



सत्यमेव जयते

Accounts at a Glance 2016-17



GOVERNMENT OF MEGHALAYA

Accounts at a Glance 2016-17

GOVERNMENT OF MEGHALAYA

Preface

I am happy to present the eighteenth 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 (totalling 957 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 remodeled 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: 04-Jan-2018



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

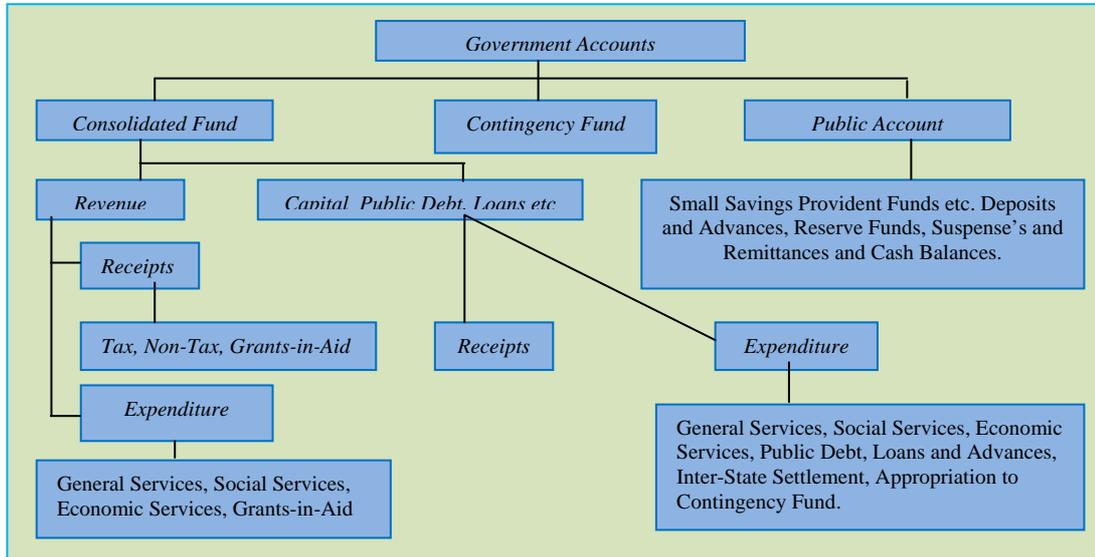
OVERVIEW**1.1 Introduction**

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 Principal Accountant General (Audit), Meghalaya and certification by the Comptroller and Auditor General of India.

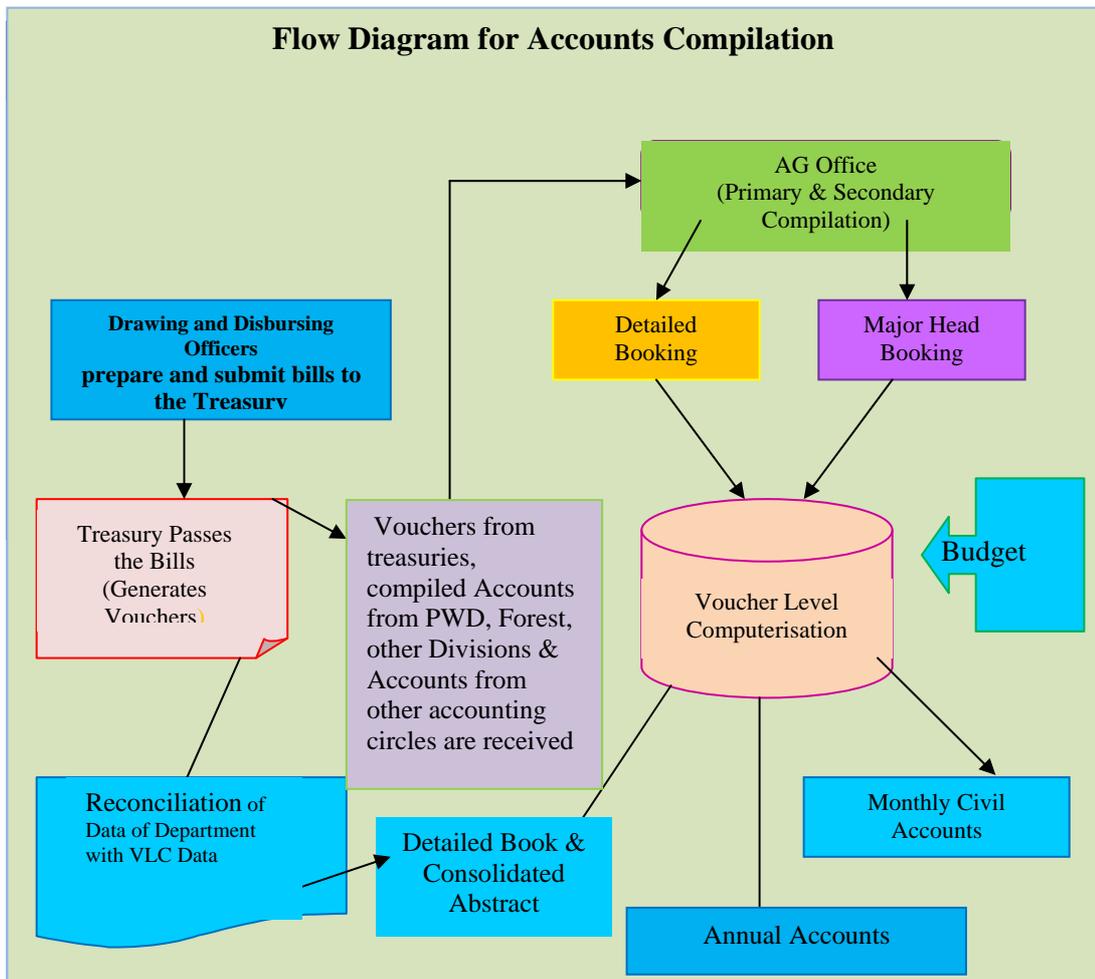
1.2 Structure of Accounts**1.2.1 Government Accounts are kept in three parts:**

Part 1 CONSOLIDATED FUND	<i>Receipts and Expenditure on Revenue and Capital Account, Public Debt and Loans and Advances.</i>
Part 2 CONTINGENCY FUND	<i>Intended to meet unforeseen expenditure not provided for in the budget. Expenditure from this Fund is recouped subsequently from the Consolidated Fund.</i>
Part 3 PUBLIC ACCOUNT	<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 2016-17 are given below.

			(₹ in crore)
Receipts (Total: 96,57.17)	Revenue (Total: 89,38.95)	<i>Tax Revenue</i>	50,97.06
		<i>Non Tax Revenue</i>	6,85.24
		<i>Grants -in-Aid and Contribution</i>	31,56.65
	Capital (Total: 7,18.22)	<i>Recovery of Loans and Advances</i>	18.81
		<i>Borrowings and other Liabilities^(*)</i>	6,99.41
Disbursements (Total: 96,57.17)	<i>Revenue</i>		83,36.54
	<i>Capital</i>		12,89.80
	<i>Loans and Advances</i>		30.83

(*)Borrowings and other liabilities: Arrived at considering net of Public Debt, Appropriation to Contingency Fund, Contingency Fund, Public Account and Opening and Closing Cash Balances, etc.

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 ₹58.72 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 2016-17 had provided for gross expenditure of ₹1,22,46.30 crore and reduction of expenditure (recoveries) of ₹2.42 crore. Against this, the actual gross expenditure was ₹1,01,72.85 crore and reduction of expenditure was ₹1.28 crore, resulting in net savings of ₹20,73.45 crore (16.93 per cent) and an under-estimation of ₹1.14 crore (47.11 per cent) on reduction of expenditure. The gross expenditure includes ₹9.61 crore drawn on Abstract Contingent (AC) Bill, against which ₹4.57 crore is still outstanding at the end of the year for want of supporting Detailed Countersigned Contingent (DCC) bills.

During 2016-17, ₹1.71 crore was transferred to PD Account out of which ₹0.86 crore was disbursed leaving a balance of ₹6.43 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 Sources 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 ₹6,02.41 crore and a Fiscal Deficit of ₹6,99.41 crore representing 2.04 per cent and 2.37 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 6.88 per cent of total expenditure (₹1,01,71.58 crore). This deficit was met from Public debt (₹7,96.02 crore), increase in Public Account ₹54.47 crore and net of opening and closing cash balance ₹42.14 crore. Around 38.55 per cent of the revenue receipts (₹89,38.95 crore) of the State Government was spent on committed expenditure like salaries (₹22,42.28 crore), interest payment and servicing of debt (₹5,55.99 crore) and pension (₹6,47.85 crore).

