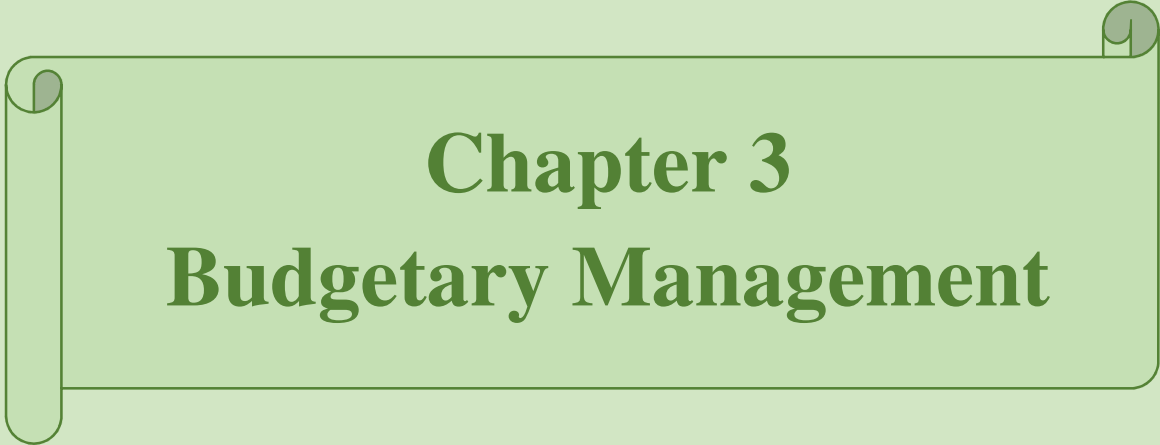




Chapter 3

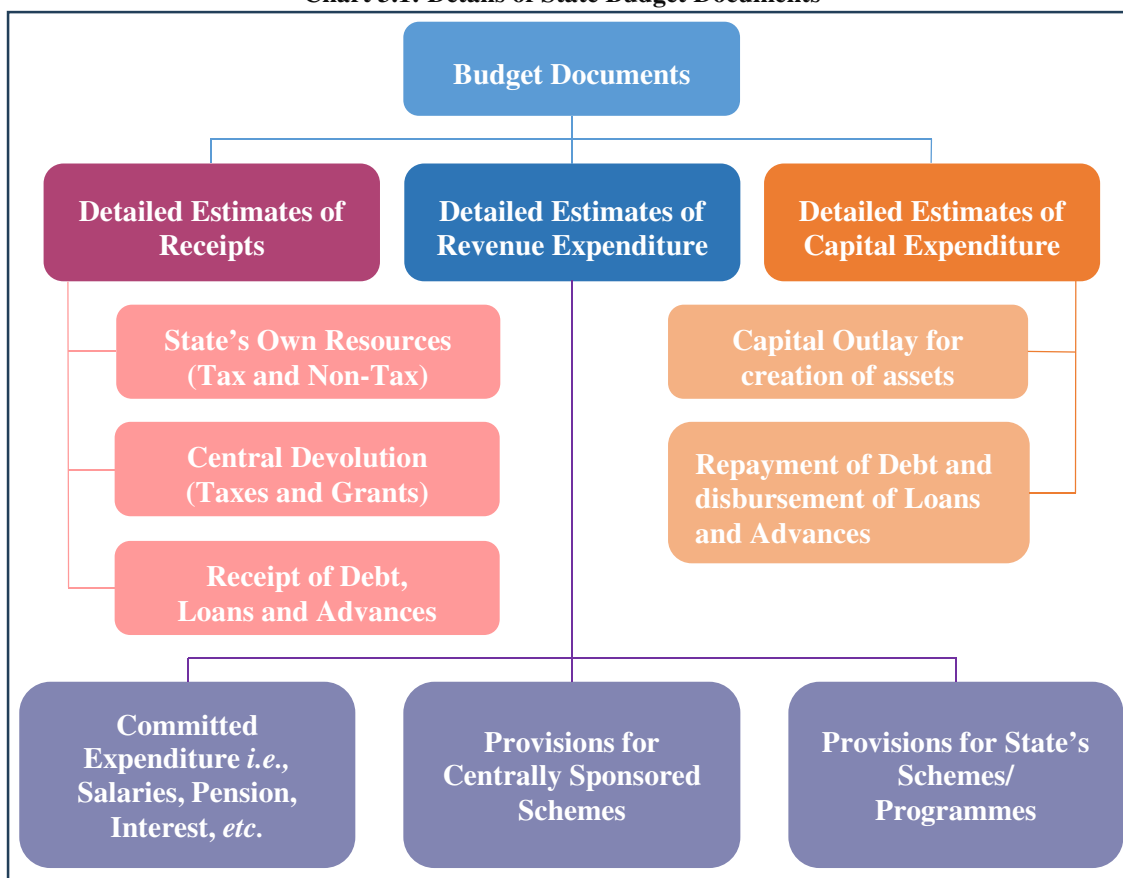
Budgetary Management

3.1 Budget Process

In compliance with Article 202 of the Constitution of India, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called the “annual financial statement (Budget)” is to be laid before the State Legislature. The estimates of the expenditure show ‘charged’ and ‘voted’ items²² of expenditure separately and distinguish expenditure on revenue account from other expenditure. Legislative authorisation is necessary before incurring any expenditure by the State Government.

As per the Assam Budget Manual, the Finance Department is responsible for preparation of the annual budget by obtaining estimates from various departments. The departmental estimates of receipts and expenditure are prepared by Controlling Officers on the advice of the heads of departments and submitted to the Finance Department on prescribed dates. The Finance Department consolidates the estimates and prepares the Detailed Estimates called ‘Demand for Grants’. The State budget comprises following documents as given in **Chart 3.1**.

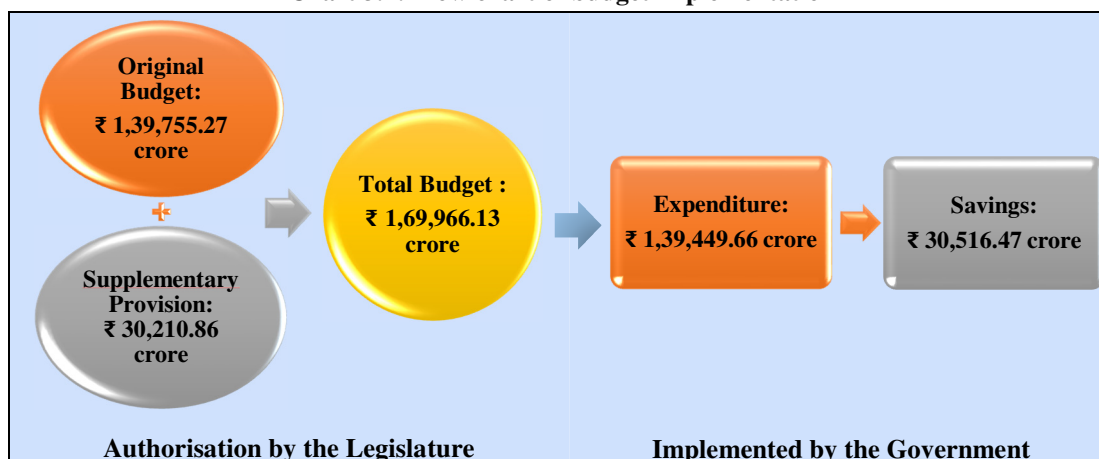
Chart 3.1: Details of State Budget Documents



²² **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.

The various components of budget are depicted in **Chart 3.2**.

Chart 3.2: Flow chart of budget implementation



Source: Appropriation Accounts

The net savings of ₹ 30,516.47 crore was the result of gross savings of ₹ 32,688.74 crore offset by an excess expenditure of ₹ 2,172.27 crore during the year.

Chart 3.2 shows that the Supplementary Grant of ₹ 30,210.86 crore²³ was unnecessary as the gross expenditure (₹ 1,39,449.66 crore) was less than the Original provision (₹ 1,39,755.27 crore) by ₹ 305.61 crore. This was indicative of over estimation and need for better financial management. The issue of unnecessary supplementary provisions has been discussed in detail under **Paragraph 3.3.3**.

3.1.1 Summary of total provisions, actual disbursements and savings during financial year 2023-24

A summarised position of total budget provision, disbursement and savings/ excess with bifurcation into voted/ charged during the year 2023-24 is given in **Table 3.1**.

Table 3.1: Budget provision, disbursement and savings/ excess during 2023-24

	Total Budget provision		Disbursements		Savings (-)/ Excess	
	Voted	Charged	Voted	Charged	Voted	Charged
Revenue	1,07,190.55	11,243.40	86,524.21	10,523.46	-20,666.34	-719.94
Capital Outlay	31,394.59	4.30	21,689.08	3.34	-9,705.51	-0.96
Loans and Advances	217.36	-	64.50	-	-152.86	-
Public Debt	-	19,915.93	-	20,645.07	-	729.14
Total	1,38,802.50	31,163.63	1,08,277.79	31,171.87	-30,524.71	8.24

As can be seen from **Table 3.1**, during the year 2023-24, Government of Assam (GoA) incurred total expenditure of ₹ 1,39,449.66 crore against the total grants and appropriations of ₹ 1,69,966.13 crore resulting in overall savings of ₹ 30,516.47 crore. These savings stood at 17.95 per cent of total grants and appropriations made for the year.

²³ ₹ 6,231.38 crore in September 2023, and ₹ 23,979.48 crore in February 2024.

These savings may be seen in the context of the over estimation²⁴ of receipts of ₹ 1,65,215.70 crore by the State Government and the estimation on the expenditure side being ₹ 1,69,966.13 crore during the year 2023-24. As against the estimated receipts, the total receipts in the Consolidated Fund of State were ₹ 1,38,830.79 crore only thereby restricting the gross expenditure during the year to ₹ 1,39,449.66 crore. This implied that the savings were notional, as the funds were not actually available for expenditure.

3.1.2 Charged and Voted disbursements

The break-up of total disbursement into charged and voted during the last five years (2019-24) is given in **Table 3.2**.

Table 3.2: Trend of Disbursement into Charged and Voted during 2019-24

(₹ in crore)

Year	Disbursements			Savings (-)/ Excess		
	Voted	Charged	Total	Voted	Charged	Total
2019-20	74,951.06	8,080.01	83,031.07	-35,317.53	-1,367.08	-36,684.61
2020-21	75,350.30	7,538.33	82,888.63	-38,558.11	-894.92	-39,453.03
2021-22	97,689.85	10,124.77	1,07,814.62	-27,691.20	-1,048.87	-28,740.07
2022-23	1,10,769.76	18,116.07	1,28,885.83	-31,552.24	3,912.44	-27,639.80
2023-24	1,08,277.79	31,171.87	1,39,449.66	-30,524.71	8.24	-30,516.47

Source: Appropriation Accounts

It can be seen from **Table 3.2** that the savings ranged between ₹ 27,639.80 crore (2022-23) and ₹ 39,453.03 crore (2020-21) during the last five-year period, *i.e.*, 2019-24. The persistent savings reflects either overestimation in budget planning or delays in project execution and fund utilisation. While savings indicate fiscal discipline, consistent underspending may also suggest inefficiencies in administrative execution or delays in developmental projects.

