

# State Finances Audit Report of the Comptroller and Auditor General of India

for the year ended 31 March 2018



लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest

**GOVERNMENT OF MEGHALAYA**  
*Report No. 1 of 2019*



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## **PREFACE**

This Report has been prepared for submission to the Governor of Meghalaya under Article 151 of the Constitution for being placed in the Meghalaya Legislative Assembly.

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 2018. Information has been obtained from the Government of Meghalaya, wherever necessary.

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.



# EXECUTIVE SUMMARY



# EXECUTIVE SUMMARY

## The Report

Based on the audited accounts of the Government of Meghalaya for the year ended 31 March 2018, this Report provides an analytical review of the finances of the State Government. The Report has three Chapters:

Chapter I is based on the Finance Accounts and makes an assessment of the Government's fiscal position as on 31 March 2018. It broadly presents and analyses the State Government's resources and their applications.

Chapter II is based on audit of Appropriation Accounts and reviews the allocative priorities of the State Government and the manner in which the allocated resources were managed by various Departments.

Chapter III gives an overview and status of the State Government's compliance with various financial rules, procedures and directives during 2017-18.

## 2 Audit Findings

### 2.1 Finances of the State Government

The fiscal position of the State is viewed in terms of key fiscal parameters – revenue surplus, fiscal deficit, primary deficit. There was a revenue surplus of ₹ 850.80 crore during 2017-18. The revenue surplus was utilised to partially finance the capital expenditure of ₹ 983.44 crore during the year. The fiscal deficit of the State had decreased significantly during 2017-18 compared to previous year's. Primary deficit turned into primary surplus during 2017-18.

The prevalence of fiscal deficit during 2013-18 indicated continued reliance of the State on borrowed funds, resulting in increasing the fiscal liabilities of the State over the period 2013-18. Fiscal liabilities increased by 5.58 *per cent* during 2017-18 compared to previous year. The fiscal liabilities during 2017-18 stood at 29.98 *per cent* of the GSDP during the current year against 31.58 *per cent* during 2016-17 and exceeded the limit of total outstanding Debt-GSDP ratio projected in Medium Term Fiscal Plan (25.02 *per cent*) for the year. The Debt-Repayment as a percentage of Tax Revenue ranged between 173.75 *per cent* and 236.46 *per cent* during 2013-18.

The Central tax transfers comprising State's share of Union taxes and duties from the Government of India continued to be a key factor in the increase in revenue receipts of the State. The Central Tax transfers increased by 232 *per cent* during 2013-18 which constituted 46.62 *per cent* of the revenue receipts of the State during 2017-18. The State's own resources (tax and non-tax revenue) (₹ 1816.73 crore) during 2017-18

decreased by 2.91 *per cent* over previous year and constituted only 19.59 *per cent* of the revenue receipts (₹ 9273.48 crore) during 2017-18.

The State could not meet the targets set (₹ 1998 crore) by the 14<sup>th</sup> FC as the tax revenue receipts (₹ 1450.10 crore) fell short of normative assessment made by 14<sup>th</sup> FC by 27.42 *per cent* and the non-tax revenue (₹ 366.63 crore) was 52.45 *per cent* lower than the target of 14<sup>th</sup> FC (₹ 771 crore).

The expenditure pattern of the State revealed that the revenue expenditure as a percentage of total expenditure hovered around 89 *per cent* during the period (2013-18) leaving inadequate resources for expansion of services and creation of assets.

Capital outlay during 2017-18 (₹ 983.44 crore) decreased by ₹ 306.36 crore (23.75 *per cent*) over previous year and fell short by 43.25 *per cent* (₹ 749.62 crore) of the projection (₹ 1733.06 crore) made by the State Government in its budget estimates for the year. Share of Capital Outlay to total expenditure during 2013-14 decreased from 16.13 *per cent* (2013-14) to 10.43 *per cent* (2017-18) despite more than three-fold increase in the Central Tax Transfer during the same period from ₹ 1301.96 crore (2013-14) to ₹ 4323.14 crore (2017-18).

The average return on Meghalaya Government's investments (₹ 2628.56 crore) in Statutory Corporations, Government Companies and Co-operative Societies was less than one *per cent* during 2013-18, whereas the average interest payment on Government borrowings was in the range of 6.22 to 6.70 *per cent*. The State Government should review the performance of the above units. The Meghalaya FRBM Act 2006, also provides that the State Government should review the performance of the State PSUs including restructuring of those that are absolutely essential and close those which are no longer viable.

Therefore, it is recommended that the State Government may review the working of the units<sup>1</sup> which were incurring losses and take appropriate action to avoid further financial burden on the Government.

(Chapter I)

## 2.2 Financial Management and Budgetary Control

Sound financial management requires advance planning and accurate estimation of revenues and expenditure. There were instances of excess expenditure or substantial savings with reference to provisions made during the year, exhibiting weakness in expenditure monitoring and control.

The overall saving of ₹ 3763.36 crore during 2017-18 was the result of saving of ₹ 3797.26 crore in 53 Grants and seven Appropriations under Revenue Section, 23 Grants and two Appropriations under Capital Section. This was offset by excess of

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<sup>1</sup> Statutory corporations, Government companies and co-operative Banks/Societies.

₹ 33.90 crore in two Grants under Revenue Section and one Grant and one Appropriation under Capital Section.

There was excess expenditure over the budget allocation amounting to ₹ 2142.93 crore pertaining to the years from 1971-72 to 2016-17 which was yet to be regularised as of December 2018. The excess expenditure over grants is a serious matter as it is a violation of the will of the Legislature which calls for fixing of responsibility in this regard to discourage this practice.

Supplementary provision aggregating ₹ 146.89 crore obtained in 22 cases proved to be unnecessary as the actual expenditure (₹ 4083.61 crore) was less than the original provision (₹ 5111.62 crore) by ₹ 1028.01 crore, thus depriving the provision of funds to the needy departments.

Out of the total savings of ₹ 3763.36 crore, ₹ 2046.10 crore (54.37 per cent) was surrendered during the year and the balance savings of ₹ 1717.26 crore (45.63 per cent) remained un-surrendered, which indicated lack of or inadequate budgetary control.

There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. In many cases, the anticipated savings were not surrendered. All this shows that budgetary procedure and expenditure control of the Government was weak.

(Chapter II)

## 2.3 Financial Reporting

Audit observed various instances of non-observance of financial rules and procedures and absence of financial controls.

There were delays in furnishing utilisation certificates for grants given by Government departments. Delays were also noticed in submission of annual accounts by some autonomous bodies. The total amount of labour cess collected by the Meghalaya Building and Other Construction Worker's Welfare Board was ₹ 122.89 crore while the total amount spent since inception till 2017-18 was only ₹ 2.47 crore (2 per cent). There were also 74 instances of loss and misappropriation.

(Chapter III)

## Recommendations

It is recommended that:

**Greater priority to capital expenditure:** The State needs to give more priority to capital expenditure and ensure that it increases over the years.

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

**Financial management and budgetary control:** The budget should be more realistic and cases of persistent non-utilisation of funds, excessive provision of funds should

be avoided. Anticipated savings should be surrendered in a timely manner so that there is sufficient scope for utilising these for other development purposes.

**Regularisation of excess expenditure over appropriation:** The cases of excess expenditure over grants are a serious matter and should be avoided.

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



# **CHAPTER-I**

## **FINANCES OF THE STATE GOVERNMENT**



# CHAPTER I

## Finances of the State Government

### Profile of Meghalaya

Meghalaya is a Special Category State which is situated in the North-Eastern region of India and is bound in the north and east by Assam and in 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 (11.90 *per cent*) was 10.00 *per cent* less than the all India average (21.90 *per cent*). The State's Gross Domestic Product (GSDP) in 2017-18 at current prices was ₹ 31,636 crore. The State's literacy rate increased from 62.56 *per cent* (2001) to 74.40 *per cent* (as per 2011 census). General data relating to the State is given in **Appendix 1.1 (Part-D)**.

### Gross State Domestic Product

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

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

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
India's GDP (₹ in crore)	1,12,33,522	1,24,67,959	1,37,64,037	1,52,53,714	1,67,73,145
Growth rate of GDP ( <i>per cent</i> )	12.97	10.99	10.40	10.82	9.97
Gross State Domestic Product (₹ in crore)	22,938	23,235	25,967	28,446	31,636
Growth rate of GSDP ( <i>per cent</i> )	4.87	1.29	11.76	9.55	11.21
Per capita GDP of India					1,29,800
Per capita GSDP of Meghalaya					92,694

Source: (1) For GDP, the information as released by Ministry of Statistics and Program Implementation, Government of India on 28 August 2018 (based on base year 2011-12 at current prices).

(2) GSDP figures for 2017-18 as per the Directorate of Economics and Statistics, Government of Meghalaya.

As per GSDP series, there was a fluctuating trend in the growth rate of GSDP. The GSDP increased from ₹ 28,446 crore in 2016-17 to ₹ 31,636 crore in 2017-18, representing an increase of 11.21 *per cent*. The growth of GSDP during 2017-18 at 11.21 *per cent* fell short of the assessment of the 14<sup>th</sup> FC (12.22 *per cent*). The average compound annual growth rate in respect of GSDP for Meghalaya between 2008-09 and 2017-18 was 11.77 *per cent* which was more than the all India average (11.50 *per cent*). The per capita GSDP of the State was less than the All India Average.

## 1.1 Introduction to Finances of the State Government

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 and form of Government Accounts, layout of Finance Accounts, methodology adopted for the assessment of fiscal position and State Profile are shown in **Appendix 1.1 (Parts A, B, C & D)**. The time series data on key fiscal variables/parameters and fiscal ratios relating to the State Government finances for the period 2013-18 are presented in **Appendix 1.2**. An exit conference to discuss the observations in the State Finances Audit Report was held on 10 January 2019 with the Additional Chief Secretary, Finance Department and replies/views of the Government as a result of the exit conference is incorporated at appropriate places in this report.

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

**Table 1.2** presents the summary of the State Government's fiscal transactions while **Appendix 1.3** provides details of receipts and disbursements as well as the overall fiscal position during the current year (2017-18) *vis-à-vis* the previous year (2016-17).

**Table 1.2: Summary of Current Year's Fiscal Transactions (₹ in crore)**

Receipts			Disbursements		
	2016-17	2017-18		2016-17	2017-18
Section – A : Revenue					
Revenue Receipts	8938.95	9273.48	Revenue Expenditure	8336.54	8422.68
Tax revenue	1186.01	1450.10	General Services	2480.16	2826.87
Non-tax revenue	685.24	366.63	Social Services	3099.13	3147.61
Share of Union Taxes/Duties	3911.05	4323.14	Economic Services	2757.25	2448.20
Grants-in-aid from Government of India	3156.65	3133.61			
Section – B : Capital					
Miscellaneous Capital receipts	NIL	NIL	Capital Expenditure	1289.80	983.44
Recoveries of Loans and Advances	18.81	17.45	Loans and Advances disbursed	30.83	22.05
Public Debt Receipts <sup>1</sup>	1210.43	1225.14	Repayment of Public Debt <sup>1</sup>	414.41	329.62
Contingency Fund	100.00	100.00	Contingency Fund	100.00	100.00
Public Account Receipts <sup>2</sup>	4636.76	4187.87	Public Account Disbursements <sup>3</sup>	3589.59	4569.16
Opening Balance	195.91	1339.69	Closing Balance	1339.69	1716.68
Total	15100.86	16143.63	Total	15100.86	16143.63

Source: Finance Accounts 2017-18.

<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 2017-18 over the previous year:

- Revenue receipts increased by 3.74 *per cent* (₹ 334.53 crore) over the previous year. The increase was due to increase in State share of Union taxes and duties (₹ 412.09 crore) and in tax revenue (₹ 264.09 crore) though there was decrease in non-tax revenue by 46.50 *per cent* (₹ 318.61 crore) and Grants-in-aid from Government of India by 0.73 *per cent* (₹ 23.04 crore).
- Revenue expenditure increased by 1.03 *per cent* (₹ 86.14 crore) over the previous year. There was significant increase under both general services by 13.98 *per cent* (₹ 346.71 crore) and social services by 1.56 *per cent* (₹ 48.48 crore) and decrease in economic services by (-) 11.21 *per cent* (₹ 309.05 crore) compared to the previous year.
- Compared to previous year, the capital outlay of the State decreased by 23.75 *per cent* (₹ 306.36 crore), which was the net result of decrease under economic services (₹ 174.34 crore), social services (₹ 98.79 crore) and general services (₹ 33.23 crore).
- Recovery of loans and advances during the current year decreased marginally by ₹ 1.36 crore and disbursement of loans and advances also decreased by ₹ 8.78 crore (-28.48 *per cent*) compared to the previous year.
- Public debt receipts increased by ₹ 14.71 crore while the public debt repayments decreased by ₹ 84.79 crore over the previous year.
- Public account receipts decreased by ₹ 448.89 crore while the public account disbursement increased by ₹ 979.57 crore over the previous year.
- Closing cash balance increased by ₹ 376.99 crore over the previous year.

### 1.1.2 Review of fiscal situation

In accordance with the recommendations of the Twelfth Finance Commission (12<sup>th</sup> FC), the GoM has enacted the Meghalaya Fiscal Responsibility and Budget Management (MFRBM) Act, 2006. In accordance with the recommendations of the 14<sup>th</sup> FC, the MFRBM Act was amended by the State Government and came into force from 29 September 2015. The amended MFRBM Act (**Appendix 1.1- Part E**) laid down the following fiscal targets.

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

The MTFP, as prescribed in the MFRBM Act, 2006 (as amended), was notified by the State Government in June 2014 to provide details of all significant items on receipts and expenditure along with projection for the next three years *viz.*, 2015-16 to 2017-18.

The performance of the State during 2017-18 in terms of key fiscal targets set for selected parameters laid down in the MFRBM Act, 2006 and projections made in the MTFP Statement /Medium Term Fiscal Plan (MTF Plan) *vis-à-vis* achievements are given in **Table 1.3**.

**Table 1.3: Trends in Major Fiscal Parameters *vis-à-vis* Projections for 2017-18**

Fiscal parameters	2017-18			
	14 <sup>th</sup> FC targets for the State	Targets as prescribed in MTF Plan	Projections in MTFP Statement	Actual
Revenue Surplus (+)/ Deficit (-) (₹ in crore)	Maintain revenue surplus	1687.33	616.10	850.80
Revenue Surplus/Total Revenue Receipts ( <i>per cent</i> )	*	*	5.47	9.17
Fiscal Deficit/GSDP ( <i>per cent</i> )	3.25	3.00	4.00	0.75
Total Outstanding Liabilities/GSDP ( <i>per cent</i> )	27.62	25.02	31.14	29.98

Source: 14<sup>th</sup> FC Report, MTF Plan, MTFP Statement and Finance Accounts.

\*Not prescribed.

During 2017-18, the State achieved revenue surplus but did not achieve the target for revenue surplus as prescribed in MTF Plan. The actual revenue surplus to total revenue receipts (as *per cent*) was 9.17 against projection of 5.47 made in MTFP Statement. The Fiscal Deficit-GSDP ratio was within the limit fixed in MTFP Statement/MTF Plan as well as that prescribed by 14<sup>th</sup> FC.

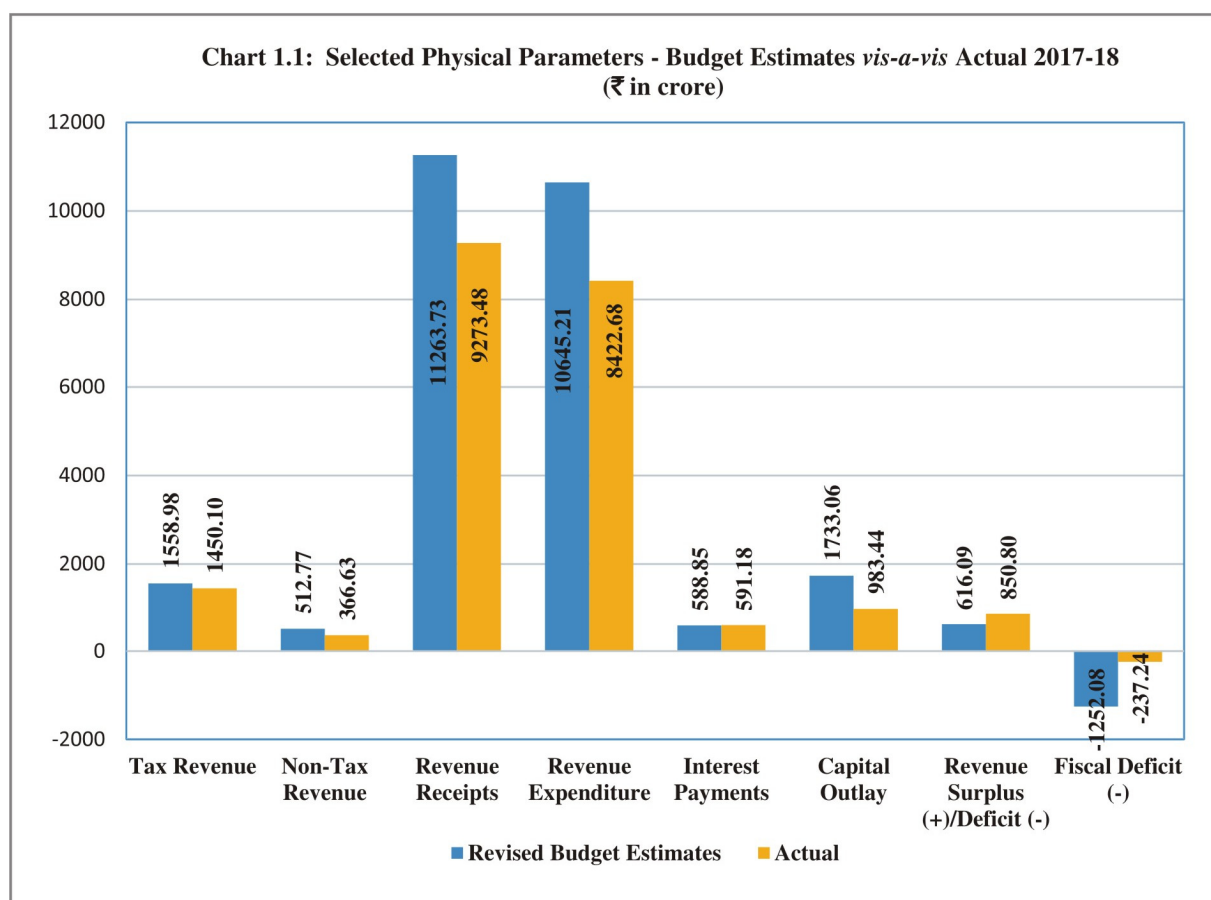
### **1.1.3 Budget Estimates and Actual**

The budget papers presented by the State Government provide descriptions of projections or estimations of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviation from the Budget Estimates are indicative of non-attainment and non-optimisation of the desired fiscal objectives due to a variety of causes, some within the control of the Government and some beyond the control of the Government. **Table 1.4** presents the consolidated picture of finances of the State during 2016-17 (actual) and 2017-18 (budget estimates, revised estimates and actual) and **Chart 1.1** presents the budget estimates and actual for some important fiscal parameters.

**Table 1.4: Variation in major items – Actual of 2017-18 over 2016-17, Actual of 2017-18 vis-à-vis Budget Estimates and Revised Estimates (₹ in crore)**

Parameters	2016-17	2017-18			Percentage of Excess (+)/ Shortfall (-) during 2017-18 with reference to	
	Actual	Budget Estimates (BE)	Revised Estimates (RE)	Actual	Actual of 2016-17	Revised Estimates (RE)
Tax Revenue	1186.01	1558.98	1558.98	1450.10	22.27	-6.98
Non-Tax Revenue	685.24	512.77	512.77	366.63	-46.50	-28.50
Revenue Receipts	8938.95	11279.80	11263.73	9273.48	3.74	-17.67
Non-debt Capital Receipts	18.81	22.01	22.01	17.45	-7.23	-20.72
Revenue Expenditure	8336.54	10645.21	10645.21	8422.68	1.03	-20.88
Interest Payments	522.23	588.85	588.85	591.18	13.20	0.40
Capital Outlay	1289.80	1733.06	1733.06	983.44	-23.75	-43.25
Disbursement of Loans & Advances	30.83	59.13	59.13	22.05	-28.48	-62.71
Revenue Surplus (+)/Deficit (-)	602.41	632.16	616.09	850.80	41.23	38.10
Fiscal Deficit (-)	-699.41	-1236.01	-1252.08	-237.24	66.08	81.05
Primary Deficit (-)/ Surplus (+)	-177.18	-647.16	-663.23	+353.94	299.76	153.37

Source: Budget Estimates and Finance Accounts.



- During 2017-18, actual revenue receipts fell short of the revised budget estimates by 17.67 *per cent*.
- The revenue expenditure of the State Government during 2017-18 was less than the revised budget estimate by 20.88 *per cent* (₹ 2222.53 crore).
- The capital outlay *vis-à-vis* revised budget estimate was less by 43.25 *per cent* (₹ 749.62 crore).
- The year 2017-18 ended with a revenue surplus of ₹ 850.80 crore against assessment for revenue surplus of ₹ 616.09 crore made in the revised estimate for the year. There was increase in revenue surplus compared to the revised budget estimate during 2017-18 by ₹ 234.71 crore and shortfall in capital expenditure by ₹ 749.62 crore. As a result, actual fiscal deficit during 2017-18 was lower than the assessment made in the revised budget estimate by 81.05 *per cent* (₹ 1014.84 crore). The wide variation between the revised budget estimates and the actuals indicated that the budgeting was unrealistic and lacked credibility.
- The primary surplus (₹ 353.94 crore) *vis-à-vis* revised budget estimate (- ₹ 663.23 crore) was higher by 153.37 *per cent* (₹ 1017.17 crore).

#### 1.1.4 Gender Budgeting

Gender budget of a State discloses the expenditure proposed to be incurred within the overall budget on schemes which are designed to benefit women fully or partly. The budget documents for the year 2017-18 presented to the State Legislature did not include any separate volume on gender budget. During the exit conference, the Additional Chief Secretary, while agreeing with the observation stated that the matter would be looked into.

### 1.2 Resources of the State

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

**Revenue and capital** are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of Union Taxes and Duties and Grants-in-aid from Government of India (GoI). Capital receipts comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI. Besides the funds available in the public accounts after disbursement are also utilised by the Government to finance its deficit. **Chart 1.2** presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while **Chart 1.3** depicts the trends in various components of the receipts of the State during 2013-18 and **Chart 1.4** depicts the composition of resources of the State during the current year.



Chart 1.2

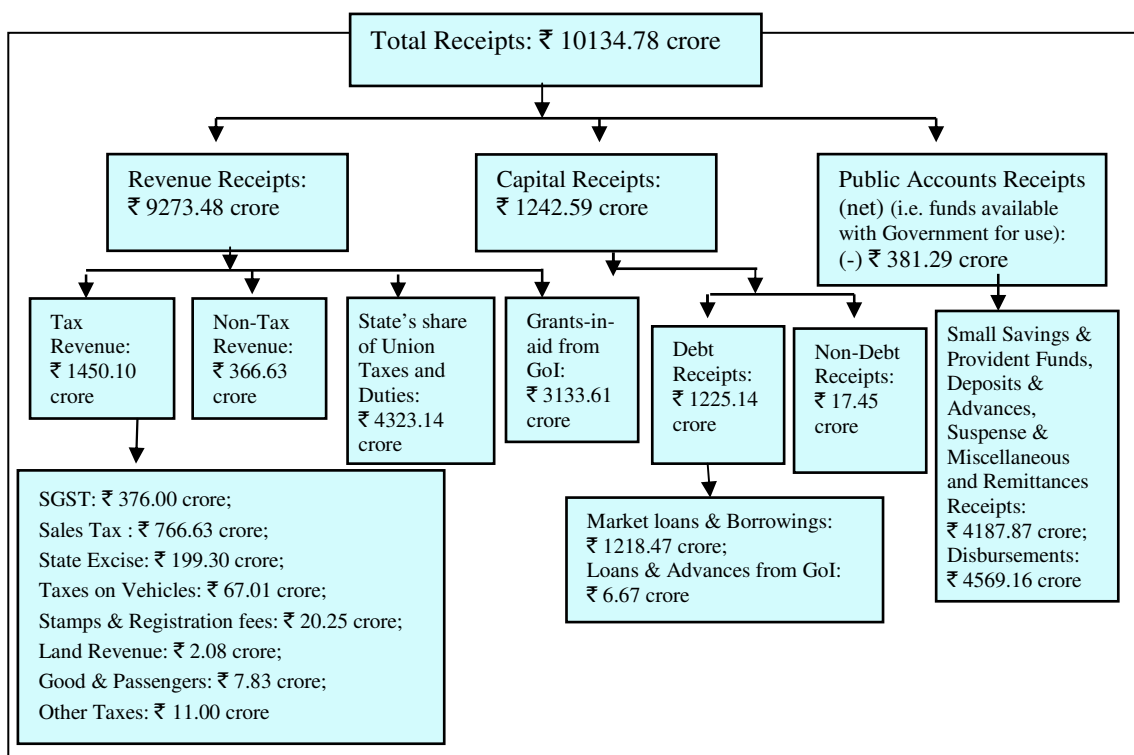
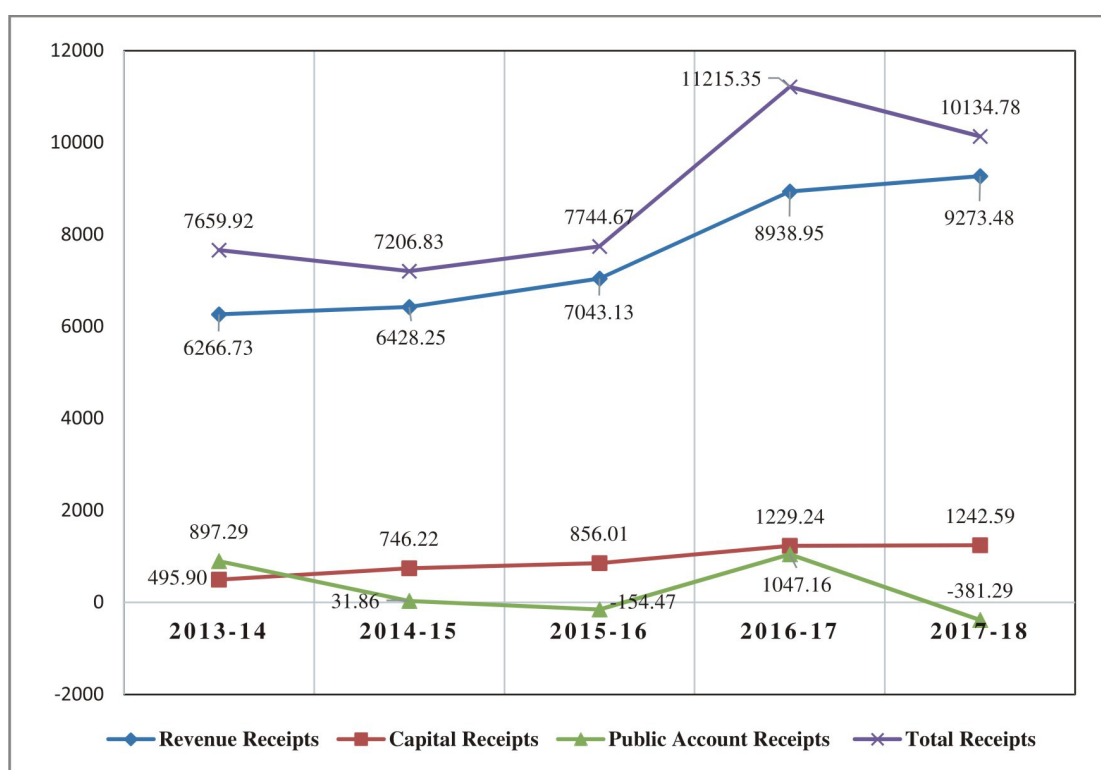


Chart 1.3: Trends in Receipts (₹ in crore)



The total receipts during the current year decreased by ₹ 1080.57 crore (9.63 per cent) over the previous year. This was mainly due to increase in revenue receipts and capital receipts and decrease in public account receipts during 2017-18 when compared to the previous year.

The total receipts of the State for 2017-18 was ₹ 10134.78 crore, of which ₹ 9273.48 crore (91.50 *per cent*) came from revenue receipts and ₹ 1242.59 crore (12.26 *per cent*) came from capital receipts and net borrowings ₹ (-)381.29 crore (-3.76 *per cent*). The total receipts of the State increased by 32.31 *per cent* from ₹ 7659.92 crore in 2013-14 to ₹ 10134.78 crore in 2017-18.

The debt capital receipts which create future repayment obligation increased by 157.70 *per cent* from ₹ 475.42 crore (6.21 *per cent* of total receipts) in 2013-14 to ₹ 1225.14 crore (12.09 *per cent* of total receipts) in 2017-18. The net public account receipts fluctuated widely during the period 2013-18, with a net receipt of ₹ (-)381.29 crore during 2017-18. During the current year, the capital receipts (recoveries of loans and advances plus public debt receipts) accounted for 12.26 *per cent* of total receipts.

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

As per GoI decision (08 July 2015), all assistance to Centrally Sponsored Schemes (CSS) and Additional Central Assistance (ACA) under various schemes would be released directly to the State Government and not to the State Implementing Agencies<sup>4</sup> and hence, these funds would be routed through the State budget from the year 2015-16 onwards. But as per records of the Public Financial Management System (PFMS) portal of Controller General of Accounts, it was seen that an approximate amount of ₹ 472.78 crore under 25 schemes (**Appendix 1.5**) was released directly to State Implementing Agencies during 2017-18, which were not routed through the budget of the State Government. The scheme-wise position, where more than ₹ 8 crore were transferred are given in **Table 1.5** below:

**Table 1.5: Funds Transferred Directly to State Implementing Agencies (₹ in crore)**

Sl. No.	Programme/Scheme	Implementing Agency in the State	Funds transferred by the GoI
1.	North Eastern Council Schemes	North East Tourism Development Council	8.08
2.	Solar Power – OFFGRID	Meghalaya Non-Conventional Rural Energy Development Agency	8.16
3.	National Rural Employment Guarantee Scheme	State Rural Employment Society, Shillong, Meghalaya	316.52
4.	MPs Local Area Development Scheme MPLADS	Deputy Commissioner	20.00
5.	NER-Textile Promotion Scheme	Director of Sericulture and Weaving, Government of Meghalaya	15.26
6.	Organic Value Chain Development of NE Region	Directorate of Horticulture	9.41
7.	Pradhan Mantri Matri Vandana Yojna	Directorate of Health Services, Meghalaya	8.75
8.	Sugar Subsidy Payable under PDS	Food Civil Supplies & Consumers Affairs Department Government of Meghalaya	18.91
9.	Swadesh Darshan – Integrated Development of Theme Based Tourism Circuits	Meghalaya Tourism Development Corporation Ltd.	24.78

Source: Finance Accounts.

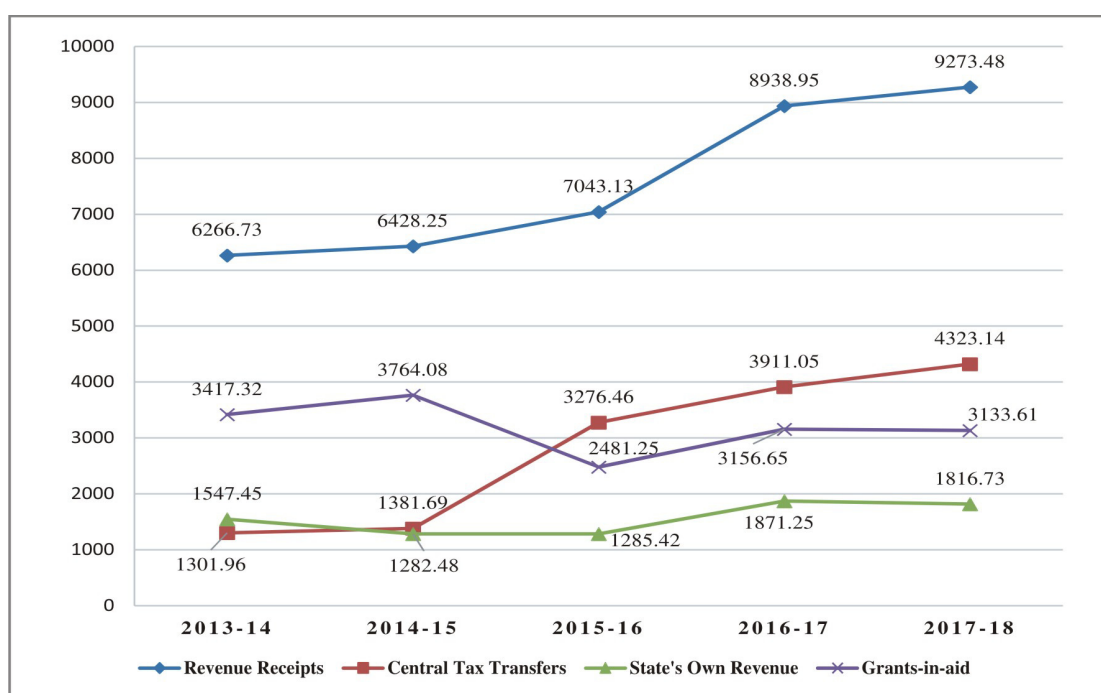
<sup>4</sup> State Implementing Agency includes any organisation/institution including non-Governmental Organisation which is authorised by the State Government to receive the funds from the Government of India for implementing specific programmes in the State.

With the release of these funds directly to the Implementing Agencies in the State, the resources of the State during the year 2017-18 stood at ₹ 15,276.72 crore (including the net receipts of ₹ 14,803.94 crore in the State) as on 31 March, 2018.

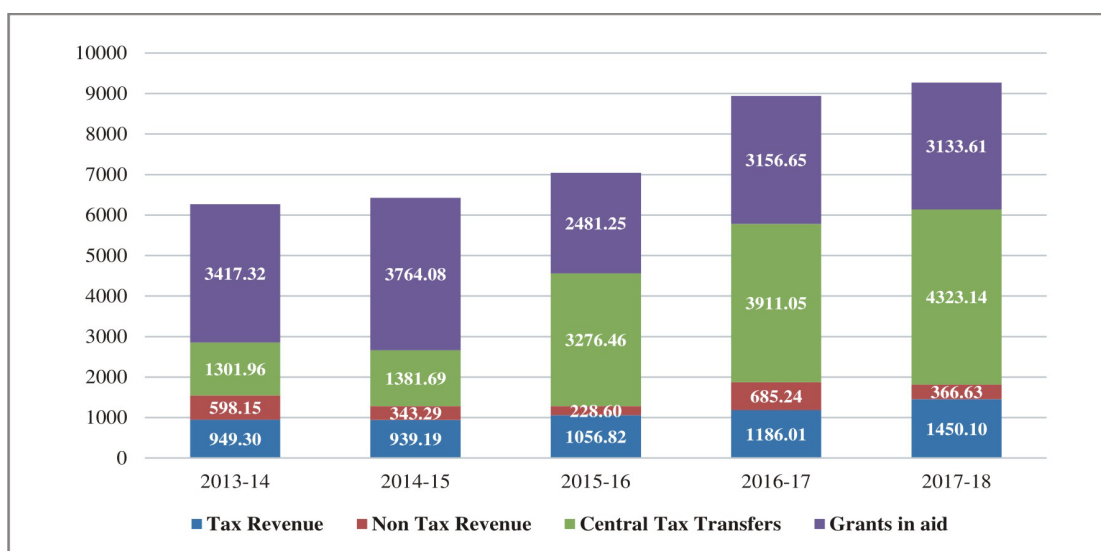
### 1.3 Revenue Receipts

**Statement 14** of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, central tax transfers and Grants-in-aid from GoI. The trends and composition of revenue receipts over the period 2013-18 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**.

