

Chapter I

Overview of Finances of the State

Chapter-I: Overview of Finances of State

This chapter provides a snapshot of Assam's finances for 2024-25, covering demographics, economic indicators, and the State's fiscal structure. It analyses trends in revenue and expenditure, debt levels, and fiscal deficits, highlighting persistent imbalances and reliance on borrowings. The chapter flags issues like high committed expenditure, low returns on investments, etc.

1.1 Profile of the State

Assam, the second largest State in north-east India, covers 78,438 sq. km (2.4 per cent of the country's total geographical area) and comprises 35 districts and 26,395 villages. As of 2011, its population stood at 3.12 crore (2.6 per cent of India's total), with a density of 398 persons per sq. km. This section provides an overview of the State's demography, GSDP, and per capita income of the State.

1.1.1 Demography of the State

The State's demographic details *vis-à-vis* national average are presented in **Table 1.1**.

Table 1.1: Demographic profile of the State

	Assam	National Average
Rural Population (<i>per cent</i>); <i>Census of India, 2011</i>	85.90	68.86
Urban Population (<i>per cent</i>); <i>Census of India, 2011</i>	14.10	31.14
Population density (<i>Census of India, 2011</i>)	398	382
Sex Ratio per 1,000 Males (<i>Census of India, 2011</i>)	958	943
Infant Mortality Rate per 1,000 Live births { <i>Sample Registration System (SRS), Statistical Report 2023</i> }	30	25
Maternal Mortality Rate per 1,000 Live births (<i>Maternal Mortality Bulletin 2021-23</i>)	6	5
Total Fertility Rate (<i>National Family Health Survey – 5; 2019-21</i>)	1.87	1.99
Life Expectancy at Birth (<i>SRS based Abridged Life Tables 2019-23</i>)	68.60	70.30
Population below Poverty Line (Headcount Ratio) (<i>Multidimensional Poverty Index, 2023, NITI Aayog</i>)	19.35	14.96
Literacy Rate (<i>Periodic Labour Force Survey-Annual Report, 2023-24, MoSPI</i>)	87	80.90

1.1.2 Economy of the State

Gross State Domestic Product (GSDP) and per capita income are important indicators of the State's economy as discussed in succeeding paragraphs.

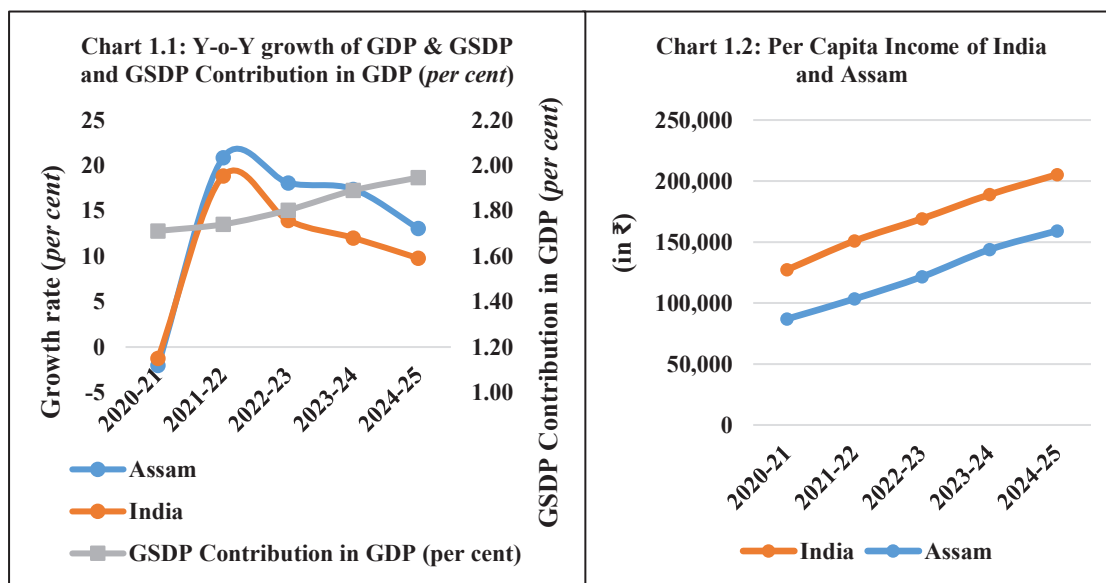
1.1.2.1 Gross State Domestic Product and Per capita Income

Gross Domestic Product (GDP) refers to the total value of goods and services produced within a country, while GSDP measures the same at the State level, and both reflect economic development and overall progress. Trends of GSDP and GDP are given in **Table 1.2**. Year-on-year growth of GSDP and GDP, and GSDP contribution in GDP is given in **Chart 1.1** and Per Capita Income (PCI) of the country and PCI of the State is depicted in **Chart 1.2**.

Table 1.2: Trends in GSDP compared to GDP of India (at current prices)

Year	2020-21	2021-22	2022-23	2023-24	2024-25
GDP of India (₹ in crore)	1,98,54,096	2,35,97,399	2,68,90,473 (FE)	3,01,22,956 (FRE)	3,30,68,145 (PE)
GSDP of Assam (₹ in crore)	3,39,803	4,10,724	4,84,985	5,69,287 (PE)	6,43,667 (AE)
PCI of India (in ₹)	1,27,244	1,50,906	1,69,145	1,88,892	2,05,324
PCI of Assam (in ₹)	86,947	1,03,371	1,21,573	1,43,852	1,59,185

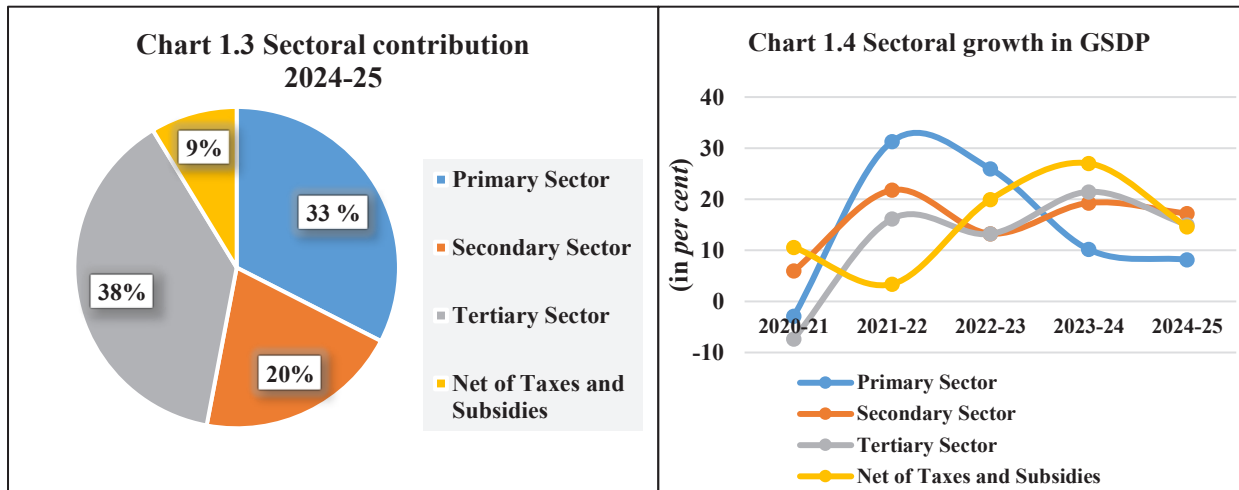
Source: Directorate of Economics and Statistics, Government of Assam for GSDP and MoSPI data for GDP. (FE–Final Estimates, FRE–First Revised Estimates, PE–Provisional Estimates, AE–Advance Estimates)



The GSDP of Assam at current prices increased significantly at an average rate of 18 per cent per year from ₹ 3,39,803 crore in 2020-21 to ₹ 6,43,667 crore in 2024-25. The growth rate of GSDP remained broadly higher than that of GDP during the period. The contribution of GSDP in GDP also grew consistently from 1.71 per cent in 2020-21 to 1.95 per cent in 2024-25, showing improvement in State’s economy. The per capita income of State grew from ₹ 86,947 to ₹ 1,59,185, showing steady improvement though remaining below the national average during the period.

1.1.2.2 Sectoral contribution to GSDP

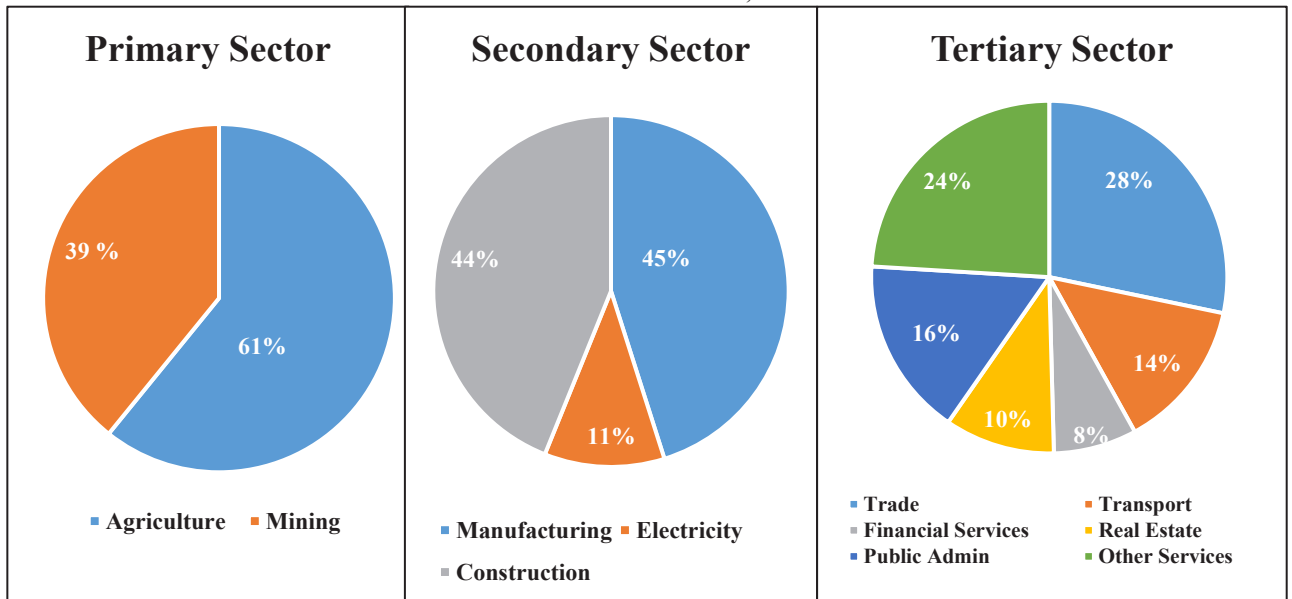
The sectoral contribution by various sectors during 2024-25 and sectoral growth in GSDP during the last five years are depicted in **Chart 1.3** and **Chart 1.4** respectively.



Source: Directorate of Economics and Statistics, Government of Assam for GSDP and MoSPI data for GDP.

Chart 1.5 shows the composition of each sector during FY 2024-25, in terms of its major contributing segments.

Chart 1.5: Sector-wise distribution, FY 2024-25



Source: Directorate of Economics and Statistics, Government of Assam

During 2024-25, the tertiary sector continued to be the largest contributor to Assam’s GSDP, accounting for 38 per cent, followed by the primary sector at 33 per cent and the secondary sector at 20 per cent, while net taxes and subsidies formed the remaining nine per cent. A comparison of sectoral composition of 2024-25 over 2020-21¹ also signifies the State as a service-driven economy, though agriculture continues to hold a substantial share. Sectoral growth trends during 2020-21 to 2024-25 showed

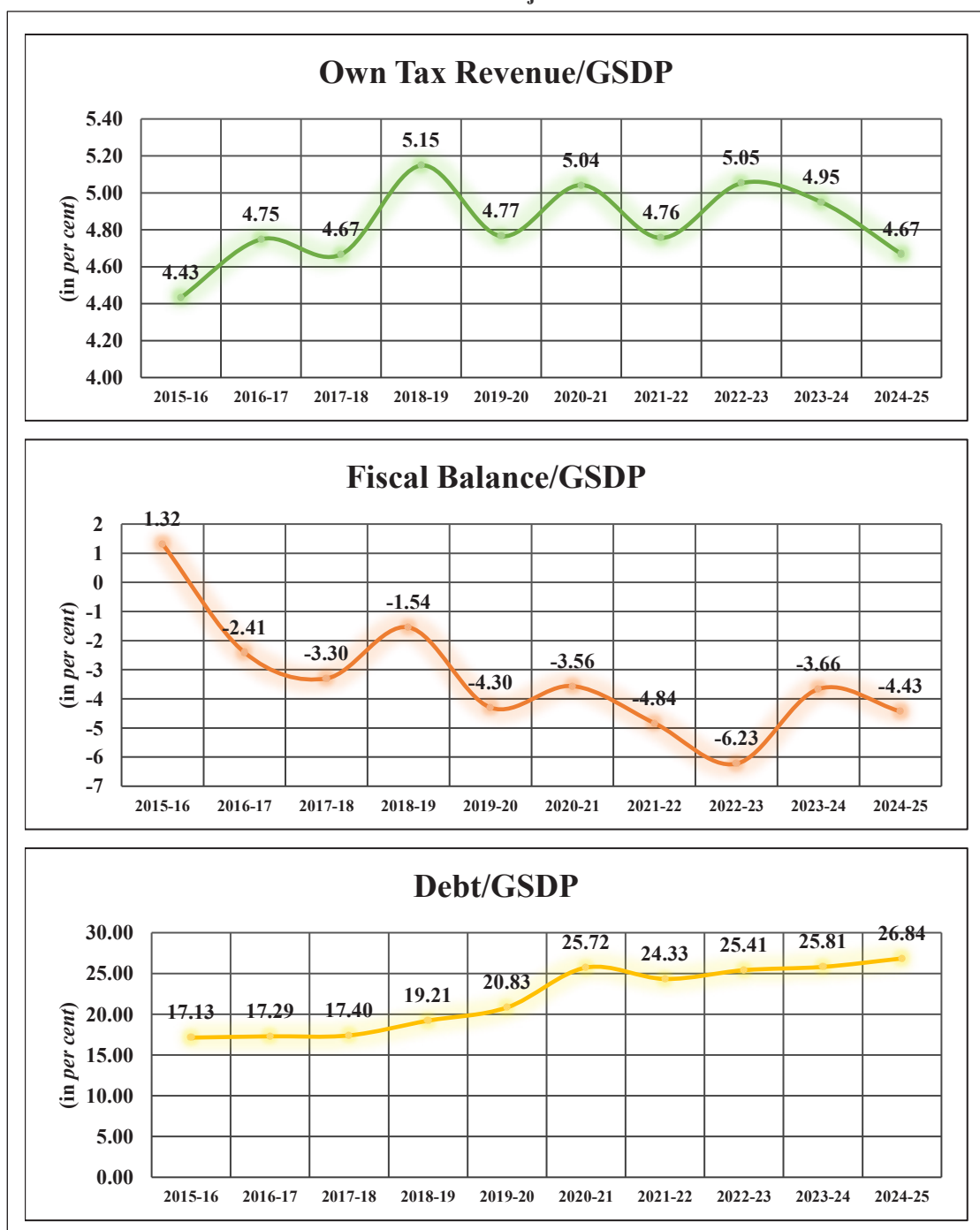
¹ Primary Sector: 31 per cent; Secondary Sector: 20 per cent; Tertiary Sector: 40 per cent; Net of Taxes and Subsidies: Nine per cent

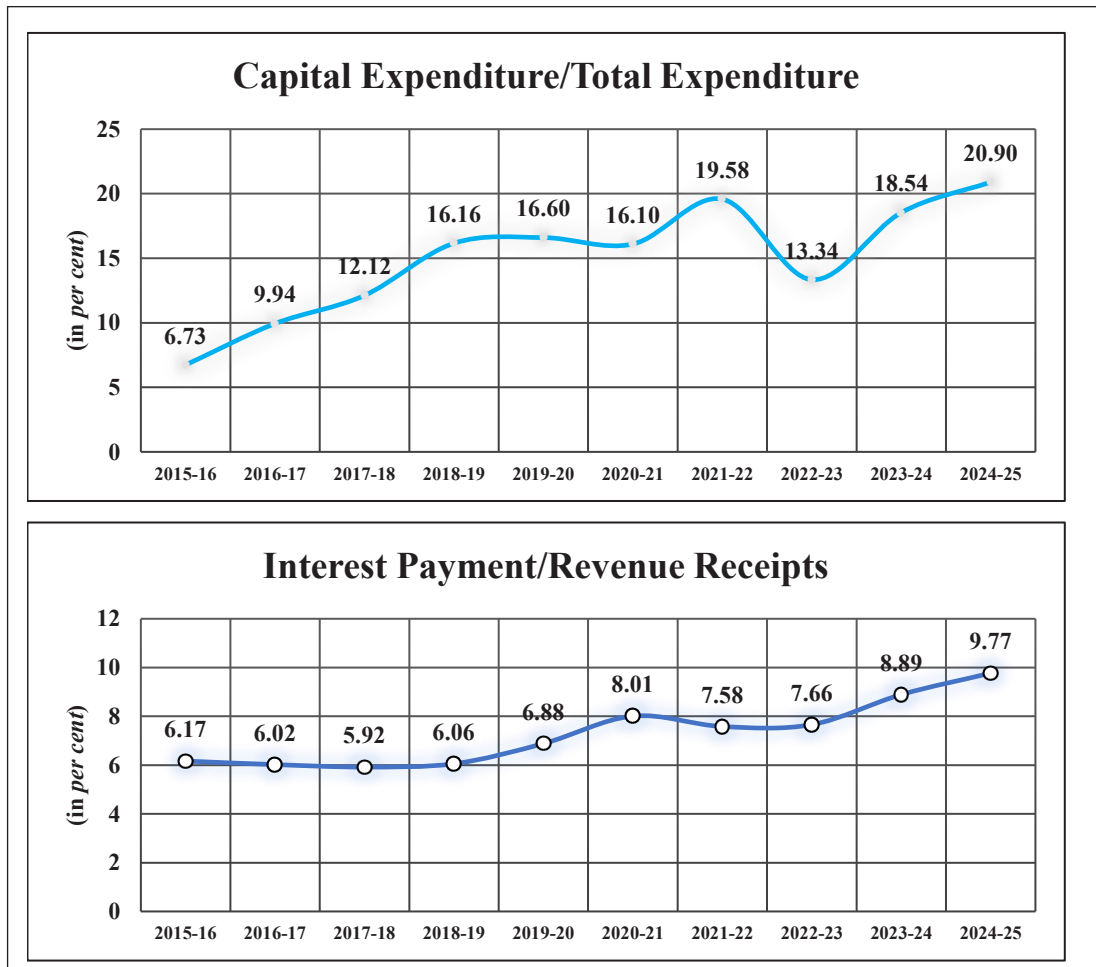
fluctuations across all sectors, with the primary sector reflecting variations mainly linked to agricultural output, the secondary sector showing changes corresponding to industrial output, and the tertiary sector exhibiting a post-pandemic surge followed by moderation in the service sector. The overall trend suggests broad-based, though uneven, recovery and consolidation of growth momentum in 2024-25.

1.1.2.3 Trend Analysis of Key Fiscal Indicators (2015-16 to 2024-25)

A trend analysis of key fiscal Indicators over a period of 10 years (2015-16 to 2024-25) for Assam is given below.

Chart 1.6: Trend of Major Fiscal Indicators





Source: Finance Accounts and Directorate of Economics and Statistics, Government of Assam

1.1.3 Snapshot of Finances

Table 1.3 shows the details of actual financial results of the State Government of Assam for the years 2023-24 and 2024-25 *vis-à-vis* Budget Estimates (BEs), Revised Estimates (REs) and GDP for the year 2024-25.

Table 1.3: Snapshot of Finances

(₹ in crore)

Sl. No.	Components	2023-24 (Actuals)	2024-25 (BEs)	2024-25 (REs)	2024-25 (Actuals)	Percentage of Actuals to BEs	Percentage of Actuals to GDP
1	Tax Revenue	63,508.69	74,148.42	74,402.18	70,306.13	94.82	10.92
(i)	Own Tax Revenue	28,178.12	34,148.36	34,148.36	30,052.36	88.01	4.67
(ii)	Share of Union taxes/duties	35,330.57	40,000.06	40,253.82	40,253.77	100.63	6.25
2	Non-Tax Revenue	5,902.90	8,871.28	8,854.02	5,351.70	60.33	0.83
3	Grants-in-Aid and Contributions	22,122.90	28,924.14	28,949.14	21,250.08	73.47	3.30
4	Revenue Receipts (1+2+3)	91,534.49	1,11,943.84	1,12,205.34	96,907.91	86.57	15.06
5	Recovery of Loans and Advances	3,282.45	2,221.03	2,270.76	879.30	39.59	0.14
6	Other Receipts	0.00	0.00	0.00	0.00	--	0.00
7	Borrowings and other liabilities*	20,854.69	22,534.03	37,004.90	28,529.52	126.61	4.43
8	Capital Receipts (5+6+7)	24,137.14	24,755.06	39,275.66	29,408.82	118.80	4.57
9	Total Receipts (4+8)	1,15,671.63	1,36,698.90	1,51,481.00	1,26,316.73	92.41	19.62
10	Revenue Expenditure	94,162.90	1,10,091.86	1,17,572.93	99,907.96	90.75	15.52
11	Interest payments	8,139.17	9,597.38	9,687.38	9,467.75	98.65	1.47
12	Capital Expenditure	21,444.23	26,595.58	33,896.60	26,404.20	99.28	4.10
13	Loan and advances disbursed	64.50	11.47	11.47	4.57	39.84	0.00

Sl. No.	Components	2023-24 (Actuals)	2024-25 (BEs)	2024-25 (REs)	2024-25 (Actuals)	Percentage of Actuals to BEs	Percentage of Actuals to GSDP
14	Total Expenditure (10+12+13)	1,15,671.63	1,36,698.91	1,51,481.00	1,26,316.73 ²	92.41	19.62
15	Revenue Deficit (-)/ Surplus (+) (4-10)	-2,628.41	1,851.98	-5,367.59	-3,000.05 ³	-161.99	-0.47
16	Fiscal Deficit {(4+5+6)-14}	-20,854.69	-22,534.04	-37,004.90	-28,529.52	126.61	-4.43
17	Primary Deficit (16+11)	-12,715.52	-12,936.66	-27,317.52	-19,061.77 ⁴	147.35	-2.96

Source: Finance Accounts and Budget documents

* 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.

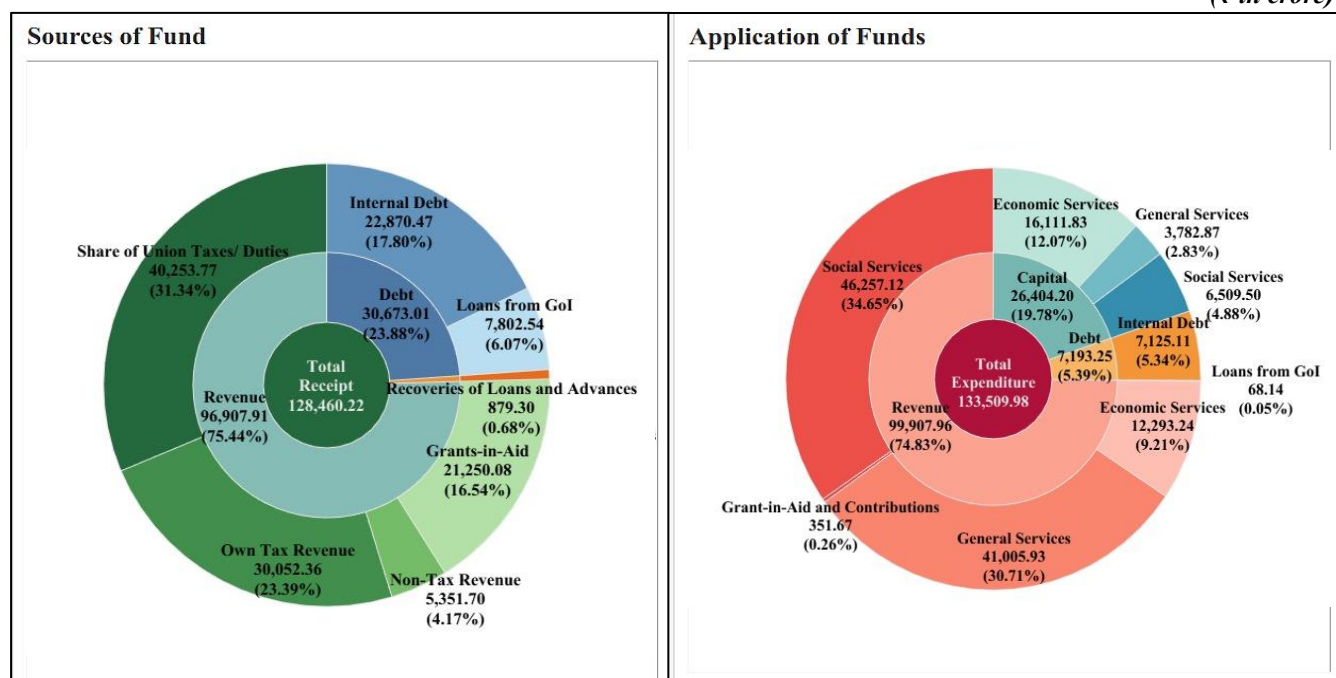
The details of State Government Finances for the FY 2020-21 to 2024-25 is given in **Appendix 1.1**.

1.1.4 Sources and Application of Funds

Comparison of components of the sources and application of funds of the State during the current year is given in **Chart 1.7**.

Chart 1.7: Details of sources and application of funds⁵ during 2024-25

(₹ in crore)



Source: Finance Accounts

Appendix 1.2 provides details of receipts and disbursements and the overall fiscal position of the State during current year as well as previous year.

1.1.5 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. **Appendix 1.3** gives an abstract of such liabilities and assets, as on 31 March 2025, compared with the corresponding position of the

² Includes expenditure of ₹ 22,262.22 crore on Education and ₹ 6,399.23 crore on Health and Family Welfare.

³ Post Audit adjusted Revenue Deficit is ₹ (-) 3,090.85 crore

⁴ Post Audit adjusted Primary Deficit is ₹ (-) 19,061.77

⁵ Consolidated Fund (Net of Ways and Means Advances)

previous year. The liabilities consist mainly of internal borrowings, loans and advances from GoI, receipts from the Public Account and Reserve Funds. Assets comprise mainly of the Capital Expenditure, and loans and advances, given by the State Government and cash balances. A summarised position of assets and liabilities, for the financial years 2023-24 and 2024-25, is given in **Table 1.4**.

