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

for the year ended 31 March 2016

GOVERNMENT OF MEGHALAYA
Report No.1 of 2017

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PREFACE

This Report has been prepared for submission to the Governor of Meghalaya 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 2016.

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 Sector 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 the financial performance of the State during the year 2015-16. 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 2015-16, Meghalaya Fiscal Responsibility and Budget Management (MFRBM) Act, 2006 (amended in October 2011) and projections made by the Thirteenth/Fourteenth Finance Commissions (XIII/XIV FC).

Based on the audited accounts of the Government of Meghalaya for the year ending March 2016, 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 2016. 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 improvement in the financial health of the State during 2015-16 relative to previous three years (2011-12, 2012-13 and 2014-15). During 2015-16, the State continued to maintain the status of revenue surplus, this surplus increased to ₹ 695.40 crore against ₹ 176.39 crore during 2014-15.

The fiscal deficit as well as primary deficit of the State had decreased significantly during 2015-16 compared to previous year.

❖ *Revenue receipts*

Revenue receipts during 2015-16 grew by 9.57 per cent (₹ 614.88 crore) over previous year. The Central transfers comprising State's share of central taxes and grants-in-aid from the Government of India increased by ₹ 611.94 crore in 2015-16 over the previous year which was 99.52 per cent of the total increase in revenue receipts during the year indicating that central transfers were the key in the increase in revenue receipts of the State. The tax revenue receipts fell short of normative assessment made by XIV FC by 25.94 per cent, and the non-tax revenue was 65.47 per cent lower than the target of XIV FC. State's own resources (tax and non-tax revenue) during 2015-16 (₹ 1285.42 crore) were 0.23 per cent more than those of previous year (₹ 1282.48 crore) and constituted only 18.25 per cent of the revenue receipts of the year.

❖ *Revenue / capital / total expenditure*

The revenue expenditure of the State increased by 1.53 per cent from ₹ 6251.86 crore in 2014-15 to ₹ 6347.73 crore in 2015-16. The expenditure pattern of the State revealed that though the revenue expenditure as a percentage of total expenditure marginally decreased from 84.18 per cent in 2014-15 to 83.84 per cent in the current, it hovered around 84 per cent during the period (2011-16) leaving inadequate resources for expansion of services and creation of assets. Within the revenue expenditure, non-plan revenue expenditure at ₹ 4307.64 crore in 2015-16 constituted 67.86 per cent and plan revenue expenditure at ₹ 2040.09 crore constituted 32.14 per cent. Further, expenditure on salaries and wages, pensions, interest payments and subsidies continued to consume a large share of revenue expenditure which was 52.40 per cent (₹ 3326.33 crore) during 2015-16. Capital outlay during 2015-16 (₹ 1110.89 crore) decreased by ₹ 7.60 crore (0.68 per cent) over previous year and fell short by 30.72 per cent (₹ 492.52 crore) of the projection (₹ 1603.41 crore) made by the State Government in its budget estimates 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 2011-16, whereas the average interest payment was in the range of 6.22 to 6.70 per cent.

❖ *Debt sustainability*

During 2015-16, there was significant improvement in all the three major fiscal indicators, viz., revenue surplus, fiscal deficit and primary deficit over previous year. The fiscal deficit decreased from ₹ 978.45 crore in 2014-15 to ₹ 554.76 crore during the current year. Primary deficit also decreased significantly by ₹ 484.47 crore

from ₹ 573.35 crore in 2014-15 to ₹ 88.88 crore in 2015-16. The fiscal deficit-GSDP ratio stood at 2.03 *per cent* during 2015-16 against the ceiling of 3 *per cent* or less prescribed in the MFRBM Act, 2006 (as amended) and also the recommendation of the XIV FC. The prevalence of fiscal deficit during 2011-16 indicated continued reliance of the State on borrowed funds, resulting in increasing the fiscal liabilities of the State over the period 2011-16. Fiscal liabilities increased by 5.97 *per cent* during 2015-16 compared to previous year. The fiscal liabilities during 2015-16 stood at 26.20 *per cent* of the GSDP during the current year against 28.06 *per cent* during 2014-15 and exceeded the limit of total outstanding Debt-GSDP ratio projected in Medium Term Fiscal Plan (25.28 *per cent*) for the year.

❖ *Financial management and budgetary control*

During 2015-16, there was an overall saving of ₹ 2670.61 crore, which was the result of saving of ₹ 2838.10 crore offset by excess of ₹ 167.49 crore. The excess of ₹ 167.49 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. All this shows that budgetary procedure and expenditure control of the Government was weak.

❖ *Financial reporting*

There were delays in furnishing utilisation certificates for grants given by Government departments. Delays also figured in submission of annual accounts by some autonomous bodies. There were also instances of loss and misappropriation.

RECOMMENDATIONS

The recommendations are:

Greater priority to capital expenditure: The State needs to give more priority to capital expenditure and ensure that it does not decrease over the years.

Government investments: State Government may review the working of the units which were incurring losses to avoid further financial burden on the Government.

Financial management and budgetary control: The budget should be more realistic and cases of persistent non-utilisation of funds, excessive provision of funds should be avoided. Anticipated savings should be surrendered early so that there is sufficient scope for utilising these for other development purposes.

Financial reporting: There is a need to ensure that utilisation certificates are submitted by recipient of grants within the prescribed time. 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-Eastern region of India and is bound in the north by Goalpara, Kamrup and Nowgong Districts of Assam, on the east by Karbi Anglong and North Cachar Hills District 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 2015-16 at current prices was ₹ 27,305 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	2011-12	2012-13	2013-14	2014-15	2015-16
India's GDP (₹ in crore)	8736039	9951344	11272764	12488205	13576086
Growth rate of GDP (<i>per cent</i>)	#	13.91	13.28	10.78	8.71
Gross State Domestic Product (₹ in crore)	19918	21872	22938	24065	27305
Growth rate of GSDP (<i>per cent</i>)	#	9.81	4.87	4.91	13.46

Source: For GSDP, the information as available on Ministry of Statistics and Program Implementation web-site as on 29 July 2016 (based on new base year 2011-12)

Growth rate of GDP and GSDP for the year 2010-11 not indicated as the base year has been revised to 2011-12

As per GSDP series, there was a fluctuating trend in the growth rate of GSDP. The GSDP increased from ₹ 24,065 crore in 2014-15 to ₹ 27,305 crore in 2015-16, representing an increase of 13.46 *per cent*. The GSDP during 2015-16 also exceeded the assessment (₹ 26,745 crore) made by the Fourteenth Finance Commission (XIV FC) by 2.09 *per cent*. The growth of GSDP during 2015-16 at 13.46 *per cent* exceeded the assessment of the XIV FC (12.22 *per cent*). The average compound annual growth rate in respect of GSDP for Meghalaya between 2006-07 and 2015-16 was 13.66 *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, layout 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 2011-16 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 while **Appendix 1.3** provides details of receipts and disbursements as well as the overall fiscal position during the current year (2015-16) *vis-à-vis* the previous year (2014-15).

Table 1.2 : Summary of Current Year's Fiscal Transactions

(₹ in crore)

Receipts			Disbursements				
	2014-15	2015-16		2014-15	2015-16		
Section – A : Revenue							
				Total	Non-Plan	Plan	Total
Revenue Receipts	6428.25	7043.13	Revenue Expenditure	6251.86	4307.64	2040.09	6347.73
Tax revenue	939.19	1056.82	General Services	2021.65	2238.51	17.01	2255.52
Non-tax revenue	343.29	228.60	Social Services	2370.24	1347.33	1047.84	2395.17
Share of Union Taxes/Duties	1381.69	3276.46	Economic Services	1859.97	721.80	975.24	1697.04
Grants-in-aid from Government of India	3764.08	2481.25					
Section – B : Capital							
Miscellaneous Capital receipts	...	...	Capital Outlay	1118.49	0.23	1110.66	1110.89
Recoveries of Loans and Advances	19.76	19.08	Loans and Advances disbursed	56.11	117.76	40.59	158.35
Public Debt Receipts¹	726.96	836.93	Repayment of Public Debt¹	202.66	...	...	337.34
Contingency Fund	...	...	Contingency Fund	...	...	...	...
Public Account Receipts²	3997.59	3527.16	Public Account Disbursements³	3965.73	...	...	3681.63
Opening Balance	827.84	405.55	Closing Balance	405.55	...	...	195.91
Total	12000.40	11831.85	Total	12000.40			11831.85

Source: Finance Accounts 2015-16

¹ Includes net Ways and Means Advances.

² Gross receipts

³ Gross Disbursements

Following are the significant changes during 2015-16 over the previous year:

- Revenue receipts increased by 9.57 *per cent* (₹ 614.88 crore) over the previous year. The increase was due to increase in State's share of Union taxes and duties (₹ 1894.77 crore) and tax revenue (₹ 117.63 crore), offset by decrease in non-tax revenue (₹ 114.69 crore) and Grants-in-aid from Government of India (₹ 1282.83 crore).
- Revenue expenditure increased by 1.53 *per cent* (₹ 95.87 crore) over the previous year. While there was significant increase under non-plan heads (₹ 236.27 crore), the expenditure under plan heads decreased by ₹ 140.40 crore over previous year.
- Compared to previous year, the capital outlay of the State decreased by 0.68 *per cent* (₹ 7.60 crore), which was the net result of increase under economic services (₹ 51.19 crore) and general services (₹ 14.86 crore) and decrease under social services (₹ 73.65 crore).
- Recovery of loans and advances during the current year marginally decreased by ₹ 0.68 crore and disbursement of loans and advances increased by ₹ 102.24 crore compared to the previous year.
- Public debt receipts and repayments increased by ₹ 109.97 crore and ₹ 134.68 crore respectively over the previous year.
- Public account receipts and disbursement decreased by ₹ 470.43 crore and ₹ 284.10 crore respectively over the previous year.
- Cash balance decreased significantly by ₹ 209.64 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 XIV FC, the MFRBM Act was amended by the State Government and came into force from 29 September 2015. The amended MFRBM Act (**Appendix 1.1- Part E**) laid down the following fiscal targets.

- (a) ensure revenue surplus during the award period 2015-16 to 2019-20;
- (b) (i) maintain fiscal deficit to an annual limit of 3 *per cent* of GSDP during the award period 2015-16 to 2019-20;
(ii) Provide for flexible limit of 0.25 *per cent* over and above the 3 *per cent* of GSDP for any given fiscal year to which its fiscal deficit is to be fixed if its debt-GSDP ratio is less than or equal to 25 *per cent* of the preceding year.
- (c) Government shall notify a Medium Term Fiscal Plan (MTFP) with three years rolling targets, giving details of all significant items of receipts and expenditure along with underlying assumptions made for projection purpose.

The MTFP, as prescribed in the MFRBM Act, 2006 (as amended), was notified by the State Government in June 2014 to provide details of all significant items on receipts

and expenditure along with projection for the next three years viz., 2015-16 to 2017-18.

The performance of the State during 2015-16 in terms of key fiscal targets set for selected parameters laid down in the MFRBM Act, 2006 and projections made in the Medium Term Fiscal Policy (MTFP) Statement/Medium Term Fiscal Plan (MTF Plan) *vis-à-vis* achievements are given in **Table 1.3**.

Table 1.3 : Trends in Major Fiscal Parameters *vis-à-vis* Projections for 2015-16

Fiscal parameters	2015-16			
	XIV FC targets for the State	Targets as prescribed in MTF Plan	Projections in MTFP Statement	Actual
Revenue Surplus (+)/ Deficit (-) (₹ in crore)	Maintain revenue surplus	(+) 1266.53	-	(+) 695.40
Revenue Surplus/Total Revenue Receipts (<i>per cent</i>)	-	-	9.30	9.87
Fiscal Deficit/GSDP (<i>per cent</i>)	3.25	3.25	2.81	2.03
Total Outstanding Liabilities/ GSDP (<i>per cent</i>)	27.04	25.28	24.09	26.20

During 2015-16, 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 9.87 against projection of 9.30 made in MTFP Statement. The Fiscal Deficit-GSDP ratio was within the limit fixed in MTFP Statement/MTF Plan as well as that prescribed by XIV FC. Total Outstanding Liabilities-GSDP ratio was within the limit fixed by the XIV FC, but exceeded the limit fixed in the MTFP Statement/MTF Plan.

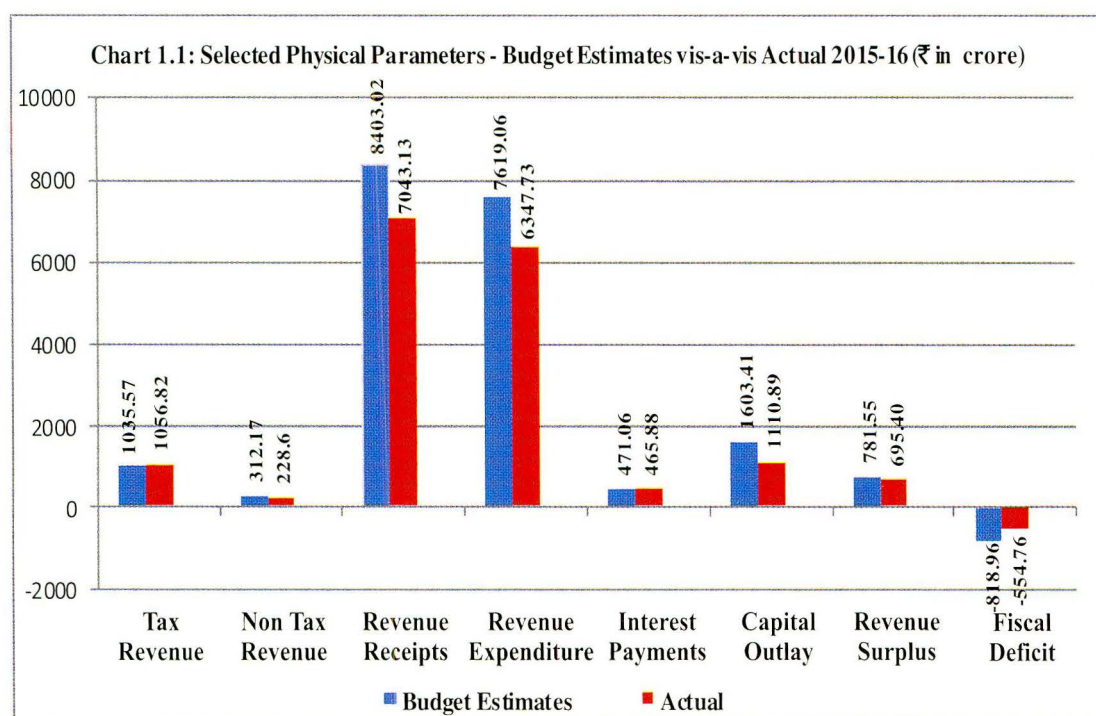
1.1.3 Budget Estimates and Actual

The budget papers presented by the State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. 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 2014-15 (actual) and 2015-16 (budget estimates, revised estimates and actual) and **Chart 1.1** presents the budget estimates and actual for some important fiscal parameters.

Table 1.4 : Variation in major items – Actual of 2015-16 over 2014-15, Actual of 2015-16 vis-à-vis Budget Estimates and Revised Estimates

(₹ in crore)

Parameters	2014-15	2015-16			Percentage of Excess (+)/ Shortfall (-) during 2015-16 with reference to	
	Actual	Budget Estimates (BE)	Revised Estimates (RE)	Actual	Actual of 2014-15	BE/RE
Tax Revenue	939.19	1035.57	1035.57	1056.82	12.52	2.05
Non-Tax Revenue	343.29	312.17	312.17	228.60	-33.41	-26.77
Revenue Receipts	6428.25	8403.02	8403.02	7043.13	9.57	-16.18
Non-debt Capital Receipts	19.76	31.04	31.04	19.08	-3.44	-38.53
Revenue Expenditure	6251.86	7619.06	7619.06	6347.73	1.53	-16.69
Interest Payments	405.10	471.06	471.06	465.88	15.00	-1.10
Capital Outlay	1118.49	1603.41	1603.41	1110.89	-0.68	-30.72
Disbursement of Loans & Advances	56.11	28.13	28.13	158.35	182.21	462.92
Revenue Surplus (+)/Deficit (-)	176.39	781.55	781.55	695.40	294.24	11.02
Fiscal Deficit (-)	- 978.45	-818.96	-818.96	-554.76	43.30	32.26
Primary Deficit (-)/Surplus (+)	- 573.35	-347.90	-347.90	-88.88	84.50	74.45



- During 2015-16, actual revenue receipts fell short of the budget estimates and revised estimates by 16.18 per cent.
- The revenue expenditure of the State Government during 2015-16 was less than the budget estimate by 16.69 per cent (₹ 1271.33 crore).
- The capital outlay vis-à-vis budget estimate was less by 30.72 per cent (₹ 492.52 crore).

- The year 2015-16 ended with a revenue surplus of ₹ 695.40 crore against assessment for revenue surplus of ₹ 781.55 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 ₹ 86.15 crore offset by shortfall in capital expenditure by ₹ 492.52 crore, actual fiscal deficit and primary deficit during 2015-16 was lower than the assessment made in the budget estimate by 32.26 per cent (₹ 264.20 crore) and 74.45 per cent (₹ 259.02 crore) respectively. The wide variation between the budget estimates and the actual indicated that the budgeting was unrealistic and lacked credibility.
- The fiscal deficit vis-à-vis budget estimate decreased by 32.26 per cent (₹ 264.20 crore).

1.1.4 Gender Budgeting

Gender budget of a 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 2015-16 presented to the State Legislature did not include any separate volume on gender budget. The information as to whether gender budgeting was introduced in Meghalaya, though called for (August 2016) 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 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 2011-16 and **Chart 1.4** depicts the composition of resources of the State during the current year.

Chart 1.2

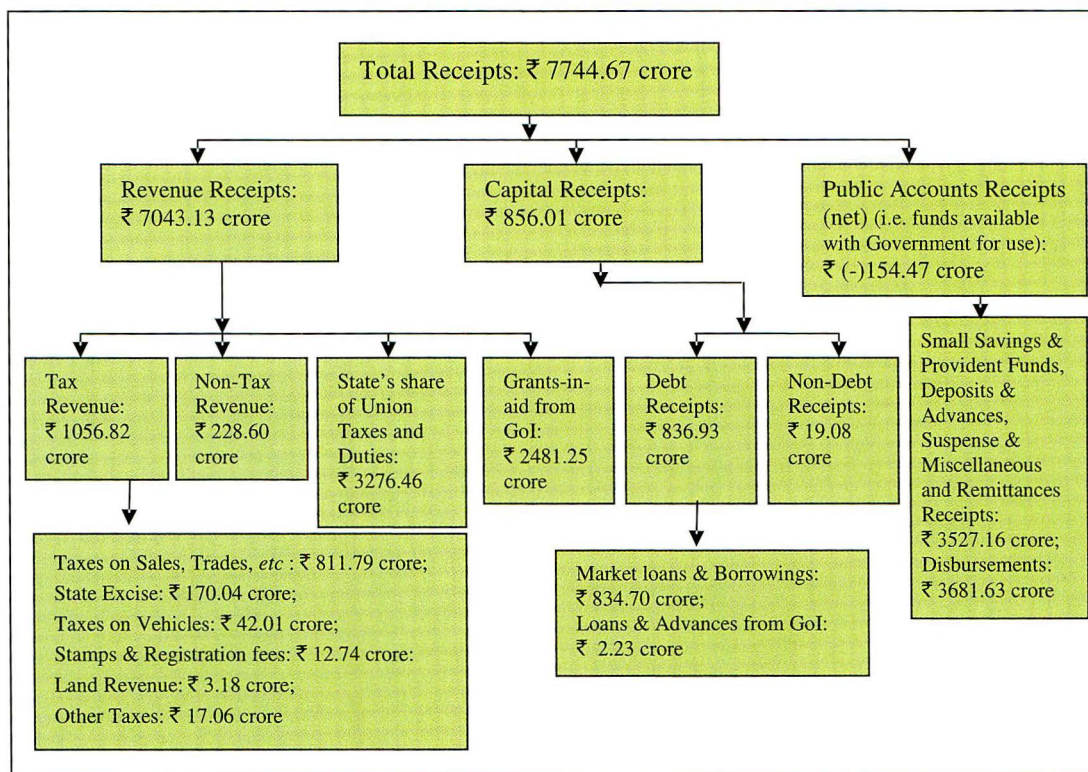
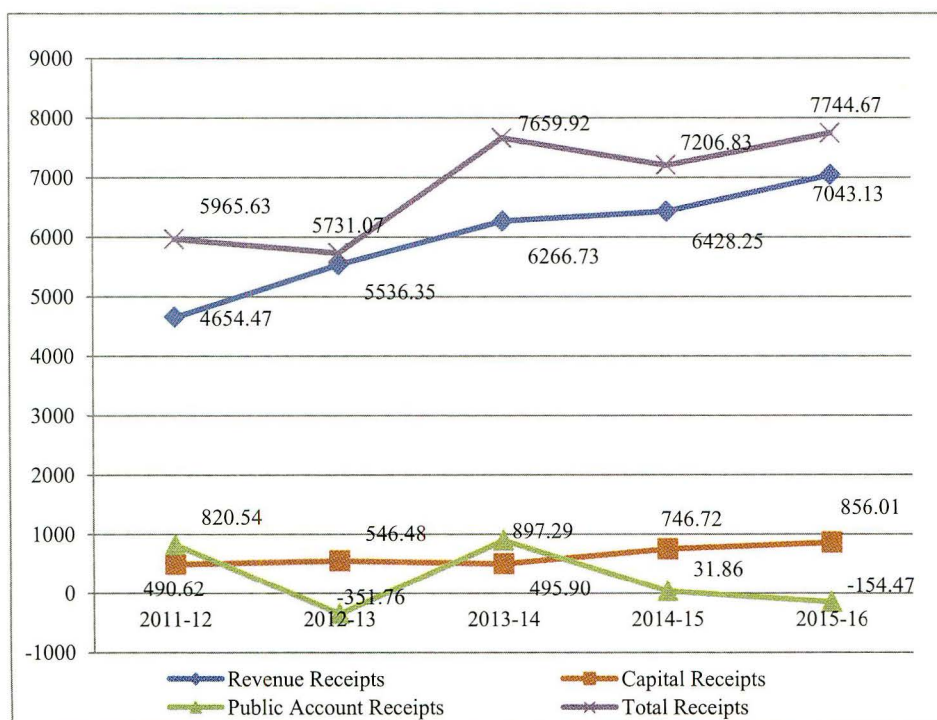


Chart 1.3: Trend in Receipts (₹ in crore)



The total receipts during the current year increased by ₹ 537.84 crore (7.46 per cent) over the previous year. This was mainly due to increase in both revenue and capital receipt during the year offset by less receipt under public account during 2015-16 when compared to previous year.

The total receipts of the State for 2015-16 were ₹ 7744.67 crore, of which ₹ 7043.13 crore (90.94 per cent) came from revenue receipts and ₹ 856.01 crore (11.05 per cent) came from recoveries of loans and advances and borrowings. The total receipts of the State increased by 29.82 per cent from ₹ 5965.63 crore in 2011-12 to ₹ 7744.67 crore in 2015-16.

The debt capital receipts which create future repayment obligation increased by 78.87 per cent from ₹ 467.91 crore (7.84 per cent of total receipts) in 2011-12 to ₹ 836.93 crore (10.81 per cent of total receipts) in 2015-16. The net public account receipts fluctuated widely during the period 2011-16, with a negative receipt of ₹ 154.47 crore during 2015-16. During the current year, the capital receipts (recoveries of loans and advances plus public debt receipts) accounted for 11.05 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 Agencies⁴ for implementation of various schemes/programmes in social and economic sectors, which are recognised as critical. In order to present the holistic picture on availability of aggregate resources, the Central funds directly transferred to State Implementing Agencies are presented in **Appendix 1.5**. GoI directly transferred an approximate amount of ₹ 117 crore to various State Implementing Agencies during 2015-16. 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

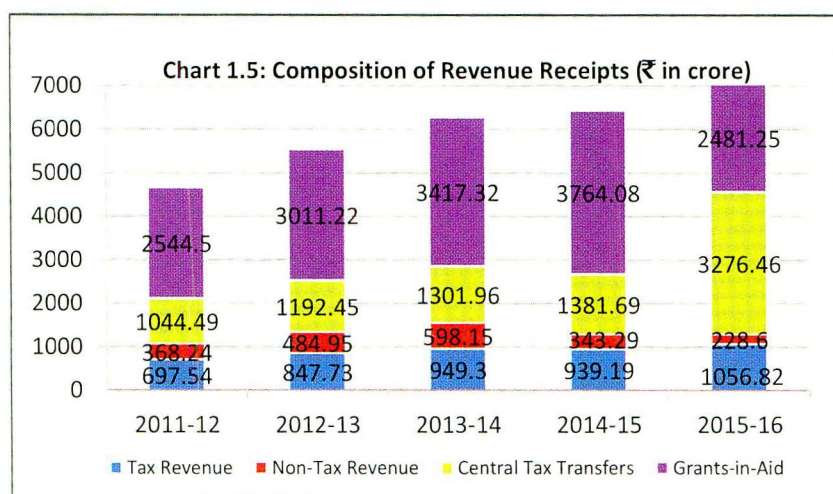
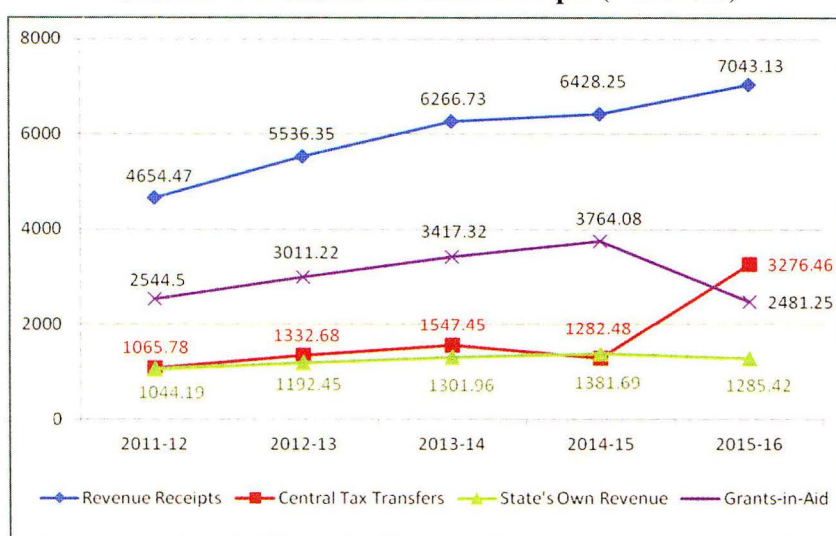
(₹ in crore)			
Sl. No.	Programme/Scheme	Implementing Agency in the State	Funds transferred by the GoI
1.	North Eastern Council	North Eastern Region Community Resource Management Society	56.80
2.	MPs Local Area Development Scheme (MPLADs)	Deputy Commissioner	20.00
3.	NER-Textile Promotion Scheme	Director of Sericulture and Weaving, Govt. of Meghalaya, Shillong	11.79
4.	Organic Value Chain Development of NE Region	Directorate of Horticulture	6.50

Source: Public Financial Management System of CGA website.

1.3 Revenue Receipts

Statement 14 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 2011-16 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 1.6**.

⁴ State Implementing Agency includes any organisation/institution including non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State.

Chart 1.4: Trends in Revenue Receipts (₹ in crore)**Table 1.6 : Trends in Revenue Receipts relative to GSDP**

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Receipts (RR) (₹ in crore)	4654.47	5536.35	6266.73	6428.25	7043.13
Rate of Growth of RR (<i>per cent</i>)	9.25	18.95	13.19	2.58	9.57
Rate of Growth of Own Taxes (<i>per cent</i>)	22.06	21.53	11.98	-1.06	12.52
RR/GSDP (<i>per cent</i>)	23.37	25.31	27.32	26.71	25.79
Buoyancy Ratio⁵					
Revenue Buoyancy Ratio with reference to GSDP	...	1.93	2.71	0.53	0.71
State's Own Taxes Buoyancy Ratio with reference to GSDP	...	2.19	2.46	-0.22	0.93
State's Own Taxes Buoyancy Ratio with reference to Revenue Receipts	2.38	1.14	0.91	-0.41	1.31

1.3.1 General trends

The revenue receipts of the State increased by ₹ 2388.66 crore from ₹ 4654.47 crore in 2011-12 to ₹ 7043.13 crore in 2015-16. There were however, wide inter-year variations in the growth rates. The rate of growth of revenue receipts was 9.57 *per*

⁵ 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 0.71 during 2015-16 implies that revenue receipts tend to increase by 0.71 percentage points, if the GSDP increases by one *per cent*.

cent in 2015-16 compared to growth rate of 2.58 per cent during the preceding year. The buoyancy ratio of revenue receipts in 2015-16 with reference to GSDP has increased primarily due to significant increase in the rate of growth of revenue receipts compared to previous year. The buoyancy ratio of the State's own tax revenue with reference to GSDP has also increased significantly because the rate of growth of own tax revenue in 2015-16 relative to the previous year was positive. Buoyancy ratio of State's own taxes to revenue receipts indicates that there was growth of own taxes during the year (2015-16). Buoyancy ratio of State's own taxes with reference to revenue receipts was 1.31 during the year 2015-16 against buoyancy ratio of negative 0.41 in 2014-15.

