

# Accounts at a Glance for the year 2018-19



लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest

**GOVERNMENT OF MEGHALAYA**



# Accounts at a Glance For the year 2018-19

---

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



लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest

**GOVERNMENT OF MEGHALAYA**



## *Preface*

I am happy to present the twentieth issue of our annual publication, the 'Accounts at a Glance' for the year 2018-19, which provides an overview of Governmental activities, as reflected in the Finance Accounts and Appropriation Accounts.

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

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

We look forward to suggestions.

Shillong

Dated: 22-July-2020

**Pr. Accountant General (A&E)**



## **OUR VISION, MISSION AND CORE VALUES**

### **VISION**

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

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

### **MISSION**

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

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

### **CORE VALUES**

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

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





## *Table of Contents*

<b>Chapter I</b>	<b>Overview</b>	<b>Page(s)</b>
1.1	Introduction	1
1.2	Structure of Government Accounts	2-3
1.3	Finance Accounts and Appropriation Accounts	4-6
1.4	Sources and Application of Funds	6-8
1.5	Financial highlight of the year 2018-19	9-10
1.6	Fiscal Responsibility and Budget Management (FRBM) Act. 2006	10-12
<b>Chapter II</b>	<b>Receipts</b>	
2.1	Introduction	13
2.2	Revenue Receipts	13-15
2.3	Tax Revenue	15-18
2.4	Cost of Tax collection	19
2.5	Trend in State's share of Union Taxes over the past five years	20
2.6	Grants-in-Aid	20-21
2.7	Public Debt	22
<b>Chapter III</b>	<b>Expenditure</b>	
3.1	Introduction	23
3.2	Revenue Expenditure	23-26
3.3	Capital Expenditure	26-27
3.4	Top 10 Departments Expenditure wise	27-28
<b>Chapter IV</b>	<b>State Fund Expenditure and Central Assistance Expenditure</b>	
4.1	Distribution of Expenditure	29
4.2	State Fund Expenditure	29-31
4.3	Central Assistance Expenditure	31
4.4	Committed Expenditure	32

<b>Chapter V Appropriation Accounts</b>		
5.1	Summary of Appropriation Accounts for 2018-19	33
5.2	Trend of Saving/Excess during the past five years	33
5.3	Significant Savings	34-41
<b>Chapter VI Assets and Liabilities</b>		
6.1	Assets	42
6.2	Debt and Liabilities	43
6.3	Guarantees	44
<b>Chapter VII Other Items</b>		
7.1	Adverse Balances under Internal Debt	45
7.2	Loans and Advances by the State Government	45
7.3	Financial Assistances to Local Bodies and others	45-46
7.4	Cash Balance and Investment of Cash Balance	47
7.5	Reconciliation of Accounts	47
7.6	Submission of Accounts by Accounts Rendering Units	47
7.7	Advance payments	47-48
7.8	Status of Suspense Balances	48
7.9	Status of Outstanding Utilization Certificate	49
7.10	Commitments on account of Incomplete Capital works	49
7.11	New Pension Schemes	50
7.12	Personal Deposits Accounts	51
7.13	Investment	51
7.14	Rush of Expenditure	51-52

# *Chapter I Overview*

## **1.1 Introduction**

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

## 1.2 Structure of Government Accounts

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

#### Structure of Government Accounts

##### Part 1 CONSOLIDATED FUND

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

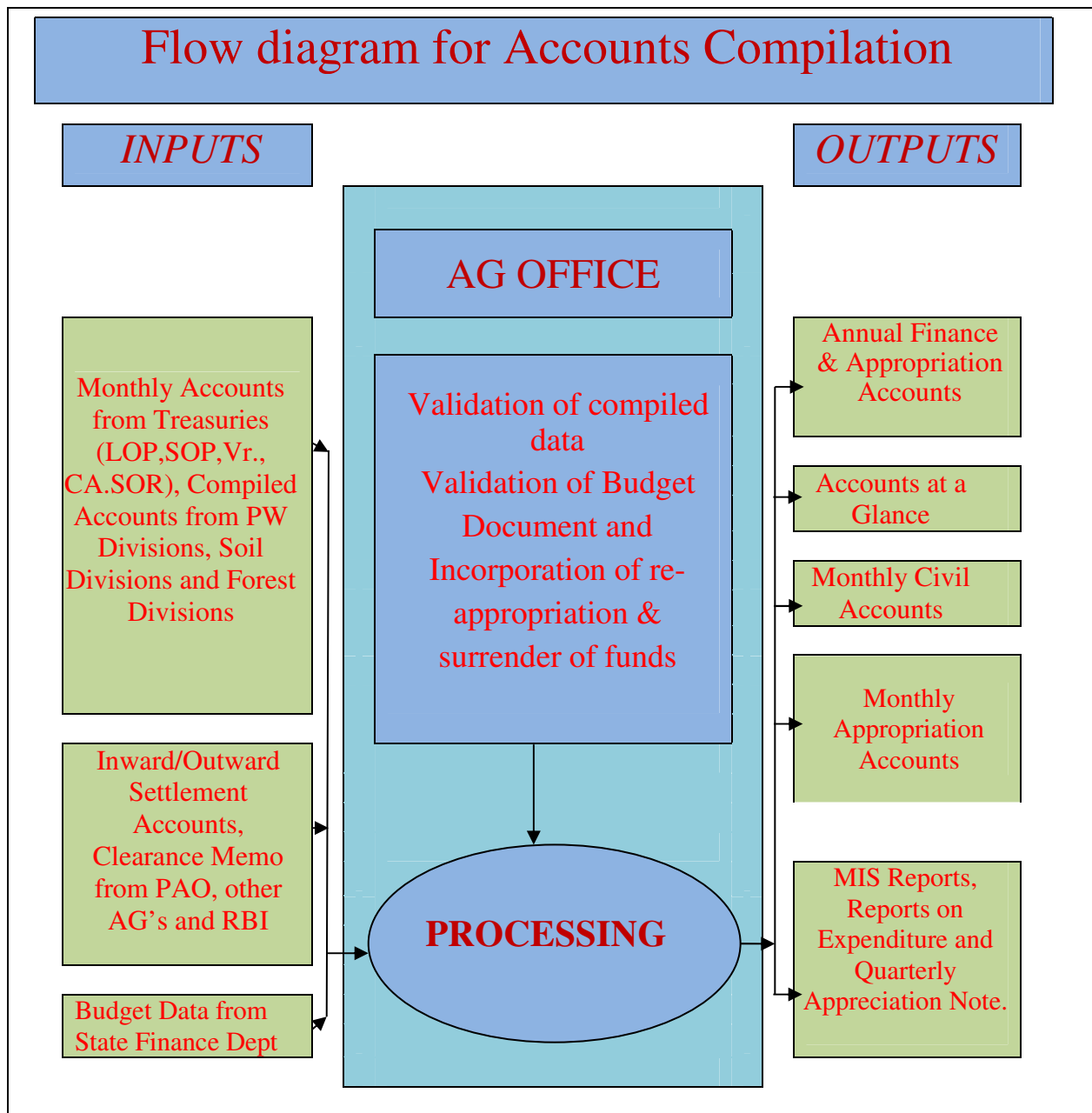
The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorization by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund. The corpus of this fund for the Government of Meghalaya is ₹305 crore.

##### Part 2 CONTINGENCY FUND

##### Part 3 PUBLIC ACCOUNT

All public moneys received, other than those credited to the Consolidated Fund, are accounted for under the Public Account. In respect of such receipts, Government acts as a banker or trustee. The Public Account comprises: repayable like Small Savings and Provident Funds, Reserve Fund, Deposits and Advances, Suspense and Miscellaneous transaction (adjusting entire spending to final heads of account), Remittances between accounting entities, and Cash Balance.

## 1.2.2 **Compilation of Accounts**



### 1.3 Finance Accounts and Appropriation Accounts

#### 1.3.1 Finance Accounts

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the Revenue and Capital Accounts, Public Debt and Public Account balances recorded in the accounts. Finance Accounts are prepared in two volumes to make them more comprehensive and informative. Volume I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to Accounts' containing summary of significant accounting policies, comments on quality of accounts and other items. Volume II contains detailed statements (Part-I) and appendices (Part-II).

The following table provides the details of actual financial results vis-à-vis budget estimate for the year 2018-19.

(₹ in crore)

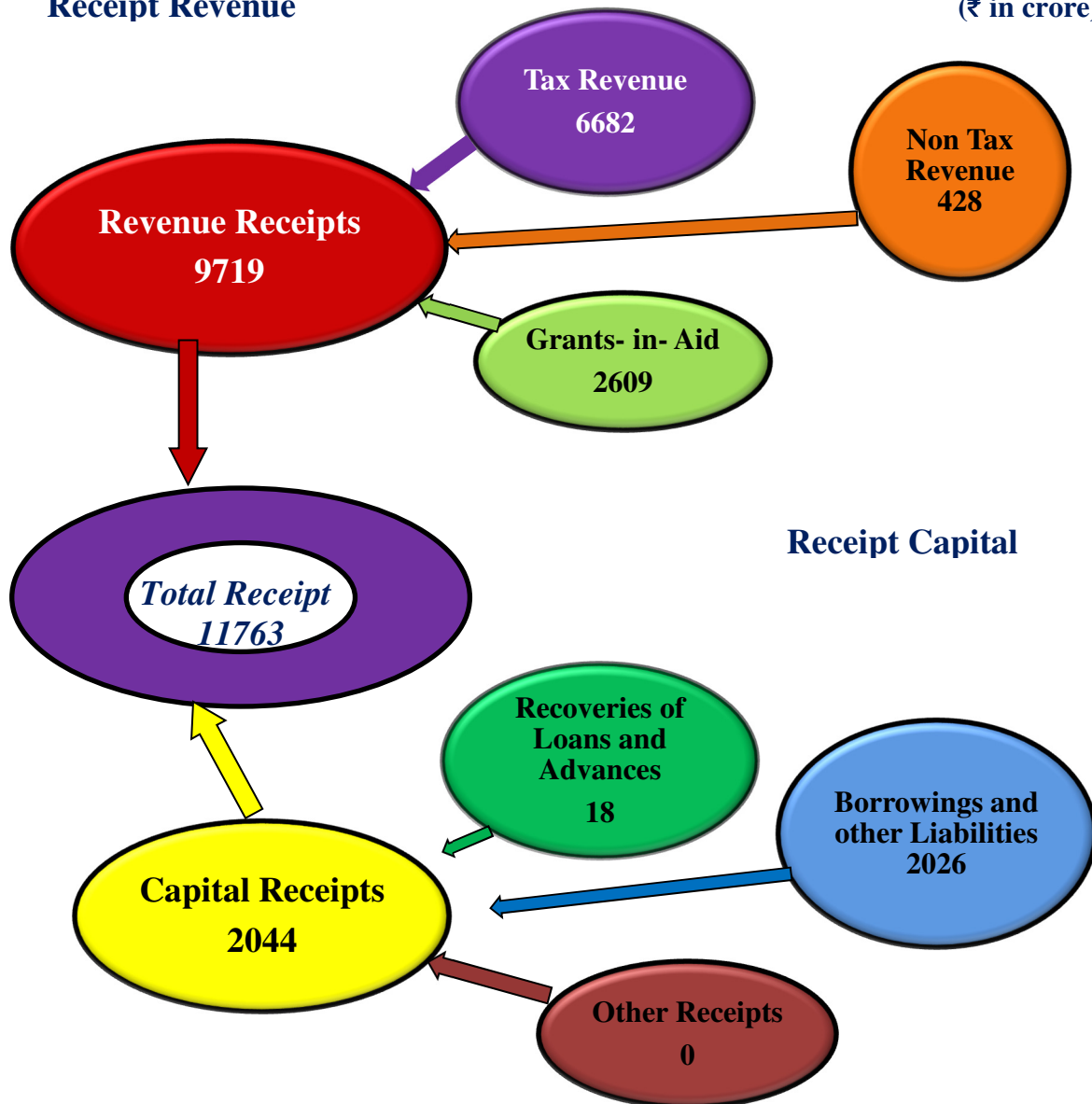
		Budget Estimate 2018-19	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP
1.	Tax Revenue (including Central Share)	6776	6682	99	20
2.	Non-Tax Revenue	538	428	80	1
3.	Grants -in-aid & Contribution	5217	2609	50	8
4.	<b>Revenue Receipts (1+2+3)</b>	<b>12531</b>	<b>9719</b>	<b>78</b>	<b>29</b>
5.	Recovery of Loans and Advances	23	18	78	...
6.	Other Receipts	-	-	-	-
7.	Borrowings & Other Liabilities	2264	2026	89	6
8.	<b>Capital Receipts (5+6+7)</b>	<b>2287</b>	<b>2044</b>	<b>89</b>	<b>6</b>
9.	<b>Total Receipts (4+8)</b>	<b>14818</b>	<b>11763</b>	<b>79</b>	<b>36</b>
10.	<b>Revenue Expenditure</b>	<b>12802</b>	<b>10256</b>	<b>80</b>	<b>31</b>
11.	Expenditure on Interest Payment (out of Revenue Expenditure)	654	657	100	2
12.	<b>Capital Expenditure</b>	<b>1435</b>	<b>1371</b>	<b>96</b>	<b>4</b>
13.	Loans and Advances Disbursed	581	136	23	...
14.	<b>Total Expenditure (10+12+13)</b>	<b>14818</b>	<b>11763</b>	<b>79</b>	<b>36</b>
15.	Revenue Surplus/Deficit (4-10)	(-)271	(-)537	198	(-)2
16.	<b>Fiscal Surplus/Deficit (4+5+6-14)</b>	<b>(-)2264</b>	<b>(-)2026</b>	<b>89</b>	<b>(-)6</b>

