outlay**	**928.34**	0.71	1074.76	**1075.47**
Recoveries of Loans and Advances	**23.25**	**20.48**	**Loans and Advances disbursed**	**27.02**	26.12	16.21	**42.33**
Public Debt Receipts[1]	**523.23**	**475.42**	**Repayment of Public Debt[1]**	**168.51**	**…**	**…**	**141.62**
Contingency Fund	**…**	**…**	**Contingency Fund**	**…**	**…**	**…**	**…**
Public Account Receipts[2]	**3642.21**	**4405.98**	**Public Account Disbursements[3]**	**3993.97**	**…**	**…**	**3508.69**
Opening Balance	**371.27**	**- 21.07**	**Closing Balance**	**- 21.07**	**…**	**…**	**827.84**
Total	**10096.31**	**11147.54**	**Total**	**10096.31**			**11147.54**

1 Includes net Ways and Means Advances.
2 Gross Receipts
3 Gross Disbursements

Following are the significant changes during 2013-14 over the previous year:

- **Revenue receipts** increased by 13.19 *per cent* (₹ 730.38 crore) over the previous year. The increase was due to increase in grants-in-aid from the Government of India (GOI) (₹ 406.10 crore), non-tax revenue (₹ 113.20 crore), State's share of Union taxes and duties (₹ 109.51 crore) and tax revenue (₹ 101.57 crore).
- **Revenue expenditure** increased by 11.04 *per cent* (₹ 552.05 crore) over the previous year. While there was significant increase under non-plan heads ₹ 422.69 crore, the expenditure under plan heads increased by ₹ 129.36 crore only over previous year.
- Compared to previous year, the **capital outlay** of the State increased by 15.85 *per cent* (₹ 147.13 crore), which was the net result of increase under social services (₹ 166.82 crore) and general services (₹ 24.23 crore) and decrease under economic services (₹ 43.92 crore).
- **Recovery of loans and advances** during the current year marginally decreased by ₹ 2.77 crore and **disbursement of loans and advances increased** ₹ 15.31 crore compared to the previous year.
- **Public Debt receipts and repayments** decreased by ₹ 47.81 crore and ₹ 26.89 crore respectively over the previous year.
- **Public Account receipts** increased by ₹ 763.77 crore, but **disbursements** under Public Account significantly decreased by ₹ 485.28 crore over the previous year.
- **Cash balance** increased significantly by ₹ 848.91 crore over 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.

(d) 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].

Medium Term Fiscal Plan (MTF Plan), as prescribed in the MFRBM Act, 2006 (as amended), was notified by the State Government in June 2014.

The performance of the State during 2013-14 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 2013-14

Fiscal parameters	2013-14			
	XIII FC targets for the State	Targets as prescribed in MTF Plan	Projections MTFP Statement	Actual
Revenue Surplus (+)/ Deficit (-) (₹ in crore)	Maintain revenue balance or attain a surplus	1250.13	-	715.14
Revenue Surplus/Total Revenue Receipts (*per cent*)	-	-	14.56	11.41
Fiscal Deficit/GSDP (*per cent*)	3 *per cent*	2.49 *per cent*	2.63	1.82
Total Outstanding Liabilities/ GSDP (*per cent*)	32 *per cent* (Outstanding Debt as *per cent* of GSDP)	26.53 *per cent*	31.64	29.79

During 2013-14, the State failed to achieve the revenue surplus as prescribed in MTF Plan. The actual revenue surplus to total revenue receipts (as *per cent*) was 11.41 against projection of 14.56 made in MTF Statement. The Fiscal Deficit-GSDP ratio was within the limit fixed in MTFP Statement/MTF Plan as well as by XIII FC. Total Outstanding Liabilities-GSDP ratio was also within the limit fixed in MTFP Statement and by XIII FC, but exceeded the projection made in the MTF Plan.

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 2012-13 (actuals) and 2013-14 (budget estimates, revised estimates and actuals) and **Chart 1.1** presents the budget estimates and actuals for some important fiscal parameters.

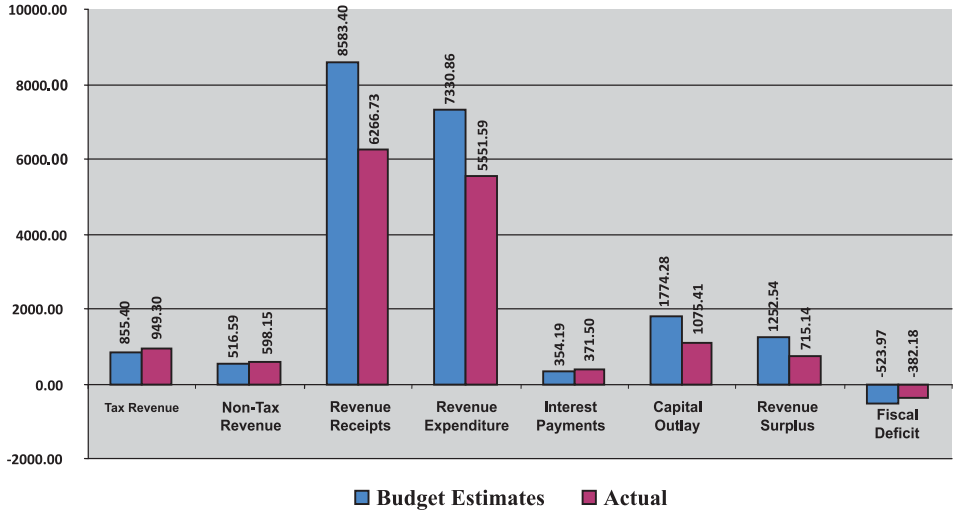
Table 1.4 : Variation in major items – Actual of 2013-14 over 2012-13, Actual of 2013-14 *vis-à-vis* Budget Estimates and Revised Estimates

(₹ in crore)

Parameters	2012-13	2013-14			Percentage of Excess (+)/ Shortfall (-) during 2013-14 with reference to	
	Actual	Budget Estimates (BE)	Revised Estimates (RE)	Actual	Actual of 2012-13	BE/RE
Tax Revenue	847.73	855.40	855.40	949.30	+ 11.98	+ 10.98
Non-Tax Revenue	484.95	516.59	516.59	598.15	+ 23.34	+ 15.79
Revenue Receipts	5536.35	8583.40	8583.40	6266.73	+ 13.19	- 26.99
Non-debt Capital Receipts	23.25	26.14	26.14	20.48	- 11.91	- 21.65
Revenue Expenditure	4999.54	7330.86[4]	7330.86[5]	5551.59	+ 11.04	- 24.27
Interest Payments	313.82	354.19	354.19	371.50	+ 18.38	+ 4.89
Capital Outlay	928.34	1774.28	1774.28	1075.47	+ 15.85	- 39.39
Disbursement of Loans & Advances	27.02	28.37	28.37	42.33	+ 56.66	+ 49.21
Revenue Surplus (+)/Deficit (-)	+ 536.81	+ 1252.54	+ 1252.54	+715.14	+ 33.22	- 42.90
Fiscal Deficit (-)	- 395.30	- 523.97	- 523.97	- 382.18	- 3.32	- 27.06
Primary Deficit (-)/Surplus (+)	- 81.48	- 169.78	- 169.78	- 10.68	- 86.89	- 93.71

Chart 1.1: Selected Fiscal Parameters - Budget Estimate vis-a-vis Actual 2013-14

(₹ in crore)



- During 2013-14, actual **revenue receipts** fell short of the budget estimates and revised estimates by 26.99 *per cent.*
- The State Government was successful in restricting the **revenue expenditure** during 2013-14, which was less than the budget estimate by 24.27 *per cent* (₹ 1779.27 crore).

4 Net estimates
5 Net estimate

- The **capital outlay** *vis-à-vis* budget estimate was less by 39.39 *per cent* (₹ 698.81 crore).
- The year 2013-14 ended with a revenue surplus of ₹ 715.14 crore against assessment for revenue surplus of ₹ 1252.54 crore made in the budget estimate and revised estimate for the year. Due to shortfall in revenue surplus compared to budget estimate during the year by ₹ 537.40 crore offset by shortfall in capital expenditure by ₹ 698.81 crore than estimated, actual fiscal deficit and primary deficit during 2013-14 was lower than the assessment made in the budget estimate by 27.06 *per cent* (₹ 141.79 crore) and 93.71 *per cent* (₹ 159.10 crore) respectively. 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, all 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 2013-14 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 (August 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 2009-14, the **Chart 1.4** depicts the composition of resources of the State during the current year.

Chart 1.2

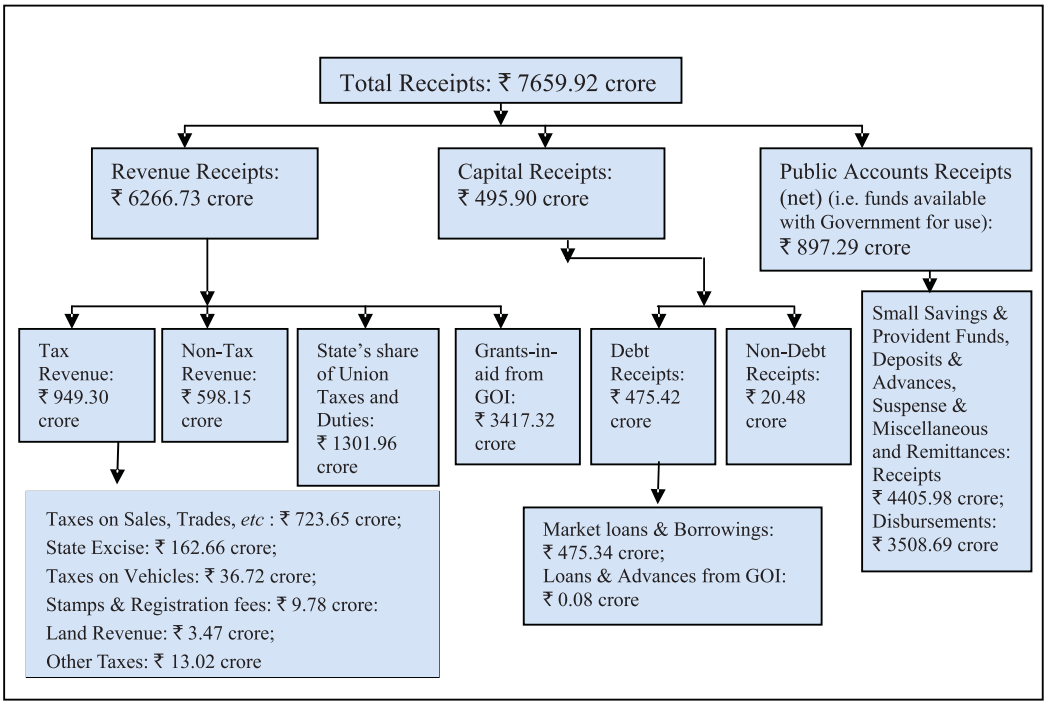
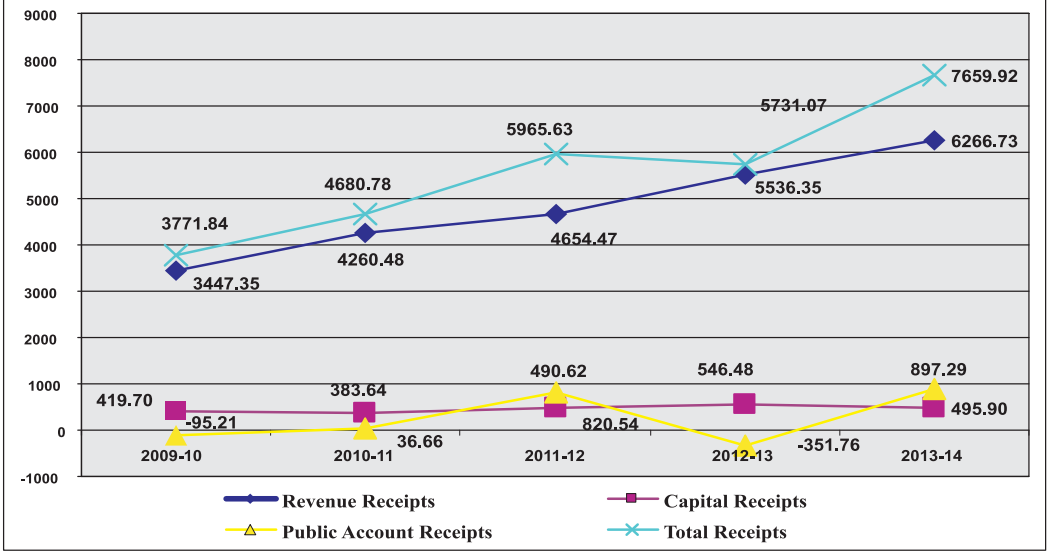


Chart 1.3: Trends in Receipts (₹ in crore)



The **total receipts** during the current year increased by ₹ 1928.85 crore (33.66 *per cent*) over the previous year. This was mainly due to net receipts of ₹ 897.29 crore under Public Account during 2013-14 when compared to minus net receipt of ₹ 351.76 crore during previous year.

The **total receipts** of the State for 2013-14 were ₹ 7659.92 crore, of which ₹ 6266.73 crore (81.81 *per cent*) came from revenue receipts and ₹ 495.90 crore (6.47 *per cent*) came from recoveries of loans and advances and borrowings. The total receipts of the State increased by 103.08 *per cent* from ₹ 3771.84 crore in 2009-10 to ₹ 7659.92 crore in 2013-14.

The debt capital receipts which create future repayment obligation increased by 17.96 *per cent* from ₹ 403.02 crore (10.68 *per cent* of total receipts) in 2009-10 to ₹ 475.42 crore (6.21 *per cent* of total receipts) in 2013-14. The net **Public Account receipts** fluctuated widely during the period 2009-14, with a receipt of ₹ 897.29 crore during 2013-14. During the current year, the **Capital receipts** (recoveries of loans and advances plus Public Debt receipts) accounted for 6.47 *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[6] 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. 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 ₹ 992.54 crore to various State Implementing Agencies during 2013-14. 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 ₹)

Sl. No	Programme/ Scheme	Implementing Agency in the State	Funds transferred by the GOI
1.	Aajeevika – Swarnjayanti Gram Swarozgar Yojana	Meghalaya State Rural Livelihoods Society, Shillong, Meghalaya	65142000
2.	Afforestation and Forest Management	State Forest Development Agency, Meghalaya	53970000
3.	Central Rural Sanitation Programme	State Water and Sanitation Mission, Meghalaya	515182000
4.	DRDA Administration	DRDAs, West Garo Hills, South Garo Hills, Ri-Bhoi, East Garo Hills, West Khasi Hills, West Jaintia Hills, South West Garo Hills, East Khasi Hills, North Garo Hills, East Jaintia Hills, South West Khasi Hills, Mawkyrwat	50935000
5.	Grants in Aid to NGOs for STs Including Coaching & Allied	R K Mission, R. K. Mission Ashrama Shillong , Meghalaya	85791751
6.	Integrated Watershed Management Programme (IWMP)	SLNA Meghalaya(Shillong)	284659646
7.	Mahatma Gandhi National Rural Employment Guarantee Scheme	State Rural Employment Society, Shillong, Meghalaya	2710621000
8.	MPs Local Area Development Schemes MPLADS	Deputy Commissioner, East Khasi Hills	125000000
		Deputy Commissioner, West Garo Hills	50000000

[6] 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 the GOI
9.	National Food Security Mission	Meghalaya Small Farmers Agri-Business Consortium	123159000
10.	National Rural Drinking Water Program	SWSM Meghalaya, Shillong	916793000
11.	National Rural Health Mission	State Health Society, Meghalaya	910380600
12.	Off Grid DRPS	Meghalaya Non-Conventional and Rural Energy Development Agency	74836285
13.	Rural Housing –IAY	DRDAs, East Garo Hills, West Garo Hills, West Jaintia Hills, West Khasi Hills, Ri Bhoi, South Garo Hills and East Khasi Hills	806352400
14.	Sarva Shiksha Abhiyan(SSA)	Sarva Shiksha Abhiyan State Mission Authority of Meghalaya	2834086000

Source: Central Plan Scheme Monitoring System of CGA website.

Of ₹ 992.54 crore, ₹ 283.41 crore (28.55 *per cent*) was transferred to the SSA State Education Mission Authority and ₹ 271.06 crore (27.31 *per cent*) to State Rural Employment Society for utilisation under Mahatma Gandhi National Rural Employment Guarantee Act. 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 two programmes, *viz.*, 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:

➢ *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 2013-14:

Table 1.6

(₹ in crore)

Opening balance	Fund released and received by Implementing Agencies			Miscella-neous receipts	Total fund available	Expen-diture[7]	Unspent balance (*per cent*)
	GOI	State	Total				
64.70	283.41	29.60	313.01	12.35	390.06	324.69	65.37 (16.76)

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 around 17 *per cent* of the funds available during 2013-14. Utilisation certificates for the fund utilised have not yet been furnished. The State Project Director (SPD), SSA SEMA stated

[7] Provisional

(August 2014) that the utilisation certificates would be furnished after completion of statutory audit.

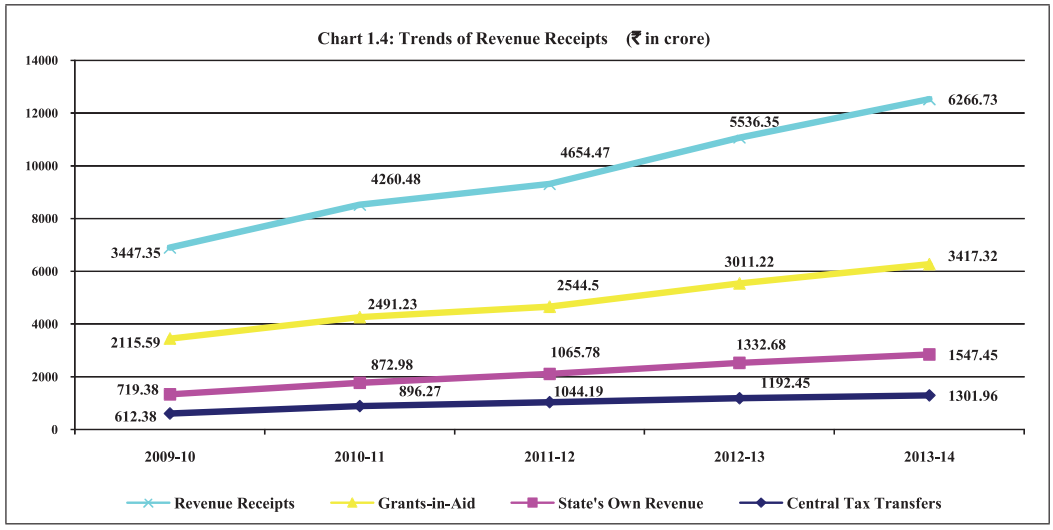
➢ ***National Rural Drinking Water Programme***

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 2013-14, GOI released ₹ 91.68 crore to the State Implementing Agency of NRDWP. But as per the information furnished (October 2014) by the Chief Engineer (CE), PHE, Meghalaya (responsible for implementation of the programme in the State), during 2013-14, GOI released ₹ 97.87 crore. Out of the total fund of ₹ 130.73 crore (including opening balance: ₹ 32.86 crore) available with the implementing agency during 2013-14, expenditure of ₹ 112.58 crore was incurred during the year leaving an unspent balance of ₹ 18.15 crore as of 31 March 2014. The CE, PHE, however, stated (October 2014) that utilisation certificate for the funds received during 2013-14 had been submitted 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 2009-14 are presented in **Appendix 1.2** and also depicted in **Charts 1.4** and **1.5** respectively. The trends in revenue receipts relative to GSDP are presented in **Table 1.7.**



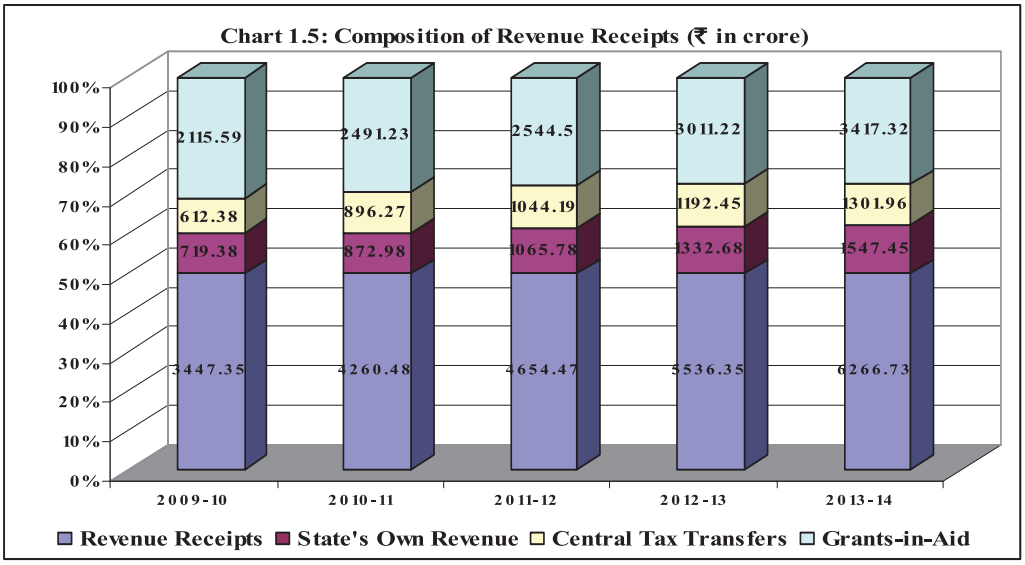


Table 1.7 : Trends in Revenue Receipts relative to GSDP

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Receipts (RR) (₹ in crore)	**3447.35**	**4260.48**	**4654.47**	**5536.35**	**6266.73**
Rate of Growth of RR (*per cent*)	22.65	23.59	9.25	18.95	13.19
Rate of Growth of Own Taxes (*per cent*)	20.26	28.62	22.06	21.53	11.98
RR/GSDP (*per cent*)	27.13	29.22	27.06	30.26	29.78
Buoyancy Ratio[8]					
Revenue Buoyancy Ratio with reference to GSDP	2.41	1.60	0.52	2.97	0.88
State's Own Taxes Buoyancy Ratio with reference to GSDP	2.16	1.94	1.23	3.37	0.80
State's Own Taxes Buoyancy Ratio with reference to Revenue Receipts	0.89	1.21	2.39	1.14	0.91

1.3.1 General Trends

The **revenue receipts** of the State increased by ₹ 2819.38 crore from ₹ 3447.35 crore in 2009-10 to ₹ 6266.73 crore in 2013-14. There were, however, wide inter-year variations in the growth rates. The rate of growth of revenue receipts was 13.19 *per cent* in 2013-14 compared to growth rate of 18.95 *per cent* during the preceding year. The buoyancy ratio of revenue receipts in 2013-14 with reference to GSDP has decreased primarily due to significant decrease in the rate of growth of revenue receipts compared to previous year and increase in growth rate of GSDP during the year. The buoyancy ratio of the State's own tax revenue with reference to GSDP has also decreased significantly due to substantial decrease in the rate of growth of own tax revenue in 2013-14 relative to the previous year. Buoyancy ratio of State's own taxes to revenue receipts indicates that the pace of growth of own taxes was slower during the year (2013-14) while the pace was faster during previous three years

[8] Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance revenue buoyancy at 0.88 during 2013-14 implies that revenue receipts tend to increase by 0.88 percentage points, if the GSDP increases by one *per cent*.

(2010-11 to 2012-13). Buoyancy ratio of state's own taxes with reference to revenue receipts was 0.91 during the year 2013-14 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 2013-14 *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	730.34	855.40	949.30
Non tax revenue	332.40	516.59	598.15

The State has successfully achieved the target fixed by XIII FC in collection of tax and non-tax revenue during 2013-14. During the year, tax revenue was 29.98 *per cent* higher than the assessment made by the XIII FC and 10.98 *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	2009-10	2010-11	2011-12	2012-13	2013-14	Variations over previous year Increase (+) Shortfall (-) (*per cent*)
Taxes on Sales, Trade, *etc.*	321.39	409.89	512.50	631.12	723.65	+ 92.53 (14.66)
State Excise	90.29	104.50	131.50	153.01	162.66	+ 9.65 (6.31)
Taxes on Vehicles	13.61	19.19	31.12	35.82	36.72	+ 0.9 (2.51)
Stamps and Registration Fees	11.02	10.76	9.08	10.32	9.78	- 0.54 (5.23)
Land Revenue	0.26	17.11	2.40	6.27	3.47	- 2.8 (44.66)
Other Taxes[9]	7.73	10.00	10.94	11.19	13.02	+ 1.83 (16.35)
Total	**444.30**	**571.45**	**697.54**	**847.73**	**949.30**	+ 101.57 (11.98)

Tax revenue has increased by around 12 *per cent* during the current year (₹ 949.30 crore) over the previous year (₹ 847.73 crore). The revenue from sales tax contributed the major share of tax revenue (76.23 *per cent*) and it increased by 14.66 *per cent* over

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

the previous year. State excise and Taxes on Vehicles were the other major contributors to the State's tax revenue. *The tax-GSDP ratio (4.51 per cent) during 2013-14 was higher than the projection (4.28 per cent) made by the XIII FC.*

1.3.2.2 Non-Tax Revenue

Table 1.10 : Non-Tax Revenue

(₹ in crore)

Heads	2009-10	2010-11	2011-12	2012-13	2013-14	Variations over previous year Increase (+)/ Shortfall (-) (*per cent*)
Interest receipts	**23.28**	**24.72**	**27.13**	**25.38**	**33.57**	+ 8.19 (32.27)
Dividends and Profits	**0.04**	**0.03**	**0.08**	**0.08**	**0.13**	+ 0.05 (62.50)
General Services	**17.53**	**24.15**	**35.57**	**52.83**	**29.29**	- 23.54 (44.56)
Social Services	**8.84**	**5.77**	**7.36**	**7.44**	**9.46**	+ 2.02 (27.15)
Economic Services	**225.39**	**246.86**	**298.10**	**399.22**	**525.70**	+ 126.48 (31.68)
Non-ferrous Mining and Metallurgical Industries	198.21	215.58	262.58	357.97	455.75	+ 97.78 (27.32)
Forestry and Wild life	20.03	22.05	26.03	30.87	60.12	+ 29.25 (94.75)
Other Economic Services	7.15	9.23	9.49	10.38	9.83	- 0.55 (5.30)
Total	**275.08**	**301.53**	**368.24**	**484.95**	**598.15**	+ 113.20 (23.34)

The non-tax revenue (NTR), which constituted around 10 *per cent* of the total revenue receipts, has increased by ₹ 113.20 crore during 2013-14 recording a growth rate of 23.34 *per cent* over the previous year. Around 88 *per cent* (₹ 525.70 crore) of non-tax revenue during 2013-14 was received from economic services and within this category, receipts under non-ferrous mining and metallurgical industries alone contributed around 87 *per cent* (₹ 455.75 crore). This was mainly due to receipts of additional amount of ₹ 92.53 crore under Mineral concession fees, rents and royalties during the current year over that of previous year.

