



सत्यमेव जयते

# Accounts at a Glance 2015-16



**GOVERNMENT OF MEGHALAYA**

# **Accounts at a Glance 2015-16**

**GOVERNMENT OF MEGHALAYA**

## *Preface*

I am happy to present the seventeenth 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 comprehensible the voluminous information that is available in the annual Finance and Appropriation Accounts (totaling 941 pages) prepared by my office under the directions of the Comptroller and Auditor General of India and placed before the legislature in accordance with Article 149 of the Constitution of India.

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

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

Place: Shillong

Date: 10<sup>th</sup> March 2017

*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

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# CHAPTER I

## OVERVIEW

### 1.1 Introduction

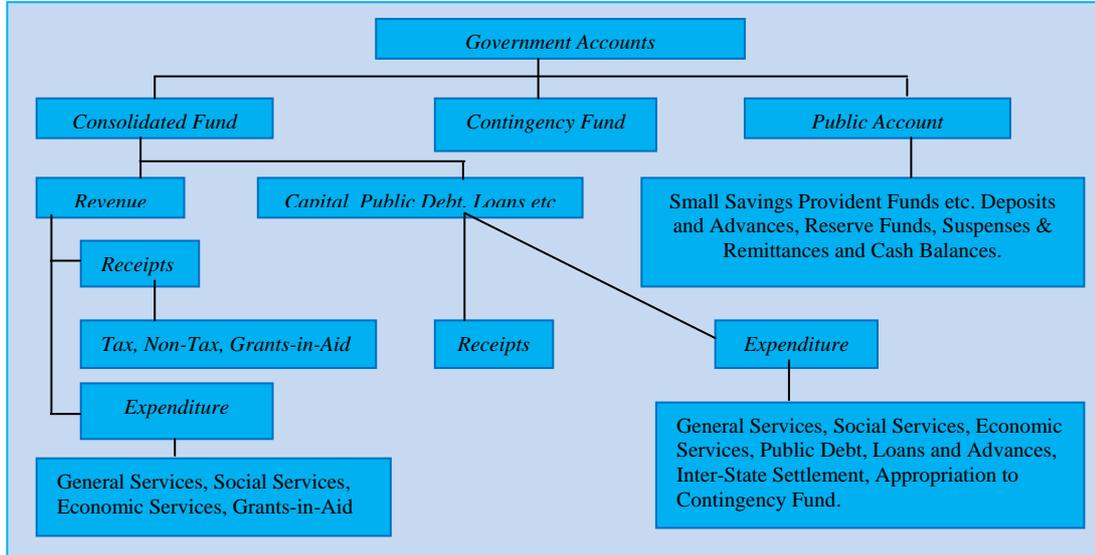
The Accountant General (Accounts and Entitlements), Meghalaya compiles the accounts of receipts and expenditure of the Government of Meghalaya. This compilation is based on the initial accounts rendered by the District Treasuries, Public Works and Forest Divisions and advices of the Reserve Bank of India.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

### 1.2 Structure of Accounts

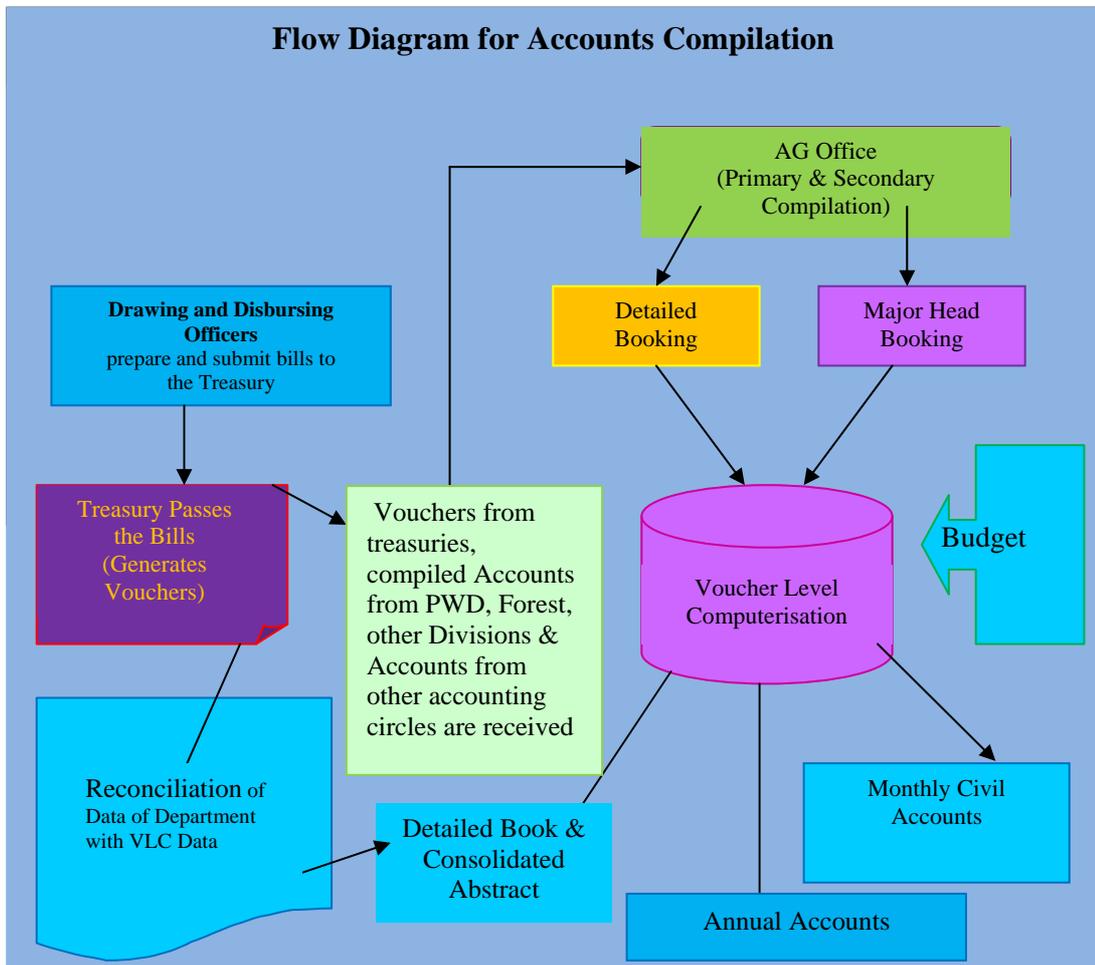
#### 1.2.1 Government Accounts are kept in three parts:

<b>Part 1 CONSOLIDATED FUND</b>	<i>Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.</i>
<b>Part 2 CONTINGENCY FUND</b>	<i>Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.</i>
<b>Part 3 PUBLIC ACCOUNT</b>	<i>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.</i>

### 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 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. 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 detailed statements (Part-I) and appendices (Part -II).

Receipts and disbursement of the Government of Meghalaya as depicted in the Finance Accounts 2015-16 are given below.

(In crore of rupees)			
Receipts (Total: 76,16.97)	<b>Revenue (Total: 70,43.13)</b>	<i>Tax Revenue</i>	43,33.28
		<i>Non Tax Revenue</i>	2,28.60
		<i>Grants -in-Aid and Contribution</i>	24,81.25
	<b>Capital (Total: 5,73.84)</b>	<i>Recovery of Loans and Advances</i>	19.08
		<i>Borrowings and other Liabilities<sup>(*)</sup></i>	5,54.76
Disbursements (Total: 76,16.97)	<i>Revenue</i>		63,47.73
	<i>Capital</i>		11,10.89
	<i>Loans and Advances</i>		1,58.35

(\*)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 ₹1,17.29 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 VI of Volume-II of the Finance Accounts.

### 1.3.2 Appropriation Accounts

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

The Appropriation Act 2015-16 had provided for gross expenditure of ₹1,06,29.36 crore and reduction of expenditure (recoveries) of ₹2.42 crore. Against this, the actual gross expenditure was ₹79,54.31 crore and reduction of expenditure was ₹4.44 crore, resulting in net savings of ₹26,75.05 crore (25.12 per cent) and an under-estimation of ₹2.02 crore (83.47 per cent) on reduction of expenditure. The gross expenditure includes ₹12.33 crore drawn on Abstract Contingent (AC) Bill, against which ₹8.36 crore is still outstanding at the end of the year for want of supporting Detailed Countersigned Contingent (DCC) bills.

During 2015-16, ₹1.36 crore was transferred to PD Account out of which ₹1.13 crore was disbursed leaving a balance of ₹5.58 crore at the end of the year. Normally, unspent balances under PD accounts are to be transferred back to the Government Accounts at the end of the financial year. However, details of such transfers, if any, and outstanding balances in individual PD accounts are available only with the treasuries, since they are responsible for maintaining such records.

## 1.4 Source and Application of Funds

### 1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Government to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹0.21 crore) maintained with the RBI.

### 1.4.2 Fund flow statement

The State had a Revenue Surplus of ₹6,95.40 crore and a Fiscal Deficit of ₹5,54.76 crore representing 2.55 per cent and 2.03 per cent of the Gross State Domestic Product (GSDP) (as per information received from the *Directorate of Economics and Statistics, Government of Meghalaya*). The Fiscal Deficit constituted 6.97 per cent of total expenditure (₹79,54.31 crore). This deficit was met from Public debt (₹4,99.59 crore), decrease in Public Account (-) ₹4,52.08 crore and net of opening and closing cash balance ₹3,96.91 crore. Around 45.68 per cent of the revenue receipts (₹70,43.13 crore) of the State Government was spent on committed expenditure like salaries (₹21,30.25 crore), interest payment and servicing of debt (₹4,97.26 crore) and pension (₹5,89.44 crore).

