



Accounts at a Glance 2012-13



GOVERNMENT OF MEGHALAYA

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Preface

I am happy to present the fourteenth issue of our annual publication, the 'Accounts at a Glance' of the Government of Meghalaya. The purpose of this publication is to distil and make more accessible the voluminous information that is available in the annual Finance and Appropriation Accounts (totalling 898 pages in this year) prepared by my office under the directions of the Comptroller and Auditor General of India and placed before the legislature in accordance with Article 149 of the Constitution of India.

The format of the Finance Accounts has undergone significant changes, with additional statements incorporated to bring out the financial position of the Government more clearly. In keeping with these changes, the Accounts at a Glance has been remodelled to make it more comprehensive. A combined reading of the Finance Accounts and Appropriation Accounts, the Report on State Finances and the Accounts at a Glance, will help the stakeholders to comprehend better the various facets of the finances of the Government of Meghalaya.

We look forward to comments and suggestions for improving this publication.

Place: Shillong
Date: 22 January 2014

Accountant General (A&E)
Shillong

Our Vision, Mission and Core Values

The **vision** of the institution of the Comptroller and Auditor General of India represents what we aspire to become.

We strive to be a global leader and initiator of national and international best practices in public sector auditing and accounting and recognized for independent, credible, balanced and timely reporting on public finance and governance.

Our **mission** enunciates our current role and describes what we are doing today.

Mandated by the Constitution of India, we promote accountability, transparency and good governance through high quality auditing and accounting and provide independent assurance to our stakeholders the legislature, the Executive and the Public- that public funds are being used efficiently and for the intended purposes.

Our **core values** are the guiding beacons for all that we do and give us the benchmarks for assessing our performance.

- Independence
- Objectivity
- Integrity
- Reliability
- Professional Excellence
- Transparency
- Positive Approach

CHAPTER I

OVERVIEW

1.1 Introduction

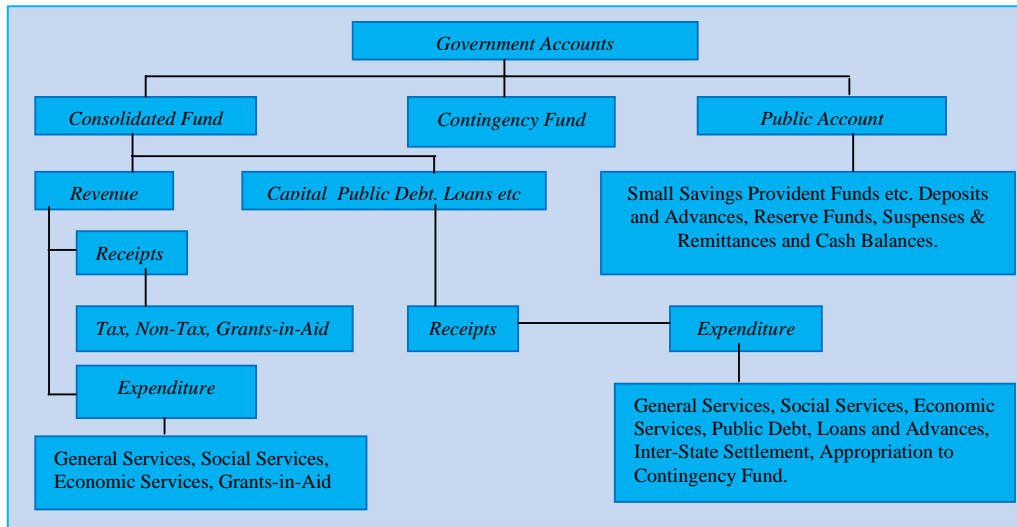
The Accountant General (Accounts and Entitlements), Meghalaya compiles the accounts of receipts and expenditure of the Government of Meghalaya . This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India. Following such compilation, the Accountant General (A&E) prepares annually, the Finance Accounts and the Appropriation Accounts, which are placed before the State Legislature after audit by the Principal Accountant General (Audit) Meghalaya and certification by the Comptroller and Auditor General of India.

1.2 Structure of Accounts

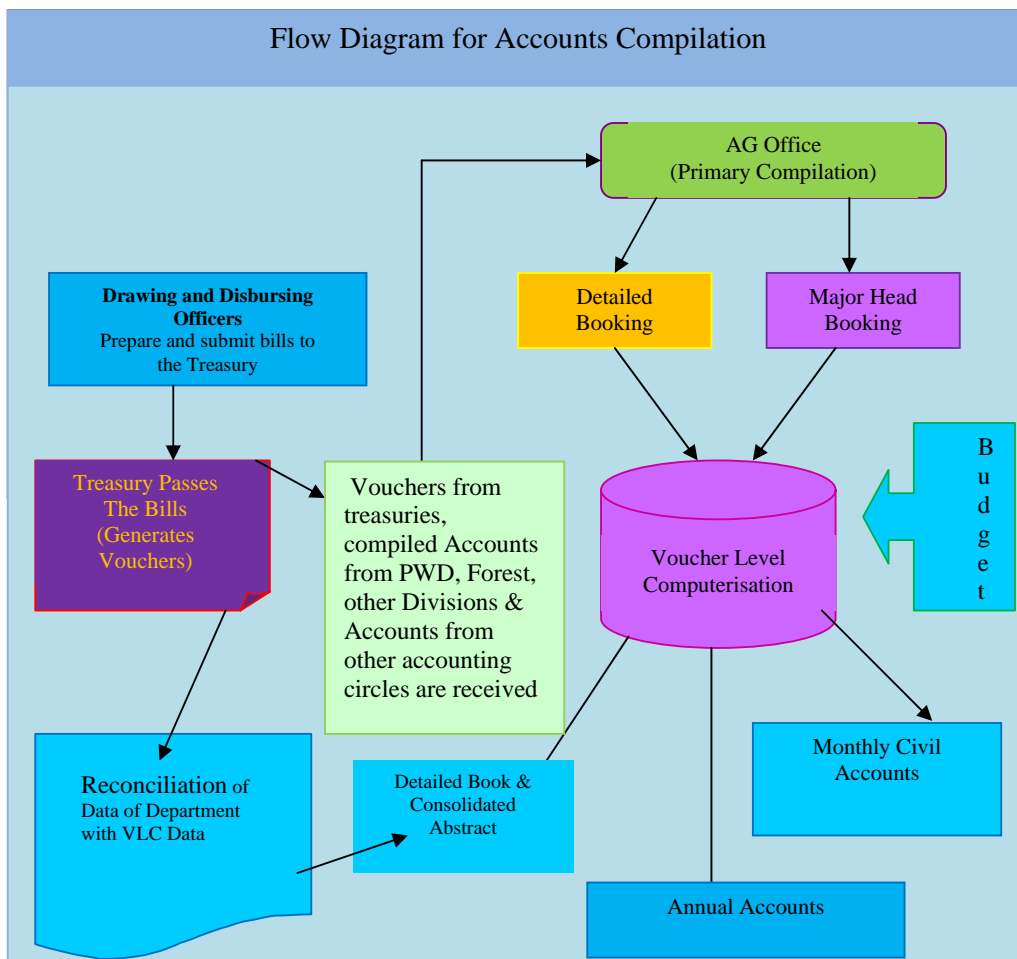
Government Accounts are kept in three parts:

Part 1 CONSOLIDATED FUND	Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.
Part 2 CONTINGENCY FUND	Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.
Part 3 PUBLIC ACCOUNT	Comprises of Debt, Deposits, Advances, Remittances and Suspense transactions. Debt and Deposits represent repayable liabilities of the Government. Advances are receivables of the Government. Remittances and Suspense transactions are adjusting entries that are to be cleared eventually by booking to the final heads of accounts.

Pictorial representation of Structure of Government Account



Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

The Finance Accounts depicts the Receipts and Disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. The Finance Accounts have been issued in two volumes, in a new format since 2009-10, to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to accounts' containing summary of significant accounting policies, quality of accounts and other items. Volume II contains other summarized statements(Part -I) , detailed statements (Part-II) and appendices (Part -III).

Receipts and disbursement of the Government of Meghalaya as depicted in the Finance Accounts 2012-13 are given below.

(In crore of rupees)

Receipts (Total:59,54.89)	Revenue (Total: 55,36.35)	Tax Revenue	20,40.18
		Non Tax Revenue	4,84.95
		Grants -in-Aid and Contribution	30,11.22
	Capital (Total: 4,18.55)	Recovery of Loans and Advances	23.25
		Borrowings and other Liabilities	3,95.29
Disbursements (Total: 59,54.89)	Revenue	49,99.53	
	Capital	9,28.34	
	Loans and Advances	27.02	

Borrowings and other liabilities: Net (Receipts-Disbursements) of Public Debt + net of Contingency Fund +Net (Receipts-Disbursements) of Public Account+ Net of Opening and Closing Cash Balance.

The Union Government transfers substantial funds directly to State Implementing Agencies/NGOs for implementation of various schemes and programmes. This

year, the Government of India directly released ₹ 10,56.52 crore. Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VII of Volume –II of the Finance Account.

