



**State Finances Audit Report of the
Comptroller and Auditor General of India
for the year ended 31 March 2021**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Government of Assam
(Report No. 1 of 2022)

**STATE FINANCES AUDIT REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL OF INDIA**

FOR THE YEAR ENDED 31 MARCH 2021

GOVERNMENT OF ASSAM
(Report No. 1 of 2022)

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Preface

1. This Report has been prepared for submission to the Governor of Assam under Article 151 of the Constitution.
2. Chapter I of this Report contains the basis and approach to State Finances Audit Report, Structure of the Report, Structure of Government Accounts, Budgetary processes, Trends in key fiscal parameters like revenue surplus/ deficit, fiscal surplus/ deficit, *etc.*, and fiscal correction path.
3. Chapters II contains a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the last five years, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
4. Chapter III is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.
5. Chapter IV on 'Quality of Accounts & Financial Reporting Practices' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.
6. The Reports of the Comptroller and Auditor General of India containing the findings of Performance Audit and Compliance Audit in various Government departments, observations arising out of audit of Statutory Corporations, Boards and Government Companies and observations on Revenue Receipts are presented separately.

Executive Summary

Executive Summary

1 The Report

Based on the audited accounts of the Government of Assam for the year ending 31 March 2021, this Report provides an analytical review of the finances of the State Government. The Report is structured in four Chapters.

Chapter 1 - Overview of State Finances: This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/ surplus.

Chapter 2 - Finances of the State: This Chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the last five years, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.

Chapter 3 - Budgetary Management: This Chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.

Chapter 4 - Quality of Accounts & Financial Reporting Practices: This Chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.

The Report has 15 appendices containing additional data collated from several sources in support of the audit observations.

Audit findings

Chapter 1 - Overview of State Finances

- The GSDP of Assam grew from ₹ 2,54,478 crore in 2016-17 to ₹ 3,48,277 crore in 2020-21 with Compounded Annual Growth Rate (CAGR) of 8.16 *per cent* against the national CAGR of 6.43 *per cent*. However, there was a significant decline in the growth rate of GSDP from 11.63 *per cent* in 2016-17 to 3.89 *per cent* in 2020-21 due to impact of pandemic Covid-19.
- The State could achieve Revenue Surplus in only two years out of the five-year period from 2016-17 to 2020-21. During 2020-21, the State achieved a Revenue Surplus of ₹ 382.60 crore against a Revenue Deficit of ₹ 2,171.60 crore in 2019-20.
- The State was successful in containing the Fiscal Deficit below the target fixed under AFRBM Act in three out of the last five years. During the current year *i.e.*, 2020-21, Fiscal Deficit of the State stood at 3.47 *per cent* of GSDP, which was below the borrowing limit of 5.50 *per cent* fixed under AFRBM Act, 2020. In absolute terms,

Fiscal Deficit decreased by ₹ 2,813.77 crore (18.86 per cent) from ₹ 14,915.80 crore in 2019-20 to ₹ 12,102.03 crore in 2020-21.

- During the five-year period 2016-21, outstanding debt of the State remained consistently below 28.50 per cent of GSDP, i.e., within the norms prescribed in the AFRBM Act, 2011. However, the outstanding debt during 2020-21 (₹ 87,407.79 crore) increased by ₹ 15,151.27 crore (20.97 per cent) as compared to ₹ 72,256.52 crore during 2019-20.
- There was an overstatement of Revenue Surplus by ₹ 6,951.01 crore during the year. After taking into account the items of misclassification/non-reporting of expenditure during the year, the State could have ended in Revenue Deficit ₹ 6,568.41 crore instead of Revenue Surplus of ₹ 382.60 crore.
- Fiscal Deficit of the State was also understated by ₹ 1,614.29 crore during 2020-21. If this is taken into account, the actual Fiscal Deficit would have been ₹ 13,716.32 crore instead of ₹ 12,102.03 crore. Further, ratio of Fiscal Deficit to GSDP would have been 3.94 per cent instead of 3.47 per cent.

Recommendations

- *The State Government may make concrete efforts to augment own resources of revenue, especially non-tax revenue to reduce its fiscal deficit.*
- *Considering the increasing outstanding debt of the State, the Government may take appropriate steps to rationalise its committed Revenue Expenditure.*
- *The State Government may book grants-in-aid as Revenue Expenditure to present correct financial position of the State. Similarly, it may consider discharging its interest liabilities on time, transfer money to the Consolidated Fund and reconcile the accounting discrepancies with the Reserve Bank of India/ Banks as regards pension payments of the State.*

Chapter 2 - Finances of the State

- The fiscal position of the State is viewed in terms of key fiscal parameters-Revenue Deficit/ Surplus, Fiscal Deficit/ Surplus and Primary Deficit/ Surplus. During 2020-21, the State had a Revenue Surplus of ₹ 382.60 crore which was 0.11 per cent of GSDP during the year. Fiscal Deficit during 2020-21 was ₹ 12,102.03 crore which was 3.47 per cent of GSDP and Primary Deficit was ₹ 6,902.85 crore (1.98 per cent of GSDP).
- Revenue Receipts during the year 2020-21 were ₹ 64,902.19 crore, which increased by ₹ 407.11 crore (0.63 per cent), as compared to 2019-20 (₹ 64,495.08 crore). State's Own Tax revenue increased by ₹ 604.92 crore (3.66 per cent) compared to the previous year (₹ 16,528.69 crore), while Non-Tax revenue decreased by ₹ 2,639.73 crore (47.65 per cent) during the year as compared to 2019-20 (₹ 5,539.34 crore). Grants-in-Aid from GoI increased by ₹ 5,534.04 crore (26.73 per cent) as compared to the previous year (₹ 20,705.61 crore) whereas State's Share of Union taxes and Duties

decreased by ₹ 3,092.12 crore (14.24 *per cent*) during 2020-21 as compared to the previous year (₹ 21,721.44 crore). During 2020-21, revenue collection under State Goods and Services Tax decreased marginally by ₹ 206.28 crore (2.36 *per cent*) from ₹ 8,755.30 crore in 2019-20 to ₹ 8,549.02 crore in 2020-21.

- Revenue Expenditure during the year 2020-21 was ₹ 64,519.59 crore, constituting 83.78 *per cent* of the total expenditure of ₹ 77,006.78 crore. There was a misclassification of ₹ 5,640.47 crore due to grants-in-Aid given by the State Government to the local bodies or individual entities under various Central Schemes during the year being as Capital expenditure instead of Revenue Expenditure, resulting in overstatement of Capital expenditure and understatement of Revenue Expenditure to that extent.
- Committed expenditure of the Government like salary & wages, pensions, interest payments steadily increased during the last five-year period 2016-21. It increased by ₹ 1,269.50 crore during the year 2020-21. The Committed expenditure during 2020-21 was ₹ 42,755.28 crore (65.88 *per cent* of Revenue Receipts of ₹ 64,902.19 crore and 66.27 *per cent* of Revenue Expenditure of ₹ 64,519.59 crore).
- The State Government short contributed ₹ 332.12 crore to National Pension System since inception of the Scheme creating an avoidable future liability to the Government. As on 31 March 2020, an amount of ₹ 341.82 crore remained in the Public Account on which interest of ₹ 27.35 crore was payable in 2020-21.
- Capital expenditure is the expenditure incurred for creation of fixed infrastructure assets such as roads, building, *etc.* During the year the State's Capital expenditure decreased by ₹ 1,069.16 crore (7.94 *per cent*) from ₹ 13,468.55 crore during 2019-20 to ₹ 12,399.39 crore during 2020-21. However, this increase has to be viewed in the light of the fact that GIA of ₹ 5,640.47 crore was booked under capital section, instead of under revenue resulting in overstatement of Revenue Surplus to that extent.
- During 2020-21, the State Government invested ₹ 3.32 crore in Co-operatives. As on 31 March 2021, the State Government's investment stood at ₹ 2,923.57 crore in those Companies/ Corporations and Co-operative societies. Out of the investments, they received returns of ₹ 481.89 crore as dividend during the year.
- As on 01 April 2020, the State had a balance of ₹ 725.23 crore lying in the State Disaster Response Fund. Government of Assam had neither invested the balances in SDRF in any of the instruments specified in the Guidelines, nor had it paid the half-yearly interest on the balance lying in the Fund in violation of SDRF guidelines. The unpaid interest of ₹ 43.51 crore by the GoA led to overstatement of Revenue Surplus to that extent (during 2020-21) and accumulated liabilities for future.
- Outstanding Debt of the State rapidly increased from ₹ 43,980.56 crore in 2016-17 to ₹ 87,407.79 crore in 2020-21. The rate of growth of outstanding Debt was from 12.62 *per cent* in 2016-17 to 20.97 *per cent* in 2020-21. The Debt/ GSDP ratio increased from 17.28 *per cent* in 2016-17 to 25.10 *per cent* in 2020-21 due to more borrowings from the open market. The State used about six to eight *per cent* of its

Revenue Receipts for payment of interest on the outstanding Debt at an average rate of interest ranging between 6.51 *per cent* to 7.14 *per cent*, during the five-year period 2016-21.

- The maturity profile of outstanding stock of the State public debt as on 31 March 2021 indicated that 54.79 *per cent* (₹ 37,641.22 crore) of the debt is payable within the next seven years while the remaining 45.21 *per cent* (₹ 31,057.53 crore) is in the maturity bracket of more than seven years.
- Public debt constituted 79 *per cent* of total debt at the end of 2020-21. During the year, it grew at the rate of 27.45 *per cent i.e.*, the highest in the last five-year period. Growth rate of public debt at 27.45 *per cent* also outpaced the growth rate of GSDP (3.89 *per cent*) significantly during the year. These all indicate that there would be increased pressure on interest payment on public debt in forthcoming years.
- Public debt receipts increased by 359.80 *per cent* from ₹ 3,901.71 crore in 2016-17 to ₹ 17,940.18 crore in 2020-21. Out of public debt receipts of ₹ 17,940.18 crore during 2020-21, the State Government utilised 11.97 *per cent* (₹ 2,147.98 crore) for repayment of earlier borrowing and 69.12 *per cent* (₹ 12,399.39 crore) for incurring capital expenditure during the year 2020-21, which were also the lowest during the five-year period.

Recommendations

- i.) State Government may take necessary steps to reduce the Fiscal Deficit and to achieve the targets under the AFRBM Act, 2011.*
- ii.) State Government may undertake a rigorous exercise to meet its liability for NPS including short contribution of its share and interest liability and the balance funds to be transferred to NSDL, the pension authority, to ensure that the NPS employees are not deprived of returns. The prescribed procedure for accounting the NPS related transactions should be adhered to scrupulously to avoid future liability.*
- iii.) State Government should review the functioning of the loss making State Public Sector Undertakings in the State considering the investment and negligible returns on investments.*
- iv.) The State Government may invest the balances lying in State Disaster Response Fund as per the guidelines.*
- v.) In view of the increasing growth rate of its public debt, the State Government may make efforts to augment its own Revenues and reduce its Revenue Expenditure so as to avoid pressure on repayment of Public Debt and interest liabilities on Public Debt in forthcoming years.*
- vi.) The State Government may keep the cash balance position in mind while taking any decision on raising market loans.*

Chapter 3 - Budgetary Management

- Budgetary assumptions of the Government of Assam (GoA) continued to be unrealistic and overestimated during 2020-21, as the State Government incurred an expenditure of ₹ 82,888.63 crore, against 81 grants and appropriations of ₹ 1,22,341.66 crore, resulting in overall savings of ₹ 39,453.03 crore during the year as against the savings of ₹ 35,552.08 crore during the previous year. These savings stood at 32 *per cent* of total grants and appropriations made for the year. The savings were 2.1 times the size of supplementary budget during the year.
- These savings may be seen in context to over estimation of Receipts of ₹ 1,07,314.47 crore by the State Government and the estimation on the expenditure side being ₹ 1,22,341.66 crore during the year 2020-21. As against the estimated Receipts, the actual Receipts were ₹ 82,844.93 crore only thereby restricting the total expenditure during the year to ₹ 82,888.63 crore. This implied that the savings were notional, as the funds were not actually available for expenditure.
- Savings during the year accounted for about a third of the budget; however, the Controlling Officers neither surrendered the funds during the year, nor provided any explanations to the Principal Accountant General (A&E) for variations in expenditure vis-à-vis allocations.
- Approval of Supplementary Grants of ₹ 18,580.03 crore by the State Legislature was indicative of over estimation and poor financial management as the gross expenditure (₹ 82,888.63 crore) was less than even the Original provision (₹ 1,03,761.63 crore).
- The Departments (Grant No. 23-Pension, Grant No. 76-Karbi Anglong Autonomous Council, Grant No, 77-North Cachar Hills Autonomous Council and Grant No. 78-Bodoland Territorial Council) incurred excess expenditure amounting to ₹ 731.25 crore over and above the authorisation during 2020-21. Moreover, excess expenditure of ₹ 23.00 crore was incurred in 19 Sub-Heads under four Grants (₹ 15 lakh and above in each case) without budget provision.
- Review of selected grants revealed that the Social Welfare Department had persistent savings ranging between 20.00 *per cent* and 48.78 *per cent* during the period 2016-21 under Grant 39. During the current year, it stood at 31.43 *per cent* of the total budget provision.

Recommendations

- i. *State Government may formulate a realistic budget based on reliable assumptions of likely resource mobilisation, the needs of the Departments and their capacity to utilise the allocated resources so as to avoid inflated budget without actual resources;*
- ii. *State Government may institute an appropriate control 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;*

- iii. *Finance Department may critically review the Departments having persistent savings for prudential budget allocation and monitoring of expenditure;*
- iv. *Controlling Officers should explain the variation in expenditure from the allocation in time to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.*

Chapter 4 - Quality of Accounts & Financial Reporting Practices

- Utilisation Certificates in respect of grants aggregating ₹ 39,629.49 crore (11,717 UCs) given to 55 Departments of the State Government during the period from 2001-02 to 2019-20 had not been submitted. In absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which those were given, and the assets had been created.
- As of 31 March 2021, 39 State Departments had not submitted DCC bills for ₹ 1,050.84 crore against 1,648 AC Bills. Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DCC bills.
- During 2020-21, the State Government booked an expenditure of ₹ 15,335.15 crore under Minor Head 800 under 71 revenue and capital Major Heads of Account, constituting 19.94 *per cent* of the total revenue and capital expenditure of ₹ 76,918.98 crore. Similarly, the State Government classified receipts of ₹ 1,046.12 crore (1.61 *per cent* of Revenue Receipts), pertaining to 48 Major Heads, under the Minor Head '800 - Other Receipts'. Further, an expenditure of ₹ 2,731.37 crore (17.81 *per cent* of total expenditure booked under Minor Head 800-Other Expenditure) under Sarva Siksha Abhiyan and Mid Day Meal Scheme was booked under Minor Head 800 despite availability of appropriate Minor Head.
- During the year, expenditure amounting to ₹ 56,045 crore (71 *per cent* of total expenditure of ₹ 79,155 crore) and receipts of ₹ 69,547 crore (84 *per cent* of the total receipts of ₹ 82,845 crore) were reconciled. Failure to exercise/ adhere to the codal provisions and executive instructions in this regard resulted in misclassification and incorrect booking of receipts and expenditure in the accounts.
- Due to non-reporting of pension payments by the Agency Banks to the State Government/ Treasuries, Pension payments of ₹ 1,209.08 crore during the year were not accounted for in the State Accounts. This resulted in understatement of Revenue Expenditure and Fiscal Deficit of the State.
- Incorrect Budgeting and accounting of Pension by Government of Assam – which had led to exclusion of Pension expenditure from accounts, causing a lower expenditure on Pension recorded in Accounts, and lower Budgetary provision being made by the State Government, may lead to recommendation of lower Revenue Deficit Grant by the Finance Commission.
- As on 31 March 2021, there were 649 annual accounts of 107 Autonomous Councils, Development Councils and Government Bodies and 378 annual accounts of 40 Public

Sector Undertaking (due up to 2020-21) pending for submission to CAG for audit. Delayed rendering of accounts by the account rendering units/ authorities distorted the accurate depiction of monthly transactions of the State and impacted effective budgetary management and diluted accountability of these Bodies.

- Out of total Cess of ₹ 1,553.08 crore realised by the State Government under the Building and Other Construction Workers' Welfare Cess Act, 1996 during the period from 2008-09 to 2020-21, an amount of ₹ 1,535.04 crore was transferred to the Other Construction Workers Welfare Board leading to the shortfall in transfer of Cess of ₹ 18.04 crore to the Board.

Recommendations

- i. *State Government may institute a rigorous monitoring mechanism to ensure that the Departments comply with the prescribed rules and procedures with regard to submission of UCs, DCC bills and accounts for audit.*
- ii. *State Government should discourage the use of omnibus Minor Head 800 and chalk out a specific timeframe in consultation with the Principal Accountant General (A&E), to identify appropriate Heads of Account to classify the transactions correctly in the books of accounts.*
- iii. *State Government should resolve the issue of non-accountal of pension disbursed by non-linked branches in Government Accounts in consultation with RBI and Principal Accountant General (A&E) at the earliest to address the large discrepancy in State's cash balance, and incorrect reporting of pension expenditure.*
- iv. *Internal control mechanism needs to be strengthened and the Government needs to ensure that the Controlling Officers reconcile their figures of receipts and expenditure with those of the Principal Accountant General (A&E) at prescribed intervals, to provide transparency and accuracy in accounting of Government transactions.*
- v. *The State Government may draw up a concrete plan to clear arrears in Accounts of persistently delaying/ defaulting Autonomous District Councils (ADCs) and other Government bodies. Disbursal of financial assistance to ADCs/ Autonomous Bodies of the State be linked to improvement in finalisation of their Accounts.*

Chapter 1

Overview of

State Finances

Chapter 1

Overview of State Finances

1.1 Profile of the State

Assam is the second largest State in the North Eastern region of India and is, in fact, the gateway to this region. The State is spread over a geographical area of 78,438 sq.km. (2.4 per cent of the country's total geographical area) and is home to around 3.12 crore persons (2.6 per cent of the population of the country) as per Census 2011. The decadal (2001-2011) growth rate of population for the State was 16.93 per cent against the National decadal growth rate of 17.64 per cent. The population of the State during 2020-21 was 3.52 crore. The decadal (2011-2021) growth rate of State's population was 12.10 per cent which was marginally lower than the all India growth rate of 12.30 per cent.

The State has 34 districts and three Autonomous District Councils (ADCs) namely (i) Karbi Anglong Autonomous Council (ii) North Cachar Hills Autonomous Council and (iii) Bodoland Territorial Council. It was designated as a Special Category State (SCS) in 1969 in terms of the Gadgil formula, which ensured that 90 per cent of funding for centrally sponsored schemes is received as grants from Central Government. The net per capita income of the State at current prices was ₹ 99,006 in 2020-21, which was significantly lower than all India average of ₹ 1,28,829 reported during the year.

General and financial data relating to the State is given in *Appendix 1.1* and *Appendix 1.2*.

1.1.1 Gross State Domestic Product of Assam

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

Trends in annual growth of Assam's GSDP *vis-à-vis* that of the country's Gross Domestic Product (GDP) are given in **Table 1.1**.

Table 1.1: Trends in growth of GDP and GSDP at current prices

	(₹ in crore)					
Year	2016-17	2017-18	2018-19	2019-20	2020-21	CAGR
National GDP (2011-12 Series)	1,53,91,669	1,70,90,042	1,88,86,957	2,03,51,013	1,97,45,670	--
Growth rate of GDP (per cent)	11.76	11.03	10.51	7.75	-2.97	6.43
State's GSDP (2011-12 Series)	2,54,478	2,83,165	3,09,336	3,35,238 (P.E.)	3,48,277 (Q.E.)	--
Growth rate of GSDP (per cent)	11.63	11.27	9.24	8.37	3.89	8.16

Source of data: GoI's Economic Survey (2020-21) and Directorate of Economics and Statistics, Assam

As can be seen from the details tabulated above, the GSDP of Assam grew at a higher rate during three years of the last five-year period from 2016-17 to 2020-21 compared to the national growth rate of GDP, with a Compound Annual Growth Rate (CAGR) of

8.16 per cent against the national CAGR of 6.43 per cent. However, during the five-year period, the GSDP growth rate declined from 11.63 per cent in 2016-17 to 3.89 per cent in 2020-21. Above table also shows that during 2020-21, while National GDP shrank due to impact of COVID-19, State's GSDP exhibited a small positive growth.

The economic activity of a State is generally divided into Primary, Secondary and Tertiary Sectors, which correspond to Agriculture and allied activities, Industry and Services sectors. Changes in sectoral contribution to the GSDP are indication of the changing structure of the economy. Sectoral growth of GSDP over the past five years is detailed in **Chart 1.1** whereas change in sectoral contribution to GSDP in 2020-21 over 2016-17 is given in **Chart 1.2**.

Chart 1.1: Sectoral growth in GSDP

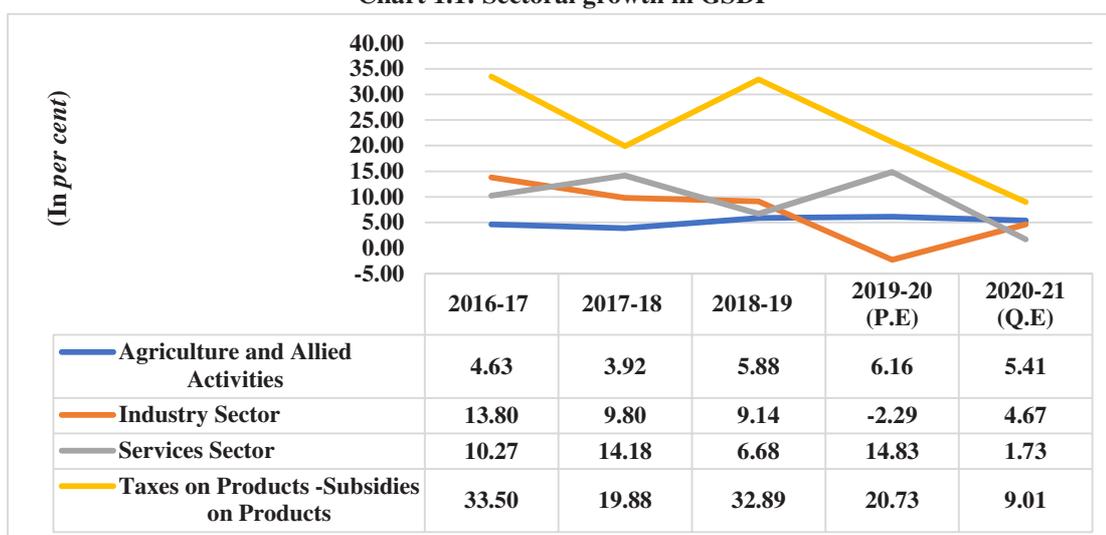


Chart 1.2: Change in sectoral contribution to GSDP (2016-17 to 2020-21)

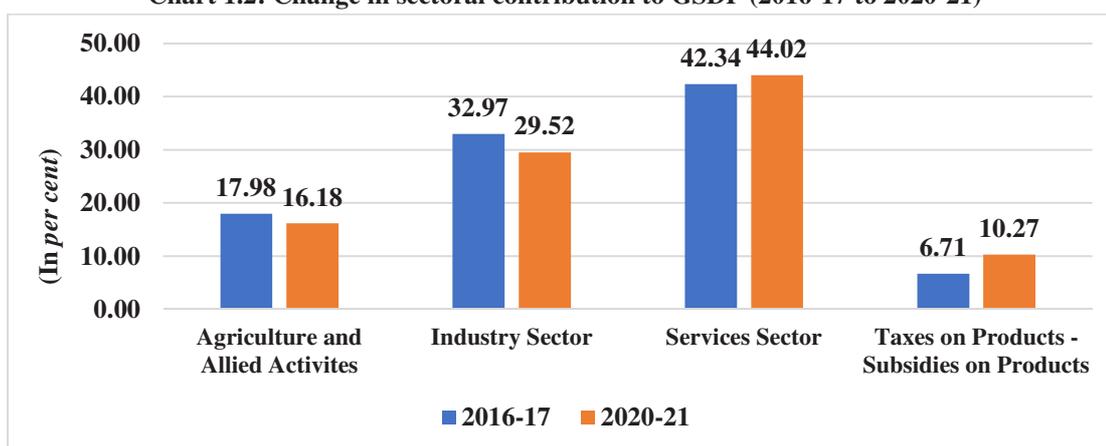


Chart 1.1 shows that except for industry sector, growth of all sectors contributing to GSDP showed decline during 2020-21 in comparison to previous year. Out of that, Service sector recorded maximum decline in growth during the year. Further **Chart 1.2** highlights that the relative share of Agriculture and Industry in GSDP declined during the five-year period from 2016-17 to 2020-21, whereas relative share of Service Sector to GSDP increased marginally during the same period.

Sectoral contribution to GSDP during 2020-21 is also given in **Chart 1.3** and further details *i.e.*, Sub-sectoral contribution to State’s GSDP during the year is detailed in **Chart 1.4**.

Chart 1.3: Sectoral Contribution to GSDP during 2020-21

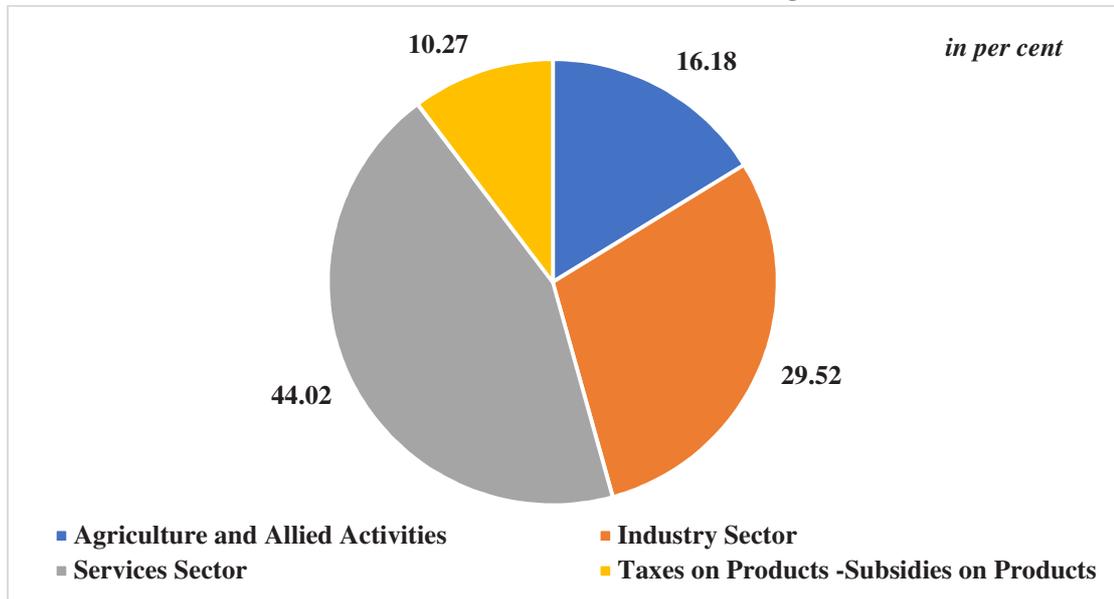
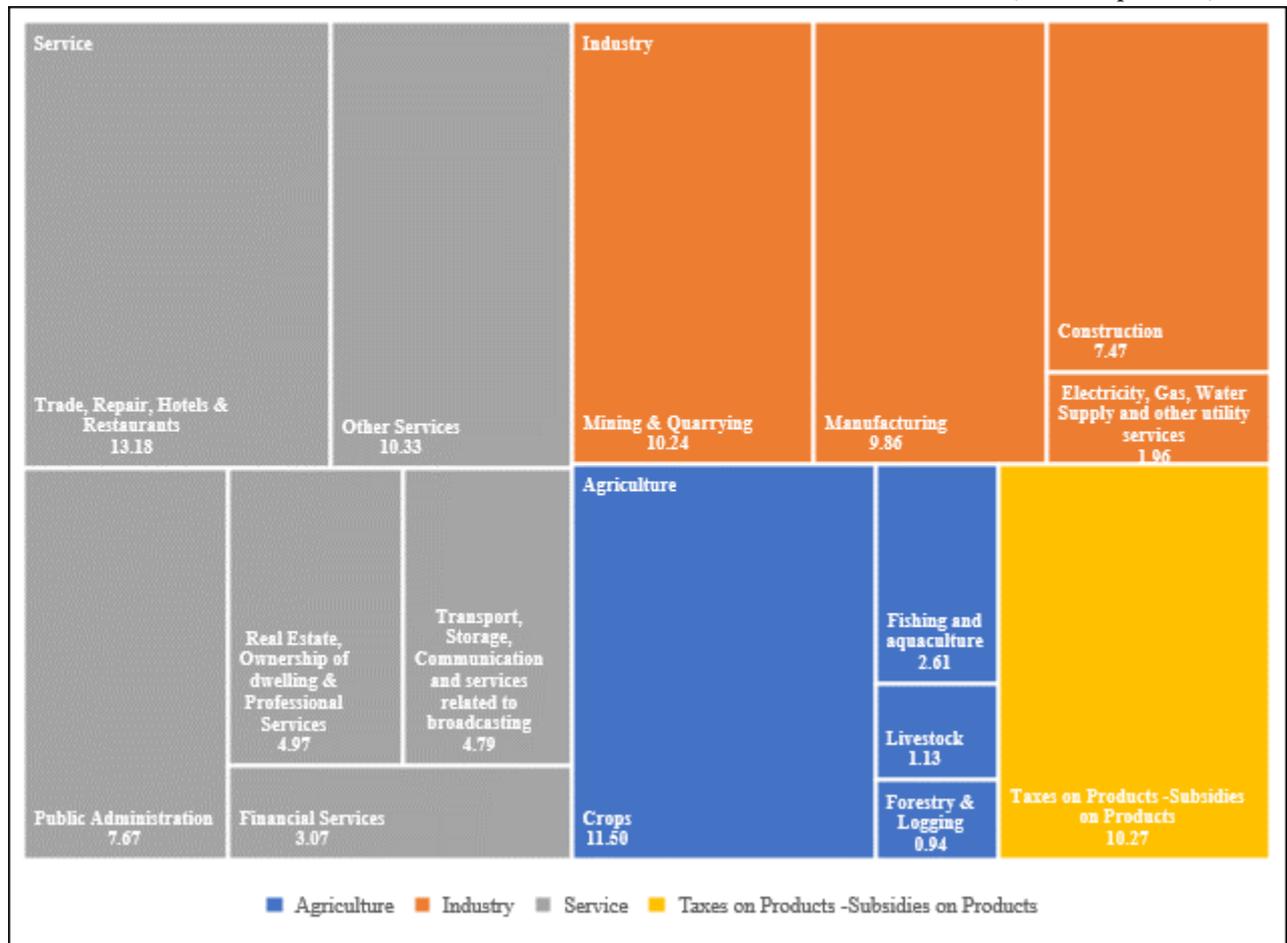


Chart 1.4: Contribution of Sub-sectors in GSDP during 2020-21

(Share in per cent)



Source of data: Directorate of Economics and Statistics, Assam

1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, the Reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. The State Finances Audit Report (SFAR) of Assam for the year ending 31 March 2021 has been prepared by the CAG for submission to the Governor of Assam under Article 151 (2) of the Constitution of India.

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

Finance Accounts and Appropriation Accounts of the State for the year 2020-21 constitute the core data for this Report. Other sources include the following:

- Budget of the State for the year 2020-21 forms an important source of data – both for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Office of the Principal Accountant General (Audit), Assam at the State Secretariat as well as at the field level during the year;
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS);
- GSDP data and other State related statistics; and
- Various audit reports of the CAG of India during 2016-21 have also been used to prepare this analysis/ commentary as appropriate.

The analysis has been carried out in the context of recommendations of the Finance Commission (FC), Assam Fiscal Responsibility and Budget Management (AFRBM) Act, and best practices and guidelines of the Government of India. An entry conference was held on 11 October 2021 with the Commissioner and Secretary to the Government of Assam, Finance Department wherein the audit approach was explained and the draft Report was forwarded to the State Government on 02 December 2021 for comments. Subsequently, an exit conference of the Report was also held on 20 December 2021 with the Principal Secretary to the Government of Assam, Finance Department. The replies of the Government, where received, have been incorporated in this Report at appropriate places.

1.3 Report Structure

The SFAR is structured into the following four Chapters:

Chapter - 1	Overview of State Finances This Chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and State's fiscal position including the deficits/ surplus.
Chapter - 2	Finances of the State This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2016-17 to 2020-21, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
Chapter - 3	Budgetary Management This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.
Chapter - 4	Quality of Accounts & Financial Reporting Practices This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.

1.4 Overview of Government Account Structure and Budgetary Processes

The Accounts of the State Government are kept in three parts:

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

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

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

This Fund is in the nature of an imprest which is established by the State Legislature by

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

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

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

There is a constitutional requirement in India (Article 202) to present before the House or Houses of the Legislature of the State, a statement of estimated receipts and expenditures of the government in respect of every financial year. This 'Annual Financial Statement' constitutes the main budget document. Further, the budget must distinguish expenditure on the revenue account from other expenditures.

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

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

The **Capital receipts** consist of:

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

Capital Expenditure includes expenditure on the acquisition of land, building, machinery, equipment, investment in shares, and loans and advances by the government to PSUs and other parties.

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

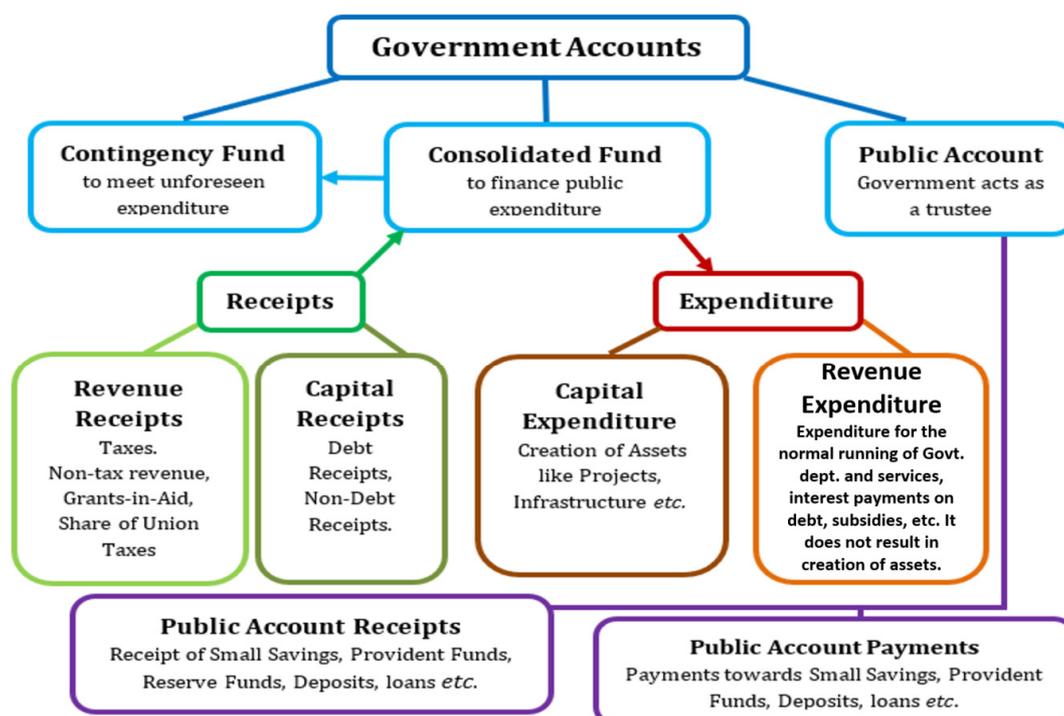
Attribute of transaction		Classification followed in Assam Government Accounts
Standardised in List of Major and Minor Heads by CGA	Function- Education, Health, <i>etc.</i> / Department	Major Head under Grants (4-digit)
	Sub-Function	Sub Major Head (2-digit)

Attribute of transaction		Classification followed in Assam Government Accounts
Flexibility left for States	Programme	Minor Head (3-digit)
	Scheme	Sub-Head (4-digit)
	Sub scheme	Sub-Sub-Head (3-digit)
	Economic nature/Activity	Detailed Head (2-digit); Sub-Detailed Head (2-digit)

The functional classification lets us know the department, function, scheme or programme, and object of the expenditure. Economic classification helps organise these payments as revenue, capital, debt, *etc.* Economic classification is achieved by the numbering logic embedded in the first digit of 4-digit Major Heads. For instance, 0 and 1 is for Revenue Receipts, 2 and 3 for Revenue Expenditure, *etc.* Economic classification is also achieved by an inherent definition and distribution of some object heads. For instance, generally “salary” object head is Revenue Expenditure, “construction” object head is capital expenditure. Object head is the primary unit of appropriation in the budget documents.

A pictorial depiction of the structure of Government Accounts is given in **Chart 1.5**.

Chart 1.5: Structure of Government Accounts



Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of Assam caused to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year 2020-21, in the form of an **Annual Financial Statement** (referred to as Budget) with estimates of expenditure,

- charged upon the Consolidated Fund of the State;

- the sums required to meet other expenditure proposed to be made from the Consolidated Fund of the State; and shall distinguish expenditure on Revenue Account from other expenditure.

In terms of Article 203, the above was submitted to the State Legislature in the form of 81 Demands for Grants/ Appropriations and after approval of these, the Appropriation Bill was passed by the Legislature under Article 204 to provide for appropriation of the required money out of the Consolidated Fund.

As mentioned in Paragraph 1.2, Finance Accounts and Appropriation Accounts encompass the core data for preparation of the SFAR. These Accounts are based on actual receipts and expenditure of the State during the year 2020-21 including various inter-governmental and other adjustments carried out by the Reserve Bank of India (RBI). Considering that these receipts and expenditure are estimated in the budget and the expenditure has been approved by the State Legislature, it is important to study the budget of the State for 2020-21 closely and analyse the actual receipts and expenditure during the year with reference to the projections made in the budget.

The Assam Budget Manual details the budget formulation process and guides the State Government in preparing its budgetary estimates and monitoring its expenditure activities. Results of audit scrutiny of budget and implementation of other budgetary initiatives of the State Government are detailed in **Chapter 3** of this Report.

1.4.1 Summarised position of State Finances

Table 1.2 provides the details of actual audited financial results of 2020-21 *vis-à-vis* Budget Estimates for the year 2020-21 and actuals of 2019-20.

Table 1.2: Comparison with Budget Estimates and Actuals

(₹ in crore)

Sl. No.	Components	2019-20* (Actuals)	2020-21 (Budget Estimates)	2020-21 (Actuals)	Percentage of Actuals to	
					BEs	GSDP
1	Own Tax Revenue	16,528.69	23,209.74	17,133.61	73.82	4.92
2	Non-Tax Revenue	5,539.34	7,303.79	2,899.61	39.70	0.83
3	Share of Union taxes/duties	21,721.44	26,775.56	18,629.32	69.58	5.35
4	Grants-in-aid and Contributions	20,705.61	34,641.72	26,239.65	75.75	7.53
5	Revenue Receipts (1+2+3+4)	64,495.08	91,930.81	64,902.19	70.60	18.64
6	Recovery of Loans and Advances	1,140.51	300.29	2.56	0.85	0.00
7	Other Receipts	0.00	0.00	0.00	0.00	0.00
8	Borrowings and other Liabilities (a)	19,707.82	9,382.69	8,448.01	90.04	2.43
9	Capital Receipts (6+7+8)	20,848.33	9,682.98	8,450.57	87.27	2.43
10	Total Receipts (5+9)	85,343.41	1,01,613.79	73,352.76	72.19	21.06
11	Revenue Expenditure	66,666.68	82,776.98	64,519.59	77.94	18.53
12	Interest payments	4,438.87	5,801.84	5,199.18	89.61	1.49
13	Capital Expenditure	13,468.55	18,520.53	12,399.39	66.95	3.56
14	Loan and advances	316.16	316.28	87.80	27.76	0.03
15	Appropriation to Contingency Fund	100.00	-	-	-	-
16	Total Expenditure (11+13+14+15)	80,551.39	1,01,613.79	77,006.78	75.78	22.11
17	Revenue Deficit (-)/ Surplus (+) (5-11)	-2,171.60	9,153.83	382.60	4.18	0.11
18	Fiscal Deficit (-)/ Surplus (+) {(5+6+7)-16}	-14,915.80	-9,382.69	-12,102.03	128.98	3.47

Sl. No.	Components	2019-20* (Actuals)	2020-21 (Budget Estimates)	2020-21 (Actuals)	Percentage of Actuals to	
					BEs	GSDP
19	Primary Deficit (-)/ Surplus (+) (18-12)	-10,476.93	-3,580.85	-6,902.85	192.77	1.98

(a) Borrowings 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.

*Includes audited figures of Recoveries of loans and advances, Revenue Expenditure, Capital Expenditure, Total expenditure, and Deficits due to inclusion of Uday transactions of ₹ 1,132.53 crore (Grants-in-Aid: ₹ 849.40 crore and Equity: ₹ 283.13 crore) during 2019-20.

1.4.2 Snapshot of Assets and Liabilities of the Government

Government accounts capture the financial liabilities of the Government and the assets created out of the expenditure incurred. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from public account and reserve funds, and the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

Table 1.3 provides a summarised position of Assets and Liabilities of the State during 2019-20 and 2020-21.

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities				Asset			
Components	As on 31 March 2020	As on 31 March 2021	Increase (+)/ Decrease (-) (%)	Components	As on 31 March 2020	As on 31 March 2021	Increase (+)/ Decrease (-) (%)
Consolidated Fund							
Internal Debt	52,630.27	67,014.07	27.33	Gross Capital Outlay	72,918.30	85,317.70	17.00
Loans and Advances from GoI	1,270.29	2,678.68	110.87	Loans and Advances disbursed	6,056.99	6,142.23	1.41
Contingency Fund							
Contingency Fund	200.00	200.00	-	-	-	-	-
Public Account							
Small Savings, Provident Funds, etc.	13,156.52	14,045.37	6.76	Civil Advances	3,288.64	2,939.39	-10.62
Deposits	3,898.94	3,319.97	-14.85	Remittance	742.45	788.84	6.25
Reserve Funds	5,655.32	5,382.46	-4.82	Suspense and Miscellaneous	681.54	1,141.00	67.41
Remittances	-	-	-	-	-	-	-
Surplus on Government Account	17,156.16	18,338.77	6.89	Cash balances (including investment in Earmarked Fund)	10,279.58	14,650.16	42.52
Total	93,967.50	1,10,979.32	18.10	Total	93,967.50	1,10,979.32	18.10

1.5 Fiscal Balance: Achievement of Deficit and total debt targets

When a government spends more than it collects by way of revenue, it incurs a deficit. There are various measures that capture government deficit.

<p>Revenue Deficit/ Surplus (Revenue Expenditure – Revenue Receipts)</p>	<p><i>Refers to the difference between Revenue Expenditure and Revenue Receipts.</i></p> <ul style="list-style-type: none"> • When the government incurs a Revenue Deficit, it implies that the government is dissaving and is using up the savings of the other sectors of the economy to finance a part of its consumption expenditure. • Existence of Revenue Deficit is a cause of concern as Revenue Receipts were not able to meet even Revenue Expenditure. Moreover, part of capital receipts was utilised to meet Revenue Expenditure, reducing availability of capital resources to that extent for creation of capital assets. • This situation means that the government will have to borrow not only to finance its investment but also its consumption requirements. This leads to a build-up of stock of debt and interest liabilities and forces the government, eventually, to cut expenditure. <p>If major part of Revenue Expenditure is committed expenditure (interest liabilities, salaries, pensions), the government reduces productive expenditure or welfare expenditure. This would mean lower growth and adverse welfare implications.</p>
<p>Fiscal Deficit/ Surplus (Total expenditure – (Revenue Receipts + Non-debt creating capital receipts))</p>	<p><i>It is the difference between the Revenue Receipts plus Non-debt Capital Receipts (NDCR) and the total expenditure. Fiscal Deficit (FD) is reflective of the total borrowing requirements of Government.</i></p> <ul style="list-style-type: none"> • Fiscal Deficit is the difference between the government's total expenditure and its total receipts excluding borrowing. • Non-debt capital receipts are those receipts, which are not borrowings, and, therefore, do not give rise to debt. Examples are recovery of loans and the proceeds from the sale of PSUs. • The fiscal deficit will have to be financed through borrowing. Thus, it indicates the total borrowing requirements of the government from all sources. <p>Governments 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. Thus it is desirable to fully utilise borrowed funds for the creation of capital assets and to use Revenue Receipts for the repayment of principal and interest.</p>
<p>Primary Deficit/ Surplus (Gross fiscal deficit – Net Interest liabilities)</p>	<p><i>Refers to the fiscal deficit minus the interest payments.</i></p> <ul style="list-style-type: none"> • Net interest liabilities consist of interest payments minus interest receipts by the government on net domestic lending. <p>The borrowing requirement of the government includes interest obligations on accumulated debt. To obtain an estimate of borrowing because of current expenditures exceeding revenues, we need to calculate the Primary Deficit.</p>

Deficits must be financed by borrowing giving rise to government debt. The concepts of deficits and debt are closely related. Deficits can be thought of as a flow which add to the stock of debt. If the government continues to borrow year after year, it leads to the accumulation of debt and the government has to pay more and more by way of interest. These interest payments themselves contribute to the debt.

By borrowing, the government transfers the burden of reduced consumption on future generations. This is because it borrows by issuing bonds to the people living at present but may decide to pay off the bonds some twenty years later by raising taxes or reducing expenditure. Also, government borrowing from the people reduces the savings available to the private sector. To the extent that this reduces capital formation and growth, debt acts as a 'burden' on future generations.

However, if government deficits succeed in their goal of raising production, there will be more income and, therefore, more savings. In this case, both government and industry can borrow more. Also, if the government invests in infrastructure, future generations may be better off, provided the return on such investments is greater than the rate of interest. The actual debt could be paid off by the growth in output. The debt should not then be considered burdensome. The growth in debt will have to be judged by the growth of the economy (State GDP) as a whole.

Government deficit can be reduced by an increase in taxes or reduction in expenditure. However, the major thrust has been towards reduction in government expenditure. This could be achieved through making government activities more efficient through better planning of programmes and better administration.

1.5.1 AFRBM Targets on key Fiscal Parameters and achievement thereon

The State Governments had passed Assam Fiscal Responsibility and Budget Management Act (AFRBM), 2005 with the objective of ensuring prudence in fiscal management by eliminating Revenue Deficit, reducing fiscal deficit and overall/ outstanding debt to acceptable level, establishing improved debt management and improving transparency in a medium term framework. In this context, the Act provides quantitative targets to be adhered by the State with regard to deficit measures and debt level. The Act was subsequently amended six times, with the latest amendment being in October 2020.

As per the AFRBM Act¹, the State Government was to eliminate Revenue Deficit by 2011-12 and maintain Revenue Surplus thereafter; reduce Fiscal Deficit to three *per cent* of the estimated GSDP by 2010-11 and maintain the same level thereafter. Further, the Act also envisaged that the State Government would limit the total outstanding debt to GSDP to 28.40 *per cent* in 2012-13 and maintain that in 2013-14. With effect from 2014-15, this ratio was to be 28.50 *per cent* of GSDP.

The amendment to the AFRBM Act in April 2017 incorporated the recommendations of the XIV FC relating to limit of Fiscal Deficit recommended for the states during its award period (2015-16 to 2019-20). The Act provided room for deviation from the annual Fiscal Deficit target up to 3.50 *per cent* under certain conditions, with the Fiscal Deficit anchored to an annual limit of three *per cent* of GSDP in any financial year. Further, in view of Covid 19 Pandemic leading to highly stressed fiscal situation, the

¹ As amended in 2011

State Government, through its amended AFRBM Act 2020, became eligible for additional borrowing of 2.50 *per cent* of GSDP during 2020-21 as against the original AFRBM annual limit of fiscal deficit of three *per cent* of GSDP.

XV FC also recommended that the State Government should comply with the recommended path of debt consolidation and must abide by the definition of both debt and fiscal deficit as contained in the FRBM Act.

The Targets relating to key fiscal parameters envisaged in the amended AFRBM Act and their achievement during the five-year period from 2016-17 to 2020-21 are given in **Table 1.4**.

Table 1.4: Compliance with provisions of AFRBM Act

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Revenue	-143	-1,350	6,580	-2,172	383
	Surplus	X	X	✓	X	✓
Fiscal Deficit (-)/ Surplus (+) (as <i>per cent</i> of GSDP)	Three*	-6,125 (-2.41)	-9,342 (-3.30)	-4,779 (-1.54)	-14,916 (-4.45)	-12,102 (-3.47)
		✓	X	✓	X	✓
Ratio of total outstanding debt to GSDP (in <i>per cent</i>)	28.50 <i>per cent</i>	17.28	17.40	19.21	21.55	25.10**
		✓	✓	✓	✓	✓

* Target of three *per cent* as per AFRBM Act 2011, 3.5 *per cent* as per AFRBM amendment of 2017, and 5.5 *per cent* as per AFRBM amendment of 2020

**Outstanding debt excludes loan of ₹ 994.00 crore, which was passed on as back to back loans by GoI, in lieu of shortfall in GST Compensation vide GoI's letter No. F.No. 40(1)PF-S/2021-22 dated 10 December 2021

The State could achieve Revenue Surplus only during two out of the five-year period from 2016-17 to 2020-21. During 2020-21, the State recorded Revenue Surplus of ₹ 382.60 crore. However, this surplus has been overstated and it is to be viewed in the light of non-contribution to the required causes by the State Government, misclassification of revenue items under capital category and discrepancy related to non-reporting of pension payments as detailed in **Table 1.6** under paragraph 1.6.

The State was successful in containing the Fiscal Deficit below the target fixed under AFRBM Act in three out of the last five years. During the current year *i.e.*, 2020-21, Fiscal Deficit of the State stood at 3.47 *per cent* of GSDP, which was below the borrowing limit of 5.50 *per cent* fixed under AFRBM Act, 2020.

During the five-year period from 2016-17 to 2020-21, outstanding debt of the State remained consistently below 28.50 *per cent* of GSDP, *i.e.*, within the norms prescribed in the AFRBM Act, 2011. The outstanding debt of the State as on 31 March 2021 was ₹ 87,407.79 crore.

1.5.2 Medium Term Fiscal Plan

As per the AFRBM Act, the State Government has to lay before the State Legislature, a Five-Year Fiscal Plan along with the Annual Budget. The Medium-Term Fiscal Plan (MTFP) has to set forth a five-year rolling target for the prescribed fiscal indicators.

Table 1.5 indicates the variation between the projections made for 2020-21 in MTFP presented to the State Legislature along with the Annual Budget for 2020-21 and Actuals for the year.

Table 1.5: Actuals vis-à-vis projection in MTFP for 2020-21

Sl. No.	Fiscal Variables	Projection as per MTFP	Actuals (2020-21)	Variation (in per cent)
1	Own Tax Revenue	23,209.74	17,133.61	-26.18
2	Non-Tax Revenue	7,303.79	2,899.61	-60.30
3	Share of Central Taxes	26,775.56	18,629.32	-30.42
4	Grants-in-Aid from GoI	34,641.71	26,239.65	-24.25
5	Revenue Receipts (1+2+3+4)	91,930.80	64,902.19	-29.40
6	Revenue Expenditure	82,776.98	64,519.59	-22.06
7	Revenue Deficit (-)/ Surplus (+) (5-6)	9,153.82	382.60	-95.82
8	Fiscal Deficit (-)/ Surplus (+)	-9,382.71	-12,102.03	28.98
9	Debt-GSDP ratio (per cent)	19.50	25.10	28.72
10	GSDP growth rate at current prices (per cent)	15.00	3.89	-74.07

As can be seen from the table above, the projections made in MTFP relating to two key fiscal parameters *i.e.*, Revenue Surplus and Fiscal Deficit deviated significantly by 96 per cent and 29 per cent respectively during 2020-21 as compared to the projections. Projections relating to Debt-GSDP ratio and growth rate of GSDP were not met, with the year ending at a higher Debt to GSDP ratio, and with lower growth in GSDP than was projected in the MTFP.

1.5.3 Trends of Deficit/ Surplus

The trends of key surplus and deficits parameters over the five-year period from 2016-17 to 2020-21 are depicted in **Chart 1.6** and trends in surplus or deficit relative to GSDP are given in **Chart 1.7**.

Chart 1.6: Trends in Surplus/ Deficit

(₹ in crore)

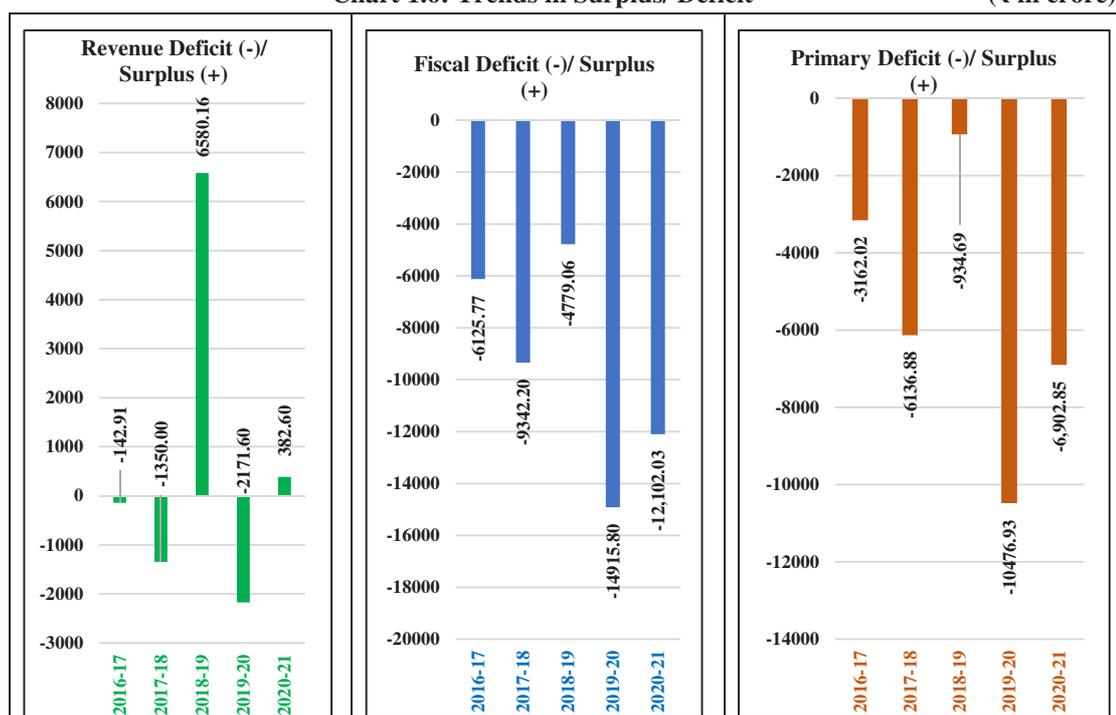
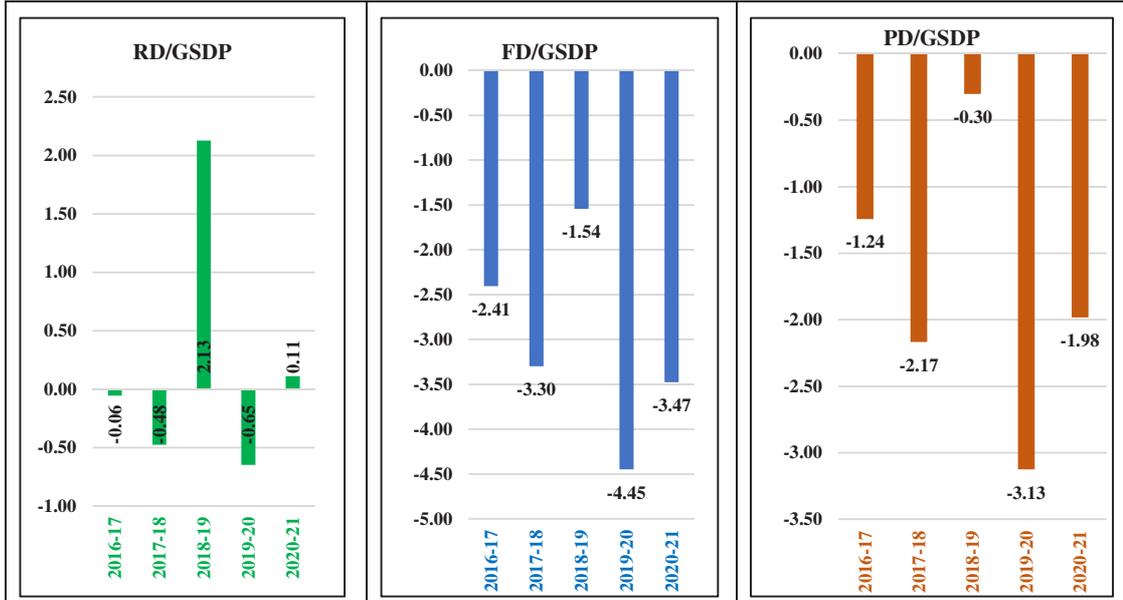


Chart 1.7: Trends in Surplus/ Deficit relative to GSDP

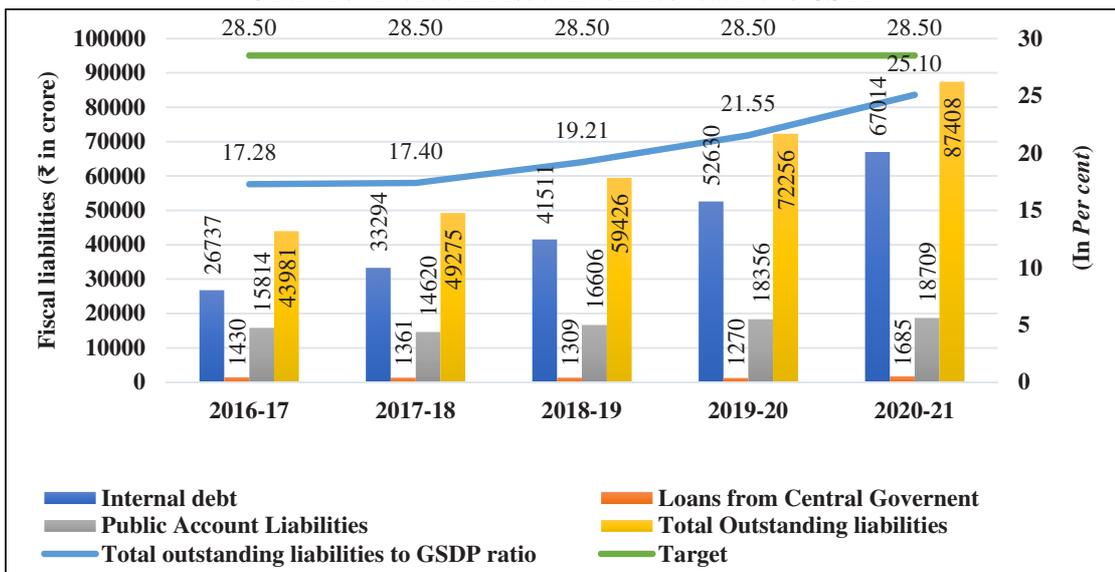


During the year, it achieved Revenue Surplus of ₹ 382.60 crore² as against the Revenue Deficit of ₹ 2,171.60 crore³ during the previous year. There was a slight fall in Fiscal Deficit of the State, which decreased to ₹ 12,102.03 crore during 2020-21, or 3.47 per cent of the GSDP, as compared to ₹ 14,916 crore during the previous year, and constituted 16 per cent of Total Expenditure. The Primary Deficit of the State decreased from ₹ 10,477 crore in 2019-20 to ₹ 6,903 crore in 2020-21 and stood at 1.98 per cent of GSDP.

