Report of the Comptroller and Auditor General of India on State Finances for the year 2023-24

Government of Meghalaya Report No. 1 of 2025

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PREFACE

This Report on Finances of the State Government of Meghalaya, has been prepared for submission to the Governor of Meghalaya under Article 151 (2) of the Constitution of India for being laid in the Legislature of the State.

Chapter I describes the basis and approach to the Report and the underlying data, providing an overview of the structure of Government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the fiscal/revenue deficits/surplus.

Chapter II of this Report provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2019-20 to 2023-24, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.

Chapter III is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.

Chapter IV provides comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations, by various Departments of the State Government.

The Reports of the Comptroller and Auditor General of India containing the findings of Performance Audit and Compliance Audit in various Government departments, observations arising out of audit of Statutory Corporations, Boards and Government Companies and observations on Revenue Receipts are presented separately.

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

About the Report

This Report of the CAG of India is on the State Finances for the year 2023-24. It provides an overview of the finances, budgetary management and quality of accounts, financial reporting practices and other matters relevant to State Finances.

This executive summary highlights the contents of this report and through snapshots of the important figures and aspects, provides insight into fiscal sustainability, performance against the budget intent, revenue and expenditure projection, the reasons for variations and its impact.

Gross State Domestic Product (GSDP) (at current prices) grew at an average growth rate of 11.14 *per cent* from ₹ 34,770 crore in 2019-20 to ₹ 53,057 crore in 2023-24. Budget Outlay of the State grew at an average growth rate of 12.07 *per cent* from ₹ 16,970.71 crore in 2019-20 to ₹ 26,766.86 crore in 2023-24.

There was 13.98 per cent growth in GSDP over 2022-23. The revenue receipts grew at 21.31 per cent and the percentage of revenue receipts over GSDP increased from 31.84 per cent in 2022-23 to 33.88 per cent in 2023-24. The tax revenue increased by 19.55 per cent over 2022-23 and the State's own tax revenue increased by 21.35 per cent. The total expenditure (revenue expenditure, capital expenditure and loans and advances) of the State of Meghalaya increased 19.92 per cent from ₹ 17,640.57 in 2022-23 to ₹ 21,154.10 crore in 2023-24. Of this, revenue expenditure showed 11.57 per cent increase from 2022-23. Revenue deficit of ₹ 43.90 crore recovered to revenue surplus of ₹ 1,394.32 crore registering 3,276.13 per cent jump in revenue balance over 2022-23, while fiscal deficit increased from ₹ 2,796.15 crore in 2022-23 to ₹ 3,152.21 crore in 2023-24 increasing by 12.73 per cent.

Receipt-Expenditure Mismatch

The continuous mismatch between receipts and expenditure indicates rising fiscal stress. The State has different sources of receipts such as State Own Tax Revenue, Non-tax Revenue, Devolution of States' share in taxes, Grants-in-aid and transfers from the Union Government and non-debt capital receipts. The State Government's expenditure includes expenditure on revenue account as well as capital expenditure (assets creation, loans and advances, investments, *etc.*).

From 2019-20 to 2023-24, revenue receipts grew from ₹ 9,413.52 crore to ₹ 17,977.86 crore, with an average annual growth rate of 17.56 *per cent*. Capital receipts also increased from ₹ 1,527.34 crore to ₹ 7,538.37 crore during this period. The share of Grants-in-aid in revenue receipts rose from 29.54 *per cent* in 2019-20 to 31.01 *per cent* in 2023-24 indicating increased reliance on support from the Government of India. The State Government received ₹ 4,651.43 crore as central share for the Centrally Sponsored Schemes (CSSs) in the year.

Revenue expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network. Between 2019-20 and 2023-24, revenue expenditure increased from ₹ 9,565.12 crore (27.51 per cent of GSDP) to ₹ 16,583.54 crore (31.26 per cent of GSDP). It consistently made up a significant portion (78 to 91 per cent) of the total expenditure during this period, growing at an average annual rate of 14.75 per cent.

Result of expenditure beyond means

The gap between the revenue receipt and revenue expenditure results in revenue deficit. The revenue balance of the State recovered to surplus of \ge 1,394.32 crore (2.63 per cent of GSDP) in the current year from deficit of \ge 43.90 crore in the year 2022-23.

The State Government spent ₹ 4,529.54 crore only on capital account. This was 21.41 per cent of the total expenditure in the year 2023-24. Capital expenditure was 60 per cent of the total borrowings. Thus, more than half of the borrowed funds were being used for capital creation/development activities.

The gap between the total expenditure and total non-debt receipt of the State results in fiscal deficit. The fiscal deficit of the State increased to ₹ 3,152.21 crore (5.94 per cent of GSDP) in 2023-24 from ₹ 2,796.15 crore (6.01 per cent of GSDP) in 2022-23.

Under the revenue expenditure, the quantum of committed expenditure constitutes the largest share. Committed expenditure has the first charge on the resources and consists of interest payments, expenditure on salaries and wages and pensions. Committed expenditure on interest payments, salaries and pensions constituted 44-56 *per cent* of revenue expenditure during 2019-20 (56 *per cent*) and 2023-24 (44 *per cent*). The Committed expenditure increased at a compound annual average rate of 7.86 *per cent i.e.* from ₹ 5,329.88 crore in 2019-20 to ₹ 7,212.74 crore in 2023-24 {an increase of 5.97 *per cent* over 2022-23 (₹ 6,806.02 crore)}.

In addition to the committed expenditure, inflexible expenditure marginally decreased from 5.94 *per cent* to 5.49 *per cent* of revenue expenditure during 2019-20 to 2023-24, with fluctuations during the period. The inflexible expenditure increased by 7.54 *per cent* from $\stackrel{?}{\underset{?}{?}}$ 846.39 crore in 2022-23 to $\stackrel{?}{\underset{?}{?}}$ 910.23 crore in 2023-24. The compound annual growth rate of inflexible expenditure during the period from 2019-20 ($\stackrel{?}{\underset{?}{?}}$ 568.40 crore) to 2023-24 ($\stackrel{?}{\underset{?}{?}}$ 910.23 crore) was 12.49 *per cent*.

Taken together, the committed and inflexible expenditure in 2023-24 was ₹8,122.97 crore, *i.e.* 48.98 *per cent* of revenue expenditure. Upward trend on committed and inflexible expenditure leaves the Government with lesser flexibility for other priority sectors and capital creation.

Subsidies constitute major portion of the non-committed expenditure

Within the non-committed expenditure, there is a decreasing trend of subsidies as share of revenue expenditure from 0.44 *per cent* (₹ 41.72 crore) in 2019-20 to 0.36 *per cent* (₹ 59.01 crore) in 2023-24. Subsidies to Food and Civil Supplies and Consumers Affairs Department constituted a significant portion of 63.42 *per cent* during the year.

Contingent Liabilities on account of Guarantees

In 2023-24, State Government issued guarantee of ≥ 0.02 crore and withdrew guarantee of ≥ 69.35 crore. At the end of the year 2023-24, outstanding guarantees given by the State Government were $\ge 2,908.20$ crore.

Fiscal sustainability

Fiscal sustainability is examined in terms of macro-fiscal parameters such as deficits, level of debt and liabilities, commitments on account of off-budget borrowings, guarantees, subsidies, *etc.* So far as revenue and expenditure mismatch is concerned, one of the important constraints is committed and inflexible expenditure, which includes salaries and wages, pension payments, interests, *etc.* and other inflexible expenditure such as those arising out of commitment for centrally sponsored schemes, transfer to reserve funds, transfer to local bodies, *etc.*

FRBM requirements and compliance with fiscal parameters

The FRBM Act/Rules prescribes certain limits within which revenue deficit, fiscal deficit, debt as a percentage of the Gross State Domestic Product (GSDP) should be, and similarly for guarantees as a percentage of revenue receipts of the previous year. (this may require change based on the parameter). During 2023-24, revenue balance was surplus of ₹ 1,394.32 crore as against the target Revenue Surplus; fiscal deficit was 5.94 per cent as against the limit of 3.50 per cent; debt was 40.56 per cent of GSDP as against limit of 28 per cent. However, no limit is prescribed for guarantees given by the state government. At the end of the year 2023-24, outstanding guarantees were 5.48 per cent of GSDP.

As per the debt stabilisation analysis, the overall debt of the Government of Meghalaya has grown on an average at a rate of 16.87 *per cent* annually of the outstanding public debt between 2019-20 and 2023-24. Overall debt-GSDP ratio of Meghalaya has increased from 33.17 *per cent* in 2019-20 to 40.56 *per cent* in 2023-24, which indicates that debt stabilisation may not be possible in the near future.

During the five-year period from 2019-20 to 2023-24, the State had primary deficit. In the pre Covid period of 2018-19 and 2019-20, the real growth rate of the GSDP was an average of five *per cent* while Domar gap marginally improved in 2019-20 due to falling interest rate. In the post Covid period, the Domar gap has remained positive during 2021-22 and 2022-23 indicating that real interest rates have remained below the GSDP growth rates. However, the sustainability of overall public debt depends on whether the state economy maintains the real growth in the long run and the Primary Balance is stable and consistent with the Debt to GSDP ratio rate.

Budget Performance

Aggregate expenditure outturn

In the Revenue section, deviation in outturn compared with BEs was (-) 3.41 per cent. This was due to deviation between 0 and \pm 25 per cent in 43 grants and two non-grants. Between \pm 25 per cent to \pm 50 per cent in 12 grants and one non-grant, between \pm 50 per

cent to \pm 100 per cent in six grants and there was no grant for more than or equal to 100 per cent.

In the Capital section, deviation in outturn compared with BEs was (\pm) 93.84 per cent. This was due to deviation between 0 and \pm 25 per cent in seven grants and one non-grant, between \pm 25 per cent to \pm 50 per cent in eight grants, between \pm 50 per cent to \pm 100 per cent in 10 grants and more than or equal to 100 per cent in six grants and one non grant. No provision was, however, made in respect of four grants (grant no. 18, 47, 53, and 64) in the Capital section.

Expenditure composition outturn

Budget performance also looks at the extent to which the re-allocation between the main budget categories during the execution have contributed to variance in expenditure composition. This measure indicates the extent of variation between the final budget and the actual expenditure.

In Revenue section, deviation in outturn compared with RE was (-) 16.26 per cent. This was due to deviation between 0 and \pm 25 per cent in 45 grants and three non-grants, between \pm 25 per cent to \pm 50 per cent in 11 grants, between \pm 50 per cent to \pm 100 per cent in five grants.

In Capital section, deviation in outturn compared with RE was (+) 35.03 per cent. This was due to deviation between 0 and \pm 25 per cent in eight grants and one non-grant, between \pm 25 per cent to \pm 50 per cent in 12 grants, between \pm 50 per cent to \pm 100 per cent in nine grants and equal to or more than 100 per cent in four grants and one non-grant. No provision was, however, made in respect of three grants (grant no. 18, 53, and 64) in the Capital section.

It was noticed that supplementary provision of ₹ 439.60 crore proved unnecessary as the actual expenditure did not even reach to the level of the original provision proved unnecessary, as the expenditure did not come up even to the level of original provisions.

Overall Budget reliability assessment indicates that the deviations between the actual expenditure and original budget as well as between the actual expenditure and the final budget were between (-)16.26 per cent and (+) 93.84 per cent. Moreover, it was also noticed that in several cases, there were supplementary grants where expenditure was not even up to the original grant. A reliable budget practice should deal with such deviations.

Quality of Accounts and Financial Reporting

Quality of accounts and financial reporting covers items, transactions and events which relate to gaps in compliance, regularity weaknesses and issues relating to delay in receipt of those accounting records or adjustment records which evidence the actual expenditure. It also highlights issues pertaining to the accounts and financial reporting such as parking of funds outside the Government accounts, non- or short – discharging of liabilities and misclassification of transactions and data gaps.

Regularisation of Excess over Grants/ Appropriations

The State Government has to get excesses over grants/appropriations regularised by the State Legislature as per article 204 and 205 (1) (b) of the constitution. It was observed that in 2023-24, there was excess expenditure of ₹ 3,819.91 crore under one Grants/appropriation in Revenue and two grants/appropriation in Capital which required regularisation. Further, excess disbursements of ₹ 6,833.02 crore pertaining to from 1971-72 to 2022-23 were yet to be regularised.

Compliance with IGAS

As against the requirements of the Indian Government Accounting Standards (IGAS), the State Government did not make full compliance with IGAS-1: Guarantees Given by the Government- Disclosure requirements, IGAS-2: Accounting and Classification of Grants-in-Aid, IGAS-3: Loans and Advances made by the Government and IGAS-4: Prior Period Adjustments.

Funds to Single Nodal Agency

The Government of India and the State Government have introduced system of Single Nodal Agency (SNA) for implementation and fund flow for each Centrally Sponsored Scheme (CSS). The share of the Government of India and the State Government is transferred to the Bank Account of the SNA lying outside the Government Account. As per the PFMS Report, State Government received ₹ 4,013.24 crore being Central share of the Centrally Sponsored Schemes during the year in its Treasury Accounts. As on 31 March 2024, the State Government transferred ₹ 4,627.99 crore to the SNAs, ₹ 3,786.33 crore being Central share and ₹ 841.66 crore being State to the SNAs. There was short transfer of ₹ 226.91 crore of Central Share. As on 31 March 2024, an amount of ₹ 1,112.23 crore was lying unspent in the bank account of the SNAs. Moreover, ₹ 2,860.34 crore of Central and State share was not transferred to SNA within time limit prescribed which resulted in interest liability of ₹ 21.73 crore during the year 2023-24 for the State.

Out of total transfer of ₹ 4,627.99 crore, ₹ 2,935.05 crore was transferred through GIA bills and ₹ 1,692.94 crore through final (expenditure) bills. Detailed vouchers and supporting documents of actual expenditure were not received by PAG office from the SNAs. The difference of figures between the amount booked in the Accounts and SNA report is under reconciliation.

Utilisation Certificates against conditional grants

Despite the requirement of submitting Utilisation Certificates (UCs) against conditional grants within a stipulated time period, 733 outstanding UCs of ₹ 4,835.93 crore were pending as on 31 March 2024.

In the absence of UCs, it could not be ascertained whether the recipients had actually utilised the grants and whether it had been utilised for the purposes for which the grants were disbursed. Further, in the absence of UCs required to be submitted by the departments, assessing the status and progress of the scheme implementation, for which funds have been disbursed, is not feasible.

The substantial backlog in the submission of UCs poses a significant risk of potential fraud and misappropriation of funds.

DCC bills against AC bills

Similarly, despite the requirement of submitting Detailed Countersigned Contingency (DCC) Bills against the advance money withdrawn through Abstract Contingency (AC) Bills, 56 AC bills of ₹ 75.07 crore were pending for submission of DCC bills as on 31 March 2024, out of which 36 AC Bills amounting to ₹ 73.81 crore pertained to the period upto 2022-23.

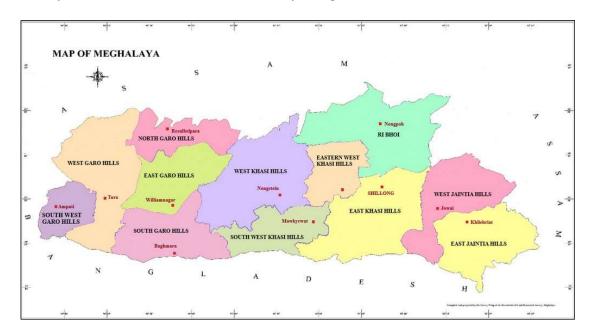
To the extent of non-submission of DCC bills, the expenditure shown in the Finance Accounts cannot be assessed as actuals or final. Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring.

CHAPTER I OVERVIEW

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1.1 Profile of the State

Meghalaya is situated in the North Eastern Region of India and is bound in the north and east by Assam and in the south and west by Bangladesh.



The State is spread over a geographical area of 22,429 sq. km. (0.68 per cent of the country's total geographical area) and is home to around 29.67 lakh persons (0.25 per cent of the population of the country) as per Census 2011. The decadal (2001-2011) growth rate of population for the State was 27.94 per cent against the national decadal growth rate of 17.70 per cent. The projected population of the State during 2023-24 was 33.94 lakh. As per census 2011, State's literacy rate is 74.43 per cent, higher than all India average of 73.00 per cent.

The State has 12 districts¹ and three Autonomous District Councils² under Sixth Schedule of the Constitution of India. Meghalaya is one of the ten North Eastern and Himalayan States (NE&HS) (as per the XV FC Report). In general, the NE&HS receive higher share of Central Assistance for implementation of Centrally Sponsored Schemes (CSS) than the General States. The General and Financial data relating to the State is given in **Appendix 1.1.**

¹ East Khasi Hills, West Khasi Hills, South West Khasi Hills, Eastern West Khasi Hills, East Garo Hills, West Garo Hills, South Garo Hills, North Garo Hills, South West Garo Hills, East Jaintia Hills, West Jaintia Hills and Ri-bhoi.

² Khasi Hills Autonomous District Council, Garo Hills Autonomous District Council, and Jaintia Hills Autonomous District Council.

1.1.1 Gross State Domestic Product of the State

Gross State Domestic Product (GSDP) is the monetary value of all the final goods and services produced within the territory of the State in a given period of time. Growth of GSDP is an important indicator of the State's economy, as it denotes the extent of changes in the level of economic development of the State over a period of time.

Gross Value Added (GVA) is also being adopted increasingly to measure economic growth as GVA is considered better indicator of economic growth compared to GDP, as it insulates the impact of taxes and subsidies. GVA is defined as the value of output minus the value of intermediate consumption and is a measure of the contribution to GDP made by an individual producer, industry or sector. At its simplest it gives the rupee value of goods and services produced in the economy after deducting the cost of inputs and raw materials used.

Trends in GSDP compared to GDP are shown in **Table 1.1**; and the sectoral contribution and sectoral growth in GSDP during the period 2019-20 to 2023-24 are depicted in **Chart 1.1** and **Chart 1.2** respectively.

Table 1.1: Trends in GSDP compared to the national GDP at Current Prices

(₹ in crore)

Year	2019-20	2020-21	2021-22	2022-23	2023-24
INDIA					
GDP at Current Prices	2,01,03,593	1,98,54,096	2,35,97,399	2,69,49,646 (FRE)	2,95,35,667 (PE)
GVA	1,83,81,117	1,82,10,997	2,16,35,584	2,46,59,041 (FRE)	2,67,62,147 (PE)
Growth rate of GDP over previous year (in per cent)	6.37	(-)1.24	18.85	14.21	9.60
Growth rate of GVA over previous year (in <i>per cent</i>)	7.02	(-)0.93	18.81	13.97	8.53
Per Capita GDP (in ₹)	1,49,915	1,46,480	1,72,422	1,94,879	2,11,725
MEGHALAYA					
GSDP at Current Prices	34,770	33,776	40,222	46,551(Q)	53,057 (A)
GSVA at Current Prices	32,444	31,373	37,088	42,778 (Q)	48,743 (A)
Growth rate of GSDP over previous year (in per cent)	8.06	(-)2.86	19.08	15.74	13.98
Growth rate of GSVA over previous year (in <i>per cent</i>)	8.05	-3.30	18.22	15.34	13.94
Per Capita GSDP (in ₹)	1,06,267	1,02,259	1,20,678	1,38,381	1,56,326

Source: Ministry of Statistics and Programme Implementation, Government of India and Directorate of Economics and Statistics, Government of Meghalaya.

FRE=First Revised Estimate, PE=Provisional Estimate, Q= Quick Estimates, A= Advance Estimates.

The GSDP at current prices of Meghalaya grew at 13.98 per cent from ₹ 46,551 crore in 2022-23 to ₹ 53,057 crore in 2023-24. Whereas the GDP of the country at current prices expanded by 9.60 per cent from ₹ 2,69,49,646 crore in 2022-23 to ₹ 2,95,35,667 crore in 2023-24. In other words, the growth rate of the economy of the state was higher than that of the national economy in terms of GDP/GSDP at current prices. The CAGR of the GSDP of the state during 2014-15 to 2023-24 stood at 9.61 per cent while that of the GDP of the country was 10.06 per cent.

During 2023-24, the per capita GSDP of the State was ₹ 1,56,326, while that of the country was ₹ 2,11,725. In simpler terms, the per capital GSDP of the state was 26.17 *per cent* lower than the per capita GDP of the country. While Meghalaya registered the 27th highest (5th lowest) per capita GSDP among the 31 states/UTs in India, the state recorded the 10th highest (2nd lowest) per capita GSDP in the group of the NE & H states.

While the GVA of the country expanded by 8.53 per cent from ₹ 2,46,59,041 crore in 2022-23 to ₹ 2,67,62,147 crore in 2023-24, the GSVA of the state grew at 13.94 per cent from ₹ 42,778 crore in 2022-23 to ₹ 48,743 crore in 2023-24. Put differently, the state economy grew faster than the national economy in terms of Gross Value Addition. The CAGR of the GSVA of the State during 2019-20 to 2023-24 registered 10.71 per cent while that of the GVA of the country was 9.85 per cent.

The trends of GSDP and GSVA for the period from 2019-20 to 2023-24 is indicated in **Chart 1.1** below:



Chart 1.1: Growth rate of GSDP vs GSVA

Source: Directorate of Economic & Statistics, Government of Meghalaya.

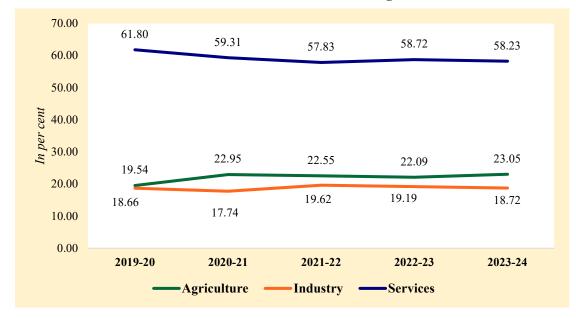


Chart 1.2: Sectoral Contribution to GSVA during 2019-20 to 2023-24

Source: Directorate of Economics and Statistics, Government of Meghalaya.

Chart 1.2 indicates that Services Sector is the main contributor to the state GSVA, with a contribution of 58.23 per cent during 2023-24 followed by Agriculture Sector (23.05 per cent) and Industry Sector (18.72 per cent). During 2023-24, the share of Services Sector in the State economy marginally reduced to 58.23 per cent from 58.72 per cent in 2022-23, and that of Industry Sector also shrunk marginally to 18.72 per cent from 19.19 per cent in 2022-23. However, the share of Agriculture Sector increased from 22.09 per cent in 2022-23 to 23.05 per cent in 2023-24.

1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the Reports of the Comptroller and Auditor General (CAG) of India relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) is prepared and submitted under Article 151 (2) of the Constitution of India.

The Principal Accountant General (Accounts & Entitlements) prepares the Finance Accounts and Appropriation Accounts of the State annually, from the vouchers, challans and initial & subsidiary accounts rendered by the treasuries, offices and departments responsible for keeping of such accounts functioning under the control of the State Government, and the received from the Reserve Bank of India. These accounts are audited independently by the Principal Accountant General (Audit) and certified by the CAG.

Finance Accounts and Appropriation Accounts of the State for the year 2023-24 constitute the core data for this Report. Other sources include the following:

• State Budget of the current year and previous four years, along with the Meghalaya Fiscal Responsibility and Budget Management Act, 2006 for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating

the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;

- Results of audit carried out by the Office of the PAG (Audit);
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS);
- GSDP data and other State related statistics; and
- Various audit reports of the CAG of India.

The analysis is also carried out in the context of recommendations of the XV Finance Commission (FC), best practices and guidelines of Government of India. The draft Report was forwarded to the State Government for comments on 20 January 2025 and replies of the Government, where received, are incorporated in this Report at appropriate places.

1.3 Overview of Government Account Structure and Budgetary Process

Government Accounts comprise of Consolidated Fund, Contingency Fund and Public Accounts as defined below:

1. Consolidated Fund of the State (Article 266(1) of the Constitution of India)

This Fund comprises all revenues received by the State Government, all loans raised by the State Government (market loans, bonds, loans from the Central Government, loans from Financial Institutions, Special Securities issued to National Small Savings Fund, *etc.*), Ways and Means advances extended by the Reserve Bank of India and all moneys received by the State Government in repayment of loans. No moneys can be appropriated from this Fund except in accordance with law and for the purposes and in the manner provided by the Constitution of India. Certain categories of expenditure (*e.g.*, salaries of Constitutional authorities, loan repayments, *etc.*), constitute a charge on the Consolidated Fund of the State (Charged expenditure) and are not subject to vote by the Legislature. All other expenditure (Voted expenditure) is voted by the Legislature.

2. Contingency Fund of the State (Article 267(2) of the Constitution of India)

This Fund is in the nature of an imprest which is established by the State Legislature by law and is placed at the disposal of the Governor to enable advances to be made for meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the functional major head concerned relating to the Consolidated Fund of the State.

3. Public Account of the State (Article 266(2) of the Constitution)

Apart from the above, all other public moneys received by or on behalf of the Government, where the Government acts as a banker or trustee, are credited to the Public Account. The Public Account includes repayable like Small Savings and Provident Funds, Deposits (bearing interest and not bearing interest), Advances, Reserve Funds (bearing interest and not bearing interest), Remittances and Suspense heads (both of which are transitory heads, pending final booking). The net cash balance available with the Government is also included under the Public Account. The Public Account is not subject to vote of the Legislature. **Chart 1.3** present the structure of Government Accounts.

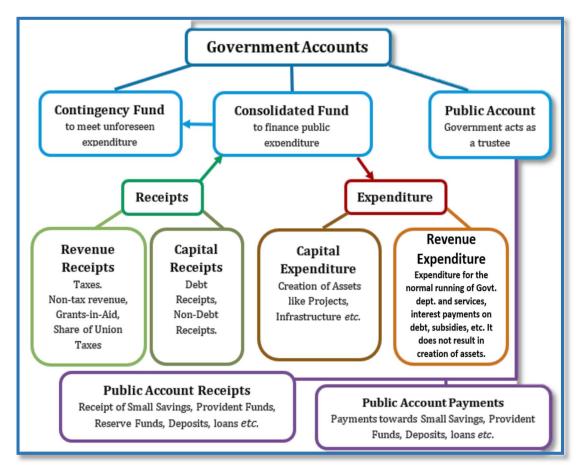


Chart 1.3: Structure of Government Accounts

Chart 1.4: Share of Receipts in Government Accounts during the year

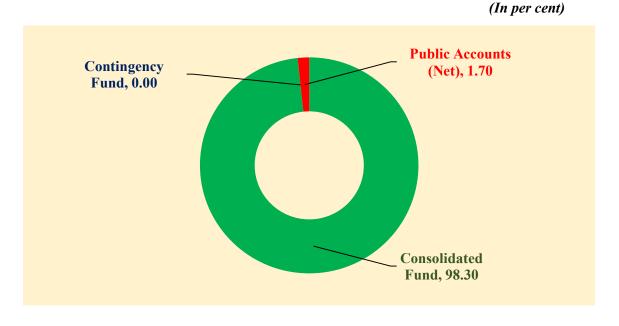


Chart 1.4 depicts the composition of receipts into the Government Accounts during 2023-24. The Consolidated Fund of the State received 98.30 *per cent* of the public funds during the year while the net Public Accounts receipts constituted 1.70 *per cent*.

(i) Budget Document

The Constitution of India under Article 202 prescribes the Governor of the State to cause to lay before the Legislature of the State a statement of the estimated receipts and expenditure of the state, referred to as the Annual Financial Statement, in respect of every financial year. Further, the budget is required to distinguish expenditure on the revenue account from other expenditures.

Revenue Receipts consists of tax revenue, non-tax revenue, share of Union Taxes/ Duties, and grants from Government of India.

Revenue Expenditure consists of all those expenditures of the Government, which do not result in creation of physical or financial assets. It relates to those expenses incurred for the normal functioning of the Government departments and various services, interest payments on debt incurred by the Government, and grants given to various institutions (even though some of the grants may be meant for creation of assets).

Capital Receipts consist of:

- Public Debt receipts: Market Loans, Bonds, Loans from financial institutions, Net transaction under Ways and Means Advances, Loans and Advances from Central Government, etc.
- Non-debt receipts: Proceeds from disinvestment, Recoveries of loans and advances.

Capital Expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the government to Public Sector Enterprises (PSEs) and other parties.

Revenue Surplus/Deficits means the difference between revenue expenditure and total revenue receipts.

Fiscal Deficit means the excess of total disbursements, from the Consolidated Fund of the state, excluding repayment of debt, over total receipts into the Fund (excluding the debt receipts), during a financial year. In other words, when total expenditure (excluding debts repayments) is more than total Receipts (excluding borrowing), the gap is referred to as Fiscal Deficit. The Government borrows to bridge this gap.

Primary Deficit is defined as Fiscal Deficit less interest payments.

At present, we have an accounting classification system in government that is both functional and economic.

	Attribute of transaction	Classification
	Function- Education, Health,	Major Head under Grants (4-digit)
Standardised in	etc./ Department	
LMMH by CGA	Sub-Function	Sub Major head (2-digit)
	Programme	Minor Head (3-digit)
	Scheme	Sub-Head (2-digit)
Flexibility left for	Sub scheme	Detailed Head (2-digit)
States	Economic nature/Activity	Object Head-salary, minor works,
		etc. (2-digit)

Functional classification specifies department, function, program, scheme and object details of expenditure, while economic classification organises payments by revenue, capital, debt, *etc*. Economic classification is determined by the first digit in 4-digit Major Heads. For example, 0 and 1 signify Revenue Receipts, while 2 and 3 denote Revenue Expenditure, and so on. Economic classification is further established through predefined distribution of certain object heads. For example, the "salary" object head is categorised as Revenue Expenditure, while the "construction" object head is classified as Capital Expenditure. The object head constitutes the primary unit for appropriation within budget documents.

(ii) Public Debt and Public Liability

In this Report, 'Public Debt' has been taken to comprise market borrowings, institutional loans, special securities issued to National Small Savings Fund (NSSF), loan given by Central Government, *etc*. For this purpose, the major heads 6003 and 6004 - Public Debt have been taken into consideration.

Further, the transactions relating to 'Small Savings, Provident Fund, etc.', 'Reserve Funds' and 'Deposit and Advances' under Public Account are such that the Government incurs a liability to repay the moneys received or has a claim to recover the amounts paid. The transactions relating to 'Remittances' and 'Suspense' under Public Account, includes merely adjusting heads such as transactions as remittances of cash between treasuries and currency chests and transfer between different accounting circles.

In this Report, 'Public Liability' has been taken to include the transactions under major heads 8001 to 8554 relating to 'Small Savings, Provident Fund, *etc.*', 'Reserve Funds' and 'Deposit and Advances' along with the transactions under major heads 6003 and 6004.

(iii) Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of the State shall cause to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State, in the form of an Annual Financial Statement. In terms of Article 203, the statement is submitted to the State Legislature in the form of Demands for Grants/ Appropriations and after approval of these, the Appropriation Bill is passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund. Some States have more than one consolidated Budget – there could be sub-budgets like Gender-based Budget, Agriculture Budget, Weaker sections (SC/ST) Budget, Disability Budget, Outcome budget, etc.

The State Budget Manual details the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities. Results of audit scrutiny of the budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter III** of this Report.

1.3.1 Snapshot of Finances

The budget papers presented by the State Government provide estimation of revenue and expenditure for a particular fiscal year. The importance of accuracy in the estimation of

revenue and expenditure is widely accepted in the context of effective implementation of fiscal policies for overall economic management. Deviation from the Budget Estimates (BEs) indicates nonattainment of the desired fiscal objectives. **Table 1.2** presents the details of actual financial results for the years 2022-23 and 2023-24 *vis-à-vis* BEs and GSDP for 2023-24.

Table 1.2: Snapshot of Finances of the State

(₹ in crore)

Sl.	Components	2022-23	202	3-24	Percentage of Actuals to	
No.	-	Actuals	BEs	Actuals	BEs	GSDP
1	Tax Revenue	9,936.81	11,039.17	11,879.75	107.61	22.39
	Own Tax Revenue	2,650.67	3,204.66	3,216.53	100.37	6.06
	Share of Union taxes/duties	7,286.14	7,834.51	8,663.22	110.58	16.33
2	Non-Tax Revenue	456.61	742.59	523.25	70.46	0.99
3	Grants-in-Aid and Contributions	4,426.45	7,632.57	5,574.86	73.04	10.51
4	Revenue Receipts (1+2+3)	14,819.87	19,414.33	17,977.86	92.60	33.88
5	Recovery of Loans and Advances	24.55	27.65	24.03	86.91	0.05
6	Other Receipts	0	0	0	1	0.00
7	Borrowings and other liabilities	6,220.68	2,338.53	7,514.34	321.33	14.16
8	Capital Receipts (5+6+7)	6,245.23	2,366.18	7,538.37	318.59	14.21
9	Total Receipts (4+8)	21,065.10	21,780.51	25,516.23	117.15	48.09
10	Revenue Expenditure	14,863.77	17,186.07	16,583.54	96.49	31.26
11	of which, Interest payments	1,028.52	1,168.65	1,138.10	97.39	2.15
12	Capital Expenditure	2,776.80	3,848.24	4,570.56	118.77	8.61
13	Capital Outlay	2,742.28	3,811.68	4,529.54	118.83	8.54
14	Loans and advances (disbursal)	34.52	36.56	41.02	112.20	0.08
15	Total Expenditure excluding repayment of debts (10+12)	17,640.57	21,034.31	21,154.10	100.57	39.87
16	Revenue Surplus (+)/ Deficit (-) (4-10)	(-) 43.90	2,228.26	1,394.32	62.57	2.63
17	Fiscal Deficit (-) /Surplus (+) {(4+5+6)-15}	(-)2,796.15	(-)1,592.33	(-)3,152.21	197.96	(-)5.94
18	Primary Deficit (-) / Surplus (+) (17-11)	(-)1,767.63	(-)423.68	(-)2,014.11	475.39	(-)3.80

Source: Finance Accounts 2022-23 and 2023-24, Annual Financial Statement 2023-24.

Table 1.2 indicates that the Revenue Receipt of the state expanded by 21.31 *per cent* (₹ 3,157.99 crore) from ₹ 14,819.87 crore in 2022-23 to ₹ 17,977.86 crore in 2023-24. The tax revenue increased by 19.55 *per cent* over the previous year. Further, the non-tax revenue and Grants-in-Aid increased by 14.59 *per cent* and 25.94 *per cent* respectively. The Revenue Receipt was 92.60 *per cent* of the BE (₹ 19,414.33 crore).

The borrowings and other liabilities of the State during 2023-24 (₹ 7,514.34 crore) were 321.33 *per cent* over the BE (₹ 2,338.53 crore). This is 20.80 *per cent* higher than the previous year. While the Revenue Receipts and Recovery of Loans underperformed against the BEs, the Total Receipts (₹ 25,516.23 crore) crossed the BE (₹ 21,780.51 crore) mainly driven by the borrowing substantially exceeding the BE. The Total

Receipts was 21.13 per cent ($\stackrel{?}{\checkmark}$ 4,451.13 crore) higher than the previous year ($\stackrel{?}{\checkmark}$ 21,065.10 crore).

The Revenue Expenditure (RE) of the state during 2023-24 (₹ 16,583.54 crore) was 96.49 per cent of the BE (₹ 17,186.07 crore), of which 6.86 per cent (₹ 1,138.10 crore) constituted interest payments on public debt and public accounts liabilities. The RE during 2023-24 grew 11.57 per cent over the previous year.

The Capital Expenditure in 2023-24 (₹ 4,570.56 crore) was higher by 64.60 *per cent* over the previous year. However, as percentage of GSDP, capital outlay was 8.54 *per cent*. Similarly, capital outlay of ₹ 4,529.54 crore exceeded BEs (₹ 3,811.68 crore) by 18.83 *per cent* (₹ 717.86 crore) during the year.

The State registered Fiscal Deficit of ₹ 3,152.21 crore, 12.73 *per cent* higher than the previous year (₹ 2,796.15 crore). Further, the Primary Deficit of the state widened by 13.94 *per cent* from ₹ 1,767.63 crore in 2022-23 to ₹ 2,014.11 crore in 2023-24.

Notable increase in Capital Expenditure indicates higher investment in infrastructure or other developmental projects. However, revenue expenditure remained significant, emphasising operational costs. A surplus in revenue and an increase in capital expenditure are positive indicators, but the widening fiscal and primary deficits highlight growing reliance on borrowings.

1.3.2 Snapshot of Assets and liabilities of the Government

Government accounts capture the financial liabilities of the Government, and the assets created out of the expenditure incurred. The liabilities consist mainly of internal debt, loans and advances from the Government of India (GoI) and receipts from public accounts, and the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances. **Table 1.3** presents the summarised position of assets and liabilities.

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

	Liabilities				Assets				
		2022-23	2023-24	Increase (per cent)			2022-23	2023-24	Increase (per cent)
Co	Consolidated Fund								
A	Internal Debt	12,634.54	14,008.66	10.88	A	Gross Capital Outlay	22,204.60	26,734.14	20.40
	Market loans	11,285.50	12,209.50	8.19		Investment in shares of Companies, etc.#	1,118.92	1,861.02	66.32
	Loans from other institutions	1,349.04	1,799.16	33.37		Other Capital Outlay	21,085.68	24,873.12	17.96
В	Loans and Advances from GoI*	2,002.58*	3,339.19*	66.74	В	Loans and Advances	991.77	1,008.76	1.71
Co	Contingency Fund								
Co	ntingency Fund	505.00	505.00						

	Liabilities				Assets				
		2022-23	2023-24	Increase (per cent)			2022-23	2023-24	Increase (per cent)
Pul	Public Account								
A	Small Savings, Provident Funds, etc.	2,399.00	2,488.76	3.74	A	Advances	1.81	1.81	0.00
В	Deposits	1,459.04	1,672.86	14.66	В	Remittance	-	-	-
С	Reserve Funds	989.98	1,155.43	16.71	С	Suspense and Miscellaneous	144.81	145.48	0.46
D	Remittances	85.45	80.67	(-) 5.59	Cash balance (incl. investment in Earmarked Fund)		908.75	930.86	
Go	rplus in vernment count	4,176.16	5,570.48	-		-	-	-	-
Total		24,251.74	28,821.04	18.84		Total	24,251.74	28,821.04	18.84

Source: Finance Accounts of 2023-24.

Liabilities on the Consolidated Fund of State include market loans, loans raised from financial institutions and loans and advances received from the Government of India (GoI). During 2023-24, Public Debt liabilities stood at ₹ 17,347.85 crore. This comprises market loans of ₹ 12,209.50 crore, loans from financial institutions of ₹ 1,799.16 crore and ₹ 3,339.19 crore loans and advances from the GoI.

The increase in Public Debt in 2023-24 over 2022-23 (₹ 14,637.12 crore) was 18.52 *per cent*. This was primarily due to increase in loans and advances from the GoI³ (66.74 *per cent*) and Loans from Other Institutions⁴ (33.37 *per cent*).

Liabilities on the Consolidated Fund of the State increased by 18.85 *per cent* in 2023-24 over 2022-23 mainly due to increase in Loans from Other Institutions by 33.37 *per cent*, market loans⁵ by 8.19 *per cent* and Loans and Advances from the GoI⁶ by 76.40 *per cent*

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[#] This excludes investment of ₹ 2,116.26 crore to Meghalaya Energy Corporation Limited (MeECL) made from Revenue Account. Further, figure for 2022-23 excludes ₹ 5.00 crore invested on Meghalaya Transport Corporation (MTC) during 2021-22, which has been adjusted in the figure for 2023-24.

^{*} This includes ₹ 253.16 crore Back-to-Back Loans in lieu of GST Compensation Shortfall.

³ Loans and advances from GoI include Loans for State/Union Territory Plan Schemes, Loan under Scheme for Special Assistance to States for Capital Expenditure, Loans for Centrally Sponsored Plan Schemes and Back -to-Back Loan to States in lieu of GST Compensation Shortfall.

⁴ Loans from Other Institutions include: Loans from General Insurance Corporation of India, Loans from National Bank for Agricultural and Rural Development, Compensations and Other Bonds, Loans from National Co-operative Development Corporation, Ways and Means Special Drawing Facility on 91 Days Deposits and from the Reserve Bank of India and Special Securities issued to National Small Savings Fund of the Central Government.

⁵ Market loans include Loans from State Bank of India, Life Insurance Corporation, General Insurance Corporation, National Bank for Agriculture and Rural Development, Compensation and other bonds, Ways and Means Advances, Special Securities issued to National Social Securities Fund, Loans from NCDC and Loans from other Institutions.

⁶ Loans and advances from GoI include Loans for State/Union Territory Plan Schemes, Loan under Scheme for Special Assistance to States for Capital Expenditure, Loans for Centrally Sponsored Plan Schemes and Back -to-Back Loan to States in lieu of GST Compensation Shortfall.

(excluding Back-to-Back Loan to State in lieu of GST Compensation Shortfall of ₹253.16 crore) in 2023-24 over 2022-23.

Chart 1.5 and Chart 1.6 depict the trends in fiscal liabilities and total outstanding liabilities to GSDP ratio during the five-year period 2019-24.

40,000 35,000 30,000 25,000 20,000 15,000 10,000 5,000 2019-20 2020-21 2021-22 2022-23 2023-24 11.533.78 ■ Total Outstanding Liabilities 13,618.74 15,481.09 18,442.32 21,520.31 Loans from GoI 318.28 106.56 667.99 1,749,42 3.086.03 ■Internal Debt 8,301.31 9,931.96 11,244.83 12,634.54 14,008.66 ■ Public Account Liabilities 3,125.91 3,368.50 3,568.27 4,058.36 4,425.62

Chart 1.5: Trends in Liabilities

Source: Finance Accounts 2019-20 to 2023-24.

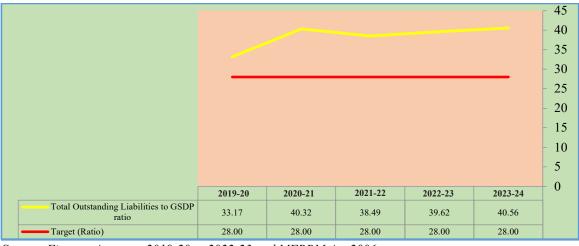


Chart 1.6: Comparison of Total Liabilities to GSDP Ratio and the Targets

Source: Finance Accounts 2019-20 to 2022-23 and MFRBM Act 2006.

Outstanding liabilities of the State increased from $\stackrel{?}{\underset{\sim}{\sim}} 11,533.78$ crore as on 31 March 2020 to $\stackrel{?}{\underset{\sim}{\sim}} 21,520.31^7$ crore as on 31 March 2024. Compared to previous year, the outstanding liabilities at the end of 2023-24 increased by 16.69 *per cent* ($\stackrel{?}{\underset{\sim}{\sim}} 3,077.99$ crore).

The State failed to achieve the Total Outstanding Liabilities to GSDP ratio target of 28 *per cent* set by the Meghalaya Fiscal Responsibility and Budget Management (MFRBM) Act, 2006 for the period 2019-20 to 2023-24.

⁷ Excludes an amount of ₹ 253.16 crore (₹ 112.00 crore + ₹141.16 crore) Back-to-Back loan by GoI in lieu of GST Compensation shortfall which will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, *etc*.

Meghalaya is the seventh highest in the terms of Outstanding liabilities-GSDP ratio among 30 States/UTs in India. In comparison to the North Eastern and Himalayan States, Meghalaya stood at the fifth position. This indicates mounting liabilities of the State. The state may take proactive measures to address this concern and avoid falling into a potential debt trap.

1.4 Fiscal Balance: Achievement of deficit and total debt targets

The objective of prudent budget management is to achieve a healthy fiscal balance, which prevents the economy from getting into a debt trap while promoting economic growth. The ways in which the deficit is financed, and the resources raised are applied, are important pointers to its fiscal health.

This section presents trends, nature and magnitude of deficits and the manner of financing these deficits, and the assessment of actual levels of Revenue and Fiscal Deficits *vis-à-vis* targets set under MFRBM Act/Rules for the financial year 2023-24. Three key fiscal parameters – Revenue, Fiscal and Primary Deficits - indicate the extent of overall fiscal imbalances in the finances of the State Government during a specified period.

In accordance with the recommendations of XII FC, Government of Meghalaya (GoM) has enacted the MFRBM Act, 2006. The performance of the State during the period 2019-20 to 2023-24 in terms of key fiscal targets set for selected parameters as per the MFRBM Act, as amended⁸ *vis-à-vis* achievements are given in **Table 1.4**.

Fiscal Parameters		Achievement vis-à-vis targets set in the MFRBM					
		2019-20	2020-21	2021-22	2022-23	2023-24	
Revenue	Target	Maintain Revenue Surplus					
Deficit (-) / Surplus (+)	Actual	(-)151.60	(-)815.38	653.92	(-)43.90	1,394.32	
(₹ in crore)	Status	Χ	Χ	√	Χ	✓	
Fiscal Deficit	Target	4.35^	5.25^	4.00-4.50	4.00	3.50	
(as percentage of	Actual	1,103.77 (3.17)	2,603.56 (7.71)	2,158.79 (5.37)	2,796.15 (6.01)	3,152.21 (5.94)	
GSDP)	Status	√	Х	Х	Х	Х	
Ratio of total	Target	28.00	28.00	28.00	28.00	28.00	
outstanding liabilities to	Actual	33.17	40.32*	38.49+	39.62 ⁺	40.56+	
GSDP (in per cent)	Status	Х	Х	X	Х	Х	

Table 1.4: Compliance with provisions of MFRBM Act 2006

+Excludes Back-to-Back loan of ₹ 253.16 crore (₹ 112.00 crore + ₹ 141.16 crore)

The State Government achieved Revenue Surplus (₹ 1,394.32 crore) in 2023-24, recovering from Revenue Deficit of ₹ 43.90 crore in 2022-23. However, the State Government continue to fall short of meeting the target set for Fiscal Deficit-GSDP and Outstanding Liabilities-GSDP ratios set in the MFRBM Act, 2006. Fiscal Deficit marginally came down from 6.01 *per cent* in 2022-23 to 5.94 *per cent* of GSDP in

^{*}Excludes Back-to-Back loan of ₹ 112.00 crore.

[^]Increased by 0.25 per cent as the total interest paid preceding year is less than/equal to 10 per cent of Revenue Receipts. Refer to MFRBM (Amendment) Act 2015.

⁸ September 2015, March 2020, March 2021 and September 2022.

2023-24, which is still above the target of 3.50 *per cent* set under MFRBM (Amendment) Act, 2024. Further, the State failed to achieve the target for total outstanding liabilities-GSDP ratio prescribed by MFRBM Act, 2006 since 2019-20. The ratio has not only remained above the prescribed target but also continued to increase during the last five-year period.

During Exit Conference (March 2025), State Government stated that out of the total outstanding liabilities-GSDP ratio of 40.56 *per cent* as on 31 March 2024, 5.32 *per cent* is on account of 50-year interest free loan from the Central Government under the Scheme for Assistance to States for Capital Investment (SASCI).

Table 1.5 tracks the performance of the list key fiscal parameters against the targets set by the Fifteenth Finance Commission (15th FC) as well as the Budget for 2023-24.

Table 1.5: Targets vis-à-vis achievements in respect of major fiscal aggregates for the year 2023-24

	Targets as	Targets		Variation of actuals over #	
Fiscal Variables	prescribed by 15th FC	in the Budget	Actuals*	Targets of 15th FC	Targets in Budget
Revenue Deficit (-)/ Surplus (+)/GSDP (per cent)	0.00	4.78	2.63	2.63	(-) 2.15
Fiscal Deficit (-)/Surplus (+)/GSDP (per cent)	(-) 3.00	(-) 3.42	(-) 5.94	(-) 2.94	(-) 2.52
Total outstanding liabilities/GSDP (per cent)	39.80	39.91	40.56 ^{\$}	(-) 0.76	(-) 0.65

Source: Recommendations of 15th FC, Annual Financial Statement 2023-24, Finance Accounts 2023-24, Brief on the Finances of the States for the State Finance Audit Report 2023-24 compiled by the Economic Division, Office of the Comptroller and Auditor General of India.

During 2023-24, the State achieved the targets for Revenue Surplus as a percentage of GSDP as recommended by the 15th Finance Commission, while falling short of the target set in the Budget 2023-24. However, the targets for Fiscal Deficit and Total Outstanding Liabilities as a percentage of GSDP set by both the 15th Finance Commission and the Budget 2023-24 were not achieved.

^{*}Calculated based on GSDP figures of ₹ 53,507 (A) crore provided by the Directorate of Economics and Statistics, Government of Meghalaya.

^{\$} Excludes Back-to-Back loan of ₹ 253.16 crore (₹ 112.00 crore + ₹ 141.16 crore) received from GoI in lieu of GST compensation shortfall during 2020-22.

[#] Negative indicates that the target was not achieved while Positive Sign indicates that the target was achieved.

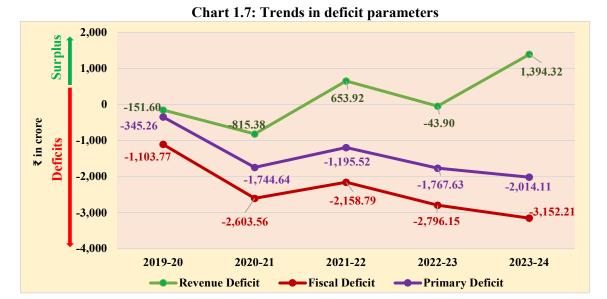


Chart 1.7 depicts the trends in surplus/deficit parameters during 2019-20 to 2023-24.

Chart 1.7 shows that Revenue, Fiscal and Primary deficits showed a fluctuating trend. While the Fiscal and Primary balances were in deficits during the period, the Revenue balance was in Surplus during 2023-24 recovering from deficit in 2022-23.

Overall, the State failed to achieve the projections set for key fiscal performance parameters during 2019-20 to 2023-24 except Fiscal Deficit target in 2019-20 and Revenue Surplus in 2021-22 and 2023-24.

1.5 Fiscal Policy Statements (FPSs)

As per the MFRBM Act, 2006, the State Government shall in each financial year lay before the State Legislature, Medium Term Fiscal Policy Statement (MTFPS) along with the Annual Budget. The MTFPS has to set forth a three-year rolling target for the prescribed fiscal indicators.

Table 1.6 indicates the variation between the projections made for 2023-24 in MTFPS presented to the State Legislature along with the Annual Budget and Actuals for the year 2023-24.

Table 1.6: Actuals vis-à-vis projection in MTFPS for 2023-24

(₹ in crore)

Sl. No.	Fiscal Variables	Projection as per MTFPS	Actuals	Variation in per cent
	Tax Revenue (i + ii)	11,039.17	11,879.75	7.61
1	(i) Own Tax Revenue	3,204.66	3,216.53	0.37
	(ii) Share of Central Taxes	7,834.51	8,663.22	10.58
2	Non-Tax Revenue	742.59	523.25	(-)29.54
3	GIA from GoI	7,632.57	5,574.86	(-)26.96
4	Revenue Receipts (1+2+3)	19,414.33	17,977.86	(-)7.40
5	Revenue Expenditure	17,186.07	16,583.54	(-)3.51
6	Revenue Deficit (-) / Surplus (+) (4-5)	2,228.26	1,394.32	(-)37.43
7	Fiscal Deficit (-)/ Surplus (+)	(-)1,592.33	(-)3,152.21	97.96
8	Debt-GSDP ratio (per cent)	39.91	40.56	(-)0.65

Sl. No.	Fiscal Variables	Projection as per MTFPS	Actuals	Variation in per cent
9	GSDP growth rate at current prices (per cent)	11.54	13.98	2.44
10	Fiscal Deficit as a percentage of GSDP	3.42	5.94	(-)2.52

Source: Finance Accounts 2023-24 and MTFPS 2023-24.

Table 1.6 depicts that the Revenue Surplus fell short from projections made in FPS by ₹833.94 crore (37.43 *per cent*) while Fiscal Deficit exceeded projections made in FPS by ₹1,559.88 crore (97.96 *per cent*). However, Revenue Balance recovered from deficit in 2022-23 (₹43.90 crore) to surplus in 2023-24 (₹1,394.32 crore). Despite achieving a revenue surplus, the State witnessed a wider fiscal deficit. This is indicative of increased capital expenditure or borrowing beyond what was planned. Further, Total Liabilities-GSDP ratio breached the projection of 39.91 *per cent* set by MTFPS.

1.6 Deficits and total outstanding Liabilities post examination by Audit

To enhance the portrayal of State Finances, there is a tendency to categorise Revenue Expenditure as Capital Expenditure and engage in off-budget fiscal operations.

1.6.1 Deficits post examination by Audit

The MFRBM Act, 2006 requires the State Government to ensure compliance to the targets fixed for the fiscal indicators such as deficits, ceiling on debt and on guarantees, etc. The revenue deficit and the fiscal deficit as determined for the State are impacted due to various circumstances such as misclassification of revenue expenditure as capital expenditure and off-budget fiscal operations. Besides, deferment of clear-cut liabilities, not depositing cess/royalty to Consolidated Fund, short contribution to New Pension Scheme, Sinking Fund and guarantee Redemption Fund, etc. also impacts the revenue and fiscal deficit figures. In order to arrive at actual deficit figures, the effect of misclassification of revenue expenditure/capital outlay and/or any such misclassification needs to be included, and the impact of such irregularities needs to be reversed. Analysis of deficits after examination in audit are given in **Table 1.7**.

Table 1.7: Revenue and Fiscal Deficit, post examination by Audit

(₹ in crore)

	Impact on Re	evenue Surplus	Impact on Fiscal Deficit	
Item	Over- statement (₹ in crore)	Under- statement (₹ in crore)	Over- statement (₹ in crore)	Under- statement (₹ in crore)
Non-payment of interest on the balances under interest bearing Reserve Funds and Deposits: NPS: ₹ 0.14 crore; SCAF: ₹ 5.65 crore; SDRF: ₹ 1.26 crore, SDMF: ₹ 1.25 crore;	8.30	ı	-	8.30
Misclassification between revenue and capital	0.54	ı	1	-
Non-receipt of commission on the Guaranteed amount	-	-	ľ	-
Short transfer of royalty for NMET from the Consolidated Fund of the State to the Public Account	-	-	-	-

	Impact on Ro	evenue Surplus	Impact on Fiscal Deficit		
Item	Over- statement (₹ in crore)	Under- statement (₹ in crore)	Over- statement (₹ in crore)	Under- statement (₹ in crore)	
Non-transfer of Central Share (received up-to 1st March 2024 by the State for CSS) to State Nodal Agency.	368.47	-	-	368.47	
Total (Net) Impact	377.31 (Overstatement)		376.77 (Understatement)		

Source: Finance Accounts 2023-24.

