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on 23 MAR 2016

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

**For the year ended 31 March 2015**

**GOVERNMENT OF MEGHALAYA**



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

*2. Chapters I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2015.*

*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 objectively the financial performance of the State during the year 2014-15. 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 2014-15, Meghalaya Fiscal Responsibility and Budget Management (MFRBM) Act, 2006 (amended in October 2011) and projections made by the Thirteenth Finance Commission (XIII FC).

Based on the audited accounts of the Government of Meghalaya for the year ending March 2015, 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 2015. It provides an insight into trends in expenditure, borrowing pattern besides a brief account of central funds transferred directly to the State implementing agencies through off-budget route.

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

**Chapter III** is an inventory of Meghalaya Government's compliance with various reporting requirements and financial rules.

The report also has an appendage of additional data collected from several sources in support of the findings.

### AUDIT FINDINGS

#### ❖ *Return to fiscal correction*

The fiscal position of the State viewed in terms of key fiscal parameters – revenue surplus, fiscal deficit, primary deficit – indicated deterioration in the financial health of the State during 2014-15 relative to previous three years (2010-11 and 2012-14). During 2014-15, though the State continued to maintain the status of revenue surplus, this surplus declined to ₹ 176.39 crore against ₹ 715.14 crore during 2013-14. The

fiscal deficit as well as primary deficit of the State have also increased significantly during 2014-15 compared to previous year.

❖ **Revenue Receipts**

Revenue receipts during 2014-15 grew merely by 2.58 *per cent* (₹ 161.52 crore) over previous year. The tax revenue receipts exceeded normative assessment made by XIII FC by 12.70 *per cent*, but the non-tax revenue was 2.40 *per cent* lower than the target of XIII FC. State's own resources (tax and non-tax revenue) during 2014-15 (₹ 1282.48 crore) were 17.12 *per cent* less than those of previous year (₹ 1547.45 crore) and constituted only 19.95 *per cent* of the revenue receipts of the year. The Central transfers comprising State's share of central taxes and grants-in-aid from the Government of India increased by ₹ 426.49 crore in 2014-15 and contributed 80.05 *per cent* of the revenue receipts during the year, indicating central transfers being the key in the increase in revenue receipts of the State.

❖ **Revenue / Capital / Total Expenditure**

The revenue expenditure of the State increased by 55.80 *per cent* from ₹ 4012.74 crore in 2010-11 to ₹ 6251.86 crore in 2014-15. The expenditure pattern of the State reveals that though the revenue expenditure as a percentage of total expenditure marginally increased from 83.24 *per cent* in 2013-14 to 84.18 *per cent* in the current, it hovered around 84 *per cent* during the period (2010-15) leaving inadequate resources for expansion of services and creation of assets. Within the revenue expenditure, NPPE at ₹ 4071.37 crore in 2014-15 constituted 65.12 *per cent* and remained significantly higher (21.24 *per cent*) than the normatively assessed level of ₹ 3358.15 crore by XIII FC for the year. Further, expenditure on salaries and wages, pensions, interest payments and subsidies continued to consume a large share of revenue expenditure which was 49.29 *per cent* (₹ 3081.29 crore) during 2014-15. Capital outlay during 2014-15 (₹ 1118.49 crore) though increased by ₹ 43.02 crore (4 *per cent*) only over previous year, fell short by 34.76 *per cent* (₹ 595.93 crore) of the projection (₹ 1714.42 crore) made by the State Government in its budget for the year.

❖ **Government investments**

The average return on Meghalaya Government's investments in Statutory Corporations, Government Companies and Co-operative Societies was less than one *per cent* during 2010-15, whereas its average interest outgo was in the range of 6.22 to 6.61 *per cent*.

❖ **Debt sustainability**

During 2014-15, there was significant deterioration in all the three major fiscal indicators, viz., revenue surplus, fiscal deficit and primary deficit over previous year. The fiscal deficit increased from ₹ 382.18 crore in 2013-14 to ₹ 978.45 crore during the current year. Primary deficit also increased significantly by ₹ 562.67 crore

from ₹ 10.68 crore in 2013-14 to ₹ 573.35 crore in 2014-15. The fiscal deficit-GSDP ratio stood at 3.86 *per cent* during 2014-15 against the ceiling of 3 *per cent* or less prescribed in the MFRBM Act, 2006 (as amended) and also the recommendation of the XIII FC to maintain this ratio at 3 *per cent* of GSDP or less. The prevalence of fiscal deficit during 2010-15 indicates continued reliance of the State on borrowed funds, resulting in increasing fiscal liabilities of the State over the period 2010-15, which increased by 7.69 *per cent* during 2014-15 compared to previous year. The fiscal liabilities during 2014-15 stood at 26.65 *per cent* of the GSDP during the current year against 28.60 *per cent* during 2013-14 and exceeded the limit of total outstanding Debt-GSDP ratio projected in Medium Term Fiscal Plan (25.88 *per cent*) for the year.

#### ❖ *Financial management and budgetary control*

**D**uring 2014-15, there was an overall saving of ₹ 4940.09 crore, which was the result of saving of ₹ 5055.08 crore offset by excess of ₹ 114.99 crore. The excess of ₹ 114.99 crore requires regularisation under Article 205 of the Constitution of India. There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. In many cases, the anticipated savings were either not surrendered or surrendered on the last day of the year leaving no scope for utilising these funds for other development purposes. Budgetary procedure and expenditure control of the Government was weak.

#### ❖ *Financial reporting*

**S**tate Government's compliance with various rules, procedures and directives was unsatisfactory as evident from delay in furnishing utilisation certificates for grants given by Government departments. Delays also figured in submission of annual accounts by some autonomous bodies. Also, there were instances of loss and misappropriation.

### RECOMMENDATIONS

**R**evenue Receipts: The State Government should explore the possibilities of mobilising additional resources both through tax and non-tax sources by expanding the tax base and rationalising the user charges.

**G**reater priority to capital expenditure: Expenditure pattern of the State Government needs correction in the ensuing years. The State should initiate action to restrict the components of non-plan revenue expenditure. Though expenditure incurred under capital heads had been increasing over the years, yet the expenditure pattern under this sector needs correction.

**G**overnment investments: Considering the low return on investment in Statutory Corporations, Government Companies and Co-operatives, the State Government should ensure better value for money in investments by identifying

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

**D**ebt sustainability: Recourse to borrowed funds in future should be carefully assessed and managed so that the Fiscal Liabilities-GSDP ratio can be restricted to the projection made in the Medium Term Fiscal Plan.

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

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

# **CHAPTER-I**

## **FINANCES OF THE STATE GOVERNMENT**



## CHAPTER I

### Finances of the State Government

#### Profile of Meghalaya

Meghalaya, a Special Category State, is situated in the North-East region of India and is bounded on the north by Goalpara, Kamrup and Nowgong Districts of Assam, on the east by Karbi Anglong and North Cachar Hills 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 2014-15 at current prices was ₹ 25,333 crore. The State's literacy rate increased from 62.56 *per cent* (2001) to 74.43 *per cent* (as per 2011 census). General data relating to the State is given in **Appendix 1.1 (Part-D)**.

#### Gross State Domestic Product

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

**Table 1.1 : Trends in Gross State Domestic Product**

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
India's GDP (₹ in crore)	7248860	8391691	9388876	10472807	11509810 <sup>#</sup>
Growth rate of GDP ( <i>per cent</i> )	18.66	15.77	11.88	11.54	-
Gross State Domestic Product (₹ in crore)	14583	17199	19009	21922	25333
Growth rate of GSDP ( <i>per cent</i> )	14.75	17.94	10.52	15.32	15.56

Source: For GSDP, the information as available on CSO web-site as on 31 July 2015

<sup>#</sup> Excluding three states viz. Goa, Andaman and Nicobar Islands and Chandigarh.

As per GSDP series, there was a fluctuating trend in the growth rate of GSDP. The GSDP increased from ₹ 21922 crore in 2013-14 to ₹ 25333 crore in 2014-15, representing an increase of 15.56 *per cent*. The GSDP during 2014-15 also exceeded the assessment (₹ 19,032 crore) made by the XIII FC by 33.11 *per cent*. Incidentally, the growth of GSDP during 2014-15 at 15.56 *per cent* exceeded the assessment of the XIII FC (11.5 *per cent*). The average compound annual growth rate in respect of GSDP for Meghalaya between 2004-05 and 2014-15 was 16.20 *per cent*.

## 1.1 Introduction

This chapter provides a broad perspective of the finances of the Government of Meghalaya (GOM) during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years. The analysis has been made based on State Finance Accounts and the information obtained from State Government. The structure of Government Accounts, lay out of Finance Accounts, methodology adopted for the assessment of fiscal position and State Profile are shown in **Appendix 1.1 (Parts A, B C & D)**. The time series data on key fiscal variables/parameters and fiscal ratios relating to the State Government finances for the period 2010-15 are presented in **Appendix 1.2**.

### 1.1.1 Summary of Current Year's Fiscal Transactions

**Table 1.2** presents the summary of the State Government's fiscal transactions during the current year (2014-15) *vis-à-vis* the previous year. **Appendix 1.3** provides details of receipts and disbursements as well as overall fiscal position during the current year.

**Table 1.2 : Summary of Current Year's Fiscal Transactions**

(₹ in crore)

Receipts			Disbursements				
	2013-14	2014-15		2013-14	2014-15		
Section – A : Revenue							
				Total	Non-Plan	Plan	Total
Revenue Receipts	6266.73	6428.25	Revenue Expenditure	5551.59	4071.37	2180.49	6251.86
Tax revenue	949.30	939.19	General Services	1838.37	1995.82	25.83	2021.65
Non-tax revenue	598.15	343.29	Social Services	1973.77	1255.71	1114.53	2370.24
Share of Union Taxes/Duties	1301.96	1381.69	Economic Services	1739.45	819.84	1040.13	1859.97
Grants-in-aid from Government of India	3417.32	3764.08					
Section – B : Capital							
Miscellaneous Capital receipts	...	...	Capital Outlay	1075.47	...	1118.49	1118.49
Recoveries of Loans and Advances	20.48	19.76	Loans and Advances disbursed	42.33	39.66	16.45	56.11
Public Debt Receipts <sup>1</sup>	475.42	726.96	Repayment of Public Debt <sup>1</sup>	141.62	...	...	202.66
Contingency Fund	...	...	Contingency Fund	...	...	...	...
Public Account Receipts <sup>2</sup>	4405.98	3997.59	Public Account Disbursements <sup>3</sup>	3508.69	...	...	3965.73
Opening Balance	- 21.07	827.84	Closing Balance	827.84	...	...	405.55
Total	11147.54	12000.40	Total	11147.54			12000.40

<sup>1</sup> Includes net Ways and Means Advances.

<sup>2</sup> Gross Receipts

<sup>3</sup> Gross Disbursements

Following are the significant changes during 2014-15 over the previous year:

- **Revenue receipts** marginally increased by 2.58 *per cent* (₹ 161.52 crore) over the previous year. The increase was due to increase in grants-in-aid from the Government of India (GOI) (₹ 346.76 crore), State's share of Union taxes and duties (₹ 79.73 crore), offset by decrease in non-tax revenue (₹ 254.86 crore) and tax revenue (₹ 10.11 crore).
- **Revenue expenditure** increased by 12.61 *per cent* (₹ 700.27 crore) over the previous year. While there was significant increase under non-plan heads (₹ 368.55 crore), the expenditure under plan heads increased by ₹ 331.72 crore over previous year.
- Compared to previous year, the **capital outlay** of the State increased by 4 *per cent* (₹ 43.02 crore), which was the net result of increase under economic services (₹ 73.23 crore) and decrease under social services (₹ 27.77 crore) and general services (₹ 2.44 crore),
- **Recovery of loans and advances** during the current year marginally decreased by ₹ 0.72 crore and **disbursement of loans and advances increased** by ₹ 13.78 crore compared to the previous year.
- **Public Debt receipts and repayments** increased by ₹ 251.54 crore and ₹ 61.04 crore respectively over the previous year.
- **Public Account receipts** decreased by ₹ 408.39 crore, but **disbursements** under Public Account significantly increased by ₹ 457.04 crore over the previous year.
- **Cash balance** decreased significantly by ₹ 422.29 crore over previous year.

### 1.1.2 Review of fiscal situation

In accordance with the recommendations of the Twelfth Finance Commission (XII FC), the GOM has enacted the Meghalaya Fiscal Responsibility and Budget Management (MFRBM) Act, 2006. In accordance with the recommendations of the XIII FC, the MFRBM Act was amended by the State Government and came into force from 10 October 2011. The amended MFRBM Act (**Appendix 1.1- Part E**) laid down the following fiscal targets.

- (a) maintain revenue surplus during the award period 2011-12 to 2014-15;
- (b) reduce fiscal deficit to 3 *per cent* of GSDP or less during 2011-12 to 2014-15;
- (c) ensure outstanding debt of the State will be aligned as recommended by XIII FC and such outstanding debt expressed as percentage of GSDP shall progressively be reduced from 32.7 *per cent* during 2011-12 to 31.7 *per cent* during 2014-15.

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

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

The performance of the State during 2014-15 in terms of key fiscal targets set for selected parameters laid down in MFRBM Act, 2006 and projections made in Medium Term Fiscal Policy (MTFP) statement *vis-à-vis* achievements are given in **Table 1.3**.

**Table 1.3 : Trends in major fiscal parameters *vis-à-vis* projections for 2014-15**

Fiscal parameters	2014-15			
	XIII FC targets for the State	Targets as prescribed in MTF Plan	Projections MTFP Statement	Actual
Revenue Surplus (+)/ Deficit (-) (₹ in crore)	Maintain revenue balance or attain a surplus	1224.81	-	176.39
Revenue Surplus/Total Revenue Receipts ( <i>per cent</i> )	-	-	11.01	2.74
Fiscal Deficit/GSDP ( <i>per cent</i> )	3	2.17	2.17	3.86
Total Outstanding Liabilities/GSDP ( <i>per cent</i> )	31.7	25.88	28.71	26.65

During 2014-15, 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 a meagre 2.74 against projection of 11.01 made in MTF Statement. The Fiscal Deficit-GSDP ratio exceeded the limit fixed in MTFP Statement/MTF Plan as well as that prescribed by XIII FC. Total Outstanding Liabilities-GSDP ratio was within the limit fixed by the XIII FC and MTFP Statement, but exceeded the limit fixed in the MTF Plan.

### 1.1.3 Budget estimates and actual

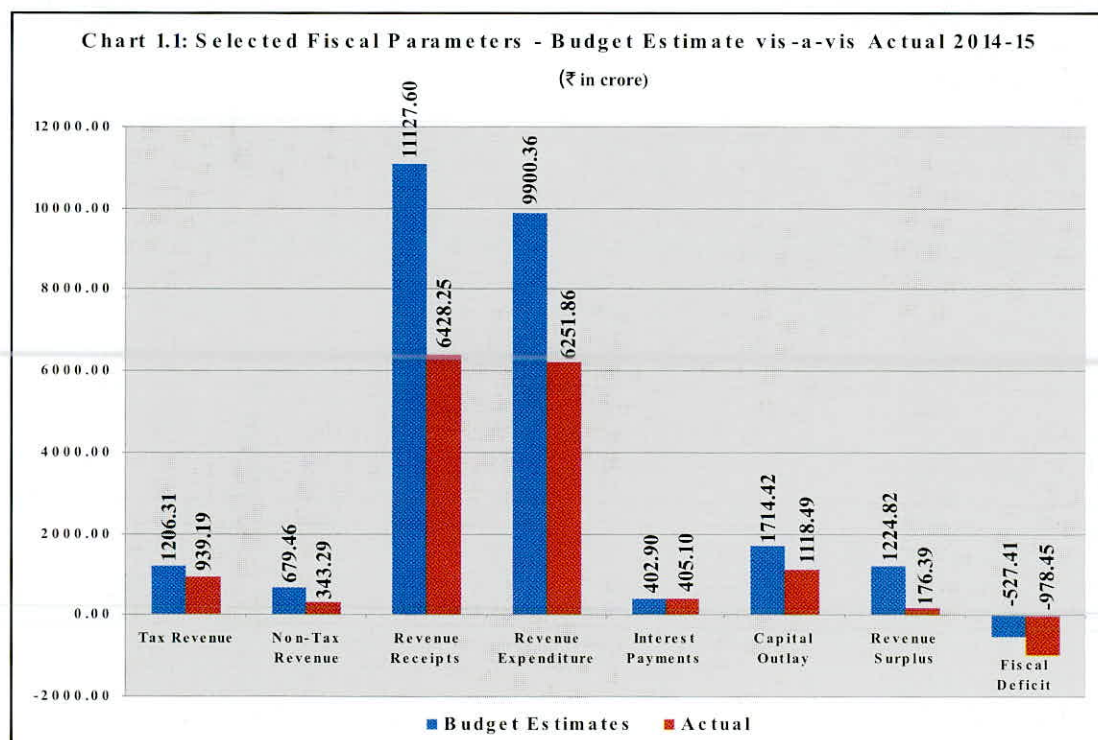
The budget papers presented by State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviation from the Budget Estimates are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, some within the control of the Government and some beyond the control of the Government. **Table 1.4** presents the consolidated picture of finances of the State during 2013-14 (actuals) and 2014-15 (budget estimates, revised estimates and

actuals) and **Chart 1.1** presents the budget estimates and actuals for some important fiscal parameters.

**Table 1.4 : Variation in major items – Actual of 2014-15 over 2013-14, Actual of 2014-15 vis-à-vis Budget Estimates and Revised Estimates**

(₹ in crore)

Parameters	2013-14	2014-15			Percentage of Excess (+)/ Shortfall (-) during 2014-15 with reference to	
	Actual	Budget Estimates (BE)	Revised Estimates (RE)	Actual	Actual of 2013-14	BE/RE
Tax Revenue	949.30	1206.31	1206.31	939.19	- 1.06	- 22.14
Non-Tax Revenue	598.15	679.46	679.46	343.29	- 42.61	- 49.48
Revenue Receipts	6266.73	11127.60	11127.60	6428.25	2.58	- 42.23
Non-debt Capital Receipts	20.48	28.22	28.22	19.76	- 3.52	- 29.98
Revenue Expenditure	5551.59	9900.36	9900.36	6251.86	12.61	- 36.85
Interest Payments	371.50	402.90	402.90	405.10	9.04	0.55
Capital Outlay	1075.47	1714.42	1714.42	1118.49	4.00	- 34.76
Disbursement of Loans & Advances	42.33	66.03	66.03	56.11	32.55	- 15.02
Revenue Surplus (+)/Deficit (-)	715.14	1224.82	1224.82	176.39	- 75.33	- 85.60
Fiscal Deficit (-)	- 382.18	- 527.41	- 527.41	- 978.45	156.02	85.52
Primary Deficit (-)/Surplus (+)	- 10.68	- 124.51	- 124.51	- 573.35	5268.45	- 360.49



- During 2014-15, actual **revenue receipts** fell short of the budget estimates and revised estimates by 22.14 *per cent*.

- The **revenue expenditure** of the State Government during 2014-15 was less than the budget estimate by 36.85 *per cent* (₹ 3648.50 crore).
- The **capital outlay** vis-à-vis budget estimate was less by 34.76 *per cent* (₹ 595.93 crore).
- The year 2014-15 ended with a revenue surplus of ₹ 176.39 crore against assessment for revenue surplus of ₹ 1224.82 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 ₹ 1048.43 crore offset by shortfall in capital expenditure by ₹ 595.93 crore, actual fiscal deficit and primary deficit during 2014-15 was higher than the assessment made in the budget estimate by 85.52 *per cent* (₹ 451.04 crore) and 360.49 *per cent* (₹ 448.84 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 increased by 85.52 *per cent* (- ₹ 451.04 crore).

#### 1.1.4 Gender Budgeting

Gender budget of the State discloses the expenditure proposed to be incurred within the overall budget on schemes which are designed to benefit women fully or partly. The budget documents for the year 2014-15 presented to the State Legislature did not include any separate volume on gender budget. The information whether gender budgeting was introduced in Meghalaya, though called for (August 2015) from the Finance Department, had not been furnished.

### 1.2 Resources of the State

#### 1.2.1 Resources of the State as per Annual Finance Accounts

**Revenue and capital** are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the Government of India (GOI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GOI. Besides the funds available in the Public Accounts after disbursement are also utilised by the Government to finance its deficit. **Chart 1.2** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.3** depicts the trends in various components of the receipts of the State during 2010-15 and **Chart 1.4** depicts the composition of resources of the State during the current year.

Chart 1.2

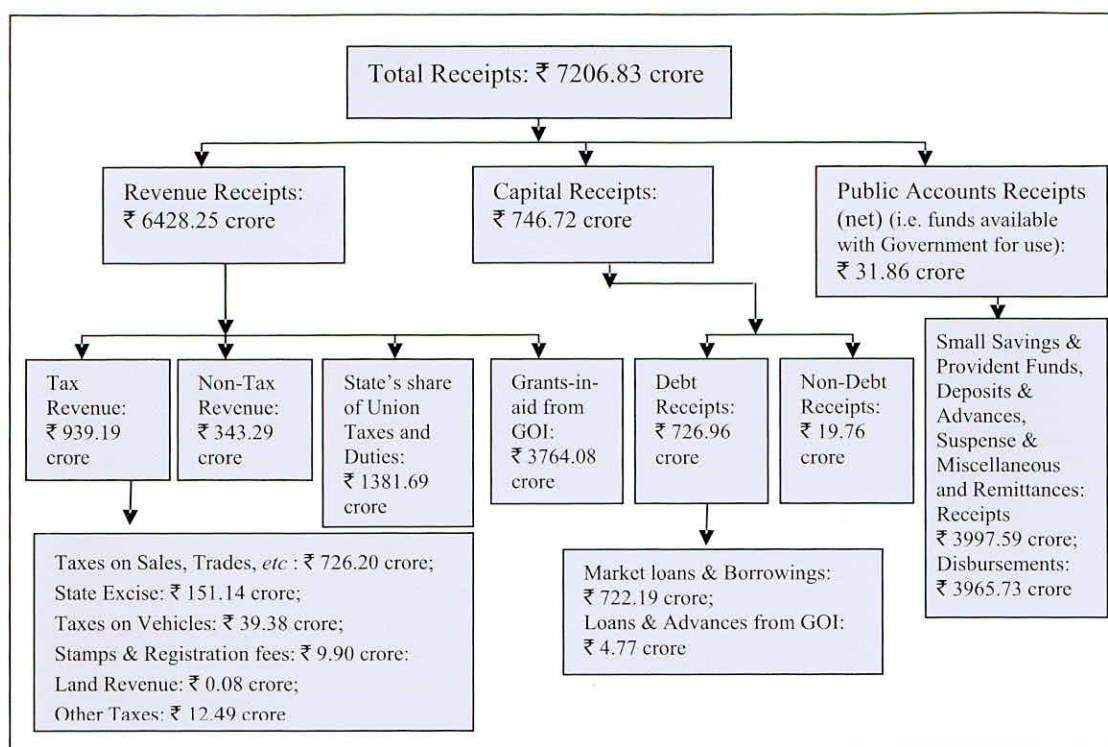
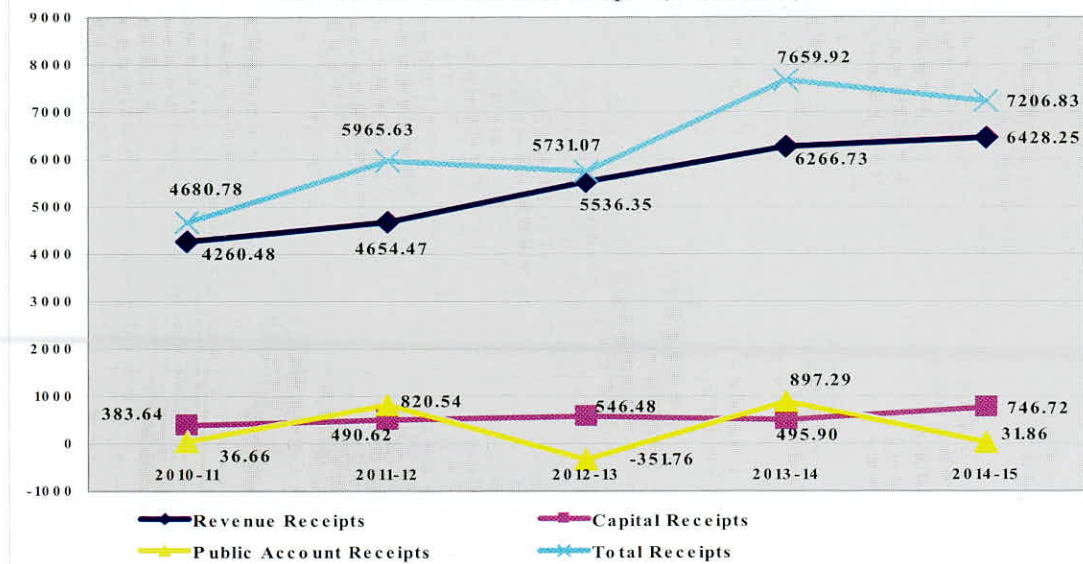


Chart 1.3: Trends in Receipts (₹ in crore)



The **total receipts** during the current year decreased by ₹ 453.09 crore (5.92 per cent) over the previous year. This was mainly due to net receipts of ₹ 31.86 crore under Public Account during 2014-15 when compared to previous net receipts of ₹ 897.29 crore.

The **total receipts** of the State for 2014-15 were ₹ 7206.83 crore, of which ₹ 6428.25 crore (89.20 per cent) came from revenue receipts and ₹ 746.72 crore (10.36 per cent) came from recoveries of loans and advances and borrowings. The total receipts of the State increased by 53.97 per cent from ₹ 4680.78 crore in 2010-11 to ₹ 7206.83 crore in 2014-15.

The debt capital receipts which create future repayment obligation increased by 103.98 *per cent* from ₹ 356.39 crore (7.61 *per cent* of total receipts) in 2010-11 to ₹ 726.96 crore (10.09 *per cent* of total receipts) in 2014-15. The net **Public Account receipts** fluctuated widely during the period 2010-15, with a receipt of ₹ 31.86 crore during 2014-15. During the current year, the **Capital receipts** (recoveries of loans and advances plus Public Debt receipts) accounted for 10.36 *per cent* of total receipts.

### 1.2.2 Funds Transferred to State Implementing Agencies outside the State Budget

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies<sup>4</sup> for implementation of various schemes/programmes in social and economic sectors, which are recognised as critical. Though the transfers have reduced substantially during the current year as compared to previous year in order to present the holistic picture on availability of aggregate resources, an illustrative position of Central funds directly transferred to State Implementing Agencies are presented in **Appendix 1.4**. The Government of India directly transferred an approximate amount of ₹ 42.06 crore to various State Implementing Agencies during 2014-15. Scheme-wise position involving ₹ 1 crore or more are given in **Table 1.5** below.

**Table 1.5 : Funds Transferred directly to State Implementing Agencies**

(in ₹)			
Sl. No.	Programme/Scheme	Implementing Agency in the State	Funds transferred by the GOI
1.	Grant in Aid to NGOs for STs including Coaching & Allied Scheme	Ramakrishna Mission Ashrama, Meghalaya	67215218
2.	Grid Interactive Renewable Power MNRE	Meghalaya State Electricity Board	12500000
3.	MPs Local Area Development Scheme	DC, West Garo Hills	100000000
4.	(MPLADs)	DC, East Khasi Hills	50000000
5.	NER-Textile Promotion Scheme	Director of Sericulture and Weaving, Govt. of Meghalaya, Shillong	50895590
6.		Meghalaya Information Technology Society	14000000
7.		Director, Arts and Culture, Shillong	11967000
8.	Off Grid DRPS	Meghalaya Non-Conventional and Rural Energy Development	67291865

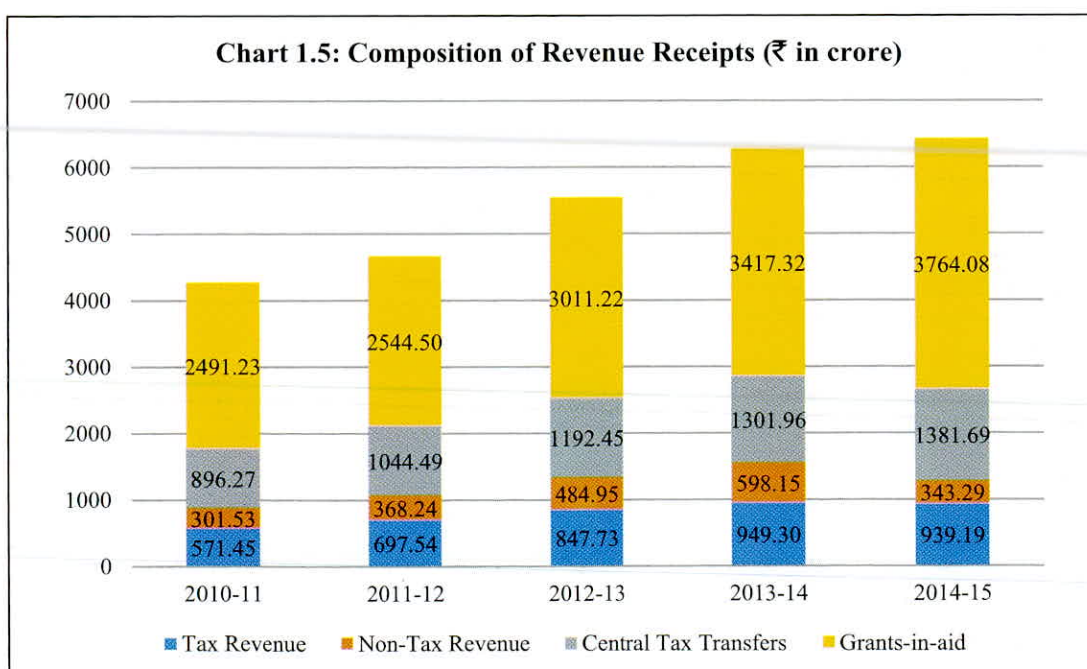
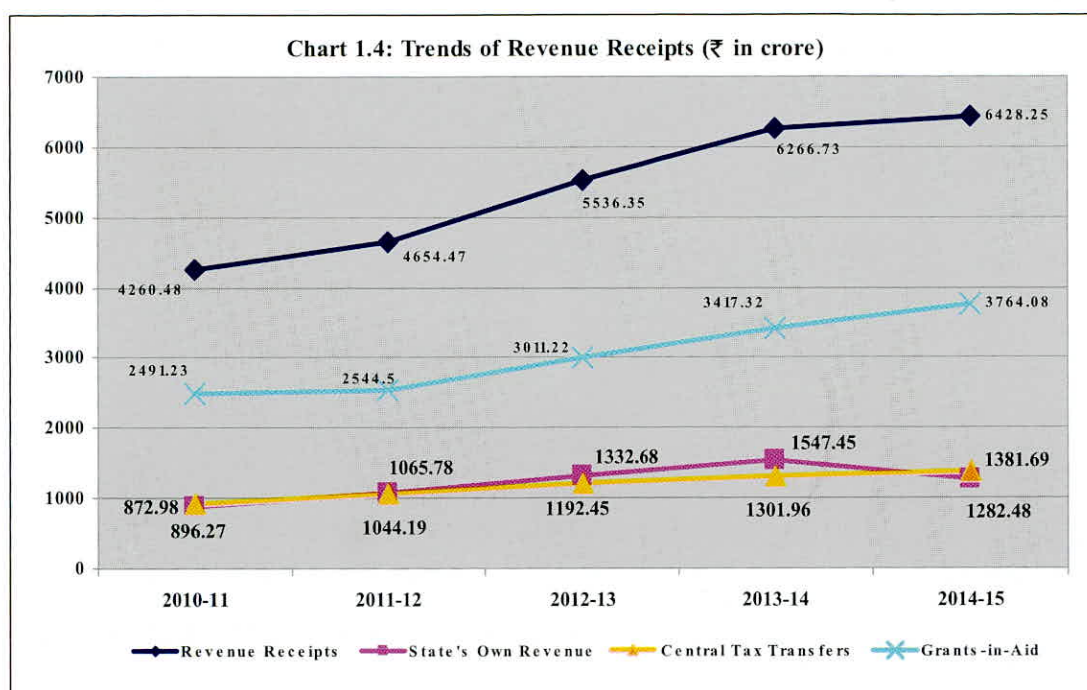
Source: Central Plan Scheme Monitoring System of CGA website.

Of ₹ 42.06 crore, ₹ 15 crore (35.66 *per cent*) was transferred to the Deputy Commissioners, West Garo Hills and East Khasi Hills for MPLADs and ₹ 6.73 crore (16 *per cent*) to State Meghalaya Non-Conventional and Rural Energy Development under Off Grid DRPS. Direct transfer from the Union to the State Implementing Agencies runs the risk of poor accountability. Unless uniform accounting practices are diligently followed by all these agencies and there is proper documentation and timely reporting of expenditure, it will be difficult to monitor the end use of these direct transfers.

