



**State Finances Audit Report
of the
Comptroller and Auditor General of India
for the year ended 31 March 2022**



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Government of Assam
(Report No. 1 of 2023)

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

FOR THE YEAR ENDED 31 MARCH 2022

GOVERNMENT OF ASSAM
(Report No. 1 of 2023)

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Preface

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

Executive Summary

Executive Summary

The Report

Based on the audited accounts of the Government of Assam for the year ending 31 March 2022, this Report provides an analytical review of the finances of the State Government. The Report is structured in four chapters.

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

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

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

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

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

Audit findings

Chapter 1 - Overview of State Finances

- The Gross State Domestic Product (GSDP) of Assam grew from ₹ 2,83,164.90 crore in 2017-18 to ₹ 4,33,925.44 crore in 2021-22 with Compounded Annual Growth Rate (CAGR) of 11.26 *per cent* against the national CAGR of 8.48 *per cent*.
- The State could achieve Revenue Surplus in only two years out of the five-year period from 2017-18 to 2021-22. During 2021-22, the State ended up with a Revenue Deficit of ₹ 2,732.77 crore against a Revenue Surplus of ₹ 382.60 crore in 2020-21.
- The State was successful in containing the Fiscal Deficit below the target fixed under Assam Fiscal Responsibility and Budget management (AFRBM) Act in two out of the last five years. During the current year *i.e.*, 2021-22, Fiscal Deficit of the State stood at 4.58 *per cent* of GSDP, which was marginally above the borrowing limit of 4.50 *per cent* fixed under AFRBM Act, 2021. In absolute terms, Fiscal Deficit

increased by ₹ 7,761.09 crore (64.13 *per cent*) from ₹ 12,102.03 crore in 2020-21 to ₹ 19,863.12 crore in 2021-22.

- During the five-year period 2017-22, outstanding debt of the State remained consistently below 28.50 *per cent* of GSDP, *i.e.*, within the norms prescribed in the AFRBM Act, 2011. However, the outstanding debt during 2021-22 (₹ 99,918.54 crore) increased by ₹ 12,510.75 crore (14.31 *per cent*) as compared to ₹ 87,407.79 crore during 2020-21.
- There was an understatement of Revenue Deficit by ₹ 6,559.34 crore during the year. After taking into account the items of misclassification/ non-reporting of expenditure during the year, the State should have a Revenue Deficit of ₹ 9,292.11 crore during 2021-22 instead of reported Revenue Deficit of ₹ 2,732.77 crore.
- Fiscal Deficit of the State was also understated by ₹ 933.22 crore during 2021-22. If this is taken into account, the actual Fiscal Deficit would have been ₹ 20,796.34 crore instead of ₹ 19,863.12 crore. Further, ratio of Fiscal Deficit to GSDP would have been 4.79 *per cent* instead of 4.58 *per cent*.

Recommendations

- *The State Government needs to ensure budgeting and booking of Grants-in-Aid under Revenue Section as per Indian Government Accounting Standards (IGAS)-2.*
- *The State Government may consider discharging its interest liabilities on time.*

Chapter 2 - Finances of the State

- The fiscal position of the State is viewed in terms of key fiscal parameters-Revenue Deficit/ Surplus, Fiscal Deficit/ Surplus and Primary Deficit/ Surplus. During 2021-22, the State had a Revenue Deficit of ₹ 2,732.77 crore which was 0.63 *per cent* of GSDP during the year. Fiscal Deficit during 2021-22 was ₹ 19,863.12 crore which was 4.58 *per cent* of GSDP and Primary Deficit was ₹ 13,811.65 crore (3.18 *per cent* of GSDP).
- Revenue Receipts during the year 2021-22 were ₹ 79,815.19 crore, which increased by ₹ 14,913 crore (22.98 *per cent*), as compared to 2020-21 (₹ 64,902.19 crore). State's Own Tax Revenue increased by ₹ 2,399.49 crore (14.00 *per cent*) compared to the previous year (₹ 17,133.61 crore), while Non-Tax Revenue increased by ₹ 680.14 crore (23.46 *per cent*) during the year as compared to 2020-21 (₹ 2,899.61 crore). Grants-in-Aid (GIA) from Government of India (GoI) increased by ₹ 2,312.14 crore (8.81 *per cent*) as compared to the previous year (₹ 26,239.65 crore) whereas State's Share of Union taxes and Duties increased by ₹ 9,521.23 crore (51.11 *per cent*) during 2021-22 as compared to the previous year (₹ 18,629.32 crore). During 2021-22, revenue collection under State Goods and Services Tax increased by ₹ 2,030.54 crore (23.75 *per cent*) from ₹ 8,549.02 crore in 2020-21 to ₹ 10,579.56 crore in 2021-22.
- Revenue Expenditure during the year 2021-22 was ₹ 82,547.96 crore, constituting 80.32 *per cent* of the Total Expenditure of ₹ 1,02,777.80 crore. There was a misclassification of ₹ 6,168.59 crore due to Grants-in-Aid given by the State

Government to the local bodies or individual entities under various Central Schemes during the year being as Capital expenditure instead of Revenue Expenditure, resulting in overstatement of Capital expenditure and understatement of Revenue Expenditure to that extent.

- Committed expenditure of the Government like salary & wages, pensions, interest payments steadily increased during the last five-year period 2017-22. It increased by ₹ 9,871.02 crore during the year 2021-22. The Committed expenditure during 2021-22 was ₹ 52,626.30 crore (65.94 *per cent* of Revenue Receipts of ₹ 79,815.19 crore and 63.75 *per cent* of Revenue Expenditure of ₹ 82,547.96 crore).
- The State Government short contributed ₹ 267.26 crore to National Pension System (NPS) since inception of the Scheme creating an avoidable future liability to the Government. As on 31 March 2021, an amount of ₹ 316.75 crore remained in the Public Account on which interest of ₹ 25.34 crore was payable in 2021-22.
- Capital Expenditure is the expenditure incurred for creation of fixed infrastructure assets such as roads, building, *etc.* During the year the State's Capital Expenditure increased by ₹ 7,726.44 crore (62.31 *per cent*) from ₹ 12,399.39 crore during 2020-21 to ₹ 20,125.83 crore during 2021-22. However, this increase has to be viewed in the light of the fact that GIA of ₹ 6,168.59 crore was booked under capital section, instead of under revenue resulting in understatement of Revenue Deficit to that extent.
- During 2021-22, the State Government invested ₹ 4,370.35 crore in Statutory Corporations (₹ 3,095.83 crore), Government Companies (₹ 40.00 crore), Joint Stock Companies (₹ 1,216.88 crore) and Banks (₹ 16.84 crore). As on 31 March 2022, the State Government's investment stood at ₹ 7,010.79 crore in those Companies/Corporations and Co-operative societies. Out of the investments, they received returns of ₹ 113.64 crore as dividend during the year.
- As on 01 April 2021, the State had a balance of ₹ 768.43 crore lying in the State Disaster Response Fund (SDRF). Government of Assam had neither invested the balances in SDRF in any of the instruments specified in the Guidelines, nor had it paid the half-yearly interest on the balance lying in the Fund in violation of SDRF guidelines. The unpaid interest of ₹ 46.11 crore by GoA led to understatement of Revenue Deficit to that extent (during 2021-22) and accumulated liabilities for future.
- Outstanding Debt of the State rapidly increased from ₹ 49,274.88 crore in 2017-18 to ₹ 99,918.54 crore in 2021-22. Growth rate of outstanding Debt also increased from 12.04 *per cent* in 2017-18 to 14.31 *per cent* in 2021-22. The Debt/ GSDP ratio increased from 17.40 *per cent* in 2017-18 to 23.03 *per cent* in 2021-22 due to more borrowings from the open market. The State used about six to eight *per cent* of its Revenue Receipts for payment of interest on the Outstanding Debt at an average rate of interest ranging between 6.46 *per cent* to 7.07 *per cent*, during the five-year period 2017-22.
- The maturity profile of outstanding stock of the State public debt as on 31 March 2022 indicated that 57.99 *per cent* (₹ 46,435.20 crore) of the debt is payable within the next

seven years while the remaining 42.01 *per cent* (₹ 33,632.94 crore) is in the maturity bracket of more than seven years.

- Public debt constituted 80.14 *per cent* of total debt at the end of 2021-22. During the year, it grew at the rate of 16.55 *per cent i.e.*, the lowest in the last five-year period. Average growth rate of public debt (23.30 *per cent*) also outpaced the average growth rate of GSDP (11.66 *per cent*) during the year. These all indicate that there would be increased pressure on interest payment on public debt in forthcoming years.
- Public debt receipts increased by 97.35 *per cent* from ₹ 8,447.07 crore in 2017-18 to ₹ 16,670.15 crore in 2021-22. Out of public debt receipts of ₹ 16,670.15 crore during 2021-22, the State Government utilised 21.16 *per cent* (₹ 3,526.89 crore) for repayment of earlier borrowing and remaining for incurring capital expenditure during the year 2021-22.

Recommendations

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

Chapter 3 - Budgetary Management

- Budgetary assumptions of Government of Assam (GoA) continued to be unrealistic and overestimated during 2021-22, as the State Government incurred an expenditure of ₹ 1,07,814.62 crore, against 81 grants and appropriations of ₹ 1,36,554.69 crore, resulting in overall savings of ₹ 28,740.07 crore during the year as against the savings of ₹ 39,453.03 crore during the previous year. These savings stood at 21.05 *per cent* of total grants and appropriations made for the year.
- These savings may be seen in the context of over estimation of receipts of ₹ 1,19,423.05 crore by the State Government and the estimation on the expenditure

side being ₹ 1,36,554.69 crore during the year 2021-22. As against the estimated receipts, the actual receipts were ₹ 99,584.83 crore only thereby restricting the total expenditure during the year to ₹ 1,07,814.62 crore. This implied that the savings were notional, as the funds were not actually available for expenditure.

- Savings during the year accounted for about 20 *per cent* of the budget; however, the Controlling Officers neither surrendered the funds during the year, nor provided any explanations to the Principal Accountant General (A&E) for variations in expenditure *vis-à-vis* allocations.
- The Department (Grant No. 23-Pension) incurred excess expenditure amounting to ₹ 3,747.85 crore, requiring regularisation, over and above the authorisation during 2021-22. Moreover, excess expenditure of ₹ 38.12 crore was incurred in 15 Sub-Heads under five Grants (₹ 15 lakh and above in each case) without budget provision.
- Review of selected grants revealed that the Administrative Reforms, Training, Pension and Public Grievances (ARTPPG) Department had persistent excess ranging between 1.23 *per cent* and 78.50 *per cent* during the period 2018-22 under Grant No. 23. During the current year, an amount of ₹ 7,570.25 crore was incurred in excess of the budget provision.
- Review of selected Grant-73 showed large overall savings, both on Revenue and Capital segments, with savings as a percentage of budget provisions ranging from 46.54 *per cent* to 88.59 *per cent* in Revenue segment, and 23.79 *per cent* to 82.91 *per cent* in Capital segment, during the period 2017-22. There was a marked improvement in savings in the current year, with savings as a percentage of total budget provisions reducing from 85.13 *per cent* in 2020-21 to 31.53 *per cent* in 2021-22.

Recommendations

- *State Government may formulate a realistic budget based on reliable assumptions of likely resource mobilisation, the needs of the Departments and their capacity to utilise the allocated resources so as to avoid inflated budget without actual resources;*
- *State Government may institute an appropriate control mechanism to enforce proper implementation and monitoring of budget to ensure that large savings within the grant/ appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe;*
- *Finance Department may critically review the Departments having persistent savings for prudential budget allocation and monitoring of expenditure;*
- *Controlling Officers should explain the variation in expenditure from the allocation in time to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.*
- *The State Government needs to reconcile the accounting discrepancies with the Reserve Bank of India/ Banks as regards pension payments of the State.*

Chapter 4 - Quality of Accounts & Financial Reporting Practices

- Utilisation Certificates (UCs) in respect of grants aggregating ₹ 36,687.84 crore (13,682 UCs) given to 52 Departments of the State Government during the period from 2001-02 to 2020-21 had not been submitted. In absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which those were given, and the assets had been created.
- As of 31 March 2022, 38 State Departments had not submitted Detailed Countersigned Contingent (DCC) bills for ₹ 958.37 crore against 1,540 Abstract Contingent (AC) Bills. Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DCC bills.
- During 2021-22, the State Government classified receipts of ₹ 1,068.81 crore (1.34 *per cent* of total Revenue Receipts of ₹ 79,815.19 crore), pertaining to 44 Major Heads, under the Minor Head '800 - Other Receipts' while an expenditure of ₹ 16,668.59 crore was booked under Minor Head 800 under 71 revenue and capital Major Heads of Account, constituting 16.23 *per cent* of the total revenue and capital expenditure of ₹ 1,02,673.79 crore. Further, an expenditure of ₹ 1,859.31 crore (11.15 *per cent* of total expenditure booked under Minor Head 800 - Other Expenditure) under *Sarva Siksha Abhiyan*, National Old Age Pension Scheme (under NSAP) and National Rural Livelihood Mission was booked under Minor Head 800 despite availability of appropriate Minor Head.
- During the year, expenditure amounting to ₹ 72,636 crore (68 *per cent* of total expenditure of ₹ 1,06,305 crore) and receipts of ₹ 93,647 crore (94 *per cent* of the total receipts of ₹ 99,585 crore) were reconciled. Failure to exercise/ adhere to the codal provisions and executive instructions in this regard may entail the risk of misclassification and incorrect booking of both receipts and expenditure in the accounts.
- As on 31 March 2022, there were 711 annual accounts of 114 Autonomous Councils, Development Councils and Government Bodies and 372 annual accounts of 41 Public Sector Undertaking (due up to 2021-22) pending for submission to CAG for audit. Delayed rendering of accounts by the account rendering units/ authorities distorted the accurate depiction of monthly transactions of the State and impacted effective budgetary management and diluted accountability of these Bodies.
- Out of total Cess of ₹ 1,867.76 crore realised by the State Government under the Building and Other Construction Workers' Welfare Cess Act, 1996 during the period from 2008-09 to 2021-22, an amount of ₹ 1,850.37 crore was transferred to the Other Construction Workers Welfare Board leading to the shortfall in transfer of Cess of ₹ 17.39 crore to the Board.

Recommendations

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

Chapter 1
Overview of
State Finances

1.1 Profile of the State

Assam is the largest State in terms of population and second largest State, after Arunachal Pradesh, in terms of area in the North Eastern Region of India and is, in fact, the gateway to this Region. The State is spread over a geographical area of 78,438 sq.km. (2.4 *per cent* of the country's total geographical area) and is home to around 3.12 crore persons (2.6 *per cent* of the population of the country) as per Census 2011. The decadal (2001-2011) growth rate of population for the State was 16.93 *per cent* against the national decadal growth rate of 17.64 *per cent*. The population of the State during 2021-22 was 3.54 crore. The decadal (2012-2022) growth rate of the State's population was 11.96 *per cent* which was marginally lower than the all India growth rate of 12.30 *per cent*.

The State has 34 districts and three Autonomous District Councils (ADCs) namely (i) Karbi Anglong Autonomous Council (ii) North Cachar Hills Autonomous Council and (iii) Bodoland Territorial Council. Assam was designated as a Special Category State (SCS) in 1969 in terms of the Gadgil formula, which ensured that 90 *per cent* of funding for centrally sponsored schemes is received as grants from Central Government. The net per capita income of the State at current prices was ₹ 1,23,138 in 2021-22, which was significantly lower than the all-India average of ₹ 1,72,913 reported during the year.

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

1.1.1 Gross State Domestic Product of Assam

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

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

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

(₹ in crore)						
Year	2017-18	2018-19	2019-20	2020-21	2021-22	CAGR
GDP (2011-12 Series)	1,70,90,042	1,88,99,668	2,00,74,856	1,98,00,914	2,36,64,637	--
		(R.E.-III)	(R.E.-II)	(R.E.-I)	(P.E.-I)	
Growth rate of GDP (<i>per cent</i>)	11.03	10.59	6.22	(-)1.36	19.51	8.48
GSDP (2011-12 Series)	2,83,165	3,09,336	3,46,851	3,40,177	4,33,925	--
				(P.E.)	(Q.E.)	
Growth rate of GSDP (<i>per cent</i>)	11.31	9.24	12.13	(-) 1.92	27.56	11.26

Source of data: MoSPI and Directorate of Economics and Statistics, Assam

As can be seen from **Table 1.1**, GSDP of Assam grew at a higher rate during three years of the five-year period from 2017-18 to 2021-22 compared to the growth rate of GDP, with a Compound Annual Growth Rate (CAGR) of 11.26 *per cent* against the national CAGR of 8.48 *per cent*. Further, during the five-year period, the GSDP growth rate increased from 11.31 *per cent* in 2017-18 to 27.56 *per cent* in 2021-22 with the highest increase recorded during the year.

The economic activity of a State is generally divided into Primary, Secondary and Tertiary sectors, which correspond largely to Agriculture and allied activities, Industry and Services sectors. Changes in sectoral contribution to the GSDP are an indication of the changing structure of the economy. Sectoral growth of GSDP over the past five years is detailed in **Chart 1.1** whereas change in sectoral contribution to GSDP in 2021-22 over 2017-18 is given in **Chart 1.2**.

Chart 1.1: Sectoral growth in GSDP

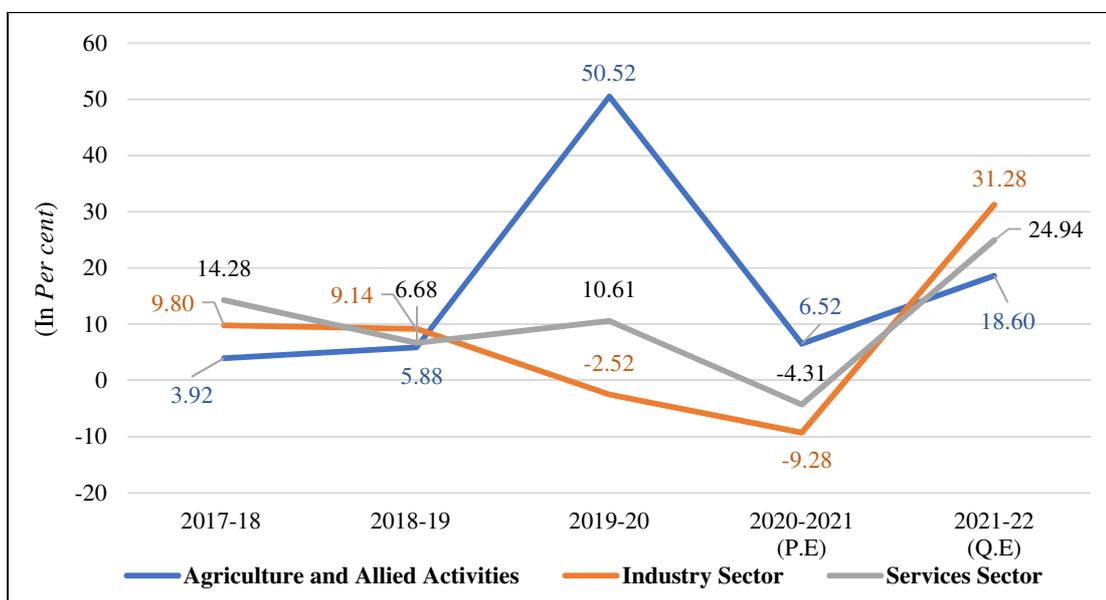


Chart 1.2: Change in sectoral contribution to GSDP (2017-18 to 2021-22)

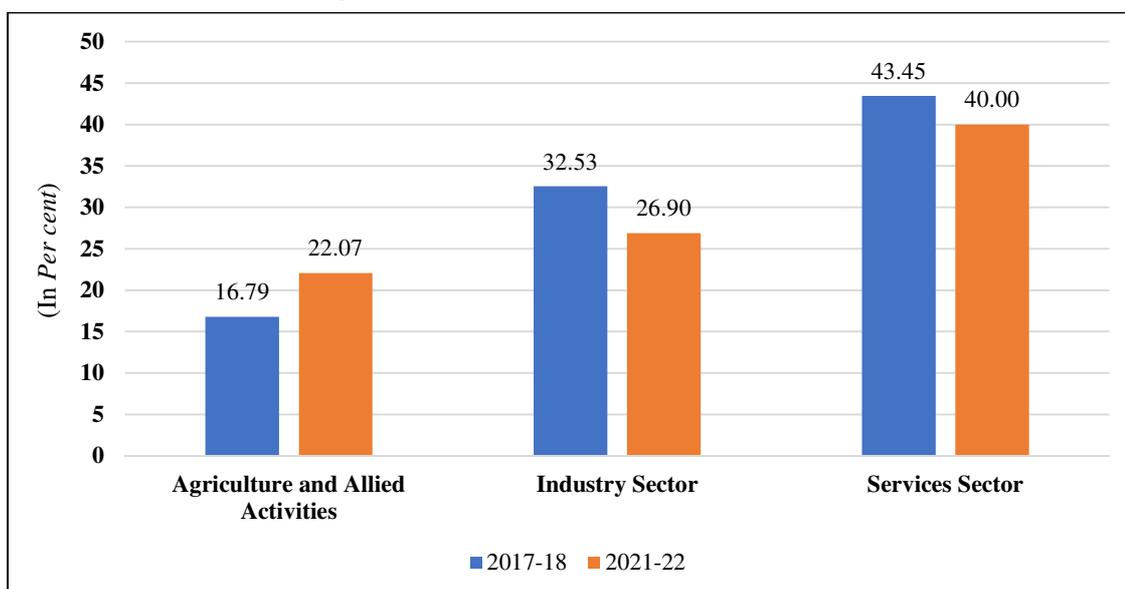


Chart 1.1 shows that growth of all sectors contributing to GSDP increased significantly during 2021-22 in comparison to the previous year. Out of that, Industry sector recorded maximum increase in growth during the year. Further, **Chart 1.2** shows that the relative share of Industry and Services sector in GSDP declined during the five-year period from 2017-18 to 2021-22, whereas relative share of Agriculture and Allied Activities to GSDP increased marginally during the same period. The increase was mainly recorded under the components of livestock and forestry pertaining to the sector. Sectoral contribution to GSDP during 2021-22 is also given in **Chart 1.3** and further details *i.e.*, Sub-sectoral contribution to State’s GSDP, are depicted in **Chart 1.4**.

Chart 1.3: Sectoral Contribution to GSDP during 2021-22 (in per cent)

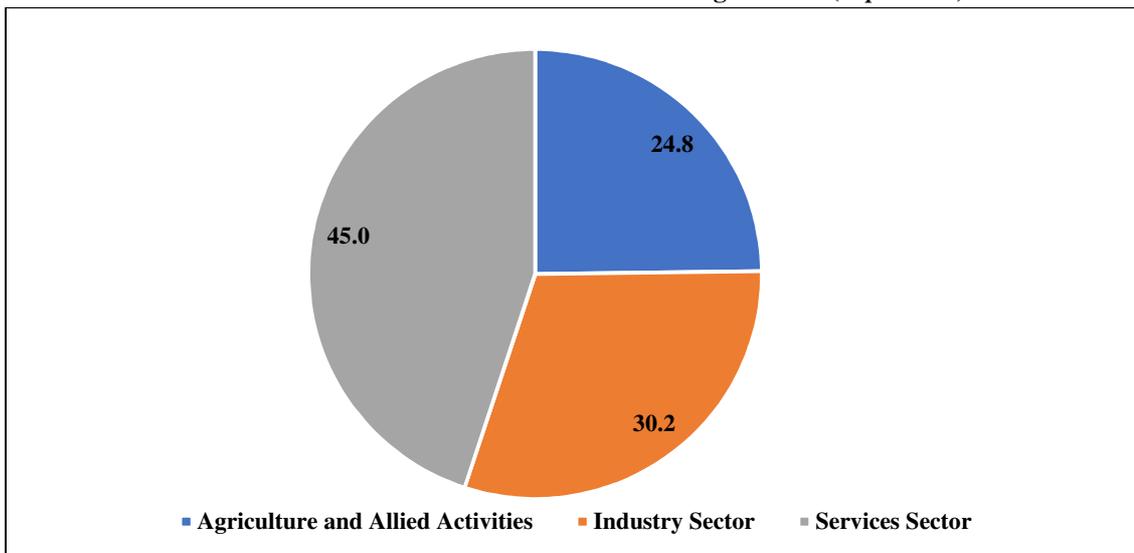
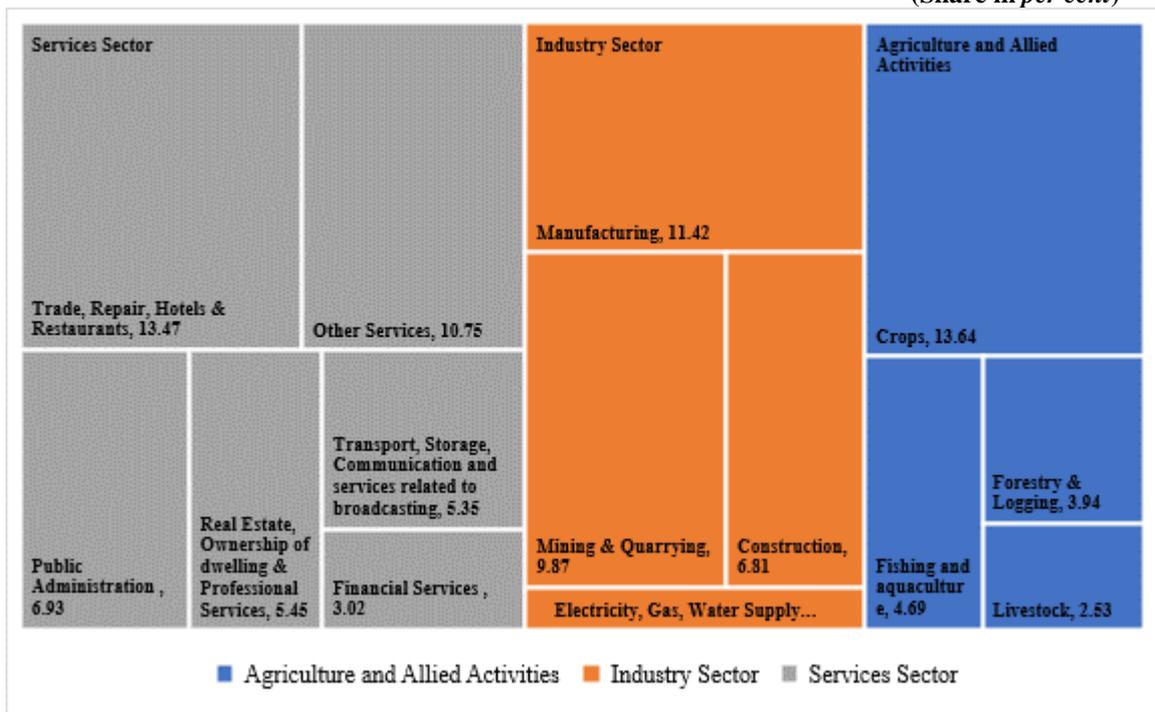


Chart 1.4: Contribution of Sub-sectors in GSDP during 2021-22

(Share in per cent)



Source of data: Directorate of Economics and Statistics, Assam

1.2 Basis and Approach to State Finances Audit Report

In terms of Article 151 (2) of the Constitution of India, Reports of the Comptroller and Auditor General of India (CAG) relating to the accounts of a State are to be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State. State Finances Audit Report (SFAR) of Assam for the year ending 31 March 2022 has been prepared by the CAG for submission to the Governor of Assam under Article 151 (2) of the Constitution of India.

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

Finance Accounts and Appropriation Accounts of the State for the year 2021-22 constitute the core data for this Report. Other sources include the following:

- Budget of the State for the year 2021-22 forms an important source of data, both for assessing the fiscal parameters and allocative priorities *vis-à-vis* projections, as well as for evaluating the effectiveness of its implementation and compliance with the relevant rules and prescribed procedures;
- Results of audit carried out by the Office of the Pr. Accountant General (Audit), Assam at the State Secretariat as well as at the field level during the year;
- Other data with Departmental Authorities and Treasuries (accounting as well as MIS);
- GSDP data and other State-related statistics; and
- Various audit reports of the CAG of India during 2017-22 have also been used to prepare this analysis/ commentary as appropriate.

The analysis has been carried out in the context of recommendations of the Finance Commission (FC), Assam Fiscal Responsibility and Budget Management (AFRBM) Act, and best practices and guidelines of Government of India. An entry conference was held on 11 October 2022 with the Commissioner and Secretary to Government of Assam, Finance Department wherein the audit approach was explained and the draft Report was forwarded to the State Government on 14 November 2022 for comments. Subsequently, an exit conference of the Report was also held on 13 January 2023 with the Principal Secretary to Government of Assam, Finance Department. The replies of the Government, where received, have been incorporated in this Report at appropriate places.

1.3 Report Structure

The SFAR is structured into the following four Chapters:

Chapter - 1	Overview of State Finances This chapter describes the basis and approach to the Report and the underlying data, provides an overview of structure of government accounts, budgetary processes, macro-fiscal analysis of key indices and the State's fiscal position including the deficits/ surplus.
Chapter - 2	Finances of the State This chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the period from 2017-18 to 2021-22, debt profile of the State and key Public Account transactions, based on the Finance Accounts of the State.
Chapter - 3	Budgetary Management This chapter is based on the Appropriation Accounts of the State and reviews the appropriations and allocative priorities of the State Government and reports on deviations from Constitutional provisions relating to budgetary management.
Chapter - 4	Quality of Accounts & Financial Reporting Practices This chapter comments on the quality of accounts rendered by various authorities of the State Government and issues of non-compliance with prescribed financial rules and regulations by various departmental officials of the State Government.

1.4 Overview of Government Account Structure and Budgetary Processes

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

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

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

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

This Fund is in the nature of an imprest which is established by the State Legislature by law, and is placed at the disposal of the Governor to enable advances to be made for

meeting unforeseen expenditure pending authorisation of such expenditure by the State Legislature. The fund is recouped by debiting the expenditure to the concerned functional major head relating to the Consolidated Fund of the State.

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

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

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

Revenue Receipts consist of Tax Revenue comprising of Own Tax Revenue & State's Share of Union Taxes/ Duties, Non-Tax revenue and grants from Government of India.

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

Capital Receipts consist of:

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

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

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

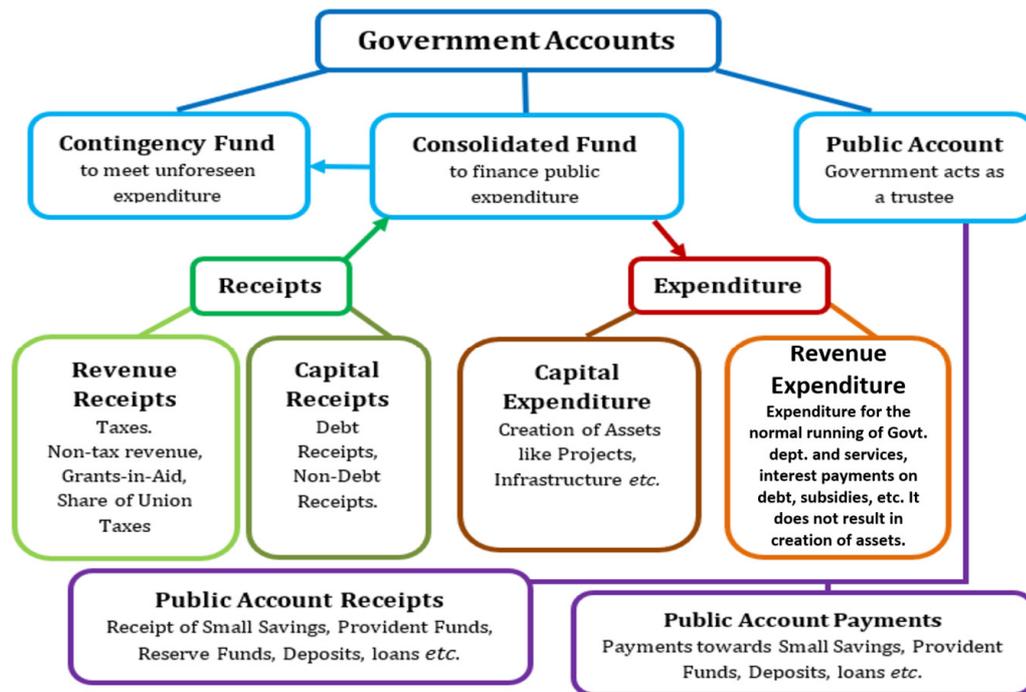
Attribute of transaction		Classification followed in Assam Government Accounts
Standardised in List of Major and Minor Heads by CGA	Function- Education, Health, <i>etc.</i> / Department	Major Head under Grants (4-digit)
	Sub-Function	Sub Major Head (2-digit)
	Programme	Minor Head (3-digit)

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

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

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

Chart 1.5: Structure of Government Accounts



b) Budgetary Processes

In terms of Article 202 of the Constitution of India, the Governor of Assam caused to be laid before the State Legislature, a statement of the estimated receipts and expenditure of the State for the year 2021-22, in the form of an **Annual Financial Statement** (referred to as Budget) with estimates of expenditure,

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

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

As mentioned in Paragraph 1.2, Finance Accounts and Appropriation Accounts encompass the core data for preparation of the SFAR. These Accounts are based on actual receipts and expenditure of the State during the year 2021-22 including various inter-governmental and other adjustments carried out by the Reserve Bank of India (RBI). Considering that these receipts and expenditure are estimated in the budget and the expenditure has been approved by the State Legislature, it is important to study the budget of the State for 2021-22 closely and analyse the actual receipts and expenditure during the year with reference to the projections made in the budget.

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

1.4.1 Summarised position of State Finances

Table 1.2 provides the details of actual audited financial results of 2021-22 *vis-à-vis* Budget Estimates for the year 2021-22 and actuals of 2020-21.

Table 1.2: Comparison with Budget Estimates and Actuals

Sl. No.	Components	2020-21 (Actuals)	2021-22 (Budget Estimates)	2021-22 (Actuals)	Percentage of Actuals to	
					BEs	GSDP
1	Tax Revenue (i + ii)	35,762.93	41,996.37	47,683.65	113.54	10.99
	(i) Own Tax Revenue	17,133.61	21,177.55	19,533.10	92.23	4.50
	(ii) Share of Union taxes/duties	18,629.32	20,818.82	28,150.55	135.22	6.49
2	Non-Tax Revenue	2,899.61	6,097.60	3,579.75	58.71	0.82
3	Grants-in-Aid and Contributions	26,239.65	40,885.44	28,551.79	69.83	6.58
4	Revenue Receipts (1+2+3)	64,902.19	88,979.41	79,815.19	89.70	18.39
5	Recovery of Loans and Advances	2.56	12.61	3,099.49	24,579.62	0.71
6	Other Receipts	0.00	0.00	0.00	0.00	0.00
7	Borrowings	17,940.18	18,325.53	16,670.15	90.97	3.84
8	Capital Receipts (5+6+7)	17,942.74	18,338.14	19,769.64	107.81	4.56
9	Total Receipts (4+8)	82,844.93	1,07,317.55	99,584.83	92.79	22.95
10	Revenue Expenditure	64,519.59	84,405.47	82,547.96	97.80	19.02
11	Of which, Interest payments	5,199.18	7,063.73	6,051.47	85.67	1.39
12	Capital Expenditure	12,399.39	19,490.99	20,125.83	103.26	4.64
13	Loan and advances disbursed	87.80	123.60	104.01	84.15	0.02
14	Total Expenditure (10+12+13)	77,006.78	1,04,020.06	1,02,777.80	98.81	23.69
15	Revenue Deficit (-)/ Surplus (+) (4-10)	382.60	4,573.94	-2,732.77	-59.75	-0.63
16	Fiscal Deficit {(4+5+6)-14}	12,102.03	15,028.04	19,863.12	132.17	4.58
17	Primary Deficit (15-11)	6,902.85	7,964.31	13,811.65	173.42	3.18

Source: Finance Accounts and Budget documents

1.4.2 Snapshot of Assets and Liabilities of the Government

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

Table 1.3 provides a summarised position of Assets and Liabilities of the State during 2020-21 and 2021-22.

Table 1.3: Summarised position of Assets and Liabilities

(₹ in crore)

Liabilities				Asset			
Components	As on 31 March 2021	As on 31 March 2022	Increase (+)/ Decrease (-) (%)	Components	As on 31 March 2021	As on 31 March 2022	Increase (+)/ Decrease (-) (%)
Consolidated Fund							
Internal Debt	67,014.07	77,780.15	16.07	Gross Capital Outlay	85,317.70	1,05,443.53	23.59
Loans and Advances from GoI	2,678.68	5,055.86	88.74	Loans and Advances disbursed	6,142.23	3,146.76	-48.77
Contingency Fund							
Contingency Fund	200.00	200.00		-	-	-	-
Public Account							
Small Savings, Provident Funds, etc.	14,045.37	14,646.90	4.28	Civil Advances	2,939.39	3,482.07	18.46
Deposits	3,319.97	3,909.17	17.75	Remittance	788.84	765.08	-3.01
Reserve Funds	5,382.46	4,251.16	-21.02	Suspense and Miscellaneous	1,141.00	1,179.10	3.34
Remittances	-	-		-	-	-	-
Surplus on Government Account	18,338.77	17,606.00	-4.00	Cash balances (incl. investment in Earmarked Fund)	14,650.16	9,432.70	-35.61
Total	1,10,979.32	1,23,449.24	11.24	Total	1,10,979.32	1,23,449.24	11.24

Source: Finance Accounts

1.5 Fiscal Balance: Achievement of Deficit and total debt targets

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

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

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

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

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

Government deficit can be reduced by an increase in taxes or reduction in expenditure. This could be achieved through making government activities more efficient through

better planning of programmes and better administration.

1.5.1 AFRBM Targets on key Fiscal Parameters and achievement thereon

The State Governments had passed Assam Fiscal Responsibility and Budget Management Act (AFRBM), 2005 with the objective of ensuring prudence in fiscal management by eliminating Revenue Deficit, reducing Fiscal Deficit and overall/ outstanding debt to acceptable level, establishing improved debt management and improving transparency in a medium term framework. In this context, the Act provides quantitative targets to be adhered by the State with regard to deficit measures and debt level. The Act was subsequently amended seven times, with the latest amendment being in September 2021.

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

The amendment to the AFRBM Act in April 2017 incorporated the recommendations of the XIV FC relating to limit of Fiscal Deficit recommended for the States during its award period (2015-16 to 2019-20). The Act provided room for deviation from the annual Fiscal Deficit target up to 3.50 *per cent* under certain conditions, with the Fiscal Deficit anchored to an annual limit of three *per cent* of GSDP in any financial year. The XV FC also recommended that the State Government should comply with the recommended path of debt consolidation and must abide by the definition of both debt and fiscal deficit as contained in the FRBM Act.

Further, as per AFRBM Act, 2021, the State shall be allowed normal Net Borrowing Ceiling (NBC) of 4 *per cent* of projected GSDP for the year 2021-22. In the beginning of the financial year 2021-22, the State shall be allowed borrowing permission based on 3.50 *per cent* of GSDP. The remaining borrowing ceiling of 0.50 *per cent* of GSDP is earmarked for incremental Capital Expenditure by the State and shall be allowed on the basis of Capital Expenditure incurred by the State during the year 2021-22. Additional borrowing ceiling of 0.50 *per cent* of GSDP over and above aforesaid ceiling of 4 *per cent* of GSDP shall also be allowed to the State based on power sector performance based on guidelines issued by Department of Expenditure, Ministry of Finance, Government of India.

The targets relating to key fiscal parameters envisaged in the amended AFRBM Act and their achievement during the five-year period from 2017-18 to 2021-22 are given in **Table 1.4**.

¹ As amended in 2011

Table 1.4: Compliance with provisions of AFRBM Act

Fiscal Parameters	Fiscal targets set in the Act	Achievement (₹ in crore)				
		2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Deficit (-) / Surplus (+) (₹ in crore)	Revenue	-1,350	6,580	-1,322 [#]	383	-2,733
	Surplus	X	✓	X	✓	X
Fiscal Deficit (-) (as per cent of GSDP)	3.5 per cent (2017-20)	-9,342 (-3.30)	-4,779 (-1.54)	-14,916 (-4.30)	-12,102 (-3.56)	-19,863 (-4.58)
	5.5 per cent (2020-21)	✓	✓	X	✓	X
	4.5 per cent (2021-22)*					
Ratio of total outstanding debt to GSDP (in per cent)	28.50 per cent	17.40	19.21	20.83	25.69**	23.03**
		✓	✓	✓	✓	✓

Source: Finance Accounts

* Target of three per cent as per AFRBM Act, 2011

**Outstanding debt excludes back-to-back loan by GoI in lieu of GST Compensation shortfall

#The figure and other related figures in the Report was modified due to accounting of UDAY transactions in FY 2021-22 instead of FY 2019-20 as communicated vide GoA order dated 30 March 2022.

The State could achieve Revenue Surplus only during two out of the five-year period from 2017-18 to 2021-22. During 2021-22, the State ended up with Revenue Deficit of ₹ 2,732.77 crore. However, this deficit was understated and is to be viewed in the light of non-contribution to the required purposes by the State Government, misclassification of revenue items under capital category and discrepancy related to non-reporting of pension payments as detailed in **Table 1.6**.

The State was successful in containing the Fiscal Deficit below the target fixed under AFRBM Act only in three out of the last five years. During the current year *i.e.*, 2021-22, Fiscal Deficit of the State stood at 4.58 per cent of GSDP, which was marginally above the borrowing limit of 4.50 per cent fixed under AFRBM Act, 2021.

During the five-year period from 2017-18 to 2021-22, outstanding debt of the State remained consistently below 28.50 per cent of GSDP, *i.e.*, within the norms prescribed in the AFRBM Act, 2011. The outstanding debt of the State as on 31 March 2022 was ₹ 99,918.54 crore.

During the Exit Conference (January 2023), the Secretary, Finance Department, stated that during 2021-22, the Fiscal Deficit-GSDP ratio of State was only marginally above 4.5 per cent *i.e.*, target fixed under AFRBM Act.

1.5.2 Medium Term Fiscal Plan

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

Table 1.5 indicates the variation between the projections made for 2021-22 in MTFP presented to the State Legislature along with the Annual Budget for 2021-22 and Actuals for the year.

Table 1.5: Actuals vis-à-vis projection in MTFP for 2021-22

Sl. No.	Fiscal Variables	Projection as per MTFP	Actuals (2021-22)	Variation (in per cent)
1	Tax Revenue (i + ii)	41,996.37	47,683.65	13.54
	(i) Own Tax Revenue	21,177.55	19,533.10	-7.77
	(ii) Share of Central Taxes	20,818.82	28,150.55	35.22
2	Non-Tax Revenue	6,097.60	3,579.75	-41.29
3	Grants-in-Aid from GoI	40,885.44	28,551.79	-30.17
4	Revenue Receipts (1+2+3)	88,979.41	79,815.19	-10.30
5	Revenue Expenditure	84,405.47	82,547.96	-2.20
6	Revenue Deficit (-)/ Surplus (+) (4-5)	4,573.94	-2,732.77	-159.75
7	Fiscal Deficit (-)/ Surplus (+)	-15,028.04	-19,863.12	32.17
8	Debt-GSDP ratio (per cent)	26.39	23.03	-12.73
9	GSDP growth rate at current prices (per cent)	-7.71	27.56	457.46

Source: Finance Accounts and Budget documents

As can be seen from **Table 1.5**, the projections made in MTFP relating to two key fiscal parameters *i.e.*, Revenue Surplus and Fiscal Deficit deviated significantly by 160 per cent and 32 per cent respectively during 2021-22. Projections relating to Debt-GSDP ratio and growth rate of GSDP were met, with the year ending at a lower Debt to GSDP ratio, and with significantly higher growth in GSDP than was projected in the MTFP.

1.5.3 Trends of Deficit/ Surplus

The trends of key surplus and deficits parameters over the five-year period from 2017-18 to 2021-22 are depicted in **Chart 1.6** and trends in surplus or deficit relative to GSDP are given in **Chart 1.7**.

Chart 1.6: Trends in Surplus/ Deficit

(₹ in crore)

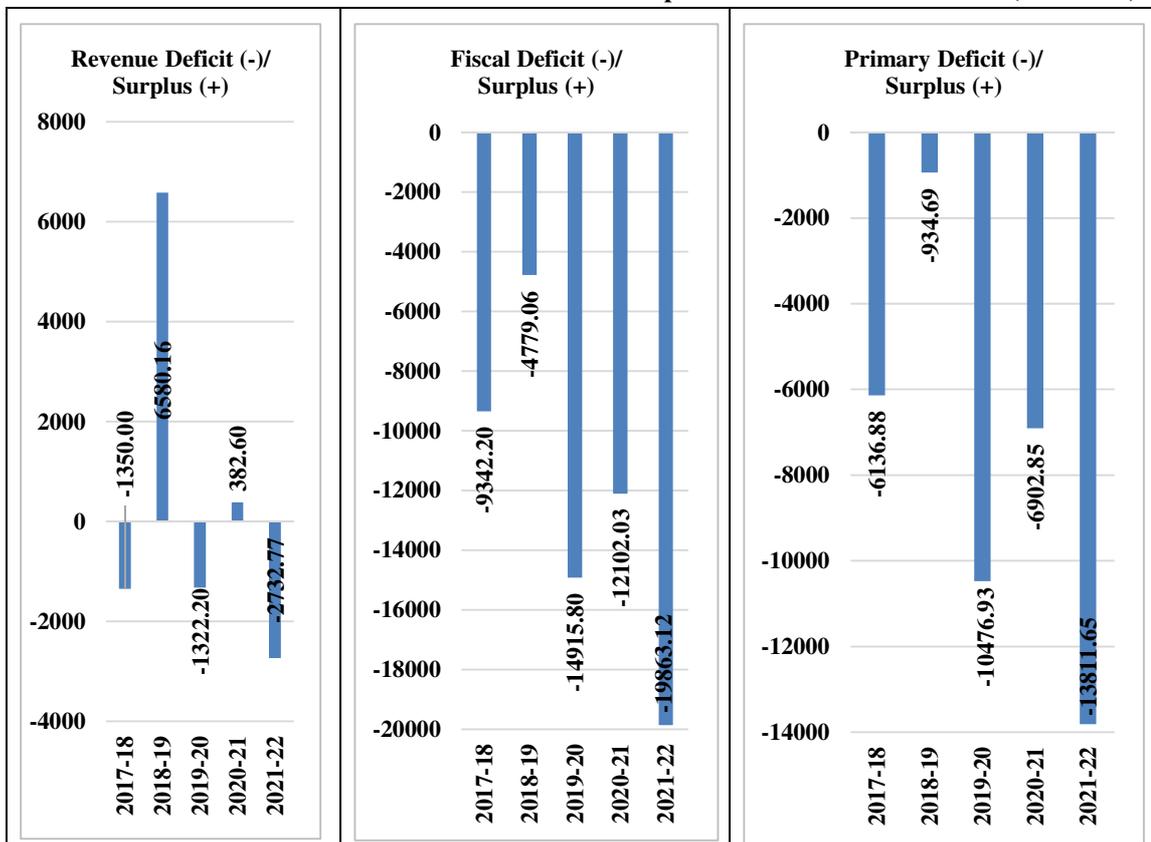
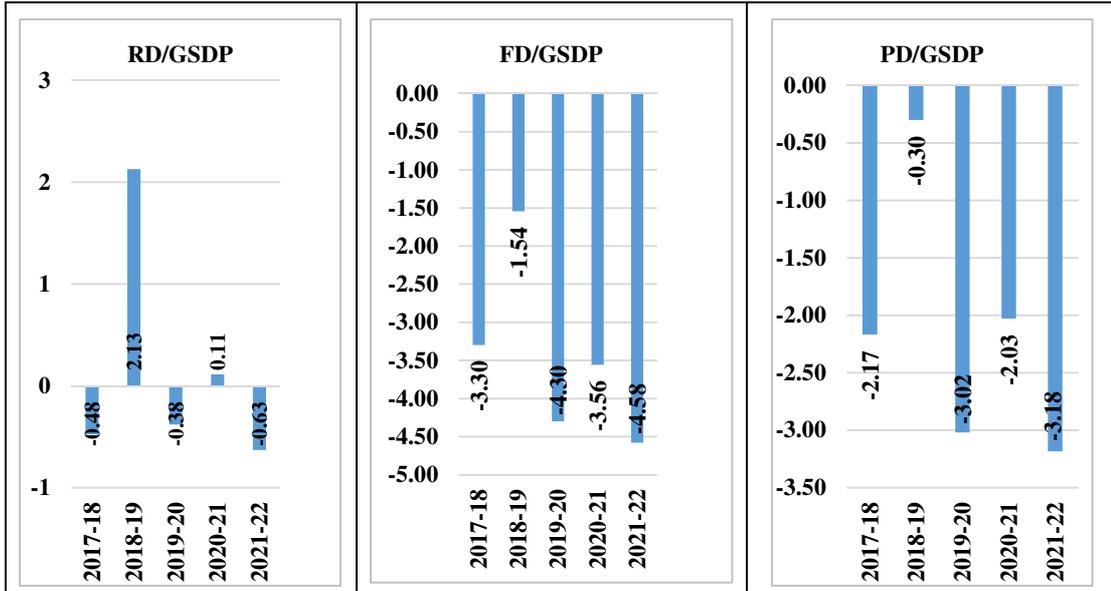


Chart 1.7: Trends in Surplus/ Deficit relative to GSDP

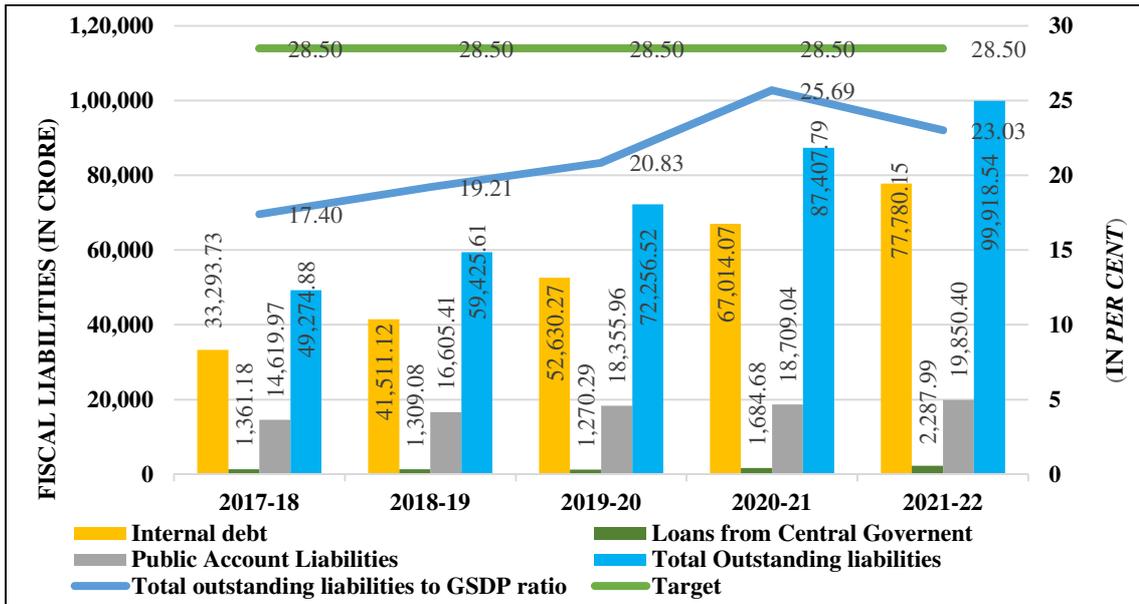


During the year, the State had a Revenue Deficit of ₹ 2,732.77 crore² as against the Revenue Surplus of ₹ 382.60 crore during the previous year. There was an increase in Fiscal Deficit of the State, which increased to ₹ 19,863.12 crore during 2021-22, or 4.58 per cent of the GSDP, as compared to ₹ 12,102.03 crore during the previous year, and constituted 19.33 per cent of Total Expenditure. The Primary Deficit of the State increased from ₹ 6,902.85 crore in 2020-21 to ₹ 13,811.65 crore in 2021-22 and stood at 3.18 per cent of GSDP.

1.5.4 Trends in Fiscal Liabilities relative to GSDP

Trends in fiscal liabilities of the State, its components and its ratio to GSDP during the last five years i.e., 2017-22 are given in Chart 1.8.

Chart 1.8: Trends in Fiscal Liabilities relative to GSDP



² To be read with post audit deficits as detailed in paragraph 1.6

It is evident from **Chart 1.8** that over a five-year period, the fiscal liabilities of the State had increased by 102.78 *per cent* from ₹ 49,274.88 crore in 2017-18 to ₹ 99,918.54 crore in 2021-22. However, the ratio of fiscal liabilities with respect to GSDP during the period remained less than 28.50 *per cent i.e.*, target threshold fixed under AFRBM Act.

1.6 Deficits and Total Debt after examination in audit

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

1.6.1 Post audit – Deficits

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

The impact on Revenue Surplus and Fiscal Deficit due to misclassification, short contribution to earmarked funds and non-discharge of interest liabilities during 2021-22 is shown in **Table 1.6**.

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

(₹ in crore)

Sl. No.	Particulars	Impact on Revenue Deficit (Understated (-)/ overstated (+))	Impact on Fiscal Deficit (Understated (+))
1	Major works budgeted/ booked under Revenue Section instead of Capital	152.04	0
2	Investment budgeted/booked under Revenue Section instead of Capital Section	500.00	0
3	Minor works budgeted/ booked under Capital Section instead of Revenue	(-) 108.53	0
4	Maintenance Expenditure classified as Capital instead of Revenue	(-) 0.94	0
5	Grants-in-Aid booked under Capital Section instead of Revenue Section	(-) 6,168.69	0
6	Non discharge of Interest liabilities	(-) 91.67	91.67
7	Short transfer of fund to SDRF	(-) 346.72	346.72
8	Non-reporting of Pension Payments	(-) 262.92	262.92
9	Non-transfer of Central Government grant towards CRF into Central Road Fund	(-) 77.51	77.51
10	Non-transfer of Central Government grant toward SDMF into State Disaster Mitigation Fund	(-) 154.40	154.40
Total (Net) impact		-6,559.34	933.22

Source: Finance Accounts

As per IGAS 2, Grants-in-Aid disbursed by a grantor shall be classified and accounted for as Revenue Expenditure irrespective of the purpose for which the funds disbursed as Grants-in-Aid are to be spent by the grantee, except in cases where it has been specifically authorised by the President on the advice of the Comptroller and Auditor General of India. It is observed that Grants-in-Aid of ₹ 6,168.69 crore was budgeted

and expended under Capital Section instead of Revenue Section, in violation of IGAS-2. The issue of GIA being budgeted and expended under Capital Section year after year, but the State Government has not taken any remedial action in this regard.

As can be seen from **Table 1.6**, there was an understatement of Revenue Deficit by ₹ 6,559.34 crore during the year. Thus, after taking into account the items of misclassification/ non-reporting of expenditure during the year as brought out in the table above, the State should have a Revenue Deficit of ₹ 9,292.11 crore during 2021-22 instead of reported Revenue Deficit of ₹ 2,732.77 crore.

Further, Fiscal Deficit of the State was also understated by ₹ 933.22 crore during 2021-22. If this is taken into account, the actual Fiscal Deficit would have been ₹ 20,796.34 crore instead of ₹ 19,863.12 crore as reported in the Finance Accounts of 2021-22. Further, ratio of Fiscal Deficit to GSDP could have been 4.79 *per cent* instead of 4.58 *per cent* as reported in the Finance Accounts of the year.

During the Exit Conference (January 2023), the Secretary, Finance Department assured to take necessary steps for correct classification and timely reporting of expenditure as pointed out by Audit.

1.6.2 Total Outstanding Liabilities

The total outstanding liabilities of the State were ₹ 99,918.54 crore as of 31 March 2022. Further details *i.e.*, components and sub-components of outstanding liabilities are given in **Table 1.7**.