GSDP ₹32972 crore

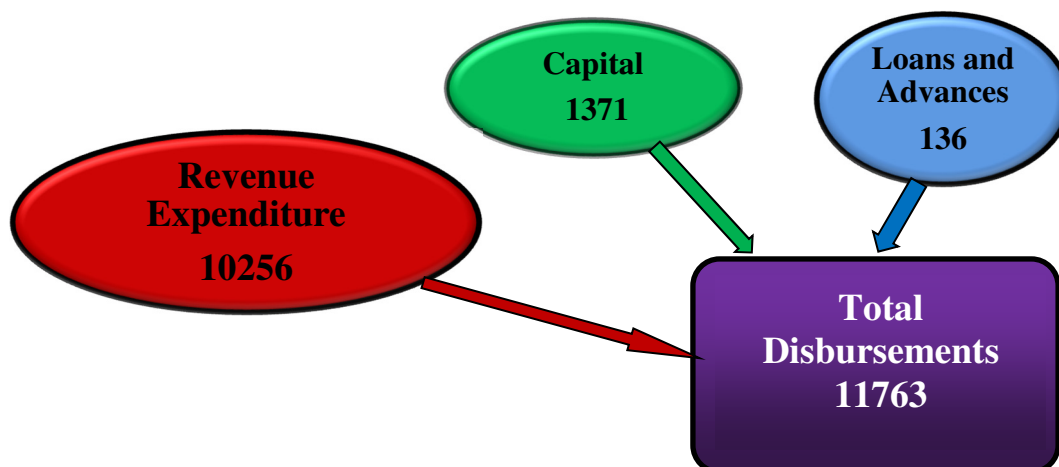
## Receipts and disbursement in year 2018-19

### Receipt Revenue

(₹ in crore)



### Disbursements



The Union Government transferred substantial funds directly to the State Implementing Agency /NGOs for implementation of various schemes and programmes. During the year 2018-19, the Government of India released ₹705 crore directly to the implementing agencies in Meghalaya. Since these funds are not routed through State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts

### 1.3.2 **Appropriation Accounts**

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

### 1.3.3 **Efficiency on Budget preparation**

At the end of the year, the actual expenditure of the government of Meghalaya against the budget approved by the Legislature showed a net saving of ₹3233 crore (21 percent of estimates). Further, in respect of reduction of expenditure there was an under-estimation to the tune ₹1 crore (57 percent of estimates). Certain grants, like those relating to Police, Secretariat-Economic Services, North Eastern Areas, Housing, Crop Husbandry, Special Programmes for Rural Development etc. showed substantial savings.

## 1.4 **Sources and Application of Funds**

### 1.4.1 **Ways and Means Advances**

Ways and Means Advances are taken from the Reserve Bank of India to make good the deficiency in the minimum cash balance which the State Government is required to maintain with the Reserve Bank of India. During the year 2018-19, the State Government did not resort to ways and means advances.

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

Overdraft is taken from the Reserve Bank of India when the limit of minimum cash balance falls below i.e. ₹0.21 crore, (even after taking Ways and Means Advances) which is required to be maintained with the Reserve Bank of India. During the year 2018-19 the State had no overdraft.



### 1.4.3 Fund flow statement

The State had a Revenue Deficit of ₹537 crore and a Fiscal Deficit of ₹2026 crore as on 31 March 2019. The Fiscal Deficit was met from net Public Debt (₹929 crore), increase in Public Account (₹806 crore) and net decrease of opening and closing cash balance (₹291 crore). Around 52 percent of the revenue receipts (₹9719 crore) of the State Government was spent on committed expenditure like salaries (₹3280 crore), interest payments and servicing of Debt (₹706 crore), pensions (₹1005 crore), subsidies (₹59crore).

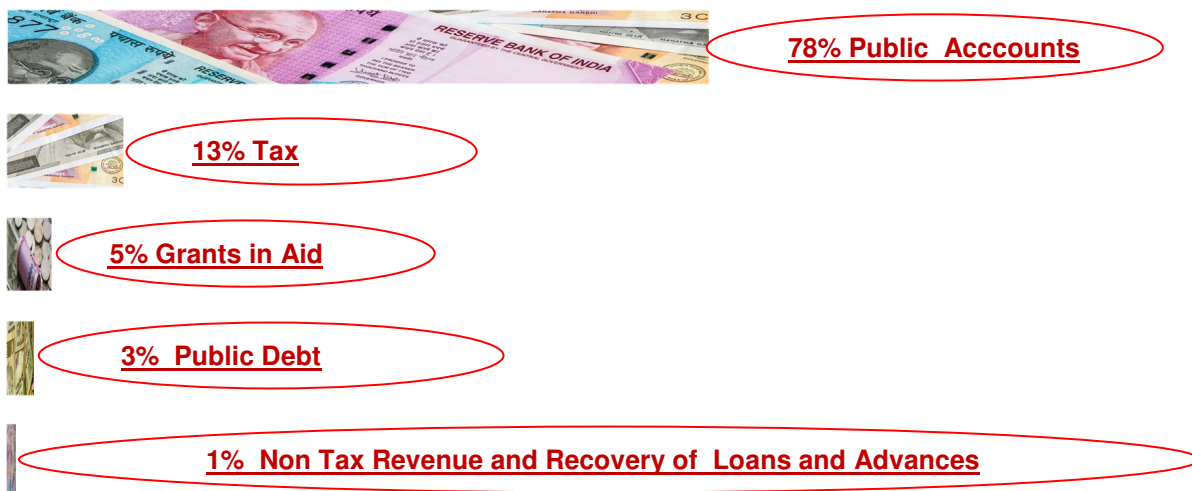
#### Sources and Application of Funds

	(₹ in crore)
PARTICULARS	AMOUNT
Opening Cash Balance as on 1 April 2018	35
Revenue Receipts	9719
Capital Receipts	--
Recovery of Loans and Advances	18
Public Debt	1325
Small Savings, Provident Funds etc.	395
Reserves Fund & Sinking Funds	71
Deposits Received	1399
Civil Advances Repaid	48
Suspense Account	35735[*]
Remittances	2653
Contingency Fund	--
<b>TOTAL</b>	<b>51398</b>
Revenue Expenditure	10256
Capital Expenditure	1417
Loans Given	89
Repayment of Public Debt	396
Transfer to Contingency Fund	--
Small Savings, Provident Funds etc.	216
Reserves Fund & Sinking Funds	67
Deposits Repaid	1372
Civil Advances Given	48
Suspense Account	35142[#]
Remittances	2651
Closing Cash Balance as on 31 March 2019	(-)256
<b>TOTAL</b>	<b>51398</b>

[\*] Includes ₹357.33 crore on account of Cash Balance Investment Accounts

[#] Includes ₹351.22 crore on account of Cash Balance Investment Accounts

#### 1.4.4 Where the Rupee came from



(Recovery of loans and advances was only ₹18 crore which is negligible hence value is shown as zero)

#### 1.4.5 Where the Rupee went



(The figures in the above charts depict paise.)

(₹ in crore)

	Budget Estimate 2018-19	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP(\$)
1. Tax Revenue (@)	6776	6682	99	20
2. Non-Tax Revenue	538	428	80	1
3. Grants -in-aid & Contribution	5217	2609	50	8
<b>4. Revenue Receipts (1+2+3)</b>	<b>12531</b>	<b>9719</b>	<b>78</b>	<b>29</b>
5. Recovery of Loans and Advances	23	18	78	...
6. Other Receipts	-	-	-	-
7. Borrowings & Other Liabilities (A)	2264	2026	89	6
<b>8. Capital Receipts (5+7)</b>	<b>2287</b>	<b>2044</b>	<b>89</b>	<b>6</b>
<b>9. Total Receipts (4+8)</b>	<b>14818</b>	<b>11763</b>	<b>79</b>	<b>36</b>
10. State Fund Expenditure	8547	8106	95	25
11. Central Assistance Expenditure	3601	1493	41	5
12. Interest Payment	654	657	100	2
<b>13. Revenue Expenditure</b>	<b>12802</b>	<b>10256</b>	<b>80</b>	<b>31</b>
14. State Fund Expenditure	1435	1371[*]	96	4
15. Central Assistance Expenditure	581	136[#]	23	...
<b>16. Capital Expenditure</b>	<b>2016</b>	<b>1507</b>	<b>75</b>	<b>5</b>
<b>17. Total Expenditure (13+16)</b>	<b>14818</b>	<b>11763</b>	<b>79</b>	<b>36</b>
18. Revenue Surplus/Deficit (4-13)	(-)271	(-)537	198	(-)2
19. Fiscal Surplus/Deficit (4+5-17)	(-)2264	(-)2026	89	(-)6

(@) Includes State's Share of Union Taxes ₹4889 crore

(\$) GSDP figure of ₹32972 crore received from the Directorate of Economics and Statistics, Government of Meghalaya.

[\*] Expenditure includes Loan and Advances disbursed (₹33crore)

(#) Expenditure includes Loan and Advances disbursed (₹57 crore)

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

During the year 2018-19 revenue deficit of ₹537 crore (revenue surplus of ₹851 crore in 2017-18) and fiscal deficit of ₹2026 crore (₹237 crore in 2017-18) represent 2 percent and 6

percent of the Gross State Domestic Product (GSDP) respectively. The fiscal deficit constituted 17 percent of total expenditure.

**What do the deficits and surpluses indicate?**

**1.6 Fiscal Responsibility and Budget Management (FRBM) Act. 2006**

The Government of Meghalaya has enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2006. As per this Act, the State Government is required to achieve certain fiscal targets by specified periods. Achievements during the year 2018-19 against fiscal targets laid down in the Act and rules framed there under, are as follows:-

(₹ in crore)

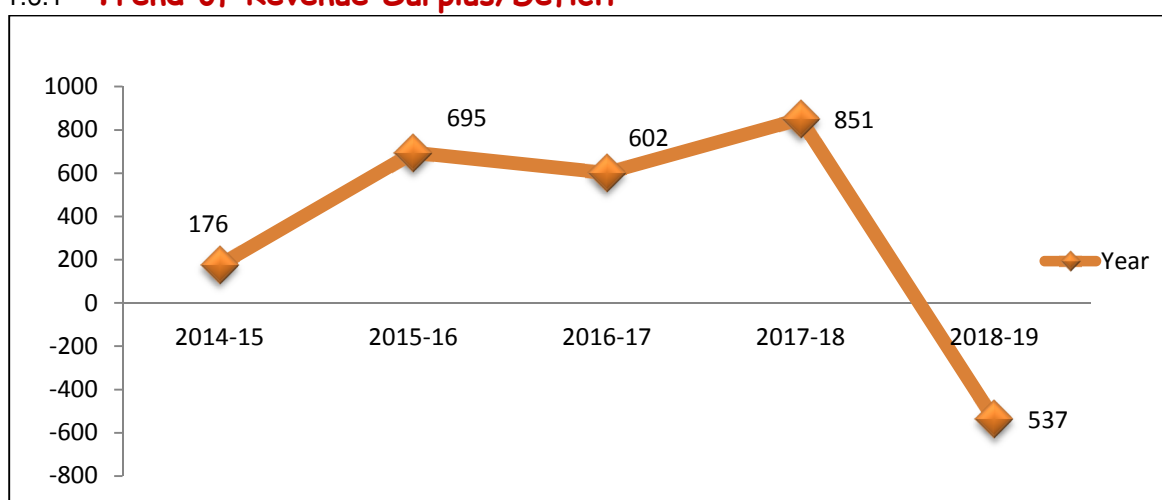
Sl. No.	Financial Parameter	Actual (₹ in crore)	Ratio to GSDP*	
			Target	Achievement
1	Revenue Deficit	537 (Deficit)	To maintain revenue surplus	Not achieved during the year
2	Fiscal Deficit	2026	3	6 (not achieved)
3	Debt and other obligation	10622	25.28 to be reduced to 25.02	32.21 (not achieved)
4	Outstanding Guarantees	1150	Not prescribed	

\* Source: GSDP figure (₹ 32972 crore) is taken from the Directorate of Economic and Statistics Department, Government of Meghalaya.

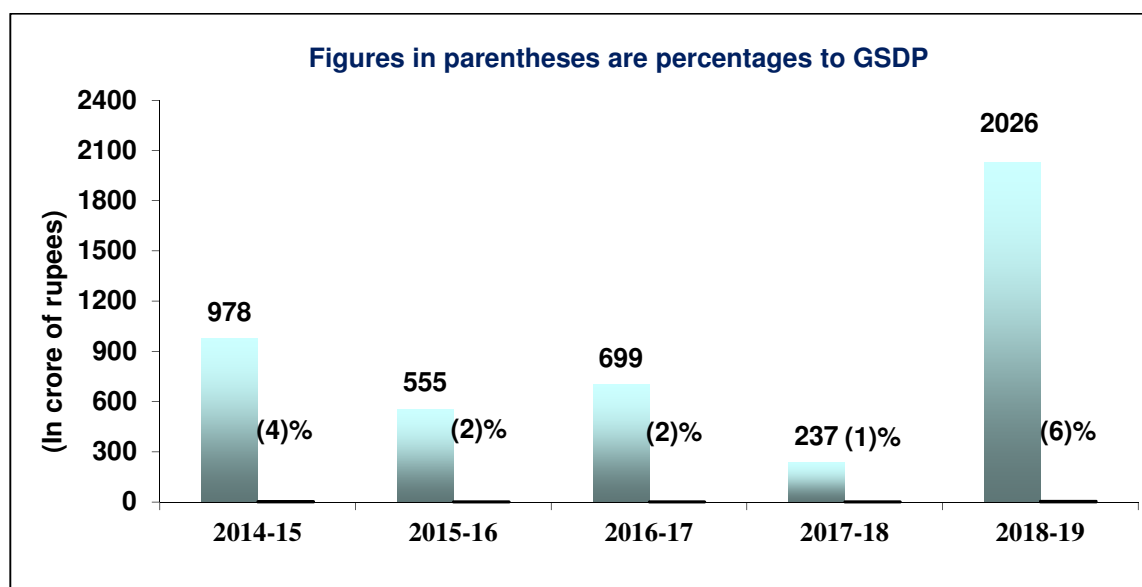
The State Government has made disclosures to the Legislature required under the Meghalaya Fiscal Responsibility and Budget Management Rules, 2006.