<sup>4</sup> 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.

### 1.3 Revenue Receipts

**Statement 11** of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, central tax transfers and grants-in-aid from GOI. The trends and composition of revenue receipts over the period 2014-15 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**.



**Table 1.6 : Trends in Revenue Receipts relative to GSDP**

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Revenue Receipts (RR) (₹ in crore)</b>	<b>4260.48</b>	<b>4654.47</b>	<b>5536.35</b>	<b>6266.73</b>	<b>6428.25</b>
Rate of Growth of RR ( <i>per cent</i> )	23.59	9.25	18.95	13.19	2.58
Rate of Growth of Own Taxes ( <i>per cent</i> )	28.62	22.06	21.53	11.98	-1.06
RR/GSDP ( <i>per cent</i> )	29.22	27.06	29.12	28.59	25.38
<b>Buoyancy Ratio<sup>5</sup></b>					
Revenue Buoyancy Ratio with reference to GSDP	1.60	0.52	1.80	0.86	0.17
State's Own Taxes Buoyancy Ratio with reference to GSDP	1.94	1.23	2.05	0.78	-0.07
State's Own Taxes Buoyancy Ratio with reference to Revenue Receipts	1.21	2.39	1.14	0.91	-0.41

### 1.3.1 General Trends

The **revenue receipts** of the State increased by ₹ 2167.77 crore from ₹ 4260.48 crore in 2010-11 to ₹ 6428.25 crore in 2014-15. There were however, wide inter-year variations in the growth rates. The rate of growth of revenue receipts was 2.58 *per cent* in 2014-15 compared to growth rate of 13.19 *per cent* during the preceding year. The buoyancy ratio of revenue receipts in 2014-15 with reference to GSDP has decreased significantly primarily due to significant decrease in the rate of growth of revenue receipts compared to previous year and increase in growth rate of GSDP during the year. The buoyancy ratio of the State's own tax revenue with reference to GSDP has also decreased significantly because the rate of growth of own tax revenue in 2014-15 relative to the previous year was negative. Buoyancy ratio of State's own taxes to revenue receipts indicates that there was no growth of own taxes during the year (2014-15) while the pace of growth was faster during previous four years (2010-11 to 2013-14). Buoyancy ratio of state's own taxes with reference to revenue receipts was a negative 0.41 during the year 2014-15 against buoyancy ratio of 2.39 during 2011-12, when it was at its peak.

### 1.3.2 State's Own Resources

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

The State's actual tax and non-tax receipts for the year 2014-15 *vis-à-vis* assessments made by the XIII FC and State Government in Budget Estimate (BE) are given below:

<sup>5</sup> Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance revenue buoyancy at 0.88 during 2013-14 implies that revenue receipts tend to increase by 0.88 percentage points, if the GSDP increases by one *per cent*.

Table 1.7

(₹ in crore)

	XIII FC projections	Budget estimates	Actual
Tax revenue	833.36	1206.31	939.19
Non tax revenue	351.72	679.46	343.29

The State had successfully achieved the target fixed by XIII FC in collection of tax revenue during 2014-15, but failed to achieve the target fixed by the XIII FC for non-tax revenue as well as projection made in the budget estimate for both tax and non-tax revenues. During the year, tax revenue was 12.70 *per cent* higher than the assessment made by the XIII FC but 22.14 *per cent* less than the projection made in the budget estimate. The non-tax revenue was 2.40 *per cent* and 49.48 *per cent* lower than the target of XIII FC and assessment made in the budget estimate for the year respectively. State's own resources (tax and non-tax revenue) during 2014-15 (₹ 1282.48 crore) were 17.12 *per cent* less than those of previous year (₹ 1547.45 crore) and constituted only 19.95 *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 2014, conducted as per the requirement of Section 9(1) of the MFRBM Act, 2006, the fall in State's own tax and non-tax revenue was basically due to ban imposed by the National Green Tribunal on rat hole coal mining.

### 1.3.2.1 Tax Revenue

Table 1.8 : Tax Revenue

(₹ in crore)

Heads	2010-11	2011-12	2012-13	2013-14	2014-15	Variations over previous year Increase (+)/Shortfall (-) (per cent)
Taxes on Sales, Trade, etc.	409.88	512.50	631.12	723.65	726.20	+ 2.55 (0.35)
State Excise	104.50	131.50	153.01	162.66	151.14	- 11.52 (7.08)
Taxes on Vehicles	19.19	31.12	35.82	36.72	39.38	+ 2.66 (7.24)
Stamps and Registration Fees	10.76	9.08	10.32	9.78	9.90	+ 0.12 (1.23)
Land Revenue	17.11	2.40	6.27	3.47	0.08	- 3.39 (97.69)
Other Taxes <sup>6</sup>	10.01	10.94	11.19	13.02	12.49	- 0.53 (4.07)
<b>Total</b>	<b>571.45</b>	<b>697.54</b>	<b>847.73</b>	<b>949.30</b>	<b>939.19</b>	- 10.11 (1.06)

Tax revenue had decreased by 1.06 *per cent* during the current year (₹ 939.19 crore) over the previous year (₹ 949.30 crore). The revenue from sales tax contributed the major share of tax revenue (77.32 *per cent*) and it increased by 0.35 *per cent* over the previous year. Taxes on Vehicles and Stamps and Registration Fees were the other contributors to the State's tax revenue. However, collection of Land Revenue and State Excise fell short of around 98 *per cent* and 7 *per cent* compared to the previous year. The tax-GSDP ratio (- 0.07 *per cent*) during 2014-15 was much less than the projection (4.38 *per cent*) made by the XIII FC.

<sup>6</sup> 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.

**1.3.2.2 Non-Tax Revenue****Table 1.9 : Non-Tax Revenue**

(₹ in crore)

Heads	2010-11	2011-12	2012-13	2013-14	2014-15	Variations over previous year Increase (+)/ Shortfall (-) (per cent)
Interest receipts	24.72	27.13	25.38	33.57	37.73	4.16 (12.39)
Dividends and Profits	0.03	0.08	0.08	0.13	0.13	0
General Services	24.15	35.57	52.83	29.29	18.00	-11.29 (38.55)
Social Services	5.77	7.36	7.44	9.46	8.92	-0.54 (5.71)
Economic Services	246.86	298.10	399.22	525.70	278.51	-247.19 (47.02)
Non-ferrous Mining and Metallurgical Industries	215.58	262.58	357.97	455.75	195.10	-260.65 (57.19)
Forestry and Wild life	22.05	26.03	30.87	60.12	71.99	11.87 (19.74)
Other Economic Services	9.23	9.49	10.38	9.83	11.42	1.59 (16.17)
<b>Total</b>	<b>301.53</b>	<b>368.24</b>	<b>484.95</b>	<b>598.15</b>	<b>343.29</b>	<b>-254.86 (42.61)</b>

The non-tax revenue (NTR), which constituted only 5.34 *per cent* of the total revenue receipts, had decreased by ₹ 254.86 crore during 2014-15 recording a negative growth rate of 42.61 *per cent* over the previous year. Over 81 *per cent* (₹ 278.51 crore) of non-tax revenue during 2014-15 was received from economic services and within this category, receipts under non-ferrous mining and metallurgical industries alone contributed 70.05 *per cent* (₹ 195.10 crore).

**1.3.3 Grants-in-Aid**

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

**Table 1.10 : Grants-in-Aid from the GOI**

(₹ in crore)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Non-Plan Grants	664.07	527.07	895.72	921.41	803.71
Grants for State Plan Schemes	1427.57	1702.64	1747.75	2046.28	2580.17
Grants for Central Plan Schemes	12.58	16.29	14.50	31.65	8.89
Grants for Centrally Sponsored Plan Schemes	315.15	242.27	268.20	348.40	293.44
Grants for Special Plan Schemes	71.86	56.23	85.05	69.58	77.87
<b>Total</b>	<b>2491.23</b>	<b>2544.50</b>	<b>3011.22</b>	<b>3417.32</b>	<b>3764.08</b>
Percentage of increase over previous year	17.76	2.14	18.34	13.49	10.15

**Grants-in-aid** from the GOI have increased by 10.15 *per cent* (₹ 346.76 crore) from ₹ 3417.32 crore in 2013-14 to ₹ 3764.08 crore in the current year and contributed 214.69 *per cent* of the incremental revenue receipts (₹ 161.52 crore) during the year. Within the plan grants, while grants for State Plan Schemes and Special Plan Schemes increased by 26.09 *per cent* (₹ 533.89 crore) and 11.91 *per cent* (₹ 8.29 crore) respectively, grants for Central Plan Schemes and Centrally Sponsored Plan Schemes decreased by 71.91 *per cent* (₹ 22.76 crore) and 15.77 *per cent* (₹ 54.96 crore)

respectively. The major increase under State Plan Schemes was in the form of additional grants of ₹ 2956.52 crore released as ‘Special Central Assistance for the Schemes/Projects’. Besides, release of funds for GOI’s flagship programmes like Sarva Shiksha Abhiyan (₹ 204.05 crore), Mahatma Gandhi National Rural Employment Guarantee Programme (₹ 277.86 crore), *etc.* through the State Government instead of funding directly to the implementing agencies also led to increase in State Plan Schemes. Grants for Central Plan Schemes and Centrally Sponsored Plan Schemes decreased during 2014-15 mainly due to less release of grants under Sericulture and Weaving (₹ 7.56 crore), non-release of grants under End to End Computerisation of Targetted Public Distribution System, Catalytic Development Programme, National Programme of Mid Day Meal in Schools, National Rural Health Mission, Scheme of PMS Book banks to ST Students, *etc.*

The Non-Plan grants (₹ 803.71 crore) constituted 21.35 *per cent* of the total grants during the year and decreased by 12.77 *per cent* (₹ 117.70 crore) over the previous year. Of the Non-Plan grants, 71.05 *per cent* (₹ 571 crore) was for meeting the non-plan revenue deficit. Other components of non-plan grants mainly included grants for ‘State Specific Needs’ (₹ 70 crore), ‘Maintenance of Forests’ (₹ 31.51 crore), and ‘Maintenance of Roads & Bridges’ (₹ 28 crore).

#### 1.3.4 Central Tax Transfers

The **Central Tax transfers** increased by 6.12 *per cent* (₹ 79.73 crore) over the previous year and constituted 21.49 *per cent* of revenue receipts. The increase was mainly due to transfer of additional amount of ₹ 111.89 crore under ‘Taxes on Income other than Corporation Tax’ (₹ 56.23 crore), ‘Corporation Tax’ (₹ 44.63 crore) and ‘Customs’ (₹ 11.03 crore) during 2014-15 compared to previous year, offset due to less release under ‘Union Excise Duties’ (₹ 23.85 crore) and ‘Service Tax’ (₹ 8.42 crore). The central tax transfers also contributed 49.36 *per cent* (₹ 79.73 crore) of the incremental revenue receipts (₹ 161.52 crore) during the year.

#### 1.3.5 Optimisation of XIII FC Grants

XIII FC had recommended ₹ 1113.10 crore apart from Share of Central Taxes and Duties and post devolution non-plan revenue deficit. Actual release up to 31 March 2015 and its utilisation are given in **Table 1.11**.

**Table 1.11 : Transfers recommended and actual release of grants-in-aid****(₹ in crore)**

Sl. No.	Transfers	Recommendation of the XIII FC	Actual release up to March 2015	Expenditure under relevant heads of account	Shortfall (-)/ Excess (+) in utilisation
1.	Local Bodies	432.40	173.97	110.31	- 63.66
2.	Disaster Relief (including capacity building)	77.90	77.86	4.00	- 73.86
3.	Elementary Education	52.00	40.00	40.00	0
4.	Improving Outcomes	27.70	12.59	10.69	- 1.90
(i)	Improvement in Justice Delivery	4.20	0.84	0.55	- 0.29
(ii)	Improvement for issuing UIDs	4.50	0.45	1.55	+ 1.10
(iii)	District Innovation Fund	7.00	3.50	0.25	- 3.25
(iv)	Improvement of Statistical Systems at State and District level	7.00	2.80	2.81	+ 0.01
(v)	Employee and Pension Data Base	5.00	5.00	5.53	+ 0.53
5.	Environment related Grants	172.10	105.04	68.42	- 36.62
(i)	Forests	168.10	105.04	68.42	- 36.62
(ii)	Water Sector Management	4.00	0	0	0
6.	Maintenance of Roads and Bridges	101.00	101.00	100.85	- 0.15
7.	State Specific	250.00	162.50	135.62	- 26.88
(i)	Setting up of Meghalaya Police Academy	50.00	25.00	25.00	0
(ii)	Augmentation of Tura Phase I & II Water Supply Scheme	50.00	37.50	37.50	0
(iii)	Heritage and Tourism	30.00	7.50	1.25	- 6.25
(iv)	Infrastructure for Horticulture	38.00	19.00	0	- 19.00
(v)	Warehousing Facilities	2.00	1.50	0	- 1.50
(vi)	Construction of Bridges	80.00	72.00	71.87	- 0.13
	<b>Total</b>	<b>1113.10</b>	<b>672.96</b>	<b>469.89</b>	<b>- 203.07</b>

Source: Column 3: Report of the XIII FC and State Loan Data: Ministry of Finance, GOI (finmin.nic.in); Column 4: Information regarding release of grants furnished (August 2015) by the Finance (Economic Affairs) Department; Column 5: Detailed Appropriation Accounts, information furnished by the Planning Department (expenditure under Sl. 4-iii), Director General of Police (Sl. 7-i), Director of School Education & Literacy (expenditure under Sl. 3) and Public Works (Roads & Buildings) Department (expenditure under Sl. 6) in August 2015, August 2015, September 2015 and October 2015 respectively.

Analysis of above information/data pertaining to releases made by GOI in pursuance to XIII FC recommendations during 2010-15 and its utilisation under the respective head of accounts by the State Government shows that:

- Against the release of ₹ 672.96 crore, an expenditure of ₹ 469.89 crore was incurred by the State Government during the period, resulting in non-utilisation of ₹ 203.07 crore. This included expenditure of ₹ 1.64 crore incurred in excess of the amount released under 'Improvement for issuing of UIDs' Improvement of Statistical Systems at State and District level' and 'Employee and Pension Data Base'. Funds were underutilised under 10 heads, viz., Local Bodies, Disaster Relief, Improvement of Justice Delivery, District Innovation Fund, Forests, Maintenance of Roads and Bridges, Heritage and Tourism, Infrastructure for Horticulture, Warehousing facilities and Construction of Bridges.
- Based on the recommendation of the XIII FC, the GOI released Disaster relief Funds (including capacity building) for ₹ 77.86 crore during 2010-11 to 2014-15 for relief necessitated by natural calamities (₹ 57.84 crore) and capacity building (₹ 3 crore). Against this, expenditure of ₹ 4 crore only was incurred by the State Government till 2014-15 for capacity building. Though there were natural calamities like cyclonic storm, flood, hailstorm, etc. in the State during 2014-15 causing death of 79 persons and damaging property (agricultural corps, houses, etc.), ₹ 73.86 crore released for disaster relief remained unutilised. Further, out of the environment related grants of ₹ 168.10 crore recommended by the XIII FC, GOI released ₹ 105.04 crore to the State Government till 2014-15 for preservation and maintenance of forests. Of this, expenditure of ₹ 68.42 crore was incurred by the State Government till 2014-15 leaving an unspent balance of ₹ 36.62 crore.

## 1.4 Capital Receipts

Table 1.12: Trends in growth and composition of Capital receipts

(₹ in crore)					
Sources of State's Receipts	2010-11	2011-12	2012-13	2013-14	2014-15
Capital Receipts (CR)	383.64	490.62	546.48	495.90	746.72
Miscellaneous Capital Receipts	-	-	-	-	-
Recovery of Loans and Advances	27.25	22.71	23.25	20.48	19.76
Public Debt Receipts	356.39	467.91	523.23	475.42	726.96
Rate of growth of debt capital receipts	- 11.57	31.29	11.82	- 9.14	52.91
Rate of growth of non-debt capital receipts	63.37	- 16.66	2.38	- 11.91	- 3.52
Rate of growth of CR ( <i>per cent</i> )	- 8.59	27.89	11.39	- 9.26	50.58

**Capital receipts** increased by 94.64 *per cent* from ₹ 383.64 crore in 2010-11 to ₹ 746.72 crore in 2014-15. The rate of growth of capital receipts also increased from a negative 9.26 *per cent* in 2013-14 to 50.58 *per cent* in 2014-15. The rate of growth of debt capital receipts, which is the main component of capital receipts, significantly increased from a negative 9.14 *per cent* in 2013-14 to 52.91 *per cent* in 2014-15. Both

the debt receipts from internal sources (market loans, borrowings from financial institutions, *etc.*) and loans and advances from GOI increased by ₹ 246.85 crore and ₹ 4.69 crore respectively during 2014-15 over previous years. Market loans constituted the major share of debt capital receipts during the current year which increased from ₹ 340 crore in 2013-14 to ₹ 545 crore during 2014-15. Non-debt capital receipts in the form of recoveries of loans and advances marginally decreased by ₹ 0.72 crore during 2014-15 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 1.13 : Composition of Public Account Receipts (Net)

(₹ in crore)					
Resources under various heads	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Public Account Receipts (Net)<sup>7</sup></b>	<b>36.66</b>	<b>820.54</b>	<b>- 351.76</b>	<b>897.29</b>	<b>31.86</b>
(a) Small Savings, Provident Fund, <i>etc.</i>	84.30	105.08	109.07	127.17	133.28
(b) Reserve Fund	- 4.14	14.30	- 7.44	18.08	- 13.70
(c) Deposits and Advances	- 10.12	617.37	- 582.04	825.60	- 161.66
(d) Suspense and Miscellaneous	- 28.89	- 18.42	110.67	- 76.71	82.28
(e) Remittances	- 4.49	102.21	17.98	3.15	- 8.34

Public Account receipts decreased from ₹ 897.29 crore during 2013-14 to ₹ 31.86 crore during the current year. Decrease in receipts under Public Account during 2014-15 was mainly due to substantial decrease under 'Deposits and Advances' from ₹ 825.60 crore during 2013-14 to a negative ₹ 161.66 during 2014-15.

## 1.6 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially the expenditure directed towards development and social sectors.

### 1.6.1 Growth and Composition of Expenditure

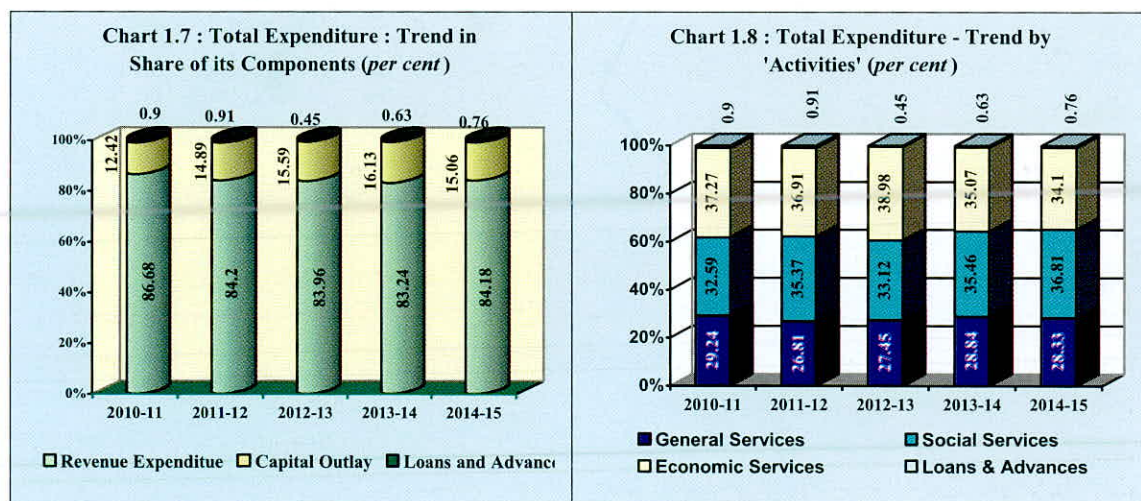
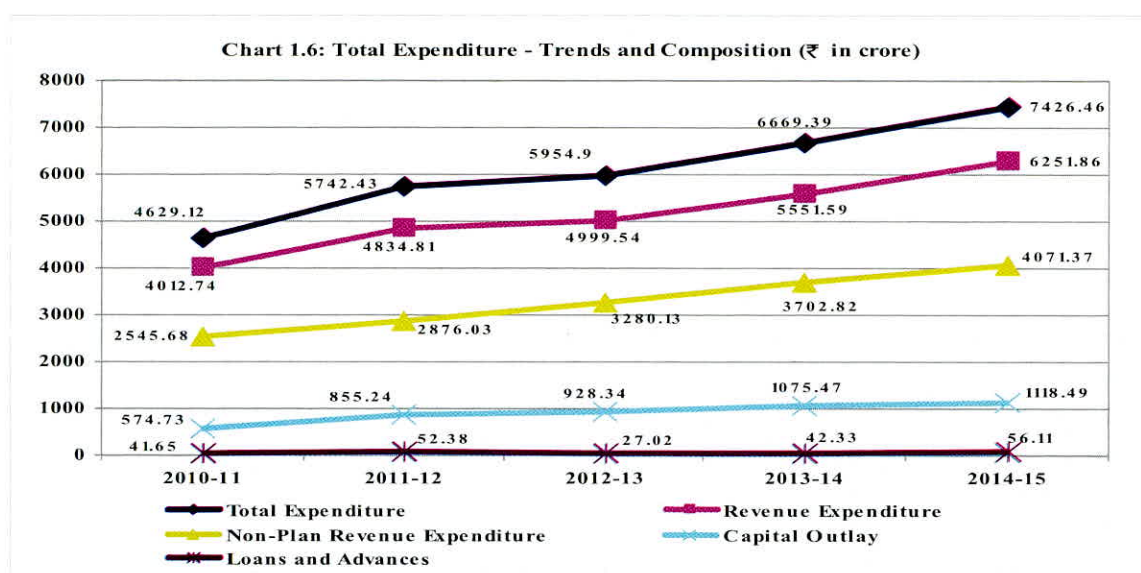
The total expenditure and its compositions during the years 2010-11 to 2014-15 are presented in the **Table 1.14**.

<sup>7</sup> Public Account Receipts minus Disbursements. Details in Appendix 1.4 of Audit Report – 2009-10, 2010-11 and Appendix 1.3 of Audit Reports – 2011-12 to 2013-14.

Table 1.14 : Total expenditure and its compositions

(₹ in crore)					
Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Total Expenditure</b>	<b>4629.12</b>	<b>5742.43</b>	<b>5954.90</b>	<b>6669.39</b>	<b>7426.46</b>
Revenue Expenditure	4012.74	4834.81	4999.54	5551.59	6251.86
Of which, Non-plan Revenue Expenditure	2545.68	2876.03	3280.13	3702.82	4071.37
Capital Outlay	574.73	855.24	928.34	1075.47	1118.49
Loans and Advances	41.65	52.38	27.02	42.33	56.11

**Chart 1.6** presents the trends in total expenditure over a period of five years (2010-15) 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 ₹ 2797.34 crore (60.43 per cent) from ₹ 4629.12 crore in 2010-11 to ₹ 7426.46 crore in 2014-15. 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 1.15**.

**Table 1.15 : Total Expenditure – Basic Parameters**

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Total Expenditure (TE) (₹ in crore)</b>	4629.12	5742.43	5954.90	6669.39	7426.46
Rate of growth ( <i>per cent</i> )	25.44	24.05	3.70	12.00	11.35
TE/GSDP ratio ( <i>per cent</i> )	31.74	33.39	31.33	30.42	29.32
RR/TE ratio ( <i>per cent</i> )	92.04	81.05	92.97	93.96	86.56
<b>Buoyancy of Total Expenditure with reference to:</b>					
GSDP (ratio)	1.73	1.34	0.35	0.78	0.73
RR (ratio)	1.08	2.60	0.20	0.91	4.40

The increase of ₹ 757.07 crore (11.35 *per cent*) in total expenditure during 2014-15 over previous year was on account of increase of ₹ 700.27 crore in revenue expenditure followed by increase in capital outlay by ₹ 43.02 crore and disbursement of loans and advances by ₹ 13.78 crore. While the share of plan expenditure constituted 44.64 *per cent* (₹ 3315.43 crore) of the total expenditure, the remaining 55.36 *per cent* (₹ 4111.03 crore) was non-plan expenditure. During the current year, 86.56 *per cent* (₹ 6428.25 crore) of the total expenditure was met from revenue receipts. The buoyancy of total expenditure to GSDP stood at 0.73 in 2014-15 due to growth rate of total expenditure at slower pace as compared to that of GSDP. Similarly, the buoyancy ratio of total expenditure to revenue receipts stood at 4.40 indicating increase in expenditure at a pace much faster than the receipt.

In terms of the activities, total expenditure is composed of expenditure on general services including interest payments, social and economic services, grants-in-aid and loans and advances. Of the total expenditure during 2014-15, expenditure on general services and interest payments, which is considered as non-developmental, together accounted for 28.33 *per cent*. On the other hand, expenditure on social and economic services (excluding loans and advances) together accounted for 70.91 *per cent* during 2014-15. The relative share of social services increased from 35.46 *per cent* in 2013-14 to 36.81 *per cent* in 2014-15, whereas the relative share of economic services declined from 35.07 *per cent* during 2013-14 to 34.10 *per cent* during 2014-15. Loans and advances revealed wide fluctuations during the period 2010-15 and stood at 0.76 *per cent* of total expenditure during 2014-15.

#### **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 1.16**.

**Table 1.16 : Revenue Expenditure – Basic Parameters**

(₹ in crore)					
Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Revenue Expenditure (RE)	4012.74	4834.81	4999.54	5551.59	6251.86
<i>Of which</i>					
Non-Plan Revenue Expenditure (NPRE)	2545.68 (63.44)	2876.03 (59.49)	3280.13 (65.61)	3702.82 (66.70)	4071.37 (65.12)
Plan Revenue Expenditure (PRE)	1467.06 (36.56)	1958.78 (40.51)	1719.41 (34.39)	1848.77 (33.30)	2180.49 (34.88)
<b>Rate of Growth of</b>					
RE (per cent)	26.09	20.49	3.41	11.04	12.61
NPRE (per cent)	19.24	12.98	14.05	12.89	9.95
PRE (per cent)	40.07	33.52	- 12.22	7.52	17.94
<b>Ratio (per cent)</b>					
RE as percentage of TE	86.68	84.19	83.96	83.24	84.18
NPRE/GSDP (per cent)	17.46	16.72	17.26	16.89	16.07
NPRE as percentage of TE	54.99	50.08	55.08	55.52	54.82
NPRE as percentage of RR	59.75	61.79	59.25	59.09	63.34
<b>Buoyancy Ratio of Revenue Expenditure with</b>					
GSDP	1.77	1.14	0.32	0.72	0.81
Revenue Receipts	1.11	2.22	0.18	0.84	4.89

Revenue expenditure constituted 83.24 *per cent* to 86.68 *per cent* of total expenditure during 2010-15 and increased by ₹ 2239.12 crore (55.80 *per cent*) from ₹ 4012.74 crore in 2010-11 to ₹ 6251.86 crore in 2014-15. The non-plan revenue expenditure (NPRE) during the same period increased by ₹ 1525.69 crore (59.93 *per cent*) from ₹ 2545.68 crore to ₹ 4071.37 crore. Plan revenue expenditure (PRE), which normally covers the maintenance expenditure incurred on services, stood at 34.88 *per cent* of revenue expenditure during 2014-15.

The NPRE constituted a dominant share of 65.12 *per cent* in the revenue expenditure during 2014-15 and has increased by ₹ 368.55 crore (9.95 *per cent*) over the previous year. The growth of NPRE during 2014-15 however, decreased to 9.95 *per cent* against 12.89 *per cent* during the previous year. In absolute terms, the increase in NPRE during 2014-15 was mainly due to increase in expenditure under energy (₹ 91.70 crore) followed by agriculture and allied activities (₹ 30.98 crore) and general education (₹ 21.41 crore). On the other hand, PRE increased by ₹ 331.72 crore over the previous year mainly due to increase in expenditure under rural development (₹ 215.43 crore) followed by general education (₹ 186.97 crore) and health and family welfare (₹ 116.99 crore). The growth of PRE during 2014-15 was 17.94 *per cent*.

The NPRE at ₹ 4071.37 crore during 2014-15 was 21.24 *per cent* (₹ 713.22 crore) higher than the normatively assessed level of ₹ 3358.15 crore by XIII FC (Table 1.17).

**Table 1.17 : Non-Plan Revenue Expenditure during 2014-15: Actuals vis-à-vis Normative Assessment by XIII FC**

(₹ in crore)

Sectors	XIII FC Recommendations	Actuals
Salary	1162.44	1830.28 <sup>8</sup>
Interest Payments	411.21	405.10
Pension	301.10	514.94
Other General Services	231.32	269.90
Social Services	403.22	614.23
Economic Services	194.16	436.92
Committed Liabilities	654.70	0
<b>Total</b>	<b>3358.15</b>	<b>4071.37</b>

The actual expenditure incurred during 2014-15 on all components (except Interest Payments) of NPRE (Salary, Pension, Other General Services, Social Services and Economic Services) was more than the assessments made by the XIII FC. The total NPRE during 2014-15 however, was less than the projection made by the State Government in its Budget (net: ₹ 4191.51 crore) by 2.87 per cent (₹ 120.14 crore).

According to the recommendation of the XIII FC, “the practice of diversion of plan assistance to meet non-plan needs of special category states should be discontinued to leave these states with adequate plan expenditure”. During 2014-15, the revenue receipts of Meghalaya, excluding Plan assistance (₹ 2960.37 crore), was ₹ 3467.88 crore. Against this, the NPRE during the year was ₹ 4071.37 crore. Obviously, plan assistance was diverted for non-plan heads and thus, the State could not adhere to the recommendation of the XIII FC.

### 1.6.1.3 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 1.18** and **Chart 1.9** present the trends in the expenditure on these components during 2010-15.

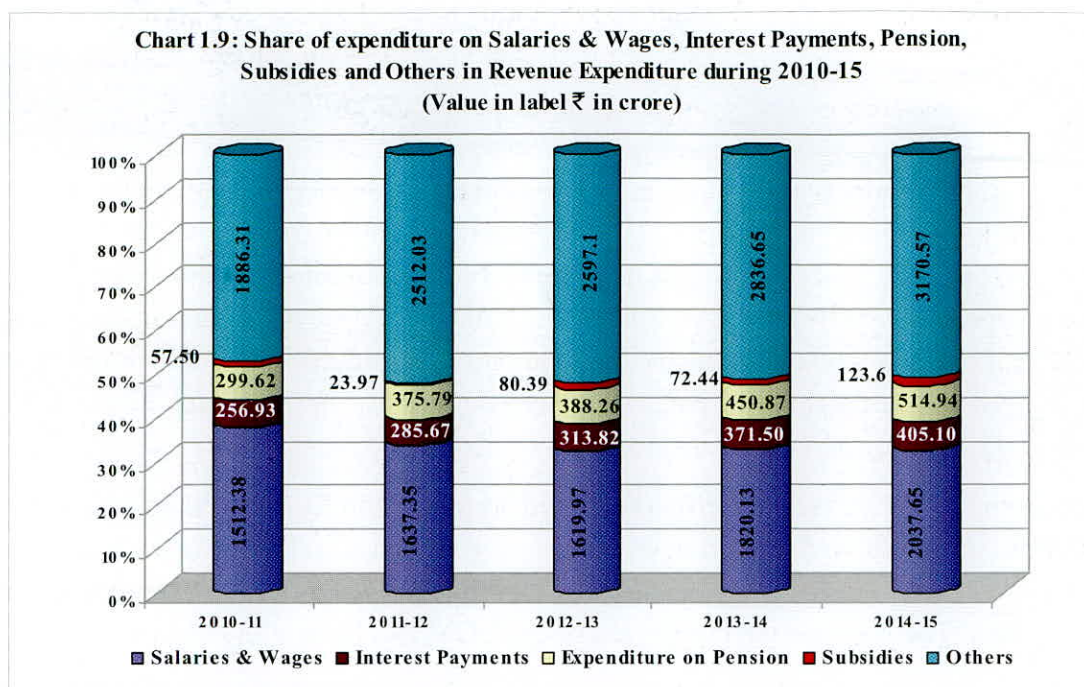
**Table 1.18 : Components of Revenue Expenditure**

(₹ in crore)

Components of Expenditure	2010-11	2011-12	2012-13	2013-14	2014-15
Salaries and Wages	1512.38 (35.50)	1637.35 (35.18)	1619.97 (29.26)	1820.13 (29.04)	2037.65 (31.70)
<i>Of which</i>					
Non-Plan Head	1242.37 (29.16)	1335.64 (28.70)	1477.70 (26.69)	1674.86 (26.72)	1853.31 (28.83)
Plan Head	270.01 (6.34)	301.71 (6.48)	142.27 (2.57)	145.27 (2.32)	184.34 (2.87)
Interest Payments	256.93 (6.03)	285.67 (6.14)	313.82 (5.67)	371.50 (5.93)	405.10 (6.30)
Expenditure on Pension and other retirement benefits	299.62 (7.03)	375.79 (8.07)	388.26 (7.01)	450.87 (7.19)	514.94 (8.01)
Subsidies	57.50 (1.35)	23.97 (0.51)	80.39 (1.45)	72.44 (1.16)	123.60 (1.92)
Other Components of revenue expenditure, i.e., other than salaries and wages, interest payments, pension and subsidies	1886.31 (44.27)	2512.03 (53.97)	2597.10 (46.91)	2836.65 (45.27)	3170.57 (49.32)

(Figures in the parentheses indicate percentage to Revenue Receipts)

<sup>8</sup> Salary does not include wages



#### 1.6.1.4 Salaries and Wages

Salaries and wages during 2014-15 accounted for 31.70 per cent of the revenue receipts of the State during the year. It also increased by 11.95 per cent from ₹ 1820.13 crore in 2013-14 to ₹ 2037.65 crore in 2014-15. Expenditure on salaries and wages under non-plan head during 2014-15 significantly increased by ₹ 178.45 crore (10.65 per cent) over the previous year and this expenditure under plan head increased by ₹ 39.07 crore (26.89 per cent) over the previous year. The non-plan revenue expenditure on salary alone during 2014-15 (₹ 1830.28 crore) was also significantly higher by 57.45 per cent (₹ 667.84 crore) than the assessment made by the XIII FC for the State (₹ 1162.44 crore).