Table 1.7 highlights that the revenue surplus (₹ 1,394.32 crore) was overstated by ₹ 377.31 crore and fiscal deficit (₹ 3,152.21 crore) was understated by ₹ 376.77 crore (as referred in **Paragraph 1.4**). The corrected revenue surplus and fiscal deficit would be ₹ 1,017.01 crore and ₹ 3,528.98 crore respectively.

1.6.2 Total Outstanding Debt post examination by Audit

The MFRBM Act, 2006 defined total liabilities as the liabilities under the Consolidated Fund, the Public Accounts of the State under Article 266 of the Constitution of India and includes borrowings by the Public Sector Undertakings and Special Purpose Vehicles and other equivalent instruments including guarantees where principal and/or interest are to be serviced out of the State budgets. The position of outstanding liabilities of the state is summarised in **Table 1.8**.

Table 1.8: Components of outstanding debt/liabilities as on 31 March 2024

Borrowings and other liabilities as per Finance Accounts	Amount (₹ in crore)
Internal Debt (A)	14,008.66
Market Loans	12,209.50
Special Drawing Facility on 91 Days Deposits	187.89
Compensation and other Bonds	100
Loans from Financial Institutions, etc.	882.06
Special Securities issued to the National Small Savings Fund of the Central Government	368.29
Ways and Means Advances from the Reserve Bank of India	260.92
Loans and Advances from Central Government (B)	3,339.19
Non-plan Loans	0.41
Loans for State Plan Schemes	42.61
Loans for Centrally Sponsored Plan Schemes	2.05
Loans for Special Schemes	0.13
Centrally Sponsored Schemes	0.25
Other Loans*	3,293.74
Liabilities upon Public Accounts (C)	4,425.62
Small Savings, Provident Funds, etc.	2,488.76
Deposits	1,672.86
Reserve Funds	264
Total (A+B+C) Source: Fingure Accounts 2023, 24	21,773.47

Source: Finance Accounts 2023-24.

*Includes back-to-back loans of $\stackrel{?}{_{\sim}}$ 253.16 crore ($\stackrel{?}{_{\sim}}$ 112.00 crore in 2020-21 and $\stackrel{?}{_{\sim}}$ 141.16 crore in 2021-22) from GOI in lieu of GST Compensation shortfall.

1.7 Conclusion

The economy of the state grew at 13.98 per cent in 2023-24 over 2022-23 in terms of GSDP at current prices. Compared to the national GDP at current prices, which grew at 9.60 per cent in 2023-24 over 2022-23, the economy of the State expanded more. As a matter of fact, during 2021-22 to 2023-24, the economy of the state grew faster than the national economy in terms of GSDP/GDP at current prices. However, Meghalaya's per capita GSDP was lower than the per capita GDP of the country from 2019-20 to 2023-24. This indicates the need to consolidate and build on the current trend with strategic economic initiatives in Meghalaya, including diversification, infrastructure investment, tourism promotion, and prioritising education and skill development.

Revenue Receipts and Revenue Expenditure rose by 21.31 *per cent* and 11.57 *per cent*, respectively, from the previous year. However, they fell short of budget estimates by 7.40 *per cent* and 3.51 *per cent* respectively. Increase in Grants-in-Aid & Contributions, and higher tax as well as non-tax revenue helped the state recover from revenue deficit of ₹ 43.90 crore in 2022-23 to revenue surplus of ₹ 1,394.32 crore in 2023-24.

While non-tax revenue in 2023-24 fell short of budget estimate by 29.54 *per cent*, and Grants-in-Aid by 26.96 *per cent*, tax revenue collection surpassed budget estimates by 7.61 *per cent*. Total revenue receipts were 7.40 *per cent* less than the budget estimate. Although the revenue surplus for 2023-24 was 37.43 *per cent* lower than budget estimate, the state achieved a revenue surplus of \ge 1,394.32 crore in 2023-24, recovering from a revenue deficit of \ge 43.90 crore in the previous year.

During 2023-24, capital receipts was ₹ 7,538.37 crore (including WMA & SDF of ₹ 4,589.17 crore), surpassing the Budget Estimates (₹ 2,366.18 crore) by ₹ 5,172.19 crore (218.59 per cent). This included borrowing of ₹ 7,514.34 crore, which is 20.79 per cent higher than the previous year (₹ 6,220.68 crore). Capital outlay was ₹ 4,529.54 crore, exceeding the Budget Estimates by 18.83 per cent (₹ 717.86 crore).

As regards to fiscal parameters in 2023-24, the State maintained revenue surplus as mandated by the MFRBM Act. The Fiscal Deficit as a percentage of GSDP reached 5.94 per cent, and the outstanding-GSDP ratio was 40.56 per cent, missing the targets under MFRBM Act at 3.50 per cent and 28.00 per cent respectively. Over the past five years, the State failed to meet the targets for Revenue Balance in three years and Fiscal Balance in four years, while the Outstanding liability-GSDP ratio consistently exceeded the 28 per cent limit.

1.8 Recommendations

- The State Government may continue to build on the current trend of economic initiatives and enhance capital spending to increase contribution of all sectors to the economy of the state.
- The State Government may make efforts to achieve the projections/ targets on major fiscal parameters committed in the Meghalaya Fiscal Responsibility and Budget Management (MFRBM) Act, 2006 through better financial management.

CHAPTER II FINANCES OF THE STATE

CHAPTER II FINANCES OF THE STATE

2.1 Introduction

This Chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the five-year period from 2019-20 to 2023-24, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State. Information has also been obtained from the State Government where necessary.

2.2 Major changes in key fiscal aggregates during 2023-24 vis-à-vis 2022-23

Table 2.1 provides an overview of the significant changes in the State's key fiscal aggregates for the year 2023-24 as compared to the previous year.

Table 2.1: Changes in key fiscal aggregates in 2023-24 compared to 2022-23

	Revenue Receipts increased by ₹ 3,157.99 crore (21.31 per cent)			
D	Own Tax Receipts increased by ₹ 565.86 crore (21.35 per cent)			
Revenue	Non-Tax Receipts increased by ₹ 66.64 crore (14.59 per cent)			
Receipts	State's Share of Union Taxes and Duties increased by ₹ 1,377.08 crore (18.90 per cent)			
	Grants-in-Aid from Government of India increased by ₹ 1,148.41 crore (25.94 per cent)			
	Revenue Expenditure increased by ₹ 1,719.77 crore (11.57 per cent)			
D	Revenue Expenditure on General Services increased by ₹ 405.72 crore (7.97 per cent)			
Revenue	Revenue Expenditure on Social Services increased by ₹ 417.68 crore (7.44 per cent)			
Expenditure	Revenue Expenditure on Economic Services increased by ₹ 896.37 crore (21.54 per cent)			
	Expenditure on Grants-in-Aid increased by ₹ 1,323.44 crore (27.21 per cent)			
Capital	Debt Capital Receipts increased by ₹ 1,293.66 crore (20.80 per cent)			
Receipts	Non-debt Capital Receipts decreased by ₹ 0.52 crore (2.12 per cent)			
	Capital Expenditure increased by ₹ 1,787.26 crore (65.17 per cent)			
Capital	Capital Expenditure on General Services increased by ₹ 31.44 crore (22.93 per cent)			
Expenditure	Capital Expenditure on Social Services increased by ₹ 248.47 crore (28.41 per cent)			
	Capital Expenditure on Economic Services increased by ₹ 1,507.35 crore (87.10 per cent)			
Loans and	Disbursement of Loans and Advances increased by ₹ 6.5 crore (18.83 per cent) Recoveries			
Advances	of Loans and Advances decreased by ₹ 0.52 crore (2.12 per cent)			
Public Dobt	Public Debt Receipts increased by ₹ 1,293.66 crore (20.80 per cent)			
Fublic Debt	Public Debt Disbursement increased by ₹ 1,054.07 crore (28.11 per cent)			
Public	Public Account Receipts increased by ₹ 727.41 crore (15.04 per cent)			
Account	Disbursement of Public Account increased by ₹ 852.09 crore (19.59 per cent)			
Cash Balance	Cash Balance decreased by ₹ 79.65 crore (67.02 per cent)			
Receipts Capital Expenditure Loans and Advances Public Debt Public Account	Debt Capital Receipts increased by ₹ 1,293.66 crore (20.80 per cent) Non-debt Capital Receipts decreased by ₹ 0.52 crore (2.12 per cent) Capital Expenditure increased by ₹ 1,787.26 crore (65.17 per cent) Capital Expenditure on General Services increased by ₹ 31.44 crore (22.93 per cent) Capital Expenditure on Social Services increased by ₹ 248.47 crore (28.41 per cent) Capital Expenditure on Economic Services increased by ₹ 1,507.35 crore (87.10 per cent) Capital Expenditure on Economic Services increased by ₹ 6.5 crore (18.83 per cent) Recover of Loans and Advances increased by ₹ 6.5 crore (2.12 per cent) Public Debt Receipts increased by ₹ 1,293.66 crore (20.80 per cent) Public Debt Disbursement increased by ₹ 1,054.07 crore (28.11 per cent) Public Account Receipts increased by ₹ 727.41 crore (15.04 per cent) Disbursement of Public Account increased by ₹ 852.09 crore (19.59 per cent)			

Source: Finance Accounts 2023-24.

Each of the above fiscal aggregators is analysed in the succeeding paragraphs.

2.3 Sources and Application of Funds

Table 2.2 presents a comparison of the State's sources and application of funds for the years 2023-24 and 2022-23 in absolute terms. Besides, **Charts 2.1** and **2.2** illustrate the breakdown of receipts and expenditure from the Consolidated Fund for 2023-24 in terms of percentage.

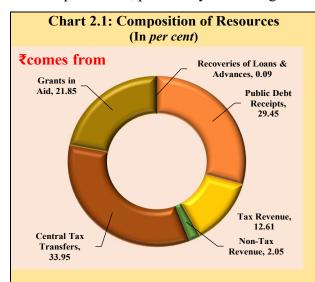
Table 2.2: Details of Sources and Application of funds during 2022-23 and 2023-24

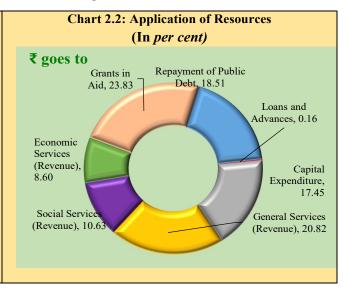
(₹ in crore

					t in crore)	
				Increas	e (+)/	
	Particulars	2022-23	2023-24	Decrease (-)		
				Amount	Percent	
	Opening Cash Balance (including investments held in Cash Investment Account and Deposits with RBI)	(-)42.66	118.84	161.50	378.57	
	Revenue Receipts	14,819.87	17,977.86	3,157.99	21.31	
Sources	Recoveries of Loans and Advances	24.55	24.03	(-)0.52	(-)2.12	
	Public Debt Receipts (Net)	2,471.13	2,710.74	239.60	9.70	
	Public Account Receipts (Net)	486.52	361.82	(-)124.69	(-)25.63	
	Contingency Fund Receipts	1,458.81	662.66	(-)796.15	(-)54.58	
	Total	19,218.22	21,855.95	2,637.73	13.73	
	Revenue Expenditure	14,863.77	16,583.54	1,719.77	11.57	
	Capital Expenditure	2,742.28	4,529.54	1,787.26	65.17	
	Disbursement of Loans and Advances	34.52	41.02	6.50	18.83	
	Appropriation to Contingency Fund ⁹				-	
Application	Contingency Fund disbursement	1,458.81	662.66	(-)796.15	(-)54.58	
••	Closing Cash Balance (including investments held in Cash Investment	118.84	39.19	(-)79.65	(-)67.02	
	Account and Deposits with RBI)					
	Total	19,218.22	21,855.95	2,637.73	13.73	

Source: Finance Accounts 2023-24

From **Table 2.1**, it is seen that the higher growth in capital expenditure (65.17 per cent) compared to revenue expenditure (11.57 per cent) reflects an increased focus on asset creation, which is a positive sign for long-term development. Revenue receipts saw moderate growth, but the slower recovery of loans and reduced public account inflows offset some of the gains. Further, public debt receipts grew significantly, driving the increase in total sources. This suggests reliance on borrowings to fund increased expenditures, potentially increasing future debt servicing burdens.





Source: Finance Accounts 2023-24.

Note: Public Debt Receipts and Repayments of Public Debt include receipts and repayments under Special Drawing Facility (SDF) and Ways and Means Advances (WMA).

⁹ Any Appropriation to Contingency Fund for increasing the Corpus of the Fund also forms part of the Total Expenditure.

2.4 Resources of the State

The resources of the State are described below:

Revenue Receipts consist of Tax Revenue, Non-Tax Revenue, State's share of Union taxes and duties, and Grants-in-Aid from Government of India (GoI).

Capital Receipts (debt and non-debt) comprise debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI and miscellaneous Capital Receipts such as proceeds from disinvestments, recoveries of loans and advances.

Both Revenue and Capital Receipts form part of the Consolidated Fund of the State.

Net Public Account Receipts: There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.* which do not form part of the Consolidated Fund.

These are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.4.1 Receipts of the State

This paragraph provides the composition of the overall receipts of the State. Besides, the Capital and Revenue Receipts, funds available in the Public Account (net of disbursement made from it) are also utilised by the Government to finance its deficit. The composition of total receipts of the State is depicted in **Chart 2.3.**

Receipts (₹ 25,878.05 crore) **Capital Receipts Net Public** (₹ 7,538.37 crore) **Account Receipts Revenue Receipts** (₹17,977.86 crore) (₹ 361.82 crore) **Public Debt Non Debt Receipts** Receipts (₹ 24.03 crore) Share of Union taxes and duties (₹ 7,514.34 crore) Small Savings, PF, etc. Recoveries of loans (₹ 8,663.22 crore) (₹ 89.76 crore) and advances Reserve funds (₹ 24.03 crore) (₹ 63.68 crore) Loans and Miscellaneous Internal Deposits/Advances **GIA from GoI** Advances Capital Receipts (₹213.82 crore) from GoI (₹ 5,574.86 crore) (NIL) (₹ 6,153.17 Suspense and Misc. (₹ 1,361.17 (-) ₹ 0.66 crore) crore) Remittances Non-Tax Revenue (-)₹ 4.78 crore (₹ 523.25 crore) **Own Tax Revenue** (₹ 3,216.53 crore) Taxes on sales, trade, etc., (₹ 836.93 crore), State Excise (₹ 458.20 crore) Stamps and Registration fees etc. (₹ 26.30 crore), State GST (₹ 1,723.06 crore) & Others (₹ 172.04 crore)

Chart 2.3: Composition of Receipts of the State during 2023-24

Source: Finance Accounts 2023-24.

Out of the total resources of ₹ 25,878.05 crore for the State Government during the year 2023-24, Revenue Receipts (₹ 17,977.86 crore) constituted 69.47 *per cent* while Capital Receipts (₹ 7,538.37 crore) and net Public Account Receipts (₹ 361.82 crore), accounted for 29.13 *per cent* and 1.40 *per cent* of the total resources respectively.

The state's share of Union taxes (₹ 8,663.22 crore) and Grants-in-Aid (₹ 5,574.86 crore) together account for 79.20 per cent of Revenue Receipts, highlighting reliance on central government support. Debt receipts (₹ 7,514.34 crore) form the bulk of capital receipts, indicating a significant reliance on borrowings to meet fiscal demands. Non-tax revenue (₹ 523.25 crore) remains relatively low compared to tax revenue and central transfers, suggesting potential scope for improvement in resource mobilisation through royalties, fees, and other charges. Recoveries of loans and advances (₹ 24.03 crore) are negligible, indicating inefficiency or limited disbursements of recoverable loans. Negative balances in components like remittances and small savings suggest outflows exceeding inflows, which may indicate issues in financial management or higher payouts.

2.4.2 State's Revenue Receipts

This section discusses the trends in Revenue Receipts and its components, trends in the receipts bifurcated into receipts from the Central Government and State's own receipts.

2.4.2.1 Trends and growth of Revenue Receipts

Table 2.3 outlines the trends and growth of Revenue Receipts along with revenue buoyancy in relation to GSDP over the five-year period from 2019-24.

Table 2.3: Trend in Revenue Receipts (2019-24)

(₹ in crore)

Table Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Revenue Receipts (RR)	9,413.52	10,683.24	14,274.14	14,819.87	17,977.86
Rate of growth of RR (per cent)	(-)3.14	13.49	33.61	3.82	21.31
Tax Revenue	6,103.03	6,624.19	8,881.01	9,936.81	11,879.75
Own Tax Revenue	1,891.25	2,072.56	2,300.38	2,650.67	3,216.53
State's share in Union taxes and duties	4,211.78	4,551.63	6,580.63	7,286.14	8,663.22
Non-Tax Revenue	530.11	523.17	524.58	456.61	523.25
Grants-in aid from GoI	2,780.38	3,535.88	4,868.55	4,426.45	5,574.86
Own Revenue (Own Tax and Non-tax Revenue)	2,421.36	2,595.73	2,824.96	3,107.28	3,739.78
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (per cent)	9.02	7.2	8.83	9.99	20.36
GSDP	34,770	33,776	40,222	46,551(Q)	53,057(A)
Rate of growth of nominal GSDP (per cent)	8.06	(-)2.86	19.08	15.74	13.98
RR/GSDP (per cent)	27.07	31.63	35.49	31.84	33.88
Buoyancy Ratios ¹⁰					
Own Tax Revenue w.r.t GSDP	0.68	*	0.58	0.97	1.53

Source of GSDP figures: Department of Economics and Statistics, Government of Meghalaya.

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^{*}Not computed due to negative growth of GSDP;

Q = Quick Estimates, A = Advance Estimates.

¹⁰ Buoyancy indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

General trends relating to Revenue Receipts of the State are as follows:

Table 2.3 shows that Revenue Receipts grew by 90.98 *per cent* from ₹ 9,413.52 crore in 2019-20 to ₹ 17,977.86 crore in 2023-24. Over the five-year period, the average annual growth rate was 17.56 *per cent* in terms of CAGR¹¹. As compared to 2022-23, Revenue Receipts grew at 21.31 *per cent*, while Tax Revenue increased by 19.55 *per cent* (₹ 1,942.94 crore), Non-tax Revenue increased by 14.59 *per cent* (₹ 66.64 crore) in 2023-24. Additionally, Grants-in-Aid from GoI and Share in Union Taxes and duties increased by ₹ 1,148.41 crore (25.94 *per cent*) and ₹ 1,377.08 crore (18.90 *per cent*) respectively in 2023-24 as compared to 2022-23.

Growth rate of revenue can be better explained in terms of revenue buoyancy. The revenue buoyancy, a measure of how tax/non-tax revenues change because of growth in GSDP, indicates the underlying attributes of the State economy including efficiency of tax collection and impact of fiscal measures. A value of less than one reflects that revenue collection growth rate is lower than the rate of growth of GSDP. On the other hand, a value more than one reflects that revenue collection growth rate is higher than the rate of growth of GSDP.

State's Own Tax Revenue buoyancy increased from 0.97 in 2022-23 to 1.53 in 2023-24. During 2023-24, growth in Own Tax Revenue was more than that of GSDP at Current Prices.

Trends in Revenue Receipts relative to GSDP and components of Revenue Receipts are given in **Charts 2.4** and **2.5** respectively.

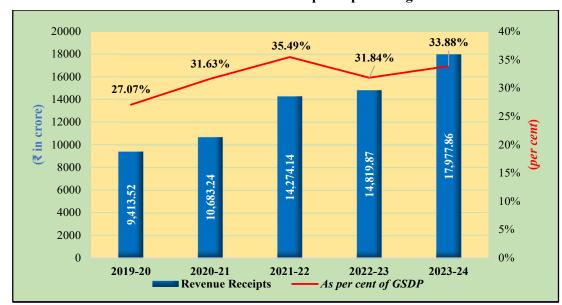


Chart 2.4: Trend of Revenue Receipts as percentage of GSDP

Source: Finance Accounts of 2019-20 to 2023-24.

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¹¹ Compounded Annual Growth Rate (CAGR) refers the average annual growth rate of a parameter over a specified number of years and is calculated as [(Final Value/Initial Value) ^ (1/n (no. of years)) - 1]*100

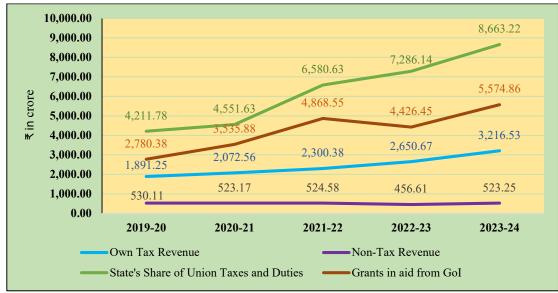


Chart 2.5: Trend of components of Revenue Receipts

Source: Finance Accounts of 2019-20 to 2023-24.

2.4.2.2 State's Own Resources

The State's performance in mobilisation of additional resources is assessed in terms of its own revenue, derived from both tax and non-tax sources. State's Own Tax Revenue (OTR) sources comprise of Sales Tax, State Goods and Services Tax (SGST), State Excise, Taxes on vehicles, Stamps Duty and Registration fees, Land Revenue, Taxes on goods and passengers and other taxes, while Non-Tax Revenue (NTR) sources include Interest Receipts, Dividends and Profits and Other non-tax receipts.

Chart 2.6 depicts the five-year trend in the gross collections of Tax and Non-Tax Revenue and their relative share in GSDP during 2019-24 (Please refer to *Appendix 2.1* for details).

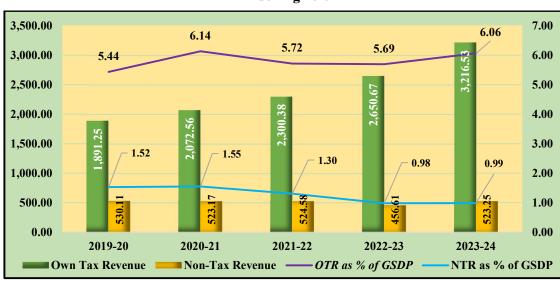


Chart 2.6: Gross collections of Own Tax and Non-Tax Revenue and their share in GSDP during 2019-24

Source: Finance Accounts of 2019-20 to 2023-24.

The share of state's own tax revenue as percentage of GSDP increased to 6.06 *per cent* in 2023-24 from 5.69 *per cent* in 2022-23. During the five-year period from 2019-20 to 2023-24, the share hovered around six *per cent*.

Chart 2.7 presents the trend of growth of Own Tax Revenue of the State during the five-year period 2019-24.

3,500.00 25.00 17.89 19.40 17.89 20.09 3,000.00 20.00 16.12 2,500.00 15.00 2,000.00 2,650.67 1,500.00 2,300.38 10.00 1,891.25 1,000.00 5.00 500.00 0.00 0.00 2019-20 2020-21 2021-22 2023-24 2022-23 Own Tax Revenue As % of Revenue Receipts

Chart 2.7: Growth of Own Tax Revenue vis-à-vis Revenue Receipts during 2019-24

Source: Finance Accounts of 2019-20 to 2023-24.

Own Tax Revenue of the State increased by ₹ 1,325.28 crore from ₹ 1,891.25 crore in 2019-20 to ₹ 3,216.53 crore in 2023-24 at a CAGR of 14.20 *per cent*. The major contributors were SGST (from ₹ 909.78 crore to ₹ 1,723.06 crore), Taxes on Sales, Trades, *etc.* (₹ 567.13 crore to ₹ 836.93 crore) and State Excise (₹ 276.27 crore to ₹ 458.20 crore). **Table 2.4** presents the growth of components of the State's own tax revenue.

Table 2.4: Components of State's Own Tax Revenue

(₹ in crore)

Revenue Head	2019-20 2020-2		2021-22	2022-23	2023-24	
Revenue nead	2019-20	2020-21	2021-22	2022-23	BEs	Actuals
Taxes on Sales, Trades, etc.	567.13	725.09	718.89	621.78	791.98	836.93
State Goods and Services Tax	909.78	822.81	1,117.94	1,477.03	1,785.06	1,723.06
State Excise	276.27	375.38	308.00	365.16	413.04	458.20
Taxes on Vehicles	99.24	78.62	99.42	131.51	150.30	144.56
Stamp duty and Registration Fees	20.34	31.56	27.06	28.16	32.47	26.30
Land Revenue	1.00	21.29	9.83	4.91	5.85	4.71
Taxes on Goods and Passengers	9.13	10.72	12.54	14.05	16.91	13.59
Other Taxes	8.36	7.09	6.70	8.07	9.05	9.18
Total	1,891.25	2,072.56	2,300.38	2,650.67	3,204.66	3,216.53

Source: Finance Accounts and Annual Financial Statement, Government of Meghalaya (2023-24).

During 2023-24, the State's Own Tax Revenue comprised 17.89 *per cent* of total Revenue Receipts, of which State Goods and Services Tax at ₹ 1,723.06 crore contributed to 53.57 *per cent* and Sales Tax at ₹ 836.93 crore contributed to 26.02 *per cent* of Own Tax Revenue. Next highest source of Own Tax Revenue was State Excise (14.25 *per cent*).

The increase in Own Tax Revenue over the previous year was primarily due to rise in SGST collections by $\stackrel{?}{\stackrel{?}{?}}$ 246.03 crore (16.66 per cent), Taxes on vehicles by $\stackrel{?}{\stackrel{?}{?}}$ 215.15 crore (34.60 per cent) and State Excise by $\stackrel{?}{\stackrel{?}{?}}$ 93.04 crore (25.48 per cent).

2.4.2.3 State Goods and Services Tax (SGST)

The Government of India rolled out the Goods and Services Tax (GST) on 01 July 2017. The Meghalaya Goods and Services Tax Act, 2017 was passed by the State Legislature on 15 June 2017 and brought into force with effect from 01 July 2017.

As per the Finance Accounts 2023-24, the amount of SGST was ₹ 1,723.06 crore.

(i) Arrears of Revenue and Arrears of Assessment

The arrears of revenue indicate delayed realisation of revenue. Similarly, arrears of assessment indicate potential revenue, which is blocked due to delayed assessment. Both deprive the State of potential Revenue Receipts and ultimately affect the Revenue Balance.

The arrears of revenue as on 31 March 2024 were ₹ 82 crore as detailed in Table 2.5.

Table 2.5: Details of arrears of revenue collection

(₹ in crore)

	Sl. No.	Head of revenue	Total amount outstanding as on 31 March 2024	Amount outstanding for more than five years as on 31 March 2024
	1.	0040-Taxes on Sale, Trade, etc.	82	34
ĺ		Total	82	34

Source: Information received from Taxation, Excise and Forest Departments.

Table 2.5 shows that recovery of ₹ 82 crore was pending against Revenue Head 0040-Taxes on Sales, Trade, *etc.*, which was 2.19 *per cent* of the State's own revenue collection of ₹ 3,739.78 crore for 2023-24. Out of this, 41.46 *per cent* (₹ 34 crore) was pending for recovery for more than five years.

Further, the periodical tax returns filed by the dealers under the Meghalaya Value Added Tax (MVAT) Act, 2003, are subject to assessment by the Taxation Authorities to verify and ascertain their correctness and completeness. The Taxation authorities may take recourse to best judgement assessment in case returns are not furnished by a registered dealer within the prescribed time limit. Since the MVAT Act has been replaced with Meghalaya Goods and Services Tax (MGST) Act, 2017, it is important that the assessments under the tax regime are completed, and revenue arrears are recovered.

The details of cases of Sales Tax/VAT pending for assessment at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and cases pending for finalisation at the end of the year are shown in **Table 2.6**.

Table 2.6: Arrears of assessments of VAT

Head of revenue	Opening balance as on 1 April 2023	New cases due for assessment during 2023-24	Total assessments due	Cases disposed off during 2023-24	Balance at the end of the year
0040-Taxes on Sales, Trade, <i>etc</i> .	70,497	702	71,199	2,398	68,801

Source: Information received from the Taxation Department.

Table 2.6 depicts that only 2,398 cases, *i.e.*, 3.36 *per cent* of the total pending cases were disposed off during 2023-24. There were 68,801 cases, i.e., 96.63 *per cent* pending for assessment at the end of the year.

Keeping in view the significant backlog in return assessments, the State Government needs to complete assessments of the pending cases in a time bound manner and recover the dues before they become time barred.

(ii) Details of evasion of tax detected by Department.

The cases of evasion of tax detected by the Taxation Department, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government. Details of evasion of tax detected during the year 2023-24 are outlined in **Table 2.7.**

No. of cases in which No. of Cases assessment/investigation cases pending Cases completed and additional pending SI. Head of detected demand with penalty etc. as on for **Total** during finalisation No. revenue 31 raised March 2023-24 as on No. of Amount 2023 31 March cases (₹ in crore) 2024 0006 - SGST53 59 112 69 2.67 43 53 59 112 69 Total 2.67 43

Table 2.7: Evasion of Tax Detected

Source: Taxation Department, Government of Meghalaya.

Table 2.7 shows that during the year 2023-24, the Department detected 59 cases of evasion of tax. Along with the closing balance as on 31st March 2023, 112 cases were due for finalisation in 2023-24. Out of 112 cases, only 69 cases were assessed/investigated and completed, and an additional demand of ₹ 2.67 crore was raised. As on 31st March 2024, 43 cases were pending for finalisation.

(iii) Pendency of Refund cases

Promptness in disposal of refund cases is an important indicator of performance of the Department. The number of refund cases pending at the beginning of the year 2023-24, claims received during the year, refunds made during the year and cases pending at the end of the year 2023-24, as reported by Taxation Department are given in **Table 2.8.**

Table 2.8: Details of refund cases of Sales Tax/VAT& GST

(₹ in crore)

Sl.	Particulars Particulars	Sales tax/VAT		GST	
No.		No. of	No. of Amount		Amount
		cases		cases	
1.	Claims outstanding as on 01 April 2023	14	13.55	59	6.30
2.	Claims received during the year	7	1.85	109	23.36
3.	Refunds made during the year	17	3.59	46	9.97
4.	Refunds rejected during the year	Nil	Nil	63	17.09
5.	Balance outstanding at the end of year	4	11.81	59	2.60

Source: Information furnished by Taxation Department.

It could be seen that out of 21 cases, refunds in 17 cases involving monetary value of ₹ 3.59 crore in case of sales tax/VAT and 46 out of 168 cases in respect of GST were made during the year. The Meghalaya Value Added Tax Act, 2003 provides for the payment of interest at the rate of eight *per cent* per annum, if the amount is not refunded to the dealer within 90 days from the date of any order authorising such refund. Further, Meghalaya GST Act, 2017 prescribes payment of interest at the rate not exceeding six *per cent* when refund is not paid within sixty days from the date of application for refund. The Department may take initiative to dispose the pending refund cases in a time bound manner.

2.4.2.4 Transfers from the Centre

Transfers from the Centre, which include Central Tax transfers (Share in Union Taxes) and Grants-in-Aid, made up 79.20 *per cent* of the total Revenue Receipts in 2023-24. **Chart 2.8** illustrates the trend in transfers from the Government of India.

(₹ in crore) 16,000 14.238 14,000 11,7 11,449 12,000 8,663 10,000 8,08 7,286 7,498 7,457 6,581 8,000 7,068 6,992 5,758 5,146 4,889 4,552 6,000 4,323 4,212 3,911 3,276 5,575 4,000 4,869 4,426 3,536 3,157 3,134 2,000 2,780 2,481 2,609 1,382 2015-16 2016-17 2017-18 2018-19 2019-20 2020-21 2021-22 Transfers from the Centre — Share in Central Taxes Grants-in-Aid from GoI

Chart 2.8: Trend in transfers from Centre

Source: Finance Accounts of 2013-14 to 2023-24.

As shown in **Chart 2.8**, Central transfers rose by ₹ 2,525 crore (21.56 *per cent*), from ₹ 11,713 crore in 2022-23 to ₹ 14,238 crore in 2023-24.

(i) Central tax transfer

The actual release of share in Union taxes and duties to State Government *vis-à-vis* projections made by Fourteenth Finance Commission and Fifteenth Finance Commission during the period from 2015-16 to 2023-24 is detailed in **Table 2.9** and head wise central tax transfer during the years 2019-24 are given in **Table 2.10**.

Table 2.9: State's share in Union taxes and duties: Actual devolution vis-à-vis Finance Commission projections

(₹ in crore)

					(the crore)
	Finance	Projections	Actual tax	Variation*	
Year		in FCR		Amount	per cent
	projections			[(5-4)/4]
2	3	4	5	6	
2015-16	0.642 <i>per cent</i> of net	3,728.00	3,276.46	(-)451.54	(-)12.11
2016-17	proceeds of all	4,302.00	3,911.05	(-)390.95	(-)9.09
2017-18	excluding service tax and 0.650 per cent of	4,971.00	4,323.14	(-)647.86	(-)13.03
2018-19		5,751.00	4,889.07	(-)861.93	(-)14.99
2019-20	sharable service tax	6,661.00	4,211.78	(-)2,449.22	(-)36.77
To	tal	25,413.00	20,616.50	(-)4,801.50	(-)18.89
2020-21	0.765 <i>per cent</i> of net proceeds of all shareable taxes	6,542.00	4,551.63	(-)1,990.37	(-)30.42
2021-22	0.767 <i>per cent</i> of net proceeds of all	5,051.00	6,580.63	1,529.63	30.28
2022-23		5,619.00	7,286.14	1,667.14	29.67
2023-24	shareable taxes**	6,323.03	8,663.22	2,340.19	37.01
	2 2015-16 2016-17 2017-18 2018-19 2019-20 To 2020-21 2021-22 2022-23	Year Commission projections 2	Year Commission projections Projections in FCR 2 3 4 2015-16 0.642 per cent of net proceeds of all shareable taxes excluding service tax and 0.650 per cent of net proceeds of sharable service tax 4,302.00 2017-18 and 0.650 per cent of net proceeds of sharable service tax 5,751.00 2019-20 sharable service tax 6,661.00 Total 25,413.00 2020-21 0.765 per cent of net proceeds of all shareable taxes 5,051.00 2021-22 0.767 per cent of net proceeds of all shareable taxes** 5,619.00	Year Commission projections Projections in FCR Actual tax devolution 2 3 4 5 2015-16 0.642 per cent of net proceeds of all shareable taxes excluding service tax and 0.650 per cent of net proceeds of sharable service tax 4,302.00 3,911.05 2017-18 4,971.00 4,323.14 2018-19 5,751.00 4,889.07 2019-20 5,751.00 4,211.78 Total 25,413.00 20,616.50 2020-21 0.765 per cent of net proceeds of all shareable taxes 6,542.00 4,551.63 2021-22 0.767 per cent of net proceeds of all shareable taxes** 5,051.00 6,580.63 2022-23 5,619.00 7,286.14	Year Commission projections Projections in FCR Actual tax devolution Amount 2 3 4 5 6 2015-16 0.642 per cent of net proceeds of all shareable taxes excluding service tax and 0.642 per cent of net proceeds of sharable service tax and 0.650 per cent of net proceeds of sharable service tax 4,302.00 3,911.05 (-)451.54 2018-19 4,971.00 4,323.14 (-)647.86 2019-20 5,751.00 4,889.07 (-)861.93 6,661.00 4,211.78 (-)2,449.22 7020-21 0.765 per cent of net proceeds of all shareable taxes 6,542.00 4,551.63 (-)1,990.37 2021-22 0.767 per cent of net proceeds of all shareable taxes 5,051.00 6,580.63 1,529.63 2022-23 5,619.00 7,286.14 1,667.14

Source: XIVth and XVth Finance Commission Report (FCR), Finance Accounts and Annual Financial Statements.

Table 2.9 shows that the overall devolution of taxes from the Centre in the XIVth FC was less by 18.89 *per cent* than projected in the FCR. However, during 2023-24, the devolution of taxes from the Centre was higher by ₹ 2,340.19 crore (37.01 *per cent*) compared to the FCR projection for the year.

Table 2.10: Central Tax Transfers

(₹ in crore)

Head	2019-20	2020-21	20-21 2021-22		2023-24	
neau	2019-20	2020-21	2021-22	2022-23	BEs	Actuals
Central Goods and Services Tax (CGST)	1,195.17	1,364.27	1,945.54	2,058.15	2,533.31	2,629.18
Integrated Goods and Services Tax (IGST)	0.00	ı	ı	ı	-	-
Corporation Tax	1,436.04	1,364.90	1,974.31	2,444.48	2,507.56	2,600.30
Taxes on Income other than Corporation Tax	1,125.24	1,398.24	1,979.29	2,383.99	2,439.52	3,003.03
Customs	266.97	249.50	426.42	286.34	248.53	303.59
Union Excise Duties	185.63	154.13	198.34	89.80	104.09	114.89
Service Tax	Nil	17.73	49.84	11.39	1.57	1.60
Other Taxes	2.73	2.86	6.89	11.99	-0.07	10.63
Central Tax transfers	4,211.78	4,551.63	6,580.63	7,286.14	7,834.51	8,663.22
Percentage of increase over previous year	-13.85	8.07	44.58	10.72	•••	18.90
Central tax transfers as <i>per cent</i> to Revenue Receipts	44.74	42.61	46.10	49.16		48.19

Source: Finance Accounts and Annual Financial Statement, Government of Meghalaya (2023-24).

^{*(+)} indicates a higher devolution of taxes than projection, while (-) indicates a lesser devolution of taxes than projection.

^{** ₹ 8,24,385} crore for the year 2023-24 (Projected in XV FC report- Annexure 4.1).

The Central tax transfers during the year 2023-24 increased by \gtrless 1,377.08 crore (18.90 *per cent)* as compared to the previous year. The actuals receipt from central tax transfers was higher by \gtrless 828.71 crore than the BEs.

2.4.2.5 Non-Tax Revenue

Table 2.11 presents the component-wise details of Non-Tax Revenue collected during the years 2019-24.

Table 2.11: Components of State's non-tax revenue

(₹ in crore)

Revenue Head	2019-20	2020-21	2021-22	2022-23	2023	3-24
110 / 01100 11000	2019-20	2020-21	2021-22	2022-23	BEs	Actuals
Interest receipts	28.91	11.53	24.65	8.81	8.65	10.77
Dividends and Profits	0.14	-	0.12	0.35	0.33	0.14
Other Non-Tax Receipts	501.06	511.64	499.81	447.46	733.61	512.34
<i>a)</i> Non-ferrous Mining and Metallurgy ¹²	322.84	246.44	239.78	263.38	500.00	322.82
b) Forestry and Wildlife	81.27	102.12	117.34	129.76	170.95	108.88
c) Other Administrative Services	41.30	26.98	3.73	6.33	7.05	7.22
d) Public Works	9.78	7.05	6.34	9.86	10.24	18.44
e) Police	8.17	7.29	6.62	8.82	10.58	9.14
f) Animal Husbandry	1.91	1.96	2.20	1.99	2.82	1.99
g) Crop Husbandry	2.29	2.03	2.65	2.78	2.95	3.37
h) Others	33.50	117.77	121.15	24.53	29.02	40.48
Total	530.11	523.17	524.58	456.61	742.59	523.25

Source: Finance Accounts and Annual Financial Statement 2023-24, Government of Meghalaya.

During the year 2023-24, the Non-Tax Revenue contributed 2.91 *per cent* to the Revenue Receipts. Under the Non-Tax Revenue, royalty and fees collected under Mining concessions was the highest contributor at 61.70 *per cent* (₹ 322.82 crore) followed by receipts under Forestry and Wildlife¹³ at 20.81 *per cent* (₹ 108.88 crore).

Non-Tax Revenue decreased by 1.29 *per cent* from 2019-20 (₹ 530.11 crore) to 2023-24 (₹ 523.25 crore). However, as compared to 2022-23, it increased by ₹ 66.64 crore (14.59 *per cent*) during the year 2023-24. During 2023-24, the actual (₹ 523.25 crore) was 70.46 *per cent* of the BE (₹ 742.59 crore).

As per the Sixth Schedule of the Constitution, forest and mining royalty collected by the State is shareable with the Autonomous District Councils. However, collection of royalty for mining concession of minor minerals (collected by the Forest Department) is shown under a common accounting sub head of forest revenues. It is, therefore, essential that Finance Department, in consultation with Principal Accountant General (A&E), opens specific sub heads for a transparent accounting of amounts booked under various types of mining and forest receipts.

¹² Non-Ferrous Mining and Metallurgy includes mineral concession fees, rents & royalties, and Mines Department (MH-0853).

¹³ Receipts under Forestry and Wildlife (MH-0406) includes Sale of timber and other forest produce, Receipts from social and farm forestries, Receipts from environmental forestry and Receipts from Forest Plantations.

State's performance in mobilisation of resources

The State's performance in mobilisation of resources is assessed in terms of its own resources comprising own-tax and non-tax sources. Table 2.12 presents the State's own tax and non-tax receipts for the year 2023-24 vis-à-vis projections made by the XV FC and the Budget Estimates (BEs) of the State Government.

Table 2.12: Tax and non-tax receipts vis-vis projections.

(₹ in crore)

Particulars	FC	Budget Estimates	Actuals	Percentage actual	
rarticulars	projections	2023-24	Actuals	Budget Estimates	FC projections
Own Tax Revenue	2,412	3,204.66	3,216.53	0.37	33.36
Non-Tax Revenue	583	742.59	523.25	(-)29.54	(-)10.25

During the year 2023-24, Own Tax Revenue was higher by 0.37 per cent and 33.36 per cent compared to the assessments made in BEs and by XV FC respectively. Further, Non-Tax Revenue was lower by 29.54 per cent and 10.25 per cent as compared to the BE and XV FC projection respectively.

2.4.2.6 Grants-in-Aid from Government of India

Trend of Grants-in-aid (GIA) received from GoI and its components are shown in **Table 2.13**.

Table 2.13: Grants-in-Aid from Government of India

(₹ in crore)

Head	2019-20	2020-21	2021-22	2022-23	2023-24	
Head	2019-20	2020-21	2021-22	2022-23	BEs	Actuals
Grants for Centrally Sponsored Schemes (CSS)	2,314.17	2,554.41	2,955.61	3,253.29	5,350.14	4,651.43
Finance Commission Grants	63.93	708.51	1,494.6514	$1,144.70^{15}$	1,063.24	775.2016
Other transfers/Grants to States/Union Territories with Legislature	402.28	275.96	418.31	28.46	1219.13	148.23
Block Grants	-	-	(-)0.02	-	-	-
Total	2,780.38	3,535.88	4,868.55	4,426.45	7,632.51	5,574.86
Percentage of increase over the previous year	6.58	27.17	37.69	(-)9.08	:	25.94
Per cent of GIA to Revenue Receipts	29.54	33.10	34.11	29.87		31.01

Source: Finance Accounts, Finance Accounts 2023-24 and Annual Financial Statement, Government of Meghalaya (2023-24).

The total amount of GIA transferred by the Central Government to the State during the year 2023-24 was ₹ 5,574.86 crore. Grants-in-Aid from GoI increased by ₹ 1,148.41 crore (25.94 per cent) during 2023-24 compared to 2022-23, after a decrease of ₹ 442.10 crore (9.08 per cent) during 2022-23 compared to previous year. The Grants-in-Aid constituted 31.01 per cent of Revenue Receipts during the current year. Grants for

¹⁴ Includes Post Devolution Revenue Deficit Grant, Grants for Rural Local Bodies and Urban Local Bodies, GIA for SDRF and SDMF.

¹⁵ Includes Post Devolution Revenue Deficit Grant of ₹ 1,033 crore.

¹⁶ Includes Post Devolution Revenue Deficit Grant (₹ 715.00 crore), Grants for Urban Local Bodies (₹ 33.00 crore), GIA for SDRF (₹ 27.20 crore).

Centrally Sponsored Schemes to the State constituted 83.44 *per cent* (₹ 4,651.43 crore) of the total grants received during the year. It increased by 42.98 *per cent* in 2023-24 compared to previous 2022-23. However, there was significant decrease in Finance Commission Grants to the State during last two years from ₹ 1,494.65 crore in 2021-22 to 1,144.70 in 2022-23 and further decreased to ₹ 755.20 crore in 2023-24, ₹ 369.50 crore (32.28 *per cent*) as compared to the previous year.

(i) Single Nodal Agency

The Government of India, Ministry of Finance, Department of Expenditure vide Office Memorandum dated 23 March 2021, provided that every State Government is required to designate a Single Nodal Agency (SNA) for implementing each Centrally Sponsored Scheme (CSS). The Single Nodal Agency will open Single Nodal Account for each CSS at the State level in a Scheduled Commercial Bank authorised to conduct business by the State Government. Further, it is the responsibility of the State Government concerned to ensure that the entire unspent amount is returned by all the Implementing Agencies (AIs) to the Single Nodal Account of the Single Nodal Agency concerned.

Further, as per guidelines dated 16 February 2023 issued by the Ministry of Finance, State Government shall transfer the Central share as well as commensurate State share to the SNA account within 30 days of receipt of Central share. Any delay beyond 30 days in transfer of Central share to the SNA account, interest on the number of days at the rate of seven *per cent per annum* has to be paid by the State Government with effect from 01 April 2023.

As per Public Financial Management System (PFMS) report¹⁷, 148 bank accounts related to SNAs has been linked as on 31 March 2024. The State Government received ₹ 4,013.24 crore being Central share of the Centrally Sponsored Schemes during the year in its Treasury Accounts. During 2023-24, the State Government transferred ₹ 4,627.99 crore to the SNAs, ₹ 3,786.33 crore being Central share and ₹ 841.66 crore being State share with short transfer of ₹ 226.91 crore of Central Share. As on 31 March 2024, ₹ 1,112.23 crore was lying unspent in the bank account of the SNA. Moreover, ₹ 2,860.34 crore of Central and State share was not transferred to SNA within time limit prescribed which resulted in interest liability of ₹ 21.73 crore during the year 2023-24 for the state.

Out of total transfer of ₹ 4,627.99 crore, ₹ 2,935.05 crore was transferred through GIA bills and ₹ 1,692.94 crore through final (expenditure) bills. Detailed vouchers and supporting documents of actual expenditure were not received by Principal Accountant General (Accounts and Entitlement), Meghalaya from the SNAs. The difference of figures between the amount booked in the Accounts and SNA report is under reconciliation.

(ii) Interest earned on savings bank Accounts of SNAs

As per PFMS report¹⁸, during the current year, a total amount of ₹ 37.53 crore interest was earned and credited to SNA's Accounts.

¹⁷ SNA 04 Report.

¹⁸ SNA Report 04-Interest Earned.

(iii) Fifteenth Finance Commission Grants

XV FC grants were provided to the States for Local Bodies, State Disaster Risk Mitigation Funds (SDRMF), Post Devolution Revenue Deficit and Health Sector. Details of grants recommended by XV FC and provided by GoI to the Government of Meghalaya (GoM) during 2023-24 are given in **Table 2.14**.

Table 2.14: Recommended amount, actual release and transfers of Grants-in-Aid during 2023-24

(₹ in crore)

	T. 4	Recommendation		Released by State Government		
	Transfers	of XV FC	Actual release by GoI	Amount	Percentage of Release by GoI	
A		В	C	D	E	
(i) Grants	to RLBs					
(a) Untied	Grant	56.40	0.00	-	-	
(b) Tied Gr	rant	84.60	0.00	-	-	
Total for R	PLBs	141.00	0.00	-	-	
(ii) Grants to ULBs						
(a) Untied Grant for Non- Million Plus Cities		29.20	13.20#	13.20	100.00	
(b) Tied Gr Plus Cities	rant for Non-Million	43.80	19.80#	19.80	100.00	
Total for U	LBs	73.00	33.00	33.00	100.00	
Total for I	Local Bodies	214.00	33.00	33.00	100.00	
SDRMF* Central Share		73.00	27.20	27.20	100.00	
(SDRF + SDMF) State Share		8.00	3.20	3.20	-	
Grants for	Health Sector	61.47	0.00	-	-	
Post Devol Deficit Gra	ution Revenue .nt	715.00	715.00	-	-	

Source: XV-FC 2021-26 Report, Government of India and Government of Meghalaya.

- As against ₹ 214.00 crore recommended by the 15th FC in respect of Rural Local Bodies (RLBs) and Urban Local Bodies (ULBs), no fund was released by the GoI during 2023-24. The amount released by GoI was released by GoM during the same year.
- In respect of SDRMF, 15th FC recommended Central Share of ₹ 73.00 crore and State Share of ₹ 8.00 crore for the year 2023-24. GoI released its entire share during 2023-24 and GoM released ₹ 30.40 crore (Central Share: ₹ 27.20 crore + State Share: ₹ 3.20 crore).
- Against ₹ 61.47 crore recommended by the 15th FC for 2023-24 as Grants for Health Sector for the State, no fund was released during 2023-24.
- In respect of Post-Devolution Revenue Deficit Grants, the State received the entire amount of ₹ 715.00 crore recommended by the 15th FC for the year 2023-24. This was 12.83 *per cent* of the total GIA received from the Government of India during 2023-24.

[#] Urban Local Bodies Grant for the year 2021-22 released in 2023-24 on 01.12.2023.

^{*} State Disaster Risk Mitigation Funds (SDRMF) = State Disaster Response Fund (SDRF): 80.00 per cent and State Disaster Mitigation Fund (SDMF): 20 per cent.

(v) State Finance Commission

The Meghalaya State Finance Commission Act, 2012 mandates constitution of the Meghalaya State Finance Commission every five years to review the financial position of the Traditional Bodies, Municipal Boards and the Autonomous District Councils (ADCs). It recommends sharing of revenue between the State and the Traditional Bodies, Municipal Boards and the Autonomous District Councils (ADCs). As per Section 3(1) of the Act, the State Government shall as soon as be one year from the enactment of the Act and thereafter at the expiry of every fifth year constitute a body to be known as the Meghalaya State Commission to review the financial position of the traditional bodies, municipalities or municipal boards notwithstanding any term by which ULBs are called in the State.

Though Government of Meghalaya enacted the Act on 30th March 2012 and framed the Meghalaya Finance Commission Rules, 2013 (notified in December 2013) as per Section 10 of the Act, the State Government has not constituted the State Finance Commission (November 2024).

2.4.3 Capital Receipts

Table 2.15 shows the trend in growth and composition of Capital Receipts.

Table 2.15: Trend in growth and composition of Capital Receipts

(₹ in crore)

Sources of State's Receipts	2019-20	2020-21	2021-22	2022-23	2023-24
Capital Receipts	1,527.34	2,469.66	4,044.36	6,245.23	7,538.37
Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
Recovery of Loans and Advances	31.32	27.77	24.41	24.55	24.03
Public Debt Receipts	1,496.02	2,441.89	4,019.95	6,220.68	7,514.34
Internal Debt*	1,480.24	2,096.53	3,505.42	5,116.03	6,153.17
Growth rate	13.67	41.63	67.20	45.95	20.27
Loans and advances from GoI	15.78	345.36 ¹⁹	<i>514.53</i> ²⁰	1,104.65	1,361.17
Growth rate	(-)29.59	2,088.59	48.98	114.69	23.22
Rate of growth of debt Capital Receipts	12.93	63.23	64.62	54.75	20.80
Rate of growth of non-debt Capital Receipts	73.90	(-)11.33	(-)12.10	0.57	(-)2.12
Rate of growth of GSDP	8.06	(-)2.86	19.08	15.74	13.98
Rate of growth of Capital Receipts (per cent)	13.75	61.70	63.76	54.42	20.71

Source: Finance Accounts of 2019-20 to 2023-24.

*This includes WMA and SDF of $\not\in$ 140.88 crore in 2020-21, $\not\in$ 1,727.42 crore in 2021-22, $\not\in$ 3,164.09 crore in 2022-23 and $\not\in$ 4,589.17 crore in 2023-24.

¹⁹ Meghalaya received back-to-back loan of ₹ 112.00 crore under the debt receipts of the State Government with no repayment liability of the State.

²⁰ Meghalaya received back-to-back loan of ₹ 141.16 crore under the debt receipts of the State Government with no repayment liability of the State.

Capital Receipts increased by 20.71 *per cent* from ₹ 6,245.23 crore in 2022-23 to ₹ 7,538.37 crore in 2023-24. The Internal Debt and loans and advances from GoI increased by 20.27 *per cent* and 23.22 *per cent* respectively during the year 2023-24 compared to previous year.

Further, Capital Receipts increased by ₹ 6,011.03 crore (393.56 per cent) from ₹ 1,527.34 crore in 2019-20 to ₹ 7,538.37 crore in 2023-24 with a CAGR of 49.05 per cent. Major portion of Capital Receipts during 2023-24 comprises of Public Debt Receipts (99.68 per cent) which create future repayment obligation and are taken from Ways and Means Advances (36.27 per cent), Special Drawing Facility (24.61 per cent), Market (18.09 per cent), Central Government (18.06 per cent) and Financial Institutions (2.65 per cent).

Public debt receipts dominate capital receipts, with internal debt and Central loans forming the backbone of state capital financing. Over-reliance on borrowings could pose sustainability concerns if not effectively utilised for productive purposes.

Negligible recovery of loans and advances indicates inefficiency in recovering outstanding state loans. Absence of miscellaneous capital receipts suggests missed opportunities to generate revenue through asset sales or similar mechanisms.

Loans from GoI grew exponentially, reflecting heightened dependence on Central assistance for capital funding. This could make the state vulnerable to changes in Central policies or repayment conditions.

Market loans taken by the State during the year 2023-24 are outlined in **Table 2.16**.

Sl. **Rate of Interest** Repayable in Amount Details of market loan No. (₹ in crore) (per cent) Year 1 7.36% Meghalaya SGS 2032 150.00 7.36 2032 2 7.42% Meghalaya SGS 2032 7.42 350.00 2032 3 7.44% Meghalaya SGS 2031 200.00 7.44 2031 4 7.72% Meghalaya SGS 2031 322.00 7.72 2031 5 7.66% Meghalaya SGS 2032 170.00 7.66 2032 6 7.63% Meghalaya SGS 2032 172.00 7.63 2032 1,364.00

Table 2.16: Details of market loans during 2023-24

Source: Finance Accounts 2023-24.

During 2023-24, an excess expenditure of $\gtrless 3,815.69$ crore out of the total excess expenditure of $\gtrless 3,819.91$ crore, was incurred under "Public Debt Repayment" in the form of Internal Debt of the State under Capital (Charged) section. Out of excess expenditure of $\gtrless 3,815.69$ crore, an amount of $\gtrless 683.66$ crore was expended in excess without any original/supplementary budget provision as detailed in **Table 2.17**.

