



Accounts at a Glance for the year 2019-20



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

GOVERNMENT OF MEGHALAYA

Accounts at a Glance For the year 2019-20

**Accountant General
(Accounts and Entitlement)
Meghalaya**



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GOVERNMENT OF MEGHALAYA

Preface

I am happy to present the twenty-first issue of our annual publication, the 'Accounts at a Glance' for the year 2019-20, which provides an overview of Governmental activities, as reflected in the Finance Accounts and Appropriation Accounts.

The Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and Public Account. The Appropriation Accounts record the grant-wise expenditure against provisions approved by the State Legislature and depict explanations for variations between the actual expenditure and the funds allocated.

Finance and Appropriation Accounts are prepared annually by my office under the direction of the Comptroller and Auditor General of India (C&AG) in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Services) Act, 1971 for being laid before the Legislature of the State.

We look forward to suggestions.

Shillong
Dated: 2 July, 2021



Accountant General (A&E)

OUR VISION, MISSION AND CORE VALUES

VISION

(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.

MISSION

(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.

CORE VALUES

(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

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Chapter I Overview

1.1 Introduction

The Accountant General (Accounts and Entitlement), Meghalaya collates, classifies, compiles the accounts data rendered by multiple agencies, and prepares the accounts of the Government of Meghalaya. The compilation is done from the initial accounts rendered by the District Treasuries, Public Works Divisions, Forest and Soil Divisions, accounts rendered by other states/accounting offices and advices of Reserve Bank of India. Every month a Monthly Civil Account is presented by the office of the Accountant General (A&E) to the Government of Meghalaya. The office of Accountant General (A&E) also submits a quarterly Appreciation Note on the important financial indicators and quality of expenditure of the Government. The Annual Finance Accounts and the Appropriation Accounts are placed before the State Legislature after audit by the Accountant General (Audit), Meghalaya and certification by the Comptroller and Auditor General of India.

1.2 Structure of Government Accounts

1.2.1 Government accounts are kept in three parts:

Structure of Government Accounts

Part 1 CONSOLIDATED FUND

All revenue received by the Government including tax and non-tax revenues, loans raised and repayment of loans given (including interest thereon) form the Consolidated Fund. All expenditure and disbursements of the Government, including release of loans and repayments of loans taken (and interest thereon), are met from this fund

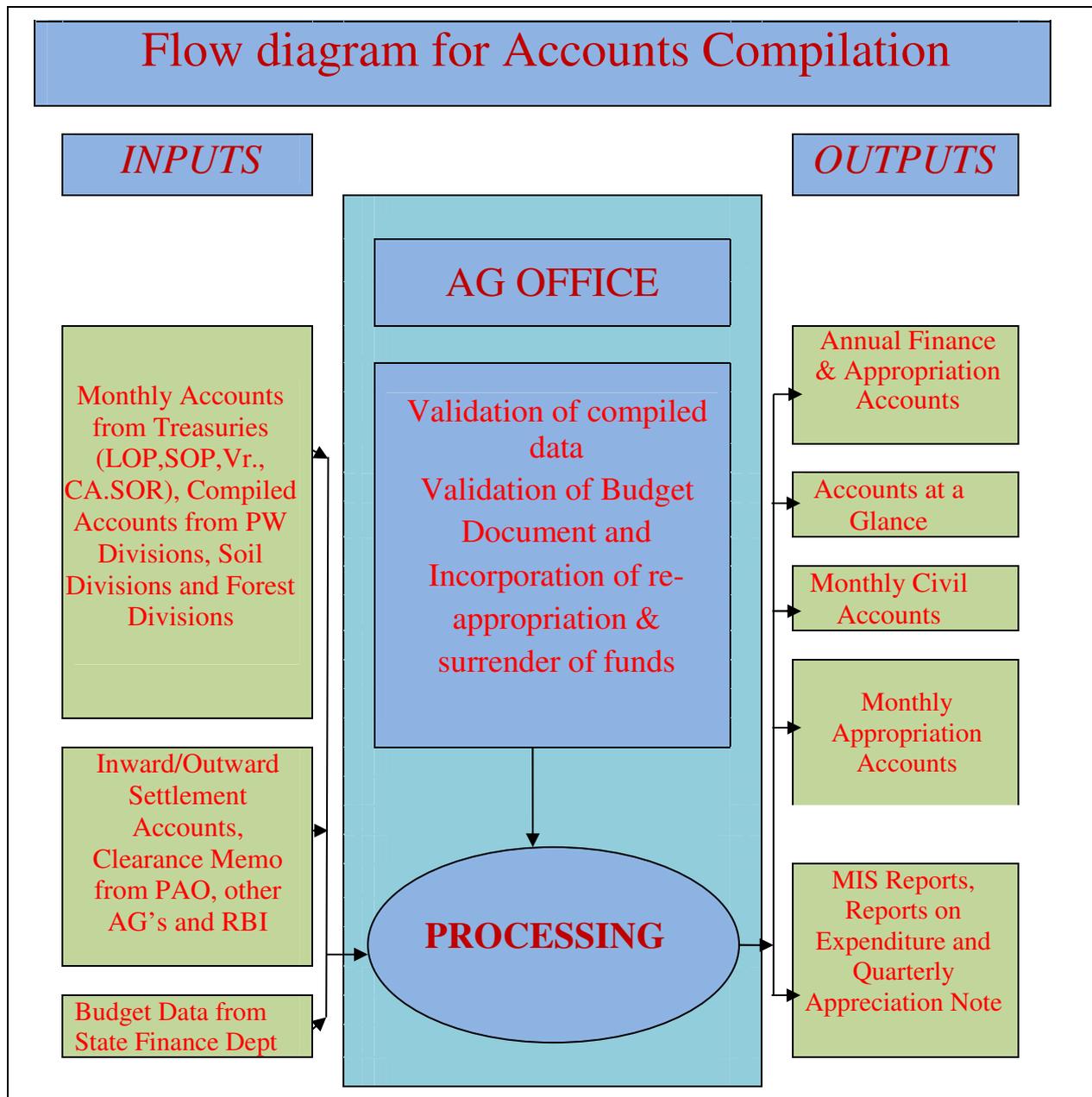
The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorization by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund. The corpus of this fund for the Government of Meghalaya is ₹305 crore.

Part 2 CONTINGENCY FUND

Part 3 PUBLIC ACCOUNT

In Public Account, the transactions relating to Debt (Other than those included in Part I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' shall be recorded. The transactions under Debt, Deposit and Advances in this part are such in respect of which Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid, together with the repayments of the former (Debt and Deposits) and the recoveries of the latter (Advances). The transactions relating to 'Remittances' and 'Suspense' in this Part shall embrace all merely adjusting heads under which shall appear such transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles. The initial debits or credits to these heads will be cleared eventually by booking to the final heads of Accounts.

1.2.2 **Compilation of Accounts**



1.3 **Finance Accounts and Appropriation Accounts**

1.3.1 **Finance Accounts**

The Finance Accounts depict 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. Finance Accounts are prepared in two volumes 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, comments on quality of accounts and other items. Volume II contains detailed statements (Part-I) and appendices (Part-II).

1.3.2 Financial Highlight of the year 2019-20

The following table provides the details of actual financial results vis-à-vis budget estimate for the year 2019-20:

(₹ in crore)

		Budget Estimate 2019-20	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP[\$]
1.	Tax Revenue (including Central Share) [@]	7512	6103	81	16
2.	Non-Tax Revenue	601	530	88	1
3.	Grants -in-aid & Contribution	6325	2780	44	7
4.	Revenue Receipts (1+2+3)	14438	9413	65	24
5.	Recovery of Loans and Advances	25	31	124	...
6.	Other Receipts	-	-	-	-
7.	Borrowings & Other Liabilities [A]	1916	1104	58	3
8.	Capital Receipts (5+6+7)	1941	1135	58	3
9.	Total Receipts (4+8)	16379	10548	64	27
10.	Revenue Expenditure	13896	9565	69	24
11.	Expenditure on Interest Payment (out of Revenue Expenditure)	746	758	102	2
12.	Capital Expenditure	2129	940	44	2
13.	Loans and Advances Disbursed[*]	354	43	12	...
14.	Total Expenditure (10+12+13)	16379	10548	64	27
15.	Revenue Surplus/Deficit (4-10)	542	(-152)	(-28)	...
16.	Fiscal Surplus/Deficit (4+5+6-14)	(-1916)	(-1104)	58	(-3)

(@) Includes State's Share of Union Taxes ₹ 4212 crore

(\$) GSDP figure of ₹ 38542 crore received from the Directorate of Economics and Statistics, Government of Meghalaya.

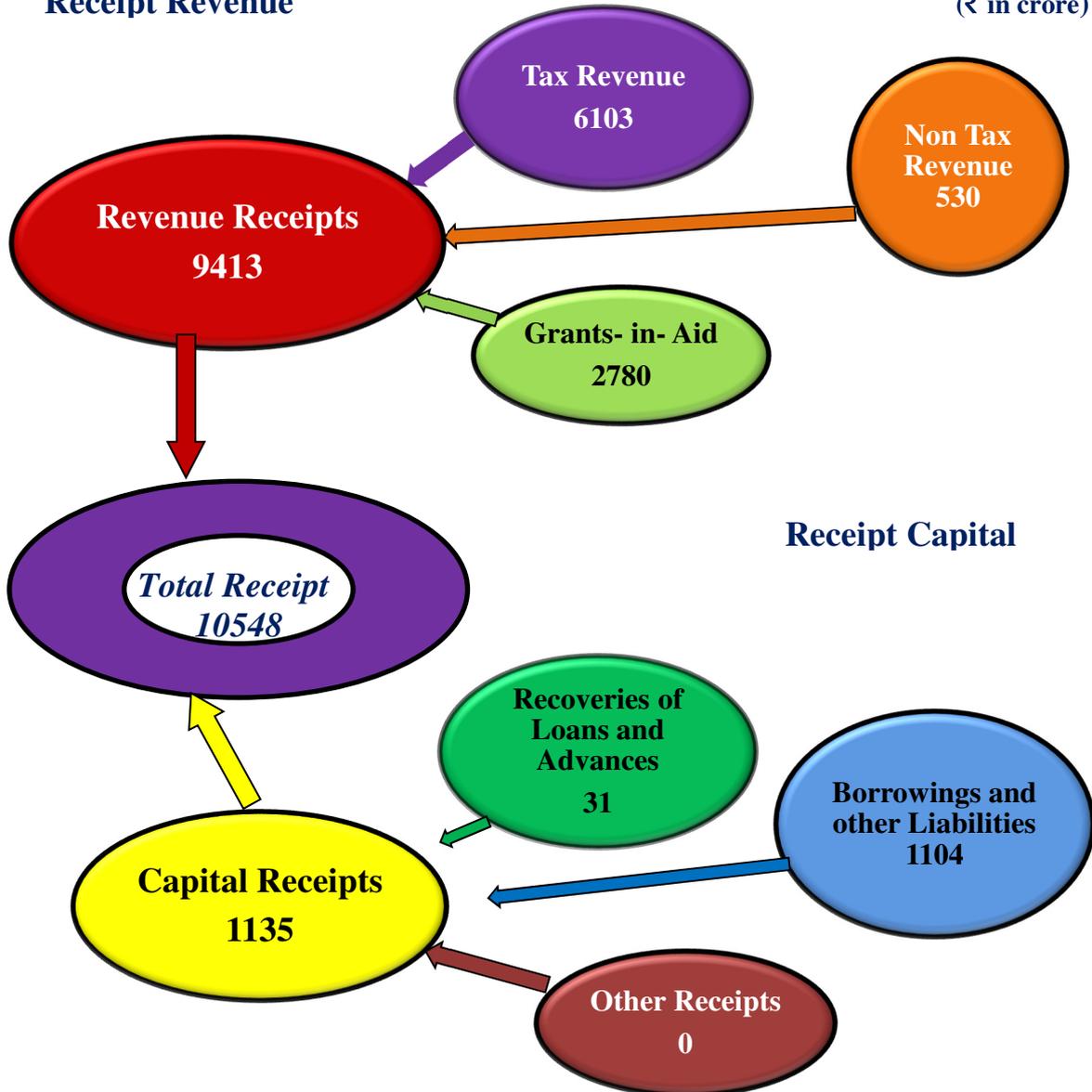
[*] Expenditure includes Loan and Advances disbursed ₹ 14 crore and ₹ 29 crore.