1.3.2 Appropriation Accounts

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against amounts ‘Charged’ on the Consolidated Fund or ‘Voted’ by the State Legislature. There are 8 combined grants of both Charged and Voted, 3 Charged Appropriation and 49 Voted Grants.

The Appropriation Act 2012-13, had provided for gross expenditure of ₹ 86,78.69 crore and reduction of expenditure (recoveries) of ₹ 2.40 crore. Against this, the actual gross expenditure was ₹ 61,32.69 crore and reduction of expenditure was ₹ 9.29 crore, resulting in net savings of ₹ 25,46.00 crore (29.34 per cent) and an under-estimation of ₹ 6.87 crore (398 per cent) on reduction of expenditure. The gross expenditure includes ₹ 15.95 crore drawn on Abstract Contingent (AC) Bill, against which ₹ 15.93 crore is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2012-13, ₹ 33.14 crore was transferred from the Consolidated Fund to Personal Deposit (PD) Accounts under the Public Account, which are maintained by designated Administrators for specific purposes. Normally, unspent balances under PD accounts are to be transferred back to the Government Accounts at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD accounts are available only with the treasuries, since they are responsible for maintaining such records.

1.4 Source and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Government to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 0.21 crore) maintained with the RBI. During 2012-13, the Government of Meghalaya did not resort to OD facilities and WMA.

1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹ 5,36.82 crore and a Fiscal Deficit of ₹ 3,95.29 crore representing 2.92 per cent and 2.15 per cent of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 6.64 per cent of total expenditure. This deficit was met from Public debt (₹ 3,54.71 crore), decrease in Public Account (-) ₹ 45.44 crore and net of opening and closing cash balance (₹ 86.02 crore). Around 41.81 per cent of the revenue receipts (₹ 55,36.35 crore) of the State Government was spent on committed expenditure like salaries (₹ 15,91.99 crore), interest payment (₹ 3,34.25 crore) and pension (₹ 3,88.26 crore).

Except where indicated otherwise , GSDP figures (Advance) used in this publication are as per information received from the Directorate of Economics & Statistics, Government of Meghalaya, Shillong.

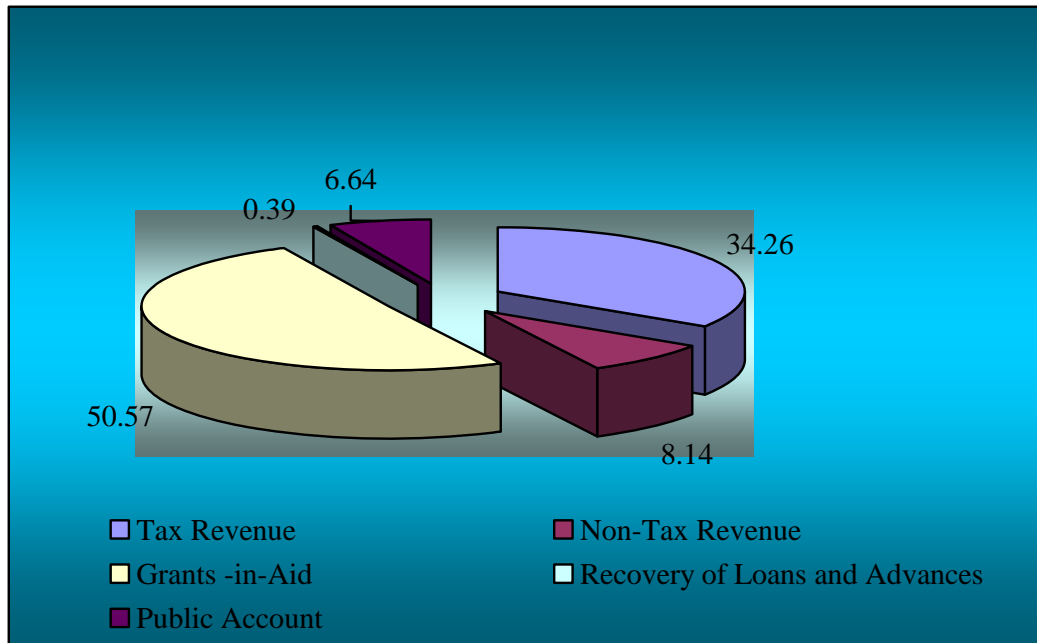
Source and Application of Funds

(In crore of rupees)

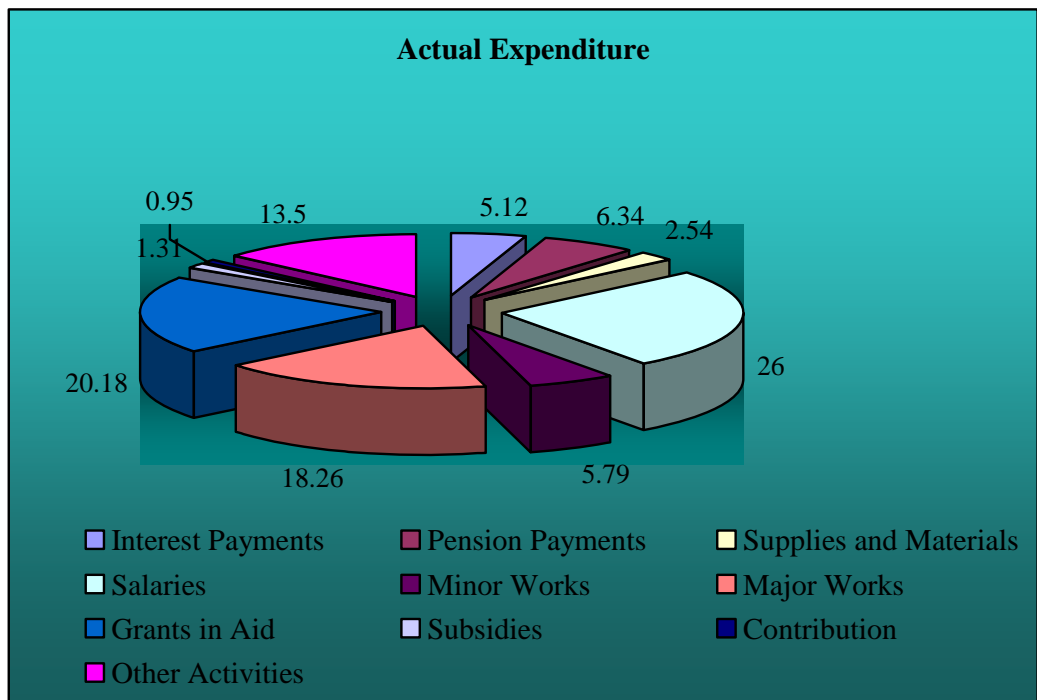
	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2012	69.68
	Revenue Receipts	55,36.35
	Recovery of Loans and Advances	23.25
	Public Debt	5,23.22
	Small Savings Provident Fund & Others	2,04.03
SOURCES	Reserves and Sinking Funds	1,11.70
	Deposits Received	7,78.66
	Civil Advances Received	1,07.87
	Suspense Account	1,47,09.76
	Remittances	23,47.92
	Contingency Fund	...
	Total	2,44,12.44

	PARTICULARS	AMOUNT
	Revenue Expenditure	49,99.53
	Capital Expenditure	9,28.34
	Loans Given	27.02
	Repayment of Public Debt	1,68.51
	Transfer to Contingency Fund	...
	Small Savings Provident Fund & Others	94.96
APPLICATION	Reserves and Sinking Funds	1,19.14
	Deposits Repaid	13,60.71
	Civil Advances Repaid	1,07.87
	Suspense Account	1,42,92.75
	Remittances	23,29.95
	Closing Cash Balance as on 31.3.2013	(-)16.34
	Total	2,44,12.44

1.4.3 Where the Rupee came from



1.4.4 Where the rupee went



1.5 Highlights of Accounts

(In crore of rupees)

	B.E. 2012-13	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP(\$)
1. Tax Revenue (@)	19,58.59	20,40.18	104.17	11.11
2. Non-Tax Revenue	4,70.04	4,84.95	103.17	2.64
3. Grants -in-aid & Contribution	45,46.79	30,11.22	66.23	16.40
4. Revenue Receipts (1+2+3)	69,75.42	55,36.35	79.37	30.15
5. Recovery of Loans and Advances	23.98	23.25	96.96	0.13
6. Borrowings & Other Liabilities (A)	14,57.30	3,95.29	27.12	2.15
7. Capital Receipts (5+6)	14,81.28	4,18.54	28.26	2.28
8. Total Receipts (4+7)	84,56.70	59,54.89	70.42	32.43
9. Non-Plan Expenditure	34,59.25	33,56.10	97.02	18.28
10. NPE on Revenue Account	33,83.30	32,80.12	96.95	17.86
11. NPE on Interest Payments	3,35.83	3,13.82	93.45	1.71
12. NPE on Capital Account	75.95	75.98	100.04	0.41
13. Plan Expenditure	49,97.45	25,98.79	52.00	14.15
14. PE on Revenue Account	33,72.86	17,19.41	50.98	9.36
15. PE on Capital Account	16,24.59	8,79.38	54.13	4.79
16. Total Expenditure (9+13)(*)	84,56.70	59,54.89	70.42	32.43
17. Revenue Expenditure(10+14)	67,56.16	49,99.53	74.00	27.23
18. Capital Expenditure (12+15)(#)	17,00.54	9,55.36	56.18	5.20
19. Revenue Surplus(4-17)	2,19.26	5,36.82	244.83	2.92
20. Fiscal Deficit(4+5-16)	14,57.30	3,95.29	27.12	2.15

(@) Includes State's share of Union Taxes ₹ 11,92.45 crore

(\$) GSDP figure of ₹ 1,83,63 crore adopted from the Economic Survey published by Planning Department, Government of Meghalaya.