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 2015-16 vis-à-vis assessments made by the XIV FC and the State Government in Budget Estimates (BE) are given below:

Table 1.7

	(₹ in crore)		
	XIVFC projections	Budget Estimates	Actual
Tax revenue	1427	1035.57	1056.82
Non tax revenue	662	312.17	228.60

During the year, tax revenue was 25.94 per cent lower than the assessment made by the XIV FC but 2.05 per cent higher than the projection made in the budget estimate. The non-tax revenue was 65.47 per cent and 26.77 per cent lower than the target of XIV FC and assessment made in the budget estimate for the year respectively. State's own resources (tax and non-tax revenue) during 2015-16 (₹ 1285.42 crore) were 0.23 per cent more than those of previous year (₹ 1282.48 crore) and constituted only 18.25 per cent of the revenue receipts of the year. According to quarterly review report of the trend in receipts and expenditure of the State for the quarter ending December 2015, conducted as per the requirement of Section 9(1) of the MFRBM Act, 2006, the fall in State's own non-tax revenue receipts than the budgeted amount was basically due to ban imposed by the National Green Tribunal on coal mining.

1.3.2.1 Tax Revenue

Table 1.8: Tax Revenue

(₹ in crore)						
Heads	2011-12	2012-13	2013-14	2014-15	2015-16	*Variations
Taxes on Sales, Trade, etc.	512.50	631.12	723.65	726.20	811.79	+85.59 (11.79)
State Excise	131.50	153.01	162.66	151.14	170.04	+18.90 (12.50)
Taxes on Vehicles	31.12	35.82	36.72	39.38	42.01	+ 2.63 (6.68)
Stamps and Registration Fees	9.08	10.32	9.78	9.90	12.74	+ 2.84 (28.69)
Land Revenue	2.40	6.27	3.47	0.08	3.18	+3.10 (3875)
Other Taxes ⁶	10.94	11.19	13.02	12.49	17.06	+4.57 (36.59)
Total	697.54	847.73	949.30	939.19	1056.82	+117.63(12.52)

* Variations over previous year and percentage of Increase (+)/decrease (-) given in bracket.

Tax revenue had increased by 12.52 per cent during the current year (₹ 1056.82 crore) over the previous year (₹ 939.19 crore). The revenue from sales tax contributed the major share of tax revenue (76.81 per cent) and it increased by 11.79 per cent over the previous year. Taxes on Vehicles and Stamps and Registration Fees, Land Revenue and State Excise were the other contributors to the State's tax revenue. *The Tax-GSDP ratio (3.87 per cent) during 2015-16 was much less than the projection (5.34 per cent) made by the XIV FC.*

1.3.2.2 Non-Tax Revenue

Table 1.9 : Non-Tax Revenue

(₹ in crore)							
Sl. No.	Heads	2011-12	2012-13	2013-14	2014-15	2015-16	*Variations
1.	Interest receipts	27.13	25.38	33.57	37.73	39.34	1.61 (4.27)
2.	Dividends and Profits	0.08	0.08	0.13	0.13	0.07	-0.06 (-46.15)
3.	General Services	35.57	52.83	29.29	18.00	30.99	12.99 (72.17)
4.	Social Services	7.36	7.44	9.46	8.92	10.39	1.47 (16.48)
5.	Economic Services	298.10	399.22	525.70	278.51	147.81	-130.70 (-46.93)
5.1	Non-ferrous Mining and Metallurgical Industries	262.58	357.97	455.75	195.10	60.75	-134.35 (-68.86)
5.2	Forestry and Wildlife	26.03	30.87	60.12	71.99	72.08	0.09 (0.13)
5.3	Other Economic Services	9.49	10.38	9.83	11.42	14.98	3.56 (31.17)
Total (1 to 5)		368.24	484.95	598.15	343.29	228.60	-114.69 (-33.41)

* Variations over previous year and percentage of Increase (+)/decrease (-) given in bracket.

The Non-Tax Revenue (NTR), which constituted only 3.25 per cent of the total revenue receipts, had decreased by ₹ 114.69 crore during 2015-16 recording a negative growth rate of 33.41 per cent over the previous year. Over 64 per cent (₹ 147.81 crore) of NTR during 2015-16 was received from economic services and

⁶ 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.

within this category, receipts under forestry and wildlife alone contributed 48.77 per cent (₹ 72.08 crore).

1.3.3 Grants-in-Aid

Details of Grants-in-aid from GoI are given in **Table 1.10**.

Table 1.10 : Grants-in-Aid from GoI

Particulars	(₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Non-Plan Grants	527.07	895.72	921.41	803.71	673.86
Grants for State Plan Schemes	1702.64	1747.75	2046.28	2580.17	1240.15
Grants for Central Plan Schemes	16.29	14.50	31.65	8.89	270.44
Grants for Centrally Sponsored Plan Schemes	242.27	268.20	348.40	293.44	196.36
Grants for Special Plan Schemes	56.23	85.05	69.58	77.87	100.44
Total	2544.50	3011.22	3417.32	3764.08	2481.25
Percentage of increase over previous year	2.14	18.34	13.49	10.15	-34.08

Grants-in-aid from GoI had decreased by 34.08 per cent (₹ 1282.83 crore) from ₹ 3764.08 crore in 2014-15 to ₹ 2481.25 crore in the current year. Within the plan grants, while grants for Special Plan Schemes increased by 28.98 per cent (₹ 22.57 crore), grants for Central Plan Schemes increased by 2942.07 per cent (₹ 261.55 crore) and Centrally Sponsored Plan Schemes decreased by 33.08 per cent (₹ 97.08 crore). Grants for Centrally Sponsored Plan Schemes decreased during 2015-16 mainly due to less release of grants under Integrated Child Development Services (ICDS) (₹ 19.37 crore), Skill Development Initiative Scheme (₹ 4.62 crore), non-release of grants under Catalytic Development Programme, Development of Horticulture, Modernisation of Police Force and Project Elephant.

The non-plan grants (₹ 673.86 crore) constituted 27.16 per cent of the total grants during the year and decreased by 16.16 per cent (₹ 129.85 crore) over the previous year. Of the non-plan grants, 91.71 per cent (₹ 618.00 crore) was for meeting the non-plan revenue deficit. Other components of non-plan grants mainly included grants for 'State Disaster Response Fund' (₹ 21.60 crore), 'SRE Schemes' (₹ 12.64 crore), and 'Election Expenditure' (₹ 12.00 crore).

1.3.4 Central Tax Transfers

The **Central Tax transfers** increased by 137.13 per cent (₹ 1894.77 crore) over the previous year and constituted 46.52 per cent of revenue receipts. The increase was mainly due to transfer of additional amount of ₹ 1895.93 crore under 'Taxes on Income other than Corporation Tax' (₹ 382.42 crore), 'Corporation Tax' (₹ 554.65 crore), 'Union Excise Duties' (₹ 302.59 crore), 'Service Tax' (₹ 355.93 crore) and 'Customs' (₹ 298.80 crore) during 2015-16 compared to previous year, offset due to less release under 'Taxes on Wealth' (₹ 1.15 crore) and Other Taxes on Income and Expenditure (₹ 0.01 crore).

The Central tax transfers were the main source of revenue receipts for the State of Meghalaya. The State share of central taxes and Grants-in-aid from GoI contributed 99.52 *per cent* (₹ 611.94 crore) of the incremental revenue receipts (₹ 614.88 crore) during 2015-16.

1.4 Capital Receipts

Table 1.11: Trends in Growth and Composition of Capital Receipts

(₹ in crore)					
Sources of State's Receipts	2011-12	2012-13	2013-14	2014-15	2015-16
Capital Receipts (CR)	490.62	546.48	495.90	746.72	856.01
Miscellaneous Capital Receipts	-	-	-	-	-
Recovery of Loans and Advances	22.71	23.25	20.48	19.76	19.08
Public Debt Receipts	467.91	523.23	475.42	726.96	836.93
Rate of growth of debt capital receipts	31.29	11.82	- 9.14	52.91	15.13
Rate of growth of non-debt capital receipts	- 16.66	2.38	- 11.91	- 3.52	-3.44
Rate of growth of CR (<i>per cent</i>)	27.89	11.39	- 9.26	50.58	14.64

Capital Receipts increased by 74.48 *per cent* from ₹ 490.62 crore in 2011-12 to ₹ 856.01 crore in 2015-16. The rate of growth of capital receipts also decreased from 50.58 *per cent* in 2014-15 to 14.64 *per cent* in 2015-16. The rate of growth of debt capital receipts, which is the main component of capital receipts, significantly decreased from 52.91 *per cent* in 2014-15 to 15.13 *per cent* in 2015-16. The debt receipts from internal sources (market loans, borrowings from financial institutions, *etc.*) increased by ₹ 112.51 crore and loans and advances from GoI decreased by ₹ 2.54 crore during 2015-16 over previous years. Market loans constituted the major share of debt capital receipts during the current year which increased from ₹ 545.00 crore in 2014 -15 to ₹ 680.00 crore during 2015-16. Non-debt capital receipts in the form of recoveries of loans and advances marginally decreased by ₹ 0.68 crore during 2015-16 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 1.12 : Composition of Public Account Receipts (Net)

(₹ in crore)					
Resources under various heads	2011-12	2012-13	2013-14	2014-15	2015-16
Public Account Receipts (Net)⁷	820.54	- 351.76	897.29	31.86	-154.47
(a) Small Savings, Provident Fund, <i>etc.</i>	105.08	109.07	127.17	133.28	131.74
(b) Reserve Fund	14.30	- 7.44	18.08	- 13.70	6.74
(c) Deposits and Advances	617.37	- 582.04	825.60	- 161.66	-234.84
(d) Suspense and Miscellaneous	- 18.42	110.67	- 76.71	82.28	-55.40
(e) Remittances	102.21	17.98	3.15	- 8.34	-2.71

⁷ Public account receipts minus Disbursements. Details in Appendix 1.3.

Public account receipts decreased from ₹ 31.86 crore during 2014-15 to negative ₹ 154.47 crore during the current year. Decrease in receipts under public account during 2015-16 was mainly due to substantial decrease under 'Deposits and Advances' from a negative ₹ 161.66 crore during 2014-15 to a negative ₹ 234.84 crore during 2015-16.

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.

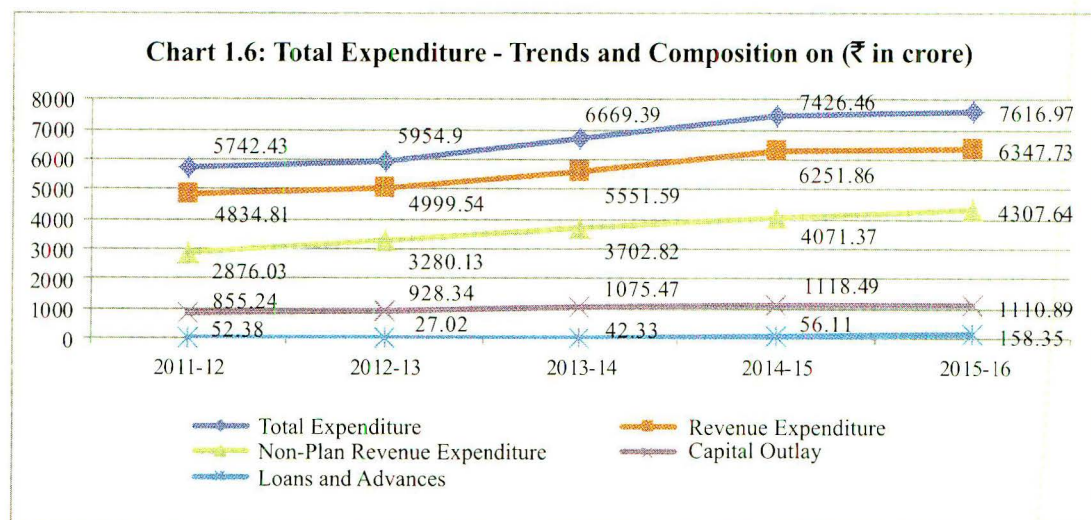
1.6.1 Growth and Composition of expenditure

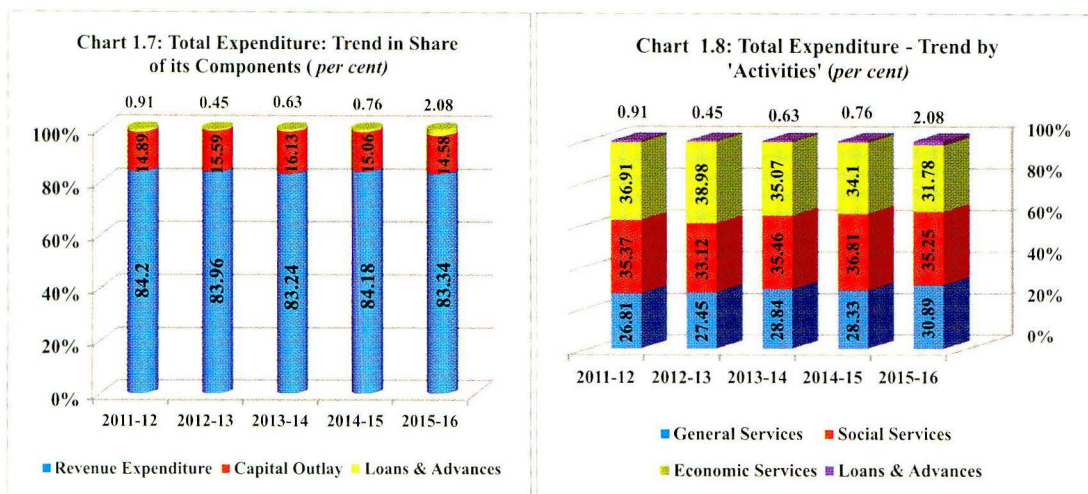
The total expenditure and its composition during the years 2011-12 to 2015-16 are presented in the **Table 1.13**.

Table 1.13 : Total Expenditure and its Composition

Particulars	₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Total expenditure	5742.43	5954.90	6669.39	7426.46	7616.97
Revenue expenditure	4834.81	4999.54	5551.59	6251.86	6347.73
Of which, Non-plan Revenue expenditure	2876.03	3280.13	3702.82	4071.37	4307.64
Capital Outlay	855.24	928.34	1075.47	1118.49	1110.89
Loans and Advances	52.38	27.02	42.33	56.11	158.35

Chart 1.6 presents the trends in total expenditure over a period of five years (2011-16) 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 ₹ 1874.54 crore (32.64 per cent) from ₹ 5742.43 crore in 2011-12 to ₹ 7616.97 crore in 2015-16. 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 1.14**.

Table 1.14 : Total Expenditure – Basic Parameters

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Total expenditure (TE) (₹ in crore)	5742.43	5954.90	6669.39	7426.46	7616.97
Rate of growth (per cent)	24.05	3.70	12.00	11.35	2.57
TE/GSDP ratio (per cent)	28.83	27.23	29.08	30.86	27.90
RR/TE ratio (per cent)	81.05	92.97	93.96	86.56	97.47
Buoyancy of Total expenditure with reference to:					
GSDP (ratio)	...	0.38	2.46	2.31	0.19
RR (ratio)	2.60	0.20	0.91	4.40	0.27

The increase of ₹ 190.51 crore (2.57 per cent) in total expenditure during 2015-16 over previous year was on account of increase of ₹ 95.87 crore in revenue expenditure and disbursement of loans and advances by ₹ 102.24 crore which is marginally offset by decrease in capital outlay by ₹ 7.60 crore. While the share of plan expenditure constituted 41.90 per cent (₹ 3191.34 crore) of the total expenditure, the remaining 58.10 per cent (₹ 4425.63 crore) was non-plan expenditure. During the current year, 92.47 per cent (₹ 7043.13 crore) of the total expenditure was met from revenue receipts. The buoyancy of total expenditure to GSDP stood at 0.19 in 2015-16 due to growth rate of total expenditure at slower pace as compared to that of GSDP.

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 2015-16, expenditure on general services and interest payments, which is considered as non-developmental, together accounted for 30.89 per cent. On the other hand, expenditure on social and economic services (excluding loans and advances) together accounted for 67.03 per cent during 2015-16. The relative share of social services decreased from 36.81 per cent in 2014-15 to 35.25 per cent in 2015-16 and the relative share of economic

services declined from 34.10 *per cent* during 2014-15 to 31.78 *per cent* during 2015-16. Loans and advances revealed wide fluctuations during the period 2011-16 and stood at 2.08 *per cent* of total expenditure during 2015-16.

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 1.15**.

Table 1.15 : Revenue Expenditure – Basic Parameters

(₹ in crore)					
Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue expenditure (RE)	4834.81	4999.54	5551.59	6251.86	6347.73
<i>Of which</i>					
Non-Plan Revenue expenditure (NPRE)	2876.03 (59.49)	3280.13 (65.61)	3702.82 (66.70)	4071.37 (65.12)	4307.64 (67.86)
Plan Revenue expenditure (PRE)	1958.78 (40.51)	1719.41 (34.39)	1848.77 (33.30)	2180.49 (34.88)	2040.09 (32.14)
Rate of Growth of					
RE (<i>per cent</i>)	20.49	3.41	11.04	12.61	1.53
NPRE (<i>per cent</i>)	12.98	14.05	12.89	9.95	5.80
PRE (<i>per cent</i>)	33.52	- 12.22	7.52	17.94	-6.44
Ratio (<i>per cent</i>)					
RE as percentage of TE	84.19	83.96	83.24	84.18	83.34
NPRE/GSDP (<i>per cent</i>)	14.44	15.00	16.14	16.92	15.78
NPRE as percentage of TE	50.08	55.08	55.52	54.82	56.55
NPRE as percentage of RR	61.79	59.25	59.09	63.34	61.16
Buoyancy Ratio of Revenue expenditure with					
GSDP	...	0.35	2.27	2.57	0.11
Revenue Receipts	2.22	0.18	0.84	4.89	0.16

Revenue expenditure constituted 83.24 *per cent* to 84.19 *per cent* of total expenditure during 2011-16 and increased by ₹ 1512.92 crore (31.29 *per cent*) from ₹ 4834.81 crore in 2011-12 to ₹ 6347.73 crore in 2015-16. The non-plan revenue expenditure (NPRE) during the same period increased by ₹ 1431.61 crore (49.78 *per cent*) from ₹ 2876.03 crore to ₹ 4307.64 crore. Plan revenue expenditure (PRE), which normally covers the maintenance expenditure incurred on services, stood at 32.14 *per cent* of revenue expenditure during 2015-16.

The NPRE constituted a dominant share of 67.86 *per cent* in the revenue expenditure during 2015-16 and has increased by ₹ 236.27 crore (5.80 *per cent*) over the previous year. The growth of NPRE during 2015-16 however, decreased to 5.80 *per cent* against 9.95 *per cent* during the previous year. In absolute terms, the increase in NPRE during 2015-16 was mainly due to increase in expenditure under General Education (₹ 69.89 crore), Social Welfare and Nutrition (₹ 36.90 crore), Transport (₹ 27.64 crore), Health and Family Welfare (₹ 17.41 crore) and Water Supply and Sanitation (₹ 11.49 crore). On the other hand, PRE decreased by ₹ 140.40 crore over

the previous year mainly due to decrease in expenditure under General Education (₹ 87.78 crore) and Social Welfare and Nutrition (₹ 47.61 crore). The decline of PRE during 2015-16 was 6.44 per cent.

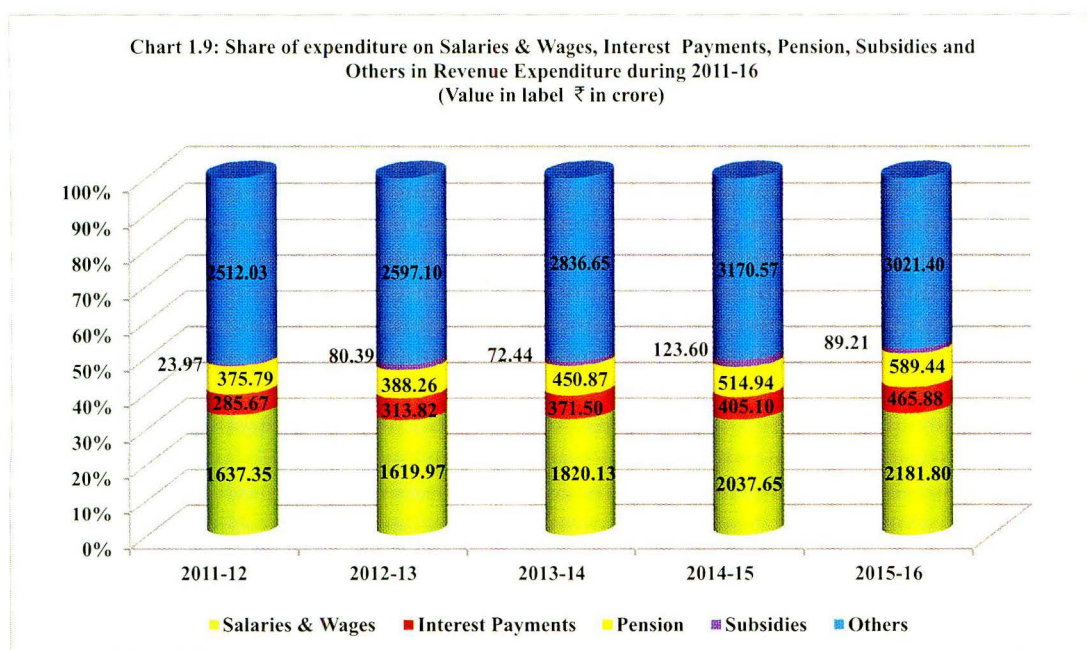
1.6.1.3 Components of Revenue Expenditure

The expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. **Table 1.16** and **Chart 1.9** present the trends in the expenditure on these components during 2011-16.

Table 1.16 : Components of Revenue expenditure

(₹ in crore)					
Components of expenditure	2011-12	2012-13	2013-14	2014-15	2015-16
Salaries and Wages	1637.35 (35.18)	1619.97 (29.26)	1820.13 (29.04)	2037.65 (31.70)	2181.80 (30.98)
<i>Of which</i>					
Non-Plan Head	1335.64 (28.70)	1477.70 (26.69)	1674.86 (26.72)	1853.31 (28.83)	1981.54 (28.13)
Plan Head	301.71 (6.48)	142.27 (2.57)	145.27 (2.32)	184.34 (2.87)	200.26 (2.84)
Interest Payments	285.67 (6.14)	313.82 (5.67)	371.50 (5.93)	405.10 (6.30)	465.88 (6.61)
Expenditure on Pension and other retirement benefits	375.79 (8.07)	388.26 (7.01)	450.87 (7.19)	514.94 (8.01)	589.44 (8.37)
Subsidies	23.97 (0.51)	80.39 (1.45)	72.44 (1.16)	123.60 (1.92)	89.21 (1.27)
Other Components of revenue expenditure, i.e. other than salaries and wages, interest payments, pension and subsidies	2512.03 (53.97)	2597.10 (46.91)	2836.65 (45.27)	3170.57 (49.32)	3021.40 (42.90)

(Figures in the parentheses indicate percentage to revenue receipts)



1.6.1.4 Salaries and Wages

Salaries and wages during 2015-16 accounted for 30.98 per cent of the revenue receipts of the State during the year. It also increased by 7.07 per cent from ₹ 2037.65 crore in 2014-15 to ₹ 2181.80 crore in 2015-16. Expenditure on salaries and wages

under non-plan head during 2015-16 significantly increased by ₹ 128.53 crore (6.92 per cent) over the previous year and this expenditure under plan head increased by ₹ 15.92 crore (8.64 per cent) over the previous year. Further, the State Government, in its Fiscal Policy Strategy (FPS) Statement for the year 2015-16, 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 expenditure on salaries and wages by 7.07 per cent during 2015-16 indicated that the State Government was not successful in fulfilling its commitment.

1.6.1.5 Interest Payments

Compared to previous year, interest payments during 2015-16 increased by 15.00 per cent (₹ 60.78 crore). Interest payments were on market loans (₹ 259.72 crore), State Provident Funds (₹ 94.44 crore), Special Securities issued to National Small Savings Fund of the Central Government (₹ 68.69 crore), loans and advances received from Central Government (₹ 17.73 crore) and other internal debts including other obligations (₹ 25.30 crore). Of the total interest payments during the year, 55.75 per cent (₹ 259.72 crore) were paid on market borrowings. The overall interest payments (₹ 465.88 crore) was however, much higher than the projections made by the XIV FC (₹ 387.00 crore) but lower than the budget estimates (₹ 471.06 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 2011-16. Pension payments during the current year had increased by ₹ 74.50 crore, an increase of 14.47 per cent over the previous year. The comparative analysis of actual pension payments and the projection made by the XIV FC (₹ 440.00 crore) and State Government showed that actual pension payment exceeded the projection made by the State Government in its Budget (₹ 446.32 crore) for the year 2015-16.

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 XIV FC, the migration to the NPS needs to be completed immediately in order to reduce their future burden. The NPS for the employees of the GoM had been adopted since 1st April 2010.

1.6.1.7 Subsidies

Table 1.16 shows that the expenditure on payment of subsidies decreased by 27.82 per cent from ₹ 123.60 crore in 2014-15 to ₹ 89.21 crore during 2015-16. The decrease of ₹ 34.39 crore was mainly due to decrease in payment of subsidy under Power by ₹ 83.41 crore and increase in Animal Husbandry and Veterinary by ₹ 39.88 crore, Agriculture by ₹ 3.39 crore, Food and Civil Supplies by ₹ 4.80 crore and Transport by ₹ 0.96 crore during the current year over previous year.

1.6.2 Capital Outlay

Capital outlay during the current year (2015-16) decreased by ₹ 7.60 crore over previous year. As per cent to total expenditure, capital outlay showed a fluctuating

trend over the period 2011-12 to 2015-16 and ranged between 14.89 *per cent* and 16.13 *per cent*. The capital outlay constituted 14.58 *per cent* of total expenditure during 2015-16 against 15.06 *per cent* during the preceding year. There was a decrease in capital outlay during the current year compared to the previous year and the State Government did not fulfil its commitment made in the budget as it fell short by 30.72 *per cent* (₹ 492.52 crore) of the budget estimate (₹ 1603.41 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 1.17**.

Table 1.17: Financial Assistance to Local Bodies, etc.

Financial Assistance to Institutions	2011-12	2012-13	2013-14	2014-15	2015-16	
					Budget Estimate	Actual
University and Educational Institutions	590.54	507.84	586.86	560.46	783.51	697.54
Co-operative Societies	3.18	2.77	2.60	1.78	2.14	2.06
District Councils	2.86	2.60	5.98	1.60	3.11	0.36
Municipalities, Meghalaya Urban Development Authority, etc.	2.89	10.30	20.19	5.40	4.70	4.70
Power Sector	179.10	174.22	160.09	203.19	102.55	102.44
Other Institutions ⁸	48.14	44.33	71.65	68.07	56.65	53.19
Total	826.71	742.06	847.37	840.50	952.66	860.29
Assistance as percentage of RE	17.10	14.84	15.26	13.44		13.55

The financial assistance extended to the local bodies and other institutions with inter-year variations marginally increased by 2.35 *per cent* from ₹ 840.50 crore in 2014-15 to ₹ 860.29 crore in 2015-16. The share of financial assistance in revenue expenditure also increased from 13.44 *per cent* in 2014-15 to 13.55 *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 2015-16.

University and Educational Institutions were the major recipients followed by power sector. Around 81 *per cent* of the total financial assistance during 2015-16 was given to the University and Educational Institutions. The assistance under this sector however, marginally increased by 24.46 *per cent*, i.e. from ₹ 560.46 crore during 2014-15 to ₹ 697.54 crore during the current year. Of ₹ 697.54 crore, ₹ 436.66 crore was given to Non-Government Primary Schools and ₹ 171.07 crore to Non-Government Secondary Schools. Out of ₹ 52.48 crore given to other institutions, major share (₹ 16.50 crore) was paid to the Emergency Management Research Institute & NGOs followed by National Rural Health Mission (₹ 14.56 crore).

⁸ **Other Institutions (figures for 2015-16 in brackets):** Emergency Management Research Institute & NGOs (₹ 16.50 crore), National Rural Health Mission (₹ 14.56 crore), Khadi Industries (₹ 2.82 crore), Meghalaya State Housing Board (₹ 2.02 crore), Indian Red Cross Society, Shillong (₹ 0.11 crore), Junior Red Cross (₹ 0.24 crore), Voluntary Organisations (₹ 0.75 crore), Public Sector Undertakings and other Undertakings (₹ 9.17 crore), Modernisation of Handloom (₹ 0.20 crore), State Control Animal Diseases (₹ 1.50 crore), Olympic Association (₹ 0.01 crore), State Sports Council (₹ 5.31 crore).

Government of Meghalaya contributed a higher portion of its GSDP by way of Aggregate expenditure both in 2012-13 & 2015-16 *vis-a-vis* Special Category States. The Developmental expenditure-Aggregate expenditure ratio was higher in 2012-13 but lower in 2015-16. Expenditure on Health-Aggregate expenditure ratio and capital expenditure-Aggregate expenditure ratio were also higher in Meghalaya both in 2012-13 and 2015-16 *vis-a-vis* Special Category States. However, the ratio of expenditure on Social sector expenditure-Aggregate expenditure and Education-Aggregate expenditure were lower in Meghalaya both in 2012-13 and 2015-16 *vis-a-vis* Special Category States.