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	2009-10	2010-11	2011-12	2012-13	2013-14
Non-Plan Grants	377.12	664.07	527.07	895.72	921.41
Grants for State Plan Schemes	1394.56	1427.57	1702.64	1747.75	2046.28
Grants for Central Plan Schemes	26.24	12.58	16.29	14.50	31.65
Grants for Centrally Sponsored Plan Schemes	251.01	315.15	242.27	268.20	348.40
Grants for Special Plan Schemes	66.66	71.86	56.23	85.05	69.58
Total	**2115.59**	**2491.23**	**2544.50**	**3011.22**	**3417.32**
Percentage of increase over previous year	*30.54*	*17.76*	*2.14*	*18.34*	*13.49*

Grants-in-aid from the GOI have increased by 13.49 *per cent* (₹ 406.10 crore) from ₹ 3011.22 crore in 2012-13 to ₹ 3417.32 crore in the current year and contributed 55.60 *per cent* of the incremental revenue receipts (₹ 730.38 crore) during the year. Within the plan grants, while grants for Central Plan Schemes, Centrally Sponsored Plan Schemes and State Plan Schemes increased by 118.28 *per cent* (₹ 17.15 crore), 29.90 *per cent* (₹ 80.20 crore) and 17.08 *per cent* (₹ 298.53 crore) respectively, grants for Special Plan Schemes decreased by 18.19 *per cent* (₹ 15.47 crore). The major increase under Central Plan Schemes was in the form of grants of ₹ 5.51 crore released for 'End to End Computerisation of Targeted Public Distribution System'. The major increase under State Plan Schemes was in the form of grants of ₹ 544.33 crore released as 'Additional Central Assistance for Urban Infrastructure Development for Small and Medium Towns, JNNURM', partly offset by release of less grants under 'Externally Aided Projects' by ₹ 21.91 crore. Grants for Centrally Sponsored Plan Schemes increased during 2013-14 mainly due to release of additional grants of ₹ 36.65 crore for 'Integrated Child Development Services' compared to the previous year.

The Non-Plan grants (₹ 921.41 crore) constituted 26.96 *per cent* of the total grants during the year and marginally increased by 2.87 *per cent* (₹ 25.69 crore) over the previous year. Of the Non-Plan grants, 76.94 *per cent* (₹ 708.93 crore) was for meeting the non-plan revenue deficit. Other components of non-plan grants mainly included grants for 'State Specific Needs' (₹ 36.25 crore), 'Maintenance of Forests' (₹ 31.52 crore), and 'Maintenance of Roads & Bridges' (₹ 26 crore).

1.3.4 Central Tax Transfers

The **Central Tax transfers** increased by 9.18 *per cent* (₹ 109.51 crore) over the previous year and constituted 20.78 *per cent* of revenue receipts. The increase was mainly due to transfer of additional amount of ₹ 48 crore as 'Taxes on Wealth' and ₹ 31.85 crore as 'Taxes on Income other than Corporation Tax' during 2013-14 compared to previous year. The central tax transfers also contributed 14.99 *per cent* (₹ 109.51 crore) of the incremental revenue receipts (₹ 730.38 crore) during the year.

1.3.5 Optimisation of XIII FC Grants

XIII FC had recommended ₹ 1113.10 crore apart from Share of Central Taxes and Duties and post devolution non-plan revenue deficit. Actual release up to 31 March 2014 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 (+) in utilisation
1.	Local Bodies	432.40	138.07	109.79	- 28.28
2.	Disaster Relief (including capacity building)	77.90	60.84	3.00	- 57.84

Sl. No.	Transfers	Recommendation of the XIII FC	Actual release	Expenditure under relevant heads of account	Shortfall (-)/ Excess (+) in utilisation
3.	Elementary Education	52.00	40.00	31.00	- 9.00
4.	Improving Outcomes	27.70	10.09	7.81	- 2.28
(i)	*Improvement in Justice Delivery*	*4.20*	*0.84*	*0.52*	*- 0.32*
(ii)	*Improvement for issuing UIDs*	*4.50*	*0.45*	*1.55*	*+ 1.10*
(iii)	*District Innovation Fund*	*7.00*	*3.50*	*0*	*- 3.50*
(iv)	*Improvement of Statistical Systems at State and District level*	*7.00*	*2.80*	*1.40*	*- 1.40*
(v)	*Employee and Pension Data Base*	*5.00*	*2.50*	*4.34*	*+ 1.84*
5.	Environment related Grants	172.10	73.54	32.95	- 40.59
(i)	*Forests*	*168.10*	*73.54*	*32.95*	*- 40.59*
(ii)	*Water Sector Management*	*4.00*	*0*	*0*	*0*
6.	Maintenance of Roads and Bridges	101.00	73.00	72.87	- 0.13
7.	State Specific	250.00	92.50	66.13	- 26.37
(i)	*Setting up of Meghalaya Police Academy*	*50.00*	*12.50*	*12.50*	*0*
(ii)	*Augmentation of Tura Phase I & II Water Supply Scheme*	*50.00*	*12.50*	*12.50*	*0*
(iii)	*Heritage and Tourism*	*30.00*	*7.50*	*1.25*	*- 6.25*
(iv)	*Infrastructure for Horticulture*	*38.00*	*19.00*	*0*	*- 19.00*
(v)	*Warehousing Facilities*	*2.00*	*1.00*	*0*	*- 1.00*
(vi)	*Construction of Bridges*	*80.00*	*40.00*	*39.88*	*- 0.12*
	Total	**1113.10**	**488.04**[10]	**323.55**	**- 164.49**

Source: Report of the XIII FC and State Loan Data: Ministry of Finance, GOI (finmin.nic.in) and *Detailed Appropriation Accounts, information furnished(October 2014) by the Director, Economic & Statistics (expenditure under Sl. 4-iv) and information furnished (November 2014) by the Chief Engineer, PWD (Roads), Meghalaya (Sl. 6 & 7-vi)*

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

Analysis of above information/data pertaining to releases made by GOI in pursuance to XIII FC recommendations during 2010-14 and its utilisation under the respective head of accounts by the State Government shows that:

- Against the release of ₹ 488.04 crore, an expenditure of ₹ 323.55 crore was incurred by the State Government during the period, resulting in non-utilisation of ₹ 164.49 crore. This included expenditure of ₹ 2.94 crore incurred in excess of the amount released under 'Improvement for issuing of Unique Identification to people below poverty line' and 'Employee and Pension Data Base';
- Based on the recommendation of the XIII FC, the GOI released Disaster relief Funds (including capacity building) for ₹ 60.84 crore during 2010-11 to 2013-14 for relief necessitated by natural calamities (₹ 57.84 crore) and capacity building (₹ 3 crore). Against this, expenditure of ₹ 3 crore only was incurred by the State Government till 2013-14 for capacity building. Though there were natural calamities like cyclonic storm, flood, hailstorm, *etc.* in the State during 2013-14 causing death of 17 persons and damaging property (agricultural crops, houses, *etc.*) worth ₹ 5.39 crore, ₹ 57.84 crore released for disaster relief remained unutilised.
- Further, out of the environment related grants of ₹ 172.10 crore recommended by the XIII FC, GOI released ₹ 73.54 crore to the State Government till 2013-14 for preservation and maintenance of forests. Of this, expenditure of ₹ 32.95 crore was incurred by the State Government till 2013-14 leaving an unspent balance of ₹ 40.59 crore.
- In addition, under-utilisation of funds of ₹ 69 crore was noticed in respect of other 10 heads, *viz.* Local Bodies, Elementary Education, Improvement of Justice Delivery, District Innovation Fund, Improvement of Statistical Systems at State and District level, Maintenance of Roads and Bridges, Heritage and Tourism, Infrastructure for Horticulture, Warehousing facilities and Construction of Bridges.
- Actual release of ₹ 2.80 crore under 'Improvement of Statistical Systems at State and District level' includes ₹ 1.40 crore being the second instalment released by GOI on 27 March 2014. However, as per information furnished (October 2014) by the Director, Economics and Statistics, this amount was released by the Finance (Economic Affairs) Department, GOM to the Director, Economics and Statistics on 30 July 2014.

1.4 Capital Receipts

Table 1.13: Trends in growth and composition of Capital receipts

(₹ in crore)

Sources of State's Receipts	2009-10	2010-11	2011-12	2012-13	2013-14
Capital Receipts (CR)	**419.70**	**383.64**	**490.62**	**546.48**	**495.90**
Miscellaneous Capital Receipts	-	-	-	-	-
Recovery of Loans and Advances	16.68	27.25	22.71	23.25	20.48
Public Debt Receipts	403.02	356.39	467.91	523.23	475.42
Rate of growth of debt capital receipts	24.95	- 11.57	31.29	11.82	- 9.14
Rate of growth of non-debt capital receipts	-8.65	63.37	- 16.66	2.38	- 11.91
Rate of growth of CR (*per cent*)	23.15	- 8.59	27.89	11.39	- 9.26

Capital receipts increased by 18.16 *per cent* from ₹ 419.70 crore in 2009-10 to ₹ 495.90 crore in 2013-14. The rate of growth of capital receipts decreased from 11.39 *per cent* in 2012-13 to a negative 9.26 *per cent* in 2013-14. The rate of growth of debt capital receipts, which is the main component of capital receipts, also decreased from 11.82 *per cent* in 2012-13 to a negative 9.14 *per cent* in 2013-14. Both the debt receipts from internal sources (market loans, borrowings from financial institutions, *etc*.) and loans and advances from GOI decreased by ₹ 45.37 crore and ₹ 2.44 crore during 2013-14 over previous years. Market loans constituted the major share of debt capital receipts during the current year which, however, decreased from ₹ 385 crore in 2012-13 to ₹ 340 crore during 2013-14, which was in line with the commitment made by the State Government in the Fiscal Policy Strategy (FPS) Statement , i.e., to maintain a sustainable debt level. Non-debt capital receipts in the form of recoveries of loans and advances also decreased by ₹ 2.77 crore during 2013-14 over previous year.

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 (Net)

(₹ in crore)

Resources under various heads	2009-10	2010-11	2011-12	2012-13	2013-14
Public Account Receipts (Net)[11]	**- 95.21**	**36.66**	**820.54**	**- 351.76**	**897.29**
(a) Small Savings, Provident Fund, *etc*.	67.65	84.30	105.08	109.07	127.17
(b) Reserve Fund	7.02	- 4.14	14.30	- 7.44	18.08
(c) Deposits and Advances	- 105.14	- 10.12	617.37	- 582.04	825.60
(d) Suspense and Miscellaneous	- 39.71	- 28.89	- 18.42	110.67	- 76.71
(e) Remittances	- 25.03	- 4.49	102.21	17.98	3.15

[11] Public Account Receipts minus Disbursements. Details in Appendix 1.4 of Audit Report – 2009-10, 2010-11 and Appendix 1.3 of Audit Reports – 2011-12 to 2013-14.

Public Account receipts increased from a negative ₹ 351.76 crore during 2012-13 to ₹ 897.29 crore. Increase in receipts under Public Account during 2013-14 was mainly due to more receipts under 'Deposits and Advances' during the current year (₹ 825.60 crore) against a shortfall of ₹ 582.04 crore during the 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

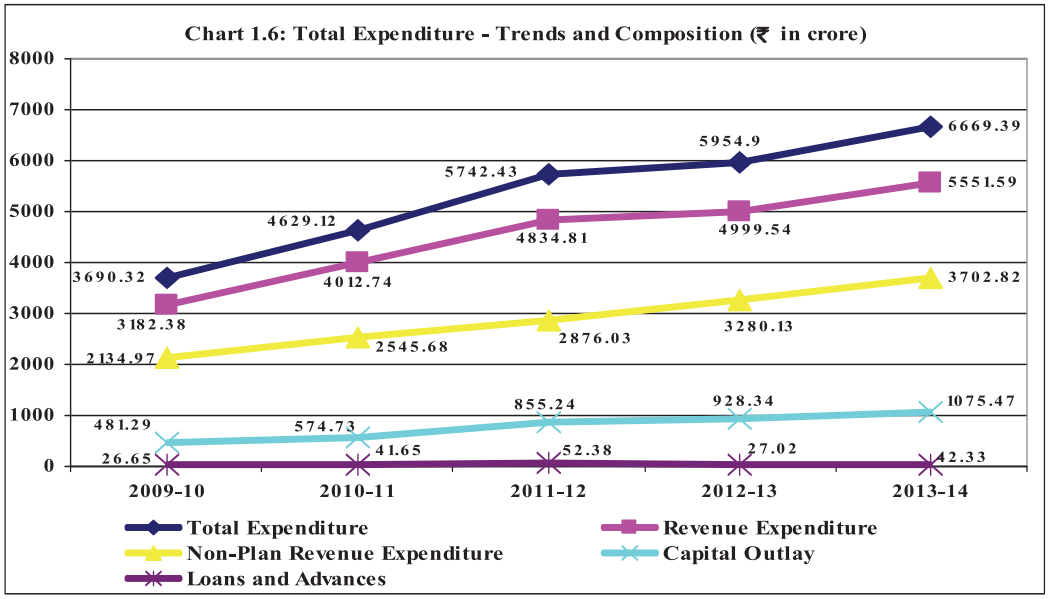
The total expenditure and its compositions during the years 2009-10 to 2013-14 are presented in the **Table 1.15**.

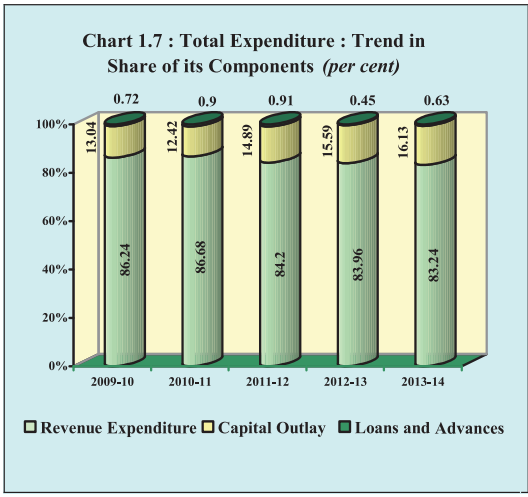
Table 1.15 : Total expenditure and its compositions

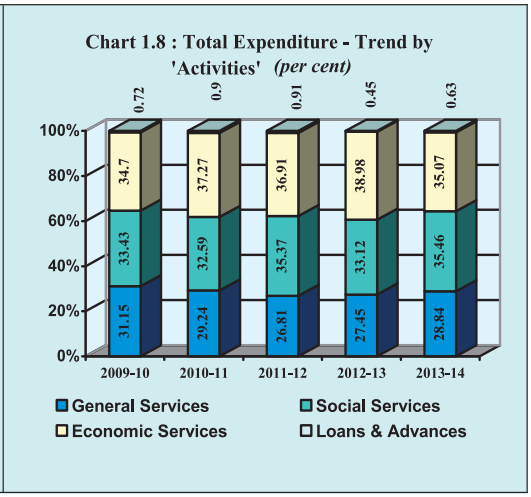
(₹ in crore)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Total Expenditure	**3690.32**	**4629.12**	**5742.43**	**5954.90**	**6669.39**
Revenue Expenditure	3182.38	4012.74	4834.81	4999.54	5551.59
Of which, Non-plan Revenue Expenditure	*2134.97*	*2545.68*	*2876.03*	*3280.13*	*3702.82*
Capital Outlay	481.29	574.73	855.24	928.34	1075.47
Loans and Advances	26.65	41.65	52.38	27.02	42.33

Chart 1.6 presents the trends in total expenditure over a period of five years (2009-14) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted respectively in **Charts 1.7 and 1.8.**







1.6.1.1 Trends in Total Expenditure

The total expenditure of the State increased by ₹ 2979.07 crore (80.73 *per cent*) from ₹ 3690.32 crore in 2009-10 to ₹ 6669.39 crore in 2013-14. 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	2009-10	2010-11	2011-12	2012-13	2013-14
Total Expenditure (TE) (₹ in crore)	3690.32	4629.12	5742.43	5954.90	6669.39
Rate of growth (*per cent*)	13.06	25.44	24.05	3.70	12.00
TE/GSDP ratio (*per cent*)	29.04	31.74	33.39	32.55	31.69
RR/TE ratio (*per cent*)	93.42	92.04	81.05	92.97	93.96
Buoyancy of Total Expenditure with reference to:					
GSDP (ratio)	1.39	1.73	1.34	0.58	0.80
RR (ratio)	0.58	1.08	2.60	0.20	0.91

The increase of ₹ 714.49 crore (12 *per cent*) in total expenditure during 2013-14 over previous year was on account of increase of ₹ 552.05 crore in revenue expenditure followed by increase in capital outlay by ₹ 147.13 crore and disbursement of loans and advances by ₹ 15.31 crore. While the share of plan expenditure constituted 44.08 *per cent* (₹ 2939.74 crore) of the total expenditure, the remaining 55.92 *per cent* (₹ 3729.65 crore) was non-plan expenditure. During the current year, 93.96 *per cent* (₹ 6266.73 crore) of the total expenditure was met from revenue receipts. The buoyancy of total expenditure to GSDP stood at 0.80 in 2013-14 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 0.91 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 2013-14, expenditure on

general services and interest payments, which is considered as non-developmental, together accounted for 28.84 *per cent.* On the other hand, expenditure on social and economic services (excluding loans and advances) together accounted for 70.53 *per cent* during 2013-14. The relative share of social services increased from 33.12 *per cent* in 2012-13 to 35.46 *per cent* in 2013-14, whereas the relative share of economic services declined from 38.98 *per cent* during 2012-13 to 35.07 *per cent* during 2013-14. Loans and advances revealed wide fluctuations during the period 2009-14 and stood at 0.63 *per cent* of total expenditure during 2013-14.

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	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue Expenditure (RE)	3182.38	4012.74	4834.81	4999.54	5551.59
Of which					
Non-Plan Revenue Expenditure (NPRE)	2134.97 (67.09)	2545.68 (63.44)	2876.03 (59.49)	3280.13 (65.61)	3702.82 (66.70)
Plan Revenue Expenditure (PRE)	1047.41 (32.91)	1467.06 (36.56)	1958.78 (40.51)	1719.41 (34.39)	1848.77 (33.30)
Rate of Growth of					
RE (*per cent*)	18.62	26.09	20.49	3.41	11.04
NPRE (*per cent*)	27.29	19.24	12.98	14.05	12.89
PRE (*per cent*)	4.17	40.07	33.52	- 12.22	7.52
Ratio (*per cent*)					
RE as percentage of TE	86.24	86.68	84.19	83.96	83.24
NPRE/GSDP (*per cent*)	16.80	17.46	16.72	17.93	17.60
NPRE as percentage of TE	57.85	54.99	50.08	55.08	55.52
NPRE as percentage of RR	61.93	59.75	61.79	59.25	59.09
Buoyancy Ratio of Revenue Expenditure with					
GSDP	1.98	1.77	1.14	0.53	0.74
Revenue Receipts	0.82	1.11	2.22	0.18	0.84

(Figures in brackets represent percentages to revenue expenditure)

Revenue expenditure constituted 83.24 *per cent* to 86.68 *per cent* of total expenditure during 2009-14 and increased by ₹ 2369.21 crore (74.45 *per cent*) from ₹ 3182.38 crore in 2009-10 to ₹ 5551.59 crore in 2013-14. The non-plan revenue expenditure (NPRE) during the same period increased by ₹ 1567.85 crore (73.44 *per cent*) from ₹ 2134.97 crore to ₹ 3702.82 crore. Plan revenue expenditure (PRE), which normally covers the maintenance expenditure incurred on services, stood at 33.30 *per cent* of revenue expenditure during 2013-14 and was lowest in last four years.

The NPRE constituted a dominant share of 66.70 *per cent* in the revenue expenditure during 2013-14 and has increased by ₹ 422.69 crore (12.89 *per cent*) over the previous year. The growth of NPRE during 2013-14, however, decreased to 12.89 *per cent* against 14.05 *per cent* during the previous year. In absolute terms, the increase in NPRE during 2013-14 was mainly due to increase in expenditure under general education (₹ 64.50 crore) followed by agriculture and allied activities (₹ 56.73 crore), industry and minerals (₹ 23.41 crore) and health and family welfare (₹ 20.58 crore). On the other hand, PRE increased by ₹ 129.36 crore only over the previous year. The growth of PRE during 2013-14 was 7.52 *per cent.*

The NPRE at ₹ 3702.82 crore during 2013-14 was 18.33 *per cent* (₹ 573.52 crore) higher than the normatively assessed level of ₹ 3129.30 crore by XIII FC (**Table 1.18).**

Table 1.18 : Non-Plan Revenue Expenditure during 2013-14: Actuals *vis-à-vis* Normative Assessment by XIII FC

(₹ in crore)

Sectors	XIII FC Recommendations	Actuals
Salary	1096.69	1654.58
Interest Payments	368.39	371.50
Pension	273.73	450.87
Other General Services	212.20	292.60
Social Services	373.35	576.47
Economic Services	181.42	356.80
Committed Liabilities	623.52	-
Total	**3129.30**	**3702.82**

The actual expenditure incurred during 2013-14 on all components of NPRE (Salary, Interest Payments, Pension, Other General Services, Social Services and Economic Services) was more than the assessments made by the XIII FC. The total NPRE during 2013-14 also exceeded the projection made by the State Government in its Budget (net: ₹ 3479.89 crore) by 6.41 *per cent* (₹ 222.93 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 2013-14, the revenue receipts of Meghalaya, excluding Plan assistance (₹ 2495.91 crore), was ₹ 3770.82 crore. Against this, the NPRE during the year was ₹ 3702.82 crore. As such, during 2013-14, 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 2009-14.

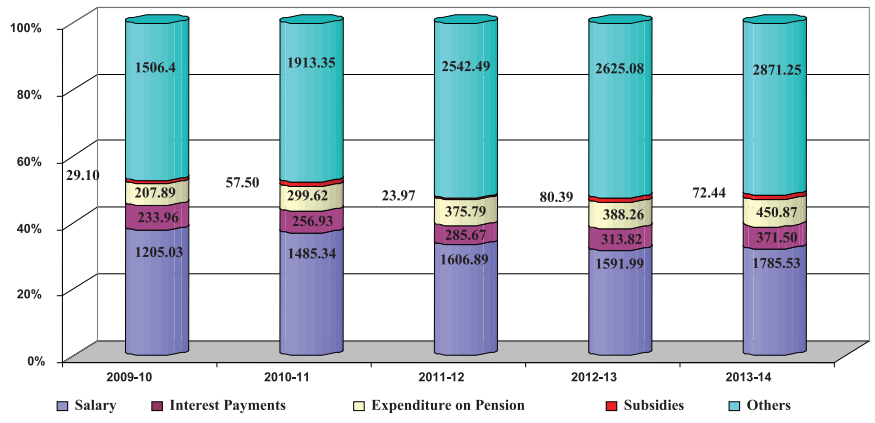
Table-1.19 : Components of Revenue Expenditure

(₹ in crore)

Components of Expenditure	2009-10	2010-11	2011-12	2012-13	2013-14
Salary[12]	1205.03 (34.95)	1485.34 (34.86)	1606.89 (34.52)	1591.99 (28.76)	1785.53 (28.49)
Of which					
Non-Plan Head	*999.36 (28.99)*	*1231.40 (28.90)*	*1324.62 (28.46)*	*1464.32* (26.45)	*1654.58 (26.40)*
Plan Head	*205.67 (5.97)*	*253.94 (5.96)*	*282.27 (6.06)*	*127.67 (2.31)*	*130.95 (2.09)*
Interest Payments	233.96 (6.79)	256.93 (6.03)	285.67 (6.14)	313.82 (5.67)	371.50 (5.93)
Expenditure on Pension and other retirement benefits	207.89 (6.03)	299.62 (7.03)	375.79 (8.07)	388.26 (7.01)	450.87 (7.19)
Subsidies	29.10 (0.84)	57.50 (1.35)	23.97 (0.51)	80.39 (1.45)	72.44 (1.16)
Other Components of revenue expenditure, i.e, other than salary, interest payments, pension and subsidies	1506.40 (43.70)	1913.35 (44.91)	2542.49 (54.62)	2625.08 (47.42)	2871.25 (45.82)

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

Chart 1.9: Share of expenditure on Salary, Interest Payments, Pension, Subsidies and Others in Revenue Expenditure during 2009-14 (Value in label ₹ in crore)



1.6.1.4 Salary

Salary alone during 2013-14 accounted for 28.49 *per cent* of the revenue receipts of the State during the year. It also increased by 12.16 *per cent* from ₹ 1591.99 crore in 2012-13 to ₹ 1785.53 crore in 2013-14. Expenditure on salary under non-plan head during 2013-14 significantly increased by ₹ 190.26 crore (12.99 *per cent*) over the previous year, whereas this expenditure under plan head marginally increased by ₹ 3.28 crore (2.57 *per cent*) over the previous year. *The non-plan revenue expenditure on salary component during 2013-14 was also significantly higher by 50.87 per cent (₹557.89 crore) than the assessment made by the XIII FC for the State (₹1096.69 crore).*

Further, the State Government, in its FPS Statement for the year 2013-14, committed to reduce expenditure on salaries and wages through an objective analysis of the relevancy of existing posts and abolition of posts identified as redundant. Increase in

[12] Salary does not include wages.

expenditure on salary alone by 12.16 *per cent* during 2013-14 against a decrease of 0.93 *per cent* during the previous year indicates that the State Government was not successful in fulfilling its commitment.

1.6.1.5 Interest Payments

Compared to previous year, interest payments during 2013-14 increased by 18.38 *per cent* (₹ 57.68 crore). Interest payments were on market loans (₹ 189.54 crore), State Provident Funds (₹ 80.81 crore), Special Securities issued to National Small Savings Fund of the Central Government (₹ 54.10 crore), loans and advances received from Central Government (₹ 20.49 crore) and other internal debts including interest on ways and means advances and other obligations (₹ 26.56 crore). Of the total interest payments during the year, around 51 *per cent* (₹ 189.54 crore) were paid on market borrowings. *The overall interest payments (₹ 371.50 crore) was also higher than the projections made by the XIII FC (₹ 368.39 crore) as well as budget estimates (₹ 354.19 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 2009-14. Pension payments during the current year have increased by ₹ 62.61 crore, an increase of 16.13 *per cent* over the previous year. The comparative analysis of actual pension payments and the projection made by the State Government shows that actual pension payment exceeded the projection made by the State Government in its Budget for the year 2013-14 and MTF Plan by ₹ 115.76 crore.