While the State Government had revenue surplus of ₹851 crore in 2017-18, there was revenue deficit of ₹537 crore during the year 2018-19 leading to failure in meeting the target set as per FRBM Act. Fiscal deficit increased by ₹1789 crore from ₹237 crore in 2017-18 to ₹2026 crore in the current year. Thus, Fiscal Deficit i.e. 6 percent of GSDP during the year 2018-19 has failed to meet the target of 3 percent of FRMB Act. Against the target of reducing outstanding debt to 25 percent of GSDP by the year 2018-19, the outstanding debt stood at ₹10622 crore as on 31 March 2019, being 32 percent of GSDP.

### 1.6.1 Trend of Revenue Surplus/Deficit

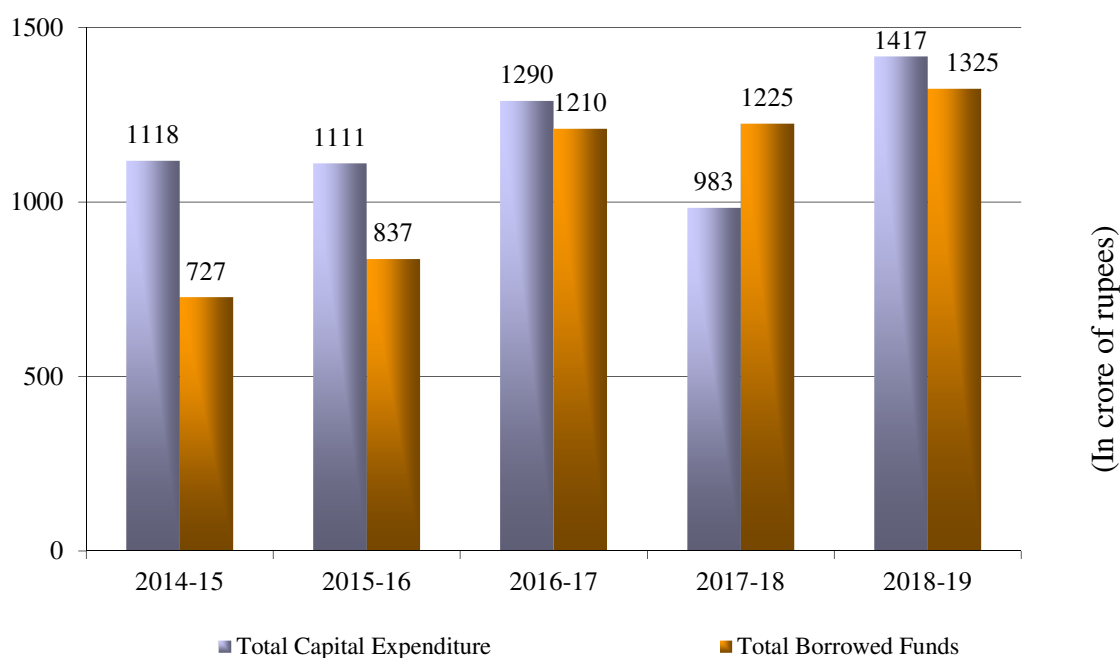


### 1.6.2 Trend of Fiscal Deficit



### 1.6.3 Proportion of borrowed funds spent on Capital

#### Borrowed funds and Capital Expenditure



The governments usually run fiscal deficits and borrow funds for capital assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus it is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government has spent 100 percent of the borrowings of the current year (₹1325 crore) on capital expenditure (₹1417 crore).

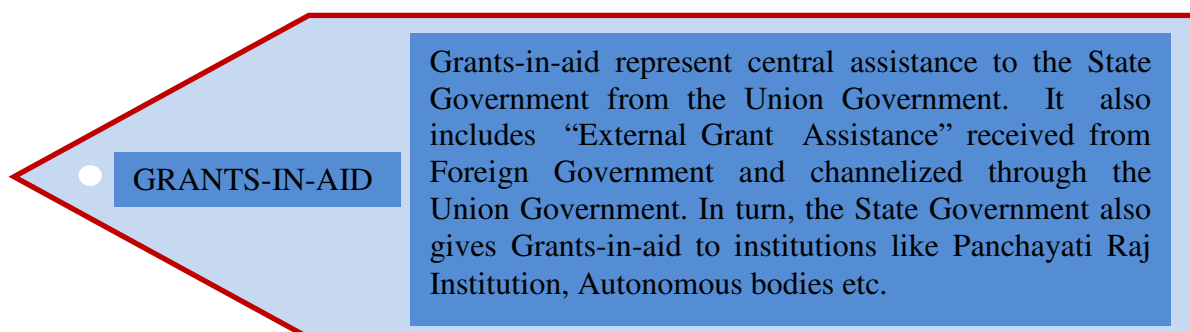
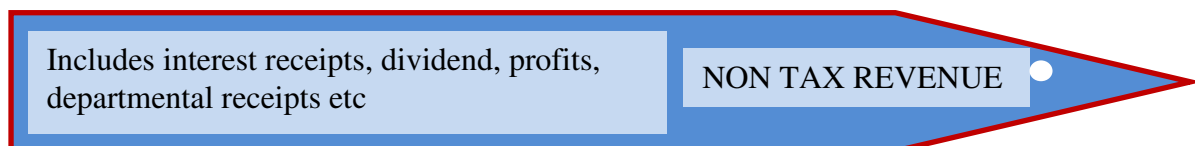
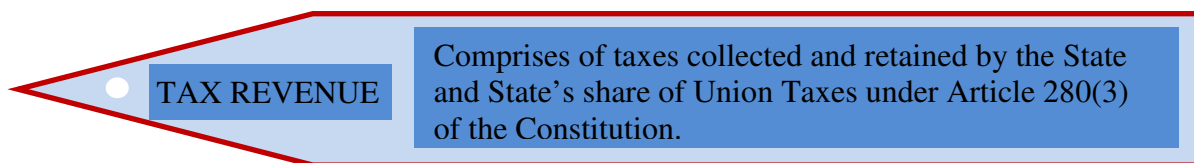
## Chapter II Receipts

### 2.1 Introduction

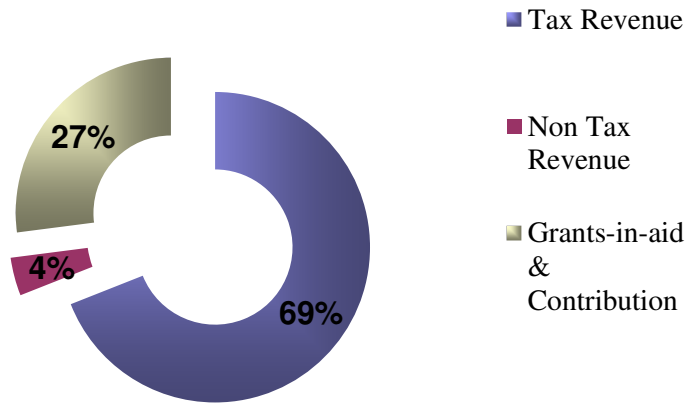
Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2018-19 was ₹9719 crore.

### 2.2 Revenue Receipts

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



## Revenue Receipts



### 2.2.1 Revenue Receipts Components (2018-19)

(₹ in crore)

Components	Actuals
A. Tax Revenue	6682
Taxes on Income and Expenditure	2965
Goods & Service Tax	2109
Taxes on Property and Capital Transactions	29
Taxes on Commodities and Services	1579
B. Non-Tax Revenue	428
Interest Receipts, Dividend and Profits	58
General Services	46
Social Services	70
Economic Services	254
C. Grants-in-aid & Contribution	2609
<b>Total –Revenue Receipts</b>	<b>9719</b>



## 2.2.2 Trend of Revenue Receipts

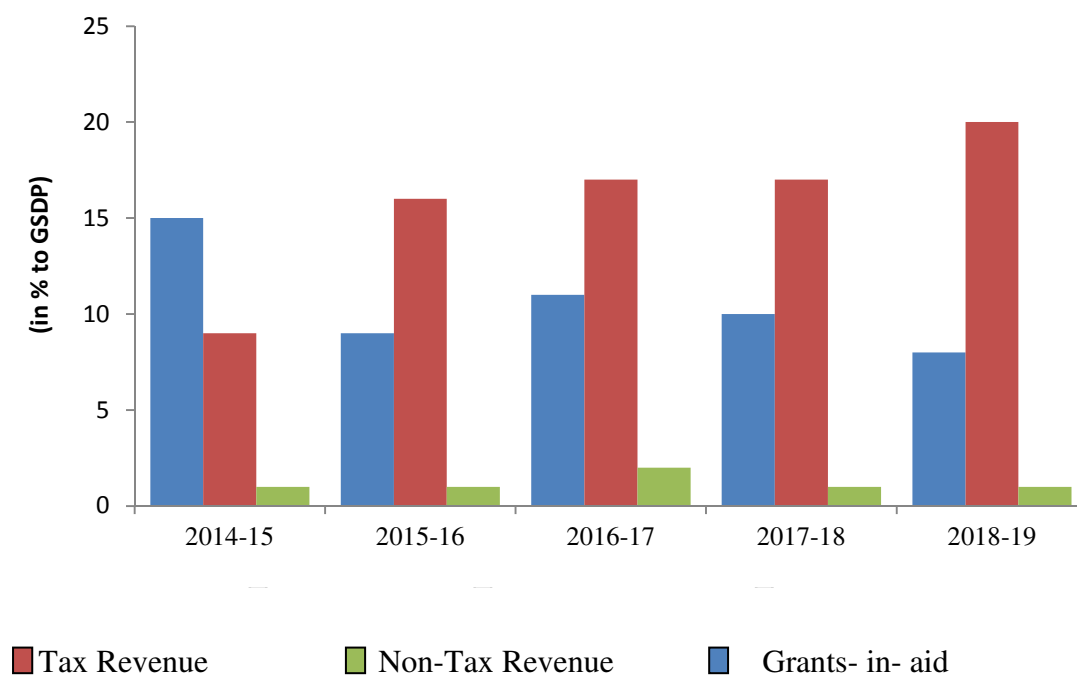
(₹ in crore)

	2014-15	2015-16	2016-17	2017-18	2018-19
Tax Revenue	2321	4333	5097	5773	6682
	(9)	(16)	(17)	(18)	(20)
Non-Tax Revenue	343	229	685	367	428
	(1)	(1)	(2)	(1)	(1)
Grants-in-aid	3764	2481	3157	3134	2609
	(15)	(9)	(11)	(10)	(8)
<b>Total Revenue Receipts</b>	6428	7043	8939	9274	9719
	(25)	(26)	(30)	(29)	(29)
<b>GSDP</b>	25333	27304	29567	31636	32972

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

Though the GSDP increased by 4 percent in 2018-19 compared to previous year, growth in revenue receipt was only 5 percent. The tax revenue increased by 16 percent, the non-tax revenue increased by 17 percent and the grants-in-aid decreased by 17 percent compared to previous year, thus impacting the revenue receipt of the State.

### Trend of components of Revenue Receipts



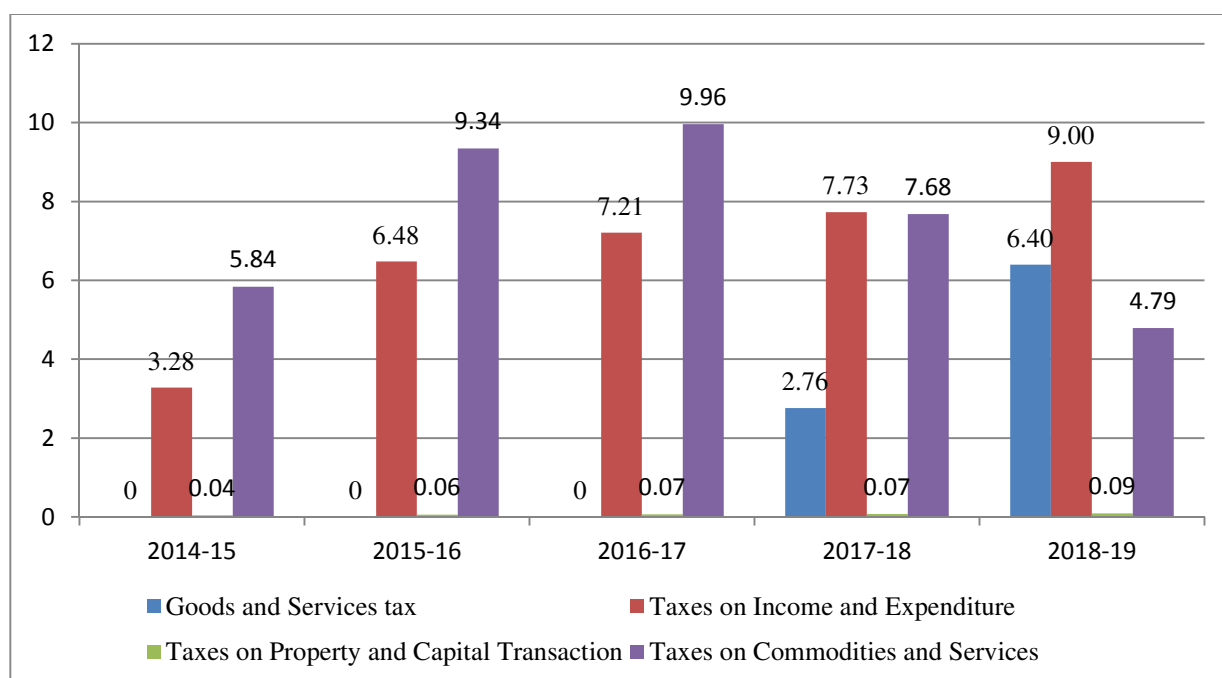
## 2.3 Tax Revenue

(₹ in crore)

Sector-wise Tax Revenue					
	2014-15	2015-16	2016-17	2017-18	2018-19
Goods and Services Tax	...	...	...	874	2109
Taxes on income and Expenditure	831	1768	2131	2446	2965
Taxes on property and Capital Transaction	11	16	21	22	29
Taxes on Commodities and Services (other than GST)	1479	2549	2945	2431	1579
<b>Total Tax Revenue</b>	<b>2321</b>	<b>4333</b>	<b>5097</b>	<b>5773</b>	<b>6682</b>

The increase in total tax revenue during 2018-19 was mainly attributable to allocation of State share from Govt. of India and higher collection under Corporation Tax (₹1700 crore), Taxes on Income other than corporation Tax (₹1252 crore), Union Excise Duties (₹230 crore), Taxes on sales, Trade etc. (₹627 crore), State Excise (₹226 crore).

