

**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

ON

STATE FINANCES

FOR THE YEAR ENDED 31 MARCH 2009

GOVERNMENT OF ASSAM

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Laid before the Legislature On
02 MAR 2010

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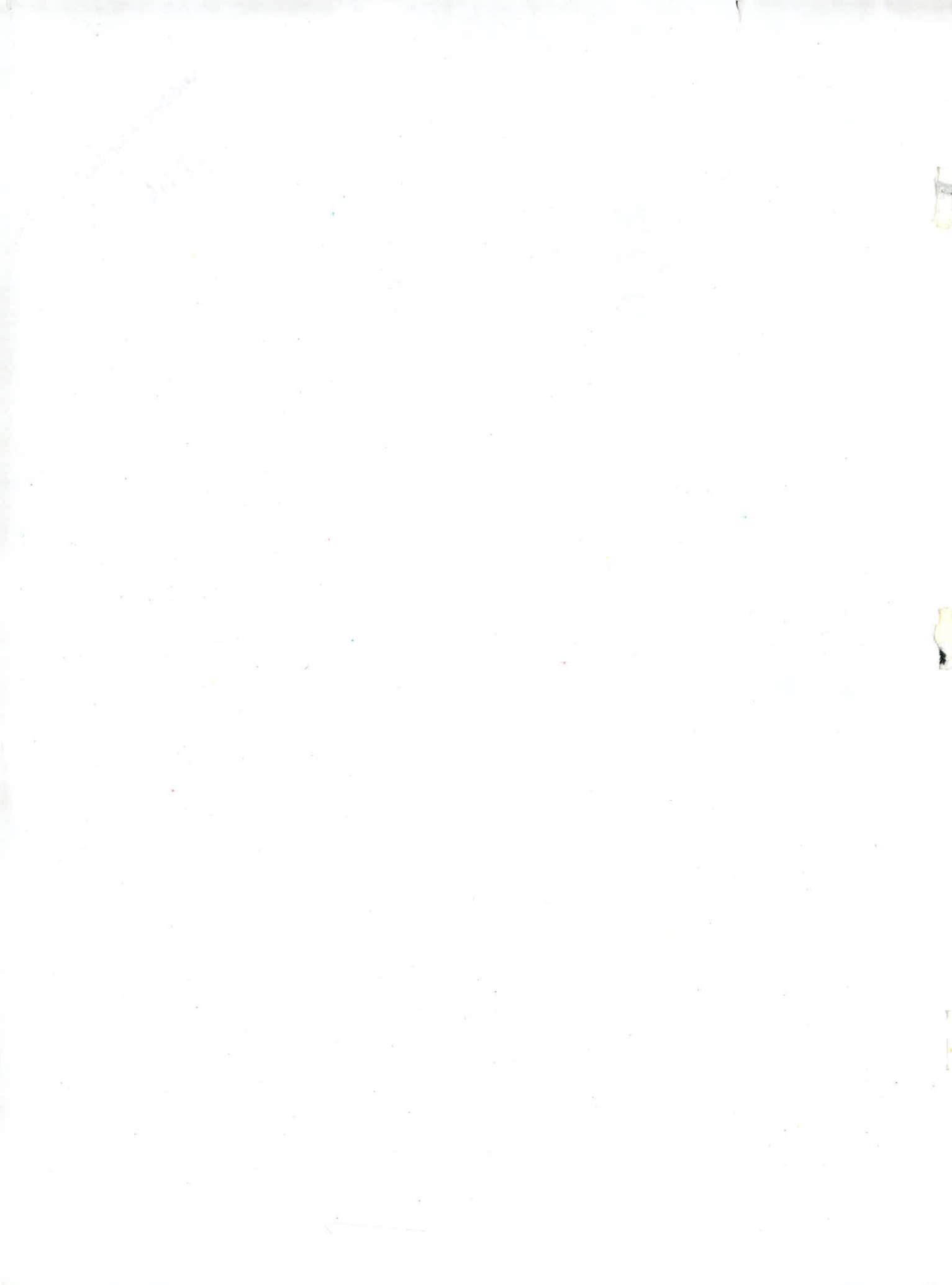


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PREFACE

1. This Report has been prepared for submission to the Governor under Article 151 of the Constitution.
2. Chapters-I and II of this Report respectively contain Audit observations on matters arising from examination of Finance Accounts and Appropriation Accounts of the State Government for the year ended 31 March 2009.
3. Chapter-III on 'Financial Reporting' provides an overview and status of the State Government's compliance with various financial rules, procedures and directives during the current year.
4. The Reports containing the findings of performance audit and audit of transactions in various departments and observations arising out of audit of Statutory Corporations, Boards and Government Companies and the Report containing observations on Revenue Receipts are presented separately.
5. The Audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.



EXECUTIVE SUMMARY

Executive Summary

Background

In May 2005, Assam Government responded to the Twelfth Finance Commission's recommendations by legislating its "Fiscal Responsibility and Budget Management (FRBM) Act". Keeping in view the fiscal targets laid down in the FRBM Act, the State Government developed reform agenda through fiscal correction path in the medium term with the long-term goal of securing growth stability for its economy. The State Government's commitment to carry forward these reforms is largely reflected in certain policy initiatives announced in the budgets subsequently. While the benefits of FRBM legislation have been realized to a great extent already, in terms of reduction in major deficit indicators etc, the State Government resolve to introduce new pension policy, setting up of guarantee redemption fund and a host of other institutional and sectoral reform measures will go a long way in building up the much needed 'fiscal space' for improving the quality of public expenditure and to promote fiscal stability.

The State Government has done well in establishing an institutional mechanism on fiscal transparency as evident from the year-on-year presentation of the performance of the State during the FRBM Act regime in terms of key fiscal targets fixed for selected variables laid down in the Act. These outcome indicators tend to serve the limited purpose of measuring the performance against the targets. They do not, however, give the 'big picture' of the status of financial management including debt position and cash management etc, for the benefit of the State Legislature and other stakeholders.

The Comptroller and Auditor General's civil audit reports step in to fill this gap. C&AGs reports have been commenting upon the Government's finances for over three years since the FRBM legislation and have published three reports already. Since these comments formed part of the civil audit report, it was felt that the audit findings on State finances remained camouflaged in the large body of audit findings on compliance and performance audits. The obvious fallout of this well-intentioned but all-inclusive reporting was that the financial management portion of these findings did not receive proper attention. In recognition of the need to bring State finances to center-stage once again, a stand-alone report on State

Government finances is considered an appropriate audit response to this challenge. Accordingly, from the report year 2009 onwards, C&AG has decided to bring out a separate volume titled "Report on State Finances".

The report

Based on the audited accounts of the Government of Assam for the year ending March 2009, this report provides an analytical review of the Annual Accounts of the State Government. The report is structured in three Chapters.

Chapter-I is based on the audit of Finance Accounts and makes an assessment of Assam Government's fiscal position as on 31 March 2009. It provides an insight into trends in committed expenditure, borrowing pattern besides a brief account of central funds transferred directly to the State implementing agencies.

Chapter-II is based on audit of Appropriation Accounts and it gives the grant-by-grant description of appropriations and the manner in which the allocated resources were managed by the service delivery departments.

Chapter-III is an inventory of Assam Government's compliance with various reporting requirements and financial rules.

Audit findings and recommendations

Fiscal correction: Although the Assam Government has achieved the deficit targets, before the time lines prescribed in the Act, it has to initiate requisite corrective measures to contain the expenditure on salaries relative to its own resources, to achieve the corresponding FRBM targets within the time frame prescribed in the Act. The State has the reasonable prospect of achieving the targets set out in the FRBM Act provided an effort is made to increase tax compliance, reduce tax administration costs, make efforts to collect revenue arrears (Para-1.3.3)

Greater priority to capital expenditure: The State may consider reprioritizing its outlays, in view of the fact that its capital expenditure-aggregate expenditure ratio is lower than the average for all the States (Table-1.7).

Adequate thrust to development and social sector expenditure: The per capita development expenditure and per capita social sector expenditure in Assam is much lower than the national average even though the State is spending adequate amounts compared to the rest of the country. This calls for a serious introspection on whether

the capacity of the State to utilize expenditure for developmental and social outcomes can be improved by better design of schemes, reducing administration costs, timely implementation, closer monitoring etc. Cost and time overruns of incomplete projects (Para-1.6.1) are inevitable by-products of weak control systems. The State can work towards further improvements in this area so that people derive envisaged benefits in the quickest possible time. Outcome budgeting should be able to mitigate this weakness.

Review of Government investments: The average return on Assam Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives varied between 0.93 to 1.21 *per cent* in the past three years whereas its average interest outgo was in the range of 6.76 to 7.66 *per cent* (Para-1.6.2). This is obviously an unsustainable proposition. The State Government should, therefore, hasten to seek better value for money in investments. Otherwise, high-cost borrowed funds invested in projects with low financial return will continue to strain the economy. Projects, which are justified on account of low financial but high socio-economic return, may be identified and prioritized with full justification for the high-cost borrowings. Time has come to revisit the working of state-owned public sector undertakings, incurring huge losses (Para-1.6.2) and work out either a revival strategy (for those that are strategic in nature and can be made viable) or close down (if they are not likely to be viable given current market conditions).

Prudent cash management: The cost of holding surplus cash balances is high. In 2008-09, the interest received against investment on cash balance was four *per cent* while Government paid interest at the rate of 6.76 *per cent* on its borrowings during the year. (Para-1.6.4). Proper debt management through advance planning could minimize the need for the State Government to hold large cash surpluses.

Debt sustainability: The Government of Assam should ideally keep the debt-GSDP ratio stable. Borrowed funds should be used as far as possible only to fund capital expenditure and revenue expenditure should be met from revenue receipts. Maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year and clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.

Oversight of funds transferred directly from the GOI to the State implementing agencies: As long as these funds remain outside the State budget, there is no single agency monitoring its use and there is no readily available data on how much is actually spent in any particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies and are funded directly by the GOI. A system has to be urgently put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Accountant General (A&E).

Financial management and budgetary control: Slow pace of programme implementation in the State left an overall saving of Rs.9,826 crore offset by excess of Rs.108 crore; which requires regularization under Article 205 of the Constitution of India (Paras-2.2 and 2.3.7). 'Diary Development' and 'North Eastern Council' sectors posted large savings persistently for the last five years (Para-2.3.2). There were also instances of inadequate provision of funds and unnecessary/excessive re-appropriations. Rush of expenditure at the end of the year is another chronic feature noticed in the overall financial management. In many cases, the anticipated savings were not surrendered. Budgetary controls should be strictly observed to avoid such deficiencies in financial management. Last minute fund releases and issuance of re-appropriation/surrender orders should be avoided. The Abstract Contingent Bills had not been adjusted for long periods of time which was fraught with the risk of mis-appropriation and therefore needs to be monitored closely.

Financial reporting: State Government's compliance with various rules, procedures and directives was unsatisfactory as is evident from delays in furnishing utilization certificates against the loans and grants from various grantee institutions. Delays also figured in submission of annual accounts by some of the autonomous bodies/authorities. There were instances of losses and misappropriations. Departmental enquiries in such cases should be expedited to bring the defaulters to book. Internal controls in all the organizations should be strengthened to prevent such cases in future.

CHAPTER-I
FINANCES OF THE STATE GOVERNMENT

Chapter I Finances of the State Government

This chapter provides a broad perspective of the finances of the Government of Assam during the current year and analyses critical changes in the major fiscal aggregates relative to the previous year keeping in view the overall trends during the last five years.

1.1 Summary of Current Year's Fiscal Transactions

Table 1.1 presents the summary of the State Government's fiscal transactions during the current year (2008-09) vis-à-vis the previous year while Appendix 1.4 provides details of receipts and disbursements as well as overall fiscal position during the current year.

Table 1.1: Summary of Current Year's Fiscal Operations

		(Rupees in crore)					
2007-08	Receipts	2008-09	2007-08	Disbursements	2008-09		
					Non Plan	Plan	Total
Section-A: Revenue							
15,324.92	Revenue receipts	18,077.04	12,744.16	Revenue expenditure	11,132.67	3,110.66	14,243.33
3,359.50(a)	Tax revenue	4,150.21 (a)	4,924.42	General services	5,149.36	216.46	5,365.82
2,134.59	Non-tax revenue	2,271.90	4,956.75	Social services	4,348.32	1,496.04	5,844.36
4,918.21(b)	Share of Union Taxes/ Duties	5,189.89 (b)	2,854.05	Economic services	1,487.48	1,398.16	2,885.64
4,912.62	Grants from Government of India	6,465.04	8.94	Grants-in-aid and Contributions	147.51	-	147.51
Section-B: Capital							
-	Misc. Capital Receipts	-	1688.11	Capital Outlay	86.86	2286.15	2373.01
40.33	Recoveries of Loans and Advances	34.82	142.89	Loans and Advances disbursed			88.74
1,138.30	Public Debt receipts ¹	2,877.51	575.14	Repayment of Public Debt ¹	-		780.80
	Contingency Fund		-	Contingency Fund			-
6,093.34	Public Account receipts	7,793.70	6,190.20	Public Account disbursements			7,214.43
2,702.69	Opening Cash Balance	3,959.08	3,959.08	Closing Cash Balance			8,041.84
25,299.58	Total	32,742.15	25,299.58	Total			32,742.15

a) Excluding share of net proceeds of taxes and duties assigned to State under various heads viz. 0020, 0021, 0028, 0032,0037, 0038,0044 and 0045.

b) Share of net proceeds assigned to State.

Following are the significant changes during 2008-09 over the previous year:

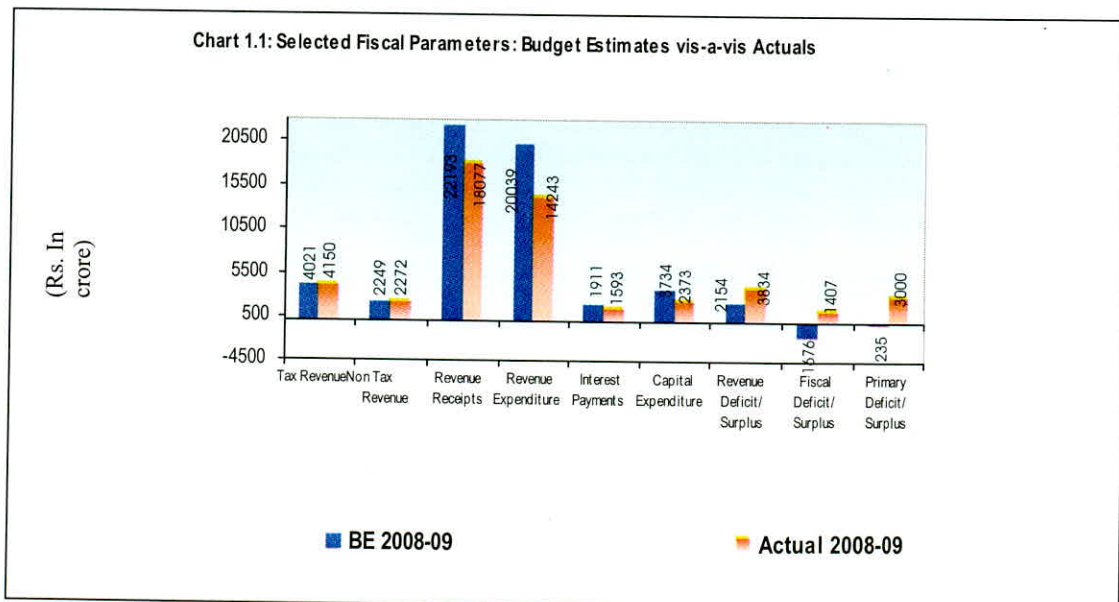
- Revenue receipts grew by Rs.2,752 crore (18 per cent) over the previous year. The increase was mainly contributed by tax revenue (Rs.791 crore), Non-tax revenue (Rs.137 crore), State's share of Union Taxes and Duties (Rs.272 crore) and Grant-in-aid from Government of India (Rs.1,552 crore). The revenue receipts at Rs.18,077 crore is, however, higher by

¹ Excluding net transactions under ways and means advances and overdraft.

Rs.116 crore than the assessment made by the State Government in its fiscal correction Path (FCP) (Rs.17,961 crore), but lower by Rs.4,116 crore than the assessment made in its Five Year Fiscal Plan (FYFP) (Rs.22,193 crore) for the year 2008-09;

- Revenue expenditure and Capital expenditure increased by Rs.1,499 crore (12 per cent) and Rs.685 crore (41 per cent) respectively, over the previous year. The revenue expenditure was lower by Rs.2,817 crore (17 per cent) than the assessment made by the State Government in its FCP (Rs.17,060 crore) and also lower by Rs 5,796 crore (29 per cent) than the assessment made in FYFP (Rs.20,039 crore);
- Disbursement of Loans and Advances and recoveries of the same decreased by Rs.54 crore (38 per cent) and Rupees six crore (14 per cent) respectively over the previous year;
- Public Debt receipts and repayments increased by Rs.1,739 crore (153 per cent) and Rs.206 crore (36 per cent) respectively over the previous year; thus net receipts increased by Rs.1,533 crore;
- Public Accounts receipts and disbursements increased by Rs.1,700 crore (28 per cent) and Rs. 1,024 crore (17 per cent) over the previous year. Thus, net receipts increased during the year by Rs.676 crore; and
- Cash balance of the State increased by Rs.4,083 crore (103 per cent) over the previous year.

Several reasons may account for the deviation of the actual realization from the budget estimates. It may be because of unanticipated and unforeseen events or under or over estimation of expenditure or revenue at the budget stage etc. Actual realization of revenue and its disbursement however depends on a variety of factors, some internal and others external. Chart 1.1 presents the budget estimates and actuals for some important fiscal parameters.



The above chart depicts that revenue receipts fell short by Rs.4,116 crore against the estimated Rs.22,193 crore. Revenue expenditure was Rs.14,243 crore during 2008-09

against the estimated Rs.20,039 crore. Against the estimation of revenue surplus of Rs.2,154 crore, there was revenue surplus of Rs.3,834 crore during 2008-09. Fiscal surplus and Primary surplus were Rs.1,407 crore and Rs.3,000 crore during 2008-09 against the estimated fiscal deficit and primary deficit of Rs.1,676 crore and Rs.235 crore respectively. The performance of the State during 2008-09 in terms of key fiscal targets set for selected variables laid down in AFRBM Act, 2005 vis-à-vis achievements are given in Table-1.2.

Table-1.2
Trends in Major fiscal parameters/variables vis-à-vis projections for 2008-09
(Rupees in crore)

Fiscal variables	Targets as per prescribed in FRBM Act	2008-09		Actuals
		Projections made in		
		Fiscal Correction Path	Five Year Fiscal plan Statement	
Revenue Deficit (Rs. in crore)	0.0 (By 31.3.2009)	(+) 901	(+) 2,154	(+) 3,834
Fiscal Deficit (Rs. in crore)	-	1778	(-) 1,676	(+) 1,407
Fiscal Deficit/GSDP (<i>per cent</i>)	3 <i>per cent</i> of GSDP (By 31.3.2009)	3	2	**
Salary as percentage of State's own resources*	60 <i>per cent</i> (By 31.3.2010)	112	117	91
Ratio of the Total Debt Stock including Government guarantees to GSDP	45 <i>per cent</i> (By 31.3.2010)	42	28	34
Ratio of State Guarantees to State's Own Resources of second preceding Year	50 <i>per cent</i>	21	15	15

*State's Own Resources: Tax and Non-tax revenue of the State

**There was revenue surplus

The above table reveals that the State has achieved all the FRBM targets, before the time lines prescribed in the Act except containing expenditure on salary. The State Government has to initiate requisite measures to contain the expenditure on salaries relative to its own resources, to achieve the corresponding FRBM target within the time frame prescribed in the Act. As a result of Debt Consolidation under 'Debt Consolidation and Relief Facility (DCRF)² scheme', the state has received debt relief of Rs.105.41 crore and interest relief of Rs.6.49 crore during 2008-09 from the Government of India (GOI).

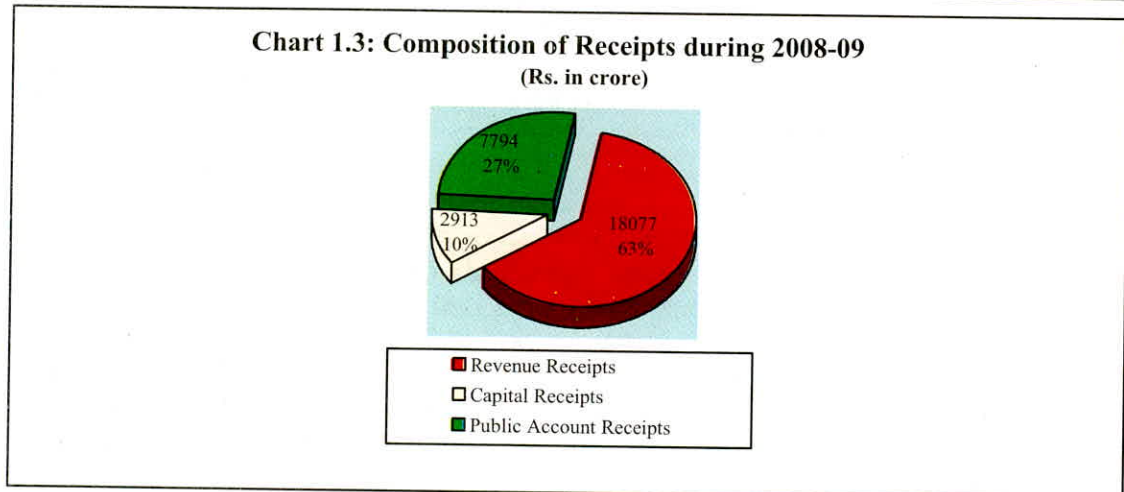
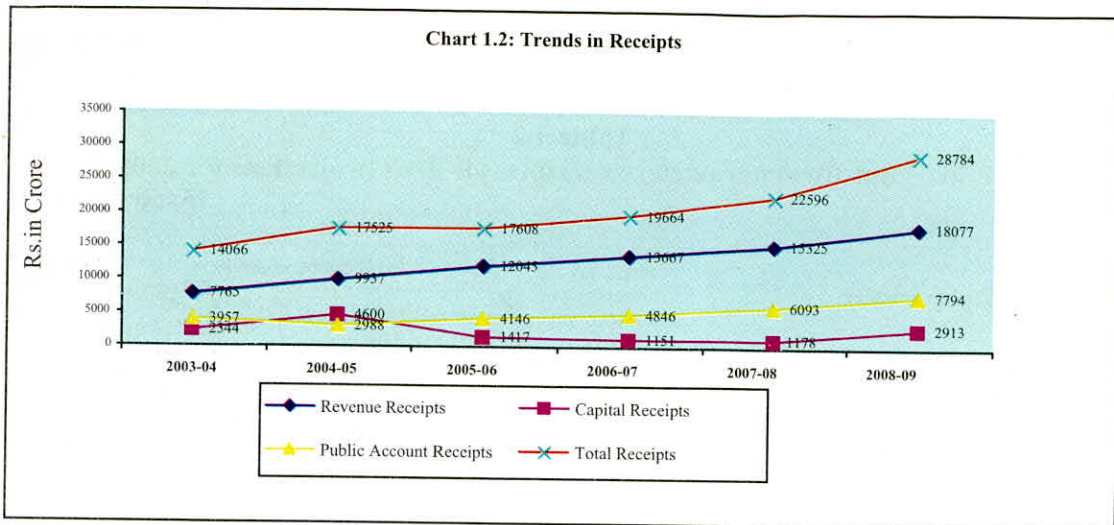
1.2 Resources of the State

1.2.1 Resources of the State as per Annual Finance Accounts

Revenue and capital are the two streams of receipts that constitute the resources of the State Government. Revenue receipts consist of tax revenues, non-tax revenues, State's share of union taxes and duties and grants-in-aid from the 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

² DCRF: In pursuance of the recommendations of the Twelfth Finance Commission (TFC) for fiscal consolidation and elimination of revenue deficit of the States, Government of India formulated a scheme "The State Debt Consolidation and Relief Facility (DCRF) (2005-06 to 2009-10)" under which general debt relief is provided by consolidating and rescheduling at substantially reduced rates of interest the Central loans granted to States on enacting the FRBM Act and debt waiver is granted based on fiscal performance, linked to the reduction of revenue deficits of States.

from the GOI as well as accruals from Public Account. Table-1.1 presents the receipts and disbursements of the State during the current year as recorded in its Annual Finance Accounts while Chart 1.2 depicts the trends in various components of the receipts of the State during 2003-09. Chart 1.3 depicts the composition of resources of the State during the current year.



The total receipts of the State Government for 2008-09 was Rs.28,784 crore, of which Rs.18,077 crore (63 per cent) came from revenue receipts and balance (37 per cent) from borrowings and Public Account. The total receipts of the State increased by Rs.14,718 crore (105 per cent) from Rs.14,066 crore in 2003-04 to Rs.28,784 crore in 2008-09.

The share of Revenue receipts of the State to total receipts increased from 55 per cent in 2003-04 to 63 per cent in 2008-09. On the other hand, the Capital receipts together with Public account receipt ranged between 37 and 45 per cent of total receipts during 2004-09. Revenue receipts increased steadily by 133 per cent from Rs.7,765 crore in 2003-04 to Rs.18,077 crore in 2008-09, whereas the debt Capital receipts which create future repayment obligation with inter year fluctuation decreased from Rs.2,344 crore (17 per cent of total receipts) in 2003-04 to Rs.2,913 crore (10 per cent of total receipts). Except during 2003-04, Public account receipts increased steadily from Rs.2,988 crore in 2004-05 to Rs.7,794 crore in 2008-09 ranging between 17 and

27 per cent of total receipts. Revenue Buoyancy, Capital receipts buoyancy and Public Account Buoyancy³ increased from 1.16, 0.22 & 2.46 in 2007-08 to 1.79, 14.68 & 2.78 in 2008-09 respectively.

1.2.2 Funds Transferred to State Implementing Agencies outside the State Budgets

The Central Government has been transferring a sizeable quantum of funds directly to the State Implementing Agencies⁴ for the implementation of various schemes/programmes in social and economic sectors recognized as critical. As these funds are not routed through the State Budget/State Treasury System, Annual Finance Accounts do not capture the flow of these funds and to that extent, State's receipts and expenditure as well as other fiscal variables/ parameters derived from them are underestimated. To present a holistic picture on availability of aggregate resources, an attempt was made in audit and the scheme-wise funds directly transferred to State Implementing Agencies were obtained from four Departments as detailed in Table 1.3.

Table-1.3: Funds Transferred Directly to State Implementing Agencies

(Rupees in crore)

Programme/Scheme (Centre: State Share)	Implementing Agency in the State	2007-08			2008-09		
		Central Share	State Share, if applicable	Total	Central Share	State Share, if applicable	Total
1) Sarva Siksha Abhiyan (SSA)	Mission Director, SSA, Assam	288.77	31.80	320.57	421.60	50.00	471.60
2) National Rural Health Mission (NRHM)	Mission Director, NRHM, Assam	574.42	60.00	634.42	564.20	86.77	650.97
3) Member of Parliament Local Area Development Schemes (MPLADs)	District Authority	41.00	--	41.00	37.00	-	37.00
4) National Rural Employment Guarantee Scheme (NREGS)	Project Director, District Rural Development Agency	523.63	40.83	564.46	959.05	81.09	1040.14
5) Indira Awas Yojana (IAY)	Project Director, District Rural Development Agency	324.30	97.80	422.10	654.33	132.85	787.18
6) Swarnajayanti Gram Swarajgar Yojana (SGSY)	Project Director, District Rural Development Agency	135.66	26.70	162.36	175.68	64.77	240.45
7) National Programme For Prevention & Control of Diabetes, CVD & Stroke (NPDCS)	Health Department	0.49	--	0.49			5
8) Integrated Wasteland Development Programme/(IWDP)	Project Director, District Rural Development Agency	25.96	3.33	29.29	38.93	2.82	41.75
9) DRDA Administration	Project Director, District Rural Development Agency	12.46	5.24	17.70	15.19	4.40	19.59
10) Sampoorna Gramin Rojgar Yojana (SGRY)	Project Director, District Rural Development Agency	192.77	84.62	277.39	-	-	-
Total:		2,119.46	350.32	2,469.78	2,865.98	422.70	3,288.68

Source: Departmental records

³ Definitions included in Appendix-1.2.