1.5.4 Trends in Fiscal Liabilities relative to GSDP

Trends in fiscal liabilities of the State, its components and its ratio to GSDP during the last five years i.e., 2016-21 are given in Chart 1.8.

Chart 1.8: Trends in Fiscal Liabilities relative to GSDP



² To be read with post audit deficits as detailed in paragraph 1.6
³ It includes non-accountal of GIA of ₹ 849.40 crore under Uday

It is evident from **Chart 1.8** that over five-year period, fiscal liabilities of the State had increased by 98.74 *per cent* from ₹ 43,981 crore in 2016-17 to ₹ 87,408 crore in 2020-21. However, the ratio of fiscal liabilities with respect to GSDP during the period remained less than 28.50 *per cent i.e.*, limit fixed under AFRBM Act, 2011.

1.6 Deficits and Total Debt after examination in audit

In order to present a better picture of State Finances, there is a tendency to classify Revenue Expenditure as capital expenditure and to conduct off-budget fiscal operations.

1.6.1 Post audit – Deficits

Misclassification of Revenue Expenditure as capital and off-budget fiscal operations impacts deficit figures. Besides, deferment of clear cut liabilities, short contribution to National Pension System (NPS), sinking and redemption funds, *etc.* also impacts the revenue and fiscal deficit figures.

The impact on Revenue Surplus and Fiscal Deficit due to misclassification, short contribution to earmarked funds and non-discharge of interest liabilities during 2020-21 is shown in **Table 1.6**.

Table 1.6: Revenue and Fiscal Deficit, post examination by Audit

Sl. No.	Particulars	Impact on Revenue Surplus (Understated (-)/ overstated (+)) (₹ in crore)	Impact on Fiscal Deficit (Understated (+)) (₹ in crore)
1	Major works budgeted/ booked under Revenue Section instead of Capital	-386.56	0
2	Minor works budgeted/ booked under Capital Section instead of Revenue	80.75	0
3	Maintenance Expenditure classified as Capital instead of Revenue	2.06	0
4	Grants-in-Aid booked under Capital Section instead of Revenue	5,640.47	0
5	Non discharge of Interest liabilities on SDRF, NPS <i>etc.</i> ⁴	102.79	102.79
6	Short transfer of fund to SDRF	258.64	258.64
7	Non-transfer of Central Government grant towards CRF into Central Road Fund	43.78	43.78
8	Non-reporting of Pension payments	1,209.08	1,209.08
Total (Net) impact		6,951.01	1,614.29

Source: Finance Accounts

As per IGAS 2, Grants-in-aid disbursed by a grantor 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 President on the advice of the Comptroller and Auditor

⁴ Non-discharge of Interest on SDRF - ₹ 43.51 crore; Reserve Funds bearing interest on SCAF-₹ 30.84 crore; Deposit bearing Interest on NPS, *etc.*- ₹ 28.44 crore.

General of India. It is observed that grants-in-aid of ₹ 5,640.47 crore was erroneously booked under Capital Section instead of Revenue, in violation of IGAS 2.

As can be seen from the above table, there was an overstatement of Revenue Surplus by ₹ 6,951.01 crore during the year. Thus, after taking into account the items of misclassification/ non-reporting of expenditure during the year as brought out in the table above, the State could have ended in Revenue Deficit ₹ 6,568.41 crore during 2020-21.

Further, Fiscal Deficit of the State was also understated by ₹ 1,614.29 crore during 2020-21. If this is taken into account, the actual Fiscal Deficit would have been ₹ 13,716.32 crore instead of ₹ 12,102.03 crore as reported in the Finance Accounts of 2020-21. Further, ratio of Fiscal Deficit to GSDP could have been 3.94 *per cent* instead of 3.47 *per cent* as reported in the Finance Accounts of the year.

During the Exit Conference (December 2021), the Commissioner and Secretary, Finance Department assured to take necessary steps for correct classification and timely reporting of expenditure as pointed by Audit.

1.6.2 Total Outstanding Liabilities

The total outstanding liabilities of the State were ₹ 87,407.79 crore as of 31 March 2021. Further details *i.e.*, components and sub-components of outstanding liabilities are given in **Table 1.7**.

Table 1.7: Components of Outstanding Liabilities

Liabilities upon the Consolidated Fund (Public Debt)	Internal Debt: ₹ 67,014.07 crore
	<ul style="list-style-type: none"> ➤ Market Loans bearing interest: ₹ 55,781.00 crore ➤ Market Loans not bearing interest: ₹ 0.01 crore ➤ Loans from other Institutions, <i>etc.</i>: ₹ 4,788.41 crore ➤ Special Securities issued to the National Small Savings Fund of the Central Government: ₹ 6,444.65 crore
Liabilities upon Public Account	Loans and Advances from Central Government: ₹ 1,684.68 crore
	<ul style="list-style-type: none"> ➤ Non-plan Loans: ₹ 87.38 crore ➤ Loans for Central Plan Schemes: ₹ 0.08 crore ➤ Loans for Special Schemes: ₹ 61.57 crore ➤ Pre-1984-85 Loans: ₹ 0.24 crore ➤ Other loans for States/Union Territory with Legislative Scheme: ₹ 1,535.41 crore*
Borrowings by State Public Sector Companies, corporations and other bodies	Nil
Borrowing by SPVs and other equivalent instruments	

*Excludes loan of ₹ 994.00 crore given as back-to-back loan by Government of India during 2020-21

1.7 Conclusion

- The GSDP of Assam grew from ₹ 2,54,478 crore in 2016-17 to ₹ 3,48,277 crore in 2020-21 with Compounded Annual Growth Rate (CAGR) of 8.16 *per cent* against the national CAGR of 6.43 *per cent*. However, there was a significant decline in the growth rate of GSDP from 11.63 *per cent* in 2016-17 to 3.89 *per cent* in 2020-21 due to impact of pandemic Covid-19.
- The State could achieve Revenue Surplus in only two years out of the five-year period from 2016-17 to 2020-21. During 2020-21, the State achieved a Revenue Surplus of ₹ 382.60 crore against a Revenue Deficit of ₹ 2,171.60 crore in 2019-20.
- The State was successful in containing the Fiscal Deficit below the target fixed under AFRBM Act in three out of the last five years. During the current year *i.e.*, 2020-21, Fiscal Deficit of the State stood at 3.47 *per cent* of GSDP, which was below the borrowing limit of 5.50 *per cent* fixed under AFRBM Act, 2020. In absolute terms, Fiscal Deficit decreased by ₹ 2,813.77 crore (18.86 *per cent*) from ₹ 14,915.80 crore in 2019-20 to ₹ 12,102.03 crore in 2020-21.
- During the five-year period 2016-21, outstanding debt of the State remained consistently below 28.50 *per cent* of GSDP, *i.e.*, within the norms prescribed in the AFRBM Act, 2011. However, the outstanding debt during 2020-21 (₹ 87,407.79 crore) increased by ₹ 15,151.27 crore (20.97 *per cent*) as compared to ₹ 72,256.52 crore during 2019-20.
- There was an overstatement of Revenue Surplus by ₹ 6,951.01 crore during the year. After taking into account the items of misclassification/non-reporting of expenditure during the year, the State could have ended in Revenue Deficit ₹ 6,568.41 crore instead of Revenue Surplus of ₹ 382.60 crore.
- Fiscal Deficit of the State was also understated by ₹ 1,614.29 crore during 2020-21. If this is taken into account, the actual Fiscal Deficit would have been ₹ 13,716.32 crore instead of ₹ 12,102.03 crore. Further, ratio of Fiscal Deficit to GSDP would have been 3.94 *per cent* instead of 3.47 *per cent*.

1.8 Recommendations

- i. The State Government may make concrete efforts to augment own resources of revenue, especially non-tax revenue to reduce its fiscal deficit.*
- ii. Considering the increasing outstanding debt of the State, the Government may take appropriate steps to rationalise its committed Revenue Expenditure.*
- iii. The State Government may book grants-in-aid as Revenue Expenditure to present correct financial position of the State. Similarly, it may consider discharging its interest liabilities on time, transfer money to the Consolidated Fund and reconcile the accounting discrepancies with the Reserve Bank of India/ Banks as regards pension payments of the State.*

Chapter 2

Finances of the State

Chapter 2

Finances of the State

2.1 Introduction

This Chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the five-year period from 2016-17 to 2020-21, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State. Information was also obtained from the State Government where necessary.

2.2 Major changes in Key Fiscal Aggregates during 2020-21 vis-à-vis 2019-20

Table 2.1 gives a bird's eye view of the major changes in key fiscal aggregates of the State during the financial year, compared to the previous year.

Each of these indicators is analysed in the succeeding paragraphs.

Table 2.1: Changes in key fiscal aggregates in 2020-21 compared to 2019-20

Revenue Receipts	<ul style="list-style-type: none">➤ Revenue Receipts of the State increased marginally by 0.63 per cent➤ Own Tax Receipts of the State increased by 3.66 per cent➤ Own Non-Tax Receipts decreased by 47.65 per cent➤ State's Share of Union Taxes and Duties decreased by 14.24 per cent➤ Grants-in-Aid from Government of India increased by 26.73 per cent
Revenue Expenditure	<ul style="list-style-type: none">➤ Revenue Expenditure decreased by 3.22 per cent➤ Revenue Expenditure on General Services increased by 2.42 per cent➤ Revenue Expenditure on Social Services decreased by 0.16 per cent➤ Revenue Expenditure on Economic Services decreased by 17.82 per cent➤ Expenditure on Grants-in-Aid to Local bodies increased by 2.93 per cent
Capital Expenditure	<ul style="list-style-type: none">➤ Capital Expenditure decreased by 7.94 per cent➤ Capital Expenditure on General Services increased by 2.31 per cent➤ Capital Expenditure on Social Services increased by 39.84 per cent➤ Capital Expenditure on Economic Services decreased by 15.53 per cent
Loans and Advances	<ul style="list-style-type: none">➤ Disbursements of Loans and Advances decreased by 72.23 per cent➤ Recoveries of Loans and Advances decreased significantly by 99.78 per cent
Public Debt	<ul style="list-style-type: none">➤ Public Debt Receipts increased by 25.90 per cent➤ Repayment of Public Debt decreased by 32.22 per cent
Public Account	<ul style="list-style-type: none">➤ Public Account Receipts decreased by 14.77 per cent➤ Public Account Disbursements decreased by 9.30 per cent
Cash Balance	<ul style="list-style-type: none">➤ Cash balance increased by ₹ 4,370.58 crore (42.52 per cent)

Each of the above indicators is analysed in the succeeding paragraphs.

2.3 Sources and Application of Funds

This section compares the components of the sources and application of funds of the State during the financial year compared to the previous year.

Table 2.2: Details of Sources and Application of funds during 2019-20 and 2020-21

(₹ in crore)

	Particulars	2019-20	2020-21	Increase (+) / Decrease (-)
Sources	Opening Cash Balance with RBI	-563.08	2,980.20	3,543.28
	Revenue Receipts	64,495.08	64,902.19	407.11
	Recoveries of Loans & Advances	1,140.51	2.56	-1,137.95
	Public Debt Receipts (Net)	11,080.37	15,792.20	4,711.83
	Contingency Fund Receipts	100.00	0.00	-100.00
	Public Account Receipts (Net)	7,278.71	-2,973.61	-10,252.32
	Total	83,531.59	80,703.54	-2,828.05
Application	Revenue Expenditure	66,666.68	64,519.59	-2,147.09
	Capital Expenditure	13,468.55	12,399.39	-1,069.16
	Disbursements of Loans & Advances	316.16	87.80	-228.36
	Appropriation to Contingency Fund	100.00	0.00	-100.00
	Closing Cash Balance with RBI	2,980.20	3,696.76	716.56
	Total	83,531.59	80,703.54	-2,828.05

Chart 2.1: Composition of Resources (per cent)

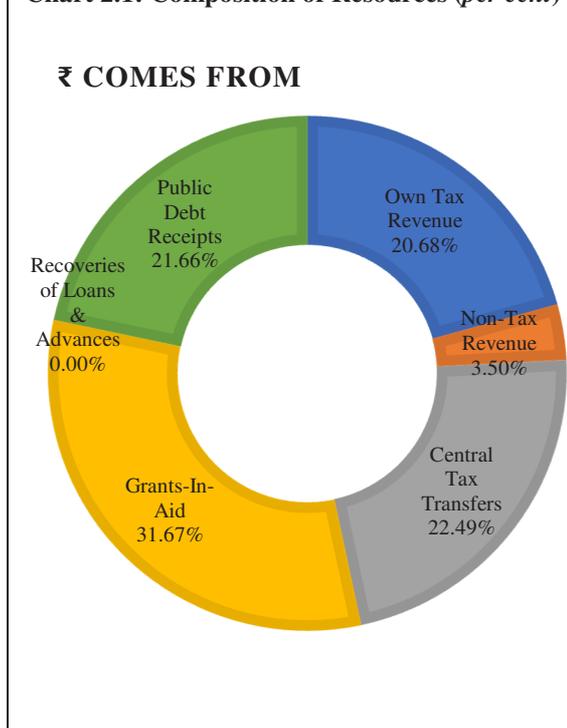
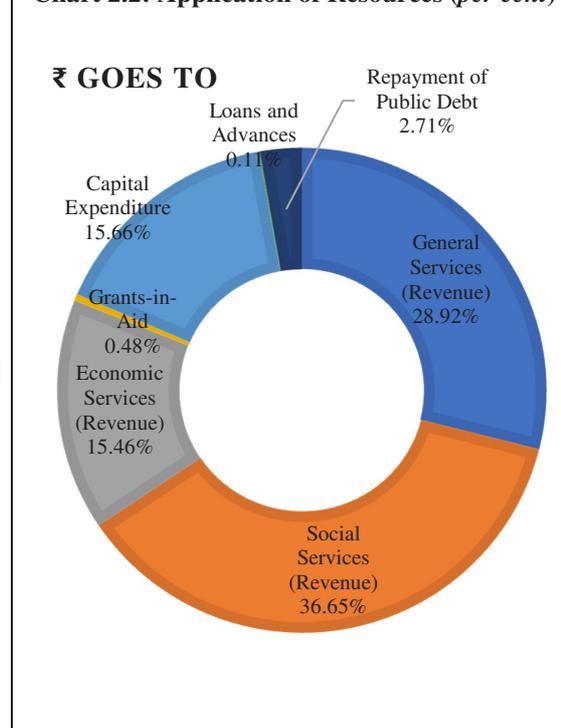


Chart 2.2: Application of Resources (per cent)



2.4 Resources of the State

The resources of the State are described below:

1. **Revenue Receipts** consist of tax revenue, non-tax revenue, State's share of Union taxes and duties and grants-in-aid from the Government of India (GoI).
2. **Capital receipts** comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks) and loans and advances from GoI. Both Revenue and Capital receipts form part of the Consolidated Fund of the State.
3. **Net Public Account receipts:** There are receipts and disbursements in respect of

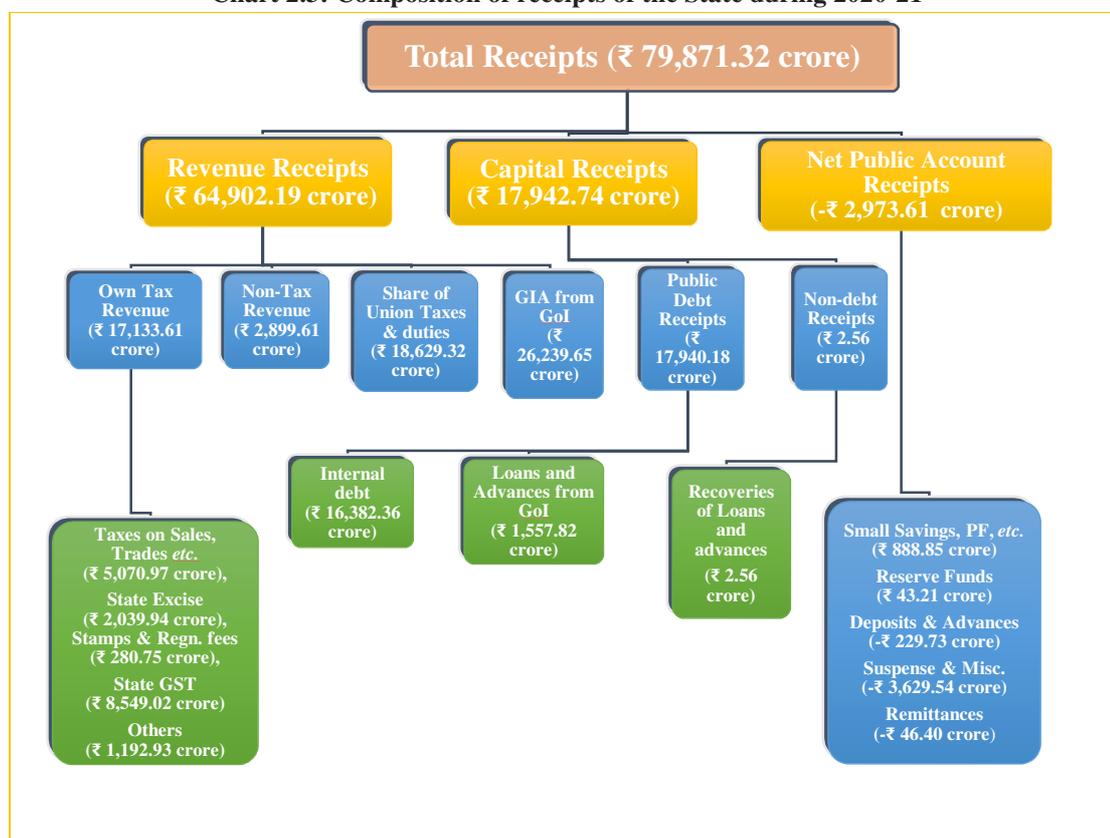
certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.* which do not form part of the Consolidated Fund. These are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. Here, the Government acts as a banker. The balance after disbursements is the fund available with the Government for use.

2.4.1 Receipts of the State

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

Composition of receipts of the State during 2020-21 is given in **Chart 2.3**.

Chart 2.3: Composition of receipts of the State during 2020-21



2.4.2 State's Revenue Receipts

This paragraph gives the trends in total Revenue Receipts and its components. It is followed by trends in the receipts bifurcated into receipts from the central government and State's own receipts. Wherever necessary, sub-paragraphs are included.

2.4.2.1 Trends and growth of Revenue Receipts

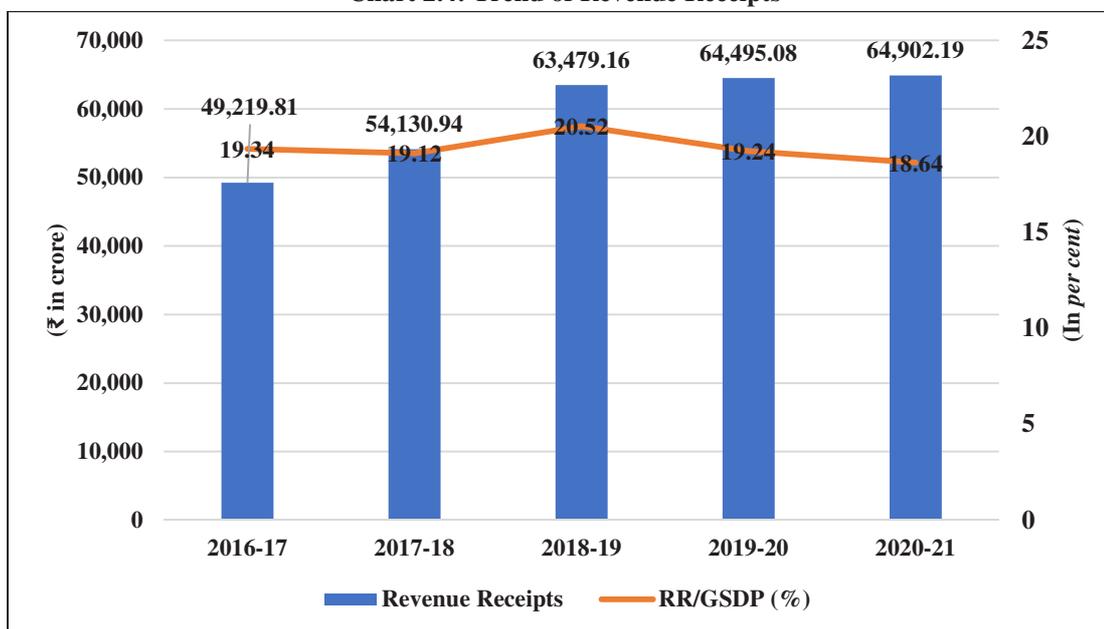
Table 2.3 provides the trends and growth of Revenue Receipts as well as revenue buoyancy with respect to GSDP over the five-year period 2016-21. Further, trends in Revenue Receipts relative to GSDP and composition of Revenue Receipts are given in **Charts 2.4** and **2.5** respectively.

Table 2.3: Trend in Revenue Receipts

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Revenue Receipts (RR) (₹ in crore)	49,219.81	54,130.94	63,479.16	64,495.08	64,902.19
Rate of growth of RR (per cent)	15.93	9.98	17.27	1.60	0.63
Own Tax Revenue (₹ in crore)	12,079.56	13,215.52	15,924.85	16,528.69	17,133.61
Non-Tax Revenue (₹ in crore)	4,353.13	4,071.97	8,221.29	5,539.34	2,899.61
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (per cent)	27.90	5.20	39.67	-8.61	-9.22
Gross State Domestic Product (₹ in crore) (2011-12 Series)	2,54,478.25	2,83,164.90	3,09,336.32	3,35,238.11 (P.E.)	3,48,277.17 (Q.E.)
Rate of growth of GSDP (per cent)	11.63	11.27	9.24	8.37	3.89
RR/GSDP (per cent)	19.34	19.12	20.52	19.24	18.64
Buoyancy Ratios⁵					
Revenue Buoyancy w.r.t GSDP	1.37	0.89	1.87	0.19	0.16
State's Own Revenue Buoyancy w.r.t GSDP	2.40	0.46	4.29	-1.03	-2.37

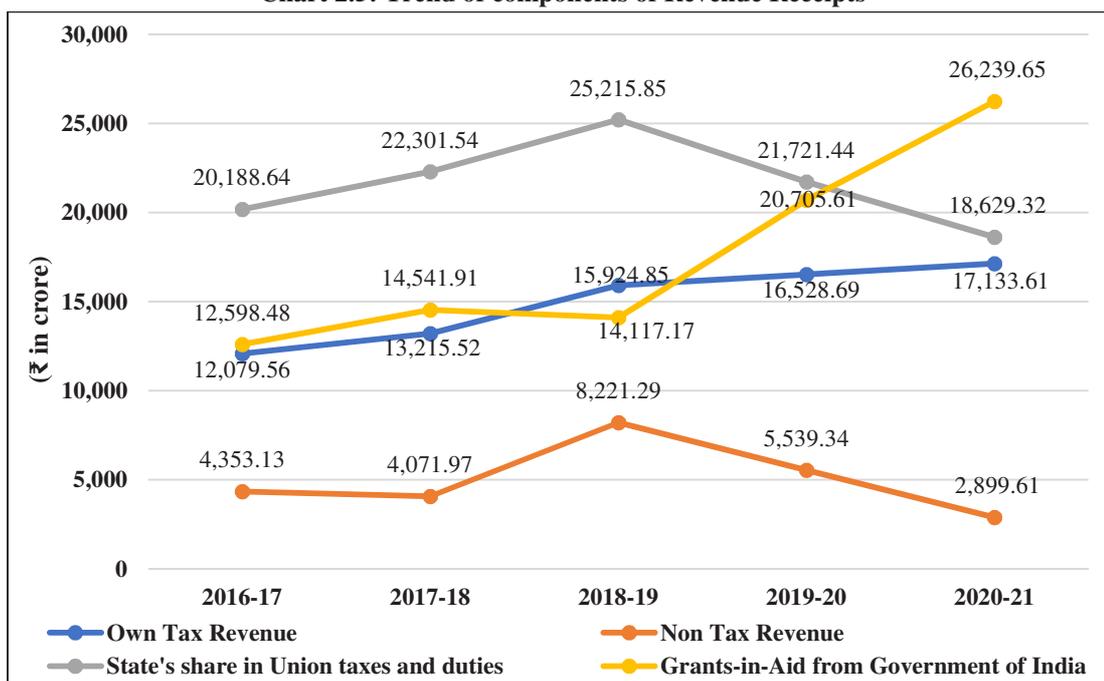
Source of GSDP figures: Directorate of Economics and Statistics, Assam;
P.E. - Provisional Estimates; Q.E. - Quick Estimates

Chart 2.4: Trend of Revenue Receipts



⁵ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 0.16 implies that Revenue Receipts tend to increase by 0.16 percentage points, if the GSDP increases by one per cent.

Chart 2.5: Trend of components of Revenue Receipts



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

- Revenue Receipts increased by 31.86 per cent from ₹ 49,219.81 crore in 2016-17 to ₹ 64,902.19 crore in 2020-21 at an annual average growth rate of 6.37 per cent. During 2020-21, Revenue Receipts increased marginally by ₹ 407.11 crore (0.63 per cent) over the previous year. As a percentage of GSDP, the Revenue Receipts decreased from 19.24 per cent in 2019-20 to 18.64 per cent in 2020-21, primarily on account of the sharp decrease in the Own Non-Tax Receipts and State's share in Union Taxes and Duties.
- During 2020-21, State's own revenue constituted 30.87 per cent of Revenue Receipts and remaining 69.13 per cent came from Government of India as Central tax transfers and Grant-in-Aid. The Grants-in-Aid from Government of India increased significantly by 26.73 per cent (₹ 5,534.04 crore) from ₹ 20,705.61 crore in 2019-20 to ₹ 26,239.65 crore in 2020-21.
- There was a marginal increase of Revenue Receipts of 0.63 per cent (₹ 407.11 crore) and decrease in Revenue Expenditure of 3.22 per cent (₹ 2,147.09 crore) vis-à-vis previous year.

2.4.2.2 State's Own Resources

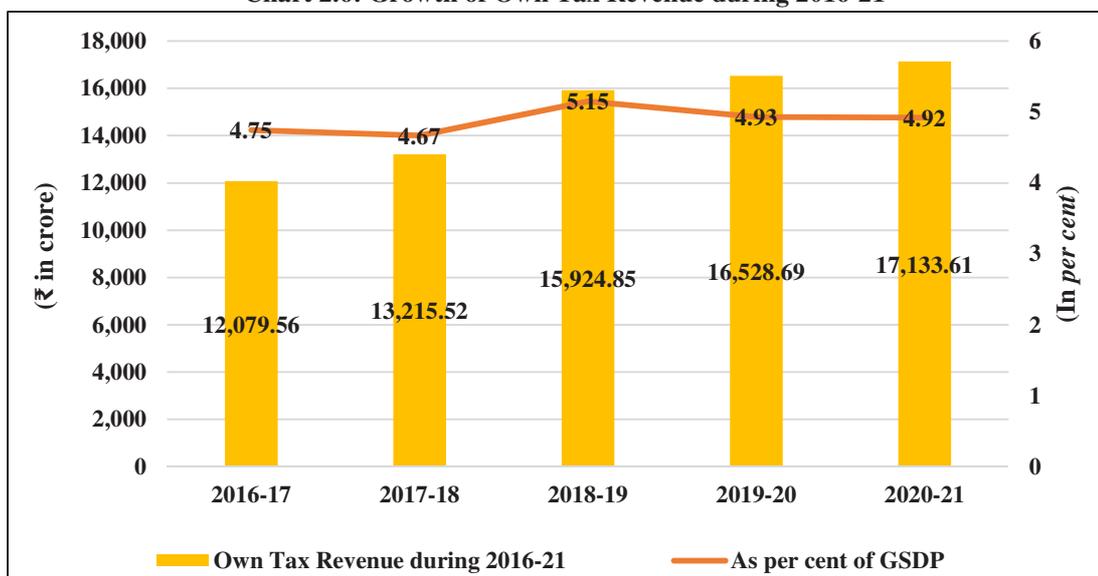
State's share in Central taxes is determined on the basis of recommendations of the Finance Commission; share of Grants-in-Aid are determined by the quantum of collection of Central tax receipts and anticipated Central assistance for schemes, etc. State's performance in mobilisation of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

Own Tax Revenue

Own Tax Revenue of the State consists of State GST, State excise, taxes on vehicles, Stamps duty and Registration fees, Land revenue, taxes on goods and passengers, *etc.*

The total collection of Own Tax Revenue of the State and its ratio to GSDP during the five-year period *i.e.*, 2016-21 is given in **Chart 2.6**.

Chart 2.6: Growth of Own Tax Revenue during 2016-21



The component-wise details of Own Tax Revenue collected during the years 2016-21 were as follows.

Table 2.4: Components of State's Own Tax Revenue during 2016-21

Heads	2016-17	2017-18	2018-19	2019-20	2020-21	
					Budget Estimates	Actuals
State Goods and Services Tax	0.00	4,077.67	8,393.04	8,755.30	13,935.11	8,549.02
Taxes on Sales, Trades, <i>etc.</i>	8,751.63	6,373.00	4,698.74	4,480.96	5,340.73	5,070.97
State Excise	963.81	1,095.16	1,399.84	1,650.03	1,750.00	2,039.94
Taxes on Vehicles	521.59	646.96	765.01	815.82	1,077.97	723.98
Stamps and Registration Fees	226.78	239.17	240.72	292.65	400.18	280.75
Land Revenue	210.02	219.39	163.22	94.16	276.19	116.81
Other Taxes ⁶	1,405.73	564.17	264.28	439.77	429.56	352.14
Total	12,079.56	13,215.52	15,924.85	16,528.69	23,209.74	17,133.61

Source: Finance Accounts

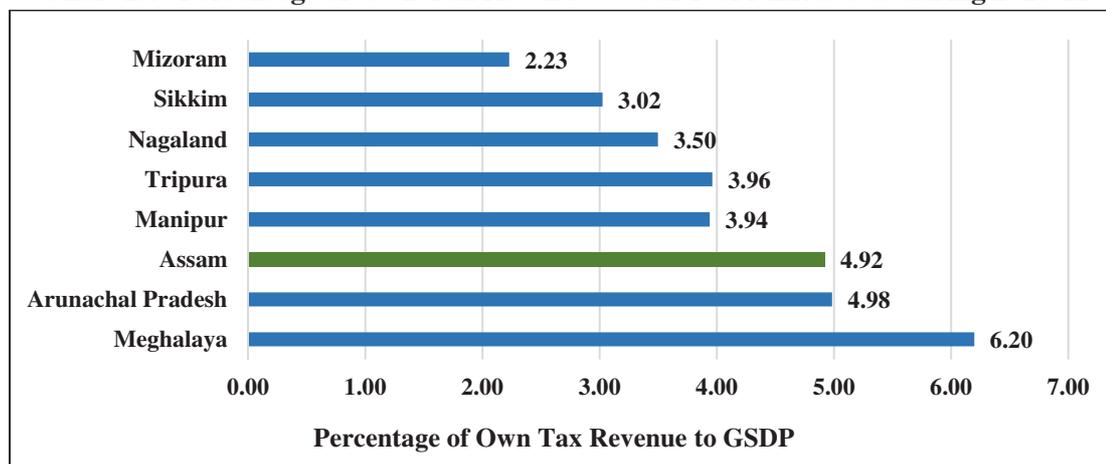
Own Tax Revenue of the State increased by ₹ 5,054.05 crore from ₹ 12,079.56 crore in 2016-17 to ₹ 17,133.61 crore in 2020-21 at an average annual rate of 8.37 *per cent*. During the current year, major contributors of Tax Revenue were State Goods and

⁶ Other Taxes include taxes on agricultural income, taxes on goods and passengers, taxes and duties on electricity and other taxes and duties on commodities and services, *etc.*

Services Tax (49.90 per cent), Taxes on Sales, Trades etc. (29.60 per cent) and State Excise (11.91 per cent).

During 2020-21, State's Own Tax Revenue of ₹ 17,133.61 crore at 4.92 per cent of GSDP was lower than that of Meghalaya (6.20 per cent) and Arunachal Pradesh (4.98 per cent) but higher than the other NER States as shown in **Chart 2.7**.

Chart 2.7: Percentage of Own Tax Revenue to GSDP of NER States during 2020-21



State Goods and Services Tax

The Union Government rolled out the Goods and Services Tax (GST) on July 01, 2017. The Assam Goods and Services Tax (AGST) Act, 2017 was passed by the State Legislature in June 2017 and came into effect from 01 July 2017.

As per the GST (Compensation to States) Act, 2017, States will be compensated for the shortfall in revenue arising on account of implementation of the goods and services tax considering an annual growth of 14 per cent from the base year 2015-16, for a period of five years. The centre levies the Integrated GST (IGST) on inter-state supply of goods and services, and apportions the state's share of tax to the State where the goods or services are consumed.

Actual collection of revenue under State Goods and Services Tax (SGST) from 2017-18 to 2020-21 is given in **Table 2.5**.

Table 2.5: SGST receipts of Government of Assam

(₹ in crore)					
State Goods and Services Tax (SGST)	2017-18	2018-19	2019-20	2020-21	Increase / Decrease over previous year
Tax (Minor Head: 101, 105)	3,613.48	7,094.96	8,248.97	7,063.66	(-) 1,185.31
IGST Apportionment (Minor Head: 106, 110)	453.39	1,235.73	332.16	993.87	(+) 661.71
Others (Minor Head: 102,103, 104, 500, 800)	10.80	62.35	174.17	491.49	(+) 317.32
SGST collection	4,077.67	8,393.04	8,755.30	8,549.02	(-) 206.28

Source: Finance Accounts

During 2020-21, SGST collection of the State decreased marginally by 2.36 per cent (₹ 206.28 crore) over the previous year.

Further, in accordance with Section 6 of GST (Compensation to States) Act, 2017, the protected revenue of the State for the year 2020-21 was fixed at ₹ 11,524.57 crore by taking into consideration the revenue collection of 2015-16 (₹ 5,985.50 crore) as base year with annual growth calculated @ 14 per cent. Since the SGST receipts in 2020-21 fell short of the protected revenue, in keeping with the GST (Compensation to States) Act, the State Government received a compensation of ₹ 2,363.60 crore during the year, on account of loss of revenue arising out of implementation of GST. Out of the compensation of ₹ 2,363.60 crore received during the year, an amount of ₹ 994.00 crore was received by the State Government as Back to Back loans in lieu of GST Compensation, due to inadequate balance in GST Compensation Fund, under debt receipts, with no repayment liability to the State.

Analysis of arrears of revenue and arrears of assessment

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

Analysis of arrears of revenue

The arrears of revenue as on 31 March 2021 in respect of the Finance (Taxation), Excise, Transport, Mines and Minerals Departments amounted to ₹ 4,486.80 crore of which ₹ 3,749.40 crore was outstanding for more than five years, as detailed in **Table 2.6**

Table 2.6: Arrears of revenue

(₹ in crore)

Sl. No.	Head of Revenue	Name of Department	Amount outstanding as on 31 March 2021		Replies of the Department
			Total	For more than five years	
1	0022-Taxes on Agricultural Income	Finance (Taxation)	68.50	49.54	Following are the reasons for the pending arrears: Some amounts become arrears when the amounts are not paid by the dealers on due date. The assessing Officer issues notices to the defaulters for payment of arrears and tries his best to realise the amount. Such arrears are paid by the concerned dealers with interest. Current arrears are also included in the above amount. For the amount which cannot be realised by the assessing officers in spite of all efforts, arrear certificates are issued by the assessing officers to the <i>Bakijai</i> (Revenue) officers for realisation of the amount and these amounts remain as arrear with the Superintendent of Taxes
2	0028-Other Taxes On Income and Expenditure		3.01	2.28	
3	0029-Land Revenue		2525.82	2031.87	
4	0040-Tax on Sales, Trade, etc.		1670.78	1486.06	
5	0042-Taxes on Goods and Passengers		80.05	50.12	
6	0043-Taxes and Duties on Electricity		32.55	27.28	
7	0045-Other Taxes and Duties on Commodities and Services		5.30	3.68	

Sl. No.	Head of Revenue	Name of Department	Amount outstanding as on 31 March 2021		Replies of the Department
			Total	For more than five years	
					(Recovery) till recovery of the said arrear amount. Pending cases involving arrears of revenue in High Court/ Supreme Court/ Board of Revenue and with Appellate/ Revision Authority. Un traceability of dealers at the time of realisation of dues, etc.
8	0039-State Excise	Excise	69.54	69.54	Due to non-payment of levies by the wholesale warehouse in due time.
9	0041-Taxes on vehicles	Transport	31.17	28.95	Shortage of Enforcement personnel/ staff and inadequate infrastructure in respect of enforcement drive due to ongoing Covid-19 Pandemic
10	0853-Non-ferrous Mining and Metallurgical Industries	Mines and Minerals	0.08	0.08	Non-payment of royalty on limestone by NECEM Cement Ltd. for 2005-06, 2006-07 and 2011-12 (₹ 8,15,789)
Total			4,486.80	3,749.40	

Clearance of arrears of such magnitude requires focused efforts by the departments concerned and a push for coordination with other departments such as banks, police department and quasi-judicial/ judicial bodies involved in the process of recovery.

Arrears in Assessments

The details of arrears in assessment pending at the beginning of the year, cases becoming due for assessment during the year, cases disposed of during the year and number of cases pending for assessment at the end of the year as furnished by the Finance (Taxation) Department in respect of various taxation Acts are given in **Table 2.7**.

Table 2.7: Arrears in assessment

Nomenclature of the Act	Arrears of assessment due as on 31 March 2020	New cases due for assessments during 2020-21	Total assessment due	Cases disposed during 2020-21	Balance at the end of the year 2020-21	Percentage of disposal (col. 5 to 4)
1	2	3	4 (2+3)	5	6 (4-5)	7
Sales Tax (VAT/ CST Acts)	20,501	3,223	23,724	8,050	15,674	33.93
Entry Tax Act	2,500	85	2,585	304	2,281	11.76
Profession Traders, Callings and Employment Taxation Act	508	4,806	5,314	753	4561	14.17
Taxation (on Specified Lands) Acts	46,551	76	46,627	1,120	45,507	2.40
Agricultural Income Tax Act	2,769	87	2,856	147	2,709	5.15
Amusement and Betting Taxation Act	220	0	220	28	192	12.73

Nomenclature of the Act	Arrears of assessment due as on 31 March 2020	New cases due for assessments during 2020-21	Total assessment due	Cases disposed during 2020-21	Balance at the end of the year 2020-21	Percentage of disposal (col. 5 to 4)
Luxury (Hotel & Lodging Houses) Act	266	0	266	39	227	14.66
Electricity Duty Act	1,975	16	1,991	589	1,402	29.58
Total	75,290	8,293	83,583	11,030	72,553	13.20

Above table indicates that the assessments pending at the end of the year increased over the previous year in respect of one head of revenue (Profession Traders, Callings and Employment Taxation Act). The percentage of disposal of cases due for assessment in overall cases was 13.20 *per cent* during the year. In respect of Taxation (on Specified Lands) Act and Agricultural Income Tax Act, percentage of disposal of cases at 2.40 *per cent* and 5.15 *per cent* respectively were, however, very poor. Pendency in assessment may result in non/ short realisation of Government revenues and further accumulation in arrears of revenue.

Details of evasion of tax detected by Department

The cases of evasion of tax detected by the Taxation Department, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government. Promptness in disposal of refund cases is an important indicator of performance of the Department. The cases of evasion of tax detected by the Taxation and Excise Department and cases finalised and the demands for additional tax raised are shown in **Table 2.8**.

Table 2.8: Evasion of Tax Detected

Sl. No.	Head of Revenue	Cases pending as on 31 March 2020	Cases detected during 2020-21	Total	Cases in which additional demand with penalty, etc. raised		No. of cases pending as on 31 March 2021
					No.	Amount (₹ in crore)	
1.	GST	0	306	306	306	11.70	0
2.	State Excise	4	0	4	4	43.94	4
	Total	4	306	310	310	55.64	4

Source: Information furnished by Government of Assam

Thus, the Government of Assam had raised a demand of ₹ 55.64 crore relating to 310 cases of evasion of Tax as of 31 March 2021.

Non-Tax Revenue

Non-Tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts, etc. The component-wise details of Non-Tax Revenue collected during the years 2016-21 are given in **Table 2.9**.

Table 2.9: Component-wise Non-Tax Revenue during 2016-21

Heads	2016-17	2017-18	2018-19	2019-20	2020-21	
					BEs	Actuals
Interest receipts	475.40	305.39	588.09	666.86	950.94	235.87
Dividend and Profit	124.44	225.55	153.24	30.64	195.68	481.89
Petroleum	3,101.96	2,533.20	5,642.66	3,805.34	3,198.90	1,468.55
Forestry and Wild Life	215.85	250.74	364.27	416.06	465.13	352.89
Other Administrative Services	210.46	75.74	211.90	103.17	320.57	95.72
Others	225.02	681.35	1,261.13	517.27	2,172.57	264.69
Total	4,353.13	4,071.97	8,221.29	5,539.34	7,303.79	2,899.61

Source: Finance Accounts

Non-Tax Revenue, which ranged between 13 *per cent* (2018-19) and four *per cent* (2020-21) of Total Revenue Receipts of the State during the five-year period from 2016-17 to 2020-21, decreased significantly by ₹ 2,639.73 crore (47.65 *per cent*) during 2020-21 over the previous year. Major contributors of Non-Tax Revenue during 2020-21 were Petroleum (₹ 1,468.55 crore), followed by Dividends and Profits (₹ 481.89 crore) and Forestry and Wild Life (₹ 352.89 crore).

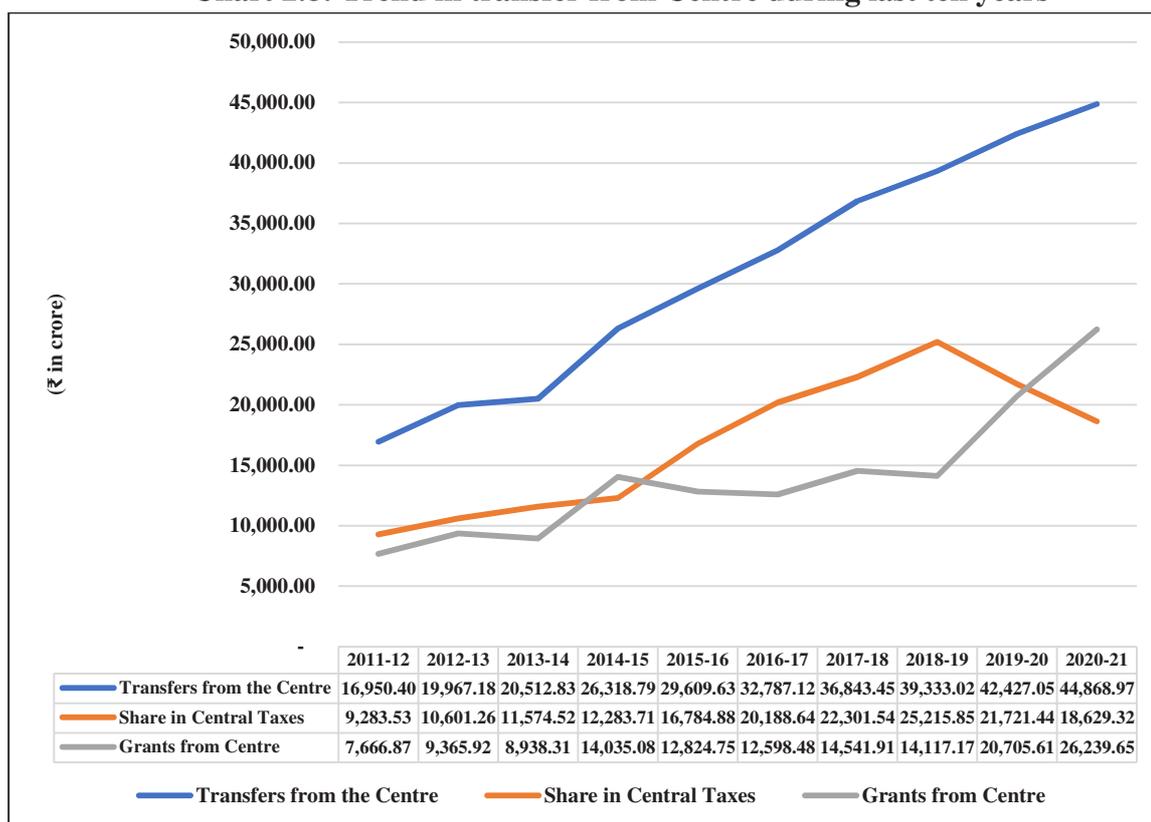
2.4.2.3 Transfers from the Centre

During last 10 years from 2011-12 to 2020-21, there were three Central Finance Commissions (XIII FC, XIV FC and XV FC) constituted by the Central Government. As per recommendations of these FCs, the State Government had received its share of devolved taxes, as also certain grants recommended by FC. In addition, the State received significant amount of Grants from the Central Government for implementation of various schemes in the State.

The XIII FC recommended 32 *per cent* share of Union taxes to the State during the period for 2010-15. Further, the XIV FC increased the percentage of State's Share of Union taxes to 42 *per cent* during the FC award period from 2015-20. This significant increase in the State's share altered the composition of central transfers in favour of statutory transfers from discretionary transfers made earlier. It also led to greater predictability and certainty in the quantum of funds being transferred to the State. As a result, the devolution of State's Share of Union taxes had substantially increased during the XIV FC Award period. The XV FC made a small reduction in percentage of State's Share of Union taxes by one *per cent*, to meet the needs of the newly constituted Union Territories of Jammu and Kashmir and Ladakh, and kept it at 41 *per cent* during the award period of 2020-21 to 2025-26.

The Grant-in-Aid from GoI also increased significantly during the XIV FC period (2015-20) in comparison with those released in XIII FC period (2010-15). This pattern continued during 2020-21 also. The trend and composition of Central Transfers during last ten years are shown in **Chart 2.8**.

Chart 2.8: Trend in transfer from Centre during last ten years



Central Tax Transfers

Actual devolution of Union taxes to the State *vis-à-vis* projection of the Finance Commission is given in **Table 2.10**.

Table 2.10: State's share in Union taxes and duties: Actual devolution *vis-à-vis* Finance Commission projections

(₹ in crore)					
FC	Year	Finance Commission projections	Projections in FCR	Actual tax devolution	Shortfall in Devolution (<i>per cent</i>)
1	2	3	4	5	6 (4-5)
FC-XIII	2010-11	3.628 <i>per cent</i> of net proceeds	7,397	7,968.61	(-) 572 (-7.7)
	2011-12	of all shareable taxes	8,677	9,283.53	(-) 606 (-7.0)
	2012-13	excluding service tax and	10,234	10,601.26	(-) 367 (-3.6)
	2013-14	3.685 <i>per cent</i> of net proceeds	12,072	11,574.52	497 (4.1)
	2014-15	of sharable service tax	14,240	12,283.71	1,957 (13.7)
Total for XIII FC			52,620	51,711	909 (1.7)
FC-XIV	2015-16	3.311 <i>per cent</i> of net proceeds	19,244	16,784.88	2,459 (12.8)
	2016-17	of all shareable taxes	22,208	20,188.64	2,019 (9.1)
	2017-18	excluding service tax and	25,661	22,301.54	3,360 (13.1)
	2018-19	3.371 <i>per cent</i> of net proceeds	29,687	25,215.85	4,471 (15.1)
	2019-20	of sharable service tax	34,386	21,721.44	12,665 (36.8)
Total for XIV FC			1,31,186	1,06,212.35	24,974 (19)
FC-XV	2020-21	3.131 <i>per cent</i> of net proceeds of all shareable taxes	26,776	18,629.32	8,146.68 (30)

Source: Report of Finance Commissions, and Finance Accounts

As can be seen in **Table 2.10** above, the Actual Tax Devolution fell short of the projections made by the Finance Commission. While the shortfall in projected

devolution was fairly low at 1.7 *per cent* during the FC- XIII period, this shortfall was as high as 19 *per cent* for the FC- XIV period, with the shortfall rising to 36.8 *per cent* in the terminal year of 2019-20. The shortfall continued in the award of FC-XV for the year 2020-21, where the actual tax devolution fell short of the projection by 30 *per cent*.

The shortfall in realisation of Central Tax revenue *vis-à-vis* FC projection, which translates to lower devolution to the States, has greater impact on a State like Assam, which has historically been in receipt of Revenue Deficit (RD) Grants from the FC, with four of the last five FCs, including FC XV, having recommended RD Grants to Assam.

Details of Central tax transfers

The details of Central tax transfers to the State during 2016-21 are given in **Table 2.11**.

Table 2.11: Central Tax Transfers

Head	2016-17	2017-18	2018-19	2019-20	(₹ in crore)	
					2020-21	
					BEs	Actuals
Central Goods and Services Tax	0.00	315.80	6,223.49	6,163.89	7,349.19	5,497.76
Integrated Goods and Services Tax	0.00	2,251.40	496.70	0.00	0.00	0.00
Corporation Tax	6,470.99	6,829.45	8,768.87	7,406.13	7,545.17	5,648.64
Taxes on Income other than Corporation Tax	4,497.36	5,767.00	6,457.89	5,803.21	6,859.25	5,794.53
Customs	2,783.57	2,250.70	1,787.36	1,376.85	1,837.30	964.41
Union Excise Duties	3,178.60	2,352.60	1,187.80	957.27	3111.16	622.41
Service Tax	3,154.60	2,534.80	231.85	0.00	73.49	86.82
Other Taxes	103.52	-0.21	61.89	14.09	1.09	14.75
Central Tax transfers	20,188.64	22,301.54	25,215.85	21,721.44	26,776.65	18,629.32
Percentage variation over previous year	20.28	10.47	13.07	-13.86	--	-14.24
Percentage of Central tax transfers to Revenue Receipts	41.02	41.20	39.72	33.68	--	28.70

Over the five-year period 2016-21, Central tax transfers decreased by 7.72 *per cent* from ₹ 20,188.64 crore in 2016-17 to ₹ 18,629.32 crore in 2020-21, and it also fell far short of the increase projected by FC XV. During the current year, the Central tax transfers decreased significantly by ₹ 3,092.12 crore (14.24 *per cent*) from ₹ 21,721.44 crore in 2019-20 to ₹ 18,629.32 crore in 2020-21.

Grants-in-Aid from Government of India

Grants-in-Aid (GIA) received by the State Government from GoI during 2016-21 are detailed in **Table 2.12**.

Table 2.12: Grants-in-Aid from Government of India

(₹ in crore)

Head	2016-17	2017-18*	2018-19*	2019-20*	2020-21*	
					BEs	Actuals
Non-Plan Grants	966.41	0.00	0.00	0.00	0.00	0.00
Grants for State Plan Schemes	9,111.10	0.00	0.00	0.00	0.00	0.00
Grants for Central Plan Schemes	979.01	0.00	0.00	0.00	0.00	0.00
Grants for Centrally Sponsored Schemes (CSS)	207.23	0.00	0.00	0.00	0.00	0.00
Grants for Special Plan Schemes	146.73	0.00	0.00	0.00	0.00	0.00
Grants for CSS	0.00	11,600.11	11,849.26	14,389.53	39,598.95	13,832.87
Finance Commission Other than Revenue Deficit	0.00	1,283.06	932.20	4,604.07		2,955.00
Finance Commission Revenue Deficit Grants	1,188	0.00	0.00	0.00		7,578.90
Other transfers/ Grants to States/ Union Territories with Legislature	0.00	1,658.74	1,335.71	1,712.01		1,872.88
Total	12,598.48	14,541.91	14,117.17	20,705.61	39,598.95	26,239.65
Percentage variation over the previous year	(-)1.76	15.43	(-)2.92	46.67	--	26.73
Percentage of GIA to Revenue Receipts	25.60	26.86	22.24	32.10	--	40.43

Source: Finance Accounts

*There are no figures in some rows since the nomenclature of plan and non-plan grants was removed with effect from the year 2017-18 and replaced by Grants for CSS, Finance Commission Grants and Other Grants to States.

Grants-in-Aid from GoI increased by ₹ 5,534.04 crore (26.73 per cent) during the year compared to the previous year, primarily on account of the Post Devolution Revenue Deficit (RD) Grant of ₹ 7,578.90 crore received during the year based on the recommendation of FC XV. Besides RD Grant, Finance Commission Grants were provided to the State for Local Bodies (₹ 2,183.00 crore) and for State Disaster Response Fund (₹ 772.00 crore) which together (₹ 10,533.90 crore) constituted 40 per cent of total grants received during the year.

GIA constituted 40 per cent of Revenue Receipts during the year 2020-21. Grants for Centrally Sponsored Schemes (₹ 13,832.87 crore) to the State constituted 53 per cent of the total grants during the year.

Other grants received by the State during the year were in respect of (i) Compensation for loss of revenue arising out of implementation of GST (₹ 1,369.60 crore) (ii) Grants for Central Road Fund (₹ 220.81 crore), etc.

Fourteenth & Fifteenth Finance Commission Grants

As mentioned in the previous paragraph, XIV FC & XV FC Grants were provided to states for Local Bodies and SDRF. Details of grants recommended by XIV FC & XV FC and actual release by GoI and GoA during 2015-21 are given in **Table 2.13**.

Table 2.13: Recommended amount, actual release and transfers of Grant-in-aid

(₹ in crore)

Particulars	Recommendation of the XIV-FC & XV-FC			Actual release by GoI			Release by State Government		
	2015-20	2020-21	Total	2015-20	2020-21	Total	2015-20	2020-21	Total
1	2	3	4	5	6	7	8	9	10
Local Bodies	6,387.12	2,376.00	8,763.12	5,782.69	2,183.00	7,965.69	5,549.77	1,015.48	6,565.25
(i) Grants to PRIs	5,416.58	1,604.00	7,020.58	5,101.34	1,604.00	6,705.34	5,101.34	802.00	5,903.34
(a) General Basic Grant	4,874.92	-	4,874.92	4,874.92	-	4,874.92	4,874.92	-	4,874.92
(b) Basic Grant (Untied)	-	802.00	802.00	-	802.00	802.00	-	401.00	401.00
(c) General Performance Grants	541.66	-	541.66	226.42	-	226.42	226.42	-	226.42
(d) Tied Grant	-	802.00	802.00	--	802.00	802.00	-	401.00	401.00
(ii) Grants to ULBs	970.54	772.00	1,742.54	681.35	579.00	1,260.35	448.43	213.48	661.91
(a) General Basic Grant	776.43	-	776.43	681.35	-	681.35	448.43	-	448.43
(b) Basic Grant (Untied)	-	386.00	386.00	-	386.00	386.00	-	193.00	193.00
(c) General Performance Grants	194.11	-	194.11	-	-	-	-	-	-
(d) Tied Grant	-	386.00	386.00	-	193.00	193.00	-	20.48	20.48
State Disaster Response Fund	2,287.00	772.00	3,059.00	2,286.90	772.00	3,058.90	2,286.90	579.00	2,865.90
Grand Total	8,674.12	3,148.00	11,822.12	8,069.59	2,955.00	11,024.59	7,836.67	1,594.48	9,431.15

Source: Director of Finance (Economic Affairs) Department and Finance Accounts

It could be seen from above table that XIV FC recommended ₹ 8,674.12 crore for release to the local bodies and for disaster relief during 2015-16 to 2019-20. Out of that, GoI released ₹ 8,069.59 crore during the period. Further, XV FC recommended ₹ 3,148.00 crore for release to above sectors during 2020-21. Out of which, GoI released ₹ 2,955.00 crore during the year.

2.4.3 Capital Receipts

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

The following table shows the trends in growth and composition of Capital Receipts.

Table 2.14: Trends in growth and composition of Capital Receipts

(₹ in crore)

Sl. No.	Sources of State's Capital Receipts*	2016-17	2017-18	2018-19	2019-20	2020-21
1	Capital Receipts	3,920.31	8,451.78	11,757.58	15,390.14	17,942.74
(a)	Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
(b)	Recovery of Loans and Advances	18.60	4.71	2.93	1,140.51	2.56
(c)	Public Debt Receipts	3,901.71	8,447.07	11,754.65	14,249.63	17,940.18
(i)	Internal Debt (excluding Ways and Means Advance and Overdraft)	3,844.36	8,377.50	11,665.49	14,143.29	16,382.36
	Growth rate (In per cent)	-29.43	117.92	39.25	21.24	15.83
(ii)	Loans and advances from GoI	57.35	69.57	89.16	106.34	1,557.82
	Growth rate (In per cent)	13.59	21.31	28.16	19.27	1,364.94
2	Rate of growth of debt Capital Receipts (per cent)	-29.03	116.50	39.15	21.23	25.90
3	Rate of growth of non-debt capital receipts (per cent)	-96.35	-74.68	-37.79	38,825.26	-99.78

Sl. No.	Sources of State's Capital Receipts*	2016-17	2017-18	2018-19	2019-20	2020-21
4	Rate of growth of GSDP (per cent)	11.63	11.27	9.24	8.37	3.89
5	Rate of growth of Capital Receipts (per cent)	-34.75	115.59	39.11	30.90	16.59

Source: Finance Accounts and for GSDP-Source: Directorate of Economics and Statistics, Assam

*Includes only receipts under Consolidated Fund

Capital Receipts increased by 357.69 per cent from ₹ 3,920.31 crore in 2016-17 to ₹ 17,942.74 crore in 2020-21. Public debt receipts create future repayment obligation and these are taken from Market, Financial Institutions and Central Government. During the current year, it grew significantly by 25.90 per cent from ₹ 14,249.63 crore in 2019-20 to ₹ 17,940.18 crore in 2020-21.

2.4.4 State's performance in mobilisation of resources

State's performance in mobilisation of resources is assessed in terms of its own resources comprising own-tax and non-tax sources.

The gross collections in respect of major Tax and Non-Tax Revenue and their relative share in GSDP during 2016-21 are given in *Appendix 1.2*. Further, **Table 2.15** provides the State's performance in mobilisation of resources assessed in terms of its own resources comprising own-tax and non-tax sources.

Table 2.15: Tax and Non-Tax receipts vis-à-vis projections

	(₹ in crore)				
	FC projections	Budget Estimates	Actuals	Percentage variation of actuals over	
				FC projections	Budget Estimates
Own Tax Revenue	21,190.00	23,209.74	17,133.61	(-) 19.14	(-) 26.18
Non-Tax Revenue	5,499.00	7,303.79	2,899.61	(-) 47.27	(-) 60.30

It can be seen from above table that State's Own Tax and Non-Tax Revenues were short by 19.14 and 47.27 per cent respectively from the projections of XV FC whereas same were short by 26.18 and 60.30 per cent respectively over the estimates made in the Budget during 2020-21.

