

सत्यमेव जयते

Accounts at Glance for the year 2022-23



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest



GOVERNMENT OF MEGHALAYA



Accounts at a Glance For the year 2022-23

Principal Accountant General (Accounts and Entitlement) Meghalaya



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GOVERNMENT OF MEGHALAYA

Preface

I am happy to present the twenty-fourth issue of our annual publication, the 'Accounts at a Glance' for the year 2022-23, which provides an overview of Governmental activities, as reflected in the Finance Accounts and Appropriation Accounts.

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

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

Feedback and suggestions are welcome.

Place : Shillong
Dated : 17.04.2024



Principal Accountant General (A&E)

Our Vision, Mission and Core Values

VISION

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

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

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

MISSION

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

CORE VALUES

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

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

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Chapter I

Overview

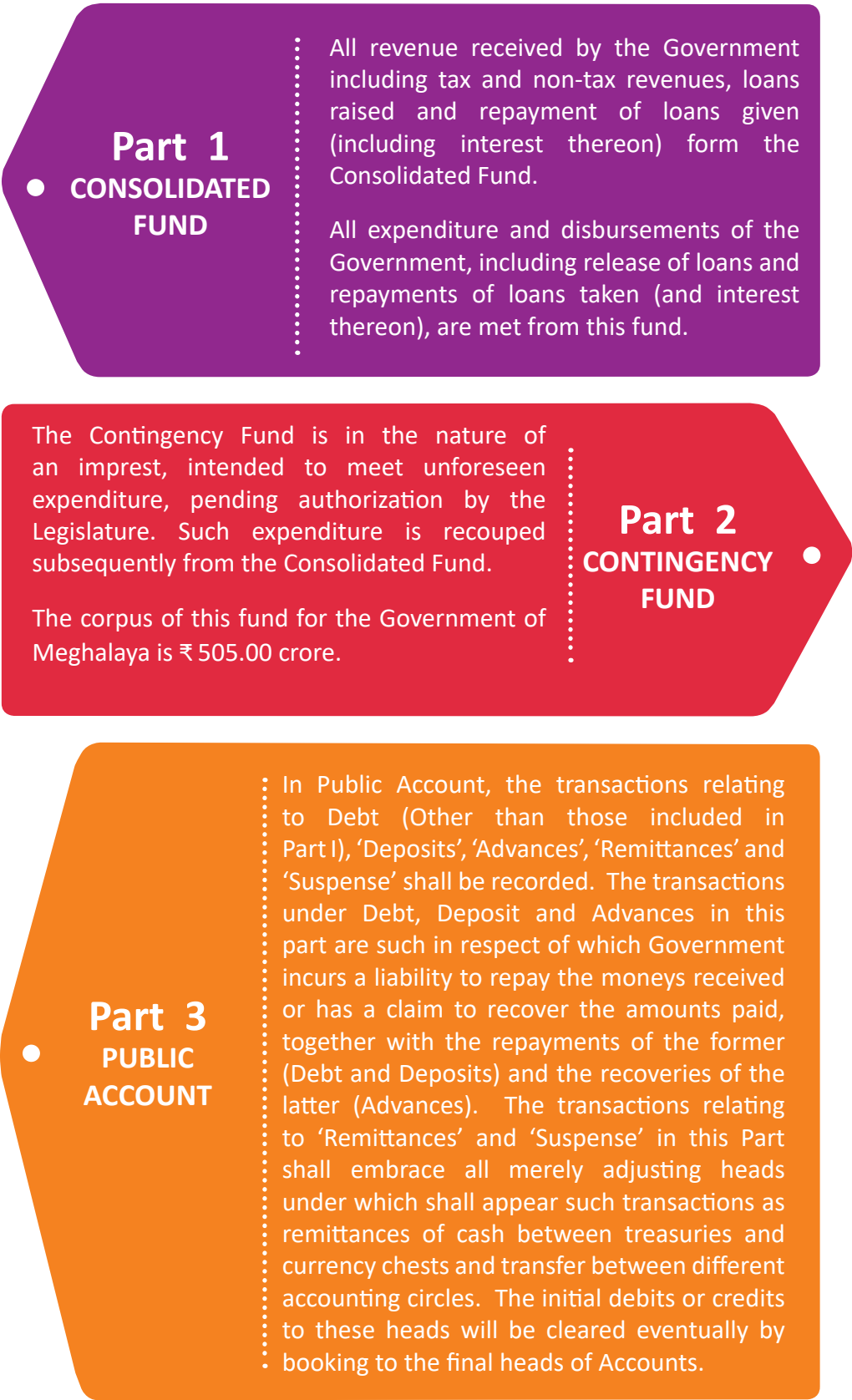
1.1 Introduction

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

1.2 Structure of Government Accounts

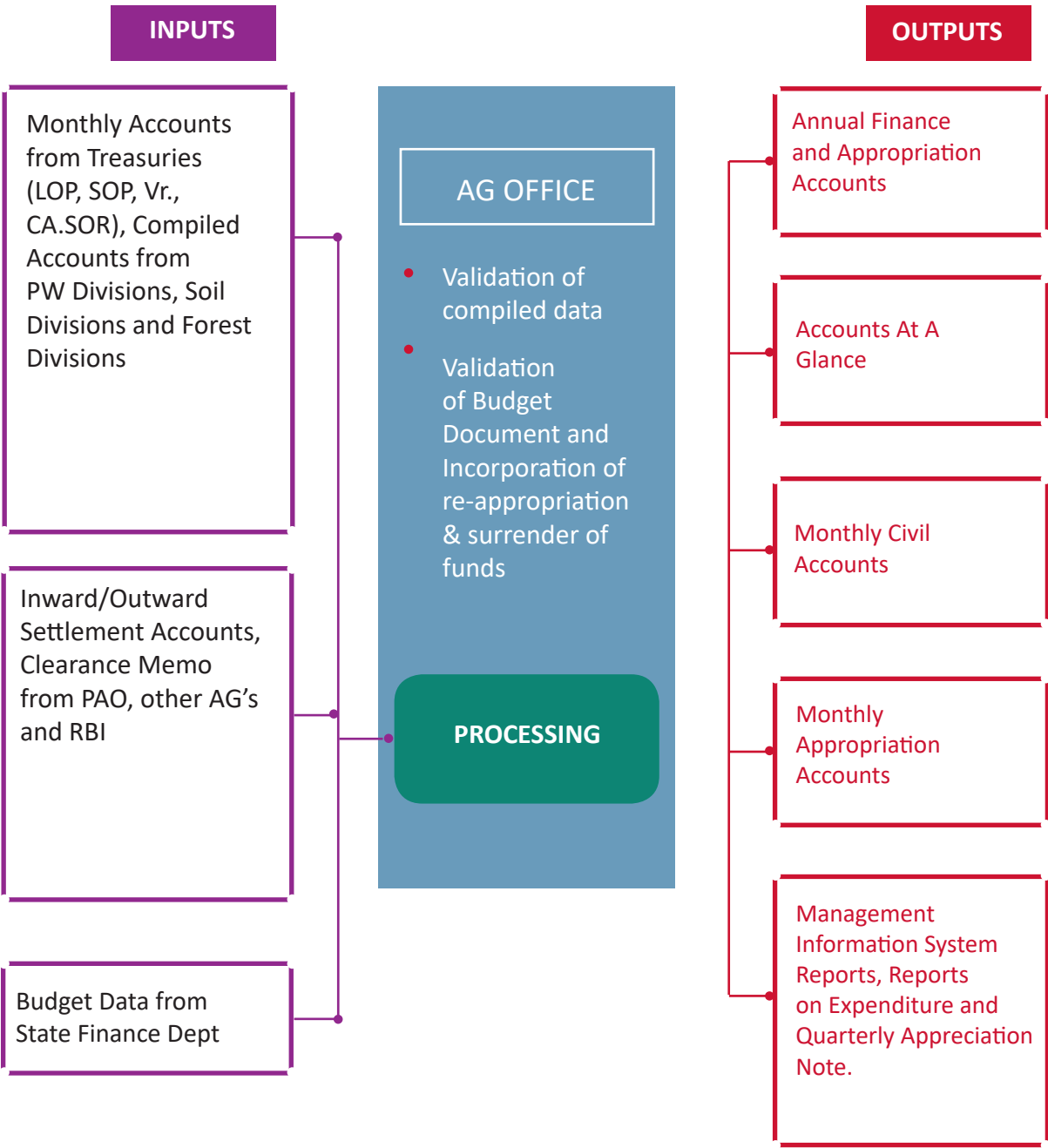
1.2.1 Government Accounts are kept in three parts:

Diagram 1: Structure of Government Accounts



1.2.2 Compilation of Accounts

Diagram 2: Flow diagram for Accounts Compilation



1.3 Finance Accounts and Appropriation Accounts

1.3.1 Finance Accounts

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

1.3.2 Financial Highlight of the year 2022-23

The following table provides the details of actual financial results vis-à-vis budget estimate for the year 2022-23:

Table 1: Highlights of Accounts

Sl. No.	Component	Budget Estimate 2022-23 (₹ in crore)	Actuals (₹ in crore)	Percentage of actuals to B.E.	Percentage of actuals to GSDP ⁽⁵⁾
1.	Tax Revenue (including Central Share)	8,839	9,937 ^(@)	112	23
2.	Non-Tax Revenue	731	457	63	1
3.	Grants-in-aid & Contribution	6,466	4,426	68	10
4.	Revenue Receipts (1+2+3)	16,036	14,820	92	35
5.	Recovery of Loans and Advances	33	25	76	0
6.	Other Receipts	...	...	...	...
7.	Borrowings & Other Liabilities ^(A)	1,848	2,796	151	7
8.	Capital Receipts (5+6+7)	1,881	2,821	150	7
9.	Total Receipts (4+8)	17,917	17,641	98	41
10.	Revenue Expenditure	15,375	14,864	97	35
11.	Expenditure on Interest Payment (out of Revenue Expenditure)	1,110	1,029	93	2
12.	Capital Expenditure	2,463	2,742	111	6
13.	Loans and Advances Disbursed ^(*)	79	35	44	0
14.	Appropriation to Contingency Fund	...	...	...	...
15.	Total Expenditure (10+12+13)	17,917	17,641	98	41
16.	Revenue Surplus/Deficit (4-10)	661	(-)44	...	...
17.	Fiscal Surplus/Deficit (4+5+6-15)	(-)1,848	(-)2,796	151	(-)7

^(@) Includes State's Share of Union Taxes ₹ 7286 crore.

⁽⁵⁾ GSDP figure of ₹ 42697 crore is taken from the Directorate of Economic and Statistics Department, Government of Meghalaya.

^(*) Expenditure includes Loan for Economic services and loans to Government servant ₹ 11 crore and ₹ 24 crore respectively.

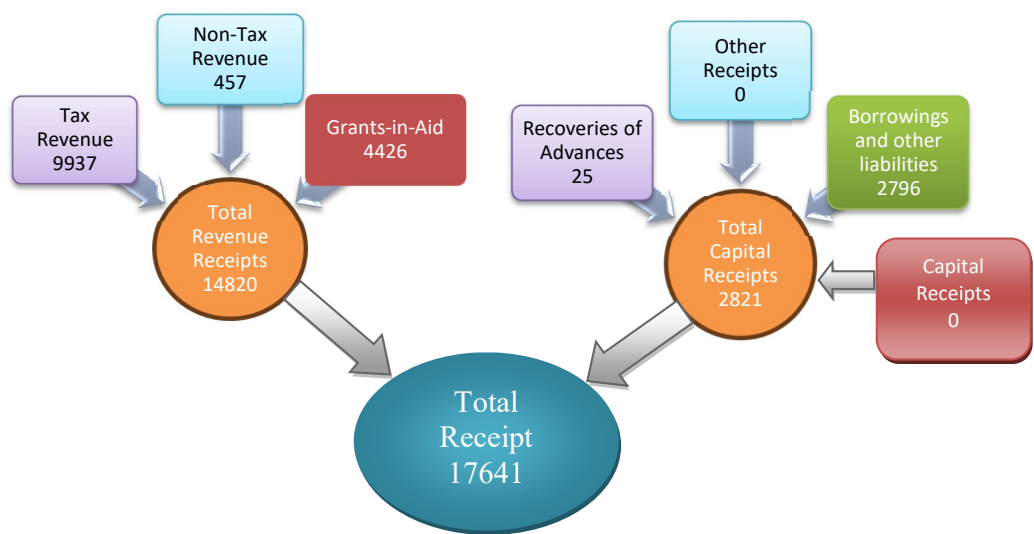
^(A) Borrowings and other Liabilities: Net (Receipts - Disbursement) of Public Debt + Net of Contingency Fund
+ Net (Receipts - Disbursement) of Public Account + Net of Opening and Closing Cash Balance.

Diagram 3: Receipts and Disbursements in the year 2022-23

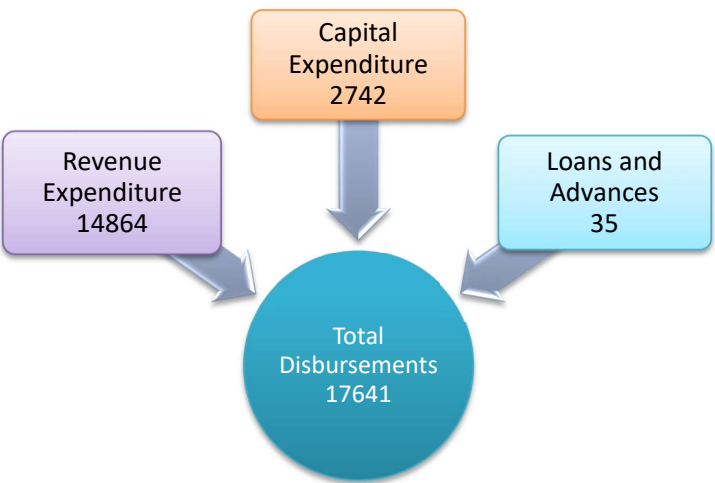
Receipts and disbursement in the year 2022-23


Receipts

(₹ in crore)



Disbursements





The Union Government transferred substantial funds directly to the State Implementing Agency /NGOs for implementation of various schemes and programmes. During the year 2022-23, the Government of India released ₹ 2037 crore directly to the implementing agencies in Meghalaya. Since these funds are not routed through State Budget, these are not reflected in the Accounts of the State Government. These transfers are exhibited in Appendix VI of Volume II of the Finance Accounts.

1.3.3 Appropriation Accounts

Under the Constitution, no expenditure can be incurred by the Government except with authorisation of the Legislature. Barring certain expenditure specified in the Constitution as “Charged” on the consolidated fund, which can be incurred without vote of the Legislature, all other expenditure requires to be “Voted”. There are 4 (four) combined grants of Charged and Voted, 6 (six) Charged Appropriation and 56 Voted Grants. The purpose of the appropriation accounts is to indicate the extent to which the actual expenditure complied with the appropriation authorized by the Legislature through the Appropriation Act of each year.

1.3.4 Efficiency on Budget Preparation

At the end of the year, the actual expenditure of the Government of Meghalaya against the budget approved by the Legislature, showed a net saving of ₹532 crore (2.43 *per cent* of budget estimate of ₹21926 crore) and under-estimation of ₹3.67 crore (367 *per cent* of budget estimate of ₹nil crore) on reduction of expenditure. Certain grants, like those relating to Administration of Medical and Public Health and Family Welfare Services, Administration of Agricultural and Allied Services, Administration of Animal Husbandry and Veterinary department showed substantial savings. .

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

Ways and Means Advances are taken from the Reserve Bank of India to make good the deficiency in the minimum cash balance which the State Government is required to maintain with the Reserve Bank of India. During the year 2022-23, the State Government availed ₹ 1803 crore to Ways and Means Advances and ₹ 1361 crore to Special Drawing Facility.

1.4.2 Overdraft from the Reserve Bank of India

Overdraft is taken from the Reserve Bank of India while the limit of minimum cash balance falls below ₹ 0.21 crore, even after taking Ways and Means Advances which is required to be maintained with the Reserve Bank of India. During the year 2022-23 there was an overdraft of ₹ 230.16 crore of the State.