Table 1.7: Components of Outstanding Liabilities

Liabilities upon the Consolidated Fund (Public Debt)	Internal Debt: ₹ 77,780.16 crore ➤ Market Loans bearing interest: ₹ 66,534.00 crore ➤ Market Loans not bearing interest: ₹ 0.01 crore ➤ Loans from other Institutions, <i>etc.</i> : ₹ 5,556.46 crore ➤ Special Securities issued to the National Small Savings Fund of the Central Government: ₹ 5,689.69 crore
	Loans and Advances from Central Government: ₹ 2,287.99 crore ➤ Non-plan Loans: ₹ 87.38 crore ➤ Loans for Central Plan Schemes: ₹ 0.08 crore ➤ Loans for Special Schemes: ₹ 61.57 crore ➤ Pre-1984-85 Loans: ₹ 0.24 crore ➤ Other loans for States/Union Territory with Legislative Scheme: ₹ 2,138.72 crore*
Liabilities upon Public Account	Liabilities upon Public Account: ₹ 19,850.40 crore ➤ Small Savings, Provident Funds, <i>etc.</i> : ₹ 14,646.90 crore ➤ Deposits: ₹ 3,909.17 crore ➤ Reserve Funds: ₹ 1,294.33 crore
Borrowings by State Public Sector Companies, corporations and other bodies	Nil
Borrowing by SPVs and other equivalent instruments	

Source: Finance Accounts

*Excludes loan of ₹ 994.00 crore and ₹ 1,773.87 crore given as back-to-back loan by Government of India during 2020-21 and 2021-22 respectively.

1.7 Conclusion

- The GSDP of Assam grew from ₹ 2,83,164.90 crore in 2017-18 to ₹ 4,33,925.44 crore in 2021-22 with Compounded Annual Growth Rate (CAGR) of 11.26 *per cent* against the national CAGR of 8.48 *per cent*.
- The State could achieve Revenue Surplus in only two years out of the five-year period from 2017-18 to 2021-22. During 2021-22, the State ended up with a Revenue Deficit of ₹ 2,732.77 crore against a Revenue Surplus of ₹ 382.60 crore in 2020-21.
- The State was successful in containing the Fiscal Deficit below the target fixed under AFRBM Act in two out of the last five years. During the current year *i.e.*, 2021-22, Fiscal Deficit of the State stood at 4.58 *per cent* of GSDP, which was marginally above the borrowing limit of 4.50 *per cent* fixed under AFRBM Act, 2021. In absolute terms, Fiscal Deficit increased by ₹ 7,761.09 crore (64.13 *per cent*) from ₹ 12,102.03 crore in 2020-21 to ₹ 19,863.12 crore in 2021-22.
- During the five-year period 2017-22, outstanding debt of the State remained consistently below 28.50 *per cent* of GSDP, *i.e.*, within the norms prescribed in the AFRBM Act, 2011. However, the outstanding debt during 2021-22 (₹ 99,918.54 crore) increased by ₹ 12,510.75 crore (14.31 *per cent*) as compared to ₹ 87,407.79 crore during 2020-21.
- There was an understatement of Revenue Deficit by ₹ 6,559.34 crore during the year. After taking into account the items of misclassification/ non-reporting of expenditure during the year, the State should have a Revenue Deficit of ₹ 9,292.11 crore during 2021-22 instead of reported Revenue Deficit of ₹ 2,732.77 crore.
- Fiscal Deficit of the State was also understated by ₹ 933.22 crore during 2021-22. If this is taken into account, the actual Fiscal Deficit would have been ₹ 20,796.34 crore instead of ₹ 19,863.12 crore. Further, ratio of Fiscal Deficit to GSDP would have been 4.79 *per cent* instead of 4.58 *per cent*.

1.8 Recommendations

- i. *The State Government needs to ensure budgeting and booking of Grants-in-Aid under Revenue Section as per IGAS-2.*
- ii. *The State Government may consider discharging its interest liabilities on time.*

Chapter 2
Finances of the State

2.1 Introduction

This Chapter provides a broad perspective of the finances of the State, analyses the critical changes in major fiscal aggregates relative to the previous year, overall trends during the five-year period from 2017-18 to 2021-22, debt sustainability of the State and key Public Account transactions, based on the Finance Accounts of the State. Information was also obtained from the State Government where necessary.

2.2 Major changes in Key Fiscal Aggregates during 2021-22 vis-à-vis 2020-21

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

Each of these indicators is analysed in the succeeding paragraphs.

Table 2.1: Changes in key fiscal aggregates in 2021-22 compared to 2020-21

Revenue Receipts	<ul style="list-style-type: none"> ➤ Revenue Receipts of the State increased by 22.98 per cent ➤ Tax Revenue of the State increased by 33.33 per cent <ul style="list-style-type: none"> ○ Own Tax Receipts of the State increased by 14.00 per cent ○ State's Share of Union Taxes and Duties increased by 51.11 per cent ➤ Non-Tax Receipts increased by 23.46 per cent ➤ Grants-in-Aid from Government of India increased by 8.81 per cent
Revenue Expenditure	<ul style="list-style-type: none"> ➤ Revenue Expenditure increased by 27.94 per cent ➤ Revenue Expenditure on General Services increased by 58.87 per cent ➤ Revenue Expenditure on Social Services increased by 14.37 per cent ➤ Revenue Expenditure on Economic Services increased by 3.72 per cent ➤ Expenditure on Grants-in-Aid to Local bodies decreased by 18.79 per cent
Capital Expenditure	<ul style="list-style-type: none"> ➤ Capital Expenditure increased by 62.31 per cent ➤ Capital Expenditure on General Services increased by 66.42 per cent ➤ Capital Expenditure on Social Services increased by 27.45 per cent ➤ Capital Expenditure on Economic Services increased by 70.71 per cent
Loans and Advances	<ul style="list-style-type: none"> ➤ Disbursements of Loans and Advances increased by 18.46 per cent ➤ Recoveries of Loans and Advances increased significantly by 1,20,973.83 per cent
Public Debt	<ul style="list-style-type: none"> ➤ Public Debt Receipts decreased by 7.08 per cent ➤ Repayment of Public Debt increased by 64.20 per cent
Public Account	<ul style="list-style-type: none"> ➤ Public Account Receipts increased by 18.98 per cent ➤ Public Account Disbursements increased by 15.86 per cent
Cash Balance	<ul style="list-style-type: none"> ➤ Cash balance decreased by ₹ 5,217.46 crore (35.61 per cent)

Source: Finance Accounts

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

2.3 Sources and Application of Funds

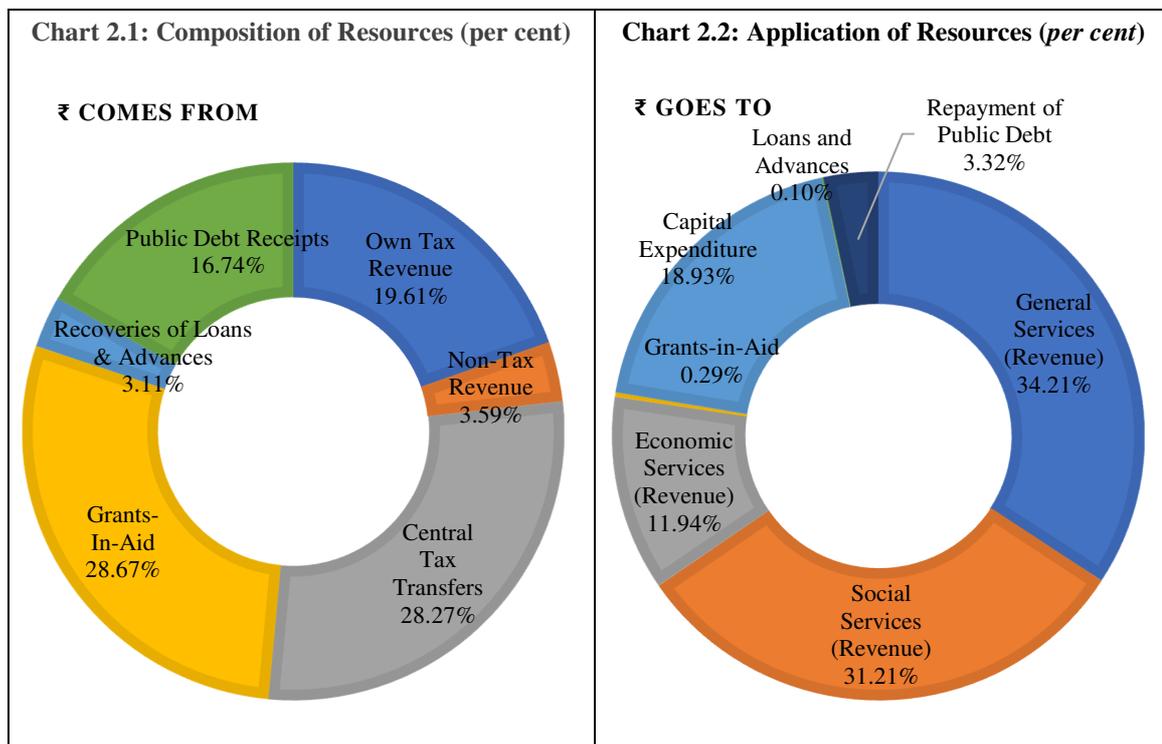
This section compares the components of the sources and application of funds of the State during the financial year compared to the previous year.

Table 2.2: Details of Sources and Application of funds during 2020-21 and 2021-22

(₹ in crore)

	Particulars	2020-21	2021-22	Increase (+) / Decrease (-)
Sources	Opening Cash Balance with RBI	2,980.20	3,696.76	716.56
	Revenue Receipts	64,902.19	79,815.19	14,913.00
	Recoveries of Loans & Advances	2.56	3,099.49	3,096.93
	Public Debt Receipts (Net)	15,792.20	13,143.25	-2,648.95
	Public Account Receipts (Net)	-2,973.61	1,196.53	4,170.14
	Total	80,703.54	1,00,951.22	20,247.68
Application	Revenue Expenditure	64,519.59	82,547.96	18,028.37
	Capital Expenditure	12,399.39	20,125.83	7,726.44
	Disbursements of Loans & Advances	87.80	104.01	16.21
	Closing Cash Balance with RBI	3,696.76	-1,826.58	-5,523.34
	Total	80,703.54	1,00,951.22	20,247.68

Source: Finance Accounts



2.4 Resources of the State

The resources of the State are described below:

- Revenue Receipts** consist of tax revenue (Own Tax revenue *plus* share of Union Taxes/ Duties), non-tax revenue and Grants-in-Aid from Government of India (GoI).
- Capital receipts** comprise miscellaneous capital receipts such as proceeds from disinvestments, recoveries of loans and advances, debt receipts from internal sources (market loans, borrowings from financial institutions/commercial banks)

and loans and advances from GoI. Both Revenue and Capital receipts form part of the Consolidated Fund of the State.

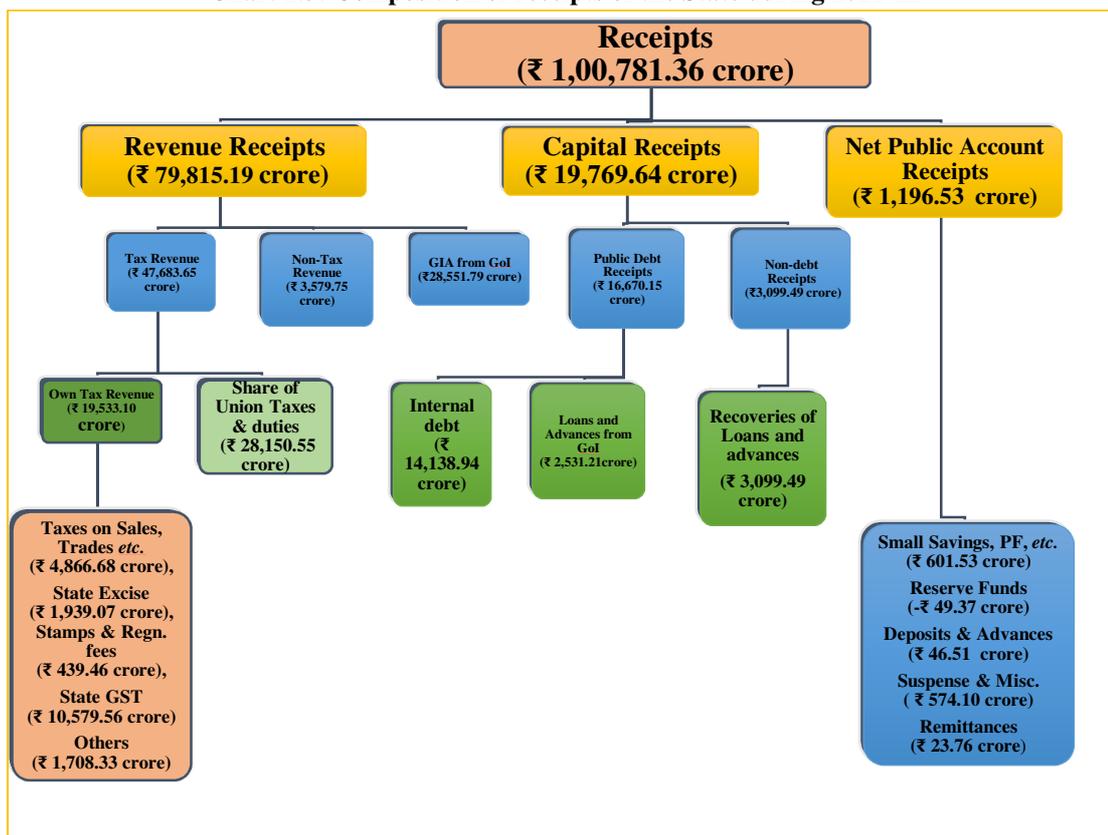
3. **Net Public Account receipts:** There are receipts and disbursements in respect of certain transactions such as small savings, provident fund, reserve funds, deposits, suspense, remittances, *etc.* which do not form part of the Consolidated Fund. These are kept in the Public Account set up under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

2.4.1 Receipts of the State

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

Composition of receipts of the State during 2021-22 is given in **Chart 2.3**.

Chart 2.3: Composition of receipts of the State during 2021-22



2.4.2 State's Revenue Receipts

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

2.4.2.1 Trends and growth of Revenue Receipts

Table 2.3 provides the trends and growth of Revenue Receipts as well as revenue buoyancy with respect to GSDP over the five-year period 2017-22. Further, trends in Revenue Receipts relative to GSDP and composition of Revenue Receipts are given in **Charts 2.4** and **2.5** respectively.

Table 2.3: Trend in Revenue Receipts

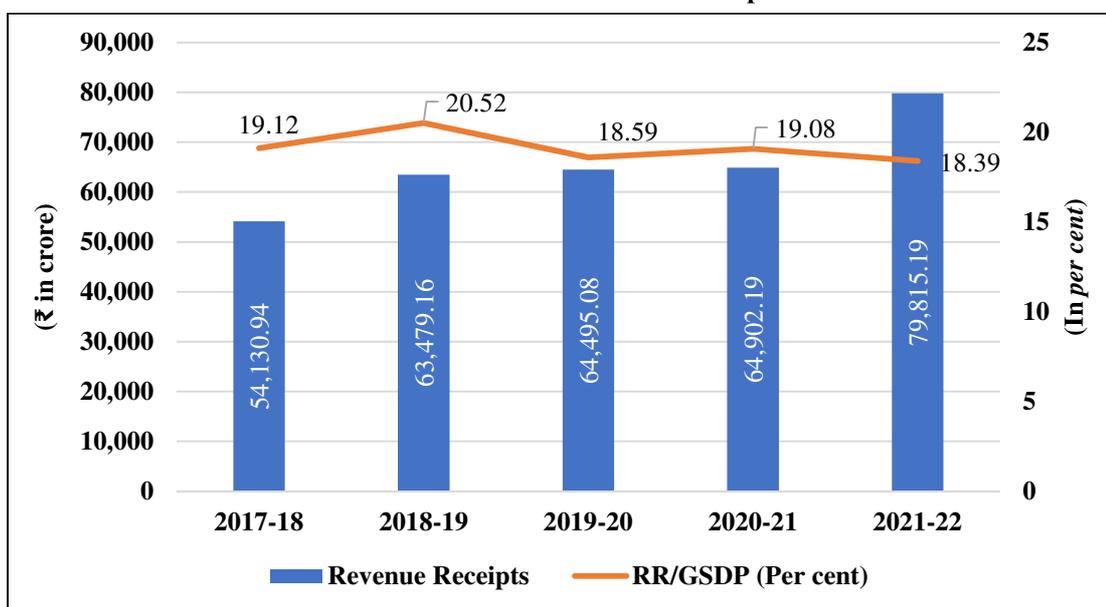
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Receipts (RR) (₹ in crore)	54,130.94	63,479.16	64,495.08	64,902.19	79,815.19
Rate of growth of RR (per cent)	9.98	17.27	1.60	0.63	22.98
Own Tax Revenue (₹ in crore)	13,215.52	15,924.85	16,528.69	17,133.61	19,533.10
Non-Tax Revenue (₹ in crore)	4,071.97	8,221.29	5,539.34	2,899.61	3,579.75
Rate of growth of Own Revenue (Own Tax and Non-Tax Revenue) (per cent)	5.20	39.67	-8.61	-9.22	15.37
Gross State Domestic Product (₹ in crore) (2011-12 Series)	2,83,164.90	3,09,336.32	3,46,850.68	3,40,177.45 (P.E.)	4,33,925.44 (Q.E.)
Rate of growth of GSDP (per cent)	11.31	9.24	12.13	(-)1.92	27.56
RR/GSDP (per cent)	19.12	20.52	18.59	19.08	18.39
Buoyancy Ratios³					
Revenue Buoyancy w.r.t GSDP	0.88	1.87	0.13	(-)0.33	0.83
State's Own Revenue Buoyancy w.r.t GSDP	0.46	4.29	-0.71	4.79	0.56

Source: Finance Accounts

Source of GSDP figures: Directorate of Economics and Statistics, Assam;

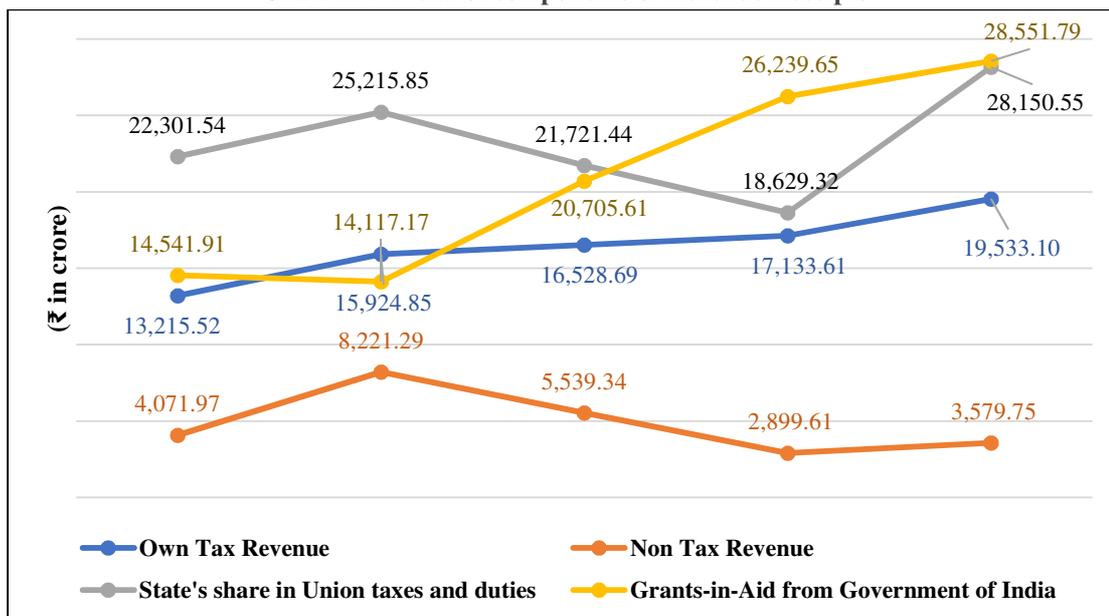
P.E. - Provisional Estimates; Q.E. - Quick Estimates

Chart 2.4: Trend of Revenue Receipts



³ Buoyancy ratio indicates the elasticity or degree of responsiveness of a fiscal variable with respect to a given change in the base variable. For instance, revenue buoyancy with respect to GSDP at 0.83 implies that Revenue Receipts tend to increase by 0.83 percentage points, if the GSDP increases by one per cent.

Chart 2.5: Trend of components of Revenue Receipts



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

- Revenue Receipts increased by 47.45 per cent from ₹ 54,130.94 crore in 2017-18 to ₹ 79,815.19 crore in 2021-22 at an annual average growth rate of 9.49 per cent. During 2021-22, Revenue Receipts increased by ₹ 14,913.00 crore (22.98 per cent) over the previous year. However, ratio of Revenue Receipts to GSDP decreased from 19.08 per cent in 2020-21 to 18.39 per cent in 2021-22.
- During 2021-22, State's own revenue (Own Tax Revenue and Non-Tax Revenue) constituted 28.96 per cent of Revenue Receipts and remaining 71.04 per cent came from Government of India as Central Tax transfers and Grant-in-Aid.
- The Central tax transfers from Government of India increased significantly by 51.11 per cent (₹ 9,521.23 crore) from ₹ 18,629.32 crore in 2020-21 to ₹ 28,150.55 crore in 2021-22. Grants-in-Aid, on the other hand, increased by 8.81 per cent (2,312.14 crore) from ₹ 26,239.65 crore in 2020-21 to ₹ 28,551.79 crore in 2021-22.
- Ratio of State's own tax buoyancy to GSDP had shown inter-year fluctuation during the last five years i.e., 2017-22 and it decreased significantly during the year from 4.79 per cent in 2020-21 to 0.56 per cent in 2021-22.

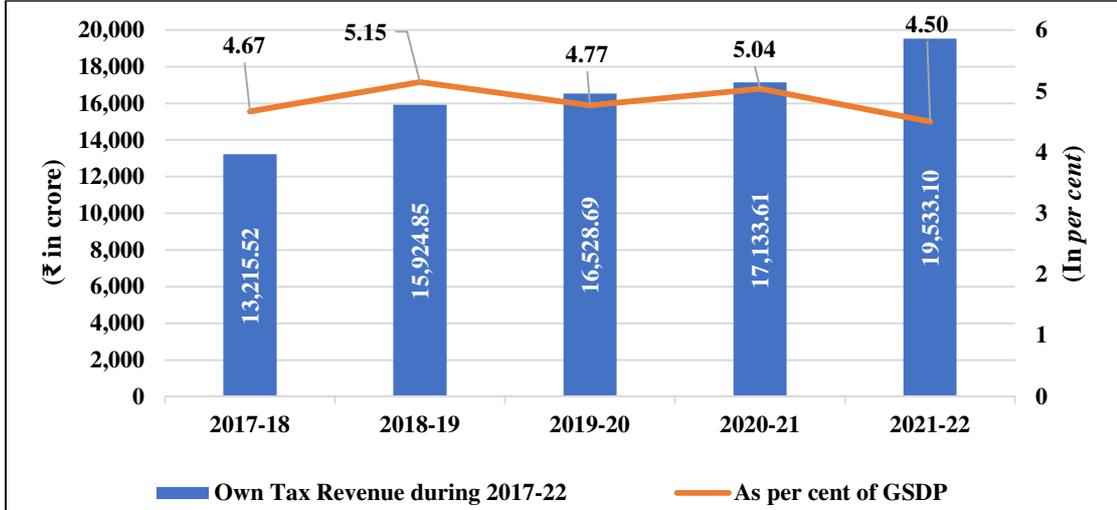
2.4.2.2 Tax Revenue

2.4.2.2.1 Own Tax Revenue

Own Tax Revenue of the State consists of State Goods and Services Tax (SGST), State excise, taxes on vehicles, Stamps duty and Registration fees, Land revenue, taxes on goods and passengers, etc.

The total collection of Own Tax Revenue of the State and its ratio to GSDP during the five-year period i.e., 2017-22 is given in **Chart 2.6**.

Chart 2.6: Growth of Own Tax Revenue during 2017-22



The component-wise details of Own Tax Revenue collected during the years 2017-22 were as given in **Table 2.4**.

Table 2.4: Components of State's Own Tax Revenue during 2017-22

Heads	2017-18	2018-19	2019-20	2020-21	2021-22	
					Budget Estimates	Actuals
State Goods and Services Tax	4,077.67	8,393.04	8,755.30	8,549.02	11,179.74	10,579.56
Taxes on Sales, Trades, etc.	6,373.00	4,698.74	4,480.96	5,070.97	5,721.73	4,866.68
State Excise	1,095.16	1,399.84	1,650.03	2,039.94	2,106.92	1,939.07
Taxes on Vehicles	646.96	765.01	815.82	723.98	1,041.72	978.21
Stamps and Registration Fees	239.17	240.72	292.65	280.75	373.68	439.46
Land Revenue	219.39	163.22	94.16	116.81	120.24	185.02
Other Taxes ⁴	564.17	264.28	439.77	352.14	633.52	545.10
Total	13,215.52	15,924.85	16,528.69	17,133.61	21,177.55	19,533.10

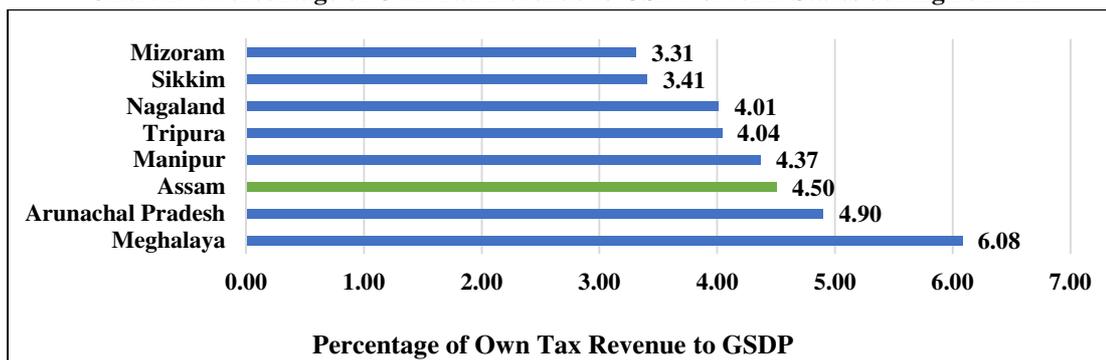
Source: Finance Accounts

Own Tax Revenue of the State increased by ₹ 6,317.58 crore from ₹ 13,215.52 crore in 2017-18 to ₹ 19,533.10 crore in 2021-22 at an average annual rate of 9.56 per cent. During the current year, major contributors of Own Tax Revenue were State Goods and Services Tax (54.16 per cent), Taxes on Sales, Trades etc. (24.92 per cent) and State Excise (9.93 per cent).

During 2021-22, State's Own Tax Revenue of ₹ 19,533.10 crore at 4.50 per cent of GSDP was lower than that of Meghalaya (6.08 per cent) and Arunachal Pradesh (4.90 per cent) but higher than the other NER States as shown in **Chart 2.7**.

⁴ Other Taxes include taxes on agricultural income, taxes on goods and passengers, taxes and duties on electricity and other taxes and duties on commodities and services, etc.

Chart 2.7: Percentage of Own Tax Revenue to GSDP of NER States during 2021-22



State Goods and Services Tax

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

As per the GST (Compensation to States) Act, 2017, States will be compensated for the shortfall in revenue arising on account of implementation of Goods and Services Tax considering an annual growth of 14 *per cent* from the base year 2015-16, for a period of five years ended on 31 March 2022. The Centre levies the Integrated GST (IGST) on inter-state supply of goods and services, and apportions the state's share of tax to the State where the goods or services are consumed.

Actual collection of revenue under State Goods and Services Tax (SGST) from 2017-18 to 2021-22 is given in **Table 2.5**.

Table 2.5: SGST receipts of Government of Assam

State Goods and Services Tax (SGST)	(₹ in crore)					Increase/Decrease over previous year
	2017-18	2018-19	2019-20	2020-21	2021-22	
Tax (Minor Head: 101, 105)	3,613.48	7,094.96	8,248.97	7,063.66	9,266.09	2,202.43
IGST Apportionment (Minor Head: 106, 110)	453.39	1,235.73	332.16	993.87	1,179.01	185.14
Others (Minor Head: 102, 103, 104, 500, 800)	10.80	62.35	174.17	491.49	134.46	-357.03
SGST collection	4,077.67	8,393.04	8,755.30	8,549.02	10,579.56	2,030.54

Source: Finance Accounts

During 2021-22, SGST collection of the State increased by 23.75 *per cent* (₹ 2,030.54 crore) over the previous year.

Further, in accordance with Section 6 of GST (Compensation to States) Act, 2017, the protected revenue of the State for the year 2021-22 comes to ₹ 13,138.01 crore by taking into consideration the revenue collection of 2015-16 (₹ 5,985.50 crore) as base year with annual growth calculated @ 14 *per cent*. Since the SGST receipts in 2021-22 fell short of the protected revenue, in keeping with the GST (Compensation to States) Act, the State Government received a compensation of ₹ 2,788.14 crore during the year, on account of loss of revenue arising out of implementation of GST. Out of the

compensation of ₹ 2,788.14 crore received during the year, an amount of ₹ 1,773.87 crore was received by the State Government as Back to Back loans in lieu of GST Compensation under debt receipts of the State with no repayment liability, either principal or interest, to the State.

Analysis of arrears of revenue and arrears of assessment

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

Analysis of arrears of revenue

The arrears of revenue as on 31 March 2022 in respect of the Finance (Taxation) and Mines and Minerals Departments amounted to ₹ 4,399.23 crore of which ₹ 3,128.33 crore was outstanding for more than five years, as detailed in **Table 2.6**.

Table 2.6: Arrears of revenue

(₹ in crore)

Sl. No.	Head of Revenue	Name of Department	Amount outstanding as on 31 March 2022		Replies of the Department								
			Total	For more than five years									
1	0022-Taxes on Agricultural Income	Finance (Taxation)	70.00	49.33	Following are the reasons for the pending arrears: i. Some amounts become arrears when the amounts are not paid by the dealers on due date. The Assessing Officer issues notices to the defaulters for payment of arrears and tries his best to realise the amount. Such arrears are paid by the concerned dealers with interest. Current arrears are also included in the above amount. ii. For the amount which cannot be realised by the assessing officers in spite of all efforts, arrear certificates are issued by the assessing officers to the <i>Bakijai</i> officers for realisation of the amount and these amounts remain as arrear with the Superintendent of Taxes (Recovery) till recovery of the said arrear amount. iii. Pending cases involving arrears of revenue in High Court/ Supreme Court/ Board of Revenue and with Appellate/ Revision Authority is given below: <table border="1" data-bbox="1053 1915 1396 2027"> <tr> <td>Under H/C,S/C and ABR</td> <td>2,970.74</td> </tr> <tr> <td>Under Revision</td> <td>254.66</td> </tr> <tr> <td>Under Appeal</td> <td>33.58</td> </tr> <tr> <td>Total</td> <td>3,258.98</td> </tr> </table>	Under H/C,S/C and ABR	2,970.74	Under Revision	254.66	Under Appeal	33.58	Total	3,258.98
Under H/C,S/C and ABR	2,970.74												
Under Revision	254.66												
Under Appeal	33.58												
Total	3,258.98												
2	0028-Other Taxes On Income and Expenditure		2.62	1.58									
3	0029-Land Revenue		2,846.85	2,138.43									
4	0040-Tax on Sales, Trade, etc.	1,364.69	853.26										
5	0042-Taxes on Goods and Passengers	79.51	52.80										
6	0043-Taxes and Duties on Electricity	30.30	28.09										
7	0045-Other Taxes and Duties on Commodities and Services	5.18	4.76										

Sl. No.	Head of Revenue	Name of Department	Amount outstanding as on 31 March 2022		Replies of the Department
			Total	For more than five years	
					iv. Un-traceability of dealers at the time of realisation of dues, etc.
8	0853-Non-ferrous Mining and Metallurgical Industries	Mines and Minerals	0.08	0.08	Non-payment of royalty on limestone by NECEM Cement Ltd. for 2005-06, 2006-07 and 2011-12 (₹ 8,15,789)
Total			4,399.23	3,128.33	

Source: Information furnished by the Departments concerned

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

Arrears in Assessments

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

Table 2.7: Arrears in assessment

Nomenclature of the Act	Arrears of assessment due as on 31 March 2021	New cases due for assessments during 2021-22	Total assessment due	Cases disposed during 2021-22	Balance at the end of the year 2021-22	Percentage of disposal (col. 5 to 4)
1	2	3	4 (2+3)	5	6 (4-5)	7
Goods and Services Tax	1,393	0	1,393	0	1,393	0.00
Sales Tax (VAT/ CST Acts)	15,674	545	16,219	5,240	10,999	32.27
Entry Tax Act	2,281	0	2,281	15	2,266	0.66
Profession Traders, Callings and Employment Taxation Act	4,561	27,736	32,297	13,739	18,558	42.54
Taxation (on Specified Lands) Acts	4,507	103	4,610	463	4,147	10.04
Agricultural Income Tax Act	2,709	52	2,761	117	2,644	4.24
Amusement and Betting Taxation Act	192	0	192	0	192	0.00
Luxury (Hotel & Lodging Houses) Act	227	0	227	0	227	0.00
Electricity Duty Act	1,402	309	1,711	72	1,639	4.21
Total	32,946	28,745	61,691	19,646	42,045	31.85

Source: Information furnished by the Departments concerned

Table 2.7 indicates that the assessments pending at the end of the year increased over the previous year in respect of two heads of revenue (Profession, Trades, Callings and Employment Taxation Act and Electricity Duty Act). The percentage of disposal of cases due for assessment in overall cases was 31.85 per cent during the year. In respect of Taxation (Entry Tax Act) and Agricultural Income Tax Act, percentage of disposal of cases at 0.66 per cent and 4.24 per cent respectively were very poor. Further, no case

in respect of Amusement and Betting Taxation Act and Luxury (Hotel & Lodging Houses) Act was disposed by the Finance (Taxation) Department during the year 2021-22. Pendency in assessment may result in non/ short realisation of Government revenues and further accumulation in arrears of revenue.

Details of evasion of tax detected by Department

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

Table 2.8: Evasion of Tax Detected

Head of Revenue	Cases pending as on 31 March 2021	Cases detected during 2021-22	Total	Cases in which additional demand with penalty, etc. raised		No. of cases pending as on 31 March 2022
				No.	Amount (₹ in crore)	
GST	0	731	731	731	54.14	0
Total	0	731	731	731	54.14	0

Source: Information furnished by Government of Assam

Thus, Government of Assam had raised a demand of ₹ 54.14 crore relating to 731 cases of evasion of tax as of 31 March 2022.

2.4.2.2.2 Transfers from the Centre

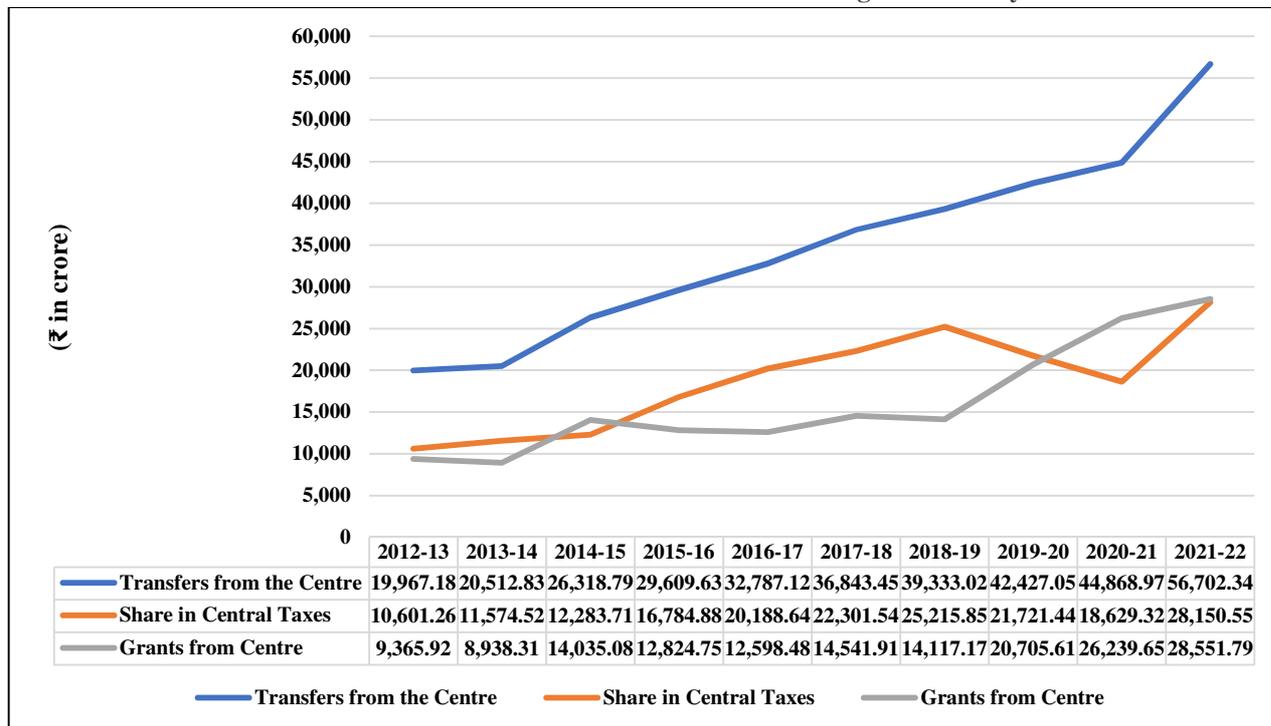
During the last 10 years from 2012-13 to 2021-22, there were three Central Finance Commissions (XIII FC, XIV FC and XV FC) constituted by the Central Government. As per recommendations of these FCs, the State Government had received its share of devolved taxes, as also certain grants recommended by FC. In addition, the State received significant amount of grants from the Central Government for implementation of various schemes in the State.

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

The Grants-in-Aid from GoI also increased significantly during the XIV FC period (2015-20) in comparison with those released in XIII FC period (2010-15). This pattern

continued during the XV FC period also. The trend and composition of Central Transfers during the last ten years are shown in **Chart 2.8**.

Chart 2.8: Trends in transfers from the Centre during the last ten years



Central Tax Transfers

Actual devolution of Union taxes to the State *vis-à-vis* projection of the Finance Commission is given in **Table 2.9**.

Table 2.9: State's share in Union taxes and duties: Actual devolution *vis-à-vis* Finance Commission projections

(₹ in crore)					
FC	Year	Finance Commission projections	Projections in FCR	Actual tax devolution	Variation (per cent) (5-4/4)
1	2	3	4	5	6
FC-XIII	2010-11	3.628 per cent of net proceeds	7,397	7,968.61	571.61 (7.73)
	2011-12	of all shareable taxes	8,677	9,283.53	606.53 (6.99)
	2012-13	excluding service tax and	10,234	10,601.26	367.26 (3.59)
	2013-14	3.685 per cent of net proceeds	12,072	11,574.52	-497.48 (-4.12)
	2014-15	of sharable service tax	14,240	12,283.71	-1,956.29 (-13.74)
Total for XIII FC			52,620	51,711.63	-908.37 (-1.73)
FC-XIV	2015-16	3.311 per cent of net proceeds	19,244	16,784.88	-2,459.12 (-12.78)
	2016-17	of all shareable taxes	22,208	20,188.64	-2,019.36 (-9.09)
	2017-18	excluding service tax and	25,661	22,301.54	-3,359.46 (-13.09)
	2018-19	3.371 per cent of net proceeds	29,687	25,215.85	-4,471.15 (-15.06)
	2019-20	of sharable service tax	34,386	21,721.44	-12,664.56 (-36.83)
Total for XIV FC			1,31,186	1,06,212.35	24,974 (19)
FC-XV	2020-21	3.131 per cent of net proceeds	26,776	18,629.32	-8,146.68 (-30.43)
	2021-22	of all shareable taxes	20,601	28,150.55	7,549.55 (36.64)
		3.128 per cent of net proceeds			
		of all shareable taxes			

Source: Report of Finance Commissions and Finance Accounts

Details of Central Tax Transfers

The details of Central Tax transfers to the State during 2017-22 are given in **Table 2.10**.

Table 2.10: Central Tax Transfers

Head	2017-18	2018-19	2019-20	2020-21	2021-22	
					BEs	Actuals
Central Goods and Services Tax	315.80	6,223.49	6,163.89	5,497.76	6,726.70	7,895.43
Integrated Goods and Services Tax	2,251.40	496.70	0.00	0.00	0.00	0.00
Corporation Tax	6,829.45	8,768.87	7,406.13	5,648.64	6,057.18	8,298.61
Taxes on Income other than Corporation Tax	5,767.00	6,457.89	5,803.21	5,794.53	6,155.23	8,272.50
Customs	2,250.70	1,787.36	1,376.85	964.41	1,257.96	2,073.20
Union Excise Duties	2,352.60	1,187.80	957.27	622.41	609.18	1,156.10
Service Tax	2,534.80	231.85	0.00	86.82	12.83	424.25
Other Taxes	-0.21	61.89	14.09	14.75	-0.26	30.46
Central Tax transfers	22,301.54	25,215.85	21,721.44	18,629.32	20,818.82	28,150.55
Percentage variation over previous year	10.47	13.07	-13.86	-14.24	--	51.11
Percentage of Central tax transfers to Revenue Receipts	41.20	39.72	33.68	28.70	23.40	35.27

Source: Finance Accounts and Budget documents

Over the five-year period 2017-22, Central tax transfers increased by 26.23 per cent from ₹ 22,301.54 crore in 2017-18 to ₹ 28,150.55 crore in 2021-22. During the current year, the Central tax transfers increased significantly by ₹ 9,521.23 crore (51.11 per cent) from ₹ 18,629.32 crore in 2020-21 to ₹ 28,150.55 crore in 2021-22.

2.4.2.3 Non-Tax Revenue

Non-Tax revenue consists of interest receipts, dividends and profits, mining receipts, departmental receipts *etc.* The component-wise details of Non-Tax Revenue collected during the years 2017-22 are given in **Table 2.11**.

Table 2.11: Component-wise Non-Tax Revenue during 2017-22

Heads	2017-18	2018-19	2019-20	2020-21	2021-22	
					BEs	Actuals
Interest receipts	305.39	588.09	666.86	235.87	851.52	120.86
Dividend and Profit	225.55	153.24	30.64	481.89	39.12	113.65
Petroleum	2,533.20	5,642.66	3,805.34	1,468.55	3,872.51	2,505.30
Forestry and Wild Life	250.74	364.27	416.06	352.89	531.26	393.14
Other Administrative Services	75.74	211.90	103.17	95.72	141.37	113.84
Others	681.35	1,261.13	517.27	264.69	661.82	332.96
Total	4,071.97	8,221.29	5,539.34	2,899.61	6,097.60	3,579.75

Source: Finance Accounts

Non-Tax Revenue, which ranged between 12.95 per cent (2018-19) and 4.49 per cent (2021-22) of Total Revenue Receipts of the State during the five-year period from 2017-18 to 2021-22, increased significantly by ₹ 680.14 crore (23.46 per cent) during 2021-22 over the previous year. Major contributors of Non-Tax Revenue during 2021-22 were Petroleum (₹ 2,505.30 crore), followed by Forestry and Wild Life (₹ 393.14 crore) and Interest receipts (₹ 120.86 crore).

2.4.2.4 Grants-in-Aid from Government of India

Grants-in-Aid (GIA) received by the State Government from GoI during 2017-22 are detailed in **Table 2.12**.

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

Head		2017-18	2018-19	2019-20	2020-21	2021-22	
						Budget Estimates	Actuals
Grants for CSS		11,600.11	11,849.26	14,389.53	13,832.87	40,885.44	18,186.82
Finance Commission Grants	Other than Revenue Deficit	1,283.06	932.20	4,604.07	2,955.00		2,540.05
	Revenue Deficit Grant	0.00	0.00	0.00	7,578.90		6,376.00
Other transfers/ Grants to States/ Union Territories with Legislature		1,658.74	1,335.71	1,712.01	1,872.88		1,448.92
Total		14,541.91	14,117.17	20,705.61	26,239.65	40,885.44	28,551.79
Percentage variation over the previous year		15.43	(-).2.92	46.67	26.73	--	8.81
Percentage of GIA to Revenue Receipts		26.86	22.24	32.10	40.43	45.95	35.77

Source: Finance Accounts and Budget documents

Grants-in-Aid from GoI increased by ₹ 2,312.14 crore (8.81 per cent) during the year compared to the previous year, primarily on account of increased grants for the implementation of CSS. Finance Commission Grants were provided to the State for Local Bodies (₹ 1,495.80 crore) and for State Disaster Response Fund (₹ 617.60 crore) which together constituted 23.70 per cent of total FC grants (₹ 8,916.05 crore) received during the year.

GIA constituted 35.77 per cent of Revenue Receipts during the year 2021-22. Grants for Centrally Sponsored Schemes (₹ 18,186.82 crore) to the State constituted 64 per cent of the total grants during the year.

Other grants received by the State during the year were in respect of (i) Compensation for loss of revenue arising out of implementation of GST (₹ 1,014.27 crore) (ii) Grants for Central Road Fund (₹ 77.51 crore), etc.

Fourteenth & Fifteenth Finance Commission Grants

As mentioned in the previous paragraph, XIV FC & XV FC Grants were provided to States for Local Bodies and SDRF. Details of grants recommended by XV FC and actual release by GoI and GoA during 2020-21 and 2021-22 are given in **Table 2.13**.

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

Particulars	Recommendation of the XV-FC			Actual release by GoI			Release by State Government		
	2020-21	2021-22	Total	2020-21	2021-22	Total	2020-21	2021-22	Total
1	2	3	4	5	6	7	8	9	10
Local Bodies (i+ii)	2,376.00	1,770.00	4,146.00	2,183.00	1,495.80	3,678.80	2,183.00	593.00	2,776.00
<i>(i) Grants to PRIs</i>	<i>1,604.00</i>	<i>1,186.00</i>	<i>2,790.00</i>	<i>1,604.00</i>	<i>1,186.00</i>	<i>2,790.00</i>	<i>1,604.00</i>	<i>593.00</i>	<i>2,197.00</i>

Particulars	Recommendation of the XV-FC			Actual release by GoI			Release by State Government		
	2020-21	2021-22	Total	2020-21	2021-22	Total	2020-21	2021-22	Total
1	2	3	4	5	6	7	8	9	10
(ii) Grants to ULBs	772.00	584.00	1,356.00	579.00	309.80	888.80	579.00	-	579.00
State Disaster Response Fund	772.00	772.00	1,544.00	772.00	617.60	1,389.60	579.00	308.80	887.80
Grand Total	3,148.00	2,542.00	5,690.00	2,955.00	2,113.40	5,068.40	2,762.00	901.80	3,663.80

Source: Finance Accounts

It may be seen from the table above that XV FC recommended ₹ 5,690.00 crore for release to the local bodies and for disaster relief during 2020-21 to 2021-22. Out of that, GoI released ₹ 5,068.40 crore to the State Government during the period.

2.4.3 Capital Receipts

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

Table 2.14 shows trends in growth and composition of Capital Receipts.

Table 2.14: Trends in growth and composition of Capital Receipts

		(₹ in crore)				
Sl. No.	Sources of State's Capital Receipts*	2017-18	2018-19	2019-20	2020-21	2021-22
1	Capital Receipts	8,451.78	11,757.58	14,257.61	17,942.74	19,769.64
(a)	Miscellaneous Capital Receipts	0.00	0.00	0.00	0.00	0.00
(b)	Recovery of Loans and Advances	4.71	2.93	7.98	2.56	3,099.49
(c)	Public Debt Receipts	8,447.07	11,754.65	14,249.63	17,940.18	16,670.15
(i)	Internal Debt (excluding Ways and Means Advance and Overdraft)	8,377.50	11,665.49	14,143.29	16,382.36	14,138.94
	Growth rate (in per cent)	117.92	39.25	21.24	15.83	-13.69
(ii)	Loans and advances from GoI	69.57	89.16	106.34	1,557.82	2,531.21
	Growth rate (in per cent)	21.31	28.16	19.27	1,364.94	62.48
2	Rate of growth of debt Capital Receipts (per cent)	53.64	39.16	21.23	25.90	-7.08
3	Rate of growth of non-debt capital receipts (per cent)	-74.68	-37.79	172.35	-67.92	1,20,973.83
4	Rate of growth of GSDP (per cent)	11.31	9.24	12.13	(-1.92)	27.56
5	Rate of growth of Capital Receipts (per cent)	53.21	39.11	21.26	25.85	10.18

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

*Includes receipts under Consolidated Fund only

Capital Receipts increased by 133.91 per cent from ₹ 8,451.78 crore in 2017-18 to ₹ 19,769.64 crore in 2021-22. Public debt receipts create future repayment obligation as these are taken from the market, Financial Institutions and Central Government. During the current year, it decreased by 7.08 per cent from ₹ 17,940.18 crore in 2020-21 to ₹ 16,670.15 crore in 2021-22. Further, non-debt capital receipts increased significantly from ₹ 2.56 crore in 2020-21 to ₹ 3,099.49 crore in 2021-22 mainly due to conversion of grants/ loans given to Power Companies⁵ amounting to ₹ 3,095.83 crore into equity during the year.

⁵ APGCL: ₹ 621.70 crore; AEGCL: ₹ 410.69 crore; APDCL: ₹ 2,063.44 crore

2.4.4 State's performance in mobilisation of resources

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

The gross collections in respect of major Tax and Non-Tax Revenue and their relative share in GSDP during 2017-22 are given in *Appendix 1.2*. Further, **Table 2.15** provides the State's performance in mobilisation of resources assessed in terms of its own resources comprising own-tax and non-tax sources.

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

	FC projections	Budget Estimates	Actuals	Percentage variation of actuals over	
				FC projections	BEs
Own Tax Revenue	16,440.00	21,177.55	19,533.10	18.81	-7.77
Non-Tax Revenue	5,596.00	6,097.60	3,579.75	-36.03	-41.29

Source: Finance Accounts, FC Report and Budget documents

It may be seen from the table above that State's Own Tax receipts exceeded the projections of XV FC by 18.81 per cent, while the Non-Tax Revenues fell short by 36.03 per cent. However, both State's Own Tax and Non-Tax Revenues fell short by 7.77 per cent and 41.29 per cent respectively over BEs during 2021-22.

2.5 Application of resources

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

2.5.1 Growth and composition of total expenditure

The expenditure of the State is broadly classified under three categories viz., Revenue Expenditure, Capital Expenditure and Disbursement of Loans & Advances. These three together are called Total Expenditure⁶ of the State.

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

Capital Expenditure: All charges for the first construction of a project as well as charges for intermediate maintenance of the work while not opened for service and also

⁶ Any Appropriation to Contingency Fund for increasing the Corpus of the Fund also forms part of the Total Expenditure.

charges for such further additions and improvements as may be sanctioned under the rules made by competent authority shall be classified as Capital Expenditure.

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

Thus, Capital Outlay and Disbursement of Loans and Advances together are termed as Capital Expenditure.

The Total Expenditure, its composition and relative share in GSDP during 2017-18 to 2021-22 is presented in **Table 2.16**.

Table 2.16: Total Expenditure and its composition

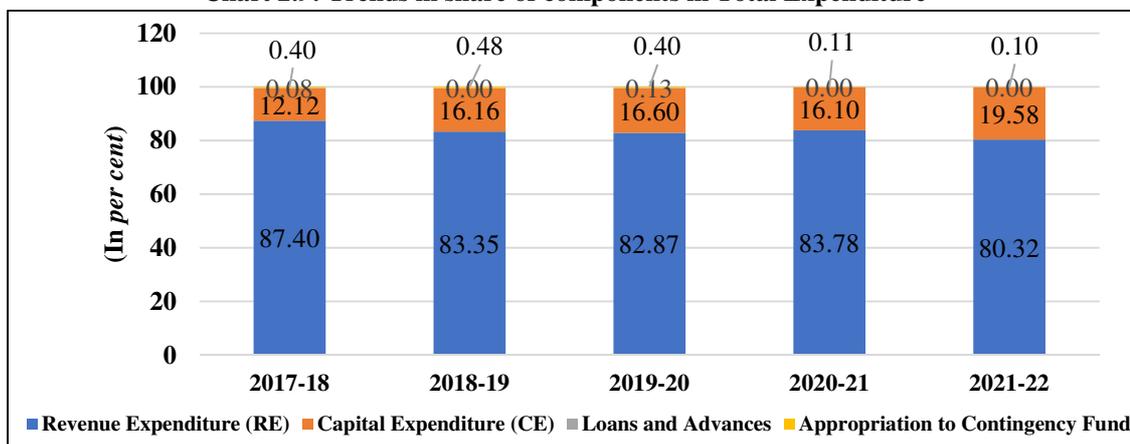
Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total Expenditure (TE)	63,477.85	68,261.15	79,418.86	77,006.78	1,02,777.80
Revenue Expenditure (RE)	55,480.94	56,899.00	65,817.28	64,519.59	82,547.96
Capital Expenditure (CE)	7,692.84	11,034.08	13,185.42	12,399.39	20,125.83
Loans and Advances	254.07	328.07	316.16	87.80	104.01
Appropriation to Contingency Fund	50.00	0.00	100.00	0.00	0.00
(₹ in crore)					
As a percentage of GSDP					
TE/GSDP	22.42	22.07	22.90	22.64	23.69
RE/GSDP	19.59	18.39	18.98	18.97	19.02
CE/GSDP	2.72	3.57	3.80	3.64	4.64
Loans and Advances/ GSDP	0.09	0.11	0.09	0.03	0.02
Appropriation to Contingency Fund/ GSDP	0.02	0.00	0.03	0.00	0.00

Source: Finance Accounts

Table 2.16 shows that Total Expenditure of the State increased nearly 1.6 times from ₹ 63,477.85 crore in 2017-18 to ₹ 1,02,777.80 crore in 2021-22. During the year, it increased by 33.47 per cent over the previous year. As a percentage of GSDP, the Total Expenditure remained in the range of 22.07 per cent to 23.69 per cent during 2017-22.

Chart 2.9 depicts the share of components of Total Expenditure and their trend during 2017-22. It is evident from **Chart 2.9** that the share of Revenue Expenditure in Total Expenditure had declined from 87.40 per cent in 2017-18 to 80.32 per cent in 2021-22 whereas share of Capital Expenditure in Total Expenditure had shown matching increase as it increased from 12.12 per cent in 2017-18 to 19.58 per cent in 2021-22.

Chart 2.9: Trends in share of components in Total Expenditure



In terms of activities, the Total Expenditure comprises of expenditure on General Services including Interest Payments, Social Services, Economic Services and others. Relative share of these components in the Total Expenditure (also refer *Appendix 1.2*) during 2017-22 is given in **Table 2.17** and also in **Chart 2.10**. Composition of Total Expenditure during the current year *i.e.*, 2021-22 is also given in **Chart 2.11**.