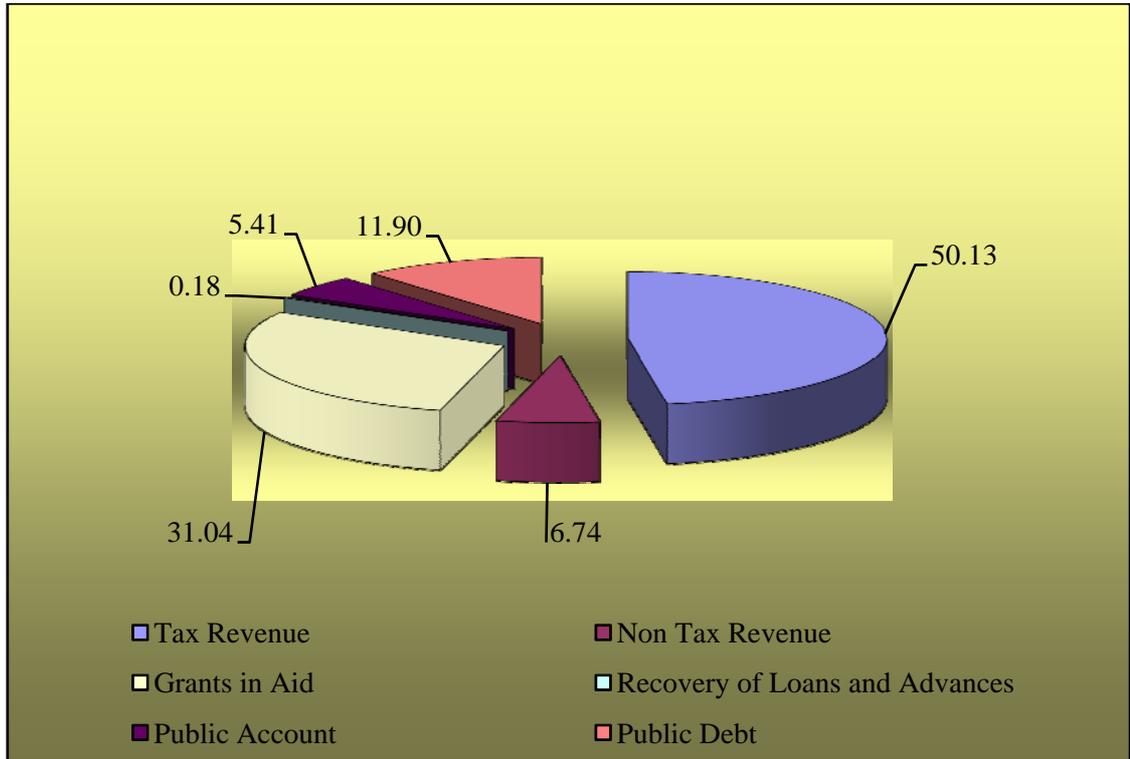
Sources and Application of Funds

(₹ in crore)

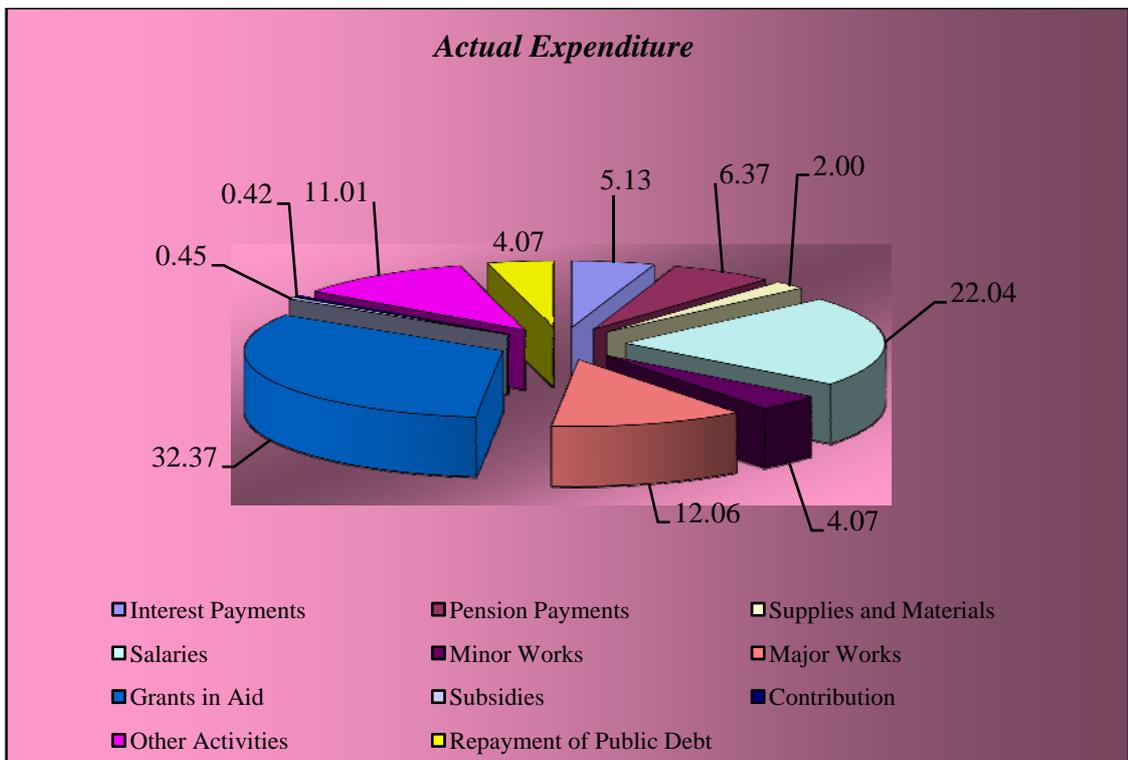
PARTICULARS		AMOUNT
	Opening Cash Balance as on 1.4.2016	(-71.97)
	Revenue Receipts	89,38.95
	Recovery of Loans and Advances	18.81
	Public Debt	12,10.43
	Small Savings, Provident Fund & Others	2,97.89
SOURCES	Reserves and Sinking Funds	59.58
	Deposits Received	18,86.81
	Civil Advances Received	45.80
	Suspense Account	2,18,43.52
	Remittances	23,44.90
	Contingency Fund	1,00.00
	Total	3,66,74.72

PARTICULARS		AMOUNT
	Revenue Expenditure	83,36.54
	Capital Expenditure	12,89.80
	Loans Given	30.83
	Repayment of Public Debt	4,14.41
	Transfer to Contingency Fund	1,00.00
	Small Savings, Provident Fund and Others	1,56.72
APPLICATION	Reserves and Sinking Funds	57.50
	Deposits Repaid	9,97.24
	Civil Advances Repaid	45.81
	Suspense Account	2,29,32.06
	Remittances	23,43.64
	Closing Cash Balance as on 31.3.2017	(-29.83)
	Total	3,66,74.72

1.4.3 Where the Rupee came from



1.4.4 Where the Rupee went



1.5 Highlights of Accounts

(₹ in crore)

	Budget Estimate 2016-17	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP(\$)
1. Tax Revenue (@)	49,37.37	50,97.06	1,03.23	17.24
2. Non-Tax Revenue	466.16	6,85.24	1,47.00	2.32
3. Grants -in-aid & Contribution	35,77.32	31,56.65	88.24	10.68
4. Revenue Receipts (1+2+3)	89,80.85	89,38.95	99.53	30.23
5. Recovery of Loans and Advances	32.60	18.81	57.70	0.06
6. Borrowings & Other Liabilities (A)	26,51.54	6,99.41	26.38	2.37
7. Capital Receipts (5+6)	26,84.14	7,18.22	26.76	2.43
8. Total Receipts (4+7)	1,16,64.99	96,57.17	82.79	32.66
9. Non-Plan Expenditure (10+11+12)	47,91.09	47,15.24	98.42	15.95
10. NPE on Revenue Account	41,88.20	41,18.99	98.35	13.93
11. NPE on Interest Payments	5,51.29	5,22.23	94.73	1.77
12. NPE on Capital Account(#)	51.60	74.02	1,43.45	0.25
13. Plan Expenditure (14+15)	68,73.90	49,41.93	73.48	16.71
14. PE on Revenue Account	50,22.90	36,95.32	73.57	12.50
15. PE on Capital Account(*)	18,51.00	12,46.61	67.35	4.22
16. Total Expenditure (9+13)	1,16,64.99	96,57.17	82.79	32.66
17. Revenue Expenditure (10+11+14)	97,62.39	83,36.54	85.39	28.20
18. Capital Expenditure (12+15)	19,02.60	13,20.63	69.41	4.47
19. Revenue Surplus(4-17)	(-)7,81.54	6,02.41	(-)77.08	2.04
20. Fiscal Deficit(4+5-16)	(-)26,51.54	(-)6,99.41	26.38	(-)2.37

- (@) Includes State's share of Union Taxes ₹39,11.05 crore
- (\$) GSDP figure of ₹29567 crore received from the Directorate of Economics and Statistics, Government of Meghalaya.
- (#) Expenditure includes Loan and Advances disbursed (₹22.41 crore)
- (*) Expenditure includes Loan and Advances disbursed (₹ 8.42 crore)
- (A) Borrowings and other Liabilities: Arrived at considering net of Public Debt, Appropriation to Contingency Fund, Contingency Fund, Public Account and Opening and Closing Cash Balances, etc.

