



**GOVERNMENT
OF
MEGHALA YA**

Accounts at a Glance
2011-2012



**ACCOUNTANT GENERAL
(Accounts and Entitlements)**

महालेखाकार का कार्यालय (ले.व.ह)

MEGHALAYA, SHILLONG-793001

मेघालय, शिलांग-793001

Preface

I am happy to present the Twelfth 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 811 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.

This year marks the 151st anniversary of the Indian Audit and Accounts Department (IA&AD). The years have seen major changes in the scope and presentation of the various reports through which the IA&AD keeps the stakeholders-the Legislators, the Executive and the Public informed. Since 2009-10, 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 completely remodelled and made 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 more effectively comprehend 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:

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

TABLE OF CONTENTS

Chapter 1	Overview	Page
1.1	Introduction	5
1.2	Structure of Accounts	5
1.3	Finance Accounts and Appropriation Accounts	7
1.4	Sources and Application of Funds	9
1.5	Highlights of Accounts	12
1.6	What do the Deficits and Surpluses indicate	13
Chapter 2	Receipts	
2.1	Introduction	16
2.2	Revenue Receipts	16
2.3	Trend of Receipts	18
2.4	Performance of State's own Tax Revenue Collection	20
2.5	Efficiency of Tax Collection	20
2.6	Trend in State's share of Union Taxes	21
2.7	Grants -in-Aid	22
2.8	Public Debt	23
Chapter 3	Expenditure	
3.1	Introduction	24
3.2	Revenue Expenditure	24
3.3	Capital Expenditure	26
Chapter 4	Plan and Non-Plan Expenditure	
4.1	Distribution of Expenditure (2011-12)	28
4.2	Plan Expenditure	28
4.3	Non-Plan Expenditure	29
4.4	Committed Expenditure	30
Chapter 5	Appropriation Accounts	
5.1	Summary of Appropriation Accounts for 2011-12	31
5.2	Trend of Savings/Excess during the past five years	31
5.3	Significant Savings	32
Chapter 6	Assets and Liabilities	
6.1	Assets	33
6.2	Debt and Liabilities	33
6.3	Guarantees	34
Chapter 7	Other Items	
7.1	Adverse Balance under internal Debt	35
7.2	Loans and Advances by the State Government	35
7.3	Financial Assistance to Local Bodies and Others	35
7.4	Cash Balances and Investment of Cash Balance	36
7.5	Reconciliation of Accounts	36
7.6	Submission of Accounts by Treasuries	37
7.7	Abstract Contingent Bills/Detailed Contingent Bills	38

CHAPTER 1

OVERVIEW

1.1 Introduction

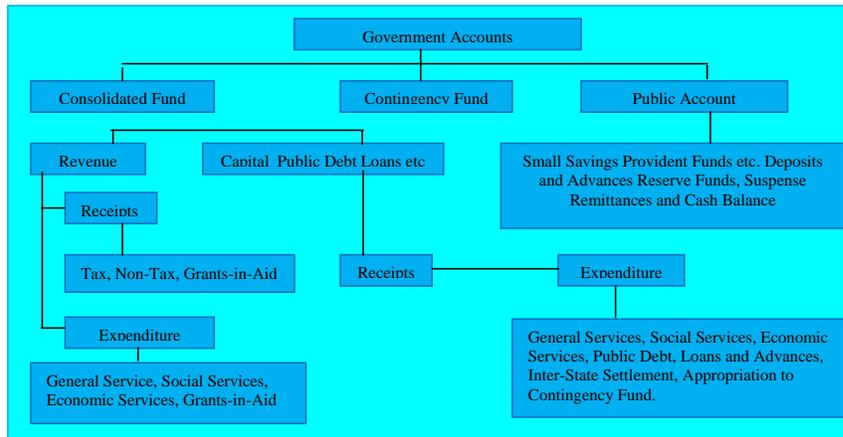
The Accountant General (Accounts and Entitlements), Meghalaya compiles the accounts of receipts and expenditure of the Government of Meghalaya . This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of 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

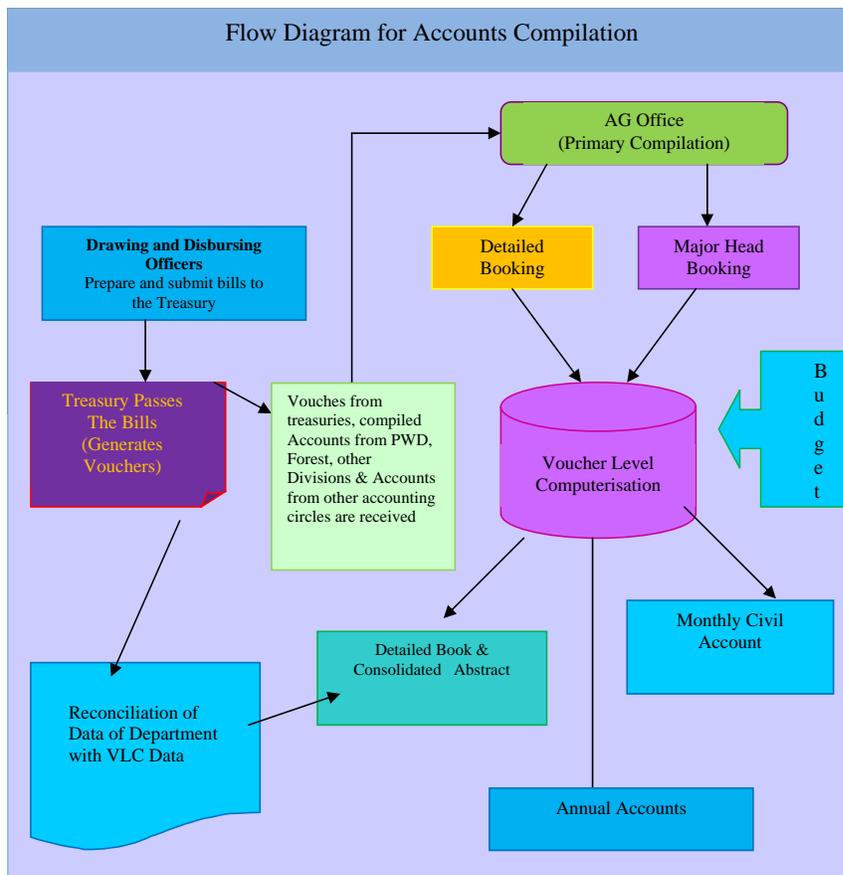
1.2.1 Government Accounts are kept in three parts:

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.

1.2.2 *Pictorial representation of Structure of Government Account*



1.2.3 *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 2011-12 are given below.