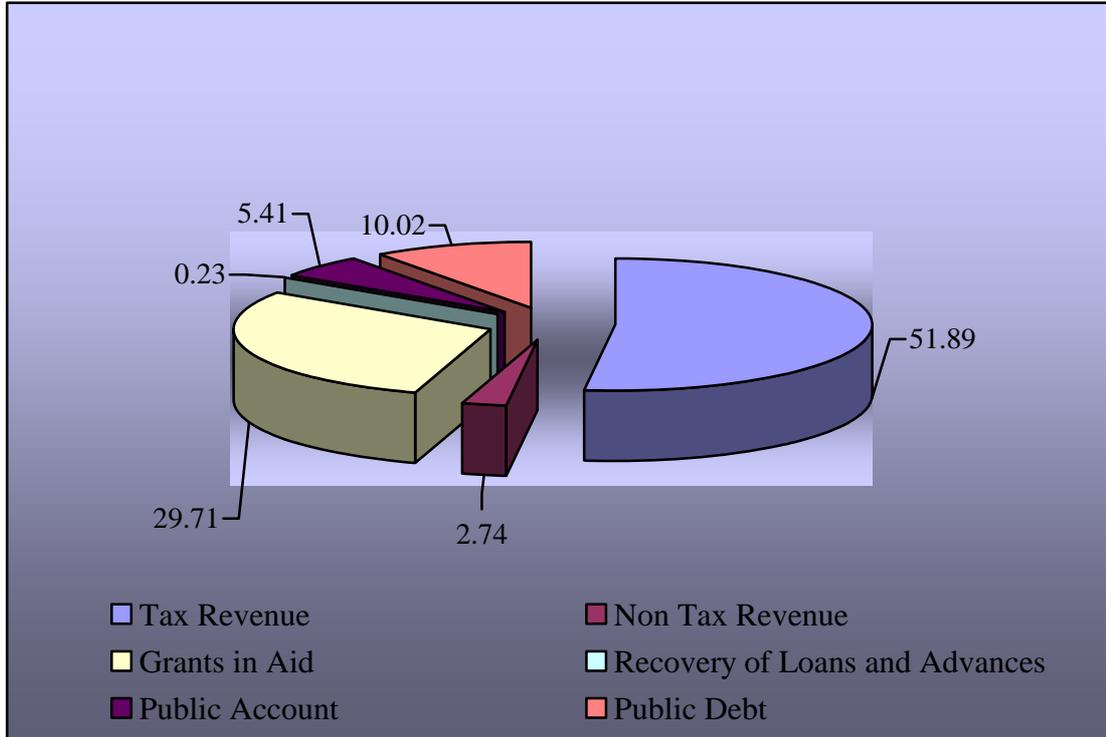
*Source and Application of Funds*

(In crore of rupees)

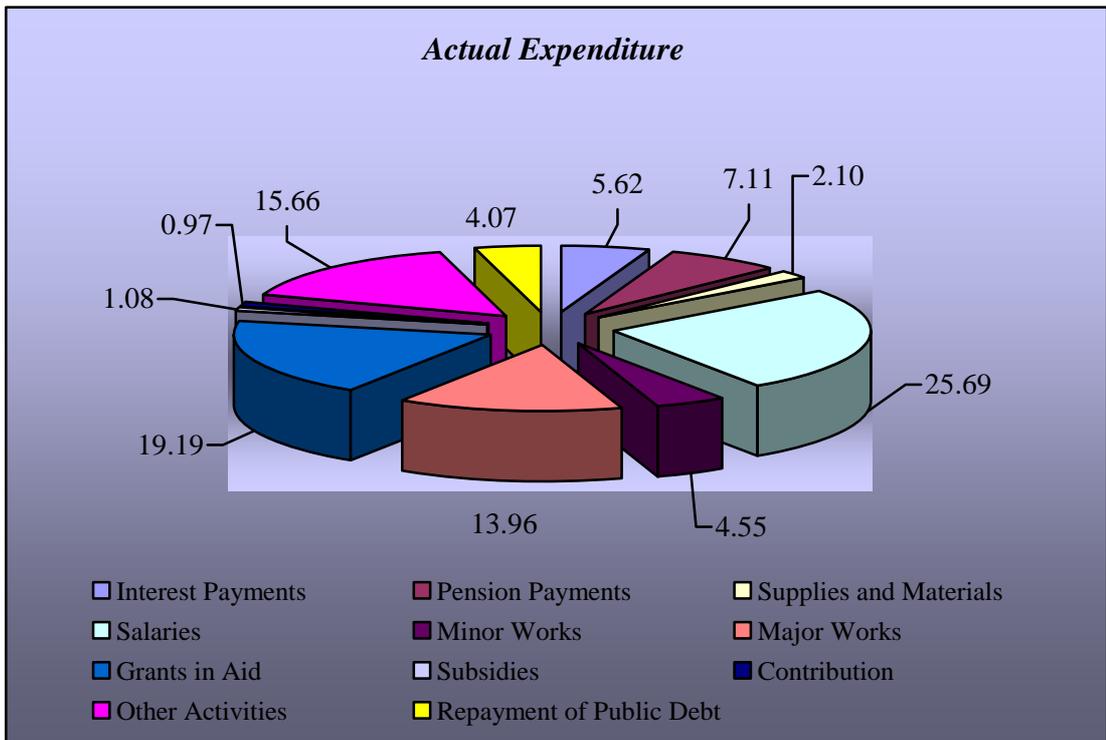
PARTICULARS		AMOUNT
	Opening Cash Balance as on 1.4.2015	(-)4,68.88
	Revenue Receipts	70,43.13
	Recovery of Loans and Advances	19.08
	Public Debt	8,36.93
	Small Savings, Provident Fund & Others	2,75.08
<b>SOURCES</b>	Reserves and Sinking Funds	98.49
	Deposits Received	9,41.41
	Civil Advances Received	33.80
	Suspense Account	1,85,43.14
	Remittances	22,45.61
	Contingency Fund	...
	<b>Total</b>	<b>2,95,67.79</b>

PARTICULARS		AMOUNT
	Revenue Expenditure	63,47.73
	Capital Expenditure	11,10.89
	Loans Given	1,58.35
	Repayment of Public Debt	3,37.34
	Transfer to Contingency Fund	...
	Small Savings, Provident Fund and Others	1,43.34
<b>APPLICATION</b>	Reserves and Sinking Funds	91.75
	Deposits Repaid	11,76.26
	Civil Advances Repaid	33.80
	Suspense Account	1,79,91.98
	Remittances	22,48.32
	Closing Cash Balance as on 31.3.2016	(-)71.97
	<b>Total</b>	<b>2,95,67.79</b>

1.4.3 **W**here the Rupee came from



1.4.4 **W**here the Rupee went



## 1.5 Highlights of Accounts

(In crore of rupees)

	Budget Estimate 2015-16	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP(\$)
1. Tax Revenue (@)	44,06.41	43,33.28	98.34	15.87
2. Non-Tax Revenue	3,12.17	2,28.60	73.23	0.84
3. Grants -in-aid & Contribution	36,84.45	24,81.25	67.34	9.09
4. Revenue Receipts (1+2+3)	84,03.03	70,43.13	83.82	25.80
5. Recovery of Loans and Advances	31.04	19.08	61.47	0.07
6. Borrowings & Other Liabilities (A)	17,12.65	5,54.76	32.39	2.03
7. Capital Receipts (5+6)	17,43.69	5,73.84	32.91	2.10
8. Total Receipts (4+7)	1,01,46.72	76,16.97	75.07	27.90
9. Non-Plan Expenditure (10+11+12)	42,90.11	44,25.63	103.16	16.21
10. NPE on Revenue Account	38,18.69	38,41.76	100.60	14.07
11. NPE on Interest Payments	4,71.05	4,65.88	98.90	1.71
12. NPE on Capital Account(#)	0.37	1,17.99	31889.19	0.43
13. Plan Expenditure (14+15)	58,56.61	31,91.34	54.49	11.69
14. PE on Revenue Account	39,00.19	20,40.09	52.31	7.47
15. PE on Capital Account(*)	19,56.42	11,51.25	58.84	4.22
16. Total Expenditure (9+13)	1,01,46.72	76,16.97	75.07	27.90
17. Revenue Expenditure (10+11+14)	81,89.93	63,47.73	77.51	23.25
18. Capital Expenditure (12+15)	19,56.79	12,69.24	64.86	4.65
19. Revenue Surplus(4-17)	2,13.10	6,95.40	326.33	2.55
20. Fiscal Deficit(4+5-16)	17,12.65	5,54.76	32.39	2.03