2.5 Application of resources

The State Government is vested with the responsibility of incurring expenditure within the framework of fiscal responsibility legislations, while at the same time ensuring that the ongoing fiscal correction and consolidation process of the State is not at the cost of expenditure directed towards development of capital infrastructure and social sector. This paragraph along with sub-paragraphs gives the analysis of allocation of expenditure in the State.

2.5.1 Growth and composition of total expenditure

The expenditure of the State is broadly classified under three categories viz., Revenue Expenditure, Capital Expenditure and Disbursement of Loans & Advances. These three together are called total expenditure⁷ of the State.

⁷ Any Appropriation to Contingency Fund for increasing the Corpus of the Fund also forms part of the Total Expenditure.

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

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

Disbursement of Loans and Advances: All loans and advances given by the State to different entities of the State Government fall under this category.

The Total Expenditure, its composition and relative share in GSDP during 2016-17 to 2020-21 is presented in **Table 2.16**.

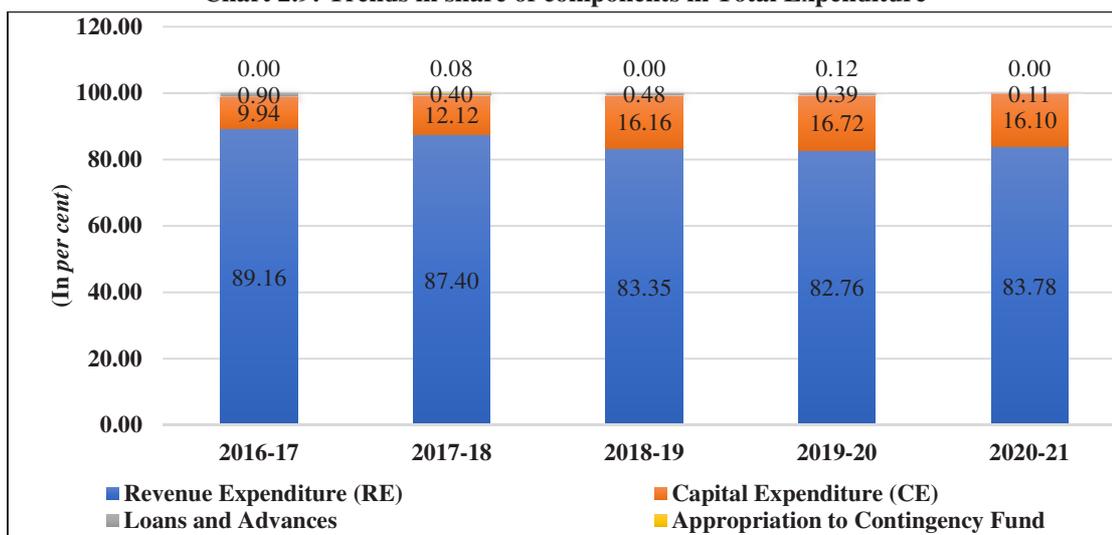
Table 2.16: Total Expenditure and its composition

(₹ in crore)					
Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total Expenditure (TE)	55,364.18	63,477.85	68,261.15	80,551.39	77,006.78
Revenue Expenditure (RE)	49,362.72	55,480.94	56,899.00	66,666.68	64,519.59
Capital Expenditure (CE)	5,502.08	7,692.84	11,034.08	13,468.55	12,399.39
Loans and Advances	499.38	254.07	328.07	316.16	87.80
Appropriation to Contingency Fund	0.00	50.00	0.00	100.00	0.00
As a percentage of GSDP					
TE/GSDP	21.76	22.42	22.07	24.03	22.11
RE/GSDP	19.40	19.59	18.39	19.89	18.53
CE/GSDP	2.16	2.72	3.57	4.02	3.56
Loans and Advances/GSDP	0.20	0.09	0.11	0.09	0.03
Appropriation to Contingency Fund/GSDP	0.00	0.02	0.00	0.03	0.00

The above table shows that Total Expenditure of the State increased nearly 1.5 times from ₹ 55,364.18 crore in 2016-17 to ₹ 77,006.78 crore in 2020-21. During the year, it decreased by 4.40 *per cent* over the previous year. As a percentage of GSDP, the Total Expenditure remained in the range of 21.76 *per cent* to 24.03 *per cent* during 2016-21.

Chart 2.9 depicts the share of components of Total Expenditure and their trend during 2016-21. It is evident from the following chart that share of Revenue Expenditure in Total Expenditure had declined from 89.16 *per cent* in 2016-17 to 83.78 *per cent* in 2020-21 whereas share of Capital Expenditure in Total Expenditure had shown matching increase as it increased from 9.94 *per cent* in 2016-17 to 16.10 *per cent* in 2020-21.

Chart 2.9: Trends in share of components in Total Expenditure



In terms of activities, the Total Expenditure comprises of expenditure on General Services including Interest Payments, Social Services, Economic Services and others. Relative share of these components in the Total Expenditure (also refer *Appendix 1.2*) during 2016-21 is given in **Table 2.17** and also in **Chart 2.10**. Composition of Total Expenditure during current year *i.e.*, 2020-21 is also given in **Chart 2.11**.

Table 2.17: Relative share of various sectors of expenditure

Parameters	(In per cent)				
	2016-17	2017-18	2018-19	2019-20	2020-21
General Services	31.29	35.30	31.53	28.38	30.40
Social Services	43.74	38.15	40.28	38.17	40.73
Economic Services	22.89	25.87	27.30	32.49	28.26
Others (Grants to Local Bodies, Loans and Advances and Appropriation to Contingency Fund)	2.08	0.68	0.88	0.97	0.60

Chart 2.10: Trends in share of Total expenditure by activities

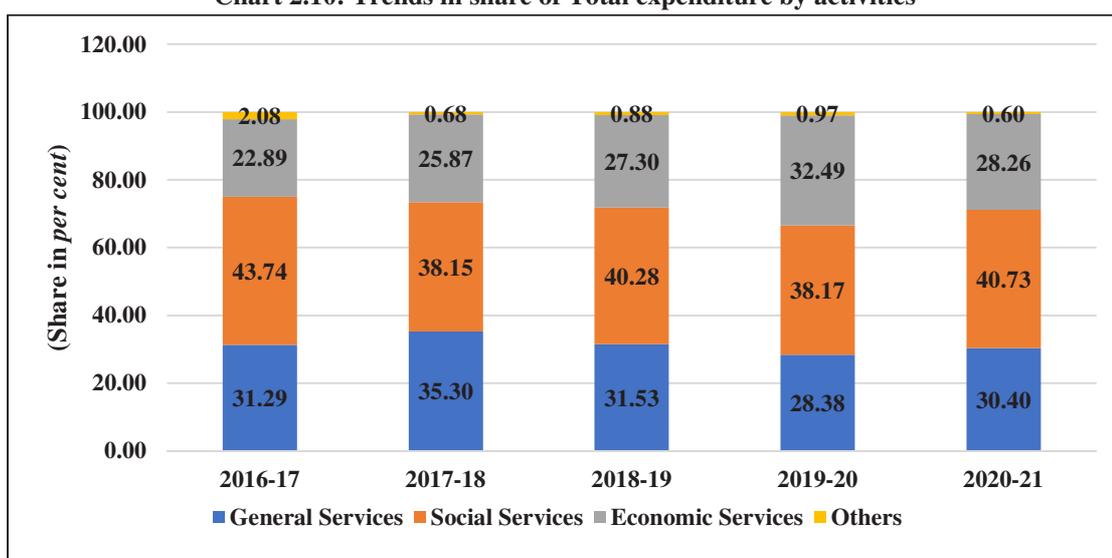
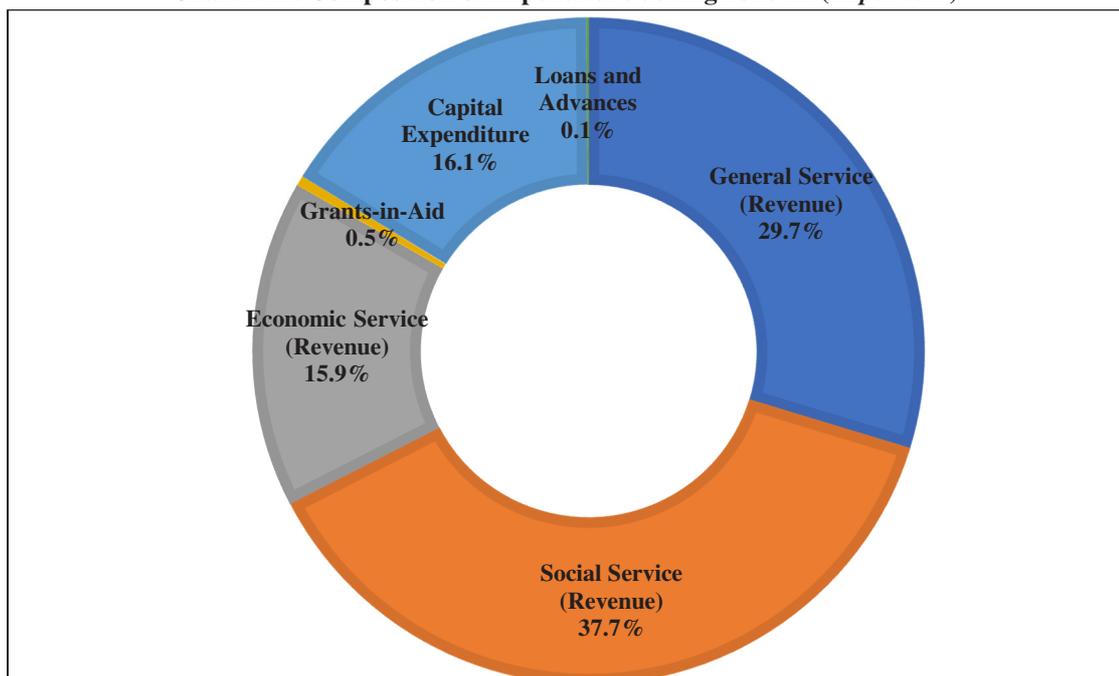


Chart 2.11: Composition of Expenditure during 2020-21 (In per cent)



The relative share of the above components of expenditure indicates that the share of Economic Services and others in the Total Expenditure decreased by 4.23 per cent and 0.37 per cent during 2020-21 over the previous year respectively. These decreases were, however, offset by increase in the respective share of General Services and Social Services.

2.5.2 Revenue Expenditure

Revenue Expenditure is incurred to maintain the current level of services and payment for the past obligation. As such, it does not result in any addition to the State's infrastructure and service network.

Table 2.18 indicates the overall Revenue Expenditure, its rate of growth, its ratio to Total Expenditure and buoyancy *vis-à-vis* GSDP and Revenue Receipts during the five-year period (2016-21). It is evident from the table that the Revenue Expenditure formed on an average 85 per cent (ranging from 82.76 per cent in 2019-20 to 89.16 per cent in 2016-17) of the Total Expenditure during the period 2016-21. Rate of growth of Revenue Expenditure displayed wide fluctuation during the five-year period.

Trends in Revenue Expenditure over a period of five years (2016-21) are given in **Chart 2.12** whereas the sectoral distribution of Revenue Expenditure pertaining to 2020-21 is given in **Chart 2.13**.

Table 2.18: Revenue Expenditure – Basic parameters

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
Total Expenditure (TE)	55,364.18	63,477.85	68,261.15	80,551.39	77,006.78
Revenue Expenditure (RE)	49,362.72	55,480.94	56,899.00	66,666.68	64,519.59
Rate of Growth of RE (per cent)	33.37	12.39	2.56	17.17	-3.22
Revenue Expenditure as percentage of TE	89.16	87.40	83.35	82.76	83.78

Parameters	2016-17	2017-18	2018-19	2019-20	2020-21
RE/GSDP (<i>per cent</i>)	19.40	19.59	18.39	19.89	18.53
RE as percentage of RR	100.29	102.49	89.63	103.37	99.41
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	2.87	1.10	0.28	2.05	-0.83
Revenue Receipts (ratio)	2.10	1.24	0.15	10.73	-5.10

Chart 2.12: Trend of Revenue Expenditure during 2016-21

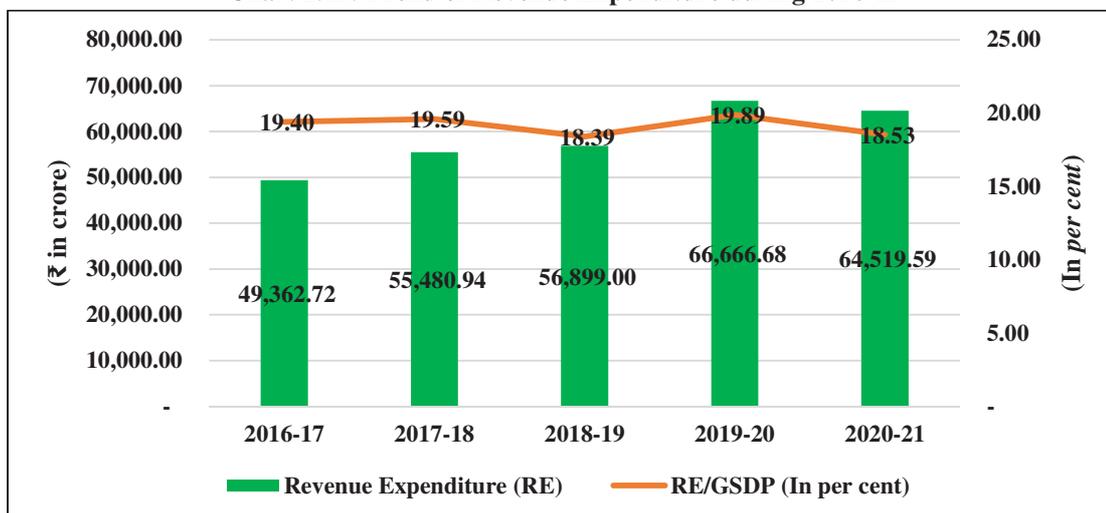
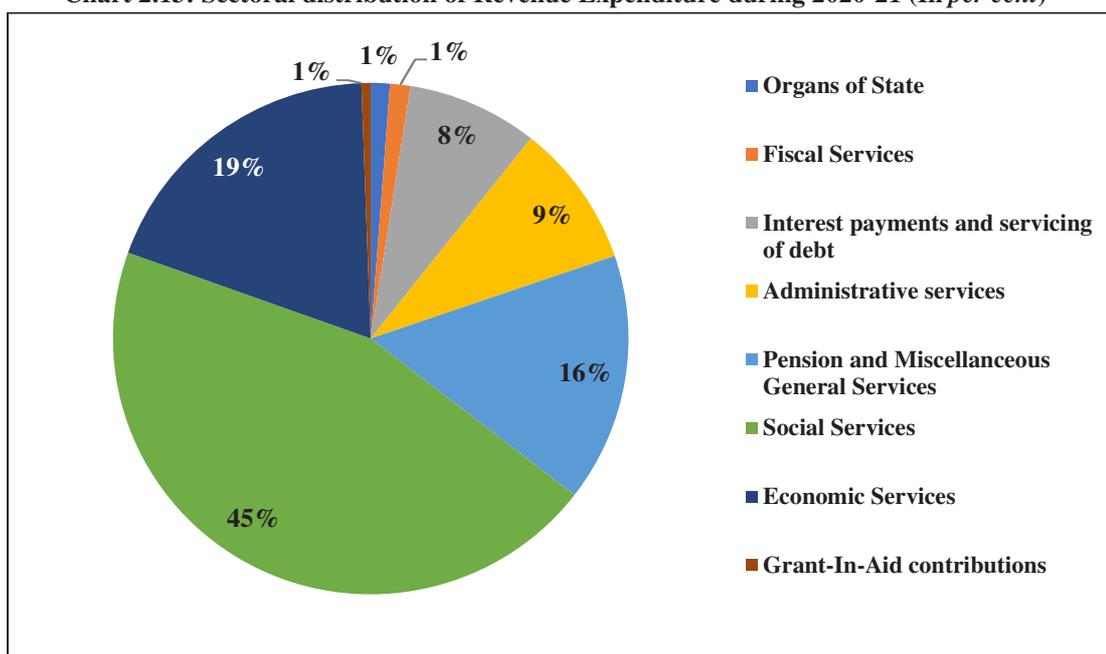


Chart 2.13: Sectoral distribution of Revenue Expenditure during 2020-21 (In per cent)



Revenue Expenditure decreased by ₹ 2,147.09 crore (3.22 *per cent*) from ₹ 66,666.68 crore in 2019-20 to ₹ 64,519.59 crore in 2020-21. Revenue Expenditure as a percentage of GSDP also decreased marginally during the year. However, Revenue Expenditure during the year was lower by ₹ 18,257.39 crore *vis-à-vis* the projections made in Medium Term Fiscal Plan (MTFP) (₹ 82,776.98 crore).

2.5.2.1 Major Changes in Revenue Expenditure

Table 2.19 details significant variations under five Heads of Account with regard to Revenue Expenditure of the State during the current year and the previous year.

Table 2.19: Variation in Revenue Expenditure during 2020-21 compared to 2019-20

(₹ in crore)

Major Heads of Account	2019-20	2020-21	Increase/ Decrease(-)	Increase/Decrease (In per cent)
2515-Other Rural Development Programmes	4,138.43	1,757.96	(-) 2,380.47	(-) 57.52
2225-Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minorities	2,076.98	622.45	(-) 1,454.53	(-)70.03
2052-Secretariat General Services	512.18	1,341.46	829.28	161.91
2505-Rural Employment	179.80	690.62	510.82	284.10
3451-Secretariat-Economic Services	420.87	709.23	288.36	68.52

The table above indicates that Other Rural Development Programmes recorded maximum decrease during the year and this was due to decline in expenditure under (i) Rastriya Gram Swaraj Abhiyan (RGSA) and (ii) Assistance to Gram Panchayat, *etc.* Further, Secretariat General Services recorded maximum increase during the year due to fresh expenditure under enhancing stake in NRL, Nabaudita Assam, Tea Garden Scheme, *etc.*

2.5.2.2 Committed Expenditure

Committed Expenditure of Government consists mainly of expenditure on salaries and wages, interest payments and pensions. The FRBM Act of the State prescribes that there should be a Revenue Surplus, which is challenging to achieve, given that a large proportion of Revenue Expenditure goes into committed items like salaries and wages, interest payments and pensions.

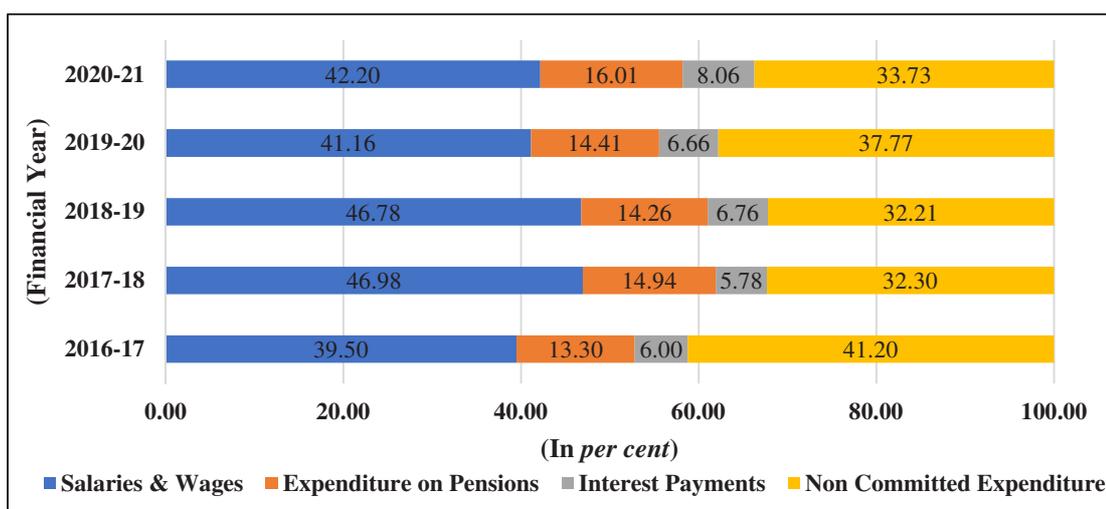
Table 2.20 presents the trends in the components of committed expenditure during 2016-21. Share of committed and non-committed expenditure in Revenue Expenditure during 2016-21 is given in **Chart 2.14**.

Table 2.20: Components of Committed Expenditure

(₹ in crore)

Components of Committed Expenditure	2016-17	2017-18	2018-19	2019-20	2020-21
Salaries & Wages	19,497.61	26,068.00	26,617.37	27,437.89	27,227.09
Expenditure on Pensions	6,564.64	8,287.34	8,112.26	9,609.02	10,329.01
Interest Payments	2,963.75	3,205.32	3,844.37	4,438.87	5,199.18
Total	29,026.00	37,560.66	38,574.00	41,485.78	42,755.28
As a percentage of Revenue Receipts (RR)					
Salaries & Wages	39.61	48.16	41.93	42.54	41.95
Expenditure on Pensions	13.34	15.31	12.78	14.90	15.91
Interest Payments	6.02	5.92	6.06	6.88	8.01
Total	58.97	69.39	60.77	64.32	65.88
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	39.50	46.99	46.78	41.16	42.20
Expenditure on Pensions	13.30	14.94	14.26	14.41	16.01
Interest Payments	6.00	5.78	6.76	6.66	8.06
Total	58.80	67.70	67.79	62.23	66.27

Chart 2.14: Share of Committed Expenditure in Revenue Expenditure



As can be seen from the details tabulated above, the committed expenditure constituted 60 per cent and above of both Revenue Receipts and Revenue Expenditure during the five-year period 2016-21 (except for 2016-17, where the committed expenditure fell below 60 per cent of both Revenue Receipts and Revenue Expenditure).

Salaries and Wages

Expenditure on salaries and wages accounted for 42.20 per cent of Revenue Expenditure during 2020-21. Over the five-year period 2016-21, it increased by ₹ 7,729.48 crore (39.64 per cent) from ₹ 19,497.61 crore in 2016-17 to ₹ 27,227.09 crore in 2020-21. Expenditure on Salaries (₹ 26,803.09 crore) during 2020-21 was less by ₹ 2,646.91 crore compared to the projection of ₹ 29,450.00 crore made in MTFP.

Interest Payments

Interest Payments increased by ₹ 760.31 crore (17.13 per cent) from ₹ 4,438.87 crore in 2019-20 to ₹ 5,199.18 crore in 2020-21 primarily due to an increase of ₹ 797.39 crore in interest payment on Market Loans. During the current year, Interest Payments were made on internal debt (₹ 4,233.17 crore), Small Savings, Provident Fund, etc., (₹ 875.33 crore) and Loans and Advances from Central Government (₹ 90.68 crore).

Interest Payments with reference to assessment made by the XV FC and the projections of the State Government in its Budget and MTFP are given in **Table 2.21**.

Table 2.21: Interest Payments vis-à-vis assessment of the XV FC and State's Projections

Year	Assessment made by the XV FC	Assessment made by the State Government in		Actuals
		Budget	MTFP	
2020-21	5,272.00	5,801.84	5,801.84	5,199.18

Above table indicates that the interest payments of State Government were within its own projections made in XV FC Projection, MTFP and Budget for 2020-21.

Pensions Payments

The expenditure on “Pension and other Retirement Benefits” for State Government employees recruited prior to 30 January 2005 was ₹ 9,268.67 crore during the year (excluding expenditure on National Pension System). The expenditure towards Retirement Benefits depicted in the Accounts is less by ₹ 1,209.08 crore than actual due to non-reporting of pension payment made by non-link branches of Agency banks to the treasuries.

2.5.2.3 Undischarged Liability under National Pension System

Government of Assam introduced (January 2010) the ‘National Pension System’ (NPS) applicable to all new entrants joining State Government Service on regular basis against vacant sanctioned post(s) on or after 01 February 2005.

Under this system, employees contribute 10 *per cent* basic pay and dearness allowance, which is matched by the State Government since inception of NPS. The State Government had increased the employer’s contribution to 14 *per cent* with effect from 01 April 2019. Accumulated amount *i.e.*, both employee’s and employer’s contribution are initially transferred to the Public Account (Major Head ‘8342-117-Defined Contributory Pension Scheme’). State Government has the responsibility to deposit both employee’s and employer’s share with the designated authority *i.e.*, National Securities Depository Limited (NSDL)/ trustee bank for further investment as per the guidelines of NPS. In terms of the guidelines of the Scheme, Government of Assam is liable to pay interest on funds not transferred to NSDL. NSDL allots a Permanent Retirement Account Number (PRAN) to each employee enrolled under the system on receipt of requisite information/ documents from Government.

As on 31 March 2021, 1,96,017 PRANs were allotted to the employees whereas 8,614 PRANs were yet to be allotted.

The State Government opened a Current Account with the State Bank of India for parking the funds before transfer to NSDL. Details of contribution received and transactions involving Current Account, since the inception of NPS in Assam, are given in **Table 2.22**.

Table 2.22: Details of transactions under National Pension System

(₹ in crore)

Year	Details of contribution				Details of funds transferred/ paid to				
	Employees	Government	Shortfall (1-2)	Total (1+2)	NSDL	Beneficiaries	Net Refunds (+) and re-submission (-)	Less transfer {(4+7) - (5+6)}	
	1	2	3	4	5	6	7	8	
2009-10	3.21	*76.72	(-) 73.51	79.93	Nil	--	--	79.93	
2010-11	53.11	*1.32	51.79	54.43	3.54	--	--	50.89	
2011-12	83.55	*57.34	26.21	140.89	94.05	--	--	46.84	
2012-13	108.39	**101.42	6.97	209.81	201.49	--	--	8.32	
2013-14	201.16	***98.80	102.36	299.96	180.11	--	--	119.85	
2014-15	288.52	250.00	38.52	538.52	599.86	--	--	(-) 61.34	
2015-16	334.80	352.50	(-)17.69	687.30	704.98	0.01	0.19	(-) 17.50	
2016-17	396.69	308.12	88.57	704.81	616.11	0.16	0.01	88.55	
2017-18	529.01	565.88	(-) 36.87	1,094.89	1,131.40	0.38	0.26	(-) 36.63	

Year	Details of contribution				Details of funds transferred/ paid to			
	Employees	Government	Shortfall (1-2)	Total (1+2)	NSDL	Beneficiaries	Net Refunds (+) and re-submission (-)	Less transfer {(4+7) - (5+6)}
	1	2	3	4	5	6	7	8
2018-19	590.14	445.25	144.89	1035.39	890.06	0.44	(-) 0.14	144.75
2019-20	682.96	749.32	206.82 [@]	1432.28	1498.30	0.38	(-) 0.03	(-) 66.43
2020-21	735.43	1060.34	(-) 30.74 ^{\$}	1795.77	1820.25	0.60	(-) 0.03	(-) 25.11
Total	4,006.97	4,067.01	507.32	8,073.98	7,740.15	1.97	0.26[#]	332.12^{&}

*GS credited to current Account from Asian Development Bank (ADB) funds

** ₹ 1.88 crore made from Asian Development Bank (ADB) fund and ₹ 99.54 crore directly credited to Current Account from MH: 2701

*** ₹ 93.42 crore of fund directly credited to Current Account from MH: 2701

Includes refunds by NSDL for erroneous reporting and re-submission.

@ Figures updated as GS raised to 14 *per cent* w.e.f April 2019 (Due for contribution was ₹956.14 crore *minus* actual contribution of ₹749.32 crore)

\$ Due for contribution was ₹1029.60 crore *minus* actual contribution of ₹1060.34 crore

& Less transfer (₹ 316.74 crore under MH-8342-117 *plus* ₹ 15.38 crore in Current Bank Account)

Audit observations in this regard are as follows:

As of 31 March 2021, Government of Assam collected ₹ 4,006.97 crore from employees as contribution towards NPS since the introduction of the Scheme and contributed ₹ 4,067.01 crore as Government share against the due contribution of ₹ 4,574.33 crore, resulting in short contribution of ₹ 507.32 crore. Against the total collected funds of ₹ 8,073.98 crore (comprising employees share of ₹ 4,006.97 crore and Government share of ₹ 4,067.01 crore), the Government had transferred only ₹ 7,740.15 crore to the designated authority (NSDL) for further investment as per the provisions of the scheme. Funds of ₹ 332.12 crore as well as the interest on it remained to be transferred to NSDL from the Public Account as on 31 March 2021. Out of the balance of ₹ 332.12 crore, ₹ 316.74 crore were lying in the Public Account and the balance ₹ 15.38 crore was lying in the Current Account.

As on 31 March 2020, an amount of ₹ 341.82 crore remained in the Public Account under the Major Head - 8342 – 117 on which, interest payable in 2020-21 has been estimated as ₹ 27.35 crore (@ eight *per cent*). Uncollected, unmatched and untransferred amounts, with accrued interest, represent outstanding liabilities under the scheme. Non-payment of interest of ₹ 27.35 crore has resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit.

The State Government has thus not complied with the rules governing NPS, and has also created interest liability on the funds not transferred to NSDL.

During the Exit Conference (December 2021), the Secretary, Finance Department informed that the Government has decided to pay interest on balances, and notification to the effect would be issued soon. Further, the Government would also work on rectifying other deficiencies of NPS as pointed out by Audit.

2.5.2.4 Subsidies

Table 2.23 indicates that there has been significant increase in expenditure on subsidies during the last three years of five-year period. Subsidies as a percentage of Revenue

Receipts and Revenue Expenditure stood at 3.03 *per cent* and 3.05 *per cent* respectively during the current year.

Table 2.23: Expenditure on subsidies during 2016-21

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21
Subsidies (₹ in crore)	226.74	703.84	1,464.93	1,473.23	1,966.15
Subsidies as a percentage of Revenue Receipts	0.46	1.30	2.31	2.28	3.03
Subsidies as a percentage of Revenue Expenditure	0.46	1.27	2.57	2.21	3.05

Source: VLC data of respective years and Finance Accounts

During 2020-21, subsidies were mainly given under targeted subsidy to APDCL (₹ 603.34 crore), National Food Security Scheme (₹ 598.37 crore), Power purchase subsidy (₹ 300.00 crore) and Housing for All (Pradhan Mantri Awas Yojana) (₹ 432.70 crore). State Government had not made any projection for subsidy in its MTFP during 2020-21.

2.5.2.5 Grants-in-Aid by the State Government to Local Bodies and Other Institutions

Financial assistance is provided by the State Government to Local bodies and other institutions by way of grants and loans. Further, many of the Centrally Sponsored Scheme funds are transferred to implementing agencies as Grants-in-Aid. The following table details the quantum of grants given by the State to local bodies and other institutions during the last five years *i.e.*, 2016-21.

Table 2.24: Grants-in-Aid to Local Bodies and other Institutions

Institutions	2016-17	2017-18	2018-19	2019-20	2020-21
PRIs	144.59	818.42	569.49	3,642.78	682.48
ULBs	151.27	306.73	456.98	578.33	354.96
PSUs	8.62	22.78	10.18	886.81	57.58
Autonomous Bodies	382.60	476.61	839.91	1,252.07	193.58
Others*	12,968.07	17,392.69	15,687.58	19,259.65	22,447.14
Total⁸	13,655.15	19,017.23	17,564.14	25,619.64	23,735.74
Revenue Expenditure	49,362.72	55,480.94	56,899.00	66,666.68	64,519.59
Assistance as percentage of Revenue Expenditure	27.66	34.28	30.87	38.43	36.79

Source: Finance Accounts (Statement 10 and Appendix III)

* Largely to Implementing agencies of Centrally Sponsored Schemes like NRHM, PMGSY, SNP

It can be seen from above table that Grant-in-Aid to local bodies and other institutions as percentage of Revenue Expenditure increased from 27.66 *per cent* in 2016-17 to 36.79 *per cent* in 2020-21. During the year, out of the total grants-in-aid given by the State, 94.57 *per cent* went to various agencies implementing Centrally Sponsored Schemes, educational, health institutions, *etc.*, followed by 2.88 *per cent* to PRIs and 1.50 *per cent* to ULBs.

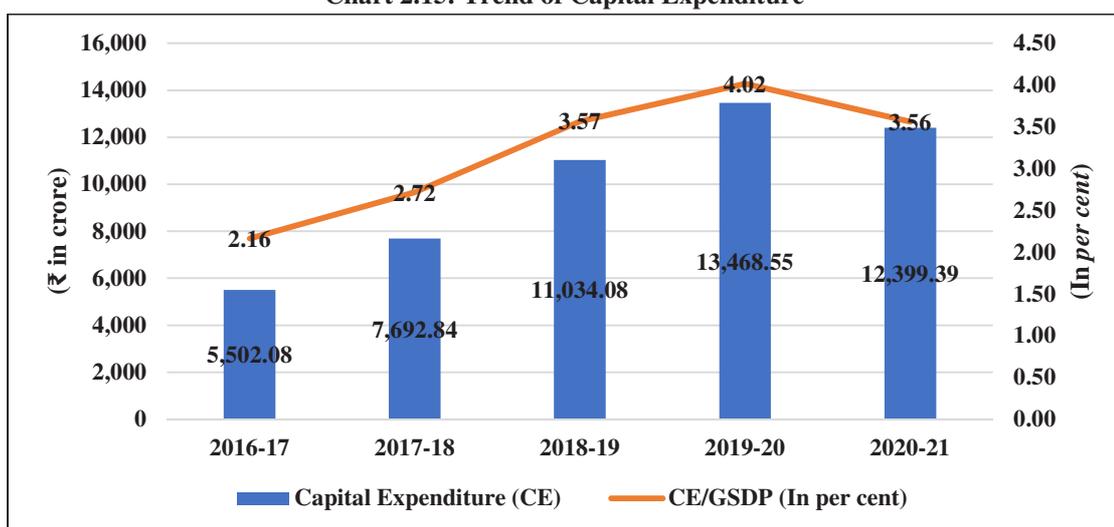
⁸ Includes GIA booked under Capital Major Heads

2.5.3 Capital Expenditure

Capital Expenditure (capex) is primarily expenditure on creation of fixed infrastructure assets, such as buildings, roads, bridges, *etc.*

Capital Expenditure of the State showed an increasing trend during the first four years *i.e.*, 2016-17 to 2019-20. But it decreased by ₹ 1,069.16 crore from ₹ 13,468.55 crore in 2019-20 to ₹ 12,399.39 crore in 2020-21 as detailed in **Chart 2.15**.

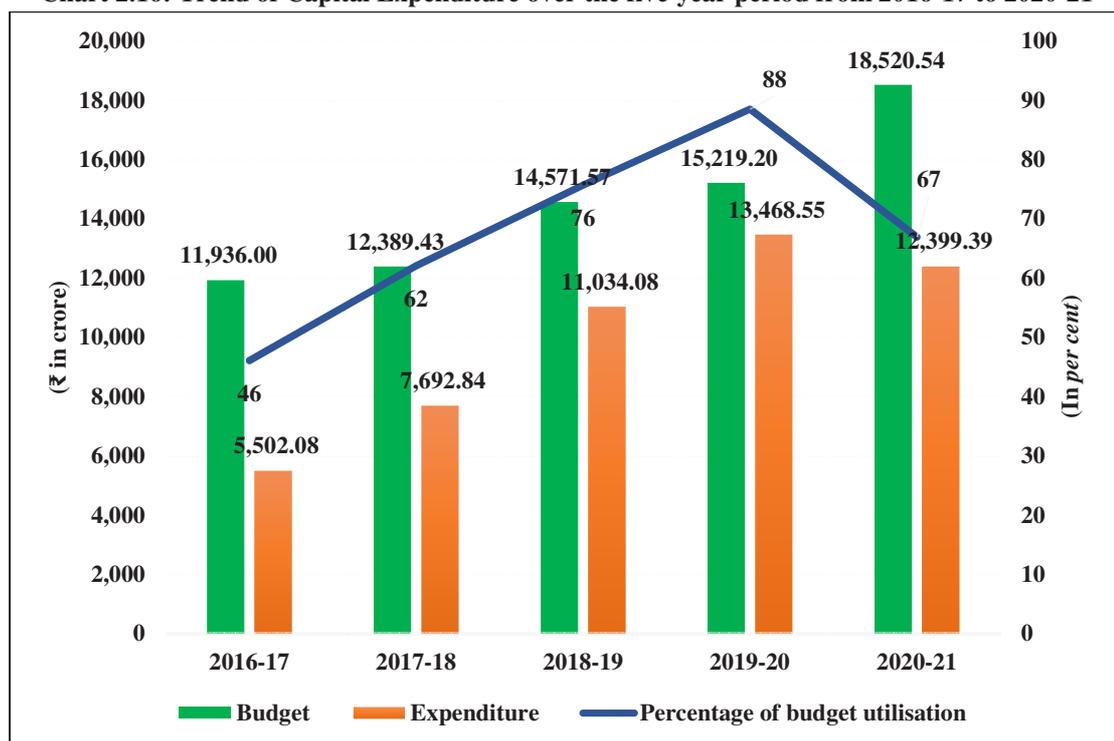
Chart 2.15: Trend of Capital Expenditure



As is evident from the preceding chart, Capital Expenditure has shown a significant increase in the last few years, with its share as a percentage of GSDP remained in the range of 2.16 *per cent* and 4.02 *per cent* during 2016-21. However, percentage of Capital Expenditure has to be viewed in the light of the fact that Grants-in-Aid were booked under capital section, instead of under revenue which resulted in understatement of Revenue Expenditure and Revenue Deficit to that extent, as discussed in Chapter 3 under Paragraph 3.3.7.

However, the State could not fully expend the budgetary allocation on creation of assets in any year during the five-year period 2016-21. While the extent of utilisation of budget for Capital Expenditure has been increasing since 2016-17 and reached the level of 88 *per cent* during 2019-20, it declined in 2020-21 and stood at 67 *per cent* during the year. Details of Capital Expenditure *vis-à-vis* budget during the five-year period 2016-21 are given in **Chart 2.16**.

Chart 2.16: Trend of Capital Expenditure over the five-year period from 2016-17 to 2020-21



2.5.3.1 Major changes in Capital Expenditure

Significant variations under various Heads of Accounts with regard to Capital expenditure of the State during the current year and previous year is shown in Table 2.25.

Table 2.25: Capital Expenditure during 2020-21 compared to 2019-20

Major Heads of Accounts	2019-20	2020-21	₹ in crore	
			Increase/Decrease(-)	Increase/Decrease(-) (In per cent)
4217- Capital Outlay on Urban Development	293.44	143.39	(-) 150.05	(-) 51.13
4552- Capital Outlay on North Eastern Areas	420.18	216.76	(-) 203.42	(-) 48.41
4711 - Capital Outlay on Flood Control Projects	732.94	411.34	(-) 321.60	(-) 43.88
4215 - Capital Outlay on Water Supply and Sanitation	635.55	1,545.62	910.07	143.19
4401 - Capital Outlay on Crop Husbandry	48.91	180.68	131.77	269.41

The above table reveals that Capital Outlay on Flood Control Projects recorded maximum decrease of ₹ 321.60 crore during the year due to decline in expenditure in various flood control projects whereas Capital Outlay on Water Supply and Sanitation recorded maximum increase of ₹ 910.07 crore during the year due to increase in expenditure under National Rural Drinking Water Programme, National Water Quality Sub-Mission, etc.

2.5.3.2 Quality of Capital expenditure

This section presents an analysis of investments and other capital expenditure undertaken by the Government during the current year.

(i) Quality of investments in the companies, corporations and other bodies

Capital expenditure in the companies, corporations, and other bodies, which are loss making or where net worth is completely eroded is not sustainable. Investments made and loan given to companies, corporations, *etc.*, which are loss making and those where net worth is completely eroded, affect quality of capital expenditure. Return on investment in share capital invested in PSUs and history of repayment of loans given to various bodies are important determinants of quality of capital expenditure.

As per the Finance Accounts 2020-21, Government of Assam had invested ₹ 2,923.57 crore in four Statutory Corporations, 24 Government Companies (Working: 21; Non-working: 3), 17 Joint Stock Companies, two Rural Banks and 19 Co-operatives in the State as of 31 March 2021. The State Government earned a return of ₹ 481.89 crore on these investments during 2020-21. The average rate of return on investment was 7.46 *per cent* during the five-year period from 2016-17 to 2020-21, while the average rate of interest paid by the State Government during the period was 6.99 *per cent*.

Details of investment by Government of Assam and returns on investment during the five-year period 2016-17 to 2020-21 were as follows:

Table 2.26: Details of Investment and returns on Investment during last five years

Entities	2016-17	2017-18	2018-19	2019-20	2020-21
Statutory Corporations ⁹ (No. of entities)	2,136.13 (4)	2,136.13 (4)	2,151.90 (4)	2,442.71* (4)	2,442.71* (4)
Government Companies (No. of entities)	176.92 (24)	176.92 (24)	176.92 (24)	176.92 (24)	176.91 (24)
Joint Stock Companies (No. of entities)	65.81 (17)	80.49 (17)	149.03 (17)	169.03 (17)	169.03 (17)
Banks ¹⁰ (No. of entities)	21.26 (2)	21.76 (2)	21.76 (2)	21.76 (2)	21.76 (2)
Co-operatives (No. of entities)	109.83 (18)	109.83 (18)	109.83 (18)	109.83 (18)	113.16 (19)
Total Investment	2,509.95	2,525.13	2,609.44	2,920.25	2,923.57
Return on investment (₹ in crore)	124.44	225.55	153.24	30.64	481.89
Return on investment (<i>Per cent</i>)	4.96	8.93	5.87	1.05	16.48
Average rate of interest on Government borrowings (<i>Per cent</i>)	7.14	6.87	7.07	6.74	6.51
Difference between interest rate and return (<i>Per cent</i>)	2.18	-2.06	1.20	5.69	-9.97
Difference between interest on Government borrowings and return on investment (₹ in crore)	2,839.31	2,979.77	3,691.13	4,408.23	4,717.29

Source: Finance Accounts

*Includes Uday transaction of ₹ 283.13 crore

During the last five years, *i.e.*, 2016-21, the State Government's investments had

⁹ Out of four, one Statutory Corporation *i.e.*, Assam State Electricity Board (ASEB) was re-organised into three entities namely (i) Assam Power Distribution Company Limited (APDCL) (ii) Assam Electricity Grid Corporation Limited (AEGCL) and (iii) Assam Power Generation Corporation Limited (APGCL) in March 2013. Present status of investment already made in erstwhile ASEB and up to date status of investments made in three Companies are awaited from Government.

¹⁰ It includes the Rural Bank and Urban and Industrial Co-operative Bank.

increased marginally by ₹ 413.62 crore from ₹ 2,509.95 crore in 2016-17 to ₹ 2,923.57 crore in 2020-21. During the current year, Government invested ₹ 3.32 crore in Co-operatives.

Out of four Statutory Corporations, three were incurring losses and their accumulated losses amounted to ₹ 113.59 crore¹¹. Similarly, out of 24 Government Companies in the State, 16 companies were incurring losses and their accumulated losses amounted to ₹ 636.57 crore.

The major loss incurring five Government Companies were Assam Tea Corporation Limited, Guwahati (Investment: ₹ 8.07 crore; accumulated loss: ₹ 323.75 crore), Assam Industrial Development Corporation Limited (Investment: ₹ 29.71 crore; accumulated loss: ₹ 95.05 crore), Assam Plain Tribes Development Corporation, (Investment: ₹ 0.46 crore; accumulated loss: ₹ 41.71 crore), Assam State Textile Corporation Limited (Investment: ₹ 4.78 crore; accumulated loss: ₹ 36.79 crore) and Assam State Development Corporation for Scheduled Castes Limited (Investment: ₹ 4.88 crore; accumulated loss: ₹ 32.40 crore).

Moreover, it is worth mentioning that there is a difference between the number of State Public Sector Undertaking (SPSUs) recorded in the Finance Accounts (45) as detailed in **Table 2.26** and that of the Audit Report on SPSUs (51). The differences have arisen primarily due to the investment transactions being booked in Government accounts based on the vouchers received in the Office of the Accountant General (A&E) and the details given in the Audit Reports obtained from the individual SPSUs. The differences in the number of SPSUs as well as investments made by the State Government in these SPSUs are under reconciliation.

The State Government has been requested several times to reconcile the differences and confirm the correct figures to the Office of the Accountant General (A&E) to enable depiction of the correct status in this regard.

During the Exit Conference (December 2021), the Secretary, Finance Department, assured to take appropriate action to rectify the discrepancy between the number of SPSUs.

(ii) Loans and advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, State Government has also provided loans and advances to many institutions/organisations. **Table 2.27** presents the outstanding loans and advances as on 31 March 2021 along with interest receipts *vis-à-vis* interest payments during the five-year period from 2016-17 to 2020-21.

¹¹ Assam State Warehousing Corporation:-₹ 9.06 crore (as on 31-03-2017); Assam State Transport Corporation:-₹ 94.80 crore (as on 31-03-2017); Assam Financial Corporation, Guwahati:-₹ 9.73 crore (as on 31-03-2019).

Table 2.27: Details of Loans advanced by State Government and interest received

(₹ in crore)

Quantum of Loans/ Interest Receipts/ Cost of Borrowings	2016-17	2017-18	2018-19	2019-20	2020-21
Opening Balance	4,693.52	5,174.30	5,423.66	5,748.80	4,924.45
Amount advanced during the year	499.38	254.07	328.07	316.16	87.80
Amount recovered during the year	18.6	4.71	2.93	1,140.51*	2.56
Closing Balance	5,174.30	5,423.66	5,748.80	4,924.45	5,009.69
Net addition	480.78	249.36	325.14	-824.35	85.24
Interest Receipts	17.28	18.86	281.10	284.00	167.20
Interest receipts as a percentage of outstanding Loans and Advances	0.33	0.35	4.89	5.77	3.34
Average rate of interest on Government borrowing (per cent)	7.14	6.87	7.07	6.74	6.51
Difference between Interest Payments and Interest Receipts (per cent)	6.81	6.52	2.18	0.97	3.17

*Includes recoveries of ₹ 1,132.53 crore on account of conversion of loan to Discom into grant and Equity

The total amount of outstanding loans and advances as on 31 March 2021 was ₹ 5,009.69 crore. During 2020-21, the State Government recovered a loan of ₹ 2.56 crore from the loanee entities. Further, the State Government also disbursed a loan of ₹ 87.80 crore to different entities during the year and received ₹ 167.20 crore as interest on loans disbursed in earlier years. Economic Services Sector received the entire amount of loans advanced (₹ 87.80 crore) during the year.

IGAS 3 relates to recognition, measurement, valuation and reporting in respect of loans and advances made by the Government in its Financial Statements to ensure complete, accurate and uniform accounting practices. While the State government complied with the format prescribed by the Standard, the information disclosed in this regard is incomplete, since the details of overdue principal and interest in respect of loans and advances have not been provided to the Accountant General (A&E).

Further, as per notification issued by GoA in March 2006, which was reiterated from time to time, no loan was to be granted for a period exceeding 10 years, except with an extension sought from Finance Department, GoA and the recovery was to be affected in annual equal instalment of principal and interest.

Audit observed that during the year 2020-21, fresh loans of ₹ 87.80 crore disbursed to three loanee entities from whom repayments of earlier loans ₹ 6,739.02 crore were in arrears. Out of those three cases, loans in respect of Assam Tea Corporation Limited (₹ 567.26 crore) were in arrears since 2001-02. Details in this regard are given in the following table.

Table 2.28: Payment of fresh loans to entity during 2020-21

(₹ in crore)

Sl. No.	Name of the loanee entity	Loans Disbursed during the current year		Amount of arrears as on 31 March 2020			Earliest period to which arrears relate
		Rate of Interest	Principal	Principal	Interest	Total	
1	Assam Tea Corporation Limited	11.50%	29.40	435.72	131.54	567.26	2001-02
2	APDCL*	10%	35.03	4,777.72	1,342.37	6,120.09	2003-04
3	Jute Mills	---	23.37	51.66	0.00	51.66	---
	Total		87.80	5,265.10	1,473.91	6,739.01	

*Assam Power Distribution and Generation Company Limited

(iii) Capital locked in Incomplete Projects

As per data provided by the Public Works, PHED and Irrigation Departments, there were 131 incomplete/ ongoing projects with progressive expenditure of ₹ 1,057.93 crore, as of 31 March 2021, incurred by 37 works divisions of these Departments of the State. Age profile of incomplete projects based on the year of sanction of these projects and department-wise profile as on 31 March 2021 is given in the following tables.

Table 2.29: Age profile of incomplete projects as on 31 March 2021 (₹ in crore)

Year of sanction of the project	No of incomplete projects	Estimated cost	Progressive Expenditure (as on 31 March 2021)
2008-09	3	3.26	1.37
2010-11	3	274.53	326.79
2011-12	2	180.39	71.14
2013-14	9	143.97	81.66
2014-15	12	38.55	13.79
2015-16	4	151.69	123.05
2016-17	12	262.01	154.51
2017-18	3	87.49	43.28
2018-19	13	346.75	149.18
2019-20	55	120.89	41.64
2020-21	15	135.95	51.51
Total	131	1,745.48	1,057.93

Table 2.30: Department-wise profile of incomplete projects as on 31 March 2021 (₹ in crore)

Department	No. of incomplete projects	Estimated cost	Progressive Expenditure (as on 31 March 2021)
Public Works	51	1,359.27	830.82
PHED	46	194.41	150.21
Irrigation	34	191.80	76.88
Total	131	1,745.48	1,057.93

Source: Finance Accounts

Physical progress of the projects as on 31 March 2021 was in the range of 0 to 99 per cent in respect of projects being executed by Public Works Department, 45 to 98 per cent in respect of projects being executed by PHED Department and 5 to 98 per cent in respect of projects being executed by Irrigation Department.

Effective steps need to be taken to complete all these above projects without further delay to avoid cost overrun due to time overrun.

2.5.3.3 Resource availability of the State under Public Private Partnership Projects

Public Private Partnership (PPP) is an arrangement between the government or statutory entity and a private sector entity, to provide a framework that enables them to work together to meet the rising demand of the public for infrastructure development.

During 2020-21, no PPP project was completed in the State. However, three projects¹² were ongoing and no project was planned for future. Department wise details of ongoing projects and projects under pipeline are given in **Table 2.31**.

Table 2.31: Status of PPP projects as on 31 March 2021

Sl. No.	Sector	Completed		Ongoing		Planned for future	
		No.	Estimated Cost	No.	Estimated Cost	No.	Estimated Cost
1	PWD (Roads)*	-	-	1	1,220.00	-	-
2	GDD (GMC)*	-	-	1	291.60	-	-
3	GDD (GMDA)*	-	-	1	671.21	-	-
4	Power	-	-	-	-	-	-
	Total	-	-	3	2,182.81	-	-

(₹ in crore)

* PWD-Public Works Department, GDD-Guwahati Development Department, GMC-Guwahati Municipal Corporation, GMDA-Guwahati Metropolitan Development Authority

2.5.4 Expenditure priorities

Enhancing human development levels requires the States to step up their expenditure on key social services like education, health, *etc.* Low fiscal priority (ratio of expenditure under a category to aggregate expenditure) is attached to a particular sector, if the allocation is below the respective State's or national average. The higher the ratio of these components to total expenditure, the quality of expenditure is considered to be better.

Table 2.32 compares the fiscal priority of the State Government with that of North Eastern and Himalayan States (NE & H States) with regard to development expenditure, expenditure on Social and Economic Sectors, and Capital Expenditure during 2020-21, taking 2016-17 as the base year.

Table 2.32: Fiscal Priority of the State in 2016-17 and 2020-21

(In per cent)

Fiscal Priority of the State	AE/ GSDP	CE/ AE	Education/AE	Health/AE
Average (ratio) in 2016-17 of				
North Eastern and Himalayan States	26.50	15.97	16.67	5.67
Assam	21.76	9.94	22.86	5.77
Average (ratio) in 2020-21 of				
North Eastern and Himalayan States	26.92	15.63	16.95	7.04
Assam	22.11	16.10	21.02	8.12

AE-Aggregate Expenditure, CE-Capital Expenditure

As can be seen from the above table, Capital Expenditure of the State was less than that of NE&H States during 2016-17. However, it improved and exceeded the average of

¹² i) Six Road Project (Bundle), ii) Development of Adabari Bus Terminus Land, Guwahati and iii) Construction of Games Village (Phase-II)

NE&H States in 2020-21. Expenditure of the State on Education as well as Health was more than the average of NE&H States during both the years.

2.5.5 Object Head-wise Expenditure

Table 2.33 compares the object head-wise expenditure (above ₹ 100 crore) of the State during current year with respect to the previous year.

Table 2.33: Object Head-wise expenditure

(₹ in crore)

Sl. No.	Head	Expenditure		Increase (+)/ Decrease (-)	
		2019-20	2020-21	Amount	Per cent
1	Salaries	24,331.02	24,335.58	4.56	0.02
2	Grants-in-Aid-General (Salary)	2,677.56	2,467.51	-210.05	-7.84
3	Grants-in-Aid-General (Non-Salary)	17,610.45	15,797.40	-1,813.05	-10.30
4	Grants for Creation of Capital Assets	8,559.48	7,938.34	-621.14	-7.26
5	Pension / Gratuity	9,609.02	10,329.01	719.99	7.49
6	Major Works	6,485.04	7,059.84	574.80	8.86
7	Interest	4,438.87	5,199.18	760.31	17.13
8	Other Charges	1,946.78	1,178.25	-768.53	-39.48
9	Office Expenses	626.39	755.01	128.62	20.53
10	Maintenance	616.20	736.43	120.23	19.51
11	Inter-Accounts Transfer	559.00	643.5	84.50	15.12
12	Materials and Supplies	516.99	468.88	-48.11	-9.31
13	Subsidy	1,473.23	1966.15	492.92	33.46
14	Wages	429.31	424.00	-5.31	-1.24
15	Professionals & Special Services	345.02	335.86	-9.16	-2.65
16	Minor Works	263.44	254.94	-8.50	-3.23
17	Scholarships and Stipend	192.94	262.19	69.25	35.89
18	Machinery and Equipment/ Tools and Plants	185.09	165.26	-19.83	-10.71
19	Deployment	140.06	156.71	16.65	11.89
20	Others	2,580.82	2,007.16	-573.66	-22.23

It can be seen from the table above that expenditure under two object heads recorded more than 30 per cent increase during the year.

2.6 Contingency Fund

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

As on 31 March 2021, the balance under Contingency Fund was ₹ 200 crore and no amount was lying un-recouped at the end of the financial year.

2.7 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article

266 (2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.7.1 Net Balance of transactions in Public Account

Sector-wise net balance of transactions in Public Account of the State as of end of March 2021 are given in **Table 2.34** and also in **Chart 2.17**.

Table 2.34: Component-wise net balance of transactions in Public Account

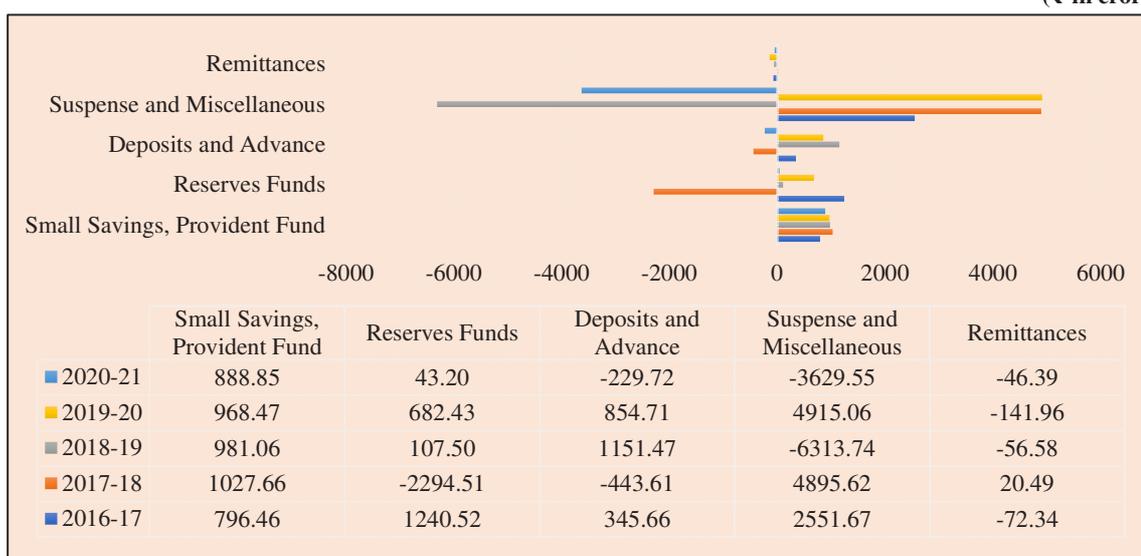
		(₹ in crore)				
Sector	Sub Sector	2016-17	2017-18	2018-19	2019-20	2020-21
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	796.46	1,027.66	981.06	968.47	888.85
J. Reserve Funds	(a) Reserve Funds bearing Interest	1,240.52	-2,294.54	107.50	682.43	43.20
	(b) Reserve Funds not bearing Interest	0.00	0.00	0.00	0.00	0.00
K. Deposits and Advances	(a) Deposits bearing Interest	89.38	-36.32	148.06	-62.19	-19.83
	(b) Deposits not bearing Interest	940.54	109.04	748.82	161.84	-559.15
	(c) Advances	-684.26	-516.33	254.59	755.06	349.26
L. Suspense and Miscellaneous	(a) Suspense	234.01	651.55	-48.32	-415.06	-459.46
	(b) Other Accounts*	2,317.66	4,244.07	-7,318.83	5,330.12	-3,970.09
	(c) Accounts with Governments of Foreign Countries	----	---	---	---	---
	(d) Miscellaneous	----	---	1,053.41	---	800.00
M. Remittances	(a) Money Orders and other Remittances	-54.33	-3.73	-39.35	-123.90	-54.60
	(b) Inter-Governmental Adjustment Account	-18.01	24.22	-17.23	-18.06	8.21
Total		4,861.97	3,205.62	-4,130.29	7,278.71	-2,973.61

Note: Net balances denote excess of receipts over expenditure;

*Other Accounts under L. Suspense and Miscellaneous include Cash Balance Investment Account

Chart 2.17: Yearly changes in net balances of transactions in Public Account

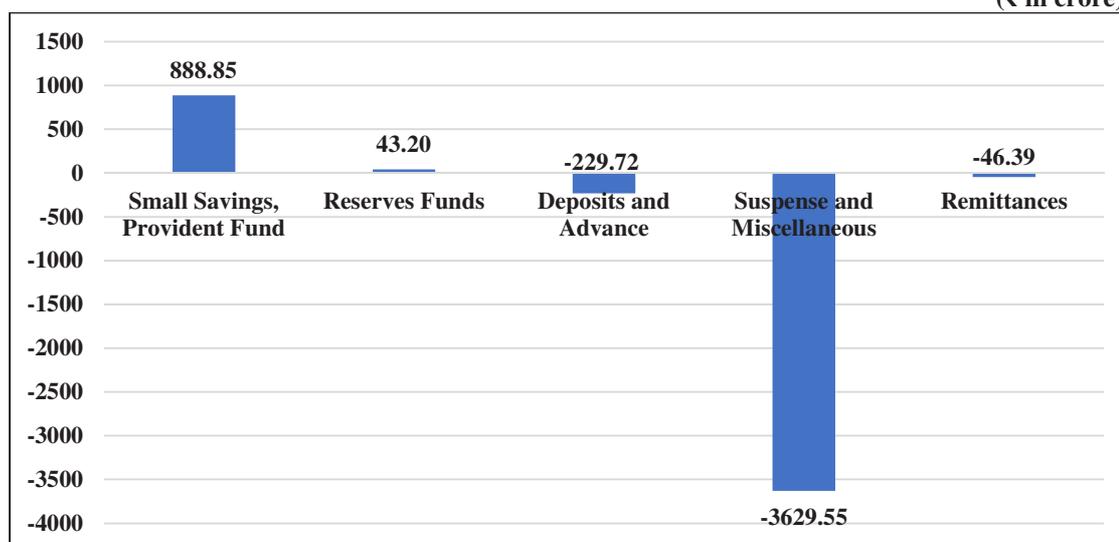
(₹ in crore)



The following Chart gives the details of changes in the balances in Public Account during the year 2020-21.