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



**Chart 1.5: Composition of Revenue Receipts (₹ in crore)**



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

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Revenue Receipts (RR) at current prices (₹ in crore)</b>	<b>6266.73</b>	<b>6428.25</b>	<b>7043.13</b>	<b>8938.95</b>	<b>9273.48</b>
Rate of Growth of RR ( <i>per cent</i> )	13.19	2.58	9.57	26.92	3.74
Rate of Growth of Own Taxes ( <i>per cent</i> )	11.98	-1.06	12.52	12.22	22.27
RR/GSDP ( <i>per cent</i> )	27.32	27.67	27.12	31.42	29.31
<b>Revenue Receipts (RR) at constant prices (₹ in crore)</b>	<b>5449.33</b>	<b>5447.67</b>	<b>5820.77</b>	<b>7151.16</b>	<b>7188.74</b>
Rate of Growth of RR ( <i>per cent</i> )	6.30	-0.03	6.85	22.86	0.53
GDP Deflator	115	118	121	125	129
<b>Buoyancy Ratio<sup>5</sup></b>					
Revenue Buoyancy Ratio with reference to GSDP	2.71	2.00	0.81	2.82	0.33
State's Own Taxes Buoyancy Ratio with reference to GSDP	2.46	-0.82	1.06	1.28	1.99
State's Own Taxes Buoyancy Ratio with reference to Revenue Receipts	0.91	-0.41	1.31	0.45	5.95

Source: Finance Accounts.

Note: For converting current prices into constant prices, GDP deflator has been used to maintain uniformity across states in place of state specific GSDP deflator. Calculation: Constant Prices = Current Prices  $\times$  100  $\div$  GDP Deflator of that year.

At current prices, rate of growth of Revenue Receipts ranged between 2.58 *per cent* and 26.92 *per cent* whereas at constant prices, it ranged between -0.03 *per cent* and 22.86 *per cent* during 2013-18.

### 1.3.1 General trends

The revenue receipts of the State increased by ₹ 3006.75 crore from ₹ 6266.73 crore in 2013-14 to ₹ 9273.48 crore in 2017-18. There were, however, wide inter-year variations in the growth rates. The rate of growth of revenue receipts was 3.74 *per cent* in 2017-18 compared to growth rate of 26.92 *per cent* during the preceding year. The buoyancy ratio of revenue receipts in 2017-18 with reference to GSDP has decreased primarily due to significant decrease in the rate of growth of revenue receipts compared to previous year. The buoyancy ratio of the State's own tax revenue with reference to GSDP has increased because the rate of growth of own tax revenue in 2017-18 relative to the previous year was more. Buoyancy ratio of State's own taxes with reference to revenue receipts was 5.95 during the year 2017-18 against buoyancy ratio of 0.45 in 2016-17.

### 1.3.2 State's Own Resources

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, therefore, be assessed in terms of its own resources comprising own tax and non-tax sources.

<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 0.33 during 2017-18 implies that revenue receipts tend to increase by 0.33 percentage points, if the GSDP increases by one *per cent*.

The State's actual tax and non-tax receipts for the year 2017-18 *vis-à-vis* assessments made by the 14<sup>th</sup> FC and the State Government in Budget Estimates (BE) are given below:

**Table 1.7: State's actual tax and non-tax receipts for the year 2017-18 (₹ in crore)**

	14 <sup>th</sup> FC projections	Budget Estimates	Actual
Tax revenue	1998.00	1558.98	1450.10
Non tax revenue	771.00	512.77	366.63

Source: 14<sup>th</sup> FC Report, Budget Estimates and Finance Accounts.

During the year, tax revenue was 27.42 *per cent* lower than the assessment made by the 14<sup>th</sup> FC and 6.98 *per cent* lower than the projection made in the budget estimate. The non-tax revenue was 52.45 *per cent* lower than the target of 14<sup>th</sup> FC and 28.50 *per cent* lower than the assessment made in the budget estimate for the year. State's own resources (tax and non-tax revenue) during 2017-18 (₹ 1816.73 crore) were 2.91 *per cent* less than those of previous year (₹ 1871.25 crore) but constituted only 19.59 *per cent* of the revenue receipts of the year. A quarterly review report of the trend in receipts and expenditure of the State for the quarter ending December 2017 was conducted as per the requirement of Section 9(1) of the MFRBM Act, 2006. The Report indicated that the decrease in State's tax receipts and non-tax revenue receipts over the budgeted amount was basically due to lower revenue collection. Actual reason for less receipts of tax and non-tax revenue was due to non-ferrous mining and Metallurgical Industries by 56 *per cent* and Forestry and Wildlife by 47 *per cent* respectively over previous year.

### 1.3.2.1 Tax Revenue

**Table 1.8: Tax Revenue (₹ in crore)**

Heads	2013-14	2014-15	2015-16	2016-17	2017-18	Variations*
State Goods and Services Tax (SGST)	-	-	-	-	1142.63 <sup>6</sup> (SGST – 376.00 & Sales Tax – 766.63)	211.57 (22.72)
Sales Tax	723.65	726.20	811.79	931.06		
State Excise	162.66	151.14	170.04	168.98	199.30	30.32 (17.94)
Taxes on Vehicles	36.72	39.38	42.01	48.22	67.01	18.79 (38.97)
Stamps and Registration Fees	9.78	9.90	12.74	17.19	20.25	3.06 (17.80)
Land Revenue	3.47	0.08	3.18	1.27	2.08	0.81 (63.78)
Goods & Passengers	...	...	...	...	7.83	7.83 ( ...)
Other Taxes <sup>7</sup>	13.02	12.49	17.06	19.29	11.00	-8.29 (-42.98)
<b>Total</b>	<b>949.30</b>	<b>939.19</b>	<b>1056.82</b>	<b>1186.01</b>	<b>1450.10</b>	<b>264.09</b> <b>(22.27)</b>

Source: Finance Accounts.

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

**Tax revenue** had increased by 22.27 *per cent* during the current year (₹ 1450.10 crore) over the previous year (₹ 1186.01 crore). The revenue from 'sales tax' and 'SGST'<sup>8</sup> contributed 78.80 *per cent* (₹ 1142.63 crore) of the total tax revenue (₹ 1450.10 crore). Revenue from taxes on State Excise, Taxes on Vehicles, Stamps &

<sup>6</sup> Details in **Appendix 1.8**.

<sup>7</sup> Other Taxes include taxes on professions, trades, callings and employment, taxes and duties on electricity and other taxes and duties on commodities and services.

<sup>8</sup> W.e.f. 1 July 2017.

Registration Fees, Taxes on Goods & Passenger and Land Revenue were among the other contributors to the State's tax revenue. The Tax-GSDP ratio (4.58 *per cent*) during 2017-18 was less than the projection (5.93 *per cent*) made by the 14<sup>th</sup> FC as well as the Tax GSDP ratios of Special Category States which was 8.31 *per cent*.

### 1.3.2.2 Position of protected revenue to actual collection after implementation of Goods & Service Tax (GST)

The Meghalaya Goods and Services Tax Act, 2017 was passed by the State Legislature on 15 June 2017 and made effective from 01 July 2017 in the State. According to GST (Compensation to the States) Act 2017, the Central Government will compensate the States for loss of revenue arising on account of implementation of GST for a period of five years. The compensation to be paid is calculated by taking into account the protected revenue<sup>9</sup> taking 2015-16 as the base year. In case of Meghalaya, the revenue during the base year 2015-16 was ₹ 636.17 crore. The protected revenue of the State during the period from July 2017 to March 2018 was worked out to ₹ 620 crore<sup>10</sup> (₹ 68.90 x 9 months).

Details of SGST, pre GST taxes and compensation received by the State during July 2017 to March 2018 is given in **Table 1.9** below.

**Table 1.9: Details of SGST, pre GST taxes and compensation received by the State during July 2017 to March 2018.** (₹ in crore)

Particulars	
Revenue to be protected	620.00
State Goods & Service Tax	376.00
Collection of Pre-GST Taxes (July 2017 to March 2018)	104.00
Total Collection	480.00
Compensation to be received during the year	140.00
Compensation received	140.00 <sup>11</sup>

Source: Finance Accounts and figures by Ministry of Finance, GoI.

The compensation amount released by GoI to the State was however, provisional and subject to adjustment in subsequent financial year on receipt of audited figures.

### 1.3.2.3 Non-Tax Revenue

**Table 1.10: Non-Tax Revenue** (₹ in crore)

Sl. No.	Heads	2013-14	2014-15	2015-16	2016-17	2017-18	Variations*
1.	Interest receipts	33.57	37.73	39.34	46.25	52.50	6.25(13.51)
2.	Dividends and Profits	0.13	0.13	0.07	0.11	0.11	0 (0)
3.	General Services	29.29	18.00	30.99	41.57	26.87	-14.70(35.36)
4.	Social Services	9.46	8.92	10.39	14.93	14.33	-0.60(4.02)

<sup>9</sup> Projected revenue is calculated/arrived at by taking into consideration the revenue collected during the base year (2015-16) plus 14 *per cent* increase for every following year.

<sup>10</sup> Ministry of Finance, GoI Office Memorandum No S-31011/03/2014-SO(ST)-Pt-1 dated 29 August 2017.

<sup>11</sup> ₹ 140.00 crore was released by Ministry of Finance, GoI as compensation during the year. Out of this, compensation of ₹ 16.00 crore for the month of March 2018 was received on 29 May 2018 by the State and hence is accounted for in the financial year 2018-19.



Sl. No.	Heads	2013-14	2014-15	2015-16	2016-17	2017-18	Variations*
5.	<b>Economic Services</b>	<b>525.70</b>	<b>278.51</b>	<b>147.81</b>	<b>582.38</b>	<b>272.82</b>	<b>-309.56(53.15)</b>
5.1	Non-ferrous Mining and Metallurgical Industries	455.75	195.10	60.75	469.52	207.88	-261.64(55.72)
5.2	Forestry and Wildlife	60.12	71.99	72.08	103.99	55.61	-48.38(46.52)
5.3	Other Economic Services	9.83	11.42	14.98	8.87	9.33	0.46(5.19)
<b>Total (1 to 5)</b>		<b>598.15</b>	<b>343.29</b>	<b>228.60</b>	<b>685.24</b>	<b>366.63</b>	<b>-318.61(46.50)</b>

Source: Finance Accounts.

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

**The Non-Tax Revenue (NTR)**, which constituted only 3.95 *per cent* of the total revenue receipts, had decreased by ₹ 318.61 crore during 2017-18 recording a negative growth rate of 46.50 *per cent* over the previous year. Over 74 *per cent* (₹ 272.82 crore) of NTR during 2017-18 was received from economic services. Within this category, receipts under non-ferrous mining and Metallurgical Industries alone contributed 76.20 *per cent* (₹ 207.88 crore).

### 1.3.3 Grants-in-Aid

The details of Grants-in-aid from GoI are given in **Table 1.11**.

**Table 1.11: Grants-in-Aid from GoI** (₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Non-Plan Grants	921.41	803.71	673.86	640.47	...
Grants for State Plan Schemes	2046.28	2580.17	1240.15	2263.52	...
Grants for Central Plan Schemes	31.65	8.89	270.44	19.33	...
Grants for Centrally Sponsored Plan Schemes	348.40	293.44	196.36	138.19	2145.85
Grants for Special Plan Schemes	69.58	77.87	100.44	95.14	...
Finance Commission's grant	...	...	...	...	499.96
Grants to State	...	...	...	...	487.80
<b>Total</b>	<b>3417.32</b>	<b>3764.08</b>	<b>2481.25</b>	<b>3156.65</b>	<b>3133.61</b>
<i>Percentage of increase over previous year</i>	<i>13.49</i>	<i>10.15</i>	<i>-34.08</i>	<i>27.22</i>	<i>-0.73</i>

Source: Finance Accounts.

**Grants-in-aid** from GoI had decreased by 0.73 *per cent* (₹ 23.04 crore) from ₹ 3156.65 crore in 2016-17 to ₹ 3133.61 crore in the current year. Since there was no fund allocated under 'Non-plan and State/Central Plan Scheme', grants for Centrally Sponsored Plan Schemes (₹ 2145.85 crore) was increased by ₹ 2007.66 crore during the current year. In addition, GoI also allotted a separate Grants to State amounting to ₹ 487.80 crore during 2017-18.

### 1.3.4 Analysis of Receipts and Expenditure under Finance Commission

The Finance Commission (FC) is constituted by the President of India under Article 280 of the Constitution.

During 2013-18, FC awarded the following grants-in-aid to Government of Meghalaya as shown in the **Table 1.12** below:

**Table 1.12: Details of Grants-in-aid received from GoI for 2013-18 (₹ in crore)**

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
(A) Total Non-Plan Grants	921.41	803.71	673.86	640.47	...
(i) FC's grants (Non-plan)	150.54	163.71	0	0	499.96
(ii) FC's grants (Non-plan) for meeting Non-Plan Revenue Deficit of the State	708.93	571.00	618.00	535.00	*
(iii) Other Non-Plan Grants	61.94	69.00	55.86	105.47	...
(B) All other Grants-in-aid (Plan) received from GoI (viz., Grants for State Plan + Central Plan + Centrally Sponsored Plan + Special Plan Schemes + F.C's Grants + Other Grants)	2495.91	2960.37	1807.39	2516.18	3133.61
<b>Grand Total (A+B)</b>	<b>3417.32</b>	<b>3764.08</b>	<b>2481.25</b>	<b>3156.65</b>	<b>3133.61</b>

Source: Finance Accounts.

\* There was no Non-Plan revenue deficit grant for the year 2017-18.

Government of Meghalaya had not constituted the State Finance Commission, thus depriving the Municipalities and Urban Local Bodies of their due share of the net proceeds of revenue from the GoM as well as the GoI.

### 1.3.5 Impact of Finance Commission Grants-in-aid on State Budget

With the addition of FC's grants-in-aid, the Total Revenue Receipts of the State increased to that extent and as a result, Revenue Surplus increased and Fiscal Deficit decreased proportionately.

**Table 1.13: Effect on Revenue Surplus and Fiscal Deficit (₹ in crore)**

Particulars <sup>12</sup>	2013-14	2014-15	2015-16	2016-17	2017-18
(A) Revenue Receipts	6266.73	6428.25	7043.13	8938.95	9273.48
(B) Revenue Expenditure	5551.59	6251.86	6347.73	8336.54	8422.68
(C) Total Revenue Receipts	6287.21	6448.01	7062.21	8957.76	9290.93
(D) Total Expenditure	6669.39	7426.46	7616.97	9657.17	9528.17
Revenue Surplus (+) = (A-B)	715.14	176.39	695.40	602.41	850.80
Fiscal Deficit(-) = (C-D)	382.18	-978.45	-554.76	-699.41	-237.24

Source: Finance Accounts.

<sup>12</sup> (A) Revenue Receipts (₹ 9273.48 crore) includes Tax Revenue (₹ 1450.10 crore), Non-Tax Revenue (₹ 366.63 crore), State's Share of Union Taxes and Duties (₹ 4323.14 crore) and Grants-in-aid from GoI (₹ 3133.61 crore).

(B) Revenue Expenditure (₹ 8422.68 crore) includes expenditure on Social Services (₹ 3147.61 crore), Economic Services (₹ 2448.20 crore) and General Services (including interest paid) (₹ 2826.87 crore).

(C) Total Revenue Receipts (₹ 9290.93 crore) includes Tax Revenue (₹ 1450.10 crore), Non-Tax Revenue (₹ 366.63 crore), State's Share of Union Taxes and Duties (₹ 4323.14 crore) and Grants-in-aid from GoI including F.C's grants (₹ 3133.61 crore) and Recoveries of Loans & Advances (₹ 17.45 crore).

(D) Total Expenditure (₹ 9528.17 crore) includes Revenue Expenditure (₹ 8422.68 crore), Capital Expenditure (₹ 983.44 crore), Disbursement of Loans & Advances (₹ 22.05 crore) and Appropriation to Contingency Fund (₹ 100.00 crore).



### 1.3.6 Central Tax Transfers

The **Central Tax transfers** i.e. State's share of Union Taxes and Duties alone increased by ₹ 412.09 crore (10.54 *per cent*) over the previous year and constituted 46.62 *per cent* of revenue receipts. The increase was mainly due to transfer of additional amount under 'Central Goods and Services Tax' (₹ 61.44 crore), 'Integrated Goods and Services Tax' (₹ 436.56 crore), 'Taxes on Income other than Corporation Tax' (₹ 1118.20 crore), 'Corporation Tax' (₹ 1324.23 crore), 'Union Excise Duties' (₹ 456.20 crore), 'Service Tax' (₹ 490.15 crore), 'Customs' (₹ 436.40 crore) and offset by decrease in taxes on wealth (₹ 0.04 crore) during 2017-18 compared to previous year.

The Central tax transfers were the main source of revenue receipts for the State of Meghalaya. The State share of Central taxes and Grants-in-aid from GoI together contributed 80.41 *per cent* (₹ 7456.75 crore) of the total Revenue Receipts (₹ 9273.48 crore) during 2017-18.

**Table 1.14: State's Share of Central Taxes and Grants-in-aid with reference to total revenue receipts (₹ in crore)**

	2016-17	2017-18
State Share of Union Taxes and Duties	3911.05	4323.14
Grants in aid from GoI	3156.65	3133.61
<b>Sub Total</b>	<b>7067.70</b>	<b>7456.75</b>
Total Revenue Receipts	8938.95	9273.48
Percentage of Central Taxes and Grants-in-aid to Total Revenue Receipts	79.07	80.41

### 1.4 Capital Receipts

The trends in Growth and Composition of Capital Receipts are given in **Table 1.15** below:

**Table 1.15: Trends in Growth and Composition of Capital Receipts (₹ in crore)**

Sources of State's Receipts		2013-14	2014-15	2015-16	2016-17	2017-18
Capital Receipts (CR)		<b>495.90</b>	<b>746.72</b>	<b>856.01</b>	<b>1229.24</b>	<b>1242.59</b>
Recovery of Loans and Advances		20.48	19.76	19.08	18.81	17.45
Public Debt Receipts	Market Loans	340.00	545.00	680.00	1001.00	1115.50
	Other Internal Sources	135.33	177.19	154.70	205.16	102.97
	Loans and Advances from GoI	0.09	4.77	2.23	4.27	6.67
Rate of growth of debt capital receipts		- 9.14	52.91	15.13	44.63	1.22
Rate of growth of non-debt capital receipts		11.91	- 3.52	-3.44	-1.42	-7.23
Rate of growth of CR ( <i>per cent</i> )		- 9.26	50.58	14.64	43.60	1.09

Source: Finance Accounts.

**Capital Receipts** increased by 150.57 *per cent* from ₹ 495.90 crore in 2013-14 to ₹ 1242.59 crore in 2017-18. The rate of growth of capital receipts decreased from 43.60 *per cent* in 2016-17 to 1.09 *per cent* in 2017-18. The rate of growth of debt capital receipts, which is the main component of capital receipts, decreased significantly from 44.63 *per cent* in 2016-17 to 1.22 *per cent* in 2017-18. The debt receipts from internal sources (market loans and other internal sources) increased by ₹ 12.31 crore and loans and advances from GoI increased by ₹ 2.40 crore during

2017-18 over previous year. Market loans constituted the major share of debt capital receipts during the current year which increased from ₹ 1001.00 crore in 2016-17 to ₹ 1115.50 crore during 2017-18. Non-debt capital receipts in the form of recoveries of loans and advances marginally decreased by ₹ 1.36 crore during 2017-18 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. The Composition of Public Account Receipts is given in **Table 1.16**.

**Table 1.16: Composition of Public Account Receipts (Net) (₹ in crore)**

Resources under various heads	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Public Account Receipts (Net)<sup>13</sup></b>	<b>897.29</b>	<b>31.86</b>	<b>-154.47</b>	<b>1047.16</b>	<b>-381.29</b>
(a) Small Savings, Provident Fund, <i>etc.</i>	127.17	133.28	131.74	141.17	157.71
(b) Reserve Fund	18.08	- 13.70	6.74	2.07	-23.89
(c) Deposits and Advances	825.60	- 161.66	-234.84	889.57	-527.76
(d) Suspense and Miscellaneous	- 76.71	82.28	-55.40	13.09	8.57
(e) Remittances	3.15	- 8.34	-2.71	1.26	4.08

Source: Finance Accounts.

Net Public Account Receipts decreased from ₹ 1047.16 crore during 2016-17 to ₹ (-)381.29 crore during the current year. Decrease in receipts under public account during 2017-18 was mainly due to substantial decrease under 'Deposits and Advances' from ₹ 889.57 crore during 2016-17 to a negative ₹ 527.76 crore during 2017-18.

## 1.6 Application of Resources

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

### 1.6.1 Growth and Composition of expenditure

The total expenditure and its composition during the years 2013-14 to 2017-18 are presented in the **Table 1.17**.

<sup>13</sup> Public account receipts minus disbursements. Details in **Appendix 1.3**.

**Table 1.17: Total Expenditure and its Composition** (₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Total expenditure</b>	<b>6669.39</b>	<b>7426.46</b>	<b>7616.97</b>	<b>9657.17</b>	<b>9428.17</b>
Revenue expenditure (RE) at current prices	5551.59	6251.86	6347.73	8336.54	8422.68 <sup>14</sup>
Rate of Growth of RE	11.04	12.61	1.53	31.33	1.03
<b>GDP Deflator<sup>15</sup></b>	<b>115</b>	<b>118</b>	<b>121</b>	<b>125</b>	<b>129</b>
<b>Revenue expenditure (RE) at constant prices</b>	<b>4827.47</b>	<b>5298.19</b>	<b>5246.06</b>	<b>6669.23</b>	<b>6529.21</b>
Rate of Growth of RE	4.28	9.75	-0.98	27.13	-2.10
<b>Capital Outlay (CO) at current prices</b>	<b>1075.47</b>	<b>1118.49</b>	<b>1110.89</b>	<b>1289.80</b>	<b>983.44</b>
Rate of Growth of CO	15.85	4.00	-0.68	16.11	-23.75
<b>Capital Outlay at constant prices</b>	<b>935.19</b>	<b>947.87</b>	<b>918.09</b>	<b>1031.84</b>	<b>762.36</b>
Rate of Growth of CO	8.80	1.36	-3.14	12.39	-26.12
<b>Loans and Advances</b>	<b>42.33</b>	<b>56.11</b>	<b>158.35</b>	<b>30.83</b>	<b>22.05</b>

Source: Finance Accounts.

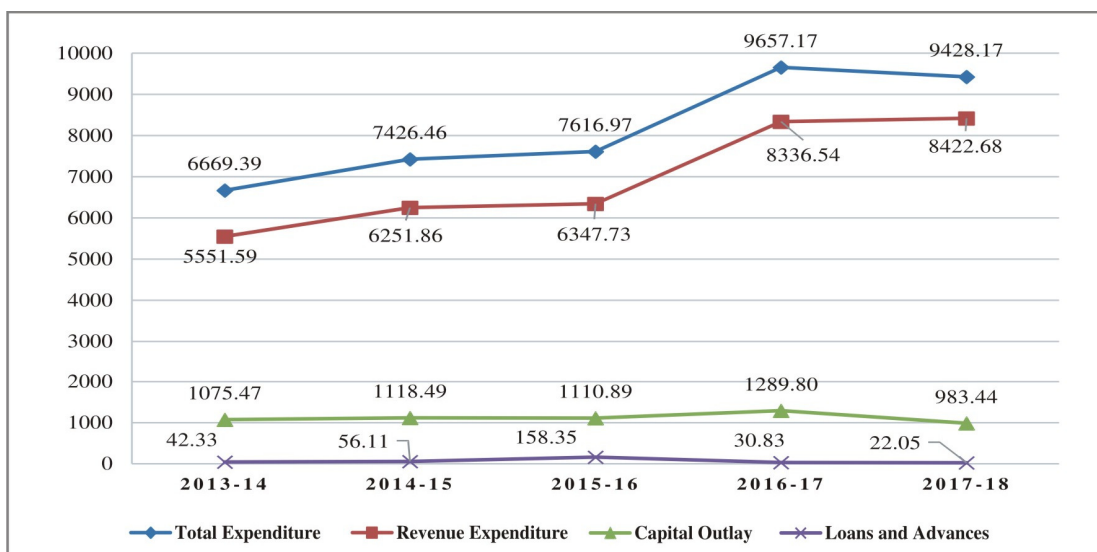
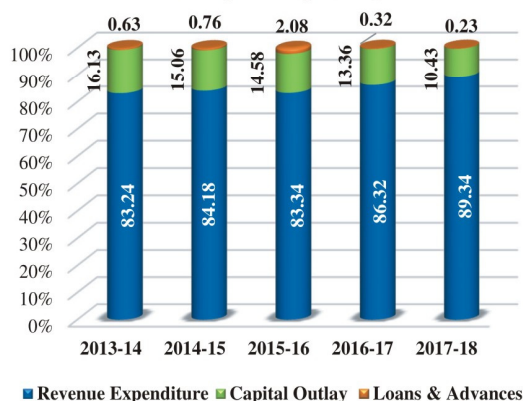
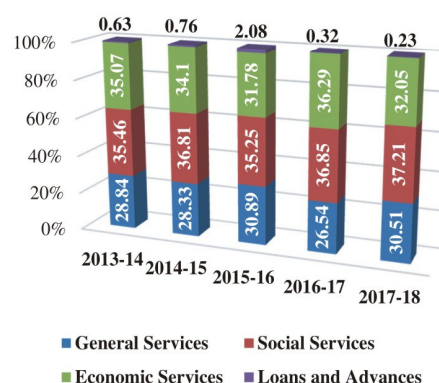
At current prices, rate of growth of Revenue Expenditure ranged between 1.03 *per cent* and 31.33 *per cent* whereas at constant prices, it ranged between (-)2.10 *per cent* and 27.13 *per cent* during 2013-18.

At current prices, rate of growth of Capital Outlay ranged between (-)23.75 *per cent* and 16.11 *per cent* whereas at constant prices, it ranged between (-)26.12 *per cent* and 12.39 *per cent* during 2013-18.

**Charts 1.6, 1.7 and 1.8** present the trends in total expenditure over a period of five years (2013-18) and its composition both in terms of ‘economic classification’ and ‘expenditure by activities’:

<sup>14</sup> From 2017-18, expenditure is no longer bifurcated into ‘Plan’ and ‘Non-Plan’.

<sup>15</sup> For converting current prices into constant prices, GDP deflator has been used to maintain uniformity across states in place of state specific GSDP deflator. Calculation: Constant Prices = Current Prices × 100 ÷ GDP Deflator of that year.

**Chart 1.6: Total Expenditure – Trends and Composition (₹ in crore)****Chart 1.7: Total Expenditure: Trend in Share of its Components (per cent)****Chart 1.8: Total Expenditure - Trend by 'Activities' (per cent)**

Charts 1.6, 1.7 and 1.8 shows that:

- The share of revenue expenditure (₹ 8422.68 crore) constituted 89.34 *per cent* of the total expenditure (₹ 9428.17 crore).
- 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 2017-18, expenditure on general services (Revenue + Capital expenditure) including interest payments, which is considered as non-developmental, together accounted for 30.51 *per cent*.
- Expenditure on social and economic services (excluding loans and advances) together accounted for 69.26 *per cent* during 2017-18. The relative share of social services expenditure to total expenditure increased from 36.85 *per cent* in 2016-17 to 37.21 *per cent* in 2017-18.
- The relative share of economic services expenditure to total expenditure decreased from 36.29 *per cent* during 2016-17 to 32.05 *per cent* during 2017-18. Loans and

advances revealed wide fluctuations during the period 2013-18 and stood at 0.23 *per cent* of total expenditure during 2017-18.

### 1.6.1.1 Trends in Total Expenditure

The total expenditure of the State decreased by ₹ 229.00 crore (2.37 *per cent*) from ₹ 9657.17 crore in 2016-17 to ₹ 9428.17 crore in 2017-18. 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 1.18**.

**Table 1.18: Total Expenditure – Basic Parameters**

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Total expenditure (TE) (₹ in crore)</b>	<b>6669.39</b>	<b>7426.46</b>	<b>7616.97</b>	<b>9657.17</b>	<b>9428.17</b>
Rate of growth ( <i>per cent</i> )	12.00	11.35	2.57	26.78	-2.37
TE/GSDP ratio ( <i>per cent</i> )	29.08	31.96	29.33	33.95	29.80
RR/TE ratio ( <i>per cent</i> )	93.96	86.56	92.47	92.56	98.36
<b>Buoyancy of Total expenditure with reference to:</b>					
GSDP (ratio) <sup>16</sup>	2.46	8.80	0.22	2.80	-0.21
Revenue Receipts (ratio) <sup>17</sup>	0.91	4.40	0.27	0.99	-0.63

Source: Finance Accounts.

From the above table, the following were noticed:

- The decrease of ₹ 229.00 crore (2.37 *per cent*) in total expenditure during 2017-18 over the previous year was on account of decrease (₹ 306.36 crore) in capital expenditure and ₹ 8.78 crore in disbursement of loans and advances.
- During the current year, 98.36 *per cent* of the total expenditure (₹ 9428.17 crore) was met from revenue receipts (₹ 9273.48 crore).
- The buoyancy of total expenditure to GSDP stood at negative 0.21 in 2017-18, which indicated lower rate of growth of total expenditure (2.37 *per cent*) as compared to growth rate of GSDP (11.21 *per cent*).
- The buoyancy of total expenditure to Revenue Receipts (RR) declined from 0.99 during 2016-17 to negative 0.63 in 2017-18, which was a positive indicator.

### 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, economic growth 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 1.19**.

<sup>16</sup> GSDP (ratio) = Rate of Growth of Total expenditure ÷ Growth Rate of GSDP

<sup>17</sup> RR (ratio) = Rate of Growth of Total expenditure ÷ Rate of Growth of Revenue Receipts

**Table 1.19: Revenue Expenditure – Basic Parameters** (₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Revenue expenditure (RE)	5551.59	6251.86	6347.73	8336.54	8422.68
Rate of Growth of RE ( <i>per cent</i> )	11.04	12.61	1.53	31.33	1.03
Total Expenditure (TE)	6669.39	7426.46	7616.97	9657.17	9428.17
RE as percentage of TE <sup>18</sup>	83.24	84.18	83.34	86.32	89.34
<b>Buoyancy Ratio of Revenue expenditure with</b>					
GSDP <sup>19</sup>	2.27	9.78	0.13	3.28	0.09
Revenue Receipts <sup>20</sup>	0.84	4.89	0.16	1.16	0.28

Source: Finance Accounts.

Revenue expenditure constituted 83.24 *per cent* to 89.34 *per cent* of total expenditure during 2013-18 and increased by ₹ 2871.09 crore (51.72 *per cent*) from ₹ 5551.59 crore in 2013-14 to ₹ 8422.68 crore in 2017-18.

In absolute terms, the increase in revenue expenditure (₹ 86.14 crore) during 2017-18 was net expenditure under general services (₹ 346.71 crore) and social services (₹ 48.50 crore) and economic services (₹ 309.07 crore).

During the exit conference, the Additional Chief Secretary stated that this issue arose since funds from Central Government was transferred under revenue head even if the expenditure was capital in nature. She also cited example where 60 *per cent* of the funds received under MGNREGA was for asset creation but the same was transferred under revenue head.

### 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 1.20** presents the trends in the expenditure on these components during 2013-18.

**Table 1.20: Components of Revenue expenditure** (₹ in crore)

Components of expenditure	2013-14	2014-15	2015-16	2016-17	2017-18
Salaries and Wages	1820.13 (29.04)	2037.65 (31.70)	2181.80 (30.98)	2305.16 (25.79)	2669.48 (28.79)
Interest Payments	371.50 (5.93)	405.10 (6.30)	465.88 (6.61)	522.23 (5.84)	591.18 (6.37)
Subsidies	72.44 (1.16)	123.60 (1.92)	89.21 (1.27)	46.14 (0.52)	52.08 (0.56)
Expenditure on Pension and other retirement benefits	450.87 (7.19)	514.94 (8.01)	589.44 (8.37)	647.85 (7.25)	750.90 (8.10)
Other Components of revenue expenditure, i.e., other than salaries and wages, interest payments, pension and subsidies	2836.65 (45.27)	3170.57 (49.32)	3021.40 (42.90)	4815.16 (53.87)	4359.04 (47.01)

Source: Finance Accounts.

(Figures in the parentheses indicate percentage to revenue receipts).

<sup>18</sup> RE as percentage of TE = RE/TE×100.

<sup>19</sup> GSDP (ratio) = Rate of Growth of Revenue expenditure ÷ Growth Rate of GSDP.

<sup>20</sup> Revenue Receipt (ratio) = Rate of Growth of Revenue expenditure ÷ Rate of Growth of Revenue Receipts.

#### 1.6.1.4 Salaries and Wages

Salaries and wages during 2017-18 accounted for 28.79 *per cent* of the revenue receipts of the State during the year. It also increased by 15.80 *per cent* from ₹ 2305.16 crore in 2016-17 to ₹ 2669.48 crore in 2017-18. Further, the State Government, in its Fiscal Policy Strategy (FPS) Statement for the year 2017-18, committed to reduce expenditure on salaries and wages, in an attempt to contain revenue expenditure. Increase in expenditure on salaries and wages by 15.80 *per cent* during 2017-18 indicated that the State Government failed to fulfil its commitment.

#### 1.6.1.5 Interest Payments

Interest payments during 2017-18 were on market loans (₹ 355.84 crore), State Provident Funds (₹ 113.73 crore), Special Securities issued to National Small Savings Fund of the Central Government (₹ 71.56 crore), loans and advances received from Central Government (₹ 15.85 crore) and other internal debts including other obligations (₹ 34.20 crore). Compared to the previous year, interest payments during 2017-18 increased by 13.20 *per cent* (₹ 68.95 crore).

Of the total interest payments during the year, 60.19 *per cent* (₹ 355.84 crore) were on market borrowings. The overall interest payments (₹ 591.18 crore) were however, much higher than the projections made by the 14<sup>th</sup> FC (₹ 492.00 crore).

#### 1.6.1.6 Subsidies

**Table 1.21** shows that the expenditure on payment of subsidies increased by ₹ 5.94 crore<sup>21</sup> (12.87 *per cent*) from ₹ 46.14 crore in 2016-17 to ₹ 52.08 crore during 2017-18. The increase was mainly due to increase in payment of subsidies under Animal Husbandry and Veterinary and Food and Civil Supplies.

#### 1.6.1.7 Pension Payments

The pension payments (including other retirement benefits) indicated an increasing trend during the five year period 2013-18. Pension payments during the current year had increased by ₹ 103.05 crore, an increase of 15.91 *per cent* over the previous year. The actual pension payments (₹ 750.90 crore) compared with projection made by the 14<sup>th</sup> FC (₹ 533.00 crore) and State Government in its budget (₹ 730.24 crore) exceeded both the projections made by the 14<sup>th</sup> FC as well as the State Government in its Budget for the year 2017-18.

#### 1.6.1.8 New Pension Scheme

State Government employees recruited on or after 1 April 2010 are covered under the 'The New Defined Contribution Pension Scheme (NPS), 2010'.

In terms of the scheme, such employees contribute 10 *per cent* of basic pay and dearness allowance, which is matched by the State Government and the entire amount

<sup>21</sup> ₹ 5.94 crore = {₹ 12.08 crore (Animal Husbandry and Veterinary) + ₹ 16.89 crore (Food and Civil Supplies)} – {₹ 3.41 crore (Fisheries) + ₹ 0.81 crore (Agriculture) + ₹ 1.70 crore (Transport) + ₹ 0.25 crore (Tourism) + ₹ 16.86 crore (Power)}.



is to be transferred to the National Securities Depository Limited (NSDL) through the designated Fund Account. As per accounting procedure, both employee's and employer's contributions are at first transferred to the Public Account under the Major Head '8342-117-Defined Contributory Pension Scheme' and the total amount is thereafter transferred to the NSDL, which is responsible for management of funds under the scheme. The details of funds under NPS and amount transferred to NSDL during 2013-18 are shown in the table below:

**Table 1.21: Details of funds under NPS during 2013-18** (₹ in crore)

Year	Opening Balance	Contribution			Transfer to NSDL	Less Transfer
		Employees	Employer	Total		
2013-14	0.19	6.25	6.25	12.50	12.42	0.27
2014-15	0.27	11.35	11.67	23.02	23.25	0.04
2015-16	0.04	15.31	15.00	30.31	30.33	0.02
2016-17	0.02	22.08	22.50	44.58	44.08	0.52
2017-18	0.52	30.60	31.36	61.96	61.63	0.85

Source: Finance Accounts.