Table 1.20 : Efficiency of Expenditure Use in Selected Social and Economic Services

(In per cent)

Social/Economic Infrastructure	2014-15		2015-16	
	Ratio of capital expenditure to Total expenditure ¹¹	In revenue expenditure, the share of Salaries and Wages	Ratio of capital expenditure to Total Expenditure ¹¹	In revenue expenditure, the share of Salaries and Wages
Social Services (SS)	13.29	32.89	10.79	35.33
General Education	0.35	29.78	0.23	32.38
Technical Education, Sports, Arts and Culture	0.14	16.03	1.61	16.53
Health and Family Welfare	15.38	54.89	15.23	56.08
Water Supply & Sanitation, Housing and Urban Development	53.96	41.03	39.27	33.30
Other SS	4.19	15.26	0.98	21.88
Economic Services (ES)	26.56	23.05	29.90	26.40
Agriculture and Allied Activities	1.72	44.00	1.18	45.98
Irrigation & Flood Control	53.32	69.45	8.40	67.84
Energy	0.00	0.00	7.35	0.00
Transport	80.45	0.00	81.56	1.97
Other ES	11.30	15.16	5.34	17.83

Social Services

The trends presented in **Table 1.20** reveal that development capital expenditure as a percentage of total expenditure constituted only 10.79 *per cent* in 2015-16, which indicated that the revenue expenditure was dominant. Compared to 2014-15, there was deterioration in the share of capital expenditure during 2015-16 under all the infrastructure of social services except technical education, sports, arts and culture.

Of the revenue expenditure on social services, the share of salaries and wages component increased from 32.89 *per cent* in 2014-15 to 35.33 *per cent* in 2015-16. The non-salary and non-wage expenditure on social services decreased by 2.48 *per cent* during 2015-16 from ₹ 1588.32 crore in 2014-15 to ₹ 1548.93 crore in 2015-16. Within the priority sectors, salaries and wages component continue to have the

¹¹ Total revenue and capital expenditure of the services concerned.

dominant share under health and family welfare. Around 56 per cent of revenue expenditure under this service during 2015-16 were incurred on salaries and wages.

Economic Services

The share of capital expenditure on economic services to total of revenue and capital expenditure on economic services marginally increased to 29.90 per cent during 2015-16 from 26.56 per cent in 2014-15. Salaries and wages component within the revenue expenditure on economic services as a percentage of the total expenditure on economic sector also increased from 23.05 per cent in 2014-15 to 26.40 per cent during 2015-16. During 2015-16, share of expenditure on salaries and wages under irrigation and flood control was 67.84 per cent of revenue expenditure under economic services.

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

According to the information furnished (August 2016) by the Directorate of Programme Implementation & Evaluation, GoM, the position of implementation of flagship programmes/schemes till 2015-16 is given in **Appendix 1.6**. Details of significant shortfall in achievement of targets are given in **Table 1.21** below:

Table 1.21

Sl. No.	Programme/ Scheme	Financial Outlays and expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2016			
		Funds available up to 31 March 2016	Actual expenditure up to 31 March 2016	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome (Shortfall in per cent)
1.	Indira Awas Yojana (IAY)	55.01	55.01	Houses constructed	Nos	5672	1634 (71.19)
2.	National Rural Livelihoods Mission (NRLM)	2.07	0.57	Self Help Group/ Village Organisation	In crore	16.32	13.05 (20.04)
3.	Sarva Shiksha Abhiyan (SSA)	227.70	210.53	Salary, grants Training, and Learning enhancement programme, etc.	Transport/ Escort facility/ Free Text Books/Teachers Salary/Training, Libraries in Schools/ Civil Works, etc.	10,90,586	3,60,898 (66.91)
4.	Accelerated Irrigation Benefit Programme (AIBP)	272.66	272.66	Scheme on Water Resources	In Hectare	26470.675	22489.995 (15.04)
Meghalaya Power Development Corporation Limited							
5.	R-APDRP (Part-A)	10.19	8.86	Distribution of Network in Towns	Nos	09	08 (11.11)
6.	Rural Sanitation Programme	75.93	60.77	Swachh Bharat Mission (Gramin) SBM(G) IHHL(BPL) IHHL(APL) Sanitary Complex	Nos. of Households	31,620 20,380 133	29,831 (5.66) 15,904 (21.96) 97 (27.07)

Source: Directorate of Programme Implementation & Evaluation, GoM

As can be seen from the table, shortfall in achievement of targets under the above programmes/schemes ranged between 11.11 per cent and 71.19 per cent, the maximum being under IAY (71.19 per cent) followed by SSA (66.91 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 IX and Statement 16 of the Finance Accounts for the year 2015-16, as on 31 March 2016, there were 24 ongoing projects in the State. The department-wise information pertaining to incomplete projects as on 31 March 2016 even after passage of target date(s) of completion is given in Table 1.22.

Table 1.22 : Department-wise Profile of Incomplete Projects

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 on March 2016)
			Number	Amount			
Public Works (Roads & Bridges)	17	176.13	-	-	-	-	146.58
Public Health Engineering	07	87.55	01	17.43	27.45	10.02	69.10
Total	24	263.68	01	17.43	27.45	10.02	215.68

As can be seen from the above table, 24 projects stipulated for completion on or before March 2016 at an estimated cost of ₹ 263.68 crore, remained incomplete after incurring an expenditure of ₹ 215.68 crore. Though the cost of one project under Public Health Engineering Department, *viz.* 'Greater Rymbai Water Supply Scheme' was revised by 57.49 per cent from ₹ 17.43 crore to ₹ 27.45 crore, the actual expenditure on the project till March 2016 was ₹ 19.67 crore *i.e.* 28.34 per cent (₹ 7.78 crore) lesser than the revised cost. 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 had 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 Statements 8 and 19 of Finance Accounts for the year 2015-16, as on 31 March 2016, the State Government had invested ₹ 466.93 crore in two Statutory Corporations (₹ 91.29 crore), eight Government Companies (₹ 273.90 crore) and Co-operative Banks and Societies (₹ 101.74 crore). Details are given in **Table 1.23**.

Table 1.23 : Return on Investment

Investment/Return/Cost of Borrowings	2011-12	2012-13	2013-14	2014-15	2015-16
Investment at the end of the year (₹ in crore)					
(i) Statutory Corporations	71.11	71.11	83.41	83.41	91.29
(ii) Government Companies	188.51	228.68	254.36	273.90	273.90
(iii) Co-operative Societies	77.45	83.72	92.01	97.68	101.74
Total	337.07	383.51	429.78	454.99	466.93
Return (₹ in crore)	0.08	0.08	0.13	0.13	0.07
Return (<i>per cent</i>)	0.02	0.02	0.03	0.03	0.02
Average rate of interest on Government borrowing (<i>per cent</i>)	6.22	6.24	6.61	6.22	6.70
Difference between interest rate and return (<i>per cent</i>)	6.20	6.22	6.58	6.19	6.68

Of the two Statutory Corporations, bulk of the investment (₹ 83.83 crore) was made in the Meghalaya Transport Corporation Limited during 1986-2016 which had accumulated loss of ₹ 99.62 crore till 2013-14. Out of ₹ 273.90 crore invested in Government Companies, ₹ 162.79 crore was invested in Mawmluh Cherra Cements Limited during 1958-2015, which had accumulated loss of ₹ 97.97 crore up to 2014-15. Out of ₹ 273.90 crore invested in Government Companies, ₹ 273.86 crore was invested in seven loss making Companies, which had accumulated loss of ₹ 164.58 crore, as detailed in **Table 1.24** below:

Table 1.24: Details of loss making Government Companies

(₹ in crore)

Sl. No.	Name of Companies	Amount invested up to March 2016	Invested up to	Accumulated loss	Period up to ¹²
1.	Mawmluh-Cherra Cements Limited (MCCL)	162.79	2015-16	97.97	2014-15
2.	Meghalaya Industrial Development Corporation (MIDC)	91.59	2015-16	36.15	2013-14
3.	Meghalaya Mineral Development Corporation Limited (MMDC)	2.32	2015-16	6.89	2014-15

¹² Working results for the subsequent years are in arrears.

Sl. No.	Name of Companies	Amount invested up to March 2016	Invested up to	Accumulated loss	Period up to ¹²
4.	Forest Development Corporation of Meghalaya Limited (FDCML)	1.97	2015-16	5.23	2007-08
5.	Meghalaya Government Construction Corporation Limited (MGCCCL)	0.75	2015-16	7.00	2014-15
6.	Meghalaya Tourism Development Corporation Limited (MTDCL)	11.70	2015-16	7.82	2010-11
7.	Meghalaya Handloom and Handicraft Development Corporation Limited (MHHDCL)	2.74	2015-16	3.52	2010-11
	Total	273.86		164.58	

Further, out of ₹ 101.74 crore invested in co-operative banks/societies, ₹ 24.37 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 117 co-operative banks/societies had not been intimated (October 2016).

The average return on investment in statutory corporations, Government companies and co-operative Banks/Societies was less than one *per cent* during 2011-16. However, Government paid interest on its borrowings at an average rate of interest of 6.22 *per cent* to 6.70 *per cent* during 2011-16.

1.9.3.1 Reconciliation with Finance Accounts

The figures in respect of equity, loans and guarantees outstanding as per records of State Public Sector Undertakings (SPSU) should agree with that of the figures appearing in the Finance Accounts of the State. In case the figures do not agree, the concerned SPSUs and the Finance Department should carry out reconciliation of differences. The position in this regard as at 31 March 2016 is stated below.

Table 1.25: Equity, Loans, Guarantees outstanding as per Finance Accounts *vis a vis* records of SPSUs

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of SPSUs	Difference
Equity	365.15 ¹³	4283.65 ¹⁴	(-)3918.50
Loans	Not available ¹⁵	1311.64	--
Guarantees	992.38 ¹⁶	1040.00	(-)47.62

¹³ Includes ₹ 2.14 crore in Meghalaya State Warehousing Corporation (MSWC), ₹ 83.83 crore in Meghalaya Transport Corporation (MTC), ₹ 91.59 crore in MIDC, ₹ 162.79 crore in MCCL, ₹ 2.32 crore in MMDCL, ₹ 5.32 crore in MeECL, ₹ 1.97 crore in FDCML, ₹ 0.75 crore in MGCCCL, ₹ 11.70 crore in MTDCL and ₹ 2.74 crore in MH&HDCL.

¹⁴ Includes ₹ 1.97 crore in FDCM, ₹ 107.93 crore in MIDC, ₹ 0.75 crore in MGCCCL, ₹ 162.79 crore in MCCL, ₹ 2.32 crore in MMDCL, ₹ 1961.98 crore in MeECL, ₹ 779.51 crore in MePGCL, ₹ 801.20 crore in MePDCL, ₹ 357.66 crore in MePTCL, ₹ 7.96 crore in MTDC, ₹ 4.26 crore in MH&HDC, ₹ 0.05 crore in MBMA, ₹ 93.14 crore in MTC, and, ₹ 2.13 crore in MSWC.

¹⁵ State Government's loans to State PSUs are extended through the Government Departments. These Government Departments reallocate the loan funds to different PSUs. Hence, the PSU-wise figures of State Government loans are not available in the Finance Accounts.

¹⁶ Guarantee commitment given by the State Government against loans were ₹ 992.38 crore (Principal: ₹ 675.18 crore and interest: ₹ 317.20 crore) for MeECL. Guarantee commitment given by the State Government against loans were ₹ 992.38 crore for MeECL.

The main reasons for difference in equity between the figures of Finance Accounts and SPSUs are the difference of figure in respect of Meghalaya Energy Corporation Limited (MeECL) of ₹ 1956.70 crore and the figures of three¹⁷ power sector companies of ₹ 1938.37 crore which did not appear in the Finance Accounts. Though the Principal Secretary, Finance Department, Government of Meghalaya as well as the management of the SPSUs concerned were apprised every three months about the differences and stressed upon the need for early reconciliation, no significant progress was noticed in this regard. The matter was also regularly taken up with the Chief Secretary, Government of Meghalaya every three months to take necessary steps. The Government and the SPSUs concerned should take concrete steps to reconcile the differences in a time-bound manner.

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 1.26 presents the outstanding loans and advances, interest receipts *vis-à-vis* interest payments during the last five years.

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

Particulars	₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Opening Balance	535.28	564.95	568.72	590.57	626.92
Amount advanced during the year	52.38	27.02	42.33	56.11	158.35
Amount recovered during the year	22.71	23.25	20.48	19.76	19.08
Closing Balance	564.95	568.72	590.57	626.92	766.19
Net Addition	29.67	3.77	21.85	36.35	139.27
Interest Receipts	4.83	6.46	6.76	8.28	7.69
Interest received as <i>per cent</i> to outstanding Loans and Advances	0.88	1.14	1.17	1.36	1.10
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	6.22	6.24	6.61	6.22	6.70
Difference between interest payments and receipts (<i>per cent</i>)	5.34	5.10	5.44	4.86	5.60

Loans and advances given by the State Government during 2015-16 increased by 182.21 *per cent* over the previous year. The total outstanding loans and advances as on 31 March 2016 was ₹ 766.19 crore. Out of the loans of ₹ 158.35 crore advanced during 2015-16, ₹ 40.59 crore was given for power projects and ₹ 17.45 crore was given to Government servants and to others ₹ 100.31 crore. Interest receipt of ₹ 7.69 crore on loans and advances by GoM during 2015-16 constituted 1.10 *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 6.70 *per cent* for the outstanding liabilities.

¹⁷ MePGCL - ₹ 779.51 crore, MePDCL - ₹ 801.20 crore and MePTCL - ₹ 357.66

1.9.5 Cash Balances and Investment of Cash Balances

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

Table 1.27 : Cash Balances and Investment of Cash Balances

(₹ in crore)

Particulars	Opening balance on 01 April 2015	Closing balance on 31 March 2016
(a) General Cash Balance-		
Cash in Treasuries	19.58	40.81
Deposits with Reserve Bank	- 488.46	- 112.79
	- 468.88	- 71.98
Investments held in Cash Balance investment account	874.20	267.65
Total (a)	405.32	195.67
(b) Other Cash Balances and Investments		
Cash with departmental officers of Forest and Public Works Department	0.22	0.21
Permanent advances for contingent expenditure with departmental officers	0.01	0.03
Investment of earmarked funds	180.53	211.10
- Sinking Fund Investment Account	180.50	211.07
- Other Development and Welfare Fund	0.03	0.03
Total (b)	180.76	211.34
Grand Total (a) + (b)	586.08	407.01

Cash balances (excluding investment of earmarked funds) of the State Government at the end of the current year decreased from ₹ 405.55 crore in 2014-15 to ₹ 195.91 crore in 2015-16. As on 31 March 2016, the Government invested ₹ 211.10 crore in Sinking Fund and other Development and Welfare Fund. During 2015-16, interest of ₹ 31.48 crore was earned on investment of cash balances against ₹ 29.45 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 lakh with the Bank.

During the five-year period ending 2015-16, the Government did not have to resort to WMA and overdraft, except during 2013-14, indicating comfortable position of cash balances of the State in four out of five years.

1.10 Assets and Liabilities

1.10.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. Appendix 1.4 gives an abstract of such liabilities and the assets as on 31 March 2016, compared with the corresponding

position on 31 March 2015. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from 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 1.10** and **1.11**.

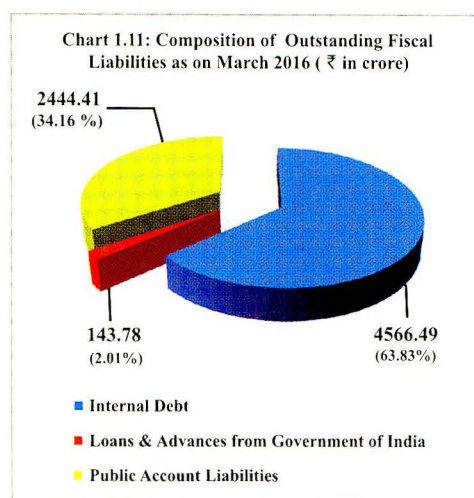
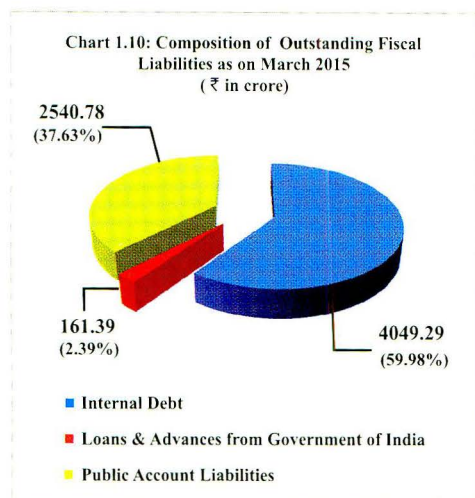


Table 1.28 gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP, revenue receipts and State's own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

Table 1.28: Fiscal Liabilities – Basic Parameters

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Fiscal Liabilities ¹⁸ (₹ in crore)	5090.28	4964.58	6269.23	6751.46	7154.68
Rate of Growth (<i>per cent</i>)	24.51	-2.47	26.28	7.69	5.97
Ratio of Fiscal Liabilities to					
GSDP (<i>per cent</i>)	25.56	22.70	27.33	28.06	26.20
Revenue Receipts (<i>per cent</i>)	109.36	89.67	100.04	105.03	101.58
Own Resources (<i>per cent</i>)	477.61	372.53	405.13	526.44	556.60
Buoyancy of Fiscal Liabilities to					
GSDP (ratio)	...	-0.25	5.40	1.57	0.44
Revenue Receipts (ratio)	2.65	-0.13	1.99	2.98	0.62
Own Resources (ratio)	1.11	-0.10	1.63	-0.45	25.96

Fiscal liabilities of ₹ 7154.68 crore as on 31 March 2016 consist of internal debt, e.g., market loans, loans from financial institutions, Special Securities issued to National Small Savings Fund, *etc.* (₹ 4566.49 crore), loans and advances from Central Government (₹ 143.78 crore), small savings, provident funds, *etc.* (₹ 1232.64 crore) and other liabilities, e.g., Reserve Funds and Deposits (₹ 1211.77 crore). Fiscal liabilities of the State increased from ₹ 5090.28 crore as on 31 March 2012 to ₹ 7154.68 crore as on 31 March 2016. Compared to previous year, the fiscal liabilities

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

at the end of 2015-16 increased by 5.97 *per cent* mainly due to increase in internal debt in the form of market loans by ₹ 459.68 crore (15.31 *per cent*). The ratio of fiscal liabilities to GSDP decreased from 28.06 *per cent* in 2014-15 to 26.20 *per cent* in 2015-16. These liabilities were a little above the revenue receipts and over five times of the State's own resources at the end of 2015-16. The buoyancy of these liabilities with respect to GSDP during the year was 0.44 indicating that for each one *per cent* increase in GSDP, fiscal liabilities increased by 0.44 *per cent*.

The State Government in its MTF Plan and MTFP Statement projected the total Outstanding Liabilities-GSDP ratio for the year 2015-16 as 25.28 *per cent* and 24.09 *per cent* respectively. As can be seen from the **Table 1.28** above, the Fiscal Liabilities-GSDP ratio of the State (26.20 *per cent*) was higher than the limit fixed in the MTF Plan and MTF Policy 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 on 31 March 2016 was ₹ 245.29 crore (active funds: ₹ 243.25 crore; inactive funds: ₹ 2.04 crore) in ten reserve funds. However, only three funds are active and seven funds are inactive for more than 20 years. Investment out of these funds was ₹ 211.10 crore, which is 86.06 *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 of the State.

During 1999-2000, the State Government constituted a 'Consolidated Sinking Fund' for redemption and amortisation of open market loans. During 2015-16, the Government had appropriated ₹ 31.38 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 2011-12 are given in **Table 1.29**.

Table 1.29: Guarantees given by GoM

Particulars	(₹ in crore)				
	2011-12	2012-13	2013-14	2014-15	2015-16
Maximum amount guaranteed	1002.85	947.02	1188.64	1054.43	868.09
Outstanding amount of guarantees (including interest)	1293.20	1285.19	1610.55	1173.81	1042.19
Percentage of maximum amount guaranteed to total revenue receipts	21.55	17.11	18.97	16.40	12.33

Government had guaranteed loans raised by various Corporations and others, which at the end of 2015-16 stood at ₹ 1042.19 crore (including interest). Bulk of the guaranteed amount (₹ 992.38 crore) was outstanding against the power sector for repayment of principal and payment of interest on loans from Rural Electrification Corporation (₹ 430.26 crore), and short term loans, bonds, *etc.* (₹ 562.12 crore). The outstanding amount of guarantees is in the nature of contingent liabilities, which was 12.33 *per cent* of revenue receipts of the State during 2015-16. 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. As per the Fiscal Policy Strategy Statement for the year 2015-16, to service contingent liabilities arising out of the invocation of State Government Guarantees, the Government had constituted the Meghalaya Guarantee Redemption Fund to be managed by the Reserve Bank of India.

As on 31 March 2016, commission/fee amounting to ₹ 21.27 crore for the guarantees given by the State Government was receivable.

The figure in respect of guarantees outstanding in respect of SPSUs as per their records (₹ 1040.00 crore) differs with that shown in the Finance Accounts (₹ 992.38 crore). However, the discrepancies had not been reconciled as discussed in paragraph 1.9.3.1 above.

1.11 Debt Management

1.11.1 Debt Sustainability

The debt sustainability is defined as the ability of the State 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/GSDP ratio, burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. The rate of growth of GSDP ranged between 4.87 *per cent* and 13.46 *per cent* during 2012-13 to 2015-16 whereas average interest rate on outstanding debt ranged between 6.22 *per cent* and 6.70 *per cent* during 2011-12 to 2015-16. GSDP growth rate is much more than the average interest paid by the State Government on public debt. **Table 1.30** analyses the

debt sustainability of the State according to these indicators for the period of five years beginning from 2011-12.

Table 1.30: Debt Sustainability: Indicators and Trends

(₹ in crore)					
Indicators of Debt Sustainability	2011-12	2012-13	2013-14	2014-15	2015-16
Outstanding debt (year end)	5090.28	4964.58	6269.23	6751.46	7154.68
Rate of Growth of Outstanding debt	24.51	-2.47	26.28	7.69	5.97
Gross State Domestic Product(GSDP)	19918	21872	22938	24065	27305
Rate of Growth of GSDP	...	9.81	4.87	4.91	13.46
Debt/GSDP(in per cent)	25.56	22.70	27.33	28.06	26.20
Average interest rate of Outstanding debt	6.22	6.24	6.61	6.22	6.70
Interest Paid/Revenue Receipts(IP/RR)	6.14	5.67	5.93	6.30	6.61
Debt Repayment/Debt Receipts	0.68	1.27	0.64	0.97	1.03
Net Debt available to the State	716.35	-439.52	933.15	77.13	-62.65

Table 1.30 reveals that the Debt-GSDP ratio ranged between 22.70 per cent and 28.06 per cent during 2011-12 to 2015-16. At 26.20 per cent, the Debt¹⁹-GSDP ratio during 2015-16 (**Appendix 1.2**) was well below the target of outstanding debt to GSDP (27.04 per cent) set forth by XIV FC for the State but above the assessment made by the State Government in the MTF Plan (25.28 per cent) and MTFP Statement (24.09 per cent). The trends in resource gap indicate the oscillation between positive and negative magnitudes. The resource gap has been negative in two out of five-year period ending 2015-16 indicating that the incremental non-debt receipts were not sufficient to meet the incremental primary expenditure and interest burden. Compared to 2014-15, the situation had been improved during 2015-16, when the resource gap had turned positive ₹ 423.69 crore against negative ₹ 596.27 crore during 2014-15. These trends indicate that the State had made sustainable efforts to mobilise more resources to meet the incremental liabilities arising on account of additional primary expenditure and interest payment during the year.

The trends in debt redemption ratio fluctuated widely during 2011-16 and increased to 102.91 per cent during 2015-16 against 96.64 per cent during the previous year (**Appendix 1.2**). During the current year, against receipts of ₹ 2151.92 crore, Government repaid ₹ 2214.57 crore as principal and interest on internal debt (₹ 671.21 crore), loans and advances from Central Government (₹ 37.58 crore) and other liabilities²⁰ (₹ 1505.79 crore), as a result of which no borrowed fund was available at the end of the year.

1.11.2 Debt Profile

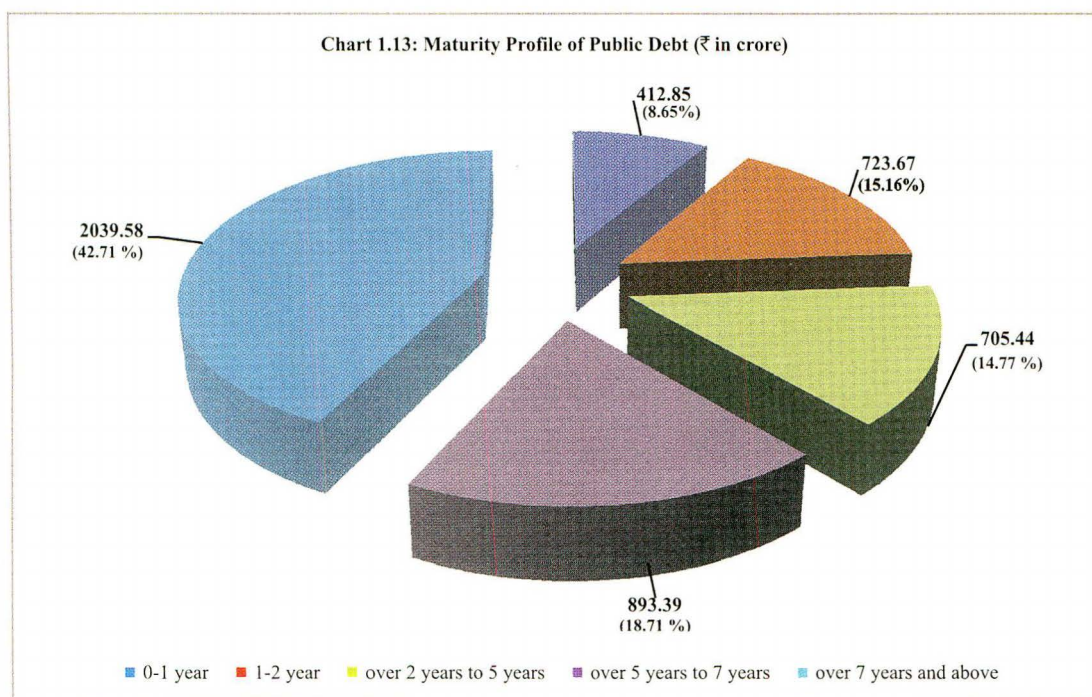
As per Annexure to Statement 17 of the Finance Accounts for the year 2015-16, the maturity profile of the State debt is as indicated in **Table 1.31** and **Chart 1.12**.

¹⁹ Internal debt, Loans & Advances from GoI and Other Liabilities (Small Savings, Provident Funds, Reserve Funds, Deposits)

²⁰ Small Savings, Provident Funds, Reserve Funds, Deposits, etc.

Table 1.31: Maturity Profile of State Debt

Debt maturity	Maturity Profile	Amount			Per cent
		Internal Debt	Loans & Advances from GoI	Total	
During 2016-17	0-1 year	393.00	19.85	412.85	8.65
Between 2017-18 & 2018-19	Over 1 year to 2 years	683.53	40.14	723.67	15.16
Between 2019-20 & 2020-21	Over 2 years to 5 years	664.80	40.64	705.44	14.77
Between 2021-22 & 2022-23	Over 5 years to 7 years	852.55	40.84	893.39	18.71
2023-24 onwards	Over 7 years and above	1952.11	87.47	2039.58	42.71
Total		4545.99	228.94	4774.93	100.00



The maturity profile of outstanding stock of public debt as on 31 March 2016 indicates that out of the outstanding public debt of ₹ 4774.93 crore, 57.29 per cent (₹ 2735.35 crore) is payable within the next seven years while the remaining 42.71 per cent was in the maturity bracket of seven years and above. Of the total outstanding public debt, internal debt consisting of market borrowings, loans from LIC, GIC, NABARD, etc. constituted 95.21 per cent (₹ 4545.99 crore).

Repayment of debt of more than 50 per cent within seven years indicates an alarming position and State may be heading towards debt trap. Therefore debt repayment and 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 represent 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 2015-16.

1.12.1 Trends in Deficits

Charts 1.13 and 1.14 present the trends in deficit indicators over the period 2011-16.

