



Accounts at a Glance for the year 2021-22



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



GOVERNMENT OF MEGHALAYA



Accounts at a Glance For the year 2021-22

Principal Accountant General (Accounts and Entitlement) Meghalaya



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GOVERNMENT OF MEGHALAYA

Preface

I am happy to present the twenty-third issue of our annual publication, the 'Accounts at a Glance' which provides an overview of Governmental activities, as reflected in the Finance Accounts and Appropriation Accounts for the year 2021-22.

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.

Feedback and suggestions are welcome.

Shillong
Dated: 21.02.2023


Principal 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.

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

MISSION

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

CORE VALUES

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

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

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Chapter I Overview

1.1 **Introduction**

The Accountant General (Accounts and Entitlement), Meghalaya collates, classifies, compiles the accounts data rendered by multiple agencies, and prepares the accounts of the Government of Meghalaya. The compilation is done from the initial accounts rendered by the District Treasuries, Public Works Divisions, Forest and Soil Divisions, accounts rendered by other states/accounting offices and advices of Reserve Bank of India. Every month a Monthly Civil Account is presented by the office of the 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

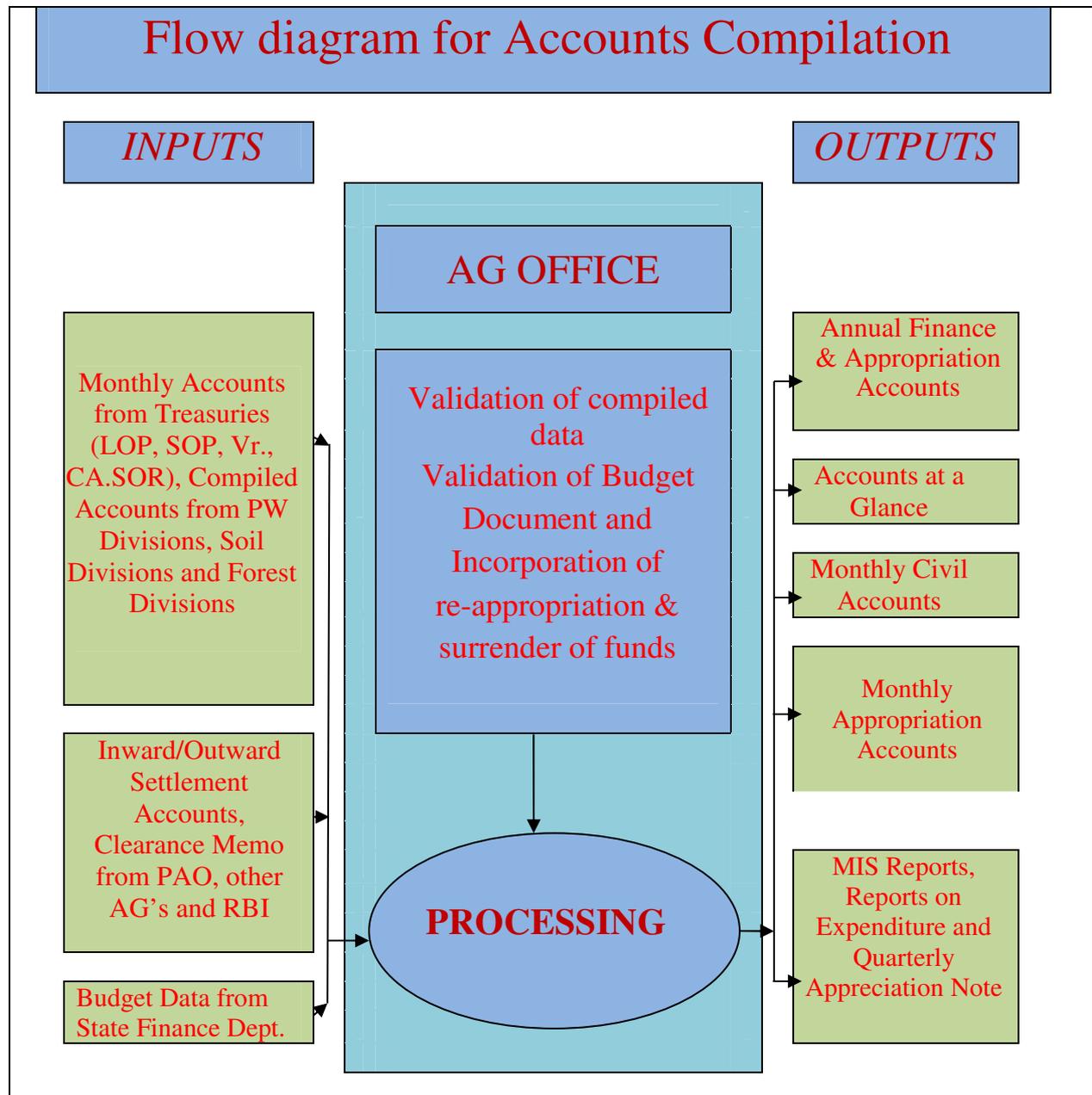
The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorization by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund. The corpus of this fund for the Government of Meghalaya is ₹505 crore.

Part 2 CONTINGENCY FUND

Part 3 PUBLIC ACCOUNT

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

1.2.2 Compilation of Accounts



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

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

1.3.2 Financial Highlight of the year 2021-22

The following table provides the details of actual financial results *vis-à-vis* budget estimate for the year 2021-22:

(₹ in crore)

		Budget Estimate 2021-22	Actuals	Percentage of actuals to B.E.	Percentage of actuals to GSDP[\$]
1.	Tax Revenue (including Central Share) [@]	7684	8881	116	24
2.	Non-Tax Revenue	694	525	76	1
3.	Grants -in-aid & Contribution	6854	4868	71	13
4.	Revenue Receipts (1+2+3)	15232	14274	94	38
5.	Recovery of Loans and Advances	30	24	80	...
6.	Other Receipts	...	...	...	...
7.	Borrowings & Other Liabilities [A]	4357	2359	54	6
8.	Capital Receipts (5+6+7)	4387	2383	50	6
9.	Total Receipts (4+8)	19619	16657	84	44
10.	Revenue Expenditure	15516	13620	88	36
11.	Expenditure on Interest Payment (out of Revenue Expenditure)	1047	963	92	3
12.	Capital Expenditure	3707	2752	74	7
13.	Loans and Advances Disbursed[*]	196	85	43	...
14.	Appropriation to Contingency Fund	200	200	100	1
15.	Total Expenditure (10+12+13)	19619	16657	85	44
16.	Revenue Surplus/Deficit (4-10)	(-)284	654	230	2
17.	Fiscal Surplus/Deficit (4+5+6-15)	(-)4357	(-)2359	54	(-)6

(@) Includes State's Share of Union Taxes ₹6581 crore.

(\$) GSDP figure of ₹37494 crore received from the Directorate of Economics and Statistics, Government of Meghalaya.

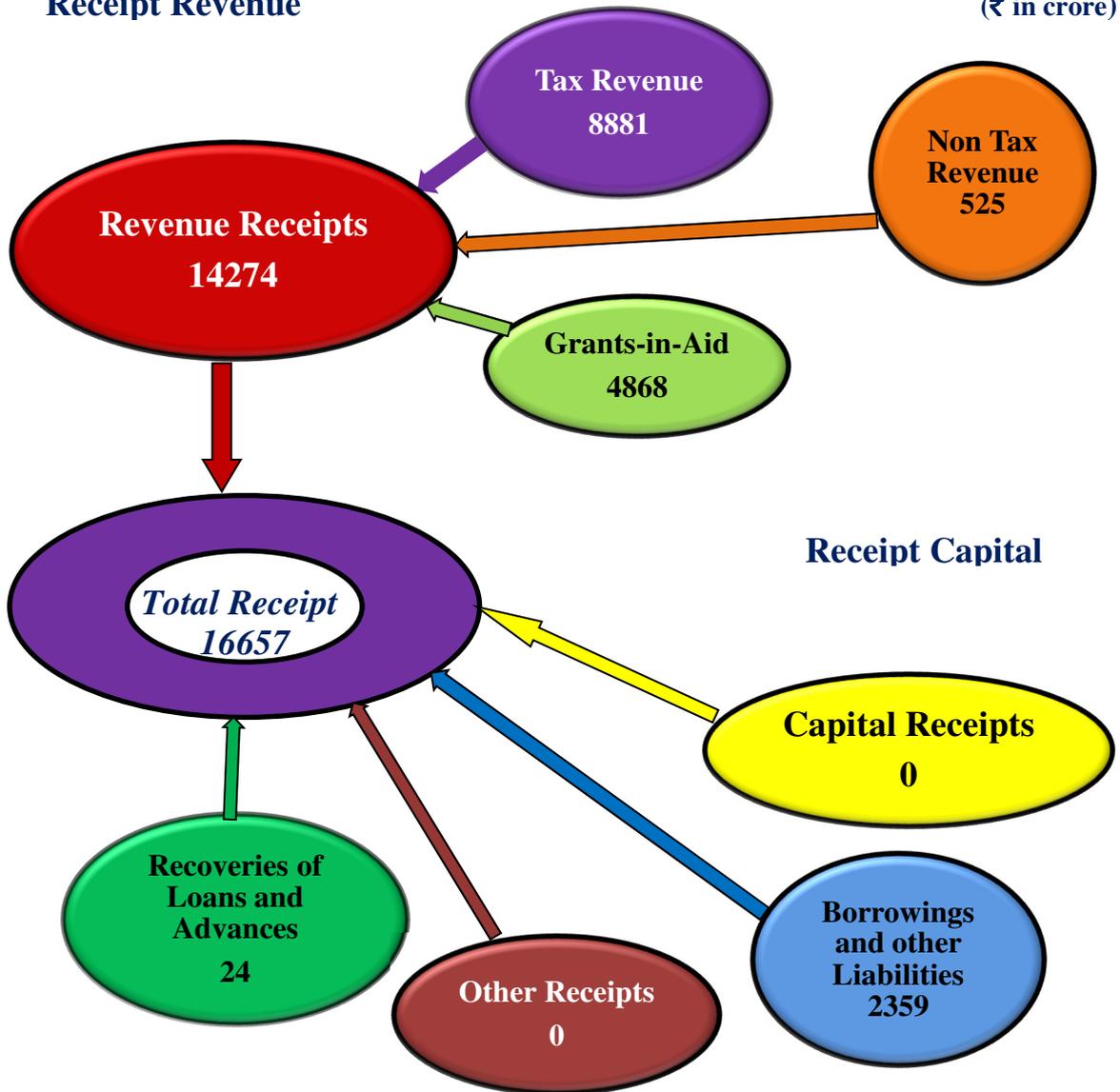
[*] Expenditure includes Loan and Advances disbursed ₹62 crore and ₹23 crore.

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

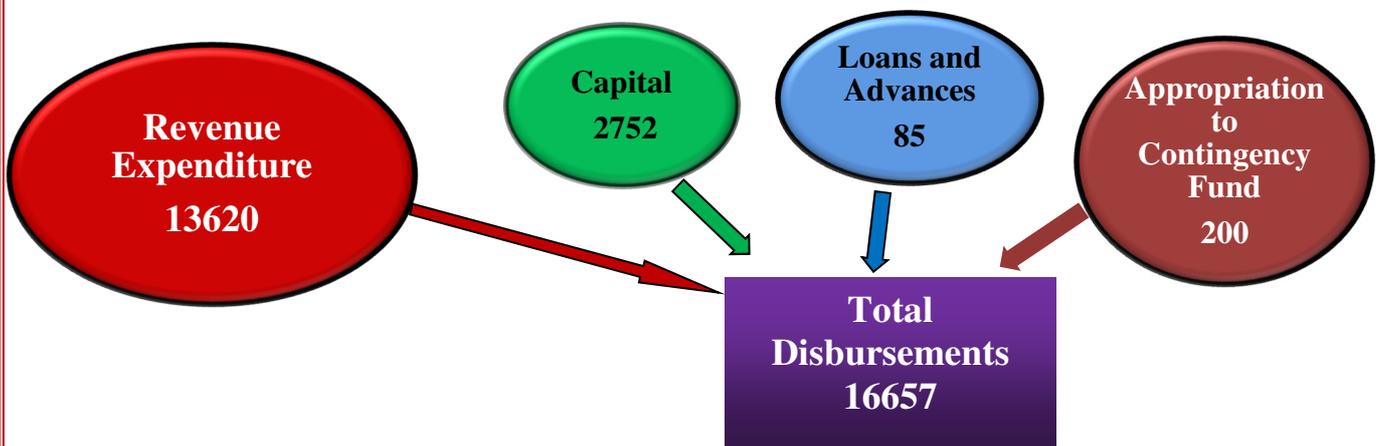
Receipts and disbursement in the year 2021-22

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 2021-22, the Government of India released ₹2192 crore directly to the implementing agencies in Meghalaya. Since these funds are not routed through State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts.

1.3.3 **Appropriation Accounts**

Under the Constitution, no expenditure can be incurred by the Government except with authorisation of the Legislature. Barring certain expenditure specified in the Constitution as “Charged” on the consolidated fund, which can be incurred without vote of the Legislature, all other expenditure requires to be “Voted”. There are 4 combined grants of Charged and Voted, 6 Charged Appropriation and 57 Voted Grants. The purpose of the appropriation accounts is to indicate the extent to which the actual expenditure complied with the appropriation authorized by the Legislature through the Appropriation Act of each year.

1.3.4 **Efficiency on Budget preparation**

At the end of the year, the actual expenditure of the Government of Meghalaya against the budget approved by the Legislature, showed a net saving of ₹1517 crore (7.44 *per cent* of budget estimate of ₹20390 crore) and under-estimation of ₹10.42 crore (1042 *per cent* of budget estimate of ₹nil crore) on reduction of expenditure. Certain grants, like those relating to General Education, Technical Education, Sports and Youth Services, North Eastern Areas, Medical and Public Health, Family Welfare, Housing, Crop Husbandry, Other Agricultural Programmes, Animal Husbandry, Agricultural Research and Education, 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 2021-22, the State Government availed ₹570.84 crore to Ways and Means Advances and ₹658 crore Special Drawing Facility.