(In crore of rupees)

Receipts (Total:57,42.43)	Revenue (Total: 46,54.47)	Tax Revenue	17,41.73
		Non Tax Revenue	3,68.24
		Grants -in-Aid and Contribution	25,44.50
	Capital (Total: 10,87.96)	Recovery of Loans and Advances	22.71
Borrowings and other Liabilities		10,65.25	
Disbursements (Total: 57,42.43)	Revenue	48,34.81	
	Capital	8,55.24	
	Loans and Advances	52.38	

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 ₹ 5,01.28 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 5 charged Appropriation and 59 voted Grants.

The Appropriation Act 2011-12, had provided for gross expenditure of ₹ 68,71.27 crore and reduction of expenditure (recoveries) of ₹ 2.40 crore. Against this, the actual gross expenditure was ₹ 59,54.63 crore and reduction of expenditure was ₹ 9.56 crore, resulting in net savings of ₹ 9,16.64 crore (13.34 %) and an under-estimation of ₹ 7.15 crore (298 %) on reduction of expenditure. The gross expenditure includes ₹ 0.26 crore drawn on Abstract Contingent (AC) Bill, against which ₹ 0.10 crore is still outstanding at the end of the year for want of supporting Detailed Contingent (DC) bills.

During 2011-12, ₹ 1.04 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 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 2011-12, the Government of Meghalaya did not resort to OD facilities and WMA.

1.4.2 Fund flow statement

The State had a Revenue Deficit of ₹ 1,80.34 crore and a Fiscal Deficit of ₹ 10,65.25 crore representing 1.13 % and 6.70% of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 18.55% of total expenditure. This deficit was met from Public debt (₹ 2,65.27 crore), decrease in Public Account (₹ 13,63.35 crore) and net of opening and closing cash balance ₹ -5,63.37 crore. Around 49.11 % of the revenue receipts (₹ 46,54.47 crore) of the State Government was spent on committed expenditure like salaries ₹ 16,06.89 crore), interest payment ₹ 3,03.23 crore and pension ₹ 3,75.79 crore.

Except where indicated otherwise, GSDP figures used in this publication are adopted from the Economic Survey of the Planning Department, Government of Meghalaya.

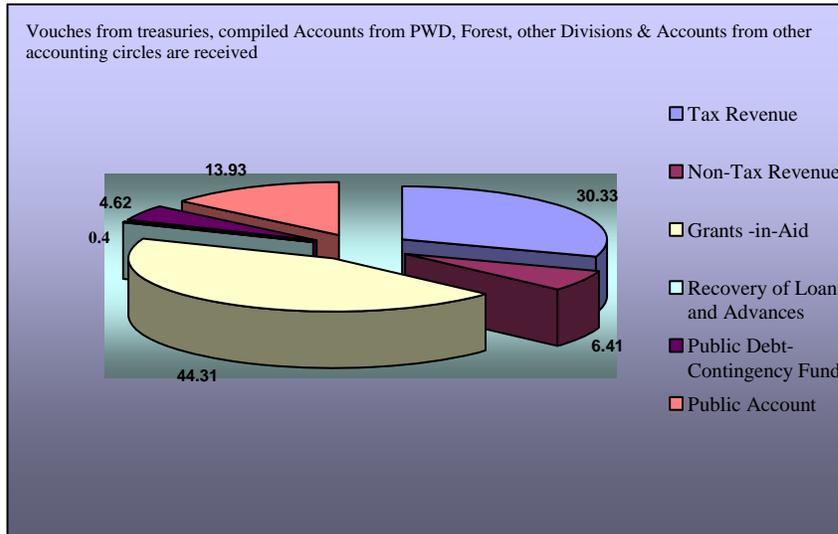
Source and Application of Funds

(In crore of rupees)

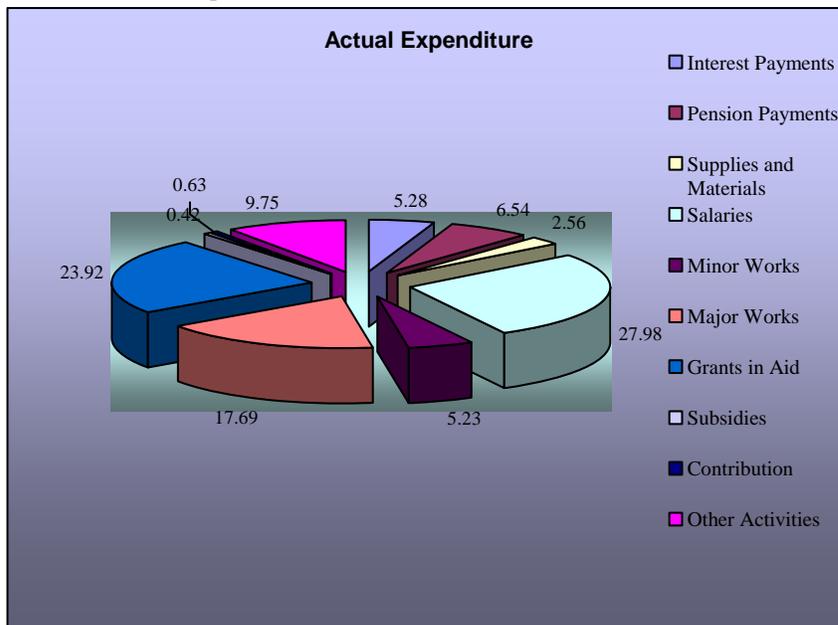
	PARTICULARS	AMOUNT
	Opening Cash Balance as on 1.4.2011	-4,93.69
	Revenue Receipts	46,54.47
	Recovery of Loans and Advances	22.71
	Public Debt	4,67.91
	Small Savings Provident Fund & Others	1,81.49
SOURCES	Reserves and Sinking Funds	39.90
	Deposits Received	15,21.84
	Civil Advances Repaid	1,65.28
	Suspense Account	1,10,21.98
	Remittances	21,96.69
	Contingency Fund	...
	Total	1,97,78.58

	PARTICULARS	AMOUNT
	Revenue Expenditure	48,34.81
	Capital Expenditure	8,55.24
	Loans Given	52.38
	Repayment of Public Debt	2,02.64
	Transfer to Contingency Fund	...
	Small Savings Provident Fund & Others	76.41
APPLICATION	Reserves and Sinking Funds	25.60
	Deposits Received	9,04.47
	Civil Advances Repaid	1,65.28
	Suspense Account	1,04,97.59
	Remittances	20,94.48
	Closing Cash Balance as on 31.3.2012	69.68
	Total	1,97,78.58