Table 2.17: Details of excess expenditure under Public Debt Repayment

(₹ in crore)

Sl. No.	Type of the Internal Debt	Total Budget Provision	Actual Expenditure	Excess (+)/ Savings (-) over
1.	Ways and Means Advances (WMA)	209.00	1,789.31	(+)1,579.09
2.	Special Drawing Facility (SDF)	114.45	1,667.39	(+)1,552.94
3.	Overdraft (OD) State	-	683.66	(+)683.66
	Total	323.45	4,140.36	(+)3,815.69

Source: Appropriation Accounts 2023-24.

Audit also observed that during the year 2023-24, the Government made provision of ₹ 209 crore for WMA as set by RBI. Further, the actual expenditure incurred amounted to ₹ 1,789.31 crore which was higher by ₹ 1,580.31 crore (756.13 *per cent*) than the limit set by RBI.

Apart from the WMA, the State Government also resorted to SDF (₹ 1,552.94 crore) against the collateral of government securities held by the State and Overdraft (₹ 683.66 crore) and paid an interest of ₹ 3.95 crore²¹ during 2023-24 as compared to ₹ 2.00 crore and ₹ 2.33 crore during 2021-22 and 2022-23 respectively. Month-wise drawal of WMA, SDA and OD State during 2023-24 are detailed in **Chart 2.9.**

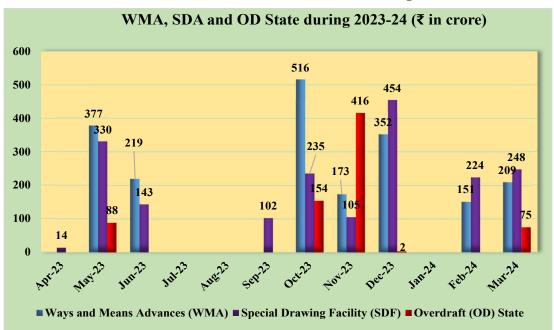


Chart 2.9: Details of WMA, SDA and OD during 2023-24

Ways and Means advances are meant to tide over temporary mismatches in the cash flow of receipts and payments and are not a source of permanent financial relief. It provides leverage for both the Centre and the States to borrow from the RBI and it, therefore, helps to meet the receipts and payments of the government. However, exceeding the WMA

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²¹ ₹ 3.95 crore (Interest on SDF: ₹ 1.83 crore + Interest of WMA: ₹ 2.12 crore).

limits and resorting to SDF and OD State reflects poor financial planning of the State Government necessitating drawal of funds from the RBI to meet exigencies.

Special Assistance to States for Capital Expenditure/Investment (SASCI)

GoI introduced a Scheme for 'Special Assistance as loan to States for Capital Expenditure' (later renamed as Scheme for Special Assistance as Loan to States for Capital Investment) in the year 2020-21 in the form of 50 years' interest free loan. During 2023-24, GoM availed an amount of ₹ 1,293.06 crore under the Scheme. As of 31 March 2024, SASCI²² constitutes 5.32 *per cent* of total outstanding liabilities-GSDP ratio (40.56 *per cent*).

2.5 Application of Resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector.

2.5.1 Growth and composition of expenditure

Revenue Expenditure: Charges on maintenance, repair, upkeep and working expenses, which are required to maintain the assets in a running order as also all other expenses incurred for the day-to-day running of the organisation, including establishment and administrative expenses shall be classified as revenue expenditure.

Capital Expenditure: All charges for the first construction of a project as well as charges for intermediate maintenance of the work while not opened for service and also charges for such further additions and improvements may be sanctioned under the rules made by competent authority shall be classified as capital expenditure.

Loan and Advances: Loans and advances by the Government to Public Sector Undertakings (PSU) and other parties.

Total Expenditure, its compositions and relative share in GSDP during the years 2019-20 to 2023-24 is presented in **Table 2.18**.

Table 2.18: Total expenditure and its composition

(₹ in crore)

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Total Expenditure (TE)	10,548.61	13,314.56	16,457.34	17,640.57	21,154.10
Revenue Expenditure (RE)	9,565.12	11,498.62	13,620.22	14,863.77	16,583.54
Capital Expenditure (CE)	939.71	1,734.05	2,751.79	2,742.28	4,529.54
Loans and Advances	43.78	81.90	85.33	34.52	41.02
As a percentage of GSDP					
TE/GSDP	30.34	39.42	40.92	37.89	39.87
RE/GSDP	27.51	34.04	33.86	31.93	31.26
CE/GSDP	2.70	5.13	6.84	5.89	8.54
Loans and Advances/ GSDP	0.13	0.24	0.21	0.07	0.08

²² Total SASCI Loan availed: ₹ 2,823.28 crore (2020-21: ₹ 200 crore, 2021-22: ₹ 281.20 crore, 2022-23: ₹ 1,049.02 crore and 2023-24: ₹ 1,293.06 crore).

Table 2.18 shows that Total Expenditure (comprising of Revenue Expenditure, Capital Expenditure and Disbursement of Loans and Advances) of the State increased by 100.54 *per cent* from ₹ 10,548.61 crore in 2019-20 to ₹ 21,154.10 crore in 2023-24 which ranged between 30.34 *per cent* and 40.92 *per cent* of the GSDP during the five-year period.

Chart 2.10 presents the trend of expenditure, bifurcated into revenue and capital expenditure, during the five-year period from 2019-20 to 2023-24.

Chart 2.10: Trends in share of its components (Total Expenditure)

(in per cent)



Source: Finance Accounts of 2019-20 to 2023-24.

Revenue Expenditure formed the bulk of Total Expenditure during 2019-20 to 2023-24, ranging between 78.39 *per cent* and 90.68 *per cent* of the Total Expenditure. The share of Revenue Expenditure decreased from 84.26 *per cent* in 2022-23 to 78.39 *per cent* in 2023-24. However, the rate of increase of Revenue Expenditure in 2023-24 (11.57 *per cent*) was higher than that in 2022-23 (9.13 *per cent*). The share of the Capital Expenditure, on the other hand, has increased from 15.55 *per cent* in 2022-23 to 21.41 *per cent* in 2023-24. During the last five-years, on three occasions, Capital Expenditure was over 15 *per cent* of the Total Expenditure.

26.70 32.13 32.36 33.51 39.35 Share in per cent 38.08 36.77 39.39 36.82 33.85 35.22 31.10 29.67 28.25 26.81 2019-20 2020-21 2021-22 2022-23 2023-24 General Services **Social Services ■** Economic Services

Chart 2.11 provides an overview of Total Expenditure segregated by different sectors.

Chart 2.11: Total expenditure²³ – Expenditure by activities

Source: Finance Accounts of 2019-20 to 2023-24.

Chart 2.11 highlights that relative share of expenditure on General, Economic and Social Services in the Total Expenditure from the Consolidated Fund of the State (CFS) excluding Repayment of Public Debt and Disbursal of Loans and Advances during the five-year period from 2019-20 to 2023-24. While the share of the Economic Services increased from 33.51 per cent in 2022-23 to 39.35 per cent 2023-24, Social Services and General Services decreased from 36.82 per cent in 2022-23 to 33.85 per cent in 2023-24 and 29.67 per cent in 2022-23 to 26.81 per cent in 2023-24 respectively. The Economic Service replaced Social Services as the largest share of expenditure at 39.35 per cent during the current year.

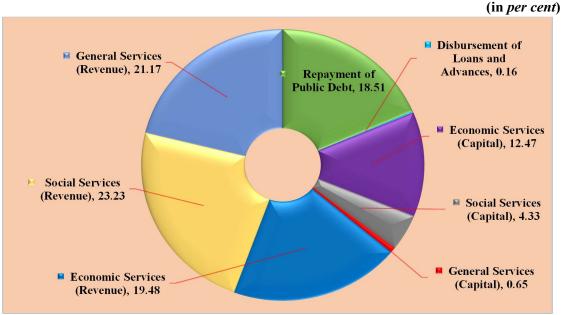
Chart 2.12 provides further analysis of composition of Total Expenditure (including Repayment of Public Debt and Disbursal of Loans and Advances) from the CFS during 2023-24, in terms of sectors segregated into Revenue and Capital Expenditure.

The highest share (31.95 per cent) of the Total Expenditure from the CFS was spent on Economic Services followed by Social Services (27.56 per cent) and General Services (21.82 per cent). Further, repayment of public debt as share of Total Expenditure from the CFS increased from 2022-23 (17.53 per cent) to 2023-24 (18.51 per cent) and disbursement of loans and advances as share of Total Expenditure remained almost the same at 0.16 per cent as compared to 2022-23.

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²³ Excluding Repayment of Public Debt and Disbursal of Loans and Advances.

Chart 2.12: Composition of expenditure from the Consolidated Fund during 2023-24



Source: Finance Accounts, 2023-24.

2.5.2 Revenue Expenditure

Revenue Expenditure is incurred to maintain the current level of services and payment for past obligations. As such, it does not result in any addition to the State's infrastructure and service network. The overall Revenue Expenditure, its rate of growth, its ratio to Total Expenditure and buoyancy²⁴ *vis-à-vis* GSDP and Revenue Receipts are given in **Table 2.19.**

Table 2.19: Revenue Expenditure – Basic Parameters

(₹ in crore)

Parameters	2019-20	2020-21	2021-22	2022-23	2023-24
Total Expenditure (TE)	10,548.61	13,314.56	16,457.34	17,640.57	21,154.10
Revenue Expenditure (RE)	9,565.12	11,498.62	13,620.22	14,863.77	16,583.54
Rate of Growth of RE (per cent)	(-) 6.74	20.21	18.45	9.13	11.57
Revenue Expenditure as percentage of TE	90.68	86.36	82.76	84.26	78.39
RE/GSDP (per cent)	27.51	34.04	33.86	31.93	31.26
Revenue Receipts	9,413.52	10,683.24	14,274.14	14,819.87	17,977.87
Rate of Growth of RR (per cent)	(-) 3.14	13.49	33.61	3.82	21.31
RE as percentage of RR	101.61	107.63	95.42	100.29	92.24
Rate of Growth of GSDP (per cent)	8.06	(-)2.86	19.08	15.74	13.98

Source: Finance Accounts of 2019-20 to 2023-24.

As seen from **Table 2.19**, while Revenue Expenditure as a proportion of Total Expenditure remained above 80 *per cent* from the year 2019-20 to 2022-23. However, during the year 2023-24, it decreased from 84.26 *per cent* to 78.39 *per cent*. The indicates that the lion's share of Government spending on current expenditure on payment of wages and salaries, pension, rent and rates and payment of interest on outstanding debt.

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²⁴ Buoyancy indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

Further, the rate of growth of Revenue Expenditure has increased again from 9.13 *per cent* in 2022-23 to 11.57 *per cent* in 2023-24 after decreasing from 18.45 *per cent* in 2021-22.

During the year 2023-24, Revenue Expenditure as percentage of Revenue Receipts was 92.24 *per cent* indicating that the Revenue Receipts of the State is not sufficient for its Revenue Expenditure. The reduction in Revenue Expenditure as percentage of Revenue Receipts from 100.29 *per cent* in 2022-23 to 92.24 *per cent* in 2023-24 resulted in Revenue Surplus Budget for the year 2023-24. This complied with the Revenue Surplus as prescribed by the Meghalaya Fiscal responsibility and Budgetary Management Act, 2006 (as amended in 2015).

Sectoral distribution of Revenue Expenditure pertaining to 2023-24 is given in **Chart 2.13**.

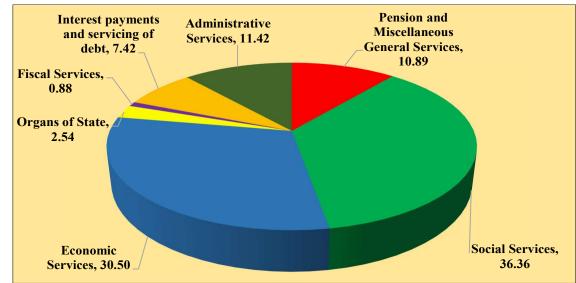


Chart 2.13: Sector-wise distribution of Revenue Expenditure (in per cent)

Source: Finance Accounts 2023-24.

2.5.2.1 Major changes in revenue expenditure

Revenue Expenditure increased substantially by ₹ 1,719.77 crore in 2023-24 mainly due to rise in expenditure by more than ₹ 100 crore across four Major Heads under General, Economic and Social Services as shown in **Table 2.20**.

Table 2.20: Substantial increase in RE (more than ₹ 100 crore) Major Head-wise (₹ in crore)

Sl.	Major Hood	Expen	diture	Inc	rease
No.	Major Head	2022-23	2023-24	Amount	Percentage
	Ge	eneral Servic	es		
1.	2049 – Interest Payments	1,028.52	1,138.10	109.58	10.65
	S	ocial Service	s		
1.	2235- Social Security and Welfare	232.49	377.99	145.50	62.58
	Eco	nomic Servi	ces		
1.	2501 - Special Programmes for Rural Development	285.51	424.32	138.81	48.62

	Sl.	Major Head	Expen	diture	Increase		
	No.	Wiajor Head	2022-23	2023-24	Amount	Percentage	
	2.	2505 - Rural Employment	720.88	1,912.44	1,191.57	165.29	
Ī		Total	2,267.40	3,852.85	1,585.45	69.92	

Source: Finance Accounts 2023-24.

2.5.2.2 Committed Expenditure

The committed expenditure of the State Government on revenue account consists of interest payments, expenditure on salaries and wages, and pensions. It has first charge on Government resources.

Apart from the above, there are certain items of inflexible expenditure which cannot be ordinarily altered or varied or are statutorily required on an annual basis, unlike for variable transactions such as capital expenditure *etc*. For example, the following items may be considered as inflexible expenditure:

- i. Devolution to local bodies: Statutory devolutions to local bodies for pay and allowances (devolution / transfer for capital expenditure).
- ii. Statutory requirements of contribution to Reserve Funds: Contribution to Consolidated Sinking Fund (CSF), Guarantee Redemption Fund (GRF). State Disaster Mitigation / Response Fund (SDMF/SDRF), *etc*.
- iii. Recoupment of Contingency Fund: Amount recouped within the year.
- iv. Transfer of cess to reserve fund / other body, which are statutorily required.
- v. Share contribution of CSS against the Central Fund received: Amount of State share to be transferred to SNAs / spent by the State.
- vi. Payment of interest on the balances of the interest-bearing funds as if they could have been invested and payment of interest on public debt as charged expenditure interest Payment.

Upward trend on committed expenditure leaves the Government with reduced flexibility in spending especially on the development sector. Trend analysis of committed and inflexible expenditure and its components is depicted in **Table 2.21** and share of committed expenditure in revenue expenditure is shown in **Chart 2.14**.

Table 2.21: Components of Committed and Inflexible Expenditure

(₹ in crore)

Components	2019-20	2020-21	2021-22	2022-23	2023-24
Components of Committed Expendit	ure				
Salaries & Wages	3,439.81	3,383.67	3,795.25	4,105.00	4,284.63
Expenditure on Pensions	1,131.56	1,193.61	1,365.59	1,672.50	1,789.88
Interest Payments	758.51	858.92	963.27	1,028.52	1,138.10
Total	5,329.88	5,436.20	6,124.11	6,806.02	7,212.74
Components of Inflexible Expenditure	re				
Statutory devolution to local bodies	=	-	=	-	-
Contribution to Reserve Funds	262.43	117.79	182.72	142.43	172.37
Recoupment of Contingency Fund	(-)1.96	1.96	200.00	0.00	0.00
Transfer of cess to reserve fund / other body	-	-	-	-	-

Inflexible expenditure Statutory devolution to local bodies - <t< th=""><th>Components</th><th>2019-20</th><th>2020-21</th><th>2021-22</th><th>2022-23</th><th>2023-24</th></t<>	Components	2019-20	2020-21	2021-22	2022-23	2023-24
Central Fund Received (Appendix - VA Finance Accounts) Total 568.40 680.99 1,026.79 846.39 910.23	Components of Committed Expendit	ure				
Central Fund Received (Appendix - VA Finance Accounts) Total 568.40 680.99 1,026.79 846.39 910.23	Share contribution of CSS against the					
Total 568.40 680.99 1,026.79 846.39 910.23	Central Fund Received (Appendix -	307.93	561.24	644.07	703.96	737.86
As a percentage of Revenue Receipts (RR)						
Salaries & Wages 36.54 31.67 26.59 27.70 23.83			680.99	1,026.79	846.39	910.23
Salaries & Wages		(RR)				
Expenditure on Pensions 12.02 11.17 9.57 11.29 9.96			1			
Interest Payments						
Total S6.62 S0.89 42.90 45.92 40.12	-					
Statutory devolution to local bodies	<u> </u>					
Statutory devolution to local bodies		56.62	50.89	42.90	45.92	40.12
Contribution to Reserve Funds 2.79 1.10 1.28 0.96 0.96 Recoupment of Contingency Fund (-)0.02 0.02 1.40 0.00 0.00 0.00		<u> </u>				
Recoupment of Contingency Fund (-)0.02 0.02 1.40 0.00 0.00		-	-	-	-	-
Transfer of cess to reserve fund / other body - </td <td></td> <td></td> <td></td> <td></td> <td>0.96</td> <td></td>					0.96	
other body 5 5 4.51 4.75 4.10 Share contribution of CSS against the Central Fund Received 3.27 5.25 4.51 4.75 4.10 Total 6.04 6.37 7.19 5.71 5.06 As a percentage of Revenue Expenditure (RE) Salaries & Wages 35.96 29.43 27.86 27.62 25.84 Expenditure on Pensions 11.83 10.38 10.03 11.25 10.79 Interest Payments 7.93 7.47 7.07 6.92 6.86 Total 55.72 47.28 44.96 45.79 43.49 Inflexible expenditure Statutory devolution to local bodies - - - - - Contribution to Reserve Funds 2.74 1.02 1.34 0.96 1.04 Recoupment of Contingency Fund (-)0.02 0.02 1.47 0.00 0.00 Transfer of cess to reserve fund / other body - - - - - - - -		(-)0.02	0.02	1.40	0.00	0.00
Share contribution of CSS against the Central Fund Received 3.27 5.25 4.51 4.75 4.10 Total 6.04 6.37 7.19 5.71 5.06 As a percentage of Revenue Expenditure (RE) Salaries & Wages 35.96 29.43 27.86 27.62 25.84 Expenditure on Pensions 11.83 10.38 10.03 11.25 10.79 Interest Payments 7.93 7.47 7.07 6.92 6.86 Total 55.72 47.28 44.96 45.79 43.49 Inflexible expenditure Statutory devolution to local bodies -		_	_	_	_	_
Central Fund Received 3.27 5.25 4.51 4.75 4.10						
Central Fund Received G.04 G.37 7.19 5.71 5.06		3 27	5 25	4 51	4 75	4 10
Salaries & Wages 35.96 29.43 27.86 27.62 25.84 Expenditure on Pensions 11.83 10.38 10.03 11.25 10.79 Interest Payments 7.93 7.47 7.07 6.92 6.86 Total 55.72 47.28 44.96 45.79 43.49 Inflexible expenditure Statutory devolution to local bodies - - - - Contribution to Reserve Funds 2.74 1.02 1.34 0.96 1.04 Recoupment of Contingency Fund (-)0.02 0.02 1.47 0.00 0.00 Transfer of cess to reserve fund / other body - - Share contribution of CSS against the Central Fund Received 3.22 4.88 4.73 4.74 Total 5.94 5.92 7.54 5.69 5.49 Non-committed RE 4,235.24 6,062.42 7,496.11 8,057.75 9,370.93		- '				
Salaries & Wages 35.96 29.43 27.86 27.62 25.84 Expenditure on Pensions 11.83 10.38 10.03 11.25 10.79 Interest Payments 7.93 7.47 7.07 6.92 6.86 Total 55.72 47.28 44.96 45.79 43.49 Inflexible expenditure Statutory devolution to local bodies - <td< td=""><td>- ****-</td><td>010 1</td><td>6.37</td><td>7.19</td><td>5.71</td><td>5.06</td></td<>	- ****-	010 1	6.37	7.19	5.71	5.06
Expenditure on Pensions 11.83 10.38 10.03 11.25 10.79 Interest Payments 7.93 7.47 7.07 6.92 6.86 Total 55.72 47.28 44.96 45.79 43.49 Inflexible expenditure						
Interest Payments 7.93 7.47 7.07 6.92 6.86 Total 55.72 47.28 44.96 45.79 43.49 Inflexible expenditure	_					
Total 55.72 47.28 44.96 45.79 43.49 Inflexible expenditure Statutory devolution to local bodies -	-			10.03		
Inflexible expenditure Statutory devolution to local bodies - <t< td=""><td>Interest Payments</td><td>7.93</td><td>7.47</td><td>7.07</td><td>6.92</td><td>6.86</td></t<>	Interest Payments	7.93	7.47	7.07	6.92	6.86
Statutory devolution to local bodies -		55.72	47.28	44.96	45.79	43.49
Contribution to Reserve Funds 2.74 1.02 1.34 0.96 1.04 Recoupment of Contingency Fund (-)0.02 0.02 1.47 0.00 0.00 Transfer of cess to reserve fund / other body -	_					
Recoupment of Contingency Fund (-)0.02 0.02 1.47 0.00 0.00 Transfer of cess to reserve fund / other body -		-	-	-	-	-
Transfer of cess to reserve fund / other body - </td <td></td> <td>2.74</td> <td>1.02</td> <td>1.34</td> <td>0.96</td> <td>1.04</td>		2.74	1.02	1.34	0.96	1.04
other body -		(-)0.02	0.02	1.47	0.00	0.00
Share contribution of CSS against the Central Fund Received 3.22 4.88 4.73 4.74 4.45 Total 5.94 5.92 7.54 5.69 5.49 Non-committed RE 4,235.24 6,062.42 7,496.11 8,057.75 9,370.93	Transfer of cess to reserve fund /	_	_			
Central Fund Received 3.22 4.88 4.73 4.74 4.45 Total 5.94 5.92 7.54 5.69 5.49 Non-committed RE 4,235.24 6,062.42 7,496.11 8,057.75 9,370.93	other body		_	-	-	
Total 5.94 5.92 7.54 5.69 5.49 Non-committed RE 4,235.24 6,062.42 7,496.11 8,057.75 9,370.93	Share contribution of CSS against the	3 22	4 88	4 73	4 74	
Non-committed RE 4,235.24 6,062.42 7,496.11 8,057.75 9,370.93	Central Fund Received	3.22	7.00	7./3	7./7	4.45
	Total		5.92		5.69	5.49
		4,235.24	6,062.42		8,057.75	9,370.93
Percentage of RE 44.28 52.72 55.04 54.21 56.51	Percentage of RE	44.28	52.72	55.04	54.21	56.51
Percentage of TE 40.15 45.53 45.55 45.68 44.30	Percentage of TE	40.15	45.53	45.55	45.68	44.30
Subsidies 41.72 37.91 34.25 44.32 59.01	Subsidies	41.72	37.91	34.25	44.32	59.01
Subsidies as percentage of non- 0.99 0.63 0.46 0.55 0.63	Subsidies as percentage of non-	0.00	0.62	0.46	0.55	0.62
0.99 0.63 0.46 0.55 0.63	committed expenditure	0.99	0.03	0.40	0.55	0.03

Source: Finance Accounts of 2019-20 to 2023-24.

Table 2.21 shows that the committed expenditure during the current year was 43.49 *per cent* of Revenue Expenditure, while it accounted for 40.12 *per cent* of the Revenue Receipts of the State.

The decline in committed expenditure as a percentage of Revenue Receipts from 56.62 per cent in 2019-20 to 40.12 per cent in 2023-24 indicates improved fiscal management. Rising interest payments reflect increasing debt servicing costs, requiring close monitoring to ensure long-term fiscal sustainability. Pension expenditure is increasing

steadily, which could pose a long-term fiscal challenge given the aging workforce and rising commitments.

Percentage of committed expenditure to Revenue Expenditure during 2019-24 is given in **Chart 2.14**.

2023-24 25.84 10.79 56.51 2022-23 11.25 54.21 2021-22 27.86 7.07 10.03 55.04 2020-21 10.38 52.72 2019-20 11.83 35 96 44.28 0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100% **■**Salary and Wages **■**Interest **■** Pension **Non Committed Expenditure**

Chart 2.14: Share of Committed expenditure in total Revenue Expenditure

Source: Finance Accounts 2019-20 to 2023-24.

The details of various components of the committed expenditure are discussed below.

(i) Salaries and Wages

The expenditure on salary and wages was ₹ 4,284.63 crore during 2023-24, an increase by ₹ 179.63 crore (4.38 *per cent*) compared to the previous year. The reasons for increase in salary and wages is mainly increase in Salaries under Police Department, Health and Family Welfare Department and Law Department, and wages (₹ 33.95 crore).

(ii) Interest Payments

Interest payments amounted to ₹ 1,138.10 crore, an increase of ₹ 109.58 crore over the previous year, and as a percentage of Revenue Expenditure constituted 6.86 *per cent* in 2023-24 while it was 6.92 *per cent* during the previous year. Further, interest of ₹6.12 crore on off-budget borrowings of by Meghalaya Urban Development Agency was paid during the year 2023-24.

(iii) Pension

Government's expenditure towards pension payments (including other retirement benefits) stood at ₹ 1,789.88 crore²⁵. Pension payments have been consistently rising during the five-year period 2019-24. Pension payments during the current year had increased by ₹ 117.38 crore, an increase of 7.02 per cent over the previous year.

²⁵ This includes Government Contribution towards NPS (₹ 110.66 crore) (MH 2071-01-107).

(iv) Undischarged liabilities in National Pension System

Government introduced the 'National Pension System' (NPS) applicable to all new entrants joining State Government Service on or after 01 April 2010. Under this system, employees contribute 10 *per cent* basic pay and dearness allowance, which is matched by the State Government and both employee's and employer's contribution are initially transferred to the Public Account (Major Head '8342-117-Defined Contributory Pension Scheme'). The State Government has the responsibility to deposit both employee's and employer's share with the designated authority i.e., National Securities Depository Limited (NSDL)/trustee bank for further investment as per the guidelines of NPS. The State Government opens a Current Account with the Bank for parking the funds before transfer to NSDL. As on 31 March 2024, there were 22,506 employees under NPS of which 22,500 employees had been allotted Permanent Retirement Account Number (PRAN). Out of remaining six employees, three employees have not been allotted PRAN due to non-submission of PRAN application form and in respect of the other three employees, no intimation has been received from DDOs concerned.

The details of funds under NPS and amount transferred to NSDL during 2019-24 are shown in **Table 2.22**:

Table 2.22: Details of funds under NPS during 2019-24

(₹ in crore)

	Opening	C	Contribution		Transfer	Less (+) /	Closing
Year	Balance	Employees	Employer	Total	to NSDL	Excess (-) Transfer*	Balance
2019-20	0.77	52.13	51.98	104.11	104.04	0.07	0.84
2020-21	0.84	60.42	61.52	121.94	121.99	(-)0.05	0.79
2021-22	0.79	74.24	72.95	147.19	146.10	1.09	1.88
2022-23	1.88	93.40	93.90	187.30	188.06	(-)0.76	1.12
2023-24	1.12	110.26	110.66	220.92	220.88	0.04	1.15

Source: Finance Accounts of 2019-20 to 2023-24.

During 2023-24, the Government transferred ₹ 220.92 crore to the Public Account under Major Head 8342-117 Defined Contribution Pension Scheme. Out of which, ₹ 220.88 crore, was transferred to NSDL. As on 31 March 2024, ₹ 1.15 crore remained in the Public Account and was not transferred to the NSDL, which is a deferred liability of the State Government. Further, in terms of the guidelines, the State Government was liable to pay interest of ₹ 0.14 crore during the year on funds not transferred to NSDL amounting to ₹ 1.12 crore as on 1 April 2023.

(v) Inflexible expenditure

The components of Inflexible expenditure which include among others Statutory devolution to local bodies and contribution to Reserve Funds hovered around ₹ 568.40 crore to ₹ 1,026.79 crore during the period 2019-20 to 2023-24. As a percentage of revenue expenditure, the inflexible expenditure decreased from 5.94 *per cent* to 5.49 *per*

^{* (+)} indicates transfer to NSDL for further investment was less than the contribution and conversely (-) indicates transfer to NSDL was more than the contribution during the year.

cent. Further, the inflexible expenditure (₹ 910.23 crore) increased by 7.54 *per cent* during 2023-24 over the previous year (₹ 846.39 crore).

2.5.2.3 Subsidies

Table 2.23 depicts the expenditure on subsidies during the period 2019-24. The subsidies during the current year increased by 33.15 *per cent* (₹ 14.69 crore) mainly due to rise in subsidies to the Food and Civil Supplies Department by 30.52 *per cent* (₹ 8.75 crore), Agriculture Department by 49.68 *per cent* (₹ 3.43 crore) and Tourism Department by 252.74 *per cent* (₹ 2.64 crore).

Table 2.23: Expenditure on subsidies during 2019-24

(₹ in crore)

					1
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Subsidies	41.72	37.91	34.25	44.32	59.01
Subsidies as a Percentage of	0.44	0.35	0.24	0.30	0.33
Revenue Receipts	0.44	0.55	0.24	0.30	0.55
Subsidies as a percentage of	0.44	0.33	0.25	0.30	0.36
Revenue Expenditure	0.44	0.55	0.23	0.30	0.30
Subsidies as a percentage of	0.40	0.28	0.21	0.25	0.28
Total Expenditure	0.40	0.28	0.21	0.23	0.28

Source: Finance Accounts of 2019-20 to 2023-24.

2.5.2.4 Financial assistance by the State Government to Local Bodies and Other Institutions

Financial assistance is provided by the State Government to Local Bodies and other institutions by way of grants and loans. The quantum of assistance provided by way of grants and loans to local bodies and others during 2023-24 compared to the previous years is presented in **Table 2.24**.

Table 2.24: Financial Assistance to Local Bodies and other institutions

(₹ in crore)

					(X in crore)	
Financial Assistance to Institutions*	2019-20	2020-21	2021-22	2022-23	2023-24	
(A) Local Bodies						
Municipal Corporations and Municipalities	6.07	18.32	24.15	32.69	59.72	
Panchayati Raj Institutions**	-	12.50	110.34	86.00	-	
Total (A)	6.07	30.82	134.49	118.69	59.72	
(B) Others						
Public Sector Undertakings	23.49	24.20	42.79	29.38	58.74	
Autonomous Bodies	18.94	7.94	37.4	10.21	26.59	
Non-Government Organisations	13.78	12.47	1.54	1.95	27.35	
Other Institutions	2,819.07	3,733.59	4,088.31	4,702.91	6,014.18	
Total (B)	2,875.28	3,778.20	4,170.04	4,744.45	6,126.86	
Total (A+B)	2,881.35	3,809.02	4,304.53	4,863.14	6,186.58	
GIA on Salary	1,498.16	1,598.86	1,085.58	1,172.61	1,418.52	
GIA for creation of Capital assets	6.65	3.09	51.15	9.55	16.14	
GIA for non-salary	1,376.54	2,207.07	3,167.80	3,680.98	4,751.92	
GIA given in kind	Information has not been furnished by State Government					
Revenue Expenditure	9,565.12	11,498.61	13,620.22	14,863.77	16,583.54	
Assistance as percentage of Revenue Expenditure	30.12	33.13	31.60	32.72	37.31	

Source: Finance Accounts of 2019-20 to 2023-24.

^{*}Includes State Fund Expenditure as well as Central Assistance.

^{**}District Councils in Meghalaya.

State Government's financial assistance to Municipal Bodies consists of assistance towards State Plan/Tribal Sub-Plan schemes. During the year 2023-24, it decreased by ₹ 58.97 crore (49.68 per cent). Over five years, it increased from ₹ 6.07 crore to ₹ 59.72 crore (883.86 per cent). The increase in financial assistance was on account of increase in assistance towards implementation of State Plan/GoI schemes.

The Government's financial assistance to institutions other than local bodies had increased by ₹ 1,382.41 crore (29.14 *per cent*) during current year and over last five years, it increased by ₹ 3,251.58 crore (113.09 *per cent*) from ₹ 2,875.28 crore in 2019-20 to ₹ 6,126.86 crore in 2023-24.

Financial assistance given for creation of Capital Assets, Salary and Non-salary during 2023-24 increased over the previous year. Over the five-year period from 2019-20 to 2023-24, share of financial assistance for creation of Capital assets, Salary and Non-salary purposes in the total financial assistance stood at an average of 0.39 *per cent*, 33.25 *per cent* and 66.36 *per cent* respectively.

2.5.3 Capital Expenditure

Capital Expenditure (capex) refers to expenditure on creation of long-term assets such as roads, bridges, buildings and other infrastructure, and government's investment in public sector enterprises which leads to revenue generation and economic growth.

Chart 2.15 shows that the capital expenditure steadily increased during the five-year period from 2019-20 to 2023-24 except in 2022-23 when it slightly decreased. It significantly increased by 65.17 per cent (₹ 1,787.26 crore) from ₹ 2,742.28 crore (15.55 per cent of Total Expenditure) in 2022-23 to ₹ 4,529.54 crore (21.41 per cent of Total Expenditure) in 2023-24. The Capex as share of the Total Expenditure ranged between 9 per cent and 22 per cent during last five years from 2019-20 to 2023-24.

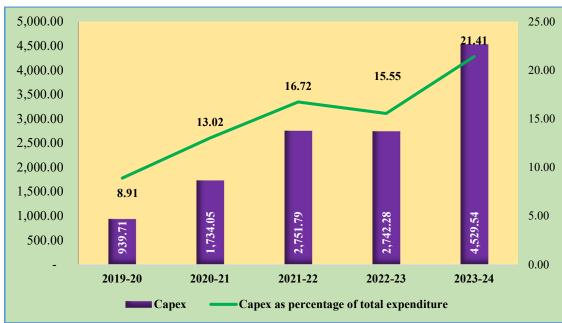


Chart 2.15: Capital Expenditure in the State

Source: Finance Accounts of 2019-20 to 2023-24.

2.5.3.1 Major changes in capital expenditure

Major changes in capital expenditure during 2023-24 compared to 2022-23 are depicted in **Table 2.25.**

Table 2.25: Capital expenditure during 2023-24 compared to 2022-23

(₹ in crore)

Major Head of Accounts		2023-24	Increase (+) /Decrease (-)	
5475 - Capital Outlay on other General Economic Services	50.00	831.98	781.98	
4801 - Capital Outlay on Power Projects	575.00	928.00	353.00	
4217 - Capital Outlay on Urban Development	243.64	525.59	281.95	
5054 - Capital Outlay on Roads and Bridges	998.19	1,197.74	199.55	
4515 - Capital Outlay on other Rural Development Programmes	11.00	165.07	154.07	
4055 - Capital Outlay on Police	0.00	37.36	37.36	
4210 - Capital Outlay on Medical and Public Health	32.17	59.71	27.54	
4202 - Capital Outlay on Education, Sports, Art and Culture	173.48	192.52	19.04	
4235 - Capital Outlay on Social Security and Welfare	17.08	34.41	17.33	
4215 - Capital Outlay on Water Supply and Sanitation	355.13	287.07	(-)68.06	
4216 - Capital Outlay on Housing	50.92	23.39	(-)27.53	

Source: Finance Accounts 2023-24.

Chart 2.15 shows that the capital expenditure increased by 65.17 per cent (₹ 1,787.26) from ₹ 2,742.48 crore in 2022-23 to ₹ 4,529.54 crore in 2023-24. The increase in overall capital expenditure was mainly due to major increase in Capital Outlay on Other General Economic Services – ₹ 781.98 crore, Capital Outlay on Power Projects – ₹ 353.00 crore, Capital Outlay on Urban Development - ₹ 281.95 crore, Capital Outlay on Roads and Bridges - ₹ 199.55 crore and Capital Outlay on other Rural Development Programmes – ₹ 154.07 crore.

2.5.3.2 Quality of Capital Expenditure

If the State Government keeps on making investments in loss making Government companies, whose net worth has completely eroded, there are no chances of return on investment. Similarly, experience has shown the inevitability of write-off of the loans given to loss making corporations and other bodies. Requisite steps must be taken to infuse transparency in such financial operations. This section presents an analysis of investments and other capital expenditure undertaken by the Government during the current year.

(i) Quality of investments in the Companies, Corporations and other bodies

Return on investment in share capital invested in PSEs and history of repayment of loans given to various bodies are important determinants of the quality of capital expenditure. Investments made and loans given to companies, corporations, and cooperatives, which are loss making and whose net worth is completely eroded, affect the quality of capital expenditure.

Table 2.26 shows year-wise details of investment by Government of Meghalaya over the five-year period from 2019-20 to 2023-24.

Table 2.26: Return on Investment

(₹ in crore)

Investment/return/ cost of borrowings	2019-20	2020-21	2021-22	2022-23	2023-24
Investment at the end of the year	2,648.49	2,650.39	2,657.07	3,240.18	3,977.28
Return	0.14	*	0.12	0.35	0.14
Return (per cent)	0.01	0	0.01	0.01	0.004
Average rate of interest on Government Borrowings (per cent) **	7.77	7.47	7.30	6.56	6.12
Difference between interest rate and return (per cent) @	(-)7.76	(-)7.47	(-)7.29	(-)6.55	(-)6.12
Difference between cost on Government borrowings and return on investment [#]	(-)205.52	(-)197.98	(-)193.70	(-)212.23	(-)243.25

Source: Finance Accounts of 2019-20 to 2023-24.

During 2023-24, the return on investment was ≥ 0.14 crore (0.004 per cent). The average rate of return on investment was between 0.00 to 0.01 per cent only during 2019-24. However, the average rate of interest paid by the State Government on its borrowings was between 6.12 per cent and 7.77 per cent during the same period. Over the past five-year period 2019-24, the difference in the return on investments and the cost of Government borrowings for the investments amounted to $\ge 1,052.69$ crore. The return on investment remains below the borrowing cost, leading to a net fiscal burden. Investments are not generating sufficient returns to justify the associated debt servicing.

The State Government should review the performance of the PSEs. The MFRBM Act, 2006, also provides that the State Government should review the performance of the State PSEs including restructuring of those that are essential and closing those, which are no longer viable.

(ii) Reconciliation of Government Investments with Accounts of Companies

The figures of Government investments as equity in State Public Sector Enterprises (SPSEs) should agree with those appearing in the accounts of the PSEs. Reconciliation of figures is necessary to figure out the difference in accounts of PSEs and Finance Accounts of the State Government. But there is a difference between the number of SPSEs recorded in the Finance Accounts (11) and that in the Audit Report on General, Social and Economic Sectors (23). The differences have arisen primarily due to the investment transactions being booked in Government accounts based on the vouchers received in the Office of the Principal Accountant General (A&E) and the details given in the Audit Reports obtained from the individual SPSEs.

^{*₹ 16,078/-}

^{**} Average Interest Rate = {Interest Payments/ [(Opening Balance of Public Debt + Closing Balance of Public Debt)/2]}.

 $^{^{\#}}$ (Investment at the end of the year X Difference between interest rate and return) $\div 100$.

^{@ -}ve indicates that the average interest rate on borrowings is higher than return on investment (per cent).

(iii) Loans and Advances by the State Government

Table 2.27 presents the outstanding loans and advances, interest receipts *vis-à-vis* interest payments during the last five years.

Table 2.27: Quantum of loans disbursed and recovered during five years.

(₹ in crore)

Quantum of loans disbursed and recovered	2019-20	2020-21	2021-22	2022-23	2023-24
Opening Balance of loans outstanding	854.29	866.75	920.88	981.80	991.77
Amount advanced during the year	43.78	81.90	85.33	34.52	41.02
Amount recovered during the year	31.32	27.77	24.41	24.55	24.03
Closing Balance of the loans outstanding	866.75	920.88	981.80	991.77	1,008.76
Net addition	12.46	54.14	60.92	9.97	16.99
Interest received	6.09	5.64	14.92	6.84	7.41
Interest received (<i>per cent</i>) on Loans and Advances (Closing Balance) given by the Government	0.70	0.61	1.52	0.68	0.73
Average Rate of Interest paid on the outstanding borrowings of the Government*	7.65	7.47	7.28	6.56	6.12
Difference between the rate of interest paid and interest received (per cent)	6.95	6.86	5.76	5.88	5.39

Source: Finance Accounts of 2019-20 to 2023-24.

Table 2.27 shows that the total outstanding loans and advances as on 31 March 2024 was ₹ 1,008.76 crore. Out of the loans of ₹ 41.02 crore advanced during 2023-24, ₹ 22.03 crore was given to Government servants and ₹ 13.43 crore to Co-operative Institutions for Agriculture and Allied Activities including Piggery Development.

During 2023-24, an amount of ₹ 24.03 crore was recovered out of which ₹ 23.71 crore was from Government Servants. The actual recovery (₹ 24.03 crore) was also lower than what was estimated in the Budget (₹ 27.65 crore).

Interest receipts increased from ₹ 6.84 crore in 2022-23 to ₹ 7.41 crore in 2023-24, with percentage of interest received to total outstanding loans and advances increased from 0.68 *per cent* in 2022-23 to 0.73 *per cent* in 2023-24.

(iv) Capital locked in incomplete projects

An assessment of trends in capital blocked in incomplete capital works also indicates quality of capital expenditure. Blocking of funds in incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits for prolonged periods. Further, the funds borrowed for implementation of these projects during the respective years lead to extra burden in terms of servicing of debt and interest liabilities. As on 31 March 2024, 229 projects remained incomplete. Age profile and department-wise details of these 229 incomplete projects as on 31 March 2024 are given in **Table 2.28** and **Table 2.29** respectively.

^{*} Interest paid/ (Debt Outstanding at the end of the Previous Year +Debt Outstanding at the end of the Current.

Table 2.28: Age profile of incomplete projects as on 31 March 2024

(₹ in crore)

	No. of	Expenditure			
Year	incomplete projects	Estimated cost	(as on 31 March 2024)		
Prior to 2012-13	12	578.31	485.87		
2012-13	3	97.51	32.33		
2013-14	2	255.96	39.73		
2014-15	2	324.49	41.53		
2015-16	2	175.44	140.70		
2016-17	-	-	-		
2017-18	5	91.51	78.10		
2018-19	5	86.98	58.47		
2019-20	3	90.60	23.09		
2020-21	16	252.95	148.49		
2021-22	82	837.56	412.49		
2022-23	72	2,007.98	718.32		
2023-24	21	589.21	403.92		
Info Not Available	4	42.53	2.62		
Total	229	5,429.34	2,585.66		

Table 2.29: Department-wise profile of incomplete projects as on 31 March 2024

(₹ in crore)

Department	No. of incomplete projects	Estimated cost	Expenditure
Public Health Engineering Department (PHED)	176	4,621.25	2,022.49
Public Works Department (PWD)	29	611.46	466.17
Water Resources	2	2.09	1.05
Director of Health and Services	22	194.54	95.94
Total	229	5,429.34	2,585.66

Source: Finance Accounts 2023-24.

Source: Finance Accounts 2023-24 (Appendix IX).

The expenditure incurred on 229 incomplete projects was ₹ 2,585.66 crore. Physical progress of the projects being executed by Public Works Department, Water Resources Department and Directorate of Health & Services as on 31 March 2024 is detailed in **Table 2.30.**

Table 2.30: Range of physical progress of incomplete projects

Stage of completion (per cent)	No. of incomplete projects	Percentage of Incomplete Projects
0-20	13	5.68
21-50	32	13.97
51-99	181	79.04
Information not available	03	1.31
Total	229	100

Source: Finance Accounts 2023-24 (Appendix IX).

2.5.4 Expenditure priorities

Availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The State Government is required to prioritise Development Expenditure, especially expenditure on Social and Economic Services. The efficiency of expenditure is also reflected by the ratio of Capital Expenditure to Total Expenditure and the proportion of Revenue Expenditure allocated to Education and Health Sectors. The higher the ratio of these components to Total Expenditure, the quality of expenditure is better.

Table 2.31 compares the fiscal priority²⁶ of the State Government with that of NE & Himalayan States regarding Health & Family Welfare (H&FW), Education and Capital Expenditure during 2023-24, taking 2019-20 as the base year.

Table 2.31: Fiscal priority of the State w.r.t Health, Education and Capital Expenditure

(In per cent)

	TE/GSDP	CE*/TE	Education/TE	H &FW/ TE
NE & Himalayan States (2019-20)	26.21	14.94	17.08	6.37
Meghalaya (2019-20)	30.34	9.32	18.86	8.20
NE & Himalayan States (2023-24)	25.19	17.61	15.93	6.43
Meghalaya (2023-24)	39.87	21.61	14.18	7.78

Source: Data compiled by the Economic Division, C&AG of India.

TE: Total Expenditure, GSDP: Gross State Domestic Product, CE: Capital Expenditure.

Table 2.31 shows that:

- Total Expenditure (TE) as ratio of GSDP of the State in 2023-24 (39.87 per cent) was higher than that of NE & Himalayan States (25.19 per cent) during the same period. This ratio for the State increased from 30.34 per cent in 2019-20 to 39.87 per cent in 2023-24 while that of NE & Himalayan States decreased from 26.21 per cent in 2019-20 to 25.19 per cent in 2023-24.
- Capital Expenditure as ratio of Total Expenditure of the State in 2023-24 (21.61 per cent) was marginally higher than that of the NE & Himalayan States (17.61 per cent) during the same period. This ratio for the State increased from 9.32 per cent in 2019-20 to 21.61 per cent in 2023-24 and that of NE & Himalayan States increased from 14.94 per cent in 2019-20 to 17.61 per cent in 2023-24.
- Expenditure on Education as ratio of Total Expenditure of the State in 2023-24 (14.18 per cent) was lower than that of the NE & Himalayan States (15.93 per cent) during the same period. This ratio for the State decreased from 18.86 per cent in 2019-20 to 14.18 per cent in 2023-24 and that of NE & Himalayan States decreased from 17.08 per cent in 2019-20 to 15.93 per cent in 2023-24.
- Expenditure on Health and Family Welfare as ratio of Total Expenditure of the State in 2023-24 (7.78 per cent) was higher than that of the NE & Himalayan States (6.43 per cent) during the same period. This ratio for the State decreased from 8.20 per cent in 2019-20 to 7.78 per cent in 2023-24 while that of NE & Himalayan States increased from 6.37 per cent in 2019-20 to 6.43 per cent in 2023-24.

2.5.5 Object head wise expenditure

The object head wise expenditure captures information about the object/ purpose of the expenditure. Chart 2.16 shows object head-wise expenditure.

^{*}CE includes disbursement of loans and advance.

²⁶ Ratio of expenditure in the respective category with respect to the Total Expenditure (TE).

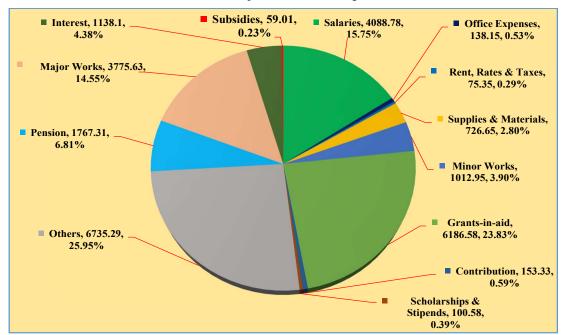


Chart 2.16: Object head wise expenditure

Source: Finance Accounts 2023-24.

Chart 2.16 shows that the highest expenditure was incurred in Grants-in-Aid²⁷ (23.83 *per cent*) followed by Salaries (15.75 *per cent*), major works (14.55 *per cent*), pension (6.81 *per cent*), interest (4.38 *per cent*) and minor works (3.90 *per cent*).

2.5.6 Financial Data Comparison with North Eastern & Himalayan States (NE&HS)

The Compound Annual Growth Rate (CAGR)²⁸ of Meghalaya's Gross State Domestic Product (GSDP) was 9.61 *per cent* for a period of 10 years between 2014-15 and 2023-24 which was lower than the CAGR of National GDP at 10.06 *per cent* during the same period.

Table 2.32 presents the financial data of the State in comparison with North Eastern and Himalayan States (NE & HS).

Table 2.32: Financial data of the State in comparison with 'North Eastern and Himalayan States (NE&HS)'

(in per cent)

	FINANCIAL DATA (Compound Annual Growth Rate)								
	Particulars	2013-14 to 2023-24							
	Farticulars	NE & HS	Meghalaya						
(a)	Revenue Receipts	10.59	11.11						
(b)	Own Tax Revenue	10.76	12.98						
(c)	Non-Tax Revenue	8.37	(-)1.33						
(d)	Total Expenditure	10.93	12.24						
(e)	Capital Expenditure	12.45	15.12						
(f)	Revenue Expenditure on								
	Education	9.25	11.13						

²⁷ GIA includes Salary: ₹ 1,412.02 crore, non-salary: ₹ 4,751.92 crore and Capital Assets: ₹ 16.14 crore.

²⁸ CAGR refers to the average annual growth rate of a parameter over a specified number of years and is calculated as (Final Value/Initial Value) ^1/n (no. of years) – 1)*100.

	FINANCIAL DATA (Compound Annual Growth Rate)							
	Particulars	2013-14 to 2023-24						
	Farticulars	NE & HS	Meghalaya					
(g)	Capital Expenditure on							
	Education	13.32	11.45					
(h)	Revenue Expenditure on							
	Health & Family Welfare	13.09	16.17					
(i)	Capital Expenditure on Health							
	& Family Welfare	11.81	(-)4.59					
(j)	Salaries and Wages	8.41	8.43					
(k)	Pension	14.80	14.78					

Source: Data compiled by the Economic Division, O/o CAG of India.

During 2013-14 to 2023-24, trend of growth of revenue receipts in Meghalaya was like other NE&HS states. However, the state fared better than other NE&HS states in garnering a better growth rate of its own Tax Revenue, which grew at CAGR of 12.98 per cent compared to 10.76 per cent for NE&HS. On the expenditure side, average annual growth of Revenue Expenditure on Education was higher than that of NE&HS while that of Capital Expenditure on Education was lower than that of NE&HS.

Meghalaya's average annual growth of non-tax revenue, which includes royalty from major and minor minerals, declined by 1.33 *per cent*, compared to NE & HS which saw their non-tax revenue growth at CAGR of 8.37 *per cent*.

The state's performance in selected economic parameters over the last two years, compared to other NE&HS states shows a similar trend, as per **Table 2.33**.

Table 2.33: Financial data of the State in comparison with 'North Eastern and Himalayan States' compared to previous year

(in per cent)

	FINANCIAL DATA (CHANGE OVER THE PREVIOUS YEAR)							
	Particulars	2022-23 to 20)23-24					
		NE & HS	Meghalaya					
(a)	Revenue Receipts	4.79	21.31					
(b)	Own Tax Revenue	12.61	21.35					
(c)	Non-Tax Revenue	6.60	14.44					
(d)	Total Expenditure	4.25	19.91					
(e)	Capital Expenditure	18.00	64.60					
(f)	Revenue Expenditure on Education	3.26	8.15					
(g)	Capital Expenditure on Education	49.81	(-)60.69					
(h)	Revenue Expenditure on Health & Family Welfare	(-)4.04	8.93					
(i)	Capital Expenditure on Health & Family Welfare	3.14	87.50					
(j)	Salaries and Wages	3.32	3.65					
(k)	Pension	3.16	6.99					

Source: Data compiled by the Economic Division, O/o CAG of India.

Table 2.33 shows how the listed fiscal parameters changed during 2023-24 as compared to 2022-23. While the Revenue Receipts of NE & HS grew at an average rate of 4.79 *per cent*, it stood at 21.31 *per cent* for Meghalaya. In other words, the revenue receipts of Meghalaya grew at four times the rate of NE & HS. This is attributable to significant increase of 21.35 *per cent* in own tax Revenue and 14.44 *per cent* in non-tax revenue during 2023-24 as against 12.61 and 6.60 *per cent* growth respectively for NE &HS.

Capital Expenditure, which denotes government spending on long-term economic assets, in Meghalaya rose by 64.60 *per cent* while it rose slower for NE & HS at 18.00 *per cent*. However, capital expenditure on Education in Meghalaya significantly decreased by 60.69 *per cent* while it increased by 49.81 *per cent* for NE & HS. In the previous year 2022-23, capital expenditure on Education in Meghalaya grew at 356.65 *per cent* over 2021-22 as compared to 19.94 *per cent* for NE&HS. Capital expenditure on the health sector increased by 87.50 *per cent*, compared to NE &HS where it grew by an average of 3.32 *per cent*.

Growth of Pension Expenditure for Meghalaya (6.99 per cent) was double of that for NE & HS (3.16 per cent).

2.6 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances *etc.*, which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266(2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.6.1 Net Public Account Balances

The component-wise net balances in Public Account of the State during the five-year period from 2019-20 to 2023-24 is shown in **Table 2.34** and **Chart 2.17**. The analysis of the net balances of various components in the Public Account are given in the respective paragraphs.

Table 2.34: Component-wise net balances in Public Account as of 31 March of the year (₹ in crore)

Sector	Sub Sector	2019-20	2020-21	2021-22	2022-23	2023-24
Small Savings,	Small Savings, Provident Funds,					
Provident Funds,	etc.	1,914.42	2,125.86	2,272.73	2,399.00	2,488.76
etc.						
	(a) Reserve Funds bearing Interest	197.01	168.01	197.34	190.82	245.63
Reserve Funds	(b) Reserve Funds not bearing Interest	9.47	7.99	7.83	9.50	18.37
Danasita and	(a) Deposits bearing Interest	0.88	0.83	1.93	1.16	1.20
Deposits and Advances	(b) Deposits not bearing Interest	1,004.12	1,065.82	1,088.45	1,457.88	1,671.66
Advances	(c) Advances	(-)1.81	(-)1.81	(-)1.81	(-)1.81	-1.81
	(a) Suspense	(-)65.45	(-)88.88	(-)139.20	(-)144.81	(-)145.48
Suspense and	(b) Other Accounts	(-) 801.85	(-)81.63	(-)17.11	(-)80.16	(-)0.24
Suspense and Miscellaneous	(c) Accounts with Governments of Foreign Countries	ı	-	-	-	1
	(d) Miscellaneous	-	-	-	-	-
Remittances	(a) Money Orders, and other Remittances	95.52	79.58	81.42	84.14	80.00
	(b) Inter- Governmental Adjustment Account	2.12	3.36	1.99	1.31	0.67
	Total	2,354.43	3,279.13	3,493.57	3,917.03	4,358.76

Source: Finance Accounts of respective years & Finance Accounts 2023-24.

Note: +ve denotes credit balance and -ve denotes debit balances.

Some key changes have been observed over time. The shift from interest-bearing to non-interest-bearing Reserve Funds could reduce financial liabilities but may also limit the yield on reserves. Deposits not bearing interest show consistent growth, suggesting reliance on low-liability funds for operations. The declining trend in Remittances in recent years suggests reduced inter-governmental adjustments or transfers.