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

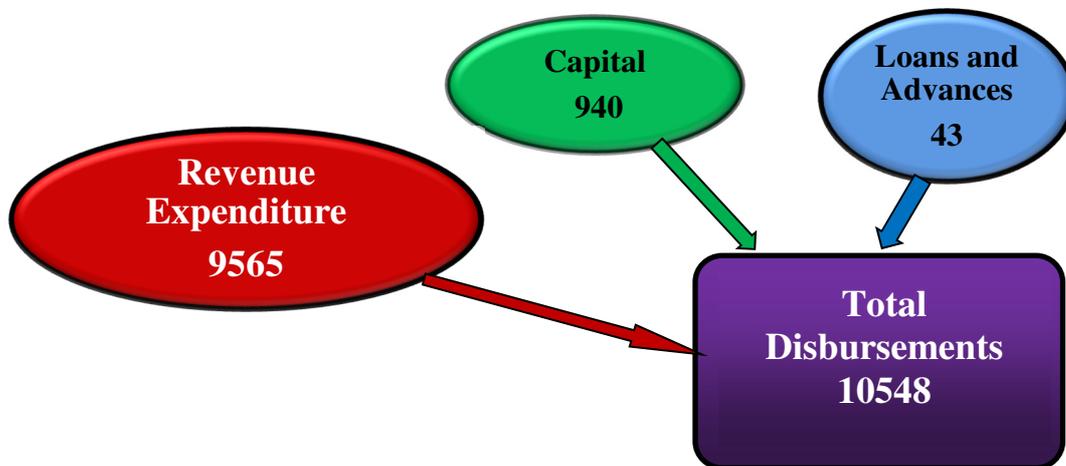
Receipts and disbursement in the year 2019-20

Receipt Revenue

(₹ in crore)



Disbursements



The Union Government transferred substantial funds directly to the State Implementing Agency /NGOs for implementation of various schemes and programmes. During the year 2019-20, the Government of India released ₹944 crore directly to the implementing agencies in Meghalaya. Since these funds are not routed through State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts

1.3.3 **Appropriation Accounts**

Under the Constitution, no expenditure can be incurred by the Government except with authorisation of the Legislature. Barring certain expenditure specified in the Constitution as “Charged” on the consolidated fund, which can be incurred without vote of the Legislature, all other expenditure requires to be “Voted”. There are 5 combined grants of Charged and Voted, 6 Charged Appropriation and 55 Voted Grants. The purpose of the appropriation accounts is to indicate the extent to which the actual expenditure complied with the appropriation authorized by the Legislature through the Appropriation Act of each year.

1.3.4 **Efficiency on Budget preparation**

At the end of the year, the actual expenditure of the Government of Meghalaya against the budget approved by the Legislature, showed a net saving of ₹6003 crore (35 per cent of budget estimate of ₹16971 crore) and under-estimation of ₹2.22 crore (231 per cent of budget estimate of ₹0.96 crore) on reduction of expenditure. Certain grants, like those relating to Administration of Justice, Police, Housing, Crop Husbandry, Animal Husbandry and Special Programmes for Rural Development etc. showed substantial savings.

1.4 **Sources and Application of Funds**

1.4.1 **Ways and Means Advances**

Ways and Means Advances are taken from the Reserve Bank of India to make good the deficiency in the minimum cash balance which the State Government is required to maintain with the Reserve Bank of India. During the year 2019-20, the State Government did not resort to ways and means advances.

1.4.2 **Overdraft from the Reserve Bank of India**

Overdraft is taken from the Reserve Bank of India while the limit of minimum cash balance falls below ₹0.21 crore, even after taking Ways and Means Advances which is required to be maintained with the Reserve Bank of India. During the year 2019-20 there was no overdraft of the State.

1.4.3 Fund flow statement

The State had a Revenue Deficit of ₹152 crore and a Fiscal Deficit of ₹1104 crore as on 31 March 2020. The Fiscal Deficit was met from net Public Debt (₹1077 crore), increase in Public Account (₹88 crore), net increase of opening and closing cash balance (₹59 crore) and non-recoupment of Contingency Fund (₹2 crore). Around 57 per cent of the revenue receipts (₹9413 crore) of the State Government was spent on committed expenditure like salaries (₹3345 crore), interest payments and servicing of Debt (₹811 crore), pensions (₹1132 crore), subsidies (₹42 crore) etc.

Sources and Application of Funds

	(₹ in crore)
PARTICULARS	AMOUNT
Opening Cash Balance as on 1 April 2019	(-)256
Revenue Receipts	9413
Capital Receipts	--
Recovery of Loans and Advances	31
Public Debt	1496
Small Savings, Provident Funds etc.	438
Reserves Fund & Sinking Funds	262
Deposits Received	745
Civil Advances Repaid	29
Suspense Account	21170[*]
Remittances	2277
Contingency Fund	--
TOTAL	35605
Revenue Expenditure	9565
Capital Expenditure	940
Loans Given	44
Repayment of Public Debt	419
Transfer to Contingency Fund	--
Small Savings, Provident Funds etc.	234
Reserves Fund & Sinking Funds	72
Deposits Repaid	1306
Civil Advances Given	29
Suspense Account	20907[#]
Remittances	2285
Closing Cash Balance as on 31 March 2020	(-)196
TOTAL	35605

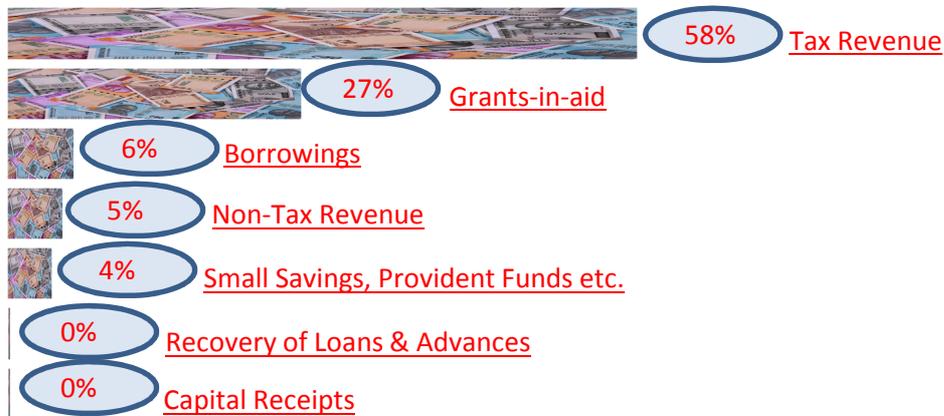
SOURCE

APPLICATION

[*] Includes ₹21052.79 crore on account of Cash Balance Investment Accounts

[#] Includes ₹20784.36 crore on account of Cash Balance Investment Accounts

1.4.4 Where the Rupee came from



(Recovery of loans and advances was only ₹31 crore and Capital Receipts was ₹0 crore which is negligible hence value is shown as zero)

1.4.5 Where the Rupee went



(Subsidies was only ₹42 crore which is negligible hence value is shown as zero)

During the year 2019-20 revenue deficit of ₹152 crore (revenue deficit of ₹537 crore in 2018-19) and fiscal deficit of ₹1104 crore (₹2026 crore in 2018-19) represent 0.39 *per cent* and 3 *per cent* of the Gross State Domestic Product (GSDP of ₹38542 crore) respectively. The fiscal deficit constituted 10 *per cent* of total expenditure.

What do the deficits and surpluses indicate?

Deficit

Refers to the gap between receipts and expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in financial management

Refers to the gap between revenue receipt and revenue expenditure. Revenue expenditure is required to maintain the existing establishment of government and ideally, should be fully met from revenue receipts

**Revenue Deficit/
Surplus**

**Fiscal Deficit/
Surplus**

Refers to the gap between total receipts (excluding borrowings) and total expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings and ideally should be invested in capital projects

1.5 Fiscal Responsibility and Budget Management (FRBM) Act, 2006

The Government of Meghalaya has enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2006. As per this Act, the State Government is required to achieve certain fiscal targets by specified periods. Achievements during the year 2019-20 against fiscal targets laid down in the Act and rules framed there under, are as follows:-

(₹ in crore)

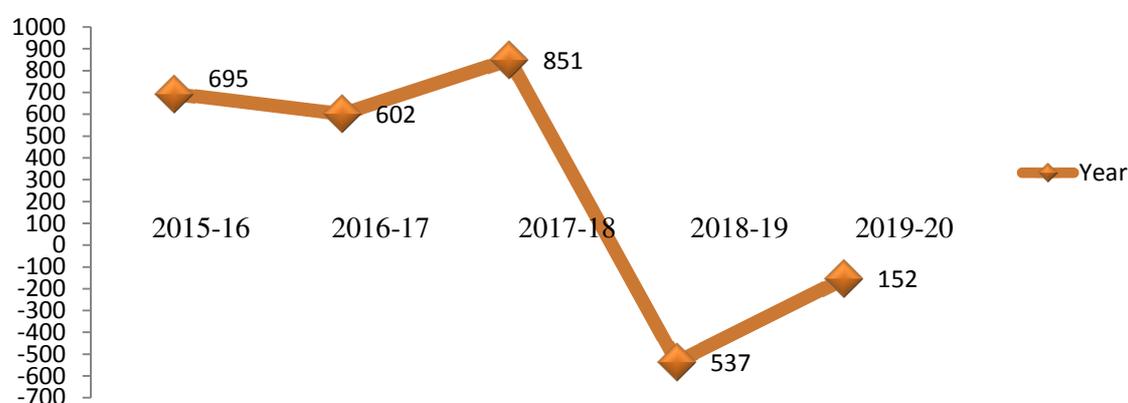
Sl. No.	Financial Parameter	Actual (₹ in crore)	Ratio to GSDP*	
			Target	Achievement
1	Revenue Deficit	152 (Deficit)	To maintain revenue surplus	Not achieved during the year
2	Fiscal Deficit	1104	3 <i>per cent</i>	3 <i>per cent</i> (achieved)
3	Debt and other obligation	11534	25.28 <i>per cent</i> to be reduced to 25.02 <i>per cent</i>	29.93 <i>per cent</i> (not achieved)
4	Outstanding Guarantees	1106	Not prescribed	

* Source: GSDP figure (₹ 38542 crore) is taken from the Directorate of Economic and Statistics Department, Government of Meghalaya.

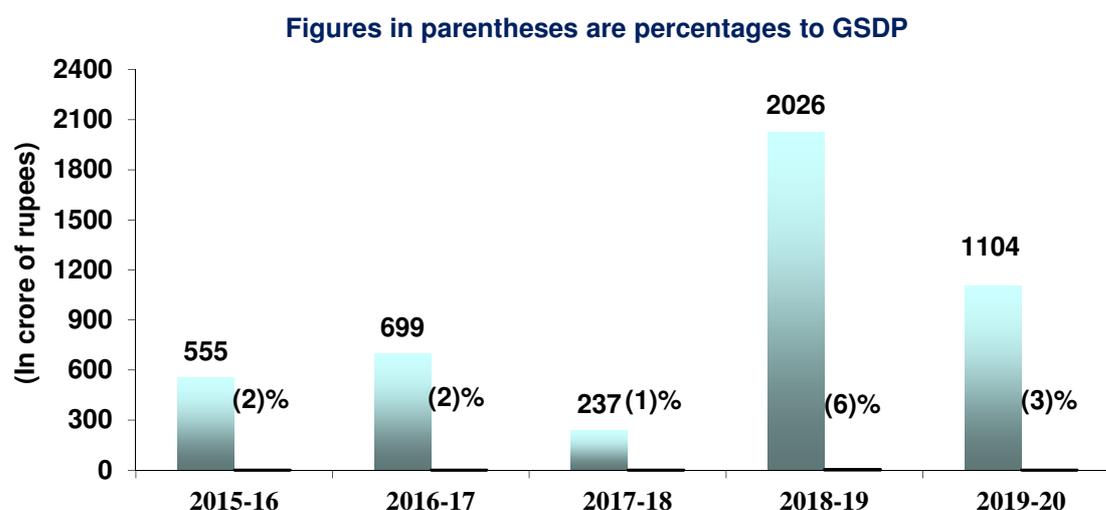
The State Government has made disclosures to the Legislature required under the Meghalaya Fiscal Responsibility and Budget Management Rules, 2006.

While the State Government had revenue deficit of ₹537 crore in 2018-19, there was revenue deficit of ₹152 crore during the year 2019-20 leading to failure in meeting the target set as per FRBM Act. Fiscal deficit decreased by ₹922 crore from ₹2026 crore in 2018-19 to ₹1104 crore in the current year. Thus, the target of Fiscal Deficit i.e. 3 per cent of GSDP fixed by FRBM Act has been achieved. Against the target of reducing outstanding debt to 25 per cent of GSDP by the year 2019-20, the outstanding debt stood at ₹11534 crore as on 31 March 2020, being 30 per cent of GSDP.

1.5.1 Trend of Revenue Surplus/Deficit

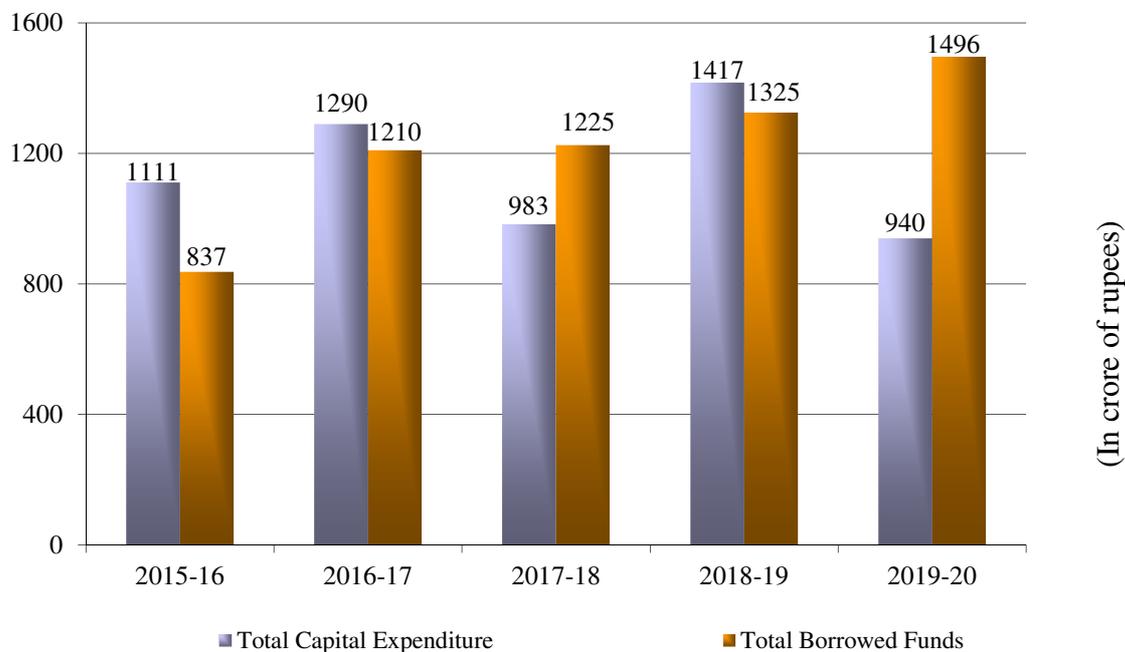


1.5.2 Trend of Fiscal Deficit



1.5.3 Proportion of borrowed funds spent on Capital

Borrowed funds and Capital Expenditure



The governments usually rely on fiscal deficits to expand popular policies, such as welfare programmes and public works, without having to raise taxes or cut spending elsewhere in the budget. The borrowed funds are used for capital assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus 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 63 *per cent* of the borrowings of the current year (₹1496 crore) on capital expenditure (₹940 crore). It would therefore appear that balance of borrowings in the public debt was utilized to repay the principal (₹419 crore) and part of interest on public debt of previous years.

