

**ACCOUNTS AT A GLANCE
2016- 2017**

GOVERNMENT OF ASSAM

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Preface

This is the 19th issue of our annual publication '**Accounts at a Glance**'.

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

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

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

GUWAHATI

Dated: 27-02-2018.



(Abdul Rauf)
ACCOUNTANT GENERAL (A&E)
ASSAM

OVERVIEW**1.1 Introduction**

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

1.2 Structure of Accounts**1.2.1 The Government accounts are kept in three parts:**

Part I	Consolidated Fund
Part II	Contingency Fund
Part III	Public Account

Part - I : There are two main divisions under the Consolidated Fund:

The Revenue division (Revenue Account) deals with the proceeds of taxation and other receipts classed as revenue and the expenditure met therefrom, the net result of which represents the revenue surplus or deficit for the year.

In the Capital division, the section 'Receipt Heads (Capital Account)' deals with receipts of capital nature, which cannot be applied as a set-off to capital expenditure. The section 'Expenditure Heads (Capital Account)' deals with expenditure met usually from borrowed funds with the object of increasing concrete assets of a material and permanent character. It also includes receipts of a capital nature intended to be applied as a set-off to capital expenditure. The section 'Public Debt, Loans and Advances, etc.' comprises loans raised and their repayments by Government such as 'Internal Debt' and 'Loans and Advances' made (and their recoveries) by Government.

Part - II : In the Contingency Fund, the transactions connected with Contingency Fund established under Article 267 of the Constitution of India are recorded.

Part - III : In the Public Account, the transactions relating to 'Debt' (other than those included in Part-I), 'Deposits', 'Advances', 'Remittances' and 'Suspense' are recorded.

1.3 Finance Accounts and Appropriation Accounts

1.3.1 FINANCE ACCOUNTS

The Finance Accounts depict the receipts and disbursements of the Government for the year, together with the financial results disclosed by the revenue and capital accounts, public debt and public account balances recorded in the accounts. Finance Accounts have been issued in two volumes, in a new format, to make them more comprehensive and informative. Volume - I of the Finance Accounts contains the certificate of the Comptroller and Auditor General of India, summarized statements of overall receipts and disbursements and 'Notes to accounts' containing summary of significant accounting policies, quality of accounts and other items ; Volume - II contains detailed statements (Part-I) and appendices (Part-II).

Receipts and disbursements of the Government of Assam, as depicted in the Finance Accounts 2016-2017, are given below :

(₹ in crore)			
Receipts (Total: 55364.18)	Revenue (Total: 49219.81)	Tax Revenue	32268.20
		Non-Tax Revenue	4353.13
		Grants-in-Aid	12598.48
	Capital (Total: 6144.37)	Recovery of Loans and Advances	18.60
		Borrowing and other liabilities*	6125.77
Disbursements (Total: 55364.18)	Revenue		49362.72
	Capital		5502.08
	Loans and Advances		499.38

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

Despite the Union Government's decision that from 1st April, 2014, transfers under Centrally Sponsored Schemes would be through the Consolidated Fund of the States and not directly to the implementing agencies by the Union Government, the Government of India continued to transfer substantial funds directly to State Implementing Agencies / Non-Government Organisations for implementation of various schemes / programmes, as emerged from the data from PFMS portal of Controller General of Accounts. During 2016-17, the Union Government transferred ₹ 2846.20 crore (₹ 1277.60 crore last year) directly to the Implementing Agencies / Organisations etc. for implementation of various schemes.

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

1.3.2. APPROPRIATION ACCOUNTS

The Appropriation Accounts supplement the Finance Accounts. They depict the expenditure of the State Government against ‘charged’ on the Consolidated Fund or ‘voted’ by the State Legislature. There are 3 charged Appropriations and 78 voted Grants. The Appropriation Act, 2016-2017, had provided for gross expenditure of ₹ 83069.15 crore, including the Supplementary Grants totaling ₹ 4815.79 crore voted by State Legislature during the year. Disbursements aggregating ₹ 58178.31 crore were made against the aggregate budget provision of ₹ 83069.15 crore, resulting in savings of ₹ 24890.84 crore against Grants and Appropriation. Recoveries in reduction of expenditure amounting to ₹ 771.50 crore were recorded without projection of any budget estimate. The gross expenditure includes ₹ 12.66 crore drawn on Abstract Contingent (AC) Bills, of which ₹ 12.40 crore is outstanding at the end of the year for want of supporting Detailed Contingent (DC) Bills.

1.4 Sources and Application of Funds

1.4.1 Ways and Means Advances

The Reserve Bank of India (RBI) extends the facility of Ways and Means Advances (WMA) to enable State Governments to maintain their liquidity. Overdraft (OD) facilities are provided when there is a shortfall in the agreed minimum cash balance (₹ 1.08 crore) maintained with the RBI. The Government maintained the minimum cash balance with the RBI during 2016-17 and no Ways and Means Advances or Overdraft was taken during the year.

1.4.2 Fund flow statement

The State had a Revenue Deficit of ₹ 142.91 crore and a Fiscal Deficit of ₹ 6125.77 crore representing 0.06 per cent and 2.38 per cent respectively of the Gross State Domestic Product (GSDP). The Fiscal Deficit constituted 11.06 per cent of total expenditure. This deficit was met from excess of receipts under public debt (₹ 1859.08) and also partly met (₹ 4266.69) from excess of receipts under Public Account (₹ 4861.95). Around 58.39 per cent of the revenue receipts (₹ 49219.81 crore) of the State Government was spent on committed expenditure like salaries (₹ 19209.96 crore), interest payments (₹ 2963.75 crore) and pensions (₹ 6564.64 crore).

N.B. Gross State Domestic Product (GSDP)for 2016-2017 as per Directorate of Economics and Statistics, GOA at current prices was ₹ 257510.21 crore.(Quick)

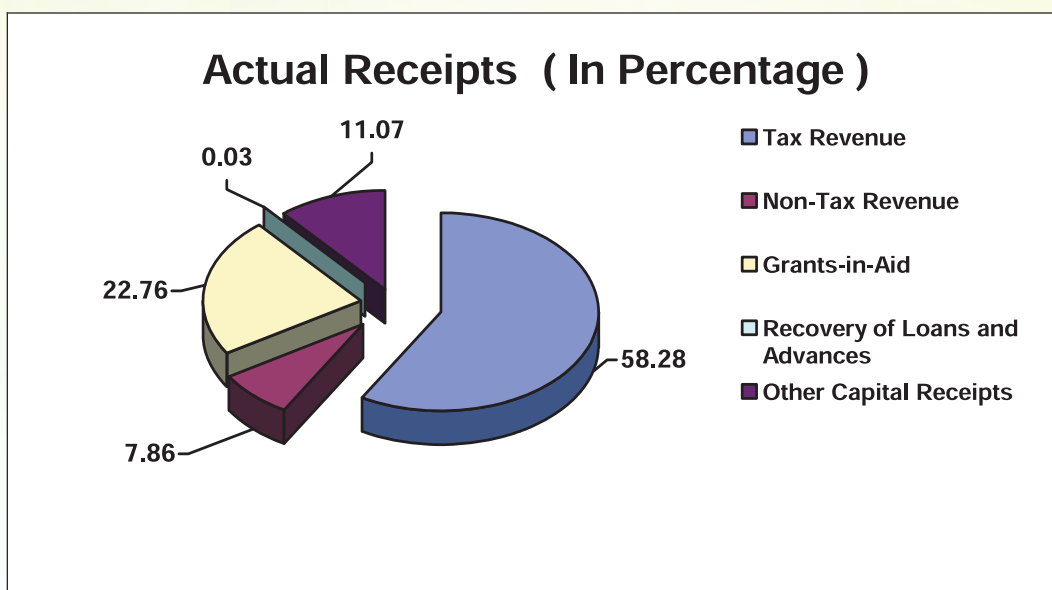
Sources and Application of Funds

(₹ in crore)

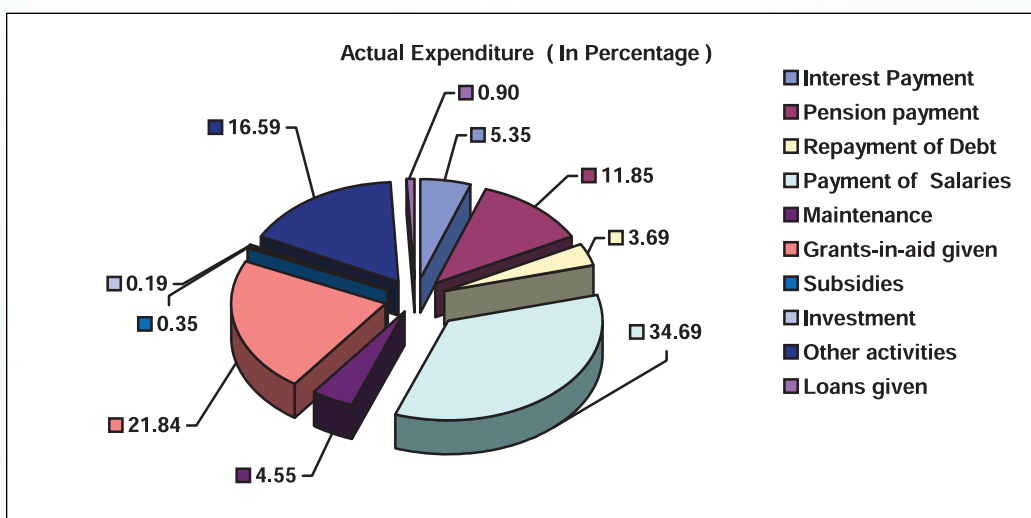
SOURCES	PARTICULARS	AMOUNT
	Opening Cash Balances, as on 1 April, 2016	(-) 816.18
	Revenue Receipts	49219.81
	Recovery of Loans & Advances	18.60
	Public Debt	3901.71
	Small Savings, Provident Fund & Others	1747.73
	Reserves & Sinking Funds	1658.02
	Deposits Received	6226.28
	Civil Advances Repaid	3362.81
	Suspense Account	211288.06
	Remittances	6632.14
	TOTAL	283238.98