(₹ in crore)

| 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 1

Chart 2.17: Yearly changes in composition of Public Account balances

Source: Finance Accounts of 2019-20 to 2023-24.

2.6.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund of the State. The contributions are treated as expenditure under the Consolidated Fund. The expenditure relating to the fund is initially accounted under the Consolidated Fund itself for which the vote of the legislature is obtained. At the end of the year, at the time of closure of accounts, the expenditure relating to the fund is transferred to public account under the concept of gross budgeting through an operation of deduct entry in accounts. The funds are further classified as 'Funds bearing interest' and 'Funds not bearing interest'.

The total accumulated balance as on 31 March 2024 was ₹ 1,155.42 crore in six active reserve funds, out of which ₹ 363.64 crore was under interest bearing Reserve Fund and ₹ 791.78 crore under non-interest-bearing Reserve Fund as given in the following table:

Table 2.35: Reserve funds

(₹ in crore)

Sl. No.	Head of Accounts	Balance as on 31 March 2024							
Reserve	Reserve fund bearing interest (active)								
1	8121- General and Other Reserve Fund, 129-State Compensatory Afforestation Fund (SCAF)	194.65							

Sl. No.	Head of Accounts	Balance as on 31 March 2024
2	8121-General and Other Reserve Fund, 122- State Disaster Response Fund (SDRF).	154.33
3	8121-General and Other Reserve Fund, 130-State Disaster Mitigation Fund	14.66
	Sub-Total	363.64
Reserv	e fund not bearing interest (active)	
1	8222-Sinking Funds- 101-Sinking Funds	708.57
2	8235-General and Other Reserve Funds-117-Guarantee Redemption Fund (GFR)	83.19
3	8229-Development and Welfare Funds- 123- Consumer Welfare Fund	0.02
	Sub-Total	791.78
	Grand-Total	1,155.42

Source: Finance Accounts 2023-24.

Investment out of these funds was ₹891.43 crore, which was 77.15 *per cent* of the accumulated balance (₹1,155.42 crore). The transactions during the year 2023-24 under major Reserve Funds are discussed below:

2.6.2.1 Consolidated Sinking Fund

Government of Meghalaya set up Consolidated Sinking Fund for amortisation of loans in 1999-2000. According to the revised guidelines of the Fund effective from 2018-19, the State Government may contribute a minimum of 0.50 *per cent* of their outstanding liabilities (internal debt + public account) at the end of the previous year to the Consolidated Sinking Fund.

At the beginning of the current year 2023-24, balance of the Fund stood at $\stackrel{?}{\underset{?}{?}}$ 613.13 crore. As on 31 March 2023, the outstanding overall liabilities (internal debt + public account) of Government of Meghalaya were $\stackrel{?}{\underset{?}{?}}$ 16,692.90 crore. Accordingly, the State Government was to contribute a minimum of $\stackrel{?}{\underset{?}{?}}$ 83.46 crore (0.50 per cent of $\stackrel{?}{\underset{?}{?}}$ 16,692.90 crore) during 2023-24 against which the State Government made contribution of $\stackrel{?}{\underset{?}{?}}$ 91.21 crore to the Fund which also earned interest of $\stackrel{?}{\underset{?}{?}}$ 3.23 crore. As the result, the total accumulation of the Fund was $\stackrel{?}{\underset{?}{?}}$ 708.58 crore as on 31 March 2024.

2.6.2.2 State Disaster Risk Management Fund (SDRMF)

The Fifteenth Finance Commission (XV FC) recommended constitution of State Disaster Risk Management Fund (SDRMF) as the basic fund to be allocated to the states for disaster management. SDRMF includes State Disaster Response Fund (SDRF) and State Disaster Mitigation Fund (SDMF). The Government of India accepted the recommendations and issued guidelines on constitution and administration of the SDRF and SDMF. Allocation to SDRMF of each state for each year is based on the recommendations of the Finance Commission. Within each state, SDRF and SDMF

receive 80 *per cent* and 20 *per cent* of the total allocation under SDRMF respectively. The administration of these funds in the State is as detailed below:

(i) State Disaster Response Fund (SDRF)

Government of India (GoI) replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from 1 April 2010, which is an interest-bearing Reserve Fund. In terms of the Guidelines of SDRF notified on 12 January 2022, the Centre and North-Eastern and Himalayan States (NE & HS) are required to contribute to the Fund in the ratio of 90:10. The contributions are to be transferred to the Public Account to Major Head – 8121. No direct expenditure is to be made from the Public Account. The expenditure charged to the SDRF will be shown as a negative entry under Major Head 2245-05-911.

The State Governments are required to pay interest to the SDRF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI. The accretions to the SDRF together with the income earned on the investment of SDRF shall be invested in Central Government dated Securities, auctioned Treasury Bills and Interest earning deposits and Certificates with Scheduled Commercial Banks.

Based on the Finance Accounts of the Government of Meghalaya, the SDRF had an opening balance of ₹ 130.86 crore at the beginning of 2023-24. As on 31 March 2024, the balance of the SDRF stood at ₹ 154.33 crore out of which, ₹ 118.00 crore has been invested while ₹ 36.33 crore remained to be invested. The investment figure of ₹ 118.00 crore in the SDRF Investment Account is based on information provided by the State Government vide letter dated 28 January 2021. The State Government has not provided updated information on investments or disinvestment out of the available balances under SDRF despite several requests. However, as per the information provided and documents made available by the Secretary to Government of Meghalaya, Revenue and Disaster Management Department during the course of audit of State Disaster Response Fund for the period 2017-18 to 2021-22, the available fund was disinvested as on 16 April 2022. In such a scenario, a reasonable assurance could not be drawn on the investment of available State Disaster Response Fund balances.

Further, during the Exit Conference (March 2025), the State Government stated that the matter will be taken up for conclusive settlement of the discrepancy issue in the balances of the Fund.

As per SDRF Guidelines, the total SDRF allocation of Meghalaya for 2023-24 was ₹ 64.80 crore with ₹ 58.40 crore as the Central Share and ₹ 6.40 crore as the State Share. During the year 2023-24, the State Government received ₹ 27.20 crore as Central Government's share. The State Government's share contributed during the year was ₹ 3.20 crore. The State Government transferred ₹ 30.40 crore (Central Share ₹ 27.20 crore, State Share ₹ 3.20 crore) only (approximately 50 *per cent* of the total allocation of ₹ 64.80 crore for 2023-24) to the Fund under Major Head 8121-122 SDRF. The State did not receive any grant from the Central Government towards NDRF.

During the year, the State Government made total disbursement of ₹ 6.93 crore from the fund for recouping expenditure incurred on relief work as per the SDRF guidelines by

showing a negative entry under Major Head 2245-05-901. During the current year, no expenditure was made directly from the Public Account (MH-8121-122-SDRF).

Further, the State Government was required to pay interest amounting to ₹ 1.26 crore on un-invested SDRF balance of ₹ 12.86 crore (as on 31 March 2023) at the rate of 8.50 *per cent* (Overdraft Rate) during 2023-24. As the interest was not paid, Revenue Deficit for the year is understated to that extent.

(ii) State Disaster Mitigation Fund (SDMF)

The State Disaster Mitigation Fund (SDMF) is to be constituted under section 48 (1) (c) of the Disaster Management Act, 2005. This Fund is exclusively for the purpose of mitigation project in respect of disaster covered under State Disaster Response Fund (SDRF)/National Disaster Response Fund (NDRF) guidelines and the State specific local disaster notified by the State Government from time to time. Further, the accretions to the SDMF together with the income earned on the investment of SDMF shall be invested in Central Government dated Securities, auctioned Treasury Bills and Interest earning deposits and Certificates of Deposits with Scheduled Commercial Banks. In addition, the State Governments are required to pay interest to the SDRF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI.

The State Government has created the SDMF vide Notification dated 02 March 2022, under Major Head 8121-130 State Disaster Mitigation Fund. The SDMF allocation of Meghalaya for 2023-24 was ₹ 16.20 crore (Central Share: ₹ 14.60 crore and State Share: ₹ 1.60 crore).

During the year 2023-24, the State Government did not receive any amount from Central Government for SDMF. The Central Share of the SDMF amounting to ₹ 14.60 crore for the current year was not released by GoI. As on 31st March 2024, SDMF balance amounting to ₹ 14.66 crore was yet to be invested and thus the State Government was required to pay interest amounting to ₹ 1.25 crore on the un-invested SDRF balance at the rate of 8.50 *per cent* (Overdraft Rate) during 2023-24. Resultantly, Revenue Deficit for the year is understated to that extent.

2.6.2.3 Guarantee Redemption Fund

The State Government constituted a Guarantee Redemption Fund (GRF) vide Notification dated 10 June 2021, for meeting its obligations arising out of the issued by the Government in respect of bonds issued and other borrowings by the State Public Sector Enterprises or other Bodies and invoked by the beneficiaries. The accumulations in the Fund are to be utilised only towards payment of the guarantees issued by the Government and not paid by the institutions on whose behalf guarantee was issued. GRF is administered by the RBI.

Effective from 2021-22, the State Government is required to initially contribute a minimum of one *per cent* and thereafter at the rate of 0.50 *per cent* of outstanding guarantees at the end of the previous year to achieve a minimum level of three *per cent* in the next five years. The Fund shall be gradually increased to a desirable level of five *per cent*.

The opening balance of the Fund as on 01 April 2023 was ₹ 68.00 crore. During the year, the State Government contributed the prescribed amount of ₹ 14.90 crore (0.50 per cent of the total outstanding guarantees of ₹ 2,977.53 crore as on 31 March 2023) to the GRF. The total accumulation of the Fund was ₹ 83.19 crore as on 31 March 2024 including accrued interest of ₹ 0.29 crore for 2023-24 realised on investment on government securities. The Fund has achieved 2.86 per cent of the total outstanding guarantees of ₹ 2,908.20 crore as on 31 March 2024. The target of the Fund for achieving 3.00 per cent is by 2025-26. The State Government issued guarantee of ₹ 0.02 crore and withdrew guarantee of ₹ 69.35 crore during the year 2023-24 as the corresponding borrowings were repaid by the borrowers. The entire fund had been invested by RBI.

As per guidelines dated 24 April 1989, the State Government is required to levy a Guarantee Fee of one *per cent* of the Guaranteed amount before the execution of the guarantee deed. For the subsequent years, the guarantee fee is fixed at 0.50 *per cent* on amount guaranteed and outstanding on the 31 March for the next financial year till the guarantee is withdrawn or till the loan is liquidated.

As per guidelines dated 24 April 1989, the State Government is required to levy a Guarantee Fee of one *per cent* of the guaranteed amount before the execution of the guarantee deed. For the subsequent years, the guarantee fee is fixed at 0.5 *per cent* on the amount guaranteed and outstanding on the 31st March each year for the next financial year till the guarantee is vacated or till the loan is liquidated.

The outstanding Guarantee Fees as on 31 March 2023 was to ₹ 86.80 crore. Further, as on 31 March 2023, outstanding guarantees stood at ₹ 2,977.53 crore. As such, the Guarantee Fee for 2023-24 amounting to ₹ 14.89 crore (0.50 *per cent* of the total outstanding guarantees of ₹ 2,977.53 crore as on 31 March 2023) was to be levied within 30 April 2024. However, no Guarantee Fee was received during 2023-24. As on 31 March 2024, outstanding Guarantee Fees amount to ₹ 99.83 crore.

2.6.2.4 State Compensatory Afforestation Fund

Government of Meghalaya, in compliance to the instructions issued by the Ministry of Environment and Forests, Government of India's vide their letter No. 5-1/2009-FC dated 28 April 2009 and guidelines dated 02 July 2009, established State Compensatory Afforestation Fund (SCAF).

The moneys received by the State Government from the user agencies needs to be credited in 'State Compensatory Afforestation Deposits' under interest bearing section in Public Account of the State at Minor Head level below the Major Head 8336-Civil Deposits. As per Section 3 (4) of the Compensatory Afforestation Fund Act, 2016, 90 per cent of the fund needs to be transferred to the Major Head 8121-General and Other Reserve Fund in the Public Account of the State and balance 10 per cent shall be credited into the National Fund on yearly basis provided that the credit of 10 per cent Central share of funds should be ensured on a monthly basis so that the same is transferred to the National Fund.

The balance of the Fund on 01 April 2023 was ₹163.31 crore. During the year 2023-24, the State Government did not receive any amount from the user agencies. No amount was

remitted to the National Fund during the year 2023-24. However, the State Government received amount of ₹ 31.34 crore in 2023-24 from National Compensatory Afforestation. The total balance in the State Compensatory Afforestation Fund as on 31 March 2024 was ₹ 194.65 crore.

As the SCAF is an interest-bearing Reserve Fund, the liability of interest payment rests with the State Government. Non-payment of interest amounting to ₹ 5.65 crore²⁹ resulted in overstatement of Revenue Surplus to that extent.

2.6.2.5 Central Road and Infrastructure Fund (CRIF)

The erstwhile Central Road Fund (CRF) has been renamed as the Central Road and Infrastructure Fund (CRIF) vide GoI's Gazette Notification dated 31 March 2018. The CRIF will be used for development and maintenance of National Highways, Railway projects, improvement of safety in Railways, State and Rural roads and other infrastructure.

In terms of the extant accounting procedure, the grants received by the State from the Centre are to be initially booked as Revenue Receipts under Major Head 1601. Thereafter, the amount so received is to be transferred by the State Government to the Public Account under Major Head 8449-103-Subventions from Central Road and Infrastructure Fund through functional Major Head(s).

During the year 2023-24, the State Government received grants of ₹ 78.42 crore towards CRIF and the State Government transferred entire amount (₹ 78.42 crore) to the Fund in the Public Account.

2.6.2.6 Funds outside the Consolidated Fund/Public Account of the State and dedicated Funds

(i) Building and Other Construction Workers' Welfare (BOCW) Cess

Government of Meghalaya constituted the Meghalaya Building and Other Construction Workers' Welfare Board (MBOCWWB) vide Notification dated 2 September 2009, as mandated under Section 18 of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

Further, Section 3(1) of the Building and Other Construction Workers' Welfare Cess Act, 1996, provides for levy and collection of Building and Other Construction Workers' Welfare Cess on the cost of construction incurred by an employer at the rate specified by the Central Government which has notified the rate as one *per cent* of the cost of construction incurred by an employer. Rule 5(1) of the Building and Other Construction Workers' Welfare Cess Rules, 1998 requires the proceeds of the Cess collected by Government office, Public Sector Undertakings, local authority or cess collector, to be transferred to the MBOCWWB.

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Interest calculated at the rate of 3.35 *per cent* as notified by the Ministry of Environment, Forest & Climate Change, Government of India.

During 2019-20 to 2023-24, the total amount of BOCW cess received was ₹ 162.02 crore while total amount spent was ₹ 53.48 crore (scheme expenses³⁰: ₹ 51.97 crore, administrative expenses on salary: ₹ 0.64 crore and other administrative expenses: ₹ 0.66 crore). The fund position of the MBOCWWB for the last five years from 2019-20 to 2023-24 is as shown in **Table 2.36**.

Table 2.36: BOCW Cess received by MBOCWWB during 2019-24

(₹ in crore)

Receipts					Expenditure					
Year *	Cess received	Interest Earned	Other Receipts	Total	Scheme Expenses	Administrative Expenses on Salary	Other Administrative Expenses	Other Expenditure	Total	Administrative Expenses as Share of Total Expenses (in per cent)
2019-20	23.12	13.20	0.10	36.42	3.64	0.11	0.14	0.04	3.94	6.47
2020-21	20.81	9.92	0.27	31.00	22.25	0.12	0.14	0.14	22.65	1.12
2021-22	24.13	9.56	0.20	33.89	5.52	0.13	0.06	0.01	5.72	3.30
2022-23	43.89	11.21	0.19	55.29	15.24	0.14	0.13	0.00	15.51	1.74
2023-24	50.07	20.58	0.00	70.65	5.33	0.14	0.20	0.00	5.66	5.95
Total	162.02	64.48	0.77	227.26	51.97	0.64	0.66	0.20	53.48	-

Source: Meghalaya Building and Other Construction Workers Welfare Board.

Table 2.36 shows that, during 2019-20 to 2023-24, the share of administrative expenses to the total expenditure of the MBOCWWB during 2023-24 was not within the five *per cent* limit prescribed under Section 24(3) of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 in 2019-20 and 2023-24.

2.7 Public Liability Management

Management of public liability is the process of establishing and executing a strategy for managing the Government's liabilities in order to raise the required amount of funding, achieve its risk and cost objectives, and to meet any other sovereign debt management goals that the Government may have set through enactment or any other annual budget announcements.

The details relating to overall outstanding liabilities of State along with its percentage to GSDP during the five years- period 2019-24 is presented in **Chart 2.18**.

^{*} Annual Accounts for 2023-24 yet to be received as on 31 January 2025.

³⁰ Financial assistance for education, death benefits, funeral assistance, maternity benefits, insurance, marriage assistance, medical assistance, etc.



Chart 2.18: Outstanding Public Liabilities and its percentage to GSDP

Source: Finance Accounts 2019-20 to 2023-24.

During the year 2023-24, the outstanding public liabilities of the State of Meghalaya has increased by ₹ 3,077.99 crore (16.69 *per cent*) from ₹ 18,442.32 crore in 2022-23 to ₹ 21,520.31 crore³¹ in 2023-24. Over five-year period, the increase was by 86.59 *per cent* (₹ 9,986.53 crore) from ₹ 11,533.78 crore in 2019-20 to ₹ 21,520.31 crore in 2023-24. As percentage of GSDP, the outstanding public liabilities was 33.17 *per cent* in 2019-20 which increased significantly to 40.56 *per cent* in 2023-24.

The primary reason for spike in outstanding public liabilities-GSDP ratio during 2023-24 was significant increase in Internal Debt by ₹ 1,374.12 crore (10.88 per cent), Loans from GoI by ₹ 1,336.61 crore (76.40 per cent) and Public Accounts liabilities by ₹ 367.26 crore (9.05 per cent). During the five-years period 2019-24, the State was not able to achieve the target set forth in the MFRBM Act, 2006 to maintain the public liabilities-GSDP ratio under 28 per cent. The shortfall against the target ranged between 5.17 per cent and 12.56 per cent.

2.7.1 Liability profile: Components

Total public liabilities of the State Government typically comprise Internal debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, *etc.*), loans and advances from the Central Government and Public Account Liabilities.

The total outstanding public liabilities of the State Government at the end of 2023-24 was ₹ 21,520.31 crore excluding Back-to-Back Loans of ₹ 253.16 crore. The trend of various components of liabilities from 2019-20 to 2023-24 is depicted in **Table 2.37** and **Chart 2.19**.

³¹ Excludes an amount of ₹ 253.16 crore (₹ 112.00 crore in 2020-21 + ₹ 141.16 crore in 2021-22) Back to Back loan by GoI in lieu of GST Compensation shortfall which will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, *etc*.

Table 2.37: Component wise liability Trends

(₹ in crore)

Components of fiscal liability	2019-20	2020-21	2021-22	2022-23	2023-24
Outstanding Total Liabilities	11,533.78	13,618.74	15,481.09	18,442.32	21,520.31
Public Debt	8,407.87	10,250.24	11,912.82	14,383.96	17,094.69
Internal debt	8,301.31	9,931.96	11,244.83	12,634.54	14,008.66
Loan from GOI*	106.56	318.28	667.99	1,749.42	3,086.03
Public Account Liabilities	3,125.91	3,368.50	3,568.27	4,058.36	4,425.62
Small Savings, Provident Funds, etc.	1,914.42	2,125.86	2,272.73	2,399.00	2,488.76
Reserve Funds bearing Interest	197.01	168.01	197.34	190.82	245.63
Reserve Funds not bearing Interest	9.47	7.99	7.83	9.50	18.37
Deposits bearing Interest	0.88	0.82	1.92	1.16	1.2
Deposits not bearing Interest	1,004.13	1,065.82	1,088.45	1,457.88	1,671.66
Rate of growth of outstanding total liability (per cent)	8.57	18.08	13.67	19.13	16.69
Gross State Domestic Product (GSDP)	34,770	33,776	40,222	46,551	53,057
Liability/GSDP (per cent)	33.17	40.32	38.49	39.62	40.56
Borrowings and Other Liabilities	(as per State	ment 6 of Fi	nance Accour	its)	
Total Receipts	2,941.07	3,736.45	5,232.08	7,940.08	9,747.31
Total Repayments	2,030.97	1,651.50	3,369.72	4,978.85	6,669.32
Net funds Available	910.10	2,084.95	1,862.36	2,961.23	3,077.99
Repayments/Receipts (per cent)	69.06	44.20	64.40	62.71	68.42

Source: Finance Accounts of 2019-20 to 2023-24.

During the current year 2023-24, Public Debt (Internal Debt + Loan from GoI) increased by $\stackrel{?}{\stackrel{?}{?}}$ 2,710.73 crore (18.85 *per cent*) over the previous year 2022-23 wherein Internal Debt increased by $\stackrel{?}{\stackrel{?}{?}}$ 1,374.12 crore (10.88 *per cent*) and Loans from GoI significantly increased by $\stackrel{?}{\stackrel{?}{?}}$ 1,336.61 crore (76.40 *per cent*). Public Accounts liabilities also increased by $\stackrel{?}{\stackrel{?}{?}}$ 367.26 crore (9.05 *per cent*) in 2023-24 as compared to 2022-23.

Over the five-year period from 2019-20 to 2023-24, Public Debt increased by \gtrless 8,686.82 crore (103.32 *per cent*) from \gtrless 8,407.87 crore in 2019-20 to \gtrless 17,094.69 crore in 2023-24 with Internal Debt increasing by \gtrless 5,707.35 (68.75 *per cent*) from \gtrless 8,301.31 crore in 2019-20 to \gtrless 14,008.66 crore in 2023-24 and Loans from GoI by \gtrless 2,979.47 crore from \gtrless 106.56 crore in 2019-20 to \gtrless 3,086.03 crore in 2023-24. During the same period, Public Accounts liabilities increased by \gtrless 1,299.71 crore (41.58 *per cent*) from \gtrless 3,125.91 crore in 2019-20 to \gtrless 4,425.62 crore in 2023-24 with major increase under Deposits not bearing interest (\gtrless 667.53 crore) and Small Savings, Provident Funds, *etc.* (\gtrless 574.34 crore).

Break-up of outstanding total liabilities at the end of 2023-24 is presented in Chart 2.19.

^{*} Excludes an amount of \ref{thmoso} 253.16 crore (\ref{thmoso} 112.00 crore in 2020-21 + \ref{thmoso} 141.16 crore in 2021-22) Backto-Back loan by GoI in lieu of GST Compensation shortfall which will not be treated as debt of the State for any norms which may be prescribed by the Finance Commission, etc.

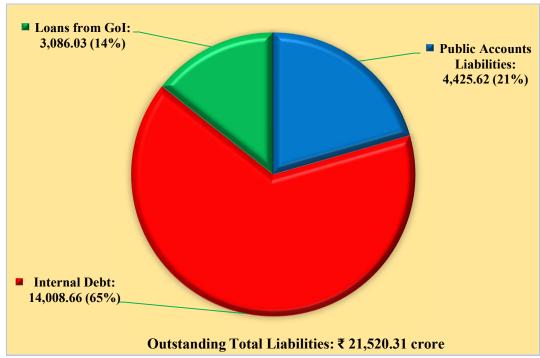


Chart 2.19: Break-up of outstanding total liabilities at the end of 2023-24

Source: Finance Accounts 2023-24.

Chart 2.20 presents the quantum of internal debt taken *vis-à-vis* repaid during the period of five years i.e., 2019-24.

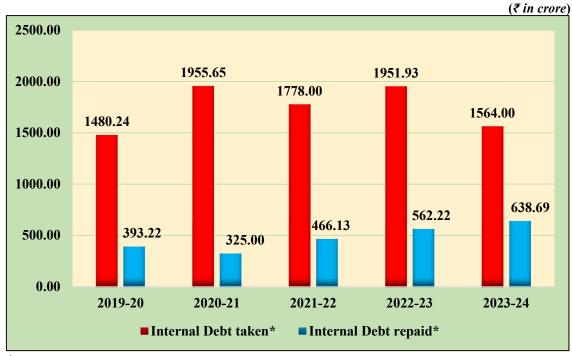


Chart 2.20: Internal Debt taken vis-à-vis repaid

*Ways and Means Advances/overdraft from the Reserve bank of India and Special Drawing Facility on 91 Days Deposits of \gtrless 140.88, \gtrless 1,727.42 crore, \gtrless 3,164.09 crore, \gtrless 4,589.17 crore taken and \gtrless 140.88, \gtrless 1,727.42 crore, \gtrless 3,164.09 crore and \gtrless 4,140.36 crore repaid during the year 2020-21, 2021-22, 2022-23 and 2023-24 respectively has been excluded.

Chart 2.20 indicates that servicing of the existing internal debt to the State Government during 2019-24 accounted for more than one-fourth of the internal debt taken. During 2023-24, the State Government's internal debt repayment amounting to ₹ 1,578.82 crore (Principal: ₹ 638.69³² crore and Interest on Internal Debt: ₹ 940.13 crore³³) exceeded the total internal debt taken (₹ 1,564.00 crore) by 0.95 *per cent*.

2.7.1.1 Components of Fiscal Deficit and its financing pattern

Table 2.38 shows financing pattern of the fiscal deficit during 2019-20 to 2023-24.

Table 2.38: Components of Fiscal Deficit and its financing pattern

(₹ in crore)

	David colors	2010 20	2020.21	2021.22	2022-23	2023-24
	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
		Composit	ion of Fiscal Defi	icit		l
1	Revenue Deficit (-)/ Revenue Surplus (+)	(-)151.60	(-)815.38	653.92	(-)43.90	1,394.32
2	Net Capital Expenditure	(-)939.71	(-)1,734.05	(-)2,751.79	(-)2,742.28	(-)4,529.54
3	Net Loans and Advances	(-)12.46	(-)54.13	(-)60.92	(-)9.97	(-)16.99
	Total	(-)1,103.77	(-)2,603.56	(-)2,158.79	(-)2,796.15	(-)3,152.21
		Financing P	attern of Fiscal D	Deficit		
1	Market Borrowings	1,070.46	1,587.00	1,298.00	1,368.00	924.00
2	Loans from GoI	(-)9.71	323.71	490.87	1,081.43	1,336.61
3	Special Securities issued to NSSF	(-)53.75	(-)53.75	(-)53.75	(-)54.82	(-)53.75
4	Loans from Financial Institutions	70.31	97.41	68.62	89.03	67.56
5	Bonds	-	-	-	(-)12.50	(-)12.50
6	Special Drawing Facility on 91 Days Deposits	0.00	0.00	0.00	0.00	187.89
7	Ways and Means Advances from RBI	0.00	0.00	0.00	0.00	260.92
8	Small Savings, PF, etc.	203.54	211.44	146.87	126.27	89.77
9	Deposits and Advances	(-)560.89	61.64	23.73	368.66	213.82
10	Suspense	(-)5.78	(-)23.43	(-)50.32	(-)5.61	(-)0.66
11	Remittances	(-)7.68	(-)14.69	0.45	2.04	(-)4.78
12	Reserve Fund	190.14	(-)30.48	29.16	(-)4.85	63.68
13	Contingency Fund	(-)1.96	1.96	200.00	-	0.00
14	Appropriation to Contingency Fund	-	-	(-)200.00	-	0.00
15	Overall Deficit	894.68	2,160.81	1,953.63	2,957.65	3,072.56
16	Increase (-)/Decrease (+) in cash balance	209.09	442.75	205.16	(-)161.50	79.65
17	Gross Fiscal Deficit	1,103.77	2,603.56	2,158.79	2,796.15	3,152.21

Source: Finance Accounts of 2019-20 to 2023-24.

Trend analysis of fiscal situation of the state over past five years from 2019-20 to 2023-24 shows that the gross fiscal deficit was least in 2019-20 at about ₹ 1,103.77 crore. Despite having a revenue surplus budget of ₹ 1,394.32 crore during 2023-24, the fiscal

³² Excluding WMA repayment of ₹ 2,472.97 crore and SDF repayment of ₹ 1,667.39 crore during the current year.

³³ Excluding interest payment of ₹ 2.12 crore on WMA and ₹ 1.83 crore on SDF during the current year.

deficit increased to ₹ 3,152.21 crore, which is an increase of ₹ 356.06 crore compared to the previous year 2022-23.

During 2023-24, Fiscal Deficit was primarily financed by loans from GoI (₹ 1,336.61 crore), net market borrowings (₹ 924.00 crore), Ways and Means Advances (₹ 260.92 crore), Special Drawing Facility on 91 Days (₹ 187.89 crore) and Deposits and advances (₹ 213.82 crore).

2.7.2 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Debt maturity profile of the State is depicted in **Table 2.39**.

	Period of		Percentage (w.r.t.		
Year of Maturity	repayment (Years)	Internal Debt	Loans and advances from GoI	Total	Public debt)
By 2024-25	0 - 1	1,538.27	26.61	1,564.88	9.15
Between 2025-26 & 2026-27	1 – 3	3,044.53	29.58	3,074.11	17.98
Between 2027-28 & 2028-299	3 – 5	3,027.30	23.88	3,051.17	17.85
Between 2029-30 & 2030-31	5 – 7	3,318.66	30.09	3,348.75	19.59
2031-32 onwards	above 7	3,079.90	2,975.87	6,055.78	35.43
Total		14,008.66	3,086.03	17,094.69	100.00

Table 2.39: Debt Maturity profile for repayment of Public Debt

Source: Finance Accounts 2023-24.

The maturity profile of outstanding stock of public debt as on 31 March 2024 indicates that out of the outstanding public debt of $\ge 17,094.69$ crore, 9.15 per cent ($\ge 1,564.88$ crore) is payable within the next one year *i.e.*, 2024-25, 35.83 per cent ($\ge 6,125.28$ crore) is payable in the next two to five years, while the remaining 55.01 per cent ($\ge 9,404.54$ crore) is to be paid after five years. In the coming five years, the State Government is required to repay a sizable portion of public debt of $\ge 7,690.16$ crore (44.99 per cent).

Maturity profile and repayment schedule of Internal Debt and Loans and Advances received from GoI along with interest for the next 11 years (2023-24 to 2034-35) is detailed below:

2.7.2.1 Internal Debt of the State-Maturity Profile

As on 31 March 2024, Internal Debt (₹ 14,008.66 crore) comprising market borrowings and loans from LIC, GIC, NABARD, *etc.*, constituted 81.95 *per cent* of the total outstanding Public Debt (₹ 17,094.69 crore) and 65.10 *per cent* of the total outstanding public liabilities (₹ 21,520.31 crore). During the current year, the State Government borrowed ₹ 1,564.00³⁴ crore through market loans and loans from financial institutions

³⁴ Excluding Ways and Means Advances (WMA) of ₹ 2,733.89 crore and Special Drawing Facility (SDF) of ₹ 1,855.28 crore availed during the current year.

and repaid $\ge 1,578.82$ crore (Principal: $\ge 638.69^{35}$ crore and Interest on Internal Debt: ≥ 940.13 crore³⁶), which is higher than the total internal borrowings. This indicates that fresh internal debt loans were not enough for servicing of existing internal debts which may lead to a debt trap in future.

The repayment schedule of internal debt and interest³⁷ to be paid thereon over the next 11 years (2024-25 to 2034-35) is detailed in **Chart 2.21**.

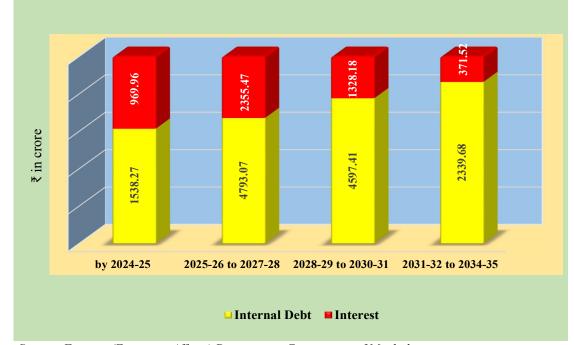


Chart 2.21: Repayment schedule of Internal Debt and Interest thereon

Source: Finance (Economic Affairs) Department, Government of Meghalaya.

Chart 2.21 shows that out of the total internal debt of ₹ 18,293.56 crore (₹ 13,268.43 crore in principal and ₹ 5,025.13 crore in interest) due by 2034-35, internal debt of ₹ 2,508.23 crore which includes principal of ₹ 1,538.27 crore and interest of ₹ 969.96 crore will become payable by the financial year 2024-25. Thereafter, in the next three years up to 2027-28, an amount of ₹ 7,148.54 crore which includes ₹ 4,793.07 crore as principal and ₹ 2,355.47 crore as interest will become payable. Between 2028-29 and 2034-35, the liability of the state towards principal and interest will be ₹ 8,636.79 crore 38 . On average, the State Government will need to repay ₹ 1,663.05 crore of internal debt, including interest, each year until 2034-35.

³⁵ Excluding WMA repayment of ₹ 2,472.97 crore and SDF repayment of ₹ 1,667.39 crore during the current year.

³⁶ Excluding interest payment of ₹ 2.12 crore on WMA and ₹ 1.83 crore on SDF during the current year.

³⁷ The debt figures are provisional figures based on loans and advances for the year ended 31 March 2024 which are likely to change due to additional loans and change in interest rates in future.

³⁸ Principal ₹ 6,937.09 crore and Interest ₹ 1,699.70 crore.

2.7.2.2 Loans and advances from the GoI- Maturity Profile

As on 31 March 2024, outstanding Loans and Advances from the GoI (₹ 3,086.03 crore³⁹) constituted 18.05 *per cent* of the total outstanding public debt (₹ 17,094.69 crore) and 14.34 *per cent* of the total outstanding public liabilities (₹ 21,520.31 crore). During the current year, the State Government borrowed ₹ 1,361.17 crore from Government of India and repaid ₹ 43.44 crore (Principal ₹ 24.56 crore and Interest ₹ 18.88 crore).

100% 90% 49.03 80% (F IN CRORE) 70% 60% 50% 40% 57.11 42.91 30% 20% 10% 0% by 2024-25 2025-26 to 2027-28 2028-29 to 2030-31 2031-32 to 2034-35 **■** Loans and advances from GoI ■ Interest

Chart 2.22: Repayment schedule of Loans and advances from the GoI and Interest⁴⁰ thereon

Source: Information furnished by the Finance Department, GoM.

Chart 2.22 shows that ₹ 347.01 crore (Principal ₹ 167.25 crore + Interest ₹ 179.76 crore) has to be repaid by 2034-35, out of which 14.37 per cent (₹ 49.85 crore: Principal ₹ 26.61 crore + Interest ₹ 23.24 crore) is due by 2024-25. During the three-year period from 2025-26 to 2027-28, the State Government has to repay ₹ 101.10 crore (Principal ₹ 40.62 crore + Interest ₹ 60.48 crore). On an average, the State Government has to repay ₹ 31.55 crore of Loans from the Government of India including interest each year till 2034-35.

As on 31 March 2024, the total outstanding liabilities stood at ₹ 21,520.31 crore, which is 40.56 *per cent* of the Gross State Domestic Product (GSDP) of ₹ 53,057 crore, which was already higher than the limit of 28 *per cent* limit set by the MFRBM Act for overall liabilities to GSDP. Therefore, it is thus inevitable for the state's GSDP to grow at a sufficient rate to generate enough revenue for future debt servicing to avoid debt trap.

2.7.2.3 Repayment of borrowing and its interest

During the year 2023-24, the Government of Meghalaya repaid a total of public debt of ₹ 1,626.20 crore ⁴¹, which includes principal of ₹ 663.25 crore and Interest of ₹ 962.95 crore. This repayment accounted for 55.59 *per cent* of total Public Debt borrowings of

³⁹ Excluding Back-to-Back Loan of ₹ 253.16 crore.

⁴⁰ Figures w.e.f 2024-25 are subject to change on receipt of additional loans or dues to refund/write off/debt waiver by GoI.

⁴¹ This excludes repayment of ₹ 4,140.36 crore for WMA/SDF during the year 2023-24.

₹ 2,925.17 crore⁴² for the year. This implies that more than half of the borrowed funds were utilised for servicing of existing public debt and its interest during the year, rather than being invested in asset generation.

2.8 Debt Sustainability Analysis

Debt sustainability analysis has been carried out based on fiscal and debt parameters; Domar approach and compliance of macro-fiscal parameters to the respective FRBM targets. The results of the analysis are given in the following paragraphs:

(A) Debt sustainability is defined as the ability of the State to service its debt in future. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep a balance between costs of additional borrowings with returns from such borrowings. It means that rise in Fiscal Deficit should match with increase in capacity to service the debt. Apart from the magnitude of debt of State Government, it is important to analyse various indicators that determine the debt sustainability of the State. **Table 2.40** and **Chart 2.23** analyse debt sustainability indicators of the State for the five-year period beginning from 2019-20.

Table 2.40: Trends in Debt Sustainability Indicators

(₹ in crore)

Sl.	Debt Sustainability	2010 20	2020 21	2021 22	2022 22	2022.24
No.	Indicators	2019-20	2020-21	2021-22	2022-23	2023-24
1	Overall Liabilities or Overall Debt*	11,533.78	13,618.73	15,481.09	18,442.32	21,520.31
2	Rate of Growth of Overall Debt (per cent)	8.57	18.08	13.67	19.13	16.69
3	GSDP (in nominal terms)	34,770	33,776	40,222	46,551	53,057
4	Nominal GSDP growth (per cent)	8.06	(-)2.86	19.08	15.74	13.98
5	Overall Debt/GSDP (per cent)	33.17	40.32	38.49	39.62	40.56
6	Maturity profile of all kinds of borrowings (including liabilities under Public Accounts, if any) **	8,477.48	10,314.50	11,911.76	14,383.97	17,094.69
6a	0-2 years	346.65	487.94	585.44	663.25	1,564.88
6b	2-5 years	1,596.43	1,896.25	2,656.32	4,145.01	4,833.69
6c	5-10 years	4,942.30	5,728.62	6,810.76	7,154.04	6,969.02
6d	Over 10 years	1,592.10	2,201.69	1,859.23	2,421.67	3,727.10
7	Repayment to Gross Borrowings (per cent)	69.06	42.91	62.71	62.71	68.42
8	Net borrowings available as a percentage of Gross Borrowings	30.94	57.09	37.29	37.29	31.58
9	Interest payments on Overall Debt	758.51	858.92	963.27	1,028.52	1,138.10
10	Effective rate of interest on Overall Debt (per cent) \$	7.75	7.51	7.34	7.01	7.01
11	Interest payment to Revenue Receipts (per cent)	8.06	8.04	6.75	6.94	6.33
12	Revenue Deficit/Surplus	(-)151.60	(-)815.38	653.92	(-)43.90	1,394.32

⁴² This excludes borrowings of ₹ 4,589.17 crore by WMA/SDF during the year 2023-24.

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Sl. No.	Debt Sustainability Indicators	2019-20	2020-21	2021-22	2022-23	2023-24
13	Primary Revenue Balance (PRB)#	606.91	43.54	1,617.19	984.62	2,532.42
14	Primary Balance (PB)##	(-)345.26	(-)1,744.64	(-)1,195.52	(-)1,767.63	(-)2,014.11
15	PB/GSDP (per cent)	(-)0.99	(-)5.17	(-)2.97	(-)3.80	(-)3.80
16	Difference between RoI and effective rate of interest on Overall Debt	(-)4.39	(-)6.22	(-)4.75	(-)6.12	(-)5.94
17	Liquidity Management^^ (use of financial accommodation instruments available with RBI) (in number of occasions) @	0	3	131	296	241
18	Debt Stabilisation (Quantum spread^ + Primary balance)	(-)312.75	(-)3,025.02	437.44	(-) 419.91	(-) 830.09
19	Domar Criteria					
a	GSDP (in constant terms)	24,923	22,967	24,876	26,789	28,342
b	Real Growth (in constant terms)	5.08	(-)7.85	8.31	7.69	5.80
с	Inflation based on CPI (per cent)	2.78	8.50	3.26	4.28	4.07
d	Effective Rate of interest	7.75	7.51	7.34	7.01	7.01
e	Real effective rate of interest (Effective rate of interest-Inflation)	4.97	(-)0.99	4.08	2.73	2.94
f	Growth Interest Differential (Real Growth-Real effective rate of interest)	0.11	(-)6.86	4.23	4.96	2.85

Source: Finance Accounts of 2019-20 to 2023-24, Brief on the Finances of the State for the State Finance Audit Report – 2023-24 compiled by the Economic Division of the Office of the Comptroller and Auditor General of India.

\$Effective Rate of Interest: Interest Payments/Average Outstanding Debt of Previous and Current Financial Year. This may be calculated excluding the non-interest-bearing reserve funds and deposits.

\$\$Interest/Rate Spread: GSDP Nominal Growth – Effective rate of Interest.

^{*}Overall Liabilities or Overall debt consists of Public Debt (including Ways and Means Advances) and other liabilities including Public Account Liabilities (including interest and non-interest-bearing reserve funds and deposits).

^{**} This excludes Back-to-back Loan in lieu of GST Compensation Shortfall from GoI and Public Accounts Liabilities

[#]PRB: Revenue Receipts - Revenue Expenditure (net of interest payments), where (-) PB implies Primary Deficit and vice-versa.

^{##}PB: Total Receipts (net of borrowings) -Total Expenditure (net of interest payments), where (-) PB implies Primary Deficit and vice-versa.

[@] Number of days.

[^]Quantum Spread: Interest Spread*Debt. ^^Liquidity Management: Amount availed against SDF, WMA & OD

Table 2.40 indicates as follows:

(i) Overall Debt or Liabilities

The state's overall debt indicates steady upward trend, increasing from ₹ 11,533.78 crore in 2019-20 to ₹ 21,520.31 crore in 2023-24. This includes 50-year interest free loan from the Central Government under Special Assistance to States for Capital Investments amounting to ₹ 2,823.28 crore as on 31 March 2024. However, the rate of growth of overall debt fluctuated between 8.57 per cent and 19.13 per cent. As compared to 19.13 per cent in 2022-23, overall debt increased relatively slower at 16.69 per cent during 2023-24.

(ii) Debt to GSDP Ratio

The ratio measures the State's financial leverage *i.e.*, its capability to repay its debt. A low value of Debt to GSDP ratio indicates that the State's economy is vibrant to pay the debt without incurring further debt. Conversely, a high Debt to GSDP Ratio signifies that the State's burden is substantial compared to its economic output and indicates financial vulnerability and reduced fiscal flexibility.

The state's average debt burden, measured by the total liabilities-GSDP ratio, remained higher than the pre-pandemic year (2019-20), even if the pandemic year (2020-21) is ignored. After registering a marginal increase of less than a percentage point in 2019-20 over the previous year, it witnessed a steep hike of over 7.2 percentage points in 2020-21 given the pandemic effect which resulted in sharp rise in borrowing requirement, as measured by Fiscal Deficit, from ₹ 1,103.77 crore in 2019-2020 to ₹ 2,603.56 crore in 2020-21. Relative to GSDP, it also more than doubled from 3.17 per cent in 2019-20 to 7.71 per cent in 2020-21. This in turn allowed debt-GSDP ratio to deteriorate from 33.17 per cent in 2019-20 to 40.32 per cent in 2020-21. Given the significant acceleration in nominal growth due to inflation as well as economic recovery from a low base, the debt-to-GSDP ratio witnessed a marginal improvement of 1.8 percentage points from 40.32 per cent in 2020-21 to 38.49 per cent in 2021-22. Thereafter, it started rising again and peaked at 39.62 per cent in 2022-23 and further increased by about one percentage point to a six-year high of 40.56 per cent in 2023-24. In the latest two years i.e., 2022-23 and 2023-24, increase in debt surpassing the nominal growth allowed the debt-GSDP to rise persistently. This is mainly due to the deceleration witnessed in real growth compared to general inflation, which remained stable at eight per cent in 2022-23 and 2023-24, causing debt growth to outpace nominal growth. Therefore, the State requires persistent spending restraint and increase growth boosting expenditure to reduce its reliance on borrowing before its debt gets into a spiral condition.

The State continued to breach the overall liability-GSDP ratio limit set under the FRBM Act in all five years, but succeeded in keeping it within the indicative debt path set by Finance Commission in 2020-21, 2021-22 and 2022-23, which are higher than the targets set under the FRBM Act.

(iii) Nominal GSDP Growth vs Growth of Debt

Comparison of rate of nominal growth of GSDP with rate of growth of debt assesses the sufficient condition for debt sustainability. Rate of growth of nominal GSDP should be

more than rate of growth of debt for GSDP growth for healthy debt servicing. When this requirement is reversed, the debt servicing will not be sustainable. During 2019-20 to 2023-24, nominal GSDP growth rate was higher than the rate of growth of debt except 2021-22. This indicates that the GSDP growth is positive for debt servicing.

(iv) Real GSDP Growth vs Real Interest Rate

Comparison of rate of real growth of GSDP with rate of interest rate tests the essential condition that real growth must exceed real interest rate for debt sustainability in aggregate. Rate of real growth of GSDP should be more than real rate of interest for GSDP growth to be feasible for debt servicing. When this requirement is reversed, the debt is on unsustainable path. During 2019-20 to 2023-24, real GSDP growth rate was higher than the real interest rate except 2020-22. Thus, GSDP growth rate signals that debt servicing is feasible except 2020-22.

(v) Primary Balance and Primary Revenue Balance

Primary Balance (PB) should be in surplus as well as Primary Revenue Balance (PRB) should be in surplus and adequate to meet Interest Payments (IP) for debt sustainability.

Year-wise analysis shows that out of the five years (2019-2024) under consideration, except the pandemic year (2020-21), the Growth Interest Differential (GID)⁴³ remained favourable. However, it was not sufficient to balance the impact of persistent and fluctuating primary deficits pushing the debt burden on the rising trajectory in the post-pandemic years (2022-24). The marginal increase of 15 basis points in debt-GSDP in 2019-20 over the previous fiscal can be attributed to the improvement in the primary deficit, as the GID remained in the positive territory despite reduction of one percentage points. The GID which remained favourable despite the deceleration in 2019-20 over 2018-19 supported with improvement in primary deficit helped the State to restrict the increase in debt burden by less than a percentage point in 2019-20 over 2018-19. The pandemic-induced lockdown in 2020-21 led to a sharp contraction in the hotel and restaurant and road sub-sectors, severely impacting the services sector, which in turn caused real growth of the State to witness a contraction of 7.85 percentage points in 2020-21. This resulted in a sharp increase in the primary deficit allowing the debt-to-GSDP ratio to increase by 7.2 percentage points from 33.2 per cent in 2019-20 to 40.3 per cent in 2020-21. With the post-pandemic recovery, the State managed to reduce its debt-to-GSDP ratio by 1.8 percentage points in 2021-22 compared to the previous year. However, this trend could not be sustained for the next two years and the state's debt burden relative to GSDP increased to 39.6 per cent in 2022-23 and 40.6 per cent in 2023-24. The worsening debt burden of the State can be primarily attributed to the fluctuations in the negative primary, particularly the increasing trend observed during 2022-2024, which left favourable GID inadequate to arrest the accretion of primary deficit to the debt burden of the State.

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⁴³ Nominal GSDP Growth Rate – Effective Rate of Interest.

(vi) Interest Payment (IP) as percentage of Revenue Receipts (RR) and Revenue Expenditure (RE)

Interest Payment (IP) as percent of GSDP, Revenue Receipts (RR) and Revenue Expenditure (RE) should be falling over time so that more resources are left for other productive purposes. For debt sustainability, Interest Payment (IP) as percent to Revenue Receipts (RR) as well as Interest Payment (IP) as percent to Revenue Expenditure (RE) should decline over time. A declining trend in these IP ratios is an indication of sustainable debt whereas an increasing trend indicates an unsustainable debt trajectory. During 2019-20 to 2023-24, Interest Payment (IP) as percent to Revenue Receipts (RR) declined from 8.06 *per cent* in 2019-20 to 6.33 *per cent* in 2023-24. Similarly, Interest Payment (IP) as percent to Revenue Expenditure (RE) fell from 7.93 *per cent* in 2019-20 to 6.86 *per cent* in 2023-24. Since both the ratios declines over the five-year period, these ratios indicate debt sustainability.

(vii) Composition and Structure of Debt *i.e.*, Maturity Profile (M) and Cost of Borrowing (C)

Maturity profile captures redemption pressure on the State's debt. Higher maturity means lower redemption pressure in future. Typically, longer the horizon of debt, the lower the roll over risk. Cost effective financing pattern (fixed/floating coupon rate) enable the State to mobilise more resources thereby reducing interest payment burden for better finances management. The longer average residual maturity period along with a small share of floating rate debt limits roll over risks and insulates interest rate volatility to maintain the debt sustainably. As on 31 March 2024, the outstanding borrowings (Public Debt) of the State Government was ₹ 17,094.69 crore, out of which ₹ 1,564.88 crore (9.15 per cent) will mature in 2024-25, ₹ 4,833.69 crore (28.28 per cent) from 2025-26 to 2027-28 and ₹ 6,969.02 crore (40.77 per cent) from 2028-29 to 2031-32.

(viii) Liquidity Management

Number of occasions a state resorted to Ways and Means Advances (WMA) and Overdraft (OD) facility to manage short-term funding gaps reflects their liquidity position. Substantial use of WMA and Overdraft facility in large amount indicates poor liquidity management which warrants poor fiscal management and hinders short-term debt sustainability. During 2023-24, the State Government availed WMA for 107 days, Special Drawing Facility (SDF) for 120 days and OD for 14 days totalling 241 days.

(ix) Fiscal Imbalance (FB)

Fiscal Imbalance (FB) equals to zero indicates that Debt to GSDP ratio would remain constant while positive FB signals fall in Debt to GSDP ratio and vice-versa. Fiscal Imbalance (FB) is obtained by adding Quantum Spread to Primary Balance (PB). When the State has zero Fiscal Imbalance (FB), the State has scope for fiscal expansion through borrowings. However, when the FB is negative and Primary Balance is negative, the debt is not in a sustainable position. During 2019-20 to 2023-24, Fiscal Imbalance (FB) was negative except in 2021-22. Further, during the same period, the Primary Balance was

negative throughout. As the Fiscal Imbalance does not exhibit a clear trend, this indicator alone cannot provide a definitive conclusion about debt sustainability.

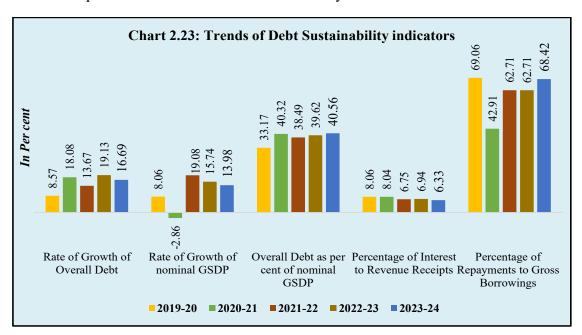


Chart 2.23 presents the trend of Debt Sustainability indicators.

From the above, it is seen that the ratio of overall debt (overall liabilities) to nominal GSDP ratio ranged between 33.17 *per cent* and 40.56 *per cent* during the five-year period from 2019-20 to 2023-24. During the year, it increased by around one *percentage* point and overall debt availability increased by 3.94 *per cent* from $\stackrel{?}{\underset{?}{?}}$ 2,961.23 crore in 2022-23 to $\stackrel{?}{\underset{?}{?}}$ 3,077.99 crore in 2023-24.

(B) An analysis on debt sustainability was carried out based on a study by E.D Domar⁴⁴ [Domar, 1994]. The Domar model states that the necessary premise for ensuring sustainability of government's debt financing is that the interest rate on government loans should not exceed the growth rate of GDP.

Domar criterion suggests that contrary to the nominal growth, the average effective rate of interest was largely driven by CPI inflation, thereby suppressing the average real interest rate. Average inflation as measured by CPI remained within bandwidth of 2-6 *per cent* determined by the RBI helped the State to suppress the real rate of interest below the real growth and to keep the GID favourable. This enabled the State to recover the cost of borrowing except for the pandemic year when both the real growth and real interest rate turned negative.

During the five-year period from 2019-20 to 2023-24, the Primary Budget Balance of the State was deficit. In the pre-Covid year of 2019-20, the real growth rate of the GSDP was around five *per cent* while Domar gap worsened in 2020-21 after improving in 2019-20 due to falling real economic growth rate. In the post Covid period, the Domar gap has remained positive during 2021-22 to 2023-24 indicating that real interest rates have

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⁴⁴ Domar model does not take into account maturity profile, composition, cost and risk characteristics of debt stock.

remained below the GSDP growth rates. However, the sustainability of overall public debt depends on whether the state economy maintains the real growth in the long run and the Primary Balance is stable and consistent with the Debt to GSDP ratio rate.

Further, details of the achievements *vis-à-vis* targets set in the Medium-Term Fiscal Policy Statement (MTFPS) under Meghalaya Fiscal responsibility and Budget Management (MFRBM) Act, 2006 are given in **Table 2.41**.

Achievement vis-à-vis targets set in the MTFPS **Fiscal Parameter** 2019-20 2020-21 2021-22 2022-23 Revenue Deficit (RD) Target 2.04 3.31 1.61 4.78 2.13 (-) /Surplus (RS) (+)-**GSDP** Ratio Achieved (-)0.44(-)2.411.63 (-)0.092.63 (in percent) Fiscal Deficit (FD) (-) -4.07 (-)3.42Target (-)3.65(-)3.53(-)4.51/ Surplus (FS) (+)-**GSDP** Ratio Achieved (-)3.17(-)7.71(-)5.37(-)6.01(-)5.94(in percent) Ratio of total 31.12 30.62 36.58 40.24 39.91 Target outstanding liabilities 33.17 40.32* 38.49** 39.62** 40.56** Achieved to GSDP (in per cent)

Table 2.41: Achievements vis-à-vis targets set in the MTFPS

The ratio of revenue deficit (-)/surplus (+)-GSDP improved from (-) 0.09 *per cent* during 2022-23 to (+) 2.63 *per cent* during current year 2023-24. Fiscal deficit-GSDP decreased from 6.01 *per cent* to 5.94 *per cent*. The State Government was unable to meet the targets of RS/RD-GSDP and FD-GSDP during the period from 2019-20 to 2023-24 except FD-GSDP in 2019-20. Also, the outstanding liabilities to GSDP ratio was not achieved during 2019-20 to 2023-24 except in the year 2022-23.

As per the macro fiscal parameters, such as ceiling on public debt, revenue and fiscal deficit in a particular year and as on 31 March of that year, the government's fiscal sustainability is of concern as indicated by missing of the targets set under MTPFS by a significant margin. Although the MTPFS target for the ratio of total outstanding liabilities to GSDP was almost achieved, the Government failed to meet the targets for Revenue Surplus-GSDP and Fiscal Deficit - GSDP ratios.