3.1.3 Budget marksmanship

Aggregate Budget Outturn

Aggregate Budget Outturn measures the extent to which the aggregate budget expenditure outturn/ actual expenditure reflects the amount originally approved, both in terms of less than approved and in excess of approved.

Table 3.3: Difference between Budget Estimates and Actual Outturn

(₹ in crore)

Description	Budget Estimates (BEs)	Actual Outturn	Difference between Actual and BEs*
Revenue	1,11,336.59	97,047.67	-14,288.92
Capital	28,418.68	42,401.99	13,983.31
Total	1,39,755.27	1,39,449.66	-305.61

* Excess of actuals over BE is denoted as (+) figure.

In Revenue section, deviation in outturn compared with BE was -12.83 *per cent*. This was due to deviation between 0 and ± 25 *per cent* in 42 grants/ appropriations, between

²⁴ As per Budget documents

± 25 per cent and ± 50 per cent in 28 grants, between ± 50 per cent and ± 100 per cent in nine grants and equal to or more than ± 100 per cent in two grants.

In Capital section, deviation in outturn compared with BE was 49.20 per cent. This was due to deviation between 0 and ± 25 per cent in 15 grants, between ± 25 per cent and ± 50 per cent in 20 grants/ appropriations, between ± 50 per cent and ± 100 per cent in 27 grants/ appropriations and equal to or more than ± 100 per cent in 12 grants/ appropriations.

Expenditure Composition Outturn

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

Table 3.4: Difference between Revised Estimate and Actual Outturn

(₹ in crore)

Description	BEs	Revised Estimates (REs)	Actual Outturn	Difference between BEs and REs	Difference between Actual and REs*
Revenue	1,11,336.59	1,18,433.95	97,047.67	7,097.36	-21,386.28
Capital	28,418.68	51,532.18	42,401.99	23,113.50	-9,130.19
Total	1,39,755.27	1,69,966.13	1,39,449.66	30,210.86	-30,516.47

* Shortage of actuals over REs is denoted as (-) figure

In Revenue section, deviation in outturn compared with RE was -18.06 per cent. This was due to deviation between 0 and ± 25 per cent in 36 grants/ appropriations, between ± 25 per cent and ± 50 per cent in 35 grants/ appropriations, between ± 50 per cent and ± 100 per cent in eight grants and equal to or more than 100 per cent in two grants.

In Capital section, deviation in outturn compared with RE was -17.72 per cent. This was due to deviation between 0 and ± 25 per cent in 19 grants/ appropriations, between ± 25 per cent and ± 50 per cent in 22 grants/ appropriations, between ± 50 per cent and ± 100 per cent in 26 grants and equal to or more than 100 per cent in seven grants.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act passed under Articles 204 and 205 of the Constitution of India. Appropriation Accounts are on gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual Capital and Revenue Expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. Appropriation Accounts thus facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

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.

3.3 Integrity of budgetary and accounting process

3.3.1 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 the Article 204 of the Constitution. Expenditure on new scheme should not be incurred on a scheme/ service without provision of funds except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State.

As per Article 115(1)(a) and 205(1)(a) of the Constitution, New Service means expenditure arising out of a new policy decision, not brought to the notice of Parliament/ State Assembly earlier, including a new activity or a new form of investment. 'New Instrument of Service' means relatively large expenditure arising out of important expansion of an existing activity.

Similarly, as per Para 8.3 Assam Budget Manual, 2012, no expenditure can be incurred under any Head (Major/ Minor or Sub-Head) without budget provision or in anticipation of a Supplementary Grant/ Appropriation or prior to provision of funds by Re-appropriation.

During 2023-24, an expenditure of ₹ 383.54 crore was incurred in eight Sub-heads under the Appropriation 'PD Public Debt and Servicing of Debt' (₹ 50 lakh and above in each case) without budget provision as detailed in **Appendix 3.1**. Further, out of eight sub-heads, the details of three sub-heads with expenditure in excess of ₹ 50 crore without budget provision is given in **Table 3.5**.

Table 3.5: Expenditure incurred without budget provision during 2023-24

(₹ in crore)

Sl. No.	Grant	Heads of Account	Sub-Head	Expenditure
1	PD Public Debt and Servicing of Debt	2049-01-101	{6307} 7.72% Assam State Govt. Securities, 2033	77.20
2			{6320} 7.45% Assam State Govt. Securities, 2033	74.50
3			{6321} 7.34% Assam State Govt. Securities, 2033	73.40
	Total			225.10

Source: Appropriation Accounts

Expenditure without budget is violative of financial regulations as well as the will of the Legislature. This is also indicative of the need for greater financial discipline in Government Departments.

During the Exit Conference (February 2025), the Commissioner and Secretary to Government of Assam, Finance Department assured to take corrective measures.

3.3.2 Incorrect classification of Head of Account in Budget Estimates

Misclassification of expenditure and receipts has a great impact on the integrity of the financial statements. Article 202 of the Constitution prescribes that, 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” (or the “budget”), is to be laid before both the Houses of the State Legislature. The estimates of expenditure are classified under ‘charged’ (such expenditure ‘as’ is not to be submitted to the vote of the Legislative Assembly under the provisions of the Constitution) and ‘voted’ items of expenditure separately. Annual Financial Statement distinguishes expenditure on revenue account from other expenditure as explained in **Chapter 1 (Paragraph 1.3)**.

General Financial Rules categorise the primary units of appropriation. There are specific object heads meant for obtaining provision for acquisition of Capital Assets and other Capital Expenditure. These object heads pertaining to booking of expenditure of capital nature should correspond with capital major heads only. However, there are instances where object heads of revenue nature are incorrectly operated with capital major heads and *vice-versa*, for example Grants-in-Aid.

Classification of expenditure of revenue nature as capital expenditure or *vice-versa*, results in overstatement/ understatement of Revenue/ Capital Expenditure and Revenue Deficit/ Surplus.

As per IGAS 2, Grants-in-Aid disbursed by a grantor to a grantee shall be classified and accounted for as Revenue Expenditure irrespective of the purpose for which the funds disbursed as Grants-in-Aid are to be spent by the grantee, except in cases where it has been specifically authorised by the President on the advice of the Comptroller and Auditor General of India. It is observed that Grants-in-Aid of ₹ 5,658.63 crore were budgeted and expended under Capital Section instead of Revenue, in violation of IGAS 2.

Further, Government of Assam budgeted and spent an amount of ₹ 0.31 crore on “Major Works” and ₹ 10.79 crore on “Repayment of Principal” under the Revenue Section, ₹ 62.60 crore on “Minor Works”, ₹ 15.09 crore on “Maintenance” and ₹ 18.90 crore on “Office Expenses” under the Capital Section.

Non-compliance/ misclassification led to understatement of Revenue Deficit and overstatement of Capital Expenditure during the year.

3.3.3 Unnecessary/ Excessive Supplementary Grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year but not after the expiry of the current financial year. When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary in the Department concerned proposes to the Finance Department for supplementary or additional grant or appropriation.

The Assam Budget Manual (ABM), 2012 permits obtaining a Supplementary Grant/Appropriation if the budgetary provision falls short and a commitment for expenditure has already been made under the orders of the competent authority.

Besides approving original budget of ₹ 1,39,755.27 crore for the year 2023-24, the State Legislature also approved two supplementaries of ₹ 30,210.86 crore in 65 Grants/Appropriations under 94 Segments²⁵ (Cash Supplementary under 93 Segments and Technical Supplementary under one Segment). Audit analysis of utilisation of these supplementary allocations showed that Supplementary provision of only ₹ 22,414.24 crore (74.19 per cent) was required in 22 Segments of 20 Grants/Appropriations where the final expenditure exceeded the original budget provision. Even in these cases, the supplementary provisions of ₹ 24,613.92 crore proved excessive in case of 21 segments while in one segment, the supplementary proved inadequate, as shown in **Appendix 3.2**. In 71 Segments of 53 Grants/Appropriations, the Supplementary Budgetary allocation of ₹ 5,628.14 crore made was unnecessary, as the actual expenditure was less than the Original Budgetary allocation, as shown in **Appendix 3.3**.

Table 3.6 shows seven Segments where Supplementary Budget of ₹ 250 crore and more in each case, was provided despite the actual expenditure falling short of the Original Budgetary allocation.

Table 3.6: Instances of Unnecessary Supplementary Budget Allocation of ₹ 250 crore and more
(₹ in crore)

Sl. No.	Grant	Segment	Budget (Original)	Expenditure	Savings (-) Against Original Budget	Budget (Supplementary)
1	25 Miscellaneous General Services and Others	Revenue-Voted	7,010.27	5,899.15	-1,111.12	805.70
2	29 Medical and Public Health	Capital-Voted	803.35	660.07	-143.28	264.15
3	29 Medical and Public Health	Revenue-Voted	6,325.78	5,833.71	-492.07	461.94
4	41 Natural Calamities	Revenue-Voted	1,428.96	1,349.30	-79.66	378.40
5	48 Agriculture		1,905.92	1,845.41	-60.51	381.53
6	71 School Education	Revenue-Voted	15,498.05	14,936.57	-561.48	1,868.55
7	PD Public Debt and Servicing of Debt	Revenue-Charged	10,815.37	10,389.17	-426.20	250.00
Total			43,787.70	40,913.38	-2,874.32	4,410.27

Source: Appropriation Accounts

Thus, it can be concluded that the large Supplementary grants of ₹ 30,210.86 crore led to a further increase in the savings against the Budget.

Seeking supplementary grants without requirement is indicative of poor budgetary management by the State Government. Further, it is also clear that there is absence of

²⁵ Allocation within a Grant/Appropriation under each combination of Voted/ Charged and Revenue/ Capital is a separate segment.

allocative efficiency and utilisation efficiency by departments which led to excess expenditure in some grants and savings in others.

Audit has been regularly pointing out the issue of practice of large cash supplementaries by the State. Subsequently, the Finance Department, vide its Memorandum dated 02 February 2024 amended the Assam Budget Manual by including “Technical Supplementary Demand for Grant” in Para 8.2 of Chapter 8. This provision would provide flexibility to all the Administrative Departments for transferring savings/ unutilised funds from one section of the Grant to other.

During the Exit Conference (February 2025), the Commissioner and Secretary to Government of Assam, Finance Department agreed to avoid unnecessary/ excessive supplementary grants.

3.3.4 Irregular/ Unnecessary/ Excessive Re-appropriation of Funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where need for additional funds is identified.

As per Paragraph 9.1 of the ABM, 2012, Re-appropriation should neither be made for a New Service not contemplated in the budget for the year, nor for an object not specifically included in that estimates and for which no provision has been made. As per Paragraph 9.2 of ABM, 2012, Finance Department has the power to sanction/ authorise any re-appropriation within a Grant, which does not involve the undertaking of a recurring liability.