Table 1.4: Summarised position of assets and liabilities*(₹ in crore)*

Liabilities					Assets				
		2023-24	2024-25	Per cent increase/decrease		2023-24	2024-25	Per cent increase/decrease	
Consolidated Fund									
A	Internal Debt	1,11,972.66	1,27,718.02	14.06	A	Gross Capital Expenditure	1,40,980.13	1,67,384.33	18.73
B	Loans and Advances from GoI	14,417.67	22,152.08	53.65	B	Loans and Advances	3,345.54	2,470.82	-26.15
Contingency Fund		2,000	2,000	0	-				
Public Account									
A	Small Savings, Provident Funds, etc.	14,376.34	13,907.73	-3.26	A	Advances with Departmental officers	3,840.81	3,840.81	0
B	Deposits	4,517.36	5,869.78	29.94	B	Remittances	880.23	915.68	4.03
C	Reserve Funds	7,453.60	10,110.70	35.65	C	Suspense and Miscellaneous	760.67	624.59	-17.89
D	Remittances	--	--	--	Cash balance (including investment in Earmarked Funds)		9,882.75	10,374.53	4.98
E	Suspense and Miscellaneous	--	--	--	Total		1,59,690.13	1,85,610.76	16.23
	-				Difference on account of rounding-off		--	--	--
	Surplus on Government Account	4,952.50	3,852.45	-22.21	Deficit in Revenue Account		--	--	--
Total		1,59,690.13	1,85,610.76	16.23			1,59,690.13	1,85,610.76	16.23

Source: Finance Accounts of respective years

1.2 Consolidated Fund of the State

All revenues received by the State Government, all loans raised by the State Government, ways and means advances extended by the Reserve Bank of India and all money received by the State Government in repayment of loans forms part of the Consolidated Fund of the State.

1.2.1 Revenue Receipts

Trends and growth of revenue receipts with respect to Gross State Domestic Product (GSDP) over the five-year period (2020-25) are shown in **Table 1.5**.

Table 1.5: Trends in Revenue Receipts*(₹ in crore)*

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Receipts	64,902.19	79,815.19	89,742.30	91,534.49	96,907.91
Tax Revenue	35,762.93	47,683.65	54,196.28	63,508.69	70,306.13
<i>Own Tax Revenue</i>	17,133.61	19,533.10	24,502.02	28,178.12	30,052.36

Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
State's share in Union taxes and duties	18,629.32	28,150.55	29,694.26	35,330.57	40,253.77
Non-Tax Revenue	2,899.61	3,579.75	5,761.31	5,902.90	5,351.70
Grants- in aid from GoI	26,239.65	28,551.79	29,784.71	22,122.90	21,250.08
State's Own Revenue (Own Tax and Non-Tax Revenue)	20,033.22	23,112.85	30,263.33	34,081.02	35,404.06
GSDP (2011-12 series)	3,39,802.98	4,10,723.56	4,84,984.94	5,69,287.29 (PE)	6,43,666.69 (AE)
Year-on-year growth rates (in per cent)					
Revenue Receipts	0.63	22.98	12.44	2.00	5.87
State's Own Revenue	-9.22	15.37	30.94	12.61	3.88
GSDP	-2.03	20.87	18.08	17.38	13.07
Buoyancy Ratios ⁶					
Revenue Buoyancy w.r.t GSDP	*	1.10	0.69	0.11	0.45
State's Own Revenue Buoyancy w.r.t GSDP	*	0.74	1.71	0.73	0.30

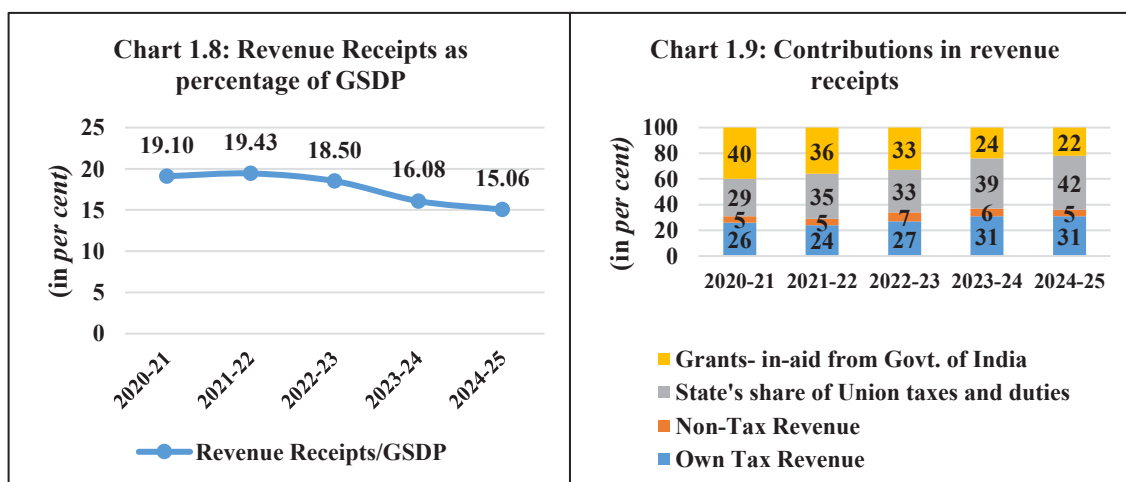
Source: Finance Accounts for Revenue Receipts and Directorate of Economics and Statistics, GoA for GSDP

PE: Provisional Estimates; AE: Advance Estimates

*Buoyancy ratio was not calculated as GSDP growth rate was negative.

During 2020-25, Assam's revenue growth has broadly not kept pace with the growth of its economy, except for the years 2020-21 and 2021-22, as reflected in the fluctuating buoyancy ratios. Although receipts increased every year, they rose slower than the State's GSDP in three out of the last five years, indicating limited elasticity of receipts to GSDP growth. This means that for every rupee the economy produced, the Government earned a smaller share as revenue. State's own sources of income—comprising tax and non-tax sources—showed an uneven growth trend, with a decline in 2020-21 followed by a sharp post-pandemic recovery up to 2022-23 and a subsequent slowdown in the next two years, indicating the need for consistent efforts to strengthen revenue mobilisation.

Revenue Receipts as percentage of GSDP and contribution from various sources in revenue receipts is given in **Chart 1.8** and **Chart 1.9**.



Source: Finance Accounts

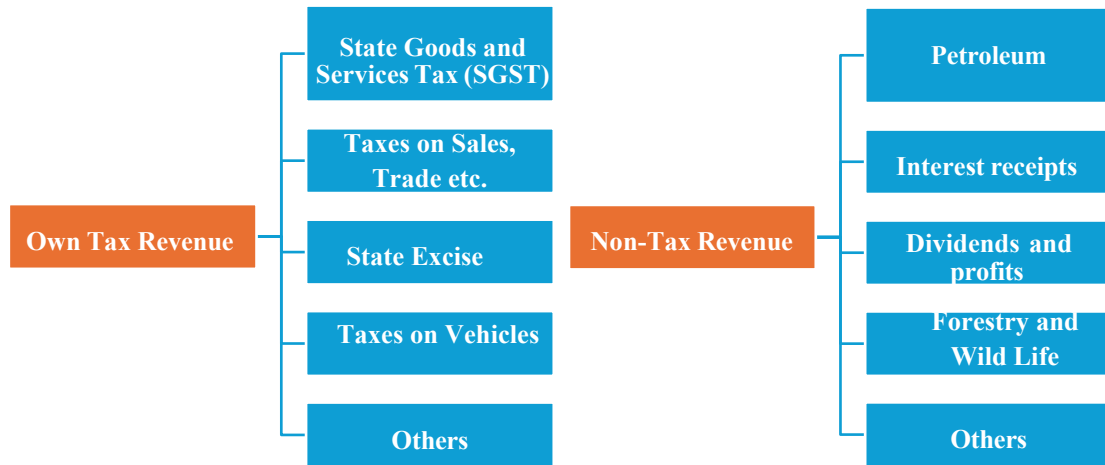
The declining trend of revenue receipts as a percentage of GSDP—from 19.10 per cent

⁶ Buoyancy ratio indicates the degree of responsiveness of a fiscal variable with respect to a given change in the base variable.

in 2020-21 to 15.06 *per cent* in 2024-25—indicates a weakening revenue effort relative to the size of the State economy. The composition of receipts shows a shift towards higher reliance on the State’s share in Union taxes, while the proportion of grants-in-aid from Government of India has nearly halved over the period. Although this indicates a gradual reduction in dependence on central transfers, own tax and non-tax revenue together contribute only around one-third of total receipts, underscoring limited internal revenue mobilisation. Sustaining fiscal stability would, therefore, require enhancing own tax and non-tax revenue performance to ensure that growth in receipts keeps pace with the expansion of GSDP.

A. State’s Own Resources

Chart 1.10: Details of State’s Own Revenue



(i) Own Tax Revenue

Own Tax Revenue is the revenue collected by the State Government through taxes, it is empowered to levy under the Constitution. Actuals for FY 2023-24, Budget Estimates (BEs), Revised Estimates (REs), and Actuals of Own Tax Revenue for the FY 2024-25 are given in **Table 1.6** and the composition of Actuals for FY 2024-25 is given in **Chart 1.11**.

Table 1.6: Own Tax Revenue: 2023-24 (Actuals) and 2024-25 (BE, RE, and Actuals)

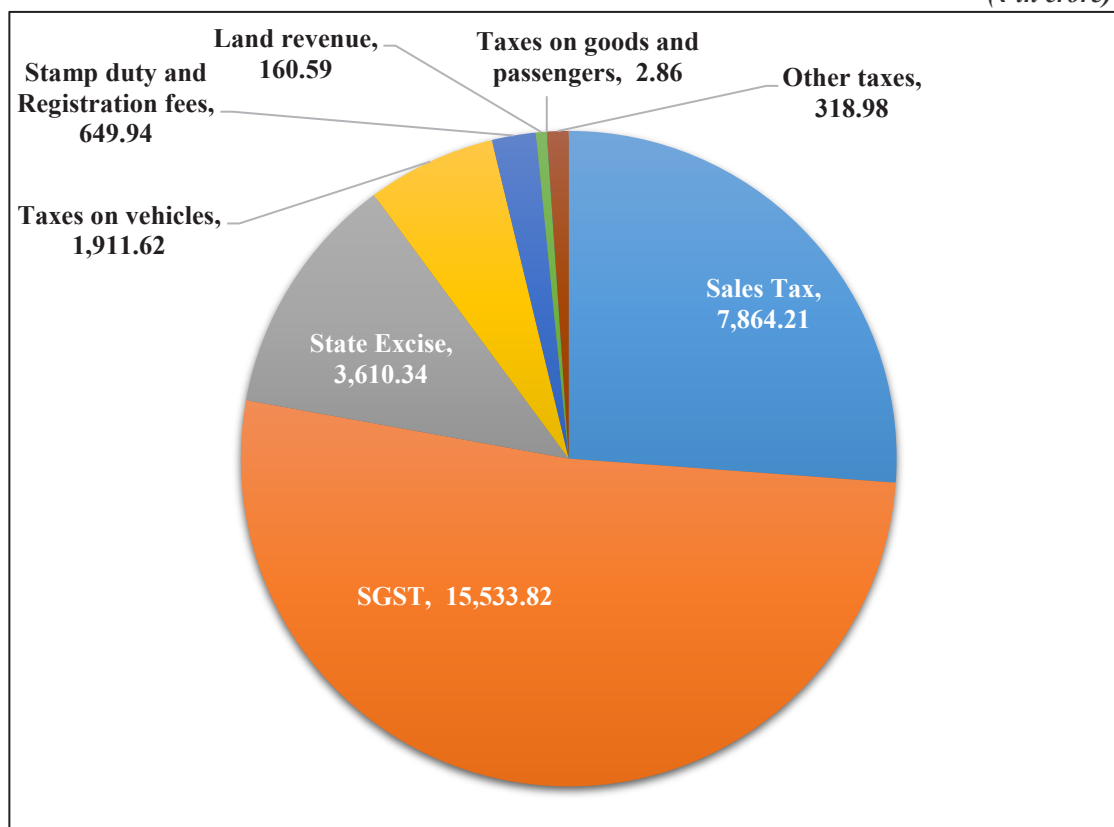
Tax Revenue	2023-24 (Actuals)	2024-25 (BE)	2024-25 (₹ in crore)	
			2024-25 (RE)	2024-25 (Actuals)
State Goods and Services Tax (SGST)	14,653.64	17,237.96	17,499.52	15,533.82
Taxes on Sales, Trades, etc.	7,462.99	8,718.00	8,711.19	7,864.21
State Excise	3,038.67	4,100.82	4,240.88	3,610.34
Land Revenue	333.63	228.24	366.99	160.59
Stamp Duty and Registration Fees	694.78	1,226.17	1,136.01	649.94
Vehicle Tax	1,689.80	2,197.71	1,858.78	1,911.62
Others	304.61	439.46	334.99	321.84
Total	28,178.12	34,148.36	34,148.36	30,052.36

Source: Finance Accounts and Budget documents of the State

During 2024-25, the State’s Own Tax Revenue stood at ₹ 30,052.36 crore, showing an increase of ₹ 1,874.24 crore (6.65 *per cent*) over the previous year’s receipts of ₹ 28,178.12 crore. However, it was lower by ₹ 4,006 crore (11.99 *per cent*) than the Budget and Revised Estimates of ₹ 34,148.36 crore, indicating shortfall in targeted realisation.

Chart 1.11: Components of Own Tax Revenue during 2024-25

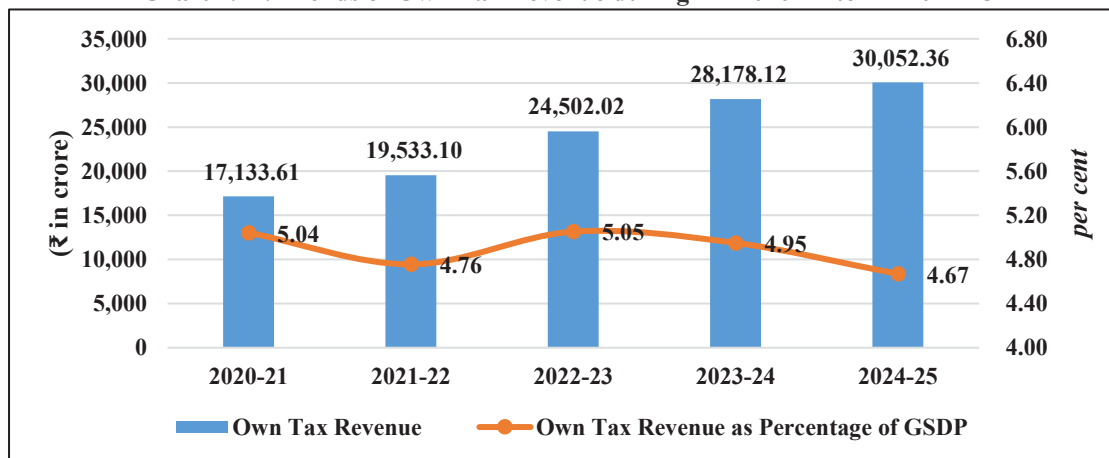
(₹ in crore)



Source: Finance Accounts

Trends of own tax revenue and its components during the period 2020-21 to 2024-25 are shown in **Chart 1.12** and **Chart 1.13** respectively.

Chart 1.12: Trends of Own Tax Revenue during FY 2020-21 to FY 2024-25

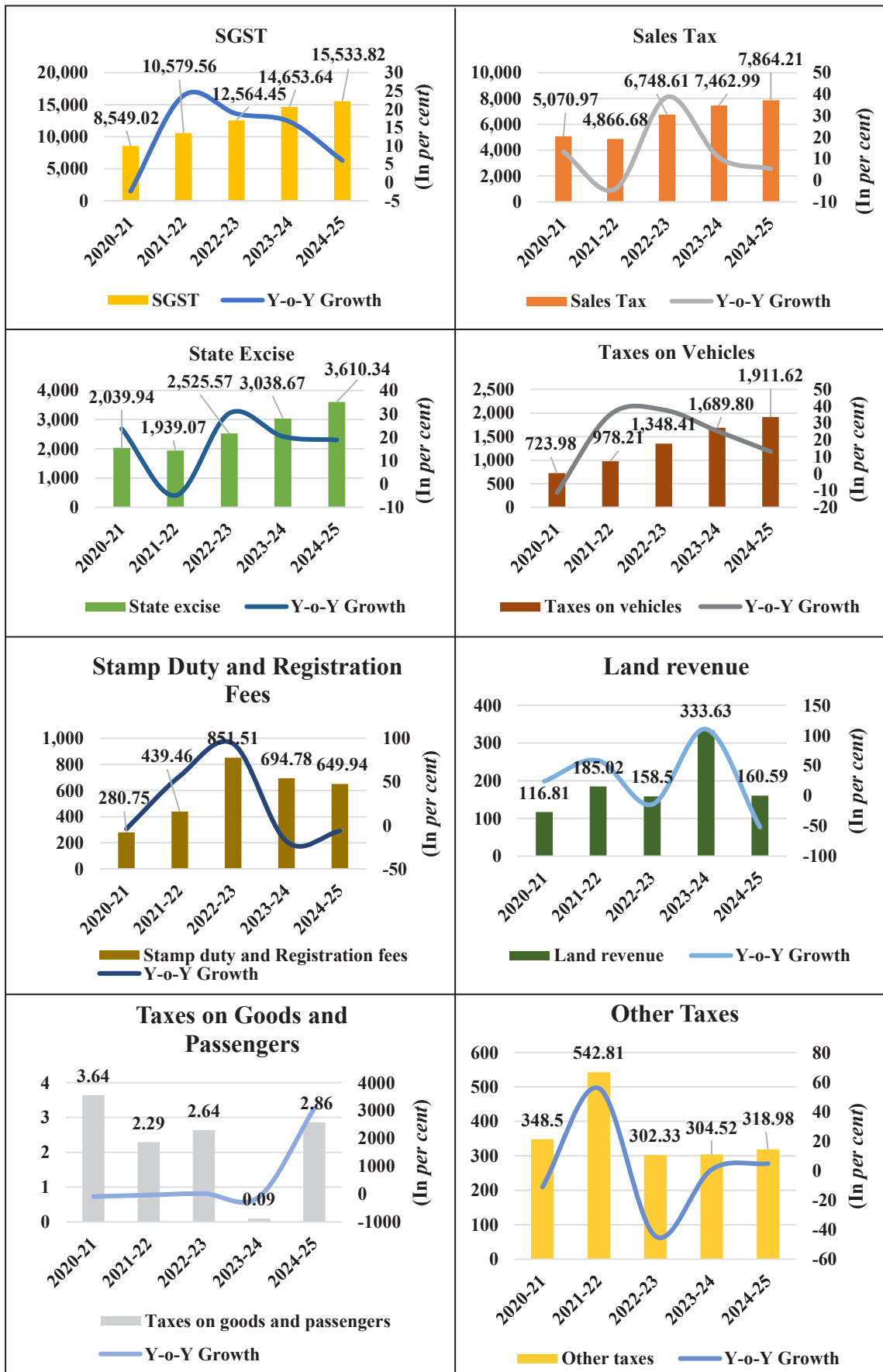


Source: Finance Accounts

State's Own Tax Revenue exhibited a consistent upward trend from ₹ 17,133.61 crore in 2020-21 to ₹ 30,052.36 crore in 2024-25, reflecting steady improvement in revenue collection. However, Own Tax Revenue as a percentage of GSDP showed a downward movement—from 5.04 per cent in 2020-21 to 4.67 per cent in 2024-25—indicating that revenue growth did not keep pace with the expansion of the State economy.

Chart 1.13: Major components of State's Own Tax Revenue

(₹ in crore)



Source: Finance Accounts

The composition of the State's Own Tax Revenue during 2020-21 to 2024-25 shows that State Goods and Services Tax (SGST) remained the dominant source, rising steadily from ₹ 8,549.02 crore in 2020-21 to ₹ 15,533.82 crore in 2024-25. This was followed by Taxes on Sales, Trade etc., which also increased from ₹ 5,070.97 crore to ₹ 7,864.21 crore during the same period. Among other components, State Excise and Taxes on Vehicles recorded significant growth, reflecting improved collection efficiency and post-pandemic recovery in consumption and transport sectors. Conversely, Stamps and Registration Fees fluctuated, peaking at ₹ 851.51 crore in 2022-23 before moderating thereafter. Land Revenue, Other Taxes, and Taxes on Goods and Passengers contributed marginally to total revenue, with mixed performance.

The changes in Own Tax Revenue during 2024-25 as compared to 2023-24 was mainly due to the following reasons:

- Increase in Interest and Penalty component to SGST and collection of revenue under tax contributed to growth in SGST revenue.
- Increased collection of receipts under Value Added Tax (VAT) led to growth in Taxes on Sales, Trade, etc.
- Enhanced revenue from State Excise was due to better collection from alcohol produces, opium, and other miscellaneous receipts, etc.
- Growth in receipts under Taxes on Vehicles was mainly from collection of receipts under the Indian Motor Vehicles Act and other miscellaneous receipts.
- Decrease in Land Revenue was mainly due to lower collection of receipts under Land Revenue, Rates and Cesses on Land, Survey and Settlement Operations, and other miscellaneous receipts.
- Decline in Stamp duty and registration fees was mainly due to reduced collection under Sale of Stamps and Other miscellaneous receipts, etc.

During 2024-25, several measures were undertaken by the Taxation Department of Assam under the Assam Value Added Tax Act, 2003 to rationalise tax rates. The rate of VAT on diesel was revised to 22.19 paise in the rupee or ₹ 14.60 per litre, whichever is higher, with effect from 05 June 2024, and a partial exemption of ₹ 1.50 per litre was granted to Oil Companies on retail sales within the State. Similarly, the VAT rate on petrol and other motor spirits was modified to 23.45 paise in the rupee or ₹ 17.80 per litre, whichever is higher, effective from 05 June 2024, and later revised to 24.77 paise in the rupee or ₹ 18.80 per litre, whichever is higher, from 10 October 2024. Additionally, the VAT rate on Compressed Natural Gas (CNG) was reduced to five *per cent* with effect from 06 August 2024, providing relief to consumers and promoting cleaner fuel usage.

In recent times, the Excise Department of the Government of Assam has implemented several system-based measures to improve efficiency in tax administration. Under the World Bank-funded the Assam State Public Finance Institutional Reforms (ASPIRe) Project, the Assam Excise Revenue Management System (AERMS) was developed to digitise key processes such as license management, issue of permits and passes, and

collection of fees and duties, etc. These measures have strengthened process transparency, reduced manual handling, and facilitated online transactions. To further enhance monitoring and compliance, the Department is extending the Track and Trace System across the entire liquor production and supply chain. The system is functional at Indian Made Foreign Liquor (IMFL) bottling plants and is being expanded to wholesale and retail levels. The digital signature feature in AERMS now enables online issuance of permits and passes. A Modern Excise Chemical Laboratory has also been set up at Guwahati Biotech Park to ensure the quality parameters of liquor produced in Assam. These measures are expected to strengthen monitoring, improve compliance, and support sustained revenue growth.

The Government of Assam has undertaken significant digital initiatives also to enhance transparency and ease of doing business in land and taxation administration. Under the e-Khazana Service, rolled out across the state from July 2024 (except Sixth Schedule Areas, Cachar, and Hailakandi), citizens can conveniently pay their land revenue online. This initiative simplifies the payment process for Pattadars and Co-Pattadars. Additionally, the state introduced 100% e-Stamping from July 2023, replacing physical non-judicial stamp papers. Licensed vendors now provide e-stamping services through e-Stamping centres under the Stock Holding Corporation of India Limited (SHCIL), marking a major step towards digitisation and curbing fraudulent practices in stamp duty transactions.

(ii) Non-Tax Revenue

Non-Tax Revenue of a State refers to the rent, fees, royalties and other receipts, of the State Government from sources other than taxes.

Actuals for FY 2023-24, Budget Estimates (BEs), Revised Estimates (REs), and Actuals of Non-Tax Revenue for the FY 2024-25 are given in **Table 1.7** and the composition of Actuals for FY 2024-25 is given in **Chart 1.14**.

Table 1.7: Major Non-Tax Revenue: 2023-24 (Actuals) and 2024-25 (BEs, REs, and Actuals)

(₹ in crore)				
Non-Tax Revenue	2023-24 (Actuals)	2024-25 (BE)	2024-25 (RE)	2024-25 (Actuals)
Interest Receipts	828.11	466.10	952.33	216.53
Dividends and Profits	185.10	644.57	212.86	15.00
Petroleum	3,840.48	5,860.37	5,860.38	3,860.41
Forestry and Wildlife	564.67	1,250.00	1254.80	567.71
User Charges ⁷	115.80	70.98	133.17	213.50
Others	368.74	579.26	440.48	478.55
Total	5,902.90	8,871.28	8,854.02	5,351.70

Source: Finance Accounts and Budget documents of the State

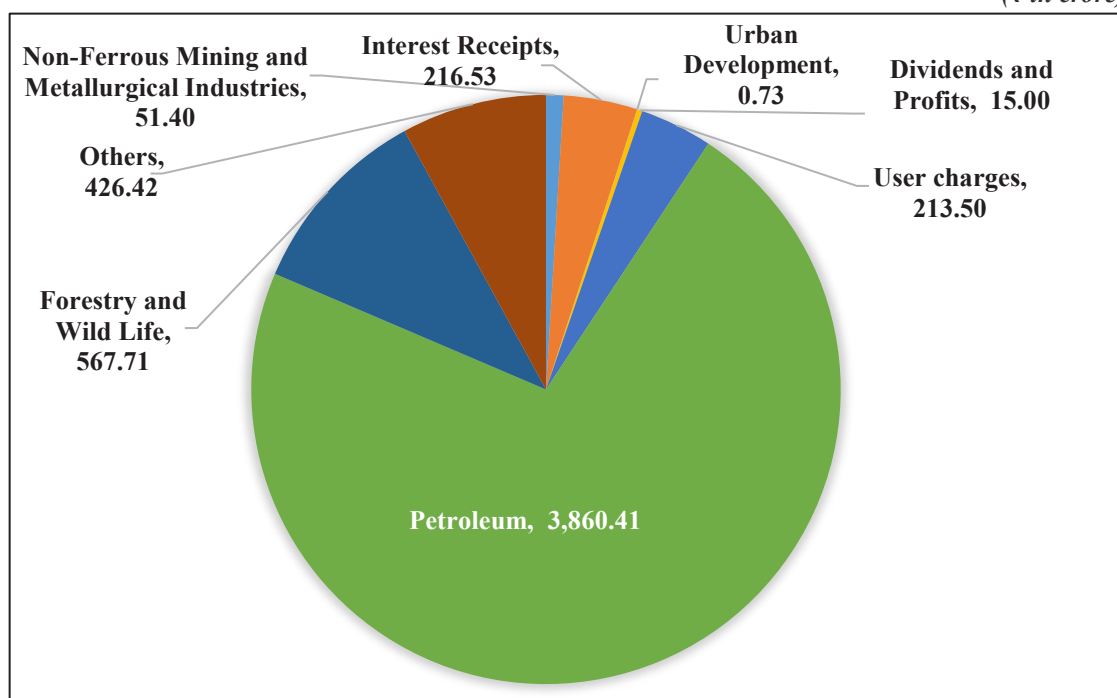
In 2024-25, major contributor to non-tax revenue was Petroleum (₹ 3,860.41 crore). However, the State's Non-Tax Revenue declined to ₹ 5,351.70 crore from ₹ 5,902.90 crore in 2023-24, falling short of both Budget and Revised Estimates. The

⁷ All non-tax revenue under Education, Health, Water Supply and Sanitation, Irrigation, Transport and Tourism pertaining to Major Head 0202, 0210, 0215, 0700, 0701, 1054 and 1452 are user charges.

decline was mainly due to reduced collections under Interest Receipts (₹ 216.53 crore), Dividends and Profits (₹ 15.00 crore), compared to the previous year. Receipts from Forestry and Wildlife also remained subdued at ₹ 567.71 crore against a Budget Estimate of ₹ 1,250.00 crore. However, User Charges more than tripled to ₹ 213.50 crore against a budget estimate of ₹ 70.98 crore for the year, indicating improved recovery of fees for public services. Overall, the shortfall across major heads points to lower realisation of non-tax receipts and dependence on volatile sources such as petroleum royalties.