Chapter II Receipts

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2019-20 was ₹10548 crore.

2.2 Revenue Receipts

The revenue receipts of the government comprise three components viz. Tax Revenue, Non-tax Revenue and Grants-in-aid received from the Union Government.

TAX REVENUE

Comprises of taxes collected and retained by the State and State's share of Union Taxes under Article 280(3) of the Constitution.

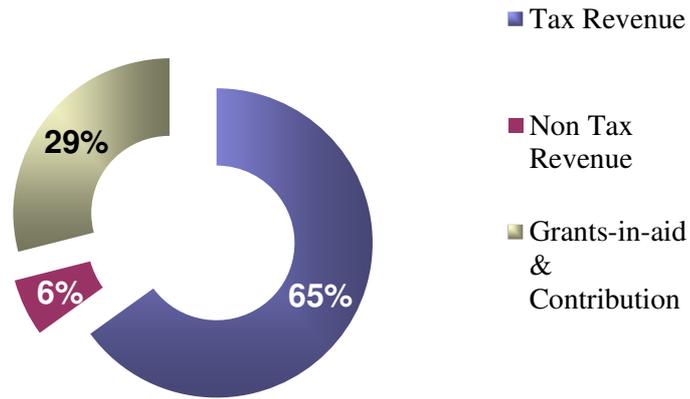
Includes interest receipts, dividend, profits, departmental receipts etc.

NON TAX REVENUE

GRANTS-IN-AID

Grants-in-aid represent central assistance to the State Government from the Union Government. It also includes "External Grant Assistance" received from Foreign Government and channelized through the Union Government. In turn, the State Government also gives Grants-in-aid to institutions like Panchayati Raj Institution, Autonomous District Council, Autonomous bodies etc.

Revenue Receipts



2.2.1 Revenue Receipts Components (2019-20)

Components	(₹ in crore)
	Actuals
A. Tax Revenue	6103
Taxes on Income and Expenditure	2565
Goods & Service Tax	2105
Taxes on Property and Capital Transactions	21
Taxes on Commodities and Services	1412
B. Non-Tax Revenue	530
Interest Receipts, Dividend and Profits	29
General Services	68
Social Services	16
Economic Services	417
C. Grants-in-aid & Contribution	2780
Total –Revenue Receipts	9413

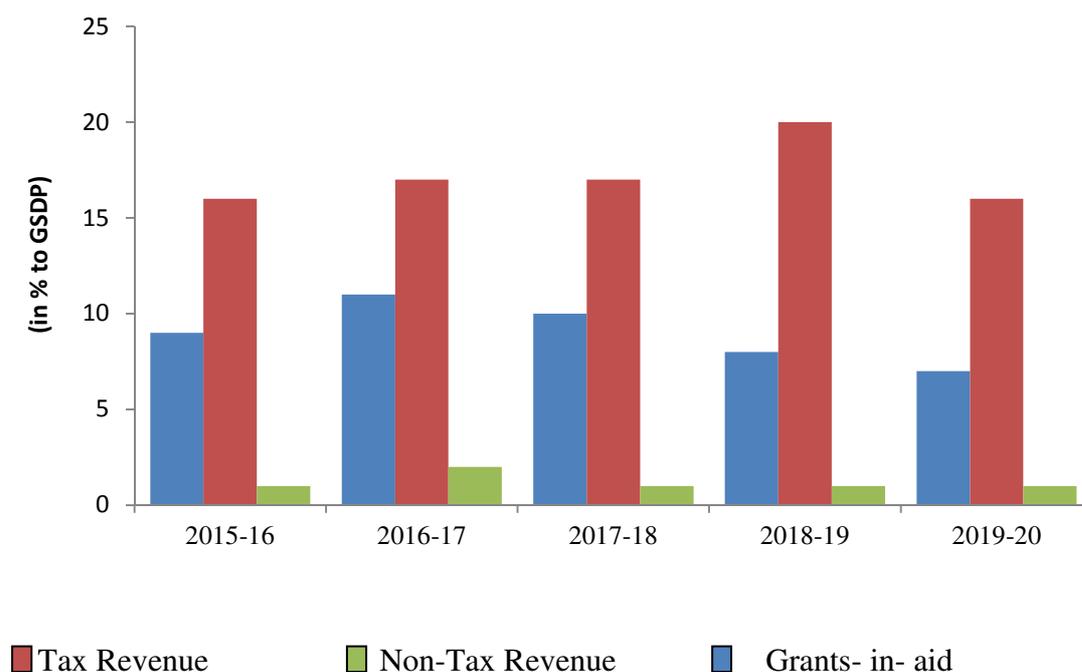
2.2.2 Trend of Revenue Receipts

	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Tax Revenue	4333	5097	5773	6682	6103
	(16)	(17)	(18)	(20)	(16)
Non-Tax Revenue	229	685	367	428	530
	(1)	(2)	(1)	(1)	(1)
Grants-in-aid	2481	3157	3134	2609	2780
	(9)	(11)	(10)	(8)	(7)
Total Revenue Receipts	7043	8939	9274	9719	9413
	(26)	(30)	(29)	(29)	(24)
GSDP	27304	29567	31636	32972	38542

Note: Figures in parentheses represent percentage to GSDP (Gross State Domestic Product)

Though the GSDP of ₹38542 crore increased by 17 per cent in 2019-20 compared to previous year, revenue receipt decreased by 3 per cent. The tax revenue decreased by 9 per cent, the non-tax revenue increased by 24 per cent and the grants-in-aid increased by 7 per cent compared to previous year, thus impacting the revenue receipt of the State.

Trend of components of Revenue Receipts



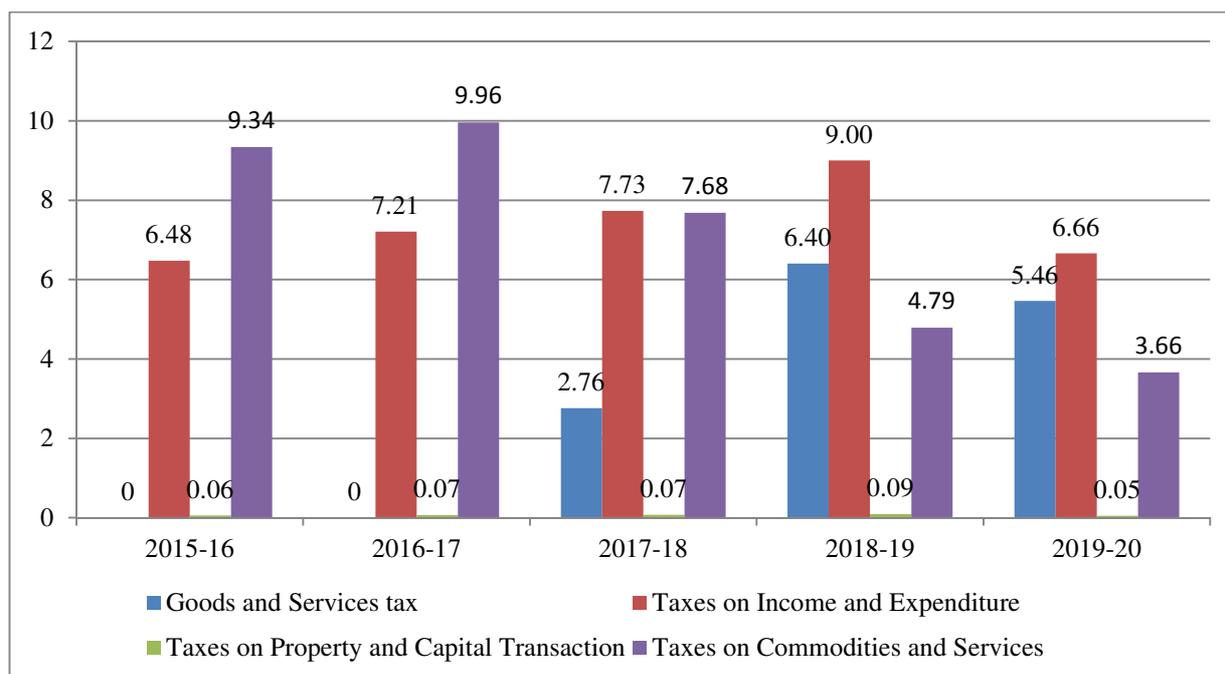
2.3 Tax Revenue

(₹ in crore)

Sector-wise Tax Revenue					
	2015-16	2016-17	2017-18	2018-19	2019-20
Goods and Services Tax	...	...	874	2109	2105
Taxes on income and Expenditure	1768	2131	2446	2965	2565
Taxes on property and Capital Transaction	16	21	22	29	21
Taxes on Commodities and Services (other than GST)	2549	2945	2431	1579	1412
Total Tax Revenue	4333	5097	5773	6682	6103

The decrease in total tax revenue during 2019-20 was mainly attributable to allocation of State share from Govt. of India and low collection under Corporation Tax (₹1436 crore), Taxes on Income other than corporation Tax (₹1125 crore), Union Excise Duties (₹186 crore), Taxes on sales, Trade etc. (₹567 crore).

Trend of Major Taxes in proportion to Gross State Domestic Product (in per cent)

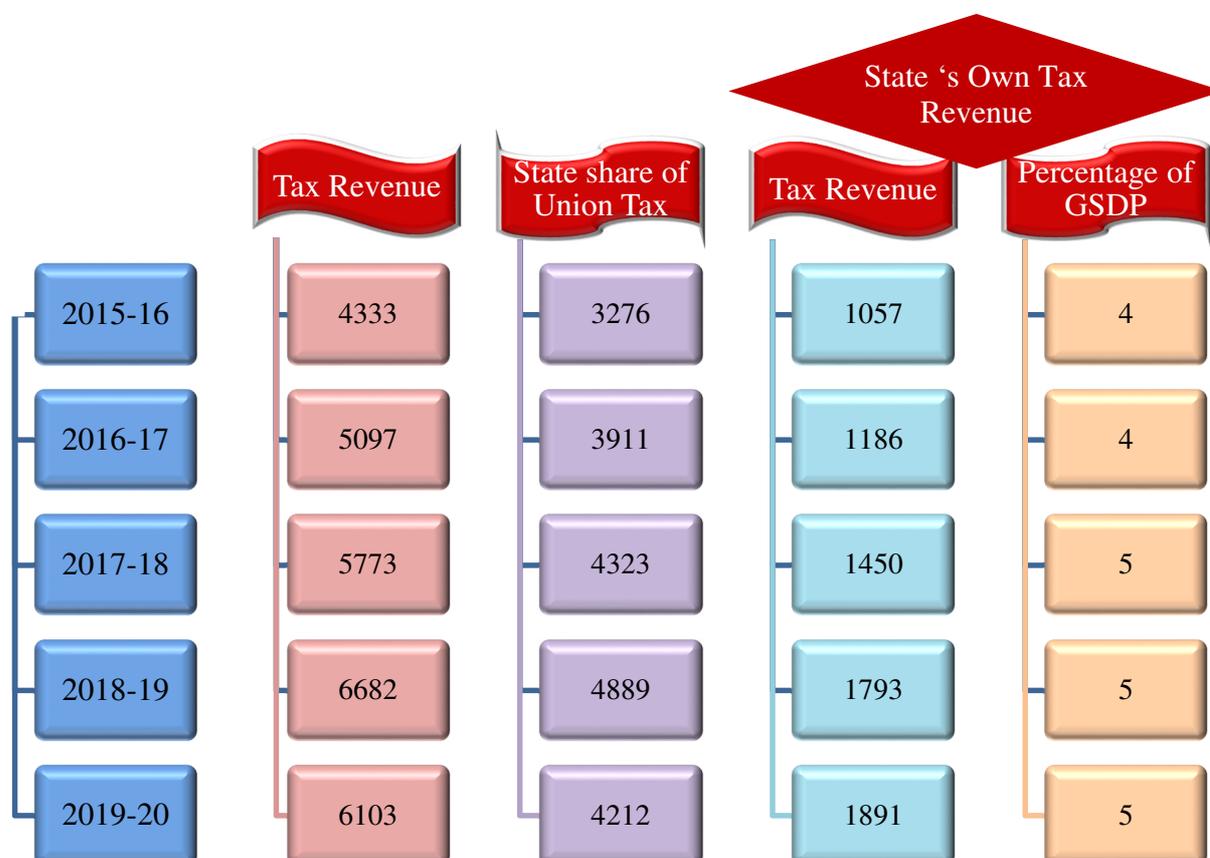


2.3.1 State's own Tax and State's share of Union Taxes

Tax Revenue of the State Government comes from two Sources viz. State's own tax collection and devolution of Union taxes.