1.6 What do the Deficits and Surpluses indicate?

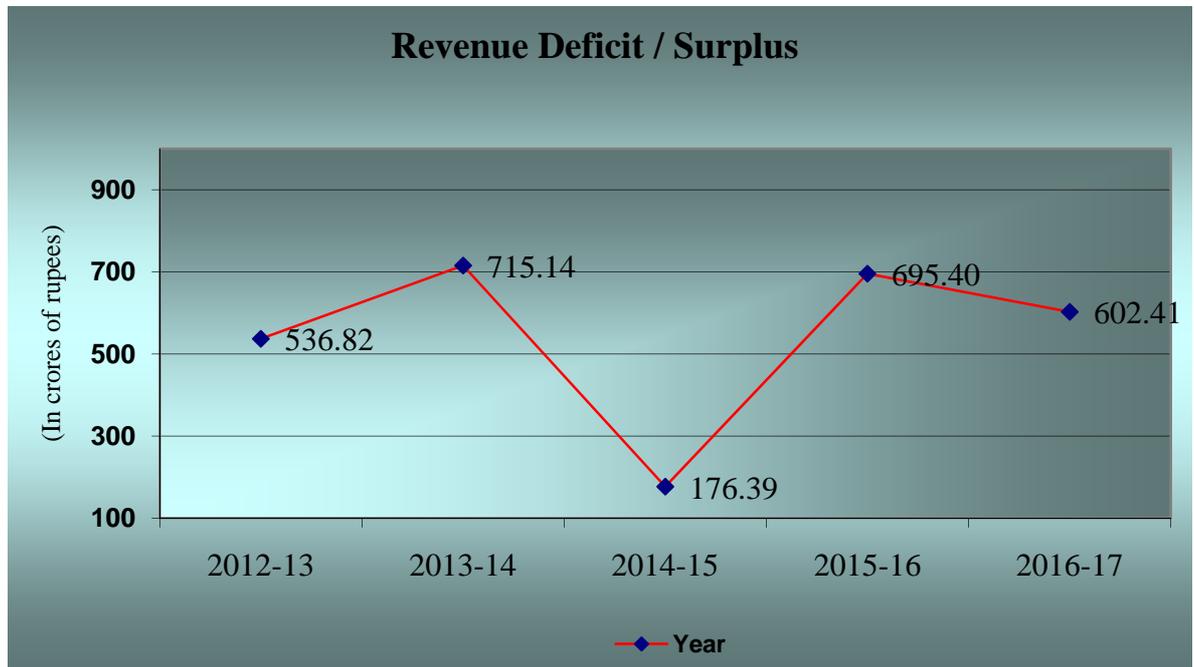
Deficit	<i>Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management</i>
Revenue	<i>Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure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

The 14th Finance Commission has recommended a fiscal consolidation roadmap for each State to promote a stable and sustainable fiscal environment consistent with equitable growth. The Fiscal Consolidation roadmap for Meghalaya requires the State to maintain the revenue surplus during the award period 2015-16 to 2019-20, reduce fiscal deficit to not more than 3 per cent of the estimated GSDP of the year beginning with financial year 2015-16. The fiscal deficit increased from ₹554.76 crore in 2015-16 to ₹699.41 crore in 2016-17. Also the primary deficit increased from ₹88.88 crore in 2015-16 to ₹177.18 crore in 2016-17. Revenue surplus decreased from ₹695.40 crore in 2015-16 to ₹602.41 crore in 2016-17.

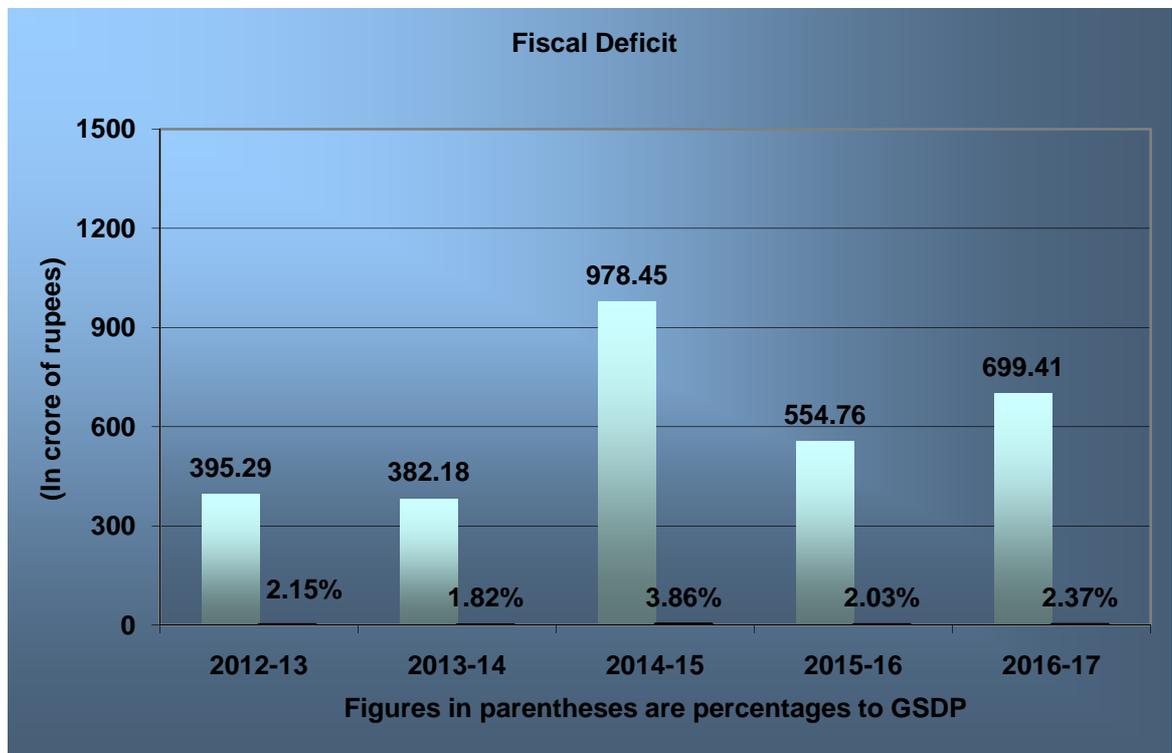
1.6.1 Trend of Revenue Deficit / Surplus

Year	Revenue Deficit(+)/Surplus(-)	Fiscal Deficit(-)	Primary Deficit(-)
2012-13	(+)536.82	(-)395.29	(-)81.47
2013-14	(+)715.14	(-)382.18	(-)10.68
2014-15	(+)176.39	(-)978.45	(-)573.35
2015-16	(+)695.40	(-)554.76	(-)88.88
2016-17	(+)602.41	(-)699.41	(-)177.18

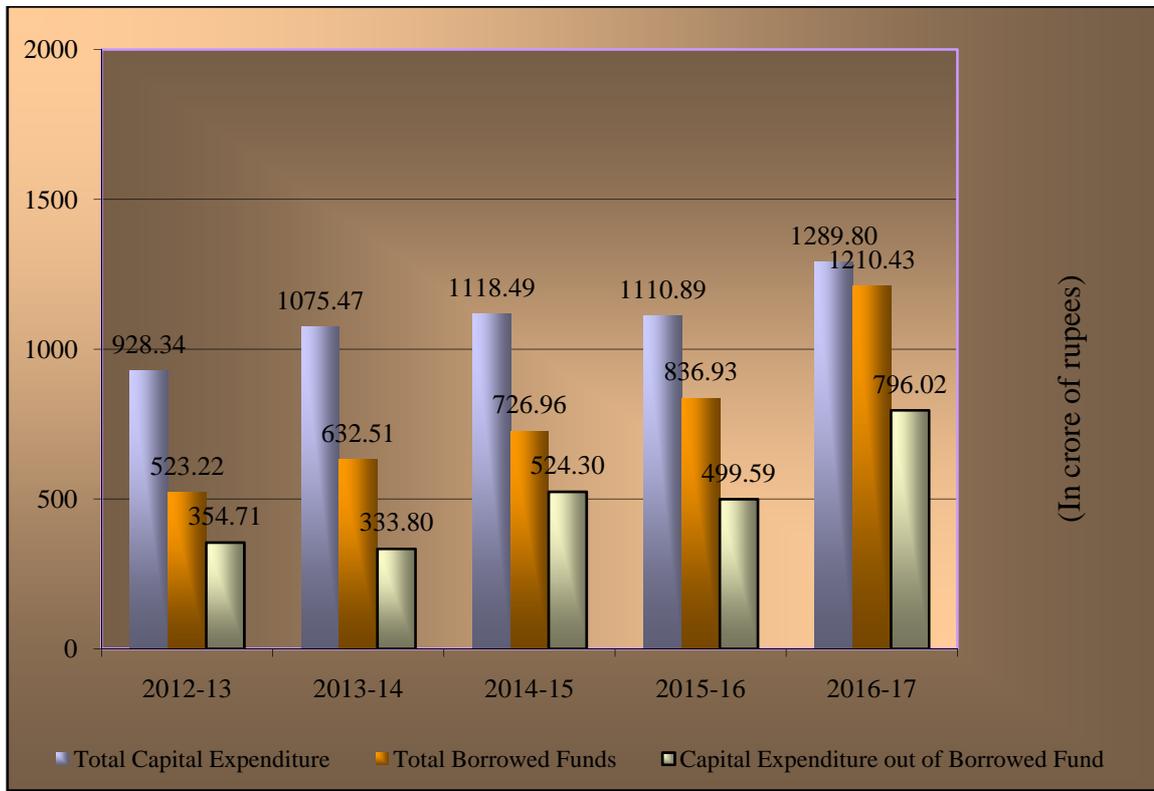
1.6.2 Trend of Revenue Deficit / Surplus



1.6.3 Trend of Fiscal Deficit



1.6.4 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 65.76 per cent (₹7,96.02 crore) of the borrowings of the current year (₹12,10.43 crore) on capital expenditure (₹12,89.80 crore). It would, therefore, appear that 34.24 per cent of the public debt (₹4,14.41 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

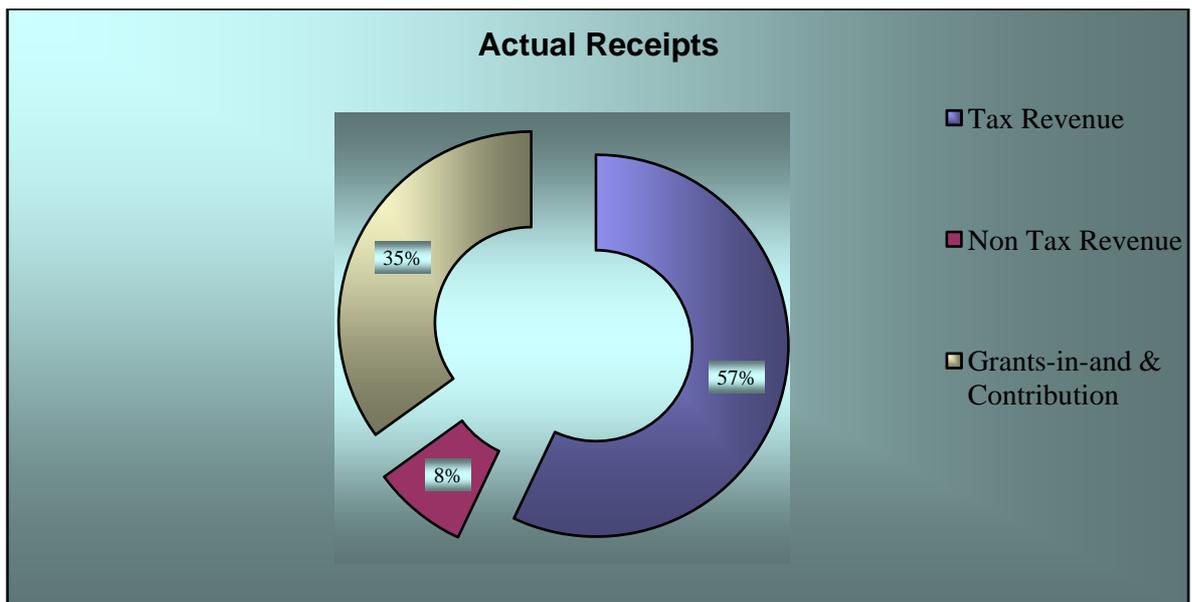
RECEIPTS

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Revenue Receipts for 2016-17 were ₹89,38.95 crore.