Table 2.17: Relative share of various sectors of expenditure

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
General Services	35.30	31.53	28.78	30.40	36.23
Social Services	38.16	40.29	38.72	40.73	35.21
Economic Services	26.25	27.68	31.92	28.37	28.27
Others (Grants to Local Bodies, Loans to Govt. Servant and Appropriation to Contingency Fund)	0.29	0.51	0.59	0.49	0.30

Source: Finance Accounts

Chart 2.10: Trends in share of Total expenditure by activities

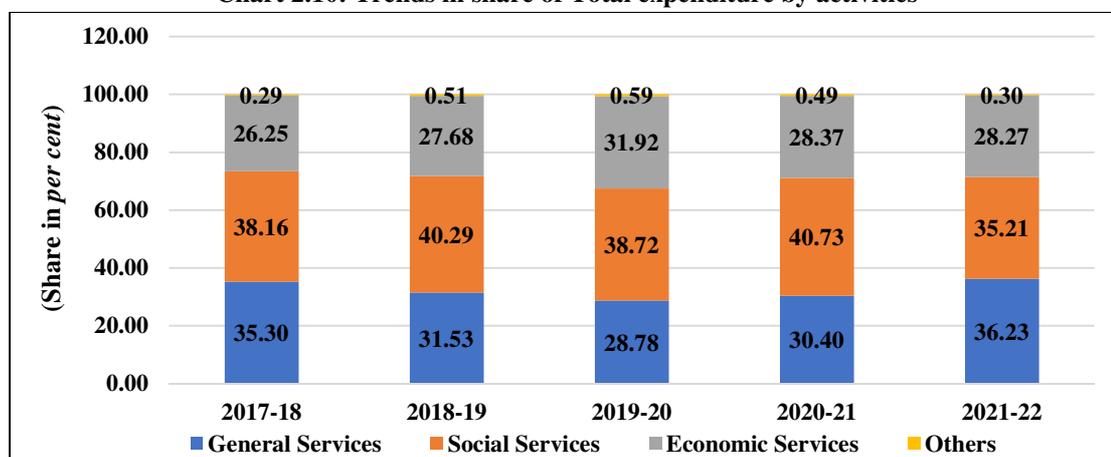
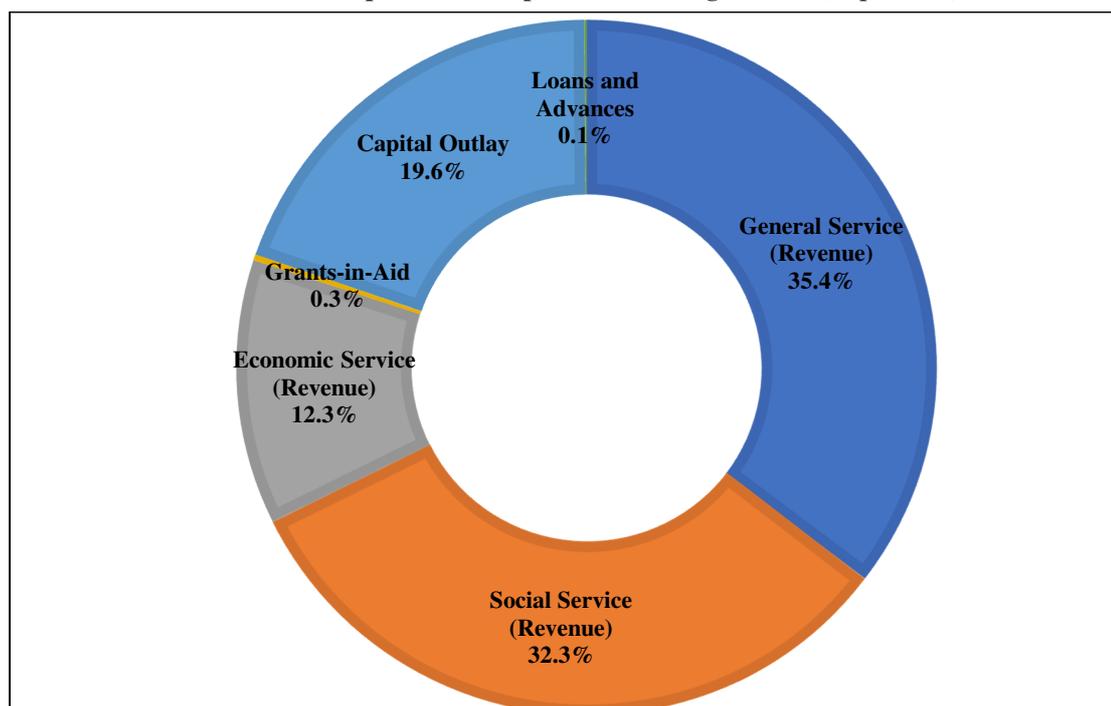


Chart 2.11: Composition of Expenditure during 2021-22 (In per cent)



The relative share of the above components of expenditure indicates that the share of Social Services and others in the Total Expenditure decreased by 5.53 *per cent* and 0.30 *per cent* during 2021-22 over the previous year respectively. These decreases were, however, offset by increase in the respective share of General Services and Economic Services.

2.5.2 Revenue Expenditure

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

Table 2.18 indicates the overall Revenue Expenditure, its rate of growth, its ratio to Total Expenditure and buoyancy *vis-à-vis* GSDP and Revenue Receipts during the five-year period (2017-22). It is evident from **Table 2.18** that the Revenue Expenditure formed on an average 83.55 *per cent* (ranging from 80.32 *per cent* in 2021-22 to 87.40 *per cent* in 2017-18) of the Total Expenditure during the period 2017-22. Rate of growth of Revenue Expenditure displayed wide fluctuation during the five-year period.

Trends in Revenue Expenditure over a period of five years (2017-22) are given in **Chart 2.12** whereas the sectoral distribution of Revenue Expenditure pertaining to 2021-22 is given in **Chart 2.13**.

Table 2.18: Revenue Expenditure – Basic parameters

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Total Expenditure (TE)	63,477.85	68,261.15	79,418.86	77,006.78	1,02,777.80
Revenue Expenditure (RE)	55,480.94	56,899.00	65,817.28	64,519.59	82,547.96
Rate of Growth of RE (<i>per cent</i>)	12.39	2.56	15.67	-1.97	27.94
Revenue Expenditure as percentage of TE	87.40	83.35	82.76	83.78	80.32
RE/GSDP (<i>per cent</i>)	19.59	18.39	18.98	18.97	19.02
RE as percentage of RR	102.49	89.63	102.05	99.41	103.42
Buoyancy of Revenue Expenditure with					
GSDP (ratio)	1.10	0.28	1.29	1.02	1.01
Revenue Receipts (ratio)	1.24	0.15	9.79	-3.12	1.22

Source: Finance Accounts

Chart 2.12: Trend of Revenue Expenditure during 2017-22

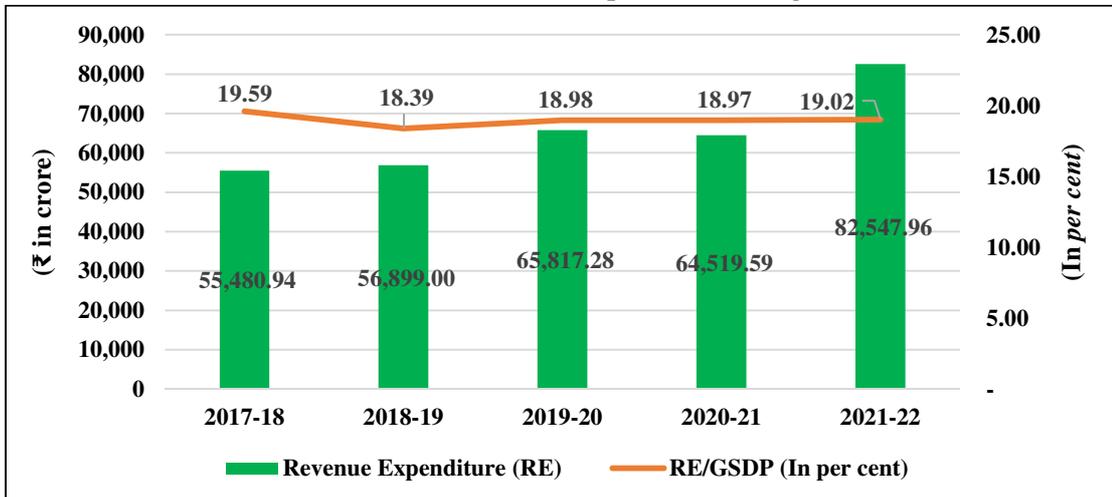
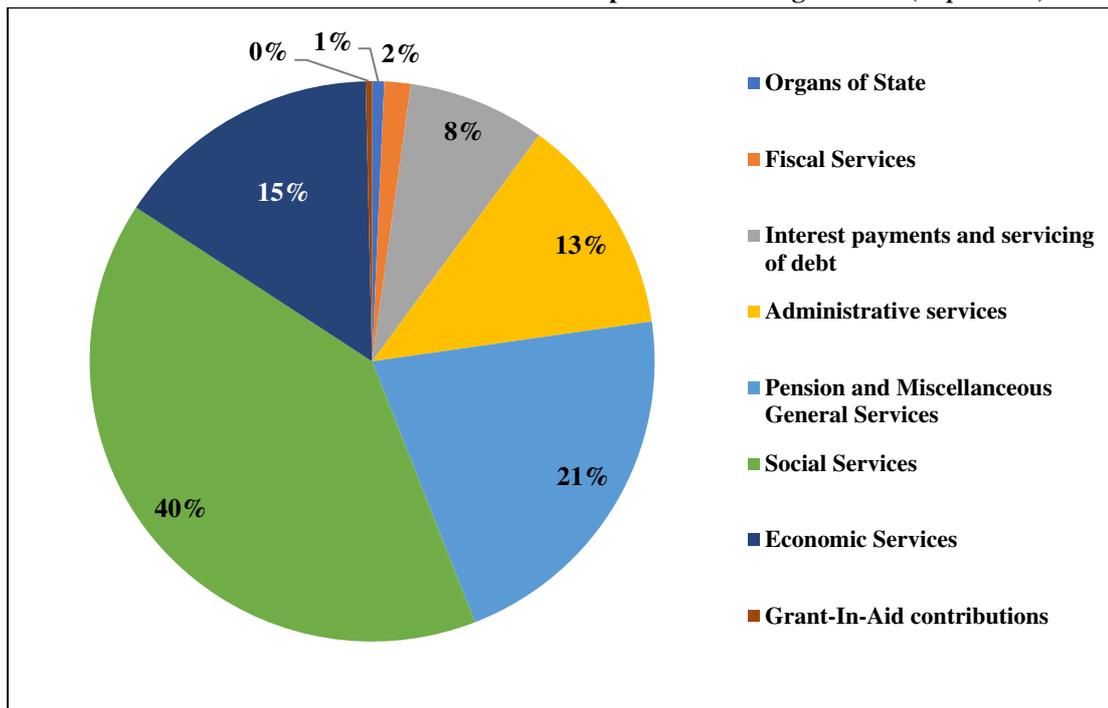


Chart 2.13: Sectoral distribution of Revenue Expenditure during 2021-22 (In per cent)

Revenue Expenditure increased by ₹ 18,028.37 crore (27.94 per cent) from ₹ 64,519.59 crore in 2020-21 to ₹ 82,547.96 crore in 2021-22. Revenue Expenditure as a percentage of GSDP also increased marginally during the year. However, Revenue Expenditure during the year was lower by ₹ 1,857.51 crore *vis-à-vis* the projections made in Medium Term Fiscal Plan (MTFP) (₹ 84,405.47 crore).

2.5.2.1 Major Changes in Revenue Expenditure

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

Table 2.19: Variation in Revenue Expenditure during 2021-22 compared to 2020-21

(₹ in crore)

Major Heads of Account	2020-21	2021-22	Increase/Decrease(-)	Increase/Decrease (In per cent)
2071- Pensions and Other Retirement Benefits	10,329.01	17,223.74	6,894.73	66.75
2052- Secretariat-General Services	1,341.46	4,756.02	3,414.56	254.54
2225- Welfare of Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs) and Minorities	622.45	1,216.15	593.70	95.38
2217- Urban Development	908.49	1,500.76	592.27	65.19
3451- Secretariat-Economic Services	709.23	327.79	(-) 381.44	(-) 53.78

Source: Finance Accounts

Table 2.19 above indicates that Pensions and Other Retirement Benefits recorded maximum increase during the year. This was primarily on account of clearance of RBD discrepancy pertaining to the period January 2018 to March 2022, by incorporation in the accounts of the current year of Pension, Family Pension and Commuted Value of

Pension Payment vouchers of both current and prior period. Further, Secretariat General Services recorded maximum increase during the year due to fresh expenditure under *Muga* Mission, Reimbursement of State Tax (Power) for implementation of *Deen Dayal Gram Jyoti Yojana* (DDGJY), Micro Entrepreneur Support Fund, Tea Mission, Interest Subvention and increase in expenditure under Citizen Centric Service delivery project, etc.

2.5.2.2 Committed Expenditure

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

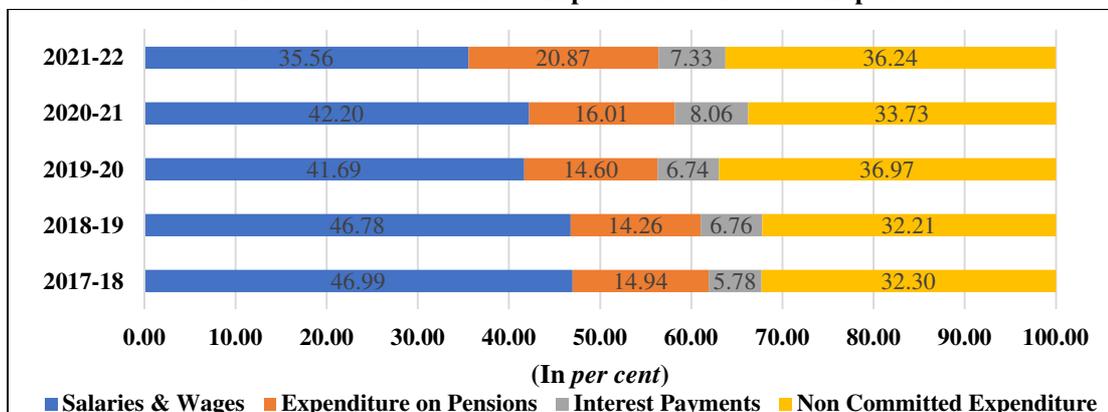
Table 2.20 presents the trends in the components of committed expenditure during 2017-22. Share of committed and non-committed expenditure in Revenue Expenditure during 2017-22 is given in **Chart 2.14**.

Table 2.20: Components of Committed Expenditure

(₹ in crore)					
Components of Committed Expenditure	2017-18	2018-19	2019-20	2020-21	2021-22
Salaries & Wages	26,068.00	26,617.37	27,437.89	27,227.09	29,351.09
Expenditure on Pensions	8,287.34	8,112.26	9,609.02	10,329.01	17,223.74
Interest Payments	3,205.32	3,844.37	4,438.87	5,199.18	6,051.47
Total	37,560.66	38,574.00	41,485.78	42,755.28	52,626.30
As a percentage of Revenue Receipts (RR)					
Salaries & Wages	48.16	41.93	42.54	41.95	36.77
Expenditure on Pensions	15.31	12.78	14.90	15.91	21.58
Interest Payments	5.92	6.06	6.88	8.01	7.58
Total	69.39	60.77	64.32	65.88	65.94
As a percentage of Revenue Expenditure (RE)					
Salaries & Wages	46.99	46.78	41.69	42.20	35.56
Expenditure on Pensions	14.94	14.26	14.60	16.01	20.87
Interest Payments	5.78	6.76	6.74	8.06	7.33
Total	67.70	67.79	63.03	66.27	63.75

Source: Finance Accounts

Chart 2.14: Share of Committed Expenditure in Revenue Expenditure



As can be seen from the details tabulated above, the committed expenditure constituted 60 per cent and above of both Revenue Receipts and Revenue Expenditure during the five-year period 2017-22.

Salaries and Wages

Expenditure on salaries and wages accounted for 35.56 per cent of Revenue Expenditure during 2021-22. Over the five-year period 2017-22, it increased by ₹ 3,283.09 crore (12.59 per cent) from ₹ 26,068.00 crore in 2017-18 to ₹ 29,351.09 crore in 2021-22. Expenditure on Salaries (₹ 28,559.49 crore) during 2021-22 was less by ₹ 1,388.62 crore compared to the projection of ₹ 29,948.11 crore made in MTFP.

Interest Payments

Interest Payments increased by ₹ 852.29 crore (16.39 per cent) from ₹ 5,199.18 crore in 2020-21 to ₹ 6,051.47 crore in 2021-22 primarily due to an increase of ₹ 899.38 crore in interest payment on market loans. During the current year, Interest Payments were made on internal debt (₹ 5,073.19 crore), Small Savings, Provident Fund, etc., (₹ 888.98 crore) and Loans and Advances from Central Government (₹ 89.31 crore).

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

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

(₹ in crore)

Year	Assessment made by the XV FC	Assessment made by the State Government in		Actuals
		Budget Estimates	MTFP	
2021-22	6,324.00	7,063.73	7,063.73	6,051.47

Source: Finance Accounts, FC Report and Budget documents

Table 2.21 indicates that the interest payments of State Government during the year were within the assessment made by XV FC for the year. It was also within its own projections made in MTFP and Budget for 2021-22.

Pensions Payments

The expenditure on “Pension and other Retirement Benefits” for State Government employees recruited prior to 30 January 2005 was ₹ 15,745.13 crore during the year (excluding expenditure on National Pension System). Details of expenditure on Pension has been detailed in Para 3.5.1 of Chapter III.

2.5.2.3 Undischarged Liability under National Pension System

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

Under this system, employees contribute 10 per cent basic pay and dearness allowance, which is matched by the State Government since inception of NPS. The State Government had increased the employer’s contribution to 14 per cent with effect from 01 April 2019. Accumulated amount *i.e.*, both employee’s and employer’s contribution are initially transferred to the Public Account (Major Head ‘8342-117-Defined

Contributory Pension Scheme'). State Government has the responsibility to deposit both employee's and employer's share with the designated authority *i.e.*, National Securities Depository Limited (NSDL)/ trustee bank for further investment as per the guidelines of NPS. In terms of the guidelines of the Scheme, Government of Assam is liable to pay interest on funds not transferred to NSDL. NSDL allots a Permanent Retirement Account Number (PRAN) to each employee enrolled under the system on receipt of requisite information/ documents from Government.

As on 31 March 2022, 2,04,040 PRANs were allotted to the employees whereas 5,902 PRANs were yet to be allotted.

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

Table 2.22: Details of transactions under National Pension System

(₹ in crore)

Year	Details of contribution				Details of funds transferred/ paid to			
	Emple- yees	Govern- ment	Shortfall (1-2)	Total (1+2)	NSDL	Beneficiaries	Net Refunds (+) and re- submission (-)	Less transfer {(4+7) - (5+6)}
	1	2	3	4	5	6	7	8
Up to 2017-18	1998.44	1812.10	186.34	3810.54	3531.54	0.55	0.46	278.91
2018-19	590.14	445.25	144.89	1035.39	890.06	0.44	(-) 0.14	144.75
2019-20	682.96	749.32	206.82 [@]	1432.28	1498.30	0.38	(-) 0.03	(-) 66.43
2020-21	735.43	1060.34	(-) 30.74 ^{\$}	1795.77	1820.25	0.60	(-) 0.03	(-) 25.11
2021-22	876.49	1,478.61	(-) 251.52 [^]	2,355.10	2,419.02	1.00	0.06	(-)64.86
Total	4,883.46	5,545.62	255.79	10,429.08	10,159.17	2.97	0.32[#]	267.26^{&}

Source: Finance Accounts

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

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

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

& Less transfer (₹ 251.83 crore under MH-8342-117 *plus* ₹ 15.43 crore in Current Bank Account)

^ Due for contribution was ₹1,227.09 crore *minus* actual contribution of ₹1,478.61 crore

Audit observations in this regard are as follows:

As of 31 March 2022, Government of Assam collected ₹ 4,883.46 crore from employees as contribution towards NPS since the introduction of the Scheme and contributed ₹ 5,545.62 crore as Government share against the due contribution of ₹ 5,801.41 crore, resulting in short contribution of ₹ 255.79 crore. Against the total collected funds of ₹ 10,429.08 crore (comprising employees share of ₹ 4,883.46 crore and Government share of ₹ 5,545.62 crore), the Government had transferred only ₹ 10,159.17 crore to the designated authority (NSDL) for further investment as per the provisions of the scheme. Funds amounting to ₹ 267.26 crore as well as the interest on it remained to be transferred to NSDL from the Public Account as on 31 March 2022. Out of the balance of ₹ 267.26 crore, ₹ 251.83 crore was lying in the Public Account and the balance ₹ 15.43 crore was lying in the Current Account.

As on 31 March 2021, an amount of ₹ 316.75 crore remained in the Public Account under the Major Head '8342-117-Defined Contributory Pension Scheme' on which, interest payable in 2021-22 has been estimated as ₹ 25.34 crore (@ eight *per cent*). Uncollected, unmatched and un-transferred amounts, with accrued interest, represent outstanding liabilities under the scheme. Non-payment of interest of ₹ 25.34 crore has resulted in understatement of Revenue Deficit and Fiscal Deficit.

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

On this being pointed out, the Director of Accounts and Treasuries, Assam stated (October 2022) that complete transfer of NPS funds to NSDL could not be done due to non-issuance of PRANs to all employees and the Government is taking action for generation of PRAN through FinAssam portal.

Further, during the Exit Conference (January 2023), the Secretary, Finance Department assured that the Government would soon rectify deficiencies under NPS as pointed out by Audit.

2.5.2.4 Subsidies

Table 2.23 indicates that there has been significant increase in expenditure on subsidies during the last four years out of a five-year period. Subsidies as a percentage of Revenue Receipts and Revenue Expenditure stood at 2.51 *per cent* and 2.43 *per cent* respectively during the current year.

Table 2.23: Expenditure on subsidies during 2017-22

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Subsidies (₹ in crore)	703.84	1,464.93	1,473.23	1,966.15	2,005.69
Subsidies as a percentage of Revenue Receipts	1.30	2.31	2.28	3.03	2.51
Subsidies as a percentage of Revenue Expenditure	1.27	2.57	2.24	3.05	2.43

Source: VLC data of respective years and Finance Accounts

During 2021-22, subsidies were mainly given under targeted subsidy to National Food Security Scheme (₹ 767.68 crore), APDCL (₹ 480.00 crore), Power purchase subsidy (₹ 463.00 crore) and Housing for All (*Pradhan Mantri Awas Yojana*) (₹ 257.91 crore). State Government had not made any projection for subsidy in its MTFP during 2021-22.

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

Financial assistance is provided by the State Government to Local bodies and other institutions by way of grants and loans. Further, many of the Centrally Sponsored Scheme funds are transferred to implementing agencies as Grants-in-Aid. **Table 2.24** details the quantum of grants given by the State to local bodies and other institutions during the last five years *i.e.*, 2017-22.

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

(₹ in crore)

Institutions	2017-18	2018-19	2019-20	2020-21	2021-22
PRIs	818.42	569.49	3,642.78	682.48	1,339.39
ULBs	306.73	456.98	578.33	354.96	826.37
PSUs	22.78	10.18	37.41	57.58	141.70
Autonomous Bodies	476.61	839.91	1,252.07	193.58	1,084.56
Others*	17,392.69	15,687.58	19,259.65	22,447.14	28,388.07
Total⁷	19,017.23	17,564.14	24,770.24	23,735.74	31,780.09
Revenue Expenditure (RE)	55,480.94	56,899.00	65,817.28	64,519.59	82,547.96
Assistance as per cent of RE	34.28	30.87	37.63	36.79	38.50

Source: Finance Accounts (Statement 10 and Appendix III)

* Largely to Implementing agencies of Centrally Sponsored Schemes like NRHM, PMAY, SSA

It can be seen from **Table 2.24** that Grants-in-Aid to local bodies and other institutions as percentage of Revenue Expenditure increased from 34.28 *per cent* in 2017-18 to 38.50 *per cent* in 2021-22. During the year, out of the total Grants-in-Aid given by the State, 93.19 *per cent* went to various agencies implementing Centrally Sponsored Schemes, educational, health institutions, *etc.*, followed by 4.21 *per cent* to PRIs and 2.60 *per cent* to ULBs.

(i) State Finance Commission

Article 243-I and 243-Y of the Constitution stipulates that the Governor of the State shall, as soon as may be, within one year from the commencement of the Constitution (73rd and 74th Amendment) Act, 1992, and thereafter at the expiration of every fifth year, constitute a Finance Commission to review the financial position of Panchayats and Municipalities and to make recommendations to the Governor as to

- the principles which should govern the (i) distribution of the net proceeds of taxes, duties, *etc.* leviable by the State, between States, and Panchayats and Municipalities, (ii) determination of taxes, duties, *etc.* which may be assigned to/ appropriated by Panchayats and Municipalities, and (iii) GIA to Panchayats and Municipalities from the Consolidated Fund of the State;
- the measures needed to improve the financial position of Panchayats and Municipalities; and
- any other matter referred to the Finance Commission by the Governor.

Thus, as per the provisions of the Constitution, the first State Finance Commission became due in 1994-95. The first Assam State Finance Commission (SFC) was constituted in June 1995 and the latest SFC i.e., 6th SFC was constituted in November 2018. Sixth SFC Report was submitted in February 2020 and the period of the Report would be 2020-25.

Details of constitution of all six Assam SFC *vis-à-vis* its due date along with period of applicability of the Report is given in **Table 2.25**.

⁷ Includes GIA booked under Capital Major Heads

Table 2.25: Details of the Report submitted by SFC

SFC	Due Date of Constitution of SFC	Date of Constitution	Date of Submission of Report	Period of the Report
1 st Assam SFC	1994-95	June 1995	February 1996	1996-2001
2 nd Assam SFC	1999-00	April 2001	August 2003	2001-2006
3 rd Assam SFC	2004-05	February 2006	March 2008	2006-2011
4 th Assam SFC	2009-10	April 2010	February 2012	2011-2016
5 th Assam SFC	2014-15	March 2013	September 2014 November 2016	2016-2020 2016-2020
6 th Assam SFC	2019-20	November 2018	February 2020	2020-2025

Source: Information furnished by Finance Department

The 11th Schedule of the Constitution contains 29 functions to be discharged by the Panchayati Raj Institutions (PRIs). Similarly, the 12th Schedule of the Constitution contains 18 functions to be discharged by the Urban Local Bodies (ULBs). To discharge the said functions, the PRIs and ULBs receive funds from its own resources, SFC devolution, grants from State Government and grants from Central Finance Commission.

The 6th Assam SFC had recommended criteria for both vertical devolution of the State's Own Tax Revenue between State and Local Bodies, as well as horizontal devolution among individual units of PRIs and ULBs.

Summary of recommended devolution of Grants for PRIs and ULBs as per the 6th Assam SFC *vis-à-vis* the actual GIA disbursed is given in **Table 2.26**.

Table 2.26: Details of the devolution of Grants by 6th ASFC

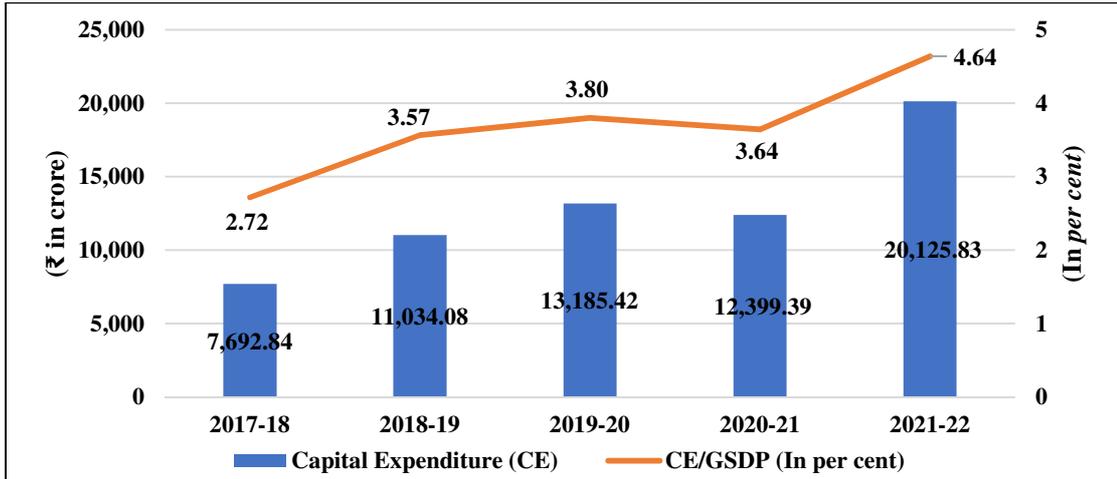
(₹ in crore)				
Year	Purpose	CFC Grants	Projected Devolution by 6 th ASFC	Actual GIA Given by the State as per Finance Accounts
2020-21	PRIs	1,604.00	1,248.58	682.48
	ULBs	579.00	507.20	354.96
	SFC Cell	--	4.00	--
	Total	2,183.00	1,759.78	1,037.44
2021-22	PRIs	1,186.00	1,423.05	1,339.39
	ULBs	309.80	539.08	826.37
	SFC Cell	--	4.00	--
	Total	1,495.80	1,966.13	2,165.76

Source: FC Report, ASFC Report and Finance Accounts

2.5.3 Capital Expenditure

Capital Expenditure of the State showed an increasing trend during the five years *i.e.*, 2017-18 to 2021-22. It increased by ₹ 7,726.44 crore from ₹ 12,399.39 crore in 2020-21 to ₹ 20,125.83 crore in 2021-22 as detailed in **Chart 2.15**.

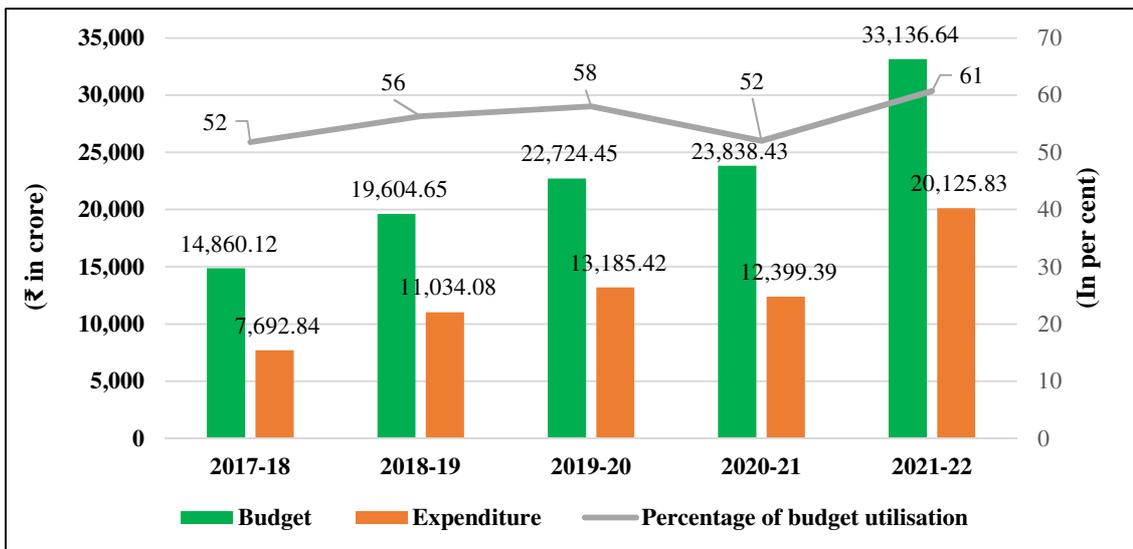
Chart 2.15: Trend of Capital Expenditure



As is evident from **Chart 2.15**, Capital Expenditure has shown a significant increase in the last few years, with its share as a percentage of GSDP increasing from 2.72 per cent to 4.64 per cent during 2017-22. However, percentage of Capital Expenditure has to be viewed in the light of the fact that Grants-in-Aid were booked under capital section, instead of under revenue which resulted in understatement of Revenue Expenditure and Revenue Deficit to that extent, as discussed under Paragraph 3.3.7.

However, the State could not fully expend the budgetary allocation on creation of assets in any year during the five-year period 2017-22. While the extent of utilisation of budget for Capital Expenditure has been increasing since 2017-18 and reached the level of 58 per cent during 2019-20, it declined to 52 per cent in 2020-21 and then increased to reach the level of 61 per cent during 2021-22. Details of Capital Expenditure vis-à-vis budget (revised estimates) during the period 2017-22 are given in **Chart 2.16**.

Chart 2.16: Trend of Capital Expenditure over the five-year period from 2017-18 to 2021-22



2.5.3.1 Major changes in Capital Outlay

Significant variations under various Heads of Accounts with regard to Capital Outlay of the State during the current year and previous year is shown in **Table 2.27**.

Table 2.27: Capital Expenditure during 2021-22 compared to 2020-21

(₹ in crore)

Major Heads of Accounts	2020-21	2021-22	Increase/ Decrease(-)	Increase/ Decrease(-) (In per cent)
4801- Capital Outlay on Power Projects	295.40	3,698.39	3,402.99	1,151.99
5465- Investments in General Financial and Trading Institutions	0.08	1,233.72	1,233.64	15,42,050.00
4202 - Capital Outlay on Education, Sports, Art and Culture	72.39	601.32	528.93	730.67
4217 - Capital Outlay on Urban Development	143.39	619.04	475.65	331.72
4215 - Capital Outlay on Water Supply and Sanitation	1,545.62	768.81	(-776.81)	(-)50.26

Source: Finance Accounts

Table 2.27 shows that Capital Outlay on Power Projects recorded maximum increase of ₹ 3,402.99 crore during the year due to fresh expenditure for Investment (Equity Share) under APDCL (₹ 2,063.44 crore), APGCL (₹ 621.70 crore) and AEGCL (₹ 410.69 crore). Further, investments in General Financial and Trading Institutions also recorded an increase of ₹ 1,233.64 crore which was mainly due to fresh expenditure for enhancing stake in NRL (₹ 1,216.88 crore) and recapitalisation assistance in public sector and other undertaking banks (₹ 16.84 crore).

However, Capital Outlay on Water Supply and Sanitation recorded maximum decrease of ₹ 776.81 crore during the year due to decrease in expenditure under National Rural Drinking Water Programme and construction of Individual House Hold Latrine in Rural Areas of Assam, etc.

2.5.3.2 Loans and advances by State Government

In addition to investments in Co-operative societies, Corporations and Companies, State Government has also provided loans and advances to many institutions/ organisations. **Table 2.28** presents the outstanding loans and advances as on 31 March 2022 along with interest receipts *vis-à-vis* interest payments during the five-year period from 2017-18 to 2021-22.

Table 2.28: Details of Loans advanced by State Government and interest received

(₹ in crore)

Quantum of Loans/ Interest Receipts/ Cost of Borrowings	2017-18	2018-19	2019-20	2020-21	2021-22
Opening Balance	5,174.30	5,423.66	5,748.80	6,056.98	6,142.22
Amount advanced during the year	254.07	328.07	316.16	87.80	104.01
Amount recovered during the year	4.71	2.93	7.98	2.56	3,099.49
Closing Balance	5,423.66	5,748.80	6,056.98	6,142.22	3,146.74
Net addition	249.36	325.14	308.18	85.24	-2,995.48
Interest Receipts	18.86	281.10	284.00	167.20	49.67
Interest receipts as a percentage of outstanding Loans and Advances	0.35	4.89	4.69	2.72	1.58
Average rate of interest on Government borrowing (per cent)	6.87	7.07	6.74	6.51	6.46
Difference between Interest Payments rates and Interest Receipts (per cent)	6.52	2.18	2.05	3.79	4.88

Source: Finance Accounts

The total amount of outstanding loans and advances as on 31 March 2022 was ₹ 3,146.74 crore. During 2021-22, the State Government recovered a loan of ₹ 3,099.49 crore from the loanee entities. Significant increase in recovery of loans was mainly due to conversion of loans into equity of ₹ 3,095.85 crore in respect of APDCL, APGCL and AEGCL by the State Government. Further, the State Government also disbursed a loan of ₹ 104.01 crore to different entities during the year and received ₹ 49.67 crore as interest on loans disbursed in earlier years. Economic Services Sector received the maximum amount of loans advanced (₹ 97.17 crore) during the year.

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

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

Audit observed that during the year 2021-22, fresh loans of ₹ 97.27 crore was disbursed to five loanee entities from whom repayments of earlier loans of ₹ 3,102.74 crore were in arrears. Out of those five cases, loans in respect of Assam Tea Corporation Limited (₹ 645.26 crore) were in arrears since 2001-02. Details in this regard are given in **Table 2.29**.

Table 2.29: Payment of fresh loans to entity during 2021-22

(₹ in crore)

Sl. No.	Name of the loanee entity	Loans Disbursed during the current year		Amount of arrears as on 31 March 2022			Earliest period to which arrears relate
		Rate of Interest	Principal	Principal	Interest	Total	
1	Assam Tea Corporation Limited	11.50%	16.06	457.24	188.02	645.26	2001-02
2	Power Companies*	10%	69.24	1,786.16	NIL	1,786.16	2003-04
3	Co-operation (Jute Mills)	NA	9.99	84.94	NA	84.94	--
4	Assam Hills and Small Industries Development Corporation Ltd.	14.5%	1.88	83.21	98.21	181.42	1976-77
5	Assam Urban Water and Sewerage	11.5%	0.10	282.64	185.81	468.45	2006-07
Total			97.27	2,694.19	472.04	3,166.23	

Source: Finance Accounts

*Assam Power Distribution Company Limited (₹56.45 crore); Assam Power Generation Corporation Limited (₹ four crore); Assam Electricity Grid Corporation Limited (₹ 8.79 crore)

2.5.3.3 Quality of Capital expenditure

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

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

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

As per the Finance Accounts 2021-22, Government of Assam had invested ₹ 7,010.79 crore in four Statutory Corporations, 25 Government Companies (Working: 21; Non-working: four), 17 Joint Stock Companies, three Rural Banks and 19 Co-operatives in the State as on 31 March 2022. The State Government earned a return of ₹ 113.64 crore on these investments during 2021-22. The average rate of return on investment was 7.17 *per cent* during the five-year period from 2017-18 to 2021-22, while the average rate of interest paid by the State Government during the period was 6.85 *per cent*.

Details of investment by Government of Assam and returns on investment during the five-year period 2017-18 to 2021-22 is given in **Table 2.30**.

Table 2.30: Details of Investment and returns on Investment during last five years

	(₹ in crore)				
Entities	2017-18	2018-19	2019-20	2020-21	2021-22
Statutory Corporations ⁸ (No. of entities)	2,136.13 (4)	2,151.90 (4)	2,159.58# (4)	2,159.58# (4)	5,255.41 (4)
Government Companies (No. of entities)	176.92 (24)	176.92 (24)	176.92 (24)	176.91 (24)	216.91 (25)
Joint Stock Companies (No. of entities)	80.49 (17)	149.03 (17)	169.03 (17)	169.03 (17)	1,385.91 (17)
Banks ⁹ (No. of entities)	21.76 (2)	21.76 (2)	21.76 (2)	21.76 (2)	38.60 (3)
Co-operatives (No. of entities)	109.83 (18)	109.83 (18)	109.83 (18)	113.16 (19)	113.96 (19)
Total Investment	2,525.13	2,609.44	2,637.12	2,640.44	7,010.79
Return on investment (₹ in crore)	225.55	153.24	30.64	481.89	113.64
Return on investment (<i>Per cent</i>)	8.93	5.87	1.16	18.25	1.62
Average rate of interest on Government borrowings (<i>Per cent</i>)	6.87	7.07	6.74	6.51	6.46
Difference between interest rate and return (<i>Per cent</i>)	-2.06	1.20	5.58	-11.74	4.84

⁸ Out of four, one Statutory Corporation *i.e.*, Assam State Electricity Board (ASEB) was re-organised into three entities namely (i) Assam Power Distribution Company Limited (APDCL) (ii) Assam Electricity Grid Corporation Limited (AEGCL) and (iii) Assam Power Generation Corporation Limited (APGCL) in March 2013. Present status of investment already made in erstwhile ASEB and up to date status of investments made in three Companies are awaited from Government.

⁹ Includes the Rural Bank, Urban and Industrial Co-operative Bank and Assam *Gramin Vikash* Bank.

Entities	2017-18	2018-19	2019-20	2020-21	2021-22
Difference between interest on Government borrowings and return on investment (₹ in crore)	2,979.77	3,691.13	4,408.23	4,717.29	5,937.83

Source: Finance Accounts

#The figure was modified due to accounting of UDAY transactions of ₹ 1132.53 crore (Grant: ₹ 849.40 crore plus Equity: ₹ 283.13 crore) in FY 2021-22 instead of FY 2019-20 as conveyed by the State Government vide order dated 30 March 2022.

During the last five years, i.e., 2017-22, the State Government's investments had increased significantly by ₹ 4,485.66 crore from ₹ 2,525.13 crore in 2017-18 to ₹ 7,010.79 crore in 2021-22. During the current year, Government invested ₹ 3,095.83 crore in Statutory Corporations, ₹ 40.00 crore in Government Companies, ₹ 1,216.88 crore in Joint stock Companies and ₹ 16.84 crore in Banks.

Out of four Statutory Corporations, three were incurring losses and their accumulated losses amounted to ₹ 112.90 crore¹⁰. Similarly, out of 25 Government Companies in the State, 17 companies were incurring losses and their accumulated losses amounted to ₹ 592.31 crore.

The major loss incurring five Government Companies were Assam Tea Corporation Limited, Guwahati (Investment: ₹ 8.07 crore; accumulated loss: ₹ 284.03 crore), Assam Industrial Development Corporation Limited (Investment: ₹ 29.71 crore; accumulated loss: ₹ 85.32 crore), Assam Plain Tribes Development Corporation, (Investment: ₹ 0.46 crore; accumulated loss: ₹ 42.03 crore), Assam State Textile Corporation Limited (Investment: ₹ 4.78 crore; accumulated loss: ₹ 36.88 crore) and Assam State Development Corporation for Scheduled Castes Limited (Investment: ₹ 4.88 crore; accumulated loss: ₹ 32.40 crore).

Out of the total investment of ₹ 7,010.79 crore as of March 2022, ₹ 5098.22 crore has been invested in 19 SPSEs whose net worth has completely been eroded as detailed in **Table 2.30 (A)**.

Table 2.30 (A): Erosion of net worth of SPSEs

Name of SPSE	Latest year of finalised accounts	Net Profit (+)/ Loss (-) after interest, tax and dividend	Total paid up capital	Accumulated Loss	Net worth	State Government investments as on 31 March 2022	
						Equity	Loans
Assam Seeds Corporation Limited	2016-17	0.04	1.46	-10.03	-8.57	1.46	7.19
Assam Tea Corporation Limited	2014-15	39.72	27.54	-284.03	-256.49	27.54	484.47
Assam Plantation Crops Development Corporation Limited	2013-14	-0.16	5.00	-13.71	-8.71	5.00	8.99
Assam Plains Tribes Development Corporation Limited	2020-21	0.15	2.95	-41.88	-38.93	2.20	-

¹⁰ 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).

Name of SPSE	Latest year of finalised accounts	Net Profit (+)/ Loss (-) after interest, tax and dividend	Total paid up capital	Accumulated Loss	Net worth	State Government investments as on 31 March 2022	
						Equity	Loans
Assam State Development Corporation for Other Backward Classes Limited	2020-21	0.03	3.40	-18.82	-15.42	3.40	-
Assam State Development Corporation for Scheduled Castes Limited	2016-17	1.89	10.10	-32.39	-22.29	5.59	-
Assam State Film (Finance & Development) Corporation Limited	2015-16	-0.47	0.10	-0.29	-0.19	0.10	0.04
Assam Hills Small Industries Development Corporation Limited	2004-05	-0.10	2.00	-11.47	-9.47	2.00	41.51
Assam Small Industries Development Corporation Limited	2014-15	-3.11	6.67	-17.63	-10.96	6.67	5.19
Ashok Paper Mill (Assam) Limited	2018-19	0.39	0.01	-99.43	-99.42	0.01	-
Assam Government Marketing Corporation Limited	2018-19	0.22	4.36	-17.50	-13.14	3.02	-
Assam State Transport Corporation	2018-19	-97.82	167.73	-1,487.95	-1,320.22	167.73	-
Assam Agro-Industries Development Corporation Limited	2009-10	-0.45	2.20	-22.56	-20.36	1.10	6.76
Assam State Minor Irrigation Development Corporation Limited	2011-12	-0.02	17.35	-63.76	-46.41	17.35	-
Assam Government Construction Corporation Limited	2021-22	-0.15	2.00	-10.70	-8.70	2.00	-
Assam Conductor and Tubes Limited	2014-15	-2.01	1.54	-8.20	-6.66	1.54	3.56
Assam State Textiles Corporation Limited	2021-22	-0.12	15.44	-37.01	-21.57	15.44	6.07
Assam Electricity Grid Corporation Limited	2021-22	105.46	99.93	-313.14	-213.21	99.93	551.52
Assam Power Distribution Company Limited	2020-21	-292.42	445.90	-1,232.67	-786.77	4,736.14	56.44
Total			815.68	-3,723.17	-2,907.49	5,098.22	617.59

Source: Information furnished by the PSUs concerned

Moreover, it is worth mentioning that there is a difference between the number of State Public Sector Undertaking (SPSUs) recorded in the Finance Accounts (46) as detailed in **Table 2.30** and that of the Audit Report on SPSUs (51). The differences have arisen primarily due to the investment transactions being booked in Government accounts based on the vouchers received in the Office of the Principal Accountant General (A&E) and the details given in the Audit Reports obtained from the individual SPSUs. The differences in the number of SPSUs as well as investments made by the State Government in these SPSUs are under reconciliation.

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

During the Exit Conference (January 2023), the Secretary, Finance Department, assured to take appropriate action so that correct number of SPSEs and investment made therein can be reported in the Annual Accounts of the State.

ii) Dues from Power Distribution Companies

As per information provided by APDCL, Government of Assam purchased electricity of 4,494 MU for ₹ 1,446.69 crore from NEEPCO and APGCL during 2021-22. Against the purchase, Government paid an amount of ₹ 1,339.64 crore to both the units during the year and remaining ₹ 107.05 crore stood as liability to the Government as on 31 March 2022.

iii) Capital locked in Incomplete Projects

As per data provided by the Public Works, Public Health Engineering (PHE) and Irrigation Departments, there were 554 incomplete/ ongoing projects with progressive expenditure of ₹ 1,622.28 crore, as of 31 March 2022. Age profile of incomplete projects based on the year of sanction of these projects and department-wise profile as on 31 March 2022 is given in **Tables 2.31** and **2.32**.

Table 2.31: Age profile of incomplete projects as on 31 March 2022 (₹ in crore)

Year of sanction of the project	No of incomplete projects	Estimated cost	Progressive Expenditure (as on 31 March 2022)
2009-10	1	2.10	0.60
2010-11	2	36.40	30.50
2012-13	4	17.33	5.84
2013-14	4	26.20	4.70
2014-15	10	30.33	15.75
2015-16	2	76.32	57.45
2016-17	5	242.82	136.78
2017-18	26	319.72	129.63
2018-19	98	1,429.63	665.96
2019-20	116	805.19	225.64
2020-21	261	1,103.40	343.89
2021-22	26	116.09	33.68
Total	554	4,175.63	1,622.28

Source: Finance Accounts

Table 2.32: Department-wise profile of incomplete projects as on 31 March 2022 (₹ in crore)

Department	No. of incomplete projects	Estimated cost	Progressive Expenditure (as on 31 March 2022)
Public Works	436	3,911.04	1,567.88
PHE	111	205.94	17.46
Irrigation	7	58.65	36.94
Total	554	4,175.63	1,622.28

Physical progress of the projects as on 31 March 2022 was in the range of 2 to 99 *per cent* in respect of projects being executed by Public Works Department, 5 to 98 *per cent* in respect of projects being executed by PHED Department and 33 to 98 *per cent* in respect of projects being executed by Irrigation Department.

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

Audit further analysed the reason for non-completion of two projects of Irrigation Department and found the following:

i) Kaloo Flow Irrigation Scheme (FIS) under AIBP:

Kaloo Flow Irrigation Scheme was approved (December 1993) for ₹ 5.26 crore for construction of headwork. Technical Sanction for the headwork was accorded for

₹ 5.03 crore in December 1993 only. The work was awarded (April 2008) to M/s Murlidhar Agarwala & Co. for ₹ 3.96 crore on with the stipulation to complete the work within 24 months.

Government of India approved inclusion of the scheme under Accelerated Irrigation Benefit Programme (AIBP) and accordingly, the State Government accorded revised Administrative Approval (December 2008) of ₹ 29.90 crore under AIBP to irrigate an area of 1,995 hectares after the work was redesigned as per topographical changes. Part Revised Technical Sanction of ₹ 25.39 crore was accorded in December 2008.

Further, revised recast estimate was further modified twice in March 2010 and September 2010 and Revised recast estimate with modified design for ₹ 29.90 crore was approved (January 2011) The revised recast estimate was further revised and ultimately approved in January 2011. The revised recast estimate for ₹ 29.90 crore contained only the provisions for construction of headwork, diversion channel, a portion of guide and afflux bund, earthen dyke, pile load test and 1.20 km length of main canal. The cost provisions for steel gates, protection segment of guide bund and afflux bund and the canal system were left out. Further it was seen that the Divisional Officer was instructed to submit a concept paper as Kaloo Phase-II for ₹ 19.50 crore for the balance portion of works not included in the revised recast estimate. Date of submission of Concept Paper for balance work was not on record.

Further, in Phase-I, available fund could only cover the headwork and 1.20 km of canal. Other essential provisions of appurtenant works like guide bunds, diversion works, the original canal length of 33.49 km was executed as Phase II of the scheme.

As on 31.03.2022, physical progress on the work was 95 *per cent* with financial progress of ₹ 28.14 crore and liability of ₹ 6.08 crore.

Audit observed that project remained incomplete due to mainly two reasons:

- i) funds constraints;
- ii) time to time modifications in the project due to incomplete estimates/ provisions;

ii) Jhanjani Flow Irrigation Scheme under AIBP

Jhanjani Flow Irrigation scheme, South Salmara Mankachar Civil Sub-Division was administratively approved (January 2010) by Government of Assam for an amount of ₹ 649.83 lakh. Aim of the scheme was to bring 450 hectare of cultivated land under irrigation to uplift the socio-economic condition of poor cultivators by providing irrigation facilities. Major components of the work were headwork, construction of guide bund and construction of 3400 Rm brick lined canal. Further, there was a provision of ₹ 17 lakh for acquisition of land. Technical Sanction was accorded (August 2010) by the Officer on Special Duty, Irrigation Department for ₹ 649.83 lakh.

Main components of the work like head work and other appurtenant works were allotted to a contractor M/s Bharati Enterprise at the tendered value of ₹ 192.34 lakh on (October 2010) with stipulation to complete the work within nine months from the date of issue of formal work order. The Contractor commenced work on October 2010, but,

as of 31.03.2022 progress on the work was only 46 *per cent* with financial progress of ₹ 236.85 lakh and financial liability of ₹ 53.51 lakh.

Audit analysed the reason for non-completion of the project by the scheduled date and noticed that land acquisition process should be completed before commencement of work, as per AIBP guidelines. But land acquisition for the project was not completed though there was a provision of ₹ 10 lakh (revised from ₹ 17 lakh) for the purpose of acquiring 44,533 m² of land required for construction of canal system, water course and head works in the estimate. The Contractor commenced work on 6 October 2010 after mutual agreement with the land owners which was beyond the purview of the Division as the required land could not be handed over to the Contractor. But, due to non-settlement of land acquisition, the Contractor could not complete the work. As on 31 March 2022, the physical progress of the work was only 46 *per cent* and the project remained incomplete as the Department failed to acquire the requisite land for the project. Further, funding under AIBP projects sanctioned in 2008-09 was also stated as closed on 31 March 2015.

2.5.3.4 Resource availability of the State under Public Private Partnership Projects

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

As per data provided by the Transformation & Development Department, Government of Assam, no PPP project was completed in the State during 2021-22. However, three projects¹¹ with the estimated cost of ₹ 2,182.81 crore were ongoing. Department wise details of ongoing projects as on 31 March 2022 are given in **Table 2.33**.

Table 2.33: Status of PPP projects as on 31 March 2022

(₹ in crore)			
Sl. No.	Sector	Name of the ongoing projects	Estimated cost
1	PWD (Roads)*	Six Road Project (Bundle)	1,220.00
2	GDD (GMC)*	Development of Adabari Bus Terminus Land, Guwahati	291.60
3	GDD (GMDA)*	Construction of Game Village (Phase II)	671.21
Total			2,182.81

Source: Information furnished by Finance Department

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

2.5.4 Expenditure priorities

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

¹¹ i) Six Road Project (Bundle), ii) Development of Adabari Bus Terminus Land, Guwahati and iii) Construction of Games Village (Phase-II)

Table 2.34 compares the fiscal priority of the State Government with that of North Eastern and Himalayan States (NE & H States) with regard to development expenditure, expenditure on Social and Economic Sectors and Capital Expenditure during 2021-22, taking 2017-18 as the base year.

Table 2.34: Fiscal Priority of the State in 2017-18 and 2021-22

(In per cent)

Fiscal Priority of the State	AE/ GSDP	CE/ AE	Education/AE	Health/AE
Average (ratio) in 2017-18 of				
North Eastern and Himalayan States	26.07	16.10	17.56	6.22
Assam	24.95	8.67	22.20	1.66
Average (ratio) in 2021-22 of				
North Eastern and Himalayan States	27.56	17.46	15.95	7.25
Assam	23.69	19.58	17.47	6.37

AE-Aggregate Expenditure, CE-Capital Expenditure

As can be seen from **Table 2.34**, Capital Expenditure of the State was less than that of NE&H States during 2017-18. However, it improved and exceeded the average of NE&H States in 2021-22. Expenditure of the State on Education was more than the average of NE&H States however, expenditure on Health was less than the average of NE&H States during both the years.

2.5.5 Object Head-wise Expenditure

Table 2.35 compares the object head-wise expenditure (above ₹ 100 crore) of the State during current year with respect to the previous year.

Table 2.35: Object Head-wise expenditure

(₹ in crore)

Sl. No.	Head	Expenditure		Increase (+)/ Decrease (-)	
		2020-21	2021-22	Amount	Per cent
1	Salaries	24,335.58	25,715.00	1,379.42	5.67
2	Grants-in-Aid-General (Salary)	2,467.51	2,844.51	377.00	15.28
3	Grants-in-Aid-General (Non-Salary)	15,797.40	23,352.35	7,554.95	47.82
4	Grants for Creation of Capital Assets	7,938.34	8,427.74	489.40	6.17
5	Pension/ Gratuity	10,329.01	17,223.74	6,894.73	66.75
6	Major Works	7,059.84	9,567.78	2,507.94	35.52
7	Interest	5,199.18	6,051.47	852.29	16.39
8	Other Charges	1,178.25	1,677.85	499.60	42.40
9	Office Expenses	755.01	667.35	-87.66	-11.61
10	Maintenance	736.43	732.93	-3.50	-0.48
11	Inter-Accounts Transfer	643.5	598.55	-44.95	-6.99
12	Materials and Supplies	468.88	527.98	59.10	12.60
13	Subsidy	1966.15	2005.69	39.54	2.01
14	Wages	424	791.60	367.60	86.70
15	Professionals & Special Services	335.86	488.17	152.31	45.35
16	Minor Works	254.94	206.56	-48.38	-18.98
17	Scholarships and Stipend	262.19	200.84	-61.35	-23.40
18	Machinery and Equipment/ Tools and Plants	165.26	179.62	14.36	8.69
19	Deployment	156.71	117.00	-39.71	-25.34
20	Others	2,007.16	607.59	-1,399.57	-69.76

Source: Finance Accounts

It can be seen from **Table 2.35** that expenditure under the object head 'Grant-in-Aid' increased significantly by 32 per cent during the year and other two object heads recorded more than 60 per cent increase during the period.

2.6 Contingency Fund

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

As on 31 March 2022, the balance under Contingency Fund was ₹ 200 crore and no amount was lying un-recouped at the end of the financial year.

2.7 Public Account

Receipts and Disbursements in respect of certain transactions such as Small Savings, Provident Funds, Reserve Funds, Deposits, Suspense, Remittances, etc., which do not form part of the Consolidated Fund, are kept in the Public Account set up under Article 266 (2) of the Constitution and are not subject to vote by the State Legislature. The Government acts as a banker in respect of these. The balance after disbursements during the year is the fund available with the Government for use for various purposes.

2.7.1 Net Balance of transactions in Public Account

Sector-wise net balance of transactions in Public Account of the State as of end of March 2022 are given in **Table 2.36** and also in **Chart 2.17**.