APPLICATION	Revenue Expenditure	49362.72
	Capital Expenditure	5502.08
	Loans Given	499.38
	Repayment of Public Debt	2042.63
	Small Savings, Provident Fund & Others	951.28
	Reserves & Sinking Funds	417.50
	Deposits Spent	5196.37
	Civil Advances Given	4047.07
	Suspense Account	208736.39
	Remittances	6704.48
	Closing Cash Balance, as on 31 March, 2017	(-) 220.92
	TOTAL	283238.98

1.4.3 Where the Rupee came from



1.4.4 Where the Rupee went



1.5 Highlights of Accounts

(₹ in crore)

Particulars		B.E. 2016-17	Actuals 2016-17	Percentage of Actuals to B.E.	Percentage of Actuals to GSDP #
1.	Tax Revenue	34572.58	32268.20	93.33	12.53
2.	Non-Tax Revenue	5846.52	4353.13	74.46	1.69
3.	Grants-in-aid & Contributions	25760.78	12598.48	48.91	4.89
4.	Revenue Receipts (1+2+3)	66179.88	49219.81	74.37	19.11
5.	Recovery of Loans & Advances	569.47	18.60	3.27	0.01
6.	Other Receipts	...	...	...	...
7.	Borrowings and Other Liabilities	11490.66	6125.77	53.31	2.38
8.	Capital Receipts (5+6+7)	12060.13	6144.37	50.95	2.39
9.	Total Receipts (4+8)	78240.01	55364.18	70.76	21.50
10.	Non-Plan Expenditure(NPE)	45034.80	36431.61	80.90	14.15
11.	NPE on Revenue Account	44291.34	35928.89	81.12	13.95
12.	NPE on Interest Payments out of 11	3209.32	2963.75	92.35	1.15
13.	NPE on Capital Account	743.46	502.71	67.62	0.20
14.	Plan Expenditure (PE)	33205.21	18932.57	57.02	7.35
15.	PE on Revenue Account	21496.32	13433.83	62.49	5.22
16.	PE on Capital Account	11708.89	5498.75	46.96	2.14
17.	Total Expenditure (10+14)	78240.01	55364.18	70.76	21.50
18.	Expenditure on Revenue Account(11+15)	65787.66	49362.72	75.03	19.17
19.	Expenditure on Capital Account (13+16)*	12452.35	6001.46	48.20	2.33
20.	Revenue Surplus (+) Deficit (-) (4-18)	(-) 392.22	(-) 142.91	36.44	0.06
21.	Fiscal Surplus (+) Deficit (-) {(4+5)-17}	(-)11490.66	(-) 6125.77	53.31	2.38

* Expenditure on Capital Account consists of Capital Expenditure (₹ 5502.08 crore) and Loans and Advances disbursed (₹ 499.38 crore).

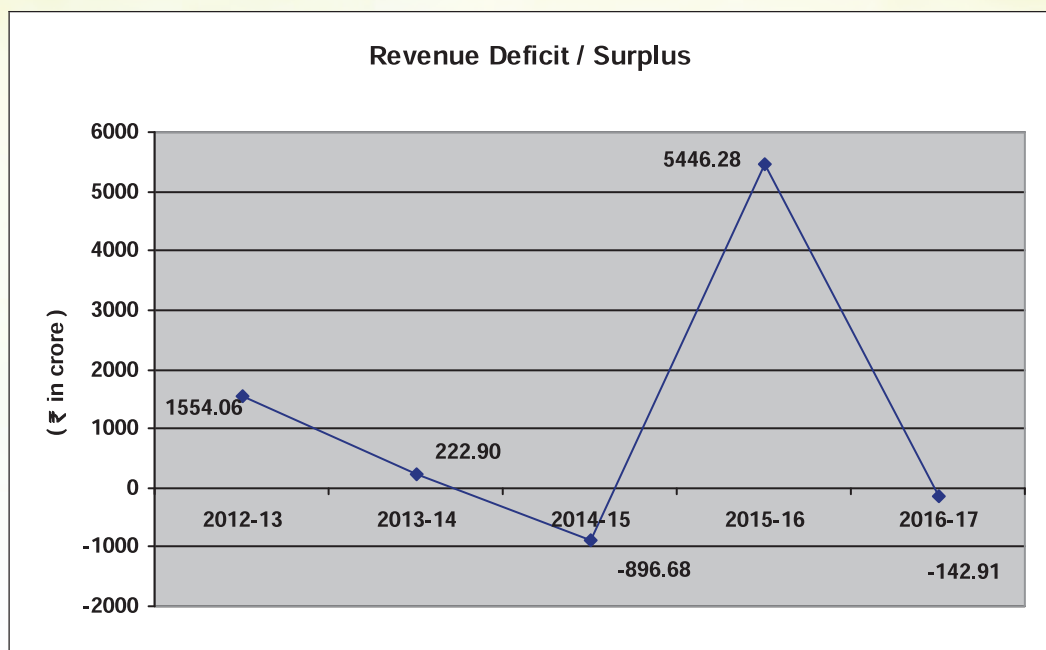
GSDP ₹ 257510.21 Crore (Quick).

1.6 *What do the Deficits and Surpluses indicate?*

Deficit	Refers to the gap between Revenue and Expenditure. The kind of deficit, how the deficit is financed, and application of funds are important indicators of prudence in Financial Management.
Revenue Deficit / Surplus	Refers to the gap between Revenue Receipts and Revenue Expenditure. Revenue Expenditure is required to maintain the existing establishment of Government and ideally, should be fully met from Revenue Receipts.
Fiscal Deficit / Surplus	Refers to the gap between Total Receipts (excluding borrowings) and Total Expenditure. This gap, therefore, indicates the extent to which expenditure is financed by borrowings. Ideally, the Borrowings should be invested in capital projects.

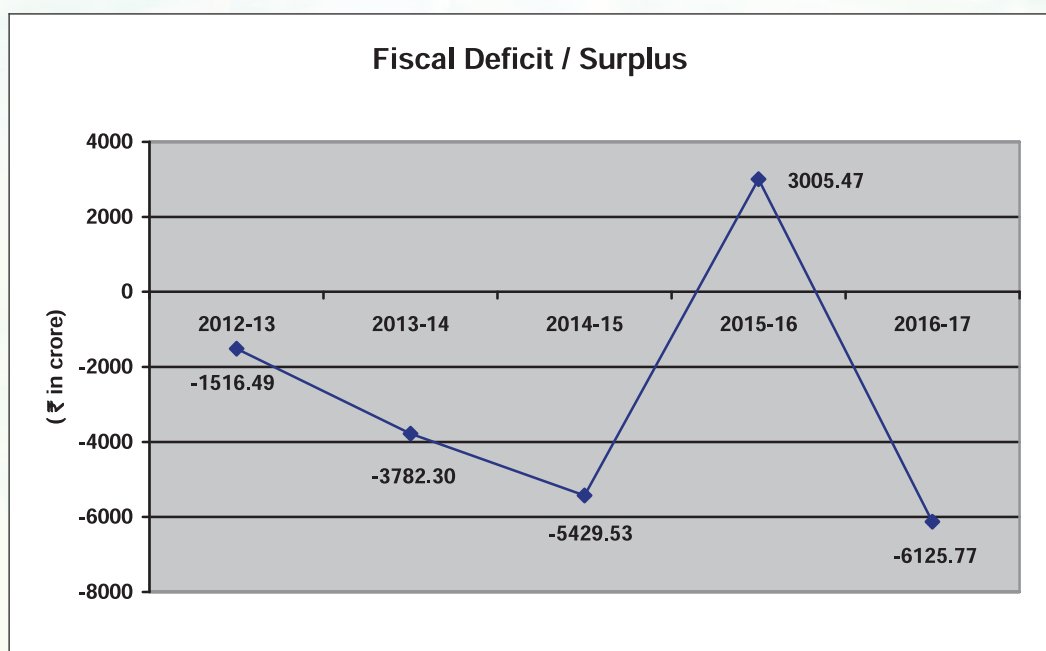
Deficit indicators, revenue augmentation and expenditure management are major yardsticks for judging the fiscal performance of the Government.