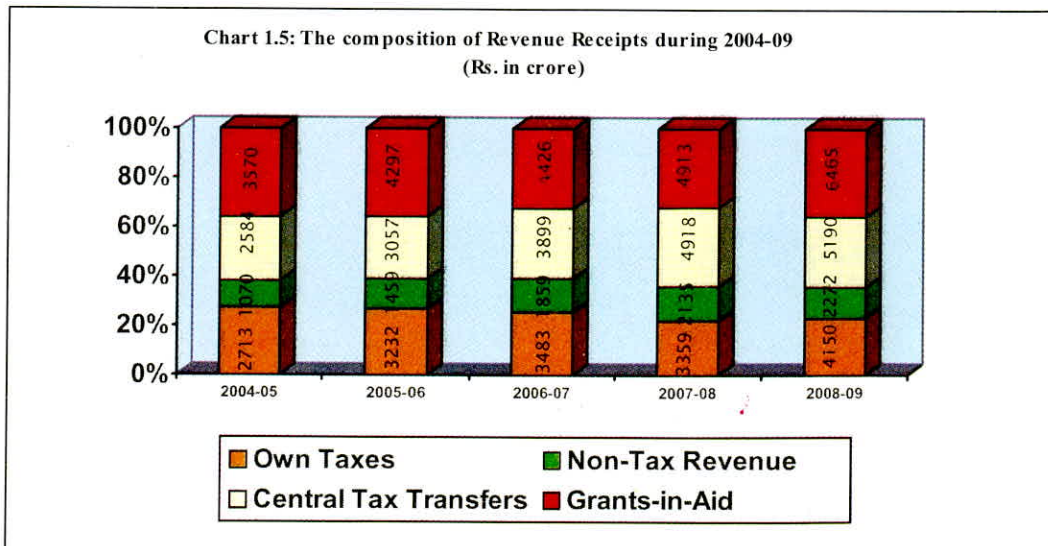
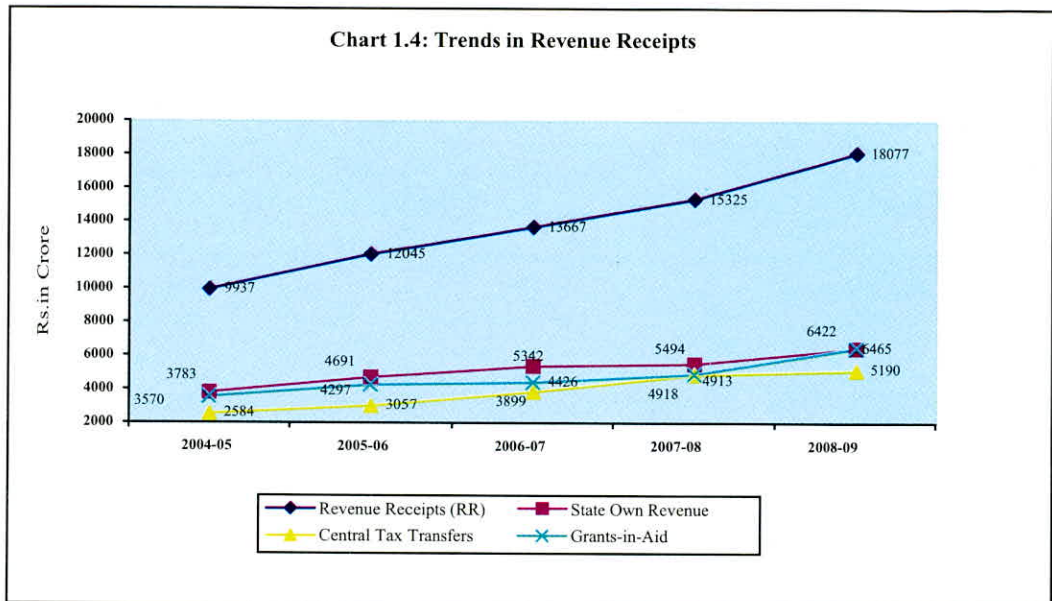
⁴ State Implementing Agencies include Mission Director, Sarva Siksha Abhiyan (SSA), Mission Director, National Rural Health Mission (NRHM) and Project Director, District Rural Development Agencies in Assam.

⁵ Information not furnished by the Department.

The GOI directly transferred to State Implementing Agencies Rs.2,866 crore during 2008-09 against transfer of Rs.2,119 crore in 2007-08 i.e. an increase of Rs.747 crore (35 per cent) over the previous year. Out of total transfer of Rs.2,866 crore, the transfer of Rs.1,843 crore (64 per cent) was to DRDA alone and 33 per cent of the total transferred funds was for National Rural Employment Guarantee Scheme. Thus, with the transfer of Rs.2,866 crore during 2008-09 by the GOI to the State Implementing Agencies, the total availability of State resources increased from Rs.28,784 crore to Rs.31,650 crore.

1.3 Revenue Receipts

Statement-11 of the Finance Accounts details the revenue receipts of the Government. The revenue receipts consist of its own tax and non-tax revenues, central tax transfers and grants-in-aid from the GOI. The trends and composition of revenue receipts over the period 2004-09 are presented in Appendix 1.3 and also depicted in Chart 1.4 and 1.5 respectively.



The Revenue receipts of the State increased from Rs.9,937 crore in 2004-05 to Rs.18,077 crore in 2008-09 at an annual average rate of 16.38 *per cent* while 35 *per cent* of the Revenue receipts during 2008-09 have come from the State's own resources, central tax transfers and grants-in-aid together contributed about 65 *per cent*.

Tax Revenue: The percentage of tax revenue to total revenue receipts ranged between 22.96 and 27.30 *per cent* during 2004-09. Tax revenue has increased by Rs.791 crore (23.55 *per cent*) from Rs.3,359 crore in 2007-08 to Rs.4,150 crore in 2008-09. The increase in tax revenue during 2008-09 over previous year was mainly due to increase in Sales tax (Rs.419 crore), taxes on goods and passengers (Rs.272 crore) and Land revenue (Rs.34 crore).

Non-tax Revenue: Non-tax revenue constituted 12.57 *per cent* of the total revenue receipts and increased by Rs.137 crore during 2008-09 recording a growth rate of 6.42 *per cent* over the previous year. Non-tax revenue as a percentage of revenue receipts ranged between 11 and 13 during 2004-09. The increase in non-tax revenue during 2008-09 over the previous year was mainly due to increased realization of interest on Cash balance investment (Rs.119.19 crore), receipts from environmental forestry (Rs.13.23 crore), Roads and Bridges (Rs.22.62 crore). A part of the increase, was, however, offset by decrease in labour and employment (Rs.10.77 crore) and dividends and profits (Rs.4.55 crore).

Central tax transfers: Central tax transfers increased by Rs.272 crore from Rs.4,918 crore in 2007-08 to Rs.5,190 crore in 2008-09 and constituted 28.71 *per cent* of the revenue receipts during the year. The increase was mainly due to increase in Corporation tax (Rs.141.08 crore), Service tax (Rs.69.57 crore) and Customs (Rs.62.43 crore).

Grants-in-aid: Grants-in-aid from the GOI increased by 31.59 *per cent* from Rs.4,913 crore in 2007-08 to Rs.6,465 crore in 2008-09 mainly due to increases in grants for State Plan Schemes (Rs.1,212.37 crore), Grants for Central Plan Schemes (Rs.220.39 crore), Grants for Centrally Sponsored Plan Schemes (Rs.271.27 crore) and Grants for Special Plan Schemes (Rs.13.11 crore). A part of the increase, was however, offset by decrease in non-plan grants by Rs.164.74 crore.

Increase in State Plan Schemes was mainly due to increased receipt of grants under Block Grants (Rs.1,070.25 crore), Grants under proviso to Article 275 (1) of the Constitution (Rs.92.92 crore) over the previous year. Grants under Centrally Sponsored Plan Schemes increased due to receipt of increased grants under National Programme of Nutritional Support to Primary Education (Mid-day Meal) (Rs.207.13 crore) and Accelerated Rural Water Supply Programme (Rs.88.96 crore). The decrease in non-plan grants during 2008-09 over the previous year was, however, mainly due to decreased receipt of grants under the proviso 1 Article 275 (1) of the Constitution (Rs.117.12 crore). The TFC had recommended additional grants of Rs.240.53 crore for Education Sector and Rs.212.89 crore for Health Sector during 2008-09. The specific grants amounting to Rupees eight crore for maintenance of

Forests as recommended by TFC has also been included in total Grants-in-aid transferred to State during the year. The trends in revenue receipts relative to GSDP are presented in Table 1.4 below:

Table 1.4: Trends in Revenue Receipts relative to GSDP

	2004-05	2005-06	2006-07	2007-08	2008-09
Revenue Receipts (RR) (Rs. in crore)	9,937	12,045	13,667	15,325	18,077
Rate of growth of RR (<i>per cent</i>)	27.97	21.21	13.46	12.13	17.96
R R/GSDP (<i>per cent</i>)	18.78	20.83	21.43	21.76	23.32
Buoyancy Ratios⁶					
Revenue Buoyancy w.r.t GSDP	2.30	2.29	1.31	1.16	1.79
State's Own Tax Buoyancy w.r.t GSDP	2.56	2.07	0.76	(-) 0.34	2.35
Revenue Buoyancy with reference to State's own taxes	0.90	1.11	1.72	(-) 3.43	0.76

The Revenue Receipts of the State grew by 17.96 *per cent* during 2008-09 over the previous year due to increase in tax revenue by Rs.791 crore (23.55 *per cent*), non-tax revenue by Rs.137 crore (6.42 *per cent*), Central tax transfers by Rs.272 crore (5.53 *per cent*) and Grants-in-aid by Rs.1,552 crore (31.59 *per cent*). For every one *per cent* increase in GSDP, State's own taxes increased by 0.76 *per cent* during 2008-09.

1.3.1 State's Own Resources

As the State's share in central taxes and grants-in-aid are determined on the basis of recommendations of the Finance Commission, collection of central tax receipts and central assistance for plan schemes etc, the State's performance in mobilization of additional resources should be assessed in terms of its own resources comprising revenue from its own tax and non-tax sources.

Tax revenue of the State increased from Rs.2,713 crore in 2004-05 to Rs.4,150 crore in 2008-09 at an annual average rate of 10.59 *per cent*. The major contributors in the State's own tax during 2008-09 are taxes on sales, trade etc.,: Rs.3,111 crore (75 *per cent* of tax revenue), taxes on goods and passengers: Rs.272 crore (seven *per cent* of tax revenue) and State Excise: Rs.199 crore (five *per cent* of tax revenue). Collection of Sales tax, trade etc., has increased by Rs.419.15 crore in 2008-09 over the previous year, mainly due to increase in trade tax by Rs.889.04 crore which was offset by decrease in receipts under State Sales Tax Act by Rs.475.04 crore. The increase in State Excise by Rs.9.97 crore during 2008-09 over the previous year was mainly due to increase in receipts in country spirits by Rs.6.56 crore and foreign liquors and spirits by Rs.28.38 crore was offset by decrease in receipts under other receipts by Rs.25.69 crore.

Non-tax revenue on the other hand increased from Rs.1,070 crore in 2004-05 to Rs.2,272 crore in 2008-09 at an annual average rate of 22.47 *per cent*. The major contributors in State's non-tax revenue during 2008-09 are Petroleum: Rs.1,430 crore (63 *per cent* of non-tax revenue), interest receipts, dividends and profits: Rs.453 crore (20 *per cent* of non-tax revenue) and Forestry and wild life: Rs.116 crore (five *per cent* of non-tax revenue).

⁶Buoyancy 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 at 1.79 implies that revenue receipts tend to increase by 1.79 percentage points, if the GSDP increases by one *per cent*.

The performance of State in regard to the mobilization of its own resources vis-à-vis assessment made by the TFC and the State Government in its FCP and FYFP statement for 2008-09 were as under:

(Rupees in crore)				
Parameters	Assessment made by TFC	FCP	FYFP	Actual
(1)	(2)	(3)	(4)	(5)
Tax Revenue	4,534	4,631	4,021	4,150
Non-Tax Revenue	1,535	1,621	2,249	2,272

The above table indicates that tax revenue of the State fell short by eight *per cent* and 10 *per cent* than the assessments made by the TFC and FCP respectively and increased by three *per cent* against the assessments made in FYFP. However, non-tax revenue increased by 48 *per cent*, 40 *per cent* and one *per cent* against the assessments made by the TFC, and in FCP and FYFP respectively.

1.3.2 Loss of Revenue due to Evasion of Taxes, Write off/Waivers and Refunds

During 2008-09, evasion of tax (including interest) amounting to Rs.19.97 crore due to concealment of turnover (Rs.78.14 crore) in 41 cases of taxes on sales was reported by the Government. Thus, the State had suffered a revenue loss of Rs.19.97 crore.

In 29 cases (including four reviews), non/short levy of taxes, duties, interest and penalty etc., involving Rs.1,155.59 crore were noticed during audit in 2008-09.

1.3.3 Revenue Arrears

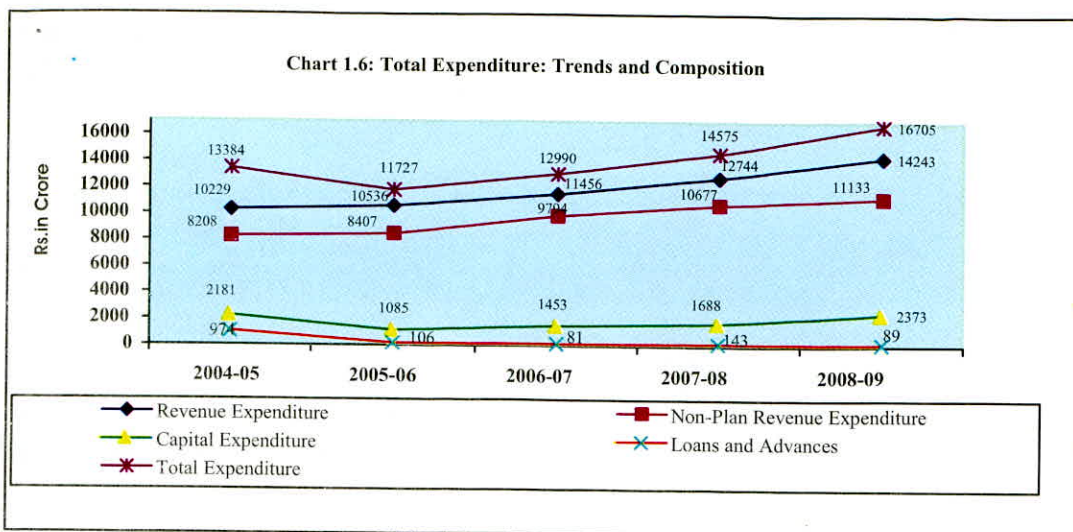
The arrears of revenue decreased by Rs.3.21 crore from Rs.725.33 crore in 2004-05 to Rs.722.12 crore at the end of 2008-09. Of these, Rs.342.36 crore was outstanding for a period of more than five years. The arrears of revenue decreased by Rs.34.35 crore from Rs.756.47 crore in 2007-08 to Rs.722.12 crore in 2008-09. Arrears were mainly in respect of taxes on sales, cess on land, agricultural income etc. (Rs.667.23 crore), land revenue (Rs.45.13 crore), forestry and wildlife (Rs.6.09 crore), royalty on coal, lignite and limestone (Rs.3.67 crore).

1.4 Application of Resources

Analysis of the allocation of expenditure at the State Government level assumes significance since major expenditure responsibilities are entrusted with them. Within the framework of fiscal responsibility legislations, there are budgetary constraints in raising public expenditure financed by deficit or borrowings. It is, therefore, important to ensure that the ongoing fiscal correction and consolidation process at the State level is not at the cost of expenditure, especially expenditure directed towards development and social sectors.

1.4.1 Growth and Composition of Expenditure

Chart 1.6 presents the trends in total expenditure over a period of five years (2004-09) and its composition both in terms of 'economic classification' and 'expenditure by activities' is depicted respectively in Charts 1.7 and 1.8.

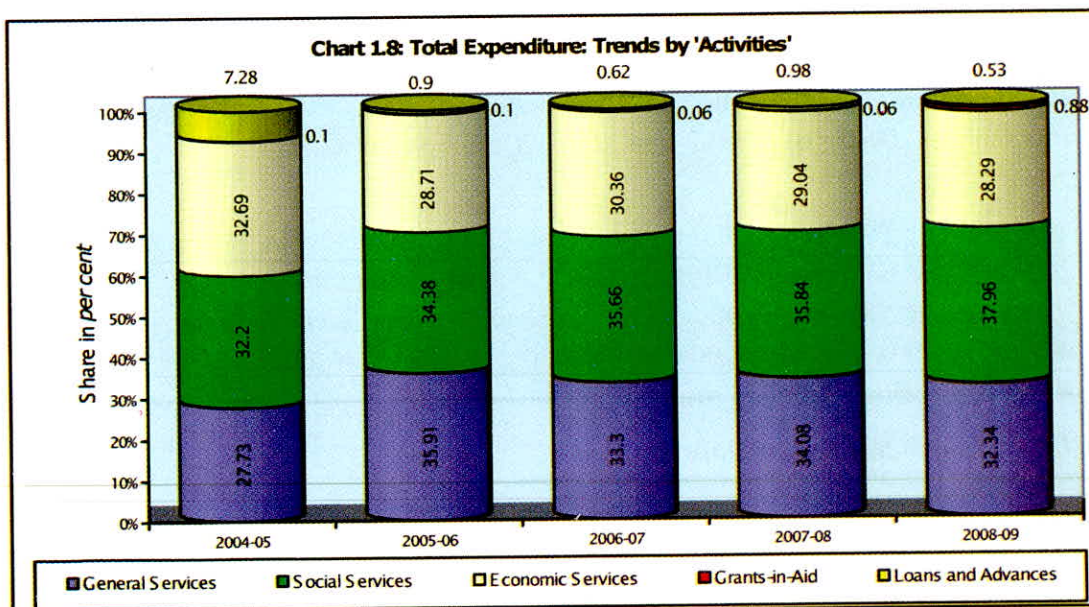
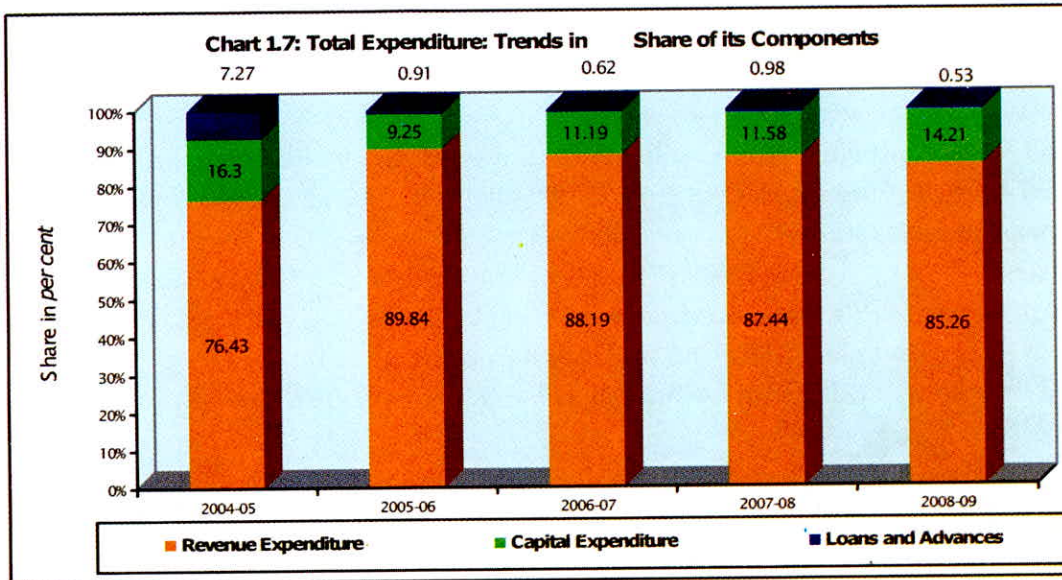


Statement-12 of the Finance Accounts depicts the detailed revenue expenditure by minor heads and capital expenditure by major heads. States raise resources to perform their sovereign functions, maintain their existing nature of delivery of social and economic services, to extend the network of these services through capital expenditure and investments and to discharge their debt service obligations. The total expenditure of the State increased from Rs.13,384 crore in 2004-05 to Rs.16,705 crore in 2008-09 at an annual average rate of 4.96 per cent and increased by 15 per cent from Rs.14,575 crore in 2007-08 to Rs.16,705 crore in 2008-09. The Revenue expenditure increased from Rs.10,229 crore in 2004-05 to Rs.14,243 crore in 2008-09 at an annual average rate of eight per cent. Of the revenue expenditure, non-plan revenue expenditure increased from Rs.8,208 crore in 2004-05 to Rs.11,133 crore in 2008-09 at an annual average rate of seven per cent. Capital expenditure increased from Rs.2,181 crore in 2004-05 to Rs.2,373 crore in 2008-09 at an annual average rate of two per cent.

The break up of total expenditure during 2008-09 in terms of plan and non-plan expenditure reveals that while the share of plan expenditure constituted 32.75 per cent (Rs.5,471 crore), the remaining 67.25 per cent (Rs.11,234 crore) was non-plan expenditure. The increase in total expenditure during 2008-09 over the previous year was due to increase in revenue expenditure by Rs.1,499 crore and capital expenditure by Rs.685 crore despite decrease in disbursement of loans and advances by Rs.54 crore. The capital expenditure increased by 41 per cent over the previous year and was 36 per cent lower than projected in FYFP.

The increase in revenue expenditure during 2008-09 over the previous year was mainly due to increase in expenditure on Education, Sports, Art and Culture (Rs.331.66 crore), Health and Family Welfare (Rs.256.44 crore), Water Supply, Sanitation, Housing and Urban Development (Rs.140.70 crore), Welfare of Scheduled Castes, Scheduled Tribes & Other Backward Classes (Rs.78.38 crore) in Social sector and Agriculture and Allied activities (Rs.224.64 crore) in Economic Sector. The increase in Capital expenditure of Rs.685 crore over the previous year was mainly due

to in plan capital expenditure on Water supply, Sanitation, Housing and Urban Development (Rs.221.82 crore), Irrigation and Flood Control (Rs.323.35 crore) and Energy (Rs.78.86 crore). Loans and advances constituted 0.53 per cent of the total expenditure and decreased by Rs.54 crore over the previous year. The decrease in loans and advances was mainly due to decrease in disbursement of other loans to Electricity Boards by Rs.44.19 crore over the previous year.



In terms of activities, total expenditure could be considered as being composed of expenditure on General Services including interest payments, Social and Economic Services, Grant-in-aid and loans and advances. The movement of relative share of these components of expenditure indicated that all components of expenditure had

inter-year variations. But expenditure on General Services and interest payments, which are considered as non-developmental, together accounted for 32.34 per cent in 2008-09 as against 34.08 per cent in 2007-08. On the other hand, development expenditure i.e., expenditure on Social and Economic Services together accounted for 66.25 per cent in 2008-09 as against 64.88 per cent in 2007-08. This indicates that there was decrease in non-developmental expenditure and increase in developmental expenditure in comparison to the previous year.

Revenue expenditure had predominant share in total expenditure. Revenue expenditure is increased to maintain the current level of services and payment for the past obligation and as such does not result in any addition to the State's infrastructure and service network. The overall revenue expenditure of the State increased by 39.24 per cent from Rs.10,229 crore in 2004-05 to Rs.14,243 crore in 2008-09 at an annual average rate of 7.85 per cent and increased from Rs.12,744 crore in 2007-08 to Rs.14,243 crore in 2008-09. *A comparative position of Non-Plan Revenue Expenditure (NPRE) vis-à-vis assessment made by TFC and FCP revealed that NPRE was 16 per cent (Rs.2,131 crore) less than the projection made in FCP but higher by 13 per cent (Rs. 1,270 crore) relative to TFC assessment as indicated below:*

(Rupees in crore)			
Non-Plan Revenue Expenditure	Assessment/Projection		Actual
	TFC	FCP	
	9,863	13,264	11,133

The **Plan Revenue Expenditure** (PRE) increased by Rs.1,043 crore from Rs.2,067 crore in 2007-08 to Rs.3,110 crore in 2008-09, mainly due to increase in Social Welfare and Nutrition (Rs.149.61 crore), Health and Family Welfare (Rs.106.48 crore), Agriculture and Allied Activities (Rs.237.70 crore), Special Areas Programmes (Rs.83.01 crore) and Rural Development (Rs.37.81 crore) over the previous year.

The ratio of NPRE to GSDP decreased from 15.51 per cent to 14.36 per cent during 2004-09. The buoyancy of NPRE to GSDP decreased from 0.86 crore in 2007-08 to 0.43 crore in 2008-09, while with reference to Revenue Receipts it decreased from 0.74 in 2007-08 to 0.24 in 2008-09. Similarly, buoyancy of Revenue Expenditure to Revenue Receipts decreased from 0.93 in 2007-08 to 0.65 in 2008-09.

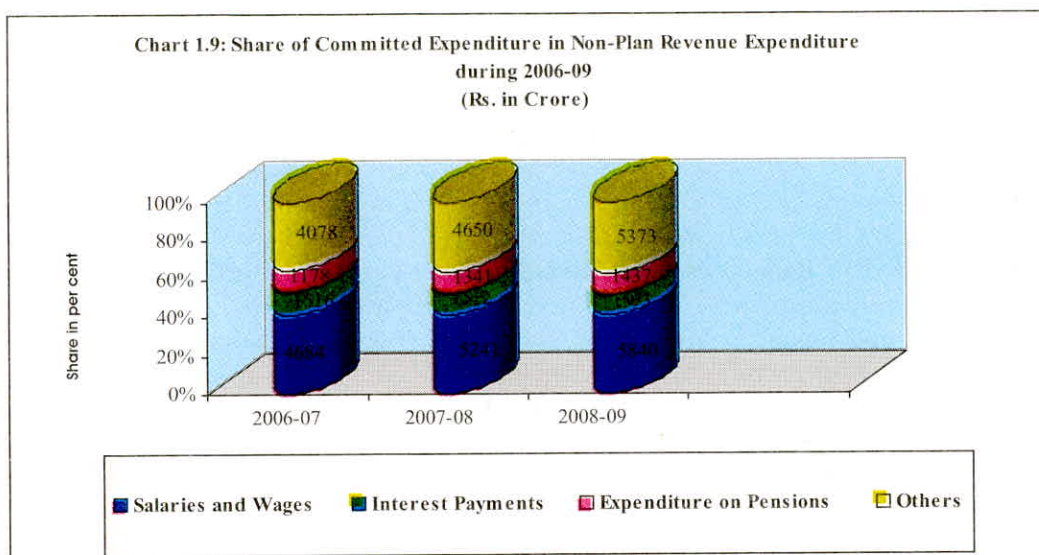
1.4.2 Committed Expenditure

The committed expenditure of the State Government on revenue account mainly consists of interest payments, expenditure on salaries and wages, pensions and subsidies. Table 1.5 and Chart 1.9 present the trends in the expenditure on these components during 2004-09.

Table-1.5: Components of Committed Expenditure

Components of Committed Expenditure	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE	Actuals
Salaries & Wages, <i>Of which</i>	5,194 ⁷ (51.87)	4,238 (35.18)	4,684 (34.27)	5,241 (34.20)	7,360 (33.16)	5,840 (32.31)
Non-Plan Head	4,376	3,883	4,484	5,068	6,905	5,584
Plan Head	818	355	200	173	455	256
Interest Payments	1,404 (14.13)	1,510 (12.54)	1,516 (11.09)	1,512 (9.87)	1,911 (8.61)	1,593 (8.81)
Expenditure on Pensions	1,062 (10.69)	1,011 (8.39)	1,178 (8.62)	1,341 (8.75)	1,537 (6.93)	1,437 (7.95)
Other Components	2,569 (25.85)	3,777 (31.36)	4,078 (29.84)	4,650 (30.34)	9,231 (41.59)	5,373 (29.72)
Total	10,229 (102.94)	10,536 (87.47)	11,456 (83.82)	12,744 (83.16)	20,039 (90.29)	14,243 (78.79)

Figures in the parentheses indicate percentage to Revenue Receipts



Salaries alone accounted for more than 32 *per cent* of revenue receipts of the State during the year. It increased by about 12 *per cent* from Rs.5,241 crore in 2007-08 to Rs.5,840 crore in 2008-09. Salary expenditure under Non-plan head during 2008-09 increased by Rs.516 crore (10.18 *per cent*) over the previous year whereas the salary expenditure on plan head increased by Rs.83 crore (47.98 *per cent*) over the previous year. Non-plan salary expenditure ranged between 33.43 and 34.77 *per cent* of total expenditure on salaries during 2006-09. Expenditure on salaries during 2008-09 was less by Rs.1,145 crore (16.39 *per cent*) than assessed (Rs.6,985 crore) by the State Government in its FCP and less by Rs.1,520 crore (20.65 *per cent*) against the projection of Rs.7,360 crore in FYFP. The expenditure on salaries was 52.08 *per cent* of the revenue expenditure, net of interest payments and pension as against TFC norm of 35 *per cent* and constituted 90.94 *per cent* of total tax and non-tax revenue during 2008-09, requiring attention of the Government to achieve the target of limiting it to 60 *per cent* by 2010 as laid down in FRBM Act, 2005.