(₹ in crore)

Year	Tax Revenue	State's share of Union Taxes/Duties	State's Own Tax Revenue	
			Tax revenue	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2015-16	4333	3276	1057	4
2016-17	5097	3911	1186	4
2017-18	5773	4323	1450	5
2018-19	6682	4889	1793	5
2019-20	6103	4212	1891	5



The following table depicts the comparative position of tax revenue received from the two sources over a period of five years:

	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
State's own Tax collection	1057	1186	1450	1793	1891
Devolution of Union Taxes	3276	3911	4323	4889	4212
Total Tax Revenue	4333	5097	5773	6682	6103
Percentage of State's own tax to total tax revenue	24	23	25	27	31

The proportion of State's own tax collection in overall tax revenue has mostly shown an increasing trend since 2016-17. The share of State's own tax revenue decreased to 23 per cent in 2016-17 as compared to 24 per cent in 2015-16 which then slightly increased to 25 per cent in 2017-18, 27 per cent in 2018-19 and 31 per cent (increased by 4 per cent) in 2019-20.

2.3.2 Trend in state's own Tax collection over the past five years

	(₹ in crore)				
Taxes	2015-16	2016-17	2017-18	2018-19	2019-20
1. State Goods and Service Tax	...	...	376	806	910
2. Taxes on Sales, Trade etc.	812	931	767	627	567
3. State Excise	170	169	199	226	276
4. Taxes on Vehicles	42	48	67	87	99
5. Stamp and Registration fees	13	17	20	26	20
6. Taxes and Duties on electricity	3	2	2	3	1
7. Land Revenue	3	2	2	3	1
8. Taxes on Goods and Passengers	5	5	8	8	9
9. Other Taxes	9	12	9	7	8
Total State's own Taxes	1057	1186	1450	1793	1891

2.4 **Cost of Tax Collection**

(₹ in crore)

Taxes	2015-16	2016-17	2017-18	2018-19	2019-20
1. Taxes on Sales, Trade etc.					
Revenue collection	812	931	767	627	567
Expenditure on collection	18	19	23	25	24
Percentage expenditure on tax collection	2	2	3	4	4
2. State Excise					
Revenue collection	170	169	199	226	276
Expenditure on collection	14	15	17	20	19
Percentage expenditure on tax collection	8	9	9	9	7
3. Taxes on Vehicles, Goods and Passengers					
Revenue collection	47	54	75	95	108
Expenditure on collection	22	61	21	51	31
Percentage expenditure on tax collection	47	113	28	54	29
4. Stamp and Registration Fee					
Revenue collection	13	17	20	26	20
Expenditure on collection	2	2	2	7	3
Percentage expenditure on tax collection	15	12	10	27	15

The expenditure on collection of Taxes on Vehicles, Goods and Passengers was more than the revenue collected during the year 2016-17.

2.5 Trend in state's share of Union Taxes over the past five years

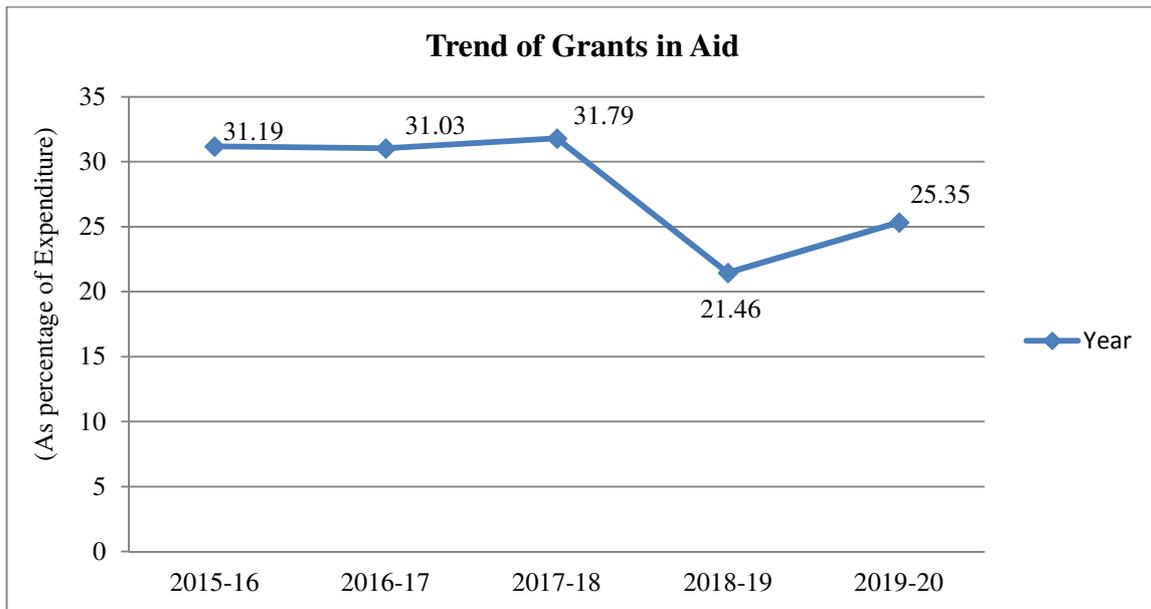
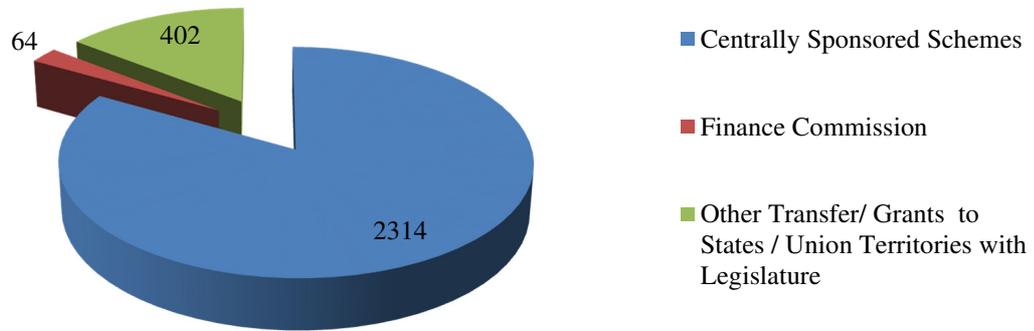
Major Head Description	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Central Goods and Service Tax(CGST) & Integrated Goods and Service Tax(IGST)	...	...	498	1303	1195
Corporation Tax	1037	1255	1324	1700	1436
Taxes on Income other than Corporation Tax	727	872	1118	1252	1125
Taxes on Wealth	...	3	...	1	...
Other Taxes on Income and Expenditure	...	...	...	9	...
Customs	523	540	437	347	267
Union Excise Duties	429	616	456	230	186
Service Tax	560	625	490	45	...
Other Taxes and Duties on Commodities and Services	...	...	...	2	3
State Share of Union Taxes	3276	3911	4323	4889	4212
Total Tax Revenue	4333	5097	5773	6682	6103
Percentage of Union Taxes to Total Tax Revenue	76	77	75	73	69

2.6 Grants -in-aid

Grants-in-aid represent assistance from the Government of India, and comprise, grant for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and Non-Plan Grants recommended by the Finance Commission. Total receipts during 2019-20 under Grants -in-aid were ₹2780 crore as shown below:

Grants - in - Aid

(₹ in crore)

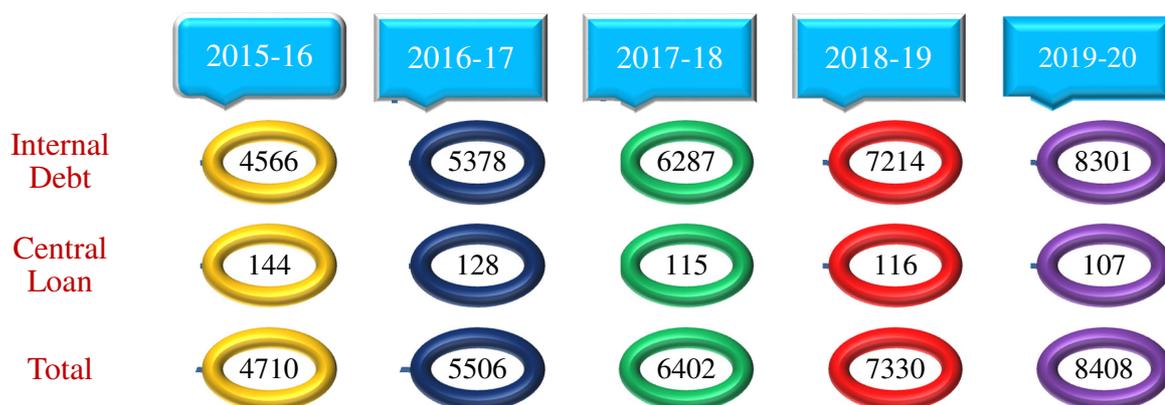


Grants-in-aid receipts from the Central Government from 2015-16 to 2019-20 has shown a declining trend in proportion to Expenditure.

2.7 Public Debt

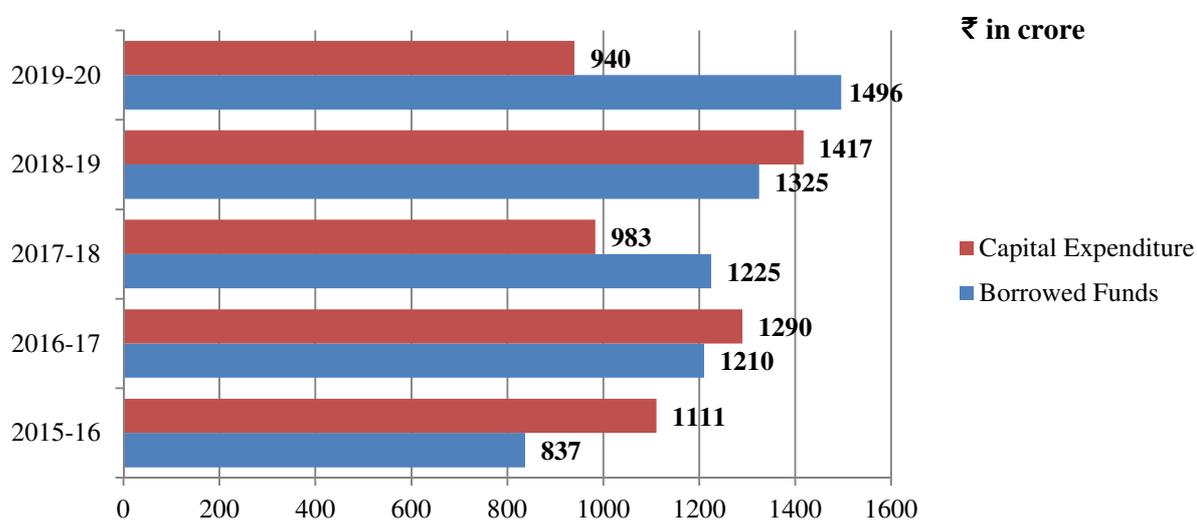
Trend of position of Public Debt over the past five years

Description	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Internal Debt	4566	5378	6287	7214	8301
Central Loans	144	128	115	116	107
Total	4710	5506	6402	7330	8408



During the year 2019-20, seven loans totalling ₹1344 crore were raised from the open market at interest rates varying from 7.04 *per cent* to 7.31 *per cent* and the same are redeemable during the period 2029-30. In addition, the State Government raised loan of ₹136 crore from Financial Institutions. Thus the total Internal Debt raised by the Government during the year 2019-20 aggregated to ₹1480 crore. The Government also received ₹16 crore from Government of India as Loans and Advances.

Borrowed funds viz-a-viz Capital Expenditure

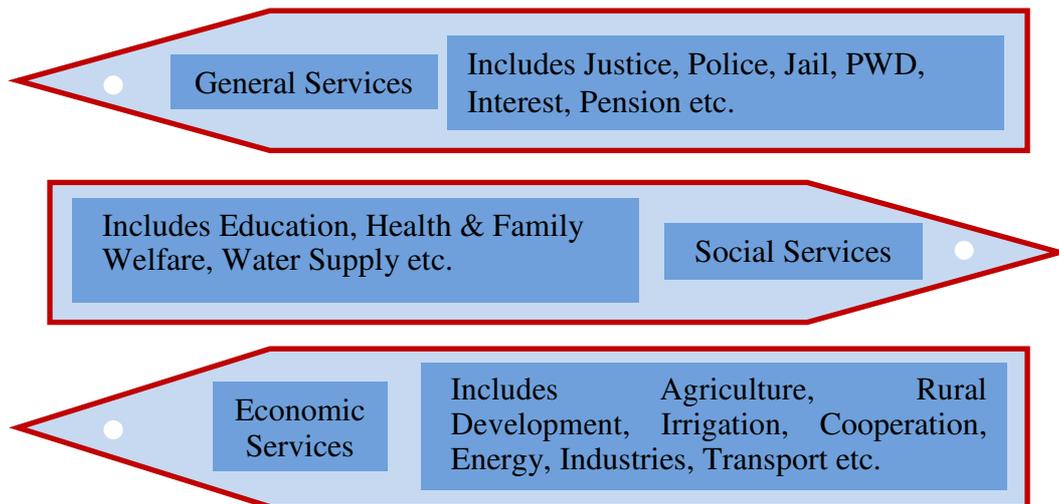


Chapter III Expenditure

3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day expenditure for running of the organisation. Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities.