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. 2011-12	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP
1. Tax Revenue (@)	16,65.07	17,41.73	104.60	10.96
2. Non-Tax Revenue	3,91.35	3,68.24	94.09	2.31
3. Grants -in-aid & Contribution	35,45.74	25,44.50	71.76	16.00
4. Revenue Receipts (1+2+3)	56,02.16	46,54.47	83.08	29.28
5. Recovery of Loans and Advances	22.00	22.71	103.22	0.14
6. Borrowings & Other Liabilities (A)	10,23.38	10,65.25	104.09	6.70
7. Capital Receipts (5+6)	10,45.38	10,87.96	104.07	6.84
8. Total Receipts (4+7)	66,47.54	57,42.43	86.38	36.12
9. Non-Plan Expenditure(*)	28,99.13	29,28.41	101.00	18.42
10. NPE on Revenue Account	27,92.31	28,76.03	102.99	18.09
11. NPE on Interest Payments	2,91.41	2,85.67	98.03	1.80
12. NPE on Capital Account	1,06.82	52.38	49.04	0.32
13. Plan Expenditure(*)	37,48.41	28,14.02	75.07	17.67
14. PE on Revenue Account	27,32.93	19,58.78	71.67	12.32
15. PE on Capital Account	10,15.48	8,55.24	84.22	5.38
16. Total Expenditure (9+13)	66,47.54	57,42.43	86.38	36.12
17. Revenue Expenditure(10+14)	55,25.24	48,34.81	87.50	30.41
18. Capital Expenditure (12+15)(#)	11,22.30	9,07.62	80.87	5.71
19. Revenue Surplus(4-17)	76.92	-1,80.34	-234.45	-1.13
20. Fiscal Deficit(4+5-16)	10,23.38	10,65.25	104.09	6.70

(@) Includes State's share of Union Taxes ₹ 10,44.19 crore

(\$) GSDP figure of ₹ 1,58,95 crore adopted from the Economic Survey published by Planning Department, Government of Meghalaya.

(#) Expenditure on Capital Account includes Capital Expenditure (₹ 8,55.24 crore) and Loans and Advances disbursed (₹ 52.38 crore)

(*) Expenditure includes (₹ 29,28.41 crore) under Non-Plan and (₹ 28,14.02 crore) under 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.

(**) Negative expenditure is due to recoveries not estimated in the Budget.

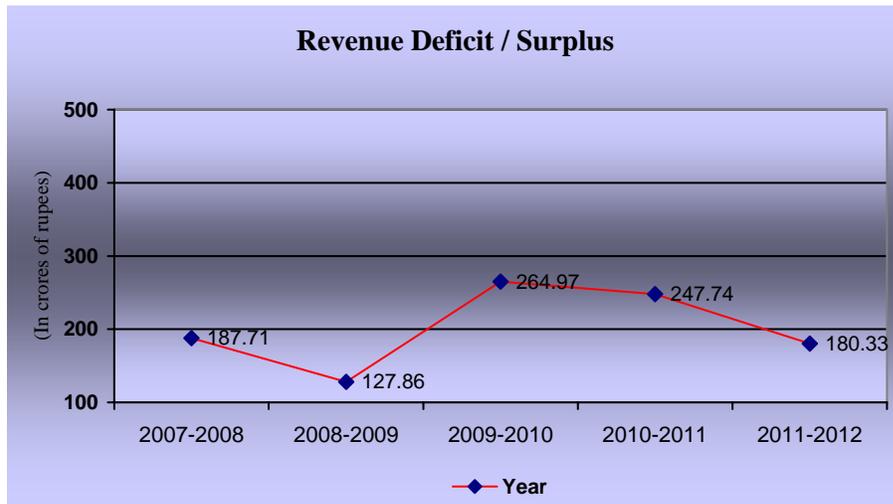
1.6 **What do the Deficits and Surpluses indicate?**

<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.

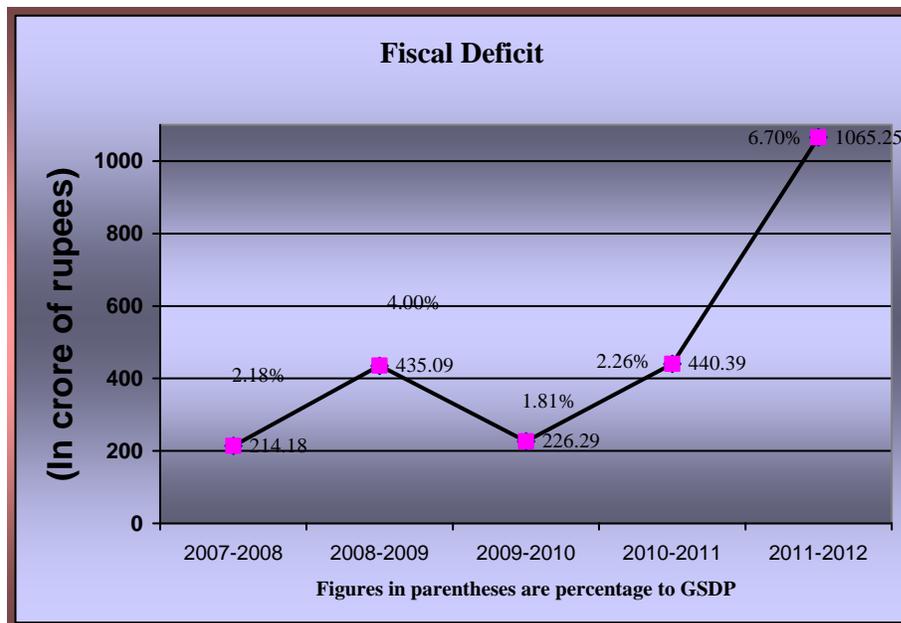
The Government of Meghalaya enacted the Meghalaya Fiscal Responsibility and Budget Management (FRBM) Act in 2006 setting targets for important fiscal indicators like fiscal deficit and liabilities under the Consolidated Fund. The Government made a promising start after the implementation of the fiscal measures spelt out in the act achieving a revenue surplus of ₹ 2,34.69 crore in 2006-07 while bringing down fiscal deficit to ₹ 74.53 crore or 1.06 % of GSDP from ₹ 1,78.98 crore or 2.78% of GSDP in 2005-06 which resulted for Loan write off of ₹ 14.90 crore by the Government of India . In the subsequent two years trend of achievement was less promising where revenue surplus was ₹ 1,87.71 crore and ₹ 1,27.86 crore in 2007-08 and 2008-09 respectively. At the same time fiscal deficit rose to ₹ 2,14.18 crore or 2.22% of GSDP and ₹ 4,35.09 crore or 4.00% of GSDP in 2007-08 and 2008-09 respectively.

The State was required to bring down its Debt-GSDP ratio to 28% of GSDP due to debt Swap Scheme and the loan waiver provided by the Central Government in accordance with the provision of FRBM Act 2006. The outstanding loans on the Consolidated Fund against GSDP is decreasing. The Debt-GSDP ratio decreased from 31% in 2006-07 to 28% in 2008-09. The ratio is estimated at 29% for the year 2009-10. A new target of Debt –GSDP ratio of 25% set by the 13th Finance Commission is to be met by the State in the next few years.