During 2023-24, re-appropriation of ₹ 8.55 crore was made in three Sub-Heads under two Grants without any budget provision as detailed in **Table 3.7**.

Table 3.7: Re-Appropriation without Budget Provision

(₹ in crore)						
Sl. No.	Grant	Head of Account (Major Head to Minor Head)	Sub Head	Budget Provision (O+S)	Re-Appropriation	Expenditure
1	26 Education (Higher)	2202-03-103	{7089} New Model Degree College under RUSA 1.0	0.00	4.41	0.00
2			{6310} Management, Monitoring, Evaluation, Research under RUSA (MMER)	0.00	0.14	0.00
3	63 Water Resources	4711-01-103	{1763} Assistance from NABARD	0.00	4.00	0.00
Total				0.00	8.55	0.00

Source: Appropriation Accounts

Further, audit analysis revealed that re-appropriation proved excessive and resulted in huge savings in 20 Sub-Heads (₹ 10 crore and above in each case), details of which are given in **Appendix 3.4**. Out of those 20 Sub-Heads, the final savings were ₹ 50 crore or more in six Sub-Heads, as detailed in **Table 3.8**.

Table 3.8: Excessive re-appropriation (with final savings of ₹ 50 crore and above)

(₹ in crore)

Sl. No.	Grant	Head of Account (Major Head to Minor Head)	Sub Head	Segment/ Tribal Indicator	Savings (-)/ Excess (OS)	Re-Appropriation	Savings (-)/ Excess (OSR)
1	17 Administrative and Functional Buildings	4059-60-051	{4548} Construction of Stadium	Capital-Voted/ NTA	8.95	59.43	-50.48
2	25 Miscellaneous General Services and Others	2075-00-800	{1640} Assam Infrastructure Financing Authority	Revenue-Voted/ NTA	25.00	299.00	-274.00
3	57 P&RD (Rural Development)	2216-03-789	{5689} Pradhan Mantri Awas Yojana (Gramin)	Revenue-Voted/ NTA	212.82	459.83	-247.01
4		2216-03-796			460.34	919.07	-458.73
5	57 P&RD (Rural Development)	2505-02-101	{6249} MGNREGA-Administration	Revenue-Voted/ NTA	71.40	122.58	-51.18
6	64 Roads and Bridges	3054-03-337	{0189} Maintenance & Repairs	Revenue-Voted/ NTA	18.67	85.00	-66.33
Total					797.18	1,944.91	-1,147.73

Source: Detailed Appropriation Accounts

Further, re-appropriation proved unnecessary in 44 Sub-Heads, as the re-appropriated amount ultimately resulted in even larger savings. The complete list of Heads of Account where funds were re-appropriated, and where the final savings was ₹ 10 crore or more, is given in **Appendix 3.5**. Of these, 44 Sub-Heads where re-appropriation was unnecessary, the final savings in case of 10 Sub-Heads was ₹ 50 crore or more, as shown in **Table 3.9**.

Table 3.9: Unnecessary re-appropriation of funds (with final savings of ₹ 50 crore and above)

(₹ in crore)

Sl. No.	Grant	Head of Account	Sub Head	Segment/ Tribal Indicator	Savings (-) / Excess (OS)	Re-Appropriation	Savings (-) / Excess (OSR)
1	14 Police	2055-00-101	{0443} Special Branch	Revenue-Voted/ NTA	-95.47	0.91	-96.38
2	14 Police	2055-00-104	{0446} Armed Police Battalions	Revenue-Voted/ NTA	-182.45	3.44	-185.89
3	14 Police	2055-00-111	{0475} Supervising Staff	Revenue-Voted/ NTA	-61.67	0.97	-62.64
4	14 Police	2055-00-800	{0482} Relief Operation in Connection with Disturbance	Revenue-Voted/ NTA	-118.45	52.98	-171.43

Sl. No.	Grant	Head of Account	Sub Head	Segment/ Tribal Indicator	Savings (-) / Excess (OS)	Re-Appropriation	Savings (-) / Excess (OSR)
5	14 Police	4055-00-207	{0482} Relief Operation in Connection with Disturbance	Capital-Voted/ NTA	-144.85	0.30	-145.15
6	29 Medical and Public Health	4210-03-001	{0172} Headquarters Establishment	Capital-Voted/ NTA	-210.75	5.00	-215.75
7	39 Women & Child Development	2235-02-796	{0177} Implementation of Integrated Child Development Service Schemes (ICDS)	Revenue-Voted/ NTA	-80.41	30.59	-111.00
8	64 Roads and Bridges	3054-80-001	{1382} Execution (General)	Revenue-Voted/ NTA	-242.72	1.50	-244.22
9	64 Roads and Bridges	5054-03-337	{0337} General Road Works	Capital-Voted/ NTA	-1,065.32	358.00	-1,423.32
10	64 Roads and Bridges	5054-03-800	{3037} Loan Assistance from NABARD under RIDF-II for Completion of Ongoing and Incomplete Roads and Bridges	Capital-Voted/ NTA	-77.13	200.00	-277.13
Total					-2,279.22	653.69	-2,932.91

Source: Detailed Appropriation Accounts

Substantial savings of more than ₹ 50 crore in respect of Heads of Account where re-appropriation was resorted to, reflects poor planning and monitoring of budget allocation and its utilisation by the State Government.

3.3.5 Unspent amount and surrendered appropriations and/or Large Savings/ Surrenders

3.3.5.1 Surrender of Savings

Complete accuracy of estimates may not always be possible; but where the omission or inaccuracy is the result of lack of forethought, neglect of the obvious or unrealistic estimating, it is a matter of concern. All Estimating Officers should strive to provide in the budget for everything that can be foreseen and to provide only as much as necessary. The Administrative and Finance Departments should consider this while exercising final check on the estimates.

Budgetary allocations based on unrealistic proposals, overstretching the potential of resource mobilisation, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls promote release of funds towards the end of the financial year.

As per the Assam Budget Manual (ABM) 2012 and the budget calendar of the State Government, the target dates for intimation of savings by the DDOs to their Controlling Officers is 15 January, and their subsequent surrender to the Finance Department is 15 February. During 2023-24, an amount of ₹ 107.08 crore only was surrendered under seven Grants against total savings of ₹ 634.84 crore which occurred under these Grants. This surrender stood at 16.87 *per cent* of the savings recorded in these grants, as shown in **Table 3.10**.

Table 3.10: Grant-wise Summary of Surrender of Savings

(₹ in crore)

Sl. No.	Grant	Total Provision	Expenditure	Savings (-)/ Excess	Amount Surrendered	Per cent of Savings Surrendered
1	08 Excise and Prohibition	99.57	75.83	-23.74	3.64	15.33
2	12 General Administration (District and Sub-Divisions)	716.78	614.34	-102.44	0.66	0.64
3	36 Labour Welfare	115.32	74.32	-41.00	5.53	13.49
4	38 Tribal Affairs (Plain)	1,134.29	795.64	-338.65	4.27	1.26
5	54 Fisheries	175.03	111.98	-63.05	56.26	89.23
6	61 Mines and Minerals	24.66	16.95	-7.71	3.67	47.60
7	69 Science, Technology and Climate Change	125.19	66.94	-58.25	33.05	56.74
Total		2,390.84	1,756.00	-634.84	107.08	16.87

Of the overall savings of ₹ 30,516.47 crore, only 0.35 *per cent* (amounting to ₹ 107.08 crore) was surrendered during 2023-24 indicating poor financial management. Out of the total surrender of ₹ 107.08 crore, the amount surrendered was ₹ 10 crore and above in respect of three cases as shown in **Table 3.11**.

Table 3.11: Cases of substantial surrenders (amount ₹ 10 crore and above)

(₹ in crore)

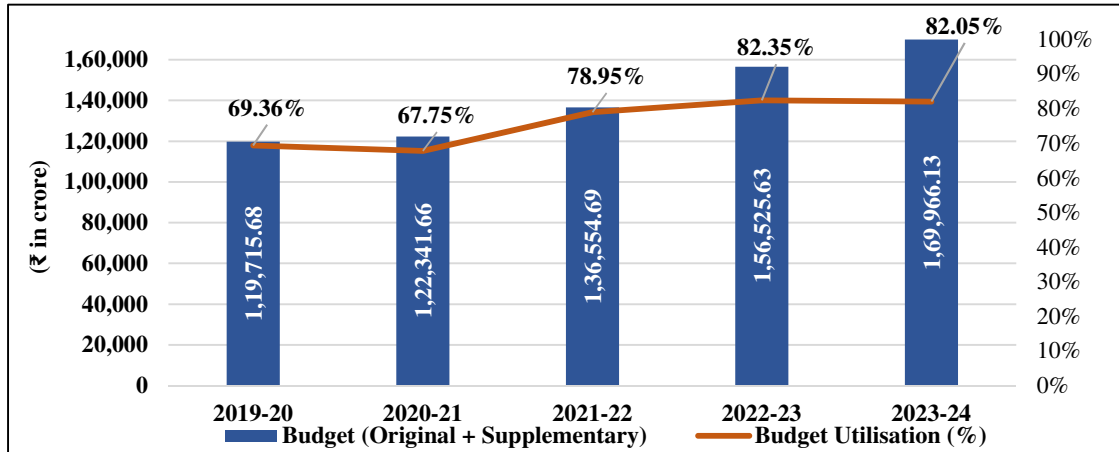
Sl. No.	Grant	Head of Account (Major Head to Minor Head)	Sub Head	Total Budget Provision	Expenditure	Savings (-)/ Excess	Amount Surrendered
1	54 Fisheries	4405-00-800	{5338} Assam Rural Infrastructure Development Fund -NABARDs Loan Component	54.00	9.75	-44.25	41.04
2	69 Science, Technology and Climate Change	3435-03-103	{6288} Green Innovation Fund	22.22	0.00	-22.22	22.00
3		5425-00-600	{3103} Popularisation of Science	14.09	2.51	-11.58	10.00
Total				90.31	12.26	-78.05	73.04

A total of ₹ 90.31 crore was allocated for these schemes, but ₹ 73.04 crore (80.88 *per cent*) was surrendered, reflecting poor budget planning and underutilisation. Most of the savings were surrendered, indicating either project cancellations, delays, or over-allocation of funds.

3.3.5.2 Underutilisation of Budgeted Funds

Budget provision has been significantly underutilised by the State every year during the past few years. The extent of utilisation of budget during the five-year period from 2019-20 to 2023-24 is given in **Chart 3.3**.