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

Overdraft is taken from the Reserve Bank of India while the limit of minimum cash balance falls below ₹0.21 crore, even after taking Ways and Means Advances which is required to be maintained with the Reserve Bank of India. During the year 2021-22 there was an overdraft of ₹499.09 crore of the State.

1.4.3 Fund flow statement

The State had a Revenue Surplus of ₹654 crore and a Fiscal Deficit of ₹2359 crore as on 31 March 2022. The Fiscal Deficit was met from net Public Debt (₹1804 crore), increase in Public Account (₹214 crore), increase in Contingency Fund ₹ 200, net decrease of opening and closing cash balance (₹141 crore). Around 52 per cent of the revenue receipts (₹14274 crore) of the State Government was spent on committed expenditure like salaries (₹3652 crore), interest payments and servicing of Debt (₹1032 crore), pensions (₹1364 crore), subsidies (₹34 crore) etc.

Sources and Application of Funds

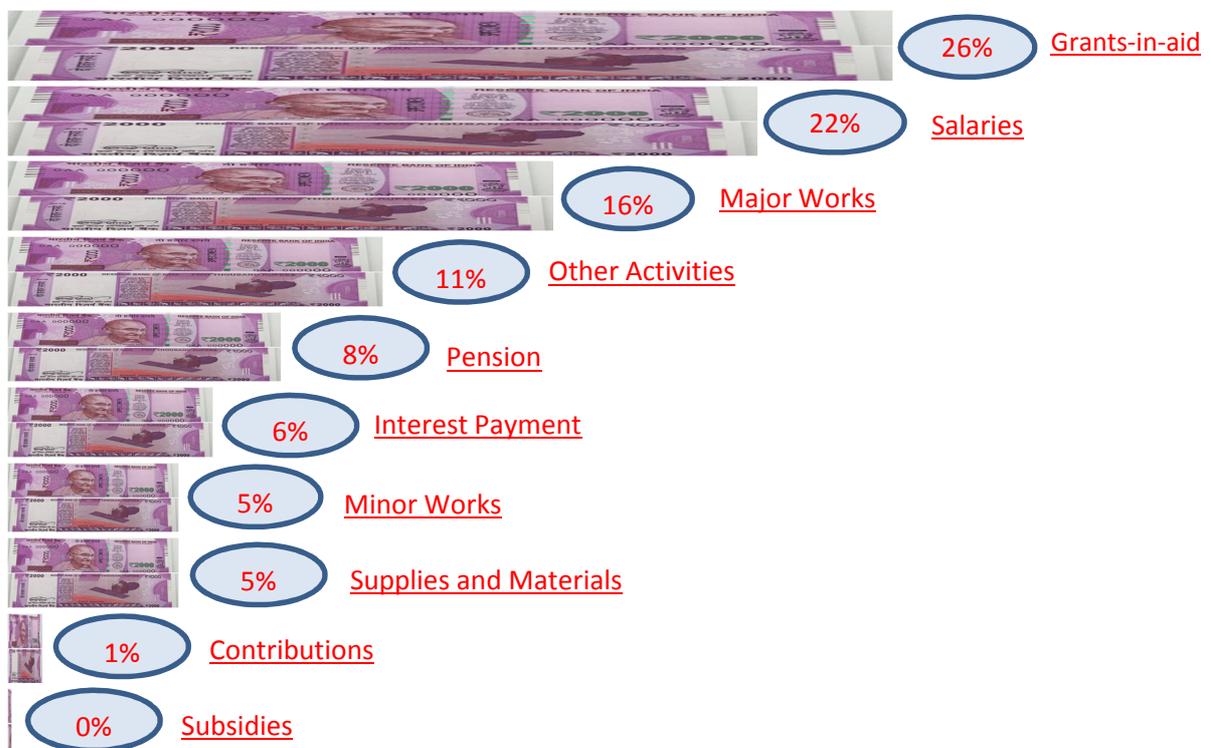
	(₹ in crore)	
	PARTICULARS	AMOUNT
SOURCE	Opening Cash Balance as on 1 April 2021	81
	Revenue Receipts	14274
	Capital Receipts	--
	Recovery of Loans and Advances	24
	Public Debt	4020
	Small Savings, Provident Funds etc.	466
	Reserves Fund & Sinking Funds	183
	Deposits Received	704
	Civil Advances Repaid	85
	Suspense Account	11075
	Remittances	3701
	Contingency Fund	200
	TOTAL	34813
	APPLICATION	Revenue Expenditure	13620
Capital Expenditure		2752
Loans Given		85
Repayment of Public Debt		2216
Transfer to Contingency Fund		200
Small Savings, Provident Funds etc.		319
Reserves Fund & Sinking Funds		154
Deposits Repaid		680
Civil Advances Given		85
Suspense Account		11061
Remittances		3701
Closing Cash Balance as on 31 March 2022		(-)60
TOTAL		34813

1.4.4 Where the Rupee came from



(Recovery of loans and advances was only ₹24 crore and Capital Receipts was ₹0 crore which is negligible hence value is shown as zero)

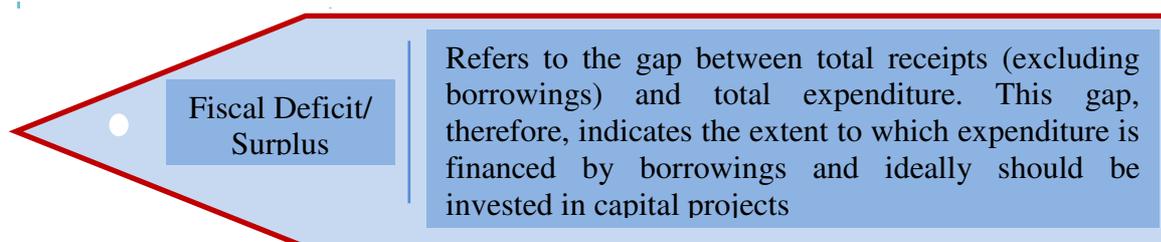
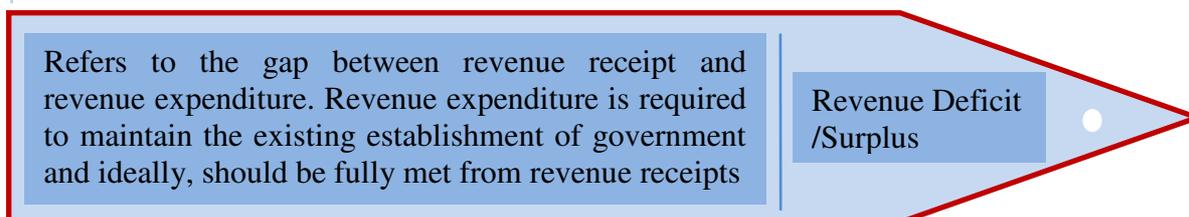
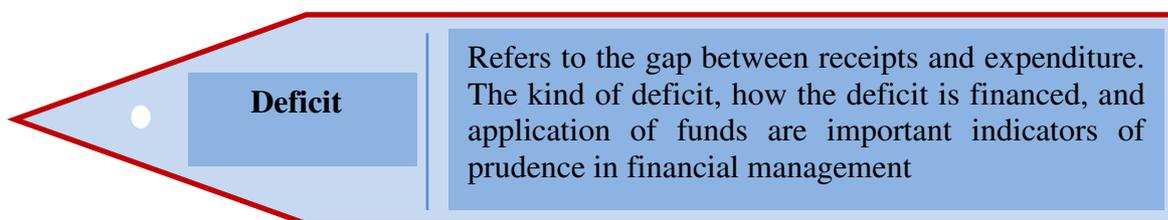
1.4.5 Where the Rupee went



(Subsidies was only ₹34 crore which is negligible hence value is shown as zero)

During the year 2021-22 revenue surplus of ₹654 crore (revenue deficit of ₹816 crore in 2020-21) and fiscal deficit of ₹2359 crore (₹2604 crore in 2020-21) represent 1.74 *per cent* and 6.29 *per cent* of the Gross State Domestic Product (GSDP of ₹37494 crore) respectively. The fiscal deficit constituted 14 *per cent* of total expenditure.

What do the deficits and surpluses indicate?



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

The Government of Meghalaya has enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2006. As per this Act, the State Government is required to achieve certain fiscal targets by specified periods. Achievements during the year 2021-22 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 Surplus	654 (Surplus)	To maintain revenue surplus	Achieved during the year
2	Fiscal Deficit	2359	4.07 <i>per cent</i>	6.29 <i>per cent</i> (not achieved)
3	Debt and other obligation	15481 #	To be less than 36.58 <i>per cent</i> of GSDP	41.29 <i>per cent</i> (not achieved)
4	Outstanding Guarantees	2980	Not prescribed	

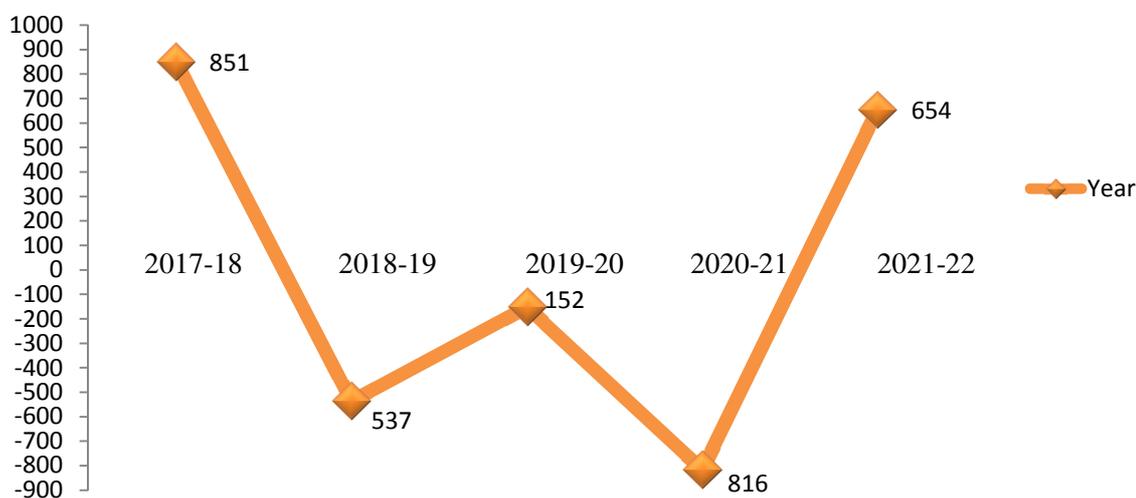
* Source: GSDP figure (₹37494 crore) is taken from the Directorate of Economic and Statistics Department, Government of Meghalaya.

This debt does not include ₹253.16 crore, which was passed on as back to back loans by GoI in lieu of shortfall in GST Compensation.

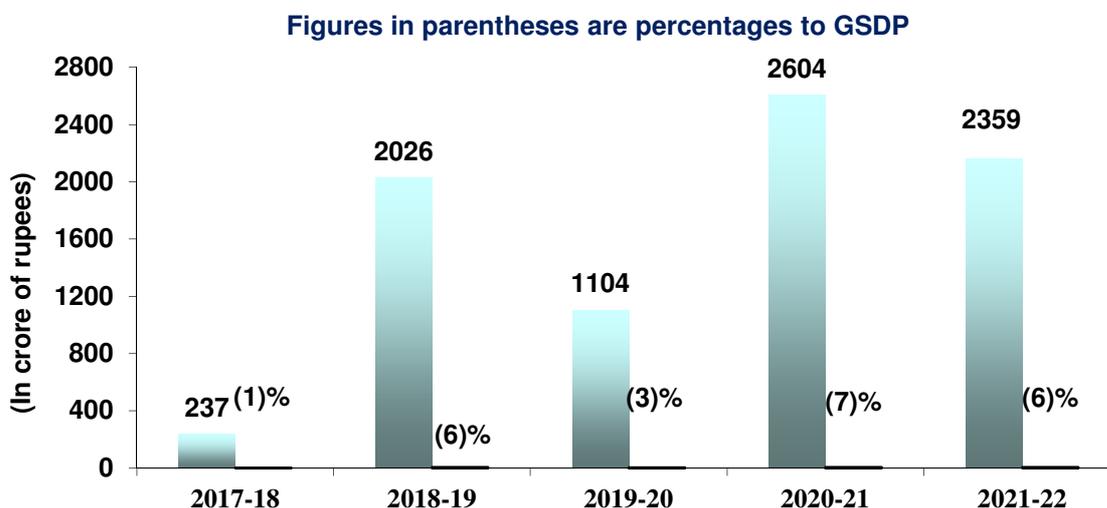
The State Government has made disclosures to the Legislature required under the Meghalaya Fiscal Responsibility and Budget Management Rules, 2006.

While the State Government had revenue deficit of ₹816 crore in 2020-21, there was revenue surplus of ₹654 crore during the year 2021-22 meeting the target set as per FRBM Act. Fiscal deficit decreased by ₹245 crore from ₹2604 crore in 2020-21 to ₹2359 crore (18 per cent of GSDP) in the current year. However, the target of Fiscal Deficit i.e. 4.07 per cent of GSDP fixed by FRBM Act has not been achieved. Against the target of reducing outstanding debt to less than 36.58 per cent of GSDP by the year 2021-22, the outstanding debt stood at ₹15481 crore as on 31 March 2022, being 41.29 per cent of GSDP.