2.2 Revenue Receipts

Tax Revenue	<i>Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution</i>
Non-Tax Revenue	<i>Includes interest receipts, dividends, profits etc</i>
Grants-in-Aid	<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 (2016-17)

(₹ in crore)

Components	Actuals	Per cent to Total Revenue
A. Tax Revenue	50,97.06	57.02
Taxes on Income & Expenditure [*]	21,30.51	23.83
Taxes on Property and Capital Transactions	21.33	0.24
Taxes on Commodities and Services	29,45.22	32.95
B. Non-Tax Revenue	6,85.24	7.67
Interest Receipts, Dividends and Profits	46.36	0.52
General Services	41.56	0.46
Social Services	14.93	0.17
Economic Services	5,82.38	6.52
C. Grants-in-aid and Contributions	31,56.65	35.31
Total Revenue Receipts	89,38.95	100

[*] Includes share of income Tax received from Union Government ₹21,26.76 crore.

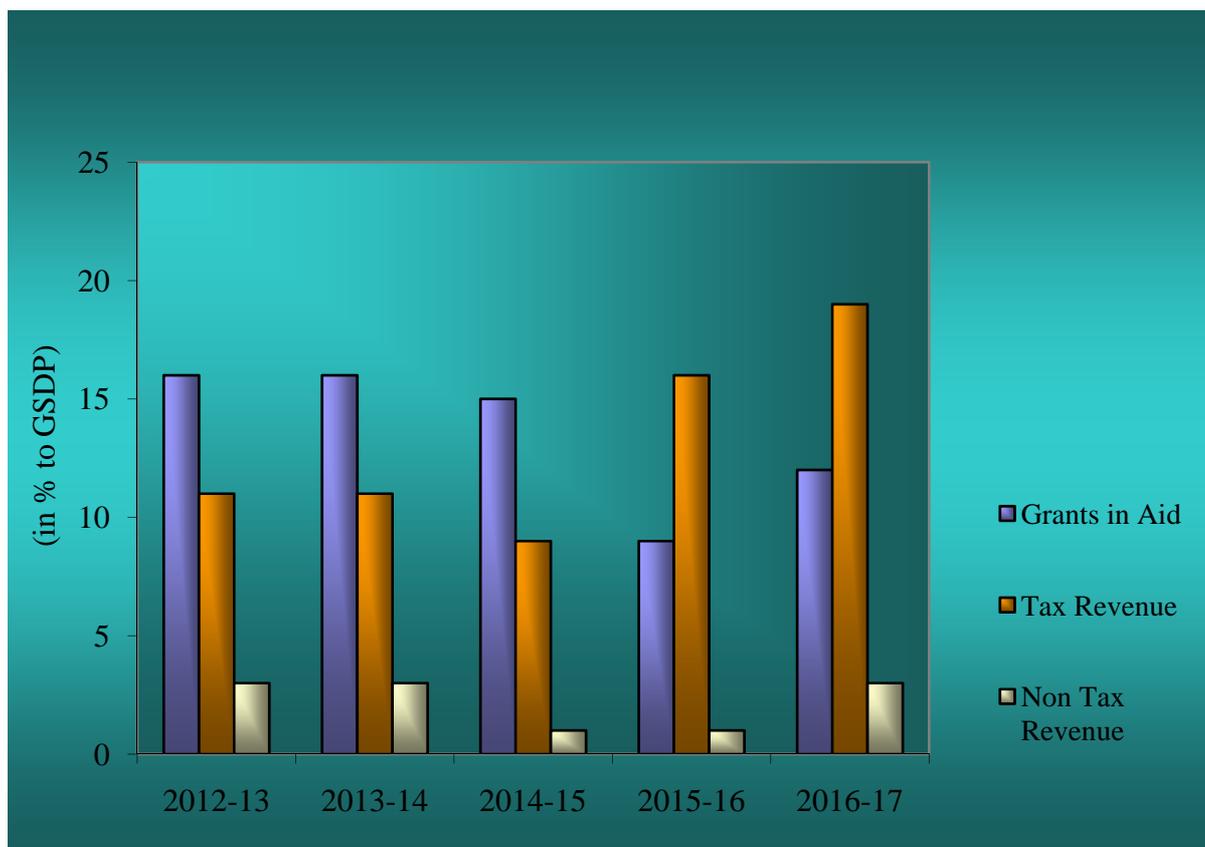
2.4 Trend of Receipts

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Tax Revenue	20,40.18 (11.11)	22,51.26 (10.70)	23,20.88 (9.16)	43,33.28 (15.87)	50,97.06 (17.24)
Non-Tax Revenue	4,84.95 (2.64)	5,98.15 (2.84)	3,43.29 (1.36)	2,28.60 (0.83)	6,85.24 (2.32)
Grants -in-aid	30,11.22 (16.40)	34,17.32 (16.24)	37,64.08 (14.86)	24,81.25 (9.09)	31,56.65 (10.68)
Total Revenue Receipts	55,36.35 (30.15)	62,66.73 (29.78)	64,28.25 (25.38)	70,43.13 (25.80)	89,38.95 (30.23)
GSDP	1,83,63.00	2,10,45.00	2,53,33.00	2,73,04.00	2,95,67.00

Note: Figures in parentheses represent percentages to GSDP

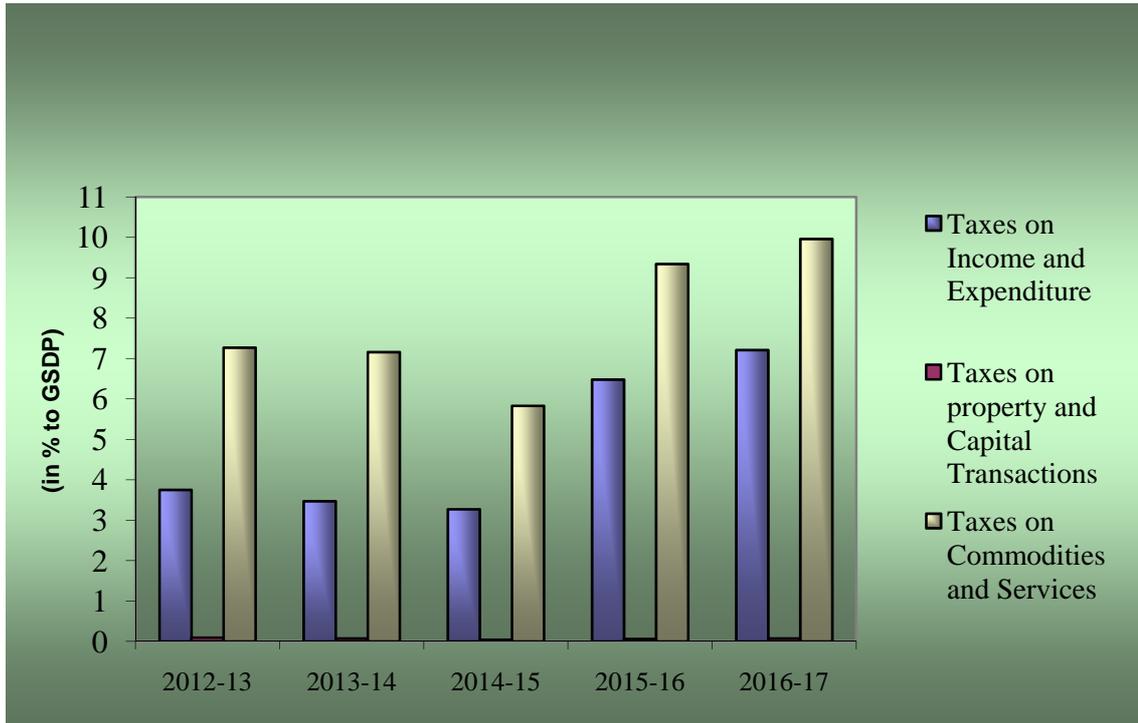
Though the GSDP increased by 8.29 per cent (₹22,63.00 crore) between 2015-16 and 2016-17, growth in revenue collection was only 26.92 per cent (₹18,95.82 crore) where tax revenues increased by 17.63 percent (₹7,63.78 crore) and non-tax revenues by 199.76 percent (₹4,56.64 crore).