1.6.1. Trend of Revenue Deficit / Surplus



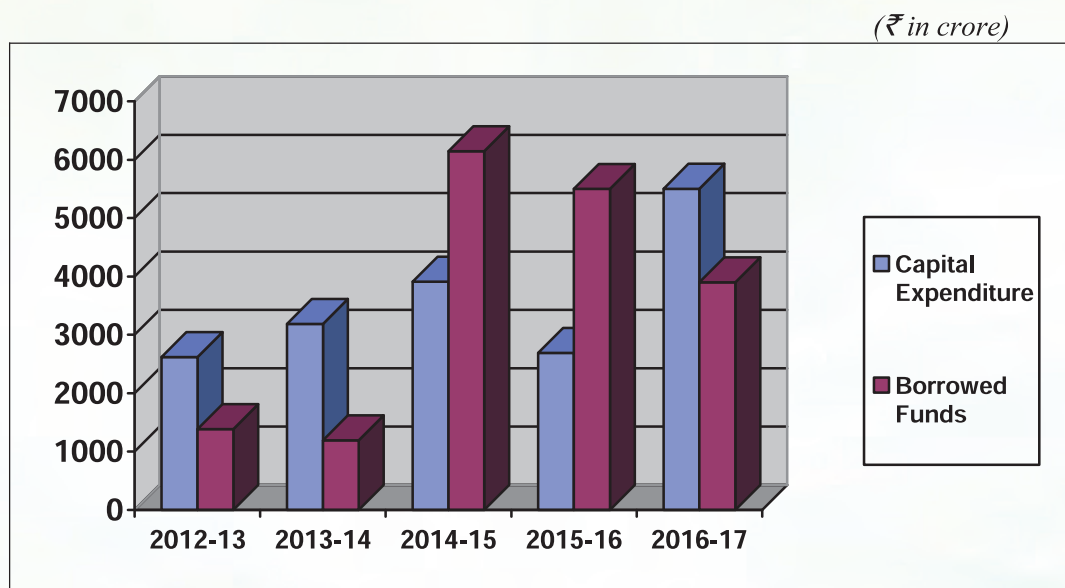
It appears from the above, the State Government maintained revenue surplus during 2012-2013, 2013-2014 and 2015-2016 indicating that the State was within its means to meet its revenue expenditure and the resultant balance was utilized for capital account. However, the State could not continue with the surpluses on revenue account and registered revenue deficit in 2014-2015 and 2016-2017. These deficits led to diversion of part of the capital receipts towards current expenditure.

1.6.2. Trend of Fiscal Deficit / Surplus



The above graph shows that the State's fiscal deficit was on an increasing trend, excepting 2015-2016 which registered a fiscal surplus. It increased from ₹ 1516.49 in 2012-2013 to ₹ 6125.77 crore in 2016- 2017. However, the fiscal deficit of ₹ 6125.77 crore was below 3 per cent of GSDP (₹ 257510.21 crore) thus maintained the FRBM target for fiscal consolidation.

1.6.3. Proportion of borrowed funds spent on Capital Expenditure.



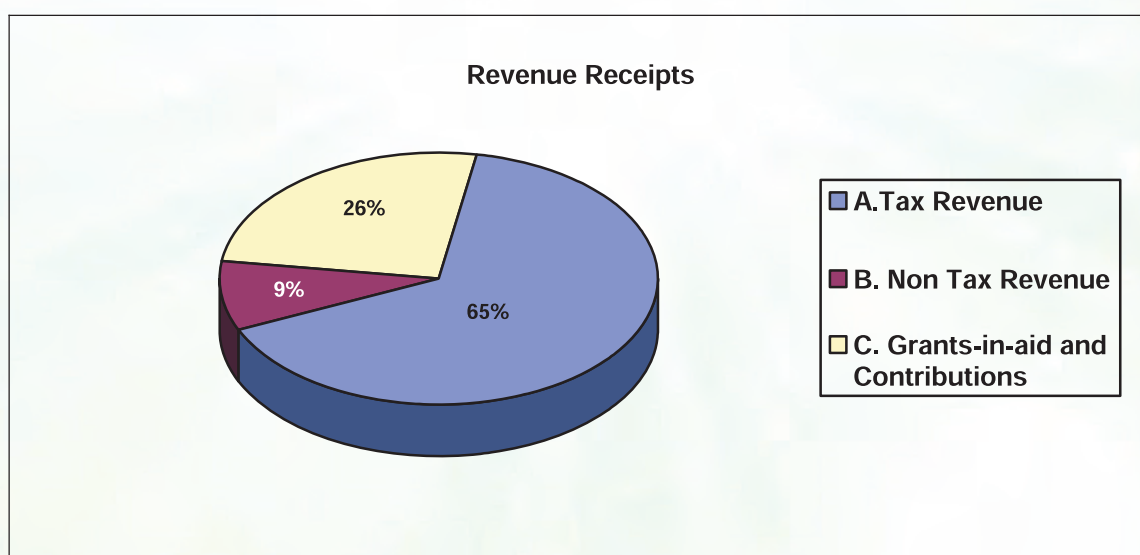
It is desirable to fully utilize borrowed funds for the creation of capital assets, and to use revenue receipts for the repayment of principal and interest. The State Government fully utilized the borrowing of the current year (₹ 3901.71 crore) on capital expenditure (₹ 5502.08).

2.1 Introduction

Receipts of the Government are classified as Revenue Receipts and Capital Receipts. Total Revenue Receipts for 2016-17 were ₹ 49219.81 crore.

2.2 Revenue Receipts

Tax Revenue	Comprises taxes collected and retained by the State and State's share of Union taxes under Article 280(3) of the Constitution.
Non-Tax Revenue	Includes interest receipts, dividends, profits etc.
Grants-in-Aid	Essentially, a form of Central Assistance to the State Government from the Union Government. Includes 'External Grant Assistance' and 'Aid Material and Equipment' received from foreign governments and channelised through the Union Government. In turn, the State Governments also give Grants-in-aid to institutions like Panchayati Raj Institutions, Autonomous Bodies etc.



Revenue Receipt Components (2016-17)

(₹ in crore)

Components	Actuals
A. Tax Revenue*	32268.20
Taxes on Income & Expenditure	11175.84
Taxes on Property & Capital Transactions	451.62
Taxes on Commodities & Services	20640.74
B. Non-Tax Revenue	4353.13
Interest Receipts, Dividends and Profits	599.84
General Services	280.81
Social Services	44.53
Economic Services	3427.95
C. Grants-in-aid & Contributions	12598.48
Total – Revenue Receipts	49219.81

* Includes Share of Income Tax etc. received from Union Government.

2.3 Trend of Revenue Receipt and GSDP

(₹ in crore)

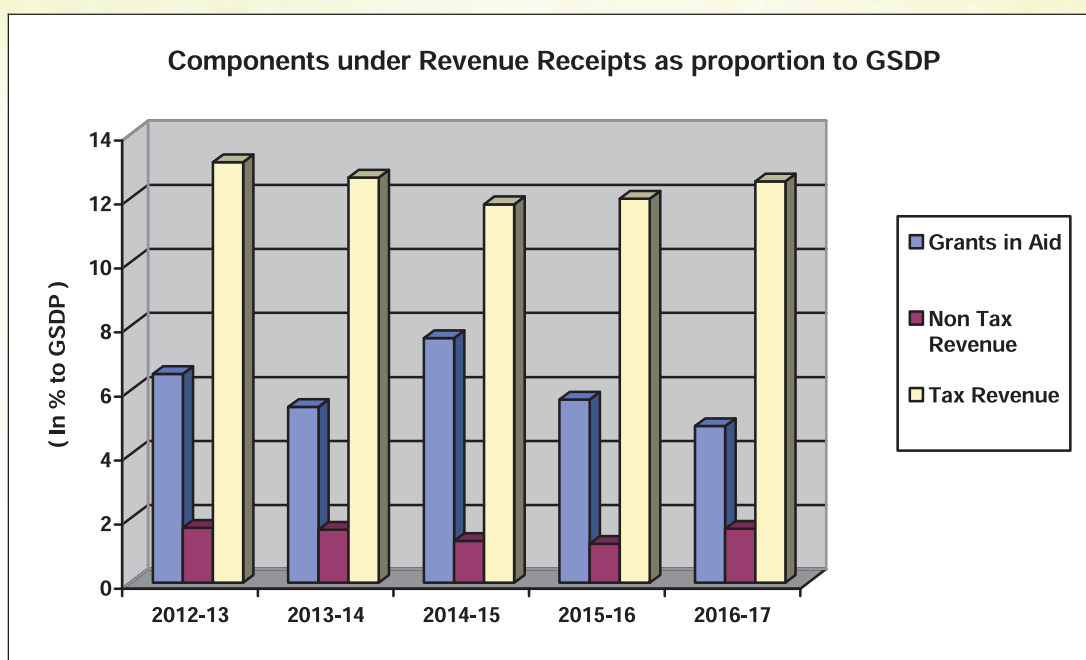
	2012-13	2013-14	2014-15	2015-16	2016-17
Tax Revenues	18851.47 (12.02)	20569.44 (11.57)	21733.52 (11.10)	26891.38 (11.88)	32268.20 (12.53)
Non-Tax Revenues	2473.59 (1.58)	2705.04 (1.52)	2412.89 (1.23)	2741.57 (1.21)	4353.13 (1.69)
Grants-in-Aid	9365.92 (5.97)	8938.31 (5.03)	14035.08 (7.17)	12824.75 (5.67)	12598.48 (4.89)
Total Revenue Receipts	30690.98 (19.57)	32212.79 (18.12)	38181.49 (19.51)	42457.70 (18.76)	49219.81 (19.11)
GSDP	156864.24	177745.22	195723.15	226275.85*	257510.21#

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

* - Provisional

- Quick Estimates

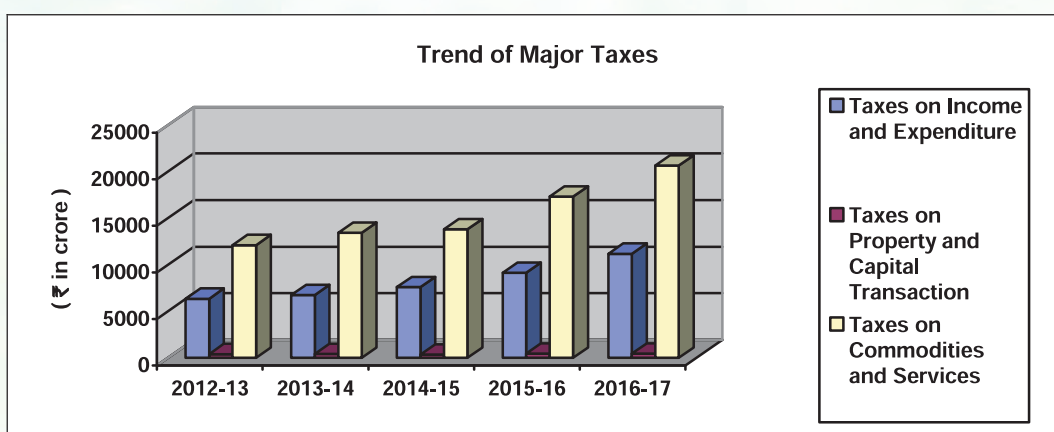
Industry and service sector mainly led the current year GSDP growth by 13.80 per cent over 2015-16. Against this, growth in revenue receipts was 15.93 per cent. Tax Revenues increased by 19.99 per cent and Non-Tax Revenue increased by 58.78 per cent. Significant increase in collections under Non-Tax Revenues were made under ‘Petroleum’ (₹ 3101.96) crore and ‘Forestry and Wild Life’ (₹ 215.85) crore. The State’s Own Revenue under certain tax components, like Taxes on Goods and Passengers (₹ 1069.81) crore, ‘State Excise’ (₹ 963.81) crore, Taxes on Vehicles (₹ 521.59) crore, showed a higher trend.