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 9,28.34 crore) and Loans and Advances disbursed (₹ 27.02 crore)

(*) Expenditure includes (₹27.02 crore) under Non-Plan which pertains to Loans and Advances

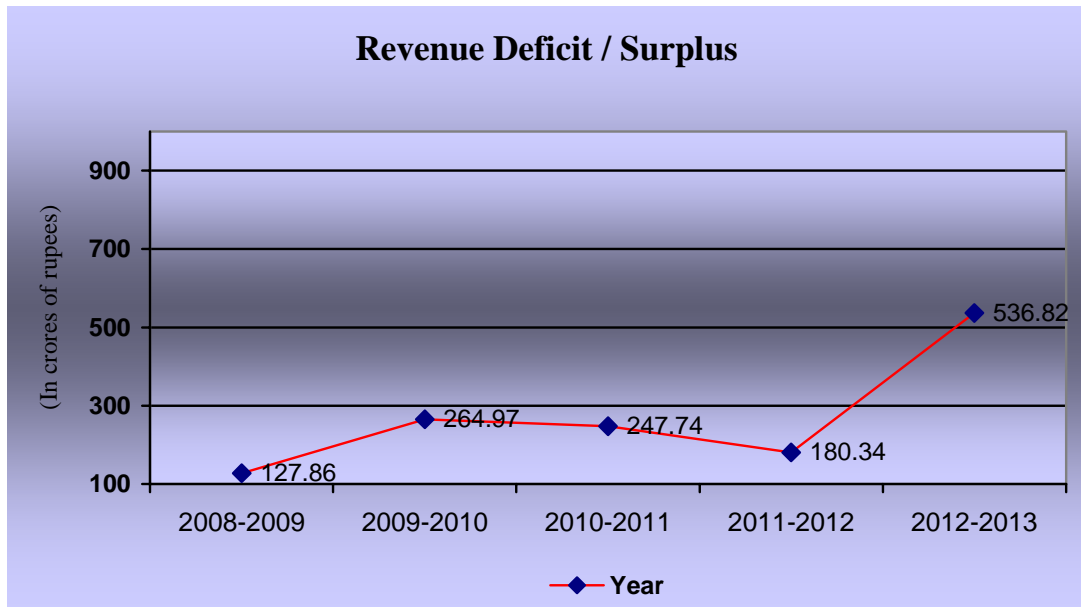
(A) Borrowings and other Liabilities Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts- Disbursements) of Public Account+ Net of Opening and Closing Cash Balance.

1.6 *What do the Deficits and Surpluses indicate?*

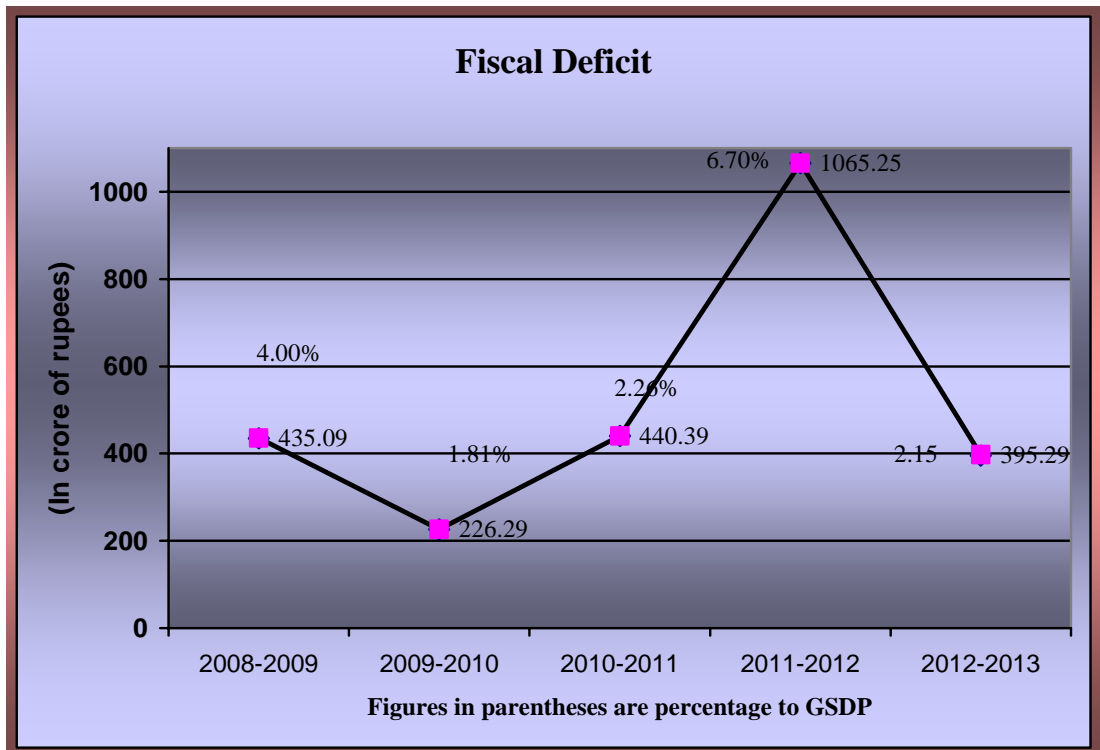
<i>Deficit</i>	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management
<i>Revenue</i>	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met form Revenue Receipts
<i>Fiscal Deficit/Surplus</i>	Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicated the extent to which expenditure is financed by borrowings. Ideally, the Borrowings should be invested in capital projects.

After the enactment of the Meghalaya Fiscal Responsibility and Budget Management (FRBM) Act 2006, the State Government made a promising start recording revenue surplus of ₹ 2,34.69 crore in 2006-07. However, this positive start could not be maintained and the State suffered set back with back to back Revenue Deficit in 2007-08 and 2008-09. Despite the set back, the State Government continued with its target as per FRBM Act, 2006 which yielded positive result in the form of consecutive Revenue Surplus in 2009-10 and 2010-11. But, again in the year 2011-12, revenue deficit of ₹ 1,80.34 crore was recorded and also the Fiscal Deficit rose to an all time high of ₹ 10,65.25 crore or 6.70 per cent of GSDP which was well beyond the FRBM Act, 2006 target of 3 percent. However, during the year 2012-13, the State Government again set aside its setback and recorded an all time high revenue surplus or ₹ 5,36.82 crore or 2.15 per cent of Gross Domestic State Product.

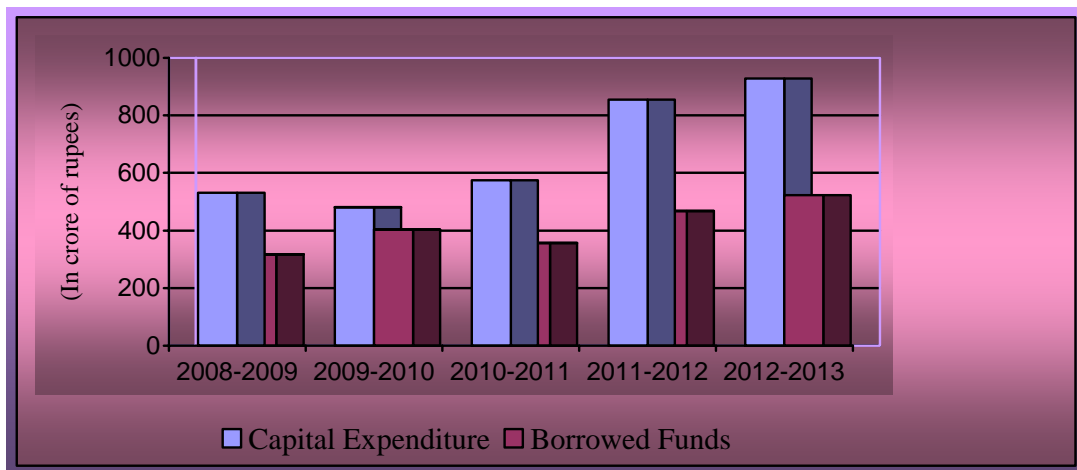
1.6.1 Trend of Revenue Deficit / Surplus



1.6.2 Trend of Fiscal Deficit



1.6.3 *Proportion of borrowed funds spent on Capital Expenditure*



It is desirable to fully utilize borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 68 per cent of the borrowings of the current year (₹ 5,23.22 crore) on capital expenditure (₹ 9,28.34 crore). It would, therefore, appear that 32 per cent of the public debt (₹ 1,68.51crore) was utilized to repay the principal and interest on public debt of previous years, to meet periodic shortfalls of revenues against expenditure in the current year, to maintain a positive cash balance at the end of the year and to invest in treasury bills.