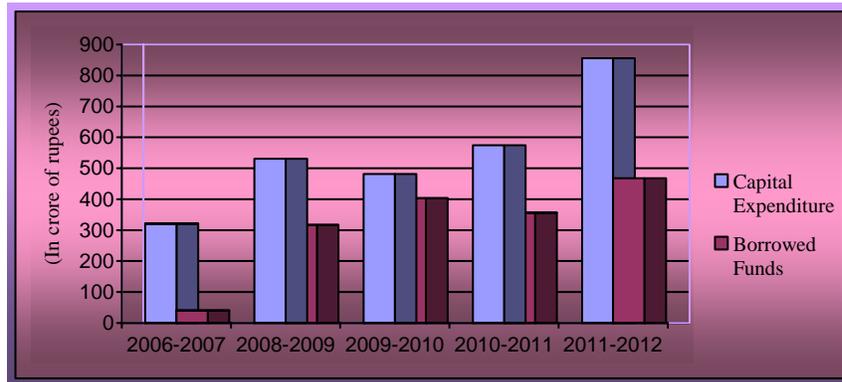
1.6.1 Trend of Revenue Deficit / Surplus



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 57.71 % of the borrowings of the current year (₹ 4,67.91 crore) on capital expenditure (₹ 8,55.24 crore). It would therefore appear that 43.31 % of the public debt (₹ 2,02.64 crore) was utilized on the following 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 2

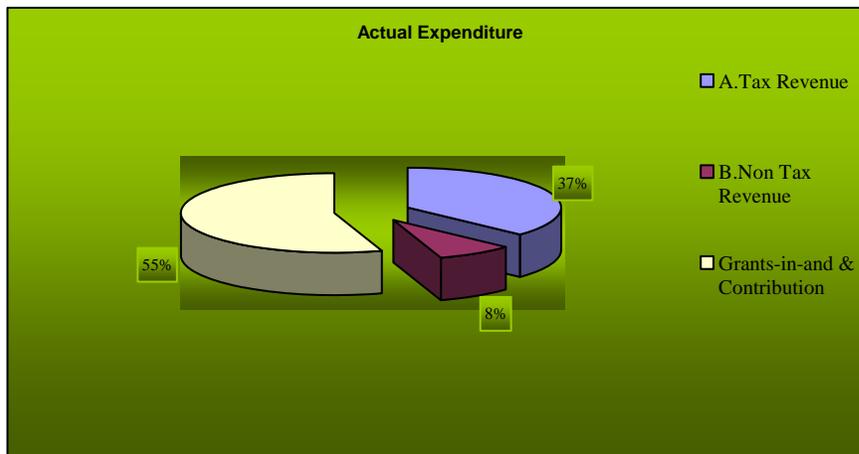
RECEIPTS

2.1. Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Receipts for 2011-12 were ₹ 46,54.47 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(2011-12)

(In crore of rupees)

Components	Actuals
A. Tax Revenue	17,41.73
Taxes on Income & Expenditure [*]	6,23.28
Taxes on Property and Capital Transactions	13.06
Taxes on Commodities and Services	11,05.39
B. Non-Tax Revenue	3,68.24
Interest Receipts , Dividends and Profits	27.21
General Services	35.57
Social Services	7.36
Economic Services	2,98.10
C. Grants-in-aid and Contributions	25,44.50
Total- Revenue Receipts	46,54.47

[*] Share of income Tax received from union Government ₹ 2,08.73 crore.

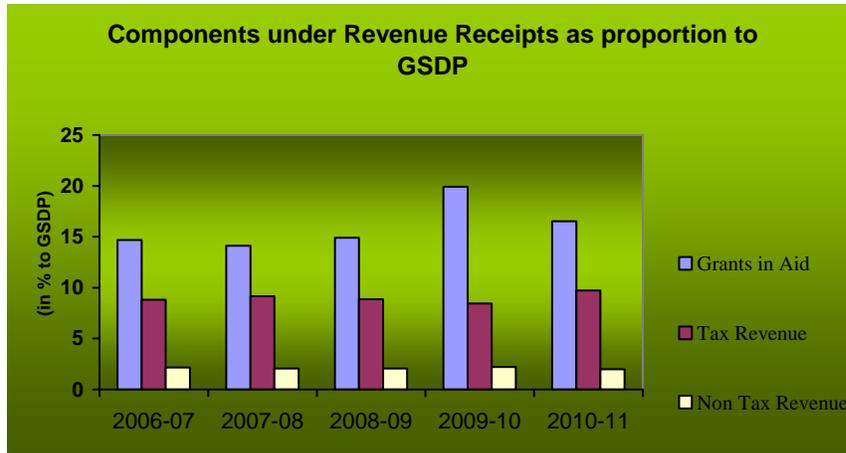
2.3. *Trend of Receipts*

(In crore of rupees)

	2007-08	2008-09	2009-10	2010-11	2011-12
Tax Revenue	8,83.17 (9.17)	9,64.67 (8.87)	10,56.67 (8.45)	14,67.72 (9.73)	17,41.73 (10.96)
Non-Tax Revenue	1,99.35 (2.07)	2,25.31 (2.07)	2,75.08 (2.20)	3,01.53 (1.99)	3,68.24 (2.32)
Grants -in-aid	13,58.86 (14.11)	16,20.66 (14.90)	21,15.59 (19.92)	24,91.23 (16.52)	25,44.50 (16.01)
Total Revenue Receipts	24,41.38 (25.36)	28,10.64 (25.84)	34,47.35 (27.57)	42,60.48 (28.26)	46,54.47 (29.28)
GSDP	96,25	1,08,74	1,25,02	1,50,78	1,58,95

Note: Figures in parentheses represent percentage to GSDP

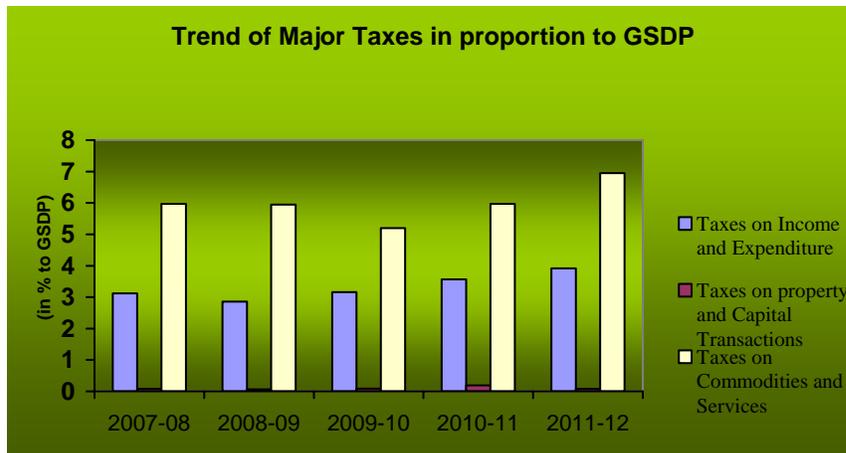
Though the GSDP increased by 5 % between 2010-11 and 2011-12, growth in revenue collection was only 9.25% where tax revenues increased by 18.67 % , non-tax revenues increased by 22.12 % .