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 decreased by 9.89 *per cent* from ₹ 80.39 crore in 2012-13 to ₹ 72.44 crore during 2013-14. The decrease of ₹ 7.95 crore was mainly due to decrease in payment of subsidy under fisheries by ₹ 32.69 crore and crop husbandry by ₹ 5.28 crore during the current year over previous year and increase under animal husbandry and dairy development by ₹ 21.58 crore.

1.6.2 Capital Outlay

Capital outlay during the current year (2013-14) increased by ₹ 147.13 crore over previous year mainly due to increased expenditure on housing and urban development (₹ 99.94 crore), transport (₹ 74.59 crore) and health and family welfare (₹ 32.98 crore), partly offset by decrease in expenditure on irrigation and flood control (₹ 78.34 crore) and special areas programme (₹ 35.39 crore). As *per cent* to

total expenditure, capital outlay showed a fluctuating trend over the period 2009-10 to 2013-14 and ranged between 12.42 *per cent* and 16.13 *per cent*. The capital outlay constituted 16.13 *per cent* of total expenditure during 2013-14 against 15.59 *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 did not fulfil its commitment made in the budget as it fell short by 39.39 *per cent* (₹ 698.81 crore) of the budget estimate (₹ 1774.28 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 1.20**.

Table 1.20 : Financial Assistance to Local Bodies, *etc.*

(₹ in crore)

Financial Assistance to Institutions	2009-10	2010-11	2011-12	2012-13	2013-14	
					Budget Estimate	Actual
University and Educational Institutions	291.70	379.02	590.54	507.84	756.34	586.86
Co-operative Societies	0.64	0.65	3.18	2.77	16.67	2.60
District Councils	1.05	10.92	2.86	2.60	10.39	5.98
Municipalities, Meghalaya Urban Development Authority, *etc.*	1.97	3.00	2.89	10.30	26.69	20.19
Power sector	110.65	114.52	179.10	174.22	208.31	160.09
Other Institutions[13]	34.66	33.20	48.14	44.33	63.70	71.65
Total	**440.67**	**541.31**	**826.71**	**742.06**	**1082.10**	**847.37**
Assistance as percentage of RE	13.85	13.49	17.10	14.84		15.26

The financial assistance extended to the above local bodies and other institutions with inter-year variations increased by 14.19 *per cent* from ₹ 742.06 crore in 2012-13 to ₹ 847.37 crore in 2013-14. The share of financial assistance in revenue expenditure also increased from 14.84 *per cent* in 2012-13 to 15.26 *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 2013-14.

University and Educational Institutions were the major recipients as over 69 *per cent* of the total financial assistance during 2013-14 was given to them. The assistance under this sector also increased by 15.56 *per cent,* i.e. from ₹ 507.84 crore during 2012-13 to ₹ 586.86 crore during the current year. Of ₹ 586.86 crore, ₹ 307.49 crore was given to Non-Government Primary Schools and ₹ 165.54 crore to Non-Government Secondary Schools. Out of ₹ 71.65 crore given to other

[13] **Other Institutions (figures for 2013-14 in brackets)**: Patients suffering from TB, Cancer and other fell diseases (₹ 21.87 crore), National Rural Health Mission (₹ 15.14 crore), Emergency Management Research Institute & NGOs (₹ 13.20 crore), Construction of Working Womens' Hostel and Hajong Boys' Hostel (₹ 5.34 crore), Local bodies for prevention of air and water (₹ 3.96 crore), Khadi Industries (₹ 2.83 crore), Public Sector Undertakings (₹ 2.69 crore), Forest Development Corporation (₹ 1.75 crore), Indian Red Cross Society, Shillong, Meghalaya State Housing Board, Voluntary Organisations, Meghalaya, State Medical Plant Board, Meghalaya State Social Welfare Board, Meghalaya State Bio-Diversity Board, *etc.* (₹ 4.87 crore).

institutions, major share (₹ 21.87 crore) was paid to the patients suffering from TB, Cancer and other fell disease followed by National Rural Health Mission (₹ 15.14 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 Shillong Muncipal Board, the other five ULBs are yet to maintain their annual accounts as per prescribed format. 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 Devolution of funds to ULBs

As per the information furnished (September 2014) by the Director, Urban Affairs, Meghalaya, the devolution of funds by the State Government to urban local bodies during 2009-10 to 2013-14 is as indicated in **Table 1.21**:

Table 1.21

(₹ in crore)

	2009-10	2010-11	2011-12	2012-13	2013-14
Amount sanctioned					
Grants-in-aid (Non-Plan)					
(i) General purpose	1.24	2.05	2.02	3.06	3.36
(ii) Special purpose	0.44	0.22	0	0	0.45
Grants-in-aid (Plan)	0.15	0.30	0.50	0.56	0.65
XII FC/XIII FC Award	3.20	8.31	11.90	15.24	0.51
Total	**5.03**	**10.88**	**14.42**	**18.86**	**4.97**
Expenditure					
Grants-in-aid (Non-Plan)					
(i) General purpose	1.24	2.05	1.98	2.71	1.14
(ii) Special purpose	0.44	0.22	0	…	0.45
Grants-in-aid (Plan)	0.15	0.29	0.25	NA	NA
XII FC/XIII FC Award	3.20	8.31	11.90	NA	NA
Total	**5.03**	**10.87**	**14.13**	**2.71**	**1.59**

Against ₹ 54.16 crore sanctioned by the State Government during 2009-14, information regarding expenditure of ₹ 34.33 crore has so far been furnished by the Director, Urban Affairs, Meghalaya. As regards expenditure of Grants-in-aid (Plan) and XII FC/XIII FC Award during 2012-13 and 2013-14, the Director,

Urban Affairs stated that the amount was released to the Boards, but utilisation certificates had not been received.

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[14]. Apart from improving the allocation towards development expenditure[15], the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.22** presents the trends in development expenditure relative to the total expenditure of the State during the current year *vis-à-vis* budgeted and the previous years, **Table 1.23** provides the details of capital outlay and the components of revenue expenditure incurred on the selected social and economic services.

Table 1.22 : Development Expenditure

(₹ in crore)

Components of Development Expenditure	2009-10	2010-11	2011-12	2012-13	2013-14	
					BE (Net)	Actual
Development Expenditure (a to c)	**2524.80 (68.42)**	**3260.49 (70.43)**	**4186.36 (72.90)**	**4304.87 (72.29)**	**7320.65 (80.15)**	**4729.97 (70.92)**
a. Development Revenue Expenditure	2081.39 (56.40)	2695.94 (58.24)	3347.62 (58.30)	3425.74 (57.53)	5620.86 (61.54)	3713.22 (55.68)
b. Development Capital Outlay	432.89 (11.73)	538.09 (11.62)	802.80 (13.98)	867.75 (14.57)	1687.75 (18.48)	990.65 (14.85)
c. Development Loans and Advances	10.52 (0.29)	26.46 (0.57)	35.94 (0.62)	11.38 (0.19)	12.04 (0.13)	26.10 (0.39)

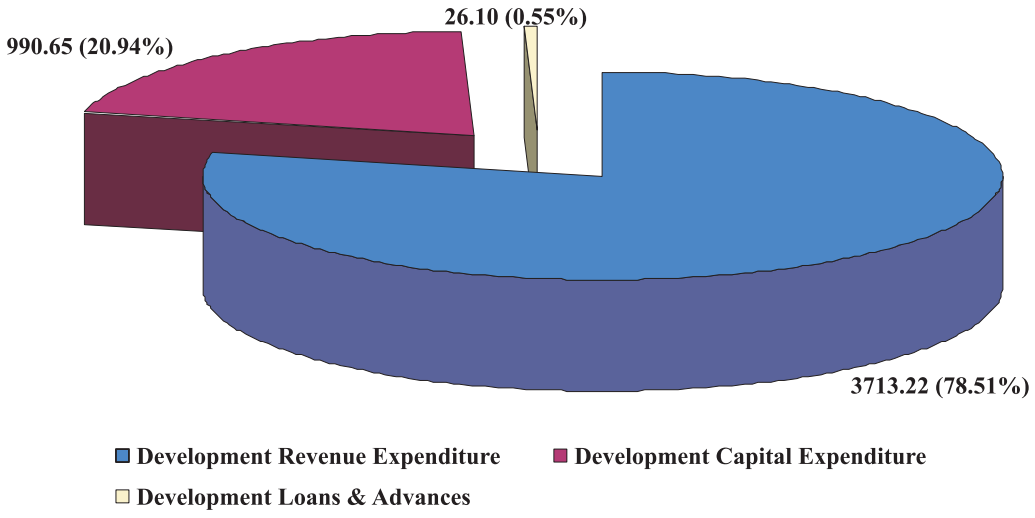
(*Figures in parentheses indicate percentage to total expenditure*)

The development expenditure increased by 9.87 *per cent* over previous year. During the current year, though the State Government earmarked 80.15 *per cent* of the estimated total expenditure for development expenditure, this assessment fell short by 9.23 *per cent* at the end of the year, as only 70.92 *per cent* of the total expenditure

[14] As defined in Appendix 1.1
[15] As defined in Appendix 1.1.

during 2013-14 was incurred for development purposes. The relative share of development expenditure during 2013-14 given in **Chart 1.10** below showed that 78.51 *per cent* of the development expenditure was incurred on revenue account and only 20.94 *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 12.83 *per cent* and 6.57 *per cent* of total revenue expenditure on salary under social services and economic services respectively) which did not result in any addition to State's infrastructure and service network. Thus, expenditure pattern under this sector needs correction in the ensuing year.

Table 1.23 : Efficiency of Expenditure Use in Selected Social and Economic Services

(In *per cent*)

Social/Economic Infrastructure	2012-13		2013-14	
	Ratio of Capital Expenditure to Total Expenditure[16]	In Revenue Expenditure, the share of Salary[17]	Ratio of Capital Expenditure to Total Expenditure[16]	In Revenue Expenditure, the share of Salary[17]
Social Services (SS)	**11.37**	**37.11**	**16.54**	**36.09**
General Education	0.33	35.05	1.01	33.82
Technical Education, Sports, Arts and Culture	0.57	15.62	9.32	12.16
Health and Family Welfare	15.89	63.58	21.35	67.04
Water Supply & Sanitation, Housing and Urban Development	40.64	31.69	53.91	35.20
Other SS	0.00	21.03	1.31	18.60

[16] Total revenue and capital expenditure of the services concerned.
[17] Does not include wages.

Social/Economic Infrastructure	2012-13		2013-14	
	Ratio of Capital Expenditure to Total Expenditure[16]	In Revenue Expenditure, the share of Salary[17]	Ratio of Capital Expenditure to Total Expenditure[16]	In Revenue Expenditure, the share of Salary[17]
Economic Services (ES)	**27.72**	**19.65**	**25.63**	**20.97**
Agriculture and Allied Activities	2.07	37.87	2.68	35.77
Irrigation & Flood Control	53.48	26.69	14.46	60.26
Energy	0.00	0.00	0.00	0.00
Transport	70.93	0.00	77.34	0.00
Other ES	14.18	15.85	8.75	16.14

Social Services

The trends presented in **Table 1.23** reveal that development capital expenditure as a percentage of total expenditure constituted only 16.54 *per cent* in 2013-14, which indicated that the revenue expenditure was dominant. Compared to 2012-13, there was improvement in the share of capital expenditure during 2013-14 under all the infrastructure of social services.

Of the revenue expenditure on social services, the share of salary component marginally decreased from 37.11 *per cent* in 2012-13 to 36.09 *per cent* in 2013-14. The non-salary expenditure on social services increased by 14.75 *per cent* during 2013-14 from ₹ 1099.35 crore in 2012-13 to ₹ 1261.52 crore in 2013-14. 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 2013-14, share of salary expenditure under health and family welfare services was 67.04 *per cent* of Revenue Expenditure.

Economic Services

The share of capital expenditure on economic services to total of revenue and capital expenditure on economic services decreased to 25.63 *per cent* during 2013-14 from 27.72 *per cent* in 2012-13. Salary component within the revenue expenditure on economic services as a percentage of the total expenditure on economic sector marginally increased from 19.65 *per cent* in 2012-13 to 20.97 *per cent* in 2013-14.

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

According to the information furnished (September 2014) by the Directorate of Programme Implementation & Evaluation, GOM, the position of implementation of flagship programmes/schemes till 2013-14 is given in **Appendix 1.5**. Details of significant shortfall in achievement of targets are given in **Table 1.24** below:

Table 1.24

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2014			
		Funds available up to 31 March 2014	Actual expenditure up to 31 March 2014	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome (Percentage of shortfall)
1.	Indira Awaas Yojana (IAY)	98.96	87.99	Houses constructed	Nos.	13,865	5,037 (64)
2.	Sarva Shiksha Abhiyan (SSA)	1465.75	1400.62	Salary, Grants Training, Learning enhancement Programme, *etc.*	Centre/ School Schools	11,45,215	6,53,823 (43)
3.	Special Nutrition Programme (SNP) in ICDS Areas	88.31	88.31	Beneficiaries	Nos.	6,48,973	5,20,503 (20)
4.	Mid Day Meal Programme	6.99	3.73	Foodgrain	MT	12,378.91	9,861.95 (20)
5.	Mid Day Meal Programme	1.21	0.73	Transportation cost	MT	12,378.91	7,427.35 (40)
6.	Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	3354.59	3354.59	Survey, engineering, design, construction and distribution, *etc.*	NA	NA	70% (30)
				Construction of Houses at Nongmensong (Phase I)	Units	300	160 (47)
				-do- Phase II	Units	300	16 (95)
				Integrated Slum Development	Units	168	0 (100)
				Housing at Tura	Units	456	48 (89)
7.	Rural Drinking Water Programme (RDWP)	77.00	68.05	Habitations covered	Nos.	200	50 (75)
8.	Total Sanitation Campaign (TSC)	96.97	46.35	Habitations covered	Nos.	50,266	29,012 (42)
9.	Accelerated Irrigation Benefit Programme (AIBP)	100.00	44.75	Schemes on Soil & Water Conservation	In Ha	7300	3267 (55)

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2014			
		Funds available up to 31 March 2014	Actual expenditure up to 31 March 2014	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome (Percentage of shortfall)
10.	Rashtriya Krishi Vikas Yojana (RKVY)	763.76	150.00	**Horticulture Department** Cluster Cooperative Trading & Training Centre	NA	NA	10 % (90)
				Citrus Project for Quality Planting Material at Dewlieh farm	NA	NA	31 % (69)
				Completion of Farmers's Hostel at Rongram	NA	NA	46 % (54)
				Cluster Cooperative Trading & Training Centre	NA	NA	10 % (90)
				Orchid Valley Establishment	NA	NA	28 % (72)
				Upgradation of infrastructure at Kyrwen Farm	NA	NA	29 % (71)

Source: Directorate of Programme Implementation & Evaluation, GOM and State Project Director, SSA State Education Mission Authority (Sl. No. 2, Column 2 & 3)

As can be seen from the above table, major shortfall in achievement of targets was under JNNURM (30 *per cent* to 100 *per cent*).

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 2013-14, as of 31 March 2014, there were 57 ongoing projects in the State. The department-wise information pertaining to incomplete projects as on 31 March 2014 even after target date(s) of completion is given in **Table 1.25**.

Table 1.25 : 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 on incomplete projects (as of March 2014)
			Number	Amount			
Water Resources	02	10.48	Not available (NA)	NA	NA	…	6.47
Public Works (Roads & Bridges)	07	70.48	NA	NA	NA	…	36.90
Total	**09**	**80.96**	**NA**	**NA**	**NA**	**…**	**43.37**

As can be seen from the above table, nine projects stipulated for completion on or before March 2014 at an estimated cost of ₹ 80.96 crore, remained incomplete with an expenditure of ₹ 43.37 crore. Effective steps need to be taken to complete the incomplete projects without further delay to avoid cost overrun due to time overrun.

1.9.2 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 2013-14, as of 31 March 2014, the State Government had invested ₹ 429.78 crore in two Statutory Corporations (₹ 83.41 crore), eight Government Companies (₹ 254.36 crore) and 1,444 Co-operative Banks and Societies (₹ 92.01 crore). Details are given in **Table 1.26.**

Table 1.26 : Return on Investment

Investment/Return/Cost of Borrowings	2009-10	2010-11	2011-12	2012-13	2013-14
Investment at the end of the year (₹ in crore)					
(i) Statutory Corporations	70.91	71.11	71.11	71.11	83.41
(ii) Government Companies	152.51	177.51	188.51	228.68	254.36
(iii) Co-operative Societies	62.77	67.17	77.45	83.72	92.01
Total	**286.19**	**315.79**	**337.07**	**383.51**	**429.78**
Return (₹ in crore)	0.04	0.03	0.08	0.08	0.13
Return (*per cent*)	0.01	0.01	0.02	0.02	0.03
Average rate of interest on Government borrowing *(per cent)*	6.34	6.51	6.22	6.24	6.61
Difference between interest rate and return (*per cent*)	6.33	6.50	6.20	6.22	6.58

Of the two Statutory Corporations, bulk of the investment (₹ 81.27 crore) was made to the Meghalaya Transport Corporation Limited during 1986-2014 which had

accumulated loss of ₹ 83.28 crore as per the latest finalised annual accounts (2009-10). Out of ₹ 254.36 crore invested in Government Companies, ₹ 144.79 crore was invested in Mawmluh Cherra Cements Limited during 1958-2014, which had accumulated loss of ₹ 48.06 crore as per the latest finalised annual accounts (2011-12). Further, out of ₹ 92.01 crore invested in co-operative banks/societies, ₹ 23.01 crore was invested in 1,091 loss making co-operative banks/societies, which had accumulated losses of ₹ 7.48 crore up to 31 March 2010. Working results of one Government company and 122 co-operative banks/societies had not been intimated (August 2014).

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 1.27** presents the outstanding loans and advances as on 31 March 2014, interest receipts *vis-à-vis* interest payments during the last five years**.**

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

(₹ in crore)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Opening Balance	**510.91**	**520.88**	**535.28**	**564.95**	**568.72**
Amount advanced during the year	26.65	41.65	52.38	27.02	42.33
Amount recovered during the year	16.68	27.25	22.71	23.25	20.48
Closing Balance	**520.88**	**535.28**	**564.95**	**568.72**	**590.57**
Net Addition	9.97	14.40	29.67	3.77	21.85
Interest Receipts	2.59	4.62	4.83	6.46	6.76
Interest received as *per cent* to outstanding Loans and Advances	0.50	0.87	0.88	1.14	1.17
Interest payments as *per cent* to outstanding fiscal liabilities of the State Government	6.34	6.51	6.22	6.24	6.61
Difference between interest payments and receipts (*per cent*)	5.84	5.64	5.34	5.10	5.44

Loans and advances given by the State Government during 2013-14 increased by 56.66 *per cent* over previous year. The total outstanding loans and advances as on 31 March 2014 was ₹ 590.57 crore. Out of the loans of ₹ 42.33 crore advanced during 2013-14, ₹ 26.10 crore was given for power projects and ₹ 16.23 crore was given to Government servants. Interest receipt of ₹ 6.76 crore on loans and advances by GOM during 2013-14 constituted 1.17 *per cent* only of the outstanding loans and advances given by the State Government, whereas the Government was paying interest at an average rate of 6.61 *per cent* for the outstanding liabilities.

1.9.5 Cash Balances and Investment of Cash balances

Table 1.28 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table 1.28 : Cash Balances and Investment of Cash Balances

(₹ in crore)

Particulars	Opening balance on 01 April 2013	Closing balance on 31 March 2014
(a) General Cash Balance		
Cash in Treasuries	29.12	30.78
Deposits with Reserve Bank	- 45.46	- 521.09
	-16.34	**- 490.31**
Investments held in Cash Balance investment account	- 5.63	1317.00
Total (a)	**- 21.97**	**826.69**
(b) Other Cash Balances and Investments		
Cash with departmental officers of Forest and Public Works Departments	0.90	1.14
Permanent advances for contingent expenditure with departmental officers	[18]	0.01
Investment of earmarked funds	136.24	157.20
- *Sinking Fund Investment Account*	*136.21*	*157.17*
- *Other Development and Welfare Fund*	*0.03*	*0.03*
Total (b)	**137.14**	**158.35**
Grand Total (a) + (b)	**115.17**	**985.04**

Cash balances (excluding investment of earmarked funds) of the State Government at the end of the current year significantly increased from a negative ₹ 21.07 crore in 2012-13 to ₹ 827.84 crore in 2013-14. As on 31 March 2014, the Government invested ₹ 157.20 crore in Sinking Fund and Development and Welfare Fund. During 2013-14, interest of ₹ 26.81 crore was earned on investment of cash balances against ₹ 18.93 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. Under an agreement with the RBI, the State Government was to maintain a minimum cash balance of ₹ 21 crore with the Bank.

During the years 2009-10 to 2012-13, the Government did not have to resort to ways and means Advances and overdraft. However, during 2013-14, the minimum balance was maintained by the Government by obtaining ways and means advance of ₹ 157.09 crore for two days for which interest of ₹ 0.04 crore was paid during the year. This indicated the mismatch between flow of resources and expenditure obligations, which needs to be addressed by prudent cash management.

[18] ₹ 246 only

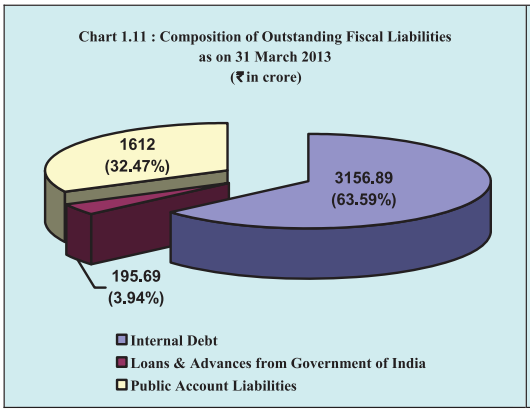
1.10 Assets and Liabilities

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 2014, compared with the corresponding position on 31 March 2013. 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.**



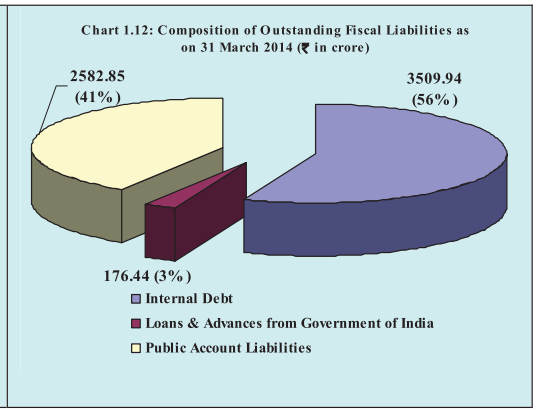


Table 1.29 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP to revenue receipts and State's own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

Table 1.29 : Fiscal Liabilities – Basic Parameters

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Fiscal Liabilities[19] (₹ in crore)	3802.62	4088.28	5090.28	4964.58	6269.23
Rate of Growth (*per cent*)	6.43	7.51	24.51	-2.47	26.28
Ratio of Fiscal Liabilities to					
GSDP (*per cent*)	29.92	28.04	29.60	27.13	29.79
Revenue Receipts (*per cent*)	110.31	95.96	109.36	89.67	100.04
Own Resources (*per cent*)	528.60	468.31	477.61	372.53	405.13
Buoyancy of Fiscal Liabilities to					
GSDP (ratio)	0.68	0.51	1.37	-0.39	1.75
Revenue Receipts (ratio)	0.28	0.32	2.65	-0.13	1.99
Own Resources (ratio)	0.31	0.35	1.11	-0.10	1.63

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

Fiscal liabilities of ₹ 6269.23 crore as of 31 March 2014 consist of internal debt, e.g., market loans, loans from financial institutions, Special Securities issued to National Small Savings Fund, *etc*. (₹ 3509.94 crore), loans and advances from Central Government (₹ 176.44 crore), small savings, provident funds, *etc.* (₹ 967.62 crore) and other liabilities, e.g., Reserve Funds and Deposits (₹ 1615.23 crore). Fiscal liabilities of the State increased from ₹ 3802.62 crore as of 31 March 2010 to ₹ 6269.23 crore as of 31 March 2014. Compared to previous year, the fiscal liabilities at the end of 2013-14 increased by 26.28 *per cent* mainly due to increase under other liabilities in the form of 'Deposit not bearing interest' by ₹ 825.48 crore (110.32 *per cent*). The ratio of fiscal liabilities to GSDP also increased from 27.13 *per cent* in 2012-13 to 29.79 *per cent* in 2013-14. These liabilities stood at over one time of the revenue receipts and four times of the State's own resources at the end of 2013-14. The buoyancy of these liabilities with respect to GSDP during the year was 1.75 indicating that for each one *per cent* increase in GSDP, fiscal liabilities increased by 1.75 *per cent*.

The State Government in its MTF Plan and MTFP Statement projected the Total Outstanding Liabilities-GSDP ratio for the year 2013-14 as 26.53 *per cent* and 31.64 *per cent* respectively. As can be seen from the **Table 1.29** above, the Fiscal Liabilities-GSDP ratio of the State (29.79 *per cent*) was higher during the year compared to assumption made in the MTF Plan, but was marginally lower than the projection 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 2014 in these funds was ₹ 198.35 crore (active funds: ₹ 196.31 crore; inactive funds: ₹ 2.04 crore) in nine reserve funds. However, only two are active. Investment out of these funds was ₹ 157.20 crore, which is 79.25 *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 2013-14, the Government has appropriated ₹ 21.68 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 2009-10 are given in **Table 1.30**.

Table 1.30: Guarantees given by GOM

(₹ in crore)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Maximum amount guaranteed	1033.34	948.79	1002.85	947.02	1188.64
Outstanding amount of guarantees (including interest)	953.74	1110.77	1293.20	1285.19	1610.55
Percentage of maximum amount guaranteed to total revenue receipts	29.97	22.27	21.55	17.11	18.97

Government has guaranteed loans raised by various Corporations and others, which at the end of 2013-14 stood at ₹ 1610.55 crore (including interest). Bulk of the guaranteed amount (₹ 1504.37 crore) was outstanding against the power sector for repayment of principal and payment of interest on loans from Rural Electrification Corporation (₹ 508.94 crore), Housing and Urban Development Corporation (₹ 235.61 crore) and short term loans, bonds, *etc.* (₹ 759.82 crore). The outstanding amount of guarantees is in the nature of contingent liabilities, which was around 19 *per cent* of revenue receipts of the State during 2013-14. *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.*

As of 31 March 2014, commission/fee amounting to ₹ 4.79 crore for the guarantees given by the State Government was receivable.

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[20]; sufficiency of non-debt receipts[21]; net availability of borrowed

[20] As defined in Appendix 1.1.

[21] As defined in Appendix 1.1.

funds[22]; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.31** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from 2009-10.