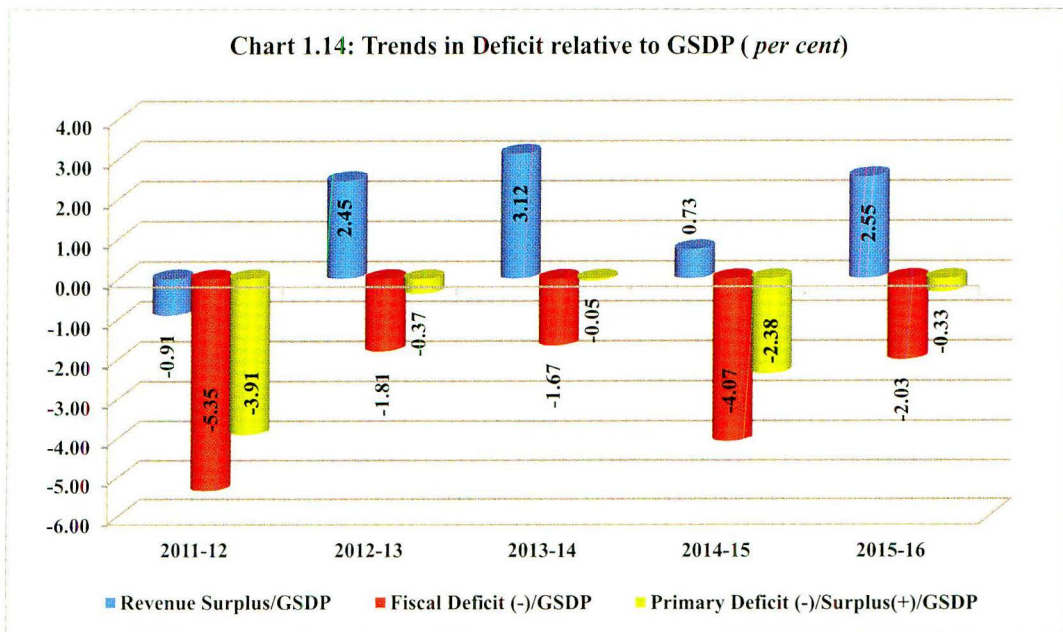
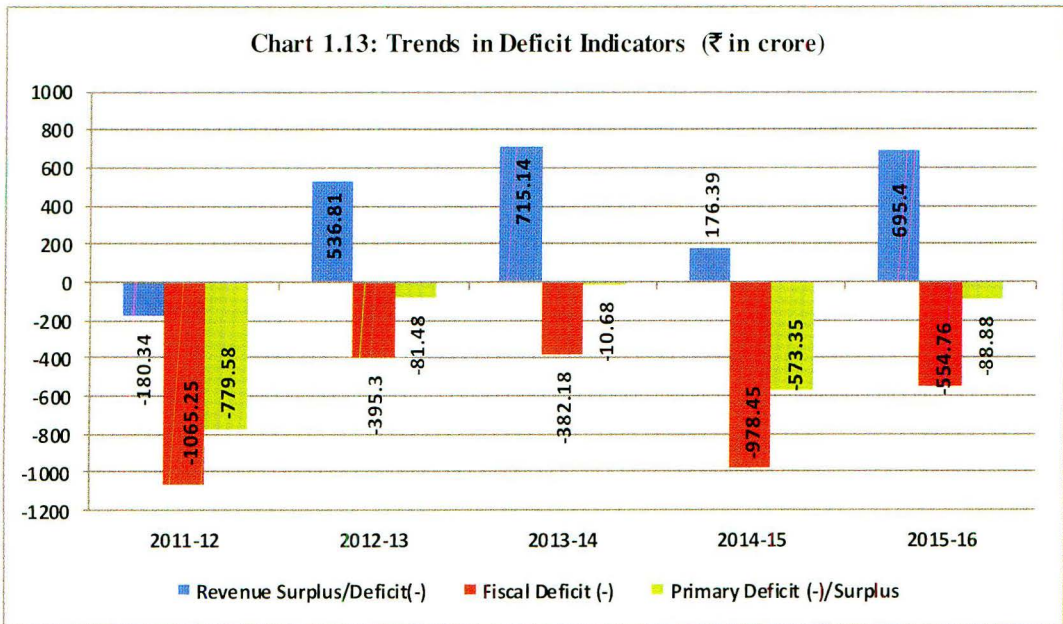


Chart 1.13 reveals that the State was able to attain a revenue surplus of ₹ 695.40 crore during 2015-16, which was 294.24 *per cent* (₹ 519.01 crore) more than the revenue surplus of previous year (₹ 176.39 crore). The rise in revenue surplus during 2015-16 was mainly due to increase in revenue receipts mainly due to increase in collection of State's own resources in the form of tax revenue by ₹ 117.63 crore compared to decrease of ₹ 10.11 crore during the previous year. The State Government was successful in fulfilling the commitment made in the MFRBM Act, (as amended) to maintain revenue surplus during 2015-16, as recommended by the XIV FC, except during 2011-12, but failed to achieve the revenue surplus (₹ 781.55 crore) for the year 2015-16 made in the Budget Estimate.

The fiscal deficit, which represents the total borrowings of the Government and its total resource gap, significantly decreased from ₹ 978.45 crore in 2014-15 to ₹ 554.76 crore in 2015-16. This was mainly due to the fact that the increase in revenue expenditure was lower compared to 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 9.53 *per cent* against 2.56 *per cent* during the previous year, while the increase in revenue expenditure by 1.53 *per cent* only against 12.61 *per cent* during previous year.

As per the recommendations of the XIV FC, fiscal deficit of all States will be anchored to an annual limit of 3 *per cent* of GSDP. GoM also agreed in the MFRBM Act (as amended) to reduce fiscal deficit to 3 *per cent* of GSDP or less during 2016-20 of the award period of the XIV FC. The fiscal deficit-GSDP ratio was at 2.03 *per cent* during 2015-16 and thus, GoM succeeded to restrict this ratio as per recommendation of the XIV FC (3.25) and its own commitment in the amended MFRBM Act.

The primary deficit during 2015-16 also substantially decreased by ₹ 484.47 crore over previous year. Decrease of ₹ 423.69 crore in fiscal deficit as well as increase in interest payment (₹ 60.78 crore) resulted in a primary deficit of ₹ 88.88 crore during the current year.

1.12.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.32**.

Table 1.32 : Components of Fiscal Deficit and its Financing Pattern

(₹ in crore)

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Decomposition of Fiscal Deficit (1 + 2 + 3)						
Fiscal Deficit		1065.25	395.30	382.18	978.45	554.76
1.	Revenue Surplus (+)/ Deficit (-)	- 180.34	536.81	715.14	176.39	695.40
2.	Net Capital Outlay	855.24	928.34	1075.47	1118.49	1110.89
3.	Net Loans and Advances	29.67	3.77	21.85	36.35	139.27
Financing Pattern of Fiscal Deficit^(a)						
1.	Market Borrowing	208.55	298.00	286.55	442.92	459.69
2.	Loans from GoI	- 26.04	- 17.77	- 19.26	-15.05	- 17.61
3.	Special Securities issued to NSSF	47.14	70.73	69.02	84.12	59.76
4.	Loans from Financial Institutions	35.62	3.76	- 2.51	12.31	- 2.25

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
5.	Small Savings, PF, etc.	105.08	109.07	127.17	133.28	131.74
6.	Reserve Funds	14.30	- 7.44	18.08	- 13.70	6.74
7.	Deposits and Advances	617.37	- 582.04	825.60	- 161.66	- 234.85
8.	Suspense and Miscellaneous	- 18.42	110.67	- 76.71	82.28	- 55.40
9.	Remittances	102.21	17.98	3.15	- 8.34	- 2.70
10.	Increase (+) / Decrease (-) in Cash Balances	20.56	- 392.34	848.91	- 422.29	- 209.64
Fiscal Deficit		1065.25	395.30	382.18	978.45	554.76
Fiscal Deficit (percentage to GSDP)		5.35	1.81	1.67	4.07	2.03

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

There were fiscal deficits during the five year period ending 2015-16, which peaked to ₹ 1065.25 crore during 2011-12. Though the fiscal deficit increased to ₹ 978.45 crore during 2014-15, it significantly decreased to ₹ 554.76 crore during 2015-16. During 2015-16, 94.85 per cent (₹ 526.19 crore) of the fiscal deficit was financed through market borrowings (82.86 per cent), special securities issued to National Small Savings Fund (NSSF) of the Central Government (10.77 per cent) and Reserve Funds (1.21 per cent). Since there was no balance available with the Government after disbursements under other heads of public account as well as from GoI loans, the balance 5.15 per cent (₹ 28.57 crore) was obviously financed from the cash balances which led to decrease in cash balances from ₹ 405.55 crore in 2014-15 to ₹ 195.91 crore in 2015-16.

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 1.33**) would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

Table 1.33: Primary Deficit/Surplus – Bifurcation of Factors

(₹ in crore)							
Year	Non-debt Receipt	Primary Revenue Expenditure	Capital Outlay	Loans and Advances	Primary Expenditure ²¹	Primary Revenue Surplus	Primary Deficit (-)/ Surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
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
2014-15	6448.01	5846.76	1118.49	56.11	7021.36	601.25	- 573.35
2015-16	7062.21	5881.85	1110.89	158.35	7151.09	1180.36	- 88.88

²¹ 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.

The bifurcation of the factors resulting into primary deficit or surplus of the State during 2011-16 revealed that-

- Non-debt receipts increased by 50.99 *per cent* from ₹ 4677.18 crore in 2011-12 to ₹ 7062.21 crore in 2015-16.
- Total primary expenditure increased by ₹ 1694.33 crore (31.05 *per cent*) during 2015-16 compared to 2011-12 due to increase in primary revenue expenditure to the extent of ₹ 1332.71 crore (29.30 *per cent*) during the period 2011-12 to 2015-16.
- The primary revenue surplus increased to ₹ 1180.36 crore in 2015-16 from ₹ 601.25 crore during 2014-15.
- In all the five years (2011-16), the State experienced primary deficit. During the period, the non-debt receipts of the State were sufficient to meet the primary revenue expenditure²² and capital outlay requirements, but was not adequate for expenditure on loans and advances. The extent of the primary deficit during 2015-16 has been mainly on account of decrease in capital expenditure by ₹ 7.60 crore and increase in loans and advances by ₹ 102.24 crore compared to previous year.

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, 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 initiative 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 policy on PPP and particulars of PPP projects under execution in the State was called for (July 2016) from the Finance Department, GoM. As per the information furnished (October 2016) by the Finance Department, GoM, setting up of medical college at Shillong was undertaken under PPP at a project cost

²² Primary revenue expenditure represents revenue expenditure less interest payments.

of ₹ 250 crore and scheduled to be completed in May 2017. But the work on the project had not started till October 2016.

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 improvement in the financial health of the State during 2015-16 relative to previous four years (2011 to 2015). During 2015-16, though the State continued to maintain the status of revenue surplus, this surplus increased to ₹ 695.40 crore against ₹ 176.39 crore during 2014-15. The fiscal deficit as well as primary deficit of the State had decreased significantly during 2015-16 compared to previous year.

Revenue Receipts

Revenue receipts during 2015-16 grew merely by 9.57 per cent (₹ 614.88 crore) over previous year. The tax revenue receipts fell short of normative assessment made by XIV FC by 25.94 per cent and the non-tax revenue was 65.47 per cent lower than the target of XIV FC. State's own resources (tax and non-tax revenue) during 2015-16 (₹ 1285.42 crore) were only 0.23 per cent more than those of previous year (₹ 1282.48 crore) and constituted only 18.25 per cent of the revenue receipts of the year. The Central transfers comprising State's share of central taxes and Grants-in-aid from Government of India increased by ₹ 611.94 crore in 2015-16 and contributed 99.52 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 and Total Expenditure

Compared to previous year, the revenue expenditure during 2015-16 increased by only 1.53 per cent. The expenditure pattern of the State revealed that though the revenue expenditure as a percentage of total expenditure marginally decreased from 84.18 per cent in 2014-15 to 83.34 per cent in the current year, it hovered around 84 per cent during the period (2011-16) leaving inadequate resources for expansion of services and creation of assets. Within the revenue expenditure, NPRES at ₹ 4307.64 crore in 2015-16 constituted 67.86 per cent. Further, expenditure on salaries and wages, pensions, interest payments and subsidies continued to consume a large share of revenue expenditure which was 52.40 per cent (₹ 3326.33 crore) during 2015-16. Capital outlay during 2015-16 (₹ 1110.89 crore) decreased by ₹ 7.60 crore (0.68 per cent) over previous year. It decreased to 14.58 per cent of total expenditure during 2015-16 against 15.06 per cent during the preceding year and also fell short by 30.72 per cent (₹ 492.52 crore) of the projection (₹ 1603.41 crore) made by the State Government in its budget estimate for the year.

The State needs to give more priority to capital expenditure and ensure that it does not decrease over the years.

Fiscal Correction Path

During 2015-16, there was significant improvement in all the three major fiscal indicators, viz., revenue surplus, fiscal deficit and primary deficit over previous year. The fiscal deficit decreased from ₹ 978.45 crore in 2014-15 to ₹ 554.76 crore during the current year. Primary deficit also decreased significantly by ₹ 484.47 crore from ₹ 573.35 crore in 2014-15 to ₹ 88.88 crore in 2015-16. The fiscal deficit-GSDP ratio stood at 2.03 *per cent* during 2015-16 against the ceiling of 3 *per cent* or less prescribed in the MFRBM Act, 2006 (as amended) and also the recommendation of the XIV FC to maintain this ratio at 3.25 *per cent* of GSDP. The prevalence of fiscal deficit during 2011-16 indicates continued reliance of the State on borrowed funds resulting in increasing fiscal liabilities or debt of the State over the period 2011-16, fiscal liabilities or debt increased by 5.97 *per cent* during 2015-16 as compared to previous year. The fiscal liabilities or debt during 2015-16 stood at 26.20 *per cent* of the GSDP during the current year against 28.06 *per cent* during 2014-15 and exceeded the limit of total outstanding Debt-GSDP ratio projected in MTF Plan (25.28 *per cent*) for the year.

The average return on investment in Statutory corporations, Government companies and Co-operative banks/societies was less than one *per cent* during 2011-16. However, Government paid interest at an average rate of 6.22 *per cent* to 6.70 *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 0.88 *per cent* and 1.36 *per cent* during 2011-15 and stood at 1.10 *per cent* during 2015-16.

The increasing fiscal liabilities accompanied by a negligible rate of return on Government investments and inadequate interest cost recovery on loans and advances might lead to an unsustainable fiscal situation in medium to long term, unless suitable measures are initiated to compress the non-plan revenue expenditure and to mobilise additional resources both through the tax and non-tax sources in the ensuing years.

State Government may review the working of the units which were incurring losses to avoid further financial burden on the Government.

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 2015-16 against 57 Grants and two Appropriations is given in **Table 2.1**:

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

(₹ in crore)								
Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Saving	Amount Surrendered	Amount Surrendered on 31 March 2016	Percentage of Savings surrendered on 31 March 2016 to total amount of Savings
Voted								
I. Revenue	7096.99	569.17	7666.16	5834.93	1831.23	1264.45	1264.45	69.05
II. Capital	1603.41	183.96	1787.37	1110.66	676.71	260.65	260.65	37.92
III. Loans and Advances	27.90	141.14	169.04	158.35	10.69			
Total Voted	8728.30	894.27	9622.57	7103.94	2518.63	1525.10	1525.10	60.55
Charged								
IV. Revenue	524.49	1.70	526.19	517.24	8.95	2.14	2.14	23.91
V. Capital	...	0.14	0.14	...	0.14	...	...	...
VI. Public Debt- Repayment	480.46	...	480.46	337.57	142.89	142.89	142.89	100
Total Charged	1004.95	1.84	1006.79	854.81	151.98	145.03	145.03	95.43
Appropriation to Contingency Fund (if any)	...	...	...	...	...	...	...	...
Grand Total	9733.25	896.11	10629.36	7958.75	2670.61	1670.13	1670.13	62.54

The overall saving of ₹ 2670.61 crore was the result of saving of ₹ 2838.10 crore in 48 Grants under Revenue Section, 22 Grants and two Appropriations under Capital Section, offset by excess of ₹ 167.49 crore in seven Grants under Revenue Section. Out of the total savings of ₹ 2670.61 crore, ₹ 1670.13 crore (62.54 per cent) was surrendered during the year and the balance savings of ₹ 1000.48 crore (37.46 per cent) remained un-surrendered.

The savings/excess were intimated (July 2016) to the Controlling Officers requesting them to explain the significant variations. Department-wise position involving substantial amount of savings/excess (exceeding ₹ 10 crore) for which reasons were not furnished (August 2016) 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 41 cases, savings of ₹ 2424.97 crore exceeded ₹ 1 crore in each case and also by more than 20 per cent of total provision (**Appendix 2.2**). Against the savings of ₹ 2424.97 crore, savings of ₹ 2064.33 crore (85.13 per cent) over ₹ 50 crore and above occurred in 12 cases relating to 10 Grants and one case of Appropriation.

Reasons for excessive savings in the above cases had not been furnished (August 2016).

2.3.2 Persistent Savings

In eight cases, during the last five years, there were persistent savings of more than ₹ 50 lakh in each case and also by 20 per cent or more of the total provision (**Table 2.2**).

Table 2.2: List of Grants indicating Persistent Savings during 2011-16

Sl. No.	Number and Name of the grant	Amount of savings				
		2011-12	2012-13	2013-14	2014-15	2015-16
(₹ in crore)						
Revenue-Voted						
1.	11- Other Taxes and Duties on Commodities and Services, etc	226.21 (57)	106.00 (37)	45.73 (23)	77.67 (32)	65.34 (48)
2.	40-North Eastern Areas, etc.	12.80 (34)	90.13 (77)	76.64 (80)	48.27 (77)	91.81 (84)
3.	43 – Housing, Crop Husbandry, Agricultural, Research and Education etc.	101.50 (31)	214.12 (47)	233.36 (52)	234.43 (48)	135.99 (34)
4.	50 – Forestry and Wildlife, Agricultural Research and Education, etc.	26.40 (25)	58.95 (43)	53.29 (30)	74.59 (34)	54.30 (31)
Capital-Voted						
5.	19 – Secretariat General Services, Public Works, etc.	59.53 (65)	68.00 (58)	79.23 (42)	95.11 (57)	39.66 (27)
6.	29- Urban Development, Capital Outlay on Housing, etc.	24.48 (20)	231.75 (92)	244.77 (69)	147.60 (72)	136.79 (86)

Sl. No.	Number and Name of the grant	Amount of savings				
		2011-12	2012-13	2013-14	2014-15	2015-16
7.	34-Welfare of Scheduled Castes, etc.	15.65 (96)	19.36 (100)	15.21 (80)	15.77 (49)	4.98 (62)
8.	39-Cooperation, etc.	6.20 (36)	8.33 (54)	7.79 (48)	9.30 (62)	5.04 (54)

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

Eight Grants, viz. 'Other Taxes and Duties on Commodities and Services, etc.', 'North Eastern Areas', 'Housing Crop Husbandry, Agricultural, Research and Education, etc.' 'Forestry and Wildlife, etc.', 'Secretariat General Services, Public Works, etc.', 'Urban Development', 'Welfare of Scheduled Castes, etc', and 'Co-operation' have posted large savings persistently for the last five years.

2.3.3 Expenditure without Budget Provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds in Budget. It was, however, noticed that expenditure of ₹ 37.02 crore was incurred in 22 cases as detailed in **Appendix 2.3** without any budget provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect. Seven significant cases of such expenditure involving expenditure in excess of ₹ 1 crore are given in **Table 2.3**.

Table 2.3: Expenditure incurred without provision during 2015-16

Sl. No.	Grant/Appropriation Number – Major Head of Accounts - Sub-Head - Detailed Head	(₹ in crore) Expenditure without provision
1.	21 – CSS – 2202 – 80 – 003 – (05) D.I.E.T – General	5.65
2.	26 – 2211 – 101 – (02) Rural Family Welfare Sub-Centres – Sixth Schedule (Part II) Areas	2.58
3.	26 – (Centrally Sponsored Scheme) – 2211 – 001 – (02) District Family Welfare Bureau – Sixth Schedule (Part II) Areas	2.96
4.	26 – CSS – 2211 – 001 – (02) District Family Welfare Bureau – General	1.31
5.	26 – CSS – 2211 – 003 – (01) Regional Health and Family Welfare Training Centre – General	1.05
6.	26 – CSS – 2211 – 101 – (02) Rural Family Welfare Sub-Centres – Sixth Schedule (Part II) Areas	12.44
7.	26 – CSS – 2211 – 101 – (02) Rural Family Welfare Sub-Centres - General	4.33

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 latest by the 15th March. 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, ₹ 373.18 crore was transferred in March 2016 into the head of Account '8443 – Civil Deposits' primarily to exhaust the unspent budgetary provision. Instances of such transfer (over ₹ five crore in each case) in respect of the 12 cases involving ₹ 373.05 crore are mentioned in **Appendix 2.4**.

2.3.5 Excess over provision 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 for the previous year, excess expenditure of ₹ 1807.38 crore for the years from 1971-72 to 2014-15 had not been regularised, details of which are given in **Appendix 2.5**.

2.3.6 Excess over provision during 2015-16 requiring regularisation

Table 2.4 contains the summary of total excess in six Grants and one case of Appropriation under Revenue Section amounting to ₹ 167.49 crore over authorisation from the Consolidated Fund during 2015-16 and requires regularisation under Article 205 of the Constitution.

Table 2.4 : Excess over provision requiring regularisation during 2015-16

(₹ 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	167.00	176.97	9.97 (5.97)
2.	20 – Other Administrative Services, etc.	3443.79	3446.27	2.48 (0.07)
3.	24 – Pensions and Other Retirement Benefits	44652.00	58943.72	14291.72 (32.01)
4.	26 – Medical and Public Health, Family Welfare, etc.	49047.00	51277.39	2230.39 (4.55)
5.	27 – Water Supply and Sanitation, Housing, etc.	17725.20	17928.96	203.76 (1.15)
6.	56 – Roads and Bridges, etc.	14903.00	14910.08	7.08 (0.05)
Revenue – Charged				
1.	2 – Governor	809.85	813.26	3.41 (0.42)
Total				16748.81

In one of the above cases, viz. Grant No.24 - Pension & other retirement benefits, excess expenditure incurred by more than ₹ 50 crore of the budget provision has been observed consistently for the last five years (**Table 2.5**).

Table 2.5 : Persistent excess expenditure during 2011-16

(₹ in crore)						
Sl. No.	Number and name of the Grant	Amount of Excess Expenditure				
		2011-12	2012-13	2013-14	2014-15	2015-16
1.	24- Pension and other Retirement benefits (Revenue - Voted)	139.17	73.49	53.89	114.63	142.92

2.3.7 Excessive/inadequate supplementary provision

Supplementary provision aggregating ₹ 377.33 crore obtained in 24 cases (₹ 10 lakh or more in each case) during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in **Appendix 2.6**. In four cases supplementary provision of ₹ 26.89 crore proved insufficient leaving an aggregate uncovered excess expenditure of ₹ 167.28 crore (**Table 2.6**).

Table 2.6: Insufficient Supplementary Provision

(₹ in crore)

Number and Name of Grant	Original Provision	Supplementary provision	Total	Expenditure	Excess
20 – Other Administrative Services, etc. Revenue – Voted	32.77	1.67	34.44	34.46	0.02
24 – Pensions and Other Retirement Benefits Revenue – Voted	446.32	0.20	446.52	589.44	142.92
26 – Medical and Public Health, Family Welfare, etc. Revenue – Voted	484.18	6.29	490.47	512.77	22.30
27 – Water Supply and Sanitation, Housing, etc. Revenue – Voted	158.52	18.73	177.25	179.29	2.04
Total	1121.79	26.89	1148.68	1315.96	167.28

In three cases, no supplementary provision was obtained resulting in an excess expenditure of ₹ 0.20 crore as given in **Table 2.7**.

Table 2.7: Excess expenditure but no Supplementary Provision were obtained

(₹ in crore)

Number and Name of Grant	Original Provision	Expenditure	Excess
2 – Governor, Capital Outlay on Housing - Revenue-Charged	8.10	8.13	0.03
7 – Stamps and Registration – Revenue – Voted	1.67	1.77	0.10
56 – Roads and Bridges, Capital Outlay on Roads and Bridges Revenue – Voted	149.03	149.10	0.07
Total	158.80	159.00	0.20

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 217 sub-heads proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh. Instances of 63 such cases where excess/saving was ₹ one crore or above in each case are detailed in **Appendix 2.7**.

2.3.9 Unexplained re-appropriations

According to Paragraph 115 of the Budget Manual (Volume I), read with Form 'K' of re-appropriation statement, reasons for all re-appropriations of ₹ 1,000 or more should be given. Scrutiny of Appropriation Accounts revealed that reasons for re-appropriations made during 2015-16 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-approval of Scheme”, “discontinuation of Scheme”, “less claim”, “revised budget outlay” and “reduction of provision” 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 107 sub-heads on various grounds like non-receipt of sanction, less expenditure, non-release of fund, etc.. Out of the total provision of ₹ 1354.13 crore in the 107 sub-heads, ₹ 1252.34 crore were surrendered, which included 100 per cent surrender in 68 schemes. The details of such cases involving surrender of entire provision (over ₹ 1 crore) crore are given in **Appendix 2.8**.

2.3.11 Surrender in excess of actual saving

The spending departments, as per the provision 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 results 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 those departments. As against savings of ₹ 477.88 crore, the amount surrendered was ₹ 493.15 crore resulting in excess surrender of ₹ 15.27 crore (**Appendix 2.9**). Some significant cases are shown in **Table 2.8**.

Table 2.8 : Cases of surrender in excess of savings

(₹ in lakh)					
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	1554.00	107.00	217.12	110.12
2.	10 – Taxes on Vehicles, other Administrative Services. Road Transport, etc. Capital--Voted	3700.55	394.56	465.57	71.01
3.	13 – Secretariat General Services, Secretariat Social Services, Secretariat Economic Services, etc. Revenue – Voted	13092.48	1029.82	1126.21	96.39
4.	22 – Other Administrative Services, Housing, Census, Survey and Statistics Revenue – Voted	2827.76	124.04	199.08	75.04
5.	34 – Welfare of Scheduled Caste/ Scheduled Tribe and Other Backward Classes, Social Security and Welfare, Nutrition, etc. Revenue – Voted	18754.65	59.67	1025.50	965.83

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 latest by the 15th March. At the close of the year 2015-16, there were however, 10 Grants in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in those cases was ₹ 328.99 crore (12.32 per cent of the overall savings of ₹ 2670.61 crore) (**Appendix 2.10**).

Similarly, out of total savings of ₹ 1660.94 crore under 22 other Grants (savings of ₹ 1 crore and above in each Grant), amount aggregating ₹ 873.00 crore (52.56 per cent of total savings) were not surrendered, details of which are given in **Appendix 2.11**. Besides, in 53 cases, (surrender of funds in excess of ₹ 1 crore), ₹ 1667.98 crore were (**Appendix 2.12**) surrendered on the last working day of March 2016, 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 2015-16, compared to the total expenditure during the year the expenditure during the fourth quarter ranged between 46.78 per cent and 100 per cent and in the month of March it ranged between 43.95 per cent and 100 per cent in respect of four illustrative major heads of account as indicated in **Table 2.9** below:

Table 2.9: Cases of Rush of Expenditure towards the end of the financial year 2015-16

Sl. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2016	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2205	18.34	8.58	46.78	8.06	43.95
2.	2225	1.15	1.15	100.00	1.15	100.00
3.	2401	211.63	157.83	74.58	148.70	70.26
4.	2406	120.18	66.57	55.39	58.36	48.56

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 Countersigned 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 2015-16 (Volume I), the total amount of DCC bills received during 2014-15 and 2015-16 was ₹ 14.09 crore against the amount of AC bills of ₹ 22.45 crore leading to an outstanding balance of 58 DCC bills amounting to ₹ 8.36 crore as of March 2016. Year wise details are given in the table below:

Table 2.10 Outstanding DCC Bills

(₹ in crore)				
Year	Amount of AC bills drawn	Amount of DCC bills submitted	Outstanding amount of AC bills	Percentage of Outstanding AC bills
2014-15	14.25	14.09	0.16	1.12
2015-16	8.20	Nil	8.20	100
Total	22.45	14.09	8.36	37.24

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 (Accounts & Entitlement). 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 2015-16, 13 out of 59 COs did not reconcile expenditure amounting to ₹ 1136.23 crore (14.28 per cent of total gross expenditure of ₹ 7958.75 crore) as of March 2016. Out of the unreconciled expenditure of ₹ 1136.23 crore, ₹ 574.44 crore related to the Directors of Accounts and Treasury followed by ₹ 158.35 crore in respect of the Additional Secretary Finance (Economic Affairs) and ₹ 63.79 crore in respect of Secretary Finance, Planning and Public Works Department.

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 on 01 April 2015, there were 13 PD accounts with a balance of ₹ 5.35 crore. Out of 13 PD accounts, seven PD accounts remained inoperative for period ranging from 10 years to 14 years and were closed during 2015-16. No PD account was opened during 2015-16. As on 31 March 2016, six PD accounts involving ₹ 5.58 crore were in existence.

2.6 Review of Budgetary Process

2.6.1 Introduction

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

2.6.2 Budget and Accounts

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

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

The outlays on the various activities of Government are met from the Consolidated Fund which is made up of (a) Revenue-consisting of receipt 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

The findings of Audit after examining and evaluating the budget documents of the Government of Meghalaya for the year 2015-16 are given in the succeeding paragraphs.

2.6.4 Budget Process

As contemplated in Paragraphs 1 and 78 of Budget Manual¹, 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 2014) fixed by the Finance (Budget) Department in August 2014. Instances of such delays are given in **Table 2.11**.

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

Sl. No.	Name of the Department	Grant Number (Head of Accounts)	Date of submission of Departmental Budget Estimates	Period of delay
1.	Secretariat Administrative	13 (2052, 2251)	11.01.2015	Two months
2.	Home (Police)	16 (2055, 2070)	17.02.2015	Three months
3.	Health & Family Welfare	26 (2210)	10.02.2015	Three months
4.	Public Health Engineering	27 (2215)	15.02.2015	Three months
5.	Urban Development	29 (2217)	20.01.2015	Two months
6.	Tourism	57 (3452)	09.02.2015	Three months

As can be seen from the above table, there were delays ranging from two months to three months in submission of departmental budget estimates to the Finance Department. Consequently, there was less time for scrutiny of these estimates by the Finance Department.

¹ 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 to 2015-16 is presented in **Table 2.12** below:

Table 2.12: Revenue and Capital Receipts

(₹ in crore)

Year	Revenue Account				Capital Account			
	Budget Provision	Actual Receipt	Shortfall in receipt	Percentage of shortfall	Budget Provision	Actual Receipt	Shortfall/ Excess in receipt	Percentage of shortfall/ excess
2013-14	8583.40	6266.73	2316.67	26.99	694.52	495.90	(-)198.62	(-)28.60
2014-15	11127.60	6428.25	4699.35	42.23	740.61	746.72	6.11	0.82
2015-16	8403.02	7043.13	1359.89	16.18	1029.02	856.01	(-)173.01	(-)16.81

Source: Annual Financial Statement & Finance Accounts

It can be seen from the table above, the shortfall of revenue receipts ranged between 16.18 per cent and 42.23 per cent during 2013-16. As regards to capital receipts there was a shortfall in actual receipts by 16.81 per cent during 2015-16 as compared to the previous year where the actual receipts exceeded the budget provision. 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.