Table 2.36: Component-wise net balance of transactions in Public Account

		(₹ in crore)				
Sector	Sub Sector	2017-18	2018-19	2019-20	2020-21	2021-22
I. Small Savings, Provident Funds, etc.	Small Savings, Provident Funds, etc.	1,027.66	981.06	968.47	888.85	601.53
J. Reserve Funds	(a) Reserve Funds bearing Interest	-2,294.54	107.50	682.43	43.20	-49.37
	(b) Reserve Funds not bearing Interest	0.00	0.00	0.00	0.00	0.00
K. Deposits and Advances	(a) Deposits bearing Interest	-36.32	148.06	-62.19	-19.83	-59.63
	(b) Deposits not bearing Interest	109.04	748.82	161.84	-559.15	648.83
	(c) Advances	-516.33	254.59	755.06	349.26	-542.68
L. Suspense and Miscellaneous	(a) Suspense	651.55	-48.32	-415.06	-459.46	-38.11
	(b) Other Accounts*	4,244.07	-7,318.83	5,330.12	-3,970.09	-1,387.80
	(c) Accounts with Governments of Foreign Countries	---	---	---	---	---
	(d) Miscellaneous	---	1,053.41	---	800.00	2000
M. Remittances	(a) Money Orders and other Remittances	-3.73	-39.35	-123.90	-54.60	0.57
	(b) Inter-Governmental Adjustment Account	24.22	-17.23	-18.06	8.21	23.19
Total		3,205.62	-4,130.29	7,278.71	-2,973.61	1,196.53

Source: Finance Accounts

Note: Net balances denote excess of receipts over expenditure;

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

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

(₹ in crore)

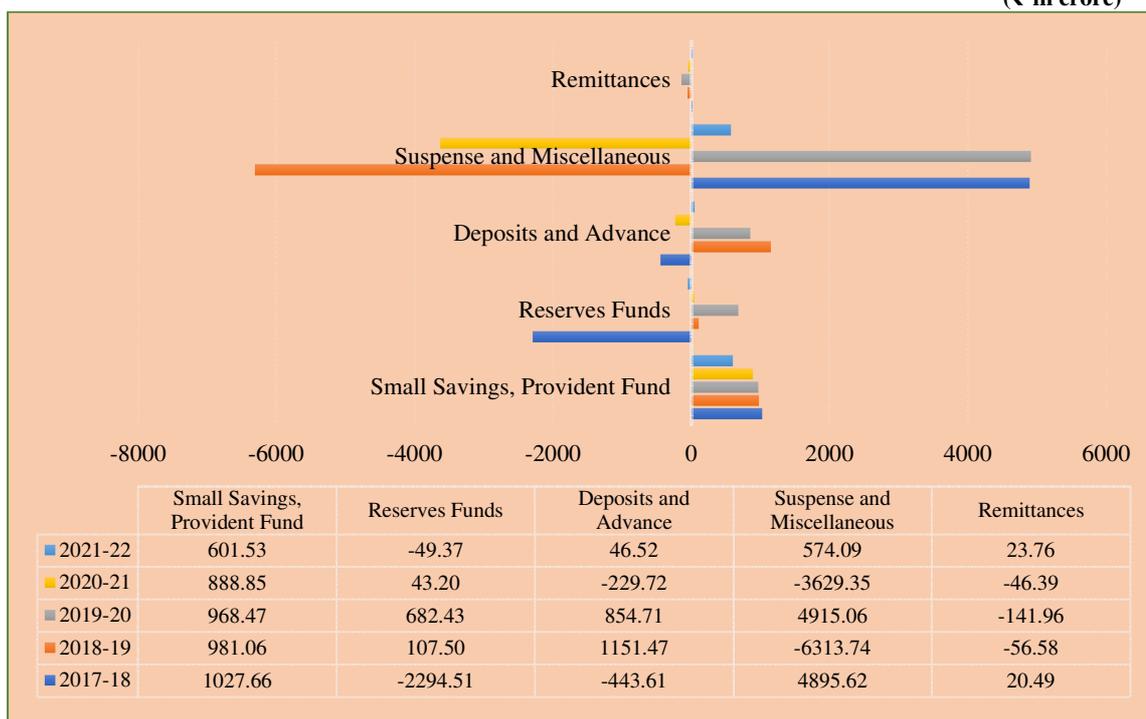
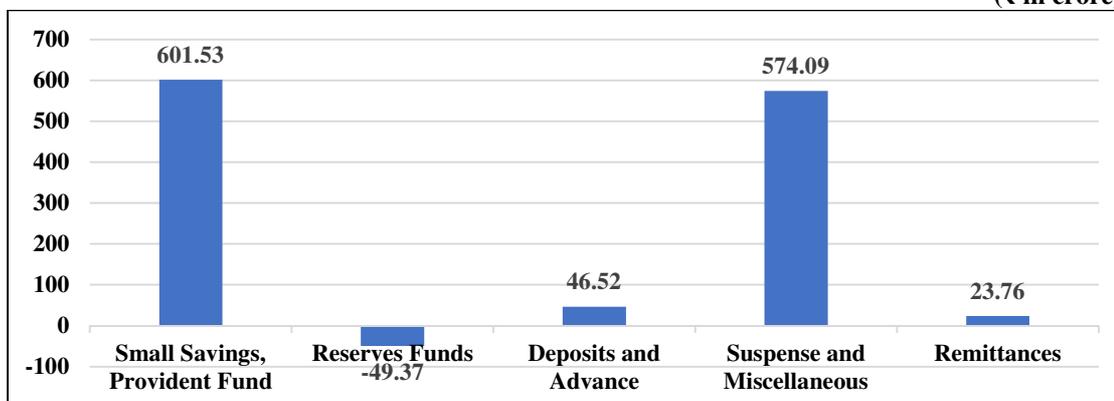


Chart 2.18 gives the details of changes in the balances in Public Account during the year 2021-22.

Chart 2.18: Change in net balances in transactions of Public Account during 2021-22

(₹ in crore)



2.7.2 Reserve Funds

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

Details of transactions during the year in three main active Reserve Funds are as under:

2.7.2.1 Consolidated Sinking Fund

The State Government had set up the Sinking Fund in line with the recommendations of the XII Finance Commission for amortisation of market borrowings as well as other loans and debt obligations. Under the scheme guidelines, State Government may

contribute to the Fund at least 0.5 *per cent* of the outstanding liabilities (Internal debt *plus* Public Account) at the end of the previous financial year. Accordingly, the desired contribution of the State Government was ₹ 428.62 crore, which was 0.5 *per cent* of the outstanding liabilities as of 31 March 2021 (₹ 85,723.11 crore).

Against this requirement, the State Government contributed ₹ 445.89 crore to the Fund during the year. The State Government disinvested ₹ 1,821.52 crore from the fund account during the year for redemption of Open Market Loan. The total accumulation of the Fund was ₹ 2,893.06 crore as on 31 March 2022 (₹ 3,988.35 crore as on 31 March 2021) including accrued interest of ₹ 280.34 crore of which, ₹ 2,885.83 crore had been invested by RBI.

2.7.2.2 State Disaster Response Fund

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

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

As on 01 April 2021, the Fund had a balance of ₹ 768.43 crore. During 2021-22, the State Government received ₹ 617.60 crore as Central Government's share. The State Government's share due during the year was ₹ 68.80 crore. Against this, the State Government transferred ₹ 339.68 crore (GoI share: ₹ 308.80 crore *plus* State's share: ₹ 30.88 crore) to the Fund account under the Major Head 8121-122 SDRF. During the year, the State Government did not receive any fund from the Central Government towards NDRF.

The State Government also transferred ₹ 258.87 crore (Central share: ₹ 193.00 crore *plus* State share: ₹ 21.50 crore *plus* funds from NDRF: ₹ 44.37 crore) to the Fund account during 2021-22 which were due, but not transferred during 2020-21.

During 2021-22, the calamity related expenditure of ₹ 647.92 crore incurred by the State Government was set off (MH: 2245-901) against the fund balance. At the end of 31 March 2022, a balance of ₹ 719.06 crore remained un-invested in the fund.

Government of Assam had neither invested the balances in SDRF in any of the instruments specified in the Guidelines, nor had it paid the half-yearly interest on the balance lying in the Fund in violation of SDRF guidelines. The unpaid interest of

₹ 46.11 crore by GoA led to understatement of Revenue Expenditure to that extent during 2021-22 and accumulated liabilities for future.

During the Public Accounts Committee (PAC) meeting (November 2019) on SFAR for the year ended 31 March 2018, the Chairman raised the issue of non-investment of balances under SDRF by the Government. The Principal Secretary, Finance Department acknowledged that SDRF funds were not being invested regularly and stated that it was due to the highly unpredictable nature of disasters in the State, which necessitate quick access to funds. The Principal Secretary however, assured (January 2020) the PAC that the Government would take necessary action for investment of the funds as per the norms prescribed by GoI guidelines. However, no such investment was done as of October 2022.

During the Exit Conference (January 2023), the Secretary, Finance Department assured to follow the provisions of SDRF guidelines regarding investment of balances lying in the Public Account and sought suggestions from the Principal Accountant General in this regard.

2.7.2.3 Guarantee Redemption Fund

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

According to the scheme guidelines, the Government should contribute an amount equivalent to at least three *per cent* of the outstanding guarantees at the end of the second financial year preceding the current financial year as reflected in the books of accounts maintained by the Accountant General (A&E).

During 2021-22, the State Government was required to contribute ₹ 2.50 crore to the Fund, which was three *per cent* of ₹ 83.42 crore (outstanding guarantees at the end of second financial year preceding the current financial year). The State Government contributed ₹ 9.00 crore to the fund against the outstanding guarantees of ₹ 83.42 crore. As on 31 March 2022, the total amount lying in the Fund was ₹ 70.59 crore (including the accrued interest of ₹ 4.37 crore for 2021-22) and the entire amount was invested by the Reserve Bank of India.

2.7.2.4 State Disaster Mitigation Fund (SDMF)

Keeping in view of the provision of the Disaster Management Act, 2005 and the recommendations of Fifteenth Finance Commission, Government of India has framed guidelines for administration of State Disaster Mitigation Fund (SDMF) at the State level.

As per Para 7 of the guideline, SDMF will be constituted with the nomenclature of "State Disaster Mitigation Fund" in the Public Account under the Reserve Fund bearing interest in the Major Head: 8121-General and other Reserve Funds-130-'State Disaster Mitigation Fund' in the accounts of the State Governments concerned after fulfilling all

codal and other accounting formalities required. Para 8.4 of the guideline states that in order to enable transfer of the total amount of contribution to the SDMF (both Central share and the State share of contribution), the State Governments would make suitable budget provision on the expenditure side of their budget under the Head "2245- Relief on Account of Natural Calamities-08-State Disaster Mitigation Fund-797-Transfers to Reserve Fund and Deposit Accounts". Further, as per para 8.5 of the guidelines, immediately upon the receipt of Central Government's share, the States would transfer the amount, along with their share, if not already transferred, to the Public Accounts Head within 15 days of its receipt. Any delay will require the State Government to release the amount, with interest, at Bank rate of RBI, for the number of days of delay.

As per Para 12 of the guidelines, the State Government shall invest the accretions to the SDMF together with the income earned on the investments of the SDMF in one or more of the instruments such as Central Government dated Securities; Auctioned Treasury Bills; and interest earning deposits and certificates of deposits with Scheduled Commercial Banks. The State Government shall pay interest into the SDMF at the rate applicable to overdrafts under Overdraft Regulation Guidelines of the RBI for the amount not invested from SDMF. The interest will be credited on a half-yearly basis.

During the year 2021-22, the State Government received grants of ₹ 154.40 crore towards SDMF. While the receipt of fund was accounted for correctly in Revenue Receipts Major Head-1601-07-105- Grants-in-Aid for State Disaster Mitigation Fund, the accounting procedure for recording expenditure under SDMF as detailed above was not followed. No budget provision was made under the Major Head - '2245-08-797 - Transfers to Reserve Fund and Deposit Accounts' for transfer of funds to the Major Head - '8121-General and other Reserve Funds-130-'State Disaster Mitigation Fund' in the accounts in Public Account, and accordingly.

Thus, non-transfer of ₹ 154.40 crore by making budget provision under 2245 to the public account under 8121 resulted into understatement of Revenue Expenditure and also understatement of Revenue Deficit during the year.

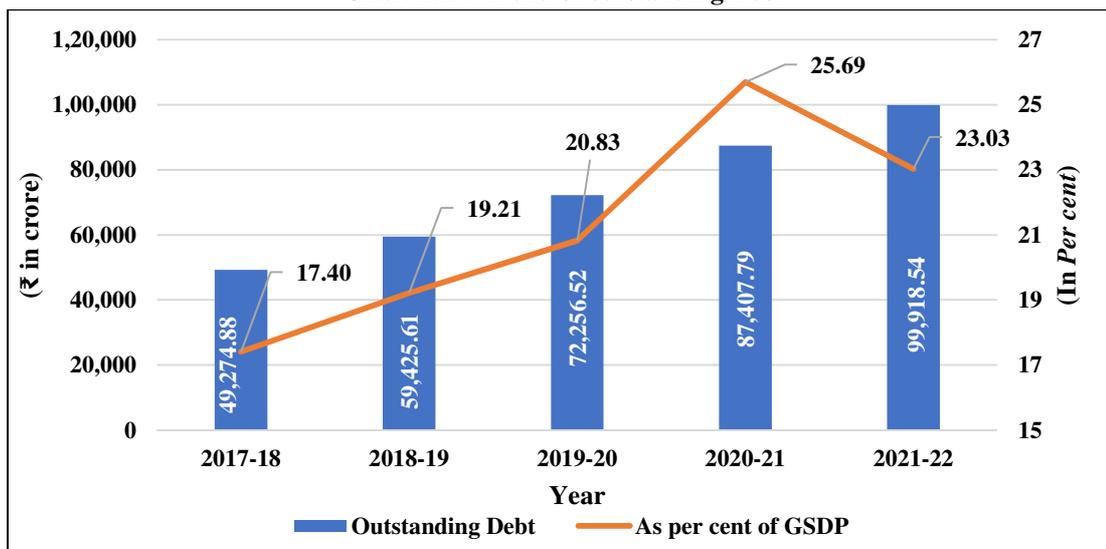
During the Exit Conference (January 2023), the Secretary, Finance Department assured to follow accounting procedure relating to receipt and expenditure of SDMF as per the Fund guidelines.

2.8 Debt Management

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

Total outstanding debt as a percentage of GSDP during 2017-22 is given in **Chart 2.19**.

Chart 2.19: Trend of outstanding Debt



2.8.1 Debt profile: Components

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

Item	What it means	Status in Assam
Ways and Means Advances (WMAs)	It is a facility for both the Centre and States to borrow from the RBI to help them tide over temporary mismatches in cash flows of their receipts and expenditure. Such advances should be repaid not later than three months from the date of taking the advance. RBI also charges interest on WMAs equivalent to its repo rate, which is basically the rate at which it lends short-term money to banks. That rate is currently 4.0 <i>per cent</i> .	The limit for ordinary WMA to the State Government was ₹ 1,504 crore with effect from 01 April 2021. The Bank has also agreed to give special ways and means advances against the pledge of Government Securities. The limit of special ways and means advances revised by the Bank from time to time.
Overdrafts	The governments are allowed to draw amounts in excess of their WMA limits. No state can run an overdraft with the RBI for more than a certain period. A state can be in overdraft from 14 to 21 consecutive working days, and from 36 to 50 working days during a quarter. The interest on overdraft is two percentage points above the repo rate, which works out to 6.0 <i>per cent</i> .	Government of Assam maintained the minimum cash balance with RBI during 2021-22 and no Ways and Means Advances or Overdraft was taken during the year.
Government securities	A Government Security (G-Sec) is a tradeable instrument issued by the Central Government or the State Governments. Such securities are short term (usually called treasury bills, with original maturities of less than one year) or long term	Long term securities carry a fixed or floating coupon (interest rate) which is paid on the face value, payable at fixed time periods (usually half-

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

Outstanding debt, total debt received, repayment of debt, ratio of debt to GSDP and the actual quantum of debt available to the State during the five-year period 2017-22 are given in **Table 2.37**. Component wise debt and their trends during 2017-22 are also given in **Chart 2.20**.

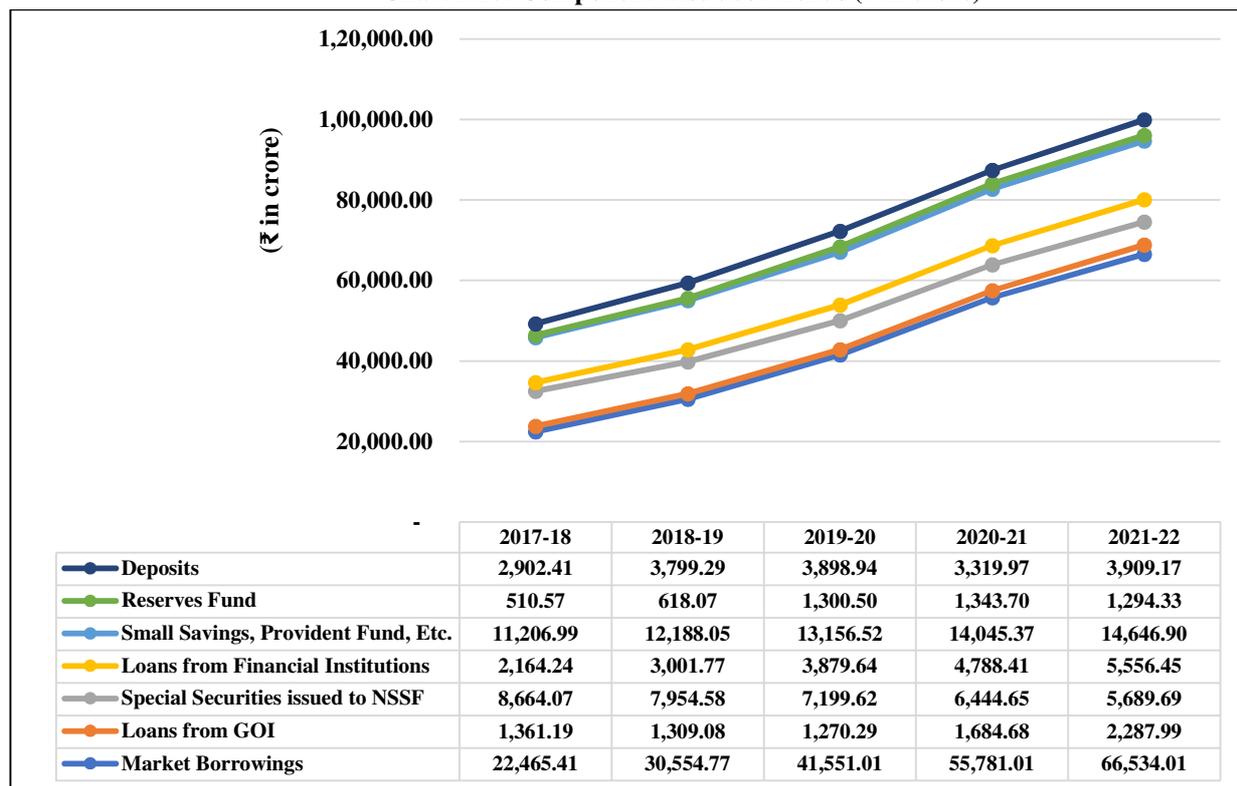
Table 2.37: Trend of Outstanding Debt

		(₹ in crore)				
		2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding Debt (a + b)		49,274.88	59,425.61	72,256.52	87,407.79*	99,918.54*
(a) Public Debt	Internal Debt	33,293.73	41,511.12	52,630.27	67,014.07	77,780.15
	Loans from GoI	1,361.18	1,309.08	1,270.29	1,684.68	2,287.99
(b) Public Account Liabilities		14,619.97	16,605.41	18,355.96	18,709.04	19,850.40
<i>(i) Small Savings, Provident Funds, etc.</i>		11,206.99	12,188.05	13,156.52	14,045.37	14,646.90
<i>(ii) Reserve Funds</i>		510.56	618.07	1,300.50	1,343.70	1,294.33
<i>(iii) Deposits</i>		2,902.42	3,799.29	3,898.94	3,319.97	3,909.17
Rate of growth of outstanding debt (per cent)		12.04	20.60	21.59	20.97	14.31
Gross State Domestic Product		2,83,164.90	3,09,336.32	3,46,850.68	3,40,177.45	4,33,925.44
Debt/GSDP (per cent)		17.40	19.21	20.83	25.69	23.03
Total Debt Receipts		18,848.19	25,163.98	25,275.04	27,561.92	28,973.95
Total Debt Repayments		13,553.88	15,013.26	12,444.13	11,416.65	14,689.33
Total Debt Available		5,294.31	10,150.72	12,830.91	16,145.27	14,284.62
Debt Repayments/Debt Receipts (per cent)		71.91	59.66	49.23	41.42	50.70

Source: Finance Accounts

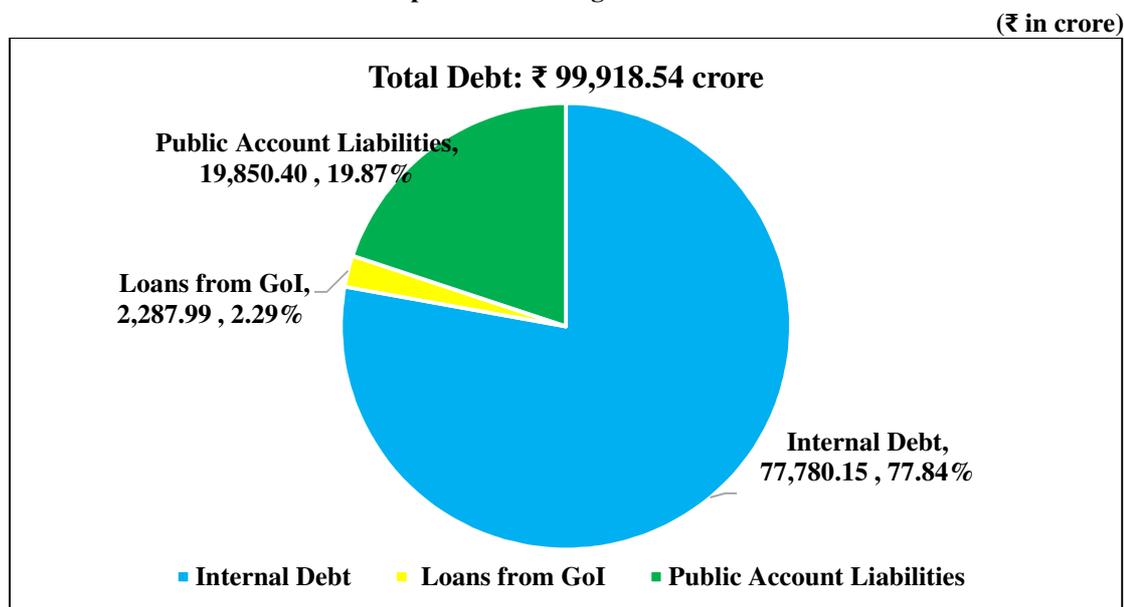
*Excludes loan of ₹ 994.00 crore (2020-21) and ₹ 1,773.87 crore (2021-22), which were passed on as back to back loans by GoI, in lieu of shortfall in GST Compensation.

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



The total outstanding debt of the State Government at the end of 2021-22 was ₹ 99,918.54 crore. Component-wise break-up of debt during the year is shown in Chart 2.21.

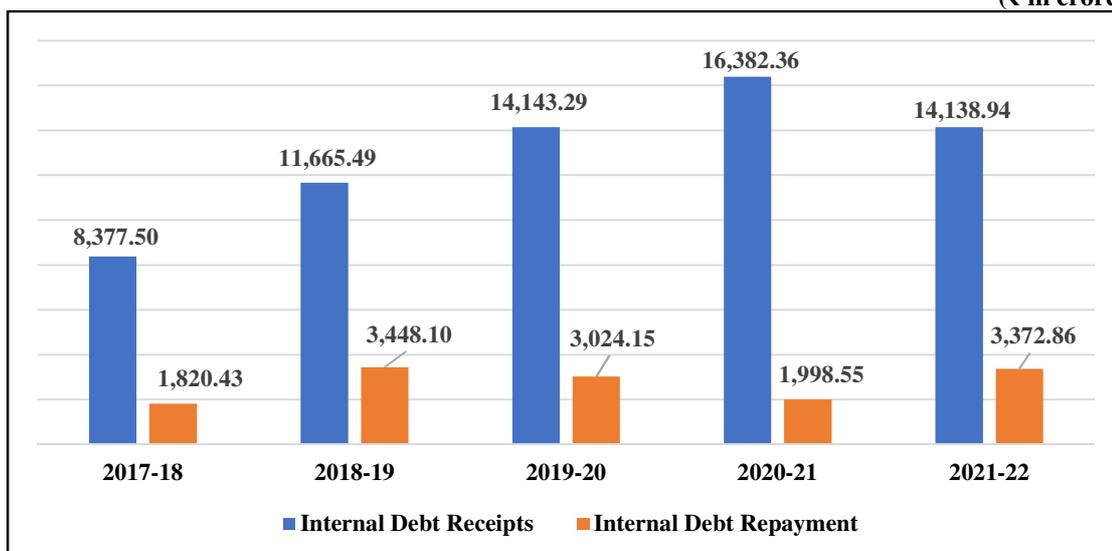
Chart 2.21: Break-up of Outstanding Debt at the end of FY 2021-22



Internal debt, which is primarily market borrowings through issue of State Development Loans (SDLs), accounts for 77.84 per cent of the total outstanding debt. Internal debt receipts and repayment made by the State during the period is given in Chart 2.22.

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

(₹ in crore)



Fiscal Deficit of the State ranged between 1.54 *per cent* and 4.58 *per cent* of GSDP during 2017-22. The financing pattern of fiscal deficit during the five-year period has undergone a compositional shift as reflected in **Table 2.38**. Financing of fiscal deficit during 2021-22 has also been expressed through a water flow **Chart 2.23**.

Table 2.38: Components of fiscal deficit and its financing pattern

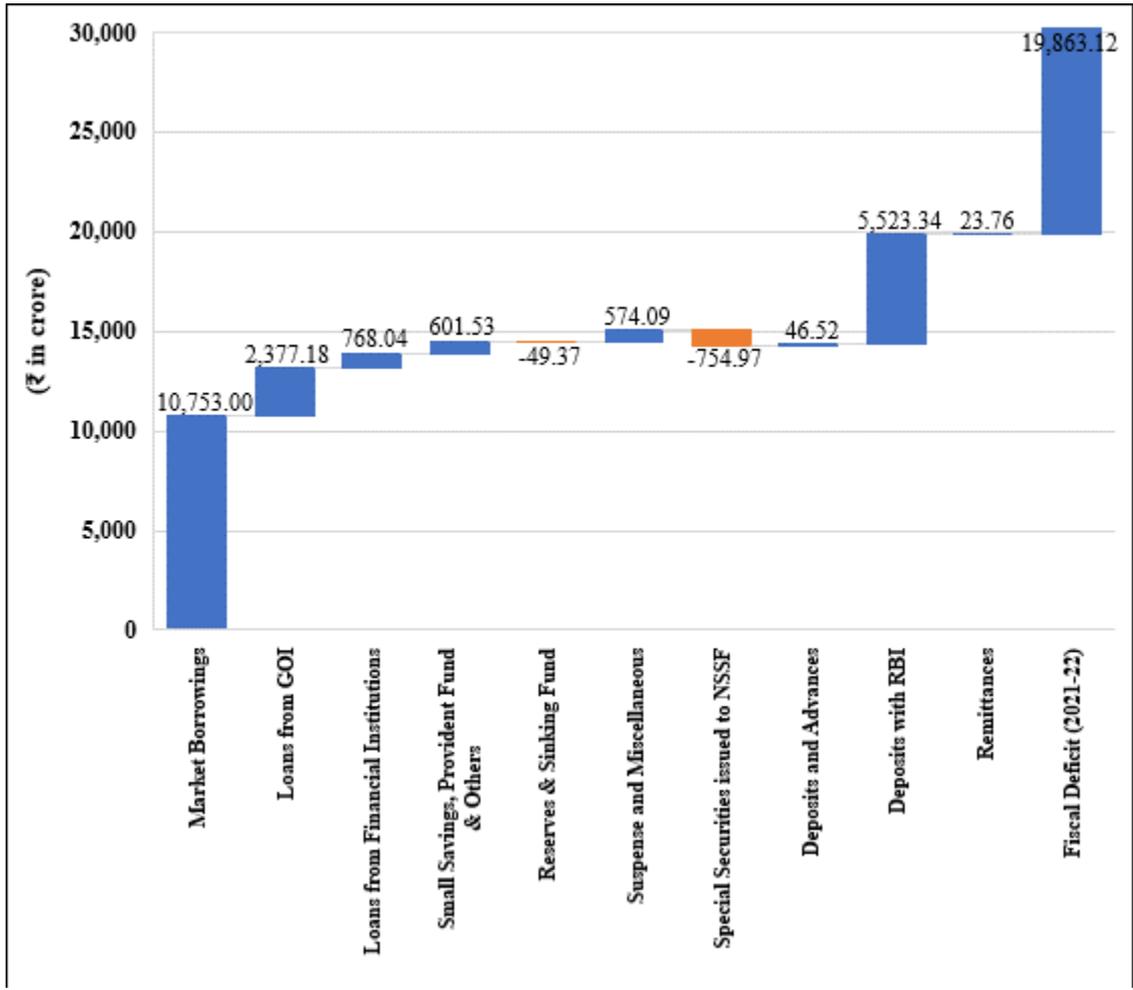
(₹ in crore)

Particulars		2017-18	2018-19	2019-20	2020-21	2021-22
Fiscal Deficit (-)/ Surplus (+)		-9,342.20	-4,779.06	-14,915.80	-12,102.03	-19,863.12
FD/GSDP		-3.30	-1.54	-4.30	-3.56	-4.58
Composition of Fiscal Deficit/Surplus						
1	Revenue Deficit (-) /Surplus(+)	-1,350.00	6,580.16	-1,322.20	382.60	-2,732.77
2	Net Capital Expenditure	-7,692.84	-11,034.08	-13,185.42	-12,399.39	-20,125.83
3	Net Loans and Advances	-249.36	-325.14	-308.18	-85.24	2,995.48
4	Appropriation to Contingency Fund	-50.00	0.00	-100.00	0.00	0.00
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	6,796.87	8,089.36	10,996.24	14,230.00	10,753.00
2	Loans from GOI	-68.60	-52.11	-38.78	1,408.39	2,377.18
3	Special Securities issued to NSSF	-665.47	-709.49	-754.96	-754.97	-754.97
4	Loans from Financial Institutions	425.67	837.53	877.86	908.77	768.04
5	Small Savings, Provident Fund & Others	1,027.66	981.06	968.47	888.85	601.53
6	Deposits and Advances	-443.61	1,151.46	854.71	-229.73	46.52
7	Suspense and Miscellaneous	4,895.62	-6,313.73	4,915.06	-3,629.55	574.09
8	Remittances	20.50	-56.58	-141.96	-46.40	23.76
9	Reserves & Sinking Fund	-2,294.54	107.50	682.44	43.21	-49.37
10	Contingency Fund	50.00	0.00	100.00	0.00	-
11	Overall Deficit	9,744.10	4,035.00	18,459.08	12,818.59	14,339.78
12	Increase (-)/ Decrease (+) in cash balance	-401.90	744.06	-3,543.28	-716.55	5,523.34
13	Gross Fiscal Deficit	9,342.20	4,779.06	14,915.80	12,102.03	19,863.12

Source:- Finance Accounts

*Net of receipts and disbursement during the year

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



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

Table 2.39: Receipts and Disbursements under components financing the fiscal deficit during 2021-22

(₹ in crore)				
Sl. No.	Particulars	Receipts	Disbursement	Net
1	Market Borrowings	12,753.00	2000.00	10,753.00
2	Loans and Advances from GOI	2,531.21	154.03	2,377.18
3	Special Securities issued to NSSF	0	754.97	-754.97
4	Loans from Financial Institutions	1,385.94	617.9	768.04
5	Small Savings, PF, etc.	2,252.13	1650.6	601.53
6	Deposits and Advances	7798.27	7751.75	46.52
7	Suspense and Miscellaneous	154757.14	154183.05	574.09
8	Remittances	9198.94	9175.18	23.76
9	Reserves & Sinking Funds	3338.15	3387.52	-49.37
10	Overall Deficit			14,339.78
11	Increase (-)/Decrease (+) in cash balance	3696.76	-1826.58	5,523.34
12	Gross Fiscal Deficit			19,863.12

Source: Finance Accounts

2.8.2 Debt profile: Maturity and Repayment

Public Debt consists of Internal Debt and Loans and Advances received from GoI. **Table 2.40** and **Chart 2.24** indicate the quantum of repayment of Public Debt and interest thereon during the period of 2022-23 to 2031-32.

Table 2.40: Repayment of Public Debt and Interest for next ten years

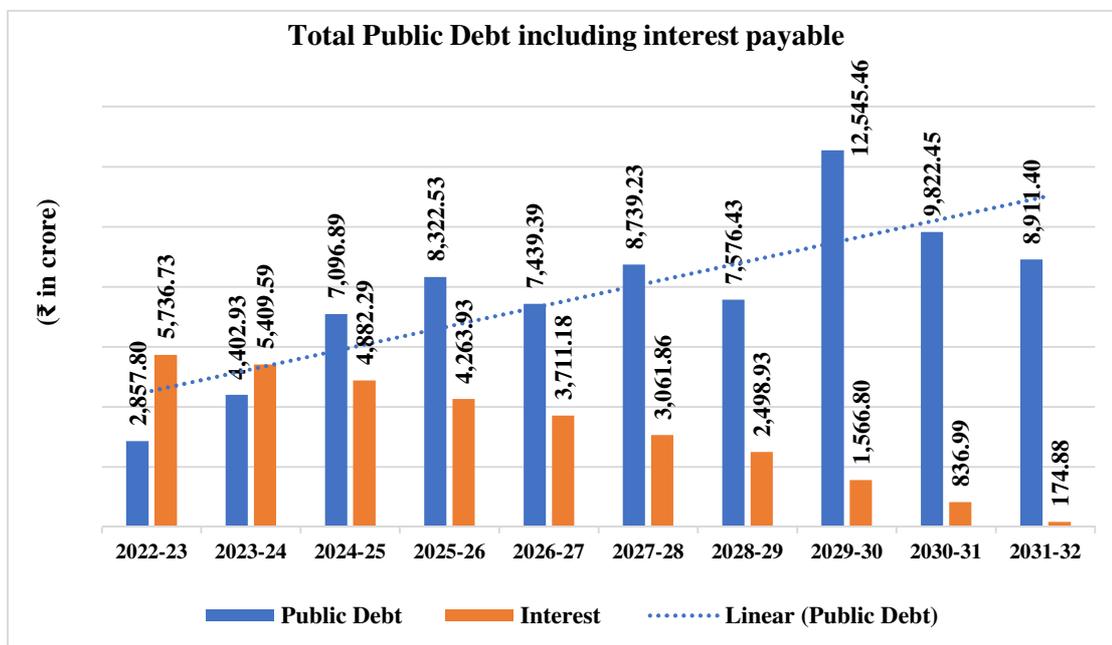
Year	Repayment of				
	Internal Debt	Loans from GoI	Public Debt	Interest	Public Debt including interest
1	2	3	4 (2+3)	5	6 (4+5)
2022-23	2,561.77	296.03	2,857.80	5,736.73	8,594.53
2023-24	4,236.80	166.13	4,402.93	5,409.59	9,812.52
2024-25	7,039.41	57.47	7,096.89	4,882.29	11,979.17
2025-26	8,260.39	62.14	8,322.53	4,263.93	12,586.46
2026-27	7,384.59	54.80	7,439.39	3,711.18	11,150.57
2027-28	8,677.84	61.39	8,739.23	3,061.86	11,801.09
2028-29	7,511.77	64.66	7,576.43	2,498.93	10,075.36
2029-30	12,480.77	64.69	12,545.46	1,566.80	14,112.26
2030-31	9,763.09	59.36	9,822.45	836.99	10,659.44
2031-32	8,854.64	56.76	8,911.40	174.88	9,086.28

(₹ in crore)

Source: Finance Accounts 2021-22

Note: Total Public Debt (Principal) due for payment for the year 2032-33 onwards: ₹ 1,303.63 crore
Interest has been calculated on the basis of five years' average of 'Average Interest Rate of Outstanding Public Debt' (2017-18: 7.90 per cent; 2018-19: 7.88 per cent; 2019-20: 7.39 per cent; 2020-21: 7.08 per cent; and 2021-22: 6.94 per cent), i.e., 7.43 per cent; on closing balances of Outstanding Public Debt.

Chart 2.24: Total Public Debt including interest payable during next years



The above chart, and the trend line shows that the repayment burden over the next ten years (i.e., 2022-23 to 2031-32) for the current outstanding public debt of ₹ 80,068.14 crore shows an increasing trend – with a compound annual increase of 13.47 per cent per annum, which is significantly higher than the annual increase of 7.43 per cent in the previous five-year period from 2017-22. The increasing trend has the net effect of

shifting the debt repayment burden to future years where the higher expected GSDP may lead to an even out of debt repayment burden as a percentage of GSDP. Further, since the calculations have been done based on the current stock of outstanding debt, the repayment of public debt and interest thereupon is bound to increase in view of the trends of borrowings of the State Government.

However, given that the GSDP increase has been 11.26 *per cent* per annum during the last five years, which is lower than the rate of increase of debt servicing, the current debt profile indicates that an increasing higher share of GSDP may be devoted to debt servicing in the coming years.

Further, maturity profile of outstanding stock of public debt as on 31 March 2022 indicates that out of the outstanding public debt of ₹ 80,068.14 crore, 57.99 *per cent* (₹ 46,435.20 crore) is payable within the next seven years while the remaining 42.01 *per cent* (₹ 33,632.94 crore) is in the maturity bracket of more than seven years. Of the total outstanding public debt, internal debt consisting of market borrowings, loans from NABARD and special securities issued to NSSF of Central Government constituted 98.43 *per cent* (₹ 77,780.15 crore).

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

Table 2.41: Maturity Profile of Public Debt

Year	Outstanding Public debt as on 31 March	(₹ in crore)	
		Indicated payment in Finance Accounts	Actual repayment
2019-20	53,900.56	2,880.50	3,169.27
2020-21	68,698.75	3,773.55	2,147.98
2021-22	80,068.14	3,657.84	3,526.89
Total		10,311.89	8,844.14

Source: Finance Accounts

It can be seen that during last three years *i.e.*, 2019-20 to 2021-22, the State repaid ₹ 8,844.14 crore of debt against indicated payment of ₹ 10,311.89 crore in the Finance Accounts. The difference between the indicated amount and the actual repayment is under reconciliation.

2.9 Debt Sustainability Analysis (DSA)

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

- large primary fiscal surpluses are needed to service a high level of debt; such surpluses may be difficult to sustain, both economically and politically.
- a high level of debt heightens an economy's vulnerability to interest rate and growth shocks.
- a high debt level is generally associated with higher borrowing requirements, and therefore a higher risk of a rollover crisis (*i.e.*, being unable to fulfil

borrowing requirements from private sources or being able to do so only at very high interest rates).

- high levels of debt may be detrimental to economic growth; while lower growth is a concern in itself, it also has a direct impact on debt dynamics and debt sustainability in the long term.

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

Debt Sustainability indicators:

Ratio of total outstanding debt to GSDP (<i>In per cent</i>)	The debt-to-GSDP ratio is the metric comparing a state's public debt to its gross domestic product (GSDP). By comparing what a state owes with what it produces, the debt-to-GSDP ratio reliably indicates that particular state's ability to pay back its debts. A falling debt/GSDP ratio can be considered as leading towards stability. If Debt/GSDP ratio is increasing rapidly and goes above a threshold, we can say that current level of the primary balance is not sufficient to stabilise the debt-to-GSDP ratio, which is on an explosive path. Sufficient fiscal adjustment should be made by reducing the fiscal deficit (primary balance) to a level necessary to make public debt sustainable.
Ratio of Revenue Receipts to total outstanding debt	If the ratio is increasing, it would be easy for the government to repay its debt using Revenue Receipts only without resorting to additional debt.
Ratio of State's own resources to total outstanding debt	If the ratio is increasing, it would be easier for the government to repay its debt using its own resources.
Percentage of outstanding amount of guarantees to total Revenue Receipts	Higher percentage of guarantees increase the fiscal risks. States have put statutory or administrative ceiling on Government guarantees. They are linked to State's revenue.
Rate of Growth of Outstanding Public Debt <i>vis-à-vis</i> Rate of Growth of GSDP	If the growth rate of public debt is higher than the GSDP growth rate, it will lead to higher debt to GSDP ratio.
Average interest Rate of Outstanding Debt (Int. paid/OB of Public Debt + CB of Public Debt/2)	Higher interest rate means that there is scope for restructuring of debt.
Percentage of Interest payments to Revenue Receipts	Higher percentage of interest payments leaves less funds for priority areas. It measures the margin of safety a government has for paying interest on its debt during a given period. Governments need to have more than enough revenues to cover interest payments in order to survive future (and perhaps unforeseeable) financial hardships that may arise. If significant portion of borrowed funds are used for repayment of borrowings and interest thereon, the net debt available with State for development activities is curtailed.
Percentage of Public Debt Repayment to Public Debt Receipts	Higher the percentage, the greater the proportion of debt utilised for debt servicing rather than productively.

Net Debt available to the State	It is the excess of Public Debt Receipts over Public Debt repayment and Interest payment of Public Debt.
Debt Maturity profile of repayment of State debt – including default history, if any	A high share of short-term debt at original maturity, increases vulnerability to rollover (re-financing risk) and interest rate risks. The past record of repayments as per schedule in conjunction with the proportion of debt repayable in the forthcoming seven years, is indicative of debt servicing position.

2.9.1 Debt Sustainability Analysis (DSA)-Outstanding Debt

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

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

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

Table 2.42 shows the debt sustainability of the State according to these indicators for the five-year period beginning from 2017-18.

Table 2.42: Debt Sustainability: Indicators and Trends

	(₹ in crore)				
Indicators of Debt sustainability	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding Debt (₹ in crore)	49,274.88	59,425.61	72,256.52	87,407.79*	99,918.54*
Percentage of outstanding Debt to Revenue Receipts	91.03	93.61	112.03	134.68	125.19
Debt/GSDP (per cent)	17.40	19.21	20.83	25.69	23.03
Fiscal Deficit/GSDP (per cent)	3.30	1.54	4.30	3.56	4.58
Interest Payments/Revenue Receipts Ratio	5.92	6.06	6.88	8.01	7.58
Rate of growth of outstanding Debt (per cent)	12.04	20.60	21.59	20.97	14.31
Rate of growth of GSDP (per cent)	11.31	9.24	12.13	-1.92	27.56
Rate of growth of RR (per cent)	9.98	17.27	1.60	0.63	22.98
Interest payment (₹ in crore)	3,205.32	3,844.37	4,438.87	5,199.18	6,051.47
Average interest rate on Outstanding debt (per cent)	6.87	7.07	6.74	6.51	6.46
Available Debt as a percentage of Debt Receipts	28.09	40.34	50.77	58.58	49.30

Source: Finance Accounts

*Excludes loan of ₹ 994.00 crore and ₹ 1,773.87 crore given as back-to-back loan by Government of India during 2020-21 and 2021-22 respectively.

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

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

Further, XV FC also recommended that the State Government should also comply with the recommended path of debt consolidation and must abide by the definition of both debt and fiscal deficit as contained in FRBM Act. The FRBM Act of Assam envisaged that ratio of outstanding debt to GSDP of the State is to be limited to 28.50 *per cent* of GSDP in 2021-22.

As can be seen from **Table 2.42** that during the first four years *i.e.*, 2017-18 to 2020-21, ratio of debt to GSDP showed an upward trend and increased sharply in 2020-21. However, the ratio decreased marginally in 2021-22 and stood at a level of 23.03 *per cent* during the year. This ratio during the current year was below the target ceiling for debt of 28.50 *per cent* set in AFRBM Act. During 2021-22, the total outstanding debt stood at 125.19 *per cent* of Revenue Receipts of the State. During the year, the rate of growth of Revenue Receipts stood at 22.98 *per cent* as against the rate of growth of outstanding debt of 14.31 *per cent*. Growth rate of Revenue Receipts outpaced the growth rate of debt only in one year *i.e.*, in 2021-22 out of five-year period. The burden of interest payment ranged from 5.92 to 8.01 *per cent* of the Revenue Receipts. During the five-year period 2017-18 to 2021-22, while GSDP has grown at a CAGR of 11.26 *per cent*, the outstanding debt has grown at a faster rate of 19.70 *per cent*, and hence the State needs to review the debt position for remedial action. The State Government needs to further augment its Revenue Receipts to be in a position to service the debt on a sustainable basis.

2.9.1.1 Debt Sustainability Analysis (DSA)-Public Debt

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

Public debt sustainability of the State according to these indicators for the five-year period beginning from 2017-18 is given in **Table 2.43** and also in **Chart 2.25**.

Table 2.43: Trends in Public Debt Sustainability indicators

(₹ in crore)

Debt sustainability Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding Public Debt*	34,654.91	42,820.20	53,900.56	68,698.75**	80,068.14**
Rate of Growth of Outstanding Public Debt (<i>per cent</i>)	23.04	23.56	25.88	27.45	16.55
GSDP	2,83,164.90	3,09,336.32	3,46,850.68	3,40,177.45	4,33,925.44
Rate of growth of GSDP (<i>per cent</i>)	11.31	9.24	12.13	-1.92	27.56
Public Debt/GSDP (<i>per cent</i>)	12.24	13.84	15.54	20.19	18.45
Repayment of Public debt - including default history, if any	1,958.60	3,589.36	3,169.26	2,147.98	3,526.89
Average interest rate of Outstanding Public Debt (<i>per cent</i>)	7.90	7.88	7.39	7.05	6.94
Percentage of Interest payment on Public Debt to Revenue Receipts	4.58	4.81	5.54	6.66	6.47

Debt sustainability Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
Percentage of Public Debt Repayment to Public Debt Receipts	23.19	30.54	22.24	11.97	21.16
Net Debt available to the State [#]	4,007.28	5,113.18	7,507.86	11,468.35	7,980.76
Net Debt available as <i>per cent</i> to Debt Receipts	47.44	43.51	52.69	63.93	47.87

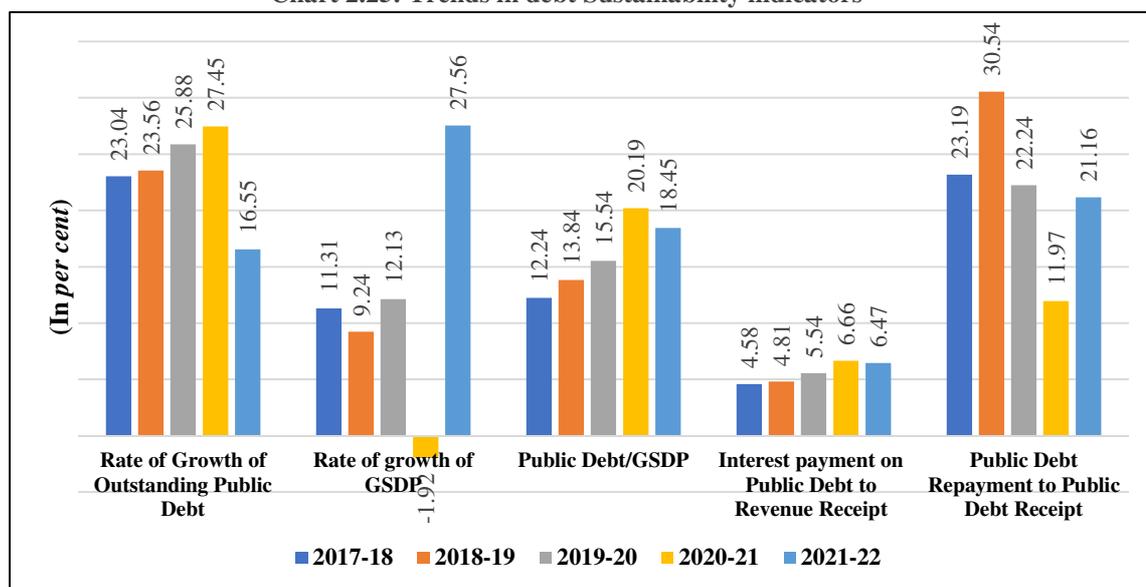
Source: Finance Accounts

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

**Excludes loan of ₹ 994.00 crore and ₹ 1,773.87 crore given as back-to-back loan by Government of India during 2020-21 and 2021-22 respectively.

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

Chart 2.25: Trends in debt Sustainability indicators



As evident from **Table 2.43**, public debt constituted 80.14 *per cent* of total debt at the end of 2021-22. During the year, it grew at the rate of 16.55 *per cent* *i.e.*, the lowest in the last five-year period. Average growth rate of public debt (23.30 *per cent*) during the last five years also outpaced the average growth rate of GSDP (11.66 *per cent*) during the period. These all indicate that there would be increased pressure on interest payment on public debt as well as interest on it in forthcoming years.

2.9.2 Utilisation of borrowed funds

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

The trend of borrowing (public debt receipts) during the last five-year period 2017-22 and utilisation are shown in **Table 2.44**.

Table 2.44: Utilisation of borrowed funds

Sl. No.	Year	₹ in crore)				
		2017-18	2018-19	2019-20	2020-21	2021-22
1	Total Borrowings (Public Debt Receipts)	8,447.07	11,754.65	14,249.63	17,940.18	16,670.15
2	Repayment of earlier borrowings (per cent)	1,958.60 (23.19)	3,589.36 (30.54)	3,169.26 (22.24)	2,147.98 (11.97)	3,526.89 (21.16)
3	Capital Expenditure (per cent)	7,692.84 (91.07)	11,034.08 (93.87)	13,185.42 (92.53)	12,399.39 (69.12)	20,125.83* (120.73)

Source: Finance Accounts

*-in view of accounting of GIA to the tune of ₹ 6168.69 crore as Capital Expenditure, the amount of percentage of Public Debt utilised for Capital Expenditure would be 83.73 per cent only.

It is observed that over the last five years, public debt receipts increased by 97.35 per cent from ₹ 8,447.07 crore in 2017-18 to ₹ 16,670.15 crore in 2021-22. Out of public debt receipts of ₹ 16,670.15 crore during 2021-22, the State Government utilised 21.16 per cent (₹ 3,526.89 crore) for repayment of earlier borrowings and remaining for incurring capital expenditure during the year 2021-22.

2.9.3 Status of Guarantees – Contingent Liabilities

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

The details of outstanding guarantees given by the State Government including interest liability during the five-year period from 2017-18 to 2021-22 are shown in **Table 2.45**:

Table 2.45: Guarantees given by Government of Assam

Guarantees	₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Outstanding amount of guarantees including interest liability	90.24	85.02	83.42	77.72	311.76
Criteria as per the AFRBM Act, 2005	State Government guarantees shall be restricted at any point of time to 50 per cent of State's own tax and non-tax revenue of the second preceding year as reflected in the books of accounts maintained by Accountant General (A&E).				

Source: Finance Accounts

Government had guaranteed loans raised by various Corporations and Others which at the end of 2021-22 stood at ₹ 311.76 crore. It was 1.41 per cent of State's Own Tax and Non-Tax Revenue of the second preceding year (₹ 22,068.03 crore) i.e., well within the limit prescribed in the State FRBM Act. Out of the total outstanding guarantees, ₹ 238.63 crore (76.54 per cent) pertained to Assam Infrastructure Financing Authority (AIFA).

2.9.4 Management of Cash Balances

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

(OD) from time to time. The limit for ordinary WMA to the State Government are revised by the RBI from time to time.

The limit for ordinary WMA to the State Government was ₹ 1,504 crore with effect from 01 April 2021 and the limit of SWMA is revised by the bank from time to time. The State Government maintained the minimum daily cash balance with the RBI during 2021-22 and no WMAs/ SWMAs/ OD was availed during the year.

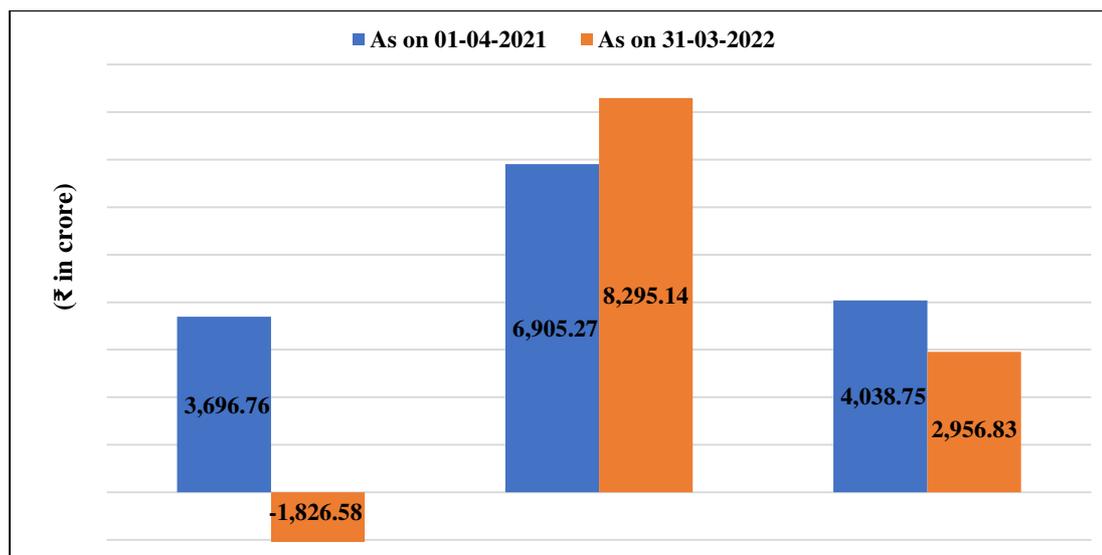
Table 2.46 and **Chart 2.26** depict the cash balances and investments made out of these by the State Government during the year.

Table 2.46: Cash Balances and their investment

	(₹ in crore)	
	Opening balance on 01 April 2021	Closing balance on 31 March 2022
A. General Cash Balance		
Cash in treasuries	0.00	0.00
Deposits with Reserve Bank of India ¹²	3,696.76	(-)1,826.58
Deposits with other Banks	0.00	0.00
Remittances in transit – Local	0.00	0.00
Total	3,696.76	(-)1,826.58
Investments held in Cash Balance investment account	6,905.27	8,295.14
Total (A)	10,602.03	6,468.56
B. Other Cash Balances and Investments		
Cash with Departmental Officers viz., Public Works, Forest Officers	8.91	6.84
Permanent advances for contingent expenditure with department officers	0.47	0.47
Investment in earmarked funds	4,038.75	2,956.83
Total (B)	4,048.13	2,964.14
Total (A + B)	14,650.16	9,432.70
Interest realised	68.66	71.19

Source: Finance Accounts

Chart 2.26: Major Components of Cash balances of the State Government during 2021-22



¹² There is a difference of ₹ 287.39 crore between Closing Cash Balance as per Accounts (₹ 1,826.58 crore) and as per RBI (₹ 1,539.19 crore).

Cash Balances of the State Government at the end of the current year decreased by ₹ 5,217.46 crore from ₹ 14,650.16 crore in 2020-21 to ₹ 9,432.70 crore in 2021-22. During the year investment in Treasury Bills increased by ₹ 1,389.87 crore from ₹ 6,905.27 crore in 2020-21 to ₹ 8,295.14 crore in 2021-22. However, investment in earmarked funds decreased by ₹ 1,081.92 crore from ₹ 4,038.75 crore in 2020-21 to ₹ 2,956.83 crore in 2021-22.

State Government invests its surplus cash balance in short and long-term GoI Securities and Treasury Bills. The interest earned from such investments are credited as receipts under the head '0049-Interest Receipts'. The cash balances are invested in the Consolidated Sinking Fund and Guarantee Redemption Fund as well. The State Government has earned an interest of ₹ 71.19 crore during 2021-22 from the investments made in GoI Securities and Treasury Bills.

Out of the investment of ₹ 2,956.83 crore in earmarked funds, ₹ 2,885.83 crore was invested in the Consolidated Sinking Fund and ₹ 70.59 crore in Guarantee Redemption Fund at the end of the year. Interest earned from earmarked funds are credited back to the funds to which these relate for their investment by RBI.

The cash balance investments of the State during the five-year period 2017-18 to 2021-22 are given in **Table 2.47**.

Table 2.47: Cash Balance Investment Account (Major Head-8673)

(₹ in crore)

Year	Opening Balance	Closing Balance	Increase (+)/ decrease (-)	Interest earned
2017-18	5,181.64	936.95	-4,244.69	286.53
2018-19	936.95	8,262.27	7,325.32	307.00
2019-20	8,262.27	2,932.60	-5,329.67	382.86
2020-21	2,932.60	6,905.27	3,972.67	68.66
2021-22	6,905.27	8,295.14	1,389.87	71.19

Source: Finance Accounts

The trend analysis of the cash balance investment of the State Government during 2017-22 revealed that investment increased significantly during 2018-19 and 2021-22. During the current year, *i.e.*, 2021-22, interest earned by the State from its investment in the cash balance investment account stood at ₹ 71.19 crore.

Chart 2.27 compares the balances available in the Cash Balance Investment Account and the Market Loans taken by the State during the period 2017-22. Market Loans were taken at higher interest rates whereas investment in Treasury Bills yielded interest at lower rates.