On the basis of the above, it is inferred that the fiscal sustainability of the State in the long run depends on sustained healthy real economic growth, rationalised borrowings to keep real effective interest rate in check and bringing down Primary Deficit and shifting towards Primary Surplus through remedial measures such as better budgeting and expenditure control, increase revenue collection from various sources, expanding revenue base and investing in revenue generating assets.

2.8.1 Status of Guarantees – Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. Although various State Governments have come out with legislations or instructions with regard to cap on

^{*}Excludes Back-to-Back loan of ₹ 112.00 crore.

^{**}Excludes Back-to-Back loan of ₹ 253.16 crore (₹ 112.00 crore + ₹ 141.16 crore).

the guarantees, the Government of Meghalaya has not prescribed any ceiling for guarantees to be extended for loans availed by the State Government entities (March 2024).

The details of outstanding guarantees given by the State Government including interest liability during the five-year period from 2019-20 to 2023-24 are shown in **Table 2.42**.

Table 2.42: Guarantees given by the State Government

(₹ in crore)

Guarantees	2019-20	2020-21	2021-22	2022-23	2023-24	
Criteria as per MFRBM Act, 2006	Restrict issuing of guarantees, except on selective basis where the quality and viability of the scheme to be guaranteed is properly analysed (there is no statutory limit)-Section 4(d), MFRBM Act, 2006					
Amount of outstanding guarantees (₹ in crore)	1,120.14 3,060.99 2,980.44 2,977.53 2,908.					

Source: Finance Accounts of respective years & Finance Accounts 2023-24.

During 2023-24, the outstanding guarantee declined to 77.76 *per cent* of State Own Tax and Non- Tax Revenue as compared to 95.82 *per cent* during 2022-23. As on 31 March 2024, 99.40 *per cent* (₹ 2,890.80 crore) of the total outstanding guarantees (₹ 2,908.20 crore) pertained to the power sector.

2.8.2 Management of Cash Balances

As per an agreement with the Reserve Bank of India, State Governments have to maintain a minimum daily cash balance of ₹ 21 lakh with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/ Special Drawing Facility (SDF)/ Overdrafts (OD) from time to time. The limit for ordinary WMA to the State Government is revised by the RBI from time to time. The limit for ordinary ways and means advances to the State Government was ₹ 209.00 crore with effect from 01 April 2022.

State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The profits derived from such investments are credited as receipts under the head '0049-Interest Receipts'. The cash balances are invested in the Consolidated Sinking Fund, Guarantee Redemption Fund as well.

Table 2.43 presents the cash balances and investments made by the State Government out of cash balances during the year.

Table 2.43: Cash Balances and their investment

(₹ in crore)

Particulars	Opening balance on 01 April 2023	Closing balance on 31 March 2024
A. General Cash Balance		
Cash in treasuries	7.00	7.00
Deposits with Reserve Bank of India	31.92	32.19
Deposits with other Banks	0.00	0.00
Remittances in transit – Local	0.00	0.00
Total	38.92	39.19

Particulars	Opening balance on 01 April 2023	Closing balance on 31 March 2024
Investments held in Cash Balance	79.92	0.00
investment account	73.32	0.00
Total (A)	118.84	39.19
B. Other Cash Balances and Investme	ents	
Cash with departmental officers viz.,	0.20	0.20
Public Works, Forest Officers	0.20	0.20
Permanent advances for contingent	0.04	0.04
expenditure with department officers	0.04	0.04
Investment out of earmarked funds	789.67	891.43
Total (B)	789.91	892.03
Total (A + B)	908.75	930.86

Source: Finance Accounts 2023-24.

General Cash Balance of the State Government at the end of the current year decreased by ₹ 79.65 crore from ₹ 118.84 crore in 2022-23 to ₹ 39.19 crore in 2023-24. The State Government earned an interest of ₹ 1.96 crore and ₹ 3.36 crore during 2022-23 and 2023-24 respectively from the investments made in GoI Treasury Bills.

Out of the investment of ₹ 891.43 crore in earmarked funds, ₹ 690.24 crore was invested in Sinking Fund Investment Account, ₹ 118.00 crore⁴⁵ was invested in the State Disaster Response Fund Investment Account and ₹ 83.19 crore in Guarantee Redemption Fund Investment Account at the end of the year. The cash balance investments of the State during the five-year period 2019-20 to 2023-24 are given in **Table 2.44**.

Table 2.44: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+) / decrease (-)	Interest earned
2019-20	1,070.04	801.61	-268.43	22.85
2020-21	801.61	81.39	-720.22	5.90
2021-22	81.39	16.87	-64.52	9.72
2022-23	16.87	79.92	63.05	1.96
2023-24	79.92	-	79.92	3.36

Source: Finance Accounts of 2019-20 to 2023-24.

2.9 Conclusion

The analysis of the finances of the Government of Meghalaya with focus on revenue receipts and expenditure for the financial year 2023-24 shows that the State has achieved Revenue Surplus of ₹ 1,394.32 crore, recovering from revenue deficit in the previous year.

During current year 2023-24, the Revenue Receipts saw a significant increase of 21.31 per cent over 2022-23. Further, over the past five years, Revenue Receipts rose by 90.98 per cent from ₹ 9,413.52 crore in 2019-20 to ₹ 17,977.86 crore in 2023-24 at an average annual growth rate of 17.56 per cent. During 2023-24, the State's Own Revenue

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⁴⁵ As per information provided by the State Government on 28 January 2021. Information regarding investment and withdrawal for the financial year 2021-22, 2022-23 and 2023-24 has not been provided by the State Government.

constituted about 20.80 per cent of Revenue Receipts, while Central Tax Transfers and Grants-in-Aid accounted for 79.20 per cent. Over the last five years, Central Tax Transfers and Grants contributed between 74.28 per cent and 80.21 per cent of the Revenue Receipts. The Central Transfers continued to be the primary source of Revenue Receipts for Meghalaya similar to other North Eastern States.

In the financial year 2023-24, Revenue Expenditure increased by 11.57 per cent, rising from ₹ 14,863.77 crore in 2022-23 to ₹ 16,583.54 crore. This growth was primarily driven by higher spending on Rural Employment, Social Security and Welfare, Special Programmes for Rural Development and Interest Payments. Notably, the growth of Revenue Expenditure was less than the growth of Revenue Receipts for the same period. Revenue Expenditure as a proportion of Total Expenditure slightly decreased to 78.39 per cent from 84.26 per cent in the previous year. However, Revenue Expenditure continued to be the lion's share of Government spending on salaries, wages, pensions, rents, rates, and interest on outstanding debt.

The spending of the State Government on Capital Outlay increased significantly by 65.17 per cent to ₹ 4,529.54 crore in 2023-24 over the previous year signals higher priority for creation of assets. This rise in Capital Expenditure from 8.91 per cent (2019-20) to 21.41 per cent (2023-24) of the total expenditure indicates more emphasis given towards investment in asset creation and infrastructure development, which will yield future returns.

During the year, the State Government made total disbursement of ₹ 6.93 crore from the fund for recouping expenditure incurred on relief work as per the SDRF guidelines. As on 31 March 2024, the balance of the State Disaster Response Fund (SDRF) stood at ₹ 154.33 crore out of which, ₹ 118.00 crore has been invested while ₹ 36.33 crore remained to be invested. The State Government has not provided updated information on the investments out of SDRF and withdrawals thereof. The indicated figures are based on information furnished in January 2021. However, as per the information provided and documents made available by the Secretary to Government of Meghalaya, Revenue and Disaster Management Department during audit of State Disaster Response Fund for the period 2017-18 to 2021-22, the available fund was disinvested as on 16 April 2022. Thus, a reasonable assurance could not be drawn on the investment of available State Disaster Response Fund balances. Further, as the SDRF is an interest-bearing Reserve Fund, the liability of interest payment rests with the State Government. Non-payment of interest amounting to ₹ 1.26 crore resulted in an overstatement of the Revenue Surplus to that extent.

During the current year, the State Government issued guarantees amounting to ₹ 0.02 crore and guarantees worth ₹ 69.35 crore were withdrawn. By the end of the financial year 2023-24, the total outstanding guarantees stood at ₹ 2,908.20 crore. The State Government did not receive guarantee commission. The Guarantee Commission for 2023-24 amounted to ₹ 14.89 crore. As of 31 March 2024, the accumulated balance of the outstanding Guarantee Commission Fee was ₹ 99.83 crore.

The Fiscal Deficit of the State showed an increasing trend over the past five years, ranging from ₹ 1,103.77 crore to ₹ 3,152.21 crore, indicating a growing dependency on

borrowings to sustain financial operations. In the last four years, Fiscal Deficit as percentage of GSDP ranged between 5.37 per cent and 7.71 per cent. Further, the Overall Outstanding Liabilities reached ₹ 21,520.31 crore, a rise of ₹ 3,077.99 crore (16.69 per cent) compared to the previous year. The overall outstanding liabilities in 2023-24 stood at 40.56 per cent of the nominal GSDP, surpassing the Debt-GSDP ratio target of 28 per cent set by the Meghalaya FRBM Act, 2006.

Regarding the repayment of the State's debt stock, the total outstanding public debt stands at $\stackrel{?}{\underset{?}{|}}$ 18,293.56 crore (Principal+Interest). Of this, $\stackrel{?}{\underset{?}{|}}$ 2,508.23 crore (including interest) is due by 2024-25, with an additional $\stackrel{?}{\underset{?}{|}}$ 7,148.54 crore (including interest) due between 2025-26 and 2027-28.

At the end of the current year, the State Government's cash balances decreased by ₹ 79.65 crore, from ₹ 118.84 crore in 2022-23 to ₹ 39.19 crore in 2023-24.

2.10 Recommendations

- The State should improve budgeting and expenditure control on unproductive spending and improve revenue collection through better enforcements to improve fiscal position.
- The State may strengthen its debt sustainability by measures including sustained economic growth, reduced borrowings and improving Primary Balance.

CHAPTER III BUDGETARY MANAGEMENT

CHAPTER III BUDGETARY MANAGEMENT

3.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called the "Annual Financial Statement (Budget)" is to be laid before the State Legislature. The estimates of the expenditure show 'charged' and 'voted' items of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government.

As per Rule 37 of Rules of Execution Business of the Government of the State of Meghalaya, 1972, the Financial Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called 'Demand for Grants'. Budget glossary is given in *Appendix 3.1*.

A typical budget preparation process in a State is given in Chart 3.1:

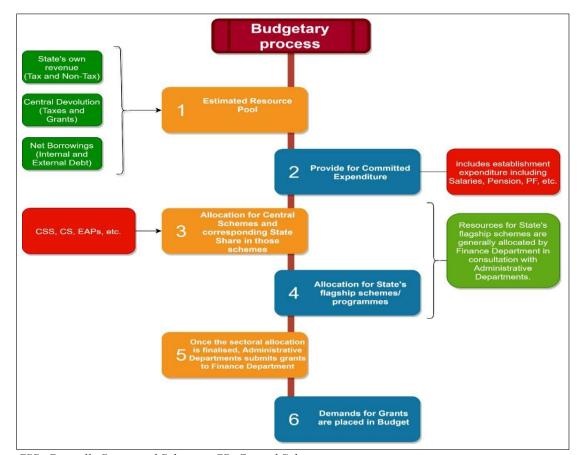


Chart 3.1: Budget Preparation Process

CSS: Centrally Sponsored Schemes; CS: Central Schemes.

As contemplated in Paragraphs 1 and 78 of the State Budget Manual⁴⁶, the duty of preparing Budget Estimates (BEs) (Receipts and Expenditure) and Revised Estimates (REs) for laying before the Legislature vests with the Finance Department. The BEs are prepared on Departmental basis. The budget making process moves from the bottom to the top. As soon as the Departmental estimates and REs are received, the Finance Department scrutinises them and after consultation with the administrative Departments, enters the figures for the BEs and REs. The estimates of receipts should show the amount expected to be realised within the year and in case of fluctuating revenue, the estimate should be based upon a comparison of last three years' receipts.

Audit comments on the budgetary process and budget management are discussed in the following paragraphs.

3.1.1 Summary of total provisions, actual disbursements and savings during financial year

The total amount approved by the State legislature, including the original and supplementary budgets⁴⁷, expenditure and net savings during 2023-24 are depicted below:

Original Budget
(₹ 22,022 Crore)

Total budget
approved by
Legislature
(₹ 25,975 Crore)

Supplementary
Provision
(₹ 4,745 Crore)

Total budget
approved by
Legislature
(₹ 25,975 Crore)

Chart 3.2: Overview of Budget and Expenditure of Meghalaya during 2023-24

Authorisation by the Legislature

Implementation by the State Government

Source: Appropriation Accounts 2023-24.

*Net Savings = Gross Savings-Excess Expenditure.

The net savings of $\stackrel{?}{\stackrel{?}{?}}$ 792 crore was the result of gross savings of $\stackrel{?}{\stackrel{?}{?}}$ 4,612 crore, which were partially offset by an excess expenditure of $\stackrel{?}{\stackrel{?}{?}}$ 3,820 crore. **Table 3.1** provides a summary of the total budget provision, disbursements and savings/excess with a breakdown into voted and charged for the year 2023-24.

⁴⁶ Budget Manual of the Government of Assam (Volume I) as adopted by Government of Meghalaya.

⁴⁷ Demand for Supplementary Grants were moved by the GoM during September 2023 (₹2,306.36 crore) and March 2024 (₹862.92 crore and ₹1,575.35 crore).

Table 3.1: Summarised Position of Actual Expenditure *vis-à-vis* Budget (Original/Supplementary) Provisions during the Financial Year

(₹ in crore)

Voted/Charged	Total Budget provision	Disbursements	Net Savings (-) /Excess (+)
Voted	24,429.72	19,860.45	(-) 4,569.28
Charged	2,337.14	6,114.07	3,776.94
Total	26,766.86	25,974.52	(-)792.34

Source: Appropriation Accounts 2023-24.

3.1.2 Charged and Voted Disbursements during the year

Table 3.2 presents the break-up of total disbursements into charged and voted categories for the years 2022-23 and 2023-24.

Table 3.2: Trend of Disbursement into Charged and Voted during 2022-23 and 2023-24

(₹ in crore)

V	Disbursements			Net Savings (-)/ Excess (+)		
Year	Voted	Charged	Total	Voted	Charged	Total
2022-23	16,481.89	4,911.89	21,393.78	(-)3,229.40	2,697.58	(-)531.82
2023-24	19,860.45	6,114.07	25,974.52	(-) 4,569.27	3,776.93	(-)792.34

Source: Appropriation Accounts 2023-24.

During the year 2023-24, the total expenditure was ₹ 25,974.52 crore, out of which ₹ 19,860.45 crore (76.46 *per cent*) was voted expenditure while ₹ 6,114.07 crore (23.54 *per cent*) was charged expenditure. During the previous year, the proportion of voted and charged expenditures were 77.04 *per cent* and 22.96 *per cent* respectively.

3.1.3 Budget Marksmanship

3.1.3.1 Aggregate Budget Outturn

Aggregate Budget Outturn⁴⁸ measures the extent to which the aggregate budget expenditure outturn/actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved. In simpler terms, Aggregate Budget Outturn assesses how closely the actual expenditure amount matches the initially approved budget amount.

Table 3.3: Aggregate Budget Outturn

(₹ in crore)

Description	Original Approved Budget (BE)	Actual Outturn	Difference between actual and BE*	Percentage Difference between Actual and BE
(1)	(2)	(3)	(4)	(5)
Revenue	17,186.07	16,600.35	(-) 585.72	(-) 3.41
Capital	4,836.15	9,374.17	(+) 4,538.02	(+) 93.84
Total	22,022.22	25,974.52	(+) 3,952.30	(+) 17.95

*Excess of actuals over original provision is denoted as (+) figure and shortage of actuals over original provision is denoted as (-) figures.

⁴⁸ **Outturn**: - Outturn refers to the actual expenditure made in the financial year. It represents actual expenses, revenues, and other financial aspects compared to initially budgeted or estimated.

In the Revenue section, deviation in outturn compared with BEs was (-) 3.41 per cent. This was due to deviation between 0 and \pm 25 per cent in 43 grants and two non-grants. Between \pm 25 per cent to \pm 50 per cent in 12 grants and one non-grant, between \pm 50 per cent to \pm 100 per cent in six grants and there was no grant for more than or equal to 100 per cent.

In the Capital section, deviation in outturn compared with BEs was (+) 93.84 per cent. This was due to deviation between 0 and \pm 25 per cent in seven grants and one non-grant, between \pm 25 per cent to \pm 50 per cent in eight grants, between \pm 50 per cent to \pm 100 per cent in 10 grants and more than or equal to 100 per cent in six grants and one non-grant. No provision was, however, made in respect of four grants (grant no. 18, 47, 53, and 64) in the Capital section.

3.1.3.2 Expenditure Composition Outturn

Expenditure Composition Outturn measures the extent to which re-allocations between the main budget categories during execution have contributed to variance in expenditure composition.

Table 3.4: Expenditure Composition Outturn

(₹ in crore)

Description	Original Approved Budget (BE)	Revised (RE)	Actual Outturn	Difference between BE & RE	Difference between Actual and RE*	Percentage Difference between Actual and RE
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Revenue	17,186.07	19,824.63	16,600.35	2,638.56	(-)3,224.27	(-)16.26
Capital	4,836.15	6,942.23	9,374.17	2,106.08	(+)2,431.94	(+)35.03
Total	22,022.22	26,766.86	25,974.52	4,744.64	(-)792.33	(-)2.96

^{*}Excess of actuals over RE is denoted as (+) figure and shortage of actuals over RE is denoted as (-) figures.

In Revenue Budget, deviation in outturn compared with RE was (-) 16.26 per cent while in Capital Budget, deviation in outturn compared with RE was (+) 35.03 per cent.

In Revenue section, deviation in outturn compared with RE was (-) 16.26 per cent. This was due to deviation between 0 and \pm 25 per cent in 45 grants and three non-grants, between \pm 25 per cent to \pm 50 per cent in 11 grants, between \pm 50 per cent to \pm 100 per cent in five grants.

In Capital section, deviation in outturn compared with RE was (+) 35.03 per cent. This was due to deviation between 0 and \pm 25 per cent in eight grants and one non-grant, between \pm 25 per cent to \pm 50 per cent in 12 grants, between \pm 50 per cent to \pm 100 per cent in nine grants and equal to or more than 100 per cent in four grants and one non-grant. No provision was, however, made in respect of three grants (grant no. 18, 53, and 64) in the Capital section.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Article 204 and 205 of the Constitution of India. Appropriation Accounts

are on gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual Capital and Revenue Expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. Appropriation Accounts thus facilitate understanding of utilisation of funds, management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the Comptroller and Auditor General (C&AG) of India seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.3 Integrity of Budgetary and Accounting Process

3.3.1 Expenditure incurred without authority of law.

As per Para 95 of Volume I of the Budget Manual of the Government of Assam, 1960 (adopted by Meghalaya), no expenditure under a particular head (Major, Minor or Sub-Head) against which no provision exists, in the Budget as passed by the Assembly can be incurred and the provision under a grant can never be exceeded.

On test check of Detailed Appropriation Accounts 2023-24, it was found that an expenditure of ₹ 63.93 crore was incurred in four schemes (more than one crore in each scheme) without any provision in the original budget, supplementary demands or reappropriation orders as presented in **Table 3.5.**

Table 3.5: Case of expenditure without legislative approval (over ₹ one crore) during 2023-24

Grant/ Appropriation	Head of Accounts	Expenditure (₹ in crore)	Number of Schemes/ Sub Heads
6 - Administration of Land Revenue, Land Ceilings, <i>etc</i> .	2245	1.73	02- Flood Cyclones, <i>etc.</i> - 101- Gratuitous Relief
6 - Administration of Land Revenue, Land Ceilings <i>etc</i> .	2245	2.70	02- Flood Cyclones etc. 111- Exgratia Payments to bereaved Families
6 - Administration of Land Revenue, Land Ceilings, <i>etc</i> .	2245	2.50	02- Flood Cyclones, etc. 113- Assistance for Repairs/ Reconstruction of Houses
56 - Administration of Roads and Bridges	3054	57.00	04- District and Other Roads 105- Maintenance and Repairs (01) Work Charged Establishment- Road Works (Sixth Sch.)-CSS
Total		63.93	

 $Source: Detailed\ Appropriation\ Accounts\ 2023-24.$

Expenditure from the Consolidated Fund of the State without legislative approval as mandated by the Constitution, infringes constitutional stipulations. This undermines fiscal discipline and the ability of governments to control the total budget and, subsequently, to manage risk. This also affects governments' ability to effectively and predictably allocate resources to strategic policy priorities.

3.3.2 Misclassification of expenditure

Capital Expenditure is defined as expenditure incurred with the objective of increasing concrete assets of a material or permanent character, or for reducing recurrent liabilities.

During the year 2023-24, the Government of Meghalaya incorrectly booked expenditure of $\stackrel{?}{\stackrel{?}{?}}$ 0.54 crore under Capital Section instead of Revenue Section. The expenditure of $\stackrel{?}{\stackrel{?}{?}}$ 0.54 crore booked. This resulted in overstatement of Revenue Surplus ($\stackrel{?}{\stackrel{?}{?}}$ 1, 394.32 crore) by $\stackrel{?}{\stackrel{?}{?}}$ 0.54 crore.

3.3.3 Unnecessary or excessive supplementary Grants

During the year 2023-24, supplementary provision of ₹4,744.64 crore was obtained in 58 instances (Revenue-41 and Capital-17). However, under 24 cases (Revenue-21 and Capital-3), supplementary provision of ₹439.60 crore proved unnecessary as the actual expenditure did not even reach to the level of the original provision as detailed in *Appendix 3.2*. This indicates poor budgetary management by the State Government. Such unnecessary allocation of resources could have been allocated to activities where funds were spent in excess of budget allocation.

Out of these 24 cases, significant cases where supplementary provision was more than ₹ 10 crore (in each case) are highlighted in **Table 3.6**.

Table 3.6: Details of cases where supplementary provision (₹ 10 crore or more in each case) proved unnecessary

(₹ in crore)

Sl. No.	Name of the Grant	Original	Supplemen -tary	Actual Expenditure	Savings out of Original Provision
Rever	nue				
1	16-Administration of Civil Police and Fire Protection Services	1,248.17	48.30	1,177.26	70.92
2	26-Administration of Medical, Public Health and Family Welfare Services	1,764.28	109.83	1,584.78	179.50
3	29-Administration of Urban Development	156.80	42.77	148.08	8.72
4	38-Administration of Planning Organisation	1,059.87	32.00	503.43	556.43
5	43-Administration of Agriculture and Allied Services	361.48	11.39	249.35	112.13
6	47-Administration of Animal Husbandry and Veterinary Department	179.43	15.65	146.62	32.81
7	50-Administration of Forests	255.61	52.29	239.56	16.05
	Total	5,025.64	312.23	4,049.09	976.55

Source: Appropriation Accounts 2023-24.

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⁴⁹ 'Grants-in-Aid for Capital creation for Construction of Administrative Buildings for Fire & Emergency Services/Facilities (₹ 0.02 crore) and Acquisition of Land for Fire and Emergency Services/Facilities (₹ 0.52 crore)'.

3.3.4 Unnecessary or insufficient re-appropriation

Re-appropriation is transfer of funds within a Grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

Audit noticed that during the year 2023-24, re-appropriation for augmentation was made in 847 sub-heads under 57 Grants and three Appropriations, out of which in 478 sub-heads under 52 grants and one non grant proved excessive or insufficient. Savings or excess of ₹ one crore or above under 91 sub-heads under 31 grants and one non-grants are outlined in *Appendix 3.3*. This indicates that re-appropriation was not carried out on the basis of actual requirement. This reflects poor planning and monitoring of budget allocation and its utilisation by the State Government. Cases where the savings/excess exceeded ₹ 20 crore are given in **Table 3.7**.

Table 3.7: Cases of excess/unnecessary/insufficient re-appropriation

(₹ in crore)

			Prov	isions		Actual	Final Excess
Sl. No.	Grant No. and Head of Accounts	Original	Supple- mentary	Re- appropria- tion	Total	Expen- diture	(+)/ Savings (-)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Grant No. 19-4059- 80-General 051-Construction-(01) Functional Non-Residential Buildings Under General Services-(General)-State Scheme	31.52	42.33	11.55	85.39	63.87	(-)21.52
2	Grant No. 24-2071- 01-Civil 101- Superannuation and Retirement Allowances-(01) Superannuation and Retirement Allowances- (General)-State Scheme	811.71	0.00	4.50	816.21	870.59	(+)54.38
3	Grant No 26-2210- 80-General 800- Oter Expenditure (21) National Health Mission (NHM)-(General)- State Scheme	40.58	9.35	53.53	103.46	69.11	(-)34.35
4	Grant No 27-4215- 01-Water Supply 101-Urban Water Supply (05) Each Schemes (Khasi)- (Sixth Sch.)-State Scheme	20.01	0.00	13.28	33.29	12.57	(-)20.72
5	Grant No 29-4217- 60-Other UrbanDevelopmentSchemes051-Construction(31)SmartCitiesMission-(General)-State Scheme	20.00	0.00	26.50	46.50	25.00	(-)21.50
6	GrantNo34-2235-02-SocialWelfare102-ChildWelfare(12)IntegratedChildDevelopmentService Schemes-(General)-CSS	82.58	0.00	40.70	123.28	78.82	(-)44.46
7	Grant No 34-2236- 02-Distribution of Nutritious food and beverages 101-Special Nutrition Programme (04) Supplementary Nutrition Programme for Integrated Child Development Services Scheme-(Sixth Sch.)-CSS	124.90	0.00	28.79	153.69	121.66	(-)32.03

			Prov	isions		Actual	Final Excess
Sl. No.	Grant No. and Head of Accounts	Original	Supple- mentary	Re- appropria- tion	Total	Expen- diture	(+)/ Savings
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
8	Grant No 46-2575- 06-Border Area Development 800-Other Expenditure (01) Border Areas Programmes under Border Areas Development (General)-State Scheme	27.56	0.00	0.25	27.81	6.25	(-)21.56
9	GrantNo51-2505-01-NationalProgrammes702-JawaharGramSamridhi Yojana (03) Indira GandhiAwaas Yojana (IAY)-(Sixth Sch.)-CSS	0.00	1,124.76	387.56	1,512.32	1,226.43	(-)285.89
10	Grant No 51-2505- 01- National Programmes 702- Jawahar Gram Samridhi Yojana (03) Indira Gandhi Awaas Yojana (IAY)- (Sixth Sch.)- State Scheme	20.00	133.33	27.09	180.42	134.68	(-)45.74
11	GrantNo51-2505- Guarantee02-RuralEmploymentGuaranteeSchemes101-NationalRuralEmploymentGuaranteeSchemes(01)TheNationalRuralEmploymentGuarantee- (Sixth Sch.)-CSS	0.00	0.00	56.50	56.50	0.00	(-)56.50
12	Grant No 58-2204- 00- 104-Sports and Games (07) Development of sport and games(General)-State Scheme	5.00	34.30	8.66	47.96	27.32	(-)20.64
13	Grant No 96-6003- 00- 110-Ways and Means Advances from the Reserve Bank of India (69) Ways and Means Advances-(General)-State Scheme	209.00	0.00	1.21	210.21	1,789.31	(+)1,579.10

Source: Detailed Appropriation Accounts 2023-24 and information provided by the A&E Office.

The State Government may develop and deploy a mechanism to improve accuracy of assessment for requirement of funds through re-appropriation with the objective of preventing under-allocation or over-allocation of funds through re-appropriations.

3.3.5 Surrender of funds

As per Paragraph 152 (iii) of the Budget Manual, Controlling Officers are to surrender to the Finance Department all savings anticipated in the budget under their control as soon as the certainty of non-requirement is known and, in any case, latest by the 15th of March. Known savings in the budget should not be left un-surrendered in time.

Scrutiny of the Appropriation Accounts 2023-24 revealed that out of gross savings of ₹ 4,612.24 crore, an amount of ₹ 3,786.35 crore (82.09 *per cent*) was surrendered. Details of Gross savings and surrender are presented in the **Chart 3.3.**

Gross savings

Total Surrender

Savings Surrender after 12 April 2024 (Based on the information provided by the State)

Savings Surrender (Date of Surrender is awaited from State)

(₹ in crore)

4,612

3,786

Chart 3.3: Savings and surrenders during 2023-24

Source: Appropriation Accounts 2023-24 and Government of Meghalaya.

As per the circular/order of the Finance Department dated 08 March 2024, last date for surrender of savings by the departments was fixed on 12 April 2024 which shows that surrender of ₹ 3,786 crore was finalised on or before 12 April 2024. However, based on the scrutiny of records related to surrender of savings provided for Grants 29 and 51 (**Reference Paragraphs- 3.5.1 and 3.5.2**), it was noticed that out of gross savings of ₹ 975.82 crore, ₹ 952.52 crore was surrendered on 12 April 2024 and remaining of ₹ 23.30 crore was not surrendered by the Department in violation of the Budget Manual and reflects lack of budgetary control. The State Government should ensure timely surrender of unspent funds to meet the objective of efficient budget management.

Further, actual date of surrender of savings for remaining amount of ₹ 2,834 crore is awaited from the Finance Department (December 2024).

Substantial surrenders (cases where more than ₹ 100 crore was surrendered) were made in respect of eight Grants (revenue section) and two Grants (capital section) on various grounds like non-receipt of sanctions, less expenditure than anticipated, less requirement of funds, non-requirement of fund, *etc*. In these ten cases, out of the total provision of ₹ 9,038.24 crore of above Grants/Appropriations, ₹ 2,387.07 crore was surrendered, details of which are given in **Table 3.8**.

Table 3.8: Details of Surrender of Funds over ₹ 100 crore at the end of March 2024

(₹ in crore)

Sl. No.	Grant number	Original	Supplementary	Total Provision	Actual Expenditure	Savings	Amount Surrendered		
Revenue									
1.	6	185.02	0.10	185.12	52.12	133.00	125.40		
2.	16	1,248.00	48.22	1,296.22	1,177.01	119.21	114.12		
3.	21	2,834.55	365.76	3,200.31	2,941.15	259.16	231.22		
4.	34	631.02	0.00	631.02	495.53	135.49	135.48		
5.	35	144.64	0.00	144.64	0.21	144.43	144.43		
6.	38	1,059.87	32.00	1,091.87	503.43	588.43	588.43		

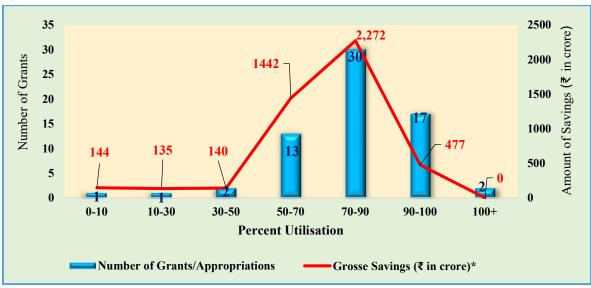
Sl. No.	Grant number	Original	Supplementary	Total Provision	Actual Expenditure	Savings	Amount Surrendered
7.	45	282.19	0.00	282.19	163.44	118.75	117.34
8.	51	1,567.40	1,576.67	3,144.07	2,505.66	638.41	630.93
r.	Total	7,952.70	2,022.75	9,975.45	7,838.56	2,136.89	2,087.36
Capi	tal						
1.	29	330.54	397.00	727.54	525.70	201.84	186.84
2.	38	755.00	300.00	1,055.00	781.98	273.02	112.87
r	Total	1,085.54	697.00	1,782.54	1,307.68	474.86	299.71
Gra	nd Total	9,038.24	2,719.75	11,757.99	9,146.24	2,611.75	2,387.07

Source: Appropriation Accounts 2023-24.

3.3.6 Large savings

Out of Gross Savings of ₹ 4,612.24 crore during year 2023-24, savings of ₹ 3,135.12 crore (67.97 per cent) pertained to 13 Grants (Revenue: 10; Capital: 03) with savings of more than ₹ 100 crore in each of the total provision as detailed in *Appendix 3.4*. The distribution of Grants/Appropriations grouped by percentage of savings are given in Chart 3.4.

Chart 3.4: Grants/Appropriations grouped by the percentage of Savings along with total savings (₹ in crore) in each group



Source: Appropriation Accounts 2023-24, '100+' denotes excess expenditure.

Chart 3.4 shows that, during the year 2023-24, utilisation of provision (original and supplementary) was below 50 *per cent* in four Grants, and it ranged from 50 *per cent* upto 100 *per cent* in 60 Grants/ Non-Grant Appropriations and above 100 *per cent* in the remaining two Grants. Grant-wise details are given in *Appendix 3.5*.

During the year 2023-24, utilisation in respect of five Grants under Revenue Section and 13 Grants under Capital Section was below 50 *per cent* as outlined in **Table 3.9**.

^{*}Arrived by clubbing Savings under Revenue and Capital together in each Grant/Appropriation.

Table 3.9: Grants/Appropriations with Budget Utilisation less than 50 per cent in 2023-24

(₹ in crore)

Sl.		Budget		(₹ in crore) Utilisation
No.	Grant no. and Description	(O+S)	Expenditure	(in <i>per cent</i>)
Revenu				
1	6-Administration of Land Revenue, Land Ceilings, <i>etc</i> .	185.12	52.12	28.16
2	35-Administration of Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	144.64	0.21	0.14
3	37-Administration of Information Technology	71.39	32.97	46.19
4	38-Administration of Planning Organisation	1,091.87	503.43	46.11
5	46-Administration of Rural Development Programmes	48.96	17.43	35.61
Capita				
1	1-Administration of The State Legislature	47.17	6.09	12.90
2	4-Administration of Justice	127.39	28.10	22.06
3	6-Administration of Land Revenue, Land Ceilings, <i>etc</i> .	2.00	0.25	12.61
4	16-Administration of Civil Police and Fire Protection Services	87.00	37.36	42.94
5	37-Administration of Information Technology	120.03	50.00	41.66
6	44-Administration of Execution of Irrigation Schemes	6.53	2.52	38.66
7	45-Administration of Soil and Water Conservation	5.06	0.00	0.00
8	48-Administration of Dairy Development	5.00	0.00	0.00
9	49-Administration of Fisheries	4.00	0.00	0.00
10	52-Administration of Industries Department	0.15	0.00	0.00
11	54-Administration of Village and Small-Scale Industries	20.60	5.55	26.94
12	57-Administration of Tourist Organisation	43.05	18.85	43.78
13	65-Administration of Water Resources	157.25	59.94	38.12

Source: Appropriation Accounts 2023-24.

During the current year 2023-24, the utilisation of budget provisions in revenue grants against Administration of Land Revenue, Land Ceilings, *etc.* was only 28.16 *per cent* of the ₹ 185.12 crore allocated, indicating significant underutilisation and poor expenditure planning. Similarly, the Administration of Welfare of Scheduled Castes, Scheduled Tribes, and Other Backward Classes recorded a very low utilisation rate of 0.14 *per cent* of ₹ 144.64 crore, severely affecting implementation of welfare programs. The Administration of Rural Development Programmes also saw low utilisation, with only 35.61 *per cent* of the ₹ 48.96 crore budget provision. Low utilisation rates highlight lack of effective budget planning and effective resource allocation across various important sectors in the development efforts of the State Government.

In respect of capital expenditure during the current year 2023-24, several grants exhibited serious underutilisation. Administration of The State Legislature spent only 12.90 *per cent* of its allocated ₹ 47.17 crore. Similarly, the Administration of Justice utilised merely 22.06 *per cent* of its ₹ 127.39 crore budget. Notably, several grants, such as the Administration of Soil and Water Conservation, Administration of Dairy Development, Administration of Fisheries, and Administration of Industries Department had Zero utilisation in crucial grants underscore severe inefficiencies in expenditure planning. Ensuring efficient utilisation of allocated funds, especially in capital grants, holds the promise of advancing infrastructure development, a crucial element for the sustainable growth of the state. The state government may examine the reasons for such underutilisation of allocated funds in these grants and take appropriate corrective action.

3.3.7 Excess expenditure and its regularisation

As per Article 205 of the Constitution of India, it is mandatory for a State Government to get the excess over a Grant/Appropriation regularised by the State Legislature. Although no time limit for regularisation of excess expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after discussion of the Appropriation Accounts by the Public Accounts Committee (PAC).

3.3.7.1 Excess expenditure relating to current year

During the current year, expenditure under one Grant in Revenue and two grant(s)/appropriation in Capital, amounting to ₹3,819.91 crore, was in excess of authorisation and required regularisation under Article 205 of the Constitution as detailed in **Table 3.10**.

Table 3.10: Grant-wise excess disbursement over the authorisation from the Consolidated Fund of State during the financial year

(₹ in crore)

					(1 111 01 01 0)
Sl. No.	Grant No.	Grant Description	Total Provision	Expenditure	Excess
1	2	3	4	5	6=5-4
Reve	nue				
1.	55	Administration of Mines and Minerals	96.56	98.87	2.31
		Total	96.56	98.87	2.31
Capi	tal				
1.	43	Administration of Agriculture and Allied Services	7.50	9.41	1.91
2.	-	6003-Administration of Public Debts	963.35	4,779.05	3,815.69 ⁵⁰
	•	Total	970.85	4,788.46	3,817.60
		Grant Total	1,067.42	4,887.33	3,819.91

Source: - Appropriation Account 2023-24.

^{50 (}Ways and Means Advance: ₹ 1,580.31 crore + Overdraft State: ₹ 683.66 crore + Special Drawing facility on 91 Days deposits: ₹ 1,552.94 crore).

3.3.7.2 Regularisation of excess expenditure of previous financial years

Out of the total excess expenditure of \mathbb{T} 1,439.02 crore for the period from 1971-72 to 2011-12, \mathbb{T} 994.98 crore was recommended by the PAC for regularisation. Out of the recommended amount, \mathbb{T} 949.05 crore was regularised by the Meghalaya Appropriation Act (no. I), 2021. As on 31 March 2024, an amount of \mathbb{T} 6,833.02 crore pertaining to year upto 2022-23 was yet to be regularised as detailed in *Appendix 3.6*.

The excess expenditure over Grants is a serious violation of Article 204 (3) of the Constitution which provides that no money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by Law by the State Legislature. This vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

3.3.7.3 Supplementary Provision and opportunity cost

During 2023-24, supplementary grants were approved while even the original appropriation was not fully utilised as shown in **Table 3.11.**

Table 3.11: Unnecessary excessive budget/Supplementary Provision

(₹ in crore)

						in crorej					
Sl. No.	Name of the Grant	Original Allocation	Supplemen- tary	Total	Actual expendi- ture	Unutilised funds					
Capi	Capital (Voted)										
1.	10-Administration of Transport Services	17.89	7.00	24.89	12.99	11.90					
2.	27-Administration of Public Health Engineering	291.00	85.90	376.90	287.24	89.66					
3.	39-Administration of Co-Operation Department	13.61	4.05	17.66	10.40	7.26					
	Total	322.50	96.95	419.45	310.63	108.82					

Source: Appropriation Accounts 2023-24.

Table 3.11 shows that an amount of ₹ 310.63 crore (74.06 *per cent*) only was utilised out of the total allocation of ₹ 419.45 crore. It was further seen that the actual expenditure was lesser than the original allocation and hence the supplementary provision of ₹ 96.95 crore proved unnecessary.

As a result, the unnecessary excessive budget provision deprived allocation of resources to those projects which require funds leading to inordinate delay. The details of projects where no expenditure was incurred during the year is given in *Appendix 3.7*.

3.4 Effectiveness of Budgetary and Accounting Process

3.4.1 Budget projection and gap between expectation and actual

Efficient management of tax administration/ other receipts and public expenditure holds the key for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls lead to sub-optimal allocation among various developmental needs.

The summarised position of the budget including supplementary budget, actual expenditure, and excess/ savings during 2023-24 against 66 Grants/Appropriations (61 Grants and five Appropriations) is given in **Table 3.12** as well as in **Chart 3.5**.

Table 3.12: Summarised position of Actual Expenditure *vis-à-vis* Budget (Original/Supplementary) provisions during the financial year

(₹ in crore)

		Original	Supplemen-	Total	Expenditure	Excess (+)/	Surrender during March	
Nature of Expenditure		Grant/App.	tary Grant/App			Savings (-)	Amount	Per cent to savings
	I. Revenue	15,850.23	2,625.18	18,475.41	15,289.89	(-)3,185.52	2,711.52	85.12
Voted	II. Capital	3,848.24	2,106.07	5,954.31	4,570.56	(-)1,383.75	1,036.54	74.90
	Total	19,698.47	4,731.25	24,429.72	19,860.45	(-)4,569.27	3,748.06	82.03
	III. Revenue	1,335.84	13.38	1,349.22	1,310.46	(-)38.76	38.29	98.81
	IV. Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Charged	V. Public Debt Repayment	987.91	0.0027	987.92	4,803.61	(+)3,815.69	0.00	-
	Total	2,323.75	13.39	2,337.14	6,114.07	(+)3,776.93	38.29	-
Appropriation to Contingenc Fund (if any)		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gr	and Total	22,022.22	4,744.64	26,766.86	25,974.52	(-)792.34	3,786.35	-

Source: Appropriation Accounts 2023-24.

Table 3.12 outlines that during the year 2023-24, Government of Meghalaya (GoM) incurred expenditure of ₹ 25,974.52 crore against the total grants and appropriations of ₹ 26,766.86 crore resulting in net savings of ₹ 792.34 crore.

The extent of utilisation of budget during the five-year period from 2019-20 to 2023-24 is shown in **Table 3.13.**

Table 3.13: Original Budget, Revised Estimates and Actual Expenditure during 2019-24

(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Original Budget	16,376.94	17,430.23	17,603.35	18,881.00	22,022.22
Supplementary Budget	593.77	1,569.02	2,786.89	3,044.60	4,744.64
Total Budget (TB)	16,970.71	18,999.25	20,390.24	21,925.60	26,766.86
Revised Estimate (RE)	16,376.94	17,432.14	17,603.28	23,280.09	25,052.02
Actual Expenditure (AE)	10,967.33	13,802.08	18,883.98	21,393.79	25,974.52
Savings (TB-AE)	6,003.38	5,197.17	1,506.26	531.81	792.34
Percentage of supplementary to	3.63	9.00	15.83	16.13	21.54
the original provision	3.03	2.00	13.03	10.13	21.54
Percentage of overall					
saving/excess to the overall	35.37	27.35	7.39	2.43	2.96
provision					
TB-RE	593.77	1,567.11	2,786.96	-1,354.49	1,714.84
RE-AE	5,409.61	3,630.06	-1,280.70	1,886.30	(-)922.50
(TB-RE) as % of TB	3.50	8.25	13.67	-6.18	6.41
(RE-AE) as % of TB	31.88	19.11	-6.28	8.60	(-)3.45

Source: Budget, RE and Appropriation Accounts.

Table 3.13 shows that during the five-year period from 2019-20 to 2023-24, the actual expenditure was lower than original budget estimate during 2019-20 to 2020-21. However, actual expenditure surpassed the original budget provision from 2021-22 to 2023-24. Net Savings during the year 2023-24 slightly increased to ₹ 792.34 crore from ₹ 531.81 crore in 2022-23. However, the gross savings increased to ₹ 4,612.24 crore from ₹ 3,971.22 crore in 2022-23. This indicates unrealistically higher estimates. Better utilisation of budgetary appropriation indicates better estimation of receipts and better expenditure management *vis-à-vis* allocated resources.

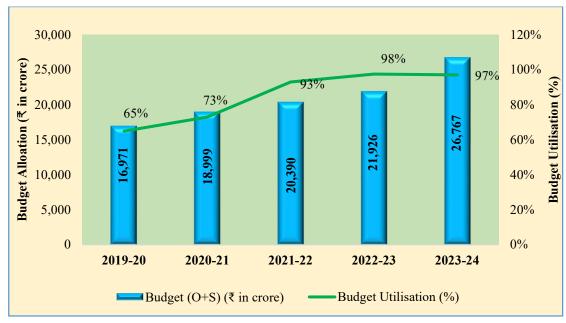


Chart 3.5: Budget utilisation during 2019-20 to 2023-24

Source: Appropriation Accounts 2023-24.

Chart 3.5 depicts utilisation of budget during 2019-20 and 2020-21 was lower than 75 *per cent*. However, during 2021-22 to 2023-24, utilisation of budget surpassed 90 *per cent* and was 97 *per cent* in the current year.

3.4.2 Major policy pronouncements in budget and their actual funding for ensuring implementation

While presenting the Budget for the year 2023-24 in the State Legislature, the Finance Minister announced ₹ 15.00 crore for implementation of Hello Meghalaya to provide income to local artists and quality content for all the citizens by hosting local content during the year. However, Audit found that provision of only ₹ 10 crore provision was made, and no expenditure was incurred on these schemes during the year. The budget announcement, allotment and actual expenditure in this regard are given in **Table 3.14**.

Table 3.14: Details of the schemes for which provision was made but no expenditure was incurred

(₹ in crore)

Sl. No.	Scheme Name	Announcement in Budget Speech	Approved outlay	Revised outlay	Actual expenditure
1.	Hello Meghalaya	15.00	10.00	10.00	0.00

Source: Budget Speech and Appropriation Account 2023-24.

3.4.3 Trends of Actual Receipts vis-à-vis Budget Estimates

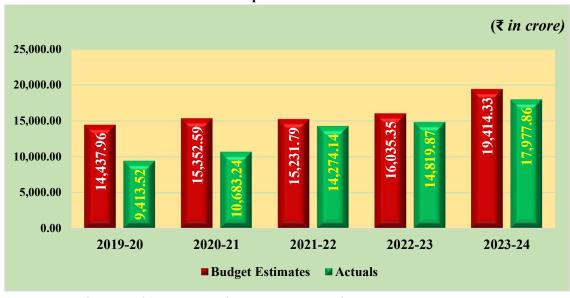
Chart 3.6: Position of Actual Receipts vis-à-vis Budget Estimates for period 2019-24



Source: Annual Financial Statements of respective years.

Chart 3.6 shows that during the five-year period from 2019-20 to 2023-24, the actual receipts was lower than budget estimate during 2019-20 to 2020-21. However, actual receipts surpassed the budget estimates from 2021-22 to 2023-24. The receipts was higher than budget estimates for period from 2021-22 to 2023-24 majorly due to increase in borrowings in the said period.

Chart 3.7: Position of Actual Revenue Receipts vis-à-vis Budget Estimates for period 2019-24



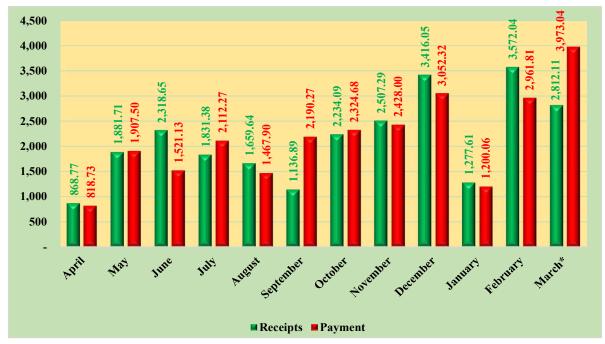
Source: Annual Financial Statements and Finance Accounts of respective years.

Chart 3.7 presents that the actual revenue receipts was between 65.20 *per cent* and 93.71 *per cent* of budget estimates during last five years period from 2019-20 to 2023-24.

3.4.4 Trend of expenditure

The monthly flow of receipt and expenditure of the Government of Meghalaya during 2023-24 are outlined in **Chart 3.8**.

Chart 3.8: Statement showing month wise receipt and expenditure for the State during 2023-24.



Source: Information Provided by the O/o the PAG (A&E).

Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalances and temporary cash crunches arising out of unanticipated heavy expenditure. Government funds should be spent evenly throughout the year. The State Government has not furnished (December 2024) any information regarding the quarter-wise percentage limit for incurring expenditure during the year. Regulating the expenditure in a phased manner helps to provide a structured and disciplined approach to budget management, enabling government to effectively allocate resources, monitor spending, and achieve financial objectives.

The quarter-wise expenditure for the State during the year 2023-24 is detailed in **Table 3.15**.

Table 3.15: Statement showing quarter wise expenditure for the State during 2023-24

	Budget Allocation (O+S)		Expen	diture		In March	Total
Particulars		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	2024	Expenditure during 2023-24
Amount (₹ in crore)	26,766.86	4,247.36	5,770.44	7,805.00	8,134.90	3,789.57	25,957.71*
Percentage of Total Expenditure in 2023-24	-	16.36	22.23	30.07	31.34	14.60	-

Source: Information furnished by A&E office.

^{*}Includes March Supplementary Adjustment.

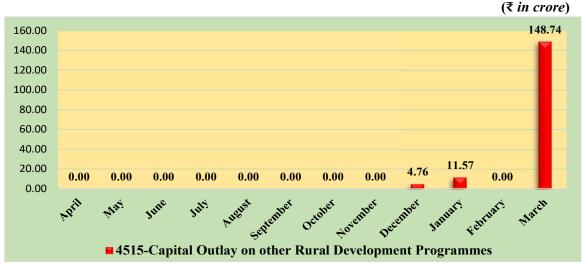
^{*}Net total expenditure (excluding total recoveries, Appendix 1 Appropriation Accounts 2023-24).

Table 3.15 shows that during 2023-24, the highest share (31.34 *per cent*) of expenditure was incurred during the 4th Quarter followed by the 3rd Quarter (30.07 *per cent*), 2nd Quarter (22.23 *per cent*), and 1st Quarter (16.36 *per cent*). The share of expenditure made during the month of March 2024 in the total expenditure stood at 14.60 *per cent*.

Further, the Audit analysis revealed that over 50 per cent of expenditure under 39 Major Heads during the year was made in the January-March Quarter of 2023-24 as given in **Appendix 3.8**. During 2023-24, 100 per cent of the expenditure amounting to ₹ 36.37 crore under 10 Major Heads was spent in March 2024 **Appendix 3.9**. Out of this, expenditure amounting to ₹ 36.07 crore (99.18 per cent) under 08 Major Heads was Capital Expenditure. Audit further noticed that during the year 2023-24 entire expenditure of ₹ 212.02 crore in 100 sub-heads was incurred in the month of March 2024 alone. The cases of expenditure of ₹ five crore and above in March 2024 alone detailed in **Appendix 3.10**.

Test check of Major Head 4515-Capital Outlay on other Rural Development Programmes revealed 90.11 *per cent* (₹ 148.74 crore) of the total expenditure (₹ 165.07 crore) was incurred in March 2024. Month wise expenditure under Major Head 4515 during the year 2023-24 is given in **Chart 3.9**.

Chart 3.9: Month wise expenditure under Major Head 4515-Capital Outlay on other Rural Development Programmes under the Department of Education during 2023-24.



Source: Information furnished by the A&E office.

Out of total expenditure of ₹ 148.74 crore during March 2024, ₹ 2.25 crore was deducted as forest fee/royalties, security deposits, TDS *etc.*, and transferred to concern heads, ₹ 14.70 crore was transferred to 24 no. of Contractors/suppliers, ₹ 80.09 crore was transferred to non-SNA's Account under State Rural Employment Society (SRES), and ₹ 50.70 crore was transferred to three DDOs' bank accounts (Construction of BIDC, Construction of Office Building, M/s Construction of 6 New Building). Fund transfer to DDO's bank Accounts has been officially recognised as expenditure from the Consolidated Fund of the State, whereas they are still lying idle parked outside the Government Accounts. Thus, the expenditure shown in the Finance Accounts cannot be vouched as correct to that extent.

3.4.5 Expenditure on New Service/New Instrument of Service

New Service implies expenditure arising out of new policy decision, not brought to the notice of the State Legislature earlier, including a new activity or a new form of investment. In simpler words, New Service is an activity which has not been brought to the notice of the State Legislature. New Instrument of Service means relatively large expenditure arising out of important expansion of an existing activity.

Paragraph 113 (vii) of the Budget Manual states that 'the re-appropriation is not made for a new service not contemplated in the budget for the year nor for an object not specifically included in that estimates and for which no provision has been made'. In other words, expenditure for New Service through re-appropriation is barred. However, Audit found that an expenditure of ₹ 232.51 crore was incurred in 18 New Services which were not brought to the notice of the State Legislature as detailed in **Table 3.16.**

Table 3.16: Expenditure on new service without provision

(₹ in crore)

					(Vin crore)
Sl. No	Grant No	Major Head	Minor Head	Re- appropriation	Expenditure
1	16	2055	001-(17) Engineering Wing (General)	0.15	0.15
2	21	2552	236-(03) Pradhan Mantri Schools for Rising India (PM SHRI). (General)	0.24	0.24
3	21	2552	236-(03) Pradhan Mantri Schools for Rising India (PM SHRI). (General) Centrally Sponsored Schemes	2.15	2.15
4	21	4202	02-103-(07) State Technical Universities (General)	0.30	0.30
5	26	2210	06-101-(26) Meghalaya Medical Drugs and Services Ltd. (General)	73.00	73.00
6	29	4217	60-051-(34) Swacch Bharat Mission- U.2.0 (General)	1.60	1.60
7	29	4217	60-051-(34) Swacch Bharat Mission- U.2.0 (General) Centrally Sponsored Schemes	14.44	14.44
8	34	2235	02-106-(19) Child Helpline (General) Centrally Sponsored Schemes	1.08	1.08
9	45	2402	102-(33) Pradhan Mantri Krishi Sinchayee Yojna-Watershed Development Component (PYMKSY-WDC)- (General)	1.15	1.15
10	45	2402	102-(33) Pradhan Mantri Krishi Sinchayee Yojna-Watershed Development Component (PYMKSY-WDC)CSS- (General)	10.37	10.37
11	51	2235	60-102-(02) National Social Assistance Programme (NSAP) Old Age Pension (Sixth Schedule)	32.59	32.59
12	51	2235	60-102-(04) National Social Assistance Programme (NSAP) Assistance to Widow (Sixth Schedule)	4.43	4.43
13	51	2235	60-102-(05) National Social Assistance Programme (NSAP) Assistance to Person with Multiple Disabilities (Sixth Schedule)	0.93	0.93
14	51	2235	60-102-(02) National Social Assistance Programme (NSAP) Old Age Pension (Sixth Schedule) Centrally Sponsored Schemes	13.64	13.64

Sl. No	Grant No	Major Head	Minor Head	Re- appropriation	Expenditure
15	51	2235	60-102-(04) National Social Assistance Programme (NSAP) Assistance to Widow (Sixth Schedule) Centrally Sponsored Schemes	2.15	2.15
16	51	2235	60-102-(05) National Social Assistance Programme (NSAP) Assistance to Person with Multiple Disabilities (Sixth Schedule) Centrally Sponsored Schemes	0.42	0.42
17	54	2851	102-(12) Food Processing Fund (FPF) for Meghalaya Industrial Development Corporation (MIDC)	0.60	0.60
18	55	2853	02-102-(06) Expenditure on Account of District Councils' Share In lieu of Royalties Collected from Major Minerals (Sixth Schedule)	63.27	73.27
			Total	222.51	232.51

Source: Appropriation Accounts 2023-24.