Further, the State Government, in its FPS Statement for the year 2014-15, 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 11.95 per cent during 2014-15 indicates that the State Government was not successful in fulfilling its commitment.

#### 1.6.1.5 Interest Payments

Compared to previous year, interest payments during 2014-15 increased by 9.04 per cent (₹ 33.60 crore). Interest payments were on market loans (₹ 217.99 crore), State Provident Funds (₹ 83.29 crore), Special Securities issued to National Small Savings Fund of the Central Government (₹ 61.42 crore), loans and advances received from Central Government (₹ 18.94 crore) and other internal debts including other obligations (₹ 23.46 crore). Of the total interest payments during the year, 53.81 per cent (₹ 217.99 crore) were paid on market borrowings. The overall interest payments (₹ 405.10 crore) was however, marginally lower than the projections made by the

XIII FC (₹ 411.21 crore) but higher than the budget estimates (₹ 402.90 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 2010-15. Pension payments during the current year have increased by ₹ 64.07 crore, an increase of 14.21 *per cent* over the previous year. The comparative analysis of actual pension payments and the projection made by the State Government shows that actual pension payment exceeded the projection made by the State Government in its Budget (₹ 400.31 crore) for the year 2014-15 and MTF Plan (₹ 372.29 crore) by ₹ 114.63 crore and ₹ 142.65 crore respectively.

GOI introduced a defined, contribution based New Pension System (NPS) with effect from 01 April 2004 to cover all new entrants to government service. According to the recommendations of the XIII FC, the migration to the NPS needs to be completed at the earliest. The NPS for the employees of the GOM had been adopted since 1<sup>st</sup> April 2010.

#### **1.6.1.7 Subsidies**

**Table 1.18** shows that the expenditure on payment of subsidies increased by 70.62 *per cent* from ₹ 72.44 crore in 2013-14 to ₹ 123.60 crore during 2014-15. The increase of ₹ 51.16 crore was mainly due to increase in payment of subsidy under Power by ₹ 91.91 crore and Civil Supplies by ₹ 6.99 crore during the current year over previous year offset by non-payment of any subsidy for Dairy Development Projects (₹ 24.36 crore) and Fisheries (₹ 15.68 crore).

#### **1.6.2 Capital Outlay**

Capital outlay during the current year (2014-15) increased by ₹ 43.02 crore over previous year mainly due to increased expenditure on water supply and sanitation (₹ 54.72 crore), irrigation and flood control (₹ 36.01 crore) and industry and minerals (₹ 35.32 crore), partly offset by decrease in expenditure on housing and urban development (₹ 65.86 crore) technical education, sports, art and culture (₹ 20.94 crore). As *per cent* to total expenditure, capital outlay showed a fluctuating trend over the period 2010-11 to 2014-15 and ranged between 12.42 *per cent* and 16.13 *per cent*. The capital outlay constituted 15.06 *per cent* of total expenditure during 2014-15 against 16.13 *per cent* during the preceding year. Though there was an increase in capital outlay during the current year compared to the previous year, the State Government did not fulfil its commitment made in the budget as it fell short by 34.76 *per cent* (₹ 595.93 crore) of the budget estimate (₹ 1714.42 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 1.19**.

**Table 1.19 : Financial Assistance to Local Bodies, etc.****(₹ in crore)**

Financial Assistance to Institutions	2010-11	2011-12	2012-13	2013-14	2014-15	
					Budget Estimate	Actual
University and Educational Institutions	379.02	590.54	507.84	586.86	914.41	560.46
Co-operative Societies	0.65	3.18	2.77	2.60	4.66	1.78
District Councils	10.92	2.86	2.60	5.98	8.09	1.60
Municipalities, Meghalaya Urban Development Authority, etc.	3.00	2.89	10.30	20.19	6.61	5.40
Power Sector	114.52	179.10	174.22	160.09	290.23	203.19
Other Institutions <sup>9</sup>	33.20	48.14	44.33	71.65	152.90	68.07
<b>Total</b>	<b>541.31</b>	<b>826.71</b>	<b>742.06</b>	<b>847.37</b>	<b>1376.90</b>	<b>840.50</b>
Assistance as percentage of RE	13.49	17.10	14.84	15.26		13.44

The financial assistance extended to the above local bodies and other institutions with inter-year variations marginally decreased by 0.81 *per cent* from ₹ 847.37 crore in 2013-14 to ₹ 840.50 crore in 2014-15. The share of financial assistance in revenue expenditure also decreased from 15.26 *per cent* in 2013-14 to 13.44 *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 2014-15.

University and Educational Institutions were the major recipients followed by power sector. Around 67 *per cent* of the total financial assistance during 2014-15 was given to the University and Educational Institutions. The assistance under this sector however, marginally decreased by 4.50 *per cent*, i.e. from ₹ 586.86 crore during 2013-14 to ₹ 560.46 crore during the current year. Of ₹ 560.46 crore, ₹ 310.13 crore was given to Non-Government Primary Schools and ₹ 166.77 crore to Non-Government Secondary Schools. Out of ₹ 68.07 crore given to other institutions, major share (₹ 17.64 crore) was paid to the Emergency Management Research Institute & NGOs followed by National Rural Health Mission (₹ 17.60 crore).

## 1.7 Quality of Expenditure

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

<sup>9</sup> **Other Institutions (figures for 2014-15 in brackets):** Emergency Management Research Institute & NGOs (₹ 17.64 crore), National Rural Health Mission (₹ 17.60 crore), Patients suffering from TB, Cancer and other fell diseases (₹ 13.82 crore), Meghalaya Pollution Control Board (₹ 4.09 crore), Khadi Industries (₹ 2.80 crore), Construction of Working Womens' Hostel (₹ 2.45 crore), , Construction of Integrated Social Facilitation Centre (₹ 2 crore), Meghalaya State Housing Board (₹ 1.95 crore), Forest Development Corporation (₹ 1.75 crore), Indian Red Cross Society, Shillong, Voluntary Organisations, Meghalaya State Medical Plant Board, Meghalaya State Social Welfare Board, Meghalaya State Bio-Diversity Board, etc. (₹ 3.97 crore).

### 1.7.1 Adequacy of Public Expenditure

In view of the importance of public expenditure for social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods<sup>10</sup>. Apart from improving the allocation towards development expenditure<sup>11</sup>, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While **Table 1.20** presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year *vis-à-vis* budgeted and the previous years, **Table 1.21** provides the details of capital outlay and the components of revenue expenditure incurred on the selected social and economic services.

**Table 1.20 : Fiscal Priority of the State in 2011-12 and 2014-15**

	AE/GSDP	SSE/AE	DE/AE	CE/AE	Education/ AE	Health/AE
Special Category States Average (Ratio) 2011-12	26.39	37.02	61.26	14.02	18.86	5.40
Meghalaya State's Average (Ratio) 2011-12	33.39	35.37	72.90	14.89	17.86	5.61
Special Category States Average (Ratio) 2014-15	NA	38.14	63.51	14.22	19.31	5.49
Meghalaya State's Average (Ratio) 2014-15	29.32	36.81	71.44	15.06	17.53	7.69

AE: Aggregate expenditure (Total expenditure), GSDP: Gross State Domestic Product, SSE: Social Sector expenditure, DE: Development Expenditure, CE: Capital expenditure

**Table 1.20** analyses the fiscal priority of the State Government with regard to Development expenditure, Social Sector expenditure and Capital expenditure during 2014-15, taking 2011-12 as the base year.

Government of Meghalaya contributed a higher portion of its GSDP by way of Aggregate expenditure in 2014-15 *vis-a-vis* Special Category States. The Developmental expenditure-Aggregate expenditure ratio, expenditure on Health-Aggregate Expenditure ratio and Capital expenditure – Aggregate expenditure ratio were also higher in Meghalaya both in 2011-12 and 2014-15 *vis-a-vis* Special

<sup>10</sup> As defined in Appendix 1.1

<sup>11</sup> As defined in Appendix 1.1

Category States. However, the ratios of expenditure on Social sector expenditure – Aggregate expenditure and Education – Aggregate expenditure were lesser in Meghalaya both in 2011-12 and 2014-15 *vis-a-vis* Special Category States.

**Table 1.21 : Efficiency of Expenditure Use in Selected Social and Economic Services**

Social/Economic Infrastructure	2013-14		2014-15	
	Ratio of Capital Expenditure to Total Expenditure <sup>12</sup>	In Revenue Expenditure, the share of Salaries and Wages	Ratio of Capital Expenditure to Total Expenditure <sup>12</sup>	In Revenue Expenditure, the share of Salaries and Wages
<b>Social Services (SS)</b>	<b>16.54</b>	<b>36.19</b>	<b>13.29</b>	<b>32.89</b>
General Education	1.01	33.93	0.35	29.78
Technical Education, Sports, Arts and Culture	9.32	12.57	0.14	16.03
Health and Family Welfare	21.35	67.15	15.38	54.89
Water Supply & Sanitation, Housing and Urban Development	53.91	35.91	53.96	41.03
Other SS	1.31	18.02	4.19	15.26
<b>Economic Services (ES)</b>	<b>25.63</b>	<b>21.99</b>	<b>26.56</b>	<b>23.05</b>
Agriculture and Allied Activities	2.68	38.69	1.72	44.00
Irrigation & Flood Control	14.46	61.67	53.32	69.45
Energy	0.00	0.00	0.00	0.00
Transport	77.34	0.00	80.45	0.00
Other ES	8.75	16.15	11.30	15.16

### **Social Services**

The trends presented in **Table 1.21** reveal that development capital expenditure as a percentage of total expenditure constituted only 13.29 *per cent* in 2014-15, which indicated that the revenue expenditure was dominant. Compared to 2013-14, there was deterioration in the share of capital expenditure during 2014-15 under all the infrastructure of social services except water supply and sanitation, housing and urban development and other social services.

Of the revenue expenditure on social services, the share of salaries and wages component decreased from 36.19 *per cent* in 2013-14 to 32.89 *per cent* in 2014-15. The non-salary and wage expenditure on social services increased by 26.29 *per cent* during 2014-15 from ₹ 1259.50 crore in 2013-14 to ₹ 1590.60 crore in 2014-15. Within the priority sectors, salaries and wages component continue to have the dominant share under health and family welfare. Around 55 *per cent* of revenue expenditure under this service during 2014-15 were incurred on salaries and wages.

<sup>12</sup> Total revenue and capital expenditure of the services concerned.

## Economic Services

The share of capital expenditure on economic services to total of revenue and capital expenditure on economic services marginally increased to 26.56 *per cent* during 2014-15 from 25.63 *per cent* in 2013-14. Salaries and wages component within the revenue expenditure on economic services as a percentage of the total expenditure on economic sector also increased from 21.99 *per cent* in 2013-14 to 23.05 *per cent* during 2014-15. During 2014-15, share of expenditure on salaries and wages under irrigation and flood control was 69.45 *per cent* of revenue expenditure under economic services.

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

According to the information furnished (August 2015) by the Directorate of Programme Implementation & Evaluation, GOM, the position of implementation of flagship programmes/schemes till 2014-15 is given in **Appendix 1.5**. Details of significant shortfall in achievement of targets are given in **Table 1.22** below:

**Table 1.22**

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2015			
		Funds available up to 31 March 2015	Actual expenditure up to 31 March 2015	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome (Shortfall in <i>per cent</i> )
1.	Sarva Shiksha Abhiyan (SSA)	1737.64	1640.95	Salary, Grants Training, Learning equipment, etc.	Transport/ Escort facility/ Free Text Books/ Teachers Salary/ Training, Libraries in Schools/ Civil Works, etc.	11,22,955	6,66,214 (40.67)
2.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	104.44	81.02	Phase II to Phase VIII	Km	105.00	38.515 (63.32)
3.	Horticulture Mission for North East and Himalayan States	27.60	27.60	Production of planting materials	Nos.	1,91,843	1,15,855 (39.61)
4.	Accelerated Irrigation Benefit and Flood Management	2.52	0	Soil and Water Conservation Department Enhancement productivity level of land and water resources, Improvement in socio economic set up of people and Restoring water label	Hectare	13069.85	0 (100)
5.	Nirmal Bharat Abhiyan	89.07	36.67	Providing Individual Household - IHHL(BPL)	Nos. of Household	36996	29186 (21.11)
				School toilets		5944	2474 (58.38)
				Anganwadi toilets		958	171 (82.15)

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2015			
		Funds available up to 31 March 2015	Actual expenditure up to 31 March 2015	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome (Shortfall in per cent)
6.	BSUP	0.30	0.30	Housing at Nongmynsong Phase I	Numbers	300	160 (46.67)
				-Do- Phase II		300	16 (94.67)
				Integrated Slum Development Programme	Number of dwelling units	168	48 (71.43)
7.	IHSDP	1.91	1.91	Housing for Urban Poor and Rehabilitation of Slum Dwellers -			
				Tura - Dwelling Unit	Number	456	228 (50)
				Williamnagar – Dwelling Unit	Number	216	Nil (100)
				Nongpoh - Dwelling Unit	Number	140	128 (91)

Source: Directorate of Programme Implementation & Evaluation, GOM and State Project Director, SSA State Education Mission Authority (Sl. No. 4, Columns 2 & 3)

As can be seen from the above table, shortfall in achievement of targets under the above programmes/schemes ranged between 21.11 per cent and 100 per cent, the maximum being under IHSDP-Dwelling Units at Williamnagar (100 per cent) followed by PMGSY (63.32 per cent).

## 1.8 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.

### 1.8.1 Incomplete projects

According to the information available in Appendix IX and Statement 16 of the Finance Accounts for the year 2014-15, as on 31 March 2015, there were 76 ongoing projects in the State. The department-wise information pertaining to incomplete projects as on 31 March 2015 even after target date(s) of completion is given in Table 1.23.

**Table 1.23 : Department-wise profile of incomplete projects**

(₹ in crore)

Department	Number of incomplete projects	Initial estimated cost	Original estimated cost of projects which were revised		Revised cost of incomplete projects	Cost overrun	Cumulative expenditure on incomplete projects (as on March 2015)
			Number	Amount			
Public Works (Roads & Bridges)	06	50.31	01	14.94	21.58	6.64	355.85
Public Health Engineering	15	143.02	02	20.59	32.55	11.97	55.48
Health & Family Welfare	11	32.31	03	5.47	7.01	1.54	31.84
Water Resources	01	5.25	Not available (NA)	NA	NA	...	3.90
<b>Total</b>	<b>33</b>	<b>230.89</b>	<b>06</b>	<b>41.00</b>	<b>61.14</b>	<b>20.15</b>	<b>447.07</b>

As can be seen from the above table, 33 projects stipulated for completion on or before March 2015 at an estimated cost of ₹ 230.89 crore, remained incomplete with an expenditure of ₹ 447.07 crore. Though the cost of one project under Public Works (Roads and Bridges) Department, viz. 'Two-laning of Shillong-Nongstoin Section of NH 44 and Nongstoin-Tura State Road under Phase -A of SARDP-NE' revised by 44.44 per cent from ₹ 14.94 crore to ₹ 21.58 crore, the actual expenditure on this project till March 2015 (₹ 332.87 crore) increased by 1442.49 per cent (₹ 311.29 crore) over the revised cost. The revised cost of two incomplete projects under Public Health Engineering Department and three projects under Health and Family Welfare Department increased by 58.09 per cent and 28.15 per cent respectively, resulting in cost overrun of ₹ 13.51 crore. Effective steps need to be taken to complete the incomplete projects without further delay to avoid cost overrun due to time overrun.

### 1.8.2 Financial results of irrigation works

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

### 1.8.3 Investment and returns

As per Statements 8 and 19 of Finance Accounts for the year 2014-15, as on 31 March 2015, the State Government had invested ₹ 454.99 crore in two Statutory Corporations (₹ 83.41 crore), eight Government Companies (₹ 273.90 crore) and 1,444 Co-operative Banks and Societies (₹ 97.68 crore). Details are given in **Table 1.24**.

**Table 1.24 : Return on Investment**

Investment/Return/Cost of Borrowings	2010-11	2011-12	2012-13	2013-14	2014-15
Investment at the end of the year (₹ in crore)					
(i) Statutory Corporations	71.11	71.11	71.11	83.41	83.41
(ii) Government Companies	177.51	188.51	228.68	254.36	273.90
(iii) Co-operative Societies	67.17	77.45	83.72	92.01	97.68
<b>Total</b>	<b>315.79</b>	<b>337.07</b>	<b>383.51</b>	<b>429.78</b>	<b>454.99</b>
Return (₹ in crore)	0.03	0.08	0.08	0.13	0.13
Return ( <i>per cent</i> )	0.01	0.02	0.02	0.03	0.03
Average rate of interest on Government borrowing ( <i>per cent</i> )	6.51	6.22	6.24	6.61	6.22
Difference between interest rate and return ( <i>per cent</i> )	6.50	6.20	6.22	6.58	6.19

Of the two Statutory Corporations, bulk of the investment (₹ 81.27 crore) was made in the Meghalaya Transport Corporation Limited during 1986-2014 which had accumulated loss of ₹ 83.28 crore till 2009-10. 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 ₹ 78.90 crore up to 2013-14. Out of ₹ 273.90 crore invested in Government Companies, ₹ 273.86 crore was invested in seven loss making Companies, which had accumulated loss of ₹ 136.62 crore, as detailed in **Table 1.25** below:

**Table 1.25: Details of loss making Government Companies**

(₹ in crore)

Sl. No.	Name of Companies	Amount invested up to March 2015	Invested up to	Accumulated loss	Period up to <sup>13</sup>
1.	Mawmluh-Cherra Cements Limited (MCCL)	162.79	2014-15	78.90	2013-14
2.	Meghalaya Industrial Development Corporation (MIDC)	91.59	2014-15	27.54	2010-11
3.	Meghalaya Mineral Development Corporation Limited (MMDC)	2.32	2001-02	6.32	2012-13
4.	Forest Development Corporation of Meghalaya Limited (FDCML)	1.97	2001-02	5.41	2004-05
5.	Meghalaya Government Construction Corporation Limited (MGCCCL)	0.75	2000-01	10.59	2012-13
6.	Meghalaya Tourism Development Corporation Limited (MTDCL)	11.70	2014-15	5.74	2000-01
7.	Meghalaya Handloom and Handicraft Development Corporation Limited (MHHDCL)	2.74	2009-10	2.12	2004-05
	<b>Total</b>	<b>273.86</b>		<b>136.62</b>	

<sup>13</sup> Working results for the subsequent years are in arrears.

Further, out of ₹ 97.68 crore invested in co-operative banks/societies, ₹ 23.82 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 156 co-operative banks/societies had not been intimated (October 2015).

### 1.8.3.1 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 2015 is stated below.

**Table 1.26: Equity, loans, guarantees outstanding as per finance vis a vis records of SPSUs**

(₹ in crore)			
Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of SPSUs	Difference
Equity	357.27 <sup>14</sup>	1380.27 <sup>15</sup>	(-) 1023.00
Loans	Not available <sup>16</sup>	1311.64	--
Guarantees	1148.17 <sup>17</sup>	758.18	(+) 389.99

Audit observed that the differences occurred in respect of 12 SPSUs and some of the differences were pending reconciliation since 2013-14. Though the Principal Secretary, Finance Department, Government of Meghalaya as well as the SPSUs concerned were apprised by Audit about the differences from time to time and stressed upon the need for reconciliation, no significant progress was noticed in this regard. The Government and the SPSUs should take concrete steps to reconcile the differences in a time-bound manner.

### 1.8.4 Loans and advances by the State Government

In addition to investments in co-operative societies, corporations and companies, Government has also been providing loans and advances for other purposes, e.g., loans for power projects, loans to Government servants, loans for tourism, etc. **Table 1.27** presents the outstanding loans and advances as on 31 March 2015, interest receipts vis-à-vis interest payments during the last five years.

<sup>14</sup> Includes ₹ 2.14 crore in Meghalaya State Warehousing Corporation (MSWC), ₹ 81.27 crore in Meghalaya Transport Corporation (MTC), ₹ 91.59 crore in MIDC, ₹ 162.79 crore in MCCL, ₹ 2.32 crore in MMDCL, ₹ 1.97 crore in FDCML, ₹ 0.75 crore in MGCCL, ₹ 11.70 crore in MTDCL and ₹ 2.74 crore in MH&HDCL.

<sup>15</sup> Includes ₹ 3.36 crore in MSWC, ₹ 89.83 crore in MTC, ₹ 92.24 crore in MIDC, ₹ 162.90 crore in MCCL, ₹ 2.32 crore in MMDCL, ₹ 1.97 crore in FDCML, ₹ 0.75 crore in MGCCL, ₹ 7.96 crore in MTDCL, ₹ 4.26 crore in MH&HDCL, ₹ 4.72 crore in Meghalaya Electronics Development Corporation Limited, ₹ 1009.28 crore in Meghalaya Energy Corporation Limited (MeECL), ₹ 0.05 crore in Meghalaya Power Distribution Corporation Limited, ₹ 0.05 crore in Meghalaya Power Generation Corporation Limited, ₹ 0.05 crore in Meghalaya Power Transmission Corporation Limited, ₹ 0.48 crore in Meghalaya Bamboo Chips Limited and ₹ 0.05 crore in Meghalaya Basin Management Agency (MBMA). (As per details furnished by the management of the respective PSUs).

<sup>16</sup> 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.

<sup>17</sup> Guarantee commitment given by the State Government against loans were ₹ 1090.96 crore (Principal: ₹ 713.24 crore and interest: ₹ 377.72 crore) for MeECL, ₹ 45.21 crore (Principal only) for MCCL and 12 crore (Principal only) for MMDCL.

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

(₹ in crore)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Opening Balance</b>	<b>520.88</b>	<b>535.28</b>	<b>564.95</b>	<b>568.72</b>	<b>590.57</b>
Amount advanced during the year	41.65	52.38	27.02	42.33	56.11
Amount recovered during the year	27.25	22.71	23.25	20.48	19.76
<b>Closing Balance</b>	<b>535.28</b>	<b>564.95</b>	<b>568.72</b>	<b>590.57</b>	<b>626.92</b>
Net Addition	14.40	29.67	3.77	21.85	36.35
Interest Receipts	4.62	4.83	6.46	6.76	8.28
Interest received as <i>per cent</i> to outstanding Loans and Advances	0.87	0.88	1.14	1.17	1.36
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	6.51	6.22	6.24	6.61	6.22
Difference between interest payments and receipts ( <i>per cent</i> )	5.64	5.34	5.10	5.44	4.86

Loans and advances given by the State Government during 2014-15 increased by 32.55 *per cent* over previous year. The total outstanding loans and advances as on 31 March 2015 was ₹ 626.92 crore. Out of the loans of ₹ 56.11 crore advanced during 2014-15, ₹ 39.02 crore was given for power projects and ₹ 17.09 crore was given to Government servants. Interest receipt of ₹ 8.28 crore on loans and advances by GOM during 2014-15 constituted 1.36 *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 6.22 *per cent* for the outstanding liabilities.

### 1.8.5 Cash Balances and Investment of Cash balances

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

**Table 1.28 : Cash Balances and Investment of Cash Balances**

(₹ in crore)

Particulars	Opening balance on 01 April 2014	Closing balance on 31 March 2015
<b>(a) General Cash Balance-</b>		
Cash in Treasuries	30.78	19.58
Deposits with Reserve Bank	- 521.09	- 488.46
	<b>- 490.31</b>	<b>- 468.88</b>
Investments held in Cash Balance investment account	1317.00	874.20
<b>Total (a)</b>	<b>826.69</b>	<b>405.32</b>
<b>(b) Other Cash Balances and Investments</b>		
Cash with departmental officers, of Forest and Public Works Department	1.14	0.22
Permanent advances for contingent expenditure with departmental officers	0.01	0.01
Investment of earmarked funds	157.20	180.53
- <i>Sinking Fund Investment Account</i>	<i>157.17</i>	<i>180.50</i>
- <i>Other Development and Welfare Fund</i>	<i>0.03</i>	<i>0.03</i>
<b>Total (b)</b>	<b>158.35</b>	<b>180.76</b>
<b>Grand Total (a) + (b)</b>	<b>985.04</b>	<b>586.08</b>

Cash balances (excluding investment of earmarked funds) of the State Government at the end of the current year decreased from ₹ 827.84 crore in 2013-14 to ₹ 405.55 crore in 2014-15. As on 31 March 2015, the Government invested ₹ 180.53 crore in Sinking Fund and Development and Welfare Fund. During 2014-15, interest of ₹ 29.45 crore was earned on investment of cash balances against ₹ 26.81 crore earned during the preceding year.

It is generally desirable that the State's flow of resources should match its expenditure obligations. However, to take care of any temporary mismatches in the flow of resources and expenditure obligations, a mechanism of Ways and Means Advances (WMA) – Ordinary and Special – from Reserve Bank of India (RBI) has been put in place. Under an agreement with the RBI, the State Government was to maintain a minimum cash balance of ₹ 21 crore with the Bank.

During the five-year period ending 2014-15, the Government did not have to resort to ways and means Advances and overdraft, except during 2013-14, indicating comfortable position of cash balances of the State in four out of five years.

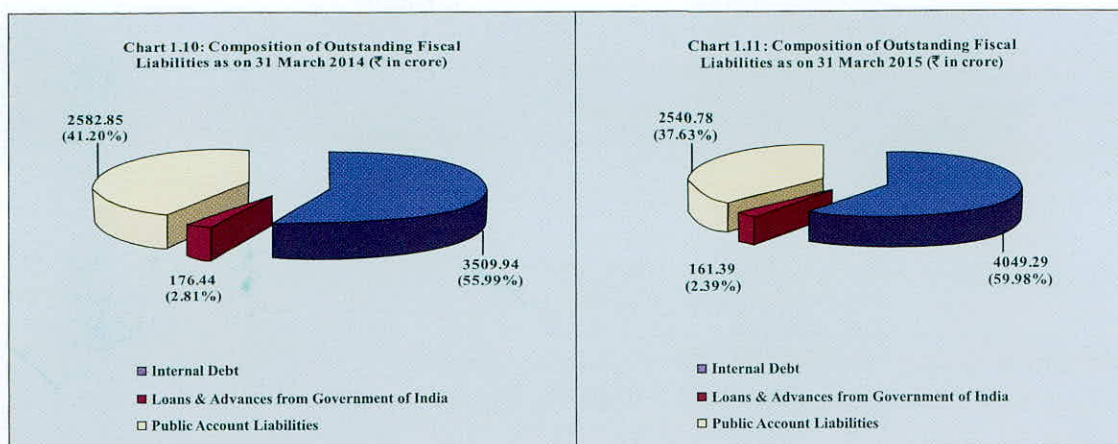
## **1.9 Assets and Liabilities**

### **1.9.1 Growth and composition of Assets and Liabilities**

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.3** gives an abstract of such liabilities and the assets as on 31 March 2015, compared with the corresponding position on 31 March 2014. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

### **1.9.2 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 1.29** gives the fiscal liabilities of the State, their rate of growth, the ratio of these liabilities to GSDP to revenue receipts and State's own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

**Table 1.29 : Fiscal Liabilities – Basic Parameters**

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Fiscal Liabilities <sup>18</sup> (₹ in crore)	4088.28	5090.28	4964.58	6269.23	6751.46
Rate of Growth ( <i>per cent</i> )	7.51	24.51	-2.47	26.28	7.69
<b>Ratio of Fiscal Liabilities to</b>					
GSDP ( <i>per cent</i> )	28.03	29.60	26.12	28.60	26.65
Revenue Receipts ( <i>per cent</i> )	95.96	109.36	89.67	100.04	105.03
Own Resources ( <i>per cent</i> )	468.31	477.61	372.53	405.13	526.44
<b>Buoyancy of Fiscal Liabilities to</b>					
GSDP (ratio)	0.51	1.37	-0.23	1.71	0.49
Revenue Receipts (ratio)	0.32	2.65	-0.13	1.99	2.98
Own Resources (ratio)	0.35	1.11	-0.10	1.63	-0.45

Fiscal liabilities of ₹ 6751.46 crore as on 31 March 2015 consist of internal debt, e.g., market loans, loans from financial institutions, Special Securities issued to National Small Savings Fund, *etc.* (₹ 4049.29 crore), loans and advances from Central Government (₹ 161.39 crore), small savings, provident funds, *etc.* (₹ 1100.90 crore) and other liabilities, e.g., Reserve Funds and Deposits (₹ 1439.88 crore). Fiscal liabilities of the State increased from ₹ 4088.28 crore as on 31 March 2011 to ₹ 6751.46 crore as on 31 March 2015. Compared to previous year, the fiscal liabilities at the end of 2014-15 increased by 7.69 *per cent* mainly due to increase in internal debt in the form of market loans by ₹ 442.92 crore (17.31 *per cent*). The ratio of fiscal liabilities to GSDP decreased from 28.60 *per cent* in 2013-14 to 26.65 *per cent* in 2014-15. These liabilities stood at over one time of the revenue receipts and over five times of the State's own resources at the end of 2014-15. The buoyancy of these liabilities with respect to GSDP during the year was 0.49 indicating that for each one *per cent* increase in GSDP, fiscal liabilities increased by 0.49 *per cent*.

The State Government in its MTF Plan and MTFP Statement projected the Total Outstanding Liabilities-GSDP ratio for the year 2014-15 as 25.88 *per cent* and

<sup>18</sup> Includes Internal Debt, Loans and Advances from Government of India, Small Savings, Provident Funds, *etc.*, Reserve Funds and Deposits.

28.71 per cent respectively. As can be seen from the **Table 1.29** above, the Fiscal Liabilities-GSDP ratio of the State (26.65 per cent) was within the limit fixed in the MTFP Statement but higher than the assumption made in the MTF Plan.

### 1.9.3 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 2014 was ₹ 207.98 crore (active funds: ₹ 205.94 crore; inactive funds: ₹ 2.04 crore) in nine reserve funds. However, only two are active. Investment out of these funds was ₹ 180.53 crore, which is 86.80 per cent of the accumulated balance. Action needs to be taken to close the inoperative reserve funds and remit the balances into the Consolidated Fund.

During 1999-2000, the State Government constituted a 'Consolidated Sinking Fund' for redemption and amortisation of open market loans. During 2014-15, the Government had appropriated ₹ 24.14 crore from revenue and credited to this fund for investment in the Government of India Securities.

### 1.9.4 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 2010-11 are given in **Table 1.30**.

**Table 1.30: Guarantees given by GOM**

Particulars	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Maximum amount guaranteed	948.79	1002.85	947.02	1188.64	1054.43
Outstanding amount of guarantees (including interest)	1110.77	1293.20	1285.19	1610.55	1173.81
Percentage of maximum amount guaranteed to total revenue receipts	22.27	21.55	17.11	18.97	16.40

Government had guaranteed loans raised by various Corporations and others, which at the end of 2014-15 stood at ₹ 1173.81 crore (including interest). Bulk of the guaranteed amount (₹ 1090.96 crore) was outstanding against the power sector for repayment of principal and payment of interest on loans from Rural Electrification Corporation (₹ 462.58 crore), and short term loans, bonds, etc. (₹ 628.38 crore). The

outstanding amount of guarantees is in the nature of contingent liabilities, which was 16.40 per cent of revenue receipts of the State during 2014-15. 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 2014-15, 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 2015, commission/fee amounting to ₹ 36.40 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 (₹ 758.18 crore) differs with that shown in the Finance Accounts (₹ 1148.17 crore). However, the discrepancies had not been reconciled as discussed in paragraph 1.8.3.1 above.