⁷ Represents salaries only and includes salaries spent from Grants-in-aid but excludes wages upto 2004-05.

Pension payments grew at an annual average rate of 7.33 *per cent* from Rs.1,178 crore in 2006-07 to Rs.1,437 crore in 2008-09. Pension payment alone accounted for nearly eight *per cent* of revenue receipts of the State during the year and increased by Rs.96 crore (7.16 *per cent*) over the previous year. Pension payment was Rs.180 crore (12.53 *per cent*) less than the projections made by the State Government in its FCP (Rs.1,617 crore), Rs.100 crore (6.51 *per cent*) less than the projections made in FYFP (Rs.1,537 crore) and also Rs.170 crore less than the assessment made by the TFC (Rs.1,607 crore). Increase of Rs.96 crore in pension payments during 2008-09 over the previous year was mainly due to increase in expenditure under superannuation and retirement allowances (Rs.101.46 crore), family pension (Rs.83.67 crore). A part of the increase was offset by decrease in payment of gratuities (Rs.52.57 crore) and leave encashment (Rs.32.79 crore). The State Government has not introduced the new pension policy so far.

Interest payments increased by 5.36 *per cent* from Rs.1,512 crore in 2007-08 to Rs.1,593 crore in 2008-09. The interest payment on internal debt (Rs.1,150 crore), loans and advances from Central Government (Rs.162 crore) and Small Savings, Provident Fund etc. (Rs.281 crore). The interest payment was Rs.983 crore less than that projected (Rs.2,576 crore) in FCP for the year 2008-09, Rs.318 crore (19.96 *per cent*) less than the projections made (Rs.1,911 crore) in FYFP and Rs.375 crore less than that projected (Rs.1,968 crore) by TFC. *The interest payment relative to revenue receipts at 8.81 per cent was well within the norm of 15 per cent recommended by TFC to be achieved during the award period.* Due to enactment of FRBM Act by the State Government in May 2005, the State could avail the benefit of Interest relief of Rs.6.49 crore in 2008-09. The major sources of borrowings of the State Government were (i) Loans from the Centre, (ii) Market loans, (iii) Loans from the Banks and Financial Institutions, (iv) Loans from Small Savings and Provident Funds and (v) Loans from National Small Savings Fund of Central Government with interest rates ranging from 6.76 *per cent* to 7.66 *per cent* per annum during the period 2006-09. The ratio's of salaries, interest payments and pensions to revenue receipts decreased by four percentage points over the previous year.

1.4.3 Financial Assistance by State Government to local bodies and other institutions

The quantum of assistance provided by way of grants and loans to local bodies and others during the current year relative to the previous years is presented in Table 1.6.

Table 1.6: Financial Assistance to Local Bodies etc.

Financial Assistance to Institutions	2004-05	2005-06	2006-07	2007-08	(Rupees in crore)	
					2008-09	
					BE	Actual
Zilla Parishads and Other Panchayati Raj Institutions	23.04	27.30	27.19	42.53	-	0.15
Municipal Corporations/Urban Sewerage Board	65.28	16.71	17.66	24.47	30.70	9.25
Co-operative Societies and Co-operative Institutions	1.85	0.04	0.04	1.64	0.10	0.10
Universities and Educational Institutions	919.04	922.90	892.58	822.57	919.98	829.40
Assam State Electricity Board (ASEB)	946.92	81.26	70.53	102.36	3.10	3.10
Assam State Housing Board (ASHB)	0.97	1.42	1.34	1.34	-	0.08
Assam Khadi & village Industries Board	5.90	6.96	6.80	11.25	6.42	5.90
Guwahati Metropolitan Development Authority	26.13	33.88	27.79	0.12	17.56	10.10
Other Institutions	69.58	76.56	61.44	109.22	308.63	191.49
Autonomous Councils	135.24	83.28	167.75	83.86	73.10	92.54
Total	2,193.95	1,250.31	1,273.12	1,199.36	1,359.59	1,142.11
Assistance as percentage of RE	21.45	11.87	11.11	9.41	9.55	8.02

□ Information not available in Detailed Appropriation Account.

The total assistance at the end of the year 2008-09 had decreased by 48 *per cent* over the level of 2004-05. The assistance to local bodies as a percentage of total revenue expenditure had decreased from 21.45 *per cent* in 2004-05 to 8.02 *per cent* in 2008-09. Financial assistance to universities and educational institutions alone constituted 73 *per cent* of the total assistance of the State Government during 2008-09.

1.5 Quality of Expenditure

The availability of better social and physical infrastructure in the State generally reflects the quality of its expenditure. The improvement in the quality of expenditure basically involves three aspects, viz., adequacy of the expenditure (i.e. adequate provisions for providing public services); efficiency of expenditure use; and the effectiveness (assessment of outlay-outcome relationships for select services).

1.5.1 Adequacy of Public Expenditure

The expenditure responsibilities relating to social sector and economic infrastructure are largely assigned to the State Government. Enhancing human development levels requires the States to step up their expenditure on key social services like, education, health etc. The low level of spending on any sector by a particular State may be either due to low fiscal priority attached by the State Government or on account of the low fiscal capacity of the State Government or due to both working together. The low fiscal priority (ratio of expenditure category to aggregate expenditure) is attached to a particular sector if it is below the respective national average while the low fiscal capacity would be reflected if the State's per capita expenditure is below the respective national average even after having a fiscal priority that is more than or equal to the national average. Table 1.7 analyses the fiscal priority and fiscal capacity of the State Government with regard to development expenditure, social sector expenditure and capital expenditure during the current year.

Table-1.7: Fiscal Priority and Fiscal capacity of the State during 2005-09

Fiscal Priority by the State	AE/GSDP	DE/AE	SSE/AE	CE/AE
All States/National Average* (Ratio) 2005-06	19.50	61.44	30.41	14.13
Assam's Average (Ratio) 2005-06	24.89	64.00	34.38	9.25
All States/National Average* (Ratio) 2008-09	19.16	67.68	33.90	16.87
Assam's Average (Ratio) 2008-09	21.55	66.76	37.96	14.21
Fiscal Capacity of the State	DE#	SSE	CE	
All States Average Per Capita Expenditure 2005-06	3,010	1,490	692	
Assam's Per Capita Expenditure (Amount in Rs.) in 2005-06	2,633	1,415	381	
Adjusted Per Capita** Expenditure (Amount in Rs.) in 2005-06	NR	NR	582	
All State's Average per capita expenditure 2008-09	5,030	2,520	1,254	
Assam's Per Capita Expenditure (Amount in Rs.) in 2008-09	3,768	2,142	802	
Adjusted Per Capita** Expenditure (Amount in Rs.) in 2008-09	3,819	NR	952	
*As per cent to GSDP				
**Calculated as per the methodology explained in the Appendix 1.2				
AE: Aggregate Expenditure DE: Development Expenditure SSE: Social Sector Expenditure				
CE: Capital Expenditure				
Population of Assam 2.85 crore in 2005-06 and 2.96 crore in 2008-09				
# Development expenditure includes Development Revenue Expenditure, Development Capital Expenditure and Loans and Advances disbursed.				
Source: (1) For GSDP, the information was collected from the State's Directorate of Economics and Statistics				
(2) Population figures were taken from Projection 2001-2026 of the Registrar General & Census Commissioner, India (Website: http://www.censusindia.gov.in) Population = Average of Projected population for 2005-06.				
NR = No adjustment required since the state is giving adequate fiscal priority. Data for Arunachal Pradesh has not been included in All States average.				

In Table 1.7, we are comparing the fiscal priority given to different categories of expenditure and fiscal capacity of Assam in 2005-06 (the first year of the Award Period of the Twelfth Finance Commission) and the current year 2008-09. In 2005-06, the Assam Government gave adequate fiscal priority to Aggregate Expenditure (AE), Development Expenditure (DE) and Social Sector Expenditure (SSE) since AE/GSDP, DE/AE and SSE/AE in the case of Assam was higher than the national average. The priority given to Capital Expenditure in Assam in 2005-06 was, however, not adequate as the CE/AE ratio for Assam (9.25 per cent) was much lower than the All States Average of 14.13 per cent. In 2008-09, however, it is observed that while adequate fiscal priority was given to AE and SSE, DE as a percentage of GSDP in Assam (66.76 per cent) was marginally lower than the All States Average (67.68 per cent). A major area of concern is that Assam continues to give lower priority to CE compared to the other states in the country as indicated by the All states average.

In 2005-06, the per capita expenditure of DE, SSE and CE was lower than the national average (Rs.2,633, Rs.1,415 and Rs.381 compared to the national per capita expenditure in these categories of Rs.3,010 and Rs.1,490 and Rs.692 respectively). Similarly in the current year also the per capita expenditure in all these categories was lower in the case of Assam in comparison with the national average. Wherever the state is not giving adequate fiscal priority to a particular head of expenditure, adjustments have been made as explained in the Appendix 1.2 (Part-A) to see whether the per capita expenditure figures improve. While marginal improvement has been noticed, even the adjusted figures are lower than the national average. This means that

the absorptive capacity⁸ in Assam is relatively low and that effective systems are required to be put in place to benefit to the people.

1.5.2 Efficiency of Expenditure Use

In view of the importance of public expenditure on development heads from the point of view of social and economic development, it is important for the State Governments to take appropriate expenditure rationalization measures and lay emphasis on provision of core public and merit goods⁹. Apart from improving the allocation towards development expenditure¹⁰, particularly in view of the fiscal space being created on account of decline in debt servicing in recent years, the efficiency of expenditure use is also reflected by the ratio of capital expenditure to total expenditure (and/or GSDP) and proportion of revenue expenditure being spent on operation and maintenance of the existing social and economic services. The higher the ratio of these components to total expenditure (and/or GSDP), the better would be the quality of expenditure. While Table 1.8 presents the trends in development expenditure relative to the aggregate expenditure of the State during the current year vis-à-vis budgeted and the previous years, Table 1.9 provides the details of capital expenditure and the components of revenue expenditure incurred on the maintenance of the selected social and economic services.

⁸ Absorptive capacity in this case refers to the ability of a state to implement a developmental scheme in such a way that with given resources, there is maximum benefits to the people. This is usually achieved when the design of schemes are well planned with careful risk mitigation strategy in place, administrative costs are low, operation, maintenance, monitoring and control mechanisms are in place etc so that the state is able to effectively achieve targeted outcomes.

⁹ *Core public goods* are which all citizens enjoy in common in the sense that each individual's consumption of such a good leads to no subtractions from any other individual's consumption of that good, e.g. enforcement of law and order, security and protection of our rights; pollution free air and other environmental goods and road infrastructure etc. *Merit goods* are commodities that the public sector provides free or at subsidized rates because an individual or society should have them on the basis of some concept of need, rather than ability and willingness to pay the government and therefore wishes to encourage their consumption. Examples of such goods include the provision of free or subsidized food for the poor to support nutrition, delivery of health services to improve quality of life and reduce morbidity, providing basic education to all, drinking water and sanitation etc.

¹⁰ The analysis of expenditure data is disaggregated into development and non-development expenditure. All expenditure relating to Revenue Account, Capital Outlay and Loans and Advances is categorized into social services, economic services and general services. Broadly, the social and economic services constitute development expenditure, while expenditure on general services is treated as non-development expenditure.

Table-1.8: Development Expenditure

Components of Development Expenditure	2004-05	2005-06	2006-07	2007-08	(Rupees in crore)	
					2008-09	
					BE	Actual
Development Expenditure (a to c)	9,656 (72)	7,502 (64)	8,653 (67)	9,596 (66)	15,342(16)	11,152(67)
a. Development Revenue Expenditure	6,527 (49)	6,324 (54)	7,146 (55)	7,811 (54)	11,533(46)	8,730(52)
b. Development Capital Expenditure	2,158 (16)	1,075 (9)	1,430 (11)	1,645 (11)	3,678(15)	2,337(14)
c. Development Loans and Advances	971 (7)	103 (1)	77 (-)	140 (1)	131 (-)	85 (-)

Figures in parentheses indicate percentage to aggregate expenditure

The development expenditure was less than the assessment made by the State Government in budget estimates by Rs.4,190 crore during 2008-09. The development revenue and capital expenditure increased by 12 per cent (Rs.919 crore) and 42 per cent (Rs.692 crore) respectively over the previous year.

Table 1.9 –Efficiency of Expenditure Use in Selected Social and Economic Services

Social/ Economic Infrastructure	2007-08			2008-09		
	Ratio of CE to TE	In RE, the share of		Ratio of CE to TE	In RE, the share of	
		S&W	O&M ¹¹		S&W	O&M
Social Services (SS)						
Education, Sports, Art and Culture	0.01	19.39	0.28	0.01	19.27	-
Health and Family Welfare	0.03	2.90	0.01	0.01	3.03	-
WS, Sanitation, & HUD	1.78	1.06	0.08	2.95	1.15	0.07
Other Social Services	0.01	1.17	0	0.01	1.54	-
Total (SS)	1.83	24.52	0.37	2.98	24.99	0.07
Economic Services (ES)						
Agri & Allied Activities	0.01	2.86	-	0.02	2.72	-
Irrigation and Flood Control	1.35	2.01	0.01	3.11	1.93	-
Power & Energy	2.88	--	-	2.42	--	-
Transport	3.54	2.01	1.02	3.50	1.94	0.67
Other Economic Services	1.68	1.76	0.09	1.96	1.43	-
Total (ES)	9.46	8.64	1.12	11.01	8.02	0.67
Total (SS+ES)	11.29	33.16	1.49	13.99	33.01	0.74

TE: Total Expenditure; CE: Capital Expenditure; RE: Revenue Expenditure; S&W: Salaries and Wages; O&M: Operations & Maintenance

The ratio of salary and wage component expenditure under economic services, the salary and wage component increased by four per cent and non-salary and wage component decreased by one per cent.

Operation and Maintenance (O&M) expenditure decreased by Rs.37.53 crore from Rs.47.57 crore in 2007-08 to Rs.10.04 crore under social services whereas under economic services, O&M expenditure decreased by Rs.46.13 crore from Rs.141.81 crore in 2007-08 to Rs.95.68 crore in 2008-09. Out of total O&M expenditure of Rs.105.72 crore, during 2008-09, Rs.95.51 crore (90 per cent) alone

¹¹ The O&M expenditure relates to few grants only as the information for all grants are not available.

was paid for development services under strategic and Border Roads under Roads and Bridges (Transport Sector).

Expenditure on General Education increased by Rs.332 crore (11 *per cent*) from Rs.3,048 crore in 2007-08 to Rs.3,380 crore in 2008-09, while the increase in expenditure on Health and Family Welfare was Rs.255 crore (39 *per cent*) from Rs.657 crore in 2007-08 to Rs.912 crore. Recognizing the need to improve the quality of education and health services, TFC recommended that non-plan salary expenditure under Education and Health & Family Welfare department should increase by 5-6 *per cent* while non-salary expenditure under non-plan head should increase by 30 *per cent* during the award period. Trends in expenditure reveal that the salary and wage component and non-salary and wage component under Education increased by 11 *per cent* and 10 *per cent* respectively over 2007-08 while under Health and Family Welfare sector, these components increased by 17 *per cent*.

Out of total expenditure on Economic services during 2008-09, an increase was observed in Agriculture & Allied activities (34 *per cent*), Transport services (1 *per cent*), Irrigation & Flood Control (70 *per cent*) and a decrease in Power and Energy (10 *per cent*).

The trends in revenue and capital expenditure on Economic services indicate that the capital expenditure increased by 33 *per cent* from Rs.1,379 crore in 2007-08 to Rs.1,839 crore in 2008-09, while the revenue expenditure increased marginally by Rs.32 crore during 2008-09.

1.5.3 Effectiveness of the Expenditure, i.e. Outlay-Outcome Relationship

Results of performance reviews indicating the outlay-outcome relationship are inter-alia included in the State Civil and Commercial Audit Report. The effectiveness of the expenditure as brought out in two schemes *viz*, (i) Urban Water Supply Projects; and (ii) Non-lapsable Central Pool of Resources taken up during 2008-09 covering the period 2004-09 are summarized below:

(a) Urban Water Supply Projects

The State Government, under centrally sponsored and State plan schemes, implemented water supply projects in selected urban agglomerations during 2004-09. The objective of providing safe drinking water to the targeted beneficiaries was not fulfilled, as only eight *per cent* projects (2 out of 24 projects due for completion between 1986-87 and 2008-09) were recorded to have been completed. Although, five other projects were partially commissioned during 2004-09, the actual coverage of population under the schemes was only 0.12 lakh (two *per cent*). Water supply facilities were not provided to 72 out of 87 towns and the targeted population of 5.52 lakh (out of 5.64 lakh people as per 2001 census) was not covered as of March 2009 due to poor planning and inadequate monitoring of the execution of the schemes. No evaluation studies had been carried out by the Nodal Department to ascertain the extent of achievement of the objectives of the programme in the State.

(b) Non-lapsable Central Pool of Resources

Government of India (GOI), created the Non-lapsable Central Pool of Resources (NLCPR) in 1998 with the aim of speeding up the execution of infrastructure projects in the North Eastern States. The objectives of the NLCPR funding have not been achieved in the State, as more than 71 *per cent* of the projects approved and due for completion during 2004-09, remained incomplete as on March 2009. Infrastructure gaps were not identified clearly and more than 55 *per cent* of the works were taken up for execution from outside the priority list prepared during 2002-09. The major hurdles in the timely completion of the project were lack of adequate planning, delays in transmission of funds to the executing agencies and lack of proper initiative by the Nodal Department. The contract and works management were not satisfactory. These problems could have been addressed suitably had there been an effective supervision and monitoring mechanism in the State.

1.6 Financial Analysis of Government Expenditure and Investments

In the post-FRBM framework, the State is expected to keep its fiscal deficit (and borrowing) not only at low levels but also meet its capital expenditure/investment (including loans and advances) requirements. In addition, in a transition to complete dependence on market based resources, the State Government needs to initiate measures to earn adequate return on its investments and recover its cost of borrowed funds rather than bearing the same on its budget in the form of implicit subsidy and take requisite steps to infuse transparency in financial operations. This section presents the broad financial analysis of investments and other capital expenditure undertaken by the Government during the current year vis-à-vis previous years.

1.6.1 Incomplete projects

The department-wise information pertaining to incomplete projects as on 31 March 2009 is given in Table 1.10.

Table 1.10: Department-wise Profile of Incomplete Projects

(Rupees in Crore)

Department	No. of Incomplete Projects	Initial Budgeted Cost	Revised Total Cost of Projects*	Cost Overrun	Cumulative actual expenditure (March 2009)
Public Works (Roads)	61	843.71	2,433.02	2,401.80	242.51
Public Works (Buildings)	8	38.24	298.21	296.51	25.04
Public Health Engineering	4	31.82	--	--	10.02
Irrigation	12	105.41	8.91	4.26	72.65
Water Resources	20	77.94	--	--	54.78
Total	105	1,097.12	2,740.14	2,702.57	405.00

* Pertaining to 5 incomplete projects.

As per information received from the State Government, as of 31 March 2009, there were 105 incomplete projects (total cost more than Rupees one crore of each project) in which Rs.405 crore were blocked. Of these, 51 projects involving Rs.170.17 crore remained incomplete for less than five years. 32 Projects involving an amount of Rs.158.56 crore remained incomplete for periods ranging from five to ten years, four projects involving Rs.10.88 crore remained incomplete for periods ranging from 10 to 20 years and four projects involving Rs.9.36 crore remained incomplete beyond 20 years. Details in respect of 14 projects involving Rs.56.03 crore were not available. The revised cost of five incomplete projects increased by 7110 *per cent* from Rs.37.57 crore (initial budgeted cost) to Rs.2,740 crore (total revised cost). Out of total cost overrun of Rs.2,703 crore, Rs.2,433 crore pertained to Public Works Department (Roads) projects which was 90.01 *per cent* of initial budgeted cost. The cost overrun of Rs.2,402 crore is mainly under Improvement of Riding Quality Project (89 *per cent* of total cost overrun). Reasons for time /cost overrun were paucity of funds, price escalation and natural calamities.

1.6.2 Investment and returns

As of 31 March 2009, Government had invested Rs.2,079 crore in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives (Table 1.11). The average return on this investment was 0.87 *per cent* during 2004-2009 while the Government paid an average interest rate of 7.64 *per cent* on its borrowings during 2004-2009.

Table-1.11: Return on Investment

Investment/Return/Cost of Borrowings	2004-05	2005-06	2006-07	2007-08	2008-09	
					BE	Actual
Investment at the end of the year (Rs in crore)	1,952.91	1,969.95	1,984.46	1,989.32	NA	2,079.04
Return (Rs in crore)	9.29	15.47	18.54	24.00	25.68	19.45
Return (<i>per cent</i>)	0.48	0.79	0.93	1.21	-	0.94
Average rate of interest on Govt borrowing (<i>per cent</i>)	8.47	8.18	7.66	7.14	-	6.76
Difference between interest rate and return (<i>per cent</i>)	7.99	7.39	6.73	5.93	-	5.82

During the last five years, i.e. 2004-09, the State Government's investments have increased by Rs.126.13 crore. During the current year, Government has invested Rs.73.99 crore in Statutory Corporations, Rs.1.60 crore in Government Companies and Rs.3.78 crore in Cooperative Societies. Out of four Statutory Corporations in the State, the accumulated loss of two Statutory Corporations was Rs.76.76 crore as of March 2008 and the accumulated loss of the remaining two Statutory Corporations was Rs.427.43 crore as of March 2004. The accumulated loss of the Statutory Corporations was Rs.504 crore as of March 2008. The major loss sustaining organisations are Assam State Transport Corporation (investment: Rs.414.93 crore; loss Rs.422.63 crore), Assam State Electricity Board (investment: Rs.1,398.75 crore; loss Rs.66.59 crore), Assam Financial Corporation (investment: Rs.7.75 crore; loss Rs.10.17 crore). In view of the heavy losses, the Government should review their working so as to wipe out their losses in the short run and to make them self-sustaining in medium to long term.

1.6.3 Loans and advances by State Government

In addition to investments in co-operative societies, Corporations and Companies, Government has also been providing loans and advances to many of these institutions/ organizations. Table 1.12 presents the outstanding loans and advances as on 31 March 2009, interest receipts vis-à-vis interest payments during the last three years.

Table-1.12: Average Interest Received on Loans Advanced by the State Government
(Rupees in Crore)

Quantum of Loans/ Interest Receipts/ Cost of Borrowings	2006-07	2007-08	2008-09	
			BE	Actual
Opening Balance	2,675	2,721	2,824	2,824
Amount advanced during the year	81	143	138	89
Amount repaid during the year	35	40	44	35
Closing Balance	2,721	2,824	2,918	2,878
<i>Of which</i> Outstanding balance for which terms and conditions have been settled			-	
Net addition	46	103	94	54
Interest Receipts	8	8	-	81
Interest receipts as <i>per cent</i> to outstanding Loans and advances	0.29	0.28	-	2.81
Interest payments as <i>per cent</i> to outstanding fiscal liabilities of the State Government.	7.66	7.14	-	6.76
Difference between interest payments and interest receipts (<i>per cent</i>)	7.37	6.86	-	3.95

Total amount of outstanding loans and advances as on 31 March 2009 was Rs.2,878 crore. Interest received against these loans and advances continued to be negligible which increased by 913 *per cent* from Rs.8 crore in 2007-08 to Rs.81 crore in 2008-09. Major recipients of the loans during 2008-09 were Assam State Electricity Board (Rs.58.17 crore), Consumer Industries (Rs.6.69 crore), Financial and Trading Institutions (Rs.10 crore) and Government servants (Rs.3.45 crore). During 2008-09, only 1.24 *per cent* of outstanding loans were repaid by institutions/ organizations/Government servants and Rs.2,531 crore of loans was not repaid for last six years.

1.6.4 Cash Balances and Investment of Cash balances

Table 1.13 depicts the cash balances and investments made by the State Government out of cash balances during the year.

Table-1.13: Cash Balances and Investment of Cash balances

Particulars	As on 1 April 2008	As on 31 March 2009	(Rupees in Crore)	
			Increase/ Decrease	
Cash Balances	3959	8042	(+)	4083
Investments from Cash Balances (a to d)	5,984.61	9,853.98	(+)	3,869.37
a. GOI Treasury Bills	5,146.33	8,858.16	(+)	3,711.83
b. GOI Securities	4.35	3.35	(-)	1.00
c. Other Securities	-	-		-
d. Other Investments	833.93	992.47	(+)	158.54
Funds-wise Break-up of Investment from Earmarked balances (a to c)				
a. Reserve Funds	834	992	(+)	158
b. Deposits and Advances	-	-		-
Interest Realized	232	352	(+)	120

Cash balances of the State Government at the end of the current year increased from Rs.3,959 crore in 2007-08 to Rs.8,042 crore in 2008-09. The State Government has invested Rs.8,858.16 crore in GOI Treasury Bills and Rs.3.35 crore in GOI Securities and earned an interest of Rs.352 crore during 2008-09. Further, the Government invested Rs.992 crore in reserve funds during 2008-09. The interest receipts against investment on cash balance was four *per cent* during 2008-09 while Government paid interest at the rate of 6.76 *per cent* on its borrowings during the year.

The efficiency of handling the cash balances by the State can also be assessed by monitoring the trends in monthly daily average of cash balances held by the State to meet its normal banking transactions. Table 1.14 presents the trends in monthly average daily cash balances and the investments in Auction Treasury Bills for the last three years (2006-09).

Table-1.14: Trends in Monthly Average Daily Cash Balances and the Investments in Auction Treasury Bills

(Rupees in crore)

Month	Monthly Average Daily Cash balances			Investment in 14 days Treasury Bills			Investment in Auction Treasury Bills		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
April	1,383.07	2,377.03	3,756.41	2,991.00	4,486.35	8,463.06	246.67	--	--
May	1,735.50	2,642.62	4,767.28	4,073.22	5,883.81	9,873.51	--	--	--
June	1,899.58	3,237.69	4,115.16	3,657.64	8,187.68	11,912.62	--	--	--
July	2,528.71	3,651.26	5,592.33	6,019.25	8,174.84	12,361.27	233.68	234.80	228.55
August	2,802.13	3,979.07	5,999.77	6,583.52	9,126.96	13,622.17	--	--	--
September	3,030.90	3,927.38	5,921.94	6,352.47	7,747.15	13,976.87	--	--	--
October	2,789.66	3,496.18	6,041.45	6,542.53	7,717.57	10,789.06	--	--	--
November	2,492.08	3,471.06	6,279.17	5,301.34	7,603.00	12,416.37	--	--	--
December	2,757.52	3,607.08	6,125.66	5,821.72	8,207.60	14,353.87	233.23	232.27	237.40
January	2,902.68	3,939.34	6,467.42	6,013.42	9,887.01	13,161.33	--	--	--
February	3,125.01	4,005.50	6,647.45	6,313.73	8,095.97	12,915.64	--	--	--
March	3,049.58	4,112.04	7,528.23	6,547.02	9,326.32	18,485.91	232.00	232.72	238.97

The State Government had maintained a minimum cash balance of Rs.1.08 crore as per agreement with the Reserve Bank of India during the last three years.

