CHAPTER II

Budgetary Management

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Budgetary Management

This chapter reviews Meghalaya's budgetary process, revealing significant gaps between budget estimates and actual expenditure, with issues like excess spending, persistent savings and last-minute fund surrenders. It highlights weaknesses in financial planning, control and compliance, stressing the need for realistic budgeting, timely fund utilisation, and modern practices like gender and green budgeting.

2.1 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[16] of expenditure separately and distinguish expenditure on revenue accounts from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government.

As per the, Government of Assam 1960, adopted by Government of Meghalaya, read with paragraph 37(vii) of Rules of Execution Business of the Government of the State of Meghalaya 1972, the Finance Department is responsible for preparing 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'. The State budget mainly comprises the following documents:

- ✓ Annual Financial Statement
- ✓ Demand for Grants
- ✓ FRBM Statements
- ✓ Others

2.2 Budget projection and gap between expectation and actual

Efficient management of tax administration/other receipts and public expenditure holds the balance for optimum utilisation of resources, strengthening scheme implementation and monitoring capacity and achieving of fiscal targets. Persistent savings/excesses indicate need for improvement in the underlying budgetary processes.

Details of total appropriation obtained from State Legislature, actual expenditure and savings are summarised in **Table 2.1**.

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16 **Charged expenditure:** Certain categories of expenditure (e.g. salaries of Constitutional authorities, loan repayments, *etc*.), constitute a charge on the Consolidated Fund of the State and are not subject to vote by the Legislature. **Voted expenditure:** All other expenditure is voted by the Legislature.

Table 2.1: Actual expenditure *vis-à-vis* budget provision during the financial year 2024-25

(₹ in crore)

Nature of Expenditure		Original Grant/App.	Supplementary Grant/App.	Total Budget	Actual Expenditure	Savings (-) Excess (+)	Surrender during 2024-25	
							Amount	*Per cent*
Voted	I. Revenue	18,215.65	1,054.50	19,270.15	16,005.67	(-)3,264.48	3,246.08	99.44
	II. Capital	5,869.51	1,572.70	7,442.21	5,245.98	(-)2,196.23	2,151.39	97.96
	III. Loans & Advance	51.47	0.00	51.47	32.72	(-)18.75	18.81	100.32
	Total	**24,136.63**	**2,627.20**	**26,763.83**	**21,284.37**	**(-)5,479.46**	**5,416.28**	**98.85**
Charged	V. Revenue	1,437.11	47.25	1,484.36	1,346.34	(-)138.02	137.24	99.43
	VI. Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	VII. Public Debt Repayment	1,498.29	0.00	1,498.29	11,170.84	(+)9,672.55*	0.58	-
	Total	**2,935.40**	**47.25**	**2,982.65**	**12,517.18**	**(+)9,534.53**	**138.82**	**-**
Appropriation to Contingency Fund (if any)		0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grant Total		**27,072.03**	**2,674.45**	**29,746.48**	**33,801.55**	**(+)4,055.07**	**5,554.11**	**-**

Source: Appropriation Accounts.

**₹ 9,672.55 crore is the result of excess expenditure of ₹9,673.13 crore under MH 6003 and savings of ₹ 0.58 crore under MH 6004.*

Note: The expenditure shown above are gross figures without taking into account the recoveries adjusted in the accounts as reduction of expenditure under Revenue Heads (₹ 270.82 crore).

Table 2.1 indicates that during the year 2024-25, the Capital (Voted) section recorded high savings of 29.51 *per cent*, mainly due to less expenditure than anticipated and non-release of funds. In contrast, a significant excess of 319.67 *per cent* was observed under Public Debt Repayment, majorly due to higher repayments arising from extensive use of Ways and Means Advances (WMA) and Special Drawing Facility (SDF) for temporary cash management.

Trends in the original budget, revised estimate, and actual expenditure for the period 2020-21 to 2024-25 are given in **Table 2.2** and for the period from 2015-16 to 2024-25 is outlined at **Appendix 2.1.**

Table 2.2: Original Budget, Revised Estimate and Actual Expenditure during FYs 2020-21 to 2024-25

(₹ in crore)

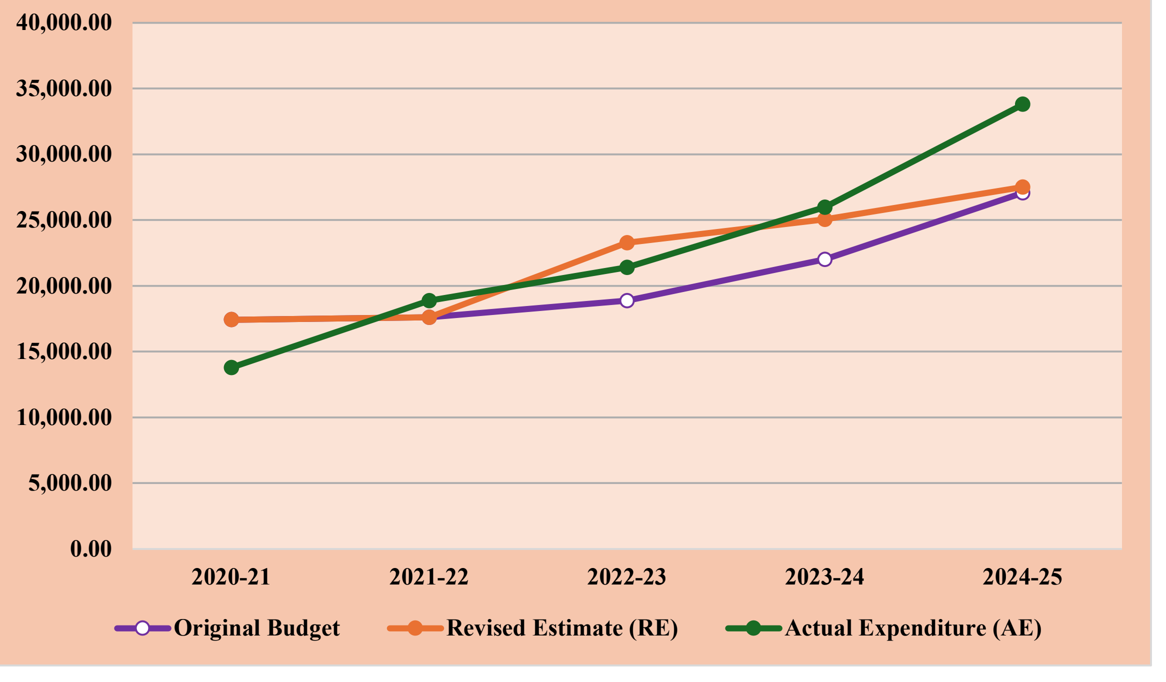
Particulars	2020-21	2021-22	2022-23	2023-24	2024-25
Original Budget	17,432.13	17,603.28	18,881.00	22,022.22	27,072.03
Supplementary Budget	1,569.01	2,786.97	3,044.59	4,744.64	2,674.45
Total Budget (TB)	18,999.24	20,390.22	21,925.59	26,766.86	29,746.48
Revised Estimate (RE)	17,432.13	17,603.28	23,280.09	25,052.02	27,520.84
Actual Expenditure (AE)	13,802.08	18,883.97	21,393.78	25,974.52	33,801.55
Savings (-) / Excess (+)	(-)5,197.16	(-)1,506.25	(-)531.81	(-)792.34	(+)4,055.07
Percentage of supplementary to the original provision	9.00	15.83	16.13	21.54	9.88
Percentage of overall savings (-) /excess (+) to the overall provision	(-)27.35	(-)7.39	(-)2.43	(-)2.96	(+)13.63

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25
TB - RE	1,567.11	2,786.94	(-)1,354.50	1,714.84	2,225.64
RE - AE	3,630.05	(-)1,280.69	1,886.31	(-)922.50	(-)6,280.71
(TB – RE) as % of TB	8.25	13.67	(-)6.18	6.41	7.48
(RE – AE) as % of TB	19.11	(-)6.28	8.60	(-)3.45	(-)21.11

Source: Annual Financial Statement and Appropriation Accounts.

Table 2.2 shows that during the year 2024-25, supplementary provision was ₹ 2,674.45 crore, which constituted 9.88 *per cent* of the original provision of ₹ 27,072.03 crore. This was lower than the previous year 2023-24, when the supplementary provision of ₹ 4,744.64 crore represented 21.54 *per cent* of the original provision of ₹ 22,022.22 crore.

Chart 2.1 Trend showing BE, RE and Actuals



From **Chart 2.1**, it is observed that actual expenditure has increasingly exceeded the original budget from 2021-22 onwards after remaining lower than the original budget in 2020-21 which was the year affected by COVID-19. On the other hand, the revised estimates and actual expenditure did not show significant divergence except in 2024-25 when notable gap was recorded.