Table 1.31: Debt Sustainability: Indicators and Trends

(₹ in crore)

Indicators of Debt Sustainability	2009-10	2010-11	2011-12	2012-13	2013-14
Debt Stabilisation (Quantum Spread + Primary Deficit)	117.00	228.50	- 300.43	- 74.35	406.84
Sufficiency of Non-debt Receipts (Resource Gap)	208.81	- 115.10	- 723.86	669.95	13.12
Net Availability of Borrowed Funds	- 4.29	28.73	716.35	- 439.52	933.15
Burden of Interest Payments (IP/RR) (*per cent*)	6.79	6.03	6.14	5.67	5.93

Table 1.31 reveals that the quantum spread together with primary deficit, which was negative during 2011-13, not only turned positive in 2013-14, but also reached its peak during the period. At 29.79 *per cent*, the Debt[23]-GSDP ratio during 2013-14 (**Appendix 1.2**) was well below the target of outstanding Debt to GSDP (32 *per cent*) set forth by XIII FC for the State, but exceeded the assessment (26.53 *per* cent) made by the State Government in MTF Plan.

The trends in resource gap indicate the oscillation between positive and negative magnitudes. During 2013-14, though incremental non-debt receipts was sufficient to meet the incremental primary expenditure and interest burden, when compared with the situation during 2012-13, was not encouraging as the resource gap during 2013-14 declined to ₹ 13.12 crore only against ₹ 669.95 crore during the previous year.

The trends in debt redemption ratio fluctuated widely during 2009-14 and decreased to 65.94 *per cent* during 2013-14 against 127.17 *per cent* during the previous year (**Appendix 1.2).** During the current year, against receipts of ₹ 2739.66 crore, Government repaid ₹ 1806.51 crore as principal and interest on internal debt (₹ 547.91 crore), loans and advances from Central Government (₹ 39.83 crore) and other liabilities[24] (₹ 1218.77 crore), as a result of which borrowed fund of ₹ 933.15 crore was available at the end of the year.

1.11.2 Debt profile

As per Annexure to Statement 15 of the Finance Accounts for the year 2013-14, the maturity profile of the State debt is as indicated in **Table 1.32** and **Chart 1.13**.

22 As defined in Appendix 1.1.

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

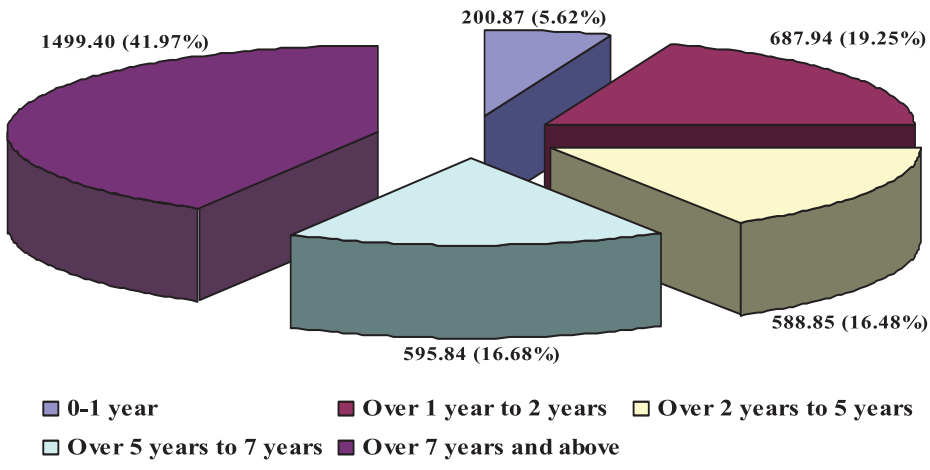
24 Small Savings, Provident Funds, Reserve Funds, Deposits, *etc.*

Table 1.32: Maturity Profile of State Debt

(₹ in crore)

Debt maturity	Maturity Profile	Amount			*Per cent*
		Internal Debt	Loans & Advances from GOI	Total	
During 2014-15	0-1 year	181.00	19.87	200.87	5.62
Between 2015-16 & 2016-17	Over 1 year to 2 years	653.00	34.94	687.94	19.25
Between 2017-18 & 2018-19	Over 2 years to 5 years	558.52	30.33	588.85	16.48
Between 2019-20 & 2020-21	Over 5 years to 7 years	563.70	32.14	595.84	16.68
2021-22 onwards	Over 7 years and above	1418.50	80.90	1499.40	41.97
Total		**3374.72**	**198.18**	**3572.90**	**100**

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



The maturity profile of outstanding stock of public debt as on 31 March 2014 indicates that out of the outstanding Public Debt of ₹ 3572.90 crore, 58.03 *per cent* (₹ 2073.50 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, internal debt consisting of market borrowings, loans from LIC, GIC, NABARD, *etc.* constituted 94.45 *per cent* (₹ 3374.72 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.

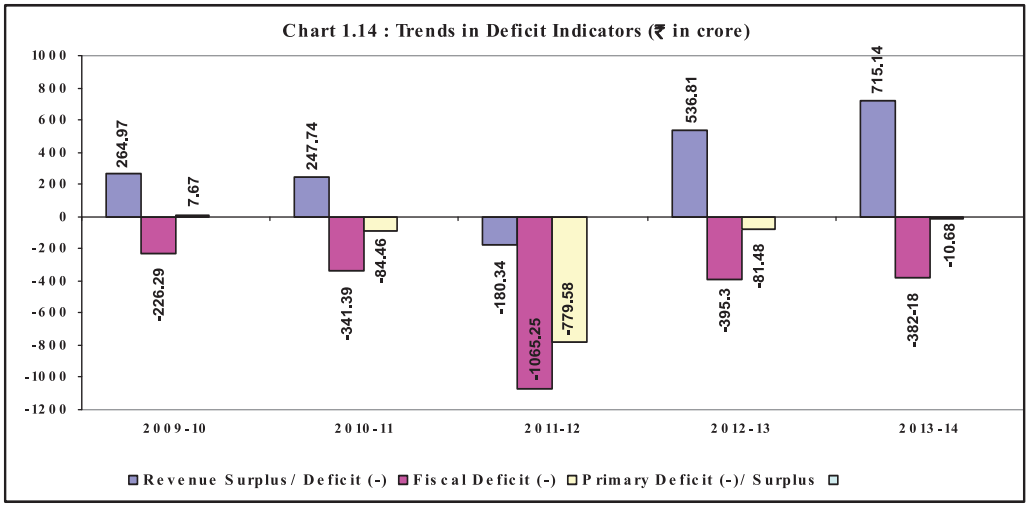
1.12 Fiscal Imbalances

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 2013-14.

1.12.1 Trends in Deficits

Charts 1.14 and **1.15** present the trends in deficit indicators over the period 2009-14.



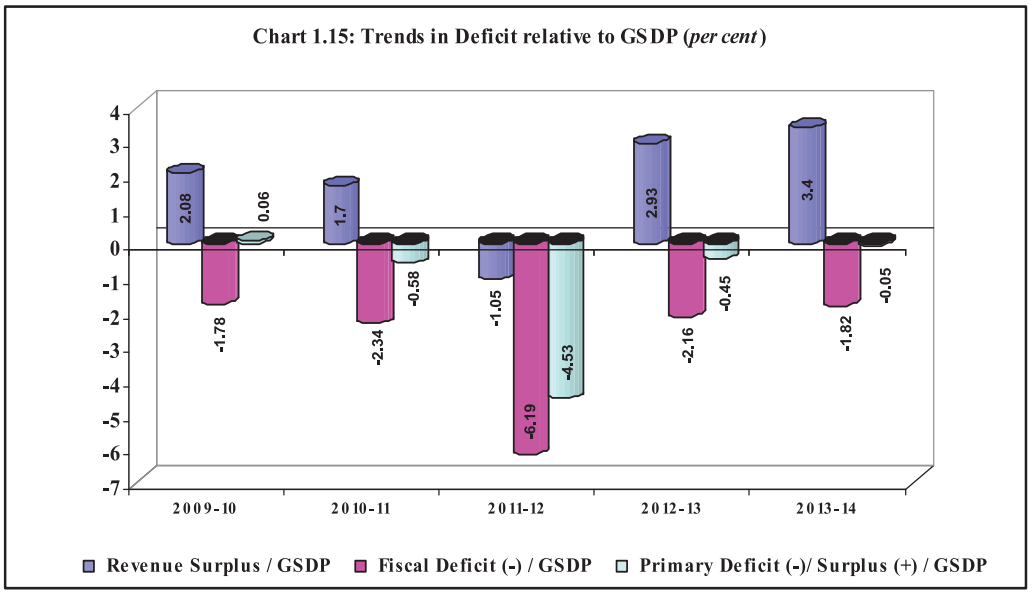


Chart 1.14 reveals that the State was able to attain a revenue surplus of a substantial amount of ₹ 715.14 crore during 2013-14 against ₹ 536.81 crore during the preceding year. The rise in revenue surplus during 2013-14 was mainly due to lesser increase (₹ 552.05 crore) in revenue expenditure against the increase (₹ 730.38 crore) in revenue receipts relative to previous year. The increase in revenue receipts was, however, mainly due to increase of central transfer in the form of share of Union Taxes and Duties and grants-in-aid by ₹ 515.61 crore. 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, but failed to achieve the assumption of revenue surplus (₹ 1250.13 crore) for the year 2013-14 made in the MTF Plan.

The fiscal deficit, which represents the total borrowings of the Government and its total resource gap, marginally declined from ₹ 395.30 crore in 2012-13 to ₹ 382.18 crore in 2013-14. This was mainly due to the fact that the increase in revenue and capital expenditure was commensurate with increase in revenue and non-debt capital receipts during the current year relative to the previous year. During the current year, the revenue and non-debt capital receipts increased by 13.09 *per cent* against 18.87 *per cent* during the previous year, while the revenue and capital expenditure (taken together) increased by 11.79 *per cent* against 4.18 *per cent* during the previous 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 1.82 *per cent* during 2013-14 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 2013-14 also decreased by ₹ 70.80 crore over previous year. A decrease of ₹ 13.12 crore in fiscal deficit and an increase in interest payment (₹ 57.68 crore) resulted in a primary deficit of ₹ 10.68 crore during the current year.

1.12.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.33.**

Table 1.33 : Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)

Sl. No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Decomposition of Fiscal Deficit (1 + 2 + 3)						
	Fiscal Deficit	**226.29**	**341.39**	**1065.25**	**395.30**	**382.18**
1.	Revenue Surplus (-)/ Deficit (+)	- 264.97	- 247.74	+ 180.34	- 536.81	- 715.14
2.	Net Capital Outlay	481.29	574.73	855.24	928.34	1075.47
3.	Net Loans and Advances	9.97	14.40	29.67	3.77	21.85
Financing Pattern of Fiscal Deficit[(a)]						
1.	Market Borrowing	191.66	120.00	208.55	298.00	286.55
2.	Loans from GOI	- 18.33	- 19.05	- 26.04	- 17.77	- 19.26
3.	Special Securities issued to NSSF	61.43	89.82	47.14	70.73	69.02
4.	Loans from Financial Institutions	25.23	24.54	35.62	3.76	- 2.51
5.	Small Savings, PF, *etc.*	67.65	84.30	105.08	109.07	127.17
6.	Reserve Funds	7.02	- 4.14	14.30	- 7.44	18.08
7.	Deposits and Advances	- 105.14	- 10.12	617.37	- 582.04	825.60
8.	Suspense and Miscellaneous	- 39.71	- 28.89	- 18.42	110.67	- 76.71
9.	Remittances	- 25.03	- 4.49	102.21	17.98	3.15
10.	Increase (-) / Decrease (+) in Cash Balances	+ 61.51	+ 89.42	- 20.56	+ 392.34	- 848.91
	Fiscal Deficit (percentage to GSDP)	**1.78**	**2.34**	**6.19**	**2.16**	**1.82**

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

There were fiscal deficits during the five year period ending 2013-14, which peaked to ₹ 1065.25 crore during 2011-12, but declined significantly to ₹ 382.18 crore during 2013-14. During 2013-14, fiscal deficit was over financed through deposits and advances, market borrowing, special securities issued to National Small Savings Fund (NSSF) of the Central Government, small savings, provident fund, *etc.* which led to increase in cash balance from minus ₹ 21.07 crore to ₹ 827.84 crore in 2013-14.

1.12.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital 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 1.34)** 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 1.34: 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)
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
2013-14	6287.21	5180.09	1075.47	42.33	6297.89	1107.12	- 10.68

The bifurcation of the factors resulting into primary deficit or surplus of the State during 2009-14 reveals that-

- Non-debt receipts increased by 81.50 *per cent* from ₹ 3464.03 crore in 2009-10 to ₹ 6287.21 crore in 2013-14.
- Total primary expenditure increased by ₹ 2841.53 crore (82.21 *per cent*) during 2013-14 compared to 2009-10 due to increase in primary revenue expenditure to the extent of ₹ 2231.67 crore (75.69 *per cent*) during the period 2009-10 to 2013-14.
- The primary revenue surplus continued to increase since 2012-13 and reached its peak to ₹ 1107.12 crore during 2013-14.
- In four (2010-11 to 2013-14) out of five years (2009-14), the State experienced primary deficit. However, non-debt receipts of the State were

sufficient to meet the primary expenditure[25] 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 2013-14 has been mainly on account of increase in capital expenditure by ₹ 147.13 crore compared to previous year, which may be desirable to improve the productive capacity of the State's economy.

1.13 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 (July 2014) from the Finance Department, GOM, had not been furnished (November 2014). As such, the position of PPP projects in the State could not be ascertained by Audit.

1.14 Conclusion and Recommendations

The fiscal position of the State viewed in terms of key fiscal parameters – revenue surplus, fiscal deficit, primary deficit – indicated significant improvement in the financial health of the State during 2013-14 relative to previous four years (2009-14). During 2013-14, the State continued to maintain the status of revenue surplus as the revenue deficit of ₹ 180.34 crore during 2011-12 which turned to revenue surplus for an amount of ₹ 536.81 crore during 2012-13, increased to ₹ 715.14 crore during the current year. This achievement was mainly due to lesser increase (₹ 552.05 crore) in revenue expenditure against the increase (₹ 730.38 crore) in revenue receipts relative to previous year. The fiscal deficit as well as primary deficit of the State have also decreased during 2013-14 compared to previous year.

[25] 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.

Revenue Receipts

Revenue receipts during 2013-14 grew by 13.19 *per cent* (₹ 730.38 crore) over previous year. The tax revenue and non-tax revenue receipts exceeded normative assessment made by XIII FC by 29.98 *per cent* and 79.95 *per cent* respectively. But State's own resources (tax and non-tax revenue) contributed 29.41 *per cent* (₹ 214.77 crore) of the incremental revenue receipts during 2013-14 (₹ 730.38 crore). The Central transfers comprising State's share of central taxes and grants-in-aid from the Government of India increased by ₹ 515.61 crore in 2013-14 and contributed 70.59 *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

Compared to previous year, the revenue expenditure during 2013-14 increased by 11.04 *per cent.* The expenditure pattern of the State reveals that though the revenue expenditure as a percentage of total expenditure marginally decreased by 0.72 *per cent* in the current year over previous year, it hovered around 85 *per cent* during the period (2009-14) leaving inadequate resources for expansion of services and creation of assets. Within the revenue expenditure, NPRE at ₹ 3702.82 crore in 2013-14 constituted 66.70 *per cent* and remained significantly higher (18.33 *per cent*) than the normatively assessed level of ₹ 3129.30 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 48.28 *per cent* during 2013-14. During 2013-14, though the development expenditure (₹ 4729.97 crore) increased by ₹ 425.10 crore (9.87 *per cent*) over the previous year, it was much below the budget estimate (₹ 7320.65 crore) for 2013-14. The relative share of revenue development expenditure was 78.51 *per cent* of the total development expenditure, while this share in respect of capital development expenditure was only 20.94 *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 2013-14 (₹ 1075.47 crore) increased by ₹ 147.13 crore over previous year. It increased to 16.13 *per cent* of total expenditure during 2013-14 against 15.59 *per cent* during the preceding year, but fell short by 39.39 *per cent* (₹ 698.81 crore) of the projection (₹ 1774.28 crore) made by the State Government in its budget for the year.

Expenditure pattern of the State Government needs correction. 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 2013-14, 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 ₹ 395.30 crore in 2012-13 to ₹ 382.18 crore during the current year. Primary deficit also decreased significantly by around 87 *per cent* (₹ 70.80 crore) compared to the previous year. The fiscal deficit-GSDP ratio stood at 1.82 *per cent* during 2013-14 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 2009-14 indicates continued reliance of the State on borrowed funds, resulting in increasing fiscal liabilities of the State over the period 2009-14, which increased by 26.28 *per cent* during 2013-14 compared to previous year. The fiscal liabilities during 2013-14 stood at 29.79 *per cent* of the GSDP during the current year against 27.13 *per cent* during 2012-13 and also exceeded the limit of total outstanding liabilities-GSDP ratio projected in MTF Plan (26.53 *per cent*) for the year.

The average return on investment in Statutory corporations, Government companies and Co-operative societies was less than one *per cent* during 2009-14, while the Government paid interest at an average rate of 6.22 *per cent* to 6.61 *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 0.50 *per cent* and 1.14 *per cent* during 2009-13 and stood at 1.17 *per cent* during 2013-14.

Though there was an indication of improvement in the financial health of the State during 2013-14 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-ratio can be restricted to the projection made in the MTF Plan. 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 2013-14 against 57 Grants (including 10 Appropriations) and three 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	6970.57	617.11	7587.68	5146.29	(-) 2441.39
	II. Capital	1748.23	81.08	1829.31	1075.47	(-) 753.84
	III. Loans and Advances	28.37	18.49	46.86	42.33	(-) 4.53
Total Voted		**8747.17**	**716.68**	**9463.85**	**6264.09**	**(-) 3199.76**
Charged	IV. Revenue	388.74	5.60	394.34	410.09	(+) 15.75
	V. Capital	…	…	…	…	…
	VI. Public Debt-Repayment	193.54	…	193.54	298.71	(+) 105.17
Total Charged		**582.28**	**5.60**	**587.88**	**708.80**	**(+) 120.92**
Appropriation to Contingency Fund (if any)		…	…	…	…	…
Grand Total		**9329.45**	**722.28**	**10051.73**	**6972.89**	**(-) 3078.84**

The overall saving of ₹ 3078.84 crore was the result of saving of ₹ 3268.34 crore in 49 Grants (including eight cases of Appropriation) and one Appropriation under

Revenue Section, 23 Grants and one Appropriation under Capital Section, offset by excess of ₹ 189.50 crore in five Grants and one case of Appropriation under Revenue Section and one Grant and one case of Appropriation under Capital Section.

The savings/excesses were intimated (August 2014) 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 (September 2014) 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 31 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 ₹ 3078.84 crore, savings of ₹ 2664.10 crore (86.53 *per cent*)[1] occurred in 11 cases relating to nine 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					
21 – Miscellaneous General Services, *etc.*	2169.00	115.02	2284.02	1109.73	1174.29
34 – Welfare of Scheduled Caste/ Scheduled Tribe and Other Backward Classes, *etc.*	351.15	26.37	377.52	218.94	158.58
38 – Secretariat Economic Services	417.94	1.08	419.02	122.42	296.60
40 – North Eastern Areas, Capital Outlay on North Eastern Areas	95.87	0	95.87	19.23	76.64
43- Housing, Crop Husbandry, Agricultural, Research and Education *etc.*	449.13	0	449.13	215.77	233.36
45 – Housing, Soil and Water Conservation, *etc.*	208.74	2.35	211.09	120.41	90.68
Total Revenue -Voted	**3691.83**	**144.82**	**3836.65**	**1806.50**	**2030.15**
II. Capital-Voted					
19 – Secretariat General Services, Public Works, Housing, Capital Outlay on Public Works, *etc.*	144.26	45.81	190.07	110.84	79.23
27 – Water Supply and Sanitation, Housing, *etc.*	214.53	0	214.53	136.70	77.83
29 – Urban Development, *etc*	356.38	0	356.38	111.61	244.77
40 – North Eastern Areas, Capital Outlay on North Eastern Areas	114.13	0.04	114.17	41.26	72.91
43- Housing, Crop Husbandry, Agricultural, Research and Education *etc.*	167.75	0	167.75	8.54	159.21
Total Capital -Voted	**997.05**	**45.85**	**1042.90**	**408.95**	**633.95**
Grand Total	**4688.88**	**190.67**	**4879.55**	**2215.45**	**2664.10**

Reasons for excessive savings in the above cases had not been furnished (September 2014).

[1] Exceeding ₹ 50 crore in each case.

2.3.2 Persistent Savings

In nine 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 2009-14

(₹ in crore)

Sl. No.	No. and Name of the grant	Amount of savings				
		2009-10	2010-11	2011-12	2012-13	2013-14
Revenue-Voted						
1.	11- Other Taxes and Duties on Commodities and Services, *etc*	155.52 (56)	169.29 (59)	226.21 (57)	106.00 (37)	45.73 (23)
2.	29- Urban Development, Capital Outlay on Housing, *etc*	16.14 (31)	24.37 (45)	19.74 (31)	47.65 (54)	24.86 (41)
3.	34-Welfare of Scheduled Castes, *etc.*	73.06 (39)	69.05 (34)	57.84 (25)	105.20 (39)	158.58 (42)
4.	39 – Cooperation *etc.*	6.15 (36)	5.87 (31)	13.99 (47)	14.96 (51)	14.55 (47)
5.	40-North Eastern Areas, *etc.*	14.96 (39)	44.08 (74)	12.80 (34)	90.13 (77)	76.64 (80)
Capital-Voted						
6.	19 – Secretariat General Services, Public Works, *etc.*	14.33 (24)	25.69 (39)	59.53 (65)	68.00 (58)	79.23 (42)
7.	29- Urban Development, Capital Outlay on Housing, *etc.*	89.22 (86)	95.98 (95)	24.48 (20)	231.75 (92)	244.77 (69)
8.	34-Welfare of Scheduled Castes, *etc.*	14.00 (99)	8.14 (58)	15.65 (96)	19.36 (100)	15.21 (80)
9.	39-Cooperation, *etc.*	4.08 (53)	3.01 (40)	6.20 (36)	8.33 (54)	7.79 (48)

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

Four Grants, *viz.* 'Other Taxes and Duties on Commodities and Services, *etc.*', 'Urban Development', 'Welfare of Scheduled Caste, *etc.*', and 'North Eastern Areas' 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 ₹ 164.85 crore was incurred in 44 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 2013-14

(₹ in crore)

Sl. No.	Grant/Appropriation Number – Major Head of Accounts - Sub-Head - Detailed Head	Expenditure without provision
1.	12 – 2049 – 01 – 101 (82)8.54 % Meghalaya Government Stock 2023 – General	4.70
2.	12 – 2049 – 01 – 101 (83) 8.50 % Meghalaya Government Stock 2023 -General	4.25
3.	12 – 2049 – 01 – 101 (84) 9.75 % Meghalaya Government Stock 2023 -General	2.92

Sl. No.	Grant/Appropriation Number – Major Head of Accounts - Sub-Head - Detailed Head	Expendi-ture without provision
4.	19 – 4059 – 80 – 051 (02) – General Purposes Office and Administrative Buildings for all Services - Sixth Schedule (Part II) Areas	2.50
5.	21 – 2202 – 01– 102 (07) Mid Day Meal Incentive to Students - General	25.43
6.	26 – 2211 – 101 (02) Rural Family Welfare Sub -Centres – Sixth Schedule (Part II) Areas	2.62
7.	26 – CSS - 2211 –101 (01) Rural Family Welfare Centres - Sixth Schedule (Part II) Areas	3.00
8.	26 – CSS - 2211 –101 (02) Rural Family Welfare Sub-Centres – General	3.57
9.	34 – CSS - 2235 – 800 (03) Multi Sectional Development Programme (MSDP)- General	7.62
10.	40 – 4552 – 14 – 800 (24) Improvement including Widening, Metalling and Blacktopping of Jowai – Nartiang – Kdiap – Khanduli Road (6.00 to 61Km) - Sixth Schedule (Part II) Areas	16.67
11.	40 – 4552 – 14 – 800 (33) Improvement/up-gradation of Cherra-Mawsmai-Shella Road (0-40 Km) - Sixth Schedule (Part II) Areas	1.94
12.	40- 4552 – 80 – 800 (04) Roads and Bridges - Sixth Schedule (Part II) Areas	1.48
13.	43 – 2401 – 108 (32) Multiple Cropping through Cluster Approach – Sixth Scheduled (Part-II) Areas	1.28
14.	43 – 2401 – 800 (21) Special Central Assistances – General	13.50
15.	43 – 2702 – 800 (10) NABARD Loan for Construction of MIPs - Sixth Schedule (Part-II) Areas	6.99
16.	43 – 4702 – 101 (05) NABARD Loan for Construction of MIPs - Sixth Schedule (Part-II) Areas	1.70
17.	53 – CSS – 2851 – 107(03) Supply of rearing and Spinning for Eri Industry – General	7.72
18.	56 – 5054 – 04 – 800 (04) Road Financed from Central Road Fund - Sixth Schedule (Part-II) Areas	4.40
19.	56 – 5054 – 04 – 800 (22) Grant under Article 275 (1) - Sixth Schedule (Part-II) Areas	6.75
20.	56 – 5054 – 04 – 800 (27) Special Plan Assistance Up-gradation of Roads of New District Headquarters – Sixth Schedule (Part-II) Areas	11.69
21.	56 – CSS - 5054 – (02) Inter State Connectivity – Sixth Schedule (Part-II) Areas	7.00
22.	Appropriation – Internal Debt of the State Government - 6003 – 101 (32) 6.20 % Meghalaya State Development Loan 2013 – General	10.00
23.	Appropriation – Internal Debt of the State Government - 6003 – 109 0466-(iii) Loans from HUDCO – General	8.46

2.3.4 Drawal of funds to avoid lapse of budgetary provision

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. Further, as per Rule 211 of Meghalaya Treasury Rules, 1986, no money shall be drawn from the Treasury unless it is required for immediate disbursement. Contrary to the prescribed procedure, ₹ 1034.30 crore was transferred in March 2014 into the head of Account '8443 – Civil Deposits' primarily to exhaust the unspent budgetary provisions. Instances of such transfer (over ₹ 10 crore in each case) in respect of the 22 cases involving ₹ 928.35 crore are mentioned in **Appendix 2.4.**

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 ₹ 1502.89 crore for the years from 1971-72 to 2012-13 was yet to be regularised, details of which are given in **Appendix 2.5.**

2.3.6 Excess over provisions during 2013-14 requiring regularisation

Table 2.5 contains the summary of total excess in five Grants and one case of Appropriation under Revenue Section and one Grant and one case of Appropriation under Capital Section amounting to ₹ 189.50 crore over authorisation from the Consolidated Fund during 2013-14 and requires regularisation under Article 205 of the Constitution.