As on March 2018, an amount of ₹ 0.85 crore remained to be transferred to NSDL since 130 out of 12439 employees under NPS were yet to be allotted Permanent Retirement Account Number (PRAN).

*The State Government should ensure early allotment of PRAN to the 130 employees and transfer the outstanding amount along with interest on the balances to NSDL.*

## 1.6.2 Capital Outlay

Capital outlay during the current year (2017-18) decreased by ₹ 306.36 crore over the previous year (**Appendix 1.2**). As compared to the total expenditure, the capital outlay showed a fluctuating trend over the period 2013-14 to 2017-18 and ranged between 10.43 *per cent* and 16.13 *per cent*. The State Government did not fulfil its commitment made in the budget as it fell short by 43.25 *per cent* (₹ 749.62 crore) of the budget estimate (₹ 1733.06 crore) for the year. It is further evident from **Appendix 1.2** that Central Tax Transfer on account of recommendations of 14<sup>th</sup> FC had increased more than threefold in the last five years from ₹ 1301.96 crore (2013-14) to ₹ 4323.14 crore (2017-18). On the other hand, the Capital Outlay had gone down to 10.43<sup>22</sup> *per cent* from 16.13<sup>23</sup> *per cent* during the same period.

## 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 1.22**.

<sup>22</sup> 10.43 *per cent* = ₹ 983.44 (Capital Outlay) ÷ ₹ 9428.17 (Total Expenditure) × 100 (for the year 2017-18).

<sup>23</sup> 16.13 *per cent* = ₹ 1075.47 (Capital Outlay) ÷ ₹ 6669.39 (Total Expenditure) × 100 (for the year 2013-14).



**Table 1.22: Financial Assistance to Local Bodies and others****(₹ in crore)**

Financial Assistance to Institutions	2013-14	2014-15	2015-16	2016-17	2017-18	
					Budget Estimate	Actual
University and Educational Institutions	586.86	560.46	697.54	918.37	1764.48	915.75
Co-operative Societies	2.60	1.78	2.06	1.99	14.17	13.55
District Councils	5.98	1.60	0.36	262.58	19.68	19.68
Municipalities, Meghalaya Urban Development Authority, etc.	20.19	5.40	4.70	11.42	9.62	9.62
Power Sector	160.09	203.19	102.44	133.44	99.02	99.02
Other Institutions <sup>24</sup>	71.65	68.07	53.19	293.62	185.93	217.74
<b>Total</b>	<b>847.37</b>	<b>840.50</b>	<b>860.29</b>	<b>1621.42</b>	<b>2092.90</b>	<b>1275.36</b>
Assistance as percentage of RE	15.26	13.44	13.55	19.45		15.14

Source: Detailed Appropriation Accounts.

The financial assistance extended to the local bodies and other institutions with inter-year variations decreased by 21.34 *per cent* from ₹ 1621.42 crore in 2016-17 to ₹ 1275.36 crore in 2017-18. The share of financial assistance in revenue expenditure also decreased from 19.45 *per cent* in 2016-17 to 15.14 *per cent* during the current year. The State Government was successful in restricting the expenditure on payment of financial assistance within the projection (₹ 2092.90 crore) made in its annual budget for the year 2017-18.

University and Educational Institutions were the major recipients followed by Power Sector. The financial assistance to District Councils decreased substantially from ₹ 262.58 crore during 2016-17 to ₹ 19.68 crore during 2017-18. Around 72 *per cent* of the total financial assistance during 2017-18 was given to University and Educational Institutions. The assistance under this sector decreased by 0.29 *per cent*, i.e. from ₹ 918.37 crore during 2016-17 to ₹ 915.75 crore during the current year. Of ₹ 915.75 crore, ₹ 675.39 crore was given to Non-Government Primary Schools and ₹ 97.01 crore to Non-Government Colleges and Institutes.

## 1.7 Local Bodies

There are no Panchayati Raj Institutions (PRIs) in Meghalaya. Instead, there are three Autonomous District Councils (ADCs) in Meghalaya viz. Khasi Hills, Garo Hills & Jaintia Hills ADCs. The Community and Rural Development Department (C&RD) governs the rural population in areas which are not covered by ADCs. Moreover, there are six Urban Local Bodies (ULBs), viz. (i) Shillong Municipal Board, (ii) Tura Municipal Board, (iii) Jowai Municipal Board, (iv) Williamnagar Municipal Board, (v) Baghmara Municipal Board and (vi) Resubelpara Municipal Board. The main function of these Municipal Boards is to provide civic amenities, e.g., water supply, street lighting, drainage and sanitation.

<sup>24</sup> Other Institutions (2017-18) : Details given in **Appendix 1.7**.

### 1.7.1 Devolution of funds to Urban Local Bodies

As per the information furnished (September 2018) by the Director, Urban Affairs, Meghalaya, the devolution of funds by the State Government to urban local bodies(ULBs) during 2013-14 to 2017-18 is as indicated in **Table 1.23**:

**Table 1.23: Devolution of Funds to ULBs** (₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18	Total
<b>Amount sanctioned</b>						
Grants-in-aid	4.47	4.41	4.22	9.36	4.65	27.11
13 <sup>th</sup> FC/ 14 <sup>th</sup> FC Award	0.51	1.81	NA	NA	NA	2.32
<b>Total</b>	<b>4.98</b>	<b>6.22</b>	<b>4.22</b>	<b>9.36</b>	<b>4.65</b>	<b>29.43</b>
<b>Expenditure</b>						
Grants-in-aid	4.39	4.41	3.33	2.67	2.52	17.32
13 <sup>th</sup> FC/14 <sup>th</sup> FC Award	0.51	1.63	NA	NA	NA	2.14
<b>Total</b>	<b>4.90</b>	<b>6.04</b>	<b>3.33</b>	<b>2.67</b>	<b>2.52</b>	<b>19.46</b>

Source: Director, Urban Affairs Department.

From 2013-14 to 2017-18, the State Government had sanctioned an amount of ₹ 29.43 crore but expenditure incurred by the Director, Urban Affairs, Meghalaya was ₹ 19.46 crore only. During 2017-18, though an amount of ₹ 4.65 crore was sanctioned under Grants-in-aid, the Director, Urban Affairs Department stated (September 2018) that only ₹ 2.52 crore was released to the Boards.

## 1.8 Quality of Expenditure

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

### 1.8.1 Adequacy of Public Expenditure

In view of the importance of public expenditure for social and economic development, it is important for the State Governments to take appropriate expenditure rationalisation measures and lay emphasis on provision of core public and merit goods<sup>25</sup>. Apart from improving the allocation towards development expenditure, 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. **Table 1.24** 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 and provides the details of capital outlay and the components of revenue expenditure incurred on the selected social and economic services.

<sup>25</sup> As defined in Appendix 1.1: Part C under List of Term used in Chapter I of this Audit Report.

**Table 1.24: Fiscal Priority of the State in 2014-15 and 2017-18**

	AE/GSDP	SSE/AE	ESE/AE	DE/AE	CE/AE	Education/AE	Health/AE
Special Category States Average (Ratio) 2014-15	23.50	37.60	29.30	64.00	13.80	18.30	5.40
Meghalaya (Ratio) 2014-15	31.96	36.81	34.63	71.44	15.06	17.53	7.69
Special Category States Average (Ratio) 2017-18	25.80	34.90	28.90	58.90	15.50	18.20	6.20
Meghalaya (Ratio) 2017-18	29.80	37.21	32.11	69.32	10.43	18.42	7.45

AE: Aggregate Expenditure (total expenditure), GSDP: Gross State Domestic Product, SSE: Social Sector Expenditure, ESE: Economic Sector Expenditure, DE: Development Expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans & Advances disbursed, CE: Capital Expenditure.

**Table 1.24** analyses the fiscal priority of the State Government with regard to development expenditure, social sector expenditure and capital expenditure during 2017-18, taking 2014-15 as the base year.

Government of Meghalaya contributed a higher portion of its GSDP by way of aggregate expenditure both in 2014-15 and 2017-18 *vis-a-vis* Special Category States. The developmental expenditure-aggregate expenditure, economic sector expenditure-aggregate expenditure and expenditure on health-aggregate expenditure ratios were higher in 2014-15 and 2017-18. The ratio of capital expenditure-aggregate expenditure was however, higher in 2014-15 but lower in 2017-18 and expenditure on education-aggregate expenditure and social sector expenditure-aggregate expenditure were lower in 2014-15 and higher in 2017-18 *vis-a-vis* Special Category States.

The trends in the efficiency of expenditure in selected Social and Economic Services are depicted in **Table 1.25** below:

**Table 1.25: Efficiency of Expenditure Use in Selected Social and Economic Services**  
(In per cent)

Social/Economic Infrastructure	2016-17		2017-18	
	Ratio of Capital Expenditure to Total Expenditure <sup>26</sup>	In Revenue Expenditure, the share of Salaries and Wages	Ratio of Capital Expenditure to Total Expenditure <sup>26</sup>	In Revenue Expenditure, the share of Salaries and Wages
<b>Social Services (SS)</b>	<b>12.91</b>	<b>29.09</b>	<b>10.28</b>	<b>33.14</b>
General Education	0.70	26.94	0.11	27.48
Technical Education, Sports, Arts and Culture	0.28	17.75	0.12	15.73
Health and Family Welfare	12.04	50.97	4.87	54.30
Water Supply & Sanitation, Housing and Urban Development	54.23	38.56	52.99	41.57
Other SS	8.69	11.57	2.52	20.68

<sup>26</sup> Total revenue and capital expenditure of the services concerned.

Social/Economic Infrastructure	2016-17		2017-18	
	Ratio of Capital Expenditure to Total Expenditure <sup>26</sup>	In Revenue Expenditure, the share of Salaries and Wages	Ratio of Capital Expenditure to Total Expenditure <sup>26</sup>	In Revenue Expenditure, the share of Salaries and Wages
<b>Economic Services (ES)</b>	<b>21.33</b>	<b>17.36</b>	<b>18.97</b>	<b>22.14</b>
Agriculture and Allied Activities	1.65	51.04	0.90	56.56
Irrigation & Flood Control	51.99	63.10	34.63	61.65
Energy	0.00	0.00	21.82	0.00
Transport	75.28	1.76	72.19	2.17
Other ES	6.40	8.75	3.82	11.95

Source: Finance Accounts.

### **Social Services**

The trends presented in **Table 1.25** reveal that development capital expenditure as a percentage of total expenditure constituted only 10.28 *per cent* in 2017-18, which indicated that the revenue expenditure was dominant. Compared to 2016-17, there was no improvement in the share of capital expenditure during 2017-18 under all the infrastructure of social services.

Of the revenue expenditure on social services, the share of salaries and wages component increased from 29.09 *per cent* in 2016-17 to 33.14 *per cent* in 2017-18. Within the priority sectors, salaries and wages component continued to have the dominant share under health and family welfare. Around 54 *per cent* of revenue expenditure under this service during 2017-18 was incurred on salaries and wages.

### **Economic Services**

The share of capital expenditure on economic services to total of revenue and capital expenditure on economic services decreased to 18.97 *per cent* during 2017-18 from 21.33 *per cent* in 2016-17. Salaries and wages component within the revenue expenditure on economic services as a percentage of the total expenditure on economic sector increased from 17.36 *per cent* in 2016-17 to 22.14 *per cent* during 2017-18. During 2017-18, share of expenditure on salaries and wages under irrigation and flood control was 61.65 *per cent* of revenue expenditure.

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

According to the information furnished (September 2018) by the Directorate of Programme Implementation & Evaluation, GoM, the position of implementation of flagship programmes/schemes till 2017-18 is given in **Appendix 1.6**. Details of significant shortfall in achievement of targets are given in **Table 1.26** below:

**Table 1.26: Shortfall of Achievement of Targets**

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2018			
		Funds available up to 31 March 2018	Actual expenditure up to 31 March 2018	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome (Shortfall in per cent)
1.	Prime Minister's Awas Yojana – G (PMAY –G)	248.93	51.18	Houses constructed	Nos.	3715	1208 (67.48)
2.	National Rural Livelihoods Mission (NRLM)	9.89	13.41	Self Help Groups	Nos.	8178	3267 (60.05)
3.	Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY)	100.64	39.11	Electrification of villages (On-grid)	Nos.	481	363 (24.53)
4.	Special Nutrition Programme (SNP)	181.15	165.05	AWCs <sup>27</sup> /Mini AWCs	Nos.	6,20,890	5,85,099 (5.76)
5.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	71.48	110.12	Phase II-Phase VIII	Km	450	209 (53.56)
6.	Jawaharlal Nehru National Urban Renewal Mission (JNNURM)	20.99	5.90	Purchase of 240 buses	Nos.	103	2 (98.06)

Source: Directorate of Programme Implementation & Evaluation, GoM.

As can be seen from the table, shortfall in achievement of targets under the above programmes/schemes ranged between 5.76 *per cent* and 98.06 *per cent*, the maximum being under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) (purchase of buses) (98.06 *per cent*) followed by Prime Minister Awas Yojana -G (PMAY-G) (67.48 *per cent*).

## 1.9 Analysis of Government Expenditure and Investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowing) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to complete dependence on market based resources, the State Government needs to initiate measures to earn adequate return on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year *vis-à-vis* previous years.

### 1.9.1 Incomplete Projects

According to the information available in Appendix IX and Statement 16 of the Finance Accounts for the year 2017-18, as on 31 March 2018, there were 79 ongoing projects *i.e.* incomplete projects in the State. The department-wise information pertaining to incomplete projects as on 31 March 2018 even after passage of target date(s) of completion is given in **Table 1.27**.

<sup>27</sup> AWC : Angan-Wadi Centers.

**Table 1.27: Department-wise Profile of Incomplete Projects** (₹ in crore)

Department	Number of incomplete projects	Initial estimated cost	Progressive expenditure on all incomplete projects (as on March 2018)	Estimated cost of Projects which were revised			Actual/ Progressive expenditure incurred on revised projects (as on March 2018)	Cost overrun
				Number	Original Cost	Revised Cost		
1	2	3	4	5	6	7	8	9 (7-6)
Public Works (R& B)	53	1027.82	780.53	2	37.25	49.42	38.17	12.17
Public Health Engineering	15	902.56	218.45	2	40.60	62.13	48.49	21.53
Health & Family Welfare	11	48.59	41.74	2	3.55	4.53	3.91	0.98
<b>Total</b>	<b>79</b>	<b>1978.97</b>	<b>1040.72</b>	<b>6</b>	<b>81.40</b>	<b>116.08</b>	<b>90.57</b>	<b>34.68</b>

Source: Finance Accounts.

As can be seen from the above table, 79 projects stipulated for completion on or before March 2018 at an estimated cost of ₹ 1978.97 crore, remained incomplete after incurring an expenditure of ₹ 1040.72 crore. Out of 79 incomplete projects, six projects (two projects in respect of Public Works Department (Roads & Bridges), two projects in respect of Health & Family Welfare Department and two projects in respect of Public Health Engineering Department) had been revised during 2017-18. The cost of two project under PW (R&B) Department, viz. 'MBT of a road from Bholaganj to Nongjri & construction of a major bridge at Tharia river, Wahrew in Meghalaya' and 'Reconstruction of Bridge No. 3/1 on Shangpung-Sutnga Road' were revised by 32.67 per cent from ₹ 37.25 crore to ₹ 49.42 crore. However, the actual expenditure on these two incomplete projects till March 2018 was ₹ 38.17 crore i.e. 29.47 per cent (₹ 11.25 crore) lesser than the revised cost (₹ 49.42 crore).

The cost of two project under PHE Department, viz. 'Greater Rymbai Water Supply Scheme' and 'Modification of Pumping System, etc. of Greater Shillong Water Supply Scheme' were revised by 53.03 per cent from ₹ 40.60 crore to ₹ 62.13 crore. However, the actual expenditure on these two incomplete projects till March 2018 was ₹ 48.49 crore i.e. 28.13 per cent (₹ 13.64 crore) lesser than the revised cost (₹ 62.13 crore).

The cost of two project under H&FW Department, viz. 'Construction of Bhaitbari CHC' and 'Construction of Kasiabari PHC' were revised by 27.61 per cent from ₹ 3.55 crore to ₹ 4.53 crore. However, the actual expenditure on these two incomplete project till March 2018 was ₹ 3.91 crore i.e. 15.86 per cent (₹ 0.62 crore) lesser than the revised cost (₹ 4.53 crore).

Effective steps need to be taken to complete all these above projects without further delay to avoid cost overrun due to time overrun.

## 1.9.2 Financial Results of Irrigation Works

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

## 1.9.3 Investment and Returns

As per Statements 8 and 19 of Finance Accounts for the year 2017-18, as on 31 March 2018, the State Government had invested ₹ 2628.56 crore which includes two Statutory Corporations (₹ 92.77 crore), nine Government Companies (₹ 2427.10 crore) and in 1444 Co-operative Banks and Societies (₹ 108.69 crore). Details are given in **Table 1.28**.

**Table 1.28: Return on Investment**

Investment/Return/Cost of Borrowings	2013-14	2014-15	2015-16	2016-17	2017-18
Investment at the end of the year (₹ in crore)					
(i) Statutory Corporations	83.41	83.41	91.29	91.26	92.77
(ii) Government Companies	254.36	273.90	273.90	2274.58	2427.10
(iii) Co-operative Societies	92.01	97.68	101.74	105.79	108.69
<b>Total</b>	<b>429.78</b>	<b>454.99</b>	<b>466.93</b>	<b>2471.63</b>	<b>2628.56</b>
Return (₹ in crore)	0.13	0.13	0.07	0.11	0.11
Return ( <i>per cent</i> )	0.03	0.03	0.02	0.02	0.01
Average rate of interest paid on Government borrowing ( <i>per cent</i> )	6.61	6.22	6.70	6.47	6.40
Difference between interest rate paid and return ( <i>per cent</i> )	6.58	6.19	6.68	6.45	6.39

Of the two Statutory Corporations, bulk of the investment (₹ 90.63 crore) was made in the Meghalaya Transport Corporation Limited during 1986-2018 which had accumulated loss of ₹ 99.62 crore till 2013-14. Out of ₹ 2427.10 crore invested in Government Companies, ₹ 2156.93 crore was invested in Meghalaya Energy Corporation Limited during 2012-13 to 2017-18, which had accumulated loss of ₹ 1510.82 crore, ₹ 162.79 crore was invested in Mawmluh Cherra Cements Limited during 1958-2015, which had accumulated loss of ₹ 155.06 crore up to 2016-17. Out of ₹ 2427.10 crore invested in Government Companies, ₹ 2427.05 crore was invested in eight loss making Government Companies, which had accumulated loss of ₹ 1746.14 crore, as detailed in **Table 1.29** below:

**Table 1.29: Details of loss making Government Companies (₹ in crore)**

Sl. No.	Name of Companies	Amount invested up to March 2018	Invested up to	Accumulated loss	Period up to <sup>28</sup>
1.	Mawmluh-Cherra Cements Limited (MCCL)	162.79	2014-15	155.06	2016-17
2.	Meghalaya Energy Corporation Limited (MeECL)	2156.93	2017-18	1510.82	2015-16
3.	Meghalaya Industrial Development Corporation (MIDC)	91.59	2014-15	45.40	2014-15
4.	Meghalaya Mineral Development Corporation Limited (MMDC)	2.32	2001-02	6.68	2017-18

<sup>28</sup> Working results for the subsequent years are in arrears.



Sl. No.	Name of Companies	Amount invested up to March 2018	Invested up to	Accumulated loss	Period up to <sup>28</sup>
5.	Forest Development Corporation of Meghalaya Limited (FDCML)	1.97	2001-02	5.46	2010-11
6.	Meghalaya Government Construction Corporation Limited (MGCCL)	0.75	2000-01	8.66	2017-18
7.	Meghalaya Tourism Development Corporation Limited (MTDCL)	7.96	1999-02	9.55	2014-15
8.	Meghalaya Handloom and Handicraft Development Corporation Limited (MHHDCL)	2.74	2009-10	4.51	2014-15
	<b>Total</b>	<b>2427.05</b>		<b>1746.14</b>	

Further, out of ₹ 108.69 crore invested in co-operative banks/societies, ₹ 57.97 crore was invested in 1,141 loss making co-operative banks/societies, which had accumulated losses of ₹ 7.48 crore up to 31 March 2010. Working results of 126 co-operative banks/societies had not been intimated (October 2018). Non-preparation of working results are a cause of serious concern as it may indicative of erosion of working capital or serious fraud.

The average return on investment in Statutory Corporations, Government companies and Co-operative Banks/Societies was less than one *per cent* during 2013-18. However, Government paid interest on its borrowings at an average rate of interest of 6.22 *per cent* to 6.70 *per cent* during 2013-18. The State Government should review the performance of the above units. The MFRBM Act 2006, also provides that the State Government should review the performance of the State PSUs including restructuring of those that are absolutely essential and close those which are no longer viable.

#### **1.9.3.1 Reconciliation with Finance Accounts**

The figures in respect of equity, loans and guarantees outstanding as per records of State Public Sector Undertakings (SPSUs) 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 2018 is stated in **Table 1.30** below:



**Table 1.30: Equity, Loans, Guarantees outstanding as per Finance Accounts *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	2519.82 <sup>29</sup>	2551.78	18.00
Loans	Not available <sup>30</sup>	577.40	Not workable
Guarantees	775.19 <sup>31</sup>	775.17	0.02

Audit observed that the difference in equity occurred in respect of seven SPSUs<sup>32</sup> and some of differences were pending reconciliation since 2012-13. The Principal Secretary, Finance Department, Government of Meghalaya as well as the management of the SPSUs concerned were apprised after every three months about the differences from time to time and stressed upon the need for early reconciliation. However, no significant progress was noticed in this regard. The matter was also regularly taken up with the Chief Secretary, Government of Meghalaya after every three months to take necessary steps. It was further noticed that out of the seven SPSUs, accounts of five SPSUs were in arrears ranging between one and four years. The Government and the SPSUs concerned should take concrete steps to reconcile the differences in a time-bound manner. During the exit conference, the Additional Chief Secretary assured that the matter would be taken up with the State PSUs concerned.

#### 1.9.4 Loans and Advances by the State Government

In addition to investments in co-operative societies, corporations and companies, Government has also been providing loans and advances for other purposes, *e.g.*, loans for power projects, loans to Government servants, loans for tourism, *etc.* **Table 1.31** presents the outstanding loans and advances, interest receipts *vis-à-vis* interest payments during the last five years.

<sup>29</sup> Includes ₹ 2.14 crore in Meghalaya State Warehousing Corporation (MSWC), ₹ 90.63 crore in Meghalaya Transport Corporation (MTC), ₹ 91.59 crore in MIDC, ₹ 162.79 crore in MCCL, ₹ 2.32 crore in MMDCL, ₹ 2156.93 crore in MeECL ₹ 1.97 crore in FDCML, ₹ 0.75 crore in MGCCL, ₹ 7.96 crore in MTDCL and ₹ 2.74 crore in MH&HDCL.

<sup>30</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>31</sup> Guarantee commitment given by the State Government against loans were ₹ 775.19 crore (Principal: ₹ 768.99 crore and interest: ₹ 6.20 crore) for MeECL. Guarantee commitment given by the State Government against loans were ₹ 775.19 crore for MeECL.

<sup>32</sup> Forest Development Corporation of Meghalaya Limited, Meghalaya Industrial Development Corporation, Meghalaya Energy Corporation Limited, Meghalaya Handloom & Handicraft Development Corporation Limited, Meghalaya Basin Management Agency, Meghalaya Transport Corporation and Meghalaya Infrastructure Development & Finance Corporation Limited.

**Table 1.31: Average Interest Received on Loans and Advances given by the State Government**  
(₹ in crore)

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Opening Balance</b>	<b>568.72</b>	<b>590.57</b>	<b>626.92</b>	<b>766.19</b>	<b>778.21</b>
Amount advanced during the year	42.33	56.11	158.35	30.83	22.05
Amount recovered during the year	20.48	19.76	19.08	18.81	17.45
<b>Closing Balance</b>	<b>590.57</b>	<b>626.92</b>	<b>766.19</b>	<b>778.21</b>	<b>782.81</b>
Net Addition	21.85	36.35	139.27	12.02	4.60
Interest Receipts	6.76	8.28	7.69	8.27	7.61
Interest received as <i>per cent</i> to outstanding Loans and Advances	1.17	1.36	1.10	1.07	0.98
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government	6.61	6.22	6.70	6.47	6.40
Difference between interest payments and interest receipts ( <i>per cent</i> )	5.44	4.86	5.60	5.41	5.43

Loans and advances given by the State Government during 2017-18 decreased by 28.48 *per cent* over the previous year. The total outstanding loans and advances as on 31 March 2018 was ₹ 782.81 crore. Out of the loans of ₹ 22.05 crore advanced during 2017-18, ₹ 1.12 crore was given for power projects and ₹ 15.91 crore was given to Government servants and ₹ 5.02 crore to others. Interest receipt of ₹ 7.61 crore on loans and advances given by GoM during 2017-18 constituted 0.97 *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 6.40 *per cent* for the outstanding liabilities.

### 1.9.5 Cash Balances and Investment of Cash Balances

**Table 1.32** depicts the cash balances and investments made by the State Government out of cash balances during the year.

**Table 1.32: Cash Balances and Investment of Cash Balances** (₹ in crore)

Particulars	Opening balance on 01 April 2017	Closing balance on 31 March 2018
<b>(a) General Cash Balance-</b>		
Cash in Treasuries	24.70	33.20
Deposits with Reserve Bank	-54.53	2.10
	<b>-29.83</b>	<b>35.30</b>
Investments held in Cash Balance investment account	1369.24	1680.66
<b>Total (a)</b>	<b>1339.41</b>	<b>1715.96</b>
<b>(b) Other Cash Balances and Investments</b>		
Cash with departmental officers of Forest and Public Works Department	0.25	0.68
Permanent advances for contingent expenditure with departmental officers	0.03	0.04
Investment of earmarked funds	256.59	313.11
- <i>Sinking Fund Investment Account</i>	244.82	291.21
- <i>Other Development and Welfare Fund</i>	11.77	21.90
<b>Total (b)</b>	<b>256.87</b>	<b>313.83</b>
<b>Grand Total (a) + (b)</b>	<b>1596.28</b>	<b>2029.79</b>

Cash balances (excluding investment of earmarked funds) of the State Government at the end of the current year increased by 28 *per cent* from ₹ 1339.69 crore in 2016-17 to ₹ 1715.68 crore in 2017-18. The government borrowed ₹ 1225.14 crore in the

same year. The interest earned on the surplus cash was merely 2.67 *per cent* whereas interest paid on Government borrowings was 6.40 *per cent*. The State Government should examine whether it is prudent to borrow funds at higher rates of interest when there are large cash balances available which are earning lower rates of interest.

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 ₹ 21.00 lakh with the Bank.

During the five-year period ending 2017-18, the Government did not have to resort to WMA and overdraft, except during 2013-14 (₹ 157.09 crore), indicating comfortable position of cash balances of the State in four out of five years.

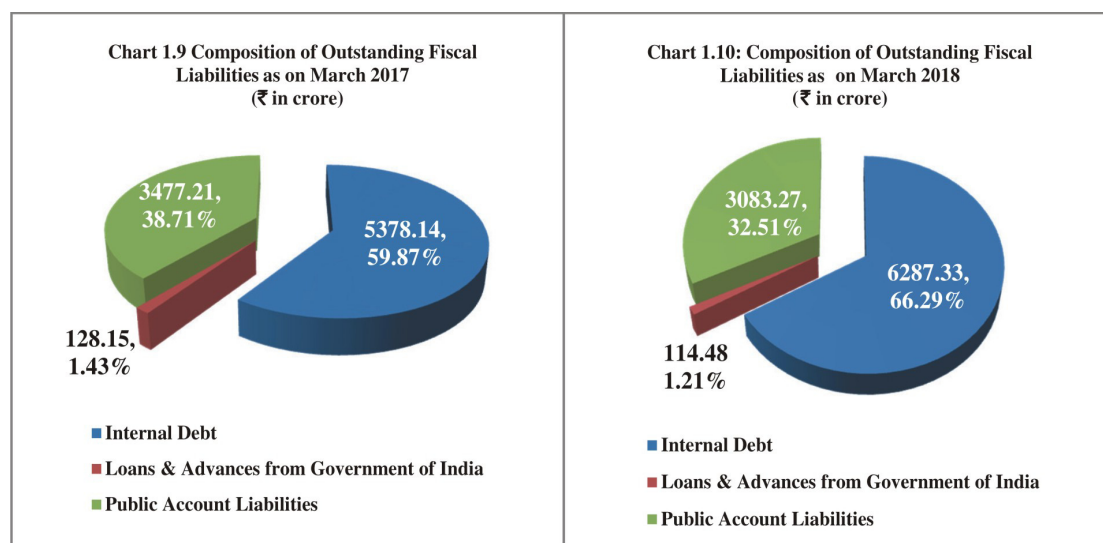
## **1.10 Assets and Liabilities**

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

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. **Appendix 1.4** gives an abstract of such liabilities and the assets as on 31 March 2018, compared with the corresponding position on 31 March 2017. While the liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from the public account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

### 1.10.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities/debt 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 1.9** and **1.10**.



**Table 1.33** gives the fiscal liabilities/debt of the State, their rate of growth, the ratio of these liabilities to GSDP, revenue receipts and State's own resources as also the buoyancy of fiscal liabilities with reference to these parameters.

**Table 1.33: Fiscal Liabilities – Basic Parameters**

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Fiscal Liabilities <sup>33</sup> (₹ in crore)	6269.23	6751.46	7154.68	8983.50	9485.08
Rate of Growth ( <i>per cent</i> )	26.28	7.69	5.97	25.56	5.58
<b>Ratio of Fiscal Liabilities to</b>					
GSDP ( <i>per cent</i> )	27.33	29.06	27.55	31.58	29.98
Revenue Receipts ( <i>per cent</i> )	100.04	105.03	101.58	100.50	102.28
Own Resources ( <i>per cent</i> )	405.13	526.44	556.60	480.08	522.10
<b>Buoyancy of Fiscal Liabilities to</b>					
GSDP (ratio)	5.40	5.96	0.51	2.68	0.50
Revenue Receipts (ratio)	1.99	2.98	0.62	0.95	1.49
Own Resources (ratio)	1.63	-0.45	25.96	0.56	-0.10

Fiscal liabilities of ₹ 9485.08 crore as on 31 March 2018 consist of internal debt, *e.g.*, market loans, loans from financial institutions, Special Securities issued to National Small Savings Fund, *etc.* (₹ 6287.33 crore), loans and advances from Central Government (₹ 114.48 crore), small savings, provident funds, *etc.* (₹ 1531.52 crore) and other liabilities, *e.g.*, Reserve Funds and Deposits (₹ 1551.75 crore).

<sup>33</sup> Includes Internal debt, Loans and Advances from Government of India, Small Savings, Provident Funds, *etc.*, Reserve Funds and Deposits.

Fiscal liabilities of the State increased from ₹ 6269.23 crore as on 31 March 2014 to ₹ 9485.08 crore as on 31 March 2018. Compared to previous year, the fiscal liabilities at the end of 2017-18 increased by 5.58 *per cent* (₹ 501.58 crore) mainly due to increase in internal debt in the form of market loans by ₹ 919.81 crore (22.01 *per cent*).

The ratio of fiscal liabilities to GSDP decreased from 31.58 *per cent* in 2016-17 to 29.98 *per cent* in 2017-18. These liabilities were a little above the revenue receipts and over five times of the State's own resources at the end of 2017-18. The buoyancy of these liabilities with respect to GSDP during the year was 0.50 indicating that for each one *per cent* increase in GSDP, fiscal liabilities increased by 0.50 *per cent*.

The State Government in its Medium Term Fiscal Plan (MTFP) Statement projected the total Outstanding Liabilities-GSDP ratio for the year 2017-18 as 31.14 *per cent*. As can be seen from the **Table 1.33** above, the Fiscal Liabilities-GSDP ratio of the State (29.98 *per cent*) was higher than the limit fixed by the 14<sup>th</sup> FC (27.62 *per cent*) and in the MTF Plan (25.02 *per cent*) but lower than the MTFP Statement (31.14 *per cent*).

### 1.10.3 Transactions under Reserve Funds

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

The total accumulated balance as on 31 March 2018 was ₹ 325.48 crore (active funds: ₹ 323.44 crore; inactive funds: ₹ 2.04 crore) in ten reserve funds. However, only three funds were active and seven funds were inactive for more than 20 years. Investment out of these funds was ₹ 313.11 crore, which was 96.20 *per cent* of the accumulated balance. Out of the remaining funds not invested, ₹ 4.70 crore pertained to State Disaster Response Fund (SDRF) balance as on 31 March 2018. Further, as the SDRF is an interest bearing Reserve Fund, the liability of interest payment rests with the State Government. Non-payment of interest resulted in overstatement of Revenue Surplus to that extent. Action needs to be taken to close the inoperative reserve funds and remit the balances into the Consolidated Fund of the State.

During 1999-2000, the State Government constituted a 'Consolidated Sinking Fund' for redemption and amortisation of open market loans. During 2017-18, the Government had appropriated ₹ 46.38 crore from revenue and credited to this fund for investment in the Government of India Securities.

During the exit conference, the Finance Department stated that the matter was still pending since the Department could not trace the original records.

#### 1.10.4 Status of Guarantees – Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. As per Finance Accounts of the State, the maximum amount for which guarantees were given by the State and outstanding guarantees at the end of the year since 2013-14 are given in **Table 1.34**.

**Table 1.34: Guarantees given by GoM (₹ in crore)**

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
Maximum amount guaranteed	1188.64	1054.43	868.09	860.04	1139.94
Outstanding amount of guarantees (including interest)	1610.55	1173.81	1042.19	983.11	820.68
Percentage of maximum amount guaranteed to total revenue receipts	18.97	16.40	12.33	9.62	12.29

Government had guaranteed loans raised by various Corporations and others, which at the end of 2017-18 stood at ₹ 820.68 crore (including interest). Bulk of the guaranteed amount (₹ 775.19 crore) was outstanding against the power sector for repayment of principal and payment of interest on loans from Rural Electrification Corporation (₹ 221.33 crore), and short term loans, bonds, *etc.* (₹ 553.86 crore). The outstanding amount of guarantees is in the nature of contingent liabilities, which was 12.29 *per cent* of revenue receipts of the State during 2017-18. In order to provide for sudden discharge of the States' obligations on guarantees, the 13<sup>th</sup> FC recommended that State should set up guarantee redemption funds. As per the Fiscal Policy Strategy Statement for the year 2017-18, 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 2018, commission/fee amounting to ₹ 36.14 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 (₹ 775.17 crore) differs with that shown in the Finance Accounts (₹ 775.19 crore). However, the discrepancies had not been reconciled as discussed in paragraph 1.9.3.1 above.

### 1.11 Debt Management

#### 1.11.1 Debt Sustainability

Debt sustainability is defined as the ability of the State to service its debt in future. Sustainability of debt therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.



Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. This section assesses the sustainability of debt of the State Government in terms of debt/GSDP ratio, burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. The rate of growth of GSDP ranged between 1.29 *per cent* and 11.76 *per cent* during 2013-14 to 2017-18 whereas average interest rate on outstanding debt ranged between 6.22 *per cent* and 6.70 *per cent* during 2013-14 to 2017-18. GSDP growth rate since 2015-16 is much more than the interest paid by the State Government on public debt. **Table 1.35** analyses the debt sustainability of the State according to these indicators for the period of five years beginning from 2013-14.