### Trend of Major Taxes in proportion to Gross State Domestic Product (in percent)

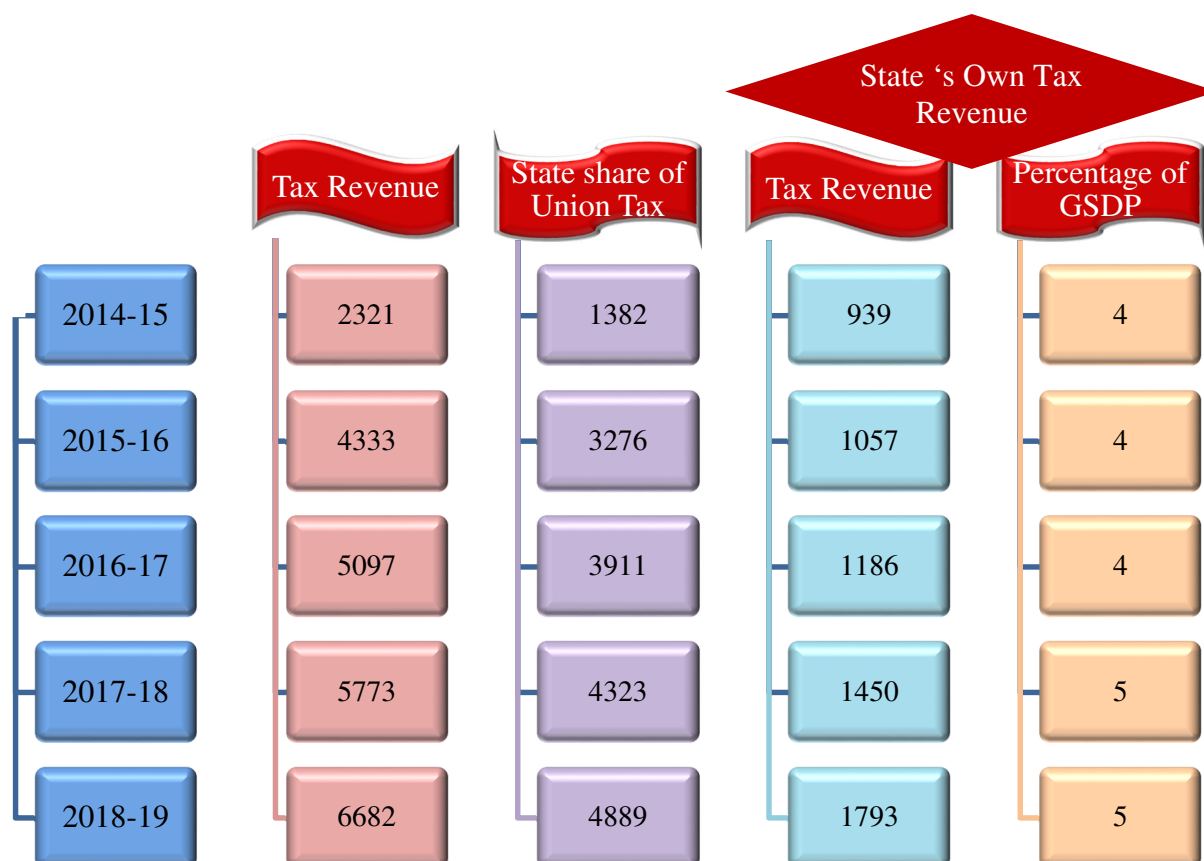


### 2.3.1 State's own Tax and State's share of Union Taxes

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

(₹ in crore)

Year	Tax Revenue	State's share of Union Taxes/Duties	State's Own Tax Revenue	
			Tax revenue	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2014-15	2321	1382	939	4%
2015-16	4333	3276	1057	4%
2016-17	5097	3911	1186	4%
2017-18	5773	4323	1450	5%
2018-19	6682	4889	1793	5%



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

	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
State's own Tax collection	939	1057	1186	1450	1793
Devolution of Union Taxes	1382	3276	3911	4323	4889
Total Tax Revenue	2321	4333	5097	5773	6682
Percentage of State's own tax to total tax revenue	40	24	23	25	27

The proportion of State's own tax collection in overall tax revenue has shown mostly a declining trend since 2014-15. The share of State's own tax revenue decreased to 23 percent in 2016-17 as compared to 40 percent in 2014-15 which then slightly increased to 25 percent in 2017-18 and to 27 percent (increased by 2 percent) in 2018-19.

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

	(₹ in crore)				
Taxes	2014-15	2015-16	2016-17	2017-18	2018-19
1. State Goods and Service Tax	...	...	...	376	806
2. Taxes on Sales, Trade etc.	726	812	931	767	627
3. State Excise	151	170	169	199	226
4. Taxes on Vehicles	39	42	48	67	87
5. Stamp and Registration fees	10	13	17	20	26
6. Taxes and Duties on electricity	1	3	2	2	3
7. Land Revenue	-	3	2	2	3
8. Taxes on Goods and Passengers	5	5	5	8	8
9. Other Taxes	7	9	12	9	7
<b>Total State's own Taxes</b>	<b>939</b>	<b>1057</b>	<b>1186</b>	<b>1450</b>	<b>1793</b>

2.4 **Cost of Tax Collection**

(₹ in crore)

<b>Taxes</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>1. Taxes on Sales, Trade etc.</b>					
Revenue collection	726	812	931	767	627
Expenditure on collection	17	18	19	23	25
Percentage expenditure on tax collection	2%	2%	2%	3%	4%
<b>2. State Excise</b>					
Revenue collection	151	170	169	199	226
Expenditure on collection	14	14	15	17	20
Percentage expenditure on tax collection	9%	8%	9%	9%	9%
<b>3. Taxes on Vehicles, Goods and Passengers</b>					
Revenue collection	45	47	54	75	95
Expenditure on collection	14	22	61	21	51
Percentage expenditure on tax collection	31%	47%	113%	28%	54%
<b>4. Stamp and Registration Fee</b>					
Revenue collection	10	13	17	20	26
Expenditure on collection	2	2	2	2	7
Percentage expenditure on tax collection	20%	15%	12%	10%	27%

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

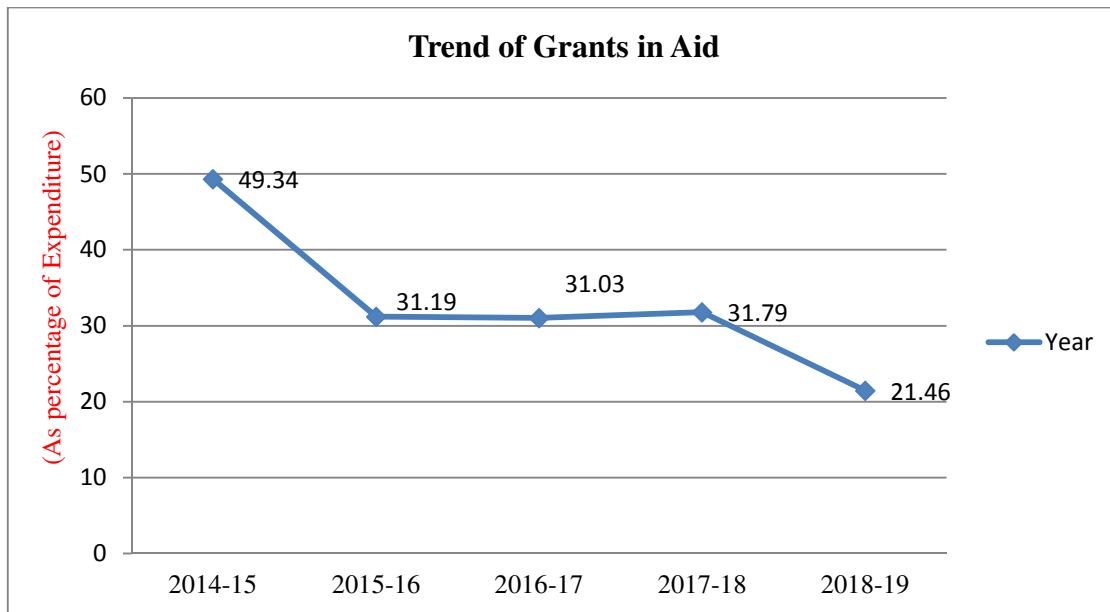
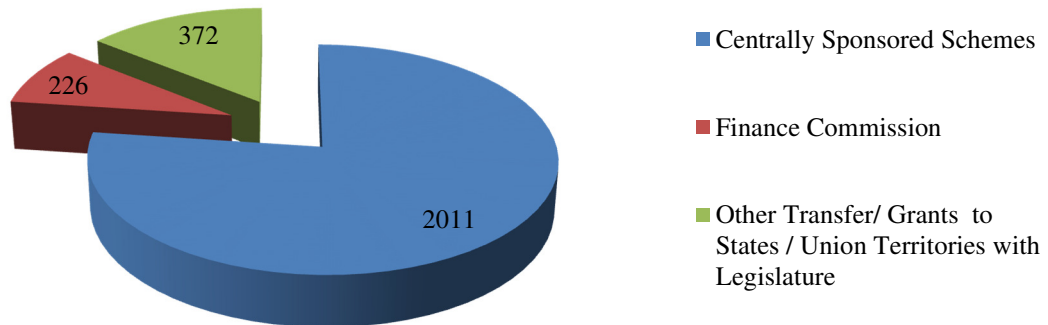
## 2.5 Trend in state's share of Union Taxes over the past five years

Major Head Description	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Central Goods and Service Tax(CGST) & Integrated Goods and Service Tax(IGST)	...	...	...	498	1303
Corporation Tax	482	1037	1255	1324	1700
Taxes on Income other than Corporation Tax	345	727	872	1118	1252
Taxes on Wealth	1	...	3	...	1
Other Taxes on Income and Expenditure	...	...	...	...	9
Customs	224	523	540	437	347
Union Excise Duties	126	429	616	456	230
Service Tax	204	560	625	490	45
Other Taxes and Duties on Commodities and Services	...	...	...	...	2
State Share of Union Taxes	1382	3276	3911	4323	4889
Total Tax Revenue	2321	4333	5097	5773	6682
Percentage of Union Taxes to Total Tax Revenue	60	76	77	75	73

## 2.6 Grants -in-aid

Grants-in-aid represent assistance from the Government of India, and comprise, grant for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and Non-Plan Grants recommended by the Finance Commission. Total receipts during 2018-19 under Grants -in-aid were ₹2609 crore as shown below:

**Grants - in - Aid**  
(₹ in crore)

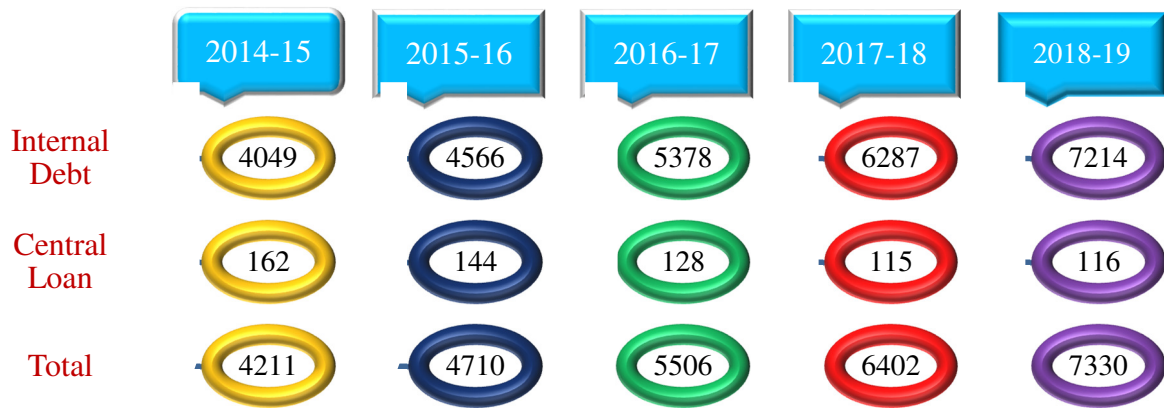


Grants in aid receipts from the Central Government over the years from 2014-15 has shown declining trend in proportion to Expenditure.

## 2.7 Public Debt

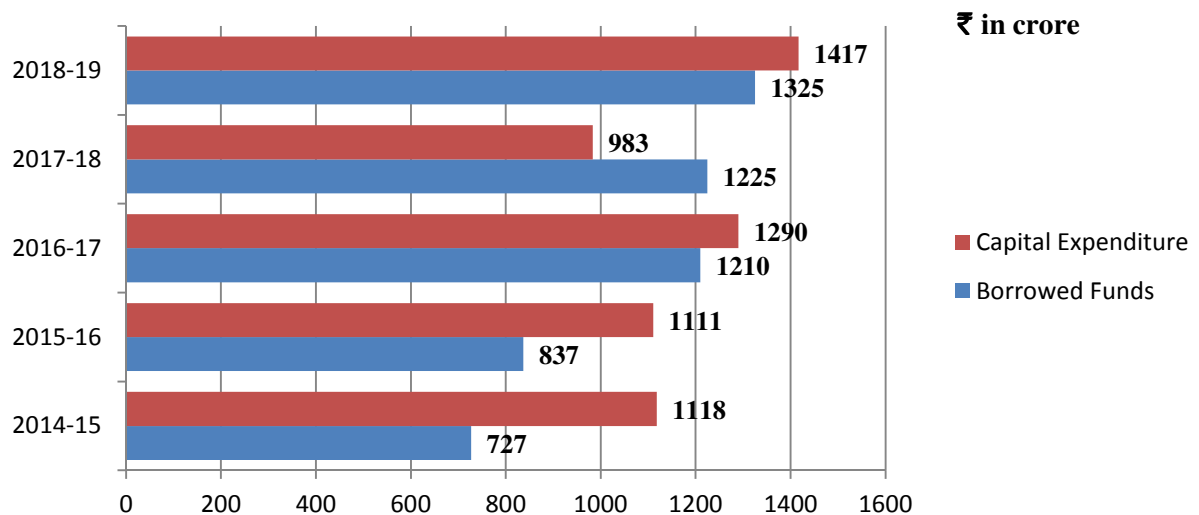
Trend of position of Public Debt over the past five years

Description	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Internal Debt</b>	4049	4566	5378	6287	7214
<b>Central Loans</b>	162	144	128	115	116
<b>Total</b>	<b>4211</b>	<b>4710</b>	<b>5506</b>	<b>6402</b>	<b>7330</b>



During the year 2018-19, seven loans totaling ₹1122 crore were raised from the open market at interest rates varying from 8.09 percent to 8.74 percent and the same are redeemable during the period 2028-29. In addition, the State Government raised loan of ₹143 crore from the Financial Institutions. Thus the total Internal Debt raised by the Government during the year 2018-19 aggregated to ₹1302 crore. The Government also received ₹22 crore from Government of India as Loans and Advances.