Table 2.5 : Excess over provisions requiring regularisation during 2013-14

(₹ in lakh)

Sl. No.	Number and title of Grant/Appropriation	Total Grant/ Appropriation	Expenditure	Excess (+) (*per cent* to Total Grant/ Appropriation)
Revenue – Voted				
1.	7 – Stamps and Registration	138.00	168.19	30.19 (22)
2.	9 – Taxes on Sales, Trade, *etc.*, Other Taxes and Duties on Commodities and Services	1866.63	1950.93	84.30 (05)
3.	24 – Pensions and Other Retirement Benefits	39698.40	45087.44	5389.04 (14)
4.	26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, Capital Outlay on Family Welfare	34278.04	35368.01	1089.97 (03)
5.	44 – Medium Irrigation, Flood Control and Drainage, Capital Outlay on Medium Irrigation, Capital Outlay on Flood Control Projects	93.91	98.72	4.81 (05)
Revenue - Charged				
1.	12 – Other Fiscal Services, *etc.,* Interest Payments	35419.04	37150.22	1731.18 (05)
Capital – Voted				
1.	44 - Medium Irrigation, Flood Control and Drainage, Capital Outlay on Medium Irrigation, Capital Outlay on Flood Control Projects	341.00	341.07	0.07 (0.02)
Capital - Charged				
1.	Internal Debt of the State Government	17317.29	27937.35	10620.06 (61)
Total				**18949.62**

In four of the above cases, expenditure aggregating ₹ 188.30 crore exceeded the approved provisions by ₹ 1 crore or more in each case 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 of the budget provision has been observed consistently for the last five years.

Table 2.6 : Persistent excess expenditure during 2009-14

(₹ in crore)

Sl. No.	Number and name of the Grant	Amount of Excess Expenditure				
		2009-10	2010-11	2011-12	2012-13	2013-14
1.	24- Pension and other Retirement benefits (Revenue - Voted)	31.89	97.97	139.17	73.49	53.89

2.3.7 Excessive/inadequate supplementary provision

Supplementary provision aggregating ₹ 322.18 crore obtained in 21 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 ₹ 64.87 crore proved insufficient by more than ₹ 1 crore in each case leaving an aggregate uncovered excess expenditure of ₹ 64.79 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	335.11	61.87	396.98	450.87	53.89
26 – Medical and Public Health, Family Welfare, *etc.* Revenue – Voted	339.78	3.00	342.78	353.68	10.90
Total	**674.89**	**64.87**	**739.76**	**804.55**	**64.79**

In five cases[2], no supplementary provision was obtained resulting in an excess expenditure of ₹ 123.86 crore. Details of two of these cases involving excess expenditure of over ₹ 1 crore are given in **Table 2.8.**

Table 2.8: Excess expenditure but no Supplementary Provisions were obtained

(₹ in crore)

Number and Name of Grant	Original Provision	Expendi-ture	Excess
12 – Other Fiscal Services, *etc.* – 2049 – Interest Payments Revenue - Charged	354.19	371.50	17.31
Appropriation – Internal Debt of the State Government Capital – Charged	173.17	279.37	106.20
Total	**527.36**	**650.87**	**123.51**

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 200 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] Grant Nos.: 7-Revenue-Voted: ₹ 30.19 lakh; 12–2049–Interest Payments-Revenue–Charged: ₹ 1731.18 lakh; 44-Revenue-Voted: ₹ 4.81 lakh; 44-Capital-Voted: ₹ 0.07 lakh; Appropriation–Internal Debt, *etc.*: ₹ 10620.06 lakh

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 2013-14 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 224 sub-heads on account of either non-implementation or non receipt of sanction of schemes/programmes. Out of the total provision of ₹ 2030.72 crore in these 224 sub-heads, ₹ 1858.01 crore were surrendered, which included cent *per cent* surrender in 61 schemes. The details of 61 such cases involving surrender of entire provisions (over ₹ 1 crore) of ₹ 896 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 18 cases, the amount surrendered was in excess of actual savings indicating lack of or inadequate budgetary control in these departments. As against savings of ₹ 364.07 crore, the amount surrendered was ₹ 375.52 crore resulting in excess surrender of ₹ 11.45 crore **(Appendix 2.9).** Some significant cases are shown in **Table 2.9.**

Table 2.9 : Cases of surrender in excess of savings

(₹ in crore)

Sl No.	Number and Name of Grant/Appropriation	Total Grant	Saving	Amount surrendered	Amount surrendered in excess of savings
1.	8 – State Excise Revenue – Voted	13.47	0.90	1.98	1.08
2.	10 – Taxes on Vehicles, Other Administrative Services, *etc.* Capital – Voted	20.44	6.36	12.45	6.09
3.	22 – Other Administrative Services, Housing, Census Survey and Statistics Revenue – Voted	28.00	2.37	3.81	1.44
	Total	**61.91**	**9.63**	**18.24**	**8.61**

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 2013-14, there were, however, 12 Grants in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in these cases was ₹ 295.06 crore (9.58 *per cent* of the overall savings of ₹ 3078.84 crore) **(Appendix 2.10).**

Similarly, out of total savings of ₹ 2537.65 crore under 17 other Grants (savings of ₹ 1 crore and above in each Grant), amount aggregating ₹ 691.11 crore (27.23 *per cent* of total savings) were not surrendered, details of which are given in **Appendix 2.11**. Besides, in 40 cases, (surrender of funds in excess of ₹ 1 crore), ₹ 2283.87 crore were **(Appendix 2.12)** surrendered on the last working day of March 2014, 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 2013-14, compared to the total expenditure during the year the expenditure during the fourth quarter ranged between 25.06 *per cent* and 91.62 *per cent* and in the month of March it ranged between 16.03 *per cent* and 90.61 *per cent* in respect of nine illustrative major heads of account as indicated in **Table 2.10** below:

Table 2.10: Cases of Rush of Expenditure towards the end of the financial year 2013-14

(₹ in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2014	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2015	55.21	35.01	63.41	32.78	59.37
2.	2055	405.74	101.68	25.06	65.02	16.03
3.	2202	957.82	257.18	26.85	167.20	17.46
4.	2210	321.28	121.39	37.78	94.10	29.29
5.	2235	122.26	75.94	62.11	61.30	50.14
6.	2401	164.23	117.39	71.48	81.42	49.58
7.	2402	117.90	71.26	60.44	67.51	57.26
8.	2852	25.40	20.08	79.06	17.93	70.59
9.	3451	167.26	153.25	91.62	151.56	90.61

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 2013-14 (Volume I), the total amount of DCC bills received up to 2011-12 and during 2012-14 was only ₹ 33.84 crore against the amount of AC bills of ₹ 71.20 crore leading to an outstanding balance of DCC bills of ₹ 37.36 crore as on March 2014. Year wise details are given in the table below:

Table 2.11 : Outstanding DCC Bills

(₹ in crore)

Year	Amount of AC bills	Amount of DCC bills	Outstanding AC bills	Percentage of Outstanding AC bills
Up to 2011-12	13.99	13.34	0.65	4.65
2012-13	15.95	10.78	5.17	32.41
2013-14	41.26	9.72	31.54	76.44
Total	**71.20**	**33.84**	**37.36**	**52.47**

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 2013-14, 32 out of 58 COs did not reconcile expenditure amounting to ₹ 1983.69 crore (28.44 *per cent* of total gross expenditure (₹ 6972.89 crore)) as of March 2014. Out of the unreconciled expenditure of ₹ 1983.69 crore, ₹ 807.99 crore related to the Directors of Technical Education and Sports and Youth Affairs followed by ₹ 444.62 crore in respect of the Director of Accounts and Treasuries, ₹ 183.97 crore in respect of Director of Agriculture and ₹ 120.41 crore in respect of Director of Soil and Water Conservation.

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 2013, there were 14 PD accounts with a balance of ₹ 3.22 crore. No PD account was opened during the year. As of 31 March 2014, 14 PD accounts involving ₹ 4.84 crore were in existence. Out of 14 PD accounts, eight accounts remained inoperative for more than 10 to 14 years.

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 2013-14. 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[3] , the duty of preparing budget estimates (Receipts and Expenditure) and revised estimates for laying before the Legislature vests with the Finance Department. The budget estimates are prepared on departmental basis. The budget making process moves from the bottom to the top. As soon as the departmental estimates and revised estimates are received, the Finance Department scrutinises these and after consultation with the administrative departments, enters the figures, which it accepts for the revised and budget estimates. The estimates of receipts should show the amount expected to be actually realised within the year and in case of fluctuating revenue, the estimate should be based upon a comparison of last three years' receipts.

During scrutiny of records of Finance Department it was noticed that the departmental budget estimates were not submitted by the Administrative Departments within the target date (31 October 2012) fixed by the Finance (Budget) Department in September 2012. Instances of such delays are given in **Table 2.12.**

Table 2.12: 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)	12.02.2013	Three months
2.	Home (Police)	16 (2055, 2070)	24.01.2013	Two months
3.	Stationery and Printing	18 (2058)	14.12.2012	One month
4.	Education, Sports, Art & Culture	21 (2202, 2203, 2204, 2205)	10.12.2013	One month
5.	Finance Pension Cell	24 (2071)	20.02.2012	Three months
6.	Health & Family Welfare	26 (2210)	07.12.2012	One month
7.	Public Health Engineering	27 (2215)	31.01.2013	Two months
8.	Housing	28 (2216)	19.12.2012	One month
9.	Labour	31 (2230)	16.01.2013	Two months
10.	Social Welfare	34 (2225, 2235, 2236)	24.01.2013	Two months
11.	Agriculture	43 (2401)	04.12.2012	One month
12.	Forest	50 (2406)	20.12.2012	One month

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

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

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

The position of Revenue and Capital receipts under Consolidated Fund during 2013-14 is presented in **Table 2.13** below**:**

Table 2.13: Revenue and Capital Receipts

(₹ in crore)

Year	Revenue Account				Capital Account			
	Budget Provision	Actual Receipt	Shortfall in receipt	Percen-tage of shortfall	Budget Provision	Actual Receipt	Short-fall in receipt	Percen-tage of shortfall
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
2013-14	8583.40	6266.73	2316.67	26.99	694.52	495.90	198.62	28.60

Source: Annual Financial Statement & Finance Accounts

It can be seen from the table above, the shortfall of revenue receipts ranged between 16.92 *per cent* and 26.99 *per cent* and that of capital receipts ranged between 22.88 *per cent* and 28.60 *per cent* during 2011-14. 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 October 2014. 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 2013-14 are shown in the **Table 2.14** below:

Table 2.14

(₹ in crore)

Year	Revenue Account				Capital Account (including Loans and Advances and Public Debt)			
	Budget provision (O + S)	Actual expendi-ture	Saving	Percen-tage of savings	Budget provision (O + S)	Actual expen-diture	Saving	Percen-tage of savings
2011-12	5527.65	4844.37	683.28	12.36	1343.62	1110.26	233.36	17.37
2012-13	6758.56	5008.82	1749.74	25.89	1920.13	1123.87	796.26	41.47
2013-14	7982.02	5556.38	2425.64	30.39	2069.71	1416.51	653.20	31.56

Source: Annual Financial Statement & Appropriation Accounts. (O: Original; S: Supplementary)

In all the three years there was overestimation of expenditure which resulted in savings ranging from 12.36 *per cent* to 30.39 *per cent* under Revenue Account and 17.37 *per cent* to 41.47 *per cent* under and 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 2013-14 under both receipts and expenditure heads of accounts are given below:

Table 2.15: Variation between revised estimated 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.	0030 – Stamps and Registration Fees	14.06	14.06	9.78	(-)4.28 (30.44)
2.	0040 – Sales Tax	622.83	622.83	723.65	(+)100.82 (16.19)
3.	0049 – Interest Receipts	27.44	27.44	33.57	(+)6.13 (22.34)
4.	0055 – Police	7.64	7.64	5.93	(-)1.71 (22.38)
5.	0059 – Public Works	9.41	9.41	12.23	(+)2.82 (29.97)
6.	0070 – Other Administrative Services	4.97	4.97	7.85	(+)2.88 (57.95)
7.	0075 – Miscellaneous General Services	14.93	14.93	1.06	(-)13.87 (92.90)
8.	0215 – Water Supply and Sanitation	16.24	16.24	3.56	(-)12.68 (78.08)
9.	0406 – Forestry and Wildlife	35.51	35.51	60.12	(+)24.61 (69.30)
10.	0853 – Non Ferrous Mining and Metallurgical Industries	375.80	375.80	455.75	(+)79.95 (21.27)
	EXPENDITURE				
1.	2015 – Election	33.65	33.65	55.21	(+)21.56 (64.07)
2.	2056 – Jails	13.40	13.40	9.84	(-)3.56 (26.57)
3.	2071 – Pension and other Retirement Benefit	335.11	335.11	450.87	(+)115.76 (34.54)
4.	2203 – Technical Education	411.17	411.17	62.51	(-)348.66 (84.80)
5.	2204 – Sports and Youth Services	90.06	90.06	43.21	(-)46.85 (52.02)
6.	2217 – Urban Development	61.26	61.26	36.40	(-)24.86 (40.58)
7.	2402 – Soil and water Conservation	233.13	233.13	117.90	(-)115.23 (49.43)
8.	2702 – Minor Irrigation	151.32	151.32	35.22	(-)116.10 (76.72)
9.	3451 – Secretariat Economics Services	456.22	456.22	167.26	(-)288.96 (63.34)

Wide variations ranging from 16.19 *per cent* to 92.90 *per cent* under Receipt heads and 26.57 *per cent* to 84.80 *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.

It was 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 ₹ 6970.57 crore and ₹ 617.11 crore respectively aggregating to ₹ 7587.68 crore, against which the actual expenditure was ₹ 5146.29 crore resulting in savings of ₹ 2441.39 crore. This was more than the supplementary provision.
- Similarly under Capital (voted) including Loans and Advances, the original and supplementary grants were ₹ 1776.60 crore and ₹ 99.57 crore respectively aggregating to ₹ 1876.17 crore against which the actual expenditure was ₹ 1117.80 crore, resulting in savings of ₹ 758.37 crore. This was more than the supplementary grants.

In the above cases, the supplementary provision of ₹ 617.11 crore under Revenue (voted) and ₹ 99.57 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 2.16:**

Table 2.16: 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)	6970.57	617.11	7587.68	5146.29	(-) 2441.39
2.	Capital (voted)	1776.60	99.57	1876.17	1117.80	(-) 758.37
Total		**8747.17**	**716.68**	**9463.85**	**6264.09**	**(-) 3199.76**

2.6.8.2 Expenditure relating to minor works, repairs and grants-in-aid is to be classified as revenue expenditure. Capital expenditure is incurred with the object of increasing concrete assets of a material and permanent character or of reducing permanent liabilities. As per the Finance Accounts for the year 2013-14 (Volume I), the State Government made budget provision and classified ₹ 176.50 crore on major works under the Revenue section and ₹ 36.86 crore on minor works under the Capital section. Instances of such cases involving ₹ 1 crore and above are given in **Appendix 2.13.**

Due to such misclassification, the revenue surplus of the State Government for the year 2013-14 was understated by ₹ 139.64 crore. The misclassification, though reported (September 2014) 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 years 2011-14 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 Amount (*per cent*)	Plan Amount (*per cent*)
Social Services								
2011-12	796.37 (36.18)	1404.85 (63.82)	2201.22	931.93 (117.02)	1098.94 (78.22)	2030.87	+ 135.56 (17.02)	- 305.91 (21.78)
2012-13	985.58 (35.05)	1826.02 (64.95)	2811.60	1087.43 (110.33)	884.79 (48.45)	1972.22	+ 101.85 (10.33)	- 941.23 (51.55)
2013-14	1137.41 (28.69)	2827.42 (71.31)	3964.83	1171.40 (102.99)	1193.48 (42.21)	2364.88	+ 33.99 (2.99)	- 1633.94 (57.79)
Total	**2919.36 (32.52)**	**6058.29 (67.48)**	**8977.65**	**3190.76 (109.30)**	**3177.21 (52.44)**	**6367.97**	+ 271.40 **(9.30)**	- 2881.08 **(47.56)**
Economic Services								
2011-12	511.30 (22.40)	1770.94 (77.60)	2282.24	521.04 (101.90)	1598.52 (90.26)	2119.56	+ 9.74 (1.90)	- 172.42 (9.74)
2012-13	570.15 (18.78)	2465.73 (81.22)	3035.88	681.23 (119.48)	1640.04 (66.51)	2321.27	+ 111.08 (19.48)	- 825.69 (33.49)
2013-14	665.45 (20.13)	2640.04 (79.87)	3305.49	710.13 (106.71)	1628.87 (61.70)	2339.00	+ 44.68 (6.71)	- 1011.17 (38.30)
Total	**1746.90 (20.26)**	**6876.71 (79.74)**	**8623.61**	**1912.40 (109.47)**	**4867.43 (70.78)**	**6779.83**	+ 165.50 **(9.47)**	- 2009.28 **(29.22)**

Source : Memorandum of Budget Estimates and Finance Accounts

- **Social services**

During 2011-14, provisions for Non-Plan and Plan expenditure under Social services were ₹ 2919.36 crore and ₹ 6058.29 crore respectively which constituted 32.52 *per cent* and 67.48 *per cent* of the total provisions. However, the actual expenditure under Non-Plan and Plan was ₹ 3190.76 crore and ₹ 3177.21 crore respectively which constituted 109.30 *per cent* and 52.44 *per cent* of the total provisions made under Non-Plan and Plan expenditure. 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**

Non-Plan expenditure far surpassed the budget provisions during all the three years (2011-14). There was decline in Plan expenditure *vis-à-vis* the budget provision, which decreased to 61.70 *per cent* during 2013-14 against 66.51 *per cent* during the previous years. While the overall shortfall during 2011-14 over the expectation (provisions) under Plan expenditure was 29.22 *per cen*t, the Non-Plan expenditure exceeded the budget provisions by 9.47 *per cent* during the period.

To sum up, the above position indicated that the State was not able to utilise the budget provisions made under Plan component of Social and Economic Services in comparison to the Non-Plan component, 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, though called for (October 2014) from the Finance (Budget) Department, 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 (October-November 2014) in respect of 'Grant Number – 56 - Roads and Bridges (Major Head of Accounts: 3054) and Capital Outlay on Roads and Bridges (Major Head of Accounts: 5054). The Chief Engineer, Public Works Department is the Controlling Officer (CO) for this Grant. 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 ₹ 147.53 crore, out of which the actual expenditure incurred was ₹ 146.39 crore resulting in final savings of ₹ 1.14 crore. Under the capital head, expenditure of ₹ 485.47 crore was incurred during the year against the budget provision of ₹ 528.33 crore resulting in a saving of ₹ 42.86 crore. The savings of ₹ 44 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

As per the Detailed Appropriation Accounts for the year 2013-14, 100 *per cent* savings occurred under six schemes in respect of major Head of Accounts 3054 – Roads and Bridges and 5054 – Capital Outlay on Roads and Bridges, as 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
3054 Roads and Bridges			
Work-charged Establishment – Bridges Sixth Schedule (Part II) Areas	1.87	1.87	100
Work-charged Establishment – Road Works Sixth Schedule (Part II) Areas	6.35	6.35	100
Other Maintenance Expenditure – Machinery and Equipment Sixth Schedule (Part II) Areas	16.40	16.40	100
Other Maintenance Expenditure – Bridges Sixth Schedule (Part II) Areas	6.59	6.59	100
5054 – Capital outlay on Roads and Bridges			
Up gradation of State Highways (SH), Major District Roads (MDR)(MIDB) Infrastructure Development Sixth Schedule (Part II) Areas	97.95	97.95	100
District and Other Roads-TFC award for Construction of Bridges - Sixth Schedule (Part II) Areas	20.00	20.00	100

Failure to utilise the entire budget provisions indicated that the provisions were made without any basis.

2.7.3 Excess over provision

As per detailed Appropriation Accounts for the year 2013-14, under six schemes, expenditure of ₹ 532.75 crore exceeded the budget provision by ₹ 218.94 crore. The details are given below:

Table 2.19: Excess expenditure over budget provisions

(₹ in crore)

Major Head and Group Head	Final Grant or Appropriation	Actual expenditure	Excess
3054 Roads and Bridges			
04 District and Other Roads (2)-105 Maintenance and Repairs - 0001 (01) Work Charged Establishment –Road Works – Sixth Schedule (Part II) Areas	10.35	41.56	31.21
0002 (02) Other Maintenance Expenditure-Road Works – Sixth Schedule (Part II) Areas	72.10	78.51	6.41
5054 Capital Outlay on Roads and Bridges			
04 – District and Other Roads - 800 Other Expenditure - 0003 (03) Construction of Rural Road Sixth Schedule (Part II) Areas	11.40	72.79	61.39
0006 (06) Road Financed from NABARD Loan *etc.* Sixth Schedule (Part II) Areas	34.00	34.61	0.61
0022 (21) Project undertaken under Special Plan Assistance - Sixth Schedule (Part II) Areas	182.42	294.56	112.14
0034 (13) State Share for EAP-ADB Sixth Schedule (Part II) Areas	3.54	10.72	7.18
Total	**313.81**	**532.75**	**218.94**

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 ₹ 10051.73 crore[4] for the year 2013-14, of which it could incur an expenditure of ₹ 6972.89 crore resulting in an overall shortfall in disbursements of ₹ 3078.84 crore (30.63 *per cent* of total provision). Supplementary provision of ₹ 322.18 crore obtained in 21 cases proved unnecessary as the expenditure did not come up to the level of original provision. During the current year, Government incurred ₹ 189.50 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 end of the year. Savings should be surrendered as and when they were noticed and within the prescribed date of 15 March.**
- **Re-appropriation in any case should be judicious supported by justified reasons to avoid excessive and/or insufficient funds.**
- **Timely reconciliation should be ensured to avoid misclassifications and distortions in financial reporting.**

[4] 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.

As revealed from the records of 11 departments/organisations, 126 UCs for an aggregate amount of ₹ 50.28 crore were in arrears as of March 2014. 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 2014	
		Number	Amount	Number	Amount
1	0 to 1 year	Not available (NA)	0.61	NA	0.61
2	Above 1 year to 3 years	10	37.81	10	37.81
3	Above 3 years to 5 years	71	12.92	64	11.11
4	Above 5 years to 7 years	60	0.10	50	0.09
5	Above 7 years to 9 years	01	0.0013	01	0.0013
6	Above 9 years	01	0.69	01	0.66
	Total	**143**	**52.1313**	**126**	**50.2813**

Out of 126 UCs involving ₹ 50.28 crore pending as on 31 March 2014, three UCs pertaining to North Eastern Region Community Resource Management Project (NERCORMP) involving ₹ 37.50 crore were pending for over two years.

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

3.2 Non-submission/delay in submission of accounts

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

The annual accounts of 25 bodies/ authorities due up to 2013-14 had not been received (September 2014) 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	05	2012-13	05	100.41
2	Above 1 year to 3 years	07	2010-11 to 2012-13	07	132.93
3	Above 3 years to 5 years	07	2008-09 to 2012-13	07	48.84
4	Above 5 years to 7 years	05	2006-07 to 2012-13	05	90.28
5	Above 7 years to 9 years	0	2004-05 to 2012-13	0	0
6	Above 9 years	01	2003-04	01	17.90
Total		**25**		**25**	**390.36**

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) for the year 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 years from 2011-12 to 2013-14, due for submission by June 2012, 2013 and 2014 respectively, had not been furnished (September 2014).

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 79 cases of misappropriation, defalcation *etc*. involving Government money amounting to ₹ 2.12 crore up to the period March 2014 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		Misappropriation		Loss of Government material		Total	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
Public Works	2	3.76	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	0.43	-	-	1	0.43
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*	-
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	**65**	**107.20**	**5**	**61.29**	**9**	**43.09**	**79**	**211.58**

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	34	10.32	Misappropriation/loss of material	14	104.38
15 - 20	4	21.94			
20 - 25	23	3.29			
25 & above	6	19.18			
			Total	**81**	**213.95**
			Cases of losses Written off during the year	2	2.37
Total	**79**	**211.58**	**Total Pending Cases**	**79**	**211.58**

During 2013-14, one case of dacoity in respect of Forest Department involving ₹ 2.14 lakh and one theft case in respect of Agriculture Department involving ₹ 0.23 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	57	83.42
2.	Departmental action initiated but not finalised	8	3.79
3.	Awaiting orders for recovery or write off	13	107.82
4.	Pending in the courts of law	1	16.55
	Total	**79**	**211.58**

Out of ₹ 2.12 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 79 cases were pending due to non-initiation of departmental and criminal investigation (57 cases), non-issue of orders for recovery or write off (13 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 (November 2014) by the Directorate of Economics and Statistics, Meghalaya, 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]$^{(1/\text{no. of years})}$ - 1

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

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) 2013-14[2]	₹ 21044.60 crore
9.	GSDP CAGR (2004-05 to 2013-14)	13.83%

B. Financial Data			
Particulars		**Figures (in *per cent*)**	
		2004-05 to 2012-13	**2004-05 to 2013-14**
CAGR of			
(a)	Revenue Receipts	17.29	16.82
(b)	Own Tax Revenue	19.22	18.39
(c)	Non-Tax Revenue	17.50	18.13
(d)	Total Expenditure	15.52	15.12
(e)	Capital Expenditure	18.09	17.84
(f)	Revenue Expenditure on General Education	15.90	15.45
(g)	Revenue Expenditure on Health & Family Welfare	18.40	16.95
(h)	Salary	14.14	13.92
(i)	Pension	20.57	20.07

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 November 2014.