Chart 2.18: Change in net balances in transactions of Public Account during 2020-21

(₹ in crore)



2.7.2 Reserve Funds

Reserve Funds are created for specific and defined purposes under the Public Account of the State Government. These funds are met from contributions or grants from the Consolidated Fund of the State.

As of 31 March 2021, there were 15 Reserve Funds in the State. Out of these, seven Reserve Funds were active and the remaining eight had been inactive for several years. The total accumulated balance in these funds, as of 31 March 2021, was ₹ 5,382.43 crore. Out of which, ₹ 1,329.24 crore was under interest bearing Reserve Fund and ₹ 4,053.21 crore under Non-Interest bearing Reserve Fund. Details of transactions during the year in three main active Reserve Funds are discussed below:

2.7.2.1 Consolidated Sinking Fund

The State Government had set up the Sinking Fund in line with the recommendations of the XII Finance Commission for amortisation of market borrowings as well as other loans and debt obligations. Under the scheme guidelines, State Government may contribute to the Fund 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, which is responsible for management of the Fund, outstanding liabilities are defined as comprising Public Debt and Public Account liabilities of the State Government. Accordingly, the desired contribution of the State Government was ₹ 354.93 crore, which was 0.5 *per cent* of the outstanding liabilities as of 31 March 2020 (₹ 70,986.23 crore).

Against this requirement, the State Government contributed ₹ 100 crore to the Fund during the year leading to a short contribution of ₹ 254.93 crore. As on 31 March 2021, an amount of ₹ 3,988.35 crore was lying in the Fund (including accrued interest of ₹ 311.85 crore), of which ₹ 3,981.12 crore had been invested.

2.7.2.2 State Disaster Response Fund

Government of India (GoI) replaced the erstwhile Calamity Relief Fund with the State Disaster Response Fund (SDRF) with effect from 01 April 2010. In terms of the guidelines of the Fund, the Centre and Special Category States are required to contribute to the Fund in the proportion of 90:10 and the contributions are to be transferred to the Public Account under Major Head-8121. Expenditure during the year is incurred by operating Major Head-2245.

As per Paragraph 4 of the Guidelines, the State Government has to pay interest to the SDRF at the rate applicable to overdrafts under overdraft Regulation Guidelines of the RBI. The interest is to be credited on a half yearly basis. Further, as per Paragraph 19 of the Guidelines, the SDRF balances are to be invested in one or more of the following instruments *viz.* Central Government dated Securities, Auctioned Treasury Bills and Interest earning deposits and certificate of deposits with Scheduled Commercial Banks.

As on 01 April 2020, the Fund had a balance of ₹ 725.23 crore. During 2020-21, the State Government received ₹ 772.00 crore as Central Government's share. The State Government's share due during the year was ₹ 85.77 crore. Against this, the State Government transferred ₹ 643.50 crore (GoI share: ₹ 579.00 crore *plus* State's share: ₹ 64.50 crore) to the Fund under the Major Head 8121-122 SDRF. During the year, the State also received ₹ 44.37 crore from the Central Government towards NDRF.

Further, against the total due receipts of ₹ 902.14 crore (Central Share received: ₹ 772.00 crore *plus* State Share due: ₹ 85.77 crore *plus* NDRF received: ₹ 44.37 crore) during the year, the State Government transferred ₹ 643.50 crore (Central Share: ₹ 579.00 crore *plus* State Share: ₹ 64.50 crore) to the Fund account which resulted in short transfer of ₹ 258.64 crore to the Fund account during the year. The entire expenditure of ₹ 600.30 crore incurred on natural calamities was set off (MH 2245-901)

against the Fund balance of ₹ 1,368.73 crore during the year. The balance lying under the Fund at the end of 31 March 2021 was ₹ 768.43 crore.

Government of Assam had neither invested the balances in SDRF in any of the instruments specified in the Guidelines, nor had it paid the half-yearly interest on the balance lying in the Fund in violation of SDRF guidelines. The unpaid interest of ₹ 43.51 crore by the GoA led to overstatement of Revenue Surplus to that extent during 2020-21 and accumulated liabilities for future.

During the Public Accounts Committee (PAC) meeting (November 2019) on SFAR for the year ended 31 March 2018, the Chairman raised the issue of non-investment of balances under SDRF by the Government. The Principal Secretary, Finance Department acknowledged that SDRF funds were not being invested regularly and stated that it was due to the highly unpredictable nature of disasters in the State, which necessitate quick access to funds. The Principal Secretary however, assured (January 2020) that the Government would take necessary action for investment of the funds as per the norms prescribed by GoI guidelines. However, no such investment was done as of November 2021.

During the Exit Conference (December 2021), the Commissioner and Secretary, Finance Department assured to follow the provisions of SDRF guidelines as pointed by Audit.

2.7.2.3 Guarantee Redemption Fund

State Government constituted (September 2009) a '*Guarantee Redemption Fund*' for meeting the payment obligations arising out of the guarantees issued by the Government in respect of bonds issued and other borrowings by the State Public Sector Undertakings or other Bodies and invoked by the beneficiaries.

According to the scheme guidelines, the Government should 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 as reflected in the books of accounts maintained by the Accountant General (A&E).

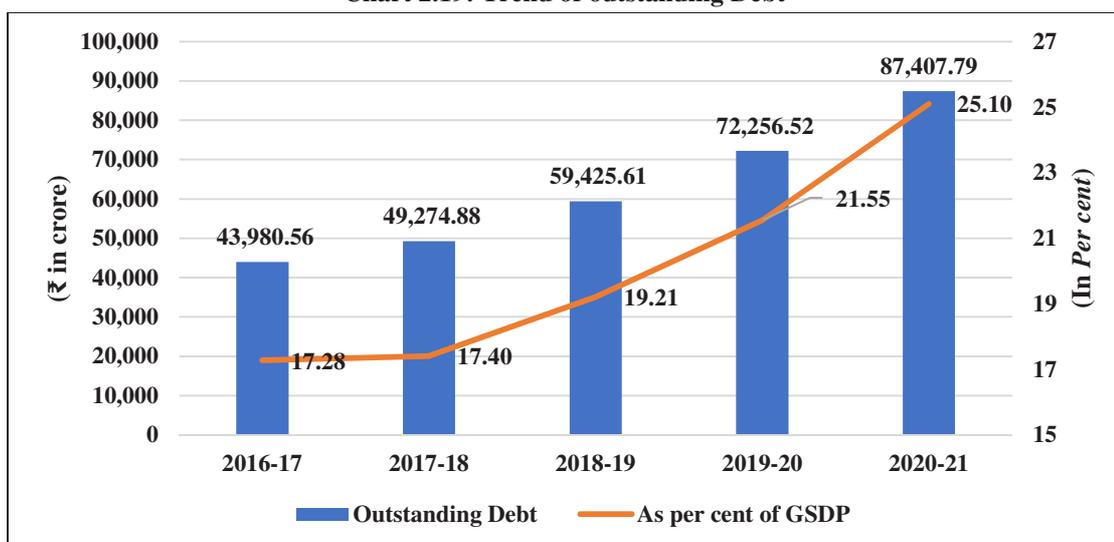
During 2020-21, the State Government was required to contribute ₹ 2.55 crore to the Fund, which was three *per cent* of ₹ 85.02 crore (outstanding guarantees at the end of second financial year preceding the current financial year). This was not done by the State Government during the year. As on 31 March 2021, the total amount lying in the Fund was ₹ 57.22 crore (including the accrued interest of ₹ 4.15 crore for 2020-21) and the entire amount was invested by the Reserve Bank of India.

2.8 Debt Management

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

Total outstanding Debt as a percentage of GSDP during 2016-21 is given in **Chart 2.19**.

Chart 2.19: Trend of outstanding Debt



2.8.1 Debt profile: Components

Total debt of the State Government typically constitutes internal debt of the State (market loans, ways and means advances from RBI, special securities issued to National Small Savings Fund and loans from financial institutions, *etc.*), loans and advances from the Central Government, and Public Account Liabilities. The State FRBM Act, 2005 defines ‘total liabilities’ as the liabilities under the Consolidated Fund and the Public Account of the State. Some of the important terms used under debt parameters are explained below:

Item	What it means	Status in Assam
Ways and Means Advances (WMAs)	It is a facility for both the Centre and states to borrow from the RBI to help them tide over temporary mismatches in cash flows of their receipts and expenditure. Such advances should be repaid not later than three months from the date of taking the advance. RBI also charges interest on WMAs equivalent to its repo rate, which is basically the rate at which it lends short-term money to banks. That rate is currently 4.0 <i>per cent</i> .	The limit for ordinary WMA to the State Government was ₹ 608.49 crore with effect from 01 April 2020. The Bank has also agreed to give special ways and means advances against the pledge of Government Securities. The limit of special ways and means advances revised by the Bank from time to time. Government of Assam maintained the minimum cash balance with RBI during 2020-21 and no Ways and Means Advances or Overdraft was taken during the year.
Overdrafts	The governments are allowed to draw amounts in excess of their WMA limits. No state can run an overdraft with the RBI for more than a certain period. A state can be in overdraft from 14 to 21 consecutive working days, and from 36 to 50 working days during a quarter. The interest on overdraft is two percentage points above the repo rate, which works out to 6.0 <i>per cent</i> .	
Government securities	A Government Security (G-Sec) is a tradeable instrument issued by the Central Government	Long term securities carry a fixed or floating coupon

Item	What it means	Status in Assam
	or the State Governments. Such securities are short term (usually called treasury bills, with original maturities of less than one year) or long term (usually called Government bonds or dated securities with original maturity of one year or more). In India, the Central Government issues both, treasury bills and bonds or dated securities while the State Governments issue only bonds or dated securities, which are called the State Development Loans (SDLs).	(interest rate) which is paid on the face value, payable at fixed time periods (usually half-yearly).
T-bills	Treasury bills are short-term securities issued by the Central government. Their maturity periods range up to one year. These securities are sold at a discount rate and will be paid at face value, which is how the investors make their money. At present, the active T-Bills are 91-days T-Bills, 182-day T-Bills and 364-days T-Bills.	Treasury-Bills are issued on discount to face value, while the holder gets the face value on maturity. The return on T-Bills is the difference between the issue price and face value. Thus, return on T-Bills depends upon auctions.
T-Notes	Treasury notes are government securities with maturity periods longer than treasury bills. Their maturity periods can be two, three, four, five, seven, and ten years. Interest is paid every six months.	
T-Bonds	Treasury bonds are long-term investments with a maturity period of 30 years. Interest is paid every six months.	

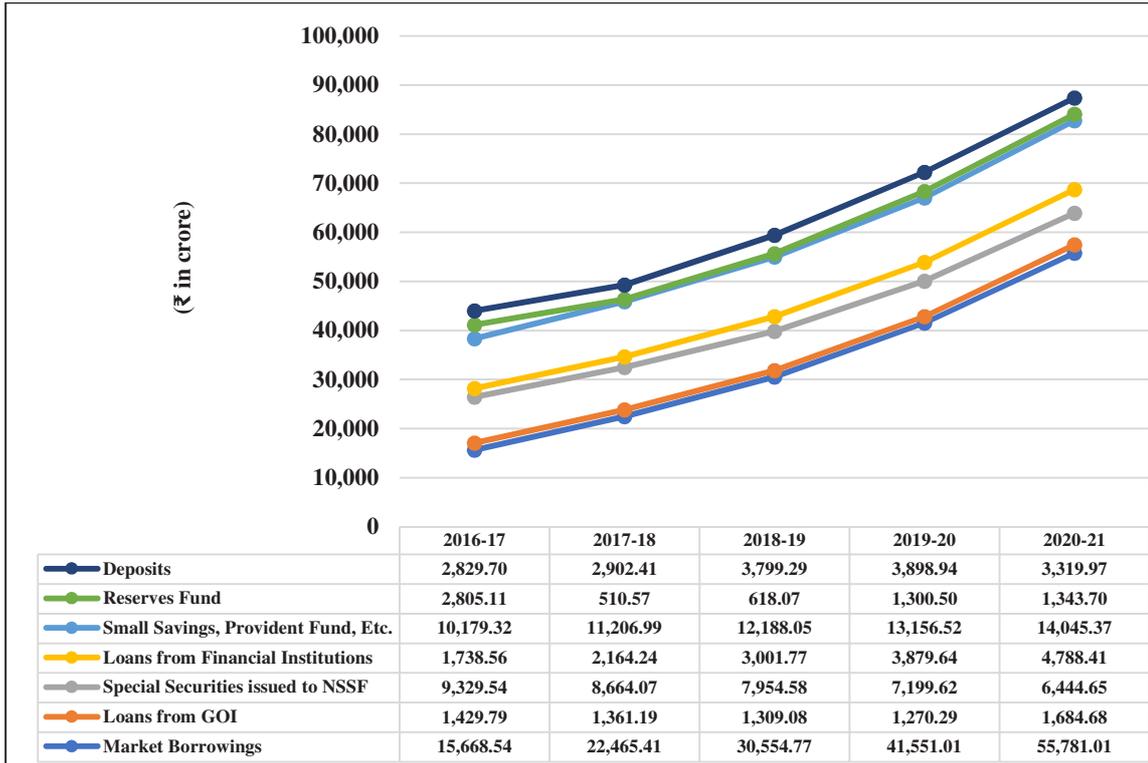
Outstanding debt, total debt received, repayment of debt, ratio of debt to GSDP and the actual quantum of debt available to the State during the five-year period 2016-21 are given in **Table 2.35**. Component wise debt and their trends during 2016-21 are also given in **Chart 2.20**.

Table 2.35: Trend of Outstanding Debt

		(₹ in crore)				
		2016-17	2017-18	2018-19	2019-20	2020-21
Outstanding Debt		43,980.56	49,274.88	59,425.61	72,256.52	87,407.79*
Public Debt	Internal Debt	26,736.65	33,293.73	41,511.12	52,630.27	67,014.07
	Loans from GoI	1,429.78	1,361.18	1,309.08	1,270.29	1,684.68
Public Account Liabilities		15,814.13	14,619.97	16,605.41	18,355.96	18,709.04
<i>(i) Small Savings, Provident Funds, etc.</i>		10,179.33	11,206.99	12,188.05	13,156.52	14,045.37
<i>(ii) Reserve Funds</i>		2,805.10	510.56	618.07	1,300.50	1,343.70
<i>(iii) Deposits</i>		2,829.70	2,902.42	3,799.29	3,898.94	3,319.97
Rate of growth of outstanding debt (per cent)		12.62	12.04	20.60	21.59	20.97
Gross State Domestic Product		2,54,478.25	2,83,164.90	3,09,336.32	3,35,238.11	3,48,277.17
Debt/GSDP (per cent)		17.28	17.40	19.21	21.55	25.10
Total Debt Receipts		13,533.76	18,848.19	25,163.98	25,275.04	27,561.92
Total Debt Repayments		8,607.78	13,553.88	15,013.26	12,444.13	11,416.65
Total Debt Available		4,925.98	5,294.31	10,150.72	12,830.91	16,145.27
Debt Repayments/Debt Receipts (per cent)		63.60	71.91	59.66	49.23	41.42

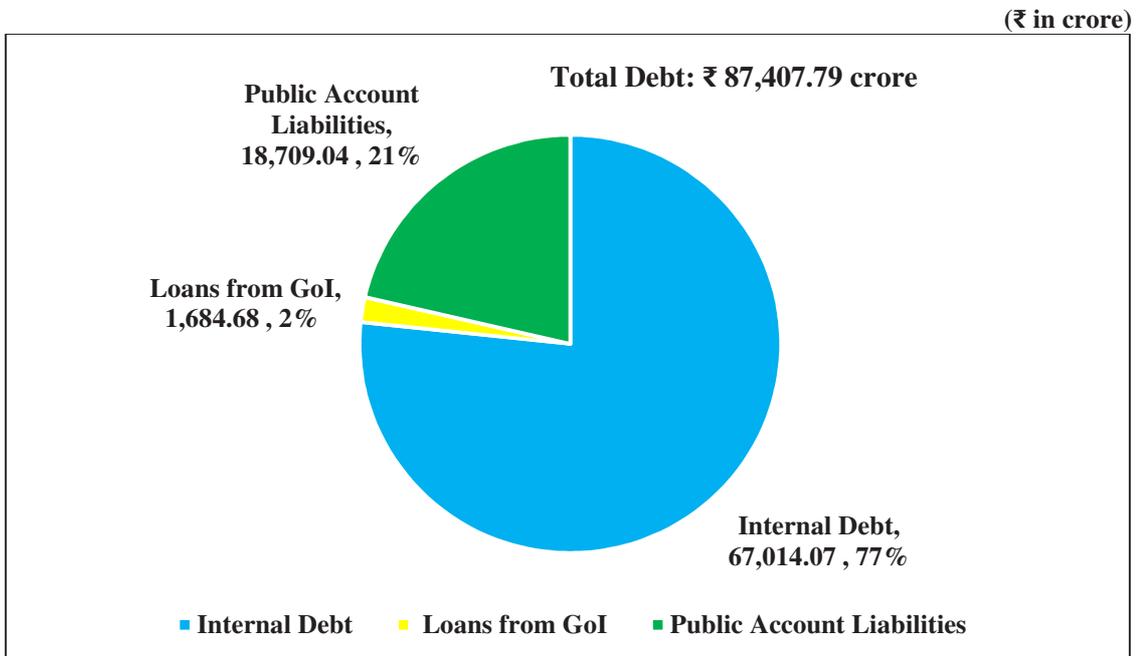
*Excludes loan of ₹ 994.00 crore, which was passed on as back to back loans by GoI, in lieu of shortfall in GST Compensation vide GoI's letter No. F.No. 40(1)PF-S/2021-22 dated 10-12-2021

Chart 2.20: Component wise debt trends (₹ in crore)



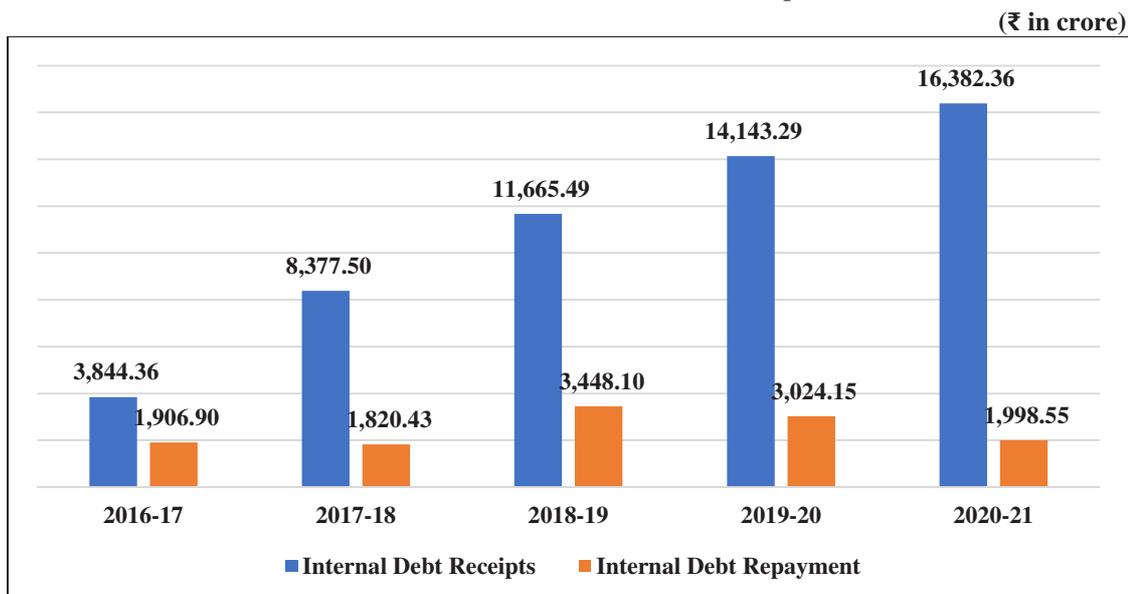
The total outstanding debt of the State Government at the end of 2020-21 was ₹ 87,407.79 crore. Component-wise break-up of debt during the year is shown in Chart 2.21.

Chart 2.21: Break-up of Outstanding Debt at the end of FY 2020-21



Internal debt, which is primarily market borrowings through issue of State Development Loans (SDLs), accounts for 77 per cent of the total outstanding debt. Internal debt receipts and repayment made by the State during the period is given in Chart 2.22.

Chart 2.22: Internal debt taken vis-à-vis repaid



Fiscal Deficit of the State ranged between 1.54 per cent and 4.45 per cent of GSDP during 2016-21. The financing pattern of fiscal deficit during the five-year period has undergone a compositional shift as reflected in **Table 2.36**. Financing of fiscal deficit during 2020-21 has also been expressed through a water flow chart given below.

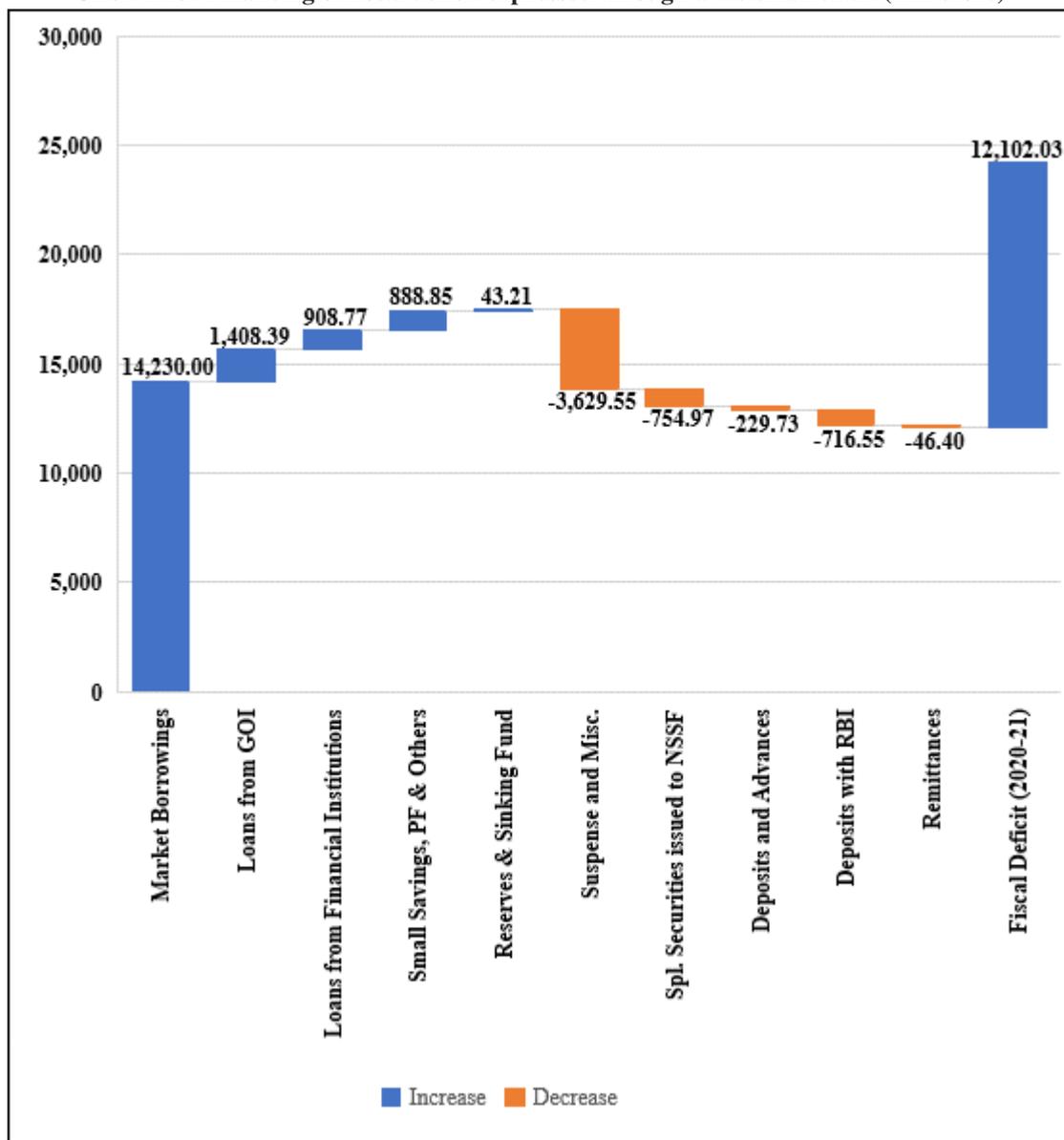
Table 2.36: Components of fiscal deficit and its financing pattern

(₹ in crore)

Particulars		2016-17	2017-18	2018-19	2019-20	2020-21
Fiscal Deficit (-)/ Surplus (+)		-6,125.77	-9,342.20	-4,779.06	-14,915.80	-12,102.03
FD/GSDP		-2.41	-3.30	-1.54	-4.45	-3.47
Composition of Fiscal Deficit/Surplus						
1	Revenue Deficit (-)/Surplus(+)	-142.91	-1,350.00	6,580.16	-2,171.60	382.60
2	Net Capital Expenditure	-5,502.08	-7,692.84	-11,034.08	-13,468.55	-12,399.39
3	Net Loans & Advances	-480.78	-249.36	-325.14	824.35	-85.24
4	Appropriation to Contingency Fund	0.00	-50.00	0.00	-100.00	0.00
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	1,994.34	6,796.87	8,089.36	10,996.24	14,230.00
2	Loans from GOI	-78.38	-68.60	-52.11	-38.78	1,408.39
3	Special Securities issued to NSSF	-630.19	-665.47	-709.49	-754.96	-754.97
4	Loans from Financial Institutions	573.31	425.67	837.53	877.86	908.77
5	Small Savings, Provident Fund & Others	796.45	1,027.66	981.06	968.47	888.85
6	Deposits and Advances	345.65	-443.61	1,151.46	854.71	-229.73
7	Suspense and Miscellaneous	2,551.67	4,895.62	-6,313.73	4,915.06	-3,629.55
8	Remittances	-72.34	20.50	-56.58	-141.96	-46.40
9	Reserves & Sinking Fund	1,240.52	-2,294.54	107.50	682.44	43.21
10	Contingency Fund	0.00	50.00	0.00	100.00	0.00
11	Overall Deficit	6,721.03	9,744.10	4,035.00	18,459.08	12,818.59
12	Increase (-)/ Decrease (+) in cash balance	-595.26	-401.90	744.06	-3,543.28	-716.55
13	Gross Fiscal Deficit	6,125.77	9,342.20	4,779.06	14,915.80	12,102.03

*Net of receipts and disbursement during the year

Chart 2.23: Financing of fiscal deficit expressed through a waterfall chart (₹ in crore)



The share of Revenue Deficit/surplus in fiscal deficit indicate the extent to which borrowed funds were used for current consumption.

Table 2.37: Receipts and Disbursements under components financing the fiscal deficit during 2020-21

(₹ in crore)				
Sl. No.	Particulars	Receipts	Disbursement	Net
1	Market Borrowings	15,030.00	800.00	14,230.00
2	Loans and Advances from GOI	1,557.82	149.43	1,408.39
3	Special Securities issued to NSSF	0	754.97	-754.97
4	Loans from Financial Institutions	1,352.35	443.58	908.77
5	Small Savings, PF, etc.	2,310.41	1,421.56	888.85
6	Deposits and Advances	7,538.60	7,768.32	-229.73
7	Suspense and Miscellaneous	1,29,610.79	1,33,240.33	-3,629.54
8	Remittances	7,737.39	7,783.79	-46.40
9	Reserves & Sinking Funds	1,859.50	1,816.29	43.21
10	Overall Deficit			12,818.58

Sl. No.	Particulars	Receipts	Disbursement	Net
11	Increase (-)/Decrease (+) in cash balance	2,980.20	3,696.79	-716.55
12	Gross Fiscal Deficit			12,102.03

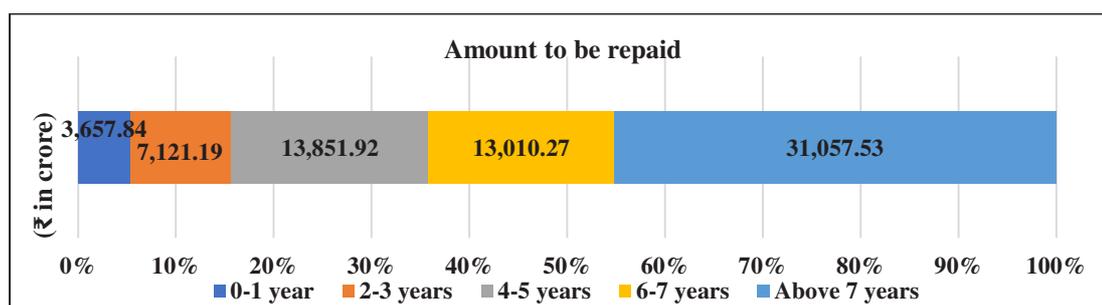
2.8.2 Debt profile: Maturity and Repayment

Public Debt consists of Internal Debt and Loans and Advances received from GoI. As per Statement 17 of the Finance Accounts for the year 2020-21, the maturity profile of public debt is given in **Table 2.38** and **Chart 2.24**.

Table 2.38: Maturity Profile of Public Debt

Year of maturity	Maturity Profile	Amount			Per cent of total Public Debt
		Internal Debt	Loans & Advances from GoI	Total	
By 2021-22	0-1 year	3,372.22	285.62	3,657.84	5.32
Between 2022-23 & 2023-24	2-3 years	6,798.57	322.62	7,121.19	10.37
Between 2024-25 & 2025-26	4-5 years	13,745.42	106.50	13,851.92	20.16
Between 2026-27 & 2027-28	6-7 years	12,908.05	102.22	13,010.27	18.94
2028-29 onwards	Above 7 years	30,189.81	867.72	31,057.53	45.21
Total		67,014.07	1,684.68	68,698.75	

Chart 2.24: Maturity Profile of Public Debt



The maturity profile of outstanding stock of public debt as on 31 March 2021 indicates that out of the outstanding public debt of ₹ 68,698.75 crore, 54.79 per cent (₹ 37,641.22 crore) is payable within the next seven years while the remaining 45.21 per cent (₹ 31,057.53 crore) is in the maturity bracket of more than seven years. Of the total outstanding public debt, internal debt consisting of market borrowings, loans from NABARD and special securities issued to NSSF of Central Government constituted 98.19 per cent (₹ 67,014.07 crore).

The details of actual pay-out *vis-à-vis* that indicated in the SFARs during last three years are tabulated below.

Table 2.39: Maturity Profile of Public Debt

Year	Outstanding Public debt as on 31 March	Indicated payment in Finance Accounts	Actual repayment
2018-19	42,820.20	3,301.19	3,589.36
2019-20	53,900.56	2,880.50	3,169.27
2020-21	68,698.75	3,773.55	2,147.98
Total		9,955.24	8,906.61

It can be seen that during last three years *i.e.*, 2018-19 to 2020-21, the State repaid ₹ 8,906.61 crore of debt against indicated payment of ₹ 9,955.24 crore in the Finance Accounts. The difference between the indicated amount and the actual repayment is under reconciliation.

2.9 Debt Sustainability Analysis (DSA)

Debt sustainability is defined as the ability of the State to service its debt now and in future. However, the higher the level of public debt, the more likely it is that fiscal policy and public debt are unsustainable, as a higher debt requires a higher Primary Surplus to sustain it. A high level of debt raises a number of challenges:

- large primary fiscal surpluses are needed to service a high level of debt; such surpluses may be difficult to sustain, both economically and politically.
- a high level of debt heightens an economy's vulnerability to interest rate and growth shocks.
- a high debt level is generally associated with higher borrowing requirements, and therefore a higher risk of a rollover crisis (*i.e.*, being unable to fulfil borrowing requirements from private sources or being able to do so only at very high interest rates).
- high levels of debt may be detrimental to economic growth; while lower growth is a concern in itself, it also has a direct impact on debt dynamics and debt sustainability in the long term.

Debt vulnerability is also associated with its profile. A high share of short-term debt at original maturity, increases vulnerability to rollover (re-financing risk) and interest rate risks. Sustainability of Public debt ensures that it does not explode and governments are not forced to increase taxes, or decrease spending.

Debt Sustainability indicators:

Ratio of total outstanding debt to GSDP (<i>In per cent</i>)	The debt-to-GSDP ratio is the metric comparing a state's public debt to its gross domestic product (GSDP). By comparing what a state owes with what it produces, the debt-to-GSDP ratio reliably indicates that particular state's ability to pay back its debts. A falling debt/GSDP ratio can be considered as leading towards stability. If Debt/GSDP ratio is increasing rapidly and goes above a threshold, we can say that current level of the primary balance is not sufficient to stabilise the debt-to-GSDP ratio, which is on an explosive path. Sufficient fiscal adjustment should be made by reducing the fiscal deficit (primary balance) to a level necessary to make public debt sustainable.
Ratio of Revenue Receipts to total outstanding debt	If the ratio is increasing, it would be easy for the government to repay its debt using Revenue Receipts only without resorting to additional debt.

Ratio of State's own resources to total outstanding debt	If the ratio is increasing, it would be easier for the government to repay its debt using its own resources.
Percentage of outstanding amount of guarantees to total Revenue Receipts	Higher percentage of guarantees increase the fiscal risks. States have put statutory or administrative ceiling on Government guarantees. They are linked to State's revenue.
Rate of Growth of Outstanding Public Debt <i>vis-à-vis</i> Rate of Growth of GSDP	If the growth rate of public debt is higher than the GSDP growth rate, it will lead to higher debt to GSDP ratio.
Average interest Rate of Outstanding Debt (Int. paid/OB of Public Debt + CB of Public Debt/2)	Higher interest rate means that there is scope for restructuring of debt.
Percentage of Interest payments to Revenue Receipts	Higher percentage of interest payments leaves less funds for priority areas. It measures the margin of safety a government has for paying interest on its debt during a given period. Governments need to have more than enough revenues to cover interest payments in order to survive future (and perhaps unforeseeable) financial hardships that may arise. If significant portion of borrowed funds are used for repayment of borrowings and interest thereon, the net debt available with State for development activities is curtailed.
Percentage of Public Debt Repayment to Public Debt Receipts	Higher the percentage, the greater the proportion of debt utilised for debt servicing rather than productively.
Net Debt available to the State	It is the excess of Public Debt Receipts over Public Debt repayment and Interest payment of Public Debt.
Debt Maturity profile of repayment of State debt – including default history, if any	A high share of short-term debt at original maturity, increases vulnerability to rollover (re-financing risk) and interest rate risks. The past record of repayments as per schedule in conjunction with the proportion of debt repayable in the forthcoming seven years, is indicative of debt servicing position.

2.9.1 Debt Sustainability Analysis (DSA)-Outstanding Debt

Outstanding Debt comprises of both public debt and public account liabilities. Debt is considered sustainable if the borrower, in this case the State, is in a position to service its debt now, and in future. Debt sustainability indicators accordingly seek to assess the credit worthiness and the liquidity position of the borrower by examining their ability to service the debt through timely interest payments and repay debt out of current and regular sources of revenue.

The cornerstone of Debt Sustainability Analysis (DSA) is the Debt-GSDP ratio. The debt to GSDP ratio rises mainly because higher levels of debt lead to higher net interest expenditures, and in turn to higher deficits and debt. A sustainable fiscal policy is one where the debt to GSDP ratio is stable or declining over the long term.

This section assesses the sustainability of debt of the State Government in terms of debt/GSDP ratio, Fiscal Deficit, burden of interest payments (measured by ratio of interest payments to Revenue Receipts) and maturity profile of the State Government debt.

Table 2.40 shows the debt sustainability of the State according to these indicators for the five-year period beginning from 2016-17.

Table 2.40: Debt Sustainability: Indicators and Trends

	(₹ in crore)				
Indicators of Debt sustainability	2016-17	2017-18	2018-19	2019-20	2020-21
Outstanding Debt (₹ in crore)	43,980.56	49,274.88	59,425.61	72,256.52	87,407.79*
Percentage of outstanding Debt to Revenue Receipts	89.36	91.03	93.61	112.03	134.68
Debt/GSDP (<i>per cent</i>)	17.28	17.40	19.21	21.55	25.10
Fiscal Deficit/GSDP (<i>per cent</i>)	2.41	3.30	1.54	4.45	3.47
Interest Payments/Revenue Receipts Ratio	6.02	5.92	6.06	6.88	8.01
Rate of growth of outstanding Debt (<i>per cent</i>)	12.61	12.04	20.60	21.59	20.97
Rate of growth of GSDP (<i>per cent</i>)	11.63	11.27	9.24	8.37	3.89
Rate of growth of RR (<i>per cent</i>)	15.93	9.98	17.27	1.60	0.63
Interest payment (₹ in crore)	2,963.75	3,205.32	3,844.37	4,438.87	5,199.18
Average interest rate on Outstanding debt (<i>per cent</i>)	7.14	6.87	7.07	6.74	6.51
Available Debt as a percentage of Debt Receipts	36.40	28.09	40.34	50.77	58.58

*Excludes loan of ₹ 994.00 crore given as back-to-back loan by Government of India during 2020-21

The fiscal consolidation roadmap recommended by the XIV FC had set the following targets relating to debt sustainability –

- Debt should be less than 25 *per cent* of GSDP; and
- Interest payments should be less than 10 *per cent* of Revenue Receipts.

Further, XV FC also recommended that the State Government should also comply with the recommended path of debt consolidation and must abide by the definition of both debt and fiscal deficit as contained in FRBM Act. The Act envisaged that ratio of outstanding debt to GSDP of the State is to be limited to 28.50 *per cent* of GSDP in 2020-21.

As can be seen from **Table 2.40** that during the last five years *i.e.*, 2016-17 to 2020-21, ratio of debt to GSDP showed an upward trend. During the last two years, it recorded sharp increase and reached a level of 25.10 *per cent* during 2020-21. However, this ratio during the current year was below the target ceiling for debt of 28.50 *per cent* set in AFRBM Act. During 2020-21, the total outstanding debt was 134.68 *per cent* of Revenue Receipts of the State. The rate of growth of Revenue Receipts was 0.63 *per cent* as against the rate of growth of outstanding debt of 20.97 *per cent* during the year. However, the growth rate of Revenue Receipts outpaced the growth rate of debt only in one year *i.e.*, in 2016-17 out of five-year period. The burden of interest payment ranged from 5.92 to 8.01 *per cent* of the Revenue Receipts. During the five-year period 2016-17 to 2020-21, while GSDP has grown at a CAGR of 8.16 *per cent*, the outstanding debt has grown at a faster rate of 18.73 *per cent*, and

hence the State needs to review the debt position for remedial action. The State Government needs to further augment its Revenue Receipts to be in a position to service the debt on a sustainable basis.

During the Exit Conference (December 2021), Audit expressed concern over the increasing trend of debt to GSDP ratio.

In reply, the Commissioner and Secretary, Finance Department stated that during 2020-21, the State resorted to additional borrowing *i.e.*, up to 2.5 per cent of GSDP under amended AFRBM Act 2020.

2.9.1.1 Debt Sustainability Analysis (DSA)-Public Debt

Public Debt is a component of total debt of the State. It consists of Internal debt and loans and advances taken from the Central Government. This section assesses the sustainability of public debt of the State Government in terms of public debt/ GSDP ratio, Fiscal Deficit and burden of interest payments (measured by ratio of interest payments to Revenue Receipts).

Public debt sustainability of the State according to these indicators for the five-year period beginning from 2016-17 is given in **Table 2.41** and also in **Chart 2.25**.

Table 2.41: Trends in Public Debt Sustainability indicators

(₹ in crore)

Debt sustainability Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
Outstanding Public Debt*	28,166.43	34,654.91	42,820.20	53,900.56	68,698.75**
Rate of Growth of Outstanding Public Debt (per cent)	7.07	23.04	23.56	25.88	27.45
GSDP	2,54,478.25	2,83,164.90	3,09,336.32	3,35,238.11	3,48,277.17
Rate of growth of GSDP (per cent)	11.63	11.27	9.24	8.37	3.89
Public Debt/GSDP (per cent)	11.07	12.24	13.84	16.08	19.73
Repayment of Public debt - including default history, if any	2,042.63	1,958.60	3,589.36	3,169.26	2,147.98
Average interest rate of Outstanding Public Debt (per cent)	8.36	7.90	7.88	7.39	7.05
Percentage of Interest payment on Public Debt to Revenue Receipts	4.63	4.58	4.81	5.54	6.66
Percentage of Public Debt Repayment to Public Debt Receipts	52.35	23.19	30.54	22.24	11.97
Net Debt available to the State[#]	-418.85	4,007.28	5,113.18	7,507.86	11,468.35
Net Debt available as per cent to Debt Receipts	-10.74	47.44	43.51	52.69	63.93

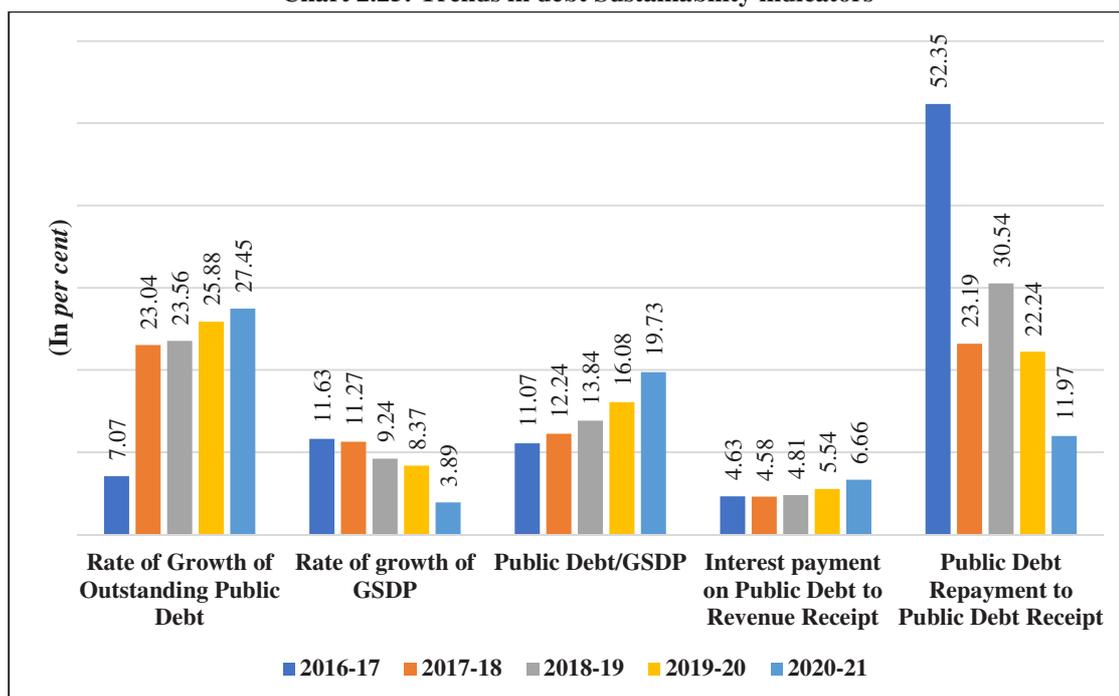
Source: Finance Accounts

* Outstanding Public Debt is the sum of outstanding balances under heads 6003- Internal Debt and 6004- Loans and Advances from the Central Government.

**Excludes loan of ₹ 994.00 crore given as back-to-back loan by Government of India during 2020-21

Net debt available to the State Government is calculated as excess of Public debt receipts over Public debt repayment and interest payment on Public Debt.

Chart 2.25: Trends in debt Sustainability indicators



As evident from above table, public debt constituted 79 per cent of total debt at the end of 2020-21. During the year, it grew at the rate of 27.45 per cent i.e., the highest in the last five-year period. Growth rate of public debt at 27.45 per cent also outpaced the growth rate of GSDP (3.89 per cent) during the year. These all indicate that there would be increased pressure on interest payment on public debt in forthcoming years.

2.9.2 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and development activities. Using borrowed funds for meeting consumption and repayment of interest on outstanding loans is not sustainable.

The trend of borrowing (public debt receipts) during the last five-year period 2016-21 and utilisation are shown in **Table 2.42**.

Table 2.42: Utilisation of borrowed funds

Sl. No.	Year	₹ in crore)				
		2016-17	2017-18	2018-19	2019-20	2020-21
1	Total Borrowings (Public Debt Receipts)	3,901.71	8,447.07	11,754.65	14,249.63	17,940.18
2	Repayment of earlier borrowings (per cent)	2,042.63 (52.35)	1,958.60 (23.19)	3,589.36 (30.54)	3,169.26 (22.24)	2,147.98 (11.97)
3	Capital expenditure (per cent)	5,502.08 (141.02)	7,692.84 (91.07)	11,034.08 (93.87)	13,468.55 (94.51)	12,399.39 (69.12)

Source: Finance Accounts

It is observed that over the last five years, public debt receipts increased by 359.80 per cent from ₹ 3,901.71 crore in 2016-17 to ₹ 17,940.18 crore in 2020-21. Out of public debt receipts of ₹ 17,940.18 crore during 2020-21, the State Government utilised 11.97 per cent (₹ 2,147.98 crore) for repayment of earlier borrowing and

69.12 *per cent* (₹ 12,399.39 crore) for incurring capital expenditure during the year 2020-21, which was also the lowest during the five-year period.

2.9.3 Status of Guarantees – Contingent Liabilities

Guarantees are liabilities contingent on the Consolidated Fund of the State in case of default by the borrower for whom the guarantee has been extended. According to FRBM Act, State Government guarantees are to be restricted to 50 *per cent* of the State's Tax and Non-Tax Revenue of the second preceding year.

The details of outstanding guarantees given by the State Government including interest liability during the five-year period from 2016-17 to 2020-21 are shown in **Table 2.43**:

Table 2.43: Guarantees given by the Government of Assam

	(₹ in crore)				
Guarantees	2016-17	2017-18	2018-19	2019-20	2020-21
Outstanding amount of guarantees including interest liability	130.00	90.23	85.02	83.42	77.72
Criteria as per the AFRBM Act, 2005	State Government guarantees shall be restricted at any point of time to 50 <i>per cent</i> of State's own tax and non-tax revenue of the second preceding year as reflected in the books of accounts maintained by Accountant General (A&E).				

Government had guaranteed loans raised by various Corporations and Others which at the end of 2020-21 stood at ₹ 77.72 crore. It was 0.32 *per cent* of State's Own Tax and Non-Tax Revenue of the second preceding year (₹ 24,146.14 crore) *i.e.*, well within the limit prescribed in the State FRBM Act. Out of the total outstanding guarantees, ₹ 6.28 crore (eight *per cent*) pertained to power sector.

2.9.4 Management of Cash Balances

As per an agreement with the Reserve Bank of India, State Governments have to maintain a minimum daily cash balance with the Bank. If the balance falls below the agreed minimum on any day, the deficiency is made good by taking ordinary Ways and Means Advances (WMA)/Special Ways and Means Advances (SWMA)/Overdrafts (OD) from time to time. The limit for ordinary WMA to the State Government are revised by the RBI from time to time.

The limit for ordinary WMA to the State Government was ₹ 608.49 crore with effect from 01 April 2020 and the limit of SWMA is revised by the bank from time to time. The State Government maintained the minimum daily cash balance with the RBI during 2020-21 and no WMA/ SWMA/ OD was availed during the year.

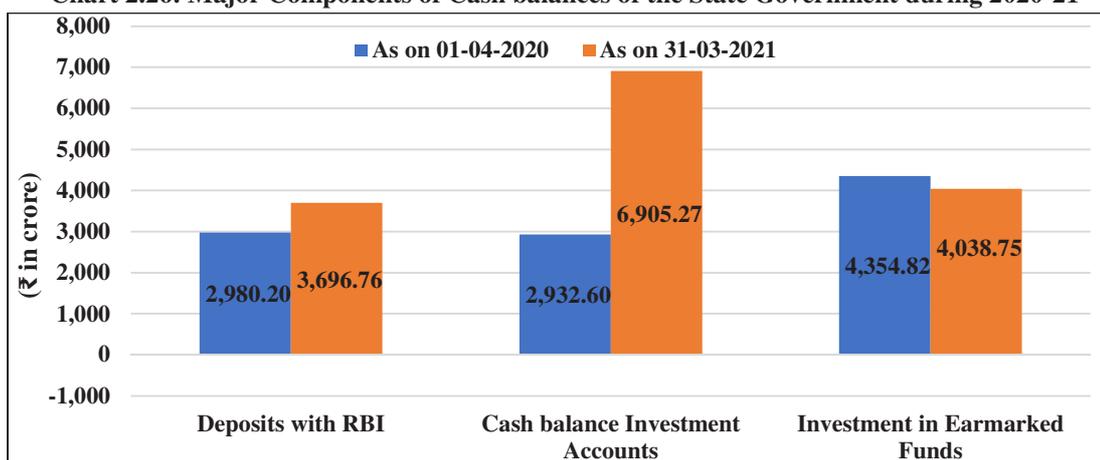
Table 2.44 and **Chart 2.26** depict the cash balances and investments made out of these by the State Government during the year.

Table 2.44: Cash Balances and their investment

(₹ in crore)

	Opening balance on 01 April 2020	Closing balance on 31 March 2021
A. General Cash Balance		
Cash in treasuries	0.00	0.00
Deposits with Reserve Bank of India ¹³	2,980.20	3,696.76
Deposits with other Banks	0.00	0.00
Remittances in transit – Local	0.00	0.00
Total	2,980.20	3,696.76
Investments held in Cash Balance investment account	2,932.60	6,905.27
Total (A)	5,912.80	10,602.03
B. Other Cash Balances and Investments		
Cash with departmental officers viz., Public Works, Forest Officers	11.49	8.91
Permanent advances for contingent expenditure with department officers	0.47	0.47
Investment in earmarked funds	4,354.82	4,038.75
Total (B)	4,366.78	4,048.13
Total (A + B)	10,279.58	14,650.16
Interest realised	382.86	68.66

Chart 2.26: Major Components of Cash balances of the State Government during 2020-21



Cash Balances of the State Government at the end of the current year increased by ₹ 4,370.58 crore from ₹ 10,279.58 crore in 2019-20 to ₹ 14,650.16 crore in 2020-21. This was mainly due to increase in investment in Treasury Bills by ₹ 3,972.67 crore from ₹ 2,932.60 crore in 2019-20 to ₹ 6,905.27 crore in 2020-21.

State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The interest earned from such investments are credited as receipts under the head '0049-Interest Receipts'. The cash balances are invested in the Consolidated Sinking Fund and Guarantee Redemption Fund as well. The State Government has earned an interest of ₹ 68.66 crore during 2020-21 from the investments made in GoI Securities and Treasury Bills.

Out of the investment of ₹ 4,038.75 crore in earmarked funds, ₹ 3,981.12 crore was invested in the Consolidated Sinking Fund and ₹ 57.22 crore in Guarantee Redemption

¹³ There is a difference of ₹ 3,679.55 crore between Closing Cash Balance as per Accounts (₹ 3,696.76 crore) and as per RBI (₹ 17.21 crore).

Fund at the end of the year. Interest earned from earmarked funds are credited back to the funds to which these relate for their investment by RBI.

The cash balance investments of the State during the five-year period 2016-17 to 2020-21 are given in the following table:

Table 2.45: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+)/ decrease (-)	Interest earned
2016-17	7,510.11	5,181.64	-2,328.47	458.12
2017-18	5,181.64	936.95	-4,244.69	286.53
2018-19	936.95	8,262.27	7,325.32	307.00
2019-20	8,262.27	2,932.60	-5,329.67	382.86
2020-21	2,932.60	6,905.27	3,972.67	68.66

The trend analysis of the cash balance investment of the State Government during 2016-21 revealed that investment increased significantly during 2018-19 and 2020-21. During the current year, *i.e.*, 2020-21, interest earned by the State from its investment in the cash balance investment account stood at ₹ 68.66 crore.

Chart 2.27 compares the balances available in the Cash Balance Investment Account and the Market Loans taken by the State during the period 2016-21. Market Loans were taken at higher interest rates whereas investment in Treasury Bills yielded interest at lower rates.

Chart 2.27: Market loans vis-a-vis Cash Balance Investment Account

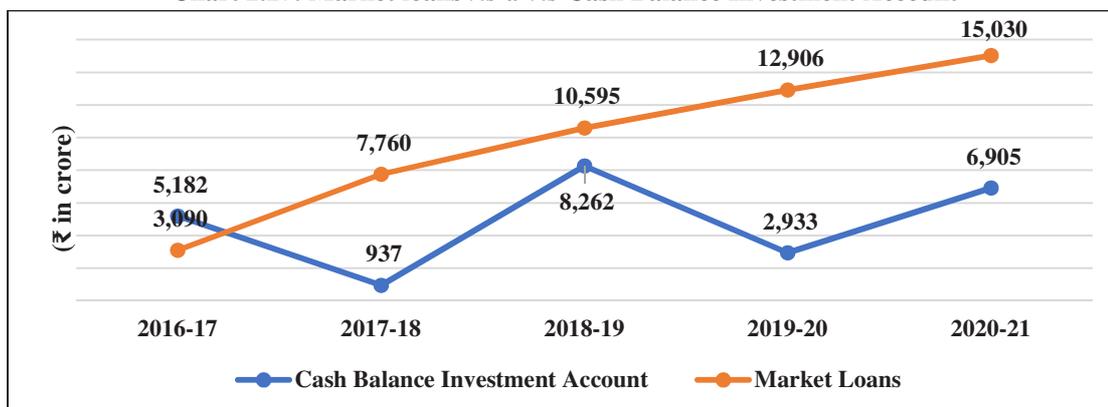
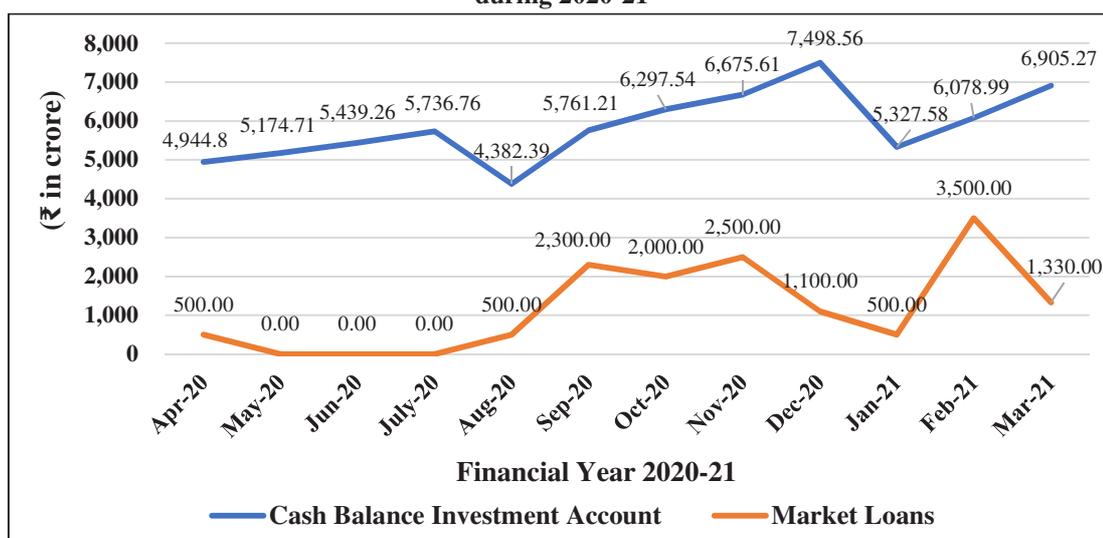


Chart 2.28 compares the month-wise Cash Balance Investment Account with the market loans obtained by the State.

Chart 2.28: Month-wise movement of Cash Balances Investment Account and market loans during 2020-21



The preceding chart indicates that the State Government had taken recourse to market loans on several occasions during the year despite having large cash balances. During the year 2020-21, the State Government raised ₹ 15,030 crore from the market, while at the same time, the cash balance of the State Government was in the range of ₹ 4,382.39 crore to ₹ 7,498.56 crore during the year.

The State Government may keep the cash balance position in mind while taking any decision on raising market loans.

2.10 Conclusion

- The fiscal position of the State is viewed in terms of key fiscal parameters-Revenue Deficit/ Surplus, fiscal deficit/ Surplus and Primary Deficit/ Surplus. During 2020-21, the State had a Revenue Surplus of ₹ 382.60 crore which was 0.11 per cent of GSDP during the year. Fiscal Deficit during 2020-21 was ₹ 12,102.03 crore which was 3.47 per cent of GSDP and Primary Deficit was ₹ 6,902.85 crore (1.98 per cent of GSDP).
- Revenue Receipts during the year 2020-21 were ₹ 64,902.19 crore, which increased by ₹ 407.11 crore (0.63 per cent), as compared to 2019-20 (₹ 64,495.08 crore). State's Own Tax revenue increased by ₹ 604.92 crore (3.66 per cent) compared to the previous year (₹ 16,528.69 crore), while Non-Tax revenue decreased by ₹ 2,639.73 crore (47.65 per cent) during the year as compared to 2019-20 (₹ 5,539.34 crore). Grants-in-Aid from GoI increased by ₹ 5,534.04 crore (26.73 per cent) as compared to the previous year (₹ 20,705.61 crore) whereas State's Share of Union taxes and Duties decreased by ₹ 3,092.12 crore (14.24 per cent) during 2020-21 as compared to the previous year (₹ 21,721.44 crore). During 2020-21, revenue collection under State Goods and Services Tax decreased marginally by ₹ 206.28 crore (2.36 per cent) from ₹ 8,755.30 crore in 2019-20 to ₹ 8,549.02 crore in 2020-21.