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

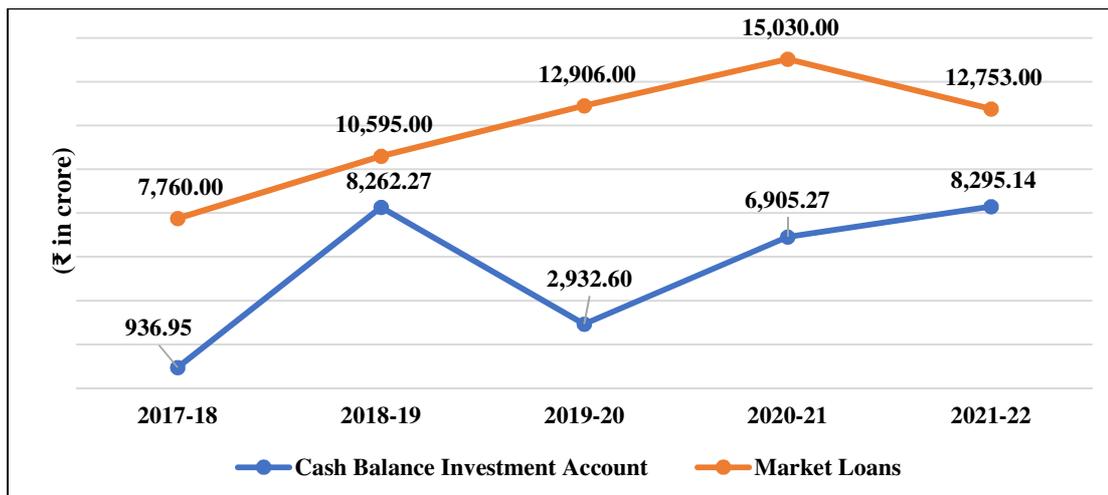
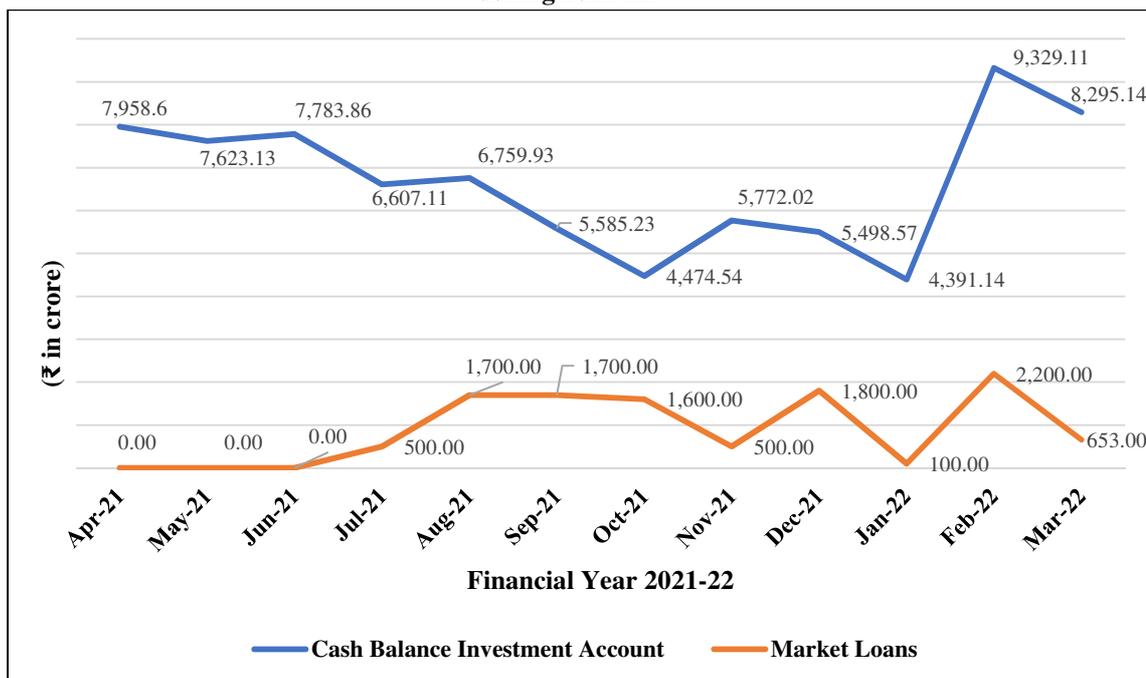


Chart 2.28 compares the month-wise Cash Balance Investment Account with the market loans obtained by the State.

Chart 2.28: Month-wise movement of Cash Balances Investment Account and market loans during 2021-22



The preceding Chart indicates that the State Government had taken recourse to market loans on several occasions during the year despite having large cash balances. During the year 2021-22, the State Government raised ₹ 12,753.00 crore from the market, while at the same time, the cash balance of the State Government was in the range of ₹ 4,391.14 crore to ₹ 9,329.11 crore during the year.

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

2.10 Conclusion

- The fiscal position of the State is viewed in terms of key fiscal parameters-Revenue Deficit/ Surplus, Fiscal Deficit/ Surplus and Primary Deficit/ Surplus. During 2021-22, the State had a Revenue Deficit of ₹ 2,732.77 crore which was 0.63 *per cent* of GSDP during the year. Fiscal Deficit during 2021-22 was ₹ 19,863.12 crore which was 4.58 *per cent* of GSDP and Primary Deficit was ₹ 13,811.65 crore (3.18 *per cent* of GSDP).
- Revenue Receipts during the year 2021-22 were ₹ 79,815.19 crore, which increased by ₹ 14,913 crore (22.98 *per cent*), as compared to 2020-21 (₹ 64,902.19 crore). State's Own Tax Revenue increased by ₹ 2,399.49 crore (14.00 *per cent*) compared to the previous year (₹ 17,133.61 crore), while Non-Tax Revenue increased by ₹ 680.14 crore (23.46 *per cent*) during the year as compared to 2020-21 (₹ 2,899.61 crore). Grants-in-Aid from GoI increased by ₹ 2,312.14 crore (8.81 *per cent*) as compared to the previous year (₹ 26,239.65 crore) whereas State's Share of Union taxes and Duties increased by ₹ 9,521.23 crore (51.11 *per cent*) during 2021-22 as compared to the previous year (₹ 18,629.32 crore). During 2021-22, revenue collection under State Goods and Services Tax increased by ₹ 2,030.54 crore (23.75 *per cent*) from ₹ 8,549.02 crore in 2020-21 to ₹ 10,579.56 crore in 2021-22.
- Revenue Expenditure during the year 2021-22 was ₹ 82,547.96 crore, constituting 80.32 *per cent* of the Total Expenditure of ₹ 1,02,777.80 crore. There was a misclassification of ₹ 6,168.59 crore due to Grants-in-Aid given by the State Government to the local bodies or individual entities under various Central Schemes during the year being as Capital expenditure instead of Revenue Expenditure, resulting in overstatement of Capital expenditure and understatement of Revenue Expenditure to that extent.
- Committed expenditure of the Government like salary & wages, pensions, interest payments steadily increased during the last five-year period 2017-22. It increased by ₹ 9,871.02 crore during the year 2021-22. The Committed expenditure during 2021-22 was ₹ 52,626.30 crore (65.94 *per cent* of Revenue Receipts of ₹ 79,815.19 crore and 63.75 *per cent* of Revenue Expenditure of ₹ 82,547.96 crore).
- The State Government short contributed ₹ 267.26 crore to National Pension System since inception of the Scheme creating an avoidable future liability to the Government. As on 31 March 2021, an amount of ₹ 316.75 crore remained in the Public Account on which interest of ₹ 25.34 crore was payable in 2021-22.
- Capital Expenditure is the expenditure incurred for creation of fixed infrastructure assets such as roads, building, *etc.* During the year the State's Capital Expenditure increased by ₹ 7,726.44 crore (62.31 *per cent*) from ₹ 12,399.39 crore during 2020-21 to ₹ 20,125.83 crore during 2021-22. However, this increase has to be viewed in the light of the fact that GIA of ₹ 6,168.59 crore was booked under capital

section, instead of under revenue resulting in understatement of Revenue Deficit to that extent.

- During 2021-22, the State Government invested ₹ 4,370.35 crore in Statutory Corporations (₹ 3,095.83 crore), Government Companies (₹ 40.00 crore), Joint Stock Companies (₹ 1,216.88 crore) and Banks (₹ 16.84 crore). As on 31 March 2022, the State Government's investment stood at ₹ 7,010.79 crore in those Companies/ Corporations and Co-operative societies. Out of the investments, they received returns of ₹ 113.64 crore as dividend during the year.
- As on 01 April 2021, the State had a balance of ₹ 768.43 crore lying in the State Disaster Response Fund. Government of Assam had neither invested the balances in SDRF in any of the instruments specified in the Guidelines, nor had it paid the half-yearly interest on the balance lying in the Fund in violation of SDRF guidelines. The unpaid interest of ₹ 46.11 crore by GoA led to understatement of Revenue Deficit to that extent (during 2021-22) and accumulated liabilities for future.
- Outstanding Debt of the State rapidly increased from ₹ 49,274.88 crore in 2017-18 to ₹ 99,918.54 crore in 2021-22. Growth rate of outstanding Debt also increased from 12.04 *per cent* in 2017-18 to 14.31 *per cent* in 2021-22. The Debt/ GSDP ratio increased from 17.40 *per cent* in 2017-18 to 23.03 *per cent* in 2021-22 due to more borrowings from the open market. The State used about six to eight *per cent* of its Revenue Receipts for payment of interest on the Outstanding Debt at an average rate of interest ranging between 6.46 *per cent* to 7.07 *per cent*, during the five-year period 2017-22.
- The maturity profile of outstanding stock of the State public debt as on 31 March 2022 indicated that 57.99 *per cent* (₹ 46,435.20 crore) of the debt is payable within the next seven years while the remaining 42.01 *per cent* (₹ 33,632.94 crore) is in the maturity bracket of more than seven years.
- Public debt constituted 80.14 *per cent* of total debt at the end of 2021-22. During the year, it grew at the rate of 16.55 *per cent i.e.*, the lowest in the last five-year period. Average growth rate of public debt (23.30 *per cent*) also outpaced the average growth rate of GSDP (11.66 *per cent*) during the year. These all indicate that there would be increased pressure on interest payment on public debt in forthcoming years.
- Public debt receipts increased by 97.35 *per cent* from ₹ 8,447.07 crore in 2017-18 to ₹ 16,670.15 crore in 2021-22. Out of public debt receipts of ₹ 16,670.15 crore during 2021-22, the State Government utilised 21.16 *per cent* (₹ 3,526.89 crore) for repayment of earlier borrowing and remaining for incurring capital expenditure during the year 2021-22.

2.11 Recommendations

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

Chapter 3
Budgetary Management

Chapter 3

Budgetary Management

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

3.1 Budget Process

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

- At the outset, Finance Department estimates the resources required for State priority development areas and projects allocation for these in consultation with the Transformation and Development (T&D) Department and Administrative Departments;
- Resources required for State's share of centrally sponsored schemes, counterpart funding for externally aided projects, NEC¹³, NLCPR¹⁴, *etc.* are estimated and provided for;
- Allocations for Hill Areas Autonomous District Councils (ADCs) are made based on the requirement projected by the Departments responsible for the activities of the ADCs;
- Anticipated receipts from central tax transfers and funding for CSS are assessed and the quantum of funds required for committed expenditure on salaries, pension, repayment of loan, *etc.* are also worked out by Finance Department.

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

The State Government secures legislative approval for expenditure out of the Consolidated Fund of the State by presenting its annual Budget and 81 Demands for Grants/ Appropriations. Normally, every Department has one Demand for Grant, to ensure that the Head of the Department takes responsibility for implementing the policy decisions and expending public funds for the intended purposes.

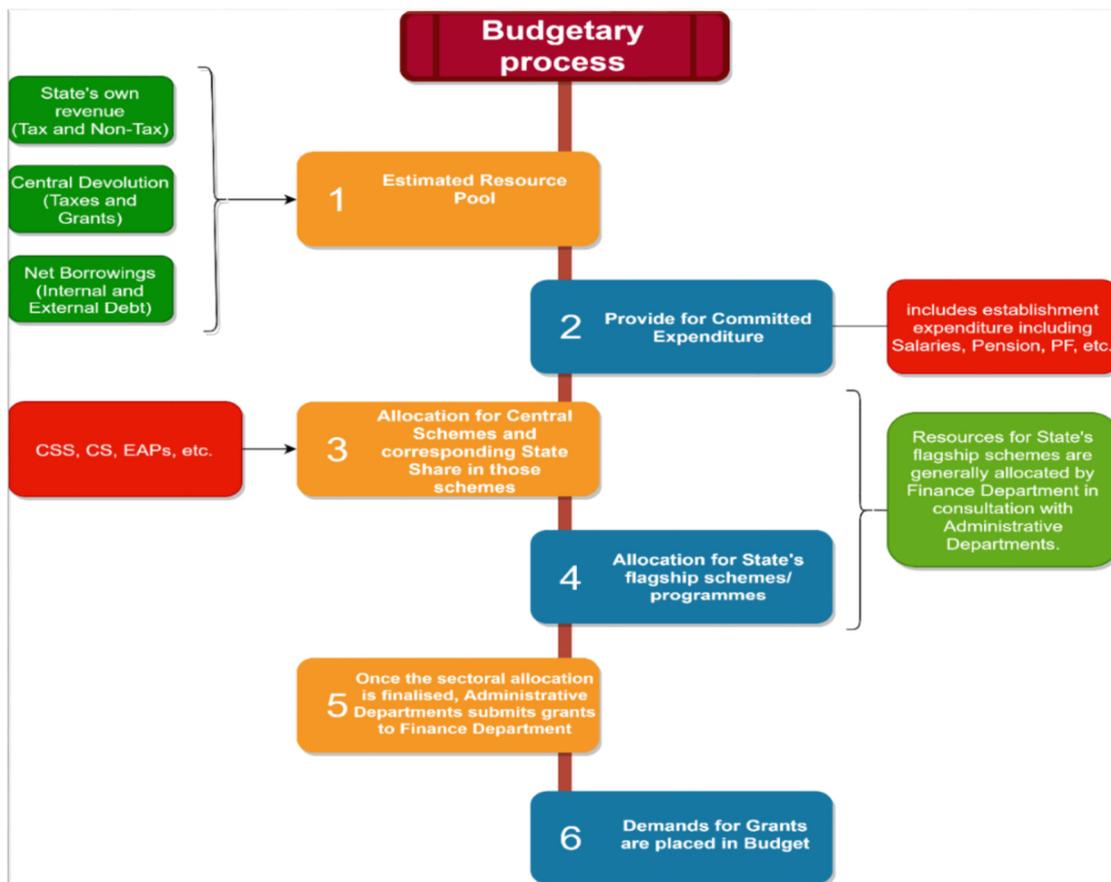
Supplementary or additional Grant/ Appropriation is provided during the course of the financial year for meeting expenditure in excess of the originally budgeted amount. Further, the State Government also re-appropriates/ re-allocates funds from various units of appropriation where savings are anticipated,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

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

¹³ North Eastern Council

¹⁴ Non-Lapsable Central Pool of Resources

Chart 3.1: Summary of Budgetary process of Assam



CSS: Centrally Sponsored Scheme; CS: Central Schemes

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

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

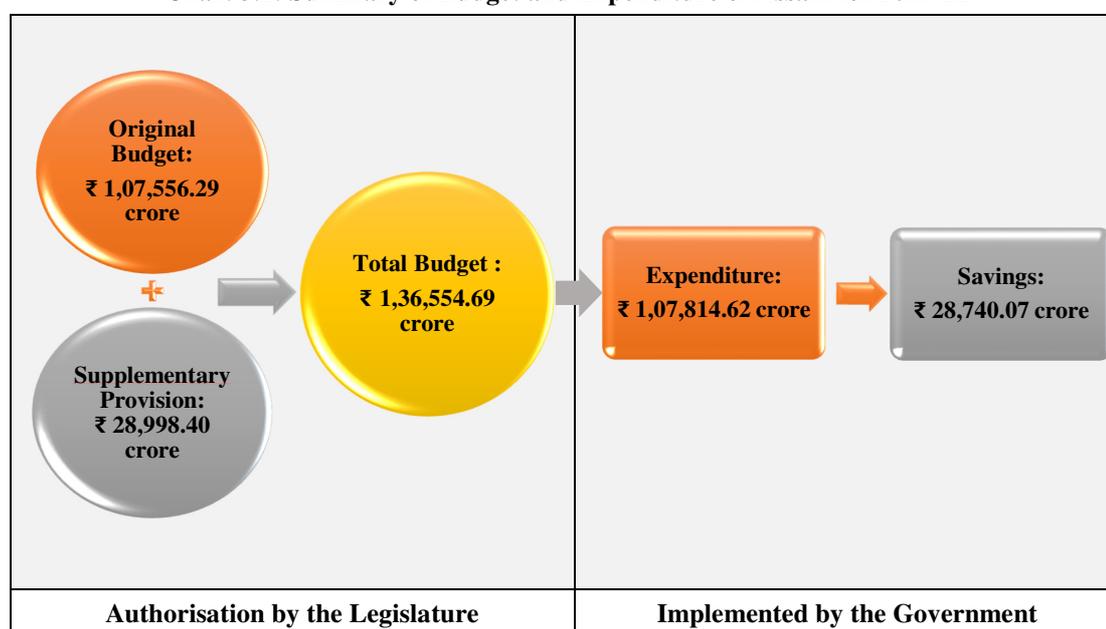
The Annual Financial Statement also called general budget is placed prior to the commencement of the financial year in the State Legislature, in accordance with Article 202 of the Constitution. The estimates of receipts and disbursements in the Annual Financial Statement and of expenditure in the demand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

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

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

Apart from supplementary grant, re-appropriation can also be used to re-allocate funds within a Grant. Re-appropriation is the transfer, by competent authority, of savings from one unit of appropriation to meet additional expenditure under another unit within the same section (Revenue-Voted, Revenue-Charged, Capital-Voted, Capital-Charged) of the Grant or Charged Appropriation. The total amount approved by the State Legislature including the original and supplementary budgets, expenditure, and savings during the year 2021-22 is depicted in **Chart 3.2**.

Chart 3.2: Summary of Budget and Expenditure of Assam for 2021-22



The net savings of ₹ 28,740.07 crore was the result of gross savings of ₹ 36,321.98 crore offset by an excess expenditure of ₹ 7,581.91 crore during the year.

Chart 3.2 shows that the Supplementary Grant of ₹ 28,998.40 crore¹⁵ was excessive as the gross expenditure (₹ 1,07,814.62 crore) only marginally exceeded the Original provision (₹ 1,07,556.29 crore) by ₹ 258.33 crore. This was indicative of over estimation and poor financial management. The issue of unnecessary supplementary provisions has been discussed in detail under **Paragraph 3.3.3**.

¹⁵ ₹ 4,725.99 crore on 26 August 2021, ₹ 23,597.97 crore on 27 December 2021 and ₹ 674.44 crore on 22 March 2022.

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

A summarised position of total budget provision, disbursement and savings/ excess with bifurcation into voted/ charged during the year 2021-22 is given in **Table 3.1**.

Table 3.1: Budget provision, disbursement and savings/excess during 2021-22

(₹ in crore)			
Voted/Charged	Total Budget provision	Disbursements	Savings (-)/Excess
Voted	1,25,381.05	97,689.85	-27,691.20
Charged	11,173.64	10,124.77	-1,048.87
Total	1,36,554.69	1,07,814.62	-28,740.07

Source: Appropriation Accounts

As can be seen from **Table 3.1**, during the year 2021-22, Government of Assam (GoA) incurred total expenditure of ₹ 1,07,814.62 crore against the total grants and appropriations of ₹ 1,36,554.69 crore resulting in overall savings of ₹ 28,740.07 crore. These savings stood at 21.05 per cent of total grants and appropriations made for the year.

These savings may be seen in the context of the over estimation¹⁶ of receipts of ₹ 1,19,423.05 crore by the State Government and the estimation on the expenditure side being ₹ 1,36,554.69 crore during the year 2021-22. As against the estimated receipts, the total receipts in the Consolidated Fund of State were ₹ 99,584.83 crore only thereby restricting the gross expenditure during the year to ₹ 1,07,814.62 crore. This implied that the savings were notional, as the funds were not actually available for expenditure.

3.1.2 Charged and Voted disbursements

The break-up of total disbursement into charged and voted during the last five years (2017-22) is given in **Table 3.2**.

Table 3.2: Trend of Disbursement into Charged and Voted during 2017-22

(₹ in crore)						
Year	Disbursements			Savings (-)/ Excess		
	Voted	Charged	Total	Voted	Charged	Total
2017-18	63,086.11	5,500.88	68,586.99	-27,548.45	-3,317.64	-30,866.09
2018-19	64,586.31	7,745.03	72,331.34	-33,050.69	-3,108.32	-36,159.01
2019-20	74,951.06	8,080.01	83,031.07	-35,317.53	-1,367.08	-36,684.61
2020-21	75,350.30	7,538.33	82,888.63	-38,558.11	-894.92	-39,453.03
2021-22	97,689.85	10,124.77	1,07,814.62	-27,691.20	-1,048.87	-28,740.07

Source: Appropriation Accounts

It can be seen from **Table 3.2** that the savings ranged between ₹ 28,740.07 crore in 2021-22 and ₹ 39,453.03 crore in 2020-21.

3.2 Appropriation Accounts

Appropriation Accounts are accounts of the expenditure of the Government for each financial year, compared with the amounts of grants voted and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Act

¹⁶ As per Budget documents

passed under Article 204 and 205 of the Constitution of India. Appropriation Accounts are on gross basis. These Accounts depict the original budget provision, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and Revenue Expenditure on various specified services *vis-à-vis* those authorised by the Appropriation Act in respect of both Charged and Voted items of budget. Appropriation Accounts thus facilitate understanding of utilisation of funds, the management of finances and monitoring of budgetary provisions and are, therefore, complementary to the Finance Accounts.

Audit of appropriations by the CAG seeks to ascertain whether the expenditure actually incurred under various grants is in accordance with the authorisation given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution (Article 202) is so charged. It also ascertains whether the expenditure incurred is in conformity with the laws, relevant rules, regulations and instructions.

3.3 Comments on integrity of budgetary and accounting process

3.3.1 Expenditure incurred without authority of law

No money shall be withdrawn from the Consolidated Fund of the State except under appropriation made by law passed in accordance with the provisions of this Article 204 of the Constitution. Expenditure on new scheme should not be incurred on a scheme/ service without provision of funds except after obtaining additional funds by re-appropriation, supplementary grant or appropriation or an advance from the Contingency Fund of the State.

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

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

However, during 2021-22, an expenditure of ₹ 38.12 crore was incurred in 15 Sub-heads under five Grants (₹ 15 lakh and above in each case) without budget provision as detailed in **Appendix 3.1**. Grant-wise summary of the cases where expenditure was incurred without budget provision is given in **Table 3.3**.

Table 3.3: Summary of Expenditure without Budget Provision during 2021-22

(₹ in crore)

Sl. No.	Grant No. and Name	Number of Sub Heads	Expenditure
1	25 Miscellaneous General Services	1	0.41
2	44 North Eastern Council Schemes	1	0.63

Sl. No.	Grant No. and Name	Number of Sub Heads	Expenditure
3	76 Karbi Anglong Autonomous Council	6	7.05
4	77 North Cachar Hills Autonomous Council	5	4.11
5	78 Bodoland Territorial Council	2	25.92
	Total	15	38.12

Source: Appropriation Accounts

Out of the 15 sub-heads, the details of six sub-heads with expenditure in excess of ₹ one crore without budget provision are given in **Table 3.4**.

Table 3.4: Expenditure incurred without budget provision during 2021-22

(₹ in crore)

Sl. No.	Grant	Heads of Account	Sub-Head / Sub Sub-Head	Expenditure
1	76 Karbi Anglong Autonomous Council	2402-00-102-0122-603	{0122}-Common & Other Schemes / [603]-Building and Approach Road	1.89
2		2402-00-103-1143-133	{1143}-Land Improvement / [133]-Land Reclamation and Water Distribution	2.62
3	77 North Cachar Hills Autonomous Council	2402-00-102-0122-603	{0122}-Common & Other Schemes / [603]-Building and Approach Road	1.03
4		4202-01-203-0597	{0597}-Government Art College (Cotton College)	1.91
5	78 Bodoland Territorial Council	2202-01-053	Maintenance of Buildings	1.32
6		4702-00-799-0291	{0291}-Miscellaneous Public Works Advances	24.60
	Total			33.37

Source: Appropriation Accounts

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

3.3.2 Misclassification of expenditure

Misclassification of expenditure and receipts has a great impact on the integrity of the financial statements. Article 202 of the Constitution prescribes that, in respect of every financial year, a statement of the estimated receipts and expenditure of the State for that year, called the “Annual Financial Statement” (or the “budget”), is to be laid before both the Houses of the State Legislature. The estimates of expenditure are classified under ‘charged’ (such expenditure as is not to be submitted to the vote of the Legislative Assembly under the provisions of the Constitution) and ‘voted’ items of expenditure separately. Annual Financial Statement distinguishes expenditure on revenue account from other expenditure as explained in **Chapter 2**.

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

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

As per IGAS 2, Grants-in-Aid disbursed by a grantor to a grantee shall be classified and accounted for as Revenue Expenditure irrespective of the purpose for which the funds disbursed as Grants-in-Aid are to be spent by the grantee, except in cases where it has been specifically authorised by the President on the advice of the Comptroller and Auditor General of India. It is observed that grants-in-aid of ₹ 6,168.69 crore was erroneously budgeted and expended under Capital Section instead of Revenue, in violation of IGAS 2.

Further, Government of Assam budgeted and spent an amount of ₹ 152.04 crore on “Major Works” under the Revenue Section, ₹ 108.53 crore on “Minor Works” and ₹ 0.94 crore on “Maintenance” under the Capital Section.

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

3.3.3 Unnecessary or Excessive Supplementary Grants

As per Article 205 of the Constitution, a Supplementary or Additional Grant or Appropriation over the provision made by the Appropriation Act for the year can be made during the current financial year but not after the expiry of the current financial year as is necessary to meet-

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

When such additional expenditure is found to be inevitable and there is no possibility of effecting savings within the grant to cover the excess by re-appropriation, the Secretary in the Department concerned proposes to the Finance Department for supplementary or additional grant or appropriation.

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

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

Besides approving original budget of ₹ 1,07,556.29 crore for the year 2021-22, the State Legislature also approved three supplementaries of ₹ 28,998.40 crore in

71 Grants/ Appropriations under 107 Segments¹⁷. Audit analysis of utilisation of these supplementary allocations showed that Supplementary provision of only ₹ 13,967.43 crore (48.17 per cent) was required in 29 Segments of 26 Grants/ Appropriations where the final expenditure exceeded the original budget provision. Even in these cases, the actual allocation of ₹ 21,501.88 crore proved excessive in case of 26 segments, as shown in *Appendix 3.2*. In 79 Segments of 61 Grants/ Appropriations, the Supplementary Budgetary allocation of ₹ 7,496.53 crore made was unnecessary, as the actual expenditure was less than the Original Budgetary allocation, as shown in *Appendix 3.3*.

Table 3.5 shows 5 Segments where Supplementary Budget in excess of ₹ 250 crore each was provided despite the actual expenditure falling short of the Original Budgetary allocation.

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

Sl. No.	Grant	Segment	Budget (Original)	Expenditure	Savings (-) Against Original Budget	Budget (Supplementary)
1	57 Rural Development	Revenue -Voted	5,206.95	3,593.86	-1613.09	2,813.19
2	71 Education (Elementary, Secondary etc.)		14,158.57	13,512.64	-645.93	1,482.71
3	34 Urban Development (Municipal Administration)	Revenue -Voted	1,425.86	672.82	-753.04	381.21
4	38 Welfare of SCs, STs and OBCs, etc.	Revenue -Voted	1,164.54	1,072.03	-92.51	313.97
5	48 Agriculture		1,931.34	1,570.66	-360.68	252.30
	Total		23,887.26	20,422.01	-3,465.25	5,243.38

Source: Appropriation Accounts

Thus, it can be concluded that the large Supplementary grants of ₹ 28,998.40 crore led to a further increase in the savings against the Budget, for the actual requirement of ₹ 13,967.43 crore was less than 50 per cent of this amount.

Seeking supplementary grants without requirement is indicative of poor budgetary management by the State Government. Further, it is also clear that there is absence of allocative efficiency and utilisation efficiency by departments which led to excess expenditure in some grants and savings in others. The Government may review its Budget management practice and avoid large cash supplementaries.

3.3.4 Unnecessary or Excessive Re-appropriation

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where need for additional funds is identified. As per Paragraph 9.2 of ABM, 2012, Finance Department has the power to

¹⁷ Allocation within a Grant/Appropriation under each combination of Voted/Charged and Revenue/Capital is a separate segment.

sanction/ authorise any re-appropriation within a Grant, which does not involve the undertaking of a recurring liability.

Audit analysis revealed that re-appropriation proved excessive and resulted in huge savings/ excess in 13 Sub-Heads (₹ 10 lakh and above in each case), details of which are given in **Appendix 3.4**. Out of those 13 Sub-Heads, the final savings/ excess was more than ₹ 50 lakh in eight sub-heads, as detailed in **Table 3.6**.

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

(₹ in crore)

Sl. No.	Grant	Head of Account (Major Head to Minor Head)	Sub Head	Sub Sub-Head	Savings (-)/ Excess (OS)	Re-Appropriation	Savings (-)/ Excess (OSR)
1	11 Secretariat and Attached Offices	3451-00-091	{1421}-Sub-Divisional Development Schemes	[770]-Special Project (718-Untied Fund)	16.75	68.00	-51.25
2	12 District Administration	4059-01-101	{0271}-Lump Provision for Construction of Administrative & Allied Building (GAD)	[441]-Public Works (GAD)	1.94	3.00	-1.06
3	14 Police	2055-00-800	{0482}-Relief Operation in Connection with Disturbance	[935]-Battalion for ONGC (Reimbursable from ONGC)	0.77	2.00	-1.23
4	25 Miscellaneous General Services	2052-00-090	{0417}-Director Institutional Finance Cell	[555]-Nabaudita Asom	-141.58	-500.00	358.42
5	25 Miscellaneous General Services	2075-00-800	{2490}-Payment of Medical Reimbursement	---	0.55	1.60	-1.05
6	26 Education (Higher)	2202-03-103	{0597}-Government Art College (Cotton College)	---	1.17	1.78	-0.61
7	48 Agriculture	2435-01-101	{1334}-Marketing of Fruits & Vegetables	---	0.05	0.55	-0.50
8	49 Irrigation	4702-00-101	{0160}-Flow Irrigation	---	0.49	3.20	-2.71
Total					-119.86	-419.87	300.01

Source: Detailed Appropriation Accounts

Further, re-appropriation proved unnecessary in 75 Sub-Heads, as the re-appropriated amount ultimately resulted in even larger savings. The complete list of Heads of Account where funds were re-appropriated, and where the final savings was more than ₹ 10 lakh, is given in **Appendix 3.5**. Of these 75 Sub-Heads where re-appropriation was unnecessary, the final savings in case of 13 Sub-Heads exceeded ₹ 10 crore, and shown in **Table 3.7**:

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

Sl. No.	Grant	Head of Account	Sub Head	Sub Sub-Head	Savings (-)/ Excess (OS)	Re-Appropriation	Savings (-)/ Excess (OSR)
1	14 Police	2055-00-101	{0443}-Special Branch	---	-9.55	2.00	-11.55
2	14 Police	2055-00-001	{0172}-Headquarters Establishment	---	-49.74	4.52	-54.26
3	14 Police	2055-00-104	{0446}-Armed Police Battalions	---	-111.52	0.97	-112.49
4	25 Miscellaneous General Services	4070-00-800	{2333}-State Signature Scheme	---	-82.57	2.49	-85.06
5	25 Miscellaneous General Services	2052-00-090	{0417}-Director Institutional Finance Cell	[351]-Enhancing Stake in NRL	0.00	500.00	-500.00
6	29 Medical and Public Health	4210-03-105	{4935}-Establishment of Medical College at Kokrajhar	[927]-Central Share	-13.54	35.19	-48.73
7	39 Social Security, Welfare and Nutrition	2235-02-102	{3959}-Implementation of Integrated Child Protection Scheme (ICPS)	[830]-Programme for J.J. Act	-11.85	0.06	-11.91
8	41 Natural Calamities	2245-02-122	{0999}-Repair & Restoration of Damaged Flood Control Works	---	-2.82	60.00	-62.82
9	42 Other Social Services	2575-02-800	{2919}-Multi Sectoral Development Programme for Minorities in selected Minority Concentration Districts	[928]-State Share	-33.76	7.70	-41.46
10	66 Compensation and Assignment to Local Bodies and PRIs	3604-00-200	{3673}-Panchayat Raj Institutions (Award of Central Finance Commission)	[708]-Karbi Anglong Autonomous Council	-16.77	3.41	-20.18
11	66 Compensation and Assignment to Local Bodies and PRIs	3604-00-200	{3673}-Panchayat Raj Institutions (Award of Central FC)	[707]-Bodoland Territorial Autonomous Council	-43.90	8.93	-52.83
12	73 Urban Development (Guwahati Development Department)	4217-01-051	{2173}-City Infrastructure	---	-0.21	13.88	-14.09
13	78 Bodoland Territorial Council	2210-01-001	{0144}-District Establishment	---	-10.34	0.30	-10.64
Total					-386.57	639.45	-1,026.02

Source: Detailed Appropriation Accounts

Substantial savings of more than ₹ 10 crore in respect of Heads of Account where re-appropriation was resorted to, reflects poorly on planning and monitoring of budget allocation and its utilisation by the State Government.

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

3.3.5.1 Non-surrender of Savings

As per the Assam Budget Manual (ABM) 2012 and the budget calendar of the State Government, the target dates for intimation of savings by the DDOs to their Controlling Officers is 15th January, and their subsequent surrender to the Finance Department is 15th February.

In fact, against the gross savings of ₹ 36,321.98 crore¹⁸ recorded in the Appropriation Accounts of the State during 2021-22, no amount was surrendered by any department of Government of Assam during the year. This was against the provision of the Budget Manual.

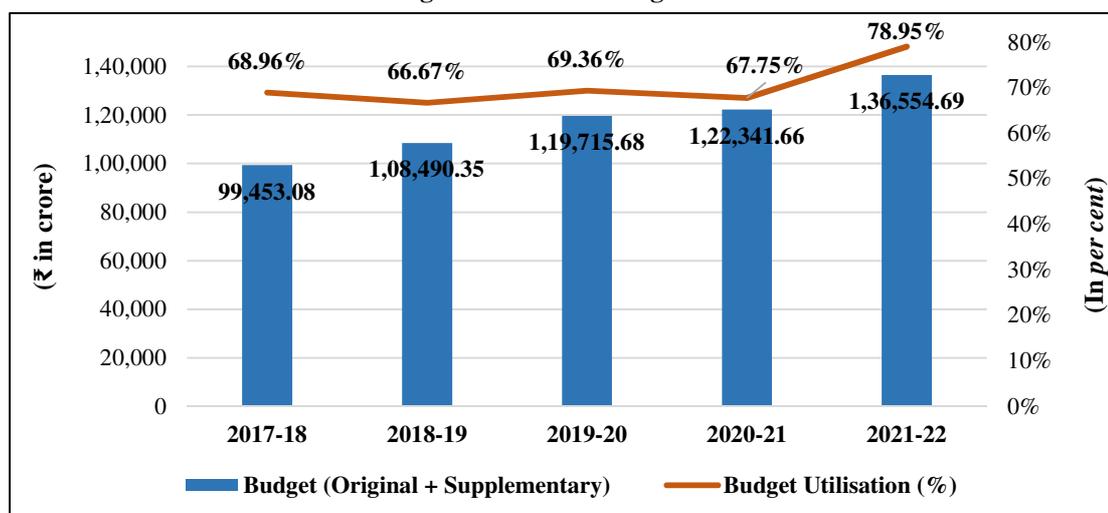
Thus, non-compliance with the prescribed time schedule for surrender of savings by the concerned Departments defeats the objective of achieving efficiency in budget management.

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

3.3.5.2 Underutilisation of Budgeted Funds

Budget provision has been significantly underutilised by the State every year during the past few years. The extent of utilisation of budget during the five-year period from 2017-18 to 2021-22 is given in **Chart 3.3**.

Chart 3.3: Budget Utilisation during 2017-18 to 2021-22



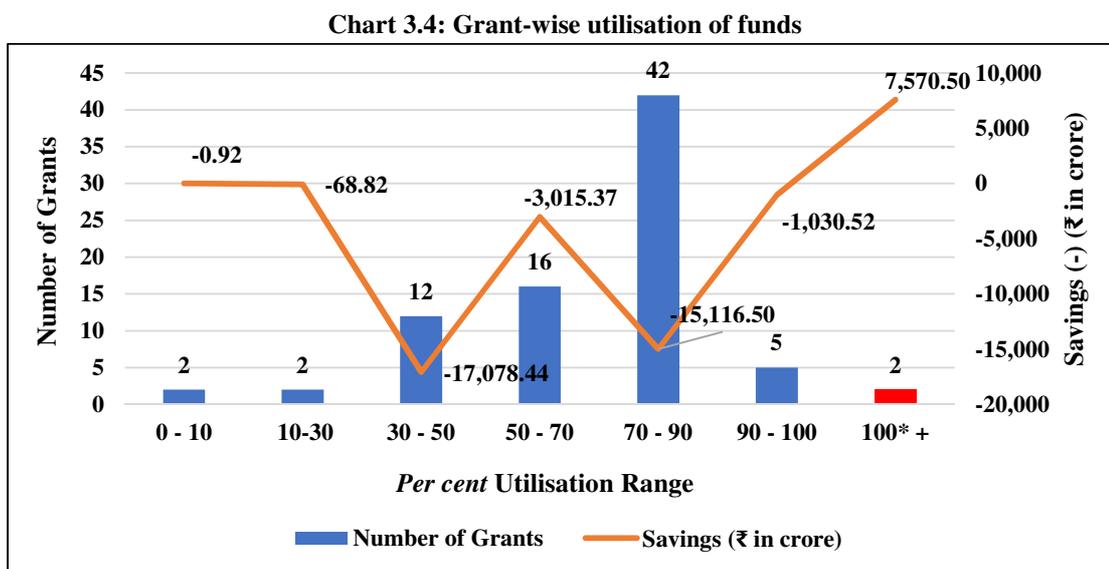
¹⁸ While the Net Savings in the Budget is ₹ 28,740.07 crore, this comprises of Overall Savings of ₹ 36,321.98 crore and Excess of ₹ 7,581.91 crore at segment level.

As can be seen from **Chart 3.3**, utilisation of budget has exceeded 75 per cent only in the current year in the five-year period from 2017-18 to 2021-22. Large amount of savings in allocated funds indicate faulty budgeting with inaccurate assessment of resource mobilisation.

During the Exit Conference (January 2023), the Secretary, Finance Department assured to take appropriate action on the issue in consultation with all stakeholders.

3.3.5.3 Large and Persistent Savings in Grants/ Appropriations

There were large savings during 2021-22, with 16 Grants/ Appropriations showing utilisation of less than 50 per cent of the budget allocation. The distribution of number of Grants/ Appropriations grouped by the extent of savings is given in **Chart 3.4**.



* Two Grants (Grant No. 23 & 47) had utilisation in excess of Budget provision at Grant level.

Of these 16 Grants/Appropriations which show utilisation of less than 50 per cent in 2021-22, 11 showed similar low utilisation in three or more years during the last five-year period *i.e.*, 2017-22. This is indicative of systemic issues that warrants a close review by the Government to enable initiation of expeditious corrective measures. Utilisation of budgetary allocation in these 16 Grants/ Appropriations for the five-year period from 2017-18 to 2021-22 is shown in **Table 3.8**.

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

Sl. No.	Grant	Utilisation (%)					No. of Years*	Budget (₹ in crore)	
		2017-18	2018-19	2019-20	2020-21	2021-22		Budget 2021-22	Total Budget (5 Years)
1	17 Administrative and Functional Buildings	40.28%	53.96%	48.35%	46.97%	45.25%	4	777.28	2,779.70
2	21 Guest Houses, Government Hostels	53.84%	38.57%	31.73%	27.01%	49.27%	4	58.88	310.81
3	24 Aid Materials	0.00%	0.00%	0.00%	0.00%	0.00%	5	0.01	0.05
4	27 Art and Culture	48.36%	52.44%	39.02%	46.48%	41.88%	4	295.65	1,054.66
5	33 Residential Buildings	56.39%	45.82%	52.99%	52.60%	15.95%	2	7.84	33.92
6	34 Urban Development (Municipal Administration)	20.59%	36.89%	31.65%	23.82%	37.18%	5	1810.03	7,014.16
7	41 Natural Calamities	85.01%	74.01%	71.95%	47.25%	48.73%	2	2557.75	9,162.70

Sl. No.	Grant	2017-18	2018-19	2019-20	2020-21	2021-22	No. of Years*	Budget 2021-22	Total Budget (5 Years)
8	44 North Eastern Council Schemes	24.36%	25.04%	15.26%	11.44%	36.23%	5	1386.71	8,471.17
9	51 Soil and Water Conservation	65.17%	70.74%	68.80%	78.76%	40.48%	1	246.69	1,184.40
10	53 Dairy Development	68.12%	64.03%	70.23%	65.53%	26.87%	1	85.09	217.19
11	57 Rural Development	75.50%	29.89%	69.09%	55.08%	44.81%	2	8020.14	26,445.21
12	62 Power (Electricity)	65.33%	43.32%	42.52%	38.04%	39.25%	4	12922.67	30,471.90
13	66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	23.80%	61.04%	35.33%	63.42%	36.15%	3	846.93	3,452.18
14	67 Horticulture	53.40%	48.83%	42.68%	36.46%	47.69%	4	259.37	884.40
15	68 Loans to Government Servants, etc.	5.00%	92.12%	0.00%	---	0.00%	3	0.91	337.41
16	70 Hill Areas	35.67%	18.03%	11.62%	6.13%	40.58%	5	31.76	116.28

Source: Appropriation Accounts

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

The low utilisation under Grant No. 34 - Urban Development (Municipal Administration) had been mentioned as a point of concern in the previous year's report, and in the current year too, this grant has shown low utilisation of less than 50 per cent during the period 2017-22. Improving urban infrastructure is a challenge faced by the State, and the low utilisation on allocation against related grants is a cause for concern. State Government needs to examine the reasons for poor utilisation of allocated funds in this Grant and take appropriate corrective action expeditiously.

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

3.3.6 Excess Expenditure and its Regularisation

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

Although no time limit for regularisation of excess expenditure has been prescribed under the Article, the regularisation of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). Failure to do so is in contravention of constitutional provisions and defeats the objective of ensuring accountability by the Legislature of the executive over utilisation of public money.

3.3.6.1 Excess Expenditure relating to the year 2021-22

Excess expenditure over the provision for the year is not only in contravention of the provisions requiring legislative sanction but also indicative of bad planning, which

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

During 2021-22, out of an expenditure of ₹ 7,581.92 crore incurred in excess of the budget provision in three Grants, excess expenditure of ₹ 3747.85 crore incurred under one Grant is required to be regularised by the State Legislature as per Article 205 of the Constitution. The details of the Grant in which the excess expenditure occurred are shown in **Table 3.9**.

Table 3.9: Excess expenditure during 2021-22 requiring regularisation

(₹ in crore)						
Grant	Segment	Total Grant	Actual Expenditure	Gross Excess	Expenditure pertaining to previous years	Excess to be regularised
23 Pension	Revenue-Voted	9,643.80	17,214.05	7,570.25	3822.40	3747.85

Source: Appropriation Accounts

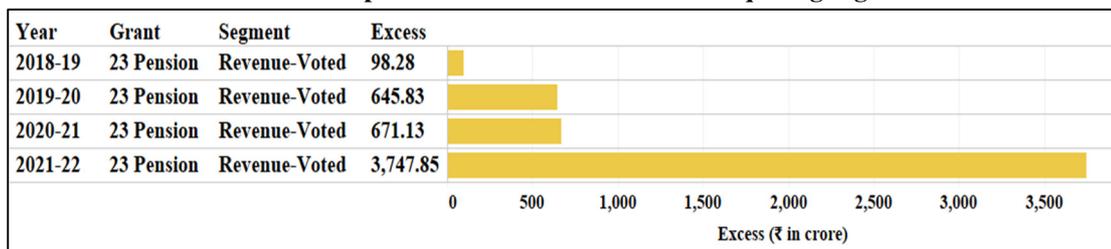
Out of an excess expenditure of ₹ 7,570.25 crore incurred over budget provision under Grant 23-Pension during the year, ₹ 3,822.40 crore pertained to previous years *i.e.*, 2017-18 to 2020-21 which could not be accounted for in the State Accounts during the years concerned due to non-reporting of pension payments by non-linked/ agency branches. Grant No. 23-Pension had shown excess expenditure during the last three years also. Moreover, an amount of ₹ 262.92 crore being pension payments of 2021-22 was not booked as expenditure in the State Accounts (2021-22). The reasons behind this has been detailed under Paragraph 3.5.1.2 of the Report. If these were taken into account, excess payment on pension requiring regularisation would have been ₹ 4,010.77 crore during the year.

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

3.3.6.2 Persistent excesses in certain Grants

Details of excess expenditure under Grant No. 23 over the approved allocation during the five-year period from 2017-18 to 2021-22, which require regularisation by the State Legislature, are given in **Chart 3.5**.

Chart 3.5: Excess expenditure under Grant No. 23 requiring regularisation



Besides the above, an excess expenditure of ₹ 1,490.23 crore was incurred in respect of ADC Grants *i.e.*, Grants No. 76, 77 and 78 during the last five years.

The PAC, *vide* Para 6 of its 161st Report placed in the State Legislature on 24 March 2020, had recommended that the Finance Department should take initiative to constitute a high-level Committee to study the present accounting system of the three Councils in view of the non-lapsable nature of funds as per their respective Fund Rules. As a result, Governor of Assam has constituted (February 2021) a High-Level Committee in order to streamline the matter of excess expenditure against grants across the State including Sixth Schedule Areas and Bodoland Territorial Region. The Committee held its first meeting on 02 November, 2021. The Report of the Committee is awaited (January 2023).

During the Exit Conference (January 2023), the Secretary, Finance Department assured to take suitable action on the issue.

3.3.6.3 Regularisation of excess expenditure of previous financial years

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

Table 3.10: Excess expenditure relating to previous years requiring regularisation

Year	Number of		Amount of excess over provision (₹ in crore)	Amount of excess recommended for regularisation (₹ in crore)
	Grants	Appropriations		
2005-06	2	2	2.45	2.45
2006-07	4	2	80.61	28.22
2007-08	9	2	113.24	113.24
2008-09	6	2	108.41	108.41
2009-10	3	Nil	10.18	14.84
2010-11	1	1	4.27	4.27
2011-12	5	2	915.14	915.14
2012-13	4	Nil	1,195.60	1,195.60
2013-14	5	Nil	1,499.89	1,499.89
2014-15	5	1	3,801.63	3,801.63
2015-16	3	Nil	243.77	243.77
2016-17	5	Nil	1,348.44	1,348.44
2017-18	2	Nil	264.47	264.47
2018-19	3	Nil	739.11	0
2019-20	2	Nil	1,159.23	0
2020-21	4	Nil	731.25	0
Total	63	12	12,217.69	9,540.37

Source: Appropriation Accounts

The PAC had discussed (February 2020 and February 2021) the excess expenditure for the years 2005-06 to 2017-18 and issued recommendation *vide* its 161st and 169th Reports for regularisation of the total excess expenditure amounting to ₹ 9,540.38 crore

under Article 205 of the Constitution. But the Act regularising the excess expenditure is yet to be introduced by the Government. The matter has been taken up with the Finance Department, their reply is awaited (October 2022). Grant-wise details of excess expenditure is given in *Appendix 3.6*.

3.3.7 Grants-in-Aid for creation of capital assets

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

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

There was an increase recorded in Capital Expenditure during 2021-22, primarily due to depiction of ₹ 6,168.69 crore of expenditure out of GIA as Capital Expenditure, instead of as Revenue Expenditure.

Table 3.11 and **Chart 3.6** highlight the extent of misclassification of GIA as Capital Expenditure instead of as Revenue Expenditure by the State during 2017-22.

Table 3.11: Extent of classification of GIA as Capital Expenditure

	2017-18	2018-19	2019-20	2020-21	2021-22
Capital Expenditure	7,692.84	11,034.08	13,185.42	12,399.39	20,125.83
Share of GIA in Capital Expenditure	3,945.04	5,489.95	6,225.45	5,640.47	6,168.69

Source: Appropriation Accounts

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

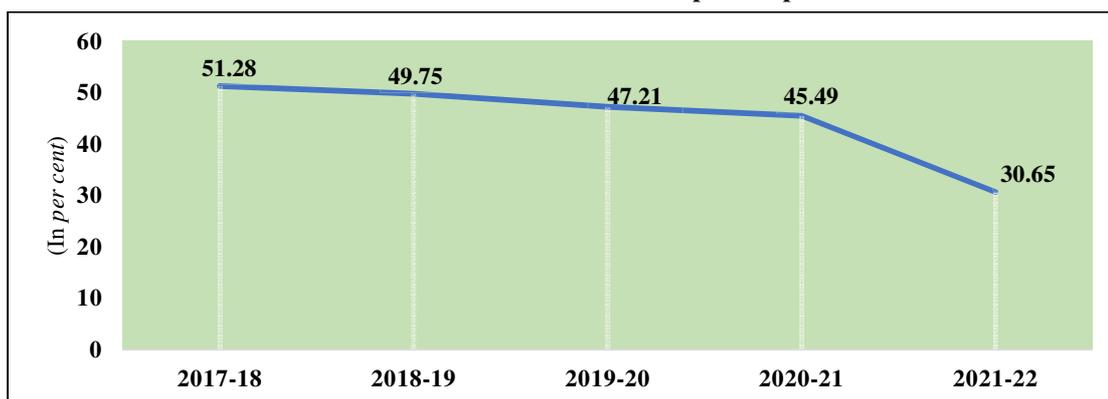


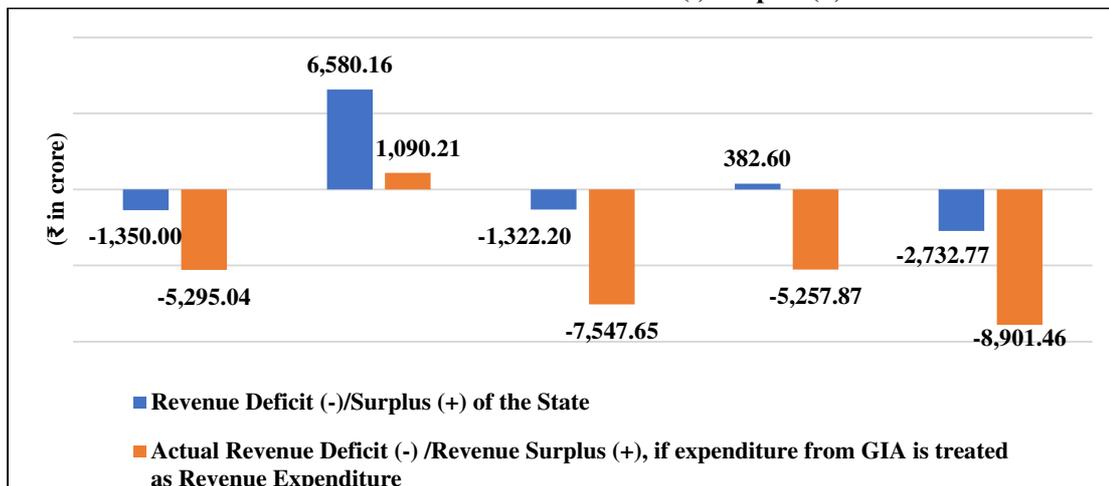
Table 3.12 and **Chart 3.7** indicate that the impact of non-compliance with the provisions of IGAS-2 by the State in absolute terms during 2017-22 was that Revenue Surplus was overstated and Revenue Deficit was understated during the period. Moreover, Capital Expenditure during the period was also overstated to that extent.

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

(₹ in crore)

	2017-18	2018-19	2019-20	2020-21	2021-22
GIA booked as Capital Expenditure	3,945.04	5,489.95	6,225.45	5,640.47	6,168.69
Revenue Deficit (-)/Surplus (+)	-1,350.00	6,580.16	-1,322.20	382.60	-2,732.77
Actual Revenue Deficit (-) /Revenue Surplus (+), if expenditure from GIA is treated as Revenue Expenditure	-5,295.04	1,090.21	-7,547.65	-5,257.87	-8,901.46

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



During the Exit Conference (January 2023), the Secretary, Finance Department assured that the Department would examine the issue and take appropriate action on it.

3.4 Comments on effectiveness of budgetary and accounting process

3.4.1 Budget projection and gap between expectation and actual

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

The summarised position of the budget including supplementary budget, actual expenditure, and excess/ savings during 2021-22 against 81 Grants/ Appropriations (78 Grants and three Appropriations) is given in **Table 3.13** as well as in **Chart 3.8**.

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

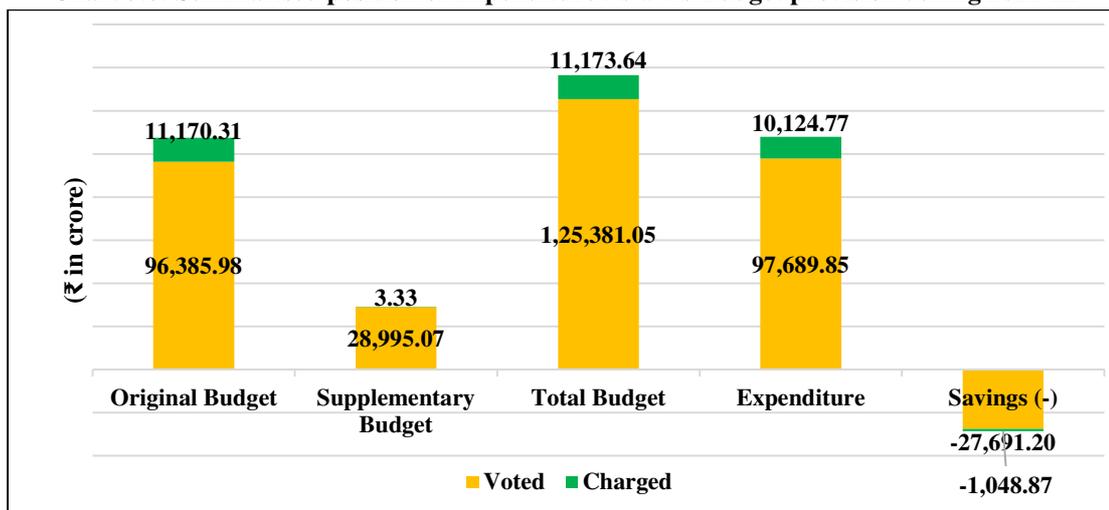
(₹ in crore)

Voted / Charged	Nature of Expenditure	Budget (Original)	Budget (Supplementary)	Total	Expenditure	Excess / Savings (-)	Excess / Savings (In per cent)
Voted	Revenue	76,771.39	15,344.12	92,115.51	77,456.72	-14,658.79	-15.91
	Capital Outlay	19,490.99	13,645.65	33,136.64	20,129.12	-13,007.52	-39.25
	Loans and Advances	123.60	5.3	128.9	104.01	-24.89	-19.31
	Total Voted	96,385.98	28,995.07	1,25,381.05	97,689.85	-27,691.20	-22.09
Charged	Revenue	7,634.08	3.33	7,637.41	6,597.88	-1039.53	-13.61

Voted / Charged	Nature of Expenditure	Budget (Original)	Budget (Supplementary)	Total	Expenditure	Excess / Savings (-)	Excess / Savings (In per cent)
	Capital	0	0	0	0	0	---
	Public Debt Repayment	3,536.23	0	3,536.23	3,526.89	-9.34	-0.26
	Total Charged	11,170.31	3.33	11,173.64	10,124.77	-1,048.87	-9.39
Total (Voted and Charged)		1,07,556.29	28,998.40	1,36,554.69	1,07,814.62	-28,740.07	-21.05

Source: Appropriation Accounts

Chart 3.8: Summarised position of Expenditure vis-à-vis Budget provision during 2021-22



It may be seen from **Table 3.13** that during the year 2021-22, Government of Assam (GoA) incurred expenditure of ₹ 1,07,814.62 crore against the total grants and appropriations of ₹ 1,36,554.69 crore resulting in overall savings of ₹ 28,740.07 crore. These savings stood at 21.05 per cent of total grants and appropriations made for the year. Huge savings were also 0.99 times the size of supplementary budget obtained during the year.

Of the overall savings of ₹ 28,740.07 crore, savings of ₹ 28,021.38 crore (97.50 per cent) occurred in 17 cases (₹ 500 crore and above in each case) at Segment level within 15 Grants/ Appropriations as indicated in **Appendix 3.7**.

Utilisation of budgeted funds by the State has been to some extent sub-optimal every year during the past five years. The extent of savings during the last five years is given in **Table 3.14**.