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 2013-14:

- Macro Economic Framework Statement
- Medium Term Fiscal Policy (MTFP) Statement prescribing fiscal targets and assumptions for achieving them. The targets for the year 2013-14 were as under:
  - Revenue surplus as percentage of total revenue receipts: 14.56
  - Total Outstanding Liabilities as percentage of GSDP: 31.64
  - Fiscal deficit as percentage of GSDP: -2.63
- 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)

	2009-10	2010-11	2011-12	2012-13	2013-14
Part A. - Receipts					
1. Revenue Receipts	**3447.35**	**4260.48**	**4654.47**	**5536.35**	**6266.73**
(i) Tax Revenue	444.30 (12.89)	571.45 (13.41)	697.54 (14.99)	847.73 (15.31)	949.30 (15.15)
Taxes on Sales, Trade, *etc.*	321.39 (72.34)	409.89 (71.73)	512.50 (73.47)	631.12 (74.45)	723.65 (76.23)
State Excise	90.29 (20.32)	104.50 (18.29)	131.50 (18.85)	153.01 (18.05)	162.66 (17.13)
Taxes on Vehicles	13.61 (3.06)	19.19 (3.36)	31.12 (4.46)	35.82 (4.22)	36.72 (3.87)
Stamps and Registration fees	11.02 (2.48)	10.76 (1.88)	9.08 (1.30)	10.32 (1.22)	9.78 (1.03)
Land Revenue	0.26 (0.06)	17.11 (2.99)	2.40 (0.34)	6.27 (0.74)	3.47 (0.37)
Other Taxes	7.73 (1.74)	10.00 (1.95)	10.94 (1.58)	11.19 (1.32)	13.02 (1.37)
(ii) Non Tax Revenue	275.08 (7.98)	301.53 (7.08)	368.24 (7.91)	484.95 (8.76)	598.15 (9.54)
(iii) State's share of Union Taxes and Duties	612.38 (17.76)	896.27 (21.04)	1044.19 (22.43)	1192.45 (21.54)	1301.96 (20.78)
(iv) Grants-in-aid from Government of India	2115.59 (61.37)	2491.23 (58.47)	2544.50 (54.67)	3011.22 (54.39)	3417.32 (54.53)
2. Miscellaneous Capital Receipts	**…**	**…**	**…**	**…**	**…**
3. Recoveries of Loans and Advances	**16.68**	**27.25**	**22.71**	**23.25**	**20.48**
4. Total revenue and Non-debt capital receipts (1+2+3)	**3464.03**	**4287.73**	**4677.18**	**5559.60**	**6287.21**
5. Public Debt Receipts	**403.02**	**356.39**	**467.91**	**523.23**	**475.42**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	403.02 (100)	354.92 (99.59)	448.66 (95.89)	520.71 (99.52)	475.34 (99.98)
Net transactions under Ways and Means Advances and Overdraft	…	…	…	…	…
Loans and Advances from Government of India[3]	0.49 (0.12)	1.47 (0.41)	19.25 (4.11)	2.52 (0.48)	0.08 (0.02)
6. Total receipts in the Consolidated Fund (4+5)	**3867.05**	**4644.12**	**5145.09**	**6082.83**	**6762.63**
7. Contingency Fund Receipts	**…**	**99.00**	**…**	**…**	**…**
8. Public Accounts Receipts	**2416.65**	**2765.86**	**4091.31**	**3642.21**	**4405.98**
9. Total receipts of the State (6+7+8)	**6283.70**	**7508.98**	**9236.40**	**9725.04**	**11168.61**
Part B - Expenditure					
10. Revenue Expenditure	**3182.38**	**4012.74**	**4834.81**	**4999.54**	**5551.59**
Plan	*1047.40* *(32.91)*	*1467.06* *(36.56)*	*1958.78* *(40.51)*	*1719.41* *(34.39)*	*1848.77* *(33.30)*
Non-Plan	*2134.97* *(67.09)*	*2545.68* *(63.44)*	*2876.03* *(59.49)*	*3280.13* *(65.61)*	*3702.82* *(66.70)*
General Services (including Interest payments)	1100.99 (34.60)	1316.80 (32.82)	1487.19 (30.76)	1573.80 (31.48)	1838.37 (33.11)
Social Services	1092.38 (34.33)	1376.03 (34.29)	1742.47 (36.04)	1747.93 (34.96)	1973.77 (35.56)
Economic Services	989.01 (31.08)	1319.91 (32.89)	1605.15 (33.20)	1677.81 (33.56)	1739.45 (31.33)

[3] Includes Ways and Means Advances

	2009-10	2010-11	2011-12	2012-13	2013-14
11. Capital Expenditure (Capital Outlay)	**481.29**	**574.73**	**855.24**	**928.34**	**1075.47**
Plan	*479.94 (99.72)*	*574.73 (100)*	*851.47 (99.56)*	*879.38 (94.73)*	*1074.76 (99.93)*
Non-Plan	*1.35 (0.28)*	*...*	*3.77 (0.44)*	*48.96 (5.27)*	*0.71 (0.07)*
General Services	48.40 (10.06)	36.64 (6.20)	52.44 (6.13)	60.59 (6.53)	84.82 (7.88)
Social Services	141.45 (29.39)	132.74 (23.10)	288.40 (33.72)	224.29 (24.16)	391.11 (36.37)
Economic Services	291.44 (60.55)	405.35 (70.53)	514.40 (60.15)	643.46 (69.31)	599.54 (55.75)
12. Disbursement of Loans and Advances	**26.65**	**41.65**	**52.38**	**27.02**	**42.33**
13. Total (10+11+12)	**3690.32**	**4629.12**	**5742.43**	**5954.90**	**6669.39**
14. Repayments of Public Debt	**143.03**	**141.08**	**202.64**	**168.51**	**141.62**
Internal Debt (excluding Ways and Means Advances and Overdrafts)	124.21 (86.84)	120.56 (85.46)	157.35 (77.65)	148.22 (87.96)	122.28 (86.34)
Net transactions under Ways and Means Advances and Overdraft	**...**	**...**	**...**	**...**	**...**
Loans and Advances from Government of India	18.82 (13.16)	20.52 (14.54)	45.29 (22.35)	20.29 (12.04)	19.34 (13.66)
15. Appropriation to Contingency Fund	**...**	**99.00**	**...**	**...**	**...**
16. Total disbursement out of Consolidated Fund (13+14+15)	**3833.35**	**4869.20**	**5945.07**	**6123.41**	**6811.01**
17. Contingency Fund disbursements	**...**	**...**	**...**	**...**	**...**
18. Public Account disbursements	**2511.86**	**2729.20**	**3270.77**	**3993.97**	**3508.69**
19. Total disbursement by the State(16+17+18)	**6345.81**	**7598.40**	**9215.84**	**10117.38**	**10319.70**
Part C – Deficits					
20. Revenue Surplus (+) /Deficit (-) (1-10)	**+ 264.97**	**+ 247.74**	**- 180.34**	**+ 536.81**	**+ 715.14**
21. Fiscal Deficit (-) (4-13)	**- 226.29**	**- 341.39**	**- 1065.25**	**- 395.30**	**- 382.18**
22. Primary Deficit (-)/Surplus (+) (21-23)	**+ 7.67**	**- 84.46**	**- 779.58**	**- 81.48**	**- 10.68**
Part D – Other data					
23. Interest Payments (included in revenue expenditure)	233.96	256.93	285.67	313.82	371.50
24. Financial Assistance to local bodies, *etc.*	440.67	541.31	826.71	742.06	847.37
25. Ways and Means Advances/Overdraft availed (days)	-	-	-	-	157.09 (2)
26. Interest on WMA/Overdraft	-	-	-	-	0.04
27. Gross State Domestic Product (GSDP)[4, 5]	12709.11	14582.56	17198.57	18296.39	21044.60
28. Outstanding Fiscal Liabilities (year end)	3802.62	4088.28	5090.28	4964.58	6269.23
29. Outstanding guarantees (year end) including interest	953.74	1110.77	1293.20	1285.19	1610.55
30. Maximum amount guaranteed (year end)	1033.34	948.79	1002.85	947.02	1188.64
31. Number of incomplete projects	446	263	107	258	57
32. Capital blocked in incomplete projects[6]	105.35 (59)	73.65 (53)	26.43 (14)	667.05 (84)	43.37 (09)
Part E – Fiscal Health Indicator (in per cent)					
I. Resource Mobilisation					
Own Tax Revenue/GSDP	3.50	3.92	4.06	4.63	4.51
Own Non-Tax Revenue/GSDP	2.16	2.07	2.14	2.65	2.84
Central Transfers[7]/GSDP	21.46	23.23	20.87	22.98	22.43

[4] GSDP figures (current prices – Base Year 2004-05) as furnished (November 2014) by the Directorate of Economics & Statistics.

[5] 2012-13: Quick Estimates; 2013-14: Advanced Estimates

[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

	2009-10	2010-11	2011-12	2012-13	2013-14
II. Expenditure Management					
Total Expenditure/GSDP	29.04	31.74	33.39	32.55	31.69
Total Expenditure/Revenue Receipts	107.05	108.65	123.37	107.56	106.43
Revenue Expenditure/Total Expenditure	86.24	86.68	84.19	83.96	83.24
Expenditure on Social Services/Total Expenditure	33.43	32.59	35.37	33.12	35.46
Expenditure on Economic Services[8]/Total Expenditure	34.98	37.84	37.54	39.17	35.46
Capital Expenditure/Total Expenditure	13.04	12.42	14.89	15.59	16.13
Capital Expenditure on Social and Economic Services/Total Expenditure	11.73	11.62	13.98	14.57	14.85
III. Management of Fiscal Imbalances					
Revenue Surplus / GSDP	2.08	1.70	-1.05	2.93	3.40
Fiscal Deficit (-) / GSDP	-1.78	-2.34	-6.19	-2.16	-1.82
Primary Deficit (-) Surplus (+) / GSDP	0.06	-0.58	-4.53	-0.45	-0.05
Revenue Deficit (-) Surplus (+) / Fiscal Deficit	-117.09	-72.57	16.93	-135.80	-187.12
Primary Revenue Balance[9]/GSDP	3.93	3.46	0.61	4.65	5.16
IV. Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	29.92	28.04	29.60	27.13	29.79
Fiscal Liabilities/RR	110.31	95.96	109.36	89.67	100.04
Primary deficit *vis-à-vis* quantum spread (₹ in crore)	117.00	228.50	- 300.43	- 74.35	406.84
Debt Redemption (Principal +Interest)/ Total Debt Receipts	100.33	97.79	67.60	127.17	65.94
V. Other Fiscal Health Indicators					
Return on Investment (*per cent*)	0.01	0.01	0.02	0.02	0.03
Balance from Current Revenue (₹ in crore)	- 412.00	- 96.72	- 221.43	161.15	89.68
Financial Assets/Liabilities (Ratio)	1.50	1.51	1.37	1.48	1.49

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

[8] Including loans and advances

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

APPENDIX 1.3

Abstract of Receipts and Disbursements for the year 2013-14

(Reference: Paragraph 1.1.1; Page 2)

(₹ in crore)

2012-13	Receipts	2013-14	2012-13	Disbursements				2013-14
Section – A : Revenue								
	I. Revenue Receipts			**I. Revenue Expenditure**	**Non-Plan**	**Plan**	**Total**	
847.73	Tax Revenue[10]	949.30	**1573.80**	**General Services**	**1821.77**	**16.60**	**1838.37**	**1838.37**
484.95	Non-Tax Revenue	598.15	**1747.93**	**Social Services**	**1170.92**	**802.85**	**1973.77**	**1973.77**
1192.45	State's Share of Union Taxes and Duties[11]	1301.96	856.26	General Education	677.42	280.40	957.82	
			104.88	Technical Education, Sports, Art and Culture	20.35	130.51	150.86	
895.72	Non-Plan Grants	921.41	333.68	Health and Family Welfare	201.64	152.04	353.68	
1747.75	Grants for State Plan Schemes	2046.28	160.08	Water Supply and Sanitation	153.60	4.87	158.47	
			70.48	Housing and Urban Development	53.29	15.68	68.97	
14.50	Grants for Central Plan Schemes	31.65	9.92	Information and Broadcasting	5.47	7.21	12.68	
268.20	Centrally Sponsored Plan Schemes	348.40						
85.05	Grants for Special Plan Schemes	69.58	24.34	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	4.85	1.13	5.98	
			18.82	Labour and Labour Welfare	16.35	4.69	21.04	
			162.92	Social Welfare and Nutrition	30.37	206.32	236.69	
			6.55	Others	7.58	…	7.58	
			1677.81	**Economic Services**	**710.13**	**1029.32**	**1739.45**	**1739.45**
			506.38	Agriculture and Allied Activities	272.66	320.88	593.54	
			334.55	Rural Development	43.92	308.15	352.07	
			27.35	Special Areas Programmes	…	19.23	19.23	
			73.46	Irrigation and Flood Control	23.33	12.88	36.21	
			177.41	Energy	17.31	137.28	154.59	
			200.40	Industry and Minerals	163.45	46.79	210.24	
			174.15	Transport	145.62	0.77	146.39	
			0.43	Science, Technology and Environment	0.50	…	0.50	
			183.68	General Economic Services	43.34	183.34	226.68	
5536.35	**Total**	**6266.73**	**4999.54**	**Total**	**3702.82**	**1848.77**	**5551.59**	**5551.59**
…	**II. Revenue Deficit carried over to Section B**	…	536.81	**II. Revenue Surplus carried over to Section B**	…	…	715.14	715.14
5536.35	**Total**	**6266.73**	**5536.35**	**Total**	**3702.82**	**1848.77**	**6266.73**	**6266.73**

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

2012-13	Receipts	2013-14	2012-13	Disbursements				2013-14
Section – B : Others								
					Non-Plan	**Plan**	**Total**	
371.27	**III. Opening Cash Balance including permanent advances and cash balance investment**	**- 21.07**	…	**III. Opening Overdraft from RBI**	,,,	,,,	,,,	,,,
…	**IV. Miscellaneous Capital Receipts**	**…**	**928.34**	**IV. Capital Outlay**	**0.71**	**1074.76**	**1075.47**	**1075.47**
			60.59	**General Services**	**0.23**	**84.59**	**84.82**	**84.82**
			224.29	**Social Services**	**0.48**	**390.63**	**391.11**	**391.11**
			2.82	General Education	…	9.76	9.76	
			0.60	Technical Education, Sports, Art and Culture	…	15.50	15.50	
			63.04	Health and Family Welfare	…	96.02	96.02	
			127.61	Water Supply and Sanitation	0.25	135.64	135.89	
			30.22	Housing and Urban Development	0.23	129.93	130.16	
			…	Social Welfare and Nutrition	…	3.78	3.78	
			643.46	**Economic Services**	…	**599.54**	**599.54**	**599.54**
			10.71	Agriculture and Allied Activities	…	16.34	16.34	
			0.11	Rural Development	…	0.20	0.20	
			76.65	Special Areas Programmes	…	41.26	41.26	
			84.46	Irrigation and Flood Control	…	6.12	6.12	
			46.47	Industry and Minerals	…	33.39	33.39	
			424.96	Transport	…	499.55	499.55	
			0.10	General Economic Services	…	2.68	2.68	

2012-13	Receipts	2013-14	2012-13	Disbursements	2013-14
23.25	**V. Recoveries of Loans and Advances**	**20.48**	**27.02**	**V. Loans and Advances Disbursed**	**42.33**
…	From Power Projects …		1.38	For Power Projects 26.10	
22.18	From Government Servants 20.34		15.64	To Government Servants 16.23	
1.07	From Others 0.14		…	To Others …	
536.81	**VI. Revenue Surplus brought down**	**715.14**	**…**	**VI. Revenue Deficit brought down**	**…**
523.23	**VII. Public Debt receipts**	**475.42**	**168.51**	**VII. Repayment of Public Debt**	**141.62**
520.71	Internal debt other than Ways and Means Advances and Overdraft 475.34		148.22	Internal debt other than Ways and Means Advances and Overdraft 122.28	
…	Net transactions under Ways and Means Advances including Overdraft …		…	Net transactions under Ways and Means Advances including Overdraft …	
2.52	Loans and Advances from Central Government 0.08		20.29	Repayment of Loans and Advances to Central Government 19.34	
3642.21	**VIII. Public Account Receipts**	**4405.98**	**3993.97**	**VIII. Public Account Disbursements**	**3508.69**
204.03	Small Savings and Provident Funds 238.04		94.96	Small Savings and Provident Fund 110.87	
111.70	Reserve Funds 39.76		119.14	Reserve Funds[12] 21.68	
886.54	Deposits and Advances 1936.95		1468.58	Deposits and Advances 1111.35	
92.01	Suspense and Miscellaneous[13] - 80.36		- 18.66	Suspense and Miscellaneous[13] - 3.65	
2347.93	Remittances 2271.59		2329.95	Remittances 2268.44	
…	**IX. Closing Overdraft from Reserve Bank of India**	**…**	**- 21.07**	**IX. Cash Balance at end[14]**	**827.84**
			29.12	Cash in Treasuries 30.78	
			- 45.46	Deposits with Reserve Bank - 521.09	
			0.90	Departmental Cash Balance including permanent advances 1.15	
			- 5.63	Cash Balance Investment 1317.00	
5096.77	**Total**	**5595.95**	**5096.77**	**Total**	**5595.95**

[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 2014

(Reference: Paragraph 1.10.1; Page 34)

(₹ in crore)

As on 31 March 2013	Liabilities		As on 31 March 2014
…	**External Debt**		**…**
3156.88	**Internal Debt**		**3509.94**
2272.15	Market loans bearing interest	2558.70	
…	Market loans not bearing interest	[15]	
0.22	Loan from LIC	0.17	
884.51	Loans from other Institutions	951.07	
…	Ways and Means Advances	…	
…	Overdraft from Reserve Bank of India	…	
195.70	**Loans and Advances from Central Government**		**176.44**
5.37	Pre 1984-85 Loans	5.37	
11.58	Non-plan Loans	11.27	
171.30	Loans for State Plan Schemes	152.73	
0.10	Loans for Central Plan Schemes	0.10	
3.01	Loans for Centrally Sponsored Plan Schemes	3.39	
4.34	Loans for Special Schemes	3.58	
105.00	**Contingency Fund**		**105.00**
840.46	**Small Savings, Provident Funds, *etc.***		**967.62**
748.48	**Deposits**		**1574.08**
159.31	**Reserve Funds**		**198.35**
105.26	**Remittance Balances**		**108.41**
2535.29	**Surplus on Government Accounts**		**3250.43**
1998.48	(i) Revenue Surplus as on 31 March 2013	2535.29	
536.81	(ii) Revenue Surplus for the year 2013-14	715.14	
7846.38			**9890.27**
	Assets		
7041.41	**Gross Capital Outlay on Fixed Assets**		**8116.88**
383.51	Investment in shares of Companies, Corporation, *etc.*	427.09	
6657.90	Other Capital Outlay	7689.79	
568.72	**Loans and Advances**		**590.57**
503.21	Loans for power projects	529.31	
39.77	Other Development Loans	39.62	
25.74	Loans to Government Servants and miscellaneous loans	21.64	
136.24	**Investment of Earmarked Funds**		**157.20**
1.80	**Advances**		**1.80**
14.28	**Suspense and Miscellaneous Balances**		**90.98**
105.00	**Appropriation to Contingency Fund**		**105.00**
…	**Remittances**		**…**
- 21.07	**Cash**[16]		**827.84**
29.12	Cash in Treasuries	30.78	
- 45.46	Deposits with Reserve Bank of India	- 521.09	
0.90	Departmental Cash Balance	1.14	
…	Permanent Advances	0.01	
- 5.63	Cash Balance Investment	1317.00	
7846.38			**9890.27**

[15] ₹ 0.26 lakh only

[16] 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 ₹ 46.94 crore between the figures reflected in the accounts {(-) ₹ 521.09 crore} and that intimated by the Reserve Bank of India {(-) ₹ 568.03 crore} due to (i) misclassification by Bank/Treasury (₹ 45.51 crore) and (ii) non-receipt of details of adjustment (₹ 1.43 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 – Swarnjayanti Gram Swarozgar Yojana	Meghalaya State Rural Livelihoods Society, Shillong, Meghalaya	65142000
2.	Advocacy and Publicity	Divya Jeevan Foundation Society	500000
3.	Afforestation and Forest Management	State Forest Development Agency, Meghalaya	53970000
4.	Assistance to IHMS FCIS *etc.*	Food Craft Institute Society, Tura, (West Garo Hills)	17500000
5.	Assistance to Voluntary Organisation for providing Social Defence	Khasi Jaintia Presbyterian Assembly Social and Economic Life Development Association, Meghalaya	932450
6.	Bioinformatics	St. Edmunds College	1048000
7.	Biotechnology for Societal Development	Civil Hospital Shillong	1056000
8.	Capacity Building for Service Providers	Food Craft Institute Society, Tura (West Garo Hills)	3540983
9.	Central Rural Sanitation Programme	State Water and Sanitation Mission, Meghalaya	515182000
10.	Comprehensive Handloom Development Scheme (CHDS)	Meghalaya Apex Handloom Weavers and Handicrafts Cooperative Federation, Ltd., Shillong	1393526
		Director of Sericulture and Weaving, Government of Meghalaya, Shillong	500000
11.	Deen Dayal Disabled Rehabilitation Scheme SJE	Montfort Center for Education	1127548
		The Society for the Welfare of the Disabled	1545412
12.	DRDA Administration	DRDAs, West Garo Hills, South Garo Hills, Ri-Bhoi, East Garo Hills, West Khasi Hills, West Jaintia Hills, South West Garo Hills, East Khasi Hills, North Garo Hills, East Jaintia Hills, South West Khasi Hills, Mawkyrwat	50935000
13.	Electronic Governance	Meghalaya Information Technology Society	38000000
14.	Grant in Aid to NGOs for STs Including Coaching & Allied	R K Mission, R. K. Mission Ashrama Shillong , Meghalaya	85791751
15.	Grants in Aid to Universities and Research Institutions for Training	St. Anthony's College Registered Society	360000
16.	Information Publicity and Extension	Meghalaya Non Conventional & Rural Energy Development Agency	6350000
17.	Integrated Watershed Management Programme (IWMP)	SLNA Meghalaya(Shillong)	284659646
18.	Mahatma Gandhi National Rural Employment Guarantee Scheme	State Rural Employment Society, Shillong, Meghalaya	2710621000
19.	MPs Local Area Development Schemes MPLADS	Deputy Commissioner, East Khasi Hills	125000000
		Deputy Commissioner, West Garo Hills	50000000
20.	National AIDS Control Programme III	Meghalaya AIDS Control Society	47535000
21.	National Food Security Mission	Meghalaya Small Farmers Agri-Business Consortium	123159000
22.	National Mission on Micro Irrigation	Meghalaya Small Farmers Agri-Business Consortium	5000000
23.	National Programme for Control of Blindness	State Health Society, Meghalaya	1000000
24.	National Project on Management of Soil Health and Fertility	Meghalaya Small Farmers Agri-Business Consortium	1050000
25	National Rural Drinking Water Program	SWSM Meghalaya, Shillong	916793000

Sl. No	Programme/ Scheme	Implementing Agency in the State	Funds transferred by the GOI
26.	National Rural Health Mission Centrally Sponsored	Meghalaya State TB Control Society	26688000
		State Health Society, Meghalaya	910380600
27.	North Eastern Council	Directorate of Information & Public Relations, Meghalaya	71590
		Impact Inc	769183
		Meghalaya Rural Bank	100000
		Directorate of Tourism, Government of Meghalaya, Shillong	100000
		Food Craft Institute Society, Tura (West Garo Hills)	200000
		Meghalaya Information Technology Society	9700000
28.	Off Grid DRPS	Meghalaya Non-Conventional and Rural Energy Development Agency	74836285
29.	Promotion of Sports among Disabled	Dwar Jingkyrmen School for Children in Need of Special Education	254881
		Bethany Society	290775
30.	Promotion and Dissemination of Arts and Culture	Kristy Youth Welfare Organisation, Meghalaya	60000
		Society for Performing Arts Development	112500
31.	Propogation of Right to Information Act – Improving Transparency & Accountability	Meghalaya Administrative Training Institute	1171400
32.	Rashtriya Madhyamik Shiksha Abhiyan (RMSA)	State Education Mission Authority of Meghalaya	34092000
33.	Renewable Energy for Rural Applications for All Villages	Meghalaya Non Conventional & Rural Energy Development Agency	8117500
34.	Rural Housing –IAY	DRDAs, East Garo Hills, West Garo Hills, West Jaintia Hills, West Khasi Hills, Ri Bhoi, South Garo Hills and East Khasi Hills	806352400
35.	Sarva Shiksha Abhiyan(SSA)	Sarva Shiksha Abhiyan State Mission Authority of Meghalaya	2834086000
36.	Scheme for Technology Upgradations/ Establishment/Modernisation	M/S T. G. Industries	542000
		Shyam Foods	3750000
		Shree Mahabir Foods Ltd.	2957000
37.	Scheme Arising out of the Implementation of the Person	State Society for the Implementation of Rehabilitation of Services for the Persons with disabilities	1182000
38.	Science and Technology Programme for Socio Economic Development	State Council of Science, Technology & Environment (SCSTE), Meghalaya	685048
39.	Skill Development	Meghalaya State Council for Training in Vocational Trades	24723000
40.	Social Security for Unorganised Workers including RSBY	State Health Society, Meghalaya	17919830
41.	State Science and Technology Programme	State Council of Science, Technology & Environment (SCSTE), Meghalaya	1346000
42.	Support to Extension Programme for Extension Reforms	Meghalaya Small Farmers Agri-Business Consortium	5500000
43.	Swarna Jayanti Shahari Rojgar Yojana (SJSRY)/National Urban	Meghalaya Urban Development Agency	43406000
44.	Umbrella Scheme for Projection and Development of Woman	Impulse NGO Network	1250000
45.	Vocational Training Centre in Tribal Areas	Nongkrem Youth Development Association	4896000
46.	Youth Hostel	Garnet Mylliemngap	144000
Total:			**9925376308**

Source: Central Plan Scheme Monitoring System of CGA website.

APPENDIX 1.5

Effectiveness of expenditure under various programmes

(Reference: Paragraph 1.8.2; Page 28)

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2014			
		Funds available up to 31 March 2014	Actual expendi-ture up to 31 March 2014	Performance Indicator	Unit of measure-ment	Physical Targets	Achievement/ Outcome
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Indira Awaas Yojana (IAY)	98.96	87.99	Houses constructed	Nos.	13,865	5,037
2.	Sarva Shiksha Abhiyan (SSA)	1465.75	1400.62	Salary, Grants Training, Learning enhancement Programme, *etc*.	Centre/ School Schools	11,45,215	6,53,823
3.	Food Civil Supplies & Consumer Affairs (ANNAPURNA)[17]	62.62	62.42	Distribution of Foodgrains.	in Kgs	1018920	1015470
4.	Integrated Child Development Services (ICDS)	54.82	55.42	DPOs Projects State Cell	No . of Projects	(A)	(A)
5.	Special Nutrition Programme (SNP) in ICDS Areas	88.31	88.31	Beneficiaries	Nos.	6,48,973	5,20,503
6.	National Social Assistance Programme (NSAP)	22.61	20.27	Indira Gandhi National Old Age Pension Scheme (IGNOAPS)	Nos.	Not available	48,294
				National Family Benefit Scheme (NFBS)	Nos.	Not available	1,074
				Indira Gandhi National Widow Pension Scheme (IGNWPS)	Nos.	Not available	6,837
				Indira Gandhi National Disability Pension Scheme (IGNDPS)	Nos.	Not available	1,430
7.	Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)	407.08	348.66	Electrification	No. of villages	1866	1796
8.	Mid Day Meal Programme	40.50	24.17	Cooking Cost	Nos.	5,30,134	5,14,212
9.	Mid Day Meal Programme	6.99	3.73	Foodgrain	MT	12,378.91	9,861.95
10.	Mid Day Meal Programme	17.81	10.66	Cooks cum Helpers	Nos.	17,776	16,784

[17] Position for the year 2013-14 only

(A) DPO : 5; ICDS Project : 38; State Cell : 2.