### Borrowed funds viz-a-viz Capital Expenditure



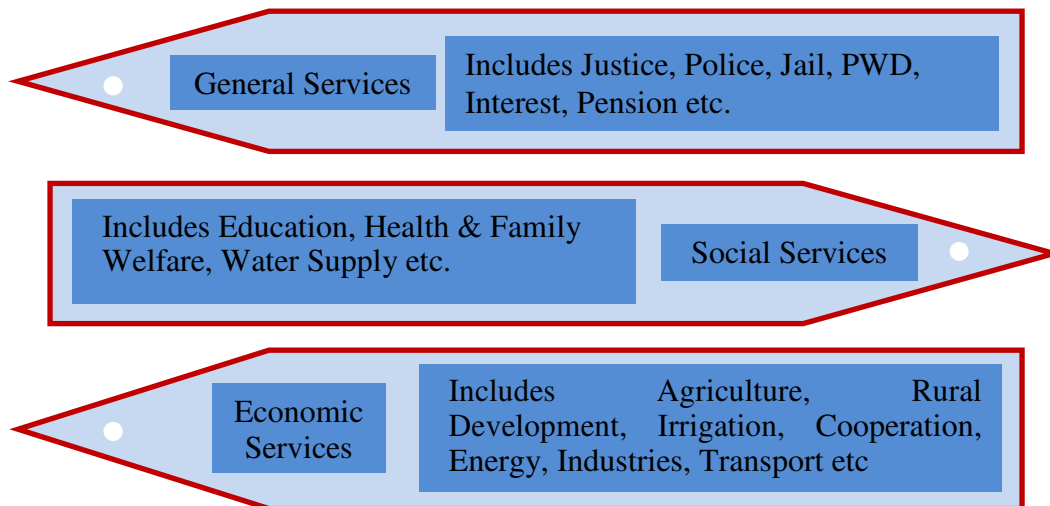


## Chapter III Expenditure

### 3.1 Introduction

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

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



### 3.2 Revenue Expenditure

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

	(₹ in crore)				
Year	2014-15	2015-16	2016-17	2017-18	2018-19
Budget Estimates	10434	8190	9762	11172	12802
Actuals	6252	6348	8337	8423	10256
Gap	4182	1842	1425	2749	2545
Percentage of variation of Actuals against BE	(-)40	(-)22	(-)15	(-)25	(-)20

Around 49 percent of the total revenue expenditure was incurred on committed expenses viz. on Salaries and Wages (₹3280 crore), Interest payment (₹657 crore) and Pensions (₹1005 crore) and subsidies (₹59 crore) which is the committed liability of the State Government.

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

(₹ in crore)					
Component	2014-15	2015-16	2016-17	2017-18	2018-19
Total revenue expenditure	6252	6348	8337	8423	10256
Committed revenue expenditure #	3033	3275	3459	3995	5001
Percentage of committed revenue expenditure to total revenue expenditure	49%	52%	41%	47%	49%
Uncommitted revenue expenditure	3219	3073	4878	4428	5255

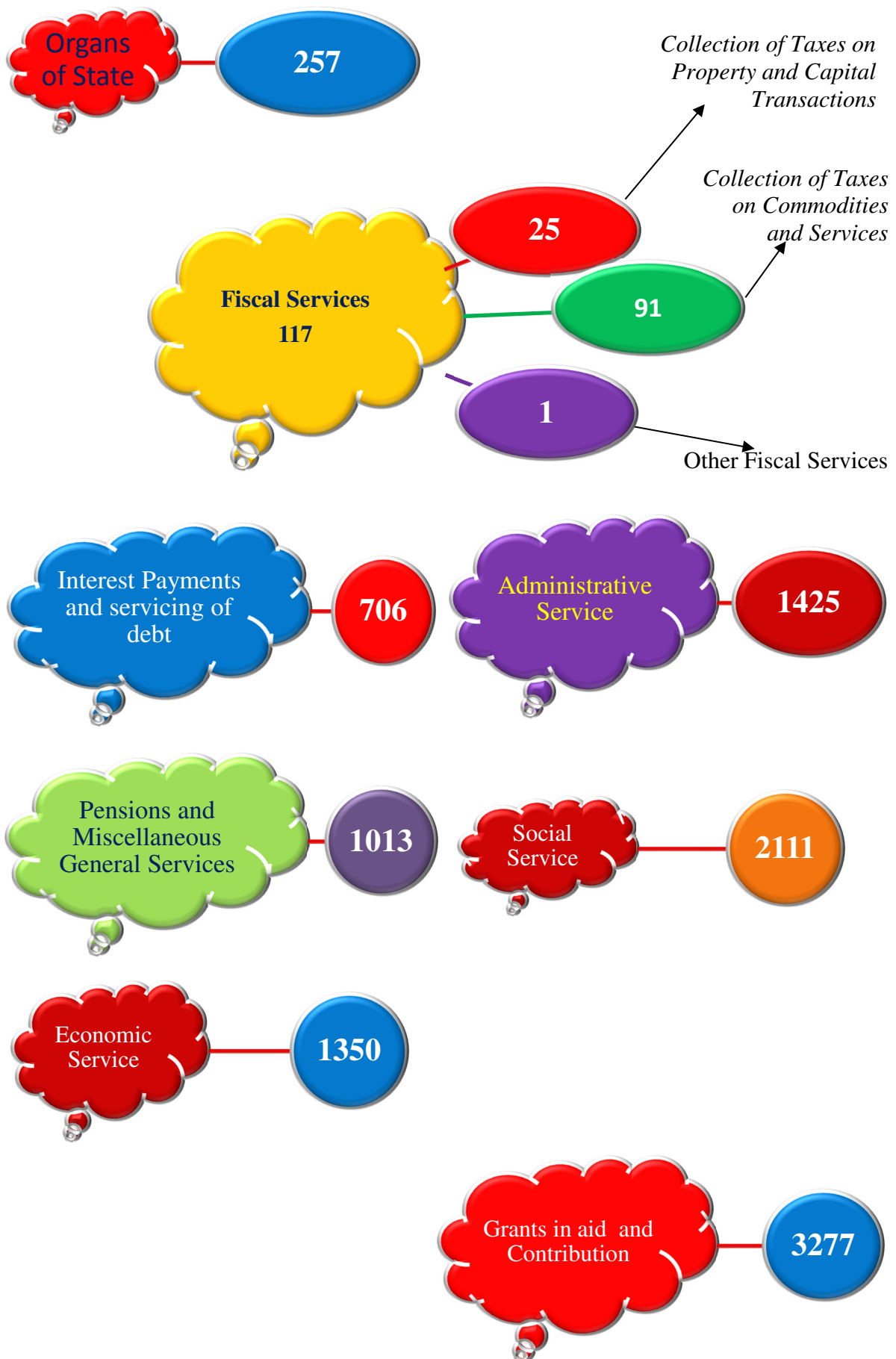
#Committed revenue expenditure includes expenditure on Salaries & Wages, Interest Payments, Pensions and Subsidies.

It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has increased by 63 percent from ₹3219 crore in 2014-15 to ₹5255 crore in 2018-19. The total revenue expenditure increased by 64 percent from ₹6252 crore in 2014-15 to ₹10256 crore in 2018-19 and committed revenue expenditure increased by 65 percent over the same period.

### 3.2.1 Sectoral distribution of Revenue Expenditure (2018-19)

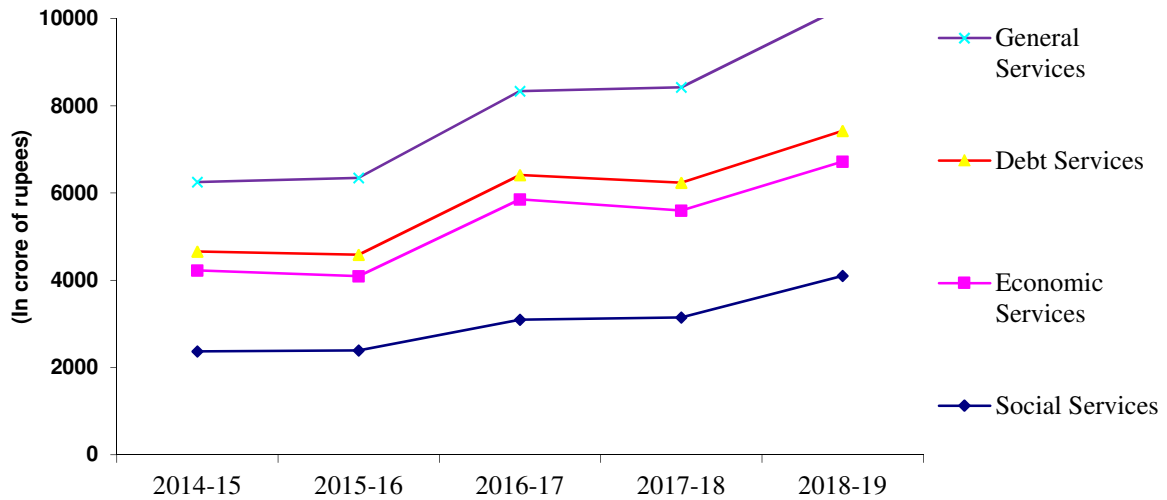
(₹ in crore)		
Components	Amount	Percentage
<b>A. General Services</b>	<b>3518</b>	<b>34</b>
a. Organs of State	257	2
b. Fiscal Services	117	1
(ii) Collection of Taxes on Property and Capital Transactions	25	...
(iii) Collection of Taxes on Commodities and Services	91	1
(iv) Other Fiscal Services	1	...
c. Interest Payment and Servicing of Debt	706	7
d. Administrative Services	1425	14
e. Pensions and Miscellaneous General Services	1013	10
<b>B. Social Services</b>	<b>2111</b>	<b>21</b>
<b>C. Economic Services</b>	<b>1350</b>	<b>13</b>
<b>D. Grants-in-aid and Contributions</b>	<b>3277</b>	<b>32</b>
<b>Total - Expenditure (Revenue Account)</b>	<b>10256</b>	<b>100</b>

(₹ in crore)



### 3.2.2 Major components of Revenue Expenditure 2014-15 to 2018-19

(Trend of Major Components of Revenue Expenditure)



### 3.3 Capital Expenditure

Capital expenditure is essential if the growth process is to be sustained. Capital disbursements during 2018-19 amounting for ₹1417 crore (4 percent of GSDP) were less than Budget Estimates by ₹466 crore (less disbursement of ₹361 crore under State Fund expenditure and ₹105 crore under Central Assistance Expenditure). The growth in capital expenditure has not kept pace with the steady growth of GSDP since 2014-15 onwards. This can be seen from the table below:

(₹ in crore)						
Sl.No.	Components	2014-15	2015-16	2016-17	2017-18	2018-19
1	Budget (B.E.)	1812	1793	1854	1778	1883
2	Actual Expenditure (#)	1118	1111	1290	983	1417
3	Percentage of Actual Exp. to B.E.	62%	62%	70%	55%	75%
4	Yearly growth in Capital expenditure	4%	(-1%)	16%	(-24%)	44%
5	GSDP	25333	27304	29567	31636	32972
6	Yearly growth in GSDP	20%	8%	8%	7%	4%

(#) Does not include expenditure on Loans and Advances

### 3.3.1 Sectoral distribution of Capital Expenditure

During 2018-19, the Government spent ₹83 crore on minor Irrigation Projects. Apart from above, the Government spent ₹746 crore on construction of roads and bridges. It further invested ₹3 crore in Statutory Corporations/Board and ₹2 crore in Government and other Companies and ₹4 crore in Co-operative institutions.