2.2.1 Component/Services wise analysis of budgetary provisions and expenditure

Component wise analysis of the Budget and Expenditure for the financial year 2024-25 is summarised in **Table 2.3.** The summary of explanations received in case of variations in Appropriation Accounts is depicted in **Chart 2.2.**

Table 2.3: Component Wise Budget and Expenditure for the year 2024-25

(₹ in crore)

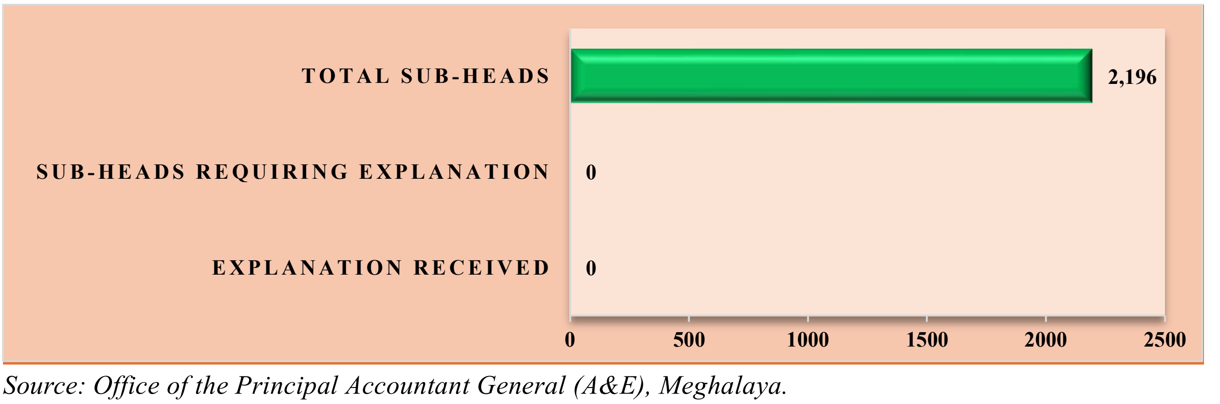
Component	Total Budget	Total Expenditure	Percentage of Total Budget	Percentage of Total Expenditure	Percentage of expenditure against the total Budget
(1)	(2)	(3)	(4)	(5)	(6=3/2*100)
Committed Expenditure	7,928.29	7,681.88	26.65	22.72	96.89
State Schemes (Including CSS State Share)	15,152.03	21,649.57	50.94	64.05	142.88
Central Share for CSS	4,566.67	3,174.42	15.35	9.39	69.51
Central Sector Scheme	252.77	5.20	0.85	0.02	2.06
EAP - Externally Aided Projects	1,790.63	1,290.32	6.02	3.82	72.06
North Eastern Council (NEC) Scheme	37.05	0.00	0.12	0.00	0.00
Non-Lapsable Central Pool of Resources (N.L.C.P. R)	19.04	0.16	0.06	0.00	0.84
Total	**29,746.48**	**33,801.55**	**-**	**-**	**-**

Source: Office of the Principal Accountant General (A&E), Meghalaya.

Table 2.3 shows low utilisation of budget provisions under Schemes Central Sector Scheme, NEC and NLCPR, indicating weak planning, fund release and implementation. This resulted in avoidable savings and delayed achievement of scheme objectives.

During the Exit Conference, the State Government stated that budget provisions were made in anticipation of receipt of funds from the Central Government. However, in some cases, such funds were not released within the same financial year. It was further stated that some provisions made for 2024-25 were received during 2025-26.

Chart 2.2: Summary of Explanation for Variation in Appropriation Accounts



Source: Office of the Principal Accountant General (A&E), Meghalaya.

During 2024-25, there was no sub-head which required explanation for variation in Appropriation Accounts.

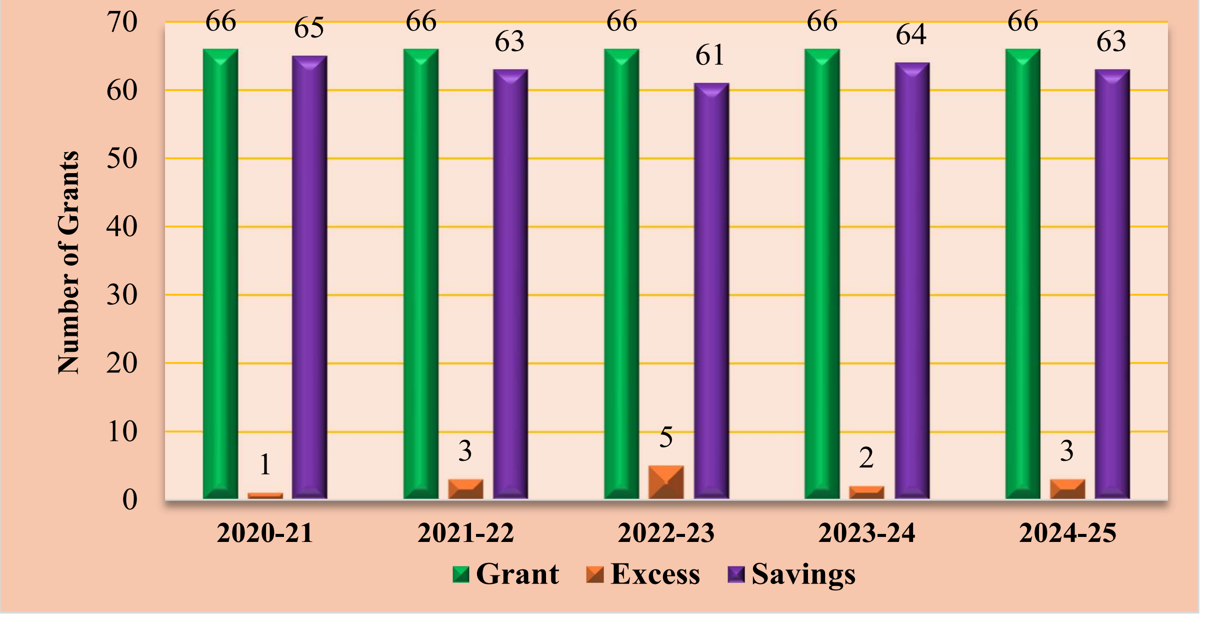
2.3 Budget marksmanship

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.

A year-wise analysis of grants, excesses, and savings provides valuable insights into the efficiency of budget execution and financial management by the State. It has been depicted in **Chart 2.3.**

Chart 2.3: Year-wise Grants, Excesses, and Savings



Source: Appropriation Accounts of respective years.

Chart 2.3 show the persistent trend of savings suggests unrealistic budgeting, poor forecasting, or execution challenges which leads to denying or delaying intended objectives under the planned expenditure.

The expenditure composition outturn for the FY 2024-25 is given in **Table 2.4**.

Table 2.4: Expenditure composition overall deviation FY 2024-25

Section	Overall Deviation (*per cent*)	Range of Deviation (*per cent*)	Number of Grants
Revenue (Voted)	(-)22.97	0 to ± 25	40
		± 25 to ± 50	12
		± 50 to ± 100	8
		≥ 100	0
Capital (Voted)	(-)46.79	0 to ± 25	12
		± 25 to ± 50	7
		± 50 to ± 100	15
		≥ 100	0
Revenue (Charged)	(-)5.36	0 to ± 25	4
	(-)30.88	± 25 to ± 50	1
	(-)100.00	± 50 to ± 100	3
	0.00	≥ 100	0

Section	Overall Deviation (*per cent*)	Range of Deviation (*per cent*)	Number of Grants
Capital (Charged)	(-)2.14	0 to ± 25	1
	0.00	± 25 to ± 50	0
	0.00	± 50 to ± 100	0
	(+)657.55	≥ 100	1
No provision was, however, made in respect of nine grants (Grant nos. 7, 14, 20, 22, 25, 30, 33, 35, 46 and 59) of the Capital section.			

Source: Appropriation Accounts 2024-25.

The expenditure pattern for 2024-25 indicates persistent underutilisation across both Revenue and Capital sections. Revenue (Voted) expenditure showed an overall deviation of (-)22.97 *per cent* from total budget provision of Revenue (Voted), with 40 number of grants falling within the 0–25 *per cent* range. Capital (Voted) reflected a sharper deviation of (-)46.79 *per cent* with 15 number of grants recording savings between 50–100 *per cent*. Revenue (Charged) also registered high deviations, with three grants reflecting savings above 50 *per cent*. Notably, Capital (Charged) displayed wide fluctuations, with one grant showing an excess of (+) 657.55 *per cent*. This composition highlights systemic weaknesses in budget estimation and control, particularly in capital outlay, where significant resources remained unutilised. This resulted surrender of ₹ 3,246.08 crore, ₹ 2,170.20 crore, ₹ 137.24 crore and ₹ 0.58 crore under Revenue (Voted), Capital (Voted), Revenue (Charged) and Capital (Charged) of Budget Provision respectively.

During the Exit Conference (January 2026), the State Government stated that savings in the budget provision were mainly due to uncertainty associated with release of Central assistance.

2.4 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 of the Constitution of India. These Accounts depict actual expenditure as against the original budget provision, supplementary grants, surrenders and re-appropriations distinctly in **gross basis**.

Audit of appropriations by the CAG 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.

2.5 Budgetary and Accounting Process

2.5.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of Article 204 of the Constitution. Paragraph 95 of Volume I of the Budget Manual of the Government of Assam, 1960 (adopted by Meghalaya) provides that 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.

However, it was observed that an expenditure of ₹ 815.14 crore[17], was incurred in 10 cases under various components of six grants during the year 2024-25 without having any provision in the original budget estimates/ supplementary demands and without issuing any re-appropriation orders to this effect. Cases with more than ₹ one crore in each case is outlined in **Appendix 2.2.** In its reply during the Exit Conference, the State Government stated that expenditure on salaries is committed in nature and therefore unavoidable. The State further assured that more realistic budget provisions would be formulated in future budgets to avoid recurrence of excess expenditure, particularly in respect of committed liabilities.