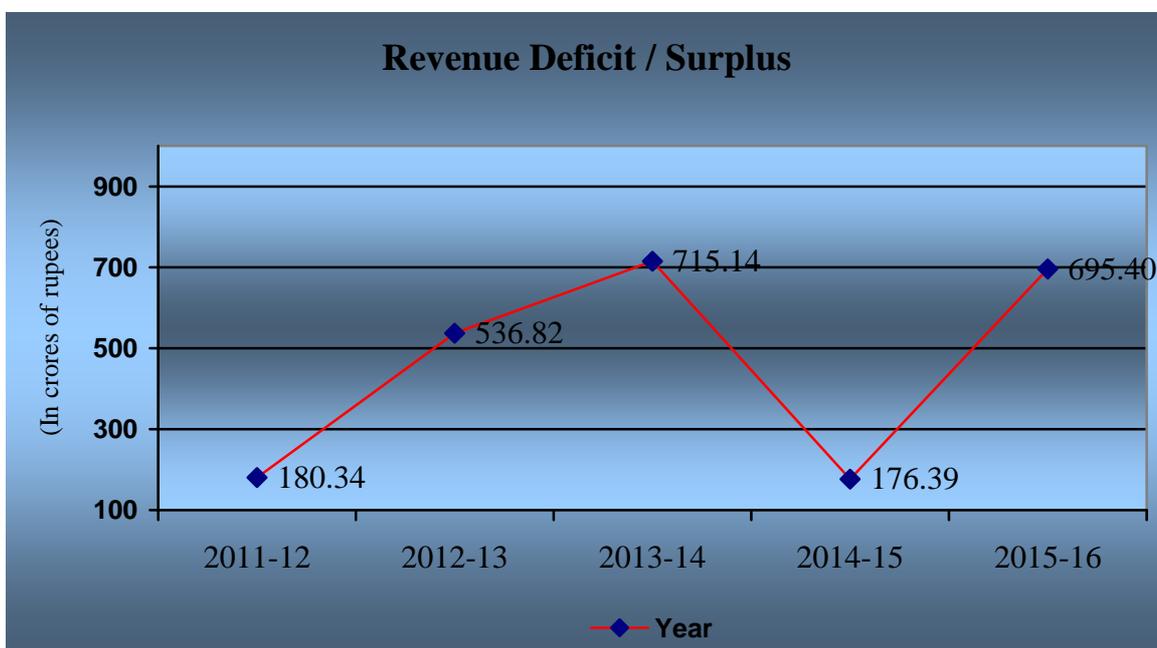
- (@) Includes State's share of Union Taxes ₹32,76.46 crore
- (\$) GSDP figure of ₹27304 crore received from the Directorate of Economics and Statistics, Government of Meghalaya.
- (#) Expenditure includes Loan and Advances disbursed (₹1,17.76 crore)
- (\*) Expenditure includes Loan and Advances disbursed (₹40.59 crore)
- (A) Borrowings and other Liabilities Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts- Disbursements) of Public Account+ Net of Opening and Closing Cash Balance.

## 1.6 What do the Deficits and Surpluses indicate?

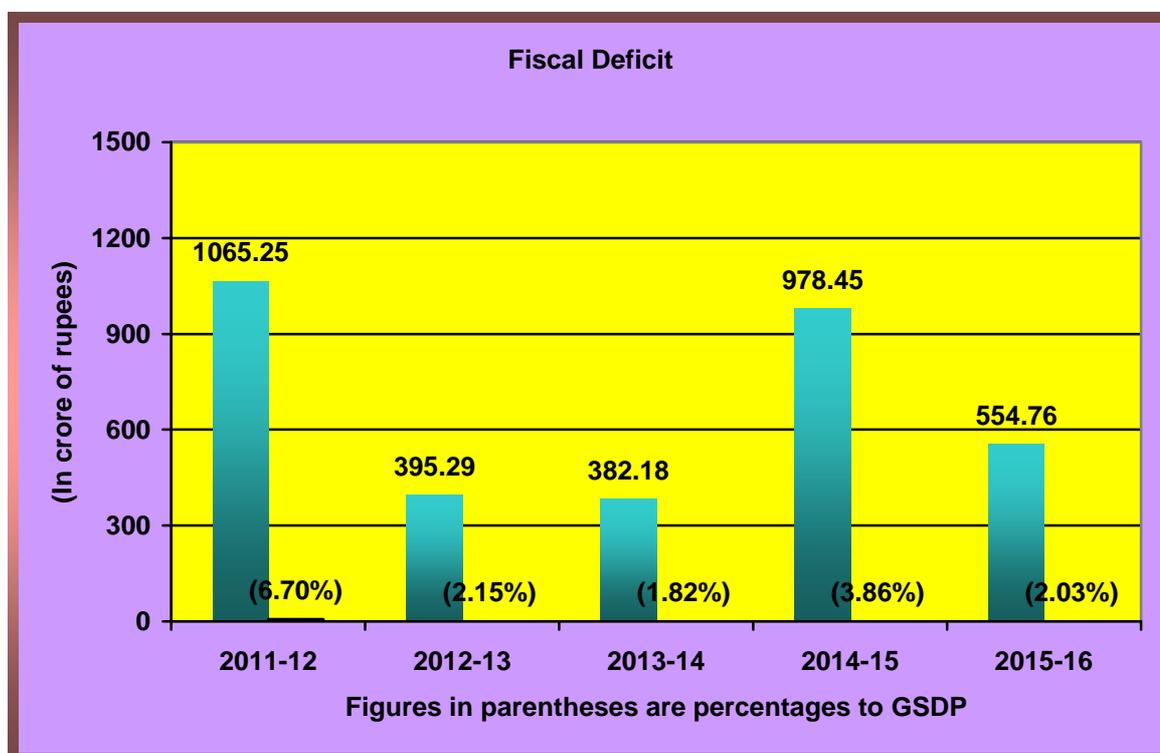
<b>Deficit</b>	<i>Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management</i>
<b>Revenue</b>	<i>Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and, ideally, should be fully met from Revenue Receipts</i>
<b>Fiscal Deficit/Surplus</b>	<i>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. Ideally, the Borrowings should be invested in capital projects.</i>

A Medium Term Fiscal Plan (MTFP) was formulated in compliance to the recommendation of the thirteenth Finance Commission by amending the FRBM Act 2006 vide Notification No. LL(B)16/2006/99 dated 10.06.2011 for the fiscal years 2015-16 to 2017-18 to adhere to the fiscal reform path to attain fiscal targets stipulated in the Commission's report. During the first year of its (MTFP) formulations, the State Government attained revenue Surplus (₹6,95.40 crore) of 2.55 percent of GSDP (₹27,304 crore) as against Medium Term Fiscal Plan projected target of 4.55 per cent.

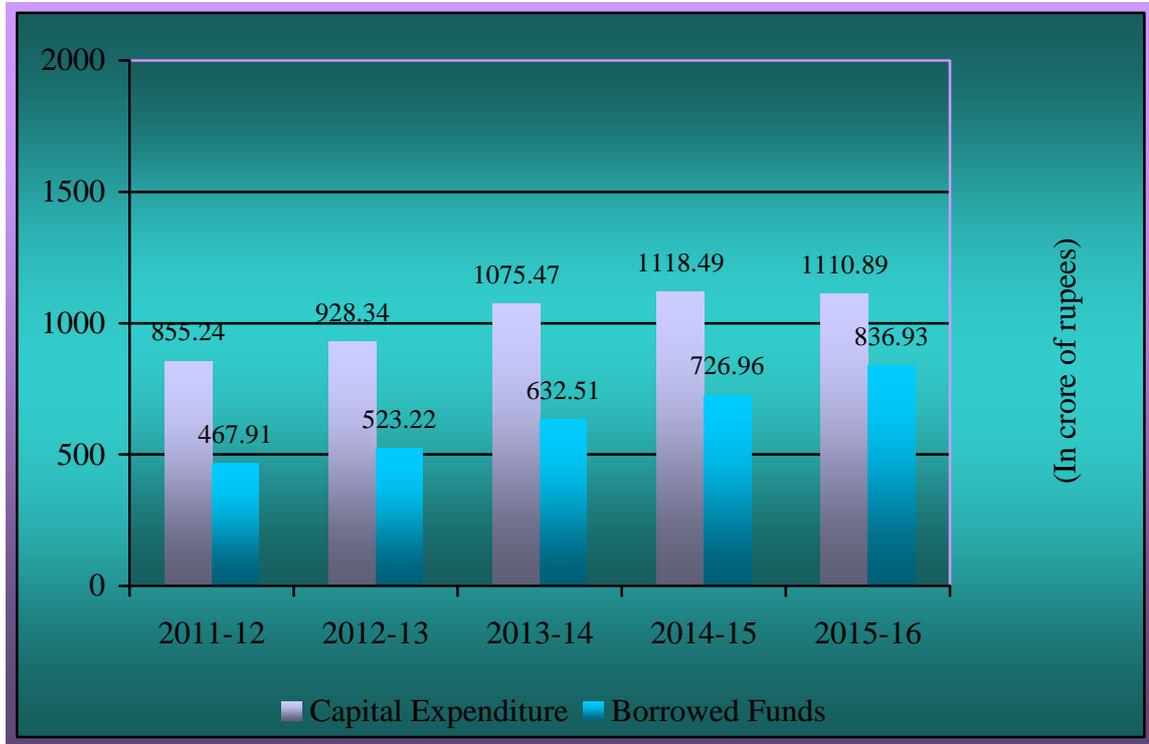
### 1.6.1 Trend of Revenue Deficit / Surplus



### 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 60 per cent (₹4,99.59 crore) of the borrowings of the current year (₹8,36.93 crore) on capital expenditure (₹11,10.89 crore). It would, therefore, appear that 40 per cent of the public debt (₹3,37.34 crore) was utilized to repay the principal and interest on public debt of previous years, to meet periodic shortfalls of revenues against expenditure in the current year, to maintain a positive cash balance at the end of the year and to invest in treasury bills.