Chart 1.14: Components of Non-Tax Revenue during 2024-25

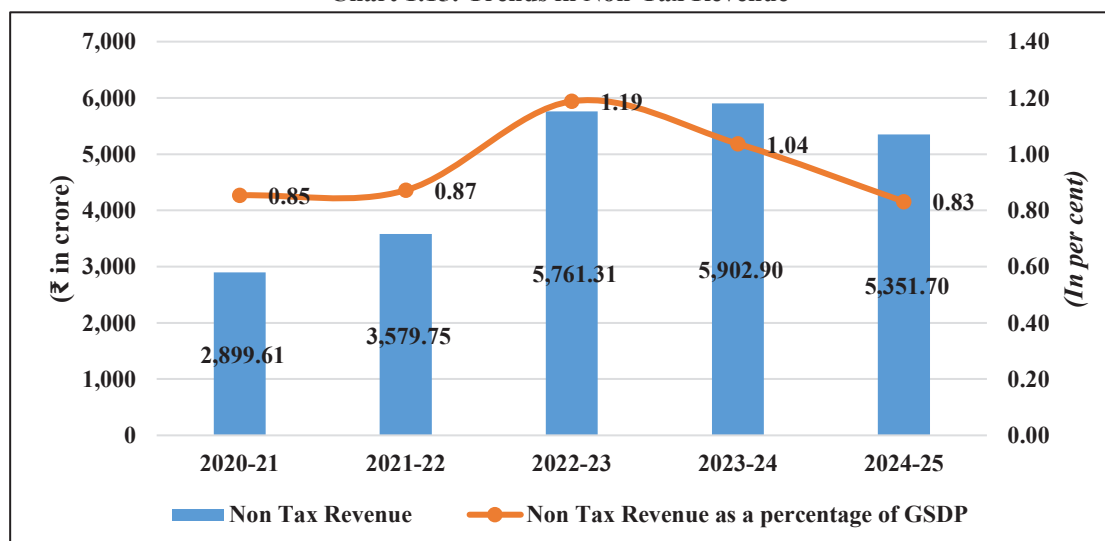
(₹ in crore)



Source: Finance Accounts

Trends of non-tax revenue and its components during the period 2020-21 to 2024-25 are shown in **Chart 1.15** and **Chart 1.16** respectively.

Chart 1.15: Trends in Non-Tax Revenue

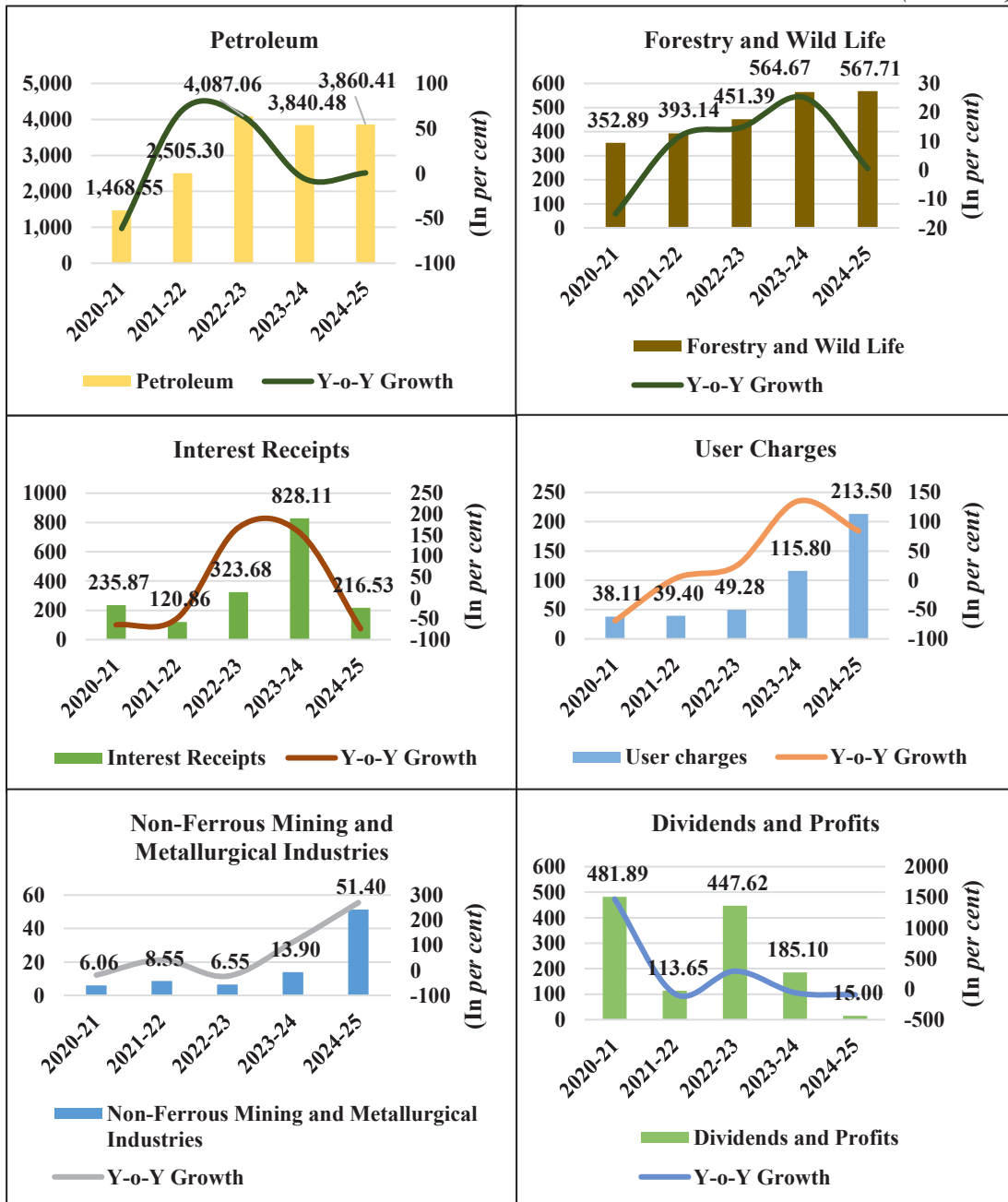


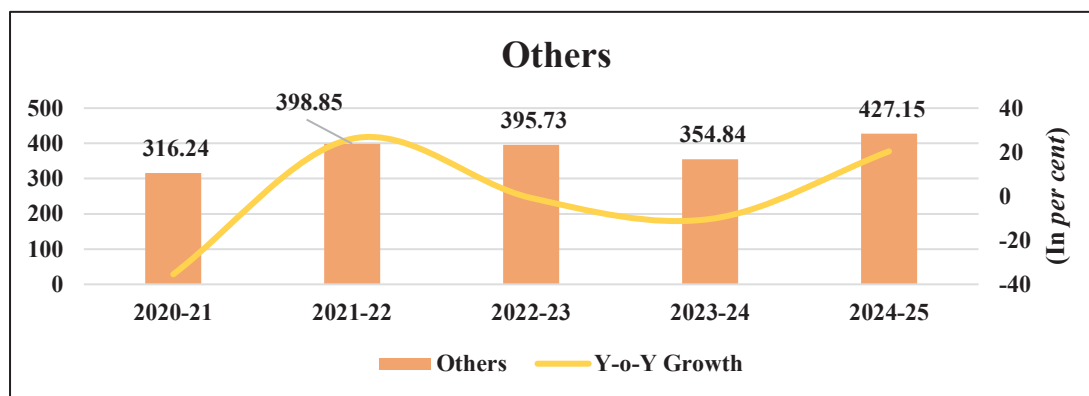
Source: Finance Accounts

Over the five-year period from 2020-21 to 2024-25, Non-Tax Revenue of the State increased from ₹ 2,899.61 crore to ₹ 5,351.70 crore, registering overall growth but with considerable year-to-year volatility. The revenue peaked at ₹ 5,902.90 crore in 2023-24 before declining in 2024-25. As a share of GSDP, Non-Tax Revenue fluctuated between 0.83 and 1.19 per cent, with a peak in 2022-23 followed by a gradual decline, suggesting that growth in non-tax revenue has also not kept pace with economic expansion.

Chart 1.16: Major components of State’s Non-Tax Revenue

(₹ in crore)





The component-wise trend of Non-Tax Revenue over the last five years shows wide fluctuations across categories. Receipts under Petroleum showed a fluctuating trend during the period 2020-21 to 2024-25. The receipts for 2020-21 was ₹ 1,468.55 crore which was substantially low compared to previous years, mainly due to the fall in international crude oil prices, the impact of the COVID-19 pandemic, and suspension of production activities following the Baghjan incident⁸. In 2021-22, receipts increased substantially to ₹ 2,505.30 crore owing to higher production of natural gas and an increase in royalty rates. The receipts further rose sharply to ₹ 4,087.06 crore in 2022-23 due to increase in rate of royalty of crude oil and natural gas and also an increase in production owing to the regrant of petroleum mining leases of Oil India Limited and Oil and Natural Gas Corporation Limited, restart of production of Amguri field by Oilmax Energy Private Limited, and start of production from Discovered Small Fields (DSF) by Vedanta Limited. However, the growth moderated in the following years, with receipts declining to ₹ 3,840.48 crore in 2023-24 and ₹ 3,860.41 crore in 2024-25, primarily due to a fall in international crude oil royalty rates and reduced production of crude oil, natural gas, and associated minerals.

The receipts from Forestry and Wildlife rose meagerly from ₹ 564.67 crore in 2023-24 to ₹ 567.71 in 2024-25. Interest Receipts peaked sharply at ₹ 828.11 crore in 2023-24 but dropped to ₹ 216.53 crore in 2024-25, while Dividends and Profits declined drastically after 2022-23. Among other sources, Receipts from Non-Ferrous Mining rose significantly to ₹ 51.40 crore in 2024-25, reflecting increased mineral activity. User Charges also showed steady growth, reaching ₹ 213.50 crore in 2024-25.

The changes in Non-Tax Revenue during 2024-25 as compared to 2023-24 was mainly due to the following reasons:

- Reduction in Interest Receipts was mainly due to lower collection of interest from Public Sector Undertakings and other miscellaneous receipts.
- Rise in collection under Non-ferrous Mining and Metallurgical Industries was mainly from Major and Minor minerals concession fees, rents, and royalties.
- Decline in Dividend and Profits was mainly due to decrease in receipt of dividends from public sector undertakings.

⁸ The Baghjan incident refers to the 2020 blowout and fire at an Oil India Limited gas well in Baghjan, Assam

B. State's share in Union Taxes and Duties

Trends in the components of State's share in Union taxes and duties are shown in Table 1.8.

Table 1.8: State's share in Union Taxes and Duties

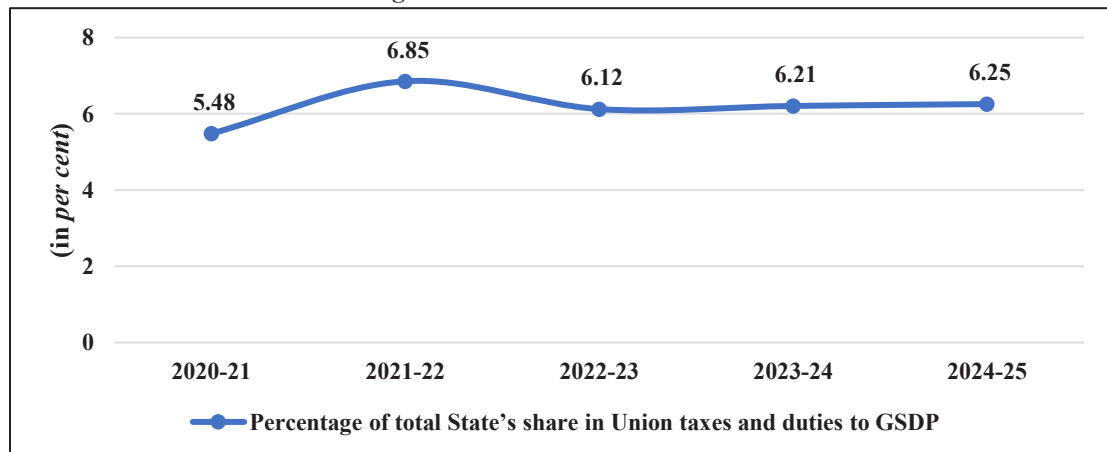
(₹ in crore)					
Components	2020-21	2021-22	2022-23	2023-24	2024-25
Central Goods and Services Tax (CGST)	5,497.76	7,895.43	8,393.50	10,722.38	11,756.55
Corporation Tax	5,648.64	8,298.61	9,949.02	10,604.68	11,422.24
Taxes on Income other than Corporation Tax	5,794.53	8,272.50	9,722.45	12,246.98	14,566.82
Customs	964.41	2,073.20	1,167.68	1,238.11	2,047.95
Union Excise Duties	622.41	1,156.10	366.32	468.53	394.13
Service Tax	86.82	424.25	46.40	6.59	1.29
Other Taxes	14.75	30.46	48.89	43.30	64.79
Total	18,629.32	28,150.55	29,694.26	35,330.57	40,253.77

Source: Finance Accounts

The State's share in Union taxes and duties registered a significant increase from ₹ 18,629.32 crore in 2020-21 to ₹ 40,253.77 crore in 2024-25, reflecting a growth of over 116.08 *per cent* during the five-year period. The rise was primarily driven by higher devolution under Central Goods and Services Tax (CGST), Corporation Tax, and Taxes on Income other than Corporation Tax, which together accounted for around 94 *per cent* of the total share in 2024-25.

Percentage of total State's share in Union taxes and duties to GSDP is given in Chart 1.17.

Chart 1.17: Percentage of total State's share in Union taxes and duties to GSDP



Source: Finance Accounts

As seen from the Chart, State's share in Union taxes and duties as a percentage of GSDP exhibited moderate fluctuations over the five-year period. It increased from 5.48 *per cent* in 2020-21 to a peak of 6.85 *per cent* in 2021-22, before settling around 6.25 *per cent* in 2024-25. The relatively stable ratio in recent years indicates that the growth in devolution from the Centre broadly kept pace with the expansion of the State economy, ensuring a steady fiscal contribution from shared taxes.

C. Grants-in-Aid from Government of India

Trend of Grants-in-Aid (GIA) from GoI and its components are shown in **Table 1.9**.

Table 1.9: Grants-in-Aid from Government of India

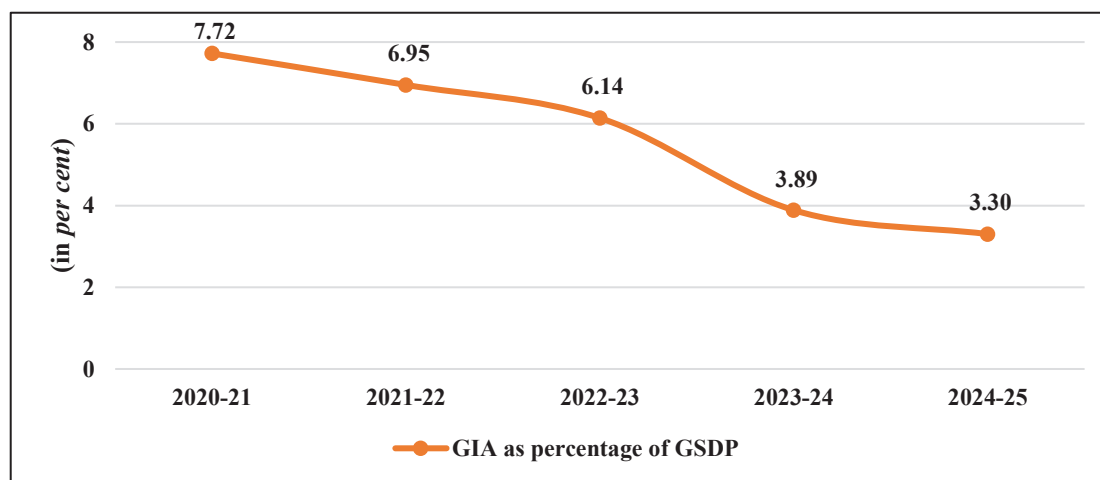
Components	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Grants for Centrally Sponsored Schemes	13,832.87	18,186.82	21,557.33	16,205.52	19,528.28
Finance Commission Grants	10,533.90	8,916.05	7,355.00	5,599.23	1,355.73
Other transfers/Grants to States/Union Territories with Legislature	1,872.88	1,448.92	872.38	318.15	366.07
Total	26,239.65	28,551.79	29,784.71	22,122.90	21,250.08

Source: Finance Accounts

During 2024-25, Grants-in-Aid (GIA) from the Government of India declined to ₹ 21,250.08 crore from ₹ 22,122.90 crore in 2023-24, reflecting a year-on-year reduction of 3.95 per cent. The fall was mainly due to a steep contraction in Finance Commission Grants, which dropped sharply from ₹ 5,599.23 crore to ₹ 1,355.73 crore. This was due to non-release of funds under the sections Revenue Deficit Grants and Grants for Rural Local Bodies made during the year. This shortfall was partly offset by an increase in Centrally Sponsored Scheme (CSS) Grants, which rose from ₹ 16,205.52 crore in 2023-24 to ₹ 19,528.28 crore in 2024-25. Other transfers and grants to Union Territories remained marginal.

Percentage of Grant-in-Aid from Government of India to GSDP is given in **Chart 1.18**.

Chart 1.18: Percentage of Grant-in-Aid from Government of India to GSDP



Source: Finance Accounts

As shown in the Chart, Grants-in-aid as a percentage of GSDP fell consistently from 7.72 per cent in 2020-21 to 3.30 per cent in 2024-25, reflecting a sharp decline in the relative contribution of central grants to the State's income. The downward trajectory suggests reduced dependence on central transfers and a growing need for the State to strengthen its own revenue base to sustain expenditure and development priorities.

(i) Grants for Centrally Sponsored Schemes

Out of the Grants of ₹ 19,528.28 crore for Centrally Sponsored Schemes during 2024-25, major allocations were made to the schemes shown in **Table 1.10**.

Table 1.10: Major Schemes receiving grants

Name of the Scheme	2024-25 Amount (₹ in crore)	2023-24 Amount (₹ in crore)	Percentage change over previous year
PMAY-Rural	4,336.24	1,811.49	139.37
Integrated Child Development Service Schemes	2,482.34	1,595.68	55.57
Samagra Shikha - Elementary Education	2,101.50	1,027.03	104.62
National Urban Health Mission	1,750.66	1,650.40	6.07
Pradhan Mantri Poshan Shakti Nirman (PM Poshan)	851.02	425.06	100.21

Source: Finance Accounts

(ii) Fifteenth Finance Commission Grants

The Fifteenth Finance Commission (15th FC) grants were provided to the States for local bodies and State Disaster Response Fund (SDRF), State Disaster Mitigation Fund (SDMF) and health sector grants. Details of grants provided by GoI are given in Table 1.11.

Table 1.11: Recommended amount, actual release and transfers of Grant-in-Aid

(₹ in crore)			
Transfers	Recommendation of 15 th FC for 2024-25	Actual release by GoI, during 2024-25	Release by State Government (Total percentage of the amount released by GoI)
(i) Grants to PRIs	1,315	0	0 (-)
(a) Performance/Tied Grants	789	0	0 (-)
(b) Untied Grants	526	0	0 (-)
(ii) Grants to ULBs	677	639.73	639.73 (100)
(a) Non-Million Plus Cities (Performance/Tied Grant)	406.20	452.58	452.58 (100)
(b) Non-Million Plus Cities (General Basic/Untied Grant)	270.80	187.15	187.15 (100)
(iii) Grant for Health Sector	308	0	0 (-)
Total for Local Bodies (i+ii+iii)	2,300	639.73	639.73 (100)
State Disaster Response Fund (SDRF)			
Central Share	716	716	716 (100)
State Share	79.20	-	79.20 (-)
State Disaster Mitigation Fund (SDMF)			
Central Share	179	0	0 (-)
State Share	19.89	-	0 (-)
Total for SDRMF*	994.09	716	795.20 (111.06)

Source: Finance Accounts, 15th Finance Commission Report and Information received from Finance (Economic Affairs Department), Government of Assam

Note: i) *Excludes State Government's transfer of ₹ 340.40 crore of Central Share received during 2023-24 together with ₹ 38 crore of State Share under SDRF and ₹ 162.20 crore of Central Share received during 2023-24 together with ₹ 18 crore of State Share under SDMF during 2024-25.

During 2024-25, against the Fifteenth Finance Commission's recommended grants of ₹ 3,294.09 crore, an amount of ₹ 639.73 crore was received from the Government of India towards Urban Local Bodies (ULBs), which was fully released by the State Government during the year. The Commission mandates that local bodies must be duly constituted through elections to receive grants. Without elected representatives, funds cannot be released to Panchayats. Panchayat elections of the State, due in 2023, were conducted in May 2025. As a result, Finance Commission grants to PRIs earmarked for 2023-25 were not released as of 31 March 2025. This affected both Basic Grants and Tied Grants meant for water supply, sanitation, and other civic services. Under the State

Disaster Response and Mitigation Funds (SDRMF), the State received ₹ 716 crore (Central share) from the Government of India, which was fully released by the State, along with ₹ 79.20 crore of its own share.

Issues relating to Management of 15th Finance Commission Grants

Unauthorised retention of 15th FC Grant funds in Savings Bank Account

Out of the grants awarded by the 15th Finance Commission for the year 2020-21, the Commissioner of Panchayat & Rural Development (CPRD) transferred an amount of ₹ 689.01 crore (₹ 668.56 crore as 1st instalment of both Tied and Untied grants and ₹ 20.45 crore as penal interest from GoA) in a savings bank account. The CPRD released the same to various PRIs from the savings account over a period from October 2020 to July 2022. As a result of such unauthorised retention of 15th FC grants in the said savings bank account by the CPRD, an accumulated interest of ₹ 5.41 crore was earned till 31-03-2025 which were not transferred to PRIs. However, all subsequent grants under 15th FC were directly released to the PRIs from the treasury, as mandated.

Lackadaisical approach towards transfer of 15th FC funds to PRIs

During 2020-21, an amount of ₹ 116.99 crore, being 50 *per cent* of the Tied Grant (2nd instalment), was disbursed to 2,197 Gram Panchayats (GPs) for GPs. However, 26 GPs intimated the CPRD, Assam (from June 2022) about non-receipt of the same. The matter being flagged (February 2023) by CPRD to Bank, the SBI, Dispur Branch informed (March 2023) CPRD that the NEFT against 131 GPs had failed and the refunded amounts were credited to 14th FC's bank account (meant for transacting administrative expenses of 14th FC funds). The up-to-date position in respect of the 131 GPs was as under:

- the allotted amount of 44 GPs was re-transferred by the CPRD, Assam by September 2024.
- the process in respect of 34 GPs involving ₹ 1.82 crore, though stated to have been initiated in February 2023, was not finalised till date of Audit.
- For the remaining 53 GPs involving ₹ 2.70 crore, no initiative has been taken as of May 2025 for the re-disbursement of the returned amount.

1.2.2 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.

Trends of capital receipts and its components during 2020-21 to 2024-25 are shown in **Table 1.12**.

Table 1.12: Trends in growth and composition of Capital Receipts

Sources of State's Receipts	2020-21	2021-22	2022-23	2023-24	2024-25
Capital Receipts [#]	17,942.74	19,769.64	23,666.45	31,054.05	31,552.31
Miscellaneous Capital Receipts	0	0	0	0	0

(₹ in crore)

Sources of State's Receipts	2020-21	2021-22	2022-23	2023-24	2024-25
Recovery of Loans and Advances	2.56	3,099.49	5.07	3,282.45	879.30
Public Debt Receipts	17,940.18	16,670.15	23,661.38	27,771.60	30,673.01
<i>Internal Debt*</i>	16,382.36	14,138.94	19,225.76	21,766.42	22,870.47
<i>Loans and advances from GoI</i>	1,557.82	2,531.21	4,435.62	6,005.18	7,802.54
Year-on-Year growth rates (in per cent)					
GSDP	(-) 2.03	20.87	18.08	17.38	13.07
Capital Receipts	25.85	10.18	19.71	31.22	1.60
Debt Capital Receipts	25.90	(-)7.08	41.94	17.37	10.45
Internal Debt	15.83	(-)13.69	35.98	13.21	5.07
Loans and Advances from GoI	1364.94	62.48	75.24	35.39	29.93

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

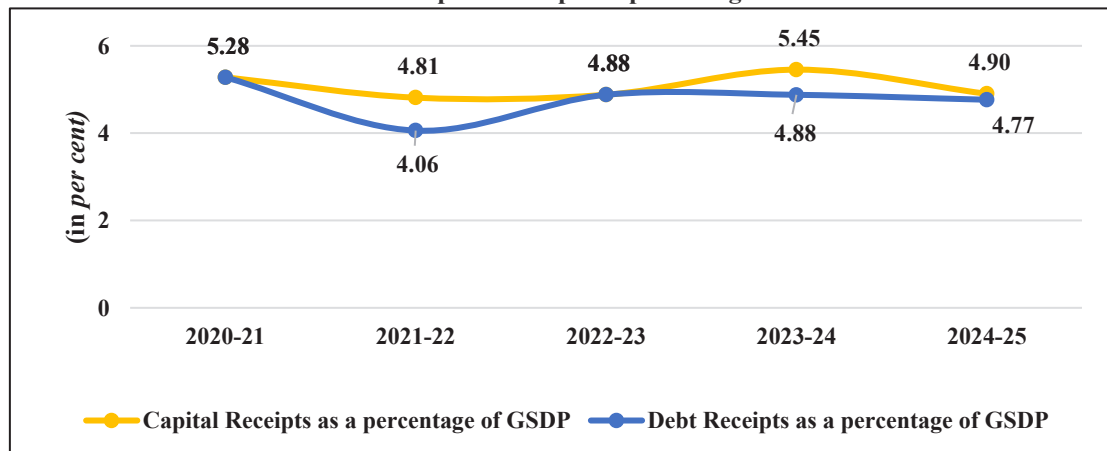
#Includes receipts under Consolidated Fund only.