## 1.10 Debt Management

### 1.10.1 Debt sustainability

The Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt therefore also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.

Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the State Government in terms of debt amortisation<sup>19</sup>; sufficiency of non-debt receipts<sup>20</sup>; net availability of borrowed funds<sup>21</sup>; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. **Table 1.31** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from 2010-11.

**Table 1.31: Debt Sustainability: Indicators and Trends**

Indicators of Debt Sustainability	(₹ in crore)				
	2010-11	2011-12	2012-13	2013-14	2014-15
Debt/GSDP per cent	28.04	29.60	26.12	28.60	26.65
Sufficiency of Non-debt Receipts (Resource Gap)	- 115.10	- 723.86	669.95	13.12	- 596.27
Net Availability of Borrowed Funds	28.73	716.35	- 439.52	933.15	77.13
Burden of Interest Payments (IP/RR) (per cent)	6.03	6.14	5.67	5.93	6.30

<sup>19</sup> As defined in Appendix 1.1.

<sup>20</sup> As defined in Appendix 1.1.

<sup>21</sup> As defined in Appendix 1.1.

**Table 1.31** reveals that the Debt – GSDP ratio ranged between 26.12 *per cent* and 29.60 *per cent* during 2010-11 to 2014-15. At 26.65 *per cent*, the Debt<sup>22</sup>-GSDP ratio during 2014-15 (**Appendix 1.2**) was well below the target of outstanding Debt to GSDP (32 *per cent*) set forth by XIII FC for the State and MTFP Statement, but exceeded the assessment (25.88 *per cent*) made by the State Government in MTF Plan. The trends in resource gap indicate the oscillation between positive and negative magnitudes. The resource gap has been negative in three out of five-year period ending 2014-15 indicating that the incremental non-debt receipts were not sufficient to meet the incremental primary expenditure and interest burden. Compared to 2013-14, the situation had been worsened during 2014-15, when the resource gap had turned into negative ₹ 596.27 crore against ₹ 13.12 crore during 2013-14. These trends indicate that the State needs to make 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 2010-15 and increased to 96.64 *per cent* during 2014-15 against 65.94 *per cent* during the previous year (**Appendix 1.2**). During the current year, against receipts of ₹ 2297.91 crore, Government repaid ₹ 2220.78 crore as principal and interest on internal debt (₹ 485.66 crore), loans and advances from Central Government (₹ 38.76 crore) and other liabilities<sup>23</sup> (₹ 1696.36 crore), as a result of which borrowed funds of ₹ 77.13 crore was available at the end of the year.

### 1.10.2 Debt profile

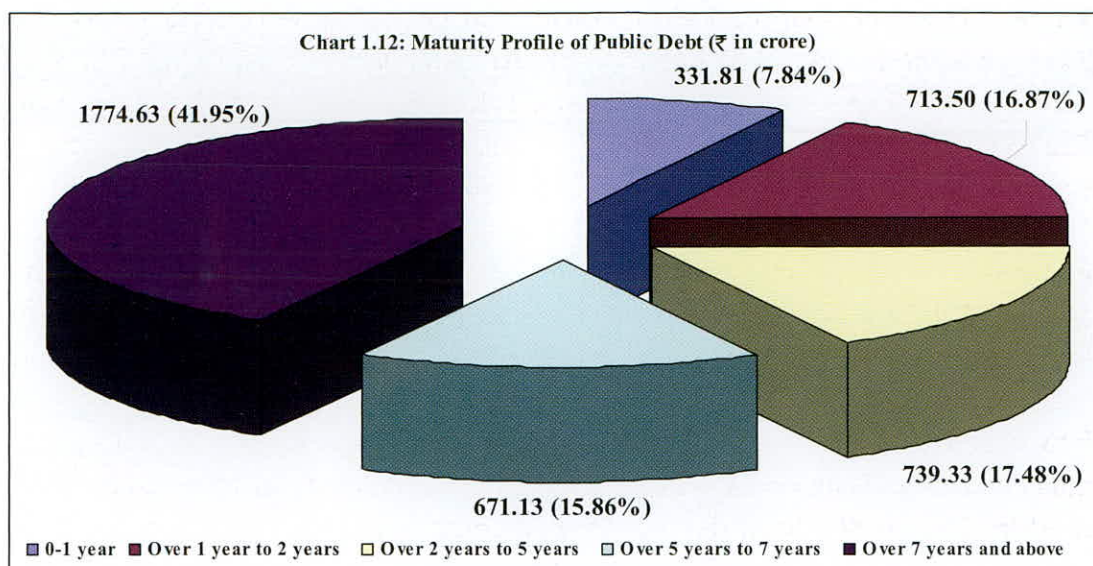
As per Annexure to Statement 17 of the Finance Accounts for the year 2014-15, the maturity profile of the State debt is as indicated in **Table 1.32** and **Chart 1.12**.

**Table 1.32: Maturity Profile of State Debt**

Debt maturity	Maturity Profile	Amount			Per cent
		Internal Debt	Loans & Advances from GOI	Total	
During 2015-16	0-1 year	307.57	24.24	331.81	7.84
Between 2016-17 & 2017-18	Over 1 year to 2 years	664.69	48.81	713.50	16.87
Between 2018-19 & 2019-20	Over 2 years to 5 years	690.02	49.31	739.33	17.48
Between 2020-21 & 2021-22	Over 5 years to 7 years	621.70	49.43	671.13	15.86
2022-23 onwards	Over 7 years and above	1680.30	94.33	1774.63	41.95
<b>Total</b>		<b>3964.28</b>	<b>266.12</b>	<b>4230.40</b>	<b>100</b>

<sup>22</sup> Internal Debt, Loans & Advances from GOI and Other Liabilities (Small Savings, Provident Funds, Reserve Funds, Deposits)

<sup>23</sup> Small Savings, Provident Funds, Reserve Funds, Deposits, etc.



The maturity profile of outstanding stock of public debt as on 31 March 2015 indicates that out of the outstanding Public Debt of ₹ 4230.40 crore, 58.05 *per cent* (₹ 2455.77 crore) is payable within the next seven years while the remaining 41.95 *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 93.71 *per cent* (₹ 3964.28 crore).

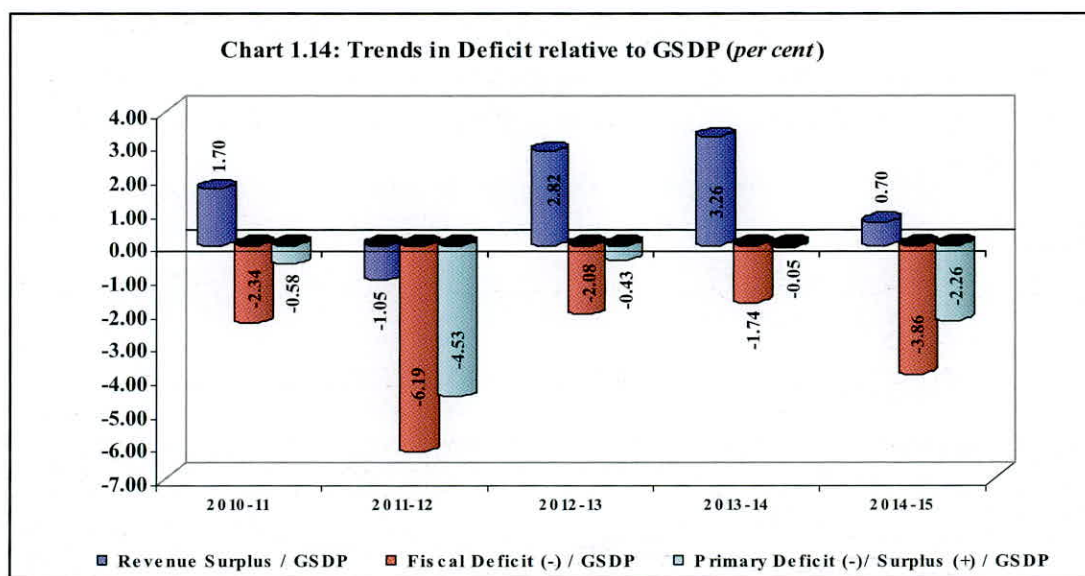
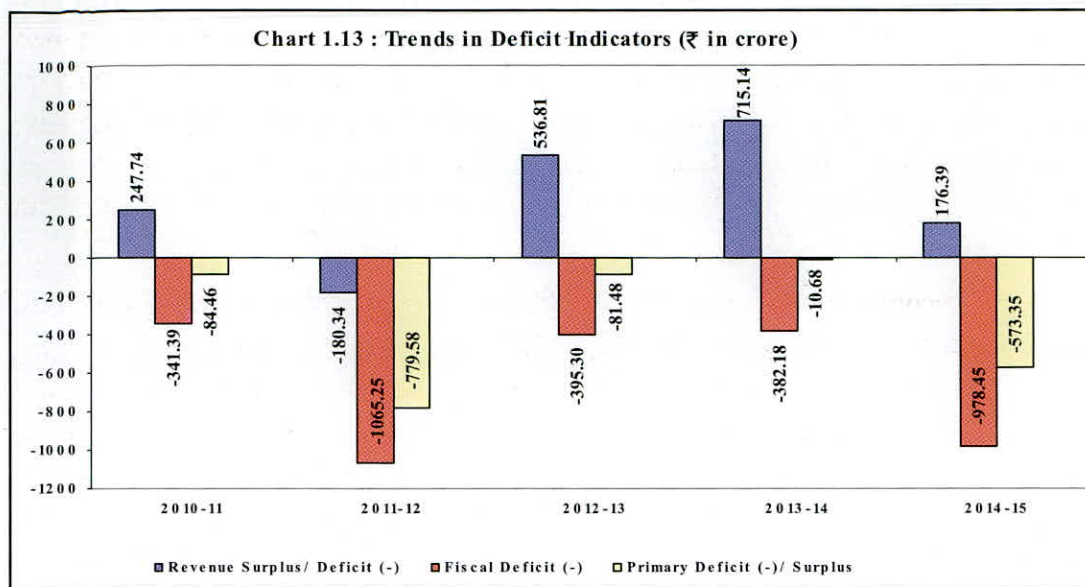
The above position indicates that the Government will have to borrow further to discharge the expenditure obligations unless there is adequate fiscal surplus. Ideally, further borrowings in future should be planned in such a way that there is no bunching of repayments in any particular year as that will cause undue stress on the budget.

### 1.11 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 2014-15.

### 1.11.1 Trends in Deficits

Charts 1.13 and 1.14 present the trends in deficit indicators over the period 2010-15.



**Chart 1.13** reveals that the State was able to attain a revenue surplus of ₹ 176.39 crore during 2014-15, which was however, 75.33 per cent (₹ 538.75 crore) less than the revenue surplus of previous year (₹ 715.14 crore). The fall in revenue surplus during 2014-15 was mainly due to lesser increase (₹ 161.52 crore) in revenue receipts against the increase (₹ 730.38 crore) relative to previous year. The decrease in revenue receipts was however, mainly due to decrease in collection of State's own resources in the form of tax and non-tax revenue by ₹ 264.97 crore compared to increase of ₹ 214.77 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 2011-15 as recommended by the XIII FC, except during 2011-12, but failed to achieve the revenue surplus (₹ 1224.81 crore) for the year 2014-15 made in the MTF Plan.

The fiscal deficit, which represents the total borrowings of the Government and its total resource gap, significantly increased from ₹ 382.18 crore in 2013-14 to ₹ 978.45 crore in 2014-15. This was mainly due to the fact that the increase in revenue and capital expenditure was not commensurate with increase in revenue and non-debt capital receipts during the current year relative to the previous year. During the current year, the revenue and non-debt capital receipts increased by 2.56 per cent only against 13.09 per cent during the previous year, while the increase in revenue and capital expenditure (taken together) over previous year almost remained static (11.21 per cent) as compared to 2013-14 (11.79 per cent).

As per the recommendations of the XIII FC, *all special category states with base fiscal deficit of less than 3 per cent of GSDP in 2007-08 could incur a fiscal deficit of 3 per cent in 2011-12 and maintain it thereafter*. GOM also agreed in the MFRBM Act (as amended) to reduce fiscal deficit to 3 per cent of GSDP or less during 2011-15 of the award period of the XIII FC. The fiscal deficit-GSDP ratio was at 3.86 per cent during 2014-15 and thus, GOM failed to restrict this ratio as per recommendation of the XIII FC and its own commitment in the MFRBM Act (as amended).

The primary deficit during 2014-15 also substantially increased by ₹ 562.67 crore over previous year. Increase of ₹ 596.27 crore in fiscal deficit as well as increase in interest payment (₹ 33.60 crore) resulted in a primary deficit of ₹ 573.35 crore during the current year.

### 1.11.2 Components of Fiscal Deficit and its Financing Pattern

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

**Table 1.33 : Components of Fiscal Deficit and its Financing Pattern**

(₹ in crore)

Sl. No.	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Decomposition of Fiscal Deficit (1 + 2 + 3)</b>						
	<b>Fiscal Deficit</b>	<b>341.39</b>	<b>1065.25</b>	<b>395.30</b>	<b>382.18</b>	<b>978.45</b>
1.	Revenue Surplus (-)/ Deficit (+)	- 247.74	+ 180.34	- 536.81	- 715.14	- 176.39
2.	Net Capital Outlay	574.73	855.24	928.34	1075.47	1118.49
3.	Net Loans and Advances	14.40	29.67	3.77	21.85	36.35
<b>Financing Pattern of Fiscal Deficit<sup>(a)</sup></b>						
1.	Market Borrowing	120.00	208.55	298.00	286.55	442.92
2.	Loans from GOI	- 19.05	- 26.04	- 17.77	- 19.26	-15.05
3.	Special Securities issued to NSSF	89.82	47.14	70.73	69.02	84.12
4.	Loans from Financial Institutions	24.54	35.62	3.76	- 2.51	12.31
5.	Small Savings, PF, etc.	84.30	105.08	109.07	127.17	133.28
6.	Reserve Funds	- 4.14	14.30	- 7.44	18.08	- 13.70
7.	Deposits and Advances	- 10.12	617.37	- 582.04	825.60	- 161.66
8.	Suspense and Miscellaneous	- 28.89	- 18.42	110.67	- 76.71	82.28
9.	Remittances	- 4.49	102.21	17.98	3.15	- 8.34
10.	Increase (-) / Decrease (+) in Cash Balances	+ 89.42	- 20.56	+ 392.34	- 848.91	+ 422.29
	<b>Fiscal Deficit (percentage to GSDP)</b>	<b>2.34</b>	<b>6.19</b>	<b>2.16</b>	<b>1.82</b>	<b>3.86</b>

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

There were fiscal deficits during the five year period ending 2014-15, which peaked to ₹ 1065.25 crore during 2011-12. Though the fiscal deficit declined to ₹ 382.18 crore during 2013-14, it significantly increased to ₹ 978.45 crore during 2014-15. During 2014-15, 77.15 per cent (₹ 754.91 crore) of the fiscal deficit was financed through market borrowings (45.27 per cent), small savings, provident fund, etc. (13.62 per cent), special securities issued to National Small Savings Fund (NSSF) of the Central Government (8.60 per cent), suspense and miscellaneous (8.41 per cent) and loans from financial institutions (1.26 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 22.85 per cent (₹ 223.54 crore) was obviously financed from the cash balances which led to decrease in cash balance from ₹ 827.84 crore in 2013-14 to ₹ 405.55 crore in 2014-15.

### 1.11.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital outlay as well as loans and advances would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicates the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicates that the asset base of the State was continuously shrinking and a part of borrowings (fiscal liabilities) were not having any asset backup. The bifurcation of the primary deficit (Table 1.34) would indicate the extent to which the deficit has been on account of enhancement in capital expenditure which may be desirable to improve the productive capacity of the State's economy.

**Table 1.34: Primary Deficit/Surplus – Bifurcation of Factors**

(₹ in crore)

Year	Non-debt Receipt	Primary Revenue Expenditure	Capital Outlay	Loans and Advances	Primary Expenditure <sup>24</sup>	Primary Revenue Surplus	Primary Deficit (-)/ Surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2 - 6)
2010-11	4287.73	3755.81	574.73	41.65	4372.19	531.92	- 84.46
2011-12	4677.18	4549.14	855.24	52.38	5456.76	128.04	- 779.58
2012-13	5559.60	4685.72	928.34	27.02	5641.08	873.88	- 81.48
2013-14	6287.21	5180.09	1075.47	42.33	6297.89	1107.12	- 10.68
2014-15	6448.01	5846.76	1118.49	56.11	7021.36	601.25	- 573.35

The bifurcation of the factors resulting into primary deficit or surplus of the State during 2010-15 reveals that-

- Non-debt receipts increased by 50.38 per cent from ₹ 4287.73 crore in 2010-11 to ₹ 6448.01 crore in 2014-15.

<sup>24</sup> 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.

- Total primary expenditure increased by ₹ 2649.17 crore (60.59 per cent) during 2014-15 compared to 2010-11 due to increase in primary revenue expenditure to the extent of ₹ 2090.95 crore (55.67 per cent) during the period 2010-11 to 2014-15.
- The primary revenue surplus decreased to ₹ 601.25 crore in 2014-15 from ₹ 1107.12 crore during 2013-14.
- In all the five years (2010-15), the State experienced primary deficit. During the period, the non-debt receipts of the State were sufficient to meet the primary revenue expenditure<sup>25</sup> requirements, but was not adequate for expenditure on capital outlay and loans and advances. The extent of the primary deficit during 2014-15 has been mainly on account of increase in capital expenditure by ₹ 43.02 crore compared to previous year, which may be desirable to improve the productive capacity of the State's economy.

### 1.12 Institutional measures

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

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

In view of the above, several State Governments across India are entering into PPP agreements in the areas of infrastructure projects, survey and exploitation of mines and minerals, development of industrial estates, development of hydro-electricity projects, etc.

Information regarding framing of any policy on PPP and particulars of PPP projects under execution in the State, though called for (July 2015) from the Finance Department, GOM, had not been furnished (September 2015). As such, the position of PPP projects in the State could not be ascertained by Audit. However, as per the information furnished (July 2015) by the Health and Family Welfare Department, GOM, setting up of medical college at Shillong was undertaken under PPP at a project cost of ₹ 250 crore and scheduled to be completed in May 2017. But the work on the project had not started till June 2015.

<sup>25</sup> Primary revenue expenditure represents revenue expenditure less interest payments.

### 1.13 Conclusion and Recommendations

The fiscal position of the State viewed in terms of key fiscal parameters – revenue surplus, fiscal deficit, primary deficit – indicated deterioration in the financial health of the State during 2014-15 relative to previous three years (2010-11 and 2012-14). During 2014-15, though the State continued to maintain the status of revenue surplus, this surplus declined to ₹ 176.39 crore against ₹ 715.14 crore during 2013-14. The fiscal deficit as well as primary deficit of the State have also increased significantly during 2014-15 compared to previous year.

#### *Revenue Receipts*

Revenue receipts during 2014-15 grew merely by 2.58 per cent (₹ 161.52 crore) over previous year. The tax revenue receipts exceeded normative assessment made by XIII FC by 12.70 per cent, but the non-tax revenue was 2.40 per cent lower than the target of XIII FC. State's own resources (tax and non-tax revenue) during 2014-15 (₹ 1282.48 crore) were 17.12 per cent less than those of previous year (₹ 1547.45 crore) and constituted only 19.95 per cent of the revenue receipts of the year. The Central transfers comprising State's share of central taxes and grants-in-aid from the Government of India increased by ₹ 426.49 crore in 2014-15 and contributed 80.05 per cent of the revenue receipts during the year, indicating central transfers being the key in the increase in revenue receipts of the State.

***The State Government should explore the possibilities of mobilising additional resources both through tax and non-tax sources by expanding the tax base and rationalising the user charges.***

#### *Revenue and Total Expenditure*

Compared to previous year, the revenue expenditure during 2014-15 increased by 12.61 per cent. The expenditure pattern of the State reveals that though the revenue expenditure as a percentage of total expenditure marginally increased from 83.24 per cent in 2013-14 to 84.18 per cent in the current, it hovered around 84 per cent during the period (2010-15) leaving inadequate resources for expansion of services and creation of assets. Within the revenue expenditure, NPRES at ₹ 4071.37 crore in 2014-15 constituted 65.12 per cent and remained significantly higher (21.24 per cent) than the normatively assessed level of ₹ 3358.15 crore by XIII FC for the year. Further, expenditure on salaries and wages, pensions, interest payments and subsidies continued to consume a large share of revenue expenditure which was 49.29 per cent (₹ 3081.29 crore) during 2014-15. Capital outlay during 2014-15 (₹ 1118.49 crore) increased by ₹ 43.02 crore (4 per cent) only over previous year. It decreased to 15.06 per cent of total expenditure during 2014-15 against 16.13 per cent during the preceding year and also fell short by 34.76 per cent (₹ 595.93 crore) of the projection (₹ 1714.42 crore) made by the State Government in its budget for the year.

***Expenditure pattern of the State Government needs correction. The State should initiate action to restrict the components of non-plan revenue expenditure. Though expenditure incurred under capital heads had been increasing over the years, yet the expenditure pattern under this sector also needs correction.***

#### ***Fiscal Correction Path***

During 2014-15, there was significant deterioration in all the three major fiscal indicators, viz., revenue surplus, fiscal deficit and primary deficit over previous year. The fiscal deficit increased from ₹ 382.18 crore in 2013-14 to ₹ 978.45 crore during the current year. Primary deficit also increased significantly by ₹ 562.67 crore from ₹ 10.68 crore in 2013-14 to ₹ 573.35 crore in 2014-15. The fiscal deficit-GSDP ratio stood at 3.86 *per cent* during 2014-15 against the ceiling of 3 *per cent* or less prescribed in the MFRBM Act, 2006 (as amended) and also the recommendation of the XIII FC to maintain this ratio at 3 *per cent* of GSDP or less. The prevalence of fiscal deficit during 2010-15 indicates continued reliance of the State on borrowed funds, resulting in increasing fiscal liabilities of the State over the period 2010-15, which increased by 7.69 *per cent* during 2014-15 compared to previous year. The fiscal liabilities during 2014-15 stood at 26.65 *per cent* of the GSDP during the current year against 28.60 *per cent* during 2013-14 and exceeded the limit of total outstanding Debt-GSDP ratio projected in MTF Plan (25.88 *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 2010-15. However, Government paid interest at an average rate of 6.22 *per cent* to 6.61 *per cent* on its borrowings during the period. Interest received as *per cent* to outstanding Loans and Advances given by the State Government was also inadequate, which ranged between 0.87 *per cent* and 1.17 *per cent* during 2010-14 and stood at 1.36 *per cent* during 2014-15.

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.

***The State should make efforts to maintain revenue surplus and reduce fiscal deficit. Recourse to borrowed funds in future should be carefully assessed and managed so that the Fiscal Liabilities-GSDP ratio can be restricted to the projection made in the MTF Plan. The State Government may also review the low return from investments in Statutory Corporations, Government Companies and Co-operative Banks/Societies and also ensure better value for money in investments by identifying the companies/corporations which are endowed with low financial but high socio-economic returns and justify the use of high cost borrowed funds for non-revenue generating investments through clear and transparent guideline. The State Government should also explore the possibility of the closure of perennially sick Public Sector Undertakings.***



## **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 2014-15 against 56 Grants and six Appropriations is given in **Table 2.1**:

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

(₹ in crore)								
Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Saving	Amount Surrendered	Amount Surrendered on 31 March 2015	Percentage of Savings surrendered on 31 March 2015 to total amount surrendered
<b>Voted</b>								
I. Revenue	9460.83	509.88	9970.71	5811.27	4159.44	1768.87	1768.87	43
II. Capital	1714.77	97.01	1811.78	1118.49	693.29	555.49	555.49	78
III. Loans and Advances	66.03	12.48	78.51	56.11	22.40			
<b>Total Voted</b>	<b>11241.63</b>	<b>619.37</b>	<b>11861.00</b>	<b>6985.87</b>	<b>4875.13</b>	<b>2324.36</b>	<b>2324.36</b>	<b>48</b>
<b>Charged</b>								
IV. Revenue	441.60	23.65	465.25	448.44	16.81	1.03	1.03	6
V. Capital	...	0.37	0.37	...	0.37	..	..	..
VI. Public Debt-Repayment	250.44	...	250.44	202.66	47.78	..	..	..
<b>Total Charged</b>	<b>692.04</b>	<b>24.02</b>	<b>716.06</b>	<b>651.10</b>	<b>64.96</b>	<b>1.03</b>	<b>1.03</b>	<b>2</b>
<b>Appropriation to Contingency Fund (if any)</b>	...	...	...	....	...	...	...	...
<b>Grand Total</b>	<b>11933.67</b>	<b>643.39</b>	<b>12577.06</b>	<b>7636.97</b>	<b>4940.09</b>	<b>2325.39</b>	<b>2325.39</b>	<b>47</b>

The overall saving of ₹ 4940.09 crore was the result of saving of ₹ 5055.08 crore in 52 Grants and two Appropriations under Revenue Section, 26 Grants and two Appropriations under Capital Section, offset by excess of ₹ 114.99 crore in two Grants and one case of Appropriation under Revenue Section and one case of Appropriation under Capital Section. Out of the total savings of ₹ 4940.09 crore, ₹ 2325.39 crore (47.07 per cent) was surrendered during the year and the balance savings of ₹ 2614.70 crore (52.93 per cent) remained un-surrendered.

The savings/excess were intimated (July 2015) 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 2015) 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 44 cases, savings of ₹ 4570.23 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 ₹ 4570.23 crore, savings of ₹ 4245.91 crore (92.90 per cent) occurred in 14 cases relating to 12 Grants as indicated in **Table 2.2**.

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

Number and name of the Grant	Original	Supple- mentary	Total	Actual expenditure	Savings
<b>I. Revenue-Voted</b>					
11 – Other Taxes and Duties on Commodities and Services, etc.	129.86	116.30	246.16	168.49	77.67
21 – Miscellaneous General Services, etc.	3261.52	54.42	3315.94	1298.42	2017.52
29 – Urban Development, etc.	95.26	0	95.26	21.78	73.48
34 – Welfare of Scheduled Caste/ Scheduled Tribe and Other Backward Classes, etc.	822.74	18.57	841.31	283.11	558.20
38 – Secretariat Economic Services, etc.	337.25	39.72	376.97	84.84	292.13
43- Housing, Crop Husbandry, Agricultural, Research and Education, etc.	478.18	15.00	493.18	258.75	234.43
45 – Housing, Soil and Water Conservation, etc.	338.36	0	338.36	105.88	232.48
50 – Forestry and Wildlife, Agricultural Research and Education, etc.	216.61	4.38	220.99	146.40	74.59
51 – Housing, Crop Husbandry, etc.	628.33	1.28	629.61	506.07	123.54
53 – Housing, Village and Small Industries, etc.	105.89	0	105.89	40.83	65.06
<b>Total Revenue -Voted</b>	<b>6414.00</b>	<b>249.67</b>	<b>6663.67</b>	<b>2914.57</b>	<b>3749.10</b>
<b>II. Capital-Voted</b>					
19 – Secretariat General Services, Public Works, Housing, Capital Outlay on Public Works, etc.	161.33	5.87	167.20	72.09	95.11
27 – Water Supply and Sanitation, Housing, etc.	328.53	0	328.53	191.42	137.11
29 – Urban Development, etc.	204.89	0	204.89	57.29	147.60
43- Housing, Crop Husbandry, Agricultural, Research and Education etc.	160.43	0	160.43	43.44	116.99
<b>Total Capital -Voted</b>	<b>855.18</b>	<b>5.87</b>	<b>861.05</b>	<b>364.24</b>	<b>496.81</b>
<b>Grand Total</b>	<b>7269.18</b>	<b>255.54</b>	<b>7524.72</b>	<b>3278.81</b>	<b>4245.91</b>

Reasons for excessive savings in the above cases had not been furnished (August 2015).

### 2.3.2 Persistent Savings

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

**Table 2.3: List of Grants indicating Persistent Savings during 2010-15**

(₹ in crore)						
Sl. No.	No. and Name of the grant	Amount of savings				
		2010-11	2011-12	2012-13	2013-14	2014-15
Revenue-Voted						
1.	11- Other Taxes and Duties on Commodities and Services, <i>etc</i>	169.29 (59)	226.21 (57)	106.00 (37)	45.73 (23)	77.67 (32)
2.	29- Urban Development, Capital Outlay on Housing, <i>etc</i>	24.37 (45)	19.74 (31)	47.65 (54)	24.86 (41)	73.48 (77)
3.	34-Welfare of Scheduled Castes, <i>etc.</i>	69.05 (34)	57.84 (25)	105.20 (39)	158.58 (42)	558.20 (66)
4.	39 – Cooperation <i>etc.</i>	5.87 (31)	13.99 (47)	14.96 (51)	14.55 (47)	4.23 (20)
5.	40-North Eastern Areas, <i>etc.</i>	44.08 (74)	12.80 (34)	90.13 (77)	76.64 (80)	48.27 (77)
Capital-Voted						
6.	19 – Secretariat General Services, Public Works, <i>etc.</i>	25.69 (39)	59.53 (65)	68.00 (58)	79.23 (42)	95.11 (57)
7.	29- Urban Development, Capital Outlay on Housing, <i>etc.</i>	95.98 (95)	24.48 (20)	231.75 (92)	244.77 (69)	147.60 (72)
8.	34-Welfare of Scheduled Castes, <i>etc.</i>	8.14 (58)	15.65 (96)	19.36 (100)	15.21 (80)	15.77 (49)
9.	39-Cooperation, <i>etc.</i>	3.01 (40)	6.20 (36)	8.33 (54)	7.79 (48)	9.30 (62)

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

Five Grants, viz. ‘Other Taxes and Duties on Commodities and Services, *etc.*’, ‘Urban Development’, ‘Welfare of Scheduled Castes, *etc.*’, ‘North Eastern Areas’ and Secretariat General Services, Public Works, *etc.* posted large savings persistently for the last five years.

### 2.3.3 Expenditure without Provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of ₹ 43.96 crore was incurred in 16 cases as detailed in **Appendix 2.3** without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect. Nine significant cases of such expenditure involving expenditure in excess of ₹ 1 crore are given in **Table 2.4**.

**Table 2.4: Expenditure incurred without provision during 2014-15**

Sl. No.	Grant/Appropriation Number – Major Head of Accounts - Sub-Head - Detailed Head	(₹ in crore) Expenditure without provision
1.	16 – 2055 – 102 – 0478 Reimbursement to State for Civil Defence – General	1.73
2.	19- 4059 – 051 – (02 General Purposes Office and Administrative Buildings for all Services - Sixth Schedule (Part II) Areas	2.27
3.	26 – 2211 – 101 – (02) Rural Family Welfare Sub-Centres – Sixth Schedule (Part II) Areas	2.96
4.	26 – (Centrally Sponsored Scheme) – 2211 – 001 – (02) District Family Welfare Bureau – General	2.18
5.	26 – CSS – 2211-101 – (02) Rural Family Welfare Sub-Centres – General	5.89
6.	27 – 4215 – 01 – 102 – (18) National Rural Drinking Water Programme – General	6.54
7.	43 – 2401 – 800 – (21) Special Central Assistance - Sixth Schedule (Part II) Areas	15.00
8.	51 – 2515 – 102 – (01) Stage-I Block - Sixth Schedule (Part II) Areas	1.02
9.	56 – 5054 – 04 – 800 - (04) Roads Financed from Central Road Fund – Sixth Schedule (Part-II) Areas	3.63

### **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 15<sup>th</sup> March at the latest. Further, as per Rule 211 of Meghalaya Treasury Rules, 1986, no money shall be drawn from the Treasury unless it is required for immediate disbursement. Contrary to the prescribed procedure, ₹ 382.34 crore was transferred in March 2015 into the head of Account '8443 – Civil Deposits' primarily to exhaust the unspent budgetary provisions. Instances of such transfer (over ₹ 10 crore in each case) in respect of the 12 cases involving ₹ 334 crore are mentioned in **Appendix 2.4**.

### **2.3.5 Excess over provisions relating to previous years requiring regularisation**

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of excess expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). As indicated in the Reports of the Comptroller and Auditor General of India, excess expenditure of ₹ 1692.39 crore for the years from 1971-72 to 2013-14 had not been regularised, details of which are given in **Appendix 2.5**.