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

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Tax on income and Expenditure	6,87.88	7,29.54	8,30.34	17,68.31	21,30.51
Taxes on property and Capital Transaction	17.30	14.45	11.28	16.08	21.33
Taxes on Commodities and Services	13,35.00	15,07.27	14,79.26	25,48.89	29,45.22
Total Tax Revenue	20,40.18	22,51.26	23,20.88	43,33.28	50,97.06

(Trend of Major Taxes in proportion to GSDP)



2.6 Performance of State's own Tax Revenue Collection

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Rupees	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
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%
2016-17	50,97.06	39,11.05	11,86.01	4.01%

The proportion of the State's Own Tax Revenue (₹11,86.01 crore) to GSDP (₹2,95,67.00 crore) at 4.01 per cent is less than the target of 5 per cent (₹15,44.15 crore) set as per the Medium Term Fiscal Plan (MTFP) in compliance to the recommendation of the 13th Finance Commission.

2.7 Efficiency of Tax Collection

A. Taxes on Property and Capital Transactions.

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Collection	17.30	14.45	11.28	16.08	21.33
Expenditure on Collection	12.53	14.98	16.22	15.53	15.83
Efficiency of Tax Collection	72%	104%	144%	96.58%	74.21%

B. Taxes on Commodities and Services.

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Collection	13,35.00	15,07.27	14,79.26	25,48.89	29,45.22
Expenditure on Collection	40.17	47.38	46.09	55.91	95.13
Efficiency of Tax Collection	3%	3%	3%	2%	3%

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

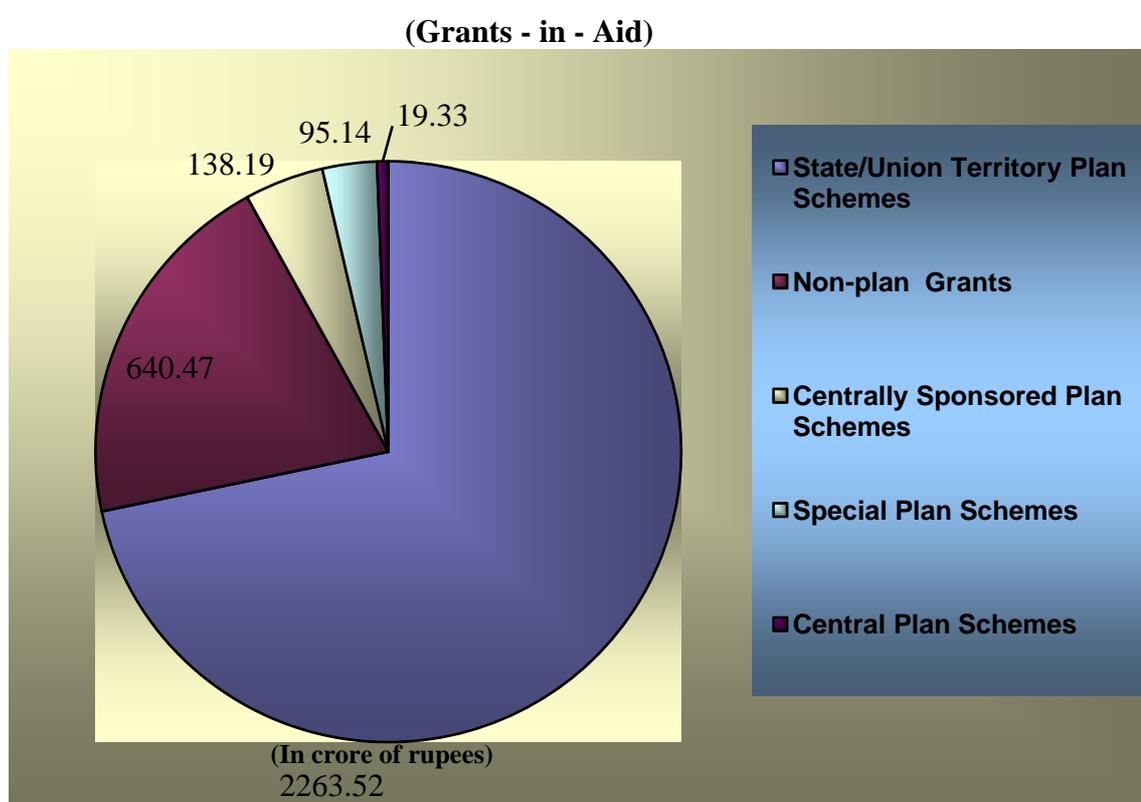
(₹ in crore)

<i>Major Head Description</i>	2012-13	2013-14	2014-15	2015-16	2016-17
<i>Corporation Tax</i>	428	438	482	1037	1255
<i>Taxes on Income other than Corporation Tax</i>	256	288	345	727	872
<i>Taxes on Wealth</i>	1	1	1	...	3
<i>Customs</i>	198	213	224	523	540
<i>Union Excise Duties</i>	135	150	126	429	616
<i>Service Tax</i>	174	212	204	560	625
<i>Other Taxes and Duties on Commodities and Services</i>	...	...	...	...	...
<i>State Share of Union Taxes</i>	1192	1302	1382	3276	3911
<i>Total Tax Revenue</i>	2040	2251	2321	4333	5097
<i>Percentage of Union Taxes to Total Tax Revenue</i>	58	58	60	76	77

State's share of Union Taxes contributed around 69 per-cent of the total tax revenue during the period 2012-13 to 2016-17.

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 2016-17 under Grants-in-Aid increased by ₹6,75.40 crore (27.22%) to ₹31,56.65 crore. The component wise figure of Grants-in-Aid is shown below-



The share of non-plan grants in total Grants-in-Aid decreased from 27.16 per cent during 2015-16 to 20.29 per cent in 2016-17, though there was decrease in absolute terms by ₹33.39 crore. On the other hand, the share of grants for plan schemes in total Grants-in-Aid increased from 72.84 per cent in 2015-16 to 79.71 per cent in 2016-17. There was increase in absolute terms too by ₹7,08.79 crore from ₹18,07.39 crore in 2015-16 to ₹25,16.18 crore in 2016-17. As against the budget estimate (BE) of ₹29,81.02 crore of Union share in Plan schemes, the actual receipt of ₹25,16.18 crore translates to 84.41 per cent of BE.

2.10 Public Debt

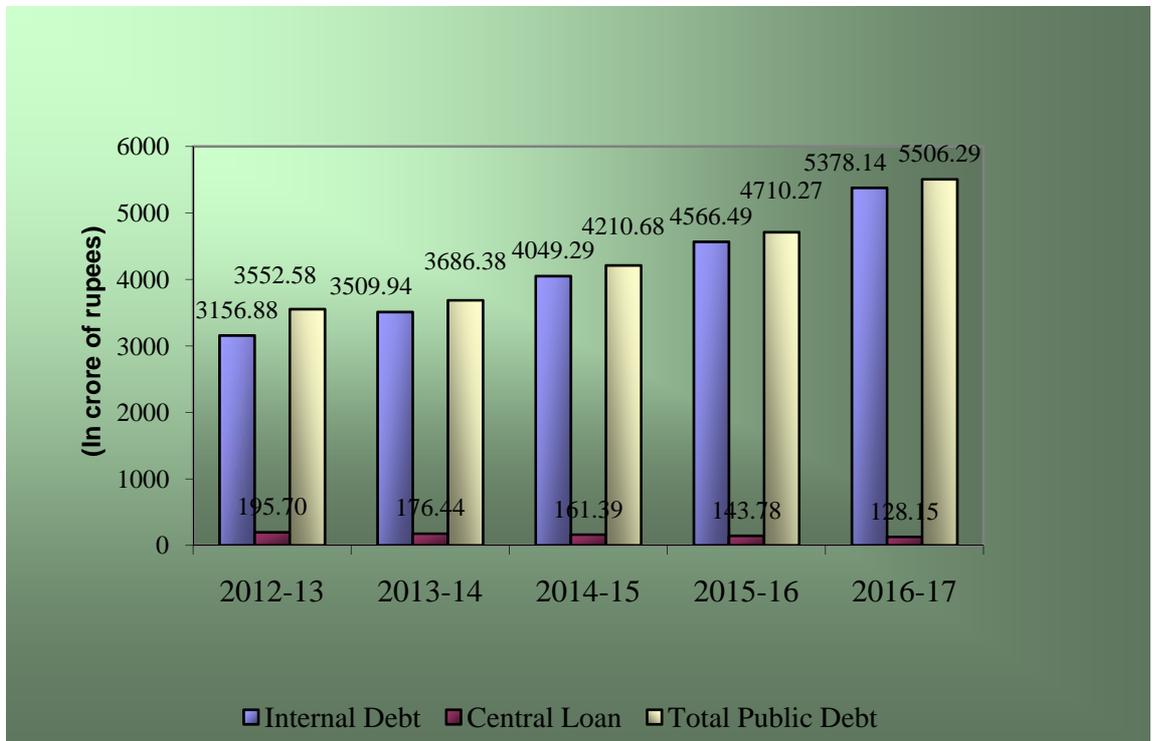
Trend of Public Debt over the past five years

(₹ in crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Internal Debt	31,56.88	35,09.94	40,49.29	45,66.49	53,78.14
Central Loans	1,95.70	1,76.44	1,61.39	1,43.78	1,28.15
Total Public Debt	33,52.58	36,86.38	42,10.68	47,10.27	55,06.29

In 2016-17, nine loans totaling ₹ 10,01.00 crore at interest rates varying from 7.10 per cent to 8.00 per cent per annum and redeemable in the years 2026/2027 were raised at par.

Against the total internal debt of ₹12,06.16 crore of the State Government in 2016-17 plus the central loan component of ₹4.27 crore received during this period, capital expenditure was ₹12,89.80 crore (107 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.

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.</i>

3.2 Revenue Expenditure

Revenue Expenditure of ₹83,36.54 crore for 2016-17 fell short of budget estimates by ₹14,25.85 crore due to less disbursement of ₹13,27.58 & ₹98.27 crore under Plan and Non-plan Expenditure respectively.