1.5.1 Trend of Revenue Surplus/Deficit



1.5.2 Trend of Fiscal Deficit



1.5.3 Proportion of borrowed funds spent on Capital

Borrowed funds and Capital Expenditure

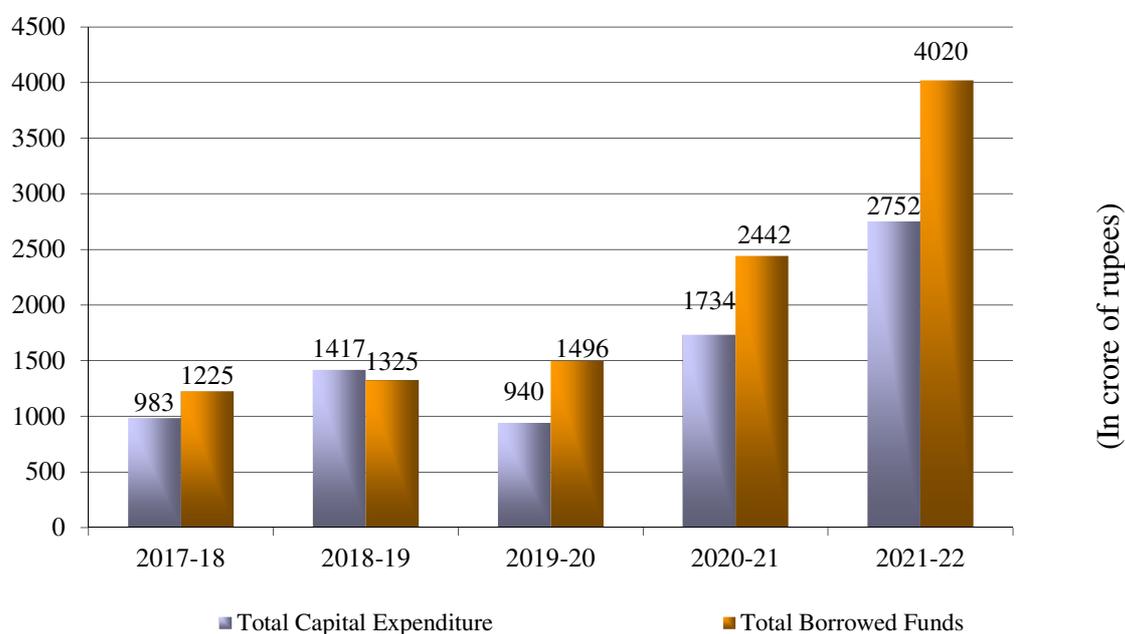


Figure 1

The governments usually rely on fiscal deficits to expand popular policies, such as welfare programmes and public works, without having to raise taxes or cut spending elsewhere in the budget. The borrowed funds are used for capital assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus it is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 68 *per cent* of the borrowings of the current year (₹4020 crore) on capital expenditure (₹2752 crore). It would therefore appear that balance of borrowings in the public debt was utilized to repay the principal (₹2216 crore) and part of interest on public debt of previous years.

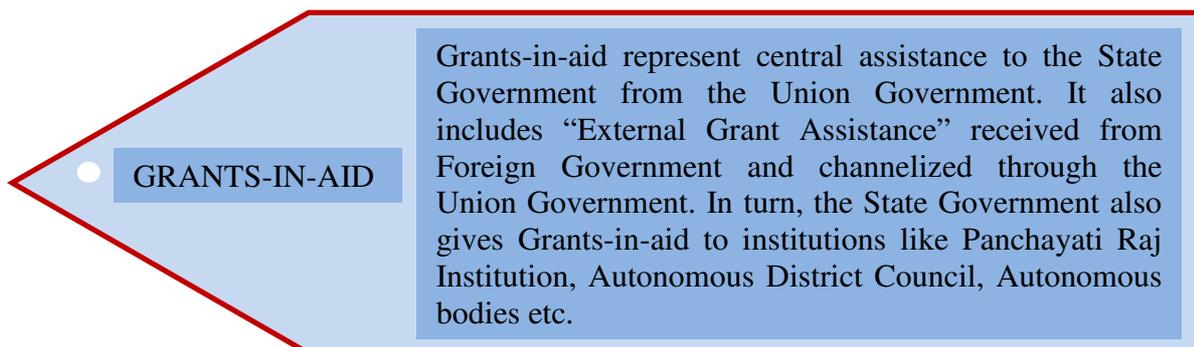
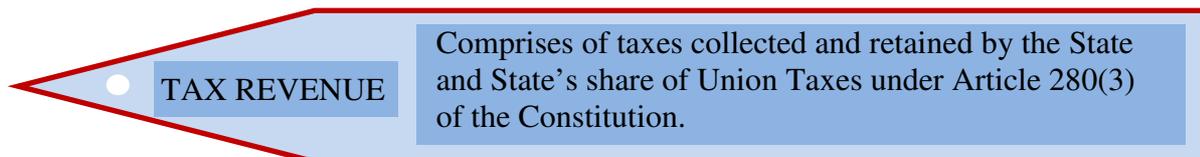
Chapter II Receipts

2.1 Introduction

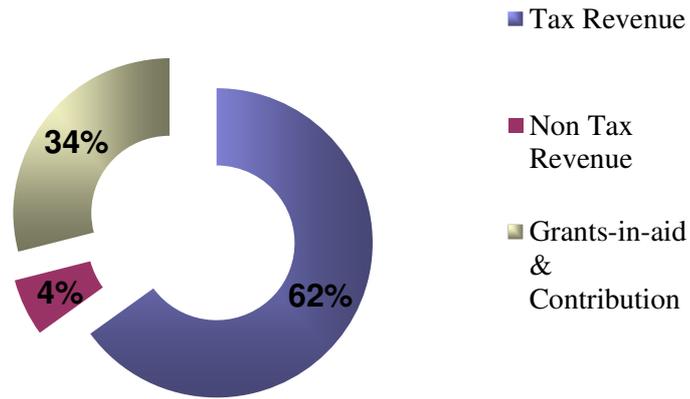
Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2021-22 was ₹16657 crore.

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 (2021-22)

(₹ in crore)

Components	Actuals
A. Tax Revenue	8881
Taxes on Income and Expenditure	3958
Goods & Service Tax	3063
Taxes on Property and Capital Transactions	37
Taxes on Commodities and Services	1823
B. Non-Tax Revenue	525
Interest Receipts, Dividend and Profits	25
General Services	114
Social Services	17
Economic Services	369
C. Grants-in-aid & Contribution	4868
Total –Revenue Receipts	14274

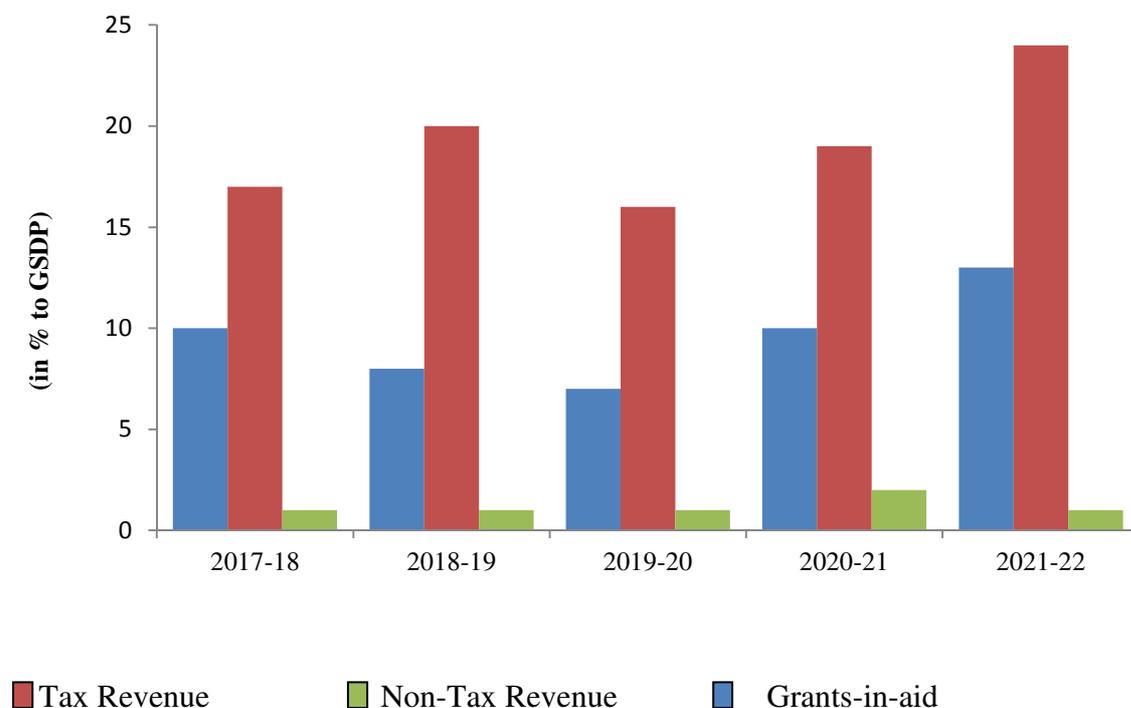
2.2.2 Trend of Revenue Receipts

	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Tax Revenue	5773	6682	6103	6624	8881
	(18)	(20)	(16)	(19)	(24)
Non-Tax Revenue	367	428	530	523	525
	(1)	(1)	(1)	(2)	(1)
Grants-in-aid	3134	2609	2780	3536	4868
	(10)	(8)	(7)	(10)	(13)
Total Revenue Receipts	9274	9719	9413	10683	14274
	(29)	(29)	(24)	(31)	(38)
GSDP	31636	32972	38542	34803	37494

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

Though the GSDP of ₹37494 crore increased by 8 per cent in 2021-22 compared to previous year, revenue receipt increased by 34 per cent. The tax revenue increased by 34 per cent, the non-tax revenue increased by 0.4 per cent and the grants-in-aid increased by 38 per cent compared to previous year, thus impacting the revenue receipt of the State.

Trend of components of Revenue Receipts



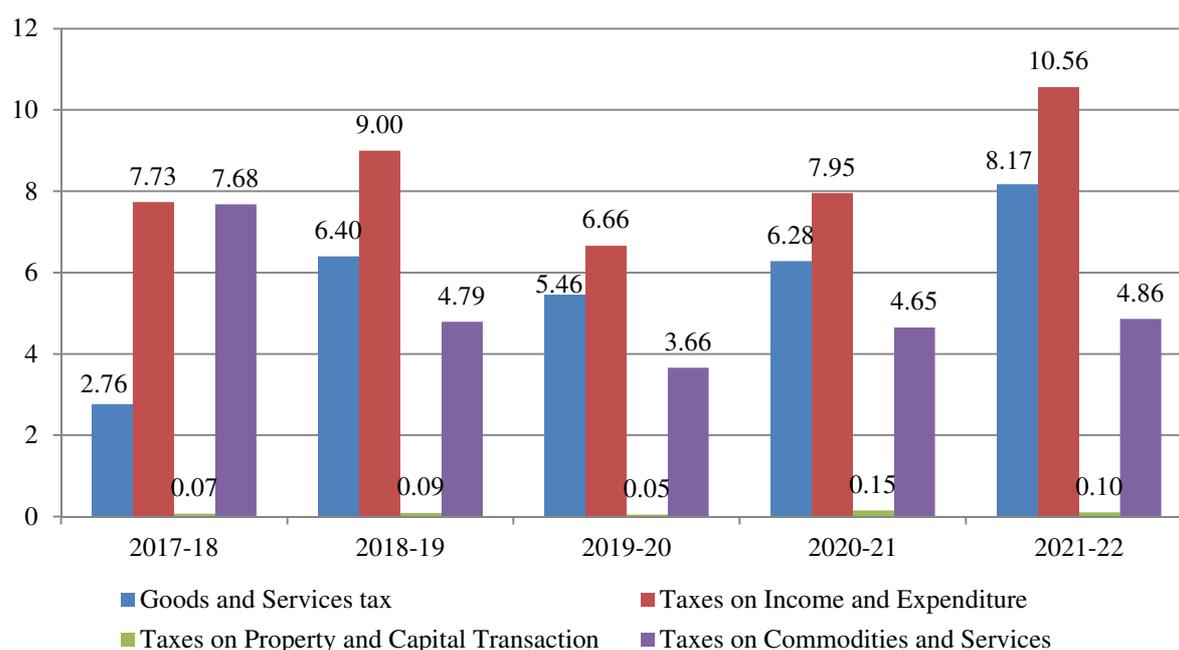
2.3 Tax Revenue

(₹ in crore)

Sector-wise Tax Revenue					
	2017-18	2018-19	2019-20	2020-21	2021-22
Goods and Services Tax	874	2109	2105	2187	3063
Taxes on income and Expenditure	2446	2965	2565	2767	3958
Taxes on property and Capital Transaction	22	29	21	53	37
Taxes on Commodities and Services (other than GST)	2431	1579	1412	1617	1823
Total Tax Revenue	5773	6682	6103	6624	8881

The increase in total tax revenue during 2021-22 was mainly attributable to allocation of State's Own Tax Revenue and considerable collection under Central Goods and Services Tax (CGST) (₹1946 crore), Taxes on Income other than Corporation Tax (₹1979 crore), Union Excise Duties (₹198 crore), Taxes on sales, Trade etc. (₹719 crore).

