



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Accounts at a Glance

2019-20

GOVERNMENT OF ASSAM

**ACCOUNTS AT A GLANCE
2019- 2020**

**Principal Accountant General
(Assam, Accounts and Entitlement)**

Preface

This is the 22nd issue of our annual publication ‘**Accounts at a Glance**’.

The Annual Accounts of the State Government are prepared and examined under the directions of 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 Service) Act, 1971, for being laid before the Legislature of the State. The Annual Accounts consist of (a) Finance Accounts (Vol. I & II) and (b) Appropriation Accounts. Finance Accounts are summary statements of accounts under the Consolidated Fund, Contingency Fund and the Public Account. The Appropriation Accounts record the Grant-wise expenditures against provisions approved by State Legislature and offer explanations for variations between the actual expenditure and the funds provided. The Principal Accountant General (Accounts and Entitlements) prepares the State Finance Accounts and the Appropriation Accounts.

‘**Accounts at a Glance**’ provides a broad overview of Governmental activities, as reflected in the Finance Accounts and the Appropriation Accounts. The information is presented through brief explanations, statements and graphs.

We look forward to suggestions that would help us in improving the publication.



GUWAHATI
Dated:

(Guljari Lal)
Principal Accountant General (A&E)
Assam

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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

Chapter-I

Overview

1.1 Introduction

The monthly accounts of the State Government are compiled and consolidated from the accounts submitted by the District Treasuries, Public Works and Forest Divisions, etc. to the Principal Accountant General (Accounts and Entitlement). Besides, the Finance Accounts (Vol. I & II) and the Appropriation Accounts are prepared annually by the principal Accountant General under the directions of the Comptroller and Auditor General of India, in accordance with the requirements of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

1.2 Structure of Government Accounts

1.2.1 Government accounts are kept in three parts:

Structure of Government Accounts

Part 1 CONSOLIDATED FUND

All revenue received by the Government including tax and non-tax revenues, loans raised and repayment of loan given (including interest thereon) form the Consolidated Fund. All expenditure and disbursements of the Government, including release of loans and repayments of loans taken (and interest thereon), are met from this fund.

The Contingency Fund is in the nature of an imprest, intended to meet unforeseen expenditure, pending authorization by the Legislature. Such expenditure is recouped subsequently from the Consolidated Fund.

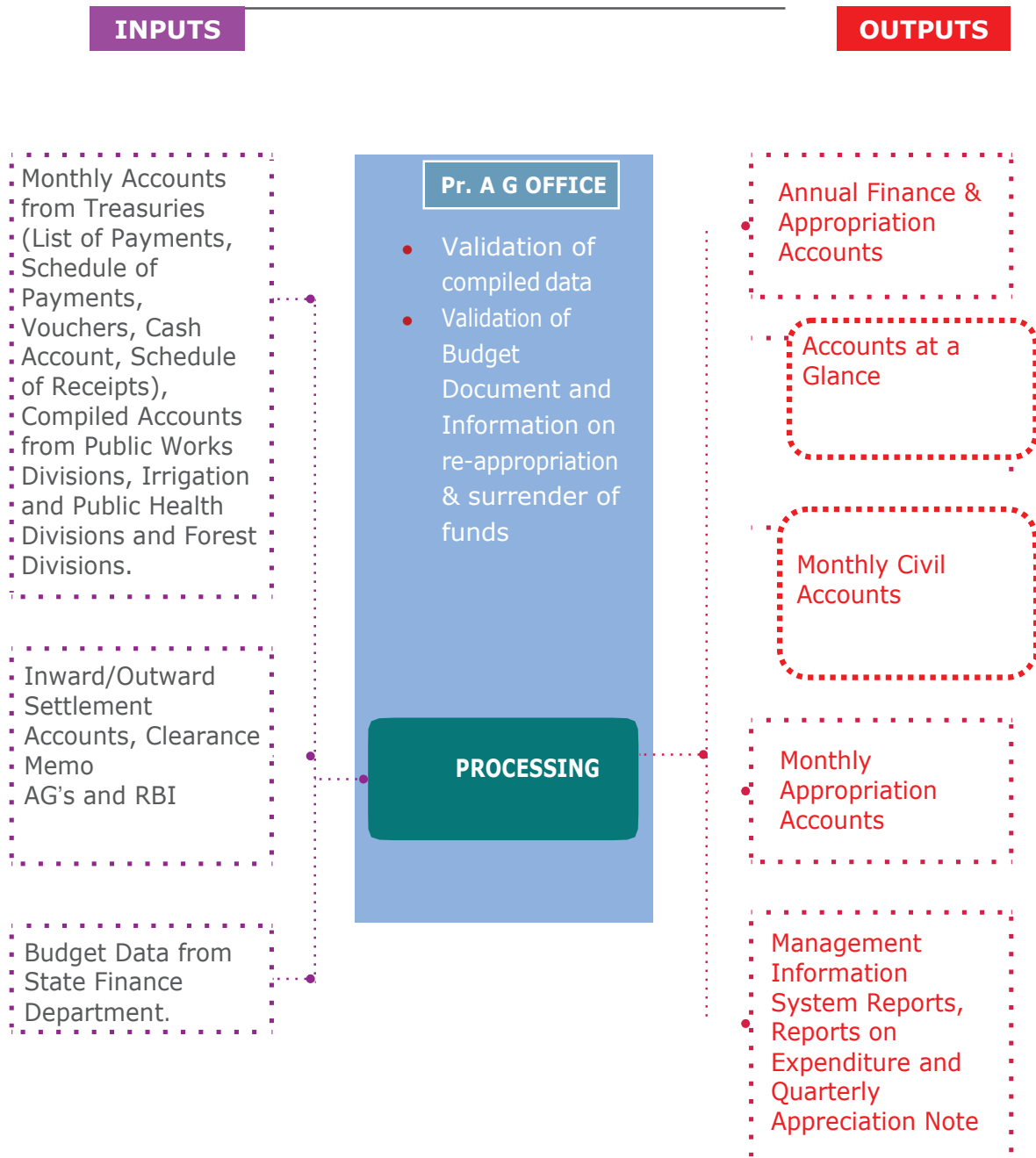
Part 2 CONTINGENCY FUND

Part 3 Public Account

All public moneys received, other than those credited to the Consolidated Fund, are accounted for under the Public Account. In respect of such receipts, Government acts as a banker or trustee. The Public Account comprises: repayable like Small Savings and Provident Funds, Reserve Fund, Deposits and Advances, Suspense and Miscellaneous transaction (adjusting entries pending booking to final heads of account), Remittances between accounting entities, and Cash Balance.

1.2.2 Compilation of Accounts

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 have been issued in two volumes, in a new format, 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 accounts' containing summary of significant accounting policies, quality of accounts and other items ; Volume - II contains detailed statements (Part-I) and appendices (Part-II).

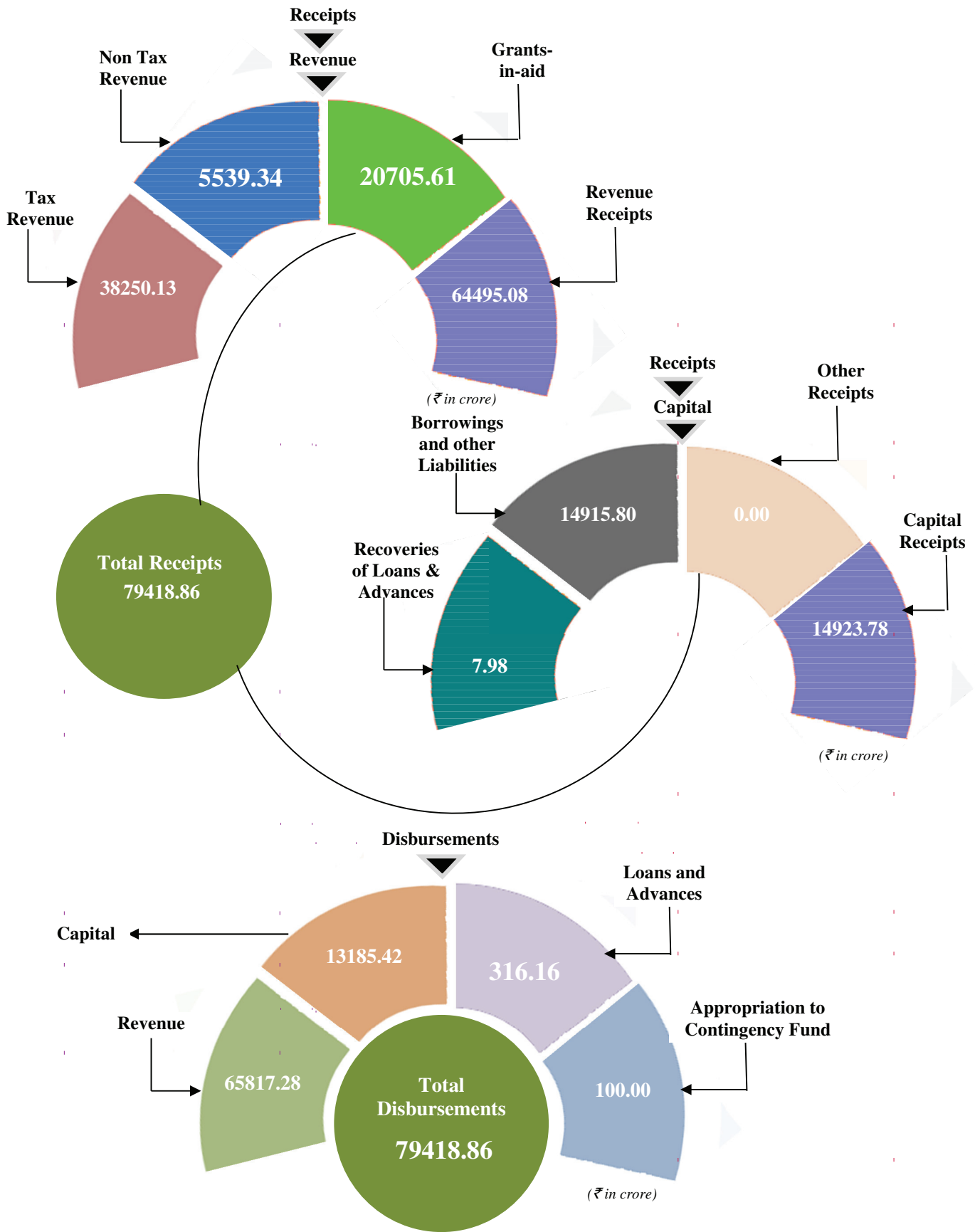
Receipts and disbursements of the Government of Assam, as depicted in the Finance Accounts 2019-2020, are given below:

Receipts (Total: 79418.86)	Revenue (Total: 64495.08)	Tax Revenue	38250.13
		Non-Tax Revenue	5539.34
		Grants-in-Aid	20705.61
	Capital (Total: 14923.78)	Recovery of Loans and Advances	7.98
		Borrowing and other liabilities*	14915.80
Disbursements (Total: 79418.86)	Revenue		65817.28
	Capital		13185.42
	Loans and Advances		316.16
	Appropriation to Contingency Fund		100.00

* Borrowing and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts- Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

Government of India transferred substantial funds to State Implementing Agencies/Non-Government Organizations (NGOs) for implementation of various Schemes/ Programmes. As per PFMS portal of the Controller General of Accounts (CGA), Government of India released ₹ 5946.75 crore to the Implementing Agencies in Assam during 2019-20.

Since these funds are not routed through the State Budget, they are not reflected in the accounts of the State Government. These transfers are now exhibited in Appendix VI of Volume II of the Finance Accounts.



1.3.2. Appropriation Accounts

Under the Constitution, no expenditure can be incurred by the Government except with authorization 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”. The budget of the Assam has 3 charged Appropriation and 78 voted Grants. The purpose of the Appropriation Accounts is to indicate the extent to which the actual expenditure compiled with the appropriation authorized by the Legislature through the Appropriation Act of each year.

1.3.3 Efficiency on Budget Preparation

At the end of the year, the gross expenditure (₹ 83031.07 crore) of the Government of Assam against the gross budget (₹ 119715.68 crore) approved by the Legislature, showed a net saving of ₹ 36684.61 crore (30.64 *per cent* of estimates). Against a recovery budget estimates of ₹559.00 crore, ₹442.94 crore was recovered as reduction of expenditure resulting in Saving of recoveries of ₹116.06 crore over the budget estimates. Certain grants like those relating to Industries, North Eastern Council Schemes and Urban Development (GDD) showed substantial savings over the last five years. The gross expenditure includes ₹ 53.63 crore drawn on Abstract Contingent (AC) Bills, of which ₹ 30.53 crore is outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 1.08 crore) maintained with the RBI. The Government maintained the minimum cash balance with the RBI during 2019-20 and no Ways and Means Advances or Overdraft was taken during the year.

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 ₹ 1.08 crore, even after taking Ways and Means Advances which is required to be maintained with the Reserve Bank of India. The Government maintained the minimum cash balance with the RBI during 2019-20 and no Overdraft was taken during the year.

1.4.3 Fund flow statement

The State had a Revenue Deficit of ₹ 1322.20 crore and a Fiscal Deficit of ₹ 14915.80 crore representing 0.38 *per cent* and 4.25 *per cent* respectively of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 18.78 *per cent* of total expenditure. This deficit was met from excess of receipts under public debt (₹ 11080.37 crore) and also partly met (₹ 3835.43 crore) from excess of receipts under Public Account (₹ 7278.71 crore). Around 63.66 *per cent* of the revenue receipts (₹ 64495.08 crore) of the State Government was spent on committed expenditure like salaries (₹ 27008.57 crore), interest payments (₹ 4438.87 crore) and pensions (₹ 9609.02 crore).