1.4.3 Fund Flow Statement

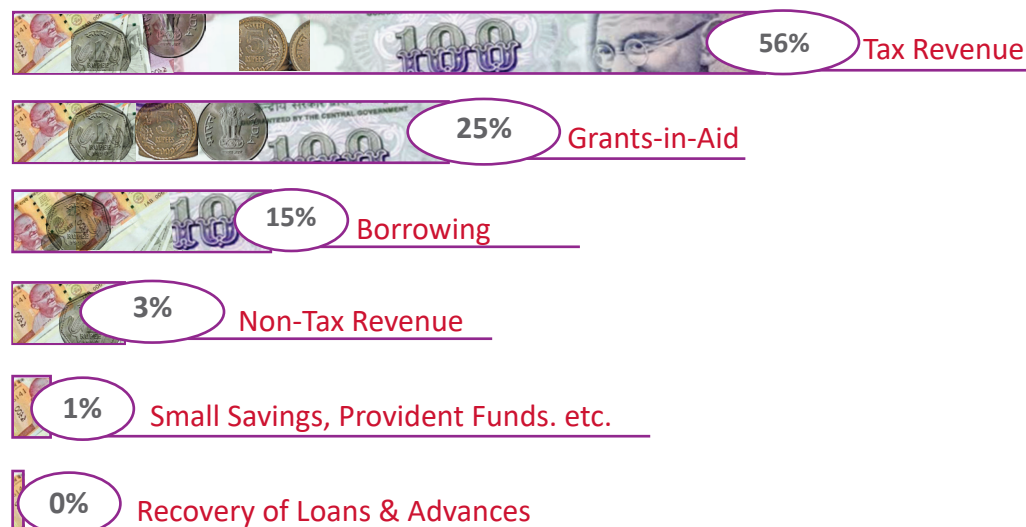
The State had a Revenue Deficit of ₹ 44 crore and a Fiscal Deficit of ₹ 2796 crore as on 31 March 2023. The Fiscal Deficit was met from net Public Debt (₹ 2471 crore), increase in Public Account (₹ 423 crore), net increase of opening and closing cash balance (₹ 99 crore). During the year 2022-23, around 44.83 *per cent* of the revenue receipts (₹ 14820 crore) of the State Government was spent on committed expenditure like salaries (₹ 3943 crore), interest payments (₹ 1029 crore) and pensions (₹ 1672 crore).

Table 2: Sources and Application of Funds

		(₹ in crore)
PARTICULARS		AMOUNT
SOURCES	Opening Cash Balance as on 1 April 2022	(-)60
	Revenue Receipts	14,820
	Capital Receipts	...
	Recovery of Loans and Advances	25
	Public Debt	6,221
	Small Savings Provident Funds, etc.	493
	Reserves Fund and Sinking Funds	143
	Deposits Received	1,083
	Civil Advances Repaid	83
	Suspense Account	11,182
	Remittances	3,000
	Contingency Fund	...
	Total	36,990
APPLICATION	Revenue Expenditure	14,864
	Capital Expenditure	2,742
	Loans Given	35
	Repayment of Public Debt	3,750
	Transfer to Contingency Fund	...
	Small Savings Provident Funds, etc.	367
	Reserves Fund and Sinking Funds	148
	Deposits Repaid	714
	Civil Advances Given	83
	Suspense Account	11,250
	Remittances	2,998
	Closing Cash Balance as on 31-03-2023	39
	Total	36,990

1.4.4 Where the Rupee came from?

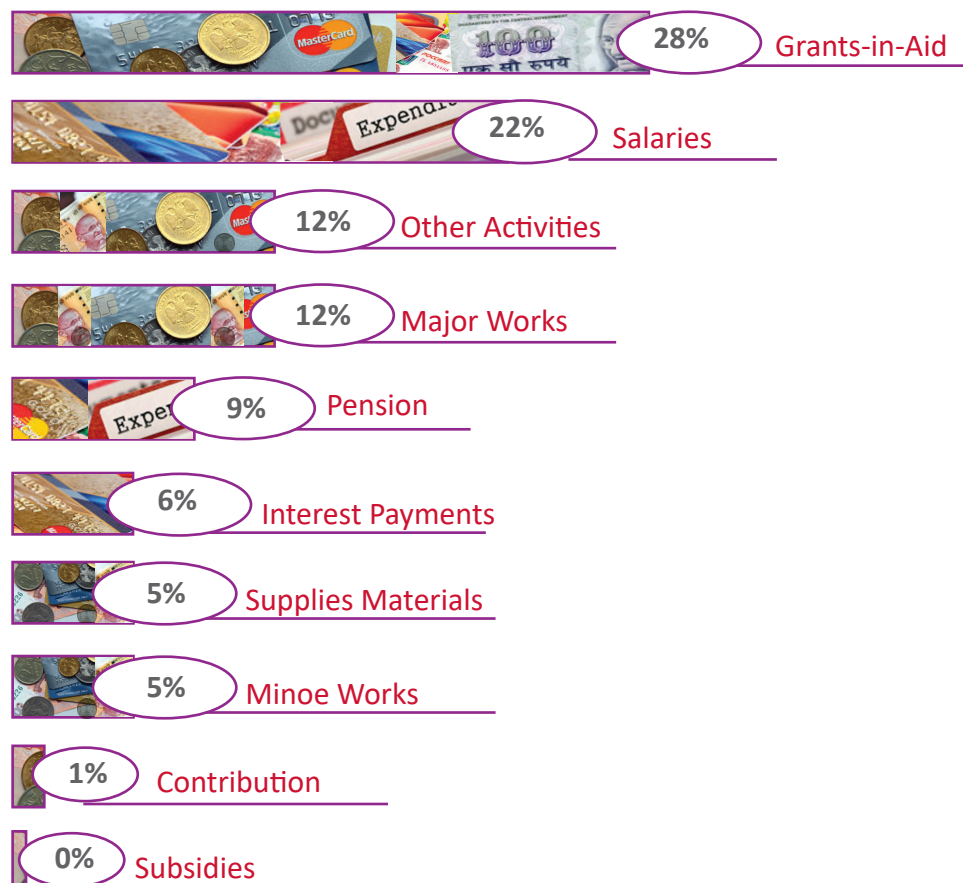
Diagram 4: Actual Receipts



(Recovery of loans and advances was only ₹ 24.55 crore and Capital Receipts was ₹ 0 crore which is negligible hence value is shown as zero)

1.4.5 Where the Rupee went?

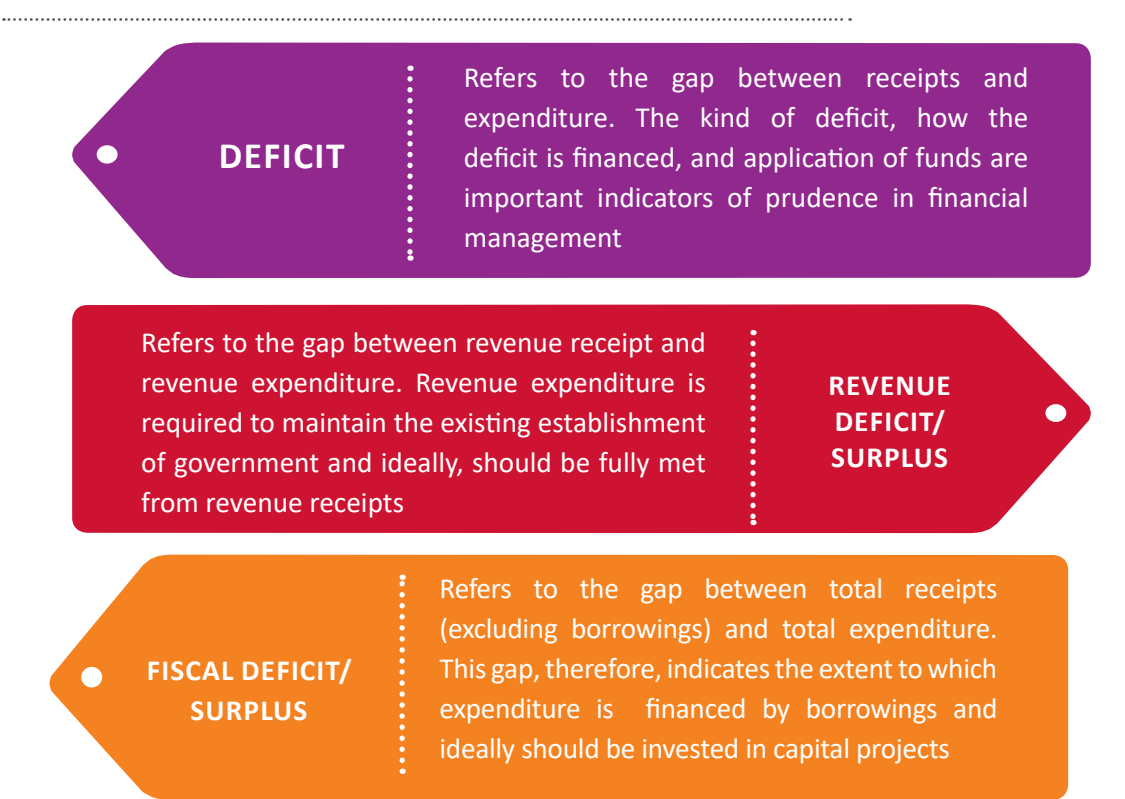
Diagram 5: Actual Expenditure



(Subsidies was only ₹ 44 crore which is negligible hence value is shown as zero)

During the year 2022-23 revenue deficit of ₹ 44 crore (revenue surplus of ₹ 654 crore in 2021-22) and fiscal deficit of ₹ 2796 crore (₹ 2359 crore in 2021-22) represent 0.10 *per cent* and 6.55 *per cent* of the Gross State Domestic Product (GSDP of ₹ 42697 crore) respectively. The fiscal deficit constituted 16 *per cent* of total expenditure.

Diagram 6: What do the Deficits and Surpluses indicate?



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

The Government of Meghalaya has enacted the Fiscal Responsibility and Budget Management (FRBM) Act, 2006. As per this Act, the State Government is required to achieve certain fiscal targets by specified periods. Achievements during the year 2022-23 against fiscal targets laid down in the Act and rules framed there under, are as follows:-

Table 3: Target and Achievements as per Accounts

Sl. No.	Financial Parameter	Actual (₹ in crore)	Ratio to GSDP*	
			Target	Achievement
1	Revenue Deficit/ Surplus	44 (Deficit)	To maintain revenue surplus	Not achieved during the year
2	Fiscal Deficit	2796	To be less than 4 <i>per cent</i> of GSDP	6.55 <i>per cent</i> (not achieved)
3	Debt and other obligation	18442#	To be less than 41.67 <i>per cent</i> of GSDP	43.19 <i>per cent</i> (not achieved)
4	Outstanding Guarantees	2978	Not prescribed	

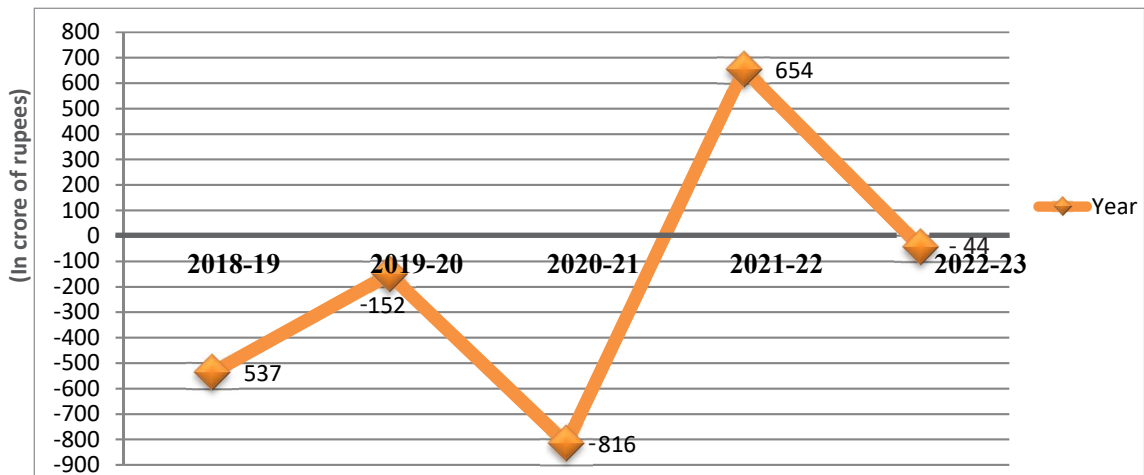
* Source: GSDP figure (₹ 42697 crore) is taken from the Directorate of Economic and Statistics Department.
 # This debt does not include ₹ 253.16 crore, which was passed on as back-to-back loans by Gol in lieu of shortfall in GST Compensation.

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

While the State Government had revenue surplus of ₹ 654 crore in 2021-22, there was revenue deficit of ₹ 44 crore during the year 2022-23 not meeting the target set as per FRBM Act. Fiscal deficit increased by ₹ 437 crore from ₹ 2359 crore in 2021-22 to ₹ 2796 crore (6.55 per cent of GSDP) in the current year. However, the target of Fiscal Deficit i.e. 4 per cent of GSDP fixed by FRBM Act has not been achieved. Against the target of reducing outstanding debt to be less than 41.67 per cent of GSDP by the year 2022-23, the outstanding debt stood at ₹ 18442 crore as on 31 March 2023, being 43.19 per cent of GSDP.