## CHAPTER II

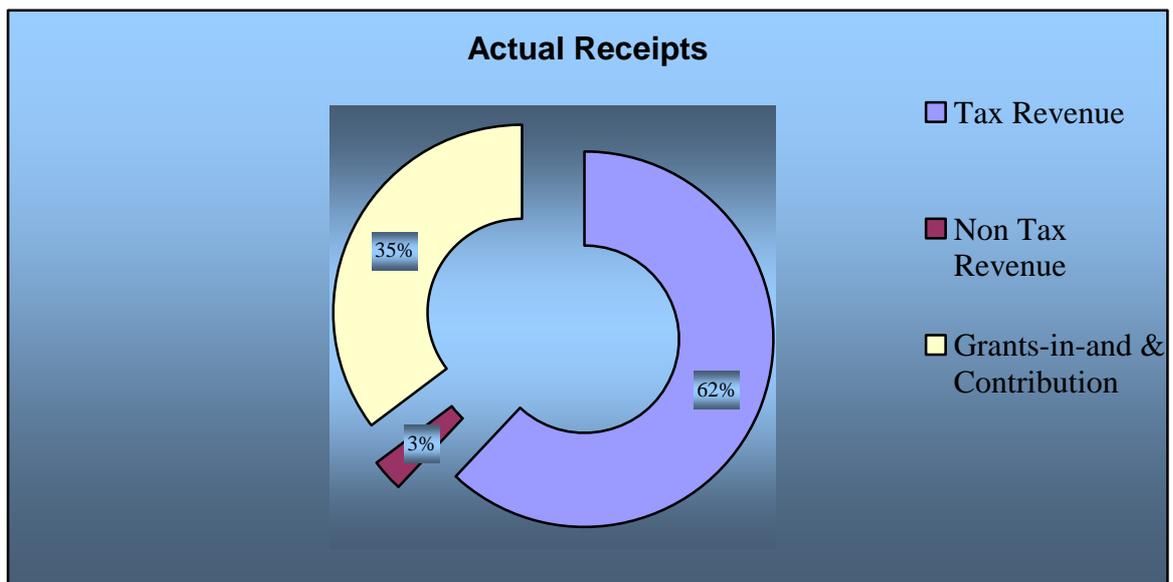
### RECEIPTS

#### 2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Revenue Receipts for 2015-16 were ₹70,43.13 crore.

#### 2.2 Revenue Receipts

<b>Tax Revenue</b>	<i>Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution</i>
<b>Non-Tax Revenue</b>	<i>Includes interest receipts, dividends, profits etc</i>
<b>Grants-in-Aid</b>	<i>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 gives Grants-in-aid to institutions like Panchayati Raj institutions, Autonomous bodies etc.</i>



## 2.3 Revenue Receipt Components (2015-16)

(In crore of rupees)

Components	Actuals
<b>A. Tax Revenue</b>	<b>43,33.28</b>
Taxes on Income & Expenditure [*]	17,68.31
Taxes on Property and Capital Transactions	16.08
Taxes on Commodities and Services	25,48.89
<b>B. Non-Tax Revenue</b>	<b>2,28.60</b>
Interest Receipts, Dividends and Profits	39.41
General Services	30.99
Social Services	10.39
Economic Services	1,47.81
<b>C. Grants-in-aid and Contributions</b>	<b>24,81.25</b>
<b>Total Revenue Receipts</b>	<b>70,43.13</b>

[\*] Includes share of income Tax received from Union Government ₹17,63.95crore.

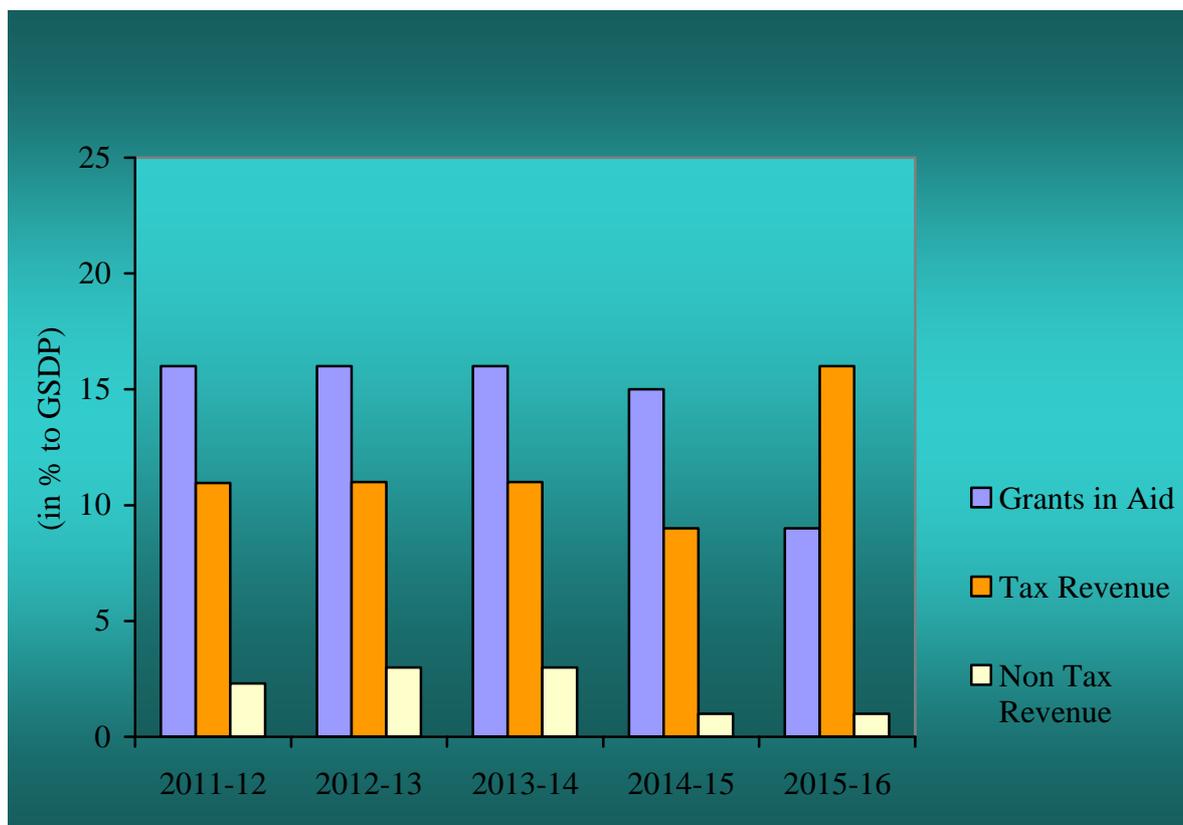
## 2.4 Trend of Receipts

(In crore of rupees)

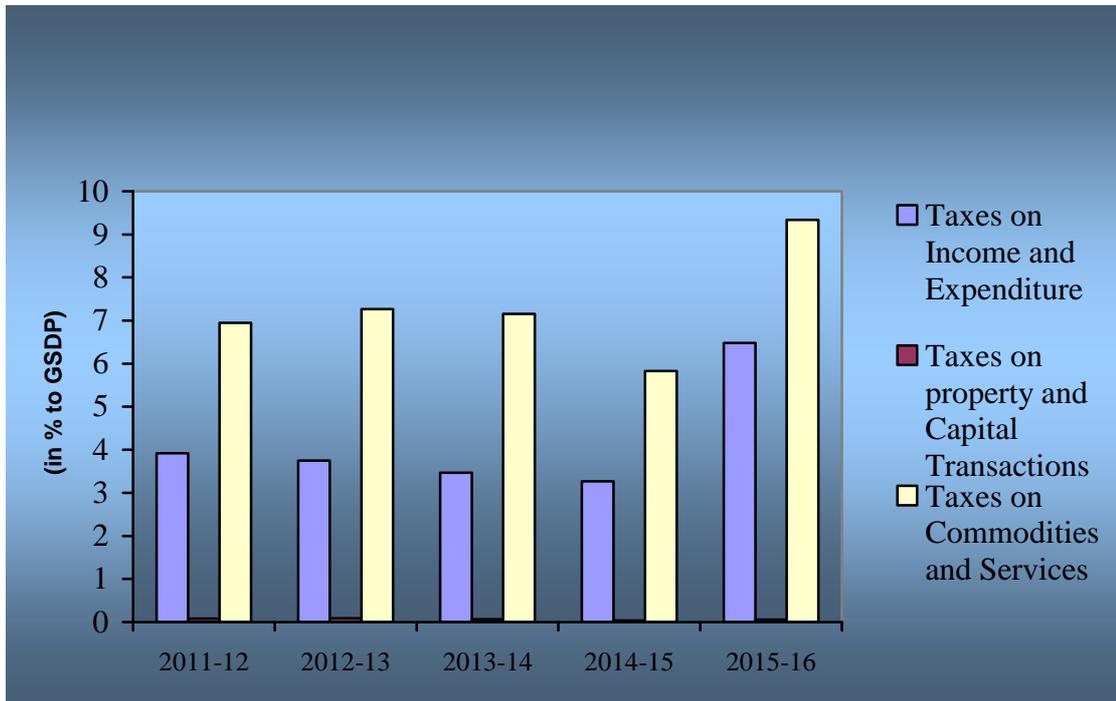
	2011-12	2012-13	2013-14	2014-15	2015-16
Tax Revenue	17,41.73 (10.96)	20,40.18 (11.11)	22,51.26 (10.70)	23,20.88 (9.16)	43,33.28 (15.87)
Non-Tax Revenue	3,68.24 (2.32)	4,84.95 (2.64)	5,98.15 (2.84)	3,43.29 (1.36)	2,28.60 (0.83)
Grants -in-aid	25,44.50 (16.01)	30,11.22 (16.40)	34,17.32 (16.24)	37,64.08 (14.86)	24,81.25 (9.09)
Total Revenue Receipts	46,54.47 (29.28)	55,36.35 (30.15)	62,66.73 (29.78)	64,28.25 (25.38)	70,43.13 (25.80)
GSDP	15,895.00	18,363.00	21,045.00	25,333.00	27,304.00

Note: Figures in parentheses represent percentages to GSDP

Though the GSDP increased by 7.78 per cent (₹19,71.00 crore) between 2014-15 and 2015-16, growth in revenue collection was only 9.57 per cent (₹6,14.88 crore) where tax revenues increased by 86.71 per cent (₹20,12.40 crore), non-tax revenues decreased by 33.41 per cent (₹1,14.69 crore).