N.B. Gross State Domestic Product (GSDP) for 2019-2020 as per Directorate of Economics and Statistics, GOA at current prices was ₹ 351317.77 crore (quick).

Sources and Application of Funds

(₹ in crore)



Opening Cash Balance as on 1 April 2019	(-)563.08
Revenue Receipts	64495.08
Capital Receipts	0.00
Recovery of Loans & Advances	7.98
Public Debt	14249.63
Small Savings, Provident Funds etc.	2387.95
Reserve Funds & Sinking Funds	1657.89
Deposits Received	6979.57
Civil Advances Repaid	2947.94
Suspense and Miscellaneous Account	152385.37*
Remittances	8538.13
TOTAL	253086.46

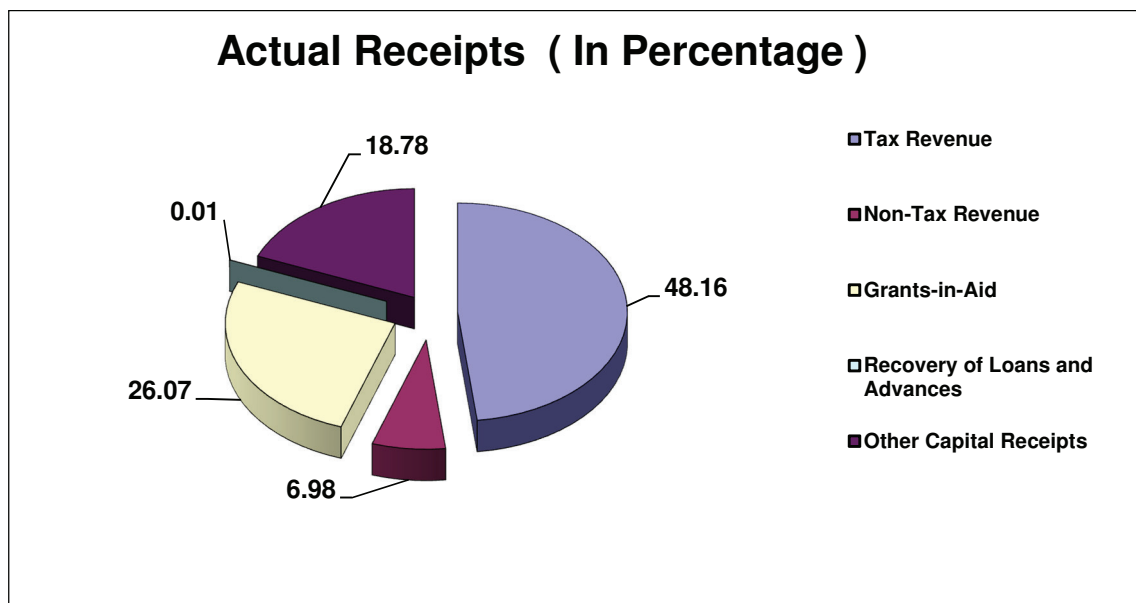


Revenue Expenditure	65817.28
Capital Expenditure	13185.42
Loans Given	316.16
Repayment of Public Debt	3169.26
Small Savings, Provident Funds etc.	1419.48
Reserve Funds & Sinking Funds	975.46
Deposits Repaid	6879.92
Civil Advances Given	2192.88
Suspense and Miscellaneous Account	147470.31 **
Remittances	8680.09
Closing Cash Balance as on 31 March 2019	2980.20
TOTAL	253086.46

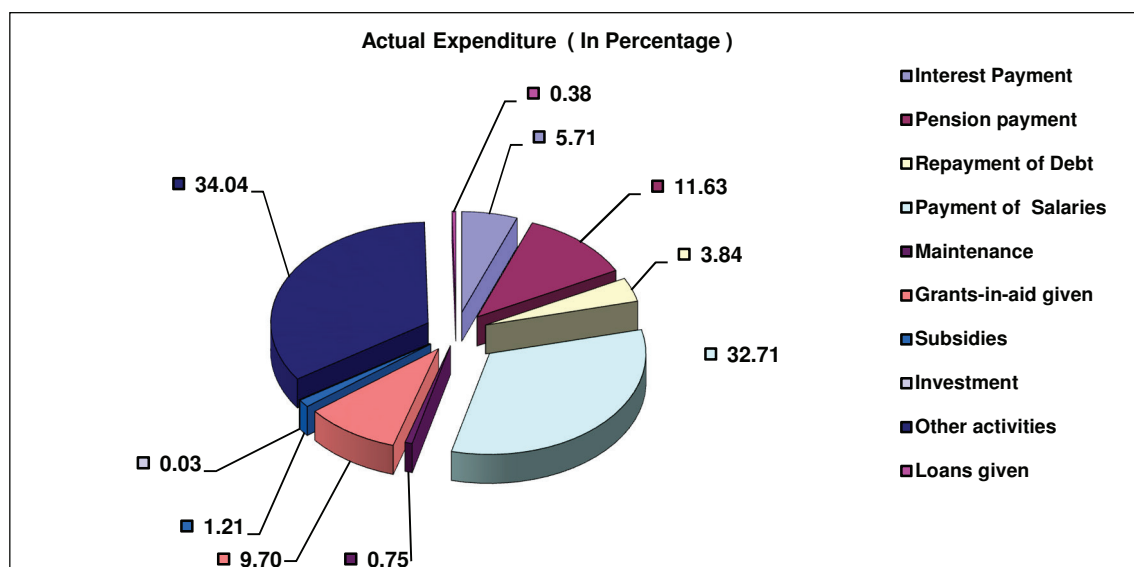
* Includes ₹ 151645.22 crore on account of cash balances investment account.

** Includes ₹ 146315.55 crore on accounts of cash balances investment accounts.

1.4.4 Where the Rupee came from



1.4.5 Where the Rupee went



1.5 Highlights of Accounts

(₹ in Crore)

Particulars		B.E. 2019-20	Actuals 2019-20	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP #
1.	Tax Revenue	52368.35	38250.13	73.04	10.89
2.	Non-Tax Revenue	8531.65	5539.34	64.93	1.58
3.	Grants-in-aid & Contributions	22247.99	20705.61	93.07	5.89
4.	Revenue Receipts (1+2+3)	83147.99	64495.08	77.57	18.36
5.	Recovery of Loans & Advances	1048.33	7.98	0.76	...
6.	Other Receipts	...	...	...	...
7.	Borrowings and Other Liabilities	31409.85	14915.80	47.49	4.25
8.	Capital Receipts (5+6+7)	32458.18	14923.78	45.98	4.25
9.	Total Receipts (4+8)	115606.11	79418.86	68.70	22.61
10.	Revenue Expenditure	92213.76	65817.28	71.37	18.73
11.	Interest Payments out of 10	4842.92	4438.87	91.66	1.26
12.	Capital Expenditure*	23392.35	13601.58	58.15	3.87
13.	Total Expenditure (10+12)	115606.11	79418.86	68.70	22.61
14.	Revenue Surplus (+) Deficit (-) (4-10)	9065.77	(-)1322.20	(-) 14.58	(-) 0.38
15.	Fiscal Surplus (+) Deficit (-) {(4+5)-13}	31409.79	(-)14915.80	(-) 47.49	(-) 4.25

* Expenditure on Capital Account consists of Capital Expenditure (₹ 13185.42 crore), Loans and Advances disbursed (₹ 316.16 crore) and Appropriation to Contingency Fund (₹ 100.00 Crore)

GSDP ₹ 3,51,317.77 Crore (quick).

What do the deficits and surpluses indicate?

● **DEFICIT**

Refers to the gap between revenue and expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in financial management.

Refers to the gap between revenue receipt and revenue expenditure. Revenue expenditure is required to maintain the existing establishment of government and ideally, should be fully met from revenue receipts.

● **REVENUE/ DEFICIT SURPLUS**

● **FISCAL/ DEFICIT SURPLUS**

Refers to the gap between total receipts (excluding borrowings) and total expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings and ideally should be invested in capital projects.

Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government.

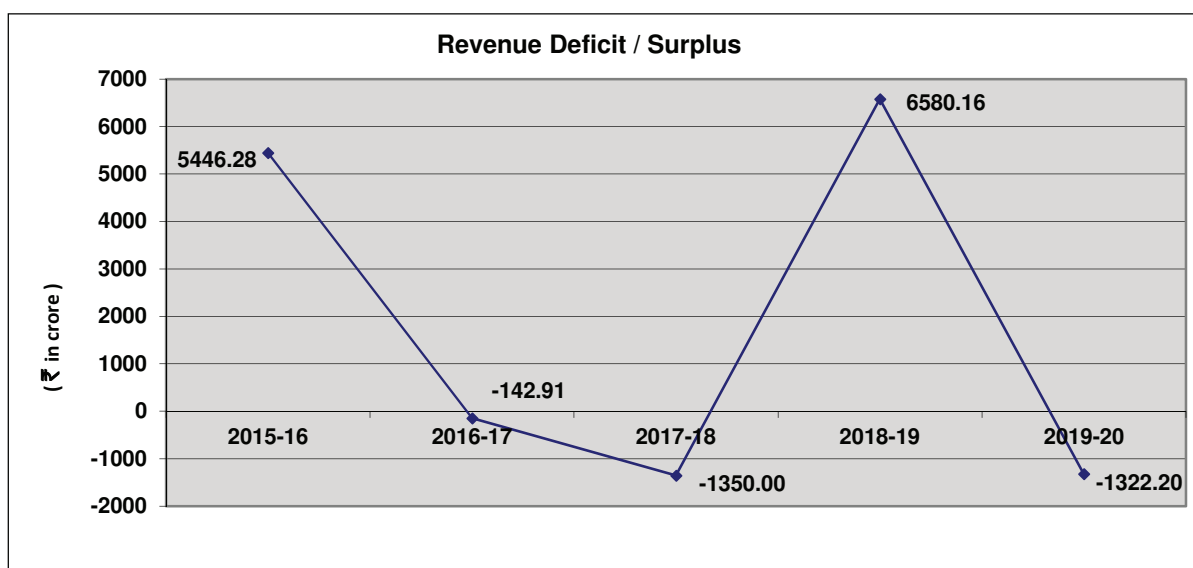
1.6 Fiscal Responsibility and Budget Management (FRBM) Act, 2005

As per the recommendations of the XIV Finance Commission, Government of Assam had laid the fiscal strategy under Assam FRBM Act before the Legislature, along with the Budget documents for 2019-20, State Government's performance, against the targets prescribed in the Act, as reflected in the accounts for 2019-20, is given below:-

Sl. No.	Targets	Achievements during the year as per the accounts
1	Maintain Revenue Surplus	The State Government could not maintain Revenue Surplus during 2019-20. There were Revenue Deficit of ₹ 1,322.20 crore during the year (0.38 per cent of Gross State Domestic Product)
2	Reduce Fiscal deficit to 3 per cent of the estimated Gross State Domestic Product.	Fiscal Deficit for 2019-20, as per accounts, was ₹ 14,915.80 crore (4.25 per cent of Gross State Domestic Product).
3	Keep ratio of total outstanding debt of the Government to GSDP to 28.50 per cent.	Outstanding Debt-GSDP ratio for 2019-20 (₹ 72,256.52 crore) as per accounts, was 20.57 per cent.

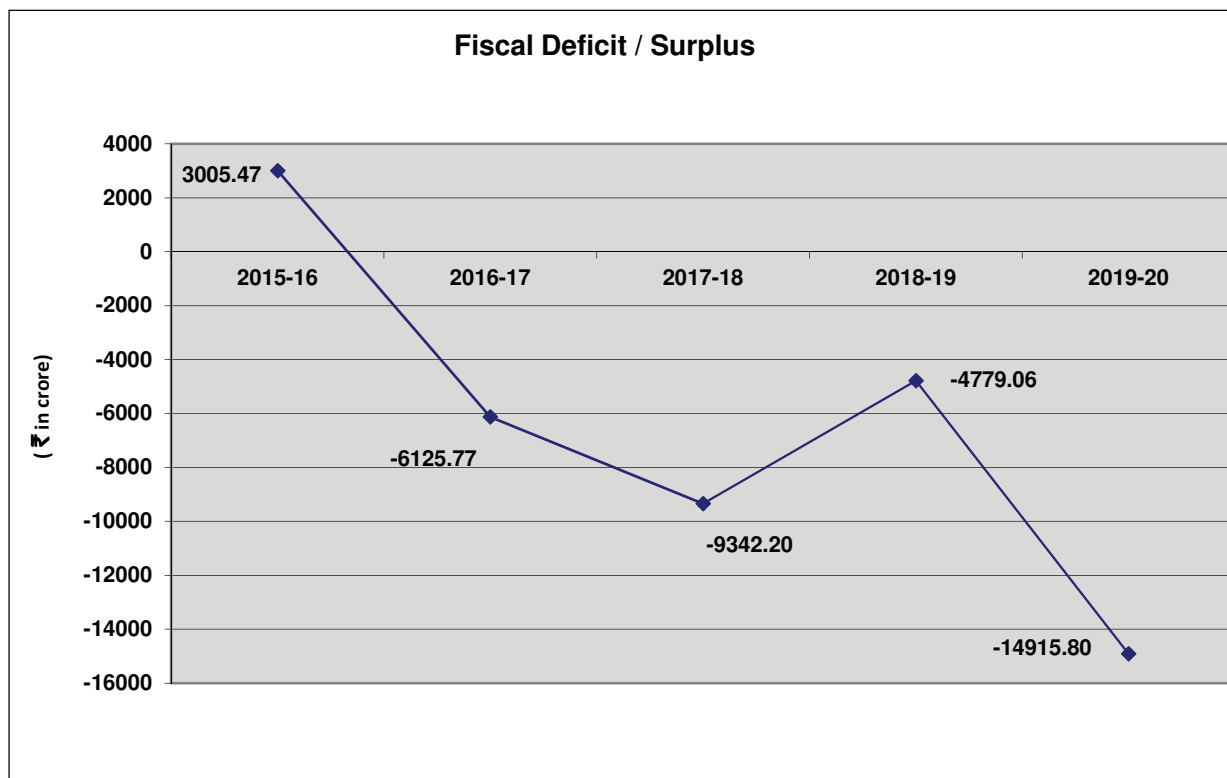
*Gross State Domestic Product for 2019-20 as per Directorate of Economic and Statistics, Government of Assam, at current prices was ₹ 3,51,317.77 crore.