### **2.3.6 Excess over provisions during 2014-15 requiring regularisation**

**Table 2.5** contains the summary of total excess in two Grants and one case of Appropriation under Revenue Section and one case of Appropriation under Capital Section amounting to ₹ 114.99 crore over authorisation from the Consolidated Fund during 2014-15 and requires regularisation under Article 205 of the Constitution.

**Table 2.5 : Excess over provisions requiring regularisation during 2014-15**

(₹ in lakh)

Sl. No.	Number and title of Grant/Appropriation	Total Grant/Appropriation	Expenditure	Excess (+) (per cent to Total Grant/Appropriation)
<b>Revenue – Voted</b>				
1.	7 – Stamps and Registration	176.45	206.38	29.93 (16.96)
2.	24 – Pensions and Other Retirement Benefits	40030.59	51494.05	11463.46 (28.64)
<b>Revenue - Charged</b>				
1.	Public Services Commission	322.70	323.22	0.52 (0.16)
<b>Capital - Charged</b>				
1.	Loans and Advances from Government of India	1976.99	1981.83	4.84 (0.24)
<b>Total</b>				<b>11498.75</b>

In one of the above cases, viz. Grant No.24 - Pension & other retirement benefits, excess expenditure by more than ₹ 50 crore of the budget provision has been observed consistently for the last five years **Table 2.6**).

**Table 2.6 : Persistent excess expenditure during 2010-15**

(₹ in crore)

Sl. No.	Number and name of the Grant	Amount of Excess Expenditure				
		2010-11	2011-12	2012-13	2013-14	2014-15
1.	24- Pension and other Retirement benefits (Revenue - Voted)	97.97	139.17	73.49	53.89	114.63

### 2.3.7 Excessive/inadequate supplementary provision

Supplementary provision aggregating ₹ 330.33 crore obtained in 27 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 one case supplementary provision of ₹ 20.45 lakh proved insufficient leaving an aggregate uncovered excess expenditure of ₹ 29.93 lakh (**Table 2.7**).

**Table 2.7: Insufficient Supplementary Provision**

(₹ in crore)

Number and Name of Grant	Original Provision	Supplementary provision	Total	Expendi- -ture	Excess
7 – Stamps and Registration Revenue - Voted	156.00	20.45	176.45	206.38	29.93

In two cases, no supplementary provision was obtained resulting in an excess expenditure of ₹ 114.68 crore involving excess expenditure of over ₹ 1 crore in one of the two cases as given in **Table 2.8**.

**Table 2.8: Excess expenditure but no Supplementary Provisions were obtained**

(₹ in crore)

Number and Name of Grant	Original Provision	Expenditure	Excess
24 – Pensions and Other Retirements Benefits - Revenue-Voted	400.31	514.94	114.63
Appropriation – Loans and Advances from GOI - Capital-Charged	19.77	19.82	0.05
<b>Total</b>	<b>420.08</b>	<b>534.76</b>	<b>114.68</b>

### 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 266 sub-heads proved excessive or insufficient and resulted in savings/excess of over ₹ 10 lakh. Instances of 84 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 2014-15 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", *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 240 sub-heads on various grounds like non-receipt of sanction, less expenditure, non-release of fund, *etc.* Out of the total provision of ₹ 1717.16 crore in these 240 sub-heads, ₹ 1484.41 crore were surrendered, which included *cent per cent* surrender in 136 schemes. The details of 63 such cases involving surrender of entire provisions (over ₹ 1 crore) of ₹ 618.02 crore are given in **Appendix 2.8**.

### 2.3.11 Surrender in excess of actual saving

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

In 19 cases, the amount surrendered was in excess of actual savings indicating lack of or inadequate budgetary control in these departments. As against savings of ₹ 492.15 crore, the amount surrendered was ₹ 511.42 crore resulting in excess surrender of ₹ 19.27 crore (**Appendix 2.9**). Some significant cases are shown in **Table 2.9**.

**Table 2.9 : Cases of surrender in excess of savings**

Sl No.	Number and Name of Grant/Appropriation	Total Grant	Saving	(₹ in lakh)	
				Amount surrendered	Amount surrendered in excess of savings
1.	8 – State Excise Revenue – Voted	1485.00	109.88	246.80	136.92
2.	41 – Census, Survey and Statistics Revenue – Voted	2102.05	804.81	991.80	186.99
3.	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	33836.04	23248.39	23601.14	352.75
4.	53 – Village and Small Industries, etc. Revenue – Voted	10589.20	6506.09	7435.03	928.94

### 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 15<sup>th</sup> March. At the close of the year 2014-15, there were however, 10 Grants and one Appropriation in which savings occurred but no part of which had been surrendered by the concerned departments. The amount involved in these cases was ₹ 233.98 crore (4.74 *per cent* of the overall savings of ₹ 4940.09 crore) (**Appendix 2.10**).

Similarly, out of total savings of ₹ 3897.18 crore under 21 other Grants (savings of ₹ 1 crore and above in each Grant), amount aggregating ₹ 2502.36 crore (64.21 *per cent* of total savings) were not surrendered, details of which are given in **Appendix 2.11**. Besides, in 51 cases, (surrender of funds in excess of ₹ 1 crore), ₹ 2319.59 crore were (**Appendix 2.12**) surrendered on the last working day of March 2015, 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 2014-15, compared to the total expenditure during the year the expenditure during the fourth quarter ranged between 18.25 *per cent* and 84.63 *per cent* and in the month of March it ranged between 9.78 *per cent* and 83.90 *per cent* in respect of nine illustrative major heads of account as indicated in **Table 2.10** below:

**Table 2.10: Cases of Rush of Expenditure towards the end of the financial year 2014-15**

(₹ in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2015	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2055	487.85	121.59	24.92	83.23	17.06
2.	2202	1166.20	291.21	24.97	222.96	19.12
3.	2204	41.89	22.79	54.40	20.90	49.89
4.	2205	78.93	66.80	84.63	66.22	83.90
5.	2210	448.21	169.12	37.73	138.57	30.92
6.	2211	35.18	6.42	18.25	3.44	9.78
7.	2215	167.40	48.96	29.25	36.59	21.86
8.	2403	75.63	20.81	27.52	15.86	20.97
9.	2406	144.08	88.10	61.15	80.77	56.06

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

## 2.4 Reconciliation of departmental figures

### 2.4.1 Detailed Contingent Bills against Abstract Contingency Bills

According to the Meghalaya Treasury Rules, 1985, the Controlling Officers are to submit Detailed Countersigned Contingent (DCC) bills against the drawal of Abstract Contingent (AC) bills to the Accountant General (AG) within a month from the date of receipt of such bills in his office. As per Finance Accounts for the year 2014-15 (Volume I), the total amount of DCC bills received during 2013-14 and 2014-15 was ₹ 51.99 crore against the amount of AC bills of ₹ 55.51 crore leading to an outstanding balance of DCC bills of ₹ 3.52 crore as of March 2015. Year wise details are given in the table below:

**Table 2.11 : Outstanding DCC Bills**

(₹ in crore)

Year	Amount of AC bills	Amount of DCC bills	Outstanding AC bills	Percentage of Outstanding AC bills
2013-14	41.26	41.23	0.03	0.07
2014-15	14.25	10.76	3.49	24.49
<b>Total</b>	<b>55.51</b>	<b>51.99</b>	<b>3.52</b>	<b>6.34</b>

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

### 2.4.2 Un-reconciled Expenditure

To enable Controlling Officers (COs) of Departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Budget Manual stipulates that expenditure recorded in their books be reconciled by them every month during the financial year with that recorded in the books of the Accountant General(A&E). Even though non-reconciliation of departmental figures is being pointed out regularly in Audit Reports, lapses on the

part of COs in this regard continued to persist. During 2014-15, 33 out of 58 COs did not reconcile expenditure amounting to ₹ 3153.56 crore (41 *per cent* of total gross expenditure of ₹ 7636.97 crore) as of March 2015. Out of the unreconciled expenditure of ₹ 3153.56 crore, ₹ 1176.41 crore related to the Directors of Technical Education and Sports and Youth Affairs followed by ₹ 793.75 crore in respect of the Chief Engineer, Public Works (Roads) and ₹ 223.64 crore in respect of Director of Agriculture.

## **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 14 PD accounts with a balance of ₹ 4.84 crore. Out of 14 PD accounts, eight accounts remained inoperative for period ranging from 10 years to 14 years. During 2014-15, one PD account was closed and no PD account was opened during the year. As on 31 March 2015, 13 PD accounts involving ₹ 5.35 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

An attempt has been made to examine and evaluate the budget documents of the Government of Meghalaya for the year 2014-15. The findings of Audit are given in the succeeding paragraphs.

### 2.6.4 Budget Process

As contemplated in Paragraphs 1 and 78 of Budget Manual<sup>1</sup>, 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 2013) fixed by the Finance (Budget) Department in September 2013. 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 Administration	13 (2052, 2251)	15.01.2014	Two months
2.	Home (Police)	16 (2055, 2070)	27.01.2014	Two months
3.	Health & Family Welfare	26 (2210)	19.02.2014	Three months
4.	Public Health Engineering	27 (2215)	09.02.2014	Three months
5.	Labour	31 (2230)	09.01.2014	Two months
6.	Agriculture and Water Resources	43 (2401,2702)	16.12.2013	One month
7.	Animal Husbandry & Veterinary	47 (2403)	06.02.2014	Three months
8.	Forest	50 (2406)	11.12.2013	One month
9.	Industries	53 (2851)	20.01.2014	Two months

<sup>1</sup> Budget Manual of the Government of Assam (Volume I) as adopted by the Government of Meghalaya

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

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

The position of Revenue and Capital receipts under Consolidated Fund during 2012-13 to 2014-15 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	Percentage of shortfall	Budget Provision	Actual Receipt	Shortfall (-)/ Excess (+)	Percentage of shortfall/ excess
2012-13	6975.42	5536.35	1439.07	20.63	708.57	546.48	- 162.09	22.88
2013-14	8583.40	6266.73	2316.67	26.99	694.52	495.90	- 198.62	28.60
2014-15	11127.60	6428.25	4699.35	42.23	740.61	746.72	+ 6.11	0.82

Source: Annual Financial Statement & Finance Accounts

It can be seen from the table above that the shortfall of revenue receipts during 2012-15 ranged between 20.63 per cent and 42.23 per cent. As regards capital receipts, there were shortfall in actual receipts by 22.88 per cent and 28.60 per cent during 2012-13 and 2013-14 respectively compared to budget provision, but exceeded the budget provision during 2014-15 by 0.82 per cent. It is, thus, necessary that a more reliable and scientific method of forecasting revenues needs to be adopted to achieve better planning of expenditure and taking recourse to need based borrowings.

### 2.6.6 Estimates of expenditure under Consolidated Fund

The estimates of expenditure should be prepared for the charges that will be needed for actual payment during the year. It is of great importance that the expenditure estimates should be accurately framed. The Finance Department could not furnish to Audit the departmental estimates and revised estimates, if any, received from the various departments, though called for in October 2014. Thus, it could not be verified whether proposals of the departments were duly considered in framing the budget.

Budget provision for expenditure (gross) and actuals thereagainst under revenue and capital accounts during 2012-15 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
2012-13	6758.56	5008.82	1749.74	25.89	1920.13	1123.87	796.26	41.47
2013-14	7982.02	5556.38	2425.64	30.39	2069.71	1416.51	653.20	31.56
2014-15	10435.96	6259.71	4176.25	40.02	2141.10	1377.26	763.84	35.68

O: Original; S: Supplementary

In all the three years there was overestimation of expenditure which resulted in savings ranging from 25.89 per cent to 40.02 per cent under Revenue Account and

31.56 per cent to 41.47 per cent under and Capital Account. This was indicative of the fact that contrary to the prescribed budgetary regulations, estimation was made without proper analysis of actual needs.

### 2.6.7 Inaccuracy in preparation of revised estimates

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

Significant cases of variation between the revised estimates and the actuals during 2014-15 under both receipts and expenditure heads of accounts are given below:

**Table 2.14: Variation between revised estimates and actuals**

(₹ in crore)					
Sl. No	Number and name of head of accounts	Budget Estimates	Revised estimates	Actuals	Variation Excess(+)/ Shortfall (-) (per cent)
<b>RECEIPTS</b>					
1.	0030 – Stamps and Registration Fees	16.66	16.66	9.90	- 6.76 (40.58)
2.	0038 – Union Excise Duties	157.90	157.90	126.15	- 31.75 (20.11)
3.	0039 – State Excise	205.16	205.16	151.14	- 54.02 (26.33)
4.	0044 – Service Taxes	277.82	277.82	203.94	- 73.88 (26.59)
5.	0055 – Police	8.41	8.41	3.85	- 4.56 (54.22)
6.	0059 – Public Works	10.35	10.35	6.28	- 4.07 (39.32)
7.	0075 – Miscellaneous General Services	16.53	16.53	0.02	- 16.51 (99.88)
8.	0215 – Water Supply and Sanitation	19.84	19.84	3.39	- 16.45 (82.91)
9.	0406 – Forestry and Wildlife	40.83	40.83	71.99	+ 31.16 (76.32)
10.	0853 – Non Ferrous Mining and Metallurgical Industries	516.00	516.00	195.10	- 320.90 (62.19)
<b>EXPENDITURE</b>					
1.	2056 – Jails	15.59	15.59	10.50	- 5.09 (32.65)
2.	2071 – Pension and other Retirement Benefit	400.31	400.31	514.94	+ 114.63 (28.64)
3.	2202 – General Education	2398.38	2398.38	1166.20	- 1232.18 (51.38)
4.	2203 – Technical Education	695.24	695.24	10.21	- 685.03 (98.53)
5.	2204 – Sports and Youth Services	121.15	121.15	41.89	- 79.26 (65.42)
6.	2205 – Art and culture	45.01	45.01	78.93	+ 33.92 (+ 75.36)
7.	2217 – Urban Development	95.26	95.26	21.78	- 73.48 (77.14)
8.	2225 – Welfare of Schedule Castes/Tribes and Other Backward Classes	254.19	254.19	50.86	- 203.33 (- 79.99)

Sl. No	Number and name of head of accounts	Budget Estimates	Revised estimates	Actuals	Variation Excess(+)/ Shortfall (-) (per cent)
9.	2402 – Soil and water Conservation	334.28	334.28	102.98	- 231.30 (69.19)
10.	2702 – Minor Irrigation	111.88	111.88	36.04	- 75.84 (67.79)
11.	2801 – Power	120.23	120.23	164.17	+ 43.94 (36.55)
12.	2853 – Non –ferrous Mining and Metallurgical Industries (Mines and Minerals	84.49	84.49	115.23	+ 30.74 (36.38)
13.	3451 – Secretariat Economics Services-II Planning Board etc.	337.25	337.25	111.42	- 225.83 (66.96)

Wide variations ranging from 20.11 per cent to 99.88 per cent under Receipt heads and 28.64 per cent to 98.53 per cent under Expenditure heads between the budget provision and actuals particularly with reference to revised estimates, indicated absence of proper care in estimating the revised estimates by the concerned controlling officers as envisaged in the Budget Manual and failure of the Finance (Budget) Department in exercising adequate check over the rough preliminary revised estimates.

## 2.6.8 Errors in Budgetary Process

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

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

- Under Revenue (voted) the original grants and supplementary grants were ₹ 9460.83 crore and ₹ 509.88 crore respectively aggregating to ₹ 9970.71 crore, against which the actual expenditure was ₹ 5811.27 crore resulting in savings of ₹ 4159.44 crore. This was more than the supplementary provision.
- Similarly under Capital (voted) including Loans and Advances, the original and supplementary grants were ₹ 1780.80 crore and ₹ 109.49 crore respectively aggregating to ₹ 1890.29 crore against which the actual expenditure was ₹ 1174.60 crore, resulting in savings of ₹ 715.69 crore. This was more than the supplementary grants.
- In the above cases, the supplementary provision of ₹ 509.88 crore under Revenue (voted) and ₹ 109.49 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)	9460.83	509.88	9970.71	5811.27	- 4159.44
2.	Capital (voted)	1780.80	109.49	1890.29	1174.60	- 715.69
<b>Total</b>		<b>11241.63</b>	<b>619.37</b>	<b>11861.00</b>	<b>6985.87</b>	<b>- 4875.13</b>

**2.6.8.2** Expenditure relating to minor works, repairs and grants-in-aid is to be classified as revenue expenditure. Capital expenditure is incurred with the object of increasing concrete assets of a material and permanent character or of reducing permanent liabilities. As per the Finance Accounts for the year 2014-15 (Volume I), the State Government made budget provision and classified ₹ 69.01 crore on major works under the Revenue section and ₹ 5.15 crore on minor works under the Capital section. Instances of such cases involving ₹ 1 crore and above are given in **Appendix 2.13**.

Due to such misclassification, the revenue surplus of the State Government for the year 2014-15 was understated by ₹ 63.86 crore. The misclassification, though reported (July 2015) by the Accountant General (A&E) to the State Government, remained un-rectified.

### **2.6.9 Technical and qualitative application of resources**

Budget provision (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 2012-15 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)				
	Non-Plan	Plan	Total	Non-Plan	Plan	Total	Non-Plan	Plan
							Amount (per cent)	Amount (per cent)
Social Services								
2012-13	985.58 (35.05)	1826.02 (64.95)	2811.60	1087.43 (110.33)	884.79 (48.45)	1972.22	+ 101.85 (10.33)	- 941.23 (51.55)
2013-14	1137.41 (28.69)	2827.42 (71.31)	3964.83	1171.40 (102.99)	1193.48 (42.21)	2364.88	+ 33.99 (2.99)	- 1633.94 (57.79)
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)
Total	3551.53 (28.31)	8993.85 (71.69)	12545.38	3514.54 (98.96)	3556.14 (39.54)	7070.68	- 36.99 (1.04)	- 5437.71 (60.46)

Year	Budget Estimate (net)			Actual expenditure			Shortfall (-)/Excess (+)	
	(percentage to total provisions)			(percentage to provision of respective sector)				
	Non-Plan	Plan	Total	Non-Plan	Plan	Total	Non-Plan	Plan
							Amount (per cent)	Amount (per cent)
<b>Economic Services</b>								
2012-13	570.15 (18.78)	2465.73 (81.22)	3035.88	681.23 (119.48)	1640.04 (66.51)	2321.27	+ 111.08 (19.48)	- 825.69 (33.49)
2013-14	665.45 (20.13)	2640.04 (79.87)	3305.49	710.13 (106.71)	1628.87 (61.70)	2339.00	+ 44.68 (6.71)	- 1011.17 (38.30)
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)
<b>Total</b>	<b>2047.36 (20.33)</b>	<b>8022.35 (79.67)</b>	<b>10069.71</b>	<b>2211.20 (108.00)</b>	<b>4981.81 (62.10)</b>	<b>7193.01</b>	<b>+ 163.84 (8.00)</b>	<b>- 3040.54 (37.90)</b>

Source : Memorandum of Budget Estimates and Finance Accounts

### • Social services

During 2012-15, provision for Non-Plan and Plan expenditure under Social services were ₹ 3551.53 crore and ₹ 8993.85 crore respectively which constituted 28.31 per cent and 71.69 per cent of the total provision. However, the actual expenditure under Non-Plan and Plan was ₹ 3514.54 crore and ₹ 3556.14 crore respectively which constituted 98.96 per cent and 39.54 per cent of the total provision made under Non-Plan and Plan expenditure. While, there was a shortfall in Plan expenditure against the budget provision during all the three years, the Non-Plan expenditure exceeded the budget provision during two (2012-14) out of three years. While the actual Plan expenditure during 2012-15 fell short of the budget provision by 60.46 per cent, this percentage of Non-Plan expenditure was 1.04 only.

### • Economic Services

Non-Plan expenditure surpassed the budget provision during all the three years 2012-15. There was decline in Plan expenditure *vis-à-vis* the budget provision, which decreased to 58.73 per cent during 2014-15 against 66.51 per cent during 2012-13. While the overall shortfall during 2012-15 over the expectation (provision) under Plan expenditure was 37.90 per cent, the Non-Plan expenditure exceeded the budget provision by 8 per cent during the period.

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 25<sup>th</sup> November and 1<sup>st</sup> January). Statements/returns received, if any, from the different

Controlling Officers/ Heads of Departments, though called for (October 2015) from the Finance (Budget) Department, were not furnished to Audit. However, shortcomings in the budget formulation as discussed in the foregoing paragraphs indicated that the prescribed budgetary control/monitoring system to watch over the progress of expenditure remained ineffective and the Finance Department could not take any initiative to contain the trend of shortcomings like excess expenditure, persistent savings, etc.

## 2.7 Outcome of review of selected Grant

A review of budgetary procedure and control over expenditure was conducted (October 2015) in respect of 'Grant Number – 27 – Water Supply, Sanitation and Housing (Major Head of Accounts: 2215 and 2216), Capital Outlay on Water Supply and Sanitation (Major Head of Accounts: 4215) and Capital Outlay on Housing (Major Head of Accounts: 4216). The Chief Engineer, Public Health Engineering Department is the Controlling Officer (CO) for this Grant. The irregularities noticed during the review are discussed below.

### 2.7.1 Excessive supplementary provision/non surrender of savings

Under the revenue head there was a Budget provision of ₹ 172.14 crore, out of which the actual expenditure incurred was ₹ 167.97 crore resulting in final savings of ₹ 4.17 crore. Under the capital head, expenditure of ₹ 191.42 crore was incurred during the year against the budget provision of ₹ 328.53 crore resulting in a saving of ₹ 137.11 crore. Out of the total savings of ₹ 141.28 crore, ₹ 141.01 crore was surrendered during the year contrary to the provision in Paragraph 152 (iii) of the Budget Manual which provides for surrender of all anticipated savings to the Finance Department latest by 15 March so that the same could be utilised for other purpose.

### 2.7.2 Savings

As per the Detailed Appropriation Accounts for the year 2014-15, savings ranging from 22.44 per cent to 68.02 per cent occurred under five schemes in respect of Major Head of Account 2215 – Water Supply and Sanitation and two schemes in respect of 4215 – Capital Outlay on Water Supply and Sanitation, as shown in the table below:

Table 2.17 : Cases of savings

Name of Scheme	Final Grant <sup>2</sup>	Savings	Percentage
<b>2215 – Water Supply and Sanitation</b>			
0004 (04) Additional Chief Engineer, Superintending Engineer and Executive Engineer Establishment – Non Plan	269.50	167.25	62.06
0006 (06) Superintendent Engineer Rural Circle and Establishment – Non Plan	183.38	73.82	40.26
01 – Water Supply – 0014(14) Computerisation Project (State share)-0019(15) Human Resource Development – Non Plan	6.00	3.00	50.00

<sup>2</sup> Original budget provision, supplementary budget provision, surrender and re-appropriation.

Name of Scheme	Final Grant <sup>2</sup>	Savings	Percentage
0006 (05) Establishment of Monitoring Cell – Non Plan	9.50	2.89	30.42
0015 (09) Rural Water Supply Scheme (Jaintia new scheme) – Non Plan	55.00	35.79	65.07
<b>4215- Capital outlay on Water Supply and Sanitation</b>			
0022 (18) National Rural Drinking Water Programme - Plan	6951.00	1559.91	22.44
800 Other expenditure - 0001 (01) Construction and Maintenance of Departmental Non-residential Building-Major Works - Plan	92.00	62.58	68.02

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

### 2.7.3 Excess over provision

As per detailed Appropriation Accounts for the year 2014-15, under 13 schemes, expenditure of ₹ 179.28 crore exceeded the budget provision by ₹ 22.25 crore. The details are given below:

**Table 2.18 : Excess expenditure over budget provision**

		(₹ in crore)	
Name of Scheme	Final Grant <sup>2</sup>	Actual Expenditure	Excess
<b>2215 Water supply and sanitation</b>			
01 Water supply 0001 (01) Chief Public Health Engineering & His Establishment – Non Plan	4.09	6.26	2.17
0002 (02) Divisional & Subordinate Offices – Non Plan	67.54	69.22	1.68
0004(04) Additional Chief Engineer, Superintending Engineering & Executive Engineering Establishment - Non Plan	0.56	2.19	1.63
799 Suspense 0001 (01) Stock and other suspense account – Non Plan	0.25	0.39	0.14
01 Water Supply 0002 (02) Urban Water Supply Scheme (Khasi) – Non Plan	19.31	19.39	0.08
01 Water Supply 0014 (08) Rural Water Supply Scheme Jaintia Old Schemes – Non Plan	2.40	2.75	0.35
0017 (11) Urban Water Supply Scheme (West Garo Hills) – Non Plan	5.80	6.11	0.31
0018 (12) Rural Water Supply Scheme (East Garo Hills)- Non Plan	4.00	4.14	0.14
0020 (14) Rural Water Supply Scheme (West Garo Hills) – Non Plan	6.30	6.36	0.06
<b>4215 Capital Outlay on Water Supply and Sanitation</b>			
01 Water Supply 101 Urban Water Supply 0005(01) Each Schemes (Khasi) - Plan	31.67	32.25	0.58
0006 (02) Each Scheme (Jowai) - Plan	0.10	0.18	0.08
102 Rural Water Supply 0002(02) Rural Water Supply Maintenance - Plan	5.06	6.91	1.85
01 Water Supply 0017 (10) State Share for other Centrally Sponsored Scheme including ARWSP (NRDWP) - Plan	9.95	23.13	13.18
<b>Total</b>	<b>157.03</b>	<b>179.28</b>	<b>22.25</b>

Further, in contravention of the Budget Manual which prohibits any expenditure on a scheme/service without provision of funds, expenditure of ₹ 6.75 crore was incurred under two other schemes, without any provision in the original/supplementary demand and without re-appropriation orders to this effect. The details are given below:

**Table 2.19**

		(₹ in lakh)
Name of scheme		Expenditure
2215-Water Supply and Sanitation – 01-Water Supply-001-Direction and Administration-0002(02) Divisional and Subordinate Offices – Plan		20.33
4215-Capital Outlay on Water Supply and Sanitation – 01-Water Supply-0022(18) National Rural Drinking Water Programme		654.47
<b>Total</b>		<b>674.80</b>

## **2.8 Conclusion and Recommendations**

### **2.8.1 Conclusion**

The financial management and budgetary control of the Government was not satisfactory. Government presented ambitious budget of ₹ 12577.06 crore<sup>3</sup> for the year 2014-15, of which it could incur an expenditure of ₹ 7636.97 crore resulting in an overall shortfall in disbursements of ₹ 4940.09 crore (39.28 per cent of total provision). Supplementary provision of ₹ 330.33 crore obtained in 27 cases proved unnecessary as the expenditure did not come up to the level of original provision. During the current year, Government incurred ₹ 114.99 crore in excess of the provision, which requires regularisation by the State Legislature. There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. In many cases, the anticipated savings were not surrendered or surrendered on the last day of the year leaving no scope for utilising these for other development purposes.

### **2.8.2 Recommendations**

- **Efforts should be made by all the departments to submit realistic budget estimates keeping in view the trends in receipts and expenditure in order to avoid large scale savings/excess, re-appropriations and surrenders at the end of the year. Savings should be surrendered as and when they were noticed and within the prescribed date of 15 March.**
- **Re-appropriation in any case should be judicious supported by justified reasons to avoid excessive and/or insufficient funds.**
- **Timely reconciliation should be ensured to avoid misclassifications and distortions in financial reporting.**

<sup>3</sup> Original plus Supplementary.

## **CHAPTER-III**

# **FINANCIAL REPORTING**



## CHAPTER III

### Financial Reporting

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

#### 3.1 Delay in furnishing Utilisation Certificates

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

As revealed from the records of six departments/organisations and information furnished (August 2015) by District Council Affairs and Co-operation Departments and Director of Fisheries, Government of Meghalaya, 6,764 UCs for an aggregate amount of ₹ 95.76 crore were in arrears as of March 2015. The department-wise break-up of outstanding UCs is given in **Appendix 3.1**. Age-wise delay in submission of UCs is summarised in **Table 3.1**.

**Table 3.1: Age-wise arrears of Utilisation Certificates**

Sl No	Range of delay in number of years	Total grants paid		Utilisation Certificates Outstanding as on 31 March 2015	
		Number	Amount	Number	Amount
1	0 to 1 year	5865	53.82	5711	48.54
2	Above 1 year to 3 years	1160	59.33	351	40.97
3	Above 3 years to 5 years	969	9.72	333	1.64
4	Above 5 years to 7 years	1348	12.05	335	3.86
5	Above 7 years to 9 years	691	8.71	33	0.09
6	Above 9 years	01	0.69	01	0.66
	<b>Total</b>	<b>10034</b>	<b>144.32</b>	<b>6764</b>	<b>95.76</b>

Out of 6,764 UCs involving ₹ 95.76 crore pending as on 31 March 2015, three UCs pertaining to North Eastern Region Community Resource Management Project (NERCORMP) involving ₹ 37.51 crore were pending for over three years.

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

### 3.2 Non-submission/delay in submission of accounts

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

The annual accounts of 25 bodies/authorities due up to 2014-15 had not been received (October 2015) by the Accountant General (Audit). The details of these accounts are given in **Appendix 3.2** and their age-wise pendency is presented in **Table 3.2**.

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

(₹ in crore)

Sl. No.	Delay in number of years	No. of Bodies/ Authorities	Grants Received		
			Year	No. of Bodies/ Authorities	Amount
1	0 to 1 year	02	2013-14	02	150.12
2	Above 1 year to 3 years	05	2011-12 & 2012-13	05	27.46
3	Above 3 years to 5 years	02	2010-11 & 2011-12	02	3.03
4	Above 5 years to 7 years	10	2006-07 to 2013-14	10	304.59
5	Above 7 years to 9 years	03	2006-07	03	284.68
6	Above 9 years	03	2000-01, 2007-08 & 2008-09	03	26.97
<b>Total</b>		<b>25</b>		<b>25</b>	<b>796.85</b>

### 3.3 Delay in submission of Accounts of Autonomous Bodies

Several autonomous bodies have been set up by the State Government in the field of khadi and village industries, urban development *etc.* The position of annual accounts of some of these 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
Meghalaya Building and Other Construction Workers' Welfare Board (MBOCWVB)	19(2)	Not necessary	- Do -	2012-13	2013-14 & 2014-15
Meghalaya State Electricity Commission	19(2)	Not necessary	- Do -	2014-15	Nil

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

### 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 76 cases of theft, misappropriation and loss involving Government money amounting to ₹2.15 crore up to March 2015 on which final action was pending. A break up of pending cases and age-wise analysis is given in **Appendix 3.3** and department-wise break up of pending cases is given in **Table 3.4**.

**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	17.73
Health & Family Welfare	1	*	-	-	2 + 1*	0.92	2 + 2*	0.92
Public Health Engineering	57	7.41	-	-	1	0.18	58	7.59
Legislative Assembly	-	-	2	44.08	-	-	2	44.08
Finance	1	86.50	-	-	1	15.74	2	102.24
Mining	-	-	1	16.55	-	-	1	16.55
Community & Rural Development	1	3.03	-	-	-	-	1	3.03
Labour	-	-	-	-	1	0.66	1	0.66
Land Record & Survey	1	1.56	-	-	-	-	1	1.56
Horticulture	-	-	-	-	1	21.06	1	21.06
<b>Total</b>	<b>63</b>	<b>102.26</b>	<b>4</b>	<b>60.85</b>	<b>8 + 1*</b>	<b>52.32</b>	<b>76</b>	<b>215.43</b>

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	66	107.20
5 - 10	5	22.96			
10 - 15	5	6.64			
15 - 20	34	108.43	Misappropriation/ loss of material	14	113.61
20 - 25	22	8.54			
25 & above	9	28.11			
<b>Total</b>			<b>Total</b>	<b>80</b>	<b>220.81</b>
			Cases of loss Written off during the year	4	5.38
<b>Total</b>	<b>76</b>	<b>215.43</b>	<b>Total Pending Cases</b>	<b>76</b>	<b>215.43</b>

\* Amount not intimated

During 2014-15, three cases of theft in respect of Health and Family Welfare Department involving ₹ 4.94 lakh (two cases) and Forest Department (one case) and one case of misappropriation in respect of Agriculture Department involving ₹ 0.44 lakh 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	12	112.34
4.	Pending in the court of law	1	16.55
<b>Total</b>		<b>76</b>	<b>215.43</b>

Out of ₹ 2.15 crore, the highest amount of theft and loss of ₹ 1.02 crore pertained to the Finance Department involving two cases, while the highest amount of misappropriation of ₹ 44.08 lakh pertained to Legislative Assembly involving two cases.

### 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 2013-14 containing 157 paragraphs were placed before the State Legislature in March 2010, March 2011, March 2012, April 2013, June 2014 and March 2015 respectively, *suo motu* explanatory notes on the observations made in those Audit Reports had not been intimated by most of the departments. Only three departments had furnished explanatory notes on excess expenditure over budget provision included in the Audit Reports<sup>1</sup>.

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.