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 September 2016. Thus, it could not be verified whether proposals of the departments were duly considered in framing the budget.

Budget provisions for expenditure (gross) and actual there against under revenue and capital accounts during 2013-14 to 2015-16 are shown in the **Table 2.13** below:

Table 2.13

(₹ in crore)

Year	Revenue Account				Capital Account (including Loans and Advances and Public Debt)			
	Budget provision (O + S)	Actual expenditure	Saving	Percentage of savings	Budget provision (O + S)	Actual expenditure	Saving	Percentage of savings
2013-14	7982.02	5556.38	2425.64	30.39	2069.71	1416.51	653.20	31.56
2014-15	10435.95	6259.71	4176.24	40.02	2141.11	1377.26	763.85	35.68
2015-16	8192.35	6352.17	1840.18	22.46	2437.01	1606.59	830.42	34.08

(O: Original; S: Supplementary)

In all the three years there was overestimation of expenditure which resulted in savings ranging from 22.46 per cent to 40.02 per cent under Revenue Account and 31.56 per cent to 35.68 per cent under Capital Account. This was indicative of the

fact that contrary to the prescribed budgetary regulations, estimation was made without proper analysis of actual needs.

2.6.7 Inaccuracy in preparation of revised estimates

According to Paragraphs 29 and 50 of the Budget Manual, the revised estimate of receipts should be the best forecast that the estimating officer can make and the revised estimates for expenditure should not merely be a repetition of the budget figures of the year, but a genuine re-estimation of requirements.

Significant cases of variation between the revised estimates and the actuals during 2015-16 under both receipts and expenditure heads of accounts are given below:

Table 2.14: Variation between revised estimated and actuals

(₹ in crore)

Sl. No.	Number and name of head of accounts	Budget Estimates (BE)	Revised estimates (RE)	Actuals	Variation Excess (+)/ Shortfall (-) from RE (per cent)
RECEIPTS					
1.	0029 – Land Revenue	4.77	4.77	3.18	- 1.59 (33.33)
2.	0055 – Police	9.69	9.69	16.28	+ 6.59 (68.01)
3.	0059 – Public Works	12.57	12.57	8.39	- 4.18 (33.25)
4.	0070 – Other Administrative Services	8.86	8.86	3.49	- 5.37 (60.61)
5.	0202 – Education, Sports, Art and culture	2.29	2.29	0.77	- 1.52 (66.38)
6.	0210 – Medical and Public Health	2.12	2.12	1.55	- 0.57 (26.89)
7.	0230 – Labour and employment	2.17	2.17	2.81	+ 0.64 (29.49)
8.	0853 – Non-Ferrous Mining and Metallurgical Industries	112.21	112.21	60.75	- 51.46 (45.86)
EXPENDITURE					
1.	2029-Land Revenue	18.54	18.54	13.76	- 4.78 (25.78)
2.	2071 – Pension and other Retirement Benefit	446.32	446.32	589.44	+ 143.12 (32.07)
3.	2203 – Technical Education	14.58	14.58	36.57	+ 21.99 (150.82)
4.	2225 – Welfare of Schedule Caste/Tribe and OBC	10.60	10.60	1.15	- 9.45 (89.15)
5.	2245-Relief on Account of Natural Calamities	24.79	24.79	56.84	+ 32.05 (129.29)
6.	2402 – Soil and water Conservation	334.51	334.51	82.24	- 252.27 (75.41)
7.	2404-Dairy Development	11.52	11.52	33.99	+ 22.47 (195.05)
8.	2405-Fisheries	27.34	27.34	14.18	- 13.16 (48.13)
9.	2415-Agri Research and Education	3.83	3.83	11.81	+ 7.98 (208.36)
10.	2702-Minor Irrigation	110.30	110.30	38.54	- 71.76 (65.06)
11.	2801-Power	121.08	121.08	63.29	- 57.79 (47.73)
12.	3451 – Secretariat Economics Services-II Planning Board etc.	546.67	546.67	91.58	- 455.09 (83.25)
13.	3452 – Tourism	111.80	111.80	19.91	- 91.89 (82.19)
14.	3456 – Civil Supplies	15.48	15.48	25.64	+ 10.16 (65.70)

Wide variations ranging from 26.89 per cent to 68.01 per cent under Receipt heads and 25.78 per cent to 208.36 per cent under Expenditure heads between the budget provision and actual 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 the expenditure 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 ₹ 7096.99 crore and ₹ 569.17 crore respectively aggregating to ₹ 7666.16 crore, against which the actual expenditure was ₹ 5834.93 crore resulting in savings of ₹ 1831.23 crore. This was more than the supplementary provision.
- Similarly under Capital (voted) including Loans and Advances, the original and supplementary grants were ₹ 1631.31 crore and ₹ 325.10 crore respectively aggregating to ₹ 1956.41 crore against which the actual expenditure was ₹ 1269.01 crore, resulting in savings of ₹ 687.40 crore. This was more than the supplementary grants.

In the above cases, the supplementary provision of ₹ 569.17 crore under Revenue (voted) and ₹ 325.10 crore under Capital (voted) obtained during the year, proved unnecessary as the actual expenditure did not come up to the level of original provision as indicated in **Table 2.15:**

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

(₹ in crore)						
Sl. No.	Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual Expenditure	Savings (-) / Excess (+)
1.	Revenue (voted)	7096.99	569.17	7666.16	5834.93	(-)1831.23
2.	Capital (voted)	1631.31	325.10	1956.41	1269.01	(-)687.40
Total		8728.30	894.27	9622.57	7103.94	(-)2518.63

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 Finance Accounts for the year 2015-16 (Volume-I), the State Government made budget provision and incorrectly classified ₹ 60.38 crore on

major works under the Revenue section and ₹ 1.20 crore on minor works under the Capital section. Instances of such cases are given in **Appendix 2.13**.

Due to such misclassification, the revenue surplus of the State Government for the year 2015-16 was understated by ₹ 59.18 crore. The misclassification though reported (July 2016) by the Accountant General (A&E) to the State Government, remained unrectified.

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 2013-16 are presented in **Table 2.16**.

Table 2.16: Social Services and Economic Services

(₹ in crore)

Year	Budget Estimate (net)			Actual expenditure			Shortfall (-)/Excess (+)	
	(percentage to total provisions)			(percentage to provision of respective sector)			to BE	
	Non-Plan	Plan	Total	Non-Plan	Plan	Total	Non-Plan	Plan
							Amount	Amount
							(per cent)	(per cent)
Social Services								
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)
2014-15	1428.54 (24.76)	4340.41 (75.24)	5768.95	1255.71 (87.90)	1477.87 (34.05)	2733.58	- 172.83 (12.10)	-2862.54 (65.95)
2015-16	1183.21 (38.19)	1914.88 (61.81)	3098.09	1347.55 (113.89)	1337.30 (69.84)	2684.85	+ 164.34 (13.89)	- 577.58 (30.16)
Total	3749.16 (29.22)	9082.71 (70.78)	12831.87	3774.66 (100.68)	4008.65 (44.13)	7783.31	+ 25.50 (0.68)	- 5074.06 (55.87)
Economic Services								
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)
2014-15	811.76 (21.77)	2916.58 (78.23)	3728.34	819.84 (101.00)	1712.90 (58.73)	2532.74	+8.08 (1.00)	-1203.68 (41.27)
2015-16	735.30 (19.74)	2989.21 (80.26)	3724.51	721.80 (98.16)	1699.20 (56.84)	2421.00	-13.50 (1.84)	- 1290.00 (43.16)
Total	2212.51 (20.57)	8545.83 (79.43)	10758.34	2251.77 (101.77)	5040.97 (58.99)	7292.74	+ 39.26 (1.77)	-3504.85 (41.01)

Source : Memorandum of Budget Estimates and Finance Accounts

• Social services

During 2013-16, provision for Non-Plan and Plan expenditure under Social services were ₹ 3749.16 crore and ₹ 9082.71 crore respectively which constituted 29.22 per cent and 70.78 per cent of the total provision. However, the actual expenditure under Non-Plan and Plan was ₹ 3774.66 crore and ₹ 4008.65 crore respectively which constituted 100.68 per cent and 44.13 per cent of the total provision. While there was a shortfall in Plan expenditure against the budget provision during all the three years, the actual Non-Plan expenditure exceeded the budget provision during 2013-14 and 2015-16. While the actual Plan expenditure during 2013-16 fell short of the budget provision by 55.87 per cent, this percentage of Non-Plan expenditure exceeded the budget provision by 0.68 per cent.

- **Economic Services**

Non-Plan expenditure far surpassed the budget provision during all the two years (2013-15) while there was a shortfall during 2015-16. There was a decline in Plan expenditure *vis-à-vis* the budget provision, which decreased to 56.84 *per cent* during 2015-16 against 61.70 *per cent* during 2013-14. While the overall shortfall during 2013-16 over the expectation (provisions) under Plan expenditure was 41.01 *per cent*, the Non-Plan expenditure exceeded the budget provision by 1.77 *per cent* during the period.

To sum up, the above position indicated that the State was not able to utilise the budget provision 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 (September 2016) 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 on budgetary procedure and control over expenditure was conducted (October 2016) in respect of “Grant No. 21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, Art and Culture, Other Scientific Research, Census, Surveys and Statistics (Major Head of Accounts : 2202, 2203, 2204, 2205, 3425, 3454), Capital Outlay (Major Head of Accounts : 4202) on Education, Loans for Education, Sports, Arts and Culture” in which significant savings were noticed during 2015-16. Important points noticed during review are detailed below:

2.7.1 Excessive supplementary provision/ non surrender of savings

Against a budget provision of ₹ 1490.74 crore (including supplementary provision of ₹ 67.87 crore) under the revenue head, the actual expenditure was ₹ 1284.07 crore resulting in final savings of ₹ 206.67 crore constituting 13.86 *per cent* of the total provision. In view of the final savings of ₹ 206.67 crore, the supplementary provision of ₹ 67.87 crore obtained under this grant was unnecessary.

Under capital account, budget provision of ₹ 30.75 crore (original provision only), no expenditure was incurred during 2015-16 resulting in savings of the entire provision of ₹ 30.75 crore.

Against the available savings of ₹ 206.67 crore, only ₹ 111.60 crore (54 per cent) was surrendered during the year contrary to the provision in Paragraph 152(iii) of the Budget Manual which provide for surrender of all anticipated savings to the Finance Department latest by 15 March so that the same could be utilised for other purposes. Since the actual expenditure was ₹ 1284.06 crore which did not come up even to the original provision of ₹ 1422.87 crore, the supplementary provision of ₹ 67.87 crore obtained during the year proved unnecessary indicating unrealistic budgeting.

Persistent saving over the years (ninth year in succession) implies blockade of funds which could have been utilised in other productive schemes. These need to be reviewed by the Finance Department.

2.7.2 Savings

As per the Detailed Appropriation Accounts for the year 2015-16, under Grant No - 21, 100 per cent savings had occurred in 12 cases, which exceeded ₹ one crore, (Table 2.17) as no part of the budget provision was utilised.

Table 2.17 : Cases where no part of budget provisions was utilised

Name of Scheme	Final Grant ²	Savings
(₹ in lakh)		
2202 General Education		
01 Elementary Education		
0004 (04) Assistance for construction Repairs of primary school Buildings – Plan	140.00	140.00
02 Secondary Education		
0041 (35) Construction of Girl's hostel – Plan	164.13	164.13
0025 (24) Upgradation of existing Education Infrastructure/Setting of residential School in the Pattern of Navodaya Vidyalay - Plan	350.00	350.00
0030 (26) Intervention for Education Facility Improvement – Plan	281.51	281.51
0024 (07) Post Metric Scholarship for Minorities - Plan	1761.67	1761.67
03 University and Higher Education		
0007 (07) Non-Lapsable Central Pool of Resources – Sixth Schedule (Part-II) Areas – Plan	650.00	650.00
80 General		
0030 (06) Strengthening of Teachers Training Institution - Plan	1748.05	1748.05
103 - Schools		
0003 (03) Setting up of Technical University – Plan	300.00	300.00
002 – Central Sector Schemes		
0004 (01) Urban Infrastructure - Plan	180.00	180.00
800 Other expenditure		
0006 (06) Non –Lapsable Central Pool of Resources – Plan	1000.00	1000.00
4202 Capital outlay on Education, Sports, Art and Culture		
202 Secondary education		
0008 (03) Construction of Educational Buildings – Plan	1500.00	1500.00
203 University and Higher Education		
0007 (06) Infrastructure Development Under SPA/SCA, etc - Plan	1500.00	1500.00

As per Paragraph 152 (iii) of the Budget Manual (Volume I), the controlling officers should surrender to the Finance Department all savings anticipated in the Budget under their control as soon as the certainty of non-requirement of fund is known by

² Original budget provision, supplementary budget provision, surrender and re-appropriation.

15th of March at the latest for utilisation by the Finance Department for other purposes. However, in the above cases, none of the amounts had been surrendered.

2.7.3 Excess over provision

As per detailed Appropriation Accounts for the year 2015-16, under 32 schemes, expenditure of ₹ 497.20 crore exceeded the budget provision by ₹ 139.17 crore. The details are given in **Appendix 2.14**.

2.7.4 Expenditure without provision

As envisaged in Paragraph 95 of Budget Manual (Volume I) no expenditure under a head (minor or sub-head) can be incurred prior to provision of funds by re-appropriation. It was however, noticed that expenditure of ₹ 9.12 crore was incurred in the following cases without provision being made in the original/supplementary demands and by re-appropriation order to this effect.

Table 2.18 : Expenditure without provision

(₹ in lakh)

Name of scheme	Excess Expenditure
2202 General Education – 01 – Elementary Education 104 – Inspection (04) Administrator primary education Garo Hills – Sixth Schedule (Part-II) Areas	38.72
2202 General Education – 02 – Secondary Education 800- Other expenditure (18) Non-Lapsable Central Pool of Resources – General	12.28
2202 General Education – 03 – University and Higher Education – 104 – Assistance to Non-Government Colleges and Institutes (01) Expenditure on Colleges under deficit system - Sixth Schedule (Part-II) Areas	42.28
2202 General Education- (80)003 – Training (05) Seminar Conference – General Sixth Schedule (Part II) Areas	37.75 9.39
2202 General Education- (80)003 – Training (05) DIET – General Sixth Schedule (Part II) Areas	565.00 66.40
2203 Technical Education – 105 Polytechnic (05) Setting up of new polytechnic – General	140.07
Total	911.89

Re-appropriation: Re-appropriation is a transfer of funds within a Grant from one unit of appropriation where savings are anticipated to another unit where additional funds are needed. In 16 cases, re-appropriation of funds were made injudiciously resulting in final excess/savings by more than ₹ 1 crore in each case (Serial 17 to 32 of **Appendix 2.7**). Of these, in two cases additional funds of ₹ 57.44 crore provided by re-appropriation proved unnecessary in view of final savings of ₹ 22.98 crore (**Table 2.19**).

Table 2.19 : Unnecessary re-appropriation

(₹ in crore)

Head of Account	Original Provision	Re-appropriation	Final Grant	Actual Expenditure	Savings
2202-(02)-110-Assistance to Non-Government Secondary Schools-(02) Expenditure on Secondary Schools under Deficit System for Girls – General	37.00	S (+)5.62 R (+)0.44	43.06	21.40	(-)21.66
2202-01-102-Assistance to Non-Government Primary Schools-(01) Expenditure on Maintenance of Primary Schools under Deficit System – Sixth Schedule (Part II) Areas	67.00	S (+)20.40 R (+)30.98	118.38	117.06	(-)1.32
Total	104.00	57.44	161.44	138.46	22.98

2.8 Conclusion and Recommendations

The financial management and budgetary control of the Government was not satisfactory. Government presented an ambitious budget of ₹ 10629.36 crore³ for the year 2015-16, of which it could incur an expenditure of ₹ 7958.75 crore resulting in an overall shortfall in disbursements of ₹ 2670.61 crore (25.12 per cent of total provision). Supplementary provision of ₹ 377.33 crore obtained in 24 cases proved unnecessary as the expenditure did not come up to the level of original provision. There were also instances of inadequate provision of funds and insufficient/excessive re-appropriations. During the current year, Government incurred ₹ 167.49 crore in excess of the provision, which requires regularisation by the State Legislature. 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.

The budget should be more realistic and cases of persistent non-utilisation of funds, excessive provision of funds should be avoided. Anticipated savings should be surrendered early so that there is sufficient scope for utilising these for other development purposes.

³ Original plus Supplementary.

CHAPTER-III

FINANCIAL REPORTING

CHAPTER III Financial Reporting

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

3.1 Delay in furnishing Utilisation Certificates

Rule 515 (Appendix 14) of the Meghalaya Financial Rules, 1981, provides that unless otherwise ruled by the State Government, every grant made for a specified object is subject to the implied conditions that the grant will be spent upon that object within a reasonable time (one year from the date of issue of the letter sanctioning the grant, if no time-limit has been fixed by the sanctioning authority). Grantee Institutions receiving Grants-in-aid from Government are required to furnish Utilisation Certificates (UCs) to the Accountant General (Accounts & Entitlement) countersigned by the disbursing authority after thorough verification. The purpose for which the Grant-in-aid were utilised can be confirmed only on receipt of UCs which would safeguard against diversion of funds for other purposes. To the extent of non-receipt of UCs, the expenditure shown in the accounts can neither be treated as final nor can it be confirmed that the amount has been expended/utilised for the intended purposes. At the close of March 2016 accounts, 4,529 UCs amounting to ₹ 1,911.41 crore remained outstanding in the books of the Accountant General (Accounts & Entitlement) The details are given in **Table 3.1**.

Table 3.1: Age-wise arrears of Utilisation Certificates

(₹ in crore)

Year*	Number of Utilisation Certificate awaited	Amount
Up to 2013-14	911	704.21
2014-15	3513	688.57
2015-16*	105	518.63
Total	4529	1,911.41

*The year mentioned above relates to 'Due Year' i.e. after 12 months of actual drawal.

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

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. On receipt of this information the following was observed:

The annual accounts of 26 bodies/authorities due up to 2015-16 had not been received (October 2016) by the Accountant General (Audit). The details of these accounts are given in **Appendix 3.1** and their age-wise pendency is presented in **Table 3.2**.

Table 3.2: Age-wise arrears of Annual Accounts due from bodies/authorities

(₹ 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	-	2014-15	-	-
2.	Above 1 year to 3 years	08	2012-13 & 2013-14	08	187.40
3.	Above 3 years to 5 years	04	2010-11 & 2011-12	04	7.83
4.	Above 5 years to 7 years	02	2008-09 & 2009-10	02	6.92
5.	Above 7 years to 9 years	11	2006-07 & 2007-08	11	587.79
6.	Above 9 years	1	2000-01	1	17.90
Total		26		26	807.84

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, Labour *etc.* The position of annual accounts of two of the autonomous bodies whose audit was entrusted to the Comptroller and Auditor General of India (CAG) under the CAG's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act) is given below:

Table 3.3: Position of outstanding annual accounts

Name of Autonomous Body	Section of DPC Act under which audit is conducted	Period of entrustment	Due date for submission of Annual Accounts	Year of Annual Accounts received	Outstanding Annual Accounts
Meghalaya Khadi and Village Industries Board (MKVIB)	19(3)	2009-10 onwards	June every year	2012-13	2013-14, 2014-15 & 2015-16
Meghalaya Building and Other Construction Workers' Welfare Board (MBOCWBB)	19(2)	Not necessary	- Do -	2013-14	2014-15 & 2015-16

As can be seen from the above table, the annual accounts of the MKVIB for the years from 2013-14 to 2015-16 and MBOCWBB for the years 2014-15 and 2015-16, due for submission by June 2014, 2015 and 2016 respectively, had not been furnished (October 2016).

3.4 Misappropriation, loss, 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 74 cases of theft, misappropriation and loss involving Government money amounting to ₹ 128.27 lakh up to March 2016 on which final action was pending. A break up of pending cases and age-wise analysis is given in **Appendix 3.2** and department-wise break up of pending cases is given in **Table 3.4**.

Table 3.4: 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	13.76	5	17.74
Health & Family Welfare	1	*	-	-	1* + 2	0.92	2* + 2	0.92
Public Health Engineering	57	7.41	-	-	1	0.17	58	7.58
Legislative Assembly	-	-	2	44.09	-	-	2	44.09
Finance	-	-	-	-	1	15.74	1	15.74
Mining	-	-	1	16.55	-	-	1	16.55
Community & Rural Development	1	3.03	-	-	-	-	1	3.03
Land Record & Survey	1	1.56	-	-	-	-	1	1.56
Horticulture	-	-	-	-	1	21.06	1	21.06
Total	62	15.76	4	60.86	1* + 7	51.65	74	128.27

Age-profile of pending cases and the number of cases pending in each category (theft, misappropriation and loss) are summarised in **Table 3.5**.

Table 3.5: Profile of Theft, Misappropriation and Loss

(₹ 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	1	40.75	Theft	63	102.26
5 - 10	4	22.30			
10 - 15	5	6.64	Misappropriation/ loss of material	13	113.17
15 - 20	33	21.93			
20 - 25	22	8.54			
25 & above	9	28.11	Total	76	215.43
			Cases of theft and loss written off during the year	2	87.16
Total	74	128.27	Total Pending Cases	74	128.27

* Amount not intimated

During 2015-16, one case of loss of material due to fire in respect of Labour Department involving ₹ 0.66 lakh and Finance Department (one case) involving ₹ 86.50 lakh due to theft were written off.

A further analysis indicates that the reasons for which the cases were outstanding could be classified in the categories listed in **Table 3.6**.

Table 3.6: Reasons for Outstanding cases of Misappropriation, loss, defalcation etc.

		(₹ in lakh)	
Reasons for the Delay/Outstanding Pending Cases		Number of cases	Amount
1.	Awaiting departmental and criminal investigation	54	42.00
2.	Departmental action initiated but not finalised	9	44.54
3.	Awaiting orders for recovery or write off	10	25.18
4.	Pending in the court of law	1	16.55
Total		74	128.27

Out of ₹ 128.27 lakh, the highest amount of misappropriation of ₹ 44.09 lakh pertained to Meghalaya Legislative Assembly involving two cases and loss of Government material of ₹ 21.06 lakh pertained to the Horticulture Department involving one case.

3.5 Follow up action on Audit Reports

The Reports of the Comptroller and Auditor General of India on State Finances in respect of the Government of Meghalaya have been commenting upon Government's finances since 2008-09. These Audit Reports can achieve the desired results only if they evoke positive and adequate response from the administration itself. To ensure accountability of the executive about the issues contained in the Audit Reports, the Public Accounts Committee of Meghalaya Legislative Assembly issued instructions (July 1993) for submission of *suo motu* explanatory notes by the concerned administrative departments within one month of presentation of the Audit Reports to the State Legislature.

Though the Audit Reports for the years from 2008-09 to 2014-15 containing 184 paragraphs were placed before the State Legislature in March 2010, March 2011, March 2012, April 2013, June 2014, March 2015 and March 2016 respectively, *suo motu* explanatory notes on the observations made in those Audit Reports had not been intimated by most of the departments.

As such, it is recommended that the State Government should look into this matter and ensure proper action on the audit observations pointed out in the Audit Reports in a time bound manner, which would help in facilitating reduction in financial irregularities and lapses of various types leading to good governance.

3.6 Conclusion and Recommendations

There were delays 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 74 cases remained unsettled with various departments for periods ranging from one to over 25 years and were pending due to not initiating departmental and criminal investigation (54 cases), non-issue of orders for recovery or write off (10 cases), non-finalisation of departmental action (nine cases) and cases pending in the court of law (one case).

There is a need to ensure that utilisation certificates are submitted by recipient of grants within the prescribed time. Departmental enquiries in all misappropriation cases should be expedited and internal controls strengthened to prevent such cases.

Shillong
The 06 February 2017



(Stephen Hongray)
Accountant General (Audit), Meghalaya

Countersigned

New Delhi
The 09 February 2017



(Shashi Kant Sharma)
Comptroller and Auditor General of India

APPENDICES

APPENDIX 1.1**Part A - Structure and Form of Government Accounts****(Reference: Paragraph 1.1)**

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

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

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

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

APPENDIX 1.1
Part-B: Layout of Finance Accounts
(Reference: Paragraph 1.1)

Layout of Finance Accounts

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

Layout	
VOLUME I	
Statement No. 1	Statement of Financial Position
Statement No. 2	Statement of Receipts and Disbursements
Statement No. 3	Statement of Receipts in Consolidated Fund
Statement No. 4	Statement of Expenditure in Consolidated Fund
Annexure A	Cash Balances and Investment of Cash Balances
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 Investment of the Government
Statement No. 9	Statement of Guarantees given by the Government
Statement No. 10	Statement of Grants-in-aid given by the Government
Statement No. 11	Statement of Voted and Charged Expenditure
Statement No. 12	Statement of Sources and Application of Funds for expenditure other than Revenue Account
Statement No. 13	Summary of Balances under Consolidated Fund, Contingency Fund & Public Account
VOLUME II - PART I	
Statement No. 14	Detailed Statement of Revenue and Capital Receipts by Minor Heads
Statement No. 15	Detailed Statement of Revenue Expenditure by Minor Heads
Statement No. 16	Detailed Statement of Capital Expenditure by Minor Heads and Sub-Heads
Statement No. 17	Detailed Statement of Borrowings and Other Liabilities
Statement No. 18	Detailed Statement of Loans and Advances given by the State Government
Statement No. 19	Detailed Statement of Investments of the Government
Statement No. 20	Detailed Statement of Guarantees given by the Government
Statement No. 21	Detailed Statement on Contingency Fund and Other Public Account transactions
Statement No. 22	Detailed Statement on Investments of Earmarked funds
VOLUME II - PART II	
APPENDIX-I	Comparative Expenditure on Salary
APPENDIX-II	Comparative Expenditure on Subsidy
APPENDIX-III	Grants-in-aid/Assistants given by the State Government (Institution wise and Scheme wise)
APPENDIX-IV	Details of Externally Aided Projects
APPENDIX-V	Plan Scheme expenditure (Central and State Plan Schemes)
APPENDIX-VI	Direct transfer of Central Schemes funds to implementing agencies in the State
APPENDIX-VII	Acceptance and Reconciliation of Balances as depicted in Statement 18 & 21
APPENDIX-VIII	Financial results of Irrigation Schemes
APPENDIX-IX	Commitments of the Government – List of Incomplete Capital Works
APPENDIX-X	Maintenance expenditure with segregation of salary and non-salary portion
APPENDIX-XI	Major Policy decisions of the Government during the year or New Schemes proposed in the Budget
APPENDIX-XII	Committed Liabilities of the Government
APPENDIX-XIII	Re-organisation of the States - items for which allocation of balances between/among the States has not been finalised

APPENDIX 1.1

Part-C: Methodology adopted for the Assessment of Fiscal Position**(Reference: Paragraph 1.1)**

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 Product¹ (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 GSDP figures with 2011-12 as base, downloaded from the site of the Ministry of Statistics and Programme Implementation, Government of India, 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)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest paid} / [(\text{Opening Balance of Public Debt} + \text{Closing Balance of Public Debt}) / 2] * 100$
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts <i>minus</i> all Plan grants and Non-plan Revenue Expenditure excluding 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 = $[\text{Ending Value} / \text{Beginning Value}]^{(1/\text{no. of years})} - 1$

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.

<p>Core public goods and merit goods</p>	<p>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. <i>Merit goods</i> 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.</p>
<p>Development expenditure</p>	<p>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.</p>
<p>Net Debt available to the State</p>	<p>Defined as the difference of total debt receipts and total debt paid including interest paid by the State.</p>

APPENDIX 1.1
Part D: State Profile
(Reference: Page 1)

A. General Data		
Sl. No.	Particulars	Figures
1.	Area	22,429 sq km
2.	Population	
	As per Census 2011	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)	46
8.	Gross State Domestic Product (GSDP) 2015-16 ²	₹ 27305 crore
9.	GSDP CAGR (2006-07 to 2015-16)	13.66

B. Financial Data					
Particulars		Figures (in per cent)			
		2006-07 to 2014-15		2014-15 to 2015-16	
CAGR of					
		SCS	Meghalaya	SCS	Meghalaya
(a)	Revenue Receipts	13.54	14.72	11.45	9.57
(b)	Own Tax Revenue	15.47	15.09	19.80	12.52
(c)	Non-Tax Revenue	5.62	8.08	-18.75	-33.41
(d)	Total Expenditure	15.10	16.20	2.73	2.57
(e)	Capital Expenditure	12.38	16.92	-6.26	-0.68
(f)	Revenue Expenditure on General Education	17.28	18.52	1.24	-1.53
(g)	Revenue Expenditure on Health & Family Welfare	18.14	21.91	20.65	6.08
(h)	Salaries and Wages	16.86	15.15	5.19	7.07
(i)	Pension	19.48	20.23	16.65	14.47

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 2011-12 as Base Year downloaded from the site of the Ministry of Statistics and Programme Implementation (MoSPI), Government of India.