1.6.1 Trend of Revenue Deficit / Surplus



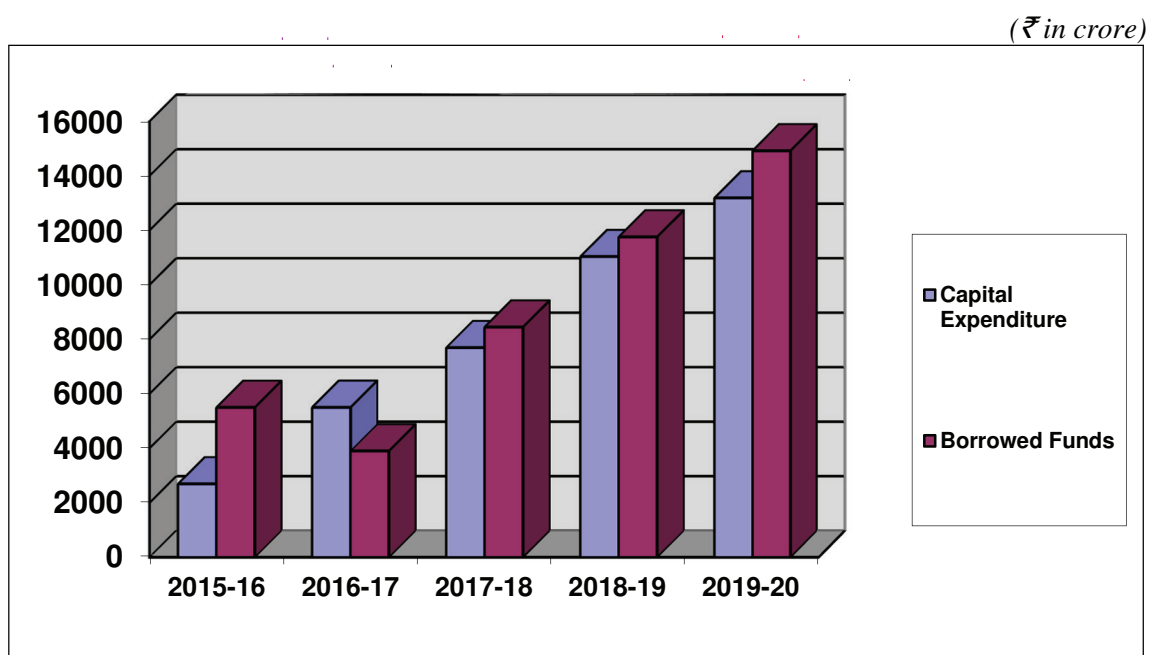
It appears from the above, the State Government could not maintained Revenue Surplus during 2019-20 indicating that the State was not within its means to meet its revenue expenditure


Trend of Fiscal Deficit / Surplus



The above graph shows that the State Government registered a fiscal deficit of ₹ 14915.80 crore (4.25 per cent of GSDP) in 2019-20 and thus could not managed to restrict it below FRBM target, which is 3 per cent of GSDP. It decreased from fiscal surplus ₹ 3005.47 crore in 2015-16 to fiscal deficit ₹ 14915.80 crore in 2019-2020.

1.6.3 Proportion of borrowed funds spent on Capital Expenditure.





The Government usually run fiscal deficits and borrow funds 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. 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 92.53 *per cent* (₹ 13185.42 crore) of the borrowings (Public Debt) of the current year (₹ 14,249.63 crore) to meet entire capital expenditure (₹ 13,185.42 crore). It would, therefore, appear that the remaining 7.47 *per cent* of the Public Debt (₹ 1064.21 crore) was presumably utilized for payment of Loans and Advances (₹ 316.16 crore) and part repayment of Public Debt (₹ 748.05 crore). Remaining repayment of Public Debt (₹ 2421.21 crore) was meet from the excess receipts under Public Account.

Chapter-II

Receipts

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Revenue Receipts for 2019-20 were ₹ 64495.08 crore.

2.2 Revenue Receipts

● TAX REVENUE

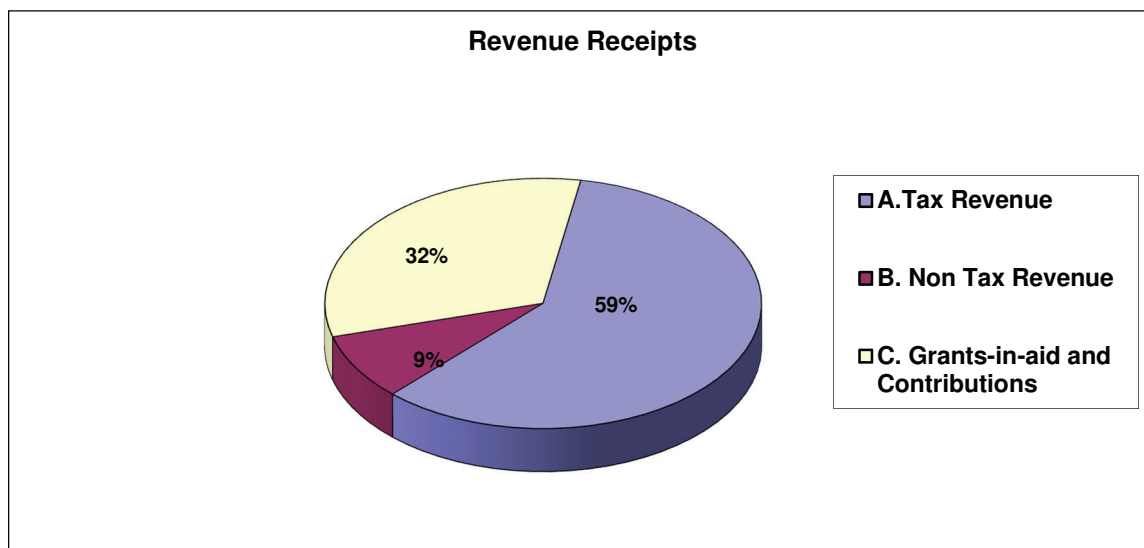
- Comprises taxes collected and retained by the state and State's share of Union Taxes under Article 280(3) of the Constitution.

Includes interest receipts, dividend, profits, departmental receipts etc.

● NON-TAX REVENUE

● GRANTS-IN-AID

- Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid Material and Equipment' received from foreign governments and channelised through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous Bodies etc.



Revenue Receipt Components (2019-20)

(₹ in Crore)

Components	Actuals	Per cent to Revenue Receipt
A. Tax Revenue*	38250.13	59.31
Goods and Service Tax	14919.19	23.13
Taxes on Income & Expenditure	13406.13	20.79
Taxes on Property & Capital Transactions	387.14	0.60
Taxes on Commodities & Services	9537.67	14.79
B. Non-Tax Revenue	5539.34	8.59
Interest Receipts, Dividends and Profits	697.50	1.08
General Services	202.43	0.31
Social Services	102.64	0.16
Economic Services	4536.77	7.04
C. Grants-in-aid & Contributions	20705.61	32.10
Total – Revenue Receipts	64495.08	100.00

* Includes Share of net proceeds of taxes assigned to States received from Union Government.

2.2.1 Trend of Revenue Receipt and GSDP

(₹ in crore)

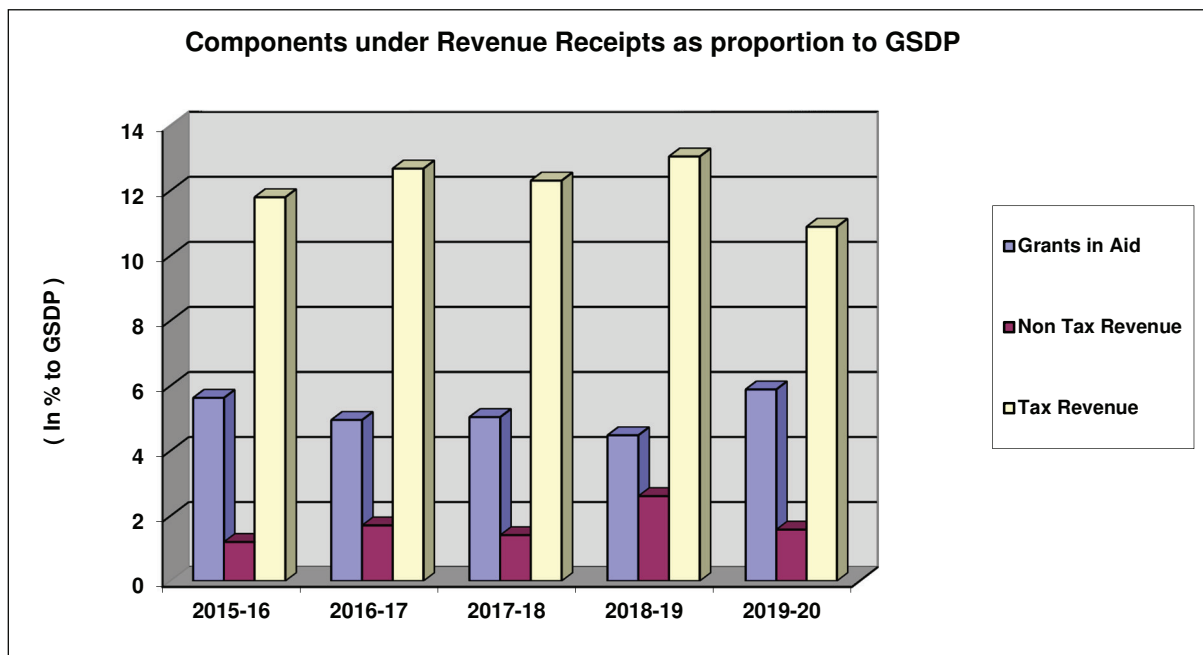
	2015-16	2016-17	2017-18	2018-19	2019-20
Tax Revenues	26891.38 (11.80)	32268.20 (12.68)	35517.06 (12.31)	41140.70 (13.05)	38250.13 (10.89)
Non-Tax Revenues	2741.57 (1.20)	4353.13 (1.71)	4071.97 (1.41)	8221.29 (2.61)	5539.34 (1.58)
Grants-in-Aid	12824.75 (5.63)	12598.48 (4.95)	14541.91 (5.04)	14117.17 (4.48)	20705.61 (5.89)
Total Revenue Receipts	42457.70 (18.63)	49219.81 (19.34)	54130.94 (18.76)	63479.16 (20.13)	64495.08 (18.36)
GSDP	227958.83	254478.25*	288493.57*	315372.17#	351317.77#

Note : Figures in parentheses represent percentage to GSDP and it varies from last year figure due to revised GSDP. Source of GSDP data : Director of Economics and Statistics, Government of Assam.

* Quick Estimates

- Quick Estimates

Industry and service sector mainly led the current year GSDP growth by 11.40 *per cent* over 2018-19. Against this, growth in revenue receipts was 1.60 *per cent*. Tax Revenues decreased by 7.03 *per cent* and Non-Tax Revenue by 32.62 *per cent*. Significant decrease in collections under Non-Tax Revenues were under 'Petroleum (₹ 3805.34) crore, 'Other Administrative Services' (₹ 103.17) crore and 'Miscellaneous General Services' {₹ (-) 0.18} crore. The State's Own Revenue under certain tax components, like '0006-Goods and Service Tax (SGST)' (₹8755.30) crore, '0039'-State Excise'(₹1650.03) crore and '0043-Taxes and Duties on Electricity' (₹ 194.57) crore showed a higher trend.