Table 3.14: Original Budget, Revised Estimate and Expenditure during 2017-22

Particulars	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Original Budget	85,922.69	90,269.92	99,418.91	1,03,761.63	1,07,556.29
Supplementary Budget	13,530.39	18,220.43	20,296.77	18,580.03	28,998.40
Revised Estimate	99,453.08	1,08,490.35	1,19,715.68	1,22,341.66	1,36,554.69
Actual Expenditure	68,586.99	72,331.34	83,031.07	82,888.63	1,07,814.62
Savings (-) /excess (+)	(-) 30,866.09	(-) 36,159.01	(-) 36,684.61	(-) 39,453.03	(-) 28,740.07
Per cent Savings	-31.04	-33.33	-30.64	-32.25	-21.05

Source: Appropriation Accounts

As can be seen from **Table 3.14**, savings of budget during the last five years ranged between 21.05 *per cent* and 33.33 *per cent*. Despite being pointed out in the SFARs year after year, the State Government has not taken any corrective measures.

3.4.1.1 Missing/ Incomplete Explanation for Variation from Budget

Apart from showing the expenditure against the approved budget, Appropriation Accounts also provide explanation for cases where the expenditure varies significantly from the budgeted provision (Original *plus* Supplementary). The limit beyond which such variation at the Sub-Head/ Sub-Sub-Head level (Unit of Appropriation) are to be explained in the Appropriation Accounts is set by the PAC.

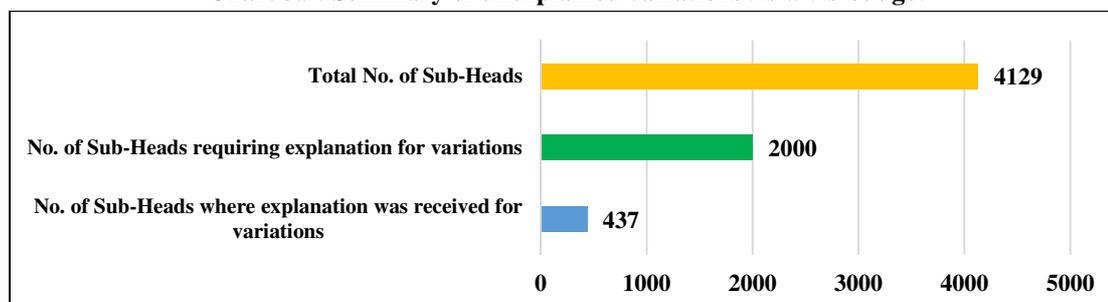
Accountant General (A&E) provides the draft Appropriation Accounts to the Controlling Officers of the Departments and seeks the reasons/ explanations for the variations in expenditure with reference to approved budgetary allocation in keeping with the limits set by the PAC.

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

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

Audit of Appropriation Accounts of 2021-22 and an analysis of the underlying accounting data revealed that the Controlling Officers have provided explanation for the variations in the expenditure *vis-à-vis* budgeted allocation in about 22 *per cent* of cases. Of the 81 Grants/ Appropriations, reasons for variation were called for in respect of 2,000 cases under 77 Grants/ Appropriations. However, reasons for variations in respect of only 437 cases under 35 Grants/ Appropriations were furnished by the Controlling Officers of Government Departments. Summary of unexplained variations over budget provision is given in **Chart 3.9** and grant-wise further details are given in **Appendix 3.8**.

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



Further analysis revealed that these 2,000 heads together accounted for savings of ₹ 34,030.88 crore in 76 Grant/ Appropriation and an excess of ₹ 9,298.73 crore in

15 Grants/ Appropriations. Out of these, variations have been explained only in 437 Sub-heads covering a savings of ₹ 10,781.40 crore and an excess of ₹ 19.97 crore and variations in respect of 1,563 Sub-heads covering savings of ₹ 23,249.48 crore (68.32 per cent) and an excess of ₹ 9,278.76 crore (99.79 per cent) remain unexplained due to non-receipt of replies from the concerned departments of State Government.

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

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

During the Exit Conference (January 2023), the Secretary, Finance Department, assured to issue suitable instructions to all the Administrative Departments for timely submission of explanation against significant variations against budget provisions.

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

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

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

The revised and earlier limits for explaining variation at Sub-Head level along with the corresponding figure in case of Government of Assam is given in **Table 3.15**.

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

Norms set by Central PAC		Norms by State PAC
Pre-Revised Norm (from 1993-94)	Revised Norm (from 2018-19)	Extant Norm (from 1987-88)
Variation (Excess or Savings) exceeding ₹ 100 lakh are explained	Variation (Excess or Savings) exceeding ₹ 500 lakh are explained	<i>No analogous norm</i>
All cases where the Variation (Excess or Savings) exceeds 10 per cent of the sanctioned provision or ₹ 50 lakh	All cases where the Variation (Excess or Savings) exceeds 10 per cent of the sanctioned provision or ₹ 250 lakh,	All cases where the Variation (Excess or Savings) exceeds 20 per cent of the sanctioned provision or ₹ 15 lakh,

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

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

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

During the Exit Conference (January 2023), the Secretary, Finance Department, assured to consider a suitable upward revision of variations in Sub-Heads requiring explanation, as suggested by Audit.

3.4.1.3 Large Variation from Budget at Grant level

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

As regards explanation for large excess/ savings at grant level, there is no such requirement presently set by State PAC. Even if the limit of ₹ 100 crore as applicable for Centre is considered for the State of Assam, explanation would be necessitated in 40 of the 81 Grants/ Appropriations. As observed in paragraph 3.3.5.2, Assam has seen significant under-utilisation of Budget in each of the last five years. Thus, the bigger problem in budgetary compliance is that of savings rather than excess.

Thus, it is recommended that Norms for Explaining Variation at Sub-Head Level may be considered for revision by the State PAC, as also setting an appropriate limit of

Savings at Grant/Appropriation level beyond which explanation would be required, and Finance Department may initiate necessary action in this regard.

During the Exit Conference (January 2023), the Secretary, Finance Department, agreed that a suitable norm at grant level, in line with Central PAC, would increase budgetary compliance and thus, the Department would analyse the issue and take suitable action.

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

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

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

In the Budget speech 2021-22, the Finance Minister had announced 18 flagship schemes, “*Astadash Mukutar Unnoyonee Maala*”, for the social and economic welfare of the people of the State.

Appropriation Accounts (2021-22) showed that there was no expenditure in 3 out of 18 flagship schemes announced by the State Government in the Budget of 2021-22. Scheme-wise details are given in **Table 3.16**.

Table 3.16: Details of the schemes for which provisions were made but no expenditure was incurred

(₹ in crore)				
Grant No.	Head details	Name of the Scheme	Budget Provision	Expenditure
30 Water Supply and Sanitation	4215-01-102-0778-971	Tap drinking water connection in tea garden labour lines	0.80	Nil
38 Welfare of SCs, STs, OBCs, <i>etc.</i>	2225-80-800-4535-000-26-99	Department of Indigenous Faith and Culture	100.00	Nil
64 Roads and Bridges	5054-03-337-0337-356	1000 Kilometres of Embankments Cum Roads	200.00	Nil

Source: Appropriation Accounts and Budget Documents

Further, in respect of the remaining 15 flagship Schemes, Government of Assam could spend ₹ 5,002.45 crore (75.68 per cent) against the total allocation of ₹ 6,610.20 crore made in its budget during 2021-22.

3.5 Review of Selected Grants

During the year 2021-22, two Grants - Grant No. 23 – Pension and Grant No. 73 – Urban Development (Guwahati Development Department) were selected for detailed scrutiny in audit to review compliance with prescribed budgetary procedures, monitoring of funds, control mechanisms and implementation of schemes within these grants. Outcome of the audit is discussed in the succeeding paragraphs.

3.5.1 Grant 23 – Pension

The Pension & Public Grievances Department, Government of Assam is the nodal department for formulation of policies relating to pension and other retirement benefits of state government employees. The Department administers and monitors the Acts and legislations relating to pension, general provident fund, group insurance scheme, commutation of pension, special family pension, *etc.* In 2021, Pension & Public Grievances Department was merged with Administrative Reform and Training Department and renamed as Administrative Reforms, Training, Pension and Public Grievances (ARTPPG) Department.

3.5.1.1 Budget and Expenditure

The overall position of budget provision, actual expenditure and savings/ excesses under this Grant during the five-year period 2017-22 is given below. All Budget provision under this Grant was for Revenue Expenditure, as shown in the table below.

Table 3.17: Budget and Expenditure

	(₹ in crore)				
Grant No. 23	2017-18	2018-19	2019-20	2020-21	2021-22
Budget Provision (O+S)	9,659.68	8,005.80	8,956.31	9,652.22	9,643.80
Expenditure	8,278.62	8,104.08	9,602.14	10,323.35	17,214.05
Savings (-)/ Excess (+)	-1,381.06	+98.28	+645.83	+671.13	+7,570.25
Savings (-)/ Excess (+) (per cent)	-14.30	+1.23	+7.21	+6.95	+78.50

Source: Appropriation Accounts

As can be seen from **Table 3.17**, there was excess expenditure over budget provision ranging from 1.23 *per cent* to 78.50 *per cent* during the last four years from 2018-19 to 2021-22.

During 2021-22, an amount of ₹ 7,570.25 crore was incurred in excess of the budget provision under Grant No. 23-Pension. Out of ₹ 7,570.25 crore, ₹ 3,822.40 crore was due to adjustment of pension payments of non-linked/ agency branches which were unaccounted for in the State Accounts during the previous years *i.e.*, 2017-18 to 2020-21. The reason for this has been discussed in the succeeding paragraph.

The Department stated (October 2022) that the reason for the remaining excess expenditure of ₹ 3,747.85 crore incurred over the budget provision during the year was due to:

- (i) non-availability of pensioners' database,
- (ii) non-availability of proper employee's database to determine the actual number of employees who are going to retire in the year,

- (iii) debiting of Major Head 2071 with the expenditure made by the department towards payment of provisional pension, for which no budget is estimated by the ARTPPG Department,
- (iv) non-inclusion/ non-receipt of the figure in time in respect of pension paid by other States and pensioners of other States drawing pension/ pensionary benefits from the Treasuries/ banks within the State of Assam, and
- (v) non-integration of Comprehensive Treasury Management Information System (CTMIS) with that of AG (A&E) to keep track of actual expenditure.

The PAC vide its 161st Report had recommended (Paragraph No. 3) to constitute a High-Level Committee to study the reason for excess expenditure under Grant No. 23. Accordingly, the ARTPPG Department had constituted a High-Level Committee on 11 June 2020. The Report of the Committee is awaited.

Excess expenditure vitiates the system of budgetary and financial control and encourages financial indiscipline in the management of public resources. Persistently large excess is indicative of incorrect assessment of actual needs of the Department and calls for a critical review of the budget preparation exercise of the Department.

3.5.1.2 Non-Reporting of Pension Payments and Under-estimation of Pension Liability

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

From January 2018, the RBI directed all agency (non-linked) bank branches to submit their claims pertaining to agency transactions directly to the RBI without routing through linked branches that act as aggregator. The RBI also directed all agency banks to send scrolls/ details of such payments made by them directly to the State Government/ Treasury. However, the non-linked branches making such payments have not been submitting the Date-wise Monthly Statement (DMS) and corresponding payment vouchers to the concerned Treasury, resulting in non-inclusion of such payments in accounts of the State. This resulted in huge discrepancy between the cash balance as reflected in the Finance Accounts, and as reported by RBI, with the entire pension payments made by the non-linked branches remaining unaccounted.

Pension payments of ₹ 3,822.40 crore made in the four years from 2017-18 to 2020-21 were not accounted for in the State Accounts. This difference was reconciled in the current year as given in **Table 3.18**.

Table 3.18: Year wise details non-reported pension payments

(₹ in crore)

Year	Amount of Non-Reported Pension Payments	Amount of Pension Payments accounted for during 2021-22	Difference
2017-18	112.59	112.59	Nil
2018-19	1,152.38	1,152.38	Nil
2019-20	1,348.35	1,348.35	Nil
2020-21	1,209.08	1,209.08	Nil
2021-22	1,105.70	842.78	262.92
Total	4,928.10	4,665.18	262.92

Source: Finance Accounts

As can be seen from **Table 3.18**, that an amount of ₹ 262.92 crore being pension payments of 2021-22 was not booked as expenditure in the State Accounts of the current year. If these were taken into account, excess payment under the grant would have been ₹ 7,833.17 crore during the current year.

Table 3.19 shows Budget provision, Expenditure on Pension (Major Head: 2071) and the amount of pension not reported to the Pr. AG (A&E) as per RBI's directions (January 2018) during 2017-18 to 2021-22.

Table 3.19: Budget and Expenditure on Pension (MH 2071)

(₹ in crore)

FY	Budget	Pension Payment		
		As per Finance Accounts	Excluded from Accounts	Including excluded amount
2017-18	9,682	8,287	113	8,400
2018-19	8,028	8,112	1,152	9,264
2019-20	8,982	9,609	1,348	10,957
2020-21	9,662	10,329	1,209	11,538
2021-22	9,653	17,601	263	17,864

It is evident from **Table 3.19** that Government of Assam is under-estimating pension liability since 2018-19. It is pertinent to mention here that C&AG has initially flagged the issue of non-reporting of the pension payment by agency banks in the SFAR of 2018-19. Despite being flagged since 2018-19, no corrective measures were taken by the State Government to address the issue. During the years 2020-21 and 2021-22, Government of Assam estimated the pension liability at ₹ 9,662 crore and ₹ 9,653 crore respectively against the actual expenditure on pension of ₹ 10,957 crore and ₹ 11,538 crore during 2019-20 and 2020-21 respectively.

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

It is strongly recommended that necessary steps may be taken for correcting the estimation as well as accounting of pension. Further, a comprehensive database of pensioners may be maintained by the State Government with timely addition and deletion of pensioners which would help in keeping a close watch on actual outgo and for a reasonable budget estimation.

3.5.1.3 Unnecessary Supplementary at Sub-Head Level

Supplementary provision under the following Heads of Account proved to be unnecessary as the final expenditure did not even reach the threshold of the original budget provision as depicted in the table below.

Table 3.20: Unnecessary Supplementary Provision

(₹ in crore)					
Sl. No.	Head of Account	Original Budget Provision	Expenditure	Savings out of Original Budget Provision	Supplementary Grant
1	2071-01-102-{4629}-[302]- Commutation Pension for sanction under Director of Pension for General Areas, Bodoland Territorial Council, N.C. Hills Autonomous Council and Karbi Anglong Autonomous Council	0.00	0.00	--	150.00
2	2071-01-102-{4629}-[301]- Commutation Pension for sanction under Accountant General for General Areas, Bodoland Territorial Council, N.C. Hills Autonomous Council and Karbi Anglong Autonomous Council	0.00	0.00	--	150.00
3	2071-01-102-Commuted value of Pension	21.40	0.10	-21.30	3.50
	Total	21.40	0.10	-21.30	303.50

Source: Appropriation Accounts

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

3.5.1.4 Persistent Savings under Minor Head

Two pensionary benefits funded by Grant No. 23, viz., Commuted value of pension, and Government Contribution for Defined Contribution Pension Scheme showed persistent large savings over the last five years, with average savings of 97.85 per cent and 7.74 per cent respectively as depicted in Table 3.21:

Table 3.21: Persistent Savings under Minor Head

(₹ in crore)					
Head of Account	Year	Total Grant (O + S)	Expenditure	Savings	
				Amount	Per cent
2071-01-102 Commuted value of pension	2017-18	416.36	3.28	-413.08	-99.21
	2018-19	316.62	9.90	-306.72	-96.87
	2019-20	348.28	6.49	-341.79	-98.14
	2020-21	477.20	2.55	-474.65	99.47
	2021-22	732.99	26.96	-706.03	-96.32
	TOTAL	2,291.45	49.18	-2,242.27	-97.85
2071-01-117 Government Contribution for Defined Contribution Pension Scheme	2017-18	665.00	565.89	-99.11	14.90
	2018-19	554.23	445.25	-108.98	-19.66
	2019-20	759.59	749.32	-10.27	-1.35
	2020-21	1,146.06	1,060.34	-85.72	-7.48
	2021-22	1,534.76	1,478.61	-56.15	-3.66
	TOTAL	4,659.64	4,299.41	-360.23	-7.73

Source: Appropriation Accounts

The Department stated (October 2022) that the reason for persistent savings under ‘2071-01-117 Government Contribution for Defined Contribution Pension Scheme’ was due to delay in receipt of the Staff Inspection Unit (SIU) approval as well as the transition phase of the online system and delay in receipt of Permanent Retirement Account Number (PRAN).

3.5.1.5 Savings of Entire Budget Provision

Budget provision of ₹ 383.39 crore made under the following four Head of Accounts, under Grant No. 23 for the year 2021-22 remained unutilised at the end of the year. Scheme-wise details are given in **Table 3.22**.

Table 3.22: Non-utilisation of budget provision

(₹ in crore)			
Sl. No.	Head of Account	Budget (O+S)	Expenditure
1	2071-01-101-{3188}- Pension Revision Arrears	28.53	0.00
2	2071-01-117-{5963}-Government Contribution under NPS-Lite-Swavalamban Scheme	54.86	0.00
3	2071-01-102-{4629}-[301]- Commutation Pension for sanction under Accountant General for General Areas, Bodoland Territorial Council, N.C. Hills Autonomous Council and Karbi Anglong Autonomous Council	150.00	0.00
4	2071-01-102-{4629}-[302]- Commutation Pension for sanction under Director of Pension for General Areas, Bodoland Territorial Council, N.C. Hills Autonomous Council and Karbi Anglong Autonomous Council	150.00	0.00
	Total	383.39	0.00

Source: Appropriation Accounts

The Department stated that savings in respect of ‘Government Contribution under NPS-Lite- Swavalamban Scheme’ was due to non-implementation of the scheme and the budgeted provision was not drawn.

3.5.1.6 Budget Allocation and Gap between Estimates and Actuals

Efficient management of budgetary expenditure holds the balance for achievement of various fiscal indicators. Budgetary allocations based on unrealistic proposals, poor expenditure monitoring mechanism, weak scheme implementation capacities/ weak internal controls lead to sub-optimal allocation among various developmental needs.

As per Para 6.5 of ABM, Budget Estimates (BEs) should neither be overestimated nor underestimated, and should normally follow the past actuals unless there have been important changes due to expansion or retrenchment. However, the Department stated that the BEs and REs were prepared based on a 10 per cent enhancement rate over the previous year’s Budget provision. The trends of increase/ decrease in budget provision vis-à-vis expenditure is given in **Table 3.23**.

Table 3.23: Trends in Budget Provision and Expenditure

(₹ in crore)						
Year	Budget Original (O)	Total Budget Provision (O+S)	Expenditure	Per cent increase in		
				Original	Total Budget	Expenditure
2017-18	9,659.68	9,659.68	8,278.62	26.12	26.12	26.31
2018-19	8,005.79	8,005.79	8,104.08	-17.12	-17.12	-2.11

Year	Budget Original (O)	Total Budget Provision (O+S)	Expenditure	Per cent increase in		
				Original	Total Budget	Expenditure
2019-20	8,956.31	8,956.31	9,602.14	11.87	11.87	18.49
2020-21	9,283.22	9,652.22	10,323.35	3.65	7.77	7.51
2021-22	8,687.00	9,643.80	17,214.05	-6.42	-0.09	66.75

Source: Appropriation Accounts

It is evident from **Table 3.23** that there was no uniformity in enhancement of budget provision as stated by the Department. Even a 10 *per cent* enhancement would have been insufficient as the change in actual expenditure ranged from -2.11 *per cent* to 66.75 *per cent* during the last five years.

Persistent excess expenditure indicates that the budget estimates are not being prepared realistically. Repeated excess expenditure is in violation of the will of the State Legislature.

3.5.1.7 Lack of Budgetary Control and Monitoring

Paragraph 11.16 of the Assam Budget Manual (ABM), 2012 provides that for monitoring the progress of expenditure and for provisions of additional funds when required, a statement in Form O in duplicate should be submitted by the Controlling Officer (CO) twice a year to the Finance Department, once by 25 November and again by 1st January at the latest. The first statement should be based on the previous seven months' actual expenditure and the second on eight months' actual expenditure, specifying the reasons for anticipated savings and excesses of expenditure over the sanctioned budget grants under each head. These returns would enable Finance Department to consider adjustment of budgetary provisions and additional financial implications, if any.

The Department stated that no such budgetary control mechanism has been carried out to monitor the progress of expenditure. However, the Department assured that the matter will be taken up by the Director of Treasury and Accounts and all Treasury Officers, and the budgetary control mechanism will be implemented from the next financial year.

Moreover, Para 11.8 of ABM, 2012, requires the DO to submit the monthly return of expenditure in Form B by 3rd of the following month to the CO. If the monthly return of expenditure has not been submitted by the DO by 7th of the month, a reminder has to be issued by the CO. Paragraph 11.9 of ABM, 2012, envisages that the submission of returns in Form B will be watched by the CO by means of a broadsheet as given in Form C so as to examine that the expenditure is within the appropriation and that it is not likely to be exceeded. The receipt of returns must be scrupulously watched, as the accuracy of the CO's accounts will depend upon their completeness and if necessary, a subsidiary broadsheet should be kept to watch them.

The Secretary, Pension & Public Grievances Department was declared as the Controlling Officer in respect of Budget Grant under Head of Account 2071 Pension and other Retirement Benefits vide Government of Assam Notification dated

10 February 1987. Accordingly, Budget Estimates/ Revised Estimate in respect of Grant No. 23-Pension, is being prepared by the ARTPPG Department.

However, the Department stated (October 2022) that the DDO/ Treasury Officers did not submit monthly returns of expenditure to the CO. Further, the CO did not issue any reminder to the DO for submission of the same. This is indicative of a lack of adequate monitoring and expenditure control mechanism in the Department which has resulted in persistent excess over the budget provisions in Grant No. 23.

3.5.1.8 Non-Reconciliation of Departmental Figures

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

The Public Accounts Committee (PAC) in its 161st Report (Paragraph 13) recommended that the departments should reconcile their figures with the Pr. Accountant General (A&E) on a monthly basis or at least a quarterly basis to avoid wrong booking of figures. However, the ARTPPG Department stated that it had not reconciled the departmental figures with the Accountant General (A&E) on monthly or quarterly basis during 2021-22.

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

3.5.2 Grant 73–Urban Development (Guwahati Development Department)

The Guwahati Development Department is responsible for infrastructure development of the city and executing development schemes for water supply, drainage, disposal of waste, development of water bodies, recreational facilities, Guwahati riverfront development, Integrated Traffic Management System, *etc.* The policies of the Department are mainly implemented by the Guwahati Municipal Corporation (GMC), Guwahati Metropolitan Development Authority (GMDA), Guwahati Metropolitan Drinking Water and Sewerage Board (GMDW&SB), and Guwahati Smart City Ltd. (GSCL) and Assam Urban Infrastructure Investment Program (AUIIP). In 2021, the Guwahati Development Department and Urban Development Department were merged into “Housing and Urban Affairs Department”.

3.5.2.1 Budget and Expenditure

The overall position of budget provision, actual expenditure and savings/ excesses under this Grant during the five-year period 2017-22 is given in **Table 3.24**.

Table 3.24: Budget and Expenditure

Grant No. 73		2017-18	2018-19	2019-20	2020-21	2021-22
Total (Revenue + Capital)	Budget Provision	1,748.05	1,524.84	993.81	1,130.15	1,156.49
	Expenditure	504.16	322.98	353.38	168.04	791.83
	Savings (-)/ Excess (+)	(-) 1,243.89	(-) 1,201.86	(-) 640.43	(-) 962.11	(-) 364.66
	Savings (-)/ Excess (+) (in per cent)	(-) 71.16	(-) 78.82	(-) 64.44	(-) 85.13	(-) 31.53
i) Revenue- Voted	Budget Provision	908.31	601.28	472.72	442.05	393.44
	Expenditure	136.36	106.78	118.47	50.46	210.32
	Savings (-)/ Excess (+)	(-) 771.95	(-) 494.50	(-) 354.25	(-) 391.59	(-) 183.12
	Savings (-)/ Excess (+) (in per cent)	(-) 84.99	(-) 82.24	(-) 74.94	(-) 88.59	(-) 46.54
ii) Capital- Voted	Budget Provision	839.74	923.56	521.09	688.10	763.05
	Expenditure	367.80	216.20	234.91	117.58	581.51
	Savings (-)/ Excess (+)	(-) 471.94	(-) 707.36	(-) 286.18	(-) 570.52	(-) 181.54
	Savings (-)/ Excess (+) (in per cent)	(-) 56.20	(-) 76.59	(-) 54.92	(-) 82.91	(-) 23.79

Source: Appropriation Accounts

The grant showed large overall savings, both on Revenue and Capital segments, with savings as a percentage of budget provision ranging from 46.54 per cent to 88.59 per cent in Revenue segment, and 23.79 per cent to 82.91 per cent in Capital segment, during the period 2017-22. There was a marked improvement in savings in the current year, with savings as a percentage of total budget provision reducing from 85.13 per cent in 2020-21 to 31.53 per cent in 2021-22.

3.5.2.2 Surrender of Savings

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

Table 3.25 details the Major Head-wise total Budget, Expenditure, Savings and Surrender of Savings under Grant No. 73, during the last five years, i.e., 2017-22.

Table 3.25: Segment-wise Budget and Expenditure

Major Head		2017-18	2018-19	2019-20	2020-21	2021-22
2217 – Urban Development	Total Budget (O + S)	908.31	601.28	472.72	442.05	393.44
	Budget (O)	607.07	591.64	339.50	326.72	387.44
	Budget (S)	301.24	9.64	133.22	115.33	6.00
	Surrender	0.00	494.43	0.00	0.00	0.00
	Expenditure	136.36	106.78	118.47	50.46	210.32
	Savings (-)/ Excess (+)	(-) 771.95	(-) 494.50	(-) 354.25	(-) 391.59	(-) 183.12
	Savings (-)/ Excess (+) (in per cent)	(-) 84.99	(-) 82.24	(-) 74.94	(-) 88.59	(-) 46.54

Major Head	Item	2017-18	2018-19	2019-20	2020-21	2021-22
4217 – Capital Outlay on Urban Development	Total Budget (O + S)	839.74	923.56	521.09	688.10	763.05
	Budget (O)	829.74	923.56	482.87	456.57	716.10
	Budget (S)	10.00	0.00	38.22	231.53	46.95
	Surrender	0.00	718.74	0.00	0.00	0.00
	Expenditure	367.80	216.20	234.91	117.58	581.51
	Savings (-)/ Excess (+)	(-) 471.94	(-) 707.36	(-) 286.18	(-) 570.52	(-) 181.54
	Savings (-)/ Excess (+) (in per cent)	(-) 56.2	(-) 76.59	(-) 54.92	(-) 82.91	(-) 23.79

Source: Appropriation Accounts

As can be seen from **Table 3.25**, large savings were seen at the Major Head level where allocation was made in the grant for the current year. Despite large overall savings at Major Head level of ₹ 183.12 crore under Major Head 2217 – Urban Development, and ₹ 181.54 crore under Major Head 4217 – Capital Outlay on Urban Development, no amount was surrendered. Such large savings at Major Head level were also seen in each of the last five years, but surrender of funds was done only once in the financial year 2018-19. Non-compliance with surrender of savings as per provisions of the Assam Budget Manual defeats the objective of efficient budget management.

The Department stated that some proposals for the release of funds are received in the later part of February. Hence, the expenditure could not be anticipated in advance and the savings could not be surrendered before 15 February.

3.5.2.3 Unnecessary/Excessive Supplementary Grant

Quantum of Supplementary Grant provided to the Guwahati Development Department under Grant No. 73 during the last five years *i.e.*, 2017-18 to 2021-22 is given in **Table 3.26** and also in **Chart 3.10** and **Chart 3.11**.

With large savings being exhibited in the Grant, the supplementary grant provision proved unnecessary in all the years in case of Revenue-Voted segment, and in four of the last five years in the Capital-Voted segment. In the financial year 2021-22, the supplementary grant of ₹ six crore in the Revenue-Voted segment and ₹ 46.96 crore in the Capital-Voted segment proved unnecessary as the expenditure was less than the original budget provision.

Table 3.26: Unnecessary Supplementary Provision

(₹ in crore)					
Segment	Year	Original Budget Provision	Expenditure	Savings out of Original Provision	Supplementary Grant
Revenue-Voted	2017-18	607.07	136.36	(-) 470.71	301.24
	2018-19	591.64	106.78	(-) 484.86	9.64
	2019-20	339.50	118.47	(-) 221.03	133.22
	2020-21	326.72	50.46	(-) 276.26	115.33
	2021-22	387.44	210.32	(-) 177.12	6.00
Capital-Voted	2017-18	829.74	367.80	(-) 461.94	10.00
	2018-19	923.56	216.20	(-) 707.36	0.00
	2019-20	482.87	234.91	(-) 247.96	38.22
	2020-21	456.57	117.58	(-) 338.99	231.53
	2021-22	716.10	581.51	(-) 134.59	46.96

Source: Appropriation Accounts

Chart 3.10: Unnecessary Supplementary grants under Grant No. 73 (Revenue-Voted Segment)

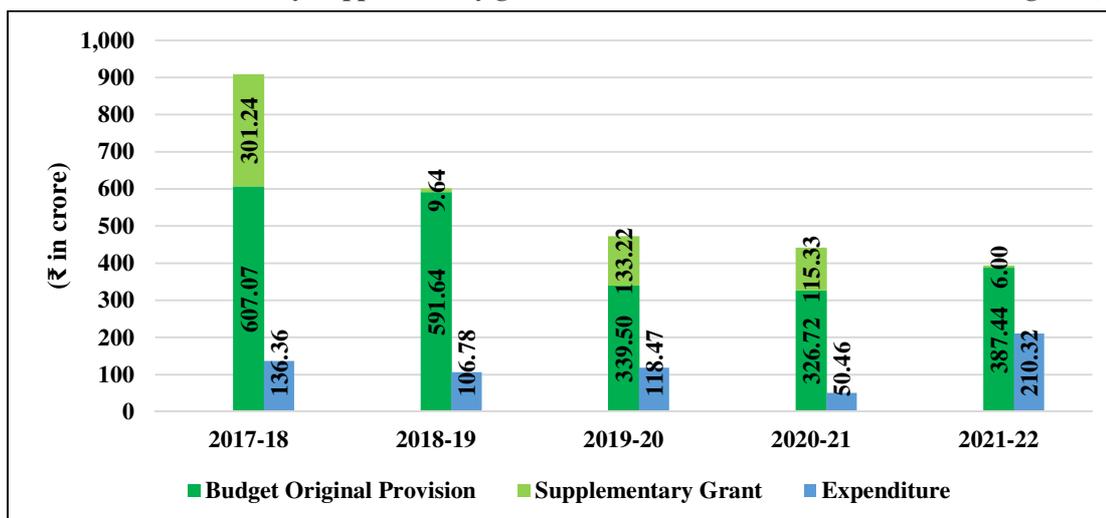
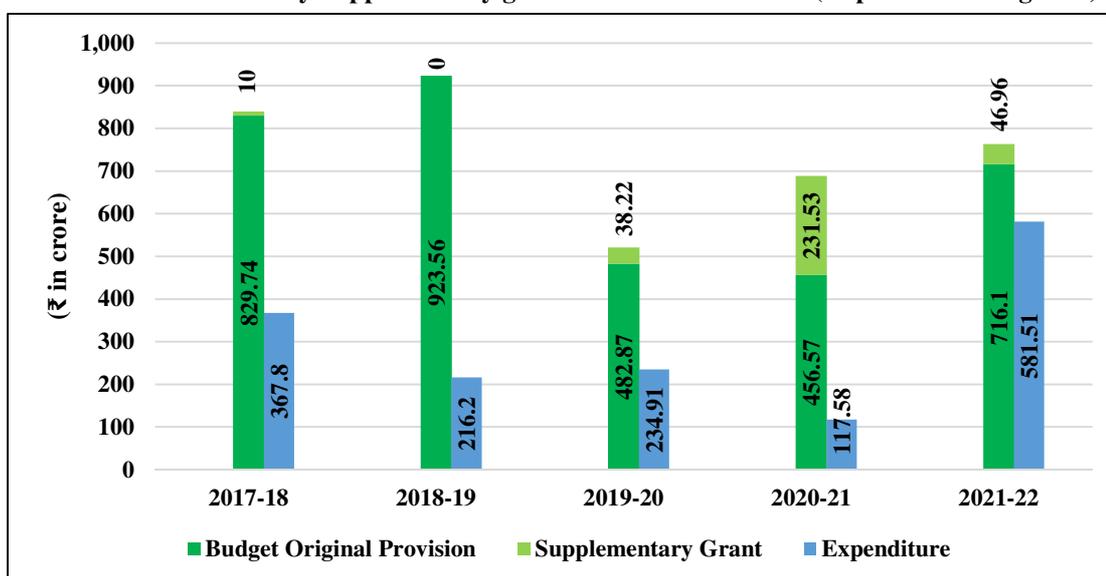


Chart 3.11: Unnecessary Supplementary grants under Grant No. 73 (Capital-Voted Segment)



Out of the total supplementary provision of ₹ 46.96 crore under the Capital-Voted segment, ₹ 31.96 crore was granted to Assam Infrastructure Project, as detailed in the table below.

Table 3.27: Unnecessary Supplementary under Sub-Head

(₹ in crore)					
Head of Account	Name of Scheme/ Programme	Original Budget Provision	Expenditure	Savings Out of Original	Unnecessary Supplementary Grant
4217-01-051- {4262}- [928]	Assam Infrastructure Project (ADB)	40.74	40.74	0.00	31.96

Source: Appropriation Accounts

The Department stated that the proposal for supplementary grant was submitted for timely completion of the project and to comply with Asian Development Bank guidelines. However, the administrative approval and financial sanction for ₹ 31.96 crore of supplementary provision was not accorded and the amount was not released.

3.5.2.4 Unnecessary Re-appropriation

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

As per Paragraph 9.2 of ABM, 2012, Finance Department has the power to sanction/ authorise any re-appropriation within a Grant, which does not involve undertaking of a recurring liability. Copies of such orders sanctioning any re-appropriation must be communicated to the Principal Accountant General as soon as they are passed.

Within Grant No. 73, enhancement in provision through re-appropriation by ₹ 13.88 crore proved unnecessary in one Sub-Head as expenditure was less than the total original and supplementary budget provision, as detailed in the table below.

Table 3.28: Unnecessary Re-appropriation

(₹ in crore)

Head of Account	Budget Provision (O+S)	Expenditure	Savings against Budget Provision (O+S)	Re-appropriation	Total Savings
4217-01-051- {2173}- City Infrastructure	71.74	71.52	(-) 0.22	13.88	(-) 14.09

Source: Appropriation Accounts

The Department stated that savings occurred due to approval of re-appropriation proposal at the end of the financial year (March 2022).

3.5.2.5 Persistent Savings under Sub-Head

The four schemes listed in **Table 3.29** showed large and persistent savings in the last three years, with average savings in each scheme exceeding 50 per cent during the period 2019-22.

Table 3.29: Persistent Savings under Sub-Head

(₹ in crore)

Head of Account	Year	Total Grant	Expenditure	Details of Savings		Reply of the Department
				Amt.	Per cent	
2217-05-191-{5446}- [088] Solid Waste Disposal (Under Award of 5th ASFC)	2019-20	5.00	0.00	-5.00	-100.00	Savings occurred due to non-receipt of AA and FS.
	2020-21	4.50	0.00	-4.50	-100.00	
	2021-22	10.78	0.00	-10.78	-100.00	
	Total	20.28	0.00	-20.28	-100.00	
4217-01-051- {1590}-[402] Land Acquisition for Dvlp. of Solid Waste Mgmt. Plan for the City	2019-20	10.00	8.00	-2.00	-20.00	Savings occurred due to non-release/ partial release of Fixation of Ceiling (FOC) against FS.
	2020-21	9.50	0.00	-9.50	-100.00	
	2021-22	12.26	0.00	-12.26	-100.00	
	Total	31.76	8.00	-23.76	-74.81	
4217-01-051- {1590}-[410] Development of Digital Master Plan	2019-20	3.00	0.00	-3.00	-100.00	The work was not taken up by GMDA as preparation of a GIS-based Master Plan for GMA is taken up under
	2020-21	2.85	0.04	-2.81	-98.60	
	2021-22	0.48	0.00	-0.48	-100.00	
	Total	6.33	0.04	-6.29	-99.37	

Head of Account	Year	Total Grant	Expenditure	Details of Savings		Reply of the Department
				Amt.	Per cent	
						AMRUT since March 2019.
4217-01-051- {1590}-[419] Construction of Car Parking at Various Locations of the City	2019-20	5.00	0.00	-5.00	-100.00	Savings was due to delay in issue of AA, delay in tender process due to lockdown, and non- release of FOC.
	2020-21	0.95	0.00	-0.95	-100.00	
	2021-22	0.86	0.00	-0.86	-100.00	
	Total	6.81	0.00	-6.81	-100.00	

Source: Appropriation Accounts

3.5.2.6 Savings of Entire Budget Provision

Budget provision of ₹ 209.51 crore made under the following nine schemes/ projects, with individual allocation in excess of ₹ one crore, for the year 2021-22 under Grant No. 73 remained unutilised at the end of the year. Scheme-wise details along with response of the Department is given in **Table 3.30**.

Table 3.30: Non-utilisation of budget provision

(₹ in crore)

Sl. No	Head of Account	Budget Provision	Expenditure	Reply of the Department
1	2217-80-800- {0798}- [626] Procurement of Vehicles & Machineries for Urban Flood Mitigation	16.00	0.00	Non-receipt of approval of the competent authority for administrative approval & financial sanction.
2	2217-80-800- {0798}- [627] Solid Waste Management	1.60	0.00	Non-receipt of administrative approval & financial sanction.
3	2217-80-800- {5681}- [927] Smart City Mission [Central Share]	56.48	0.00	Non-receipt of financial sanction by GoI against the Central share, resulting in non-release of Central share and State share.
4	2217-80-800- {5681}- [928] Smart City Mission [State Share]	56.48	0.00	
5	4217-01-051- {1590}- [402] Land Acquisition for Development of Solid Waste Management Plan for the City	12.26	0.00	Non-release of FOC.
6	4217-01-051{2173}- [088] Guwahati Municipal Corporation (G.M.C.)	4.80	0.00	Standing Finance Committee (SFC) has approved the proposal on 'Shelter for Economically Challenged Cancer Patients' amounting to ₹ 4.80 crore on 18 February 2022. However, Hon'ble CM directed to process the proposal in the next FY. As a result, savings occurred.
7	4217-01-051- {5643}- [927] Guwahati Sewerage Project (JICA) Central Share	36.00	0.00	Non-approval of the revised DPR by JICA, non-receipt of administrative approval, FS & non-release of funds by GoA.
8	4217-01-051- {5643}- [928] Guwahati Sewerage Project (JICA) State Share	15.12	0.00	
9	2217-05-191- {5446}- [088] Guwahati Municipal Corporation	10.77	0.00	Non-receipt of administrative approval.
Total		209.51	0.00	

Source: Appropriation Accounts (2021-22)

3.5.2.7 Trends of Expenditure

Paragraph 11.17 of the Assam Budget Manual, 2012, states that a rush of expenditure particularly in the closing month of the financial year is regarded as a breach of financial regularity. Further, the Finance Department vide its letter dated 2020 had stated that not more than 35 per cent of the total expenditure shall be permitted to be spent in the last quarter of the year.

Scrutiny disclosed that out of the total expenditure of ₹ 791.83 crore under Grant No. 73 in the current financial year 2021-22, ₹ 539.20 crore was spent in March 2022. Schemes with more than 35 per cent of the total expenditure in March have been given in **Table 3.31**.

Table 3.31: Trend of Expenditure during March 2022

(₹ in crore)

Head of Account	Expenditure in March	Total Expenditure	Per cent Expenditure in March
2217-05-191-{5710}-[088]-Award of SFC-GMC	14.77	14.77	100.00
2217-80-800-{0798}-[133]-GMC Employees' Pension	42.30	42.30	100.00
2217-80-800-{0798}-[620]-Payment of Property Tax	51.47	51.47	100.00
2217-80-800-{0798}-[622]-Mission Flood Free	40.00	40.00	100.00
2217-80-800-{0798}-[623]-GMC Election	7.20	7.20	100.00
2217-80-800-{0798}-[624]-Payment of Energy Charge to APDCL	16.00	16.00	100.00
2217-80-800-{0798}-[625]-Installation & Repairing of Street Lights	5.00	5.00	100.00
2217-80-800-{1590}-GMDA	11.41	30.61	37.28
4217-01-051-{1590}-[413]-Development of Ropeway Terminus in Guwahati and North Guwahati	0.92	2.42	38.02
4217-01-051-{4078}-[927]-South Guwahati Central Water Supply Project & North Guwahati Water Supply Project (JICA)-Central Share	271.72	271.72	100.00
4217-01-051-{4078}-[928]-South Guwahati Central Water Supply Project & North Guwahati Water Supply Project (JICA)-State Share	46.43	46.43	100.00
4217-01-051-{5936}-Improvement of Infrastructure of Guwahati City	15.27	39.28	38.87
Total	522.49	567.20	92.12

Source: Appropriation Accounts

Scrutiny of a few selected schemes disclosed that though funds totalling ₹ 373.33 crore were drawn in March 2022, only ₹ 65.05 crore (17.42 per cent) could be utilised during March 2022, leading to unnecessary parking of funds in the bank account. Details are shown in **Table 3.32**.

Table 3.32: Parking of funds in bank accounts

(₹ in crore)

Sl. No.	Name of scheme	Amount drawn in March 2022	Expenditure during March 2022	Balance at the end of FY	Bank A/c where funds are parked	Up to date balance (Aug 2022)
1.	Award for State Finance Commission	14.76	0	14.76	XXX350 ICICI, Guwahati	14.76
2.	Mission Flood Free	40.00	21.54	18.46	XXX921 Axis Bank, Guwahati	18.46

Sl. No.	Name of scheme	Amount drawn in March 2022	Expenditure during March 2022	Balance at the end of FY	Bank A/c where funds are parked	Up to date balance (Aug 2022)
3	South Guwahati Central Water Supply Project and North Guwahati Water Supply Project (JICA) (Central share)	271.72	31.17	244.55	XXX280 SBI Dispur Branch	218.00
4	South Guwahati Central Water Supply Project and North Guwahati Water Supply Project (JICA) (State share)	46.43	12.34	34.09	XXX280 SBI Dispur Branch	27.74
5	Construction of Sonaram path, Geeta Nagar, Guwahati	0.21	0	0.21	XXX256 Axis Bank, Guwahati	0.21
6	Construction of Nara Narayan Path (Balance Portion) Ghoramara, Guwahati	0.21	0	0.21	XXX256 Axis Bank, Guwahati	0.21
	Total	373.33	65.05	312.28		279.38

Source: Information furnished by Finance Department

It was observed that out of the total drawal of ₹ 373.33 crore against six schemes, ₹ 93.95 crore (25.17 per cent) could be utilised till August 2022, leaving a balance of ₹ 279.38 crore (74.83 per cent), which indicate that funds were drawn just avoid the lapse of budget grant.

Parking of funds not only reduces cash liquidity and overall flexibility of the Government but also vitiates the budgetary planning. Parking of funds also deprives cash-strapped Departments from spending on urgent and important objects while other Departments hold such funds for long, without these being put to any fruitful purpose.

3.5.2.8 Inadequate monitoring and expenditure control mechanism

Scrutiny showed that neither the COs submitted Form O to Finance Department nor obtained a similar Statement from Dos in terms with para 11.16 of ABM, 2012. Similarly, DOs did not submit any monthly returns of expenditure to Cos in terms with para 11.8 of ABM, 2012, and further COs also did not insist for monthly returns of expenditure through the issue of reminders. The COs did not watch scrupulously the monthly returns of expenditure by maintaining broadsheet in terms with para 11.9 of ABM, 2012, which is indicative of the existence of an inadequate monitoring and expenditure control mechanism in the department which resulted in persistent savings over grants.

3.6 Conclusion

- Budgetary assumptions of Government of Assam (GoA) continued to be unrealistic and overestimated during 2021-22, as the State Government incurred an expenditure of ₹ 1,07,814.62 crore, against 81 grants and appropriations of ₹ 1,36,554.69 crore, resulting in overall savings of ₹ 28,740.07 crore during the

year as against the savings of ₹ 39,453.03 crore during the previous year. These savings stood at 21.05 *per cent* of total grants and appropriations made for the year.

- These savings may be seen in the context of over estimation of receipts of ₹ 1,19,423.05 crore by the State Government and the estimation on the expenditure side being ₹ 1,36,554.69 crore during the year 2021-22. As against the estimated receipts, the actual receipts were ₹ 99,584.83 crore only thereby restricting the total expenditure during the year to ₹ 1,07,814.62 crore. This implied that the savings were notional, as the funds were not actually available for expenditure.
- Savings during the year accounted for about 20 *per cent* of the budget; however, the Controlling Officers neither surrendered the funds during the year, nor provided any explanations to the Principal Accountant General (A&E) for variations in expenditure *vis-à-vis* allocations.
- The Department (Grant No. 23-Pension) incurred excess expenditure amounting to ₹ 3,747.85 crore, requiring regularisation, over and above the authorisation during 2021-22. Moreover, excess expenditure of ₹ 38.12 crore was incurred in 15 Sub-Heads under five Grants (₹ 15 lakh and above in each case) without budget provision.
- Review of selected grants revealed that the Administrative Reforms, Training, Pension and Public Grievances (ARTPPG) Department had persistent excess ranging between 1.23 *per cent* and 78.50 *per cent* during the period 2018-22 under Grant No. 23. During the current year, an amount of ₹ 7,570.25 crore was incurred in excess of the budget provision.
- Review of selected Grant-73 showed large overall savings, both on Revenue and Capital segments, with savings as a percentage of budget provisions ranging from 46.54 *per cent* to 88.59 *per cent* in Revenue segment, and 23.79 *per cent* to 82.91 *per cent* in Capital segment, during the period 2017-22. There was a marked improvement in savings in the current year, with savings as a percentage of total budget provisions reducing from 85.13 *per cent* in 2020-21 to 31.53 *per cent* in 2021-22.

3.7 Recommendations

- i. *State Government may formulate a realistic budget based on reliable assumptions of likely resource mobilisation, the needs of the Departments and their capacity to utilise the allocated resources so as to avoid inflated budget without actual resources;*
- ii. *State Government may institute an appropriate control mechanism to enforce proper implementation and monitoring of budget to ensure that large savings within the grant/ appropriation are controlled, and anticipated savings are identified and surrendered within the specified timeframe;*

- iii. *Finance Department may critically review the Departments having persistent savings for prudential budget allocation and monitoring of expenditure;*
- iv. *Controlling Officers should explain the variation in expenditure from the allocation in time to facilitate proper analysis of budget and preparation of meaningful Appropriation Accounts.*
- v. *The State Government needs to reconcile the accounting discrepancies with the Reserve Bank of India/ Banks as regards pension payments of the State.*

Chapter 4
**Quality of Accounts &
Financial Reporting
Practices**

Chapter 4 Quality of Accounts & Financial Reporting Practices

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

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

Issues related to completeness of accounts

4.1 Non discharge of interest liability

The Government has a liability to provide and pay interest on the amounts in the interest-bearing Reserve Funds and Deposits. It was observed from Statement 21 of Finance Accounts 2021-22 that despite the existence of balances in these Reserve Funds and Deposits, no interest liability was discharged by the Government during the year, as detailed in the following table.

Table 4.1: Non discharge of interest liability

(₹ in crore)				
Sector	Sub-Sector	Rate of Interest	Balance at the beginning of 2021-22	Interest Payable
J-Reserve Funds	(i) Reserve Funds bearing interest (SDRF)	6.0 per cent (Overdraft rate)	768.43	46.11
	(ii) Reserve Funds bearing interest (SCAF)	3.35 per cent *	560.81	18.79
K-Deposits and Advances	(i) Deposits bearing interest MH 8342 (NPS)	8 per cent**	316.75	25.34
	(ii) MH 8336, 8338, 8342 (103 & 120)	6.0 per cent (Overdraft rate)	23.76	1.43
Total			1,669.75	91.67

Source: Finance Accounts

*As per rate notified by Government of India vide letter dated 11 January 2022.

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

Non-payment of interest of ₹ 91.67 crore had resulted in understatement of Revenue Deficit and Fiscal Deficit to that extent during the year.

4.2 Funds transferred directly to State implementing agencies

GoI has been transferring sizeable quantum of funds directly to the State Implementing Agencies (SIAs)/ Non-Government Organisations (NGOs) for implementing various

Central schemes/ programmes. As these funds are not routed through the State budget/ State Treasury system, these are not reflected in the accounts of the State Government.

The following table provides the quantum of fund transferred to the State implementing agencies during the last five years *i.e.*, 2017-22.

Table 4.2: Direct Transfer of Funds by GoI

(₹ in crore)

Direct transfers to State Implementing Agencies	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Funds transferred	4,702.20	4,534.21	5,946.75	7,733.54	12,543.88	35,460.58

Source: Finance Accounts

As can be seen from the table above, transfer of funds increased by 62.20 *per cent* from ₹ 7,733.54 crore in 2020-21 to ₹ 12,543.88 crore in 2021-22. Out of the total amount of ₹ 12,543.88 crore of direct transfers, ₹ 5,354.11 crore of the Central Assistance/ Share was transferred to the intermediaries (*i.e.*, NGOs, Societies, *etc.*) and ₹ 7,189.77 crore was directly transferred to the beneficiaries. Further, out of the total amount of ₹ 12,543.88 crore of direct transfer of funds by GoI, ₹ 6,270.13 crore was transferred for implementation of Centrally Sponsored Schemes. This pertained primarily to the two Centrally Sponsored schemes - Jal Jeevan Mission/ National Drinking Water Mission and Mahatma Gandhi National Rural Guarantee Programme, where the amount of direct transfer to the implementing agencies of ₹ 4,201.01 crore and ₹ 1,979.73 crore respectively represented 100 *per cent* and 88 *per cent* respectively of the total transfer under these schemes.

The direct transfer of ₹ 6,270.13 crore of CSS funds directly to implementing agencies of the State constituted 7.86 *per cent* and 21.96 *per cent* of Revenue Receipts (₹ 79,815.19 crore) and Grants-in-Aid (₹ 28,551.76 crore) respectively. The State Government accounts for the year 2021-22 depicts only ₹ 16,736.31 crore under Central share of Centrally Sponsored Schemes.

4.3 Delay in Submission of Utilisation Certificates

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

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

Audit scrutiny revealed that 13,682 UCs in respect of grants aggregating ₹ 36,687.84 crore given to 52 Departments of the State Government during the period from 2001-02 to 2020-21 had not been submitted. UCs for 3,346 grants of ₹ 23,942.88 crore paid in 2021-22 would become due only in 2022-23. Age-wise details of delays in submission of UCs due up to the year 2021-22 is given in **Table 4.3**.

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

(₹ in crore)

Drawal Year	Opening Balance		Addition		Clearance		Due for submission	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2019-20	11,703	33,053.89	2,732	22,833.65	2,324	12,651.41	12,111	43,236.13
2020-21	12,111	43,236.13	2,800	21,065.58	394	3,606.64	14,517	60,695.07
2021-22	14,517	60,695.07	3,266*	19,189.62	835**	24,007.23	13,682	36,687.84

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

*During 2021-22, 3,346 grants amounting to ₹ 23,942.88 crore were disbursed. Although UCs for GIA disbursed during 2021-22 were due only during 2022-23, 80 UCs amounting to ₹ 4,753.26 crore were submitted during 2021-22 itself and hence, net figure has been shown in the 'Addition' column and has been excluded from the closing balance of 2021-22.

**Does not include 80 UCs amounting to ₹ 4,573.26 crore pertaining to grants released in 2021-22 for which UCs have been submitted before 31 March 2022 itself.

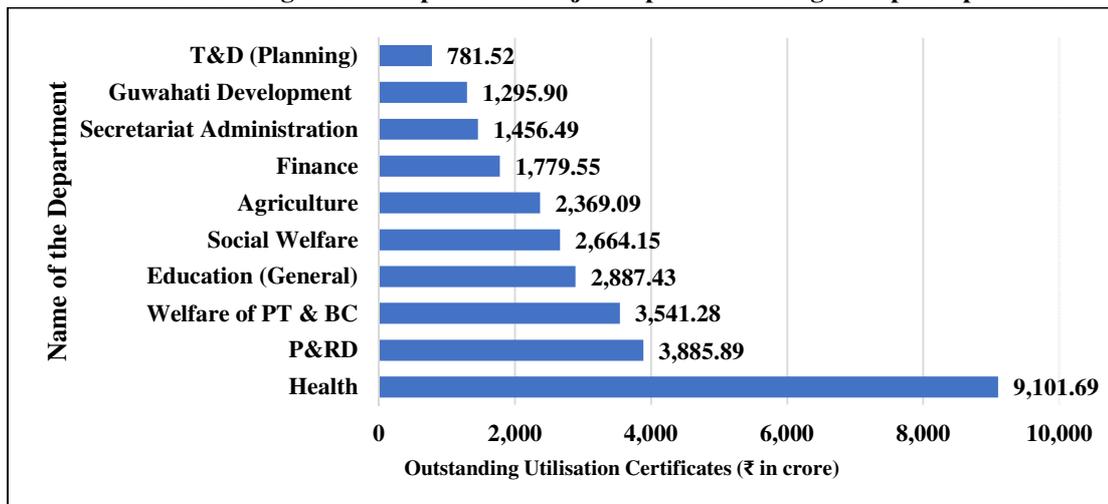
Table 4.4: Year wise break up of outstanding UCs
(₹ in crore)

Drawal Year	Number of UCs	Amount
2001-02	833	54.26
2002-03	409	36.22
2003-04	744	197.07
2004-05	949	145.80
2005-06	712	203.12
2006-07	654	194.27
2007-08	463	220.85
2008-09	341	305.75
2009-10	122	447.19
2010-11	306	395.16
2011-12	275	583.03
2012-13	289	827.68
2013-14	393	1,237.32
2014-15	793	1,590.81
2015-16	477	2,884.07
2016-17	21	104.93
2017-18	192	1,809.25
2018-19	904	4,612.69
2019-20	2,289	9,789.57
2020-21	2,516	11,048.80
Total	13,682	36,687.84

Analysis of year-wise details of pending UCs and the amounts involved tabulated alongside shows that UCs have not been submitted for an amount of ₹ 36,687.84 crore released over the years. To the extent of non-submission of UCs, there is no assurance that the amount shown in the Finance Accounts had actually been spent in keeping with the sanction and cannot be vouched as correct or final. **Table 4.4** given alongside also reveals that 75 per cent of outstanding UCs pertain to the last five years i.e., 2016-21. Department-wise break-up of outstanding UCs for the grants paid up to the year 2020-21 is given in **Appendix 4.1**.

Status of outstanding UCs in respect of 10 major departments is given in **Chart 4.1**.

Chart 4.1: Outstanding UCs in respect of 10 major Departments for grants paid up to 2020-21



In the absence of the UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which those were given, and since 31 *per cent* of the Capital Expenditure is being incurred out of GIA, in the absence of UCs, it could not be ascertained whether the assets had been created.

During the Exit Conference (January 2023), the Secretary (Finance) informed that the Government has been taking series of review meetings along with reconciliation programmes with the Administrative Departments/ DDOs to reduce the numbers of Outstanding Utilisation Certificates.

4.4 Abstract Contingent Bills

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

During 2021-22, 32 AC bills were drawn for an amount of ₹ 25.57 crore, of which 20 AC bills for an amount of ₹ 13.98 crore (54.67 *per cent*) were drawn in March 2022. As of 31 March 2022, 38 Departments of Government of Assam had not submitted DCC bills for ₹ 958.37 crore against 1,540 AC Bills. Year-wise details of pendency of DCC bills for the years up to 2021-22 is given in **Table 4.5**.