APPENDIX 1.1

Part E: Fiscal Responsibility and Budget Management Act

(Reference: Paragraph 1.1.2)

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 XIV FC, the MFRBM Act has been amended by the State Government in September 2015 (came into force from 29 September 2015) which substituted clauses (a), (b) and (c) and inserted a new clause (g) under Section 4 of the MFRBM Act, 2006 as follows:

- (a) ensure revenue surplus during the award period 2015-16 to 2019-20;
- (b) (i) maintain fiscal deficit to an annual limit of 3 *per cent* of GSDP during the award period 2015-16 to 2019-20;
(ii) Provide for flexible limit of 0.25 *per cent* over and above the 3 *per cent* of GSDP for any given fiscal year to which its fiscal deficit is to be fixed if its debt-GSDP ratio is less than or equal to 25 *per cent* of the preceding year.
- (c) Government shall notify a Medium Term Fiscal Plan (MTFP) with three years rolling targets, giving details of all significant items of receipts and expenditure along with underlying assumptions made for projection purpose (newly inserted Clause).
- (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) Maintain a ceiling on the sanction of new capital works to three times of the annual budget provision.
- (h) 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 2015-16:

- Macro Economic Framework Statement
- Medium Term Fiscal Policy (MTFP) Statement prescribing fiscal targets and assumptions for achieving them. The targets for the year 2015-16 were as under:

- Revenue surplus as percentage of total revenue receipts:	9.30
- Total Outstanding Liabilities as percentage of GSDP:	24.09
- Fiscal deficit as percentage of GSDP:	2.81
- 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)

(₹ in crore)

	2011-12	2012-13	2013-14	2014-15	2015-16
Part A - Receipts					
1. Revenue Receipts	4654.47	5536.35	6266.73	6428.25	7043.13
<i>(i) Tax Revenue</i>	697.54 (14.99)	847.73 (15.31)	949.30 (15.15)	939.19 (14.61)	1056.82 (15.00)
Taxes on Sales, Trade, etc.	512.50 (73.47)	631.12 (74.45)	723.65 (76.23)	726.20 (77.32)	811.79 (76.81)
State Excise	131.50 (18.85)	153.01 (18.05)	162.66 (17.13)	151.14 (16.09)	170.04 (16.09)
Taxes on Vehicles	31.12 (4.46)	35.82 (4.22)	36.72 (3.87)	39.38 (4.20)	42.01 (3.98)
Stamps and Registration fees	9.08 (1.30)	10.32 (1.22)	9.78 (1.03)	9.90 (1.05)	12.74 (1.21)
Land Revenue	2.40 (0.34)	6.27 (0.74)	3.47 (0.37)	0.08 (0.01)	3.18 (0.30)
Other Taxes	10.94 (1.58)	11.19 (1.32)	13.02 (1.37)	12.49 (1.33)	17.06 (1.61)
<i>(ii) Non Tax Revenue</i>	368.24 (7.91)	484.95 (8.76)	598.15 (9.54)	343.29 (5.34)	228.60 (3.25)
<i>(iii) State's share of Union Taxes and Duties</i>	1044.19 (22.43)	1192.45 (21.54)	1301.96 (20.78)	1381.69 (21.49)	3276.46 (46.52)
<i>(iv) Grants-in-aid from Government of India</i>	2544.50 (54.67)	3011.22 (54.39)	3417.32 (54.53)	3764.08 (58.56)	2481.25 (35.23)
2. Miscellaneous Capital Receipts	...	...	...	...	...
3. Recoveries of Loans and Advances	22.71	23.25	20.48	19.76	19.08
4. Total revenue and Non-debt capital receipts (1+2+3)	4677.18	5559.60	6287.21	6448.01	7062.21
5. Public Debt Receipts	467.91	523.23	475.42	726.96	836.93
Internal Debt (excluding Ways and Means Advances and Overdrafts)	448.66 (95.89)	520.71 (99.52)	475.34 (99.98)	722.19 (99.34)	834.70 (99.73)
Net transactions under Ways and Means Advances and Overdraft	...	...	...	...	...
Loans and Advances from Government of India ³	19.25 (4.11)	2.52 (0.48)	0.08 (0.02)	4.77 (0.66)	2.23 (0.27)
6. Total receipts in the Consolidated Fund (4+5)	5145.09	6082.83	6762.63	7174.97	7899.14
7. Contingency Fund Receipts	...	...	...	...	...
8. Public Accounts Receipts	4091.31	3642.21	4405.98	3997.59	3527.16
9. Total receipts of the State (6+7+8)	9236.40	9725.04	11168.61	11172.56	11426.30
Part B - Expenditure					
10. Revenue Expenditure	4834.81	4999.54	5551.59	6251.86	6347.73
<i>Plan</i>	1958.78 (40.51)	1719.41 (34.39)	1848.77 (33.30)	2180.49 (34.88)	2040.09 (32.14)
<i>Non-Plan</i>	2876.03 (59.49)	3280.13 (65.61)	3702.82 (66.70)	4071.37 (65.12)	4307.64 (67.86)
General Services (including Interest payments)	1487.19 (30.76)	1573.80 (31.48)	1838.37 (33.11)	2021.65 (32.34)	2255.52 (35.53)
Social Services	1742.47 (36.04)	1747.93 (34.96)	1973.77 (35.56)	2370.24 (37.91)	2395.17 (37.73)
Economic Services	1605.15 (33.20)	1677.81 (33.56)	1739.45 (31.33)	1859.97 (29.75)	1697.04 (26.73)

³ Includes Ways and Means Advances

	2011-12	2012-13	2013-14	2014-15	2015-16
11. Capital Expenditure (Capital Outlay)	855.24	928.34	1075.47	1118.49	1110.89
<i>Plan</i>	851.47 (99.56)	879.38 (94.73)	1074.76 (99.93)	1118.49 (100)	1110.66 (99.98)
<i>Non-Plan</i>	3.77 (0.44)	48.96 (5.27)	0.71 (0.07)	...	0.23 (0.02)
General Services	52.44 (6.13)	60.59 (6.53)	84.82 (7.88)	82.38 (7.37)	97.24 (8.75)
Social Services	288.40 (33.72)	224.29 (24.16)	391.11 (36.37)	363.34 (32.48)	289.69 (26.08)
Economic Services	514.40 (60.15)	643.46 (69.31)	599.54 (55.75)	672.77 (60.15)	723.96 (65.17)
12. Disbursement of Loans and Advances	52.38	27.02	42.33	56.11	158.35
13. Total Expenditure (10+11+12)	5742.43	5954.90	6669.39	7426.46	7616.97
14. Repayments of Public Debt	202.64	168.51	141.62	202.66	337.34
Internal Debt (excluding Ways and Means Advances and Overdrafts)	157.35 (77.65)	148.22 (87.96)	122.28 (86.34)	182.84 (90.22)	317.49 (94.12)
Net transactions under Ways and Means Advances and Overdraft	...	...	...	...	...
Loans and Advances from Government of India	45.29 (22.35)	20.29 (12.04)	19.34 (13.66)	19.82 (9.78)	19.85 (5.88)
15. Appropriation to Contingency Fund	...	...	...	...	...
16. Total disbursement out of Consolidated Fund (13+14+15)	5945.07	6123.41	6811.01	7629.12	7954.31
17. Contingency Fund disbursements	...	...	...	...	...
18. Public Account disbursements	3270.77	3993.97	3508.69	3965.73	3681.63
19. Total disbursement by the State(16+17+18)	9215.84	10117.38	10319.70	11594.85	11635.94
Part C - Deficits					
20. Revenue Surplus (+) /Deficit (-) (1-10)	- 180.34	+ 536.81	+ 715.14	+ 176.39	+695.40
21. Fiscal Deficit (-) (4-13)	- 1065.25	- 395.30	- 382.18	- 978.45	-554.76
22. Primary Deficit (-)/Surplus (+) (21-23)	- 779.58	- 81.48	- 10.68	- 573.35	-88.88
Part D – Other Data					
23. Interest Payments (included in revenue expenditure)	285.67	313.82	371.50	405.10	465.88
24. Financial Assistance to local bodies, etc.	826.71	742.06	847.37	840.50	860.29
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	19918	21872	22938	24065	27305
28. Rate of Growth of GSDP	...	9.81	4.87	4.91	13.46
29. Outstanding Debt (year end)	5090.28	4964.58	6269.23	6751.46	7154.68
30. Rate of Growth of Outstanding Debt	24.51	-2.47	26.28	7.69	5.97
31. Outstanding guarantees (year end) including interest	1293.20	1285.19	1610.55	1173.81	1043.19
32. Maximum amount guaranteed (year end)	1002.85	947.02	1188.64	1054.43	868.09
33. Number of incomplete projects	107	258	57	76	65
34. Capital blocked in incomplete projects ⁵	26.43 (14)	667.05 (84)	43.37 (09)	447.07 (33)	215.68 (24)
35. Total Debt Receipts	2211.15	1617.62	2582.57	2297.91	2151.92
36. Total Debt Payments	1494.80	2057.14	1649.42	2220.78	2214.57
37. Net Debt available to the State	716.35	-439.52	933.15	77.13	-62.65

⁴ Source: GSDP Series (current prices) as on 29 July 2016 with 2011-12 as Base Year downloaded from the site of the Ministry of Statistics and Programme Implementation, Government of India.

⁵ Expenditure incurred up to the end of the year on incomplete works (in brackets) scheduled to be completed by end of the respective year.

	2011-12	2012-13	2013-14	2014-15	2015-16
Part E – Fiscal Health Indicator (in per cent)					
I. Resource Mobilisation					
Own Tax Revenue/GSDP	3.50	3.88	4.14	3.90	3.87
Own Non-Tax Revenue/GSDP	1.85	2.22	2.61	1.43	0.84
Central Transfers ⁶ /GSDP	18.02	19.22	20.57	21.38	21.09
II. Expenditure Management					
Total Expenditure/GSDP	28.83	27.23	29.08	30.86	27.90
Total Expenditure/Revenue Receipts	123.37	107.56	106.43	115.53	108.15
Revenue Expenditure/Total Expenditure	84.19	83.96	83.24	84.18	83.34
Expenditure on Social Services/Total Expenditure	35.37	33.12	35.46	36.81	35.25
Expenditure on Economic Services ⁷ /Total Expenditure	37.54	39.17	35.46	34.63	33.63
Capital Expenditure/Total Expenditure	14.89	15.59	16.13	15.06	14.58
Capital Expenditure on Social and Economic Services/Total Expenditure	13.98	14.57	14.85	13.95	13.31
III. Management of Fiscal Imbalances					
Revenue Surplus / GSDP	-0.91	2.45	3.12	0.73	2.55
Fiscal Deficit (-) / GSDP	-5.35	-1.81	-1.67	-4.07	-2.03
Primary Deficit (-) Surplus (+) / GSDP	-3.91	-0.37	-0.05	-2.38	-0.33
Revenue Deficit (-) Surplus (+) / Fiscal Deficit	16.93	-135.80	-187.12	-18.03	-125.35
Primary Revenue Balance ⁸ /GSDP	0.53	3.89	4.47	2.42	4.25
IV. Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	25.56	22.70	27.33	28.06	26.20
Fiscal Liabilities/RR	109.36	89.67	100.04	105.03	101.58
Primary deficit <i>vis-à-vis</i> quantum spread (₹ in crore)	-300.43	136.89	421.73	10.32	367.52
Debt Redemption (Principal +Interest)/ Total Debt Receipts	67.60	127.17	65.94	96.64	102.91
V. Other Fiscal Health Indicators					
Return on Investment (<i>per cent</i>)	0.02	0.02	0.03	0.03	0.02
Balance from Current Revenue (₹ in crore)	-221.43	161.15	89.68	-579.35	285.62
Financial Assets/Liabilities (Ratio)	1.37	1.48	1.49	1.48	1.54

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

⁶ State's share of central taxes and grants-in-aid from Government of India

⁷ Including loans and advances

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

APPENDIX 1.3

Abstract of Receipts and Disbursements for the year 2015-16

(Reference: Paragraph 1.1.1)

(₹ in crore)

2014-15	Receipts	2015-16	2014-15	Disbursements			2015-16	
Section – A : Revenue								
	I. Revenue Receipts			I. Revenue Expenditure	Non-Plan	Plan	Total	
939.19	Tax Revenue ⁹	1056.82	2021.65	General Services	2238.51	17.01	2255.52	2255.52
343.29	Non-Tax Revenue	228.60	2370.24	Social Services	1347.33	1047.84	2395.17	2395.17
1381.69	State's Share of Union Taxes and Duties ¹⁰	3276.46	1166.20	General Education	768.72	379.59	1148.31	
			131.04	Technical Education, Sports, Art and Culture	21.38	113.20	134.58	
803.71	Non-Plan Grants	673.86	483.40	Health and Family Welfare	231.78	280.99	512.77	
2580.17	Grants for State Plan Schemes	1240.15	167.40	Water Supply and Sanitation	173.75	5.12	178.87	
			50.10	Housing and Urban Development	38.52	75.91	114.43	
8.89	Grants for Central Plan Schemes	270.44	13.56	Information and Broadcasting	5.63	6.68	12.31	
293.44	Centrally Sponsored Plan Schemes	196.36						
77.87	Grants for Special Plan Schemes	100.44	50.86	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	0.36	0.79	1.15	
			32.62	Labour and Labour Welfare	19.96	7.88	27.84	
			266.74	Social Welfare and Nutrition	78.35	177.68	256.03	
			8.32	Others	8.88	...	8.88	
			1859.97	Economic Services	721.80	975.24	1697.04	1697.04
			590.49	Agriculture and Allied Activities	297.11	286.46	583.57	
			569.63	Rural Development	51.07	486.64	537.71	
			14.27	Special Areas Programmes	...	17.71	17.71	
			36.89	Irrigation and Flood Control	26.67	12.79	39.46	
			165.67	Energy	25.29	41.82	67.11	
			194.49	Industry and Minerals	122.48	25.41	147.89	
			121.46	Transport	149.10	...	149.10	
			0.54	Science, Technology and Environment	0.58	...	0.58	
			166.53	General Economic Services	49.50	104.41	153.91	
6428.25	Total	7043.13	6251.86	Total	4307.64	2040.09	6347.73	6347.73
...	II. Revenue Deficit carried over to Section B	...	176.39	II. Revenue Surplus carried over to Section B				695.40
6428.25	Total	7043.13	6428.25	Total				7043.13

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

¹⁰ Share of net proceeds assigned to State.

2014-15	Receipts	2015-16	2014-15	Disbursements			2015-16
Section – B : Others							
					Non-Plan	Plan	Total
827.84	III. Opening Cash Balance including permanent advances and cash balance investment	405.55	...	III. Opening Overdraft from RBI	...	...	...
1075.47	IV. Miscellaneous Capital Receipts	...	1118.49	IV. Capital Outlay	0.23	1110.66	1110.89
			82.38	General Services	...	97.24	97.24
			363.34	Social Services	0.23	289.46	289.69
			4.12	General Education	...	2.70	2.70
			0.19	Technical Education, Sports, Art and Culture	...	2.20	2.20
			87.86	Health and Family Welfare	...	92.09	92.09
			190.61	Water Supply and Sanitation	...	142.67	142.67
			64.30	Housing and Urban Development	0.23	46.76	46.99
			16.26	Social Welfare and Nutrition	...	3.04	3.04
			672.77	Economic Services	...	723.96	723.96
			10.36	Agriculture and Allied Activities	...	6.96	6.96
			0.10	Rural Development	...	0.10	0.10
			50.55	Special Areas Programmes	...	46.08	46.08
			42.13	Irrigation and Flood Control	...	3.62	3.62
			68.71	Industry and Minerals	...	2.24	2.24
			499.87	Transport	...	659.64	659.64
			1.05	General Economic Services	...	...	...
			...	Energy	...	5.32	5.32
							723.96

2014-15	Receipts	2015-16	2014-15	Disbursements	2015-16
19.76	V. Recoveries of Loans and Advances	19.08	56.11	V. Loans and Advances Disbursed	158.35
...	From Power Projects ...		39.02	For Power Projects 40.59	
19.59	From Government Servants 18.96		17.09	To Government Servants 17.45	
0.17	From Others 0.12			To Others 100.31	
176.39	VI. Revenue Surplus brought down	695.40		VI. Revenue Deficit brought down	...
726.96	VII. Public Debt receipts	836.93	202.66	VII. Repayment of Public Debt	337.34
722.19	Internal debt other than Ways and Means Advances and Overdraft 834.70		182.84	Internal debt other than Ways and Means Advances and Overdraft 317.49	
...	Net transactions under Ways and Means Advances including Overdraft ...		...	Net transactions under Ways and Means Advances including Overdraft ...	
4.77	Loans and Advances from Central Government 2.23		19.82	Repayment of Loans and Advances to Central Government 19.85	
3997.59	VIII. Public Account Receipts	3527.16	3965.73	VIII. Public Account Disbursements	3681.63
252.74	Small Savings and Provident Funds 275.08		119.46	Small Savings and Provident Fund 143.34	
59.59	Reserve Funds ¹¹ 98.49		73.29	Reserve Funds ¹² 91.75	
1330.53	Deposits and Advances 975.21		1492.19	Deposits and Advances 1210.05	
91.14	Suspense and Miscellaneous ¹³ -67.23		8.86	Suspense and Miscellaneous ¹³ -11.83	
2263.59	Remittances 2245.61		2271.93	Remittances 2248.32	
...	IX. Closing Overdraft from Reserve Bank of India	...	405.55	IX. Cash Balance at end¹⁴	195.91
			19.58	Cash in Treasuries 40.81	
			- 488.46	Deposits with Reserve Bank -112.79	
			0.23	Departmental Cash Balance including permanent advances 0.24	
			874.20	Cash Balance Investment 267.65	
5748.54	Total	5484.12	5748.54	Total	5484.12

¹¹ Includes receipts on investment

¹² Includes disbursement on investment.

¹³ Excluding 'Other Accounts'.

¹⁴ Excluding 'Investment of earmarked funds'

APPENDIX 1.4
Summarised Financial Position of the Government of Meghalaya as on
31 March 2016

(Reference: Paragraph 1.10.1)

(₹ in crore)

As on 31 March 2015	Liabilities		As on 31 March 2016
...	External Debt		...
4049.29	Internal Debt		4566.49
3001.62	Market loans bearing interest	3461.30	
¹⁵	Market loans not bearing interest	¹⁵	
0.13	Loan from LIC	0.11	
1047.54	Loans from other Institutions	1105.08	
...	Ways and Means Advances	...	
...	Overdraft from Reserve Bank of India	...	
161.39	Loans and Advances from Central Government		143.78
5.37	Pre 1984-85 Loans	5.37	
11.02	Non-plan Loans	10.74	
137.63	Loans for State Plan Schemes	121.03	
0.10	Loans for Central Plan Schemes	0.10	
4.42	Loans for Centrally Sponsored Plan Schemes	4.32	
2.85	Loans for Special Schemes	2.22	
105.00	Contingency Fund		105.00
1100.90	Small Savings, Provident Funds, etc.		1232.64
1412.43	Deposits		1177.58
207.98	Reserve Funds		245.29
100.07	Remittance Balances		97.37
3426.82	Surplus on Government Accounts		4122.22
3250.43	(i) Revenue Surplus as on 31 March 2015	3426.82	
176.39	(ii) Revenue Surplus for the year 2015-16	695.40	
10563.88			11690.37
Assets			
9235.37	Gross Capital Outlay on Fixed Assets		10346.26
454.99	Investment in shares of Companies, Corporation, etc.	466.93	
8780.38	Other Capital Outlay	9879.33	
626.92	Loans and Advances		766.19
568.34	Loans for power projects	608.93	
39.45	Other Development Loans	139.64	
19.13	Loans to Government Servants and miscellaneous loans	17.62	
180.53	Investment of Earmarked Funds		211.10
1.80	Advances		1.80
8.71	Suspense and Miscellaneous Balances		64.10
105.00	Appropriation to Contingency Fund		105.00
...	Remittances		...
405.55	Cash¹⁶		195.91
19.58	Cash in Treasuries	40.81	
- 488.46	Deposits with Reserve Bank of India	-112.79	
0.22	Departmental Cash Balance	0.21	
0.01	Permanent Advances	0.03	
874.20	Cash Balance Investment	267.64	
10563.88				11690.36

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 ₹ 46.79 crore between the figures reflected in the accounts {(-) ₹ 112.78 crore} and that intimated by the Reserve Bank of India {(-) ₹ 159.57 crore} due to (i) misclassification by Bank/Treasury (₹ 46.10 crore) and (ii) non-receipt of details of adjustment (₹ 0.69 crore).

APPENDIX 1.5
Funds Transferred Directly to State Implementing Agencies
(Reference: Paragraph 1.2.2)

(₹ in crore)

Sl. No.	Programme/Scheme	Implementing Agency in the State	Funds transferred by the GOI
1	Alliance and R&D Mission	Meghalaya Basin Development Authority	0.30
		University of Science and Technology, Meghalaya Department of Education	0.11
2	Shyama Prasad Mukherjee Urban Mission	The Directorate of Community and Rural Development, Meghalaya	0.25
3	Bioinformatics	St. Anthony's College Registered Society	0.16
		St. Edmunds College	0.16
		St. Mary's College	0.06
4	Capacity Building for Service Providers	Food Craft Institute Society, Tura (WGH)	0.39
5	Deen Dayal Disabled Rehabilitation Scheme SJE	Bethany Society, Tura	0.21
		Dwar Jingkyrmen School for Children in Need of Special Education	0.08
		Montfort Centre for Education	0.11
		The Society for the Welfare of the Disabled	0.06
6	Grant in Aid to Voluntary Organisation Working for the Welfare of Scheduled Tribes	Ramakrishna Mission Ashrama, Meghalaya	2.75
7	Grid Interactive Renewable Power MNRE	Meghalaya State Electricity Board	4.50
8	Human Resource Development Biotechnology	St. Edmunds College	0.09
		St. Mary's College	0.06
		St. Anthony's College Registered Society	0.09
		Synod College	0.29
9	MPs Local Area Development Scheme (MPLADs)	Deputy Commissioner	20.00
10	National Rural Employment Guarantee Scheme (MGNREGA) CS	Meghalaya Society for Social Audit and Transparency	0.21
11	National Handloom Development Programme CS	Nongtluh Women Weaving Co-operative Society	1.81
12	NER-Textile Promotion Scheme	Directorate of Sericulture and Weaving, Govt. of Meghalaya, Shillong	11.79
13	North Eastern Council	Director Arts and Culture, Shillong	0.98
		Meghalaya Information Technology Society	2.08
		North Eastern Space Applications Centre	3.02
		Montfort Centre for Education	0.11
		North Eastern Region Community Resource Management Society (NERCRMS)	56.80
14	Science and Technology Programme for Socio Economic Development	State Council of Science, Technology and Environment (SCSTE), Meghalaya	0.28
15	Organic Value Chain Development of North Eastern Region	Directorate of Horticulture	6.50
16	Renewable Energy for Rural Applications for remote villages	Meghalaya Non-Conventional and Rural Energy Development	0.89
17	Off Grid/Distributed and Decentralized Renewable Power	Meghalaya Non-Conventional and Rural Energy Development Agency	3.12
Grand Total			117.29

Source: Public Financial Management System of CGA website.

APPENDIX 1.6

Effectiveness of expenditure under various programmes

(Reference: Paragraph 1.8.2)

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2016			
		Funds available up to 31 March 2016	Actual expenditure up to 31 March 2016	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome
1.	Mahatma Gandhi National Rural Employment Guarantee Scheme	280.31	275.37	Employment Generated	Person/days	1.70	1.92
2.	Indira Awas Yojana (IAY)	55.01	55.01	Houses constructed	Nos	5672	1634
3.	National Social Assistance Programme (NSAP)	14.26	14.26	Indira Gandhi National Old Age Pension Scheme (IGNOAPS)	Nos	Not available	48,056
				OGNWPS	Nos	Not available	7,152
				Indira Gandhi National Disability Pension Scheme (IGNDPS)	Nos	Not available	1,505
				National Family Benefit Scheme (NFBS)	Nos	Not available	610
4.	Food Civil Supplies & Consumer Affairs (ANNA PURNA) under NSAP	0.13	0.13	Distribution of foodgrains	In Kgs	214800	214800
5.	National Rural Livelihoods Mission (NRLM)	2.07	0.57	Self Help Group/ Village Organisation	In crore	16.32	13.05
6.	Mid Day Meal Scheme	78.21	75.90	Mid day meal programme	Number of Children	5,35,879	5,26,243
7.	Sarva Shiksha Abhiyan (SSA)	227.70	210.53	Salary, Grants Training, and Learning enhancement programme, etc.	Transport/ Escort facility/ Free Text Books/Teachers Salary/Training, Libraries in Schools/ Civil Works, etc.	10,90,586	3,60,898
8.	Accelerated Irrigation Benefit Programme (AIBP)	272.66	272.66	Scheme on Water Resources	In Hectare	26470.675	22489.995
		40.23	Nil	Soil and Water Conservation Department		-	-
9.	Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)	406.37	396.42	Number of un-electrified villages to be covered	Nos	1,866	1,843
10.	Meghalaya Power Development Corporation Limited						
(a)	R-APDRP (Part-A)	10.19	8.86	Distribution of Network in Towns	Nos	09	08
(b)	R-APDRP (Part-B)	53.24	Nil	Strengthening of Distribution Network	Nos.	09	Material procurement in progress

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2016			
		Funds available up to 31 March 2016	Actual expenditure up to 31 March 2016	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome
11.	Integrated Child Development Scheme (General)	35.82	48.12	Salaries & Honorarium of AWWs/AWHs	Nos	559530	559530
	Special Nutrition Programme (SNP)	67.00	67.00		Nos	Not available	Not available
12.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	154.34	129.48	Phase II to Phase VIII	Km	130.00	154.36
13.	Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	-	-	Storm Water Drainage Master Plan for Shillong (Phase-I)	Length in RM	105957	105939.96
				Augmentation of Water Supply in Shillong (GSWSS Phase-III)	NA	NA	70%
				Purchase of Buses	Nos	120	100%
				Purchase of Buses for GSPA	Nos	240	134
				Construction of Houses at Nongmensong (Phase-I&II)	Units	600	256
				Integrated Slum Development	Units	168	48
					Water Supply (Rm)	9061	-
					Toilet (nos)	14	-
					Street Light (nos)	79	-
				(IHSDP) Housing at Tura	Units	456	100%
				Housing at Williamnagar	Units	216	NA
				Housing at Nongpoh	Units	240	128
				(UIDSSMT) Solid waste at Nongpoh	NA	NA	97%
Solid waste at Tura	NA	NA	97%				
14.	Integrated Basin Development and Livelihood Programme	55.34	154.02	NA	NA	NA	NA
15.	Rashtriya Krishi Vikas Yojana (RKVY)	21.34	39.76	Fisheries Department : Area Expansion under Individual Pond	Hectare	155.70	155.70
		9.53	9.53	Water Resources Department : Irrigation	Hectare	1215.79	1215.79

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2016			
		Funds available up to 31 March 2016	Actual expenditure up to 31 March 2016	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome
16.	Rural Water Supply Programme	100.09	91.17	National Rural Drinking Water Programme (NRDWP)	Number of habitation provided with drinking water	214	244
		2.24	1.58	NRDWP-Support	Number of Schools provided with water supply	157	258
		1.90	0.64	Water Quality Monitoring & Surveillance Programme (WQM&SP)	Number of ICDS provided with water supply	64	97
17.	Rural Sanitation Programme	75.93	60.77	Swachh Bharat Mission (Gramin) SBM(G) IHHL(BPL) IHHL(APL) Sanitary Complex SLSM ODF	Nos. of Household	31,620 20,380 133 1,200 2,305	29,831 15,904 97 - 2,716

Source: Directorate of Programme Implementation & Evaluation, GoM

APPENDIX 2.1

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

(Reference: Paragraph 2.2)

Name of Department	Number & Name of Grant/Appropriation	₹ in crore)	
		Savings (-)	Excess (+)
Assembly Secretariat	1 – Parliament/State/Union Territory Legislature, Stationery and Printing Revenue – Voted	(-) 13.84	
Power (Electricity)	11 - Other Taxes and Duties on Commodities and Services, etc. Revenue – Voted	(-) 65.34	
Chief Minister's Secretariat, Secretariat Administration, Finance, Law and Political	13 - Secretariat General Services, etc Revenue – Voted	(-) 10.30	
Home (Police)	16 – Police, Other Administrative Services, Housing, Capital Outlay on Police Revenue – Voted Capital – Voted	(-) 23.24 (-) 14.64	
Public Works	19 – Secretariat General Services, Public Works, etc. Revenue – Voted Capital - Voted	(-) 32.91 (-) 39.66	
Education, Sports and Youth Affairs and Arts & Culture	21– Miscellaneous General Services, etc. Revenue – Voted Capital - Voted	(-) 206.67 (-) 30.75	
Finance	24 - Pensions and other Retirement Benefits Revenue – Voted	(+) 142.92	
Health and Family Welfare	26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, etc. Revenue – Voted	(+) 22.30	
Public Health Engineering	27 - Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, Capital Outlay on Housing Capital – Voted	(-) 184.43	
Urban Development	29 – Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, etc. Capital – Voted	(-) 136.79	
Labour	31 – Labour and Employment Revenue – Voted	(-) 20.20	
Planning	38 – Secretariat Economic Services Revenue – Voted	(-) 502.86	
Agriculture, Animal Husbandry and Veterinary Industries and Other ¹	40 – North Eastern Areas, Capital Outlay on North Eastern Areas Revenue – Voted Capital - Voted	(-) 91.81 (-) 25.01	
Agriculture	43 – Housing, Crop Husbandry, etc. Revenue – Voted Capital – Voted	(-) 135.99 (-) 104.22	
Soil Conservation	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	(-) 255.48	
Animal Husbandry and Veterinary	47 – Housing, Animal Husbandry, Agricultural Research and Education Revenue – Voted	(-) 23.45	
Fisheries	49 – Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries Revenue – Voted	(-) 13.26	
Forest	50- Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Revenue – Voted Capital-Voted	(-) 54.30 (-) 10.14	

¹ Sericulture & Weaving, Power, PWD(R&B), Health, Education, Transport, Industries, Sports & Youth, Fisheries, Tourism, Public Health Engineering, Information Technology, Co-operation, Planning, Border Areas Development, Art and Culture, Information and Public Relations.