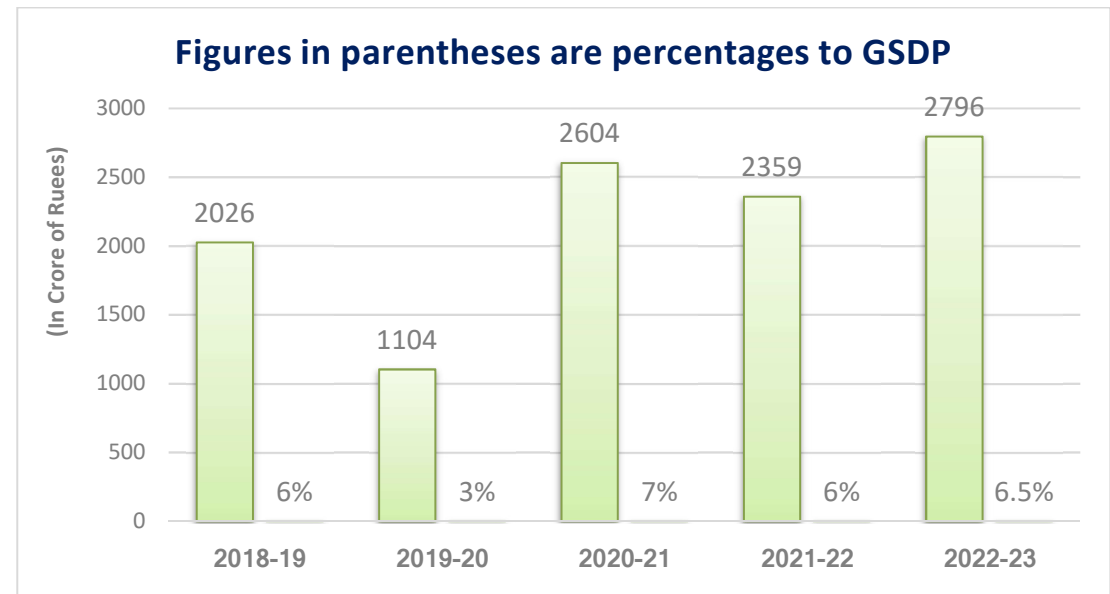
1.5.1 Trend of Revenue Deficit/ Surplus

Graph 1: Trend of Revenue Deficit/ Surplus



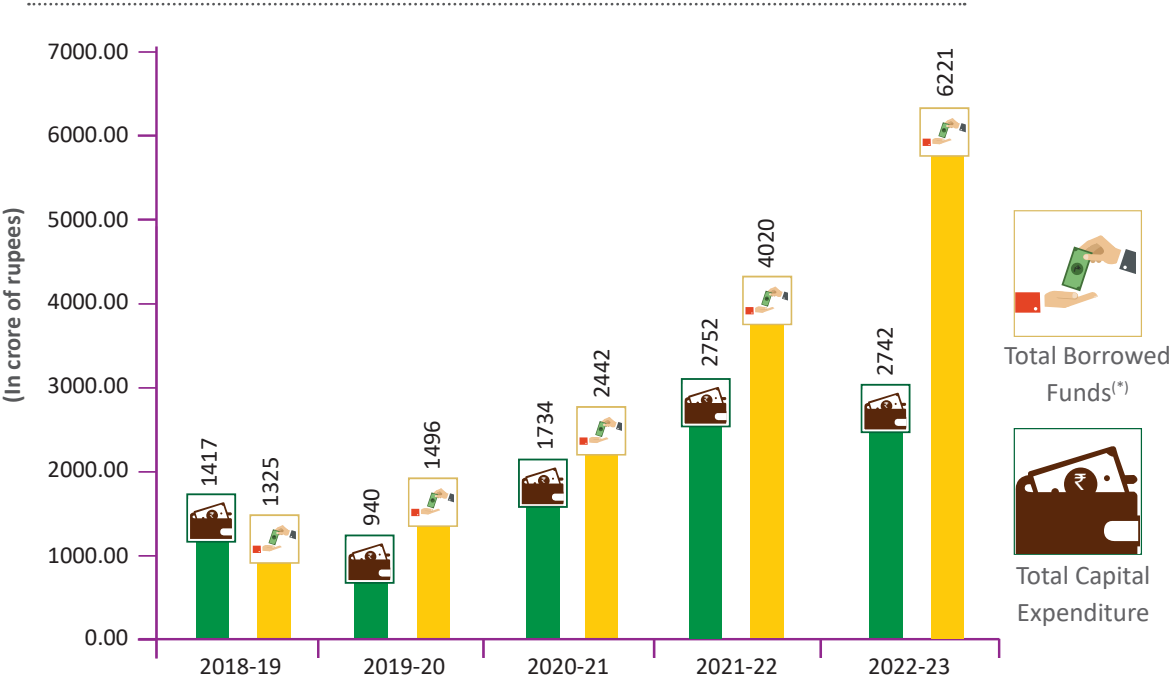
1.5.2 Trend of Fiscal Deficit

Graph 2: Trend of Fiscal Deficit



1.5.3 Proportion of borrowed funds spent on Capital

Graph 3: Borrowed Funds and Capital Expenditure



(*) This includes Ways & Means Advances, Overdraft and Special Drawing Facilities which are ₹ 140.88 crore in 2020-21, ₹ 1727.42 crore in 2021-22 and ₹ 3164.09 crore in 2022-23.

The governments usually rely on fiscal deficits to expand popular policies, such as welfare programmes and public works, without having to raise taxes or cut spending elsewhere in the budget. The borrowed funds are used for capital assets formation or for creation of economic and social infrastructure, so that assets created through borrowings could pay for themselves by generating an income stream. Thus, it is desirable to fully utilize borrowed funds for the creation of capital assets and to use revenue receipts for the repayment of principal and interest. The State Government, however, spent only 44 *per cent* of the borrowings of the current year (₹ 6221 crore) on capital expenditure (₹ 2742 crore). It would therefore appear that balance of borrowings in the public debt was utilized to repay the principal (₹ 3750 crore) and part of interest on public debt of previous years.

Chapter II

Receipts

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total receipts for 2022-23 were ₹ 17641 crore.

2.2 Revenue Receipts

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

Diagram 7: Revenue Receipts

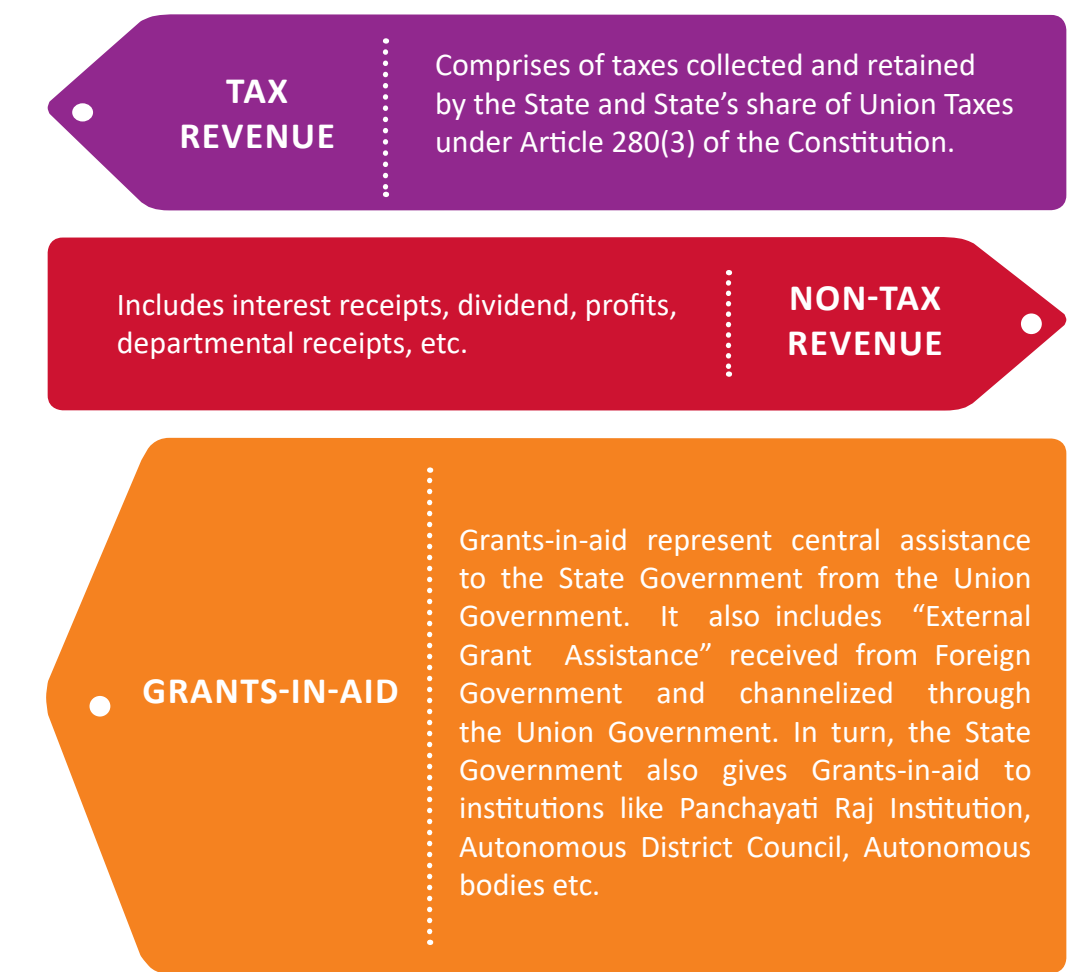
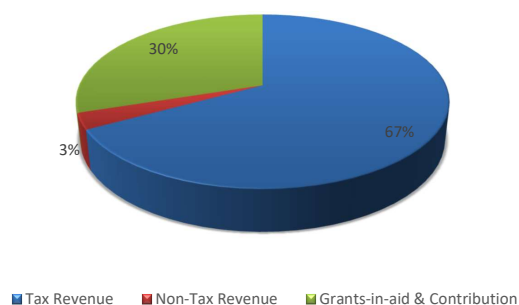


Chart 1 : Revenue Receipts



2.2.1 Revenue Receipts Components (2022-23)

Table 4: Revenue Receipts Components (2022-23)

(₹ in crore)	
Components	Actuals
A. Tax Revenue	9937
Goods and Services Tax	3535
Taxes on Income and Expenditure	4833
Taxes on Property and Capital Transactions	33
Taxes on Commodities and Services	1536
B. Non-Tax Revenue	457
Interest Receipts, Dividends and Profits	9
General Services	30
Social Services	14
Economic Services	404
C. Grants-in-Aid and Contributions	4426
Total Revenue Receipts	14820

2.2.2 Trend of Revenue Receipts

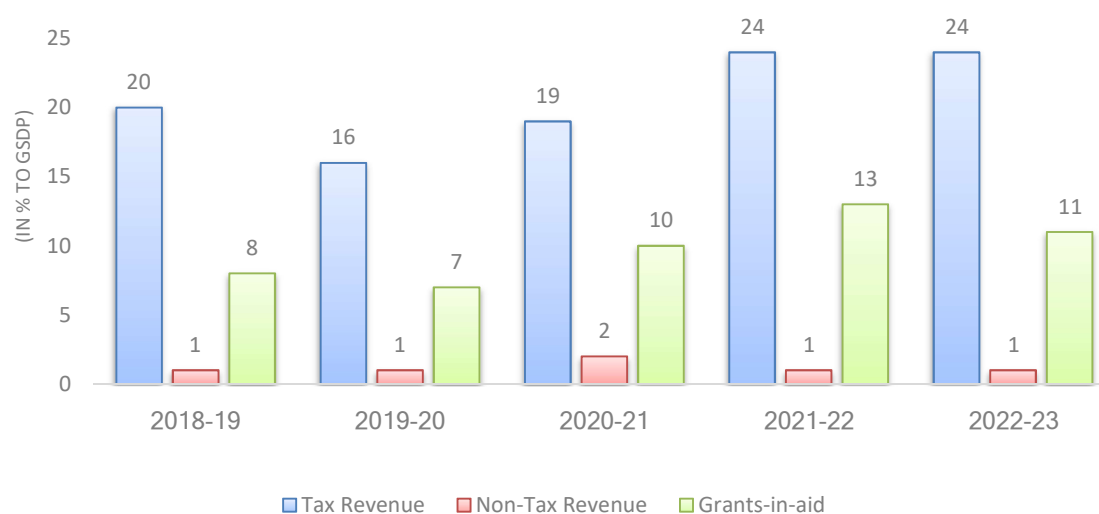
Table 5: Trend of Revenue Receipts

(₹ in crore)					
	2018-19	2019-20	2020-21	2021-22	2022-23
Tax Revenue	6682 (20)	6103 (16)	6624 (19)	8881 (24)	9937 (23)
Non-Tax Revenue	428 (1)	530 (1)	523 (2)	525 (1)	457 (1)
Grants-in-Aid	2609 (8)	2780 (7)	3536 (10)	4868 (13)	4426 (10)
Total Revenue Receipts	9719 (29)	9413 (24)	10683 (31)	14274 (38)	14820 (35)
GSDP	32972	38542	34803	37494	42697

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

Though the GSDP of ₹ 42697 crore increased by 14 *per cent* in 2022-23 compared to previous year, revenue receipt increased by 4 *per cent*. The tax revenue increased by 12 *per cent*, the non-tax revenue decreased by 13 *per cent* and the grants-in-aid decreased by 9 *per cent* compared to previous year, thus impacting the revenue receipt of the State.

Graph 4: Trend of Components of Revenue Receipts



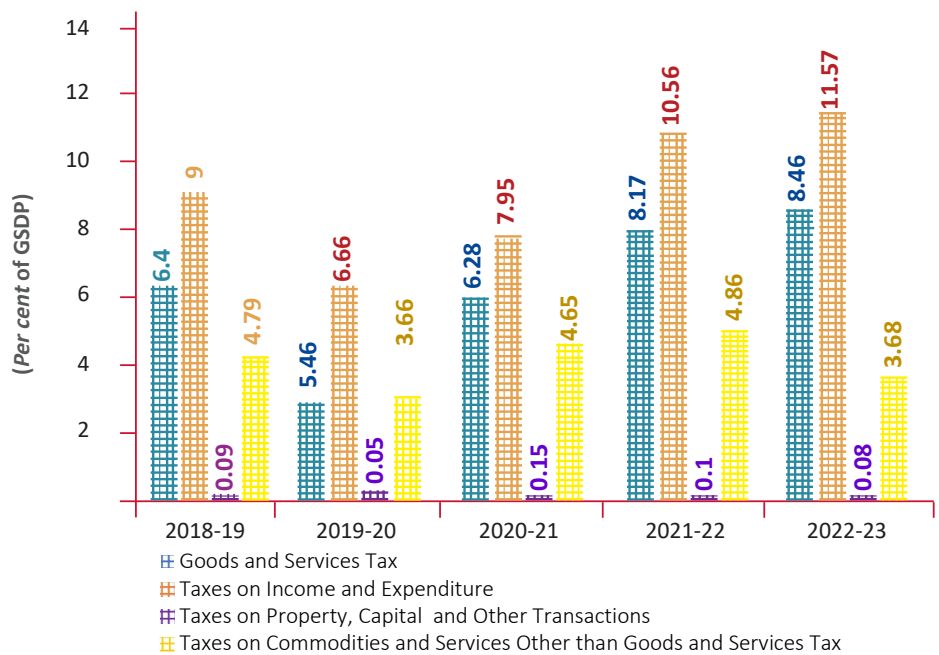
2.3 Tax Revenue

Table 6: Tax Revenue

Sector-wise Tax Revenue					
	2018-19	2019-20	2020-21	2021-22	2022-23
a. Goods and Services Tax	2109	2105	2187	3063	3535
b. Taxes on Income and Expenditure	2965	2565	2767	3958	4833
c. Taxes on Property, Capital and other Transaction	29	21	53	37	33
d. Taxes on Commodities and Services other than Goods and Services Tax	1579	1412	1617	1823	1536
Total Tax Revenue	6682	6103	6624	8881	9937

The increase in total tax revenue during 2022-23 was mainly attributable to allocation of State's Own Tax Revenue and considerable collection under Central Goods and Services Tax (CGST) (₹ 2058 crore), Taxes on Income other than Corporation Tax (₹ 2384 crore), Union Excise Duties (₹ 90 crore), Taxes on sales, Trade etc. (₹ 622 crore).

Graph 5: Trend of Major Taxes in proportion to Gross State Domestic Product

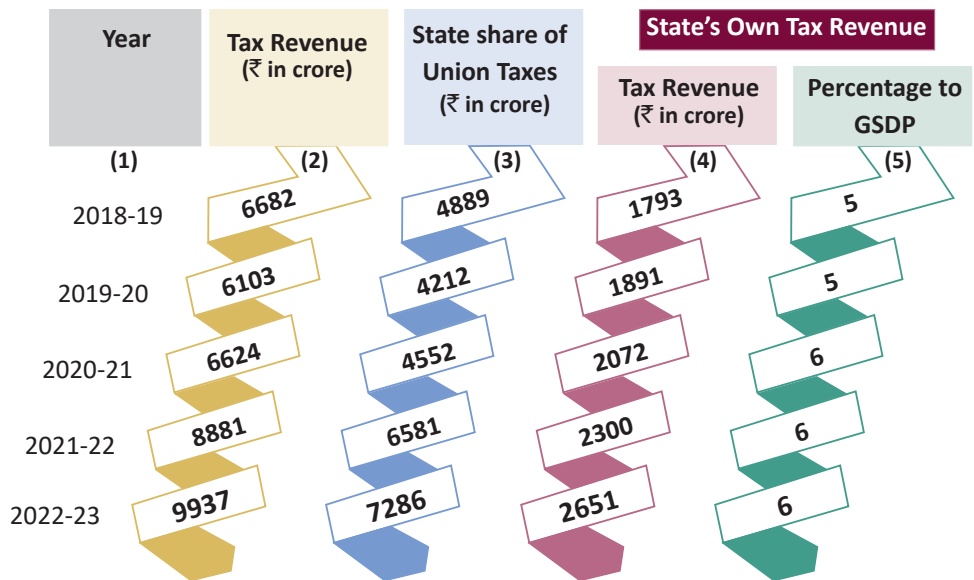


2.3.1 State’s Own Tax and State’s Share of Union Taxes

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

Table 7: State’s Own Tax and State’s Share of Union Taxes

(₹ in crore)				
Year	Tax Revenue	State’s share of Union Taxes/Duties	State’s Own Tax Revenue	
			Tax revenue	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2018-19	6682	4889	1793	5
2019-20	6103	4212	1891	5
2020-21	6624	4552	2072	6
2021-22	8881	6581	2300	6
2022-23	9937	7286	2651	6



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

Table 8: Comparative Position amount of Tax Revenue

(₹ in crore)					
Description	2018-19	2019-20	2020-21	2021-22	2022-23
(1)	(2)	(3)	(4)	(5)	(6)
State's Own Tax Collection	1793	1891	2072	2300	2651
Devolution of Union Taxes	4889	4212	4552	6581	7286
Total Tax Revenue	6682	6103	6624	8881	9937
Percentage of State's Own Tax to Total Tax Revenue	27	31	31	26	27

The proportion of State's own tax collection in overall tax revenue has mostly shown an increasing trend since 2018-19. The share of State's own tax revenue increased to 31 *per cent* in 2019-20 as compared to 27 *per cent* in 2018-19 and then remained 31 *per cent* (neither increased nor decreased) in 2020-21 and then slightly decreased to 26 *per cent* in 2021-22 and then slightly increased to 27 *per cent* in 2022-23.