2.5.2 Excess expenditure and its regularisation

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

A. Excess expenditure during current year

There was an excess disbursement of ₹ 9,725.87 crore over the authorisation made by the State Legislature under two Grants and one Appropriation during 2024-25 as indicated in **Table 2.5**.

Table 2.5: Excess expenditure during 2024-25 requiring regularisation

(₹ in crore)

Grant No./ Appropriation	Grant/Appropriation details	Amount of excess expenditure required to be regularised
24	Administration of Pension and Other Retirement Benefits and Social Services (Revenue – Voted)	42.00
56	Administration of Roads and Bridges	10.74
6003	Administration of Public Debts (Capital – Charged)	9,673.13
Total		**9,725.87**

Source: Appropriation Accounts.

During 2024-25, an excess expenditure of ₹ 9,725.87 crore was recorded. Although expenditure on pensions and other services is largely committed in nature, the occurrence of excess expenditure in three out of the last five years (2021-22, 2022-23 and 2024-25) indicates persistent weaknesses in budget estimation and expenditure control. This trend reflects inadequate forecasting of committed liabilities and underscores the need for timely regularisation of excesses and stronger monitoring mechanisms. There was no excess expenditure under the Grants selected for review. In its reply during the Exit Conference, the State Government stated that expenditure on salaries and pension are committed in nature and therefore unavoidable. The State further assured that more realistic budget provisions would be formulated in future budgets to avoid recurrence of excess expenditure, particularly in respect of committed liabilities.

[17] This is inclusive of ₹ 693.50 crore of repayment for WMA and SDF.

During the Exit Conference, Audit highlighted that IFMS is in place and availability of budget provision is verifiable before processing expenditure. However, excess expenditure continued to be processed despite this facility. The State Government stated that, in respect of Major Head 6003 (Administration of Public Debts), the budget provision is made as per the WMA limit fixed by the RBI for the State. However, the cash management facility was resorted to on multiple occasions and making budget provision beyond the limit set is challenging. This was the main reason for excess expenditure under the Major Head despite the IFMS being in place. Further, pension payments are part of committed expenditure and hence they were processed even though it exceeded budget provisions. However, in respect of Grant No. 56 (Administration of Roads and Bridges), the State Government stated that the matter will be examined.

B. Regularisation of excess expenditure of previous financial years

In March 2021, out ₹ 1,439.02 crore excess expenditure from 1971-72 to 2011-12, ₹ 949.05 crore, as recommended by the PAC, was regularised by the State Legislature. As on 31st March 2025, an amount of ₹ 20,378.78 crore pertaining to year upto 2024-25 was yet to be regularised. The year-wise and grant-wise excess expenditure pending for regularisation is outlined in **Table 2.6** and **Appendix 2.3**.

Table 2.6: Excess expenditure relating to previous years requiring regularisation

Year	Grant No.	Sum of Amount of excess required to be regularised as commented in the Appropriation Accounts (₹ in lakh)
1971-72	79, 80	6.54
1972-73	12, 16, 71	0.57
1973-74	10	0.50
1974-75	13, 29, 54	4.41
1975-76	2, 13, 29, 82	7.08
1976-77	29, 54, 62	2.16
1977-78	13, 54	5.24
1978-79	3, 22	4.98
1979-80	13, 22	3.01
1980-81	13, 30, 39	2.20
1981-82	13, 31, 34, 37, 5	11.62
1982-83	16, 22, 28, 29, 31, 37, 46, 55	142.85
1983-84	9, 16, 19, 24, 28, 29, 31, 37, 40, 45, 46, 63	494.45
1984-85	10, 22, 30, 43, 58, 59, 64	716.53
1985-86	4, 29, 37, 38, 58, 64	474.91
1986-87	29, 39, 55	2.79
1987-88	11, 13, 16, 28, 38, 48, 57	252.87
1988-89	16, 30, 45, 56, 11, 22, 29, 41, 44, 48, 57	606.37
1990-91	16, 18, 28, 34, 37, 59	94.77
1991-92	5, 16, 30, 36, 57	137.91
1992-93	2, 5, 7, 13, 16, 49, 57	461.09
1993-94	6, 27, 40, 56	314.54
1995-96	16, 27, 47, 56	844.68
1996-97	5, 16, 22, 29, 41, 56	256.65
1997-98	6, 16, 25, 56	223.20
1998-99	6, 11	558.62
1999-2000	16	248.58
2000-01	16, 40, 56	882.93
2001-02	35	2.46
2002-03	11, 35	122.65

Year	Grant No.	Sum of Amount of excess required to be regularised as commented in the Appropriation Accounts (₹ in lakh)
2005-06	16	70.81
2006-07	40	1,204.40
2007-08	16, 41	2,547.26
2008-09	35	2.42
2009-10	1, 2, 20, 23, 24, 35, 52	3,696.01
2010-11	1, 2, 4, 14, 24, 35, 56, 63	20,336.68
2011-12	14, 23, 24, 32, 35, 44, 52, 2051	14,251.62
2012-13	2, 7, 16, 19, 24, 44, 46, 48, 56, 2051	11,444.85
2013-14	7, 9, 24, 26, 44, 2049, 6003	18,949.62
2014-15	7, 12, 24, 6004	11,498.75
2015-16	2, 7, 20, 24, 26, 27, 56	16,748.81
2016-17	7, 21, 24, 27, 28, 56	16,806.06
2017-18	24, 47, 56, 2049 (App)	3,390.20
2018-19	24, 2049	22,405.22
2019-20	24, 32, 2049, 6004	30,978.99
2020-21	2	73.63
2021-22	11, 24, 6003, 6004	1,58,067.26
2022-23	11, 20, 24, 29, 32, 58, 60, 6003	3,43,940.79
2023-24	43, 55, 6003	3,81,990.89
2024-25	24, 56, 6003	9,72,586.89
Grand Total		**20,37,878.29**

Source: Appropriation Accounts and PAC reports.

To strengthen the legislative oversight over the expenditure from Consolidated Fund of State, these excess expenditures need to be regularised at the earliest and measures to contain recurrence of such excess may be taken by the State Government.

During the Exit Conference, the State Government stated that the process for regularisation of excess expenditure would be taken up.

2.5.2.1 Persistent excesses expenditure in certain Grants.

Audit scrutiny revealed that in two cases under two grants, there was persistent excess expenditure during the last four years as detailed in **Table 2.7.**

Table 2.7: Persistent excess expenditure during FYs 2021-22 to 2024-25

(₹ in crore)

Sl. No..	Description of Grant/Appropriation	2021-22	2022-23	2023-24	2024-25
1.	Grant No.-24-Administration of Pension and Other Retirement Benefits and Social Services 2071-Pensions and other Retirement benefits 01-Civil 101-Superannuation and Retirement Allowances 01- Superannuation and Retirement Allowances (Voted-6th Schedule) Grant Expenditure Excess	568.39 661.79 93.40	664.50 788.37 123.87	816.20 870.59 54.39	893.50 958.17 64.67
2.	Grant No.-56-Administration of Roads and Bridges 3054-Roads and Bridges 03-State Highways 103-Maintenance and Repairs 06- Other Maintenance Expenditure-Road Works – (SS) (Voted-6th Schedule) Grant Expenditure Excess	15.21 18.58 3.37	13.46 13.53 0.07	20.00 25.18 5.18	25.35 28.72 3.37

Source: Office of the Principal Accountant General (A&E), Meghalaya.

Audit scrutiny revealed persistent excess expenditure in two grants over the last four years (2021-22 to 2024-25). Under **Grant No. 24 – Pensions and Retirement Benefits**, excess ranged from ₹ 93.40 crore in 2021-22 to ₹ 64.67 crore in 2024-25, reflecting continued underestimation of retirement liabilities despite the recurring nature of such expenditure. Similarly, **Grant No. 56 – Roads and Bridges** (State Highways, Maintenance and Repairs) recorded excess each year, with peaks of ₹ 5.18 crore in 2023-24 and ₹ 0.07 crore in 2022-23. The persistence of such excess indicates systemic weaknesses in budget formulation and monitoring.

2.5.3 Supplementary Grants rendered non-essential

Article 205 of the Constitution prescribes the requirement of a Supplementary or Additional Grant or Appropriation to cater to the requirements in excess of the original provisions.

It was noticed that in 31 instances[18] (more than ₹ one crore in each case), even though the supplementary provisions of ₹ 1,017.41 crore were made **(Appendix 2.4)**, the expenditure did not come up to original provisions during the year 2024-25 proving the supplementary provision non-essential. Similarly, supplementary provisions of ₹896.45 crore (more than ₹ one crore in each case) out of total supplementary provision of ₹ 1,439.63 crore obtained under 12 cases[18] proved excessive **(Appendix 2.5)** as full amount of supplementary provisions could not be utilised.

[18] Under Revenue (Voted) and Capital (Voted) Sections.