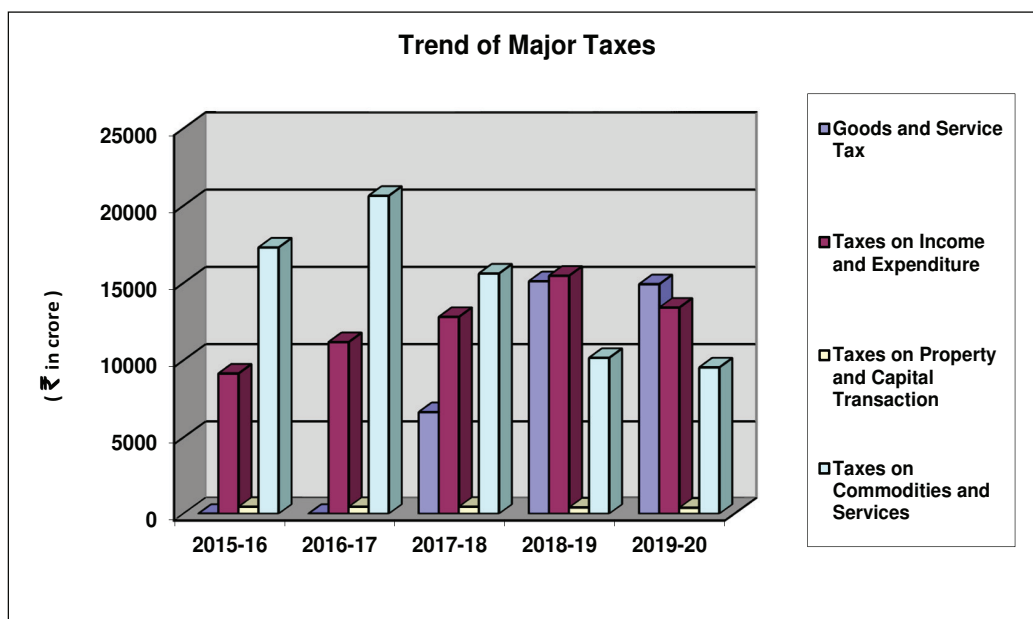


2.3 Tax Revenue

Sector-wise Tax Revenue

	(₹ in crore)				
	2015-16	2016-17	2017-18	2018-19	2019-20
Goods and Service Tax	----	----	6644.87	15113.23	14919.19
Taxes on Income and Expenditure	9141.58	11175.84	12803.35	15466.62	13406.13
Taxes on Property and Capital Transactions	455.72	451.62	458.36	407.15	387.14
Taxes on Commodities and Services	17294.08	20640.74	15610.48	10153.70	9537.67
Total Tax Revenue	26891.38	32268.20	35517.06	41140.70	38250.13
GSDP	227958.83	254478.25*	288493.57*	315372.17#	351317.77#

* Provisional # Quick Estimates



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

(₹ in crore)

Year	Tax Revenue	Devolution of Union Taxes	State's Own Tax Collection	
			Amount	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2015-16	26891.38	16784.88	10106.50	4.43
2016-17	32268.20	20188.64	12079.56	4.75
2017-18	35517.06	22301.54	13215.52	4.58
2018-19	41140.70	25215.85	15924.85	5.05
2019-20	38250.13	21721.44	16528.69	4.70

2.4 Cost of Tax Collection

Taxes	2015-16	2016-17	2017-18	2018-19	2019-20
Taxes on Sales, Trade etc.					
Revenue Collection	7493.72	8751.63	646.95	4698.74	4480.96
Expenditure on Collection	49.31	51.96	30.11	60.48	61.99
Cost of Tax Collection	0.66	0.59	4.65	1.29	1.38
Land Revenue					
Revenue Collection	229.46	210.02	219.39	163.22	94.16
Expenditure on Collection	15.88	10.93	18.35	19.98	25.08
Cost of Tax Collection	6.92	5.20	8.36	12.24	26.64
Taxes on Vehicles					
Revenue Collection	442.73	521.59	646.95	765.01	815.82
Expenditure on Collection	23.23	24.29	30.11	32.95	36.50
Cost of Tax Collection	5.25	4.66	4.65	4.31	4.47

Taxes on Sales, Trade etc. form a major chunk of tax revenue. Tax collection efficiency is excellent. However, the expenditure on collection of Taxes on Land Revenue was very high as compared to other taxes.

2.5 Tax Buoyancy

If tax revenue increases with the growth of its base, but without an extension of the tax coverage or upward revision of the tax rates, the tax is said to be buoyant. It has an inherent tendency to yield more tax revenue with the growth of the base. Numerically, the buoyancy of a tax is measured as a ratio of the proportionate increase in tax revenue to a proportionate increase in the tax base (in other word GDP/SGDP growth). Table below explains tax buoyancy relative to GSDP growth:

	Parameters	2018-2019	2019-2020
(I)	Tax Revenue (TR) (₹ in crore)	41140.70	38250.13
(II)	Rate of growth of TR (<i>per cent</i>)	15.83	(-7.03)
(III)	State's own taxes (₹ in crore)	15924.85	16528.69
(IV)	Rate of growth of own taxes (<i>per cent</i>)	20.50	3.79
(V)	Gross State Domestic Product (GSDP) (₹ in crore)	315372.17*	351317.77*
(VI)	Rate of growth of GSDP (<i>per cent</i>)	9.32	11.40
(VII)	TR buoyancy w.r.t. GSDP (II / VI) ¹	1.70	(-)0.62
(VIII)	State's own taxes buoyancy w.r.t. GSDP (IV/VI) ¹	2.20	0.33

* Quick

1 Tax buoyancy with respect to GSDP at (-)0.62 (2019-20) implies that tax revenue tends to decrease by 0.62 percentage points and State's own taxes by 0.33 percentage points, if the GSDP increases by one *per cent*.

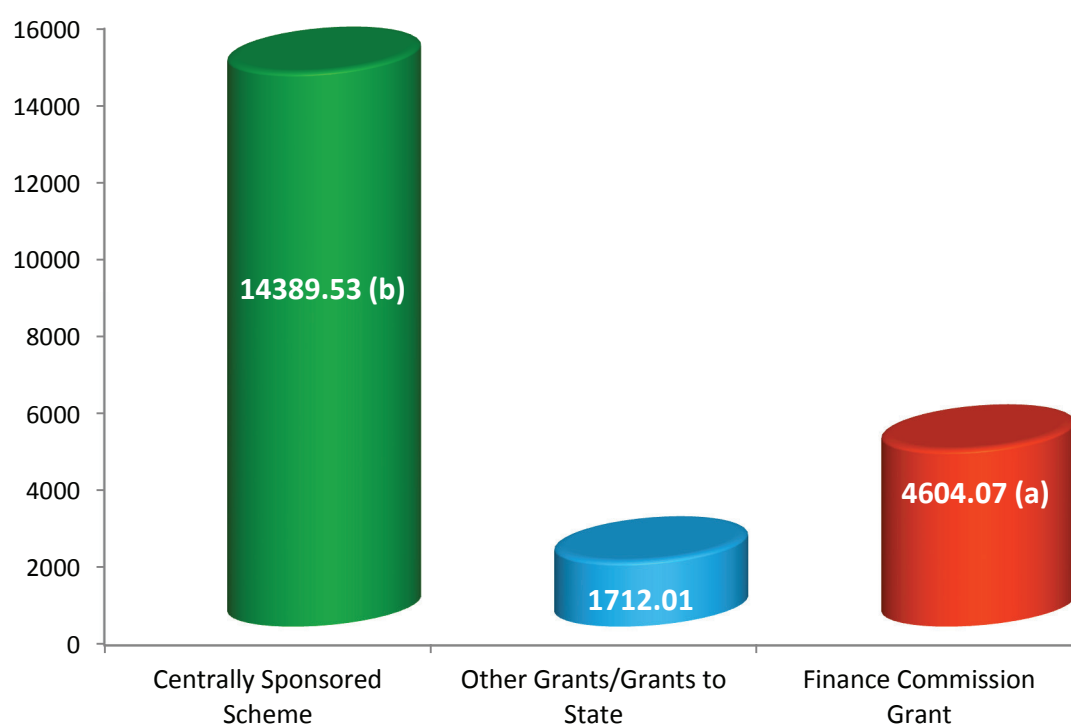
2.6 Trend in State's share of Union Taxes over the past five years

	(₹ in crore)				
Major Head Description	2015-16	2016-17	2017-18	2018-19	2019-20
Central Goods and Service Tax (CGST)	....	....	315.80	6223.49	6163.89
Integrated Goods and Service Tax (IGST)	....	....	2251.40	496.70	---
Corporation Tax	5273.44	6470.99	6829.45	8768.87	7406.13
Taxes on Income other than Corporation Tax	3653.08	4497.36	5767.00	6457.89	5803.21
Other Taxes on Income and Expenditure	0.12	...	...	45.67	---
Taxes on Wealth	1.42	14.82	(-) 0.20	3.21	0.33
Customs	2689.32	2783.57	2250.70	1787.36	1376.85
Union Excise Duties	2250.26	3178.60	2352.60	1187.80	957.27
Service Tax	2903.71	3154.60	2534.80	231.85	---
Other Taxes and Duties on Commodities and Services	13.53	88.70	(-) 0.01	13.01	13.76
State Share of Union Taxes	16784.88	20188.64	22301.54	25215.85	21721.44
Total Tax Revenue	26891.38	32268.20	35517.06	41140.70	38250.13
Percentage of Union Taxes to Total Tax Revenue	62.42	62.57	62.79	61.29	56.79

2.7 Grants-in aid

Grants-in-aid represent assistance from the Government of India, and comprise Grants, for Centrally Sponsored Schemes, Finance Commission Grants and Other Transfer/Grants to States/Union Territories with Legislature. Total receipts during 2019-20 under Grants-in-aid were ₹ 20705.61 crore, as shown below:-

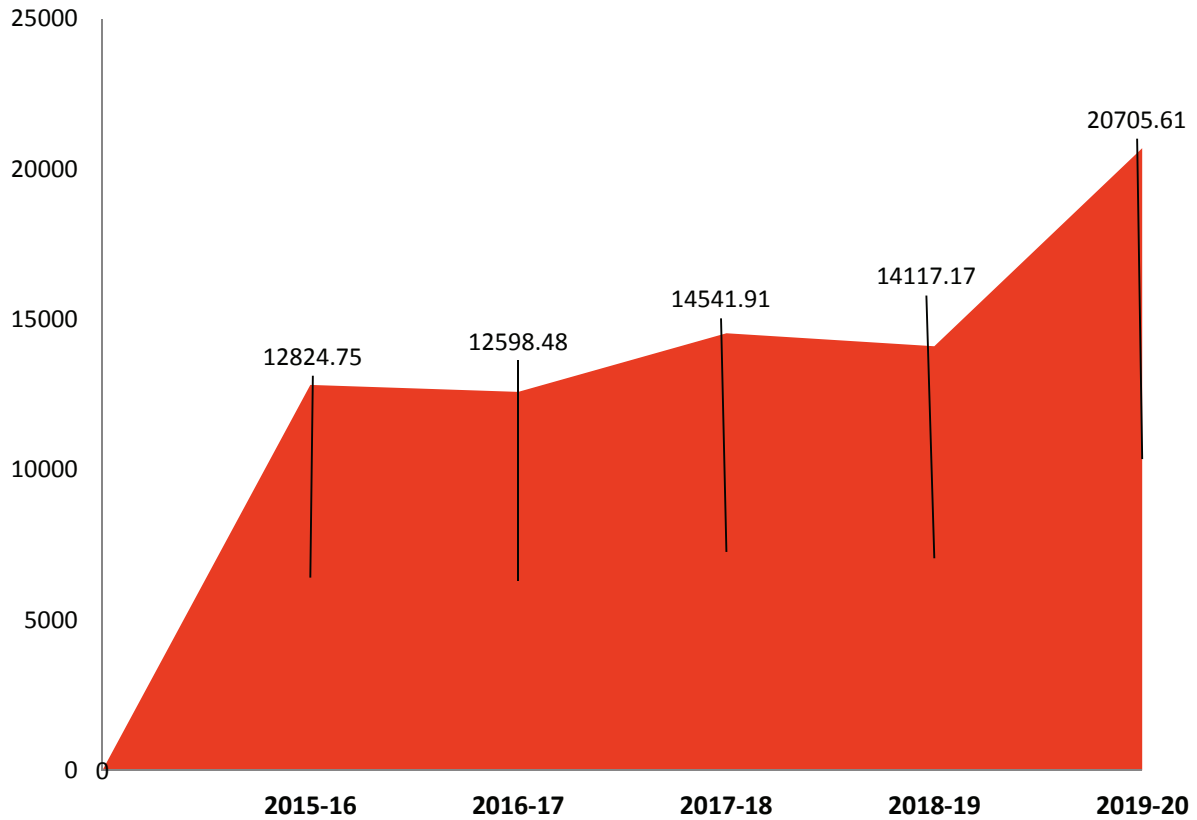
Grants-in-aid



(a) It includes ₹ 503.10 crore being the Grants-in-aid for State Disaster Response Fund.