Chart 3.3: Budget Utilisation during 2019-20 to 2023-24

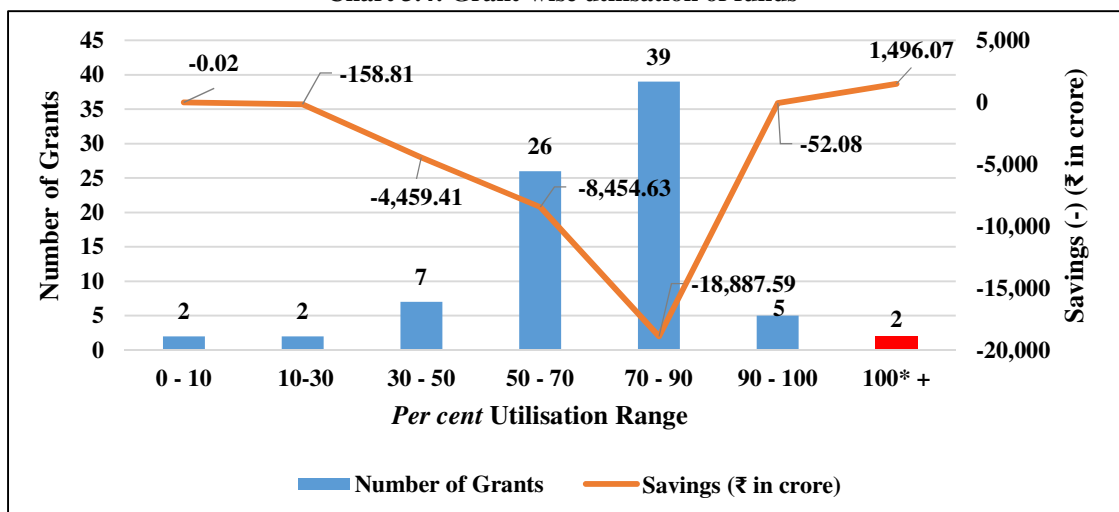


As can be seen from **Chart 3.3**, utilisation of budget has improved from 69.36 per cent in 2019-20 to 82.05 per cent in 2023-24. There was a slight decrease in Budget utilisation per cent from 82.35 per cent in 2022-23 to 82.05 per cent in 2023-24. During the Exit Conference (February 2025), the Commissioner and Secretary to Government of Assam, Finance Department, assured to improve budget utilisation further in the forthcoming years.

3.3.5.3 Large and Persistent Savings in Grants/ Appropriations

There were large savings during 2023-24, with 11 Grants/ Appropriations showing utilisation of less than 50 per cent of the budget allocation. The distribution of number of Grants/ Appropriations grouped by the extent of savings is given in **Chart 3.4**.

Chart 3.4: Grant-wise utilisation of funds



* One Grant (Grant No. 23 Pension & Other Retirement Benefits) and one Appropriation (Appropriation Public Debt and Servicing of Debt) had utilisation in excess of Budget provision at Grant/ Appropriation level.

Of these, 11 Grants/ Appropriations which show utilisation of less than 50 *per cent* in 2023-24, seven showed similar low utilisation in three or more years during the last five-year period *i.e.*, 2019-24. This is indicative of systemic issues that warrants a close review by the Government to enable initiation of expeditious corrective measures. Utilisation of budgetary allocation in these seven Grants/ Appropriations for the five-year period from 2019-20 to 2023-24 is shown in **Table 3.12**.

Table: 3.12: Grants/ Appropriations with budget under-utilisation (< 50 *per cent*)

(₹ in crore)

Sl. No.	Grant	2019-20	2020-21	2021-22	2022-23	2023-24	No. of Years*	Budget 2023-24	Total Budget (5 Years)
1	07 Stamps and Registration	9.26%	27.16%	79.07%	70.92%	42.04%	3	52.56	801.14
2	17 Administrative and Functional Buildings	48.35%	46.97%	45.25%	44.81%	49.53%	5	4,173.08	8,697.80
3	24 Aid Materials	0.00%	0.00%	0.00%	0.00%	0.00%	5	0.01	0.05
4	34 Housing & Urban Affairs (Municipal Administration)	31.65%	23.82%	37.18%	46.58%	32.98%	5	2,277.91	9,883.44
5	44 North Eastern Council Scheme	15.26%	11.44%	36.23%	72.50%	19.97%	4	39.60	6,508.55
6	66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	35.33%	63.42%	36.15%	71.08%	33.23%	3	1,002.77	4,207.07
7	68 Loans to Government Servants <i>etc.</i>	0.00%	--	0.00%	0.00%	0.00%	4	0.01	100.92

Source: Appropriation Accounts

* Number of years where utilisation of budgeted funds was below 50 *per cent*

The persistent low utilisation under Grant No. 34 – Housing & Urban Affairs (Municipal Administration) had also been mentioned as a point of concern in the previous year's report. Improving urban infrastructure is a challenge faced by the State, as such, the State Government needs to examine the reasons for poor utilisation of allocated funds in this Grant and take appropriate corrective action expeditiously.

3.3.6 Excess Expenditure and its Regularisation

As per Article 204 of the Constitution of India, 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 the Article. Further, as per Article 205 of the Constitution of India, it is mandatory for the State Government to get excesses over grants/ appropriations regularised by the State Legislature. Although no time limit for regularisation of excess expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). Failure to do so is in contravention of constitutional provisions and defeats the objective of ensuring accountability by the Legislature of the executive over utilisation of public money.

3.3.6.1 Excess Expenditure

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring Legislative sanction but also indicative of bad planning, which could be avoided by keeping track of expenditure progression with budget made for the purpose.

During 2023-24, an expenditure of ₹ 2,172.27 crore was incurred in excess of the budget provision in one Grant and one Appropriation which is required to be regularised by the State Legislature as per Article 205 of the Constitution. The details of the excess expenditure incurred are shown in **Table 3.13**.

Table 3.13: Excess expenditure during 2023-24 requiring regularisation

(₹ in crore)

Grant	Segment	Total Grant	Actual Expenditure	Excess Expenditure
23 Pension & Other Retirement Benefits	Revenue-Voted	16,203.21	17,646.34	1,443.13
PD Public Debt and Servicing of Debt	Capital-Charged	19,915.93	20,645.07	729.14
Total		36,119.14	38,291.41	2,172.27

Source: Appropriation Accounts

Such excess expenditure vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

During the Exit Conference (February 2025), the Commissioner and Secretary to Government of Assam, Finance Department, assured to take suitable action on the issue to avoid excess expenditure in future.

3.3.6.2 Persistent excesses in certain Grants

Details of excess expenditure over the approved allocation during the five-year period from 2019-20 to 2023-24, which require regularisation by the State Legislature, are given in **Chart 3.5**.

Chart 3.5: Grants with excess expenditure requiring regularisation

(₹ in crore)

Year	Grant	Segment	Excess
2019-20	23 Pension	Revenue-Voted	645.83
2020-21	23 Pension	Revenue-Voted	671.13
2021-22	23 Pension	Revenue-Voted	3,747.85
2022-23	PD Public Debt and Servicing of Debt	Capital-Charged	4,607.94
2023-24	23 Pension	Revenue-Voted	1,443.13
	PD Public Debt and Servicing of Debt	Capital-Charged	729.14
			0 1,000 2,000 3,000 4,000 5,000

As can be seen from the above chart, there was excess expenditure over budget provision requiring regularisation in Grant No. 23 Pension & Other Retirement Benefits in four of the last five-year period during 2019-24.

The PAC, *vide* Para 3 of its 161st Report placed in the State Legislature on 24 March 2020, had recommended that the Finance Department should take initiative to constitute a high-level Committee to study the reason for excess expenditure under Grant No. 23. Accordingly, the ARTPPG Department had constituted a High-Level Committee on 11 June 2020. The Report of the Committee is awaited (December 2024).

Further, Government of Assam had re-constituted (November 2023) a High-Level Committee to examine the matter of excess expenditure against various grants across the State and to submit a Report within a month. The Report of the High-Level Committee is awaited (December 2024).

3.3.6.3 Regularisation of excess expenditure of previous financial years

Excess expenditure remaining un-regularised for extended periods dilutes Legislative control over the executive. A summarised position of excess expenditure relating to previous years requiring regularisation is given in **Table 3.14**.

Table 3.14: Excess expenditure relating to previous years requiring regularisation

Year	Grant No. and Name	Segment	Amount of excess over provision required to be regularised	Status of regularisation
2006-07	30 – Water Supply and Sanitation	Revenue-Voted	52.39	Not Regularised
2018-19	23 – Pension	Revenue-Voted	98.28	
2019-20	23 – Pension	Revenue-Voted	645.83	
2020-21	23 – Pension	Revenue-Voted	671.13	
2021-22	23 – Pension	Revenue-Voted	3,747.85	
2022-23	Public Debt and Servicing of Debt	Capital-Charged	4,607.94	
Total			9,823.42	

Source: Appropriation Accounts

As on 31 March 2024, excess expenditure amounting to ₹ 9,823.42 crore remains to be regularised by the State which is in violation of the Article 205 of the Constitution.

Audit took up (February 2025) the matter of delay in regularisation of excess expenditure with the Chairman, Committee on Public Accounts. The reply is awaited.

3.3.7 Grants-in-Aid for creation of capital assets

Grants-in-Aid are payments in the nature of assistance, donations or contributions made by one government to another government, body, institution or individual. Grants-in-Aid are given for specified purpose of supporting an institution including construction of assets.

As per IGAS 2, Grants-in-Aid disbursed by a grantor to a grantee shall be classified and accounted for as Revenue Expenditure irrespective of the purpose for which the funds disbursed as grants are to be spent by the grantee, except in cases where it has been specifically authorised by President on the advice of the Comptroller and Auditor General of India.

During 2023-24, Capital Expenditure stood at ₹ 21,444.23 crore. However, it included an amount of ₹ 5,658.63 crore of GIA booked as Capital Expenditure instead of Revenue Expenditure in violation of provision of IGAS 2.

Table 3.15 and **Chart 3.6** highlight the extent of misclassification of GIA as Capital Expenditure instead of as Revenue Expenditure by the State during 2019-24.