**(Components under Revenue Receipts as proportion to GSDP)****2.5 Sector – wise Tax Revenue****(In crore of rupees)**

	2011-12	2012-13	2013-14	2014-15	2015-16
Tax on income and Expenditure	6,23.28	6,87.88	7,29.54	8,30.34	17,68.31
Taxes on property and Capital Transaction	13.07	17.30	14.45	11.28	16.08
Taxes on Commodities and Services	11,05.38	13,35.00	15,07.27	14,79.26	25,48.89
<b>Total Tax Revenue</b>	<b>17,41.73</b>	<b>20,40.18</b>	<b>22,51.26</b>	<b>23,20.88</b>	<b>43,33.28</b>

**(Trend of Major Taxes in proportion to GSDP)****2.6 Performance of State's own Tax Revenue Collection**

(In crore of rupees)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2011-12	17,41.73	10,44.19	6,97.54	4.39%
2012-13	20,40.18	11,92.45	8,47.73	4.62%
2013-14	22,51.26	13,01.96	9,49.30	4.51%
2014-15	23,20.88	13,81.69	9,39.19	3.71%
2015-16	43,33.28	32,76.46	10,56.82	3.87%

The proportion of the State's Own Tax Revenue (₹10,56.82 crore) to GSDP (₹2,73,04.00 crore) at 3.87 per cent is less than the target of 5 per cent (₹13,64.80 crore) set as per the Medium Term Fiscal Plan (MTFP) in compliance to the recommendation of the 13<sup>th</sup> Finance Commission.

## 2.7 Efficiency of Tax Collection

### A. Taxes on Property and Capital Transactions.

(In crore of rupees)

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Collection	13.07	17.30	14.45	11.28	16.08
Expenditure on Collection	12.66	12.53	14.98	16.22	15.53
Efficiency of Tax Collection	97%	72%	104%	144%	96.58%

### B. Taxes on Commodities and Services.

(In crore of rupees)

	2011-12	2012-13	2013-14	2014-15	2015-16
Revenue Collection	11,05.38	13,35.00	15,07.27	14,79.26	25,48.89
Expenditure on Collection	41.88	40.17	47.38	46.09	55.91
Efficiency of Tax Collection	4%	3%	3%	3%	2%

Taxes on commodities and services form a major chunk of tax revenue. Collection efficiency of taxes on commodities and services is excellent. However, the collection efficiency of taxes on property and capital transaction requires improvement.

## 2.8 Trend of State's Share of Union Taxes over the past five years.

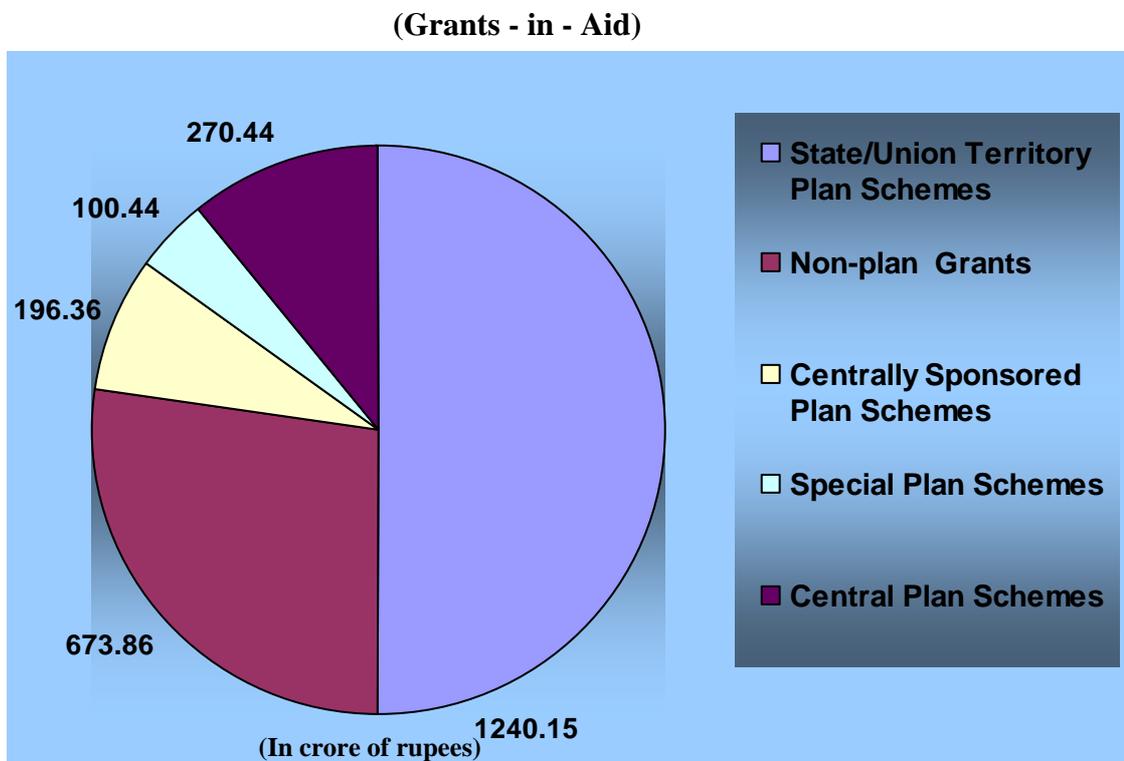
(In crore of rupees)

<i>Major Head Description</i>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
<i>Corporation Tax</i>	411	428	438	482	1037
<i>Taxes on Income other than Corporation Tax</i>	209	256	288	345	727
<i>Taxes on Wealth</i>	2	1	1	1	...
<i>Customs</i>	181	198	213	224	523
<i>Union Excise Duties</i>	117	135	150	126	429
<i>Service Tax</i>	125	174	212	204	560
<i>Other Taxes and Duties on Commodities and Services</i>	...	...	...	...	...
<b><i>State Share of Union Taxes</i></b>	<b>1044</b>	<b>1192</b>	<b>1302</b>	<b>1382</b>	<b>3276</b>
<b><i>Total Tax Revenue</i></b>	<b>1742</b>	<b>2040</b>	<b>2251</b>	<b>2321</b>	<b>4333</b>
<b><i>Percentage of Union Taxes to Total Tax Revenue</i></b>	<b>60</b>	<b>58</b>	<b>58</b>	<b>60</b>	<b>76</b>

State's share of Union Taxes contributed around 65 per-cent of the total tax revenue during the period 2011-12 to 2015-16.

## 2.9 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 2015-16 under Grants-in-Aid decreased by ₹12,82.83 crore (34.08%) to ₹24,81.25 crore. The component wise figure of Grants-in-Aid is shown below-



The share of non-plan grants in total Grants-in-Aid increased from 21.35 per cent during 2014-15 to 27.16 per cent in 2015-16, though there was decrease in absolute terms by ₹129.85 crore. On the other hand, the share of grants for plan schemes in total Grants-in-Aid decreased from 78.65 per cent in 2014-15 to 72.84 per cent in 2015-16. There was decrease in absolute terms too by ₹11,52.98 crore from ₹29,60.37 crore in 2014-15 to ₹18,07.39 crore in 2015-16. As against the budget estimate (BE) of ₹30,14.90 crore of union share in Plan schemes, the actual receipt of ₹18,07.39 crore translates to 59.95 per cent of BE.

## 2.10 Public Debt

### *Trend of Public Debt over the past five years*

(In crore of rupees)

Description	2011-12	2012-13	2013-14	2014-15	2015-16
Internal Debt	27,84.39	31,56.88	35,09.94	40,49.29	45,66.49
Central Loans	2,13.47	1,95.70	1,76.44	1,61.39	1,43.78
Total Public Debt	29,97.86	33,52.58	36,86.38	42,10.68	47,10.27

In 2015-16, nine loans totaling ₹6,80.00 crore at interest rates varying from 7.96 per cent to 8.63 per cent per annum and redeemable in the years 2025/2026 were raised at par.

Against the total internal debt of ₹8,34.70 crore of the State Government in 2015-16 plus the central loan component of ₹2.23 crore received during this period, capital expenditure was ₹11,10.89 crore (133 per cent), indicating that the whole of the public debt was used for developmental purposes.

## CHAPTER III

### *EXPENDITURE*

#### 3.1 Introduction

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

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

#### 3.2 Revenue Expenditure

Revenue Expenditure of ₹63,47.73 crore for 2015-16 fell short of budget estimates by ₹18,42.20 crore due to less disbursement of ₹18,60.10 crore under Plan Expenditure and more disbursement of ₹17.90 crore under Non-plan Expenditure.