Sector-wise Tax Revenue

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Taxes on Income and Expenditure	6338.57	6732.25	7595.17	9141.58	11175.84
Taxes on Property and Capital Transactions	404.64	417.85	342.42	455.72	451.62
Taxes on Commodities and Services	12108.27	13419.34	13795.93	17294.08	20640.74
Total Tax Revenue	18851.47	20569.44	21733.52	26891.38	32268.20



2.4 Performance of State's own tax revenue collection

(₹ in crore)

Year	Tax Revenue	State share of Union Taxes	State's Own Tax Revenue	
			Amount	Percentage to GSDP
(1)	(2)	(3)	(4)	(5)
2012-13	18851.47	10601.26	8250.21	5.26 *
2013-14	20569.44	11574.52	8994.92	5.06 *
2014-15	21733.52	12283.71	9449.81	4.83 *
2015-16	26891.38	16784.88	10106.50	4.47 *
2016-17	32268.20	20188.64	12079.56	4.69

* - Varies from last year figure due to revised GSDP.

2.5 Efficiency of Tax Collection

A. Taxes on Property and Capital Transaction

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Collection	404.64	417.85	342.42	455.72	451.62
Expenditure on Collection	174.56	169.67	248.56	258.01	276.69
Efficiency of Tax Collection (In Percent)	43.14	40.61	72.59	56.62	61.27

B. Taxes on Commodities and Services

(₹ in crore)

	2012-13	2013-14	2014-15	2015-16	2016-17
Revenue Collection	12108.27	13419.34	13795.93	17294.08	20640.73
Expenditure on Collection	131.33	138.39	147.91	161.44	187.76
Efficiency of Tax Collection (In Percent)	1.08	1.03	1.07	0.93	0.91

Taxes on commodities and services form a major chunk of tax revenue. Tax collection efficiency is excellent. However, the collection efficiency of taxes on property and capital transactions can be improved.

2.6 Tax Buoyancy

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

	Parameters	2015-2016	2016-2017
(I)	Tax Revenue (TR) (₹ in crore)	26891.38	32268.20
(II)	Rate of growth of TR (per cent)	23.73	19.99
(III)	State's own taxes (₹ in crore)	10106.50	12079.56
(IV)	Rate of growth of own taxes (per cent)	6.95	19.52
(V)	Gross State Domestic Product (GSDP) (₹ in crore)	226275.85 *	257510.21#
(VI)	Rate of growth of GSDP (Per cent)	15.61	13.80
(VII)	TR buoyancy w.r.t. GSDP (II / VI) ¹	1.52	1.45
(VIII)	State's own taxes buoyancy w.r.t. GSDP (IV/VI) ¹	0.45	1.41

* Provisional

Quick

1 Tax buoyancy with respect to GSDP at 1.45 (2016-2017) implies that tax revenue tends to increase by 1.45 percentage points and State's own taxes by 1.41 percentage points, if the GSDP increases by one per cent.

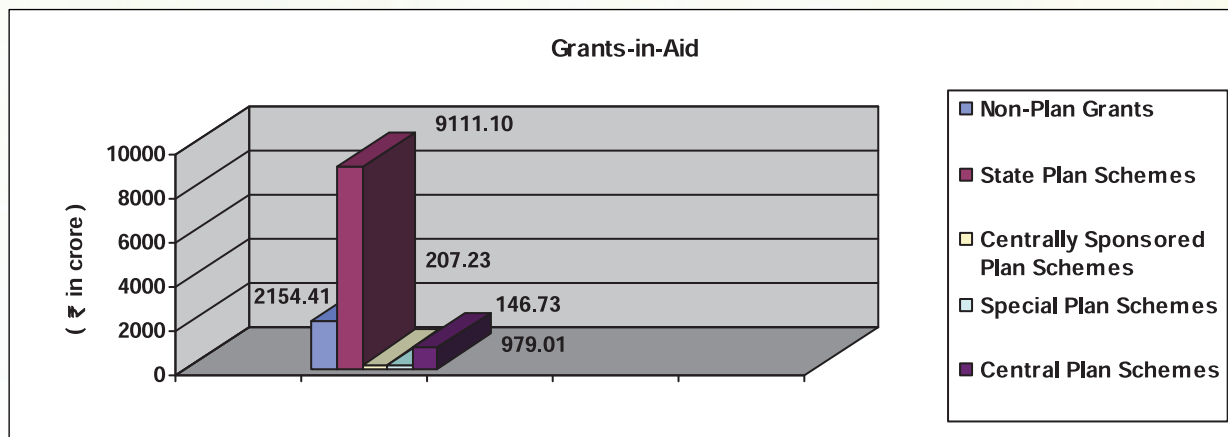
2.7 Trend in State's Share of Union Taxes over the past five years

(₹ in crore)

Major Head Description	2012-13	2013-14	2014-15	2015-16	2016-17
Corporation Tax	3808.09	3892.68	4289.56	5273.44	6470.99
Taxes on Income other than Corporation Tax	2279.84	2563.21	3063.16	3653.08	4497.36
Other Taxes on Income and Expenditure	...	...	0.10	0.12	...
Taxes on Wealth	6.43	10.68	11.59	1.42	14.82
Customs	1761.69	1888.52	1986.64	2689.32	2783.57
Union Excise Duties	1197.23	1333.81	1121.80	2250.26	3178.60
Service Tax	1547.98	1885.61	1810.86	2903.71	3154.60
Other Taxes and Duties on Commodities and Services	...	0.01	...	13.53	88.70
State Share of Union Taxes	10601.26	11574.52	12283.71	16784.88	20188.64
Total Tax Revenue	18851.47	20569.44	21733.52	26891.38	32268.20
Percentage of Union Taxes to Total Tax Revenue	56.24	56.27	56.52	62.42	62.57

2.8 Grants- in-Aid

Grants in Aid represent assistance from the Government of India, and comprise Grants, for State Plan Schemes, Central Plan Schemes, Centrally Sponsored Schemes and Special Plan Schemes and State Non-Plan Grants recommended by the Finance Commission. Total receipts during 2016-2017 under Grants- in Aid were ₹ 12598.48 crore, as shown below :



The share of non-plan grants in total grants-in-aid decreased from 25.97 per cent during 2015-2016 to 17.10 per cent in 2016-2017, while the share of grants for plan schemes increased from 74.03 per cent in 2015-2016 to 82.90 per cent in 2016-2017.

2.9 Revenue earning efforts of the State

In order to augment revenue resources of the state, the following measures have been taken to improve tax collection.

- (i) The State Government has established Tax Information Management System (TIMS) covering all field offices and check gates. Registrations of dealers, issue of norms, vehicle movement information, returns etc. are computerized. System for e-filing of returns, e-filing of vehicle data and online payment of taxes has been introduced.
- (ii) Composite check gates at Srirampur, Baxirhat (Assam-West Bengal border) and at Digarkhal (Assam–Meghalaya border) have been notified. Check gates were computerized.
- (iii) Ad valorem excise duty on India Made Foreign Liquor (IMFL) and an alternative method of collection of excise, i.e., through auctions for country spirits in place of earlier fixed fee based licenses, were notified to enhance transparency in excise duty collection.
- (iv) Availability fee, profile registration fee and mono cartoon registration fee under Assam Excise Rules have been introduced.
- (v) Entry Tax w.e.f. 1st June, 2008 under Assam Entry Tax Act, 2008 was introduced, as the earlier Act was struck down by the Gauhati High Court on 30.08.07.

- (vi) Rationalisation of duty structure under Assam Motor Vehicles Taxation Act and Rules to counter the losses due to lower rates of taxes in the neighboring N.E. states has been done.
- (vii) Incorporation of effective provisions to check undervaluation of properties transaction by inserting a new section 27-A vide Indian Stamp (Assam Amendment) Act, 2004.
- (viii) Objective Valuation Method (O.V.M) for fixation of the value of land – both in towns and rural areas has been introduced.

[*Source* : Memorandum to the 14th Finance Commission submitted by the Government of Assam.]

2.10 Public Debt

Trend of Public Debt over past years

(₹ in crore)

Description	2012-13	2013-14	2014-15	2015-16	2016-17
Internal Debt	(-) 57.77	132.14	3307.12	3612.58	1937.46
Central Loans	(-) 86.62	(-) 113.31	(-) 351.89	(-) 83.49	(-) 78.38
Total Public Debt	(-)144.39	18.83	2955.23	3529.09	1859.08

Note : Negative figures indicate that repayment is in excess of receipts.