Table 3.15: Extent of classification of GIA as Capital Expenditure

(₹ in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
Capital Expenditure	13,185.42	12,399.39	20,125.83	15,997.71	21,444.23
Share of GIA in Capital Expenditure	6,225.45	5,640.47	6,168.69	6,668.99	5,658.63

Source: Appropriation Accounts

Chart 3.6: Share of Grants-in-Aid in Capital Expenditure

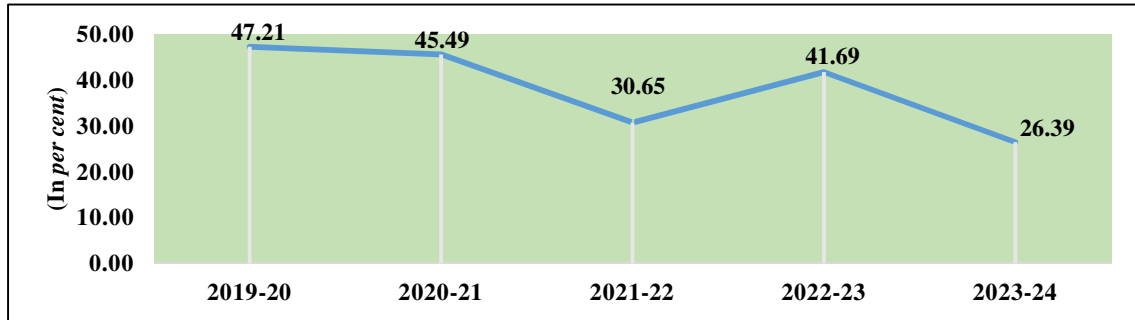


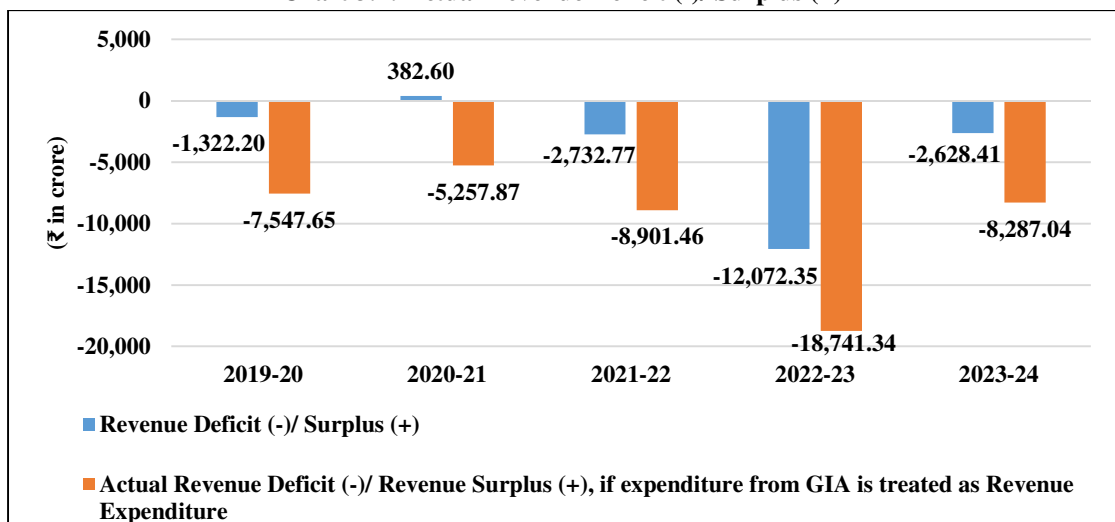
Table 3.16 and Chart 3.7 indicate that the impact of non-compliance with the provisions of IGAS 2 by the State in absolute terms during 2019-24 was that Revenue Surplus was overstated and Revenue Deficit was understated during the period. Moreover, Capital Expenditure during the period was also overstated to that extent.

Table 3.16: Impact of non-compliance with IGAS 2

(₹ in crore)

	2019-20	2020-21	2021-22	2022-23	2023-24
GIA booked as Capital Expenditure	6,225.45	5,640.47	6,168.69	6,668.99	5,658.63
Revenue Deficit (-)/ Surplus (+)	-1,322.20	382.60	-2,732.77	-12,072.35	-2,628.41
Actual Revenue Deficit (-)/ Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	-7,547.65	-5,257.87	-8,901.46	-18,741.34	-8,287.04

Chart 3.7: Actual Revenue Deficit (-)/ Surplus (+)



During the Exit Conference (February 2025), the Commissioner and Secretary to Government of Assam, Finance Department, assured that from Financial Year 2024-25, all expenditure incurred under Object Head 35 – Grants for creation of Capital Assets, will be booked under Revenue Head only.

3.4 Effectiveness of budgetary and accounting process

3.4.1 Budget projection and gap between expectation and actual

Efficient management of tax administration/ other receipts and public expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls lead to sub-optimal allocation among various developmental needs. Excessive savings in some departments deprive other departments of the funds which they could have utilised.

The summarised position of the budget including supplementary budget, actual expenditure, and excess/ savings during 2023-24 against 83 Grants/ Appropriations (80 Grants and three Appropriations) is given in **Table 3.17** as well as in **Chart 3.8**.

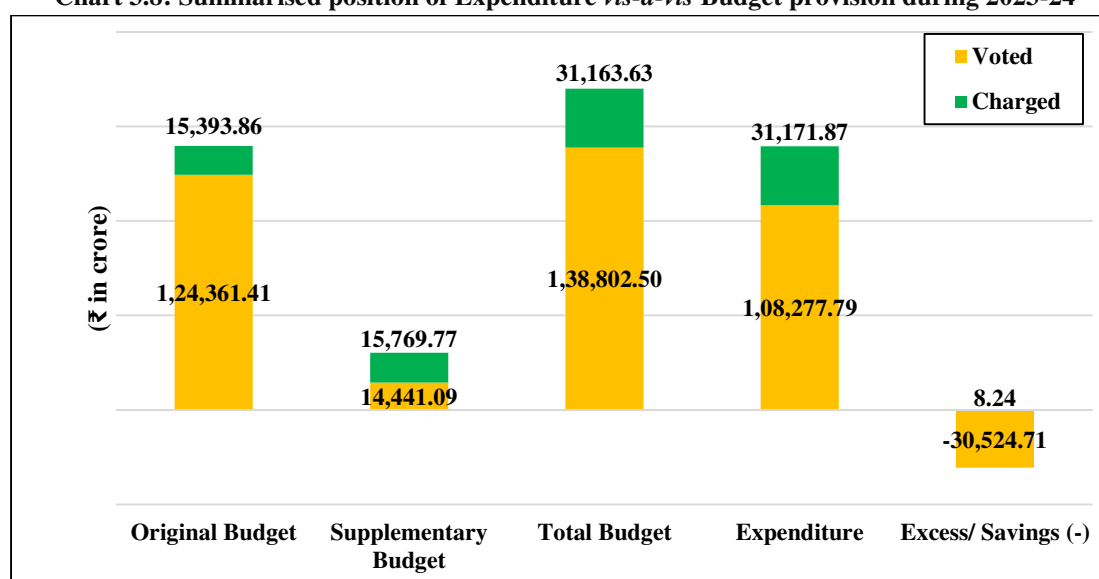
Table 3.17: Summarised position of Expenditure vis-à-vis Budget provision

(₹ in crore)

Voted/ Charged	Nature of Expenditure	Budget (Original)	Budget (Supplem- entary)	Total	Expenditure	Excess / Savings (-)	Excess / Savings (In per cent)
Voted	Revenue	1,00,353.17	6,837.38	1,07,190.55	86,524.21	-20,666.34	-19.28
	Capital Outlay	23,819.12	7,575.47	31,394.59	21,689.08	-9,705.51	-30.91
	Loans and Advances	189.12	28.24	217.36	64.50	-152.86	-70.33
	Total Voted	1,24,361.41	14,441.09	1,38,802.50	1,08,277.79	-30,524.71	-21.99
Charged	Revenue	10,983.42	259.98	11,243.40	10,523.46	-719.94	-6.40
	Capital Outlay	3.35	0.95	4.30	3.34	-0.96	-22.33
	Public Debt Repayment	4,407.09	15,508.84	19,915.93	20,645.07	729.14	3.66
	Total Charged	15,393.86	15,769.77	31,163.63	31,171.87	8.24	0.03
Total (Voted and Charged)		1,39,755.27	30,210.86	1,69,966.13	1,39,449.66	-30,516.47	-17.95

Source: Appropriation Accounts

Chart 3.8: Summarised position of Expenditure vis-à-vis Budget provision during 2023-24



It may be seen from **Table 3.17** that during the year 2023-24, Government of Assam (GoA) incurred expenditure of ₹ 1,39,449.66 crore against the total grants and appropriations of ₹ 1,69,966.13 crore resulting in overall savings of ₹ 30,516.47 crore.

These savings stood at 17.95 *per cent* of total grants and appropriations made for the year.

Of the overall savings of ₹ 30,516.47 crore, savings of ₹ 22,755.74 crore (74.57 *per cent*) occurred in 15 cases (₹ 500 crore and above in each case) at Segment level within 14 Grants/ Appropriations as indicated in **Appendix 3.6**.

Utilisation of budgeted funds by the State has been to some extent sub-optimal every year during the past five years. The extent of savings during the last five years is given in **Table 3.18**.

Table 3.18: Original Budget, Revised Estimate and Expenditure during 2019-24

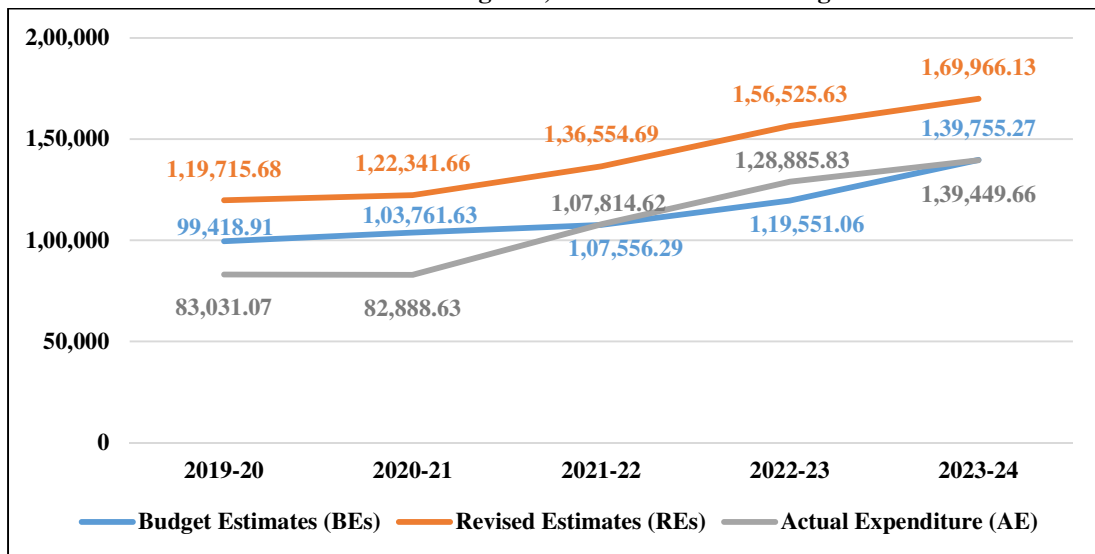
(₹ in crore)

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Original Budget	99,418.91	1,03,761.63	1,07,556.29	1,19,551.06	1,39,755.27
Supplementary Budget	20,296.77	18,580.03	28,998.40	36,974.57	30,210.86
Total Budget (TB)	1,19,715.68	1,22,341.66	1,36,554.69	1,56,525.63	1,69,966.13
Revised Estimate (REs)	1,19,715.68	1,22,341.66	1,36,554.69	1,56,525.63	1,69,966.13
Actual Expenditure (AE)	83,031.07	82,888.63	1,07,814.62	1,28,885.83	1,39,449.66
Savings (-) /Excess (+)	-36,684.61	-39,453.03	-28,740.07	-27,639.80	-30,516.47
Per cent of Supplementary to the Original Provision	20.42	17.91	26.96	30.93	21.62
Per cent of overall Savings to the overall provision	-30.64	-32.25	-21.05	-17.66	-17.95
TB-REs	0.00	0.00	0.00	0.00	0.00
REs-AE	36,684.61	39,453.03	28,740.07	27,639.80	30,516.47
(TB-REs) as % of TB	0.00	0.00	0.00	0.00	0.00
(REs-AE) as % of TB	30.64	32.25	21.05	17.66	17.95

Source: Annual Financial Statements and Appropriation Accounts

Table 3.18 shows that supplementary provision of ₹ 30,210.86 crore during 2023-24 constituted 21.62 *per cent* of the original provision as against 30.93 *per cent* in the previous year.