- Revenue Expenditure during the year 2020-21 was ₹ 64,519.59 crore, constituting 83.78 *per cent* of the total expenditure of ₹ 77,006.78 crore. There was a misclassification of ₹ 5,640.47 crore due to grants-in-Aid given by the State Government to the local bodies or individual entities under various Central Schemes during the year being as Capital expenditure instead of Revenue Expenditure, resulting in overstatement of Capital expenditure and understatement of Revenue Expenditure to that extent.
- Committed expenditure of the Government like salary & wages, pensions, interest payments steadily increased during the last five-year period 2016-21. It increased by ₹ 1,269.50 crore during the year 2020-21. The Committed expenditure during 2020-21 was ₹ 42,755.28 crore (65.88 *per cent* of Revenue Receipts of ₹ 64,902.19 crore and 66.27 *per cent* of Revenue Expenditure of ₹ 64,519.59 crore).
- The State Government short contributed ₹ 332.12 crore to National Pension System since inception of the Scheme creating an avoidable future liability to the Government. As on 31 March 2020, an amount of ₹ 341.82 crore remained in the Public Account on which interest of ₹ 27.35 crore was payable in 2020-21.
- Capital expenditure is the expenditure incurred for creation of fixed infrastructure assets such as roads, building, *etc.* During the year the State's Capital expenditure decreased by ₹ 1,069.16 crore (7.94 *per cent*) from ₹ 13,468.55 crore during 2019-20 to ₹ 12,399.39 crore during 2020-21. However, this increase has to be viewed in the light of the fact that GIA of ₹ 5,640.47 crore was booked under capital section, instead of under revenue resulting in overstatement of Revenue Surplus to that extent.
- During 2020-21, the State Government invested ₹ 3.32 crore in Co-operatives. As on 31 March 2021, the State Government's investment stood at ₹ 2,923.57 crore in those Companies/ Corporations and Co-operative societies. Out of the investments, they received returns of ₹ 481.89 crore as dividend during the year.
- As on 01 April 2020, the State had a balance of ₹ 725.23 crore lying in the State Disaster Response Fund. Government of Assam had neither invested the balances in SDRF in any of the instruments specified in the Guidelines, nor had it paid the half-yearly interest on the balance lying in the Fund in violation of SDRF guidelines. The unpaid interest of ₹ 43.51 crore by the GoA led to overstatement of Revenue Surplus to that extent (during 2020-21) and accumulated liabilities for future.
- Outstanding Debt of the State rapidly increased from ₹ 43,980.56 crore in 2016-17 to ₹ 87,407.79 crore in 2020-21. The rate of growth of outstanding Debt was from 12.62 *per cent* in 2016-17 to 20.97 *per cent* in 2020-21. The Debt/ GSDP ratio increased from 17.28 *per cent* in 2016-17 to 25.10 *per cent* in 2020-21 due to more borrowings from the open market. The State used about six to eight *per cent* of its Revenue Receipts for payment of interest on the outstanding Debt at an average rate

of interest ranging between 6.51 *per cent* to 7.14 *per cent*, during the five-year period 2016-21.

- The maturity profile of outstanding stock of the State public debt as on 31 March 2021 indicated that 54.79 *per cent* (₹ 37,641.22 crore) of the debt is payable within the next seven years while the remaining 45.21 *per cent* (₹ 31,057.53 crore) is in the maturity bracket of more than seven years.
- Public debt constituted 79 *per cent* of total debt at the end of 2020-21. During the year, it grew at the rate of 27.45 *per cent i.e.*, the highest in the last five-year period. Growth rate of public debt at 27.45 *per cent* also outpaced the growth rate of GSDP (3.89 *per cent*) significantly during the year. These all indicate that there would be increased pressure on interest payment on public debt in forthcoming years.
- Public debt receipts increased by 359.80 *per cent* from ₹ 3,901.71 crore in 2016-17 to ₹ 17,940.18 crore in 2020-21. Out of public debt receipts of ₹ 17,940.18 crore during 2020-21, the State Government utilised 11.97 *per cent* (₹ 2,147.98 crore) for repayment of earlier borrowing and 69.12 *per cent* (₹ 12,399.39 crore) for incurring capital expenditure during the year 2020-21, which were also the lowest during the five-year period.

2.11 Recommendations

- State Government may take necessary steps to reduce the Fiscal Deficit and to achieve the targets under the AFRBM Act, 2011.*
- State Government may undertake a rigorous exercise to meet its liability for NPS including short contribution of its share and interest liability and the balance funds to be transferred to NSDL, the pension authority, to ensure that the NPS employees are not deprived of returns. The prescribed procedure for accounting the NPS related transactions should be adhered to scrupulously to avoid future liability.*
- State Government should review the functioning of the loss making State Public Sector Undertakings in the State considering the investment and negligible returns on investments.*
- The State Government may invest the balances lying in State Disaster Response Fund as per the guidelines.*
- In view of the increasing growth rate of its public debt, the State Government may make efforts to augment its own Revenues and reduce its Revenue Expenditure so as to avoid pressure on repayment of Public Debt and interest liabilities on Public Debt in forthcoming years.*
- The State Government may keep the cash balance position in mind while taking any decision on raising market loans.*

Chapter 3

Budgetary Management

Chapter 3

Budgetary Management

Effective financial management ensures that decisions taken at the policy level are implemented successfully at the administrative level without wastage or diversion of funds. This Chapter reviews the allocative priorities of the State Government and comments on the transparency of budget formulation and effectiveness of its implementation.

3.1 Budget Process

Government of Assam follows a top-down approach to budgeting. The process followed by the State in budget preparation is broadly as follows:

- At the outset, Finance Department estimates the resources required for State priority development areas and projects allocation for these in consultation with the Transformation and Development (T&D) Department and Administrative Departments;
- Resources required for State share of centrally sponsored schemes, counter party funding for externally aided projects, NEC¹⁴, NLCPR¹⁵, *etc.* are estimated and provided for;
- Allocations for Hill Areas Autonomous District Councils (ADCs) are made based on the requirement projected by the Departments responsible for the activities of the ADCs;
- Anticipated receipts from central tax transfers and funding for CSS are assessed and the quantum of funds required for committed expenditure on salaries, pension, repayment of loan, *etc.* are also worked out by Finance Department.

Based on communication of the above assessment and projections of the Finance Department, the line Departments submit their budget proposals.

The State Government secures legislative approval for expenditure out of the Consolidated Fund of the State by presenting its annual Budget and 82 Demands for Grants/ Appropriations. Normally, every Department has one Demand for Grant, to ensure that the Head of the Department takes responsibility for implementing the policy decisions and expending public funds for the intended purposes.

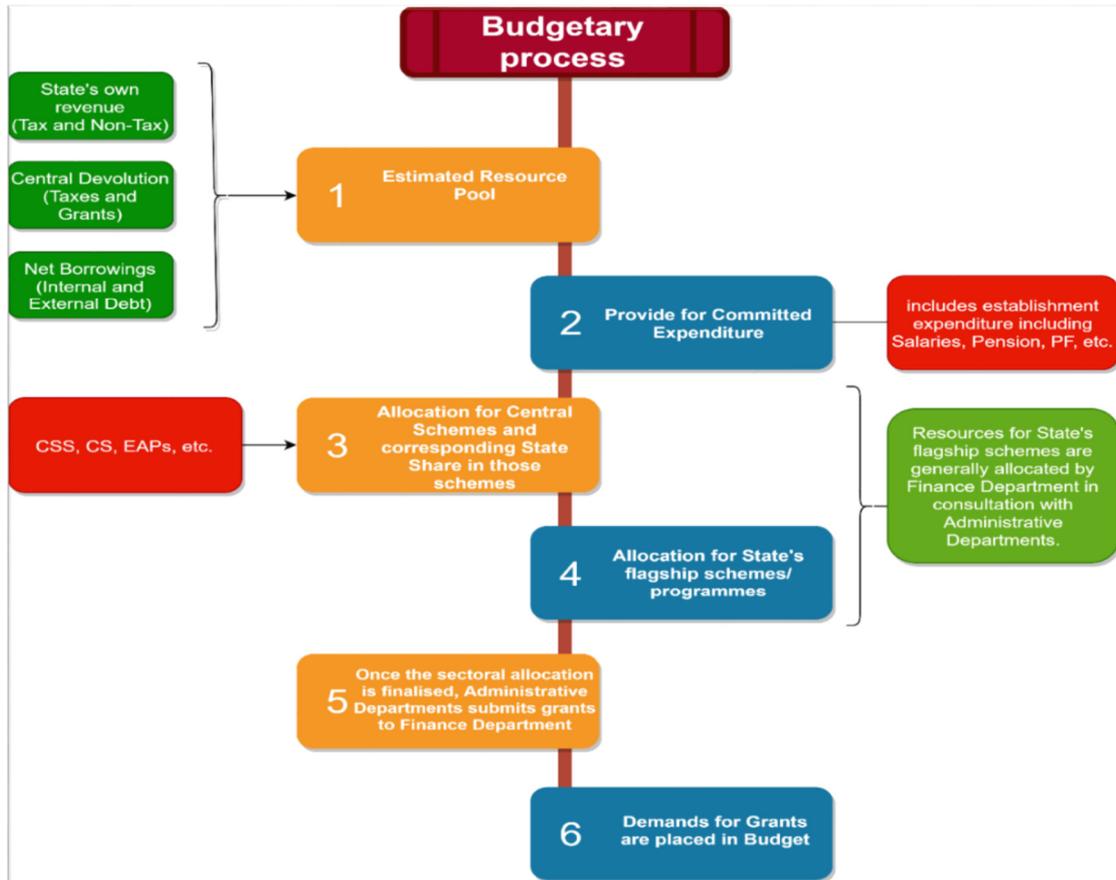
Supplementary or additional Grant/ Appropriation is provided during the course of the financial year for meeting expenditure in excess of the originally budgeted amount. Further, the State Government also re-appropriates/ re-allocates funds from various Units of Appropriation where savings are anticipated, to Units where additional expenditure is envisaged (within the Grant/ Appropriation) during the year.

Budgetary preparation process of the State is depicted in **Chart 3.1**.

¹⁴ North Eastern Council

¹⁵ Non-Lapsable Central Pool of Resources

Chart 3.1: Summary of Budgetary process of Assam



CSS: Centrally Sponsored Scheme; CS: Central Schemes

The Finance Bill, Annual Financial Statement (Budget), and Demands for Grants are mandated by Article 199, 202 and 203 of the Constitution of India respectively.

Article 202 of Constitution of India requires laying of a statement of the estimated receipts and expenditure of the State for that year, as the “Annual Financial Statement” before the House or Houses of the Legislature of the State. The Annual Financial Statement should show expenditure charged on Consolidated Fund and other expenditure separately. It shall also distinguish expenditure on revenue account from other expenditure.

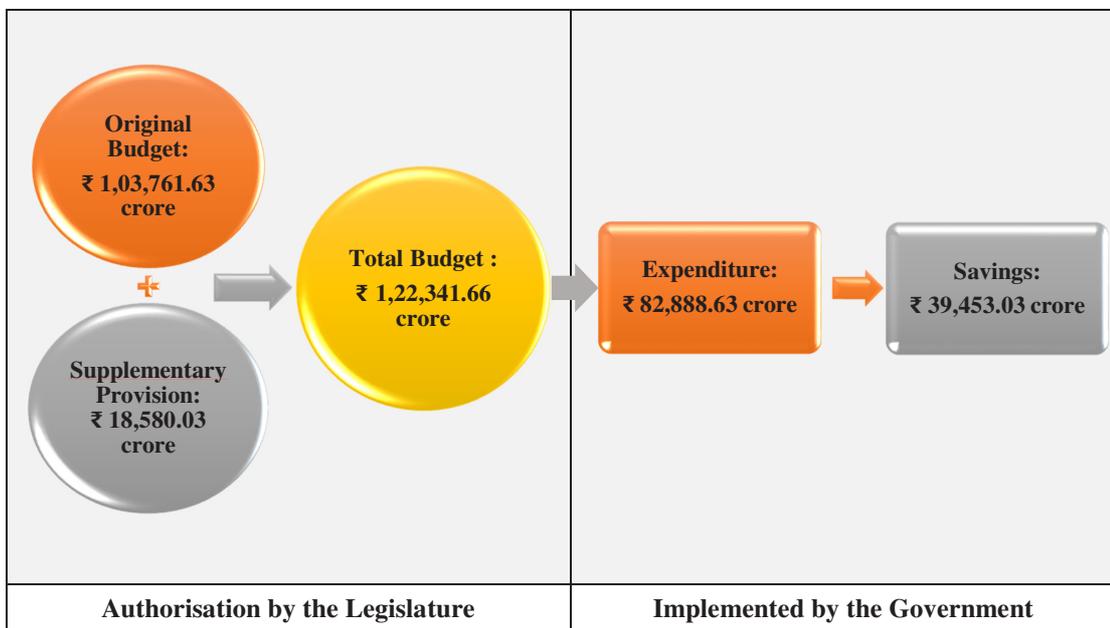
The Annual Financial Statement also called general budget is placed prior to the commencement of the financial year in the State Legislature, in accordance with Article 202 of the Constitution. The estimates of receipts and disbursements in the Annual Financial Statement and of expenditure in the demand for grants are shown according to the accounting classification under Article 150 of the Constitution.

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with provisions of Article 204 of the Constitution. Supplementary or Additional Grant or Appropriation is provided during a financial year, in accordance with Article 205 of the Constitution. It is the provision for meeting expenditure in excess of the budgeted amount.

Legislative authorisation is the *sine qua non* for incurrence of all expenditure by the State Government. To guide individual Government Departments, the State Government frames financial rules and provide for delegation of financial powers. These delegations establish limits for incurring of expenditure and the levels authorised to sanction such expenditure together with restrictions on appropriation and re-appropriations.

Apart from supplementary grant, Re-appropriation can also be used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation. The total amount approved by the State Legislature including the original and supplementary budgets, expenditure, and savings during the year 2020-21 is depicted in the **Chart 3.2**.

Chart 3.2: Summary of Budget and Expenditure of Assam for 2020-21



The net savings of ₹ 39,453.03 crore was the result of gross savings of ₹ 40,184.28 crore offset by an excess expenditure of ₹ 731.25 crore during the year.

The above chart shows that the Supplementary Grant of ₹ 18,580.03 crore¹⁶ was not required as the gross expenditure (₹ 82,888.63 crore) was less than even the Original provision (₹ 1,03,761.63 crore). This was indicative of over estimation and poor financial management. The issue of unnecessary Supplementary Provisions has been discussed in detail under **Paragraph 3.3.3**.

¹⁶ ₹ 8,142.32 crore on 08 September 2020 and ₹ 10,437.71 crore on 05 January 2021.

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

A summarised position of total budget provision, disbursement and savings/ excess with the bifurcation into voted/charged during the year 2020-21 is given in **Table 3.1**.

Table 3.1: Budget provision, disbursement and savings/excess during 2020-21

(₹ in crore)			
Voted/Charged	Total Budget provision	Disbursements	Savings(-)/Excess
Voted	1,13,908.41	75,350.30	-38,558.11
Charged	8,433.25	7,538.33	-894.92
Total	1,22,341.66	82,888.63	-39,453.03

Source: Appropriation Accounts

As can be seen from **Table 3.1** that during the year 2020-21, Government of Assam (GoA) incurred total expenditure of ₹ 82,888.63 crore against the total grants and appropriations of ₹ 1,22,341.66 crore resulting in overall savings of ₹ 39,453.03 crore. These savings stood at 32.25 per cent of total grants and appropriations made for the year.

These savings may be seen in context to over estimation of Receipts of ₹ 1,07,314.47 crore by the State Government and the estimation on the expenditure side being ₹ 1,22,341.66 crore during the year 2020-21. As against the estimated Receipts, the actual Receipts were ₹ 82,844.93 crore only thereby restricting the total expenditure during the year to ₹ 82,888.63 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 (2016-21) is given in **Table 3.2**.

Table 3.2: Trend of Disbursement into Charged and Voted during 2016-21

(₹ in crore)						
Year	Disbursements			Savings(-)/ Excess		
	Voted	Charged	Total	Voted	Charged	Total
2016-17	52,927.33	5,250.99	58,178.32	(-)21,823.16	(-) 3,067.67	(-)24,890.83
2017-18	63,086.11	5,500.88	68,586.99	(-)27,548.45	(-) 3,317.64	(-)30,866.09
2018-19	64,586.31	7,745.03	72,331.34	(-)33,050.68	(-) 3,108.32	(-)36,159.00
2019-20	76,083.59	8,080.01	84,163.60	(-)34,184.99	(-) 1,367.09	(-)35,552.08
2020-21	75,350.30	7,538.33	82,888.63	(-)38,558.11	(-)894.92	(-)39,453.03

Source: Appropriation Accounts

It can be seen from **Table 3.2** that the savings ranged between ₹ 24,890.83 crore in 2016-17 and ₹ 39,453.03 crore in 2020-21.

3.2 Appropriation Accounts

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

grants, surrenders and re-appropriations distinctly and indicate actual capital and Revenue Expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. Appropriation Accounts thus facilitate understanding of utilisation of funds, 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 Comments on 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 this 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.

However, during 2020-21, an expenditure of ₹ 23.00 crore was incurred in 19 Sub-heads under 4 Grants (₹ 15 lakh and above in each case) without budget provision as detailed in **Appendix 3.1**. Grant-wise summary of the cases where expenditure was incurred without budget provision is given in **Table 3.3**.

Table 3.3: Summary of Expenditure without Budget Provision during 2020-21

(₹ in crore)

Sl. No.	Grant No. and Name	Number of Sub Heads	Expenditure
1	30 Water Supply and Sanitation	1	0.48
2	58 Industries	1	0.19
3	76 Karbi Anglong Autonomous Council	5	5.51
4	77 North Cachar Hills Autonomous Council	12	16.82
	Total	19	23.00

Out of the 19 Sub-Heads, the details of seven Sub-Heads with expenditure in excess of ₹ one crore without budget provision are given in the following table.

Table 3.4: Expenditure incurred without budget provision during 2020-21

(₹ in crore)

Sl. No.	Grant	Heads of Account	Sub-Head / Sub Sub-Head	Expenditure
1	76 Karbi Anglong Autonomous Council	2402-00-103-1143-133	{1143}-Land Improvement / [133]-Land Reclamation and Water Distribution	2.40
2		2402-00-102-0122-603	{0122}-Common & Other Schemes / [603]-Building and Approach Road	1.90
3	77 North Cachar Hills Autonomous Council	4406-01-070-0121--	{0121}-Buildings	3.71
4		2402-00-102-0122-601	{0122}-Common & Other Schemes / [601]-Cash Crop Development	3.43
5		4406-01-105-1256--	{1256}-Plantation of Quick-growing Species	3.15
6		4406-01-101-1240--	{1240}-Amenities to Forest Staff & Labourer	1.74
7		2402-00-102-1144--	{1144}-Terracing with Water Distribution/ Harvesting	1.05
Total				17.38

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

3.3.2 Misclassification of expenditure

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 2**.

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 Expenditure and Revenue Deficit/ Surplus.

As per IGAS 2, Grant-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 President on the advice of the Comptroller and Auditor General of India. It is observed that grants-in-aid of ₹ 5,640.47 crore was erroneously booked under Capital Section instead of Revenue, in violation of IGAS 2.

Further, government budgeted and spent an amount of ₹ 386.56 crore on “Major Works” under the Revenue Section, ₹ 80.75 crore on “Minor Works” under the Capital Section and ₹ 2.06 crore on “Maintenance” also under Capital Section.

Non-compliance led to overstatement of Revenue Surplus and overstatement of capital expenditure during the year.

3.3.3 Unnecessary or 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 as is necessary to meet-

- i. Expenditure on Schemes of New Expenditure to be taken up within the current financial year.
- ii. Inadequacy of provision.
- iii. Fresh expenditure but not technically “Schemes of New Expenditure.”
- iv. Omissions of provision.

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.

In deserving cases which are unforeseen, and which cannot wait for provision by Supplementary or Additional Grant or Appropriation, advances from the Contingency Fund may be sanctioned in accordance with the provisions made in the Constitution and the relevant rules. The advances so sanctioned will have to be regularised by a Supplementary Grant or Appropriation and recouped to the Contingency fund.

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 ₹ 1,03,761.63 crore for the year 2020-21, the State Legislature also approved two supplementaries of ₹ 18,580.03 crore¹⁷ in 72 Grants/ Appropriations under 113 Segments¹⁸. Audit analysis of utilisation of these supplementary allocations showed that Supplementary provision of only ₹ 1,809.14 crore (9.7 per cent) was required in 12 Segments of as many Grants/

¹⁷ ₹ 8,142.32 crore (Dated 08 September 2020) and ₹ 10,437.71 crore (Dated 05 January 2021).

¹⁸ Allocation within a Grant/Appropriation under each combination of Voted/Charged and Revenue/Capital is a separate segment.

Appropriations where the final expenditure exceeded the original budget provision. Even in these cases, the actual allocation of ₹ 3,629.80 crore proved excessive in case of eight segments, as shown in **Appendix 3.2**. In 101 Segments of 70 Grants/Appropriations, the Supplementary Budgetary allocation of ₹ 14,950.22 crore made was unnecessary, as the actual expenditure was less than the Original Budgetary allocation, as shown in **Appendix 3.3**.

Table 3.5 shows 14 Segments where Supplementary Budget in excess of ₹ 250 crore each was provided despite the actual expenditure falling short of the Original Budgetary allocation.

Table 3.5: Instances of Unnecessary Supplementary Budget Allocation of more than ₹ 250 crore (₹ in crore)

Sl. No.	Grant	Segment	Budget (Original)	Expenditure	Savings(-) Against Original Budget	Budget (Supplementary)
1	57 Rural Development	Revenue-Voted	3,639.65	3,543.21	-96.44	2,754.72
2	64 Roads and Bridges	Capital-Voted	7,932.10	7,323.00	-609.10	1,892.17
3	62 Power (Electricity)	Capital-Voted	971.98	330.43	-641.55	1,498.78
4	71 Education (Elementary, Secondary, etc.)	Revenue-Voted	13,522.59	11,850.05	-1,672.54	1,215.37
5	39 Social Security, Welfare and Nutrition	Revenue-Voted	2,147.18	2,133.80	-13.38	960.45
6	29 Medical and Public Health	Capital-Voted	734.92	504.92	-230.00	491.65
7	34 Urban Development (Municipal Administration)	Revenue-Voted	1,045.49	358.32	-687.17	454.86
8	41 Natural Calamities	Revenue-Voted	2,210.67	1,250.59	-960.08	436.00
9	62 Power (Electricity)	Revenue-Voted	1,526.09	1,354.84	-171.25	433.96
10	14 Police	Revenue-Voted	4,564.17	4,102.25	-461.92	406.95
11	56 Rural Development (Panchayat)	Revenue-Voted	1,824.55	1,605.40	-219.15	388.05
12	26 Education (Higher)	Revenue-Voted	2,805.82	2,444.20	-361.62	300.73
13	38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes, etc.	Revenue-Voted	1,623.20	398.18	-1,225.02	297.45
14	64 Roads and Bridges	Revenue-Voted	1,309.91	1,031.15	-278.76	290.66
	Total		45,858.32	38,230.34	-7,627.98	11,821.80

Thus, it can be concluded that the large Supplementary grants of ₹ 18,580.03 crore led to a further increase in the savings against Budget, for the actual requirement of ₹ 1,809.14 crore was less than 10 *per cent* of this amount.

Seeking supplementary grants without requirement is indicative of poor budgetary management by the State Government. Government may review its Budget management practice and avoid large Cash Supplementaries.

During the Exit Conference (December 2021), the Secretary, Finance Department agreed to incorporate a suitable provision in the Budget Manual with regard to use of Technical Supplementary/ Token Supplementary to avoid unnecessary inflation of Budget as suggested by Audit.

3.3.4 Unnecessary or Excessive Re-appropriation

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 9.2 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.

Audit analysis revealed that re-appropriation proved excessive and resulted in huge savings in 16 Sub-Heads (₹ 10 lakh and above in each case), details of which are given in **Appendix 3.4**. Out of those 16 Sub-Heads, the final savings were more than ₹ 50 lakh in seven sub-heads, as detailed in **Table 3.6**.

Table 3.6: Excessive re-appropriation (with final savings of more than ₹ 50 lakh)

(₹ in crore)						
Sl. No.	Grant	Sub Head	Sub Sub-Head	Savings (-)/ Excess (OS)	Re- Appropriation	Savings (-)/ Excess (OSR)
1	25 Miscellaneous	{0417}-Director Institutional Finance Cell	[200]-Tea Garden Scheme	6.85	11.14	-4.29
2	General Services	{2490}-Payment of Medical Reimbursement	---	0.90	3.00	-2.10
3	27 Art and Culture	{0689}- Development of Culture Activities, Fair Festivities Competition, etc.	[872]-Silpi Sambardhana (One Time) @ 50,000/- for 1000 Artists	3.56	4.13	-0.57
4	41 Natural Calamities	{4703}- Gratuitous Relief (Flood)	---	132.71	170.00	-37.29
5	49 Irrigation	{0160}-Flow Irrigation	---	1.60	3.07	-1.47
6		{1522}-Lift Irrigation	[121]-Kuruwa LIS, Mangaldoi Division	0.06	0.78	-0.72
7		{0160}-Flow Irrigation	[547]- Improvement and Renovation of Deosila FIS, Dudhnoi Division	0.59	1.14	-0.55

Further, re-appropriation proved unnecessary in 61 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 more than ₹ 10 lakh, is given in **Appendix 3.5**. Of these 61 Sub-Heads where re-appropriation was unnecessary, the final savings in case of 12 Sub-Heads exceeded ₹ 10 crore, and shown in **Table 3.7**:

Table 3.7: Unnecessary re-appropriation of funds (with final savings of more than ₹ 10 crore)
(₹ in crore)

Sl. No.	Grant	Sub Head	Sub Sub-Head	Savings(-)/ Excess (OS)	Re-Appropriation	Savings(-)/ Excess (OSR)
1	14 Police	{0145}-District Police Proper	---	-200.45	41.03	-241.48
2	14 Police	{0457}-Establishment of Watch Post Schemes	[491]-Reimbursable from GoI	-10.52	12.00	-22.52
3	14 Police	{0474}-Village Police/ Village Defence Organisation	---	-20.24	1.00	-21.24
4	14 Police	{1015}-Checking of Bangladeshi Infiltration	[901]-Checking of Bangladeshi Infiltration	-10.44	3.00	-13.44
5	20 Other Administrative Services	{0525}-Assam Special Reserve Force (ASRF)	---	-14.74	0.03	-14.77
6	29 Medical and Public Health	{0741}-Gauhati Medical College, Guwahati	---	-41.53	0.42	-41.95
7	41 Natural Calamities	{0821}-Others	---	-27.92	5.00	-32.92
8		{4386}-Rehabilitation Grant (Cyclone)	---	-7.12	20.00	-27.12
9	49 Irrigation	---	---	-58.08	0.66	-58.74
10	56 Rural Development (Panchayat)	{1356}-Assistance to Panchayat Institute of Mahakuma Parishad/ Gram Panchayat Staff	[702]-Assistance to Anchalic Panchayat	-18.08	0.04	-18.12
11	64 Roads and Bridges	{1382}-Execution (General)	---	-136.73	0.38	-137.11
12		{1857}-Construction Expenditure Met from Central Road Fund (Block Grant)	[927]-Central Share	-47.97	25.00	-72.97

Substantial savings of more than ₹ 10 crore in respect of Heads of Account where re-appropriation was resorted to, reflects poorly on 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 Non-surrender of Savings

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 15th January, and their subsequent surrender to the Finance Department is 15th February.

In fact, against the overall savings of ₹ 40,184.28 crore¹⁹ recorded in the Appropriation Accounts of the State during 2020-21, no amount was surrendered by any department of Government of Assam during the year. This was against the provision of Budget Manual.

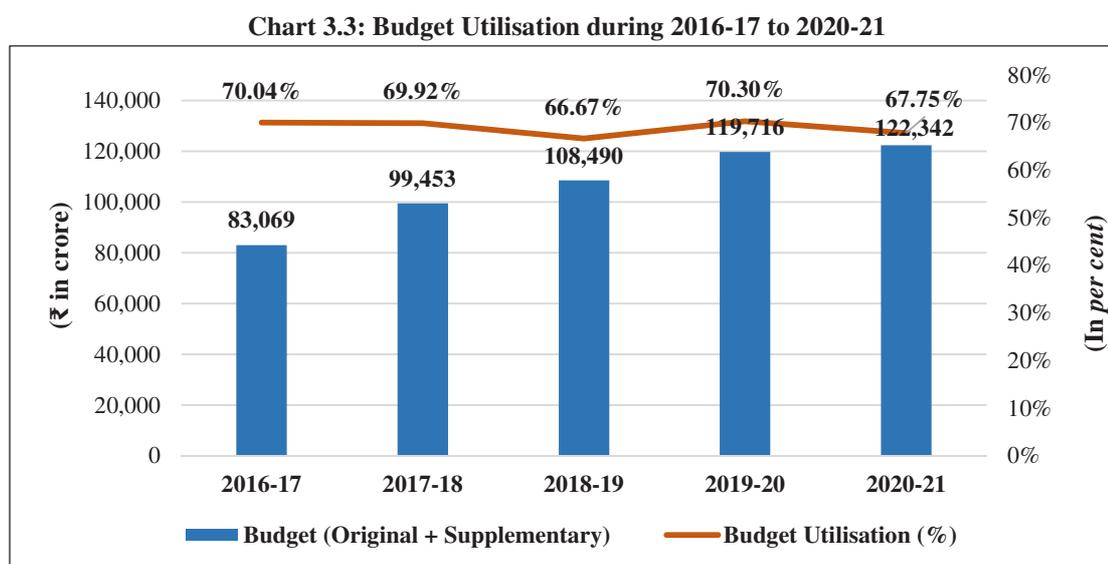
¹⁹ While the overall Savings in the Budget is ₹ 39,453.03 crore, this comprises of Savings of ₹ 40,184.28 crore and Excess of ₹ 731.25 crore at the segment level.

Thus, non-compliance with the prescribed time schedule for surrender of savings by the concerned Departments defeats the objective of achieving efficiency in budget management.

Further, large savings in Budget, coupled with persistent Revenue and Fiscal Deficits, is also indicative of unrealistic and inflated budgeting which is not commensurate with the actual resource mobilisation by the State.

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 2016-17 to 2020-21 is given in **Chart 3.3**.



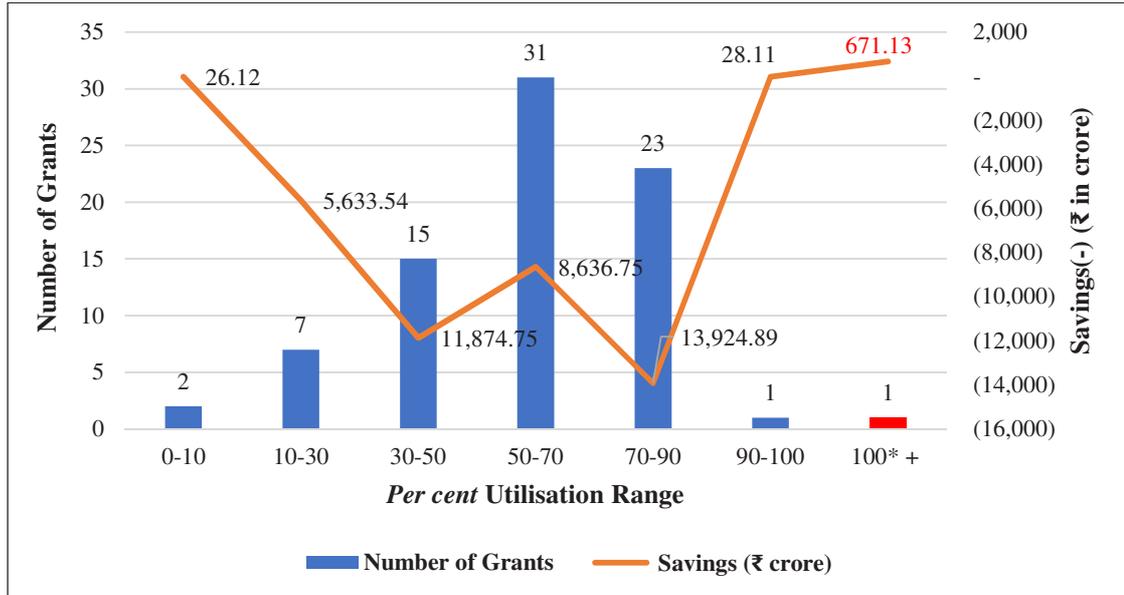
As can be seen from the Chart above, utilisation of budget has rarely exceeded 70 *per cent* in any of the five-year period. Large amount of savings in allocated funds indicate faulty budgeting with inaccurate assessment of resource mobilisation.

During the Exit Conference (December 2021), the Secretary, Finance Department, assured to take appropriate action on formulation of a realistic budget based on reliable assumptions of likely resource mobilisation in consultation with all stakeholders.

3.3.5.3 Large and Persistent Savings in Grants/ Appropriations

There were large savings during 2020-21, with 24 Grants/ Appropriations showing utilisation of less than 50 *per cent* of the budget allocation. The distribution of the 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-78) had utilisation in excess of Budget provision at Grant level.

Of these 24 Grants/Appropriations which show utilisation of less than 50 per cent in 2020-21, 16 showed similar low utilisation in three or more years during the last five-year period *i.e.*, 2016-21. 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 24 Grants/ Appropriations for the five-year period from 2016-17 to 2020-21 is shown in **Table 3.8**.

Table: 3.8: Grants/Appropriations with budget under-utilisation (< 50 per cent)

(₹ in crore)

Sl. No.	Grant	2016-17	2017-18	2018-19	2019-20	2020-21	No. of Years*	Budget 2020-21	Total Budget (5 Years)
1	02 Council of Ministers	51.25%	28.61%	71.63%	53.42%	36.46%	2	14.83	64.90
2	07 Stamps and Registration	72.29%	45.18%	59.35%	9.26%	27.16%	3	188.75	671.65
3	17 Administrative and Functional Buildings	59.79%	40.28%	53.96%	48.35%	46.97%	3	529.35	2726.33
4	19 Vigilance Commission and Others	45.56%	57.25%	78.36%	18.75%	44.14%	3	734.41	3988.48
5	21 Guest Houses, Government Hostels	52.09%	53.84%	38.57%	31.73%	27.01%	3	74.24	295.91
6	22 Administrative Training	58.20%	38.74%	57.69%	31.67%	38.44%	3	36.15	159.30
7	24 Aid Materials	0.0%	0.0%	0.0%	0.0%	0.0%	5	0.01	0.05
8	25 Miscellaneous General Services	39.62%	95.66%	44.96%	34.47%	33.85%	4	7285.44	18752.58
9	27 Art and Culture	65.82%	48.36%	52.44%	39.02%	46.48%	3	193.23	922.99
10	34 Urban Development (Municipal Administration)	29.14%	20.59%	36.89%	31.65%	23.82%	5	1504.56	5495.78
11	37 Food Storage and Warehousing	61.25%	55.80%	77.38%	63.88%	46.71%	1	1366.35	5175.99
12	38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes, etc.	52.34%	33.16%	44.92%	64.53%	21.41%	3	2005.89	7787.83
13	41 Natural Calamities	83.95%	85.01%	74.01%	71.95%	47.25%	1	2646.68	8667.11
14	44 North Eastern Council Schemes	32.02%	24.36%	25.04%	15.26%	11.44%	5	1914.65	8223.15
15	46 Weights and Measures	72.86%	72.13%	62.96%	60.39%	44.08%	1	29.26	105.21
16	49 Irrigation	37.47%	49.32%	31.41%	45.77%	46.01%	5	1719.65	7581.21

Sl. No.	Grant	2016-17	2017-18	2018-19	2019-20	2020-21	No. of Years*	Budget 2020-21	Total Budget (5 Years)
17	58 Industries	61.42%	27.73%	49.70%	6.75%	43.74%	4	181.56	2286.67
18	61 Mines and Minerals	55.14%	60.24%	54.65%	56.12%	17.24%	1	74.20	160.57
19	62 Power (Electricity)	93.91%	65.33%	43.32%	42.52%	38.04%	3	4430.81	18984.24
20	65 Tourism	68.75%	61.85%	81.31%	36.57%	33.48%	2	162.07	734.39
21	67 Horticulture	39.97%	53.40%	48.83%	42.68%	36.46%	4	255.80	676.63
22	69 Scientific Services and Research	61.75%	54.70%	63.84%	80.60%	44.31%	1	76.12	256.55
23	70 Hill Areas	22.75%	35.67%	18.03%	11.62%	6.13%	5	27.82	144.32
24	73 Urban Development (Guwahati Development Department)	67.45%	28.84%	21.18%	35.56%	14.87%	4	1130.15	6698.41

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

The low utilisation of Budget in the three Grants directly related to urban infrastructure, viz., 31 Urban Development (Town and Country Planning), 34 Urban Development (Municipal Administration) and 73 Urban Development (Guwahati Development Department) had been mentioned as a point of concern in our previous year's report, and in the current year too, these grants have shown low utilisation²⁰, with two of three showing utilisation of less than 50 per cent. Improving urban infrastructure is a challenge faced by the State, and the low utilisation on allocation against related grants is a cause for concern. State Government needs to examine the reasons for poor utilisation of allocated funds in these Grants and take appropriate corrective action expeditiously.

Budget provision sought and obtained by some Departments far in excess of actual requirement and inability to utilise, deprives allocation of resources to priority sectors and also leads to poor legislative control over public finances.

3.3.6 Excess Expenditure and its Regularisation

Article 205(1)(b) of the Constitution provides that if any money has been spent on any service during a financial year in excess of the amount granted for that service and for that year, the Governor shall cause to be presented to the Legislative Assembly of the State, a demand for such excess. This implies that, it is mandatory for a State Government to get excesses over grants/appropriations regularised by the State Legislature for the Financial Year.

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. 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 relating to the year 2020-21

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

²⁰ Grant-31: 62.99%, Grant-34: 23.82%, Grant-73: 14.87%

could be avoided by keeping track of expenditure progression with budget made for the purpose. Cases of excess expenditure over the provision of the financial year are to be carefully examined.

During 2020-21, an amount of ₹ 731.25 crore was incurred in excess of the budget provision in four segments of four Grants/ Appropriations which is required to be regularised by the State Legislature as per Article 205 of the Constitution. The details of the Grants/ Appropriation in which the excess expenditure occurred are shown in **Table 3.9**.

Table 3.9: Excess expenditure during 2020-21 requiring regularisation

(₹ in crore)

Grant	Segment	Total Grant	Actual Expenditure	Excess Expenditure
23 Pension	Revenue-Voted	9,652.22	10,323.35	671.13
76 Karbi Anglong Autonomous Council	Capital-Voted	333.64	367.42	33.78
77 North Cachar Hills Autonomous Council	Capital-Voted	73.46	80.97	7.51
78 Bodoland Territorial Council	Capital-Voted	217.21	236.04	18.83
TOTAL		10,276.53	11,007.78	731.25

Two of these four grants, viz. 23 Pension, and 78 Bodoland Territorial Council, had shown excess expenditure during 2019-20 also. Moreover, an amount of ₹ 1,209.08 crore being pension payments of 2020-21 was not booked as expenditure in the State Accounts (2020-21). The reason behind this has been detailed under Paragraph 4.10.1 of the Report. If these were taken into account, excess payment on pension could have been ₹ 1,880.21 crore during the year.

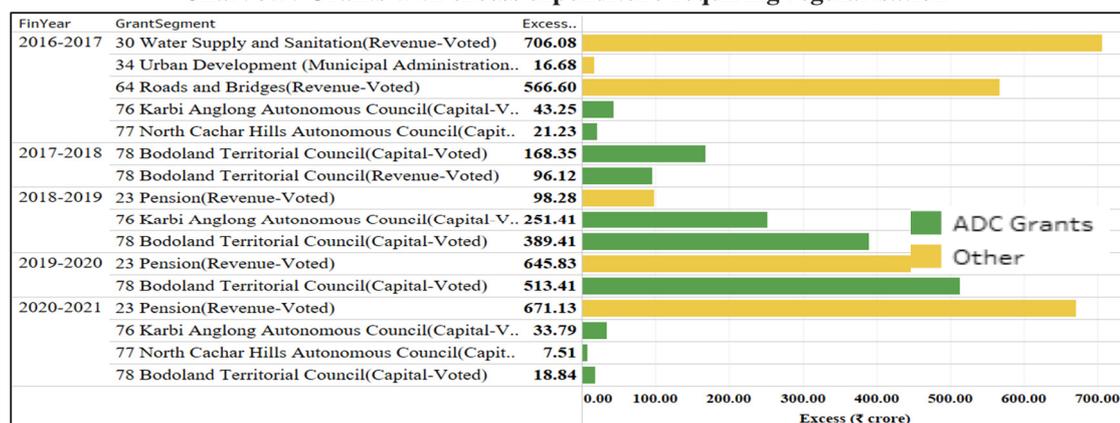
Such excess expenditure vitiates the system of budgetary and financial control and encourages financial indiscipline in management of public resources.

During the Exit Conference (December 2021), the Commissioner and Secretary, Finance Department assured to take suitable action on excess expenditure.

3.3.6.2 Persistent excesses in certain Grants

Details of excess expenditure over the approved allocation during the five-year period from 2016-17 to 2020-21, which require regularisation by the State Legislature, are given in **Chart 3.5**.

Chart 3.5: Grants with excess expenditure requiring regularisation



The PAC, *vide* Para 6 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 present accounting system of three Councils and suggest ways for avoiding excess expenditure in future. As a result, the Governor of Assam has constituted (February 2021) a High-Level Committee in order to streamline the matter of excess expenditure against grants across the State including Sixth Schedule Areas and BTR. The Committee held its first meeting on 02 November, 2021. The Report of the Committee is awaited.

3.3.6.3 Regularisation of excess expenditure of previous financial years

Article 204 of the Constitution which provides that no money shall be withdrawn from the Consolidated Fund except under appropriation made by Law by the State Legislature. Further, as per Article 205 of the Constitution of India, it is mandatory for State Government to get the excess over a grant/ appropriation regularised by the State Legislature. While no time limit has been provided in the Article for regularisation of expenditure, normally, as a convention, the excess expenditure over budgeted allocation is regularised after completion of discussion of the Appropriation Accounts by the State PAC. A summarised position of excess expenditure relating to previous years requiring regularisation is given in **Table 3.10**.

Table 3.10: Excess expenditure relating to previous years requiring regularisation

Year	Number of		Amount of excess over provision (₹ in crore)
	Grants	Appropriations	
2005-06	2	2	2.45
2006-07	4	2	80.61
2007-08	9	2	113.24
2008-09	6	2	108.41
2009-10	3	Nil	10.18
2010-11	1	1	4.27
2011-12	5	2	915.14
2012-13	4	Nil	1,195.60
2013-14	5	Nil	1,499.89
2014-15	5	1	3,801.63
2015-16	3	Nil	243.77
2016-17	5	Nil	1,348.44
2017-18	2	Nil	264.47
2018-19	3	Nil	739.11
2019-20	2	Nil	1,159.23
Total	59	12	11,486.44

The PAC had discussed (February 2020 and February 2021) the excess expenditure for the years 2005-06 to 2017-18 and issued recommendation *vide* its 161st and 169th Reports for regularisation of the total excess expenditure amounting to ₹ 9,540.38 crore under Article 205 of the Constitution. But the Act regularising the excess expenditure is yet to be issued by the Government. Year-wise details of excess expenditure are given alongside, and Grant-wise details thereof are given in **Appendix 3.6**.

During the Exit Conference (December 2021), the Secretary, Finance Department, stated that the copy of the Act would be provided to Audit once it is approved by the State Legislature.

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, Grant-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 President on the advice of the Comptroller and Auditor General of India.

There was an increase recorded in the capital expenditure during 2020-21, primarily due to depiction of ₹ 5,640.47 crore of expenditure out of Grants-in-Aid as Capital Expenditure, instead of as Revenue Expenditure.

Table 3.11 and **Chart 3.6** highlight the extent of classification of GIA as Capital Expenditure instead of as Revenue Expenditure by the State during 2016-21.

Table 3.11: Extent of classification of GIA as Capital Expenditure

	(₹ in crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21
Capital Expenditure	5,502	7,693	11,034	13,468	12,399
Share of GIA in Capital Expenditure	1,559	3,945	5,490	6,225	5,640

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

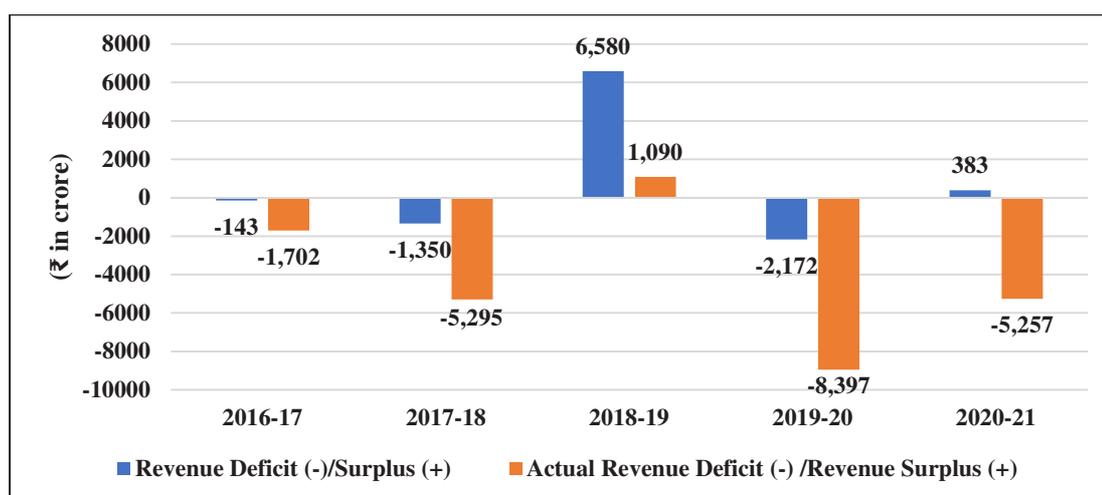


Table 3.12 and **Chart 3.7** indicate the impact of non-compliance with the provisions of IGAS-2 by the State in absolute terms during 2016-21 as Revenue Surplus was overstated and Revenue Deficit was understated during the period. Moreover, Capital Expenditure during the period was also overstated to that extent.

Table 3.12: Impact of non-compliance with IGAS-2

	(₹ in crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21
Grants-in-Aid booked as Capital Expenditure	1,559	3,945	5,490	6,225	5,640
Revenue Deficit (-)/Surplus (+) of the State	-143	-1,350	6,580	-2,172	383
Actual Revenue Deficit (-)/ Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	-1,702	-5,295	1,090	-8,397	-5,257

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



During the Exit Conference (December 2021), the Commissioner and Secretary stated that the GIA is given mainly for Centrally Sponsored Schemes, and the ownership of the assets thus created, lies with the State Government. Hence, these are classified as Capital Expenditure.

3.4 Comments on 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 deprives other departments of the funds which they could have utilised.

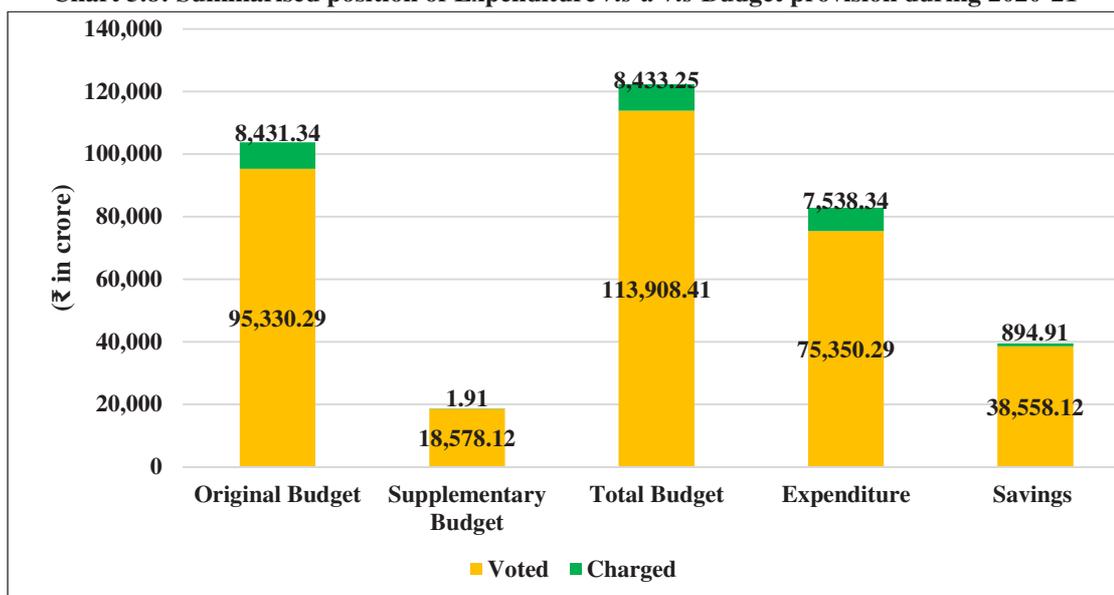
The summarised position of budget including supplementary budget, actual expenditure, and excess/ savings during 2020-21 against 81 Grants/ Appropriations (78 Grants and three Appropriations) is given in **Table 3.13** as well as in **Chart 3.8**.

Table 3.13: Summarised position of Expenditure *vis-à-vis* Budget provision

Voted / Charged	Nature of Expenditure	Budget (Original)	Budget (Supplementary)	Total	Expenditure	Details of Savings	
						Amount	Per cent
Voted	Revenue	76,493.47	13,232.90	89,726.37	62,772.79	26,953.58	30.04
	Capital	18,520.54	5,317.85	23,838.39	12,489.70	11,348.69	47.61
	Loans and Advances	316.28	27.37	343.65	87.80	255.85	74.45
	Total Voted	95,330.29	18,578.12	1,13,908.41	75,350.29	38,558.12	33.85
Charged	Revenue	6,283.51	1.71	6,285.22	5,390.36	894.86	14.24
	Capital	0.00	0.04	0.04	0.00	0.04	100.00
	Public Debt Repayment	2,147.83	0.16	2,147.99	2,147.98	0.01	0.00
	Total Charged	8,431.34	1.91	8,433.25	7,538.34	894.91	10.61
Total (Voted and Charged)	1,03,761.63	18,580.03	1,22,341.66	82,888.63	39,453.03	32.25	

Source: Appropriation Accounts

Chart 3.8: Summarised position of Expenditure vis-à-vis Budget provision during 2020-21



As can be seen from **Table 3.13** that during the year 2020-21, Government of Assam (GoA) incurred expenditure of ₹ 82,888.63 crore against the total grants and appropriations of ₹ 1,22,341.66 crore resulting in overall savings of ₹ 39,453.03 crore. These savings stood at 32.25 *per cent* of total grants and appropriations made for the year. Huge savings were also 2.12 times the size of supplementary budget obtained during the year.

Of the overall savings of ₹ 39,453.03 crore, savings of ₹ 38,036.60 crore (96.41 *per cent*) occurred in 50 cases (₹ 100 crore and above in each case) at Segment level within 38 Grants/ Appropriations as indicated in **Appendix 3.7**.

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 3.14**.

Table 3.14: Original Budget, Revised Estimate and Expenditure during 2016-21

Particulars	(₹ in crore)				
	2016-17	2017-18	2018-19	2019-20	2020-21
Original Budget	78,253.36	85,922.69	90,269.92	99,418.91	1,03,761.63
Supplementary Budget	4,815.79	13,530.39	18,220.43	20,296.77	18,580.03
Revised Estimate	83,069.15	99,453.08	1,08,490.35	1,19,715.68	1,22,341.66
Actual Expenditure	58,178.31	68,586.99	72,331.34	84,163.60	82,888.63
Savings (-) /excess (+)	(-) 24,890.84	(-) 30,866.09	(-) 36,159.01	(-) 35,552.08	(-) 39,453.03
Per cent Savings	29.96	31.04	33.33	29.70	32.25

As can be seen from **Table 3.14**, savings of budget during the last five years ranged between 29.70 *per cent* and 33.33 *per cent*.

3.4.1.1 Missing/ Incomplete Explanation for Variation from Budget

Apart from showing the expenditure against the approved budget, Appropriation Accounts also provide explanation for cases where the expenditure varies significantly from the budgeted provision (Original *plus* Supplementary). The limit beyond which,

such variation at the Sub-Head/Sub-Sub-Head level (Unit of Appropriation) are to be explained in the Appropriation Accounts is set by the Public Accounts Committee (PAC).

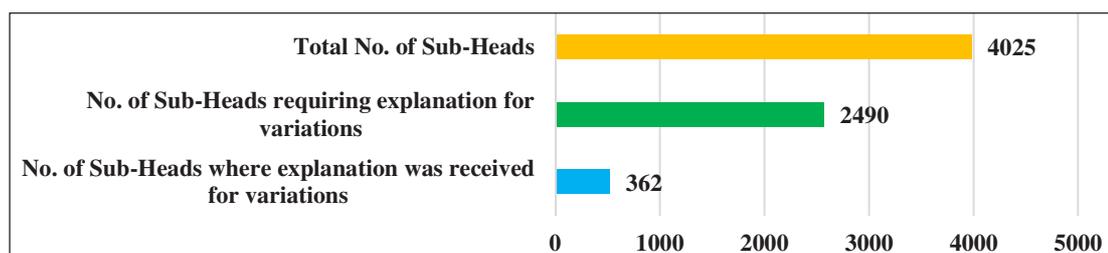
Accountant General (A&E) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/ explanations for the variations in expenditure with reference to approved budgetary allocation in keeping with the limits set by the PAC.

The current limits, set by the State PAC in May 1989 are as follows:

Savings	<ul style="list-style-type: none"> Comments are to be made if variations (savings including non-utilisation) under Sub-Heads of Grants/ Appropriations are over ₹ 15 lakh or 20 per cent of the total provision (original plus supplementary), whichever is more
Excess	<ul style="list-style-type: none"> General comments are to be made for regularisation of excess over the provision in all cases where there is an overall excess (irrespective of the amount) Comments are to be made if variations (excesses) under Sub-Heads of Grants/ Appropriations are ₹ 15 lakh or 20 per cent of the total provision (original plus supplementary), whichever is more

Audit of Appropriation Accounts of 2020-21 and an analysis of the underlying accounting data revealed that the Controlling Officers have provided explanation for the variations in the expenditure *vis-à-vis* budgeted allocation in about 15 per cent of cases. Of the 81 Grants/ Appropriations, reasons for variation were called for in respect of 2,490 cases under 80 Grants/ Appropriations. However, reasons for variations in respect of only 362 cases under 26 Grants/Appropriations were furnished by the Controlling Officers of Government Departments. Summary of unexplained variations over budget provision is given in **Chart 3.9** and grant-wise further details are given in **Appendix 3.8**.

Chart 3.9: Summary of unexplained variations *vis-à-vis* budget



Further analysis revealed that these 2,490 heads together accounted for a savings of ₹ 38,621.44 crore in 79 Grant/ Appropriation and an excess of ₹ 2,301.12 crore in 22 Grant/ Appropriation. Out of these, variations have been explained only in 362 Sub-heads covering a savings of ₹ 2,490.57 crore and an excess of ₹ 8.73 crore and variations in respect of 2,128 Sub-heads covering savings of ₹ 36,130.87 crore (93.6 per cent) and an excess of ₹ 2,292.39 crore (99.6 per cent) remain unexplained due to non-receipt of replies from the concerned departments of State Government.

Absence of explanation for variation between the budgeted allocation and its utilisation limits the informational utility of Appropriation accounts for enabling financial accountability of the Government and legislative control over budget.

Finance Department may therefore issue clear instruction to all the departments for timely submission of explanations of variations with respect to approved provision to the Accountant General (A&E), Assam for their incorporation in the Appropriation Accounts.

3.4.1.2 Large Variation from Budget at Sub-head level remaining Unexplained

As explained earlier, the limit for variation of Expenditure from Budgeted provision beyond which explanation is to be provided in the Appropriation Accounts was set by the Public Accounts Committee in May 1989.

A similar approach is followed in case of Appropriation Accounts for the Union Government, where the limits were set by the Central PAC. The PAC (17th Lok Sabha, 2019-20) in its first report of December 2019 titled 'Revision of ceiling for exception reporting in Appropriation Accounts', had reviewed the ceiling for sub-head level comments in the appropriation account, and raised the limits upwards. The proposal for revision was initiated by Ministry of Finance on the grounds that the current limits were effective since 1993-94, and since then, the size of Union Budget had gone up by 28 times, necessitating an upward revision of the materiality level or ceiling for comment/ explanation in Appropriation Accounts.

The revised and earlier limits for explaining variation at Sub-Head level along with the corresponding figure in case of Government of Assam is tabulated below:

Table 3.15: Norms for Explaining Variation at Sub-Head Level – comparison with Union Government

Norms set by Central PAC		Norms by State PAC
Pre-Revised Norm (from 1993-94)	Revised Norm (from 2018-19)	Extant Norm (from 1987-88)
Variation (Excess or Savings) exceeding ₹ 100 lakh are explained	Variation (Excess or Savings) exceeding ₹ 500 lakh are explained	<i>No analogous Norm</i>
All cases where the Variation (Excess or Savings) exceeds 10 per cent of the sanctioned provision or ₹ 50 lakh whichever is higher are explained	All cases where the Variation (Excess or Savings) exceeds 10 per cent of the sanctioned provision or ₹ 250 lakh whichever is higher are explained	All cases where the Variation (Excess or Savings) exceeds 20% of the sanctioned provision or ₹ 15 lakh whichever is higher are explained
If there is a supplementary, all cases where savings exceeds 10 per cent of the supplementary or ₹ 5 lakh whichever is higher are explained	If there is a supplementary, all cases where savings exceeds 10 per cent of the supplementary or ₹ 100 lakh whichever is higher are explained	<i>No analogous Norm</i>
When Grant as a whole exceeded , Sub-Heads involving excess of ₹1 Lakh are picked up	When Grant as a whole exceeded , Sub-Heads involving excess of ₹ 25 lakh are picked up	<i>No analogous Norm</i>

As can be seen, the norms set by Central PAC cover a wider range of cases requiring explanation for variation. Where the norm is similar, the limits are understandably different owing to the difference in the size of the Central and State Government, and the different time period when the norms were set by the respective PAC.

Of immediate relevance in case of Assam is the absence of any norm for explanation based on absolute/size of deviation, and explanation for large savings at the Grant level. Thus, while central PAC had set a limit of ₹ 100 lakh, which has now been raised to ₹ 500 lakh, for explaining variation (Excess or Savings) irrespective of the percentage of deviation from the Budget provision, there is no analogous norm in Assam. Thus, in cases where the budget provision at Sub-Head level is high, say over ₹ 25 crore, then even a variation of ₹ 5 Crore would not require explanation as it would be within the 20 per cent limit.

During the Exit Conference (December 2021), the Commissioner and Secretary, Finance Department, assured to look into this matter of a suitable upward revision of variations in Sub-Heads requiring explanation as suggested by Audit.

3.4.1.3 Large Variation from Budget at Grant level

The Public Accounts Committee (10th Lok Sabha, 1990-91) in its 60th Report *vide* Para 1.22 and 1.24 had observed that savings of ₹ 100 crore or above are indicative of defective budgeting as well as shortfall in performance in a Grant or Appropriation. It was therefore decided by the Public Accounts Committee, that each year a detailed explanatory note in respect of savings of ₹ 100 crore or above shall be furnished by the respective Ministry/Department, to the Committee.