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

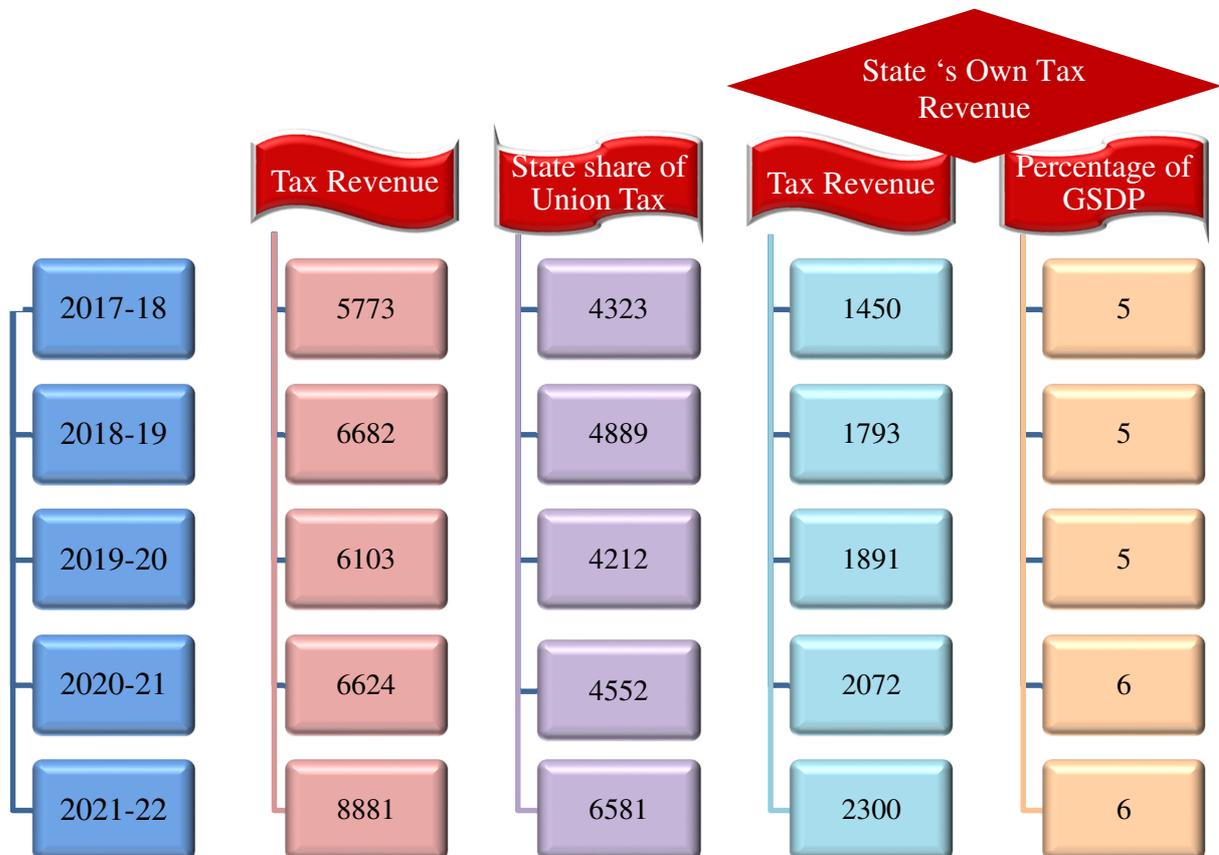


2.3.1 State's own Tax and State's share of Union Taxes

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

(₹ in crore)

Year	Tax Revenue	State's share of Union Taxes/Duties	State's Own Tax Revenue	
			Tax revenue	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2017-18	5773	4323	1450	5
2018-19	6682	4889	1793	5
2019-20	6103	4212	1891	5
2020-21	6624	4552	2072	6
2021-22	8881	6581	2300	6



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

	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
State's own Tax collection	1450	1793	1891	2072	2300
Devolution of Union Taxes	4323	4889	4212	4552	6581
Total Tax Revenue	5773	6682	6103	6624	8881
Percentage of State's own tax to total tax revenue	25	27	31	31	26

The proportion of State's own tax collection in overall tax revenue has mostly shown an increasing trend since 2017-18. The share of State's own tax revenue increased to 27 per cent in 2018-19 as compared to 25 per cent in 2017-18 and then slightly increased to 31 per cent in 2019-20 and remained 31 percent (neither increased nor decreased) in 2020-21 and then slightly decreased to 26 per cent in 2021-22.

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

	(₹ in crore)				
Taxes	2017-18	2018-19	2019-20	2020-21	2021-22
1. State Goods and Service Tax	376	806	910	823	1118
2. Taxes on Sales, Trade etc.	767	627	567	725	719
3. State Excise	199	226	276	375	308
4. Taxes on Vehicles	67	87	99	78	99
5. Stamp and Registration fees	20	26	20	31	27
6. Taxes and Duties on electricity	2	3	1	2	2
7. Land Revenue	2	3	1	21	10
8. Taxes on Goods and Passengers	8	8	9	10	12
9. Other Taxes	9	7	8	7	5
Total State's own Taxes	1450	1793	1891	2072	2300

2.4 Cost of Tax Collection

(₹ in crore)

Taxes	2017-18	2018-19	2019-20	2020-21	2021-22
1. Taxes on Sales, Trade etc.					
Revenue collection	767	627	567	725	718
Expenditure on collection	23	25	24	26	30
Percentage expenditure on tax collection	3	4	4	4	4
2. State Excise					
Revenue collection	199	226	276	375	308
Expenditure on collection	17	20	19	20	21
Percentage expenditure on tax collection	9	9	7	5	7
3. Taxes on Vehicles, Goods and Passengers					
Revenue collection	75	95	108	89	112
Expenditure on collection	21	51	31	39	35
Percentage expenditure on tax collection	28	54	29	44	31
4. Stamp and Registration Fee					
Revenue collection	20	26	20	32	27
Expenditure on collection	2	7	3	3	5
Percentage expenditure on tax collection	10	27	15	9	19

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

(₹ in crore)

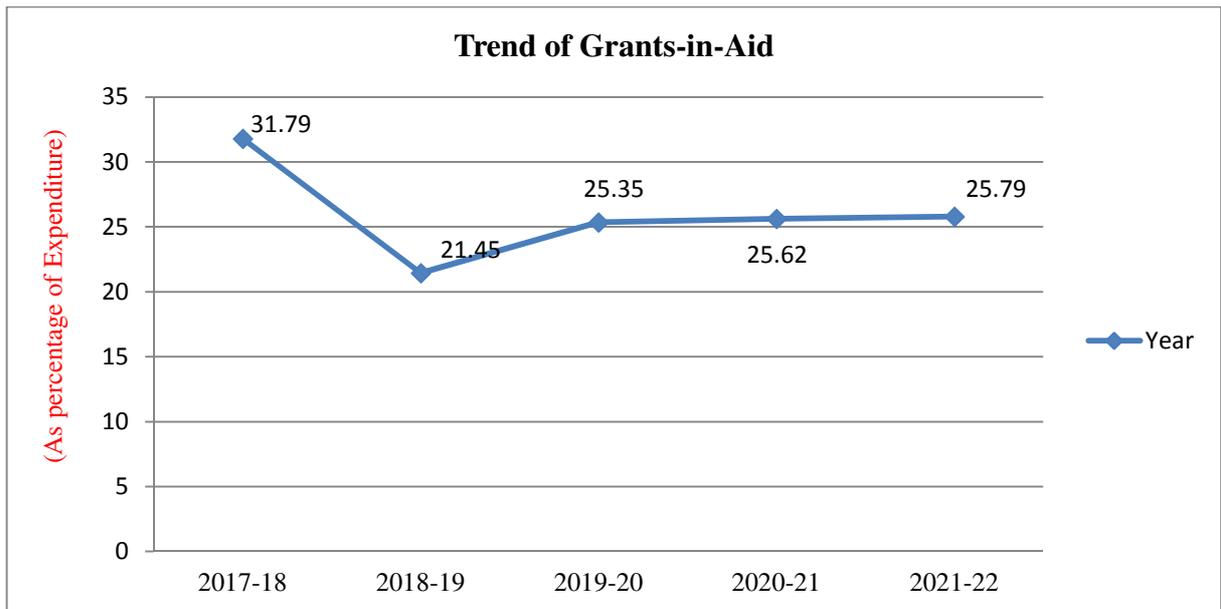
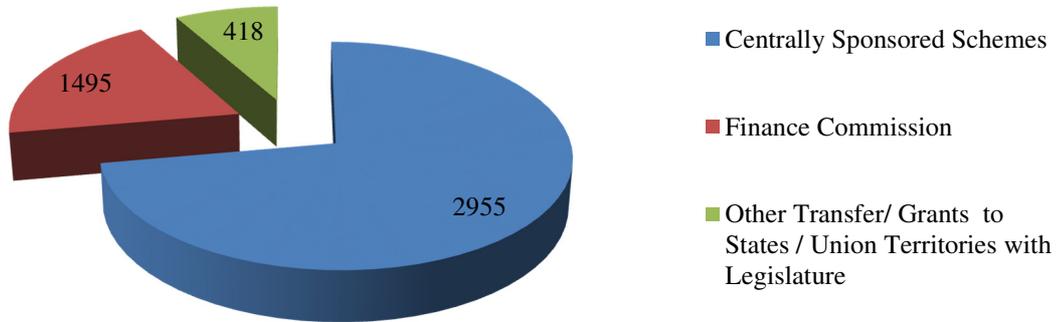
Major Head Description	2017-18	2018-19	2019-20	2020-21	2021-22
Central Goods and Service Tax(CGST) & Integrated Goods and Service Tax(IGST)	498	1303	1195	1364	1946
Corporation Tax	1324	1700	1436	1365	1975
Taxes on Income other than Corporation Tax	1118	1252	1125	1398	1979
Taxes on Wealth	...	1	...	...	...
Other Taxes on Income and Expenditure	...	9	...	...	...
Customs	437	347	267	250	426
Union Excise Duties	456	230	186	154	198
Service Tax	490	45	...	18	50
Other Taxes and Duties on Commodities and Services	...	2	3	3	7
State Share of Union Taxes	4323	4889	4212	4552	6581
Total Tax Revenue	5773	6682	6103	6624	8881
Percentage of Union Taxes to Total Tax Revenue	75	73	69	69	74

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 2021-22 under Grants-in-aid were ₹4868 crore as shown below:

Grants-in-Aid

(₹ in crore)



Grants-in-aid receipts from the Central Government from 2017-18 to 2021-22 has shown a declining trend in proportion to Expenditure.

2.7 Public Debt

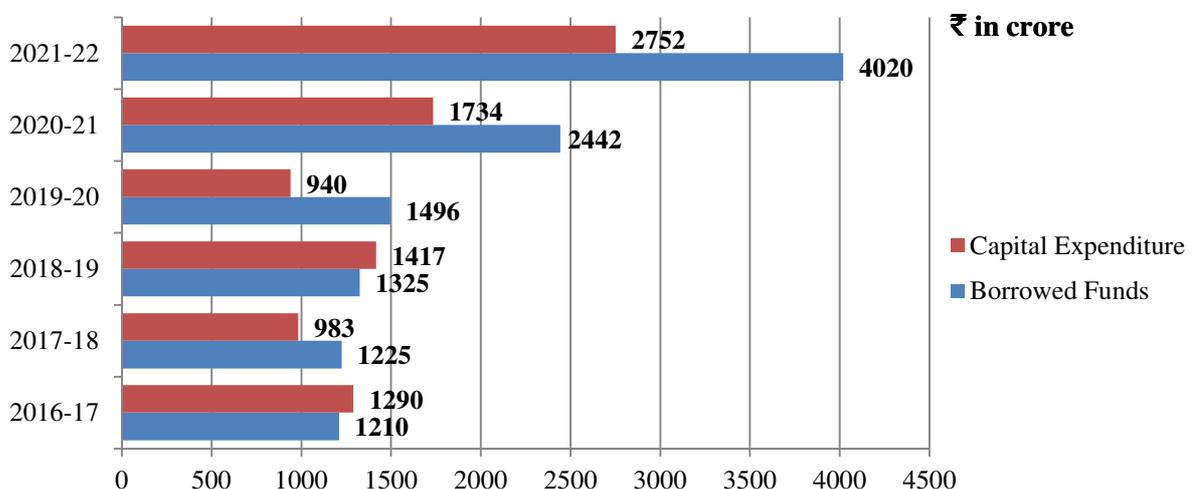
Trend of position of Public Debt over the past five years

Description	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Internal Debt	6287	7214	8301	9932	11245
Central Loans	115	116	107	430	921
Total	6402	7330	8408	10362	12166



During the year 2021-22, six loans totalling ₹1608 crore were raised from the open market at interest rates varying from 4.69 per cent to 7.27 per cent and the same are redeemable during the period 2031-32. In addition, the State Government raised loan of ₹1897 crore from Financial Institutions. Thus the total Internal Debt raised by the Government during the year 2021-22 aggregated to ₹3505 crore. The Government also received ₹515 crore from Government of India as Loans and Advances.

Borrowed funds viz-à-viz Capital Expenditure

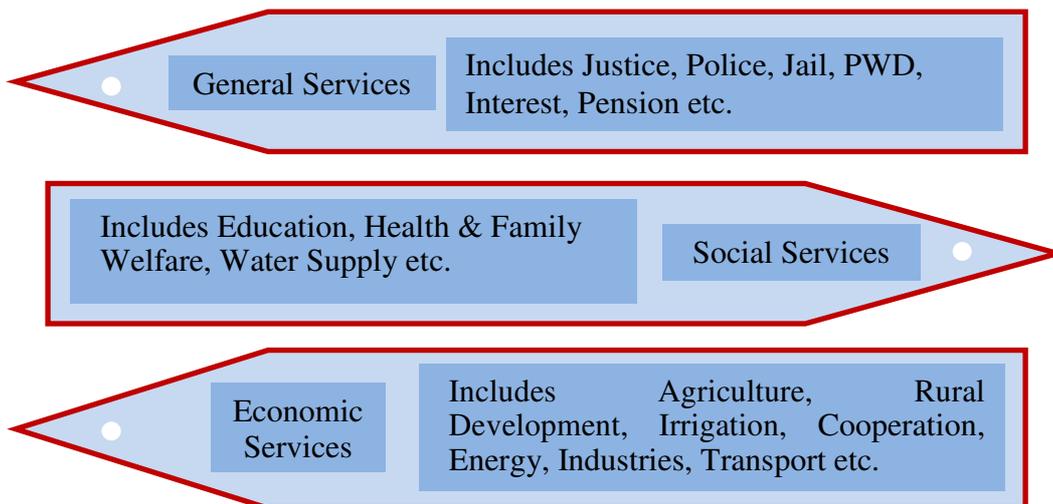


Chapter III Expenditure

3.1 Introduction

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

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



3.2 Revenue Expenditure

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

	(₹ in crore)				
Year	2017-18	2018-19	2019-20	2020-21	2021-22
Budget Estimates	11172	12802	13896	15562	15516
Actuals	8423	10256	9565	11499	13620
Gap	2749	2545	4331	4063	1896
Percentage of variation of Actuals against BE	(-25)	(-20)	(-31)	(-26)	(-12)

Around 44 *per cent* of the total revenue expenditure was incurred on committed expenses viz. on Salaries and Wages (₹3652 crore), Interest payment (₹963 crore), Pensions (₹1366 crore) and subsidies (₹34 crore) which are the committed liabilities of the State Government.