Sector - wise Tax Revenue

	2007-08	2008-09	2009-10	2010-11	2011-12
Tax on income and Expenditure	3,00.62	3,11.13	3,94.45	5,38.43	6,23.28
Taxes on property and Capital Transaction	8.31	6.29	11.85	28.59	13.07
Taxes on Commodities and Services	5,74.24	6,47.26	6,50.37	9,00.70	11,05.38
Total Revenue Receipts	8,83.17	9,64.67	10,56.67	14,67.72	17,41.73

The decrease in collection of Taxes on Property and Capital Transactions is mainly due to less collection under MH



(*) Primarily net proceeds of Central share to the State

2.4 Performance of State own 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)
2007-08	8,83.17	5,64.07	3,19.10	3.32%
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%

The proportion of the State's Own Revenue to GSDP is less at 4.39% than the target of 6.80% recommended by the 12th Finance Commission.

2.5 Efficiency of Tax Collection

A. Taxes of Property and capital Transactions.

(In crore of rupees)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	8.31	6.29	11.85	28.59	13.07
Expenditure on Collection	6.02	6.87	10.46	11.37	12.66
Efficiency of Tax Collection	72%	109%	88%	40%	97%

B. Taxes on Commodities and Services.

(In crore of rupees)

	2007-08	2008-09	2009-10	2010-11	2011-12
Revenue Collection	5,74.24	6,47.26	6,50.37	9,00.70	11,05.38
Expenditure on Collection	21.40	68.77	27.28	33.20	41.88
Efficiency of Tax Collection	4%	11%	4%	4%	4%

Taxes on commodities and services form a major chunk of tax revenue. Tax collection efficiency is excellent. However, The collection efficiency of taxes on property and capital transaction can be improved.

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

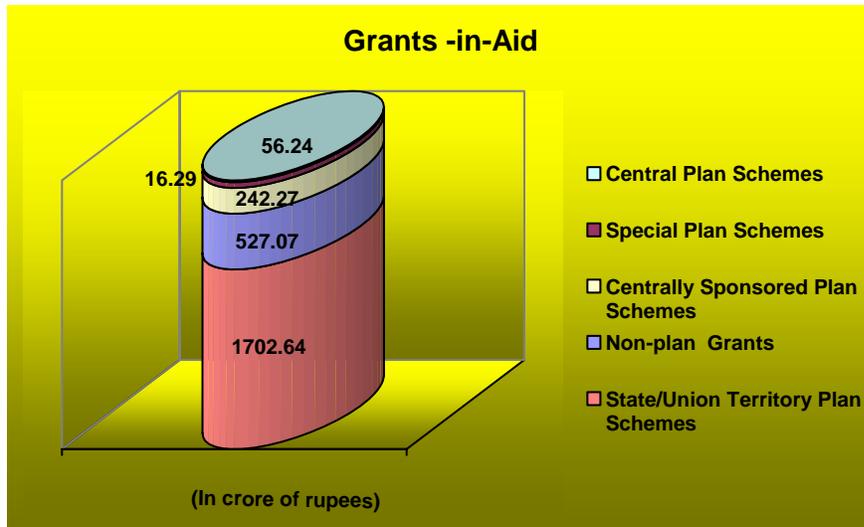
(In crore of rupees)

Major Head description	2007-08	2008-09	2009-10	2010-11	2011-12
Corporation Tax	179	195	252	350	411
Taxes on Income other than Corporation Tax	120	123	140	185	209
Taxes on Wealth	0.20	0.25	0.57	0.72	2
Customs	107	114	86	157	181
Union Excise Duties	102	99	69	114	117
Service Tax	56	64	65	89	125
Other Taxes and Duties on Commodities and Services	...	...	...	...	...
State Share of Union Taxes	564	595	613	896	1044
Total Tax Revenue	883	965	1057	1468	1742
% of Union Taxes to Total Tax Revenue	64	61	58	61	60

Government of Meghalaya received 8.10% of the net proceeds of all shareable Union taxes during the period 2007-08 to 2011-12.

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 2011-12 under Grants in Aid were ₹ 25,44.50 crore as shown below .



The share of non-plan grants in total grants-in-aid decreased from 26.66 % during 2010-11 to 20.71 % in 2011-12 , while the share of grants for plan schemes increased from 73.34 % in 2010-11 to 79.29 % in 2011-12 . As against a budget estimate of ₹ 30,77.57 crore of union share in Plan schemes, the State Government has actually received ₹ 20,17.43 crore of Grants in Aid (65.55 % of BE) .

2.8 Public Debt

Trend of Public Debt over the past five years.

(In crore of rupees)

Description	2007-08	2008-09	2009-10	2010-11	2011-12
Internal Debt	17,73.21	19,80.41	22,58.72	24,93.08	27,84.39
Central Loans	3,30.27	2,76.89	2,58.56	2,39.51	2,13.47
Total Public Debt	2103.48	22,57.30	25,17.28	27,32.59	29,97.86

In 2011-12 three loans totaling ₹ 3,10.00 crore at interest rates varying from 8.65 % to 9.22 % and redeemable in the years 2022 were raised at par.

Against the total internal debt of ₹ 4,48.66 crore of the State Government in 2011-12 plus the central loan component of ₹ 19.25 crore received during this period, capital expenditure was ₹ 8,55.24 crore (183 %) , indicating that the whole of the public debt was used for developmental purposes.

CHAPTER 3

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.

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

3.2 Revenue Expenditure

Revenue Expenditure of ₹ 48,34.81 crore for 2011-12 fell short of budget estimates by ₹ 6,90.43 crore due to less disbursement of ₹ 7,74.15 crore under Plan Expenditure and excess disbursement of ₹ 83.72 crore under Non-plan Expenditure. This shortfall is to be viewed in the light of the ₹ 9,47.69 crore (16.92 %) 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)

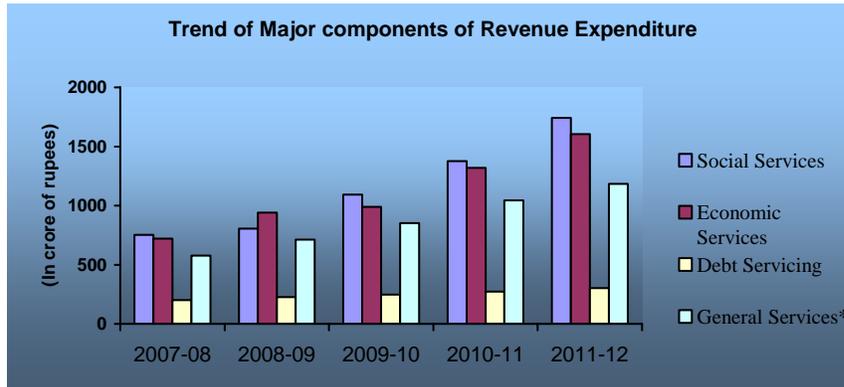
	2007-08	2008-09	2009-10	2010-11	2011-12
Budget Estimates	28,42.13	32,98.17	35,77.30	47,02.60	55,25.24
Actuals	22,53.67	26,82.78	31,82.38	40,12.74	48,34.81
Gap	5,88.46	6,15.39	3,94.92	6,89.86	6,90.43
Percentage of gap over B.E.	21	19	11	15	13

Compounding the shortfall (16.92 %) 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 47.43 % of total revenue expenditure was committed to Non-Plan expenditure (salaries, pensions etc). Added to this was the fact that the Government of India released only 80% of the promised grants in aid. The plan expenditure has resultantly increased by 33.52 % from ₹ 14,67.06 crore in 2010-11 to ₹ 19,58.78 crore in 2011-12.