Name of Department	Number & Name of Grant/Appropriation	Savings (-) Excess (+)
Community and Rural Development	51– Housing, Crop Husbandry, Special Programmes for Rural Development, <i>etc.</i> Revenue – Voted	(-) 298.46
Industries and Minerals	52 – Industries, Capital Outlay on Cement, Capital Outlay on Industries and Minerals, Other Loans to Industries and Minerals Capital – Voted	(-) 17.63
Industries (Sericulture and Weaving)	53 – Village and Small Industries, Capital Outlay on Village and Small Industries, <i>etc.</i> Revenue – Voted	(-) 22.64
Housing (Village and Small Industries)	54 – Housing, Village and Small Industries, Capital Outlay on Housing, Capital Outlay on Village and Industries, <i>etc.</i> Revenue – Voted Capital – Voted	(-) 16.07 (-)24.17
Mining	55 – Non-Ferrous Mining and Metallurgical Industries, Capital Outlay on Housing, <i>etc.</i> Revenue – Voted	(-) 19.61
Public Works	56 – Roads and Bridges, Capital Outlay on Roads and Bridges Capital – Voted	(-) 52.88
Transport (Tourism)	57-Tourism, Capital Outlay on Public Works, Capital Outlay on Tourism, Loans for Tourism Revenue – Voted	(-) 91.89
Finance	Appropriation – Internal Debt of the State Government Capital – Charged	(-) 142.76

APPENDIX 2.2

Statement of various grants/appropriations where saving was more than ₹ 1 crore each and more than 20 per cent of the total provision
(Reference: Paragraph 2.3.1)

(₹ in crore)

Sl. No.	Grant Number	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
1.	1	Parliament/State/Union Territory Legislature, Stationery and Printing Revenue – Voted	70.80	13.84	20
2.		Revenue – Charged	1.74	1.48	85
3.	4	Administrative of Justice Revenue – Voted	29.41	9.78	34
4.	5	Elections Revenue – Voted	28.18	6.43	23
5.	10	Taxes on Vehicles, Other Administrative Services <i>etc.</i> , Revenue – Voted	36.47	7.66	21
6.	11	Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, <i>etc.</i> Revenue – Voted	137.15	65.34	48
7.	14	District Administration Revenue – Voted	39.88	8.06	20
8.	15	Treasury and Accounts Administration Revenue – Voted	30.96	6.61	21
9.	16	Police, Other Administrative Services, Housing, Capital Outlay on Police Capital – Voted	31.43	14.64	47
10.	19	Secretariat General Services, Public Works, <i>etc.</i> Capital – Voted	146.99	39.66	27
11.	21	Miscellaneous General Services, General Education, <i>etc.</i> Capital – Voted	30.75	30.75	100
12.	27	Water Supply and Sanitation, Housing, <i>etc.</i> Capital – Voted	328.26	184.43	56
13.	29	Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, <i>etc.</i> Capital – Voted	158.42	136.79	86
14.	30	Information and Publicity Revenue – Voted	17.53	5.22	30
15.	31	Labour and Employment Revenue – Voted	48.04	20.20	42
16.	34	Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes, Social Security and Welfare, Nutrition, <i>etc.</i> Capital – Voted	8.03	4.98	62
17.	38	Secretariat Economic Services Revenue – Voted	548.55	502.86	92
18.		Capital – Voted	5.00	5.00	100
19.	39	Co-operation, Other Agricultural Programmes, Capital Outlay on Co-operation, Capital Outlay on Other Agricultural Programmes, Loans for Co-operation Capital – Voted	9.28	5.04	54
20.	40	North Eastern Areas, Capital Outlay on North Eastern Areas Revenue – Voted	109.52	91.81	84
21.		Capital – Voted	71.08	25.01	35
22.	41	Census, Survey and Statistics Revenue – Voted	18.18	6.17	34
23.	42	Housing, Other General Economic Services Revenue – Voted	5.23	1.05	20
24.	43	Housing, Crop Husbandry, Agricultural Research and Education, <i>etc.</i> Revenue – Voted	397.12	135.99	34
25.		Capital – Voted	109.93	104.22	95

Sl. No.	Grant Number	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
26.	44	Medium Irrigation, Flood Control and Drainage, Capital Outlay on Medium Irrigation, <i>etc.</i> Capital – Voted	4.35	3.81	88
27.	45	Housing, Soil and Water Conservation, <i>etc.</i> Revenue – Voted	338.61	255.48	75
28.	47	Housing, Animal Husbandry, <i>etc.</i> Revenue – Voted	112.58	23.45	21
29.	49	Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries Revenue – Voted	28.15	13.26	47
30.		Capital – Voted	8.43	8.38	99
31.	50	Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Revenue – Voted	177.05	54.30	31
32.		Capital – Voted	10.18	10.14	100
33.	51	Housing, Crop Husbandry, Special Programmes for Rural Development, Rural Employment, <i>etc.</i> Revenue – Voted	753.67	298.46	40
34.	52	Industries, Capital Outlay on Cement, <i>etc.</i> Revenue – Voted	14.40	5.42	38
35.	53	Housing, Village and Small Industries, <i>etc.</i> Revenue – Voted	70.92	22.64	32
36.	54	Housing, Village and Small Industries, <i>etc.</i> Revenue – Voted	36.99	16.07	43
37.		Capital – Voted	26.05	24.17	93
38.	55	Non-Ferrous Mining and Metallurgical Industries, Capital Outlay on Housing, <i>etc.</i> Revenue – Voted	89.31	19.61	22
39.	57	Tourism, Capital Outlay on Public Works, Capital Outlay on Tourism, Loans for Tourism Revenue – Voted	111.80	91.89	83
40.		Capital – Voted	2.11	2.11	100
41.	Appropriation	Internal Debt of the State Government Capital – Charged	460.25	142.76	31
Total			4662.78	2424.97	

APPENDIX 2.3
Statement showing excess expenditure incurred without Budget provision
(Reference: Paragraph 2.3.3)

(₹ in lakh)

Sl. No.	Grant/Appropriation Number – Major Head of Accounts - Sub-Head - Detailed Head	Expenditure without provision
1.	21 – 2202 – 800 – (18) Non-Lapsable Central Pool of Resource – General	12.28
2.	21 – CSS – 2202 – 80- 003 – (05) Seminar Conference – General	37.75
3.	21 – CSS – 2202 – 80- 003 – (05) D.I.E.T – General	565.00
4.	21 – CSS – 2202 – 80- 003 – (05) D.I.E.T – Sixth Schedule (Part II) Areas	66.40
5.	26 – CSS – 2210 - 01 – 001 – (02) National Iodine Deficiency Disorders Control Programmes – General	18.86
6.	26 – 2211 – 101 – (02) Rural Family Welfare Sub-Centres – Sixth Schedule (Part II) Areas	257.61
7.	26 – CSS – 2211 – 001 – (01) State Family Welfare Bureau – General	71.42
8.	26 – CSS – 2211 – 001 – (02) District Family Welfare Bureau – Sixth Schedule (Part II) Areas	296.39
9.	26 – CSS – 2211 – 001 – (02) District Family Welfare Bureau – General	131.14
10.	26 – CSS – 2211-003 – (01) Regional Health and Family Welfare Training Centre – General	105.16
11.	26 – CSS – 2211-003 – (02) Scheme for Auxiliary Nurses and Mid-wives Training Programme (Female Health Workers) – Sixth Schedule (Part II) Areas	72.76
12.	26 – CSS – 2211-003 – (02) Scheme for Auxiliary Nurses and Mid-wives Training Programme (Female Health Workers) – General	33.64
13.	26 – CSS – 2211- 101 – (02) Rural Family Welfare Sub-Centres – Sixth Scheduled (Part II) Areas	1244.13
14.	26 – CSS – 2211- 101 – (02) Rural Family Welfare Sub-Centres – General	433.47
15.	26 – CSS – 2211- 102 – (01) Urban Family Welfare Centres – General	22.47
16.	27 – 2215 – 01 – 799 – (01) Stock and Other Suspense Accounts – Sixth Schedule (Part II) Areas	10.69
17.	29 – CSS – 4217 – 60 – 051 – (19) Swachh Bharat Mission – Central Assistance for Centrally Sponsored Schemes inclusive of State Share – General	39.11
18.	32 – 3456 – 102 – (01) Consumer Protection – General	20.00
19.	36 – 2235 – 60 – 104 – (01) Government Provident Fund – General	41.38
20.	54 – 2851 – 200 – (08) National Mission on Food Processing – General	82.09
21.	Appropriation – Internal Debt of the State Government 6003– 106 – Compensation and other Bonds 8.50% Meghalaya Government Power Bond October 2015– General	69.95
22.	Appropriation – Internal Debt of the State Government 6003– 106 – 8.50% Meghalaya Government Power Bond April 2016 – General	69.95
Total		3701.65

APPENDIX 2.4

Statement showing the amount debited head wise and credited to 8443

(Reference: Paragraph 2.3.4)

(₹ in crore)

Sl No.	Debit Head	Credit Amount
1.	2055	55.64
2.	2202	64.62
3.	2203	22.65
4.	2204	42.26
5.	2210	39.44
6.	2211	6.29
7.	2225	9.38
8.	2235	46.17
9.	2401	44.52
10.	2515	9.69
11.	2851	9.39
12.	3451	23.00
	Total	373.05

APPENDIX 2.5
Excess over provision of previous years requiring regularisation
(Reference: Paragraph 2.3.5)

Year	Number of Grant/ Appropriation	Grant(s)/Appropriation(s) numbers	(₹ in crore)
			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

Year	Number of Grant/ Appropriation	Grant(s)/Appropriation(s) numbers	Amount of excess
2001-02	3/2	1, 18, 35/ 1, 2	1.76
2002-03	4/3	11, 26, 35, 56/ 1, Internal Debt of the State Government, Loans & Advances from Central Government	22.10
2003-04	3/2	1, 20, 56/1 and Loans & Advances from Central Government	30.18
2004-05	5/2	1, 7, 19, 24, 56/ 1, Loans and Advances from the Central Government	36.74
2005-06	5/4	1, 16, 24, 54, 56/ 1, 36, Public Service Commission, Internal Debt of the State Government.	34.69
2006-07	6/2	1, 4, 8, 20, 24, 40/1, Loans and Advances from the Central Government	65.41
2007-08	8/1	1, 4, 8, 16, 20, 24, 26, 40 /1	72.79
2008-09	7/1	1, 4, 8, 20, 24, 35, 44,/ Loans and Advances from the Central Government	107.57
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
2013-14	5/3	7,9,24,26,44,/Appropriation viz. 12,44, Internal Debt of the State Govt.	189.50
2014-15	2/2	7,24,/Appropriation – Public Service Commission, Loans and Advances from the Central Government	114.99
Total			1807.38

APPENDIX 2.6

Cases where supplementary provision (₹ 10 lakh or more in each case) proved unnecessary
(Reference: Paragraph 2.3.7)

(₹ in lakh)					
Sl. No.	Number & name of Grant	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
1.	4 – Administration of Justice Revenue – Voted	2565.30	1963.30	602.00	375.77
2.	Revenue – Charged	854.70	832.61	22.09	142.00
3.	5 – Elections Revenue – Voted	2305.00	2175.61	129.39	513.35
4.	9 – Taxes on Sales, Trade etc., Other Taxes and Duties on Commodities and Services Revenue – Voted	2159.00	1839.30	319.70	26.21
5.	10 - Taxes on Vehicles etc. Revenue – Voted	2904.00	2880.67	23.33	742.61
6.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, etc. Revenue – Voted	13080.00	7181.03	5898.97	635.31
7.	13 – Secretariat General Services, Secretariat Social Services, etc. Revenue – Voted	12300.00	12062.66	237.34	792.48
8.	15 – Treasury and Accounts Administration Revenue – Voted	2703.00	2435.00	268.00	392.86
9.	16 – Police, Other Administrative Services, Housing, Capital Outlay on Police Revenue – Voted	57480.33	57276.98	203.35	2121.10
10.	Capital – Voted	2680.00	1679.00	1001.00	462.67
11.	17 – Jails Revenue – Voted	1609.00	1395.90	213.10	40.75
12.	19 – Secretariat General Services, etc. Revenue – Voted	20074.55	17392.95	2681.60	609.53
13.	21- Miscellaneous General Services, General Education etc. Revenue – Voted	142287.00	128406.42	13880.58	6786.65
14.	29 – Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, etc. Capital – Voted	15490.00	2162.76	13327.24	352.00
15.	31 – Labour and Employment Revenue – Voted	4156.00	2783.76	1372.24	648.12
16.	38 - Secretariat Economic Services, etc. Revenue – Voted	54667.00	4568.63	50098.37	187.65
17.	39- Co-operation, Other Agricultural Programme, Capital Outlay on Co-operation, etc. Revenue – Voted	1885.74	1806.64	79.10	194.50
18.	40 – North Eastern Areas, etc. Capital – Voted	7056.00	4607.82	2448.18	52.41
19.	47 – Housing, Animal Husbandry, Agricultural Research and Education Revenue – Voted	11178.22	8912.50	2265.72	79.70
20.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife. Revenue – Voted	14994.73	12275.74	2718.99	2710.72
21.	51 – Housing, Crop Husbandry, Special Programmes for Rural Development, Rural Employment, etc Revenue – Voted	56759.44	45521.10	11238.34	18607.70

Sl. No.	Number & name of Grant	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
22.	53 – Village and Small Industries, Capital Outlay on Village and Small Industries, etc. Revenue – Voted	5960.80	4827.96	1132.84	1131.52
23.	54 – Village and Small Industries, Capital Outlay on Housing, etc. Revenue – Voted	3617.09	2092.62	1524.47	82.08
24.	55 – Non-Ferrous Mining and Metallurgical Industries, Capital Outlay on Housing, etc. Revenue – Voted	8886.00	6970.52	1915.48	45.25
	Total	447652.9	334051.48	113601.42	37732.94

APPENDIX 2.7

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

(Reference: Paragraph 2.3.8)

(₹ in crore)

Sl. No.	Grant Number/ Appropriation	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
1.	1	103 –Legislative Secretariat (01) Secretariat Establishment – General	2011	(+)3.35	(-)4.25
2.	4	105 – Civil and Session Courts (01) District and Sessions Judges including Munsif Courts <i>etc.</i> – General	2014	(+)0.22	(-)1.03
3.		108 – Criminal Courts (01) Courts of Deputy Commissioner, his Assistants, <i>etc.</i> – Sixth Schedule (Part II) Areas	2014	(-)0.02	(+)1.67
4.	6	001 – Direction and Administration (01) Establishment in Districts – Sixth Schedule (Part II) Areas	2029	(-)0.06	(-)1.65
5.	10	800 – Other Expenditure (01) Operation of Helicopter Services – General	2070	(-)3.22	(-)4.85
6.	13	090 – Secretariat (08) Finance (excluding Economic Affairs) Department – General	2052	(-)1.50	(-)1.06
7.	16	207 – State Police (01) Construction of Administrative Building for the State Police/ Police Station and Outpost – Sixth Schedule (Part II) Areas	4055	(-)1.75	(-)1.90
8.		800 – Other Expenditure (04) Construction for the Meghalaya Police Academy – General		(-)1.21	(-)7.69
9.	19	80 – General – 001 – Direction and Administration (07) Divisional and Subordinate Offices (Roads) – Sixth Schedule (Part-II) Areas	2059	(+)5.84	(-)11.19
10.		80 – General – 001 – Direction and Administration (08) Divisional and Subordinate Offices (Buildings) – Sixth Schedule (Part-II) Areas		(+)0.06	(-)2.19
11.		80 – General – 053 – Maintenance and Repairs (07) Other Maintenance Expenditure – Sixth Schedule (Part II) Areas		(-)5.92	(-)2.50
12.		80 – General – 001 – Direction and Administration (01) Chief Engineer and his General Establishment (Roads) – General		(+)0.22	(+)11.46
13.		80 – General – 001 – Direction and Administration (04) Superintending Engineers and the Establishments (Roads) – General		(+)0.51	(+)2.71
14.		80 – General – 052 – Machinery and Equipment (03) R/C of T&P <i>etc.</i> – General		(-)0.54	(+)2.67
15.		01 – Government Residential Buildings – 700 – Other Housing (01) Construction of Residential Buildings – General		4216	(-)1.00	(-)2.28
16.	01 – Government Residential Buildings – 700 – Other Housing (01) Construction of Residential Buildings – Sixth Schedule (Part II) Areas	(+)18.00	(+)1.38		
17.	21	101 – Government Primary School (01) Expenditure on Primary Schools – General	2202	(-)0.24	(-)21.19

Sl. No.	Grant Number/ Appropriation	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
18.		102 – Assistance to Non-Government Primary Schools (13) Expenditure on U.P. Schools under Non Deficit System – Sixth Schedule (Part-II) Areas		(-)30.98	(+)4.85
19.		110 – Assistance to Non- Government Secondary Schools – (02) Expenditure on Secondary Schools under Deficit System for Girls – General		(+) 0.44	(-)21.66
20.		110 – Assistance to Non- Government Secondary Schools – (35) Construction of Girls Hostel – General		(-) 2.36	(-)1.64
21.		800 – Other Expenditure –(26) Intervention for Education Facility Improvement – General		(-)8.18	(-)2.82
22.		80 – General – 003 – Training (01) Directorate (SCERT) – General		(+)0.04	(-)1.85
23.		107 – Scholarships (07) Post Matric Scholarships for Minorities – General		(-)62.38	(-) 17.62
24.		103 – Technical Schools (03) Setting up of Technical University – General		(-)0.14	(-)3.00
25.		105 – Polytechnics (10) Jowai Polytechnics – General	2203	(-)0.37	(-)1.26
26.		105 – Polytechnics (10) Tura Polytechnics – General		(-)0.30	(-)1.46
27.		102 – Youth Welfare Programs for Students (16) Youth Green Campaign – General	2204	(-)0.30	(-)1.20
28.		102 – Assistance to Non-Government Primary Schools (01) Expenditure on maintenance of Primary Schools under Deficit System - Sixth Schedule (Part-II) Areas		(+)30.98	(-)1.32
29.		109 – Government Secondary Schools (01) Secondary Schools for Boys - Sixth Schedule (Part-II) Areas	2202	(-)0.12	(+)1.50
30.		110 - - Assistance to Non-Government Secondary Schools (02) Expenditure on Secondary Schools under Deficit System for Girls - Sixth Schedule (Part-II) Areas		(+)0.10	(+)22.82
31.		105 – Polytechnics (05) Setting up of new Polytechnics – General	2203	(-)0.01	(+)2.90
32.		104 – Sports and Games (01) Assistance to State Sports Council – General	2204	(+)1.01	(+)1.76
33.	26	110 – Hospitals and Dispensaries (01) Shillong Civil Hospital (including improvement thereof) - Sixth Schedule (Part-II) Areas	2210	(-)0.10	(+)3.37

Sl. No.	Grant Number/ Appropriation	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
34.		110 – Hospitals and Dispensaries (01) Ganesh Das Hospital (including improvement thereof) Sixth Schedule (Part-II) Areas		(+)1.78	(+)5.83
35.		103 – Primary Health Centres (01) Other existing and new Primary Health Centres with indoor facilities - Sixth Schedule (Part-II) Areas		(+)1.07	(+)27.27
36.		104 – Community Health Centres (01) Upgradation of Primary Health Centres to 30 bedded Hospitals - Sixth Schedule (Part-II) Areas		(+)0.57	(+)1.04
37.		110 – Hospitals and Dispensaries (01) Other existing and new Dispensaries with or without Indoor Facilities - Sixth Schedule (Part-II) Areas		(+)0.49	(+)1.47
38.		001 – Direction and Administration (03) District Medical Officer (Civil Surgeon's offices) - Sixth Schedule (Part-II) Areas		(+)0.13	(-)2.13
39.	27	001 - Direction and Administration (01) Chief Public Health Engineer and his Establishment – General	2215	(-)1.34	(+)3.21
40.	30	60 – Others – 001- Direction and Administration (02) District and Sub-Divisional Information and Public Relation Offices - Sixth Schedule (Part-II) Areas	2220	(-)0.18	(-)1.01
41.	31	003 – Training of Craftsmen and Supervisors (11) Up gradation into Centre of Excellence ITI Shillong/Tura – General	2230	(-)0.12	(-)1.52
42.		003 – Training of Craftsmen and Supervisors (09) Enhancing Skill Development Infrastructure in North Eastern States and Sikkim – General		(-)0.13	(-)10.59
43.	38	800 – Other Expenditure (36) Mission under the Integrated Basin and Livelihood Development Programme – General	3451	(-)99.42	(-)9.50
44.	40	110 – Hospital and Dispensaries (16) Setting up of Permanent Campus of Indian Institute of Public Health (IIPH) at Shillong – Sixth Schedule (Part-II) Areas	2552	(-)0.52	(-)6.48
45.		104 – Sports and Games (27) Construction of Outdoor Stadium at Sonamite – General		(-)0.44	(-)3.56
46.	43	119 – Horticulture and Vegetable Crops (37) Central Assistance (CSS) – General	2401	(-)18.80	(-)4.75
47.		800 – Other Expenditure (12) ACA under RKVY – General		(-)42.23	(-)9.13
48.		101 – Marketing Facilities (02) Fruit Processing Centre - Sixth Schedule (Part-II) Areas	2435	(-)1.05	(-)1.04
49.		001 – Direction and Administration (03) Establishment of Irrigation Wing Sixth Schedule (Part-II) Areas	2702	(+)0.08	(-)1.10

Sl. No.	Grant Number/ Appropriation	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
50.	43	108 – Commercial Crops (21) Plantation Crops Development (Arecanut/Cashewnut/Coconut/Pineapple/Bamboo/Agar)– General	2401	(+)7.08	(-)1.38
51.		001 – Direction and Administration (02) Establishment of Division and Sub-Division (Minor I Works) - Sixth Schedule (Part –II) Areas	2702	(+)0.02	(+)1.09
52.	47	101 – Veterinary Services and Animal Health (03) Foot and Mouth Disease Control Programme (FMD-CP)- General	2403	(-)0.49	(-)2.16
53.	50	001 – Direction and Administration (01) Headquarters Organisation – General	2406	(-)0.82	(-)1.77
54.		110 – Wildlife Preservation (01) Establishment of Wildlife Sanctuary – General		(-)0.02	(-)1.23
55.	51	800 – Other Expenditure (28) State Rural Infrastructure Development Initiative – Sixth Schedule (Part – II) Areas	2515	(-)7.21	(-)13.79
56.		800 – Other Expenditure (08) Tribal Area Dev. Programme under Art. 275(I)– Sixth Schedule (Part – II) Areas	2501	(+)2.00	(+)1.08
57.	56	105 – Maintenance and Repairs (01) Work-charged Establishment-Road Works - Sixth Schedule (Part II) Areas	3054	(+)24.20	(-)6.87
58.		103 – Maintenance and Repairs (02) Work Charged Establishment - Bridges – Sixth Schedule (Part II) Areas		(-)3.80	(-)2.72
59.		103 – Maintenance and Repairs (04) Other Maintenance Expenditure – Machinery and Equipment – Sixth Schedule (Part II) Areas		(-)9.51	(-)7.26
60.		800 – Other Expenditure (24) Up-gradation of State Highways (SH), Major District Roads (MDR) (MIDB) Infrastructure Development Sixth Schedule (Part-II) Areas	5054	(+)9.69	(-)103.47
61.		800 – Other Expenditure (01) Construction-Sixth Schedule (Part II) Areas		(+)65.00	(+)2.99
62.		800 – Other Expenditure (02) Externally Aided Project under Asian Development Bank - Sixth Schedule (Part II) Areas		(+)17.00	(-)4.69
63.		800 – Other Expenditure (21) Project undertaken under Special Plan Assistance-Sixth Schedule (Part II) Areas		(-)17.17	(+)160.19

APPENDIX 2.8
Results of review of substantial surrenders
(surrender of entire provision over ₹ 1 crore)
(Reference: Paragraph 2.3.10)

(₹ in lakh)

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Budget Provision	Amount of surrender	% of surrender	Reasons attributed for surrender
1.	1 – Parliament/State/Union Territory Legislatures	Chairman of Standing Committee (2011)	132.99	106.39	80	Less requirement of fund and non-constitution of the Committee
2.		Speaker and Deputy Speaker (2011)	173.90	104.79	60.26	
3.	4 – Administration of Justice	District and Sessions Judges including Munsif Courts <i>etc.</i> (2014)	858.00	435.45	50.75	Insufficient fund released by GOI
4.	8 – State Excise	Chemical Examiner Attached to Headquarter (2039)	106.10	106.10	100	Non-requirement of fund during the year
5.	9 – Taxes on Sales, Trade <i>etc.</i> , Other Taxes and Duties on Commodities and Services	Mission Mode of Project for Computerization Taxes Administration for the State of Meghalaya (2040)	123.30	123.30	100	
6.	10 – Taxes on Vehicles, Other Administrative Services, Road Transport, <i>etc.</i>	Shillong City Centre (5055)	119	119.00	100	Without assigning any reasons
7.		Ropeways (5055)	100	100.00	100	
8.	11- Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, Non-Conventional Sources of Energy, <i>etc.</i>	Grants to SE (EAP) (2801)	1800	1800.00	100	Non-receipt of sanction
9.		Non-Lapsable Central Pool of Resources (2801)	1500	753.62	50.24	Without assigning any reasons
10.		Survey and Investigation. (2801)	540	540.00	100	Non-receipt of sanction
11.		Construction of 2 nd Circuit of 132 KV Agia-Nangalbibra Line with OPGW (2801)	855.00	429.30	50.21	Less requirement of fund
12.		Construction of 132/33 KV, 2x20 MVA Sub-Station with LILO of NEIGHRIM-Khliehriat Line at Lad Nongkrem (2801)	720.00	720.00	100	Non-receipt of sanction and less requirement of fund
13.	Construction of new 33KV D/C line on Wolf Conductor from 132/33KV Mawphlang S/S to 33/11KV Airforce S?S via 33/11KV	342	290.40	84.91		

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Budget Provision	Amount of surrender	% of surrender	Reasons attributed for surrender
14.		PHE GSWS S/S Mawphlang with Terminal Equip at PHE Mawphlang & A/F S/S (2810)				
		Re-engineering works of Umiam Stage-IV Power Station, Nongkhyllem (2801)	832	832.50	100.06	
15.		Construction of 33/11KV, 2x5 MVA Sub-Station with Control Room at Nangalbibra including Re-alignment of the existing 11 KV Feeders to shift them to New Sub-station (2801)	288.90	288.90	100.00	Non-receipt of sanction and less requirement of fund
16.		Construction of new 33KV Line from Killing to Khanapara and Installation of 33/11KV, 5MVA Sub-station at Khanapara in Ri-Bhoi (2801)	255.60	255.60	100.00	Non-receipt of sanction and less requirement of fund
17.	11- Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, Non-Conventional Sources of Energy, etc.	Replacing the Meters and the Metering System at Interface/boundary with the Generation and Distributors Along with Establishment of Central Data Centre at NEHU S/S (2801)	351.00	213.94	60.95	Non-receipt of sanction and less requirement of fund
18.		Construction of LILO of 132KV, D/C NEHU-Khliehriat line at Jowai (Mustem) along with 2x20 MVA, 132/33 KV S/S at Mustem (6801)	145.00	145.00	100.00	Without assigning any reason
19.	19- Secretariat General Services, Public Works, Housing, Capital Outlay on Public Works, etc.	Construction of Educational Building	200.00	150.00	75.00	Reduced outlay by Planning Department
20.		Establishment of new Polytechnics in Ri-Bhoi, West Khasi Hills and South Garo	1128.00	1128.00	100.00	

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Budget Provision	Amount of surrender	% of surrender	Reasons attributed for surrender
		Hills District-SPA (4202)				
21.		Construction of Residential Buildings(4202)	1501	1000.92	66.68	Non-sanction of estimates
22.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, Art and Culture, etc.	Mid-Day Meal Incentive to Student-15% ACA (2202)	1200.00	1200.00	100.00	Non- requirement of fund/ less release of fund by GOI
23.		Non-Lapsable Central Pool of Resource (2202)	1250	992.22	79.38	
24.		Rashtriya Madhyamik Shiksha Abhiyan (2202)	150	105.00	70.00	
25.		In-Service Training(2202)	126.60	100.44	79.34	Non-incurring of expenditure in salary
26.		Assistance under Article 275(1) (2202)	400.00	400.00	100.00	Non-allocation of fund by Planning Department
27.		Computerized PMIS of Teachers (2202)	200.00	200.00	100.00	
28.		Expenditure on Trainees in Basic Training Centres (2202)	408	326.40	80.00	Non-incurring of expenditure in salary
29.		Expenditure on Trainees (2202)	175.60	140.28	79.89	
30.		Youth Teachers Training Programme (2202)	500.00	500.00	100.00	Non-prioritized allocation
31		Maintenance and Repairs (2202)	153.00	116.24	75.97	Less expenditure than anticipated
32.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, Art and Culture, etc.	Pre-Matric Scholarship for Schedule Tribe (2202)	2000.00	2000.00	100.00	Less requirement of fund under the scheme
33.		Chief Minister's Assistance for Critical Illness (2210)	250.00	250.00	100.00	Without assigning any reasons
34.	26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, etc.	Miscellaneous (2210)	2304.10	1263.00	54.82	Without stating any reason
35.		Incentive for Maternity Benefit and ASHA (2210)	1100.00	1100.00	100	
36.		Up-gradation of Health Infrastructure including Mobile Hospital (4210)	500.00	450.00	90.00	Restriction imposed by the Planning Department

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Budget Provision	Amount of surrender	% of surrender	Reasons attributed for surrender
37.	28 – Housing, Capital Outlay on Housing, Loans for Housing	Grant-in-aid of Construction Materials (2216)	500.00	500.00	100.00	Non approval of the scheme by the Govt.
38		Externally Aided Project under JICA (Central Share) (4217)	1000.00	1000.00	100.00	Non-inclusion of the component in the Plan Outlay
39.		Urban Infrastructure & Governance (JNNURM) (4217)	6000	6000	100.00	Discontinuation of JNNURM by GoI
40.		Urban Infrastructure Development Schemes for Small & Medium Towns (JNNURM) (4217)	2410.00	2410.00	100.00	
41.		ADB Assisted Urban Development Project under EAP (4217)	1000	533.43	53.34	Less claim by SIPMIU
42.		Infrastructure Development for City Transport at Shillong (4217)	400.00	400.00	100.00	Non-inclusion of component in Plan Outlay
43.		Basic Services for Urban Poor (JNNURM) (4217)	1000.00	1000.00	100.00	Discontinuation of JNNURM by GoI
44.		Integrated Housing & Slum Development Programme (JNNURM) (4217)	1500.00	1500.00	100.00	
45.		Infrastructure Development (4217)	210.00	155.66	74.12	Non-inclusion of the component in the available Plan Outlay by the Planning Department and less requirement of fund
46.		State Urban Infrastructure Development Initiative (4217)	100.00	100.00	100.00	
47		Special Plan Assistance (SPA) (4217)	700.00	700.00	100.00	
48.		Special Central Assistance (SCA) (4217)	300.00	244.17	81.39	
49.	34 – Welfare of Scheduled Caste/Scheduled Tribe and Other Backward Classes, Social	Construction of Office Building of the Directorate of Social Welfare (4235)	267.00	251.57	94.22	Revision of allocation outlay
50.	Security and Welfare, Nutrition, Capital Outlay on Public Works, etc.	Construction of Anganwadi Centre under ICDS Scheme Central Assistance for CSS in Respect of ICDS(4235)	225.00	225.00	100.00	Non-receipt of fund from GoI.