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

(In crore of rupees)

	2011-12	2012-13	2013-14	2014-15	2015-16
<b>Budget Estimates</b>	55,25.24	67,56.16	79,79.61	1,04,33.54	81,89.93
<b>Actuals</b>	48,34.81	49,99.53	55,51.59	62,51.86	63,47.73
<b>Gap</b>	6,90.43	17,56.63	24,28.02	41,81.68	18,42.20
<b>Percentage of gap over B.E.</b>	13	26	30	40	23

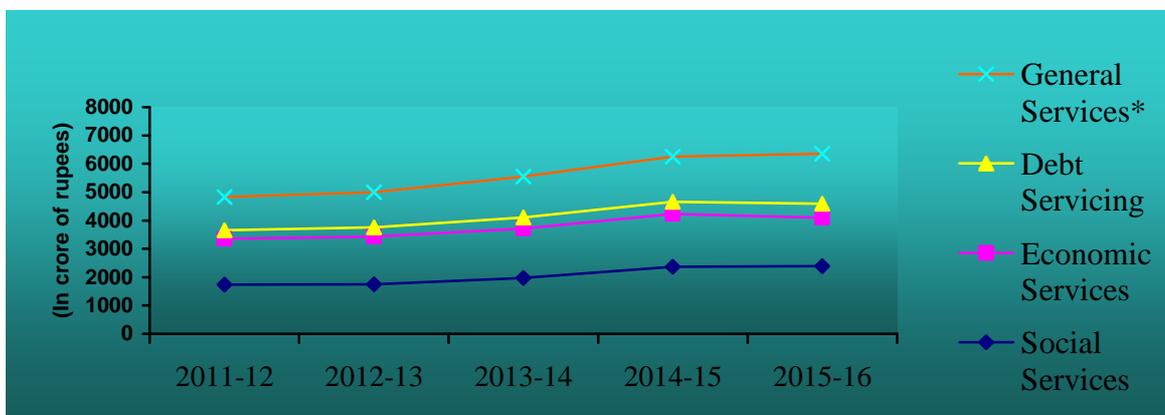
Compounding the shortfall of ₹1,359.90 crore (16.18 percent) of revenue receipts against budget estimates, the State Government was faced with the problem of generating revenue surplus in terms of the FRBM Act. 50.68 per cent (₹3,216.95 crore) of total revenue expenditure (₹6,347.73 crore) was committed to Non-Plan expenditure (salaries, pensions, interest payment, etc.) in spite of Grants-in-Aid released by the Government of India. The plan expenditure has resultantly decreased by 6.44 per cent from ₹21,80.48 crore in 2014-15 to ₹20,40.09 crore in 2015-16.

### 3.2.1 Sectoral distribution of Revenue Expenditure (2015-16)

(In crore of rupees)

Components	Amount	Percentage
<b>A. General Services</b>		
a. Organs of State	<b>1,21.21</b>	<b>1.91</b>
b. Fiscal Services	<b>71.80</b>	<b>1.13</b>
(i) Collection of Taxes on Property and Capital Transactions	15.53	...
(ii) Collection of Taxes on Commodities and Services	55.91	...
(iii) Other Fiscal Services	0.36	...
c. Interest Payment and Servicing of Debt	4,97.26	7.83
d. Administrative Services	9,63.13	15.17
e. Pensions and Miscellaneous General Services	6,02.12	9.49
<b>B. Social Services</b>	23,95.17	37.73
<b>C. Economic Services</b>	16,97.04	26.74
<b>H. Grants-in-aid and Contributions</b>	...	...
<b>Total- Expenditure (Revenue Account)</b>	63,47.73	<b>100.00</b>

### 3.2.2 Major components of Revenue Expenditure (2011-2016) (Trend of Major Components of Revenue Expenditure)



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

During the year 2015-16, the expenditure on Economic Services (which includes important sectors like Rural Development, Agriculture and Irrigation) decreased from ₹1,859.97 crore to ₹1,697.04 crore whereas expenditure increased in Social Sector services from ₹2,370.24 crore to ₹2,395.17 crore.

### 3.3 Capital Expenditure

Capital disbursements of ₹12,69.24 crore during 2015-16 at 4.65 per cent of GSDP (₹2,73,04 crore) were less than Budget estimates by ₹6,87.55 crore (less disbursement of ₹8,05.17 crore under Plan expenditure and ₹1,17.62 crore of excess disbursement under Non-Plan expenditure).

#### 3.3.1 Sectoral distribution of Capital Expenditure

During 2015-16, the Government spent ₹12,69.24 crore (including disbursement of ₹1,58.35 crore on loans and advances) on various projects and in various Corporations/Companies/Societies.

(In crore of rupees)

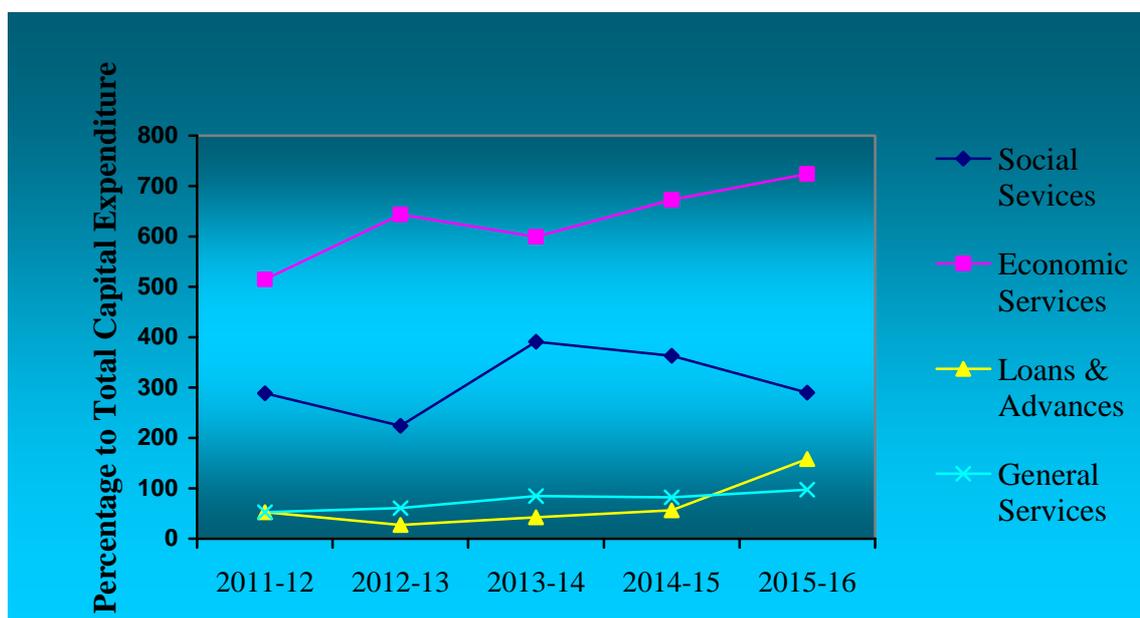
	Components	Amount	Percentage
1	General Services - Police, Land Revenue, etc.	97.24	7.66
2	Social Services – Education, Health & Family Welfare, Water Supply, Welfare of SC/ST, etc.	2,89.69	22.82
3	Economic Services- Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport, etc.	7,23.96	57.04
4	Loans and Advances Disbursed	1,58.35	12.48
<b>Total</b>		<b>12,69.24</b>	<b>100.00</b>

### 3.3.2 Sectoral distribution of Capital Expenditure over the past five years

(In crore of rupees)

Sl. No.	Sector	2011-12	2012-13	2013-14	2014-15	2015-16
1	General Services	52.44	60.59	84.82	82.38	97.24
2	Social Services	2,88.40	2,24.29	3,91.11	3,63.34	2,89.69
3	Economic Services	5,14.40	6,43.46	5,99.54	6,72.77	7,23.96
4	Loans and Advances	52.38	27.02	42.33	56.11	1,58.35
	<b>Total</b>	<b>9,07.62</b>	<b>9,55.36</b>	<b>11,17.80</b>	<b>11,74.60</b>	<b>12,69.24</b>

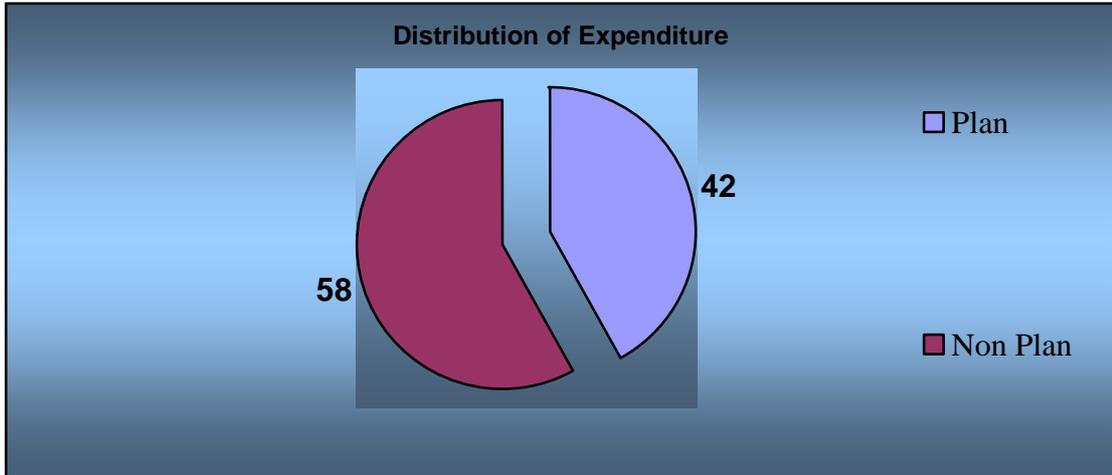
(Trend of Sectoral Distribution of Capital Expenditure)



## CHAPTER IV

### *PLAN AND NON PLAN EXPENDITURE*

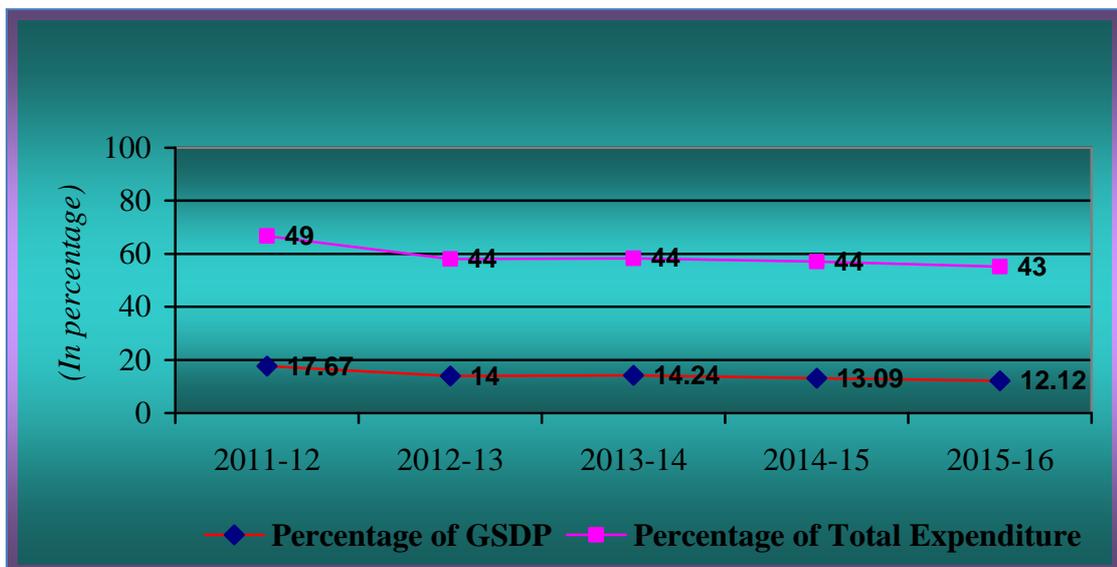
#### 4.1 Distribution of expenditure (2015-2016)



#### 4.2 Plan Expenditure

During 2015-16, Plan Expenditure was ₹31,91.34 crore representing 42 per cent of total disbursements.