*Including net figure under Ways and Means Advances/Overdraft/Special Drawing Facility.

Capital Receipts of the State stood at ₹ 31,552.31 crore in 2024-25, marking a growth of 1.60 per cent from ₹ 31,054.05 crore in 2023-24. The composition continued to be dominated by Public Debt Receipts, which accounted for about 97 per cent of total capital receipts. Internal Debt increased from ₹ 21,766.42 crore in 2023-24 to ₹ 22,870.47 crore in 2024-25, while Loans and Advances from the Government of India increased to ₹ 7,802.54 crore. Special Way and Means Advances of ₹ 9,819.70 crore was also availed by the State from RBI and paid the same amount at the end of the year. The year-on-year variations indicate that capital inflows were largely influenced by borrowing patterns, with limited contribution from non-debt sources such as recovery of loans and advances.

Capital Receipts as percentage of GSDP is depicted in **Chart 1.19**.

Chart: 1.19 Capital Receipts as percentage of GSDP



Source: Finance Accounts

Chart 1.19 reveals that Capital Receipts as a percentage of GSDP declined from 5.45 per cent in 2023-24 to 4.90 per cent in 2024-25, following a consistent rise over the past two years. Debt Receipts also decreased from 4.88 per cent to 4.77 per cent of GSDP during the same period.

1.2.3 Finance Commission Projections and Actuals

The projected revenue, deficits and GSDP by the 15th Finance Commission and actuals for the FY 2020-21 to FY 2024-25 are given in the **Table 1.13**.

Table 1.13: 15th FC Projection vis-à-vis actuals

(₹ in crore)

	2020-21		2021-22		2022-23		2023-24		2024-25	
	Projection	Actuals	Projection	Actuals	Projection	Actuals	Projection	Actuals	Projection	Actuals
GSDP (2011-12 Series - Current Prices)	3,81,408.00	3,39,802.98	3,44,959.00	4,10,723.56	3,72,556.00	4,84,984.94	4,06,086.00	5,69,287.29	4,44,664.00	6,43,666.69
Own Revenue Receipts	26,689.00	20,033.22	22,036.00	23,112.85	24,005.00	30,263.33	26,421.00	34,081.02	29,226.00	35,404.06
State's Own Tax Revenue	21,190.00	17,133.61	16,440.00	19,533.10	17,917.00	24,502.02	19,730.00	28,178.12	21,836.00	30,052.36
State's Own Non-Tax Revenue	5,499.00	2,899.61	5,596.00	3,579.75	6,088.00	5,761.31	6,691.00	5,902.90	7,390.00	5,351.70
State's share in Union Taxes/ Duties	26,776.00	18,629.32	20,600.73	28,150.55	22,916.60	29,694.26	25,786.76	35,330.57	29,295.82	40,253.77
Revenue Deficit (-)/ Surplus (+) as percentage of GSDP	NIL	-1.46	NIL	-2.04	NIL	-3.88	NIL	-1.47	0.02	-0.48
Fiscal Deficit as percentage of GSDP	-4.50	-3.56	-4.00	-4.84	-3.50	-6.23	-3.00	-3.66	-3.00	-4.43

Source: Finance Accounts

1.2.4 Expenditure

Government expenditure is classified into revenue expenditure, capital expenditure, and loans and advances. Revenue expenditure includes costs for maintenance, repairs, and day-to-day functioning of departments, including administrative and establishment expenses. Capital expenditure relates to the initial construction of projects and sanctioned improvements or additions to assets. Loans and advances comprise funds provided by the Government to Public Sector Undertakings and other entities, which are recoverable over time. Details of expenditure, total expenditure as percentage of GSDP and share of its components are given in **Table 1.14**, **Chart 1.20** and **Chart 1.21** respectively.

Table 1.14: Total Expenditure and its composition

(₹ in crore)

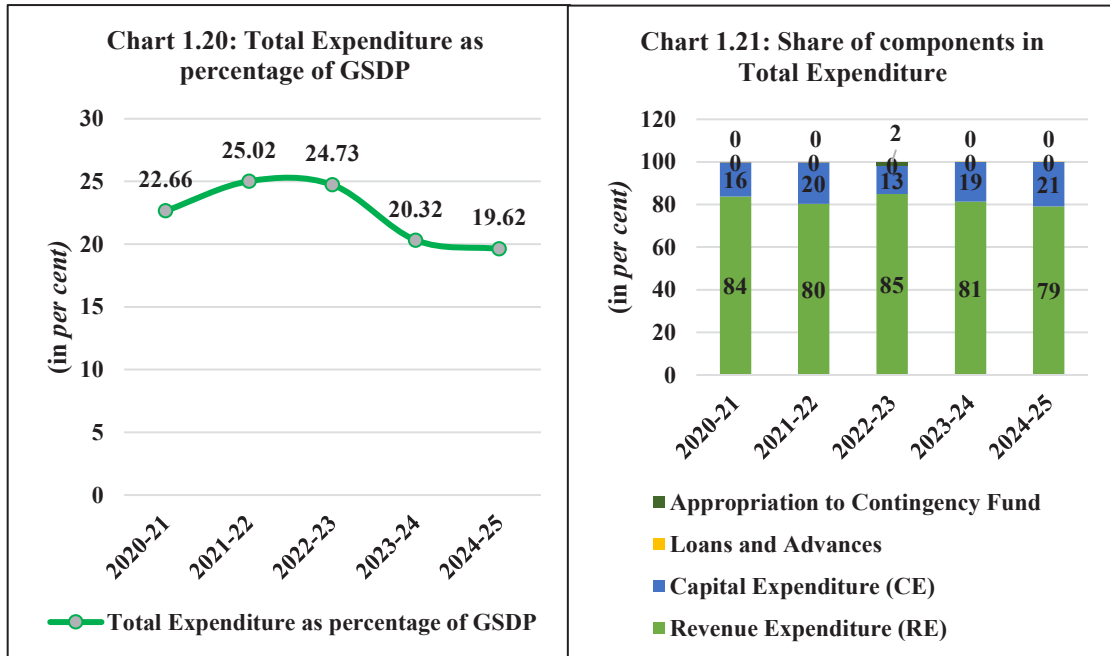
Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure (TE)	77,006.78	1,02,777.80	1,19,952.20	1,15,671.63	1,26,316.73
Revenue Expenditure (RE)	64,519.59	82,547.96	1,01,814.65	94,162.90	99,907.96
Capital Expenditure (CE)	12,399.39	20,125.83	15,997.71	21,444.23	26,404.20
Loans and Advances	87.80	104.01	339.84	64.50	4.57
Appropriation to Contingency Fund	0	0	1,800.00	0	0

Source: Finance Accounts

During 2024-25, State's Total Expenditure increased to ₹ 1,26,316.73 crore from ₹ 1,15,671.63 crore in 2023-24, reflecting an overall growth of 9.20 per cent over the previous year. The rise was mainly driven by a substantial increase (23.13 per cent) in Capital Expenditure from ₹ 21,444.23 crore in 2023-24 to ₹ 26,404.20 crore in 2024-25,

indicating enhanced focus on capital creation and asset-building. Revenue Expenditure also grew by 6.10 *per cent*, from ₹ 94,162.90 crore to ₹ 99,907.96 crore, primarily due to increase in committed liabilities on salaries, pensions, and subsidies.

Loans and Advances registered a sharp fall from ₹ 64.50 crore in 2023-24 to ₹ 4.57 crore in 2024-25, reflecting lower disbursements under recoverable advances. The overall trend highlights a steady expansion in expenditure with a visible rise in the capital outlay component over the past five-year period.



Source: Finance Accounts

Total Expenditure as a percentage of GSDP fluctuated during 2020-21 to 2024-25, ranging between 19.62 *per cent* and 25.02 *per cent*. The composition of total expenditure shows that Revenue Expenditure consistently formed the major share, varying between 79 *per cent* and 85 *per cent* of total expenditure during the last five-year period. During the same period, Capital Expenditure accounted for 13 to 21 *per cent*, reflecting gradual enhancement of investment spending except a dip in 2022-23. Loans and Advances and Appropriation to Contingency Fund together remained below two *per cent* during the period.

Out of the total expenditure of ₹ 1,26,316.73 crore incurred by the State during the financial year 2024-25, a portion amounting to ₹ 22,214.85 crore⁹ pertained to pass-through transactions such as Finance Commission grants, Central Share of CSS, Employees' NPS Contribution, National Mineral Exploration Trust (NMET), Central Road and Infrastructure Fund (CRIF), etc.

⁹ Central Share of CSS transferred to SNAs ₹ 18,867.33 crore, Employees' NPS Contribution ₹ 1,488.08 crore, National Mineral Exploration Trust (NMET) ₹ 1.11 crore, and Finance Commission Grants ₹ 1,858.33 crore.

Sector-wise Total Expenditure

Sector-wise composition of expenditure is given in **Table 1.15** and relative share of various sectors in total expenditure is depicted in **Chart 1.22**.

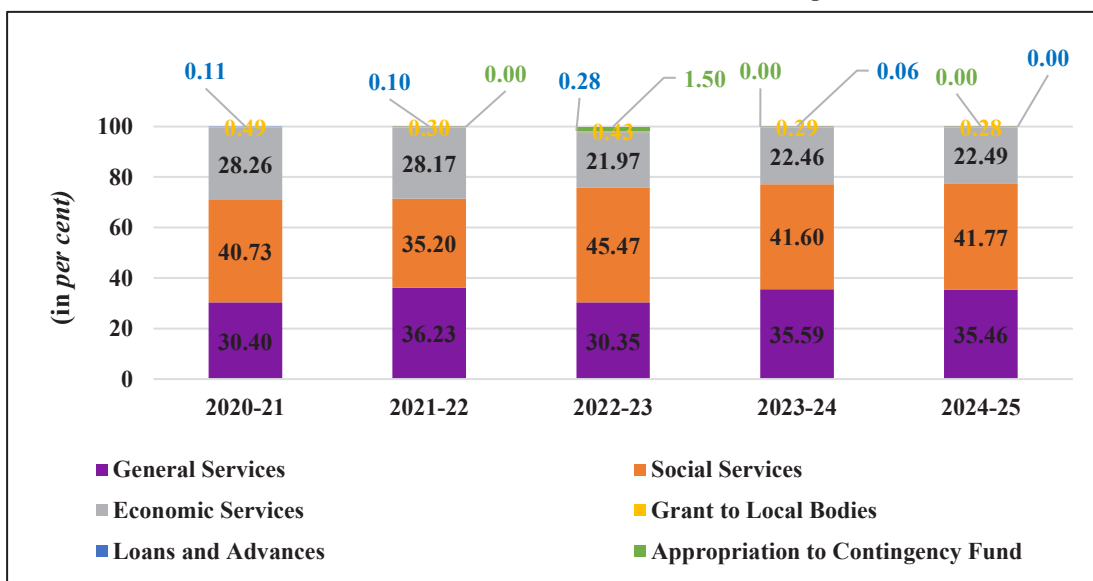
Table 1.15: Sector –wise Total Expenditure

Parameters	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	23,410.78	37,231.32	36,404.69	41,171.09	44,788.80
Social Services	31,368.38	36,182.86	54,542.10	48,120.26	52,766.62
Economic Services	21,762.87	28,953.48	26,349.34	25,982.55	28,405.07
Grant to Local Bodies	376.95	306.13	516.23	333.23	351.67
Loans and Advances	87.80	104.01	339.84	64.50	4.57
Appropriation to Contingency Fund	0	0	1,800	0	0
Total	77,006.78	1,02,777.80	1,19,952.20	1,15,671.63	1,26,316.73

Source: Finance Accounts

During 2024-25, the sectoral distribution of total expenditure reflects a broad-based increase across all major categories. Expenditure on General Services increased from ₹ 41,171.09 crore in 2023-24 to ₹ 44,788.80 crore in 2024-25, marking a growth of about 8.79 per cent. Social Services, the largest component of total expenditure, rose from ₹ 48,120.26 crore to ₹ 52,766.62 crore during the same period — an increase of around 9.66 per cent. Expenditure on Economic Services recorded a sharper rise of 9.32 per cent, from ₹ 25,982.55 crore in 2023-24 to ₹ 28,405.07 crore in 2024-25. Significant increase in expenditure on Social and Economic Services during the year indicates the State Government’s increased focus towards Developmental Expenditure.

Chart 1.22: Relative share of various sectors in Total expenditure



Source: Finance Accounts

The relative share of sectors in total expenditure over the period 2020-21 to 2024-25 showed that Social Services consistently commanded the highest proportion, having a share of 41.77 per cent in 2024-25 compared to 40.73 per cent in 2020-21, reflecting welfare orientation of the State. The share of General Services hovered between 30 and 37 per cent, rising from 30.40 per cent in 2020-21 to 35.46 per cent in 2024-25. Economic

Services maintained a share of around 21–29 *per cent* during the period. Grants to Local Bodies accounted for less than one *per cent* of total expenditure throughout the period.

1.2.4.1 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. Growth of revenue expenditure, its ratio to total expenditure, GSDP and revenue receipts are shown in **Table 1.16**.

Table 1.16: Revenue Expenditure – Basic parameters

Parameters	(<i>₹ in crore</i>)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Total Expenditure (TE)	77,006.78	1,02,777.80	1,19,952.20	1,15,671.63	1,26,316.73
Revenue Expenditure (RE)	64,519.59	82,547.96	1,01,814.65	94,162.90	99,907.96
RE as percentage of Revenue Receipts	99.41	103.42	113.45	102.87	103.10
RE as percentage of TE	83.78	80.32	84.88	81.41	79.09
RE/GSDP (<i>per cent</i>)	18.99	20.10	20.99	16.54	15.52
Year-on-year growth (<i>in per cent</i>)					
Revenue Expenditure	-1.97	27.94	23.34	-7.52	6.10
GSDP Growth	-2.03	20.87	18.08	17.38	13.07

Source: Finance Accounts

The Revenue Expenditure increased from ₹ 94,162.90 crore in 2023-24 to ₹ 99,907.96 crore in 2024-25, registering a growth of 6.10 *per cent*. The Total Expenditure also rose by 9.20 *per cent* during the same period. However, the share of Revenue Expenditure in Total Expenditure declined from 81.41 *per cent* to 79.09 *per cent*, indicating a marginal positive shift towards fiscal space for capital spending.

A. Sector-wise Revenue Expenditure

Sector-wise composition of Revenue Expenditure is given in **Table 1.17** and Relative share of various sectors in Revenue Expenditure is depicted in **Chart 1.23**. Detailed Sector-wise expenditure is given in **Appendix 1.2**.

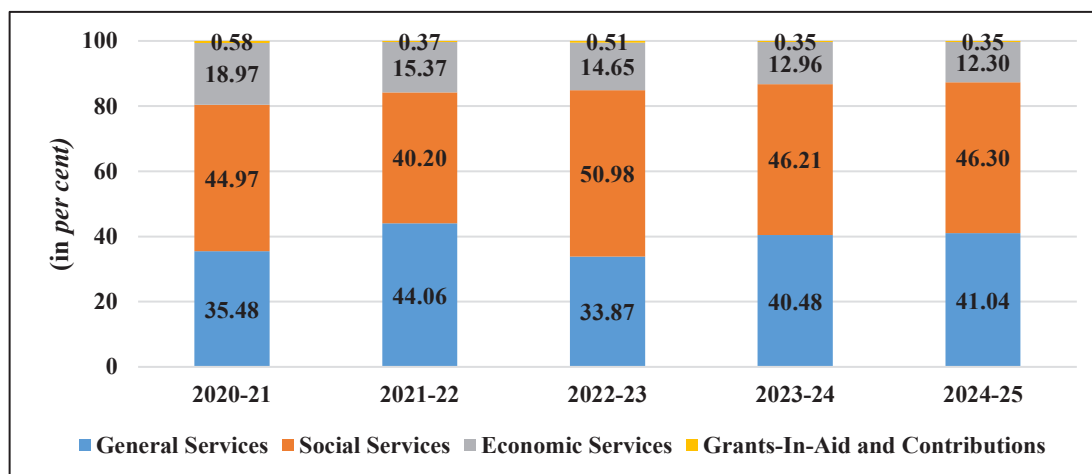
Table 1.17: Sector –wise Revenue Expenditure

Parameters	(<i>₹ in crore</i>)				
	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	22,892.34	36,368.53	34,483.18	38,120.59	41,005.93
Social Services	29,014.03	33,182.34	51,903.99	43,509.48	46,257.12
Economic Services	12,236.27	12,690.96	14,911.25	12,199.60	12,293.24
Grants-In-Aid and Contributions	376.95	306.13	516.23	333.23	351.67

Source: Finance Accounts

During 2024-25, expenditure under General Services increased by 7.57 *per cent* over the previous year, while Social Services registered a growth of 6.32 *per cent*. Expenditure on Economic Services, however, remained largely stable with a marginal rise of 0.77 *per cent*. The composition of Revenue Expenditure continued to be dominated by Social and General Services, reflecting the Government's sustained focus on social sector outlays and administrative functions.

Chart 1.23: Relative share of various sectors in Revenue expenditure



Source: Finance Accounts

The sectoral pattern of Revenue Expenditure over the five-year period (2020-21 to 2024-25) showed a relatively stable distribution except for 2022-23. The share of Social Services remained the largest, fluctuating between 40 and 51 *per cent*, with Education, Sports Arts and Culture; Social Welfare and Nutrition; Water Supply, Sanitation, Housing and Urban Development and Health and Family Welfare being four major areas of expenditure. General Services ranged from 34 to 44 *per cent*. Economic Services accounted for 12 to 19 *per cent* of the total (Agriculture and Allied Activities and Rural Development being the two major areas), showing a gradual contraction in recent years. The proportion of Grants-in-Aid and Contributions stayed negligible at below one *per cent*. The overall trend indicates that despite some annual variations, the fiscal priority of the State continues to be in favour of social and administrative sectors, with limited share of Economic services.

B. Committed expenditure

The committed expenditure of the State Government on revenue account consists of interest payments; expenditure on salaries and wages; and pensions. It has first charge on Government resources. The component of committed expenditure is given in **Table 1.18** and committed expenditure as a percentage of revenue receipts and remaining fiscal space for other expenditure is given in **Chart 1.24**.

Table 1.18: Components of Committed Expenditure

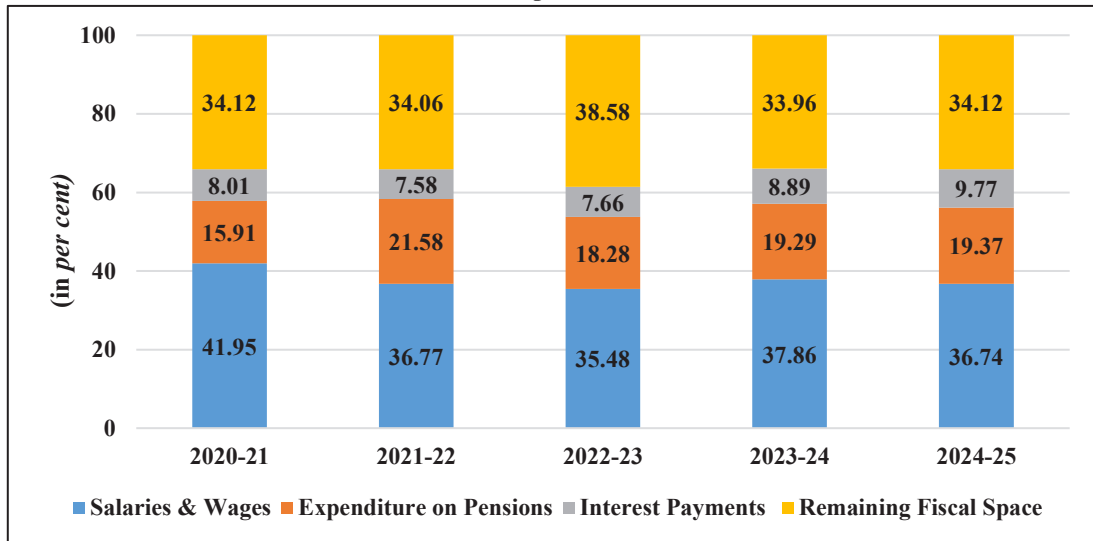
	2020-21	2021-22	2022-23	2023-24	2024-25
(₹ in crore)					
Components of Committed Expenditure					
Salaries & Wages ¹⁰	27,227.09	29,351.09	31,841.12	34,652.65	35,604.33
Expenditure on Pensions	10,329.01	17,223.74	16,406.63	17,654.21	18,769.36
Interest Payments	5,199.18	6,051.47	6,874.97	8,139.17	9,467.75
Total	42,755.28	52,626.30	55,122.72	60,446.03	63,841.44
Committed Expenditure as a percentage of Revenue Expenditure	66.27	63.75	54.14	64.19	63.90

Source: Finance Accounts

¹⁰ Includes Grants-in-Aid (Salary): 2021-22 (₹ 2,844.51 crore), 2022-23 (₹ 2,838.40 crore), 2023-24 (₹ 3,693.93 crore) and 2024-25 (₹ 3,411.10 crore).

The Committed Expenditure increased from ₹ 60,446.03 crore in 2023-24 to ₹ 63,841.44 crore in 2024-25, reflecting a growth of 5.62 *per cent*. This rise was primarily on account of higher outgo on Salaries and Wages, which increased by ₹ 951.68 crore (2.75 *per cent*), and Interest Payments, which rose substantially by ₹ 1,328.58 crore (16.32 *per cent*). Expenditure on Pensions also registered an increase of ₹ 1,115.15 crore (6.32 *per cent*).

Chart 1.24: Committed Expenditure as a percentage of Revenue receipts and remaining fiscal space



Source: Finance Accounts

Over the five-year period from 2020-21 to 2024-25, Salaries and Wages consistently constituted the largest component of Committed Expenditure, ranging between 35.48 and 41.95 *per cent* of Revenue Receipts. Share of expenditure on Pensions increased from 15.91 *per cent* to 19.37 *per cent* over the period, reflecting the growing pension burden. The share of Interest Payments also rose gradually from 8.01 *per cent* to 9.77 *per cent*, exerting further pressure on available fiscal space.

The remaining fiscal space, which represents the portion of Revenue Receipts available for developmental expenditure after meeting committed liabilities, remained broadly around 34-39 *per cent* during the period. This indicates that despite increasing pressure from committed expenditure, the State was able to maintain a consistent level of fiscal flexibility, though with limited scope for expansion in discretionary and developmental expenditures.

C. Subsidies

The subsidies during the current year increased by ₹ 568.04 crore (124.63 *per cent*) from the previous year. The increase was mainly due to increase of ₹ 400 crore on account of power subsidy to Assam Power Distribution Company Limited (APDCL), ₹ 153.59 crore on account of National Food Security Scheme and ₹ 14.45 crore on account of subsidy for implementation of New Industrial Policy. The overall rise suggests renewed fiscal intervention in essential consumer and energy sectors during the year.

Department-wise major subsidies for FYs 2020-21 to 2024-25, are shown in Table 1.19.

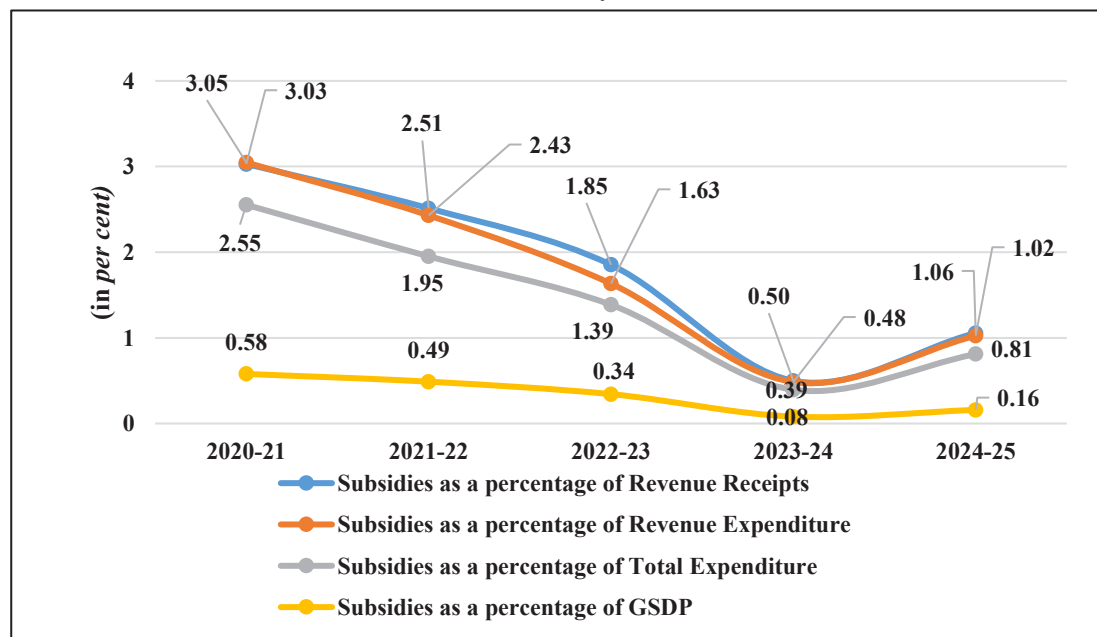
Table 1.19: Department-wise Subsidies during FYs 2020-21 to 2024-25

(₹ in crore)						
Sl. No.	Departments	2020-21	2021-22	2022-23	2023-24	2024-25
1.	Food, Civil Supplies & Consumer Affairs	603.27	767.68	648.41	455.78	609.37
2.	Co-operation Department	1.81	0.00	1.56	0.00	0.00
3.	Urban Development (T & C) Department	432.70	257.91	380.24	0.00	0.00
4.	Power (Electricity) Department	903.35	943.00	625.00	0.00	400
5.	Other Departments	25.02	37.10	7.37	0.00	14.45
Total Subsidy		1,966.15	2,005.69	1,662.58	455.78	1,023.82

Source: Finance Accounts of respective years, Government of Assam

The table above presents the department-wise distribution of subsidies during 2020-21 to 2024-25, while the succeeding chart depicts the overall trend in subsidy expenditure over the same period, highlighting the fluctuations corresponding to changes in major subsidy heads.