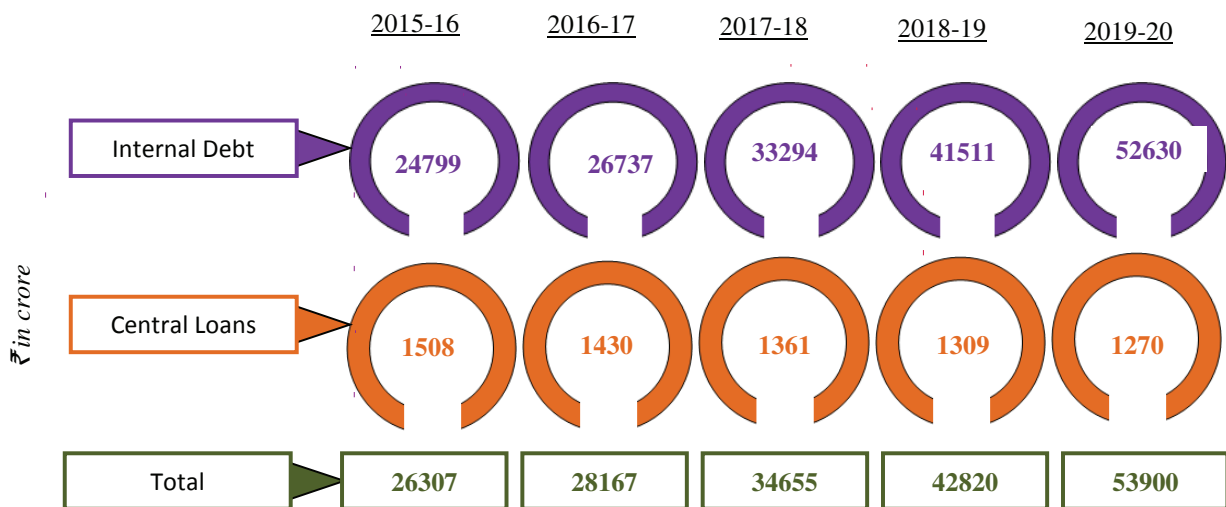
(b) It includes ₹149.03 crore and ₹1606.08 crore of Grants-in-aid for Central Road Fund and block grants (Grants for Externally Aided Project) respectively.

Trends of Grants-in-aid



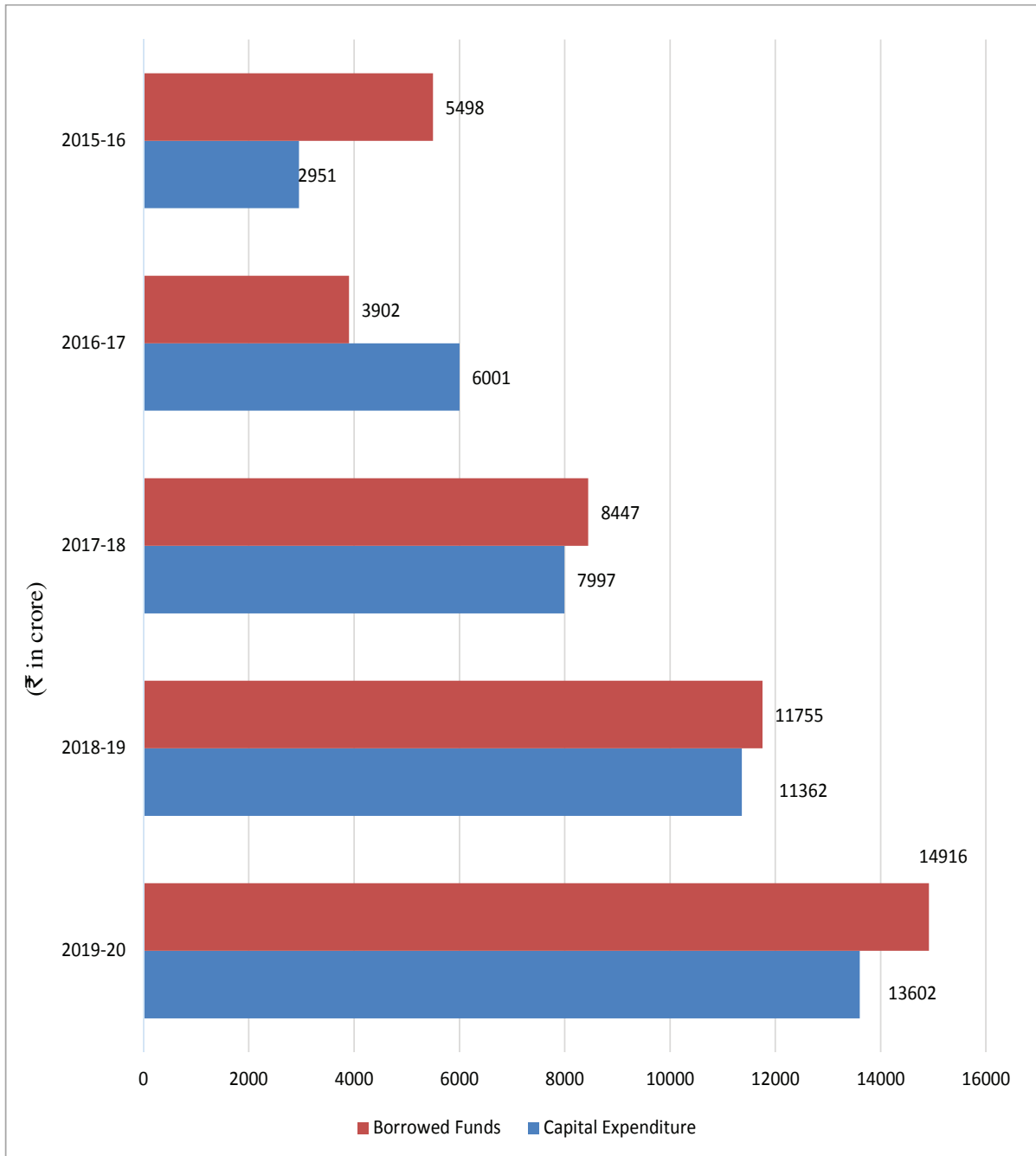
2.8 Public Debt

Trends of position of Public Debt over the past five year



During the year 2019-20, 22 (Twenty two) loans totaling ₹ 12906.00 crore were raised from the open market at interest rates varying from 6.90 per cent to 7.50 per cent and the same are redeemable during the period between 2024-2030. In addition, the State Government raised loan

of ₹ 1237.29 crore from the financial institutions. Thus, the total Internal Debt raised by the Government during the year 2019-20 aggregated to ₹14143.29 crore. The Government also received ₹ 106.34 crore from Government of India as loans and advances.



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 running of the organization, Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities.

GENERAL SERVICES

Includes Justice, Police, Jail, PWD Interest, Pension etc.

Includes Education, Health & Family Welfare, Water Supply, Welfare of SC-ST etc.

SOCIAL SERVICES

ECONOMIC SERVICES

Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, and Transport etc.

3.2 Revenue Expenditure

Revenue Expenditure was 18.73 per cent of GSDP. It was less than the Budget Estimates by ₹ 26396.48 crore.

The shortfall / excess of expenditure against budget estimates under the Revenue section, during the past five years, is as below:

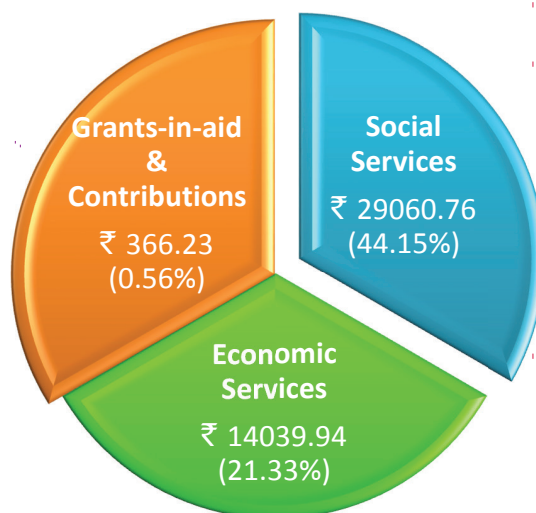
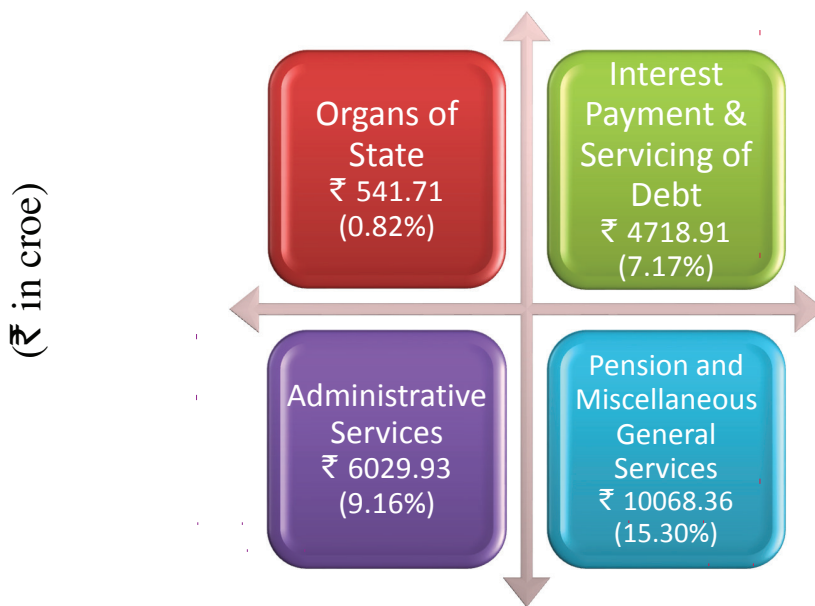
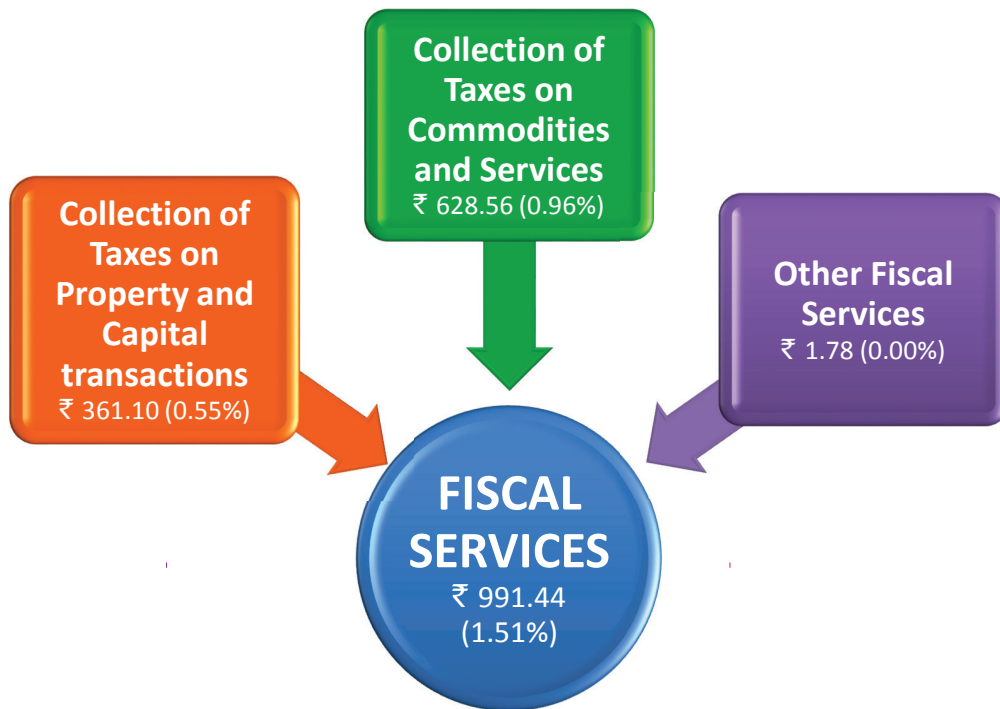
(₹ in crore)

	2015-16	2016-17	2017-18	2018-19	2019-20
Budget Estimates	58087.05	65787.66	76462.99	82004.81	92213.76
Actual	37011.42	49362.72	55480.94	56899.00	65817.28
Gap	21075.63	16424.94	20982.05	25105.81	26396.48
Percentage of gap over BE	36.28	24.97	27.44	30.62	28.63

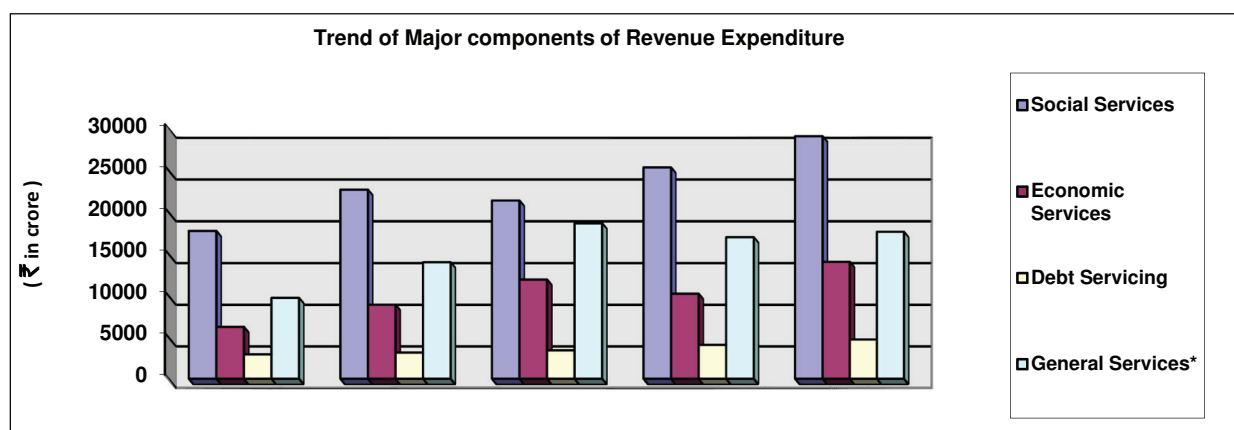
3.2.1 Sectoral distribution of Revenue Expenditure (2019-20)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	991.44	1.51
i) Collection of Taxes on Property and Capital transactions	361.10	0.55
ii) Collection of Taxes on Commodities and Services	628.56	0.96
iii) Other Fiscal Services	1.78	---
B. Organs of State	541.71	0.82
C. Interest Payments and Servicing of Debt	4718.91	7.17
D. Administrative Services	6029.93	9.16
E. Pensions and Miscellaneous General Services	10068.36	15.30
F. Social Services	29060.76	44.15
G. Economic Services	14039.94	21.33
H. Grants-in-aid and Contributions	366.23	0.56
TOTAL EXPENDITURE (REVENUE ACCOUNT)	65817.28	100.00