**Table 1.35: Debt Sustainability: Indicators and Trends** (₹ in crore)

Indicators of Debt Sustainability	2013-14	2014-15	2015-16	2016-17	2017-18
Outstanding debt (year-end)	6269.23	6751.46	7154.68	8983.50	9485.08
Rate of Growth of Outstanding debt	26.28	7.69	5.97	25.56	5.58
Gross State Domestic Product(GSDP)	22938	23235	25967	28446	31636
Rate of Growth of GSDP	4.87	1.29	11.76	9.55	11.21
Debt/GSDP( <i>in per cent</i> )	27.33	29.06	27.55	31.58	29.98
Tax Revenue	949.30	939.19	1056.82	1186.81	1450.10
Debt Repayment/Tax Revenue ( <i>in per cent</i> )	173.75	236.46	209.55	181.12	209.91
Average interest rate of Outstanding debt	6.61	6.22	6.70	6.47	6.40
Interest Paid/Revenue Receipts(IP/RR)	5.93	6.30	6.61	5.84	6.37
Debt Repayment/Debt Receipts	0.64	0.97	1.03	0.62	1.03
Total Debt Receipts	2582.57	2297.91	2151.92	3454.69	2954.36
Total Debt Payments (including interest)	1649.42	2220.78	2214.57	2148.10	3043.96
Net Debt available to the State	933.15	77.13	-62.65	1306.59	-89.60

**Table 1.35** reveals that the Debt-GSDP ratio ranged between 27.33 *per cent* and 31.58 *per cent* during 2013-14 to 2017-18, whereas Debt-Repayment as a percentage of Tax Revenue ranged between 173.75 *per cent* and 236.46 *per cent* during 2013-18. At 29.98 *per cent*, the Debt<sup>34</sup>-GSDP ratio during 2017-18 (**Appendix 1.2**) was well above the target of outstanding debt to GSDP (27.62 *per cent*) set forth by 14<sup>th</sup> FC for the State while below the assessment made by the State Government in the MTFP Statement (31.14 *per cent*). The trends in net Debt available to the State indicate the oscillation between positive and negative magnitudes. The net Debt available to the State has been negative in two out of five-year period ending 2017-18 indicating that the revenue receipts were not sufficient to meet the primary expenditure and interest burden. Compared to 2016-17, the situation had deteriorated during 2017-18, when the net Debt available to the State had turned negative at ₹ 89.60 crore against ₹ 1306.59 crore during 2016-17.

<sup>34</sup> Internal debt, Loans & Advances from GoI and Other Liabilities (Small Savings, Provident Funds, Reserve Funds, Deposits).

The trends in debt redemption ratio fluctuated widely during 2013-18 and increased to 103.03 *per cent* during 2017-18 against 62.18 *per cent* during the previous year (**Appendix 1.2**). During the current year, against total debt receipts of ₹ 2954.36 crore, Government repaid ₹ 3043.96 crore as principal and interest on internal debt (₹ 770.88 crore), loans and advances from Central Government (₹ 36.19 crore) and other liabilities<sup>35</sup> (₹ 2236.89 crore), as a result of which no borrowed fund was available at the end of the year. The negative availability of borrowed fund was indicative of poor fiscal management of the State Govt. as the borrowed funds could not be used for any productive expenditure rather the entire borrowing and additional resources out of the receipts were used to service debt and other liabilities.

### 1.11.2 Debt Profile

As per Annexure to Statement 17 of the Finance Accounts for the year 2017-18, the maturity profile of the State debt is as indicated in **Table 1.36**.

**Table 1.36: Maturity Profile of State Debt (₹ in crore)**

Debt maturity	Maturity Profile	Amount			Per cent
		Internal Debt	Loans & Advances from GoI	Total	
During 2018-19	0-1 year	374.11	20.62	394.73	3.49
Between 2019-20 & 2020-21	Over 1 year to 2 years	717.66	41.26	758.92	6.71
Between 2021-22 & 2022-23	Over 2 years to 5 years	938.29	41.46	979.75	8.66
Between 2023-24 & 2024-25	Over 5 years to 7 years	1079.80	41.02	1120.82	9.91
2025-26 onwards	Over 7 years and above	8003.37	55.56	8058.93	71.24
<b>Total</b>		<b>11113.23</b>	<b>199.92</b>	<b>11313.15</b>	<b>100</b>

The maturity profile of outstanding stock of public debt as on 31 March 2018 indicated that out of the outstanding public debt of ₹ 11,313.15 crore, 28.76 *per cent* (₹ 3254.22 crore) is payable within the next seven years. The remaining 71.24 *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 98.23 *per cent* (₹ 11,113.23 crore).

During 2017-18, debt repayments (₹ 3043.96 crore) is more than the debt receipts (₹ 2954.36 crore) and this practice should be followed strictly.

### 1.12 Fiscal Imbalances

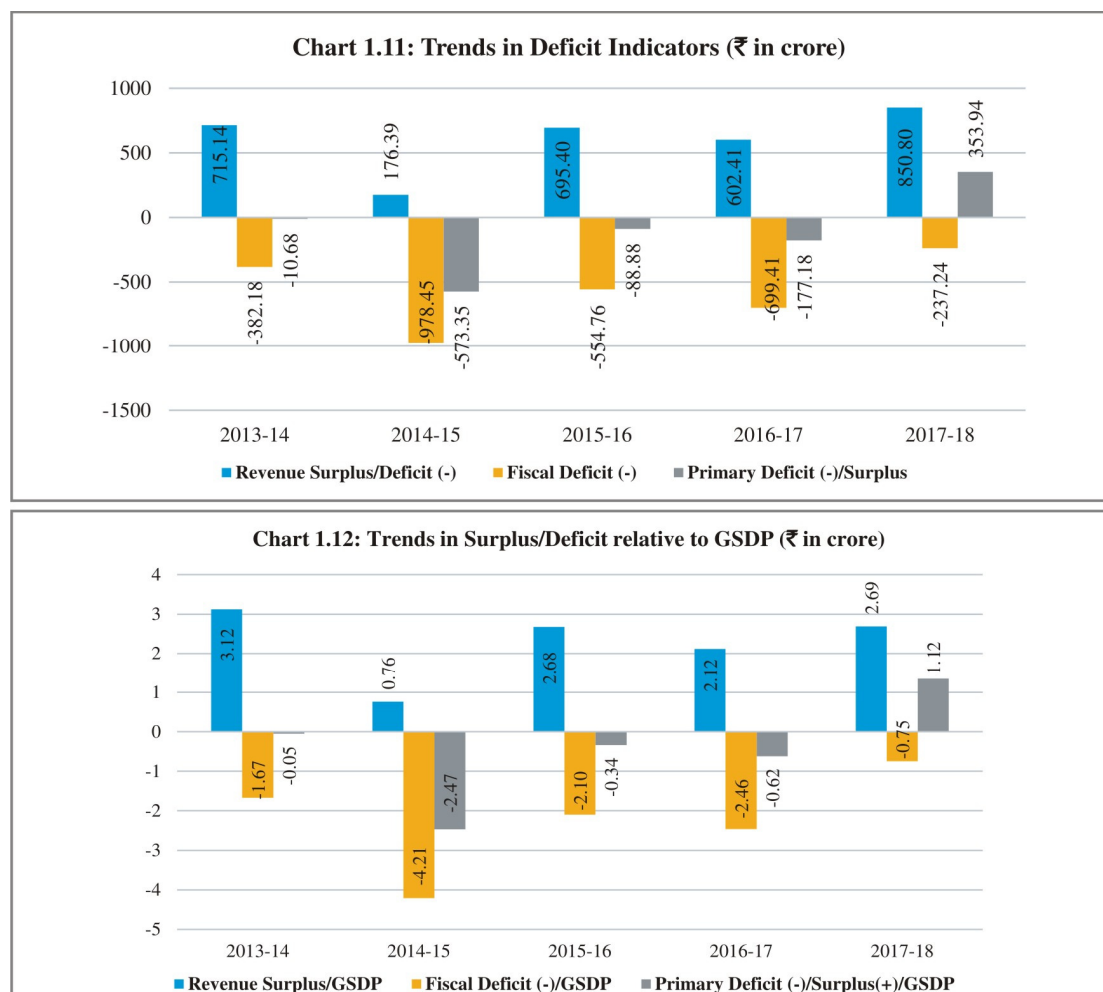
Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government accounts represent the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits *vis-à-vis* targets set under FRBM Act/Rules for the financial year 2017-18.

<sup>35</sup> Small Savings, Provident Funds, Reserve Funds, Deposits, etc.



### 1.12.1 Trends in Deficits

Charts 1.11 and 1.12 present the trends in deficit indicators over the period 2013-18.



**Chart 1.11** reveals that the State was able to attain a revenue surplus of ₹ 850.80 crore during 2017-18, which was 41.23 *per cent* (₹ 248.39 crore) more than the revenue surplus of previous year (₹ 602.41 crore). The rise in revenue surplus by ₹ 248.39 crore during 2017-18 from previous year was the effect of increase of revenue receipts (₹ 334.53 crore) as well as corresponding increase in revenue expenditure (₹ 86.14 crore). The State Government was successful in fulfilling the commitment made in the MFRBM Act, (as amended) to maintain revenue surplus during 2017-18, as recommended by the 14<sup>th</sup> FC.

The fiscal deficit, which represents the total borrowings of the Government and total net debt available to the State significantly decreased from ₹ 699.41 crore in 2016-17 to ₹ 237.24 crore in 2017-18. This was mainly due to the fact that the increase in revenue expenditure was less compared to increase in revenue receipts and non-debt capital receipts during the current year relative to the previous year. During the current year, the revenue receipts and non-debt capital receipts increased by 3.72 *per cent* against increase of 26.84 *per cent* during the previous year, while the increase in revenue expenditure was 1.03 *per cent* against increase of 31.33 *per cent* during previous year.

As per the recommendations of the 14<sup>th</sup> FC, fiscal deficit of all States should be anchored to an annual limit of 3.25 *per cent* of GSDP. GoM also agreed in the MFRBM Act (as amended) to reduce fiscal deficit to 3 *per cent* of GSDP or less during 2016-20 of the award period of the 14<sup>th</sup> FC. The fiscal deficit-GSDP ratio was at 0.75 *per cent* during 2017-18 and thus, GoM succeeded to restrict this ratio as per recommendation of the 14<sup>th</sup> FC (3.25 *per cent*) and its own commitment in the amended MFRBM Act.

The primary deficit of ₹ 177.18 crore of the State during 2016-17 took a turnaround in 2017-18 and resulted in primary surplus of ₹ 353.94 crore. A sharp decrease of ₹ 462.17 crore in fiscal deficit and the moderate increase in interest payment of ₹ 68.95 crore resulted in primary surplus of ₹ 353.94 crore during the current year.

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

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the **Table 1.37**.

**Table 1.37: Components of Fiscal Deficit and its Financing Pattern (₹ in crore)**

Sl. No.	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Decomposition of Fiscal Deficit (1 + 2 + 3)</b>						
<b>Fiscal Deficit</b>		<b>382.18</b>	<b>978.45</b>	<b>554.76</b>	<b>699.41</b>	<b>237.24<sup>36</sup></b>
1.	Revenue Surplus (+)/ Deficit (-)	715.14	176.39	695.40	602.41	850.80
2.	Net Capital Outlay	1075.47	1118.49	1110.89	1289.80	983.44
3.	Net Loans and Advances	21.85	36.35	139.27	12.02	4.60
<b>Financing Pattern of Fiscal Deficit<sup>(a)</sup></b>						
1.	Market Borrowing	286.55	442.92	459.69	718.33	919.81
2.	Loans from GoI	- 19.26	-15.05	- 17.61	- 15.64	- 13.67
3.	Special Securities issued to NSSF	69.02	84.12	59.76	- 42.38	45.38
4.	Loans from Financial Institutions	- 2.51	12.31	- 2.25	135.71	34.76
5.	Small Savings, PF, etc.	127.17	133.28	131.74	141.17	157.71
6.	Reserve Funds	18.08	- 13.70	6.74	2.07	- 23.89
7.	Deposits and Advances	825.60	- 161.66	- 234.85	889.56	- 527.76
8.	Suspense and Miscellaneous	- 76.71	82.28	- 55.40	13.09	8.57
9.	Remittances	3.15	- 8.34	- 2.70	1.26	4.09
10.	Increase (+) / Decrease (-) in Cash Balances	848.91	- 422.29	- 209.64	- 1143.76	- 467.76
11.	Appropriation to Contingency Fund	-	-	-	-	100.00
<b>Fiscal Deficit</b>		<b>382.18</b>	<b>978.45</b>	<b>554.76</b>	<b>699.41</b>	<b>237.24</b>
<b>Fiscal Deficit (percentage to GSDP)</b>		<b>1.67</b>	<b>4.21</b>	<b>2.14</b>	<b>2.46</b>	<b>0.75</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 2017-18, which peaked at ₹ 978.45 crore during 2014-15. A redeeming feature of the fiscal deficit is that the

<sup>36</sup> Inclusive of ₹ 100.00 crore transferred to Contingency Fund during the year.

State Government borrows fund from market *etc.* to finance Capital Expenditure. The fiscal deficit increased to ₹ 978.45 crore during 2014-15. However, it significantly decreased to ₹ 237.24 crore during 2017-18.

During 2017-18, fiscal deficit of ₹ 237.24 crore was financed from net market borrowings (₹ 919.81 crore), which was sufficient to finance the fiscal deficit alone. In spite of revenue surplus of ₹ 850.80 crore during the year, there was a decrease in capital expenditure, which is bad for State Finances. The increase of 28.05 *per cent* (₹ 201.48 crore) in market borrowings during current year over previous year for financing the deficit increased the interest burden for the year 2017-18.

It is evident from the above that Government raised excess market loans than was required for financing its deficit. During 2017-18, fiscal deficit was over financed through market borrowing and other heads of public account leading to an increase in cash balances from ₹ 1339.69 crore in 2016-17 to ₹ 1716.68 crore in 2017-18.

### 1.12.3 Quality of Deficit/Surplus

The ratio of revenue deficit to fiscal deficit and the decomposition of primary deficit into primary revenue deficit and capital outlay as well as loans and advances would indicate the quality of deficit in the States' finances. The ratio of revenue deficit to fiscal deficit indicated the extent to which borrowed funds were used for current consumption. Further, persistently high ratio of revenue deficit to fiscal deficit also indicated 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 1.38**) 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 1.38: Primary Deficit/Surplus – Bifurcation of Factors** (₹ in crore)

Year	Non-debt Receipt	Primary Revenue Expenditure	Capital Outlay	Loans and Advances	Primary Expenditure <sup>37</sup>	Primary Revenue Surplus	Primary Deficit (-)/ Surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2 -6)
2013-14	6287.21	5180.09	1075.47	42.33	6297.89	1107.12	- 10.68
2014-15	6448.01	5846.76	1118.49	56.11	7021.36	601.25	- 573.35
2015-16	7062.21	5881.85	1110.89	158.35	7151.09	1180.36	- 88.88
2016-17	8957.76	7814.31	1289.80	30.83	9134.94	1143.45	-177.18
2017-18	9290.93	7931.50 <sup>38</sup>	983.44	22.05	8836.99	1359.43	353.94

The bifurcation of the factors resulting into primary deficit or surplus of the State during 2013-18 revealed that-

<sup>37</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.

<sup>38</sup> Inclusive of ₹ 100.00 crore transferred to Contingency Fund during the year.

- Non-debt receipts increased by 47.78 *per cent* from ₹ 6287.21 crore in 2013-14 to ₹ 9290.93 crore in 2017-18.
- During the period from 2013-14 to 2017-18, total primary expenditure increased by 40.32 *per cent* from ₹ 6297.89 crore to ₹ 8836.99 crore.
- The primary revenue surplus increased by 31.82 *per cent* from ₹ 1107.12 crore in 2013-14 to ₹ 1359.43 crore in 2017-18.
- In all the four years (2013-17), the State experienced primary deficit. During 2013-17, the non-debt receipts of the State were sufficient to meet the primary revenue expenditure<sup>39</sup> and loans and advances, but was not adequate for expenditure on capital outlay.
- During the current year, there was primary surplus of ₹ 353.94 crore which indicated that the non-debt receipts of the State were not only sufficient to meet the primary revenue expenditure as well as capital expenditure and loans and advances, but also left some amount for other purposes. The primary surplus during 2017-18 was because of decline in capital expenditure by ₹ 306.36 crore and loans and advances by ₹ 8.78 crore as compared to the previous year.

### 1.13 Significant Findings

The fiscal position of the State viewed in terms of key fiscal parameters – revenue surplus, fiscal deficit, primary deficit. During 2017-18, though the State continued to maintain the status of revenue surplus, this surplus increased to ₹ 850.80 crore against ₹ 602.41 crore during 2016-17. The revenue surplus was utilised to partially finance the capital expenditure of ₹ 983.44 crore during the year. The fiscal deficit of the State had decreased significantly during 2017-18 compared to previous year. Primary deficit turned into primary surplus during the current year.

#### **Revenue Receipts**

Revenue receipts during 2017-18 increased by 3.74 *per cent* (₹ 334.53 crore) over previous year. The tax revenue receipts fell short of normative assessment made by 14<sup>th</sup> FC by 27.42 *per cent* and the non-tax revenue was 52.45 *per cent* lower than the target of 14<sup>th</sup> FC. State's own resources (tax and non-tax revenue) during 2017-18 (₹ 1816.73 crore) were 2.91 *per cent* less than those of previous year (₹ 1871.25 crore) and constituted only 20.56 *per cent* of the revenue receipts of the year. The Central transfers comprising State's share of central taxes and Grants-in-aid from Government of India increased by ₹ 389.05 crore in 2017-18 compared to previous years and contributed 80.41 *per cent* of the revenue receipts during the year, indicating central transfers being the key in revenue receipts of the State.

<sup>39</sup> Primary revenue expenditure represents revenue expenditure less interest payments.

### ***Revenue and Total Expenditure***

Compared to the previous year, the revenue expenditure during 2017-18 increased by 0.97 *per cent*. The expenditure pattern of the State revealed that though the revenue expenditure as a percentage of total expenditure increased from 86.32 *per cent* in 2016-17 to 89.34 *per cent* in the current year, it hovered around 89 *per cent* during the period (2013-18) leaving inadequate resources for expansion of services and creation of assets. Further, expenditure on salaries and wages, pensions, interest payments and subsidies continued to consume a large share of revenue expenditure which was 48.25 *per cent* (₹ 4063.64 crore) during 2017-18. Capital outlay during 2017-18 (₹ 983.44 crore) decreased by ₹ 306.36 crore (23.75 *per cent*) less than the previous year. It decreased to 10.43 *per cent* of total expenditure during 2017-18 against 13.36 *per cent* during the preceding year and also fell short by 43.25 *per cent* (₹ 749.62 crore) of the projection (₹ 1733.06 crore) made by the State Government in its budget estimate for the year.

*In view of this, it is recommended that the State needs to give more priority to capital expenditure and ensure that it does not decrease over the years.*

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

The revenue surplus increased to ₹ 850.80 crore during 2017-18 compared to the revenue surplus of ₹ 602.41 crore during 2016-17. The fiscal deficit decreased from ₹ 699.41 crore in 2016-17 to ₹ 237.24 crore during the current year. The last year primary deficit of ₹ 177.18 crore took a turnaround resulting in primary surplus of ₹ 353.94 crore during the current year. The fiscal deficit-GSDP ratio stood at -0.75 *per cent* during 2017-18 within the ceiling of 3 *per cent* or less prescribed in the MFRBM Act, 2006 (as amended) and also the recommendation of the 14<sup>th</sup> FC to maintain this ratio at 3.25 *per cent* of GSDP. The prevalence of fiscal deficit during 2013-18 indicated continued reliance of the State on borrowed funds resulting in increasing fiscal liabilities or debt of the State over the period 2013-18. Fiscal liabilities or debt increased by 5.58 *per cent* during 2017-18 as compared to previous year. The fiscal liabilities or debt during 2017-18 stood at 29.98 *per cent* of the GSDP during the current year against 31.58 *per cent* during 2016-17 and fell short of the limit of total outstanding Debt-GSDP ratio projected in MTFP Statement (31.14 *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 2013-18. However, the State Government paid interest at an average rate of 6.22 *per cent* to 6.70 *per cent* on its borrowings during the period. Interest received as *per cent* to outstanding Loans and Advances given by the State Government was also inadequate, which ranged between 0.97 *per cent* and 1.36 *per cent* during 2013-18 and stood at 0.97 *per cent* during 2017-18.

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 revenue expenditure and to mobilise additional resources both through the tax and non-tax sources in the ensuing years.

Therefore, it is recommended that the State Government may review the working of the units which were incurring losses and take appropriate action to avoid further financial burden on the Government.

## **CHAPTER-II**

# **FINANCIAL MANAGEMENT AND BUDGETARY CONTROL**





## CHAPTER II

### Financial Management and Budgetary Control

#### 2.1 Introduction

Effective financial management ensures that policy decisions are implemented at the administrative level without wastage or diversion of funds and with reasonable assurance about successful implementation of policy at the ground level. This Chapter reviews the appropriations and allocative priorities of the State Government and comments on the transparency and effectiveness of its budgetary processes.

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 2017-18 against 60 Grants including 11 Appropriations is given in **Table 2.1**:

**Table 2.1: Summarised Position of Actual Expenditure vis-à-vis Original/ Supplementary provision** (₹ in crore)

Nature of expenditure	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Total	Actual expenditure	Saving	Amount Surrendered	Amount Surrendered on 31 March 2018	Percentage of Savings surrendered on 31 March 2018 to total amount of Savings
<b>Voted</b>								
I. Revenue	9994.66	514.12	10508.78	7763.05	2745.73	1473.79	1473.79	53.68
II. Capital	1726.56	46.67	1773.23	983.44	789.79	386.62	386.62	46.50
III. Loans and Advances	63.63	Nil	63.63	22.05	41.58			
<b>Total Voted</b>	<b>11784.85</b>	<b>560.79</b>	<b>12345.64</b>	<b>8768.54</b>	<b>3577.10</b>	<b>1860.41</b>	<b>1860.41</b>	<b>52.01</b>
<b>Charged</b>								
IV. Revenue	652.98	12.71	665.69	660.21	5.48	4.91	4.91	89.60
V. Capital	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
VI. Public Debt-Repayment	510.40	Nil	510.40	329.62	180.78	180.78	180.78	100
<b>Total Charged</b>	<b>1163.38</b>	<b>12.71</b>	<b>1176.09</b>	<b>989.83</b>	<b>186.26</b>	<b>185.69</b>	<b>185.69</b>	<b>99.69</b>
Appropriation to Contingency Fund (if any)	100	Nil	100	100	Nil	Nil	Nil	Nil
<b>Grand Total</b>	<b>13048.23</b>	<b>573.50</b>	<b>13621.73</b>	<b>9858.37</b>	<b>3763.36</b>	<b>2046.10</b>	<b>2046.10</b>	<b>54.37</b>

The overall saving of ₹ 3763.36 crore was the result of saving of ₹ 3797.26 crore in 53 Grants and seven Appropriations under Revenue Section, 23 Grants and two Appropriations under Capital Section. This was offset by excess of ₹ 33.90 crore in two Grants under Revenue Section and one Grant and one Appropriation under Capital Section. Out of the total savings of ₹ 3763.36 crore, ₹ 2046.10 crore (54.37 per cent) was surrendered during the year and the balance savings of ₹ 1717.26 crore (45.63 per cent) remained un-surrendered which indicated lack of or inadequate budgetary control.

The savings/excess were intimated (August 2018) 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 2018) by the departments concerned is given in **Appendix 2.1**.

During the exit conference, the Addl. Chief Secretary stated that the details for this discrepancy would have to come from the line departments. She further added that this was mainly due to Centrally Sponsored Schemes (CSS) since though the amount had been budgeted, but funds were not released for reasons such as non-furnishing of UCs.

## 2.3 Financial Accountability and Budget Management

### 2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit revealed that in 43 cases of total savings of ₹ 3049.75 crore, the savings exceeded ₹ 1 crore in each case and also by more than 20 per cent of total provision (**Appendix 2.2**). In 13 cases, relating to ten Grants and one Appropriation, the savings exceeded ₹ 50 crore and above and resulted in total savings of ₹ 2647.04 crore (86.80 per cent).

Reasons for excessive savings in the above cases had not been furnished (January 2019).

### 2.3.2 Persistent Savings

In three cases, during the last five years, there were persistent savings (**Table 2.2**).

**Table 2.2: List of Grants indicating Persistent Savings during 2013-18 (₹ in crore)**

Sl. No.	Number and Name of the grant	Amount of savings				
		2013-14	2014-15	2015-16	2016-17	2017-18
Revenue-Voted						
1.	11- Other Taxes and Duties on Commodities and Services, <i>etc.</i>	45.73 (23)	77.67 (32)	65.34 (48)	82.37 (39)	79.07 (40)
2.	43 – Housing, Crop Husbandry, Agricultural Research and Education <i>etc.</i>	233.36 (52)	234.43 (48)	135.99 (34)	204.68 (49)	212.16 (47)
Capital-Voted						
3.	19 – Secretariat General Services, Public Works, <i>etc.</i>	79.23 (42)	95.11 (57)	39.66 (27)	70.43 (46)	100.81 (71)

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

(i) In the case of other taxes and duties on commodities and services, etc. the savings ranges from ₹ 45.73 crore to ₹ 79.07 crores.

(ii) In Housing, Crop Husbandry, Agricultural Research and Education etc., the savings ranged between ₹ 135.99 crore and ₹ 234.43 crore.

(iii) In Secretariat General Services, Public Works, etc. the savings ranged from ₹ 39.66 crore to ₹ 100.81 crore.

### 2.3.3 Expenditure without Budget Provision

As per the Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds in Budget. The cases of excess expenditure over Budget provision is a very serious matter as it is a violation of the will of the Legislature. In all such cases, the responsibility needs to be fixed. It was, however, noticed that expenditure of ₹ 11.07 crore was incurred in five cases without any budget provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect. Details are given in **Table 2.3**.

**Table 2.3: Expenditure incurred without provision during 2017-18 (₹ in crore)**

Sl. No.	Grant/Appropriation Number – Major Head of Accounts - Sub-Head - Detailed Head	Expenditure without provision
1.	16 – 2055 – 102 – (01) Re-imbursement to State for Civil Defence – General	2.14
2.	19 – 2059 – 80 – 052 – (03) R/C of T&P <i>etc.</i> – Sixth Schedule (Part II) Areas	6.12
3.	19 – 2059 – 80 – 052 – (04) Deduct-Transfer of T&P Charges on Percentage Basis to Major Heads – Sixth Schedule (Part II) Areas	2.44
4.	21 – 2202 -110 – (06) Assistance for Buildings, Hostels and Staff Quarters - Sixth Schedule (Part II) Areas	0.36
5.	43 – 2711 – 80- 005 – (01) Survey and Investigation Sixth Schedule (Part II) Areas	0.01
<b>Total</b>		<b>11.07</b>

Government may consider fixing responsibility of officials responsible for incurring expenditure without budget provisions. During the exit conference, the Additional Chief Secretary stated that the matter would be looked into.

#### **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> of March. Further, as per Rule 211 of Meghalaya Treasury Rules, 1986, no money shall be drawn from the Treasury unless it is required for immediate disbursement. Contrary to the prescribed procedure, ₹ 579.18 crore was transferred in March 2018 into the major head of Account ‘8443 – Civil Deposits’ primarily to exhaust the unspent budgetary provision. Details of all such transfers (over ₹ five crore in each case) in respect of the 20 cases involving ₹ 579.18 crore are mentioned in **Appendix 2.3.**

While there is no Rule to prevent transfers to Civil Deposits, it was violative of the spirit of Rule 211 of Meghalaya Treasury Rules, 1986. The funds were transferred to Civil Deposits primarily to avoid lapse of budgetary provision.

During the exit conference, the Additional Chief Secretary (ACS) pointed out that the amount transferred had actually come down compared to the previous year. ACS further stated that the Department will make an effort to reduce the amount though it entails difficulty since some funds are released at the fag end of the year.

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

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a grant/appropriation regularised by the State Legislature. Although no time limit for regularisation of excess expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the discussion over the Appropriation Accounts by the Public Accounts Committee (PAC). As indicated in the Report of the Comptroller and Auditor General of India for

the previous years, excess expenditure of ₹ 2142.93 crore for the years from 1971-72 to 2016-17 had not been regularised, details of which are given in **Appendix 2.4**. This is contrary to legislative intent and defeats the objective of ensuring accountability of the executive over utilisation of public money. Excess expenditure remaining unregularised for such extended period needs to be viewed seriously as this dilutes the parliamentary control over the exchequer and therefore all the existing cases of excess expenditure need to be got regularised at the earliest and strict departmental action is taken against the controlling officer who exceed the budget.

During the exit conference, Audit pointed out that the Public Accounts Committee (PAC) had recommended regularisation of excess expenditure amounting to ₹ 697.38 crore during 2011-12 but no follow up action had been taken by Finance Department till date. The Additional Chief Secretary accordingly directed the Finance Department officials to take necessary action.

### 2.3.6 Excess expenditure over budget provision during 2017-18 requiring regularisation

**Table 2.4** contains the summary of excess expenditure over budget provision. Two Grants under Revenue Section and one Grant and one Appropriation under Capital Section are amounting to ₹ 33.90 crore over authorisation. They required regularisation under Article 205 of the Constitution. The cases of excess expenditure over Grants/provisions is a very serious matter as it is a violation of the will of the Legislature. In all such cases, the responsibility needs to be fixed.

**Table 2.4: Expenditure over provision during 2017-18 requiring regularisation**

(₹ in crore)

Sl. No.	Number and title of Grant/Appropriation	Total Grant/Appropriation	Expenditure	Excess (+) (per cent to Total Grant/Appropriation)
<b>Revenue – Voted</b>				
1.	24 – Pensions and Other Retirement Benefits	730.24	750.90	20.66 (2.83)
2.	56 – Roads and Bridges, etc.	162.21	173.07	10.86 (6.70)
<b>Capital - Voted</b>				
1.	47 – Housing, Animal Husbandry, Agricultural Research and Education, etc.	0.17	0.22	0.05 (29.41)
<b>Capital – Charged</b>				
1.	Appropriation – Interest Payment	588.85	591.18	2.33 (0.40)
<b>Total</b>		<b>1481.47</b>	<b>1515.37</b>	<b>33.90</b>

In one of the above cases, viz. Grant No.24 - Pension & other retirement benefits, excess expenditure by more than ₹ 20 crore of the budget provision has been observed consistently for the last five years (**Table 2.5**).

**Table 2.5: Persistent excess expenditure during 2013-18** (₹ in crore)

Number and name of the Grant	Amount of Excess Expenditure				
	2013-14	2014-15	2015-16	2016-17	2017-18
24- Pension and other Retirement benefits (Revenue - Voted)	53.89	114.63	142.92	154.37	20.66

However, the amount of excess expenditure decreased in the current year compared to the previous four years.

*Government may consider fixing responsibility of officials responsible for incurring expenditure in excess of the Grants/provisions.*

During the exit conference, the Additional Chief Secretary stated that a meeting would be held with the departments concerned and the excess amounts would be regularised.

### 2.3.7 Excessive/inadequate supplementary provision

Supplementary provision aggregating ₹ 146.89 crore obtained in 22 cases (₹ 10 lakh or more in each case) during the year proved unnecessary as the expenditure did not reach to the level of original provision as detailed in **Appendix 2.5**. In one case, supplementary provision of ₹ 14.55 crore proved insufficient leaving an aggregate uncovered excess expenditure of ₹ 10.86 crore (**Table 2.6**).

**Table 2.6: Insufficient Supplementary Provision** (₹ in crore)

Number and Name of Grant	Original Provision	Supplementary provision	Total	Expenditure	Excess Expenditure
56 - Roads and Bridges, Capital Outlay on Roads and Bridges, etc. Revenue - Voted	147.66	14.55	162.21	173.07	10.86

In three cases, no supplementary provision was obtained resulting in an excess expenditure of ₹ 23.04 crore as given in **Table 2.7**.

**Table 2.7: Excess expenditure but no Supplementary Provisions were obtained** (₹ in crore)

Number and Name of Grant	Original Provision	Expenditure	Excess Expenditure
12 – Appropriation – Interest Payments Capital - Charged	588.85	591.18	2.33
24 – Pension and Other Retirement Benefits Revenue – Voted	730.24	750.90	20.66
47 – Housing, Animal Husbandry, Agricultural Research and Education, Capital Outlay on Animal Husbandry Capital - Voted	0.17	0.22	0.05
<b>Total</b>	<b>1319.26</b>	<b>1342.30</b>	<b>23.04</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 231 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 2.6**.

### **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 2017-18 under various head of accounts were not explained in detail. Reasons given for additional provision/withdrawal of provision in re-appropriation orders were of general nature like “less requirement of funds”, “less expenditure than anticipated”, “non-receipt of sanction”, “non-approval of Scheme”, “discontinuation of Scheme”, “less claim”, “revised budget outlay” and “reduction of provision” *etc.*

### **2.3.10 Substantial surrenders**

Substantial surrenders (the cases where more than 50 *per cent* of total provision was surrendered) were made in respect of 118 sub-heads on various grounds like non-receipt of sanction, less expenditure, non-release of funds, *etc.* Out of the total provision of ₹ 1703.68 crore in 118 sub-heads, ₹ 1548.63 crore were surrendered. In 68 schemes/projects/works there was 100 *per cent* surrender. The details of such cases involving substantial surrenders are given in **Appendix 2.7**.

### **2.3.11 Surrender in excess of actual saving**

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

In 14 cases, the amount surrendered was in excess of actual savings indicating lack of or inadequate budgetary control in those departments. As against savings of ₹ 560.10 crore, the amount surrendered was ₹ 567.01 crore resulting in excess surrender of ₹ 6.91 crore (**Appendix 2.8**). The surrender in excess of actual savings indicated that the Departments did not exercise adequate budgetary controls by watching flow of expenditure through monthly expenditure statements. The cases of surrender in excess of actual savings, however, should be avoided by prudent budgeting. Seven significant cases of surrender in excess of actual savings are shown in **Table 2.8**.



**Table 2.8: Cases of surrender in excess of savings** (₹ in lakh)

Sl No.	Number and Name of Grant/Appropriation	Total Grant	Saving	Amount surrendered	Amount surrendered in excess of savings
1.	2 – President/Vice-President/Governor/Administrator of Union Territories Revenue – Charged	1033.00	261.23	296.10	34.87
2.	4 – Administration of Justice Revenue – Charged	1312.30	281.23	350.88	69.65
3.	9 – Taxes on Sales, Trade <i>etc.</i> , Other Taxes and Duties on Commodities and Services Revenue – Voted	2665.49	349.93	421.15	71.22
4.	14 – District Administration Revenue – Voted	4374.00	326.22	453.69	127.47
5.	22 – Other Administrative Services, Housing Revenue – Voted	3783.93	804.78	939.76	134.98
6.	28 – Housing, Capital Outlay on Housing, Loans for Housing Capital – Voted	450.00	311.79	439.83	128.04
7.	39 – Co-operation, Other Agricultural Programmes, Capital Outlay on Co-operation, <i>etc.</i> Revenue – Voted	2386.00	272.06	333.37	61.31

The surrender in excess of actual savings resulted in excess expenditure in various heads of accounts under 14 grants/appropriations which indicated lack of financial prudence in the management of budget in the concerned departments.

### 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> of March. Scrutiny of the appropriation accounts however revealed the following:

- In 13 Grants, it was seen that savings occurred but the entire savings were not surrendered by the concerned departments. The amount involved in those cases was ₹ 921.43 crore (24.48 *per cent* of the overall savings of ₹ 3763.36 crore for the year 2017-18) (**Appendix 2.9**).
- In 27 Grants (which had savings of ₹ 1 crore and above), it was seen that out of savings of ₹ 2455.22 crore, only an amount of ₹ 702.99 crore was surrendered while the remaining ₹ 1752.23 crore (71.37 *per cent*) were not surrendered (**Appendix 2.10**).
- In 53 cases, (surrender of funds in excess of ₹ 1 crore), an amount of ₹ 2042.18 crore was surrendered on the last working day of March 2018 (**Appendix 2.11**).

This indicated inadequate financial control and also resulted in idling of these funds since they 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 2017-18, in eight major heads, the expenditure during the fourth quarter ranged between 30.77 *per cent* and 48.93 *per cent* compared to the total expenditure incurred during the year. It was further seen that the expenditure in the month of March 2018 in these eight major heads ranged between 15.91 *per cent* and 44.97 *per cent* as indicated in **Table 2.9** below:

**Table 2.9: Cases of Rush of Expenditure towards the end of the financial year 2017-18** (₹ in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during last quarter of the year		Expenditure during March 2018	
			Amount	Percentage of total expenditure	Amount	Percentage of total expenditure
1.	2055	649.03	205.76	31.70	103.24	15.91
2.	2202	1663.08	511.71	30.77	334.38	20.11
3.	2210	623.46	234.06	37.54	187.77	30.12
4.	2215	212.33	71.92	33.87	46.27	21.79
5.	2235	120.75	59.08	48.93	54.30	44.97
6.	2401	157.09	59.35	37.78	53.44	34.02
7.	2403	103.88	39.48	38.01	16.62	16.00
8.	2406	141.39	64.02	45.28	44.75	31.65

Thus, the uniform flow of expenditure during the year, which is a primary requirement of budgetary control, was not maintained, indicating deficient financial management.