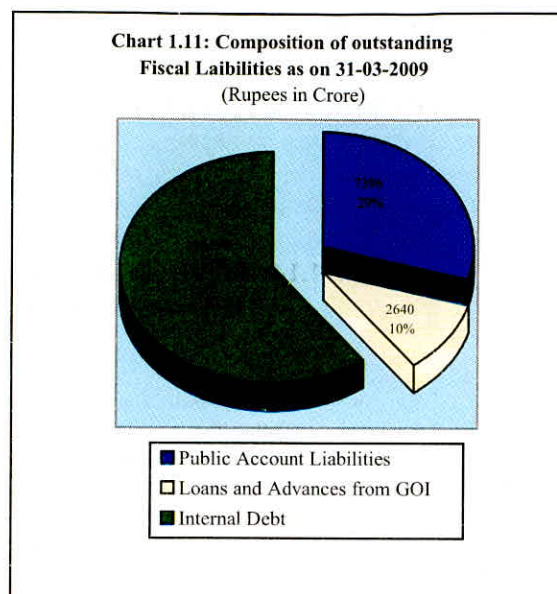
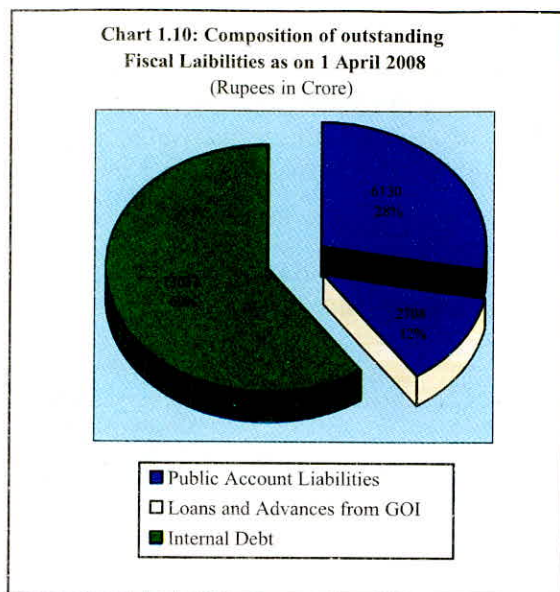
1.7 Assets and Liabilities

1.7.1 Growth and composition of Assets and Liabilities

In the existing Government accounting system, comprehensive accounting of fixed assets like land and buildings owned by the Government is not done. However, the Government accounts do capture the financial liabilities of the Government and the assets created out of the expenditure incurred. Appendix 1.4 gives an abstract of such liabilities and the assets as on 31 March 2009, compared with the corresponding position on 31 March 2008. While the liabilities in this Appendix consist mainly of internal borrowings, loans and advances from the GOI, receipts from the Public Account and Reserve Funds, the assets comprise mainly the capital outlay and loans and advances given by the State Government and cash balances.

1.7.2 Fiscal Liabilities

The trends in outstanding fiscal liabilities of the State are presented in Appendix 1.3. The composition of fiscal liabilities during the current year vis-à-vis the previous year are presented in Charts 1.10 and 1.11.



The overall fiscal liabilities of the State Government increased by Rs.3,363 crore from Rs.21,871 crore in 2007-08 to Rs.25,234 crore in 2008-09. The increase in fiscal liabilities was mainly due to increase in the internal debt (Rs.2,165 crore) and Public Account liabilities (Rs.1,266 crore), which was partially offset by a decrease in loans and advances from the GOI (Rs.68 crore). The ratio of fiscal liabilities to GSDP has increased from 31.05 per cent in 2007-08 to 32.56 per cent in 2008-09. These fiscal liabilities stood at nearly 1.4 times the Revenue receipts (as against projections of 3 times in the FRBM Act) and 3.93 times of State's own resources at the end of 2008-09. In line with the recommendation of the TFC, the State Government set up the sinking fund for amortization of market borrowings as well as other loans and debt obligations. As on 31 March 2009, the balance in the sinking fund was Rs.949 crore. During 2008-09, Rs.108 crore has been invested in the sinking fund.

1.7.3 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 shall be restricted to 50 per cent of State's tax and non-tax revenue of the second preceding year. The State Government is yet to implement (March 2009) the recommendations of the TFC by setting up guarantee redemption funds through earmarked guarantee fees.

As per Statement 6 of the Finance Accounts, the maximum amount for which guarantees were given by the State and outstanding guarantees for the last three years is given in Table 1.15.

Table-1.15: Guarantees given by the Government of Assam

(Rupees in crore)			
Guarantees	2006-07	2007-08	2008-09
Maximum amount guaranteed	1,563	1,189	1,092
Outstanding amount of guarantees	904	951	796
Percentage of maximum amount guaranteed to total revenue receipts	11.44	7.76	6.04
Criteria as per FRBM Act/any other Act or Order of the State	State Government guarantees shall be restricted at any point of time to fifty per cent of State's own tax and non-tax revenue of the second preceding year, as reflected in the books of accounts as maintained by Accountant General.		

Government had guaranteed loans raised by various corporations and others which at the end of 2008-09 stood at Rs.796 crore. It was 15 *per cent* of State's own revenue of the second preceding year i.e. well within the limit recommended by TFC. Out of the total outstanding guarantees, Rs.587 crore (74 *per cent*) pertained to Assam State Electricity Board.

1.8 Debt Sustainability

Apart from the magnitude of debt of State Government, it is important to analyze various indicators that determine the debt sustainability¹² of the State. This section assesses the sustainability of debt of the State Government in terms of debt stabilization¹³; sufficiency of non-debt receipts¹⁴; net availability of borrowed funds¹⁵; burden of interest payments (measured by interest payments to revenue receipts ratio) and maturity profile of State Government securities. Table 1.16 analyzes the debt

¹² The Debt sustainability is defined as the ability of the State to maintain a constant debt-GDP ratio over a period of time and also embodies the concern about the ability to service its debt. Sustainability of debt, therefore, also refers to sufficiency of liquid assets to meet current or committed obligations and the capacity to keep balance between costs of additional borrowings with returns from such borrowings. It means that rise in fiscal deficit should match with the increase in capacity to service the debt.

¹³ A necessary condition for stability states that if the rate of growth of economy exceeds the interest rate or cost of public borrowings, the debt-GDP ratio is likely to be stable provided primary balances are either zero or positive or are moderately negative. Given the rate spread (GSDP growth rate – interest rate) and quantum spread (Debt*rate spread), debt sustainability condition states that if quantum spread together with primary deficit is zero, debt-GSDP ratio would be constant or debt would stabilize eventually. On the other hand, if primary deficit together with quantum spread turns out to be negative, debt-GSDP ratio would be rising and in case it is positive, debt-GSDP ratio would eventually be falling.

¹⁴ Adequacy of incremental non-debt receipts of the State to cover the incremental interest liabilities and incremental primary expenditure. The debt sustainability could be significantly facilitated if the incremental non-debt receipts could meet the incremental interest burden and the incremental primary expenditure.

¹⁵ Defined as the ratio of the debt redemption (Principal + Interest Payments) to total debt receipts and indicates the extent to which the debt receipts are used in debt redemption indicating the net availability of borrowed funds.

sustainability of the State according to these indicators for the period of five years beginning from 2004-05.

Table 1.16: Debt Sustainability: Indicators and Trends

Indicators of Debt sustainability	2004-05	2005-06	2006-07	2007-08	2008-09
Debt Stabilization (Quantum Spread + Primary Deficit)	655+ (-) 654 = 1	204+1866 = 2,090	542+2228 = 2,770	726+2302 = 3,028	825+3000 = 3,825
Sufficiency of Non-debt Receipts (Resource Gap)	(-) 665	(-) 2414	(+) 356	(+) 78	(+)617
Net Availability of Borrowed Funds	1,097	(-) 284	(-) 115	(-) 124	(+) 1771
Burden of Interest Payments (IP/RR Ratio)	14.13	12.54	11.09	9.87	8.81
Maturity Profile of State Debt (In Years)*					
0 - 1	Not available	Not available	Not available	1,121.86	1,246.50
1 - 3				1,734.04	1,850.85
3 - 5				2,029.07	2,806.13
5 - 7				2,752.70	2,671.10
7 and above				8,103.32	9,263.12

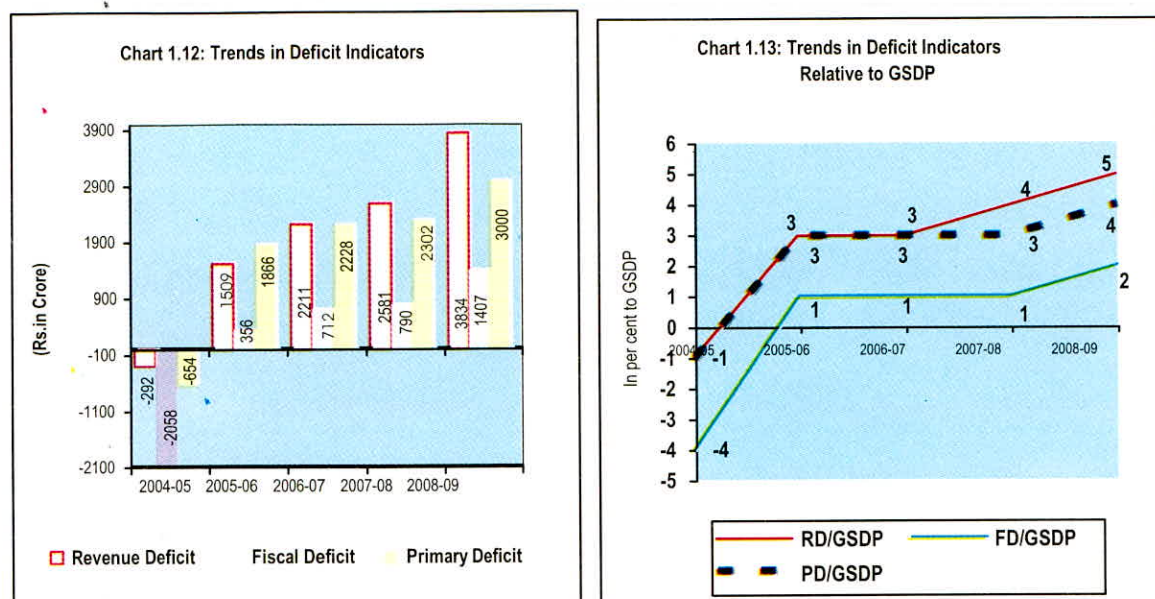
The sum of the quantum spread and primary deficit was positive during 2004-09 resulting in declining trend of debt-GSDP ratio. This trend indicated that the State is moving towards debt stabilization. The persistent positive resource gap during the last three years is a pointer towards fiscal and debt stability of the State. During 2008-09, net fund available was positive indicating that Rs.1,771 crore of total debt receipts were utilized for other purposes rather than for discharging past debt obligations. The maturity profile of the State Government indicates that 33.09 *per cent* of the total Public Debt is repayable within the next five years while the remaining 66.90 *per cent* loans are required to be paid in more than five years time.

1.9 Fiscal Imbalances

Three key fiscal parameters - revenue, fiscal and primary deficits - indicate the extent of overall fiscal imbalances in the Finances of the State Government during a specified period. The deficit in the Government accounts represents the gap between its receipts and expenditure. The nature of deficit is an indicator of the prudence of fiscal management of the Government. Further, the ways in which the deficit is financed and the resources raised are applied are important pointers to its fiscal health. This section presents trends, nature, magnitude and the manner of financing these deficits and also the assessment of actual levels of revenue and fiscal deficits vis-à-vis targets set under FRBM Act/Rules for the financial year 2008-09.

1.9.1 Trends in Deficits

Charts 1.12 and 1.13 present the trends in deficit indicators over the period 2004-09.



The revenue deficit of the State, which indicates the excess of its revenue expenditure over revenue receipts decreased continuously from Rs.292 crore in 2004-05 to revenue surplus of Rs.3,834 crore in 2008-09. The State had continued to experience revenue surplus from 2005-06 and showed a revenue surplus of Rs.1,509 crore in 2005-06, Rs.2,211 crore in 2006-07, Rs.2,581 crore in 2007-08, which further increased to Rs.3,834 crore by 49 *per cent* in 2008-09. This improvement on revenue account during 2008-09 was mainly on account of steep increase in Central Transfers by Rs.1,824 crore in 2008-09 over the previous year. Revenue expenditure on the other hand increased by Rs.1,499 crore in 2008-09 over the previous year resulting in huge surplus on revenue account during the current year.

Increase in revenue surplus as well as marginal decrease of Rs.5 crore in non-debt capital receipts along with increase of Rs.685 crore in capital expenditure and decrease of Rs.54 crore in disbursement of loans and advances during 2008-09 over the previous year led to an increase in fiscal surplus by Rs.617 crore (78 *per cent*). The increase in fiscal surplus accompanied by an increase of Rs.81 crore in interest payments led to an increase of Rs.698 crore (30 *per cent*) in primary surplus during the year.

1.9.2 Components of Fiscal Deficit and its Financing Pattern

The financing pattern of the fiscal deficit has undergone a compositional shift as reflected in the Table 1. 17.

Table -1.17 : Components of Fiscal Deficit and its Financing Pattern

		(Rupees in crore)				
Particulars		2004-05	2005-06	2006-07	2007-08	2008-09
Decomposition of Fiscal Deficit		(+) 2,058	(-) 356	(-) 712	(-) 790	(-) 1,407
1	Revenue Deficit	(+) 292	(-) 1,509	(-) 2,211	(-) 2,581	(-) 3,834
2	Net Capital Expenditure	(+) 2,181	(+) 1,085	(+) 1,453	(+) 1,688	(+) 2,373
3	Net Loans and Advances	(-) 415	(+) 68	(+) 46	(+) 103	(+) 54
Financing Pattern of Fiscal Deficit*						
1	Market Borrowings	(+) 1,648.37	(+) 717.65	(+) 592.01	(+) 544.56	(+) 2,014.77
2	Loans from GOI	(+) 169.80	(-) 4,029.24	(-) 99.71	(-) 66.86	(-) 68.88
3	Special Securities Issued to NSSF	-	(+) 4,602.21	(+) 86.06	(-) 8.60	(+) 17.37
4	Loans from Financial Institutions	(-) 58.09	(+) 45.76	(+) 42.63	(+) 94.06	(+) 133.46
5	Small Savings, PF etc	(+) 381.82	(+) 385.63	(+) 349.39	(+) 317.96	(+) 390.23
6	Deposits and Advances	(-) 24.21	(-) 51.27	(-) 126.62	(-) 561.70	(+) 30.47
7	Suspense and Misc	(-) 487.97	(-) 1,652.56	(-) 1,799.65	(-) 1,943.01	(-) 3,549.14
8	Remittances	(+) 2.03	(+) 15.01	(-) 43.99	(+) 33.78	(+) 99.12
9	Reserve Fund	(+) 190.94	(-) 184.34	(+) 76.88	(+) 161.39	(-) 109.97
10	Decrease in cash balance with RBI	(+) 215.38	(+) 112.92	(+) 191.64	(+) 638.35	(-) 364.21
11	Others	(+) 19.93	(-) 317.49	-	-	-

Figures in brackets indicate the *per cent* to GSDP.
*All these figures are net of disbursements/outflows during the year

The State had fiscal surpluses during the last four years (2005-09) which increased from Rs.356 crore in 2005-06 to Rs.1,407 crore in 2008-09. During the current year fiscal surplus increased by Rs.617 crore.

1.9.3 Quality of Deficit/Surplus

Table - 1.18 : Primary Surplus – Bifurcation of factors

(Rupees in crore)							
Year	Non-debt Receipts	Primary Revenue Expenditure	Capital Expenditure	Loans and Advances	Primary Expenditure	Primary Revenue Deficit (-)/Surplus (+)	Primary Deficit (-) / Surplus (+)
1	2	3	4	5	6 (3+4+5)	7 (2-3)	8 (2-6)
2004-05	11,326	8,825	2,184	974	11,983	(+) 2,501	(-) 657
2005-06	12,083	9,026	1,085	106	10,217	(+) 3,057	(+) 1,866
2006-07	13,702	9,940	1,453	81	11,474	(+) 3,762	(+) 2,228
2007-08	15,365	11,232	1,688	143	13,063	(+) 4,133	(+) 2,302
2008-09	18,112	12,650	2,373	89	15,112	(+) 5,462	(+) 3,000

The non-debt receipts of the State during 2004-05 to 2008-09 was sufficient to meet the primary revenue expenditure. The non-debt receipts of the State increased by 60 *per cent* from Rs.11,326 crore to Rs. 18,112 crore in 2004-09. The primary revenue expenditure, however, increased by 26 *per cent* from Rs. 11,983 crore in 2004-05 to Rs.15,112 crore in 2008-09.

1.9.4 State's Own Revenue and Deficit Correction

It is worthwhile to observe the extent to which the deficit correction is achieved by the State on account of improvement in its own resources, which is an indicator of the durability of the correction in deficit indicators. Table 1.19 presents the change in revenue receipts of the State and the correction of the deficit during the last three years.

Table-1.19: Change in revenue Receipts and Correction of Deficit
(Per cent of GSDP)

Parameters	2006-07	2007-08	2008-09	
			BE	Actual
Revenue Receipts (a to d)	21.43	21.75	28.39	23.32
a. State's Own Tax Revenue	5.46	4.77	5.14	5.35
b. State's Own Non- tax Revenue	2.92	3.03	2.88	2.93
c. State's Share in Central Taxes and Duties	6.11	6.98	7.41	6.70
d. Grants-in-Aid	6.94	6.97	12.96	8.34
Revenue Expenditure	17.96	18.09	25.63	18.38
Revenue Surplus	3.47	3.66	2.75	4.95
Fiscal Surplus	1.12	1.12	(-) 2.14	1.82

Ratio of revenue receipts to GSDP increased over the previous year and decreased over budget estimates of 2008-09 by 1.57 per cent and 5.07 per cent respectively. Ratio of revenue expenditure to GSDP increased marginally from 18.09 per cent in 2007-08 to 18.38 per cent in 2008-09 which was 7.25 per cent below the budget estimates. The Revenue Receipts to GSDP fell short by 5.07 per cent in 2008-09 over the budget estimates for the year due to decrease in the State's share in Central Taxes and Duties (0.71 per cent) and Grants-in-aid (4.62 per cent).

1.10 Conclusion and Recommendations

During the current year the revenue account increased by Rs.1,253 crore as the growth of revenue receipts was 18 per cent while growth of revenue expenditure was 12 per cent over the previous year. The tax revenue of the State fell short by eight per cent and 10 per cent than the assessments made by the TFC and FCP respectively and increased by three per cent against the assessments made in FYFP. However, non-tax revenue increased by 48 per cent, 40 per cent and one per cent against the assessments made by the TFC, FCP and FYFP respectively.

The non-plan revenue expenditure (NPRE) increased by four per cent over the previous year. The non-plan revenue expenditure vis-à-vis assessment made by TFC and FCP revealed that NPRE was 16 per cent (Rs.2,131 crore) less than the projection made in FCP but higher by 13 per cent (Rs.1,270 crore) relative to TFC assessment. The plan revenue expenditure (PRE) increased by Rs.1,043 crore from Rs.2,067 crore in 2007-08 to Rs.3,110 crore in 2008-09.

The Capital expenditure increased by 41 per cent over the previous year and was 36 per cent lower than projected in FYFP.

Besides the normal central transfers, the GOI also directly transferred Rs.2,866 crore to the State Implementing Agencies during 2008-09 as ascertained from four Departments. The direct transfers had increased by Rs.747 crore over the previous year.

The expenditure on salaries was 52 per cent of the revenue expenditure, net of interest payments and pension as against TFC norm of 35 per cent and constituted 90.94 per cent of total tax and non-tax revenue during 2008-09 requiring attention of the Government to achieve the target of limiting it to 60 per cent by 2010 as laid

down in FRBM Act, 2005. The ratio of salaries, interest payments and pensions to revenue receipts decreased by four percentage points over the previous year.

The ratio of fiscal liabilities to GSDP has increased from 31.05 *per cent* in 2007-08 to 32.56 *per cent* in 2008-09. These fiscal liabilities stood at nearly 1.4 times the revenue receipts and 3.93 times of State's own resources at the end of 2008-09.

As of 31 March 2009, there were 105 incomplete projects in which Rs.405 crore were blocked.

Despite the State giving adequate fiscal priority to development expenditure and expenditure on Social sector, the per capita expenditure in these two categories is lower than the national average. This means that the absorptive capacity of Assam to utilize these funds is low and systems have to be improved so that per capita expenditure improves.

During 2008-09, only 1.24 *per cent* of outstanding loan up to 2007-08 were repaid by institutions/organizations/Government servants and Rs.2,531 crore of loans was not repaid for last six years.

In view of the heavy losses of some of the undertakings, the Government should review their working so as to wipe out their losses in the short run and to make them self sustaining in medium to long term.

Fiscal Correction: Assam is one of earliest of States to have passed the Fiscal Responsibility and Budget Management Act. Although the State has achieved the deficit targets, before the time lines prescribed in the Act, it has to initiate requisite corrective measures to contain the expenditure on salaries relative to its own resources, to achieve the corresponding FRBM targets within the time frame prescribed in the Act. However, the State has the reasonable prospect of achieving the targets set out in the FRBM Act of 2005 provided an effort is made to increase tax compliance, reduce tax administration costs, make efforts to collect revenue arrears (Para-1.3.3).

Greater priority to Capital expenditure: The State may consider enhancing the priority it gives to capital expenditure as a proportion of Aggregate Expenditure as this ratio is lower for Assam than All States Average (Table-1.7).

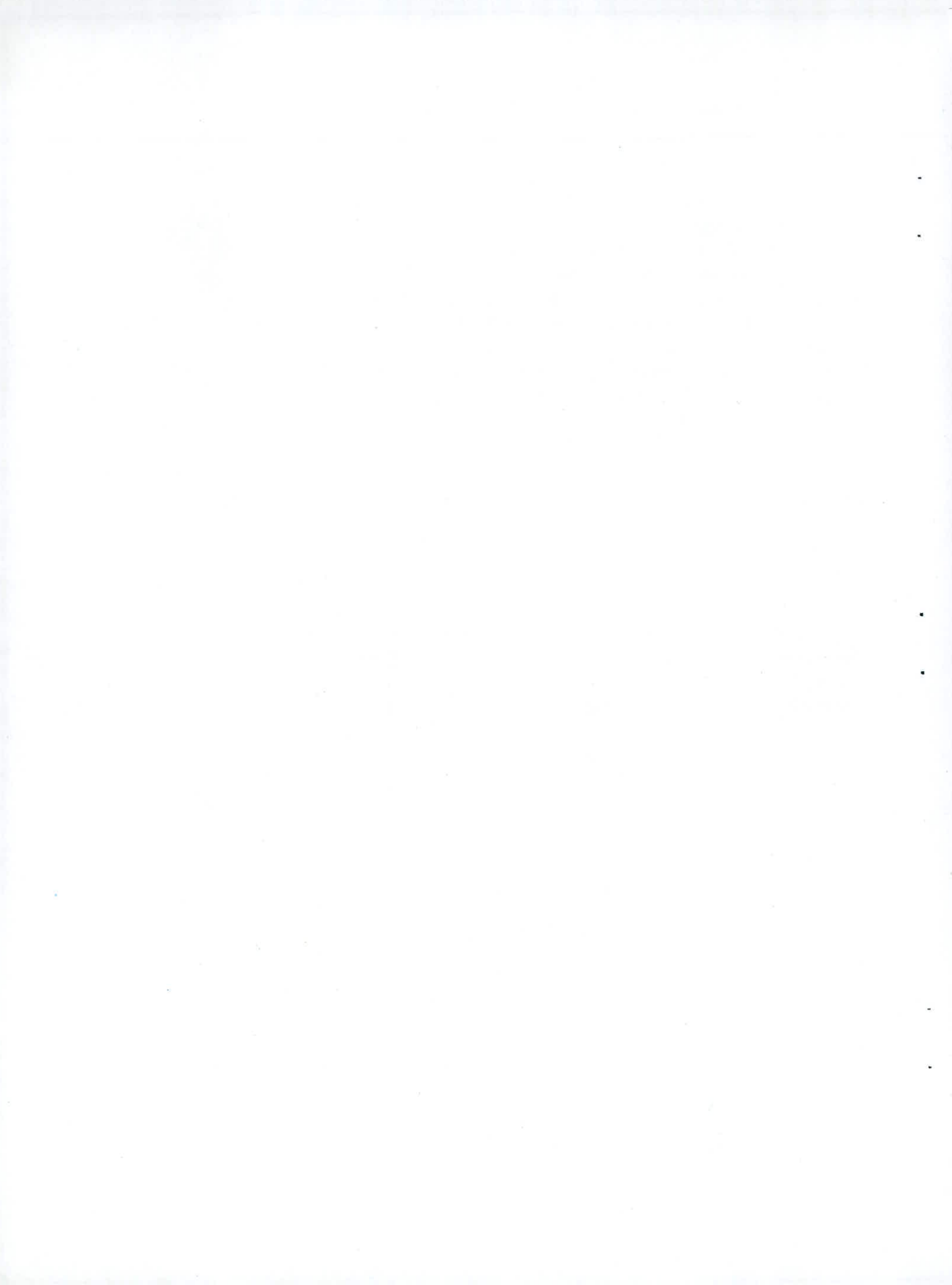
Enhancing fiscal capacity: As indicated in Table-1.7, the per capita development expenditure and per capita social sector expenditure in Assam is much lower than the national average even though the State is spending adequate amounts compared to the rest of the country. Further analysis may be required by the State Government to see whether the capacity of the State to utilize expenditure for developmental and social outcomes can be improved by better design of schemes, reducing administration costs, timely implementation, careful monitoring etc. Cost and time overruns of incomplete projects (Para-1.6.1) will have to be reduced so that people of Assam benefit from these sunk costs.

Review of Government investments: The average return on Assam Government's investment in Statutory Corporations, Rural Banks, Joint Stock Companies and Co-operatives varied between 0.93 to 1.21 *per cent* in the past three years whereas its average interest outgo was in the range of 6.76 to 7.66 *per cent* (Para-1.6.2). It would be advisable for the State Government to ensure better value for money in investments, otherwise high cost borrowed funds will continue to be invested in projects with low financial return. Projects which are justified on account of low-financial but high socio-economic return may be identified and prioritized with full justification on why high cost borrowings should be channeled there. It would also be prudent to review the working of those organizations, which are incurring huge losses and work out either a revival strategy (for those that are strategic in nature and can be made viable) or closed down (if they are not likely to be viable given current market conditions).

Prudent cash management: The cost of holding surplus cash balances is high. In 2008-09, the interest received against investment on cash balance was four *per cent* while Government paid interest at the rate of 6.76 *per cent* on its borrowings during the year. (Para-1.6.4). Proper debt management through advance planning could minimize the need for the State Government to hold large cash surpluses.

Debt sustainability: The Government of Assam should ideally keep the debt-GSDP ratio stable. Borrowed funds should be used as far as possible only to fund capital expenditure and revenue expenditure should be met from revenue receipts. Maintaining a calendar of borrowings to avoid bunching towards the end of the fiscal year and clear understanding of the maturity profile of debt payments will go a long way in prudent debt management.

Oversight of funds transferred directly from the GOI to the State implementing agencies: As long as these funds remain outside the State budget, there is no single agency monitoring its use and there is no readily available data on how much is actually spent in any particular year on major flagship schemes and other important schemes which are being implemented by State implementing agencies and are funded directly by the GOI. A system has to be urgently put in place to ensure proper accounting of these funds and the updated information should be validated by the State Government as well as the Accountant General (A&E).



CHAPTER-II
FINANCIAL MANAGEMENT AND
BUDGETARY CONTROL

Chapter-II

Financial Management and Budgetary Control

2.1 Introduction

2.1.1 The Appropriation Accounts are accounts of the expenditure, voted and charged, of the Government for each financial year compared with the amounts of the voted grants and appropriations charged for different purposes as specified in the schedules appended to the Appropriation Acts. These Accounts list the original budget estimate, supplementary grants, surrenders and re-appropriations distinctly and indicate actual capital and revenue expenditure on various specified services *vis-à-vis* those authorized by the Appropriation Act in respect of both charged and voted items of budget. The Appropriation Accounts is thus a control document facilitating management of finances and monitoring of budgetary provisions and are, therefore, complementary to Finance Accounts.

2.1.2 Audit of appropriation by the Comptroller and Auditor General of India seeks to ascertain whether expenditure actually incurred under various grants is within the authorization given under the Appropriation Act and that the expenditure required to be charged under the provisions of the Constitution is so charged. It also ascertains whether the expenditure so incurred is in conformity with the law, relevant rules, regulations and instructions.

2.2 Summary of Appropriation Accounts

The summarized position of actual expenditure during 2008-2009 against 81 Grants/Appropriations (78 Grants and three Appropriations) is indicated in Table 2.1.