Chart 3.9: Trend showing BEs, REs and Actuals during 2019-24



From the preceding Chart, it can be seen that during the last five-year period, the Actual Expenditure (AE) was lower than the Budget Estimates (BEs) during the years 2019-20,

2020-21 and 2023-24. As such, the supplementary provisions during the years 2019-20, 2020-21 and 2023-24 proved unnecessary since the expenditure did not come up even to the level of original budget provisions. Further, the Actual Expenditure (AE) during the last five years from 2019-20 to 2023-24 was lower than the Revised Estimates (REs) throughout the period with the difference (REs-AE) ranging between 17.66 *per cent* and 32.25 *per cent* of the RE.

The repeated trend of savings over the last five years, alongside unnecessary supplementary provisions, points to deficiencies in budget planning, unrealistic estimations, and weak expenditure monitoring. This undermines effective resource allocation and hampers the achievement of developmental objectives.

3.5 Review of Selected Grants

During the year 2023-24, two Grants: Grant No. 49 – Irrigation and Grant No. 67 – Horticulture were selected for detailed scrutiny in audit to review compliance with prescribed budgetary procedures, monitoring of funds, control mechanisms and implementation of schemes within these grants. Outcome of the audit is discussed in the succeeding paragraphs.

3.5.1 Grant 49 – Irrigation

The Irrigation Department is the custodian of all the irrigation schemes in the State of Assam. The major activities of the department include (a) increase in agricultural production of the State by ensuring timely and adequate irrigation facility, (b) increase of irrigation intensity by ensuring water throughout the year and thereby encouraging multiple cropping, (c) utilisation of irrigation potential by equitable distribution of water through command area development, (d) providing scope for generation of hydroelectric power by constructing mini hydel projects in the irrigation canal, (e) providing low intensity flood mitigation measures. All the financial activities of the Department are carried out through Grant No. 49.

3.5.1.1 Budget and Expenditure

The overall position of budget provision, actual expenditure and savings/ excesses under this Grant during the five-year period 2019-24 is given in **Table 3.19**.

Table 3.19: Budget and Expenditure

		(₹ in crore)				
Grant No. 49		2019-20	2020-21	2021-22	2022-23	2023-24
Total (Revenue + Capital)	Budget Provision	1,489.44	1,719.65	1,402.40	1,251.77	1,033.23
	Expenditure	681.66	791.25	842.35	1,003.66	825.45
	Savings (-)/ Excess (+)	-807.78	-928.40	-560.05	-248.11	-207.78
	Savings (-)/ Excess (+) (in <i>per cent</i>)	-54.23	-53.99	-39.94	-19.82	-20.11
Revenue	Budget Provision	612.12	576.16	697.27	986.31	609.70
	Expenditure	468.67	467.60	466.75	837.06	509.33
	Savings (-)/ Excess (+)	-143.45	-108.56	-230.52	-149.25	-100.37
	Savings (-)/ Excess (+) (in <i>per cent</i>)	-23.43	-18.84	-33.06	-15.13	-16.46

Grant No. 49		2019-20	2020-21	2021-22	2022-23	2023-24
Capital	Budget Provision	877.32	1,143.49	705.13	265.46	423.53
	Expenditure	212.99	323.65	375.60	166.60	316.12
	Savings (-)/ Excess (+)	-664.33	-819.84	-329.53	-98.86	-107.41
	Savings (-)/ Excess (+) (in per cent)	-75.72	-71.70	-46.73	-37.24	-25.36

Source: Appropriation Accounts

As can be seen from **Table 3.19**, the Grant showed large overall savings, both in Revenue and Capital Segments, with savings as a percentage of total budget provisions ranging from 15.13 *per cent* to 33.06 *per cent* in Revenue segment, and 25.36 *per cent* to 75.72 *per cent* in Capital segment, during the period 2019-24.

The Department stated (October 2024) that savings occurred mainly due to break out of Covid-19 pandemic and its continuation during 2019-21, reorganisation of the department during 2021-22 and inadequate release of FOCs by the Finance Department during 2022-24.

3.5.1.2 Surrender of Savings

According to Paragraph 11.17 of ABM, 2012, a Controlling Officer should anticipate savings under a Grant and surrender them to the Finance Department not later than 15 February of each year.

Table 3.20 details the Major Head-wise total Budget, Expenditure, Savings and Surrender of Savings under Grant No. 49, during the last five years, *i.e.*, 2019-24.

Table 3.20: Major Head-wise Budget and Expenditure

		(₹ in crore)				
Major Head	Item	2019-20	2020-21	2021-22	2022-23	2023-24
2701 - Medium Irrigation	Total Budget Provision	140.15	129.20	117.08	160.37	151.35
	Expenditure	102.31	100.85	106.19	147.10	138.11
	Savings (-)/ Excess (+)	-37.84	-28.35	-10.89	-13.27	-13.24
	Surrender	0.00	0.00	0.00	0.00	0.00
2702 - Minor Irrigation	Total Budget Provision	466.29	440.80	574.13	818.98	452.95
	Expenditure	362.06	362.35	356.21	686.33	366.63
	Savings (-)/ Excess (+)	-104.23	-78.45	-217.92	-132.65	-86.32
	Surrender	0.00	0.00	0.00	0.00	0.00
2705 - Command Area Development	Total Budget Provision	5.68	6.16	6.06	6.96	5.40
	Expenditure	4.30	4.40	4.35	3.63	4.59
	Savings (-)/ Excess (+)	-1.38	-1.76	-1.71	-3.33	-0.81
	Surrender	0.00	0.00	0.00	0.00	0.00
4701 - Capital Outlay on Medium Irrigation	Total Budget Provision	35.60	118.04	104.40	39.67	19.41
	Expenditure	0.82	1.56	98.38	14.29	12.49
	Savings (-)/ Excess (+)	-34.78	-116.48	-6.02	-25.38	-6.92
	Surrender	0.00	0.00	0.00	0.00	0.00
4702 - Capital Outlay on Minor Irrigation	Total Budget Provision	806.25	1,013.96	592.32	225.79	400.56
	Expenditure	193.86	319.97	269.32	152.31	302.24
	Savings (-)/ Excess (+)	-612.39	-693.99	-323.00	-73.48	-98.32
	Surrender	0.00	0.00	0.00	0.00	0.00

Major Head	Item	2019-20	2020-21	2021-22	2022-23	2023-24
4705 - Capital Outlay on Command Area Development	Total Budget Provision	35.47	11.49	8.41	0.00	3.56
	Expenditure	18.31	2.12	7.90	0.00	1.39
	Savings (-)/ Excess (+)	-17.16	-9.37	-0.51	0.00	-2.17
	Surrender	0.00	0.00	0.00	0.00	0.00

Source: Detailed Appropriation Accounts

As can be seen from **Table 3.20**, savings were seen across all six Major Heads where allocation was made in the grant for the last five years from 2019-24. Despite persistent savings, no amount was surrendered during these years. Non-surrender of savings indicated inefficient budget management.

The Department stated (October 2024) that the execution of irrigation schemes generally starts from December after harvesting of paddy. Thus, the demand proposals from Divisional Offices are received during the end of the last quarter of the financial year. Further, the receipt of FOCs was delayed, hence, surrender of savings was kept pending till the end of the financial year.

3.5.1.3 Unnecessary/ Excessive Supplementary Grant

Supplementary Grant provided under Grant No. 49 during the last five years, *i.e.*, 2019-20 to 2023-24 is given in **Table 3.21** and also in **Chart 3.10** and **Chart 3.11**.

With large savings being exhibited in the Grant, the supplementary provision proved unnecessary in four of the last five years (with no supplementary in Capital Segment during 2021-22) in case of Revenue and Capital Segments, as the expenditure was less than the original budget provision. In the financial year 2022-23, the supplementary grant of ₹ 264.44 crore in the Revenue Segment proved excessive as the expenditure was less than the total budget provision.

Table 3.21: Unnecessary/ Excessive Supplementary Provision

(₹ in crore)

Segment	Year	Original Budget Provision	Expenditure	Savings (-)/ Excess (+) out of Original Provision	Supplementary Grant
Revenue	2019-20	590.27	468.67	-121.60	21.85
	2020-21	535.30	467.60	-67.70	40.86
	2021-22	540.73	466.75	-73.98	156.54
	2022-23	721.87	837.06	115.19	264.44
	2023-24	609.67	509.33	-100.34	0.03
Capital	2019-20	412.73	212.99	-199.74	464.59
	2020-21	1,056.78	323.65	-733.13	86.71
	2021-22	705.13	375.60	-329.53	0.00
	2022-23	223.37	166.60	-56.77	42.09
	2023-24	423.20	316.12	-107.08	0.33

Chart 3.10: Unnecessary/ Excessive Supplementary grants under Grant No. 49 (Revenue)