## 2.4 Reconciliation of departmental figures

### 2.4.1 Detailed Countersigned Contingent Bills against Abstract Contingency Bills

According to the Meghalaya Treasury Rules, 1985, the Controlling Officers are required 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 2017-18 (Volume I), against an amount of AC bills of ₹ 35.60 crore, no DCC Bills were received. It resulted in 10 AC bills involving ₹ 35.60<sup>1</sup> crore pertaining to the Election and Secretariat Administration Departments remaining outstanding as of March 2018.

Non-adjustment of advances within prescribed time, breaches financial discipline and entails risk of misappropriation of public money. It amounts to unhealthy practices and therefore, requires close monitoring by the DDOs for ensuring timely adjustment.

<sup>1</sup> Nine AC Bills amounting to ₹ 35.60 crore pertained to Election Department while one AC Bill amounting to ₹ 5000/- pertained to Secretariat Administration Department.

Government may consider fixing responsibility on officials for failing to settle the outstanding AC bills within the stipulated period of one month. During the exit conference, the Additional Chief Secretary assured that the matter would be taken up with the Election Department.

#### **2.4.2 Un-reconciled Expenditure**

Budget Manual stipulates that expenditure recorded in their books should be reconciled by them every month during the financial year with that recorded in the books of the Accountant General (Accounts & Entitlement). This is in order 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. During 2017-18, 19 out of 60 COs did not reconcile expenditure amounting to ₹ 788.81 crore (8 *per cent* of total gross expenditure of ₹ 9858.37 crore) as of March 2018 (**Appendix 2.12**). This is despite the fact that non-reconciliation of departmental figures is being pointed out regularly in Audit Reports. Out of the unreconciled expenditure of ₹ 788.81 crore, ₹ 332.98 crore was in respect of Director of Technical Education followed by ₹ 39.73 crore related to the Secretaries of Planning, Secretariat Administration Department, Finance and Public Works Department and ₹ 14.34 crore was in respect of Commissioner of Transport, Secretary Home (Police), Secretary General Administration Department, *etc.*

During the exit conference, it was decided that details of the website of the Principal Accountant General (Accounts & Entitlement) should be circulated to all the COs so that can easily check the status to see whether reconciliation work was completed or not.

#### **2.5 In-operative Personal Deposit Accounts**

Personal Deposit (PD) Accounts are created for discharging the liabilities of the Government arising out of special enactment. As per Rule 392 of the Meghalaya Treasury Rules, 1985, if PD accounts are created by transferring funds from the Consolidated Fund for discharging liabilities of the Government arising out of the special enactment, such accounts should be closed at the end of the financial year and the unspent balance should be transferred to the Consolidated Fund. The amount credited to these accounts will be debited to the Consolidated Fund of the State and booked as expenditure of the year. Further, if a PD Account is not operated for a considerable period and there is reason to believe that the need for deposit account has ceased, the same should be closed in consultation with the officer in whose favour the deposit account had been opened.

As on 01 April 2017, there were seven PD accounts with an opening balance of ₹ 6.43 crore while the closing balance of these seven PDs as on 31 March 2018 was ₹ 18.81 crore. Out of these seven PD accounts, two PD accounts remained inoperative for periods ranging from 10 years to 14 years and were not closed in compliance with the rule. The amount lying in the two inoperative accounts was ₹ 0.02 crore.

The State Government should take necessary steps to close the inoperative PD accounts. During the exit conference, the Finance Department stated that there was a problem in tracing the records pertaining to these PD accounts but assured that the matter would be looked into.

## 2.6 Outcome of Analysis of Budgetary Assumptions

### 2.6.1 Unrealistic Budget Estimates

Details of the original, revised budget estimates and the actual revenue receipts and revenue expenditure during 2015-16 to 2017-18 are given in **Table 2.10** below:

**Table 2.10: Revised Budget estimates and actuals in respect of receipts and expenditures for the years 2015-16, 2016-17 and 2017-18 (₹ in crore)**

Particulars	Original Estimates	Revised Estimates	Actuals	Shortfall in actual as compared to the Revised Estimates	
				Shortfall (-)	Percentage
2015-16					
Receipt	8403.02	8403.02	7043.13	1359.89	16.18
Expenditure	7621.48	7621.48	6347.73	1273.75	16.71
2016-17					
Receipt	8980.85	8980.85	8938.95	41.90	0.47
Expenditure	8593.95	8593.95	8336.54	257.41	3.00
2017-18					
Receipt	11279.80	11263.73	9273.48	1990.25	17.67
Expenditure	10645.21	10645.21	8422.68	2222.53	20.88

Source: Budget at a Glance.

As could be noticed from **Table 2.10**, during 2015-16 to 2017-18, the shortfall in actual receipt with reference to the Revised Estimate had decreased from 16.18 per cent in 2015-16 to 0.47 per cent in 2016-17 and increased to 17.67 per cent in 2017-18. While the shortfall in actual expenditure with reference to the Revised Estimate had decreased from 16.71 per cent in 2015-16 to 3 per cent in 2016-17 and increased to 20.88 per cent in 2017-18.

Thus, huge variations between the estimated provision and actual receipts and actual expenditure during the said period indicated that the State Government's budgeting process lacked rigour leading to preparation of unrealistic Revised Estimate.

### 2.6.2 Unrealistic forecasting of resources

Details of tax revenue and non-tax revenue for the last two years are given in **Table 2.11** below:

**Table 2.11: Tax Revenue, Non-Tax Revenue during 2016-17 and 2017-18 (₹ in crore)**

	2016-17		2017-18	
	Tax Revenue	Non-Tax Revenue	Tax Revenue	Non-Tax Revenue
Original Budget	1268.55	466.16	1558.98	512.77
Revised Estimate	1268.55	466.16	1558.98	512.77
Actual Receipts	1186.01	685.24	1450.10	366.63
<b>Shortage (-)/Excess (+)</b>	<b>(-)82.54</b>	<b>(+)219.08</b>	<b>(-)108.88</b>	<b>(-)146.14</b>

Source: Budget at a Glance.

During 2017-18, the actual tax revenue receipts was lower than the budget estimate by 6.98 *per cent* (₹ 108.88 crore) and Non-Tax Revenue was much lower than the budget estimate by 28.50 *per cent* (₹ 146.14 crore). Hence the budget estimate for tax and non-tax revenue were unrealistic.

### 2.6.3 Projection of Capital Outlay, Disbursement of Loans & Advances

The projections of Capital Outlay, Disbursement of Loans & Advances are detailed in Table 2.12.

**Table 2.12: Capital Outlay, Disbursement of Loans & Advances**

(₹ in crore)

	Particulars	Budget Estimates	Revised Estimates	Actual Expenditure	Difference (percentage)
2016-17	Capital Outlay	1360.53	1360.53	1289.80	(-)70.73 (5.20)
	Disbursement of Loans & Advances	48.72	48.72	30.83	(-)17.89 (36.37)
2017-18	Capital Outlay	1733.06	1733.06	983.44	(-)749.62 (43.25)
	Disbursement of Loans & Advances	59.13	59.13	22.05	(-)37.08 (62.71)

During 2017-18, Actual Capital Outlay was less than Budget estimate/revised estimate by ₹ 749.62 crore, which fell short by 43.25 *per cent*, Loans & Advances were also disbursed less by 62.71 *per cent* (₹ 37.08 crore).

## 2.7 Review of Budgetary Process

### 2.7.1 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.

### 2.7.2 Budget and Accounts

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

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

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

### **2.7.3 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 2017-18. The audit findings are given in the succeeding paragraphs.

### **2.7.4 Budget Process**

As contemplated in Paragraphs 1 and 78 of Budget Manual<sup>2</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 (19 December 2016) fixed by the Finance (Budget) Department. Further, it was noticed that out of 65 Controlling Officers (COs), 23 COs had submitted on time and 42 COs submitted after due date. Instances of such delays are given in **Table 2.13**.

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<sup>2</sup> Budget Manual of the Government of Assam (Volume I) as adopted by the Government of Meghalaya.

**Table 2.13: 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.	Council of Ministers	03 (2013)	24.01.2017	One month
2.	Excise	08 (2039)	24.01.2017	One month
3.	Sales Tax	09 (2040)	12.03.2017	Two months
4.	Transport	10 (2041, 2070)	28.02.2017	Two month
6.	Police	16 (2055, 2070)	01.02.2017	Two month
7.	Finance Pension Cell	24 (2071)	21.02.2017	Two months
8.	Information and Public Relations	30 (2220)	21.02.2017	Two months
9.	Border Areas Development	46 (2501)	12.03.2017	Three months
10.	C&RD	51 ( 2216, 2501, 2505, 2515, 4515)	31.01.2017	One month

As can be seen from the above table, there was 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. During the exit conference, the Additional Chief Secretary directed the Finance Department officials to ensure that the same problem does not persist in the upcoming years.

#### **2.7.5 Actual receipts in Consolidated Fund vis-à-vis provision**

The position of Revenue and Capital receipts under Consolidated Fund during 2017-18 is presented in **Table 2.14** below:

**Table 2.14: Revenue and Capital Receipts (₹ in crore)**

Year	Revenue Account				Capital Account			
	Budget Provision	Actual Receipt	Shortfall in receipt	Percentage of shortfall	Budget Provision	Actual Receipt	Shortfall in receipt	Percentage of shortfall
2015-16	8403.02	7043.13	1359.89	16.18	1029.02	856.01	173.01	16.81
2016-17	8980.85	8938.96	41.90	0.47	1368.00	1229.24	138.76	10.14
2017-18	11263.73	9273.48	1990.25	17.67	1405.55	1242.59	162.96	11.59

Source: Annual Financial Statement & Finance Accounts.

It can be seen from the table above, the shortfall of revenue receipts ranged between 0.47 per cent and 17.67 per cent and as regards capital receipts, the shortfall ranged between 10.14 and 16.81 per cent. It is thus, necessary that a more reliable method of forecasting revenues needs to be adopted to achieve better planning of expenditure.

#### **2.7.6 Estimates of expenditure under Consolidated Fund**

The estimates of expenditure should be prepared for the charges that will be needed for actual expenditure during the year. It is of great importance that the expenditure estimates should be accurately framed. The Finance Department could not furnish to Audit the departmental estimates and revised estimates, if any, received from the various departments, though called for in September 2018. Thus, it could not be verified whether proposals of the departments were duly considered in framing the budget.

Budget provisions for expenditure (gross) and actuals there-against under revenue and capital accounts during 2015-16 to 2017-18 are shown in the **Table 2.15** below:

**Table 2.15: Budget provision for expenditure (Gross) and Actual expenditure (₹ 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
2015-16	8192.35	6352.17	1840.18	22.46	2437.01	1606.59	830.42	34.08
2016-17	9764.82	8337.82	1427.00	14.61	2481.48	1835.04	646.64	26.06
2017-18	11174.47	8423.26	2751.21	24.62	2447.26	1435.11	1012.15	41.36

*Appropriation Accounts: O: Original; S: Supplementary.*

In all the three years, there was overestimation of expenditure which resulted in savings ranging from 14.61 *per cent* to 24.62 *per cent* under Revenue Account and 26.06 *per cent* to 41.36 *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.

### 2.7.7 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 2017-18 under both receipts and expenditure heads of accounts are given below:

**Table 2.16: Variation between revised estimated and actuals (₹ in crore)**

Sl. No.	Number and name of head of accounts	Budget Estimates	Revised estimates	Actuals	Variation Excess(+)/ Shortfall (-) (per cent)
<b>RECEIPTS</b>					
1.	0029 - Land Revenue	5.60	5.60	2.08	- 3.52 (62.86)
2.	0037 - Custom	610.98	318.70	436.40	117.70 (36.93)
3.	0038 – Union Excise Duties	638.65	330.12	456.20	126.08 (38.19)
4.	0075 – Miscellaneous General Services	14.50	14.50	0.94	- 13.56 (93.52)
5.	0215 – Water Supply and Sanitation	18.90	18.90	5.13	-13.77 (72.86)
6.	0406 – Forestry & Wildlife	112.55	112.55	55.61	-56.94 (50.59)
7.	0853 – Non Ferrous Mining & Metallurgical Industries	264.87	264.87	207.88	- 56.99 (21.52)
<b>EXPENDITURE</b>					
1.	2203 – Technical Education	30.82	30.82	12.84	- 17.98 (58.34)
2.	2205 – Art and Culture	45.93	45.93	21.56	- 24.37 (53.06)
3.	2225 – Welfare of Scheduled Tribe and Other backward classes	1.51	1.51	81.67	80.16 (5308.61)
4.	2236 – Nutrition (Education)	157.33	157.33	179.68	22.35 (14.21)



Sl. No.	Number and name of head of accounts	Budget Estimates	Revised estimates	Actuals	Variation Excess(+)/ Shortfall (-) (per cent)
5.	2402 – Soil and Water Conservation	452.72	452.72	77.39	- 375.33 (82.91)
6.	2505– Rural Development	1293.93	1293.93	705.90	- 588.03 (45.45)
7.	2702 – Minor Irrigation	92.39	92.39	47.52	- 44.87 (48.57)
8.	2801 – Power	81.41	81.41	109.16	27.75 (34.09)
9.	3054 – Roads and Bridges	147.66	147.66	173.08	25.42 (17.22)
10.	3456 – Civil Supplies	122.56	122.56	51.72	- 70.84 (57.80)

Wide variations ranging from 21.52 per cent to 93.52 per cent under Receipt heads and 14.21 per cent to 5308.61 per cent under Expenditure heads between the budget provisions and actuals particularly with reference to revised estimates, indicated absence of proper care in estimating the revised estimates by the controlling officers concerned as envisaged in the Budget Manual and failure of the Finance (Budget) Department in exercising adequate checks over the preliminary revised estimates.

## 2.7.8 Errors in Budgetary Process

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

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

- Under Revenue (voted) the original grants and supplementary grants were ₹ 9994.66 crore and ₹ 514.12 crore respectively aggregating to ₹ 10508.78 crore, against which the actual expenditure was ₹ 7763.05 crore resulting in savings of ₹ 2745.73 crore. This was more than the supplementary provision (₹ 514.12 crore).
- Similarly, under Capital (voted) including Loans and Advances, the original and supplementary grants were ₹ 1890.19 crore and ₹ 46.67 crore respectively aggregating to ₹ 1936.86 crore against which the actual expenditure was ₹ 1105.49 crore, resulting in savings of ₹ 831.37 crore. This was more than the supplementary grants (₹ 46.67 crore).

In the above cases, the supplementary provision of ₹ 514.12 crore under Revenue (voted) and ₹ 46.67 crore under Capital (voted) obtained during the year, proved unnecessary as the actual expenditure did not come up to the level of original provisions as indicated in **Table 2.17**:



**Table 2.17: 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 (-)
1.	Revenue (voted)	9994.66	514.12	10508.78	7763.05	(-)2745.73
2.	Capital (voted)	1890.19	46.67	1936.86	1105.49	(-)831.37
<b>Total</b>		<b>11884.85</b>	<b>560.79</b>	<b>12445.64</b>	<b>8868.54</b>	<b>(-)3577.10</b>

**2.7.8.2** 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 reducing permanent liabilities. As per Finance Accounts for the year 2017-18 (Volume – I), the State Government, however, made budget provision and incorrectly classified ₹ 11.62 crore on major works under the Revenue section and ₹ 1.38 crore on minor work Capital section, as detailed below:

**Table 2.18: Incorrect depiction of Minor works under Capital Section and Major works under Revenue Section (₹ in crore)**

Sl. No.	Major Head	Sub Major Head	Minor Head	Sub Head	Amount
<b>I. Minor works booked under 'Capital heads'</b>					
1.	4216	80	800	(09) Rental Housing Scheme	1.38
				<b>Total</b>	<b>1.38</b>
<b>II. Major works booked under 'Revenue heads'</b>					
1.	2216	03	102	Provision of house site to the landless	5.00
2.	2220	60	001	(01) Directorate of information and Public Relation	0.70
				(02) District Sub-Divisional Information & Public Relations Offices	0.06
3.	2415	03	277	Education	3.36
4.	2515	01	800	(08) Construction of Rural Roads Programme	2.50
				<b>Total</b>	<b>11.62</b>

Due to such misclassification, the revenue surplus of the State Government for the year 2017-18 was understated by ₹ 10.24 crore. The misclassification, though reported (June 2018) by the Accountant General (A&E) to the State Government, remained un-rectified.

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

Budget provisions (revised), actual expenditure and shortfall (savings) under Plan and Non-Plan heads of both revenue and capital sections in respect of Social Services and Economic Services for the year 2015-18 are presented in **Table 2.19**.

**Table 2.19: Social Services and Economic Services** (₹ in crore)

Year	Budget Estimate (net)			Actual expenditure			Shortfall (-)/Excess (+) to Budget Estimates	
	(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								
2015-16	1183.21 (38.19)	1914.88 (61.81)	3098.09	1347.55 (113.89)	1337.30 (69.84)	2684.85	+64.34 (13.89)	- 577.58 (30.16)
2016-17	1372.65 (39.93)	2065.40 (60.07)	3438.05	1398.54 (101.89)	2159.93 (104.58)	3558.47	+25.89 (1.89)	+94.53 (4.58)
2017-18	4214.09		4214.09	3508.17		3508.14	-705.92 (16.75)	
Total			10750.23	Total		9751.46	-998.77 (9.29)	
Economic Services								
2015-16	735.30 (19.74)	2989.21 (80.26)	3724.51	721.80 (98.16)	1699.20 (56.84)	2421.00	-13.50 (1.84)	- 1290.00 (43.16)
2016-17	789.53 (21.61)	2864.01 (78.39)	3653.54	825.77 (104.59)	2678.94 (93.54)	3504.71	+36.24 (4.59)	-185.07 (6.46)
2017-18	5072.80		5072.80	3021.30		3021.30	- 2051.50 (40.44)	
Total			12450.85	Total		8947.01	-3503.84 (28.14)	

Source: Memorandum of Budget Estimates and Finance Accounts.

- Social services**

During 2015-18, the total budget provision under Social services was ₹ 10750.23 crore whereas the actual expenditure was ₹ 9751.46 crore. The percentage of shortfall during 2015-18 fell short of the budget provision by 9.29 *per cent*.

- Economic Services**

There was a decline in actual expenditure during 2017-18 as compared to the previous year. There was also an overall shortfall of 28.14 *per cent* in actual expenditure under Economic services during the year 2015-18 as compared to the Budget provision.

The above details indicated that the State was not able to utilise the budget provision made under Social and Economic Services.

## **2.7.10 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 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 action/measure to contain the trend of shortcomings like excess expenditure, persistent savings, *etc.*

## 2.8 Outcome of review of selected Grant

A review of budgetary procedure and control over expenditure was conducted (October 2018) in respect of 'Grant Number – 16 Police, Other Administrative Services, Housing and Capital Outlay on Police'.

The Director General of Police was the Controlling Officer (CO) for this Grant. Under this Grant, expenditure during the year 2017-18 was booked under the major head of account 2055-Police and 4055 - Capital outlay on Police, 2070- Other Administrative Services – 108- Fire Protection Control and 2216 Housing - 06 Police Housing. In this regard, significant cases of savings and excess expenditure over budget provisions noticed during the review are discussed below:

### 2.8.1 Excessive supplementary provision/non-surrender of savings

Against budget provision of ₹ 745.26 crore (including supplementary provision of ₹ 22.92 crore), under revenue head the actual expenditure incurred was ₹ 689.92 crore resulting in final savings of ₹ 55.34 crore (including Charged). In view of the final savings of ₹ 55.34 crore, the supplementary provision of ₹ 22.92 crore obtained during the year was in excess of requirement.

Under the capital head, expenditure of ₹ 12.51 crore was incurred during the year against the budget provision of ₹ 32.30 crore resulting in saving of ₹ 19.79 crore. The savings of ₹ 75.13 crore were not surrendered during the year contrary to the provisions in Paragraph 152 (iii) of the Budget Manual which provides for surrender of all anticipated savings to the Finance Department latest by 15 March so that the same could be utilised for other purpose.

### 2.8.2 Savings

As per the Detailed Appropriation Accounts for the year 2017-18, 100 *per cent* savings occurred under nine schemes in respect of major Head of Accounts 2055 – Police and 4055 – Capital Outlay on Police, as shown in the **Table 2.20**. The Controlling officers could not utilise any part of the Budget provision made in the Budget, indicating that the budget provisions were unrealistic.

**Table 2.20: Cases where no part of budget provisions was utilised (₹ in lakh)**

Sl. No.	Name of the Scheme	Original provision	Savings	Percentage
<b>2055 - Police</b>				
1.	0027(27) Procurement of Closed Circuit Televisions (CCTVs)	10.00	10.00	100
2.	115 - Modernisation of Police force – 0001(01) Expenditure on Modernisation pertaining to Police Training College	20.26	20.26	100
3.	0005(05) Expenditure on modernization of pertaining to Forensic Science Laboratory	39.82	39.82	100
<b>4055 – Capital outlay on Police</b>				
4.	207 - State Police – 0001(01) Construction of administrative building for the State Police/Police station and outpost (6 <sup>th</sup> Schedule)	159.32	159.32	100

Sl. No.	Name of the Scheme	Original provision	Savings	Percentage
5.	0002(02) Construction of administrative building for the State Police/Police station and outpost, under modernization of State Police Force (6 <sup>th</sup> Schedule)	40.68	40.68	100
6.	211 - Police Housing – 0001(01) Construction of Residential buildings for Police accommodation/Facilities (6 <sup>th</sup> Schedule)	100.00	100.00	100
7.	0003(03) Construction of Residential Buildings for Fire Emergency Services accommodation/Facilities - Sixth Schedule	150.00	150.00	100
8.	800 - Other Expenditure – 0004(02) Non Lapsable Central pool of Resources	500.00	500.00	100
9.	0006(03) Construction other than Buildings	150.00	150.00	100

As per Paragraph 152 (iii) of the Budget Manual (Volume I), the controlling officers should surrender to the Finance Department all savings anticipated in the Budget under their control as soon as the certainty of non-requirement of fund is known by the 15<sup>th</sup> of March at the latest for utilisation by the Finance Department for other purposes. However, in the above cases, none of the amounts had been surrendered.

### 2.8.3 Excess expenditure over budget provision

As per detailed Appropriation Accounts for the year 2017-18, under two schemes, expenditure of ₹ 42.28 crore exceeded the budget provision by ₹ 3.53 crore. The details are given in **Table 2.21** below:

**Table 2.21: Excess expenditure over budget provisions (₹ in crore)**

Major Head and Group Head	Final Grant or Appropriation	Actual expenditure	Excess
<b>2055- Police</b>			
104 –Special Police – 0013 (13) Raising of 6 <sup>th</sup> MLP Bn/4 <sup>th</sup> IRBN	38.20	41.72	3.52
109 –District Police - 0017(17) Cost of Police supplied to Nationalised Bank	0.55	0.56	0.01
<b>Total</b>	<b>38.75</b>	<b>42.28</b>	<b>3.53</b>

### 2.8.4 Expenditure without provision

In contravention of the Budget manual (Paragraph 95-Volume I) which prohibits any expenditure on a scheme/service without provision of funds, an expenditure of ₹ 2.14 crore was incurred under one scheme, without making any provision in the original/supplementary demand and without re-appropriation orders to this effect. The detail is given below:

**Table 2.22: Expenditure without any provision (₹ in crore)**

Major Head and Minor Head	Final Grant	Expenditure
2055- Police – 102- Central Reserve Police – 0001(01) Reimbursement to State for Civil Defence	NIL	2.14

### 2.8.5 Unnecessary re-appropriation

**Re-appropriation:** Re-appropriation is a transfer of funds within a Grant from one unit of appropriation where savings are anticipated to another unit where additional

funds are needed. In 17 cases, re-appropriation of funds were made injudiciously resulting in final savings/excess by more than ₹ 1 crore in each case (Serial no. 10 to 26 of **Appendix 2.6**). In 12 cases, ₹ 6.66 crore was provided by re-appropriation which were injudicious and unnecessary order as the total expenditure (₹ 105.78 crore) did not come to the original provision (₹ 110.25 crore), the details of which are given below:

**Table 2.23: Unnecessary re-appropriation (₹ in crore)**

Sl. No.	Head of account	Original Provision	Re-appropriation	Final Grant	Actual Expenditure	Savings
<b>2055 - Police</b>						
1.	03- Education and Training - 0001(01) Police Training School/College	4.50	R (+) 0.05	4.55	4.27	(-) 0.28
2.	101 – Criminal Investigation and Vigilance 0004 (04) S.C.R.B	1.16	R (+) 0.09	1.25	1.14	(-) 0.11
3.	0005 (05) Cyber Crime Wing	1.63	R (+) 0.01	1.64	1.47	(-) 0.17
4.	104 – Special Police 0004 (04) 2 <sup>nd</sup> Meghalaya Police Battalion	44.06	R (+) 0.12	44.18	42.22	(-) 1.96
5.	0011(11) Raising of 5 <sup>th</sup> MLP Bn./3 <sup>rd</sup> IRBN	44.86	S (+) 2.87 R (+) 2.50	50.23	43.66	(-) 6.57
6.	109 – District Police 0003 (03) Payment towards charges for requisition of home (6 <sup>th</sup> Schedule)	0.21	S (+) 0.35 R (+) 0.02	0.58	--	(-) 0.58
7.	0005 (05) Thumb and Finger Impression and Photography Scheme	1.11	R (+) 0.01	1.12	0.87	(-) 0.25
8.	0020 (20) Establishment of Special Guards for checking/detecting infiltration from Bangladesh	2.07	R (+) 0.08	2.15	2.02	(-) 0.13
9.	0028 (28) Requisition of vehicles (6 <sup>th</sup> Schedule)	7.01	R (+) 0.13	7.14	6.94	(-) 0.20
10.	113- Welfare of Police personnel 0001 (01) Hospital Charges for Police Personnel	0.86	R (+) 0.06	0.92	0.73	(-) 0.19
11.	116 – Forensic Science 0001 (01) Forensic Science laboratory	2.32	R (+) 0.33	2.65	2.03	(-) 0.62
<b>2070 – Other Administrative Services</b>						
12.	108 –fire Protection and Control 0001 (01) Direction and Administration (Establishment for Fire Protection measures in IGP's office)	0.46	R (+) 0.04	0.50	0.43	(-) 0.07
<b>Total</b>		<b>110.25</b>	<b>6.66</b>	<b>116.91</b>	<b>105.78</b>	<b>(-)11.13</b>

As per the Appropriation Accounts for the year 2017-18, against available savings of ₹ 75.13 crore, no part of which was surrendered during 2017-18, as detailed in **Table 2.24** below:

**Table 2.24: Savings occurred but not surrendered (₹ in crore)**

Sl. No.	Grant No./ Appropriation	Name of Grant/Appropriation	Savings
1.	16	Police, Other Administrative Services, Housing, Capital Outlay on Police Revenue – Voted	55.01
2.		Revenue – Charged	0.33
3.		Capital – Voted	19.79
		Total	75.13

## 2.9 Significant Findings

The financial management and budgetary control of the Government was not satisfactory. Government presented ambitious budget of ₹ 13621.73 crore<sup>3</sup> for the year 2017-18, of which it could incur an expenditure of ₹ 9858.37 crore resulting in an overall savings of ₹ 3763.36 crore (27.63 *per cent* of total provision).

There were deficiencies in budgetary procedure and expenditure control. The estimates for receipts and expenditure were prepared without adequate due diligence in observing prescribed budgetary regulations. Delayed submission of departmental estimates, poor verification of departmental figures *etc.* indicates absence of financial control. In many cases, the anticipated savings were not surrendered for utilising these for other development purposes.

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<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). Grantee Institutions receiving Grants-in-aid from Government are required to furnish Utilisation Certificates (UCs) to the Principal Accountant General (Accounts & Entitlement) countersigned by the disbursing authority after thorough verification. The purpose for which the Grant-in-aid were utilised can be confirmed only on receipt of UCs which would safeguard against diversion of funds for other purposes. To the extent of non-receipt of UCs, the expenditure shown in the accounts can neither be treated as final nor can it be confirmed that the amount has been utilised for the intended purposes. The year-wise details of submission of UCs during 2013-18 are given in **Table 3.1**.

**Table 3.1: Year wise details of submission of Utilisation Certificates from  
2013-14 to 2017-18** (₹ in crore)

Year	Opening Balance		Addition During the Year		Disposal		Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
2013-14	162	410.47	350	725.12	270	495.90	242	639.69
2014-15	242	639.69	319	917.30	259	560.36	302	996.64
2015-16	302	996.64	279	705.68	208	420.40	373	1281.92
2016-17	373	1281.92	447	1620.70	196	710.96	624	2191.66
2017-18	624	2191.66	382	1222.10	141	463.76	865	2950.00

*Source: Office of the Principal Accountant General (A&E), Meghalaya, Shillong.*

It was seen that at the close of March 2018, 865 UCs amounting to ₹ 2,950.00 crore remained outstanding in the books of the Principal Accountant General (Accounts & Entitlement), Meghalaya. The age-wise arrears of the 865 UCs are given in **Table 3.2** below:

**Table 3.2: Age-wise arrears of Utilisation Certificates** (₹ in crore)

Year*	Number of Utilisation Certificate awaited	Amount
Up to 2015-16	373	1281.92
2016-17	251	909.74
2017-18	241	758.34
<b>Total</b>	<b>865</b>	<b>2950.00</b>

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

The major Departments which have not submitted UCs are Education (245), Social Welfare (204), Community & Rural Development (71), Health & Family Welfare (60) and Sports & Youth Affairs (53).

In the absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which these were disbursed. High pendency of UCs was fraught with the risk of misappropriation of funds and fraud. During the exit conference, the Additional Chief Secretary assured that action in this regard would be taken.

*Recommendation: The Government needs to enforce strict compliance to the timelines for submission of the UCs by the recipients and failure to comply with the timelines should be scrupulously dealt with. Action against erring officials needs to be initiated.*

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

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

The annual accounts of 24 bodies/authorities due up to 2017-18 had not been received (October 2018) by the Principal Accountant General (Audit). The details of these accounts are given in **Appendix 3.1** and their age-wise pendency is presented in **Table 3.3**.

**Table 3.3: 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	09	2016-17	09	352.31
2.	Above 1 year to 3 years	07	2014-15 to 2015-16	07	549.77
3.	Above 3 years to 5 years	03	2012-13 to 2013-14	03	83.75
4.	Above 5 years to 7 years	01	2010-11 to 2011-12	01	22.40
5.	Above 7 years to 9 years	03	2008-09 to 2009-10	03	88.81
6.	Above 9 years	01	2007-08	01	74.11
<b>Total</b>		<b>24</b>		<b>24</b>	<b>1171.15</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, Labour *etc.* The position of annual accounts of three of the autonomous bodies whose audit was entrusted to the Comptroller and Auditor General of India (CAG) under the CAG's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act) is given in **Table 3.4** below:

**Table 3.4: Position of outstanding annual accounts**

Name of Autonomous Body	Section of DPC Act under which audit is conducted	Due date for submission of Annual Accounts	Year of Annual Accounts received	Outstanding Annual Accounts
Meghalaya Khadi and Village Industries Board (MKVIB)	19(3)	June every year	2015-16	2016-17 to 2017-18
Special Purpose Vehicle Society (SPVS) for Development of the Lafarge Umiam Mining Areas, Shillong	20(1)	June every year	2015-16	2016-17 to 2017-18
Meghalaya Building and Other Construction Workers' Welfare Board (MBOCWVB)	19(2)	- Do -	2014-15	2015-16 to 2017-18

As can be seen from the above table, the annual accounts of the MKVIB and SPVS for the years from 2016-17 to 2017-18 and MBOCWVB for the years 2015-16 to 2017-18 have not been submitted to Audit.

### 3.4 Building and Other Construction Workers Welfare Cess

Meghalaya Building and Other Construction Worker's Welfare Board (MBOCWVB) was constituted on 02 September 2009 and reconstituted in 23 April 2018 to oversee the implementation of the welfare schemes to its beneficiaries from the funds collected by the Board.

As per information furnished by the Board, the total amount of labour cess collected since inception till 2017-18 was ₹ 122.89 crore while the total amount spent was only ₹ 2.47 crore (2 per cent). The cess so collected was not credited into the Government Accounts but was deposited into the Board's Bank Account. Less utilization of the cess amounts indicated that the welfare schemes were not being implemented for the Workers.

### 3.5 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. Further, in all cases of theft, misappropriation, fraud and loss involving Government money, the First Information Report (FIRs) should invariably be lodged with the Police Department.

State Government reported 74 cases of theft, misappropriation and loss involving Government money amounting to ₹ 200.75 lakh up to March 2018 on which final action was pending. A break up of pending cases and age-wise analysis is given in **Appendix 3.2** and department-wise break up of pending cases is given in **Table 3.5**.

**Table 3.5: 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	3.75	1	9.96	1	3.80	4	17.51
Health & Family Welfare	1*	-*	0	0	1* + 2	0.92	2* + 2	0.92
Public Health Engineering	57	7.41	0	0	1	0.18	58	7.59
Legislative Assembly	0	0	2	44.09	0	0	2	44.09
Finance	1	86.50	0	0	1	1.94	2	88.44
Mining	0	0	1	16.55	0	0	1	16.55
Community & Rural Development	1	3.03	0	0	0	0	1	3.03
Land Record & Survey	1	1.56	0	0	0	0	1	1.56
Horticulture	0	0	0	0	1	21.06	1	21.06
<b>Total</b>	<b>63</b>	<b>102.25</b>	<b>4</b>	<b>70.60</b>	<b>1* + 6</b>	<b>27.90</b>	<b>74</b>	<b>200.75</b>

The age-profile of pending cases and the number of cases pending in each category (theft, misappropriation and loss) are summarised in **Table 3.6**.

**Table 3.6: Age Profile of Pending cases 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	0	0	Theft	63	102.25
5 - 10	4	41.99			
10 - 15	3	22.34	Misappropriation/ loss of material	12	112.50
15 - 20	19	95.60			
20 - 25	19	18.47			
25 & above	29	22.35	<b>Total</b>	<b>75</b>	<b>214.75</b>
			Cases of theft and loss written off during the year	1	14.00
<b>Total</b>	<b>74</b>	<b>200.75</b>	<b>Total Pending Cases</b>	<b>74</b>	<b>200.75</b>

During 2017-18, an amount of ₹ 14.00 lakh involving two cases had been written off. The first case of ₹ 0.20 lakh of fraud which occurred during 1981 (Public Works - R&B Department) was written off as the Superintendent of Police, Jaintia Hills informed (August 2018) that the case was closed since further investigation could not be made. Another case of ₹ 13.80 lakh of loss of material due to fire which occurred during 1979 (Finance Department) was also written off.

Out of 74 cases, Departments concerned had filed FIRs with the Police Department only in respect of 69 cases involving ₹ 154.73 lakh. In the remaining five cases involving ₹ 46.02 lakh, information on filing of FIRs had not been furnished.

A further analysis indicated that the reasons due to which the cases were outstanding could be classified in the categories listed in **Table 3.7**.

**Table 3.7: 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 investigation/enquiry	54	28.20
2.	Departmental action initiated but not finalised	9	44.54
3.	Awaiting orders for recovery or write off	10	111.46
4.	Pending in the court of law	1	16.55
<b>Total</b>		<b>74</b>	<b>200.75</b>

\* Amount not intimated.

Out of ₹ 200.75 lakh, the highest amount of theft and loss of ₹ 88.44 lakh pertained to Finance Department involving two cases. The highest amount of misappropriation of ₹ 44.09 lakh pertained to Meghalaya Legislative Assembly involving two cases. Loss of Government material of ₹ 21.06 lakh pertained to the Horticulture Department involving one case.