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

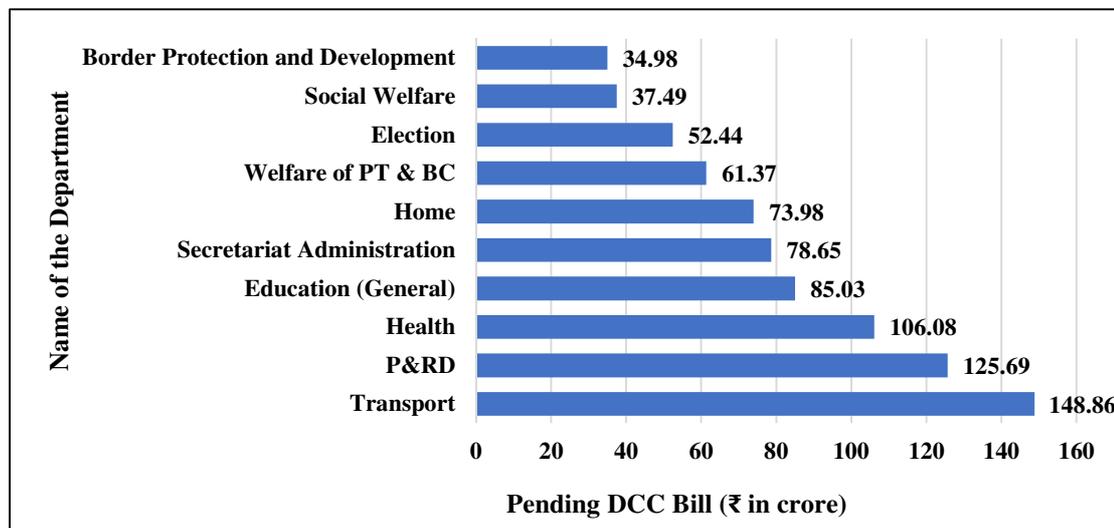
(₹ in crore)

Year	Opening Balance		Addition		Clearance		Closing Balance	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Up to 2019-20	1,323	965.82	282	66.39	173	149.35	1,432	882.86
2020-21	1,432	882.86	249	174.89	33	6.91	1,648	1,050.84
2021-22	1,648	1,050.84	32	25.57	140	118.04	1,540	958.37

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

Department-wise pending DCC bills for the years up to 2021-22 are detailed in *Appendix 4.2* while status of pending DCC bills in respect of 10 major departments is given in **Chart 4.2**.

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



Expenditure against AC bills at the end of the year indicates poor public expenditure management. Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DC bills. Further, to the extent of non-receipt of DCC bills, the expenditure shown in the Finance Accounts cannot be asserted as correct or final.

During the Exit Conference (January 2023), the Secretary, Finance Department, assured to issue instructions to all concerned Departments for early submission of DCC bills.

4.5 Personal Deposit Accounts

Under specific circumstances, the Government may authorise the opening of Personal Deposit (PD) accounts for operation by designated Administrators. Transfer of funds to PD accounts is booked under the service major heads, as expenditure under the Consolidated Fund of the State. Under Rule 325 of Treasury Rules, 2017 of Government of Assam, the Administrators are required to close such accounts on the last working day of the year and transfer the unspent balances back to the Consolidated Fund, with the PD accounts being reopened in the next year, if necessary. Government of Assam, however, did not follow this procedure.

The following table provides the status of funds lying in PDA on the last day of the financial year during 2017-22.

Table 4.6: Parking of funds in Personal Deposit Accounts during 2017-22

Year	(₹ in crore)				
	2017-18	2018-19	2019-20	2020-21	2021-22
Funds parked in PDA	0.60	0.60	0.57	0.57	0.09

Source: Finance Accounts

As on 31 March 2022, there were nine PD Accounts under which ₹ 0.09 crore was lying. During the year 2021-22, no amount was transferred to these PD Accounts. The

accounts were not closed at the end of the financial year and the amount was not credited back to the Consolidated Fund of the State.

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

During the year 2021-22, none of the 22 Administrators of Personal Deposit Accounts had reconciled and verified their balances with the treasury figures and the annual verification certificate was also not furnished to the Accountant General (A&E) Office.

4.6 Indiscriminate use of Minor Head 800

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

During 2021-22, the State Government classified receipts of ₹ 1,068.81 crore (1.34 *per cent* of total Revenue Receipts of ₹ 79,815.19 crore), pertaining to 44 Major Heads, under the Minor Head '800 - Other Receipts' while an expenditure of ₹ 16,668.59 crore was booked under Minor Head 800 under 71 revenue and capital Major Heads of Account, constituting 16.23 *per cent* of the total revenue and capital expenditure of ₹ 1,02,673.79 crore.

Instances of substantial proportion (50 *per cent* or more and ₹ 100 crore or more) of the expenditure within a given Major Head, classified under the Minor Head 800 – 'Other Expenditure', are given in **Table 4.7**.

Table 4.7: Significant expenditure booked under Minor Head 800 – Other Expenditure during 2021-22

(₹ in crore)

Sl. No.	Major Head	Major Schemes under Minor Head 800	Expenditure under Minor Head 800	Total Expenditure	Per cent
1	2075 - Miscellaneous General Services	Assam Infrastructure Financing Authority	357.87	377.29	94.85
2	2210 - Medical and Public Health	NHM	3,824.84	6,184.07	61.85
3	2217 - Urban Development	PMAY (Housing for All), AMRUT, GMC, City Amenities Development Fund, NULM, GMDA	817.11	1,503.09	54.36
4	2225 - Welfare of Scheduled Castes, Scheduled Tribes, Other Backward	One Time Special Grant for Development of OBC/ SC/ ST, Assistance to Autonomous Councils, Infrastructure Development in ITDP and	945.86	1,218.85	77.60

Sl. No.	Major Head	Major Schemes under Minor Head 800	Expenditure under Minor Head 800	Total Expenditure	Per cent
	Classes and Minorities	Outside ITDP Areas of Assam, Procurement and Distribution of Uniform Sports/ Agricultural kit, CM's Special One-time Assistance to Tai Ahom Autonomous Council			
5	2501 - Special Programmes for Rural Development	NSAP, NRLM, Indira Miri Widow Pension Achoni, Sakhi Express	936.94	1,036.42	90.40
6	2515 - Other Rural Development Programmes	General Basic Grant, General Performance Grant, PRIs & ULBs, District Development Project/ Programme	1,309.04	2,015.88	64.94
7	2801 - Power	Targeted Subsidy to APDCL, Power Purchase Subsidy, Payment of dues as per FTFRP, DDUGJY and SAUBHAGYA Scheme	1,300.77	1,300.77	100.00
8	2852 - Industries	Implementation of the Relief Package Offered to Employees and Workers of HPC Ltd.	387.86	452.33	85.75
9	3056 - Inland Water Transport	Government Transport Services working expenses - Major Ferry Services,	147.35	164.89	89.36
10	4070- Capital Outlay on Other Administrative Services	State Signature Scheme	311.79	313.79	99.36
11	4401- Capital Outlay on Crop Husbandry	Rural Infrastructure Development Fund	204.45	207.78	98.40
12	4701- Capital Outlay on Medium Irrigation	Long Term Irrigation Fund (LTIF) under NABARD	101.32	101.32	100.00
TOTAL			10,645.20	14,876.48	71.56

Source: Finance Accounts

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

Table 4.8: Significant receipts booked under Minor Head 800 – Other Receipts during 2021-22
(₹ in crore)

Sl. No.	Major Head	Receipts under Minor Head 800	Total Receipts	Percentage
1	0029 - Land Revenue	94.07	185.02	50.84
2	0059 - Public Works	2.42	2.59	93.44
3	0070 - Other Administrative Services	59.23	113.84	52.03
4	0075 - Miscellaneous General Services	3.32	3.35	99.10
5	0217 - Urban Development	1.60	1.60	100
6	0515 - Other Rural Development Programmes	1.69	1.76	96.02
7	0552 - North Eastern Areas	114.44	114.44	100
8	0701 - Medium Irrigation	2.25	2.25	100
9	0852 - Industries	1.60	1.60	100
10	1054 - Roads and Bridges	17.11	17.68	96.78
11	1056 - Inland Water Transport	5.90	5.90	100
Total		303.63	450.03	67.47

Source: Finance Accounts

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

Audit examined selected cases of booking under Minor Head 800, and noted that in some instances, a valid Minor Head, other than 800, was available in the List of Major and Minor Heads (LMMH), for booking these transactions. This includes large Centrally sponsored schemes like *Sarva Siksha Abhiyan*, National Old Age Pension Scheme (under NSAP) and National Rural Livelihoods Mission, where an expenditure of ₹ 1,859.31 crore (11.15 per cent of total expenditure under Minor Head 800) was booked in State Finance Accounts (2021-22), as given in the table below.

Table 4.9: Incorrect depiction of Minor Heads in the State Accounts (2021-22)

Specified Heads in the LMMH	Actual Heads in the State Accounts		
	Detailed Appropriation Accounts	Finance Accounts (up to Minor Head)	Expenditure (₹ in crore)
2202-01-111 Sarva Shiksha Abhiyan	2202-01-800-1686- Sarva Siksha Abhiyan	2202-01-800 Other Expenditure	1,035.58
2235-03-101 National Old Age Pension Scheme	2501-01-800-0318-504 Old Age Pension Scheme	2501-01-800 Other Expenditure	450.89
2501-06-102 National Rural Livelihood Mission	2501-01-800-4921- National Rural Livelihoods Mission	2501-01-800 Other Expenditure	372.84
Total			1,859.31

Source: Finance Accounts

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

During Exit Conference (January 2023), the Secretary, Finance Department, assured to take care of the matter from next Budget.

4.7 Central Road Fund (CRF)

Government of India provides annual grants under the CRF to the State Government to incur expenditure on specific road projects. In terms of the extant accounting procedure, the grants are to be initially booked as Revenue Receipts under Major Head “1601-08-108-Grants from Central Road Fund”. Thereafter, the amount so received is to be transferred by the State Government to the Public Account under Major Head “8449-Other Deposits-103 Subvention from Central Road Fund”, through Revenue Expenditure Major Head “3054 Roads and Bridges”. This process ensures that receipt of the grants do not result in overstatement of Revenue Surplus or understatement of Revenue Deficit in the accounts. The expenditure on prescribed road works under CRF will first be accounted for under the relevant Capital or Revenue Expenditure section (Major Heads 5054 or 3054) and reimbursed out of the Public Account under Major Head 8449 as a deduct expenditure to the concerned Major Head (5054 or 3054 as the case may be).

During the year 2021-22, the State Government received grants of ₹ 77.51 crore towards CRF. While the receipt of fund was accounted for correctly in Revenue Receipts Major Head-1601-08-108-Grants from Central Road Fund, the accounting procedure for recording expenditure under CRF as detailed above was not followed. No budget provision was made under the Major Head - '3054-80-797 - transfer to Deposit Accounts' for transfer of funds to the Major Head - '8449-Other Deposits-103 subvention from Central Road Fund' in Public Account, nor was subsequent expenditure from CRF recorded in appropriate budget heads. However, ₹ 52.81 crore was booked under CRF during the year under the head of account 3054-03-337-1857 – Construction Expenditure Met from Central Road Fund in Grant - 64 of Appropriation Accounts. Non-transfer of the balance amount of ₹ 77.51 crore has resulted in understatement of Revenue Deficit during the year.

During the Exit Conference (January 2023), the Secretary, Finance Department, assured to follow the accounting procedure prescribed under CRF.

4.8 Misclassification of Expenditure

4.8.1 Enhancing stake under Numaligarh Refinery Limited (NRL)

Government of Assam has invested a total amount of ₹ 1,716.88 crore for enhancing stake in NRL during the financial year 2021-22. Of this amount, ₹ 500.00 crore was booked under '2052-00-090-0417-351-Enhancing Stake in NRL' and remaining ₹ 1,216.88 crore was booked under a different classification, viz. '5465-01-190-0417-351-Enhancing Stake in NRL'. Neither of these classifications were in keeping with the correct classification, as had been used to depict the investment of ₹ 10.57 crore in NRL made in earlier years, which was booked under '4885-60-190 Investment in Public Sector and Other Undertakings'. Further, in financial year 2020-21, Government had initiated the process of enhancing stake in NRL, with an investment of ₹ 500 crore, which again had been budgeted and expended under the classification: '2052-00-090-0417-351-Enhancing Stake in NRL'.

Incorrect classification has resulted in underreported Capital Expenditure in the current financial year, and also led to incorrect display of the total amount of equity investment made by the State in Numaligarh Refinery Limited.

During Exit Conference (January 2023), the Secretary, Finance Department, assured to take suitable action on the matter for correct depiction of investments.

4.8.2 Classification of Social Security Scheme

i) **Orunodoi – Nabaudita Assam** – Government of Assam had budgeted and expended ₹ 1,718.67 crore for Orunodoi Scheme during 2021-22 under the head 2052-00-090-0417-555 which falls under General Services *i.e.*, non-developmental expenditure. In this regard, it is observed that the said Scheme is a Social Security scheme for women, and accordingly, it should have been classified under Major Head 2235-Social Security and Welfare under Social Services.

ii) **Classification of Micro entrepreneurs support fund** – Similarly, the State Government budgeted and expended ₹ 1,506.63 crore during 2021-22 under the classification 2052-00-090-0417-352-Micro Entrepreneurs Support Fund for implementing the scheme - Assam Micro Finance Incentive and Relief Scheme. This is also a scheme to provide financial support to women in the form of loan waiver for micro finance loans taken in the past. It too should have been classified under Major Head 2235-Social Security and Welfare under Social Services.

Erroneous classification of the above expenditure led to actual developmental expenditure of the State (which is the sum of Social and Economic Services) being understated. It is recommended that the Government should classify the Social Security Schemes correctly under Social Services only in the budget so that correct picture of developmental expenditure taking place in the State can be depicted in the Accounts.

During Exit Conference (January 2023), the Secretary, Finance Department, assured to take care of the matter from next Budget.

Issues related to Measurement

4.9 Outstanding balance under major Suspense and DDR heads

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

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

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

Table 4.10: Balances under Suspense and Remittance Heads

(₹ in crore)

Name of Major and Minor Head	2019-20		2020-21		2021-22	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
8658 - Suspense						
101 - PAO suspense	224.98	145.92	327.29	227.41	481.71	314.04
Net	Dr. 79.06		Dr. 99.88		Dr. 167.67	
102 - Suspense Account-Civil	2,322.47	531.66	1,758.94	372.63	2,218.58	866.61
Net	Dr. 1,790.81		Dr. 1,386.31		Dr. 1,351.97	

Name of Major and Minor Head	2019-20		2020-21		2021-22	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
107 - Cash Settlement Suspense Account	82.73	15.65	82.73	15.65	82.73	15.65
Net	Dr. 67.08		Dr. 67.08		Dr. 67.08	
109 - Reserve Bank Suspense -Headquarters	(-) 226.65	(-) 10.02	(-) 216.08	(-) 0.22	(-) 376.36	(-) 0.03
Net	Cr. 216.63		Cr. 215.86		Cr. 376.33	
110 - Reserve Bank Suspense - CAO	14.30	1,050.40	20.85	214.61	14.85	11.27
Net	Cr. 1,036.10		Cr. 193.76		Dr. 3.58	
112 - Tax Deducted at Source (TDS) Suspense	---	0.01	---	---	--	32.25
Net	Cr. 0.01		---		Cr. 32.25	
123 - A.I.S Officers' Group Insurance Scheme	0.18	1.47	0.25	1.51	0.14	1.37
Net	Cr. 1.29		Cr. 1.26		Cr. 1.23	
8782 - Cash Remittances						
102 - P.W. Remittances	69,526.23	69,159.54	76,676.11	76,290.28	85,421.80	85,034.15
Net	Dr. 366.69		Dr. 385.83		Dr. 387.65	
103 - Forest Remittances	5,231.80	4,884.08	5,873.61	5,490.72	6,236.10	5,855.60
Net	Dr. 347.72		Dr. 382.89		Dr. 380.50	
110 - Miscellaneous Remittances	---	13.21	---	12.91	---	12.91
Net	Cr. 13.21		Cr. 12.91		Cr. 12.91	

Source: Finance Accounts

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

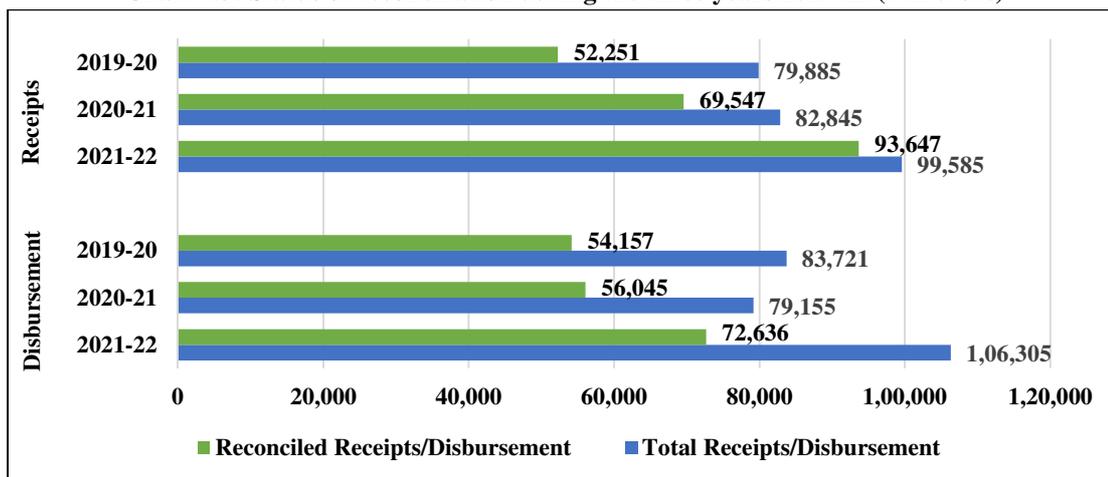
4.10 Reconciliation of Departmental figures

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

While 83.95 per cent of receipts and 70.80 per cent of disbursement were reconciled during 2020-21, the figure for receipts improved to 94.04 per cent, and that for disbursement reduced to 68.33 per cent for the year 2021-22.

The status of reconciliation of receipts and disbursement figures by the COs during the three-year period 2019-22 is shown in **Chart 4.3**.

Chart 4.3: Status of reconciliation during the three years 2019-22 (₹ in crore)



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

Table 4.11: Status of Reconciliation of Receipts and Disbursement figures

Year	Total No. of Controlling Officers	Status of reconciliation			Total Receipts/ Disbursement (₹ in crore)	Reconciled Receipts/ Disbursement	
		Fully	Partially	Not done		Amount (₹ in crore)	Per cent
Receipts							
2019-20	54	6	0	48	79,885	52,251	65.41
2020-21	58	5	3	50	82,845	69,547	83.95
2021-22	58	13	3	42	99,585	93,647	94.04
Disbursement							
2019-20	54	34	0	20	83,721	54,157	64.69
2020-21	58	36	16	6	79,155	56,045	70.80
2021-22	58	35	21	2	106,305	72,636	68.33

Source: Finance Accounts

Non-reconciliation of figures has been pointed out by the CAG in the Audit Reports year after year. The PAC in its 161st Report (Paragraph 13) also recommended (March 2020) that the departments should reconcile their figures with the Accountant General (A&E) on monthly basis or at least quarterly basis to avoid wrong booking of figures. In spite of the recommendations, 5.96 per cent of receipts and 31.67 per cent of disbursement figures booked by the Accountant General (A&E) were not reconciled by the departmental authorities during 2021-22.

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

4.11 Reconciliation of Cash Balances

As on 31 March 2022, Cash balance as per record of Principal Accountant General was ₹ 1,826.58 crore (Cr.) and that reported by the RBI was ₹ 1,539.19 crore (Dr.). There was a net difference of ₹ 287.39 crore (Cr.) mainly due to non-accounting of expenditure on pension payments of ₹ 262.92 crore made by non-link branches of

Agency Bank during 2021-22. Non-accounting of expenditure on pension payments led to understatement of Revenue Deficit to that extent during the year.

During the Entry Conference (October 2022), Audit suggested to convene a meeting with Regional RBI, concerned agency banks and the PAG (A&E) at the earliest to restrict further accumulation of RBD discrepancy.

Issues related to Disclosure

4.12 Compliance with Accounting Standards

Government Accounting Standards Advisory Board (GASAB), set up by the Comptroller and Auditor General of India in 2002, has been formulating standards for government accounting and financial reporting to enhance accountability mechanisms. As of end of March 2022, three Indian Government Accounting Standards (IGAS) have been notified. The details of these standards and the extent of compliance with these by Government of Assam in its financial statements for the year 2021-22 are given in **Table 4.12**.

Table 4.12: Compliance with Indian Government Accounting Standards

IGAS	Essence of IGAS	Status	Impact of non-compliance
IGAS 1 <i>Guarantees given by government – Disclosure requirements</i>	This standard requires the government to disclose the maximum amount of guarantees given during the year in its financial statements along with additions, deletions, invoked, discharged and outstanding at the end of the year.	Partly complied	While the government has disclosed the maximum amount of guarantees given during the year, detailed information like number of guarantees for each institution was not depicted.
IGAS 2 <i>Accounting and Classification of Grants-in-Aid</i>	Grants-in-Aid are to be classified as Revenue Expenditure in the accounts of the grantor and as Revenue Receipts in the accounts of the grantee, irrespective of the end use.	Partly complied	State Government made budgetary provision and classified GIA amounting to ₹ 6,168.69 crore under Capital Major Heads of Account, instead of under the Revenue Section. It did not also furnish any information regarding GIA paid in kind during the year.
IGAS 3 <i>Loans & Advances made by Government</i>	This Standard relates to recognition, measurement, valuation and reporting in respect of loans and advances made by the Government in its Financial Statements to ensure complete, accurate and uniform accounting practices.	Partly complied	While the State government complied with the format prescribed by the Standard, the information in this regard is incomplete, since the details of overdue principal and interest in respect of loans and advances have not been provided to the Principal Accountant General (A&E).

4.13 Submission of Accounts of Autonomous Councils/ Bodies

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

corporation and shall have, for the purposes of such audit, right of access to the books and accounts of such corporation.

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

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

The CAG had not received 711 annual accounts of 114 Autonomous Councils, Development Councils and Government Bodies (due up to 2021-22) for audit as of 31 October 2022. Out of 711 outstanding annual accounts, nine accounts¹⁹ pertained to three Autonomous District Councils created under sixth Schedule of the Constitution.

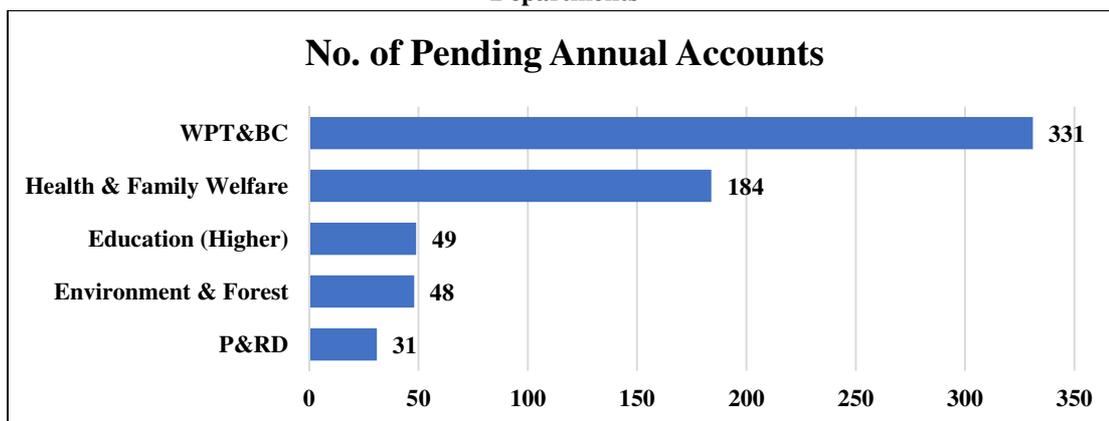
Table 4.13: Age-wise analysis of Annual Accounts due for audit but not submitted

Delay in Number of Years	No. of Accounts
0-1	114
1-3	183
3-5	111
5-10	190
More than 10	113
Total	711

The Department-wise details of accounts due from Autonomous Councils, Development Councils, Government Bodies are given in *Appendix 4.3*.

Age-wise pendency of these 711 accounts is given alongside. Status of pending accounts in respect of five major departments is given in **Chart 4.4**.

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



¹⁹ i) Bodoland Territorial Council, Kokrajhar: Two Annual Accounts (2020-21 & 2021-22); ii) Karbi Anglong Autonomous Council, Diphu: Four Annual Accounts (2018-19 to 2021-22); and iii) North Cachar Hills Autonomous Councils, Haflong: Three Annual Accounts (2019-20 and 2021-22)

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

The Government may consider fixing responsibility on the officers concerned for non-submission of accounts.

During the Exit Conference (January 2023), the Secretary, Finance Department, stated that necessary instruction would be issued to concerned Departments for early submission of Accounts.

4.14 Departmental Commercial Undertakings/ Corporations/ Companies

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

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

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

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

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

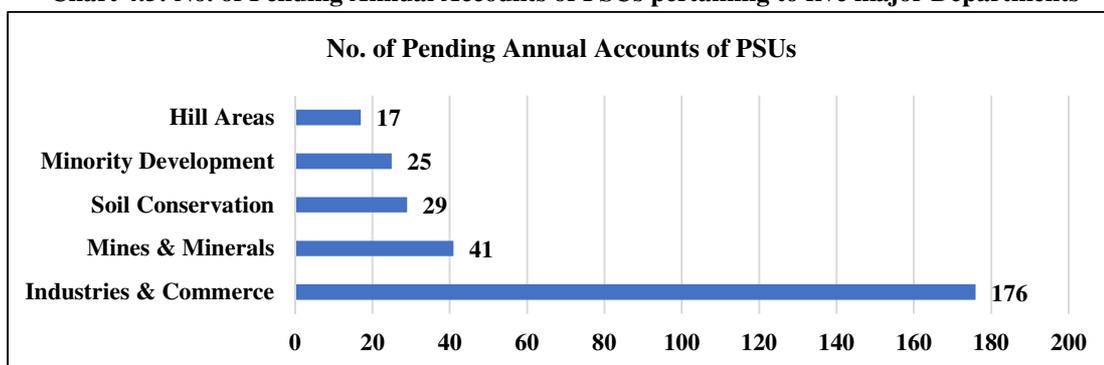
However, the CAG has not received 372 annual accounts of 41 Public Sector Undertakings (due up to 2021-22) for audit as of November 2022. Age-wise pendency of these 372 accounts is given in **Table 4.14** and status of pending accounts in respect of five major departments is given in **Chart 4.5**.

Table 4.14: Age-wise analysis of Annual Accounts due for audit but not submitted

Delay in Number of Years	No. of Accounts
0-1	41
1-3	68
3-5	47
5-10	70
More than 10	146
Total	372

Department-wise details of accounts due from Public Sector Undertakings (due up to 2021-22) are given in **Appendix 4.4**.

Chart 4.5: No. of Pending Annual Accounts of PSUs pertaining to five major Departments



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

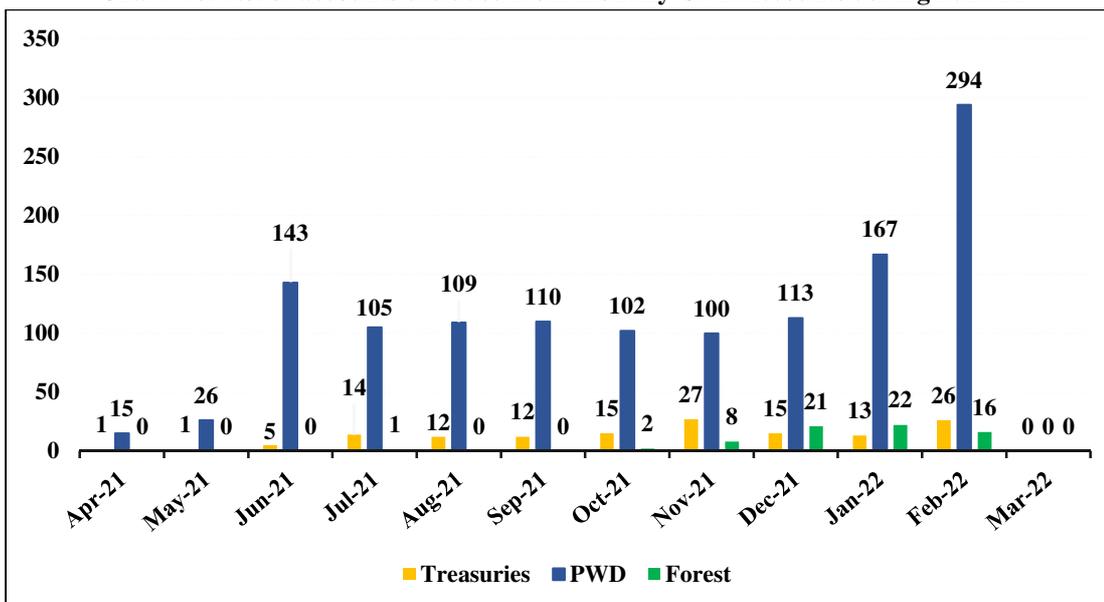
During the Exit Conference (January 2023), the Secretary, Finance Department, stated that necessary instructions would be issued to concerned Departments for early submission of Accounts.

4.15 Timeliness and Quality of Accounts

The accounts of the State Government are compiled by the Principal Accountant General (A&E) from the initial accounts rendered by 33 District Treasuries, 50 Sub-Treasuries, Assam House (New Delhi), Cyber Treasury (Dispur), 43 Public Works (Building) Divisions, 90 Public Works (Road) Divisions, 03 Inland Water Transport Division, 69 Irrigation Divisions, and 47 Public Health Engineering Divisions, 36 Water Resources Divisions, 146 Forest Divisions, 55 Pay and Accounts Offices and Advices of the Reserve Bank of India.

During the financial year 2021-22, significant number of monthly accounts of Treasuries, Public Works Divisions and Forest Divisions were not submitted in time by the concerned authorities of Government of Assam. As a result, during the year 2021-22, monthly Civil Accounts were closed by Office of the PAG (A&E), Assam by excluding accounts of certain treasuries/ divisions. Details of accounts excluded from the monthly Civil Accounts are given in **Chart 4.6**.

Chart 4.6: No. of accounts excluded from monthly Civil Accounts during 2021-22



The above chart indicates that public works divisions were the major units that delayed rendition of monthly accounts. Consequently, receipts and expenditure relating to these divisions/ units could not be incorporated in the Civil Accounts of the respective month of the occurrence of the transaction. Due to the failure of the account rendering units to furnish accounts on time, some accounts were excluded from the monthly Civil Accounts by the Principal Accountant General (A&E) throughout the year 2021-22, except for March 2022. Therefore, the monthly accounts indicating the receipts and disbursements of the State during the month, rendered by the Principal Accountant General (A&E) to the State Government were incomplete in all the months, except for the month of March.

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

Other Issues

4.16 Misappropriations, losses, thefts, *etc.*

Audit observed 339 cases of theft, misappropriation and losses involving Government money amounting to ₹ 142.99 crore (up to March 2022) on which final action was pending. The Department-wise breakup of pending cases and age-wise analysis and nature of those cases is given in *Appendix 4.5*.

Table 4.15 summarises age-profile of pending cases and the number of cases pending in each category *i.e.*, theft, misappropriation and loss of Government material, *etc.*

Table 4.15: Profile of cases of theft, misappropriation and loss

Age Profile of the Pending cases			Nature of the Pending Cases		
Range in Years	Number of cases	Amount involved	Nature/ characteristics of the cases	Number of cases	Amount
0 to 5	78	2,540.55	Theft	20	97.55
5 to 10	149	8,588.94			
10 to 15	64	1,788.11	Misappropriation/ Loss of material, <i>etc.</i>	319	14,201.22
15 to 20	35	1,192.92			
20 to 25	9	177.10	Total	339	14,298.77
25 and above	4	11.15	Cases of loss written off during the year	0	0.00
Total	339	14,298.77	Total cases as on 31 March 2022	339	14,298.77

Source: Inspection Reports

Further analysis indicated that the reasons for which the cases were outstanding could be classified in the categories listed in **Table 4.16**.

Table 4.16: Reasons for outstanding cases of theft, misappropriation and losses

Reasons for the Delay of Outstanding Pending cases	Number of cases	Amount (₹ in lakh)
(i) Non-receipt of reply or want of reply from Department	103	2,695.67
(ii) Non-submission of specific/ proper/ appropriate/ final/ relevant/ authentic reply by Department	236	11,603.10
Total	339	14,298.77

Source: Inspection Reports

Of the 339 cases above, the First Information Report (FIR) in respect of only 22 cases involving ₹ 6.63 crore was lodged where the investigation was in process. Government may take necessary action in all the remaining cases also, and logically conclude the misappropriation cases. Besides, Government should consider putting in place an effective mechanism to ensure monitoring and speedy settlement of cases relating to theft, misappropriation and losses, in their own financial interests.

4.17 Short transfer of Labour Cess to Labour Welfare Board

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

During the period 2008-09 to 2021-22, Government of Assam realised ₹ 1,867.76 crore as Labour Welfare Cess and transferred ₹ 1,850.37 crore to the Assam Building and Other Construction Workers Welfare Board leaving a liability of ₹ 17.39 crore under the scheme. On this being pointed out, the Deputy Labour Commissioner stated (September 2022) that difference between the cess collected and cess deposited pertained to the years 2015-16 and 2016-17 only and steps have been taken by the Board for reconciliation with the bank.

4.18 Follow up action on State Finances Audit Report

4.18.1 *Suo-motu* Action Taken Notes

In the Audit Reports on the Finances of Government of Assam, the Comptroller and Auditor General of India has been flagging issues of concern relating to various aspects of financial and budgetary management, areas of non-compliance with the prescribed procedures, rules and regulations, *etc.* by the State Government departments/ authorities. These Reports can achieve the desired results only when they evoke positive and adequate response from the Government/ administration itself. To ensure accountability of the executive with regard to the issues contained in the Audit Reports, the Public Accounts Committee (PAC) of Assam Legislative Assembly issued instructions (September 1994) for submission of *suo-motu* Action Taken Notes (ATNs) by the administrative departments concerned within three months of presentation of the Audit Reports to the State Legislature. However, this is not being complied with by most Departments.

4.18.2 Discussion of SFAR and Appropriation Accounts by the PAC

The PAC discussed the audit observations that featured in the State Finances Audit Report for the year ended 31 March 2018 with the Principal Secretary of the Finance Department on 19 November 2019 and obtained a written response from him in this regard. The Report of the PAC thereon is awaited (October 2022).

Further, the PAC discussed on two separate occasions (February 2020 and February 2021) the issue of excess expenditure reported in Appropriation Accounts of different years and issued 13 recommendations *vide* its 161st and 169th Reports placed before the State Legislature on 24 March 2020 and 11 February 2021 respectively, asking the departments to furnish Action Taken Report (ATR) in three cases. But only two Action Taken Reports have been submitted as of October 2022.

4.19 Conclusion

- Utilisation Certificates in respect of grants aggregating ₹ 36,687.84 crore (13,682 UCs) given to 52 Departments of the State Government during the period from 2001-02 to 2020-21 had not been submitted. In absence of UCs, it could not be ascertained whether the recipients had utilised the grants for the purposes for which those were given, and the assets had been created.

- As of 31 March 2022, 38 State Departments had not submitted DCC bills for ₹ 958.37 crore against 1,540 AC Bills. Non-adjustment of advances for long periods is fraught with the risk of misappropriation and therefore, requires close monitoring by the respective DDOs for ensuring submission of DCC bills.
- During 2021-22, the State Government classified receipts of ₹ 1,068.81 crore (1.34 *per cent* of total Revenue Receipts of ₹ 79,815.19 crore), pertaining to 44 Major Heads, under the Minor Head '800 - Other Receipts' while an expenditure of ₹ 16,668.59 crore was booked under Minor Head 800 under 71 revenue and capital Major Heads of Account, constituting 16.23 *per cent* of the total revenue and capital expenditure of ₹ 1,02,673.79 crore. Further, an expenditure of ₹ 1,859.31 crore (11.15 *per cent* of total expenditure booked under Minor Head 800 - Other Expenditure) under *Sarva Siksha Abhiyan*, National Old Age Pension Scheme (under NSAP) and National Rural Livelihood Mission was booked under Minor Head 800 despite availability of appropriate Minor Head.
- During the year, expenditure amounting to ₹ 72,636 crore (68 *per cent* of total expenditure of ₹ 1,06,305 crore) and receipts of ₹ 93,647 crore (94 *per cent* of the total receipts of ₹ 99,585 crore) were reconciled. Failure to exercise/ adhere to the codal provisions and executive instructions in this regard may entail the risk of misclassification and incorrect booking of both receipts and expenditure in the accounts.
- As on 31 March 2022, there were 711 annual accounts of 114 Autonomous Councils, Development Councils and Government Bodies and 372 annual accounts of 41 Public Sector Undertaking (due up to 2021-22) pending for submission to CAG for audit. Delayed rendering of accounts by the account rendering units/ authorities distorted the accurate depiction of monthly transactions of the State and impacted effective budgetary management and diluted accountability of these Bodies.
- Out of total Cess of ₹ 1,867.76 crore realised by the State Government under the Building and Other Construction Workers' Welfare Cess Act, 1996 during the period from 2008-09 to 2021-22, an amount of ₹ 1,850.37 crore was transferred to the Other Construction Workers Welfare Board leading to the shortfall in transfer of Cess of ₹ 17.39 crore to the Board.

4.20 Recommendations

- State Government may institute a rigorous monitoring mechanism to ensure that the Departments comply with the prescribed rules and procedures with regard to submission of UCs, DCC bills and accounts for audit.*
- State Government should discourage the use of omnibus Minor Head 800 and chalk out a specific timeframe in consultation with the Principal Accountant General (A&E), to identify appropriate Heads of Account to classify the transactions correctly in the books of accounts.*

- iii. *Internal control mechanism needs to be strengthened and the Government needs to ensure that the Controlling Officers reconcile their figures of receipts and expenditure with those of the Principal Accountant General (A&E) at prescribed intervals, to provide transparency and accuracy in accounting of Government transactions.*
- iv. *The State Government may draw up a concrete plan to clear arrears in Accounts of persistently delaying/ defaulting Autonomous District Councils (ADCs) and other Government bodies. Disbursal of financial assistance to ADCs/ Autonomous Bodies of the State be linked to improvement in finalisation of their Accounts.*



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

Guwahati
The 18 March 2023

Countersigned



(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

New Delhi
The 20 March 2023

Appendices

Appendix 1.1: State Profile

(Reference: Paragraph 1.1)

General Data							
Sl. No.	Particulars	Unit		Assam			
1.	Area	In sq. kms		78,438			
2.	Population	In Crore		3.12			
3.	Density of Population (All India Average:382)	Per sq km		398			
4.	Literacy (All India Average:73.0)	Per cent		72.2			
5.	Gross State Domestic Product (GSDP) 2021-22 at current prices	In crore		4,33,925 (Q.E)			
6.	Per capita NSDP of the State, 2021-22	In ₹		1,23,138			
7.	Population Below Poverty Line (BPL) 2011-12 (All India Average:21.92 per cent)	Per cent		31.98			
8.	Infant mortality (All India Average = 30 per 1000 live births) (2019)	Per 1000 live births		40			
9.	Life Expectancy at birth (in 2014-18) (All India Average: 69.4)	In years		66.9			
B. Financial Data							
	Particulars	Compound Annual Growth Rate (%)					
		CAGR (2012-13 to 2020-21)		CAGR (2016-17 to 2020-21)		Growth 2020-21 to 2021-22	
		NE&HS*	Assam	NE&HS*	Assam	NE&HS*	Assam
a.	Revenue Receipts	12.03	9.81	7.14	7.16	18.08	22.98
b.	Tax Revenue	11.16	9.57	6.52	9.13	19.62	14.00
c.	Non-tax Revenue	7.58	2.01	3.86	(-)9.66	2.90	23.46
d.	Total Expenditure	12.77	11.51	8.18	8.60	16.14	33.47
e.	Capital Expenditure	13.90	19.13	7.91	20.10	28.31	62.00
f.	Revenue Expenditure on Education	11.62	9.80	8.70	6.74	8.28	9.95
g.	Revenue Expenditure on Health	17.56	16.57	14.44	16.01	18.04	14.21
h.	Revenue Expenditure on Salary and Wages	10.43	9.22	9.24	8.71	7.53	7.80
i.	Revenue Expenditure on Pension	18.50	18.51	15.03	11.71	25.75	66.75

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

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

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

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

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

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

Appendix 1.2: Time Series Data on State Government Finances

(Reference: Paragraph 1.1)

(₹ in crore)

Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
Part A: Receipts					
1. Revenue Receipts (i + ii + iii)	54,130.94 (86.50)	63,479.16 (84.37)	64,495.08 (80.73)	64,902.19 (78.34)	79,815.19 (80.15)
<i>(i) Tax Revenue (a + b)</i>	35,517.06 (65.61)	41,140.70 (64.81)	38,250.13 (59.31)	35,762.93 (55.10)	47,683.65 (59.74)
<i>(a) Own Tax Revenue</i>	13,215.52 (24.41)	15,924.85 (25.09)	16,528.69 (25.63)	17,133.61 (26.40)	19,533.10 (40.96)
<i>State Goods and Services Tax (SGST)</i>	4,077.67 (30.86)	8,393.04 (52.70)	8,755.30 (52.97)	8,549.02 (49.90)	10,579.56 (54.16)
<i>Taxes on Agricultural Income</i>	13.52 (0.10)	7.85 (0.05)	6.87 (0.04)	(-)38.00 (-0.22)	-0.62 (0.00)
<i>Taxes on Sales, Trade, etc.</i>	6,373.00 (48.22)	4,698.74 (29.51)	4,480.96 (27.11)	5,070.97 (29.60)	4,866.68 (24.92)
<i>Taxes and duties on Electricity</i>	60.19 (0.46)	72.75 (0.46)	194.57 (1.18)	197.59 (1.15)	337.91 (1.73)
<i>State Excise</i>	1,095.16 (8.29)	1,399.84 (8.79)	1,650.03 (9.98)	2,039.94 (11.91)	1,939.07 (9.93)
<i>Taxes on Vehicles</i>	646.96 (4.90)	765.01 (4.80)	815.82 (4.94)	723.98 (4.23)	978.21 (5.01)
<i>Stamps and Registration fees</i>	239.17 (1.81)	240.72 (1.51)	292.65 (1.77)	280.75 (1.64)	439.46 (2.25)
<i>Land Revenue</i>	219.39 (1.66)	163.22 (1.02)	94.16 (0.57)	116.81 (0.68)	185.02 (0.95)
<i>Other Taxes</i>	490.46 (3.71)	183.68 (1.15)	238.33 (1.44)	192.55 (1.12)	207.81 (1.06)
<i>(b) State's share in Union taxes and duties</i>	22,301.54 (41.20)	25,215.85 (39.72)	21,721.44 (33.68)	18,629.32 (28.70)	28,150.55 (59.04)
<i>(ii) Non-Tax Revenue</i>	4,071.97 (7.52)	8,221.29 (12.95)	5,539.34 (8.59)	2,899.61 (4.47)	3,579.75 (4.49)
<i>(iii) Grants in Aid from GoI</i>	14,541.91 (26.86)	14,117.17 (22.24)	20,705.61 (32.10)	26,239.65 (40.43)	28,551.79 (35.77)
2. Miscellaneous Capital Receipts	--	--	--	--	--
3. Recovery of Loans and Advances	4.71 (0.01)	2.93 (0.00)	7.98 (0.01)	2.56 (0.00)	3,099.49 (3.74)
4. Total revenue and Non debt capital receipts (1+2+3)	54,135.65	63,482.09	64,503.06	64,904.75	82,914.68
5. Public Debt Receipts	8,447.07 (13.50)	11,754.65 (15.62)	14,249.63 (17.84)	17,940.18 (21.66)	16,670.15 (16.74)
<i>Internal Debt (excluding Ways and Means Advance and Overdraft)</i>	8,377.5	11,665.49	14,143.29	16,382.36	14,138.94
<i>Net transactions under Ways and Means Advance and Overdraft</i>	Nil	Nil	Nil	Nil	Nil
<i>Loans and Advances from GoI</i>	69.57	89.16	106.34	1,557.82	2,531.21
6. Total receipts in the Consolidated Fund (4+5)	62,582.72	75,236.74	78,752.69	82,844.93	99,584.83
7. Contingency Fund Receipts	50.00	--	100.00	--	--
8. Public Account Receipts[^]	1,75,496.51	1,63,406.39	1,74,896.85	1,49,056.68	1,77,344.64
9. Total receipts of the State (6+7+8)	2,38,129.23	2,38,643.13	2,53,749.54	2,31,901.61	2,76,929.47

Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
Part B: Expenditure					
10. Revenue Expenditure	55,480.94 (87.40)	56,899.00 (83.35)	65,817.28 (82.87)	64,519.59 (83.78)	82,547.96 (80.32)
General Services (including interest payments)	22,057.80	21,058.65	22,350.35	22,892.34	36,368.53
Social Services	21,373.17	25,334.44	29,060.76	29,014.03	33,182.34
Economic Services	11,924.92	10,232.02	14,039.94	12,236.27	12,690.96
Grants-in-Aid and Contributions	125.05	273.89	366.23	376.95	306.13
11. Capital Expenditure	7,692.84 (12.12)	11,034.08 (16.16)	13,185.42 (16.72)	12,399.39 (16.10)	20,125.83 (19.58)
General Services	350.63	464.28	506.74	518.45	862.79
Social Services	2,845.87	2,164.07	1,683.64	2,354.34	3,000.52
Economic Services	4,496.34	8,405.73	10,995.04	9,526.60	16,262.52
12. Disbursement of Loans Advances	254.07 (0.40)	328.07 (0.48)	316.16 (0.39)	87.80 (0.11)	104.01 (0.10)
<i>Social Services</i>	<i>2.61</i>	<i>2.54</i>	<i>2.71</i>	<i>0.00</i>	<i>0.10</i>
<i>Economic Services</i>	<i>240.75</i>	<i>254.32</i>	<i>312.86</i>	<i>87.80</i>	<i>97.17</i>
<i>Loans to Govt. Servant</i>	<i>10.71</i>	<i>71.21</i>	<i>0.59</i>	<i>0.00</i>	<i>6.74</i>
13. Appropriation to Contingency Fund	50.00	0.00	100.00	0.00	0.00
14. Total (10+11+12+13)	63,477.85 (97.01)	68,261.15 (95.00)	79,418.86 (96.16)	77,006.78 (97.29)	1,02,777.80 (96.68)
15 Repayment of Public Debt	1,958.60 (2.99)	3,589.36 (5.00)	3,169.26 (3.84)	2,147.98 (2.71)	3,526.89 (3.32)
Internal Debt (excluding Ways and Means Advances and Overdraft)	1,820.43	3,448.10	3,024.15	1,998.55	3,372.86
Net transactions under Ways and Means Advances and Overdraft	Nil	Nil	Nil	Nil	Nil
Loans and Advances from Government of India	138.17	141.26	145.11	149.43	154.03
16 Total disbursement out of Consolidated Fund (14+15)	65,436.45	71,850.51	82,588.12	79,154.76	1,06,304.69
17. Contingency Fund disbursements	0	0	0	0	0
18. Public Account disbursements[^]	1,72,290.88	1,67,536.69	1,67,618.14	1,52,030.29	1,76,148.11
19. Total disbursement by the State (16+17+18)	2,37,727.33	2,39,387.20	2,50,206.26	2,31,185.05	2,82,452.80
Part C: Deficits					
20. Revenue Deficit (-)/Surplus (+) (1-10)	(-)1,350.00	(+) 6,580.16	(-)1,322.20	(+) 382.60	(-) 2,732.77
21. Fiscal Deficit (-)/Surplus (+) (4-14)	(-) 9,342.20	(-) 4,779.06	(-) 14,915.80	(-) 12,102.03	(-) 19,863.12
22. Primary Deficit (-)/Surplus (+) (21+23)	(-) 6,136.88	(-) 934.69	(-) 10,476.93	(-) 6,902.85	(-) 13,811.65
Part D: Other data					
23. Interest Payments (included in Revenue Expenditure)	3,205.32	3,844.37	4,438.87	5,199.18	6,051.47
24. Ways and Means Advances/ Overdraft availed (days)					
Ways and Means Advances availed (No. of days)	Nil	Nil	Nil	Nil	Nil
Overdraft availed (days)	Nil	Nil	Nil	Nil	Nil
25. Interest on Ways and Means Advances/overdraft	Nil	Nil	Nil	Nil	Nil
26. Gross State Domestic Product (GSDP)	2,83,164.90	3,09,336.32	3,46,850.68	3,40,177.45	4,33,925.44

Indicators	2017-18	2018-19	2019-20	2020-21	2021-22
27. Outstanding Debt	49,274.88	59,425.61	72,256.52	87,407.79	99,918.54
28. Outstanding guarantees	90.24	85.02	83.42	77.72	311.76
29. Maximum amount guaranteed	482.25	482.25	482.25	482.25	10,172.00
30. Number of incomplete projects	166	94	162	133	554
31. Capital blocked in incomplete projects (₹ in crore)	360.70	586.37	1,072.21	1,060.53	1,622.28
Part E: Fiscal Health Indicators					
32. Resource Mobilisation (in Per cent)					
Own tax Revenue/GSDP	4.67	5.15	4.77	5.04	4.50
Own Non-Tax Revenue/GSDP	1.44	2.66	1.60	0.85	0.82
Central Transfers/GSDP	13.01	12.72	12.23	13.19	13.07
33. Expenditure Management (In Per cent)					
Total Expenditure/GSDP	22.42	22.07	22.90	22.64	23.69
Total Expenditure/Revenue Receipts	117.27	107.53	123.14	118.65	128.77
Revenue Expenditure/Total Expenditure	87.40	83.35	82.76	83.78	80.32
Expenditure on Social Services/Total Expenditure	38.16	40.29	38.72	40.73	35.21
Expenditure on Economic Services/Total Expenditure	26.25	27.68	31.92	28.37	28.27
Capital Expenditure/Total Expenditure	12.12	16.16	16.60	16.10	19.58
Capital Expenditure on Social and Economic Services/Total Expenditure	11.57	15.48	15.96	15.43	18.74
34. Management of Fiscal Imbalances (in per cent)					
Revenue Deficit (-) or Surplus (+)/GSDP	-0.48	2.13	-0.38	0.11	-0.63
Fiscal Deficit (-) or Surplus (+)/GSDP	-3.30	-1.54	-4.30	-3.56	-4.58
Primary Deficit (-) or Surplus (+)/GSDP	-2.17	-0.30	-3.02	-2.03	-3.18
Revenue Deficit/Fiscal Deficit	14.45	-137.69	8.86	-3.16	13.76
35. Management of Fiscal Liabilities/Outstanding Debt (in per cent)					
Fiscal Liabilities/GSDP	17.40	19.21	20.83	25.69	23.03
Fiscal Liabilities/RR	91.03	93.61	112.03	134.68	125.19

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

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

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

Appendix 3.1: Expenditure in Excess of ₹ 15 lakh without Provision at the Sub-Head Level
(Reference: Paragraph 3.3.1)

(₹ in crore)

Sl. No.	Grant	Major Head	Sub Major Head	Minor Head	Sub Head	Sub Sub Head	Segment	Expenditure
1	25 Miscellaneous General Services	2052-Secretariat-General Services	-	090 Secretariat	{0406}-Finance Department	[313]-Incentive to Tea Garden Workers for Opening Bank Account	Revenue-Voted	0.41
2	44 North Eastern Council Schemes	4552-Capital Outlay on North Eastern Areas	-	799 Suspense	{0291}-Miscellaneous Public Works Advances	---	Capital-Voted	0.63
3	76 Karbi Anglong Autonomous Council	2402-Soil and Water Conservation	-	102 Soil Conservation	{1144}-Terracing with Water Distribution/ Harvesting	---	Revenue-Voted	0.45
4			-		{0122}-Common & Other Schemes	[603]-Building and Approach Road	Revenue-Voted	1.89
5			-		{1136}-Bamboo Plantation / Regeneration	---	Revenue-Voted	0.92
6			-		{0122}-Common & Other Schemes	[602]-Nature Conservation	Revenue-Voted	0.67
7			-	103 Land Reclamation and Development	{1143}-Land Improvement	[132]-Land Development	Revenue-Voted	0.50
8			-		[133]-Land Reclamation and Water Distribution	2.62		
9			77 North Cachar Hills Autonomous Council	4202-Capital Outlay on Education, Sports, Art and Culture	01 General Education	203 University and Higher Education	{0597}-Government Art College (Cotton College)	---
10	77 North Cachar Hills Autonomous Council	2402-Soil and Water Conservation	-	102 Soil Conservation	{0122}-Common & Other Schemes	[603]-Building and Approach Road	Revenue-Voted	1.02
11			-			[601]-Cash Crop Development		0.85
12			-			[602]-Nature Conservation		0.15
13			-		{1144}-Terracing with Water Distribution/ Harvesting	---	Revenue-Voted	0.18

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Sl. No.	Grant	Major Head	Sub Major Head	Minor Head	Sub Head	Sub Sub Head	Segment	Expenditure
14	78 Bodoland Territorial Council	4702-Capital Outlay on Minor Irrigation	-	799 Suspense	{0291}-Miscellaneous Public Works Advances	---	Capital-Voted	24.60
15	78 Bodoland Territorial Council	2202-General Education	01 Elementary Education	053 Maintenance of Buildings	---	---	Revenue-Voted	1.32
Total								38.12

Appendix 3.2: Excessive/ Insufficient Supplementary Provision at the Segment Level

(Reference: Paragraph 3.3.3)

(₹ in crore)

Sl. No.	Grant	Segment	Budget (Original)	Expenditure	Actual Supplementary Requirement	Budget (Supplementary)	Excessive Supplementary	Insufficient Supplementary
1	01 State Legislature	Revenue-Voted	90.14	93.03	2.89	9.05	6.16	-
2	06 Land Revenue	Revenue-Voted	362.07	369.62	7.55	60.06	52.51	-
3	09 Transport Services	Capital-Voted	85.93	296.39	210.46	266.33	55.87	-
4	14 Police	Revenue-Charged	0.53	0.63	0.1	0.5	0.4	-
5	23 Pension	Revenue-Voted	8,687.00	17,214.05	8,527.05	956.8	-	7,570.25
6	25 Miscellaneous General Services	Capital-Voted	1,011.35	1,513.98	502.63	650	147.37	-
7	25 Miscellaneous General Services	Revenue-Voted	3,277.49	4,819.68	1,542.19	3,000.75	1,458.56	-
8	27 Art and Culture	Revenue-Voted	92.42	93.81	1.39	137.37	135.98	-
9	29 Medical and Public Health	Capital-Voted	790.56	919.45	128.89	650.48	521.59	-
10	29 Medical and Public Health	Revenue-Voted	6,212.74	6,237.12	24.38	1,800.11	1,775.73	-
11	30 Water Supply and Sanitation	Capital-Voted	683.6	768.81	85.21	377.91	292.7	-
12	31 Urban Development (Town and Country Planning)	Revenue-Voted	541.68	605.62	63.94	404.7	340.76	-
13	33 Residential Buildings	Capital-Voted	0.55	0.58	0.03	3	2.97	-
14	37 Food Storage and Warehousing	Revenue-Voted	892.01	994.25	102.24	513	410.76	-
15	39 Social Security, Welfare and Nutrition	Revenue-Voted	1,983.43	2,280.23	296.8	782.9	486.1	-
16	40 Social Security and Welfare (Freedom Fighter)	Revenue-Voted	34.26	48.01	13.75	20.13	6.38	-
17	42 Other Social Services	Revenue-Voted	76.48	101.48	25	76.45	51.45	-
18	47 Trade Adviser	Revenue-Voted	1.3	1.55	0.25	0	-	0.25
19	50 Other Special Areas Programmes	Capital-Voted	65.9	72.48	6.58	8.2	1.62	-
20	54 Fisheries	Revenue-Voted	100.98	104.71	3.73	7.95	4.22	-
21	58 Industries	Revenue-Voted	60.86	424.22	363.36	389.3	25.94	-
22	62 Power (Electricity)	Capital-Voted	3,188.36	3,767.63	579.27	8,390.71	7,811.44	-
23	62 Power (Electricity)	Revenue-Voted	1,206.60	1,305.07	98.47	137	38.53	-
24	64 Roads and Bridges	Capital-Voted	7,547.08	8,761.59	1,214.51	2,380.01	1,165.50	-

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Sl. No.	Grant	Segment	Budget (Original)	Expenditure	Actual Supplementary Requirement	Budget (Supplementary)	Excessive Supplementary	Insufficient Supplementary
25	69 Scientific Services and Research	Revenue-Voted	15.61	17.9	2.29	5	2.71	-
26	71 Education (Elementary, Secondary, etc.)	Capital-Voted	363.73	441.25	77.52	315.97	238.45	-
27	74 Sports and Youth Services	Capital-Voted	45.76	52.87	7.11	25	17.89	-
28	76 Karbi Anglong Autonomous Council	Capital-Voted	136.69	184.06	47.37	112.15	64.78	-
29	78 Bodoland Territorial Council	Capital-Voted	164.81	197.28	32.47	21.05	-	11.42
	Total		37,719.92	51,687.35	13,967.43	21,501.88	15,116.37	7,581.92