As regards explanation for large Savings at Grant level, there is no such requirement presently set by State PAC. Even if the limit of ₹ 100 crore as applicable for Centre is considered for the State of Assam, explanation would be necessitated in 38 of the 81 Grants/ Appropriations. As observed in para 3.3.5.2, Assam has seen significant under-utilisation of Budget in each of the last 5 years. Thus, the bigger problem in Budgetary compliance is that of Savings rather than excess.

Thus, it is recommended that Norms for Explaining Variation at Sub-Head Level may be considered for revision by the State PAC, as also setting an appropriate limit of Savings at Grant/Appropriation level beyond which explanation would be required, and Finance Department may initiate necessary action in this regard.

During the Exit Conference (December 2021), the Commissioner and Secretary, Finance Department, agreed that a suitable norm at grant level, in line with Central PAC, would increase budgetary compliance and thus, the Department would analyse the issue and take suitable action.

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

Several policy initiatives taken up by Government are partially executed or not executed due to non-approval of scheme guidelines/modalities, non-commencement of works for want of administrative sanction, non-release of budget, *etc.* This deprives the beneficiaries of intended benefits. Savings in such schemes deprives other departments of the funds which they could have utilised.

Every year, the State Finance Minister delivers Budget Speech in the Assam Legislative Assembly. The Budget Speech provides an overview of the economy of the previous and current years, and also gives Budget Estimates for the next financial year, covering the prevailing economic situation of the State. The Budget Speech also provides the broad framework of expenditure for the current financial year in different sectors and explains the priorities of the Government by way of pronouncement of new policy initiatives/ schemes for the social and economic welfare of the people of the State. The Budget Speech also specifies the focus areas of the State Government.

In the Budget Speech 2020-21, the Finance Minister had announced 18 flagship schemes, “Athadasha Mukutar Unnoyonee Mala”, for the social and economic welfare of the people of the State.

Appropriation Accounts (2020-21) along with underlying data reveal that there was no expenditure in 1 out of 18 flagship schemes announced by the State Government in the Budget of 2020-21. Scheme-wise details are given in **Table 3.16**.

Table 3.16: Details of the Flagship schemes for which provision was made but no expenditure was incurred

(₹ in crore)				
Grant No.	Head details	Name of the Scheme	Budget Provision	Expenditure
65-Tourism	5452-01-102-2502-289	Asom Darshan	47.5	Nil

3.4.3 Trend of Expenditure

Government funds should be evenly spent throughout the year. The rush of expenditure towards the end of the financial year is regarded as a breach of financial propriety. Instructions regarding this are available in Budget Manual, Finance Department OMs, etc. Maintaining a steady pace of expenditure is a crucial component of sound public financial management, as it obviates fiscal imbalance and temporary cash crunches due to mismatch of Revenue Expenditure during a particular month arising out of unanticipated heavy expenditure in that particular month.

As per Para 11.17 of Assam Budget Manual, a rush of expenditure particularly in the closing months of the financial year, is regarded as breach of financial regularity. Further, as per the standing orders of Finance Department, the Administrative Departments should target their annual expenditure during four quarters in the pattern of 20, 30, 30 and 20 *per cent* of the total expenditure for effective budget execution.

Seven major cases of Grants where more than 50 *per cent* of the Total Expenditure (TE) was incurred in March 2021 alone, are detailed in **Table 3.17**.

Table 3.17: Expenditure in March in excess of 50 per cent of total Expenditure

(₹ in crore)					
Sl. No.	Grant	Budget (Total)	Expenditure (Year)	Expenditure (March)	Per cent share of March Expenditure
1	05 Sales Tax and Other Taxes	469.23	335.15	198.99	59.37
2	25 Miscellaneous General Services	7,285.44	2,466.10	1,885.52	76.46
3	58 Industries	181.56	79.41	53.47	67.33

Sl. No.	Grant	Budget (Total)	Expenditure (Year)	Expenditure (March)	Per cent share of March Expenditure
4	66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	594.41	376.95	209.83	55.67
5	67 Horticulture	255.80	93.28	87.43	93.73
6	69 Scientific Services and Research	76.12	33.73	19.97	59.21
7	73 Urban Development (Guwahati Development Department)	1,130.14	168.04	123.82	73.68
	Total	9,992.70	3,552.66	2,579.03	72.59

Of the 2,579.03 crore spent in March 2021 in the above seven Grants, 71.33 per cent was in the form of Grants-in-Aid, as shown in the Table below. With such delayed release of Grants-in-Aid, there is no assurance that the final expenditure was actually incurred within the Financial Year 2020-21, which goes against the fundamental budgetary precept of allocation for expenditure to be met within the financial year.

Table 3.18: Nature of Expenditure in March in excess of 50 per cent of total Expenditure

(₹ in crore)

Detailed Head Group	Budget (Total)	Expenditure (Year)	Expenditure (March)	Per cent of Total Expenditure in March
Grants-in-Aid	8,365.65	2,490.40	1,839.66	71.33%
Others	1,627.05	1,062.26	739.37	28.67%
Total	9,992.70	3,552.66	2,579.03	

Thus, contrary to the spirit of financial regulation, a substantial quantum of expenditure was incurred by the Government towards the end of the financial year, indicating inadequate control over the expenditure and poor budgetary management.

3.5 Review of Selected Grants

During the year 2020-21, two Grants - Grant No. 39 – Social Security, Welfare and Nutrition, and Grant No. 48 – Agriculture 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 39 – Social Security, Welfare and Nutrition

The Social Welfare Department, Government of Assam aims at welfare activities for Women and Child development, as well as social awareness of the problems faced by Children, Women, Physically Challenged persons, Welfare of Transgender community and Elderly Person's recognition of their genuine needs, including improvement of nutritional status of children, adolescent girls, pregnant and lactating mothers. The Department is the nodal agency for implementation and safeguarding of universal social protection measures, to ensure that the benefits of development reach every member of the society, particularly women, children, Divyang, senior citizen and the marginalised.

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 2016-21 is given below. All Budget

provision under this Grant was for Voted Revenue Expenditure, with a small provision for Capital Expenditure, which has remained unutilised year after year.

Table 3.19: Budget and Expenditure

Grant No. 39		(₹ in crore)				
		2016-17	2017-18	2018-19	2019-20	2020-21
Total (Revenue + Capital)	Budget Provision (O+S)	1,237.72	1,864.70	2,561.68	2,759.69	3,111.76
	Expenditure	957.33	955.05	1,465.67	2,207.84	2,133.80
	Savings (-)/ Excess (+)	-280.39	-909.65	-1,096.01	-551.85	-977.96
	Savings/Excess (per cent)	22.65	48.78	42.78	20.00	31.43
i) Revenue	Budget Provision	1,237.72	1,862.70	2,559.68	2,759.47	3,107.63
	Expenditure	957.33	955.05	1,465.67	2,207.84	2,133.80
	Savings (-)/ Excess (+)	-280.39	-907.65	-1,094.01	-551.63	-973.83
	Savings/Excess (per cent)	22.65	48.73	42.74	19.99	31.34
ii) Capital	Budget Provision	0.00	2.00	2.00	0.22	4.13
	Expenditure	0.00	0.00	0.00	0.00	0.00
	Savings (-)/ Excess (+)	0.00	-2.00	-2.00	-0.22	-4.13
	Savings/Excess (per cent)	-	100	100	100	100

Source: Appropriation Accounts

As can be seen from the table above, savings as a percentage of total budget provision ranged between 20.00 per cent and 48.78 per cent during the period 2016-21. During the current year, it stood at 31.43 per cent of the total budget provision. Persistently large savings is indicative of incorrect assessment of actual needs and calls for a critical review of budget preparation exercise of the Department.

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 communicate them to the Finance Department not later than 15th of February each year.

Table 3.20 and Table 3.21 details the Segment-wise and Major Head wise total Budget, Expenditure and Savings under Grant No. 39, during the last five years, i.e., 2016-21.

Table 3.20: Segment-wise Budget and Expenditure

Segment		(₹ in crore)				
Item		2016-17	2017-18	2018-19	2019-20	2020-21
Revenue-Voted	Total Budget (O + S)	1,237.72	1,862.70	2,559.68	2,759.47	3,107.63
	Budget (O)	1,192.92	1,750.49	2,096.72	2,363.10	2,147.18
	Budget (S)	44.80	112.21	462.96	396.37	960.45
	Budget Augmentation (in per cent)	3.76	6.41	22.08	16.77	44.73
	Surrender	0.00	0.00	0.00	0.00	0.00
	Expenditure	957.33	955.05	1,465.67	2,207.84	2,133.80
	Savings	280.39	907.65	1,094.01	551.63	973.83
	Savings (per cent)	22.65	48.73	42.74	19.99	31.34
Capital-Voted	Total Budget (O + S)	0.00	2.00	2.00	0.22	4.13
	Budget (O)	0.00	2.00	2.00	0.22	4.13
	Budget (S)	0.00	0.00	0.00	0.00	0.00
	Budget Augmentation (in per cent)	0	0	0	0	0
	Surrender	0.00	0.00	0.00	0.00	0.00
	Expenditure	0.00	0.00	0.00	0.00	0.00
	Savings	-	2.00	2.00	0.22	4.13
	Savings (in per cent)	-	100	100	100	100

Table 3.21: Major Head wise Budget and Expenditure

(₹ in crore)

Major Head	Item	2016-17	2017-18	2018-19	2019-20	2020-21
2235-Social Security and Welfare	Total Budget (O + S)	837.01	1,415.56	1,957.74	1,922.93	1,823.35
	Budget (O)	792.23	1,303.40	1,758.60	1,726.71	1,313.72
	Budget (S)	44.78	112.16	199.14	196.22	509.63
	Budget Augmentation (<i>per cent</i>)	5.65	8.61	11.32	11.36	38.79
	Surrender	0.00	0.00	0.00	0.00	0.00
	Expenditure	634.49	709.41	1,019.22	1,423.18	1,411.31
	Savings	202.52	706.15	938.52	499.75	412.04
	Savings (<i>per cent</i>)	24.20	49.88	47.94	25.99	22.60
2236-Nutrition	Total Budget (O + S)	400.71	447.15	601.95	836.54	1,284.28
	Budget (O)	400.69	447.09	338.12	636.40	833.46
	Budget (S)	0.02	0.06	263.83	200.14	450.82
	Budget Augmentation (<i>per cent</i>)	0	0.01	78.03	31.45	54.09
	Surrender	0.00	0.00	0.00	0.00	0.00
	Expenditure	322.83	245.64	446.45	784.66	722.49
	Savings	77.88	201.51	155.50	51.88	561.79
	Savings (<i>per cent</i>)	19.44	45.07	25.83	6.20	43.74
4235-Capital Outlay on Social Security and Welfare	Total Budget (O + S)	0.00	2.00	2.00	0.22	4.13
	Budget (O)	0.00	2.00	2.00	0.22	4.13
	Budget (S)	0.00	0.00	0.00	0.00	0.00
	Budget Augmentation (<i>per cent</i>)	0.00	0.00	0.00	0.00	0.00
	Surrender	0.00	0.00	0.00	0.00	0.00
	Expenditure	0.00	0.00	0.00	0.00	0.00
	Savings	-	2.00	2.00	0.22	4.13
	Savings (<i>per cent</i>)	-	100	100	100	100

As can be seen from above table, there were large savings at the Segment level in all the three Major Heads within the grant. Despite large overall savings at Segment level ranging between ₹280.39 crore and ₹1,094.01 crore during the last five years, with total savings of ₹977.96 crore during the current year, no amount was surrendered during any of the years.

Non-compliance with the prescribed time schedule of surrender of savings defeats the objective of efficient budget management.

3.5.1.3 Unnecessary Supplementary Grant

Quantum of Supplementary Grant provided to the Social Welfare Department under Grant-39 during the last five years *i.e.*, 2016-17 to 2020-21 is given in **Table 3.22** and also in **Chart 3.10**. While the small Capital Budget provision remained unutilised without any further augmentation through Supplementary Grant, huge additional allocations were made for the Revenue Segment, which proved to be unnecessary as there were savings even against the Original Budget provision, in each of the last five years.

Table 3.22: Unnecessary Supplementary Provision

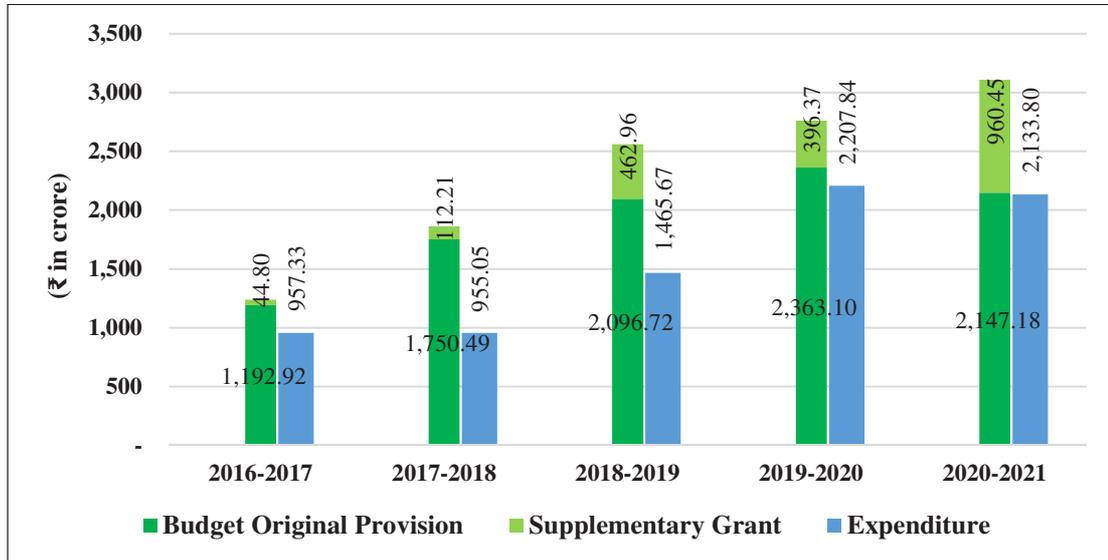
(₹ in crore)

Segment	Year	Budget Original Provision	Expenditure	Savings out of Original Provision	Supplementary Grant
Revenue-Voted	2016-2017	1,192.92	957.33	235.59	44.80
	2017-2018	1,750.49	955.05	795.44	112.21
	2018-2019	2,096.72	1,465.67	631.05	462.96
	2019-2020	2,363.10	2,207.84	155.26	396.37
	2020-2021	2,147.18	2,133.80	13.38	960.45

Source: Appropriation Accounts

As can be seen in the table above, during the period 2016-21, Supplementary Grants proved unnecessary in every year in the Revenue-Voted Segment as the Expenditure was less than the Original Budget Provision.

Chart 3.10: Unnecessary Supplementary grants under Grant-39 (Revenue Segment)



The Director, Social Welfare, Assam, attributed the low utilisation to non-accordance of administrative approval, non-receipt of Sanction and non-release of FOC from the Government. However, during 2020-21 non-release of Central share by GOI, non-release of State Share as well as imposition of ban on drawal of arrears of salary/ wages/ DA were attributed as the additional reasons for low utilisation of funds.

3.5.1.4 Persistent Savings under Sub-Head

Two of the most important schemes funded by Grant-39, viz., Implementation of Integrated Child Development Services (ICDS) Scheme and Special Nutrition Programme (Pradhan Mantri Gramodaya Yojna - PMGY), showed persistent large savings over the last five years, with average savings of 28.64 *per cent* and 23.65 *per cent* respectively. Another scheme relating to Repair of Anganwadi centre showed very low level of utilisation in the last few years, with some improvement in the current financial year.

These schemes have direct impact on the welfare of vulnerable population of women and children, and low utilisation is a cause for concern.

Table 3.23: Persistent Savings under Sub-Head

Head of Account	Year	Total Grant (O + S)	Expenditure	Savings	
				Amount	Per cent
2235-02-102-{0177}- Implementation of Integrated Child Development Services (ICDS) Scheme	2016-17	658.44	492.93	165.51	25.14
	2017-18	811.93	475.80	336.13	41.40
	2018-19	917.11	568.61	348.50	38.00
	2019-20	1,162.93	882.28	280.65	24.13
	2020-21	1,152.30	936.26	216.04	18.75
	Total		4,702.71	3,355.88	1,346.83

Head of Account	Year	Total Grant (O + S)	Expenditure	Savings	
				Amount	Per cent
2236-02-101-{0976}-Special Nutrition Programme (Pradhan Mantri Gramodaya Yojna - PMGY)	2016-17	360.30	290.50	69.80	19.37
	2017-18	402.21	230.01	172.20	42.81
	2018-19	452.88	345.78	107.10	23.65
	2019-20	652.49	618.20	34.29	5.26
	2020-21	747.28	512.10	235.18	31.47
	Total	2,615.16	1,996.59	618.57	23.65
2235-02-800-{0821}-Others/ [825]-Repair of Anganwadi Centre (AWC)	2016-17	0.00	0.00	-	-
	2017-18	24.00	0.00	24.00	100.00
	2018-19	24.00	0.00	24.00	100.00
	2019-20	25.00	10.16	14.84	59.36
	2020-21	19.00	18.21	0.79	4.16
	Total	92.00	28.37	63.63	69.16

Source: Appropriation Accounts

The reason for savings under the Schemes was stated as follows:

- Savings occurred under “Integrated Child Development Services (ICDS) Schemes”, due to non-receipt of financial Sanction/ non-release of FOC for some items of work, non-completion of tender procedure and non-completion of supply work. However, during 2020-21, imposition of ban for drawal of arrear of salary/wages/DA as well as non-completion of work due to COVID pandemic were additional reasons for savings.
- Savings occurred under Special Nutrition Programme-PMGY due to preparation and approval of budget estimate prior to receipt of Annual Programme Implementation Plan (APIP), non-receipt of sanction and non-release of FOC.
- Savings occurred under “Repair of Anganwadi Centre (AWC)” due to non-accordance of administrative approval by administrative department in some cases and non-completion of work in due time.

3.5.1.5 Unnecessary Re-appropriation

Re-appropriation means 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 the 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.

Within Grant 39, the re-appropriation proved unnecessary in two Sub-Heads as savings were recorded under these Sub-heads against the available budget provision, as detailed in **Table 3.24**.

Table 3.24: Unnecessary Re-appropriation

(₹ in lakh)

Head of Account	Savings against Budget (O+S)	Re-appropriation	Final Savings	Reply of the Department
2235-02-001-{0935}-Strengthening of Administration Machinery	-7.20	4.50	-11.70	The amount was re-appropriated for DA arrears. Due to imposition of ban on drawal of arrear salary, DA, wages, etc. vide WT message dated 26.3.21 the amount could not be drawn and utilised.
2235-02-101-{5306}-Grants-in-aid to Various Welfare Schemes/[120]-Society for Welfare of Blind, Guwahati	-49.50	11.00	-60.50	Though re-appropriation was done but due to non-receipt of Sanction from GoA, the re-appropriated funds could not be utilised.

Thus, the Re-appropriation of ₹ 15.50 lakh made under the above two Sub-heads proved unnecessary as the final Savings exceeded the Re-appropriated amount.

3.5.1.6 Savings of Entire Budget Provision

Budget provision of ₹ 332.67 crore made under the following seventeen schemes/projects, with individual allocation in excess of ₹ one crore, for the year 2020-21 under Grant No. 39 remained unutilised at the end of the year. Scheme-wise details along with response of Department is given in the following table.

Table 3.25: Non-utilisation of budget provision

(₹ in crore)

Sl. No.	Head of Account	Budget (O+S)	Expenditure	Reply of the Department
1	2236-02-101-{2619}-15th Finance Commission Grant	293.40	0.00	No intimation was received from Economic Affairs Finance Department. So, no Sanction proposal was submitted to Government for sanction.
2	2235-02-102-{0177}-Implementation of ICDS / [871]-Anganwadi Employees Welfare Fund	4.75	0.00	Due to non-receipt of specific Guideline from Government regarding disbursement of Grant-in-Aid to Anganwadi workers and helpers.
3	2235-02-102-{5847}-National Creche Scheme	3.98	0.00	Due to non-release of Central Share (due to late submission of UC/Progress Report) and State Share.
4	2235-02-101-{0205}-Other Welfare Schemes / [909]-Home for Mentally ill Person	3.90	0.00	Due to non-receipt of Sanction from Government.
5	2235-02-102-{2426}-Child Care Institution	3.33	0.00	Due to non-release of FOC from Government.
6	2235-02-101-{0205}-Other Welfare Schemes / [911]-Grants-in-aid to Voluntary Organisations Working with Mentally Challenged Persons	3.26	0.00	Due to non-receipt of Sanction from Government.
7	2235-02-200-{2618}-National Policy on Prevention of Alcoholism and Drug Abuse	2.14	0.00	Due to non-sanction of Re-appropriation proposal by Government.

Sl. No.	Head of Account	Budget (O+S)	Expenditure	Reply of the Department
				(The funds were actually for CSS but erroneously funds were placed under SOPD. So, Re-appropriation proposal was submitted).
8	2235-02-103-{2969}-Financial Assistance & Support Services to Victims of Rape	2.14	0.00	Due to non-submission of proposal to Government.
9	2235-02-200-{4727}-Welfare of Transgender Community (Hijra)	2.03	0.00	Due to non-receipt of sanction from Government.
10	2235-02-103-{6000}-Implementation of Ujjawala Scheme	1.99	0.00	Due to non-release of Central and corresponding State Share.
11	4235-02-104-{5960}-Setting up of Old Age Home for Women & Special School for Education & Welfare to Orphan	1.90	0.00	Out of two proposals submitted to Government, Sanction against one proposal was received but no FOC was released and against another proposal, no Sanction was accorded by Government. As such funds could not be utilised.
12	4235-02-104-{0959}-Central Destitute Home, Meharpur, Silchar	1.90	0.00	Due to non-finalisation of allotment of work.
13	2235-02-103-{2431}-Establishment of Observation Home at Kokrajhar, Dibrugarh and Lakhimpur	1.86	0.00	Due to non-receipt of Sanction from Government.
14	2235-02-101-{0205}-Other Welfare Schemes / [236]-Assam Association of Deaf (One time GIA)	1.74	0.00	Due to non-receipt of Claims/Bills from District Offices.
15	2235-02-103-{5975}-Swadher Greh Scheme	1.49	0.00	Due to non-release of Central Share (due to late submission of UC/ Progress Report) and corresponding State Share.
16	2235-02-107-{0967}-Voluntary Welfare Organisation	1.43	0.00	Due to non-receipt of Sanction from Government.
17	2235-02-101-{0205}-Other Welfare Schemes / [917]-Renovation of School for Person with Disability	1.43	0.00	Administrative approval was received but work was not completed till the end of financial year 2020-21. As such, no claims/bills were received from PWD.
	Total	332.67		

Source: Appropriation Accounts (2020-21)

3.5.2 Grant 48 – Agriculture

The Agriculture Department is responsible for achieving self-reliance and rural prosperity through adoption of scientific agricultural & allied practices for production of food grains and other crops, thereby raising the quality of life of millions of rural people and contributing to the growth of vibrant, self-sustaining and surplus economy.

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 2016-21 is given below.

Table 3.26: Budget and Expenditure

Grant No. 48		2016-17	2017-18	2018-19	2019-20	2020-21
Total (Revenue + Capital)	Budget Provision	1,460.11	1,893.14	1,926.18	2,648.04	2,407.37
	Expenditure	741.60	1,107.19	857.75	1,539.30	1,437.03
	Savings	718.51	785.95	1,068.43	1,108.74	970.34
	Savings (in per cent)	49.21	41.52	55.47	41.87	40.31
i) Revenue- Voted	Budget Provision	1,402.19	1,534.99	1,463.67	2,453.55	2,043.85
	Expenditure	736.80	1,036.20	833.73	1,490.39	1,256.35
	Savings	665.39	498.79	629.94	963.16	787.50
	Savings (in per cent)	47.45	32.49	43.04	39.26	38.53
ii) Capital- Voted	Budget Provision	57.92	358.15	462.51	194.49	363.52
	Expenditure	4.80	70.99	24.02	48.91	180.68
	Savings	53.12	287.16	438.49	145.58	182.84
	Savings (in per cent)	91.71	80.18	94.81	74.85	50.30

Source: Appropriation Accounts

The Grant showed large overall savings, both on Revenue and Capital Segments, with savings as a percentage of total budget provision ranging between 40.31 per cent in the current year, and 55.47 per cent in 2018-19, during the period 2016-21. Persistently large savings is indicative of incorrect assessment of actual needs and calls for a critical review of budget preparation exercise of the Department.

3.5.2.2 Surrender of Savings

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

Table 3.27 and Table 3.28 details the Segment-wise and Major Head wise total Budget, Expenditure and Savings under Grant No. 48, during the last five years, i.e., 2016-21.

Table 3.27: Segment-wise Budget and Expenditure

Segment		2016-17	2017-18	2018-19	2019-20	2020-21
Revenue- Voted	Total Budget (O + S)	1,402.19	1,534.99	1,463.67	2,453.55	2,043.85
	Budget (O)	1,375.60	1,020.94	1,280.95	1,774.69	1,187.74
	Budget (S)	26.59	514.05	182.72	678.86	856.11
	Budget Augmentation (in per cent)	1.93	50.35	14.26	38.25	72.08
	Surrender	0.00	0.00	66.78	0.00	0.00
	Expenditure	736.80	1,036.20	833.73	1,490.39	1,256.35
	Savings	665.39	498.79	629.94	963.16	787.50
	Savings (in per cent)	47.45	32.49	43.04	39.26	38.53
	Capital- Voted	Total Budget (O + S)	57.92	358.15	462.51	194.49
Budget (O)		57.92	354.36	462.51	191.39	218.52
Budget (S)		0.00	3.79	0.00	3.10	145.00
Budget Augmentation (in per cent)		0.00	1.07	0.00	1.62	66.36
Surrender		0.00	0.00	0.72	0.00	0.00
Expenditure		4.80	70.99	24.02	48.91	180.68
Savings		53.12	287.16	438.49	145.58	182.84
Savings (in per cent)		91.71	80.18	94.81	74.85	50.30

Table 3.28: Major Head wise Budget and Expenditure

(₹ in crore)

Major Head (Segment)	Item	2016-17	2017-18	2018-19	2019-20	2020-21
2401-Crop Husbandry (Revenue-Voted)	Total Budget (O + S)	1,182.19	1,223.77	1,079.10	1,845.85	1,572.53
	Budget (O)	1,155.60	772.18	952.38	1,305.06	786.35
	Budget (S)	26.59	451.59	126.72	540.79	786.18
	Budget Augmentation (in per cent)	2.30	58.48	13.31	41.44	99.98
	Surrender	0.00	0.00	64.58	0.00	0.00
	Expenditure	518.43	725.98	472.68	982.51	878.61
	Savings	663.76	497.79	606.42	863.34	693.92
	Savings (in per cent)	56.15	40.68	56.20	46.77	44.13
2415-Agricultural Research and Education (Revenue-Voted)	Total Budget (O + S)	213.16	304.46	376.76	525.27	399.21
	Budget (O)	213.16	242.46	320.76	387.20	394.21
	Budget (S)	0.00	62.00	56.00	138.07	5.00
	Budget Augmentation (in per cent)	0.00	25.57	17.46	35.66	1.27
	Surrender	0.00	0.00	0.00	0.00	0.00
	Expenditure	213.16	304.46	355.43	502.27	343.09
	Savings	0.00	0.00	21.32	23.00	56.12
	Savings (in per cent)	0.00	0.00	5.66	4.38	14.06
2435-Other Agricultural Programmes (Revenue-Voted)	Total Budget (O + S)	6.84	6.76	7.81	82.43	72.11
	Budget (O)	6.84	6.30	7.81	82.43	7.18
	Budget (S)	0.00	0.46	0.00	0.00	64.93
	Budget Augmentation (in per cent)	0.00	7.30	0.00	0.00	904.32
	Surrender	0.00	0.00	2.20	0.00	0.00
	Expenditure	5.22	5.76	5.61	5.61	34.65
	Savings	1.62	1.00	2.20	76.82	37.46
	Savings (in per cent)	23.68	14.79	28.17	93.19	51.95
4401-Capital Outlay on Crop Husbandry (Capital-Voted)	Total Budget (O + S)	57.92	296.14	462.51	194.48	363.52
	Budget (O)	57.92	293.36	462.51	191.39	218.52
	Budget (S)	0.00	2.78	0.00	3.09	145.00
	Budget Augmentation (in per cent)	0.00	0.95	0.00	1.61	66.36
	Surrender	0.00	0.00	0.72	0.00	0.00
	Expenditure	4.80	70.99	24.02	48.91	180.68
	Savings	53.12	225.15	438.49	145.57	182.84
	Savings (in per cent)	91.71	76.03	94.81	74.85	50.30
4415-Capital Outlay on Agricultural Research and Education (Capital-Voted)	Total Budget (O + S)	0.00	62.00	0.00	0.00	0.00
	Budget (O)	0.00	61.00	0.00	0.00	0.00
	Budget (S)	0.00	1.00	0.00	0.00	0.00
	Budget Augmentation (in per cent)	-	1.64	-	-	-
	Surrender	0.00	0.00	0.00	0.00	0.00
	Expenditure	0.00	0.00	0.00	0.00	0.00
	Savings	0.00	62.00	0.00	0.00	0.00
	Savings (in per cent)	-	100.00	-	-	-

As can be seen from above table, large savings were seen at the Segment level, and in all the four Major Heads where allocation was made in the grant for the current year. Despite large overall savings at Segment level of ₹ 787.50 crore in Revenue-Voted Segment, and ₹ 182.84 crore in Capital-Voted segment, no amount was surrendered. Such large savings at Segment level were also seen in each of the last five years, but Surrender of funds was done only once in the financial year 2018-19.

Non-compliance with the prescribed time schedule of surrender of savings defeats the objective of efficient budget management.

3.5.2.3 Unnecessary/Excessive Supplementary Grant

Quantum of Supplementary Grant provided to the Agriculture Department under Grant-48 during the last five years *i.e.*, 2016-17 to 2020-21 is given in **Table 3.29** and also in **Chart 3.11** and **Chart 3.12**.

With large savings being exhibited in the Grant, the Supplementary Grant provision proved Unnecessary in three of the last five years in case of Revenue-Voted Segment, and in all the years in the Capital-Voted Segment. In the Financial Year 2020-21, the Supplementary Grant of ₹ 856.11 crore in the Revenue-Voted Segment proved excessive as the Expenditure exceeded the Original Budget provision only by ₹ 68.61 crore.

Table 3.29: Unnecessary Supplementary Provision

(₹ in crore)					
Segment	Year	Budget Original Provision	Expenditure	Savings out of Original Provision	Supplementary Grant
Revenue-Voted	2016-17	1,375.60	736.80	638.80	26.59
	2017-18	1,020.94	1,036.20	-	514.05
	2018-19	1,280.95	833.73	447.22	182.72
	2019-20	1,774.69	1,490.39	284.30	678.86
	2020-21	1,187.74	1,256.35	-	856.11
Capital-Voted	2016-17	57.92	4.80	53.12	-
	2017-18	354.36	70.99	283.37	3.79
	2018-19	462.51	24.02	438.49	-
	2019-20	191.39	48.91	142.48	3.10
	2020-21	218.52	180.68	37.84	145.00

Source: Appropriation Accounts

Chart 3.11: Unnecessary/Excessive Supplementary grants under Grant-48 (Revenue-Voted Segment)

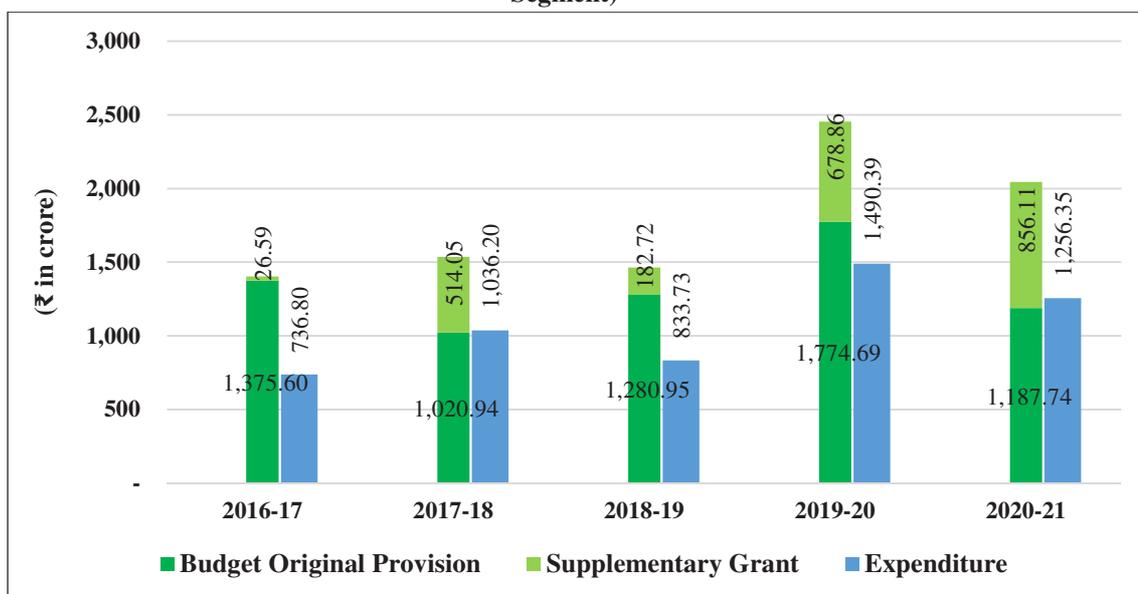
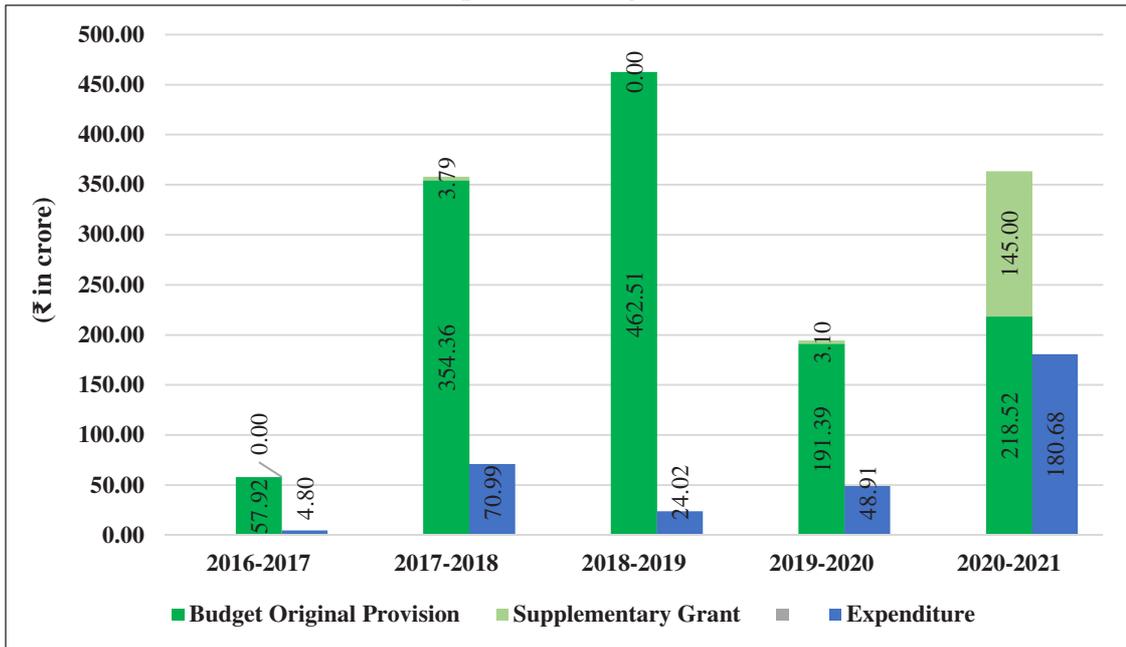


Chart 3.12: Unnecessary Supplementary grants under Grant-48
(Capital-Voted Segment)



The Director of Agriculture, Assam, attributed the low utilisation to non-receipt of administrative approval, non-receipt of financial Sanction, partial release of FOC against financial Sanction, non-release of FOC, etc.

3.5.2.4 Persistent Savings under Sub-Head

The seven schemes listed in **Table 3.30** below which had significant budgetary allocation and showed large and persistent savings in the last five years, with average savings in each scheme exceeding 50 per cent during the period 2016-21.

Table 3.30: Persistent Savings under Sub-Head

Head of Account	Year	Total Grant (O + S)	Expenditure	Details of Savings	
				Total	Per cent
2401-00-104-{4891}- National Mission on Sustainable Agriculture	2016-17	33.09	12.79	20.30	61.35
	2017-18	33.29	24.27	9.02	27.10
	2018-19	20.52	6.74	13.78	67.15
	2019-20	18.33	9.39	8.94	48.77
	2020-21	35.03	15.39	19.64	56.07
	Total		140.26	68.58	71.68
2401-00-108-{4732}- National Food Security Mission	2016-17	115.19	60.97	54.22	47.07
	2017-18	166.78	128.67	38.11	22.85
	2018-19	126.91	41.18	85.73	67.55
	2019-20	263.32	84.64	178.68	67.86
	2020-21	391.42	199.00	192.42	49.16
	Total		1,063.62	514.46	549.16
2401-00-109-{4893}- National Mission on Agriculture Extension & Technology	2016-17	36.68	12.26	24.42	66.58
	2017-18	17.39	6.54	10.85	62.39
	2018-19	38.45	9.23	29.22	75.99
	2019-20	38.90	12.32	26.58	68.33
	2020-21	93.89	16.35	77.54	82.59
	Total		225.31	56.70	168.61

Head of Account	Year	Total Grant (O + S)	Expenditure	Details of Savings	
				Total	Per cent
2401-00-110-{5728}- Pradhan Mantri Fasal Bima Yojana (PMFBY)	2016-17	0.00	7.54	--	0.00
	2017-18	38.25	3.05	35.20	92.03
	2018-19	28.83	1.84	26.99	93.62
	2019-20	29.00	16.48	12.52	43.17
	2020-21	74.80	12.52	62.28	83.26
	Total	170.88	41.43	136.99	80.17
2401-00-113-{5675}- Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)	2016-17	51.65	4.74	46.91	90.82
	2017-18	45.59	0.00	45.59	100.00
	2018-19	16.50	12.22	4.28	25.94
	2019-20	16.50	0.00	16.50	100.00
	2020-21	14.78	0.00	14.78	100.00
	Total	145.02	16.96	128.06	88.31
2401-00-800-{3807}- Rastriya Krishi Vikash Yojana (RKVY)	2016-17	603.45	179.99	423.46	70.17
	2017-18	388.40	210.17	178.23	45.89
	2018-19	316.88	88.25	228.63	72.15
	2019-20	513.38	390.42	122.96	23.95
	2020-21	324.74	136.67	188.07	57.91
	Total	2,146.85	1,005.50	1,141.35	53.16
4401-00-800-{4254}- Rural Infrastructure Development Fund (R.I.D.F.)	2016-17	57.92	4.80	53.12	91.71
	2017-18	250.00	70.99	179.01	71.60
	2018-19	337.80	0.00	337.80	100.00
	2019-20	150.00	38.88	111.12	74.08
	2020-21	334.00	174.88	159.12	47.64
	Total	1,129.72	289.55	840.17	74.37

Source: Appropriation Accounts

The reason for savings under the Schemes was stated as follows:

- In respect of National Food Security Mission (NFSM), the savings occurred due to release of central share by GoI in the last month of the year, late release of central share by GoA, preparation of budget estimate prior to approval of Annual Action Plan by State Level Screening Committee (SLSC) and finalisation of Annual Action Plan by GoI, non-receipt of sanction and non-release of FOC from GoA on time.
- In respect of National Mission on Sustainable Agriculture (NMSA) the savings occurred due to release of central share by GoI in the last part of the financial year, late release of fund by GoA, preparation of budget estimate prior to approval of Action Plan by State Level Screening Committee (SLSC) and finalisation of Action plan by GoI, non-receipt of sanction and non-release of FOC from GoA on time.
- In respect of National Mission on Agriculture Extension & Technology (NMAE&T) the savings occurred mainly due to non-receipt/short receipt of sanction and non-release of FOC in due time against Central Share as well as State Share from GoA.
- In respect of Ratriya Krishi Vikash Yojana (RKVY) the savings occurred due to release of Central Share by GoI at the last part of the financial year, preparation of budget estimate on the basis of the last year allocation from GoI (including revalidation amount of unspent balance), non-receipt of sanction,

non-release of FOC from GoA on time and due to not holding SLSC meeting in time for approval of Annual Action Plan.

- In respect of Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), savings mainly occurred due to non-release of central share by GOI, non-receipt of sanction and non-release of FOC by GoA.
- In respect of Rural Infrastructural Development Fund (RIDF), savings occurred due to non-release of FOC as per Sanction as well as non-release of State Share.
- In respect of Pradhan Mantri Fasal Bima Yojana (PMFBY) savings occurred due to non-issue of financial sanction and non-release of FOC covering entire financial sanction accorded.

3.5.2.5 Savings of Entire Budget Provision

Budget provision of ₹ 94.22 crore made under the following ten schemes/ projects, with individual allocation in excess of ₹ 1 crore, for the year 2020-21 under Grant No. 48 remained unutilised at the end of the year. Scheme-wise details along with response of Department is given in the following table.

Table 3.31: Non-utilisation of budget provision

(₹ in crore)

SI No	Head of Account	Budget (O+S)	Expenditure	Reply of Department
1	2401-00-001-{0172}-Headquarters Establishment/[225]-Integrated/Indigenous Organic Rice Cluster	3.48	0.00	Due to non-receipt of sanction
2	2401-00-102-{1033}-Disaster Management Programme/[142]-Flood Damage Restoration	38.43	0.00	Though Administrative Approval and Financial Sanction was accorded, no FOC was released from GoA.
3	2401-00-103-{3667}-Assistance to Seed Village Development and Infrastructure Facilities for Production and Distribution of Quality Seed/	14.83	0.00	Due to non-receipt of Administrative Approval and Sanction from Government of Assam
4	2401-00-109-{1079}-National Agricultural Extension Project-III (Mission Double Cropping)/[109]-Majuli as Organic Hub	3.80	0.00	An amount of ₹ 3.80 crore was granted against Majuli as Organic Hub but FOC was not released by the Finance department even after appropriate administrative approval, Financial Sanction, etc. due to which the fund could not be drawn from treasury and utilised.
5	2401-00-113-{5675}-Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)	14.78	0.00	Due to non-release of Central Share by GoI during the financial year, the budgeted funds could not be drawn and utilised.
6	2415-01-277-{5867}-Development of Assam Agricultural University	9.00	0.00	Due to non-receipt of Administrative Approval from competent authority

Sl No	Head of Account	Budget (O+S)	Expenditure	Reply of Department
7	2415-01-277-{5867}- Development of Assam Agricultural University/[665]- North Lakhimpur Campus	4.50	0.00	Due to non-receipt of Administrative Approval from competent authority
8	2415-01-277-{5867}- Development of Assam Agricultural University/[666]- Dhubri Campus	2.25	0.00	Due to non-receipt of Administrative Approval from competent authority
9	2415-01-277-{2533}- Dharampur Horticulture Campus	1.80	0.00	Due to non-receipt of Administrative Approval from competent authority
10	2415-01-277-{5867}- Development of Assam Agricultural University/[667]- Raha Fishery College Campus	1.35	0.00	Due to non-receipt of Administrative Approval from competent authority
	Total	94.22	0.00	

Source: Appropriation Accounts (2020-21)

3.6 Conclusion

- Budgetary assumptions of the Government of Assam (GoA) continued to be unrealistic and overestimated during 2020-21, as the State Government incurred an expenditure of ₹ 82,888.63 crore, against 81 grants and appropriations of ₹ 1,22,341.66 crore, resulting in overall savings of ₹ 39,453.03 crore during the year as against the savings of ₹ 35,552.08 crore during the previous year. These savings stood at 32 *per cent* of total grants and appropriations made for the year. The savings were 2.1 times the size of supplementary budget during the year.
- These savings may be seen in context to over estimation of Receipts of ₹ 1,07,314.47 crore by the State Government and the estimation on the expenditure side being ₹ 1,22,341.66 crore during the year 2020-21. As against the estimated Receipts, the actual Receipts were ₹ 82,844.93 crore only thereby restricting the total expenditure during the year to ₹ 82,888.63 crore. This implied that the savings were notional, as the funds were not actually available for expenditure.
- Savings during the year accounted for about a third of the budget; however, the Controlling Officers neither surrendered the funds during the year, nor provided any explanations to the Principal Accountant General (A&E) for variations in expenditure *vis-à-vis* allocations.
- Approval of Supplementary Grants of ₹ 18,580.03 crore by the State Legislature was indicative of over estimation and poor financial management as the gross expenditure (₹ 82,888.63 crore) was less than even the Original provision (₹ 1,03,761.63 crore).
- The Departments (Grant No. 23-Pension, Grant No. 76-Karbi Anglong Autonomous Council, Grant No, 77-North Cachar Hills Autonomous Council and Grant No. 78-Bodoland Territorial Council) incurred excess expenditure

amounting to ₹ 731.25 crore over and above the authorisation during 2020-21. Moreover, excess expenditure of ₹ 23.00 crore was incurred in 19 Sub-Heads under four Grants (₹ 15 lakh and above in each case) without budget provision.

- Review of selected grants revealed that the Social Welfare Department had persistent savings ranging between 20.00 *per cent* and 48.78 *per cent* during the period 2016-21 under Grant 39. During the current year, it stood at 31.43 *per cent* of the total budget provision.

3.7 Recommendations

- State Government may formulate a realistic budget based on reliable assumptions of likely resource mobilisation, the needs of the Departments and their capacity to utilise the allocated resources so as to avoid inflated budget without actual resources;*
- State Government may institute an appropriate control 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 critically review the Departments having persistent savings for prudential budget allocation and monitoring of expenditure;*
- Controlling Officers should explain the variation in expenditure from the allocation in time to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.*

Chapter 4
Quality of Accounts &
Financial Reporting
Practices

Chapter 4 Quality of Accounts & Financial Reporting Practices

A sound internal financial reporting system with relevant and reliable information significantly contributes to efficient and effective governance by the State Government. Compliance with financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliance is, thus, one of the attributes of good governance. Reports on compliance and controls, if effective and operational, assist the Government in meeting its basic stewardship responsibilities, including strategic planning and decision-making.

This Chapter provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.

Issues related to completeness of accounts

4.1 Non discharge of liability in respect of interest towards interest bearing deposits

The Government has a liability to provide and pay interest on the amounts in the Interest-bearing Reserve Funds and Deposits. It has been observed from Statement 21 of Finance Accounts 2020-21 that despite the existence of balances in these Reserve Funds and Deposits, no interest liability was discharged by the Government during the year, as detailed in the following table.

Table 4.1: Non discharge of interest liability towards interest bearing deposits

(₹ in crore)

Sector	Sub-Sector	Rate of Interest	Balance at the Beginning of 2020-21	Interest Payable
J-Reserve Funds	(i) Reserve Funds bearing Interest (SDRF)	6.0 per cent (Overdraft rate)	725.23	43.51
	(ii) Reserve Funds bearing interest (SCAF)	5.5 per cent *	560.81	30.84
K-Deposits and Advances	(i) Deposits Bearing Interest MH 8342 (NPS)	8 per cent**	341.82	27.35
	(ii) MH 8336, 8338, 8342 (103 & 120)	6.0 per cent (Overdraft rate)	18.20	1.09
Total			1,646.06	102.79

*Adopted from NCAF

**The State Government vide OM dated 06 October 2009 specified the interest rate at eight per cent as applicable to the GPF (as had been prevailing at that time). This interest rate has not been revised, though Government had revised the rate of interest for GPF from time to time.

Non-payment of the interest of ₹ 102.79 crore had resulted in overstatement of Revenue Surplus and understatement of Fiscal Deficit to that extent during the year.

4.2 Funds transferred directly to State implementing agencies

GoI has been transferring sizeable quantum of funds directly to the State Implementing Agencies/ Non-Government Organisations (NGOs) for implementing various central schemes/ programmes. As these funds are not routed through the State budget/State Treasury system, these are not reflected in the Accounts of the State Government.

The following table provides quantum of fund transferred to the State implementing agencies during the last five years *i.e.*, 2016-21.

Table 4.2: Direct Transfer of Funds by GoI

						(₹ in crore)
Direct transfers to State Implementing Agencies	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Funds transferred	2,846.20	4,702.20	4,534.21	5,946.75	7,733.54	25,762.90

As can be seen from the table above that transfer of funds increased by 30.05 *per cent* from ₹ 5,946.75 crore in 2019-20 to ₹ 7,733.54 crore in 2020-21. Out of total amount of ₹ 7,733.54 crore of direct transfer, ₹ 1,035.18 crore of the Central Assistance/Share was transferred to the intermediaries (*i.e.*, NGOs, Societies, *etc.*) and ₹ 6,698.36 crore was directly transferred to the beneficiaries.

4.3 Delay in Submission of Utilisation Certificates

Rule 517 (Appendix 16) of Assam Financial Rules provides that every grant made for a specified object is subject to the implied conditions such as (i) the grant shall be spent for the intended purpose, and within a reasonable time if no time-limit has been fixed by the sanctioning authority, and (ii) any portion of the amount which is ultimately not required for expenditure for the purpose, shall be duly surrendered to the Government.

State Government authorities who have received conditional grants are required to furnish formal Utilisation Certificates (UCs) about the proper utilisation of the grants, to the Accountant General (A&E) within 12 months of the closure of the financial year in which the grants have been released, unless specified otherwise.

Audit scrutiny revealed that 11,717 UCs in respect of grants aggregating ₹ 39,629.49 crore given to 55 Departments of the State Government during the period from 2001-02 to 2019-20 had not been submitted. UCs for 2,800 grants of ₹ 21,065.58 crore paid in 2020-21 would become due only in 2021-22. Age-wise details of delays in submission of UCs due up to the year 2020-21 is given in **Table 4.3**.

Table 4.3: Age-wise arrears in submission of Utilisation Certificates

Year	Opening Balance		Addition		Clearance		Due for submission	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2018-19	11,637	33,893.41	2,248	13,381.83	2,182	14,221.35	11,703	33,053.89
2019-20	11,703	33,053.89	2,732	22,833.65	2,324	12,651.41	12,111	43,236.13
2020-21	12,111	43,236.13	2,800*	21,065.58	394	3,606.64	11,717	39,629.49

Source: Data compiled by the O/o the PAG (A&E), Assam;

*UCs for GIA disbursed during 2020-21 will be due only during 2021-22 and hence, excluded from the closing balance of 2020-21.

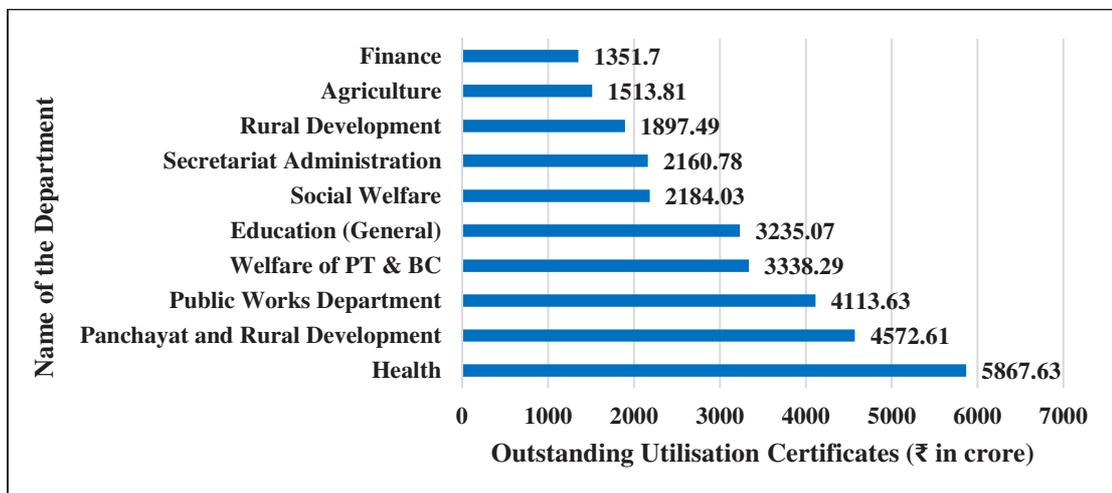
Table 4.4: Year wise break up of outstanding UCs

(₹ in crore)		
Drawal Year	Number of UCs	Amount
2001-02	833	54.26
2002-03	409	36.22
2003-04	744	197.07
2004-05	949	145.80
2005-06	712	203.12
2006-07	654	194.27
2007-08	463	220.85
2008-09	341	305.75
2009-10	122	447.19
2010-11	306	395.16
2011-12	275	583.03
2012-13	289	827.68
2013-14	393	1,237.32
2014-15	793	1,590.81
2015-16	479	2,963.30
2016-17	24	1,607.23
2017-18	223	2,080.64
2018-19	1,062	5,336.21
2019-20	2,646	21,203.58
Total	11,717	39,629.49

The analysis of year-wise details of pending UCs and the amounts involved are tabulated alongside, which shows that an amount of ₹ 39,629.49 crore was spent over the years without submission of UCs. To the extent of non-submission of UCs, there is no assurance that the amount shown in Finance Accounts had actually been spent in keeping with the sanction and cannot be vouched as correct or final. **Table 4.4** given alongside also reveals that 84 *per cent* of outstanding UCs pertain to the last five years *i.e.*, 2015-20.

Department-wise break-up of outstanding UCs for the grants paid up to the year 2020-21 is given in **Appendix 4.1**. Status of outstanding UCs in respect of 10 major departments is given in **Chart 4.1**.

Chart 4.1: Outstanding UCs in respect of 10 major Departments for the grants paid up to 2019-20



In the absence of the UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which those were given, and since 45 *per cent* of the Capital Expenditure is being incurred out of GIA, in the absence of UCs, it could not be ascertained whether the assets had been created.

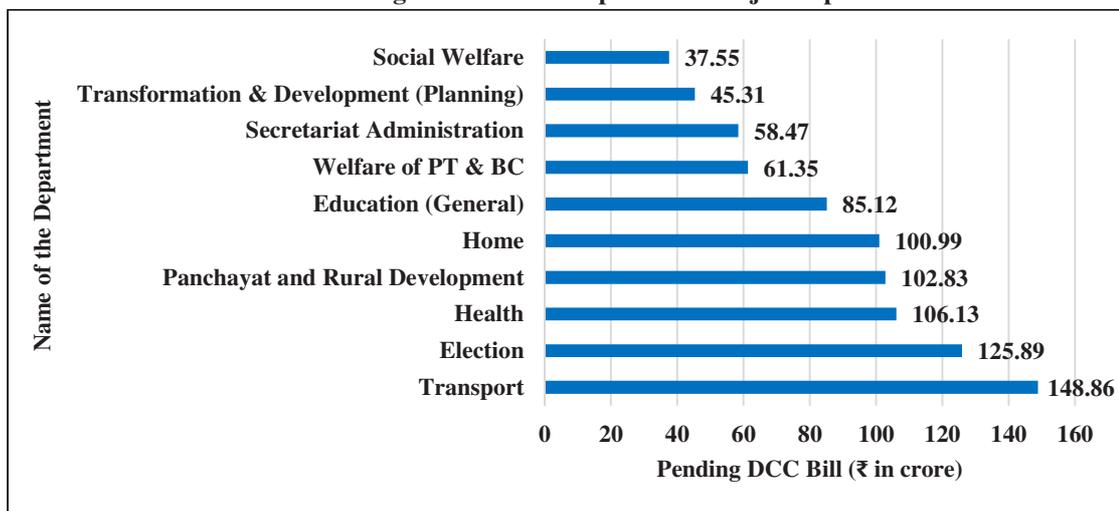
During the Exit Conference (December 2021), the Secretary, Finance Department, assured to analyse the issue and to take necessary steps for early submission of UCs wherever needed by the Administrative Departments, and to issue necessary clarification relating to submission of UCs.

4.4 Abstract Contingent Bills

Under Rule 21 of the Assam Contingency Manual, 1989, Drawing and Disbursing Officers (DDOs) are authorised to draw sums of money for limited purposes by preparing Abstract Contingent (AC) bills without vouchers. Subsequently, Detailed Countersigned Contingent (DCC) bills (vouchers in support of final expenditure) are required to be furnished to the Accountant General (A&E) not later than 25th of the month following the month in which such amounts are drawn.

As of 31 March 2021, 39 Departments of the Government of Assam had not submitted DCC bills for ₹ 1,050.84 crore against 1,648 AC Bills. Department-wise pending DCC bills for the years up to 2020-21 are detailed in *Appendix 4.2*. Status of pending DCC bills in respect of 10 major departments is given in **Chart 4.2**.

Chart 4.2: Pending DCC Bills in respect of 10 major Departments



Year-wise details of pendency of DCC bills for the years up to 2020-21 is given in **Table 4.5**.

Table 4.5: Pendency in submission of DCC bills against the AC bills

(₹ in crore)

Year	Opening Balance		Addition		Clearance		Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2018-19	1,066	678.85	298	289.53	41	2.56	1,323	965.82
2019-20*	1,323	965.82	282	66.39	173	149.35	1,432	882.86
2020-21	1,432	882.86	249	174.89	33	6.91	1,648	1,050.84

Source: Data compiled by O/o the PAG (A&E), Assam

* Closing figures of 2019-20 has been changed due to clearance of OB suspense kept Major Head under 8658-Suspense.

Table 4.5 reveals that during 2020-21, 249 AC bills were drawn for an amount of ₹ 174.89 crore, of which, 123 AC bills for an amount of ₹ 66.88 crore (38.24 per cent) were drawn in March 2021.

Expenditure against AC bills at the end of the year indicates poor public expenditure management and may point to the drawal being done primarily to exhaust the budget provision. Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for

ensuring submission of DC bills. Further, to the extent of non-receipt of DCC bills, the expenditure shown in the Finance Accounts cannot be asserted as correct or final.

During the Exit Conference (December 2021), the Commissioner and Secretary, Finance Department, assured to issue instructions to all concerned Departments for early submission of DCC bills.

4.5 Personal Deposit Accounts

Under specific circumstances, the Government may authorise the opening of Personal Deposit (PD) accounts 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. Government of Assam, however, did not follow this procedure.

The following table provides the status of funds lying in PDA on the last day of the financial year during 2016-21.

Table 4.6: Parking of funds in Personal Deposit Accounts during 2016-21

	(₹ in crore)				
Year	2016-17	2017-18	2018-19	2019-20	2020-21
Funds parked in PDA	0.60	0.60	0.60	0.57	0.57

As on 31 March 2021, there were 22 PD Accounts under which ₹ 0.57 crore was lying. All these accounts have been inoperative for more than two years. These were not closed at the end of the financial year and the amount credited to the Consolidated Fund of the State.

Further, in terms of Rule 324 and 333 of Treasury Rules 2017 of the Government of Assam, the Administrator of Personal Deposit Account shall make necessary verification and reconciliation of the balances with the Treasury and shall furnish a certificate to the Treasury Officer by 30th April every year. The Treasury officer shall verify the said certificate with treasury records and send a report of verification of such balances to the Accountant General (A&E) as early as possible.