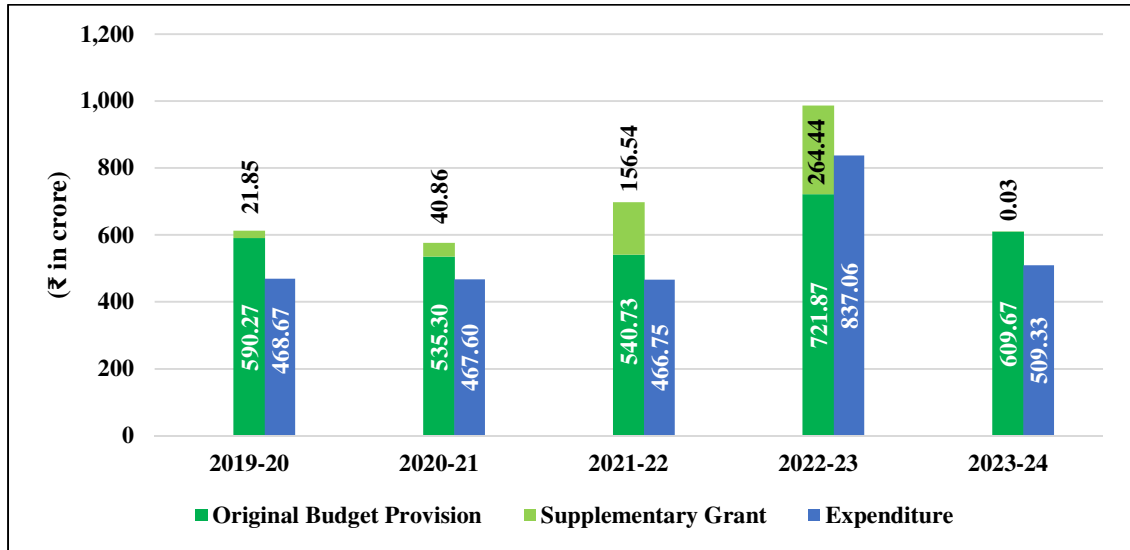
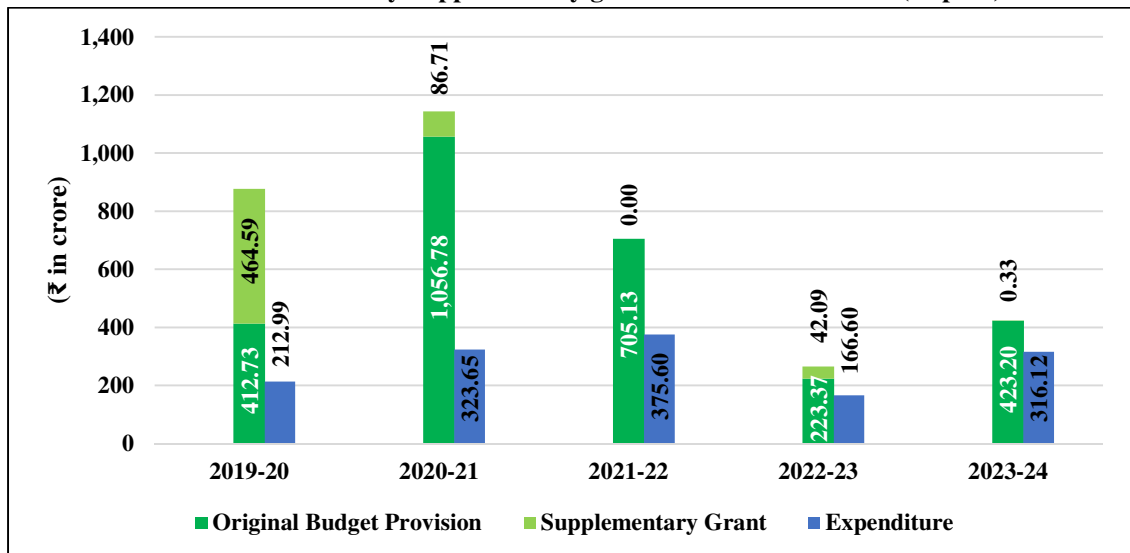


Chart 3.11: Unnecessary Supplementary grants under Grant No. 49 (Capital)



Seeking supplementary grants without requirement/ in excess of requirement is indicative of poor budgetary management by the State Government.

The Department stated (October 2024) that supplementary grants were sought as per pending liabilities and within drawable limits. However, non-receipt/ partial receipt of FOCs and receipt of FOCs at the end of the financial year resulted in low utilisation of allocated funds.

3.5.1.4 Unnecessary Re-appropriation

Re-appropriation is the transfer of savings from one unit of appropriation to meet additional expenditure under another unit within the same grant or charged Appropriation.

As per Paragraph 9.2 of ABM, 2012, Finance Department has the power to sanction/ authorise any re-appropriation within a Grant, which does not involve undertaking of a

recurring liability. Copies of such orders sanctioning any re-appropriation must be communicated to the Accountant General as soon as they are passed.

Re-appropriation proved unnecessary resulting in savings of more than ₹ 50 lakh in three Sub-Heads as re-appropriated amount was completely unutilised, as shown in **Table 3.22**.

Table 3.22: Unnecessary Re-appropriation

(₹ in crore)

Sl. No.	Head of Account	Budget (O+S)	Expenditure	Re-appropriation	Savings
1	2701-80-001-{0000} Direction and Administration	143.86	138.10	7.49	-13.25
2	2702-03-102-{1374} Minor Lift Irrigation	17.95	17.95	0.89	-0.89
3	4702-00-102-{1523} Tube Well	63.31	57.55	20.07	-25.83

Source: Appropriation Accounts

Substantial savings in respect of Head of Account where re-appropriation was resorted to, reflects poorly on planning and monitoring of budget allocation and its utilisation by the State Government.

The Department stated (October 2024) that re-appropriated funds could not be utilised due to non-submission of arrear salary bills (under the Major Heads 2701 and 2702) to treasury in due time and release of part FOC.

3.5.1.5 Persistent Savings

There were large savings (₹ one crore and above in each case) in four schemes where the final savings were more than 50 *per cent* of the total budget provision during 2023-24. The details of the schemes are given in **Table 3.23**.

Table 3.23: Scheme-wise significant savings during 2023-24

(₹ in crore)

Sl. No.	Head of Account	Total Budget Provision	Expenditure	Savings	
				Amount	Per cent
1	4701-04-800-{3012} New Schemes	1.99	0.40	-1.59	-79.90
2	4702-00-800-{0800} Other Expenditure	106.90	46.10	-60.80	-56.88
3	4705-00-002 Command Area Development - {0000} -NA	3.56	1.39	-2.17	-60.96
4	4701-80-800-{5801} Long Term Irrigation Fund (LTIF) under NABARD	7.12	2.81	-4.31	-60.53

Source: Appropriation Accounts

Of these four schemes with savings of over 50 *per cent* of total budget provision and more than ₹ one crore, two showed similar high savings in four or more years during the last five-year period *i.e.*, 2019-24. The details of the schemes are depicted in **Table 3.24**.

Table 3.24: Persistent Savings under Sub-Head

(₹ in crore)

Head of Account	Year	Total Budget Provision	Expenditure	Savings	
				Amount	Per cent
4701-80-800-{5801} Long Term Irrigation Fund (LTIF) under NABARD	2019-20	30.00	0.00	-30.00	-100.00
	2020-21	116.02	0.00	-116.02	-100.00
	2021-22	97.29	95.85	-1.44	-1.48
	2022-23	35.00	12.25	-22.75	-65.00

Head of Account	Year	Total Budget Provision	Expenditure	Savings	
				Amount	Per cent
	2023-24	7.12	2.81	-4.31	-60.53
	Total	285.43	110.91	-174.52	-61.14
4701-04-800-{3012} New Schemes	2019-20	1.60	0.00	-1.60	-100.00
	2020-21	0.12	0.10	-0.02	-16.67
	2021-22	1.85	0.37	-1.48	-80.00
	2022-23	3.06	0.47	-2.59	-84.64
	2023-24	1.99	0.40	-1.59	-79.90
	Total	8.62	1.34	-7.28	-84.45

Source: Detailed Appropriation Accounts

Budget provision sought and obtained in excess of actual requirement and inability to utilise the funds, deprives allocation of resources to priority sectors and leads to poor legislative control over public finances.

3.5.1.6 Savings of Entire Budget Provision

Budget provision of ₹ 0.80 crore made under the following three Heads of Accounts (over ₹ two lakh each), under Grant No. 49 for the year 2023-24 remained unutilised at the end of the year. Scheme-wise details are given in **Table 3.25**.

Table 3.25: Non-utilisation of budget provision

(₹ in crore)

Sl. No.	Head of Account	Total Budget Provision	Expenditure
1	2702-80-001-{6290} Ex-Gratia	0.03	0.00
2	4701-80-001-{0000} NA	0.09	0.00
3	4702-00-101-{4592} Innovation/ Consultation and Pilot Project	0.68	0.00
	Total	0.80	0.00

Source: Appropriation Accounts

3.5.2 Grant 67 – Horticulture

The Directorate of Horticulture & Food Processing functions under the Department of Agriculture & Horticulture of Government of Assam and is responsible for increasing production and productivity of crops, ensuring good soil health, transfer of technologies from Lab to Land and augmenting market and marketing facilities. It plays a vital role in providing nutritional and financial security to the people of the State. The financial activities of the Directorate are carried out through Grant No. 67.

3.5.2.1 Budget and Expenditure

The overall position of budget provision, actual expenditure and savings/ excesses under this Grant during the five-year period 2019-24 is given in **Table 3.26**.

Table 3.26: Budget and Expenditure

(₹ in crore)

Grant No. 67		2019-20	2020-21	2021-22	2022-23	2023-24
Total (Revenue + Capital)	Budget Provision	201.74	255.81	259.37	288.99	133.27
	Expenditure	86.10	93.28	123.69	74.26	75.21
	Savings (-)/ Excess (+)	-115.64	-162.53	-135.68	-214.73	-58.06
	Savings (-)/ Excess (+) (in per cent)	-57.32	-63.54	-52.31	-74.30	-43.57
Revenue	Budget Provision	196.74	249.57	258.28	287.85	131.91
	Expenditure	86.10	93.28	123.69	74.26	75.07

Grant No. 67		2019-20	2020-21	2021-22	2022-23	2023-24
	Savings (-)/ Excess (+)	-110.64	-156.29	-134.59	-213.59	-56.84
	Savings (-)/ Excess (+) (in per cent)	-56.24	-62.62	-52.11	-74.20	-43.09
Capital	Budget Provision	5.00	6.24	1.09	1.14	1.36
	Expenditure	0.00	0.00	0.00	0.00	0.14
	Savings (-)/ Excess (+)	-5.00	-6.24	-1.09	-1.14	-1.22
	Savings (-)/ Excess (+) (in per cent)	-100.00	-100.00	-100.00	-100.00	-89.71

Source: Appropriation Accounts

The grant showed large overall savings, both in Revenue and Capital Segments, with savings as a percentage of total budget provision ranging from 43.09 *per cent* to 74.20 *per cent* in the Revenue Segment, and 89.71 *per cent* to 100 *per cent* in the Capital Segment, during the period 2019-24. There was a marked improvement in savings in the current year, with overall savings as a percentage of total budget provision reducing from 74.30 *per cent* in 2022-23 to 43.57 *per cent* in 2023-24.

The Directorate stated (October 2024) that savings occurred mainly due to Covid-19 pandemic, receipt of CSS fund during the end of the financial year and partial release of FOC by the Government.

3.5.2.2 Surrender of Savings

According to Paragraph 11.17 of Assam Budget Manual, 2012, a Controlling Officer should anticipate savings under a Grant and communicate them to the Finance Department not later than 15 February of each year.

Table 3.27 details the Major Head-wise total Budget, Expenditure, Savings and Surrender of Savings under Grant No. 67, during the last five years, *i.e.*, 2019-24.