**Table 2.1: Summarized Position of Actual Expenditure vis-à-vis
Original/Supplementary provisions**

(Rupees in crore)

	Nature of Expenditure	Original grant/ appropriation	Supplementary grant/ appropriation	Total	Actual expenditure	Saving (-) /Excess(+)
Voted	I Revenue	18,000.33	1,776.59	19,776.92	12,514.60	(-) 7,262.32
	II Capital	3,733.64	561.89	4,295.53	2,373.01	(-) 1,922.52
	III Loans and Advances	137.96	27.61	165.57	88.74	(-) 76.83
Total Voted		21,871.93	2,366.09	24,238.02	14,976.35	(-) 9,261.67
Charged	IV Revenue	2,049.20	6.62	2,055.82	1,729.62	(-) 326.20
	V Capital	--	--	-	-	-
	VI Public Debt- Repayment	910.27	--	910.27	780.80	(-) 129.47.
Total Charged		2,959.47	6.62	2,966.09	2,510.42	(-) 455.67
Appropriation to Contingency Fund (if any)		-	-	-	-	-
Grand Total		24831.40	2372.71	27,204.11	17,486.77	(-) 9,717.34

The overall saving of Rs.9,717.34 crore was the result of saving of Rs.9,825.74 crore in 74 grants and 14 appropriations under Revenue Section, 29 grants and one appropriation under Capital Section, offset by excess of Rs.108.40 crore in three grants and two appropriations under Revenue Section and three grants under Capital Section.

Appropriation Accounts 2008-09 included 78 Grants and three Appropriations. The reasons for savings/excess were called for by the Accountant General (A&E) in respect of 1,738 sub-heads. Out of 1,738 sub-heads explanations for variations were received for two sub-heads within the specified period and explanations for variations for six sub-heads though received within the specified period were incomplete or unspecific. Thus, out of 1,738 sub-heads explanation for variations were not satisfactory/received (August 2009) in respect of 1,736 sub-heads.

2.3 Financial Accountability and Budget Management

2.3.1 Appropriation vis-à-vis Allocative Priorities

The outcome of the appropriation audit reveals that in 43 cases, savings exceeded Rs.10 crore in each case and also by more than 20 *per cent* of total provision (Appendix 2.1). Against the total savings of Rs.9,717.34 crore, savings of Rs.8,232.90 crore (84.72 *per cent*)¹ were in 29 cases relating to 27 grants, where savings were Rs.50 crore and above as indicated in Table 2.2.

¹ Exceeding Rs.50 crore in each case.

Table 2.2: List of Grants with savings of Rs.50 crore and above

(Rupees in crore)

Sl.No	No. and Name of the Grant	Original	Supple- mentary	Total	Actual Expenditure	Savings
Revenue-Voted						
1.	6-Land Revenue and Land Ceiling	161.33	17.13	178.46	93.50	84.96
2.	11-Secretariat and Attached Offices	1022.16	250.22	1272.38	746.28	526.10
3.	13-Treasury and Accounts Administration	91.54	-	91.54	27.29	64.25
4.	17-Administrative and Functional Buildings	195.59	-	195.59	128.45	67.14
5.	25-Miscellaneous General Services	500.48	4.00	504.48	0.54	503.94
6.	26-Education (Higher Education)	524.20	18.39	542.59	388.19	154.40
7.	29-Medical and Public Health	1383.55	72.28	1455.83	872.95	582.88
8.	36-Labour and Employment	102.70	4.20	106.90	50.75	56.15
9.	38-Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes etc.	450.33	27.97	478.30	336.45	141.85
10.	39-Social Security, Welfare and Nutrition	1013.68	1.72	1015.40	373.50	641.90
11.	41-Natural Calamities	210.63	300.00	510.63	207.50	303.13
12.	42-Social Services	29.31	261.54	290.85	67.08	223.77
13.	48-Agriculture	509.00	42.15	551.15	403.84	147.31
14.	49-Irrigation	258.60	3.36	261.96	187.21	74.75
15.	52-Animal Husbandry	149.78	2.31	152.09	93.72	58.37
16.	56-Rural Development (Panchayat)	448.55	64.26	512.81	269.79	243.02
17.	57-Rural Development	472.97	17.23	490.20	382.20	108.00
18.	62-Power (Electricity)	124.60	-	124.60	1.75	122.85
19.	64-Roads and Bridges	545.83	30.98	576.81	341.81	235.00
20.	66-Compensation and Assignment to Local Bodies and Panchayati Raj Institutions	573.02	-	573.02	147.51	425.51
21.	71-Education (Elementary, Secondary etc.)	3399.27	292.71	3691.98	2857.78	834.20
22.	76-Hill Areas Department (Karbi Anglong Autonomous Council)	357.11	48.36	405.47	312.68	92.79
23.	77- Hill Areas Department (North Cachar Hills Autonomous Council)	180.23	36.73	216.96	145.94	71.02
24.	78-Welfare of Plain Tribes & Backward Classes (Bodoland Territorial Council)	632.57	39.42	671.99	-	671.99
Capital-Voted						
25.	44-North Eastern Council Schemes	1204.46	28.07	1232.53	284.69	947.84
26.	49-Irrigation	192.74	150.49	343.23	249.46	93.77
27.	58-Industries	108.17	4.00	112.17	21.37	90.80
28.	63-Water Resources	261.51	226.58	488.09	182.15	305.94
29.	64-Roads and Bridges	834.29	29.46	863.75	504.48	359.27
Total :		15938.20	1973.56	17911.76	9678.86	8232.90

2.3.2 Persistent Savings

In five cases, during the last five years there were persistent savings of more than Rs.10 crore in each case and also by 20 per cent or more of the total grant (Table 2.3).

Table 2.3: List of Grants indicating Persistent Savings during 2004-09

(Rupees in crore)

Sl. No.	No. and Name of the Grant	Amount of savings				
		2004-05	2005-06	2006-07	2007-08	2008-09
Revenue Voted						
1.	6-Land Revenue and Land Ceiling	58.12 (49)	67.14 (51)	67.38 (48)	88.22 (50)	84.96 (48)
2.	38-Welfare of Scheduled Castes/Scheduled Tribes and Other Backward Classes etc.	74.76 (30)	124.92 (33)	96.44 (21)	821.75 (78)	141.85 (30)
3.	41-Natural Calamities	694.61 (62)	192.48 (100)	101.95 (35)	102.22 (25)	303.13 (59)
4.	53-Dairy Development	11.77 (56)	11.13 (40)	17.01 (63)	16.37 (66)	24.82 (75)
Capital Voted						
5.	44-North Eastern Council Schemes	726.78 (69)	747.97 (73)	783.65 (66)	691.86 (76)	947.84 (77)

2.3.3 Excess Expenditure

In four cases, expenditure aggregating Rs.263.91 crore exceeded the approved provisions by Rs.103.94 crore and also by more than 20 per cent of the total provisions. Details are given in Appendix 2.2.

2.3.4 Expenditure without Provision

According to Chapter-I (Paragraph-7) of the Assam Budget Manual, expenditure should not be incurred on a scheme/service without provision of funds. It was, however, noticed that expenditure of Rs.0.01 crore was incurred in one case as detailed in Table 2.4 without any provision in the original estimates/supplementary demand and without any re-appropriation orders to this effect.

Table 2.4: Expenditure incurred without Provision during 2008-09

(Rupees in crore)

No. and Name of		Amount of Expenditure without provision	Reasons/Remarks
Grants	Appropriation		
39-Social Security, Welfare and Nutrition (Revenue Charged)	-	0.01	Reasons for incurring expenditure without provision had not been intimated.

2.3.5 Drawal of funds to avoid lapse of budget grant

According to Assam Treasury Rules & Subsidiary Orders (Rule 16, SO 50) read with Rules 62 and 63 of Assam Financial Rules, no money shall be drawn from the treasury unless it is required for immediate disbursement. In respect of the cases mentioned in Appendix-2.3 of Rs.655.61 crore, the amount drawn at the fag end of the year were deposited into the head of account 8443-Civil Deposit to avoid lapse of budget grant.

2.3.6 Excess over provisions relating to previous years requiring regularization

As per Article 205 of the Constitution of India, it is mandatory for State Government to get the excess over a grant/appropriation regularized by the State Legislature. Although no time limit for regularization of expenditure has been prescribed under the Article, but the regularization of excess expenditure is done after the completion of discussion of the Appropriation Accounts by the Public Accounts Committee (PAC). However, the excess expenditure amounting to Rs.2,225.40 crore for the years 2002-03 to 2007-08 was yet to be regularized as detailed in Appendix 2.4. The year-wise amount of excess expenditure pending regularization for grants/appropriations is summarized in Table 2.5.

Table 2.5: Excess over provisions relating to previous years requiring regularization

(Rupees in crore)

Year	Number of		Amount of excess over provision	Status of Regularization
	Grants	Appropriations		
2002-03	5	6	1618.86	Regularized vide 117 th PAC Report. Act awaited.
2003-04	4	3	404.36	Regularized vide 117 th PAC Report. Act awaited.
2004-05	5	6	5.88	Regularized vide 117 th PAC Report. Act awaited.
2005-06	2	2	2.45	Not yet discussed by PAC.
2006-07	4	2	80.61	Not yet discussed by PAC.
2007-08	9	2	113.24	Not yet discussed by PAC.
Total	29	21	2225.40	

2.3.7 Excess over provisions during 2008-09 requiring regularization

Table 2.6 contains the summary of total excess in six grants and two appropriations amounting to Rs.108.40 crore over authorization from the Consolidated Fund of State (CFS) during 2008-09 and requires regularization under Article 205 of the Constitution.

Table 2.6: Excess over provisions requiring regularization during 2008-09

(Rupees in crore)

Sl.No.	Number and title of Grants/Appropriations	Total Grants/Appropriations	Expenditure	Excess
Voted Grants				
1.	4- Elections (Revenue Voted)	21.99	78.76	56.77
2.	40-Sainik Welfare and Other Relief Programmes etc. (Revenue Voted)	7.02	13.45	6.43
3.	60-Cottage Industries (Capital Voted)	0.97	1.18	0.21
4.	72-Relief and Rehabilitation (Revenue Voted)	35.02	39.05	4.03
5.	76-Hill Areas Department (Karbi Anglong Autonomous Council) (Capital Voted)	108.50	133.67	25.17
6.	77-Hill Areas Department (North Cachar Hills Autonomous Council) (Capital Voted)	22.46	38.03	15.57
Total Voted		195.96	304.14	108.18
Charged Appropriations				
7.	Head of State (Revenue Charged)	3.15	3.36	0.21
8.	39-Social Security, Welfare and Nutrition (Revenue Charged)	-	0.01	0.01
Total Charged		3.15	3.37	0.22

2.3.8 Unnecessary/Excessive/Inadequate supplementary provision

Supplementary provision aggregating Rs.1,775.54 crore obtained in 50 cases, Rs 10 lakh or more in each case, during the year proved unnecessary as the expenditure did not come up to the level of original provision as detailed in Appendix 2.5. In three cases, supplementary provision of Rs.90.72 crore proved insufficient by more than Rupees one crore each leaving an aggregate uncovered excess expenditure of Rs.97.52 crore (Appendix 2.6).

Supplementary provisions obtained in Grant Nos. 41 (Rs.300 crore) and 71 (Rs.293 crore) respectively for Relief on account of Natural Calamities and for General Education were unnecessary as the actual expenditure was less than the original budget estimates and supplementary provisions.

2.3.9 Excessive/unnecessary re-appropriation of funds

Re-appropriation is transfer of funds within a grant from one unit of appropriation, where savings are anticipated, to another unit where additional funds are needed. Injudicious re-appropriation proved excessive or insufficient and resulted in savings/excess of over Rs.10 lakh in 52 sub-heads. The excess/saving was more than Rupees two crore in 21 sub-heads as detailed in Appendix 2.7. Out of 21, in four cases (Grant No. 4, 63, 59 & 71) excesses exceeded Rs.25 crore and above. Of these, in two cases (Grant Nos. 4 and 63) funds were reappropriated by reducing the

allocations due to non-receipt of sanctions in time from the Government while in the remaining two cases (Grant Nos. 59 & 71), funds were reappropriated by augmentation from other heads of accounts. However, in all these cases, in spite of re-appropriations, there was final excess expenditure. Reasons for the final excess have, however, not been intimated.

2.3.10 Substantial surrenders

Substantial surrenders (sum exceeding Rs.25 lakh in each case) were made in respect of 40 sub-heads on account of either non-implementation or slow implementation of schemes/programmes. Out of the total provision amounting to Rs.807.62 crore in these 40 schemes, Rs.491.72 crore (61 *per cent*) were surrendered, which included *per cent* surrender in 8 schemes (Rs.94.15 crore). The details of some of such cases are given in Appendix 2.8.

2.3.11 Surrender in excess of actual saving

In one case, the amount surrendered (Rs.50 lakh or more) was in excess of actual savings indicating lack of or inadequate budgetary control in Industries Department. As against savings of Rs.90.80 crore, the amount surrendered was Rs.93.03 crore resulting in excess surrender of Rs.2.23 crore. Details are given in Appendix 2.9.

2.3.12 Anticipated savings not surrendered

According to Assam Budget Manual (Paragraph-10 of Chapter-I), the spending departments are required to surrender the grants/appropriations or portion thereof to the Finance Department as and when the savings are anticipated. At the close of the year 2008-09, there were, however, 70 grants/appropriations in which savings occurred but no surrenders were made by the concerned departments. The amount involved in these cases was Rs.8,914.56 crore (91.74 *per cent* of the total savings) (Appendix 2.10).

Similarly, out of total savings of Rs.789.93 crore under six other grants/appropriations, (savings of Rupees one crore and above were indicated in each grant/appropriation) Rs.415.16 crore (4.27 *per cent* of total savings) were not surrendered, details of which are given in Appendix 2.11. Besides, in one case, (Grant No. 4- Election), Rs.3.80 crore was surrendered at the end of March 2009 indicating inadequate financial control leading to non-likelihood of these funds being utilised for other development purposes.

2.3.13 Rush of expenditure

According to the Subsidiary Order 50 of Assam Treasury Rules, rush of expenditure in the closing month of the financial year should be avoided. Contrary to this, in respect of 19 Major heads listed in Appendix 2.12, expenditure exceeding Rs.10 crore and also more than 50 *per cent* of the total expenditure for the year was incurred in March 2009. Table 2.7 also presents the major heads where 100 *per cent* expenditure was incurred during the last month of the financial year.

Table 2.7: Cases of rush of expenditure towards the end of the financial year 2008-09

(Rupees in crore)

Sl. No.	Major Head	Total expenditure during the year	Expenditure during March 2009	
			Amount	Percentage of total expenditure
1	7465-Secretariat & attached offices	10.00	10.00	100
2	6801-Power	58.17	58.17	100
3	4059-Hill Areas Department (NCHAC)	27.20	27.20	100
4	4210-Hill Areas Department (NCHAC)	31.94	31.94	100

2.4 Reconciliation of Departmental figures

2.4.1 Pendency in submission of Detailed Contingent Bills against Abstract Contingent Bills

The Contingency Manual of the Government Assam stipulates that every drawing officer has to certify in each abstract contingent bill that detailed bills for all contingent charges drawn by him prior to the first of the current month have been forwarded to the respective controlling officers for countersignature and transmission to the Accountant General. The total amount of DCC bills received during the period 2004-09 was only Rs.46.61 crore against the amount of AC bills of Rs.642.83 crore leading to an outstanding balance of DCC bills of Rs.772.56 crore as on 31 March 2009. Year wise details are given in the table below:

Table 2.8: Pendency in submission of DCC bills against AC bills

(Rupees in crore)

Year	Amount of AC bills	Amount of DCC bills	DCC bills as percentage to AC bills	Outstanding DCC bills
Up to 2003--04	--	--	--	176.44
2004-05	141.22	23.49	16.63	117.73
2005-06	103.98	9.87	9.49	94.11
2006-07	139.65	9.86	7.06	129.79
2007-08	167.78	3.16	1.88	164.52
2008-09	90.20	0.23	0.25	89.97
Total	642.83	46.61		772.56

Department-wise pending DCC bills for the years up to 2008-09 is detailed in Appendix 2.13.

Non-adjustment of advances for long periods is fraught with the risk of mis-appropriation and therefore, requires close monitoring by the respective DDOs.

2.4.2 Un-reconciled Expenditure

To enable Controlling Officers of Departments to exercise effective control over expenditure to keep it within the budget grants and to ensure accuracy of their accounts, Financial Rules stipulate that expenditure recorded in their books be

reconciled by them every month during the financial year with that recorded in the books of the Accountant General. Even though non-reconciliation of Departmental figures is being pointed out regularly in Audit Reports, lapses on the part of Controlling Officers in this regard continued to persist during 2008-09 also. During 2008-09, out of 68 Controlling Officers (COs), five COs carried out full reconciliation of their expenditure, up to March 2009. Of the remaining, 63 COs, 45 COs did not reconcile the figures at all and 18 COs carried out partial reconciliation. Major Head-wise unreconciled amounts in respect of 45 COs (amounts exceeding Rs.10 crore in each case) is given in Table 2.8.

Table 2.8: List of controlling officers: amounts exceeding Rs 10 crore in each case remained un-reconciled during 2008-2009

(Rupees in crore)

Sl. No.	Major Head	Controlling Officers	Amount not reconciled
1.	2011	Secretary, Assembly Secretariat Department	20.09
2.	2014	Secretary, Judicial Department; Secretary, Assembly Secretariat Department	71.17
3.	2015	Secretary, Election Department	79.21
4.	2029	Secretary, Revenue and Disaster Management Department	89.30
5.	2030	Secretary, Revenue Department; Secretary, Revenue (Registration) Department	10.27
6.	2048	Secretary, Finance (Budget) Department	108.00
7.	2049	Secretary, Finance (Budget) Department	1,590.06
8.	2052	Secretary, Personal Department; Secretary, Secretariat Administration (A) Department; Secretary Chief Minister Secretariat Department; Finance Department; Secretary, Personal Department	529.05
9.	2053	Secretary, Personal (A) Department; Secretary, General Administration Department; Secretary, Personal (B) Department	59.19
10.	2054	Secretary, Finance Department	27.29
11.	2055	Secretary, Home (B) Department; Secretary, Political Department	975.79
12.	2056	Secretary, Home (B) Department	43.12
13.	2058	Secretary, General Administration (Printing & Stationary) Department	10.24
14.	2059	Secretary, Home (B) Department; Secretary, Political Department	53.56
15.	2202	Secretary, Education Department	3,281.80
16.	2204	Secretary, Sport & Youth Welfare Department	19.72
17.	2210	Secretary, Labour Employment Department; Secretary, Health and Family Welfare Department	799.85
18.	2211	Secretary, Health & Family Welfare Department	109.85
19.	2215	Secretary, Public Health Engineering Department	164.51
20.	2220	Secretary, Information and Public Relation Department; Secretary, Excise Department	20.11

21	2225	Secretary, Hills Area Department	33.75
22	2235	Secretary, Social Welfare Department; Secretary, General Administration Department.	361.86
23	2236	Secretary, Social Welfare Department; Secretary, Panchayat & Rural Development Department	103.72
24	2245	Secretary, Relief & Rehabilitation	207.50
25	2251	Secretary, Personal Department	13.93
26	2401	Secretary, Agriculture. Department	354.91
27	2402	Secretary, Soil Conservation Department	18.11
28	2406	Secretary, Forest Department	107.48
29	2408	Secretary, Food & Civil Supplies Department	21.57
30	2501	Secretary, Science Technology & Environment Department	383.51
31	2515	Secretary, Panchayat & Rural Dev. Department	289.68
32	2701	Secretary, Irrigation Department	27.04
33	2702	Secretary, Irrigation Department	139.03
34	2711	Secretary, Water Resources Department	89.00
35	2851	Secretary, Sericulture Department; Secretary, Industries & Commerce Department	152.95
36	2852	Secretary, Information & Technology Department	25.18
37	3054	Secretary, Municipal Administration Department	202.95
38	3451	Secretary, Science Technology & Environment Department	203.92
39	3452	Secretary, Tourism Department	13.26
40	3454	Secretary, Planning and Development Department	157.87
41	3604	Secretary, Municipal Administration & Panchayat Department	147.51
42	4217	Secretary, Guwahati Dev. Department.	14.55
43	4801	Secretary, Power (Electrical) Mines & Minerals Department	404.40
44	4885	Secretary, Industries & Commerce Department	14.68
45	5055	Secretary, General Administration. Department	24.24
Total			11,574.78

2.5 Personal Ledger Accounts

The operation of Personal Ledger Accounts (PLA) are allowed/authorized on the basis of proposal(s) received from concerned Department(s) along with sanction(s) of the Finance Department of the Government of Assam. As per specific instructions, the PLA remains operative for a financial year i.e. 1 April to 31 March and are invariably closed at the close of the Financial year and if need by PLA may be opened next year by observing the usual procedure.

It is, however, observed that the Administrators of the PLA, in violation of the Codal Provisions, are operating the PLA without renewal and a number of PLA have

been opened without prior cancellation/approval of the office of the Accountant General (A&E), thereby violating authenticity of maintenance of PLA.

The details of all the PLA, currently under operation, have been sought for from the Government; reply is awaited (September 2009). However, scrutiny of records of Kamrup treasury revealed that there were 24 PLA, which were not closed as of March 2009, and the balance of Rs.4.37 crore in these accounts were not transferred to respective service heads. The 24 PLA remained inoperative for long.

This practice of retaining funds in the Personal Ledger Account after the close of the financial year is fraught with the risk of misuse of funds and therefore, needs to be avoided.

2.6 Conclusion and Recommendations

During 2008-09, expenditure of Rs.17,486.77 crore was incurred against the total grants and appropriations of Rs.27,204.11 crore, resulting in a savings of Rs.9,717.34 crore. The overall savings was the net result of saving of Rs.9,825.74 crore offset by excess of Rs.108.40 crore. The excess requires regularization under Article 205 of the Constitution of India. At the close of the year 2008-09, there were 70 grants/appropriations in which savings of Rs.8,914.56 crore (91.74 *per cent* of the total savings) occurred but no surrenders were made by the concerned departments. In five cases, during the last five years there were persistent savings of more than Rs.10 crore.

Out of the total provisions amounting to Rs.807.62 crore in 40 schemes, Rs.491.72 crore (61 *per cent*) were surrendered, which included *cent per cent* surrender in eight schemes.

In one case, as against savings of Rs.90.80 crore, the amount surrendered was Rs.93.03 crore resulting in excess surrender of Rs.2.23 crore. Injudicious reappropriation proved excessive or insufficient and resulted in saving/excess of over Rs.10 lakh in 52 sub-heads. Rush of expenditure were noticed in respect of 19 major heads, where expenditure exceeding Rs.10 crore and also more than 50 *per cent* of the total expenditure for the year was incurred in March 2009.

Budgetary Controls should be strengthened in all the Government departments where savings/excesses persisted for last five years. Issuance of Re-appropriation/surrender orders at the end of the year should be avoided.

A close and rigorous monitoring mechanism should be put in place by the DDOs to adjust the Abstract Contingent Bills within thirty days from the date of drawal of the amount.

CHAPTER-III
FINANCIAL REPORTING

Chapter-III Financial Reporting

A sound internal financial reporting with relevant and reliable information significantly contributes to the efficient and effective governance by the State Government. The compliance to financial rules, procedures and directives as well as the timeliness and quality of reporting on the status of such compliances is thus one of the attributes of good governance. The reports on compliance and controls, if effective and operational, assist the State Government to meet its basic stewardship responsibilities, including strategic planning and decision making. This Chapter provides an overview and status of the State Government on the compliance of various financial rules, procedures and directives during the current year.

3.1 Delay in furnishing Utilisation Certificates

Financial Rules provide that for the grants provided for specific purposes, Utilisation Certificates (UCs) should be obtained by the departmental officers from the grantees and after verification, these should be forwarded to the Accountant General within 12 months from the date of their sanction unless specified otherwise. However, of the 9,167 utilisation certificates (UCs) due in respect of grants and loans aggregating Rs.1,611 crore paid up to 2008-09, 8,894 UCs (97 per cent) for an aggregate amount of Rs.1,547 crore were in arrears. The department-wise break-up of outstanding UCs is given in Appendix 3.1, the age-wise delays in submission of UCs is summarized in the Table 3.1.

Table 3.1: Age-wise Arrears of Utilisation Certificates.

Sl. No.	Range of Delay in Number of Years	Total grants paid		Utilisation Certificates	
		Number	Amount	Number	Amount
1	0 - 1	1219	816.86	1219	816.86
2.	1 - 3	1031	612.02	1026	563.29
3	3 - 5	198	94.52	185	85.86
4.	5 - 7	44	27.04	30	27.03
5	7 - 9	144	4.06	134	3.52
6.	9 & above	6531	56.01	6300	50.13
Total:		9167	1610.51	8894	1546.69

Out of 8,894 UCs worth Rs.1,546.69 crore pending as on March 2009, 6,464 UCs involving Rs.80.68 crore were pending for more than five years. Pendency of UCs mainly pertained to Elementary Education Department (6,869 UCs:Rs.236.73 crore), Municipal Administration Department (1,013 UCs:Rs.194.69 crore), Finance Department (522 UCs: Rs.30.41 crore), Health and Family Welfare Department (202 UCs:Rs.159.57 crore), Social Welfare Department (112 UCs:Rs.305.08 crore), Industries Department (72 UCs: Rs.91.75 crore) and Panchayat and Rural Development Department (20 UCs:Rs.259.30 crore).

In the absence of the UCs it could not be ascertained whether the recipients had utilized the grants for the purposes for which these were given.

3.2 Submission of accounts

In order to identify the institutions which attract audit under Sections 14 and 15 of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971, the Government/Heads of the Department are required to furnish to Audit every year detailed information about the financial assistance given to various Institutions, the purpose of assistance granted and the total expenditure of the Institutions. The accounts of 13 Bodies/Authorities received for the year 2007-08, attracted audit by Comptroller and Auditor General of India. The 40 Bodies/Authorities (including accounts of earlier years), audit of which was due, were audited during 2008-09.

The Principal Accountant General (Audit) had not received 49 annual accounts of 27 Autonomous Bodies/Authorities due up to 2007-08 as of September 2009. The details of these accounts are given in Appendix 3.2 and their age-wise pendency is presented in Table 3.2 .

Table 3.2: Age-wise Arrears of Annual Accounts due from the Government Bodies

Sl.No.	Delay in Number of Years	No. of the Bodies/Authorities	Grants Received (Rs. in Lakh)
1	0 - 1	12	NA
2	1 - 3	13	NA
3	3 - 5	2	NA
4	5 - 7	--	NA
5	7 - 9	--	NA
6	9 and above	--	NA

In the absence of annual accounts and subsequent audit of these 27 Bodies and Authorities involving 49 annual accounts, the proper accountal/utilisation of the grants and loans disbursed to these Bodies/Authorities remained unverified. The reasons for non-preparation of the accounts were, however, not intimated. Non-submission of accounts of the defaulting Autonomous Bodies were taken up (October 2009) with the Chief Secretary demi-officially.

3.3 Submission of Accounts/Audit Reports of Autonomous Bodies

Several Autonomous Bodies have been set up by the State Government in the field of Urban Development, Agriculture and allied services, Khadi and village Industries, Legal services and Sixth schedule areas. A large number of these Bodies are audited by the Comptroller and Auditor General with regard to the verification of their transactions, operational activities and accounts, conducting regulatory compliance audit of all transactions scrutinized in audit, review of internal management and financial control, review of system and procedures etc. The audit of accounts of nine

Bodies in the State has been entrusted to the Comptroller and Auditor General of India. The status of entrustment of audit, rendering of accounts to audit, issuance of Separate Audit Report (SAR) and its placement in the Legislature are indicated in Appendix 3.3. The frequency distribution of Autonomous Bodies according to the delays in submission of accounts to Audit and placement of Separate Audit Report in the legislature after the entrustment of audit to Comptroller and Auditor General is summarized in Table 3.3.

Table 3.3: Delays in Submission of Accounts and Placement of Separate Audit Report

Delays in submission of accounts (In Months)	Autonomous Bodies		Reasons for the delay	Delays in submission of SARs in Legislature (In Years)	Autonomous Bodies		Reasons for the Delay
	Number	Accounts			Delay	Number of SARs not placed	
0 - 1	--	--	Not furnished	0 - 1	--	--	Not furnished
1 - 6	--	--		1 - 2	1	8	
6 - 12	1	1		2 - 3	--	4	
12 - 18	7	11		3 - 4	--	8	
18 - 24	1	1		4 - 5	--	2	
24 and above	5	16		5 and above	--	2	
Total	14	29			1	24	

Twenty-nine accounts of nine Autonomous Bodies were in arrears for periods ranging from 1 to 16 months as of September 2009. The State Government disbursed regular funds to these Autonomous Bodies. In the absence of accounts and subsequent audit, it could not be verified whether the funds received and expenditure incurred had been properly accounted for and the purpose for which the funds were disbursed were achieved. Besides, delay in finalisation of accounts carries the risk of financial irregularities going undetected apart from violation of the provisions of the respective legislations under which the Bodies were constituted.