Chart 1.25: Trend analysis of subsidies



Source: Finance Accounts

The trend analysis of subsidies over the period 2020-21 to 2024-25 shows a marked contraction followed by partial rise. Subsidies as a percentage of Revenue Expenditure declined from 3.05 per cent in 2020-21 to 0.48 per cent in 2023-24, before increasing to 1.02 per cent in 2024-25. Similarly, their share in Total Expenditure fell from 2.55 per cent to 0.81 per cent during the same period, while the ratio to GSDP declined from 0.58 per cent to 0.16 per cent. The overall trend indicated a sustained effort towards subsidy consolidation, though the increase in 2024-25 reflects targeted fiscal support in select sectors rather than a broad-based expansion of subsidy commitments.

Further, an analysis of the State's expenditure pattern during the period 2020-21 to 2024-25 indicated a visible shift in fiscal priorities. Capital expenditure increased from ₹ 12,399.40 crore in 2020-21 to ₹ 26,404.20 crore in 2024-25, notwithstanding an intervening decline in 2022-23, while its ratio to GSDP fluctuated between 3.30 per cent and 4.90 per cent, reaching 4.10 per cent in 2024-25. In contrast, subsidy expenditure exhibited a declining trend, falling from ₹ 1,966.15 crore in 2020-21 to ₹ 1,023.82 crore in 2024-25, with a sharp contraction observed in 2023-24. The reduction was largely attributable to lower outgo under Power (Electricity), Urban Development, and Co-operation, while subsidies relating to Food, Civil Supplies and Consumer Affairs remained relatively significant. The divergent trends highlight the trade-offs between welfare-oriented spending and capital investment, suggesting a reorientation towards infrastructure creation while rationalising subsidy commitments.

Expenditure and utilisation pattern of major welfare schemes

Besides above, the State Government is allocating funds for various welfare schemes, which though not booked as subsidy in the accounts, represent expenditure of the nature of implicit subsidy, as detailed in the table below –

Table 1.20: Major welfare schemes and expenditure of the nature of implicit subsidy (FY 2024-25)

Name of Scheme	Budget Provision (₹ in crore)	Expenditure (₹ in crore)	Utilisation (in per cent)
Orunodoi	3,750	3,680	98.13
Swahid Kushal Konwar Sarbajanin Briddha Pension Achoni	363	363	100
Micro Entrepreneurs Support Scheme	540.12	223.26	41.34
Amaar Aalohi Rural Homestay Scheme	300	100	33.33
Assam Tea Industries Special Incentive Scheme	99.15	99.04	99.89
Assistance to Mising Autonomous Council (MAC)	93.50	93.50	100
Assistance to the Rabha Hasong Autonomous Council (RHAC)	66	66	100
Apon Ghar Interest Subvention Scheme	150	63.45	42.30
Sakhi Express	52	52	100
One Time Special Grant for Development of SC Community	90	44.99	50

Source: Finance Department, GoA

It may be seen from **Table 1.20** that the schemes like Micro Entrepreneurs Support Scheme, Amaar Aalohi Rural Homestay Scheme¹¹, Assam Tea Industries Special Incentive Scheme¹² were directly linked to capital formation. Among these highest-expenditure interventions reflected in the table, Orunodoi recorded the highest expenditure at ₹ 3,680 crore against a budget provision of ₹ 3,750 crore, achieving near-full utilisation of 98.13 per cent. This was followed by Swahid Kushal Konwar Sarbajanin Briddha Pension Achoni (₹ 363 crore), which recorded full utilisation of the budget provision.

The utilisation pattern reflected in the table indicates a clear prioritisation of large-scale income support interventions. In contrast, comparatively lower utilisation was observed

¹¹ Includes capital subsidy, promotional subsidy, operational subsidy, etc.

¹² It includes components like interest subvention on loans, production subsidy, capital subsidy, etc.

in certain schemes such as Micro Entrepreneurs Support Scheme, where expenditure of ₹ 223.26 crore against a budget provision of ₹ 540.12 crore resulted in utilisation of 41.34 *per cent*, Amaar Aalohi Rural Homestay Scheme, which recorded utilisation of 33.33 *per cent*, and Apon Ghar Interest Subvention Scheme, which recorded utilisation of 42.30 *per cent*. Some other interventions included in the table, such as Assam Tea Industries Special Incentive Scheme, Assistance to Mising Autonomous Council, Assistance to the Rabha Hasong Autonomous Council and Sakhi Express, recorded full or near-full utilisation of the budget provision.

D. Financial assistance by the State Government to Local Bodies and Other Institutions

Assistance provided by way of grants to the local bodies and other institutions during the period 2020-21 to 2024-25 is presented in **Table 1.21**.

Table 1.21: Financial assistance to Local Bodies and other institutions

(₹ in crore)

Institutions	2020-21	2021-22	2022-23	2023-24	2024-25
(A) Local Bodies					
Municipal Corporations and Municipalities	354.96	826.37	1,310.92	1,005.64	1,051.56
GIA for creation of Capital assets to Municipal Corporations and Municipalities	49.52	150.59	233.65	116.49	4.77
Zilla parishads and other Panchayati Raj Institutions	682.48	1,339.39	252.96	326.94	281.14
GIA for creation of Capital assets to PRIs	0.08	71.90	34.15	28.28	22.50
Total (A)	1,037.44	2,165.76	1,563.88	1,332.58	1,332.70
(B) Others					
Educational Institutions (Aided Schools, Colleges, Universities, etc.)	118.23	780.31	1,104.41	1,332.22	1,153.40
Development Authorities	180.74	415.59	2,033.93	1,324.11	1,919.31
Hospitals and Other Charitable Institutions	3,309.67	3,849.02	2,881.15	2,940.62	2,577.62
Other Institutions	19,089.66	24,569.41	39,097.44	31,931.46	25,888.42
Total (B)	22,698.30	29,614.33	45,116.93	37,528.40	31,538.75
Total (A+B)	23,735.74	31,780.09	46,680.81	38,860.98	32,871.45
Total GIA for creation of Capital assets	3,002.98	3,650.94	15,479.46	6,453.39	5,314.50
Revenue Expenditure	64,519.59	82,547.96	1,01,814.65	94,162.90	99,907.96
Assistance as percentage of Revenue Expenditure	36.79	38.50	45.85	41.27	32.90

Source: Finance Accounts (Statement 10 and Appendix III)

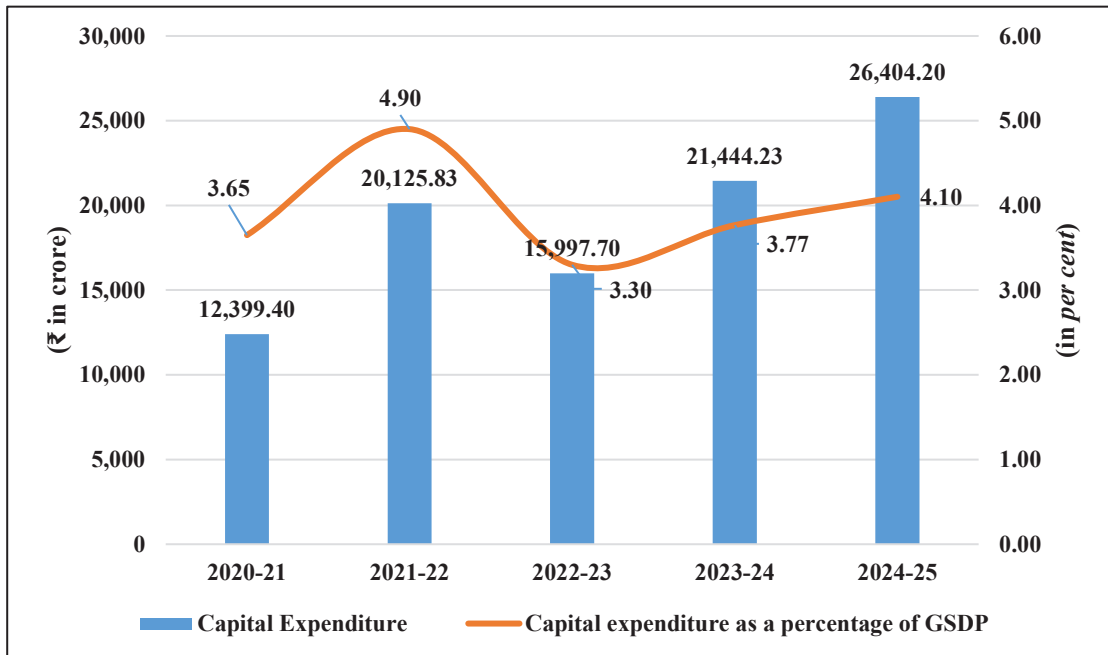
During the current year, financial assistance to the local bodies and other institutions decreased by ₹ 5,989.53 crore (15.41 *per cent*) over the previous year. The decrease was mainly due to decrease in assistance to Other Institutions (₹ 6,043.04 crore: 18.93 *per cent*). The overall quantum of financial assistance to the local bodies and other institutions as percentage to revenue expenditure decreased to 32.90 *per cent* during the current year from 41.27 *per cent* of the previous year.

1.2.4.2 Capital Expenditure

Capital expenditure is primarily expenditure on creation of fixed infrastructure assets, such as roads, buildings, etc. Capital expenditure, in both the Centre and the State, is being met from budgetary support and extra budgetary resources/ off-budget borrowings. It also includes investments made by the State Government in Companies/

Corporations. Trend of capital expenditure in the State over the last five years i.e. 2020-25 is given in **Chart 1.26**.

Chart 1.26: Capital Expenditure in the State



Source: Finance Accounts

Apart from Capital expenditure of ₹ 26,404.20 crore, State Government also transferred ₹ 5,314.50 crore as Grant-in-Aid for creation of capital assets to the local bodies and other institutions. Further, percentage of Capital Expenditure as compared to Debt receipts (excluding Ways and Means Advances) was 86.08 per cent, which indicates that some parts of the borrowings were not converted to infrastructural development.

Further, the Capital Expenditure for 2024-25 was overstated by ₹ 842.85 crore due to booking of prior period adjustments as current year's expenditure without any actual outgo, in contravention of the Indian Government Accounting Standards-IV, as discussed in detail under **Paragraph 3.11**.

A. Sector-wise Capital Expenditure

Sector-wise composition of Capital expenditure is given in **Table 1.22**. Detailed Sector-wise expenditure is given in **Appendix 1.2**.

Table 1.22: Sector –wise Capital Expenditure

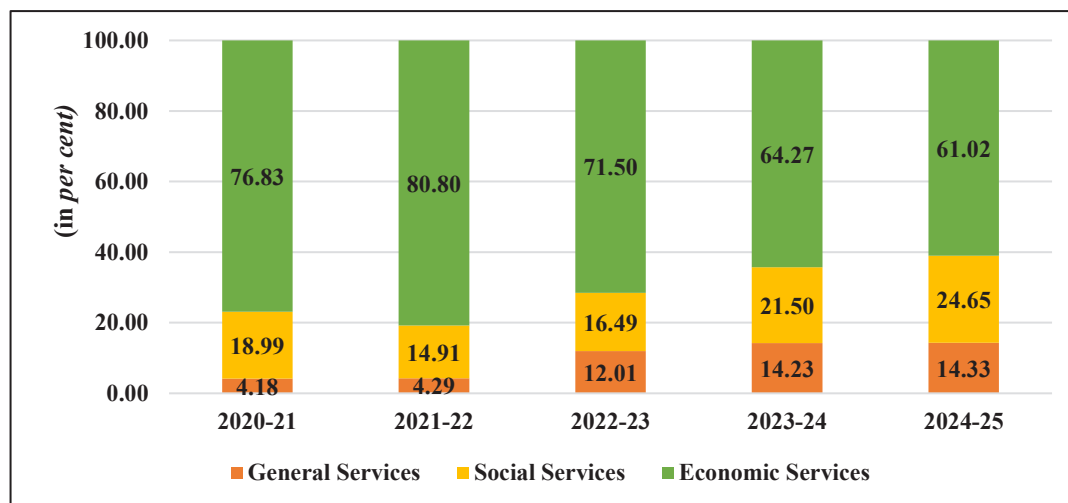
Parameters	2020-21	2021-22	2022-23	2023-24	2024-25
General Services	518.45	862.79	1,921.50	3,050.50	3,782.87
Social Services	2,354.35	3,000.52	2,638.12	4,610.78	6,509.50
Economic Services	9,526.60	16,262.52	11,438.08	13,782.95	16,111.83

Source: Finance Accounts

Among sectors, Economic Services continued to account for the largest share, rising from ₹ 13,782.95 crore in 2023-24 to ₹ 16,111.83 crore (16.90 per cent increase) in 2024-25, while Social Services recorded a sharper rise of 41.18 per cent, from ₹ 4,610.78 crore to ₹ 6,509.50 crore, reflecting growing emphasis on social

infrastructure. General Services expenditure grew moderately by 24 per cent during the year.

Chart 1.27: Relative share of various sectors in Capital expenditure



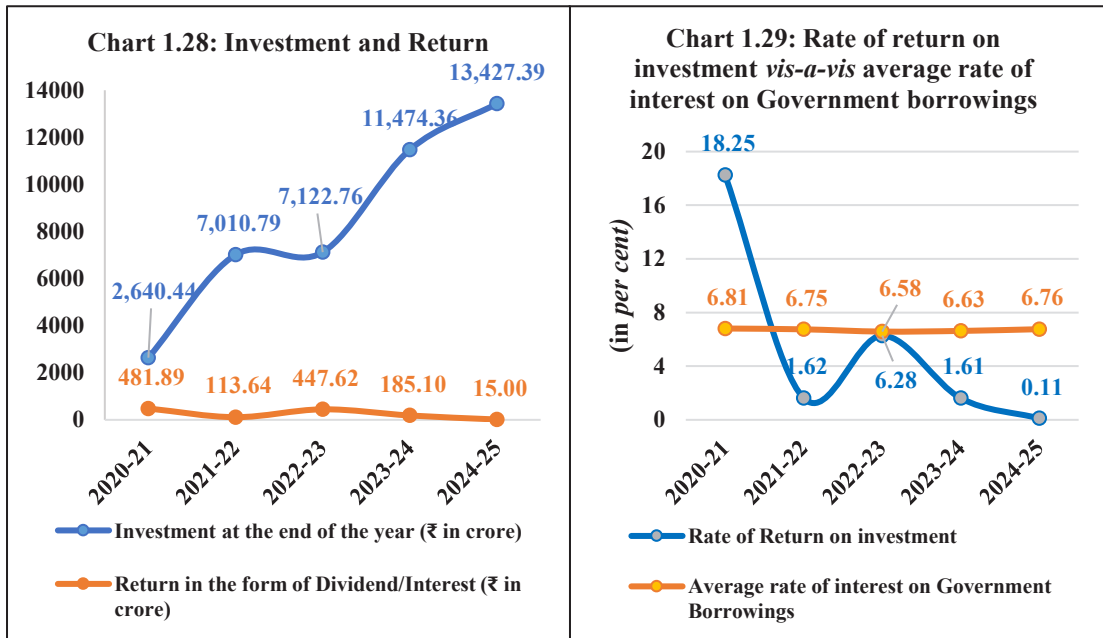
Source: Finance Accounts

Analysis of sectoral shares reveals a gradual structural shift over the five-year period. The share of Economic Services in total capital expenditure declined from 76.83 per cent in 2020-21 to 61.02 per cent in 2024-25, indicating diversification of investment priorities. Conversely, the proportion of Social Services increased from 18.99 per cent to 24.65 per cent, reflecting higher allocations towards education, health, and social infrastructure. General Services maintained a small but rising share, from 4.18 per cent in 2020-21 to 14.33 per cent in 2024-25.

B. Quality of investments in the companies, corporations and other bodies

As of 31 March 2025, the State Government’s investment in companies, corporations and other bodies stood at ₹ 13,427.39 crore, comprising 27 Government Companies (₹ 2,813.85 crore), four Statutory Corporations (₹ 8,090.10 crore), 18 Other Joint Stock Companies and Partnerships (₹ 2,258.34 crore), 20 Co-operative Societies (₹ 165.09 crore) and four Rural Banks (₹ 100.01 crore).

Trends of investment at the end of the year in companies, corporations, and co-operative banks and societies, and return on these investments is depicted in **Chart 1.28**. Rate of return on investment made *vis-à-vis* average rate of interest on government borrowing is depicted in **Chart 1.29**.



Source: Finance Accounts

During 2024-25, the return on investment was ₹ 15 crore (0.11 per cent) (based on historical cost and not on net present value basis). The return was fluctuating widely between 0.11 per cent and 18.25 per cent during 2020-25 with occasional high in 2020-21 and 2022-23 and very low in three out of last four years. The average rate of interest paid by the State Government on its borrowings was between 6.58 per cent and 6.81 per cent during the same period. Over the past five years, the difference in cost of Government borrowings and return on investments in SPSEs was to the tune of ₹ 30,069.11 crore.

It was found that ₹ 10,903.95 crore was invested in 31 SPSEs (27 Government Companies and four Statutory Corporations) up to FY 2024-25. Out of 31 SPSEs only one SPSE (Assam Power Generation Corporation Limited) gave return of ₹ 15.00 crore during the FY 2024-25 which was only 0.11 per cent of total investment. However, government borrowed funds at an average rate of interest of 6.76 per cent.

Out of four Statutory Corporations, three were incurring losses and their accumulated losses amounted to ₹ 112.90 crore¹³. Similarly, out of 27 Government Companies in the State, 17 companies were incurring losses, and their accumulated losses amounted to ₹ 592.30 crore.

Reconciliation of Government Investments with Accounts of Government Companies and Statutory Corporations

The figures of Government investments as equity in State Public Sector Enterprises (SPSEs) should agree with those appearing in the accounts of the SPSEs. Reconciliation of figures is necessary to figure out the difference in accounts of SPSEs and Finance Accounts of the State Government. There is a difference between the number of

¹³ Assam State Warehousing Corporation: ₹ 8.37 crore (as on 31-03-2018); Assam State Transport Corporation: ₹ 94.80 crore (as on 31-03-2017); Assam Financial Corporation, Guwahati: ₹ 9.73 crore (as on 31-03-2019).

SPSEs¹⁴ (nine SPSEs) and investment made by the State Government (₹ 4,339.11 crore) as recorded in the Finance Accounts (31 SPSEs having an investment of ₹ 10,903.95 crore) and that of the Audit Report on SPSEs (40 working and non-working SPSEs having an investment of ₹ 15,243.06 crore). The differences have arisen primarily due to information about investments reported by the State Government to Accountant General (A&E), Assam and the details given in the Audit Reports obtained from the SPSEs concerned.

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.

The details of SPSEs as per Finance Accounts and Audit Report on PSU is given in **Appendix 1.4**.

Lack of Dividend Policy and Its Impact

A well-defined dividend policy mandating a minimum return from profit-making enterprises enables the State Government to optimise its returns from investments in State Public Sector Enterprises (SPSEs) and enhances monitoring of the SPSEs financial performance. It was observed that the state has not formulated or enforced a dividend policy for its SPSEs. However, as per Clause 8 of the Public Enterprise Policy, 2019 notified (24 June 2019) by the State Government, "*the SPSEs having no accumulated loss and having operating profit shall pay a minimum dividend to its shareholders out of the profit earned by the SPSE after payment of payable tax during the preceding financial year provided such provision is laid down in the Articles of Association/Articles of Incorporation of the SPSE*". The minimum dividend was however, not defined in the policy. As a result, there remains a quantum gap of ₹ 30,069.11 crore between government's equity investments, and return therefrom undermining the potential for non-tax revenue generation.

During the Exit Conference held on 19 December 2025, the Commissioner and Secretary to the Government of Assam, Finance Department, assured that the matter relating to the absence of a clearly defined dividend policy for State Public Sector Enterprises (SPSEs) would be looked into. Subsequently, the Finance (Audit & Fund) Department, vide its communication dated 26 December 2025, flagged the audit observation to the Industries, Commerce & Public Enterprises Department.

¹⁴ Statutory Corporations and Government Companies

Financial Performance of APDCL and Subsidy Support from Government of Assam**Table 1.23: Profit/Loss of APDCL and Government subsidy**

Particulars	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Revenue from Operations	5,695.97	6,436.34	7,927.19	9,267.02	10,380.67
GoA Targeted subsidy for consumers on account of Tariff	417.65	459.70	284.43	260.94	844.63
Power Purchase Cost	5,807.24	5,917.01	8,478.85	8,481.15	9,289.07
Expenditure on Revenue Billing and collection	76.33	114.07	123.04	112.47	456.84
Profit(+)/Loss(-)	-292.42	336.35	-806.22	375.04	296.24

Source: Reply from State Government

Revenue from operations of Assam Power Distribution Company Limited (APDCL) increased consistently from ₹ 5,695.97 crore in 2020-21 to ₹ 10,380.67 crore in 2024-25, reflecting growth of about 82 *per cent* over the period of five years. Government tariff subsidy also increased from ₹ 417.65 crore in 2020-21 to ₹ 844.63 crore in 2024-25, which included ₹ 582.33 crore diverted from scheme funds available with the Company without approval of the Government.

On the expenditure side, Power purchase cost increased significantly from ₹ 5,807.24 crore in 2020-21 to ₹ 9,289.07 crore in 2024-25. Expenditure on revenue billing and collection also rose sharply, particularly in 2024-25, from ₹ 76.33 crore in 2020-21 to ₹ 456.84 crore.

Despite fluctuations in profitability during the period, APDCL achieved a turnaround from a loss of ₹ 292.42 crore in 2020-21 to a profit of ₹ 296.24 crore in 2024-25, indicating improvement in operational performance, supported by higher revenues and increased subsidy support.

Reform Measures {including Ujjwal DISCOM Assurance Yojana (UDAY)} undertaken by APDCL

APDCL undertook reform measures such as smart metering, feeder metering, and distribution transformer metering during 2024-25. As on 31 March 2025, feeder metering was fully completed. Distribution transformer metering achieved coverage of about 90 *per cent*. However, smart metering coverage remained at around 53 *per cent* of the total requirement, indicating partial implementation.

Table 1.24: Status of Metering Reforms as on 31 March 2025

Reform Parameter	Target	Achievement
Smart Metering	63,64,798	33,51,196
Feeder Metering	2,847	2,847
Distribution Transformer Metering	77,547	69,675

Source: Reply from State Government

The Company incurred capital expenditure of ₹ 1,000 crore in 2020-21, ₹ 1,000 crore in 2021-22, ₹ 3,854.44 crore in 2022-23, ₹ 4,134.56 crore in 2023-24, and ₹ 2,150.61 crore in 2024-25. In addition, APDCL is implementing the Revamped Distribution Sector Scheme (RDSS) to improve quality and reliability of power supply and incurred expenditure of ₹ 840.24 crore under RDSS as on 31 March 2025. No expenditure was incurred under the UDAY scheme during 2022-25.

Dues from Government Departments

Outstanding dues receivable by the APDCL from Government departments, increased from ₹ 21.16 crore in 2021-22 to ₹ 98.53 crore in 2023-24 before declining to ₹ 27.41 crore in 2024-25.

Table 1.25: Outstanding Dues from Government Departments

(₹ in crore)					
Year	2020-21	2021-22	2022-23	2023-24	2024-25
Amount	Information not available	21.16	24.17	98.53	27.41

Source: Reply from State Government

Further, details regarding budgetary provisions made by the concerned Government departments for clearance of these dues were not available. The year-on-year variation indicates inconsistent settlement of energy charges by Government Departments, which impacts the liquidity position of the Company.

C. Loans and advances by State Government

In addition to the investments in co-operative societies, corporations and companies, the State Government has also been providing loans and advances to many institutions/organisations. **Table 1.26** presents the position of outstanding loans and advances as on 31 March 2025 and interest receipts vis-à-vis interest payments by the State Government on its borrowings during the last five years.

Table 1.26: Quantum of loans disbursed and recovered during 2020-25

(₹ in crore)					
Particulars	2020-21	2021-22	2022-23	2023-24	2024-25
Opening Balance of loans outstanding	6,056.98	6,142.22	3,146.74	5,720.65*	3,345.55*
Amount advanced during the year	87.80	104.01	339.84	64.50	4.57
Amount recovered during the year	2.56	3,099.49	5.07	3,282.45	879.30
Closing Balance of the loans outstanding	6,142.22	3,146.74	3,481.51	2,502.70	2,470.82
Net addition	85.24	-2,995.48	334.77	-3,217.95	-874.73
Interest received	167.20	49.67	296.98	815.23	197.58
Interest rate on Loans and Advances given by the Government (<i>per cent</i>)	2.72	1.58	8.53	32.57	8
Average rate of interest on Government Borrowings (<i>per cent</i>)	6.81	6.75	6.58	6.63	6.76
Difference between rate of interest received and interest paid (<i>per cent</i>)	-4.09	-5.17	1.95	25.94	1.24

Source: Finance Accounts

*Note: *Opening balances for the year 2023-24 and 2024-25 differs from previous year's closing balances due to prior period adjustment of ₹ 2,239.13 crore and ₹ 842.85 crore respectively, carried out on request of the State Government.*

During 2024-25, loans advanced by the Government declined sharply to ₹ 4.57 crore from ₹ 64.50 crore in 2023-24, indicating minimal fresh lending activity. Recoveries during the year stood at ₹ 879.30 crore as against ₹ 3,282.45 crore in the previous year, resulting in a net reduction of ₹ 874.73 crore in the outstanding loan balance, which then closed at ₹ 2,470.82 crore. Loans advanced to Government companies declined sharply from ₹ 59.84 crore in 2023-24 to ₹ one crore in 2024-25, while recoveries reduced from ₹ 2,908.37 crore to ₹ 876.45 crore, indicating a slowdown in loan

operations. In the case of Local Bodies, loans advanced marginally decreased from ₹ 1.71 crore in 2023-24 to ₹ 1.46 crore in 2024-25, while recoveries dropped from ₹ 276.80 crore to NIL. Disbursements and repayments under Autonomous Bodies, Co-operative Institutions, Non-Government Private Institutions and Government Servants remained negligible or nil during both years.

Interest receipts decreased from ₹ 815.23 crore in 2023-24 to ₹ 197.58 crore in 2024-25, primarily reflecting lower recoveries and advances. Also, there was a sharp spike in interest receipts during 2023-24, primarily due to an exceptional receipt of ₹ 435.02 crore of interest under “Interest from Public Sector and Other Undertakings”, which led to the overall surge as compared to preceding years. During 2024-25, the interest rate on loans and advances given by the Government dropped from 32.57 per cent in the FY 2023-24 to eight per cent, whereas the average cost of Government borrowings remained at 6.76 per cent. The difference between the two narrowed to 1.24 percentage points from 25.94 per cent last year, indicating reduced profitability from lending operations.

1.3 Contingency Fund

The Contingency Fund of the Government of Assam is intended to provide advances for meeting unforeseen expenditure, pending its authorisation by the State Legislature. The fund is recouped once the Legislature approves the additional expenditure.

As on 31 March 2025, the balance under Contingency Fund was ₹ 2,000 crore and no amount was lying un-recouped at the end of the financial year.

Details of expenditure made from the Contingency Fund are discussed in paragraph no. 2.8 of Chapter-II.