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

	(₹ in crore)				
	2012-13	2013-14	2014-15	2015-16	2016-17
Budget Estimates	67,56.16	79,79.61	1,04,33.54	81,89.93	97,62.39
Actuals	49,99.53	55,51.59	62,51.86	63,47.73	83,36.54
Gap	17,56.63	24,28.02	41,81.68	18,42.20	14,25.85
Percentage of gap over B.E.	26	30	40	23	15

3.2 Despite 41.49 percent (₹34,58.50 crore) of total Revenue Expenditure (₹83,36.54 crore) committed to Non-Plan expenditure (salaries, pensions, interest payment etc.), the Plan expenditure during the year 2016-17 increased by 81.14 per cent compared to the year 2015-16.

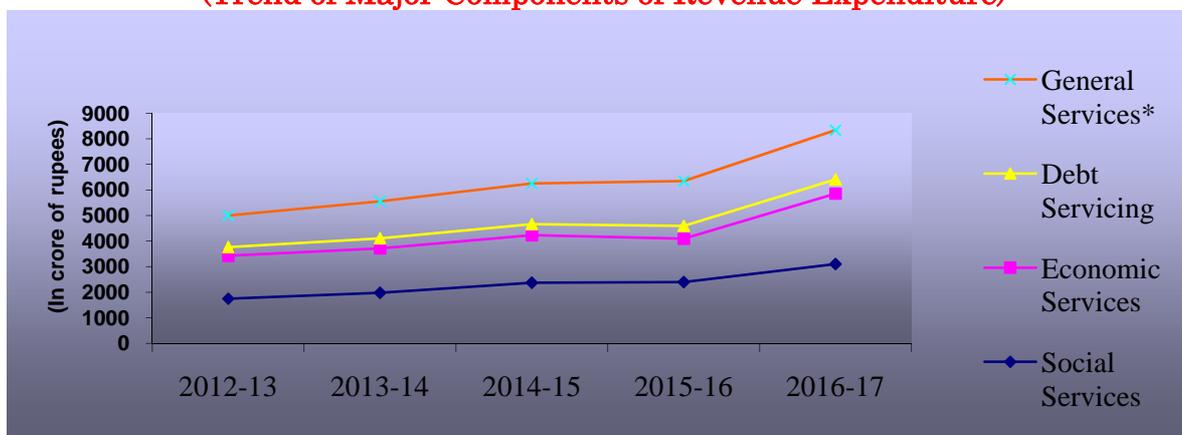
3.2.1 Sectoral distribution of Revenue Expenditure (2016-17)

(₹ in crore)

Components	Amount	Percentage
A. General Services		
a. Organs of State	1,39.22	1.67
b. Fiscal Services	1,11.32	1.34
(i) Collection of Taxes on Property and Capital Transactions	15.83	...
(ii) Collection of Taxes on Commodities and Services	95.13	...
(iii) Other Fiscal Services	0.36	...
c. Interest Payment and Servicing of Debt	5,55.99	6.67
d. Administrative Services	10,24.88	12.29
e. Pensions and Miscellaneous General Services	6,48.75	7.78
B. Social Services	30,99.11	37.18
C. Economic Services	27,57.27	33.07
H. Grants-in-aid and Contributions	...	...
Total - Expenditure (Revenue Account)	83,36.54	100

3.2.2 Major components of Revenue Expenditure (2012-17)

(Trend of Major Components of Revenue Expenditure)



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

3.2.3 During the year 2016-17, the expenditure on Economic Services and Social Services increased by 62 per cent (₹27,57.27 crore in 2016-17 as compared to ₹16,97.04 crore in 2015-16) and 29 per cent (₹30,99.11 crore in 2016-17 as compared to ₹23,95.17 crore in 2015-16) respectively.

3.3 Capital Expenditure

Capital disbursements of ₹13,20.63 crore during 2016-17 at 4.47 per cent of GSDP (₹2,95,67 crore) were less than Budget estimates by ₹5,81.97 crore (less disbursement of ₹6,04.39 crore under Plan expenditure and ₹22.42 crore of excess disbursement under Non-Plan expenditure).

3.3.1 Sectoral distribution of Capital Expenditure

During 2016-17, the Government spent ₹13,20.63 crore (including disbursement of ₹30.83 crore on loans and advances) on various projects and in various Corporations/Companies/Societies.

(₹ in crore)

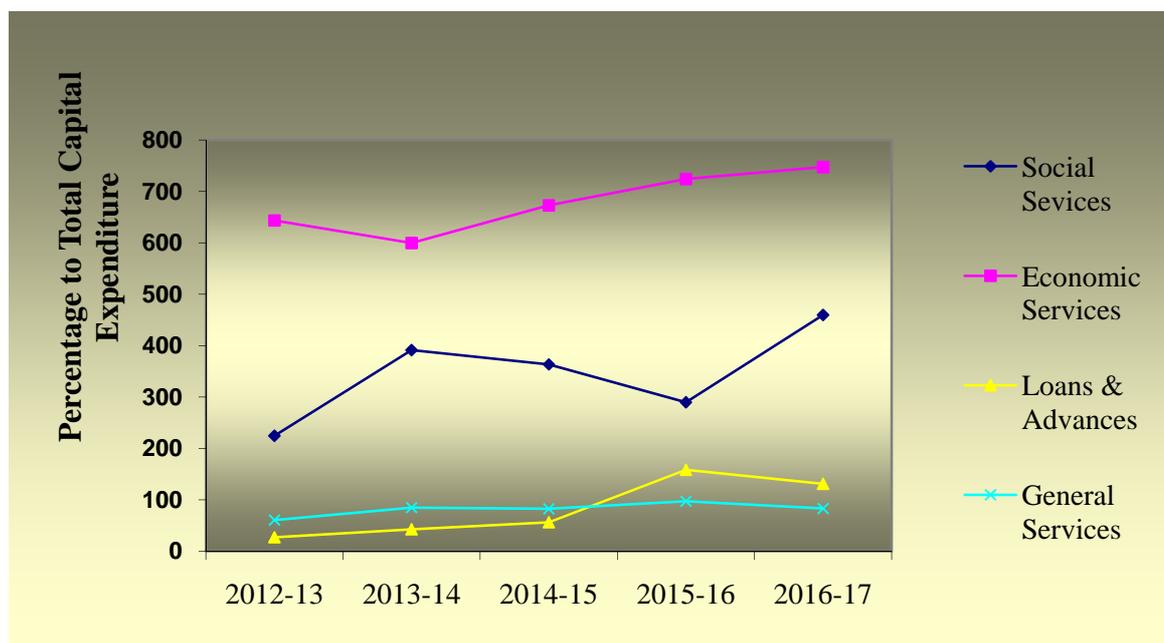
	Components	Amount	Percentage
1	General Services - Police, Land Revenue, etc.	83.00	6.29
2	Social Services – Education, Health & Family Welfare, Water Supply, Welfare of SC/ST, etc.	4,59.36	34.78
3	Economic Services- Agriculture, Rural Development, Irrigation, Co-operation, Energy, Industries, Transport, etc.	7,47.44	56.60
4	Loans and Advances Disbursed	30.83	2.33
Total		13,20.63	100

3.3.2 Sectoral distribution of Capital Expenditure over the past five years

(₹ in crore)

Sl. No.	Sector	2012-13	2013-14	2014-15	2015-16	2016-17
1	General Services	60.59	84.82	82.38	97.24	83.00
2	Social Services	2,24.29	3,91.11	3,63.34	2,89.69	4,59.36
3	Economic Services	6,43.46	5,99.54	6,72.77	7,23.96	7,47.44
4	Loans and Advances	27.02	42.33	56.11	1,58.35	30.83
	Total	9,55.36	11,17.80	11,74.60	12,69.24	13,20.63

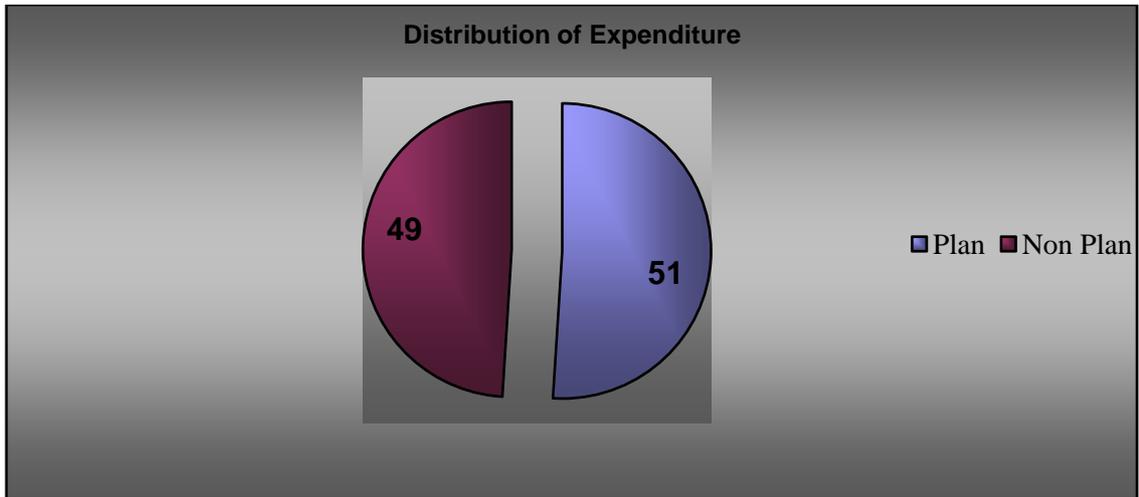
(Trend of Sectoral Distribution of Capital Expenditure)