During the year 2020-21, none of 22 Administrators of Personal Deposit Accounts had reconciled and verified their balances with the treasury figures and the annual verification certificate was also not furnished to the Accountant General (A&E) Office.

4.6 Indiscriminate use of Minor Head 800

The omnibus Minor Head 800 relating to Other Receipts/ Other Expenditure is to be operated only in cases where the appropriate Minor Head has not been provided under a Major Head in the accounts. If such instances occur on a regular basis, it is the responsibility of the State Government to discuss with the Accountant General (A&E) and seek advice on an appropriate classification. Indiscriminate booking of receipts and expenditure under Minor Head 800 affects transparency and nature of transactions, and renders the accounts opaque.

During 2020-21, the State Government classified receipts of ₹ 1,046.12 crore (1.61 per cent of Revenue Receipts), pertaining to 48 Major Heads, under the Minor Head '800 - Other Receipts' while an expenditure of ₹ 15,335.15 crore was booked under Minor Head 800 under 71 revenue and capital Major Heads of Account, constituting 19.94 per cent of the total revenue and capital expenditure of ₹ 76,918.98 crore.

Instances of substantial proportion (50 per cent or more) of the expenditure within a given Major Head, classified under the Minor Head 800 – 'Other Expenditure', are given in Table 4.7.

Table 4.7: Significant expenditure booked under Minor Head 800 – Other Expenditure during 2020-21

(₹ in crore)					
Sl. No.	Major Head	Major Schemes under Minor Head 800	Expenditure under Minor Head 800	Total Expenditure	Percentage
1.	4801 - Capital Outlay on Power Projects	APSEIP Tranche 4 (ADB), procurement of Meters and Enhancement of Infra State Transmission System of Assam (AIIB), etc.	295.40	295.40	100.00
2.	4401- Capital Outlay on Crop Husbandry	Rural Infrastructure Development Fund and WIF-Agriculture Cold Storage.	180.67	180.68	99.99
3.	4070- Capital Outlay on Other Administrative Services	State Signature Scheme and Protection & control of Fire Service Station, etc.	218.01	219.35	99.39
4.	2575-Other Special Areas Programme	Multi Sectoral Development Programme for Minorities in selected Minority Concentration Districts.	142.94	149.11	95.86
5.	2801 - Power	Payment of dues as per FTFRP, Targeted subsidy to APDCL and DDUGJY and SAUBHAGYA scheme	1,245.25	1,350.25	92.22
6.	3056 - Inland Water Transport	Government Transport Services working expenses-Major Ferry Services, Subansiri River Passenger Services (Commercial), etc.	147.41	165.26	89.20
7.	2210- Medical and Public Health	Strengthening of the State Drug Regulatory System and National Health Mission, etc.	3,412.09	5,395.51	63.24
8.	2217- Urban Development	Housing for All (Pradhan Mantri Awas Yojana, City Amenities Development Fund, Guwahati Municipal Corporation, etc.)	527.61	908.49	58.08
Total			6,169.38	8,664.05	71.21

In the case of receipts, cases where over 50 per cent of receipts and also more than ₹ one crore were classified under Minor Head 800 – 'Other Receipts', are given in Table 4.8.

Table 4.8: Significant receipts booked under Minor Head 800 – Other Receipts during 2020-21

(₹ in crore)

Sl. No.	Major Head	Receipts under Minor Head 800	Total Receipts	Percentage
1.	0552 - North Eastern areas	57.75	57.75	100.00
2.	1056 - Inland Water Transport	4.82	4.82	100.00
3.	0702 - Minor Irrigation	1.95	1.96	99.49
4.	1054 - Roads and Bridges	19.37	19.96	97.04
5.	0059 - Public Works	1.28	1.34	95.52
6.	0070 - Other Administrative Services	90.87	95.72	94.93
Total		176.04	181.55	96.97

Classification of large amounts under the omnibus Minor Head 800 affects transparency in financial reporting and distorts proper analysis of allocative priorities and quality of expenditure.

Audit examined selected cases of booking under Minor Head 800, and noted that in some instances, a valid Minor Head, other than 800, was available in the List of Major and Minor Head (LMMH), for booking these transactions. This includes large centrally sponsored schemes like Sarva Siksha Abhiyan, and Mid-Day Meal scheme, where an expenditure of ₹ 2,731.37 crore (17.81 per cent of total expenditure under 800) was booked in State Finance Accounts (2020-21), as given in the following table:

Table 4.9: Incorrect depiction of Minor Heads in the State Accounts (2020-21)

Specified Heads in the LMMH	Actual Heads in the State Accounts		
	Appropriation Accounts	Finance Accounts (Classification up to Minor Head)	Expenditure (₹ in crore)
2202-01-111 Sarva Shiksha Abhiyan	2202-01-800-1686- Sarva Siksha Abhiyan	2202-01-800 Other Expenditure	2,307.25
2202-01-112 National Programme of Mid Day Meals in Schools	2202-01-800-3844- Mid-Day-Meal Scheme for Cooking Cost	2202-01-800 Other Expenditure	424.12

Thus, it is imperative that the State Government should review all classifications of schemes being made under 800-Other Expenditure in the light of their depiction in the LMMH and after consultation with the Accountant General (A&E), classify them appropriately as per existing LMMH, or seek addition of new Minor Head, to bring transparency in Accounts.

During Entry Conference (October 2021), the Commissioner & Secretary, Finance Department, assured to take care of the matter from next Budget.

4.7 Central Road Fund (CRF)

Government of India provides annual grants under the CRF to the State Government to incur expenditure on specific road projects. In terms of the extant accounting procedure, the grants are to be initially booked as Revenue Receipts under Major Head “1601-08-108-Grants from Central Road Fund”. Thereafter, the amount so received is to be transferred by the State Government to the Public Account under Major Head “8449-Other Deposits-103 Subvention from Central Road Fund”, through Revenue Expenditure Major Head “3054 Roads and Bridges”. This process ensures that receipt of the grants do not result in overstatement of Revenue Surplus or understatement of

Revenue Deficit in the accounts. The expenditure on prescribed road works under CRF will first be accounted for under the relevant Capital or Revenue Expenditure section (Major Heads 5054 or 3054) and reimbursed out of the Public Account under Major Head 8449 as a deduct expenditure to the concerned Major Head (5054 or 3054 as the case may be).

During the year 2020-21, the State Government received grants of ₹ 220.81 crore towards CRF. While the receipt of fund was accounted for correctly in Revenue Receipts Major Head-1601-08-108-Grants from Central Road Fund, the accounting procedure for recording expenditure under CRF as detailed above was not followed. No budget provision was made under the Major Head - '3054-80-797 - transfer to Deposit Accounts' for transfer of funds to the Major Head-'8449-Other Deposits-103 subvention from Central Road Fund' in Public Account, and accordingly, nor was subsequent expenditure from CRF recorded in appropriate budget heads. However, ₹ 177.03 crore was booked under CRF during the year under the head of account 3054-03-337-1857 –Construction Expenditure Met from Central Road Fund in Grant-64 of Appropriation Accounts. Non-transfer of the balance amount of ₹ 43.78 crore has resulted in overstatement of Revenue Surplus during the year.

During the Exit Conference (December 2021), the Secretary, Finance Department, assured to follow the prescribed procedure of CRF.

Issues related to Measurement

4.8 Outstanding balance under major Suspense and DDR heads

Suspense heads are operated in Government accounts to reflect transactions that cannot be booked initially to their final Head of Account for some reason or the other. These are finally cleared by minus debit or minus credit when the amount is taken to its final Head of Account. If the amounts under suspense heads remain unadjusted, the balances under these heads get accumulated resulting in understatement of Government's receipts and payments.

Remittances embrace all transactions which are adjusting Heads of Account and the debits or credits under these heads are eventually cleared by corresponding credit or debit within the same or in another circle of accounting.

The Finance Accounts reflect the net balances under Suspense and Remittance Heads. The outstanding balances under these heads are worked out by aggregating the outstanding debit and credit balances separately under various heads. Clearance of suspense and remittance items depends on the details furnished by the State Treasuries/ Works and Forest Divisions, *etc.* The position of gross figures under major suspense and remittance heads for the last three years is given in **Table 4.10**.

Table 4.10: Balances under Suspense and Remittance Heads

(₹ in crore)

Name of Major and Minor Head	2018-19		2019-20		2020-21	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
101 - PAO suspense	117.06	52.53	224.98	145.92	327.29	227.41
Net	Dr. 64.53		Dr. 79.06		Dr. 99.88	
102 - Suspense Account-Civil	1,393.36	61.40	2,322.47	531.66	1,758.94	372.63
Net	Dr. 1,331.96		Dr. 1,790.81		Dr. 1,386.31	
107 - Cash Settlement Suspense Account	82.73	15.65	82.73	15.65	82.73	15.65
Net	Dr. 67.08		Dr. 67.08		Dr. 67.08	
109 - Reserve Bank Suspense -Headquarters	(-) 297.50	(-) 0.29	(-) 226.65	(-) 10.02	(-) 216.08	(-) 0.22
Net	Cr. 297.21		Cr. 216.63		Cr. 215.86	
110 - Reserve Bank Suspense - CAO	14.30	911.52	14.30	1,050.40	20.85	214.61
Net	Cr. 897.22		Cr. 1,036.10		Dr. 193.76	
112 - Tax Deducted at Source (TDS) Suspense	---	---	---	0.01	---	---
Net	---		Cr. 0.01		---	
123 - A.I.S Officers' Group Insurance Scheme	0.14	1.42	0.18	1.47	0.25	1.51
Net	Cr. 1.28		Cr. 1.29		Cr. 1.26	
8782-Cash Remittances						
102 - P.W. Remittances	61,358.86	61,051.00	69,526.23	69,159.54	76,676.11	76,290.28
Net	Dr. 307.86		Dr. 366.69		Dr. 385.83	
103 - Forest Remittances	4,737.65	4,454.57	5,231.80	4,884.08	5,873.61	5,490.72
Net	Dr. 283.08		Dr. 347.72		Dr. 382.89	

Non-clearance of outstanding balances under these heads affects the accuracy of receipts/expenditure figures and balances under different heads of Accounts (which are carried forward from year to year) of the State Government.

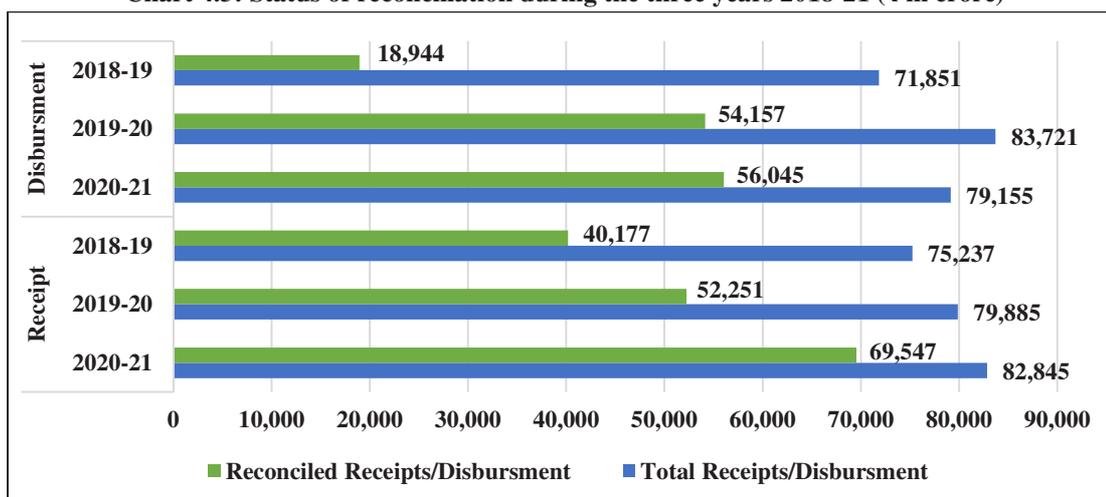
4.9 Reconciliation of Departmental figures

Financial Rules stipulate that receipts and expenditure recorded in the books of accounts of Controlling Officers (COs) be reconciled by them every month during the financial year with those recorded in the books of the Accountant General (Accounts and Entitlements). This is to enable the COs to exercise effective control over expenditure and manage their budgetary allocation efficiently, and ensure accuracy of their accounts.

While 65 *per cent* of both receipts and disbursement were reconciled during 2019-20, these figures improved and reached the level of 84 *per cent* for receipts and 71 *per cent* for disbursement for the year 2020-21.

The status of reconciliation of receipts and disbursement figures by the COs during the three-year period 2018-21 is shown in **Chart 4.3**.

Chart 4.3: Status of reconciliation during the three years 2018-21 (₹ in crore)



The details relating to the number of COs and the extent of reconciliation during the last three years are given in **Table 4.11**.

Table 4.11: Status of Reconciliation of Receipts and Disbursement figures

Year	Total No. of Controlling Officers	Status of reconciliation			Total Receipts/ Disbursement (₹ in crore)	Reconciled Receipts/ Disbursement	
		Fully	Partially	Not done		Amount (₹ in crore)	Per cent
Receipts							
2018-19	54	7	4	43	75,237	40,177	53.40
2019-20	54	6	0	48	79,885	52,251	65.41
2020-21	58	5	3	50	82,845	69,547	83.95
Expenditure							
2018-19	54	31	16	7	71,851	18,944	26.37
2019-20	54	34	0	20	83,721	54,157	64.69
2020-21	58	36	16	6	79,155	56,045	70.80

Non-reconciliation of figures has been pointed out by the CAG in the Audit Reports year after year. The Committee on Public Account (PAC) in its 161st Report (Paragraph 13) also recommended (March 2020) that the departments should reconcile their figures with the Accountant General (A&E) on monthly basis or at least quarterly basis to avoid wrong booking of figures. In spite of the directions, 16 *per cent* of receipts and 29 *per cent* of disbursement figures booked by the Accountant General (A&E) were not reconciled by the departmental authorities during 2020-21.

Reconciliation and verification of figures is an important tool of financial management. Failure to exercise/ adhere to the codal provisions and executive instructions in this regard not only results in misclassification and incorrect booking of receipts and expenditure in the accounts, but also defeats the very objective of budgetary process.

4.10 Reconciliation of Cash Balances

As on 31 March 2021, Cash balance as per record of Principal Accountant General was ₹ 3,696.76 crore (Dr.) and that reported by the RBI was ₹ 17.21 crore (Cr.). There was a net difference of ₹ 3,679.55 crore (Dr.) mainly due to non-accounting of expenditure on pension payments made by non-link branches of Agency Bank since 2017-18. The details are discussed in subsequent paragraph.

4.10.1 Non-Reporting of Pension Payments

Out of the unreconciled cash balance of ₹ 3,679.55 crore (₹ 3,822.40 crore of debit amount *minus* ₹ 142.85 crore of credit amount) as on 31 March 2021, ₹ 3,822.40 crore of unreconciled cash balance pertained to the pension payments made by non-link branches of banks and directly reported to the RBI which were not received with the treasury accounts. The remaining differences of ₹ 142.85 crore unreconciled cash balance represent discrepancy due to erroneous reporting by Agency Banks. Out of ₹ 3,822.40 crore of non-accounting of pension payment, ₹ 1,209.08 crore (31.63 *per cent*) pertains to Financial Year 2020-21 alone.

Prior to January 2018, pension disbursed by non-linked branches of concerned Treasuries submitted their reimbursement claims on behalf of the State Government to the linked branches of the concerned Treasuries, who in turn included the pension payments made by all non-linked branches within their jurisdiction in their Date-wise Monthly Statement (DMS) and submitted the same to the Treasury. On receipt of these vouchers from linked branches, the concerned Treasury Officers included the same in their Treasury Accounts.

From January 2018, the RBI directed all agency (non-linked) bank branches to submit their claims pertaining to agency transactions directly to the RBI without routing through linked branches that act as aggregator. The RBI also directed all agency banks to send scrolls/ details of such payments made by them directly to the State Government/ Treasury. However, the non-linked branches making such payments have not been submitting the Date-wise Monthly Statement (DMS) and corresponding payment vouchers to the concerned Treasury, resulting in non-inclusion of such payments in accounts of the State. This has resulted in huge discrepancy between the cash balance as reflected in the Finance Accounts, and as reported by RBI, with the entire pension payments made by the non-linked branches remaining unaccounted. In 2020-21 itself, pension payments to the tune of ₹ 1,209.08 crore made by the agency bank branches were not accounted for in the Finance Accounts. Further, pension payments of ₹ 2,613.32 crore made in the three years prior to 2020-21 were also not accounted for in the State Accounts for the same reason. The details of the differences are as tabulated below:

Table 4.12: Year wise details of non-reporting of pension payments

(₹ in crore)

Year	Amount of non-reported pension payments
2017-18	112.59 (Dr)
2018-19	1,152.38 (Dr)
2019-20	1,348.35 (Dr)
2020-21	1,209.08 (Dr)
Total	3,822.40 (Dr)

The non-accounting of the Pension payments to the tune of ₹ 3,822.40 crore had resulted in overstatement of Revenue Surplus, understatement of Revenue and Fiscal Deficit of the State during the years concerned.

During Exit Conference (December 2021), the Commissioner and Secretary, Finance Department, stated that the Department is working on the issue in consultation with the Office of the PAG (A&E), Assam, and RBI, and expressed hope to resolve the matter soon.

4.10.2 Under-estimation of Pension liability

The quantum of Grants and Assistance is arrived at by the Finance Commission (FC) on the basis of the normative assessment of the revenues and expenditure of the State. The XV FC had adopted the budget estimates of pension payments for 2019-20 as the base for projecting the expenditure on Pension for 2020-21, which was arrived at by increasing the budget estimates by nine *per cent* to meet the needs of inflation indexation, growth in the number of pensioners and the States' commitments under the NPS.

Further, the Accounts of Government of Assam have not been reflecting the actual expenditure incurred on Pension since FY 2017-18. Since January 2018, the RBI directed all agency (non-linked) bank branches to submit their claims pertaining to agency transactions directly to the RBI without routing through linked branches that act as aggregator. The RBI also directed all agency banks to send scrolls/details of such payments made by them directly to the State Government/Treasury. However, the non-linked branches making such payments have not been submitting the Date-wise Monthly Statement (DMS) and corresponding payment vouchers to the concerned Treasury, resulting in non-inclusion of such payments in accounts of the State. **Table 4.13** shows Budget provision, Expenditure on Pension (Major Head: 2071) and the amount of pension not reported to the Pr. AG (A&E) as per RBI's directions (January 2018) during the last five years.

Table 4.13: Budget and Expenditure on Pension (MH 2071)

FY	Budget	Pension Payment		
		As per Finance Accounts	Excluded from Accounts	Including excluded amount
2016-17	7,680	6,565		6,565
2017-18	9,682	8,287	113	8,400
2018-19	8,028	8,112	1,152	9,264
2019-20	8,982	9,609	1,348	10,957
2020-21	9,662	10,329	1,209	11,538

It is evident from the table above that Government of Assam is under-estimating Pension liability since 2018-19. It is pertinent to mention here that Pr. Accountant General has flagged the issue of non-reporting of the pension payment by agency banks in the SFAR of 2018-19. Despite being flagged since 2018-19, no corrective measures were taken by the State Government to address the issue. During the year 2019-20 and 2020-21, Government of Assam estimated the pension liability at ₹ 8,982 crore and ₹ 9,662 crore respectively against the actual expenditure on pension of ₹ 9,264 crore and ₹ 10,957 crore during 2018-19 and 2019-20 respectively.

Moreover, due to the flawed estimation, there has been excesses under Grant No. 23-Pensions during the last three years even after excluding the pension payments not reported by the agency banks.

During the Exit Conference (December 2021), the Commissioner and Secretary, Finance Department, while acknowledging the lapse, stated that corrective action is being taken by the State Government and greater control would be exercised centrally over disbursements of pension payments, leading to improved budgeting and correct disbursement.

It is strongly recommended that necessary steps may be taken for correcting the estimation as well as accounting of Pension so that the State may not lose on the Revenue Deficit Grant recommended by the Finance Commission. Further, a comprehensive database of pensioners may be maintained by the State Government with timely addition and deletion of pensioners which would help in keeping a close watch on actual outgo and for a reasonable budget estimation.

Issues related to Disclosure

4.11 Compliance with Accounting Standards

Government Accounting Standards Advisory Board (GASAB), set up by the Comptroller and Auditor General of India in 2002, has been formulating standards for government accounting and financial reporting to enhance accountability mechanisms. As of end of March 2021, three Indian Government Accounting Standards (IGAS) have been notified. The details of these standards and the extent of compliance with these by the Government of Assam in its financial statements for the year 2020-21 are given in **Table 4.14**

Table 4.14: Compliance with Indian Government Accounting Standards

IGAS	Essence of IGAS	Status	Impact of non-compliance
IGAS 1 <i>Guarantees given by government – Disclosure requirements</i>	This standard requires the government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding at the end of the year.	Partly complied	While the government has disclosed the maximum amount of guarantees given during the year, detailed information like number of guarantees for each institution was not depicted.
IGAS 2 <i>Accounting and Classification of Grants-in-Aid</i>	Grants-in-Aid are to be classified as Revenue Expenditure in the accounts of the grantor and as Revenue Receipts in the accounts of the grantee, irrespective of the end use.	Not complied	State Government made budgetary provision and classified GIA amounting to ₹ 5,640.47 crore under Capital Major Heads of Account, instead of under the Revenue Section. It did not also furnish any information regarding GIA paid in kind during the year.
IGAS 3 <i>Loans & Advances made by Government</i>	This Standard relates to recognition, measurement, valuation and reporting in respect of loans and advances made by the Government in its Financial Statements to ensure complete, accurate and uniform accounting practices.	Partly complied	While the State government complied with the format prescribed by the Standard, the information in this regard is incomplete, since the details of overdue principal and interest in respect of loans and advances have not been provided to the Principal Accountant General (A&E).

4.12 Submission of Accounts of Autonomous Councils/Bodies

As per Section 19(3) of the CAG's DPC Act, the Governor/ Administrator may, in the public interest, request the CAG to audit the accounts of a corporation established by law made by the legislature of the State or of the Union Territory, as the case may be, and where such request has been made, the CAG shall audit the accounts of such corporation and shall have, for the purposes of such audit, right of access to the books and accounts of such corporation.

Apart from Section 19, where the audit of the accounts of any body or authority has not been entrusted to the CAG by or under any law, he shall, if requested so to do by the President, or the Governor of a State or the Administrator of a Union Territory having a Legislative Assembly, as the case may be, undertake the audit of the accounts of such body or authority on such terms and conditions as may be agreed upon between him and the concerned Government and shall have, for the purposes of such audit, right of access to the books and accounts of that body or authority (Section 20).

Audit certificate is issued in case of above mentioned autonomous bodies and authorities provided CAG is the sole auditor. Thus, these bodies and authorities are required to prepare annual accounts and submit to AG (Audit) for audit.

The CAG had not received 649 annual accounts of 107 Autonomous Councils, Development Councils and Government Bodies (due up to 2020-21) for audit as of 31 October 2021. Out of 649 outstanding annual accounts, six accounts²¹ pertained to three Autonomous District Councils created under sixth Schedule of the Constitution. Further, out of these 107 Autonomous Councils, Development Councils and Government Bodies, 33 have not submitted their accounts since inception/ entrustment.

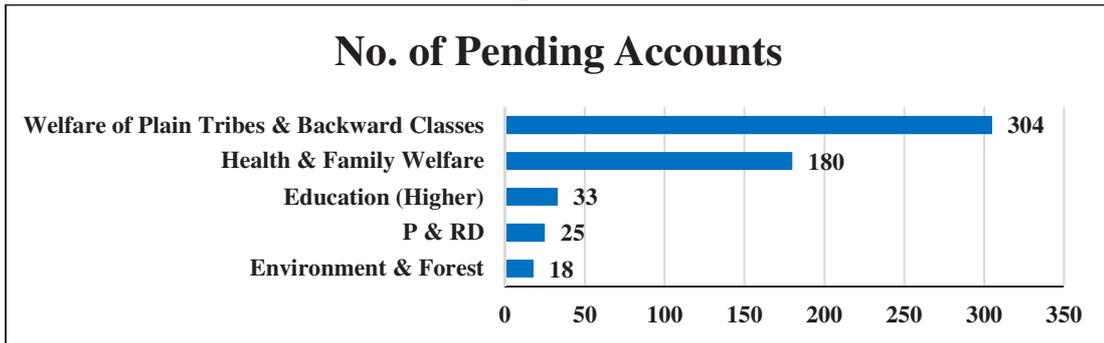
Table 4.15: Age-wise analysis of Annual Accounts due for audit but not submitted

Delay in Number of Years	No. of Accounts
0-1	107
1-3	173
3-5	98
5-10	184
More than 10	87
Total	649

The Department-wise details of accounts due from Autonomous Councils, Development Councils, Government Bodies are given in **Appendix 4.3**. Age-wise pendency of these 649 accounts is given alongside. Status of pending accounts in respect of five major departments is given in **Chart 4.4**.

²¹ i) Bodoland Territorial Council, Kokrajhar: One Annual Accounts (2020-21); ii) Karbi Anglong Autonomous Council, Diphu: Three Annual Accounts (2018-19 to 2020-21); and iii) North Cachar Hills Autonomous Councils, Haflong: Two Annual Accounts (2019-20 and 2020-21)

Chart 4.4: Status of pending accounts of Autonomous Councils/ Bodies pertaining to five major Departments



In the absence of annual accounts and their audit, proper utilisation of the grants and loans disbursed to those Bodies/ Authorities and their accounting cannot be vouched. Audit took up the matter of non-submission of accounts of the defaulting Bodies with the authorities concerned from time to time, but without perceivable improvement.

During the Exit Conference (December 2021), the Commissioner & Secretary, Finance Department, stated that necessary instruction would be issued to concerned Departments for early submission of Accounts.

4.13 Departmental Commercial Undertakings/ Corporations/ Companies

According to Section 394 and 395 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM). As soon as may be after such preparation, the Annual Report should be laid before the Houses or both the Houses of State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Almost similar provisions exist in the respective Acts regulating Statutory Corporations (including Departmental undertakings). Departmental undertakings perform activities of commercial/quasi-commercial nature. They are required to prepare *pro-forma* accounts in the prescribed format annually, showing the working results of operations so that the Government can assess their working.

The above mechanism provides the necessary legislative control over the utilisation of public funds invested in the companies and corporations from the Consolidated Fund of the State.

Further, Section 96 of the Companies Act, 2013, requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Section 129 of the Act stipulates that the audited Financial Statement for the financial year has to be placed in the said AGM for their consideration. Section 129(7) of the Act provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Act.

In the absence of timely finalisation of accounts, results of the investment of the Government remain outside the purview of State Legislature and escape scrutiny by audit. Consequently, corrective measures, if any, required for ensuring accountability and improving efficiency cannot be taken in time. Risk of fraud and mis-utilisation of public money cannot be ruled out.

The Heads of Departments in the Government are to ensure that the departmental undertakings prepare such accounts and submit the same to the Accountant General (Audit) within a specified time frame.

However, the CAG has not received 378 annual accounts of 40 Public Sector Undertakings (due up to 2020-21) for audit as of November 2021. Department-wise details of arrears of annual accounts of PSUs are given in *Appendix 4.4*.

The Administrative Departments concerned have the responsibility to oversee the activities of these entities and to ensure that the accounts of State PSUs under their control are finalised and adopted by the SPSEs within the stipulated period.

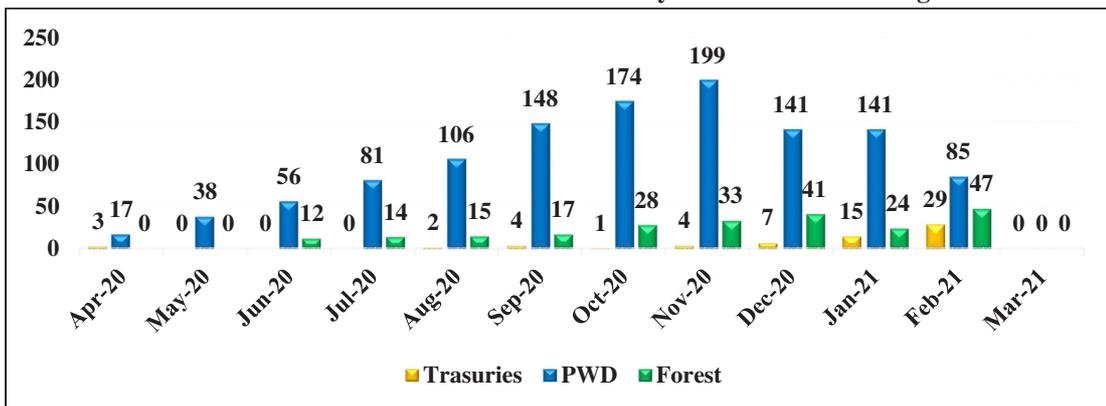
During the Exit Conference (December 2021), the Commissioner & Secretary, Finance Department, stated that necessary instructions would be issued to concerned Departments for early submission of Accounts.

4.14 Timeliness and Quality of Accounts

The accounts of the State Government are compiled by the Principal Accountant General (A&E) from the initial accounts rendered by 33 District Treasuries, 50 Sub-Treasuries, Assam House (New Delhi), Cyber Treasury (Dispur), 146 Forest Divisions, 33 Public Works (Building) Divisions, 69 Irrigation Divisions, and 44 Public Health Engineering, 36 Water Resources Divisions, 83 Public Works (Road) Divisions, 50 Pay and Accounts offices and Advices of the Reserve Bank of India.

During the financial year 2020-21, significant number of monthly accounts of Treasuries, Public Works Divisions and Forest Divisions were not submitted in time by the concerned authorities of the Government of Assam. As a result, during the year 2020-21, monthly Civil Accounts were closed by Office of the PAG (A&E), Assam by excluding accounts of certain treasuries/ divisions. Details of accounts excluded from the monthly Civil Accounts are given in *Chart 4.5*.

Chart 4.5: No. of accounts excluded from monthly Civil Accounts during 2020-21



Above chart indicates that public works divisions were the major units that delayed the rendition of monthly accounts. Consequently, receipts and expenditure relating to these divisions/ units could not be incorporated in the Civil Accounts of the respective month of the occurrence of the transaction. Due to the failure of the account rendering units to furnish accounts on time, some accounts were excluded from the monthly Civil Accounts by the Principal Accountant General (A&E) throughout the year 2020-21, except for March 2021. Therefore, the monthly accounts indicating the receipts and disbursements of the State during the month, rendered by the Principal Accountant General (A&E) to the State Government were incomplete in all the months, except for the month of March.

Exclusion of accounts not only distorts the financial picture presented in the monthly accounts of the Government, but also impacts the monitoring of fund flow to the last mile of implementation, its planned pacing of expenditure on developmental programmes, provide intended benefits to the targeted beneficiaries, functioning of departments, *etc.* during the year. In short, the State Government needs to monitor closely and ensure the rendition of accounts by all the account rendering authorities to the Principal Accountant General (A&E) on a timely basis, to manage its own budget more effectively.

Other Issues

4.15 Misappropriations, losses, thefts, *etc.*

Audit observed 342 cases of theft, misappropriation, and losses involving Government money amounting to ₹ 136.87 crore (up to March 2021) on which final action was pending. The Department-wise breakup of pending cases and age-wise analysis and nature of those cases is given in *Appendix 4.5*.

Table 4.16 summarises age-profile of pending cases and the number of cases pending in each category *i.e.*, theft, misappropriation and losses of Government material, *etc.*

Table 4.16: Profile of cases of theft, misappropriation and loss

Age Profile of the Pending cases			Nature of the Pending Cases		
Range in Years	Number of cases	Amount involved	Nature/ characteristics of the cases	Number of cases	Amount
0-5	102	3979.81	Theft	19	97.39
5-10	140	7642.33			
10-15	53	1181.55	Misappropriation/ Loss of material, <i>etc.</i>	323	13590.04
15-20	34	695.48			
20-25	9	177.10			
25 and above	4	11.16	Cases of loss written off during the year	0	0.00
Total	342	13687.43	Total cases as on 31 March 2021	342	13687.43

Source: Inspection Reports

Further analysis indicated that the reasons for which the cases were outstanding could be classified in the categories listed in **Table 4.17**.

Table 4.17: Reasons for outstanding cases of theft, misappropriation and losses

Reasons for the Delay of Outstanding Pending cases	Number of cases	Amount (₹ in lakh)
(i) Non-receipt of reply or want of reply from Department	270	7378.23
(ii) Non-submission of specific/ proper/ appropriate reply by Department	72	6309.20
Total	342	13687.43

Source: Inspection Reports

Of the 342 cases above, the First Information Report (FIR) in respect of only 20 cases involving ₹ 6.93 crore was lodged where the investigation was in process. Government may take necessary action in all the remaining cases also, and logically conclude the misappropriation cases. Besides, Government should consider putting in place an effective mechanism to ensure monitoring and speedy settlement of cases relating to theft, misappropriation and losses, in their own financial interests.

4.16 Short transfer of Labour Cess to Labour Welfare Board

The Government of India enacted the Building and Other Construction Workers Welfare Cess Act, 1996 (Cess Act) to levy and collect cess for providing benefits to the workers. The Act, inter alia, mandated constitution of a Building and Other Construction Workers' Welfare Board and framing of rules by every State Government to exercise the powers conferred under the Act. Accordingly, the Government of Assam had framed Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules 2007 under the Act and constituted Assam Building & Other Construction Workers Welfare Board on 12 February 2008. The Board is responsible for the operation and maintenance of the amount credited by Government as Labour Cess Deposits.

During the period 2008-09 to 2020-21, Government of Assam realised ₹ 1,553.08 crore as Labour Welfare Cess and transferred ₹ 1,535.04 crore to the Assam Building and Other Construction Workers Welfare Board leaving a liability of ₹ 18.04 crore under the scheme. On this being pointed out, the Deputy Labour Commissioner stated (November 2021) that difference between the Cess collected and Cess deposited pertained to the years 2014-15 to 2016-17 only and steps have been taken by the Board for reconciliation with Bank.

4.17 Follow up action on State Finances Audit Report

4.17.1 *Suo-motu* Action Taken Notes

In the Audit Reports on the Finances of the Government of Assam, the Comptroller and Auditor General of India has been flagging issues of concern relating to various aspects of financial and budgetary management, areas of non-compliance with the prescribed procedures, rules and regulations, etc. by the State Government departments/ authorities. These Reports can achieve the desired results only when they evoke positive and adequate response from the Government/ administration itself. To ensure accountability of the executive with regard to the issues contained in the Audit Reports, the Public Accounts Committee (PAC) of Assam Legislative Assembly issued instructions (September 1994) for submission of *suo-motu* Action Taken Notes (ATNs)

by the administrative departments concerned within three months of presentation of the Audit Reports to the State Legislature. However, this is not being complied with by most Departments.

4.17.2 Discussion of SFAR and Appropriation Accounts by the PAC

The PAC discussed the audit observations that featured in the State Finances Audit Report for the year ended 31 March 2018 with the Principal Secretary of the Finance Department on 19 November 2019 and obtained a written response from him in this regard. The Report of the PAC thereon is awaited (October 2021).

Further, the PAC discussed on two separate occasions (February 2020 and February 2021) the issue of Excess Expenditure reported in Appropriation Accounts of different years and issued 13 recommendations *vide* its 161st and 169th Reports placed before the State Legislature on 24 March 2020 and 11 February 2021 respectively, thereby asking the departments to furnish Action Taken Report (ATR) in three cases. But only two Action Taken Reports have been submitted as of October 2021.

4.18 Conclusion

- Utilisation Certificates in respect of grants aggregating ₹ 39,629.49 crore (11,717 UCs) given to 55 Departments of the State Government during the period from 2001-02 to 2019-20 had not been submitted. In absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which those were given, and the assets had been created.
- As of 31 March 2021, 39 State Departments had not submitted DCC bills for ₹ 1,050.84 crore against 1,648 AC Bills. Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DCC bills.
- During 2020-21, the State Government booked an expenditure of ₹ 15,335.15 crore under Minor Head 800 under 71 revenue and capital Major Heads of Account, constituting 19.94 *per cent* of the total revenue and capital expenditure of ₹ 76,918.98 crore. Similarly, the State Government classified receipts of ₹ 1,046.12 crore (1.61 *per cent* of Revenue Receipts), pertaining to 48 Major Heads, under the Minor Head '800 - Other Receipts'. Further, an expenditure of ₹ 2,731.37 crore (17.81 *per cent* of total expenditure booked under Minor Head 800-Other Expenditure) under Sarva Siksha Abhiyan and Mid Day Meal Scheme was booked under Minor Head 800 despite availability of appropriate Minor Head.
- During the year, expenditure amounting to ₹ 56,045 crore (71 *per cent* of total expenditure of ₹ 79,155 crore) and receipts of ₹ 69,547 crore (84 *per cent* of the total receipts of ₹ 82,845 crore) were reconciled. Failure to exercise/ adhere to the codal provisions and executive instructions in this regard resulted in misclassification and incorrect booking of receipts and expenditure in the accounts.

- Due to non-reporting of pension payments by the Agency Banks to the State Government/ Treasuries, Pension payments of ₹ 1,209.08 crore during the year were not accounted for in the State Accounts. This resulted in understatement of Revenue Expenditure and Fiscal Deficit of the State.
- Incorrect Budgeting and accounting of Pension by Government of Assam – which had led to exclusion of Pension expenditure from accounts, causing a lower expenditure on Pension recorded in Accounts, and lower Budgetary provision being made by the State Government, may lead to recommendation of lower Revenue Deficit Grant by the Finance Commission.
- As on 31 March 2021, there were 649 annual accounts of 107 Autonomous Councils, Development Councils and Government Bodies and 378 annual accounts of 40 Public Sector Undertaking (due up to 2020-21) pending for submission to CAG for audit. Delayed rendering of accounts by the account rendering units/ authorities distorted the accurate depiction of monthly transactions of the State and impacted effective budgetary management and diluted accountability of these Bodies.
- Out of total Cess of ₹ 1,553.08 crore realised by the State Government under the Building and Other Construction Workers' Welfare Cess Act, 1996 during the period from 2008-09 to 2020-21, an amount of ₹ 1,535.04 crore was transferred to the Other Construction Workers Welfare Board leading to the shortfall in transfer of Cess of ₹ 18.04 crore to the Board.

4.19 Recommendations

- State Government may institute a rigorous monitoring mechanism to ensure that the Departments comply with the prescribed rules and procedures with regard to submission of UCs, DCC bills and accounts for audit.*
- State Government should discourage the use of omnibus Minor Head 800 and chalk out a specific timeframe in consultation with the Principal Accountant General (A&E), to identify appropriate Heads of Account to classify the transactions correctly in the books of accounts.*
- State Government should resolve the issue of non-accountal of pension disbursed by non-linked branches in Government Accounts in consultation with RBI and Principal Accountant General (A&E) at the earliest to address the large discrepancy in State's cash balance, and incorrect reporting of pension expenditure.*
- Internal control mechanism needs to be strengthened and the Government needs to ensure that the Controlling Officers reconcile their figures of receipts and expenditure with those of the Principal Accountant General (A&E) at prescribed intervals, to provide transparency and accuracy in accounting of Government transactions.*

- v. *The State Government may draw up a concrete plan to clear arrears in Accounts of persistently delaying/ defaulting Autonomous District Councils (ADCs) and other Government bodies. Disbursal of financial assistance to ADCs/ Autonomous Bodies of the State be linked to improvement in finalisation of their Accounts.*

Guwahati
The 31 May 2022


(K. S. GOPINATH NARAYAN)
Principal Accountant General (Audit), Assam

Countersigned

New Delhi
The 01 June 2022


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Appendices

Appendix 1.1: State Profile

(Reference: Paragraph 1.1)

General Data							
Sl. No.	Particulars	Unit		Assam			
1.	Area	In sq. kms		78,438			
2.	Population	In Crore		3.12			
3.	Density of Population (All India Average:382)	Per sq km		398			
4.	Literacy (All India Average:73.0)	Per cent		72.2			
5.	Gross State Domestic Product (GSDP) 2020-21 at current prices	In crore		3,48,277 (Q.E)			
6.	Per capita NSDP of the State, 2020-21	In ₹		89,792			
7.	Population Below Poverty Line (BPL) 2011-12 (All India Average:21.92 per cent)	Per cent		31.98			
8.	Infant mortality (All India Average = 30 per 1000 live births) (2019)	Per 1000 live births		40			
9.	Life Expectancy at birth (in 2014-18) (All India Average: 69.4)	In years		66.9			
B. Financial Data							
	Particulars	Compound Annual Growth Rate (%)					
		CAGR (2011-12 to 2019-20)		CAGR (2015-16 to 2019-20)		Growth 2019-20 to 2020-21	
		NE&HS*	Assam	NE&HS*	Assam	NE&HS*	Assam
a.	Revenue Receipts	9.03	9.95	9.11	11.02	6.95	0.63
b.	Tax Revenue	10.09	9.48	6.53	9.21	-3.59	-6.50
c.	Non-tax Revenue	7.89	7.59	13.52	19.22	-14.64	-47.65
d.	Total Expenditure	9.95	11.97	11.65	19.15	4.04	-4.40
e.	Capital Expenditure	9.34	20.39	12.70	47.01	16.28	-9.41
f.	Revenue Expenditure on Education	8.97	9.64	7.96	9.97	2.36	3.93
g.	Revenue Expenditure on Health	11.44	13.08	9.78	14.14	10.93	18.18
h.	Revenue Expenditure on Salary and Wages	9.54	9.84	10.92	9.97	0.34	-0.78
i.	Revenue Expenditure on Pension	13.84	18.30	15.22	12.39	11.48	7.49

*NE&HS: 11 North Eastern & Himalayan States.

Sources: i) Census, 2011 for Sl. No. 1 to 4;

ii) Directorate of Economics & Statistics, Assam for Sl. No. 5 and 6;

iii) Statistical Handbook, 2020 for Sl No. 7;

iv) SRS Bulletin (October 2021) for Sl. No.8;

v) Economic Survey (2020-21) for Sl. No.9

Appendix 1.2: Time Series Data on State Government Finances
(Reference: Paragraph 1.1)

(₹ in crore)

Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
Part A: Receipts					
1. Revenue Receipts	49,219.81 (92.62)	54,130.94 (86.50)	63,479.16 (84.37)	64,495.08 (80.73)	64,902.19 (78.34)
<i>(i) Own Tax Revenue</i>	<i>12,079.56</i> (24.54)	<i>13,215.52</i> (24.41)	<i>15,924.85</i> (25.09)	<i>16,528.69</i> (25.63)	<i>17,133.61</i> (26.40)
<i>State Goods and Services Tax (SGST)</i>	0 (0.00)	4,077.67 (30.86)	8,393.04 (52.70)	8,755.30 (52.97)	8,549.02 (49.90)
<i>Taxes on Agricultural Income</i>	23.23 (0.19)	13.52 (0.10)	7.85 (0.05)	6.87 (0.04)	(-)-38.00 (-0.22)
<i>Taxes on Sales, Trade, etc.</i>	8,751.63 (72.45)	6,373.00 (48.22)	4,698.74 (29.51)	4,480.96 (27.11)	5,070.97 (29.60)
<i>Taxes and duties on Electricity</i>	49.44 (0.41)	60.19 (0.46)	72.75 (0.46)	194.57 (1.18)	197.59 (1.15)
<i>State Excise</i>	963.81 (7.98)	1,095.16 (8.29)	1,399.84 (8.79)	1,650.03 (9.98)	2,039.94 (11.91)
<i>Taxes on Vehicles</i>	521.59 (4.32)	646.96 (4.90)	765.01 (4.80)	815.82 (4.94)	723.98 (4.23)
<i>Stamps and Registration fees</i>	226.78 (1.88)	239.17 (1.81)	240.72 (1.51)	292.65 (1.77)	280.75 (1.64)
<i>Land Revenue</i>	210.02 (1.74)	219.39 (1.66)	163.22 (1.02)	94.16 (0.57)	116.81 (0.68)
<i>Other Taxes</i>	1,333.06 (11.04)	490.46 (3.71)	183.68 (1.15)	238.33 (1.44)	192.55 (1.12)
<i>(ii) Non-Tax Revenue</i>	<i>4,353.13</i> (8.84)	<i>4,071.97</i> (7.52)	<i>8,221.29</i> (12.95)	<i>5,539.34</i> (8.59)	<i>2,899.61</i> (4.47)
<i>(iii) State's share in Union taxes and duties</i>	<i>20,188.64</i> (41.02)	<i>22,301.54</i> (41.20)	<i>25,215.85</i> (39.72)	<i>21,721.44</i> (33.68)	<i>18,629.32</i> (28.70)
<i>(iv) Grants in aid from GoI</i>	<i>12,598.48</i> (25.60)	<i>14,541.91</i> (26.86)	<i>14,117.17</i> (22.24)	<i>20,705.61</i> (32.10)	<i>26,239.65</i> (40.43)
2. Miscellaneous Capital Receipts	--	--	--	--	--
3. Recovery of Loans and Advances	18.60 (0.04)	4.71 (0.01)	2.93 (0.00)	1,140.51 (1.43)	2.56 (0.00)
4. Total revenue and Non debt capital receipts (1+2+3)	49,238.41	54,135.65	63,482.09	65,635.59	64,904.75
5. Public Debt Receipts	3,901.71 (7.34)	8,447.07 (13.50)	11,754.65 (15.62)	14,249.63 (17.84)	17,940.18 (21.66)
<i>Internal Debt (excluding Ways and Means Advance and Overdraft)</i>	3,844.36	8,377.5	11,665.49	14,143.29	16,382.36
<i>Net transactions under Ways and Means Advance and Overdraft</i>	Nil	Nil	Nil	Nil	Nil
<i>Loans and Advances from GoI</i>	57.35	69.57	89.16	106.34	1,557.82
6. Total receipts in the Consolidated Fund (4+5)	53,140.12	62,582.72	75,236.74	79,885.22	82,844.93
7. Contingency Fund Receipts	--	50.00	--	100.00	--
8. Public Account Receipts^	2,30,915.05	1,75,496.51	1,63,406.39	1,74,896.85	1,49,056.68
9. Total receipts of the State (6+7+8)	2,84,055.17	2,38,129.23	2,38,643.13	2,54,882.07	2,31,901.61
Part B: Expenditure					

Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
10. Revenue Expenditure	49,362.72	55,480.94	56,899.00	66,666.68	64,519.59
	(89.16)	(87.40)	(83.35)	(82.76)	(83.78)
<i>Plan</i>	13,433.83	*	*	*	*
<i>Non Plan</i>	35,928.89	*	*	*	*
General Services (including interest payments)	17,123.19	22,057.80	21,058.65	22,350.35	22,892.34
Social Services	22,673.14	21,373.17	25,334.44	29,060.76	29,014.03
Economic Services	8,914.03	11,924.92	10,232.02	14,889.34	12,236.27
Grants-in-Aid and Contributions	652.36	125.05	273.89	366.23	376.95
11. Capital Expenditure	5,502.08	7,692.84	11,034.08	13,468.55	12,399.39
	(9.94)	(12.12)	(16.16)	(16.72)	(16.10)
<i>Plan</i>	5,270.25	*	*	*	*
<i>Non Plan</i>	231.83	*	*	*	*
General Services	199.61	350.63	464.28	506.74	518.45
Social Services	1,542.60	2,845.87	2,164.07	1,683.64	2,354.34
Economic Services	3,759.87	4,496.34	8,405.73	11,278.17	9,526.60
12. Disbursement of Loans Advances	499.38	254.07	328.07	316.16	87.80
	(0.90)	(0.40)	(0.48)	(0.39)	(0.11)
<i>Social Services</i>	35.36	2.61	2.54	2.71	0.00
<i>Economic Services</i>	457.2	240.75	254.32	312.86	87.80
<i>Loans to Govt. Servant</i>	6.82	10.71	71.21	0.59	0.00
13. Appropriation to Contingency Fund	0	50	0	100.00	0.00
14. Total (10+11+12+13)	55,364.18	63,477.85	68,261.15	80,551.39	77,006.78
	(96.44)	(97.01)	(95.00)	(96.21)	(97.29)
15. Repayment of Public Debt	2,042.63	1,958.60	3,589.36	3,169.26	2,147.98
	(3.56)	(2.99)	(5.00)	(3.79)	(2.71)
Internal Debt (excluding Ways and Means Advances and Overdraft)	1,906.90	1,820.43	3,448.10	3,024.15	1,998.55
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	135.73	138.17	141.26	145.11	149.43
16. Total disbursement out of Consolidated Fund (14+15)	57,406.81	65,436.45	71,850.51	83,720.65	79,154.76
17. Contingency Fund disbursements	0	0	0	0	0
18. Public Account disbursements^	2,26,053.09	1,72,290.88	1,67,536.69	1,67,618.14	1,52,030.29
19. Total disbursement by the State (16+17+18)	2,83,459.90	2,37,727.33	2,39,387.20	2,51,338.79	2,31,185.05
Part C: Deficits					
20. Revenue Deficit (-)/Surplus (+) (1-10)	(-) 142.91	(-) 1,350.00	(+) 6,580.16	(-) 2,171.60	(+) 382.60
21. Fiscal Deficit (-)/Surplus (+) (4-14)	(-) 6,125.77	(-) 9,342.20	(-) 4,779.06	(-) 14,915.80	(-) 12,102.03
22. Primary Deficit (-)/Surplus (+) (21+23)	(-) 3,162.02	(-) 6,136.88	(-) 934.69	(-) 10,476.93	(-) 6,902.85
Part D: Other data					
23. Interest Payments (included in Revenue Expenditure)	2,963.75	3,205.32	3,844.37	4,438.87	5,199.18
24. Ways and Means Advances/ Overdraft availed (days)					
Ways and Means Advances availed (No. of days)	Nil	Nil	Nil	Nil	Nil
Overdraft availed (days)	Nil	Nil	Nil	Nil	Nil

Indicators	2016-17	2017-18	2018-19	2019-20	2020-21
25. Interest on Ways and Means Advances/overdraft	Nil	Nil	Nil	Nil	Nil
26. Gross State Domestic Product (GSDP)	2,54,478.25	2,83,164.90	3,09,336.32	3,35,238.11 (P.E)	3,48,277.17 (Q.E)
27. Outstanding Debt	43,980.56	49,274.88	59,425.61	72,256.52	87,407.79
28. Outstanding guarantees	130.00	90.24	85.02	83.42	77.72
29. Maximum amount guaranteed	482.25	482.25	482.25	482.25	482.25
30. Number of incomplete projects	181	166	94	162	133
31. Capital blocked in incomplete projects (₹ in crore)	402.08	360.70	586.37	1,072.21	1,060.53
Part E: Fiscal Health Indicators					
32. Resource Mobilisation (in per cent)					
Own tax Revenue/GSDP	4.75	4.67	5.15	4.93	4.92
Own Non-Tax Revenue/GSDP	1.71	1.44	2.66	1.65	0.83
Central Transfers/GSDP	12.88	13.01	12.72	12.66	12.88
33. Expenditure Management (In per cent)					
Total Expenditure/GSDP	21.76	22.42	22.07	24.03	22.11
Total Expenditure/Revenue Receipts	112.48	117.27	107.53	124.90	118.65
Revenue Expenditure/Total Expenditure	89.16	87.40	83.35	82.76	83.78
Expenditure on Social Services/Total Expenditure	43.80	38.16	40.29	38.17	40.73
Expenditure on Economic Services/Total Expenditure	23.72	26.25	27.68	32.87	28.37
Capital Expenditure/Total Expenditure	9.94	12.12	16.16	16.72	16.10
Capital Expenditure on Social and Economic Services/Total Expenditure	9.58	11.57	15.48	16.09	15.43
34. Management of Fiscal Imbalances (in per cent)					
Revenue Deficit (-) or Surplus (+)/GSDP	-0.06	-0.48	2.13	-0.65	0.11
Fiscal Deficit (-) or Surplus (+)/GSDP	-2.41	-3.30	-1.54	-4.45	-3.47
Primary Deficit (-) or Surplus (+)/GSDP	-1.24	-2.17	-0.30	-3.13	-1.98
Revenue Deficit/Fiscal Deficit	2.33	14.45	-137.69	14.56	-3.16
35. Management of Fiscal Liabilities/Outstanding Debt (in per cent)					
Fiscal Liabilities/GSDP	17.28	17.40	19.21	21.55	25.10
Fiscal Liabilities/RR	89.36	91.03	93.61	112.03	134.68

Note: Figures in brackets of Sl. No. 1, 3, 5, 14 and 15 represent percentages to the Consolidated Fund of the State whereas figures in others places in bracket represent percentages to total of each sub-heading

^The figures appear huge on account of transaction under Cash Balance Investment Account (Major Head 8673) included in Suspense and Miscellaneous Account.

◆ GSDP figures at current prices (Base year 2011-12) were obtained from Directorate of Economics and Statistics.