The detailed review of selected Grants, **No. 6 - Administration of Land Revenue, Land Ceilings, *etc.*** and **No. 38 - Administration of Planning Organisation** showed that supplementary grant of ₹ 77.42 crore under Revenue Section of **Grant No. 6** proved non-essential as the total expenditure (₹ 190.58 crore) was less than the original provision (₹ 210.52 crore). This resulted in savings of ₹ 97.35 crore. Further, within **Grant No. 38,** supplementary grants of ₹ 252.20 crore under Revenue Section and ₹ 100.00 crore under Capital Section proved non-essential as the total expenditure under respective sections (₹ 800.15 crore for Revenue Section and ₹ 757.22 crore for Capital Section) remained below the original provisions (₹ 914.74 crore for Revenue Section and ₹ 1,052.25 crore for Capital Section). This resulted in savings of ₹ 366.79 crore under Revenue Section and ₹ 395.03 crore under Capital Section. The Planning Department stated (November 2025) that department moved for supplementary grant as the same was required. However, no cash flow was received from Finance Department.

2.5.4 Injudicious re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation to another unit where additional funds are needed. During 2024-25, re-appropriation orders under 61 grants amounting to ₹ 2,244.82 crore were issued.

Further, in six schemes **(Appendix 2.6 -Sl. Nos – 1 to 6)**, reduction of provision through re- appropriation orders effected by various departments proved injudicious as there was excess expenditure under these cases. Further, in 233 schemes, augmentation of provision through re-appropriation also proved unnecessary because expenditure was either equal to or did not come up to the level of original/supplementary budget provision. Instances (16 Nos) with augmentation more than one crore in each scheme which proved unnecessary are highlighted in **Appendix 2.6 - Sl. Nos – 7 to 22.**

The detailed review of selected Grants, **No. 6 - Administration of Land Revenue, Land Ceilings, *etc.*** and **No. 38 - Administration of Planning Organisation** revealed that under two schemes of **Grant No. 6**, the augmentation of provision through re-appropriation proved unnecessary as the total expenditure did not reach to total provision (Original + Supplementary). Similarly, under four schemes of **Grant No. 38**, the augmentation of provision through re-appropriation proved unnecessary as the total expenditure did not reach to total provision (Original + Supplementary).

2.5.5 Unspent amount and surrendered appropriation and/or Large Savings/Surrenders

Non-utilisation of entire provision

Budget proposals should strive to optimise all foreseeable expenditure to appropriate spending levels to balance the quality of expenditure and reduce underutilisation of budgeted funds. Timely surrenders by the spending units are an important mechanism for optimal reallocation within the approved budget.

The analysis of grants and appropriations showed that in 20 cases (under 15 grants) during the year 2024-25, the savings (excluding surrenders) exceeded ₹ 100 crore in each case (**Appendix 2.7**). It was further noticed that in six grants, no expenditure *vis-à-vis* total grant amounting to ₹ 145.00 crore as given in **Table 2.8** was incurred during the year 2024-25.

Table 2.8: Entire grant remaining unutilised during the financial year 2024-25

(₹ in crore)

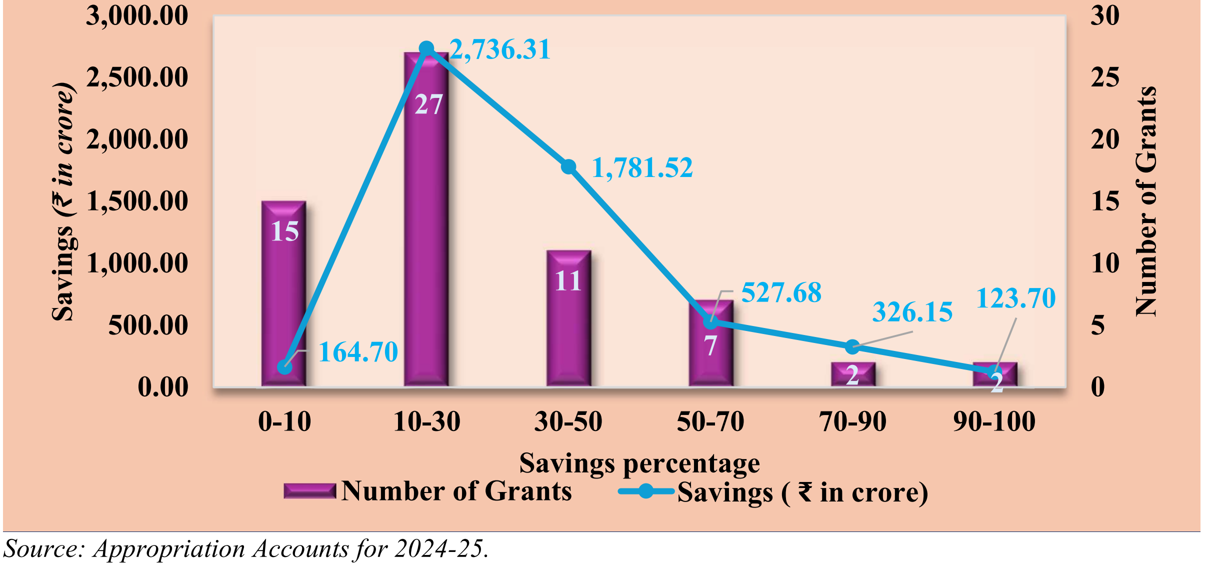
Sl. No.	Number and Name of the Grant	Total
1	16 - Administration of Civil Police and Fire Protection Services - (Revenue - Charged)	0.21
2	39 - Administration of Co-operation Department - (Capital - Voted)	16.97
3	48 - Administration of Dairy Development - (Capital - Voted)	7.93
4	49 - Administration of Fisheries - (Capital - Voted)	12.09
5	50 - Administration of Forests - (Revenue - Charged)	0.20
6	2048 - Appropriation for Reduction or Avoidance of Debt - (Revenue - Charged)	107.60
Total		**145.00**

Source: Appropriation Accounts 2024-25.

Further, it was also observed that in five cases, there was persistent saving exceeding ₹ 100 crore in each case (**Appendix 2.8)** during 2022-23 to 2024-25.

Detail of grants grouped by the percentage of utilisation along with total savings during 2024-25 has been shown in **Appendix 2.9** and **Chart 2.4**.

Chart 2.4: The distribution of the number of Grants/Appropriations grouped by the percentage of Savings along with total savings



Source: Appropriation Accounts for 2024-25.

Note: - The savings are depicted for entire grants clubbing Revenue (Voted & Charged) and Capital (Voted & Charged) together.

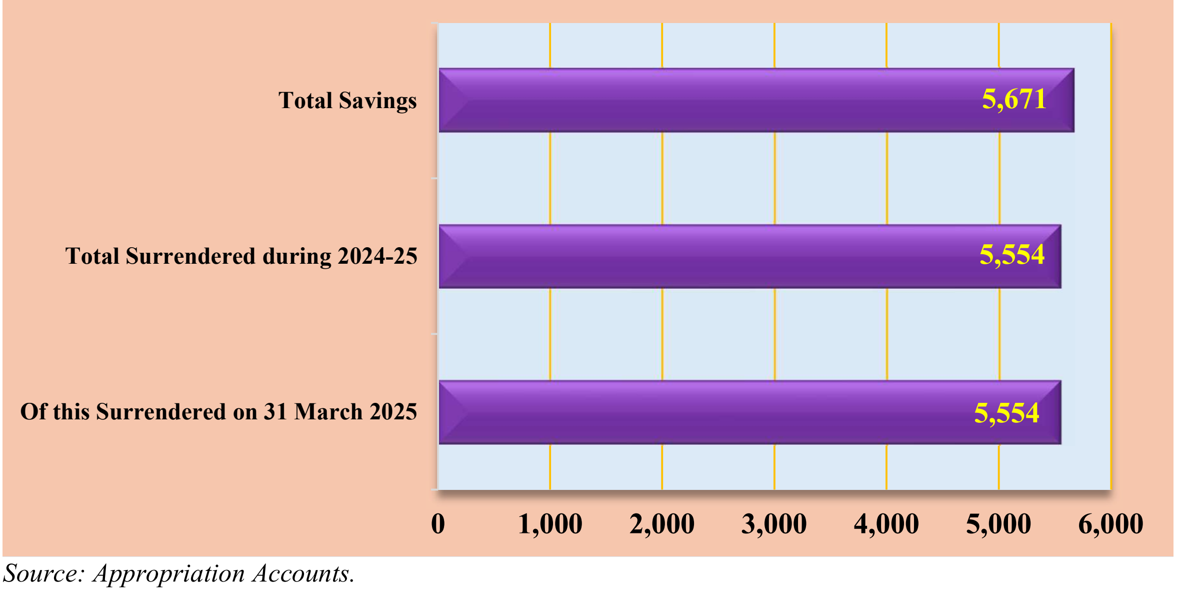
Chart 2.4 shows that savings were spread across grants with varying percentages. However, the highest savings was in the 10-30 *per cent* range, where 27 grants accounted for savings of ₹ 2,736.31 crore. In comparison, savings above 50 *per cent* were fewer in number but significant in value, indicating uneven budget utilisation.

Large Savings and Surrender

During the year 2024-25, savings of ₹ 5,670.80 crore under 60 grants and four appropriations were noticed. Out of this, savings of ₹ 116.69 crore were not surrendered. Cases with more than ₹ one crore savings not surrendered are highlighted in **Appendix 2.10**. Details of savings (exceeding ₹ 10 crore in each case) surrendered on the last day of March 2025 is given in **Appendix 2.11**.