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2014			
		Funds available up to 31 March 2014	Actual expenditure up to 31 March 2014	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
11.	Mid Day Meal Programme	1.21	0.73	Transportation cost	MT	12,378.91	7,427.35
12.	Mid Day Meal Programme	1.09	0.69	MME	NA	NA	NA
13.	Mid Day Meal Programme	1.77	1.77	Kitchen Devices	Nos.	3,545	3,545
14.	National Rural Health Mission (NRHM)	46.09	28.00	BCG DPT OPV Measles Fully Immunized Delivery in Institution Pulse Polio Immunization		77078 77078 77078 77078 77078 NA NA	86893 76349 76165 71859 68054 43296 1002903 (1st & 2nd round)
15.	Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	3354.59	3354.59	Storm Water Drainage Survey, engineering, design and construction and distribution etc. Purchase of Buses Construction of Houses at Nongmensong (Phase I) (Phase II) Integrated Slum Development Housing at Tura Solid Waste at Tura Housing at Williamnagar Housing at Nongpoh Solid Waste at Nongpoh	Length in Rm NA Nos. Units Units Units NA Units Units NA	105957 NA 120 300 300 168 456 NA 216 240 NA	100659 70% 100% 160 16 0 48 91.75% NA NA 93 %
16.	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	341.18	310.09	Employment Generated	Lakh Person-days	146	204.49
17.	National Rural Drinking Water Programme (NRDWP)	97.87	112.58	Habitations covered	Nos.	416	499
18.	Rural Drinking Water Programme (RDWP)	77.00	68.05	Habitations covered	Nos.	200	50
19.	Total Sanitation Campaign (TSC)	96.97	46.35	Habitations covered	Nos.	50,266	29,012
20.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	NA	34.98	Phase II Phase III Phase IV Phase V Phase VI	Km	NA	25.04
21.	Accelerated Irrigation Benefit Programme (AIBP)	80.00	42.38	Schemes on Water Resources	In Ha	1943.76	3581.570
22.	Accelerated Irrigation Benefit Programme (AIBP)	100.00	44.75	Schemes on Soil & Water Conservation	In Ha	7300	3267

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2014			
		Funds available up to 31 March 2014	Actual expendi-ture up to 31 March 2014	Performance Indicator	Unit of measure-ment	Physical Targets	Achievement/ Outcome
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
23.	Horticulture Mission for North East and Himalayan States (HMNEH)	40.00	40.00	Production of planting materials	Nos.	5,37,934	5,37,934
24.	Rashtriya Krishi Vikas Yojana (RKVY)	558.43	212.90	**1. Agriculture Department :** Integrated Training Centre, Electrification & wiring Net Working, TREYSEFA, etc		NA	NA
		763.76	150.00	**2. Horticulture Department** Cluster Cooperative Trading & Training Centre		NA	10 %
				Citrus Project for Quality Planting Material at Dewlieh farm		NA	31 %
				Completion of Farmers's Hostel at Rongram		NA	46 %
				Cluster Cooperative Trading & Training Centre		NA	10 %
				Orchid Valley Establishment		NA	28 %
				Upgradation of infrastructure at Kyrwen Farm		NA	29 %
				Tomato Plantation	Units	30	NA
				Protected Cultivation of Dendrobium	Units	10	NA
		7.55	0.45	**3. Animal Husbandry & Veterinary Department**			
				(i) Veterinary Hospital	Units	1	NA
				(ii) Clinical Laboratory		7	NA
				(i) Skill Development	Units	11	8
				(ii) Farmer's Training	Blocks	39	39
					Districts	11	NA
				(iii) Establishment of Vocational Trg. Centres	Units	2	NA
				Goat Development	Units	50	NA
		6.26	6.26	**4. Water Resources Department -** Irrigation	Hectare	902.34	902.34
		11.50	NA	**5. Fisheries Department**			
				(i) Area Expansion under Individual Pond	Hectare	155.70	NA
				(ii) National Mission for Protein Supplement	Projects	39	Under Progress
					Hectare	26.5	

Source: Directorate of Programme Implementation & Evaluation, GOM and State Project Director, SSA State Education Mission Authority (Sl. No. 2, Columns 2 & 3)

APPENDIX 2.1
Department-wise position of savings/excess (exceeding ₹ 10 crore) for which reasons were not furnished

(Reference: Paragraph 2.2; Page 48)

(₹ in crore)

Name of Department	Number & Name of Grant/Appropriation	Savings (-) Excess (+)
Tax	11-Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, *etc* Revenue - Voted	 (-) 45.73
Home (Police)	16 – Police, Other Administrative Services, Housing, Capital Outlay on Police Revenue – Voted Capital – Voted	 (-) 14.99 (-) 19.70
Public Works	19 – Secretariat General Services, Public Works, *etc.* Revenue – Voted Capital – Voted	 (-) 26.68 (-) 79.23
Education, Sports and Youth Affairs and Arts & Culture	21– Miscellaneous General Services, *etc.* Revenue – Voted	 (-) 1174.29
Finance	24 - Pensions and other Retirement Benefits Revenue – Voted	 (+)53.89
Health and Family Welfare	26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, *etc.* Revenue – Voted	 (+) 10.90
Public Health Engineering	27 - Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, Capital Outlay on Housing, Capital – Voted	 (-) 77.83
Housing	28-Housing, Capital Outlay on Housing, Loans for Housing Revenue – Voted	 (-) 44.44
Urban Development	29 – Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, *etc.* Revenue – Voted Capital – Voted	 (-) 24.86 (-) 244.77
Labour	31 – Labour and Employment Revenue – Voted	 (-) 20.73
District Council Affairs and Social Welfare	34 – Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes, *etc.* Revenue – Voted Capital – Voted	 (-) 158.58 (-) 15.21
Planning	38 – Secretariat Economic Services Revenue – Voted	 (-) 296.60
Co-operation	39–Co-operation, Capital Outlay on Co-operation, *etc.* Revenue – Voted	 (-) 14.55
Agriculture, Animal Husbandry and Veterinary, Industries, *etc*.	40 – North Eastern Areas, Capital Outlay on North Eastern Areas Revenue – Voted Capital - Voted	 (-) 76.64 (-) 72.91
Agriculture	43 – Housing, Crop Husbandry, *etc.* Revenue – Voted Capital – Voted	 (-) 233.36 (-) 159.21
Soil Conservation	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	 (-) 90.68
Fisheries	49 – Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries Revenue – Voted	 (-) 12.78
Forest	50- Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Revenue – Voted Capital - Voted	 (-) 53.29 (-) 23.55

Name of Department	Number & Name of Grant/Appropriation	Savings (-) Excess (+)
Community and Rural Development	51– Housing, Crop Husbandry, *etc.* Revenue – Voted	(-) 70.17
Industries	53 – Village and Small Industries, Capital Outlay on Village and Small Industries, *etc.* Revenue – Voted	(-) 34.93
Industries	54 - Village and Small Industries, Capital Outlay on Housing, Capital Outlay on Village and Small Industries, *etc* Revenue – Voted	(-) 16.58
Public Works	56 – Roads and Bridges, Capital Outlay on Roads and Bridges Capital – Voted	(-) 42.86
Transport (Tourism)	57-Tourism, Capital Outlay on Tourism, Capital Outlay on Public Works, Loans for Tourism, *etc.* Revenue – Voted	(-) 11.41
Finance	Appropriation – Internal Debt of the State Government Capital – Charged	(+) 106.20

APPENDIX 2.2

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

(Reference: Paragraph 2.3.1; Page 48)

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percen-tage
1.	10	Taxes on Vehicles, Other Administrative Services *etc*., Revenue – Voted	25.86	6.53	25
2.		Capital - Voted	20.44	6.36	31
3.	11	Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, *etc.* Revenue – Voted	203.16	45.73	23
4.	16	Police, Other Administrative Services, *etc.* Capital – Voted	33.77	19.70	58
5.	17	Jails Revenue – Voted	13.40	3.56	27
6.	19	Secretariat General Services, Public Works, *etc*. Capital – Voted	190.07	79.23	42
7.	21	Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, *etc.* Revenue – Voted	2284.02	1174.29	51
8.	27	Water Supply and Sanitation, Housing, *etc.* Capital - Voted	214.53	77.83	36
9.	28	Housing, Capital Outlay on Housing, Loans for Housing. Revenue – Voted	49.78	44.44	89
10.	29	Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, *etc.* Revenue – Voted	61.26	24.86	41
11.		Capital – Voted	356.38	244.77	69
12.	30	Information and Publicity. Revenue – Voted	17.06	4.38	26
13.	31	Labour and Employment Revenue – Voted	41.77	20.73	50
14.	34	Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes, Social Security and Welfare, Nutrition, *etc.* Revenue – Voted	377.52	158.58	42
15.		Capital – Voted	19.00	15.21	80
16.	38	Secretariat Economic Services Revenue – Voted	419.02	296.60	71
17.	39	Co-operation, Capital Outlay on Co-operation, Capital Outlay on Other Agricultural Programmes, Loans for Co-operation Revenue – Voted	31.07	14.55	47
18.		Capital - Voted	16.08	7.79	48
19.	40	North Eastern Areas, Capital Outlay on North Eastern Areas Revenue – Voted	95.87	76.64	80
20.		Capital – Voted	114.17	72.91	64
21.	41	Census, Survey and Statistics. Revenue – Voted	18.26	5.40	30
22.	42	Housing, Other General Economic Services Revenue – Voted	6.79	2.57	38
23.	43	Housing, Crop Husbandry, Agricultural Research and Education, *etc.* Revenue – Voted	449.13	233.36	52
24.		Capital – Voted	167.75	159.21	95
25.	45	Housing, Soil and Water Conservation, Agricultural Research and Education. Revenue – Voted	211.09	90.68	43

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Savings	Percen-tage
26.	49	Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries Revenue – Voted	43.04	12.78	30
27.	50	Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Revenue – Voted	174.84	53.29	30
28.		Capital – Voted	24.14	23.55	98
29.	53	Village and Small Industries, Capital Outlay on Village and Small Industries, Loans for Village and Small Industries Revenue – Voted	87.46	34.93	40
30.	54	Village and Small Industries, Capital Outlay on Housing, Capital Outlay on Village and Small Industries, *etc* Revenue – Voted	47.06	16.58	35
31.	57	Tourism, Capital Outlay on Tourism, Capital Outlay on Public Works, Loans for Tourism Revenue – Voted	35.35	11.41	32
Total			**5849.14**	**3038.45**	

APPENDIX 2.3
Statement showing expenditure without provision
(Reference: Paragraph 2.3.3; Page 49)

(₹ in lakh)

Sl. No.	Grant/Appropriation Number – Major Head of Accounts - Sub-Head - Detailed Head	Expenditure without provision
1.	12 – 2049 – 01 – 101 (82)8.54 % Meghalaya Government Stock 2023 – General	469.70
2.	12 – 2049 – 01 – 101 (83) 8.50 % Meghalaya Government Stock 2023 -General	425.00
3.	12 – 2049 – 01 – 101 (84) 9.75 % Meghalaya Government Stock 2023 -General	292.50
4.	19 – 4059 – 80 – 051 (02) – General Purposes Office and Administrative Buildings for all Services - Sixth Schedule (Part II) Areas	250.00
5.	19 – Centrally Sponsored Schemes (CSS) – 4059 – 80 – 051 (01) Functional Non Residential Buildings under General Services – Sixth Schedule (Part II) Areas	30.00
6.	19 – CSS – 4202 –02 – 103 (01) Shillong Polytechnic – Sixth Schedule (Part II) Areas	10.93
7.	21 – 2202 – 01– 102 (07) Mid Day Meal Incentive to Students - General	2542.78
8.	23 – 2070 – 800 (02) Miscellaneous Gifts and Presents – General	6.54
9.	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	48.55
10.	26 – CSS - 2210 – 06 - 101 (01) National Malaria Eradication Programme - Sixth Schedule (Part II) Areas	29.73
11.	26 – 2211 – 001 (02) District Family Welfare Bureau – General	73.28
12.	26 – 2211 – 101 (02) Rural Family Welfare Sub -Centres – Sixth Schedule (Part II) Areas	261.66
13.	26 – CSS – 2211 – 001 (02) District Family Welfare Bureau – General	43.79
14.	26 – CSS - 2211 –101 (01) Rural Family Welfare Centres - Sixth Schedule (Part II) Areas	300.19
15.	26 – CSS - 2211 –101 (02) Rural Family Welfare Sub-Centres – General	357.01
16.	27 – 4215 – 01 – 102 (03) Rajiv Gandhi National Drinking Water Mission (RGNDWM) Projects - Sixth Schedule (Part II) Areas	31.28
17.	27 – 4215 – 01 – 102 (05) State Share for Other Centrally Sponsored Schemes - Sixth Schedule (Part II) Areas	32.45
18.	32 – CSS – 3456 – 102 (02) Consumer Helpline – General	21.95
19.	34 – 2235 – 02 – 101 (17) Implementation of Persons with Disabilities Act (SIPDA) – General	96.20
20.	34 – CSS - 2235 – 800 (03) Multi Sectional Development Programme (MSDP)-General	762.33
21.	34 – CSS -2236 – 02 – 101 (02) Supplementary Nutrition Programme for Integrated Child Development Service Scheme – Sixth Schedule (Part II) Areas	32.60
22.	36 – 2235 - 60 – 104 (01) Government Provident Fund – General	45.89
23.	40 – 2552 – 27 – 800 (09) Setting up of Digital Planetarium in Shillong Science Centre – General	90.00
24.	40 – 4552 – 14 – 800 (24) Improvement including Widening, Metalling and Blacktopping of Jowai – Nartiang – Kdiap – Khanduli Road (6.00 to 61Km) - Sixth Schedule (Part II) Areas	1667.18
25.	40 – 4552 – 14 – 800 (33) Improvement/up-gradation of Cherra-Mawsmai- Shella Road (0-40 Km) - Sixth Schedule (Part II) Areas	193.96
26.	40- 4552 – 80 – 800 (04) Roads and Bridges - Sixth Schedule (Part II) Areas	148.47
27.	43 – 2401 – 108 (32) Multiple Cropping through Cluster Approach – Sixth Scheduled (Part-II) Areas	127.92
28.	43 – 2401 – 800 (21) Special Central Assistances – General	1350.00
29.	43 – 2702 – 800 (10) NABARD Loan for Construction of MIPs - Sixth Schedule (Part-II) Areas	699.37

Sl. No.	Grant/Appropriation Number – Major Head of Accounts - Sub-Head - Detailed Head	Expendi-ture without provision
30.	43 – 4702 – 101 (05) NABARD Loan for Construction of MIPs - Sixth Schedule (Part-II) Areas	170.00
31.	43 – 4711 – 01 - 800 (01) Critical Flood Control and Anti – Erosion Scheme – Sixth Schedule (Part-II) Areas	20.38
32.	45 – 2402 – 800 (14) Integrated Watershed Management Programme (IWMP) State Share – General	19.28
33.	47 – CSS – 2403 -101 (18) Assistance to State for Control of Animal Diseases (ASCAD) – General	33.37
34.	51 – 2515 -102 (01) Stage – I Block - Sixth Schedule (Part-II) Areas	27.30
35.	53 – CSS – 2851 – 107(03) Supply of rearing and Spinning for Eri Industry – General	772.27
36.	56 – 5054 – 04 – 800 (04) Road Financed from Central Road Fund - Sixth Schedule (Part-II) Areas	439.59
37.	56 – 5054 – 04 – 800 (10) Completion of Critical ongoing spillover Schemes construction of Rural Roads (one time ACA) - Sixth Schedule (Part-II) Areas	32.41
38.	56 – 5054 – 04 – 800 (22) Grant under Article 275 (1) - Sixth Schedule (Part-II) Areas	674.59
39.	56 – 5054 – 04 – 800 (27) Special Plan Assistance Up-gradation of Roads of New District Headquarters – Sixth Schedule (Part-II) Areas	1168.88
40.	56 – CSS - 5054 – (02) Inter State Connectivity – Sixth Schedule (Part-II) Areas	699.99
41.	Appropriation – Internal Debt of the State Government - 6003 – 101 (32) 6.20 % Meghalaya State Development Loan 2013 – General	1000.21
42.	-Do - 6003 – 106 – 4549 – 8.50 % Meghalaya Government Power Bond October 2013 – General	69.95
43.	- Do - 6003 – 106 -4550 – 8.50 % Meghalaya Government Power Bond April 2014 – General	69.95
44.	-Do - 6003 – 109 – 0466 – (iii) Loans from HUDCO – General	845.77
	Total	**16485.20**

APPENDIX 2.4

Statement showing the amount debited head wise and credited to 8443

(Reference: Paragraph 2.3.4; Page 50)

Sl No.	Debit Head	Credit Amount (₹ in crore)
1.	2202	40.77
2.	2203	52.74
3.	2204	13.55
4.	2205	16.54
5.	2210	50.86
6.	2235	23.97
7.	2401	49.60
8.	2406	36.86
9.	2501	13.49
10.	2505	48.36
11.	2515	18.00
12.	2552	13.38
13.	2801	77.76
14.	2851	18.37
15.	2852	15.97
16.	3054	13.46
17.	3451	64.10
18.	4059	40.68
19.	4202	10.71
20.	4215	40.94
21.	4217	82.33
22.	5054	185.91
	Total	**928.35**

APPENDIX 2.5

Excess over provision of previous years requiring regularisation

(Reference: Paragraph 2.3.5; Page 51)

(₹ 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
2012-13	7/3	2, 7, 24, 44, 46, 48, 56/ Appropriation – 12, 16, 19	114.45
Total			**1502.89**

APPENDIX 2.6

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

(Reference: Paragraph 2.3.7; Page 52)

(₹ 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	5651.14	4919.74	731.40	147.16
2.	3 – Council of Ministers, Other Administrative Services, *etc.* Revenue – Voted	1183.00	1023.08	159.92	47.79
3.	6 – Land Revenue, Relief on account of Natural Calamities, *etc*. Revenue – Voted	3405.92	3264.48	141.44	562.43
4.	10 - Taxes on Vehicles etc. Revenue – Voted	2536.00	1933.34	602.66	50.22
5.	14 – District Administration Revenue – Voted	3247.00	2857.47	389.53	87.63
6.	16 – Police, Other Administrative Services, Housing, Capital Outlay on Police Capital – Voted	2680.00	1406.82	1273.18	697.00
7.	19 – Secretariat General Services, *etc.* Revenue – Voted	18053.63	16453.65	1599.98	1067.89
8.	Capital – Voted	14425.85	11084.25	3341.60	4581.26
9.	21- Miscellaneous General Services, General Education *etc*. Revenue – Voted	216900.17	110973.29	105926.88	11501.79
10.	23 – Other Administrative Services Revenue – Voted	538.00	502.39	35.61	86.47
11.	30 – Information and Publicity Revenue – Voted	1656.00	1268.12	387.88	50.00
12.	31 – Labour and Employment Revenue – Voted	3867.45	2104.17	1763.28	309.30
13.	32 – Civil Supplies, Capital Outlay on Food Storage and Warehousing Revenue – Voted	2100.00	1783.53	316.47	28.06
14.	34- Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes, *etc*. Revenue – Voted	35114.81	21894.05	13220.76	2637.21
15.	38 - Secretariat Economic Services Revenue – Voted	41794.00	12242.56	29551.44	108.16
16.	39- Co-operation, Capital Outlay on Co-operation, *etc*. Revenue – Voted	2967.49	1652.73	1314.76	140.00
17.	41 – Census, Survey and Statistics Revenue – Voted	1569.00	1286.45	282.55	257.47
18.	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	20874.00	12040.56	8833.44	234.71
19.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife. Revenue – Voted	13213.82	12155.46	1058.36	4270.23
20.	51 – Housing, Crop Husbandry, Special Programmes for Rural Development, Rural Employment, *etc* Revenue – Voted	31852.44	29243.54	2608.90	4408.07
21.	54 – Village and Small Industries, Capital Outlay on Housing, *etc*. Revenue - Voted	3761.00	3048.44	712.56	945.24
	Total	**427390.72**	**253138.12**	**174252.60**	**32218.09**

APPENDIX 2.7

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

(Reference: Paragraph 2.3.8; Page 52)

(₹ in crore)

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
1.	5	105 – Charges for conduct of Elections to Parliament (02) Expenditure on bye-Election to LS/RS - Sixth Scheduled (Part-II) Areas	2015	(-)0.71	(-)3.50
2.	9	101 – Collection of Charges (01) District level Offices - Sixth Scheduled (Part-II) Areas	2040	(-)0.04	(+)2.68
3.	11	800 – Other Loans to Electricity Boards (05) State Plan Loans - General	6801	(+)1.80	(-) 4.58
4.		800 – Other Loans to Electricity Boards (13) Construction of 132 KV D/C LILO of Rongkhon-Ampati line at Praharinagar along with 1x25 MVA (with an additional Transformer bay) 132/33 KV S/S at Praharinagar - General		(-)1.50	(-)1.50
5.	12	104 – Interest on Provident Funds (01) Interest on General Provident Fund - General	2049	(+)4.02	(+)17.80
6.	16	207 – State Police (01) Construction of Administrative Building for the State Police/ Police Station and Outpost - Sixth Scheduled (Part-II) Areas	4055	(+)0.28	(-)2.44
7.		211 – Police Housing (01) Construction of Residential Buildings for Police Accommodation/Facilities - General		(-)0.34	(-)1.17
8.	19	80 – General – 053 – Maintenance and Repairs (07) Other Maintenance Expenditure Sixth Scheduled (Part-II) Areas	2059	(-)0.70	(-)5.27
9.		07 – Other Housing – 053 – Maintenance and Repairs (02) Other Maintenance Expenditure Sixth Scheduled (Part-II) Areas	2216	(-)1.14	(+)1.67
10.		80 – General – 051 – Construction (01) Functional Non-residential Buildings under General Services - General	4059	(-)29.54	(-)11.99
11.		80 – General – 051 – Construction (01) Functional Non-residential Buildings under General Services - Sixth Scheduled (Part-II) Areas		(+)22.72	(+)1.36
12.		700 – Other Housing (01) Construction of Residential Buildings - General	4216	(+)4.91	(-)3.99
13.		700 – Other Housing (01) Construction of Residential Buildings - Sixth Scheduled (Part-II) Areas		(+)1.92	(+)1.30
14.	21	101 – Government Primary School (01) Expenditure on Primary Schools - General	2202	(-)19.10	(-)23.82
15.		110 – Assistance to Non–Government Secondary Schools (01) Expenditure on Secondary Schools under Deficit System for Boys - Sixth Scheduled (Part-II) Areas		(+)2.59	(-)3.91

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
16.	21	110 – Assistance to Non–Government Secondary Schools (02) Expenditure on Secondary Schools under Deficit System for Girls - General	2202	(+)1.48	(-)14.10
17.		104 – Assistance to Non-Government Colleges and Institutes (02) Expenditure on College under Non-Deficit System Sixth Schedule (Part-II) Areas		(-)0.14	(-)1.80
18.		102 – Assistance to Non – Government Primary Schools (01) Expenditure on maintenance of primary schools under deficit system - Sixth Schedule (Part-II) Areas		(-)1.09	(+)35.44
19.		110 – Assistance to Non-Government Secondary Schools (02) Expenditure on Secondary Schools under deficit system for Girls - Sixth Schedule (Part-II) Areas		(+)0.20	(+)17.80
20.		110 – Assistance to Non- Government Secondary Schools - (09)- Improvement Facilities for Teaching of Science in High Schools – Sixth Schedule (Part II) Areas		(+)0.16	(+)1.01
21.		- Do – General		(+)2.42	(-)1.45
22.		103 – Government Colleges and Institutes (13) Government College - Sixth Schedule (Part-II) Areas		(+)4.61	(+)1.15
23.	22	115 – Guest Houses, Government Hostels, etc. (03) Other Session and Circuit Houses Sixth Scheduled (Part-II) Areas	2070	(-)0.43	(+)1.05
24.	24	101 – Superannuation and Retirement Allowances (01) Superannuation and Retirement Allowances - General	2071	(+)15.00	(+)42.79
25.		104 – Gratuities (03) Retiring Gratuities General		(+)3.00	(+)5.37
26.		105 – Family Pensions (01) Family Pension for State Government Employees - General		(+)22.48	(-)3.71
27.		115 – Leave Encashment Benefits (01) Leave Encashment - General		(-)0.70	(+)12.52
28.	26	110 - Hospital and Dispensaries (02) Ganesh Das Hospital (including improvement thereof) Sixth Schedule (Part-II) Areas	2210	(-)0.90	(+)4.18
29.		101 – Health Sub-Centres (01) Other Existing and new Primary Health Centres and Sub-Centres with Indoor Facilities Sixth Schedule (Part-II) Areas		(-)0.35	(+)4.77
30.		103 – Primary Health Centres (01) Other Existing and New Primary Health Centres & Sub Centres with Indoor Facilities Sixth Schedule (Part-II) Areas		(+)2.58	(+)13.62
31.		110 – Hospital and Dispensaries (25) Setting up of Medical College and Teaching Hospital Including Hostels and Faculty/Staff Quarters Sixth Scheduled (Part-II) Areas		(-)2.94	(-)2.05
32.	27	101 – Urban Water Supply (01) Each Schemes (Khasi) - Sixth Scheduled (Part-II) Areas	4215	(+)15.00	(-)7.89

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
33.	34	101 – Special Nutrition Programmes (02) Supplementary Nutrition Programme for Integrated Child Development Service Scheme - Sixth Scheduled (Part-II) Areas	2236	(-)0.54	(+)4.11
34.	43	800 – Other Expenditure (12) ACA under RKVY - General	2401	(-)6.35	(-)40.15
35.		119 – Horticulture and Vegetable Crops (23) Establishment of Directorate of Horticulture General		(-)0.03	(+)9.35
36.		001 – Direction and Administration (03) Establishment of Irrigation Wing Sixth Scheduled (Part-II) Areas	2702	(+)0.09	(-)2.77
37.		80 – General – 001 – Direction and Administration – (04) – Strengthening of Surface Water – Minor Irrigation (Investigation Division) – Sixth Schedule (Part II) Areas		(-)0.03	1.40
38.		800 – Other Expenditure (07) Improvement of Modernisation of Existing Irrigation Sixth Scheduled (Part-II) Areas		(+)0.51	(-)2.77
39.		800 – Other Expenditure (10) NABARD Loan for construction of MIP - General		(-)0.50	(-)7.00
40.		800 – Other Expenditure (22) Promotion of Water User Efficiency Sixth Scheduled (Part-II) Areas		(+)1.49	(-)1.69
41.		800 – Other Expenditure (25) Integrated Development of Water Resources - General		(-)0.50	(-)95.50
42.		800 – Other Expenditure (30) Command Areas Development Activities Sixth Schedule (Part-II) Areas		(-)0.60	(-)1.60
43.		001 – Direction and Administration (02) Establishment of Division and Sub-Division (Minor I Works) Sixth Schedule (Part –II) Areas		(+)0.24	(+)2.58
44.	45	800 – Other Expenditure (13) – Accelerated Irrigation Benefits Programme Sixth Schedule (Part II) Areas	2402	(-)5.43	(-)9.00
45.		102 – Soil Conservation (10) Conservation Works in Urban Area Sixth Scheduled (Part-II) Areas		(-)0.01	(+)1.16
46.		102 – Soil Conservation (13) Special Central Assistance (SCA) for Development of Rubber Plantation - Sixth Scheduled (Part-II) Areas		(+)3.00	(-)1.16
47.		800 – Other Expenditure (01) Construction of Roads to Work areas Sixth Scheduled (Part-II) Areas		(-)0.02	(+)1.11
48.	47	105 – Piggery Development (09) Assistance for State for Strengthening of existing Piggery Farm General	2403	(-)0.47	(-)1.38
49.		113 – Administrative Investigation and Statistics (06) Scheme for assisting the State Livestock Census General		(+)0.31	(-)1.21