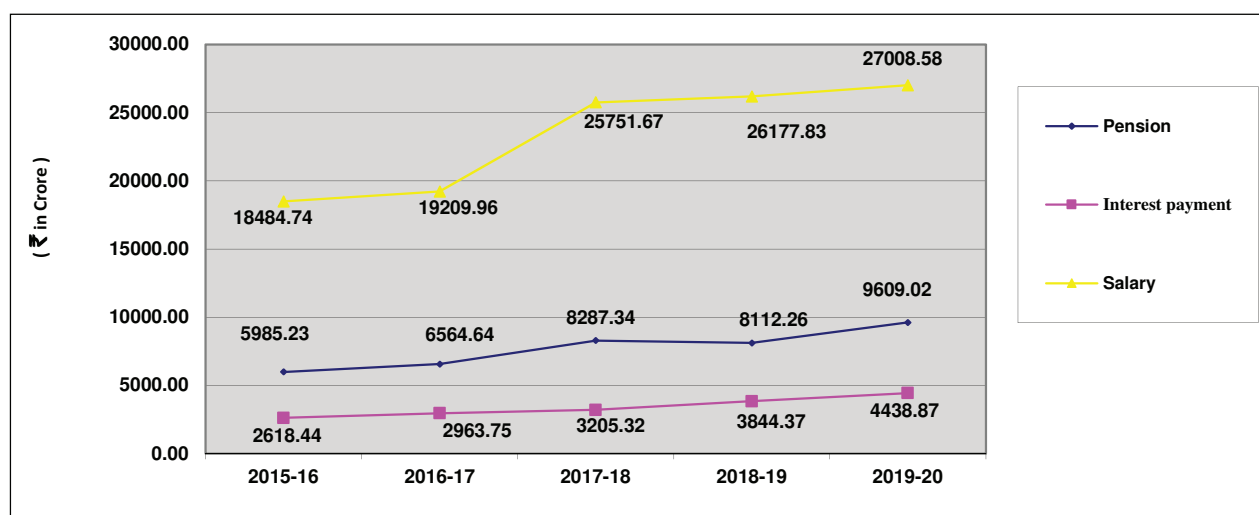


3.2.2 Major components of Revenue Expenditure (2015-16 to 2019-2020)



* General Services excludes MH 2048 (Appropriation for reduction or avoidance of debt), MH 2049 (Interest payments) and includes MH 3604 (Compensation and assignment to Local Bodies and Panchayati Raj Institutions). Debt Servicing includes MH 2048 & 2049.

3.2.3 Committed Expenditure



(₹ in crore)					
Component	2015-16	2016-17	2017-18	2018-19	2019-20
Committed Expenditure	27088.41	28738.35	37244.33	38134.46	41056.47
Revenue Expenditure	37011.42	49362.72	55480.94	56899.00	65817.28
Percentage of Committed Expenditure to Revenue Receipts	63.80	58.39	68.80	60.07	63.66
Percentage of Committed Expenditure to Revenue Expenditure	73.19	58.22	67.13	67.02	62.38

The steep upward trend on committed expenditure leaves the government with lesser flexibility for developmental spending. It appears from the above table that almost 63.66 per cent of the Revenue Receipts was spent for committed expenditure.

3.3 Capital Expenditure

Capital disbursements for 2019-2020, at 3.87 per cent of GSDP, were less than the Budget Estimates by ₹ 9790.77 crore.

3.3.1 Sectoral distribution of Capital Expenditure

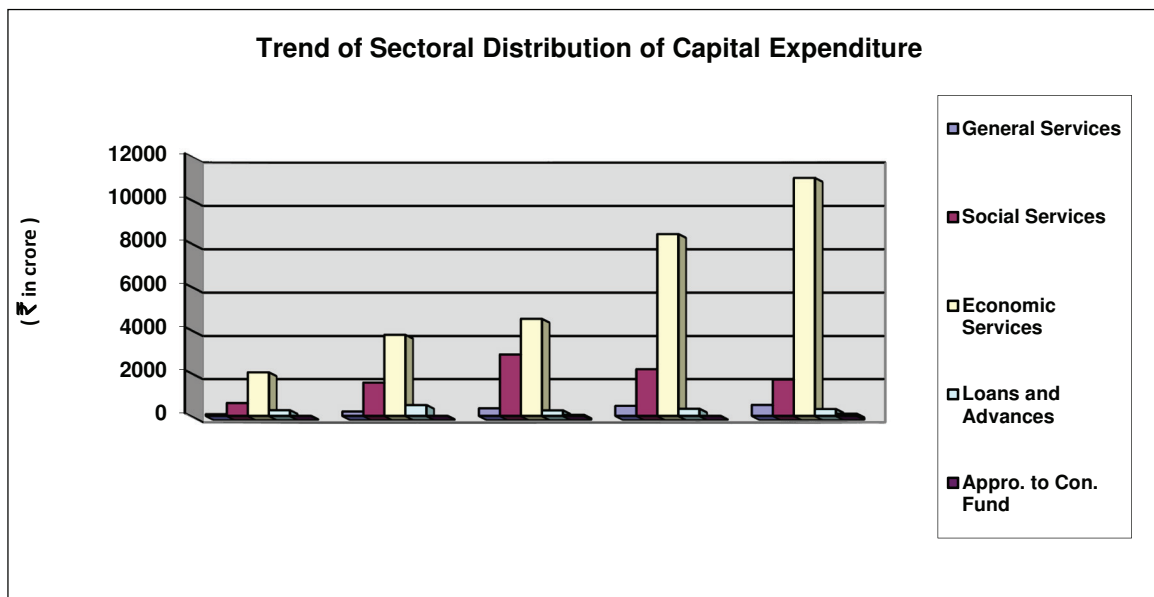
(₹ in crore)

Sl. No.	Sector	Amount	Percentage
1	General Services - Police, Public Works etc.	506.74	3.73
2	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	1683.64	12.38
3	Economic Services - Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.	10995.04	80.84
4	Loans and Advances Disbursed	316.16	2.32
5	Appropriation to Contingency Fund	100.00	0.73
Total		13601.58	100.00

3.3.2 Sectoral distribution of Capital Expenditure over the past 5 years

(₹ in crore)

Sl. No.	Sector	2015-16	2016-17	2017-18	2018-19	2019-20
1.	General Services	75.56	199.60	350.63	464.28	506.74
2.	Social Services	596.09	1542.60	2845.87	2164.07	1683.64
3.	Economic Services	2019.26	3759.88	4496.34	8405.73	10995.04
4.	Loans and Advances	260.09	499.38	254.07	328.07	316.16
5.	Appropriation to Contingency Fund	....	....	50.00	....	100.00
Total		2951.00	6001.46	7996.91	11362.15	13601.58



3.4 Development and Non-development Expenditure

Public Expenditure whether Capital or Revenue can also be classified into development and non-development expenditure. Development expenditure is broadly defined to include all items of expenditure that are designed directly to promote economic development and social welfare. Non-development expenditure refers to government expenditure incurred on essential services required for normal running of the government. Such expenditure is essential from administrative point of view.

Trend of development and non-development expenditure relative to aggregate disbursements for 2015-16 to 2019-20, as emerged from the Annual Accounts, is given below:

(₹ in crore)

	Items	2015-16	2016-17	2017-18	2018-19	2019-20
I.	Developmental*	26786.25	37347.15	40893.35	46464.26	55757.05
(a)	Revenue	23835.31	31350.76	32951.37	35102.86	42255.94
(b)	Capital	2690.91	5502.08	7692.84	11034.08	13185.42
(c)	Loans & Advances	260.03	494.31	249.14	327.32	315.69
II.	Non-developmental #	10025.10	14225.72	18994.16	17449.57	18476.67
(a)	Revenue	10025.04	14220.65	18989.23	17448.82	18476.20
(b)	Capital	Nil	Nil	Nil	Nil	Nil
(c)	Loans & Advances	0.06	5.07	4.93	0.75	0.47
III.	Others	5119.97	5833.94	5548.94	7936.68	8354.40
(a)	Revenue (MH -2048,2049 & 3604)	3151.07	3791.31	3540.34	4347.32	5085.14
(b)	Capital (MH-6003 & 6004)	1968.90	2042.63	1958.60	3589.36	3169.26
(c)	Appropriation to Contingency Fund (MH-7999)	----	----	50.00	----	100.00
IV.	Aggregate Disbursements (I+II+III)	41931.32	57406.81	65436.45	71850.51	82588.12
V.	I as Percentage of IV	63.88	65.06	62.49	64.67	67.51
VI.	II as Percentage of IV	23.91	24.78	29.03	24.29	22.37
VII.	III as Percentage of IV	12.21	10.16	8.48	11.05	10.12

* It includes Social & Economic Services (excluding MH 2251, 3451, 3452, 3454, 3456 & 3475) and Public Works under General Services under Revenue Expenditure and all expenditure under Capital expenditure and also Loans and Advances (excluding loans to government servant other than HBA)

It includes General Services (excluding Public Works) and also includes (MH 2251, 3451, 3452, 3454, 3456 & 3475) and Loans to Government Servants (other than HBA) and Miscellaneous Loans under Loans & Advances and excludes (MH 2048, 2049 & 3604)

Chapter –IV

Appropriation Accounts

4.1 Summary of Appropriation Accounts for 2019-20

(₹ in crore)

Sl. No	Nature of Expenditure	Original Grant	Supplementary Grant	Re-appropriation	Total	Actual Expenditure	Savings (-) / Excesses (+)
1.	Revenue Voted Charged	74560.71	12415.53	709.78	86976.24	61449.47	(-) 25526.77
		5181.55	55.97	1.03	5237.52	4810.75	(-) 426.77
2.	Capital Voted Charged	15219.20	7505.25	1433.37	22724.45	13185.42	(-) 9539.03
	
3.	Public Debt Charged	4109.13	0.45	...	4109.58	3169.27	(-) 940.31
4.	Loans and Advances Voted Charged	348.32	219.57	...	567.89	316.16	(-) 251.73
		...	100.00	...	100.00	100.00	...
	Total	99418.91	20296.77	2144.18	119715.68	83031.07	(-) 36684.61

4.2 Trend of Saving / Excess during the past five

(₹ in crore)

Year	Saving (-) / Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2015-2016	(-) 21163.54	(-) 8605.84	(-) 2421.50	(-) 596.15	(-) 32787.03
2016-2017	(-) 15653.43	(-) 6375.17	(-) 2786.52	(-) 75.72	(-) 24890.84
2017-2018	(-) 20633.04	(-) 7159.27	(-) 2744.81	(-) 328.96	(-) 30866.08
2018-2019	(-) 24624.97	(-) 8570.57	(-) 2740.95	(-) 222.51	(-) 36159.00
2019-2020	(-) 25953.54	(-) 9539.03	(-) 940.31	(-) 251.73	(-) 36684.61

The overall savings under Consolidated Fund of the State have increased from ₹ 32787.03 crore in 2015-16 to ₹ 36684.61 crore in 2019-20. The savings under Revenue Expenditure during the last five years indicate that the fund was not utilized for the purpose for which it was voted by the Legislature and capital expenditure for development purposes.