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

(₹ in crore)					
Component	2017-18	2018-19	2019-20	2020-21	2021-22
Total revenue expenditure	8423	10256	9565	11499	13620
Committed revenue expenditure #	3995	5001	5277	5474	6015
Percentage of committed revenue expenditure to total revenue expenditure	47	49	55	48	44
Uncommitted revenue expenditure	4428	5255	4288	6025	7605

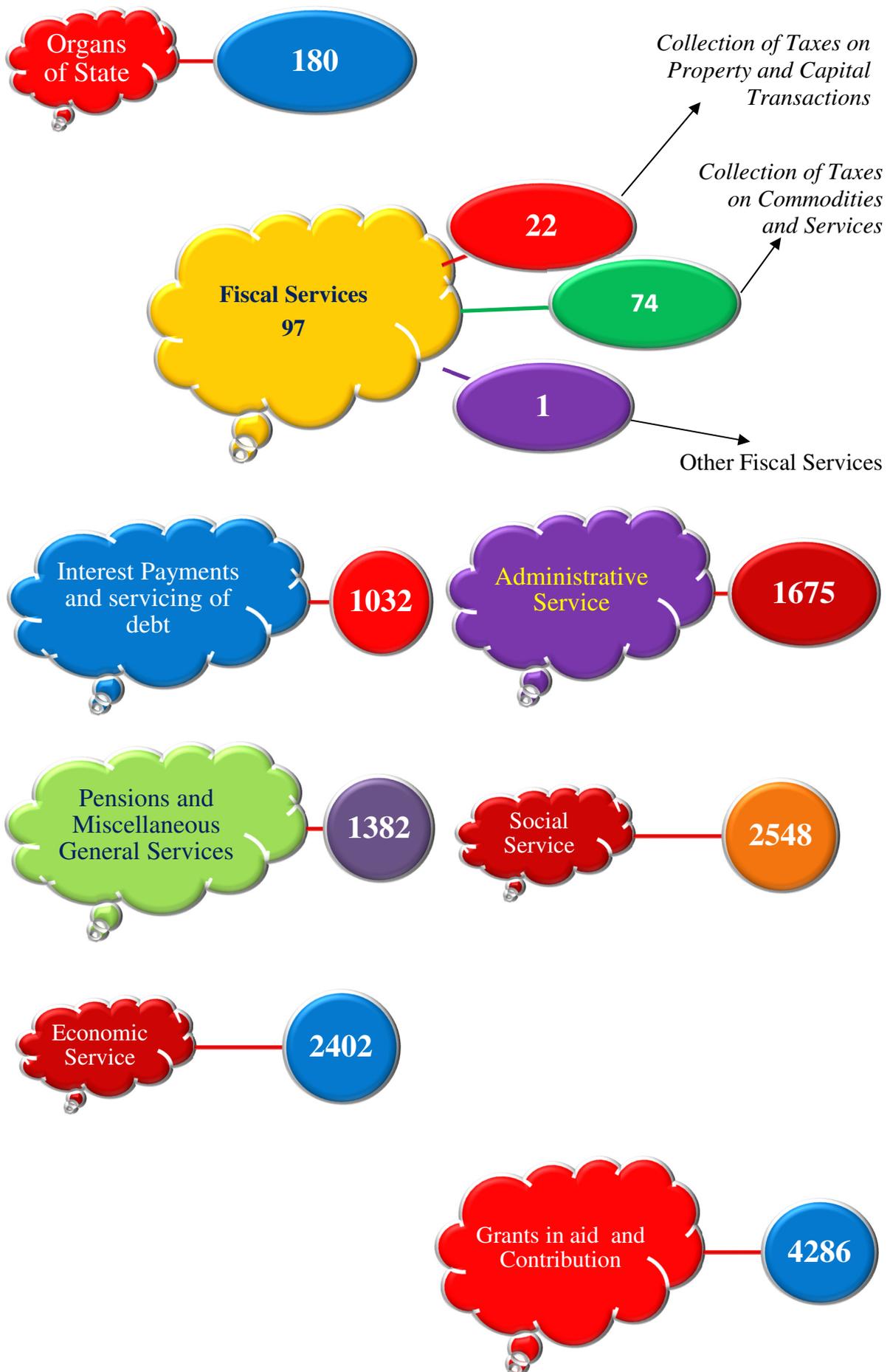
Committed revenue expenditure includes expenditure on Salaries & Wages, Interest Payments, Pensions and Subsidies.

It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has increased by 72 *per cent* from ₹4428 crore in 2017-18 to ₹7605 crore in 2021-22. The total revenue expenditure increased by 62 *per cent* from ₹8423 crore in 2017-18 to ₹13620 crore in 2021-22 and committed revenue expenditure increased by 51 *per cent* over the same period.

3.2.1 Sectoral distribution of Revenue Expenditure (2021-22)

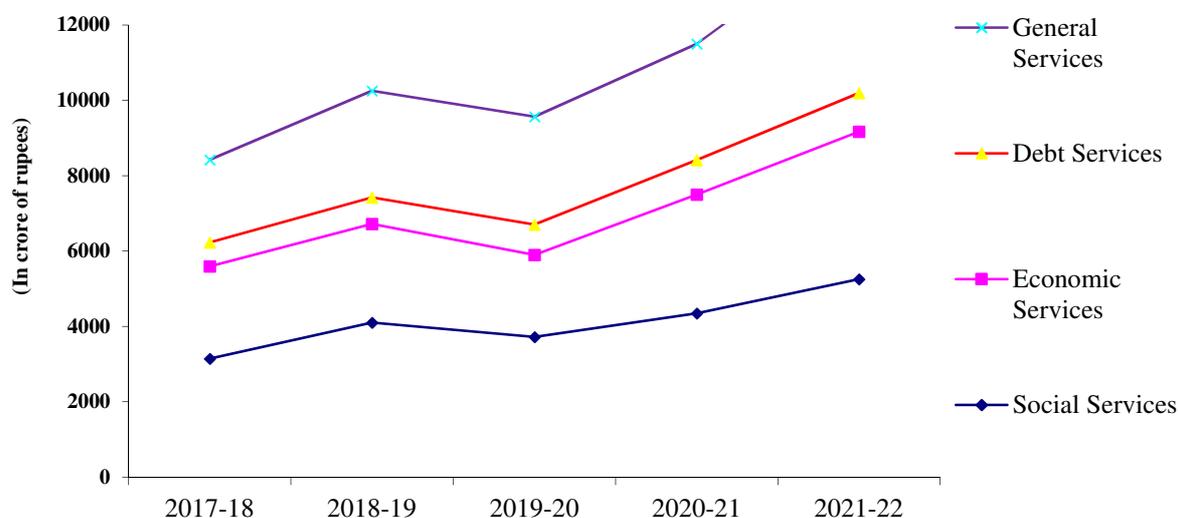
(₹ in crore)		
Components	Amount	Percentage
A. General Services	4366	32
a. Organs of State	180	1
b. Fiscal Services	97	1
(ii) Collection of Taxes on Property and Capital Transactions	22	...
(iii) Collection of Taxes on Commodities and Services	74	1
(iv) Other Fiscal Services	1	...
c. Interest Payment and Servicing of Debt	1032	7
d. Administrative Services	1675	12
e. Pensions and Miscellaneous General Services	1382	10
B. Social Services	2548	19
C. Economic Services	2402	18
D. Grants-in-aid and Contributions	4286	31
Total - Expenditure (Revenue Account)	13620	100

(₹ in crore)



3.2.2 Major components of Revenue Expenditure 2017-18 to 2021-22

(Trend of Major Components of Revenue Expenditure)



3.3 Capital Expenditure

Capital Expenditure is defined as expenditure incurred with the objective of increasing concrete assets of a material and permanent character or of reducing permanent liabilities. Capital expenditure is essential if the growth process is to be sustained. Capital disbursements during 2021-22 amounting for ₹2752 crore (7 per cent of GSDP of ₹37494 crore) were less than Budget Estimates by ₹1154 crore (less disbursement of ₹48 crore under State Fund expenditure and ₹1106 crore under Central Assistance Expenditures). The growth in capital expenditure has not kept pace with the steady growth of GSDP since 2017-18 onwards. This can be seen from the table below:

(₹ in crore)

Sl. No.	Components	2017-18	2018-19	2019-20	2020-21	2021-22
1	Budget (B.E.)	1778	1883	2129	2800	3907
2	Actual Expenditure (#)	983	1417	940	1734	2752
3	Percentage of Actual Exp. to B.E.	55	75	44	62	70
4	Yearly growth in Capital expenditure (in per cent)	(-)24	44	(-)34	84	59
5	GSDP	31636	32972	38542	34803	37494
6	Yearly growth in GSDP (in per cent)	7	4	17	(-)10	8

(#) Does not include expenditure on Loans and Advances

3.3.1 Sectoral distribution of Capital Expenditure

During 2021-22, the Government spent ₹95 crore on Minor Irrigation Projects and ₹1207 crore on construction of roads and bridges. It also invested ₹7 crore in Government Companies and Co-operative institutions.

3.3.2 Sectoral distribution of capital and revenue expenditure

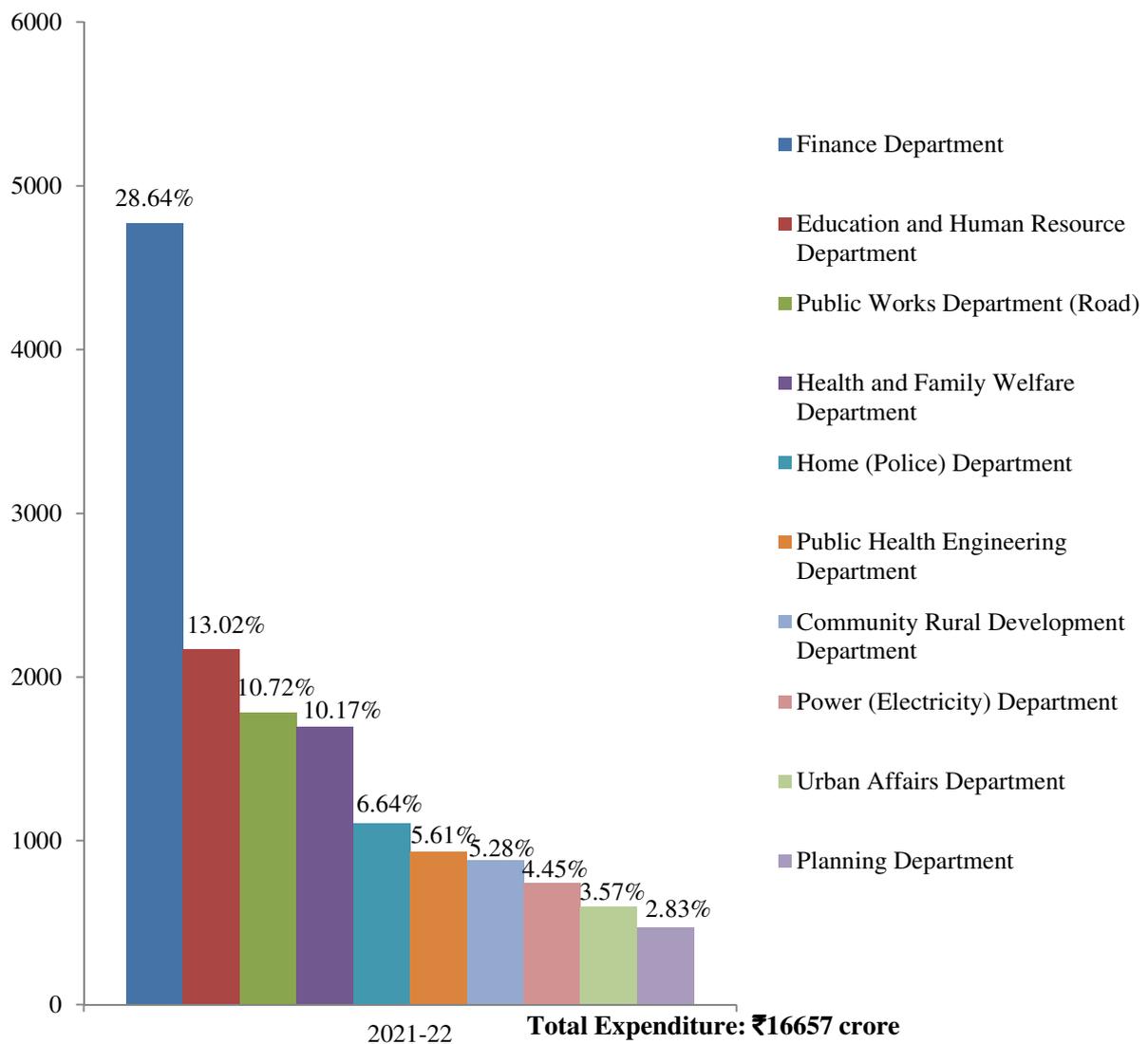
The comparative sectoral distribution of capital and revenue expenditure over the past five years is shown in the table below:

		(₹ in crore)					
Sl. No.	Sector	2017-18	2018-19	2019-20	2020-21	2021-22	
(A)	General Services	Capital	50	85	48	132	172
		Revenue	2827	3536	3668	4001	4454
(B)	Social Services	Capital	361	360	293	540	1194
		Revenue	3148	4100	3724	4347	5255
(C)	Economic Services	Capital	573	972	599	1062	1386
		Revenue	2448	2620	2173	3151	3911
(D)	Grants-in-aid and contribution	Capital					18
		Revenue	2674	3277	2881	3809	4286