2.3.2 Trend in State's Own Tax collection over the past five years

Table 9: Trend in State's Own Tax collection over the past five years

(₹ in crore)					
Taxes	2018-19	2019-20	2020-21	2021-22	2022-23
1. State Goods and Service Tax	806	910	823	1118	1477
2. Taxes on Sales, Trade etc.	627	567	725	719	622
3. State Excise	226	276	375	308	365
4. Taxes on Vehicles	87	99	78	99	131
5. Stamp and Registration fees	26	20	31	27	28
6. Taxes and Duties on electricity	3	1	2	2	2
7. Land Revenue	3	1	21	10	5
8. Taxes on Goods and Passengers	8	9	10	12	14
9. Other Taxes	7	8	7	5	7
Total State's own Taxes	1793	1891	2072	2300	2651

2.4 Cost of Tax Collection

Table 10: Cost of Tax Collection

(₹ in crore)

Taxes	2018-19	2019-20	2020-21	2021-22	2022-23
1. Taxes on Sales, Trade etc.					
Revenue Collection	627	567	725	718	622
Expenditure on Collection	25	24	26	30	31
Percentage expenditure on tax collection	4	4	4	4	5
2. State Excise					
Revenue Collection	226	276	375	308	365
Expenditure on Collection	20	19	20	21	23
Percentage expenditure on tax collection	9	7	5	7	6
3. Taxes on Vehicles, Goods and Passengers					
Revenue Collection	95	108	89	112	146
Expenditure on Collection	51	31	39	35	52
Percentage expenditure on tax collection	54	29	44	31	36
4. Stamp and Registration Fees					
Revenue Collection	26	20	32	27	28
Expenditure on Collection	7	3	3	5	3
Percentage expenditure on tax collection	27	15	9	19	11

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

Table 11: Trend in State's Share of Union Taxes over the past five years

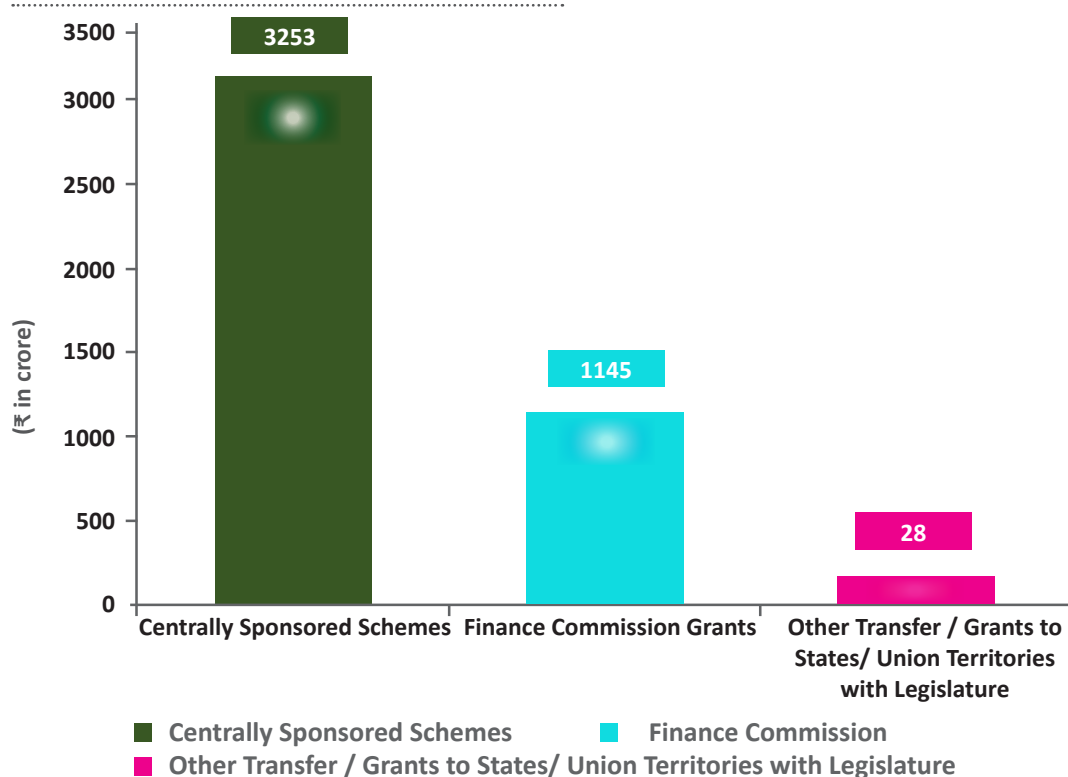
(₹ in crore)

Major Head Description	2018-19	2019-20	2020-21	2021-22	2022-23
Central Goods and Service Tax (CGST) & Integrated Goods and Service Tax (IGST)	1303	1195	1364	1946	2058
Corporation Tax	1700	1436	1365	1975	2444
Taxes on Income other than Corporation Tax	1252	1125	1398	1979	2384
Taxes on Wealth	1	...	...	...	...
Other Taxes on Income and Expenditure	9	...	...	...	5
Customs	347	267	250	426	286
Union Excise Duties	230	186	154	198	90
Service Tax	45	...	18	50	11
Other Taxes and Duties on Commodities and Services	2	3	3	7	14
State Share of Union Taxes	4889	4212	4552	6581	7286
Total Tax Revenue	6682	6103	6624	8881	9937
Percentage of Union Taxes to Total Tax Revenue	73	69	69	74	73

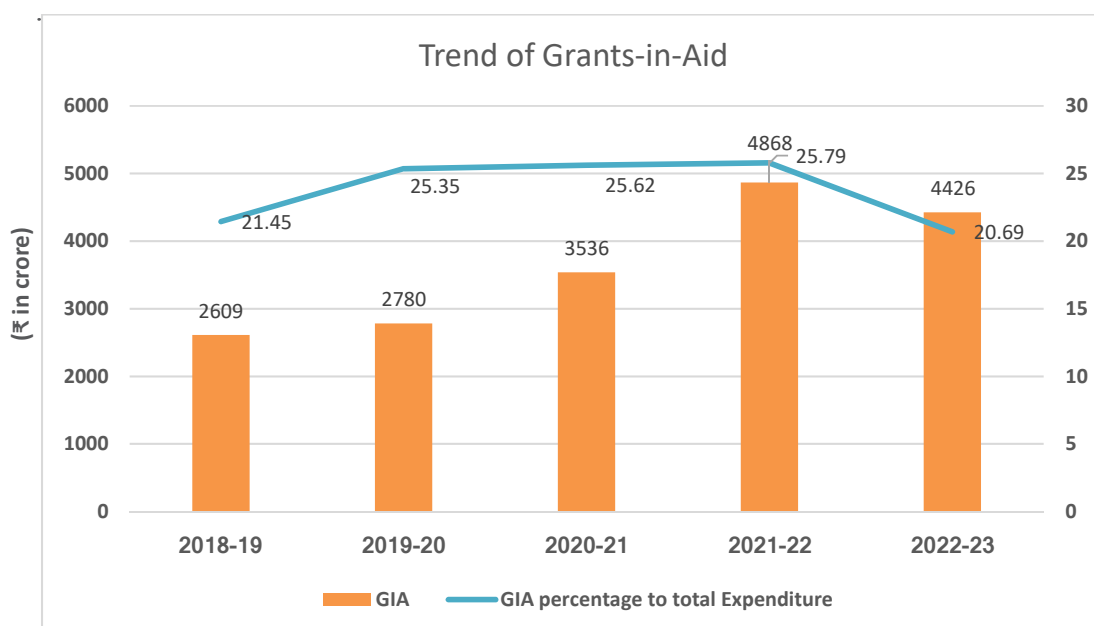
2.6 Grants-in-Aid

Grants-in-aid represent assistance from the Government of India, and comprise, grant for State Plan Schemes, Central Plan Schemes and Centrally Sponsored Schemes approved by the Planning Commission and Non-Plan Grants recommended by the Finance Commission. Total receipts during 2022-23 under Grants-in-aid were ₹ 4426 crore as shown below:

Graph 6: Grants-in-Aid



Graph 7: Trend of Grants-in-Aid



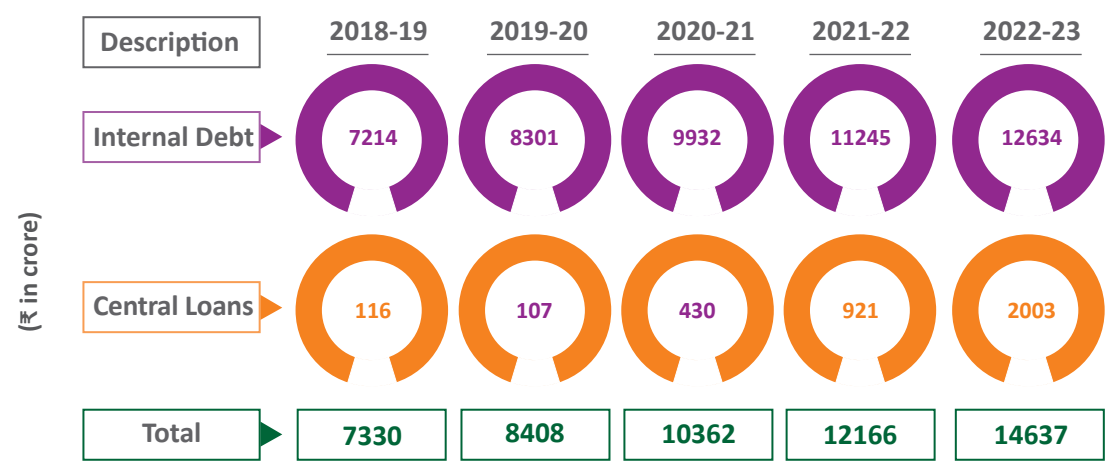
Grants-in-aid receipts from the Central Government from 2018-19 to 2022-23 have shown a declining trend in proportion to Expenditure.

2.7 Public Debt

Table 12: Trend of position of Public Debt over the past five years

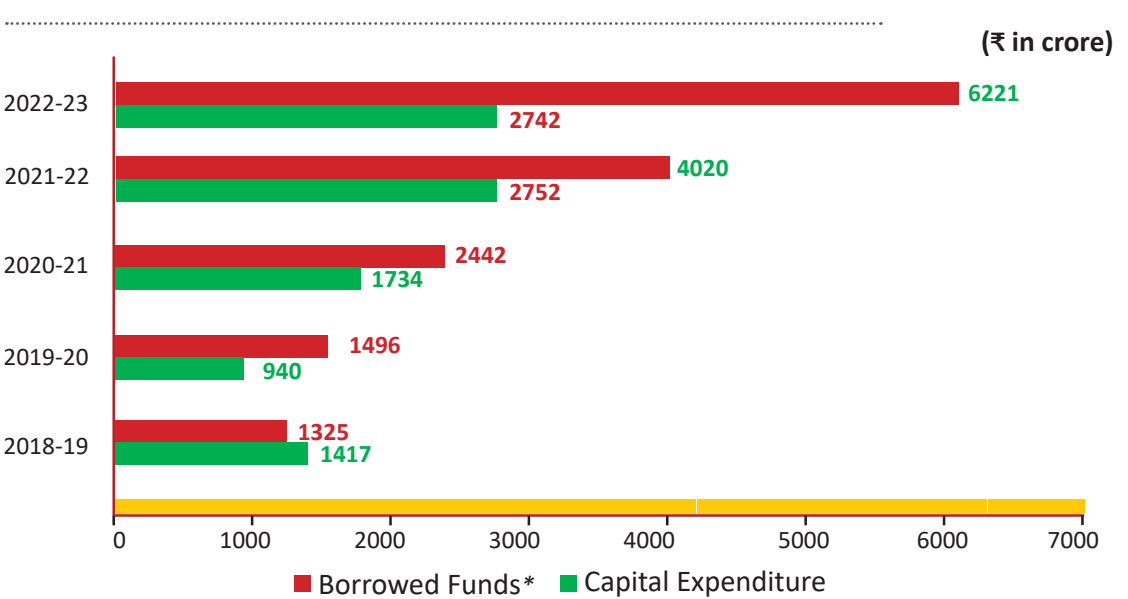
	(₹ in crore)				
Description	2018-19	2019-20	2020-21	2021-22	2022-23
Internal Debt	7214	8301	9932	11245	12634
Central Loans	116	107	430	921	2003*
Total	7330	8408	10362	12166	14637

*This includes back-to-back loan of ₹112 crore for 2020-21 and ₹ 141.16 crore for 2021-22.



During the year 2022-23, seven loans totaling ₹ 1753 crore were raised from the open market at interest rates varying from 6.94 *per cent* to 7.80 *per cent* and the same are redeemable between the year 2025 to 2031. In addition, the State Government raised loan of ₹ 815 crore from Financial Institutions. Thus, the total Internal Debt raised by the Government during the year 2022-23 aggregated to ₹ 5116 crore. The Government also received ₹ 1105 crore from Government of India as Loans and Advances.

Graph 8: Borrowed funds viz-a-viz Capital Expenditure



* This includes Ways & Means Advances, Overdraft and Special Drawing Facilities which are ₹ 140.88 crore in 2020-21, ₹ 1727.42 crore in 2021-22 and ₹ 3164.09 crore in 2022-23.

Chapter III

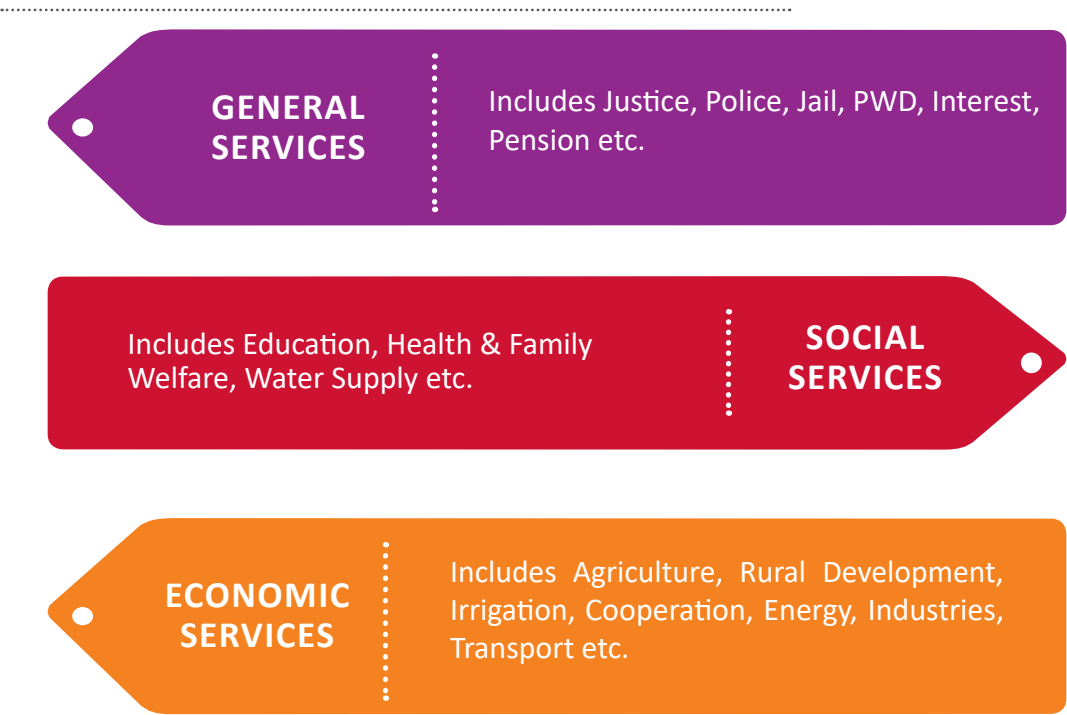
Expenditure

3.1 Introduction

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

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

Diagram 8: Three Sectors of Government Accounts



3.2 Revenue Expenditure

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

Table 13: Revenue Expenditure

	(₹ in crore)				
Year	2018-19	2019-20	2020-21	2021-22	2022-23
Budget Estimates	12802	13896	15562	15516	15375
Actuals	10256	9565	11499	13620	14864
Gap	2545	4331	4063	1896	511
Percentage of variation of Actuals against BE	(-)20	(-)31	(-)26	(-)12	(-)3

Around 45 *per cent* of the total revenue expenditure was incurred on committed expenses viz. on Salaries (₹3943 crore), Interest payment (₹1029 crore) and Pensions (₹1672 crore) which are the committed liabilities of the State Government.