CHAPTER II

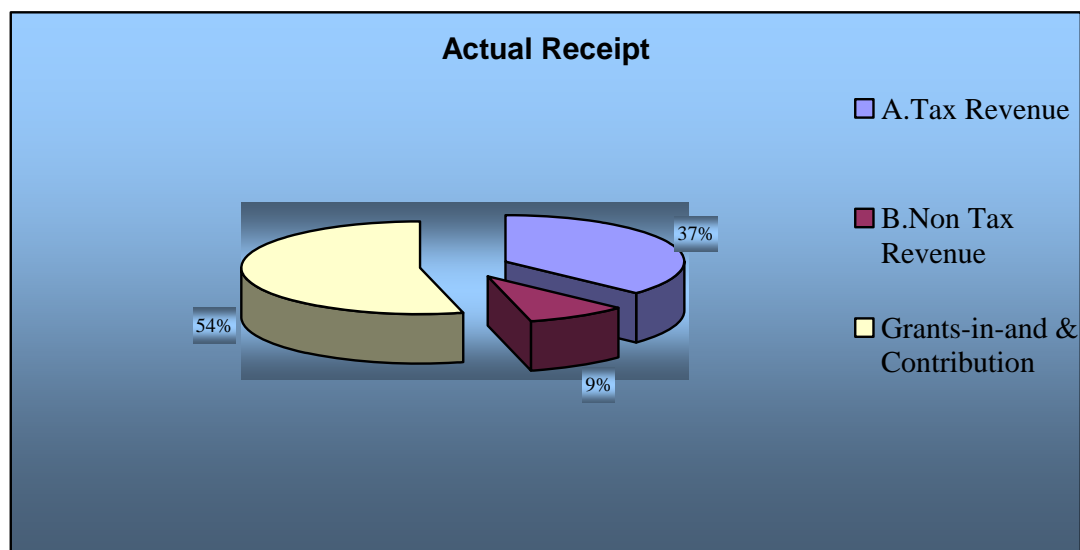
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2012-13 were ₹ 55,36.35 crore

2.2. Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution
Non-Tax Revenue	Includes interest receipts, dividends, profits etc
Grants-in-Aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grants Assistance' and 'Aid', Material and Equipment' received from foreign Governments and channelised through the Union Government. In turn, the State Government also give Grants-in-aid to institutions like Panchayati Raj institutions, Autonomous bodies etc.



Revenue Receipts Components (2012-13)

(In crore of rupees)

Components	Actuals
A. Tax Revenue	20,40.18
Taxes on Income & Expenditure [*]	6,87.88
Taxes on Property and Capital Transactions	17.30
Taxes on Commodities and Services	13,35.00
B. Non-Tax Revenue	4,84.95
Interest Receipts , Dividends and Profits	25.46
General Services	52.83
Social Services	7.44
Economic Services	3,99.22
C. Grants-in-aid and Contributions	30,11.22
Total Revenue Receipts	55,36.35

[*] Share of income Tax received from Union Government ₹ 2,56.40 crore.

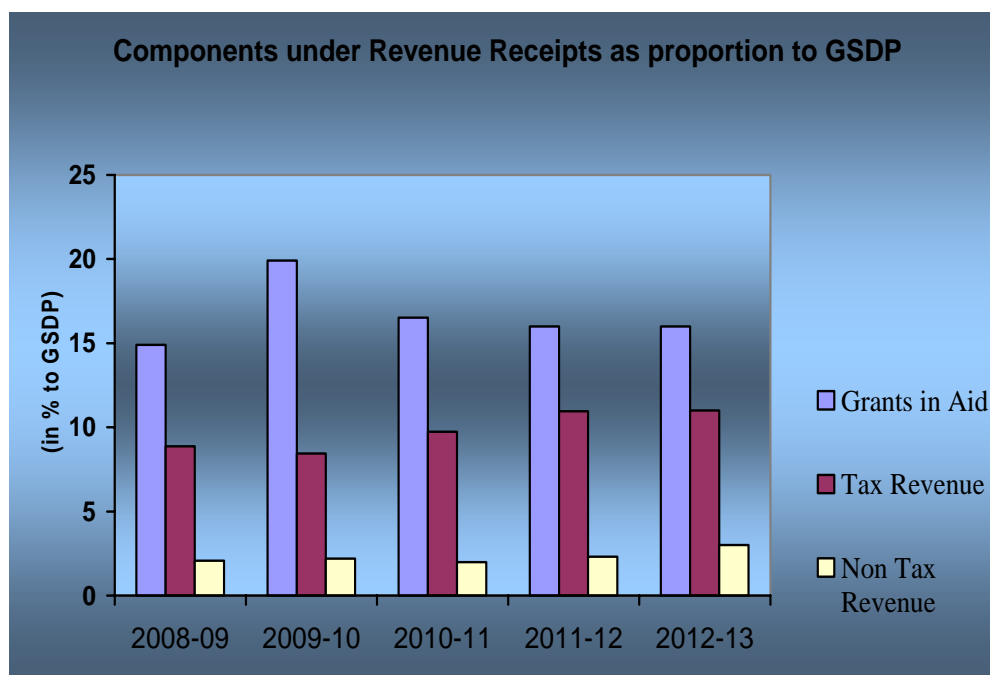
2.3. *Trend of Receipts*

(In crore of rupees)

	2008-09	2009-10	2010-11	2011-12	2012-13
Tax Revenue	9,64.67 (8.87)	10,56.67 (8.45)	14,67.72 (9.73)	17,41.73 (10.96)	20,40.18 (11.11)
Non-Tax Revenue	2,25.31 (2.07)	2,75.08 (2.20)	3,01.53 (1.99)	3,68.24 (2.32)	4,84.95 (2.64)
Grants -in-aid	16,20.66 (14.90)	21,15.59 (16.92)	24,91.23 (16.52)	25,44.50 (16.01)	30,11.22 (16.40)
Total Revenue Receipts	28,10.64 (25.84)	34,47.35 (27.57)	42,60.48 (28.26)	46,54.47 (29.28)	55,36.35 (30.15)
GSDP	1,08,74	1,25,02	1,50,78	1,58,95	1,83,63

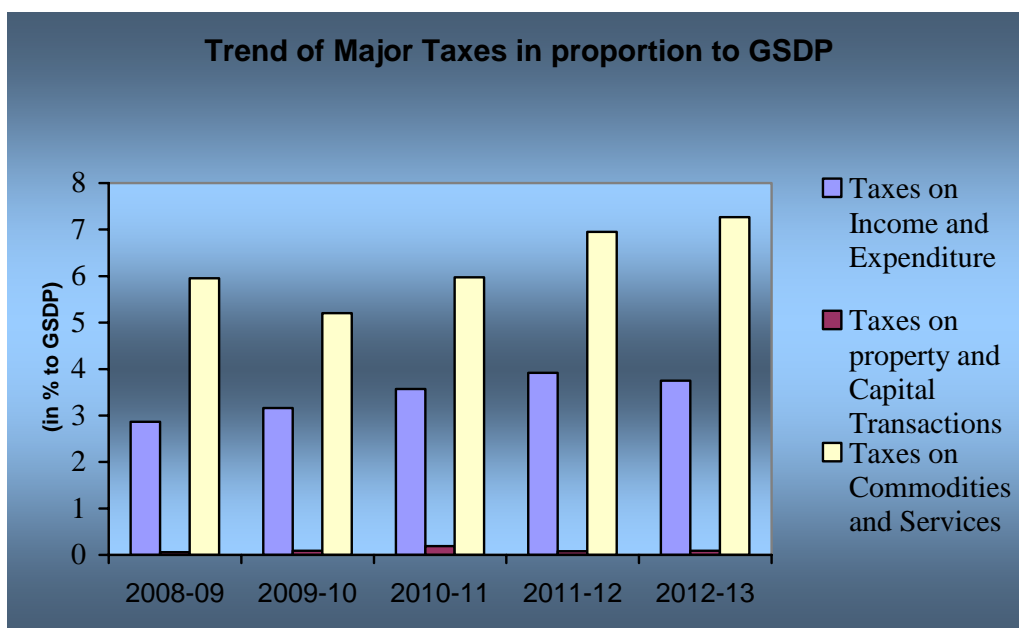
Note: Figures in parentheses represent percentage to GSDP

Though the GSDP increased by 15.53 per cent between 2011-12 and 2012-13, growth in revenue collection was only 18.95 per cent where tax revenues increased by 17.14 percent, non-tax revenues increased by 31.69 percent.