In Government accounts, expenditure is broadly classified into three sectors: General Services, Social Services and Economic Services. The significant areas of expenditure covered under these sectors are mentioned in the table given below:



3.2 Revenue Expenditure

The actual revenue expenditure against budget estimates during the past five years is given below:

Year	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Budget Estimates	8190	9762	11172	12802	13896
Actuals	6348	8337	8423	10256	9565
Gap	1842	1425	2749	2545	4331
Percentage of variation of Actuals against BE	(-)22	(-)15	(-)25	(-)20	(-)31

Around 55 per cent of the total revenue expenditure was incurred on committed expenses viz. on Salaries and Wages (₹3345 crore), Interest payment (₹758 crore), Pensions (₹1132 crore) and subsidies (₹42 crore) which are the committed liabilities of the State Government.

The position of committed and uncommitted revenue expenditure over the last five years is given below:

(₹ in crore)

Component	2015-16	2016-17	2017-18	2018-19	2019-20
Total revenue expenditure	6348	8337	8423	10256	9565
Committed revenue expenditure #	3275	3459	3995	5001	5277
Percentage of committed revenue expenditure to total revenue expenditure	52	41	47	49	55
Uncommitted revenue expenditure	3073	4878	4428	5255	4288

#Committed revenue expenditure includes expenditure on Salaries & Wages, Interest Payments, Pensions and Subsidies.

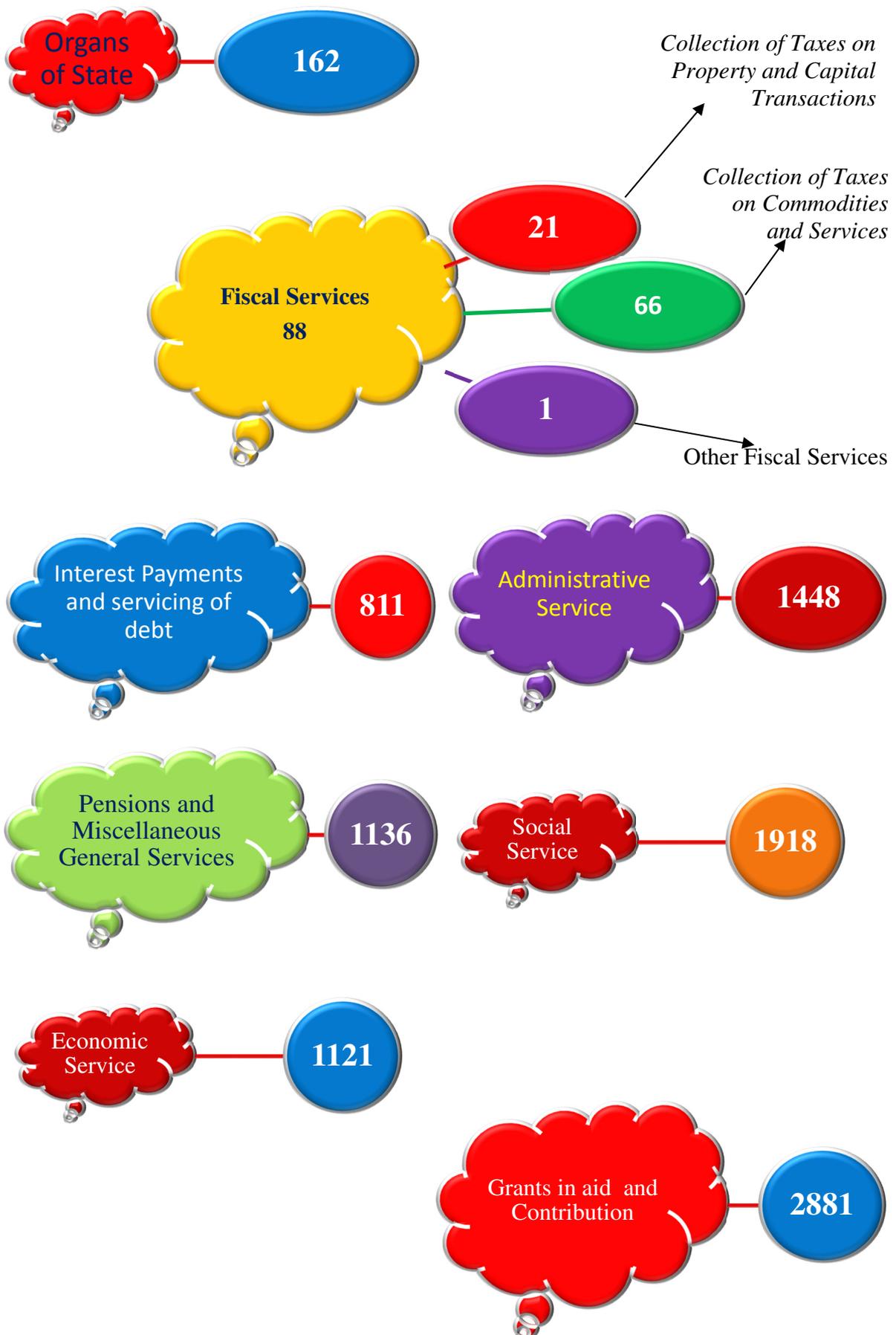
It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has increased by 40 per cent from ₹3073 crore in 2015-16 to ₹4288 crore in 2019-20. The total revenue expenditure increased by 51 per cent from ₹6348 crore in 2015-16 to ₹9565 crore in 2019-20 and committed revenue expenditure increased by 61 per cent over the same period.

3.2.1 Sectoral distribution of Revenue Expenditure (2019-20)

(₹ in crore)

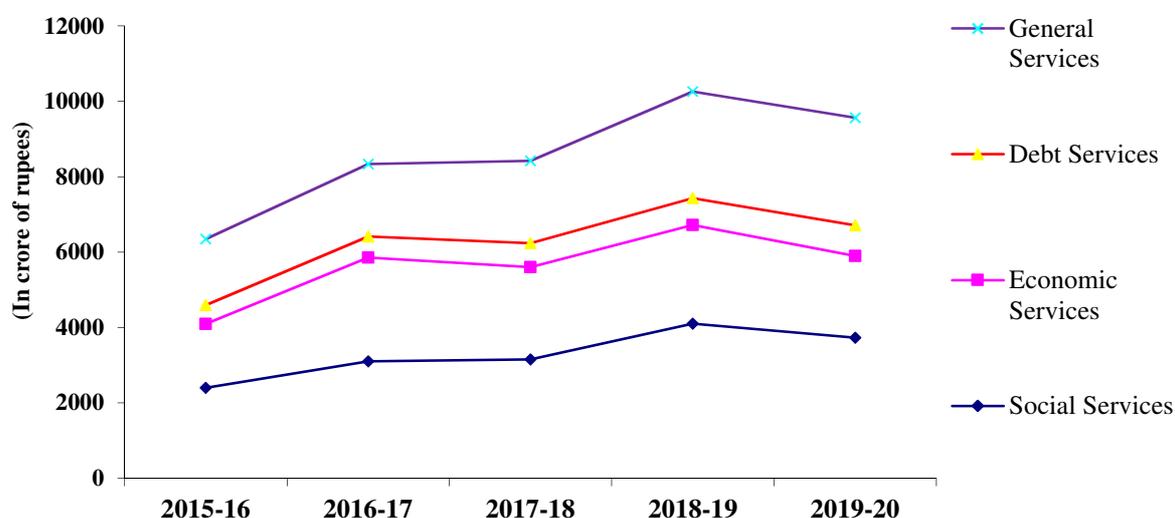
Components	Amount	Percentage
A. General Services	3645	38
a. Organs of State	162	2
b. Fiscal Services	88	1
(ii) Collection of Taxes on Property and Capital Transactions	21	...
(iii) Collection of Taxes on Commodities and Services	66	1
(iv) Other Fiscal Services	1	...
c. Interest Payment and Servicing of Debt	811	8
d. Administrative Services	1448	15
e. Pensions and Miscellaneous General Services	1136	12
B. Social Services	1918	20
C. Economic Services	1121	12
D. Grants-in-aid and Contributions	2881	30
Total - Expenditure (Revenue Account)	9565	100

(₹ in crore)



3.2.2 Major components of Revenue Expenditure 2015-16 to 2019-20

(Trend of Major Components of Revenue Expenditure)



3.3 Capital Expenditure

Capital Expenditure is defined as expenditure incurred with the objective of increasing concrete assets of a material and permanent character or of reducing permanent liabilities. Capital expenditure is essential if the growth process is to be sustained. Capital disbursements during 2019-20 amounting for ₹940 crore (2 per cent of GSDP of ₹38542 crore) were less than Budget Estimates by ₹1189 crore (less disbursement of ₹943 crore under State Fund expenditure and ₹246 crore under Central Assistance Expenditures). The growth in capital expenditure has not kept pace with the steady growth of GSDP since 2015-16 onwards. This can be seen from the table below:

(₹ in crore)						
Sl. No.	Components	2015-16	2016-17	2017-18	2018-19	2019-20
1	Budget (B.E.)	1793	1854	1778	1883	2129
2	Actual Expenditure (#)	1111	1290	983	1417	940
3	Percentage of Actual Exp. to B.E.	62	70	55	75	44
4	Yearly growth in Capital expenditure (in per cent)	(-)1	16	(-)24	44	(-)34
5	GSDP	27304	29567	31636	32972	38542
6	Yearly growth in GSDP (in per cent)	8	8	7	4	17

(#) Does not include expenditure on Loans and Advances

3.3.1 Sectoral distribution of Capital Expenditure

During 2019-20, the Government spent ₹4 crore on minor Irrigation Projects and ₹513 crore on construction of roads and bridges. It also invested ₹10 crore in Statutory Corporations/Board and Co-operative institutions.

3.3.2 Sectoral distribution of capital and revenue expenditure

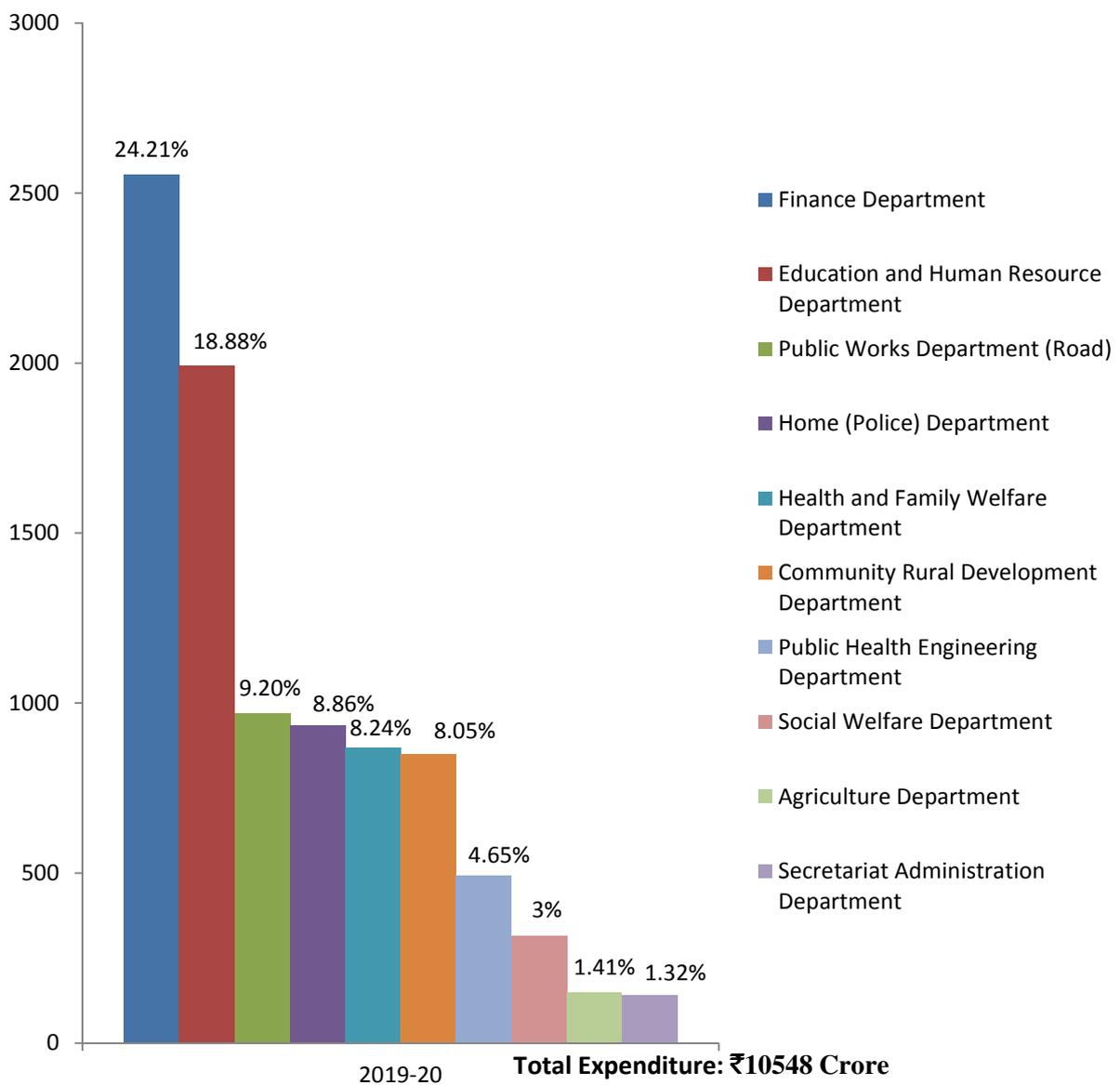
The comparative sectoral distribution of capital and revenue expenditure over the past five years is shown in the table below:

		(₹ in crore)					
Sl. No.	Sector		2015-16	2016-17	2017-18	2018-19	2019-20
(A)	General Services	Capital	97	83	50	85	48
		Revenue	2256	2480	2827	3536	3668
(B)	Social Services	Capital	290	459	361	360	293
		Revenue	2395	3099	3148	4100	3724
(C)	Economic Services	Capital	724	747	573	972	599
		Revenue	1697	2757	2448	2620	2173
(D)	Grants-in-aid and contribution	Capital					
		Revenue	1591	3293	2674	3277	2881

3.4 Top 10 Departments Expenditure wise

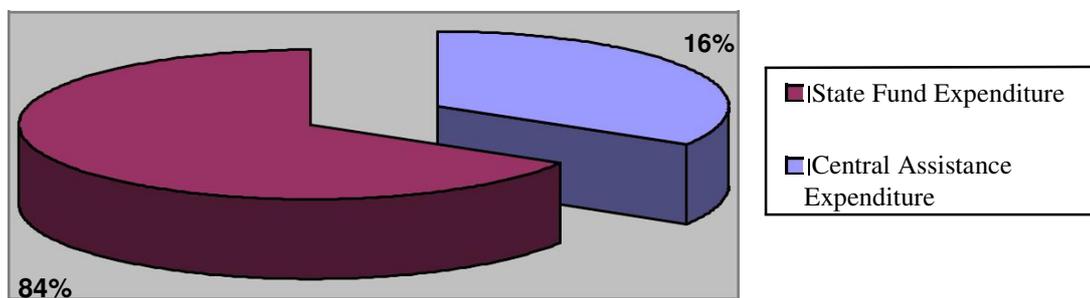
		(₹ in crore)				
Deptt. Code	Department	2015-16	2016-17	2017-18	2018-19	2019-20
10	Finance Department	1509	1624	1936	2096	2554
7	Education and Human Resource Department	1194	1520	1683	2047	1991
34	Public Works Department (Road)	1034	909	788	1131	970
18	Home (Police) Department	559	582	659	854	935
15	Health and Family Welfare Department	618	691	706	1072	869
6	Community Rural Development Department	456	1264	992	779	849

33	Public Health Engineering Department	317	174	501	491	491
39	Social Welfare Department	191	372	322	478	316
2	Agriculture Department	225	174	194	220	149
37	Secretariat Administration Department	138	250	255	244	139
Total:		6241	7560	8036	9412	9263



Chapter IV State Fund and Central Assistance Expenditure

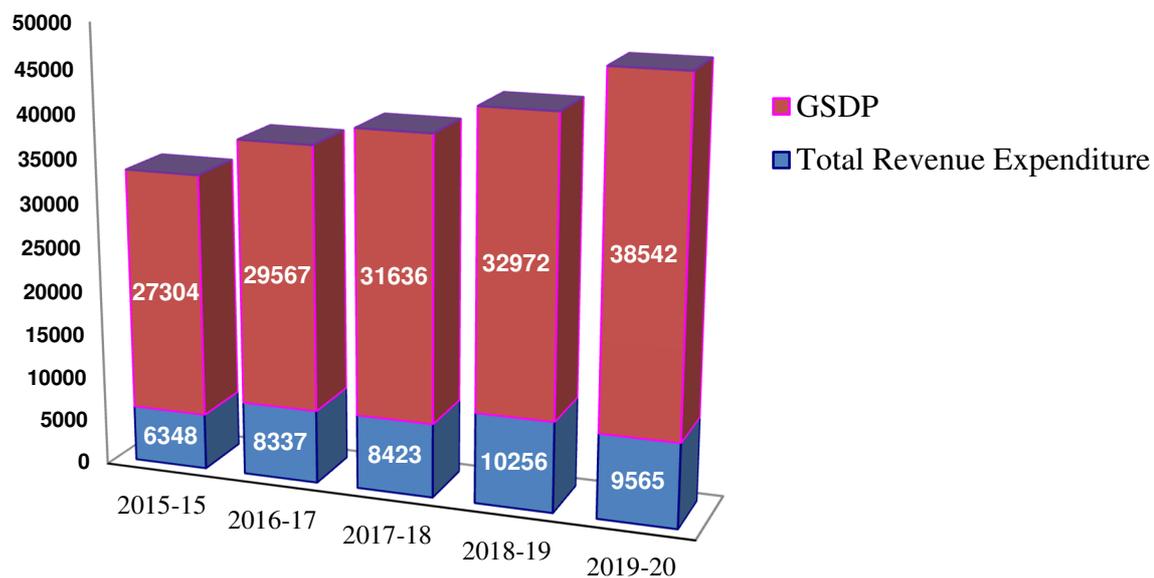
4.1 Distribution of expenditure (2019-20)



4.2 State Fund Expenditure

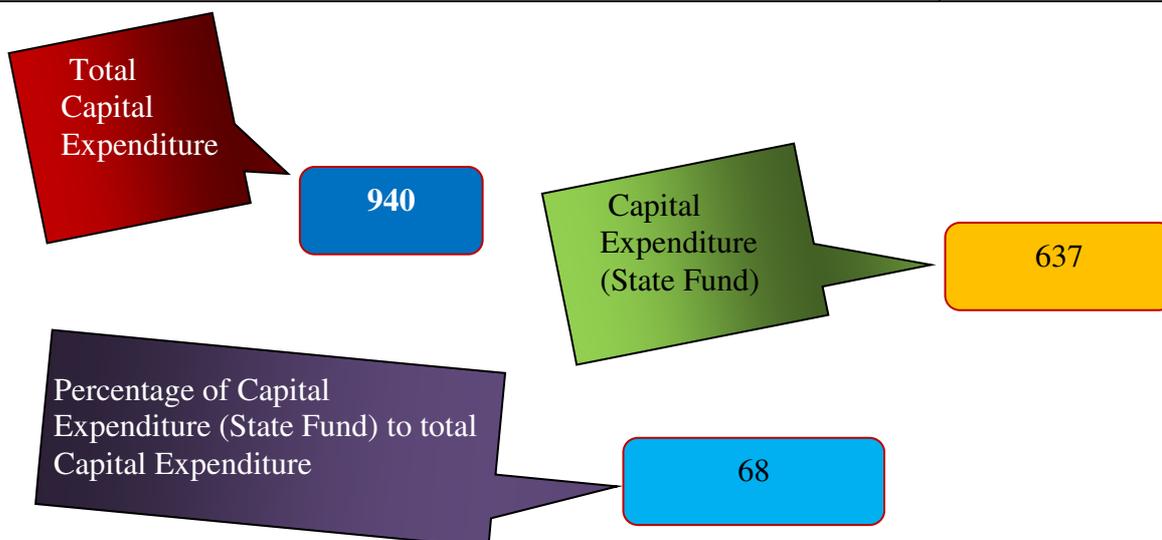
State Fund expenditure (both Revenue, Capital and Loans & Advances) during 2019-20 was ₹8841 crore constituting 84 per cent of the total expenditure of ₹10548 crore. Revenue expenditure constituted 93 per cent (₹8190 crore), Capital expenditure 7 per cent (₹637 crore) and Loans and Advances 0.16 per cent (₹14 crore), out of the total State Fund Expenditure.

Total Revenue Expenditure and Gross State Domestic Product



4.2.1. State Fund Expenditure under Capital Account

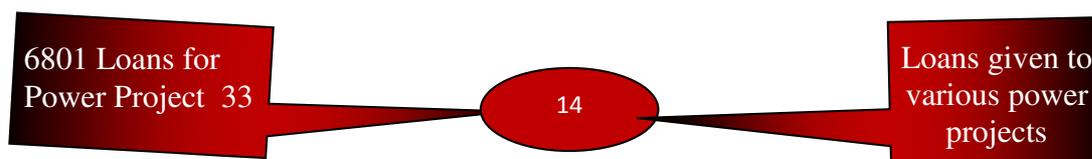
	(₹ in crore)
	2019-20
Total Capital Expenditure	940
Capital Expenditure (State Fund)	637
Percentage of Capital Expenditure (State Fund) to total Capital Expenditure	68



4.2.2. State Fund expenditure on Loans and Advances and Appropriation to Contingency Fund.

Significant disbursements of Loans and Advances were as under:

Major Heads	(Amount (₹ in crore))	Purpose
6801 Loans for Power Project	14.00	Loans given to various power projects
Total	14.00	



4.3 Central Assistance Expenditure

Central Assistance expenditure (both Revenue, Capital and Loans and Advances) during 2019-20 was ₹1707 crore constituting 16 per cent of total expenditure of ₹10548 crore. Revenue expenditure constituted 81 per cent (₹1375 crore) and Capital expenditure and Loans and Advances constituted 19 per cent (₹303 crore and ₹29 crore respectively) of the total Central Assistance Expenditure.

The expenditure on salary amounting to ₹526 crore was 31 per cent of the total Central Assistance Expenditure

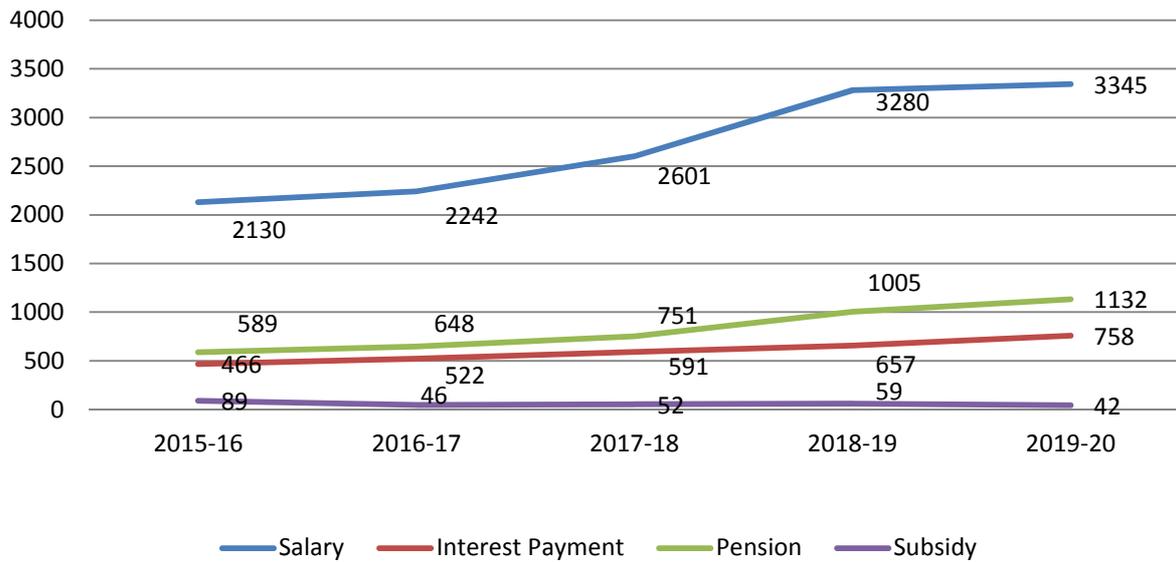
Central Assistance Expenditure and Gross State Domestic Product



4.4 Committed Expenditure

Expenditure on salaries, pensions and interest payments in 2019-20 increased over the previous year, mainly on account of revision of pay and pension.

**Trend of Committed Expenditure
(₹ in crore)**



The Trend of committed expenditure in comparison to revenue expenditure and revenue receipt over the past five year is depicted below:

(₹ in crore)

Component	2015-16	2016-17	2017-18	2018-19	2019-20
Committed Expenditure	3275	3459	3995	5001	5277
Revenue Expenditure	6348	8337	8423	10256	9565
Revenue Receipts	7043	8939	9274	9719	9413
Percentage of committed expenditure to Revenue Receipts	46	39	43	52	56
Percentage of committed expenditure to Revenue Expenditure	52	41	47	49	55

The committed expenditure increased by 61 *per cent* from 2015-16 to 2019-20 while revenue expenditure registered a growth of 51 *per cent* during the same period, leaving the Government with lesser flexibility in development spending.

Chapter V Appropriation Accounts

5.1 Summary of Appropriation Accounts for 2019-20

(₹ in crore)

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Surrender (by way of re-appropriation)	Total Budget	Actual expenditure (Net)	Saving(-) Excesses(+)
1	Revenue Voted Charged	12867 838	189 2	3990 7	9066 833	8720 845	(-)346 (+)12
2	Capital Voted Charged	1727 ...	402 ...	769	1360 ...	940 ...	(-)420 ...
3	Public Debt Charged	591	...	177	414	418	(+)4
4	Loans and Advances Voted	354	...	300	54	44	(-)10
	Total Voted Charged	14948 1429	591 2	5059 184	10480 1247	9704 1263	(-)776 (+)16

5.2 Trend of Saving/Excess during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loan and Advances	
2015-16	(-)1840	(-)682	(-)143	(-)5	(-)2671
2016-17	(-)1427	(-)464	(-)164	(-)18	(-)2073
2017-18	(-)1273	(-)444	...	(-)1	(-)1718
2018-19	(-)242	(-)127	...	...	(-)369
2019-20	(-)334	(-)420	(+)4	(-)10	(-)760

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 net savings are given below:-

(₹ in crore)

Grant No.	Nomenclature	2015-16	2016-17	2017-18	2018-19	2019-20
04	Administration of Justice	4	3	18	22	1
16	Police	23	38	55	17	3
43	Housing, Crop Husbandry, Agricultural Research and Education etc.	91	65	95	44	53
47	Housing, Animal Husbandry etc.	5	25	10	11	59
51	Housing, Special Programmes for Rural Development etc.	298	9	326	8	18

The persistent huge savings under Taxes on Sales, Trade etc, Other Administrative Services, Capital Outlay on North Eastern Areas, Police, General Education, Medical and Public Health, Family Welfare, Water Supply and Sanitation, Soil and Water Conservation, Animal Husbandry, Other Rural Development Programmes, Non-ferrous Mining and Metallurgical Industries, Public works, Roads and bridges, Capital Outlay Roads and Bridges, Secretariat-Economic Services etc is on account of Schemes which though approved by the legislature have been given lesser priority during implementation. This can be attributed either to increase budget estimation or the Government's desire to keep its fiscal deficit below the ceiling.