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Budget Provision	Amount of surrender	% of surrender	Reasons attributed for surrender
51.	38 – Secretariat Economic Services, Capital Outlay on Other General Economic Services	Management of Information System of Planning Department (3451)	200.00	200.00	100.00	Non-requirement of fund
52.		Meghalaya Infrastructure Development Finance Corporation (3451)	10000	9525.00	95.25	Without assigning any reasons
53.		Institute of Governance (3451)	700.00	605.00	86.43	Less expenditure than anticipated
54.		Liability Gap Funding (3451)	2500	2410.00	96.40	
55.		Mission under the Integrated Basin and Livelihood Development Programme (3451)	10892	10417.00	95.64	Less incurring of expenditure
56.		Institute of Natural Resources (3451)	500	475.66	95.13	
57.		Promotion of Bio-Technology (3451)	200.00	200.00	100.00	Non-requirement of expenditure
58.		Climate Change Adaptation Programme (EAP-KfW/GIZ) (3451)	1000.00	1000.00	100.00	
59.		Community Led Eco-System Management Project (3451)	500.00	500.00	100.00	Without assigning any reason
60.		Promotion of Green Economy (3451)	2100.00	2100.00	100.00	
61.		Community Led Eco-System Management Project (3451)	500.00	500.00	100.00	
62.		Community Forestry Project (3451)	500.00	500.00	100.00	
63.		Trade Promotion (3451)	1200.00	1200.00	100.00	Non-requirement of expenditure
64.		Meghalaya State Employment Promotion Council (3451)	1300.00	1300.00	100.00	
65.		Cross Cutting Infrastructure for Mission (3451)	1700.00	1700.00	100.00	
66.		Survey and Investigation of Power Projects (2552)	1295.00	1033.50	79.81		Less expenditure than anticipated

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Budget Provision	Amount of surrender	% of surrender	Reasons attributed for surrender
67.		Weavers Production Centre in WGH and SGH District (2552)	300.00	300.00	100.00	Non-receipt of funds from NEC.
68.		Printing Publicity Materials (4552)	100.00	100.00	100.00	
69.		Orchid Lake Resort Development Umiam, Ri-Bhoi District (4552)	250.00	250.00	100.00	
70.		Destination Development Around the Dargah at Mahendraganj (4552)	189.00	189.00	100.00	
71.		Development of nature Tourism Destination at Laitkynsew Village, Cherrapunjee, EKH, Meghalaya (4552)	250.00	250.00	100.00	
72.	43 – Housing, Crop Husbandry, Agricultural Re-search & Education, Other Agricultural Programmes, Minor Irrigation, Capital Outlay on Housing, Capital Outlay on Crop Husbandry, Investments in Agricultural Financial Institutions, etc.	Maize development through cluster approach (2401)	150.00	150.00	100.00	Reduction of budget provision and less requirement of fund.
73.		Winter Cropping and Development of Cultivable land (2401)	150.00	150.00	100.00	
74.		Special Plan Assistance - General (Mission Organic) (2401)	321.00	321.00	100.00	
75.	45 – Housing, Soil and Water Conservation, Agricultural Research & Education	Accelerated Irrigation Benefits Programme (AIBP) (2402)	13000.00	13000.00	100.00	Non-sanction of fund under AIBP and new RRR Projects by GoI.
76.		Repair, Renovation and Restoration of Water Bodies (2402)	2840.00	2840.00	100.00	
77.		Integrated Watershed Management Programme (IWMP) State Share (2402)	10400.00	8228.02	79.12		Less amount sanction by the GoI for the scheme of IWMP
78.	47 – Housing, Animal Husbandry, Agricultural Re-search and Education	Construction (2216)	234.97	234.97	100.00	Without stating any reason
79.		Scheme for Establishment of New Dispensaries under NABARD Loan (2403)	372.82	271.97	72.95	Due to budget cut
80.	49 – Housing, Fisheries, Agricultural Research and Education, etc.	State Aquaculture Mission (2405)	881.50	533.31	60.50	Reduction of budget provision by Finance Department.
81.		Construction and Maintenance of Departmental Residential Buildings (4216)	150.00	150.00	100.00	

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Budget Provision	Amount of surrender	% of surrender	Reasons attributed for surrender
82.		Construction and Maintenance of Departmental Non-Residential Buildings (4405)	500.00	500.00	100.00	
83.		Construction and Maintenance of Departmental Fish Farms (4405)	193.00	188.04	97.43	
84.		Industrial Park (2852)	300.00	294.25	98.08	
85.		Share Capital to Mawmluh Cherra Cement Limited (4854)	1000.00	1000.00	100.00	
86.	52 – Industries, Capital Outlay on Cement and Non-metallic Minerals, Capital Outlay on Industries and Mineral, etc.	Financial operation to Meghalaya Industrial Development (4885)	100.00	100.00	100.00	Revision of Plan Outlay by the Planning Department.
87.		Entrepreneurship Development and Incubation Centre at Ampati and Mawpat (4885)	400.00	400.00	100.00	
88.		Integrated Entrepreneurship Incubation Centre (4885)	200.00	200.00	100.00	
89.		Integrated Handloom Development Scheme (2851)	1000.00	967.88	96.79	
90.	53 – Village and Small Industries, Capital Outlay on Village and Small Industries, Loans for Village and Small Industries	Sericulture catalytic Development Programme funded by Central Silk Board (2851)	1000.00	998.56	99.86	Non-receipt of sanction from the GoI
91.		Package Scheme for Inventive Large and Medium (2851)	500.00	500.00	100.00	
92.		Apiculture Mission under IBDP (2852)	100.00	100.00	100.00	
93.		Training Programme (2851)	700.00	673.50	96.21	
94.	54 – Village and Small Industries, Capital Outlay on Housing, etc.	Construction of DCI's Office Buildings (4216)	600.00	600.00	100.00	Revision of Plan Outlay by Planning Department
95.		Establishment of Industrial Estate (4851)	150.00	149.65	100.00	
96.		Development of Industrial Areas (4851)	200.00	166.00	83.00	
97.		Food Park (4851)	200.00	200.00	100.00	

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Budget Provision	Amount of surrender	% of surrender	Reasons attributed for surrender
98.		Acquisition of Land at Industrial Park at Khasi Hills and Garo Hills (4851)	600.00	600.00	100.00	
99.		Convergent Fund (4851)	200.00	200.00	100.00	
100.		Entrepreneurship Development with value chain Links Centre (4851)	200.00	200.00	100.00	
101.	57 - Tourism, Capital Outlay on Public Works, Capital Outlay on Tourism, Loans for Tourism	Projects under SPA, SCA, ACA, ACR, etc (3452)	8191.00	7716.48	94.21	Reduction of plan allocation from the budget.
102.		Central Assistance for CSS (3452)	400.00	400.00	100.00	
103.		Printing of Publicity Materials etc. (3452)	151.35	144.34	95.37	
104.		Central Assistance for CSS (3452)	100.00	100.00	100.00	
105.		Wellness Centre (3452)	200.00	200.00	100.00	
106.		Improvement of Pinewood Hotel (5452)	150.00	150.00	100.00	
107.	Appropriation- Internal Debt of the State Government	Ways and Means Advances (6003)	15000.00	14044.45	93.63	Less expenditure than anticipated
Total			135412.73	125234.20		

APPENDIX 2.9

Surrender in excess of actual savings

(Reference: Paragraph 2.3.11)

(₹ in lakh)

Sl. No.	Number and Name of Grant/Appropriation	Total Grant	Saving	Amount surrendered	Amount surrendered in excess of savings
1.	1 – Council of Ministers, Other Administrative Services <i>etc.</i> Revenue – Voted	1299.00	188.36	189.10	0.74
2.	5 – Elections Revenue – Voted	2818.35	642.72	670.11	27.39
3.	8 – State Excise Revenue – Voted	1554.00	107.00	217.12	110.12
4.	9 – Taxes on Sales, Trade <i>etc.</i> , Other Taxes and Duties on Commodities and Services Revenue – Voted	2185.21	345.91	387.98	42.07
5.	10 – Taxes on Vehicles, Other Administrative Services, Road Transport, <i>etc.</i> Capital – Voted	3700.55	394.56	465.57	71.01
6.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, <i>etc.</i> Revenue – Voted	13715.31	6534.28	6534.75	0.47
7.	13 – Secretariat General Services, Secretariat Social Services, Secretariat Economic Services, <i>etc.</i> Revenue – Voted	13092.48	1029.82	1126.21	96.39
8.	22 – Other Administrative Services <i>etc.</i> Housing, Census, Survey and Statistics Revenue – Voted	2827.76	124.04	199.08	75.04
9.	29 – Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, <i>etc.</i> Revenue – Voted	3113.00	374.53	383.53	9.00
10.	34 – Welfare of Scheduled Caste/ Scheduled Tribe and Other Backward Classes, Security and Welfare, Nutrition, <i>etc.</i> Revenue – Voted	18754.65	59.67	1025.50	965.83
11.	36 – Miscellaneous General Services, Social Security and Welfare Revenue – Voted	1328.49	78.95	115.32	36.37
12.	39 – Co-operation, Other Agricultural Programmes, Capital Outlay on Co-operation, <i>etc.</i> Revenue – Voted	2080.24	273.60	279.43	5.83
13.	41 – Census, Survey and Statistics Revenue – Voted	1818.00	617.11	636.93	19.82
14.	42 – Housing, Other General Economic Services Revenue – Voted	523.00	105.07	121.97	16.90
15.	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	33861.00	25547.51	25583.01	35.50

16.	46 – Special Programme for Rural Development Revenue – Voted	8125.19	214.90	215.19	0.29
17.	55 – Non-Ferrous Mining and Metallurgical Industries, etc. Revenue – Voted	8931.25	1960.73	1961.49	0.76
18.	57 – Tourism, Capital Outlay on Public Works, etc. Revenue – Voted	11180.00	9189.38	9202.30	12.92
	Total	130907.48	47788.14	49314.59	1526.45

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)

			(₹ in crore)
Sl. No.	Grant No./ Appropriation	Name of Grant/Appropriation	Saving
1.	2	Governor, Capital Outlay on Housing Capital – Charged	0.14
2.	16	Police, Other Administrative Services <i>etc.</i> , Housing, Capital Outlay on Police Revenue – Voted	23.24
3.		Revenue – Charged	0.38
4.		Capital – Voted	14.64
5.	17	Jails Revenue – Voted	2.54
6.	21	Miscellaneous General Services, General Education, Technical Education, Capital Outlay on Education, Sports, Arts and Culture, <i>etc.</i> , Capital – Voted	30.75
7.	27	Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, Capital Outlay on Housing Capital – Voted	184.43
8.	38	Secretariat Economic Services, Capital Outlay on Other General Economic Services Capital – Voted	5.00
9.	44	Medium Irrigation, Flood Control and Drainage, Capital Outlay on Medium Irrigation, <i>etc.</i> Revenue – Voted	0.37
10.		Capital – Voted	3.81
11.	50	Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Revenue – Charged	0.14
12.		Capital – Voted	10.14
13.	51	Housing, Crop Husbandry, Special Programmes for Rural Development, Rural Employment, <i>etc.</i> Capital – Voted	0.53
14.	56	Roads and Bridges, Capital Outlay on Roads and Bridges Capital – Voted	52.88
		Total	328.99

APPENDIX 2.11
Details of saving of ₹ 1 crore and above not surrendered
(Reference: Paragraph 2.3.12)

(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1.	1 – Parliamentary/State/Union Territory Legislatures, Stationery and Printing, <i>etc.</i> Revenue – Voted	13.84	7.31	6.53
2.	4 – Administration of Justice Revenue – Voted	9.78	5.54	4.24
3.	6 – Land Revenue, Relief on Account of Natural Calamities, Other Social Services, <i>etc.</i> Revenue – Voted	7.02	5.29	1.73
4.	10 – Taxes on Vehicles, Other Administrative Services, Road Transport, <i>etc.</i> Revenue – Voted	7.66	0.50	7.16
5.	14 – District Administration Revenue – Voted	8.06	6.72	1.34
6.	15 – Elections Revenue – Voted	6.61	0.58	6.03
7.	18 – Stationery and Printing, Capital Outlay on Stationery and Printing, Capital Outlay on Housing Revenue – Voted	3.27	0.35	2.92
8.	19 – Secretariat General Services, Public Works, Housing, Capital Outlay on Public Works, Capital Outlay on Sports, <i>etc.</i> Revenue – Voted	32.91	8.88	24.03
	Capital – Voted	39.66	32.63	7.03
9.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, <i>etc.</i> Revenue – Voted	206.67	111.60	95.07
10.	26 – Medical and Public Health, Family Welfare, <i>etc.</i> Capital – Voted	6.55	5.00	1.55
11.	30 – Information and Publicity Revenue – Voted	5.22	2.66	2.56
12.	31 – Labour and Employment Revenue – Voted	20.20	1.36	18.84
13.	38 – Secretariat Economic Services Revenue – Voted	502.86	427.93	74.93
14.	40 – North Eastern Areas, Capital outlay on North Eastern Areas. Revenue – Voted	91.81	29.87	61.94
	Capital – Voted	25.01	10.62	14.39
15.	43 – Housing, Crop Husbandry, Agricultural Research and Education, Other Agricultural Programmes, Minor Irrigation, <i>etc.</i> Revenue – Voted	135.99	44.73	91.26
	Capital – Voted	104.22	3.47	100.75
16.	47 – Housing, Animal Husbandry, Agricultural Research and Education Revenue – Voted	23.45	18.02	5.43
17.	49 – Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, <i>etc.</i> Revenue – Voted	13.26	11.39	1.87
18.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Revenue – Voted	54.30	13.42	40.88

Sl. No.	Number and Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be surrendered
19.	51 – Housing, Crop Husbandry, Special Programmes for Rural Development, <i>etc.</i> Revenue – Voted	298.46	0.06	298.40
20.	52 – Industries, Capital Outlay on Cement, Capital Outlay on Industries and Minerals, <i>etc.</i> Revenue – Voted	5.42	3.66	1.76
21.	53 – Village and Small Industries, Capital Outlay on Village and Small Industries, Loans for Village and Small Industries Revenue – Voted	22.64	21.41	1.23
22.	54 – Housing, Village and Small Industries, Capital Outlay on Housing, Capital Outlay on Village and Industries, <i>etc.</i> Revenue – Voted	16.07	14.94	1.13
	Total	1660.94	787.94	873.00

APPENDIX 2.12
Cases of surrender of funds in excess of ₹ 1 crore on 31 March 2016
(Reference: Paragraph 2.3.12)

			(₹ in crore)
Sl. No.	Grant Number and Name	Head of Account	Amount surrendered
1.	1 – Parliament/State/Union Territory Legislature, Stationery and Printing, etc.	2011, 2058	7.31
2.			1.05
3.	3 – Council of Ministers	2013	1.89
4.	4 – Administration of Justice	2014	5.54
5.	5 – Elections	2015	6.70
6.	6 – Land Revenue, Relief on Account of Natural Calamities, Other Social Services, etc.	2029, 2245	5.29
7.	8 – State Excise	2039	2.17
8.	9 – Taxes on Sales, Trade etc. Other Taxes and Duties on Commodities and Services	2040,2045	3.88
9.	10 – Taxes on Vehicles, Other Administrative Services, Road Transport, etc.	5053,5055	4.66
10.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, etc.	2045, 2501, 2801, 2810	65.35
11.		4801, 6801	4.40
12.	13 – Secretariat General Services, Secretariat Social Services, etc.	2052, 2251, 3451	11.26
13.	14 – District Administration	2053	6.72
14.	19 – Secretariat General Services, Public Works, Housing, Capital outlay on Public Works, etc.	2052, 2059, 2216	8.88
15.		4059, 4202, 4216	32.63
16.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, Art and Culture, etc.	2202, 2203, 2204, 3425, 3454	111.60
17.	22 – Other Administrative Services, Housing, Census, Survey and Statistics	2070, 2216	1.99
18.	26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, etc.	2210, 2211	27.72
19.		4210	5.00
20.	28 – Housing, Capital Outlay on Housing, Loans for Housing	2216	7.13
21.	29 – Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, etc.	2217	3.84
22.		4216, 4217	136.79
23.	30 – Information and Publicity	2220	2.66
24.	31 – Labour and Employment	2230	1.36
25.	32 – Civil Supplies, Capital Outlay on Food Storage and Ware-housing	3456	1.80
26.	34 – Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes, etc.	2225, 2235, 2236	10.26
27.		4235	4.98
28.	36 – Miscellaneous General Services, Social Security and Welfare	2075, 2235	1.15
29.	38 – Secretariat Economic Services, etc.	3451	427.93
30.	39 – Co-operation, Other Agricultural Programmes, Capital Outlay on Co-operation, etc.	2425, 2435	2.79
31.		4425, 4435	5.04
32.	40 – North Eastern Areas, Capital Outlay on North Eastern Areas	2552	29.87
33.		4552	10.62
34.	41 – Census, Survey and Statistics	3454	6.37
35.	42 – Housing, Other General Economic Services	2216, 3475	1.21

Sl. No.	Grant Number and Name	Head of Account	Amount surrendered
36.	43 – Housing, Crop Husbandry, Agricultural Research & Education, <i>etc.</i>	2216, 2401, 2415, 2435, 2701, 2702, 2711	44.73
37.		4401, 4416, 4701, 4702, 4711	3.47
38.	45 – Housing, Soil, and Water Conservation, Agricultural Research and Education	2216, 2402, 2415	255.83
39.	46 – Special Programme for Rural Development	2501	2.15
40.	47 – Housing, Animal Husbandry, Agricultural Research & Education	2216, 2403, 2415	18.02
41.	49 – Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries	2216, 2405, 2415	11.39
42.		4216, 4405	8.38
43.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife	2406, 2415	13.42
44.	52 – Industries, Capital Outlay on <i>etc.</i>	2852	3.66
45.		4854, 4885, 6885	17.63
46.	53 – Village and Small Industries, Capital Outlay on Village and Small Industries, Loans for Village and Small Industries	2851	21.41
47.	54 – Village and Small Industries, Capital Outlay on Housing, <i>etc.</i>	2851	14.94
48.		4216, 4851	23.69
49.	55 – Non-Ferrous Mining and Metallurgical Industries, Capital Outlay on Housing, <i>etc.</i>	2853	19.61
50.	57 – Tourism, Capital Outlay on Public Works, Capital Outlay on Tourism, Loans for Tourism	3452	92.02
51.		5452	2.11
52.	Appropriation – Interest Payment	2049	4.92
53.	Appropriation – Internal Debt of the State	6003	142.76
	Total		1667.98

APPENDIX 2.13

**Misclassification of Expenditure
(Reference: Paragraph 2.6.8.2)**

(₹ in crore)

Sl. No.	Major Head	Sub Major Head	Minor Head	Sub Head	Amount
I. Minor works booked under 'Capital heads'					
1.	4216	80	800	(09)Rental Housing Scheme	0.26
2.	4216	80	800	(58)Departmental Residential and Non-Residential Building	0.73
3.	4216	80	800	(63)Provision of Development plots on hire purchase	0.21
				Total	1.20
II. Minor works booked under 'Revenue heads'					
1.	2203	...	105	(01)Upgradation of Existing/Setting up of New Polytechnics	3.00
2.	2204	...	800	(03)Non Lapsable Central Pool of Resources	12.60
3.	2216	05	800	(01)Construction	1.68
4.	2401	...	800	(10)Post Harvesting Market	35.22
5.	2401	...	800	(12) ACA under RKBV	3.04
6.	2401	...	119	(37) Central Assistance CSS	1.00
7.	2406	01	800	(04) Intensification of forest Management Scheme	0.28
8.	2515	...	800	(08) Construction of Rural Roads Programme (under MNP)	2.75
9.	2552	05	101	(04)Intensification of Forest Management Scheme	0.33
10.	2552	05	101	(01) Infrastructure Development of Existing Industrial Estate at Shillong and Tura	0.48
				Total	60.38

Appendix-2.14
Excess expenditure over budget provision
(Reference: Paragraph 2.7.3)

(₹ in lakh)

Name of the Scheme	Final Grant	Actual expenditure	Excess
2202 – General Education			
(01) Elementary education (101) Government Primary Schools			
0001 (01) Expenditure on Primary Schools - Sixth Schedule (Part-II) Areas – Plan	236.00	1240.57	1004.57
Non –Plan	13050.35	20811.95	7761.60
0003 (03) Government M.E. School - Sixth Schedule (Part-II) Areas – Non Plan	1686.99	1754.54	67.55
(102) Assistance to non-Government Primary Schools - 0001(01) expenditure on maintenance of Primary School under deficit system – Plan	2000.00	2688.22	688.22
0013 (13) Expenditure on UP Schools under Non Deficit system - Sixth Schedule (Part-II) Areas – Plan	1821.60	1906.55	84.95
Non Plan	1520.64	1920.81	400.17
0007 (07) Meghalaya Aided Schools Employers Death cum Retirement Gratuities- Non-Plan	3.30	30.81	27.51
(02) 02 Secondary Education (104) Inspection 0001 (01) Inspection of schools and staff - Sixth Schedule (Part-II) Areas – Plan	126.33	140.94	14.61
(109) Government Secondary School 0001 (01) Secondary School for Boys - Sixth Schedule (Part-II) Areas – Plan	986.43	1054.06	67.63
Non –Plan	2280.00	2362.54	82.54
0002 (02) Secondary Schools for Girls - Sixth Schedule (Part-II) Areas – Non –Plan	597.92	708.67	110.75
0003 (03) Special Schools - Sixth Schedule (Part-II) Areas – Plan	269.25	272.95	3.70
110 Assistance to Non Government Secondary Schools 0001 (01) Expenditure on Secondary Schools under deficit system for boys - Sixth Schedule (Part-II) Areas – Plan	700.00	757.31	57.31
0002 (02) Expenditure on Secondary Schools under deficit system for girls - Sixth Schedule (Part-II) Areas – Plan	200.00	383.78	183.78
Non-Plan	4809.93	6908.01	2098.08
0003 (03) Expenditure on Non deficit Secondary Schools for boys – Plan	56.54	72.11	15.57
Sixth Schedule (Part – II)Areas – Non Plan	327.36	335.50	8.14
0006 (08) Promotion of Hindi in non-government schools for boys and girls – Plan	15.12	18.95	3.83
Non - Plan	71.20	81.06	9.86
0009 (09) Improvement facilities for teaching of science in High School – Non Plan	9.24	19.25	10.01
Sixth Schedule (Part-II) Areas – Plan	220.95	295.55	74.60
Non Plan	48.84	71.02	22.18
0026(25) Construction of Hostel for Rural Student (On PPP Model) – Plan	92.02	281.00	188.98
03 University and Higher Education			
001 Direction and Administration 0001 (01) Headquarters – Non Plan	170.47	175.85	5.38
103 Government colleges and Institutions 0012 (12) B.Ed Government College, Tura - Sixth Schedule (Part-II) Areas – Plan	24.59	82.56	57.98

Name of the Scheme	Final Grant	Actual expenditure	Excess
0013 (13) Government College - Sixth Schedule (Part-II) Areas – Non Plan	1699.38	1999.38	300.00
104 Assistance to Non-Government Colleges and Institutions – 0001 (01) Expenditure on Colleges under deficit system - Sixth Schedule (Part-II) Areas – Non Plan	870.00	947.50	77.50
200 Other Adult Education Programme 0001 (01) District Social Education Officer and staff - Sixth Schedule (Part-II) Areas – Non Plan	324.20	352.03	27.83
0003 (03) District Adult Education Officer and staff – Non Plan	136.10	152.60	16.50
80 General			
003 Training 0010 (10) Setting up of Evaluation Unit - Non Plan	39.68	62.64	22.96
2203 Technical Education			
105 Polytechnic 0005(05) Setting up of new Polytechnic – Plan	0.01	150.05	150.04
2204 Sports and Youth Services			
001 Direction and Administration 0001 (01) Directorate of Sports – Non Plan	100.49	102.82	2.33
0003 (03) District Sport Officer and staff- Sixth Schedule (Part-II) Areas –Plan	100.28	117.93	17.64
0003(03) National Cadet Corps Unit Offices - Non Plan	57.68	102.82	45.14
0008 (08) Assistance to Junior Red Cross – Non Plan	14.18	23.78	9.60
104 Sports and Games 0001 (01) Assistance to state sports council – Plan	350.58	530.58	180.00
0007 (07) Development of Sports and Games – Plan	575.47	582.74	7.26
0015 (15) Assistance for procurement of sports materials to various sports clubs/organizations - Sixth Schedule (Part-II) Areas –Plan	6.00	9.50	3.50
2205 Art and Culture			
105 Public Library 0003 (03) State Central Library Shillong – Non Plan	122.67	127.57	4.90
Art Education			
0003(03) Institute of Culture – Non Plan	80.80	83.44	2.64
Total	35802.59	49719.94	13917.34

APPENDIX 3.1

Statement showing names of bodies and authorities, the accounts of which had not been received as on 31 March 2016

(Reference: Paragraph 3.2)

(₹ in lakh)

Sl. No.	Name of the Departments/ Ministries	Number of the Bodies	Years for which accounts had not been received.	Grants Received	
				Year	Amount
1	2	3	4	5	6
1.	Co-operation Department	1	1990-1991 to 2015-16	2007-08	239.60
2.	Housing Department	1	1991-1992 to 2015-16	2000-01	1789.60
3.	Ministry of Tribal Affairs	1	2004-2005 to 2015-16	2008-09	667.35
4.	Ministry of Human Resources	3	2006-07 to 2015-16	2006-07	28468.18
5.	District Administration Department	4	2007-08 to 2015-16	2006-07	21517.80
6.	Urban Affairs Department	2	2011-12 to 2015-16	2012-13	1252.91
7.	Community and Rural Development Department	3	2008-09 to 2015-16	2007-08	8553.18
8.	Social Welfare Department	1	2008-09 to 2015-16	2011-12	86.45
9.	Soil and Water Conservation Department	1	2008-09 to 2015-16	2008-09	25.00
10.	Agriculture Department	1	2010-11 to 2015-16	2010-11	126.56
11.	Ministry of Micro, Small and Medium Enterprises (MSME) GoI	1	2011-12 to 2015-16	2012-13	880.51
12.	Public Works Department	1	2011-12 to 2015-16	2011-12	393.62
13.	Ministry of Culture	1	2009-10 to 2015-16 (New)	2011-12	176.78
14.	Health and Family Welfare Department	2	2014-15	2013-14	6603.08
15.	Information and Technology Department	1	2015-16	2013-14	8472.37
16.	Planning Department	1	2008-09 to 2015-16	2013-14	276.67
17.	Ministry of Finance Department of Economic Affairs	1	2011-12 to 2015-16	2012-13 to 2013-14	1254.00
	Total	26			80783.66

APPENDIX 3.2

Department wise /duration wise break-up of the cases of misappropriation, theft and loss

(Cases where final action pending at the end of March 2016)

(Reference: Paragraph 3.4)

(₹ 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 number of cases
Public Works	--	--	1 (3.80)	--	1 (1.78)	3 (12.16)	5 (17.74)
Health and Family Welfare	--	1 (0.65)	1*	--	1* 1 (0.27)	--	2* 2 (0.92)
Public Health Engineering	--	2 (0.59)	2 (1.28)	31 (2.35)	18 (3.15)	5 (0.21)	58 (7.58)
Legislative Assembly	1 (40.75)	--	--	--	1 (3.34)	--	2 (44.09)
Finance	--	--	--	--	--	1 (15.74)	1 (15.74)
Mining	--	--	--	1 (16.55)	--	--	1 (16.55)
Community and Rural Development	--	--	--	1 (3.03)	--	--	1 (3.03)
Land Record and Survey	--	--	1 (1.56)	--	--	--	1 (1.56)
Horticulture	--	1 (21.06)	--	--	--	--	1 (21.06)
Total	1 (40.75)	4 (22.30)	1* 4 (6.64)	33 (21.93)	1* 21 (8.54)	9 (28.11)	2* 72 (128.27)

(Figures in brackets indicate ₹ in lakh)

* Amount not intimated