Sector – wise Tax Revenue

	2008-09	2009-10	2010-11	2011-12	2012-13
Tax on income and Expenditure	3,11.13	3,94.45	5,38.43	6,23.28	6,87.88
Taxes on property and Capital Transaction	6.29	11.85	28.59	13.07	17.30
Taxes on Commodities and Services	6,47.26	6,50.37	9,00.70	11,05.38	13,35.00
Total Tax Revenue	9,64.67	10,56.67	14,67.72	17,41.73	20,40.18



2.4 Performance of State's own Tax Revenue Collection

(In crore of rupees)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2008-09	9,64.67	5,95.23	3,69.44	3.40%
2009-10	10,56.67	6,12.38	4,44.29	3.55%
2010-11	14,67.72	8,96.27	5,71.45	3.78%
2011-12	17,41.73	10,44.19	6,97.54	4.39%
2012-13	20,40.18	11,92.45	8,47.73	4.62%

During the year 2012-13, the State Government recorded Revenue surplus of ₹ 5,36.82 crore in compliance of 13th Finance Commission recommendation.

2.5. *Efficiency of Tax Collection*

A. *Taxes of Property and capital Transactions.*

(In crore of rupees)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	6.29	11.85	28.59	13.07	17.30
Expenditure on Collection	6.87	10.46	11.37	12.66	12.53
Efficiency of Tax Collection	109%	88%	40%	97%	72%

B. *Taxes on Commodities and Services.*

(In crore of rupees)

	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Collection	6,47.26	6,50.37	9,00.70	11,05.38	13,35.00
Expenditure on Collection	68.77	27.28	33.20	41.88	40.17
Efficiency of Tax Collection	11%	4%	4%	4%	3%

Taxes on commodities and services form a major chunk of tax revenue. The collection efficiency of taxes on property and capital transaction requires improvement.

2.6. Trend in State's Share of Union Taxes over the past five years.

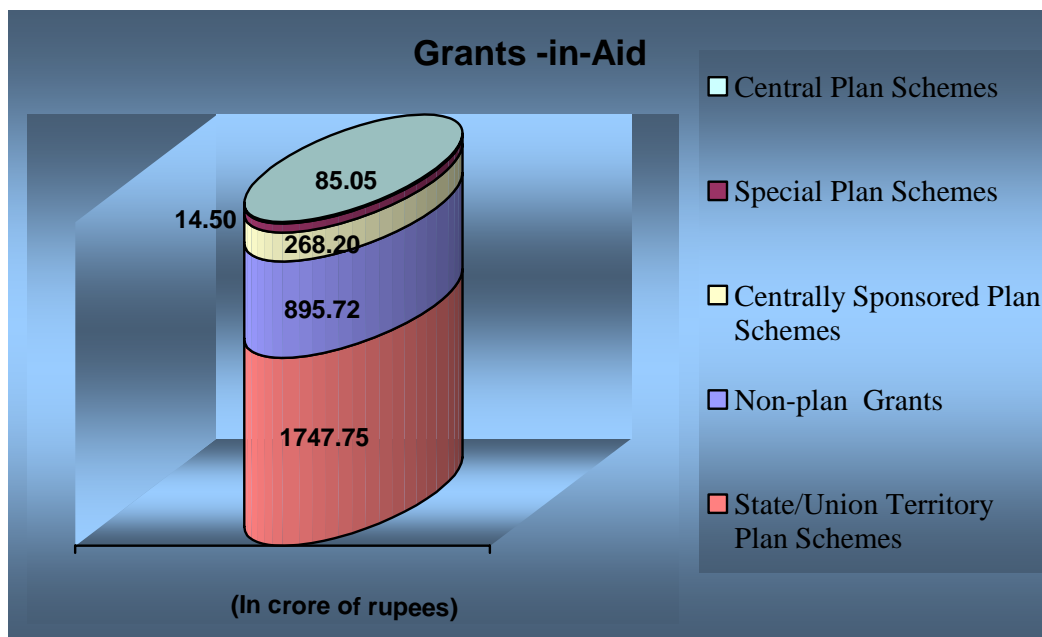
(In crore of rupees)

Major Head Description	2008-09	2009-10	2010-11	2011-12	2012-13
Corporation Tax	195	252	350	411	428
Taxes on Income other than Corporation Tax	123	140	185	209	256
Taxes on Wealth	0.25	0.57	0.72	2	1
Customs	114	86	157	181	198
Union Excise Duties	99	69	114	117	135
Service Tax	64	65	89	125	174
Other Taxes and Duties on Commodities and Services	...	...	...	...	...
State Share of Union Taxes	595	613	896	1044	1192
Total Tax Revenue	965	1057	1468	1742	2040
Percentage of Union Taxes to Total Tax Revenue	61	58	61	60	58

Government of Meghalaya received 59.60 per cent of the net proceeds of all shareable Union taxes during the period 2008-09 to 2012-13.

2.7 Grants in Aid

Grants in Aid represent assistance from the Government of India, and comprise, Grants for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and State Non-plan Grants recommended by the Finance Commission. Total receipts during 2012-13 under Grants in Aid were ₹ 30,11.22 crore as shown below .



The share of non-plan grants in total grants-in-aid increased from 20.71 per cent during 2011-12 to 29.75 per cent in 2012-13 , while the share of grants for plan schemes decreased from 79.29 per cent in 2011-12 to 70.25 per cent in 2012-13 . As against a budget estimate of ₹ 34,58.50 crore of union share in Plan schemes, the State Government has actually received ₹ 21,15.50 crore of Grants in Aid (61.17 per cent of BE) .

2.8 *Public Debt*

Trend of Public Debt over the past five years.

(In crore of rupees)

Description	2008-09	2009-10	2010-11	2011-12	2012-13
Internal Debt	19,80.41	22,58.72	24,93.08	27,84.39	31,56.88
Central Loans	2,76.89	2,58.56	2,39.51	2,13.47	1,95.70
Total Public Debt	22,57.30	25,17.28	27,32.59	29,97.86	33,52.58

In 2012-13 five loans totaling ₹ 3,85.00 crore at interest rates varying from 8.54 per cent to 8.95 per cent and redeemable in the years 2022/2023 were raised at par.

Against the total internal debt of ₹ 5,20.70 crore of the State Government in 2012-13 plus the central loan component of ₹ 2.52 crore received during this period, capital expenditure was ₹ 9,28.34 crore (177 percent), indicating that the whole of the public debt was used for developmental purposes.

CHAPTER III

EXPENDITURE

3.1. Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the organization. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under Plan and Non-Plan.

General Services	Includes Justice, Police, Jail, PWD, Pension etc.
Social Services	Includes Education, Health & Family Welfare, Water Supply, Welfare of SC-ST etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 49,99.53 crore for 2012-13 fell short of budget estimates by ₹ 17,56.63 crore due to less disbursement of ₹ 16,53.45 crore under Plan Expenditure and ₹ 1,03.18 crore under Non-plan Expenditure. This shortfall is to be viewed in the light of the ₹ 14,39.07 crore (20.63 percent) shortfall in Revenue Receipts and the need of the State to maintain a revenue surplus in terms of the Meghalaya FRBM Act, 2006.

The shortfall of expenditure against budget estimates under Revenue Section during the past five years given below:

(In crore of rupees)

	2008-09	2009-10	2010-11	2011-12	2012-13
Budget Estimates	32,98.17	35,77.30	47,02.60	55,25.24	67,56.16
Actuals	26,82.78	31,82.38	40,12.74	48,34.81	49,99.53
Gap	6,15.39	3,94.92	6,89.86	6,90.43	17,56.63
Percentage of gap over B.E.	19	11	15	13	26

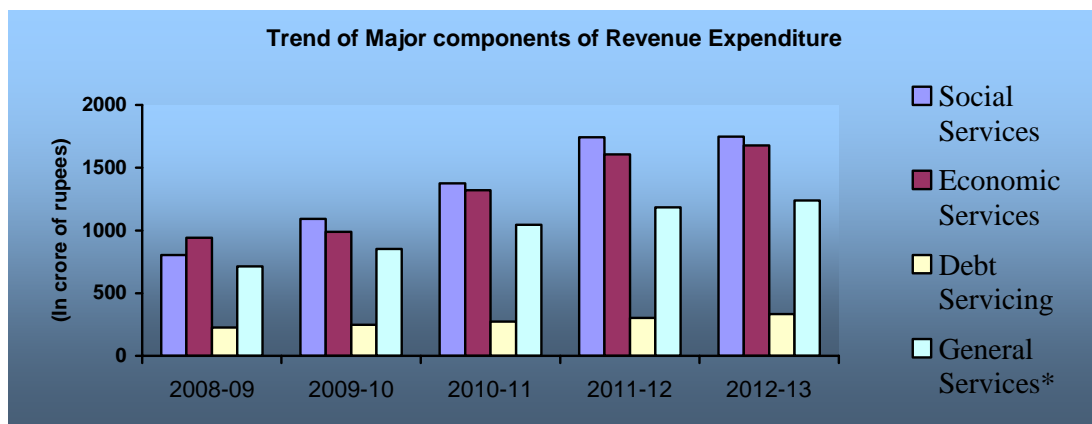
Compounding the shortfall (20.63 percent) of revenue receipts against budget estimates, the State Government was faced with the problem of generating revenue surplus in terms of the FRBM Act. Nearly 46.29 per cent of total revenue expenditure was committed to Non-Plan expenditure (salaries, pensions etc) inspite of Grants- in aid released by the Government of India. The plan expenditure has resultantly decreased by 12.22 per cent from ₹ 19,58.78 crore in 2011-12 to ₹ 17,19.41 crore in 2012-13.