As such, expenditure of ₹ 232.51 crore (₹ 222.51 crore through re-appropriation and ₹ 10.00 crore excess over re-appropriation) was incurred without budget provision. This indicates bypassing legislative control.

The State Government may ensure that the expenditure required for New Service is duly approved by the State Legislature through Original Budget or Token Grant as mandated by the Constitution of India.

3.5 Review of Selected Grants

A review of budgetary procedure and control over expenditure was conducted in respect of 'Grant Number-29- Administration of Urban Development' and 'Grant Number-51- Administration of Community and Rural Development'. The observations noticed during the review are discussed in succeeding paragraphs.

3.5.1 Review of Grant Number-29- Administration of Urban Development

3.5.1.1 Persistent savings/Non surrender of savings

The overall position of budget provision, actual expenditure, savings/excess, and savings not surrendered under this Grant during the five-year period 2019-20 to 2023-24 is given in **Table 3.17.**

Table 3.17: Budget and Expenditure of Grant No. 29

(₹ in crore)

					(<i>x in crore</i>)
Grant No.	2019-20	2020-21	2021-22	2022-23	2023-24
Total Budget Provision	288.99	316.42	719.53	407.34	927.11
Expenditure	92.23	139.42	594.07	365.34	673.78
Savings (-)/Excess (+)	(-)196.76	(-)177.00	(-)125.46	(-)42.00	(-)253.33
Savings (-)/Excess (+) (percentage)	(-)68.09	(-)55.94	(-)17.44	(-)10.31	(-)27.32
Savings not surrendered (-) /Excess Surrender (+)	0.00	(-)0.44	0.01	(+)15.23	(-)15.81
Revenue Provision	114.17	169.30	167.78	178.75	199.57
Expenditure	39.68	111.33	118.54	121.66	148.08

Grant No.	2019-20	2020-21	2021-22	2022-23	2023-24
Savings (-)/Excess (+)	(-)74.49	(-)57.97	(-)49.24	(-)57.09	(-)51.49
Savings (-)/Excess (+) (percentage)	(-)65.24	(-)34.24	(-)29.35	(-)31.94	(-)25.80
Savings not surrendered (-) /Excess Surrender (+)	0.00	(-)0.47	0.00	(+)0.14	(-)0.81
Capital Provision	174.82	147.12	551.75	228.59	727.54
Expenditure	52.55	28.09	475.53	243.68	525.70
Savings (-)/Excess (+)	(-)122.27	(-)119.03	(-)76.23	(+)15.09	(-)201.84
Savings (-)/Excess (+) (percentage)	(-)69.94	(-)80.91	(-)13.81	(+)6.60	(-)27.74
Savings not surrendered (-) /Excess Surrender (+)	0.00	(+)0.03	(+)0.00	*	(-)15.00

Source: Appropriation Accounts 2019-2024.

Table 3.17 shows that savings as percentage of revenue provision was consistently over 25 per cent in five years period from 2019-20 to 2023-24 while savings as percentage of capital provision was 69.94 per cent and 80.91 per cent in 2019-20 and 2020-21 respectively. As a whole, savings as share of Total Budget Provision under Grant No. 29 decreased from 68.09 per cent in 2019-20 to 55.94 per cent in 2020-21 and 17.44 per cent in 2021-22 and 10.31 per cent in 2022-23 which increased again to 27.32 per cent in 2023-24. The savings during 2023-24 was mainly against Urban Development, Infrastructure Development under the schemes Smart Cities Mission, State Urban Infrastructure Development Initiative, Atal Mission for Rejuvenation & Urban Transformation (AMRUT) etc. Therefore, substantial savings indicated non-achievement of planned infrastructure development.

3.5.1.2 Budget provision not utilised

Table 3.18: Cases where no part of budget provisions was utilised Grant No. 29
(₹ in crore)

Major Head and Group Head 2217-Urban Development	Original+S upplemen- tary	Re- appropria -tion*	Final Grant	Expendi- ture	Savings
05- 051-(19) Swachh Bharat Mission-Central Assistance for Centrally Sponsored Schemes inclusive of State S (General)-CSS	1.00	(-)1.00	0.00	0.00	1.00
05- 051-(19) Swachh Bharat Mission-Central Assistance for Centrally Sponsored Schemes inclusive of State S (General)-State Scheme	0.12	(-)0.12	0.00	0.00	0.12

^{*} Surrender was ₹ 8.82 crore though expenditure was in excess by ₹ 15.09 crore.

Major Head and Group Head	Original+S upplemen- tary	Re- appropria -tion*	Final Grant	Expendi- ture	Savings
05- 051-(20) Atal Mission of Rejuvenation & Urban Transformation (AMRUT)-Centrally Sponsored Schemes (General)-State Scheme	0.74	(-)0.72	0.02	0.00	0.74
80- 001-(09) Preparation Of Base Map & Master Plan For Shillong/Jowai/Tura, etc. (General)-State Scheme	0.50	(-)0.17	0.33	0.00	0.50
80- 001-(10) Preparation Master Plan For Shillong/Jowai/Tura, <i>etc</i> . (General)-State Scheme	1.00	(-)0.89	0.11	0.00	1.00
80- 001-(13) Capacity Building, IEC and other Administrative Activities (General)-State Scheme	0.03	(-)0.03	0.00	0.00	0.03
80- 003-(01) Training personnel in Town and Regional Planning (General)-State Scheme	0.25	(-)0.15	0.10	0.00	0.25
80- 192-(07) Smart Cities Mission (SCM) Centrally Sponsored Schemes inclusive of State Share (General)-State Scheme	1.00	0.00	1.00	0.00	1.00
05- 051-(19) Swachh Bharat Mission-Central Assistance for Centrally Sponsored Schemes inclusive of State S (General)-CSS	1.00	(-)1.00	0.00	0.00	1.00
05-051-(19) Swachh Bharat Mission-Central Assistance for Centrally Sponsored Schemes inclusive of State (General)-State Scheme	0.12	(-)0.12	0.00	0.00	0.12
4217-Capital Outlay on Urban Development					
60- 051-(21) Swachh Bharat Mission-Central Assistance for Centrally Sponsored Schemes inclusive of State S (General)-CSS	3.00	(-)3.00	0.00	0.00	3.00
60-051-(21) Swachh Bharat Mission-Central Assistance for Centrally Sponsored Schemes inclusive of State S (General)-State Scheme	1.02	(-)0.99	0.03	0.00	1.02
60- 051-(32) Lumpsum Fund for Development of North Eastern States (General)-State Scheme	1.00	0.00	1.00	0.00	1.00
Total	9.66	(-)7.07	2.59	0.00	9.66

Source: Detailed Appropriation Account 2023-24 and information provided by the A&E Office.

As depicted in the **Table 3.18**, non-utilisation of budgetary provision indicates lack of serious expenditure planning and implementation of the schemes/programs.

3.5.1.3 Unnecessary Supplementary Provision

Supplementary provision of ₹ 42.77 crore obtained in revenue head during the year proved unnecessary as the expenditure did not reach to the level of original provision as detailed in **Table 3.19.**

^{*(+)} denotes re-appropriation for augmentation of provision and (-) denotes re-appropriation for decrease of provision.

Table 3.19: Unnecessary supplementary provision Grant No. 29

(₹ in crore)

Original Provision	Supplementary	Final Grant	Expenditure	Savings	Savings w.r.t Original Provision						
	Revenue										
156.80	42.77	199.57	148.08	51.49	8.72						

Source: Appropriation Account 2023-24.

Table 3.19 presents that supplementary grants of $\stackrel{?}{\underset{?}{?}}$ 42.77 crore proved unnecessary as the Department could not fully utilise the original budget provision. This has resulted in savings of $\stackrel{?}{\underset{?}{?}}$ 51.49 crore (25.80 *per cent*) and suboptimal allocation of resources for projects which need funding. Budget allocations may be made based actual requirements of fund to ensure optimal utilisation of resources.

3.5.1.4 Expenditure incurred without authority of law

Audit noticed that expenditure of ₹ 18.32 crore was incurred in five cases contrary to para 113(vii) of the Budget Manual by re-appropriation without any budget provision in the original budget/supplementary orders to this effect as detailed in **Table 3.20**.

Table 3.20: Cases where expenditure was incurred through Re-appropriation without either any budget/supplementary provisions Grant No. 29

(₹ in crore)

Major Head and Group Head	Total Provision (O+S)	Re- appropriation	Expenditure	Excess(+)/ Savings (-)
2217-Urban Development				
80-001-(08) Expenditure of Chairman/ Co-Chairman/Vice Chairman/ Deputy Chairman & their staff(General)-State Scheme	0.00	0.34	0.34	0.00
80-003-(02) Swachh Bharat Mission-U.2.0- (General)-CSS	0.00	1.75	1.75	0.00
80-003-(02) Swachh Bharat Mission-U.2.0- (General)-State Scheme	0.00	0.19	0.19	0.00
4217-Capital Outlay on Urban Developmen	t			
60-051-(34) Swachh Bharat Mission-U.2.0- (General)-CSS	0.00	14.44	14.44	0.00
60-051-(34) Swachh Bharat Mission-U.2.0- (General)-State Scheme	0.00	1.60	1.60	0.00
Total	0.00	18.32	18.32	0.00

Source: Detailed Appropriation Account 2023-24.

Expenditure without budget indicates lack of financial discipline in the Departments. This undermined the sanctity of budgeting process and legislative control and leads to breach of the constitutional provision and needs to be regularised with legislative authorisation.

3.5.1.5 Excess over provision

The detailed audit analysis revealed that during the year 2023-24, there was an excess expenditure of ₹ 130.47 crore over the budget provision under 11 sub-heads and details are given in **Table 3.21**. Expenditure without budget is violative of financial regulations

as well as the will of the Legislature. This indicates lack of financial discipline in the Department.

Table 3.21: Excess over provision Grant No. 29

(₹ in crore)

	(Cin)								
Sl. No.	Major Head and Group Head	Budget Provision (O+S)	Re- Appropriation (Net)	Final Grant	Expenditure	Excess out of O+S			
2217-Urban Development									
	80-001-(05) Assistance to Meghalaya								
1	Urban Development Authority-	3.10	0.13	3.23	3.22	0.12			
	(General)-State Scheme								
	80- 001-(08) Expenditure of								
2	Chairman/Co-Chairman/Vice	0.00	0.34	0.34	0.34	0.34			
	Chairman/ Deputy Chairman & their	0.00	0.51	0.51	0.51	0.51			
	staff (General)-State Scheme								
	80- 001-(11) Consultancy charges for			4.60	4.60	1 10			
3	preparation of Detailed Project	0.20	1.49	1.69	1.69	1.49			
	Report- (General)-State Scheme								
4	80- 003-(02) Swachh Bharat	0.00	1.75	1.75	1.75	1.75			
	Mission- U.2.0- (General)-CSS 80-003-(02) Swachh Bharat Mission-								
5	U.2.0- (General)-State Scheme	0.00	0.19	0.19	0.19	0.19			
	80-192-(02) Assistance to Municipal								
	Board for Shillong/Jowai/Tura, etc								
6	for Special Purposes- (General)-State	24.73	8.04	32.77	32.78	8.05			
	Scheme (General) State								
4217	-Capital Outlay on Urban Develop	ment			ı				
	60-051-(07) Infrastructure								
7	Development for City Transport at	1.00	8.00	9.00	9.00	8.00			
	Shillong- (General)-State Scheme								
8	60- 051-(19) Special Plan Assistance	95.00	00.40	175.40	174.40	90.40			
8	(SPA)- (General)-State Scheme	85.00	90.49	175.49	174.49	89.49			
9	60- 051-(31) Smart Cities Mission-	20.00	26.50	46.50	25.00	5.00			
9	(General)-State Scheme	20.00	20.30	40.30	23.00	3.00			
10	60- 051-(34) Swachh Bharat	0.00	14.44	14.44	14.44	14.44			
10	Mission- U.2.0- (General)-CSS	0.00	14.44	14.44	14.44	14.44			
11	60- 051-(34) Swachh Bharat Mission-	0.00	1.60	1.60	1.60	1.60			
11	U.2.0- (General)-State Scheme								
	Total	134.03	152.97	287.00	264.50	130.47			

Source: Detailed Appropriation Account 2023-24 and information provided by the A&E Office.

Table 3.21 indicates that the Department has incurred an excess expenditure of ₹ 130.47 crore out of total provision of ₹ 134.03 crore indicating lack of financial control of the Department.

3.5.1.6 Unnecessary/Insufficient re-appropriation

Re-appropriation is transfer of funds within a Grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

The detailed audit analysis revealed that during the year 2023-24, under Grant no. 29-Administration of Urban Development, re-appropriation to augment provision was made in 20 sub-heads amounting to ₹ 213.04 crore. However, out of this, re-appropriation under five sub-heads, proved excessive or insufficient and resulted in savings/excess *Appendix 3.11*. This indicates that re-appropriation was not carried out on the basis of actual requirement and reflects poor planning and monitoring of budget allocation and its

utilisation by the Department. Cases causing savings/excess of ₹ 25 lakh or above are detailed in **Table 3.22**.

Table 3.22: Unnecessary Re-appropriation Grant No.-29

(₹ in crore)

Major Head and Group Head	Budget Provision (O+S)	Re- Appropria -tion	Final Provision	Expenditure	Savings					
2217-Urban Development	2217-Urban Development									
80-001-(01) Headquarter										
Organisation-General) State	5.29	0.03	5.32	4.99	0.33					
Scheme										
4217-Capital Outlay on Urban D	evelopment									
60-051-(19) Special Plan										
Assistance (SPA)-(General)State	85.00	90.49	175.49	174.49	1.00					
Scheme										
60-051-(31) Smart Cities	20.00	26.50	46.50	25.00	21.50					
Mission-(General) State Scheme	20.00	20.30	40.50	23.00	21.30					
Total	110.29	117.02	227.31	204.48	22.83					

Source: Detailed Appropriation Accounts 2023-24 and information provided by the A&E Office.

3.5.2 Review of Grant Number-51 - Administration of Community and Rural Development

3.5.2.1 Persistent savings/Non surrender of savings

The overall position of budget provision, actual expenditure, savings/excess, and savings not surrendered under this Grant during the five-year period 2019-20 to 2023-24 is given in **Table 3.23.**

Table 3.23: Budget and Expenditure of Grant No. 51

(₹ in crore)

Grant No.	2019-20	2020-21	2021-22	2022-23	2023-24
Total Budget Provision	1,742.65	1,604.81	1,219.75	1,474.58	3,393.21
Expenditure	848.36	1,035.47	876.43	1,181.45	2,670.73
Savings (-)/Excess (+)	(-)894.29	(-)569.34	(-)343.32	(-)293.13	(-)722.48
Savings (-)/Excess (+) (percentage)	(-)51.32	(-)35.48	(-)28.15	(-)19.88	(-)21.29
Savings not surrendered (-) /Excess Surrender (+)	(-)17.62	(-)9.36	(+)3.59	(-)9.09	(-)7.48
Revenue Provision	1,735.12	1,580.92	1,196.20	1,456.23	3,144.07
Expenditure	845.20	1,033.36	872.11	1,170.45	2,505.66
Savings (-)/Excess (+)	(-)889.91	(-)547.56	(-)324.09	(-)285.78	(-)638.41
Savings (-)/Excess (+) (percentage)	(-)51.29	(-)34.64	(-)27.09	(-)19.62	(-)20.31
Savings not surrendered (-) /Excess Surrender (+)	(-)17.61	(-)9.06	(+)3.59	(-)9.09	(-)7.48
Capital Provision	7.53	23.89	23.55	18.35	249.14
Expenditure	3.16	2.11	4.32	11.00	165.07
Savings (-)/Excess (+)	(-)4.37	(-)21.78	(-)19.23	(-)7.35	(-)84.07
Savings (-)/Excess (+) (percentage)	(-)58.03	(-)91.17	(-)81.66	(-)40.05	(-)33.74
Savings not surrendered (-)/ Excess Surrender (+)	(-)0.01	(-)0.30	0.00	0.00	0.00

Source: Appropriation Account 2019-20 to 2023-24.

Table 3.23 shows the trend of allocation and utilisation of funds in under Grant No. 51 – Administration of Community and Rural Development during the five-year period from 2019-20 to 2023-24. High savings percentages were noticed, especially during 2019-20 and 2020-21 with 51.32 per cent and 35.48 per cent savings respectively. Although savings reduced in 2021-22 and 2022-23, they increased again in 2023-24 at 21.29 per cent. Under the Revenue Section, savings were consistently high, with 51.29 per cent in 2019-20 and 34.64 per cent in 2020-21 and stood at 20.31 per cent in 2023-24. The Capital Section showed even larger savings with 58.03 per cent in 2019-20 and 91.17 per cent in 2020-21 and stood at 33.74 per cent in 2023-24. Significant savings were observed against the allocations for providing housing, Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS), National Social Assistance Programme (NSAP) and Start-up Village Entrepreneurship Programme.

3.5.2.2 Budget provision not utilised

Audit analysis revealed that $100 \ per \ cent$ of the budget provision (Original + Supplementary) of ₹ 75.99 crore in 17 cases *Appendix 3.12* was not utilised under the Grant No. 51 during the year 2023-24. One sub-head provision was augmented by ₹ 0.43 crore through re-appropriation and decreased in 14 sub-heads by ₹ 56.77 crore through re-appropriation. The cases where the budget provision was ₹ 1.00 crore and above are detailed in **Table 3.24**.

Table 3.24: Cases where no part of budget provisions was utilised under Grant No. 51

(₹ in crore)

Major Head and Group Head	Original + Supplementary	Re- appropriation*	Final Provision	Expenditure	Savings				
2501-Special Programmes for Rural Development									
06-102-(08) Integrated value chain development project of Eri Silk Cluster under Innovation Fund Componen-(General) CSS	2.07	(-)2.07	0.00	0.00	0.00				
2515-Other Rural Development Programme	es								
00-800-(10) National Social Assistance Prog. (NSAP) Old Age Pension-(General) CSS	52.72	(-)41.23	11.49	0.00	11.49				
00-800-(10) National Social Assistance Prog. (NSAP) Old Age Pension-(Sixth Sch.) State Scheme	5.00	(-)5.00	0.00	0.00	0.00				
00-800-(12) National Family Benefit Scheme-(General) CSS	1.70	(-)0.93	0.77	0.00	0.77				
00-800-(13) Non-lapsable Central Pool of Resources for Development of North East- (General) CSS	1.60	(-)1.06	0.54	0.00	0.54				
00-800-(13) Non-lapsable Central Pool of Resources for Development of North East- (General) State Scheme	4.15	(-)0.48	3.67	0.00	3.67				
00-800-(19) National Social Assistance Programme-(General) CSS	5.58	(-)3.42	2.16	0.00	2.16				
00-800-(26) Social Mobilisation Centre at District Head Quarter-(Sixth Sch.) State Scheme	1.00	(-)1.00	0.00	0.00	0.00				
Total	73.82	(-)55.19	18.63	0.00	18.63				

Source: Detailed Appropriation Account 2023-24.

^{* (+)} denotes re-appropriation for augmentation of provision and (-) denotes re-appropriation for decrease of provision.

3.5.2.3 Unnecessary Supplementary Provision

During the year 2023-24, the supplementary provision of ₹ 1,805.15 crore was obtained under 10 sub-heads. Out of which supplementary provision of ₹ 286.24 crore proved unnecessary in three cases as the expenditure could not reach to original budget provision allocated. The cases where supplementary provision proved unnecessary are given in the **Table 3.25**.

Table 3.25: Unnecessary supplementary provision Grant No. 51

(₹ in crore)

Major Head and Group Head (Sub Major Head-Minor Head-Sub Head)	Original Provision	Supplementary	Total Provision (O+S)	Expenditure	Saving
2505-Rural Employment					
01-702-(03) Indira Gandhi					
Awaas Yojana (IAY)-(General)	200.00	75 .24	275.24	85.65	189.59
CSS					
02-101-(01) The National Rural					
Employment Guarantee-	600.00	200.00	800.00	334.92	465.08
(General) CSS					
2515-Other Rural Development	Programme	S			
00-800-(10) National Social					
Assistance Prog. (NSAP) Old	41.72	11.00	52.72	0.00	52.72
Age Pension-(General) CSS					
Total	841.72	286.24	1,127.96	420.57	707.39

Source: Appropriation Account 2023-24 and information provided by the A&E office.

The above indicates suboptimal allocation of resources and underscores the need for budget allocations based on actual requirements of fund to ensure optimal utilisation of resources.

3.5.2.4 Expenditure incurred without authority of law

The Audit findings revealed that expenditure of ₹ 56.93 crore was incurred in nine cases contrary to para 113(vii) of the Budget Manual by re-appropriation without any budget provision in the original budget/supplementary orders to this effect as detailed in **Table 3.26**.

Table 3.26: Cases where expenditure was incurred without budget/supplementary provisions Grant No. 51

(₹ in crore)

Major Head and Group Head 2235-Social Security and Welfare	Total Provision (O+S)	Re- appropriation	Expenditure	Excess (+)/ Savings (-)
60-102-(02) National Social assistance programme (NSAP) Old Age Pension-Sixth Sch.	0.00	13.64	13.64	0.00
60-102-(02) National Social assistance programme (NSAP) Old Age Pension-Sixth Sch.	0.00	32.59	32.59	0.00

Major Head and Group Head	Total Provision (O+S)	Re- appropriation	Expenditure	Excess (+)/ Savings (-)
60-102-(04) National Social Assistance Programme (NSAP) Assistance to Widow- Sixth Sch.	0.00	2.15	2.15	0.00
60-102-(04) National Social Assistance Programme (NSAP) Assistance to Widow- Sixth Sch.	0.00	4.43	4.43	0.00
60-102-(05) National Social Assistance Programme (NSAP) Assistance to Person with multiple Disabilities-Sixth Sch.	0.00	0.81	0.42	(-) 0.39
60-102-(05) National Social Assistance Programme (NSAP) Assistance to Person with multiple Disabilities-Sixth Sch.	0.00	0.93	0.93	0.00
2515-Other Rural Development Programm	nes			
00-001-(12) Payment due to MeS.E.B/Municipal/Telephone Bills (BSNL)-Sixth Sch.	0.00	0.25	0.23	(-) 0.02
00-003-(04) State Institute for Research and Training of Rural Development (SIRD)-General	0.00	2.29	2.29	0.00
00-003-(05) Extension Training Centre (ETC)-General	0.00	0.25	0.25	0.00
Total	0.00	57.34	56.93	(-) 0.41

Source: Appropriation Account 2023-24 and information provided by the A&E office.

Expenditure without budget indicates lack of financial discipline in the Departments. This undermined the sanctity of budgeting process and legislative control.

3.5.2.5 Unnecessary or Insufficient re-appropriation

Re-appropriation is transfer of funds within a Grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed.

The detailed audit analysis revealed that during the year 2023-24 under grant no. 51- Administration of Community and Rural Development, re-appropriation for augmentation of provision was made in 27 sub-heads amounting to ₹ 804.70 crore (23.71 per cent of total budget provision of ₹ 3,393.22 crore). However, re-appropriation under 13 out of the 27 sub-heads proved excessive or insufficient and resulted in savings/excess. This indicates that re-appropriation was not carried out based on actual requirement and reflects poor planning and monitoring of budget allocation and its utilisation by the Department. Cases where re-appropriation proved excessive is given in **Table 3.27**.

Table 3.27: Unnecessary Re-appropriation Grant No.-51

Description (Sub Major Head-Minor Head- Sub Head)	Total Provision (O+S)	Re- Appropriation	Final Provision	Expenditure	Savings				
2235-Social Security and Welfare									
60- 102-(05) National Social Assistance Programme (NSAP) Assistance to Person with multiple Disabilities- (Sixth Sch.)-CSS	0.00	0.81	0.81	0.42	0.39				
2501-Special Programmes for Rura	l Developmer	nt							
06- 102-(06) Deen Dayal Upadhaya Grameen Kaushalaya Yojana- (General)-CSS	2.00	10.60	12.60	12.47	0.13				

Description (Sub Major Head-Minor Head- Sub Head)	Total Provision (O+S)	Re- Appropriation	Final Provision	Expenditure	Savings
06- 102-(06) Deen Dayal Upadhaya Grameen Kaushalaya Yojana- (General)-State Scheme	1.00	0.40	1.40	1.39	0.01
06- 102-(07) Start-up Village Entrepreneurship Programme (General)-CSS	2.00	4.78	6.78	1.70	5.09
2505-Rural Employment					
01- 702-(03) Indira Gandhi Awaas Yojana (IAY)- (Sixth Sch.)-CSS	1,124.76	387.56	1,512.31	1,226.43	285.88
01- 702-(03) Indira Gandhi Awaas Yojana (IAY)- (Sixth Sch.)-State Scheme	153.33	27.09	180.42	134.68	45.74
02- 101-(01) The National Rural Employment Guarantee- (Sixth Sch.)-CSS	0.00	56.50	56.50	0.00	56.50
2515-Other Rural Development Pro	grammes				
00- 001-(01) Directorate of Community Development-(General)-State Scheme	5.26	0.03	5.29	4.59	0.70
00-001-(05) Stage-II Block Offices- (Sixth Sch.)-State Scheme	88.90	3.66	92.57	84.72	7.85
00- 001-(12) Payment due to MeS.E.B/Municipal/Telephone Bills (BSNL)- (Sixth Sch.)-State Scheme	0.00	0.25	0.25	0.23	0.02
00- 102-(04) Re-organisation of C&RD Blocks- (General)-State Scheme	0.87	0.47	1.34	0.66	0.68
00- 102-(10) Mahila Kisan Sashktikaran Pariyojana (MKSP), General Area- (General)-CSS	0.00	3.96	3.96	0.00	3.96
00- 102-(10) Mahila Kisan Sashktikaran Pariyojana (MKSP), General Area- (General)-State Scheme	0.01	0.43	0.44	0.00	0.44
Total	1,378.13	496.54	1,874.67	1,467.27	407.39

Source: Detailed Appropriation Accounts 2023-24.

3.6 Conclusion

A detailed Audit analysis revealed multiple instances of non-observance of financial rules and procedures along with a lack of financial controls.

During the year 2023-24, a total expenditure of $\stackrel{?}{\underset{?}{?}}$ crore was incurred against the total budget allocation of $\stackrel{?}{\underset{?}{?}}$ 26,767 crore. The net savings of $\stackrel{?}{\underset{?}{?}}$ 792 crore were the result of gross savings of $\stackrel{?}{\underset{?}{?}}$ 4,612 crore adjusted by excess expenditure of $\stackrel{?}{\underset{?}{?}}$ 3,820 crore. Out of gross savings of $\stackrel{?}{\underset{?}{?}}$ 4,612 crore, $\stackrel{?}{\underset{?}{?}}$ 3,786 crore (82 *per cent*) were surrendered.

During 2023-24, an expenditure of ₹ 3,819.91 crore under two Grants and one non-Grant was incurred in excess of authorisation and requires regularisation under Article 205 of the Constitution. Moreover, excess expenditure of ₹ 6,833.02 crore (from 1971-72 to 2022-23) was yet to be regularised as on 31 March 2024. Another expenditure of ₹ 232.51 crore was incurred through re-appropriation on 18 New Services in violation of prescribed re-appropriation rules.

During the year 2023-24, supplementary provision of ₹ 439.60 crore in 24 cases proved unnecessary as even the original provision was even not fully utilised. Moreover, re-appropriation made under 52 grants and one appropriation proved excessive or insufficient as it resulted in savings/excess. This indicates that the supplementary provision and re-appropriation were not conducted based on the actual requirement of funds, reflecting poor planning and monitoring of budget allocation and its utilisation by the State Government as well as Departments.

During the current year, under 39 grants, 50 to 100 *per cent* of expenditure was made during the fourth quarter of the year 2023-24. Moreover, the entire expenditure of ₹ 212.02 crore under 100 sub-heads was incurred in the month of March 2024 alone.

3.7 Recommendations

- The Finance Department should ensure that expenditure from the Consolidated Fund of the State complies to the procedure prescribed for obtaining legislative approval for expenditure on New Service through re-appropriation and ensure regularisation of excess expenditure.
- The Grants with persistent savings and expenditure without provisions and non-surrender of savings should be reviewed to streamline Budgetary process.
- The Finance Department should take steps to ensure effective budgetary allocations for original, supplementary and re-appropriations to allocate resources where resources are needed the most.

CHAPTER IV QUALITY OF ACCOUNTS & FINANCIAL REPORTING PRACTICES

CHAPTER IV

QUALITY OF ACCOUNTS AND FINANCIAL REPORTING PRACTICES

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Thus, compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the State Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making.

4.1 Funds transferred directly to State implementing agencies

Government of India (GoI) has been transferring sizeable quantum of funds directly to the State Implementing Agencies/Beneficiaries for implementing various central schemes. Through Budget Circular 2023-24, the GoI issued the following instructions:

- (a) Central Sector Schemes (CS) includes those schemes which entirely funded and implemented by the Central Agencies under Union Government Ministries/Departments. In few cases (as an exception and with the specific prior consent of the Department of Expenditure), implementation of Central Sector Schemes may be permitted through designated State Implementing Agencies.
- (b) Centrally Sponsored Scheme (CSS) includes those schemes, which are funded and implemented by both the Centre and the States as per the approved sharing pattern. The Central share for the schemes will be routed entirely through the State/UT treasuries, except Direct Benefit Transfers, where the functional heads could be used. In such cases, mapping of allocations under Centrally Sponsored Schemes not routed through State treasuries will be required to calculate the total quantum of resource transfers to States within Centrally Sponsored Schemes.

Table 4.1 depicts quantum of funds directly transferred to the State implementing agencies/beneficiaries during the last five years *i.e.*, 2019-24.

Table 4.1: Direct Transfer of Funds by GoI

(₹ in crore)

Direct transfers to State Implementing Agencies	2019-20	2020-21	2021-22	2022-23	2023-24	Total
Funds transferred	944.29	1,345.76	2,192.25	2,036.90	2,511.68	9,030.88

Source: Finance Accounts 2023-24.

Table 4.1 shows 23.31 *per cent* jump in direct fund transfers by the GoI, increasing from ₹ 2,036.90 crore in 2022-23 to ₹ 2,511.68 crore in 2023-24. The fund directly transferred during 2023-24 comprised ₹ 2,159.70 crore for Centrally Sponsored Schemes (CSS) and

₹ 351.98 crore for Central Sector Scheme (CS). Funds transferred directly to State Implementing Agencies/Beneficiaries during 2023-24 are given at *Appendix 4.1*.

Out of total amount of ₹ 2,511.68 crore transferred directly to the State Implementing Agencies/Beneficiaries during 2023-24, 53.65 per cent (₹ 2,283.81 crore) was transferred directly to the beneficiaries through Direct Benefit Transfer (DBT) Mode.

4.2 Funds lying unutilised in the bank account of DDOs

The State Government has authorised Drawing and Disbursing Officers (DDOs) to open a zero-balance current account in the State bank of India/United Bank of India (merged with Punjab National Bank) under the official designation of the DDOs to facilitate temporary parking of fund pertaining to payment/dues of Government employees before payment is made by account payee system to their respective bank accounts. The current account may also be operated by miscellaneous contingent expenditures where endorsement of bills / cheques to the concerned parties of payees is not immediately feasible under normal rules.

During 2023-24, out of ₹ 2,512.48 crore transferred to Bank Accounts of 480 DDOs, only ₹ 2,060.91 crore was utilised by 238 DDOs. As on 31 March 2024, amount of ₹ 563.65 crore was lying unutilised in the bank accounts of 480 DDOs with balance ranging up to ₹ 226.00 crore. Cases where more than ₹ 1.00 crore was found lying unspent in the bank accounts of DDOs are detailed in *Appendix-4.2*. Further, information as called by this Office, from the remaining 734 DDOs out of 1,214 DDOs is still awaited (December 2024).

While the unspent balances have been officially recognised as expenditures from the Consolidated Fund of the State, they are still lying idle and parked outside the Government Accounts. Thus, the expenditure shown in the Finance Accounts cannot be vouched as actuals to that extent.

4.3 Delay in submission of Utilisation Certificates

Rule 515 read with Appendix 14 of the Meghalaya Financial Rules, 1981, provides that unless otherwise ruled by the State Government, every grant made for a special object is subject to the implied conditions that the grant will be spent upon that object within a reasonable time (one year from the date of issue of the letter sanctioning the grant if no time-limit has been fixed by the sanctioning authority). In other words, unless the State Government specifies otherwise, any grant for a particular purpose must be used for that purpose within one year from the date of sanction. The purpose for which the Grants-in-Aid were utilised can be confirmed only on receipt of UCs. This serves as a safeguard against diversion of funds for other purposes. To the extent of non-receipt of UCs, the expenditure shown in the accounts can neither be treated as final nor can it be confirmed that the amount has been utilised for the intended purposes.

Non-submission of the UCs means that the authorities have not explained as to how funds were spent over the years. There is also no assurance that the intended objectives of providing these funds have been achieved. This assumes greater importance if such UCs are pending against Grants-in-Aid meant for Capital Expenditure. The year-wise details of UCs pending for submission are given in **Table 4.2.**

Table 4.2: Age-wise arrears in submission of UCs as on 31 March 2024

(₹ in crore)

Year		Opening Balance *		es which ome due ring the year		ubmitted g the year		losing lance**		rsed during
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1										
-		2		3		4	5=	(2+3-4)		6
Upto 2022-23	307	2,373.51	419	2,086.07	272#	1,023.57	5= 454	3,436.01	606#	4,024.83

Source: Finance Accounts.

During 2023-24, 1,060 UCs amounting to ₹ 7,460.84 crore were outstanding (454 amounting to ₹ 3,436.01 crore overdue from previous years and 606 UCs amounting to ₹ 4,024.83 crore which became due in 2023-24). Out of this, only 327 UCs amounting to ₹ 2,624.91 crore (30.85 *per cent*) were submitted. Further, 122 UCs amounting to ₹ 424.77 crore for grants disbursed in 2023-24, which will become due in 2024-25, were also submitted in 2023-24 itself. Thus, total 449 UCs amounting to ₹ 3,049.68 crore were submitted during the year.

As on 31 March 2024, 733 UCs amounting $\stackrel{?}{\stackrel{?}{?}}$ 4,835.93 crore remained outstanding. Compared to the last year, the figure is higher by 61.45 *per cent* in terms of the numbers of outstanding UCs and 40.74 *per cent* in terms of the amount outstanding of UCs. Total of 1,309 UCs amounting to $\stackrel{?}{\stackrel{?}{?}}$ 9,157.80 crore (Overdue⁵¹ 733 UCs amounting to $\stackrel{?}{\stackrel{?}{?}}$ 4,835.93 crore due during 2023-24 and $\stackrel{52}{\stackrel{?}{?}}$ 576 UCs amounting to $\stackrel{?}{\stackrel{?}{?}}$ 4,321.87 crore to be due during the year 2024-25) are yet to be submitted as on 31 March 2024.

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^{*}UCs which have already become due as on 1st April of the respective year.

^{**} UCs which remain overdue/outstanding as on 31st March of the respective year.

^{***} UCs which will become due in the subsequent year.

[#] This excludes 14 UCs amounting to ₹ 1.28 crore (disbursed in 2022-23) to be due in 2023-24 but submitted in 2022-23 itself.

^{##} This excludes 122 UCs amounting to ₹ 424.77 crore (disbursed in 2023-24) to be due in 2024-25 but submitted in 2023-24 itself.

⁵¹Due in 2023-24 but not disposed as on 31 March 2024.

⁵² To be due in 2024-25.

Sport & Youth Affairs Department
Planning Investment Promotion &
Sustainable Department
Education Department
Health and Family Welfare Department
Community and Rural Development
Department

- 500 1,000 1,500 2,000

■Amount of Outstanding Utilisation Certificates

Chart 4.1: Major Defaulting Departments for UCs due as on 31 March 2024

Source: O/o PAG (A&E), Meghalaya.

Major defaulting departments which have not submitted UCs and their percentage out of total outstanding amount under Grants-in-Aid are Community and Rural Development Department (₹ 1,471.97 crore, 30.44 *per cent*), Health and Family Welfare Department (₹ 1,417.27 crore, 29.31 *per cent*), Education Department (₹ 1,245.14 crore, 25.75 *per cent*), Planning Development (₹ 284.40 crore, 5.88 *per cent*) and Sport and Youth affairs (₹ 175.08 crore 3.62 *per cent*).

During the Exit Conference (March 2025), the State Government stated that the matter will be taken up with the departments concerned.

Year-wise Break-up of outstanding UCs

Year-wise break-up of outstanding Utilisation Certificate for the 2012-13 to 2023-24 is as given below:

Table 4.3: Year-wise Break-up of overdue outstanding UCs

Year	No. of UCs	Amount (₹ in crore)
2012-13 ⁵³	14	45.00
2013-14	8	89.70
2014-15	1	2.25
2015-16	1	0.50
2016-17	8	127.50
2017-18	10	123.01
2018-19	12	145.40
2019-20	11	113.88
2020-21	79	478.69
2021-22	189	1,135.99
2022-23	400	2,574.03
Total	733	4,835.93

Source: Office of the Principal Accountant General (A&E), Meghalaya.

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⁵³ Transport-01 (₹ 1.00 crore), Secretariat Administration - 05 (₹ 4.05 crore), Arts & Culture - 02 (₹ 2.10 crore), Social Welfare - 01 (₹ 0.26 crore), Community & Rural Development - 05 (₹ 37.59 crore).

In the absence of UCs, it could not be ascertained whether the recipients had actually utilised the grants and whether it had been utilised for the purposes for which the grants were disbursed. Further, in the absence of UCs required to be submitted by the departments, assessing the status and progress of the scheme implementation, for which funds have been disbursed, is not feasible.

The substantial backlog in the submission of UCs poses a significant risk of potential fraud and misappropriation of funds. The State Government needs to monitor this aspect closely and may review disbursement of further Grants to the Grantees that are not in compliance to prescribed conditions and timelines with respect to furnishing of UCs to the Finance Department as well as Principal Accountant General (A&E), Meghalaya.

4.4 Abstract Contingent bills

Rule 232 of the Meghalaya Treasury Rules (MTR), 1985 allows drawing of contingent charges⁵⁴ from the treasury by presenting Abstract Contingent (AC) Bills. In other words, Drawing and Disbursing Officers (DDOs) are authorised to draw money from the treasury for meeting contingent charges by presenting AC Bills. Further, Rule 232 requires submission of Detailed Contingent (DC) Bills by the DDOs to the Controlling Officers for countersignature and transmission of the same to the Principal Accountant General (A&E), Meghalaya. As per Rule 233, timeline for submission of DC Bills by the DDOs to the Controlling Officer is one month from the drawal. Additionally, as per Rule 235, the Controlling Officers are required to forward Detailed Countersigned Contingent (DCC) bills against the drawal of Abstract Contingent (AC) bills to the Principal Accountant General (A&E) within a month from the date of receipt of such bills in his office.

As on 31 March 2024, 56 DCC bills amounting of ₹ 75.07 crore were yet to be received by the Principal Accountant General (A&E), Meghalaya as shown in **Table 4.4** Major contributor was Election Department with 40 unadjusted AC bills of ₹ 74.61 crore (99.38 per cent) followed by Personnel & Administrative Reforms Department with unadjusted AC bills of ₹ 0.24 crore (0.31 per cent). Further, out of 93 AC bills amounting to ₹ 67.58 crore drawn during the year, 61 AC bills amounting to ₹ 64.89 crore (96.02 per cent) were drawn in March 2024.

Table 4.4: Age-wise arrears in submission of DCC bills against AC bills

(₹ in crore)

Year of Drawal of AC Bills	No. of unadjusted AC Bills	Amount involved
Upto 2022-23	36	73.81
2023-24	20	1.26
Total	56	75.07

Source: Finance Accounts 2023-24.

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⁵⁴Incidental and other expenses which are incurred for the management of an office as an office or for the technical working of a department, other than those which under prescribed rules of classification of expenditure fall under certain head of expenditure. In simpler terms, contingent charges refer to expenses required for incidental or emergent matters in the working of the government.

To the extent of non-submission of DCC bills, the expenditure shown in the Finance Accounts cannot be assessed as actuals or final. Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring. The State Government may put in place a mechanism to ensure timely submission of DC Bills by the DDOs to the Controlling Officers and subsequent transmission of DCC Bills to the Principal Accountant General (A&E), Meghalaya within the timeline as prescribed.

4.5 Personal Deposit Account

PD Accounts are accounts kept at the treasury in a banking deposit account wherein receipts and payments are recorded in personal ledger. As per Rule 392 of the Meghalaya Treasury Rules (MTR), 1985, Personal Deposit (PD) Accounts are created by transferring fund from the Consolidated Fund for discharging the liabilities of the Government arising out of special enactment. The PD accounts enable designated Drawing Officers to incur expenditure for specific purposes pertaining to a scheme. Further, the Rule *ibid* requires PD Accounts created by debit to Consolidated Fund, to be closed at the end of the financial year by minus debit of the balance to the relevant service heads in the Consolidated Fund. In simpler terms, such accounts should be closed at the end of the financial year and the unspent balance should be transferred to the Consolidated Fund. Further, under the Rule *ibid*, if a PD Account is not operated for a considerable period and there is reason to believe that the need for deposit account has ceased, the same should be closed in consultation with the officer in whose favour the deposit account had been opened.

During the year 2023-24, no amount was transferred to the PD Accounts from Consolidated Fund of the State. In Meghalaya, there are PD Accounts, but they relate to sources other than Consolidated Fund of the State such as District Legal Service Authority, Government College, *etc*.

4.6 Indiscriminate use of Minor Head 800

The omnibus Minor Head 800 relating to Other Receipts/Other Expenditure is to be operated only in case where the appropriate Minor Head has not been provided under a Major Head in the accounts. If such instances occur on a regular basis, it is the responsibility of the State Government to discuss with the Principal Accountant General (A&E) and obtain approval to open appropriate Minor Heads. Indiscriminate booking of receipts and expenditure under Minor Head 800 affects transparency and nature of transactions and renders the accounts obscure.

During the year 2023-24, expenditure of ₹2,951.00 crore under 40 Major Heads of accounts, constituting 13.98 *per cent* of the total Revenue and Capital expenditure excluding disbursal of loans (₹21,113.08 crore) was classified under the Minor Head 800-Other Expenditure in the accounts.

Instances of substantial proportion (50 *per cent* or more) of expenditure made from Minor Head 800 – 'Other Expenditure' under the respective Major Heads are summarised in **Table 4.5.**

Table 4.5: Significant expenditure booked under Minor Head 800 – Other Expenditure (2023-24)

(₹ in crore)

		Details of E	Expenditure	,
Major Head	Description	Total Expenditure	Expenditure Booked under 800	Per cent
2575	Other Special Areas Programmes	17.38	10.52	60.55
3451	Sect. Economic Services	553.95	458.91	82.84
4401	Capital Outlay on Crop Husbandry (Share Capital)	8.77	8.77	100.00
5053	Cap. Outlay on Civil Aviation	9.99	5.06	50.64
5054	Cap. Outlay on Roads and Bridges	1197.74	685.51	57.23
5055	Cap. Outlay on Road Transport	3.00	3.00	100.00
5475	Cap. Outlay on Other Gen. Eco. Services	831.98	781.98	93.99
	Total	2,622.81	1,953.74	74.49

Source: Office of the Principal Accountant General (A&E), Meghalaya.

With regard to receipts, ₹ 104.85 crore under 34 Major Heads of Account, constituting 0.58 *per cent* of the total Revenue Receipts (₹ 17,977.86 crore) was classified under 800-Other Receipts in the accounts.

Instances of substantial proportion (50 per cent or more) of receipts in Minor Head 800 – 'Other Receipts' under the respective Major Heads are given in **Table 4.6.**

Table 4.6: Significant Receipts booked under Minor Head 800 – Other Receipts (2023-24)

(₹ in crore)

		Details o	of Receipts	
Major Head	Description	Total Receipts	Receipts booked under 800	Per cent
0049	Interest Receipts	10.77	7.10	65.93
0056	Jails	0.01	0.01	100.00
0059	Public Works	18.44	16.55	89.75
0210	Medical and Public Health	3.68	2.34	63.57
0217	Urban Development	0.22	0.22	100.00
0230	Labour and Employment	3.82	2.50	65.43
0702	Minor Irrigation	0.31	0.30	97.00
0801	Power	6.17	6.17	100.00
1055	Road Transport	0.03	0.03	100.00
1456	Civil Supplies	0.02	0.01	92.72
	Total	43.46	35.23	81.06

Source: Office of the Principal Accountant General (A&E), Meghalaya.

During analysis of booking of expenditure under Minor Head-800, Audit observed that in respect of the Major Heads listed at **Table 4.5**, State Government made provisions for Minor Head-800 in the State Budget as well as approved Supplementary Grants and Reappropriations as detailed in **Table 4.7**.

Table 4.7: Provisioning for Minor Head- 800 in the State Budget

(₹ in crore)

Major Head	Description	Original Budget provision under Minor Head-800	Supp. Grant under Minor Head- 800	Total provision under Minor Head-800	Actual expenditure under Minor Head-800	% of actual expenditure against budget provision
2575	Other Spl. Areas Programmes	36.02	5.00	41.02	10.520	25.65
3451	Sect. Economic Services	923.52	32.00	955.52	458.910	48.03
4401	Capital Outlay on Crop Husbandry	6.50	0.00	6.50	8.770	134.92
5053	Capital Outlay on Civil Aviation	2.00	0.00	2.00	5.060	253.00
5054	Cap. Outlay on Roads and Bridges	854.14	0.00	854.14	685.510	80.26
5055	Cap. Outlay on Road Transport	0.49	3.00	3.49	3.000	85.96
5475	Cap. Outlay on Other Gen. Eco. Services	755.00	300.00	1,055.00	781.980	74.12
	Total	2,577.67	340.00	2,917.67	1,953.75	66.96

Source: Annual Financial Statement, 2023-24.

Table 4.7 illustrates that the State Government provisioned for Minor Head-800 to the tune of ₹ 2,917.67 crore (Original ₹ 2,577.67 crore + Supplementary ₹ 340.00 crore) in the State Budget. Against the total provision of ₹ 2,917.67 crore, State Government booked an expenditure of ₹ 1,953.75 crore (66.96 *per cent*) under Minor Head-800 of the respective seven Major Heads which indicates use of Minor Head-800 in a routine manner.

Audit also examined selected cases of booking under Minor Head 800, and noted that in two instances, valid Minor Heads other than 800, was available in the List of Major and Minor Heads of Account (LMMHA) for booking of these transactions amounting to ₹ 497.06 crore as detailed in **Table 4.8.**

Table 4.8: Booking of expenditure under Minor Head-800 in spite of available suitable Minor Head

Sl. No.	Name of the Department	Major Head	Sub- Major Head	Minor Head	Sub Head Code	Sub-Head Code	Amount (₹ in crore)	Available Minor Heads
1	Public Works	5054	4	800	3	(03) Construction of Rural Roads	153.54	337-Road Works
			4	800	7	(7) PMGSY& PMGSY CSS	343.52	337-Road Works
Total							497.06	

Source: Detailed Appropriation Accounts 2023-24.

Booking of large expenditure under the omnibus Minor Head 800-Other Expenditure can significantly undermine transparency, making it difficult to assess priorities, analyse the quality of expenditure and allocate resources effectively. The State Government should consider allocating funds under available suitable Minor Heads and reduce allocating and booking expenditure under Minor Head 800 for optimised resource allocation and transparency.

4.7 Outstanding balance under major Suspense and DDR heads

Suspense heads are operated in Government accounts to reflect transactions that cannot be booked initially to their final Head of Account for some reason or the other. These are finally cleared by minus debit or minus credit when the amount is taken to its final Head of Account. If the amounts under suspense heads remain unadjusted, the balances under these heads get accumulated resulting in understatement of Government's receipts and payments. Remittances embrace all transactions which are adjusting Heads of Account and the debits or credits under these heads are eventually cleared by corresponding credit or debit within the same or in another circle of accounting.

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/ Works and Forest Divisions, *etc.* The position of gross figures under major suspense and remittance heads for the last three years is given in **Table 4.9.**

Table 4.9: Balances under Suspense and Remittance Heads

(₹ in crore)

Name of Minor Head	2021-22		2022-23		2023-24				
Major Head 8658: Suspense Accounts									
	Dr	Cr	Dr	Cr	Dr.	Cr.			
101- Pay and Accounts Office -	122.05	70.95	162.99	101.29	185.18	120.57			
Suspense	122.03	70.93	102.99	101.29	103.10	120.57			
Net	Dr 51.10		Dr.61.70		Dr. 64.61				
102- Suspense Account (Civil)	4.44	0.07	4.72	0.06	4.09	0.06			
Net	Dr 4.37		Dr. 4.66		4.03				
109- Reserve Bank Suspense - Headquarters	28.04	8.30	23.45	9.67	24.39	9.64			
Net	Dr 19.74		Dr.13.78		Dr. 14.75				
110-Reserve Bank Suspense - Central Accounts Office	120.82	47.92	122.19	48.09	99.82	23.30			
Net	Dr 72.90		Dr.74.10		Dr. 76.52				
112-Tax Deducted at source (TDS) Suspense	0.00	8.83	0.01	9.36	0.11	9.46			
Net	Cr 8	.83	Cr.9.35		Cr. 9.34				
123- A.I.S Officers' Group Insurance Scheme	0.30	0.38	0.31	0.40	0.31	0.41			
Net	Cr 0.08		Cr.0.09		Cr. 0.10				
139- GST-Tax Deducted at source Suspense	-	-	-	-	872.34	1,371.15			
Net	-		-						
	Major Hea	ad: 8782 Ca	sh Remittan	ces					
101 Cash Remittances between Treasuries and Currency Chests	1,097.47	1,097.44	1,097.47	1,097.44	1,097.47	1,097.44			
Net	Dr. 0.03		Dr. 0.03		Dr. 0.03				
102- Public Works Remittances	29,447.34	29,586.87	32,081.96	32,223.18	34,965.28	35,102.58			
Net	Cr 139.53		Cr.141.22		Cr. 137.30				
103-Forest Remittances		3,838.61	34,441.50		4,611.18	4,553.91			
Net	Dr 58.08		Cr.81.41		Dr. 57.27				
Major Head: 8793 Inter-State Suspense Account									
-	5.82	7.96	6.33	7.79	6.97	7.79			
Net	Cr. 2.14		Cr. 1.46		Cr. 0.82				

Source: Office of the Principal Accountant General (A&E), Meghalaya.

Non-clearance of outstanding balances under these heads affects the accuracy of receipt/expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the State Government.

4.8 Non-reconciliation of Departmental figures

To enable Controlling Officers (COs) of the Departments to exercise effective control over spending to keep it within the budget grants and to ensure accuracy of their accounts, the State Financial Rules stipulate those receipts and expenditure during the financial year recorded in their books be reconciled by them every month with that recorded in the books of the Principal Accountant General (A&E).

The status of reconciliation of receipts and expenditure figures by the COs during the three years period 2020-24 is shown in **Chart 4.2** and **Table 4.10**.

(₹ in crore) 17,327.62 2021-22 18,873.56 21,390.11 Expenditur 022-23 21,390.11 25,916.69 023-24 25,957.71 18,180.54 2021-22 18,318.50 Receipts 21,048.88 2022-23 21,065.10 25,496.59 2023-24 25,516.23 ■ Reconciled Receipts/Expenditure ■ Total Receipts/Expenditure

Chart 4.2: Status of reconciliation during the three years 2021-24

Source: Office of the Principal Accountant General (A&E), Meghalaya.

Fully

Total No. of

Controlling

Year

Table 4.10: Status of Reconciliation of Receipts and Expenditure figures

Partially

Not

of reconciled **Expenditure**

Total

(₹ in crore) Percentage

	Officers	Reconciled	Reconclica	at all	/ Receipts	reconcinatio		
	Officers					n		
Expenditure								
2021-22	62	17,327.62	Nil	1,545.94	18,873.56	91.81		
2022-23	63	21,390.11	Nil	-	21,390.11	100.00		
2023-24	62	25,916.69	22.00	19.02	25,957.71	99.84		
Receipts								
2021-22	57	18,180.54	0.49	137.47	18,318.50	99.25		
2022-23	55	21,048.88	15.07	1.15	21,065.10	99.92		
2023-24	54	25,496.59	14.47	5.17	25,516.23	99.92		

Source: Office of the Principal Accountant General (A&E), Meghalaya.

It may be seen from the above table that almost the entire expenditure as well as receipts were reconciled during the current year. The Departments should endeavour to maintain 100 *per cent* reconciliation of receipts and expenditure.

4.9 Reconciliation of Cash Balances

As on 31 March 2024, there was a difference of ₹ 44.29 crore (Debit) between the figures reflected in the accounts and that intimated by the Reserve Bank of India. The difference was due to misclassification by bank/treasury and non-receipt of details of adjustment made by RBI as shown in **Table 4.11**.

Table 4.11: Details of difference between the figures reflected in the accounts and RBI

 1.
 Misclassification by Bank/Treasury
 Dr. 32.19

 2.
 Non-receipt of details of adjustments made by RBI
 Dr. 12.10

 Total
 Dr. 44.29

Source: Finance Accounts, 2023-24.

As of 31 March 2024, there was a difference of ₹ 44.29 crore (debit) between the figures reflected in the accounts and the figures intimated by the RBI.

4.10 Compliance with Accounting Standards

As per Article 150 of the Constitution of India, the President of India may, on the advice of the Comptroller and Auditor General of India, prescribe the form of accounts of the Union and of the States. Further, the Comptroller and Auditor General of India set up Government Accounting Standards Advisory Board (GASAB) in 2002 for formulating standards for government accounting and financial reporting which will enhance the quality of decision-making and public accountability. On the advice of the Comptroller and Auditor General of India, the President of India has so far notified four Indian Government Accounting Standards (IGAS). The details of these standards and the extent of compliance with these by the Government of Meghalaya in its financial statements for the year 2023-24 are given in **Table 4.12.**

Table 4.12: Compliance with Indian Government Accounting Standards

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Deficiency	
1.	IGAS-1: Guarantees Given by the Government – Disclosure requirements	This standard requires the government to disclose the maximum number of guarantees given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding at the end of the year.	Partly Complied -Statement 9 and 20 in Finance Accounts	Details like no. of Guarantees in respect of each sector and class are not indicated.	
2.	IGAS-2: Accounting and Classification of Grants-in- Aid	Grants-in-Aid are to be classified as Revenue Expenditure in the accounts of the grantor and as Revenue Receipts in the accounts of the grantee, irrespective of the end use.	Partly Complied - Statement 10 of Finance Accounts	 (i) Information on GIA in kind has not been furnished by State Government. (ii) Grants-in-Aid for an amount of ₹0.54 crore was booked under Capital Head instead of Revenue Head. 	