Against the total internal debt of ₹ 3844.36 crore of the State Government in 2016-2017, plus the central loan component of ₹ 57.35 crore received during this period, capital expenditure was ₹ 5502.08 crore, indicating that the borrowed fund was fully utilized for capital expenditure.

CHAPTER III

EXPENDITURE

3.1 Introduction

Expenditure is classified as Revenue Expenditure and Capital Expenditure. Revenue expenditure is used to meet the day-to-day running of the organization, Capital expenditure is used to create permanent assets, or to enhance the utility of such assets, or to reduce permanent liabilities. Expenditure is further classified under plan and Non-Plan.

General Services	Includes Justice, Police, Jail, PWD, Pension etc.
Social Services	Includes Education, Health & Family Welfare. Water Supply, Welfare of SC-ST etc.
Economic Services	Includes Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.

3.2 Revenue Expenditure

Revenue Expenditure was 19.17 per cent of GSDP. It was less than the Budget Estimates by ₹ 16424.94 crore. Non-Plan Expenditure was less than Budget Estimates by ₹ 8362.44 crore and Plan Expenditure was less than Budget Estimates by ₹ 8062.50 crore.

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

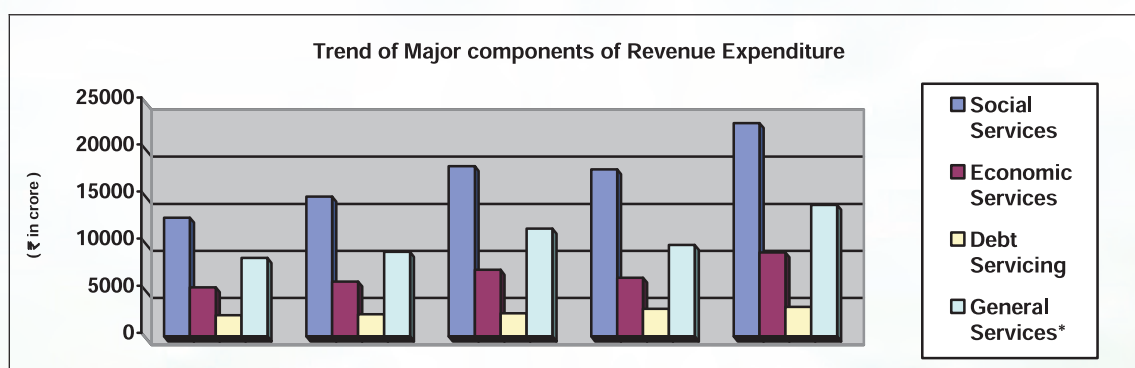
(₹ in crore)					
	2012-13	2013-14	2014-15	2015-16	2016-17
Budget Estimates	29206.02	32167.03	38814.42	58087.05	65787.66
Actual	29136.92	31989.89	39078.17	37011.42	49362.72
Gap	69.10	177.14	(-) 263.75	21075.63	16424.94
Percentage of gap over BE	0.24	0.55	(-) 0.68	36.28	24.97

3.2.1 Sectoral distribution of Revenue Expenditure (2016-17)

(₹ in crore)

Components	Amount	Percentage
A. Fiscal Services	466.27	0.94
i) Collection of Taxes on Property and Capital transactions	276.69	0.56
ii) Collection of Taxes on Commodities and Services	187.76	0.38
iii) Other Fiscal Services	1.82	0.00
B. Organs of State	409.24	0.83
C. Interest Payments and Servicing of Debt	3138.96	6.36
D. Administrative Services	6238.66	12.64
E. Pensions and Miscellaneous General Services	6870.06	13.92
F. Social Services	22673.15	45.93
G. Economic Services	8914.03	18.06
H. Grants-in-aid and Contributions	652.35	1.32
TOTAL EXPENDITURE (REVENUE ACCOUNT)	49362.72	100.00

3.2.2 Major components of Revenue Expenditure (2012-2017)



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

3.3 Capital Expenditure

Capital disbursements for 2016-2017, at 2.33 per cent of GSDP, were less than the Budget Estimates by ₹ 6450.89 crore owing to less disbursement of ₹ 6210.14 crore under Plan Expenditure and ₹ 240.75 crore under Non-Plan Expenditure.

3.3.1 Sectoral distribution of Capital Expenditure

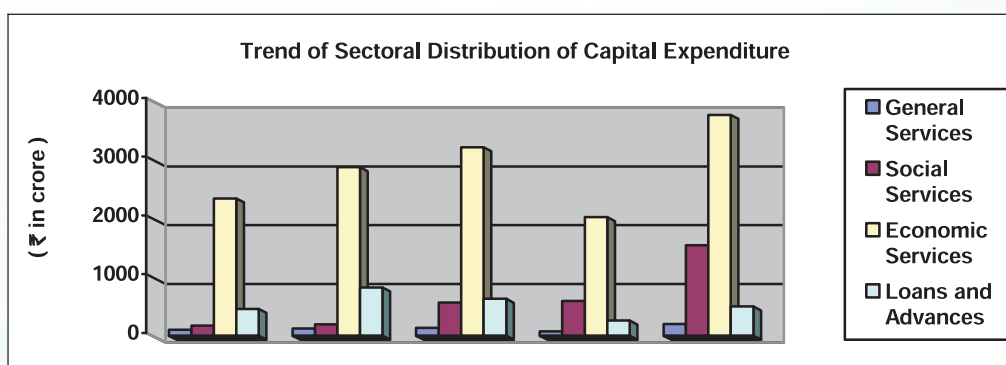
(₹ in crore)

Sl. No	Sector	Amount	Percentage
1	General Services - Police, Land Revenue etc	199.60	3.33
2	Social Services - Education, Health & Family Welfare, Water Supply, Welfare of SC/ST etc.	1542.60	25.70
3	Economic Services - Agriculture, Rural Development, Irrigation, Cooperation, Energy, Industries, Transport etc.	3759.88	62.65
4	Loans and Advances Disbursed	499.38	8.32
Total		6001.46	100.00

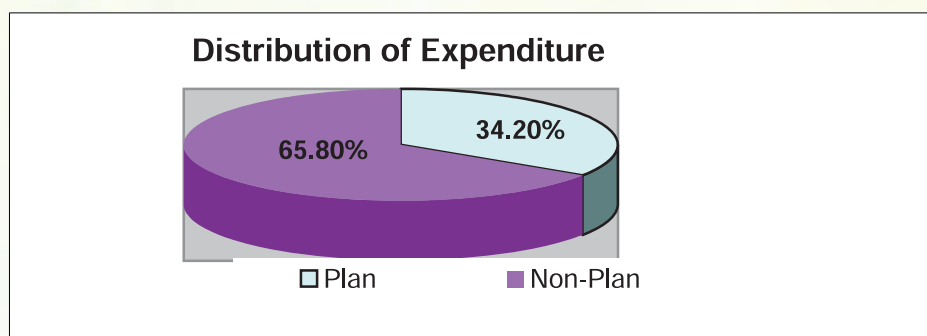
3.3.2 Sectoral distribution of Capital Expenditure over the past 5 years

(₹ in crore)

Sl. No	Sector	2012-13	2013-14	2014-15	2015-16	2016-17
1.	General Services	101.86	125.74	134.57	75.56	199.60
2.	Social Services	176.26	194.65	568.81	596.09	1542.60
3.	Economic Services	2339.16	2868.84	3208.89	2019.26	3759.88
4.	Loans and Advances	460.65	822.04	630.71	260.09	499.38
Total		3077.93	4011.27	4542.98	2951.00	6001.46

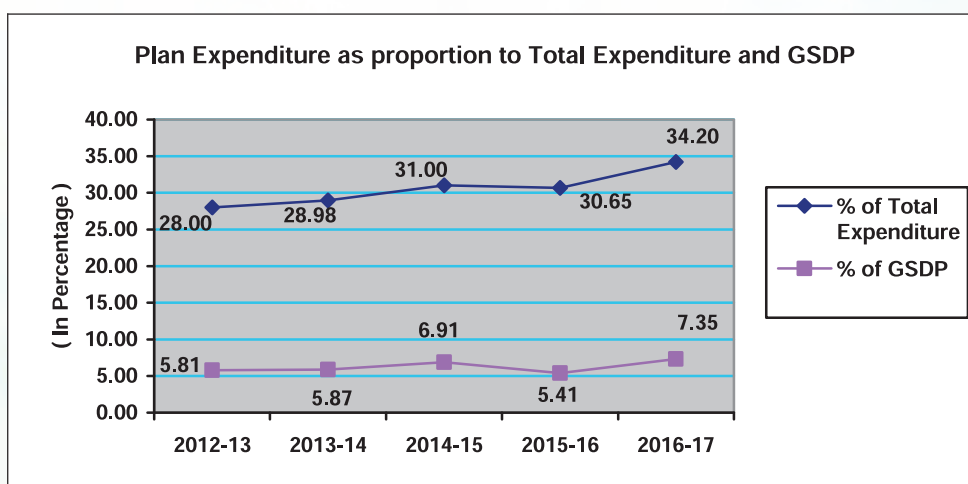


4.1 Distribution of Expenditure (2016-2017)



4.2 Plan Expenditure

During 2016-2017, Plan Expenditure, representing 34.20 per cent to total disbursement, was ₹ 18932.57 (₹ 18704.07 crore under State Plan and ₹ 228.50 crore under Loans and Advances.)