Appendix 3.3: Unnecessary Supplementary Provision at the Segment Level

(Reference: Paragraph 3.3.3)

(₹ in crore)

Sl. No.	Grant	Segment	Budget (Original)	Expenditure	Savings (-) against Budget (Original)	Budget (Supplementary)
1	01 State Legislature	Capital-Voted	75.29	42.91	-32.38	2.4
2	03 Administration of Justice	Revenue-Charged	84.44	71.15	-13.29	0.15
3	03 Administration of Justice	Revenue-Voted	445.68	312.08	-133.6	18.65
4	04 Elections	Revenue-Voted	160.34	137.12	-23.22	1.2
5	05 Sales Tax and Other Taxes	Revenue-Voted	719.31	653.56	-65.75	101.42
6	07 Stamps and Registration	Revenue-Voted	100.84	79.74	-21.1	0.01
7	09 Transport Services	Revenue-Voted	402.81	332.67	-70.14	28.22
8	10 Other Fiscal Services	Revenue-Voted	2.62	2.11	-0.51	0
9	11 Secretariat and Attached Offices	Revenue-Voted	900.94	696.75	-204.19	80.79
10	12 District Administration	Capital-Voted	149.35	90.47	-58.88	8
11	12 District Administration	Revenue-Voted	515.33	448.86	-66.47	13.21
12	13 Treasury and Accounts Administration	Capital-Voted	9.84	2.19	-7.65	1
13	13 Treasury and Accounts Administration	Revenue-Voted	106.4	92.2	-14.2	1.45
14	14 Police	Capital-Voted	176.97	142.15	-34.82	0.05
15	14 Police	Revenue-Voted	5,004.38	4,316.53	-687.85	150.05
16	15 Jails	Revenue-Charged	0.2	0.15	-0.05	0.01
17	15 Jails	Revenue-Voted	89.55	77.1	-12.45	3.29
18	16 Printing and Stationery	Revenue-Voted	40.14	24.04	-16.1	1
19	17 Administrative and Functional Buildings	Capital-Voted	395.51	198.7	-196.81	133.03
20	17 Administrative and Functional Buildings	Revenue-Voted	220.9	153.03	-67.87	27.84
21	18 Fire Services	Revenue-Voted	162.85	152.3	-10.55	0.75
22	19 Vigilance Commission and Others	Revenue-Voted	366.54	313.73	-52.81	57.6
23	20 Other Administrative Services	Revenue-Voted	294.61	265.68	-28.93	0.98
24	21 Guest Houses, Government Hostels	Revenue-Voted	55.33	29.01	-26.32	3.55
25	22 Administrative Training	Capital-Voted	9.27	5.05	-4.22	1
26	22 Administrative Training	Revenue-Voted	18.71	10.27	-8.44	0.02
27	26 Education (Higher)	Capital-Voted	243.14	75.24	-167.9	1
28	26 Education (Higher)	Revenue-Voted	2,775.17	2,435.64	-339.53	109
29	27 Art and Culture	Capital-Voted	62.31	30.02	-32.29	3.56
30	30 Water Supply and Sanitation	Revenue-Voted	520.76	446.81	-73.95	2.2
31	33 Residential Buildings	Revenue-Voted	1.69	0.67	-1.02	2.6

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Sl. No.	Grant	Segment	Budget (Original)	Expenditure	Savings (-) against Budget (Original)	Budget (Supplementary)
32	34 Urban Development (Municipal Administration)	Revenue-Voted	1,425.86	672.82	-753.04	381.21
33	35 Information and Publicity	Revenue-Voted	117.81	109.28	-8.53	12.97
34	36 Labour and Employment	Capital-Voted	60.51	15.29	-45.22	0.52
35	36 Labour and Employment	Revenue-Voted	214.12	188.12	-26	24.89
36	38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes, etc.	Capital-Voted	60.01	28.66	-31.35	1.17
37		Revenue-Voted	1,164.54	1,072.03	-92.51	313.97
38	39 Social Security, Welfare and Nutrition	Capital-Voted	28.18	0.6	-27.58	36.5
39	41 Natural Calamities	Revenue-Voted	2,328.41	1,246.47	-1,081.94	229.34
40	43 Co-operation	Capital-Voted	46.22	17.23	-28.99	6.57
41	43 Co-operation	Revenue-Voted	111.98	100.53	-11.45	4.95
42	44 North Eastern Council Schemes	Capital-Voted	1,338.59	502.35	-836.24	43.8
43	45 Census, Surveys and Statistics	Revenue-Voted	43.2	31.38	-11.82	2.78
44	48 Agriculture	Capital-Voted	228.13	207.78	-20.35	0.79
45	48 Agriculture	Revenue-Voted	1,931.34	1,570.66	-360.68	252.3
46	49 Irrigation	Revenue-Voted	540.73	466.75	-73.98	156.54
47	51 Soil and Water Conservation	Revenue-Voted	184.38	59.63	-124.75	1.49
48	52 Animal Husbandry	Capital-Voted	57.68	33.27	-24.41	1.01
49	52 Animal Husbandry	Revenue-Voted	452.54	286.9	-165.64	0.5
50	53 Dairy Development	Revenue-Voted	77.4	21.24	-56.16	0.22
51	54 Fisheries	Capital-Voted	21.64	21.61	-0.03	0.45
52	55 Forestry and Wild Life	Capital-Voted	13.64	1.12	-12.52	3
53	55 Forestry and Wild Life	Revenue-Voted	716.48	597.22	-119.26	40.25
54	56 Rural Development (Panchayat)	Revenue-Voted	2,811.10	1,931.66	-879.44	201.66
55	57 Rural Development	Revenue-Voted	5,206.95	3,593.86	-1,613.09	2,813.19
56	58 Industries	Capital-Voted	105.26	59.01	-46.25	4.89
57	59 Village and Small Industries, Sericulture and Weaving	Revenue-Voted	368.07	206.92	-161.15	4.91
58	60 Cottage Industries	Revenue-Voted	56.27	46.01	-10.26	0.2
59	63 Water Resources	Capital-Voted	549.77	477.88	-71.89	145.33
60	63 Water Resources	Revenue-Voted	343.8	301.88	-41.92	8.72
61	64 Roads and Bridges	Revenue-Voted	1,406.57	947.7	-458.87	230.85
62	65 Tourism	Capital-Voted	20.16	16.02	-4.14	6.32
63	65 Tourism	Revenue-Voted	54.09	30.22	-23.87	0.42
64	66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	Revenue-Voted	794.88	306.13	-488.75	52.05
65	67 Horticulture	Revenue-Voted	179.67	123.69	-55.98	78.61

Sl. No.	Grant	Segment	Budget (Original)	Expenditure	Savings (-) against Budget (Original)	Budget (Supplementary)
66	68 Loans to Government Servants, etc.	Capital-Voted	0.01	0	-0.01	0.9
67	69 Scientific Services and Research	Capital-Voted	16.58	14.73	-1.85	0.12
68	70 Hill Areas	Revenue-Voted	23.39	11.01	-12.38	6.34
69	71 Education (Elementary, Secondary, etc.)	Revenue-Voted	14,158.57	13,512.64	-645.93	1,482.71
70	73 Urban Development (Guwahati Development Department)	Capital-Voted	716.1	581.51	-134.59	46.96
71	73 Urban Development (Guwahati Development Department)	Revenue-Voted	387.44	210.32	-177.12	6
72	74 Sports and Youth Services	Revenue-Voted	97.35	83.78	-13.57	10.05
73	75 Information and Technology	Revenue-Voted	30.25	27.35	-2.9	2.86
74	76 Karbi Anglong Autonomous Council	Revenue-Voted	1,366.80	1,122.56	-244.24	81.58
75	77 North Cachar Hills Autonomous Council	Capital-Voted	72.81	61.21	-11.6	1.8
76	77 North Cachar Hills Autonomous Council	Revenue-Voted	606.86	520.51	-86.35	29.29
77	78 Bodoland Territorial Council	Revenue-Voted	2,871.31	2,246.86	-624.45	8.85
78	C1 Public Service Commission	Revenue-Charged	21.7	16.56	-5.14	2.25
79	C2 Head of State	Revenue-Charged	11.26	8.81	-2.45	0.42
	Total		57,551.63	45,347.70	-12,203.93	7,496.53

Appendix 3.4: Excessive Re-appropriation of Funds

(Reference: Paragraph 3.3.4)

(₹ in crore)

Sl. No.	Grant	Head of Account (Major Head to Minor Head)	Sub-Head	Sub Sub-Head	Budget (O+S)	Expenditure	(-) Savings/ (+) Excess (OS)	Re-appropriation	(-) Savings/ (+) Excess (OSR)
1	03 Administration of Justice	4059-01-051	{1483}-Building (Administration of Justice)	[584]-Works	16.00	17.17	1.17	1.41	-0.24
2	11 Secretariat and Attached Offices	3451-00-091	{1421}-Sub-Divisional Development Schemes	[770]-Special Project (718-Untied Fund)	130.00	146.75	16.75	68.00	-51.25
3	12 District Administration	4059-01-101	{0271}-Lump Provision for Construction of Administrative & Allied Building (GAD)	[441]-Public Works (GAD)	25.17	27.11	1.94	3.00	-1.06
4	14 Police	2055-00-109	{0462}-Guards for Brahmaputra Bridge	---	1.01	1.16	0.15	0.30	-0.15
5	14 Police	2055-00-109	{0468}-Police Guards for Assam Gas Based Power Project	---	3.42	3.56	0.14	0.25	-0.11
6	14 Police	2055-00-800	{0482}-Relief Operation in Connection with Disturbance	[935]-Battalion for ONGC (Re-imbursable from ONGC)	50.81	51.58	0.77	2.00	-1.23
7	25 Miscellaneous General Services	2052-00-090	{0417}-Director Institutional Finance Cell	[555]-Nabaudita Asom	1,860.25	1,718.67	-141.58	-500.00	358.42
8	25 Miscellaneous General Services	2075-00-800	{2490}-Payment of Medical Reimbursement	---	13.91	14.46	0.55	1.60	-1.05
9	26 Education (Higher)	2202-03-103	{0597}-Government Art College (Cotton College)	---	39.07	40.24	1.17	1.78	-0.61
10	48 Agriculture	2401-00-109	{1077}-Farmers Institutes & EMTC	---	0.43	0.44	0.01	0.13	-0.12
11	48 Agriculture	2435-01-101	{1334}-Marketing of Fruits & Vegetables	---	4.99	5.04	0.05	0.55	-0.5
12	49 Irrigation	4702-00-101	{0160}-Flow Irrigation	---	8.00	8.49	0.49	3.20	-2.71
13	71 Education (Elementary, Secondary, etc.)	2202-80-004	{0651}-District Institution of Education and Training (DIET)	[928]-State Share	29.27	30.55	1.28	1.53	-0.25
Total					2,182.33	2,065.22	-117.11	-416.25	299.14

Appendix 3.5: Unnecessary Re-appropriation of Funds

(Reference: Paragraph 3.3.4)

(₹ in crore)

Sl. No.	Grant	Head of Account (Major Head to Minor Head)	Sub-Head	Sub Sub-Head	Budget (O+S)	Expenditure	(-) Savings/ (+) Excess (OS)	Re-appropriation	(-) Savings/ (+) Excess (OSR)
1	01 State Legislature	2011-02-103	---	---	37.90	35.04	-2.86	0.31	-3.17
2	04 Elections	2015-00-102	{0144}-District Establishment	---	2.68	2.37	-0.31	0.06	-0.37
3	04 Elections	2015-00-103	{0144}-District Establishment	---	7.75	5.17	-2.58	0.02	-2.60
4	04 Elections	2015-00-102	{0144}-District Establishment	---	12.97	10.21	-2.76	0.41	-3.17
5	06 Land Revenue	2029-00-102	{0319}-Assam Survey	[450]-Assam Meghalaya Border	0.05	0.02	-0.03	0.08	-0.11
6		2041-00-001	{0172}-Headquarters Establishment	---	3.70	3.27	-0.43	0.16	-0.59
7	09 Transport Services	3056-00-800	{1400}-Government Transport Service Working Expenses - Subansiri River Passenger Services (Commercial)	[902]-Operation	7.32	6.34	-0.98	0.25	-1.23
8		2235-60-200	{0930}-Directorate of Sainik Welfare, Assam	---	1.93	1.87	-0.06	0.05	-0.11
9	12 District Administration	2053-00-093	{0423}-Expenditure in Connection with Assam- Nagaland Border Disturbances	---	0.55	0.46	-0.09	0.03	-0.12
10	14 Police	2055-00-109	{0463}-Guards for RBI, Guwahati	---	1.07	0.94	-0.13	0.05	-0.18
11	14 Police	2055-00-109	{0461}-Guards for A.I.R	---	1.80	1.73	-0.07	0.25	-0.32
12	14 Police	2055-00-800	{0481}-Expenditure in connection with General Election	[698]-Charges for Conduct of Assembly Election	3.67	3.54	-0.13	0.73	-0.86
13	14 Police	2055-00-101	{0445}-Special Branch (BIEO)	---	8.26	7.14	-1.12	0.34	-1.46
14	14 Police	2055-00-003	{0437}-Recruits in Training School of Assam	---	7.92	6.01	-1.91	0.15	-2.06
15	14 Police	2055-00-109	{3191}-General Security Related Expenditure	[641]-Deployment of Central and Other Police Force	124.33	123.82	-0.51	1.94	-2.45
16	14 Police	2055-00-003	{0435}-Police Training College	---	15.95	13.24	-2.71	0.08	-2.79

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Sl. No.	Grant	Head of Account (Major Head to Minor Head)	Sub-Head	Sub Sub-Head	Budget (O+S)	Expenditure	(-) Savings/ (+) Excess (OS)	Re-appropriation	(-) Savings/ (+) Excess (OSR)
17	14 Police	2055-00-800	{0482}-Relief Operation in Connection with Disturbance	[924]-Raising of New Battalion	172.83	169.81	-3.02	0.30	-3.32
18	14 Police	2055-00-001	{0433}-Police Range	---	10.24	7.07	-3.17	0.20	-3.37
19	14 Police	2055-00-110	{0474}-Village Police/ Village Defence Organisation	---	12.59	8.43	-4.16	0.65	-4.81
20	14 Police	2055-00-111	{0475}-Supervising Staff	---	12.27	5.23	-7.04	0.10	-7.14
21	14 Police	2055-00-101	{0442}-Criminal Investigation Department	---	41.74	34.83	-6.91	0.52	-7.43
22	14 Police	2055-00-101	{0443}-Special Branch	---	231.10	221.56	-9.54	2.00	-11.54
23	14 Police	2055-00-001	{0172}-Headquarters Establishment	---	102.77	53.03	-49.74	4.52	-54.26
24	14 Police	2055-00-104	{0446}-Armed Police Battalions	---	985.46	873.93	-111.53	0.97	-112.50
25	15 Jails	2056-00-800	{0489}-Open Air Jails	---	1.30	1.21	-0.09	0.10	-0.19
26	15 Jails	2056-00-001	{0172}-Headquarters Establishment	---	3.60	2.27	-1.33	0.05	-1.38
27	15 Jails	2056-00-102	---	---	2.82	1.21	-1.61	0.08	-1.69
28	18 Fire Services	4059-01-051	{0505}-Opening of New Fire Service Station	---	12.00	12.00	-	1.30	-1.30
29	18 Fire Services	2070-00-108	{0526}-Protection & Control Fire Service Station	[506]-State Disaster Response	22.64	18.28	-4.36	0.16	-4.52
30	20 Other Administrative Services	4070-00-800	{0521}-Air-Raid Precautions (ARP)	---	0.25	0.25	-	1.50	-1.50
31	25 Miscellaneous General Services	4070-00-800	{2333}-State Signature Scheme	---	362.51	279.94	-82.57	2.49	-85.06
32		2052-00-090	{0417}-Director Institutional Finance Cell	[351]-Enhancing Stake in NRL	500.00	500.00	-	500.00	-500.00
33	26 Education (Higher)	2202-05-103	{0628}-Assam Sanskrit College, Guwahati	---	3.12	3.05	-0.07	0.06	-0.13
34	27 Art and Culture	2205-00-102	{0693}-Assistance to Srimanta Sankardev Kalakhetra	---	3.79	3.75	-0.04	1.40	-1.44
35	29 Medical and Public Health	4210-03-105	{4935}-Establishment of Medical College at Kokrajhar	[928]-State Share	-	-	-	4.81	-4.81
36	29 Medical and Public Health	4210-03-105	{4935}-Establishment of Medical College at Kokrajhar	[927]-Central Share	108.88	95.34	-13.54	35.19	-48.73

Sl. No.	Grant	Head of Account (Major Head to Minor Head)	Sub-Head	Sub Sub-Head	Budget (O+S)	Expenditure	(-) Savings/ (+) Excess (OS)	Re-appropriation	(-) Savings/ (+) Excess (OSR)
37	35 Information and Publicity	2220-60-101	{5316}-Publicity	---	75.65	73.34	-2.31	0.44	-2.75
38	38 Welfare of SCs, STs and OBCs, etc.	2225-02-800	{5906}-Promotion of Tribal Culture	---	0.10	-	-0.10	0.15	-0.25
39	39 Social Security, Welfare and Nutrition	2235-02-104	{4520}-Old Age Home	---	0.73	0.40	-0.33	0.08	-0.41
40		2235-02-102	{3959}-Implementation of Integrated Child Protection Scheme (ICPS)	[830]-Programme for J.J. Act	20.74	8.89	-11.85	0.06	-11.91
41	41 Natural Calamities	2245-02-122	{0999}-Repair & Restoration of Damaged Flood Control Works (WRD)	---	208.00	205.18	-2.82	60.00	-62.82
42	42 Other Social Services	2575-02-800	{2919}-Multi Sectoral Development Programme for Minorities in selected Minority Concentration Districts	[928]-State Share	64.10	30.35	-33.75	7.70	-41.45
43	45 Census, Surveys and Statistics	3454-02-800	{1463}-Preparation of Regional Account	---	1.94	1.14	-0.80	1.00	-1.80
44	48 Agriculture	2401-00-107	{1054}-Pest Surveillance	---	1.47	1.40	-0.07	0.08	-0.15
45	48 Agriculture	2435-01-102	{3133}-Development of Quality control Agmark Grading	---	1.09	1.05	-0.04	0.12	-0.16
46	48 Agriculture	2401-00-107	{0208}-Plant Protection Campaign	---	2.12	1.29	-0.83	0.07	-0.90
47	48 Agriculture	2401-00-109	{3929}-National e-Governance Programme in Agriculture (NeGP-A)	[927]-Central Share	0.15	-	-0.15	1.03	-1.18
48	49 Irrigation	4702-00-102	{1523}-Tube Well	[341]-Tamulikhata DTWS (3 Points) in Tengakhata GP	1.20	1.20	-	0.60	-0.60
49	49 Irrigation	4702-00-102	{1523}-Tube Well	[343]-DTWS at Kheremia GP under Duliajan LAC (3 Points)	0.64	0.64	-	1.00	-1.00
50	49 Irrigation	4702-00-102	{1523}-Tube Well	[339]-DTWS at Dharampur LAC Area (10 Points), Nalbari Division	0.80	0.80	-	1.00	-1.00

Appendices

Sl. No.	Grant	Head of Account (Major Head to Minor Head)	Sub-Head	Sub Sub-Head	Budget (O+S)	Expenditure	(-) Savings/ (+) Excess (OS)	Re-appropriation	(-) Savings/ (+) Excess (OSR)
51	49 Irrigation	4702-00-102	{1523}-Tube Well	[982]-DTW Scheme with Solar System at Behali Area	4.00	3.95	-0.05	2.26	-2.31
52	52 Animal Husbandry	2403-00-109	{1173}-Training Institute	---	1.66	1.37	-0.29	0.50	-0.79
53		2403-00-103	{1162}-Poultry Farms	---	13.65	8.05	-5.60	0.09	-5.69
54	53 Dairy Development	2404-00-102	{1185}-General Development	---	5.24	1.49	-3.75	0.56	-4.31
55	54 Fisheries	2405-00-109	{0250}-Training	---	2.23	2.08	-0.15	-	-0.15
56	54 Fisheries	2405-00-001	{0143}-District Administration	---	17.93	17.20	-0.73	0.35	-1.08
57	56 Rural Development (Panchayat)	2515-00-800	{0800}-Other Expenditure	[973]-Charges for Conduct of Panchayat Election	-	-	-	0.10	-0.10
58	59 Village and Small Industries, Sericulture and Weaving	4851-00-103	{5839}-Designing, Installation for Setting up of AC at Conference Hall in the Directorate of Handloom & Textile	---	0.10	-	-0.10	0.02	-0.12
59	64 Roads and Bridges	5054-80-190	{6052}-Assam State Infrastructure Development Corporation Ltd. (ASIDCL)	---	-	-	-	7.00	-7.00
60	66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	3604-00-200	{3673}-Panchayat Raj Institutions (Award of Central Finance Commission)	[709]-N.C. Hills Autonomous Council	22.33	17.41	-4.92	1.00	-5.92
61		3604-00-200		[708]-Karbi Anglong Autonomous Council	76.11	59.34	-16.77	3.41	-20.18
62		3604-00-200		[707]-Bodoland Territorial Autonomous Council	199.26	155.36	-43.90	8.93	-52.83
63	71 Education (Elementary, Secondary, etc.)	2202-80-003	{0646}-Government B.T. College, Goalpara	---	1.07	0.93	-0.14	0.03	-0.17
64		2202-80-004	{1968}-Research Activities of State Council of Educational Research & Training (SCERT)	[927]-Central Share	2.27	2.24	-0.03	0.55	-0.58

Sl. No.	Grant	Head of Account (Major Head to Minor Head)	Sub-Head	Sub Sub-Head	Budget (O+S)	Expenditure	(-) Savings/ (+) Excess (OS)	Re-appropriation	(-) Savings/ (+) Excess (OSR)
65	73 Urban Development (Guwahati Development Department)	4217-01-051	{2173}-City Infrastructure	---	71.74	71.52	-0.22	13.88	-14.10
66	78 Bodoland Territorial Council	2210-01-200	---	---	3.13	3.03	-0.10	0.04	-0.14
67		2039-00-001	{0344}-District Executive Establishment	---	5.41	5.28	-0.13	0.05	-0.18
68		2210-06-112	---	---	0.73	0.52	-0.21	0.03	-0.24
69		2202-02-110	{0580}-Junior College	---	10.80	10.50	-0.30	0.06	-0.36
70		2029-00-800	{0331}-Land Acquisition and Requisition Establishment	---	3.47	1.14	-2.33	0.07	-2.40
71		2202-01-101	{0165}-Government Middle School	---	269.76	268.37	-1.39	1.91	-3.30
72		2029-00-001	{0143}-District Administration	---	15.26	10.98	-4.28	0.14	-4.42
73		2202-02-110	{0269}-Government Teachers Serving in Non-Government Schools	---	523.03	516.98	-6.05	1.46	-7.51
74		2202-03-103	{4556}-Provincialised Teachers/ Employees Serving in Non-Government Colleges	---	88.17	79.81	-8.36	1.13	-9.49
75		2210-01-001	{0144}-District Establishment	---	22.86	12.52	-10.34	0.30	-10.64
		Total			4,566.70	4,088.11	-478.59	678.51	-1,157.10

Appendix 3.6: Excess Expenditure of Previous Years Requiring Regularisation

(Reference: Paragraph 3.3.6.3)

(₹ in crore)

Year	Number of Grants/Appropriations	Grant No./Appropriation	Amount of excess	Status of discussion by Public Accounts Committee (PAC)
2005-06	2-Grants 2-Appropriations	Revenue Voted-47 Capital Voted-67 Revenue Charged-6 and 14	2.45	Partly recommended for regularisation. Act awaited.
2006-07	4-Grants 2-Appropriations	Revenue Voted-30 Capital Voted-54, 58 and 60 Revenue Charged-8 and 12	80.61	
2007-08	9-Grants 2-Appropriations	Revenue Voted-4, 40, 42 and 65 Capital Voted-31, 34, 59, 60 and 70 Revenue Charged-Head of State and 6	113.24	
2008-09	6-Grants 2-Appropriations	Revenue Voted-4, 40 and 72 Capital Voted-60, 76 and 77 Revenue Charged-Head of State and 39	108.41	
2009-10	3-Grants	Revenue Voted- 40 and 47 Capital Voted- 60	10.18	
2010-11	1-Grant 1-Appropriation	Revenue Voted-40 Revenue Charged-15	4.27	
2011-12	5-Grants 2-Appropriations	Revenue Voted-22, 23, 47 and 62 Capital Voted-78 Revenue Charged-12 Capital Charged-63	915.14	
2012-13	4-Grants	Revenue Voted-13, 23 and 47 Capital Voted-78	1195.60	
2013-14	5-Grants	Revenue Voted-23, 40 and 64 Capital Voted-55 and 78	1499.89	
2014-15	5-Grants 1-Appropriation	Revenue Voted-23 30 and 72 Capital Voted-55 and 78 Capital Charged- Public Debt and Servicing of Debt	3801.63	
2015-16	3 Grants	Revenue Voted – 30 Capital Voted – 76 and 77	243.77	
2016-17	5 Grants	Revenue Voted – 30 and 64 Capital Voted – 34, 76 and 77	1348.44	
2017-18	2 Grants	Revenue Voted – 78 Capital Voted - 78	264.47	
2018-19	3 - Grants	Revenue Voted - 23 Capital Voted - 76 and 78	739.11	
2019-20	2 - Grants	Revenue Voted - 23 Capital Voted - 78	1,159.23	
2020-21	4 - Grants	Revenue Voted – 23 Capital Voted – 76, 77 and 78	731.25	
Total			12,217.69	

Appendix 3.7: Grants (at Segment level) with Savings of ₹ 500 crore and above

(Reference: Paragraph 3.4.1)

(₹ in crore)

Sl. No.	Grant	Segment	Total Grant/ Appropriation	Expenditure	(-) Savings
1	14 Police	Revenue-Voted	5,154.43	4,316.53	-837.90
2	25 Miscellaneous General Services	Revenue-Voted	6,278.24	4,819.67	-1,458.57
3	29 Medical and Public Health	Capital-Voted	1,441.04	919.45	-521.59
4	29 Medical and Public Health	Revenue-Voted	8,012.85	6,237.12	-1,775.73
5	34 Urban Development (Municipal Administration)	Revenue-Voted	1,807.07	672.82	-1,134.25
6	41 Natural Calamities	Revenue-Voted	2,557.75	1,246.47	-1,311.28
7	44 North Eastern Council Schemes	Capital-Voted	1,382.38	502.35	-880.03
8	48 Agriculture	Revenue-Voted	2,183.64	1,570.66	-612.98
9	56 Rural Development (Panchayat)	Revenue-Voted	3,012.76	1,931.66	-1,081.10
10	57 Rural Development	Revenue-Voted	8,020.14	3,593.86	-4,426.28
11	62 Power (Electricity)	Capital-Voted	11,579.07	3,767.63	-7,811.44
12	64 Roads and Bridges	Capital-Voted	9,927.09	8,761.59	-1,165.50
13	64 Roads and Bridges	Revenue-Voted	1,637.42	947.70	-689.72
14	66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	Revenue-Voted	846.93	306.13	-540.80
15	71 Education (Elementary, Secondary, etc.)	Revenue-Voted	15,641.27	13,512.62	-2,128.65
16	78 Bodoland Territorial Council	Revenue-Voted	2,880.17	2,246.86	-633.31
17	PD Public Debt and Servicing of Debt	Revenue-Charged	7,509.62	6,497.37	-1,012.25
	Total		89,871.87	61,850.49	-28,021.38

Appendix 3.8: Heads with Variation beyond PAC specified limits and status of explanation

(Reference: Paragraph 3.4.1.1)

Sl. No.	Grant / Appropriation	Total Heads	Heads Requiring Explanation	Heads where Explanation was given
1	01 State Legislature	15	5	-
2	02 Council of Ministers	6	6	2
3	03 Administration of Justice	47	36	6
4	04 Elections	17	8	-
5	05 Sales Tax and Other Taxes	7	4	-
6	06 Land Revenue	36	16	16
7	07 Stamps and Registration	8	4	1
8	08 Excise and Prohibition	7	3	-
9	09 Transport Services	82	34	-
10	10 Other Fiscal Services	3	1	-
11	11 Secretariat and Attached Offices	53	35	1
12	12 District Administration	58	30	-
13	13 Treasury and Accounts Administration	15	6	5
14	14 Police	99	69	59
15	15 Jails	16	10	10
16	16 Printing and Stationery	7	4	4
17	17 Administrative and Functional Buildings	44	31	-
18	18 Fire Services	14	9	-
19	19 Vigilance Commission and Others	17	6	-
20	20 Other Administrative Services	15	10	10
21	21 Guest Houses, Government Hostels	15	14	-
22	22 Administrative Training	17	10	4
23	23 Pension	18	16	-
24	24 Aid Materials	1	-	-
25	25 Miscellaneous General Services	41	24	2
26	26 Education (Higher)	118	60	1
27	27 Art and Culture	139	51	3
28	28 State Archives	2	-	-
29	29 Medical and Public Health	229	131	31
30	30 Water Supply and Sanitation	29	13	7
31	31 Urban Development (Town and Country Planning)	26	12	-
32	32 Housing Schemes	4	-	-
33	33 Residential Buildings	3	2	-
34	34 Urban Development (Municipal Administration)	34	18	1
35	35 Information and Publicity	24	6	-
36	36 Labour and Employment	79	31	-
37	37 Food Storage and Warehousing	40	15	14
38	38 Welfare of Scheduled Caste, Scheduled Tribes and Other Backward Classes, etc.	220	86	-
39	39 Social Security, Welfare and Nutrition	152	68	68
40	40 Social Security and Welfare (Freedom Fighter)	2	1	-
41	41 Natural Calamities	25	22	-
42	42 Other Social Services	10	7	-
43	43 Co-operation	23	10	2
44	44 North Eastern Council Schemes	231	181	2
45	45 Census, Surveys and Statistics	14	6	-
46	46 Weights and Measures	6	4	-

Sl. No.	Grant / Appropriation	Total Heads	Heads Requiring Explanation	Heads where Explanation was given
47	47 Trade Adviser	1	1	1
48	48 Agriculture	102	46	-
49	49 Irrigation	99	57	-
50	50 Other Special Areas Programmes	9	5	4
51	51 Soil and Water Conservation	27	20	-
52	52 Animal Husbandry	57	50	43
53	53 Dairy Development	21	13	13
54	54 Fisheries	30	6	4
55	55 Forestry and Wild Life	75	49	-
56	56 Rural Development (Panchayat)	39	17	-
57	57 Rural Development	34	20	-
58	58 Industries	78	38	35
59	59 Village and Small Industries, Sericulture and Weaving	78	30	4
60	60 Cottage Industries	11	3	1
61	61 Mines and Minerals	13	8	-
62	62 Power (Electricity)	30	14	14
63	63 Water Resources	41	10	-
64	64 Roads and Bridges	73	40	-
65	65 Tourism	51	23	19
66	66 Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	40	30	27
67	67 Horticulture	10	9	-
68	68 Loan to Government Servants, etc.	2	1	-
69	69 Scientific Services and Research	47	6	-
70	70 Hill Areas	11	5	-
71	71 Education (Elementary, Secondary, etc.)	136	57	9
72	72 Social Security and Welfare	2	-	-
73	73 Urban Development (Guwahati Development Department)	35	20	-
74	74 Sports and Youth Services	43	14	12
75	75 Information and Technology	26	4	2
76	76 Karbi Anglong Autonomous Council	197	101	-
77	77 North Cachar Hills Autonomous Council	158	57	-
78	78 Bodoland Territorial Council	247	114	-
79	C1 Public Service Commission	1	1	-
80	C2 Head of State	19	4	-
81	PD Public Debt and Servicing of Debt	218	12	-
	Total	4129	2000	437

Appendix 4.1: Department-wise List of Outstanding UCs as of March 2022
(Reference: Paragraph 4.3)

(₹ in crore)

Sl. No.	Name of the Department	Details of UCs		Amount
		No.	Year to which pertain	
1.	Administrative Reforms (Training)	6	2009-2021	55.92
2.	Agriculture	248	2001-2021	2,369.09
3.	Animal Husbandry	30	2009-2021	37.82
4.	Assembly Secretariat	99	2010-2021	2.15
5.	Co-operation	124	2003-2021	46.76
6.	Cultural Affairs	438	2001-2021	211.08
7.	Dairy Development	31	2002-2021	27.75
8.	Education (General)	4319	2001-2021	2,887.43
9.	Election	2	2009-2011	0.22
10.	Excise	2	2018-2019	3.18
11.	Finance (Taxation)	409	2001-2014	707.67
12.	Finance (Economic Affairs)	159	2013-2021	429.68
13.	Finance	410	2003-2021	1,779.55
14.	Fisheries	145	2001-2021	53.23
15.	Food & Civil Supplies	15	2006-2021	62.22
16.	Forest	4	2008-2009	3.48
17.	General Administration	229	2001-2021	112.86
18.	Governor Secretariat	21	2019-2021	1.89
19.	Guwahati Development	220	2003-2021	1,295.90
20.	Handloom and Textile	114	2011-2021	105.34
21.	Health	367	2006-2021	9,101.69
22.	Hill Areas	120	2004-2021	60.53
23.	Home	112	2005-2021	256.37
24.	Horticulture	24	2014-2021	169.31
25.	Industry and Commerce	86	2002-2021	215.63
26.	Information and Public Relation	7	2018-2021	1.57
27.	Information and Technology	30	2012-2021	83.76
28.	Irrigation	2	2014-15	4.97
29.	Judicial	15	2008-2021	26.83
30.	Labour & Employment	39	2006-2021	226.87
31.	Labour welfare	4	2018-2021	22.62
32.	Power	8	2003-2021	130.95
33.	Minority Development	78	2003-2021	463.82
34.	Municipal Administration	128	2004-2021	638.52
35.	Panchayat and Rural Development	149	2001-2021	3,885.89
36.	Transformation and Development (Planning)	639	2008-2021	781.52
37.	Political	13	2008-2021	18.94
38.	Public Works Department	7	2006-2021	156.92
39.	Revenue and Disaster Management	665	2003-2021	50.21
40.	Revenue	1499	2001-2021	745.13
41.	Rural Development	18	2011-2021	780.14
42.	Science and Technology	54	2001-2021	21.62
43.	Secretariat Administration	333	2003-2021	1,456.49
44.	Sericulture	229	2001-2021	99.89
45.	Social Welfare	718	2001-2021	2,664.15
46.	Sports and Youth Welfare	175	2003-2021	144.41
47.	Tourism	108	2003-2021	134.83
48.	Urban Development (Town & Country Planning)	150	2002-2021	128.38
49.	Urban Development	7	2013-2021	2.44
50.	Transport	31	2002-2021	160.57
51.	Water Resources	3	2019-2021	318.37
52.	Welfare of PT & BC	839	2001-2021	3,541.28
	Total	13,682		36,687.84

Appendix 4.2: Outstanding DCC Bills against the drawal of AC Bills up to 2021-22

(Reference: Paragraph 4.4)

(₹ in crore)

Sl. No	Name of the Department	No. of Pending DCC Bills	Amount
1	Administrative Reforms and Training	1	0.00049
2	Agriculture	1	0.01
3	Assam Legislative Assembly Secretariat	7	0.14
4	Co-operation	1	0.0015
5	Cultural Affairs	27	2.24
6	Border Protection and Development	32	34.98
7	Education (General)	33	85.03
8	Election	131	52.44
9	Excise	1	0.002
10	Finance (Taxation)	11	0.93
11	Finance	24	28.58
12	Food, Civil Supplies and Consumer Affairs	2	26.03
13	General Administration	84	20.45
14	Governor Secretariat	1	0.21
15	Health and Family Welfare	22	106.08
16	Hill Areas Development	9	2.79
17	Home	216	73.98
18	Industry and Commerce	4	2.93
19	Information & Public Relation	4	0.02
20	Judicial	57	1.88
21	Labour Welfare	4	0.03
22	Panchayat and Rural Development	132	125.69
23	Pension & Public Grievances	4	0.06
24	Personal Department	19	1.21
25	Transformation & Development (Planning)	42	21.89
26	Political	42	0.33
27	Public Health Engineering	2	0.004
28	Public Works Department	29	2.16
29	Revenue & Disaster Management	9	0.88
30	Revenue	301	32.16
31	Sainik Welfare	1	0.03
32	Secretariat Administration	144	78.65
33	Social Welfare	14	37.49
34	Sports & Youth Welfare	2	0.26
35	Tourism	42	8.45
36	Transport	11	148.86
37	Water Resources	48	0.13
38	Welfare of PT & BC	26	61.37
Total		1,540	958.37

**Appendix 4.3: Statement showing details of pendency in finalisation
Accounts by various Bodies and Authorities
(Reference: Paragraph 4.13)**

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
1	Agriculture	Assam Agricultural University (AAU), Jorhat	2020-21 to 2021-22	2
2		Assam Rural Infrastructure & Agriculture Services (ARIAS) Society	2020-21 to 2021-22	2
3		Assam State Agricultural Marketing Board (ASAMB)	2018-19 to 2021-22	4
4		Assam State Seed Certification Agency (ASSCA)	2016-17 to 2021-22	6
5	Art & Culture	Shrimanta Sankardev Kalakhetra Society (SSKS)	2021-22	1
6	Education (Elementary)	Samagra Shiksha Assam	2021-22	1
7	Education (Higher)	Anandaram Borooah Institute of Language, Art & Culture, Guwahati	2020-21 to 2021-22	2
8		Assam Science & Technology University, Guwahati	2020-21 to 2021-22	2
9		Bodoland University, Kokrajhar	2017-18 to 2021-22	5
10		Cotton University	2020-21 to 2021-22	2
11		Dibrugarh University	2021-22	1
12		Gauhati University	2015-16 to 2021-22	7
13		Krishna Kanta Handique State Open University	2019-20 to 2021-22	3
14		Kumar Bhaskar Varma Sanskrit & Ancient Studies University, Nalbari	2020-21 to 2021-22	2
15		Rashtriya Uchhatar Siksha Abhiyan	2007-08 to 2021-22	15
16		Mahapurush Srimanta Sankardev Biswa Vidalya	2014-15 to 2021-22	8
17		AIM (Assam Institute of Management)	2020-21 to 2021-22	2
18	Environment & Forest	Assam Project Forest and Biodiversity Conservation (APFBC)	2019-20 to 2021-22	3
19		Assam State Bio-Diversity Board (ASBB)	2020-21 to 2021-22	2
20		Compensatory Afforestation fund Management and Planning Authority (CAMPA)	2019-20 to 2021-22	3
21		State Pollution Control Board, Assam (SPCB)	2010-11 to 2021-22	12

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
22		Kaziranga Tiger Conservation Foundation	2014-15 to 2021-22	8
23		Manas Tiger Conservation Foundation	2011-12 to 2021-22	11
24		Nemari Tiger Conservation Foundation	2013-14 to 2021-22	9
25	Finance	Chief Minister Samagra Gramya Unnayan Yojana (CMSGUY)	2021-22	1
26	Handloom, Textile & Sericulture	Assam Apex Weavers & Artisan Co-operative Federation	2016-17 to 2021-22	6
27		Assam Khadi & Village Industries Board (AKVIB)	2018-19 to 2021-22	4
28	Health & Family Welfare	Assam State AIDS Control Society, Guwahati	2019-20 to 2021-22	3
29		Assam Arogya Nidhi	2021-22	1
30		Atal Amrit Abhiyan Society	2016-17 to 2021-22	6
31		MS, Hospital Management Society, AMCH, Dibrugarh	2018-19 to 2021-22	4
32		MS, Hospital Management Society, Baksa	2019-20 to 2021-22	3
33		MS, Hospital Management Society, BMCH, Barpeta	2018-19 to 2021-22	4
34		MS, Hospital Management Society, Bongaigaon	2019-20 to 2021-22	3
35		MS, Hospital Management Society, CH, Barpeta	2018-19 to 2021-22	4
36		MS, Hospital Management Society, CH, Darrang, Mangaldoi	2020-21 to 2021-22	2
37		MS, Hospital Management Society, CH, Diphu	2018-19 to 2021-22	4
38		MS, Hospital Management Society, CH, Golaghat	2018-19 to 2021-22	4
39		MS, Hospital Management Society, CH, Haflong	2020-21 to 2021-22	2
40		MS, Hospital Management Society, CH, Hailakandi	2007-08 to 2021-22	15
41		MS, Hospital Management Society, CH, Karimganj	2007-08 to 2021-22	15
42		MS, Hospital Management Society, CH, Morigaon	2020-21 to 2021-22	2
43		MS, Hospital Management Society, CH, Nagaon	2018-19 to 2021-22	4
44		MS, Hospital Management Society, CH, North Lakhimpur	2007-08 to 2021-22	15
45		MS, Hospital Management Society, CH, Sivasagar	2007-08 to 2021-22	15

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts	
46		MS, Hospital Management Society, CH, Tejpur, Sonitpur	2007-08 to 2021-22	15	
47		MS, Hospital Management Society, CH, Tinsukia	2007-08 to 2021-22	15	
48		MS, Hospital Management Society, Chirang	2021-22	1	
49		MS, Hospital Management Society, Dhemaji	2018-19 to 2021-22	4	
50		MS, Hospital Management Society, Dhubri	2017-18 to 2021-22	5	
51		MS, Hospital Management Society, GMCH, Guwahati	2020-21 to 2021-22	2	
52		MS, Hospital Management Society, Goalpara	2019-20 to 2021-22	3	
53		MS, Hospital Management Society, JMCH, Jorhat	2017-18 to 2021-22	5	
54		MS, Hospital Management Society, Kokrajhar	2018-19 to 2021-22	4	
55		MS, Hospital Management Society, Regional Dental College, Guwahati	2019-20 to 2021-22	3	
56		MS, Hospital Management Society, SMCH, Silchar	2018-19 to 2021-22	4	
57		MS, Hospital Management Society, TMCH, Tezpur	2019-20 to 2021-22	3	
58		MS, Hospital Management Society, Udalguri	2018-19 to 2021-22	4	
59		MS, Hospital Management Society, CH, Nalbari	2021-22	1	
60		National Health Mission, Guwahati	2020-21 to 2021-22	2	
61		SrimantaSankaradeva University of Health Science	2019-20 to 2021-22	3	
62		Hospital Management Society, State Cancer Institute	2019-20 to 2021-22	3	
63		Tularam Bafna Civil Hospital Management Society	2021-22	1	
64		Hill Areas	Karbi Anglong Autonomous Council	2018-19 to 2021-22	4
65			North Cachar Hills Autonomous Council	2019-20 to 2021-22	3
66	Home	Assam Human Rights Commission	2019-20 to 2021-22	3	
67	Labour & Welfare	Assam Building & Other Construction Workers Welfare Board	2020-21 to 2021-22	2	
68		Assam Tea Employees Provident Fund Organisation	2020-21 to 2021-22	2	

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
69	Legislative	Assam State Legal Services Authority	2020-21 to 2021-22	2
70	Welfare of Minorities and Development	Assam Minority Development Board, Guwahati	2020-21 to 2021-22	2
71	P&RD	DRDA, Chirang	2019-20 to 2021-22	3
72		DRDA, Kokrajhar	2019-20 to 2021-22	3
73		DRDA, KAAC, Diphu	2016-17 to 2021-22	6
74		DRDA, Udalguri	2016-17 to 2021-22	6
75		DRDA, Haflong	2016-17 to 2021-22	6
76		DRDA, Baksa	2015-16 to 2021-22	7
77	Science & Technology	Assam Energy Development Agency (AEDA)	2021-22	1
78		Assam Science Technology & Environment Council (ASTECC)	2021-22	1
79	Skill Employment & Entrepreneurship	Assam Skill Development Mission	2019-20 to 2021-22	3
80	Soil Conservation	State Level Nodal Agency (WDC-PMKSY), Assam	2021-22	1
81	Social Welfare	Assam State Commission for Child Rights	2020-21 to 2021-22	2
82		Assam State Social Welfare Board, Guwahati	2019-20 to 2021-22	3
83		State Child Protection Society	2020-21 to 2021-22	2
84	Sports & Youth Welfare	Sports Authority of Assam	2019-20 to 2021-22	3
85		Sri Sri Aniruddhadeva Sports University	2021-22	1
86	Transformation & Development	Omeo Kumar Das Institute of Social Change & Development (OKDISCD)	2020-21 to 2021-22	2
87	Water Resources	Flood and River Erosion Management Agency of Assam (FREMAA)	2018-19 to 2021-22	4
88	WPT&BC	Adivasi Development Council	2009-10 to 2021-22	13
89		Bodoland Territorial Council	2020-21 to 2021-22	2
90		AmriKarbi Development Council	2009-10 to 2021-22	13
91		Assam Tribal Development Authority, Guwahati	2018-19 to 2021-22	4
92		Barak Valley Hill Tribes Development Council	2009-10 to 2021-22	13
93		Bishnupriya Manipuri Development Council	2009-10 to 2021-22	13
94		Chutia Development Council	2009-10 to 2021-22	13
95		Deori Autonomous Council	2009-10 to 2021-22	13

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
96		Gorkha Development Council	2009-10 to 2021-22	13
97		Koch Rajbongashi Development Council	2009-10 to 2021-22	13
98		Maimal Development Council.	2009-10 to 2021-22	13
99		Manipuri Development Council	2009-10 to 2021-22	13
100		Mech Kachari Development Council	2009-10 to 2021-22	13
101		Mising Autonomous Council	2009-10 to 2021-22	13
102		Moran Development Council	2009-10 to 2021-22	13
103		Moria Development Council	2009-10 to 2021-22	13
104		Mottok Development Council	2009-10 to 2021-22	13
105		Nath Yogi Development Council	2009-10 to 2021-22	13
106		Rabha Hasong Autonomous Council	2009-10 to 2021-22	13
107		Sadharanjati Development Council	2009-10 to 2021-22	13
108		Sarania Kachari Development Council	2009-10 to 2021-22	13
109		Singph (Man Tai) Development Council	2009-10 to 2021-22	13
110		Sonowal Kachari Autonomous Council	2009-10 to 2021-22	13
111		T.G & Ex-Tea Garden Development Council	2009-10 to 2021-22	13
112		Thengal Kachari Autonomous Council	2009-10 to 2021-22	13
113		Tia Ahom Development Council	2009-10 to 2021-22	13
114		Tiwa Autonomous Council	2009-10 to 2021-22	13
Total				711

**Appendix 4.4: Statement showing details of pendency in finalisation of
Accounts by PSUs
(Reference: Paragraph 4.14)**

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
1	Agriculture	Assam Seeds Corporation Limited	2017-18 to 2021-22	5
2		Assam Agro-Industries Development Corporation Limited	2010-11 to 2021-22	12
3		Assam Food & Civil Supplies Corporation Limited	2019-20 to 2021-22	3
4	Animal Husbandry	Assam Live Stock and Poultry Corporation Limited	2018-19 to 2021-22	4
5	Co-operation	Assam State Warehousing Corporation	2018-19 to 2021-22	4
6	Cultural Affairs	Assam State Film (Finance & Development) Corporation Ltd.	2016-17 to 2021-22	6
7	Elementary Education	Assam State Text Book Production & Publication Corporation Ltd	2012-13 to 2021-22	10
8	Fisheries	Assam Fisheries Development Corporation Limited	2019-20 to 2021-22	3
9	Handloom Textile & Sericulture	Assam Government Marketing Corporation Limited	2019-20 to 2021-22	3
10	Home	Assam Police Housing Corporation Ltd.	2021-22	1
11	Hill Areas	Assam Hills Small Industries Development Corporation Limited	2005-06 to 2021-22	17
12	Industries & Commerce	Assam Small Industries Development Corporation Limited	2015-16 to 2021-22	7
13		Assam Tea Corporation Limited	2015-16 to 2021-22	7
14		Assam State Fertilisers and Chemicals Limited	2012-13 to 2021-22	10
15		Ashok Paper Mill (Assam) Limited	2019-20 to 2021-22	3
16		Assam Industrial Development Corporation Limited	2020-21 to 2021-22	2
17		Assam Spun Silk Mills Limited	2014-15 to 2021-22	8
18		Assam Tanneries Limited	1982-83 to 2021-22	40
19		Cachar Sugar Mills Limited	2017-18 to 2021-22	5
20		Assam Polytex Limited	1988-89 to 2021-22	34
21		Assam Conductors and Tubes Limited	2015-16 to 2021-22	7

Sl. No.	Name of the Department	Name of the Body/Authority	Year (s) for which Accounts had not been Received	Total No. of Pending Annual Accounts
22		Industrial Papers (Assam) Limited	2011-12 to 2021-22	11
23		Assam Power Loom Development Corporation Limited	1994-95 to 2021-22	28
24		Pragjyotish Fertilisers and Chemicals Limited	2016-17 to 2021-22	6
25		Assam Syntex Limited	2020-21 to 2021-22	2
26		Fertichem Limited	2021-22	1
27		Assam State Weaving and Manufacturing Company Limited	2019-20 to 2021-22	3
28		Assam Hydrocarbons and Energy Company Limited	2021-22	1
29		Assam Trade Promotion Organisation	2021-22	1
30		Information Technology	Assam Electronics Development Corporation Limited	2018-19 to 2021-22
31	Amtron Informatics (India) Limited		2016-17 to 2021-22	6
32	Irrigation	Assam State Minor Irrigation Development Corporation Limited	2012-13 to 2021-22	10
33	Mines & Minerals	Assam Mineral Development Corporation Limited	2019-20 to 2021-22	3
34		Assam Meghalaya Mineral Development Corporation Limited	1984-85 to 2021-22	38
35	Minority Development	Assam Minorities Development & Finance Corporation Ltd	1997-98 to 2021-22	25
36	Soil Conservation	Assam Plantation Crop Development Corporation Limited	1991-92 to 2011-12 & 2014-15 to 2021-22	29
37	Transport	Assam State Transport Corporation	2019-20 to 2021-22	3
38	Tourism	Assam Tourism Development Corporation	2021-22	1
39	WPT & BC	Assam State Development Corporation for SC Ltd	2017-18 to 2021-22	5
40		Assam State Development Corporation for OBC Ltd	2019-20 to 2021-22	3
41		Assam Plain Tribes Development Corporation Ltd	2021-22	1
Total				372

Appendix 4.5: Department-wise/duration-wise/category-wise breakup of the cases of theft, misappropriation, defalcation, etc.

(Cases where final action was pending at the end of 31 March 2022)

(Reference to Paragraph: 4.16)

(₹ in lakh)

Sl. No.	Name of the Department/ Directorate	Up to 5 years		5 to 10 years		10 to 15 years		15 to 20 years		20 to 25 years		More than 25 years		Total		Theft cases		Misappropriation/ Loss to Government	
		N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A
1	Agriculture	0	0.00	3	22.11	11	215.82	14	127.06	2	2.84	2	10.02	32	377.85	1	1.51	31	376.34
2	Animal Husbandry & Veterinary	3	6.64	5	310.48	5	145.25	1	1.38	2	9.22	2	1.13	18	474.10	2	9.41	16	464.69
3	Administrative Reform & Training	1	115.81	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	115.81	0	0.00	1	115.81
4	Assam Khadi and Village Industries Board (AKVIB)	1	0.00	0	0.00	0	0.00	2	1.20	3	155.29	0	0.00	6	156.49	1	0.49	5	156.00
5	ARTFED	1	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.00	1	0.00	0	0.00
6	Border Protection and Development	0	0.00	0	0.00	1	22.41	0	0.00	0	0.00	0	0.00	1	22.41	0	0.00	1	22.41
7	Co-operation	0	0.00	1	18.13	5	58.74	10	495.99	1	1.18	0	0.00	17	574.04	0	0.00	17	574.04
8	Cultural Affairs	0	0.00	1	89.72	0	0.00	0	0.00	0	0.00	0	0.00	1	89.72	0	0.00	1	89.72
9	Dairy Development	0	0.00	0	0.00	1	301.00	0	0.00	0	0.00	0	0.00	1	301.00	0	0.00	1	301.00
10	General Administration (DCs)	28	851.35	14	1,176.37	3	33.01	5	50.77	0	0.00	0	0.00	50	2,111.50	0	0.00	50	2,111.50
11	Education (Elementary)	1	10.00	12	713.11	2	4.05	0	0.00	0	0.00	0	0.00	15	727.16	1	0.37	14	726.79
12	Education (Secondary)	0	0.00	6	182.16	0	0.00	0	0.00	0	0.00	0	0.00	6	182.16	0	0.00	6	182.16

Appendices

Sl. No.	Name of the Department/ Directorate	Up to 5 years		5 to 10 years		10 to 15 years		15 to 20 years		20 to 25 years		More than 25 years		Total		Theft cases		Misappropriation/ Loss to Government	
		N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A
13	Education (Higher)	1	10.11	4	1,168.83	2	21.61	0	0.00	0	0.00	0	0.00	7	1,200.55	0	0.00	7	1,200.55
14	Fisheries	1	0.60	0	0.00	0	0.00	2	1.55	0	0.00	0	0.00	3	2.15	1	0.75	2	1.40
15	Food & Civil Supplies	2	6.14	6	234.75	0	0.00	0	0.00	0	0.00	0	0.00	8	240.89	0	0.00	8	240.89
16	Handloom & Textile	1	1.00	2	11.65	2	9.10	0	0.00	1	8.57	0	0.00	6	30.32	2	9.10	4	21.22
17	Health and Family Welfare	8	141.34	33	1,097.36	2	35.26	0	0.00	0	0.00	0	0.00	43	1,273.96	0	0.00	43	1,273.96
18	Hill Areas	2	10.40	4	16.97	12	281.20	0	0.00	0	0.00	0	0.00	18	308.57	0	0.00	18	308.57
19	Home (Police)	4	14.14	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	4	14.14	0	0.00	4	14.14
20	Home (Jail)	1	0.28	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.28	0	0.00	1	0.28
21	Industries and Commerce	0	0.00	5	174.70	1	505.19	1	514.97	0	0.00	0	0.00	7	1,194.86	0	0.00	7	1,194.86
22	Information & Public Relations	0	0.00	0	0.00	1	0.24	0	0.00	0	0.00	0	0.00	1	0.24	0	0.00	1	0.24
23	Irrigation	2	21.18	4	278.74	6	76.22	0	0.00	0	0.00	0	0.00	12	376.14	4	16.78	8	359.36
24	Skill, Employment & Entrepreneurship Department	0	0.00	4	314.05	0	0.00	0	0.00	0	0.00	0	0.00	4	314.05	0	0.00	4	314.05
25	Legal Metrology	0	0.00	0	0.00	1	0.13	0	0.00	0	0.00	0	0.00	1	0.13	0	0.00	1	0.13
26	Panchayat & Rural Development	0	0.00	1	12.65	1	14.86	0	0.00	0	0.00	0	0.00	2	27.51	0	0.00	2	27.51
27	Public Health Engineering	1	293.50	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	293.50	0	0.00	1	293.50
28	Public Works	5	606.32	11	2,311.28	1	2.18	0	0.00	0	0.00	0	0.00	17	2,919.78	0	0.00	17	2,919.78
29	General Administration {SDO (Civil)}	0	0.00	1	60.58	0	0.00	0	0.00	0	0.00	0	0.00	1	60.58	0	0.00	1	60.58
30	Sericulture	4	20.17	2	3.69	3	3.27	0	0.00	0	0.00	0	0.00	9	27.13	0	0.00	9	27.13
31	Social Welfare	3	340.17	11	50.24	1	2.23	0	0.00	0	0.00	0	0.00	15	392.64	1	4.75	14	387.89

Sl. No.	Name of the Department/ Directorate	Up to 5 years		5 to 10 years		10 to 15 years		15 to 20 years		20 to 25 years		More than 25 years		Total		Theft cases		Misappropriation/ Loss to Government	
		N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A
32	Urban Development	0	0.00	1	7.00	1	43.56	0	0.00	0	0.00	0	0.00	2	50.56	0	0.00	2	50.56
33	Water Resources	0	0.00	3	49.84	1	11.93	0	0.00	0	0.00	0	0.00	4	61.77	3	43.46	1	18.31
34	WPT&BC	4	25.20	7	211.25	0	0.00	0	0.00	0	0.00	0	0.00	11	236.45	1	0.00	10	236.45
35	WPT&BC (BTC)	4	66.20	8	73.28	1	0.85	0	0.00	0	0.00	0	0.00	13	140.33	2	10.93	11	129.40
Total		78	2,540.55	149	8,588.94	64	1,788.11	35	1,192.92	9	177.10	4	11.15	339	14,298.77	20	97.55	319	14,201.22

N-number; A-amount. Source: Inspection Reports.

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