CHAPTER IV

PLAN AND NON PLAN EXPENDITURE

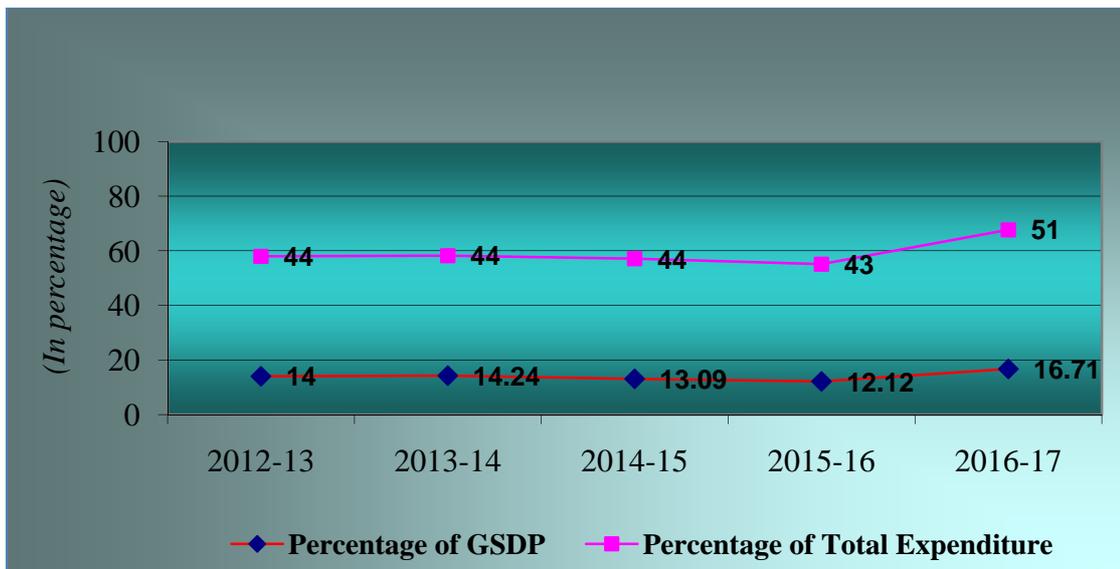
4.1 Distribution of expenditure (2016-17)



4.2 Plan Expenditure

During 2016-17, Plan Expenditure was ₹49,41.93 crore representing 51 per cent of total disbursements.

(Plan Expenditure as proportion of total Expenditure and GSDP)



4.2.1 Plan expenditure under Capital Account

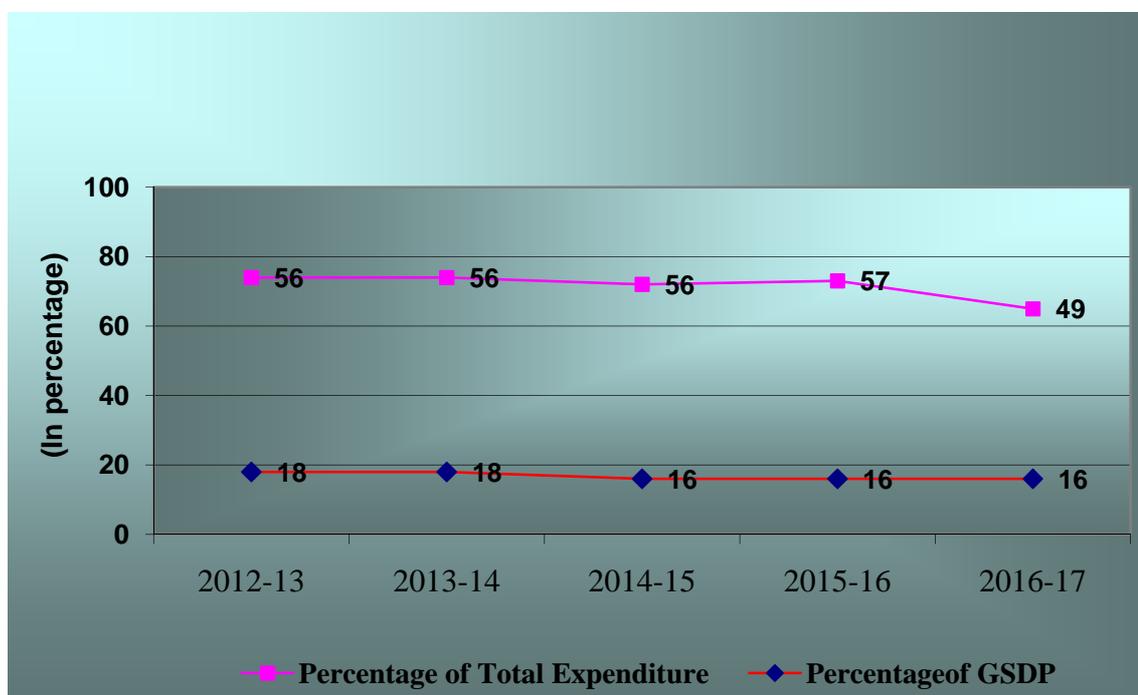
(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Total Capital Expenditure	9,55.36	11,17.80	11,74.60	12,69.24	13,20.63
Capital Expenditure(Plan)	8,79.38	10,74.77	11,18.49	11,51.25	12,46.61
Percentage of Capital Expenditure(Plan) to Total Capital Expenditure	92	96	95	91	94

4.3 Non-Plan Expenditure

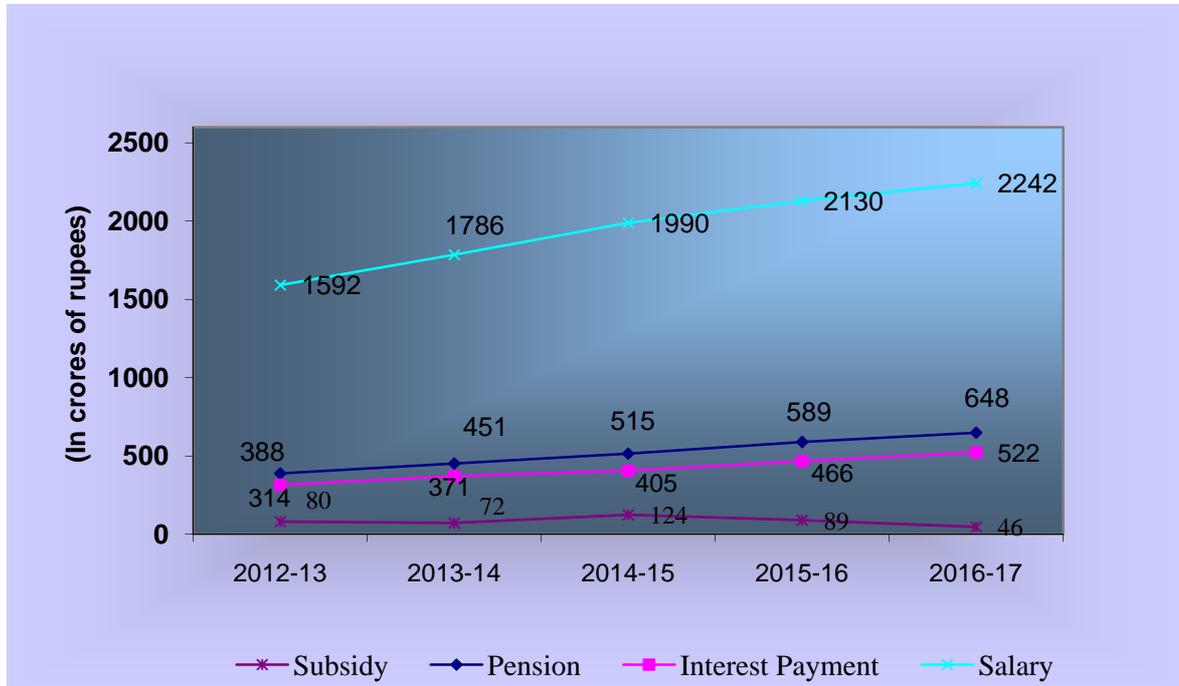
Non-Plan Expenditure during 2016-17 was ₹47,15.24 crore (₹46,41.22 crore under Revenue and ₹74.02 crore under Capital) representing 49 per cent of total disbursements of ₹96,57.17 crore.

(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)

Component	2012-13	2013-14	2014-15	2015-16	2016-17
Committed Expenditure	2374	2680	3034	3274	3458
Revenue Expenditure	5000	5552	6252	6348	8337
Percentage of Committed Expenditure to Revenue Receipts	43	43	47	46	39
Percentage of Committed Expenditure to Revenue Expenditure	47	48	49	52	41

The increasing trend on committed expenditure leaves the Government with lesser flexibility for developmental spending. However, during 2016-17, the increase in the amount of committed expenditure was 6 per cent as compared to 8 per cent in 2015-16.