### 3.6 Follow up action on Audit Reports

The 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.

The State Finances Audit Report for the years from 2008-09 to 2016-17 were placed before the State Legislature in March 2010, March 2011, March 2012, April 2013, June 2014, March 2015, March 2016, March 2017 and April 2018 respectively. However, *suo motu* explanatory notes on the observations made in those Audit Reports had not been furnished by the departments. Some random replies on only certain portions of Appendices to these Reports were sent by some departments after placing of these Reports in the Legislative Assembly.



Shillong  
The 29 May 2019

(Stephen Hongray)  
Principal Accountant General (Audit),  
Meghalaya

Countersigned



New Delhi  
The 31 May 2019

(Rajiv Mehrishi)  
Comptroller and Auditor General of India



# **APPENDICES**





## APPENDIX 1.1

### Part A - Structure and Form of Government Accounts

(Reference: Paragraph 1.1)

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

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

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

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

## APPENDIX 1.1

### Part-B: Layout of Finance Accounts

(Reference: Paragraph 1.1)

#### Layout of Finance Accounts

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

Layout	
<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
Annexure A	Cash Balances and Investment of Cash Balances
Statement No. 5	Statement of Progressive Capital expenditure
Statement No. 6	Statement of Borrowings and other Liabilities
Statement No. 7	Statement of Loans and Advances given by the Government
Statement No. 8	Statement of Investment of the Government
Statement No. 9	Statement of Guarantees given by the Government
Statement No. 10	Statement of Grants-in-aid given by the Government
Statement No. 11	Statement of Voted and Charged Expenditure
Statement No. 12	Statement of Sources and Application of Funds for expenditure other than Revenue Account
Statement No. 13	Summary of Balances under Consolidated Fund, Contingency Fund & Public Account
<b>VOLUME II - PART I</b>	
Statement No. 14	Detailed Statement of Revenue and Capital Receipts by Minor Heads
Statement No. 15	Detailed Statement of Revenue Expenditure by Minor Heads
Statement No. 16	Detailed Statement of Capital Expenditure by Minor Heads and Sub-Heads
Statement No. 17	Detailed Statement of Borrowings and Other Liabilities
Statement No. 18	Detailed Statement of Loans and Advances given by the State Government
Statement No. 19	Detailed Statement of Investments of the Government
Statement No. 20	Detailed Statement of Guarantees given by the Government
Statement No. 21	Detailed Statement on Contingency Fund and Other Public Account transactions
Statement No. 22	Detailed Statement on Investments of Earmarked funds
<b>VOLUME II - PART II</b>	
APPENDIX-I	Comparative Expenditure on Salary
APPENDIX-II	Comparative Expenditure on Subsidy
APPENDIX-III	Grants-in-aid/Assistants given by the State Government (Institution wise and Scheme wise)
APPENDIX-IV	Details of Externally Aided Projects
APPENDIX-V	Plan Scheme expenditure (Central and State Plan Schemes)
APPENDIX-VI	Direct transfer of Central Schemes funds to implementing agencies in the State
APPENDIX-VII	Acceptance and Reconciliation of Balances as depicted in Statement 18 & 21
APPENDIX-VIII	Financial results of Irrigation Schemes
APPENDIX-IX	Commitments of the Government – List of Incomplete Capital Works
APPENDIX-X	Maintenance expenditure with segregation of salary and non-salary portion
APPENDIX-XI	Major Policy decisions of the Government during the year or New Schemes proposed in the Budget
APPENDIX-XII	Committed Liabilities of the Government
APPENDIX-XIII	Re-organisation of the States - items for which allocation of balances between/among the States has not been finalised

## APPENDIX 1.1

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

The norms/ceilings prescribed by the Twelfth Finance Commission for selected fiscal variable along with its projections for a set of fiscal aggregates and the commitments/projections made by the State Governments in their Fiscal Responsibility Acts and in other statements required to be laid in the Legislature under the Act are used to make qualitative assessment of the trends and pattern of major fiscal aggregates. Assuming that Gross State Domestic 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 2011-12 as base, downloaded from the site of the Ministry of Statistics and Programme Implementation, Government of India, have been used in estimating these percentages and buoyancy ratios.

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

**1. List of terms used in Chapter I and basis for their calculation**

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	$\text{Interest paid} / [(\text{Opening Balance of Public Debt} + \text{Closing Balance of Public Debt}) / 2] * 100$
Interest received as <i>per cent</i> to Loans Outstanding	$\text{Interest Received} [(\text{Opening balance} + \text{Closing balance of Loans and Advances}) / 2] * 100$
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts <i>minus</i> all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt
Compound Annual Growth Rate (CAGR)	The compound annual growth rate is calculated by taking the $n^{\text{th}}$ 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.

Terms	Basis of calculation
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.
Net Debt available to the State	Defined as the difference of total debt receipts and total debt paid including interest paid by the State.

**APPENDIX 1.1**  
**Part D: State Profile**  
**(Reference: Paragraph 1.1)**

<b>A. General Data</b>			
<b>Sl No.</b>	<b>Particulars</b>	<b>Meghalaya</b>	<b>All India</b>
1.	Area in sq km.	22,429	32,87,240
2.	Population in lakh (As per Census 2011)	29.67	12,108.55
3.	Density of Population (Census 2011) (persons per sq km)	132	380
4.	Population below poverty line	11.90%	21.90%
5.	Literacy (Census 2011)	74.40%	73.00%
6.	Infant Mortality (per 1000 live births)	46	34
7.	Gross State Domestic Product (GSDP) 2017-18 <sup>2</sup> at current prices (₹ in crore)	31,636	1,67,73,145
8.	GSDP CAGR (2008-09 to 2017-18)	11.77	11.50
9.	Per capita GSDP (2017-18)	92,694	1,29,800

B. Financial Data					
Particulars		Figures (in per cent)			
		2008-09 to 2016-17		2016-17 to 2017-18	
CAGR of					
		SCS	Meghalaya	SCS	Meghalaya
(a)	Revenue Receipts	13.70	15.56	10.40	3.74
(b)	Own Tax Revenue	16.00	15.70	20.00	22.27
(c)	Non-Tax Revenue	8.30	14.92	8.00	-46.50
(d)	Total Expenditure	13.70	14.52	10.60	-2.37
(e)	Capital Expenditure	7.80	11.73	19.60	-23.75
(f)	Revenue Expenditure on General Education	16.60	17.63	15.80	12.58
(g)	Revenue Expenditure on Health & Family Welfare	18.00	21.05	20.50	10.58
(h)	Salaries and Wages	14.70	14.10	20.60	15.80
(i)	Pension	18.80	18.05	28.10	15.91

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

## APPENDIX 1.1

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

#### (Reference: Paragraph 1.1.2)

In accordance with the recommendations of the Twelfth Finance Commission (XII FC), the GoM has enacted the Meghalaya Fiscal Responsibility and Budget Management (MFRBM) Act, 2006. In accordance with the recommendations of the XIV FC, the MFRBM Act has been amended by the State Government in September 2015 (came into force from 29 September 2015) which substituted clauses (a), (b) and (c) and inserted a new clause (g) under Section 4 of the MFRBM Act, 2006 as follows:

- (a) ensure revenue surplus during the award period 2015-16 to 2019-20;
- (b) (i) maintain fiscal deficit to an annual limit of 3 *per cent* of GSDP during the award period 2015-16 to 2019-20;  
(ii) Provide for flexible limit of 0.25 *per cent* over and above the 3 *per cent* of GSDP for any given fiscal year to which its fiscal deficit is to be fixed if its debt-GSDP ratio is less than or equal to 25 *per cent* of the preceding year.
- (c) Government shall notify a Medium Term Fiscal Plan (MTFP) with three years rolling targets, giving details of all significant items of receipts and expenditure along with underlying assumptions made for projection purpose (newly inserted Clause).
- (d) restrict issuing of guarantees except on selective basis where the quality and viability of the scheme to be guaranteed is properly analysed [Clause 4(1)(d) of MFRBM Act, 2006];
- (e) bring out an annual statement that gives a perspective on the State's economy and related fiscal strategy [Clause 4(1)(e) of MFRBM Act, 2006]; and,
- (f) bring out a special report along with the budget giving details of the number of employees in the Government, Public Sector Undertakings and aided institutions and related salaries, not later than two years from the date on which the Meghalaya Fiscal Responsibility Rules, 2006 came into force [Clause 4(1)(f) of MFRBM Act, 2006].
- (g) Maintain a ceiling on the sanction of new capital works to three times of the annual budget provision.
- (h) Government shall notify a Medium Term Fiscal Plan with three years rolling targets, giving details of all significant items of receipts-expenditure along with underlying assumptions made for projection purpose [newly inserted Clause].

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

As prescribed in the Act, the State Government had incorporated the following disclosure statements for the year 2017-18:

- Macro Economic Framework Statement
- Medium Term Fiscal Policy (MTFP) Statement prescribing fiscal targets and assumptions for achieving them. The targets for the year 2017-18 were as under:
  - Revenue surplus as percentage of total revenue receipts: 5.47
  - Total Outstanding Liabilities as percentage of GSDP: 31.14
  - Fiscal deficit as percentage of GSDP: -4.00
- Fiscal Policy Strategy Statement

**APPENDIX 1.2**  
**Time Series Data on State Government Finances**  
**(Reference: Paragraphs 1.1, 1.3, 1.6.2, 1.10.2 & 1.11.1)**

(₹ in crore)

	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Part A – Receipts</b>					
<b>1. Revenue Receipts</b>	<b>6266.73</b>	<b>6428.25</b>	<b>7043.13</b>	<b>8938.95</b>	<b>9273.48</b>
<b>(i) Tax Revenue</b>	949.30 (15.15)	939.19 (14.61)	1056.82 (15.00)	1186.01 (13.27)	1450.10 (16.41)
State Goods and Services Tax (SGST)					376.00 (25.93)
Sales Tax	723.65 (76.23)	726.20 (77.32)	811.79 (76.81)	931.06 (78.50)	766.63 (52.87)
State Excise	162.66 (17.13)	151.14 (16.09)	170.04 (16.09)	168.98 (14.25)	199.30 (13.74)
Taxes on Vehicles	36.72 (3.87)	39.38 (4.20)	42.01 (3.98)	48.22 (4.07)	67.01 (4.62)
Stamps and Registration fees	9.78 (1.03)	9.90 (1.05)	12.74 (1.21)	17.19 (1.45)	20.25 (1.40)
Land Revenue	3.47 (0.37)	0.08 (0.01)	3.18 (0.30)	1.27 (0.11)	2.08 (0.14)
Taxes on Goods and Passengers	...	...	...	...	7.83 (0.54)
Other Taxes	13.02 (1.37)	12.49 (1.33)	17.06 (1.61)	19.29 (1.63)	11.00 (0.76)
<b>(ii) Non Tax Revenue</b>	598.15 (9.54)	343.29 (5.34)	228.60 (3.25)	685.24 (7.67)	366.63 (3.95)
<b>(iii) State's share of Union Taxes and Duties</b>	1301.96 (20.78)	1381.69 (21.49)	3276.46 (46.52)	3911.05 (43.75)	4323.14 (46.62)
<b>(iv) Grants-in-aid from Government of India</b>	3417.32 (54.53)	3764.08 (58.56)	2481.25 (35.23)	3156.65 (35.31)	3133.61 (35.46)
<b>2. Miscellaneous Capital Receipts</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>3. Recoveries of Loans and Advances</b>	<b>20.48</b>	<b>19.76</b>	<b>19.08</b>	<b>18.81</b>	<b>17.45</b>
<b>4. Total revenue and Non-debt capital receipts (1+2+3)</b>	<b>6287.21</b>	<b>6448.01</b>	<b>7062.21</b>	<b>8957.76</b>	<b>9290.93</b>
<b>5. Public Debt Receipts</b>	<b>475.42</b>	<b>726.96</b>	<b>836.93</b>	<b>1210.43</b>	<b>1225.14</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	475.34 (99.98)	722.19 (99.34)	834.70 (99.73)	1206.16 (99.65)	1218.47 (99.46)
Net transactions under Ways and Means Advances and Overdraft	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
Loans and Advances from Government of India <sup>3</sup>	0.08 (0.02)	4.77 (0.66)	2.23 (0.27)	4.27 (0.35)	6.67 (0.54)
<b>6. Total receipts in the Consolidated Fund (4+5)</b>	<b>6762.63</b>	<b>7174.97</b>	<b>7899.14</b>	<b>10168.19</b>	<b>10516.07</b>
<b>7. Contingency Fund Receipts</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>100.00</b>	<b>100.00</b>
<b>8. Public Accounts Receipts</b>	<b>4405.98</b>	<b>3997.59</b>	<b>3527.16</b>	<b>4636.76</b>	<b>4187.87</b>
<b>9. Total receipts of the State (6+7+8)</b>	<b>11168.61</b>	<b>11172.56</b>	<b>11426.30</b>	<b>14904.95</b>	<b>14803.94</b>
<b>Part B – Expenditure</b>					
<b>10. Revenue Expenditure</b>	<b>5551.59</b>	<b>6251.86</b>	<b>6347.73</b>	<b>8336.54</b>	<b>8422.68</b>
Plan	1848.77 (33.30)	2180.49 (34.88)	2040.09 (32.14)	3695.32 (44.33)	...
Non-Plan	3702.82 (66.70)	4071.37 (65.12)	4307.64 (67.86)	4641.22 (55.67)	...
General Services (including Interest payments)	1838.37 (33.11)	2021.65 (32.34)	2255.52 (35.53)	2480.16 (29.75)	2826.87 (33.56)

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

	2013-14	2014-15	2015-16	2016-17	2017-18
Social Services	1973.77 (35.56)	2370.24 (37.91)	2395.17 (37.73)	3099.11 (37.18)	3147.61 (37.37)
Economic Services	1739.45 (31.33)	1859.97 (29.75)	1697.04 (26.73)	2757.27 (33.07)	2448.20 (29.07)
<b>11. Capital Expenditure (Capital Outlay)</b>	<b>1075.47</b>	<b>1118.49</b>	<b>1110.89</b>	<b>1289.80</b>	<b>983.44</b>
<i>Plan</i>	1074.76 (99.93)	1118.49 (100)	1110.66 (99.98)	1238.19 (96.00)	...
<i>Non-Plan</i>	0.71 (0.07)	NIL	0.23 (0.02)	51.61 (4.00)	...
General Services	84.82 (7.88)	82.38 (7.37)	97.24 (8.75)	83.00 (6.44)	49.77 (5.06)
Social Services	391.11 (36.37)	363.34 (32.48)	289.69 (26.08)	459.36 (35.61)	360.57 (36.66)
Economic Services	599.54 (55.75)	672.77 (60.15)	723.96 (65.17)	747.44 (57.95)	573.10 (58.28)
<b>12. Disbursement of Loans and Advances</b>	<b>42.33</b>	<b>56.11</b>	<b>158.35</b>	<b>30.83</b>	<b>22.05</b>
<b>13. Total Expenditure (10+11+12)</b>	<b>6669.39</b>	<b>7426.46</b>	<b>7616.97</b>	<b>9657.17</b>	<b>9428.17</b>
<b>14. Repayments of Public Debt</b>	<b>141.62</b>	<b>202.66</b>	<b>337.34</b>	<b>414.41</b>	<b>329.62</b>
Internal Debt (excluding Ways and Means Advances and Overdrafts)	122.28 (86.34)	182.84 (90.22)	317.49 (94.12)	394.50 (95.20)	309.28 (93.83)
Net transactions under Ways and Means Advances and Overdraft	NIL	NIL	NIL	NIL	NIL
Loans and Advances from Government of India	19.34 (13.66)	19.82 (9.78)	19.85 (5.88)	19.91 (4.80)	20.34 (6.17)
<b>15. Appropriation to Contingency Fund</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>100.00</b>	<b>100.00</b>
<b>16. Total disbursement out of Consolidated Fund (13+14+15)</b>	<b>6811.01</b>	<b>7629.12</b>	<b>7954.31</b>	<b>10171.58</b>	<b>9857.79</b>
<b>17. Contingency Fund disbursements</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>18. Public Account disbursements</b>	<b>3508.69</b>	<b>3965.73</b>	<b>3681.63</b>	<b>3589.59</b>	<b>4569.16</b>
<b>19. Total disbursement by the State(16+17+18)</b>	<b>10319.70</b>	<b>11594.85</b>	<b>11635.94</b>	<b>13761.17</b>	<b>14426.95</b>
<b>Part C – Deficits</b>					
<b>20. Revenue Surplus (+) /Deficit (-) (1-10)</b>	<b>+ 715.14</b>	<b>+ 176.39</b>	<b>+695.40</b>	<b>+602.41</b>	<b>+850.80</b>
<b>21. Fiscal Deficit (-) (4-13)</b>	<b>- 382.18</b>	<b>- 978.45</b>	<b>-554.76</b>	<b>- 699.41</b>	<b>-237.24<sup>4</sup></b>
<b>22. Primary Deficit (-)/Surplus (+) (21-23)</b>	<b>- 10.68</b>	<b>- 573.35</b>	<b>- 88.88</b>	<b>- 177.18</b>	<b>+353.94</b>
<b>Part D – Other Data</b>					
23. Interest Payments (included in revenue expenditure)	371.50	405.10	465.88	522.23	591.18
24. Financial Assistance to local bodies, etc.	847.37	840.50	860.29	1621.42	1275.36
25. Ways and Means Advances/Overdraft availed (days)	157.09 (2)	NIL	NIL	NIL	NIL
26. Interest on WMA/Overdraft	0.04	NIL	NIL	NIL	NIL
27. Gross State Domestic Product (GSDP) <sup>5</sup>	22938	23235	25967	28446	31636
28. Rate of Growth of GSDP	4.87	1.29	11.76	9.55	11.21
29. Outstanding Debt (year end)	6269.23	6751.46	7154.68	8983.50	9485.08
30. Rate of Growth of Outstanding Debt	26.28	7.69	5.97	25.56	5.58
31. Outstanding guarantees (year end) including interest	1610.55	1173.81	1042.19	983.11	820.68
32. Maximum amount guaranteed (year end)	1188.64	1054.43	868.09	860.04	1139.94
33. Number of incomplete projects	57	76	65	225	194
34. Capital blocked in incomplete projects <sup>6</sup>	43.37 (09)	447.07 (33)	215.68 (24)	734.30 (70)	1040.42 (79)

<sup>4</sup> The Fiscal Deficit is inclusive of ` 100.00 crore transferred to Contingency Fund during the year.

<sup>5</sup> Source: GSDP Series (current prices) as on 20 August 2018 with 2011-12 as Base Year downloaded from the site of the Ministry of Statistics and Programme Implementation, Government of India.

<sup>6</sup> Expenditure incurred up to the end of the year on incomplete works (in brackets) scheduled to be completed by end of the respective financial year.



	2013-14	2014-15	2015-16	2016-17	2017-18
35. Total Debt Receipts	2582.57	2297.91	2151.92	3454.69	2954.36
36. Total Debt Payments (Including Interest)	1649.42	2220.78	2214.57	2148.10	3043.96
37. Net Debt available to the State	933.15	77.13	-62.65	1306.59	-89.60
<b>Part E – Fiscal Health Indicator (in per cent)</b>					
<b>I. Resource Mobilisation</b>					
Own Tax Revenue/GSDP	4.14	4.04	4.07	4.17	4.58
Own Non-Tax Revenue/GSDP	2.61	1.48	0.88	2.41	1.16
Central Transfers <sup>7</sup> /GSDP	20.57	22.15	22.17	24.85	23.57
<b>II. Expenditure Management</b>					
Total Expenditure/GSDP	29.08	31.96	29.33	33.95	29.80
Total Expenditure/Revenue Receipts	106.43	115.53	108.15	108.03	101.67
Revenue Expenditure/Total Expenditure	83.24	84.18	83.34	86.32	89.34
Expenditure on Social Services/Total Expenditure	35.46	36.81	35.25	36.85	37.21
Expenditure on Economic Services <sup>8</sup> /Total Expenditure	35.46	34.63	33.63	36.43	32.11
Capital Expenditure/Total Expenditure	16.13	15.06	14.58	13.36	10.43
Capital Expenditure on Social and Economic Services/Total Expenditure	14.85	13.95	13.31	12.50	9.90
<b>III. Management of Fiscal Imbalances</b>					
Revenue Surplus / GSDP	3.12	0.76	2.68	2.12	2.69
Fiscal Deficit (-) / GSDP	-1.67	-4.21	-2.10	-2.46	-0.75
Primary Deficit (-) Surplus (+) / GSDP	-0.05	-2.47	-0.34	-0.62	+1.12
Revenue Deficit (-) Surplus (+) / Fiscal Deficit	-187.12	-18.03	-125.35	-86.13	-358.62
Primary Revenue Balance <sup>9</sup> /GSDP	4.47	2.50	4.47	3.95	4.56
<b>IV. Management of Fiscal Liabilities</b>					
Fiscal Liabilities/GSDP	27.33	29.06	27.55	31.58	29.98
Fiscal Liabilities/RR	100.04	105.03	101.58	100.50	102.28
Primary deficit <i>vis-à-vis</i> quantum spread (₹ in crore)	421.73	10.32	367.52	415.23	910.17
Debt Redemption (Principal +Interest)/ Total Debt Receipts	65.94	96.64	102.91	62.18	103.03
<b>V. Other Fiscal Health Indicators</b>					
Return on Investment ( <i>per cent</i> )	0.03	0.03	0.02	0.02	0.01
Balance from Current Revenue (₹ in crore)	89.68	-579.35	959.48	1815.33	-2233.77
Financial Assets/Liabilities (Ratio)	1.49	1.48	1.54	1.50	1.55

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

<sup>7</sup> State's share of central taxes and grants-in-aid from Government of India.

<sup>8</sup> Including loans and advances.

<sup>9</sup> Revenue Receipts – (Revenue Expenditure – Interest Payments).

**APPENDIX 1.3**  
**Abstract of Receipts and Disbursements for the year 2017-18**  
**(Reference: Paragraph 1.1.1 & 1.5)**

(₹ in crore)

2016-17	Receipts	2017-18	2016-17	Disbursements	2017-18
<b>Section – A : Revenue</b>					
	<b>I. Revenue Receipts</b>			<b>I. Revenue Expenditure</b>	<b>Total</b>
<b>1186.01</b>	Tax Revenue <sup>10</sup>	1450.10	<b>2480.16</b>	<b>General Services</b>	<b>2826.87</b>
685.24	Non-Tax Revenue	366.63	<b>3099.13</b>	<b>Social Services</b>	<b>3147.61</b>
3911.05	State's Share of Union Taxes and Duties <sup>11</sup>	4323.14	1477.30	General Education	1663.08
640.47	Non-Plan Grants	2.66	130.85	Technical Education, Sports, Art and Culture	72.11
2263.52	Grants for State Plan Schemes	...	604.33	Health and Family Welfare	668.27
19.33	Grants for Central Plan Schemes	...	186.37	Water Supply and Sanitation	212.23
138.19	Centrally Sponsored Plan Schemes	2145.85	71.94	Housing and Urban Development	64.92
95.14	Grants for Special Plan Schemes	...	16.18	Information and Broadcasting	11.04
...	Finance Commission Grants	499.96	262.58	Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	81.67
...	Other Transfer/ Grants to State	485.14	33.11	Labour and Labour Welfare	35.51
			306.80	Social Welfare and Nutrition	120.75
			9.67	Others	218.03
			<b>2757.25</b>	<b>Economic Services</b>	<b>2448.20</b>
			564.74	Agriculture and Allied Activities	573.35
			1333.12	Rural Development	1067.91
			10.79	Special Areas Programmes	12.97
			42.04	Irrigation and Flood Control	48.58
			127.66	Energy	114.22
			147.72	Industry and Minerals	231.21
			186.16	Transport	173.08
			0.52	Science, Technology and Environment	0.45
			344.50	General Economic Services	226.43
<b>8938.95</b>	<b>Total</b>	<b>9273.48</b>	<b>8336.54</b>	<b>Total</b>	<b>8422.68</b>
NIL	<b>II. Revenue Deficit carried over to Section B</b>		602.41	<b>II. Revenue Surplus carried over to Section B</b>	850.80
<b>8938.95</b>	<b>Total</b>	<b>9273.48</b>	<b>8938.95</b>	<b>Total</b>	<b>9273.48</b>

<sup>10</sup> Excluding share of net proceeds of taxes and duties assigned to State.

<sup>11</sup> Share of net proceeds assigned to State.

						(₹ in crore)
2016-17	Receipts	2017-18	2016-17	Disbursements		2017-18
Section – B : Others						
						Total
195.91	III. Opening Cash Balance including permanent advances and cash balance investment	1339.69	NIL	III. Opening Overdraft from RBI	NIL	NIL
NIL	IV. Miscellaneous Capital Receipts	NIL	1289.80	IV. Capital Outlay		983.44
			83.00	General Services	49.77	49.77
			459.36	Social Services	360.57	360.57
			10.42	General Education	1.76	
			0.37	Technical Education, Sports, Art and Culture	0.09	
			82.73	Health and Family Welfare	34.21	
			306.05	Water Supply and Sanitation	312.42	
				Housing and Urban Development		
			59.79	Social Welfare and Nutrition	12.09	
			747.44	Economic Services	573.10	573.10
			9.45	Agriculture and Allied Activities	5.20	
			3.70	Rural Development	1.41	
			40.74	Special Areas Programmes	39.92	
			45.52	Irrigation and Flood Control	25.73	
			72.61	Industry and Minerals	9.80	
			566.93	Transport	449.24	
			8.49	General Economic Services	9.93	
			NIL	Energy	31.87	

(₹ in crore)

2016-17	Receipts	2017-18	2016-17	Disbursements	2017-18
<b>18.81</b>	<b>V. Recoveries of Loans and Advances</b>	<b>17.45</b>	<b>30.83</b>	<b>V. Loans and Advances Disbursed</b>	<b>22.05</b>
NIL	From Power Projects Nil		8.42	For Power Projects 1.12	
18.64	From Government Servants 17.32		17.39	To Government Servants 15.91	
0.17	From Others 0.13		5.02	To Others 5.02	
<b>602.41</b>	<b>VI. Revenue Surplus brought down</b>	<b>850.80</b>	<b>NIL</b>	<b>VI. Revenue Deficit brought down</b>	<b>NIL</b>
<b>1210.43</b>	<b>VII. Public Debt receipts</b>	<b>1225.14</b>	<b>414.41</b>	<b>VII. Repayment of Public Debt</b>	<b>329.62</b>
1206.16	Internal debt other than Ways and Means Advances and Overdraft 1218.47		394.50	Internal debt other than Ways and Means Advances and Overdraft 309.28	
NIL	Net transactions under Ways and Means Advances including Overdraft Nil		NIL	Net transactions under Ways and Means Advances including Overdraft Nil	
4.27	Loans and Advances from Government of India 6.67		19.91	Repayment of Loans and Advances to Government of India 20.34	
<b>4636.76</b>	<b>VIII. Public Account Receipts</b>	<b>4187.87</b>	<b>3589.59</b>	<b>VIII. Public Account Disbursements</b>	<b>4569.16</b>
297.89	Small Savings and Provident Funds 319.15		156.72	Small Savings and Provident Fund 161.44	
59.58	Reserve Funds <sup>12</sup> 84.62		57.50	Reserve Funds <sup>13</sup> 108.51	
1932.61	Deposits and Advances 1363.49		1043.05	Deposits and Advances 1891.25	
1.78	Suspense and Miscellaneous <sup>14</sup> 15.87		-11.32	Suspense and Miscellaneous <sup>13</sup> 7.30	
2344.90	Remittances 2404.74		2343.64	Remittances 2400.66	
<b>NIL</b>	<b>IX. Closing Overdraft from Reserve Bank of India</b>	<b>NIL</b>	<b>1339.69</b>	<b>IX. Cash Balance at end<sup>15</sup></b>	<b>1716.68</b>
			24.70	Cash in Treasuries 33.20	
			-54.53	Deposits with Reserve Bank 2.10	
			0.28	Departmental Cash Balance including permanent advances 0.72	
			1369.24	Cash Balance Investment 1680.66	
<b>6664.32</b>	<b>Total</b>	<b>7620.95</b>	<b>6664.32</b>	<b>Total</b>	<b>7620.95</b>

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

<sup>13</sup> Includes disbursement on investment.

<sup>14</sup> Excluding 'Other Accounts'.

<sup>15</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 ₹ 48.18 crore between the figures reflected in the accounts {(+) ₹ 2.10 crore} and that intimated by the Reserve Bank of India {(-) ₹ 46.08 crore} due to (i) misclassification by Bank/Treasury ( ₹ 47.56 crore) and (ii) non-receipt of details of adjustment made by RBI (₹ 0.62 crore).

**APPENDIX 1.4**  
**Summarised Financial Position of the Government of Meghalaya as on**  
**31 March 2018**

(Reference: Paragraph 1.10.1)

As on 31 March 2017	Liabilities		(₹ in crore) As on 31 March 2018
<b>NIL</b>	<b>External Debt</b>		<b>NIL</b>
<b>5378.14</b>	<b>Internal Debt</b>		<b>6287.33</b>
4179.63	Market loans bearing interest	5099.44	
<sup>16</sup>	Market loans not bearing interest	<sup>16</sup>	
0.10	Loan from LIC	0.10	
1198.41	Loans from other Institutions	1187.79	
NIL	Ways and Means Advances	Nil	
NIL	Overdraft from Reserve Bank of India	Nil	
<b>128.15</b>	<b>Loans and Advances from Central Government</b>		<b>114.48</b>
5.37	Pre 1984-85 Loans	5.37	
10.47	Non-plan Loans	10.47	
106.33	Loans for State Plan Schemes	106.33	
0.10	Loans for Central Plan Schemes	0.10	
4.22	Loans for Centrally Sponsored Plan Schemes	4.22	
1.66	Loans for Special Schemes	1.66	
...	Other loans for State	-13.67	
<b>205.00</b>	<b>Contingency Fund</b>		<b>305.00</b>
<b>1373.81</b>	<b>Small Savings, Provident Funds, etc.</b>		<b>1531.52</b>
<b>2067.14</b>	<b>Deposits</b>		<b>1539.38</b>
<b>292.87</b>	<b>Reserve Funds</b>		<b>325.48</b>
<b>98.63</b>	<b>Remittance Balances</b>		<b>102.72</b>
<b>4724.63</b>	<b>Surplus on Government Accounts</b>		<b>5575.43</b>
4122.22	(i) Revenue Surplus as on 31 March 2017	4724.63	
602.41	(ii) Revenue Surplus for the year 2017-18	850.80	
<b>14268.37</b>			<b>15781.34</b>
	<b>Assets</b>		
<b>11636.06</b>	<b>Gross Capital Outlay on Fixed Assets</b>		<b>12619.50</b>
2471.63	Investment in shares of Companies, Corporation, etc.	2628.56	
9164.43	Other Capital Outlay	9990.94	
<b>778.21</b>	<b>Loans and Advances</b>		<b>782.81</b>
617.35	Loans for power projects	618.43	
144.49	Other Development Loans	149.42	
16.37	Loans to Government Servants and miscellaneous loans	14.96	
<b>256.59</b>	<b>Investment of Earmarked Funds</b>		<b>313.10</b>
<b>1.81</b>	<b>Advances</b>		<b>1.81</b>
<b>51.01</b>	<b>Suspense and Miscellaneous Balances</b>		<b>42.44</b>
<b>205.00</b>	<b>Appropriation to Contingency Fund</b>		<b>305.00</b>
<b>NIL</b>	<b>Remittances</b>		<b>NIL</b>
<b>1339.69</b>	<b>Cash<sup>17</sup></b>		<b>1716.68</b>
24.70	Cash in Treasuries	33.20	
-54.53	Deposits with Reserve Bank of India	2.10	
0.25	Departmental Cash Balance	0.68	
0.03	Permanent Advances	0.04	
1369.24	Cash Balance Investment	1680.65	
<b>14268.37</b>			<b>15781.34</b>

<sup>16</sup> ₹ 0.26 lakh only.

<sup>17</sup> Excluding 'Investment of earmarked funds'.

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

(₹ in crore)

Sl. No.	Programme/Scheme	Implementing Agency in the State	Funds transferred by the GOI
1.	North Eastern Council	Meghalaya Government Construction Corporation Ltd.	3.20
		Meghalaya Industrial Development Corporation Ltd.	1.00
		Meghalaya Information Technology Society	0.28
2.	Solar Power - OFFGRID	Meghalaya Non-Conventional Rural Energy Development Agency	8.16
3.	Biogas Programme – OFFGRID	Meghalaya Non-Conventional Rural Energy Development Agency	0.21
4.	Wind Power - OFFGRID	Meghalaya Non-Conventional Rural Energy Development Agency	0.23
5.	National Rural Employment Guarantee Scheme	State Rural Employment Society, Shillong Meghalaya	316.52
6.	Grants-in-Aid to Voluntary Organisation Working for the Welfare of Scheduled Tribes	Ramakrishna Mission Ashrama, Meghalaya	6.98
7.	Deendayal Disability Rehabilitation Scheme (DDRS)	Bethany Society	0.07
		The Society for the Welfare of the Disabled	0.04
		Montfort Center for Education	0.11
8.	MPs Local Area Development Scheme MPLADS	Deputy Commissioner	20.00
9.	NER-Textile Promotion Scheme	Director of Sericulture and Weaving, Government of Meghalaya	15.26
10.	Apprenticeship and Training	Meghalaya State Council for Training in Vocational Trades	2.89
11.	Organic Value Chain Development of NE Region	Directorate of Horticulture	9.41
12.	Management Support to RD Programmes and Strengthening of District Planning Process in lieu of Programmes	Extension Training Centre Tura	1.07
13.	National AIDs and STD Control Programme (NACO)	Meghalaya AIDS Control Society	5.67
14.	National Hydrology Project	Water Resources Department, Meghalaya	1.62
15.	Pradhan Mantri Matri Vandana Yojna	Directorate of Health Services, Meghalaya	8.75
16.	National Plan for Diary Development	East Khasi Hills District Co-operative Milk Union Ltd.	3.87
17.	National Rural Livelihood Mission	Meghalaya State Rural Livelihood Society, Shillong, Meghalaya	1.80
18.	Sugar Subsidy Payable under PDS	Food Civil Supplies & Consumers Affairs Department Government of Meghalaya	18.91
19.	Swadesh Darshan – Integrated Development of Theme Dased Tourism Circuits	Meghalaya Tourism Development Corporation Ltd.	24.78
20.	E-Court Phase-II	Registrar General, High Court of Meghalaya	3.65

Sl. No.	Programme/Scheme	Implementing Agency in the State	Funds transferred by the GOI
21.	Small Hydro Power Grid Interactive	Animal Husbandry & Veterinary Department	7.63
		Meghalaya State Electricity Board	7.00
22.	Voter Education	Chief Electoral Officer, Meghalaya, Additional Secretariat	0.74
23.	Capacity Building and Publicity-IT	Chief Engineer PWD (Buildings) Meghalaya	1.51
24.	Biotechnology Research and Development	Civil Hospital Shillong	0.05
25.	Technical Textiles – Scheme for usage of Geo Textiles in North Eastern Region	Public works Department (Roads), Meghalaya	1.37
	<b>Total</b>		<b>472.78</b>

Source: Finance Accounts.