4.3 Significant Savings

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

Some grants with persistent and significant savings are given below:

(₹ in crore)

Year	Grant No. Major Head	Total Allocation	Percentage of Savings (-) / Excess (+) to Total Grant
	31- Urban Development (Revenue) (Town & Country Planning) 2215-Water Supply and Sanitation 2217- Urban Development		
2015-16	DO	283.05	(-) 91.46
2016-17	DO	246.70	(-) 45.58
2017-18	DO	551.19	(-) 54.38
2018-19	DO	692.47	(-) 82.05
2019-20	DO	747.26	(-) 57.16
	34- Urban Development (Revenue) (Municipal Administration Department.) 2215-Water Supply and Sanitation 2217-Urban Development 3054-Roads and Bridges		
2015-16	DO	128.64	(-) 92.73
2016-17	DO	273.65	(-) 81.62
2017-18	DO	911.44	(-) 78.69
2018-19	DO	1110.16	(-) 63.14
2019-20	DO	1631.56	(-) 68.38
	42-Social Services (Revenue) 2070-Other Administrative Services 2250-Other Social Services 2575-Other Special Areas Programmes		
2015-16	DO	361.22	(-) 57.04
2016-17	DO	309.67	(-) 9.72
2017-18	DO	530.57	(-) 16.36
2018-19	DO	339.35	(-) 65.10
2019-20	DO	254.32	(-) 90.72
	50-Other Special Areas Programme 2575-Other Special Areas Programme		
2015-16	DO	68.40	(-) 136.26
2016-17	DO	125.06	(-) 80.63
2017-18	DO	6.85	(-) 84.23
2018-19	DO	6.12	(-) 74.84
2019-20	DO	6.73	(-) 49.63
	58- Industries 2852-Industries		
2015-16	DO	150.76	(-) 86.85
2016-17	DO	193.25	(-) 49.05
2017-18	DO	493.73	(-) 83.29
2018-19	DO	379.16	(-) 59.14
2019-20	DO	109.27	(-) 162.31

During 2019-20, Supplementary Grants totaling ₹ 20296.77 crore (24.44 per cent of Total Expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below:-

(₹ in crore)

Grant	Nomenclature	Section	Original	Supple- mentary	Actual Expenditure
3	Administration of Justice	Revenue	427.11	33.48	361.74
4	Election	Revenue	132.34	3.75	112.19
6	Land Revenue and Land Ceiling	Revenue	480.01	10.25	286.69
9	Transport Services	Revenue	340.07	116.65	337.69
		Capital	271.25	32.97	85.41
14	Police	Revenue	5659.46	151.36	4098.25
16	Stationary & Printing	Revenue	50.59	0.72	25.34
17	Administrative and Functional Building	Revenue	302.85	1.62	175.65
25	Miscellaneous General Services and Others	Revenue	2112.23	362.00	751.40
		Capital	256.00	100.00	224.05
26	Education (Higher Education)	Revenue	2865.42	309.23	2175.15
		Capital	119.00	1.00	46.91
27	Art and Culture	Revenue	107.26	37.46	86.60
		Capital	109.15	2.21	13.32
29	Medical and Public Health	Revenue	6032.59	419.21	4551.43
		Capital	651.55	210.28	479.25
30	Water Supply and Sanitation	Revenue	695.51	27.00	529.34
		Capital	1578.53	497.04	635.55
34	Urban Development (Municipal Administration)	Revenue	1183.32	448.24	515.85
36	Labour and Employment	Revenue	402.17	14.13	174.19
		Capital	24.04	10.41	18.18
38	Welfare of SC/ ST / OBC	Revenue	1148.98	239.97	941.27
		Capital	141.75	3.50	48.74
39	Social Security, Welfare and Nutrition	Revenue	2363.10	396.37	2207.84
44	North Eastern Council Schemes	Capital	2758.73	5.76	420.18
45	Census and Surveys	Revenue	68.08	0.54	39.99
49	Irrigation	Revenue	590.27	21.85	468.67
		Capital	412.74	464.59	212.99
51	Soil and Water Conservation	Revenue	135.36	3.10	115.91
		Capital	87.22	0.39	39.63
52	Animal Husbandry	Revenue	491.97	17.09	264.54
		Capital	41.11	29.22	24.94
55	Forestry and Wild Life	Revenue	695.17	367.44	450.92
		Capital	19.60	2.00	5.51
57	Rural Development	Revenue	3218.19	868.17	2823.14
58	Industries	Revenue	109.13	0.14	68.09
		Capital	129.19	4.57	84.50
60	Cottage Industries	Revenue	80.81	2.02	54.81
63	Water Resources	Revenue	395.06	13.02	271.17
64	Roads and Bridges	Revenue	1337.21	442.33	969.43
66	Compensation and assin	Revenue	486.07	550.63	366.23
70	Hill Areas	Revenue	12.39	6.81	1.92
		Capital	5.40	1.00	1.06
71	Education (Elementary, Secondary Etc.)	Revenue	14533.49	558.63	11579.84
73	Urban Development (GDD)	Revenue	339.50	133.22	118.47
76	Hill Areas Department (Karbi Anglong Autonomous Council)	Revenue	1342.01	59.94	1129.02
		Capital	144.08	74.59	94.46
77	Hill Areas Department (North Cachar Hills)	Revenue	689.05	31.28	395.37

Chapter-V

Assets and Liabilities

5.1 Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings 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 generation, except to the limited extent shown by the rate of interest and period of existing loans.

5.2 Investment

Total investments, as share capital in Statutory Corporations, Government Companies, Joint Stock Companies, Rural Banks *etc.*, stood at ₹ 2637.12 crore at the end of 2019-2020. However, dividend received on investment, during the year, was ₹ 30.64 crore (*i.e.* 1.16 *per cent*). During 2019-2020, investments in PSUs increased by ₹ 27.68 crore, while the corresponding decrease in dividend income had been ₹ 122.60 crore.

5.3 Debt and Liabilities

Outstanding Public Debt, at the end of 2019-2020, was ₹ 53900.56 crore, comprising internal debt of ₹ 52630.27 crore and loans and advances of ₹ 1270.29 crore from the Central Government. In addition, Other Liabilities accounted under the Public Account amounted to ₹ 18355.96 crore.

The State also acts as a banker and trustee in respect of deposits like Small Savings Collections, Provident Funds and Deposits. There was an overall increase of ₹ 1750.55 crore in respect of such liabilities of State Government during 2019-2020.

Interest payments on debt and Other Liabilities, totaling ₹ 4438.87 crore, constituted 6.74 per cent of the Revenue Expenditure of ₹ 65817.28 crore. Interest payments on public debt amounting to ₹ 3563.98 crore (Internal debt ₹ 3471.39 crore and Loans and Advances from Central Governments ₹ 92.59 crore) and ₹ 874.89 crore on Other Liabilities. Expenditure on Account of Interest Payment increased by ₹ 594.50 crore during 2019-2020 over the previous year.

Details of the Public Debt and Total Liabilities of the State Government are as under :

(₹ in crore)

At the end of the year	Internal Debt	Loans & Advances from Central Government	Total Public Debt	Small Savings, Provident Funds, etc.	Other Obligations	Total Liabilities*	GSDP #	Percentage of total liability to GSDP
2015-2016	24799.19	1508.16	26307.35	9382.87	3364.36	39054.58	227958.83	17.13
2016-2017	26736.65	1429.79	28166.44	10179.32	5634.80	43980.56	254478.25@	17.28(a)
2017-2018	33293.73	1361.18	34654.91	11206.99	3412.98	49274.88	288493.57@	17.08(a)
2018-2019	41511.13	1309.07	42820.20	12188.05	4417.36	59425.61	315372.17#	18.84
2019-2020	52630.27	1270.29	53900.56	13156.52	5199.44	72256.52	351317.77	20.57

(a) Varies from last year figure due to revised GSDP.

* Public Debt, Small Saving, Provident Funds, Non-interest bearing obligations such as deposits of Local Funds, other earmarked Funds.
GSDP-@ Provisional, #: Quick

5.4 Debt Service Ratio

It indicates percentage of expenditure (with reference to debt receipts) incurred for repayment of principal and payment of interest on Public Debt borrowings. The following table presents the position of debt servicing relative to debt receipts for 2015-16 to 2019-20.

Sl No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
I	Debt Receipts * (₹ in crore)	5497.99	3901.71	8447.07	11754.65	14249.63
II	Debt Repayment * (₹ in crore)	1968.90	2042.63	1958.60	3589.36	3169.27
III	Payment of Interest # (₹ in crore)	1972.48	2277.93	2476.59	3052.11	3563.98
IV	Total Servicing of Debt (₹ in crore)	3941.38	4320.56	4435.19	6641.47	6733.25
V	Debt Service Ratio (in per cent) IV/I	71.69	110.74	52.51	56.50	47.25

* MH 6003 & 6004

MH 2049 (SMH 01 & 04)

It appears from the above table that there was increasing trend in Public debt management during the last five years.

The Indian Government Accounting Standards (IGAS) 1 specifies the disclosure requirements in the Financial Statements of the State governments of Guarantees given by Government. In compliance with the standards, guarantees given by the State Government for repayment of loans etc. raised by Statutory Corporations, Government Companies, Local Bodies and Other Institutions during the year and sums guaranteed outstanding on 31 March, 2020 are shown below in the prescribed format.

(₹ in crore)

Sector*	Maximum amount guaranteed	Outstanding at the beginning of 2019-20		Additions during the year (2019-20)	Deletions (other than invoked during the year (2019-20))	Invoked during the year (2019-20)	
		Principal	Interest			Discharge	Net Discharge
1	2	3	4	5	6	7	8
Power	3,72.84	22.94	---	---	8.34	---	---
Co-operative	74.79	2.14	3.96	---	---	---	---
Any Other	34.62	24.14	31.84	---	0.01	---	---
Grand Total	482.25	49.22	35.80	---	8.35	---	---

Outstanding at the end of (2019-20)		Guarantee Commission or Fee		Other Material Details
Principal	Interest	Receivable	Received	
9	10	11	12	13
14.60	---	---	---	---
2.14	4.12	---	---	---
33.83	28.73	---	---	---
50.57	32.85	---	---	---

*Number of guarantees issued not furnished by the State Government.

5.5.1 Indian Government Accounting Standards (IGAS) 2

“Accounting and classification of Grants-in-aid” prescribes the principles of accounting and classification of Grants-in-aid in the Financial Statements of Government both as Grantor as well as Grantee. Grants-in-aid are classified and accounted for as revenue expenditure in the Financial Statements of the grantor irrespective of its ultimate application by the grantee. The position holds true even in those cases where Grants-in-aid are utilized by the grantee for the purpose of creation of assets. Receipts of Grants-in-aid are also required to be treated as revenue receipts in the Financial Statements of grantee Government. It also specifies that expenditure on Grants-in-aid for the purpose of creating assets shall not, except in cases specifically authorized by the President on the advice of the Comptroller and Auditor general of India, be debited to a capital head of account in the Financial Statements of the Government. However, during the year, the State Government made budget provision and classified Grants-in-aid of ₹ 6225.45 crore under capital major heads, instead of under the Revenue Section, in deviation of IGAS classification structure for Grants-in-aid.

5.5.2 Indian Government Accounting Standards (IGAS) 3

This standard applies to Loans and Advances given by the Government for incorporation and presentation in the Financial Statements of the Government. The Financial Statements shall not be described as complying with the standard unless they comply with all the requirements contained therein. This standard shall apply only to Government accounts being maintained on a cash basis. The detailed statement of Loans and Advances given by the State Government in the prescribed formats, as mandated in IGAS 3, is given in Statement No 18 of the Finance Accounts.

Chapter-VI

Other Items

6.1 Loans and Advances by the State Government

Total Loans and Advances made by the State Government at the end of 2019-2020 were ₹ 6056.99 crore. Total loans and advances to Government Corporations / Companies, Non - Government Institutes, Local bodies etc., at the end of 2019-2020, stood at ₹ 5976.29 crore. As regards recovery, principal amount aggregating to ₹ 7.98 crore and interest on loan amounting to ₹ 284.00 crore (as per records available with this office), were in arrears at the end of 31 March, 2020.

6.2 Financial Assistance to Local Bodies and Others

Assistance to local bodies etc. during 2019-2020 was ₹ 7033.38 crore. It increased from ₹ 3072.30 crore in 2015-2016 to ₹ 7033.38 crore in 2019-2020, indicating 128.93 per cent increase in the last five years. During 2019-2020, the major portion of assistance ₹ 6357.63 crore (90.39 per cent) of the total grant of ₹ 7033.38 crore was consumed by Educational Institutions.

6.3 Cash Balance and Investment of Cash Balance

The closing cash balance, according to the Reserve Bank of India, was ₹ 499.82 crore (Credit), against the general cash balance of ₹ 2980.20 crore (Debit) reflected in the State Government Accounts. Thus, there is a difference of ₹ 2480.38 crore (Debit) between the two figures. The difference is mainly because of erroneous reporting by the accredited banks to the RBI, Nagpur, which maintains the cash balance of the State Government. The difference of ₹ 2480.38 crore (Net Debit) is under reconciliation with Reserve Bank of India.

Investments held in the Cash Balance Investment Account, * as on 31 March, 2019, were ₹ 2932.60 crore.

Other cash balances and investment, comprising cash with departmental officers (₹ 11.49 crore), Permanent advances with departmental officers (₹ 0.47 crore) and investment of earmarked funds (₹ 4354.82 crore), as on 31 March, 2020, were ₹ 4366.78 crore.

* *Short term investment in Government of India Treasury bills.*

6.4 New Pension Scheme

The expenditure during the year on pension and other retirement benefits to State Government employees, recruited prior to 30 January ,2005 was ₹ 8859.70 crore (13.47 *per cent* of the total revenue expenditure). State Government employees, recruited on or after 01 February,2005, are eligible for the New Pension Scheme (NPS), which is a defined contributory pension scheme.

As per the accounting procedure, both employees' and matching employer's contributions are first transferred to the Public Account, under the Major Head '8342-117-Defined Contributory Pension Scheme' and the total amount is, thereafter, transferred to the National Security Depository Limited (NSDL), which is responsible for management of the funds under the Scheme.

During the year 2019-20, the State Government received ₹ 682.96 crore towards employees contribution, the State Government provided only ₹ 749.32 crore as its share,. Further, as against the total collection of ₹ 1432.28 crore (₹ 682.96 crore plus ₹ 749.32 crore plus OB of ₹ 408.22 crore) in Public accounts under MH-8342-117, the State Government had withdrawn ₹ 1498.68 crore (₹ 749.34 crore each of Employees' contribution and Government share) during 2019-20, of which, an amount of ₹ 1498.30 crore was deposited into the Current account and subsequently transferred to NSDL during the year. The remaining funds of ₹ 0.38 crore was paid to the nominees/ legal heirs of deceased/retired Government employees as per Notification No. FEB.75/79/pt.-1/189 dated 25 August, 2015, as PRANs could not be issued till their death/retirement. The closing balance under MH-8342-117 was ₹ 341.82 crore as on 31 March, 2020.