<sup>1</sup> Political Department: Audit Reports – 2008-09 to 2011-12; Law and Personnel & Administrative Reforms (B) Departments: Audit Report – 2010-11

### 3.6 Conclusion and Recommendations

*State Government's compliance with various rules, procedures and directives was unsatisfactory as evident from delay in furnishing utilisation certificates for grants given by various authorities/organisations and also delays in submission of accounts by various autonomous bodies. Analysis of pending misappropriation cases revealed that the cases related mainly to theft and loss of Government material which remained unsettled with various departments for periods ranging from one to over 25 years. All the 76 cases were pending due to non-initiation of departmental and criminal investigation (54 cases), non-issue of orders for recovery or write off (12 cases), non-finalisation of departmental action (nine cases) and cases pending in the court of law (one case). Departmental enquiries in all misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the organisations should be strengthened to prevent such cases.*

Shillong  
The 20 January 2016



**(Rajesh Singh)**  
Accountant General (Audit)  
Meghalaya

Countersigned

New Delhi  
The 22 January 2016



**(Shashi Kant Sharma)**  
Comptroller and Auditor General of India



# APPENDICES



**APPENDIX 1.1****Part A - Structure and Form of Government Accounts****(Reference: Page 2)**

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

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

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

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

## APPENDIX 1.1

### Part-B: Layout of Finance Accounts

(Reference: Page 2)

#### Layout of Finance Accounts

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

Layout	
<b>VOLUME I</b>	
Statement No. 1	Statement of Financial Position
Statement No. 2	Statement of Receipts and Disbursements
Statement No. 3	Statement of Receipts in Consolidated Fund
Statement No. 4	Statement of Expenditure in Consolidated Fund By Function and Nature Notes to Accounts
Appendix I	Cash Balances and Investment of Cash Balances
<b>VOLUME II - PART I</b>	
Statement No. 5	Statement of Progressive Capital expenditure
Statement No. 6	Statement of Borrowings and other Liabilities
Statement No. 7	Statement of Loans and Advances given by the Government
Statement No. 8	Statement of Grants-in-aid given by the Government
Statement No. 9	Statement of Guarantees given by the Government
Statement No. 10	Statement of Voted and Charged Expenditure
<b>PART II</b>	
Statement No. 11	Detailed Statement of Revenue and Capital Receipts by minor heads
Statement No. 12	Detailed Statement of Revenue Expenditure
Statement No. 13	Detailed Statement of Capital Expenditure
Statement No. 14	Detailed Statement of Investments of the Government
Statement No. 15	Detailed Statement of Borrowings and other Liabilities
Statement No. 16	Detailed Statement on Loans and Advances given by the Government
Statement No. 17	Detailed Statement on Sources and Application of funds for expenditure other than revenue account
Statement No. 18	Detailed Statement on Contingency Fund and Public Account transactions
Statement No. 19	Detailed Statement on Investments of earmarked funds
<b>PART III APPENDICES</b>	
<b>II</b>	Comparative Expenditure on Salary
<b>III</b>	Comparative Expenditure on Subsidy
<b>IV</b>	Grants-in-aid (Scheme wise and Institution wise)
<b>V</b>	Externally Aided Projects
<b>VI</b>	Plan Scheme expenditure (Central and State Plan Schemes)
<b>VII</b>	Direct transfer of funds to implementing agencies
<b>VIII</b>	Summary of Balances Consolidated Fund, Contingency Fund and Public Account
<b>IX</b>	Financial results of Irrigation Schemes
<b>X</b>	Incomplete Works
<b>XI</b>	Statement of items for which allocation of balances as a result of re-organisation of States has not been finalised
<b>XII</b>	Maintenance expenditure with segregation of salary and non-salary portion

## APPENDIX 1.1

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

The norms/ceilings prescribed by the Twelfth Finance Commission for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other statements required to be laid in the Legislature under the Act are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that Gross State Domestic Product<sup>1</sup> (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 2004-05 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	$\text{Interest payment} / [(\text{Amount of previous year's Fiscal Liabilities} + \text{Current year's Fiscal Liabilities}) / 2] * 100$
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock * Interest spread
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 $n^{\text{th}}$ root of the total percentage growth rate, where n is the number of years in the period being considered. $\text{CAGR} = [\text{Ending Value} / \text{Beginning Value}]^{(1/\text{no. of years})} - 1$

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

Core public goods and merit goods	Core public goods are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. <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.
Development expenditure	The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.
Debt stabilisation	A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable, provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilise eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.
Sufficiency of non-debt receipts	Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.
Net availability of borrowed funds	Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.

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

<b>A. General Data</b>		
<b>Sl No.</b>	<b>Particulars</b>	<b>Figures</b>
1.	Area	22,429 sq km
2.	Population	
	As per Census 2011	29,66,889
	Male	14,91,832
	Female	14,75,057
3.	Density of Population (Census 2011) (All India Average = 382 persons per sq km)	132 persons per sq km
4.	Population below poverty line (2009-10) (All India = 21.92%)	3.61 lakh 11.87%
5.	Population Growth (2001 to 2011)	27.95%
6.	Literacy (Census 2011) (All India Average = 74.04%)	74.43%
7.	Infant Mortality (per 1000 live births) (All India Average = 42 per 1000 live births)	49
8.	Gross State Domestic Product (GSDP) 2014-15 <sup>2</sup>	₹ 25333 crore
9.	GSDP CAGR (2004-05 to 2014-15)	16.20%

B. Financial Data					
Particulars		Figures (in <i>per cent</i> )			
		2005-06 to 2013-14		2013-14 to 2014-15	
CAGR of					
		SCS	Meghalaya	SCS	Meghalaya
(a)	Revenue Receipts	13.72	17.31	15.34	2.58
(b)	Own Tax Revenue	16.00	17.89	13.19	-3.09
(c)	Non-Tax Revenue	10.67	19.28	- 6.78	- 42.61
(d)	Total Expenditure	13.86	16.16	20.99	12.61
(e)	Capital Expenditure	11.36	19.46	26.12	4.00
(f)	Revenue Expenditure on General Education	16.09	16.91	17.68	15.30
(g)	Revenue Expenditure on Health & Family Welfare	16.70	18.02	23.67	39.50
(h)	Salaries and Wages	16.40	14.93	4.52	11.43
(i)	Pension	19.95	21.78	14.94	14.21

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

<sup>2</sup> Based on GSDP Series (current prices) with 2004-05 as Base Year downloaded from the site of the Ministry of Statistics and Programme Implementation, Government of India.

## APPENDIX 1.1

### Part E: Fiscal Responsibility and Budget Management Act

#### (Reference: Paragraph 1.1.2; Page 3)

In accordance with the recommendations of the Twelfth Finance Commission (XII FC), the GOM has enacted the Meghalaya Fiscal Responsibility and Budget Management (MFRBM) Act, 2006. In accordance with the recommendations of the XIII FC, the MFRBM Act has been amended by the State Government in October 2011 (came into force from 10 October 2011) which substituted clauses (a), (b) and (c) of Section 4 of the MFRBM Act, 2006 and inserted a new clause (g) under Section 4 as follows:

- (a) maintain revenue surplus during the award period 2011-12 to 2014-15 [amended Clause (a)];
- (b) reduce fiscal deficit to 3 *per cent* of GSDP or less during 2011-12 to 2014-15 [amended Clause (b)];
- (c) ensure outstanding debt of the State will be aligned as recommended by Thirteenth Finance Commission and such outstanding debt expressed as percentage of GSDP shall progressively be reduced from 32.7 *per cent* during 2011-12 to 31.7 *per cent* during 2014-15 [amended Clause (c)];
- (d) restrict issuing of guarantees except on selective basis where the quality and viability of the scheme to be guaranteed is properly analysed [Clause 4(1)(d) of MFRBM Act, 2006];
- (e) bring out an annual statement that gives a perspective on the State's economy and related fiscal strategy [Clause 4(1)(e) of MFRBM Act, 2006]; and,
- (f) bring out a special report along with the budget giving details of the number of employees in the Government, Public Sector Undertakings and aided institutions and related salaries, not later than two years from the date on which the Meghalaya Fiscal Responsibility Rules, 2006 came into force [Clause 4(1)(f) of MFRBM Act, 2006].
- (g) Government shall notify a Medium Term Fiscal Plan with three years rolling targets, giving details of all significant items of receipts-expenditure along with underlying assumptions made for projection purpose [newly inserted Clause].

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

As prescribed in the Act, the State Government had incorporated the following disclosure statements for the year 2014-15:

- Macro Economic Framework Statement
- Medium Term Fiscal Policy (MTFP) Statement prescribing fiscal targets and assumptions for achieving them. The targets for the year 2014-15 were as under:
  - Revenue surplus as percentage of total revenue receipts: 11.01
  - Total Outstanding Liabilities as percentage of GSDP: 28.71
  - Fiscal deficit as percentage of GSDP: 2.17
- Fiscal Policy Strategy Statement

**APPENDIX 1.2**  
**Time Series Data on State Government Finances**  
**(Reference: Paragraphs 1.1, 1.3, 1.9.2 & 1.10.1; Pages 2, 9, 32 & 36)**

(₹ in crore)

	2010-11	2011-12	2012-13	2013-14	2014-15
<b>Part A - Receipts</b>					
<b>1. Revenue Receipts</b>	<b>4260.48</b>	<b>4654.47</b>	<b>5536.35</b>	<b>6266.73</b>	<b>6428.25</b>
<i>(i) Tax Revenue</i>	571.45 (13.41)	697.54 (14.99)	847.73 (15.31)	949.30 (15.15)	939.19 (14.61)
Taxes on Sales, Trade, etc.	409.89 (71.73)	512.50 (73.47)	631.12 (74.45)	723.65 (76.23)	726.20 (77.32)
State Excise	104.50 (18.29)	131.50 (18.85)	153.01 (18.05)	162.66 (17.13)	151.14 (16.09)
Taxes on Vehicles	19.19 (3.36)	31.12 (4.46)	35.82 (4.22)	36.72 (3.87)	39.38 (4.20)
Stamps and Registration fees	10.76 (1.88)	9.08 (1.30)	10.32 (1.22)	9.78 (1.03)	9.90 (1.05)
Land Revenue	17.11 (2.99)	2.40 (0.34)	6.27 (0.74)	3.47 (0.37)	0.08 (0.01)
Other Taxes	10.00 (1.95)	10.94 (1.58)	11.19 (1.32)	13.02 (1.37)	12.49 (1.33)
<i>(ii) Non Tax Revenue</i>	301.53 (7.08)	368.24 (7.91)	484.95 (8.76)	598.15 (9.54)	343.29 (5.34)
<i>(iii) State's share of Union Taxes and Duties</i>	896.27 (21.04)	1044.19 (22.43)	1192.45 (21.54)	1301.96 (20.78)	1381.69 (21.49)
<i>(iv) Grants-in-aid from Government of India</i>	2491.23 (58.47)	2544.50 (54.67)	3011.22 (54.39)	3417.32 (54.53)	3764.08 (58.56)
<b>2. Miscellaneous Capital Receipts</b>	...	...	...	...	...
<b>3. Recoveries of Loans and Advances</b>	<b>27.25</b>	<b>22.71</b>	<b>23.25</b>	<b>20.48</b>	<b>19.76</b>
<b>4. Total revenue and Non-debt capital receipts (1+2+3)</b>	<b>4287.73</b>	<b>4677.18</b>	<b>5559.60</b>	<b>6287.21</b>	<b>6448.01</b>
<b>5. Public Debt Receipts</b>	<b>356.39</b>	<b>467.91</b>	<b>523.23</b>	<b>475.42</b>	<b>726.96</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	354.92 (99.59)	448.66 (95.89)	520.71 (99.52)	475.34 (99.98)	722.19 (99.34)
Net transactions under Ways and Means Advances and Overdraft	...	...	...	...	...
Loans and Advances from Government of India <sup>3</sup>	1.47 (0.41)	19.25 (4.11)	2.52 (0.48)	0.08 (0.02)	4.77 (0.66)
<b>6. Total receipts in the Consolidated Fund (4+5)</b>	<b>4644.12</b>	<b>5145.09</b>	<b>6082.83</b>	<b>6762.63</b>	<b>7174.97</b>
<b>7. Contingency Fund Receipts</b>	<b>99.00</b>	...	...	...	...
<b>8. Public Accounts Receipts</b>	<b>2765.86</b>	<b>4091.31</b>	<b>3642.21</b>	<b>4405.98</b>	<b>3997.59</b>
<b>9. Total receipts of the State (6+7+8)</b>	<b>7508.98</b>	<b>9236.40</b>	<b>9725.04</b>	<b>11168.61</b>	<b>11172.56</b>
<b>Part B - Expenditure</b>					
<b>10. Revenue Expenditure</b>	<b>4012.74</b>	<b>4834.81</b>	<b>4999.54</b>	<b>5551.59</b>	<b>6251.86</b>
<i>Plan</i>	1467.06 (36.56)	1958.78 (40.51)	1719.41 (34.39)	1848.77 (33.30)	2180.49 (34.88)
<i>Non-Plan</i>	2545.68 (63.44)	2876.03 (59.49)	3280.13 (65.61)	3702.82 (66.70)	4071.37 (65.12)
General Services (including Interest payments)	1316.80 (32.82)	1487.19 (30.76)	1573.80 (31.48)	1838.37 (33.11)	2021.65 (32.34)
Social Services	1376.03 (34.29)	1742.47 (36.04)	1747.93 (34.96)	1973.77 (35.56)	2370.24 (37.91)
Economic Services	1319.91 (32.89)	1605.15 (33.20)	1677.81 (33.56)	1739.45 (31.33)	1859.97 (29.75)

<sup>3</sup> Includes Ways and Means Advances

	2010-11	2011-12	2012-13	2013-14	2014-15
<b>11. Capital Expenditure (Capital Outlay)</b>	<b>574.73</b>	<b>855.24</b>	<b>928.34</b>	<b>1075.47</b>	<b>1118.49</b>
Plan	574.73 (100)	851.47 (99.56)	879.38 (94.73)	1074.76 (99.93)	1118.49 (100)
Non-Plan	...	3.77 (0.44)	48.96 (5.27)	0.71 (0.07)	...
General Services	36.64 (6.20)	52.44 (6.13)	60.59 (6.53)	84.82 (7.88)	82.38 (7.37)
Social Services	132.74 (23.10)	288.40 (33.72)	224.29 (24.16)	391.11 (36.37)	363.34 (32.48)
Economic Services	405.35 (70.53)	514.40 (60.15)	643.46 (69.31)	599.54 (55.75)	672.77 (60.15)
<b>12. Disbursement of Loans and Advances</b>	<b>41.65</b>	<b>52.38</b>	<b>27.02</b>	<b>42.33</b>	<b>56.11</b>
<b>13. Total Expenditure (10+11+12)</b>	<b>4629.12</b>	<b>5742.43</b>	<b>5954.90</b>	<b>6669.39</b>	<b>7426.46</b>
<b>14. Repayments of Public Debt</b>	<b>141.08</b>	<b>202.64</b>	<b>168.51</b>	<b>141.62</b>	<b>202.66</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	120.56 (85.46)	157.35 (77.65)	148.22 (87.96)	122.28 (86.34)	182.84 (90.22)
Net transactions under Ways and Means Advances and Overdraft	...	...	...	...	...
Loans and Advances from Government of India	20.52 (14.54)	45.29 (22.35)	20.29 (12.04)	19.34 (13.66)	19.82 (9.78)
<b>15. Appropriation to Contingency Fund</b>	<b>99.00</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>4869.20</b>	<b>5945.07</b>	<b>6123.41</b>	<b>6811.01</b>	<b>7629.12</b>
<b>17. Contingency Fund disbursements</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>
<b>18. Public Account disbursements</b>	<b>2729.20</b>	<b>3270.77</b>	<b>3993.97</b>	<b>3508.69</b>	<b>3965.73</b>
<b>19. Total disbursement by the State(16+17+18)</b>	<b>7598.40</b>	<b>9215.84</b>	<b>10117.38</b>	<b>10319.70</b>	<b>11594.85</b>
<b>Part C – Deficits</b>					
<b>20. Revenue Surplus (+) /Deficit (-) (1-10)</b>	<b>+ 247.74</b>	<b>- 180.34</b>	<b>+ 536.81</b>	<b>+ 715.14</b>	<b>+ 176.39</b>
<b>21. Fiscal Deficit (-) (4-13)</b>	<b>- 341.39</b>	<b>- 1065.25</b>	<b>- 395.30</b>	<b>- 382.18</b>	<b>- 978.45</b>
<b>22. Primary Deficit (-)/Surplus (+) (21-23)</b>	<b>- 84.46</b>	<b>- 779.58</b>	<b>- 81.48</b>	<b>- 10.68</b>	<b>- 573.35</b>
<b>Part D – Other data</b>					
23. Interest Payments (included in revenue expenditure)	256.93	285.67	313.82	371.50	405.10
24. Financial Assistance to local bodies, etc.	541.31	826.71	742.06	847.37	839.99
25. Ways and Means Advances/Overdraft availed (days)	-	-	-	157.09 (2)	-
26. Interest on WMA/Overdraft	-	-	-	0.04	-
27. Gross State Domestic Product (GSDP) <sup>4</sup>	14583	17199	19009	21922	25333
28. Outstanding Fiscal Liabilities (year end)	4088.28	5090.28	4964.58	6269.23	6751.46
29. Outstanding guarantees (year end) including interest	1110.77	1293.20	1285.19	1610.55	1173.81
30. Maximum amount guaranteed (year end)	948.79	1002.85	947.02	1188.64	1054.43
31. Number of incomplete projects	263	107	258	57	76
32. Capital blocked in incomplete projects <sup>5</sup>	73.65 (53)	26.43 (14)	667.05 (84)	43.37 (09)	447.07 (33)
<b>Part E – Fiscal Health Indicator (in per cent)</b>					
<b>I. Resource Mobilisation</b>					
Own Tax Revenue/GSDP	3.92	4.06	4.46	4.33	3.71
Own Non-Tax Revenue/GSDP	2.07	2.14	2.55	2.73	1.36
Central Transfers <sup>6</sup> /GSDP	23.23	20.87	22.11	21.53	20.32

<sup>4</sup> Source: GSDP Series (current prices) as on 31 July 2015 with 2004-05 as Base Year downloaded from the site of the Ministry of Statistics and Programme Implementation, Government of India.

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

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

	2010-11	2011-12	2012-13	2013-14	2014-15
<b>II. Expenditure Management</b>					
Total Expenditure/GSDP	31.74	33.39	31.33	30.42	29.32
Total Expenditure/Revenue Receipts	108.65	123.37	107.56	106.43	115.53
Revenue Expenditure/Total Expenditure	86.68	84.19	83.96	83.24	84.18
Expenditure on Social Services/Total Expenditure	32.59	35.37	33.12	35.46	36.81
Expenditure on Economic Services <sup>7</sup> /Total Expenditure	37.84	37.54	39.17	35.46	34.63
Capital Expenditure/Total Expenditure	12.42	14.89	15.59	16.13	15.06
Capital Expenditure on Social and Economic Services/Total Expenditure	11.62	13.98	14.57	14.85	13.95
<b>III. Management of Fiscal Imbalances</b>					
Revenue Surplus / GSDP	1.70	-1.05	2.82	3.26	0.70
Fiscal Deficit (-) / GSDP	-2.34	-6.19	-2.08	-1.74	-3.86
Primary Deficit (-) Surplus (+) / GSDP	-0.58	-4.53	-0.43	-0.05	-2.26
Revenue Deficit (-) Surplus (+) / Fiscal Deficit	-72.57	16.93	-135.80	-187.12	-18.03
Primary Revenue Balance <sup>8</sup> /GSDP	3.46	0.61	4.47	4.96	2.30
<b>IV. Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	28.04	29.60	26.12	28.60	26.65
Fiscal Liabilities/RR	95.96	109.36	89.67	100.04	105.03
Primary deficit <i>vis-à-vis</i> quantum spread (₹ in crore)	228.5	-300.43	136.89	421.73	10.32
Debt Redemption (Principal +Interest)/ Total Debt Receipts	97.79	67.60	127.17	65.94	96.64
<b>V. Other Fiscal Health Indicators</b>					
Return on Investment ( <i>per cent</i> )	0.01	0.02	0.02	0.03	0.03
Balance from Current Revenue (₹ in crore)	-96.72	-221.43	161.15	89.68	-579.35
Financial Assets/Liabilities (Ratio)	1.51	1.37	1.48	1.49	1.48

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

<sup>7</sup> Including loans and advances

<sup>8</sup> Revenue Receipts – (Revenue Expenditure – Interest Payments).

### APPENDIX 1.3

#### Abstract of Receipts and Disbursements for the year 2014-15

(Reference: Paragraph 1.1; Page 2)

(₹ in crore)

2013-14	Receipts	2014-15	2013-14	Disbursements				2014-15
Section – A : Revenue								
	I. Revenue Receipts			I. Revenue Expenditure	Non-Plan	Plan	Total	
949.30	Tax Revenue <sup>9</sup>	939.19	1838.37	General Services	1995.82	25.83	2021.65	2021.65
598.15	Non-Tax Revenue	343.29	1973.77	Social Services	1255.71	1114.53	2370.24	2370.24
1301.96	State's Share of Union Taxes and Duties <sup>10</sup>	1381.69	957.82	General Education	698.83	467.37	1166.20	
			150.86	Technical Education, Sports, Art and Culture	20.32	110.72	131.04	
921.41	Non-Plan Grants	803.71	353.68	Health and Family Welfare	214.37	269.03	483.40	
2046.28	Grants for State Plan Schemes	2580.17	158.47	Water Supply and Sanitation,	162.26	5.14	167.40	
			68.97	Housing and Urban Development	36.31	13.79	50.10	
31.65	Grants for Central Plan Schemes	8.89	12.68	Information and Broadcasting	5.55	8.01	13.56	
348.40	Centrally Sponsored Plan Schemes	293.44						
69.58	Grants for Special Plan Schemes	77.87	5.98	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	50.86	...	50.86	
		0	21.04	Labour and Labour Welfare	17.44	15.18	32.62	
			236.69	Social Welfare and Nutrition	41.45	225.29	266.74	
			7.58	Others	8.32	...	8.32	
			1739.45	Economic Services	819.84	1040.13	1859.97	1859.97
			593.54	Agriculture and Allied Activities	303.64	286.85	590.49	
			352.07	Rural Development	46.05	523.58	569.63	
			19.23	Special Areas Programmes	...	14.27	14.27	
			36.21	Irrigation and Flood Control	25.53	11.36	36.89	
			154.59	Energy	109.01	56.66	165.67	
			210.24	Industry and Minerals	165.70	28.79	194.49	
			146.39	Transport	121.46	...	121.46	
			0.50	Science, Technology and Environment	0.54	...	0.54	
226.68	General Economic Services	47.91	118.62	166.53				
6266.73	Total	6428.25	5551.59	Total	4071.37	2180.49	6251.86	6251.86
...	II. Revenue Deficit carried over to Section B	...	715.14	II. Revenue Surplus carried over to Section B	...	...	176.39	176.39
6266.73	Total	6428.25	6266.73	Total	4071.37	2180.49	6428.25	6428.25

<sup>9</sup> Excluding share of net proceeds of taxes and duties assigned to State.

<sup>10</sup> Share of net proceeds assigned to State.

2013-14	Receipts	2014-15	2013-14	Disbursements				2014-15
Section – B : Others								
					Non-Plan	Plan	Total	
- 21.07	III. Opening Cash Balance including permanent advances and cash balance investment	827.84	...	III. Opening Overdraft from RBI	...	...	...	...
...	IV. Miscellaneous Capital Receipts	...	1075.47	IV. Capital Outlay	...	1118.49	1118.49	1118.49
			84.82	General Services		82.38	82.38	82.38
			391.11	Social Services		363.34	363.34	363.34
			9.76	General Education	...	4.12	4.12	
			15.50	Technical Education, Sports, Art and Culture	...	0.19	0.19	
			96.02	Health and Family Welfare	...	87.86	87.86	
			135.89	Water Supply and Sanitation		190.61	190.61	
			130.16	Housing and Urban Development		64.30	64.30	
			3.78	Social Welfare and Nutrition	...	16.26	16.26	
			599.54	Economic Services	...	672.77	672.77	672.77
			16.34	Agriculture and Allied Activities	...	10.36	10.36	
			0.20	Rural Development	...	0.10	0.10	
			41.26	Special Areas Programmes	...	50.55	50.55	
			6.12	Irrigation and Flood Control	...	42.13	42.13	
			33.39	Industry and Minerals	...	68.71	68.71	
			499.55	Transport	...	499.87	499.87	
			2.68	General Economic Services	...	1.05	1.05	

2013-14	Receipts	2014-15	2013-14	Disbursements	2014-15
<b>20.48</b>	<b>V. Recoveries of Loans and Advances</b>	<b>19.76</b>	<b>42.33</b>	<b>V. Loans and Advances Disbursed</b>	<b>56.11</b>
...	From Power Projects ...		26.10	For Power Projects 39.02	
20.34	From Government Servants 19.59		16.23	To Government Servants 17.09	
0.14	From Others 0.17		...	To Others ...	
<b>715.14</b>	<b>VI. Revenue Surplus brought down</b>	<b>176.39</b>	<b>...</b>	<b>VI. Revenue Deficit brought down</b>	<b>...</b>
<b>475.42</b>	<b>VII. Public Debt receipts</b>	<b>726.96</b>	<b>141.62</b>	<b>VII. Repayment of Public Debt</b>	<b>202.66</b>
475.34	Internal debt other than Ways and Means Advances and Overdraft 722.19		122.28	Internal debt other than Ways and Means Advances and Overdraft 182.84	
...	Net transactions under Ways and Means Advances including Overdraft ...		...	Net transactions under Ways and Means Advances including Overdraft ...	
0.08	Loans and Advances from Central Government 4.77		19.34	Repayment of Loans and Advances to Central Government 19.82	
<b>4405.98</b>	<b>VIII. Public Account Receipts</b>	<b>3997.59</b>	<b>3508.69</b>	<b>VIII. Public Account Disbursements</b>	<b>3965.73</b>
238.04	Small Savings and Provident Funds 252.74		110.87	Small Savings and Provident Fund 119.46	
39.76	Reserve Funds <sup>11</sup> 59.59		21.68	Reserve Funds <sup>12</sup> 73.29	
1936.95	Deposits and Advances 1330.53		1111.35	Deposits and Advances 1492.19	
- 80.36	Suspense and Miscellaneous <sup>13</sup> 91.14		- 3.65	Suspense and Miscellaneous <sup>5</sup> 8.86	
2271.59	Remittances 2263.59		2268.44	Remittances 2271.93	
...	<b>IX. Closing Overdraft from Reserve Bank of India</b>	<b>...</b>	<b>827.84</b>	<b>IX. Cash Balance at end<sup>14</sup></b>	<b>405.55</b>
			30.78	Cash in Treasuries 19.58	
			- 521.09	Deposits with Reserve Bank - 488.46	
			1.15	Departmental Cash Balance including permanent advances 0.23	
			1317.00	Cash Balance Investment 874.20	
<b>5595.95</b>	<b>Total</b>	<b>5748.54</b>	<b>5595.95</b>	<b>Total</b>	<b>5748.54</b>

<sup>11</sup> Includes receipts on investment

<sup>12</sup> Includes disbursement on investment.

<sup>13</sup> Excluding 'Other Accounts'.

<sup>14</sup> Excluding 'Investment of earmarked funds'

## APPENDIX 1.3 (concl.)

Summarised Financial Position of the Government of Meghalaya as on  
31 March 2015

(Reference: Paragraph 1.9.1; Page 32)

As on 31 March 2014	Liabilities		(₹ in crore) As on 31 March 2015
...	<b>External Debt</b>		...
<b>3509.94</b>	<b>Internal Debt</b>		<b>4049.29</b>
2558.70	Market loans bearing interest	3001.62	
<sup>15</sup>	Market loans not bearing interest	<sup>15</sup>	
0.17	Loan from LIC	0.13	
951.07	Loans from other Institutions	1047.54	
...	Ways and Means Advances	...	
...	Overdraft from Reserve Bank of India	...	
<b>176.44</b>	<b>Loans and Advances from Central Government</b>		<b>161.39</b>
5.37	Pre 1984-85 Loans	5.37	
11.27	Non-plan Loans	11.02	
152.73	Loans for State Plan Schemes	137.63	
0.10	Loans for Central Plan Schemes	0.10	
3.39	Loans for Centrally Sponsored Plan Schemes	4.42	
3.58	Loans for Special Schemes	2.85	
<b>105.00</b>	<b>Contingency Fund</b>		<b>105.00</b>
<b>967.62</b>	<b>Small Savings, Provident Funds, etc.</b>		<b>1100.90</b>
<b>1574.08</b>	<b>Deposits</b>		<b>1412.43</b>
<b>198.35</b>	<b>Reserve Funds</b>		<b>207.98</b>
<b>108.41</b>	<b>Remittance Balances</b>		<b>100.07</b>
<b>3250.43</b>	<b>Surplus on Government Accounts</b>		<b>3426.82</b>
2535.29	(i) Revenue Surplus as on 31 March 2014	3250.43	
715.14	(ii) Revenue Surplus for the year 2014-15	176.39	
<b>9890.27</b>			<b>10563.88</b>
	<b>Assets</b>		
<b>8116.88</b>	<b>Gross Capital Outlay on Fixed Assets</b>		<b>9235.37</b>
429.77	Investment in shares of Companies, Corporation, etc.	454.99	
7687.11	Other Capital Outlay	8780.38	
<b>590.57</b>	<b>Loans and Advances</b>		<b>626.92</b>
529.31	Loans for power projects	568.34	
39.62	Other Development Loans	39.45	
21.64	Loans to Government Servants and miscellaneous loans	19.13	
<b>157.20</b>	<b>Investment of Earmarked Funds</b>		<b>180.53</b>
<b>1.80</b>	<b>Advances</b>		<b>1.80</b>
<b>90.98</b>	<b>Suspense and Miscellaneous Balances</b>		<b>8.71</b>
<b>105.00</b>	<b>Appropriation to Contingency Fund</b>		<b>105.00</b>
...	<b>Remittances</b>		...
<b>827.84</b>	<b>Cash<sup>16</sup></b>		<b>405.55</b>
30.78	Cash in Treasuries	19.58	
- 521.09	Deposits with Reserve Bank of India	- 488.46	
1.14	Departmental Cash Balance	0.22	
0.01	Permanent Advances	0.01	
1317.00	Cash Balance Investment	874.20	
<b>9890.27</b>			<b>10563.88</b>

<sup>15</sup> ₹ 0.26 lakh only<sup>16</sup> 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 ₹ 47.57 crore between the figures reflected in the accounts {(-) ₹ 488.46 crore} and that intimated by the Reserve Bank of India {(-) ₹ 536.03 crore} due to (i) misclassification by Bank/Treasury (₹ 46.74 crore) and (ii) non-receipt of details of adjustment (₹ 0.83 crore).