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

Table 14: Committed and Uncommitted Revenue Expenditure

	(₹ in crore)				
Component	2018-19	2019-20	2020-21	2021-22	2022-23
Total Revenue Expenditure	10256	9565	11499	13620	14864
Committed Revenue Expenditure ^[#]	5001	5277	5474	6015	6644
Percentage of Committed Revenue Expenditure to Total Revenue Expenditure	49	55	48	44	45
Uncommitted Revenue Expenditure	5255	4288	6025	7605	8220

^[#] Committed revenue expenditure includes expenditure on Salaries, Interest Payments and Pensions.

It may be seen that the uncommitted revenue expenditure available for implementation of various schemes has increased by 56 *per cent* from ₹5255 crore in 2018-19 to ₹8220 crore in 2022-23. The total revenue expenditure increased by 45 *per cent* from ₹10256 crore in 2018-19 to ₹14864 crore in 2022-23 and committed revenue expenditure increased by 33 *per cent* over the same period.

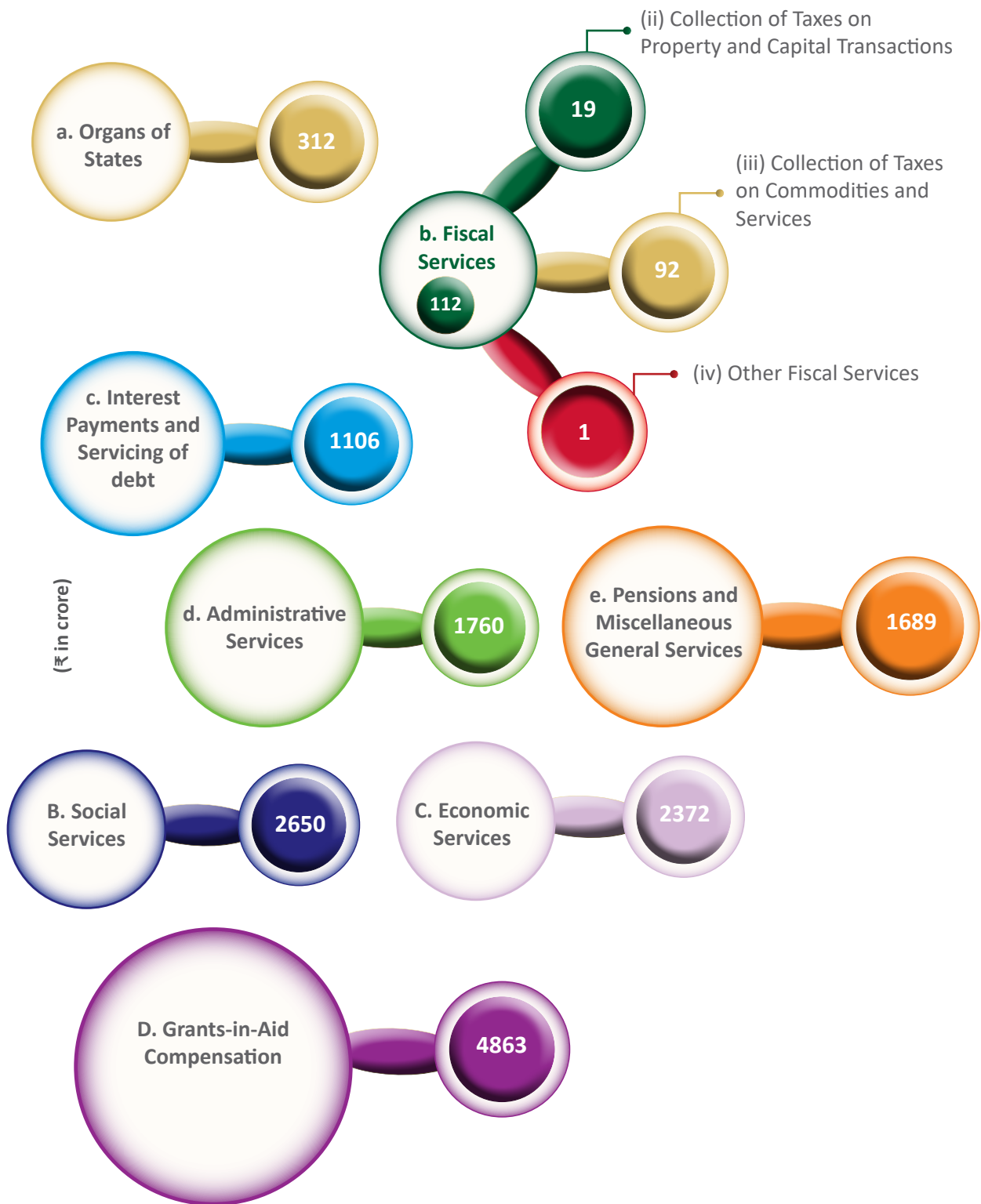
3.2.1 Sectoral distribution of Revenue Expenditure (2022-23)

Table 15: Sectoral distribution of Revenue Expenditure (2022-23)

	(₹ in crore)	
Components	Amount	% to Revenue Expenditure
A. General Services	4979	33
a. Organs of State	312	2
b. Fiscal Services	112	1
(ii) Collection of Taxes on Property and Capital Transactions	19	...
(iii) Collection of Taxes on Commodities and Services	92	1
(iv) Other Fiscal Services	1	...
c. Interest Payment and Servicing of Debt	1106	7
d. Administrative Services	1760	12
e. Pensions and Miscellaneous General Services	1689	11
B. Social Services	2650	18
C. Economic Services	2372	16
D. Grants-in-aid and Contributions	4863	33
Total - Expenditure (Revenue Account)	14864	100

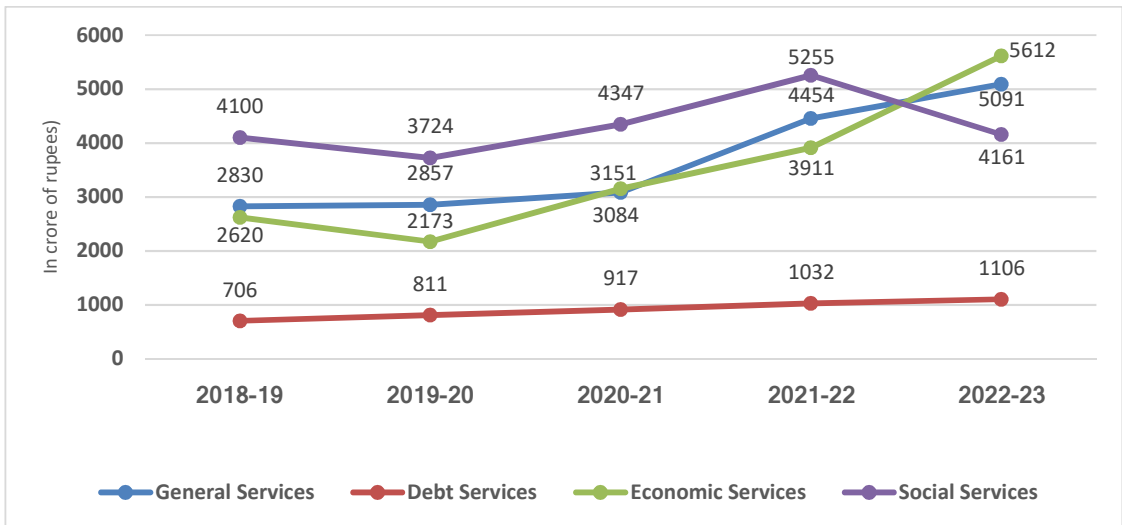
3.2.1 Sectoral distribution of Revenue Expenditure (2022-23)

Diagram 9: Sectoral distribution of Revenue Expenditure



3.2.2 Major Components of Revenue Expenditure 2018-19 to 2022-23

Graph 9: Trend of Major Components of Revenue Expenditure



3.3 Capital Expenditure

Capital Expenditure is defined as expenditure incurred with the objective of increasing concrete assets of a material and permanent character or of reducing permanent liabilities. Capital expenditure is essential if the growth process is to be sustained. Capital disbursements during 2022-23 amounting for ₹ 2742 crore (6.42 *per cent* of GSDP of ₹ 42697 crore) were less than Budget Estimates by ₹ 492 crore (excess disbursement of ₹ 104 crore under State Fund expenditure and less disbursement ₹ 596 crore under Central Assistance Expenditures). The growth in capital expenditure has not kept pace with the steady growth of GSDP since 2018-19 onwards. This can be seen from the table below:

Table 16: Capital Expenditure

		₹ in crore)				
Sl. No.	Components	2018-19	2019-20	2020-21	2021-22	2022-23
1	Budget (B.E.)	1883	2129	2800	3906	2463
2	Actual Expenditure (#)	1417	940	1734	2752	2742
3	Percentage of Actual Exp. to B.E.	75	44	62	70	111
4	Yearly growth in Capital expenditure (in <i>per cent</i>)	44	(-)34	84	59	(-)0.4
5	GSDP	32972	38542	34803	37494	42697
6	Yearly growth in GSDP (in <i>per cent</i>)	4	17	(-)10	8	14

(#) Does not include expenditure on Loans and Advances

3.3.1 Sectoral distribution of Capital Expenditure

During 2022-23, the Government spent ₹ 65 crore on Minor Irrigation Projects and ₹ 998 crore on construction of roads and bridges. It also invested ₹ 583 crore in Statutory Corporations, Government Companies and Co-operative institutions.

3.3.2. Sectoral distribution of capital and revenue expenditure

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

Table 17: Sectoral distribution of Capital Expenditure

(₹ in crore)

Sl. No.	Sector		2018-19	2019-20	2020-21	2021-22	2022-23
(A)	General Services	Capital	85	48	132	172	137
		Revenue	3536	3668	4001	4454	5091
(B)	Social Services	Capital	360	293	540	1194	874
		Revenue	4100	3724	4347	5255	5612
(C)	Economic Services	Capital	972	599	1062	1386	1731
		Revenue	2620	2173	3151	3911	4161
(D)	Grants-in-aid and contribution	Capital	...	...	...	18	...
		Revenue	3277	2881	3809	4286	4864

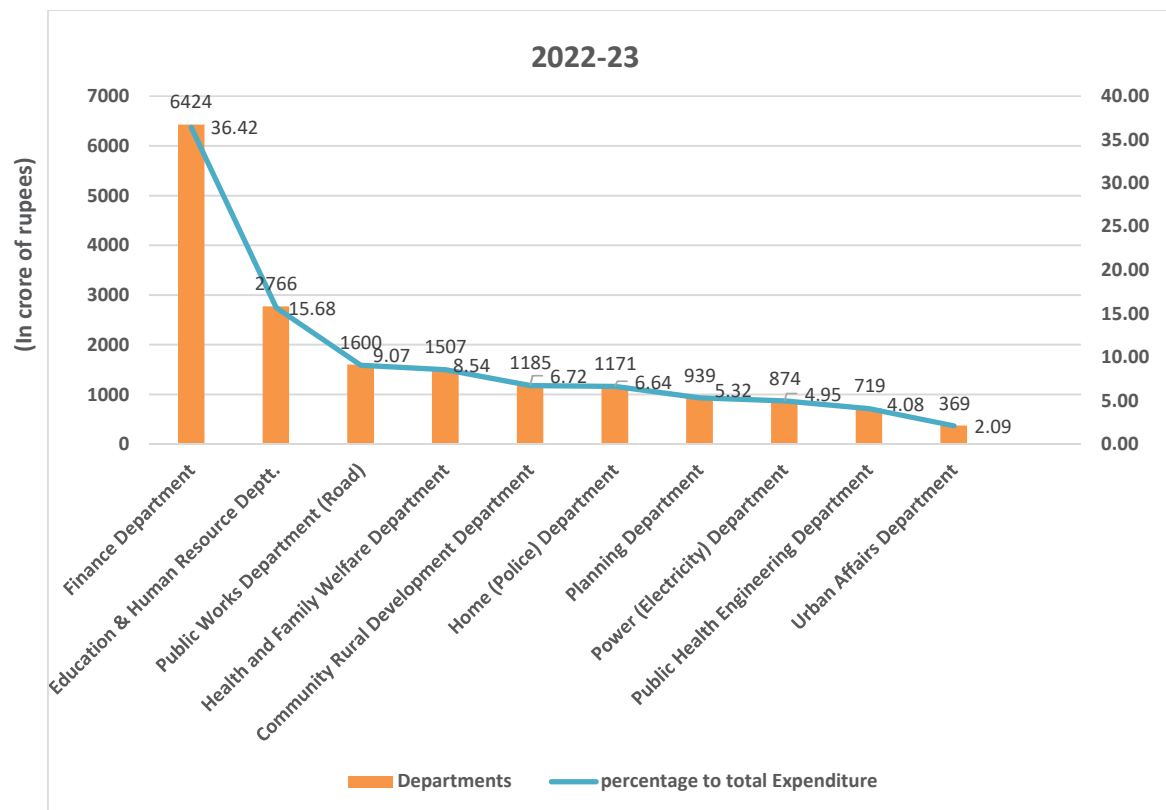
3.4 Top 10 Departments Expenditure wise

Table 18: Top 10 Departments Expenditure wise

(₹ in crore)

Dept Code	Department	2018-19	Department	2019-20	Department	2020-21	Department	2021-22	Department	2022-23
10	Finance Deptt.	2096	Finance Deptt.	2554	Finance Deptt.	2773	Finance Deptt.	4771	Finance Deptt.	6424
7	Edu. & Human Res. Deptt.	2047	Edu. & Human Res. Deptt.	1991	Edu. & Human Res. Deptt.	1914	Edu. & Human Res. Deptt.	2168	Edu. & Human Res. Deptt.	2766
34	Public Works Deptt. (Road)	1131	Public Works Deptt. (Road)	970	Public Works Deptt. (Road)	1433	Public Works Deptt. (Road)	1785	Public Works Deptt. (Road)	1600
15	Health & Fam. Welfare Deptt.	1072	Home (Police) Department	935	Health & Fam. Welfare Deptt.	1217	Health & Fam. Welfare Deptt.	1694	Health & Fam. Welfare Deptt.	1507
18	Home (Police) Department	854	Edu. & Human Res. Deptt.	869	Comm. Rural Develo. Deptt.	1036	Home (Police) Department	1106	Comm. Rural Develo. Deptt.	1185
6	Comm. Rural Develo. Deptt.	779	Comm. Rural Develo. Deptt.	849	Home (Police) Department	1011	Public Health Engg. Deptt.	934	Home (Police) Department	1171
33	Public Health Engg. Deptt.	491	Public Health Engg. Deptt.	491	Public Health Engg. Deptt.	761	Comm. Rural Develo. Deptt.	879	Planning Department	939
39	Social Wel. Deptt.	478	Social Wel. Deptt.	316	Social Wel. Deptt.	434	Power (Electricity) Deptt.	743	Power (Electricity) Deptt.	874
37	Secretariat Admn. Deptt.	244	Agri. Deptt.	149	Planning Deptt.	301	Urban Affairs Department	595	Public Health Engg. Deptt.	719
2	Agri. Deptt.	220	Secretariat Admn. Deptt.	139	Agri. Deptt.	211	Planning Deptt.	471	Urban Affairs Department	369
Total:		9412		9263		11091		15146		17554