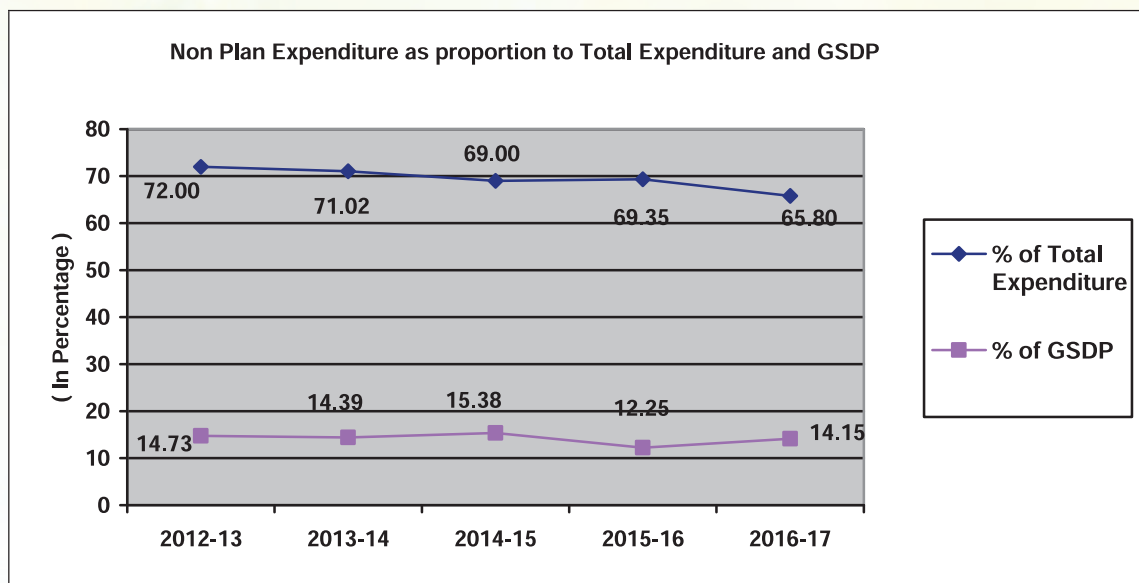
4.2.1 Plan Expenditure under Capital Account

(₹ in crore)

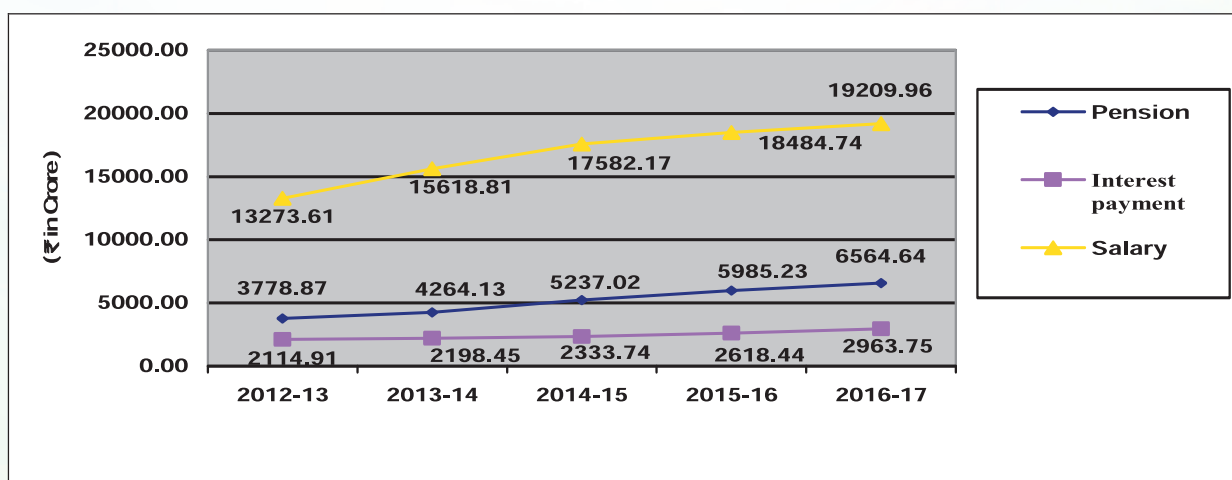
	2012-13	2013-14	2014-15	2015-16	2016-17
Total Capital Expenditure	3077.93	4011.27	4542.98	2951.00	6001.46
Capital Expenditure (Plan)	2616.30	3404.60	4133.80	2812.36	5498.75
Percentage of Capital Expenditure (Plan) to Total Capital Expenditure	85.00	84.88	90.99	95.30	91.62

4.3 Non-Plan Expenditure

Non-plan Expenditure during 2016-2017, representing 65.80 per cent of total disbursement, was ₹ 36431.61 crore, (₹ 35928.90 crore under Revenue and ₹ 502.71 crore under Capital).



4.4 Committed Expenditure



(₹ in crore)

Component	2012-13	2013-14	2014-15	2015-16	2016-17
Committed Expenditure	19167.39	22081.39	25152.93	27088.41	28738.35
Revenue Expenditure	29136.92	31989.89	39078.17	37011.42	49362.72
Percentage of Committed Expenditure to Revenue Receipts	62	69	66	63.80	58.39
Percentage of Committed Expenditure to Revenue Expenditure	66	69	64	73.19	58.22

The steep upward trend on committed expenditure leaves the government with lesser flexibility for developmental spending.

4.5 Development and Non-development Expenditure :

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

Trend of development and non-development expenditure relative to aggregate disbursements for 2012-13 to 2016-17, as emerged from the Annual Accounts, is given below:

(₹ in crore)

	Items	2012-13	2013-14	2014-15	2015-16	2016-17
I.	Developmental*	20774.46	24724.72	29639.41	26786.25	37347.15
(a)	Revenue	17698.02	20713.86	25096.73	23835.31	31350.76
(b)	Capital	2617.28	3189.23	3912.27	2690.91	5502.08
(c)	Loans & Advances	459.16	821.63	630.41	260.03	494.31
II.	Non-developmental #	8451.69	8559.57	10518.26	10025.10	14225.72
(a)	Revenue	8450.20	8559.17	10517.95	10025.04	14220.65
(b)	Capital	Nil	Nil	Nil	Nil	Nil
(c)	Loans & Advances	1.49	0.40	0.31	0.06	5.07
III.	Others	4521.49	3894.10	6653.71	5119.97	5833.94
(a)	Revenue (MH –2048,2049 & 3604)	2988.70	2716.86	3463.48	3151.07	3791.31
(b)	Capital (MH 6003 & 6004)	1532.79	1177.24	3190.23	1968.90	2042.63
IV.	Aggregate Disbursements (I+II+III)	33747.64	37178.39	46811.38	41931.32	57406.81
V.	I as Percentage of IV	61.56	66.50	63.32	63.88	65.06
VI.	II as Percentage of IV	25.04	23.02	22.47	23.91	24.78
VII.	III as Percentage of IV	13.40	10.48	14.21	12.21	10.16

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

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

CHAPTER V

APPROPRIATION ACCOUNTS

5.1 Summary of Appropriation Accounts for 2016-17

(₹ in crore)

Sl. No	Nature of Expenditure	Original Grant	Supplemen-tary Grant	Re-appropriation	Total	Actual Expenditure	Savings (-) / Excesses (+)
1.	Revenue Voted Charged	58972.32 3486.71	3325.82 2.80	158.29 7.12	62298.14 3489.51	46925.87 3208.35	(-) 15372.27 (-) 281.16
2.	Capital Voted Charged	10394.40 ...	1482.85 ...	1.35 ...	11877.25 ...	5502.08 ...	(-) 6375.17 ...
3.	Public Debt Charged	4829.15	...	...	4829.15	2042.63	(-) 2786.52
4.	Loans and Advances Voted Charged	570.78 ...	4.32 ...	... ...	575.10 ...	499.38 ...	(-) 75.72 ...
	Total	78253.36	4815.79	166.76	83069.15	58178.31	(-) 24890.84

5.2 Trend of Savings / Excess during the past five years

(₹ in crore)

Year	Saving (-) / Excess (+)				Total
	Revenue	Capital	Public Debt	Loans & Advances	
2012-2013	(-) 9714.62	(-) 3916.74	(-) 59.90	(-) 118.01	(-) 13809.27
2013-2014	(-) 9247.94	(-) 4582.31	(-) 17.59	(-) 1961.59	(-) 15809.43
2014-2015	(-) 13786.90	(-) 6351.30	(+) 1769.69	(-) 146.71	(-) 18515.22
2015-2016	(-) 21163.54	(-) 8605.84	(-) 2421.50	(-) 596.15	(-) 32787.03
2016-2017	(-) 15653.43	(-) 6375.17	(-) 2786.52	(-) 75.72	(-) 24890.84

5.3 Significant Savings

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

Some grants with persistent and significant savings are given below:

(₹ in crore)