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

(Amount in ₹)

Sl. No.	Programme/Scheme	Implementing Agency in the State	Funds transferred by the GOI
1.	Assistance to Disabled Persons for Purchase/Fitting	State Society for Implementation of Rehabilitation Services for Persons with Disabilities	3667282
2.		St. Edmunds College	760000
3.		Food Craft Institute Society, Tura	4283462
4.	Deen Dayal Rehabilitation Scheme SJE	Dwar Jingkyrmen School for Children in Need of Special Education	802635
5.		Asha Rehabilitation Centre, Meghalaya	467662
6.		The Society for the Welfare of the Disabled	1059887
7.		Bethany Society	1277025
8.	Gender Budgeting and Gender Disaggregated Data	Meghalaya Administrative Training Institute	265000
9.	Grant in Aid to NGOs for STs including Coaching & Allied Scheme	Ramakrishna Mission Ashrama, Meghalaya	67215218
10.	Grid Interactive Renewable Power MNRE	Meghalaya State Electricity Board	12500000
11.	Human Resource Development Biotechnology	St. Edmunds College	1451147
12.		St. Mary's College	740880
13.	Information, Publicity and Extension	Meghalaya Non-Conventional and Rural Energy Development	1237000
14.	Integrated Scheme on Agriculture Marketing	Meghalaya State Agricultural Marketing Board, Shillong	51904
15.	MPs Local Area Development Scheme (MPLADs)	DC, West Garo Hills	100000000
16.		DC, East Khasi Hills	50000000
17.	National Handloom Development Programme CS	Meghalaya Apex Handloom Weavers and Handicrafts Co-operative Federation Ltd., Shillong	500000
18.	National Mission for Empowerment of Women including Indira Gandhi	Impulse NGO Network	750000
19.	NER-Textile Promotion Scheme	Director of Sericulture and Weaving, Govt. of Meghalaya, Shillong	50895590
20.		IMPACT Inc	472468
21.		M/s FANTAS	130600
22.		Youth Today	20000
23.		M/s Bani Book Depot-1	1659920
24.		Directorate of Information and Public Relations, Meghalaya	35850
25.		Shillong Times Pvt. Ltd	2876
26.		Meghalaya Information Technology Society	14000000
27.		Directorate of Tourism, Govt. of Meghalaya	6887270
28.		Director Sports and Youth Affairs	100000
29.		Director Arts and Culture, Shillong	11967000
30.		Dorbar Shnong Syntung	1000000
31.	Off Grid DRPS	Meghalaya Non-Conventional and Rural Energy Development	67291865
32.	Promotion of Sports among Disabled	Bethany Society	293580

Sl. No.	Programme/Scheme	Implementing Agency in the State	Funds transferred by the GOI
33.	Renewal Energy for Rural Applications for All Villages	Meghalaya Non-Conventional and Rural Energy Development	2838000
34.	Scheme for Human Resource and Skill Development FPI	University of Science and Technology, Meghalaya	3750000
35.	Scheme for Technology Upgradation/ Establishment/Modernisation	Shyam Foods	3750000
36.	Schemes arising out of the Implementation of the Person	State Society for Implementation of Rehabilitation Services for Persons with Disabilities	1882000
37.	Scholarship to the Students of ST for Studies Abroad	Saibadaiahun Nongrum	137875
38.	Science and Technology Programme for Socio Economic Development	State Council of Science, Technology and Environment	2788200
39.	State Science and Technology Programme	State Council of Science, Technology and Environment (SCSTE)	473877
40.	Vocational Training Centres in Tribal Areas	Nongkrem Youth Development Association	3044800
41.	Youth Hostel	Garnet Myllemngap	72000
42.	Zonal Culture Centre	Kristy Youth Welfare Organisation, Meghalaya	60000
<b>Total</b>			<b>420582873</b>

*Source: Central Plan Scheme Monitoring System of CGA website.*

## APPENDIX 1.5

## Effectiveness of expenditure under various programmes

(Reference: Paragraph 1.7.2; Page 26)

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2015			
		Funds available up to 31 March 2015	Actual expenditure up to 31 March 2015	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome
1.	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	357.91	341.60	Employment Generated	Lakh Person-days	172.95	166.71
2.	National Social Assistance Programme (NSAP)	25.25	17.64	Indira Gandhi National Old Age Pension Scheme	Nos.	Not available	49,997
				National Family Benefit Scheme	Nos.	Not available	715
				Indira Gandhi National Widow Pension	Nos.	Not available	7,324
				Indira Gandhi National Disability Pension Scheme	Nos.	Not available	1,501
3.	Annapurna Scheme	0.26	0.26	Distribution of Food grains	In KGs	426150	426150
4.	Sarva Shiksha Abhiyan (SSA)	1737.64	1640.95	Salary, Grants Training, Learning equipment, etc.	Transport/ Escort facility/ Free Text Books/ Teachers Salary/ Training, Libraries in Schools/ Civil Works, etc.	11,22,955	6,66,214
5.	Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)	406.37	387.70	Electrification	No. of villages	1866	1843
6.	Mid Day Meal Programme	42.34	42.16	Cooking Cost	Nos.	5,14,212	5,11,734
7.		6.81	6.81	Food grain	MT	12,050.43	12,038.11
8.		17.82	16.49	Cooks cum Helpers	Nos.	17,789	16,957
9.		1.18	1.18	Transportation cost	MT	12,050.43	12,038.11
10.		1.11	1.04	MME	NA	NA	NA
11.		0.31	0.31	Kitchen Devices	Nos.	615	615

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2015			
		Funds available up to 31 March 2015	Actual expenditure up to 31 March 2015	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome
12.	National Rural Health Mission (NRHM)	193.06	104.29	Maternal Health Child Health Family Planning Rashtriya Kishore Swasthya Karyakram RBSK PNDT Activities Human Resources Training Programme/NRHM Management Course Vulnerable Groups ASHA United Funds/Annual Maintenance Grants/Corpus Grants to HMS/RKS Hospital Strengthening New Construction/ Renovation and Setting up District Action Plans (including Block, Village) Panchayati Raj Mainstreaming of AYUSH IEC-BCC NHRM National Mobile Medical Vans (Smaller Vehicles) and Specialised Mobile Medical Units National Ambulance Service PPP/NGOs Planning Implementation and Monitoring Procurement Drug Warehousing New Initiatives/ Strategic interventions (as per State Health Policy) Other expenditure (Power Back-up, Convergence etc) Immunisation	NA	NA	140736.00 9964.00 1376.00 3.00 12.00 - 463.00 1096.00 - - 3643.00 4509.00 - - - - 71.00 27.00 - - - - - - - - -
13.	Pradhan Mantri Gram Sadak Yojana	104.44	81.02	Phase II to Phase VIII	Km	105.00	38.515
14.	Horticulture Mission for North East and Himalayan States (HMNEH)	27.60	27.60	Production of planting materials	Nos.	1,91,843	1,15,855

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2015			
		Funds available up to 31 March 2015	Actual expenditure up to 31 March 2015	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome
15.	Rashtriya Krishi Vikas Yojana (RKVY)	0.86	0.60	<b>1. Horticulture Department</b> Multilayered Cropping		Multi canopy cropping, purchase of planting material, seedling, FYM, etc	70%
		0.50	0.38	NVIUC		Construction of Polyhouses, purchase of vegetable seeds	75%
		0.65	0.52	Chow chow valley	NA	Trellis for piskot farmers/SHG	80%
		0.34	0.20	Assam Lemon Nursery	NA	Construction of shadenet houses, green houses & nurseries	60%
		0.25	0.15	Vegetable Seed Farm	NA	Construction of polyhouses, green houses & nurseries	60%
		2.83	-	<b>2. Animal Husbandry &amp; Veterinary Department</b> Establishment of Poultry Breeding Farm at Williamnagar	NA	20%	10%
		1.50		Mother Base Pig Breeding Unit in the existing Regional Pig Breeding Farm, Kyrdekulai	NA	20%	20%
		10.00	NA	<b>3. Fisheries Department</b> Area Expansion of Individual Pond	Hectare	144.9	Ongoing
		0.94	0.94	<b>4. Cooperation Department</b>	NA	100%	100%
16.	Accelerated Irrigation Benefit and Flood Management	2.52	0	<b>Soil and Water Conservation Department</b> Enhancement productivity level of land and water resources, improvement in socio economic set up of people and Restoring water label	Hectare	13069.85	0
		80.00	38.36	<b>Water Resources Department</b> Irrigation Potential Creation	Hectare	4503.495	3608.37
17.	Backward Region Grant Fund (BRGF)	2.56	2.56	Training conducted	Nos	Nil	172
18.	Integrated Child Development Services (ICDS)	143.58	NA	State Cell	No. of projects	1	1
		257.63	49.39	Dos	No. of projects	5	5
		4.88	3.48	ICDS Project	No. of projects	41	41
		-	-	AWCs/Mini/AWCs	No. of projects	5864	5309
19.	Integrated Watershed Management Program DPAP, DDP, IWDP, DLR	37.68	41.28	Additional area brought under productivity use, Income generating activities enhanced and Regular monitoring and evaluation by external agencies	Hectare	27500	27500

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2015			
		Funds available up to 31 March 2015	Actual expenditure up to 31 March 2015	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome
20.	Nirmal Bharat Abhiyan	89.07	36.67	Providing Individual Household - IHHL(BPL) IHHL(APL) Community Sanitary Complex School toilets Anganwadi toilets ODF	Nos. of Household	36996 14769 79 5944 958 -	29186 12816 63 2474 171 2005
21.	Rural Drinking Water – Accelerated Rural Water Supply (ARWSP)	72.40	64.12	Coverage of rural habitation with potable drinking water - Habitations provided with drinking water Schools provided with water supply ICDS provided with water supply	No. of Habitation	200 - -	285 389 99
22.	Urban Infrastructure & Governance (UI&G)	29.79	29.79	Storm Water Drainage Master Plan for Shillong (Phase-I) – Construction of drains	Rm	105957	100%
				Augmentation of Water Supply in Shillong (GSWSS Phase-III)	Urban Population	Package-I Package-II	70% 70%
				Purchase of Buses for GSPA Purchase of Buses for Shillong City	No. of Buses	240 120	NA 120
23.	BSUP	0.30	0.30	Housing at Nongmynsong Phase I	Numbers	300	160
				-Do- Phase II Integrated Slum Development Programme	Number of dwelling units	300 168	16 48
24.	IHSDP	1.91	1.91	Housing for Urban Poor and Rehabilitation of Slum Dwellers - Tura - Dwelling Unit Williamnagar – Dwelling Unit Nongpoh – Dwelling Unit	Number Number Number	456 216 140	228 Nil 128
25.	UIDSSMT	32.00	32.00	Solid Waste Management at Nongpoh – Equipment, Vehicles, Land fill site, Compost Plant, Electrification and Site Development	NA	NA	15% to 100%

Source: Directorate of Programme Implementation & Evaluation, GOM and State Project Director, SSA State Education Mission Authority (Sl. No. 4, Columns 2 & 3)

## APPENDIX 2.1

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

(Reference: Paragraph 2.2; Page 46)

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	(-) 12.35
Transport	10 - Taxes on Vehicles, Other Administrative Services <i>etc.</i> , Capital – Voted	(-) 10.49
Power (Electricity)	11 - Other Taxes and Duties on Commodities and Services, <i>etc.</i> Revenue – Voted Capital – Voted	(-) 77.67 (-) 20.80
Chief Minister's Secretariat, Secretariat Administration, Finance, Law and Political	13 - Secretariat General Services, <i>etc.</i> Revenue – Voted	(-) 19.89
Home (Police)	16 – Police, Other Administrative Services, Housing, Capital Outlay on Police Revenue – Voted Capital – Voted	(-) 76.53 (-) 10.70
Public Works	19 – Secretariat General Services, Public Works, <i>etc.</i> Revenue – Voted Capital - Voted	(-) 23.37 (-) 95.11
Education, Sports and Youth Affairs and Arts & Culture	21– Miscellaneous General Services, <i>etc.</i> Revenue – Voted Capital - Voted	(-) 2017.52 (-) 30.75
Finance	24 - Pensions and other Retirement Benefits Revenue – Voted	(+) 114.63
Health and Family Welfare	26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, <i>etc.</i> Revenue – Voted Capital – Voted	(-) 78.38 (-) 11.28
Public Health Engineering	27 - Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, Capital Outlay on Housing Capital – Voted	(-) 137.11
Housing	28-Housing, Capital outlay on Housing, Loans for Housing Revenue – Voted	(-) 42.22
Urban Development	29 – Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, <i>etc.</i> Revenue – Voted Capital – Voted	(-) 73.48 (-) 147.60
Labour	31 – Labour and Employment Revenue – Voted	(-) 13.16
Food and Civil Supplies	32 – Civil Supplies, Capital Outlay on Food Storage and Ware-Housing Revenue – Voted	(-) 10.79
District Council Affairs and Social Welfare	34 – Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes, <i>etc.</i> Revenue – Voted Capital – Voted	(-) 558.20 (-) 15.77
Planning	38 – Secretariat Economic Services Revenue – Voted	(-) 292.13
Agriculture, Animal Husbandry and Veterinary Industries and Other <sup>1</sup>	40 – North Eastern Areas, Capital Outlay on North Eastern Areas Revenue – Voted Capital - Voted	(-) 48.27 (-) 14.45

<sup>1</sup> Sericulture & Weaving, Mining & Geology, Power, PWD(R&B), Health, Forest, Education, Transport, Industries, Sports & Youth, Fisheries, Tourism, Soil Conservation, Social Welfare, Home(Police), Public Health Engineering, Information, Technology, Co-operation, C&RD, Urban Affairs, Planning, District Council Affairs.

Name of Department	Number & Name of Grant/Appropriation	Savings (-) Excess (+)
Agriculture	43 – Housing, Crop Husbandry, <i>etc.</i> Revenue – Voted Capital – Voted	(-) 234.43 (-) 116.99
Soil Conservation	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	(-) 232.48
Animal Husbandry and Veterinary	47 – Housing, Animal Husbandry, Agricultural Research and Education Revenue – Voted	(-) 26.64
Fisheries	49 – Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries Revenue – Voted	(-) 11.71
Forest	50- Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Revenue – Voted	(-) 74.59
Community and Rural Development	51- Housing, Crop Husbandry, Special Programmes for Rural Development, <i>etc.</i> Revenue – Voted	(-) 123.54
Industries (Sericulture and Weaving)	53 – Village and Small Industries, Capital Outlay on Village and Small Industries, <i>etc.</i> Revenue – Voted	(-) 65.06
Public Works	56 – Roads and Bridges, Capital Outlay on Roads and Bridges Revenue – Voted Capital – Voted	(-) 37.67 (-) 73.58
Transport (Tourism)	57-Tourism, Capital Outlay on Public Works, Capital Outlay on Tourism, Loans for Tourism Revenue – Voted	(-) 13.28
Finance	Appropriation – Interest Payment Revenue – Charged	(-) 15.11
	Appropriation – Internal Debt of the State Government Capital – Charged	(-) 47.83

## APPENDIX 2.2

**Statement of various grants/appropriations where saving was more than ₹ 1 crore each  
and more than 20 per cent of the total provision  
(Reference: Paragraph 2.3.1; Page 46)**

(₹ in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
1.	4	Administrative of Justice Revenue – Voted	21.81	6.11	28
2.	5	Elections Revenue – Voted	23.71	6.37	27
3.	10	Taxes on Vehicles, Other Administrative Services <i>etc.</i> , Revenue – Voted	28.51	9.53	33
4.		Capital – Voted	7.44	10.49	141
5.	11	Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, <i>etc.</i> Revenue – Voted	246.16	77.67	32
6.		Capital – Voted	59.82	20.80	35
7.	16	Police, Other Administrative Services, Housing, Capital Outlay on Police Capital – Voted	28.58	10.70	37
8.	17	Jails Revenue – Voted	15.59	5.09	33
9.	19	Secretariat General Services, Public Works, <i>etc.</i> Capital – Voted	167.19	95.11	57
10.	21	Miscellaneous General Services, General Education, <i>etc.</i> Revenue – Voted	3315.94	2017.52	61
11.		Capital – Voted	30.75	30.75	100
12.	23	Other Administrative Services Revenue – Voted	10.42	3.00	29
13.	25	Miscellaneous General Services Revenue – Voted	9.78	8.86	91
14.	27	Water Supply and Sanitation. Housing, <i>etc.</i> Capital – Voted	328.53	137.11	42
15.	28	Housing, Capital Outlay on Housing, Loans for Housing Revenue – Voted	49.33	42.22	86
16.		Capital – Voted	2.09	1.39	67
17.	29	Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, <i>etc.</i> Revenue – Voted	95.26	73.48	77
18.		Capital – Voted	204.90	147.60	72
19.	30	Information and Publicity Revenue – Voted	17.03	3.47	20
20.	31	Labour and Employment Revenue – Voted	45.78	13.16	29
21.	32	Civil Supplies, Capital Outlay on Food Storage and Ware-Housing Revenue – Voted	30.11	10.79	36
22.	34	Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes, Social Security and Welfare, Nutrition, <i>etc.</i> Revenue – Voted	841.31	558.20	66
23.		Capital – Voted	32.03	15.77	49
24.	38	Secretariat Economic Services Revenue – Voted	376.97	292.13	77
25.		Capital – Voted	5.00	5.00	100
26.	39	Co-operation, Other Agricultural Programmes, Capital Outlay on Co-operation, Capital Outlay on Other Agricultural Programmes, Loans for Co-operation Capital – Voted	15.05	9.30	62
27.	40	North Eastern Areas, Capital Outlay on North Eastern Areas Revenue – Voted	62.54	48.27	77
28.		Capital – Voted	65.00	14.45	22
29.	41	Census, Survey and Statistics Revenue – Voted	21.02	8.05	38

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
30.	43	Housing, Crop Husbandry, Agricultural Research and Education, etc. Revenue – Voted	493.18	234.43	48
31.		Capital – Voted	160.43	116.99	73
32.	44	Medium Irrigation, Flood Control and Drainage, Capital Outlay on Medium Irrigation, etc. Capital – Voted	4.35	3.74	86
33.	45	Housing, Soil and Water Conservation, etc. Revenue – Voted	338.36	232.48	69
34.	47	Housing, Animal Husbandry, etc. Revenue – Voted	106.09	26.64	25
35.	48	Housing, Dairy Development Revenue – Voted	11.71	4.92	42
36.	49	Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries Revenue – Voted	27.49	11.71	43
37.		Capital – Voted	8.43	6.00	71
38.	50	Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Revenue – Voted	220.99	74.59	34
39.		Capital – Voted	3.13	2.87	92
40.	52	Industries, Capital Outlay on Cement, etc. Revenue – Voted	17.57	9.63	55
41.	53	Housing, Village and Small Industries, etc. Revenue – Voted	105.89	65.06	61
42.	56	Roads and Bridged, Capital Outlay on Roads and Bridges Revenue – Voted	159.13	37.67	24
43.	57	Tourism, Capital Outlay on Public Works, Capital Outlay on Tourism, Loans for Tourism Revenue – Voted	29.37	13.28	45
44.	Appropriation	Internal Debt of the State Government Capital – Charged	230.67	47.83	21
		<b>Total</b>	<b>8074.44</b>	<b>4570.23</b>	

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

Sl. No.	Grant/Appropriation Number – Major Head of Accounts - Sub-Head - Detailed Head	(₹ in lakh) Expenditure without provision
1.	5 – 2015 – 104 – (01) Expenditure on Election to Lok Sabha and State Legislature Assembly when held simultaneously – General	1.03
2.	16 – 2055 – 102 – 0478 Reimbursement to State for Civil Defence – General	172.66
3.	19- 4059 – 051 – (02) General Purposes Office and Administrative Buildings for all Services - Sixth Schedule (Part II) Areas	227.15
4.	19 – 4202 – 04 – 105 – (01) Construction of Library Building/Office Building – General	17.01
5.	26 – 2211 – 001 – (02) District Family Welfare Bureau – General	72.85
6.	26 – 2211 – 101 – (02) Rural Family Welfare Sub-Centres – Sixth Schedule (Part II) Areas	296.17
7.	26 – (Centrally Sponsored Scheme) – 2211 – 001 – (02) District Family Welfare Bureau – General	218.23
8.	26 – CSS – 2211-101 – (02) Rural Family Welfare Sub-Centres – General	588.67
9.	27 – 4215 – 01 – 102 – (18) National Rural Drinking Water Programme – General	654.47
10.	36 – 2235 – 60 – 104 – (01) Government Provident Fund – General	38.57
11.	43 – 2401 – 800 – (21) Special Central Assistance - Sixth Schedule (Part II) Areas	1500.00
12.	48 – 2404 – 102 – (06) Chilling Centre – General	4.67
13.	51 – 2515 – 102 – (01) Stage-I Block - Sixth Schedule (Part II) Areas	101.83
14.	56 – 5054 – 04 – 800 - (04) Roads Financed from Central Road Fund – Sixth Schedule (Part-II) Areas	362.83
15.	Appropriation – Internal Debt of the State Government 6003– 106 – Compensation and other Bonds 8.50% Meghalaya Government Power Bond April 2014 – General	69.95
16.	Appropriation – Internal Debt of the State Government 6003– 106 – 8.50% Meghalaya Government Power Bond October 2014 – General	69.95
<b>Total</b>		<b>4396.04</b>

**APPENDIX 2.4**

**Statement showing the amount debited head wise and credited to 8443  
(Reference: Paragraph 2.3.4; Page 48)**

(₹ in crore)

Sl No.	Debit Head	Credit Amount
1.	2055	17.68
2.	2202	64.62
3.	2204	16.12
4.	2210	16.25
5.	2235	33.31
6.	2236	10.64
7.	2401	53.21
8.	2501	32.98
9.	2515	12.97
10.	2801	12.69
11.	2853	33.15
12.	3451	30.38
	<b>Total</b>	<b>334.00</b>

## APPENDIX 2.5

**Excess over provision of previous years requiring regularisation**  
**(Reference: Paragraph 2.3.5; Page 48)**

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
<b>Total</b>			<b>1692.39</b>

## APPENDIX 2.6

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

(Reference: Paragraph 2.3.7; Page 49)

(₹ in lakh)

Sl. No.	Number & name of Grant	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
1.	3 – Council of Ministers, Other Administrative Services, <i>etc.</i> Revenue – Voted	1233.00	1123.21	109.79	138.73
2.	6 – Land Revenue, Relief on account of Natural Calamities, <i>etc.</i> Revenue – Voted	4394.00	4259.86	134.14	263.00
3.	9 – Taxes on Sales, Trade <i>etc.</i> , Other Taxes and Duties on Commodities and Services Revenue – Voted	2056.00	1684.03	371.97	26.20
4.	10 – Taxes on Vehicles <i>etc.</i> Revenue – Voted	2707.00	1898.00	809.00	144.21
5.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, <i>etc.</i> Capital – Voted	4760.51	3902.18	858.33	1221.78
6.	13 – Secretariat General Services, Secretariat Social Services, <i>etc.</i> Revenue – Voted	11569.00	9849.39	1719.61	269.23
7.	16 – Police, Other Administrative Services, Housing, Capital Outlay on Police Revenue – Voted	54414.86	52027.44	2387.42	5265.40
8.	Capital – Voted	2680.00	1788.03	891.97	178.04
9.	19 – Secretariat General Services, <i>etc.</i> Revenue – Voted	19047.75	17432.93	1614.82	722.64
10.	- Do - Capital – Voted	16132.83	7208.93	8923.90	586.60
11.	21- Miscellaneous General Services, General Education <i>etc.</i> Revenue – Voted	326151.43	129842.04	196309.39	5442.40
12.	26 – Medical and Public Health, Family Welfare, <i>etc.</i> Revenue – Voted	50177.36	48339.46	1837.90	6000.00
13.	31 – Labour and Employment Revenue – Voted	4072.60	3262.40	810.20	505.63
14.	32 – Civil Supplies, Capital Outlay on Food Storage and Warehousing Revenue – Voted	2219.00	1932.53	286.47	792.34
15.	34- Welfare of Scheduled Castes/ Scheduled Tribes and Other Backward Classes, <i>etc.</i> Revenue – Voted	82274.59	28311.42	53963.17	1856.84
16.	38 - Secretariat Economic Services, <i>etc.</i> Revenue – Voted	33725.00	8483.72	25241.28	3971.59
17.	39- Co-operation, Other Agricultural Programme, Capital Outlay on Co-operation, <i>etc.</i> Revenue – Voted	2000.49	1691.01	309.48	113.43
18.	40 – North Eastern Areas, <i>etc.</i> Revenue – Voted	6169.00	1426.53	4742.47	85.00
19.	- Do - Capital – Voted	6331.00	5055.50	1275.50	169.00
20.	41 – Census, Survey and Statistics Revenue – Voted	2069.00	1297.24	771.76	33.05
21.	43 – Housing, Crop Husbandry, Agricultural Research and Education, <i>etc.</i> Revenue – Voted	47818.57	25875.41	21943.16	1500.00
22.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife. Revenue – Voted	21661.46	14640.29	7021.17	438.24

Sl. No.	Number & name of Grant	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
23.	51 – Housing, Crop Husbandry, Special Programmes for Rural Development, Rural Employment, <i>etc</i> Revenue – Voted	62832.44	50606.71	12225.73	128.39
24.	52 – Industries, Capital Outlay on Cement, <i>etc.</i> Revenue – Voted	1679.56	794.12	885.44	77.30
25.	54 – Village and Small Industries, Capital Outlay on Housing, <i>etc.</i> Revenue – Voted	3141.44	3048.60	92.84	133.75
26.	56 – Roads and Bridges, Capital Outlay on Roads and Bridges Revenue – Voted	15399.00	12146.50	3252.50	514.00
27.	- Do - Capital – Voted	55193.22	50291.21	4902.01	2456.00
	<b>Total</b>	<b>841910.11</b>	<b>488218.69</b>	<b>353691.42</b>	<b>33032.79</b>

## APPENDIX 2.7

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

(Reference: Paragraph 2.3.8; Page 50)

(₹ 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	(+)3.12	(-)1.62
2.	4	108 – Criminal Courts (01) Courts of Deputy Commissioner, his Assistants, etc. – Sixth Scheduled (Part II) Areas	2014	(+)0.05	(+)1.38
3.	9	001 – Direction and Administration (01) Directorate Level Organisation – General	2040	(-)0.31	(-)1.10
4.	10	800 – Other Expenditure (01) Operation of Helicopter Services – General	2070	(-)2.61	(-)6.41
5.	11	800 – (21) Repayment of Loan Component to REC Ltd. under RGGVY Fund – General	6801	(+)1.19	(-)3.95
6.	11	800 – Other Loans to Electricity Boards (11) Construction of 2 <sup>nd</sup> Circuit of 132KV Agia-Nangalbibra Line with OPGW – General	6801	(+)0.01	(+)3.95
7.	Appropriation	104 – Interest on Provident Funds (01) Interest on General Provident Fund – General	2049	(+)7.83	(-)14.86
8.	16	001 – Direction and Administration (13) Directorate of Anti-Infiltration – General	2055	(+)0.02	(-)2.12
9.		101 – Criminal Investigation and Vigilance (01) State C.I.D. Organisation – General		(+)0.08	(-)1.15
10.		101 – Criminal Investigation and Vigilance (02) State Special Branch – General		(+)0.22	(-)11.57
11.		104 – Special Police (01) 1 <sup>st</sup> Meghalaya Police Battalion – General		(+)0.08	(-)1.97
12.		104 – Special Police (16) Multi-Purpose Special Force Battalion – General		(-)24.26	(-)9.74
13.		109 – District Police (01) District Executive Police – Sixth Schedule (Part-II) Areas		(+)5.46	(-)5.89
14.		109 – District Police (02) Village Defence Organisation - Sixth Schedule (Part-II) Areas		(-)0.17	(-)10.68
15.		109 – District Police (06) Expenditure on Police Check Post in Indo-Bangladesh Border – General		(-)0.07	(-)2.67
16.		109 – District Police (15) Expenditure on Police Check Post on Highways – General		(+)0.01	(-)1.81
17.		109 – District Police (20) Establishment of Special Guards for Checking/Detecting Infiltration from Bangladesh – General		(+)0.01	(-)1.77
18.		114 – Wireless and Computers (01) State Police Wireless Organisation – General		(-)0.08	(-)2.35
19.		115 – Modernisation of Police Force (02) Expenditure on Modernisation of Criminal Investigation Department and Vigilance (including Police Wireless Organisation) – General		(-)0.67	(-)3.16

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
20.	16	115 – Modernisation of Police Force (04) Expenditure on Modernisation of District Police - Sixth Scheduled (Part-II) Areas	2055	(-)2.07	(-)1.71
21.		104 – Special Police (05) Raising of 3 <sup>rd</sup> MLP Battalion/IRB – General		(+)2.38	(-)1.25
22.		104 – Special Police – (06) Raising of 4 <sup>th</sup> MLP Bn/2 <sup>nd</sup> IRBn – General		(+)3.68	(-)2.86
23.		104 – Special Police – (11) Raising of 5 <sup>th</sup> MLP Bn/3 <sup>rd</sup> IRBn – General		(+)6.33	(-)1.78
24.		800 – Other Expenditure (09) Construction and Maintenance of Departmental Non-Residential Buildings/Rent Free Quarter – Sixth Schedule (Part-II) Areas	2070	(-)0.03	(-)1.89
25.		108 – Fire Protection and Control (02) Protection and Control (Fire Services Station) – Sixth Schedule (Part-II) Areas		(+)10.72	(-)1.07
26.		211 – Police Housing (01) Construction of Residential Buildings for Police Accommodation/Facilities – Sixth Schedule (Part-II) Areas	4055	(-)0.03	(-)4.98
27.	19	80 – General – 001 – Direction and Administration (03) Technical Branch under Chief Engineer - Sixth Scheduled (Part-II) Areas	2059	(-)0.02	(-)3.23
28.		80 – General – 001 – Direction and Administration (07) Divisional and Subordinate Offices (Roads) – Sixth Schedule (Part-II) Areas		(+)3.02	(-)4.95
29.		80 – General – 001 – Direction and Administration (01) Chief Engineer and his General Establishment (Roads) – General		(+)0.53	(+)7.07
30.		80 – General – 001 – Direction and Administration (04) Superintending Engineers and their Establishments (Roads) – General		(-)0.08	(+)1.71
31.		80 – General – 051 – Construction (01) Functional Non-residential Buildings under General Services – General	4059	(-)9.00	(+)6.50
32.		80 – General – 051 – Construction (01) Functional Non-residential Buildings under General Services – Sixth Schedule (Part-II) Areas		(+)9.00	(+)7.36
33.		700 – Other Housing (01) Construction of Residential Buildings - General	4216	(-)2.00	(-)1.06
34.	21	101 – Government Primary School (01) Expenditure on Primary Schools – General	2202	(-)0.13	(-)17.96
35.		102 – Assistance to Non-Government Primary Schools (04) Assistance for Construction Repairs of Primary School Buildings – Sixth Schedule (Part-II) Areas		(-)1.85	(-)1.15
36.		102 – Assistance to Non-Government Primary Schools (13) Expenditure on U.P. Schools under Non Deficit System – Sixth Schedule (Part-II) Areas		(-)29.05	(+)5.99

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
37.	21	102 – Assistance to Non-Government Primary Schools (13) Expenditure on U.P. Schools under Non Deficit System – General	2202	(+)0.33	(-)5.00
38.		102 – Assistance to Non-Government Primary Schools (25) Sarva Shiksha Abhiyan – General		(-)0.33	(-)134.47
39.		102 – Assistance to Non-Government Primary Schools (25) Sarva Shiksha Abhiyan – Sixth Schedule (Part-II) Areas		(-)0.15	(-)19.85
40.		102 – Assistance to Non-Government Primary Schools (01) Expenditure on Maintenance of Primary Schools under Deficit System – Sixth Schedule (Part-II) Areas		(+)25.40	(+)13.02
41.		800 – Other Expenditure (26) Intervention for Education Facility Improvement - General		(-)9.74	(-)1.26
42.		103 – Government Colleges and Institutes (13) Government College - Sixth Schedule (Part-II) Areas		(+)2.38	(-)3.47
43.		104 – Assistance to Non-Government Colleges and Institutes (01) Expenditure on Colleges under Deficit System – General		(+)0.46	(-)2.74
44.		80 – General – 003 – Training (01) Directorate (SCERT) – General		(-)0.03	(-)1.16
45.		80 – General – 003 – Training (23) In-service Training – Sixth Schedule (Part-II) Areas		(-)0.01	(-)1.12
46.		80 – General - 003 – Training (26) Expenditure on Trainees – Sixth Schedule (Part-II) Areas		(-)0.01	(-)1.57
47.		105 – Polytechnics – (10) Jowai Polytechnics – General	2203	(-)0.43	(-)1.16
48.		105 – Polytechnics – (11) Tura Polytechnics – General		(-)0.21	(-)1.45
49.		105 – Polytechnics – (05) Setting up of New Polytechnic – General		(-)0.01	(+)2.59
50.		104 – Sports and Games – (04) Construction of Outdoor and Indoor Stadium – General	2204	(-)3.03	(-)1.20
51.		104 – Youth Welfare Programme for Students (17) Panchayat Yuva Krida Aur Khel Abhiyan – General		(-)1.52	(-)8.48
52.	26	800 – Other Expenditure (10) Miscellaneous - General	2210	(-)0.04	(-)9.18
53.		800 – Other Expenditure (11) Construction and Maintenance of Departmental Non-residential Buildings - Sixth Schedule (Part-II) Areas		(-)0.30	(-)3.01
54.		800 – Other Expenditure (15) Assistance to National Rural Health Mission – General		(-)8.16	(-)59.24
55.		104 – Medical Stores Depot (02) Establishment of Central Medical Store – General		(+)5.21	(-)1.06