Chart 2.5: Savings and surrenders for the year 2024-25

(₹ in crore)



Source: Appropriation Accounts.

Analysis of **Chart 2.5** shows that 97.94 *per cent* of the total savings during 2024-25 were surrendered. Notably, the entire surrendered amount was made on 31 March 2025.

The detailed review of selected **Grant No. 6 - Administration of Land Revenue, Land Ceilings, *etc.*** showed that savings of ₹ 97.35 crore (33.81 *per cent of total provision*) under Revenue Section and ₹ 15.10 crore (98.39 *per cent of total provision*) under Capital Section. Moreover, out of savings of ₹ 97.35 crore under Revenue Section, only ₹ 91.13 crore was surrendered and entire savings under Capital Section were not surrendered.

Similarly, review of **Grant No. 38 - Administration of Planning Organisation** found large savings of ₹ 366.78 crore (31.43 *per cent of total provision*) under Revenue Section and ₹ 395.03 crore (34.28 *per cent of total provision*) under Capital Section. Entire savings was surrendered on 31st March 2025.

Large savings and surrender of funds on the last working day of the financial year suggest deficiencies in the budgeting process necessitating more realistic assessment of requirements and improved monitoring of expenditure to facilitate reallocation of the provisions. Timely review and surrender will be helpful in improving reallocation of unutilised allocations. Further, low utilisation of allocations in the Capital Section suggests bottlenecks in implementation of developmental and infrastructure projects thereby affecting realisation of the intended outcomes.

2.5.6 Misclassification between Revenue Expenditure and Capital Expenditure

As per Rule 30 of Government Accounting Rules, 1990, expenditure that only results in the creation of concrete, material, and permanent assets should be classified in capital expenditure.

In the financial year 2024-25, the State booked ₹ 5,245.98 crore as Capital Expenditure. During test check of relevant sanction orders and expenditure vouchers, Audit noticed that out of the amount of ₹ 5,245.98 crore, ₹ 125.40 crore **(Appendix 2.12)** of expenditure of revenue nature had been booked as Capital Expenditure. This includes ₹ 15.40 crore as reported in the Finance Accounts for the year 2024-25 and ₹ 110.00 crore based on detailed review of Grant No. 38 by Audit. Out of total amount of ₹ 125.40 crore, ₹ 110.00 crore had been transferred for as the grants-in-aid by the Government of Meghalaya. In accordance with Note below Rule 30(1) of GAR 1990, this amount is to be classified as Revenue Expenditure, instead of Capital Expenditure. The remaining amount of ₹ 14.40 crore was paid as subsidy to private airlines. Instead of booking this expenditure on subsidy as Revenue Expenditure, the State booked it under Capital Expenditure.

During review of Grant No. **38 - Administration of Planning Organisation**, Audit found that the State transferred an amount of ₹ 110.00 crore to Meghalaya Basin Management Agency (MBMA) for implementation of Meghalaya Livelihood and Access to Market Projects (LAMP) during the year 2024-25. This amount was booked as Capital Expenditure under the Object Head 53(Major Works) under Minor Head 800 of Major Head 5475 within Grant No. 38. However, this amount was given as Grants-In-Aid in terms of the Subsidiary Agreement signed between the Government of Meghalaya and the MBMA for implementation of LAMP. Therefore, the expenditure being Grants-In-Aid needed to be booked as grants in aid (creation of capital assets) under revenue expenditure, not capital expenditure. This resulted in overstatement of capital expenditure and understatement of revenue expenditure by that extent.

Thus, there was a misclassification of ₹ 125.40 crore, which resulted in overstatement of Revenue Surplus to that extent. The resulting Capital Expenditure, after Audit, for FY 2024-25, was ₹ 5,120.58 crore.

During the Exit Conference, the State Government stated that correct classification will be carried out.

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

Several policy initiatives taken up by the Government are wholly or partially not executed due to non-approval of Scheme Guidelines/non-release/non-provision of budget, *etc*. It was observed that under two schemes, no provision was made resulting in non-implementation of schemes as shown in **Appendix 2.13**.

Further, under one scheme, there was approved outlay of ₹ 40.55 crore, however, sanction of ₹ 28.91 crore only was provided as shown in **Appendix 2.14**.

2.5.8 Non-adherence to the Quarterly Expenditure Limit

Rule 62(3) of the General Financial Rules provides that rush of expenditure, particularly in the closing months of the financial year, is regarded as a breach of financial propriety and should be avoided. The State Government has prescribed object head wise quarterly expenditure limit (1st Quarter - 20 *per cent*, 2nd Quarter - 20 *per cent*, 3rd Quarter - 20 *per cent* and 4th Quarter - 40 *per cent*) for the year 2024-25. Details of expenditure during last quarter of the current financial year are given in **Table 2.9**.

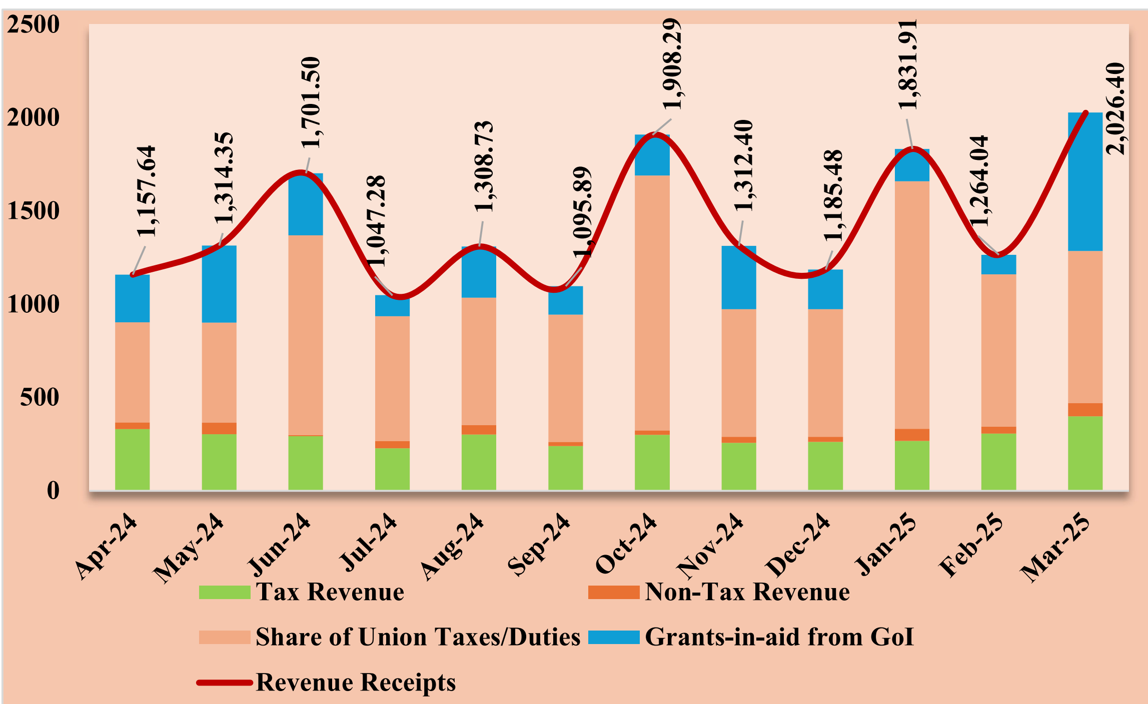
Table 2.9: Rush of Expenditure during FY 2024-25

Particulars	Amount (*₹ in crore*)	Percentage of Total Expenditure in the year
Last Quarter of the year (Jan to Mar-2025)	9,447.99	27.95
Last month of the year (Mar-25)	6,253.24*	18.50
Last day of the year (31st March 2025)	5.52	0.02

Source: Office of the Principal Accountant General (A&E), Meghalaya.
**This is inclusive of ₹176.67 crore book adjustment during March supplementary accounts.*