Graph 10: Top 10 Departments Expenditure wise

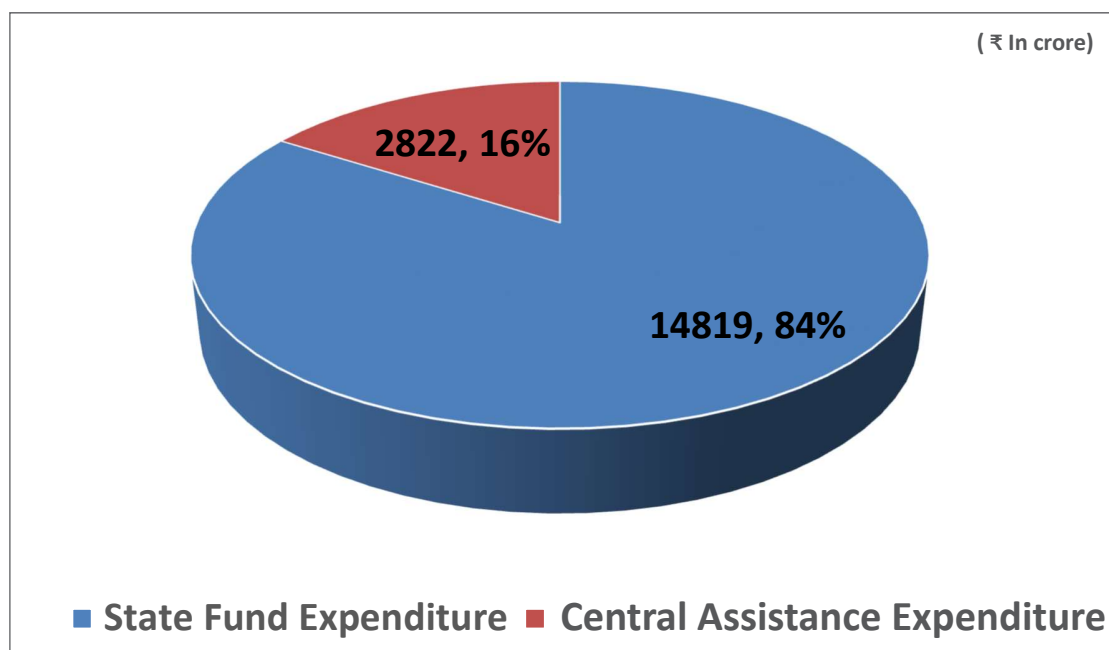


Chapter IV

State Fund and Central Assistance Expenditure

4.1 Distribution of expenditure (2022-23)

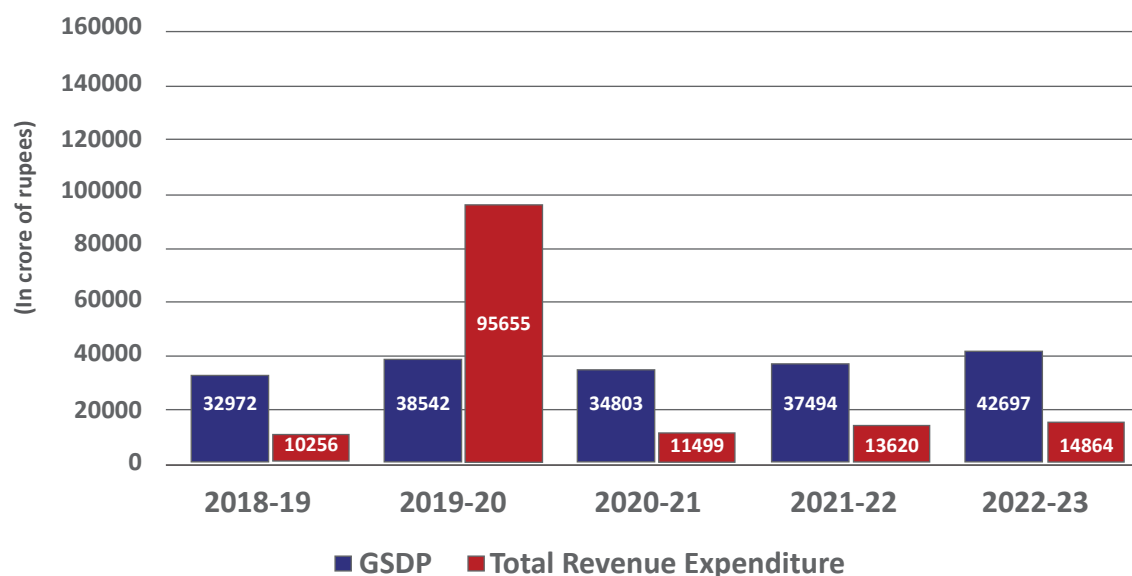
Chart 2: Distribution of expenditure



4.2 State Fund Expenditure

State Fund expenditure (both Revenue, Capital and Loans & Advances) during 2022-23 was ₹ 14819 crore constituting 84 *per cent* of the total expenditure of ₹ 17641 crore. Revenue expenditure constituted 85.03 *per cent* (₹ 12601 crore), Capital expenditure 14.9 *per cent* (₹ 2207 crore) and Loans and Advances 0.07 *per cent* (₹ 11 crore), out of the total State Fund Expenditure.

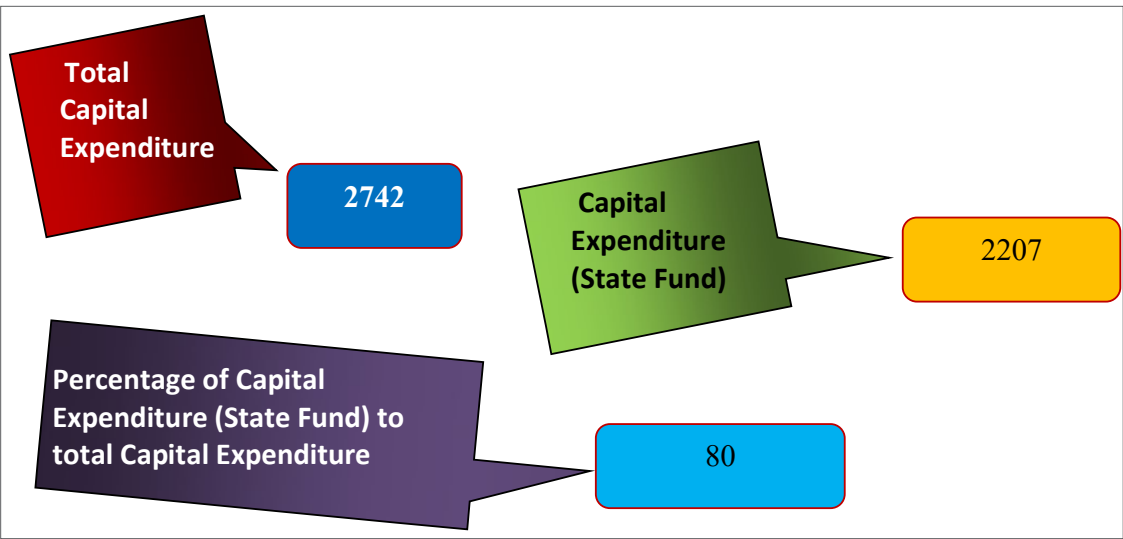
Graph 11: Total Revenue Expenditure and Gross State Domestic Product



4.2.1. State Fund Expenditure under Capital Account

Table 19: State Fund Expenditure under Capital Account

	(₹ in crore)
	2022-23
Total Capital Expenditure	2742
Capital Expenditure (State Fund)	2207
Percentage of Capital Expenditure (State Fund) to total Capital Expenditure	80

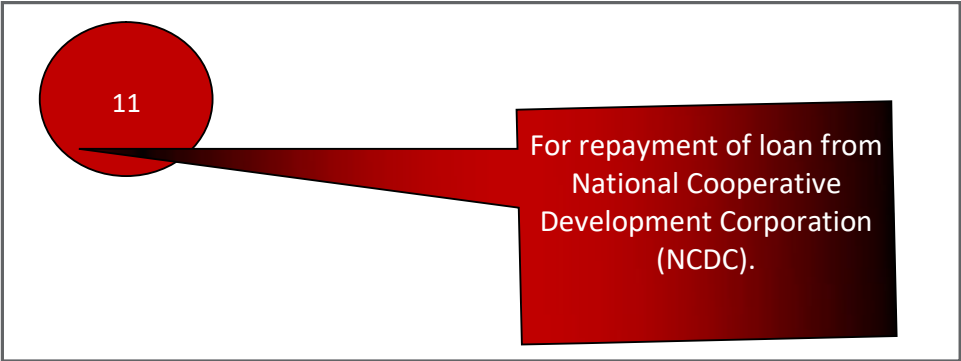


4.2.2. State Fund expenditure on Loans and Advances and Appropriation to Contingency Fund

Disbursements of Loans and Advances were as under:

Table 20: Disbursements of Loans and Advances

Major Heads	Amount (₹ in crore)	Purpose
6403 Loans for Animal Husbandry	11	For repayment of loan from National Cooperative Development Corporation (NCDC).
Total	11	

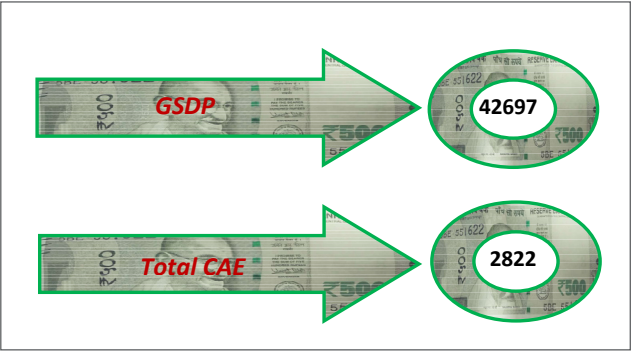


4.3 Central Assistance Expenditure

Central Assistance expenditure (both Revenue, Capital and Loans and Advances) during 2022-23 was ₹ 2822 crore constituting 16 *per cent* of total expenditure of ₹ 17641 crore. Revenue expenditure constituted 80 *per cent* (₹ 2263 crore) and Capital expenditure and Loans and Advances constituted 20 *per cent* (₹ 535 crore and ₹ 24 crore respectively) of the total Central Assistance Expenditure.

The expenditure on salary amounting to ₹ 92 crore was 3 *per cent* of the total Central Assistance Expenditure.

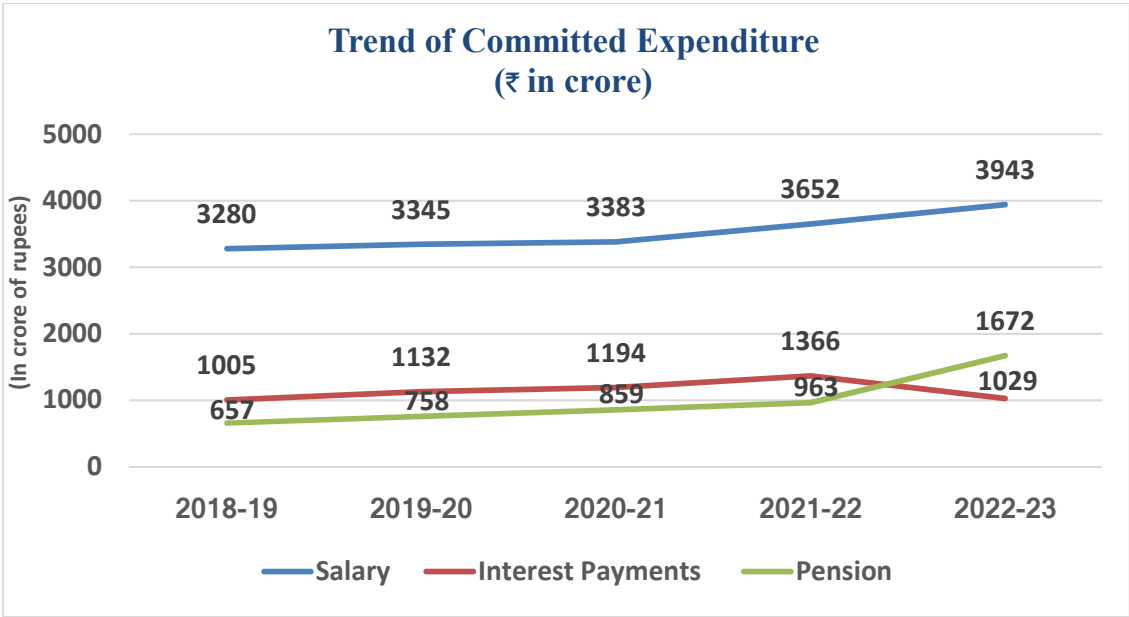
Diagram 10 : Central Assistance Expenditure and Gross State Domestic Product



4.4 Committed Expenditure

Expenditure on salaries, pensions and interest payments in 2022-23 increased over the previous year, mainly on payment of arrears on account of revision of pay and pension.

Graph 12: Trend of Committed Expenditure



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

Table 21: Trend of Committed Expenditure

	(₹ in crore)				
Component	2018-19	2019-20	2020-21	2021-22	2022-23
Committed Expenditure	5001	5277	5474	6015	6644
Revenue Expenditure	10256	9565	11499	13620	14864
Revenue Receipts	9719	9413	10683	14274	14820
Percentage of committed expenditure to Revenue Receipts	52	56	51	42	45
Percentage of committed expenditure to Revenue Expenditure	49	55	48	44	45

The committed expenditure increased by 33 *per cent* from 2018-19 to 2022-23 while revenue expenditure registered a growth of 45 *per cent* during the same period, leaving the Government with lesser flexibility in development spending.

Chapter V

Appropriation Accounts

5.1 Summary of Appropriation Accounts for 2022-23

Table 22: Summary of Appropriation Accounts

(₹ in crore)

Sl. No.	Nature of expenditure	Original grant	Supplementary grant	Total Budget	Actual expenditure (Net)	Saving (-) Excesses (+)	Surrender
1	Revenue Voted Charged	14148 1227	2080 24	16228 1251	13705 1162	(-)2523 (-)89	2023 88
2	Capital Voted Charged	2463 ..	771 ...	3234 ...	2742 ...	(-)492 ...	1097 ...
3	Public Debt Charged	964	---	964	3750	(+)2786	1
4	Loans and Advances Voted	79	170	249	35	(-)214	44
	Total Voted Charged	16690 2191	3021 24	19711 2215	16482 4912	(-)3229 (+)2697	3164 89

5.2 Trend of Saving/Excess during the past five years

Table 23: Trend of Saving/Excess during the past five years

(₹ in crore)

Year	Savings (-)/Excess (+)				Total
	Revenue	Capital	Public Debt	Loans and Advances	
2018-19	(-)242	(-)127	...	...	(-)369
2019-20	(-)334	(-)420	(+)4	(-)10	(-)760
2020-21	(-)564	(-)82	...	...	(-)646
2021-22	(-)58	(-)65	(+)1450	(-)103	(+)1224
2022-23	(-)2612	(-)492	(+)2786	(-)214	(-)532

5.3 Significant Savings

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

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

Table 24: Grants wise Significant Savings

(₹ in crore)

Grant No	Nomenclature	Section	2018-19	2019-20	2020-21	2021-22	2022-23
19	Administration of Public Works Department	Revenue Capital	12 47	23 100	17 69	12 131	6 75
26	Administration of Medical Public Health and Family Welfare	Revenue Capital	163 5	276 7	111 70	58 13	408 26
31	Administration of Labour Department	Revenue	45	100	68	78	52
34	Administration of Social Welfare	Revenue Capital	148 23	202 59	301 69	208 88	267 24
35	Administration of Welfare of Scheduled Castes, Scheduled Tribes and Other Backward classes	Revenue	34	33	139	35	88
43	Administration of Agriculture and allied services	Revenue	128	174	159	125	86
50	Administration of Forests	Revenue	100	136	61	81	87
65	Administration of Water Resources	Revenue Capital	27 41	26 169	19 88	8 81	8 58

The persistent huge savings under Administration of Public Works Department, Administration of Medical Public Health and Family Welfare, Administration of Labour Department, Administration of Social Welfare, Administration of Welfare of Scheduled Castes, Scheduled Tribes and Other Backward classes, Administration of Agriculture and allied Services, Administration of Forests and Administration of Water Resources is on account of schemes which though approved by the legislature have been given lesser priority during implementation. This can be attributed either to increase budget estimation or the Government's desire to keep its fiscal deficit below the ceiling.