1.4 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 balance after disbursements during the year is the fund available with the Government for use for various purposes.

1.4.1 Net Public Account balances

The component wise net balances in Public Account of the State are given in **Table 1.27**.

Table 1.27: Component-wise net balance in Public Account

		(₹ in crore)				
Sector	Sub Sector	2020-21	2021-22	2022-23	2023-24	2024-25
Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	888.85	601.53	100.17	-370.73	-468.61
Reserve Funds	(a) Reserve Funds bearing Interest	43.20	-49.37	703.89	-533.30	1,037.60
	(b) Reserve Funds not bearing Interest	0.00	0.00	0.00	0.00	0.00

Sector	Sub Sector	2020-21	2021-22	2022-23	2023-24	2024-25
Deposits and Advances	(a) Deposits bearing Interest	-19.83	-59.63	23.76	48.04	-120.85
	(b) Deposits not bearing Interest	-559.15	648.83	438.00	98.38	1,473.26
	(c) Advances	349.26	-542.68	560.66	-919.39	0.00
Suspense and Miscellaneous	(a) Suspense	-459.46	-38.11	226.57	191.87	136.08
	(b) Other Accounts	-3,970.09	-1,387.80	6,627.09	-2,441.71	1,073.76
	(c) Accounts with Governments of Foreign Countries	---	---	---	---	---
	(d) Miscellaneous	---	---	---	---	---
Remittances	(a) Money Orders and other Remittances	-54.60	0.57	-71.52	-56.52	-36.23
	(b) Inter-Governmental Adjustment Account	8.21	23.19	9.39	3.50	0.79
Total		-3,773.61	-803.47	8,618.00	-3,979.86	3,095.80

Source: Finance Accounts

Note: Net balances denote excess of receipts over expenditure; Other Accounts under Suspense and Miscellaneous include Cash Balance Investment Account

The net balance in the Public Account turned positive at ₹ 3,095.80 crore in 2024-25, as against a negative balance of ₹ 3,979.86 crore in 2023-24, indicating a significant turnaround in net accretions. This was primarily driven by substantial inflows under Reserve Funds, which registered a positive balance of ₹ 1,037.60 crore in 2024-25 compared to a negative balance of ₹ 533.30 crore in the previous year. Deposits not bearing interest also showed a balance of ₹ 1,473.26 crore, offsetting the negative balances under Small Savings and certain sub-sectors of Deposits and Remittances. The rise in balances under Suspense and Miscellaneous Accounts and Reserve Funds reflects increased fund parking in non-revenue channels, impacting cash management.

The negative totals observed during 2020-21, 2021-22, and 2023-24 indicate that the Public Account recorded more outflows than inflows, meaning that the Government paid out more from these funds than it received. The Public Account mainly consists of money that the Government holds on behalf of the public, such as small savings, provident funds, and various deposits, etc. When withdrawals from these funds exceed new deposits, it shows that public liabilities are reducing and that fewer fresh savings are coming into Government accounts.

In 2024-25, although, the total turned to positive, negative balances were noticed under Small Savings, Provident Funds, etc., Deposits bearing Interest, and Money Orders and other Remittances, indicating that repayments and withdrawals were higher than new deposits under these heads. Also, the continuous fall in net balances of Small Savings, Provident Funds, etc., over the last five years points to a steady decline in household and institutional savings, suggesting that the State may need to depend more on borrowings to meet its funding requirements in the future.

1.4.2 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. It comprises interest bearing reserve funds and reserve funds not bearing interest.

There were one interest bearing reserve fund and five reserve funds not bearing interest as on 31 March 2025. The fund balances lying in these Reserve Funds as on 31 March 2025 are given in **Table 1.28**.

Table 1.28: Detail of Major Reserve funds

(₹ in crore)

Sl. No.	Name of Reserve Fund	Opening Balance	Receipts during the year	Interest receipts	Repayments during the year	Balance as on 31 March 2025
A	Reserve Funds bearing Interest	1,450.46	1,663.38	0	625.78	2,488.06
1.	General and Other Reserve Funds ¹⁵	1,450.46	1663.38	0	625.78	2,488.06
B	Reserve Funds not bearing Interest	6,003.14	3519.49	0	1,899.99	7,622.64
1.	Sinking Funds	5,910.06	3,513.06	0	1,899.99	7,523.13
2.	Roads and Bridges Fund	1.23	0	0	0	1.23
3.	Depreciation/Renewal Reserve Fund	0.12	0	0	0	0.12
4.	Development and Welfare Funds	3.44	0	0	0	3.44
5.	General and Other Reserve Funds	88.29	6.43	0	0	94.72
	Grand Total	7,453.60	5,182.87	0	2,525.77	10,110.70

Source: Finance Accounts

As on 31 March 2025, the aggregate balance in Reserve Funds stood at ₹ 10,110.70 crore, comprising ₹ 2,488.06 crore under interest-bearing funds and ₹ 7,622.64 crore under non-interest-bearing funds. Out of the non-interest-bearing funds, Government of Assam dis-invested around ₹ 1,900 crore from Sinking Fund during the year for the purpose of redemption of open market loan.

The details of significant Reserve Funds and transaction made during the year have been discussed under Paragraphs 3.15 and 3.16.

1.4.3 Cash Balances

As per an agreement with the Reserve Bank of India, State Governments must maintain a minimum daily cash balance with the Bank. Presently, this limit is fixed at ₹ 1.08 crore for the State of Assam. If the balance falls below the agreed minimum on any day, the shortfall is made good through instruments like ordinary Ways and Means Advances (WMA)/ Special Ways and Means Advances (SWMA)/Overdrafts (OD), with WMA revised periodically by RBI.

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'.

¹⁵ **State Disaster Response Fund (SDRF):** (Receipt: ₹ 1,202.61 crore; Payment: ₹ 617.80 crore); **State Compensatory Afforestation Fund (SCAF):** (Receipt: ₹ 280.56 crore; Payment: Nil); **State Disaster Mitigation Fund (SDMF):** (Receipt: ₹ 180.20 crore; Payment: ₹ 7.98 crore);

It is undesirable for the State Government to raise market loans while holding large unutilised cash balances, as it leads to idle funds rather than productive use. Cash balance and investment details for 2023-24 and 2024-25 are provided in **Table 1.29**.

Table 1.29: Cash Balances and their investment

(₹ in crore)

	Opening balance on 01 April 2024	Closing balance on 31 March 2025
A. General Cash Balance		
Deposits with Reserve Bank of India ¹⁶	(-) 223.00	(-) 276.95
Investments held in Cash Balance Investment Account	4,109.12	3,035.36
Total (A)	3,886.12	2,758.41
B. Other Cash Balances and Investments		
Cash with Departmental Officers viz., Public Works, Forest Officers	7.47	7.47
Permanent advances for contingent expenditure with department officers	0.47	0.47
Investment in earmarked funds	5,988.68	7,608.18
Total (B)	5,996.62	7,616.12
Total (A + B)	9,882.74	10,374.53
Interest realised	12.88	17.72

Source: Finance Accounts

Details of Cash Balance Investment Account during the last five years are given in **Table 1.30**.

Table 1.30: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+)/ decrease (-)	Interest earned
2020-21	2,932.60	6,905.27	3,972.67	68.66
2021-22	6,905.27	8,295.14	1,389.87	71.19
2022-23	8,295.14	1,666.93	-6,628.21	26.70
2023-24	1,666.93	4,109.12	2,442.19	12.88
2024-25	4,109.12	3,035.36	-1,073.76	17.72

Source: Finance Accounts

Cash Balances of the State Government at the end of the current year increased by ₹ 491.79 crore from ₹ 9,882.74 crore in 2023-24 to ₹ 10,374.53 crore in 2024-25.

The trend analysis of the cash balance investment of the State Government revealed that investment in treasury bills fluctuated significantly during 2020-25. As a result, Interest earned from such investments also showed a fluctuating trend and stood at ₹ 17.72 crore at the end of 2024-25.

During 2024-25, the State Government maintained the minimum daily cash balance with the RBI for 303 days and availed SWMA for remaining 62 days during 2024-25. In absolute terms, the State Government availed SWMA worth ₹ 9,819.70 crore and paid an amount of ₹ 5.05 crore as interest during the year.

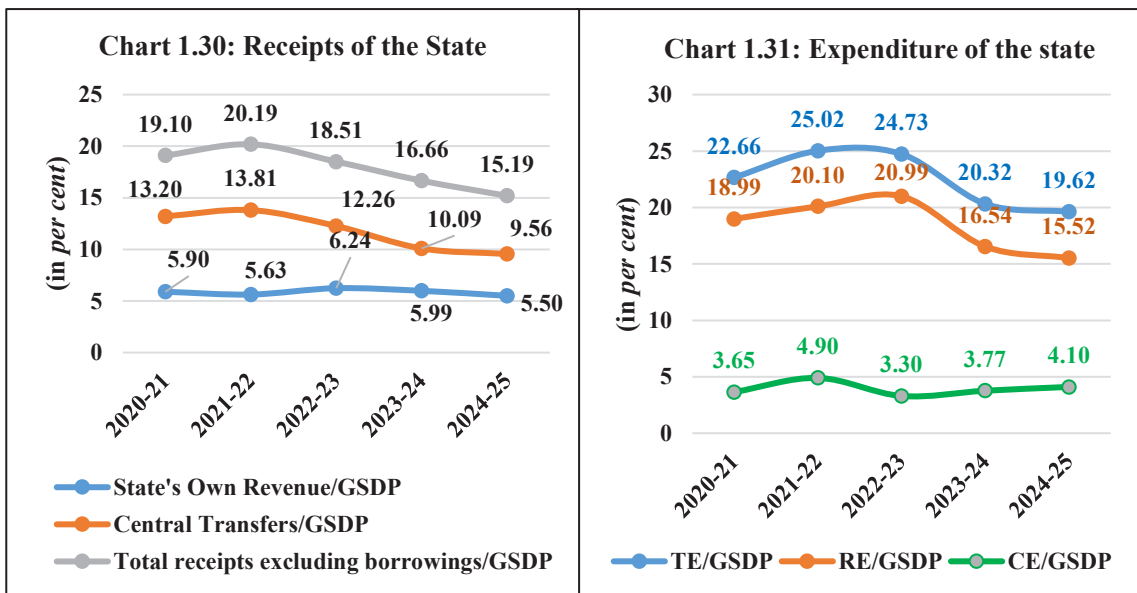
Earmarked funds are mainly two funds *i.e.*, Consolidated Sinking Fund and Guarantee Redemption Fund. Out of the total accumulation of ₹ 7,608.18 crore in earmarked funds, ₹ 7,515.89 crore of Consolidated Sinking Fund and ₹ 91.87 crore of Guarantee

¹⁶ There is a difference of ₹ 247.16 crore between Closing Cash Balance as per Accounts (₹ 223.00 crore) and as per RBI (₹ 24.16 crore).

Redemption Fund was invested by RBI 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.

1.5 Fiscal Sustainability

Fiscal Sustainability is the ability of a government to manage its revenue and expenditure in a manner that ensures it can meet its current and future obligations such as public services, infrastructure, and debt repayments without excessive borrowing or accumulating unsustainable debt. It implies maintaining a stable balance between revenue generation and expenditure over the long term. **Chart 1.30** and **Chart 1.31** show receipts and expenditure of the State as a percentage of GSDP, during FY 2020-25 respectively.



Source: Finance Accounts

Despite a steady deceleration, the State's nominal GSDP¹⁷ achieved double-digit growth between 13.07 per cent and 20.87 per cent during 2020-25, except for the 2020-21 pandemic year, when it contracted by 2.03 per cent. However, the analysis of receipts as a percentage of GSDP from **Chart 1.30** showed a gradual decline in the State's resource base over the five-year period from 2020-21 to 2024-25. The ratio of total receipts (excluding borrowings) to GSDP fell from 19.10 per cent in 2020-21 to 15.19 per cent in 2024-25. The ratio of State's Own Revenue with GSDP reduced by a moderate margin, moving from 5.90 per cent to 5.50 per cent, and the ratio of Central Transfers with GSDP also showed a decline from 13.20 per cent to 9.56 per cent, during the same period. These all indicate that the state is earning less revenue per unit of economic output.

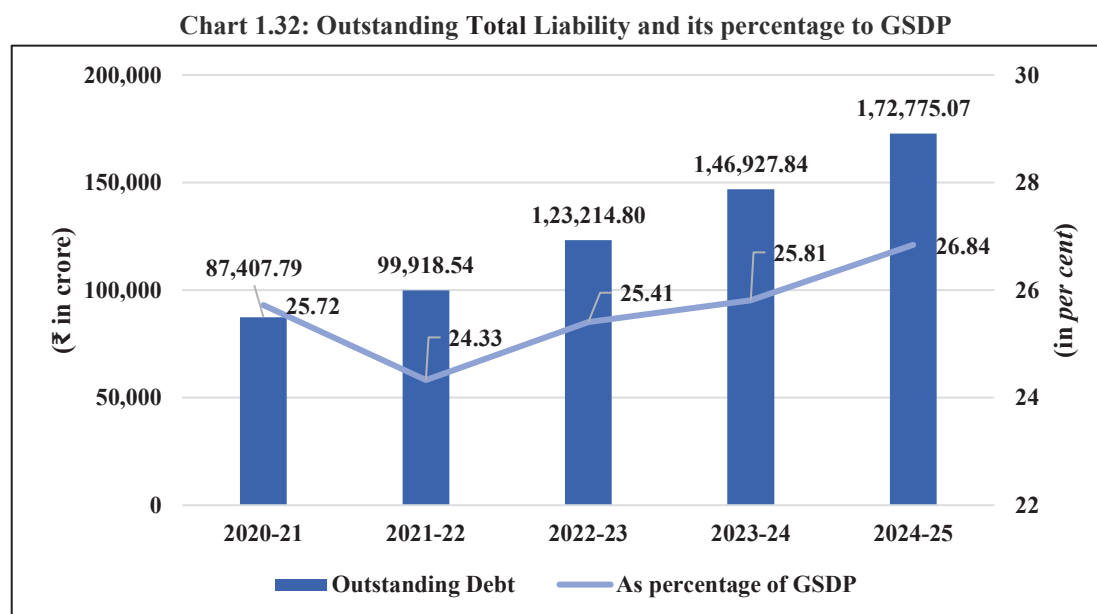
Chart 1.31 showed that the ratio of Total Expenditure to GSDP declined steadily from a peak of 25.02 per cent in 2021-22 to 19.62 per cent in 2024-25, indicating moderation in expenditure intensity relative to the size of the State economy. Of which, Revenue

¹⁷ Year-on-Year GSDP Growth during 2020-21 to 2024-25 were -2.03, 20.87, 18.08, 17.38 and 13.07 respectively.

Expenditure as a percentage of GSDP reduced from 18.99 *per cent* in 2020-21 to 15.52 *per cent* in 2024-25, while Capital Expenditure to GSDP ratio showed a mild recovery with 4.10 *per cent* in 2024-25 after falling to 3.77 *per cent* in 2023-24 from the peak of 4.90 *per cent* registered in 2021-22, during the last five-year period.

1.5.1 Public Liability Management

Outstanding liability of the State along with its percentage to GSDP for the years 2020-21 to 2024-25 is depicted in **Chart 1.32**.



Source: Finance Accounts

1.5.1.1 Liability profile: Components

Total liabilities of the State Government typically constitute 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 component-wise liability trends of the State for the period of five years beginning from 2020-21 are presented in **Table 1.31**.

Table 1.31: Component-wise liability trends

Component of fiscal liability	2020-21	2021-22	2022-23	2023-24	2024-25
Outstanding Total Liability	87,407.79	99,918.54	1,23,214.80	1,46,927.84	1,72,775.07
Public Debt	68,698.75	80,068.14	1,01,007.33	1,24,376.09	1,47,855.85
<i>Internal Debt</i>	<i>67,014.07</i>	<i>77,780.15</i>	<i>94,443.52</i>	<i>1,11,972.66</i>	<i>1,27,718.02</i>
<i>Loans from GoI*</i>	<i>1,684.68</i>	<i>2,287.99</i>	<i>6,563.81</i>	<i>12,403.43</i>	<i>20,137.83</i>
<i>Off-budget borrowings</i>	<i>Nil</i>	<i>Nil</i>	<i>1,091.24</i>	<i>2,193.13</i>	<i>2,639.20</i>
Public Account Liabilities	18,709.04	19,850.40	21,116.23	20,358.62	22,280.02
<i>Small Savings, Provident Funds, etc.</i>	<i>14,045.37</i>	<i>14,646.90</i>	<i>14,747.07</i>	<i>14,376.35</i>	<i>13,907.73</i>
<i>Reserve Funds bearing Interest</i>	<i>1,329.24</i>	<i>1,279.87</i>	<i>1,983.76</i>	<i>1,450.46</i>	<i>2,488.06</i>
<i>Reserve Funds not bearing Interest</i>	<i>14.46</i>	<i>14.46</i>	<i>14.46</i>	<i>14.46</i>	<i>14.46</i>
<i>Deposits bearing Interest</i>	<i>340.51</i>	<i>280.88</i>	<i>304.64</i>	<i>352.67</i>	<i>231.84</i>
<i>Deposits not bearing Interest</i>	<i>2,979.46</i>	<i>3,628.29</i>	<i>4,066.30</i>	<i>4,164.68</i>	<i>5,637.93</i>
Rate of growth of outstanding total liability (per cent)	20.97	14.31	23.32	19.25	17.59
Gross State Domestic Product	3,39,802.98	4,10,723.56	4,84,984.94	5,69,287.29	6,43,666.69
Liability/GSDP (per cent)	25.72	24.33	25.41	25.81	26.84

Component of fiscal liability	2020-21	2021-22	2022-23	2023-24	2024-25
Borrowings and Other Liabilities					
Total Receipts ¹⁸	27,561.92	28,973.95	41,770.68	59,056.57	58,307.65
Total Repayments ¹⁹	11,416.65	14,689.33	19,565.69	36,445.39	32,906.49
Net funds available	16,145.27	14,284.62	22,204.99	22,611.18	25,401.16
Repayments/ Receipts (per cent)	41.42	50.70	46.84	61.71	56.44

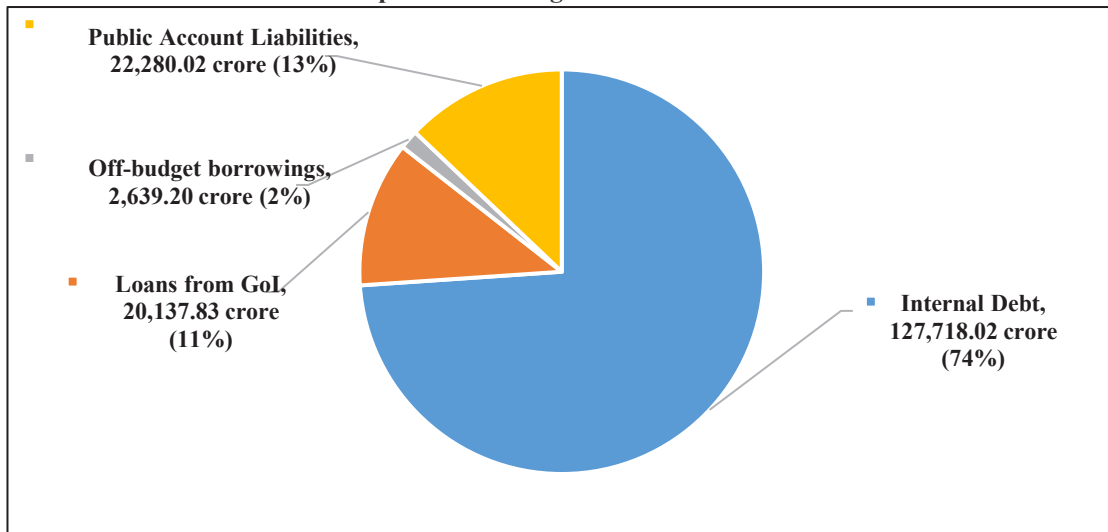
Source: Finance Accounts

* Excludes ₹ 2,767.87 crore (2020-21: ₹ 994 crore; 2021-22: ₹ 1,773.87 crore) received by the State as back-to-back loans from GoI in lieu of GST Compensation shortfall. Of the outstanding back-to-back loan, ₹ 753.62 crore was repaid during the current year.

As seen from the table above, the rise of ₹ 25,847.23 crore in outstanding total liabilities during 2024-25 from last year is mainly attributed to higher public debt, which grew by 18.88 per cent—from ₹ 1,24,376.09 crore in 2023-24 to ₹ 1,47,855.85 crore—on account of increased internal debt and loans from the Government of India. Total outstanding Off-budget borrowings also rose from last year's ₹ 2,193.13 crore to ₹ 2,639.20 crore this year, indicating continued use of contingent financing mechanisms. The liability-to-GSDP ratio increased from 25.81 per cent in 2023-24 to 26.84 per cent in 2024-25, suggesting moderate fiscal pressure though remaining within limit fixed under Assam FRBM Act²⁰.

Break-up of outstanding total liabilities at the end of 2024-25 is shown in **Chart 1.33**.

Chart 1.33: Break-up of outstanding total liabilities at the end of 2024-25



Source: Finance Accounts

At the end of 2024-25, Internal Debt constituted the predominant share of the liability portfolio at 74 per cent (₹ 1,27,718.02 crore), followed by Public Account Liabilities at 13 per cent and Loans from the Government of India at 11 per cent. Off-budget borrowings accounted for the remaining two per cent.

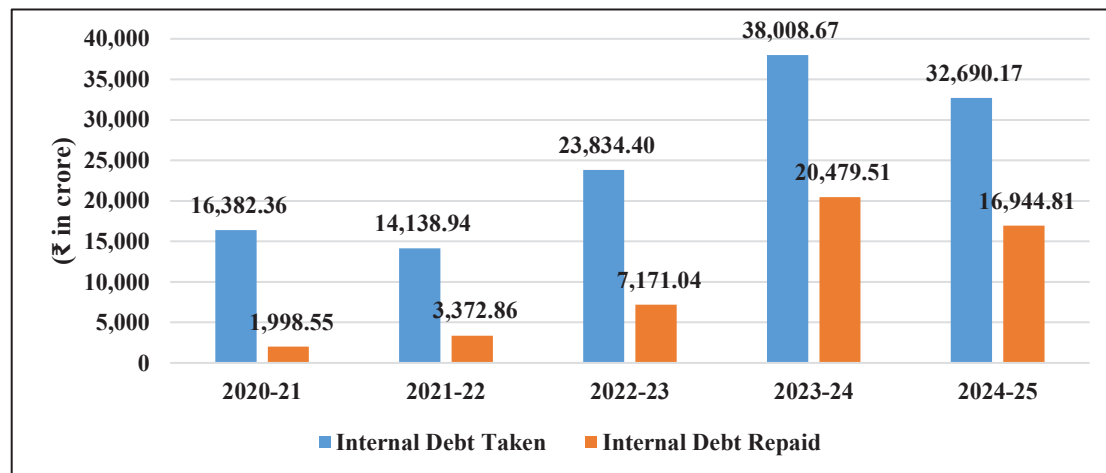
¹⁸Includes ways and means advances receipt of ₹ 4,608.64 crore for 2022-23, ₹ 16,242.25 crore for 2023-24 and ₹ 9,819.70 crore for 2024-25.

¹⁹Includes ways and means advances repayment of ₹ 4,608.64 crore for 2022-23, ₹ 16,242.25 crore for 2023-24 and ₹ 9,819.70 crore for 2024-25.

²⁰Limit of 28.50 per cent of GSDP for 2020-21 and 2021-22, and 32 per cent of GSDP for the subsequent three years i.e. 2022-23, 2023-24 and 2024-25.

Chart 1.34 depicts the quantum of internal debt taken *vis-à-vis* repaid during the period of five years *i.e.*, 2020-25.

Chart 1.34: Internal debt taken vis-a-vis repaid



Source: Finance Accounts

Internal debt of the State Government increased by ₹ 60,703.95 crore (90.58 per cent) from ₹ 67,014.07 crore in 2020-21 to ₹ 1,27,718.02 crore in 2024-25. An amount of ₹ 8,406.08 crore was also paid towards interest on internal debt during the year.

1.5.1.2 Utilisation of borrowed funds

Borrowed funds should ideally be used to fund capital creation and developmental activities. Using borrowed funds for meeting current consumption and repayment of interest on outstanding loans is not a healthy trend. **Table 1.32** and **Chart 1.35** depict the utilisation and trends of borrowed funds during 2020-25 respectively.

Table 1.32: Utilisation of borrowed funds

		(₹ in crore)				
Sl. No.	Year	2020-21	2021-22	2022-23	2023-24	2024-25
1	Total Borrowings ^{21*}	16,946.18	14,896.28	23,661.38	27,771.60	30,673.01
2	Repayment of earlier borrowings (Principal) ²²	2,147.98	3,526.89	2,722.22	4,402.82	7,193.25
3	Net Capital Expenditure	12,399.39	20,125.83	15,997.71	21,444.23	26,404.20
4	Net Loans and Advances	85.24	-2,995.48	334.77	-3,217.95	-874.73
5	Portion of Revenue expenditure met out of net available borrowings	2,313.57	-5760.96	4,606.68	5,142.50	-2049.71

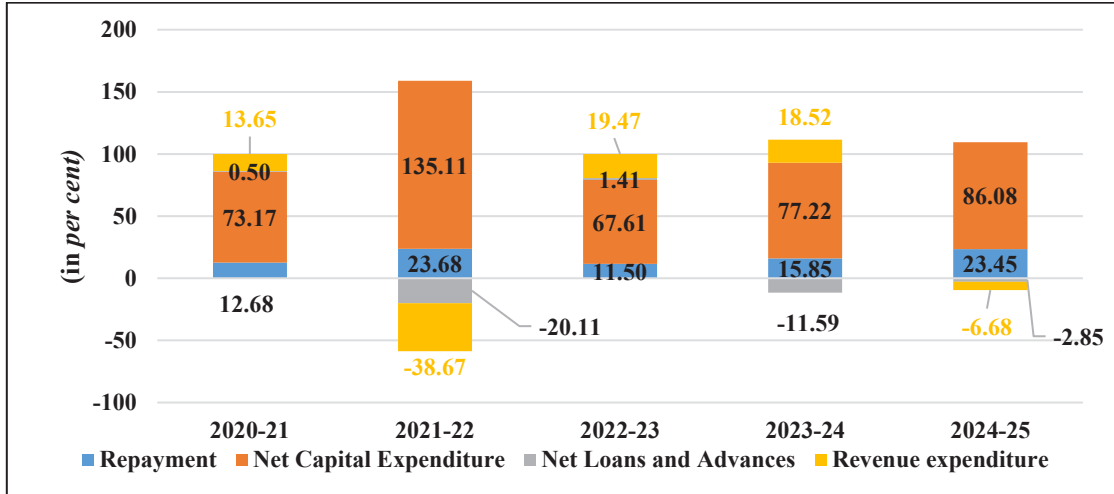
Source: Finance Accounts

* Excludes ₹ 2,767.87 crore (2020-21: ₹ 994 crore; 2021-22: ₹ 1,773.87 crore) received by the State as back-to-back loans from GoI in lieu of GST Compensation shortfall. Of the outstanding back-to-back loan, ₹ 753.62 crore was repaid during the current year.