CHAPTER V***APPROPRIATION ACCOUNTS*****5.1 Summary of Appropriation Accounts for 2016-17**

(₹ in crore)

Sl. No.	Nature of Expenditure	Original grant	Supplementary grant	Total	Actual expenditure	Savings(-) Excess(+)	Surrender
1	Revenue						
	Voted	79,84.75	11,68.60	91,53.35	77,60.04	(-)13,93.31	10,84.24
	Charged	6,09.20	2.27	6,11.47	5,77.78	(-)33.69	30.47
2	Capital						
	Voted	14,60.52	3,93.35	18,53.87	13,89.79	(-)4,64.08	3,11.71
	Charged	...	...	...	...	...	...
3	Public Debt						
	Charged	5,78.88	...	5,78.88	4,14.41	(-)1,64.47	1,64.47
4	Loans and Advances						
	Voted	48.72	...	48.72	30.83	(-)17.89	14.32
	Total	1,06,82.07	15,64.22	1,22,46.29	1,01,72.85	(-)20,73.44	16,05.21

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

(₹ in crore)

Year	Savings(-)/Excess(+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
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
2016-17	(-)14,27.00	(-)4,64.08	(-)1,64.47	(-)17.89	(-)20,73.44

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	2012-13	2013-14	2014-15	2015-16	2016-17
16	Police	7.66%	3.31%	12.82%	3.90%	5.80%
40	North Eastern Areas	76.72%	79.94%	77.19%	83.83%	88.34%
43	Housing Crop Husbandry, Agricultural Research and Education, etc.	46.73%	51.96%	47.53%	34.25%	49.07%
47	Housing, Animal Husbandry, etc.	18.79%	6.03%	25.11%	20.83%	21.65%
51	Housing, Crop Husbandry, etc.	19.46%	19.35%	19.62%	39.60%	2.55%
52	Industries	16.70%	8.03%	54.80%	37.66%	10.86%

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 ₹24,71.63 crore (₹472.55 crore from Capital account and ₹19,99.08 crore from Revenue account) at the end of 2016-17. However, dividends received during the year were ₹0.11 crore on investment. At the end of 2016-17, investments increased by ₹6.85 crore (0.28 per cent).

Cash Balance with RBI stood at ₹(-) 1,12.78 crore on 31 March 2016 and increased to ₹(-)54.53 crore at the end of 31 March 2017.

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:

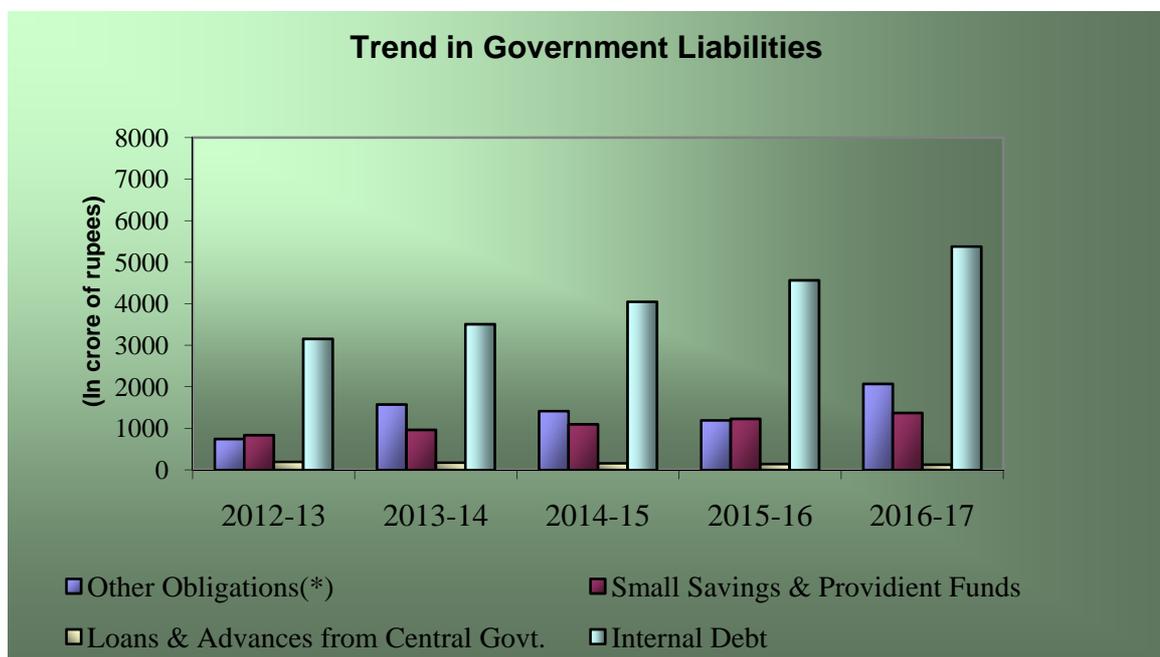
(₹ in crore)

Year	Public Debt	Per cent to GSDP	Public Account(*)	Per cent to GSDP	Total Liabilities	Per cent to GSDP
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
2016-17	55,06.29	18.62	34,75.40	11.75	89,81.69	30.38

(*) Excludes suspense and remittances balances.

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

During the year 2016-17, there is an increase of ₹18,28.83 crore (25.57 per cent) in total liabilities over the figures of 2015-16.



(*) 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 ₹10,01.00 crore during 2016-17, an increase of 47.21 percent as compared to previous year's borrowing of ₹6,80.00 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)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 st March 2017	
		Principal	Interest
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

2016-17	8,60.04	9,75.26	7.85
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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 2016-17 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 2016-17 was ₹7,78.21 crore. Of this, Loans and Advances to Government Corporation/ Companies, Non-Government Institutes and Local Bodies amounted to ₹7,61.84 crore. Recovery of Principal aggregating to ₹7,52.17 crore and interest amounting to ₹64.27 crore is in arrears at the end of 31 March 2017.

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

During the past five years, Grants-in-Aid to local bodies, etc., increased from ₹12,35.56 crore in 2012-13 to ₹32,92.85 crore in 2016-17. Grants to Zilla Parishads, Panchayat Samities and Municipalities amounting to ₹2.70 crore represented 0.08 per cent of total grant of ₹32,92.85 crore given during the year.

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

(₹ in crore)

Year	Zilla Parishads	Municipalities	Panchayat Samities	Others	Total
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
2016-17	...	2.70	...	32,90.15	32,92.85

7.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2016	As on 31 March 2017	Net increase(+)/ Decrease(-)
Cash Balances	(-)71.97	(-)29.83	42.14
Investments from cash balance (GOI Treasury Bills)	2,67.65	13,69.24	11,01.59
Investment from earmarked fund balances	2,11.10	2,56.59	45.49
(a) Sinking Fund	2,11.07	2,44.83	33.76
(b) Guarantee Redemption Fund	...	11.74	11.74
(c) Other Funds	0.03	0.03	...
Interest realised	31.48	37.98	6.50

The interest realised on investment of cash balance increased by 20.65 per cent during the year as compared to 2015-16.

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 2016-17, only 84 per cent (₹85,52.78 crore) of the total expenditure of ₹1,01,71.58 crore of the State Government was reconciled. Similarly, out of total receipts of ₹1,01,68.19 crore, 99 per cent (₹1,00,51.22 crore) was reconciled. The status of reconciliation of accounts in respect of the Controlling Officers (COs) of different departments is given below:

(₹ in crore)

Particular	Total No. of COs	Fully Reconciled (₹)	Partially Reconciled (₹)	Not Reconciled (₹)
Expenditure	59	72,63.71	12,89.07	16,18.80
Receipts	41	1,00,51.22	...	1,16.97
Total	100	1,73,14.93	12,89.07	17,35.77

Some chronic defaulters in reconciliation are listed below:

Sl. No.	Name of the Department/Controlling Officer	Year/Years pending
1	Director of Information & Publicity	2014-15, 2015-16 & 2016-17
2	Registrar of Co-Operative Society	2014-15, 2015-16 & 2016-17
3	Director of Civil Aviation	2014-15, 2015-16 & 2016-17
4	Chief Electoral Officer	2014-15, 2015-16 & 2016-17

7.6 Submission of accounts by Treasuries

Out of 192 numbers of monthly accounts, only 137 accounts were received on or within due dates. In the remaining 55 cases, the delay in the rendition of accounts ranges from 01 to 43 days. Out of sixteen accounts rendering Treasuries/Sub treasuries in Meghalaya, there were minimum and maximum delays to the extent of 01 to 43 days in submission of monthly

accounts on the part of Shillong North Treasury on four occasions, and in case of Shillong South Treasury, minimum & maximum delays were to the extent of 01 to 43 days on five 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 2017, 31 DCC bills amounting to ₹4.57 crore was outstanding indicates that these instructions have not been followed. Details are given below:-

(₹ in crore)

Year	Total Amount drawn during the year	DCC bill wanting	Percentage of Outstanding Amount	No. of Pending AC Bills
2016-17	9.61	4.57	48	31
Total	9.61	4.57	48	31

Note: There are no outstanding AC bills prior to 2016-17.

7.8 Transfer of Funds to Personal Deposit (PD) Accounts

Government is authorized to open personal Deposit (PD) Accounts for specific purposes, into which funds are transferred from the consolidated Fund. There were a total of 5 PD accounts as on 31 March, 2017 with closing balance of ₹6.43 crore. During the year 2016-17, 3 PD accounts were closed and 02 PD accounts were opened.

(₹ in crore)

Opening Balance		Addition during the year		Closed during the year		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
06	5.58	02	1.71	03	0.00	05	6.43

7.9 Parking of utilized fund in current account of DFOs

The State Government parked an amount of ₹42.73 crores in the current accounts of 8 (eight) DDOs of the Soil and Water Conservation Department during the year 2016-17 showing the figure as spend under the Major Head 2402-Forestry and Wildlife.

As per the codal provision, unutilized amount at the end of the financial year should be surrendered to the Government account. However, the same was deposited in the current account of Government officers violating the extant codal provision.

7.10 Outstanding Utilization Certificates (UCs) of Grants-in-Aid Vouchers

Utilization Certificates (UCs) outstanding beyond the specified period indicates absence of assurance on utilization of the Grants for intended purposes. A total of 713 Utilization Certificates (UCs) amounting to ₹2,505.13 crore in respect of Grant-in-Aid bill drawn to the end of 2016-17 is outstanding for submission to my office. These need to be obtained on a priority basis.

The status of outstanding UCs as on 31 March 2017 is given below

Year (*)	Number of Utilization Certificate awaited	Amount (in crore)
Upto 2014-15	371	1,179.35
2015-16	77	304.00
2016-17 ^(*)	265	1,021.78
Total	713	2,505.13

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

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