During 2022-23 Supplementary grants totaling ₹3045 crore (14.23 *per cent* of the total expenditure) proved to be unnecessary in some cases. A few instances where there were savings at the end of the year even against Original allocation are given below:-

Table 25: Unnecessary Supplementary Grants

(₹ in crore)

Grant No	Nomenclature	Section	Original	Supplementary	Actual Expenditure
6	Administration of Land Revenue, Land Ceilings <i>etc.</i>	Revenue	101	43	65
9	Administration and Collection of Sales Tax and Other Taxes and Duties <i>etc.</i>	Revenue	32	2	31
11	Administration and Collection of Sales Tax and Other Taxes and Duties <i>etc.</i>	Revenue	460	317	299
16	Administration of Civil Police and Fire Protection Services	Revenue	1198	56	1117
19	Administration of Public Works Department	Capital	136	34	95
22	Administration of Guest Houses, Government Hostels <i>etc.</i> and Other Administrative Services	Revenue	59	4	58
26	Administration of Medical, Public Health and Family Welfare Services	Revenue	1558	305	1455
29	Administration of Urban Development	Revenue	159	20	122
34	Administration of Social Welfare	Revenue	575	17	326
39	Administration of Co-operation Department	Revenue	30	1	29
43	Administration of Agriculture and Allied Services	Revenue	313	7	234
50	Administration of Forests	Revenue	257	9	179
51	Administration of Community and Rural Development	Revenue	1261	195	1170
56	Administration of Roads and Bridges	Capital	1129	425	998
59	Governments Investments, Miscellaneous General and Economic Services	Revenue	17	3	17
64	Administration of Arts and Culture	Revenue	52	3	34

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

Table 26: Excess Expenditure even after Supplementary Grants

(₹ in crore)					
Grant No	Nomenclature	Section	Original	Supplementary	Actual Expenditure
5	2015-Election 106-Charges for conduct of Election to State/Union Territory Legislature. (01)-Expenditure on Election to State Legislative Assembly	Revenue	0.40	29	42
19	4216-Capital outlay on Housing 01-Government Residential Building 700-Other Housing (12)-Construction & Maintenance of Departmental residential Buildings	Capital	0.70	10	25
21	2202-Genreal Education 01-Elementary Education 111-Sarva Shiksha Abhiyan (01)-Samagra Shiksha Abhiyan	Revenue	35	30	172
	2202-Genreal Education 01-Elementary Education 111-Sarva Shiksha Abhiyan (01) Samagra Shiksha Abhiyan (CSS)	Revenue	330	89	433
29	4217-Capital Outlay on Urban Development 60-Other Urban development scheme 051-Construction (19)-Special Plan Assistance(SPA)	Capital	2	20	46
58	4202-Capital Outlay on Education, Sports, Arts and Culture 03-Sports and Youth Services Sports Stadia 102- Sports Stadia (01) Construction of Outdoor & Indoor Stadium etc	Capital	80	8	137

An Expenditure of ₹220 Crore in thirty four cases where funds were allocated directly by-passing the Legislature i.e., through re-appropriation instead of Original/ Supplementary Budget are given below:-

Table 27: Funds allocated through re-appropriation

(₹ in crore)						
Grant No	Nomenclature	Section	Original	Supplementary	Re-Appropriation	Actual Expenditure
1	4216-Capital Outlay on Housing 01-Government Residential Buildings 700-Other Housing (66)-Digitalization of State Legislative Records at New Assembly Building at Mawdiangdiang (Central Sector Schemes)	Capital	...	...	4	4
4	4216- Capital Outlay on Housing 01-Government Residential Building 106-General Pool Accommodation (05)-Construction of Residential Buildings	Capital	...	...	4	4
6	2245-Relief on Account of Natural Calamities 05-State Disaster Response Fund 101-Transfer to Reserve Funds and Deposits Accounts-State Disaster Response Fund (03)-Transfer to 8121-General and Other Reserve Fund-122-SDRF (CSS)	Revenue	...	...	27	27
11	2801-Power 80-General 101-Assistance to Electricity Boards (66) Replacement of Distribution Transformers (82) Replacement of 80 MVAR Bus Reactor at 400/220/132kv substation killing	Revenue	...	...	10	10
		Revenue	...	...	2	2

Grant No	Nomenclature	Section	Original	Supplementary	Re-Appropriation	Actual Expenditure
21	2202-General Education 02-Secondary Education 800- Other Expenditure (27)-Supporting Human Capital ADB-EAP 2202-General Education 04- Adult Education 200- Other Adult Education Programmes (24) New India Literacy Programmes (CSS)	Revenue	...	...	1	1
		Revenue	...	...	1	1
26	2210-Medical and Public Health 06-Public Health 113-Public Health Publicity (01)-Corpus Fund 2210-Medical and Public Health	Revenue	...	...	20	20
	80-General 101-Ayushman Bharat Pradhan Mantri Jan Aroghya Yojana (PMJAY) (01) National Health Mission (01) National Health Mission (CSS) 4210-Capital Outlay on Medical & Public Health (02) Rural health Services 104-Community Health centres (02) Rural infrastructure development fund scheme under NABARD	Revenue	...		3	3
		Revenue	...		22	31
		Capital	...		8	6

Grant No	Nomenclature	Section	Original	Supplementary	Re-Appropriation	Actual Expenditure
29	2217- Urban Development 80-General 192-Assistance to Municipalities/ Municipal councils (10) Upgradation of the standard of Administration Awarded by the fifteenth Finance commission	Revenue	...	...	47	47
34	2235-Social Security and Welfare 02-Social Welfare 101-Welfare of Handicapped (19)-Universal Disability Identity card (UDID) (4235-Capital outlay on social security & Welfare 02-Social welfare 107-Pradhan Mantri Jan Vikas Karyakaram (PMJVK)	Revenue	...	...	1	1
		Capital		...	2	2
	(14) Pradhan Mantri Jan Vikas Karyakaram 14) Pradhan Mantri Jan Vikas Karyakaram(CSS)	Capital	...	...	14	14
38	3451-Secretariat Economic Services 092-other offices (06) Meghalaya State capability Enhancement Project 800-Other Expenditure (89)-Sustainable Development Goals	Revenue	...	...	1	1
		Revenue	...	...	6	6

Grant No	Nomenclature	Section	Original	Supplementary	Re-Appropriation	Actual Expenditure
39	2425-Cooperation 107-Assistance to credit Co-operations (18)-State's share for Computerization of PACs under NABARD Scheme (CSS) 4435-Capital Outlay of Other Agriculture Programmes 01-Marketing and Quality Control 190-Investment in Public Sector and Other Undertakings (01)-Share Capital Contributions to Meghalaya State Warehousing Cooperation	Revenue Capital	... ...	... ...	1 2	1 2
43	2401-Crop Husbandry 111-Agricultural Economics and Statistics (08)-Pradhan Mantri Kisan Samman Nidhi (PM Kisan)	Revenue	...	...	2	2
45	2402-Soil and Water Conservation 102-Soil Conservation (23)-Accelerated Irrigation Benefits Programme(AIBP) (29)-Nursery (30)-Sloping Agriculture Land Technology (SALT)	Revenue Revenue Revenue	... ... ...	... ... ...	1 1 3	1 1 3
46	2575-Other Special Area Programmes 06-Border Area Development 800-Other Expenditure (01)-Border Area Programmes under Border Areas Development (CSS)	Revenue	...	...	7	7

Grant No	Nomenclature	Section	Original	Supplementary	Re-Appropriation	Actual Expenditure
47	2403-Animal Husbandry 109-Extension & Training (01)-Training & Capacity Building for farmers in all 39 Blocks & 11 Districts Head Quarter (CSS)	Revenue	...	...	1	1
49	2405-Fisheries 101-Inland Fisheries (49)-Grants under Article 275(I) CSS	Revenue	...	...	1	1
51	2501-Special Programmes for Rural Development 06-Self-employment Programmes 102-National Rural Livelihood Mission (09)-Rural Self Employment Training Institutes (RSETIs) CSS 2505-Rural Employment 01-National Programmes	Revenue	...	...	2	2
	702-Jawahar Grant Samridhi Yojana (14) Pradhan Mantri Aadi Adarsh gram Yojana (PMAAGY) CSS 2515-Other Rural Development Programmes 104-DRDA Administration (02)-DRDA Administration (CSS)	Revenue	...	...	5	5
		Revenue	...	...	1	1
54	2851-Village & Small Industries 102-Small Scale Industries (12) Food Processing Fund (FPF) for Meghalaya Industrial Development Corporation (MIDC)	Revenue	...	...	1	1

Chapter VI

Assets and Liabilities

6.1 Assets

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

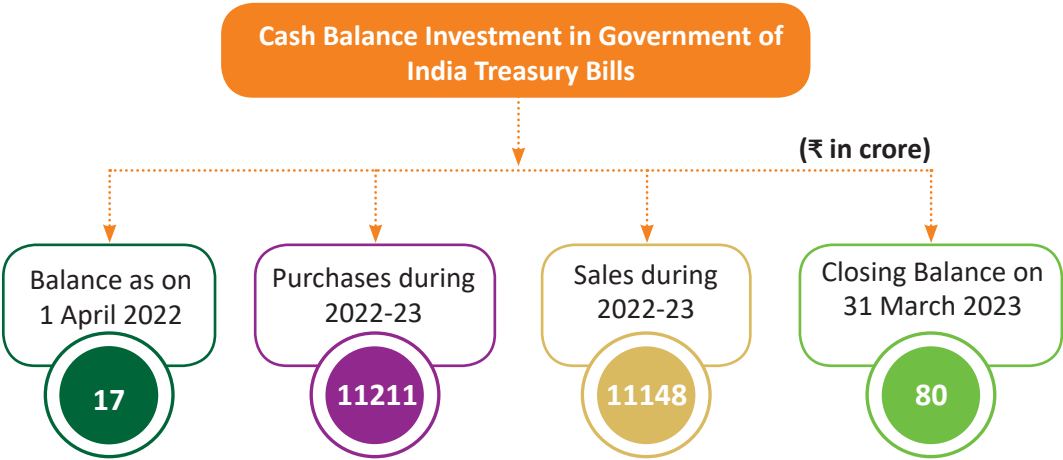
The State Government invests in the equity and share capital of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions etc. Total investment as share capital in non-financial public sector undertakings (PSUs) stood at ₹3240 crore at the end of the year of 2022-23. However, dividends received during the year were ₹0.12 crore on total investment. During the year 2022-23, investments increased by ₹583 crore and dividend income decreased by ₹0.002 crore.

Cash Balance with RBI stood at (-)₹67 crore on 1 April 2022 and increased to ₹32 crore at the end of March 2023. In addition, the Government had invested an amount of ₹11211 crore on 85 occasions in 14 days Treasury Bills and reinvested on Maturity ₹1833 crore on 9 occasions. During 2022-23 RBI rediscounted ₹9308 crore on 126 occasions. The position of investment during the year 2022-23 is depicted in the table given below:

Table 28: Cash Balance Investment

(₹ in crore)

Cash Balance Investment in Government of India Treasury Bills			
Balance as on 1 April 2022	Purchases during 2022-23	Sales during 2022-23	Closing balance on 31 March 2023
17	11211	11148	80



6.2 Debt and Liabilities

Article 293 of the Constitution of India empowers the State Government to borrow on the security of the Consolidated Fund. Government of India determines, from time to time, the limit up to which State Government can borrow from the market. The limit for 2022-23 for the State of Meghalaya was ₹1753 crore. Against this, the Government of Meghalaya availed open market borrowing of ₹1753 crore.

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

Table 29: Public Debt and Total Liabilities

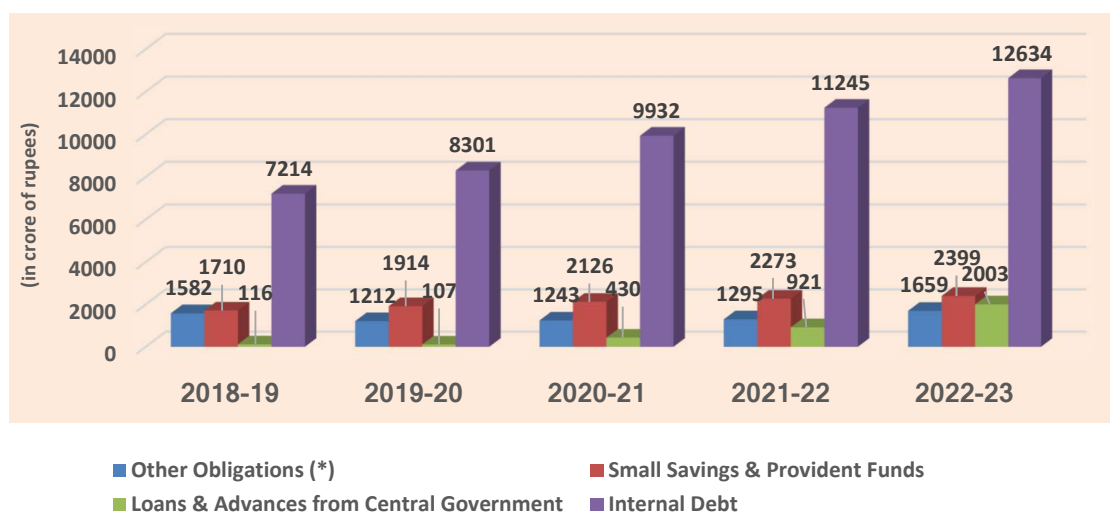
Year	Public Debt (₹ in crore)	Per cent to GSDP	Public Account ^[*] (₹ in crore)	Per cent to GSDP	Total Liabilities (₹ in crore)	Per cent to GSDP
2018-19	7331	22	3291	10	10622	32
2019-20	8408	22	3126	8	11534	30
2020-21	10362	30	3369	10	13731	39
2021-22	12166	32	3568	10	15734	42
2022-23	14637	34	4058	10	18695	44

[*] Excludes civil advances, suspense and remittance balance.

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

Total liabilities showed a net increase of ₹2961 crore (19 per cent) over the previous year.

Graph 13: Trend in Government Liabilities



[*] Interest & non-interest bearing obligations such as deposits of Local Funds, other earmarked funds, etc.

6.3 Guarantees

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

Table 30: Guarantees

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding as on 31 March 2023	
		Principal	Interest
2018-19	1377	1150	13
2019-20	1370	1106	14
2020-21	3093	3048	13
2021-22	3055	2980	...
2022-23	2980	2978	...

(₹ in crore)

At the end of the year	Maximum Amount Guaranteed (Principal only)	Amount outstanding at the end of the year	
		Principal	Interest
2018-19	1377	1150	13
2019-20	1370	1106	14
2020-21	3093	3048	13
2021-22	3055	2980	---
2022-23	2980	2978	---

Chapter VII

Other Items

7.1 Adverse Balances under Internal Debt

Borrowings of State Governments are governed by Article 293 of the Constitution of India. In addition to directly raising loans, the State Government also guarantees loans raised by government companies and corporations from the market and financial institutions for implementation of various plan schemes and programs which are projected outside the State Budget. These loans are treated as receipts of the concerned Administrative Departments and do not appear in the books of the Government. However, the loan repayments appear in Government accounts (in case of non-repayment by the loanee entities), resulting in irreconcilable adverse balances and understatement of liabilities in Government accounts. As on 31 March 2023, no adverse balance is appearing in favour of Meghalaya State.