²¹ Excludes ways and means advances receipt: ₹ 4,608.64 crore (2022-23), ₹ 16,242.25 crore (2023-24) and ₹ 9,819.70 crore (2024-25).

²² Excludes ways and means advances repayment: ₹ 4,608.64 crore (2022-23), ₹ 16,242.25 crore (2023-24) and ₹ 9,819.70 crore (2024-25).

Chart 1.35: Trends of utilisation of borrowed funds



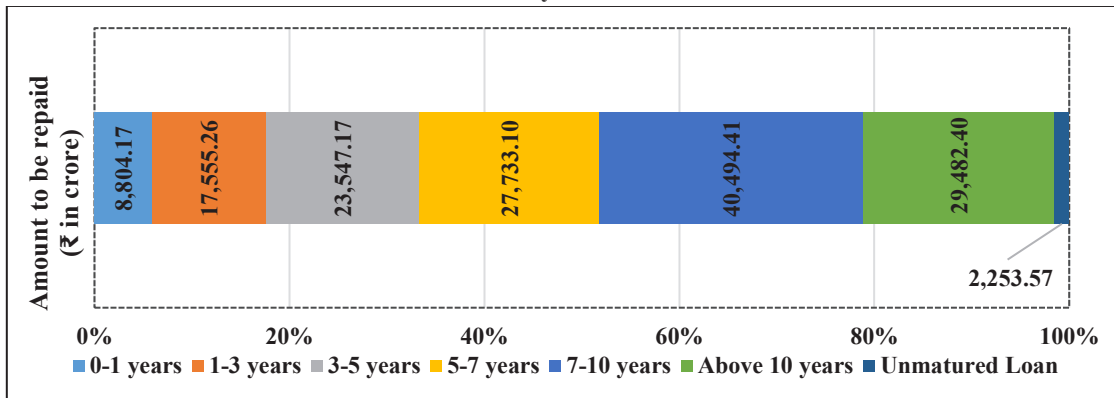
Source: Finance Accounts

During 2024-25, total borrowings of the State amounted to ₹ 30,673.01 crore, reflecting a rise of 10.45 per cent compared to ₹ 27,771.60 crore in 2023-24. Of this, ₹ 7,193.25 crore (23.45 per cent) was utilised for repayment of earlier borrowings, ₹ 26,404.20 crore (86.08 per cent) was applied towards capital expenditure, while net loans and advances reflected a negative outflow of ₹ 874.73 crore, indicating recoveries exceeding disbursements. The total of repayment of earlier borrowings and Capital expenditure is above 100 per cent, it means that borrowings were not the sole financing source for these. It shows that the State, during the year, wasn't solely dependent on borrowings for creating assets and reducing liabilities.

1.5.1.3 Debt profile: Maturity and Repayment

Debt maturity and repayment profile indicates commitment on the part of the Government for debt repayment or debt servicing. Debt maturity profile of the State is depicted in Chart 1.36.

Chart 1.36: Maturity Profile of Public Debt



Source: Finance Accounts

* Excludes ₹ 2,767.87 crore (2020-21: ₹ 994 crore; 2021-22: ₹ 1,773.87 crore) received by the State as back-to-back loans from GoI in lieu of GST Compensation shortfall. Of the outstanding back-to-back loan, ₹ 753.62 crore was repaid during the current year.

The maturity profile showed that around 53 per cent of the State's outstanding public debt would mature within the next seven years, reflecting a moderately front-loaded repayment structure. While this indicates that a substantial portion of borrowings will

be cleared in this period, it also highlights refinancing risks and the need for prudent liquidity and debt management to avoid bunching of repayments.

1.5.1.4 Financing pattern of fiscal deficit

Table 1.33 depicts financing pattern of the fiscal deficit during 2020-25.

Table 1.33: Components of fiscal deficit and its financing pattern

		(₹ in crore)				
Particulars		2020-21	2021-22	2022-23	2023-24	2024-25
Fiscal Deficit (-)/ Surplus (+)		-12,102.03	-19,863.12	-30,204.83	-20,854.69	-28,529.52
1	Revenue Deficit (-)/ Surplus (+)	382.60	-2,732.77	-12,072.35	-2,628.41	-3,000.05
2	Net Capital Expenditure	-12,399.39	-20,125.83	-15,997.71	-21,444.23	-26,404.20
3	Net Loans and Advances	-85.24	2,995.48	-334.77	3,217.95	874.73
4	Appropriation to Contingency Fund	0.00	0.00	-1,800.00	0.00	0.00
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	14,230.00	10,753.00	16,105.00	16,000.00	13,850.00
2	Loans from GoI	1,408.39	2,377.18	4,275.81	5,839.62	7,734.41
3	Special Securities issued to NSSF	-754.97	-754.97	-754.95	-754.96	-754.96
4	Loans from Financial Institutions	908.77	768.04	1,313.31	2,284.12	2,650.32
5	Small Savings, PF, etc.	888.85	601.53	100.17	-370.72	-468.61
6	Reserves & Sinking Fund	43.21	-49.37	703.89	-533.31	1,037.60
7	Deposits and Advances	-229.73	46.52	1,022.42	-772.97	1,352.41
8	Suspense and Miscellaneous	-3,629.55	574.09	6,853.66	-332.84	3,109.84
9	Remittances	-46.40	23.76	-62.13	-53.02	-35.44
10	Contingency Fund	0.00	0.00	1,800.00	0.00	0.00
11	Overall Deficit	12,818.59	14,339.78	31,357.18	21,305.92	28,475.57
12	Increase (-)/ Decrease (+) in cash balance	-716.55	5,523.34	-1,152.35	-451.23	53.95
13	Gross Fiscal Deficit	12,102.03	19,863.12	30,204.83	20,854.69	28,529.52

Source: Finance Accounts; Deficit figures are pre-audit

*Net of receipts and disbursement during the year

The fiscal deficit of the State widened from ₹ 20,854.69 crore in 2023-24 to ₹ 28,529.52 crore in 2024-25, reflecting an increase of 36.80 per cent. The deficit was mainly financed through market borrowings (₹ 13,850.00 crore; 48.64 per cent of total), followed by loans from the Government of India (₹ 7,734.41 crore; 27.16 per cent) and loans from financial institutions (₹ 2,650.32 crore; 9.31 per cent). Accretions under Reserves and Sinking Funds, Deposits and Advances and inflows under Suspense and Miscellaneous Accounts also contributed to deficit financing.

1.5.2 Post Audit Deficit Indicators

As per Finance Accounts of the State for the FY 2024-25, the Revenue Deficit of the State was ₹ 3,000.05 crore (0.47 per cent of GSDP), while the Fiscal Deficit stood at ₹ 28,529.52 crore (4.43 per cent of GSDP) whereas Primary Deficit was ₹ 19,061.77 crore (2.96 per cent of GSDP). However, Audit found several instances of misclassification²³ (Details discussed in paragraph No. 2.5.6 of Chapter II). This resulted in understatement of Revenue Deficit to that extent and the Revenue Deficit stood revised at ₹ 3,090.85 crore (0.48 per cent of GSDP).

²³ Major works amounting to ₹ 2.57 crore booked under the Revenue Section instead of Capital; Minor works of ₹ 22.24 crore and maintenance expenditure of ₹ 0.15 crore booked as Capital instead of Revenue; Grants-in-Aid of ₹ 30.96 crore and office expenditure of ₹ 40.02 crore booked under the Capital Section instead of Revenue.

1.5.3 Fiscal Balance: Achievement of deficit and total debt targets

As per the AFRBM Act of 2005 and its amendments largely aligned with the recommendations of 15th Finance Commission, the State aims to:

- eliminate revenue deficit and maintain the fiscal deficit within the ceiling of 3.00 *per cent* of GSDP, with an additional 0.5 *per cent* of GSDP over and above the prescribed limit of fiscal deficit for the financial years 2022-23 to 2024-25 allowed as Power Sector based performance.
- The outstanding debt-to-GSDP ratio is to be contained below 32 *per cent* starting from the FY 2022-23 to FY 2026-27.
- Assam also follows a Medium-Term Fiscal Plan (MTFP) and is required to disclose contingent liabilities and off-budget borrowings.

Achievements, *vis-à-vis* the fiscal targets, prescribed in the State FRBM Act for the FYs 2020-21 to 2024-25, post Audit are detailed in **Table 1.34**.

Table 1.34: Compliance with provisions of State FRBM Act post Audit

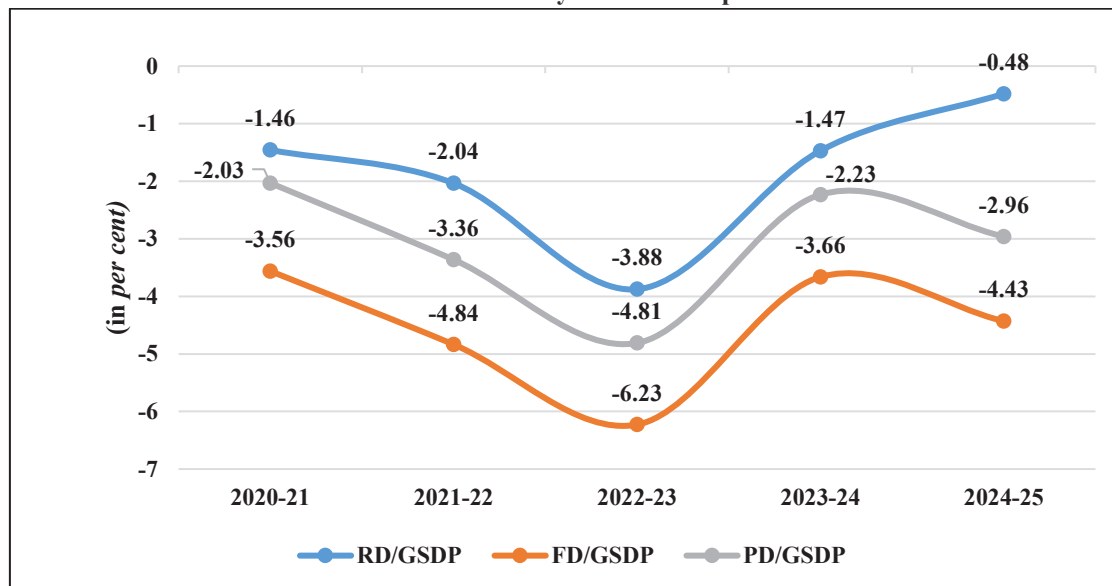
Fiscal Parameters		Achievement <i>vis-a-vis</i> targets set in the AFRBM				
		2020-21	2021-22	2022-23	2023-24	2024-25
Revenue Deficit (-) / Surplus (+) (₹ in crore)	T	Surplus	Surplus	Surplus	Surplus	Surplus
	A	-4,954.12	-8,358.89	-18,801.42	-8,372.53	-3,090.85
Fiscal Deficit (-) / Surplus (+) (as percentage of GSDP)	T	-5.50	-4.50	-3.50	-3.50	-3.50
	A	-3.56	-4.84	-6.23	-3.66	-4.43
Ratio of total Outstanding liability to GSDP (in <i>per cent</i>)	T	28.50	28.50	32.00	32.00	32.00
	A	25.72	24.33	25.41	25.81	26.84
Interest payment as <i>per cent</i> of Revenue Receipts	T*	10	10	10	10	10
	A	8.01	7.58	7.66	8.89	9.77

Source: Finance Accounts and MTFP.

T: Target; A: Actuals; *No target fixed under AFRBM Act. However, for availing additional fiscal space of 0.25 *per cent* of GSDP, as per amendment (2017) to the AFRBM Act, 2005, the target is fixed at 10% of Revenue Receipts and the State Government has been maintaining the same.

During 2024-25, the State recorded a Revenue Deficit of ₹ 3,090.85 crore (0.48 *per cent* of GSDP), against the AFRBM target of maintaining a revenue surplus, indicating that current receipts were inadequate to meet the operational expenditure of the Government. The Fiscal Deficit, at ₹ 28,529.52 crore (4.43 *per cent* of GSDP), breached the fiscal target of 3.50 *per cent* of GSDP significantly, reflecting higher dependence on borrowings for financing. The ratio of total Outstanding Liabilities to GSDP, however, remained within the prescribed limit at 26.84 *per cent*, showing adherence to the sustainability ceiling.

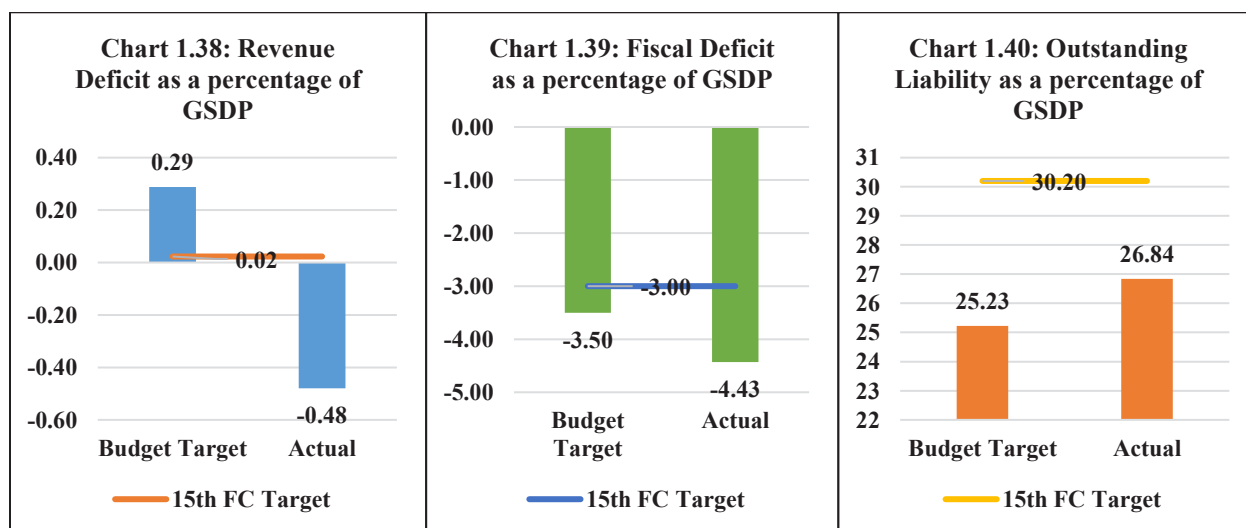
Chart 1.37: Trend analysis of deficits post audit



Source: Finance Accounts

As seen from the **Chart 1.37**, during 2024-25, the State reported a Revenue Deficit (RD) of 0.48 *per cent* of GSDP, a Fiscal Deficit (FD) of 4.43 *per cent* of GSDP, and a Primary Deficit (PD) of 2.96 *per cent* of GSDP.

The targets set by 15th FC and those projected in the State budget *vis-à-vis* achievements in respect of major fiscal aggregates with reference to GSDP during 2024-25 are given in **Chart 1.38**, **Chart 1.39** and **Chart 1.40**.



Source: Finance Accounts, Budget documents and 15th FC Report.

During the year 2024-25, the Government managed to bring down the Revenue Deficit from that of previous year's sum of ₹ 8,372.53 crore to ₹ 3,090.85 crore, yet was unable to contain the revenue deficit-GSDP and fiscal deficit-GSDP ratios within the levels fixed by 15th FC and those projected in the budget estimates. Total outstanding liability-GSDP ratio, however, remained within the AFRBM limits of 28.50 *per cent* during 2020-21 and 2021-22, and 32 *per cent* during the subsequent three years, primarily due to sustained nominal GSDP growth and prudent debt management. The repayment to gross borrowings ratio ranged between 60 and 76 *per cent*, indicating that

a substantial portion of borrowings was utilised for debt servicing rather than fresh accumulation. Further, the net borrowings available declined from 39.71 *per cent* in 2020-21 to 27.33 *per cent* in 2024-25, reflecting improved fiscal discipline.

During the Exit Conference held on 19 December 2025, the Commissioner and Secretary, Finance Department, broadly agreed with the audit observations, attributed the deviations to fiscal pressures, and assured that fiscal consolidation measures would continue to be pursued to align deficits with AFRBM targets in the coming years.

1.5.4 Debt Sustainability Analysis

Debt sustainability refers to the ability of the State to service its debt obligation now and in future. Analysis of variations in debt sustainability indicators is given in **Table 1.35**.

Table 1.35: Trends in Debt Sustainability Indicators

(₹ in crore)

Sl. No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
1	Overall Liabilities or Overall Debt*	87,407.79	99,918.54	1,23,214.80	1,46,927.84	1,72,775.07
2	Rate of Growth of Overall Debt (<i>per cent</i>)	20.97	14.31	23.32	19.25	17.59
3	GSDP (in nominal terms)	3,39,802.98	4,10,723.56	4,84,984.94	5,69,287.29	6,43,666.69
4	Nominal GSDP growth (<i>per cent</i>)	-2.03	20.87	18.08	17.38	13.07
5	Overall Debt/GSDP (<i>per cent</i>)	25.72	24.33	25.41	25.81	26.84
6	Repayment to Gross Borrowings (<i>per cent</i>)	60.29	71.58	63.30	75.49	72.67
7	Net borrowings available as a percentage of Gross Borrowings	39.71	28.42	36.70	24.51	27.33
8	Interest payments on Overall Debt	5,199.18	6,051.47	6,874.97	8,139.17	9,467.75
9	Effective rate of interest on Overall Debt ²⁴ (<i>per cent</i>)	6.81	6.75	6.58	6.63	6.76
10	Interest payment to Revenue Receipts (<i>per cent</i>)	8.01	7.58	7.66	8.89	9.77
11	Revenue Deficit/Surplus ²⁵	382.60	-2,732.77	-12,072.35	-2,628.41	-3,000.05
12	Primary Revenue Balance (PRB)	5,581.78	3,318.70	-5,197.38	5,510.76	6,467.70
13	Primary Balance (PB)	-6,902.85	-13,811.65	-23,329.86	-12,715.52	-19,061.77
14	PB/GSDP ²⁶ (<i>per cent</i>)	-2.03	-3.36	-4.81	-2.23	-2.96
15	Difference between Return on Investment (RoI) ²⁷ and effective rate of interest on Overall Debt	78.19	-10.17	-28.90	-63.18	-16.47
16	Liquidity Management (use of financial accommodation instruments available with RBI) (in number of occasions)	0	0	60	88	62

²⁴ Effective rate of interest on Overall Debt has been calculated adjusting the Reserve Funds, Deposits not bearing interest and 50 years' interest free Central assistance to State for Capital Expenditure. Effective Rate of Interest: Interest Payment/Average of Opening and Closing Stock of Debt (excluding non-interest-bearing liabilities) *100

²⁵ Pre-Audit figures.

²⁶ Pre-Audit figure.

²⁷ Return on Investment (RoI) as measured by effective rate of interest receipts. RoI = Interest Receipts/Average of Outstanding Loans & Advances of previous and current financial year *100. Outstanding Loans & Advances Disbursed = Loans & Advances Disbursed - Net of recovery

Sl. No.	Debt Sustainability Indicators	2020-21	2021-22	2022-23	2023-24	2024-25
17	Debt Stabilisation (Quantum spread ²⁸ + Primary balance)	-14,327.80	-368.79	-10,242.42	1,428.85	-9,694.91
18	Domar Gap					
a	GSDP (in constant terms)	2,47,819.23	2,58,139.69	2,89,793.18	3,24,555.8	3,49,814.24
b	Real Growth (in constant terms)	2.95	4.16	12.26	12.00	7.78
c	Inflation based on CPI (<i>per cent</i>)	7.71	3.93	6.52	4.59	5.05
d	Effective Rate of interest	6.81	6.75	6.58	6.63	6.76
e	Real effective rate of interest (Effective rate of interest-Inflation)	-0.90	2.82	0.06	2.04	1.71
f	Growth Interest Differential (Real growth-Real effective rate of interest)	3.85	1.34	12.20	9.95	6.07
g	Primary Balance (PB)	-6,902.85	-13,811.65	-23,329.86	-12,715.52	-19,061.77

Source: Finance Accounts

The State FRBM Act, 2005 defines 'Overall liabilities' as the liabilities under the Consolidated Fund and the Public Account of the State.

* Excludes ₹ 2,767.87 crore (2020-21: ₹ 994 crore; 2021-22: ₹ 1,773.87 crore) as back-to-back loans from GoI in lieu of GST Compensation shortfall. Of the outstanding back-to-back loan, ₹ 753.62 crore was repaid during the current year.

During 2024-25, the total outstanding debt of the State increased to ₹ 1,72,775.07 crore from ₹ 1,46,927.84 crore in 2023-24, registering a growth of 17.59 *per cent*, though lower than the growth rate of 19.25 *per cent* recorded in the previous year. The Debt-GSDP ratio rose marginally from 25.81 *per cent* in 2023-24 to 26.84 *per cent* in 2024-25, remaining below the AFRBM limit of 32 *per cent*, indicating that while the overall debt burden is within prudential limits, it continues to grow faster than the State's GSDP, which expanded by 13.07 *per cent* in nominal terms during the year. The effective rate of interest on overall liabilities remained broadly stable at 6.76 *per cent*, but the interest payment to revenue receipts ratio increased from 8.89 *per cent* to 9.77 *per cent*, suggesting a rising interest burden that constrains fiscal flexibility.

The State reported a Primary Deficit of ₹ 19,061.77 crore in 2024-25, compared to ₹ 12,715.52 crore in 2023-24, reflecting increased dependence on borrowed funds even after excluding interest payments. However, a positive Primary Revenue Balance (PRB) of ₹ 6,467.70 crore indicates that current revenues were sufficient to cover non-interest revenue expenditure. The debt stabilisation indicator, which combines the quantum spread and primary balance, turned negative at ₹ 9,694.91 crore in 2024-25 after being marginally positive in 2023-24, implying that the State's debt stock continues to expand faster than its capacity to generate surplus for debt servicing. The difference between Return on Investment (RoI) and effective rate of interest on liabilities, though improved to -16.47 *per cent* from -63.18 *per cent* in 2023-24, remained negative, highlighting low financial returns on government investments.

Over the five-year period (2020-21 to 2024-25), Assam's debt profile has shown a consistent rise in absolute terms, with overall liabilities increasing by nearly 98 *per cent*. Although the effective interest rate fluctuated, it hovered between 6.5 and 6.8 *per cent*, while the growth-interest rate differential under the Domar gap remained

²⁸ Quantum Spread = Interest Spread x Debt (excluding non- interest-bearing liabilities).

positive at 6.07 *per cent* in 2024-25. This indicated that the state was able to cover its borrowing costs during the 2020-2025. However, the real interest rate has been consistently driven by inflation, which indicates higher rollover risk in the short and medium term. Persistent high inflation erodes the real value of debt and therefore carries rollover risk. Therefore, to achieve sustainable nominal growth and stabilise the debt-to-GSDP ratio in the medium term, it is crucial to keep inflation expectations well anchored to ensure that borrowing costs remain consistent with the growth trajectory. However, persistent primary deficits, increasing interest liabilities, and declining nominal GSDP growth rates point to a narrowing fiscal space and emerging pressures on debt sustainability. Strengthening fiscal consolidation, enhancing revenue mobilisation, and improving returns from capital investments will be essential to maintain long-term debt stability.

1.5.5 Status of Guarantees – Contingent Liabilities

Guarantees are contingent liabilities on the Consolidated Fund in case the borrower defaults. The State extends guarantees for loans raised by entities like statutory corporations, boards, local bodies, and co-operative institutions. As per Assam's FRBM Act, 2005, outstanding guarantees must not exceed 50 *per cent* of State's own tax and non-tax revenue of the second preceding year. Details of the guarantees and status of outstanding guarantees to total receipts for the last five years is given in **Table 1.36**.

Table 1.36: Guarantees given by the State Government

Guarantees	(₹ in crore)				
	2020-21	2021-22	2022-23	2023-24	2024-25
Ceiling applicable to the outstanding amount of guarantees as per the Assam FRBM Act, 2005 (i.e. 50 <i>per cent</i> of State's own tax and non-tax revenue of the second preceding year)	12,073.07	11,034.02	10,016.61	11,556.43	15,131.67
Outstanding amount of guarantees at the beginning of the year	84.42	77.72	311.76	1,166.49	2,241.30
Outstanding guarantees at the end of the year	77.72	311.76	1,166.49	2,241.30	2,690.08

Source: Finance Accounts

The outstanding guarantees for ₹ 2,690.08 crore as on 31 March 2025 was in respect of Co-operatives (₹ 6.30 crore); State Finance Companies/Corporations (₹ 44.58 crore) and Others—to Assam Infrastructure Financing Authority (₹ 2,639.20 crore).

The Government gave guarantees within the limits prescribed in the FRBM Act during 2020-25.

Out of the outstanding guarantees for ₹ 2,690.08 crore, the State Government had given guarantees amounting to ₹ 44.58 crore to Assam Plains Tribes Development Corporation Ltd whose net worth had become negative. This means that the actual liability lies with the State Government to repay its loan.

1.5.6 Pathways to Fiscal Stability

Deficits can be improved by enhancing revenues and rationalising expenditures. This includes strengthening tax compliance, widening the tax base, revising user charges, and monetising idle government assets. On the spending side, better targeting of subsidies, controlling salary and pension growth, and ensuring proper classification of

expenditure are key factors. Prioritising productive capital investment and improving debt management through transparent and efficient borrowing can further ease fiscal pressure. These measures collectively create fiscal space and help reduce revenue, fiscal, and primary deficits in a sustainable manner. These have been discussed in succeeding paragraphs.

1.5.6.1 Improving revenues of the State

Untapped revenue potential that, if harnessed effectively, could significantly enhance fiscal space and reduce dependence on debt. Inefficiencies in assessment, undervaluation, and limited enforcement mechanisms of key tax streams such as State GST, Stamp Duty, and Excise will lead to subdued revenue growth. Under-realised non-tax revenues, with low user charges, poor cost recovery, and suboptimal returns on public assets and investments also impede the fiscal space. Timely realisation of pending arrears is (tax and non-tax) another step towards enhancing the fiscal space.

A. Arrears of revenue

As on 31 March 2025, the arrears of revenue in respect of principal heads of revenue were ₹ 4,580.67 crore, of which ₹ 2,890.81 crore were outstanding for more than five years, as depicted in **Table 1.37**.