Twenty-four SARs of the nine Autonomous Bodies were not placed before the legislature even after delays ranging from one to more than five years, thereby violating the statutory responsibility of keeping the State legislature informed about the financial status of the bodies.

3.4 Misappropriations, losses, defalcations, etc.

State Government reported 41 cases of misappropriation, defalcation, etc. involving Government money amounting to Rs.156.46 crore up to the period March 2009 on which final action was pending. The department-wise break up of pending cases and age wise analysis is given in Appendix 3.4 and nature of these cases is given in Appendix 3.5. The age-profile of the pending cases and the number of cases pending in each category - theft and misappropriation/loss - as emerged from these appendices are summarized in Table 3.4.

Table 3.4: Profile of Misappropriations, losses, defalcations, etc.

Age Profile of the Pending cases			Nature of the Pending Cases		
Range in Years	Number of cases	Amount involved (Rs. in Lakh)	Nature/ characteristics of the cases	Number of cases	Amount involved (Rs. in Lakh)
0-5	25	3023.27	Theft	2	10.98
5-10	12	12611.33			
10-15	4	11.36	Misappropriation/ Loss of material	39	15634.98
15-20	--	--			
20-25	--	--	Total	41	15645.96
25 and above	--	--	Cases of losses written off during the year	Nil	Nil
Total	41	15645.96	Total pending cases	41	15645.96

A further analysis indicates that the reasons for which the cases were outstanding could be classified, for example, in the categories listed in Table 3.5.

Table 3.5: Reasons for Outstanding cases of Misappropriations, losses, defalcations, etc.

	Reasons for the Delay/Outstanding Pending cases	Number of Cases	Amount (Rs. in Lakh)
i)	Awaiting departmental and criminal investigation	27	15279.24
ii)	Departmental action initiated but not finalised	6	293.93
iii)	Criminal proceedings finalised but execution of certificate cases for the recovery of the amount pending	--	--
iv)	Awaiting orders for recovery or write off	6	65.38
v)	Pending in the courts of law	2	7.41
	Total	41	15645.96

3.5 Conclusion and Recommendations

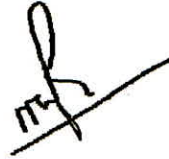
Out of 8,894 UCs worth Rs.1,546.69 crore pending as on March 2009, 6,464 UCs (73 per cent) involving Rs.80.68 crore were pending for more than five years. In the absence of the certificate it could not be ascertained whether the recipients had utilized the grants for the purposes for which these were given. Annual accounts (49 numbers) in respect of 27 autonomous bodies/authorities due up to 2007-08 had not been received by the Principal Accountant General (Audit), Assam as of 30 September 2009.

Analysis of pending misappropriation cases revealed that the cases related mainly to theft and misappropriation/loss of materials. All the 41 cases were pending due to non-initiation of departmental and criminal investigation (27 cases), non-finalisation

of departmental action (six cases), orders for recovery/write off (six cases) and pending in the Courts of law (two cases).

Recommendation

Departmental enquiries in all fraud and misappropriation cases should be expedited to bring the defaulters to book. Internal controls in all the organizations should be strengthened to prevent such cases.



(Mukesh P. Singh)
Principal Accountant General

Guwahati
The

15 FEB 2010

Countersigned



(Vinod Rai)
Comptroller and Auditor General of India

New Delhi
The

22 FEB 2010

APPENDICES

Appendix-1.1

Part-A: Structure and Form of Government Accounts

Structure of Government Accounts: The accounts of the State Government are kept in three parts (i) Consolidated Fund, (ii) Contingency Fund and (iii) Public Account.

Part I: Consolidated Fund

All revenues received by the State Government, all loans raised by issue of treasury bills, internal and external loans and all moneys received by the Government in repayment of loans shall form one consolidated fund titled 'The Consolidated Fund of State' established under Article 266(1) of the Constitution of India.

Part II: Contingency Fund

Contingency Fund of State established under Article 267(2) of the Constitution is in the nature of an imprest placed at the disposal of the Governor to enable him to make advances to meet urgent unforeseen expenditure, pending authorisation by Legislature. Approval of the Legislature for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained, whereupon the advances from the Contingency Fund are recouped to the Fund.

Part III: Public Account

Receipts and Disbursement 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.

Appendix-1.1

Part-B: Layout of Finance Accounts

Statement	Layout
Statement No. 1	Presents the summary of transaction of the State Government-receipts and expenditure, revenue and capital, public debt receipts and disbursements etc., in the Consolidated Fund, Contingency Fund and Public Account of the State.
Statement No. 2	Contains the summarised statement of capital outlay showing progressive expenditure to the end of current year.
Statement No. 3	Gives financial results of Irrigation Works for the current year.
Statement No. 4	Indicates the summary of debt position of the State, which includes borrowings from internal debt, Government of India, other obligations and servicing of debt.
Statement No. 5	Gives the summary of loans and advances given by the State Government during the year, repayments made, recoveries in arrears, etc.
Statement No. 6	Gives the summary of guarantees given by the Government for repayment of loans etc., raised by the statutory corporations, local bodies and other institutions.
Statement No. 7	Gives the summary of cash balances and investments made out of such balances.
Statement No. 8	Depicts the summary of balances under Consolidated Fund, Contingency Fund and Public Account as on 31 March 2009.
Statement No. 9	Shows the revenue and expenditure under different heads for the current year as a percentage of total revenue/total expenditure.
Statement No. 10	Indicates the distribution between the charged and voted expenditure incurred during the year.
Statement No. 11	Indicates the detailed account of revenue receipts by minor heads.
Statement No. 12	Provides detailed account of revenue expenditure by minor heads under non-plan, State plan and centrally sponsored schemes separately and capital expenditure major head wise.
Statement No. 13	Depicts the detailed statement of capital expenditure incurred during and to the end of the current year.
Statement No. 14	Shows the details of investment of the State Government in statutory corporations, Government companies, other joint stock companies, co-operative banks and societies etc., up to the end of the current year.
Statement No. 15	Depicts the capital and other expenditure to the end of the current year and the principal sources from which the funds were provided for that expenditure.
Statement No. 16	Gives the detailed statement of receipts, disbursements and balances under heads of accounts relating to Debt, Deposit, Contingency Fund and Public Account.
Statement No. 17	Presents the detailed statement of debt and other interest bearing obligations of the Government.
Statement No. 18	Provides the detailed statement of loans and advances made by the Government of Assam, the amount of loans repaid during the year, the balances at the end of the year and amount of interest received during the year.
Statement No. 19	Gives the details of earmarked balances.

Appendix-1.2

Methodology Adopted for the Assessment of Fiscal Position

Part-A

The trends in the major fiscal aggregates of receipts and expenditure as emerging from the Statements of Finance Accounts were analyzed wherever necessary over the period 2004-09 and observations have been made on their behaviour. In its Restructuring Plan of State finances, the TFC recommended the norms/ceiling for some fiscal aggregates and also made normative projections for others. In addition, TFC also recommended that all States enact the Fiscal Responsibility Acts and draw their fiscal correction path accordingly for the five-year period (2005-10) so that the fiscal position of State could be improved as committed in their respective FR Acts/Rules covering medium to long term. The norms/ceilings prescribed by the TFC as well as its projections for fiscal aggregates along with the commitments/projections made by the State Governments in their FR Acts and in other Statements required to be laid in the legislature under the Act, have been used to make qualitative assessment of the trends and pattern of major fiscal aggregates during the current year. Assuming that GSDP is a good indicator of the performance of the State's economy, major fiscal aggregates like tax and non-tax revenue, revenue and capital expenditure, internal debt and revenue and fiscal deficits have been presented as percentage to the GSDP¹ at current market prices. The buoyancy coefficients for tax revenues, non-tax revenues, revenue expenditure etc., with reference to the base represented by GSDP have also been worked out to assess as to whether the mobilization of resources, pattern of expenditure etc., are keeping pace with the change in the base or these fiscal aggregates are also affected by factors other than GSDP. The New GSDP series with 1999-2000 as base as published by the Director of Economics and Statistics of the State Government in Economic Survey 2008-09 have been used in estimating these percentages and buoyancy ratios.

The trends in GSDP for the last five years are indicated below:

Trends in Gross State Domestic Product (GSDP)

	2004-05	2005-06	2006-07	2007-08	2008-09
Gross State Domestic Product (Rs in crore)	52920	57817	63769	70440	77506
Growth rate of GSDP	22.13	9.25	10.29	10.46	10.03

Source: Economic Survey, Assam 2008-09.

¹ GSDP is defined as the total income of the State or the market value of goods and services produced using labour and all other factors of production.

Methodology for Estimating the Fiscal Capacity

For working out the fiscal capacity of the State Governments, the following methodology given in Twelfth Finance Commission report has been adopted.

Step 1: Calculate the national average of AE-GSDP and CO/DE/ SSE-AE.

Step 2: Based on the national average of AE-GSDP ratio, derive the aggregate expenditure so that no State is having a ratio AEGSDP less than the national average, *i.e.*, if

$$\begin{aligned} \text{AE/GSDP} &= x \\ \text{AE} &= x * \text{GSDP} \dots\dots\dots(1) \end{aligned}$$

Where x is the national average of AE-GSDP ratio.

Wherever the States are having AE-GSDP ratio higher than national average, no adjustments were made. Wherever this ratio was less than average, it was made equal to the national average.

Step 3: Based on the national average of DE-AE, SSE-AE and COAE, derive the respective DE, SSE and CO, so that no State is having these ratios less than national average, *i.e.*, if

$$\begin{aligned} \text{DE/AE} &= y \\ \text{DE} &= y * \text{AE} \dots\dots\dots(2) \end{aligned}$$

Where y is the national average of DE-AE ratio

Substituting (1) in (2), we get

$$\text{DE} = y * x * \text{GSDP} \dots\dots\dots(3)$$

Wherever the States are having DE-AE, SSE-AE and CO-AE ratio higher than national average, no adjustments have been made. Wherever these ratios were less than average, it was made equal to the national average.

Step 4: Based on the derived DE, SSE and CO as per equation (3), respective per capita expenditure was calculated, *i.e.*,

$$\text{PCDE} = \text{DE/P} \dots\dots\dots(4)$$

Where PCDE is the per capita development expenditure and P is the population.

Substituting (3) in (4), we get

$$\text{PDE} = (y * x * \text{GSDP})/\text{P} \dots\dots\dots(5)$$

Equation (5) provides the adjusted per capita expenditure. If the adjusted per capita expenditure is less than the national average of per capita expenditure, then the States' low level of spending is due to the low fiscal capacity. This gives a picture of actual level of expenditure when all the State Governments are attaching fiscal priority to these sectors equivalent to the national average.

The definitions of some of the selected terms used in assessing the trends and pattern of fiscal aggregates are given below:

Terms	Basis of calculation
Buoyancy of a parameter	Rate of Growth of the parameter/GSDP Growth
Buoyancy of a parameter (X) With respect to another parameter (Y)	Rate of Growth of parameter (X)/ Rate of Growth of parameter (Y)
Rate of Growth (ROG)	$[(\text{Current year Amount} / \text{Previous year Amount}) - 1] * 100$
Development Expenditure	Social Services + Economic Services
Average interest paid by the State	Interest payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities) 2]*100
Interest spread	GSDP growth – Average Interest Rate
Quantum spread	Debt stock *Interest spread
Interest received as <i>per cent</i> to Loans Outstanding	Interest Received [(Opening balance + Closing balance of Loans and Advances)2]*100
Revenue Deficit	Revenue Receipt – Revenue Expenditure
Fiscal Deficit	Revenue Expenditure + Capital Expenditure + Net Loans and Advances – Revenue Receipts – Miscellaneous Capital Receipts
Primary Deficit	Fiscal Deficit – Interest payments
Balance from Current Revenue (BCR)	Revenue Receipts minus all Plan grants and Non-plan Revenue Expenditure excluding expenditure recorded under the major head 2048 – Appropriation for reduction of Avoidance of debt

The Assam Fiscal Responsibility and Budget Management (AFRBM) Act, 2005

The State Government enacted the Assam Fiscal Responsibility and Budget Management (AFRBM) Act in May 2005 and amended it in September 2005 and August 2007 to ensure fiscal stability, sustainability, improve efficiency and transparency in management of public finances, enhance the availability of resources and remove the impediments to effective conduct of fiscal policy and prudent debt management for improving the social and physical infrastructure and human development in the State. The Act prescribed the following fiscal targets for the State Government:

- Eliminate revenue deficit within four financial years beginning on the 1st day of April, 2005 and ending on the 31st day of March, 2009;
- Reduce fiscal deficit to three *per cent* of the estimated Gross State Domestic Product (GSDP) within a period of four financial years beginning on the 1st day of April, 2005 and ending on the 31st day of March, 2009;
- Restrict the total debt stock of the State Government including the Government guarantees to 45 *per cent* of the GSDP of the previous year at current prices within a period of five years beginning on the 1st day of April, 2005.
- Government Guarantees to be restricted at any point of time to fifty *per cent* of the State's own tax and non-tax revenue of the second preceding year, as reflected in the books of accounts as maintained by the Accountant General.

Appendix-1.2
Outcome Indicators of the States' Own Fiscal Correction Path
Part-B

(Rupees in crore)

	Base year estimate	2004-05 Actual	2005-06 (R.E)	2006-07 (B.E)	2007-08	2008-09	2009-10
A. STATE REVENUE ACCOUNT							
1. Own Tax Revenue.	2364.83	2711.75	3365.76	3826.88	4209.57	4630.52	5093.58
2. Own Non-Tax Revenue.	693.69	1070.03	1387.46	1469.92	1543.42	1620.59	1701.61
3. Own Tax + Non-Tax Revenue (1 + 2)	3058.52	3781.78	4753.22	5296.80	5752.99	6251.11	6795.19
4. Share in Central Taxes and Duties.	1894.12	2585.90	3074.31	3674.80	4042.28	4446.51	4891.16
5. Plan Grants.	2324.63	3115.80	5341.00	5648.12	5904.94	6179.74	6473.78
6. Non-Plan Grants.	299.41	453.79	1116.51	1041.73	1024.00	1083.66	1148.78
7. Total Central Transfer (4 to 6)	4518.16	6155.49	9531.82	10364.65	10971.22	11709.91	12513.72
8. Total Revenue Receipts (3+7)	7576.68	9937.27	14285.04	15661.45	16724.21	17961.02	19308.91
9. Plan Expenditure.	1859.35	2021.37	4278.77	3443.13	3615.29	3796.05	3985.85
10. Non-Plan Expenditure.	6662.05	8207.77	10337.75	12653.10	12833.22	13263.89	13666.06
11. Salary Expenditure.	3903.98	4925.85	5097.84	6335.73	6652.52	6985.14	7334.40
12. Pension.	830.58	1062.39	1046.16	1466.46	1539.78	1616.77	1697.61
13. Interest Payments.	1379.44	1403.53	2103.27	2314.29	2430.00	2575.80	2756.11
14. Subsidies-General.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15. Subsidies-Power.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16. Total Revenue Expenditure (9+10)	8521.40	10229.14	14616.52	16096.23	16448.51	17059.94	17651.91
17. Salary+Interest+Pensions(11+12+13)	6114.00	7391.77	8247.27	10116.48	10622.30	11177.72	11788.12
18. As % of Revenue Receipts (17/8)	80.69	74.38	57.73	64.59	63.51	62.23	61.05
19. Revenue Surplus/Deficit (8-16)	-944.72	-291.87	-331.48	-434.78	275.70	901.08	1657.00
B. Consolidated Revenue Account:							
1. Power Sector loss/profit net of actual subsidy transfer.	-94.67	-101.27	-48.80	0.00	0.00	0.00	0.00
2. Increase in debtors during the year in power utility accounts [Increase (-)]	0.00	-14.44	89.33	67.00	50.25	37.69	11.31
3. Interest payment on off budget borrowings and SPV borrowings made by PSU/SPUs outside budget.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. Total (1 to 3)	-94.67	-115.71	40.53	67.00	50.25	37.69	11.31
5. Consolidated Revenue Deficit (A 19+ B 4)	-1039.39	-407.58	-290.95	-367.78	325.95	938.77	1668.31
C. CONSOLIDATED DEBT:							
1. Outstanding debt and liability.	13212.82	16417.72	18007.26	19492.22	21968.24	23746.01	25286.79
2. Total outstanding guarantee of which (a) guarantee on account of off budgeted borrowing and SPV borrowing.	1855.84	1382.95	1272.93	1209.28	1148.82	1091.38	1036.81
D. CAPITAL ACCOUNT:							
1. Capital Outlay.	733.63	2180.53	2565.01	2779.62	2640.64	2561.42	3073.70
2. Disbursement of Loans and Advances.	170.35	974.19	199.74	148.12	158.49	169.58	181.45
3. Recovery of Loans and Advances.	28.83	1389.14	43.55	43.10	47.41	52.15	57.37
4. Other capital receipts.	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E. GROSS FISCAL DEFICIT (GFD)	1819.87	2057.45	3052.68	3319.42	2476.02	1777.77	1540.78
GSDP (Rs. crore) at current prices.		43529.85 (Q)	47012.24	50773.22	54835.07	59221.88	63959.63
Assumed Nominal Growth Rate (%)	♦	♦	8%	8.0%	8%	8%	8%
F. Fiscal Deficit/GSDP (%).		4.73	6.49	6.54	4.52	3.00	2.41

Q: Quick estimates

♦ : Figures not furnished by the State Government

Appendix-1.3

(Reference-Paragraphs-1.3 and 1.7.2; Pages-6 and 24)

Time Series Data on State Government Finances

(Rupees in crore)

	2004-05	2005-06	2006-07	2007-2008	2008-09
Part A. Receipts					
1. Revenue Receipts	9937 (57)	12045 (68)	13667 (69)	15325 (68)	18077 (63)
<i>(i) Tax Revenue</i>	<i>2713 (27)</i>	<i>3232 (27)</i>	<i>3483 (25)</i>	<i>3359 (22)</i>	<i>4150 (23)</i>
Taxes on Agricultural Income	5	7	3	3	18
Taxes on Sales, Trade etc.	2099 (77)	2568 (80)	2783 (80)	2691 (80)	3111 (75)
Taxes and duties on Electricity	62 (2)	13	16	5	22 (1)
State Excise	144 (6)	160 (5)	175 (5)	189 (6)	199 (5)
Taxes on vehicles	135 (5)	156 (5)	151 (4)	139 (4)	145 (3)
Stamps and Registration fees	72 (3)	86 (3)	97 (3)	110 (3)	111 (3)
Land Revenue	58 (2)	75 (2)	74 (2)	80 (2)	113 (3)
Other Taxes	138 (5)	167 (5)	184 (5)	142 (4)	431 (10)
<i>(ii) Non Tax Revenue</i>	<i>1070 (11)</i>	<i>1459 (12)</i>	<i>1859 (14)</i>	<i>2135 (14)</i>	<i>2272 (12)</i>
<i>(iii) State's share in Union taxes and duties</i>	<i>2584 (26)</i>	<i>3057 (25)</i>	<i>3899 (29)</i>	<i>4918 (32)</i>	<i>5190 (29)</i>
<i>(iv) Grants in aid from Government of India</i>	<i>3570 (36)</i>	<i>4297 (36)</i>	<i>4426 (32)</i>	<i>4913 (32)</i>	<i>6465 (36)</i>
2. Miscellaneous Capital Receipts	-	--	--	--	--
3. Recovery of Loans and Advances	1389 (8)	38	35	40	35
4. Total revenue and Non debt capital receipts (1+2+3)	11326	12083	13702	15365	18112
5. Public Debt Receipts	3211 (18)	1379 (8)	1116 (6)	1138 (5)	2878 (10)
Internal Debt (excluding Ways and Means Advance and Overdraft)	1824	5614	1103	1199	2833
Net transactions under Ways and Means Advance and Overdraft	90	(-) 317	--	--	--
Loans and Advances from Government of India	1297	(-) 3918	13	(-) 61	45
6. Total receipts in the Consolidated Fund (4+5)	14537	13462	14818	16503	20990
7. Contingency Fund Receipts	--	--	-	--	--
8. Public Account Receipts	2988 (17)	4146 (24)	4846 (25)	6093 (27)	7794 (27)
9. Total receipts of the State (6+7+8)	17525	17608	19664	22596	28784
Part B. Expenditure/Disbursement					
10. Revenue Expenditure	10229 (58)	10536 (64)	11456(64)	12744 (60)	14243 (58)
<i>Plan</i>	<i>2021 (20)</i>	<i>2129 (20)</i>	<i>1662 (15)</i>	<i>2067 (16)</i>	<i>3110 (22)</i>
<i>Non Plan</i>	<i>8208 (80)</i>	<i>8407 (80)</i>	<i>9794 (85)</i>	<i>10677 (84)</i>	<i>11133 (78)</i>
General Services (including interest payments)	3689	4201	4302	4924	5366
Social Services	4262	3987	4477	4957	5844
Economic Services	2265	2337	2669	2854	2886
Grants-in-aid and contributions	13	11	8	9	147
11. Capital Expenditure	2181 (12)	1085 (7)	1453(8)	1688 (8)	2373 (10)
<i>Plan</i>	<i>776 (36)</i>	<i>1013 (93)</i>	<i>1403 (97)</i>	<i>1471 (87)</i>	<i>2286 (96)</i>
<i>Non Plan</i>	<i>1405 (64)</i>	<i>72 (7)</i>	<i>50 (3)</i>	<i>217 (13)</i>	<i>87 (4)</i>
General Services	23	10	23	43	36
Social Services	48	45	155	266	497
Economic Services	2110	1030	1275	1379	1840
12. Disbursement of Loans and Advances	974 (5)	106 (1)	81	143	89
13. Total (10+11+12)	13384	11727	12990	14575	16705

Appendix-1.3 (Continued)

	2004-05	2005-06	2006-07	2007-2008	2008-09
14. Repayment of Public Debt	1361 (8)	360 (2)	495 (3)	575 (3)	781
Internal Debt (excluding Ways and Means Advances and Overdraft)	234	249	382	569	667
Net transactions under Ways and Means Advances and Overdraft	-	-	-	-	-
Loans and Advances from Government of India	1127	111	113	6	114
15. Appropriation to Contingency Fund	-	-	-	-	-
16. Total disbursement out of Consolidated Fund (13+14+15)	14745	12087	13485	15150	17486
17. Contingency Fund disbursements	-	-	-	-	-
18. Public Account disbursements	3003 (17)	4259 (26)	4502 (25)	6190 (29)	7214
19. Total disbursement by the state (16+17+18)	17748	16346	17987	21340	24700
Part C. Deficits					
20. Revenue Deficit (-)/Surplus (+) (1-10)	(-) 292	(+) 1509	(+) 2211	(+) 2581	(+) 3834
21. Fiscal Deficit (-) /Surplus (+) (4-13)	(-) 2058	(+) 356	(+) 712	(+) 790	(+) 1407
22. Primary Deficit (-)/Surplus (+) (21+23)	(-) 654	(+) 1866	(+) 2228	(+) 2302	(+) 3000
Part D. Other data					
23. Interest Payments (included in revenue expenditure)	1404	1510	1516	1512	1593
24. Financial Assistance to local bodies etc.	2194	1250	1273	1199	1142
25. Ways and Means Advances/Overdraft availed (days)					
Ways and Means Advances availed (days)	4289 (81)	1653 (32)	-	-	--
Overdraft availed (days)	1783 (129)	228 (30)	-	-	--
26. Interest on Ways and Means Advances/overdraft	14	4	-	-	--
27. Gross State Domestic Product (GSDP)Ø	52920	57817	63769 (P)	70440 (Q)	77506 (Adv)
28. Outstanding fiscal liabilities (year end) including interest	19259	20592	22114	23383	26827
29. Outstanding guarantees (year end)	711	1273	904	951	796
30. Maximum amount guaranteed (year end)	1034	1727	1563	1189	1092
31. Number of incomplete projects	434	405	340	391	105
32. Capital blocked in incomplete projects	219	183	224	375	405
Part E. Fiscal Health Indicators					
I. Resource Mobilisation					
Own tax Revenue/GSDP	5.13	5.59	5.46	4.77	5.35
Own Non-Tax Revenue/GSDP	2.02	2.52	2.92	3.03	4.01
Central Transfers/GSDP	11.63	12.72	13.05	13.96	15.04
II. Expenditure Management					
Total Expenditure/GSDP	25.29	20.28	20.37	20.69	21.55
Total Expenditure/Revenue Receipts	134.69	97.36	95.05	95.11	92.41
Revenue Expenditure/Total Expenditure	76.43	89.84	88.19	87.44	85.21

Appendix-1.3 (Continued)

Expenditure on Social Services/Total Expenditure	32.20	34.38	35.66	35.84	37.96
Expenditure on Economic Services/Total Expenditure	32.69	28.71	30.36	29.04	28.28
Capital Expenditure/Total Expenditure	16.30	9.25	11.19	11.58	14.21
Capital Expenditure on Social and Economic Services/Total Expenditure	16.12	9.17	11.00	11.29	13.99
III. Management of Fiscal Imbalances					
Revenue Deficit (surplus)/GSDP	(-) 0.55	(+) 2.61	(+) 3.47	(+) 3.66	(+) 4.95
Fiscal Deficit (surplus)/GSDP	(-) 3.89	(+) 0.62	(+) 1.12	(+) 1.12	(+) 1.82
Primary Deficit (surplus)/GSDP	(-) 1.24	(+) 3.23	(+) 3.49	(+) 3.27	(+) 3.87
Revenue Deficit/Fiscal Deficit	14.19	*	*	*	*
Primary Revenue Balance/GSDP	(+) 4.73	(+) 5.29	(+) 5.90	(+) 5.87	(+) 7.05
IV. Management of Fiscal Liabilities					
Fiscal Liabilities/GSDP	33.74	33.00	32.30	31.05	32.56
Fiscal Liabilities/RR	179.70	158.42	149.87	142.71	139.59
Primary Deficit <i>vis-à-vis</i> quantum spread	(-) 99.85	**	**	**	**
Debt Redemption (Principal + Interest)/Total Debt Receipts	90.24	105.12	103.14	102.82	76.99
V. Other Fiscal Health Indicators					
Return on Investment	0.48	0.79	0.93	1.21	0.94
Balance from Current Revenue (Rs. in crore)	(-) 1383	(+) 433	(+) 332	(+) 851	(+) 1308
Financial Assets/Liabilities	0.80	0.89	1.01	1.12	1.26

Note: Figures in brackets represent percentages (rounded) to total of each sub heading

* There was revenue surplus ** There was Primary surplus

(P) = Provisional estimates (Q) = Quick estimates (Adv) = Advance estimates

Ø The provisional GSDP figures from 2005-06 to 2007-08 hitherto shown have been modified in accordance with the figures furnished by the State Government in 'Economic Survey 2008-09 and figures for 2008-09 are Advance Estimates figures as furnished by the Director of Economics and Statistics.

Appendix-1.4
(Reference-Paragraph-1.1; Page-1)
Abstract of Receipts and Disbursements for the year 2008-2009
Part-A

(Rupees in crore)

Receipts				Disbursements					
2007-08		2008-09	2007-08		Non-Plan	Plan	Total	2008-09	
Section-A: Revenue									
15324.92	I-Revenue receipts	18077.04	18077.04	12744.16	I- Revenue expenditure	11132.67	3110.66	14243.33	14243.33
3359.50 (a)	Tax revenue	4150.21 (a)		4924.42	General services	5149.36	216.46	5365.82	
2134.59	Non-tax revenue	2271.90		4956.75	Social Services	4348.32	1496.04	5844.36	
4918.21 (b)	State's share of Union Taxes	5189.89 (b)		3047.05	Education, Sports, Art and Culture	3104.10	274.61	3378.71	
885.66	Non-Plan Grants	720.93		653.26	Health and Family Welfare	663.44	246.26	909.70	
2978.36	Grants for State Plan Schemes	4190.73		311.14	Water Supply, Sanitation, Housing and Urban Development	206.92	244.92	451.84	
192.34	Grants for Special Plan Schemes	205.45		19.26	Information and Broadcasting	17.47	2.65	20.12	
856.26	Grants for Central and Centrally Sponsored Plan Schemes	1347.93		259.12	Welfare of Scheduled caste, Scheduled tribes and other Backward classes.	19.55	317.95	337.50	
				34.07	Labour and labour Welfare	39.42	4.79	44.21	
				619.95	Social Welfare and Nutrition	281.92	404.86	686.78	
				12.90	Others	15.50	--	15.50	
				2854.05	Economic Services	1487.48	1398.16	2885.64	
				672.32	Agriculture and Allied Activities	489.58	407.38	896.96	
				785.76	Rural Development	90.35	582.85	673.20	
				53.22	Special Areas Programmes	3.39	102.57	105.96	
				292.05	Irrigation and Flood Control	310.65	0.12	310.77	
				30.82	Energy	--	0.08	0.08	
				177.92	Industry and Minerals	112.26	72.77	185.03	
				503.72	Transport	429.21	18.87	448.08	
				5.68	Science Technology and Environmt.	0.48	18.46	18.94	
				332.56	General Economic Services	51.56	195.06	246.62	
				8.94	Grants-in-aid and Contributions	147.51	-	147.51	
	II-Revenue deficit carried over to Section-B		--	2580.76	II-Revenue surplus carried over to Section-B				3833.71

(a) Excluding share of net proceeds of taxes and duties assigned to state under various heads viz., 0020, 0021, 0028, 0032, 0037, 0038, 0044, and 0045.