Table 3.27: Major Head-wise Budget and Expenditure

		(₹ in crore)				
Major Head	Item	2019-20	2020-21	2021-22	2022-23	2023-24
2401 – Crop Husbandry	Total Budget Provision	191.74	249.34	258.06	287.60	131.63
	Expenditure	86.10	93.28	123.47	74.26	75.07
	Savings (-)/ Excess (+)	-105.64	-156.06	-134.59	-213.34	-56.56
	Surrender	0.00	0.00	0.00	0.43	0.00
2415 – Agricultural Research and Education	Total Budget Provision	5.00	0.23	0.22	0.25	0.28
	Expenditure	0.00	0.00	0.22	0.00	0.00
	Savings (-)/ Excess (+)	-5.00	-0.23	0.00	-0.25	-0.28
	Surrender	0.00	0.00	0.00	0.00	0.00
4401 – Capital Outlay on Crop Husbandry	Total Budget Provision	5.00	6.24	1.09	1.14	1.36
	Expenditure	0.00	0.00	0.00	0.00	0.14
	Savings (-)/ Excess (+)	-5.00	-6.24	-1.09	-1.14	-1.22
	Surrender	0.00	0.00	0.00	0.00	0.00

Source: Detailed Appropriation Accounts

As can be seen from **Table 3.27**, large savings at Major Head levels were seen in each of the last five years but surrender of funds was done only once in the financial year 2022-23. During 2023-24, out of a total budget provision of ₹ 133.27 crore under three Major Heads, there were savings of ₹ 58.06 crore (43.57 *per cent*). However, no portion

of savings was surrendered during the year. Non-compliance of the provisions of the Assam Budget Manual for surrender of savings indicated inefficient budget management.

The Directorate stated (October 2024) that the expected release of FOC was delayed, hence, surrender of savings was kept pending till the end of the financial year.

3.5.2.3 Unnecessary/ Excessive Supplementary Grant

Quantum of Supplementary Grant provided to the Directorate of Horticulture & Food Processing under Grant No. 67 during the last five years *i.e.*, 2019-20 to 2023-24 is given in **Table 3.28** and also in **Chart 3.12**.

The Supplementary Grant provision proved unnecessary in the years 2020-21 to 2023-24 as the actual expenditure was less than the Original Budget Provision resulting in huge savings. In the year 2019-20, the supplementary allocation proved excessive as the final expenditure fell short of the total budget provision during the year as shown in **Table 3.28**.

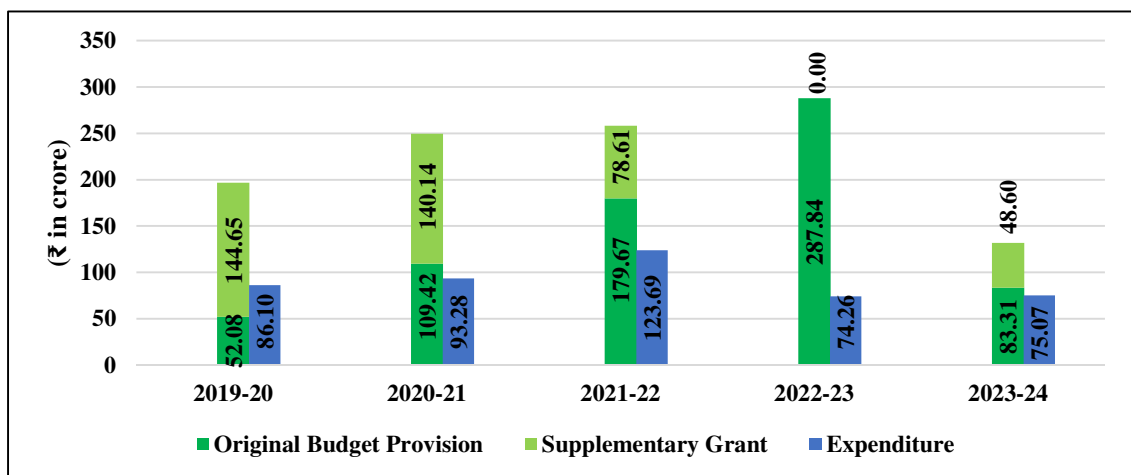
Table 3.28: Unnecessary/ Excessive Supplementary Provision

(₹ in crore)					
Segment	Year	Original Budget Provision	Expenditure	Savings (-)/ Excess (+) out of Original Provision	Supplementary Grant
Revenue	2019-20	52.08	86.10	34.02	144.65
	2020-21	109.42	93.28	-16.14	140.14
	2021-22	179.67	123.69	-55.98	78.61
	2022-23	287.84	74.26	-213.58	0.00*
	2023-24	83.31	75.07	-8.24	48.60

*Supplementary provision of ₹ 26,000 was made during the year 2022-23

Source: Appropriation Accounts

Chart 3.12: Unnecessary/ Excessive Supplementary grants under Grant No. 67 (Revenue)



Out of the total supplementary provision of ₹ 48.60 crore during the current year, ₹ 42.90 crore (88.27 *per cent*) was provided under one Head of Account to Horticulture Mission for North East and Himalayan States, as detailed in **Table 3.29**.

Table 3.29: Excessive Supplementary under Sub-Head

(₹ in crore)

Head of Account and Name of Scheme/ Programme	Original Budget Provision	Expenditure	Supplementary Provision		
			Required	Actual	Excessive
2401-00-119-{5410} Horticulture Mission for North East and Himalayan States	30.00	42.52	12.52	42.90	30.38

Source: Appropriation Accounts

Seeking supplementary grants without/ in excess of requirement is indicative of poor budgetary management by the State Government.

The Directorate stated (October 2024) that supplementary grants were sought as per requirement but partial release of GoI instalments, non-receipt of financial sanction and non-release of FOC resulted in low utilisation of allocated funds.

3.5.2.4 Persistent Savings

There were large savings (₹ one crore and above in each case) in six schemes where the final savings was more than 40 *per cent* of the total budget provision during 2023-24. The details of the schemes are given in **Table 3.30**.

Table 3.30: Scheme-wise significant savings during 2023-24

(₹ in crore)

Sl. No.	Head of Account	Total Budget Provision	Expenditure	Savings	
				Amount	Per cent
1	2401-00-119-{5410} Horticulture Mission for North East and Himalayan States	72.90	42.52	-30.38	-41.67
2	2401-00-789-{5410} Horticulture Mission for North East and Himalayan States	6.30	3.68	-2.62	-41.59
3	2401-00-789-{5675} Pradhan Mantri Krishi Sinchayee Yojana	6.16	1.37	-4.79	-77.76
4	2401-00-796-{5410} Horticulture Mission for North East and Himalayan States	10.80	1.80	-9.00	-83.33
5	2401-00-796-{5675} Pradhan Mantri Krishi Sinchayee Yojana	4.08	2.33	-1.75	-42.89
6	4401-00-800-{2417} Development of Orchid Farm at Kaziranga	1.13	0.00	-1.13	-100.00

Source: Detailed Appropriation Accounts

Of these six schemes with savings of over 40 *per cent* of total budget provision and more than ₹ one crore, two showed similar high savings during the last five-year period *i.e.*, 2019-24. The details of the schemes are depicted in **Table 3.31**.

Table 3.31: Persistent Savings under Sub-Head

(₹ in crore)

Head of Account	Year	Total Budget Provision	Expenditure	Savings	
				Amount	Per cent
2401-00-119-{5410} Horticulture Mission for North East and Himalayan States	2019-20	126.51	75.60	-50.91	-40.24
	2020-21	112.38	53.45	-58.93	-52.44
	2021-22	118.85	42.11	-76.74	-64.57

Head of Account	Year	Total Budget Provision	Expenditure	Savings	
				Amount	Per cent
	2022-23	96.92	42.15	-54.77	-56.51
	2023-24	72.90	42.52	-30.38	-41.67
	Total	527.56	255.83	-271.73	-51.51
4401-00-800-{2417} Development Of Orchid Farm at Kaziranga	2019-20	5.00	0.00	-5.00	-100.00
	2020-21	6.24	0.00	-6.24	-100.00
	2021-22	1.09	0.00	-1.09	-100.00
	2022-23	1.14	0.00	-1.14	-100.00
	2023-24	1.13	0.00	-1.13	-100.00
	Total	14.60	0.00	-14.60	-100.00

Source: Detailed Appropriation Accounts

3.5.2.5 Savings of Entire Budget Provision

Budget provision of ₹ 1.72 crore made under the following three Heads of Account (over ₹ 20 lakh each), under Grant No. 67 for the year 2023-24 remained unutilised at the end of the year. Scheme-wise details are given in **Table 3.32**.

Table 3.32: Non-utilisation of budget provision

(₹ in crore)

Sl. No.	Head of Account	Budget Provision	Expenditure
1	2401-00-119-{1105} Community Canning & Training on Fruit Preservation	0.31	0.00
2	2415-01-277-{2416} Horticulture University in Dima Hasao	0.28	0.00
3	4401-00-800-{2417} Development of Orchid Farm at Kaziranga	1.13	0.00
Total		1.72	0.00

Source: Appropriation Accounts

The Directorate stated (October 2024) that budget provision could not be utilised mainly due to non-submission of proposals for Financial Sanction, non-receipt of Financial Sanction, and non-release of FOC from the Government.

3.6 Conclusion

- Budgetary assumptions of Government of Assam (GoA) continued to be unrealistic and overestimated during 2023-24, as the State Government incurred an expenditure of ₹ 1,39,449.66 crore, against 83 grants and appropriations of ₹ 1,69,966.13 crore, resulting in overall savings of ₹ 30,516.47 crore during the year. These savings stood at 17.95 *per cent* of total grants and appropriations made for the year.
- These savings may be seen in the context of over estimation of receipts of ₹ 1,65,215.70 crore by the State Government and the estimation on the expenditure side being ₹ 1,69,966.13 crore during the year 2023-24. As against the estimated receipts, the actual receipts were ₹ 1,38,830.79 crore only thereby restricting the total expenditure during the year to ₹ 1,39,449.66 crore. This implied that the savings were notional, as the funds were not actually available for expenditure.
- During 2023-24, an expenditure of ₹ 383.54 crore was incurred in eight Sub-Heads under one Appropriation (₹ 50 lakh and above in each case) without budget provision.

- Out of the total savings of ₹ 30,516.47 crore during the current year, only 0.35 *per cent* (amounting to ₹ 107.08 crore) was surrendered, which deprived the other departments from utilising the amount, indicating poor financial management.
- Review of Grant No. 49 revealed that Irrigation Department had persistent savings ranging between 19.82 *per cent* and 54.23 *per cent* during the period 2019-24. During 2023-24, out of the total budget provision of ₹ 1,033.23 crore, only ₹ 825.45 crore was utilised resulting in overall savings of ₹ 207.78 crore.
- Review of Grant No. 67 showed large overall savings, both in Revenue and Capital Segments, with savings as a percentage of total budget provision ranging from 43.09 *per cent* to 74.20 *per cent* in the Revenue Segment, and 89.71 *per cent* to 100 *per cent* in the Capital Segment, during the period 2019-24. There was a marked improvement in savings in the current year, with overall savings as a percentage of total budget provision reducing from 74.30 *per cent* in 2022-23 to 43.57 *per cent* in 2023-24.

3.7 Recommendations

- State Government may formulate realistic budget based on reliable assumptions of likely resource mobilisation, the assessed needs of the Departments and their capacity to utilise the allocated resources so as to avoid inflated budgeting without corresponding to the available resources.*
- State Government may institute a formal mechanism to enforce proper implementation and monitoring of budget to ensure that large savings within the grant/ appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe.*
- Finance Department may review the Departments having persistent savings for realistic budget allocation and monitoring of expenditure.*
- State Government may get the expenditure incurred in excess of the budget provision regularised by the State Legislature.*