3.4 Top 10 Departments Expenditure wise

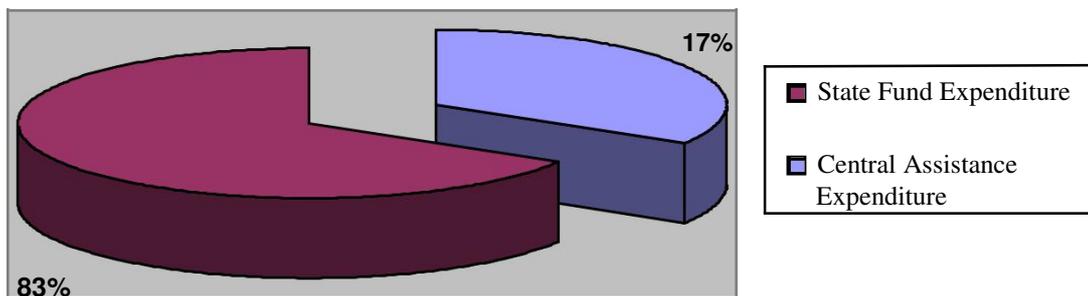
		(₹ in crore)				
Deptt. Code	Department	2017-18	2018-19	2019-20	2020-21	2021-22
10	Finance Department	1936	2096	2554	2773	4771
7	Education and Human Resource Department	1683	2047	1991	1914	2168
34	Public Works Department (Road)	788	1131	970	1433	1785
15	Health and Family Welfare Department	706	1072	869	1217	1694
18	Home (Police) Department	659	854	935	1011	1106
33	Public Health Engineering Department	501	491	491	761	934

6	Community Rural Development Department	992	779	849	1036	879
30	Power (Electricity) Department	-	-	-	-	743
44	Urban Affairs Department	-	-	-	-	595
28	Planning Department	-	-	-	301	471
39	Social Welfare Department	322	478	316	434	-
2	Agriculture Department	194	220	149	211	-
Total		7781	9168	9124	11091	15146



Chapter IV State Fund and Central Assistance Expenditure

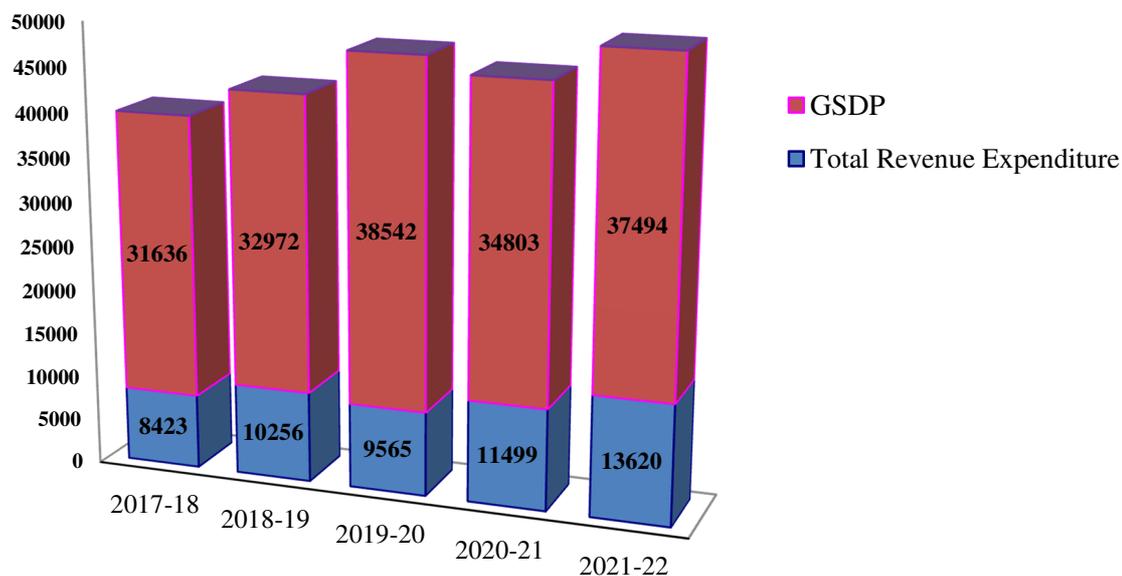
4.1 Distribution of expenditure (2021-22)



4.2 State Fund Expenditure

State Fund expenditure (both Revenue, Capital and Loans & Advances) during 2021-22 was ₹13730 crore constituting 83 per cent of the total expenditure of ₹16657 crore. Revenue expenditure constituted 85 per cent (₹11726 crore), Capital expenditure 14 per cent (₹1942 crore) and Loans and Advances one per cent (₹62 crore), out of the total State Fund Expenditure.

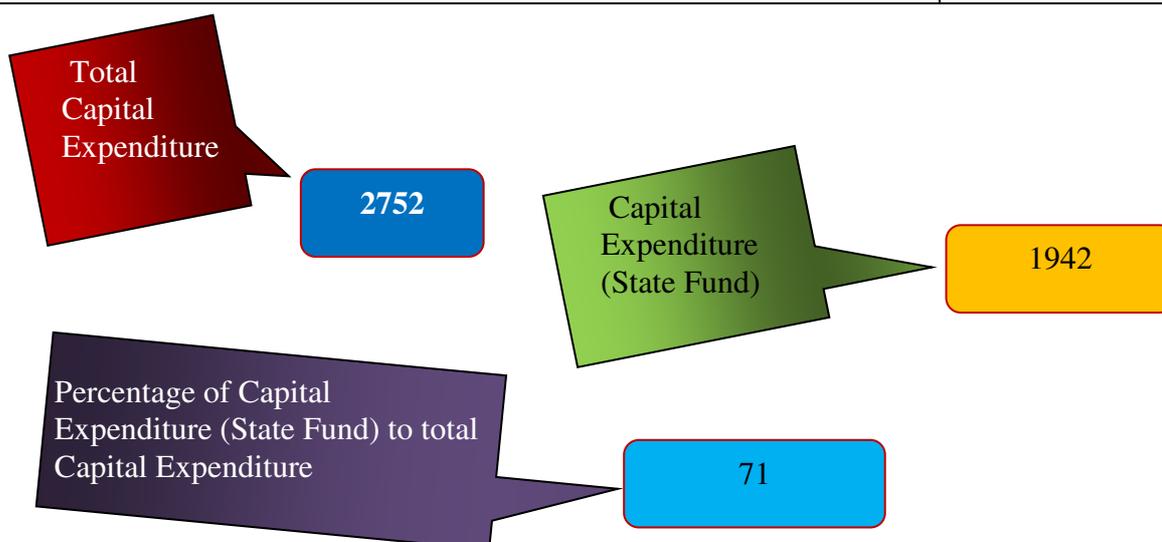
Total Revenue Expenditure and Gross State Domestic Product



4.2.1 State Fund Expenditure under Capital Account

(₹ in crore)

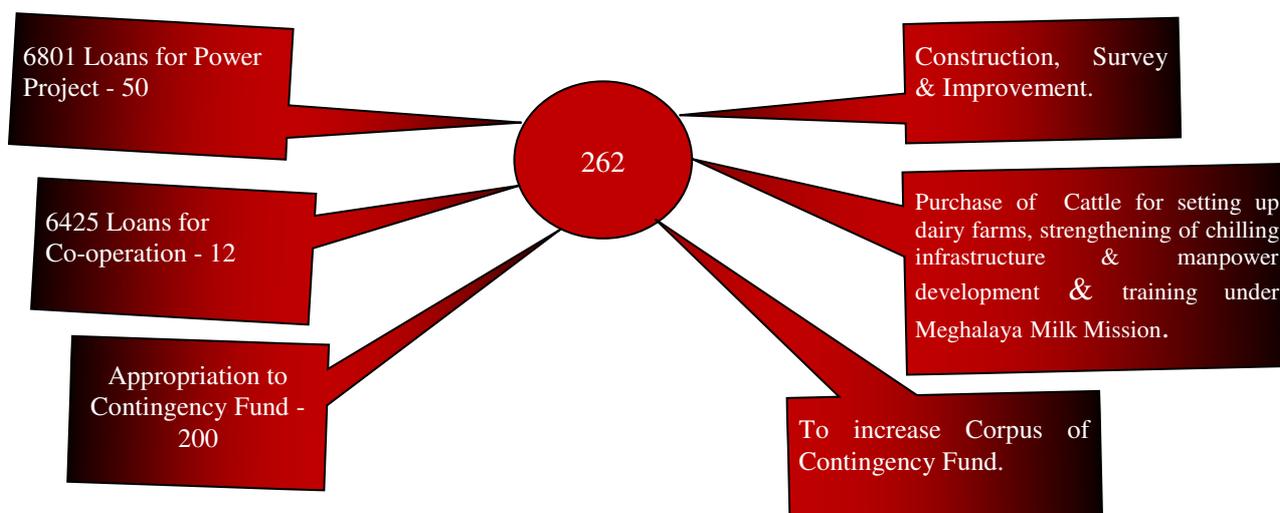
	2021-22
Total Capital Expenditure	2752
Capital Expenditure (State Fund)	1942
Percentage of Capital Expenditure (State Fund) to total Capital Expenditure	71



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	50	Construction, Survey & Improvement.
6425 Loans for Co-operation	12	Purchase of Cattle for setting up dairy farms, strengthening of chilling infrastructure & manpower development & training under Meghalaya Milk Mission.
7999 Appropriation to Contingency Fund	200	To increase Corpus of Contingency Fund.
Total	262	

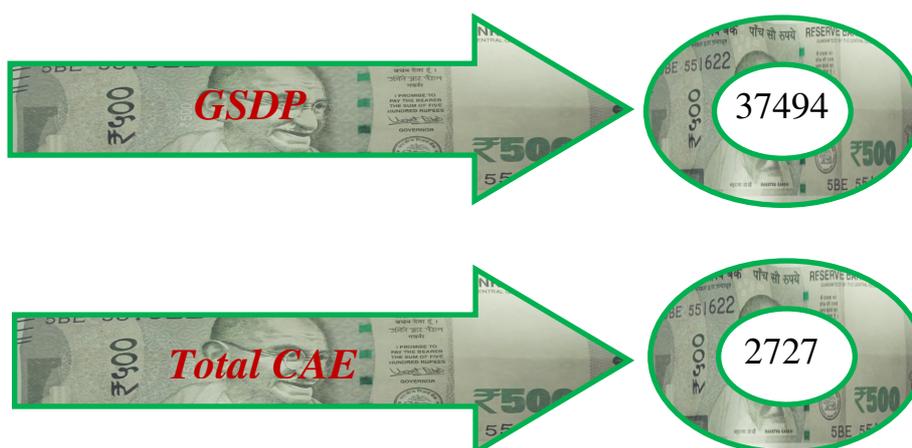


4.3 Central Assistance Expenditure

Central Assistance expenditure (both Revenue, Capital and Loans and Advances) during 2021-22 was ₹2727 crore constituting 16 per cent of total expenditure of ₹16657 crore. Revenue expenditure constituted 69 per cent (₹1894 crore) and Capital expenditure and Loans and Advances constituted 30 per cent (₹810 crore and ₹23 crore respectively) of the total Central Assistance Expenditure.

The expenditure on salary amounting to ₹87 crore was 3 per cent of the total Central Assistance Expenditure.

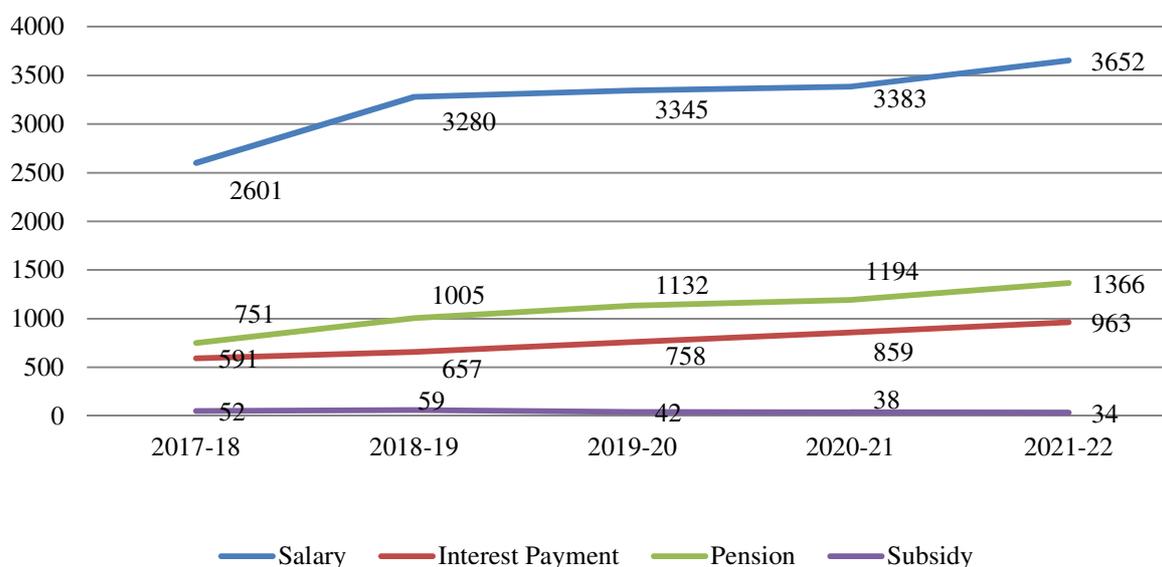
Central Assistance Expenditure and Gross State Domestic Product



4.4 Committed Expenditure

Expenditure on salaries, pensions and interest payments in 2021-22 increased over the previous year, mainly on payment of arrear 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	2017-18	2018-19	2019-20	2020-21	2021-22
Committed Expenditure	3995	5001	5277	5474	6015
Revenue Expenditure	8423	10256	9565	11499	13620
Revenue Receipts	9274	9719	9413	10683	14274
Percentage of committed expenditure to Revenue Receipts	43	52	56	51	42
Percentage of committed expenditure to Revenue Expenditure	47	49	55	48	44

The committed expenditure increased by 51 per cent from 2017-18 to 2021-22 while revenue expenditure registered a growth of 62 per cent during the same period, leaving the Government with lesser flexibility in development spending.