During 2019-20 Supplementary grants totalling ₹593 crore (5.41 per cent of the total expenditure) proved to be unnecessary in some cases. A few instances where there were savings at the end of the year even against Original Allocation are given below:-

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
9	2040- Taxes on sales, Trade etc 101-Collection charges (01) District level offices	Revenue	19	...	15

10	2070-Other Administrative Services 800-Other Expenditure (01)-Operation of Helicopter Services.	Revenue	16	...	3
10	4552-Capital Outlay on North Eastern Areas 19-Transport 800-Other Expenditure (01) Construction of Inter-State Bus Terminus at Mawiong E.K.Hills District	Capital	13	...	10
21	2202-General Education 01-Elementary Education 101-Government Primary School (01) Expenditure on Primary School (03) Government ME School 102-(01) Expenditure on maintenance of primary Schools under deficit system (13) Expenditure on Upper Primary school under non-deficit system. General Voted 6 th Schedule. (29) Mid day meal incentive to student(CSS)	Revenue Revenue Revenue Revenue Revenue Revenue	59 33 50 30 94 70	... ... ... ... ... ...	15 28 38 19 68 45
21	2202-General Education 02-Secondary Education 101-Inspection (01) Inspector of school & staffs 109-Government Secondary School (01) Secondary Schools for boys 80-General 003-Training (30) DERT-Central Assistance for CSS(CSS)	Revenue Revenue Revenue	19 73 18	... ... ...	9 53 10

26	2210-Medical and Public Health 01-Urban Health Service (Allopathy) 104-Medical Store Depot (02) Establishment of Central Medical store	Revenue	66	...	56
	110-Hospital and Dispensaries (01)Shillong Civil Hospital improvement thereof.	Revenue	49	...	39
	(03) R.p. chest Hospital(including improvement thereof)	Revenue	19	...	11
26	2211-Family Welfare 001-Direction and Administration (02) District Family Welfare Bureau Centrally Sponsored Schemes	Revenue	14	...	6
26	2211-Family Welfare 101-Rural Family Welfare Services (02) Rural Family Welfare Sub-Centres(CSS)	Revenue	43	...	32
27	2215-Water supply & sanitation 01-Water supply 001-Direction & Administration (02) Divisional and subordinate offices 101-Urban water supply programmes (04) Repair & maintenance of Urban water supply schemes(Khasi Hills)	Revenue	114	...	100
		Revenue	40	...	35
45	2402-Soil & Water conservation 001-Direction & Administration (02) Divisional Soil conservation offices	Revenue	24	...	18
47	2403-Animal Husbandry 001-Direction & Administration (02)-District Offices 101-Veterinary services & Animal health (24) Veterinary Dispensaries	Revenue	13	...	8
		Revenue	16	...	10

51	2515-Other Rural Development Programmes 001-Direction & Administration (01) Directorate of Community Development (05) Stage-II block offices	Revenue	9	...	4
		Revenue	78	...	70
56	2059-Public Works 80-General 001-Direction & Administration (07)Divisional & Subordinate offices(Roads) 3054-Roads and Bridges 797-Transfer to/from reserve Fund/Deposit Account (01) Road finance from Central Road Fund-8449-other Deposit -103-Subventions from Central Road Fund 03-State Highways 103-Maintenance and Repairs (06) Other Maintenance Expenditure–Road works 5054-Capital outlay on Roads & bridges 04-District & other Road 800-other expenditure (03) Construction of Rural Roads (07) PMGSY(CSS)	Revenue	158	...	121
		Revenue	26	13	29
		Revenue	31	...	28
		Capital	120	150	128
		Capital	200	157	196
59	3451-Secretariat-Economic Services 05-Externally aided project 092- Other offices (03) Externally aided project-Asian Development Bank(Administered by Finance (EA) Deptt)	Revenue	460	...	194
16	2055-Police 104-Special Police (11) Raising of 5 th MLP Bn/3 rd IRBN	Revenue	63	.23	52
47	2403-Animal Husbandry 800-Other expenditure (04) Construction & Maintenance of Non residential Buildings	Revenue	1	2	0.50

55	2853-Non-Ferrous Mining & Metallurgical Industries 02-Regulation and Development of Mines 001-Direction and Administration (01) Geology & Mining establishment	Revenue	7	1	5
56	5054-Capital outlay on Roads & bridges 04-District & other Roads 800-Other expenditure (07) PMGSY	Capital	200	157	196

A few instances where there were excess expenditure at the end of the year even after Supplementary allocations were made are given below:-

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
56	3054-Roads and Bridges 04-District and Other Roads 105-Maintenance and Repairs (01) Work Charged Establishment-Road Works	Revenue	55	20	117

An expenditure of ₹95 Crore in eight cases where funds were allocated directly by-passing the Legislature i.e., through re-appropriation instead of Original/Supplementary Budget are given below:-

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Re-Appropriation	Actual Expenditure
6	2245-Relief on account of natural calamities 05- State disaster response Fund 101-(03) Transfer to 8121-General & other Reserve Fund-122-SDRF	Revenue	...	...	14	43
11	2801-Power 80-General 800-Other Expenditure (03) Repayment of Loan Component & Interest (there to) on account of RGGVY	Revenue	...	...	6	6

11	6801-Loans for power project 800-other loans to Electricity Boards (05) State plan loans	Capital	...	...	14	14
32	4408-Capital outlay on Food storage and warehousing 01-Food 101-Procurement and supply (01) Expenditure on procurement and supply of Rice	Capital	...	...	26	26
34	2236-Nutrition 02-Distribution of Nutrition Food and Beverages 101-Special Nutrition Programmes (06) National Nutrition Mission under ICDS Scheme	Revenue	...	...	2	2
43	2415-Agricultural research & Education 01-Crop Husbandry 004-Research (05) Research project on Rice	Revenue	...	...	2	1
51	2505-Rural Employment 02- Rural Employment Guarantee Schemes 101-National Rural Employment Guarantee Schemes (04) Meghalaya Society for Social Audit and Transparency	Revenue	...	...	2	2
51	4515- Capital outlay on Other Rural Development Programmes 102-Community Development (06) Construction Development Infrastructure	Capital	...	...	1	1

Chapter VI Assets and Liabilities

6.1 Assets

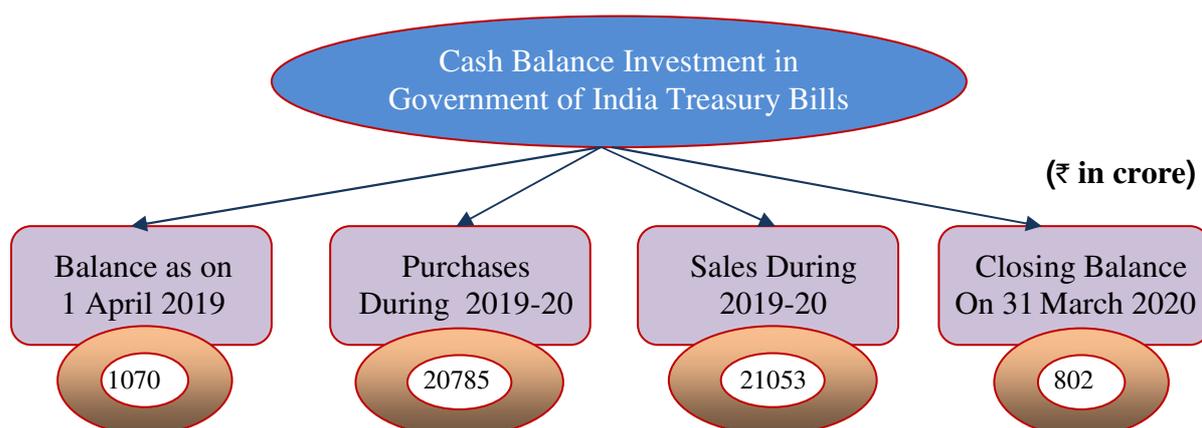
The existing forms of accounts do not clearly depict valuation of Government assets like land, building etc., except in the year of acquisition/ purchase. Similarly, while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generations.

The State Government invest in the equity and share capital of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions etc. Total investment as share capital in non-financial public sector undertakings (PSUs) stood at ₹2648 crore at the end of the year of 2019-20. However, dividends received during the year were ₹0.14 crore on total investment. During the year 2019-20, investments increased by ₹10 crore and dividend income increased by ₹0.03 crore.

Cash Balance with RBI stood at (-) ₹276 crore on 1st April 2019 and increased to (-) ₹234 crore at the end of March 2020. In addition, Government had invested an amount of ₹20785 crore on 156 occasions in 14 days Treasury Bills and reinvested on Maturity ₹15182 crore on 112 occasions. During 2019-20 RBI rediscounted ₹5871 crore on 129 occasions. The position of investment during the year 2019-20 is depicted in the table given below:

(₹ in crore)

Cash Balance Investment in Government of India Treasury Bills			
Balance as on 1 April 2019	Purchases during 2019-20	Sales during 2019-20	Closing balance on 31 March 2020
1070	20785	21053	802



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. Government of India determines, from time to time, the limit up to which State Government can borrow from the market. The limit for 2019-20 for the State of Meghalaya was ₹1344 crore. Against this, Government of Meghalaya availed open market borrowing of ₹1344 crore.

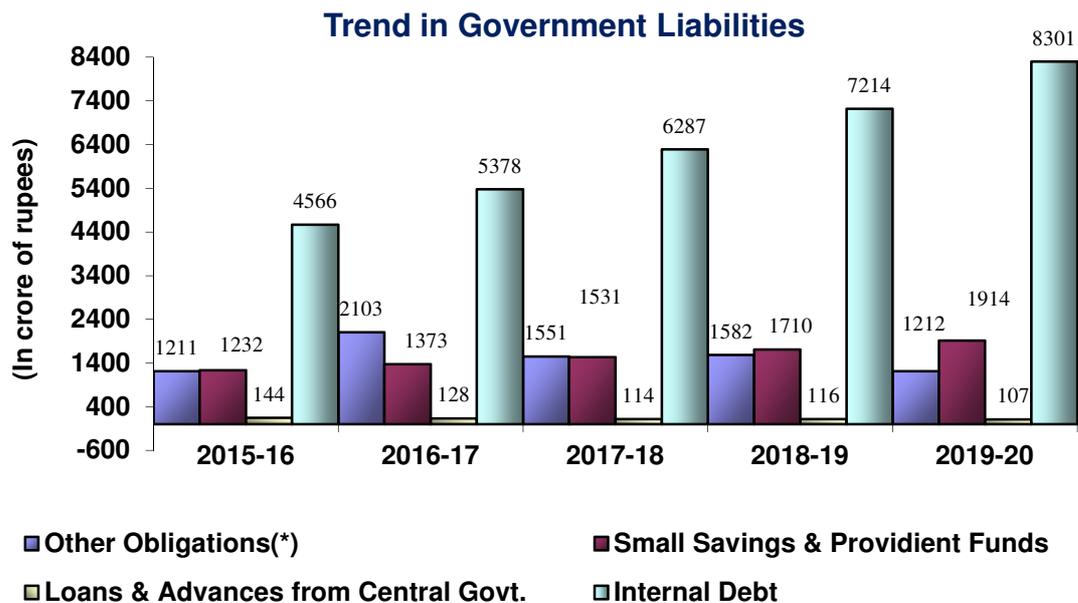
Details of the Public Debt and total liabilities of the State Government are as under:

(₹ in crore)						
Year	Public Debt	Per cent to GSDP	Public Account(*)	Per cent to GSDP	Total Liabilities	Per cent to GSDP
2015-16	4710	17	2443	9	7153	26
2016-17	5506	19	3475	12	8982	30
2017-18	6402	20	3081	10	9483	30
2018-19	7331	22	3291	10	10622	32
2019-20	8408	22	3126	8	11534	30

*Excludes civil advances, suspense and remittance balance.

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

Total liabilities showed a net decrease of ₹912 crore (9 per cent) over the previous year.



* Interest & Non-interest bearing obligations such as deposits of Local Funds, other earmarked funds, etc.

6.3 Guarantees

In addition to directly raising loans, State Governments also guarantee loans raised by Government companies and corporation from the market and financial institution for implementation of various plan schemes and programmes. These guarantees are projected outside the State Budget. The position of guarantees by the State Government for the repayment of loans (payment of principal and interest thereon) raised by statutory corporation, government companies, corporations, cooperative societies etc., is given below.