Year	Grant No. Major Head	Total Allocation	Percentage of Savings (-) / Excess (+) to Total Grant
	31- Urban Development (Revenue) (Town & Country Planning) 2215-Water Supply and Sanitation 2217- Urban Development		
2012-13	DO	190.37	(-) 76.57
2013-14	DO	237.89	(-) 71.65
2014-15	DO	140.53	(-) 72.79
2015-16	DO	283.05	(-) 91.46
2016-17	DO	246.70	(-) 45.58
	34- Urban Development (Revenue) (Municipal Administration Deptt.) 2215-Water Supply and Sanitation 2217-Urban Development 3054-Roads and Bridges		
2012-13	DO	83.58	(-) 83.37
2013-14	DO	76.97	(-) 73.99
2014-15	DO	159.44	(-) 83.13
2015-16	DO	128.64	(-) 92.74
2016-17	DO	273.65	(-) 81.62
	42-Social Services (Revenue) 2070-Other Administrative Services 2250-Other Social Services 2575-Other Special Areas Programmes		
2012-13	DO	427.81	(-) 72.12
2013-14	DO	551.96	(-) 44.91
2014-15	DO	663.80	(-) 80.11
2015-16	DO	361.22	(-) 57.04
2016-17	DO	309.67	(-) 9.72
	44-North Eastern Council Schemes (Capital) 4552- Capital Outlay on North Eastern Areas		
2012-13	DO	1547.83	(-) 83.94
2013-14	DO	1876.88	(-) 83.77
2014-15	DO	1560.79	(-) 81.64
2015-16	DO	962.89	(-) 77.10
2016-17	DO	1109.49	(-) 67.47
	63- Water Resources (Capital) 4711-Capital Outlay on Flood Control Projects.		
2012-13	DO	1476.44	(-) 78.93
2013-14	DO	1231.48	(-) 87.01
2014-15	DO	1809.38	(-) 73.46
	DO	1718.22	(-) 89.34
2016-17	DO	2002.78	(-) 76.40

During 2016-17, Supplementary Grants totaling ₹ 4815.79 crore (8.28 per cent of Total Expenditure) proved to be unnecessary in some cases, where there were significant savings at the end of the year even against original allocations. A few instances are given below:-

(₹ in crore)

Grant	Nomenclature	Section	Original	Supplementary	Actual Expenditure
3	Administration of Justice	Revenue	370.88	4.35	262.32
5	Sales Tax and Other Taxes	Revenue	143.89	4.05	107.50
6	Land Revenue and Land Ceiling	Revenue	343.79	3.71	215.21
9	Transport Services	Revenue	258.99	8.21	193.56
14	Police	Revenue	3944.89	65.44	2893.88
		Capital	73.53	3.89	28.84
16	Stationary & Printing	Revenue	41.81	9.09	37.65
17	Administrative and Functional Building	Capital	408.51	30.50	176.16
19	Vigilance Commission and Others	Revenue	436.91	1.13	199.57
26	Education (Higher Education)	Revenue	2270.05	51.60	1786.34
27	Art and Culture	Revenue	131.73	32.25	107.93
29	Medical and Public Health	Revenue	3647.93	169.95	2943.91
30	Water Supply and Sanitation	Capital	1512.30	599.85	1097.35
31	Urban Development (Town & Country Planning)	Revenue	165.52	81.18	134.25
34	Urban Development (Municipal Administration)	Revenue	262.39	11.26	50.31
36	Labour and Employment	Revenue	150.30	0.73	92.74
38	Welfare of SC/ ST / OBC	Revenue	1158.92	34.61	624.65
39	Social Security, Welfare and Nutrition	Revenue	1192.92	44.79	957.33
44	North Eastern Council Schemes	Capital	1092.49	17.00	360.90
48	Agriculture	Revenue	1375.60	26.59	736.80
49	Irrigation	Revenue	491.89	1.86	397.95
		Capital	1097.16	34.27	211.05
51	Soil and Water Conservation	Revenue	85.23	49.35	49.55
52	Animal Husbandry	Revenue	304.91	3.93	223.88
53	Dairy Development	Revenue	32.56	1.50	22.82
54	Fisheries	Revenue	61.03	17.17	59.70
55	Forestry and Wild Life	Revenue	769.26	17.97	451.83
56	Rural Development (Panchayat)	Revenue	2001.09	9.50	663.57
57	Rural Development	Revenue	4046.67	141.56	2263.11
58	Industries	Revenue	188.25	5.00	98.46
		Capital	177.24	6.78	133.26
59	Handloom, Textile and Sericulture	Revenue	326.43	3.99	182.46
63	Water Resources	Revenue	298.50	19.58	249.54
		Capital	1761.37	241.42	472.75
64	Roads and Bridges	Capital	2121.80	410.00	1527.34
65	Tourism	Revenue	27.80	4.22	26.47
		Capital	31.12	1.04	17.65
67	Horticulture	Revenue	46.57	5.03	20.62
71	Education (Elementary, Secondary Etc.)	Revenue	11773.32	238.35	9313.46
73	Urban Development (GDD)	Capital	620.75	103.22	373.38
74	Sports & Youth Services	Revenue	101.56	38.28	95.71
76	Hill Areas Department (Karbi Anglong Autonomous Council)	Revenue	823.64	10.87	680.46
77	Hill Areas Department (North Cachar Autonomous Council)	Revenue	413.10	10.43	354.56
78	Welfare of Plain Tribes & Backward Classes (Bodoland Territorial Council)	Revenue	2629.79	9.25	1816.76

6.1 Assets

The existing form of accounts do not easily depict valuation of Government assets like land, buildings etc., except in the year of acquisition / purchase. Similarly, while the accounts present the impact of liabilities arising in the current year, they do not depict the overall impact of the liabilities to future generation, except to the limited extent shown by the rate of interest and period of existing loans.

Total investments, as share capital in Statutory Corporations, Government Companies, Joint Stock Companies, Rural Banks etc, stood at ₹ 2509.95 crore at the end of 2016-2017. However, dividend received on investment, during the year, was ₹ 124.44 crore (i.e. 4.96 per cent). During 2016-2017, investments in PSUs increased by ₹ 105.58 crore, while the corresponding increase in dividend income had been ₹ 54.38 crore.

6.2 Debt and Liabilities

Outstanding Public Debt, at the end of 2016-2017, was ₹ 28166.44 crore, comprising internal debt of ₹ 26736.65 crore and loans and advances of ₹ 1429.79 crore from the Central Government. In addition, Other Liabilities accounted under the Public Account amounted to ₹ 15814.12 crore.

The State also acts as a banker and trustee in respect of deposits like Small Savings Collections, Provident Funds and Deposits. There was an overall increase of ₹ 1826.37 crore in respect of such liabilities of State Government during 2016-2017.

Interest payments on debt and Other Liabilities, totaling ₹ 2963.75 crore, constituted 6.00 per cent of the Revenue Expenditure of ₹ 49362.72 crore. Interest payments on public debts amounted to ₹ 2277.93 crore (Internal debt ₹ 2172.30 crore and Loans and Advances from Central Governments ₹ 105.63 crore) and ₹ 685.82 crore on Other Liabilities. Expenditure on Account of Interest Payment increased by ₹ 345.31 crore during 2016-2017 over the previous year.

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

(₹ in crore)

At the end of the year	Internal Debt	Loans & Advances from Central Government	Total Public Debt	Small Savings, Provident Funds, etc.	Other Obligations	Total Liabilities*	GSDP #	Percentage of total liability to GSDP
2012-2013	17747.34	2056.85	19804.19	6795.43	3974.20	30573.82	156864.24	19.49(a)
2013-2014	17879.48	1943.54	19823.02	7632.60	4309.73	31765.35	177745.22	17.87(a)
2014-2015	21186.60	1591.65	22778.25	8522.73	4102.18	35403.16	195723.15	18.09(a)
2015-2016	24799.19	1508.16	26307.35	9382.87	3364.36	39054.58	226275.85\$	17.26(a)
2016-2017	26736.65	1429.79	28166.44	10179.32	5634.80	43980.56	257510.21#	17.08

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

* Public Debt, Small Saving, Provident Funds, Non-interest bearing obligations such as deposits of Local Funds, other earmarked Funds.

GSDP- \$: Provisional, #: Quick

6.3 Debt Service Ratio

It indicates percentage of expenditure (with reference to debt receipts) incurred for repayment of principal and payment of interest on Public Debt borrowings. The following table presents the position of debt servicing relative to debt receipts for 2012-13 to 2016-17.

Sl No.	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
I	Debt Receipts * (₹ in crore)	1388.40	1196.07	6145.46	5497.99	3901.71
II	Debt Repayment * (₹ in crore)	1532.79	1177.24	3190.23	1968.90	2042.63
III	Payment of Interest # (₹ in crore)	1620.14	1676.01	1715.08	1972.48	2277.93
IV	Total Servicing of Debt (₹ in crore)	3152.93	2853.25	4905.31	3941.38	4320.56
V	Debt Service Ratio (in per cent) IV/I	227.09	238.55	79.82	71.69	110.74

* MH 6003 & 6004

MH 2049 (SMH 01 & 04)

It appears from the above table that there was fluctuation in Public debt management during the last five years. It increased from 2012-13 to 2013-14 by 5.05 per cent but declined in the next two years. In 2016-17, there was a slight increase over the preceding two years.

6.4 Guarantees

The position of guarantees given by the State Government for the payment of capital, loans and interest thereon raised by Statutory Corporations, Government Companies / Corporations, Co-operative Societies, etc is given below : -

(₹ in crore)

At the end of the year	Amount Guaranteed (Principal only)	Amount outstanding		
		Principal	Interest	
2012-13	598.96	71.83	42.35	
2013-14	582.27	69.39	20.23	
2014-15	582.27	120.87	22.26	
2015-16	482.25	113.89	29.24	
2016-17	482.25	98.61	31.39	

OTHER ITEMS**7.1 Loans and Advances by the State Government**

Total Loans and Advances made by the State Government at the end of 2016-2017 were ₹ 5174.31 crore. Total loans and advances to Government Corporations / Companies, Non - Government Institutes, Local bodies etc., at the end of 2016-2017, stood at ₹ 5166.96 crore. As regards recovery, principal amount aggregating to ₹ 4674.92 crore and interest on loan amounting to ₹ 982.84 crore (as per records available with this office), were in arrears at the end of 31 March, 2017.