3.2.1 Sectoral distribution of revenue Expenditure (2011-12)

Components	Amount	Percentage
A. Fiscal Services	54.83	1.13
(i) Collection of Taxes on Property and Capital Transactions	12.66	...
(ii) Collection of Taxes on Commodities and Services	41.88	...
(iii) Other Fiscal Services	0.29	...
B. Organs of State	76.08	1.57
C. Interest Payment and Servicing of Debt	3,03.23	6.27
D. Administrative Services	6,76.40	14.00
E. Pensions and Miscellaneous General Services	3,76.66	7.79
F. Social Services	17,42.46	36.04
G. Economic Services	16,05.15	33.20
H. Grants-in-aid and Contributions	...	...
Total- Expenditure (Revenue Account)	48,34.81	100.00

3.2.2. Major components of Revenue Expenditure (2007-2012)



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

During the year 2011-12 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 2011-12 at 5.71 % of GSDP were less than Budget estimates by ₹ 2,14.68 crore (less disbursement of ₹ 1,60.24 crore under Plan expenditure and ₹ 54.44 crore under Non-Plan expenditure).

3.3.1 Sectoral distribution of Capital Expenditure

During 2011-12 , the Government spent ₹ 8,55.24 crore on various project and in various Corporations/Companies/Societies.

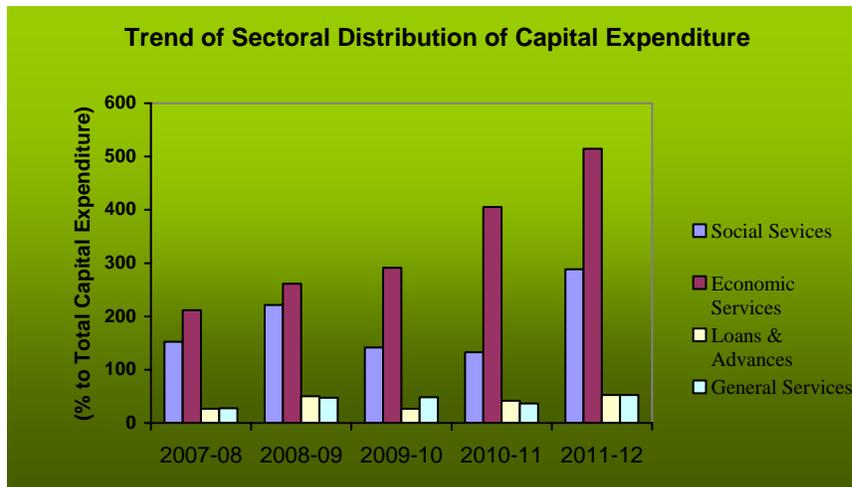
(In crore of rupees)

	Components	Amount	Percentage
1	General Services-Police, Land Revenue etc	52.44	5.78
2	Social Services – Education, Health & Family Welfare, Water Supply, Welfare of SC.ST etc.	2,88.40	31.78
3	Economic Services- Agriculture, Rural Development, Irrigation , Co-operation, Energy, Industries, Transport etc.	5,14.40	56.67
4	Loans and Advances Disbursed	52.38	5.77
	Total	9,07.62	100.00

3.3.2 Sectoral distribution of Capital Expenditure over the past five years

(In crore of rupees)

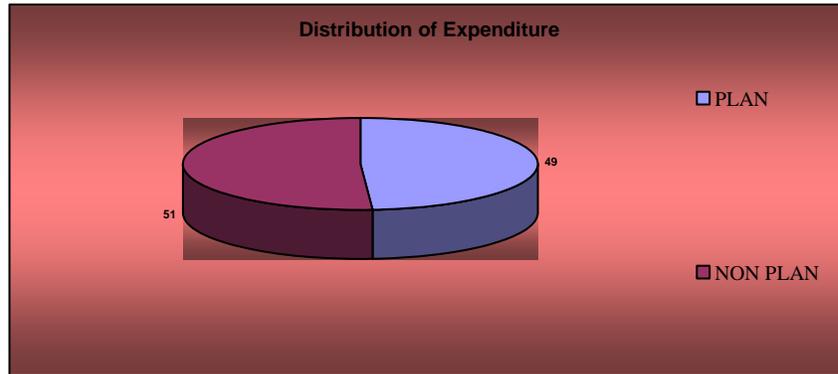
Sl No	Sector	2007-08	2008-09	2009-10	2010-11	2011-12
1	General Services	27.69	47.56	48.40	36.65	52.44
2	Social Services	1,52.48	2,21.51	1,41.45	1,32.74	2,88.40
3	Economic Services	2,11.48	2,61.93	2,91.44	504.34	5,14.40
4	Loans and Advances	26.73	50.21	26.65	41.65	52.38
	Total	4,18.38	5,81.21	5,07.94	7,15.38	9,07.62



CHAPTER 4

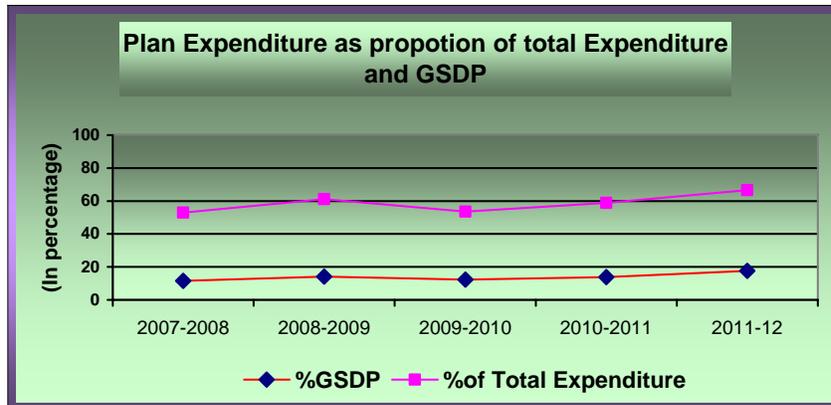
PLAN AND NON PLAN EXPENDITURE

4.1 Distribution of expenditure (2011-2012)



4.2 Plan Expenditure

During 2011-12, Plan Expenditure representing 49 percent of total disbursements, was ₹ 28,14.02 .