(b) Share of net proceeds assigned to State.

**Appendix-1.4
Section-B**

Receipts				Disbursements					
2007-08		2008-09	2007-08		Non-Plan	Plan	Total	2008-09	
Section-B									
2702.69	III-Opening Cash balance including Permanent Advances and Cash Balance Investment		3959.08	--	III-Opening Overdraft from RBI				--
--	IV Miscellaneous Capital receipts		--	1688.11	IV-Capital Outlay	86.86	2286.15	2373.01	2373.01
				43.28	General services	10.43	26.04	36.47	
				265.61	Social Services	21.92	475.07	496.99	
				1.18	Education, Sports, Art and Culture	--	1.46	1.46	
				3.86	Health and Family Welfare	0.60	1.82	2.42	
				259.95	Water Supply, Sanitation, Housing and Urban Development	21.32	470.89	492.21	
				0.62	Welfare of Scheduled Caste, Scheduled tribes and Other Backward Classes	--	0.89	0.89	
				--	Others	--	0.01	0.01	
				1379.22	Economic Services	54.51	1785.04	1839.55	
				1.43	Agriculture and Allied Activities	--	3.82	3.82	
				227.62	Special Areas Programmes	--	307.65	307.65	
				196.23	Irrigation and Flood control	--	519.57	519.57	
				419.31	Energy	--	404.40	404.40	
				17.60	Industry and Minerals	0.30	15.85	16.15	
				516.62	Transport	54.21	531.14	585.35	
				0.41	General Economic Services	--	2.61	2.61	
40.33	V-Recoveries of Loans and Advances		34.82	142.89	V-Loans and Advances disbursements				88.74
5.85	From Power Projects	2.98		102.36	For Power Projects			58.17	
34.31	From Government Servants	31.67		2.87	To Government Servants			3.45	
0.17	From Others	0.17		37.66	To Others			27.12	
2580.76	VI-Revenue surplus brought down		3833.71		VI-Revenue deficit brought down				--

Appendix-1.4

Receipts			Disbursements						
2007-08		2008-09	2007-08					2008-09	
- 1138.30	VII-Public debt receipts		2877.51	575.14	VII-Repayment of Public Debt	NP	P	Total	780.80
1199.08	Internal debt other than ways and means Advances and overdraft	2832.51		569.06	Internal debt other than Ways and Means Advances and Overdraft			666.92	
-	Net transaction under Ways and Means Advances including Overdraft	--	--	--	Net transaction under Ways and Means Advances including Overdraft	--	--	--	
(-) 60.78	Loans and Advances from Central Government	45.00		6.08	Repayment of Loans and Advances to Central Government			113.88	
-	VIII-Inter State Settlement	--	--	--	VIII-Inter State Settlement			--	-
--	IX-Appropriation to Contingency Fund		-	--	IX-Appropriation to Contingency Fund			--	-
--	X-Amount transferred to Contingency Fund		--	--	X-Expenditure from Contingency Fund			--	-
6093.34	XI-Public Account receipts		7793.70	6190.20	XI-Public Account disbursements				7214.43
608.29	Small Savings and Provident fund	627.88		290.34	Small Savings and Provident Funds			237.66	
505.47	Reserve funds	317.40		344.08	Reserve Funds			427.37	
(-) 2.49	Suspense and Miscellaneous	87.26		45.79	Suspense and Miscellaneous			(-) 82.16	
2242.87	Remittance	2908.89		2209.09	Remittances			2809.77	
2739.20	Deposits and Advances	3852.27		3300.90	Deposits and Advances			3821.79	
-	XII-Closing overdraft from Reserve Bank of India		--	3959.08	XII-Closing cash balance				8041.84
-					Cash in Treasuries and Local Remittances			-	
-				-) 1195.00	Deposits with Reserve Bank			(-) 830.79	
-				3.40	Departmental Cash Balance including permanent Advances			11.13	
-				5150.68	Cash Balance Investment			8861.50	
27880.34	Total		36575.86	27880.34	Total				36575.86

Appendix-1.4 (Continued)
(Reference-Paragraph 1.1 and 1.7; Page-1 and 23)
Summarised Financial Position of the Government of Assam as on 31 March 2009
Part-B

As on 31 March 2008		Liabilities	(Rupees in crore)	
13032.55			As on 31 March 2009	
		Internal Debt		15198.14
	7841.03	Market Loans bearing interest	9855.57	
	0.05	Market Loans not bearing interest	0.28	
	2.35	Loans from LIC	1.99	
	16.62	Loans from General Insurance Corporation of India	14.56	
	434.03	Loans from NABARD	600.07	
	0.08	Compensation and other Bonds	0.08	
	(-) 30.05	Loans from NCDC	(-) 30.05	
	88.04	Loans from other Institutions	57.87	
		Ways and Means Advances	--	
	4679.66	Special Securities issued to National Small Savings Fund of the Central Government	4697.03	
	0.74	Other Loans	0.74	
2708.45		Loans and Advances from Central Government		2639.57
	0.24	Pre 1984-85 Loans	0.25	
	86.61	Non-Plan Loans	86.30	
	2143.60	Loans for State Plan Schemes	2075.02	
	258.57	Loans for Central Plan Schemes	258.57	
	44.86	Loans for Centrally Sponsored Plan Schemes	44.86	
	61.57	Loans for Special Plan Schemes	61.57	
	113.00	Ways and Means Advances	113.00	
3932.74		Small Savings, Provident Funds, etc.		4322.97
705.62		Deposits		1532.83
1491.85		Reserve Funds		1540.42
50.00		Contingency Fund		50.00
2695.17		Surplus on Government Account		6528.88
	2580.76	Current year's surplus	3833.71	
	-	Add: Miscellaneous Government Account	--	
	114.41	Add: Accumulated surplus up to 31 March 2007	--	
		Add: Accumulated surplus up to 31 March 2008	2695.17	
	--	Overdraft with Reserve Bank of India		-
24616.38		Total		31812.81
As on 31 March 2008		Assets		
13584.92		Gross Capital Outlay on Fixed Assets		15957.93
	1989.32	Investments in shares of Companies, Corporations etc.	2079.04	
	11595.60	Other Capital Outlay	13878.89	
2823.85		Loans and Advances		2877.77
	2118.57	Loans for Power Project	2173.76	
	588.30	Other Development loans	615.25	
	116.98	Loans to Government Servants and Miscellaneous loans	88.76	
1642.02		Civil Advances		2438.76
361.33		Remittance Balances		262.20
1411.25		Suspense and Miscellaneous Balances		1241.84
833.93		Investments out of Reserve Fund		992.47
3959.08		Closing Cash-Balances		8041.84
	3.40	Departmental Cash Balances including Permanent Advances	11.13	
	5150.68	Cash Balance Investments	8861.50	
	(-) 1195.00	Deposit with Reserve Bank of India	(-) 830.79	
24616.38		Total		31812.81

Explanatory Notes for Appendices 1.3 and 1.4

The abridged accounts in the foregoing statements have to be read with comments and explanations in the Finance Accounts. Suspense and Miscellaneous balances include cheques issued but not paid, inter-departmental and inter-Government payments and others awaiting settlement.

Appendix-2.1

(Reference to Paragraph 2.3.1; Page-34)

Statement of various grants/appropriations where savings was more than Rs.10 crore each and more than 20 per cent of the total provision

(Rupees in crore)

Sl. No.	Grant No.	Name of the Grant/Appropriation	Total Grant/Appropriation	Savings	Percentage
(1)	(2)	(3)	(4)	(5)	(6)
1.	1	State Legislature (Capital Voted)	26.77	19.28	72
2.	3	Administration of Justice (Revenue Voted)	90.49	40.45	45
3.	5	Sales Tax and Other Taxes (Revenue Voted)	49.50	10.01	20
4.	6	Land Revenue and Land Ceiling (Revenue Voted)	178.46	84.96	48
5.	9	Transport Services (Revenue Voted)	94.95	23.43	25
6.	11	Secretariat and Attached Offices (Revenue Voted)	1272.38	526.10	41
7.	13	Treasury and Accounts Administration (Revenue Voted)	91.54	64.25	70
8.	17	Administrative and Functional Buildings (Revenue Voted) (Capital Voted)	195.59 67.60	67.14 35.25	34 52
9.	18	Fire Services (Revenue Voted)	33.11	13.01	39
10.	20	Civil Defence and Home Guards (Revenue Voted)	68.73	21.99	31
11.	25	Miscellaneous General Services (Revenue Voted)	504.48	503.94	100
12.	26	Education (Higher Education) (Revenue Voted)	542.59	154.40	23
13.	27	Art and Culture (Revenue Voted)	54.56	27.71	51
14.	29	Medical and Public Health (Revenue Voted)	1455.83	582.88	40
15.	31	Urban Development (Town and Country Planning) (Revenue Voted)	74.60	35.15	47
16.	34	Urban Development (Municipal Admn. Department) (Revenue Voted) (Capital Voted)	63.43 42.26	48.71 33.01	77 78
17.	36	Labour and Employment (Revenue Voted)	106.90	56.15	53
18.	38	Welfare of SCs/STs and OBCs etc. (Revenue Voted)	478.30	141.85	30

Appendix-2.1 (Continued)

(1)	(2)	(3)	(4)	(5)	(6)
19	39	Social Security, Welfare and Nutrition (Revenue Voted)	1015.40	641.90	63
20	41	Natural Calamities (Revenue Voted)	510.63	303.13	59
21	42	Social Services (Revenue Voted)	290.85	223.77	77
22	44	North Eastern Council Schemes (Revenue Voted) (Capital Voted)	46.78 1232.53	44.70 947.84	96 77
23	48	Agriculture (Revenue Voted)	551.16	147.31	27
24	49	Irrigation (Revenue Voted) (Capital Voted)	261.96 343.24	74.75 93.77	29 27
25	50	Other Special Areas Programme (Revenue Voted)	52.45	14.07	27
26	51	Soil and Water Conservation (Revenue Voted)	26.72	7.73	29
27	52	Animal Husbandry (Revenue Voted)	152.09	58.37	38
28	53	Diary Development (Revenue Voted)	33.14	24.82	75
29	54	Fisheries (Revenue Voted)	57.24	14.70	26
30	56	Rural Development (Panchayat) (Revenue Voted)	512.81	243.02	47
31	57	Rural Development (Revenue Voted)	490.20	108.00	22
32	58	Industries (Capital Voted)	112.17	90.80	81
33	62	Power (Electricity) (Revenue Voted)	124.60	122.85	99
34	63	Water Resources (Capital Voted)	488.09	305.94	63
35	64	Roads and Bridges (Revenue Voted) (Capital Voted)	576.81 863.75	235.00 359.27	41 42
36	65	Tourism (Revenue Voted)	26.35	13.27	50
37	66	Compensation and Assignment to Local Bodies and Panchayati Raj Institutions (Revenue Voted)	573.02	425.51	74
38	71	Education (Elementary, Secondary etc.) (Revenue Voted)	3691.98	834.20	23
39	73	Urban Development (GDD) (Revenue Voted) (Capital Voted)	158.82 75.99	34.98 20.04	22 26

Appendix-2.1 (Concluded)

(1)	(2)	(3)	(4)	(5)	(6)
40	75	Information Technology (Capital Voted)	22.50	22.18	99
41	76	Hill Areas Development (Karbi Anlong Autonomous Council) (Revenue Voted)	405.47	92.79	23
42	77	Hill Areas Development (North Cachar Hills Autonomous Council) (Revenue Voted)	216.96	71.02	33
43	78	Welfare of Plain Tribes and Backward Classes (Bodoland Territorial Council) (Revenue Voted)	671.99	671.99	100
		(Capital Voted)	10.93	10.93	100
Total:			19088.70	8748.32	

Appendix-2.2

(Reference to Paragraph 2.3.3; Page-36)

Statement of various grants/appropriations where expenditure was more than Rs.10 crore each and more than 20 per cent of the total provision

(Rupees in crore)

Sl No.	Grant No.	Name of the Grant/Appropriation	Total Grant/ Appropriation	Expenditure	Percentage of Excess Expenditure
(1)	(2)	(3)	(4)	(5)	(6)
1.	4	Elections (Revenue Voted)	21.99	78.76	258
2.	40	Sainik Welfare and Other Relief Programme etc. (Revenue Voted)	7.02	13.45	92
3.	76	Hill Areas Department (Karbi Anlong Autonomous Council) (Capital Voted)	108.50	133.67	23
4.	77	Hill Areas Department (North Cachar Hills Autonomous Council) (Capital Voted)	22.46	38.03	69
Total			159.97	263.91	

Appendix-2.3

(Reference to Paragraph 2.3.5; Page-37)

Statement showing the amount debited head-wise and credited in '8443'

Sl No.	Debit Head	Credit Head	Date and Month	Credit Amount (Rs.)
1	2014	8443	31/03/2009	23,00,195
2	2055	8443	31/03/2009	3,09,82,738
3	2210	8443	31/03/2009	12,65,37,391
4	2210	8443	31/03/2009	19,39,839
5	2230	8443	31/03/2009	1,49,67,791
6	2401	8443	31/03/2009	84,80,63,397
7	2405	8443	31/03/2009	1,95,01,736
8	2711	8443	31/03/2009	9,73,244
9	3454	8443	31/03/2009	27,25,197
10	2054	8443	31/03/2009	1,57,803
11	2070	8443	31/03/2009	1,04,58,895
12	2202	8443	31/03/2009	2,59,58,00,159
13	2220	8443	31/03/2009	1,63,00,561
14	2702	8443	31/03/2009	3,52,039
15	3475	8443	31/03/2009	30,616
16	2012	8443	31/03/2009	2,06,302
17	2013	8443	31/03/2009	10,26,202
18	2030	8443	31/03/2009	5,73,765
19	2041	8443	31/03/2009	1,26,786
20	2052	8443	31/03/2009	11,69,824
21	2053	8443	31/03/2009	31,98,627
22	2203	8443	31/03/2009	16,42,84,617
23	2204	8443	31/03/2009	74,77,404
24	2217	8443	31/03/2009	3,75,93,915
25	2225	8443	31/03/2009	25,46,02,220
26	2404	8443	31/03/2009	3,59,049
27	2408	8443	31/03/2009	2,01,51,395
28	2425	8443	31/03/2009	91,44,844
29	2501	8443	31/03/2009	22,84,43,000
30	2515	8443	31/03/2009	127,06,27,000
31	3425	8443	31/03/2009	2,16,000
32	3451	8443	31/03/2009	1,42,799
33	4404	8443	31/03/2009	70,00,000
34	4425	8443	31/03/2009	39,00,000
35	4552	8443	31/03/2009	2,92,77,020
36	4801	8443	31/03/2009	63,75,32,000
37	4859	8443	31/03/2009	32,00,000
38	5475	8443	31/03/2009	30,00,000
39	2056	8443	31/03/2009	40,70,250
40	2029	8443	31/03/2009	1,83,928
41	2415	8443	31/03/2009	28,84,852
42	2039	8443	31/03/2009	25,27,077
43	2058	8443	31/03/2009	41,910
44	2235	8443	31/03/2009	64,89,232
45	2236	8443	31/03/2009	7,77,51,248
46	2852	8443	31/03/2009	78,20,295
47	7465	8443	31/03/2009	10,00,00,000
Grand Total:				655,61,13,162

Appendix-2.4

(Reference to Paragraph 2.3.6; Page-37)

Excess over provision of previous years requiring regularisation

(Rupees in crore)

Year	Number of Grants/Appropriations	Grant/Appropriation numbers	Amount of excess	State of consideration by Public Accounts Committee (PAC)
(1)	(2)	(3)	(4)	(5)
2002-03	5-grants 6-appropriations	Revenue Voted -2, 21, 23 and 49 Capital Voted -67 Revenue Charged -Head of State, 4, 6, 23, 49 Capital Charged -Public Debt and Servicing of Debt	1618.86	Regularized vide 117 th PAC Report placed before the House on 03-04-2008, Act awaited.
2003-04	4-grants 3-appropriations	Revenue Voted -10, 19, and 66 Capital Voted -34 Revenue Charged -12 and 23 Capital Charged -Public Debt and Servicing of Debt	404.36	Regularized vide 117 th PAC Report placed before the House on 03-04-2008, Act awaited.
2004-05	5-grants 6-appropriations	Revenue Voted -42 and 47 Capital Voted -31, 58 and 73 Revenue Charged -12, 14, 18, 36, 49 and 56	5.88	Regularized vide 117 th PAC Report placed before the House on 03-04-2008, Act awaited.
2005-06	2-grants 2-appropriations	Revenue Voted -47 Capital Voted -67 Revenue Charged -6 and 14	2.45	C&AG's Report placed before the House on 10-03-2007. Not yet discussed by PAC.
2006-07	4-grants 2-appropriations	Revenue Voted -30 Capital Voted -54, 58 and 60 Revenue Charged -8 Capital Charged -12	80.61	C&AG's Report placed before the House on 03-03-2008. Not yet discussed by PAC.
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	C&AG's Report placed before the House on 07-03-2009. Not yet discussed by PAC.
Total			2225.40	

Appendix-2.5

(Reference to Paragraph 2.3.8; Page-38)

Cases where supplementary provision (Rs. 10 lakh or more in each case) proved unnecessary

(Rupees in crore)

SI No.	Number and Name of the Grant	Original Provision	Actual Expenditure	Savings out of Original Provision	Supplementary Provision
A Revenue (Charged)		Nil			
A Revenue (Voted)					
1	1-State Legislature	27.55	21.86	5.69	0.22
2	3-Administration of Justice	86.77	50.04	36.73	3.73
3	5-Sales Tax and Other Taxes	47.21	39.49	7.72	2.29
4	6-Land Revenue and Land Ceiling	161.33	93.50	67.83	17.13
5	9-Transport Services	92.44	71.52	20.92	2.51
6	11-Secretariat and Attached Offices	1022.16	746.28	275.88	250.22
7	12-District Administration	68.04	60.51	7.53	1.03
8	14-Police	1141.03	975.79	165.24	60.97
9	15-Jails	48.34	43.12	5.22	0.89
10	18-Fire Services	32.88	20.10	12.78	0.23
11	20-Civil Defense and Home Guards	58.93	46.74	12.19	9.80
12	23-Pensions and Other Retirement Benefits	1531.64	1435.71	95.93	15.00
13	25-Miscellaneous General Services	500.48	0.54	499.94	4.00
14	26-Education (Higher Education)	524.19	388.19	136.00	18.39
15	27-Art and Culture	50.16	26.85	23.31	4.40
16	29-Medical and Public Health	1383.56	872.95	510.61	72.28
17	30-Water Supply and Sanitation	173.64	172.84	0.80	10.96
18	31-Urban Development (TCP)	65.60	39.45	26.15	9.00
19	34-Urban Development (MAD)	60.92	14.72	46.20	2.51
20	36-Labour and Employment	102.70	50.75	51.95	4.20
21	38-Welfare of SCs/STs and OBCs etc.	450.33	336.45	113.88	27.97
22	39-Social Security, Welfare and Nutrition	1013.68	373.50	640.18	1.72
23	41-Natural Calamities	210.63	207.50	3.13	300.00
24	43-Co-operation	39.52	32.23	7.29	1.15
25	45-Census, Surveys and Statistics	20.57	15.79	4.78	0.40
26	48-Agriculture	509.00	403.84	105.16	42.16
27	49-Irrigation	258.60	187.21	71.39	3.35
28	52-Animal Husbandry	149.77	93.71	56.06	2.31

29	55-Forestry and Wild Life	207.16	179.16	28.00	11.99
30	56-Rural Development (Panchayat)	448.55	269.79	178.76	64.26
31	57-Rural Development	472.97	382.19	90.78	17.23
32	60-Cottage Industries	27.67	22.96	4.71	2.00
33	61-Mines and Minerals	7.67	6.89	0.78	0.14
34	64-Roads and Bridges	545.83	341.81	204.02	30.98
35	65-Tourism	18.85	13.08	5.77	7.50
36	70-Hill Areas	1.46	0.92	0.54	0.20
37	71-Education (Elementary, Secondary etc.)	3399.27	2857.78	541.49	292.71
38	73-Urban Development (GDD)	143.25	123.84	19.41	15.57
39	74-Sports and Youth Services	23.31	19.05	4.26	2.77
40	76-Hill Areas Development (KAAC)	357.11	312.69	44.42	48.36
41	77-Hill Areas Development (NCHAC)	180.23	145.93	34.30	36.73
42	78-Welfare of Plain Tribes and Backward Classes (BTC)	632.56	-	632.56	39.42
Total for Revenue		16,297.56	11,497.27	4,800.29	1,438.68
B Capital (Charged)		Nil			
B Capital (Voted)					
43	17-Administrative and Functional Buildings	60.21	32.35	27.86	7.40
44	34-Urban Development (MAD)	22.86	9.25	13.61	19.40
45	44-North Eastern Council Schemes	1204.46	284.69	919.77	28.07
46	58-Industries	108.17	21.37	86.80	4.00
47	62-Power (Electricity)	468.86	462.57	6.29	8.00
48	63-Water Resources	261.51	182.15	79.36	226.58
49	64-Roads and Bridges	834.29	504.48	329.81	29.46
50	73- Urban Development (GDD)	62.04	55.96	6.08	13.95
Total for Capital		3,022.40	1,552.82	1,469.58	336.86
Grand Total		19,319.96	13,050.09	6,269.87	1775.54

Appendix-2.6

(Reference to Paragraph 2.3.8; Page-38)

Statement of various grants/appropriation where supplementary provision proved insufficient by more than Rs.1 crore each

(Rupees in crore)

Sl No.	Grant Number	Name of the Grants and Appropriation	Original Provision	Supplementary Provision	Total	Expenditure	Excess
1.	4	Elections (Revenue Voted)	8.72	13.26	21.98	78.76	56.78
2.	76	Hill Areas Department (Karbi Anlong Autonomous Council) (Capital Voted)	51.58	56.92	108.50	133.67	25.17
3.	77	Hill Areas Department (North Cachar Hills Autonomous Council) (Capital Voted)	1.92	20.54	22.46	38.03	15.57
Total			62.22	90.72	152.94	250.46	97.52

Appendix-2.7
(Reference to Paragraph 2.3.9; Page-38)
Excess/Unnecessary/Insufficient reappropriation of funds

(Rupees in lakh)					
Sl No.	Grant No.	Description	Head of Account	Reappropriation	Final excess (+) /Savings (-)
1.	4	Preparation and Printing of Electoral Rolls	2015 (103)	140.89	(+) 1410.43
2.	4	Charges for conduct of elections to Parliament	2015 (105)	17.84	(+) 4213.32
3.	4	Sixth Schedule (Part-I) Areas	2015 (105)	33.60	(+) 343.25
4.	6	District Administration	2029 (001)	58.09	(-) 1100.29
5.	6	Settlement Operation	2029 (102)	10.00	(-) 1138.88
6.	6	Land Records	2029 (103)	3045.25	(+) 229.66
7.	6	Compensation to Land Owners on Acquisition of Zamindaries	2029 (201)	376.48	(+) 366.14
8.	9	Direction and Administration	3056 (001)	0.46	(-) 496.70
9.	9	Other expenditure	3056 (800)	7.00	(-) 366.88
10.	14	Battalion for ONGC (Reimbursable from ONGC)	2055 (800)	1999.99	(-) 1474.01
11.	16	Government Press	2058 (103)	78.26	(-) 227.49
12.	16	Direction and Administration	2058 (001)	19.50	(+) 293.41
13.	19	Foreigners Tribunal	2070 (105)	11.11	(+) 437.50
14.	50	Direction and Administration	2575 (001)	29.61	(+) 1019.73
15.	58	Other loans	2852 (800)	68.21	(+) 201.00
16.	59	Handloom Industries	2851 (103)	123.00	(+) 2909.23
17.	63	Civil Works	2711 (103)	46.41	(-) 450.95
18.	63	Civil Works	2711 (103)	169.38	(+) 250.85
19.	63	Direction and Administration	4711 (001)	156.76	(-) 220.96
20.	63	Civil Works	4711 (103)	14293.29	(+) 3258.63
21.	71	Direction and Administration	2202 (001)	28.00	(+) 21717.06

Appendix-2.8

(Reference to Paragraph 2.3.10; Page-39)

Cases of substantial surrenders (amount exceeding Rs.25 lakh) made during the year

Sl No.	Number and title of Grant	Name of the Scheme (Head of Account)	General/ Sixth Schedule	Total provision (Rupees in crore)	Amount of surrender (Rupees in crore)	Percentage of surrender
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	4-Election	2015-Election II-State Plan and Non-Plan Scheme 102-Electoral Officers 0144- District Establishment	General	4.03	0.74	18
2	-Do-	2015-Election II-State Plan and Non-Plan Scheme 103-Preparation and Printing of Electoral Rolls 0144- District Establishment	General	9.86	1.41	14
3	-Do-	2015-Election II-State Plan and Non-Plan Scheme 103-Preparation and Printing of Electoral Rolls 0144- District Establishment	Sixth Schedule	3.31	0.90	27
4	-Do-	2015-Election II-State Plan and Non-Plan Scheme 105- Charges for conduct of Election to Parliament	Sixth Schedule	0.95	0.34	36
5	6- Land Revenue and Land Ceiling	2029- Land Revenue II-State Plan and Non-Plan Scheme 001- Directorate of land Records	General	1.22	1.18	97
6	-Do-	2029- Land Revenue II-State Plan and Non-Plan Scheme 001- Direction and Administration 0143- District Administration	General	33.02	0.58	2
7	-Do-	2029- Land Revenue II-State Plan and Non-Plan Scheme 001- Direction and Administration 0317- Directorate of land Requisition, Acquisition and Reforms	General	0.72	0.59	82

(1)	(2)	(3)	(4)	(5)	(6)	(7)
8	-Do-	2029- Land Revenue II-State Plan and Non-Plan Scheme 101- Collection Charges	General	13.56	9.36	69
9	-Do-	2029- Land Revenue II-State Plan and Non-Plan Scheme 103-Land Records 0146-District Charges	General	54.57	30.45	56
10	-Do-	2029- Land Revenue III-Centrally Sponsored Scheme 800- Other Expenditure 0157- Expenditure in connection with implementation of ceiling Act on land holding	General	2.00	1.50	75
11	-Do-	2029- Land Revenue IV-Central Sector Scheme 800- Other Expenditure 1816- Computerisation of Land Records	General	3.93	3.93	100
12	-Do-	3475-Other General Economic Services II-State Plan and Non-Plan Scheme 201- Land Ceiling 1470- Compensation Annuity etc. for acquisition of land under Religious Acquisition Act (6) Royalty	General	0.55	0.53	96
13	-Do-	3475-Other General Economic Services II-State Plan and Non-Plan Scheme 201- Land Ceiling 1472- Compensation to land owner on acquisition of Zamindaries (6) Royalty	General	3.80	3.76	99
14	16- Stationery and Printing	2058- Stationery and Printing II-State Plan and Non-Plan Scheme 103- Government Presses	General	7.15	0.78	11
15	-Do-	2058- Stationery and Printing II-State Plan and Non-Plan Scheme 104- Cost of Printing by other Sources	General	5.00	4.83	97
16	-Do-	2058- Stationery and Printing II-State Plan and Non-Plan Scheme 105-Government Publications	General	0.51	0.35	69