6.5 Status of Reserve Fund

Reserve funds are created for specific purposes out of the contribution from the Consolidated Fund. There were 15 Reserve Funds earmarked for specific purposes, of which two fund is 'interest bearing' and the remaining 13 funds are 'not interest bearing'. The detailed information along with investment from the funds are available in Statements No.21 and 22 of Finance Accounts, 2019-20.

6.5.1 Inoperative Reserve Fund

Out of 15 Reserve Funds earmarked for specific purposes, 7 funds were active, 8 funds have been inactive for decades together. The total accumulated balance in these funds, at the end of 31 March 2020, was ₹ 5655.32 crore (₹ 5648.49 crore in active funds and ₹ 6.83 crore in inactive funds), out of which ₹ 4354.82 crore (77.00 per cent) was invested.

6.5.2 State Disaster Response Fund (SDRF)

Government of India replaced the existing Calamity Relief Fund in 2010-11 with the State Disaster Response Fund (SDRF). In terms of the guidelines of the Fund, the Centre and Special Category States like Assam are required to contribute the Fund, in the proportion of 90:10.

As on 01 April, 2019, the fund had a balance of ₹ 603.61 crore. During the year, Government of India released ₹ 503.10 crore. Against this, the State Government transferred ₹ 559.00 crore (Central Share ₹ 503.10 crore plus State Share ₹ 55.90 crore) leaving no short transfer to the fund account for the year.

During the year, the State Government made the budgetary allocation of ₹ 559.00 crore under the Major Head-2245-901 for the adjustment of calamity related expenditure and accordingly, carried out adjustment of ₹ 437.37 crore of expenditure pertaining to 2019-20 by inter account transfer of expenditure to the Major Head-8121. As on 31 March, 2020, a balance of ₹ 725.23 crore remained un-invested in the fund.

6.5.3 Guarantee Redemption Fund (GRF)

Government of Assam constituted the Guarantee Redemption Fund in September, 2009, for meeting its obligations, if any arising out of the invoking of guarantees by lending institutions, on loans issued to State level Public Sector Undertakings and other bodies. As per the guidelines governing the Fund, State Government is required to contribute an amount equivalent to at least three per cent of the outstanding guarantees, at the end of the second financial year preceding the current financial year. The total outstanding guarantees to the end of March, 2020 was ₹ 83.42 crore. During 2019-20, State Government contributed ₹ 2.71 crore to the fund representing three per cent of outstanding guarantees of ₹ 90.24 crore, at the end of the second financial year preceding the current financial year (i.e. 2017-18), leading to no short contribution. No guarantees was invoked during the year. As on 31 March, 2020, ₹ 53.07 crore was lying in the Fund, which includes accrued interest of ₹ 3.33 crore for 2019-20. The entire amount has been invested by the Reserve Bank of India.

6.5.4 Consolidated Sinking Fund

In terms of the recommendations of the Twelfth Finance Commission, the Government of Assam constituted a revised Consolidated Sinking Fund (CSF) scheme in 2007-08 for redemption of outstanding liabilities. Under the revised scheme guidelines, state government is required to make annual contributions to the fund of at least 0.5 per cent of the outstanding liabilities at the end of the previous financial year. In terms of guidelines of the RBI, who is responsible for management to the Fund, outstanding liabilities are defined as comprising Internal Debt and Public Account liabilities of the State Government. Accordingly, the State Government was required to contribute ₹ 297.13 crore (0.5 per cent) of the outstanding liabilities as of 31 March 2019 (₹ 59425.61 crore). Against this requirement, the State Government contributed ₹ 280.04 crore to the Fund during the year leading a short contribution of ₹ 17.09 crore. As on 31 March, 2020, an amount of ₹ 4308.56 crore was lying in the Fund (including accrued interest of ₹ 252.01 crore), of which ₹ 4301.33 crore had been invested.

6.6 Personal Deposit Accounts

In specific circumstances, the Government may authorize the opening of Personal Deposit Accounts (PD) for operation by designated Administrators. Transfer of funds to PD accounts is booked under the service major heads, as expenditure under the Consolidated Fund of the State. Under the rules, the Administrators are required to close such accounts on the last working day of the year and transfer the unspent balances back to the Consolidated Fund, with the PD accounts being reopened in the next year, if necessary. The Government of Assam, however, did not follow this procedure. As on 31-03-2020, there were 22 PD Accounts and all these accounts have been inoperative for more than three years. The status of PD accounts during 2019-2020, as per the records of Principal Accountant General (A&E), is as under:

(₹ in crore)

Particulars	No. of PD Accounts	Amount
Opening Balance as 1 April 2018	26	0.60
Net addition during the year	Nil	Nil
Closed during the year	Nil	0.03
Amount lying unspent for more than one year	22	0.57
Amount lying unspent for more than three years	22	0.57
Closing Balance as on 31 March 2019	22	0.57

No departmental officers had verified/reconciled these balances with the records maintained by the Principal Accountant General (A&E), as required.

6.7 Reconciliation of Accounts

To exercise effective control of expenditure, to keep it within the budget grants and ensure accuracy of their accounts, all Chief Controlling Officers (CCOs / Controlling Officers (COs) are required to reconcile the figures of Receipts and Expenditure, recorded in their books, every month, with the figures accounted for by the Principal Accountant General (A&E). During the year, out of 54 CCOs, 34 CCOs reconciled expenditure amounting to ₹ 54157.10 crore (65.57 per cent of total expenditure of ₹ 82588.12 crore) leaving expenditure of ₹ 28431.02 crore (34.43 per cent of total expenditure) unreconciled. Further, 6 CCOs fully reconciled receipts of ₹ 52250.97 crore (66.35 per cent of the total receipts of ₹ 78752.69 crore) leaving receipts of ₹ 26501.72 crore (33.65 per cent of the total receipts) unreconciled. Reconciled receipts of ₹ 52250.97 crore included receipts under Cyber Treasuries of ₹ 3889.59 crore during the year under MH:0039, MH:0802, MH:0803 & MH:0853.

6.8 Reconciliation of Deposits and Other Accounts in Public Account

In order to ensure correctness of balances recorded under Public Account, reconciliation with State Government authorities specially treasury officers in respect of deposit heads, departmental officers in respect of remittance and departmental balance heads and finance department in respect of Reserve Fund and cash balance investment account is required. Such a reconciliation was never carried out thus impacting the quality and transparency of accounts kept under Public Account. The position of balances under Public Account up to 2019-20 is given below :

(₹ in crore)

Public Account Balances	Opening balance as on 01-04-2019	Closing balance as on 31-03-2020
I. Small Savings, Provident Fund etc.	Cr. 12188.05	Cr. 13156.52
II. Reserve Fund	Cr. 618.07 (Net)	Cr. 1300.50 (Net)
III. Deposits	Cr. 3799.29	Cr. 3898.94
IV. Advances	Dr. 4043.70	Dr. 3288.64
V. Suspense & Miscellaneous *	Dr. 8541.16	Dr. 3626.10
VI. Remittances	Dr. 600.50	Dr. 742.45
Total	Cr. 3420.05	Cr. 10698.77

* It includes cash balance Investment Account.

The surplus in Public Account is utilized for deficit financing, as was done in 2019-2020.

6.9 Submission of accounts by Accounts Rendering Units

Accounts Rendering Units (ARUs) of the Government of Assam could not submit the initial accounts for 2019-20 to the Principal Accountant General's (A&E) Office by the prescribed due date. Despite delay in rendition of monthly accounts ranging from 01 to 356 days by Treasuries, 01 to 296 days by Public Works Divisions and 01 to 135 days by Forest Divisions, no accounts were excluded at the end of the year. Details of exclusions from Monthly Civil Accounts are shown below:-

Month of Account	Number of Accounts excluded		
	Treasury	Public Works	Forest
April 2019	03	59	03
May 2019	10	41	Nil
June 2019	18	21	Nil
July 2019	22	20	01
August 2019	17	32	01
September 2019	21	64	02
October 2019	32	132	08
November 2019	42	150	06
December 2019	58	158	08
January 2020	65	225	16
February 2020	82	248	22
March (Pre) 2020	Nil	Nil	Nil

Failure of the account rendering units in furnishing accounts on time, resulted in exclusion of accounts every month, except at the end of the year. Consequently, the monthly accounts rendered by the Principal Accountant General (A&E) to the Finance Department were incomplete in all the months, except for the month of March.

6.10 Unadjusted Abstract Contingency (AC) bills

Under Rule 21 of the Assam Contingency Manual 1989, Drawing and Disbursing Officers (DDOs) are authorized to draw sums of money for limited purposes by preparing Abstract Contingency (AC) bills by debiting Service Heads. Subsequently, Detailed Contingency (DC) bills (vouchers in support of final expenditure) are required to be sent so as to reach the Accountant General (A&E) not later than 25th of the month following the month to which they relate. Prolonged non-submission of DC bills renders the expenditure under AC bills opaque. Further, to the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts cannot be vouched as correct or final. Details of AC bills, outstanding as on 31 March, 2020, are given below:

(₹ in crore)

Year	Opening Balance		Addition		Clearance		Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2017-2018	1136	567.13	10	127.07	80	15.35	1066	678.85
2018-2019	1066	678.85	298	289.53	41	2.56	1323	965.82
2019-2020	1323	965.82	282	53.63	173	149.35	1432*	870.10*

*This number and amount includes the AC bills drawn in March 2020, which were not due for submission by 31 March 2020.

The Details of the major defaulting Department with substantial outstanding amount unadjusted, as on 31 March 2020 is given below:

Sl. No.	Name of the Department	Outstanding Items	Outstanding amount	Percentage to total amount
1	Transport Department	10	146.96	16.89
2	Panchayat and Rural Development Department	133	131.25	15.08
3	Health Department	22	106.05	12.18
4	Education (General) Department	35	85.26	9.80
5	Secretarial Administrative Department	140	56.05	6.44
6	Department for the Welfare of plain Tribes and Other Backward Classes	26	51.37	5.90
7	Home Department	163	39.75	4.56
8	Social Welfare Department	17	37.53	4.31
9	Revenue Department	301	32.25	3.71
10	Finance Department	24	28.56	3.28

Out of ₹ 53.63 crore, drawn against 282 AC bills in 2019-20, 59 AC bills, amounting to ₹ 5.73 crore (10.68 per cent) were drawn in March 2020, of which 1 AC bills for ₹ 0.10 crore were drawn on the last day of the financial year.

6.11 Outstanding Utilization Certificates (UC)

State Government authorities who have received conditional grants are required to furnish formal utilisation certificates (UCs) about the proper utilization of the grants, to the Principal Accountant General (A&E). Such UCs are normally due within one year from the date of released, unless otherwise specified. The status of outstanding UCs, as per the records of the Principal Accountant General (A&E), is given below:

(₹ in crore)

Year	Opening Balance		Addition		Clearance		Due for submission	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2017-2018	11641	24907.26	2267	15958.31	2271	6972.16	11637	33893.41
2018-2019	11637	33893.41	2248	13381.83	2182	14221.35	11703	33053.89
2019-2020	11703	33053.89	2732*	22833.65*	2324	12651.41	9379*	20402.48*

*UCs for the GIA disbursed during 2019-20 become due only during 2020-21.

A significant portion of wanting UCs pertain to Health Department (178 UCs, amounting to ₹ 3,494.38 crore), Welfare of Plain Tribes & Other Backward Classes (790 UCs, amounting to ₹2,403.51crore), Secretariat Administration Department (170 UCs amounting to ₹2,171.90crore), Education (General) Department (4130 UCs, amounting to ₹ 1,828.03 crore), Social Welfare Department (616 UCs, amounting to ₹ 1,337.02 crore),Finance Department (16 UCs, amounting to ₹ 1,112.11 crore), Panchayat and Rural Development Department (111 UCs, amounting to ₹ 1,097.42 crore), Agriculture Department (140 UCs, amounting to ₹ 823.21 crore), Rural Development Department (18 UCs, amounting to ₹ 780.14 crore), and Guwahati Development Department (83 UCs, amounting to ₹ 619.06 crore).

UCs outstanding beyond the specified periods indicate absence of assurance on utilisation of the grants for intended purposes and the expenditure shown in the accounts cannot be treated as final to that extent.

6.12 Suspense Accounts

Under suspense heads are recorded all such transactions as are ultimately removed either by payment or recovery in cash or by book adjustments on receipt of supporting documents. The overall debit balance under Suspense Account indicates assets and credit balance indicates liabilities.

During 2019-20, the suspense balance was increased from ₹ 267.86 to ₹ 682.92 crore (154.95 *per cent*). Net increase during the year was ₹ 415.06 crore. Main reasons for outstanding balance were (a) non-reimbursement of maintenance expenditure on National Highways by the Ministry of Shipping, Road Transport and Highways, Government of India and (b) Non-receipt of supporting documents / vouchers *etc.* from the state treasuries in respect of withdrawal from the Consolidated Fund of the State.

6.13 Commitments on account of Incomplete Works

A total expenditure of ₹ 1072.19 crore was incurred up to the year 2019-2020 by the State Government on various incomplete projects costing one crore and above, which have been taken up by the Public Works Department, Irrigation Department and Water Resources Department. However, incomplete projects / works under Water Resources Department, involving costs amounting to ₹ 564.91 crore, is still pending for payments.

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