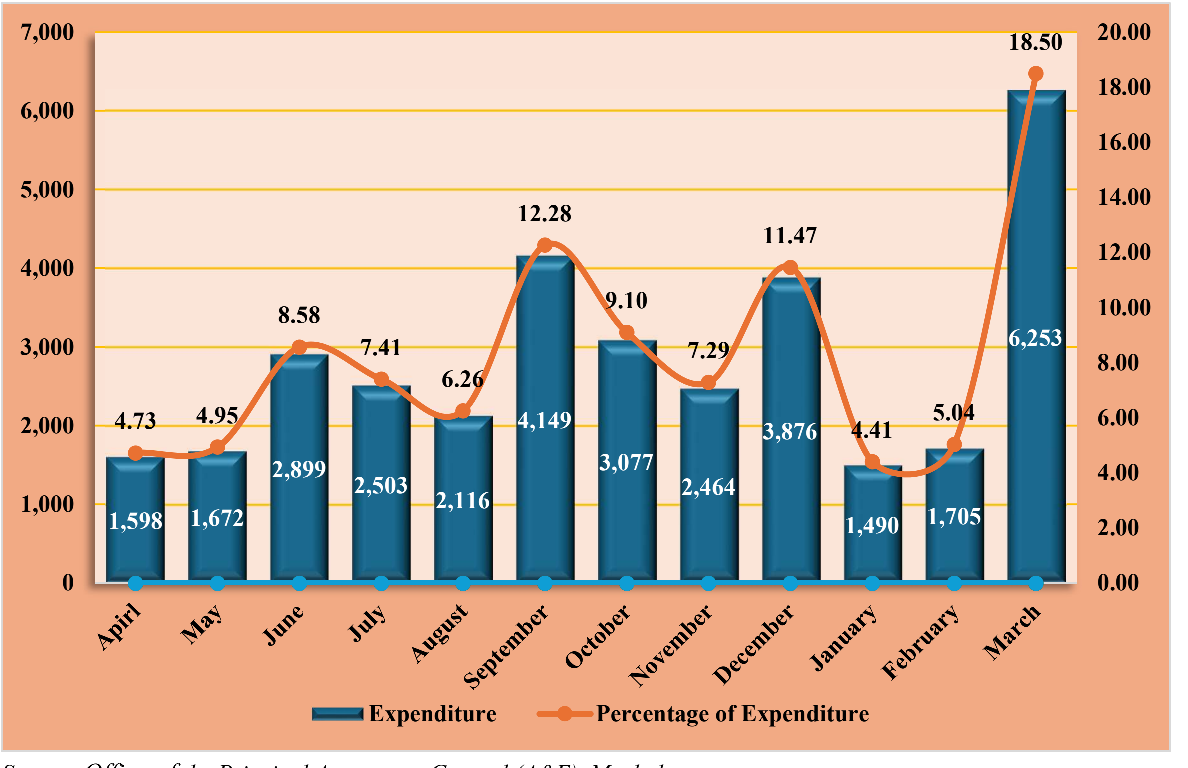
Trend of total monthly receipts (Revenue Receipts, Capital Receipts and Cash Balance) and expenditure during financial year 2024-25 is shown in **Chart 2.6 and Chart 2.7**.

Chart 2.6: Trend analysis of receipts (Month wise)



Source: Office of the Principal Accountant General (A&E), Meghalaya.

Chart 2.7: Trend analysis of expenditure (Month wise)



Source: Office of the Principal Accountant General (A&E), Meghalaya.

The monthly expenditure trend depicted in the chart indicates a pronounced skewness towards the last quarter of the financial year, particularly in March.

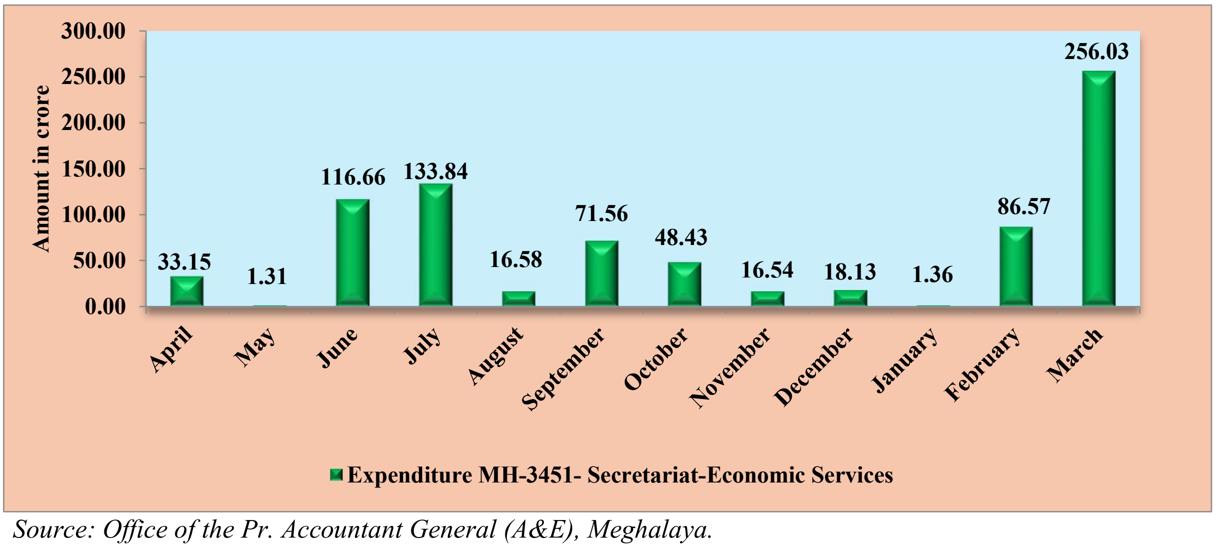
Analysis of the monthly trend of receipts and expenditure during 2024-25 revealed uneven financial flow and a pronounced rush of expenditure in the closing months of the financial year. While receipts remained broadly steady throughout the year, with minor peaks in June, October, and March, expenditure showed a sharp spike in March 2025 accounting ₹ 6,253 crore constitutes 18.50 *per cent* of the total annual expenditure. The last-quarter spending (January–March) together constituted around one-third of the year's total expenditure.

This pattern indicates inadequate financial planning and absence of effective quarterly expenditure control. The bunching of expenditure towards the end of the year not only affects the quality of spending but also raises the risk of procedural lapses and ineffective utilisation of funds. Such concentration of expenditure in March is symptomatic of weak budgetary discipline and highlights the need for enforcing quarter-wise expenditure ceilings and close monitoring of departmental spending patterns.

Selected Grant-wise rush of expenditure analysis

Chart 2.8: Month wise expenditure under Major Head 3451- Secretariat-Economic Services during 2024-25

(₹ in crore)



Source: Office of the Pr. Accountant General (A&E), Meghalaya.

Further entire expenditure of ₹ 814.90 crore under 249 sub-heads in 41 Departments was incurred in the month of March 2025 alone. The Sub Heads where entire expenditure of ₹ one crore and above incurred in the month of March 2025 alone outlined in **Appendix 2.15**.

Maintaining a steady pace of expenditure is a crucial component of sound public financial management as it prevents fiscal imbalances and temporary cash crunches. The State Government had prescribed quarter-wise percentages for regulating expenditure during the year and it was found that on grant level, the quarter-wise expenditure is within the prescribed limit with minor variation. The quarterly details of expenditures incurred across all Grants during the year 2024-25 are shown in the **Appendix 2.16.**

During the Exit Conference (January 2026), the State Government stated that majority of Centrally Sponsored Schemes and Central Sector Schemes funds from the Central Government were released during the last quarter or even the last month of the financial year which resulted in substantial portion of expenditure being incurred towards the end of the year.

2.6 Implementation of Selected CSS Schemes (Top 5 by Expenditure) in the State

2.6.1 Single Nodal Agency

Ministry of Finance, Government of India, mandated (March 2021) release of funds under each Centrally Sponsored Scheme (CSS) through a Single Nodal Agency (SNA) for each CSS, and monitoring their utilisation. Each SNA must have a dedicated bank account in an authorised Scheduled Commercial Bank. The State Government is required to transfer the Central Share received to the concerned SNA's account, along with the corresponding State share.

Audit analysed the VLC data and SNA PFMS report and found that there was discrepancy in data of Central and State share transfer to SNA accounts, as shown in **Table 2.10.**

Table 2.10: Discrepancies in Central and State share transfer

(₹ in crore)

Source of Data	Central share received	Central share transferred	State share transferred	Less (-) /Excess (+) amount released by State (Central Share)
VLC	3,006.04	3,180.38	1,203.29	(+)174.34
SNA PFMS Report	2,042.24	2,586.89	698.53	(+)544.65
Difference Amount	**963.80**	**593.49**	**504.76**	**370.31**

Source: Notes to Finance Accounts and Information provided by the PAG(A&E), Meghalaya.

Detailed vouchers and supporting documents of actual expenditure were not received by PAG office in respect of SNAs. As per PFMS, ₹ 788.40 crore were lying unspent in the bank accounts of the SNAs on 31 March 2025. The difference of figures between the amount booked in the Accounts and SNA report was under reconciliation.

During the Exit Conference (January 2026), the State Government stated that the differences were because of transfer of funds directly to implementing agencies without routing through the Consolidated Fund of the State in respect to schemes such as JJM and MGNREGA. The State Government added that the necessary reconciliation would be taken up in due course.

2.6.2 Single Nodal Agency - SPARSH

To enhance oversight of the availability and utilisation of funds released under the Centrally Sponsored Schemes (CSS), the Department of Expenditure, Government of India introduced revised Guidelines for fund flow procedures. These Guidelines aim to implement the principles of 'just-in-time releases' for payments, ensuring more efficient cash management at both the Central and State levels. As part of this effort, an alternative fund flow mechanism, SNA-SPARSH a real-time system for the integrated and swift transfer of CSS funds was introduced. This system operates through a seamless framework integrating the Public Financial Management System (PFMS), State Integrated Financial Management Information System (IFMIS), and e-Kuber of the Reserve Bank of India (RBI), facilitating efficient and transparent fund disbursement.

As per the revised procedure notified by the Ministry of Finance, State Governments are required to transfer both the Central and State share of funds to the Single Nodal Agency (SNA) Account under the SNA-SPARSH model. However, it was observed that the State continue to adopt varied modes of transfer such as Grants-in-Aid (GIA) Bills, and final expenditure bills without disclosing the exact mode due to lack of detailed information. Under the SNA-SPARSH model, each State must designate an SNA for implementing every State-Linked Scheme corresponding to a Centrally Sponsored Scheme (CSS), and all releases are to be routed exclusively through the Public Financial Management System (PFMS). Upon onboarding, existing SNA accounts must be closed, and unspent balances remitted Central share to the Consolidated Fund of India and the State share to the respective State Consolidated Fund. Further, all SNAs and Implementing Agencies must be registered in the

State Integrated Financial Management Information System (IFMIS), and funds are to be released on a just-in-time basis directly to beneficiaries or vendors, without routing through Personal Deposit (PD) accounts or other intermediary accounts, thereby promoting improved cash management and transparency.