(Plan Expenditure as proportion of total Expenditure and GSDP)



### 4.2.1 Plan expenditure under Capital Account

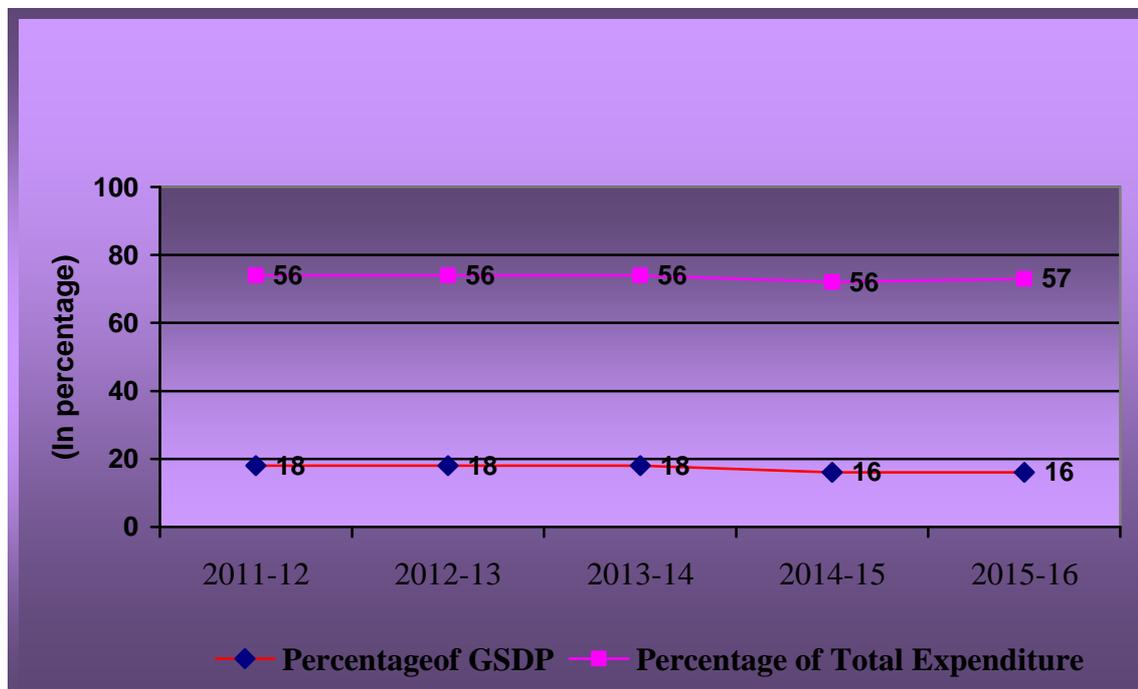
( In crore of rupees)

	2011-12	2012-13	2013-14	2014-15	2015-16
Total Capital Expenditure	9,07.62	9,55.36	11,17.80	11,74.60	12,69.24
Capital Expenditure(Plan)	8,55.24	8,79.38	10,74.77	11,18.49	11,51.25
Percentage of Capital Expenditure(Plan) to Total Capital Expenditure	94	92	96	95	91

### 4.3 Non-Plan Expenditure

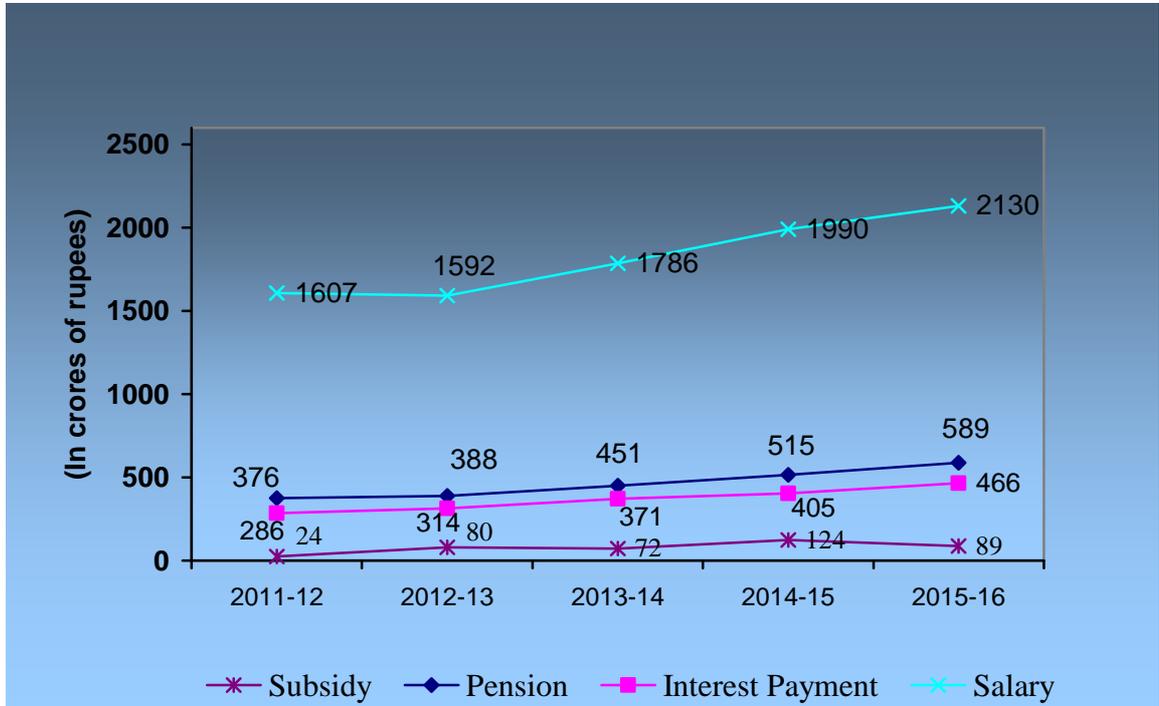
Non-Plan Expenditure during 2015-16 was ₹44,25.63 crore (₹43,07.64 crore under Revenue and ₹1,17.99 crore under Capital) representing 58 per cent of total disbursements of ₹76,16.97 crore.

(Non-Plan Expenditure as proportion of total Expenditure and GSDP)



## 4.4 Committed Expenditure

### (Trend of Committed Expenditure)



The trend of committed expenditure to Revenue Expenditure over the past five years is given below:

(In crore of rupees)

Component	2011-12	2012-13	2013-14	2014-15	2015-16
Committed Expenditure	2293	2374	2680	3034	3274
Revenue Expenditure	4835	5000	5552	6252	6348
Percentage of Committed Expenditure to Revenue Receipts	49	43	43	47	46
Percentage of Committed Expenditure to Revenue Expenditure	47	47	48	49	52

The increasing trend on committed expenditure leaves the Government with lesser flexibility for developmental spending. However, during 2015-16, the increase in the amount of committed expenditure was 8 per cent as compared to 13 per cent in 2014-15.

**CHAPTER V*****APPROPRIATION ACCOUNTS*****5.1 Summary of Appropriation Accounts for 2015-16****(In crore of rupees)**

Sl. No.	Nature of Expenditure	Original grant	Supplemen-tary grant	Total	Actual expenditure	Savings(-) Excess(+)	Surrender
1	Revenue						
	Voted	70,96.99	5,69.16	76,66.15	58,34.93	(-)18,31.22	12,64.21
	Charged	5,24.50	1.70	5,26.20	5,17.24	(-)8.96	7.33
2	Capital						
	Voted	16,03.41	1,89.29	17,92.70	11,10.66	(-)6,82.04	2,55.53
	Charged	0.23	0.14	0.37	0.23	(-)0.14	...
3	Public Debt						
	Charged	4,80.22	...	4,80.22	3,37.34	(-)1,42.88	1,42.88
4	Loans and Advances						
	Voted	27.90	1,35.82	1,63.72	1,58.35	(-)5.37	5.13
	<b>Total</b>	<b>97,33.25</b>	<b>8,96.11</b>	<b>1,06,29.36</b>	<b>79,58.75</b>	<b>(-)26,70.61</b>	<b>(-)16,75.08</b>

## 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	
2011-12	(-)98.64	(-)33.07	(+)24.67	(-)2.03	(-)1,09.07
2012-13	(-)7,37.30	(-)3,81.82	(-)0.01	(-)2.46	(-)11,21.59
2013-14	(-)24,42.96	(-)7,53.83	(+)1,22.48	(-)4.53	(-)30,78.84
2014-15	(-)41,76.25	(-)6,93.67	(-)47.78	(-)22.39	(-)49,40.09
2015-16	(-)18,40.18	(-)6,82.18	(-)1,42.88	(-)5.37	(-)26,70.61

## 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 without surrender during the year under Revenue portion are given below:

Grant	Nomenclature	2011-12	2012-13	2013-14	2014-15	2015-16
16	Police	1.06%	7.66%	3.31%	12.82%	...
17	Jails	28.50%	37.44%	26.60%	32.63%	15.39%
21	Miscellaneous General Services, General Educations, etc.	13.57%	29.47%	51.41%	60.84%	...
47	Housing, Animal Husbandry, etc.	7.42%	18.79%	6.03%	25.11%	20.83%
51	Housing, Crop Husbandry, etc.	6.40%	19.46%	19.35%	19.62%	39.60%

## CHAPTER VI

### *ASSETS AND LIABILITIES*

#### 6.1 Assets

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

Total investment as share capital in Statutory Corporations, Government Companies and Co-operative Bank, Societies, etc., stood at ₹4,66.93 crore at the end of 2015-16. However, dividends received during the year were ₹0.07 crore on investment. During 2015-16, investments increased by ₹11.94 crore (2.62 per cent).