**APPENDIX 1.6**  
**Effectiveness of expenditure under various programmes**  
**(Reference: Paragraph 1.8.2)**

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2018			
		Funds available up to 31 March 2018	Actual expenditure up to 31 March 2018	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	1185.56	1107.93	Employment Generated	Lakh Person-days	300	292
2.	Prime Minister's Awas Yojana-G	248.93	51.18	Houses constructed	Nos.	3,715	1,208
3.	National Social Assistance Programme (NSAP)	35.00	24.77	Indira Gandhi National Old Age Pension Scheme (IGNOAPS)	Nos.	Not available	48,598
				Indira Gandhi National Widow Pension Scheme (IGNWPS)	Nos.	Not available	7,302
				Indira Gandhi National Disability Pension Scheme (IGNDPS)	Nos.	Not available	1,407
				National Family Benefit Scheme (NFBS)	Nos.	Not available	804
4.	National Rural Livelihoods Mission (NRLM)	9.89	13.41	Self Help Groups	Nos.	8,178	3,267
5.	Mid Day Meal (MDM)	47.62	74.36	Schools Children	Nos.	5,27,385	5,22,206
6.	Sarva Shiksha Abhiyan (SSA)	290.70	272.13	Salary, Grants Training, Learning enhancement Programme, etc.	Centre/ School Schools	11,51,750	10,51,261
7.	A. Water Resources (i) Accelerated Irrigation Benefit Programme (AIBP)	30.27	...	Schemes on Soil & Water Conservation	In Ha	1,826	384
	(ii) Pradhan Mantri Krishi Sinchai Yojana (PMKSY)	81.22	9.87			5,518	...
	B. Soil and Water Conservation (i) PMKSY HKKP	83.34	...	Schemes on Soil & Water Conservation	In Ha	6,080	...
	(ii) PMKSY - WDC	95.44	7.51			55,556	4,908
8.	Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY)	100.64	39.11	Electrification of villages	Nos.	481	363
	(i) Villages Electrified (On-Grid)					31	29
9.	Integrated Child Development Scheme (ICDS)	74.42	73.54	AWCs/Mini AWCs	Nos.	5,943	5,942
	Special Nutrition Programme (SNP)	181.15	165.05		Nos.	6,20,890	5,85,099

Sl. No.	Programme/ Scheme	Financial Outlays and Expenditure (₹ in crore)		Physical Achievement/Outcome of the Programme up to March 2018			
		Funds available up to 31 March 2018	Actual expenditure up to 31 March 2018	Performance Indicator	Unit of measurement	Physical Targets	Achievement/ Outcome
10.	National Health Mission (NHM) Integrated Pulse Polio Immunisation	1.85	1.93	Immunisation	Nos.	4,91,990	14,40,165
11.	Pradhan Mantri Gram Sadak Yojana (PMGSY)	71.48	110.12	Phase II-Phase VIII	Km	450	208.73
12.	Jawaharlal Nehru National Urban Renewal Mission Atal Mission for Rejuvenation and Urban Transformation (JNNURM/ AMRUT)						
(i)	Housing for Urban Poor at Nongmynsong	0.20	0.27	Phase I and II	Nos.	112	112
(ii)	Purchase of 240 buses	20.99	5.90		Nos.	103	2
(iii)	Solid Waste Management at Tura	0.93	0.52		Per cent	100	95
(iv)	Solid Waste Management at Nongpoh	1.00	0.86		Per cent	100	95
(v)	IHSDP, Nongpoh	1.04	...		Nos.	240	Work suspended
13.	Horticulture Mission for North Eastern and Himalayan States (HMNEH)	28.33	8.21	Area Expansion and protected cultivation Creation of water resources, Bee Keeping, workshops, etc.	Ha Nos.	2,267 18,852	1742.65 2,322
14.	Rashtriya Krishi Vikas Yojana (RKVY)						
(i)	Agriculture Department	5.00	2.40		Ha	485	485
(ii)	Horticulture	2.89	2.89		Nos.	...	2,363
(iii)	Co-operation	0.86	0.60		Per cent	100	70
(iv)	Animal Husbandry and Veterinary	3.08	1.65		...	NA	Funds kept in PFMS
(v)	Water Resources	0.90	0.53		Per cent	100	100% in two Districts
15.	National Rural Drinking Water Programme (NRDWP) (i) Programme (ii) Water quality monitoring surveillance programme	86.57 0.56	86.28 0.26	Water tested	Nos. Nos.	67 ...	71 6,682
16.	Swacchha Bharat Mission	146.59	37.19	Toilets	Nos.	35,820	35,820

Source: Directorate of Programme Implementation &amp; Evaluation, GOM.

**APPENDIX 1.7****Details of Financial Assistance to others institutions for the year 2017-18****(Reference: Paragraph 1.6.3)****(₹ in crore)**

<b>Sl. No.</b>	<b>Name of Institutions</b>	<b>Amount of financial assistance</b>
1.	Border Areas Programme	23.10
2.	Emergency Management Research Institute & NGOs	4.50
3.	National Rural Health Mission	140.31
4.	Anganwadi Centre (ICDS)	1.79
5.	Meghalaya State Housing Board	3.05
6.	Indian Red Cross Society, Shillong	0.14
7.	Junior Red Cross	0.29
8.	Voluntary Organisations	0.70
9.	Public Sector Undertakings and other Undertakings	11.22
10.	State Control Animal Diseases	0.18
11.	State Sports Council	2.50
12.	National Social Assistance Programme (NSAP) Old-age Pension	17.65
13.	Meghalaya Transport Corporation	5.80
14.	Physically Handicapped persons for Vocational Training/ Self employment	0.28
15.	State Environment Impact Assessment Authority	0.30
16.	State Bio-Diversity Board	0.30
17.	Meghalaya State Pollution Control Board	5.34
18.	Artisan Organisations	0.22
19.	Handloom	0.07
	<b>Total</b>	<b>217.74</b>

**APPENDIX 2.1**

**Department-wise position of savings/excess (exceeding ₹ 10 crore) for which  
reasons were not furnished  
(Reference: Paragraph 2.2)**

		(₹ in crore)
Name of Department	Number & Name of Grant/Appropriation	Savings (-) Excess (+)
Assembly Secretariat	1 – Parliament/State/Union Territory Legislature, Stationery and Printing, <i>etc.</i> Revenue – Voted	(-) 10.75
Justice	4 – Administration of Justice Revenue – Voted	(-) 25.16
Elections	5 – Elections Revenue – Voted	(-) 10.74
Taxes	10 – Taxes on Vehicles, Other Administration Services, Capital Outlay on Civil Aviation, <i>etc.</i> Revenue – Voted	(-) 20.38
Power (Electricity)	11 – Other Taxes and Duties on Commodities and Services, <i>etc.</i> Revenue – Voted Capital – Voted	(-) 79.07 (-) 30.52
Chief Minister's Secretariat, Secretariat Administration, Finance, Law and Political	13 – Secretariat General Services, <i>etc.</i> Revenue – Voted	(-) 24.99
Home (Police)	16 – Police, Other Administrative Services, Housing, Capital Outlay on Police Revenue – Voted Capital – Voted	(-) 55.01 (-) 19.79
Public Works	19 – Secretariat General Services, Public Works, <i>etc.</i> Revenue – Voted Capital – Voted	(-) 36.66 (-) 100.81
Education, Sports and Youth Affairs and Arts & Culture	21 – General Education, Technical Education, <i>etc.</i> Revenue – Voted	(-) 306.47
Finance	24 – Pensions and other Retirement Benefits Revenue – Voted	(+) 20.66
Health and Family Welfare	26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, <i>etc.</i> Revenue – Voted	(-) 34.85
Public Health Engineering	27 – Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, Capital Outlay on Housing Revenue – Voted Capital – Voted	(-) 10.48 (-) 60.04
Housing	28 – Housing, Capital Outlay on Housing Revenue – Voted	(-) 51.94
Urban Development	29 – Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, <i>etc.</i> Revenue – Voted Capital – Voted	(-) 122.98 (-) 112.51
Labour	31 – Labour, Employment and Skilled Development Revenue – Voted	(-) 17.02
Supplies	32 – Civil Supplies Revenue – Voted	(-) 70.84
Social Security and Welfare	34 – Welfare of Scheduled Caste, Scheduled Tribe, Other Backward Classes and Minorities, Social Security and Welfare, <i>etc.</i> Revenue – Voted Capital – Voted	(-) 77.80 (-) 35.17
Planning	38 – Secretariat Economic Services Revenue – Voted	(-) 402.15

Name of Department	Number & Name of Grant/Appropriation	Savings (-) Excess (+)
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	(-) 22.34 (-) 49.99
Agriculture	43 – Housing, Crop Husbandry, <i>etc.</i> Revenue – Voted Capital – Voted	(-) 212.16 (-) 112.24
Soil Conservation	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	(-) 376.50
Animal Husbandry and Veterinary	47 – Housing, Animal Husbandry, Agricultural Research and Education Revenue – Voted	(-) 12.38
Housing	48 – Housing, Dairy Development, Agricultural Research and Education Revenue - Voted	(-) 14.63
Fisheries	49 – Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries Revenue – Voted	(-) 36.47
Forest	50- Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife Revenue – Voted	(-) 31.64
Community and Rural Development	51– Housing, Special Programmes for Rural Development, Rural Employment, <i>etc.</i> Revenue – Voted Capital - Voted	(-) 580.70 (-) 16.59
Industries (Sericulture and Weaving)	53 – Village and Small Industries Revenue – Voted	(-) 32.11
Public Works	56 – Road and Bridges, Capital Outlay on Roads and Bridges Revenue - Voted Capital – Voted	(+) 10.86 (-) 245.00
Finance	Appropriation – Internal Debt of the State Government Capital – Charged	(-) 180.12

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

**APPENDIX 2.2**  
**Statement of various grants/appropriations where saving was more than**  
**₹ 1 crore each and more than 20 per cent of the total provision**  
**(Reference: Paragraph 2.3.1)**

(₹ in crore)					
Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
1.	1	Parliament/State/Union Territory Legislature, Stationery and Printing Revenue – Charged	1.74	1.31	75
2.	2	President/Vice-President/Governor/Administrator of Union Territories Revenue – Charged	10.33	2.61	25
3.	3	Council of Ministers, Other Administrative Services Revenue – Voted	14.02	4.62	33
4.	4	Administrative of Justice Revenue – Voted	60.25	25.16	42
5.		Revenue – Charged	13.12	2.81	21
6.	10	Taxes on Vehicles, Other Administrative Services <i>etc.</i> , Revenue - Voted	51.56	20.38	40
7.		Capital – Voted	7.00	4.39	63
8.	11	Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, <i>etc.</i> Revenue – Voted	197.09	79.07	40
9.		Capital – Voted	63.48	30.52	48
10.	16	Police, Other Administrative Services, Housing, Capital Outlay on Police Capital – Voted	32.30	19.79	61
11.	17	Jails Revenue – Voted	21.95	7.03	32
12.	19	Secretariat General Services, Public Works, Housing, Capital Outlay on Public Works, <i>etc.</i> , Capital Outlay on Housing Capital – Voted	142.22	100.81	71
13.	21	General Education, Technical Education, Sports and Youth Services, Art and Culture, <i>etc.</i> Capital - Voted	4.00	4.00	100
14.	22	Other Administrative Services, Housing Revenue – Voted	37.84	8.05	21
15.	23	Other Administrative Services Revenue – Voted	8.45	2.06	24
16.	28	Housing, Capital Outlay on Housing Revenue – Voted	66.49	51.94	78
17.		Capital – Voted	4.50	3.12	69
18.	29	Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, <i>etc.</i> Revenue – Voted	152.73	122.98	81
19.		Capital – Voted	135.89	112.51	83
20.	30	Information and Publicity Revenue – Voted	17.31	6.27	36
21.	31	Labour, Employment and Skilled Development Revenue – Voted	52.52	17.02	32
22.	32	Civil Supplies Revenue – Voted	122.56	70.84	58
23.	34	Welfare of Scheduled Caste, Scheduled Tribe, Other Backward Classes and Minorities, Social Security and Welfare, Nutrition, Capital Outlay on Social Security and Welfare Capital – Voted	47.26	35.17	74
24.	38	Secretariat Economic Services Revenue – Voted	499.28	402.15	81

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
25.	39	Co-operation, Other Agricultural Programmes, Capital Outlay on Co-operation, Capital Outlay on Other Agricultural Programmes, <i>etc.</i> Capital – Voted	7.38	3.93	53
26.	40	North Eastern Areas, Capital Outlay on North Eastern Areas Revenue – Voted	35.31	22.34	63
27.		Capital – Voted	89.90	49.99	56
28.	42	Housing, Other General Economic Services Revenue – Voted	7.35	2.19	30
29.	43	Housing, Crop Husbandry, Agricultural Research and Education, <i>etc.</i> Revenue – Voted	451.07	212.16	47
30.		Capital – Voted	137.29	112.24	82
31.	44	Flood Control Project and Drainage, Capital Outlay on Flood Control Project Capital – Voted	5.00	3.31	66
32.	45	Housing, Soil and Water Conservation, <i>etc.</i> Revenue – Voted	454.94	376.50	83
33.	48	Housing, Dairy Development, Agricultural Research and Education Revenue – Voted	23.55	14.63	62
34.	49	Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries Revenue – Voted	55.28	36.47	66
35.		Capital – Voted	5.98	5.62	94
36.	51	Housing, Special Programmes for Rural Development, Rural Employment, <i>etc.</i> Revenue – Voted	1572.39	580.70	37
37.		Capital – Voted	18.00	16.59	92
38.	53	Village and Small Industries Revenue – Voted	78.29	32.11	41
39.	54	Village and Small Industries, <i>etc.</i> Capital – Voted	10.77	2.77	26
40.	56	Roads and Bridges, Capital Outlay on Roads and Bridges Capital – Voted	691.63	245.00	35
41.	57	Tourism, Capital Outlay on Tourism Revenue – Voted	23.00	9.40	41
42.		Capital – Voted	19.00	9.07	48
43.	Appropriation	Internal Debt of the State Government Capital – Charged	489.40	180.12	37
<b>Total</b>			<b>5939.42</b>	<b>3049.75</b>	<b>51</b>

### APPENDIX 2.3

#### Statement showing the amount debited head wise and credited to 8443 – Civil Deposits

(Reference: Paragraph 2.3.4)

(₹ in crore)

Sl No.	Debit Head	Credit Amount
1.	2014	9.61
2.	2055	21.41
3.	2202	139.22
4.	2210	51.75
5.	2225	9.85
6.	2230	5.21
7.	2235	14.03
8.	2236	40.38
9.	2401	9.80
10.	2501	34.89
11.	2505	29.02
12.	2801	5.75
13.	2852	32.55
14.	2853	27.22
15.	3451	9.59
16.	3456	27.39
17.	4059	5.45
18.	4215	5.38
19.	4851	7.60
20.	5054	93.08
	<b>Total</b>	<b>579.18</b>



**APPENDIX 2.4**  
**Excess over provision of previous years requiring regularisation**  
**(Reference: Paragraph 2.3.5)**

(₹ in crore)

Year	Number of Grant/ Appropriation	Grant(s)/Appropriation(s) numbers	Amount of excess
1971-72	4	64, 79, 80, 88	0.08
1972-73	3/1	12, 16, 71/ Interest on Debt and other obligations	0.26
1973-74	2	10, 64	0.01
1974-75	4	13, 15, 29, 54	0.05
1975-76	3/1	13, 29, 82/Governor	0.07
1976-77	4/1	29, 32, 54, 62/Interest Payment	0.10
1977-78	3/1	7, 13, 54/Governor	0.07
1978-79	2	3, 22	0.05
1979-80	2	13, 22	0.03
1980-81	4/1	13, 20, 30, 39/Governor	0.09
1981-82	7/1	13, 14, 20, 28, 31, 34, 37/Governor	0.37
1982-83	12/2	3, 5, 14, 19, 20, 22, 24, 26, 27, 31, 37, 55/Governor, Administration of Justice	7.29
1983-84	8	3, 8, 27, 31, 37, 40, 45, 56	3.30
1984-85	12	9, 10, 18, 20, 22, 24, 25, 27, 30, 43, 59, 64	3.15
1985-86	9/2	7, 8, 17, 18, 24, 27, 37, 38, 64/ Administration of Justice, Loans and Advances from Central Government	4.70
1986-87	10	7, 8, 9, 24, 25, 27, 29, 39, 55, 56	0.95
1987-88	11/1	1, 11, 13, 16, 20, 24, 28, 36, 38, 48, 54/ Public Service Commission	1.78
1988-89	6/1	9, 15, 20, 24, 36, 54/ Public Service Commission	0.71
1989-90	9/1	8, 11, 22, 24, 29, 36, 41, 48, 54/ Police	4.37
1990-91	10	9, 18, 24, 26, 28, 36, 37, 53, 54, 58	2.44
1991-92	12	5, 7, 8, 9, 18, 24, 26, 30, 33, 36, 54, 61	2.56
1992-93	11/2	5, 7, 8, 9, 13, 20, 24, 26, 33, 49, 54 / Internal Debt of State Government, Governor	30.31
1993-94	7/3	6, 8, 20, 24, 26, 40, 53 / Internal Debt of State Government, Loans and Advances, Public Service Commission	263.13
1994-95	4/3	20, 24, 53, 60/Interest Payment, Public Service Commission, Internal Debt	183.34
1995-96	5/2	1, 14, 24, 47, 53 /Parliament/ State/Union Territory Legislature, Water Supply and Sanitation	4.34
1996-97	14/2	1, 3, 5, 7, 9, 14, 20, 21, 22, 24, 29, 36, 41, 53 / Governor, Administration of Justice	7.94
1997-98	10/1	1, 6, 7, 8, 9, 15, 18, 20, 24, 25 / Governor	6.23
1998-99	5	1, 2, 6, 11, 24	22.82
1999-2000	2/1	9, 18/Governor	0.17
2000-01	2/3	1, 40 / 1, 2, 4	3.92

Year	Number of Grant/ Appropriation	Grant(s)/Appropriation(s) numbers	Amount of excess
2001-02	3/2	1, 18, 35/ 1, 2	1.76
2002-03	4/3	11, 26, 35, 56/ 1, Internal Debt of the State Government, Loans & Advances from Central Government	22.10
2003-04	3/2	1, 20, 56/1 and Loans & Advances from Central Government	30.18
2004-05	5/2	1, 7, 19, 24, 56/ 1, Loans and Advances from the Central Government	36.74
2005-06	5/4	1, 16, 24, 54, 56/ 1, 36, Public Service Commission, Internal Debt of the State Government.	34.69
2006-07	6/2	1, 4, 8, 20, 24, 40/1, Loans and Advances from the Central Government	65.41
2007-08	8/1	1, 4, 8, 16, 20, 24, 26, 40 /1	72.79
2008-09	7/1	1, 4, 8, 20, 24, 35, 44,/ Loans and Advances from the Central Government	107.57
2009-10	8	1,2,20,23,24,26,35,52	49.71
2010-11	11/1	1,2,4,7,9,14,24,26,35,36,44/63- Appropriation to Contingency Fund	235.38
2011-12	10/2	7, 14, 23, 24, 25, 32, 35, 44, 52, 56, Appropriation- Loans and Advances from the Central Government, Public Service Commission	177.48
2012-13	7/3	2, 7, 24, 44, 46, 48, 56/ Appropriation – 12, 16, 19	114.45
2013-14	5/3	7,9,24,26,44,/Appropriation viz. 12,44, Internal Debt of the State Govt.	189.50
2014-15	2/2	7,24,/Appropriation – Public Service Commission, Loans and Advances from the Central Government,	114.99
2015-16	6/1	7,20,24,26,27,56/Appropriation – 2 – Governor	167.49
2016-17	4/2	7,24,27,56/21,28	168.06
<b>Total</b>			<b>2142.93</b>

## APPENDIX 2.5

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

(Reference: Paragraph 2.3.7)

(₹ in lakh)

Sl. No.	Number & name of Grant	Original provision	Actual expenditure	Savings out of original provision	Supplementary provision
1.	1 – Parliament/State/Union Territory Legislature, Stationery and Printing Revenue – Voted	8270.10	7855.65	414.45	660.96
2.	4 – Administration of Justice Revenue – Voted	5710.52	3509.35	2201.17	314.76
3.	Revenue – Charged	1152.30	1031.07	121.23	160.00
4.	6 – Land Revenue, Relief on Account of Natural Calamities Revenue – Voted	4953.00	4370.33	582.67	38.10
5.	9 – Taxes on Sales, Trade <i>etc.</i> , Other Taxes and Duties on Commodities and Services Revenue – Voted	2451.18	2315.56	135.62	214.31
6.	10 – Taxes on Vehicles, Other Administrative Services, Capital Outlay on Civil Aviation, <i>etc.</i> Revenue – Voted	4117.83	3117.43	1000.40	1037.74
7.	14 – District Administration Revenue – Voted	4214.00	4047.78	166.22	160.00
8.	16- Police, Other Administrative Services, Housing, Capital Outlay on Police Revenue – Voted	72194.41	68985.01	3209.40	2291.91
9.	17 – Jails Revenue – Voted	1816.44	1492.07	324.37	379.00
10.	18 – Stationery and Printing, Capital Outlay on Stationery and Printing, <i>etc.</i> Revenue – Voted	2894.00	2630.02	263.98	50.00
11.	19 – Secretariat General Services, <i>etc.</i> Revenue – Voted	22081.13	19627.48	2453.65	1212.51
12.	Capital – Voted	13612.88	4141.19	9471.69	609.56
13.	21 –General Education, Technical Education, Sports and Youth Services, Arts and Culture, <i>etc.</i> Revenue – Voted	203123.90	173634.00	29489.90	1157.28
14.	22 – Other Administrative Services, Housing Revenue – Voted	3381.05	2979.15	401.90	402.88
15.	23 – Other Administrative Services Revenue – Voted	742.51	638.49	104.02	102.36
16.	26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health, <i>etc.</i> Revenue – Voted	67860.62	66827.42	1033.20	2451.76
17.	28 – Housing, Capital Outlay on Housing Revenue – Voted	6359.00	1455.25	4903.75	290.19
18.	38 - Secretariat Economic Services, <i>etc.</i> Revenue – Voted	49735.53	9712.31	40023.22	192.00
19.	40 – North Eastern Areas, <i>etc.</i> Capital – Voted	8938.00	3991.55	4946.45	52.41
20.	47 – Housing, Animal Husbandry, Agricultural Research and Education Revenue – Voted	11958.99	11132.16	826.83	411.27
21.	50 – Forestry and Wildlife, Agricultural Research and Education, <i>etc.</i> Revenue – Voted	15167.97	14454.04	713.93	2449.80
22.	Appropriation – Public Service Commission Revenue – Charged	427.00	413.26	13.74	50.03
<b>Total</b>		<b>511162.36</b>	<b>408360.57</b>	<b>102801.79</b>	<b>14688.83</b>

## APPENDIX 2.6

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

(Reference: Paragraph 2.8.5)

(₹ in crore)

Sl. No.	Grant Number/ Appropriation	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
1.	4	105 – Civil and Session Courts (01) District and Sessions Judges including Munsif Courts <i>etc.</i> – General	2014	(+)1.15	(-)1.51
2.		108 – Criminal Courts (03) Establishment of Chief Judicial Magistrate and Other Judicial Magistrate – General		(+)48.48	(-)3.04
3.		108 – Criminal Courts (02) Legal Remembrancer and his Office - Sixth Schedule (Part II) Areas		(+)0.44	(-)1.21
4.		800 – Other Expenditure (07) Upgradation of Standard of Administration of Justice Recommended by the 12 <sup>th</sup> /13 <sup>th</sup> Finance Commission – General		(-)14.00	(-)12.48
5.		800 – Other Expenditure (11) Strengthening of the Judicial System as Recommended by 14 <sup>th</sup> Finance Commission – General		(+)11.14	(-)1.62
6.	5	102 – Electoral Officers (02) Election Officers and Office Establishment in the Districts - Sixth Schedule (Part II) Areas	2015	(-)0.21	(-)2.19
7.		103 – Preparation and Printing of Electoral Rolls (04) Expenditure on Voter Awareness and Voters Education – General		(-)0.07	(-)1.50
8.	14	093 – District Establishment (01) D.C's Establishment – Sixth Schedule (Part II) Areas	2053	(-)3.42	(+)1.48
9.	15	098 – Local Fund Audit (01) Establishment of Director Local Fund Audit	2054	(-)0.25	(-)1.43
10.	16	001 – Direction and Administration (01) Inspector General of Police's Office – General	2055	(-)0.52	(-)1.37
11.		104 – Special Police (01) 1 <sup>st</sup> Meghalaya Police Battalion– General		(-)1.02	(-)2.01
12.		104 – Special Police (04) 2 <sup>nd</sup> Meghalaya Police Battalion – General		(+)0.13	(-)1.96
13.		104 –Special Police (11) Raising of 5 <sup>th</sup> M.L.P. Bn/3 <sup>rd</sup> IRBN– General		(+)2.50	(-)6.58
14.		104 – Special Police (16) Multi-Purpose Special Force Battalion – General		(-)5.53	(-)4.62
15.		104 - Special Police (01) District Executive Police - Sixth Schedule (Part-II) Areas		(-)6.41	(-)13.87
16.		109 – District Police (06) Expenditure on Police Check Post in Indo-Bangladesh Border – General		(-)0.21	(-)3.76
17.		109 – District Police (15) Expenditure on Police Check Post on Highways – General		(-)0.01	(-)1.41
18.		104 - Special Police (05) Raising of 3 <sup>rd</sup> M.L.P. Bn/IRB – General		(+)2.57	(-)1.41
19.		104 - Special Police (13) Raising of 6 <sup>th</sup> M.L.P. Bn/4 <sup>th</sup> IRBN – General		(+)0.07	(+)3.52

Sl. No.	Grant Number/ Appropriation	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
20.	16	114 – Wireless and Computers (01) State Police Wireless Organisation – General	2055	(-)1.38	(-)5.56
21.		115 – Modernisation of Police Force (02) Expenditure on Modernisation of Criminal Investigation Department and Vigilance (including Police Wireless Organisation) – General		(-)0.57	(-)2.29
22.		115 - Modernisation of Police Force (04) Expenditure on Modernisation of District Police - Sixth Schedule (Part-II) Areas		(-)0.93	(-)1.22
23.		108 – Fire Protection and Control (02) Protection and Control (Fire Services Station) - Sixth Schedule (Part-II) Areas	2070	(+)3.89	(-)1.22
24.	19	80 – General – 001 – Direction and Administration (02) Chief Engineer and his Establishment (Buildings) – General	2052	(-)0.03	(-)2.99
25.		80 – General – 001 – Direction and Administration (01) Chief Engineer and his General Establishment (Roads) – General	2059	(+)0.07	(+)11.24
26.		80 – General – 051 – Construction (01) Functional Non-residential Buildings under General Services – General	4059	(+)2.70	(-)78.44
27.		80 – General – 051 – Construction (01) Functional Non-residential Buildings under General Services – Sixth Schedule (Part II) Areas		(-)2.70	(-)10.55
28.	21	102 – Assistance to Non-Government Primary Schools (03) Expenditure on Pre-Primary(Nursery) Schools - Sixth Schedule (Part II) Areas	2202	(-)2.56	(+)1.82
29.		102 – Assistance to Non-Government Primary Schools (13) Expenditure on Upper Primary Schools under Non-Deficit System – General		(-)10.23	(-)3.95
30.		102 – Assistance to Non-Government Primary Schools (13) Expenditure on UP Schools under Non-Deficit System - Sixth Schedule (Part II) Areas		(-)11.46	(+)4.40
31.		102 – Assistance to Non-Government Primary Schools (29) Mid-Day Meal incentives to Student - General		(-)5.13	(-)20.00
32.		101 – Inspection (01) Inspector of Schools and Staff - Sixth Schedule (Part II) Areas		(-)0.03	(-)3.46
33.		109 – Government Secondary Schools (01) Secondary Schools for boys - Sixth Schedule (Part II) Areas		(+)1.28	(-)13.99
34.		109 – Government Secondary Schools (02) Secondary Schools for girls - Sixth Schedule (Part II) Areas	2202	(+)0.19	(-)3.68
35.		110 – Assistance to Non-Government Secondary Schools (02) Expenditure on Secondary Schools under Deficit System for Girls - Sixth Schedule (Part II) Areas		(-)29.10	(-)9.61

Sl. No.	Grant Number/ Appropriation	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
36.	21	110 – Assistance to Non-Government Secondary Schools (02) Expenditure on Secondary Schools under Deficit System for Girls – General	2202	(-)3.91	(-)14.60
37.		110 – Assistance to Non-Government Secondary Schools (04) Expenditure on Non-Deficit Secondary Schools for Girls - Sixth Schedule (Part II) Areas		(-)4.96	(-)4.95
38.		110 – Assistance to Non-Government Secondary Schools (08) Promotion of Hindi in Non- government Schools for Boys and Girls - Sixth Schedule (Part II) Areas		(-)0.97	(-)1.58
39.		001 - Direction and Administration (01) Headquarter – General		(-)0.07	(-)1.49
40.		800 – Other Expenditure (07) Non Lapsable Central Pool of Resources - Sixth Schedule (Part II) Areas		(+)0.10	(-)2.60
41.		102 – Assistance to Non-Government Primary Schools (01) Expenditure on Maintenance of Primary Schools under Deficit System – General		(+)10.68	(-)2.78
42.		102 – Assistance to Non-Government Primary Schools (02) Expenditure on Schools under Non Deficit System – Sixth Schedule (Part II) Areas		(+)2.56	(-)1.34
43.		102 – Assistance to Non-Government Primary Schools (25) Sarva Shiksha Abhiyan – General		(+)103.15	(+)5.34
44.		104 – Inspection (01) Deputy Inspectors of Schools and Staff - Sixth Schedule (Part II) Areas		(+)0.48	(+)1.53
45.		110 – Assistance to Non-Government Secondary Schools (08) Promotion of Hindi in Non-Government Schools for Boys and Girls – General		(-)0.12	(+)1.29
46.		103 – Technical Schools (03) Setting up of Technical University – General	2203	(-)0.30	(-)11.30
47.		800 – Other Expenditure (03) Non Lapsable Central Pool of Resources - Sixth Schedule (Part II) Areas	2204	(-)0.10	(-)9.90
48.		104 – Sports and Games (04) Construction of Outdoor and Indoor Stadium – General		(+)1.82	(+)6.09
49.	24	101 – Superannuation and Retirement Allowances (01) Superannuation and Retirement Allowances – General	2071	(-)7.00	(+)86.41
50.		104 - Gratuities (02) Death Gratuities - General		(+)10.00	(-)5.31
51.		105 – Family Pension (01) Family Pension for State Government Employees - General		(-)3.00	(+)36.94
52.	27	101 – Urban Water Supply (44) Non Lapsable Central Pool of Resources – Sixth Schedule (Part II) Areas	4215	(+)1.69	(+)1.01
53.		102 – Rural Water Supply (18) National Rural Drinking Water Programme – General		(-)0.44	(-)1.40

Sl. No.	Grant Number/ Appropriation	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
54.	27	102 – Rural Water Supply (18) National Rural Drinking Water Programme – Sixth Schedule (Part II) Areas	4215	(+)36.35	(-)1.05
55.	31	001 – Direction and Administration (02) District Establishment - Sixth Schedule (Part II) Areas	2230	(+)0.02	(+)1.06
56.	34	102 – Child Welfare (05) Integrated Child Development Service Scheme – Sixth Schedule (Part II) Areas	2235	(+)0.51	(+)3.98
57.		102 Child Welfare (05) Integrated Child Development Service Scheme – Sixth Schedule (Part II) Areas		(+)15.66	(-)2.19
58.		101 – Special Nutrition Programmes (04) Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG) SABLA – Sixth Schedule (Part II) Areas	2236	(-)22.14	(-)2.09
59.		101 – Special Nutrition Programmes (04) Rajiv Gandhi Scheme for Empowerment of Adolescent Girls (RGSEAG) SABLA – Sixth Schedule (Part II) Areas		(+)2.18	(+)2.09
60.	38	800 – Other Expenditure (68) Green Energy – General	3451	(-)1.00	(-)2.00
61.	39	001 – Direction and Administration – (02) District Organisation – Sixth Schedule (Part II) Areas	2425	(+)0.20	(+)1.11
62.	40	104 – Sports and Games (32) Construction of Mini-Outdoor Stadium at Gambegre, West Garo Hills District, Meghalaya – Sixth Schedule (Part II) Areas	2552	(-)0.22	(-)1.45
63.		800 – Other Expenditure (01) Renovation of Tourist Lodges at Baghmara, Williamnagar and Siju in Meghalaya – Sixth Schedule (Part II) Areas	4552	(-)0.04	(-)1.33
64.	43	001 – Direction and Administration (02) District Offices – Sixth Schedule (Part II) Areas	2401	(-)0.47	(-)2.60
65.		109 – Extension and Farmer's Training (15) National Mission on Agricultural Extension and Technology (NMAET) – General		(+)0.60	(+)2.62
66.		119 – Horticulture and Vegetable Crops (05) Mission for Integrated Development of Horticulture (MIDH) Horticulture Mission for North East and Himalayan States (HMNEH) – General		(-)3.81	(-)19.03
67.		108 – Commercial Crops (21) Plantation Crops Development (Arecanut/Cashewnut/Coconut) Pineapple/Bamboo/Agar - General		(+)10.18	(-)6.00
68.		101 – Marketing Facilities (07) National Food Security Mission (NFSM) – General	2435	(-)5.81	(-)1.39
69.		101 – Marketing Facilities (08) ACA under RKVY – General		(-)58.53	(-)1.89
70.		101 – Marketing Facilities (10) Integrated Technology Enabled Agri Management (ITEAM) – General		(+)37.93	(-)27.99



Sl. No.	Grant Number/ Appropriation	Description	Head of Account	Re-appropriation	Excess (+) Savings (-)
71.	43	001 – Direction and Administration (04) Strengthening of Surface Water-Minor Irrigation or Investigation Division – Sixth Schedule (part –II) Areas	2702	(-)0.04	(-)2.50
72.	46	800 – Other Expenditure (01) Border Areas Programmes under Border Area Department - Sixth Schedule (part –II) Areas	2501	(-)6.85	(-)16.29
73.		800 – Other Expenditure (01) Special Central Assistance under Border Areas Programme - Sixth Schedule (part –II) Areas		(+)6.85	(+)16.24
74.	47	113 – Administrative Investigation and Statistics (01) Livestock Census Office - General	2403	(-)0.60	(-)1.00
75.	51	101 – National Rural Employment Guarantee Scheme (01) The National Rural Employment Guarantee - Sixth Schedule (part –II) Areas	2505	(-)1.86	(-)315.16
76.		001 – Direction and Administration (05) Stage-II Block Offices - Sixth Schedule (part – II) Areas	2515	(-)0.32	(-)4.80
77.	56	105 – Maintenance and Repairs (01) Work-charged Establishment-Road Works - Sixth Schedule (Part II) Areas	3054	(+)8.20	(-)1.52
78.		800 – Other Expenditure (07) PMGSY – Sixth Schedule (Part II) Areas	5054	(-)63.68	(-)174.25
79.		800 – Other Expenditure (17) Special Plan Fund (SPF) – Sixth Schedule (Part II) Areas		(-)150.00	(-)50.14
80.		800 – Other Expenditure (01) Construction – Sixth Schedule (Part II) Areas		(+)10.00	(+)22.52
81.		800 – Other Expenditure (03) Construction of Rural Roads – Sixth Schedule (Part II) Areas		(+)150.00	(-)32.29
82.	57	101 – Tourist Centre (18) Central Assistance for CSS – General	3452	(-)0.04	(-)3.96
83.		800 – Other Expenditure (28) Tourism Mission for IBDP – General		(-)0.05	(-)1.86
84.	Appropriation	104 – Interest on State Provident Funds (01) Interest on General Provident Fund – General	2049	(+)6.98	(+)2.33



**APPENDIX 2.7**  
**Results of review of substantial surrenders**  
**(surrender of provision over ₹ 1 crore and more than 50 per cent of total provision)**  
**(Reference: Paragraph 2.3.10)**

(₹ in lakh)