7.2 Financial Assistance to Local Bodies and Others

Assistance to local bodies etc. during 2016-2017 was ₹ 3322.21 crore. It increased from ₹ 2460.04 crore in 2012-2013 to ₹ 3322.21 crore in 2016-2017, indicating 35.05 per cent increase in the last five years. During 2016-2017, the major portion of assistance ₹ 3185.30 crore (95.88 per cent) of the total grant of ₹ 3322.21 crore was consumed by Educational Institutions.

7.3 Cash Balance and Investment of Cash Balance

The closing cash balance, according to the Reserve Bank of India, was ₹ 275.81 crore (Debit), against the general cash balance of ₹ 220.92 crore (Credit) reflected in the State Government Accounts. Thus, there is a difference of ₹ 54.89 crore (Debit) between the two figures. The difference is mainly because of erroneous reporting by the accredited banks to the RBI, Nagpur, which maintains the cash balance of the State Government. The difference of ₹ 54.89 crore (Net Debit) is under reconciliation with Reserve Bank of India.

Investments held in the Cash Balance Investment Account, * as on 31 March, 2017, were ₹ 5181.64 crore.

Other cash balances and investment, comprising cash with departmental officers (₹ 17.81 crore), Permanent advances with departmental officers (₹ 0.46 crore) and investment of earmarked funds (₹ 3772.56 crore), as on 31 March, 2017, were ₹ 3790.83 crore.

* Short term investment in Government of India Treasury bills.

7.4 Reconciliation of Accounts

To exercise effective control of expenditure, to keep it within the budget grants and ensure accuracy of their accounts, all Chief Controlling Officers (CCOs / Controlling Officers (COs) are required to reconcile the figures of Receipts and Expenditure, recorded in their books, every month, with the figures accounted for by the Accountant General (A&E). During the year, out of 54 CCOs, 24 CCOs fully reconciled and 17 CCOs partially reconciled expenditure amounting ₹ 30494.50 crore (53.12 per cent of total expenditure amounting to ₹ 57406.81 crore). Further, 8 CCOs fully reconciled and 4 CCOs partially reconciled receipts of ₹ 47243.65 crore (88.90 per cent of the total receipts of ₹ 53140.12 crore).

7.5 Reconciliation of Deposits and Other accounts in Public Account.

In order to ensure correctness of balances recorded under Public Account, reconciliation with State Government authorities specially treasury officers in respect of deposit heads, departmental officers in respect of remittance and departmental balance heads and finance department in respect of Reserve Fund and cash balance investment account is required. Such a reconciliation was never carried out thus impacting the quality and transparency of accounts kept under Public Account. The position of balances under Public Account up to 2016-17 is given below :

(₹ in crore)

Public Account Balances	Opening balance as on 01-04-2016	Closing balance as on 31-03-2017
I. Small Savings, Provident Fund etc.	Cr. 9382.87	Cr. 10179.33
II. Reserve Fund	Cr. 1564.58 (Net)	Cr. 2805.10 (Net)
III. Deposits	Cr. 1799.79	Cr. 2829.70
IV. Advances	Dr. 3097.71	Dr. 3781.97
V. Suspense & Miscellaneous	Dr. 8621.30 *	Dr. 6069.63 *
VI. Remittances	Dr. 492.06	Dr. 564.41
Total	Cr. 536.17	Cr. 5398.12

* It includes cash balance Investment Account.

The surplus in Public Account is utilized for deficit financing, as was done in 2016-2017.

7.6 Submission of accounts by Accounts Rendering Units:

Accounts Rendering Units (ARUs) of the Government of Assam could not submit the initial accounts for 2016-17 to the Accountant General's (A&E) Office by the prescribed due date. Despite delay in rendition of monthly accounts ranging from 01 to 74 days by treasuries, 01 to 140 days by Public Works Divisions and 01 to 192 days by Forest Divisions, no accounts were excluded at the end of the year. Details of exclusions from Monthly Civil Accounts are shown below:-

Month of Account	Number of Accounts excluded		
	Treasury	Public Works	Forest
April 2016	Nil	11	34
May 2016	Nil	16	02
June 2016	Nil	26	07
July 2016	01	23	05
August 2016	Nil	22	07
September 2016	Nil	13	22
October 2016	Nil	25	33
November 2016	04	50	46
December 2016	07	67	18
January 2017	10	77	05
February 2017	12	107	58
March (Pre) 2017	Nil	Nil	Nil

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

7.7 Unadjusted Abstract Contingency (AC) bills :

Under Rule 21 of the Assam Contingency Manual 1989, Drawing and Disbursing Officers (DDOs) are authorized to draw sums of money for limited purposes by preparing Abstract Contingency (AC) bills by debiting Service Heads. Subsequently, Detailed Contingency (DC) bills (vouchers in support of final expenditure) are required to be sent so as to reach the Accountant General (A&E) not later than 25th of the month following the month to which they relate. Prolonged non-submission of DC bills renders the expenditure under AC bills opaque. Further, to the extent of non-receipt of DC bills, the expenditure shown in the Finance Accounts cannot be vouched as correct or final. Details of AC bills, outstanding as on 31 March, 2017, are given below :

Year	Number of pending DC bills	Amount (₹ in crore)
Up to 2014-2015	1067	516.24
2015-2016	18	38.49
2016-2017	51	12.40
Total	1136	567.13

A large number of DC Bills are pending with the Education (General) Department (36 AC bills amounting to ₹ 84.94 crore), followed by the Health Department (16 AC Bills amounting to ₹ 76.82 crore) and Department for the Welfare of Plain Tribes and Other Backward Classes (26 AC bills amounting to ₹ 51.37 crore).

Out of ₹ 12.66 crore, drawn against 64 AC bills in 2016-17, 4 AC bills, amounting to ₹ 2.27 crore was drawn in March 2017. Expenditure against AC bills at the end of the year indicates that the drawal was primarily to exhaust the budget provisions.

7.8 Outstanding Utilization Certificates (UC) :

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

(₹ in crore)		
Year	Number of UCs awaited	Amount
Up to 2014-2015	9090	8791.60
2015-2016	690	3848.16
Total	9780	12639.76

During 2016-17, 1861 grants worth ₹ 12,267.50 crore were given for which UCs will be due in 2017-18. A significant portion of wanting UCs pertain to the Education (General) Department (4,569 UCs, amounting to ₹ 3,473.68 crore), Rural Development Department (76 UCs, amounting to ₹3,216.49 crore), Health Department (295 UCs amounting to ₹ 2,408.94 crore), Department for the Welfare of Plain Tribes & Other Backward Classes (1,211 UCs, amounting to ₹ 2,275.33 crore), Social Welfare Department (747 UCs, amounting to ₹ 2,091.08 crore), Secretariat Administration Department (185 UCs, amounting to ₹ 2,091.49 crore), Panchayat and Rural Development Department (229 UCs, amounting to ₹ 1,718.52 crore).

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

7.9 *Suspense Accounts*

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

During 2016-17, the suspense balance was reduced by 21.18 per cent to ₹ 871.09 crore. Net clearance during the year was ₹ 234.01 crore. Main reasons for outstanding balance were – (a) non-reimbursement of maintenance expenditure on National Highways by the Ministry of Shipping, Road Transport and Highways, Government of India and (b) Non-receipt of supporting documents / vouchers etc from the state treasuries in respect of withdrawal from the Consolidated Fund of the State.

7.10 *Commitments on account of Incomplete Works*

A total expenditure of ₹ 399.62 crore was incurred up to the year 2016-2017 by the State Government on various incomplete projects costing one crore and above, which have been taken up by the Public Works and Irrigation Departments . However, incomplete projects / works under PWD (Roads) Department, involving costs amounting to ₹ 18.41 crore, is still pending for payments.

7.11 Rush of Expenditure

The financial rules stipulate that rush of expenditure, particularly in the closing month of the financial year, shall be regarded as a breach of financial regularity and should be avoided. However, the expenditure incurred under certain selected Heads of Account, during March, 2017, ranged between 60.13 per cent and 100 per cent of the total expenditure during the year, indicating a tendency to utilize the budget at the close of the financial year. The flow of expenditure during the four quarters of 2016-17, in the above mentioned Heads, was as below:

Head of Ac/s	Description	1 st Qtr	2 nd Qtr	3 rd Qtr	4 th Qtr	Total	During March	Per Cent of 3/2017 w.r.t Total Expenditure of 2016-17
(₹ in Crore)								
2052	Secretariat – General Services	22.01	167.19	586.75	1386.50	2162.45	1351.68	62.51
2205	Art and Culture	6.38	7.31	14.31	87.71	115.71	78.27	67.64
2225	Welfare of Schedule Caste, Schedule Tribes, Other Backward Classes and Minorities	10.63	22.73	74.34	662.85	770.55	521.43	67.67
2501	Special Programme for Rural Development	23.28	29.30	56.97	256.43	365.98	231.13	63.15
2801	Power	----	26.11	0.40	391.50	418.01	251.35	60.13
2852	Industries	0.61	0.47	0.89	101.21	103.18	99.78	96.70
4215	Capital Outlay on Water Supply and Sanitation	76.65	166.41	49.60	804.77	1097.43	743.69	67.77
4425	Capital Outlay on Co-operation	---	---	---	10.10	10.10	10.10	100
4851	Capital Outlay on Village and Small Industries	----	----	----	11.58	11.58	11.58	100
4885	Other Capital Outlay on Industries	---	---	6.64	83.97	90.61	57.97	63.98
Total		139.56	419.52	789.90	3796.62	5145.60	3356.98	65.24