Sl. No.	Accounting Standards	Essence of IGAS	Compliance by State Government	Deficiency
3.	IGAS-3: Loans and Advances made by Government	This Standard relates to recognition, measurement, valuation and reporting in respect of loans and advances made by the Government in its Financial Statements to ensure complete, accurate and uniform accounting practices.	Partly Complied - Statement 7 & 18 of Finance Accounts	Loans whose principal repayments and interest payments are in arrears including loans pending since 2000, are not disclosed Loanee entitywise in Statement 18 (Section 2). 'Loans in perpetuity' not disclosed in Statement 7(Section 1).
4.	IGAS-4: Prior Period Adjustments	This Standard relates to disclosure of adjustments of errors in the current period (the financial year) under the cash basis of accounting.	Yet to be fully complied	Disclosures as prescribed under Annexure 1,2 and 3 of IGAS-4 are yet to be attached with State Finance Accounts.

4.11 Submission of Accounts of Autonomous Bodies

Several autonomous bodies have been set up by the State Government in the field of Khadi and Village Industries, Labour, *etc.* The position of annual accounts of seven of the autonomous bodies whose audit was entrusted to the Comptroller and Auditor General of India (CAG) under Section 19 & 20 of DPC Act is given in **Table 4.13.**

Table 4.13: Position of outstanding annual accounts

Name of Autonomous Body	Section of DPC Act under which audit is conducted	Due date for submission of Annual Accounts	Year of Annual Accounts received up to	Outstanding Annual Accounts
Meghalaya Khadi and Village Industries Board (MKVIB)	19 (3)	30 June of every year	2022-23	2023-24
Meghalaya State Electricity Regulatory Commission	19(2)	-do-	2023-24	-
Special Purpose Vehicle Society (SPVS)	20(1)	-do-	2022-23	2023-24
State Compensatory Afforestation Fund Management and Planning Authority (CAMPA)	19(2)	-do-	2021-22	2022-23 2023-24
Meghalaya State Legal Services Authority (MSLSA)	19(2)	-do-	2020-21	2021-22 to 2023-24
Meghalaya Building & other Construction Workers Welfare Board (MBOCWWB)	19(2)	-do-	2022-23	2023-24
Meghalaya State Commission for Protection of Child Rights (MSCPR)	19(2)	-do-	New	2015-16 to 2023-24

In the absence of annual accounts and their audit, proper utilisation of the grants and loans disbursed to those Bodies/Authorities and their accounting cannot be vouched. The Administrative Departments may take steps to clear the arrears in accounts of these bodies.

4.12 Departmental Commercial Undertakings/ Corporations/ Companies

According to Section 394 and Section 395 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM). As soon as may be after such preparation, the Annual Report should be laid before the Houses or both the Houses of the State Legislature together with a copy of the Audit Report and any comments upon or supplement to, the Audit Report, made by the C&AG. Almost similar provisions exist in the respective Acts regulating Statutory Corporations (including Departmental undertakings). Departmental undertakings perform activities of commercial/quasi-commercial nature. They are required to prepare *pro-forma* accounts in the prescribed format annually, showing the working results of operations so that the Government can assess their working. The above mechanism provides the necessary legislative control over the utilisation of public funds invested in the companies and corporations from the Consolidated Fund of the State.

Further, Section 96 of the Companies Act, 2013, requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Section 129 of the Act stipulates that the audited Financial Statement for the financial year has to be placed in the said AGM for their consideration. In terms of the Section 129(7), contravention of the provisions of the said Section shall be punishable with imprisonment upto one year term or with fine or with both.

In the absence of **timely finalisation of accounts**, results of the investment of the Government remain outside the purview of the State Legislature and escape scrutiny by audit. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency cannot be taken in time. Risk of fraud and mis-utilisation of public money cannot be ruled out.

The Heads of Departments in the Government are to ensure that the departmental undertakings prepare such accounts and submit the same to the Principal Accountant General (Audit) within a specified time frame.

However, the C&AG has not received 44 annual accounts of 23 Public Sector Undertakings (due up to 2023-24) for audit as of **September 2024**.

Age-wise pendency of these 44 accounts is given in **Table 4.14** and status of pending accounts in respect of five major departments is given in **Chart 4.3**.

Table 4.14: Age-wise analysis of Annual Accounts due for audit but not submitted

Delay in Number of Years	No. of Accounts
0-1	23
1-3	15
3-6	6
Total	44

Department-wise details of accounts due from Public Sector Undertakings (due up to 2023-24) are given in *Appendix 4.3*.

Transport 4
Power 4
Forests & Environment 4

Commerce and Industries 12
Planning 13

0 2 4 6 8 10 12 14

No. of Accounts Pending

Chart 4.3: No. of Pending Annual Accounts of PSUs pertaining to five major Departments

The Administrative Departments concerned have the responsibility to oversee the activities of these entities and to ensure that the accounts of State PSUs under their control are finalised and adopted by the SPSEs within the stipulated period.

4.13 Timeliness and Quality of Accounts

The accounts of the State Government are compiled by the Principal Accountant General (A&E) from the initial accounts rendered by district treasuries, sub-treasuries, Resident Commissioner (New Delhi), cyber treasury, public works divisions (PWD) and forest divisions, apart from the RBI advice. There are often delays in rendition of monthly accounts. Due to the failure of the account rendering units to furnish accounts on time. Further, some accounts of Forest Department are excluded from the monthly Civil Accounts submitted to the Principal Accountant General (A&E). The position of exclusion of monthly Civil Accounts during 2023-24 is shown in **Chart 4.4.**

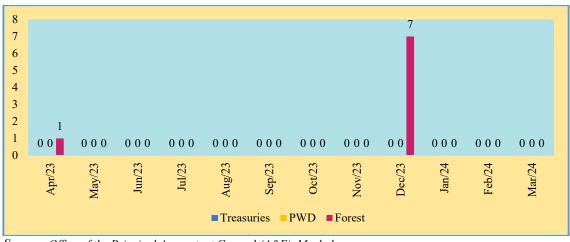


Chart 4.4: Number of accounts excluded from monthly Civil Accounts during 2023-24

Source: Office of the Principal Accountant General (A&E), Meghalaya.

As can be seen from the above, eight accounts of the Forest Department were excluded from monthly Civil Accounts during the year 2023-24 (Appendix 4.4). Exclusion of accounts not only distorts the budgetary position of the Government, but also impacts its monitoring of fund flow to the last mile of implementation, its planned pacing of expenditure on developmental programmes, providing intended benefits to the targeted beneficiaries, functioning of departments, etc. during the year. The State Government needs to monitor the position closely and ensure the rendition of accounts by all the account rendering authorities to the Principal Accountant General (A&E) on a timely basis, to manage its own budget more effectively.

4.14 Misappropriations, losses, thefts, etc.

According to Rule 112 of the Meghalaya Financial Rules, 1981, any defalcation or loss of public money or other property discovered in Government Treasury or other office or department which is under the audit of the Principal Accountant General, should be immediately reported to the Principal Accountant General even when such loss has been made good by the person responsible for it. Further, in all cases of theft, misappropriation, fraud and loss involving Government money, the First Information Report (FIRs) should invariably be lodged with the Police Department.

The State Government reported 74 cases of theft, misappropriation and loss involving Government money amounting to ₹ 0.95 crore up to March 2024 on which final action was pending. A breakup of pending cases and age-wise analysis is given in **Table 4.15.**

Table 4.15: Pending cases of misappropriation, losses, theft, etc.

(₹ in lakh)

	Cases	of		Reasons for the delay in final disposal of pending cases of misappropriation, losses, theft, etc.						
Name of Department	misappropriation/ losses /theft of Government material		Awaiting departmental and criminal investigation		Departmental action initiated but not finalised		Department Action finalised/ Awaiting write off		Pending in the Court of Law	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Public Works	5	17.52	1	-	-	-	4	17.52	-	-
Horticulture	2	21.06	-	-	-	-	2	21.06	-	-
Community & Rural Development	2	4.76	1	1.73	1	3.02	1	-	-	-
Legislative Assembly	2	44.08	1	1	1	1	1	3.34	1	40.74
Land Record and Survey	1	1.56	1	1	1	ı	1	1.56	-	-
Mining & Geology	1	16.55	-	-	-	-	-	-	1	16.55
Finance	1	1.94	-	-	1	1.94	-	-	-	-
Health	3	0.65	-	-	3	0.65	-	-	-	-
Public Health Engineering	57	7.47			55	5.20	2	2.27		
Total	74 ⁵⁵	115.59	2	1.73	60	10.81	10	45.75	2	57.29

Source: Respective Departments of the Government of Meghalaya.

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⁵⁵ Out of 74 cases, in three cases (PWD; one case & Health; two cases) amount was not intimated.

Two cases involving the Meghalaya Legislative Assembly saw the highest misappropriation, with a total of ₹ 44.08 lakh out of the total amount of ₹ 115.59 lakh.

4.15 Follow up action on State Finances Audit Report

The Audit Reports can achieve the desired results only if they evoke positive and adequate response from the administration itself. To ensure accountability of the executive about the issues contained in the Audit Reports, the Public Accounts Committee (PAC) of Meghalaya Legislative Assembly issued instructions (July 1993) for submission of *suo motu* explanatory notes by the concerned administrative departments within one month of presentation of the Audit Reports to the State Legislature.

The State Finances Audit Report (SFAR) for the year ended 31 March 2023 was placed before the State Legislature on 30 August 2024. As per the PAC's instructions above, the administrative departments concerned are required to submit the *suo moto* explanatory notes within one month from 30 August 2024, the date of presentation of the Audit Report to the State Legislature.

The PAC has not taken up the Audit Report for discussion yet (December 2024).

4.16 Conclusion

Audit observed various instances of non-observance of financial rules and procedures, and absence of financial controls.

As on 31 March 2024, 733 UCs for ₹ 4,835.93 crore were outstanding for submission. Major defaulting departments which have not submitted UCs are Community and Rural Development Department (₹ 1,471.97 crore, 30.43 per cent), Health and Family Welfare Department (₹ 1,417.27 crore, 29.31 per cent) and Education Department (₹ 1,245.14 crore, 25.74 per cent).

As of March 2024, 56 DCC bills amounting to ₹75.07 crore were outstanding. Major defaulting departments in this regard are the Election Department and Personnel and Administrative Reforms Department, where AC bills of ₹74.61 crore and ₹0.24 crore respectively remained unadjusted.

During 2023-24, the State Government booked an expenditure of ₹ 2,951.00 crore under 40 Major Heads of accounts constituting 13.98 *per cent* of the total Revenue and Capital expenditure of ₹ 21,113.08 crore. Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

As of 30 September 2024, 44 annual accounts of 23 SPEs were in arrears. In the absence of annual accounts and their audit, proper utilisation of the grants and loans disbursed to those bodies and their accounting cannot be vouched. There were also 74 instances of theft, misappropriation and loss involving Government money amounting to ₹ 115.59 lakh.

4.17 Recommendations

- Strict instructions to ensure submission of UCs in a timely manner to the Finance Department and Principal Accountant General (A&E), Meghalaya may be issued. Further disbursal of grants to Departments may strictly be linked to submission of UCs.
- Finance Department should, in consultation with the Principal Accountant General (A&E), review all items presently appearing under Minor Head 800 to ensure that all such receipts and expenditure are booked under the appropriate heads of account.
- Finance Department should issue strict instructions to ensure compilation and submission of Annual Accounts by Government Bodies, Authorities and Autonomous Bodies to enable this Office to audit them in a timely manner. Further, Financial assistance to those entities who have arrears of Annual Accounts should be linked to timely submission of Accounts to Principal Accountant General (Audit), Meghalaya.

Shillong	(John K. Sellate)
The:	Principal Accountant General (Audit), Meghalaya

Countersigned

New Delhi The:

(K. Sanjay Murthy)
Comptroller and Auditor General of India

APPENDICES

Appendix 1.1: State Profile

(Reference: Paragraph 1.1)

A. G	A. General Data							
Sl. No.	Particulars	Unit	Meghalaya					
1.	Area	sq. km.	22,429					
2.	Population (2011 Census)	Numbers	29,66,889					
3.	Density of Population (All India Average:382)	Per sq. km.	132					
4.	Literacy (All India Average:73.00)	Per cent	74.43					
5.	Gross State Domestic Product (GSDP) 2023-24 at current prices	₹ in crore	53,057					
6.	Per capita GSDP of the State, 2023-24	₹	1,56,326					
7.	Population Below Poverty Line (BPL) 2011-12 (All India Average:21.92 per cent)	Per cent	11.87					
8.	Infant mortality (All India Average = 28 per 1000 live births) (2018-2020)	Per 1000 live births	29					

Source: Directorate of Economics and Statistics, Government of Meghalaya.

B. Financial Data								
		2013-14 t	o 2023-24	Growth in 2	2023-24 over			
	Particulars	CA	GR	202	2-23			
		NE & HS	Meghalaya	NE & HS	Meghalaya			
(a)	Revenue Receipts	10.59	11.11	4.79	21.31			
(b)	Own Tax Revenue	10.76	12.98	12.61	21.35			
(c)	Non-Tax Revenue	8.37	(-)1.33	6.60	14.44			
(d)	Total Expenditure	10.93	12.24	4.25	19.91			
(e)	Capital Expenditure	12.45	15.12	18.00	64.60			
(f)	Revenue Expenditure on Education	9.25	11.13	3.26	8.15			
(g)	Capital Expenditure on Education	13.32	11.45	49.81	(-)60.69			
(h)	Revenue Expenditure on Health & Family Welfare	13.09	16.17	(-)4.04	8.93			
(i)	Capital Expenditure on Health & Family Welfare	11.81	(-)4.59	3.14	87.50			
(j)	Salaries and Wages	8.41	8.43	3.32	3.65			
(k)	Pension	14.80	14.78	3.16	6.99			

Source: Brief on the Finances of the State for the State Finance Audit Report compiled by the Economic Division of the Office of the Comptroller and Auditor General of India.

APPENDIX 2.1 Time Series Data on State Government Finances (Reference: Paragraphs 2.4.2.2)

(₹ in crore)

					(₹ in crore)
Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Part A – Receipts					
1. Revenue Receipts	9,413.52	10,683.24	14,274.14	14,819.87	17,977.86
(i) Own Tax Revenue	1,891.25	2,072.56	2,300.38	2,650.67	3,216.53
	(20.09)	(19.40)	(16.12)	(17.89)	(17.89)
State Goods and	909.78	822.81	1,117.94	1,477.03	1,723.06
Services Tax (SGST)	(48.10)	(39.70)	(48.60)	(55.72)	(53.57)
Sales Tax	567.13	725.09	718.89	621.78	836.93
Sales Tax	(29.99)	(34.99)	(31.25)	(23.46)	(26.02)
State Excise	276.27	375.38	308.00	365.16	458.20
State Excise	(14.61)	(18.11	(13.39	(13.78	(14.25
Taxes on Vehicles	99.24	78.63	99.42	131.51	144.56
Taxes on Vehicles	(5.25)	(3.79)	(4.32)	(4.96)	(4.49)
Stamps and	20.34	31.56	27.06	28.16	26.30
Registration fees	(1.08)	(1.52)	(1.18)	(1.06)	(0.82)
Land Revenue	1.00	21.29	9.83	4.91	4.71
Land Revenue	(0.05)	(1.03)	(0.43)	(0.19)	(0.15)
Taxes on Goods and	9.13	10.72	12.54	14.05	13.59
Passengers	(0.48)	(0.52)	(0.55)	(0.53)	(0.42)
Od. T	8.36	7.08	6.70	8.07	9.18
Other Taxes	(0.44)	(0.34)	(0.29)	(0.30)	(0.29)
(11) N	530.11	523.17	524.58	456.61	523.25
(ii) Non-Tax Revenue	(5.63)	(4.90)	(3.68)	(3.08)	(2.91)
(iii) State's share of	` ` `	ì	•	•	
Union Taxes and	4,211.78	4,551.63	6,580.63	7,286.14	8,663.22
Duties	(44.74)	(42.61)	(46.10)	(49.16)	(48.19)
(iv) Grants-in-Aid from	2,780.38	3,535.88	4,868.55	4,426.45	5,574.86
Government of India	(29.54)	(33.10)	(34.11)	(29.87)	(31.01)
2. Miscellaneous	0.00	0.00	0.00	0.00	
Capital Receipts					0.00
3. Recoveries of Loans	21.22	25.55	24.41	24.55	24.02
and Advances	31.32	27.77	24.41	24.55	24.03
4. Total revenue and					
Non-debt Capital	9,444.84	10,711.01	14,298.55	14,844.42	18,001.89
Receipts (1+2+3)		,	,	ŕ	ŕ
5. Public Debt Receipts	1,496.02	2,441.89	4,019.95	6,220.68	7,514.34
Internal Debt (excluding					
Ways and Means	1,480.24	2,096.53	2,435.49	3,312.96	3,419.28
Advances and	(98.95)	(85.86)	(60.59)	(53.26)	(45.50)
Overdrafts)		` ′	, ,	, , ,	` ,
Ways and Means	NIL	NIL	1,069.93	1,803.07	2,733.89
Advances and Overdraft			(26.62)	(28.99)	(36.38)
Loans and Advances	15.50	245.26	-		
from Government of	15.78	345.36	514.53	1,104.65	1,361.17
India	(1.05)	(14.14)	(12.80)	(17.76)	(18.11)
6. Total receipts in the					
Consolidated Fund	10,940.86	13,152.90	18,318.50	21,065.10	25,516.23
(4+5)	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	- ,		,	,
7. Contingency Fund	2.05		***	1 150 01	
Receipts	0.00	1.96	200.00	1,458.81	662.66
8. Public Accounts	2.000.45	4 =00 00	7 000 07	4.00=.00	# # / A / A
Receipts	3,868.45	4,799.03	5,098.35	4,835.03	5,562.43

9. Total receipts of the State (647-8) (87-80)	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Part B - Expenditure		14,809.31	17,953.89	23,616.85	27,358.94	31,741.32
10. Revenue 9,565.12 11,498.62 13,620.22 14,863.77 16,583.54 Plan						
Part		0.5(5.12	11 400 (2	12 (20 22	14 972 77	1 (502 54
Non-Plan		9,505.12	11,498.02	13,020.22	14,803.77	10,583.54
General Services (18.40) (18.4				•••	•••	
(including Interest 3,607,0 4,000,97 4,435,50 5,000,57 5,436,27 5,246,27 5,254,27 5,2	Non-Plan					
(metuning interest payments) (38.34) (34.80) (32.70) (34.25) (33.14) payments) (38.94) (34.80) (32.70) (34.25) (33.14) payments) (38.94) (37.80) (38.88) (37.76) (36.36) (38.94) (37.80) (38.88) (37.76) (36.36) (38.94) (37.80) (38.88) (37.76) (36.36) (38.94) (37.80) (38.88) (37.76) (36.36) (38.94) (38.94) (41.61.12 5.057.49) (28.72) (28.00) (30.50) (31.12) (28.72) (28.00) (30.50) (31.12) (28.72) (28.00) (30.50) (31.12) (1	3 667 70	4 000 97	4.453.90	5 090 57	5 496 29
Social Services (3.8.94) (37.80) (28.272) (28.00) (30.50) Economic Services (22.72) (27.40) (28.72) (28.00) (30.50) I. Capital Expenditure (Capital Outlay) Plan			· · · · · · · · · · · · · · · · · · ·	,	· · · · · · · · · · · · · · · · · · ·	-
Economic Services (38,94) (37,80) (38,58) (37,76) (36,36)	payments)	` ′	` ′		1 1	1
Commin Services	Social Services					
11. Capital 939.71 1,734.05 2,751.79 2,742.28 4,529.54						
11. Capital Expenditure (Capital Outlay) 1.734.05 2.751.79 2.742.28 4.529.54	Economic Services					
Expenditure (Capital Outlay)	11.0.4.1	(22.72)	(27.40)	(28.72)	(28.00)	(30.50)
Plan	Expenditure (Capital	939.71	1,734.05	2,751.79	2,742.28	4,529.54
Non-Plan						
General Services						•••
Contingency Fund Contingency	Non-Plan					
Contingency Fund Contingency	Community of	47.73	132.33	171.59	137.14	168.58
Social Services	General Services	(5.08)	(7.63)	(6.24)	(5.00)	(3.72)
Conomic Services Conomic Services Sos. 290	Conial Cambre				` /	
12. Disbursement of Loans and Advances 43.78 81.90 85.33 34.52 41.02 13. Total Expenditure (10+11+12) 10,548.61 13,314.57 16,457.34 17,640.57 21,154.10 14. Repayments of Public Debt 418.71 487.52 2,216.20 3,749.54 4,803.61 Internal Debt (excluding Ways and Means 393.22 465.88 1,122.62 1,923.25 2,306.08 Advances and (93.91) (95.56) (50.66) (51.29) (48.01) Overdrafts	Social Services	(31.19)	(31.12)	(43.38)	(31.89)	(24.79)
12. Disbursement of 13.78 181.90 185.33 185.21 19.20 19.	Economia Sarvicas	598.90	1,062.07	1,386.40	1,730.67	3,238.02
Loans and Advances 43.78 81.90 85.33 34.52 41.02		(63.73)	(61.25)	(50.38)	(63.11)	(71.49)
13. Total Expenditure (10+11+12) 10,548.61 13,314.57 16,457.34 17,640.57 21,154.10 14. Repayments of Public Debt 418.71 487.52 2,216.20 3,749.54 4,803.61 15. Total Expenditure (10+11+12) 14. Repayments of Public Debt 418.71 487.52 2,216.20 3,749.54 4,803.61 15. Advances and Debt (excluding Ways and Means Advances and (93.91) (95.56) (50.66) (51.29) (48.01) 16. Advances and Overdraft (48.28) (48.09) (51.48) 17. Loans and Advances and Overdraft (48.28) (48.09) (51.48) 18. Appropriation to Contingency Fund (6.09) (4.44) (1.07) (0.62) (0.51) 15. Appropriation to Contingency Fund (13+14+15) (10,967.32) 13,802.09 18,873.54 21,390.11 25,957.71 17. Contingency Fund (13+14+15) (19,67.32) 13,802.09 18,873.54 21,390.11 25,957.71 19. Total disbursement (19. Total disbursements 4,049.12 4,594.56 4,948.45 4,348.51 5,200.60 19. Total disbursement (19. Total dis		13.78	81 90	85 33	34 52	41.02
10+11+12 10,546.01 13,514.57 16,457.34 17,640.57 21,154.10 14. Repayments of Public Debt 418.71 487.52 2,216.20 3,749.54 4,803.61 1.10		43.76	01.70	63.33	34.32	41.02
14. Repayments of Public Debt 418.71		10,548.61	13,314.57	16,457.34	17,640.57	21,154.10
Public Debt		A19 71	197 52	2 216 20	3 740 54	4 803 61
Ways and Means 393.22 465.88 1,122.62 1,923.25 2,306.08 Advances and Overdrafts (93.91) (95.56) (50.66) (51.29) (48.01) Ways and Means 0.00 0.00 1,069.92 1,803.07 2,472.97 Advances and Overdraft (48.28) (48.09) (51.48) Loans and Advances from Government of India (6.09) (4.44) (1.07) (0.62) (0.51) 15. Appropriation to Contingency Fund 0.00 0.00 200.00 0.00 0.00 0.00 16. Total disbursement out of Consolidated Fund (13+14+15) 10,967.32 13,802.09 18,873.54 21,390.11 25,957.71 17. Contingency Fund disbursements 1.96 0.00 0.00 1,458.81 662.66 18. Public Account disbursements 4,049.12 4,594.56 4,948.45 4,348.51 5,200.60 19. Total disbursement by the State (16+17+18) 15,018.40 18,396.65 23,821.99 27,197.43 31,820.97 20. Revenue Surplus (+)/Deficit (-) (1-10) (-)151.60 (-)815.38 <t< td=""><td></td><td>410.71</td><td>407.32</td><td>2,210.20</td><td>3,747.34</td><td>4,005.01</td></t<>		410.71	407.32	2,210.20	3,747.34	4,005.01
Advances and Overdrafts) Ways and Means Advances and Overdraft Loans and Advances from Government of India 15. Appropriation to Contingency Fund disbursements 17. Contingency Fund disbursements 18. Public Account disbursements 19. Total disbursement 20. Revenue Surplus (-)151.60 (-)815.38 653.92 (-)43.90 (-)2.796.15 (-)3.152.21						
Overdrafts) Ways and Means 0.00 0.00 1,069.92 (48.28) 1,803.07 (48.09) 2,472.97 (51.48) Loans and Advances from Government of India 25.49 (6.09) 21.64 (4.44) 23.65 (1.07) 23.22 (0.51) 24.56 (0.51) 15. Appropriation to Contingency Fund 0.00 0.00 200.00 0.00 0.00 0.00 16. Total disbursement out of Consolidated Fund (13+14+15) 10,967.32 13,802.09 18,873.54 21,390.11 25,957.71 17. Contingency Fund disbursements 1.96 0.00 0.00 1,458.81 662.66 18. Public Account disbursements 4,049.12 4,594.56 4,948.45 4,348.51 5,200.60 19. Total disbursement by the State (16+17+18) 15,018.40 18,396.65 23,821.99 27,197.43 31,820.97 20. Revenue Surplus (+) /Deficit (-) (1-10) (-)151.60 (-)815.38 653.92 (-)43.90 1,394.32 21. Fiscal Deficit (-) (-)1.103.77 (-)2.603.56 (-)2.158.79 (-)2.796.15 (-)3.152.21						*
Ways and Means 0.00 0.00 1,069.92 (48.28) 1,803.07 (48.09) 2,472.97 (51.48) Loans and Advances from Government of India 25.49 (6.09) 21.64 (3.365 (1.07)) 23.22 (0.62) 24.56 (0.51) 15. Appropriation to Contingency Fund 0.00 0.00 200.00 0.00 0.00 16. Total disbursement out of Consolidated Fund (13+14+15) 10,967.32 13,802.09 18,873.54 21,390.11 25,957.71 18. Public Account disbursements 4,049.12 4,594.56 4,948.45 4,348.51 5,200.60 19. Total disbursement by the State (16+17+18) 15,018.40 18,396.65 23,821.99 27,197.43 31,820.97 20. Revenue Surplus (+) /Deficit (-) (1-10) (-)151.60 (-)815.38 653.92 (-)43.90 1,394.32 21. Fiscal Deficit (-) (-)1.103.77 (-)2.603.56 (-)2.158.79 (-)2.796.15 (-)3.152.21		(93.91)	(95.56)	(50.66)	(51.29)	(48.01)
Advances and Overdraft C48.28 C48.09 C51.48 Loans and Advances from Government of India C6.09 C4.44 C1.07 C0.62 C0.51 India C6.09 C4.44 C1.07 C6.00 C0.00 C0.00 C0.00 India C6.00 C6.00 C6.00 C6.00 C6.00 India C6.00 C6.00 C6.00 C6.00 C6.00 C6.00 C6.00 C6.00 India C6.00 C6.00 C6.00 C6.00 C6.00 C6.00 C6.00 C6.00 India C6.00 C6.0		0.00	0.00	1.060.02	1 002 07	2 452 05
Loans and Advances 25.49 21.64 23.65 23.22 24.56 (0.62) (0.62) (0.51)		0.00	0.00			
from Government of India (6.09) (4.44) (23.65 (0.62) (0.51) (0.62) (0.51) (1.07) (0.62) (0.51) (1.07) (1.07) (0.62) (0.51) (1.07				(48.28)	(48.09)	(51.48)
India (6.09) (4.44) (1.07) (0.02) (0.31) 15. Appropriation to Contingency Fund 10,967.32 13,802.09 18,873.54 21,390.11 25,957.71 16. Total disbursement out of Consolidated Fund (13+14+15) 17. Contingency Fund disbursements 1.96 0.00 0.00 1,458.81 662.66 18. Public Account disbursements 4,049.12 4,594.56 4,948.45 4,348.51 5,200.60 19. Total disbursement by the State 15,018.40 18,396.65 23,821.99 27,197.43 31,820.97 16+17+18 20. Revenue Surplus (+) /Deficit (-) (1-10) (-)151.60 (-)815.38 653.92 (-)43.90 1,394.32 21. Fiscal Deficit (-) (-)1.103.77 (-)2.603.56 (-)2.158.79 (-)2.796.15 (-)3.152.21		25.49	21.64	23.65	23.22	24.56
15. Appropriation to Contingency Fund 16. Total disbursement out of Consolidated Fund (13+14+15) 17. Contingency Fund disbursements 1.96 1.97 1.96 1.9		(6.09)	(4.44)	(1.07)	(0.62)	(0.51)
Contingency Fund 16. Total disbursement out of Consolidated Fund (13+14+15) 17. Contingency Fund disbursements 1.96 1.97 1.97 1.98 1.99 1.394.32 1.394.32 1.394.32 1.394.32 1.394.32 1.396.65 1.39						
disbursement out of Consolidated Fund (13+14+15) 10,967.32 13,802.09 18,873.54 21,390.11 25,957.71 17. Contingency Fund disbursements 1.96 0.00 0.00 1,458.81 662.66 18. Public Account disbursements 4,049.12 4,594.56 4,948.45 4,348.51 5,200.60 19. Total disbursement by the State (16+17+18) 15,018.40 18,396.65 23,821.99 27,197.43 31,820.97 16+17+18) Part C - Deficits 653.92 (-)43.90 1,394.32 20. Revenue Surplus (+) /Deficit (-) (1-10) (-)151.60 (-)815.38 653.92 (-)43.90 1,394.32 21. Fiscal Deficit (-) (-)11.103.77 (-)2.603.56 (-)2.158.79 (-)2.796.15 (-)3.152.21		0.00	0.00	200.00	0.00	0.00
Consolidated Fund (13+14+15) 17. Contingency Fund disbursements 1.96 1.96 0.00 0.00 1,458.81 662.66 18. Public Account disbursements 4,049.12 4,594.56 4,948.45 4,348.51 5,200.60 19. Total disbursement by the State (16+17+18) Part C - Deficits 20. Revenue Surplus (+) /Deficit (-) (1-10) (-)151.60 (-)815.38 653.92 (-)2.796.15 (-)2.796.15 (-)3.152.21	16. Total					
Consolidated Fund (13+14+15) 17. Contingency Fund disbursements 1.96 0.00 0.00 1,458.81 662.66 18. Public Account disbursements 4,049.12 4,594.56 4,948.45 4,348.51 5,200.60 19. Total disbursement by the State (16+17+18) Part C - Deficits 20. Revenue Surplus (+) /Deficit (-) (1-10) (-)151.60 (-)815.38 653.92 (-)2.796.15 (-)2.796.15 (-)3.152.21	disbursement out of	10 067 32	13 802 00	19 973 54	21 300 11	25 057 71
17. Contingency Fund disbursements 1.96 0.00 0.00 1,458.81 662.66 18. Public Account disbursements 4,049.12 4,594.56 4,948.45 4,348.51 5,200.60 19. Total disbursement by the State (16+17+18) 15,018.40 18,396.65 23,821.99 27,197.43 31,820.97 Part C - Deficits 20. Revenue Surplus (+) /Deficit (-) (1-10) (-)151.60 (-)815.38 653.92 (-)43.90 1,394.32 21. Fiscal Deficit (-) (-)1103.77 (-)2,603.56 (-)2,158.79 (-)2,796.15 (-)3,152.21	Consolidated Fund	10,907.32	13,002.09	10,073.34	21,390.11	23,937.71
disbursements 1.96 0.00 0.00 1,458.81 662.66 18. Public Account disbursements 4,049.12 4,594.56 4,948.45 4,348.51 5,200.60 19. Total disbursement by the State (16+17+18) 15,018.40 18,396.65 23,821.99 27,197.43 31,820.97 20. Revenue Surplus (+) /Deficit (-) (1-10) (-)151.60 (-)815.38 653.92 (-)43.90 1,394.32 21. Fiscal Deficit (-) (-)1.103.77 (-)2.603.56 (-)2.158.79 (-)2.796.15 (-)3.152.21	(13+14+15)					
18. Public Account disbursements 4,049.12	17. Contingency Fund	1.00	0.00	0.00	1 450 01	((2)((
disbursements 4,049.12 4,594.56 4,948.45 4,348.51 5,200.60 19. Total disbursement by the State (16+17+18) 15,018.40 18,396.65 23,821.99 27,197.43 31,820.97 Part C - Deficits 20. Revenue Surplus (+) /Deficit (-) (1-10) (-)151.60 (-)815.38 653.92 (-)43.90 1,394.32 21. Fiscal Deficit (-) (-)1.103.77 (-)2.603.56 (-)2.158.79 (-)2.796.15 (-)3.152.21	disbursements	1.96	0.00	0.00	1,458.81	662.66
19. Total disbursement by the State (15,018.40 18,396.65 23,821.99 27,197.43 31,820.97 (16+17+18) Part C - Deficits 20. Revenue Surplus (+) /Deficit (-) (1-10) (-)151.60 (-)815.38 653.92 (-)43.90 1,394.32 (-)2.603.56 (-)2.158.79 (-)2.796.15 (-)3.152.21		4 049 12	4 594 56	4 948 45	4 348 51	5 200 60
by the State (16+17+18)	disbursements	7,077.12	7,374.30	7,770.73	7,576.51	3,200.00
by the State (16+17+18)	19. Total disbursement					
Color of the image Color o		15,018.40	18,396.65	23,821.99	27,197.43	31,820.97
20. Revenue Surplus (-)151.60 (-)815.38 (653.92 (-)43.90 1,394.32 (-)2.603.56 (-)2.603.56 (-)2.158.79 (-)2.796.15 (-)3.152.21	(16+17+18)					
20. Revenue Surplus (-)151.60 (-)815.38 (653.92 (-)43.90 1,394.32 (-)2.603.56 (-)2.603.56 (-)2.158.79 (-)2.796.15 (-)3.152.21	Part C – Deficits					
(+) /Deficit (-) (1-10) (-)151.60 (-)815.38 653.92 (-)43.90 1,394.32 (-)3.152.21 (-)2.603.56 (-)2.158.79 (-)2.796.15 (-)3.152.21		()151 (0	()017.20	(F3.03	() 42.00	1 204 22
21. Fiscal Deficit (-) (-)1.103.77 (-)2.603.56 (-)2.158.79 (-)2.796.15 (-)3.152.21		(-)151.60	(-)815.38	653.92	(-)43.90	1,394.32
1 (-11.103.77) (-12.003.70) (-12.176.79) (-12.790.17) (-13.174.21)		()1 102 77	()2 602 56	()2 150 70	()2.706.15	()2 152 21
	(4-13)	(-)1,103.77	(-)2,003.30	(-)2,130.79	(-)2,/90.15	(-)3,132.21

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
22. Primary Deficit (-)/Surplus (+) (21+23)	(-)345.26	(-)1,744.64	(-)1,195.52	(-)1,767.63	(-)2,014.11
Part D – Other Data					
23. Interest Payments (included in Revenue Expenditure)	758.51	858.92	963.27	1,028.52	1,138.10
24. Financial Assistance to local bodies, <i>etc</i> .	1,821.20	2,556.43	3,065.57	3,543.90	3,576.17
25. Ways and Means Advances/Overdraft availed (days)	0.00	0.00	42.00	130.00	121.00
26. Interest on WMA/Overdraft	0.00	0.00	1.68	1.28	2.12
27. Gross State Domestic Product (GSDP) ⁵⁶	34,770	33,776	40,222	46,551	53,057
28. Rate of Growth of GSDP	8.06	(-)2.86	19.08	15.74	13.98
29. Outstanding labilities (year-end)	11,533.78	13,618.73	<u>15,481.09</u> 57	18,442.3258	21,520.31
Non-Interest-Bearing Debt (SASCI Loans, Reserve funds and deposits)	1,013.60	1,273.81	1,577.48	2,997.60	4,513.31
Overall Liability or Overall Debt (excluding Non-Interest-Bearing Debt')	10,520.18	12,344.92	13,903.61	15,444.72	17,007.00
30. Rate of Growth of Outstanding Debt	8.57	18.08	13.67	19.13	16.69
31. Outstanding guarantees (year-end) including interest	1,120.14	3,060.99	2,980.44	2,977.53	2,908.20
32. Maximum amount guaranteed (year-end)	1,369.80	3,093.40	3,055.44	2,980.44	2,980.44
33. Number of incomplete projects	155	103	124	235	229
34. Capital blocked in incomplete projects	1,263.14	2,825.48	1,661.30	613.95	2,585.66
35. Total Debt Receipts	1,496.02	2441.89	4,019.95	6,220.68	7,514.34
36. Total Debt Payments (Including Interest on Public Debt)	1029.99	1184.14	3022.73	4612.47	5766.57
37. Net Debt available to the State (35-36)	466.03	1257.75	997.22	1608.21	1747.77
Part E – Fiscal Health Indicator (in per cent)					
I. Resource Mobilisation					
Own Tax Revenue/GSDP	5.44	6.14	5.72	5.69	6.06
Own Non-Tax Revenue/GSDP	1.52	1.55	1.30	0.98	0.99

 $^{^{56}}$ GSDP as per the Directorate of Economics and Statistics, Government of Meghalaya. 57 Excludes back-to-back loans of ₹ 112 crore given by GoI in lieu of compensation of GST without any repayment obligations.
⁵⁸ Excludes back-to-back loans of ₹ 253.16 crore given by GoI in lieu of compensation of GST without any

repayment obligations.

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Central Transfers	20.11	23.94	28.46	25.16	26.84
⁵⁹ /GSDP	20.11	23.74	20.40	23.10	20.04
II. Expenditure					
Management					
Total	30.34	39.42	40.92	37.90	39.87
Expenditure/GSDP					
Total Expenditure/Revenue	112.06	124.63	115 20	110.02	117.67
Receipts	112.06	124.03	115.29	119.03	117.67
Revenue					
Expenditure/Total	90.68	86.36	82.76	84.26	78.39
Expenditure			0=1,1	J	, , , ,
Expenditure on Social					
Services	38.08	36.70	39.18	36.77	33.81
(Revenue+Capital)/Total	36.06	30.70	39.10	30.77	33.61
Expenditure					
Expenditure on					
Economic Services	26.69	32.26	32.71	33.59	39.41
(Revenue+Capital) 60/					
Total Expenditure Capital Expenditure					
(Capital Outlay)/Total	8.91	13.02	16.72	15.55	21.41
Expenditure	6.71	13.02	10.72	15.55	21.71
Capital Expenditure					
(Capital Outlay) on					
Social and Economic	8.46	12.03	15.68	14.77	20.62
Services/Total					
Expenditure					
III. Management of					
Fiscal Imbalances			1.62	0.00	
Revenue Deficit (-) or	(-)0.44	(-)2.41	1.63	-0.09	2.63
Surplus (+) / GSDP Fiscal Deficit (-) / GSDP	(-)3.17	(-)7.71	-5.37	-6.01	(-)5.94
Primary Deficit (-)			-2.97		
Surplus (+) / GSDP	(-)0.99	(-)5.17	-2.77	-3.80	(-)3.80
Revenue Deficit (-)					
Surplus (+) / Fiscal	13.73	31.32	(-)30.29	1.57	(-)44.23
Deficit			· · ·		X,
Primary Revenue	1.75	0.13	4.02	2.12	4.77
Balance 61/GSDP	1./3	0.13	4.02	2.12	4.//
IV. Management of					
Fiscal Liabilities	22.15	10.25	20.10	20.52	10 = 5
Fiscal Liabilities/GSDP	33.17	40.32	38.49	39.62	40.56
Fiscal Liabilities/RR	122.52	127.48	108.46	124.44	119.70
Primary Deficit vis-à-vis quantum spread 62 (₹ in	(-)312.56	(-)3,037.67	520.61	(-)209.95	(-)469.19
crore)	(-)312.30	(-)3,037.07	320.01	(-)209.93	(-)409.19
Debt Repayment					
(Principal +Interest)/	68.85	48.49	75.27	74.15	76.74
Total Debt Receipts	-00.03		, 5.27	,13	, , , , ,
V. Other Fiscal Health					
Indicators					
Return on Investment	0.01	0.00	0.01	0.01	0.00
(per cent)	0.01	0.00	0.01	0.01	0.00

State's share of central taxes and grants-in-aid from Government of India.
Including loans and advances.
Revenue Receipts – (Revenue Expenditure – Interest Payments).
Quantum Spread = Debt*(GSDP growth rate-Interest rate)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	
Balance from Current	(-)2,879.43	(-)4,292.84	(-)4,220.05	(-)4,176.16	(-)5,570.48	
Revenue (₹ in crore)	(-)2,679.43	(-)4,292.04	(-)4,220.03	(-)4,170.10	(-)3,3/0.48	
Financial						
Assets/Liabilities	1.65	1.40	1.25	1.21		
(Ratio)						
Grant-in Aid by State	2 001 25	2 900 02	4 204 52	4 962 14	6 106 50	
Government	2,881.35	3,809.02	4,304.53	4,863.14	6,186.58	

Note: Figures in brackets represent percentages (rounded) to total of each sub-heading.

APPENDIX 3.1

Glossary of important Budget related terms

(Reference: Paragraph 3.1)

- 'Accounts' or 'actuals' of a year. are the amounts of receipts and disbursements for the financial year beginning on April 1st and ending on March 31st following, as finally recorded in the Accounting authority's books (as audited by C&AG). Provisional Accounts refers to the unaudited accounts.
- 'Administrative approval' of a scheme, proposal or work. is the formal acceptance thereof by the competent authority for the purpose of incurring expenditure. Taken with the provision of funds in the budget, it operates as a financial sanction to the work during that particular year in which the Administrative Approval is issued.
- 'Annual financial statement' Also referred to as Budget means the statement of estimated receipts and expenditure of the Central/State Government for each financial year, laid before the Parliament /State Legislature.
- 'Appropriation' means the amount authorised by the Parliament/State Legislature for expenditure under different primary unit of appropriation or part thereof placed at the disposal of a disbursing officer.
- 'Charged Expenditure' means such expenditure as is not to be submitted to the vote of the Legislature under the provisions of the Constitution.
- 'Consolidated Fund of India/ State- All revenues of the Union/State Government, loans raised by it and all moneys received in repayment of loans form the Consolidated Fund of India/ State. No moneys out of this Fund can be appropriated except in accordance with the law and for the purposes and in the manner provided in the Constitution.
- 'Contingency Fund' is in the nature of an imprest. The Contingency Fund is intended to provide advances to the executive /Government to meet unforeseen expenditure arising in the course of a year pending its authorisation by the Parliament/State Legislature. The amounts drawn from the Contingency Fund are recouped after the Parliament/State Legislature approves it through the Supplementary Demands.
- 'Controlling Officer (budget)'- means an officer entrusted by a Department with the responsibility of controlling the incurring of expenditure and/or the collection of revenue. The term includes the Heads of Department and also the Administrators.
- 'Drawing and Disbursing Officer' (DDO) means a Head of Office and also any other Officer so designated by the Finance Department of the State Government, to draw bills and make payments on behalf of the State Government. The term shall also include a Head of Department where he himself discharges such function
- **'Excess Grant'** Excess grant means the amount of expenditure over and above the provision allowed through the original/supplementary grant, that requires regularisation by obtaining excess grant from the Parliament /State Legislature under Article 115/205 of the Constitution.
- 'New Service' As appearing in Article 115(1)(a)/205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to the notice

- of Parliament/State Legislature earlier, including a new activity or a new form of investment.
- 'New Instrument of Service'- means relatively large expenditure arising out of important expansion of an existing activity.
- 'Public Accounts'- means the Public Account referred to in Article 266(2) of the Constitution. The receipts and disbursements such as deposits, reserve funds, remittances, etc. which do not form part of the Consolidated Fund are included in the Public Account. Disbursements from the Public Account are not subject to vote by the Parliament/State Legislature, as they are not moneys issued out of the Consolidated Fund of India/State.
- **'Re-appropriation'** means the transfer, by a competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged appropriation.
- 'Revised Estimate' is an estimate of the probable receipts or expenditure for a financial year, framed in the course of that year, with reference to the transactions already recorded and anticipation for the remainder of the year in the light of the orders already issued.
- **'Supplementary Demands for Grants'** means the statement of supplementary demands laid before the legislature, showing the estimated amount of further expenditure necessary in respect of a financial year over and above the expenditure authorised in the Annual Financial Statement for that year. The demand for supplementary may be token, technical or substantive/cash.
- **Cash Supplementary** is over and above the original budget provisions and results in enhancement of the allocation for the Demand/Grant. It should be obtained as a last resort and after proper due diligence. Presently, this method is followed by the State.

There are four Sections in each Demand i.e., Revenue Voted, Revenue Charged, Capital Voted and Capital Charged. **Technical Supplementary**, after obtaining the approval of the State Legislature, allows to utilise the savings of one of the Sections for any other Section.

Token Supplementary allows to utilise the savings within the same section of the grant.

- 'Major Head' means a Major Head of account for the purpose of recording and classifying the receipts and disbursements of the State. A Major Head, particularly the one falling within the Consolidated Fund, generally corresponds to a 'function' of Government such as Agriculture, Education, Health, etc.
- "Sub-Major Head" means an intermediate head of account introduced between a Major Head and the Minor Heads under it, when the Minor Heads are numerous and can conveniently be grouped together under such intermediate Head.
- 'Minor Head' means a head subordinate to a Major Head or a Sub-Major Head. A Minor Head subordinate to a Major Head identifies a "programme" undertaken to achieve the objectives of the function represented by the Major Head.
- "Sub-Head" means a unit of account next subordinate to a Minor Head which normally denotes the scheme or organisation under that Minor Head or programme.
- 'Major Work' means an original work, the estimated cost of which exclusive of departmental charges exceeds the amount as notified by the Government from time to time.

- 'Minor Work' means an original work, the estimated cost of which exclusive of departmental charges does not exceed the amount as notified by the Government from time to time.
- "Modified Grant or Appropriation" means the sum allotted to any Sub-Head of Appropriation as it stands after Re-Appropriation or the sanction of an Additional or Supplementary Grant by competent authority.
- "Supplementary or Additional Grant or Appropriation" means a provision included in an Appropriation Act, during the course of a financial year, to meet expenditure in excess of the amount previously included in an Appropriation Act for that year.
- "Schedule of New Expenditure" means a statement of items of new expenditure proposed for inclusion in the Budget for the ensuing year.
- "Token demand" means a demand made to the Assembly for a nominal or token sum when, for example, it is proposed to meet the entire expenditure on a new service from savings out of the sanctioned budget grant.

Appendix 3.2 Details of cases where Supplementary Provision proved unnecessary (Reference: Paragraph 3.3.3)

(₹ in crore)

Sl. No.	Name of the Grant	Original provision	Supplemen- tary	Actual Expenditure	Savings out of Original Provision		
Reve	nue-Voted						
1	6-Administration of Land Revenue, Land Ceilings <i>etc</i> .	185.02	0.10	52.12	132.90		
2	13-Administration of The Secretariat - General and Economic Services	141.10	1.67	135.79	5.31		
3	14-Administration of The Administrative Services	81.40	8.55	75.71	5.69		
4	15-Treasury and Accounts Administration	59.64	1.30	58.48	1.16		
5	16-Administration of Civil Police and Fire Protection Services	1,248.17	48.30	1,177.26	70.92		
6	17-Administration of Jails	26.64	1.27	21.35	5.29		
7	20-Administration of Civil Defence and Home Guards	53.77	5.88	53.66	0.11		
8	23-Administration of Social Services	3.25	0.39	3.11	0.15		
9	25-Administration of State Lotteries	1.59	0.13	1.30	0.29		
10	26-Administration of Medical, Public Health and Family Welfare Services	1,764.28	109.83	1,584.78	179.50		
11	29-Administration of Urban Development	156.80	42.77	148.08	8.72		
12	32-Administration of Civil Supplies	70.63	1.42	63.28	7.35		
13	33-Administration of The Administrative Services and Other Social Services	12.80	0.91	8.72	4.08		
14	38-Administration of Planning Organisation	1,059.87	32.00	503.43	556.43		
15	43-Administration of Agriculture and Allied Services	361.48	11.39	249.35	112.13		
16	46-Administration of Rural Development Programmes	43.96	5.00	17.43	26.53		
17	47-Administration of Animal Husbandary and Veterinary Department	179.43	15.65	146.62	32.81		
18	49-Administration of Fisheries	40.69	0.29	30.73	9.96		
19	50-Administration of Forests	255.61	52.29	239.56	16.05		
20	54-Administration of Village and Small Scale Industries	48.32	0.29	40.40	7.92		
21	65-Administration of Water Resources	69.84	3.22	68.38	1.46		
	Total	5,864.29	342.65	4,679.54	1,184.76		

Sl. No.	Name of the Grant	Original provision	Supplemen- tary	Actual Expenditure	Savings out of Original Provision						
Capi	Capital-Voted										
22	10-Administration of Transport Services	17.89	7.00	12.99	4.90						
23	27-Administration of Public Health Engineering	291.00	85.90	287.24	3.76						
24	39-Administration of Co- Operation Department	13.61	4.05	10.40	3.21						
	Total	322.50	96.95	310.63	11.87						
	Grand Total	6,186.79	439.60	4,990.17	1,196.63						

Source: Appropriation Accounts 2023-24.