Chapter V Appropriation Accounts

5.1 Summary of Appropriation Accounts for 2021-22

(₹ in crore)

Sl. No.	Nature of expenditure	Original grant	Supplem-entary grant	Surrender (by way of re-appropriation)	Total Budget	Actual expenditure (Net)	Saving(-) Excesses(+)
1	Revenue Voted Charged	12821 1163	1528 4	1738 95	12611 1072	12553 1078	(-)58 (+)6
2	Capital Voted Charged	2789 ...	1118 ...	890 ...	3017 ...	2952 ...	(-)65 ...
3	Public Debt Charged	771	1	...	772	2216	(+)1444
4	Loans and Advances Voted	60	136	8	188	85	(-)103
	Total Voted Charged	15670 1934	2782 5	2636 95	15816 1844	15590 3294	(-)226 (+)1450

5.2 Trend of Saving/Excess during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
2017-18	(-)1273	(-)444	...	(-)1	(-)1718
2018-19	(-)242	(-)127	...	...	(-)369
2019-20	(-)334	(-)420	(+)4	(-)10	(-)760
2020-21	(-)564	(-)82	...	...	(-)646
2021-22	(-)58	(-)65	(+)1450	(-)103	(+)1224

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	2017-18	2018-19	2019-20	2020-21	2021-22
21	General Education, Technical Education, Sports and Youth Services, North Eastern Areas.	224	4	50	128	103
26	Medical and Public Health, Family Welfare, North Eastern Areas.	35	159	80	75	39
43	Housing, Crop Husbandry, Agricultural Research and Education, Other Agricultural Programmes.	95	44	53	54	52
47	Housing, Animal Husbandry, Agricultural Research and Education.	10	11	59	15	12

The persistent huge savings under Parliamentary/State/Union Territory Legislatures, Stationery and Printing, Capital Outlay on Stationery and Printing, Capital Outlay on Housing, Administration of Justice, Elections, Land Revenue, Relief on Account of Natural Calamities, Taxes on Vehicles, Other Administrative Services, Capital Outlay on North Eastern Areas, Capital Outlay on Road Transport, Capital Outlay on Civil Aviation, Loans for Power Projects, Interest Payments, Council of Ministers, Secretariat-General Services,-Social Services,-Economic Services, Treasury and Accounts Administration, Police, Housing, Capital Outlay on Police, Jails, Public Works (Bldg), Capital outlay on Public Works, General Education, Technical Education, Medical and Public Health, Capital Outlay on Medical and Public Health, Water Supply and Sanitation, Capital Outlay on Water Supply and Sanitation, Urban Development, Capital Outlay on Urban Development, Labour Employment Skill Development, Civil Supplies, Social Security and Welfare, Nutrition, Capital Outlay on Social Security and Welfare, Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities, Crop Husbandry, Agricultural Research and Education, Other Agricultural Programmes, Capital Outlay on Medium Irrigation, Capital Outlay on Flood Control Projects, Soil and Water Conservation, Agricultural Research and Education, Capital Outlay on Soil and Water Conservation, Other Special Area Programmes, Animal Husbandry, Agricultural Research and Education, Dairy Development, Fisheries, Agricultural Research and Education, Forestry and Wild life, Special Programmes for Rural Development, Rural Employment, Other Rural Development Programmes, Capital Outlay on Other Rural Development Programmes, Village and Small Industries, Public Works (Roads), Capital Outlay Roads and Bridges, Sports and Youth Services, Loans to Government Servants, Art and Culture, North Eastern Areas, Other Scientific Research, Census, Surveys, and Statistics, Medium Irrigation, Minor

Irrigation, Flood Control and Drainage, Capital Outlay on Medium Irrigation, Capital Outlay on Minor Irrigation, Capital Outlay on Flood Control Projects, is on account of Schemes which though approved by the legislature have been given lesser priority during implementation. This can be attributed either to increase budget estimation or the Government's desire to keep its fiscal deficit below the ceiling.

During 2021-22 Supplementary grants totaling ₹2787 crore (14.77) 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
11	2801-Power 80-General 101-Assistance to Electricity Boards (76)-Dam Rehabilitation and Improvement Project (DRIP) under External Aided Project 800-Other Expenditure (03)-Re-payment of Loan Component & Interest thereto on account of RGGVY 6801-Loans for Power Project 800- Other Expenditure (05)-State Plan Loans	Revenue Revenue Capital	... ... ...	9 65 86	... 12 ...
19	4059-Capital Outlay on Public Works 80-General 051-Construction (01)-Functional non-residential Buildings under General Services	Capital	32	5	30
26	2210-Medical and Public Health 06-Public Health 106-Manufacture of Sera/Vaccine (01) Pasteur Institute with attached Laboratory facilities 2210-Medical and Public Health 05-External Aided Project 80-General 800- Other Expenditure (26)-Meghalaya Health Systems strengthening project under NHM	Revenue Revenue	11 50	2 41	11 10
56	3054-Roads and Bridges 01-National Highways 337-Road Works (05) Maintenance and Repairs	Revenue	...	9	3

65	4702-Capital Outlay on Minor Irrigation 101-Surface Water (09)-Pradhan Mantri Krishi Sinchai Yojana(PMKSY)	Capital	6	18	3
----	--	---------	---	----	---

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
4	2014-Administration of Justice 105-Civil and Session Courts (01)-District and Session Judges including Munsif Courts etc.	Revenue	9	2	13
11	2801-Power 80-General 101-Assistance to Electricity Boards (57)-Ujwal Discom Assurance Yojana (UDAY) for Operational and Financial Turnaround of Power Distribution Companies	Revenue	...	230	376
26	2210-Medical and Public Health 05-Medical Education Training and Research 105-Allopathy (03)-Training 80-General 800- Other Expenditure (21)-National Health Mission (NHM) (Centrally Sponsored Schemes)	Revenue Revenue	3 195	1 268	9 491
43	2401-Crop Husbandry 108-Commercial Crops (22)-Spices Development (Ginger/Tumeric/Large Cardamon/Black Pepper)	Revenue	0.07	1	11
56	3054-Roads and Bridges 04-District and Other Roads 105-Maintenance and Repairs (01)-Work Charged Establishment –Road Works	Revenue	75	5	191

An Expenditure of ₹222 crore in thirty five cases where funds were allocated directly by-passing the Legislature ie through re-appropriation instead of Original/Supplementary Budget are given below:-

(₹ in crore)

Grant No.	Nomenclature	Section	Original	Supplementary	Re-Appropriation	Actual Expenditure
1	2011-Parliament/State/Union Territory Legislatures 02-State Union Territory Legislature 103-Legislative Secretariat (07) Legislative Assembly Building 4216-Capital Outlay on Housing 01-Government Residential Buildings 700-Other Housing (65)-Construction of Residential Buildings at New Assembly Building at Mawdiangdiang (66)-Digitalization of State Legislative Records at New New Assembly Building at Mawdiangdiang (Central Sector Schemes)	Revenue Capital Capital	... ... ...	... ... ...	1 23 2	1 23 2
6	2245-Relief on Account of Natural Calamities 05-State Disaster Response Fund 101-Transfer to Reserve Funds and Deposits Accounts-State Disaster Response Fund (03)-Transfer to 8121-General and Other Reserve Fund-122-SDRF	Revenue	...	...	10	10
11	2801-Power 80-General 101-Assistance to Electric city Boards (70)-Construction of New Umtru Hep (2x20MW) 05-Externally Aided Project (05)-Grants to SE (EAP)	Revenue Revenue	... ...	... ...	3 5	3 5

19	4202-Capital Outlay on Education, Sports, Art and Culture 01-General Education 201-Elementary Education (01)-Construction of Educational Building (6 th Scheduled) 202-Secondary Education (01)-Construction of Secondary Education Building (6 th Scheduled)	Capital Capital	... ...	... ...	1 2	1 2
21	2202-General Education 07-N.L.C.P.R. 02-Secondary Education 110-Assistance to Non-Government Secondary Schools (42)-Non Lapsable Central Pool of Resources (Central Sector Schemes)	Revenue	...	...	1	1
26	2210-Medical and Public Health 06-Public Health 104-Drug Control (04)-Strengthening of State Drug Regulatory System	Revenue	...	...	2	2
27	4215-Capital Outlay on Water Supply and Sanitation 07-N.L.C.P.R. 01-Water Supply 101-Urban Water Supply (49)-North Eastern Special Infrastructure Development Schemes (51)-Projects Schemes under NESIDS	Capital Capital	... ...	... ...	15 47	15 47
29	4217-Capital Outlay on Urban Development 60-Other Urban Development Schemes 051-Construction (32)-Lumpsum Fund for Development of North Eastern States	Capital	...	...	1	1
32	3456-Civil Supplies 102-Civil Supplies Schemes (16)-Partnership with World Food Programme (WFP) India for Optimisation Supply Chain Efficient PDS Operations	Revenue	...	...	1	1

34	2235-Social Security and Welfare 02-Social Welfare 101-Welfare of Handicapped (22)-Halfway Home for Mentally Cured, Abandoned Person (05)-Implementation of PWD Act (SIPDA) (Central Sector Schemes) 106-Correctional Services (15)-Grant under 1 st Provision to Article 275 (1) of the Constitution	Revenue	...	...	1	1
		Revenue	...	...	13	13
		Revenue	...	...	7	7
38	3451-Secretariat Economic Services 800-Other Expenditure (26)-Meghalaya Infrastructure Development Finance Cooperation (85)-Meghalaya State Promotion Board (86)-Implementation of the Schemes Meghalayan Age Limited	Revenue	...	...	8	8
		Revenue	...	...	2	2
		Revenue	...	...	30	30
39	2425-Cooperation 106-Assistance to Multipurpose Rural Cooperatives (03)-Assistance for Staff to Multipurpose Cooperatives Societies 4435-Capital Outlay of Other Agriculture Programmes 01-Marketing and Quality Control 190-Investment in Public Sector and Other Undertakings (01)-Share Capital Contributions to Meghalaya State Warehousing Cooperation	Revenue	...	...	1	1
		Capital	...	...	2	2
43	2401-Crop Husbandry 113-Agricultural Engineering (24)-Supply/Distributions of Power Tillers (Central Sector Schemes)	Revenue	...	...	4	4

45	2402-Soil and Water Conservation 102-Soil Conservation (12)-Avenue Plantation (28)-Meghalaya State Watershed and Wasteland Development Agency 4402-Capital Outlay on Soil and Water Conservation 102-Soil Conservation (02)-Natural Resources Improvement Intervention	Revenue Revenue Capital	... ... ...	... ... ...	1 1 3	1 4 3
47	2403-Animal Husbandry 107-Feeder and Feed Development (37)- Establishment/ Strengthening of Rabbit Farms	Revenue	...	...	1	1
56	5054-Capital Outlay on Roads and Bridges 04-District and Other Roads 800-Other Expenditure (23)-Grants under Article 275 (1) of the Constitution 337-Road Works (03) Construction/Up-gradation of Roads (Centrally Sponsored Schemes)	Capital Capital	... ...	... ...	1 3	1 3
57	3452-Tourism 01-Tourist Infrastructure 101-Tourist Centre (22)-Entry/Exit Point in Meghalaya for facilitation Tourist/Visitors visiting the State 190-Assistance to Public Sectors and Other Undertaking (02)-Financial Assistance to MTDC 80-General 800-Other Expenditure (34)-Adventures Sports and Equipments	Revenue Revenue Revenue	... ... ...	... ... ...	2 11 1	2 11 1
58	2204-Sports and Youth Services 104-Sports and Games (25)-Special Central Assistance (SCA) (37)-Pradhan Mantri Jan Vikas Karyakram (PMJKV) (04)-Construction of Outdoor and Indoor Stadium (Central Sector Schemes)	Revenue Revenue Revenue	... ... ...	... ... ...	1 10 2	1 10 2

Chapter VI Assets and Liabilities

6.1 Assets

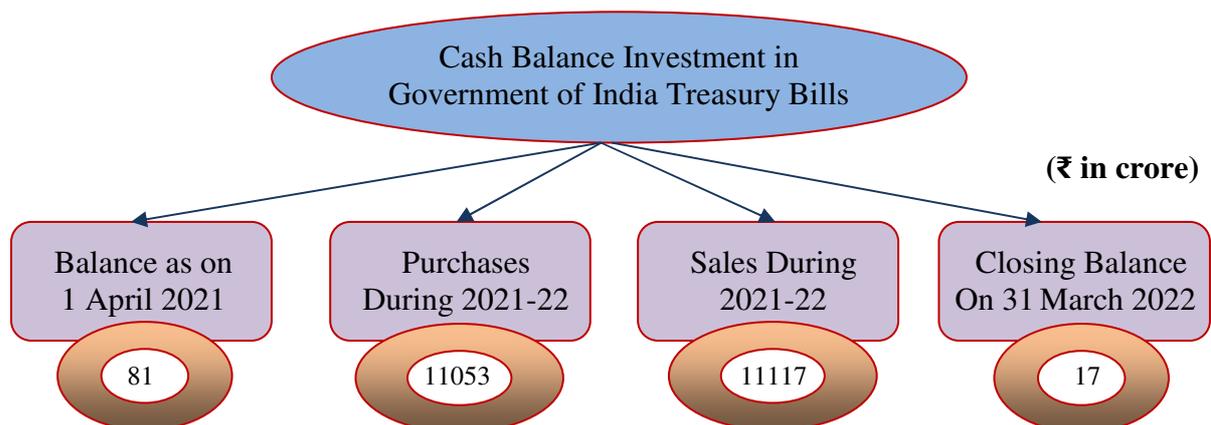
The existing forms of accounts do not clearly depict valuation of Government assets like land, building etc., except in the year of acquisition/ purchase. Similarly, while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities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

The State Government invest in the equity and share capital of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions etc. Total investment as share capital in non-financial public sector undertakings (PSUs) stood at ₹2657 crore at the end of the year of 2021-22. However, dividends received during the year were ₹0.12 crore on total investment. During the year 2021-22, investments increased by ₹7 crore and dividend income increased by ₹0.118 crore.