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
50.	49	101 Inland Fisheries (36) State Aquaculture Mission - General	2405	(+)0.05	(-)11.16
51.	50	CSS-800 – Other Expenditure (04) Intensification of Forest Management Scheme Sixth Scheduled (Part-II) Areas	2406	(-)0.76	(-)1.88
52.	51	101 – National Rural Employment Guarantee Scheme (03) State Employment Guarantee Fund - General	2505	(+)2.10	(-)12.10
53.		800 – Other Expenditure (26) Social Mobilisation Centre at District Head Quarter Sixth Schedule (Part-II) Areas	2515	(+)20.50	(-)16.00
54.	53	CSS-107 – Sericulture Industries (03) Sericulture Catalytic Development Programme funded by Central Silk Board - General	2851	(+)3.27	(-)7.72
55.	56	800 – Other Expenditure (01) Construction Sixth Scheduled (Part-II) Areas	5054	(-)3.08	(-)72.92
56.		800 – Other Expenditure (02) Externally aided Project under Asian Development Bank Sixth Schedule (Part-II) Areas		(-)53.61	(-)14.39
57.		800 – Other Expenditure (24) Up-gradation of State Highways (SH),Major District Roads (MDR) (MIDB) Infrastructure Development Sixth Scheduled (Part-II) Areas		(+)43.50	(-)97.95
58.		800 – Other Expenditure (03) Construction of Rural Roads - Sixth Scheduled (Part-II) Areas		(-)2.43	(+)61.39
59.		800 – Other Expenditure (21) Project undertaken under Special Plan Assistance Sixth Schedule (Part-II) Areas		(+)46.47	(+)112.14
60.		800 – Other Expenditure (13) State Share for EAP-ADB Sixth Scheduled (Part-II) Areas		(-)2.46	(+)7.18
61.	Appro-priation - Internal Debt of the State Govern-ment	110 – Ways and Means Advances from the Reserve Bank of India (01) Ways and Means Advances - General	6003	(+)10.39	(+)99.31
62.		109 – Loans from Other Institutions (01) Other Loans - General		(-)2.73	(-)8.46

APPENDIX 2.8

Results of review of substantial surrenders (surrender of entire provision over ₹ 1 crore)

(Reference: Paragraph 2.3.10; Page 53)

(₹ in lakh)

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Amount of surrender	Reasons attributed for surrender
1.	1 - Parliament/ State/ Union Territory Legislatures, Stationery and Printing, Capital Outlay on Stationery and Printing, Capital Outlay on Housing	Chairman of Standing Committee (2011)	146.55	Not stated
2.	6 – Land Revenue, Relief on Account of Natural Calamities, Other Social Services, *etc*.	Strengthening of Revenue Administration and Updating of Land Records (2029)	300.00	Non-receipt of sanction for expenditure
3.	8 – State Excise	Chemical Examiner Attached to Headquarter (2039)	106.00	Non-incurring of any expenditure
4.	10 – Taxes on Vehicles, Other Administrative Services, Road Transport, Capital Outlay on Civil Aviation, Capital Outlay on Road Transport	Construction of Bus/Trucks Terminus (5055)	700.00	Not stated
5.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, Non-Conventional Sources of Energy, *etc.*	Field Project (2501)	140.00	Less expenditure
6.		Survey and Investigation. (2801)	540.00	Not stated
7.		Construction of 132/33 KV, 2x20 MVA Sub-Station with LILO of Rongkhon-Ampati Line at Praharinagar (Tura) (2801)	1350.00	
8.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, Art & Culture, *etc.*	Assistance under Article 275(1) (2202)	475.00	Non-implementation of schemes, non-receipt of applications from students and less requirement of fund
9.		Supporting Human Capital ADB-EAP (2202)	765.00	
10.		Pre-Matric Scholarship to Children of those engaged in Unclean Occupation (2202)	500.00	
11.		National Scholarship at Secondary State Level Children of Rural Areas (2202)	500.00	
12.		Inclusive Education of the Disabled at the Secondary Stage (IEDSS) (2202)	400.00	
13.		Pre-Matric Scholarship for Scheduled Caste (2202)	5500.00	
14.		Implementation of Programme of Vocationalisation of Secondary Education (2202)	250.00	Non-implementation of scheme
15.		Colleges for Teachers' Education (2202)	200.00	Non-implementation of schemes
16.		Construction of Girls/Boys Hostel for Scheduled Tribe (2202)	200.00	

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Amount of surrender	Reasons attributed for surrender
17.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, Art & Culture, *etc.*	National Scholarships for Children of School teacher Studying in Colleges (2202)	500.00	Non-implementation of schemes and less requirement of funds
18.		Scholarship to Students from Non-Hindi Speaking State for Post-Matric Studies Hindi (2202)	500.00	
19.		Exchange of Visits by Tribals (2202)	200.00	
20.		Up-gradation of Existing/Setting Up New Polytechnics (2203)	36850.00	Non-implementation of scheme
21.		Payment of Stipend for Apprenticeship for Implementation of Apprentice Act 1961 as Amended in 1973 and 1986 (2203)	200.00	
22.		Up-gradation of Existing/Setting up New Polytechnics (2203)	2600.00	
23.		North East NSS Festival (2204)	800.00	
24.		NSS Implementation of Regular NSS Activities (2204)	500.00	Meeting of expenditure from Central Sector Schemes
25.		NSS Implementation – Special Campaign Programme (2204)	500.00	
26.		Urban Infrastructure (2204)	1000.00	Non-receipt of sanction
27.	27 – Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, *etc*.	Arpdah Farmsning Combined Water Supply (SCA) (4215)	500.00	Non – release of fund by the Planning Department
28.		Up-gradation Grant under Thirteenth Finance Commission Award-Augmentation of Tura Phase I&II WSS (4215)	1250.00	Non-receipt of release order of fund from GOI
29.	29 –Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, Loans for Urban Development	Rajiv Awas Yojana (2217)	119.30	Non-release of Central share
30.		Centrally Sponsored Scheme Swarana Jayanti Shahari Rozgar Yojana (2217)	429.49	Reasons was not stated
31.		Rajiv Awas Yojana (2217)	954.40	
32.		Externally Aided Project under JICA (Central Share) (4217)	900.00	Non-release of fund by GOI

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Amount of surrender	Reasons attributed for surrender
33.	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	Special Problems Recommended by the Twelfth/ Thirteen Finance Commission in Tribal Administration (2225)	8656.00	Non-release of fund by GOI
34.		Construction or Development of Rural Market under NLCPR Schemes (2225)	200.00	
35.	38 – Secretariat Economic Services	Livelihood Improvement Project for the Himalayas/EAP (3451)	200.00	Non-incurring of expenditure during the year
36.		Management Information System of Planning Department (3451)	200.00	
37.		Meghalaya Integral Rural Development Programme (MIRDP) (3451)	5000.00	
38.	39 – Co-operation, Capital Outlay on Co-operation, *etc.*	Assistance for revival and Re-structuring of Credit Structures in the State (2425)	1198.00	Non-recommen-dation of proposal for approval to NCDC.
39.		Schemes for Integrated Co-operative Development Project in selected District (4425)	188.34	Non-receipt of approval/ sanction
40.	40- North Eastern Areas, Capital Outlay on North Eastern Areas	Small Hydro Projects (SHPs) (2552)	403.00	Non-receipt of sanction
41.		Water Supply Infrastructure Development for New Shillong Township (4552)	250.00	Non-release of fund
42.		Road infrastructure development of Shillong Township (4552)	300.00	
43.		Power infrastructure development of New Shillong Township (4552)	300.00	
44.	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	Macro Management of Agriculture Seed Production Programme (2401)	550.00	Non-receipt of sanction for the schemes
45.		Macro Management of Agriculture Integrated Nutrient Management (2401)	550.00	
46.		Setting up of Compost Plants for Urban Solid Waste (2401)	130.00	Non-sanction and non-receipt of approval for the schemes
47.		Macro Management of Agriculture Crop Production Programme (2401)	1201.00	
48.		Support to State Extension Programmes for Extension Reforms (2401)	391.00	
49.		Scheme/Macro Management for Promotion of Agricultural Mechanism (2401)	420.00	

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Amount of surrender	Reasons attributed for surrender
50.	43 – Housing, Crop Husbandry, Agricultural Research & Education, *etc.*	National Watershed Development Project for Rainfed Areas (2401)	2000.00	Non-sanction and non-receipt of approval for the schemes
51.		Macro Management of Agriculture-New Innovations (2401)	548.00	
52.		Rural Heats under Macro Management of Agriculture (2401)	200.00	
53.		Water Retention under Macro Management of Agriculture (2401)	126.00	
54.		Integrated Cereals Development Programmes- Rice and Wheat (2401)	657.00	
55.		Strengthening/Setting up of State Pesticides Testing Laboratory (2401)	154.00	Non-receipt of administrative approval from GOI for implementation of schemes
56.		Training of Women in Agriculture (2401)	170.00	
57.		Promotion/Strengthening of I.T in Agriculture (Agrisnet) (2401)	365.00	
58.		Macro Management of Agriculture Research Programmes (2415)	130.00	
59.	45 – Housing, Soil and Water Conservation, Agricultural Research & Education	Repair, Renovation and Restoration of Water Bodies (2402)	2840.00	Non-receipt of sanction from the Government
60.	53 – Village and Small Industries, Capital Outlay on Village and Small Industries, Loans for Village and Small Industries	Establishment of National Institute of Fashion Technology (NIFT) (2851)	2272.00	Non-receipt of sanction from GOI
61.	57 - Tourism, Capital Outlay on Public Works, Capital Outlay on Other Communication Services, Capital Outlay on Tourism, Loans for Tourism	Thirteenth Finance Commission Award, Development of Caves (3452)	125.00	Not stated
	Total		**89600.08**	

APPENDIX 2.9
Surrender in excess of actual savings
(Reference: Paragraph 2.3.11; Page 53)

(₹ in lakh)

Sl No.	Number and Name of Grant/Appropriation	Total Grant	Saving	Amount surrendered	Amount surrendered in excess of savings
1.	1 – Parliament/State/Union Territory Legislature, Stationery and Printing, *etc.* Revenue – Charged	167.16	75.77	82.65	6.88
2.	4 – Administration of Justice Revenue – Voted	1330.48	59.74	77.97	18.23
3.	8 – State Excise Revenue – Voted	1347.00	90.43	198.50	108.07
4.	10 – Taxes on Vehicles, Other Administrative Services, Road Transport, Capital Outlay on Civil Aviation, *etc.* Revenue Voted	2586.22	652.88	709.00	56.12
5.	Capital – Voted	2044.00	636.43	1245.46	609.03
6.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, *etc.* Revenue – Voted	20316.00	4572.60	4574.59	1.99
7.	13 – Secretariat-General Services, Secretariat-Social Services, Secretariat-Economic Services, *etc.* Revenue – Voted	11752.59	520.41	578.73	58.32
8.	14 – District Administration Revenue – Voted	3334.63	477.16	477.34	0.18
9.	22 – Other Administrative Services, Housing, Census Survey and Statistics Revenue – Voted	2799.92	236.93	380.67	143.74
10.	23 – Other Administrative Services Revenue – Voted	624.47	122.08	124.60	2.52
11.	25 – Miscellaneous General Services Revenue – Voted	103.95	11.52	18.83	7.31
12.	27 – Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, *etc.* Revenue – Voted	16012.35	120.03	182.50	62.47
13.	29 – Urban Development, Capital Outaly on Housing, *etc.* Revenue – Voted	6126.05	2486.26	2487.23	0.97
14.	Capital – Voted	35638.41	24476.85	24477.84	0.99
15.	30 – Information and Publicity Revenue – Voted	1706.00	437.88	446.12	8.24
16.	36 – Miscellaneous General Services, Social Security and Welfare Revenue – Voted	376.96	32.62	73.92	41.30
17.	42 – Housing, Other General Economic Services Revenue – Voted	679.25	257.02	269.22	12.20
18.	57 – Tourism, Capital Outlay on Tourism, Capital Outlay on Public Works, *etc.* Revenue – Voted	3535.00	1140.75	1146.88	6.13
	Total	**110480.44**	**36407.36**	**37552.05**	**1144.69**

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 54)

(₹ in crore)

Sl. No.	Grant No.	Name of Grant/Appropriation	Saving
1.	5	Elections Revenue - Voted	9.00
2.	12	Other Fiscal Services Appropriation for reduction or Avoidance of Debt Interest Payment Public Service Commission Revenue –Voted	0.08
3.	15	Treasury and Accounts Administration Revenue – Voted	1.34
4.	16	Police, Other Administrative Services *etc.*, Housing, Capital Outlay on Public Works, *etc*. Revenue – Voted	14.99
5.		Revenue – Charged	0.19
6.		Capital – Voted	19.70
7.	17	Jails Revenue – Voted	3.56
8.	20	Other Administrative Services, Capital Outlay on Public Works Revenue – Voted	0.38
9.	41	Census, Survey and Statistics Revenue – Voted	5.40
10.	43	Housing, Crop Husbandry, Agricultural Research and Education, Other Agricultural Programmes, Minor Irrigation, *etc.* Capital – Voted	159.21
11.	49	Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries Revenue – Voted	12.78
12.		Capital – Voted	0.45
13.	50	Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Capital – Voted	23.55
14.	51	Housing, Crop Husbandry, Special Programmes for Rural Development, Rural Employment, *etc.* Capital – Voted	0.43
15.	56	Roads and Bridges, Capital Outlay on Roads and Bridges Revenue – Voted	1.14
16.		Capital - Voted	42.86
		Total	**295.06**

APPENDIX 2.11

Details of saving of ₹ 1 crore and above not surrendered

(Reference: Paragraph 2.3.12; Page 54)

(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1.	18 – Stationery and Printing, Capital Outlay on Stationery and Printing, Capital Outlay on Housing			
	Revenue – Voted	2.22	0.93	1.29
2.	19 – Secretariat General Services, Public Works, Housing, *etc.*			
	Revenue – Voted	26.68	11.75	14.93
	Capital – Voted	79.23	57.61	21.62
3.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, *etc.*			
	Revenue – Voted	1174.29	999.95	174.34
4.	27 – Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, etc.			
	Capital – Voted	77.83	69.42	8.41
5.	28 – Housing, Capital Outlay on Housing, Loans for Housing			
	Revenue – Voted	44.44	2.92	41.52
6.	31 – Labour and Employment			
	Revenue – Voted	20.73	1.32	19.41
7.	34 – Welfare of Scheduled Caste/Scheduled Tribes and Other Backward Classes, Social Security and Welfare, Nutrition, *etc.*			
	Revenue – Voted	158.58	157.34	1.24
8.	38 – Secretariat Economic Services			
	Revenue – Voted	296.60	275.30	21.30
9.	40 – North Eastern Areas, Capital outlay on North Eastern Areas.			
	Revenue – Voted	76.64	30.39	46.25
	Capital – Voted	72.91	8.50	64.41
10.	43 – Housing, Crop Husbandry, Agricultural Research and Education, Other Agricultural Programmes, Minor Irrigation, *etc.*			
	Revenue – Voted	233.36	91.81	141.55
11.	45 – Housing, Soil and Water Conservation, Agricultural, Research and Education			
	Revenue – Voted	90.68	87.54	3.14
12.	47 – Housing, Animal Husbandry, Agricultural Research and Education			
	Revenue – Voted	6.27	4.10	2.17
13.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife			
	Revenue – Voted	53.29	12.54	40.75
14.	51 – Housing, Crop Husbandry, Special Programmes for Rural Development, etc.			
	Revenue – Voted	70.17	0.04	70.13
15.	52 – Industries, Capital Outlay on Cement, *etc.*			
	Revenue – Voted	2.22	0.01	2.21
16.	53 – Village and Small Industries, Capital Outlay on Village and Small Industries, *etc.*			
	Revenue – Voted	34.93	33.07	1.86
17.	54 –Village and Small Industries, Capital Outlay on Housing, *etc.*			
	Revenue – Voted	16.58	2.00	14.58
	Total	**2537.65**	**1846.54**	**691.11**

APPENDIX 2.12

Cases of surrender of funds in excess of ₹ 1 crore on 31 March 2014

(Reference: Paragraph 2.3.12; Page 54)

(₹ in crore)

Sl. No.	Grant No. & Name	Head of Account	Amount surrendered
1.	1 – Parliament/State/Union Territory Legislature, Stationery and Printing, etc.	2011, 2058	8.44
2.	3 – Council of Ministers	2013	1.98
3.	6 – Land Revenue, Relief on Account of Natural Calamities, Other Social Services, Other General Economic Services, etc.	2029, 2245	6.99
4.	8 – State Excise	2039	1.99
5.	9 – Taxes on Sales, Other Taxes and Duties on Commodities and Services	2040, 2045	2.50
6.	10 – Taxes on Vehicles, Other Administrative Services, Road Transport, Capital Outlay on Civil Aviation, etc.	2041, 2070	7.09
7.		5053, 5055	12.45
8.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, *etc.*	2045, 2501, 2801, 2810	45.75
9.		6801	1.55
10.	13 – Secretariat General Services, Secretariat Social Services, *etc.*	2052, 2251, 3451	5.79
11.	14 – District Administration	2053	4.77
12.	19 – Secretariat General Services, Public works, Housing, Capital outlay on Public Works, *etc.*	2052, 2059, 2216	11.75
13.		4059, 4202, 4216	57.61
14.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, *etc.*	2075, 2202, 2203, 2204, 2205, 3425, 3454	999.95
15.	22 – Other Administrative Services, Housing, Census, Survey and Statistics	2070, 2216, 3454	3.81
16.	23 – Other Administrative Services.	2070	1.25
17.	26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, *etc.*	4210, 4211	3.00
18.	27 – Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, etc.	2215, 2216, 2552	1.83
19.		4215, 4216	69.42
20.	28 – Housing, Capital outlay on Housing, Loans for Housing	2216	2.92
21.	29 – Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, *etc.*	2217	24.87
22.		4216, 4217	244.78
23.	30 – Information and Publicity	2220	4.46
24.	31 – Labour and Employment	2230	1.32
25.	32 – Civil Supplies, Capital Outlay on Food Storage and Ware-Housing	3456	3.41
26.	34 – Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes, *etc.*	2225, 2235, 2236	157.34
27.		4235	15.21
28.	38 – Secretariat Economic Services	3451	275.30
29.	39 – Co-operation, Other Agricultural Programmes, Capital Outlay on Co-operation, etc.	2425, 2435	14.44
30.		4425, 4435, 6425	7.79
31.	40 – North Eastern Areas, Capital Outlay on North Eastern Areas	2552	30.39
32.		4552	8.50
33.	42 – Housing, Other General Economic Services	2216, 3475	2.69
34.	43 – Housing, Crop Husbandry, Agricultural Research & Education, *etc.*	2216, 2401, 2415, 2435, 2701, 2702, 2711	91.81
35.	45 – Housing, Soil, and Water Conservation, Agricultural Research and Education	2216, 2402, 2415	87.54

Sl. No.	Grant No. & Name	Head of Account	Amount surrendered
36.	47 – Housing, Animal Husbandry, Agricultural Research & Education, Capital Outlay on Public Works, *etc.*	2216, 2403, 2415	4.10
37.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife	2406, 2415	12.54
38.	53 –Village and Small Industries, Capital Outlay on Village and Small Industries, Loans for Village and Small Industries	2851	33.07
39.	54 – Housing, Village and Small Industries, Capital Outlay on Housing, *etc.*	2851	2.00
40.	57 – Tourism, Capital Outlay on Public Works, Capital Outlay on Tourism, Loans for Tourism	3452	11.47
	Total		**2283.87**

APPENDIX 2.13

Misclassification of Expenditure
(Reference: Paragraph 2.6.8.2; Page 60)

(₹ in crore)

Sl. No.	Major Head	Sub Major Head	Minor Head	Sub Head	Amount
I. Minor works booked under 'Capital heads'					
1.	4210	02	800	Construction of staff quarters for women and children hospital, SDO's office and staff quarters, DMO office at Tura	1.59
2.	4401	…	800	Construction of Administrative Buildings	1.32
3.	4210	01	110	Construction of Meghalaya Institute of Mental Health and Neurological Science	1.15
4.	4210	01	200	Construction of Nurses Training School Cum Hostel including staff quarters	1.23
5.	4210	02	800	Construction of T.B. Centre and Isolation beds	1.15
6.	4210	02	800	Construction of office complex of Health Department	1.38
7.	4210	01	110	Improvement of Ganesh Das Hospital, Shillong.	2.76
8.	4210	01	110	Improvement of Shillong Civil Hospital	1.99
9.	4702	…	101	NABARD loan for construction of MIPs	1.70
10.	4210	04	106	Renovation and improvement of Pasteur Institute	4.05
11.	4210	01	110	Upgradation of Baghmara CHCs to Hospital	1.46
12.	4210	01	110	Upgradation/Improvement of Tura Civil Hospital	2.23
13.	4210	01	110	Upgradation/Renovation/Improvement of Jowai Civil Hospital	2.95
14.	4210	01	110	Upgradation/Renovation/Improvement of R.P. Chest Hospital, Shillong.	1.93
15.	4210	01	110	Upgradation of Nongpoh CHC to Hospital Under the Basic Minimum Services	1.69
II. Major works booked under 'Revenue heads'					
1.	2401	…	800	ACA under RKVY	5.52
2.	2801	80	101	Non- Lapsable Central Pool of Resources	18.63
3.	3054	04	105	Other Maintenance Expenditure- Road Works	63.11
4.	2217	05	51	Special Urban work programme	9.50
5.	2406	01	001	Twelfth Finance Commission Award for maintenance of forests	8.49
6.	2406	01	001	Twelfth/Thirteenth Finance Commission Award for maintenance of forests	7.84
7.	3054	04	105	Workcharged Establishment- Road Works	34.32

APPENDIX 3.1
Utilisation Certificates outstanding as on 31 March 2014
(Reference: Paragraph 3.1; Page 65)

(₹ 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)	June 2009	1	9.38	Nil	Nil	1	9.38
		December 2009	1	0.69	Nil	Nil	1	0.69
		-do-	1	3.82	Nil	Nil	1	3.82
2	District Council Affairs[1]	2008-09	1	633.03	NA	180.24	1	452.79
3	Khadi and Village Industries Commission (KVIC)	30.11.2005 to 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 (NERCORMP)	2011-12	3	3750.49	Nil	Nil	3	3750.49
7	Education	2003-04	1	69.39	Nil	3.00	1	66.39
8.	Director of Sports and Youth Affairs	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
10.	Sericulture & Weaving	2012-13	NA	61.40	Nil	Nil	NA	61.40
	Total		**143**	**5213.50**	**17**	**185.86**	**126**	**5027.64**

[1] Information furnished (November 2014) by the District Council Affairs Department, Government of Meghalaya.

APPENDIX 3.2

Statement showing names of bodies and authorities, the accounts of which had not been received as on 31 March 2014

(Reference: Paragraph 3.2; Page 66)

(₹ 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.	1989-1990 to 2013-14	2008-09	450.00
2	Registrar of Co-operative Societies Meghalaya Shillong.	1990-1991 to 2013-14	2007-08	239.60
3	Meghalaya State Housing Board	1991-1992 to 2013-14	2000-01	1789.60
4	Secretary Ramakrishna Mission Ashrama, Cherrapunjee	2004-2005 to 2013-14	2008-09	667.35
5	District Rural Development Agency, Nongstoin	2006-07 to 2013-14	2006-07	1274.89
6	Secretary Seva Bharti A.S. Mandir Building, G.S Road	2006-07 to 2013-14	2006-07	15.94
7	District Rural Development Agency, Tura	2007-08 to 2013-14	2006-07	7411.43
8	District Rural Development Agency, Williamnagar	2008-09 to 2013-14	2012-13	2581.48
9	Chairman Meghalaya State Social Welfare Advisory Board.	2008-09 to 2013-14	2007-08	86.45
10	Secretary Meghalaya Urban Development Authority Shillong	2008-09 to 2013-14	2008-09 to 2011-12	85.74
11	Meghalaya Commercial Crop Development Board Shillong	2008-09 to 2013-14	2008-09	25.00
12	Project Director, Meghalaya Rural Development Society (MRDS)	2008-09 to 2013-14	2010-11	1639.77
13	District Rural Development Agency, Nongpoh	2009-10 to 2013-14	2008-09	1926.58
14	State Institute of Rural Development (SIRD), Nongsder Meghalaya	2009-10 to 2013-14	2009-10 to 2010-11	664.94
15	Meghalaya State Agricultural Marketing Board, Lower Lachumiere	2010-11 to 2013-14	2010-11 to 2012-13	126.56
16	District Rural Development Agency, Jowai	2010-11 to 2013-14	2010-11 to 2012-13	9598.11

1	2	4	5	6
17	Secretary State Sports Council	2011-12 to 2013-14	2008-09	1387.17
18	Meghalaya State Pollution Control Board, Shillong	2011-12 to 2013-14	2012-13	219.31
19	State Investment Programme Management & Implementation Unit (SIPMIU) Meghalaya, Shillong	2011-12 to 2013-14	2010-11	693.29
20	Director, Meghalaya and Khadi and Village Industries Commission	2011-12 to 2013-14	2012-13	880.51
21	Director of Higher and Technical Education	2011-12 to 2013-14	2009-10	342.25
22	District Project Implementing Unit (DPIU), Nongpoh	2011-2012	2011-12 upto October 2011	393.62
23	Don Bosco Centre for Indigenous Culture, Shillong	2009-10 to 2013-14 (New)	2011-12	176.78
24	State Resource Centre, NEHU	2001-02 to 2013-14 (New)	2012-13	111.38
25	State Rural Employment Society, Meghalaya, Shillong	August 2011 to March 2013	2012-13	6248.47
	Total			**39036.22**

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 2014)

(Reference: Paragraph 3.4; Page 67)

(₹ 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 (0.43)	(1 (0.43)
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*
Mining				1 (16.55)			1 (16.55)
Community and Rural Development							
Printing and stationery			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* 33 (10.32)**	**4 (21.94)**	**1* 22 (3.29)**	**6 (19.18)**	**3* 76 (211.58)**

(Figures in brackets indicate ₹ in lakh)

* Amount not intimated

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