As on 31 March 2025, out of 90 Schemes in the State, only 33 were onboarded SNA-SPARSH platform and funds released through it. Another 18 schemes were onboarded, but funds had not been released through the platform.

2.7 Other issues noticed in Detailed Review of selected grants

A review of budgetary procedure and control over expenditure was conducted in respect of 'Grant Number **6 – Administration of Land Revenue, Land Ceilings, *etc*.**' and 'Grant Number **38 - Administration of Planning Organisation**'. The observations noticed during the review are discussed in succeeding paragraphs.

2.7.1 Review of Grant No. 6 – Administration of Land Revenue, Land Ceilings, *etc.*

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 three-year period 2022-23 to 2024-25 is given in **Table 2.11**.

Table 2.11: Budget and Expenditure of Grant No. 6

(₹ in crore)

Grant No.	2022-23	2023-24	2024-25
Total Budget Provision	**146.03**	**187.12**	**303.29**
Expenditure	66.73	52.38	190.83
Savings (-)/ Excess (+)	(-)79.31	(-)134.75	(-)112.46
Savings (percentage)	54.31	72.01	37.08
Savings not surrendered	23.17	7.60	21.32
Revenue Provision	**143.98**	**185.12**	**287.94**
Expenditure	64.68	52.12	190.58
Savings (-)/ Excess (+)	(-)79.31	(-)133.00	(-)97.36
Savings (percentage)	55.08	71.85	33.81
Savings not surrendered	23.17	7.60	6.22
Capital Provision	**2.05**	**2.00**	**15.35**
Expenditure	2.05	0.25	0.25
Savings (-)/ Excess (+)	0.00	(-)1.75	(-)15.10
Savings (percentage)	0.00	87.50	98.37
Savings not surrendered	0.00	0.00	15.10

Source: Appropriation Accounts.

Table 2.11 shows the trend of allocation and utilisation of funds in under Grant No. 6 – Administration of Land Revenue, Land Ceilings, *etc*. during the three-year period from 2022- 23 to 2024-25. Significant savings were noticed throughout the three-year period with savings lying between 37.08 *per cent* and 72.01 *per cent*. Savings were mainly observed against the allocations for providing assistance to the victims of natural calamities, mitigation Projects/Works due to less expenditure than anticipated, non-expenditure and non-approval of proposals.

Budget provision not utilised

Audit found that 100 *per cent* of the budget provision (Original + Supplementary) of ₹ 48.20 crore in 21 cases was not utilised under the Grant No. 6 during the year 2024-25. All the 21 cases are detailed in **Table 2.12.**

Table 2.12: Cases where no part of budget provisions was utilised

(₹ in crore)

Sl. No.	Major Head and Group Head	Total Provision (O+S)	Expenditure
2029 – Land Revenue			
1	103 - (06) Land Tenure Research Cell for Land Reforms Legislation - S.F.E. - Revenue (Voted) - General	0.00*	0.00
2	103 - (11) Land Reforms and Land Records-Grant to the District Councils. - S.F.E. - Revenue (Voted) - General	0.69	0.00
3	103 - (14) Computerisation of Land Records and Cadastral Maps. - S.F.E. - Revenue (Voted) – General	0.03	0.00
2245 – Relief on account of Natural Calamities			
4	02 - 101 - (01) Financial Assistance of the victims of Natural calamities - Centrally Sponsored Schemes - Revenue (Voted) – General	1.20	0.00
5	02 - 104 - (01) Financial Assistance to the Victims of Natural Calamities - Centrally Sponsored Schemes - Revenue (Voted) – General	2.00	0.00
6	02 - 105 - (01) Financial Assistance to the Victims of Natural Calamities - Centrally Sponsored Schemes - Revenue (Voted) – General	5.00	0.00
7	02 - 106 - (01) Financial Assistance to the Victims of Natural Calamities - Centrally Sponsored Schemes - Revenue (Voted) – General	5.00	0.00
8	02 - 110 - (01) Financial Assistance to Victims of Natural calamities - Centrally Sponsored Schemes - Revenue (Voted) – General	0.10	0.00
9	02 - 111 - (01) Financial Assistance to Victims of Natural calamities - Centrally Sponsored Schemes - Revenue (Voted) – General	0.05	0.00
10	02 - 113 - (01) Financial Assistance to Victims of Natural calamities - Centrally Sponsored Schemes - Revenue (Voted) – General	0.07	0.00
11	02 - 114 - (01) Financial Assistance to Victims of Natural calamities - Centrally Sponsored Schemes - Revenue (Voted) – General	0.20	0.00
12	02 - 115 - (01) Financial Assistance to Victims of Natural calamities - Centrally Sponsored Schemes - Revenue (Voted) – General	0.01	0.00
13	02 - 118 - (01) Financial Assistance to Victims of Natural calamities - Centrally Sponsored Schemes - Revenue (Voted) – General	5.00	0.00
14	02 - 193 - (01) Financial Assistance to Victims of Natural calamities - Centrally Sponsored Schemes - Revenue (Voted) – General	2.00	0.00

Sl. No.	Major Head and Group Head	Total Provision (O+S)	Expenditure
15	08 - 101 - Mitigation Projects/Works - Centrally Sponsored Schemes - Revenue (Voted) - General	17.00	0.00
16	80 - 101 - (02) Training on Disaster Management - Centrally Sponsored Schemes - Revenue (Voted) - General	3.50	0.00
17	80 - 101 - (03) Establishment of Libraries - S.F.E. - Revenue (Voted) – General	0.07	0.00
18	80 - 102 - (02) Strengthening of SDMA and DDMA - Centrally Sponsored Schemes - Revenue (Voted) - General	0.08	0.00
19	80 - 102 - (03) Human Resource Support in Disaster Management - Centrally Sponsored Schemes - Revenue (Voted) - General	5.82	0.00
20	80 - 102 - (05) Implementation of the Sendai Framework for Disaster Risk Reduction - Centrally Sponsored Schemes - Revenue (Voted) - 6th Sch.	0.03	0.00
21	101 - (02) Purchase of Land - S.F.E. - Capital (Voted) - General	0.35	0.00

Source: Detailed Appropriation Account 2024-25.
** ₹ 25,000.*

As depicted in the **Table 2.12**, non-utilisation of budgetary provision indicates deficiencies in expenditure planning and implementation of the Schemes/Programs. As stated (December 2025) by the Department, the reasons for non-utilisation of budget provisions include non-issuance of administrative sanctions and opposition of the community, clans and private individuals to the scheme.

2.7.2 Review of Grant No. 38 – Administration of Planning Organisation

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 three-year period 2022-23 to 2024-25 is given in **Table 2.13**.

Table 2.13: Budget and Expenditure of Grant No. 38

(₹ in crore)

Grant No.	2022-23	2023-24	2024-25
Total Budget Provision	**1,008.34**	**2,146.87**	**2,319.19**
Expenditure	918.98	1,285.41	1,557.38
Savings (-)/ Excess (+)	(-)89.36	(-)861.45	(-)761.81
Savings (percentage)	8.86	40.13	32.85
Savings not surrendered	0.13	160.15	0.00
Revenue Provision	**978.34**	**1,091.87**	**1,166.94**
Expenditure	898.98	503.43	800.15
Savings (-)/ Excess (+)	(-)79.36	(-)588.43	(-)366.78
Savings (percentage)	8.11	53.89	31.43
Savings not surrendered	0.13	0.00	0.00
Capital Provision	**30.00**	**1,055.00**	**1,152.25**
Expenditure	20.00	781.98	757.22
Savings (-)/ Excess (+)	(-)10.00	(-)273.02	(-)395.03
Savings (percentage)	33.33	25.88	34.28
Savings not surrendered	0.00	160.15	0.00

Source: Appropriation Account 2022-23 to 2024-25.

Table 2.13 shows the trend of allocation and utilisation of funds in under Grant No. 38 – Administration of Planning Organisation during the three-year period from 2022-23 to 2024- 25. High savings percentages were noticed, especially during 2023-24 and 2024-25 with 40.13 *per cent* and 32.85 *per cent* savings respectively. Significant savings were observed against the allocations for community forestry project, Meghalaya Livelihood to Market Projects (Megha-LAMP) and Integrated Transport Development Programme. The Planning Department stated (November 2025) that in most cases, savings was due to non- release of cash flow by the Finance Department.