Table 1.37: Arrears of revenue

(₹ in crore)

Sl. No.	Head of revenue	Amount outstanding		Reply of the Government	
		as on 31 March 2025	for more than five years as on 31 March 2025		
1	Taxes on Agricultural Income	71.29	49.33	Following are the reasons for the pending arrears: <ol style="list-style-type: none"> i. Some amounts become “arrears” when the amounts are not paid by the dealers on the due date. The Assessing Officers issue notices to the defaulters for payment of arrears and try their best to realise the amount. Such arrears are later paid by the concerned dealers with interest. Current arrears are also included in the above amount. ii. For the amount which cannot be realised by the Assessing Officers despite all efforts, arrear certificates are issued by the assessing officers to the <i>Bakijai</i> Officers for realisation. These amounts remain as arrears with the Superintendent of Taxes (Recovery) till actual recovery. iii. Pending cases involving arrears of revenue in the High Court/Supreme Court/Board of Revenue and with Appellate/Revision authorities. iv. Un-traceability of dealers at the time of realisation of dues, etc. 	
2	Professional Tax	2.67	0.75		
3	Land Revenue (Assam Taxes on Specified Lands)	3,026.18	1,799.87		
4	Tax on Sales, Trade, etc.	1,308.67	885.49		
5	Taxes on Goods and Passengers	66.16	66.16		
6	Taxes and Duties on Electricity	23.20	6.79		
7	Other Taxes and Duties on Commodities and Services	5.04	4.96		
8	State Excise	63.13	63.13		Due to non-payment of levies by the wholesale warehouses in due time.
9	Non-ferrous Mining and Metallurgical Industries	0.08	0.08		Non-payment of royalty on limestone by NECEM Cement Ltd. for 2005–06, 2006–07, and 2011–12 (₹8.16 lakh).

Sl. No.	Head of revenue	Amount outstanding		Reply of the Government
		as on 31 March 2025	for more than five years as on 31 March 2025	
10	Petroleum	14.25	14.25	The additional royalty in excess of ₹528 per MT as paid by Oilmax, payable to the State Government, was realised from the Central Government Oil Industry Development Board (OIDB) fund under MoP&NG, GoI as specified in the Production Sharing Contract (PSC) signed between the Government of India and the lessee on 23/02/2001.
Total		4,580.67	2,890.81	--

Source: Departmental Information

B. Arrears in assessment

The information on number of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year, as furnished by the Department of Excise and Department of Taxation in respect of Sales Tax/VAT is depicted in **Table 1.38**.

Table 1.38: Arrears in assessment

(₹ in crore)

Sl. No.	Head of revenue	Cases pending at the beginning of 2024-25	New cases due for assessment during 2024-25	Total cases due for assessment	Cases disposed of during 2024-25	Balance at the end of the year	Percent age of disposal
1	GST	1,165	7,510	8,675	700	7,975	8.07
2	VAT	3,668	119	3,787	1,831	1,956	48.35
3	CST	1,457	11	1,468	1,147	321	78.13
4	Entry Tax	1,399	0	1,399	85	1314	6.08
5	Profession Traders, Callings and Employment	13,998	11,273	25,271	10,641	14,630	42.11
6	Taxation on Specified Lands	2,877	56	2,933	2,604	329	88.78
7	Agricultural Income Tax	2,123	0	2,123	832	1,291	39.19
8	Amusement and Betting	192	0	192	0	192	0
9	Luxury Tax	227	0	227	0	227	0
10	Electricity Duty	1,646	218	1,864	676	1,188	36.27
Total		28,752	19,187	47,939	18,516	29,423	38.62

Source: Departmental Information

During the period 2020-25, the number of pending cases at the end of the respective years were 72,553 (2020-21); 42,045 (2021-22); 32,434 (2022-23); 28,752 (2023-24) as against 29,423 cases at the end of 2024-25.

C. Details of evasion of tax detected by the Department, refund cases, etc.

The cases of evasion of tax detected, cases finalised and the demands for additional tax raised are important indicators of revenue collection efforts of the State Government.

The details of cases of evasion of tax detected by the Excise and Taxation, cases finalised and the demand for additional tax raised; during the year 2024- 25, as reported by the departments concerned, are depicted in **Table 1.39**.

Table 1.39: Evasion of tax detected

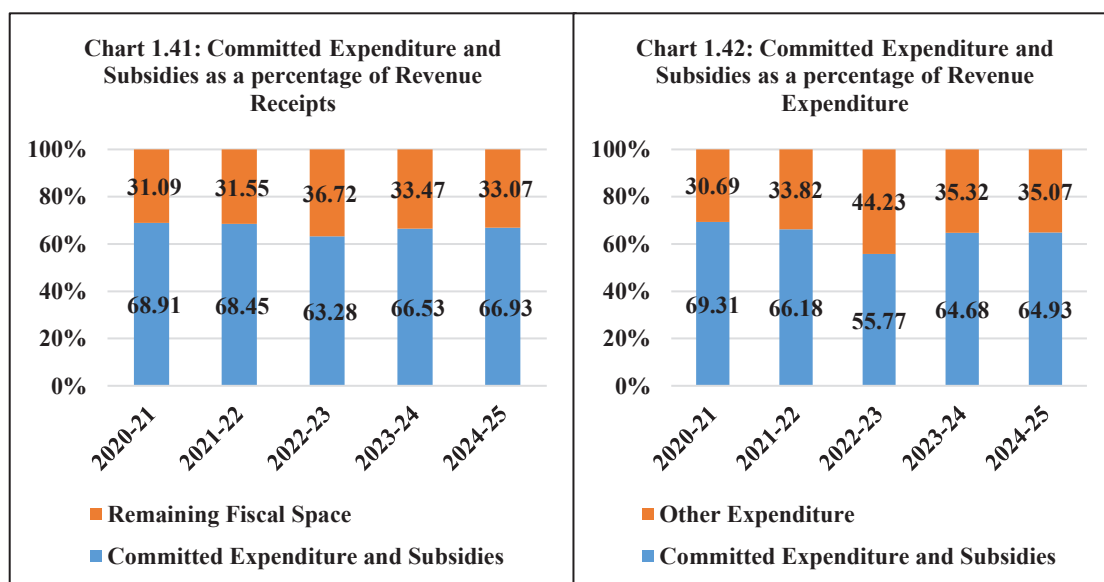
Sl. No.	Head of revenue	Cases pending as on 31 March 2024	Cases detected during 2024-25	Total	No. of Cases in which assessment/ investigation completed and additional demand with penalty, etc. raised		No. of cases pending for finalisation as on 31 March 2025
					No. of cases	Amount of demand (₹ in crore)	
1	Goods and Services Tax	20	561	581	571	95.69	10
2	State Excise	4	0	4	4	43.94	4
Total		24	561	585	575	139.63	14

Source: Departmental Information

1.5.6.2 Issues on expenditure side

A. Fiscal stress from committed expenditure and subsidies

Chart 1.41 and Chart 1.42 depict Committed expenditure and subsidies together as a percentage of Revenue Receipts and Revenue Expenditure during the FY 2020-25 respectively.



Source: Finance Accounts

In 2024-25, the State’s committed expenditure of ₹ 63,841.44 crore comprising salaries (₹ 35,604.33 crore), pensions (₹ 18,769.36 crore), and interest payments (₹ 9,467.75 crore, accounted for approximately 65.88 per cent of the Revenue Receipts. In addition, subsidies amounted to ₹ 1,023.82 crore, bringing the total rigid expenditure to ₹ 64,865.26 crore, which was nearly 67 per cent of the State’s revenue receipts. The high and inflexible nature of such expenditure significantly compresses fiscal space, limiting the State’s ability to allocate resources towards capital investment and developmental priorities. This structural imbalance increases the risk of persistent revenue and primary deficits, constrains long-term fiscal sustainability, and reduces the government’s capacity to respond to emergent socio-economic challenges.

B. Capital blocked in incomplete projects

An assessment of capital blocked in incomplete capital projects would also indicate the quality of Capital Expenditure. Blocking of funds in incomplete projects/ works impinges negatively on the quality of expenditure and deprives the State of the intended benefits of the projects for prolonged periods. Further, funds borrowed for implementation of these projects, during the respective years would lead to an extra burden, in terms of servicing of debt and interest liabilities. Details of the incomplete projects are shown in **Table 1.40** (based on information provided by the State Government for *Appendix-IX* of the Finance Accounts for the year 2024-25).

Table 1.40: Capital blocked in incomplete projects

(₹ in crore)

Age profile of incomplete projects as on 31-03-2025				Department-wise profile of incomplete projects as on 31-03-2025		
Year of sanction of the project	No of incomplete projects	Estimated cost	Expenditure incurred	Department	No. of incomplete projects	Estimated cost
2009-10	1	2.1	0.62	Public Works	16	105.2
2010-11	3	105.72	60.25			
2013-14	1	19.64	16.78			
2014-15	1	4.98	3.04	Water Resources	6	515.86
2018-19	3	63.26	35.96			
2019-20	5	211.26	117.21			
2020-21	3	149.65	84.85	Irrigation	11	58.02
2021-22	2	32.54	18.59			
2022-23	7	32.88	17.57			
2023-24	7	57.06	28.47			
Total	33	679.09	383.34	Total	33	679.08

Source: Finance Accounts

Out of the estimated cost of ₹ 679.09 crore on these 33 ongoing projects, ₹ 383.34 crore was spent till 2024-25. Therefore, due to non-completion of these 33 projects, Capital Expenditure of ₹ 383.34 crore remained blocked.

Due to incomplete information in *Appendix-IX* (Commitments of the Government-List of Incomplete Capital Works) of the Finance Accounts for the year 2024-25 (provided by the State Government), Audit could not ascertain the actual progressive expenditure, physical progress of work, position of pending payment (future liability) and revised cost, if any, as on 31 March 2025.

C. Un-discharged liabilities on Fiscal Space

Undischarged/deferred liabilities, if not addressed timely, will reduce the available fiscal space for future developmental and infrastructure spending. Besides creating lack of transparency and credibility, this impairs the state's ability to raise resources in a sustainable manner, thereby impacting overall fiscal health and long-term sustainability.

Audit observed that the State Government had accumulated several un-discharged liabilities over the years, which have significant implications for fiscal sustainability. These include:

- Un-discharged interest liabilities totalling ₹ 134.75 crore.
- Off-budget borrowings and other liabilities not captured in the debt stock amounting to ₹ 2,639.20 crore.
- Short/non-transfer of State Government’s contribution to the National Pension System (NPS) amounting to ₹ 508.88 crore.

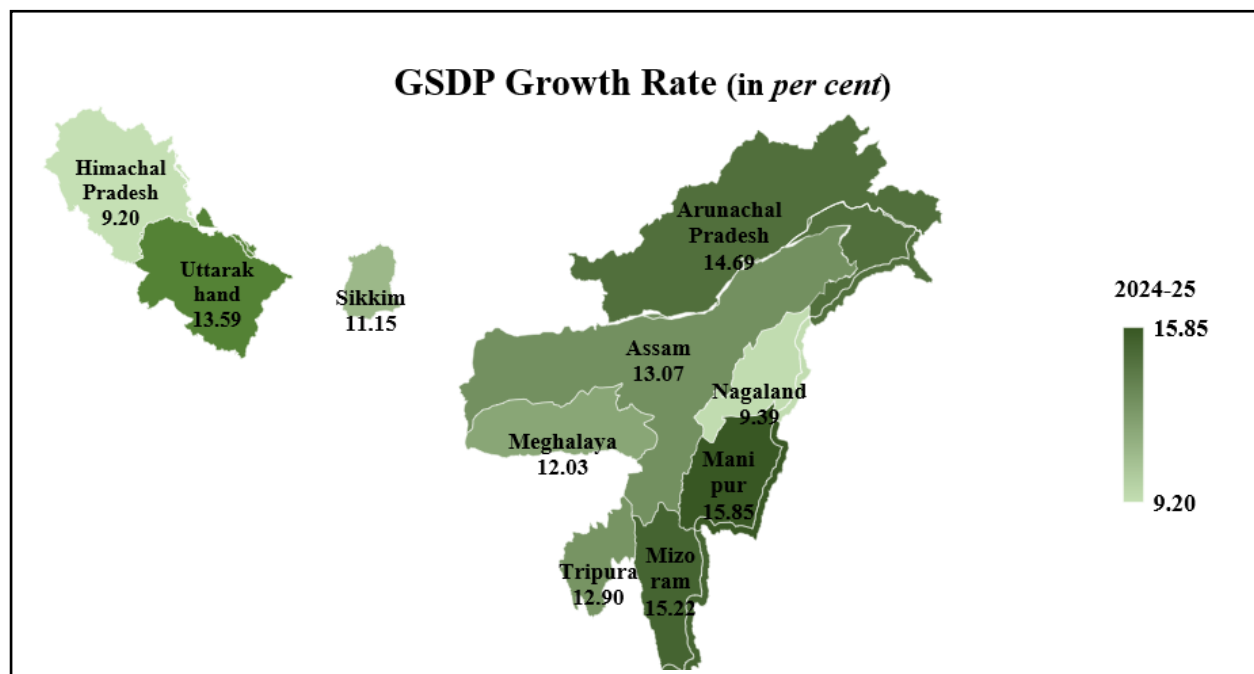
The cumulative value of these un-discharged liabilities amounted to ₹ 3,282.83 crore, which is equivalent to 0.51 *per cent* of the GSDP and 11.51 *per cent* of the Fiscal Deficit for the year.

Audit recommends that the State Government disclose and address all un-discharged liabilities transparently and make provisions for timely discharge of these obligations to avoid future fiscal stress.

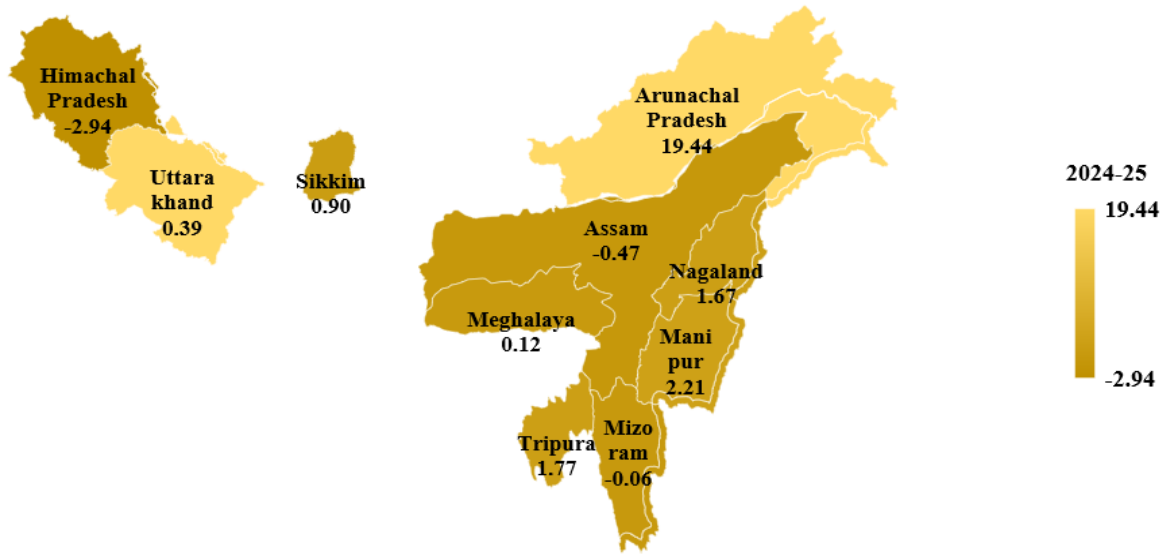
1.6 Inter-State Comparison of Key Fiscal Indicators

A map-based inter-state comparison of key fiscal indicators for the year 2024-25 is presented in **Chart 1.43**, covering GSDP growth rate, Revenue Deficit/Surplus-GSDP ratio, Fiscal Deficit/Surplus-GSDP ratio, Own Tax Revenue-GSDP ratio, Debt-GSDP ratio, and the shares of Education (including Sports, Art & Culture) and Health & Family Welfare in total expenditure. These maps depict Assam’s fiscal position *vis-à-vis* the nine North-Eastern and Himalayan States—Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Uttarakhand and Himachal Pradesh—providing a snapshot of relative fiscal strength, sustainability and social-sector prioritisation during 2024-25. A detailed ten-year trend analysis (2015-16 to 2024-25) of these indicators, highlighting structural shifts and long-term fiscal patterns across States, is also presented in *Appendix 1.5* for deeper reference.

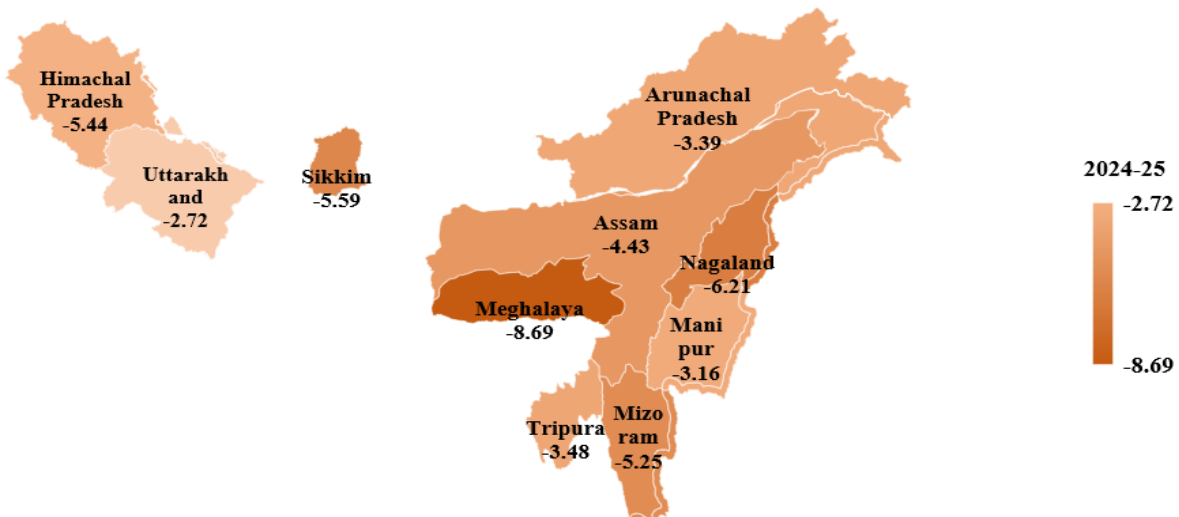
Chart 1.43: Inter-State Comparison of Key Fiscal Indicators



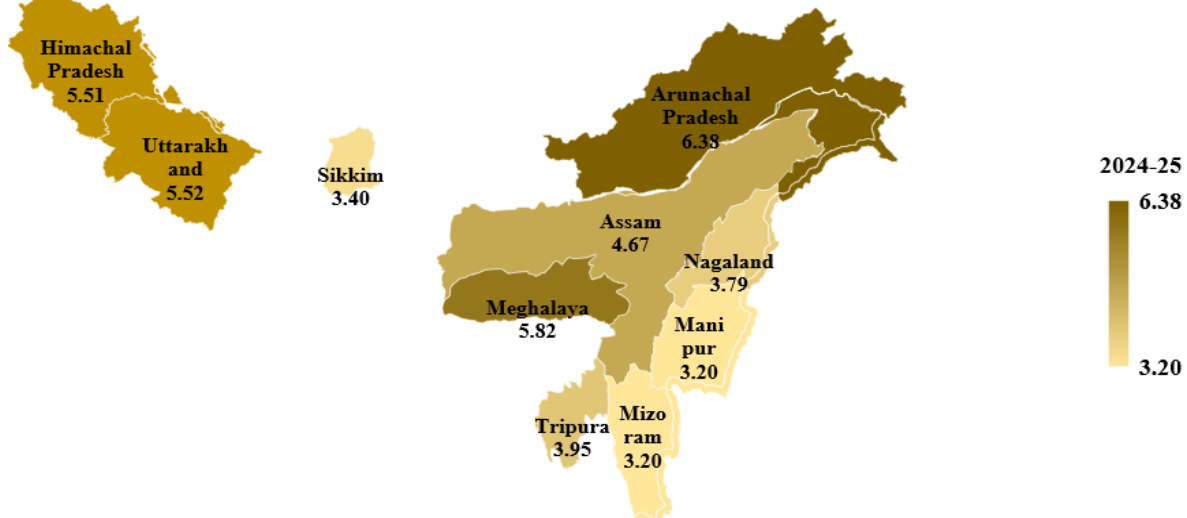
REVENUE DEFICIT (-) OR SURPLUS (+)/GSDP (in per cent)

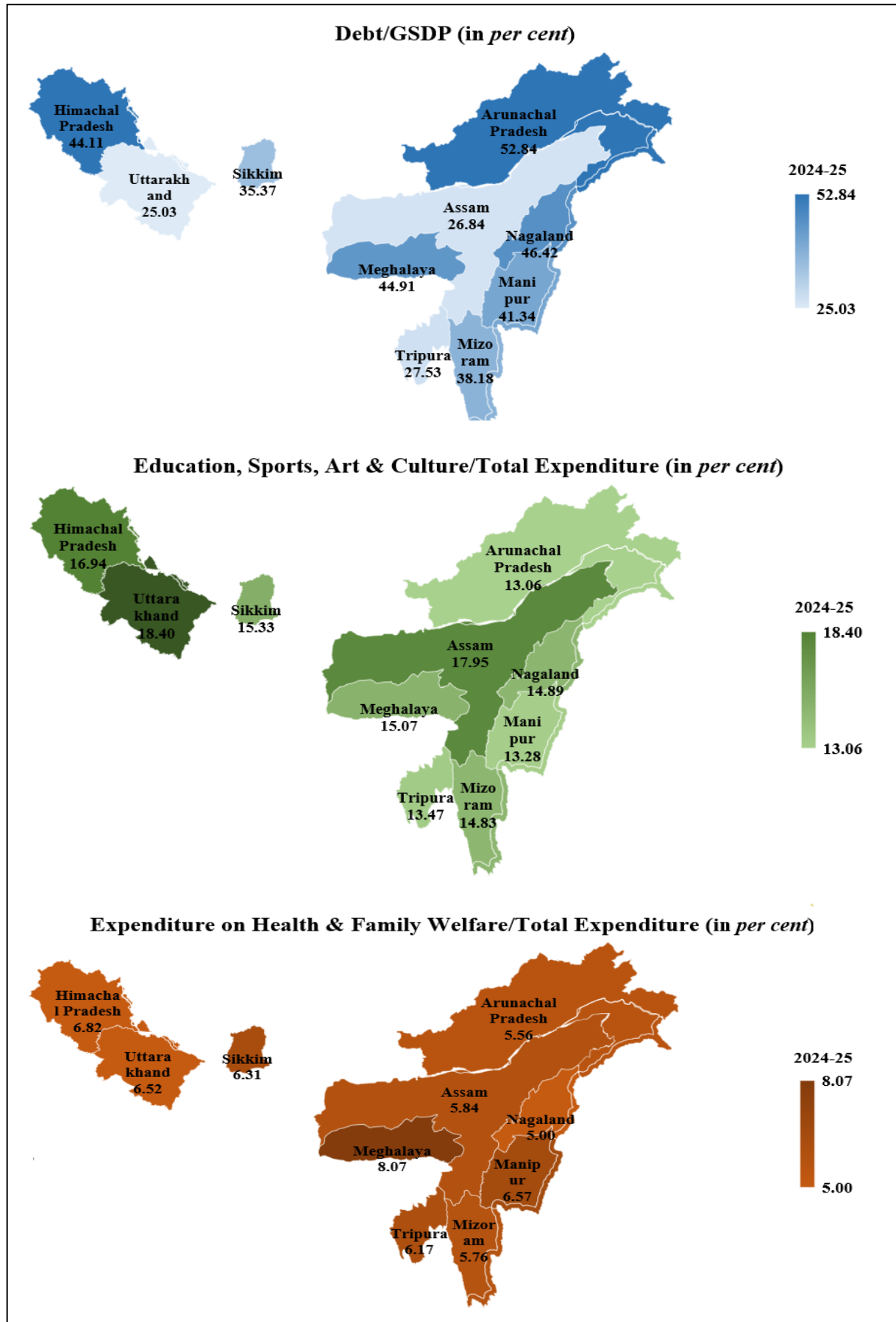


FISCAL DEFICIT (-) OR SURPLUS (+)/GSDP (in per cent)



Own Tax Revenue/GSDP (in per cent)





Source: Finance Accounts of the respective years, PAG/AG Offices of respective States and MoSPI.

1.7 Conclusion

- The State's own revenue resources showed fluctuations in buoyancy during the period 2020-21 to 2024-25, ranging between 0.30 and 1.71. Whereas the growth in Own Tax Revenue averaged around 12.95 *per cent*, reflecting gradual improvement in collection efficiency and expansion of the tax base.
- Revenue deficit (Post Audit) as a percentage of Revenue Receipts decreased from 7.63 *per cent* in 2020-21 to 3.19 *per cent* in 2024-25, indicating improvement in fiscal management. However, the share of subsidies and committed expenditure together constituted 66.93 *per cent* of Revenue Receipts for the year 2024-25, limiting fiscal flexibility.
- Fiscal Deficit (Post Audit) breached the FRBM targets in four out of the last five-year period of 2020-21 to 2024-25, averaging 4.54 *per cent* of GSDP during the period.
- Outstanding liabilities as a percentage of GSDP increased from 25.72 *per cent* in 2020-21 to 26.84 *per cent* in 2024-25, though remaining within the AFRBM ceiling of 28.50 *per cent* for 2020-21 and 2021-22 and 32 *per cent* for the subsequent three years.
- During 2024-25, interest receipts formed around 0.22 *per cent* of Revenue Receipts while interest payments accounted for 9.77 *per cent*, indicating a high net interest burden.
- Undischarged liabilities stood at 11.51 *per cent* of Fiscal Deficit at the end of 2024-25, reflecting need for improved settlement of pending obligations.
- During 2024-25, contingent liabilities in the form of guarantees increased by 20.02 *per cent* during the period, with no instance of invocation reported. However, continuous monitoring is required to avoid future fiscal stress.
- Though there was a substantial increase in Government's investment in Government Companies, Corporations and Other bodies during the last five years, there is no well-defined dividend policy in place.

Overall, the fiscal position of Assam indicates moderate improvement in revenue management, though rising committed expenditure and contingent liabilities warrant close monitoring in subsequent years.

1.8 Good Practices

- Assam's debt to GSDP ratio had been well below the AFRBM ceiling during the five-year period 2020-25. It demonstrates that the State is not overly leveraged relative to the size of its economy, thereby preserving fiscal space. Lower debt/GSDP means less risk of debt servicing burdens crowding out development expenditure.

1.9 Recommendations

- The State Government may make concrete efforts to augment own resources of revenue to bridge the mismatch between revenue receipts and expenditure and reduce its fiscal deficit.*

- ii. The State Government may consider discharging of its interest liabilities on time.*
- iii. State Government may take necessary steps to reduce the Fiscal Deficit and to achieve the targets specified under the AFRBM Act.*
- iv. The Government should formulate and notify well-defined dividend policy, as the quantum of Government's investment has increased substantially during the last five years.*