### 3.3.2 Sectoral distribution of capital and revenue expenditure

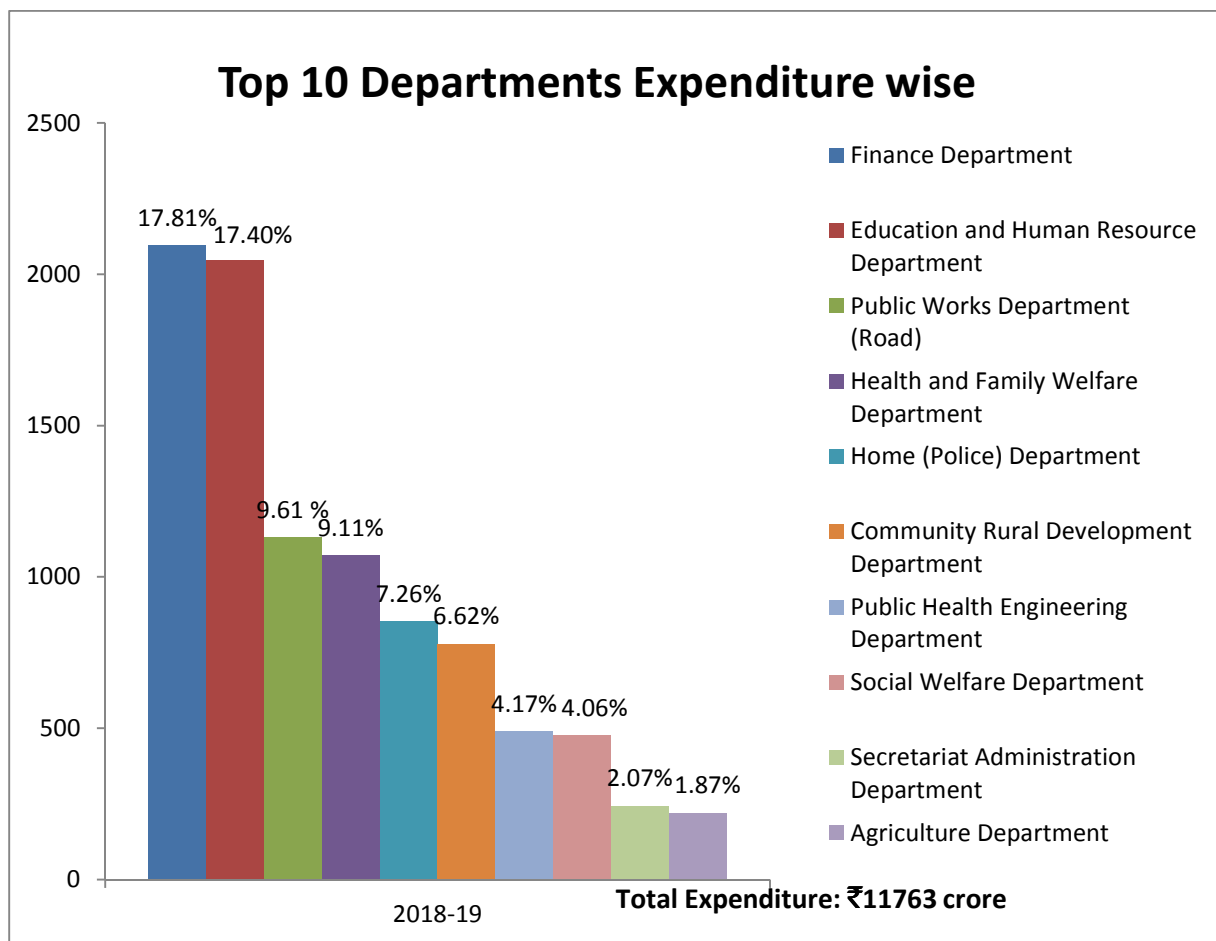
The comparative sectoral distribution of capital and revenue expenditure over the past five years is illustrated below:

		(₹ in crore)					
Sl.No.	Sector	2014-15	2015-16	2016-17	2017-18	2018-19	
(A)	General Services	Capital	82	97	83	50	85
		Revenue	2022	2256	2480	2827	3536
(B)	Social Services	Capital	363	290	459	361	360
		Revenue	2370	2395	3099	3148	4100
(C)	Economic Services	Capital	673	724	747	573	972
		Revenue	1860	1697	2757	2448	2620
(D)	Grants-in-aid and contribution	Capital					
		Revenue	1817	1591	3293	2674	3277

### 3.4 Top 10 Departments Expenditure wise

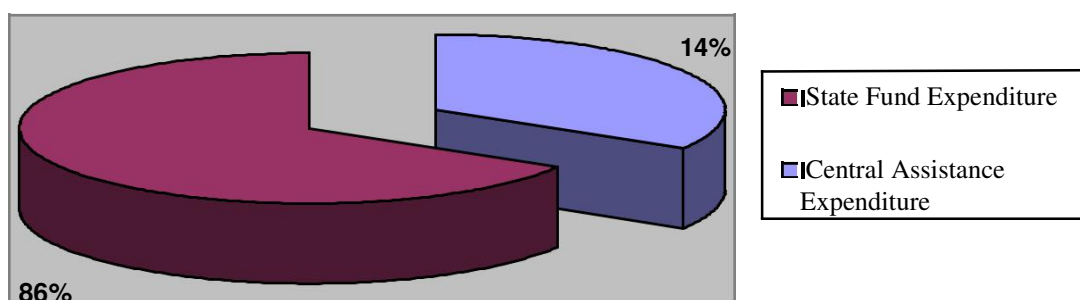
		(₹ in crore)				
Deptt. Code	Department	2014-15	2015-16	2016-17	2017-18	2018-19
10	Finance Department	1122	1509	1624	1936	2096
7	Education and Human Resource Department	1182	1194	1520	1683	2047
34	Public Works Department (Road)	801	1034	909	788	1131
15	Health and Family Welfare Department	576	618	691	706	1072
18	Home (Police) Department	526	559	582	659	854
6	Community Rural Development Department	515	456	1264	992	779

33	Public Health Engineering Department	362	317	174	501	491
39	Social Welfare Department	261	191	372	322	478
37	Secretariat Administration Department	165	138	250	255	244
2	Agriculture Department	228	225	174	194	220
<b>Total:</b>		<b>5738</b>	<b>6241</b>	<b>7558</b>	<b>8036</b>	<b>9412</b>



## Chapter IV State Fund and Central Assistance Expenditure

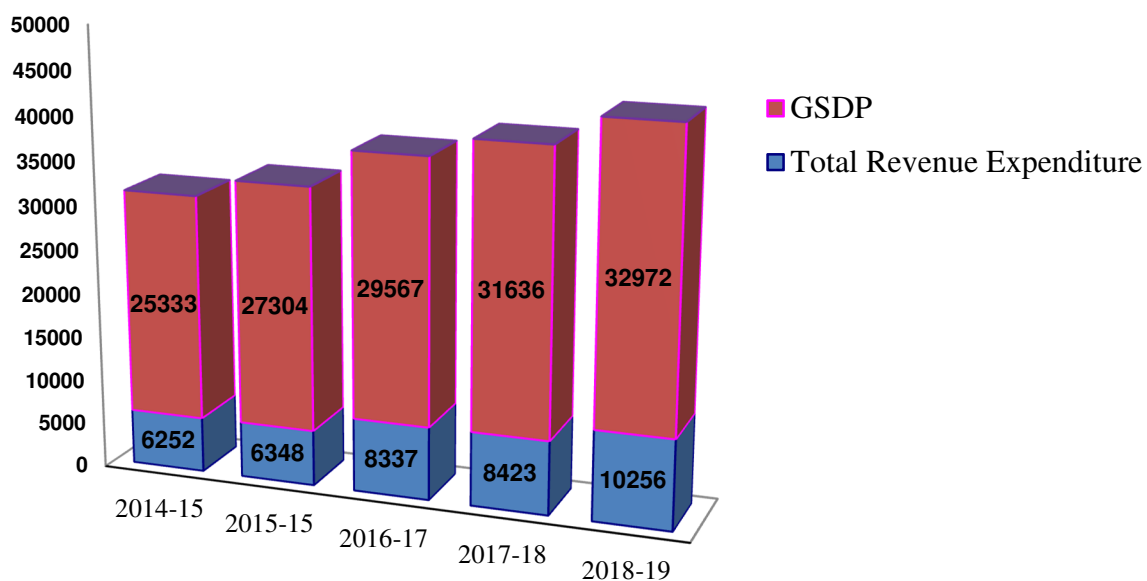
### 4.1 Distribution of expenditure (2018-19)



### 4.2 State Fund Expenditure

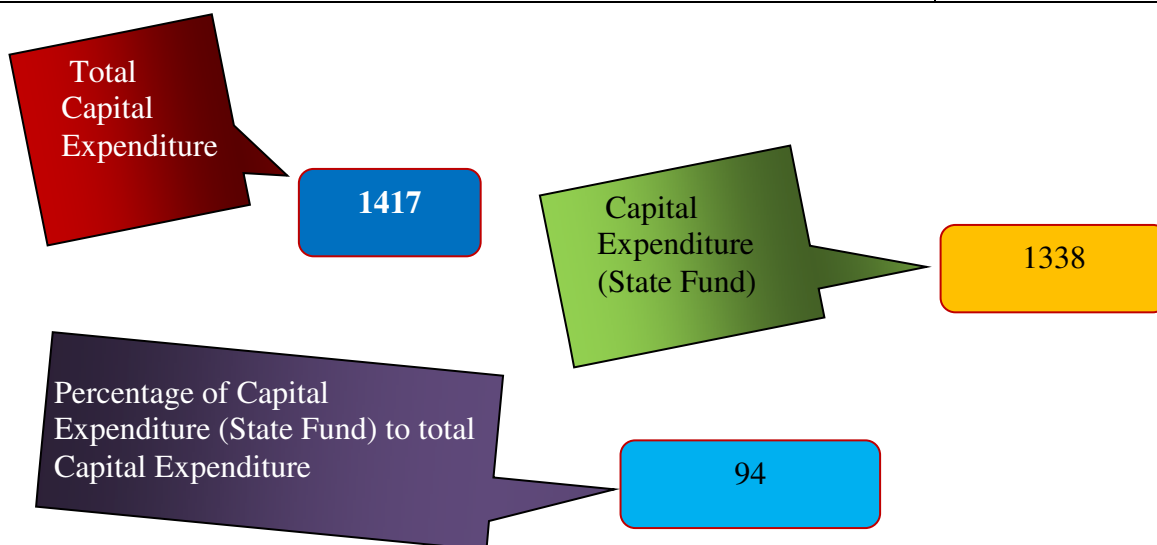
State Fund expenditure (both Revenue, Capital and Loans & Advances) during 2018-19 was ₹10134 crore constituting 86 percent of the total expenditure of ₹11763 crore. Revenue expenditure constituted 86 percent (₹8763 crore), Capital expenditure 13 percent (₹1338 crore) and Loans and Advances 0.33 percent (₹33 crore), out of the total State Fund Expenditure.

### Total Revenue Expenditure and Gross State Domestic Product



#### 4.2.1. State Fund Expenditure under Capital Account

	(₹ in crore)
	2018-19
Total Capital Expenditure	1417
Capital Expenditure (State Fund)	1338
Percentage of Capital Expenditure (State Fund) to total Capital Expenditure	94

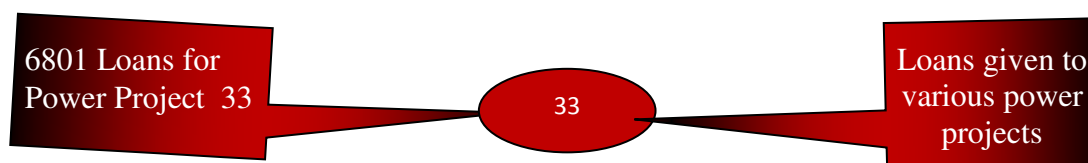




#### 4.2.2 State Fund expenditure on Loans and Advances and Appropriation to Contingency Fund

Significant disbursements of Loans and Advances were as under:

Major Heads	(Amount (₹ in crore))	Purpose
6801 Loans for Power Project	33.00	Loans given to various power projects
<b>Total</b>	<b>33.00</b>	



#### 4.3 Central Assistance Expenditure

Central Assistance expenditure (both Revenue, Capital and Loans and Advances) during 2018-19 was ₹1629 crore constituting 14 percent of total expenditure of ₹11763 crore. Revenue expenditure constituted 92 percent (₹1493 crore), Capital expenditure and Loans and Advances 8 percent (₹79 crore and ₹57 crore respectively), out of the total Central Assistance Expenditure.

The expenditure on salary amounting to ₹341 crore was 21 percent of the total Central Assistance Expenditure

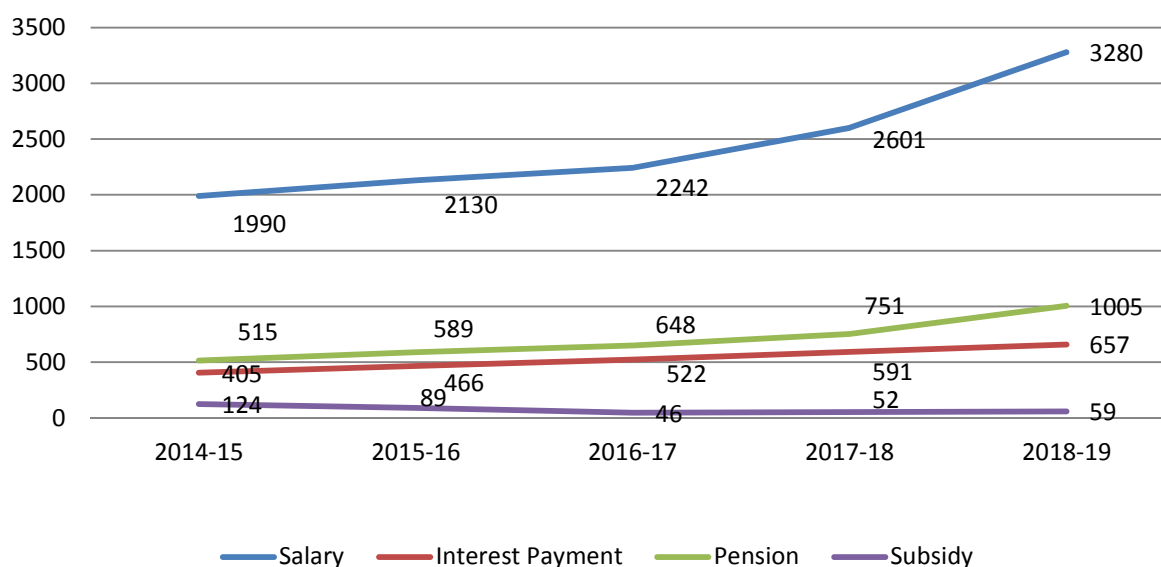
#### Central Assistance Expenditure and Gross State Domestic Product



#### 4.4 Committed Expenditure

Expenditure on salaries, pensions and interest payments showed increase in 2018-19 over the previous year, mainly on account of revision of pay and pension.