APPENDIX 3.3

Excess/unnecessary or insufficient Re-Appropriation (Savings/Excess of $\overline{\mathbf{v}}$ one crore and above)

(Reference: Paragraph 3.3.4)

	(ne	Provisions					E' I
Sl. No.	Grant No. and Head of Accounts	Original	Supple- mentary	Re- appropria- tion	Total	Actual Expend iture	Final Excess (+)/ Savings (-)
1	Grant No 1-2011- 02-State/Union Territory Legislatures 103-Legislativ Secretariat (01) Secretariat Establishment-(General)-State Scheme	77.26	5.01	3.60	85.87	83.59	(-)2.28
2	Grant No 4-2014- 00- 102-High Courts (02) High Court/Bench Office-(General)-State Scheme	25.27	0.00	10.38	35.65	32.59	(-)3.06
3	Grant No 4 -2014- 00- 114-Legal Advisers and Counsels (02) Legal Remembrancer & his Office-(Sixth Sch.)-State Scheme	4.19	0.00	2.69	6.88	5.80	(-)1.08
4	Grant No 5-2015- 00- 103- Preparation and Printing of Electoral Rolls (03) Expenditure on Booth Level Officer and Assistance Booth Level Officers-(General)-State Scheme	0.56	0.00	5.20	5.76	2.77	(-)2.99
5	Grant No 5 -2015- 00- 103 Preparation and Printing of Electoral Rolls (03) Expenditure on Booth Level Officer and Assistance Booth Level Officers- (Sixth Sch.)-State Scheme	0.65	0.00	11.34	11.99	7.73	(-)4.26
6	Grant No 5-2015- 00- 106-Charges for conduct of elections to State/Union Territory/Legislature (01) Expenditure on Election to State Legislative Assembly-(General)-State Scheme	0.21	0.00	11.54	11.75	10.31	(-)1.44
7	Grant No 5-2015- 00- 106- Charges for conduct of elections to State/Union Territory/Legislature (01) Expenditure on Election to State Legislative Assembly-(Sixth Sch.)-State Scheme	5.64	0.00	1.43	7.07	2.48	(-)4.59
8	Grant No 9-2040- 00- 001-Direction and Administration (01) Directorate Level Organisation-(General)-State Scheme	7.80	0.00	0.73	8.53	7.46	(-)1.07
9	Grant No 11-2801- 80-General 101-Assistance to Electricity Boards (68) Assistance to Meghalaya State Electricity Regulatory Commission (MSERC)-(General)-State Scheme	2.49	0.00	1.85	4.34	2.49	(-)1.85
10	Grant No 11-2801- 80- 101- Assistance to Electricity Boards (77) State Share CSS- (General)-State Scheme	10.00	0.00	4.01	14.01	0.00	(-)14.01
11	Grant No 14-2053-00-093-District Establishments (01) D.C's Establishment (Sixth Sch.)-State Scheme	46.12	6.11	0.48	52.72	48.11	(-)4.61
12	Grant No 14-2070- 00- 003-Training (09) Meghalaya Administrative Training Institute- (General)-State Scheme	10.03	0.00	0.33	10.36	4.79	(-)5.57
13	Grant No 16-2055- 00- 001- Direction and Administration (01) Inspector General of Police's Office(General)-State Scheme	9.27	0.00	0.94	10.21	8.28	(-)1.93
14	Grant No 16-2055- 00- 101-Criminal Investigation and Vigilance (01) State C.I.D.Organisation(General)-State Scheme	8.13	0.02	0.61	8.76	7.69	(-)1.07
15	Grant No 16- 2055- 00- 101- Criminal Investigation and Vigilance (02) State Special Branch-(General)-State Scheme	44.92	1.82	1.45	48.19	46.72	(-)1.47

			Provis		Astual	Final	
Sl. No.	Grant No. and Head of Accounts	Original	Supple- mentary	Re- appropria- tion	Total	Actual Expend iture	Excess (+)/ Savings (-)
16	Grant No 16-2055- 00- 104-Special Police (01) 1st Meghalaya Police Battalion(General)-State Scheme	74.30	0.26	0.12	74.68	71.76	(-)2.92
17	Grant No 16-2055- 00- 104- Special Police (05) Raising of 3rd M.L.P. Battalion. /IRB-(General)- State Scheme	63.52	0.61	0.33	64.46	49.93	(-)14.53
18	Grant No 16-2055- 00- 104- Special Police (06) Raising of 4th MLP Bn/2nd IR Bn(General)- State Scheme	70.76	0.42	0.05	71.23	59.59	(-)11.64
19	Grant No 16-2055- 00- 104- Special Police (11) Raising of 5th M.L.P. Bn/3rd IRBN-(General)- State Scheme	66.23	0.83	1.72	68.78	66.07	(-)2.71
20	Grant No 16-2055- 00- 104- Special Police (13) Rasing of 6th MLP Bn/4th IRBN-(General)-State Scheme	63.50	0.00	0.89	64.39	58.15	(-)6.24
21	Grant No 16-2055- 00- 109-District Police (01) District Executive Police (Sixth Sch.)-State Scheme	448.89	28.51	17.14	494.54	486.08	(-)8.46
22	Grant No 16-2055- 00- 114-Wireless and Computers (01) State Police Wireless Organisation(General)-State Scheme	50.04	0.11	0.40	50.54	40.91	(-)9.63
23	Forensic Science (01) Forensic Science Laboratory-(General)-State Scheme	4.89	0.00	0.03	4.92	2.97	(-)1.95
24	Grant No 16-2070- 00- 108-Fire Protection and Control (02) Protection and control (Fire services station)-(Sixth Sch.)-State Scheme	61.34	0.17	0.64	62.15	57.73	(-)4.42
25	Grant No 18- 2058- 00- 103-Government Presses (01) Press Administration-(General)-State Scheme	7.98	0.00	0.21	8.19	7.10	(-)1.09
26	Grant No 19-2059- 80-General 001- Direction and Administration (03) Chief Engineer and his establishment (Buildings)-(General)-State Scheme	7.43	0.00	0.03	7.46	6.38	(-)1.08
27	Grant No 19-2059- 80-General 001- Direction and Administration (09) Divisional and Subordinate Offices (Buildings)- (Sixth Sch.)-State Scheme	17.31	0.00	0.12	17.43	14.99	(-)2.44
28	Grant No 19-4059- 80-General 051-Construction (01) Functional Non-Residential Buildings Under General Services-(General)-State Scheme	31.52	42.33	11.55	85.39	63.87	(-)21.52
29	Grant No 20-2070- 00- 107-Home Guards (02) Creation\Raising of Border Wing Home Guards- (General)-State Scheme	24.26	0.00	0.09	24.35	20.65	(-)3.70
30	Grant No 21-2202- 01-Elementary Education 101-Government Primary School (01) Expenditure on Primary Schools- (Sixth Sch.)-State Scheme	450.60	0.00	2.34	452.94	446.87	(-)6.07
31	Grant No 21-2202- 01- Elementary Education 101- Government Primary School (03) Government M.E. School- (Sixth Sch.)-State Scheme	39.19	0.00	0.07	39.26	35.66	(-)3.60
32	Grant No 21-2202- 01- Elementary Education 102-Assistance to Non-Government Primary Schools (15) Mid-Day Meal Incentive to Students(General)-CSS	108.49	39.35	10.00	157.84	155.14	(-)2.70

				Actual	Final		
Sl. No.	Grant No. and Head of Accounts	Original	Supple- mentary	Re- appropria- tion	Total	Expend iture	Excess (+)/ Savings (-)
33	Grant No 21- 2202- 01 Elementary Education 104-Inspection (01) Deputy Inspectors of schools and staff- (Sixth Sch.)-State Scheme	14.97	0.00	0.20	15.17	12.98	(-)2.19
34	Grant No 21- 2202- 03-University and Higher Education 001-Direction and Administration (01) Headquarter-(General)-State Scheme	4.04	0.00	0.01	4.05	2.93	(-)1.12
35	Grant No 21-2202- 03- University and Higher Education 103-Government Colleges and Institutes (13) Government College- (Sixth Sch.)-State Scheme	47.89	0.00	2.23	50.12	47.81	(-)2.31
36	Grant No 21 -2202- 80-General 003-Training (35) DIET-Central Assistance for CSS(General)-CSS	30.36	0.00	0.09	30.45	16.30	(-)14.15
37	Grant No 21-4202- 01-General Education 201- Elementary Education (01) Construction of Educational Building-(General)-State Scheme	10.00	0.00	37.99	47.99	45.43	(-)2.56
38	Grant No 21-4202- 01- General Education 203- University and Higher Education (07) Infrastructure Development Under SPA/SCA, <i>etc</i> - (General)-State Scheme	10.00	0.00	0.04	10.04	6.00	(-)4.04
39	Grant No 24-2071- 01-Civil 101-Superannuation and Retirement Allowances (01) Superannuation and Retirement Allowances-(General)-State Scheme	811.71	0.00	4.50	816.21	870.59	(+)54.38
40	Grant No 24-2071- 01- Civil 105-Family Pension (01) Family pension for State Government Employees-(General)-State Scheme	305.99	0.00	45.51	351.50	368.68	(+)17.18
41	Grant No 24-2071- 01- Civil 117-Government Contribution for Defined Contribution Pension Scheme (01) Government's Contribution under New Defined Contribution Pension Scheme-Tier- I-(General)-State Scheme	103.83	0.00	10.73	114.56	110.66	(-)3.90
42	Grant No 26-2210- 01-Urban Health Services- Allopathy 104-Medical Stores Depots (02) Establishment of Central Medical Store (General)-State Scheme	0.07	27.82	27.71	55.60	36.49	(-)19.11
43	Grant No 26-2210- 01- Urban Health Services- Allopathy 110-Hospital and Dispensaries (01) Shillong Civil Hospital (including improvement thereof)- (Sixth Sch.)-State Scheme	49.82	18.08	1.93	69.83	65.50	(-)4.33
44	Grant No 26-2210- 05-Medical Education, Training and Research 105-Allopathy (03) Training-(General)-State Scheme	1.50	0.00	3.56	5.06	4.04	(-)1.02
45	Grant No 26- 2210- 06- Public Health 101- Prevention and Control of Diseases (25) Emergency Health Crisis-(General)-State Scheme	14.58	0.00	0.26	14.84	8.78	(-)6.06
46	Grant No26-2210-06-Public Health101-Prevention and Control of Diseases(26)Meghalaya Medical Drugs and Services Ltd(General)-State Scheme	0.00	0.00	73.00	73.00	65.00	(-)8.00
47	Grant No 26-2210- 06- Public Health 104-Drug Control (04) Strengthening of State Drug Regulatory System-(General)-CSS	0.00	0.00	3.34	3.34	0.00	(-)3.34
48	Grant No 26-2210- 80-General 800-Other Expenditure (21) National Health Mission (NHM)-(General)-State Scheme	40.58	9.35	53.53	103.46	69.11	(-)34.35

			Provis	Actual	Final		
Sl. No.	Grant No. and Head of Accounts	Original	Supple- mentary	Re- appropria- tion	Total	Expend iture	Excess (+)/ Savings (-)
49	Grant No 27 -4215- 01-Water Supply 101-Urban Water Supply (05) Each Schemes (Khasi)- (Sixth Sch.)-State Scheme	20.01	0.00	13.28	33.29	12.57	(-)20.72
50	Grant No 29-4217- 60-Other Urban Development Schemes 051-Construction (19) Special Plan Assistance (SPA)-(General)-State Scheme	50.00	35.00	90.49	175.49	174.49	(-)1.00
51	Grant No 29-4217- 60- Other Urban Development Schemes 051-Construction (31) Smart Cities Mission-(General)-State Scheme	20.00	0.00	26.50	46.50	25.00	(-)21.50
52	Grant No 31 -2230- 03-Training 003-Training of Craftsmen and Supervisors (05) Setting of new I.T.I (Sixth Sch.)-State Scheme	3.97	0.00	0.42	4.39	3.30	(-)1.09
53	Grant No 32-3456- 00- 001-Direction and Administration (03) Subdivisional Civil Supplies Establishment (Sixth Sch.)-State Scheme	2.79	0.00	0.02	2.81	1.74	(-)1.07
54	Grant No 34- 2235- 02-Social Welfare 102-Child Welfare (12) Integrated Child Development Service Schemes-(General)-CSS	82.58	0.00	40.70	123.28	78.82	(-)44.46
55	Food and Beverages 101-Special Nutrition Programmes (03) National Nutrition Mission Under ICDS Scheme-(General)-CSS	8.04	0.00	3.96	12.00	4.25	(-)7.75
56	Grant No 34-2236- 02- Distribution of Nutritious Food and Beverages 101- Special Nutrition Programmes (04) Supplementary Nutrition Programme for Integrated Child Development Services Scheme-(Sixth Sch.)-CSS	124.90	0.00	28.79	153.69	121.66	(-)32.03
57	Food and Beverages 101- Special Nutrition Programmes (04) Supplementary Nutrition Programme for Integrated Child Development Services Scheme- (Sixth Sch.)-State Scheme	14.23	0.00	3.56	17.79	14.16	(-)3.63
58	Grant No 38- 3451- 00- 092-Other Offices (12) My Meg Programme-(General)-State Scheme	10.00	0.00	5.80	15.80	13.75	(-)2.05
59	Grant No 38-3451- 00- 800-Other Expenditure (26) Meghalaya Infrastructure Development Finance Corporation-(General)-State Scheme	20.00	0.00	5.00	25.00	15.00	(-)10.00
60	Grant No 38-3451- 00- 800-Other Expenditure (27) Studies/Consultancy Services-(General)-State Scheme	5.00	0.00	2.18	7.18	2.18	(-)5.00
61	Grant No 38 -3451- 00- 800-Other Expenditure (30) Integrated Basin Development Project-Cum-Livelihood Programme-(General)-State Scheme	0.00	0.00	15.00	15.00	10.00	(-)5.00
62	Grant No 38 -3451- 00- 800-Other Expenditure (32) Institute of Entrepreneurship-(General)-State Scheme	25.00	0.00	3.00	28.00	15.00	(-)13.00
63	Grant No 38-5475- 00- 800-Other Expenditure (05) Integrated Transport Development Programme-(General)-State Scheme	30.00	0.00	67.13	97.13	87.13	(-)10.00
64	Grant No 41-3454- 02-Surveys and Statistics 112-Economic Advice and Statistics (01) State Statistics Organisations- (Sixth Sch.)-State Scheme	9.83	1.40	0.34	11.58	10.48	(-)1.10

			Provis	sions		Actual	Final
Sl. No.	Grant No. and Head of Accounts	Original	Supple- mentary	Re- appropria- tion	Total	Expend iture	Excess (+)/ Savings (-)
65	Grant No 43-2401- 00- 109-Extension and Farmer's Training (47) National Mission on Agricultural Extension and Technology (NMAET)-(General)-CSS	16.42	0.00	0.43	16.85	11.57	(-)5.28
66	Grant No 45-2402- 00- 001-Direction and Administration (02) Divisional Soil Conservation Offices- (Sixth Sch.)-State Scheme	23.07	0.00	0.21	23.28	21.10	(-)2.18
67	Grant No 45-2402- 00- 001-Direction and Administration (03) Soil Conservation Range Offices- (Sixth Sch.)-State Scheme	20.10	0.00	0.03	20.13	17.84	(-)2.29
68	Grant No 45-2402- 00- 001- Direction and Administration (09) Watershed Management Division- (Sixth Sch.)-State Scheme	6.64	0.00	0.04	6.68	5.31	(-)1.37
69	Grant No 45 -2402- 00- 102-Soil Conservation (19) Jhum Control Schemes- (Sixth Sch.)-State Scheme	3.71	0.00	6.12	9.83	2.84	(-)6.99
70	Grant No 46-2575- 06-Border Area Development 800-Other Expenditure (01) Border Areas Programmes under Border Areas Development (General)-State Scheme	27.56	0.00	0.25	27.81	6.25	(-)21.56
71	Grant No 47-2403- 00- 101-Veterinary Services and Animal Health (02) Veterinary Dispensary taken from C.D. Blocks- (Sixth Sch.)-State Scheme	11.94	0.00	0.12	12.06	10.60	(-)1.46
72	Grant No 47-2403- 00- 101- Veterinary Services and Animal Health (18) Assistance to State for Control of Animal Diseases (ASCAD)-(General)-CSS	2.10	0.00	0.73	2.83	0.73	(-)2.10
73	Grant No51-2501-06-Self EmploymentProgrammes102-NationalRuralLivelihoodMission (07)Start-up VillageEntrepreneurshipProgramme(General)-CSS	2.00	0.00	4.78	6.78	1.70	(-)5.08
74	Grant No 51 -2505- 01-National Programmes 702-Jawahar Gram Samridhi Yojana (03) Indira Gandhi Awaas Yojana (IAY)-(Sixth Sch.)-CSS	0.00	1,124.76	387.56	1,512.32	1,226.43	(-)285.89
75	Grant No 51 -2505- 01- National Programmes 702- Jawahar Gram Samridhi Yojana (03) Indira Gandhi Awaas Yojana (IAY)- (Sixth Sch.)-State Scheme	20.00	133.33	27.09	180.42	134.68	(-)45.74
76	Grant No 51-2505- 02-Rural Employment Guarantee Schemes 101-National Rural Employment Guarantee Schemes (01) The National Rural Employment Guarantee- (Sixth Sch.)-CSS	0.00	0.00	56.50	56.50	0.00	(-)56.50
77	Grant No 51 -2515- 00- 001-Direction and Administration (05) Stage-II Block Offices- (Sixth Sch.)-State Scheme	88.90	0.00	3.66	92.56	84.72	(-)7.84
78	Grant No 51- 2515- 00- 102-Community Development (10) Mahila Kisan Sashktikaran Pariyojana (MKSP), General Area-(General)-CSS	0.00	0.00	3.96	3.96	0.00	(-)3.96
79	Grant No 54-2851- 00- 200-Other Village Industries (03) District Commerce & Industries Centres(Sixth Sch.)-State Scheme	19.39	0.00	0.76	20.15	18.50	(-)1.65

			Provis	sions		Actual	Final
Sl. No.	Grant No. and Head of Accounts	Original	Supple- mentary	Re- appropria- tion	Total	Expend iture	Excess (+)/ Savings (-)
80	Grant No 54-4851- 00- 200 Other Village Industries -(09) Border Trade in Meghalaya- (General)-State Scheme	2.60	0.00	1.81	4.41	1.81	(-)2.60
81	Grant No 55-2853- 02-Regulation and Development of Mines 001-Direction and Administration (01) Geology and Mining Establishment-(General)-State Scheme	11.35	5.57	0.42	17.35	13.34	(-)4.01
82	Grant No 55-2853- 02Regulation and Development of Mines 102-Mineral Exploration (06) Expenditure on account of District Councils' Share in lieu of Royalties' collected from Major Min-(Sixth Sch.)-State Scheme	0.00	0.00	63.27	63.27	73.27	(+)10.00
83	Grant No 56-2059- 80-General 001- Direction and Administration (02) Chief Engineer and his general establishment (Roads)-(General)-State Scheme	16.92	0.00	0.20	17.12	10.75	(-)6.37
84	Grant No 56- 2059- 80-General 001- Direction and Administration (05) Superintending Engineers and their establishments (Roads)-(General)-State Scheme	13.19	0.00	0.10	13.29	11.86	(-)1.43
85	Grant No 56-2059- 80-General 001- Direction and Administration (08) Divisional and Subordinate Offices (Roads)- (Sixth Sch.)-State Scheme	148.26	15.40	0.80	164.46	156.35	(-)8.11
86	Grant No 56-3054- 04-District and Other Roads 105-Maintenance and Repairs (02) Other Maintenance Expenditure- Road Works- (Sixth Sch.)-State Scheme	150.00	0.00	45.60	195.60	190.91	(-)4.69
87	Grant No 56- 5054- 04- District and Other Roads 337-Road Works (03) Construction /Upgradation of Roads-(Sixth Sch.)-State Scheme	200.00	200.00	86.99	486.99	485.31	(-)1.68
88	Grant No 56 -5054- 04- District and Other Roads 800-Other Expenditure (06) Road Financed from NABARD Loan <i>etc.</i> - (Sixth Sch.)-State Scheme	100.00	0.00	48.89	148.89	141.64	(-)7.25
89	Grant No 57 -3452- 80-General 104-Promotion and Publicity (03) Publicity Tourist Festival-(General)-State Scheme	7.50	0.00	3.22	10.72	9.37	(-)1.35
90	Grant No 58 -2204- 00- 104-Sports and Games (07) Development of sport and games(General)-State Scheme	5.00	34.30	8.66	47.96	27.32	(-)20.64
91	Grant No 64- 2205- 00- 101-Fine Arts Education (20) Shillong International Centre for Performing Arts (SCA)-(General)-State Scheme	1.54	0.00	1.89	3.43	1.79	(-)1.64
92	Grant No 96-6003- 00- 110-Ways and Means Advances from the Reserve Bank of India (69) Ways and Means Advances-(General)-State Scheme	209.00	0.00	1.21	210.21	1,789.31	(+)1,579.10

Source: Detailed Appropriation Accounts 2023-24 and information provided by the A&E Office.

APPENDIX 3.4 List of Grants having large Savings (Savings above ₹ 100 crore during the year) (Reference: Paragraph 3.3.6)

			(₹ in crore)					
Sl. No.	Number and name of the grant	Original	Supple- mentary	Total	Actual	Savings	Surren- der	Savings excluding surrender
Reve	nue							
1.	6-Administration of Land Revenue, Land Ceilings, etc.	185.02	0.10	185.12	52.12	133.00	125.40	7.60
2.	16-Administration of Civil Police and Fire Protection Services	1,248.00	48.22	1,296.47	1,177.01	119.21	114.12	5.09
3.	21-Administration of The Education Department	2,834.55	365.76	3,200.31	2,941.15	259.16	231.22	27.94
4.	26-Administration of Medical, Public Health and Family Welfare Services	1,764.28	109.83	1,874.11	1,584.78	289.33	0.00	289.33
5.	34-Administration of Social Welfare	631.02	0.00	631.02	495.53	135.49	135.48	0.00
6.	35-Administration of Welfare of Scheduled Castes, Scheduled Tribes and Other Backward Classes	144.64	0.00	144.64	0.21	144.43	144.43	0.00
7.	38-Administration of Planning Organisation	1,059.87	32.00	1,091.87	503.43	588.43	588.43	0.00
8.	43-Administration of Agriculture and Allied Services	361.48	11.39	372.88	249.35	123.52	38.34	85.19
9.	45-Administration of Soil and Water Conservation	282.19	0.00	282.19	163.44	118.75	117.34	1.41
10.	51-Administration of Community and Rural Development	1,567.40	1,576.67	3,144.07	2,505.66	638.41	630.93	7.49
	Total	10,078.46	2,143.97	12,222.68	9,672.69	2,549.74	2,125.69	424.04
Capi	tal							
1.	29-Administration of Urban Development	330.54	397.00	727.54	525.70	201.84	186.84	15.00
2.	38-Administration of Planning Organisation	755.00	300.00	1,055.00	781.98	273.02	112.87	160.15
3.	56-Administration of Roads and Bridges	1,089.15	219.11	1,308.26	1,197.74	110.52	91.44	19.08
	Total	2,174.69	916.11	3,090.80	2,505.42	585.38	391.15	194.23
	Grand Total	12,253.16	3,060.16	15,313.48	12,178.36	3,135.12	2,516.85	618.27

Source: Appropriation Accounts 2023-24.

APPENDIX 3.5

Grant-wise utilisation of funds

(Reference: Paragraph 3.3.6)

Utilisation of	C 4							
funds	Grant Number	Description						
(No. of Grants)								
Below 30%	6	Administration of Land Revenue, Land Ceilings, etc.						
(Two)	35	Administration of Welfare of Scheduled Castes, Scheduled Tribes and Other						
(1)		Backward Classes						
	4	Administration of Justice						
	12	Administration of Small Savings Organisation						
	33	Administration of The Administrative Services and Other Social Services						
	37	Administration of Information Technology						
	38	Administration of Planning Organisation						
D . 20 1	43	Administration of Agriculture and Allied Services						
Between 30 and	44	Administration of Execution of Irrigation Schemes						
70%	45	Administration of Soil and Water Conservation						
(15)	46	Administration of Rural Development Programmes						
	48	Administration of Dairy Development						
	49	Administration of Fisheries						
	54	Administration of Village and Small-Scale Industries						
	57	Administration of Tourist Organisation						
	64	Administration of Arts and Culture						
	65	Administration of Water Resources						
	1	Administration of The State Legislature						
	3	Council of Ministers Administration of Elections						
	5	Administration of Elections Stamps and Registration Department						
	7	Stamps and Registration Department						
	10	Administration of Transport Services						
	11	Administration of Electricity Acts and Rules, Power Department Services, <i>etc</i> . Administration of The Administrative Services						
	14							
	16	Administration of Civil Police and Fire Protection Services						
	17	Administration of Jails						
	18	Stationery and Printing						
	19	Administration of Public Works Department Administration of Civil Defence and Home Guards						
Between 70 and	20							
90%	23 25	Administration of Social Services Administration of State Lotteries						
(30)								
	26 27	Administration of Medical, Public Health and Family Welfare Services						
		Administration of Public Health Engineering						
	29 30	Administration of Urban Development Administration of Directorate of Information and Public Relations						
	31	Administration of Directorate of Information and Public Relations Administration of Labour Department						
	32	Administration of Cabour Department Administration of Civil Supplies						
	34	Administration of Civil Supplies Administration of Social Welfare						
	39	Administration of Social Welfare Administration of Co-Operation Department						
	40	Administration of Co-Operation Department Administration of Programme Implementation						
	42	Administration of Weights and Measures						
	47	Administration of Animal Husbandry and Veterinary Department						
	50	Administration of Forests						

Utilisation of funds (No. of Grants)	Grant Number	Description					
	51	Administration of Community and Rural Development					
	52	Administration of Industries Department					
	58	Administration of Sports and Youth Services					
	60	Administration of Advances To Government Servants and Other Social Services					
	2	Establishment of The Head of States					
	8	Administration of State Excise					
	9	Administration and Collection of Sales Tax and Other Taxes and Duties, etc.					
	13	Administration of The Secretariat - General and Economic Services					
	15	Treasury and Accounts Administration					
	21	Administration of The Education Department					
	22	Administration of Guest Houses, Government Hostels, <i>etc.</i> and Other Administrative Services					
Above 90%	24	Administration of Pension and Other Retirement Benefits and Social Services					
(19)	28	Administration of Housing Schemes and Loans and Advances For Housing Schemes					
	41	Administration of Economic Advice and Statistics					
	53	Administration of Textile Department					
	55	Administration of Mines and Minerals					
	56	Administration of Roads and Bridges					
	59	Governments Investments , Miscellaneous General and Economic Services					
	2049	Payments of Interest On Debt and Other Obligations					
	2048	Appropriation For Reduction Or Avoidance of Debt					
	2051	Administration of The State Public Service Commission					
	6003	Administration of Public Debts					
	6004	Administration of Public Debts.					

Source: Appropriation Accounts 2023-24.

APPENDIX 3.6 Excess over Provision of previous years requiring Regularisation (Reference: Paragraph 3.3.7.2)

(₹ in crore)

		(₹	in crore)
	Number of		Amount
Year	Grant/	Grant(s)/Appropriation(s) numbers	of excess
1071 70	Appropriation	G . #0.00	
1971-72	G-02	Grants-79,80	0.07
1972-73	G-03	Grants-12, 16, 71	0.01
1973-74	G-01	Grants-10	0.00
1974-75	G-03	Grants-13,29,54	0.04
1975-76	G-04	Grants-2, 13, 29, 82	0.06
1976-77	G-03	Grants-29, 54, 62	0.02
1977-78	G-02	Grants-13,54	0.05
1978-79	G-02	Grants-3, 22	0.05
1979-80	G-02	Grants-13, 22	0.03
1980-81	G-03	Grants-13,30,39	0.02
1981-82	G-04	Grants-13,31,34,37	0.06
1982-83	G-09	Grants- 5, 16, 22, 28, 29, 31, 37, 46, 55	1.49
1983-84	G-12	Grants-9, 16, 19, 24, 28, 29, 31,37, 40, 45, 46, 63	4.94
1984-85	G-07	Grants-10, 22, 30, 43, 58, 59, 64	7.17
1985-86	G-06	Grants-4, 29, 37, 38, 58, 64	4.75
1986-87	G-03	Grants-29, 39, 55	0.03
1987-88	G-07	Grants-11, 13, 16, 28, 38, 48, 57	3.12
1988-89	G-04	Grants-16,30,45,56	0.80
1989-90	G-09	Grants-11,16,22,29,41,44,45,48,57	5.26
1990-91	G-06	Grants-16,18,28,34,37,59	0.95
1991-92	G-05	Grants-5,16,30,36,57	1.38
1992-93	G-07	Grants-2,5,7,13,16,49,57	4.61
1993-94	G-04	Grants-6,27,40,56	3.15
1995-96	G-04	Grants-16,27,47,56	8.45
1996-97	G-06	Grants-5,16,22,29,41,56	2.57
1997-98	G-04	Grants-6,16,25,56	2.23
1998-99	G-02	Grants-6, 11	5.59
1999-2000	G-01	Grants-16	2.49
2000-01	G-03	Grants-16, 40, 56	8.83
2001-02	G-01	Grants-35	0.02
2002-03	G-02	Grants-11,35	1.23
2005-06	G-01	Grants-16	0.71
2006-07	G-01	Grants-40	12.04
2007-08	G-02	Grants-16, 41	25.47
2008-09	G-01	Grants-35	0.02
2009-10	G-07	Grants-1,2,20,23,24,35,52	36.96
2010-11	G08	Grants-1,2,4,14,24, 35, 56, 63	203.37
2011-12	G-06/A-01	Grants-14, 23, 24, 32, 35, 44, 52/Appropriation-2051	142.52
2012-13	G-10	Grants-2, 7, 12, 16, 19, 24, 44, 46, 48, 56	114.45
2013-14	G-06/A-01	Grants-7,9,12, 24,26,44, /Appropriation - 6003	189.50
2014-15	G-03/A-01	Grants-7, 12, 24, /Appropriation –6003	114.99
2015-16	G-07/	Grants- 2, 7,20,24,26,27,56	167.49
2016-17	G-06	Grants-7, 21, 24,27,28, 56	168.06
2017-18	G-03/A-01	Grants-24,47, 56/Appropriation-2049	33.90
2017-18	G-01/A-01	Grants-24, Appropriation-2049	224.05
2019-20	G-02/A-02	Grants-24,32/ Appropriation-2049,6004	309.79
2020-21	G-02/A-02 G-01	Grants-2 Grants-2	0.74
2020-21	G-02/A-02	Grants-11,24/ Appropriation - 6003,6004	1,580.67
2021-22	G-02/A-02 G-07/A-01	Grants-11, 20, 24, 29, 32, 58, 60/ Appropriation - 6003	3,439.41
2022-23	G U//II-UI	TOTAL	
		101AL	6,833.02

Source: Appropriation Accounts 1971-2023.

APPENDIX 3.7

Statement showing the details of Incomplete Projects where no expenditure was incurred during the year 2023-24

(Reference: Paragraph 3.3.7.3)

(₹ in lakh)

Sl. No.	Name of the projects/works	Estimated cost of work/date of sanction	Year of Commen- cement	Physical progress of work (in <i>per cent</i>)	
1	Construction of Approach Road including Metalling & black topping including CC Drain, Water Tank Retaining wall, etc at residentail quarter at DSJ, CJM and Trype IV at Khliehriat East Jaintia Hills District	701.43 LAWD/LJA/08 26/2223/CON- A Dt. 22-12-2022	-	40%	
2	Construction of College of Architecture at Balalgre. (RUSA)	2,600.00 Dt.01-01-2017	2017	99%	
3	Kyndong Laitblieh Anti Erosion measures of Agricultural land at Dong Mission Mairang	34.99 WR(SCH)75/20 21/8 Dt 30.3.21	2021-22	65%	
4	Construction of double storied Office Building of EE(WR) and SDO(WR) Mawkyrwat	173.91 WR(const)121/ 2010/52 Dt 4.1.2012	2017-18	90%	
5	Upgradation of Urban roads within Shillong Central Division	2,390.82 PW/WR/45/2012/3 Dt.4.1.2012	2012	99%	
6	Restoration of portion of the various PWD Roads in Shillong City to be dug by PHE Department for laying of pipelines for GS WS Phase -III	1,618.26 PW/WR/172/20 1 9/15 Dt.23.03.2020	-	35%	
7	Earth Filling in front of the 100 bedded hospital in Baglimara South Garo Hills District	33.24 Dt. 31.03.2021	2021	10%	
8	Rennovation & Improvement of Ranikor Sub Centre in South West Khasi Hills District	98.66 Dt.30.03.2021	2022	10%	
9	Setting up of 100 Bedded pre-fabricate Negative pressure COVID-19 Facility at Tura	258.84 Dt. 13.05.2021	2022	50%	
10	Construction of the office of the Commissner of Food Safety, Meghalaya, Shillong	211,17 Dt.12.03.202 1	2021	70%	
11	Modification of pumping System and replacement of treatment units of 7.5 MGD Water Treatment Plant of Greater Shillong	2,316.47 Dt. 31.03.2010	2004-2005	72%	
12	Augmentation of Water Supply to Shillong Urban Centre of Greater Shillong Water Supply Scheme Phase- III under JNNURM/AMRUT	19349.72 Dt. 20.10.2008	2009-2010	75%	
13	Implementation of New Shillong Township Water Supply project under SPA Scheme	321.28 Dt. 31.03.2014	2014-15	20%	
14	Replacement of Phase II Feeder Main of Greater Shillong WSS	590.11 Dt.31.03.2010	31.03.2010	60%	

Sl. No.	Name of the projects/works	Estimated cost of work/date of sanction	Year of Commen- cement	Physical progress of work (in per cent)
15	Implementation of Sustainability of Water Source of Greater Ampati WSS	4,277.28 Dt.31.03.2011	2010	85%
16	Greater Sohra (Cherrapunjee) WSS	2,481.25 Dt.30.03.2019	2018-2019	99%
17	Implementation of New Shillong Township Water Supply Project under SPA	32,128.00 Dt.31.03.2014	2014-15	20%
18	Ratacherra Combined WSS	2,945.71 Dt.31.03.2021	2011-12	-
19	Sustainability measures on development and protection of Ummulong Moodymmai WSS	740.81 Dt.15.02.2011	2011-12	50%
20	Huroi Hingaria WSS	6,116.30 Dt.31.03.2022	2012-13	55%
21	Renovation of Dympep Combine and shifting the source of Supply of Mawjrong and Nongthymmai Combine WSS	1,243.98 Dt.31.03.2012	2012-13	-
22	Implementation of Laitryngew 12 Shnong Sohra & Neighbouring Villages	24,414.78 Dt.31.03.2013	2013-14	-
23	Tum Tum Comb. WSS	1,487.60 Dt.16.11.2022	16.11.2021	65%
24	Aug. of Mukhap- Mowtyrshiah WSS	1,055.65 Dt.20.10.2022	20.10.2022	98%
25	Jorabat Comb. WSS	1,312.77 2020-21	2020-21	50%
26	Galmakpa Comb. WSS	629.12 2021-22	2021-22	30%
27	Greater Samanda WSS	1,209.02 2020-21	2022	90%
28	Kalatek WSS	559.31 Dt.19.02.2021	2021	55%
29	Greater Tikrikilla WSS	10,946.40 Dt.11.02.2022	2022	50%
30	Augmentation of Nekikona Comb. WSS	6,036.03 Dt.16.11.2021	2021	70%
31	Extension of Pipeline for Sakmal Comb. WSS	2,094.80 Dt.25.03.2022	2022	60%
32	Aug. of Ronchonpara WSS	1,400.04 Dt.16.07.2021	2021	65%
33	Aug. of Chibinang WSS	1,255.00 Dt.16.11.2021	2021	95%
34	Aug. of Patharkata WSS	775.36 Dt.25.03.2022	2022	95%
35	Jongkipara WSS	661.50 Dt.26.03.2021	2021	60%

Source: Finance Accounts 2023-24 (Appendix IX).

APPENDIX 3.8

Major Head wise expenditure more than 50 per cent during the 4th quarter of 2023-24

(Reference: Paragraph 3.4.4)

(₹ in crore)

		E				(<i>t in crore</i>)
			Expendit	ure Total	Expenditure in 4th Quarter as	Expenditure in
Major	Major Head Description	4th	In	Expenditure	percentage of	March as
Head	(Department)	Quarter	March	during	total	percentage of
			2024	2023-24	expenditure	total expenditure
2015	Elections	80.02	74.18	106.53	75.11	69.64
2048	Appropriation for Reduction or Avoidance of Debt	92.21	0.00	92.21	100.00	0.00
2075	Miscellaneous General Services	15.17	0.15	16.24	93.46	0.92
2204	Sports and Youth Services	77.42	75.72	107.38	72.10	70.51
2205	Art and Culture	18.16	15.69	26.25	69.19	59.77
2217	Urban Development	100.91	34.84	148.06	68.16	23.53
2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	0.21	0.21	0.21	100.00	100.00
2235	Social Security and Welfare	194.19	86.88	377.99	51.38	22.98
2245	Relief on account of Natural Calamities	25.51	25.38	34.32	74.33	73.94
2401	Crop Husbandry	103.43	79.11	205.53	50.32	38.49
2408	Food Storage and Warehousing	0.09	0.09	0.09	100.00	100.00
2435	Other Agricultural Programmes	13.36	10.63	22.95	58.20	46.30
2501	Special Programmes for Rural Development	235.99	113.40	424.32	55.62	26.73
2575	Other Special Area Programmes	11.79	11.13	17.38	67.83	64.06
2810	New and Renewable Energy	7.96	7.96	9.45	84.17	84.17
2852	Industries	17.87	15.84	31.66	56.44	50.04
3452	Tourism	33.33	32.50	49.99	66.68	65.01
4055	Capital Outlay on Police	26.30	26.00	37.36	70.38	69.58
4059	Capital Outlay on Public Works	76.92	68.06	128.22	59.99	53.08
4202	Capital Outlay on Education, Sports,Art and Culture	136.44	136.34	192.52	70.87	70.82
4216	Capital Outlay on Housing	12.99	12.87	23.38	55.56	55.04
4217	Capital Outlay on Urban Development	308.05	280.30	525.59	58.61	53.33
4235	Capital Outlay on Social Security and Welfare	33.59	2.28	34.41	97.60	6.63
4250	Capital Outlay on other Social Services	0.25	0.25	0.25	100.00	100.00
4401	Capital Outlay on Crop Husbandry (SHARE CAPITAL)	8.77	8.77	8.77	100.00	100.00
4406	Capital Outlay on Forestry and Wild Life	0.43	0.43	0.48	89.61	89.61
4425	Capital Outlay on Co- operation	5.05	5.05	5.35	94.39	94.39

			Expenditure			Expenditure in
Major Head	Major Head Description (Department)	4th Quarter	In March 2024	Total Expenditure during 2023-24	4th Quarter as percentage of total expenditure	March as percentage of total expenditure
4435	Capital Outlay on other Agriculture Programmes	1.00	1.00	1.00	100.00	100.00
4515	Capital Outlay on other Rural Development Programmes	160.31	148.74	165.07	97.12	90.11
4702	Capital Outlay on Minor Irrigation	40.12	3.01	59.94	66.93	5.03
4711	Capital Outlay on Flood Control Projects	2.52	2.24	2.52	100.00	88.87
4801	Capital Outlay on Power Projects	510.15	275.15	928.00	54.97	29.65
4851	Capital Outlay on Village and Small Industries	4.05	4.05	4.05	100.00	100.00
5055	Capital Outlay on Road Transport	3.00	3.00	3.00	100.00	100.00
5452	Capital Outlay on Tourism	17.02	17.02	18.85	90.32	90.32
6403	Loans for Animal Husbandry	9.38	9.38	9.38	100.00	100.00
6425	Loans for Cooperation	4.05	4.05	4.05	100.00	100.00
6801	Loans for Power Projects	5.56	5.56	5.56	100.00	100.00
7610	Loans to Government Servants, etc	21.87	1.62	22.03	99.29	7.35

Source: O/o the Pr. Accountant General (A&E), Meghalaya.

APPENDIX 3.9

Major Head wise expenditure of 100 per cent in the month of March 2024 alone
(Reference: Paragraph 3.4.4)

			Expenditur (₹ in crore		Expenditure in 4th	Expenditure in		
Major Head	Major Head Description	4th Quarter	In March 2024	Total Expenditu re during 2023-24	Quarter as percentage of total expenditure	March as percentage of total expenditure		
2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	0.21	0.21	0.21	100.00	100.00		
2408	Food Storage and Warehousing	0.09	0.09	0.09	100.00	100.00		
4250	Capital Outlay on other Social Services	0.25	0.25	0.25	100.00	100.00		
4401	Capital Outlay on Crop Husbandry (SHARE CAPITAL)	8.77	8.77	8.77	100.00	100.00		
4435	Capital Outlay on other Agriculture Programmes	1.00	1.00	1.00	100.00	100.00		
4851	Capital Outlay on Village and Small Industries	4.05	4.05	4.05	100.00	100.00		
5055	Capital Outlay on Road Transport	3.00	3.00	3.00	100.00	100.00		
6403	Loans for Animal Husbandry	9.38	9.38	9.38	100.00	100.00		
6425	Loans for Cooperation	4.05	4.05	4.05	100.00	100.00		
6801	Loans for Power Projects	5.56	5.56	5.56	100.00	100.00		

Source: O/o the Pr. Accountant General (A&E), Meghalaya

APPENDIX 3.10

Sub Head wise expenditure of 100 per cent in the month of March 2024 alone (cases of expenditure above ₹ 5.00 crore)

(Reference: Paragraph 3.4.4)

(₹ in crore)

Sl. No.	Grant No.	Head of Accounts and Description	Expenditure
1	29	4217-1-51-(01) Special Plan Assistance (SPA)	66.00
2	29	4217-60-51-(07) Infrastructure Development for City Transport at Shillong	9.00
3	29	4217-60-51-(12) Infrastructure Development	22.48
4	29	4217-60-51-(16) State Urban Infrastructure Development Initiative	10.00
5	34	2235-2-101-(13) Implementation of National Programme for Rehabilitation of person with disabilities	5.25
6	43	4401-0-800-(02) Construction of Administrative Buildings (Hort)	7.27
7	52	2852-80-190-(01) Projects under Meghalaya Industrial Development Corporation Ltd. (MIDC)	10.00
8	58	2204-0-104-(12) Tournament/Championship to be organised/sponsored by Directorate and its subordinate officer-	7.71

Source: O/o the Pr. Accountant General (A&E), Meghalaya.

APPENDIX 3.11

Unnecessary /Insufficient Re-appropriation in Grant No. 29

(Reference: Paragraph 3.5.1.6)

(₹ in crore)

Major Head and Group Head	Budget Provision (O+S)	Re- Appro- priation	Final Provision	Expendi- ture	Savings (-)/ Excess (+)
2217-					
80-001-(01) Headquarter Organisation	5.29	0.03	5.32	4.99	(-)0.33
80-001- 05) Assistance to Meghalaya Urban Development Authority	3.10	0.13	3.23	3.22	(-)0.01
80-192-(02) Assistance to Municipal Board for Shillong/ Jowai/Tura, <i>etc</i> . for Special Purposes	24.73	8.04	32.77	32.78	(+)0.01
4217-				1	1
60-051-(19) Special Plan Assistance (SPA)	85.00	90.49	175.49	174.49	(-)1.00
60-051-(31) Smart Cities Mission	20.00	26.50	46.50	25.00	(-)21.50
Total	138.12	125.19	263.31	240.48	-22.83

Source: Detailed Appropriation Accounts, 2023-24.

APPENDIX 3.12 Cases where no part of budget provisions was utilised Grant No. 51 (Reference: Paragraph 3.5.2.2)

	(₹ in crore					
Sl. No.	Sub Head Description	Original +Supple mentary	Re- appro- priation	Final Provision	Expendi -ture	Savings
2501-	Special Programmes for Rural Development					
1	06-102-(05) Smart Villages Project- (General)State Scheme	0.01	(-)0.01	0.00	0.00	0.00
2	06-102-(08) Integrated value chain development project of Eri Silk Cluster under Innovation Fund Component-(General)CSS	2.07	(-)2.07	0.00	0.00	0.00
3	06-102-(08) Integrated value chain development project of Eri Silk Cluster under Innovation Fund Component-(General)State Scheme	0.23	0.00	0.23	0.00	0.23
4	06-800-(07) Extension of Training Centre (E.T.C)-(General)State Scheme	0.25	(-)0.25	0.00	0.00	0.00
2505-	Rural Employment					
5	01-702-(13) Pradhan Mantri Adarsh Gram Yojana (PMAGY)-(General)CSS	0.50	(-)0.43	0.07	0.00	0.07
6	02-101-(05). Cluster Facilitation Project (CFP) and Project UNNATI-(General)CSS	0.50	(-)0.45	0.05	0.00	0.05
2515-	Other Rural Development Programmes					
7	00-102-(05) Sansad Adarsh Gram Yojana (SAGY)-(General)CSS	0.15	(-)0.11	0.04	0.00	0.04
8	00-102-(05) Sansad Adarsh Gram Yojana (SAGY)-(General)State Scheme	0.02	0.00	0.02	0.00	0.02
9	00-102-(10) Mahila Kisan Sashktikaran Pariyojana (MKSP), General Area- (General)State Scheme	0.01	(+)0.43	0.44	0.00	0.44
10	00-800-(10) National Social Assistance Prog.(NSAP) Old Age Pension- (General)CSS	52.72	(-)41.23	11.49	0.00	11.49
11	00-800-(10) National Social Assistance Prog.(NSAP) Old Age Pension-(Sixth Sch.)State Scheme	5.00	(-)5.00	0.00	0.00	0.00
12	00-800-(12) National Family Benefit Scheme-(General)CSS	1.70	(-)0.93	0.77	0.00	0.77
13	00-800-(13) Non-lapsable Central Pool of Resources for Development of North East- (General)CSS	1.60	(-)1.06	0.54	0.00	0.54
14	00-800-(13) Non-lapsable Central Pool of Resources for Development of North East- (General)State Scheme	4.15	(-)0.48	3.67	0.00	3.67
15	00-800-(19) National Social Assistance Programme-(General)CSS	5.58	(-)3.42	2.16	0.00	2.16
16	00-800-(26) Social Mobilisation Centre at District Head Quarter-(Sixth Sch.)State Scheme	1.00	(-)1.00	0.00	0.00	0.00
17	00-800-(27) Infrastructure Support For Traditional Heads-(Sixth Sch.)State Scheme	0.50	(-)0.33	0.17	0.00	0.17
	Total	75.99	(-)56.34	19.65	0.00	19.65

Source: Detailed Appropriation Accounts 2023-24.

APPENDIX 4.1

Statement showing Funds transferred by the Government of India directly to State Implementing Agencies /Beneficiaries

(Reference: Paragraph 4.1)

(₹ in crore)

		(<i>t in c</i>	<i>Torcy</i>
Name of the Schemes of Government of India	Name of Implementing Agency	GoI releases during 2022-23	GoI releases during 2023-24
	Kaboi Traditional Garment	-	0.01
Procurement and Marketing Support Scheme	Little Garments	-	0.01
	Juice Drops	-	0.01
Management Support to RD Programmes and Strengthening of District Planning Process In lieu of Programmes	Director State Institute of Rural Development Meghalaya	2.35	1.46
Scheme of Residential Education for Students in High School in Targeted Area (SRESHTA)	Ramakrishna Mission Ashrama Cherrapunjee	0.22	-
National AIDS and STD Control Programme (NACO)	Meghalaya AIDS Control Society	-	12.91
E-Court Phase-III	Registrar General, High Court of Meghalaya	-	3.44
Khelo India	State Sports Council Meghalaya	3.27	7.00
Schemes for differently Abled persons	Office of the Commissioner for Persons with Disabilities, Government of Meghalaya	1	8.47
National Service Scheme	Meghalaya State NSS Cell	1.40	0.01
National Tele Mental Health Programme	State Health Society, Meghalaya	-	0.29
Research Training and Studies and Other Road Safety Schemes	Office of the Commissioner of Transport	-	3.25
Integrated Management of Public Distribution System	Food Civil Supplies & Consumers Affairs Department Government of Meghalaya	0.52	-
MPs Local Area Development Scheme MPLADS	Deputy Commissioner	9.50	1
	Montfort Center for Education	0.44	-
	ASHA Rehabilitation Centre Shillong	0.11	1
Deen Dayal Disabled	Bethany Society	0.09	-
Renaumation Scheme	Dwar Jingkyrmen School for Children in Need of Special Education	0.19	
	Disabled	0.19	
National Hydrology Project	Water Resources Department, Meghalaya	5.18	1.97
Pradhan Mantri Kisan Samman Nidhi (PM-Kisan)	Department of Agriculture, Meghalaya	13.62	103.82
	Procurement and Marketing Support Scheme Management Support to RD Programmes and Strengthening of District Planning Process In lieu of Programmes Scheme of Residential Education for Students in High School in Targeted Area (SRESHTA) National AIDS and STD Control Programme (NACO) E-Court Phase-III Khelo India Schemes for differently Abled persons National Service Scheme National Tele Mental Health Programme Research Training and Studies and Other Road Safety Schemes Integrated Management of Public Distribution System MPs Local Area Development Scheme MPLADS Deen Dayal Disabled Rehabilitation Scheme National Hydrology Project Pradhan Mantri Kisan Samman	Raboi Traditional Garment	Name of the Schemes of Government of India

Sl. No.	Name of the Schemes of Government of India	Name of Implementing Agency	GoI releases during 2022-23	GoI releases during 2023-24
16	Development of Nursing Services	School of Nursing, Civil Hospital, Shillong, Meghalaya	2.50	-
17	Trade Infrastructure for Export Schemes (TIES)	Meghalaya Industrial Development Corporation	2.41	-
18	Consumer Welfare Fund	Directorate Food Civil supplies & Consumer	2.00	-
19	National Digital Health Mission	State Health Society, Meghalaya	0.71	1.34
20	Blood Transfusion Services	Meghalaya AIDS Control Society	0.61	1.60
21	Infrastructure Development and Capacity Building	Directorate of Commerce & Industries, Meghalaya, Shillong	0.57	-
22	Scheme for Usage of Geotextiles in North East	Public Works Department (Roads), Meghalaya	1.36	-
23	Universal Services Obligation Fund (USOF) Compensation	Bharti Hesacom Limited	174.61	208.18
24	Land Records Modernisation Programme	DILRMP-Meghalaya	-	4.94
25	Centenaries and Anniversaries, Celebrations and Schemes	The Shillong Law College	-	0.11
26	Relief and Rehabilitation for migrants and	Deputy Commissioner, Williamnagar, Meghalaya	-	0.23
27	Consumer Awareness Publicity and Price Monitoring	Meghalaya State Price monitoring and Resource Unit Society	-	0.13
	Organic Value Chain	Central Sector Schemes (CS) Total	351.98	2,096.64
28	Development of NE Region	Directorate of Horticulture East Khasi Hills District Co-	6.22	-
29	National Programme for Dairy Development	operative Milk Union Ltd.	14.64	4.45
30	National Rural Livelihood Mission	Meghalaya State Rural Livelihoods Society, Shillong, Meghalaya	-	0.52
31	National Rural Employment Guarantee Scheme (MGNREGA) CS	State Rural Employment Society, Shillong Meghalaya	691.44	579.76
		Deputy Commissioner, Ri-Bhoi District	0.15	-
	SAMBAL (Beti Bachao Beti Padhao One Stop Centre Mahila Police Volunteer Women helpline Nari Adalat, etc)	One Stop Centre (OSC) EJHD	0.09	-
		Deputy Commissioner, East Khasi Hills District	0.64	-
32		Deputy Commissioner and Chairman, One Stop Centre, North Garo Hills, Resubelpara	0.16	-
		One Stop Centre, South Garo Hills, Baghmara	0.13	-
		One Stop Centre, Ampati	0.04	-
		Deputy Commissioner, West Garo Hills	0.32	-
		Deputy Commissioner, One Stop Centre	0.11	-
33	Agriculture Census and Statistics	Directorate of Agriculture Meghalaya	0.32	-
34	SAMARTHYA (BBBP Creche PMMVY Gender Budget Research Skilling Training, etc)	Directorate of Health Services, Meghalaya	6.26	-

Sl. No.	Name of the Schemes of Government of India	Name of Implementing Agency	GoI releases during 2022-23	GoI releases during 2023-24
35	Jal Jeevan Mission (JJM)/National Rural Drinking	SWSM Meghalaya Shillong	1,047.00	1,500.00
	Water Mission	University of Science and Technology	0.24	-
36	Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (PMJAY)	State Nodal Agency, Megha Health Insurance Scheme, Meghalaya, Shillong.	47.31	49.74
37	Rashtriya Gram Swaraj Abhiyan (RGSA)	State Rural Employment Society, Shillong Meghalaya	-	0.11
38	Flexible Pool for RCH & Health System Strengthening, National Health Programme and national urban health Mission	Bakdil	-	0.46
39	Krishi Unnati Yojana	Directorate of Horticulture	-	24.65
	Centra	1,815.06	2,159.70	
		2,036.90	2,511.68	

Source: Finance Accounts 2023-24.

APPENDIX 4.2 Funds lying in bank accounts of Drawing and Disbursing Officers (Reference: Paragraph 4.2)

(₹ in crore)

		(₹ in crore)					
Sl. No.	Name of DDO	Grant No.	Major Head	Total unspent amount as on 31st March 2023	Amount Transfer red during 2023-24	Amount spent out of total amount transferre d during 2023-24	Total unspent amount as on 31st March, 2024
1	Director, Border Areas Development	46	2575	6.08	10.52	0.00	10.52
2	Director, C&RD, Shillong	51	2515	0.00	2.32	0.00	2.32
3	Director, C&RD, Shillong	51	4515	0.00	4.81	0.00	4.81
4	Director, C&RD, Shillong	51	4515	0.00	7.39	0.00	7.39
5	Director, C&RD, Shillong	51	4515	0.00	38.02	0.00	38.02
6	Director, Arts & Culture.	64	2205&3 454	21.01	16.85	1.20	27.19
7	Director of Health Services (MI).	26	2210	5.68	6.75	4.03	7.23
8	Director of The Information & Public Relations	30	2220	1.37	1.91	0.53	1.38
9	Director Sport & Youth Affairs, Meghalaya, Shillong	58	2204	0.00	79.53	46.94	32.60
10	Director of Agriculture (Research & Training)	43	2415	0.00	2.67	1.25	1.42
11	Basic Agricultural Training Centre, Upper Shillong	43	2415	0.00	1.07	0.00	1.07
12	Chief Engineer (Standard) PWD (Roads) Cum Empowered Officer, SRRDA, PMGSY, Megh. Shillong	56	5054	73.86	396.30	244.34	226.00
13	Director of School Education & Literacy 100700003		4202	1.87	50.43	29.32	21.11
14	Director of Housing	28	2216	15.47	94.37	60.96	33.41
15	Director of Housing	28	4216	1.62	2.28	1.24	1.04
16	Director, Sericulture & Weaving, Dept. of Textiles, Meghalaya Shillong	53	2851	0.00	2.92	1.95	1.57
17	Director of Agriculture	43	2435	0.00	6.38	2.58	3.80
18	Director of Agriculture	43	2401	0.00	31.20	16.70	14.50
19	Director of Agriculture	43	4401	0.00	1.50	0.00	1.50

Sl. No.	Name of DDO	Grant No.	Major Head	Total unspent amount as on 31st March 2023	Amount Transfer red during 2023-24	Amount spent out of total amount transferre d during 2023-24	Total unspent amount as on 31st March, 2024
20	Director of Commerce & Industries	54	4851	0.00	2.24	0.16	2.08
21	Jt. Director, Food Civil Supplies & Consumer Affairs	32	3456	18.46	69.76	68.47	20.38
22	Assistant Director of Social Welfare.	34	2235	25.88	266.94	215.38	51.55
23	Assistant Director of Social Welfare.	34	2236	0.13	164.31	145.07	19.24
24	Assistant Director of Social Welfare.	34	4235	14.80	34.41	19.05	15.36
·	Total			186.24	1,294.87	859.18	545.49

Source: Information received from the respective Departments of the Government of Meghalaya.

APPENDIX 4.3
Statement showing details of pendency in finalisation Accounts by SPSEs
(Reference: Paragraph 4.12)

Sl. No.	Department	SPSE	Year(s) for which accounts not received as on 30 September 2024	Total No. of Annual Accounts pending		
1		Mawmluh Cherra Cements Limited (MCCL)	2020-21 to 2023-24	4		
2		Meghalaya Industrial Development Corporation Limited (MIDCL)	2022-23 to 2023-24	2		
3	Commerce and Industries	Meghalaya Handloom & Handicrafts Development Corporation Ltd. (MHHDC)	2022-23 to 2023-24	2		
4	maustries	Meghalaya Electronics Development Corporation Limited (MEDCL)	2022-23 to 2023-24	2		
5		Meghalaya Infratech Consultancy and Innovation Ltd. (MICIL)	2023-24	1		
6		Meghalaya Bamboo Chips Limited (MBCL)	2023-24	1		
7	Cooperation	Meghalaya State Warehousing Corporation Limited (MSWC)	2023-24	1		
8	Environment			4		
9	Health and Family Welfare	Meghalaya Medical Drugs & Services Limited	2023-24	1		
10	Mining & Geology	Meghalaya Mineral Development Corporation Limited (MMDC)	2023-24	1		
11		The Meghalayan Age Ltd.	2021-22 to 2023-24	3		
12		Livelihood Improvement Finance Company of Meghalaya (LIFCOM)	2018-19 to 2023-24	6		
13	Planning	Meghalaya Infrastructure Development & Finance Corporation Ltd (MIDFCL)	2022-23 to 2023-24	2		
14		Meghalaya Basin Management Agency (MBMA)	2023-24	1		
15		ACIC Prime Foundation	2023-24	1		
16		Meghalaya Energy Corporation Limited (MeECL)	2023-24	1		
17	Power	Meghalaya Power Generation Corporation Limited (MePGCL)	2023-24	1		
18	TOWEI	Meghalaya Power Distribution Corporation Limited (MePDCL)	2023-24	1		
19		Meghalaya Power Transmission Corporation Ltd. (MePTCL)	2023-24	1		
20	Public Works Department (PWD)	Meghalaya Government Construction Corporation Ltd. (MGCCL)	2023-24	1		
21	Tourism	Meghalaya Tourism Development Corporation Ltd. (MTDC)	2022-23 to 2023-24	2		
22	Transport	Meghalaya Transport Corporation Limited (MTC)	2020-21 to 2023-24	4		
23	Urban Affairs	Shillong Smart City Limited (SSCL)	2023-24	1		
Total						

APPENDIX 4.4

Total Number of accounts and accounts excluded from monthly Civil Accounts during 2023-24

(Reference: Paragraph 4.13)

Month	Total	Number of Ac	counts	Accounts excluded from the Monthly Civil Accounts		
	Treasuries	PWD	Forest	Treasuries	PWD	Forest
April 2023	17	90	46	00	00	01
May 2023	17	90	46+1	00	00	00
June 2023	17	90	46	00	00	00
July 2023	17	90	46	00	00	00
August 2023	17	90	46	00	00	00
September 2023	17	90	46	00	00	00
October 2023	17	94	46	00	00	00
November 2023	17	94	46	00	00	00
December 2023	17	94	46	00	00	07
January 2024	17	94	46+7	00	00	00
February 2024	17	94	46	00	00	00
March 2024	17	94	46	00	00	00

Source: Office of the Principal Accountant General (A&E), Meghalaya.