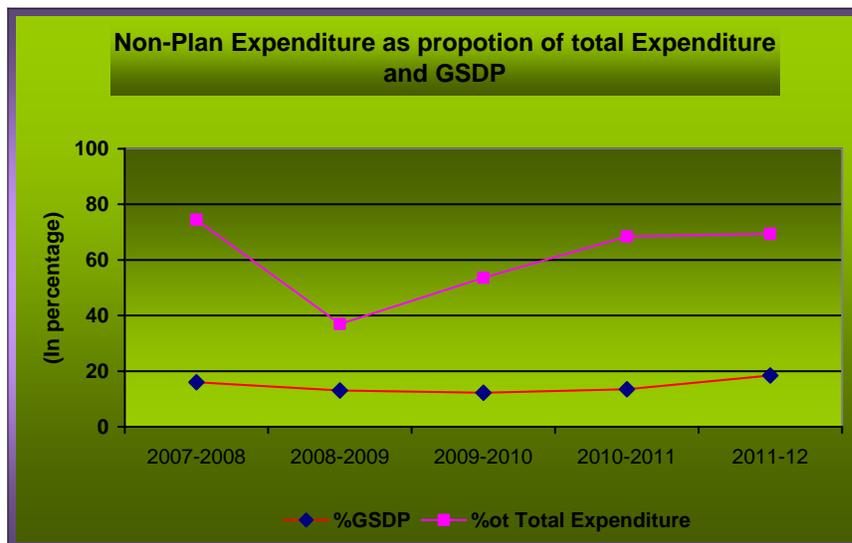
4.2.1 Plan expenditure under Capital Account

(In crore of rupees)

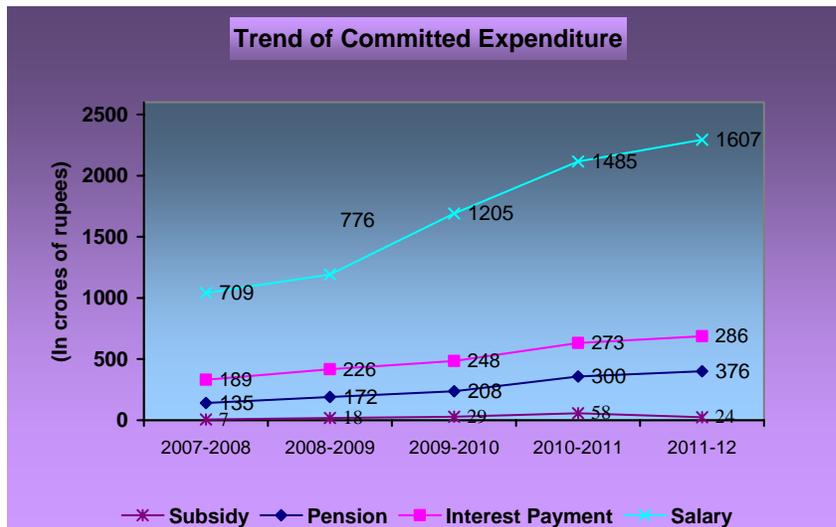
	2007-08	2008-09	2009-10	2010-11	2011-12
Total Capital Expenditure	4,18.38	5,81.21	5,07.94	7,15.38	9,07.62
Capital Expenditure(Plan)	3,87.38	5,30.72	4,79.94	6,73.73	8,55.24
% of Capital Expenditure(Plan) to Total Capital Expenditure	93	91	94	94	94

4.3. Non-Plan Expenditure

Non-Plan Expenditure during 2011-12, representing 51 percent of total disbursements, was ₹ 29,28.41 crore.(₹ 28,76.03 crore under Revenue and ₹ 52.38 crore expenditure under Capital).



4.4 Committed Expenditure



(In crore of rupees)

Component	2007-08	2008-09	2009-10	2010-11	2011-12
Committed Expenditure	1040	1192	1690	2116	2293
Revenue Expenditure	2254	2683	3182	4013	4835
% of Committed Expenditure to Revenue Receipts	43	42	49	50	49
% of Committed Expenditure to Revenue Expenditure	46	44	53	53	47

The steep upward trend on committed expenditure leaves the Government with lesser flexibility for developmental spending.

CHAPTER 5

APPROPRIATION ACCOUNTS

5.1. Summary of Appropriation Accounts for 2010-11

(In crore of rupees)

Sl No	Nature of Expenditure	Original grant	Supplementary grant	Re-appropriation	Total	Actual expenditure	Savings(-) Excess(+)
1	Revenue						
	Voted	46,52.86	5,53.11	-5,77.02	46,28.95	45,32.28	-96.67
	Charged	3,20.95	0.72	-7.61	3,14.06	3,12.09	-1.97
2	Capital						
	Voted	9,72.67	47.57	-1,33.23	8,87.01	8,55.24	-31.77
	Charged	...	1.30	...	1.30	...	-1.30
3	Public Debt						
	Charged	2,21.32	...	-43.35	1,77.97	2,02.64	+24.67
4	Loans and Advances	96.49	4.28	-46.36	54.41	52.38	-2.03
	Voted						
	Total	62,64.29	6,06.98	-8,07.57	60,63.70	59,54.63	-1,09.07

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	
2007-08	-5,75.63	-2,12.00	-46.13	-5.37	-8,2839
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

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 are given below:

(In crore of rupees)

Grant	Nomenclature	2007-08	2008-09	2009-10	2010-11	2011-12
29	Housing and Urban Development	38.18%	39.87%	30.79%	45.41%	30.70%
34	Social Welfare	59.32%	38.81%	39.34%	34.40%	24.56%
43	Crop Husbandry	36.47%	16.18%	28.40%	17.95%	30.80%
50	Forestry and Wild Life	10.78%	20.40%	16.13%	34.13%	25.18%

During 2011-12 , supplementary grants totaling ₹ crore (% 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	10,40.32	1,43.62	10,23.33
26	Medical & Public Health	Revenue	3,01.23	2.64	2,85.81
29	Urban Development	Revenue	60.83	3.46	44.55
34	Social Security & Welfare	Revenue	2,14.17	21.38	1,77.71
39	Co-operation	Revenue	26.83	3.15	15.99
43	Housing Crop Husbandry etc	Revenue	3,06.85	22.72	2,28.06
45	Housing Soil Water Conservation	Revenue	1,61.32	13.95	1,56.05
50	Forestry & Wild Life	Revenue	1,03.83	1.01	78.44
55	Non-ferrous Mining Industries	Revenue	87.87	5.13	83.05

CHAPTER 6

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 ₹ 3,37.07 crore at the end of 2011-12. However, dividends received during the year were ₹ 0.03 crore on investment. During 2011-12, investments increased by ₹ 21.27 crore compared to last years.