3.2.1 Sectoral distribution of revenue Expenditure (2012-13)

(In crore of rupees)

Components	Amount	Percentage
A. Fiscal Services	53.06	1.06
(i) Collection of Taxes on Property and Capital Transactions	12.53	...
(ii) Collection of Taxes on Commodities and Services	40.17	...
(iii) Other Fiscal Services	0.36	...
B. Organs of State	99.31	1.99
C. Interest Payment and Servicing of Debt	3,34.25	6.69
D. Administrative Services	6,98.05	13.96
E. Pensions and Miscellaneous General Services	3,89.12	7.78
F. Social Services	17,47.93	34.96
G. Economic Services	16,77.81	33.56
H. Grants-in-aid and Contributions	...	...
Total- Expenditure (Revenue Account)	49,99.53	100.00

3.2.2. Major components of Revenue Expenditure (2008-2013)



* General Services excludes MH 2048 (Appropriation for reduction or avoidance of debt), MH 2049 (Interest payments).

During the year 2012-13 the expenditure on economic Services (which includes important sectors like Rural Development, Agriculture and Irrigation) as well as in other services has increased

3.3 Capital Expenditure

Capital disbursements for 2012-13 at 5.20 per cent of GSDP were less than Budget estimates by ₹ 7,45.18 crore (less disbursement of ₹ 7,45.21 crore under Plan expenditure and excess disbursement of ₹ 0.03 crore under Non-Plan expenditure).

3.3.1 Sectoral distribution of Capital Expenditure

During 2012-13 , the Government spent ₹ 9,28.34 crore on various project and in various Corporations/Companies/Societies.

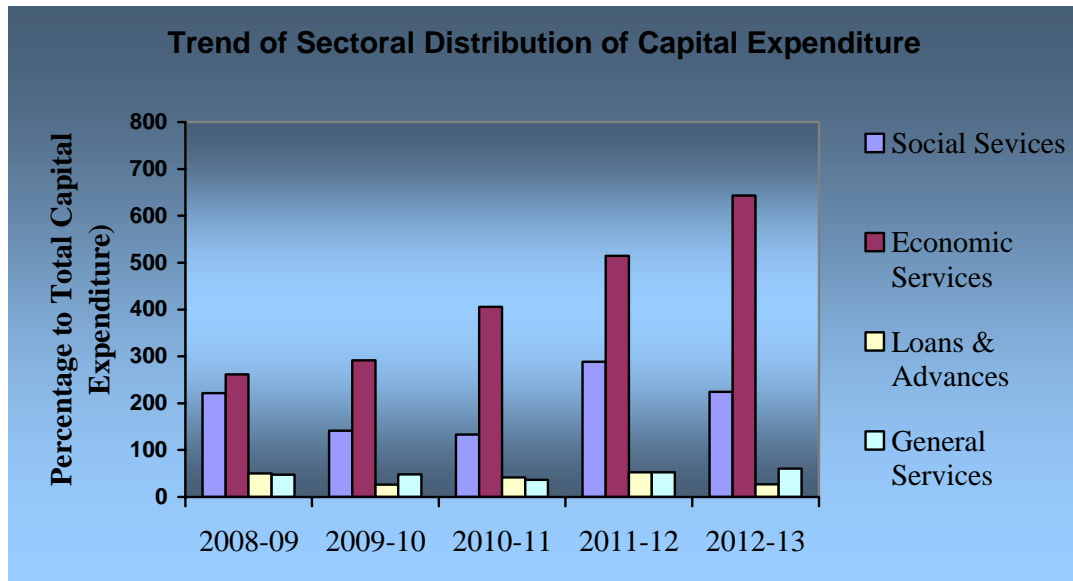
(In crore of rupees)

	Components	Amount	Percentage
1	General Services-Police, Land Revenue etc	60.59	6.34
2	Social Services – Education, Health & Family Welfare, Water Supply, Welfare of SC.ST etc.	2,24.29	23.48
3	Economic Services- Agriculture, Rural Development, Irrigation , Co-operation, Energy, Industries, Transport etc.	6,43.46	67.35
4	Loans and Advances Disbursed	27.02	2.83
	Total	9,55.36	100.00

3.3.2 Sectoral distribution of Capital Expenditure over the past five years

(In crore of rupees)

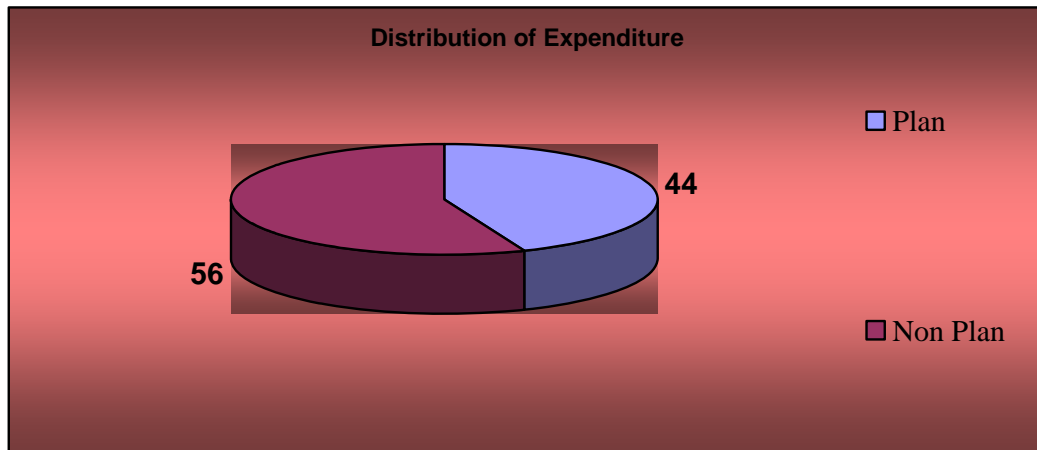
Sl. No.	Sector	2008-09	2009-10	2010-11	2011-12	2012-13
1	General Services	47.56	48.40	36.65	52.44	60.59
2	Social Services	2,21.51	1,41.45	1,32.74	2,88.40	2,24.29
3	Economic Services	2,61.93	2,91.44	504.34	5,14.40	6,43.46
4	Loans and Advances	50.21	26.65	41.65	52.38	27.02
	Total	5,81.21	5,07.94	7,15.38	9,07.62	9,55.36



CHAPTER IV

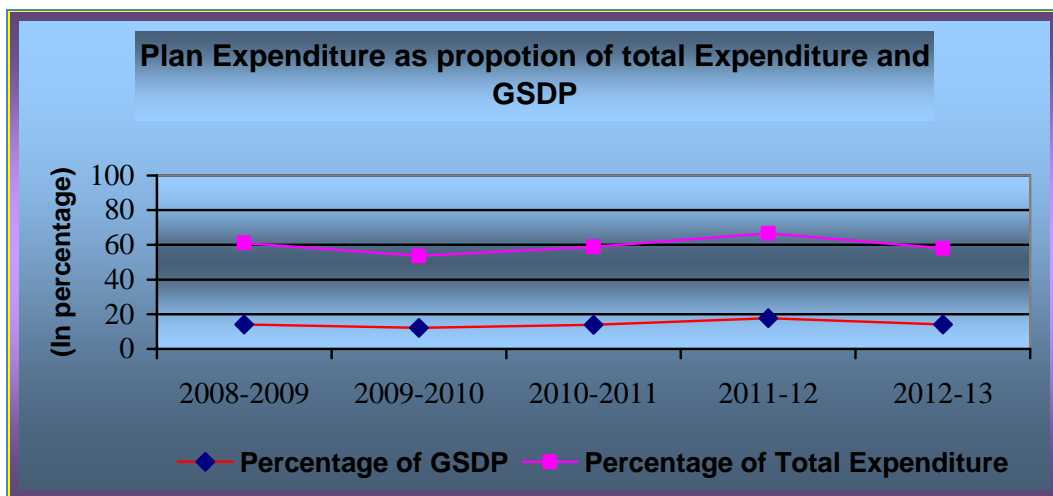
PLAN AND NON PLAN EXPENDITURE

4.1 *Distribution of expenditure (2012-2013)*



4.2 *Plan Expenditure*

During 2012-13, Plan Expenditure of ₹ 25,98.79 crore representing 44 per cent of total disbursements.