Cash Balance with RBI stood at (-) ₹51 crore on 1 April 2021 and decreased to ₹(-)67 crore at the end of March 2022. In addition, Government had invested an amount of ₹11053 crore on 103 occasions in 14 days Treasury Bills and reinvested on Maturity ₹3298 crore on 28 occasions. During 2021-22 RBI rediscounted ₹7819 crore on 142 occasions. The position of investment during the year 2021-22 is depicted in the table given below:

(₹ in crore)

Cash Balance Investment in Government of India Treasury Bills			
Balance as on 1 April 2021	Purchases during 2021-22	Sales during 2021-22	Closing balance on 31 March 2022
81	11053	11117	17



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 2021-22 for the State of Meghalaya was ₹1608 crore. Against this, Government of Meghalaya availed open market borrowing of ₹1608 crore.

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

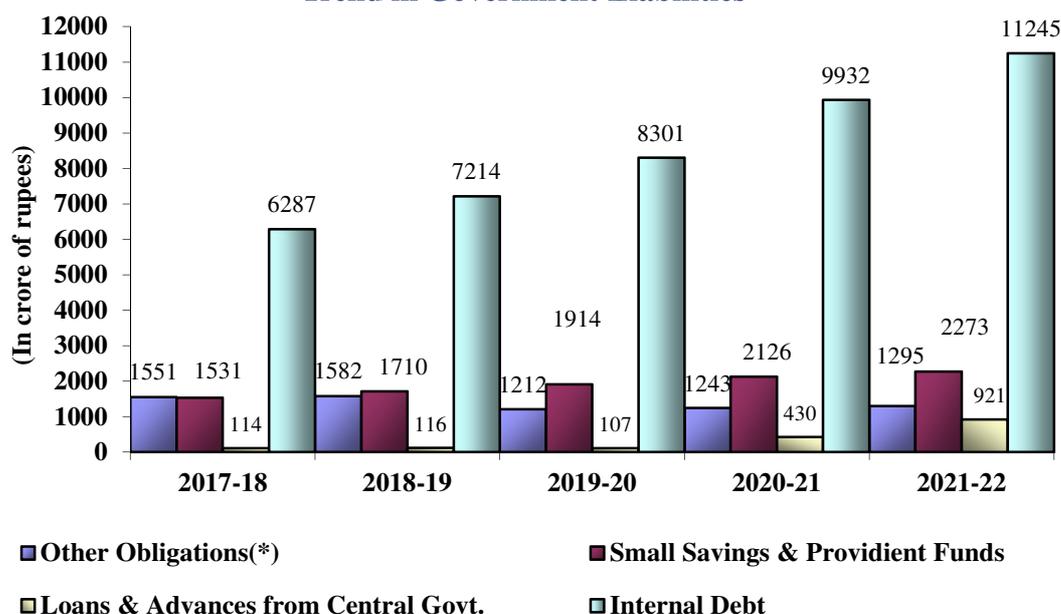
(₹ in crore)						
Year	Public Debt	Per cent to GSDP	Public Account(*)	Per cent to GSDP	Total Liabilities	Per cent to GSDP
2017-18	6402	20	3081	10	9483	30
2018-19	7331	22	3291	10	10622	32
2019-20	8408	22	3126	8	11534	30
2020-21	10362	30	3369	10	13731	39
2021-22	12166	32	3568	10	15734	42

*Excludes civil advances, suspense and remittance balance.

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

Total liabilities showed a net increase of ₹2003 crore (15 per cent) 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 programmers. These guarantees are projected outside the State Budget. The position of guarantees by the State Government for the re-payment 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 March 2022	
		Principal	Interest
2017-18	1140	814	7
2018-19	1377	1150	13
2019-20	1370	1106	14
2020-21	3093	3048	13
2021-22	3055	2980	...

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed [Principal only]	Amount Outstanding at the end of the year	
		Principal	Interest
2017-18	1140	814	7
2018-19	1377	1150	13
2019-20	1370	1106	14
2020-21	3093	3048	13
2021-22	3055	2980	...

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 2022 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 2021-22 was ₹982 crore. Out of this, loans and advances to government corporation/ companies, non-government institutions and local bodies amounted to ₹960 crore. Recovery of principal aggregating to ₹950 crore was in arrears at the end of 31 March 2022. 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

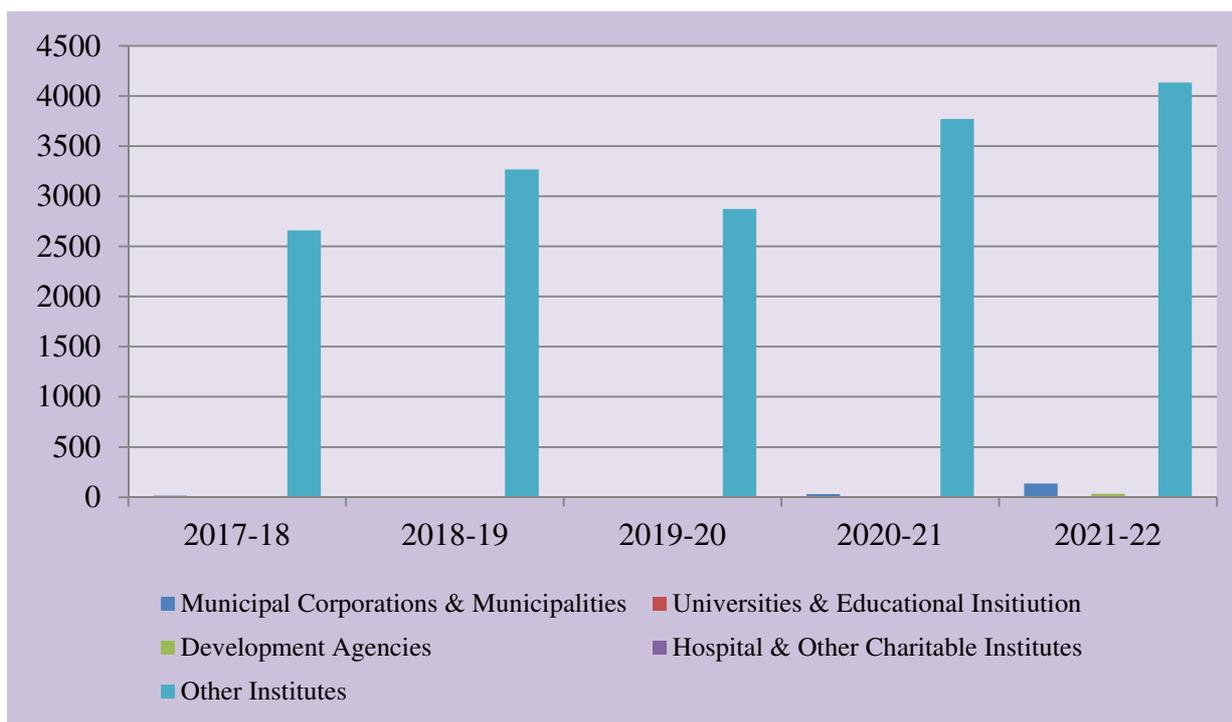
Grants-in-aid given to local bodies, autonomous bodies etc. increased from ₹2674 crore in 2017-18 to ₹4304 crore in 2021-22. Grants to Municipal Corporations and Municipalities (₹134 crore) represent three *per cent* of total grants given during the year.

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

(₹ in crore)

Sl. No.	Name of the Institutions	2017-18	2018-19	2019-20	2020-21	2021-22
1	Municipal Corporations & Municipalities	14	8	6	31	134
2	Universities & Educational Institution	-	-	-	-	-
3	Development Agencies	...	1	1	7	35
4	Hospital & Others Charitable Institutes	-	-	-	-	-
5	Other Institutes [*]	2660	3268	2874	3771	4135
Total		2674	3277	2881	3809	4304

[*] 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 2021	As on 31 March 2022	Net Increase [+]/ decrease[-]
Cash Balances	81	(-)60	(-)141
Investment from cash balance			
(GOI Treasury Bills)	81	17	(-)64
Investment from earmarked fund balances	606	694	88
(a) Sinking Fund	451	523	72
(b) Guarantee Redemption Fund	37	53	16
Interest Realized during the year	06	10	4

The State Government had a negative closing cash balance at the end of 31 March 2022. Interest receipt on the investment of cash balance has increased by 65 per cent from ₹06 crore to ₹10 crore in 2021-22.

7.5 Reconciliation of Accounts

Chief Controlling Officer (CCOs)/ Controlling Officer (COs) are required to reconcile the receipts and expenditure figures of the Government with the figures accounted for by the office of the Accountant General (A&E). The extent of accuracy and completeness of accounts can be drawn only when there is complete reconciliation. Such reconciliation has been completed for expenditure of ₹17328 crore (92 per cent of the total expenditure of ₹18874 crore) and receipts of ₹18181 crore (99 per cent of the total receipts of ₹18319 crore). Finance Department, Government of Meghalaya has been requested to issue necessary instruction to ensure 100 per cent reconciliation.

7.6 Submission of Accounts by Accounts rendering units

The accounts of receipts and expenditure of the Government of Meghalaya have been compiled based on the initial accounts rendered by 18 (eighteen) District Treasuries, [including (three) Sub-Treasuries, 1(one) Cyber Treasury], 90 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:

Year	No. of unadjusted AC Bills	Amount (₹ in crore)
Upto 2019-20	01	0.53
2020-21	03	2.72
2021-22	31	1.25
Total	35	4.50

7.8 Status of Suspense Balances

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

Name of Minor Head	2017-18		2018-19		2019-20		2020-21		2021-22	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658-Suspense Accounts										
101- Pay and Accounts office-suspense	36	1	46	10	65	22	101	41	122	71
Net	35		36		43		60		51	
102-Suspense Account (Civil)	5	...	4	...	4	...	4	...	4	...
Net	5		4		4		4		4	
110-Reserve Bank Suspense-Central Accounts Office	23	45	35	37	133	134	135	128	121	48
Net	22		2		1		7		73	
112-Tax Deducted at Source (TDS) Suspense	...	4	...	5	...	3	...	...	...	9
Net	4		5		3		...		9	

7.9 Status of Outstanding Utilization Certificate

The total number of UCs awaited upto 2019-20, 2020-21 and 2021-22 are as follows:-

Year*	Number of UCs Outstanding	Amount (₹ in crore)
Upto 2019-20	111	1080.23
2020-21	33	295.65
2021-22	163	997.63
Total	307	2373.51

7.10 Commitments on account of Incomplete Capital works

A total expenditure of ₹170472 crore as per Appendix IX in Volume II of the Finance Accounts was incurred up to the year 2021-22 by the State Government on various incomplete projects against an original estimated cost of ₹251079 crore.

The original estimated cost (₹251079 crore) has escalated by 0.22 *per cent* as a whole across various projects. A summarized view on commitments on account of 'Incomplete Capital Works' is furnished below:

(₹ in crore)						
Sl. No.	Category of Works (No. of works)	Estimated cost of work	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Estimated cost after revision
1	Construction	78896	9622	68922	9532	22741
2	Water supply Schemes	61580	5984	18715	42864	61580
3	Others	110603	17055	82835	28559	110603
	Total	251079	32661	170472	80955	194924

7.11 National Pension System

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

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

The Government of Meghalaya, however did not follow the above procedure in transferring Government contribution. The State Government transfers the employee's and Government's contribution to NSDL/Trustee Bank from Current Account up-to July 2019. During 2021-22 the Government has transferred ₹147.19 crore (₹74.24 crore employees contribution plus ₹72.95 crore employer's contribution) towards NPS into Public Account. Thereafter, the State Government transferred ₹147.19 crore to the NSDL/Trustee Bank.

As on 1 April 2021, ₹0.78 crore 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 ₹147.97 crore (₹0.78 crore Opening balance Plus ₹147.19 crore contributed during the year), the State Government transferred ₹146.09 crore leaving a balance of ₹188 crore in the Public Account as on 31 March 2022. Uncollected, unmatched and un-transferred amounts, with accrued interest represent outstanding liabilities under the scheme besides erroneously enhancing the liquidity position of the State Government.

7.12 Personal Deposit Accounts

Under Rule 415 of Meghalaya Treasury Rules, 1985, the moneys tendered as Personal Deposits may be received at the treasury from the administrators of the deposits account without specification of detailed item. Unspent balance lying in Personal Deposits Accounts are required to be transferred back to the Consolidated Fund before the close of the financial year and re-opened next year, if necessary. The details of the Personal Deposits accounts during the year 2021-22 are as under:

(₹ in crore)

PD Accounts as on 01.04.2021		PD Accounts opened during the year 2021-22		PD Accounts closed during the year 2021-22		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
17	17	00	06	00	05	17	18

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 ₹2657 crore as on 31 March, 2022 on which an amount of ₹0.12 crore was received as dividend/interest. Details of this are given in Statement 19 of Finance Accounts. These figures, however, have not been reconciled with the figure of the investee organizations, which is to be done.

7.14 Rush of Expenditure

Uniform flow of expenditure during the year is essential to ensure that the primary requirement of budgetary control is maintained. Rush of expenditure, particularly in the closing months of the financial year should be avoided. The trend of expenditure incurred (as per the initial account furnished by various treasuries) during the last quarter, month of March and last three days of March 2022 as compared to the total expenditure during 2021-22 are given in the table below. This constituted 514 per cent, 62 per cent and 213 per cent respectively of receipts of ₹464 crore during the last quarter.

(₹ in crore)

Expenditure incurred during January to March 2022	Expenditure incurred in March 2022	Expenditure incurred during last three days of March 2022	Total Expenditure	Percentage of total expenditure incurred during		
				Jan to March 2022	March 2022	Last three days of March 2022
2385	288	990	11059	22	3	9

Month wise details of expenditure made by the State Government:

(₹ in crore)

Sl. No.	Month	Expenditure incurred
1	April 2021	477
2	May 2021	605
3	June 2021	813
4	July 2021	768
5	August 2021	675
6	September 2021	860
7	October 2021	865
8	November 2021	832
9	December 2021	1596
10	January 2022	104
11	February 2022	1099
12	March 2022	2365

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