(1)	(2)	(3)	(4)	(5)	(6)	(7)
17	35- Information and Publicity	2220-Information and Publicity II-State Plan and Non-Plan Scheme 01—Films 001-Direction and Administration	General	6.10	0.79	13
18	-Do-	2220-Information and Publicity II-State Plan and Non-Plan Scheme 01—Films 105-Production of Films 3132-Film Publicity	General	0.40	0.26	65
19	-Do-	2220-Information and Publicity II-State Plan and Non-Plan Scheme 60- Other 110-Publication	General	1.88	1.19	63
20	38-Welfare of SC/ST/OBC	2225-Welfare of SC/ST/OBC III-Centrally Sponsored Scheme 02-Welfare of ST 001-Direction and Administration 0825-Tribal Research Institute (Research and Training)	General	11.20	10.96	98
21	43-Co- operation	2425- Co-operation II-State Plan and Non-Plan Scheme 001-Direction and Administration 0174-Headquarters Organisation	General	3.36	0.89	26
22	-Do-	2425- Co-operation II-State Plan and Non-Plan Scheme 001-Direction and Administration 1312- Regional organisation (Transferred staff)	General	13.06	2.20	17
23	-Do-	2425- Co-operation II-State Plan and Non-Plan Scheme 101-Audit of Co-operatives 1316- Sub Divisional Organisation (Transferred staff)	General	15.16	1.99	13

(1)	(2)	(3)	(4)	(5)	(6)	(7)
24	-Do-	2425- Co-operation II-State Plan and Non-Plan Scheme 105-Information and Headquarter publicity	General	0.35	0.35	100
25	-D0 -	2425 - Co-operation IV - Central Sector Schemes 108 - Assistance to other Co- operatives 0245 - Subsidy to other Co- operatives	General	0.80	0.80	100
26	-Do-	2852 - Industries II - State Plan and Non Plan Schemes 08 - Consumer Industries 201 - Sugar 1130 - Managerial Subsidy to Co-operative Sugar Mills	General	2.45	0.48	20
27	-Do-	4425 - Capital Outlay on Co- operation II - State Plan and Non Plan Scheme 108 - Investments in other Co- operative 3378 - Share Capital contribution to Women Co- operatives.	General	0.50	0.50	100
28	50 - Other Special Areas Programme	2575 - Other Special Areas Programme II - State Plan and Non Plan Scheme 02 - Backward Areas. 001 - Direction and Administration 1634 - Border Area Development Programme (Special Central Assistance)	General	34.51	13.32	39
29	-Do-	2575 - Other Special Areas Programme II - State Plan and Non Plan Scheme 02 - Backward Areas 001 - Direction and Administration. 0172 - Headquarter Establishment. 500 - Development of Border Areas	General	0.51	0.30	59

(1)	(2)	(3)	(4)	(5)	(6)	(7)
30	58 – Industries	4885 – Other Capital Outlay on Industries and Minerals II – State Plan and Non Plan Scheme 60 – Others 800 – Other Expenditure 3046 – Share to different Corporation for Re-vitalisation /Modernisation/ Privatisation of different Project.	General	8.65	4.78	55
31	- Do -	4885 – Other Capital Outlay on Industries and Minerals II – State Plan and Non Plan Scheme 60 – Others 800 – Other Expenditure 3047 – Construction of Assam Pavilion at New Delhi	General	1.00	1.00	100
32	- Do -	4885 – Other Capital Outlay on Industries and Minerals II – State Plan and Non Plan Scheme 60 – Others 800 – Other Expenditure 3584 – RIDP – XII Scheme under NABARD	General	12.70	12.70	100
33	- Do -	4885 – Other Capital Outlay on Industries and Minerals IV – Central Sector Scheme 60 – Others 800 - Other Expenditure 3584 – RIDP – XII Scheme under NABARD	General	74.37	74.37	100
34	60 – Cottage Industries	2851 – Village and Small Industries II - State Plan and Non Plan Scheme 02 – Cottage Industries 800 – Other Expenditure 0789 – Scheduled Caste Component Plan 040 – Training	General	0.50	0.50	100
35	63 – Water Resources	2711 – Flood Control and Drainage II – State Plan and Non Plan Scheme 01 – Flood Control 103 – Civil Works 0117 – Barak Valley Flood Control Project 532 – Embankment	General	7.03	0.46	7

(1)	(2)	(3)	(4)	(5)	(6)	(7)
36	- Do -	2711 – Flood Control and Drainage II - State Plan and Non Plan Scheme 01 – Flood Control 103 – Civil Works 0120 – Brahmaputra Flood Control Project 532 – Embankments	General	16.32	1.69	10
37	- Do -	4711 – Capital Outlay on flood Control Project II – State Plan and Non Plan Scheme 01 – Flood Control 001 – Direction and Administration 0117 – Barak Valley Flood Control Project	General	4.00	1.57	39
38	- Do -	4711 – Capital Outlay on Flood Control Project II – State Plan and Non Plan Scheme 103 – Civil Works 0120 – Brahmaputra Flood Control Project 532 – Embankment	General	220.09	142.93	65
39	-Do-	4711 – Capital Outlay on Flood Control Project IV – Central Sector Scheme 01 – Flood Control 103 – Civil works 0117-Barak Valley Flood Control Project	General	22.08	19.59	89
40	- Do -	4711 – Capital Outlay on Flood Control Project IV – Central Sector Scheme 01 – Flood Control 103 – Civil works 0120 – Brahmaputra Flood Control Project	General	206.42	136.87	66
Total				807.62	491.72	61

Appendix-2.9

(Reference to Paragraph 2.3.11; Page-39)

Surrenders in excess of actual savings (Rs 50 lakh or more)

(Rupees in crore)					
SI No.	Number and name of the grant/appropriation	Total grant/appropriation	Savings	Amount surrendered	Amount surrendered in excess
1	58-Industries (Capital Voted)	112.17	90.80	93.03	2.23
Total		112.17	90.80	93.03	2.23

Appendix-2.10

(Reference to Paragraph 2.3.12; Page-39)

Statement of various grants/appropriations in which savings occurred but no part of which had been surrendered

(Rupees in crore)

I-Grant			
SI No.	Grant No.	Name of Grant/Appropriation	Savings
(1)	(2)	(3)	(4)
1.	1	State Legislature (Revenue Voted) (Revenue Charged) (Capital Voted)	5.91 0.48 19.28
2.	2	Council of Ministers (Revenue Voted)	1.56
3.	3	Administration of Justice (Revenue Voted) (Revenue Charged)	40.45 2.86
4.	5	Sales Tax and Other Taxes (Revenue Voted)	10.01
5.	6	Land Revenue and Land Ceiling (Revenue Charged) (Capital Voted)	0.21 7.52
6.	7	Stamps and Registration (Revenue Voted)	5.47
7.	8	Excise and Prohibition (Revenue Voted)	3.07
8.	9	Transport Services (Revenue Voted) (Capital Voted)	23.43 0.06
9.	10	Other Fiscal Services (Revenue Voted)	0.21
10.	11	Secretariat and Attached Offices (Revenue Voted) (Capital Voted)	526.10 1.64
11.	12	District Administration (Revenue Voted)	8.55

(1)	(2)	(3)	(4)
12.	13	Treasury and Accounts Administration (Revenue Voted)	64.25
13.	14	Police (Revenue Charged)	0.76
14.	15	Jails (Revenue Voted) (Revenue Charged)	6.11 0.03
15.	17	Administrative and Functional Buildings (Revenue Voted) (Capital Voted)	67.14 35.25
16.	18	Fire Services (Revenue Voted)	13.01
17.	20	Civil Defence and Home Guards (Revenue Voted)	21.99
18.	21	Guest Houses, Government Hostels etc (Revenue Voted)	2.00
19.	22	Administrative Training (Revenue Voted)	1.29
20.	23	Pensions and Other Retirement Benefits (Revenue Voted) (Revenue Charged)	
21.	24	Aid Materials (Revenue Voted)	2.26
22.	25	Miscellaneous General Services (Revenue Voted)	503.94
23	26	Education (Higher Education) (Revenue Voted) (Capital Voted)	154.40 0.05
24	27	Art and Culture (Revenue Voted)	27.71
25	28	State Archives (Revenue Voted)	0.08
26	29	Medical and Public Health (Revenue Voted)	582.88
27	30	Water Supply and Sanitation (Revenue Voted) (Capital Voted)	11.76 53.11
28	31	Urban Development (TandCP) (Revenue Voted)	35.15
29	32	Housing Schemes (Revenue Voted) (Capital Voted)	2.18 0.48
30	33	Residential Buildings (Revenue Voted) (Capital Voted)	6.52 7.13
31	34	Urban Development (MAD) (Revenue Voted) (Capital Voted)	48.71 33.01
32	35	Information and Publicity (Capital Voted)	0.03
33	36	Labour and Employment (Revenue Voted)	56.15
34	37	Food Storage, Ware Housing and Civil Supplies (Revenue Voted) (Capital Voted)	3.07 0.70

(1)	(2)	(3)	(4)
35	38	Welfare of SCs/STs and OBCs etc. (Capital Voted)	0.27
36	39	Social Security, Welfare and Nutrition (Revenue Voted) (Capital Voted)	641.90 1.50
37	41	Natural Calamities (Revenue Voted)	303.13
38	42	Social Services (Revenue Voted)	223.77
39	44	North Eastern Council Schemes (Revenue Voted) (Capital Voted)	44.70 947.84
40	45	Census, Surveys and Statistics (Revenue Voted)	5.18
41	46	Weights and Measures (Revenue Voted)	1.92
42	47	Trade Advisor (Revenue Voted)	0.21
43	48	Agriculture (Revenue Voted) (Capital Voted)	147.31 0.02
44	49	Irrigation (Revenue Voted) (Revenue Charged) (Capital Voted)	74.75 0.02 93.77
45	51	Soil and Water Conservation (Revenue Voted)	7.73
46	52	Animal Husbandry (Revenue Voted) (Capital Voted)	58.37 1.32
47	53	Dairy Development (Revenue Voted)	24.82
48	54	Fisheries (Revenue Voted)	14.71
49	55	Forestry and Wild Life (Revenue Voted) (Revenue Charged) (Capital Voted)	39.98 0.09 1.50
50	56	Rural Development (Panchayat) (Revenue Voted) (Revenue Charged)	243.02 1.78
51	57	Rural Development (Revenue Voted)	108.00
52	59	Sericulture and Weaving (Revenue Voted) (Capital Voted)	16.64 0.26
53	61	Mines and Minerals (Revenue Voted) (Capital Voted)	0.92 2.00
54	62	Power (Electricity) (Revenue Voted) (Capital Voted)	122.85 14.29
55	63	Water Resources (Revenue Charged)	0.03
56	64	Roads and Bridges (Revenue Voted) (Capital Voted)	235.00 359.27

(1)	(2)	(3)	(4)
57	65	Tourism (Revenue Voted) (Capital Voted)	13.27 7.28
58	66	Compensation and Assignment to Local Bodies and Panchayati Raj Institutions (Revenue Voted)	425.51
59	67	Horticulture (Revenue Voted)	3.82
60	69	Scientific Services and Research (Revenue Voted)	1.44
61	70	Hill Areas (Revenue Voted)	0.74
62	71	Education (Elementary, Secondary etc.) (Revenue Voted) (Revenue Charged)	834.20 0.13
63	73	Urban Development (GDD) (Revenue Voted) (Capital Voted)	34.98 20.04
64	74	Sports and Youth Services (Revenue Voted)	7.02
65	75	Information Technology (Revenue Voted) (Capital Voted)	0.01 22.18
66	76	Hill Areas Department (KAAC) (Revenue Voted)	92.79
67	77	Hill Areas Department (NCHAC) (Revenue Voted)	71.02
68	78	Welfare of Plain Tribes and Backward Classes (BTC) (Revenue Voted) (Capital Voted)	671.99 10.93
Total			8466.70
II-Appropriation			
69	-	Public Service Commission (Revenue Charged)	0.35
70		Public Debt and Servicing of Debt (Revenue Charged) (Capital Charged)	318.05 129.46
Total			447.86
Grand Total			8914.56

Appendix-2.11

(Reference to Paragraph 2.3.12; Page-39)

Details of saving of Rs 1 crore and above not surrendered

(Rupees in crore)

Sl No.	Number and Name of Grants/Appropriation	Saving	Surrender	Saving which remained to be surrendered
1.	6-Land Revenue and Land Ceiling (Revenue Voted)	84.96	52.19	32.77
2.	14-Police (Revenue Voted)	226.20	0.03	226.17
3	38-Welfare of SCs/STs and OBCs etc. (Revenue Voted)	141.85	11.10	130.75
4	43-Co-operation (Revenue Voted)	8.44	7.20	1.24
5	60-Cottage Industries (Revenue Voted)	6.71	1.02	5.69
6	63-Water Resources (Revenue Voted)	15.83	2.16	13.67
	(Capital Voted)	305.94	301.07	4.87
Total		789.93	374.77	415.16

Appendix-2.12
(Reference to Paragraph 2.3.13; Page-39)

Rush of Expenditure

(Rupees in crore)

SI No.	Grant No. and Name	Head of Account Scheme/Service	Expenditure incurred in March 2009	Total expenditure	Percentage of total expenditure incurred during March 2009
1	2	3	4	5	6
1	4-Elections	2015	67.54	78.76	86
2	9-Transport Services	5055	14.75	24.24	61
3	11-Secretariat and Attached Offices	7465	10.00	10.00	100
4	17-Administrative and Functional Buildings	4059	17.60	30.17	58
5	27-Art and Culture	2205	14.16	25.93	55
6	31-Urban Development (Town and Country Planning)	2217	24.77	33.61	74
7	37-Food Storage, Ware Housing and Civil Supplies	2408	11.69	20.97	56
8	41-Natural Calamities	2245	105.00	208.00	50
9	42-Social Services	2575	48.84	65.51	75
10	49-Irrigation	4702	126.18	167.00	76
11	50-Other Special Areas Programme	2575	38.37	42.34	91
12	54-Fisheries	2405	28.74	41.44	69
13	56-Rural Development (Panchayat)	2515	157.72	269.32	59
14	58-Industries	2852	11.13	13.18	84
15	62-Power	6801	58.17	58.17	100
16	69-Scientific Services and Research	3425	15.80	18.94	83
17	Public Debt and Servicing of Debt Appropriation	6004	107.04	113.88	94
18	63-Water Resources	4711	108.65	182.15	60
19	77-Hill Areas Department (NCHAC)	4059	27.20	27.20	100
20	77-Hill Areas Department (NCHAC)	4210	31.94	31.94	100

Appendix-2.13
(Reference to Paragraph 2.4.1; Page-40)
Pending DC bills for the years up to 2008-09

(Rupees in crore)

SI No.	Department	Amount
1	Home Department	339.73
2	General Administration Department	149.49
3	Health Department	123.49
4	Planning and Development Department	13.70
5	Judicial Department	4.96
6	Director of Accounts and Treasuries	8.89
7	Industries Department	12.82
8	Labour and Employment Department	2.27
9	Welfare Department	29.44
10	Veterinary Department	0.52
11	Secretariat Department	23.30
12	Education Department	53.89
13	Town and Country Planning Department	2.52
14	Transport Department	1.55
15	Land Records and Survey Department	0.05
16	Fisheries Department	2.49
17	Cultural Affairs Department	3.45
Total:		772.56

Appendix-3.1
(Reference to Paragraph 3.1; Page-45)
Utilisation Certificates outstanding as on 31 March 2009

(Rupees in crore)

SI No.	Department	Year of payment of Grant	Total Grants paid		Utilisation Certificates			
					Received		Outstanding	
			Number	Amount	Number	Amount	Number	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	Education	1993-94	2	0.06	-	-	2	0.06
		1994-95	8	0.34	-	-	8	0.34
		1995-96	4	0.45	-	-	4	0.45
		1996-97	5080	7.64	-	-	5080	7.64
		1997-98	849	1.23	-	-	849	1.23
		1998-99	50	0.68	-	-	50	0.68
		1999-2000	123	1.23	-	-	123	1.23
		2000-01	16	0.72	-	-	16	0.72
		2001-02	18	2.42	-	-	18	2.42
		2004-05	53	26.22	-	-	53	26.22
		2005-06	27	23.11	-	-	27	23.11
		2006-07	2	1.13	-	-	2	1.13
2007-08	80	149.39	-	-	80	149.39		
2008-09	557	22.11	-	-	557	22.11		
2	Cultural Affairs	1995-96	1	0.09	-	0.06	1	0.03
		2002-03	4	0.30	2	0.01	2	0.29
		2003-04	1	0.30	-	0.23	1	0.07
		2004-05	5	2.40	-	-	5	2.40
		2008-09	25	6.61	-	-	25	6.61
3	Sports and Youth Welfare	2005-06	9	1.89	-	-	9	1.89
		2007-08	4	4.69	-	-	4	4.69
		2008-09	12	2.79	-	-	12	2.79
4	Soil Conservation	1998-99	5	1.20	-	0.12	5	1.08
		2003-04	14	1.07	-	-	14	1.07
5	AH and Vety.	1998-99	3	0.27			3	0.27
		2001-02	2	0.55			2	0.55
		2002-03	2	1.05			2	1.05
		2004-05	1	0.53			1	0.53
		2005-06	1	0.60			1	0.60
		2007-08	1	0.06			1	0.06
		2008-09	2	0.77	-	-	2	0.77

6	Tourism	1993-94	3	0.94			3	0.94
		2000-01	2	1.60			2	1.60
		2001-02	1	3.96			1	3.96
		2004-05	1	0.50			1	0.50
		2005-06	1	0.34			1	0.34
		2006-07	1	18.26			1	18.26
		2007-08	1	15.55			1	15.55
		2008-09	11	10.81	-	-	11	10.81
7	Social Welfare	1998-99	1	0.35			1	0.35
		1999-2000	2	0.50			2	0.50
		2002-03	1	0.24			1	0.24
		2003-04	1	0.20			1	0.20
		2004-05	1	0.20			1	0.20
		2007-08	8	193.22			8	193.22
		2008-09	98	110.37	-	-	98	110.37
		8	State Lotteries	1998-99	474	12.36	230	4.64
2000-01	1			0.01	-	--	1	0.01
9	Industries	1997-98	28	17.16			28	17.16
		2002-03	15	10.02			15	10.02
		2004-05	12	53.81			12	53.81
		2008-09	17	10.76	-	-	17	10.76
10	Municipal Administration	1999-2000	23	7.60	10	0.54	13	7.06
		2003-04	23	14.23	13	7.68	10	6.55
		2004-05	79	8.73	13	0.63	66	8.10
		2005-06	96	5.50	-	1.18	96	4.32
		2006-07	434	52.13	-	-	434	52.13
		2007-08	355	102.17	5	48.73	350	53.44
		2008-09	3	4.33	-	-	3	4.33
11	Assam Civil Secretariat	2004-05	7	0.14			7	0.14
		2005-06	6	1.61			6	1.61
		2006-07	6	42.71			6	42.71
		2008-09	114	127.93	-	-	114	127.93
12	Assembly Secretariat	2008-09	13	0.19	-	-	13	0.19
13	Agriculture	2008-09	21	32.90	-	-	21	32.90
14	Co-operation	2008-09	3	0.28	-	-	3	0.28
15	Dairy Development	2008-09	2	0.29	-	-	2	0.29
16	Finance Taxation	2008-09	47	18.04	-	-	47	18.04
17	Fisheries	2008-09	8	15.85	-	-	8	15.85

18	Health and Family Welfare	2008-09	202	159.57	-	-	202	159.57
19	Hill Areas	2008-09	41	21.24	-	-	41	21.24
20	P and Rural Development	2008-09	20	259.30	-	-	20	259.30
21	Science, Techonology and Environment	2008-09	23	12.72	-	-	23	12.72
Grand Total			9167	1610.51	273	63.82	8894	1546.69

Appendix-3.2

(Reference to Paragraph 3.2 ; Page-46)

Statement showing names of bodies and authorities, the accounts of which had not been received

SI No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
Department Science and Technology			
1	Centre for Plasma Physics, Sonapur, Guwahati	2006-07 2007-08	Not furnished
2	Assam State Social Welfare Board	2007-08	Not furnished
Department Agriculture and allied services			
3	Assam State Agricultural Marketing Board, Guwahati—7	2005-06 to 2007-08	Not furnished
4	Assam State Seed Certification Agency, Ghy-7	2004-05 to 2007-08	Not furnished
Department Welfare of SCs, STs and BCs			
5	Assam Tribal Development Authority, Guwahati-6	2006-07 to 2007-08	Not furnished
Department Urban Development			
6	Assam State Housing Board	2003-04 to 2007-08	Not furnished
Department Health and Family Welfare			
7	Dr. B Baruah Cancer Institute, Guwahati—16	2006-07 to 2007-08	Not furnished
Department Cultural Affairs			
8	Srimanta Shankardeva Kalakashetra, Guwahati—37	2006-07 2007-08	Not furnished
Department Handloom and Textile			
9	ARTFED, Guwahati—1	2006-07 2007-08	Not furnished
Department Education			
10	Gauhati University, Guwahati	2006-07 2007-08	Not furnished
Department Rural Development			
11	Project Director, DRDA, Bongaigaon	2007-08	Not furnished
12	Project Director, DRDA, Silchar	2007-08	Not furnished
13	Project Director, DRDA, Dibrugarh	2007-08	Not furnished
14	Project Director, DRDA, Dhubri	2006-07 2007-08	Not furnished
15	Project Director, DRDA, Dhemaji	2007-08	Not furnished
16	Project Director, DRDA, Goalpara	2006-07 2007-08	Not furnished
17	Project Director, DRDA, Golaghat	2007-08	Not furnished
18	Project Director, DRDA, Hailakandi	2007-08	Not furnished
19	Project Director, DRDA, N.C Hills, Haflong	2005-06 to 2007-08	Not furnished
20	Project Director, DRDA, Kokrajhar	2007-08	Not furnished
21	Project Director, DRDA, Karimganj	2007-08	Not furnished
22	Project Director, DRDA, Karbi Anglong	2007-08	Not furnished
23	Project Director, DRDA, Nalbari	2007-08	Not furnished

SI No.	Name of the body/authority	Year for which accounts had not been received	Grants received (Rupees in lakh)
24	Project Director, DRDA, North Lakhimpur	2006-07 2007-08	Not furnished
25	Project Director, DRDA, Sivasagar	2006-07 2007-08	Not furnished
26	Project Director, DRDA, Tinsukia	2006-07 2007-08	Not furnished
27	Project Director, DRDA, Kamrup	2007-08	Not furnished

Appendix-3.3

(Reference to Paragraph 3.3; Page-47)

Statement showing performance of the autonomous bodies

Sl No.	Name of body	Period of entrustment	Year up to which accounts were rendered	Period up to which Separate Audit Report is issued	Placement of SAR in the Legislature	Delay in submission of accounts	Period of delay as of September 2009
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Guwahati Metropolitan Development Authority	Up to 2011-12	2003-04	2003-04	1996-97 July 2009	2003-04-Dec 2005 2004-05 to 2007-08	One year six months Not furnished
2	Assam Agricultural University, Jorhat	Up to 2011-12	2007-08	2007-08	1999-2000 March 2004	2007-08 –May 2009	11 months
3	Assam Khadi and Village Ind. Board, Guwahati	Up to 2010-11.	1998-99	1998-99	N.A	1998-99-July 2005 1999-2000 to 2007-08	Six year one month Not furnished
4	Assam Agricultural Competitiveness Project, Guwahati	Up to 2007-08	2005-06	2005-06	2004-05 July 2008	2005-06-April 08 2006-07 and 2007-08	One year ten months Not furnished
5	Assam Women Rights Commission	Under Section 19 (2)	2006-07	2006-07	2001-02 Nov 2005	2006-07-Oct 2008 2007-08	One year four months Not furnished
6	Assam State Legal Service Authority, Guwahati	Under Section 19 (2)	2007-08	2007-08	N.A	2007-08-Jan 2009	Six months
Sixth Schedule Area							
7	North Cachar Hills Autonomous Council	Sixth Schedule	2005-06	2005-06	2001-02 Nov 2005	2005-06-July 2007 2006-07 and 2007-08	One year one month Not furnished
8	Karbi Anglong Autonomous Council	Sixth Schedule	2004-05	2004-05	1998-99 March 2003	2004-05-Dec 2006 2005-06 to 2007-08	One year six months Not furnished
9	Bodoland Territorial Council	Sixth Schedule	Accounts not furnished since 2003-04	Accounts not furnished since 2003-04	--	--	--

Appendix-3.4

(Reference to Paragraph 3.4; Page-47)

Department-wise/duration-wise breakup of the cases of misappropriation, defalcation, etc,
(Cases where final action was pending at the end of 31 March 2009)

(Amount Rupees in crore)

Sl No.	Name of the Department	Up to 5 years		5 to 10 years		10 to 15 years		15 to 20 years		20 to 25 years		25 years and above		Total no of cases	
		N	A	N	A	N	A	N	A	N	A	N	A	N	A
1	A.H & Vety.	1	1.38											1	1.38
2	Co-operation	5	357.73	9	12601.41	2	3.89							16	12963.03
3	Education	2	348.22											2	348.22
4	Fisheries	4	5.84											4	5.84
5	Food and Civil Supplies	2	14.04	1	4.02									3	18.06
6	Handloom and Textiles	4	14.17											4	14.17
7	Home	1	2276.00											1	2276.00
8	Legal	1	0.28											1	0.28
9	Revenue	--	--	1	3.60	1	7.20							2	10.80
10	Sericulture	4	5.01			1	0.27							5	5.28
11	Social Welfare	1	0.60											1	0.60
12	T and C Planning	-	--	1	2.30									1	2.30
Total		25	3023.27	12	12611.33	4	11.36							41	15645.96

Appendix-3.5

(Reference to Paragraph 3.4; Page-47)

Department/category-wise details in respect of cases of loss to Government due to theft, misappropriation/loss of Government material

Name of the Department	Theft Cases		Misappropriation/Losses of Government material		Total	
	No. of cases	Amount (Rs. In lakh)	No. of cases	Amount (Rs. In lakh)	No. of cases	Amount (Rs. In lakh)
A.H and Vety.			1	1.38	1	1.38
Co-operation			16	12963.03	16	12963.03
Education			2	348.22	2	348.22
Fisheries			4	5.84	4	5.84
Food and Civil Supplies	1	4.02	2	14.04	3	18.06
Handloom and Textiles	1	6.96	3	7.21	4	14.17
Home			1	2276.00	1	2276.00
Legal Metrology			1	0.28	1	0.28
Revenue			2	10.80	2	10.80
Sericulture			5	5.28	5	5.28
Social Welfare			1	0.60	1	0.60
T and C Planning			1	2.30	1	2.30
Total	2	10.98	39	15634.98	41	15645.96

GLOSSARY

Glossary of Abbreviations

AC	Abstract Contingent
AE	Aggregate Expenditure
AFRBM	Assam Fiscal Responsibility and Budget Management
AIBP	Accelerated Irrigation Benefits Programme
ARWSP	Accelerated Rural Water Supply Programme
ASEB	Assam State Electricity Board
ASHB	Assam State Housing Board
BCR	Balance from Current Revenue
BE	Budget Estimate
CE	Capital Expenditure
CO	Controlling Officer
DCC	Detailed Countersigned Contingent
DE	Development Expenditure
DRDA	District Rural Development Agency
ES	Economic Services
FCP	Fiscal Correction Path
FD	Fiscal Deficit
FRBM	Fiscal Responsibility and Budget Management
FYFP	Five Year Fiscal Plan
FYPS	Five Year Policy Statement
GOI	Government Of India
GSDP	Gross State Domestic Product
IAY	Indira Awas Yojana
IWDP	Integrated Waste Development Programme
MDM	Mid-day Meal
MPLADs	Member of Parliament Local Area Development schemes
NPDCS	National Programme for prevention and control of Diabetes, Cardio-vascular disease and Stroke
NPRE	Non-Plan Revenue Expenditure
NREGS	National Rural Employment Guarantee Scheme
NRHM	National Rural Health Mission
NSSF	National Small Savings Fund
O&M	Operation and Maintenance
PAC	Public Accounts Committee
PD	Primary Deficit
PLA	Personal Ledger Accounts
PRE	Plan Revenue Expenditure
RE	Revenue Expenditure
RD	Revenue Deficit
RR	Revenue Receipts
SAR	Separate Audit Report
SO	Subsidiary Order
S&W	Salaries and Wages

Audit Report (State Finances) for the year ended 31 March 2009

SE	Social Expenditure
SGRY	Sampoorna Grameen Rozgar Yojana
SGSY	Swarnajayanti Gram Swarozgar Yojana
SSA	Sarva Siksha Abhiyan
SSE	Social Sector Expenditure
TE	Total Expenditure
TFC	Twelfth Finance Commission
UC	Utilisation Certificate