Cash Balance with RBI stood at ₹(-) 4,88.46 crore on 31 March 2015 and increased to ₹(-)1,12.78 crore at the end of 31 March 2016.

#### 6.2 Debt and Liabilities

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

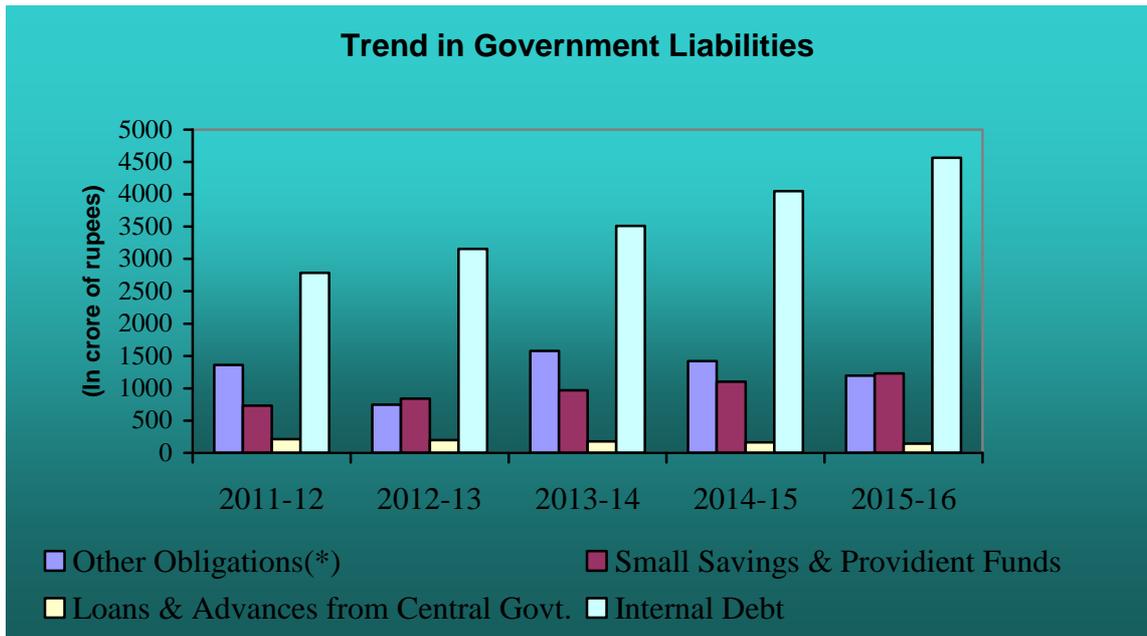
Details of the Public Debt and total liabilities of the State Government are as under:

(In crore of rupees)						
Year	Public Debt	Per cent to GSDP	Public Account(*)	Per cent to GSDP	Total Liabilities	Per cent to GSDP
2011-12	29,97.86	18.86	20,90.62	13.15	50,90.29	32.02
2012-13	33,52.58	18.26	16,12.00	8.77	49,64.58	27.04
2013-14	36,86.38	17.52	25,81.04	12.26	62,67.42	29.78
2014-15	42,10.68	16.62	25,38.97	10.02	67,49.65	26.64
2015-16	47,10.26	17.25	24,42.60	8.95	71,52.86	26.20

(\*) Excludes suspense and remittances balances.

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

There is an increase of ₹ 4,03.21 crore (5.64 per cent) in Public Debt and Other liabilities over the figures of 2014-15.



(\*) 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. Government of Meghalaya borrowed ₹6,80.00 crore during 2015-16, an increase of 19.85 percent as compared to previous year's borrowing of ₹5,45.00 crore.

### 6.3 Guarantees

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

(In crore of rupees)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 <sup>st</sup> March 2016	
		Principal	Interest
2011-12	12,92.20	10,01.85	2,90.35
2012-13	9,47.02	8,46.02	4,39.17
2013-14	11,88.64	10,48.90	5,61.65
2014-15	10,54.43	7,96.01	3,77.80
2015-16	8,68.09	7,14.95	3,27.24

## CHAPTER VII

### *OTHER ITEMS*

#### 7.1 **A**dverse 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. Adverse balances appearing in the accounts of 2015-16 is due to misclassification and the State Government has been requested to furnish details of their loans to clear the minus balances.

#### 7.2 **L**oans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2015-16 was ₹7,66.19 crore. Of this, Loans and Advances to Government Corporation/ Companies, Non-Government Institutes and Local Bodies amounted to ₹7,48.57 crore. Recovery of Principal aggregating to ₹6,26.91 crore and interest amounting to ₹63.77 crore is in arrears at the end of 31 March 2016.

#### 7.3 **F**inancial Assistance to Local bodies and Others

During the past five years, Grants-in-Aid to local bodies, etc., increased from ₹13,73.51 crore in 2011-12 to ₹15,91.03 crore in 2015-16. Grants to Zilla Parishads, Panchayat Samities and Municipalities amounting to ₹4.22 crore represented 0.27 per cent of total grant of ₹15,91.03 crore 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
2011-12	...	6.96	...	13,66.55	13,73.51
2012-13	...	3.62	...	12,31.94	12,35.56
2013-14	...	19.06	...	13,46.81	13,65.87
2014-15	...	53.07	...	17,63.79	18,16.86
2015-16	...	4.22	...	15,86.81	15,91.03

**7.4 Cash Balance and Investment of Cash Balance**

(In crore of rupees)

Component	As on 1 April 2015	As on 31 March 2016	Net increase(+)/ Decrease(-)
Cash Balances	(-)4,68.88	(-)71.97	3,96.91
Investments from cash balance (GOI Treasury Bills )	8,74.20	2,67.65	(-)6,06.55
Investment from earmarked fund balances	1,80.53	2,11.10	30.57
(a) Sinking Fund	1,80.50	2,11.07	30.57
(b) Guarantee Redemption Fund	...	...	...
(c) Other Funds	0.03	0.03	...
Interest realised	29.45	31.48	2.03

The interest realised on investment of cash balance increased by 6.89 per cent during the year as compared to 2014-15.

## 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 some departments is in arrears. In 2015-16, only 86 per cent (₹68,18.09 crore) of the total expenditure of ₹79,54.31 crore of the State Government was reconciled. Similarly, out of total receipts of ₹78,99.14 crore, 98 per cent (₹77,52.43 crore) was reconciled. The status of reconciliation of accounts in respect of the Controlling Officers (COs) of different departments is given below:

Particular	Total No. of COs	Fully Reconciled (₹)	Partially Reconciled (₹)	Not Reconciled (₹)
Expenditure	59	68,03,08,70,205	14,99,99,980	11,36,22,71,225
Receipts	41	77,52,42,88,128	...	1,66,57,40,296
Total	100	1,45,55,51,58,333	14,99,99,980	13,02,80,11,521

Some chronic defaulters in reconciliation are listed below:

Sl. No.	Name of the Department/Controlling Officer	Year/Years pending
1	Director of Technical Education	2011-12 to 2015-16

## 7.6 Submission of accounts by Treasuries

Out of 152 numbers of monthly accounts, only 122 accounts were received on or within due dates. In the remaining 30 cases, the delay in the rendition of accounts ranges from 02 to 14 days. Out of sixteen accounts rendering Treasuries/Sub treasuries in Meghalaya, there were minimum and maximum delays to the extent of 04 to 15 days in submission of monthly accounts on the part of Williamnagar Treasury on six occasions, and in case of Tura Treasury, minimum & maximum delays were to the extent of 02 to 40 days on six occasions.

## 7.7 Abstract Contingency (AC) Bills and Detailed Countersigned Contingency (DCC) Bills

When money is required in advance or the Drawing and Disbursing officers (DDOs) are not able to calculate the exact amounts required, they are permitted to draw money without supporting documents through AC bills. Such AC bills are required to be settled within a maximum of 90 days through submission of DCC bills. The fact that to end of 31 March 2016, 58 DCC bills amounting to ₹8.36 crore was outstanding indicates that these instructions have not been followed. Details are given below:-

(In crore of rupees)

Year	Total Amount drawn during the year	DCC bill wanting	Percentage of Outstanding Amount	No. of Pending AC Bills
2014-15	14.23	0.16	1.12%	04
<b>2015 -16</b>	12.33	8.20	66.50%	54
<b>Total</b>	26.56	<b>8.36</b>	<b>31.48%</b>	<b>58</b>

Note: There are no outstanding AC bills prior to 2014-15.

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