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



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

(₹ in crore)

Component	2014-15	2015-16	2016-17	2017-18	2018-19
Committed Expenditure	3033	3275	3459	3995	5001
Revenue Expenditure	6252	6348	8337	8423	10256
Revenue Receipts	6428	7043	8939	9274	9719
Percentage of committed expenditure to Revenue Receipts	47	46	39	43	52
Percentage of committed expenditure to Revenue Expenditure	49	52	41	47	49

The committed expenditure increased by 65 percent from 2014-15 to 2018-19 while revenue expenditure registered a growth of 64 percent during the same period, leaving the Government with lesser flexibility in development spending.

## Chapter V Appropriation Accounts

### 5.1 Summary of Appropriation Accounts for 2018-19

(₹ in crore)

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Surrender (by way of re-appropriation)	Total Budget	Actual expenditure (Net)	Saving(-) Excesses(+)
1	Revenue Voted Charged	11301 733	759 9	2303 1	9757 741	9517 739	(-)240 (-)2
2	Capital Voted Charged	1561 ...	322 ...	339	1544 ...	1417 ...	(-)127 ...
3	Public Debt Charged	572	...	176	396	396	...
4	Loans and Advances Voted	108	25	43	90	90	...
	Total Voted Charged	12970 1305	1106 9	2685 177	11391 1137	11024 1135	(-)367 (-)2

### 5.2 Trend of Saving/Excess during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loan and Advances	
2014-15	(-)4176	(-)694	(-)48	(-)22	(-)4940
2015-16	(-)1840	(-)682	(-)143	(-)5	(-)2671
2016-17	(-)1427	(-)464	(-)164	(-)18	(-)2073
2017-18	(-)1273	(-)444	...	(-)1	(-)1718
2018-19	(-)242	(-)127	...	...	(-)369

### 5.3 Significant Savings

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

Some grants with persistent and significant net savings are given below:-

(₹ in crore)						
Grant No.	Nomenclature	2014-15	2015-16	2016-17	2017-18	2018-19
16	Police	77	23	38	55	17
38	Secretariat-Economic Services	29	75	16	402	8
43	Housing, Crop Husbandry, Agricultural Research and Education etc.	78	91	65	95	44
47	Housing, Animal Husbandry etc.	25	5	25	10	11
51	Housing, Special Programmes for Rural Development etc.	97	298	9	326	8

The persistent huge savings under Administration of Justice, Capital Outlay on North Eastern Areas, General Education, Medical and Public Health and Family Welfare, Forestry and Wild Life, Other Rural Development Programmes, Roads and Bridges, Public Works, Capital Outlay on Flood Control Project etc. is on account of Schemes which though approved by the legislature have been given lesser priority during implementation. This can be attributed either to high budget estimation or the Government's desire to keep its fiscal deficit below the ceiling.

During 2018-19 Supplementary grants totaling ₹1115 crore (9.17 percent of the total expenditure) proved to be unnecessary in some cases. A few instances where there were savings at the end of the year even against Original allocation are given below:-

(₹ in crore)					
Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
4	2014-Administration of Justice 102-High Courts (01) Judges of High Court/Bench –Charged	Revenue	3	...	1

10	4552-Capital Outlay on North Eastern Areas 19-Transport 800-Other Expenditure (01) Construction of Inter-State Bus Terminus at Mawiong E.K.Hills District	Capital	12	...	7
21	2202-General Education 01-Elementary Education 101-Government Primary School (01) Expenditure on Primary School	Revenue	53	...	14
21	2202-General Education 02-Secondary Education 800-Other Expenditure (23) Assistance under Article 275 (I)	Revenue	20	...	6
21	2202-General Education 03-Universities and Higher Education 104-Assistance to non-Government Colleges and Institutes (02) Expenditure on College under Non-deficit System	Revenue	12	...	6
24	2071-Pension and Other Retirement Benefits 01-Civil 102-Commuted Value of Pensions (01) Commuted Value of Pensions (02)	Revenue	55	...	46
24	2071-Pension and Other Retirement Benefits 01-Civil 104-Gratuities (01) Ordinary Gratuities	Revenue	30	...	4
24	2071-Pension and Other Retirement Benefits 01-Civil 200-Other Pensions (01) Pension to Legislators	Revenue	50	...	6

26	2210-Medical and Public Health 01-Urban Health Service (Allopathy) 110-Hospital and Dispensaries (03) R.P. Chest Hospital (including Improvement thereof)	Revenue	18	...	11
26	2210-Medical and Public Health 80-General 800-Other Expenditure (21) National Health Mission (NHM) Centrally Sponsored Schemes	Revenue	196	...	117
26	2211-Family Welfare 001-Direction and Administration (02) District Family Welfare Bureau Centrally Sponsored Schemes	Revenue	12	...	6
26	2211-Family Welfare 101-Rural Family Welfare Services (02) Rural Family Welfare Sub-Centres	Revenue	38	...	31
50	2406-Forestry and WildLife 01-Forestry 105-Forest Produce (04) Expenditure on Account of District Councils share in view of Royalties collected from Minor Minerals	Revenue	22	...	21
51	2515-Other Rural Development Programmes 102-Community Development (02) Stage-II Blocks	Revenue	4	...	2
56	3054-Roads and Bridges 03-State Highways 103-Maintenance and Repairs (06) Other Maintenance Expenditure–Road	Revenue	31	...	24

65	4552-Capital Outlay on North Eastern Areas 101-Surface Water (01) Water Related Projects including Irrigation, Rainwater, Harvesting, Anti-erosion, Flood Control and River Management	Capital	6	...	4
65	4711- Capital Outlay on Flood Control Projects 01-Flood Control 800-Other Expenditure (01) Critical Flood Control and Anti-erosion Schemes	Capital	4	...	1
19	4059-Capital Outlay on Public Works 80-General 051-Construction (01) Functional Non-residential Buildings under General Services	Capital	61	29	54
56	2059-Public Works 80-General 001-Direction and Administration (07) Divisional and Subordinate Offices (Roads)	Revenue	135	10	123

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

(₹ in crore)					
Grant No.	Nomenclature	Section	Original	Supplementary	Actual Expenditure
56	3054-Roads and Bridges 04-District and Other Roads 105-Maintenance and Repairs (01) Work Charged Establishment-Road Works	Revenue	44	8	55
27	2215-Water Supply & Sanitation 01-Water Supply 800-Other Expenditure (03)-Rural Water Supply Schemes (East Khasi Hills)	Revenue	1	8	12
34	2235-Social Security Welfare 102-Child Welfare (05)-Integrated Child Development Service Scheme	Revenue	14	5	21

An Expenditure of ₹144 Crore in nineteen cases where funds were allocated directly bypassing the Legislature i.e. through re-appropriation instead of Original/Supplementary Budget are given below:-

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Re-Appropriation	Actual Expenditure
4	2014-Administration of Justice 800-Other Expenditure (11) Strengthening of Judicial System as recommended by 14 <sup>th</sup> Finance Commission	Revenue	...	...	3	3
6	2245-Relief on Account of Natural Calamities 05-State Disaster Response Fund 101 Transfer to Reserve Funds and Deposit Account- State Disaster Response Fund (03) Transfer to 8121-General on Other Reserve Fund-122-SDRF	Revenue	...	...	28	14
11	2801-Power 01-Hydel Generation 800-Other Expenditure (02) Other Expenditure	Revenue	...	...	1	1
11	2801-Power 80-General 101-Assistance to Electricity Board (49) Construction of Ganol-HEP (3x7.5mw) (SCA)	Revenue	...	...	54	54
11	2801-Power 80-General 101-Assistance to Electricity Board (57) Ujwal Discom Assurance Yojana (UDAY) for Operational and Financial turn around of Power Distribution Companies	Revenue	...	...	10	10



11	2801-Power 80-General 101-Assistance to Electricity Board (66) Replacement of Distribution Transformer)	Revenue	...	...	4	4
11	2801-Power 80-General 800-Other Expenditure (03) Re-Payment of Loan Component and Interest Thereto on Account of RGGVY	Revenue	...	...	8	8
21	2202-General Education 03-University and Higher Education 107-Scholarships (31) Post Matric Scholarship Schedule Tribes	Revenue	...	...	3	3
24	2071-Pension and Other Retirement Benefits 01-Civil 104-Gratuities (02) Death Gratuities	Revenue	...	...	16	1
26	2210-Medical and Public Health 05-Medical Education, Training and Research 105-Allopathy (01) Training (Training of Nurses and Other Para-medical Personals)-Centrally Sponsored Schemes	Revenue	...	...	10	10
29	4217-Capital Outlay on Urban Development 60-Other Urban Development Scheme 051-Construction (01) Lumpsum Fund for Development of North Eastern State- Centrally Sponsored Schemes	Capital	...	...	4	3

34	2236-Nutrition 02-Distribution of Nutrition Food and Beverages 101-Special Nutrition Programmes (01) National Nutrition Mission under ICDS Scheme-Centrally Sponsored Schemes	Revenue	...	...	15	15
38	3451-Secretariat- Economics Services. 800-Other Expenditure (72) Integrated Knowledge Centre under Meghalaya Basin Management Agency under Article 275(I)	Revenue	...	...	2	2
51	2505-Rural Employment 02- Rural Employment Guarantee Schemes 101-National Rural Employment Guarantee Schemes (04) Meghalaya Society for Social Audit and Transparency	Revenue	...	...	3	3
51	2515-Other Rural Development Programmes 800-Other Expenditure (19) National Social Assistance Programmes	Revenue	...	...	2	3
51	2515-Other Rural Development Programmes 101-Panchayati Raj (01) Rashtriya Gram Swaraj Abhiyan (RGSA)- Centrally Sponsored Schemes	Revenue	...	...	4	4
52	2852-Industries 02-Cement and Non- metallic Mineral Industries 205-Cement (01) Meghalaya Cherra Cement Limited Ltd. (MCCL)	Revenue	...	...	3	3

54	2851-Village and Small Industries 200-Other Village Industries (12) Expenditure for the Schemes approved under Article 275(1)	Revenue	...	...	1	1
56	5054-Capital Outlay on Roads and Bridges 04-District and Other Roads 800-Other Expenditure (13) State Share for EAP-ADB	Capital	...	...	2	2

## Chapter VI Assets and Liabilities

### 6.1 Assets

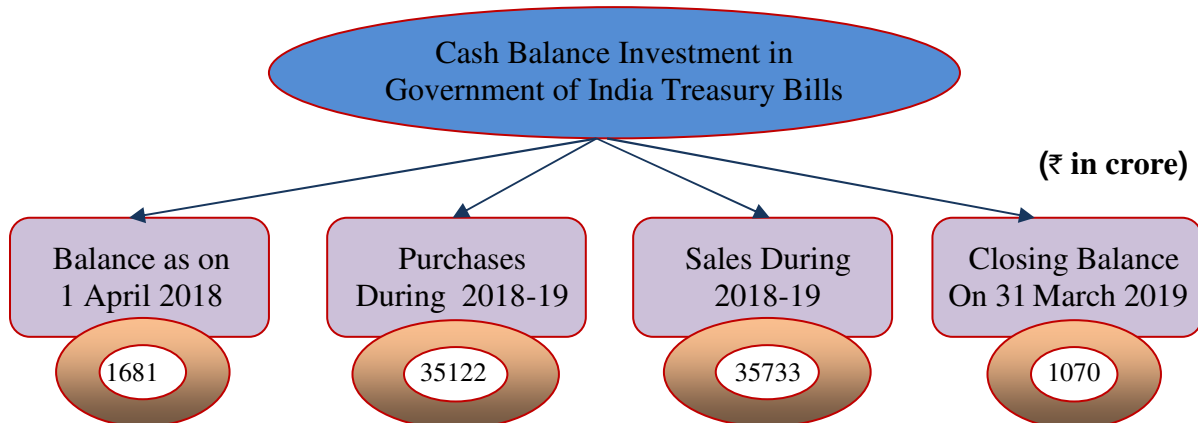
The existing forms of accounts do not clearly depict valuation of Government assets like land, building etc., except the year of acquisition/ purchase. Similarly, while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities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

Total investment as share capital in non-financial public sector undertakings (PSUs) stood at ₹2638 crore at the end of the year of 2018-19. However, dividends received during the year were ₹0.11 crore on total investment. During the year 2018-19, investments increased by ₹10 crore and dividend income stagnated at ₹0.11 crore.

Cash Balance with RBI stood at ₹2 crore on 1<sup>st</sup> April 2018 and decreased to (-) ₹276 crore at the end of March 2019. In addition, Government had invested an amount of ₹35122 crore on 161 occasions in 14 days Treasury Bills and reinvested on Maturity ₹29673 crore on 129 occasions. During 2018-19 RBI rediscounted ₹6060 crore on 124 occasions. The position of investment during the year 2018-19 is depicted in the table given below:

(₹ in crore)

Cash Balance Investment in Government of India Treasury Bills			
Balance as on 1 April 2018	Purchases during 2018-19	Sales during 2018-19	Closing balance on 31 March 2019
1681	35122	35733	1070



## 6.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund. Government of India determines, from time to time, the limit up to which State Government can borrow from the market. The limit for 2018-19 was ₹1122 crore. Against this Government of Meghalaya has availed open market borrowing for ₹1122 crore.