7.2 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2022-23 was ₹992 crore. Out of this, loans and advances to Government corporations/ companies, non-government institutions and local bodies amounted to ₹970 crore. Recovery of principal aggregating to ₹950 crore was in arrears at the end of 31 March 2023. The information relating to recovery of interest in arrears was not made available by the State Government. Effective steps to recover the outstanding loans would help the Government improve its fiscal position.

7.3 Financial Assistance to Local Bodies and Others

Grants-in-aid given to local bodies, autonomous bodies etc. increased from ₹3277 crore in 2018-19 to ₹4863 crore in 2022-23. Grants to Municipal Corporations and Municipalities (₹119 crore) represent two *per cent* of total grants given during the year.

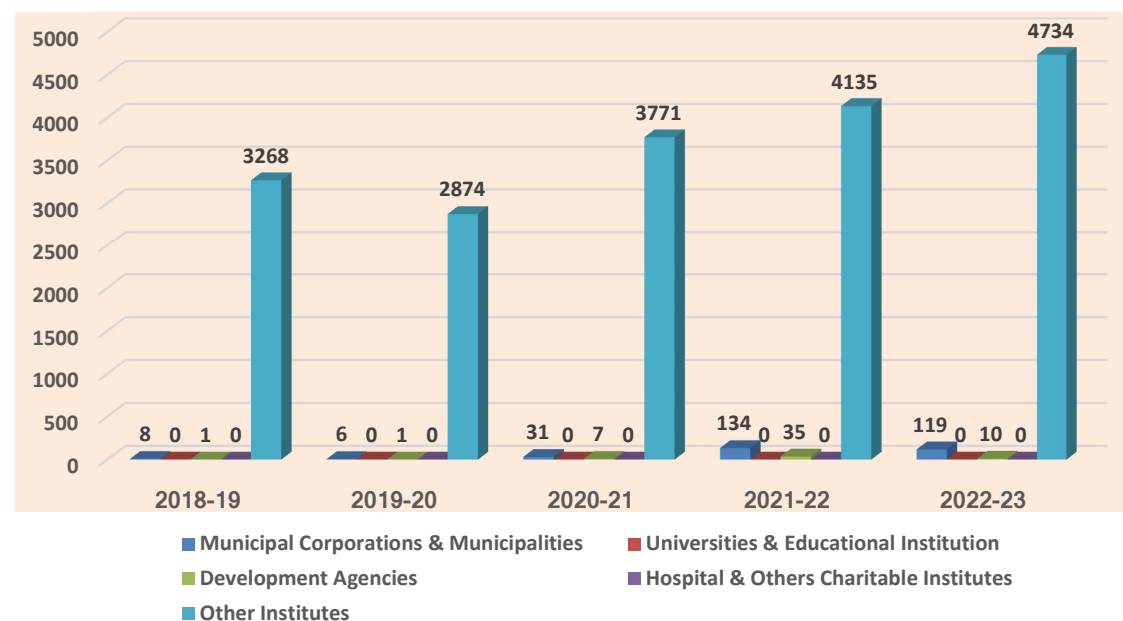
Details of Grants-in-aid for the past 5 years are as under:

Table 31: Financial Assistance to Local Bodies and Others

						(₹ in crore)
S. No.	Name of the Institutions	2018-19	2019-20	2020-21	2021-22	2022-23
1	Municipal Corporations & Municipalities	8	6	31	134	119
2	Universities & Educational Institution	-	-	-	-	-
3	Development Agencies	1	1	7	35	10
4	Hospital & Others Charitable Institutes	-	-	-	-	-
5	Other Institutes ^[*]	3268	2874	3771	4135	4734
Total		3277	2881	3809	4304	4863

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

Graph 14: Financial Assistance to Local Bodies and Others



7.4 Cash Balance and Investment of Cash Balance

Table 32: Cash Balance and Investment of Cash Balance

				(₹ in crore)
Component	As on 1 April 2022	As on 31 March 2023	Net Increase [+]/ decrease[-]	
Cash Balances	(-)60	39	99	
Investment from cash balance				
(GOI Treasury Bills)	17	80	63	
Investment from earmarked fund balances	694	790	96	
(a) Sinking Fund	523	604	81	
(b) Guarantee Redemption Fund	53	68	15	
Interest Realized during the year	10	2	8	

The State Government had a positive closing cash balance at the end of 31 March 2023. Interest receipt on the investment of cash balance has decreased by 80 per cent from ₹10 crore to ₹2 crore in 2022-23.

7.5 Reconciliation of Accounts

Chief Controlling Officer (CCOs)/ Controlling Officer (COs) are required to reconcile the receipts and expenditure figures of the Government with the figures accounted for by the office of the Accountant General (A&E). The extent of accuracy and completeness of accounts can be drawn only when there is complete reconciliation. Such reconciliation has been completed for expenditure of ₹21390 crore (100 *per cent* of the total expenditure of ₹21390 crore) and receipts of ₹21049 crore (99.92 *per cent* of the total receipts of ₹21065 crore). Finance Department, Government of Meghalaya has been requested to issue necessary instruction to ensure 100 *per cent* reconciliation.

7.6 Submission of Accounts by Accounts Rendering Units

The accounts of receipts and expenditure of the Government of Meghalaya have been compiled based on the initial accounts rendered by 18 (eighteen) District Treasuries, [including (three) Sub-Treasuries, 1(one) Cyber Treasury], 90 Public Works Divisions, 26 Forest and 20 Soil Divisions of the State Government and advice of the Reserve Bank of India. There were huge delays in rendition of monthly accounts especially by Public Works Divisions and Forest & Soil Divisions. However, no accounts were excluded at the end of the year.

7.7 Advance payments

Drawing and Disbursing Officers (DDOs) are authorized to draw sums of money by preparing Abstract Contingent (AC) bills by debiting service heads. They are required to present Detailed Countersigned Contingent (DCC) Bills containing vouchers in support of Final Expenditure. Non-submission of DCC bills within stipulated time frame renders the expenditure under AC bills opaque. Details of such outstanding DCC bills are given below:

Table 33 : Unadjusted AC Bills as on 31 March, 2023

Year	No. of unadjusted AC Bills	Amount (₹ in crore)
Upto 2021-22	06	0.81
2022-23	47	97.44
Total	53	98.25

7.8 Status of suspense Balances

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

Table 34 : Status of suspense Balances

(₹ in crore)

Name of Minor Head	2018-19		2019-20		2019-20		2020-2		2021-22	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658-Suspense Accounts										
101- Pay and Accounts office-suspense	46	10	65	22	101	41	122	71	163	101
Net	36		43		60		51		62	
102-Suspense Account (Civil)	4	...	4	...	4	...	4	...	5	...
Net	4		4		4		4		5	
110-Reserve Bank Suspense-Central Accounts Office	35	37	133	134	135	128	121	48	122	48
Net	2		1		7		73		74	
112-Tax Deducted at Source (TDS) Suspense	...	5	...	3	...	...	...	9	...	9
Net	5		3		...		9		9	

7.9 Status of Outstanding Utilization Certificate

The total number of UCs awaited upto 2021-22 and 2022-23 are as follows: -

Table 35: Unadjusted AC Bills (2021-22)

Year	Number of UCs Outstanding	Amount (₹ in crore)
Upto 2021-22	212	1765.76
2022-23	242	1670.25
Total	454	3436.01

7.10 Commitments on account of Incomplete Capital works

A total expenditure of ₹392616 crore as per Appendix IX in Volume II of the Finance Accounts was incurred up to the year 2022-23 by the State Government on various incomplete projects against an original estimated cost of ₹719889 crore.

The original estimated cost (₹719889 crore) has escalated by 0.96 *per cent* as a whole across various projects. A summarized view on commitments on account of ‘Incomplete Capital Works’ is furnished below:

Table 36: Unadjusted UC (2022-23)

(₹ in crore)

Sl. No.	Category of Works (No. of works)	Estimated cost of work	Expenditure during the year	Progressive expenditure to the end of the year	Pending payments	Estimated cost after revision
1	Construction	157608	22659	81924	43967	6532
2	Water supply Schemes	339735	70904	167926	174652	10096
3	Others	222546	44914	142766	101869	12423
	Total	719889	138477	392616	320488	29051

7.11 National Pension System

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

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

The Government of Meghalaya, however, did not follow the above procedure in transferring Government contribution. The State Government transfers the employee’s and Government’s contribution to NSDL/Trustee Bank from Current Account up-to July 2019. During 2022-23 the Government has transferred ₹187.30 crore (₹93.40 crore employees’ contribution plus ₹93.90 crore employer’s contribution) towards NPS into Public Account. Thereafter, the State Government transferred ₹187.30 crore to the NSDL/Trustee Bank.

As on 1 April 2022, ₹1.88 crore yet to be transferred to NSDL was available in the Public Account under Major Head 8342-117. The interest accruing on such retained balances which constitute liabilities of the State Government- since the inception of the Scheme, has not been estimated. It has also not been possible to estimate whether the employees’ contributions over the years under the Scheme have been correctly assessed. Against ₹189.18 crore (₹1.88 crore Opening balance Plus ₹187.30 crore contributed during the year), the State Government transferred ₹188 crore leaving a balance of ₹1.11 crore in the Public Account as on 31 March, 2023. Uncollected, unmatched and un-transferred amounts, with accrued interest represent outstanding liabilities under the scheme besides erroneously enhancing the liquidity position of the State Government.

7.12 Personal Deposit Accounts

Under Rule 415 of Meghalaya Treasury Rules, 1985, the moneys tendered as Personal Deposits may be received at the treasury from the administrators of the deposits account without specification of detailed item. Unspent balance lying in Personal Deposits Accounts are required to be transferred back to the Consolidated Fund before the close of the financial year and re-opened next year, if necessary. The details of the Personal Deposits accounts during the year 2022-23 are as under:

Table 37: Personal Deposit Accounts

(₹ in crore)

PD Accounts as on 01.04.2022		PD Accounts opened during the year 2022-23		PD Accounts closed during the year 2022-23		Closing Balance	
Number	Amount	Number	Amount	Number	Amount	Number	Amount
17	18	01	09	00	09	18	18

7.13 Investment

The State Government invests in the equity and shares of Statutory Corporations, Government Companies, Joint Stock Companies and Co-operative Institutions. As per the accounts the investment of Government in 24 entities was ₹3240 crore as on 31 March, 2023 on which an amount of ₹0.35 crore was received as dividend/interest. Details of this are given in Statement 19 of Finance Accounts. These figures, however, have not been reconciled with the figure of the investee organizations, which is to be done.

7.14 Rush of Expenditure

Uniform flow of expenditure during the year is essential to ensure that the primary requirement of budgetary control is maintained. Rush of expenditure, particularly in the closing months of the financial year should be avoided. The trend of expenditure incurred (as per the initial account furnished by various treasuries) during the last quarter, month of March and last three days of March 2023 as compared to the total expenditure during 2022-23 are given in the table below. This constituted 514 *per cent*, 62 *per cent* and 213 *per cent* respectively of receipts of ₹464 crore during the last quarter.

Table 38: Rush of Expenditure

(₹ in crore)

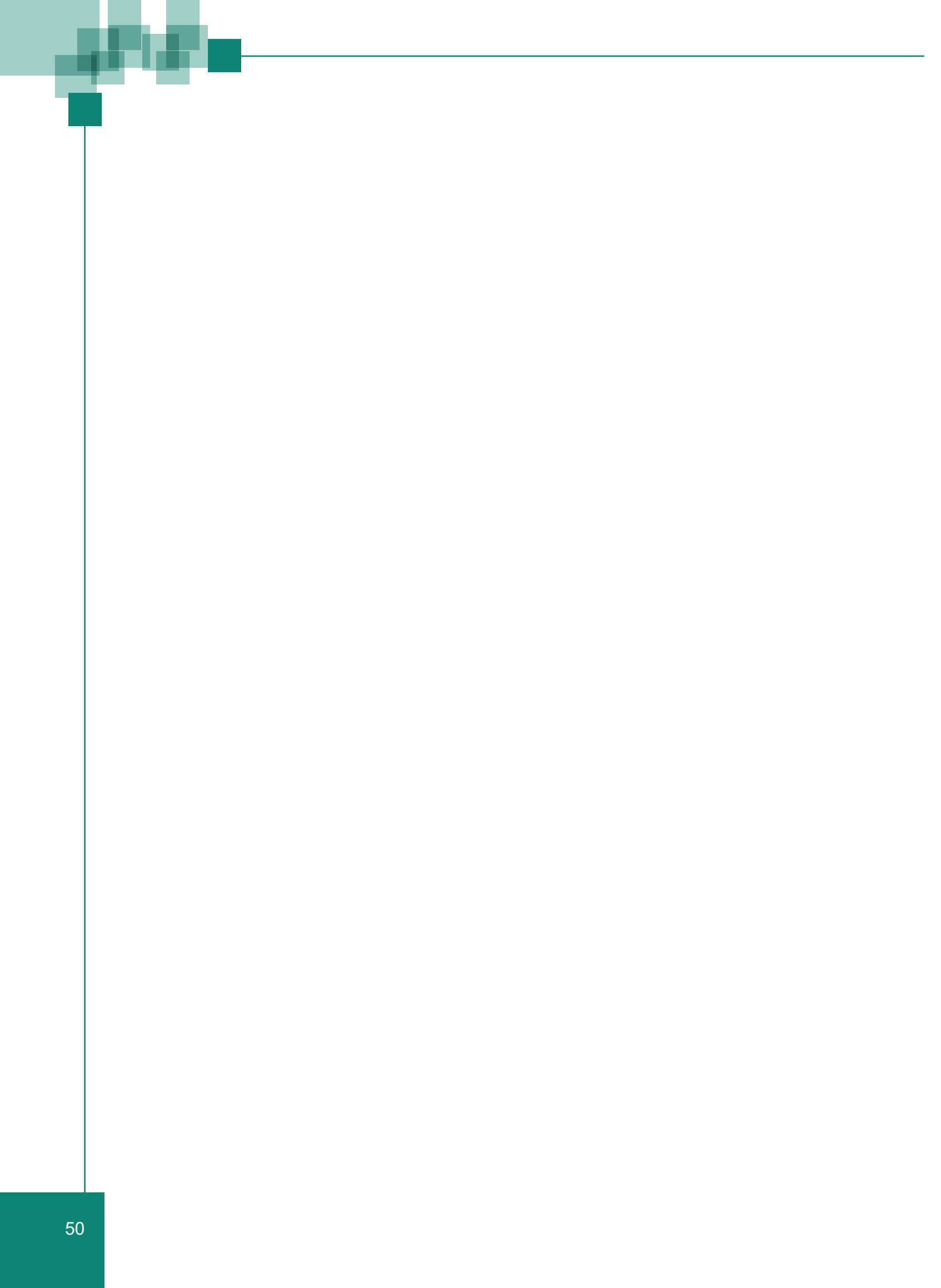
Expenditure incurred during January to March 2023	Expenditure incurred in March 2023	Expenditure incurred during last three days of March 2023	Total Expenditure	Percentage of total expenditure incurred during		
				Jan to March 2023	March 2023	Last three days of March 2023
7130	4481	821	21390	33	21	4

Month wise details of expenditure made by the State Government:

Table 39: Month wise Expenditure

(₹ in crore)

Sl. No.	Month	Expenditure incurred
1	April 2022	578
2	May 2022	1158
3	June 2022	1717
4	July 2022	1745
5	August 2022	1316
6	September 2022	1664
7	October 2022	1791
8	November 2022	1714
9	December 2022	2577
10	January 2023	913
11	February 2023	1598
12	March 2023	4619



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