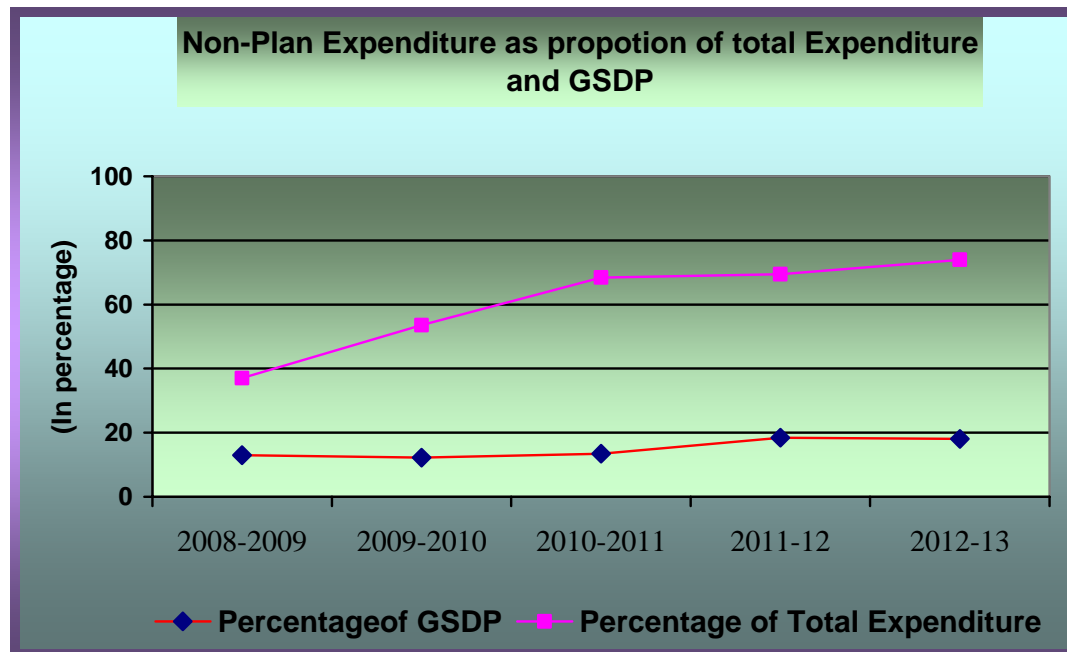
4.2.1 Plan expenditure under Capital Account

(In crore of rupees)

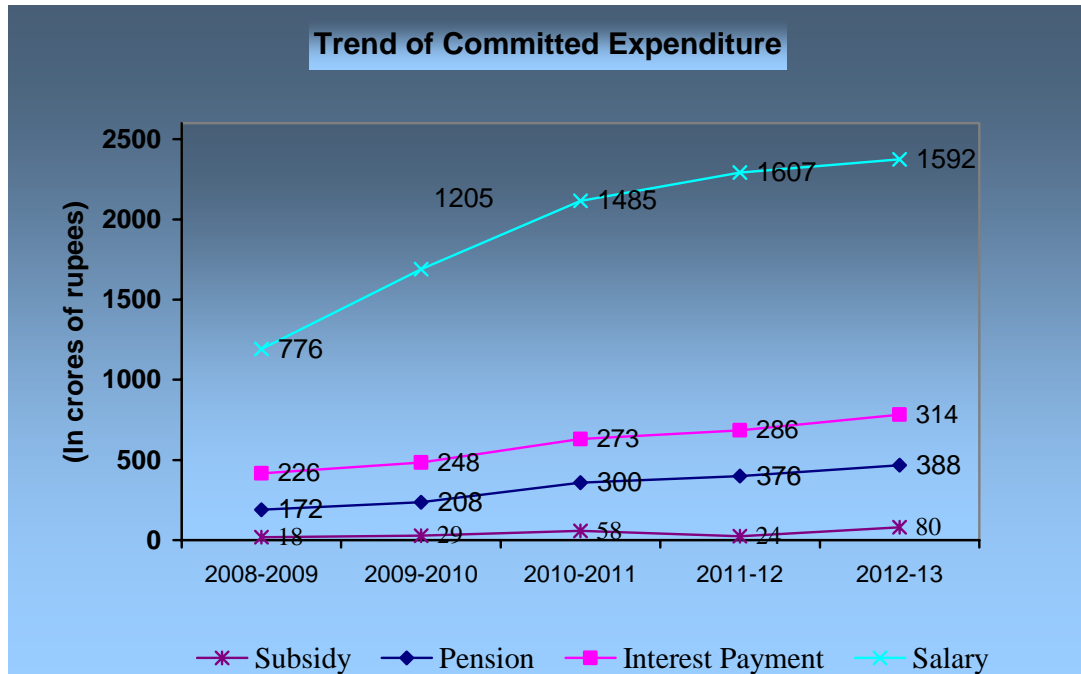
	2008-09	2009-10	2010-11	2011-12	2012-13
Total Capital Expenditure	5,81.21	5,07.94	7,15.38	9,07.62	9,55.36
Capital Expenditure(Plan)	5,30.72	4,79.94	6,73.73	8,55.24	8,79.38
Percentage of Capital Expenditure(Plan) to Total Capital Expenditure	91	94	94	94	92

4.3. Non-Plan Expenditure

Non-Plan Expenditure during 2012-13, was ₹ 33,56.10 crore representing 56 per cent of total disbursements, (₹ 32,80.12 crore under Revenue and ₹ 75.98 crore expenditure under Capital).



4.4 Committed Expenditure



(In crore of rupees)

Component	2008-09	2009-10	2010-11	2011-12	2012-13
Committed Expenditure	1192	1690	2116	2293	2374
Revenue Expenditure	2683	3182	4013	4835	5000
Percentage of Committed Expenditure to Revenue Receipts	42	49	50	49	43
Percentage of Committed Expenditure to Revenue Expenditure	44	53	53	47	47

The increasing trend on committed expenditure leaves the Government with lesser flexibility for developmental spending. However, during 2012-13 committed expenditure increased by only 4 per cent as compared to 2011-12 where the committed expenditure increased by 8 per cent.

CHAPTER V

APPROPRIATION ACCOUNTS

5.1. Summary of Appropriation Accounts for 2012-13

(In crore of rupees)

Sl. No.	Nature of Expenditure	Original grant	Supplementary grant	Total	Actual expenditure	Savings(-) Excess(+)	Surrender
1	Revenue						
	Voted	55,96.64	7,92.30	63,88.94	46,65.26	(-)17,23.68	9,95.18
	Charged	3,67.81	1.82	3,69.63	3,43.57	(-)26.06	24.19
2	Capital						
	Voted	13,98.70	2,67.32	16,66.02	9,25.81	(-)7,40.21	3,58.44
	Charged	...	2.53	2.53	2.53	...	...
3	Public Debt						
	Charged	2,19.59	...	2,19.59	1,68.50	(-)51.09	51.08
4	Loans and Advances						
	Voted	18.35	13.63	31.98	27.02	(-)4.96	2.50
	Total	76,01.09	10,77.60	86,78.69	61,32.69	(-)25,46.00	14,31.39

5.2. *Trend of Savings/Excess during the past five years*

(In crore of rupees)

Year	Savings(-)/Excess(+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2008-09	(-)5,89.83	(-)1,74.15	(-)19.28	(-)3.69	(-)7,86.95
2009-10	(-)6,30.61	(-)3,61.47	(-)40.60	(-)23.73	(-)10,56.41
2010-11	(-)2,01.34	(-)98.44	...	+96.60	(-)2,03.18
2011-12	(-)98.64	(-)33.07	+24.67	(-)2.03	(-)1,09.07
2012-13	(-)7,37.30	(-)3,81.82	(-)0.01	(-)2.46	(-)11,21.59

5.3 *Significant Savings*

Substantial savings under a grant indicates either non-implementation or slow implementation of certain schemes/programmes.

Some grants with persistent and significant savings under Revenue portion are given below:

(In crore of rupees)

Grant	Nomenclature	2008-09	2009-10	2010-11	2011-12	2012-13
29	Housing and Urban Development	39.87%	30.79%	45.41%	30.70%	53.54%
34	Social Welfare, etc.	38.81%	39.34%	34.40%	24.56%	38.57%
43	Housing, Crop Husbandry, etc.	16.18%	28.40%	17.95%	30.80%	46.73%
50	Forestry and Wild Life	20.40%	16.13%	34.13%	25.18%	42.60%

During 2012-13 , supplementary grants totaling ₹ 10,78.00 crore (17.58 % of total expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations . A few instances are given below.

(In crore of rupees)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
21	General Education	Revenue	12,37.96	1,26.04	9,62.05
26	Medical & Public Health	Revenue	3,23.70	51.75	3,33.68
29	Urban Development	Revenue	85.99	3.00	41.34
34	Social Security & Welfare	Revenue	2,69.52	3.22	1,67.54
39	Co-operation	Revenue	28.57	0.70	14.32
43	Housing, Crop Husbandry etc	Revenue	3,92.65	65.59	2,44.13
45	Housing, Soil Water Conservation	Revenue	1,73.86	32.70	81.53
50	Forestry & Wild Life	Revenue	1,38.39		79.44
55	Non-ferrous Mining Industries	Revenue	34.45	64.82	97.80

CHAPTER VI

ASSETS AND LIABILITIES

6.1 Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc, except in the year of acquisition / purchase. Similarly while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations except to the limited extent shown by the rate of interest and period of existing loans.