Sl. No.	Number and title of Grant/Appropriation	Name of the Scheme (Head of Account)	Budget Provision	Amount of surrender	% of surrender	Reasons attributed for surrender
1	2	3	4	5	6	7
1.	1 – Parliament/State/Union Territory Legislatures	Speaker and Deputy Speaker (2011)	173.90	131.26	75.48	(i) Non filling of vacant Post of Deputy Speaker, (ii) Less requirement of fund, and (iii) Less tour undertaken.
2.	4 – Administration of Justice	Judges of High Court/Bench (2014)	285.80	156.52	54.77	Less medical claims and less travelling allowance claims.
3.	9 – Taxes on Sales, Trade etc., Other Taxes and Duties on Commodities and Services	Enforcement Branch (2040)	183.56	135.07	73.58	(i) Non-clearance of arrear of arrear bills during the year, (ii) Less expenditure than anticipated, and (iii) Government restrictions on some non-plan expenditure.
4.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, etc.	Field Project (2501)	200.00	200.00	100.00	Non sanction of proposal by the Government
5.		Subsidy to MSEB for Rural Electrification (2801)	982.31	982.31	100.00	
6.		Non Lapsable Central Pool of Resources (2801)	120.00	120.00	100.00	
7.		Green City Project (SPA/ One Time ACA (2801)	900.00	900.00	100.00	
8.		Maintenance of New Umtru HEP (2x20MW) (2801)	917.00	917.00	100.00	
9.		Upgradation of Sub-Stations and Associated Infrastructure in Peri-urban Locations not covered under RGGVY (2801)	900.00	900.00	100.00	
10.		Augmentation of 132/33KV Mawlai Sub-station from 3x20MVA to 3x50MVA alongwith with Re-engineering of 132KV Bus-bar (2801)	499.18	499.18	100.00	
11.		Construction of New 2x2.5MVA S/S with Control Room at Umsning (2801)	324.00	324.00	100.00	
12.		Maintenance of 132KV S/C Line from New Umtru to EPIP-II and from Umtru HEP to Old Umtru HEP (2801)	149.94	149.94	100.00	
13.		Assistance to Meghalaya Electricity Regulatory Commission (MSERC) (2801)	161.69	161.69	100.00	
14.		Street Lighting System (2810)	158.40	158.40	100.00	
15.		SPV Power Plant (2810)	324.60	324.60	100.00	

1	2	3	4	5	6	7
16.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, etc.	Village Electrification State Share (MNES Special Sponsored Scheme) (2810)	500.00	500.00	100.00	Non sanction of proposal by Government of India.
17.		Accelerated Power Development Programme (6801)	532.00	532.00	100.00	
18.		Loan (RIDF, Fisetc) (6801)	1800.00	1800.00	100.00	
19.	21 – General Education, Technical Education, Sports and Youth Services, Art and Culture, etc.	Expenditure on College under Non Deficit System (2202)	950.00	950.00	100.00	Less requirement of fund.
20.		Expenditure on Trainees in Basic Training Centres (2202)	534.75	534.75	100.00	Less expenditure on Salary
21.		In-Service Training (2202)	163.53	151.65	92.74	Less expenditure.
22.		Expenditure on Trainees (2202)	223.67	223.67	100.00	Less expenditure on Salary
23.		Setting up of Engineering College (2203)	120.00	120.00	100.00	Less requirement of fund.
24.		Non-Lapsable Central Pool of Resources (2205)	2500.00	2348.73	93.95	Non-receipt of sanction.
25.	27 – Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, etc.	Each Schemes (Khasi)(4215)	1056.00	1023.06	96.88	(i) Reduction of allocation by Planning Department (ii) Less sanction of Schemes, and (iii) Less requirement of fund.
26.		Non-Lapsable Central Pool of Resources (4215)	1100.00	806.79	73.34	Non-release of fund by the Ministry of DONER.
27.		Each Schemes (4215)	3300.00	1753.20	53.13	Reduction of allocation by Planning Department
28.		Greater Ampati Water Supply Project (SPA) (4215)	1250.00	900.23	72.02	
29.		Construction and Maintenance of Departmental Non-residential Building-Major Works (4215)	100.00	100.00	100.00	(i) Non-sanctioned of new schemes (ii) Reduction of allocation by Planning Department, (iii) Non release of fund by the Ministry
30.		Up-gradation Grant under 13 <sup>th</sup> Finance Commission Award-Augmentation Tura Phase I & II WSS (4215)	1250.00	1250.00	100.00	
31.	28 – Housing, Capital Outlay on Housing, Loans for Housing	Affordable Housing Scheme (2216)	5500.00	5000.00	90.91	Drastic cut in the revised outlay the Government.
32.		Rental Housing Scheme (4216)	260.00	260.00	100.00	Non-receipt of sanctions
33.	29 – Urban Development, Capital Outlay on Housing, Capital Outlay on Urban development.	National Urban Livelihood Mission(NULM) (2217)	480.61	480.61	100.00	Non-release of fund from GoI.
34.		Swachh Bharat Mission-Central Assistance for Centrally Sponsored Schemes inclusive of State Share (2217)	168.33	168.33	100.00	
35.		Housing for all (Urban Mission) Centrally Sponsored Schemes inclusive of State Share (2217)	449.60	449.60	100.00	
36.		Up-gradation of the Standard of Administration awarded by the Twelfth/Thirteen Finance Commission (2217)	600.00	600.00	100.00	(i) Non-release of fund from GoI, (ii) Reduction of revised outlay by

1	2	3	4	5	6	7
37.		Smart Cities Mission (SCM) Centrally Sponsored Schemes inclusive of State Share (2217)	10119.28	10119.28	100.00	Planning Department, (iii) Proposal of sharing pattern not accepted by GoI.
38.	29 – Urban Development, Capital Outlay on Housing, Capital Outlay on Urban development.	Infrastructure Development (4217)	400.00	353.17	82.29	Reduction in revised outlay by Planning Department.
39.		State Urban Infrastructure Development Initiative (4217)	300.00	300.00	100.00	(i) Reduction in revised outlay by Planning Department, (ii) Less release of fund by GoI.
40.		Special Plan Assistance (SPA) (4217)	151.00	151.00	100.00	
41.		Swachh Bharat Mission-Central Assistance for Centrally Sponsored Schemes inclusive of State Share (4217)	392.78	392.78	100.00	
42.		Atal Mission for Rejuvenation and Urban Transformation (AMRUT) for Centrally Sponsored Schemes Inclusive of State Share (4217)	1341.90	1341.90	100.00	
43.		Housing for All (Urban) Mission for Centrally Sponsored Schemes Inclusive of State Share (4217)	1798.40	1376.60	76.55	Less release of fund by GoI.
44.		Non Lapsable Central Pool of Resources (4217)	400.00	400.00	100.00	Non receipt of proposal.
45.		Loan (Rural Infrastructure Development Fund/Financial Institutions etc.) (4217)	1375.00	1375.00	100.00	
46.		Lumpsum Fund for Development of North Eastern States (4217)	4300.00	4300.00	100.00	Non-release of fund from GoI.
47.	30 – Information and Publicity	Directorate of Information and Public Relation (2220)	509.68	265.89	52.17	Non-filling of vacant post, Non-receipt of medical bill and Non-receipt of sanction from GoI.
48.	31 – Labour, Employment and Skilled Development	Up-gradation into Centre of Excellence ITI Shillong/Tura (2230)	200.00	115.90	57.95	Non-receipt of sanction from GoI.
49.		Enhancing Skill Development Infrastructure in North Eastern States and Sikkim (2230)	1000.00	931.63	93.16	
50.	32 – Civil Supplies	Sub-divisional Civil Supplies Establishment (3456)	202.99	106.23	52.33	Non-filling of vacant posts, Economy measure adopted by Government and Less expenditure than anticipated.
51.		Provision of Food Security for the Aged Destitute under the Annapurna Scheme (3456)	100.00	100.00	100.00	Non-receipt of sanction from GoI.

1	2	3	4	5	6	7
52.	32 – Civil Supplies	Expenditure on Intra State Movement and Handling of Food Grain and Fair Price Shop Dealer's Margin, <i>etc.</i> under the Scheme – National Food Security Act, 2013 (3456)	2362.50	2362.50	100.00	Non-receipt of sanction from GoI.
53.		Subsidy for procurement of Sugar (3456)	3725.40	2737.10	73.47	Discontinuation of the scheme.
54.		Consumer Welfare Fund (3456)	900.00	900.00	100.00	Non-receipt of sanction from GoI.
55.		Scheme on End to End Computerization of TPDS Operation (3456)	367.50	367.50	100.00	
56.	34 – Welfare of Scheduled Caste, Scheduled Tribe, Other Backward Classes and Minorities, Social Security and Welfare, Nutrition, Capital Outlay on Social Security and Welfare	Construction or Development of Rural Market under NLCPR Schemes (2225)	105.00	105.00	100.00	Non-release of fund by the Ministry of DONER.
57.		Implementation of National Programme for Rehabilitation of Person with Disabilities (2235)	500.00	369.11	73.82	Non-revision of rate of honorarium of MRWs and CBRWs in the Block/Districts
58.		Pension Welfare of Handicapped (2235)	1000.00	1000.00	100.00	Non receipt of government sanction.
59.		Grant for Construction of Working Women's Hostel (2235)	500.00	500.00	100.00	
60.		Chief Minister's Social Assistance to the Infirms and Widows (2235)	2000.00	2000.00	100.00	
61.	34 – Welfare of Scheduled Caste, Scheduled Tribe, Other Backward Classes and Minorities, Social Security and Welfare, Nutrition, Capital Outlay on Social Security and Welfare	Multi-Sectoral Development Programme (MSDP) (2235)	259.00	259.00	100.00	Non-receipt of fund from GoI.
62.		Integrated Child Development Service Scheme (2235)	823.22	470.45	57.15	Without assigning any reason.
63.		Construction of Joint Directorate of Social Welfare at Tura (4235)	146.50	146.50	100.00	Non-sanction of the proposal by the Government of Meghalaya.
64.		Construction of Anganwadi Centre under ICDS Scheme Central Assistance for CSS in respect of ICDS (4235)	352.00	194.00	55.11	Without assigning any reason.
65.		Construction of Anganwadi Centre under ICDS Scheme (4235)	3580.78	3151.22	88.00	
66.	39 – Co-operation, Other Agricultural Programmes, Capital Outlay on Co-operation, <i>etc.</i>	Token Provision for RIDF/ Financial Institution <i>etc.</i> (6425)	200.00	196.00	98.00	Due to re-allocation of state scheme outlay.
67.	40 – North Eastern Areas, Capital Outlay on North Eastern Areas	Strengthening of the existing Seed Testing Laboratory (2552)	200.00	200.00	100.00	Non-receipt of administrative approval of fund from GoI.
68.		Up-gradation, Improvement and Widening of Road within Industrial Estate at Umiam, Ri Bhoi District (4552)	340.00	247.96	72.93	Non-receipt of sanction from NEC.

1	2	3	4	5	6	7
69.	40 – North Eastern Areas, Capital Outlay on North Eastern Areas	Setting up of Rural Entrepreneurship Centre in South Garo Hills, Ri Bhoi District, WKH District, Meghalaya (4552)	450.00	450.00	100.00	Without assigning any reason.
70.		Promotion of Rural Artisans and Crafts in Rural Areas of Meghalaya (4552)	210.00	210.00	100.00	
71.		Creating Necessary Infrastructure for Storage of Water to meet the Emergency Needs of the State Capital, etc. (4552)	100.00	100.00	100.00	Non-requirement of fund.
72.		Mawshabuit Combined Water Supply Scheme Phase-I (4552)	200.00	200.00	100.00	
73.	42 – Housing, Other General Economic Services	Strengthening of Weights and Measures Infrastructures (3475)	150.00	150.00	100.00	Non-receipt of plan and estimate from PWD (Buildings), Shillong.
74.	43 – Housing, Crop Husbandry, Agricultural Research & Education, Other Agricultural Programmes, Medium Irrigation, Minor Irrigation, Flood Control and Drainage, Capital Outlay on Crop Husbandry, Investments in Agricultural Financial Institutions, etc.	Spices Development (Ginger/Turmeric/Large Cardamon/Black Pepper) (2401)	443.00	400.00	90.29	Budget cut.
75.		Ramie Crop (2401)	200.00	165.00	82.50	Non-sanction of the scheme.
76.		Agriculture Mission (2401)	600.00	600.00	100.00	Budget cut and less amount received from GoI.
77.		National Mission for Sustainable Agriculture (2401)	690.00	428.95	62.17	
78.		Agricultural Census (2401)	500.00	473.50	94.70	Without assigning any reason.
79.		Investigation and Development of Ground Water Resources (2702)	303.10	303.10	100.00	
80.		Construction of Tube Wells (2702)	680.13	680.13	100.00	Non-sanction of proposal.
81.		Command Area Development (State Share) (2702)	200.00	200.00	100.00	
82.		NABARD Loan for construction of MIP (2702)	145.00	145.00	100.00	Non-operation of sanctioned works.
83.		Repair, Renovation and Restoration of Water Bodies (2702)	592.00	310.22	52.40	Non-release of fund from GoI.
84.	45 – Housing, Soil and Water Conservation, Agricultural Research & Education	Integrated Development of Water Resources (2702)	1500.00	1500.00	100.00	Non-sanction of proposals.
85.		Accelerated Irrigation Benefit Programme (4702)	3026.87	3026.87	100.00	Non-release of fund from GoI.
86.		Integrated Watershed Management Programme (2402)	833.50	734.06	88.07	Less amount sanctioned under the scheme by the GoI.
87.		Community Water Reservoir (in convergence with MGNREGA) (2402)	500.00	500.00	100.00	Budget cut imposed by the Government.
88.		Soil Conservation Scheme under NABARD Loan (2402)	1000.00	500.00	50.00	
89.		Integrated Wasteland Development Programme (2402)	2000.00	2000.00	100.00	Non-sanction of scheme by the GoI.
90.		Accelerated Irrigation Benefits Programme (AIBP) (2402)	833.34	833.34	100.00	
91.		Integrated Watershed Management Programme (2402)	7500.00	6605.00	88.07	Less amount sanctioned under the scheme by the GoI.

1	2	3	4	5	6	7
92.	45 – Housing, Soil and Water Conservation, Agricultural Research & Education	Integrated Wasteland Development Programme (2402)	18000.00	18000.00	100	Non-sanction of scheme by the GoI.
93.		Accelerated Irrigation Benefits Programme (AIBP)(2402)	7500.16	7150.16	95.33	
94.	46 – Special Programme for Rural Development	Border Areas Programmes under Education (2501)	424.00	385.91	91.02	Without stating any specific reason.
95.						
	49 – Housing, Fisheries, Agricultural Research and Education, etc.	State Aquaculture Mission (2405)	1600.00	1362.92	85.18	Less expenditure than anticipated and revised outlay imposed by the GoI.
97.		Welfare of Fishermen (2405)	100.00	100.00	100	
98.		Development of Fisheries Aquaculture (2405)	500.00	500.00	100	
99.		Blue Revolution Integrated Development and Management of Fisheries (2405)	1000.00	860.41	86.04	Less expenditure than anticipated.
100.		Construction and Maintenance of Departmental Non-Residential Buildings (4405)	298.00	268.00	89.93	Less expenditure than anticipated and revised outlay imposed by the Government and Non-approval of scheme.
101.		Construction and Maintenance of Departmental Fish Farms (4405)	200.00	193.87	96.94	
102.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife.	Intensification of Forest Management Schemes (2406)	230.00	140.42	61.05	Less fund released from GoI.
103.		National Afforestation Programme (2406)	387.00	222.38	57.46	
104.		Green India Mission (2406)	108.00	108.00	100	
105.		National Mission on Medicinal Plant (2406)	162.00	162.00	100	
106.		Integrated Development of Wild Life Habitat (2406)	891.00	614.09	68.92	
107.	51 – Housing, Special Programmes for Rural Development, Employment, etc.	Indira Gandhi Awas Yojana (IAY) (2505)	24893.00	19775.36	79.44	Less requirement of fund.
108.		National Family Benefit Scheme (2515)	300.00	241.90	80.63	
109.		Construction and Maintenance of Dept. Building/Non-residential Building (2515)	201.55	119.51	59.30	
110.		Construction, Renovation and Maintenance of Government Residential/Non-Residential Buildings for the Existing Blocks and New Blocks (4515)	1350.00	1215.00	90.00	Less expenditure than anticipated.
111.		Directorate of Community Development (4515)	400.00	200.00	50.00	

1	2	3	4	5	6	7
112.	52 – Industries, Other Capital Outlay on Industries and Mineral, Other Loans to Industries and Minerals	Training inside and outside the State (2852)	207.40	147.46	71.10	Revised outlay by Planning department.
113.		Industrial Park (2852)	110.00	110.00	100	
114.		Financial Operation to Meghalaya Industrial Development Corporation (4885)	100.00	100.00	100	
115.	53 - Village and Small Industries	Integrated Handloom Industries Development Programme (2851)	500.00	400.00	80.00	Downsizing of plan allocation by Planning department.
116.		North Eastern Region – Textile Promotion Scheme (2851)	984.93	684.93	69.54	Non-receipt of sanction from GoI.
117.		North Eastern Region Textile Promotion Scheme (2851)	270.00	215.95	79.98	
118.	Appropriation – Internal Debt of the State Government	Ways and Means Advances (6003)	17500.00	17499.17	100.00	Less expenditure than anticipated.
	<b>Total</b>		<b>170944.61</b>	<b>155221.37</b>		

**APPENDIX 2.8**  
**Surrender in excess of actual savings**  
**(Reference: Paragraph 2.3.11)**

(₹ in lakh)

Sl No.	Number and Name of Grant/Appropriation	Total Grant	Saving	Amount surrendered	Amount surrendered in excess of savings
1.	2 - President/Vice-President/Governor/Administrator of Union Territories Revenue – Charged	1033.00	261.23	296.10	34.87
2.	4 – Administration of Justice Revenue – Charged	1312.30	281.23	350.88	69.65
3.	9 – Taxes on Sales, Trade <i>etc.</i> , Other Taxes and Duties on Commodities and Services Revenue – Voted	2665.49	349.93	421.15	71.22
4.	14 – District Administration Revenue – Voted	4374.00	326.22	453.69	127.47
5.	22 – Other Administrative Services, Housing Revenue – Voted	3783.93	804.78	939.76	134.98
6.	25 – Miscellaneous General Services Revenue – Voted	1156.71	9.77	14.59	4.82
7.	28 – Housing, Capital Outlay on Housing, Loans for Housing Capital – Voted	450.00	311.79	439.83	128.04
8.	29 – Urban Development, Capital Outlay on Housing, Capital Outlay on Urban Development, <i>etc.</i> Capital – Voted	13589.08	11251.42	11255.42	4.00
9.	39 – Co-operation, Other Agricultural Programmes, Capital Outlay on Co-operation, <i>etc.</i> Revenue – Voted	2386.00	272.06	333.37	61.31
10.	42 – Housing, Other General Economic Services Revenue – Voted	734.75	219.22	227.33	8.11
11.	45 – Housing, Soil and Water Conservation, Agricultural Research and Education Revenue – Voted	45493.91	37649.51	37663.73	14.22
12.	46 – Special Programme for Rural Development Revenue – Voted	7939.12	534.89	539.09	4.20
13.	50 – Forestry and Wildlife, Agricultural Research and Education, <i>etc.</i> Revenue – Voted	17617.77	3163.73	3174.24	10.51
14.	52 – Industries, Capital Outlay on Cement, Capital Outlay on Industries and Minerals, <i>etc.</i> Revenue – Voted	4663.63	574.09	591.78	17.69
	<b>Total</b>	<b>107199.69</b>	<b>56009.87</b>	<b>56700.96</b>	<b>691.09</b>



## APPENDIX 2.9

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

(Reference: Paragraph 2.3.12)

(₹ in crore)			
Sl. No.	Grant No./ Appropriation	Name of Grant/Appropriation	Saving
1.	5	Elections Revenue – Voted	10.74
2.	10	Taxes on Vehicles, Other Administrative Services, Road Transport, <i>etc.</i> Capital – Voted	4.39
3.	15	Treasury and Accounts Administration Revenue – Voted	3.56
4.	16	Police, Other Administrative Services, Housing, Capital Outlay on Police Revenue – Voted	55.01
5.		Revenue – Charged	0.33
6.		Capital – Voted	19.79
7.	19	Secretariat General Services, Public Works, Housing, Capital Outlay on Public Works, Capital Outlay on Education, Sports, Arts and Culture, <i>etc.</i> Capital – Voted	100.81
8.	21	21 –General Education, Technical Education, Sports and Youth Services, Arts and Culture, <i>etc.</i> Capital - Voted	4.00
9.	26	Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health Revenue – Voted	34.85
10.		Capital – Voted	6.71
11.	38	Secretariat Economic Services Revenue – Voted	402.15
12.	41	Census, Survey and Statistics Revenue – Voted	3.23
13.	44	Flood Control and Drainage, Capital Outlay on Flood Control Project Revenue – Voted	0.08
14.		Capital – Voted	3.31
15.	54.	Village and Small Industries, Capital Outlay on Housing, Capital Outlay on Village and Small Industries Revenue – Voted	9.00
16.	56	Roads and Bridges, Capital Outlay on Roads and Bridges Capital – Voted	245.00
17.	57	Tourism, Capital Outlay on Tourism Revenue – Voted	9.40
18.		Capital – Voted	9.07
		<b>Total</b>	<b>921.43</b>

**APPENDIX 2.10**  
**Details of saving of ₹ 1 crore and above not surrendered**  
**(Reference: Paragraph 2.3.12)**

(₹ in crore)				
Sl. No.	Number and Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1.	3 – Council of Ministers Revenue – Voted	4.62	2.73	1.89
2.	4 – Administration of Justice Revenue – Voted	25.16	6.80	18.36
3.	5 – Elections Revenue – Voted	10.74	...	10.74
4.	6 – Land Revenue, Relief on Account of Natural Calamities Revenue – Voted	6.21	4.96	1.25
5.	8 – State Excise Revenue – Voted	2.59	1.25	1.34
6.	10 – Taxes on Vehicles, Other Administrative Services, Capital Outlay on Civil Aviation, <i>etc.</i> Revenue – Voted	20.38	10.18	10.20
	Capital – Voted	4.39	...	4.39
7.	13 – Secretariat General Services, Secretariat Social Services, <i>etc.</i> Revenue – Voted	24.99	23.24	1.75
8.	15 – Treasury and Accounts Administration Revenue – Voted	3.56	...	3.56
9.	16 – Police, Other Administrative Services, Housing, <i>etc.</i> Revenue – Voted	55.01	...	55.01
	Capital – Voted	19.79	...	19.79
10.	17 – Jails Revenue – Voted	7.03	3.42	3.61
11.	19 – Secretariat General Services, Public Works, Housing, Capital Outlay on Education, Sports, Arts and Culture, <i>etc.</i> Revenue – Voted	36.66	0.34	36.32
	Capital – Voted	100.81	...	100.81
12.	21 – General Education, Technical Education, Sports and Youth Services, Art and Culture, Other Scientific Research, <i>etc.</i> Revenue – Voted	306.47	82.63	223.84
	Capital – Voted	4.00	...	4.00
13.	26 – Medical and Public Health, Family Welfare, Capital Outlay on Medical and Public Health Revenue – Voted	34.85	...	34.85
	Capital – Voted	6.71	...	6.71
14.	27 – Water Supply and Sanitation, Housing, Capital Outlay on Water Supply and Sanitation, <i>etc.</i> Revenue – Voted	10.48	8.14	2.34
15.	38 – Secretariat – Economic Services Revenue – Voted	402.15	...	402.15
16.	40 – North Eastern Areas, Capital outlay on North Eastern Areas. Revenue – Voted	22.34	3.00	19.34
	Capital – Voted	49.99	13.33	36.66

Sl. No.	Number and Name of Grant/Appropriation	Saving	Surrender	Saving which remained to be surrendered
17.	41 – Census Survey and Statistics Revenue – Voted	3.23	...	3.23
18.	43 – Housing, Crop Husbandry, Agricultural Research and Education, Other Agricultural Programmes, Medium Irrigation, Minor Irrigation, Flood Control and Drainage, <i>etc.</i> Revenue – Voted	212.16	117.57	94.59
	Capital – Voted	112.24	99.02	13.22
19.	44 – Flood Control and Drainage, Capital Outlay on Flood Control Project Capital – Voted	3.31	...	3.31
20.	47 – Housing, Animal Husbandry, Agricultural Research and Education, Capital Outlay on Animal Husbandry Revenue – Voted	12.38	2.72	9.66
21.	48 – Housing, Dairy Development, Agricultural Research and Education Revenue – Voted	14.63	0.51	14.12
22.	49 – Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, <i>etc.</i> Revenue – Voted	36.47	35.13	1.34
23.	51 – Housing, Special Programmes for Rural Development, Rural Employment, Other Rural Development Programmes, <i>etc.</i> Revenue – Voted	580.70	255.01	325.69
	Capital – Voted	16.59	14.49	2.10
24.	53 – Village and Small Industries Revenue – Voted	32.11	18.52	13.59
25.	54 – Village and Small Industries, Capital Outlay on Housing, Capital Outlay on Village and Small Industries Revenue – Voted	9.00	...	9.00
26.	56 – Roads and Bridges, Capital Outlay on Roads and Bridges Capital – Voted	245.00	...	245.00
27.	57 – Tourism, Capital Outlay on Tourism Revenue – Voted	9.40	...	9.40
	Capital – Voted	9.07	...	9.07
	<b>Total</b>	<b>2455.22</b>	<b>702.99</b>	<b>1752.23</b>

**APPENDIX 2.11****Cases of surrender of funds in excess of ₹ 1 crore on 31 March 2018****(Reference: Paragraph 2.3.12)****(₹ in crore)**

Sl. No.	Grant No. & Name	Head of Account	Amount surrendered
1.	1 – Parliament/State/Union Territory Legislature,	2011, 2058	10.71
2.	Stationery and Printing, <i>etc.</i>		1.31
3.	2 – President, Vice-President/Governor/Administrator of Union Territories	2012	2.96
4.	3 – Council of Ministers	2013	2.73
5.	4 – Administration of Justice	2014	6.80
6.			3.51
7.	6 – Land Revenue, Relief on Account of Natural Calamities	2029, 2245	4.96
8.	8 – State Excise	2039	1.25
9.	9 – Taxes on Sales, Trade <i>etc.</i> Other Taxes and Duties on Commodities and Services	2040,2045	4.21
10.	10 – Taxes on Vehicles, Other Administrative Services, Capital Outlay on Civil Aviation, <i>etc.</i>	2041, 2070	10.18
11.	11 – Other Taxes and Duties on Commodities and Services, Special Programmes for Rural Development, Power, <i>etc.</i>	2045, 2501, 2801, 2810	78.97
12.		4801, 6801	30.52
13.	13 – Secretariat General Services, Secretariat Social Services, Secretariat Economic Services	2052, 2251, 3451	23.24
14.	14 – District Administration	2053	4.54
15.	17 – Jails	2056	3.42
16.	18 – Stationery and Printing, Capital Outlay on Stationery and Printing	2058	2.33
17.	20 – Other Administrative Services	2070	7.79
18.	21 –General Education, Technical Education, Sports and Youth Services, Art and Culture, <i>etc.</i>	2202, 2203, 2204, 2205,3425, 3454	82.63
19.	22 – Other Administrative Services, Housing	2070, 2216	9.40
20.	23 – Other Administrative Services	2070	1.16
21.	27 - .Water Supply and Sanitation, Housing, Capital Outlay	2215, 2216	8.14
22.	on Water Supply and Sanitation, Capital Outlay on Housing	4215, 4216	59.85
23.	28 – Housing, Capital Outlay on Housing	2216	51.69
24.		4216	4.40
25.	29 – Urban Development, Capital Outlay on Housing,	2217	122.92
26.	Capital Outlay on Urban Development, <i>etc.</i>	4216, 4217	112.55
27.	30 – Information and Publicity	2220	6.23
28.	31 – Labour, Employment and Skilled Development	2230	16.30
29.	32 – Civil Supplies	3456	70.83
30.	34 – Welfare of Scheduled Caste, Scheduled Tribe, Other	2225, 2235, 2236	77.38
31.	Backward Classes and Minorities, <i>etc.</i>	4235	35.17
32.	39 – Co-operation, Other Agricultural Programmes, Capital	2425, 2435	3.33
33.	Outlay on Co-operation, <i>etc.</i>	4425, 4435, 6425	3.93
34.	40 – North Eastern Areas, Capital Outlay on North Eastern	2552	3.00
35.	Areas	4552	13.33
36.	42 – Housing, Other General Economic Services	2216, 3475	2.27
37.	43 – Housing, Crop Husbandry, Agricultural Research & Education, <i>etc.</i>	2216, 2401, 2415, 2435, 2701, 2702, 2711	117.57
38.		4401, 4416, 4701, 4702, 4711	99.02

Sl. No.	Grant No. & Name	Head of Account	Amount surrendered
39.	45 – Housing, Soil, and Water Conservation, Agricultural Research and Education	2216, 2402, 2415	376.64
40.	46 – Special Programme for Rural Development	2501	5.39
41.	47 – Housing, Animal Husbandry, Agricultural Research and Education, Capital Outlay on Animal Husbandry	2216, 2403, 2415	2.72
42.	49 – Housing, Fisheries, Agricultural Research and Education, Capital Outlay on Housing, Capital Outlay on Fisheries	2216, 2405, 2415	35.13
43.		4216, 4405	5.62
44.	50 – Forestry and Wildlife, Agricultural Research and Education, Capital Outlay on Forestry and Wildlife	2406, 2415	31.74
45.	51 – Housing, Special Programmes for Rural Development, etc., Capital Outlay on Other Rural Development	2216, 2501, 2505, 2515	255.01
46.	Programmes	4515	14.49
47.	52 – Industries, Other Capital Outlay on Industries and	2852	5.92
48.	Minerals, etc.	4885, 6885	1.23
49.	53 – Village and Small Industries	2851	18.52
50.	54 – Village and Small Industries, Capital Outlay on Housing, etc.	4216, 4851	2.77
51.	55 – Non-Ferrous Mining and Metallurgical Industries	2853	3.21
52.	60 – Loans to Government Servants, etc.	7610	3.14
53.	Appropriation – Internal Debt of the State	6003	180.12
	<b>Total</b>		<b>2042.18</b>

## APPENDIX 2.12

### Information regarding Un-reconciled Expenditure for the year 2017-18

(Reference: Paragraph 2.4.2)

(₹ in crore)

Sl. No.	Name of the Controlling Officers	Head of Accounts involved	Amount not reconciled
1.	Director of Health Services (Family Welfare)	4210	9.56
2.	Registrar of Stamps and Registration	2030	0.69
3.	Director of Information and Publicity	2220	3.35
4.	Registrar of Co-operative Societies	2425	6.94
5.	Director of Animal Husbandry and Veterinary	2404	2.81
6.	Secretary, Secretariat Administration Department (SAD)	2251	0.15
7.	Secretary to Law Department	2014	7.85
8.	Secretary District Administration	2053	13.82
9.	Director of Urban Affairs	2217, 4217	9.41
10.	Commissioner of Transport Department, Secretary Home (Police) Department, Secretary General and Administration Services(GAD), Transport & Communication and Political Department, Passport, Personnel.	2070	14.34
11.	Principal Secretary to the Government of Meghalaya, Finance Pension Cell Department	2071	232.29
12.	Director of Technical Education	2202, 2203	332.98
13.	Director of Art and Culture	3425, 3454	0.50
14.	Director of Border Area Development	2501, 2575	1.74
15.	Secretary Planning/ Secretary SAD/Secretary Finance/ Secretary Public Works Department	3451, 2049	39.73
16.	Director of Tourism (Shillong)	3452	1.81
17.	Chief Engineer, Water Resources (Irrigation)	2702, 2711	1.70
18.	Secretary/Additional Secretary, Finance (EA) Department	2049	106.55
19.	Estate Officer (GAD)	2216	2.59
	<b>Total</b>		<b>788.81</b>

## APPENDIX 3.1

## Statement showing names of bodies and authorities, the accounts of which had not been received as on 31 March 2018

(Reference: Paragraph 3.2)

(₹ in lakh)

(Rs in lakhs)						
Sl. No.	Name of Department	Name of the body/authority	Section of CAG's (DPC) Act, 1971 under which audit is conducted	Year for which accounts had not been received	Grants received	
					Year	Amount
1.	Ministry of Tribal Affairs	Ram Krishna Mission	14 (1)	2016-17 to 2017-18	2012-13 to 2015-16	4009.09
2.	Ministry of Human Resources	(a) State Education Mission Authority	14 (1)	2016-17 to 2017-18	2012-13 to 2015-16	704.01
		(b) State Resource centre.	14 (1)	2013-14 to 2017-18	2011-12 to 2012-13	210.00
3.	Urban Affairs Department	(a) Meghalaya Urban Development Authority	14 (1)	2014-15 to 2017-18	2012-13 to 2013-14	3090.01
		(b)State Investment Programme Management & Implementation Unit	14 (1)	2017-18	2013-14 to 2016-17	1581.51
4.	Community & Rural Development Department	(a) Meghalaya State Rural Livelihood Society	14 (1)	2016-17 to 2017-18	2009-10 to 2015-16	4813.15
		(b) State Institute Rural Development	14 (1)	2015-16 to 2017-18	2009-10 to 2014-15	5608.30
		(c) State Rural Employment Society	14 (1)	2013-14 to 2017-18	2011-12 to 2012-13	8023.73
5.	Social Welfare Department	Meghalaya State Social Welfare Advisory Board	14 (1)	2008-09 to 2017-18	2007-08	86.45
6.	Agriculture Department	1 Meghalaya State Agriculture Marketing Board	14 (1)	2013-14 to 2017-18	2009-10 to 2012-13	141.56
7.	Sports Department	1 State Sports Council	14 (1)	2017-18	2016-17	420.47
8.	Ministry of Culture	1 Don Bosco Centre for Indigenous	14 (1)	2017-18	2013-14 to 2016-17	180.68
9.	Health & Family Welfare Department	(a) National Rural Health Mission	14 (1) & 15 (1)	2014-15 to 2017-18	2013-14	33492.79
		(b) Director of Higher & Technical Education	14 (1) & 15 (1)	2015-16 to 2017-18	2014-15	63.94
		(c) Hospital Management Society	14 (1) & 15 (1)	2017-18	2016-17	1100.53
10.	Information & Technology Department	Meghalaya Information Technology Society	14 (1)	April'2014 to 2017-18	2013-14	8472.37
11.	Planning Department	State Council of Science & Technology	14 (1)	2015-16 to 2017-18	2013-14 to 2014-15	493.78
12.	Ministry of Finance Department & Economics Affairs	(a) Meghalaya State Skill Development Society North	14 (1)	2017-18	2011-12 to 2016-17	2370.53
		(b) Eastern Region Community Resource Management Project	14 (1)	2017-18	2013-14 to 2016-17	20051.39
13.	District Administration Department	(a) District Rural Development Agency Williamnagar	14 (1) & 15 (1)	2008-09 to 2017-18	2003-04 to 2007-08	6867.86
		(b) District Rural Development Agency Jowai	14 (1) & 15 (1)	2010-11 to 2017-18	2009-10	2239.59
		(c) District Rural Development Agency Tura	14 (1) & 15 (1)	2007-08 to 2017-18	2006-07	7411.43
		(d) District Rural Development Agency Nongpoh	14 (1) & 15 (1)	2009-10 to 2017-18	2008-09	1926.58
		(e) District Council Affairs	14 (1) & 15 (1)	2015-16 to 2017-18	2010-11 to 2014-15	3755.75
Total		24				117115.50

## APPENDIX 3.2

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

(Cases where final action pending at the end of March 2018)

(Reference: Paragraph 3.5)

							(₹ in lakh)
Name of the Department	Up to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	20 to 25 years	25 Years to more	Total number of cases
Public Works	NIL	NIL	NIL	1 (3.80)	NIL	3 (13.71)	4 (17.51)
Health and Family Welfare	NIL	1 (0.65)	NIL	1*	1 (0.27)	1*	4 (0.92)
Public Health Engineering	NIL	2 (0.59)	2 (1.28)	14 (0.71)	17 (1.65)	23 (3.36)	58 (7.59)
Legislative Assembly	NIL	1 (40.75)	NIL	NIL	NIL	1 (3.34)	2 (44.09)
Finance	NIL	NIL	NIL	1 (86.50)	NIL	1 (1.94)	2 (88.44)
Mining	NIL	NIL	NIL	NIL	1 (16.55)	NIL	1 (16.55)
Community and Rural Development	NIL	NIL	NIL	1 (3.03)	NIL	NIL	1 (3.03)
Land Record and Survey	NIL	NIL	NIL	1 (1.56)	NIL	NIL	1 (1.56)
Horticulture	NIL	NIL	1 (21.06)	NIL	NIL	NIL	1 (21.06)
<b>Total</b>	<b>NIL</b>	<b>4 (41.99)</b>	<b>3 (22.34)</b>	<b>19 (95.60)</b>	<b>19 (18.47)</b>	<b>29 (22.35)</b>	<b>74 (200.75)</b>

(Figures in brackets indicate ₹ in lakh)

\* Amount not intimated.





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