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 st March 2020	
		Principal	Interest
2015-16	868	715	327
2016-17	860	975	8
2017-18	1140	814	7
2018-19	1377	1150	13
2019-20	1370	1106	14

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed [Principal only]	Amount Outstanding at the end of the year	
		Principal	Interest
2015-16	868	715	327
2016-17	860	975	8
2017-18	1140	814	7
2018-19	1377	1150	13
2018-19	1370	1106	14

Chapter VII **Other Items**

7.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, the State Government also guarantees 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. However, the loan repayments appear in Government account (in case of non-repayment by the loanee entities), resulting in irreconcilable adverse balances and understatement of liabilities in Government accounts. As on 31 March 2020 no adverse balance is appearing in favour of Meghalaya State.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2019-20 was ₹867 crore. Out of this, loans and advances to government corporation/ companies, non-government institutions and local bodies amounted to ₹840 crore. Recovery of principal aggregating to ₹831 crore was in arrears at the end of 31 March 2020. The information relating to recovery of interest in arrear was not made available by the State Government. Effective steps to recover the outstanding loans would help the Government improve its fiscal position.

7.3 Financial assistances to local bodies and others

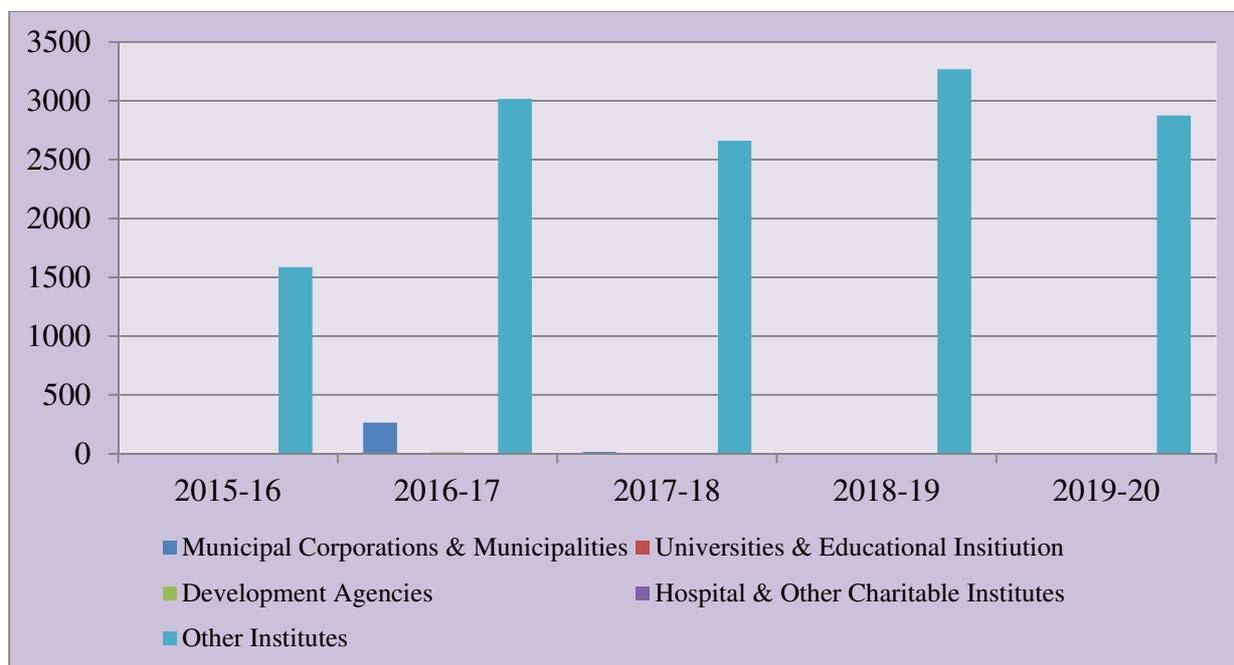
Grants-in-aid given to local bodies, autonomous bodies etc. increased from ₹1591 crore in 2015-16 to ₹2881 crore in 2019-20. Grants to Municipal Corporations and Municipalities (₹6 crore) represent 0.2 *per cent* of total grants given during the year.

Details of Grants-in-aid for the past 5 years are as under:

(₹ in crore)

Sl. No.	Name of the Institutions	2015-16	2016-17	2017-18	2018-19	2019-20
1	Municipal Corporations & Municipalities	4	265	14	8	6
2	Universities & Educational Institution	-	-	-	-	-
3	Development Agencies	1	12	...	1	1
4	Hospital & Others Charitable Institutes	-	-	-	-	-
5	Other Institutes [*]	1586	3016	2660	3268	2874
Total		1591	3293	2674	3277	2881

[*] Other Institutes includes Government Companies, Statutory Corporations, Non-Government Organisations etc.



7.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2019	As on 31 March 2020	Net Increase [+]/ decrease[-]
Cash Balances	(-)256	(-)196	60
Investment from cash balance			
(GOI Treasury Bills)	1070	802	(-)268
Investment from earmarked fund balances	366	424	58
(a) Sinking Fund	340	393	53
(b) Guarantee Redemption Fund	26	32	6
Interest Realized during the year	52	23	(-)29

The State Government had a negative closing cash balance at the end of 31 March 2020. Interest receipt on the investment of cash balance has decreased by 56 *per cent* from ₹52 crore to ₹23 crore in 2019-20.

7.5 Reconciliation of Accounts

Chief Controlling Officer (CCOs)/ Controlling Officer (COs) are required to reconcile the receipts and expenditure figures of the Government with the figures accounted for by the office of the Accountant General (A&E). The extent of accuracy and completeness of accounts can be drawn only when there is complete reconciliation. Such reconciliation has been completed for expenditure of ₹9261 crore (84 *per cent* of the total expenditure of ₹10967 crore) and receipts of ₹9933 crore (91 *per cent* of the total receipts of ₹10941 crore). Finance Department, Government of Meghalaya has been requested to issue necessary instruction to ensure 100 *per cent* reconciliation.

7.6 Submission of Accounts by Accounts rendering units

The accounts of receipts and expenditure of the Government of Meghalaya have been compiled based on the initial accounts rendered by 12(twelve) District Treasuries, 4(four) Sub-Treasuries, 1(one) Cyber Treasury, 91 Public Works Divisions, 26 Forest and 20 Soil Divisions of the State Government and advices of the Reserve Bank of India. There were huge delays in rendition of monthly accounts especially by Public Works Divisions and Forest & Soil Divisions. However, no accounts were excluded at the end of the year.

7.7 Advance payments

Drawing and Disbursing Officers (DDOs) are authorized to draw sums of money by preparing Abstract Contingent (AC) bills by debiting service heads. They are required to present Detailed

Countersigned Contingent (DCC) Bills containing vouchers in support of Final Expenditure. Non-submission of DCC bills within stipulated time frame renders the expenditure under AC bills opaque. Details of such outstanding DCC bills are given below:

(₹ in crore)

Year	Opening balance		Addition		Clearance		Closing Balance	
	Nos.	Amount	Nos.	Amount	Nos.	Amount	Nos.	Amount
2019-20	70	88	233	28	227	22	76	94

7.8 Status of Suspense Balances

Details of outstanding balances under Major Head-8658-Suspense Account is as under: -

(₹ in crore)

Name of Minor Head	2015-16		2016-17		2017-18		2018-19		2019-20	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658-Suspense Accounts										
101- Pay and Accounts office-suspense	45	1	33	1	36	1	46	10	65	22
Net	44		32		35		36		43	
102-Suspense Account (Civil)	5	1	4	1	5	...	4	...	4	...
Net	4		3		5		4		4	
110-Reserve Bank Suspense-Central Accounts Office	22	42	21	39	23	45	35	37	133	134
Net	20		18		22		2		1	
112-Tax Deducted at Source (TDS) Suspense	...	1	...	...	...	4	...	5	...	3
Net	1		...		4		5		3	

7.9 **Status of Outstanding Utilization Certificate**

The total number of UCs awaited upto 2018-19 and for the year 2019-20 are as follows: -

Year	Opening balance		Addition		Clearance		Closing balance	
	Amount	Number	Amount	Number	Amount	Number	Amount	Number
Upto 2018-19	2799.81	765	1566.03	394	66.22	49	4299.62	1110
2019-20	4299.62	1110	1343.12	180	491.82	285	5150.92	1005

7.10 **Commitments on account of Incomplete Capital works**

A total expenditure of ₹1801 crore as per Appendix IX in Volume II of the Finance Accounts was incurred up to the year 2019-20 by the State Government on various incomplete projects against an original estimated cost of ₹3966 crore.

The original estimated cost (₹3966 crore) has escalated by 2 per cent as a whole across various projects. A summarized view on commitments on account of 'Incomplete Capital Works' is furnished below:

(₹ in crore)

Sl. No.	Category of Works (No. of works)	Estimated cost of work	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Estimated cost after revision
1	Construction	213	7	163	2	213
2	Water supply Schemes	1671	103	676	1078	1745
3	Medical	78	6	62	24	80
4	Others	2004	139	900	717	2020
	Total	3966	255	1801	1821	4058

7.11 **New Pension Scheme**

State Government employees recruited with effect from 1 April 2010 are eligible for the New Pension Scheme which is a defined contributory pension scheme. In terms of the Scheme, the employee contributes 10 *per cent* of his/her monthly salary and dearness allowance, which is matched by the State Government as employer share. The entire amount is then transferred to designated fund manager through the National Securities Depository Limited (NSDL)/ Trustee Bank.

As per prescribed procedure, both the contributions are to be initially credited to the Public Account under Major Head 8342-Other Deposits-117 Defined Contribution Pension Scheme for Government Employees. Thereafter, the entire amount is to be transferred to the National Securities Depository Limited (NSDL)/ Trustee Bank through the designated fund manager in the same year itself.

The Government of Meghalaya, however did not follow the above procedure in transferring Government contribution. The State Government transfers the employee's and Government's contribution to NSDL/Trustee Bank from Current Account up-to July 2019 as informed by Directorate of Accounts and Treasuries (DAT). During 2019-20, the Government has transferred ₹ 88.51 crore (₹52.13 crore employees contribution plus ₹36.38 crore employer's contribution) towards NPS into Public Account and ₹15.60 crore to the current Account of the Director of Accounts and Treasuries. Thereafter, the State Government transferred ₹104.04 crore (₹88.44 crore through Public account and ₹15.60 crore from the Current Account of DAT) to the NSDL/Trustee Bank. However, as in previous years, the State Government did not credit the employer's contribution amounting to ₹15.60 crore for the year 2019-20 to the Public Account, and instead, transferred it directly to NSDL/Trustee Bank. Since the State Government did not route the employers' contribution through the Public Account, it has not been possible to ascertain the quantum of past liabilities representing employer's share remaining to be transferred to NSDL. Such short contributions over the years, if any, will attract interest, which will also have to be included at the time of transferring the employer's contribution to NSDL, but in the absence of information on quantum of short contribution over the years, it has not been possible to estimate this.

As on 1 April 2019, ₹0.77 crore representing employees' contribution yet to be transferred to NSDL was available in the Public Account under Major Head 8342-117. The interest accruing on such retained balances which constitute liabilities of the State Government- since the inception of the Scheme, has not been estimated. It has also not been possible to estimate whether the employees' contributions over the years under the Scheme have been correctly assessed. Against ₹89.28 crore (₹0.77 crore Opening balance Plus ₹88.51 crore contributed

during the year), the State Government transferred ₹88.44 crore leaving a balance of ₹0.84 crore in the Public Account as on 31st March, 2020. Uncollected, unmatched and un-transferred amounts, with accrued interest represent outstanding liabilities under the scheme besides erroneously enhancing the liquidity position of the State Government.

7.12 **Personal Deposit Accounts**

Under Rule 415 of Meghalaya Treasury Rules, 1985, the moneys tendered as Personal Deposits may be received at the treasury from the administrators of the deposits account without specification of detailed item. Unspent balance lying in Personal Deposits Accounts are required to be transferred back to the Consolidated Fund before the close of the financial year and re-opened next year, if necessary. The details of the Personal Deposits accounts during the year 2019-20 are as under:

(₹ in crore)

PD Accounts as on 01.04.2019		PD Accounts opened during the year 2019-20		PD Accounts closed during the year 2019-20		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
06	17	10	4	1	4	15	17

7.13 **Investment**

The State Government invests in the equity and shares of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions. As per the accounts the investment of Government in 24 entities was ₹2648 crore as on 31 March, 2020 on which an amount of ₹0.14 crore was received as dividend/interest. Details of this are given in Statement 19 of Finance Accounts. These figures, however, have not been reconciled with the figure of the investee organizations, which is to be done.

7.14 **Rush of Expenditure**

Uniform flow of expenditure during the year is essential to ensure that the primary requirement of budgetary control is maintained. Rush of expenditure, particularly in the closing months of the financial year should be avoided. The trend of expenditure incurred (as per the initial account furnished by various treasuries) during the last quarter, month of March and last three days of March 2020 as compared to the total expenditure during 2019-20 are given in the table below. This constituted 634 *per cent*, 388 *per cent* and 180 *per cent* respectively of receipts of ₹380 crore during the last quarter.

(₹ in crore)

Expenditure incurred during January to March 2020	Expenditure incurred in March 2020	Expenditure incurred during last three days of March 2020	Total Expenditure	Percentage of total expenditure incurred during		
				Jan to March 2020	March 2020	Last three days of March 2020
2410	1473	684	8214	29	18	8

Month wise details of expenditure made by the State Government:

(₹ in crore)

Sl. No.	Month	Expenditure incurred
1	April 2019	428
2	May 2019	494
3	June 2019	682
4	July 2019	459
5	August 2019	488
6	September 2019	1032
7	October 2019	500
8	November 2019	756
9	December 2019	965
10	January 2020	333
11	February 2020	604
12	March 2020	1473

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