Total investment as share capital in non- financial public sector undertakings (PSUs) stood at ₹ 3,83.51 crore at the end of 2012-13. However, dividends received during the year were ₹ 0.08 crore on investment. During 2012-13, investments increased to ₹ 46.44 crore.

Cash Balance with RBI stood at ₹ 54.56 crore on 31 March 2012 and decreased to ₹ (-) 45.46 crore at the end of 31 March 2013.

6.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund of the State within such limits, if any, as may be from time to time fixed by the State Legislature.

Details of the Public Debt and total liabilities of the State Government are as under :

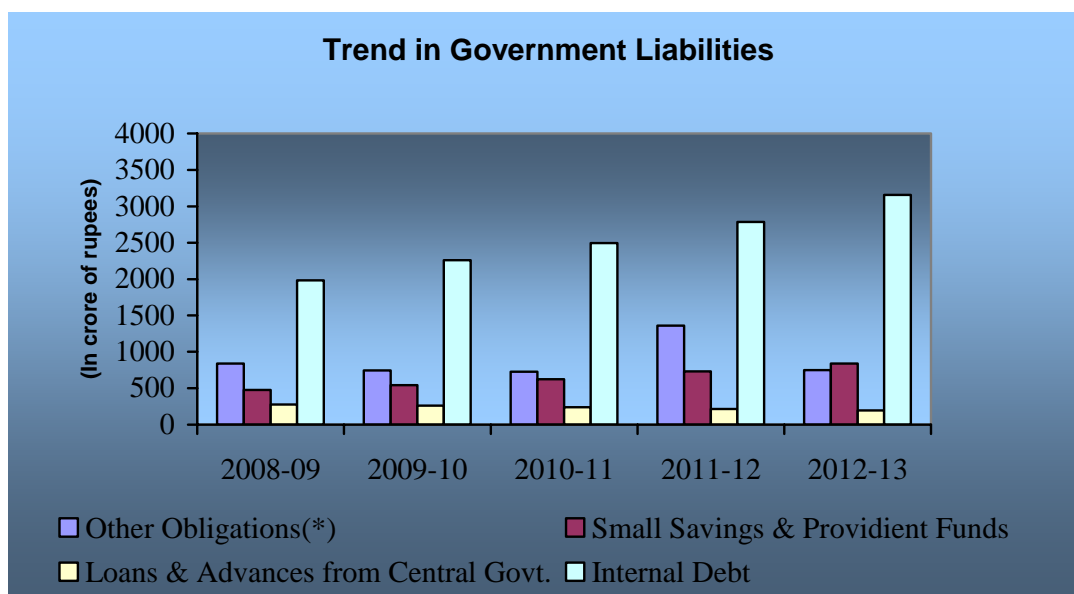
(In crore of rupees)

Year	Public Debt	Per cent to GSDP	Public Account(*)	Per cent to GSDP	Total Liabilities	Per cent to GSDP
2008-09	22,57.30	20.75	13,15.65	12.09	35,72.95	32.85
2009-10	25,17.28	20.13	12,85.33	10.28	38,02.62	30.41
2010-11	27,32.60	18.12	13,55.68	8.99	40,88.28	27.11
2011-12	29,97.86	18.86	20,90.62	13.15	50,90.29	32.02
2012-13	33,52.58	18.26	16,12.00	8.77	49,64.58	27.04

(*) Excludes suspense and remittances balances.

Note : Figures are progressive balance to end of the year.

There is a net decrease of ₹ 1,25.71 crore (2.47 percent) in Public Debt and Other liabilities as compared to 2011-12.



(*) Non –interest bearing obligations such as deposits of Local Funds, Other earmarked fund, etc.

Government of India determines, from time to time, the limits upto which State Government can borrow from the market . This limit was increased by 24.19 per cent , for the Government of Meghalaya from ₹ 3,10.00 crore in 2011-12 to ₹ 3,85.00 crore in 2012-13.

6.3 Guarantees

The position of guarantees by the State Government for repayment of loans (payment of principal and interest thereon) raised by Statutory Corporations, Government Companies, Corporations , Co-operative Societies, etc is given below:

(In crore of rupees)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 st March 2013	
		Principal	Interest
2008-09	10,83.19	6,67.66	3,22.59
2009-10	10,33.34	6,58.04	2,95.70
2010-11	11,10.76	9,48.79	1,61.97
2011-12	12,92.20	10,01.85	2,90.35
2012-13	9,47.02	8,46.02	4,39.17

CHAPTER VII

OTHER ITEMS

7.1 Adverse Balance under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, State Governments also guarantee loans raised by Government Companies and Corporations from the market and financial institutions for implementation of various Plan schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government Accounts . However, the loan repayments appear in Government account, resulting in irreconcilable adverse balances and under statement of liabilities in Government accounts . As on 31 March 2013, there are 7 adverse balances which is due to misclassification and the State Government has been requested to furnish details of their loans to clear the minus balances.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2012-13 was ₹ 5,68.73 crore. Of this, Loans and Advances to Government Corporation/ Companies, Non-Government Institutes and Local Bodies amounted to ₹ 5,42.98 crore. Recovery of Principal aggregating to ₹ 43.33 crore and interest amounting to ₹ 7.41 crore is in arrears at the end of 31 March 2013.

7.3 Financial Assistance to Local bodies and Others

During the past five years, Grants in Aid to local bodies etc., increased from ₹ 6,78.78 crore in 2008-09 to ₹ 12,35.56 crore in 2012-13. Grants to Zilla Parishads, Panchayat Samities and Municipalities amounting to ₹ 3.62 crore represented 0.29 per cent of total grant given during the year.

Details of Grants in Aid for the past five years are as under.

(In crore of rupees)

Year	Zilla Parishads	Municipalities	Panchayat Samities	Others	Total
2008-09	...	1.73	...	6,77.05	6,78.78
2009-10	...	1.73	...	6,24.41	6,26.14
2010-11	...	2.70	...	9,02.67	9,05.37
2011-12	...	6.96	...	13,66.55	13,73.51
2012-13	...	3.62	...	12,31.94	12,35.56

7.4 Cash Balance and Investment of Cash Balance

(In crore of rupees)

Component	As on 1 April 2012	As on 31 March 2013	Net increase(+)/ Decrease(-)
Cash Balances	69.68	(-)16.34	(-)86.02
Investments from cash balance (GOI Treasury Bills)	3,01.22	(-)5.63	(-)3,06.85
Investment from earmarked fund balances	1,15.81	1,36.24	+20.43
(a) Sinking Fund	1,15.78	1,36.21	+20.43
(b) Guarantee Redemption Fund	...	...	...
(c) Other Funds	0.03	0.03	...
Interest realised	22.30	18.93	(-)3.37

The interest realised on investment of cash balance was decreased by 15.11 per cent during the year as compared to 2011-12.

7.5 Reconciliation of accounts

Accuracy and reliability of accounts depend, among other things, on timely reconciliation of the figures available with the departments and the figures appearing in the accounts compiled by the Accountant General (Accounts and Entitlements). This exercise is to be conducted by respective Heads of Departments. The reconciliation of accounts of many departments is in arrears. In 2012-13 only 61.33 per cent (₹ 37,55.60 crore) of the total expenditure of ₹ 61,23.40 crore of the State Government was reconciled. Similarly, out of total receipts of ₹ 60,82.82 crore, 95.39 per cent (₹ 58,02.23 crore) was reconciled. The status of reconciliation of accounts in respect of the Chief Controlling Officer (CCO) of different department is given below:

Particular	Total No. of CCOs	Fully Reconciled	Partially Reconciled	Not Reconciled
Expenditure	64	54	01	09
Receipts	46	25	...	21
Total	110	79	01	30

Some chronic defaulters in reconciliation are listed below:

Sl. No.	Name of the Department/Chief Controlling Officer	Year/Years pending
1	Director General of Police	2006-07 to 2012-13

7.6 Submission of accounts by Treasuries

Out of 178 numbers of monthly accounts only 92 accounts were received on or within due dates. In the remaining 86 cases, the delays in the rendition of the accounts ranges from 02 to 56 days. Out of fifteen accounts rendering Treasuries/Sub treasuries in Meghalaya, there was minimum and maximum delays to the extent of 2 days to 27 days in submission of monthly accounts on the part of Williamnagar Treasury on all occasion, and in case of Dadengiri Sub treasury minimum & maximum delay was to the extent of 02 to 56 days on eleven occasions.

7.7 Abstract contingent (AC) Bills and Detailed Contingent (DC) Bills

When money is required in advance or the Drawing and Disbursing officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be settled within a maximum of 90 days through submission of DCC bills. The fact that to end of 31 March 2013, 131 DCC bills amounting to ₹ 18.75 crore was outstanding indicates that these instructions have not been followed.

The last five years status is shown below :-

(In crore of rupees)

Year	Total Amount drawn during the year	DC bill wanting	Percentage of Outstanding Amount	No. of Pending AC Bills
Upto 2009-2010	11.28	2.16	19.14%	04
2010-2011	2.45	0.57	23.27%	23
2011-2012	0.26	0.09	34.61%	57
2012-2013	15.95	15.93	99.87%	47
Total	29.94	18.75	62.63%	131

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