Expenditure incurred without Provision

Audit noticed that expenditure of ₹ 5.18 crore was incurred in three cases without an approved budget provision (original or supplementary). These three cases are detailed in **Table 2.14.**

Table 2.14: Expenditure Incurred without Budget Provision (O+S)

(₹ in crore)

Major Head and Group Head	Total Provision (O+S)	Expenditure
3451 – Secretariat-Economic Services		
092 - (06) Meghalaya State Capability Enhancement Project - S.F.E. - Revenue (Voted) - General	0.00	5.00
092 - (22) Climate Change Adaptation Programme (Eap Kfw/Giz) - S.F.E. - Revenue (Voted) - General	0.00	0.18
001-(05) Management of Information System of Planning Department	0.00	0.00*
Total	**0.00**	**5.18**

Source: Detailed Appropriation Account 2024-25.
** ₹ 21,240.00*

Expenditure without budget provision indicates lack of financial discipline in the Departments. Moreover, no provision and expenditure during last five years under the Meghalaya State Capability Enhancement Project. This shows that expenditure was incurred without having budget provisions for new services. This undermines the budgeting process and legislative control. The Planning Department stated (November 2025) that these schemes were implemented in previous years. However, the implementing units did not propose any budget estimates for 2024-25. This indicates deficiencies in budget formulation.

During the Exit Conference (January 2026), the State Government stated that the matter would be looked into.

Budget provision not utilised

Audit found that the entire budget provision (Original + Supplementary) of ₹ 400.43 crore in 22 cases was not utilised under the Grant No. 38 during the year 2024-25. These 22 cases are detailed in **Table 2.15**.

Table 2.15: Cases where no part of budget provisions was utilised

(₹ in crore)

Major Head and Group Head	Total Provision (O+S)	Expenditure
3451 – Secretariat-Economic Services		
091 - (22) Popularisation of Science and Technology - S.F.E. - Revenue (Voted) - General	1.45	0.00
091 - (23) Scientific Research and Development of Appropriate Technologies - S.F.E. - Revenue (Voted) - General	1.45	0.00
091 - (24) Remote Sensing - S.F.E. - Revenue (Voted) - General	0.24	0.00
091 - (28) Holding of Meeting of NEC / Committee - S.F.E. - Revenue (Voted) - General	0.50	0.00
091 - (31) Promotion of Bio-Technology - S.F.E. - Revenue (Voted) - General	2.00	0.00
092 - (09) Eco-Tourism Development for Empowering rural youth and conserving natural resources in Sohra (Cherrapunji) Meghalaya - Externally Aided Project - Revenue (Voted) - General	10.00	0.00
092 - (09) Eco-Tourism Development for Empowering rural youth and conserving natural resources in Sohra (Cherrapunji) Meghalaya - S.F.E. - Revenue (Voted) - General	10.00	0.00
092 - (11) Meghalaya-Enhancing Governance and Service Delivery Capability - Externally Aided Project - Revenue (Voted) - General	10.00	0.00
092 - (23) Meghalaya Livelihood to Market Projects (Meghan-Lamp) - S.F.E. - Revenue (Voted) - General	30.00	0.00
092 - (25) Community Forestry Project - S.F.E. - Revenue (Voted) - General	100.00	0.00
092 - (26) Corpus Fund for Convergence - S.F.E. - Revenue (Voted) - General	10.00	0.00
800 - (02) Science and Technology Cell - S.F.E. - Revenue (Voted) - General	0.11	0.00
800 - (03) Science Technology and Environment Council - S.F.E. - Revenue (Voted) - General	1.06	0.00
800 - (21) Science Centre - S.F.E. - Revenue (Voted) - General	0.86	0.00
800 - (24) Bio-Resources Development - S.F.E. - Revenue (Voted) - General	1.87	0.00
800 - (28) Capacity Building - S.F.E. - Revenue (Voted) - General	2.00	0.00
800 - (34) Viability Gap Funding - S.F.E. - Revenue (Voted) - General	5.00	0.00
800 - (37) Institute of Natural Resources - S.F.E. - Revenue (Voted) - General	0.38	0.00
800 - (59) Promotion of Herbal, Aromatic & Medicinal Plants - S.F.E. - Revenue (Voted) - General	1.21	0.00
800 - (75) Implementation of e-Office in Meghalaya Secretariat - S.F.E. - Revenue (Voted) - General	0.05	0.00
800 - (84) Protection of Vulnerable Catchment Areas (KFW) (EAP) - Externally Aided Project - Revenue (Voted) - General	30.00	0.00
5475 – Capital Outlay on other General Economic Services		
800 - (04) Meghalaya Livelihood to Market Projects (Megha-Lamp) - S.F.E. - Capital (Voted) - General	182.25	0.00
Total	**400.43**	**0.00**

Source: Detailed Appropriation Account 2024-25.

As stated, (November 2025) by the Planning Department, the entire budget provision remained unutilised due to several reasons including non-allotment of funds though sanction was accorded, not receiving proposals for expenditure from the implementing units and shifting of heads of accounts from Minor Head 800 to other minor heads to which the budget provisions were re-appropriated. This suggests gaps while formulating the budget estimates, implementing the budget allocations and weak monitoring.

2.8 Contingency Fund

The Contingency Fund of Government of Meghalaya was established under the Contingency Fund of Meghalaya Act, 1972 and the State Government made the Meghalaya Contingency Fund Rules, 1972 for regulating all matters connected with or ancillary to the custody of payment of monies into and the withdrawal of monies from the Contingency Fund of the State of Meghalaya for meeting unforeseen expenditure. The fund is recouped when the State Legislature authorises the additional expenditure. The corpus of the Fund is ₹ 505.00 crore.

2.8.1 Advance from Contingency Fund

Advances from the Contingency Fund are to be made only for meeting expenditure of an unforeseen and emergent character, postponement of which, till its authorisation by the Legislature, would be undesirable.

During FY 2024-25, an amount of ₹ 562.46 crore was withdrawn as an advance by 23 Departments (**Appendix 2.17**) from the Contingency Fund in respect of 56 Schemes/Programmes. The amounts were recouped during the year. The Major Head wise details of the expenditure incurred, are given in **Table 2.16.**

Table 2.16: Major Head-wise Expenditure.

(₹ in crore)

Sl. No.	Major Head	Amount
1	2011 - Parliament/State/Union Territory Legislatures	3.24
2	2014 - Administration of Justice	16.80
3	2029 - Land Revenue	13.58
4	2040 - Taxes on Sales, Trade, *etc*.	0.18
5	2041 - Taxes on Vehicles	1.05
6	2053 - District Administration	1.36
7	2055 - Police	62.39
8	2059 - Public Works	16.00
9	2070 - Other Administrative Services	1.35
10	2202 - General Education	0.32
11	2204 - Sports and Youth Services	43.91
12	2205 - Art and Culture	1.55
13	2210 - Medical and Public Health	0.82
14	2215 - Water Supply and Sanitation	0.86
15	2216 - Housing	17.16
16	2235 - Social Security and Welfare	43.91
17	2406 - Forestry and Wild Life	1.91
18	2435 - Other Agricultural Programmes	5.23
19	2852 - Industries	9.71
20	2853 - Non-ferrous Mining and Metallurgical Industries	75.69

Sl. No.	Major Head	Amount
21	3451 - Secretariat-Economic Services	204.46
22	3454 - Census Survey and Statistics	2.00
23	4055 - Capital Outlay on Police	9.00
24	4217 - Capital Outlay on Urban Development	30.00
	Total	**562.46**

Source: Finance Accounts.

During 2024-25, advances were withdrawn from the Contingency Fund of the State to spend across 56 schemes (**Appendix 2.18)**. These schemes incurred a total expenditure of ₹ 2,434.89 crore during the year out of which of ₹ 562.46 crore was met by advances from the Contingency Fund.

Drawal of funds from the Contingency Fund for non-emergent purposes, which ultimately remained unutilised and non-recoupment of the same during the financial year, violates the provisions of the Contingency Fund of Meghalaya Act, 1972.

2.9 Conclusion

The review of budgetary management in the State during 2024-25 revealed persistent deficiencies in budget formulation, execution and financial control. Significant variations between Budget Estimates, Revised Estimates and Actuals resulted in large savings of ₹ 5,671 crore, out of which (₹ 5,554 crore or 97.94 *per cent*) were surrendered on the last day of the financial year, reflecting weak mid-year monitoring and limiting scope for effective re-appropriation. Instances of non-essential supplementary grants and re-appropriations were also observed, where additional funds were obtained despite substantial underutilisation of original provisions, undermining legislative oversight. At the same time, excess expenditure of ₹ 9,725.87 crore, largely on account of public debt servicing, pointed to inadequate forecasting and control over committed liabilities and several excess expenditures remained unregularised from 1971-72 onward. Cash management also remained weak, as the State maintained minimum cash balances on 298 days by availing WMA and SDF aggregating ₹ 11,282.25 crore, incurring interest of ₹ 10.26 crore. Taken together, these trends indicate weak budget realism, inadequate expenditure planning, and insufficient financial discipline, which adversely affected the quality of spending and constrained the achievement of intended developmental outcomes.

2.10 Good Practices

- ✓ The entire advance withdrawal of ₹ 562.46 crore from the Contingency Fund was recouped during the year 2024-25.
- ✓ Quarter-wise expenditure is within the limit prescribed by the Finance Department with minor variation.

2.11 Recommendations

- ➢ *The State Government may improve forecasting and budget realism by strengthening the Departmental estimation processes and linking budget proposals with past expenditure trends and implementation capacity.*

- *The State Government may enforce timely review of the provisions and surrender of savings to avoid last-minute surrenders and enable effective reallocation of resources during the year.*
- *The State Government may strengthen controls over supplementary grants and re-appropriations, ensuring these are resorted to only genuine and unforeseen requirements.*
- *The State Government may take appropriate measures to expedite regularisation of excess expenditure and institute accountability mechanisms to prevent recurrence.*