Cash Balance with RBI stood at ₹ -5 07.91 crore on 31st March 2012 and increased to ₹ 54.56 crore at the end of March,2012.

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 fixed by the State Legislature.

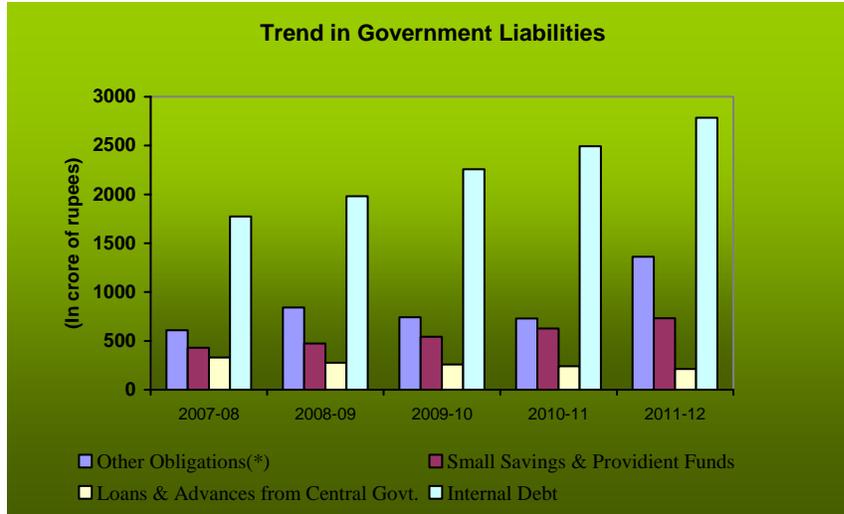
Details of the Public Debt and total liabilities of the State Government are as under :

Year	Public Debt	% to GSDP	Public Account(*)	% to GSDP	Total Liabilities	% to GSDP
2007-08	21,03.48	21.85	10,37.23	10.77	31,40.71	32.63
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	20,92.43	13.16	50,90.29	32.02

(*) Excludes suspense and remittances balances.

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

There is a net increase of ₹ 10,02.01 crore (24.51 %) in Public Debt and Other liabilities as compared to 2010-11.



(*) 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 63.16 % , for the Government of Meghalaya , from ₹ 1,90.00 crore in 2010-11 to ₹ 3,10.00 crore in 2011-12.

6.3 Guarantees

The position of guarantees by the State Government for the payment of loans and capital and payment of interest thereon raised by Statutory Corporations, Government Companies, Corporations , Co-operative Societies, etc is given below.

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 st March 2012	
		Principal	Interest
2007-08	9,54.16	7,17.86	32.77
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

CHAPTER 7

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 March 31st 2012, there was no adverse balance against these account.

7.2 *Loans and Advances by the State Government*

Total Loans and Advances made by the State Government at the end of 2011-12 was ₹ 5,64.95 crore. Of this, Loan and Advances to Government Corporation/ Companies, Non-Government Institutes and Local Bodies amounted to ₹ 5,32.67 crore. Recovery of Principal aggregating to ₹ 67.05 crore and interest amounting to ₹ 5.03 crore is in arrears at the end of 31st March 2012.

7.3 *Financial Assistance to Local bodies and Others.*

During the past five years, Grants in Aid to local bodies etc., increased from ₹ 4,04.80 crore in 2006-07 to ₹ 13,73.51 crore in 2011-12. Grants to Zilla Parishads, Panchayat Samities and Municipalities ₹ 6.96 crore represented 0.51 percent 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
2007-08	5,20.34	5,20.34
2008-09	...	1.73	...	6,77.05	6,78.78
2009-10	...	1.73	...	6,60.21	6,26.14
2010-11	...	2.70	...	9,02.67	9,05.37
2011-12	...	6.96	...	13,66.55	13,73.51

7.4 Cash Balance and Investment of Cash Balance

(In crore of rupees)

Component	As on 1 st April 2011	As on 31 st March 2012	Net increase(+)/ Decrease
Cash Balances	-4,93.69	69.68	+5,63.37
Investments from cash balance (GOI Treasury Bills)	8,44.20	3,01.22	-5,42.98
Investment from earmarked fund balances	98.25	1,15.81	+17.56
(a) Sinking Fund	1.40	1.40	...
(b) Guarantee Redemption Fund	...	...	...
(c) Other Funds	96.85	1,14.41	+17.56
Interest realised	20.09	22.30	+2.21

The interest realised on investment of cash balance was increased by 11.00 % during the year as compared to 2010-11.

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 2011-12 only 55.54 % (₹ 31,60.14 crore) of the total expenditure of ₹ 56,90.05 crore of the State Government was reconciled. Similarly, out of total receipts of ₹ 46,54.47 crore, only 51.39% (₹ 23,91.91 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	47	26	11	10
Receipts	35	13	-	22
Total	82	39	11	32

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 2011-12
2		
3		
4		
		(Except 2009-10)

7.6 Submission of accounts by Treasuries

Out of 160 nos of monthly accounts only 102 accounts were received by due dates. In the remaining 58 cases, the delays in the rendition of the accounts ranges from 01 to 109 days . Out of fourteen accounts rendering Treasuries/Sub treasuries (including newly introduced Dadengiri Sub treasury w.e.f Nov-2011) in Meghalaya, there was minimum and maximum delays to the extent of 3 days to 17 days in submission of monthly accounts on the part of Williamnagar Treasury in ten occasion, and in case of Dadengiri Sub treasury maximum delay was to the extent of 20 to 109 days on four consecutive occasion.

Year	Treasury	Ranges of delay (in Days)	
		Maximum	Minimum
2011-2012	Williamnagar	17	0
2011-2012	Dadengiri	109	0

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 31st March 2012, 112 DCC bills amounting to ₹ 2.83 crore was outstanding, indicates that these instructions have not been followed.

The last five years status is shown below :-

Year	Total Amount drawn during the year	DC bill wanting	Percentage of Outstanding Amount	No. of Pending AC Bills
Upto 2008-2009	11.00	2.02	18.36%	03
2009-2010	00.28	0.14	50.00%	01
2010-2011	02.45	0.57	23.27%	23
2011-2012	0.26	0.10	38.46%	85
Total :-	13.99	2.83	20.23%	112

Filename: accountant_at_glance.doc
Directory: C:\Users\HCL\Documents
Template: C:\Users\HCL\AppData\Roaming\Microsoft\Templates\Normal.do
tm
Title: Government of
Subject:
Author: AGMEG
Keywords:
Comments:
Creation Date: 1/1/2002 3:41:00 AM
Change Number: 362
Last Saved On: 10/17/2012 11:35:00 AM
Last Saved By: HCL
Total Editing Time: 1,299 Minutes
Last Printed On: 3/8/2013 3:43:00 PM
As of Last Complete Printing
Number of Pages: 38
Number of Words: 6,065 (approx.)
Number of Characters: 34,576 (approx.)