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

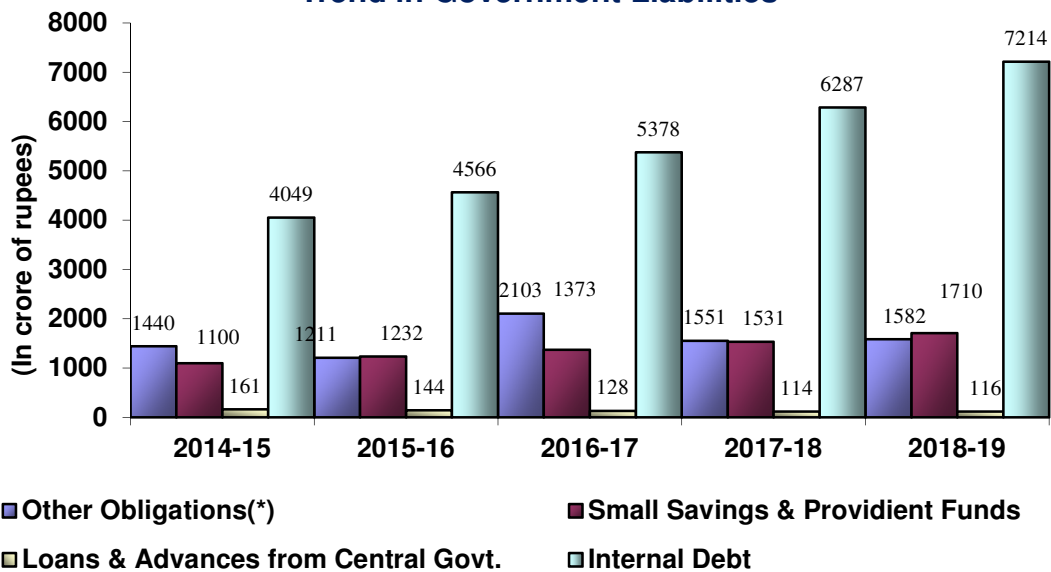
(₹ in crore)						
Year	Public Debt	Per cent to GSDP	Public Account(*)	Per cent to GSDP	Total Liabilities	Per cent to GSDP
2014-15	4211	17	2539	10	6750	27
2015-16	4710	17	2443	9	7153	26
2016-17	5506	19	3475	12	8982	30
2017-18	6402	20	3081	10	9483	30
2018-19	7331	22	3291	10	10622	32

\*Excludes civil advances, suspense and remittance balance.

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

Total liabilities showed a net increase of ₹1139 crore (12 percent) over the previous year.

### Trend in Government Liabilities



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

### 6.3 Guarantees

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

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 <sup>st</sup> March 2019	
		Principal	Interest
2014-15	1054	796	378
2015-16	868	715	327
2016-17	860	975	8
2017-18	1140	814	7
2018-19	1377	1150	13

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed [Principal only]	Amount Outstanding at the end of the year	
		Principal	Interest
2014-15	1054	796	378
2015-16	868	715	327
2016-17	860	975	8
2017-18	1140	814	7
2018-19	1377	1150	13

## **Chapter VII** **Other Items**

### **7.1 Adverse Balances under Internal Debt**

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, the State Government also guarantees loans raised by government companies and corporations from the market and financial institutions for implementation of various plan schemes and programmes which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, the loan repayments appear in Government account (in case of non-repayment by the loanee entities), resulting in irreconcilable adverse balances and understatement of liabilities in Government accounts. As on 31 March 2019 no adverse balance is appearing in favour of Meghalaya State.

### **7.2 Loans and Advances by the State Government**

Total Loans and Advances made by the State Government at the end of 2018-19 was ₹854 crore. Out of this, loans and advances to government corporation/ companies, non-government institutions and local bodies amounted to ₹825 crore. Recovery of principal aggregating to ₹816 crore was in arrears at the end of 31 March 2019. The information relating to recovery of interest in arrear was not made available by the State Government. Effective steps to recover the outstanding loans would help the Government improve its fiscal position.

### **7.3 Financial assistances to local bodies and others**

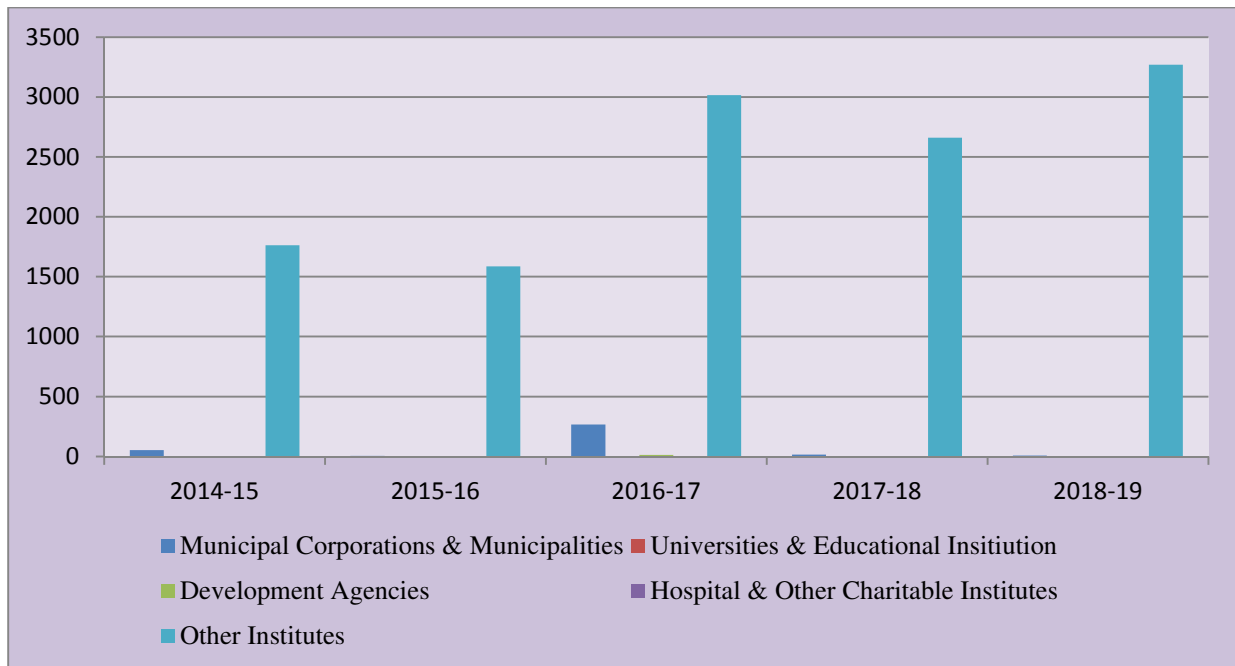
Grants-in-aid given to local bodies, autonomous bodies etc. increased from ₹1817 crore in 2014-15 to ₹3277 crore in 2018-19. Grants to Municipal Corporations and Municipalities (₹8 crore) represent 0.2 percent total grants given during the year.

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

(₹ in crore)

S. No.	Name of the Institutions	2014-15	2015-16	2016-17	2017-18	2018-19
1	Municipal Corporations & Municipalities	53	4	265	14	8
2	Universities & Educational Institution	-	-	-	-	-
3	Development Agencies	1	1	12	...	1
4	Hospital & Others Charitable Institutes	-	-	-	-	-
5	Other Institutes [*]	1763	1586	3016	2660	3268
<b>Total</b>		<b>1817</b>	<b>1591</b>	<b>3293</b>	<b>2674</b>	<b>3277</b>

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





#### 7.4 Cash Balance and Investment of Cash Balance

(₹ in crore)

Component	As on 1 April 2018	As on 31 March 2019	Net Increase [+]/ decrease[-]
Cash Balances	35	(-)256	291
Investment from cash balance			
(GOI Treasury Bills)	1681	1070	611
Investment from earmarked fund balances	313	366	53
(a) Sinking Fund	291	340	49
(b) Guarantee Redemption Fund	22	26	4
Interest Realized during the year	45	52	7

State Government had a negative closing cash balance at the end of 31 March 2019. Interest receipt on the investment of cash balance has increased by 16 *percent* from ₹45 crore to ₹52 crore in 2018-19.

#### 7.5 Reconciliation of Accounts

Chief Controlling Officer (CCOs)/ Controlling Officer (COs) are required to reconcile the receipts and expenditure figures of the Government with the figures accounted for by the office of the Principal Accountant General (A&E). The extent of accuracy and completeness of accounts can be drawn only when there is complete reconciliation. Such reconciliation has been completed for expenditure of ₹10328 crore (85 per cent of the total expenditure of ₹12159 crore) and receipts of ₹10052 crore (91 percent of the total receipts of ₹11061 crore). Finance Department, Government of Meghalaya has been requested to issue necessary instruction to ensure 100 percent reconciliation.

#### 7.6 Submission of Accounts by Accounts rendering units

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

#### 7.7 Advance payments

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

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

(₹ in crore)

Year	Opening balance		Addition		Clearance		Closing Balance	
	Nos.	Amount	Nos.	Amount	Nos.	Amount	Nos.	Amount
2018-19	10	36	66	54	06	02	70	88

### 7.8 Status of Suspense Balances

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

(₹ in crore)

Name of Minor Head	2014-15		2015-16		2016-17		2017-18		2018-19	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658-Suspense Accounts										
101- Pay and Accounts office-suspense	47	1	45	1	33	1	36	1	46	10
Net	46		44		32		35		36	
102-Suspense Account (Civil)	4	1	5	1	4	1	5	...	4	...
Net	3		4		3		5		4	
110-Reserve Bank Suspense-Central Accounts Office	29	99	22	42	21	39	23	45	35	37
Net	70		20		18		22		2	
112-Tax Deducted at Source (TDS) Suspense	...	1	...	1	...	...	...	4	...	5
Net	1		1		...		4		5	

### 7.9 **Status of Outstanding Utilization Certificate**

The total number of UCs awaited upto 2017-18 and for the year 2018-19 are as follows: -

Year	Opening balance		Addition		Clearance		Closing balance	
	Amount	Number	Amount	Number	Amount	Number	Amount	Number
Upto 2017-18	2217.81	657	732.20	208	150.20	100	2799.81	765
2018-19	2799.81	765	1566.03	394	66.22	49	4299.62	1110

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

A total expenditure of ₹1825 crore as per Appendix IX in Volume II of the Finance Accounts was incurred up to the year 2018-19 by the State Government on various incomplete projects against an original estimated cost of ₹4220 crore.

The original estimated cost (₹4220 crore) has escalated by 1 percent as a whole across various projects. A summarized view on commitments on account of 'Incomplete Capital Works' is furnished below:

(₹ in crore)

Sl. No.	Category of Works (No. of works)	Estimated cost of work	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Estimated cost after revision
1	Construction	98	21	171	10	98
2	Water supply Schemes	1480	132	614	913	1508
3	Others	2642	238	1040	520	2672
	Total	4220	391	1825	1443	4278

## 7.11 New Pension Scheme

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

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

The Government of Meghalaya, however did not follow the above procedure in transferring Government contribution. The State Government transfers the employee's and Government's contribution to NSDL/Trustee Bank from Current Account as informed by Directorate of Accounts and Treasuries. During 2018-19, the State Government deducted ₹42 crore towards employees' contribution and credited the same into Public Account. Thereafter, the State Government transferred ₹42 crore from the Public Account to the NSDL/Trustee Bank. However, as in previous years, the State Government did not credit the employer's contribution for the year 2018-19 to the Public Account, and instead, transferred ₹42 crore directly to NSDL/Trustee Bank. Since the State Government did not route the employers' contribution through the Public Account, it has not been possible to ascertain the quantum of past liabilities representing employer's share remaining to be transferred to NSDL. Such short contributions over the years, if any, will attract interest, which will also have to be included at the time of transferring the employer's contribution to NSDL, but in the absence of information on quantum of short contribution over the years, it has not been possible to estimate this.

As on 1 April 2018, ₹1 crore representing employees' contribution yet to be transferred to NSDL was available in the Public Account under Major Head 8342-117. The interest accruing on such retained balances which constitute liabilities of the State Government- since the inception of the Scheme, has not been estimated. It has also not been possible to estimate whether the employees' contributions over the years under the Scheme have been correctly assessed. Against ₹43 crore (₹1 crore opening balance plus ₹42 crore deducted from the employees during the year), the State Government transferred ₹42 crore leaving a balance of ₹1 crore in the public Account as on 31 March 2019. Uncollected, unmatched and untransferred amounts, with accrued interest, represent outstanding liabilities under the scheme besides erroneously enhancing the liquidity position of the State Government.

## 7.12 Personal Deposit Accounts

Under Rule 415 of Meghalaya Treasury Rules, 1985, the moneys tendered as Personal Deposits may be received at the treasury from the administrators of the deposits account without specification of detailed item. Unspent balance lying in Personal Deposits Accounts are required to be transferred back to the Consolidated Fund before the close of the financial year and re-opened next year, if necessary. The details of the Personal Deposits accounts during the year 2018-19 are as under:

(₹ in crore)

PD Accounts as on 01.04.2018		PD Accounts opened during the year 2018-19		PD Accounts closed during the year 2018-19		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
07	19	...	4	1	6	06	17

## 7.13 Investment

The State Government invests in the equity and shares of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative, Institutions. As per the accounts the investment of Government in 24 entities was ₹2638 crore as on 31 March, 2019 on which an amount of ₹0.11 crore was received as dividend/interest. Details are given in Statement 19 of Finance Accounts. These figures, however, have not been reconciled with the figure of the investee organizations, which is to be done.

## 7.14 Rush of Expenditure

Rush of expenditure, particularly in the closing months of the financial year shall be avoided. The trend of expenditure incurred (as per the initial account furnished by various treasuries) during the last quarter, month of March and last three days of March 2019 as compared to the total expenditure during 2018-19 (details are given in the table below). This constituted 84 per cent, 57 per cent and 29 per cent respectively of receipts of ₹3968 crore during the last quarter.

(₹ in crore)

Expenditure incurred during January to March 2019	Expenditure incurred in March 2019	Expenditure incurred during last three days of March 2019	Total Expenditure	Percentage of total expenditure incurred during		
				Jan to March 2019	March 2019	Last three days of March 2019
3325	2256	1169	9204	36	25	13

Month wise details of expenditure made by the State Government:

(₹ in crore)

Sl. No.	Month	Expenditure incurred
1	April 2018	312
2	May 2018	515
3	June 2018	844
4	July 2018	161
5	August 2018	593
6	September 2018	1024
7	October 2018	640
8	November 2018	567
9	December 2018	1223
10	January 2019	471
11	February 2019	598
12	March 2019	2256



**© COMPTROLLER AND  
AUDITOR GENERAL OF INDIA  
2019  
[www.cag.gov.in](http://www.cag.gov.in)**

**[www.agmegh.cag.gov.in](http://www.agmegh.cag.gov.in)**