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
56.	26	103 – Primary Health Centres (01) Other existing and new Primary Health Centres with Indoor Facilities – Sixth Scheduled (Part II) Areas	2210	(+)0.17	(+)20.79
57.		110 – Hospital and Dispensaries (01) Other existing and new Dispensaries with or without Indoor Facilities - Sixth Scheduled (Part-II) Areas		(-)0.07	(+)1.87
58.	27	102 – Rural Water Supply (01) Each Scheme - Sixth Scheduled (Part-II) Areas	4215	(-)4.14	(-)6.82
59.	31	003 – Training of Craftsmen and Supervisors (09) Enhancing Skill Development Infrastructure in North Eastern States and Sikkim – General	2230	(-)5.26	(-)5.46
60.	34	101 – Special Nutrition Programmes (02) Supplementary Nutrition Programme for Integrated Child Development Service Scheme - Sixth Scheduled (Part-II) Areas	2236	(-)1.39	(+)4.59
61.	38	800 – Other Expenditure (30) Integrated Basin Development Project-Cum-Livelihood Programme – General	3451	(+)5.00	(+)4.00
62.	40	110 – Hospital and Dispensaries (04) Up-gradation of Equipment Infrastructure and Development of District Hospitals (WKH, Ri-Bhoi, WGH&EGH) – Sixth Schedule (Part-II) Areas	2552	(-)0.82	(-)2.18
63.		104 – Sports and Games (01) Programme for Promotion/Development of Sports and Youth Activities – General		(-)0.05	(-)1.71
64.	43	105 – Manures and Fertilisers (11) Organic Manures – General	2401	(+)5.61	(-)6.02
65.		109 – Extension and Farmer's Training (14) Terra Madre Conference - General		(+)1.35	(-)1.35
66.		800 – Other Expenditure (12) ACA under RKVY – General		(-)1.35	(-)3.65
67.		001 – Direction and Administration (03) Establishment of Irrigation Wing Sixth Scheduled (Part-II) Areas	2702	(+)0.92	(-)2.80
68.		001 – Direction and Administration (04) Strengthening of Surface Water-Minor Irrigation or (Investigation Division) Sixth Schedule (Part-II) Areas		(-)0.02	(-)1.14
69.		800 – Other Expenditure (09) Establishment and Maintenance - Sixth Scheduled (Part-II) Areas		(-)0.48	(-)1.81
70.		001 – Direction and Administration (02) Establishment of Division and Sub-Division (Minor I Works) - Sixth Schedule (Part –II) Areas		(+)0.11	(+)3.67

Sl. No.	Grant Number	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
71.	50	001 – Direction and Administration (01) Headquarters Organisation – General	2406	(-)0.08	(-)3.28
72.		001 – Direction and Administration (04) Forest Ranges and Beat Offices – Sixth Schedule (Part-II) Areas		(+)0.06	(-)4.70
73.		101 – Forest Conservation, Development and Regeneration (05) Forest Protection Schemes and Works – Sixth Scheduled (Part-II) Areas		(+)0.08	(-)2.16
74.		001 – Direction and Administration (03) Divisional Forest Officer – Sixth Schedule (Part-II) Areas		(+)0.03	(+)1.72
75..	53	103 – Handloom Industries (04) Handloom Institution/Production Centres – Sixth Schedule (Part-II) Areas	2851	(+)0.20	(+)1.17
76.	56	105 – Maintenance and Repairs (02) Other Maintenance Expenditure – Road Works – Sixth Schedule (Part II) Areas	3054	(-)19.83	(+)35.32
77.		105 – Maintenance and Repairs (01) Work-charged Establishment-Road Works - Sixth Schedule (Part II) Areas		(+)19.83	(+)2.24
78.		800 – Other Expenditure (06) Road Financed from NABARD Loan etc. - Sixth Schedule (Part II) Areas	5054	(-)13.00	(+)12.89
79.		800 – Other Expenditure (02) Externally Aided Project under Asian Development Bank - Sixth Schedule (Part II) Areas		(+)1.08	(-)21.08
80.		800 – Other Expenditure (24) Up-gradation of State Highways (SH), Major District Roads (MDR) (MIDB) Infrastructure Development Sixth Scheduled (Part-II) Areas		(+)82.59	(-)171.70
81.		800 – Other Expenditure (14) Critical Ongoing Schemes Under Article 275 Sixth Schedule (Part-II) Areas		(-)14.28	(+)4.88
82.		800 – Other Expenditure (03) Construction of Rural Roads - Sixth Scheduled (Part-II) Areas		(-)13.83	(+)125.15
83.		800 – Other Expenditure (38) Ongoing SCA Proposal – Sixth Schedule (Part-II) Areas		(+)27.92	(-)14.11
84.	Appropriation - Internal Debt of the State Government	110 – Ways and Means Advances from the Reserve Bank of India (01) Ways and Means Advances – General	6003	(+)7.33	(-)47.33

## APPENDIX 2.8

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

(Reference: Paragraph 2.3.10; Page 50)

(₹ in lakh)

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Amount of surrender	Reasons attributed for surrender
1.	8 – State Excise	Chemical Examiner Attached to Headquarter (2039)	109.10	Non-functioning of Office of the Chemical Examiner
2.	11- Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, Non-Conventional Sources of Energy, etc.	Survey and Investigation. (2801)	540.00	Non-receipt of sanction
3.		Construction of LILO of 132KV, D/C NEHU-Khliehriat line at Jowai (Mustem) along with construction of 2x20 MVA, 132/33 KV Sub-Station at Mustem (2801)	1305.00	
4.		Construction of 33/11KV, 2x5 MVA Sub-station with Control Room at Nagalbibra including Re-alignment of the existing 11KV Feeders to shift them to new sub-station (2801)	288.90	
5.		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	Non-receipt of sanction and less expenditure
6.		Replacing the Meters and the Metering System at Interface/Boundary with the Generation and Distributors along with establishment of a Central Data Centre at NEHU S/S (2801)	351.00	
7.		General Programmes (2810)	210.00	Non-receipt of sanction
8.		Construction of LILO of 132KV D/C NEHU Khliehriat line at Jowai (Mustem) along with 2x20 MVA, 132/33KV S/S at Mustem (6801)	145.00	Less expenditure
9.		Construction of 132KV D/C LILO of Rongkhon-Ampati line at Praharinagar along with 1x25 MVA (with an additional Transformer bay) 132/33KV S/S at Praharinagar (6801)	150.00	
10.		Suspense – Stock (2059)	404.10	Less requirement of fund
11.	19- Secretariat General Services, Public Works, Housing, Capital Outlay on Public Works, etc.	Establishment of new Polytechnics in Ri-Bhoi, West Khasi Hills and South Garo Hills District-SPA (4202)	297.00	Non-release of fund and non-sanction of estimates
12.		Construction of Residential Buildings (4216)	1980.00	

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Amount of surrender	Reasons attributed for surrender
13.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, Art and Culture, <i>etc.</i>	Pre-matric Scholarships for Minorities (2202)	172.50	Curtailment of provision under the scheme
14.	27 – Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, <i>etc.</i>	Rural Sanitation Services – Each Scheme (4215)	1483.00	Reduction of allocation by the Planning Department
15.	28 – Housing, Capital Outlay on Housing, Loans for Housing	Affordable Housing Scheme (2216)	3500.00	Less expenditure and non-receipt of approval of the scheme.
16.	29 –Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, Loans for Urban Development	Centrally Assistance for Centrally Sponsored Scheme (2217)	200.00	Non-release of Central share.
17.		Construction – Swarna Jayanti Shahari Rozgar Yojana (2217)	180.00	Release of fund directly to the Implementing Agency.
18.		Satellite Township of Shillong under State Plan (4217)	800.00	Non-inclusion of the scheme in approved plan.
19.		Urban Infrastructure Development Schemes for Small and Medium Towns (4217)	2410.00	Non-release of fund from GOI/ Claim of less fund by SIPMIU/ non-inclusion in the approved Plan Outlay.
20.		ADB Assisted Urban Development Project under EAP (4217)	1000.00	
21.		Infrastructure Development for City Transport at Shillong (4217)	400.00	
22.		Special Plan Assistance (SPA) (4217)	700.00	Non-inclusion of the schemes in the approved plan.
23.		Externally Aided Project under JICA (Central Share) (4217)	900.00	Non-release of fund from GOI
24.	32 – Civil Supplies, Capital Outlay on Food Storage and Ware-housing	Consumer Welfare fund (3456)	750.00	Non-release of sanction of the scheme.
25.	34 – Welfare of Scheduled Caste/Scheduled Tribe and Other Backward Classes, Social Security and Welfare, Nutrition, Capital Outlay on Public Works, Capital Outlay on Social Security and Welfare, <i>etc.</i>	Financial Assistance to District Councils for Financing their own Plan Schemes (2225)	484.00	Non-release of fund by GOI.
26.		Construction or Development of Rural Market under NLCPR Schemes (2225)	200.00	
27.		Implementation of ICDS Scheme under Central Assistance in respect of ICDS (2235) - General	9276.58	Release of fund under CSS instead of ICDS.
28.		Implementation of ICDS Scheme under Central Assistance in respect of ICDS (2235) – Sixth Schedule (Part-II) Areas	469.32	

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Amount of surrender	Reasons attributed for surrender
29.	38 – Secretariat Economic Services	Grants-in-Aid to Voluntary Agencies/NGO (3451)	500.00	Not stated.
30.		Management of Information System of Planning Department (3451)	200.00	Less expenditure.
31.		Meghalaya Integral Rural Development Programme (MIRDP) (3451)	1000.00	Non-incurring of expenditure during the year.
32.		Cross Cutting Infrastructure for Mission (3451)	1700.00	
33.	39 – Co-operation, Capital Outlay on Co-operation, etc.	Investment in Multi-Purpose Rural Co-operatives Schemes for Integrated Co-operative Development Project in selected District (4425)	188.34	Non-receipt of NCDC approval.
34.		Loans to Multi-Purpose Rural Co-operatives Schemes for Integrated Co-operative Development Project in selected District (4425)	108.04	
35.	40- North Eastern Areas, Capital Outlay on North Eastern Areas	Williamnagar Winter Festival (4552)	150.00	Non-receipt of funds from NEC.
36.		Orchid Lake Resort Development Umiam, Ri-Bhoi District (4552)	450.00	
37.	43 – Housing, Crop Husbandry, Agricultural Research & Education, Other Agricultural Programmes, Minor Irrigation, Capital Outlay on Housing, Capital Outlay on Crop Husbandry, Investments in Agricultural Financial Institutions, Capital Outlay on Minor Irrigation, Loans for Crop Husbandry	Special Plan Assistance (2401)	321.00	Less requirement of fund/non-sanction of scheme/decrease in fund allotment..
38.		Special Plan Assistance - General (2401)	500.00	
39.		Seeds Macro Management of Agriculture Seed production Programme (2401)	550.00	Non-receipt of administrative approval from GOI.
40.		Manures and Fertilizers Macro Management of Agricultural Integrated Nutrient Management (2401)	550.00	
41.		Setting up of Compost Plants for Urban Solid Waste (2401)	130.00	
42.		Scheme/Macro Management for Promotion of Agricultural Mechanisation (2401)	420.00	Non-receipt of sanction.
43.		Macro Management of Agriculture – New Innovations (2401)	548.00	Non-receipt of sanction and approval from Finance Department
44.		Rural Heats under Macro Management of Agriculture (2401)	200.00	
45.		Integrated Cereals Development Programmes-Rice and Wheat (2401)	657.00	Non-receipt of approval from GOI and receipt of less amount from GOI.
46.		National Project on Organic Farming Scheme (2401)	310.00	
47.		Strengthening/Setting up of State Pesticides Testing Laboratory (2401)	154.00	

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Amount of surrender	Reasons attributed for surrender
48.		Training of Women in Agriculture (2401)	170.00	Non-receipt of approval from GOI and receipt of less amount from GOI.
49.		Promotion/strengthening of Information Technology in Agriculture (2401)	365.00	
50.		Macro Management of Agriculture Research Programmes (3415)	130.00	Non-receipt of approval from GOI.
51.	45 – Housing, Soil and Water Conservation, Agricultural Research & Education	Accelerated Irrigation Benefits Programme (AIBP) (2402)	13000.00	Non-sanction of fund under AIBP and new RRR Projects by GOI..
52.		Repair, Renovation and Restoration of Water Bodies (2402)	2840.00	
53.	49 – Housing, Fisheries, Agricultural Research and Education, <i>etc.</i>	Construction and Maintenance of Departmental Residential Buildings (4216)	150.00	Reduction of budget provision by Finance Department.
54.	50 – Forestry and Wildlife, Agricultural Research and Education, <i>etc.</i>	Intensification of Forest Management Scheme (2406) – Sixth Schedule (Part II) Areas	380.00	Non-release of fund by GOI.
55.		Intensification of Forest Management Scheme (2406) – General	120.00	
56.	52 – Industries, Capital Outlay on Cement and Non-metallic Minerals, Capital Outlay on Industries and Mineral, <i>etc.</i>	Payment for Professional and Special Services, Motivation Study (under Feasibility Study) (2852)	160.00	Revision of Plan Outlay by the Planning Department.
57.	53 – Village and Small Industries, Capital Outlay on Village and Small Industries, Loans for Village and Small Industries	Integrated Basin and Livelihood Development Programme (2851)	150.00	Downsize of allocation by Planning Department
58.		Integrated Handloom Development Scheme (2851)	1651.00	Non-receipt of sanction from GOI.
59.		CSS North Eastern Region – Textile Promotion Scheme (2851)	1784.00	
60.		North Eastern Region – Textile Promotion Scheme (2851)	2330.00	
61.	54 – Village and Small Industries, Capital Outlay on Housing, <i>etc.</i>	Skill Up-gradation for Women and Youth (2851)	450.00	Less expenditure than anticipated.
62.	57 - Tourism, Capital Outlay on Public Works, Capital Outlay on Tourism, Loans for Tourism	Central Assistance for CSS (3452)	400.00	Less expenditure.
63.		Thirteenth Finance Commission Award, Development of Caves (3452)	125.00	Non-receipt of sanction/less expenditure.
	Total		61802.48	

**APPENDIX 2.9**  
**Surrender in excess of actual savings**  
**(Reference: Paragraph 2.3.11; Page 50)**

(₹ in lakh)

Sl No.	Number and Name of Grant/Appropriation	Total Grant	Saving	Amount surrendered	Amount surrendered in excess of savings
1.	1 – Parliament/State/Union Territory Legislature, Stationery and Printing, <i>etc.</i> Revenue – Charged	167.64	83.27	85.45	2.18
2.	8 – State Excise Revenue – Voted	1485.00	109.88	246.80	136.92
3.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, <i>etc.</i> Revenue – Voted	24615.58	7766.55	7766.86	0.31
4.	19 – Secretariat General Services, Public Works, Housing, <i>etc.</i> Revenue – Voted	19770.39	2337.46	2393.36	55.90
5.	27 – Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, <i>etc.</i> Revenue – Voted	17214.54	417.24	492.50	75.26
6.	28 – Housing, Capital Outlay on Housing, Loans for Housing Revenue – Voted	4933.00	4221.82	4244.82	23.00
7.	30 – Information and Publicity Revenue – Voted	1703.00	346.54	377.55	31.01
8.	32 – Civil Supplies, Capital Outlay on Food Storage and Ware-Housing Revenue – Voted	3011.34	1078.81	1084.49	5.68
9.	36 – Miscellaneous General Services, Social Security and Welfare Revenue – Voted	584.61	83.01	119.58	36.57
10.	41 – Census, Survey and Statistics Revenue – Voted	2102.05	804.81	991.80	186.99
11.	42 – Housing, Other General Economic Services Revenue – Voted	717.90	109.99	133.94	23.95
12.	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	33836.04	23248.39	23601.14	352.75
13.	46 – Special Programme for Rural Development Revenue – Voted	6427.62	208.82	212.38	3.56
14.	52 – Industries, Capital Outlay on Cement, <i>etc.</i> Capital – Voted	3692.00	41.00	61.00	20.00
15.	53 – Village and Small Industries, <i>etc.</i> Revenue – Voted	10589.20	6506.09	7435.03	928.94
16.	54 – Village and Small Industries, Capital Outlay on Housing, <i>etc.</i> Revenue – Voted	3275.19	226.59	252.33	25.74

Sl No.	Number and Name of Grant/Appropriation	Total Grant	Saving	Amount surrendered	Amount surrendered in excess of savings
17.	55 – Non-Ferrous Mining and Metallurgical Industries, etc. Revenue – Voted	11805.13	281.83	284.56	2.73
18.	57 – Tourism, Capital Outlay on Public Works, etc. Revenue – Voted	2937.00	1327.97	1335.55	7.58
19.	60 – Loans to Government Servants, etc. Capital – Voted	1723.96	15.17	22.99	7.82
	<b>Total</b>	<b>150591.19</b>	<b>49215.24</b>	<b>51142.13</b>	<b>1926.89</b>

## APPENDIX 2.10

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

(Reference: Paragraph 2.3.12; Page 51)

(₹ in crore)			
Sl. No.	Grant No./ Appropriation	Name of Grant/Appropriation	Saving
1.	2	Governor, Capital Outlay on Housing Revenue – Charged	0.38
2.		Capital – Charged	0.37
3.	4	Administration of Justice Revenue – Voted	6.11
4.		Revenue – Charged	0.11
5.	10	Taxes on Vehicles, Other Administrative Services, Road Transport, Capital Outlay on Civil Aviation, etc. Revenue – Voted	9.53
6.		Capital – Voted	10.49
7.	16	Police, Other Administrative Services <i>etc.</i> , Housing, Capital Outlay on Police Revenue – Voted	76.53
8.		Revenue – Charged	0.12
9.		Capital – Voted	10.70
10.	17	Jails Revenue – Voted	5.09
11.	21	Miscellaneous General Services, General Education, Technical Education, Capital Outlay on Education, Sports, Arts and Culture, <i>etc.</i> , Capital – Voted	30.75
12.	26	Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, <i>etc.</i> Capital – Voted	11.28
13.	38	Secretariat Economic Services, <i>etc.</i> Capital – Voted	5.00
14.	44	Medium Irrigation, Flood Control and Drainage, Capital Outlay on Medium Irrigation, <i>etc.</i> , Revenue – Voted	0.31
15.		Capital – Voted	3.74
16.	51	Housing, Crop Husbandry, Special Programmes for Rural Development, Rural Employment, <i>etc.</i> Capital – Voted	0.53
17.	Appropriation	Interest Payment Revenue – Charged	15.11
18.		Internal Debt of the State Government Capital – Charged	47.83
		Total	233.98

## APPENDIX 2.11

## Details of saving of ₹ 1 crore and above not surrendered

(Reference: Paragraph 2.3.12; Page 51)

(₹ in crore)

Sl. No.	Number and Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1.	1 – Parliamentary/State/Union Territory Legislatures, Stationery and Printing, <i>etc.</i> Revenue – Voted	12.35	10.43	1.92
2.	6 – Land Revenue, Relief on Account of Natural Calamities, Other Social Services, <i>etc.</i> Revenue – Voted	3.97	1.27	2.70
3.	9 – Taxes on Sales, Trade <i>etc.</i> Revenue – Voted	3.98	0.10	3.88
4.	13 – Secretariat General Services, Secretariat Social Services, Secretariat Economic Services, <i>etc.</i> Revenue – Voted	19.89	8.71	11.18
5.	18 – Stationery and Printing, Capital Outlay on Stationery and Printing, Capital Outlay on Housing Revenue – Voted	3.80	1.35	2.45
6.	20 – Other Administrative Services, <i>etc.</i> Revenue – Voted	1.21	0.21	1.00
7.	21 – Miscellaneous General Services, General Education, Technical Education, Sports and Youth Services, <i>etc.</i> Revenue – Voted	2017.52	<sup>2</sup>	2017.52
8.	22 – Other Administrative Services, Housing, Census Survey and Statistics Revenue – Voted	3.89	2.22	1.67
9.	25 – Miscellaneous General Services Revenue – Voted	8.86	0.32	8.54
10.	26 – Medical and Public Health, Family Welfare, <i>etc.</i> Revenue – Voted	78.38	1.17	77.21
11.	27 – Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, <i>etc.</i> Capital – Voted	137.11	136.09	1.02
12.	31 – Labour and Employment Revenue – Voted	13.16	1.18	11.98
13.	34 – Welfare of Scheduled Caste/Scheduled Tribes and Other Backward Classes, Social Security and Welfare, Nutrition, <i>etc.</i> Revenue – Voted	558.20	555.42	2.78
14.	38 – Secretariat Economic Services Revenue – Voted	292.13	263.08	29.05
15.	40 – North Eastern Areas, Capital outlay on North Eastern Areas. Revenue – Voted	48.27	15.12	33.15
	Capital – Voted	14.45	8.00	6.45
16.	43 – Housing, Crop Husbandry, Agricultural Research and Education, Other Agricultural Programmes, Minor Irrigation, <i>etc.</i> Revenue – Voted	234.43	156.60	77.83
	Capital – Voted	116.99	48.70	68.29
17.	47 – Housing, Animal Husbandry, Agricultural Research and Education Revenue – Voted	26.64	1.48	25.16
18.	48 – Housing, Dairy Development, Agricultural Research and Education Revenue – Voted	4.92	0.90	4.02

<sup>2</sup> ₹ 41,000 only

Sl. No.	Number and Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be surrendered
19.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Revenue – Voted	74.59	60.77	13.82
20.	51 – Housing, Crop Husbandry, Special Programmes for Rural Development, etc. Revenue – Voted	123.54	26.81	96.73
21.	56 – Roads and Bridges, Capital Outlay on Roads and Bridges Revenue – Voted	37.67	35.13	2.54
	Capital – Voted	73.58	70.17	3.41
	<b>Total</b>	<b>3897.18</b>	<b>1383.16</b>	<b>2502.36</b>

**APPENDIX 2.12**  
**Cases of surrender of funds in excess of ₹ 1 crore on 31 March 2015**  
**(Reference: Paragraph 2.3.12; Page 51)**

(₹ in crore)

Sl. No.	Grant No. & Name	Head of Account	Amount surrendered
1.	1 – Parliament/State/Union Territory Legislature, Stationery and Printing, etc.	2011, 2058	10.43
2.	3 – Council of Ministers	2013	2.31
3.	5 – Elections	2015	6.11
4.	6 – Land Revenue, Relief on Account of Natural Calamities, Other Social Services, Other General Economic Services, etc.	2029, 2245, 2250	1.27
5.	8 – State Excise	2039	2.47
6.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, etc.	2045, 2501, 2801, 2810	77.67
7.		6801	20.80
8.	13 – Secretariat General Services, Secretariat Social Services, etc.	2052, 2251, 3451	8.71
9.	14 – District Administration	2053	6.07
10.	18 – Stationery and Printing, Capital Outlay on Stationery and Printing, Capital Outlay on Housing	2058	1.35
11.	19 – Secretariat General Services, Public Works, Housing, Capital outlay on Public Works, etc.	2052, 2059, 2216	23.93
12.		4059, 4202, 4216	87.00
13.	22 – Other Administrative Services, Housing, Census, Survey and Statistics	2070, 2216, 3454	2.22
14.	23 – Other Administrative Services.	2070	2.96
15.	26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, etc.	2210, 2211	1.17
16.	27 – Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, etc.	2215, 2216	4.93
17.		4215, 4216	136.09
18.	28 – Housing, Capital Outlay on Housing, Loans for Housing	2216	42.45
19.		4216	1.39
20.	29 – Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, etc.	2217	73.22
21.		4216, 4217	147.60
22.	30 – Information and Publicity	2220	3.78
23.	31 – Labour and Employment	2230	1.18
24.	32 – Civil Supplies, Capital Outlay on Food Storage and Ware-housing	3456	10.84
25.	34 – Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes, etc.	2225, 2235, 2236	555.42
26.		4235	15.77
27.	36 – Miscellaneous General Services, Social Security and Welfare	2075, 2235	1.20
28.	38 – Secretariat Economic Services, etc.	3451	263.08
29.	39 – Co-operation, Other Agricultural Programmes, Capital Outlay on Co-operation, etc.	2425, 2435	4.22
30.		4425, 4435, 6425	9.30
31.	40 – North Eastern Areas, Capital Outlay on North Eastern Areas	2552	15.12
32.		4552	8.00
33.	41 – Census, Survey and Statistics	3454	9.92
34.	42 – Housing, Other General Economic Services	2216, 3475	1.34

Sl. No.	Grant No. & Name	Head of Account	Amount surrendered
35.	43 – Housing, Crop Husbandry, Agricultural Research & Education, <i>etc.</i>	2216, 2401, 2415, 2435, 2701, 2702, 2711	156.60
36.		4401, 4416, 4701, 4702, 4711	48.70
37.	45 – Housing, Soil, and Water Conservation, Agricultural Research and Education	2216, 2402, 2415	236.01
38.	46 – Special Programme for Rural Development	2501	2.12
39.	47 – Housing, Animal Husbandry, Agricultural Research & Education	2216, 2403, 2415	1.48
40.	49 – Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries	2216, 2405, 2415	11.61
41.		4216, 4405	6.00
42.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife	2406, 2415	60.77
43.		4406, 7610	2.87
44.	51 – Housing, Crop Husbandry, Special Programme for Rural Development, Rural Employment, Other Rural Development Programmes, <i>etc.</i>	2216, 2401, 2501, 2505, 2515	26.81
45.	52 – Industries, Capital Outlay on <i>etc.</i>	2852	8.92
46.	53 – Village and Small Industries, Capital Outlay on Village and Small Industries, Loans for Village and Small Industries	2851	74.35
47.	54 – Village and Small Industries, Capital Outlay on Housing, <i>etc.</i>	2851	2.52
48.	55 – Non-Ferrous Mining and Metallurgical Industries, Capital Outlay on Housing, <i>etc.</i>	2853	2.85
49.	56 – Roads and Bridges, Capital Outlay on Roads and Bridges	3054	35.13
50.		5054	70.17
51.	57 – Tourism, Capital Outlay on Public Works, Capital Outlay on Tourism, Loans for Tourism	3452	13.36
	<b>Total</b>		<b>2319.59</b>

## APPENDIX 2.13

**Misclassification of Expenditure**  
**(Reference: Paragraph 2.6.8.2; Page 58)**

(₹ in crore)

Sl. No.	Major Head	Sub Major Head	Minor Head	Sub Head	Amount
<b>I. Minor works booked under 'Capital heads'</b>					
1.	4210	01	200	Renovation and improvement of Leprosy Hospital Colony	0.01
2.	4210	01	110	Construction of Meghalaya Institute of Mental Health and Neurological School	0.25
3.	4210	01	110	Improvement of Shillong Civil Hospital	0.16
4.	4210	01	110	Improvement of Ganesh Das Hospital, Shillong.	0.50
5.	4210	01	110	Upgradation/Improvement of Tura Civil Hospital	0.25
6.	4210	01	110	Upgradation/Renovation/Improvement of Jowai Civil Hospital	0.80
7.	4210	01	110	Upgradation of Baghmara CHCs to Hospital	0.50
8.	4210	01	200	Construction of T.B. Centre and Isolation beds	0.20
9.	4210	02	800	Construction of office complex of Health Department (HEW/NPCB/Leprosy)	0.08
10.	4210	02	800	Construction of staff quarters for Women and Children Hospital, SDO's office	0.30
11.	4210	04	106	Renovation and improvement of Pasteur Institute	0.37
12.	4216	80	800	Rental Housing Scheme	0.70
13.	4401	...	800	Construction of Administrative buildings	0.27
14.	4702	...	101	NABARD loan for construction of MIPs	0.25
15.	5452	01	190	Upgradation/improvement of Orchid Hotel at Shillong	0.51
				<b>Total</b>	<b>5.15</b>
<b>II. Major works booked under 'Revenue heads'</b>					
1.	2401	...	800	ACA under RKVY	38.99
2.	2401	...	800	Special Central Assistance	8.00
3.	2401	...	119	Central Assistance CSS	3.63
4.	2403	...	800	Construction and Maintenance of Departmental non-residential buildings	1.28
5.	2406	01	001	Twelfth/Thirteenth Finance Commission Award for maintenance of forests	3.71
6.	2406	01	800	Intensification of Forest Management Scheme	0.35
7.	2216	05	800	Construction	2.82
8.	2217	05	51	Special Urban work programme (including Chief Ministers' Special Urban Development fund)	4.00
9.	2220	60	001	Directorate of Information and Public Relation	0.50
10.	2515	...	800	Construction of Rural Roads Programme (under MNP)	2.75
11.	2552	01	103	Seed Testing Laboratories	2.98
				<b>Total</b>	<b>69.01</b>

**APPENDIX 3.1**  
**Utilisation Certificates outstanding as on 31 March 2015**  
**(Reference: Paragraph 3.1; Page 63)**

(₹ in lakh)

Sl No.	Department/ Organisation	Year of payment of grant	Total grants paid		Utilisation certificates			
			Number	Amount	Received		Outstanding	
					Number	Amount	Number	Amount
1	Shillong Municipal Board (SMB)	2009-10	1	9.38	Nil	Nil	1	9.38
			1	0.69	Nil	Nil	1	0.69
			1	3.82	Nil	Nil	1	3.82
2	Director, Urban Affairs - SMB	2008-09	1	239.32	Nil	Nil	1	239.32
			1	10.00	Nil	Nil	1	10.00
		2009-10	1	15.00	Nil	Nil	1	15.00
3.	District Council Affairs <sup>1</sup>	2013-14	5	113.06	1	10.98	4	102.08
4.	Khasi Hills Autonomous District Council	<b>Youth Affairs</b>						
		2007-08	30	6.00	2	0.40	28	5.60
		2008-09	28	5.60	4	0.80	24	4.80
		<b>Arts &amp; Culture</b>						
		2007-08	30	4.20	8	1.12	22	3.08
		2008-09	28	2.80	3	0.30	25	2.50
5.	Khadi and Village Industries Commission	2005-06 to 2009-10	1	0.13	Nil	Nil	1	0.13
6	North Eastern Region Community Resource Management Project	2011-12	3	3750.49	Nil	Nil	3	3750.49
7	Education	2003-04	1	69.39	Nil	3.00	1	66.39
8.	Registrar of Co- operative Societies <sup>1</sup>	2005-06 & 2006-07	690	871.02	658	862.52	32	8.50
		2007-08 & 2008-09	1230	936.64	996	815.23	234	121.41
		2009-10 & 2010-11	965	943.00	636	807.99	329	135.01
		2011-12 & 2012-13	1157	2182.94	809	1836.51	348	346.43
		2013-14	328	1045.75	145	491.57	183	554.18
		2014-15	229	718.15	8	25.10	221	693.05
9.	Fisheries <sup>1</sup>	2014-15	5303	3504.59	Nil	Nil	5303	3504.59
<b>Total</b>			<b>10034</b>	<b>14431.97</b>	<b>3270</b>	<b>4855.52</b>	<b>6764</b>	<b>9576.45</b>

<sup>1</sup> Information furnished by the District Council Affairs and Co-operation Departments and Director of Fisheries, Government of Meghalaya in August 2015.

## APPENDIX 3.2

Statement showing names of bodies and authorities, the accounts of which had not been received as on 31 March 2015

(Reference: Paragraph 3.2; Page 64)

(₹ 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 2014-15	2007-08	239.60
2.	Housing Department	1	1991-1992 to 2014-15	2000-01	1789.60
3.	Ministry of Tribal Affairs	1	2004-2005 to 2014-15	2008-09	667.35
4.	Ministry of Human Resources	3	2006-07 to 2014-15	2006-07	28468.18
5.	District Administration Department	4	2007-08 to 2014-15	2006-07	21517.60
6.	Urban Affairs Department	2	2011-12 to 2014-15	2012-13	1252.92
7.	Community and Rural Development Department	3	2008-09 to 2014-15	2007-08	8553.18
8.	Social Welfare Department	1	2008-09 to 2014-15	2011-12	86.45
9.	Soil and Water Conservation Department	1	2008-09 to 2014-15	2008-09	25.00
10.	Agriculture Department	1	2010-11 to 2014-15	2010-11	126.56
11.	Forest Department	1	2011-12 to 2014-15	2012-13	219.31
12.	Ministry of Micro, Small and Medium Enterprises (MSME) GoI	1	2011-12 to 2014-15	2012-13	880.51
13.	Public Works Department	1	2011-12 to 2014-15	2011-12	393.62
14.	Ministry of Culture	1	2009-10 to 2014-15 (New)	2011-12	176.78
15.	Health and Family Welfare Department	1	December 2014 to March 2015	2013-14	6539.14
16.	Information and Technology Department	1	2014-15	2013-14	8472.37
17.	Planning Department	1	2008-09-2014-15	2013-14	276.67
	<b>Total</b>	<b>25</b>			<b>79684.84</b>

### APPENDIX 3.3

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

(Cases where final action pending at the end of March 2015)

(Reference: Paragraph 3.4; Page 65)

Name of the Department	(₹ in lakh)						Total number of cases
	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 Years to more	
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)	--	4 (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 (86.50)	--	1 (15.74)	2 (102.24)
Mining	--	--	--	1 (16.55)	--	--	1 (16.55)
Community and Rural Development	--	--	--	1 (3.03)	--	--	1 (3.03)
Labour	--	1 (0.66)	--	--	--	--	1 (0.66)
Land Record and Survey	--	--	1 (1.56)	--	--	--	1 (1.56)
Horticulture	--	1 (21.06)	--	--	--	--	1 (21.06)
<b>Total</b>	<b>1 (40.75)</b>	<b>5 (22.96)</b>	<b>4 + 1* (6.64)</b>	<b>34 (108.43)</b>	<b>21 + 1* (8.54)</b>	<b>9 (28.11)</b>	<b>76 (215.43)</b>

(Figures in brackets indicate ₹ in lakh)

\* Amount not intimated

\* Amount not intimated