Appendix 3.1: Expenditure in Excess of ₹ 15 lakh without Provision at the Sub-Head Level

(Reference: Paragraph 3.3.1)

(₹ in crore)

Sl. No.	Grant	Segment	Major Head	Heads of Account	Sub-Head	Sub Sub-Head	Expenditure
1	30 Water Supply and Sanitation	Revenue -Voted	2215-Water Supply and Sanitation	2215-02-105-1977--	{1977}-Water Supply and Sanitation	---	0.48
2	58 Industries	Capital-Voted	4885-Other Capital Outlay on Industries and Minerals	4885-60-800-2343--	{2343}-Refurbish of Directorate of Tea	---	0.19
3	76 Karbi Anglong Autonomous Council	Revenue -Voted	2402-Soil and Water Conservation	2402-00-103-1143-133	{1143}-Land Improvement	[133]-Land Reclamation and Water Distribution	2.40
4	76 Karbi Anglong Autonomous Council	Revenue -Voted	2402-Soil and Water Conservation	2402-00-102-0122-603	{0122}-Common & Other Schemes	[603]-Building and Approach Road	1.90
5	76 Karbi Anglong Autonomous Council	Revenue -Voted	2402-Soil and Water Conservation	2402-00-102-1136--	{1136}-Bamboo Plantation / Regeneration	---	0.55
6	76 Karbi Anglong Autonomous Council	Revenue -Voted	2402-Soil and Water Conservation	2402-00-102-1144--	{1144}-Terracing with Water Distribution/ Harvesting	---	0.34
7	76 Karbi Anglong Autonomous Council	Revenue -Voted	2402-Soil and Water Conservation	2402-00-102-0122-602	{0122}-Common & Other Schemes	[602]-Nature Conservation	0.32
8	77 North Cachar Hills Autonomous Council	Capital-Voted	4406-Capital Outlay on Forestry and Wild Life	4406-01-070-0121--	{0121}-Buildings	---	3.71
9	77 North Cachar Hills Autonomous Council	Revenue -Voted	2402-Soil and Water Conservation	2402-00-102-0122-601	{0122}-Common & Other Schemes	[601]-Cash Crop Development	3.43
10	77 North Cachar Hills Autonomous Council	Capital-Voted	4406-Capital Outlay on Forestry and Wild Life	4406-01-105-1256--	{1256}-Plantation of Quickgrowing Species	---	3.15

Sl. No.	Grant	Segment	Major Head	Heads of Account	Sub-Head	Sub Sub-Head	Expenditure
11	77 North Cachar Hills Autonomous Council	Capital-Voted	4406-Capital Outlay on Forestry and Wild Life	4406-01-101-1240--	{1240}-Amenities to Forest Staff & Labourer	---	1.74
12	77 North Cachar Hills Autonomous Council	Revenue-Voted	2402-Soil and Water Conservation	2402-00-102-1144--	{1144}-Terracing with Water Distribution/ Harvesting	---	1.05
13	77 North Cachar Hills Autonomous Council	Revenue-Voted	2402-Soil and Water Conservation	2402-00-102-0122-603	{0122}-Common & Other Schemes	[603]-Building and Approach Road	0.90
14	77 North Cachar Hills Autonomous Council	Capital-Voted	4406-Capital Outlay on Forestry and Wild Life	4406-01-105-1259--	{1259}-Rehabilitation of Degraded Forest	---	0.82
15	77 North Cachar Hills Autonomous Council	Capital-Voted	4406-Capital Outlay on Forestry and Wild Life	4406-01-105-1250--	{1250}-Plywood Plantation	---	0.56
16	77 North Cachar Hills Autonomous Council	Capital-Voted	4406-Capital Outlay on Forestry and Wild Life	4406-02-112-1286--	{1286}-Botanical Garden (Zoo)	---	0.50
17	77 North Cachar Hills Autonomous Council	Capital-Voted	4406-Capital Outlay on Forestry and Wild Life	4406-02-110-1268--	{1268}-Development of Other Wildlife Areas	---	0.40
18	77 North Cachar Hills Autonomous Council	Revenue-Voted	2402-Soil and Water Conservation	2402-00-103-1143--	{1143}-Land Improvement	---	0.40
19	77 North Cachar Hills Autonomous Council	Capital-Voted	4406-Capital Outlay on Forestry and Wild Life	4406-01-101-1238--	{1238}-Forest Protection Force	---	0.16
Total							23.00

Appendix 3.2: Excessive/ Insufficient Supplementary Provision at the Segment Level
(Reference: Paragraph 3.3.3)

(₹ in crore)

Sl No	Grant	Segment	Budget (Original)	Expenditure	Expenditure in Excess of Original Budget	Actual Supplementary Requirement	Budget (Supplementary)	Excessive Supplementary	Insufficient Supplementary
1	04 Elections	Revenue-Voted	253.43	347.59	94.16	94.16	110.28	16.12	-
2	23 Pension	Revenue-Voted	9,283.22	10,323.35	1,040.13	1,040.13	369	-	671.13
3	29 Medical and Public Health	Revenue-Voted	5,391.54	5,536.10	144.56	144.56	1,822.29	1,677.73	-
4	32 Housing Schemes	Revenue-Voted	4.24	4.91	0.67	0.67	2.27	1.6	-
5	43 Co-operation	Capital-Voted	23.95	37.64	13.69	13.69	43.64	29.95	-
6	48 Agriculture	Revenue-Voted	1,187.74	1,256.35	68.61	68.61	856.11	787.5	-
7	51 Soil and Water Conservation	Revenue-Voted	95.57	210	114.43	114.43	130.71	16.28	-
8	54 Fisheries	Revenue-Voted	67.25	74.73	7.48	7.48	30.18	22.7	-
9	76 Karbi Anglong Autonomous Council	Capital-Voted	146.88	367.42	220.54	220.54	186.76	-	33.78
10	77 North Cachar Hills Autonomous Council	Capital-Voted	70.55	80.97	10.42	10.42	2.91	-	7.51
11	78 Bodoland Territorial Council	Capital-Voted	141.73	236.04	94.31	94.31	75.49	-	18.82
12	PD Public Debt and Servicing of Debt	Capital-Charged	2,147.84	2,147.98	0.14	0.14	0.16	0.02	-
	Total		18,813.94	20,623.08	1,809.14	1,809.14	3,629.80	2,551.09	731.24

Appendix 3.3: Unnecessary Supplementary Provision at the Segment Level
(Reference: Paragraph 3.3.3)

(₹ in crore)

Sl No	Grant	Segment	Budget (Original)	Expenditure	Savings(-) Against Original Budget	Budget (Supplementary)	Actual Supplementary Requirement	Unnecessary Supplementary
1	01 State Legislature	Revenue-Voted	84.1	66.68	-17.42	3.93	-	3.93
2	03 Administration of Justice	Revenue-Voted	371.56	294.81	-76.75	14.79	-	14.79
3	04 Elections	Capital-Voted	26.51	23.76	-2.75	9.25	-	9.25
4	05 Sales Tax and Other Taxes	Capital-Voted	10.16	8.15	-2.01	2	-	2
5	05 Sales Tax and Other Taxes	Revenue-Voted	454.43	326.99	-127.44	2.64	-	2.64
6	06 Land Revenue	Capital-Voted	2.85	1.38	-1.47	0.96	-	0.96
7	06 Land Revenue	Revenue-Voted	337.66	291.17	-46.49	32.53	-	32.53
8	07 Stamps and Registration	Revenue-Voted	187.97	51.26	-136.71	0.78	-	0.78
9	08 Excise and Prohibition	Revenue-Voted	72.42	62.24	-10.18	12.38	-	12.38
10	09 Transport Services	Revenue-Voted	405.56	368.46	-37.1	76.16	-	76.16
11	09 Transport Services	Capital-Voted	134.56	45.72	-88.84	28.7	-	28.7
12	11 Secretariat and Attached Offices	Revenue-Voted	1,051.63	981.2	-70.43	152.84	-	152.84
13	12 District Administration	Revenue-Voted	538.27	332.7	-205.57	6.9	-	6.9
14	12 District Administration	Capital-Voted	106.67	56.15	-50.52	0.5	-	0.5
15	13 Treasury and Accounts Administration	Revenue-Voted	118.16	87	-31.16	0.04	-	0.04
16	14 Police	Revenue-Voted	4,564.17	4,102.25	-461.92	406.95	-	406.95
17	14 Police	Capital-Voted	217.02	35.3	-181.72	12.35	-	12.35
18	15 Jails	Revenue-Voted	95.93	70.9	-25.03	0.88	-	0.88
19	16 Printing and Stationery	Revenue-Voted	32.57	29.43	-3.14	11.47	-	11.47

SI No	Grant	Segment	Budget (Original)	Expenditure	Savings(-) Against Original Budget	Budget (Supplementary)	Actual Supplementary Requirement	Unnecessary Supplementary
20	16 Printing and Stationery	Capital-Voted	2.77	0	-2.77	0.11	-	0.11
21	17 Administrative and Functional Buildings	Revenue-Voted	233.14	165.39	-67.75	13.77	-	13.77
22	17 Administrative and Functional Buildings	Capital-Voted	268.85	83.26	-185.59	13.59	-	13.59
23	18 Fire Services	Revenue-Voted	156.28	139.17	-17.11	5.71	-	5.71
24	18 Fire Services	Capital-Voted	56.48	32.88	-23.6	17.89	-	17.89
25	19 Vigilance Commission and Others	Revenue-Voted	492.22	317.19	-175.03	223.18	-	223.18
26	20 Other Administrative Services	Revenue-Voted	281.18	256.46	-24.72	6.37	-	6.37
27	21 Guest Houses, Government Hostels	Revenue-Voted	74.21	20.05	-54.16	0.02	-	0.02
28	22 Administrative Training	Revenue-Voted	15.7	10.97	-4.73	0.23	-	0.23
29	22 Administrative Training	Capital-Voted	18.15	2.92	-15.23	2.07	-	2.07
30	25 Miscellaneous General Services	Capital-Voted	347.5	210.39	-137.11	30	-	30
31	25 Miscellaneous General Services	Revenue-Voted	6,791.66	2,255.71	-4,535.95	116.27	-	116.27
32	26 Education (Higher)	Revenue-Voted	2,805.82	2,444.20	-361.62	300.73	-	300.73
33	26 Education (Higher)	Capital-Voted	95.1	31.87	-63.23	12	-	12
34	27 Art and Culture	Revenue-Voted	101.32	83.88	-17.44	32.24	-	32.24
35	27 Art and Culture	Capital-Voted	59.07	5.94	-53.13	0.6	-	0.6
36	29 Medical and Public Health	Capital-Voted	734.92	504.92	-230	491.65	-	491.65
37	30 Water Supply and Sanitation	Capital-Voted	2,034.18	1,545.62	-488.56	233.53	-	233.53
38	30 Water Supply and Sanitation	Revenue-Voted	646.91	474.93	-171.98	15.95	-	15.95

SI No	Grant	Segment	Budget (Original)	Expenditure	Savings(-) Against Original Budget	Budget (Supplementary)	Actual Supplementary Requirement	Unnecessary Supplementary
39	31 Urban Development (Town and Country Planning)	Revenue-Voted	701.03	490.02	-211.01	79.16	-	79.16
40	34 Urban Development (Municipal Administration)	Revenue-Voted	1,045.49	358.32	-687.17	454.86	-	454.86
41	35 Information and Publicity	Revenue-Voted	93.85	76.15	-17.7	5.23	-	5.23
42	36 Labour and Employment	Capital-Voted	28.51	11.97	-16.54	1.76	-	1.76
43	36 Labour and Employment	Revenue-Voted	225.87	145.31	-80.56	21.23	-	21.23
44	37 Food Storage and Warehousing	Revenue-Voted	1,198.07	638.03	-560.04	158.18	-	158.18
45	37 Food Storage and Warehousing	Capital-Voted	8.78	0.17	-8.61	1.32	-	1.32
46	38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes, etc.	Revenue-Voted	1,623.20	398.18	-1,225.02	297.45	-	297.45
47	38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes, etc.	Capital-Voted	85.01	31.21	-53.8	0.23	-	0.23
48	39 Social Security, Welfare and Nutrition	Revenue-Voted	2,147.18	2,133.80	-13.38	960.45	-	960.45
49	41 Natural Calamities	Revenue-Voted	2,210.67	1,250.59	-960.08	436	-	436
50	42 Other Social Services	Revenue-Voted	209.44	162.44	-47	46.93	-	46.93
51	43 Co-operation	Revenue-Voted	106.14	93.3	-12.84	48.75	-	48.75

Sl No	Grant	Segment	Budget (Original)	Expenditure	Savings(-) Against Original Budget	Budget (Supplementary)	Actual Supplementary Requirement	Unnecessary Supplementary
52	44 North Eastern Council Schemes	Capital-Voted	1,819.29	216.76	-1,602.53	90.56	-	90.56
53	45 Census, Surveys and Statistics	Revenue-Voted	52.41	33.52	-18.89	2.39	-	2.39
54	46 Weights and Measures	Revenue-Voted	20.32	12.9	-7.42	8.42	-	8.42
55	47 Trade Adviser	Revenue-Voted	0.8	0.68	-0.12	0.54	-	0.54
56	48 Agriculture	Capital-Voted	218.52	180.68	-37.84	145	-	145
57	49 Irrigation	Revenue-Voted	535.31	467.6	-67.71	40.86	-	40.86
58	49 Irrigation	Capital-Voted	1,056.78	323.65	-733.13	86.71	-	86.71
59	50 Other Special Areas Programmes	Revenue-Voted	5.73	1.15	-4.58	0.1	-	0.1
60	51 Soil and Water Conservation	Capital-Voted	90.15	51.58	-38.57	15.7	-	15.7
61	52 Animal Husbandry	Revenue-Voted	325.71	262.56	-63.15	54.34	-	54.34
62	52 Animal Husbandry	Capital-Voted	51.66	14.19	-37.47	0.5	-	0.5
63	53 Dairy Development	Revenue-Voted	29.75	21.59	-8.16	1.52	-	1.52
64	53 Dairy Development	Capital-Voted	1.21	0.6	-0.61	1.33	-	1.33
65	54 Fisheries	Capital-Voted	29.83	9.09	-20.74	26.19	-	26.19
66	55 Forestry and Wild Life	Capital-Voted	24.81	6.64	-18.17	2	-	2
67	55 Forestry and Wild Life	Revenue-Voted	882.49	561.95	-320.54	112.78	-	112.78
68	56 Rural Development (Panchayat)	Revenue-Voted	1,824.55	1,605.40	-219.15	388.05	-	388.05
69	57 Rural Development	Revenue-Voted	3,639.65	3,543.21	-96.44	2,754.72	-	2,754.72
70	58 Industries	Revenue-Voted	44.67	17.38	-27.29	18.08	-	18.08
71	58 Industries	Capital-Voted	114.76	62.03	-52.73	4.06	-	4.06
72	59 Village and Small Industries, Sericulture and Weaving	Revenue-Voted	278.22	186.05	-92.17	20.36	-	20.36

SI No	Grant	Segment	Budget (Original)	Expenditure	Savings(-) Against Original Budget	Budget (Supplementary)	Actual Supplementary Requirement	Unnecessary Supplementary
73	60 Cottage Industries	Capital-Voted	0.48	0.34	-0.14	0.11	-	0.11
74	60 Cottage Industries	Revenue-Voted	59.41	49.9	-9.51	15.81	-	15.81
75	61 Mines and Minerals	Revenue-Voted	20.99	12.62	-8.37	0.31	-	0.31
76	61 Mines and Minerals	Capital-Voted	2.91	0.17	-2.74	50	-	50
77	62 Power (Electricity)	Capital-Voted	971.98	330.43	-641.55	1,498.78	-	1,498.78
78	62 Power (Electricity)	Revenue-Voted	1,526.09	1,354.84	-171.25	433.96	-	433.96
79	63 Water Resources	Capital-Voted	577.56	369.15	-208.41	83.14	-	83.14
80	63 Water Resources	Revenue-Voted	371.27	277.54	-93.73	16.65	-	16.65
81	64 Roads and Bridges	Capital-Voted	7,932.10	7,323.00	-609.1	1,892.17	-	1,892.17
82	64 Roads and Bridges	Revenue-Voted	1,309.91	1,031.15	-278.76	290.66	-	290.66
83	65 Tourism	Capital-Voted	60.67	10.49	-50.18	25.38	-	25.38
84	65 Tourism	Revenue-Voted	67.67	43.78	-23.89	8.35	-	8.35
85	66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	Revenue-Voted	539.55	376.95	-162.6	54.85	-	54.85
86	67 Horticulture	Capital-Voted	0.24	0	-0.24	6	-	6
87	67 Horticulture	Revenue-Voted	109.42	93.28	-16.14	140.14	-	140.14
88	69 Scientific Services and Research	Revenue-Voted	36.76	24.53	-12.23	2.48	-	2.48
89	69 Scientific Services and Research	Capital-Voted	29.12	9.2	-19.92	7.76	-	7.76
90	70 Hill Areas	Revenue-Voted	16.68	1.71	-14.97	7.86	-	7.86
91	71 Education (Elementary, Secondary, etc.)	Revenue-Voted	13,522.59	11,850.05	-1,672.54	1,215.37	-	1,215.37
92	73 Urban Development (Guwahati Development Department)	Capital-Voted	456.57	117.58	-338.99	231.53	-	231.53

SI No	Grant	Segment	Budget (Original)	Expenditure	Savings(-) Against Original Budget	Budget (Supplementary)	Actual Supplementary Requirement	Unnecessary Supplementary
93	73 Urban Development (Guwahati Development Department)	Revenue-Voted	326.72	50.46	-276.26	115.33	-	115.33
94	74 Sports and Youth Services	Capital-Voted	33.8	16.48	-17.32	11	-	11
95	74 Sports and Youth Services	Revenue-Voted	140.6	83.52	-57.08	7.07	-	7.07
96	75 Information and Technology	Revenue-Voted	49.4	44.36	-5.04	34.52	-	34.52
97	76 Karbi Anglong Autonomous Council	Revenue-Voted	1,357.93	1,128.67	-229.26	44.13	-	44.13
98	77 North Cachar Hills Autonomous Council	Revenue-Voted	559.88	551.56	-8.32	167.46	-	167.46
99	78 Bodoland Territorial Council	Revenue-Voted	2,998.32	2,306.96	-691.36	9.97	-	9.97
100	C2 Head of State	Revenue-Charged	10.68	7.38	-3.3	1.14	-	1.14
101	PD Public Debt and Servicing of Debt	Revenue-Charged	6,162.41	5,299.18	-863.23	0.57	-	0.57
	Total		84,009.23	61,955.28	-22,053.95	14,950.22	-	14,950.22

Appendix 3.4: Excessive Re-appropriation of Funds
(Reference: Paragraph 3.3.4)

(₹ in crore)

Sl. No.	Grant	Head of Account (Major Head to Minor Head)	GA or SSA	Sub-Head	Sub Sub-Head	Savings (-)/ Excess (OS)	Re-Appropriation	Savings (-)/ Excess (OSR)
1	03 Administration of Justice	4059-01-051	GA	{1483}-Building (Administration of Justice)	[584]-Works	2.52	3	-0.48
2	12 District Administration	2235-60-200	GA	{0930}-Directorate of Sainik Welfare, Assam	---	0.03	0.17	-0.14
3	25 Miscellaneous General Services	2052-00-090	GA	{0417}-Director Institutional Finance Cell	[200]-Tea Garden Scheme	6.85	11.14	-4.29
4	25 Miscellaneous General Services	2075-00-800	GA	{2490}-Payment of Medical Reimbursement	---	0.9	3	-2.1
5	27 Art and Culture	2205-00-102	GA	{0689}-Development of Culture Activities, Fair Festivities Competition, etc.	[872]-Silpi Sambardhana (One Time) @ 50,000/- for 1000 Artists	3.56	4.13	-0.57
6	41 Natural Calamities	2245-02-101	GA	{4703}-Gratuitous Relief (Flood)	---	132.71	170	-37.29
7	49 Irrigation	4702-00-101	GA	{0160}-Flow Irrigation	[543]-Renovation and Remodeling of Canal System of Boriesakona FIS, Guwahati Division	0.23	0.39	-0.16
8	49 Irrigation	4702-00-101	GA	{1522}-Lift Irrigation	[121]-Kuruwa LIS, Mangaldoi Division	0.06	0.78	-0.72
9	49 Irrigation	4702-00-101	GA	{0160}-Flow Irrigation	---	1.6	3.07	-1.47
10	49 Irrigation	4702-00-101	GA	{0160}-Flow Irrigation	[984]-Panbari FIS	0.29	0.49	-0.2
11	49 Irrigation	4702-00-101	GA	{0160}-Flow Irrigation	[547]-Improvement and Renovation of Deosila FIS, Dudhnoi Division	0.59	1.14	-0.55
12	49 Irrigation	4702-00-102	GA	{1523}-Tube Well	[982]-DTW Scheme with Solar System at Behali Area	1.55	1.68	-0.13
13	49 Irrigation	4702-00-102	GA	{1523}-Tube Well	[336]-Construction of Pakhamara DTWS (3 Points)	0.05	0.45	-0.4
14	58 Industries	4885-60-800	GA	{2340}-Improvement of Internal Road, Construction of Drains & Culverts & Power Distribution (HT & LT) Network at IGC, Changsari, Kamrup	---	0.48	0.95	-0.47
15	74 Sports and Youth Services	2204-00-102	GA	{0656}-N.C.C. Scheme (Camp and Courses)	[205]-NCC Academy in Assam	0.25	0.5	-0.25
16	74 Sports and Youth Services	2204-00-800	GA	{4696}-Chief Minister's Special Package for Dhemaji District	---	0.36	0.74	-0.38

Appendix 3.5: Unnecessary Re-appropriation of Funds
(Reference: Paragraph 3.3.4)

(₹ in crore)

Sl No.	Grant	Head of Account (Major Head to Minor Head)	GA or SSA	Sub-Head	Sub Sub-Head	Savings (-) / Excess (OS)	Re-Appropriation	Savings (-) / Excess (OSR)
1	04 Elections	2015-00-105	SSA	---	---	-0.03	0.23	-0.26
2	04 Elections	2015-00-105	GA	---	---	-1.81	0.66	-2.47
3	05 Sales Tax and Other Taxes	2040-00-001	GA	---	---	-6.27	0.06	-6.33
4	09 Transport Services	3056-00-800	GA	{ 1400}-Government Transport Service Working Expenses - Subansiri River Passenger Services (Commercial)	[902]-Operation	-1.61	0.2	-1.81
5	12 District Administration	2053-00-093	GA	{0423}-Expenditure in Connection with Assam- Nagaland Border Disturbances	---	-0.11	0.1	-0.21
6	12 District Administration	2053-00-101	GA	---	---	-2.64	0.36	-3
7	12 District Administration	2216-01-106	GA	{1881}-Maintenance and Repairs (a) Ordinary Repairs	[194]-Other Administrative Service - Raj Bhawan	-0.07	0.75	-0.82
8	14 Police	2055-00-109	GA	{0452}-Liquor Prohibition Staff	---	-1.17	0.4	-1.57
9	14 Police	2055-00-109	GA	{0464}-Police Guards for SBI Branch	---	-1.71	0.25	-1.96
10	14 Police	2055-00-109	GA	{0457}-Establishment of Watch Post Schemes	[491]-Reimbursable from Government of India	-10.52	12	-22.52
11	14 Police	2055-00-109	GA	{0465}-Police Guards for Civil Aerodromes	---	-0.27	0.25	-0.52
12	14 Police	2055-00-109	GA	{0472}-Raising of Additional Platoons	---	-4.23	0.86	-5.09
13	14 Police	2055-00-109	GA	{0256}-Women Police	---	-1.5	2.4	-3.9
14	14 Police	2055-00-109	GA	{1015}-Checking of Bangladeshi Infiltration	[901]-Checking of Bangladeshi Infiltration	-10.44	3	-13.44
15	14 Police	2055-00-109	GA	{0145}-District Police Proper	---	-200.45	41.03	-241.48
16	14 Police	2055-00-109	GA	{0451}-Explosive Magazine Guards	---	-0.14	0.2	-0.34

Sl No.	Grant	Head of Account (Major Head to Minor Head)	GA or SSA	Sub-Head	Sub Sub-Head	Savings (-) / Excess (OS)	Re-Appropriation	Savings (-) / Excess (OSR)
17	14 Police	2055-00-109	GA	{0454}-River Police	---	-4.82	3.5	-8.32
18	14 Police	2055-00-109	GA	{0449}-New Police Stations & Outposts	---	-2.76	2	-4.76
19	14 Police	2055-00-110	GA	{0474}-Village Police/ Village Defence Organisation	---	-20.24	1	-21.24
20	14 Police	4055-00-207	GA	{0435}-Police Training College	---	-1.05	0.36	-1.41
21	15 Jails	2056-00-101	SSA	{0486}-District Jails	[600]-Movement of Prisons	-0.32	0.06	-0.38
22	20 Other Administrative Services	2070-00-107	GA	{0525}-Assam Special Reserve Force (ASRF)	---	-14.74	0.03	-14.77
23	21 Guest Houses, Government Hostels	2070-00-115	GA	{0042}-Assam House, Kolkata	---	-1.25	0.69	-1.94
24	21 Guest Houses, Government Hostels	2070-00-115	GA	{0043}-Assam House, Shillong	---	-0.53	0.28	-0.81
25	21 Guest Houses, Government Hostels	2070-00-115	GA	{0042}-Assam House, Kolkata	[106]-Assam Bhawan at Salt Lake	-1.32	0.53	-1.85
26	27 Art and Culture	2205-00-001	GA	{0658}-Directorate of Cultural Affairs	---	-0.81	0.02	-0.83
27	27 Art and Culture	2205-00-101	GA	{0668}-Non-Government Cultural Organisation	[705]-NGO Cultural Organisation	-0.03	0.3	-0.33
28	29 Medical and Public Health	2210-05-105	GA	{0741}-Gauhati Medical College, Guwahati	---	-41.53	0.42	-41.95
29	35 Information and Publicity	2220-60-101	GA	{5316}-Publicity	---	-6.07	0.46	-6.53
30	35 Information and Publicity	2220-60-102	GA	{0803}-General Information Centres	---	-0.02	0.14	-0.16
31	35 Information and Publicity	2220-60-103	GA	{0805}-Press Research and Reference Section	[816]-Pension Scheme for Journalists	-0.7	0.05	-0.75
32	39 Social Security, Welfare and Nutrition	2235-02-001	GA	{0935}-Strengthening of Administration Machinery	---	-0.07	0.05	-0.12
33	39 Social Security, Welfare and Nutrition	2235-02-101	GA	{5306}-Grants-in-aid to Various Welfare Schemes	[120]-Society for Welfare of Blind, Guwahati	-0.5	0.11	-0.61

Sl No.	Grant	Head of Account (Major Head to Minor Head)	GA or SSA	Sub-Head	Sub Sub-Head	Savings (-)/ Excess (OS)	Re-Appropriation	Savings (-)/ Excess (OSR)
34	41 Natural Calamities	2245-02-101	GA	{2660}-Gratuitous Relief (Pandemic <i>i.e.</i> , COVID-19, <i>etc.</i>)	---	0	5	-5
35	41 Natural Calamities	2245-02-101	GA	{4386}-Rehabilitation Grant (Cyclone)	---	-7.12	20	-27.12
36	41 Natural Calamities	2245-80-800	GA	{0821}-Others	---	-27.92	5	-32.92
37	49 Irrigation	2702-80-001	GA	---	---	-58.08	0.66	-58.74
38	49 Irrigation	4702-00-101	GA	{1522}-Lift Irrigation	[119]-ELIS at Sonapur (5 Points namely at Dhipuji ELIS, Goronga ELIS, Tupar Pathar ELIS, Dumdang ELIS, Ghoramara Janpung ELIS) Guwahati Division	-0.3	0.5	-0.8
39	49 Irrigation	4702-00-102	GA	{1523}-Tube Well	[340]-DTWS at Tingkhang LAC Area (5 Points), Dibrugarh Division	-0.04	0.06	-0.1
40	49 Irrigation	4702-00-796	GA	---	---	-0.06	0.08	-0.14
41	49 Irrigation	4702-00-800	GA	{0800}-Other Expenditure	[603]-Construction of Central Laboratory, Auditorium and Guest House at Koinadhara with Boundary Wall	-0.66	1	-1.66
42	49 Irrigation	4705-00-002	GA	{5474}-New CAD for Dhonsiri	[013]-New CAD for Dhonsiri	-4.71	0.68	-5.39
43	49 Irrigation	4705-00-002	GA	{5473}-Earmarked Fund	[941]-CAD for Bordikarai Irrigation Scheme	-2.79	0.32	-3.11
44	50 Other Special Areas Programmes	4575-02-001	GA	{1634}-Border Area Development Programme (Special Central Assistance)	[927]-Central Share	-0.09	0.09	-0.18
45	52 Animal Husbandry	2403-00-103	GA	{1165}-Grants-in-Aid to Assam Poultry Co-operation Ltd.	---	-0.78	1.29	-2.07
46	53 Dairy Development	2404-00-192	GA	{1196}-Processing	---	-1	0.48	-1.48
47	54 Fisheries	2405-00-001	GA	{0172}-Headquarters Establishment	---	-3.77	0.28	-4.05

Sl No.	Grant	Head of Account (Major Head to Minor Head)	GA or SSA	Sub-Head	Sub Sub-Head	Savings (-)/ Excess (OS)	Re-Appropriation	Savings (-)/ Excess (OSR)
48	54 Fisheries	2405-00-001	GA	{0143}-District Administration	---	-3.41	0.08	-3.49
49	56 Rural Development (Panchayat)	2515-00-001	GA	{0172}-Headquarters Establishment	---	-7.96	1.4	-9.36
50	56 Rural Development (Panchayat)	2515-00-101	GA	{1356}-Assistance to Panchayat Institute of Mahakuma Parishad/ Gram Panchayat Staff	[702]-Assistance to Anchalic Panchayat	-18.08	0.04	-18.12
51	63 Water Resources	4711-01-103	GA	{2855}-State Specific Scheme	[505]-Improvement of Chief Engineer's Office Complex and Lift	-0.24	0.86	-1.1
52	64 Roads and Bridges	3054-03-337	GA	{1857}-Construction Expenditure Met from Central Road Fund (Block Grant)	[927]-Central Share	-47.97	25	-72.97
53	64 Roads and Bridges	3054-80-001	GA	{1382}-Execution (General)	---	-136.73	0.38	-137.11
54	65 Tourism	3452-01-102	GA	{1427}-Tourist Information Office-cum-Transit Camp	---	-0.1	0.03	-0.13
55	74 Sports and Youth Services	2204-00-001	GA	{0172}-Headquarters Establishment	---	-7.08	0.44	-7.52
56	74 Sports and Youth Services	2204-00-800	GA	{0800}-Other Expenditure	[290]-Grants for 1000 Sports Personality	-2.86	0.25	-3.11
57	74 Sports and Youth Services	2204-00-800	GA	{0800}-Other Expenditure	[541]-Games and Athletics	-2.56	0.11	-2.67
58	74 Sports and Youth Services	2204-00-800	GA	{0800}-Other Expenditure	[548]-Other Institutes and Association	-3.13	1	-4.13
59	74 Sports and Youth Services	4202-03-800	GA	{0800}-Other Expenditure	[546]-Stadium	-3.68	0.95	-4.63
60	78 Bodoland Territorial Council	2405-00-101	SSA	{1203}-Fish and Fish Seed Farming	---	-3.04	0.11	-3.15
61	78 Bodoland Territorial Council	2405-00-109	SSA	{1216}-Fisheries Extension Service	---	-0.08	0.02	-0.1

Appendix 3.6: Excess Expenditure of Previous Years Requiring Regularisation

(Reference: Paragraph 3.3.6.3)

(₹ in crore)

Year	Number of Grants/ Appropriations	Grant No./Appropriation	Amount of excess	Status of discussion by Public Accounts Committee (PAC)
2005-06	2-Grants 2-Appropriations	Revenue Voted-47 Capital Voted-67 Revenue Charged-6 and 14	2.45	Partly recommended for regularisation. Act awaited.
2006-07	4-Grants 2-Appropriations	Revenue Voted-30 Capital Voted-54, 58 and 60 Revenue Charged-8 and 12	80.61	
2007-08	9-Grants 2-Appropriations	Revenue Voted-4, 40, 42 and 65 Capital Voted-31, 34, 59, 60 and 70 Revenue Charged-Head of State and 6	113.24	
2008-09	6-Grants 2-Appropriations	Revenue Voted-4, 40 and 72 Capital Voted-60, 76 and 77 Revenue Charged-Head of State and 39	108.41	
2009-10	3-Grants	Revenue Voted- 40 and 47 Capital Voted- 60	10.18	
2010-11	1-Grant 1-Appropriation	Revenue Voted-40 Revenue Charged-15	4.27	
2011-12	5-Grants 2-Appropriations	Revenue Voted-22, 23, 47 and 62 Capital Voted-78 Revenue Charged-12 Capital Charged-63	915.14	
2012-13	4-Grants	Revenue Voted-13, 23 and 47 Capital Voted-78	1195.60	
2013-14	5-Grants	Revenue Voted-23, 40 and 64 Capital Voted-55 and 78	1499.89	
2014-15	5-Grants 1-Appropriation	Revenue Voted-23 30 and 72 Capital Voted-55 and 78 Capital Charged- Public Debt and Servicing of Debt	3801.63	
2015-16	3 Grants	Revenue Voted – 30 Capital Voted – 76 and 77	243.77	
2016-17	5 Grants	Revenue Voted – 30 and 64 Capital Voted – 34, 76 and 77	1348.44	
2017-18	2 Grants	Revenue Voted – 78 Capital Voted - 78	264.47	
2018-19	3 - Grants	Revenue Voted - 23 Capital Voted - 76 & 78	739.11	
2019-20	2 - Grants	Revenue Voted - 23 Capital Voted - 78	1,159.23	
Total			11,486.44	

Appendix 3.7: Grants (at Segment level) with Savings of ₹ 100 crore and above

(Reference: Paragraph 3.4.1)

(₹ in crore)

Sl No	Grant	Segment	Total Grant/ Appropriation	Expenditure	Savings(-)
1	05 Sales Tax and Other Taxes	Revenue-Voted	457.06	326.99	-130.07
2	07 Stamps and Registration	Revenue-Voted	188.75	51.26	-137.49
3	09 Transport Services	Capital-Voted	163.26	45.72	-117.54
4		Revenue-Voted	481.72	368.46	-113.26
5	11 Secretariat and Attached Offices	Revenue-Voted	1,204.47	981.2	-223.27
6	12 District Administration	Revenue-Voted	545.17	332.7	-212.47
7	14 Police	Revenue-Voted	4,971.12	4,102.25	-868.87
8		Capital-Voted	229.37	35.3	-194.07
9	17 Administrative and Functional Buildings	Capital-Voted	282.44	83.26	-199.18
10	19 Vigilance Commission and Others	Revenue-Voted	715.41	317.19	-398.22
11	25 Miscellaneous General Services	Capital-Voted	377.5	210.39	-167.11
12		Revenue-Voted	6,907.94	2,255.71	-4,652.23
13	26 Education (Higher)	Revenue-Voted	3,106.55	2,444.20	-662.35
14	29 Medical and Public Health	Capital-Voted	1,226.58	504.92	-721.66
15		Revenue-Voted	7,213.83	5,536.10	-1,677.73
16	30 Water Supply and Sanitation	Capital-Voted	2,267.71	1,545.62	-722.09
17		Revenue-Voted	662.86	474.93	-187.93
18	31 Urban Development (Town and Country Planning)	Revenue-Voted	780.19	490.02	-290.17
19	34 Urban Development (Municipal Administration)	Revenue-Voted	1,500.35	358.32	-1,142.03
20	36 Labour and Employment	Revenue-Voted	247.1	145.31	-101.79
21	37 Food Storage and Warehousing	Revenue-Voted	1,356.25	638.03	-718.22
22	38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes, etc.	Revenue-Voted	1,920.65	398.18	-1,522.47
23	39 Social Security, Welfare and Nutrition	Revenue-Voted	3,107.63	2,133.80	-973.83
24	41 Natural Calamities	Revenue-Voted	2,646.68	1,250.59	-1,396.09
25	44 North Eastern Council Schemes	Capital-Voted	1,909.86	216.76	-1,693.10

Sl No	Grant	Segment	Total Grant/ Appropriation	Expenditure	Savings(-)
26	48 Agriculture	Capital-Voted	363.52	180.68	-182.84
27		Revenue-Voted	2,043.85	1,256.35	-787.5
28	49 Irrigation	Capital-Voted	1,143.49	323.65	-819.84
29		Revenue-Voted	576.16	467.6	-108.56
30	52 Animal Husbandry	Revenue-Voted	380.05	262.56	-117.49
31	55 Forestry and Wild Life	Revenue-Voted	995.27	561.95	-433.32
32	56 Rural Development (Panchayat)	Revenue-Voted	2,212.60	1,605.40	-607.2
33	57 Rural Development	Revenue-Voted	6,394.37	3,543.21	-2,851.16
34	59 Village and Small Industries, Sericulture and Weaving	Revenue-Voted	298.58	186.05	-112.53
35	62 Power (Electricity)	Capital-Voted	2,470.76	330.43	-2,140.33
36		Revenue-Voted	1,960.05	1,354.84	-605.21
37	63 Water Resources	Revenue-Voted	387.92	277.54	-110.38
38		Capital-Voted	660.7	369.15	-291.55
39	64 Roads and Bridges	Capital-Voted	9,824.27	7,323.00	-2,501.27
40		Revenue-Voted	1,600.57	1,031.15	-569.42
41	66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	Revenue-Voted	594.41	376.95	-217.46
42	67 Horticulture	Revenue-Voted	249.57	93.28	-156.29
43	71 Education (Elementary, Secondary, etc.)	Capital-Voted	354.74	18.1	-336.64
44		Revenue-Voted	14,737.96	11,850.05	-2,887.91
45	73 Urban Development (Guwahati Development Department)	Capital-Voted	688.1	117.58	-570.52
46		Revenue-Voted	442.05	50.46	-391.59
47	76 Karbi Anglong Autonomous Council	Revenue-Voted	1,402.06	1,128.67	-273.39
48	77 North Cachar Hills Autonomous Council	Revenue-Voted	727.34	551.56	-175.78
49	78 Bodoland Territorial Council	Revenue-Voted	3,008.29	2,306.96	-701.33
50	PD Public Debt and Servicing of Debt	Revenue-Charged	6,162.98	5,299.18	-863.8
	Total		1,04,150.11	66,113.56	-38,036.60

**Appendix 3.8: Heads with Variation Beyond PAC Specified Limits
and Status of Explanation
(Reference: Paragraph 3.4.1.1)**

Sl. No.	Grant / Appropriation	Total Heads	Heads Requiring Explanation	Heads where Explanation was given
1	01 State Legislature	15	9	-
2	02 Council of Ministers	6	5	-
3	03 Administration of Justice	45	32	15
4	04 Elections	18	9	-
5	05 Sales Tax and Other Taxes	6	3	-
6	06 Land Revenue	36	21	1
7	07 Stamps and Registration	9	7	-
8	08 Excise and Prohibition	7	2	-
9	09 Transport Services	100	55	-
10	10 Other Fiscal Services	3	1	1
11	11 Secretariat and Attached Offices	50	35	-
12	12 District Administration	55	36	-
13	13 Treasury and Accounts Administration	13	10	2
14	14 Police	106	76	62
15	15 Jails	17	14	14
16	16 Printing and Stationery	7	6	6
17	17 Administrative and Functional Buildings	37	23	-
18	18 Fire Services	14	8	-
19	19 Vigilance Commission and Others	17	12	-
20	20 Other Administrative Services	14	9	9
21	21 Guest Houses, Government Hostels	14	14	1
22	22 Administrative Training	12	10	-
23	23 Pension	14	11	-
24	24 Aid Materials	1	-	-
25	25 Miscellaneous General Services	44	31	-
26	26 Education (Higher)	111	70	-
27	27 Art and Culture	138	98	3
28	28 State Archives	2	1	1
29	29 Medical and Public Health	214	158	7
30	30 Water Supply and Sanitation	35	26	-
31	31 Urban Development (Town and Country Planning)	27	17	-
32	32 Housing Schemes	4	3	3
33	33 Residential Buildings	3	2	-
34	34 Urban Development (Municipal Administration)	28	25	-
35	35 Information and Publicity	24	10	-
36	36 Labour and Employment	73	41	12
37	37 Food Storage and Warehousing	33	18	-
38	38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes, etc.	217	175	-
39	39 Social Security, Welfare and Nutrition	134	74	-
40	40 Social Security and Welfare (Freedom Fighter)	2	1	-
41	41 Natural Calamities	21	21	-
42	42 Other Social Services	12	11	1
43	43 Co-operation	18	10	8
44	44 North Eastern Council Schemes	257	222	-
45	45 Census, Surveys and Statistics	20	10	-
46	46 Weights and Measures	7	4	-

Sl. No.	Grant / Appropriation	Total Heads	Heads Requiring Explanation	Heads where Explanation was given
47	47 Trade Adviser	1	1	-
48	48 Agriculture	74	33	-
49	49 Irrigation	161	54	53
50	50 Other Special Areas Programmes	10	7	-
51	51 Soil and Water Conservation	27	16	15
52	52 Animal Husbandry	53	45	-
53	53 Dairy Development	23	14	14
54	54 Fisheries	27	15	15
55	55 Forestry and Wild Life	77	49	-
56	56 Rural Development (Panchayat)	27	21	-
57	57 Rural Development	32	22	-
58	58 Industries	58	45	45
59	59 Village and Small Industries, Sericulture and Weaving	77	41	37
60	60 Cottage Industries	11	10	5
61	61 Mines and Minerals	13	9	-
62	62 Power (Electricity)	34	26	-
63	63 Water Resources	44	31	-
64	64 Roads and Bridges	68	54	-
65	65 Tourism	48	24	-
66	66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	26	21	-
67	67 Horticulture	11	9	-
68	69 Scientific Services and Research	48	22	-
69	70 Hill Areas	14	13	-
70	71 Education (Elementary, Secondary, etc.)	116	68	10
71	72 Social Security and Welfare	2	1	-
72	73 Urban Development (Guwahati Development Department)	35	33	-
73	74 Sports and Youth Services	42	30	-
74	75 Information and Technology	26	15	15
75	76 Karbi Anglong Autonomous Council	186	102	-
76	77 North Cachar Hills Autonomous Council	161	84	-
77	78 Bodoland Territorial Council	248	118	-
78	C1 Public Service Commission	1	1	-
79	C2 Head of State	18	7	7
80	PD Public Debt and Servicing of Debt	186	13	-
	Total	4,025	2,490	362

**Appendix 4.1: Department-wise List of Outstanding Utilisation
Certificates for the Grants provided up to the Year 2019-20**
(Reference: Paragraph 4.3)

(₹ in crore)

Sl. No.	Name of the Department	No. of UCs	Amount
1	Administrative Reforms and Training	3	29.99
2	Agriculture	187	1,513.81
3	Animal Husbandry	18	22.30
4	Assembly Secretariat	71	1.43
5	Border Development	2	5.53
6	Cooperation	62	33.78
7	Cultural Affairs	409	184.13
8	Dairy Development	29	27.34
9	Education (General)	4,220	3,235.07
10	Education (Technical)	25	3.56
11	Election	2	0.22
12	Excise	1	0.33
13	Finance (Economic Affairs)	165	240.11
14	Finance (Taxation)	409	707.67
15	Finance	24	1,351.70
16	Fishery	140	36.43
17	Food, Civil Supplies & Consumer Affairs	13	61.80
18	Forest	4	3.48
19	General Administration	224	112.66
20	Guwahati Development	169	902.50
21	Governor Secretariat	14	0.99
22	Handloom & Textiles	56	73.12
23	Health & Family Welfare	280	5,867.63
24	Hills Areas	113	153.45
25	Home	48	213.80
26	Horticulture	15	83.85
27	Industries and Commerce	78	250.98
28	Information Technology	28	82.79
29	Irrigation	2	101.70
30	Information and Public Relation	4	0.41
31	Judicial	13	23.39
32	Labour & Employment	35	237.69
33	Labour welfare	2	15.53
34	Welfare of Minorities & Development	66	371.62

Sl. No.	Name of the Department	No. of UCs	Amount
35	Municipal Administration	88	554.18
36	Power	9	138.45
37	Panchayat & Rural Development	102	4,572.61
38	Transformation & Development	658	933.16
39	Political	23	24.89
40	Public Health Engineering	14	828.66
41	Public Works	21	4,113.63
42	Revenue & Disaster Management	153	24.71
43	Revenue	1,088	415.61
44	Rural Development	65	1,897.49
45	Science & Technology	53	23.86
46	Secretariat Administration	178	2,160.78
47	Sericulture	213	89.16
48	Social Welfare	751	2,184.03
49	Sports & Youth Welfare	165	140.16
50	Tourism	121	134.03
51	Transport	22	114.65
52	Urban Development (Town & Country Planning)	136	1,251.36
53	Urban Development	133	354.88
54	Water Resources	4	384.11
55	Welfare of Plain Tribes and Backward Classes	789	3,338.29
Total		11,717	39,629.49

Appendix 4.2: Outstanding DCC Bills against the drawal of AC Bills up to 2020-21

(Reference: Paragraph 4.4)

Sl. No	Name of the Department	No. of Outstanding DCC bills	Amount (in crore)
1	Administrative Reforms and Training	1	0.00049
2	Agriculture	3	0.26018
3	Animal Husbandry	4	0.2246
4	Assam Public Service Commission	9	0.69222
5	Assembly Secretariat	9	0.14568
6	Cooperation	1	0.0015
7	Cultural Affairs	27	2.23707
8	Development of Border Areas	32	36.4777
9	Education (General)	35	85.1174
10	Election	211	125.888
11	Excise	1	0.002
12	Finance (Taxation)	12	4.2672
13	Finance	21	2.56184
14	Food, Civil Supplies & Consumer Affairs	2	26.0266
15	General Administration	138	25.014
16	Governor Secretariat	2	0.20757
17	Health & Family Welfare	24	106.128
18	Hill Areas	9	2.78768
19	Home	246	100.99
20	Industries and Commerce	5	7.93284
21	Information And Public Relations	9	0.06002
22	Judicial	56	0.62788
23	Labour & Employment	3	0.0013
24	Labour Welfare	4	0.06632
25	Panchayat & Rural Development	19	102.827
26	Pension & Public Grievances	4	0.06632
27	Transformation & Development	105	45.3077
28	Political	42	1.57648
29	Public Health Engineering	2	0.0004
30	Public Works	29	0.1376
31	Revenue & Disaster Management	11	0.9047
32	Revenue	306	35.1448
33	Secretariat Administration	125	58.4657
34	Social Welfare	19	37.5525
35	Sports & Youth Welfare	3	22.2648
36	Tourism	42	8.54314
37	Transport	8	148.86
38	Water Resources	46	0.12682
39	Welfare of Plain Tribes and Backward Classes	23	61.3497
Total		1,648	1,050.84575

**Appendix 4.3: Statement showing details of pendency in finalisation
Accounts by various Bodies and Authorities
(Reference: Paragraph 4.12)**

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
1	Agriculture	Assam Agricultural University (AAU), Jorhat	2017-18 to 2020-21	4
2		Assam Rural Infrastructure & Agriculture Services (ARIAS) Society	2019-20 to 2020-21	2
3		Assam State Agricultural Marketing Board (ASAMB)	2018-19 to 2020-21	3
4		Assam State Seed Certification Agency (ASSCA)	2016-17 to 2020-21	5
5	Art & Culture	Shrimanta Sankardev Kalakhetra Society (SSKS)	2017-18 to 2020-21	4
6	Education (Elementary)	Sarba Siksha Abhiyan, Guwahati	2020-21	1
7	Education (Higher)	Anandaram Borooah Institute of Language, Art & Culture, Guwahati	2018-19 to 2020-21	3
8		Assam Science & Technology University, Guwahati	2019-20 to 2020-21	2
9		Bodoland University, Kokrajhar	2017-18 to 2020-21	4
10		Cotton College State University, Guwahati	2020-21	1
11		Dibrugarh University, Dibrugarh	2020-21	1
12		Gauhati University	2018-19 to 2020-21	3
13		Krishna Kanta Handique State Open University	2018-19 to 2020-21	3
14		Kumar Bhaskar Varma Sanskrit & Ancient Studies University, Nalbari	2020-21	1
15		Rashtriya Uchhatar Siksha Abhiyan, Guwahati	2007-08 to 2020-21	14
16		Assam Institute of Management, Guwahati	2020-21	1
17	Education (Secondary)	Rashtriya Madhyamik Siksha Abhiyan, Guwahati	2018-19 to 2020-21	3
18	Environment & Forest	Assam Project Forest and Biodiversity Conservation (APFBC)	2019-20 to 2020-21	2
19		Assam State Bio-Diversity Boards(ASBB)	2018-19 to 2020-21	3
20		Compensatory Afforestation fund Management and Planning Authority (CAMPA)	2018-19 to 2020-21	3
21		State Pollution Control Board, Assam (SPCB)	2011-12 to 2020-21	10
22	Handloom Textile & Sericulture	Assam Apex Weavers & Artisan Co-operative Federation Limited Guwahati	2016-17 to 2020-21	5
23		Assam Khadi & Village Industries Board	2014-15 to 2020-21	7
24	Health & Family Welfare	Assam State AIDS Control Society, Guwahati	2019-20 to 2020-21	2
25		Assam Arogya Nidhi, Guwahati	2017-18 to 2020-21	4

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
26		MS, Hospital Management Society, AMCH, Dibrugarh	2018-19 to 2020-21	3
27		MS, Hospital Management Society, Baksa	2018-19 to 2020-21	3
28		MS, Hospital Management Society, BMCH, Barpeta	2018-19 to 2020-21	3
29		MS, Hospital Management Society, Bongaigaon	2019-20 to 2020-21	2
30		MS, Hospital Management Society, CH, Barpeta	2018-19 to 2020-21	3
31		MS, Hospital Management Society, CH, Darrang, Mangaldoi	2020-21	1
32		MS, Hospital Management Society, CH, Diphu	2018-19 to 2020-21	3
33		MS, Hospital Management Society, CH, Golaghat	2018-19 to 2020-21	3
34		MS, Hospital Management Society, CH, Haflong	2019-20 to 2020-21	2
35		MS, Hospital Management Society, CH, Hailakandi	2007-08 to 2020-21	14
36		MS, Hospital Management Society, CH, Karimganj	2007-08 to 2020-21	14
37		MS, Hospital Management Society, CH, Morigaon	2007-08 to 2020-21	14
38		MS, Hospital Management Society, CH, Nagaon	2018-19 to 2020-21	3
39		MS, Hospital Management Society, CH, North Lakhimpur	2007-08 to 2020-21	14
40		MS, Hospital Management Society, CH, Sivasagar	2007-08 to 2020-21	14
41		MS, Hospital Management Society, CH, Tejpur, Sonitpur	2007-08 to 2020-21	14
42		MS, Hospital Management Society, CH, Tinsukia	2007-08 to 2020-21	14
43		MS, Hospital Management Society, Chirang	2018-19 to 2020-21	3
44		MS, Hospital Management Society, Dhemaji	2018-19 to 2020-21	3
45		MS, Hospital Management Society, Dhubri	2017-18 to 2020-21	4
46		MS, Hospital Management Society, GMCH, Guwahati	2017-18 to 2020-21	4
47		MS, Hospital Management Society, Goalpara	2019-20 to 2020-21	2
48		MS, Hospital Management Society, JMCH, Jorhat	2017-18 to 2020-21	4
49		MS, Hospital Management Society, Kokrajhar	2018-19 to 2020-21	3
50		MS, Hospital Management Society, Regional Dental College, Guwahati	2019-20 to 2020-21	2
51		MS, Hospital Management Society, SMCH, Silchar	2018-19 to 2020-21	3
52		MS, Hospital Management Society, TMCH, Tezpur	2019-20 to 2020-21	2

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
53		MS, Hospital Management Society, Udalguri	2018-19 to 2020-21	3
54		MS, Hospital Management Society, CH, Nalbari	2007-08 to 2020-21	14
55		National Health Mission, Guwahati	2020-21	1
56		Srimanta Sankaradeva University of Health Science	2019-20 to 2020-21	2
57	Hill Areas	Karbi Anglong Autonomous Council, Diphu	2018-19 to 2020-21	3
58		North Cachar Hills Autonomous Council, Haflong	2019-20 to 2020-21	2
59	Home	Assam Human Rights Commission	2017-18 to 2020-21	4
60	Labour & Welfare	Assam Building & Other Construction Workers Welfare Board, Guwahati	2019-20 to 2020-21	2
61		Assam Tea Employees Provident Fund Organisation	2020-21	1
62	Legislative	Assam State Legal Services Authority	2017-18 to 2020-21	4
63	Welfare of Minorities and Development	Assam Minority Development Board, Guwahati	2020-21	1
64	Public Works	Assam State Road Board (ASRB)	2017-18 to 2020-21	4
65		DRDA, Chirang	2019-20 to 2020-21	2
66		DRDA, Kokrajhar	2019-20 to 2020-21	2
67		DRDA, KAAC, Diphu	2016-17 to 2020-21	5
68		DRDA, Udalguri	2016-17 to 2020-21	5
69		DRDA, Haflong	2016-17 to 2020-21	5
70		DRDA, Baksa	2015-16 to 2020-21	6
71	Science & Technology	Assam Energy Development Agency	2015-16 to 2020-21	6
72		Assam Science Technology & Environment Council	2018-19 to 2020-21	3
73	Skill Employment & Entrepreneurship	Assam Skill Development Management (erstwhile Employment Generation Management), Guwahati	2019-20 to 2020-21	2
74	Soil Conservation	State Level Nodal Agency (IWMP)	2019-20 to 2020-21	2
75		Assam State Commission for Child Rights	2018-19 to 2020-21	3
76	Social Welfare	Assam State Social Welfare Board, Guwahati	2019-20 to 2020-21	2
77		State Child Protection Society, Guwahati	2020-21	1
78	Sports & Youth Welfare	Sports Authority of Assam, Guwahati	2010-11 to 2020-21	11
79	Transformation & Development	Omeo Kumar Das Institute of Social Change & Development	2020-21	1
80	Water Resources	Flood and River Erosion Management Agency	2018-19 to 2020-21	3
81		Deori Autonomous Council	2009-10 to 2020-21	12
82		Adivasi Development Council	2009-10 to 2020-21	12
83	WPT&BC	Amri Karbi Development Council	2009-10 to 2020-21	12
84		Assam Tribal Development Authority, Guwahati	2018-19 to 2020-21	3

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
85		Barak Valley Hill Tribes Development Council	2009-10 to 2020-21	12
86		Bishnupriya Manipuri Development Council	2009-10 to 2020-21	12
87		Bodoland Territorial Council	2020-21	1
88		Chutia Development Council	2009-10 to 2020-21	12
89		Gorkha Development Council	2009-10 to 2020-21	12
90		Koch Rajbongashi Development Council	2009-10 to 2020-21	12
91		Maimal Development Council.	2009-10 to 2020-21	12
92		Manipuri Development Council	2009-10 to 2020-21	12
93		Mech Kachari Development Council	2009-10 to 2020-21	12
94		Mising Autonomous Council	2009-10 to 2020-21	12
95		Moran Development Council	2009-10 to 2020-21	12
96		Moria Development Council	2009-10 to 2020-21	12
97		Mottok Development Council	2009-10 to 2020-21	12
98		Nath Yogi Development Council	2009-10 to 2020-21	12
99		Rabha Hasong Autonomous Council	2009-10 to 2020-21	12
100		Sadharanjati Development Council	2009-10 to 2020-21	12
101		Sarania Kachari Development Council	2009-10 to 2020-21	12
102		Singph (Man Tai) Development Council	2009-10 to 2020-21	12
103		Sonowal Kachari Autonomous Council	2009-10 to 2020-21	12
104		T.G & Ex-Tea Garden Development Council	2009-10 to 2020-21	12
105		Thengal Kachari Autonomous Council	2009-10 to 2020-21	12
106		Tia Ahom Development Council	2009-10 to 2020-21	12
107		Tiwa Autonomous Council	2009-10 to 2020-21	12
Total				649

**Appendix 4.4: Statement showing details of pendency in finalisation of
Accounts by PSUs
(Reference: Paragraph 4.13)**

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
1	Agriculture	Assam Seeds Corporation Limited	2017-18 to 2020-21	4
2		Assam Agro-Industries Development Corporation Limited	2010-11 to 2020-21	11
3		Assam Food & Civil Supplies Corporation Limited	2019-20 to 2020-21	2
4	Animal Husbandry	Assam Live Stock and Poultry Corporation Limited	2018-19 to 2020-21	3
5	Co-operation	Assam State Warehousing Corporation	2017-18 to 2020-21	4
6	Cultural Affairs	Assam State Film (Finance & Development) Corporation Ltd.	2016-17 to 2020-21	5
7	Elementary Education	Assam State Text Book Production & Publication Corporation Ltd	1996-97 to 2020-21	25
8	Finance	Assam Financial Corporation	2020-21	1
9	Fisheries	Assam Fisheries Development Corporation Limited	2018-19 to 2020-21	3
10	Handloom Textile & Sericulture	Assam Government Marketing Corporation Limited	2015-16 to 2020-21	6
11	Home	Assam Police Housing Corporation Ltd.	2020-21	1
12	Hill Areas	Assam Hills Small Industries Development Corporation Limited	2001-02 to 2020-21	20
13	Industries & Commerce	Assam Small Industries Development Corporation Limited	2015-16 to 2020-21	6
14		Assam Tea Corporation Limited	2015-16 to 2020-21	6
15		Assam State Fertilisers and Chemicals Limited	2012-13 to 2020-21	9
16		Ashok Paper Mill (Assam) Limited	2019-20 to 2020-21	2
17		Assam Industrial Development Corporation Limited	2020-21	1
18		Assam Spun Silk Mills Limited	2014-15 to 2020-21	7
19		Assam Tanneries Limited	1982-83 to 2020-21	39
20		Cachar Sugar Mills Limited	2014-15 to 2020-21	7
21		Assam Polytex Limited	1988-89 to 2020-21	33
22		Assam Conductors and Tubes Limited	2015-16 to 2020-21	6
23		Industrial Papers (Assam) Limited	2001-02 to 2020-21	20
24		Assam Power Loom Development Corporation Limited	1994-95 to 2020-21	27
25		Pragjyotish Fertilisers and Chemicals Limited	2016-17 to 2020-21	5
26		Assam Syntex Limited	2019-20 to 2020-21	2
27		Fertichem Limited	2019-20 to 2020-21	2
28		Assam State Weaving and Manufacturing Company Limited	2019-20 to 2020-21	2
29	Information Technology	Assam Electronics Development Corporation Limited	2017-18 to 2020-21	4
30		Amtron Informatics (India) Limited	2016-17 to 2020-21	5

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
31	Irrigation	Assam State Minor Irrigation Development Corporation Limited	2012-13 to 2020-21	9
32	Mines & Minerals	Assam Mineral Development Corporation Limited	2019-20 to 2020-21	2
33		Assam Meghalaya Mineral Development Corporation Limited	1984-85 to 2020-21	37
34	Minority Development	Assam Minorities Development & Finance Corporation Ltd	1998-99 to 2020-21	23
35	Soil Conservation	Assam Plantation Crop Development Corporation Limited	1991-92 to 2011-12 & 2014-15 to 2020-21	28
36	Transport	Assam State Transport Corporation	2019-20 to 2020-21	2
37	Tourism	Assam Tourism Development Corporation	2019-20 to 2020-21	2
38	WPT & BC	Assam State Development Corporation for SC Ltd	2017-18 to 2020-21	4
39		Assam State Development Corporation for OBC Ltd	2019-20 to 2020-21	2
40		Assam Plain Tribes Development Corporation Ltd	2020-21	1
Total				378

Appendix 4.5: Department-wise/duration-wise/category-wise breakup of the cases of theft, misappropriation, defalcation, etc.

(Cases where final action was pending at the end of 31 March 2021)

(Reference to Paragraph: 4.15)

(₹ in lakh)

Sl. No.	Name of the Department/ Directorate	Upto 5 years		5 to 10 years		10 to 15 years		15 to 20 years		20 to 25 years		More than 25 years		Total		Theft cases		Misappropriation/ Loss to Government	
		N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A
1	Agriculture	0	0	3	22.11	11	215.82	14	127.06	2	2.84	2	10.02	32	377.85	1	1.51	31	376.34
2	Animal Husbandry & Veterinary	4	262.18	4	40.73	8	116.78	0	0	2	9.22	2	1.14	20	430.05	2	14.18	18	415.87
3	Administrative Reform & Training	1	115.81	0	0	0	0	0	0	0	0	0	0	1	115.81	0	0	1	115.81
4	Border Protection and Development	0	0	0	0	1	22.41	0	0	0	0	0	0	1	22.41	0	0	1	22.41
5	Co-operation	0	0	1	18.13	5	58.74	10	495.99	1	1.18	0	0	17	574.04	0	0	17	574.04
6	Cultural Affairs	0	0	1	89.72	0	0	0	0	0	0	0	0	1	89.72	0	0	1	89.72
7	Dairy Development	0	0	1	301.00	0	0	0	0	0	0	0	0	1	301.00	0	0	1	301.00
8	General Administration (DCs)	30	1087.04	9	844.91	2	14.10	6	69.68	0	0	0	0	47	2015.73	0	0	47	2015.73
9	Education (Elementary)	2	10.56	13	716.25	1	1.23	0	0	0	0	0	0	16	728.04	1	0.37	15	727.67
10	Education (Secondary)	1	58.33	5	123.83	0	0	0	0	0	0	0	0	6	182.16	0	0	6	182.16
11	Education (Higher)	2	181.95	4	1016.85	1	1.75	0	0	0	0	0	0	7	1200.55	0	0	7	1200.55
12	Fisheries	1	0.60	0	0	0	0	2	1.55	0	0	0	0	3	2.15	1	0.75	2	1.40
13	Food & Civil Supplies	2	6.14	6	234.75	0	0	0	0	0	0	0	0	8	240.89	0	0	8	240.89
14	Handloom & Textile	3	1.05	2	11.65	2	9.10	2	1.20	4	163.86	0	0	13	186.86	4	9.59	9	177.27
15	Health and Family Welfare	13	367.85	32	928.35	2	35.26	0	0	0	0	0	0	47	1331.46	0	0	47	1331.46
16	Hill Areas	2	10.40	13	250.22	3	47.93	0	0	0	0	0	0	18	308.55	0	0	18	308.55
17	Home (Police)	4	14.14	0	0	0	0	0	0	0	0	0	0	4	14.14	0	0	4	14.14
18	Home (Jail)	1	0.28	0	0	0	0	0	0	0	0	0	0	1	0.28	0	0	1	0.28
19	Industries and Commerce	1	67.10	3	68.94	1	505.19	0	0	0	0	0	0	5	641.23	0	0	5	641.23
20	Information & Public Relations	0	0	0	0	1	0.24	0	0	0	0	0	0	1	0.24	0	0	1	0.24
21	Irrigation	2	21.18	4	278.74	6	76.22	0	0	0	0	0	0	12	376.14	4	16.78	8	359.36

Appendices

Sl. No.	Name of the Department/ Directorate	Upto 5 years		5 to 10 years		10 to 15 years		15 to 20 years		20 to 25 years		More than 25 years		Total		Theft cases		Misappropriation/ Loss to Government	
		N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A
22	Skill, Employment & Entrepreneurship Department	3	314.00	1	0.05	0	0	0	0	0	0	0	0	4	314.05	0	0	4	314.05
23	Legal Metrology	0	0	0	0	1	0.13	0	0	0	0	0	0	1	0.13	0	0	1	0.13
24	Panchayat & Rural Development	0	0	1	12.65	1	14.86	0	0	0	0	0	0	2	27.51	0	0	2	27.51
25	Public Health Engineering	1	293.50	0	0	0	0	0	0	0	0	0	0	1	293.50	0	0	1	293.50
26	Public Works	5	606.32	11	2311.28	1	2.18	0	0	0	0	0	0	17	2919.78	0	0	17	2919.78
27	General Administration {SDO (Civil)}	0	0	1	60.58	0	0	0	0	0	0	0	0	1	60.58	0	0	1	60.58
28	Sericulture	4	20.17	2	3.69	3	3.27	0	0	0	0	0	0	9	27.13	0	0	9	27.13
29	Social Welfare	7	350.91	9	42.36	0	0	0	0	0	0	0	0	16	393.27	1	4.75	15	388.52
30	Urban Development	0	0	1	7.00	1	43.56	0	0	0	0	0	0	2	50.56	0	0	2	50.56
31	Water Resources	0	0	3	49.84	1	11.93	0	0	0	0	0	0	4	61.77	3	43.46	1	18.31
32	WPT&BC	8	120.33	3	116.12	0	0	0	0	0	0	0	0	11	236.45	1	0	10	236.45
33	WPT&BC (BTC)	5	69.97	7	92.58	1	0.85	0	0	0	0	0	0	13	163.40	1	6.00	12	157.40
Total		102	3979.81	140	7642.33	53	1181.55	34	695.48	9	177.1	4	11.16	342	13687.43	19	97.39	323	13590.04

N-number; A-amount. Source: Inspection Reports.

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